

JOINT MEDIA RELEASE

ESF and ASR welcome the launch of the EU-Australia trade negotiations

On the occasion of the travel of EU Trade Commissioner Cecilia Malmström to Australia on 19 June 2018, the European Services Forum (ESF) and the Australian Services Roundtable (ASR) welcome the launch of the EU-Australia Free Trade Agreement (FTA) negotiations.

Beyond the headlines on agriculture and commodities trade, ESF and ASR would like to remind the negotiators that trade in services has a bigger share of two-way trade than any other sector. For both partners, services make up over 1/3 of total trade.

The two trading partners already have deep services business links. Services imports from Australia to the EU were US\$ 9.8 billion while services exports from the EU to Australia amounted to US\$ 22.2 billion in 2016. That year, the EU was Australia's top two-way services trade partner for the 16th year in a row.

“For Australia, the services intensity of exports to the EU is especially high - higher than for any other trading partner with which Australia has negotiated an FTA. Services represent over 40% of Australia’s total exports to the EU” said ASR Chairwoman Jane Drake-Brockman.

Services also dominate affiliate business activity in each-others’ markets. There are twice as many EU affiliates in the services sector in Australia (2000) than in the mining or manufacturing sector. The Foreign Direct Investment (FDI) brought by Australian affiliates in the EU is similarly focused in services industries. Services-related issues will be crucial components of the final agreement.

Personal travel (tourism) is particularly important with roughly 1.5 million personal travellers each way in 2016. Education and transport services are also important. Other knowledge intensive activities such as financial services, computer services, professional and technical services are significant and growing components of bilateral trade.

ESF and ASR call upon the negotiators to ensure an ambitious agreement that will provide new opportunities to service businesses, including SMEs and digitally-enabled businesses. Beyond market access, including through public procurement, the FTA should deliver strong disciplines in a number of areas including cross border data flows, and intensified regulatory cooperation across various services sectors including professional services.

These negotiations between two like-minded developed economy partners are a unique and timely opportunity to show global leadership in strengthening the rule of law in international relations, with strong commitments to market openness and regulatory cooperation. “This agreement should become the new benchmark deal for trade in services” said Noel Clehane, ESF Chairman.

***About the ESF:** The European Services Forum is a European private sector grouping that represents the interests of the European services industry in international trade and investment negotiations in services. It comprises major European service businesses and European service sector federations from all services sectors.*

***About the ASR:** The Australian Services Roundtable is the peak business voice for Australia’s services industries, focussed on Australian services competitiveness, international business and trade performance.*

Brussels

15 June 2018

Sydney

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