**UK Australia FTA A&Q**

**Benefits**

***What are the benefits of a free trade agreement with Australia?***

* **This deal will remove tariffs on all UK exports to Australia, saving UK businesses millions of pounds and support jobs across the UK.** This will lead to boosting of exports on whisky, gin, biscuits, cars (all previously 5 per cent tariffs), cheeses (some of which had up to 21 per cent tariffs), apparel and ceramics (previously up to 5 per cent tariffs) and will bring huge benefits the UK’s agrifood, automotive, and manufacturing sectors.
* **The UKs world leading services industry will benefit from better access through digital and services provisions in this deal.** Alongside the new investment provisions these new arrangements will bring new opportunities to the whole of the UK.
* **New procurement opportunities with Australia will give UK businesses more access to the Australian market.** Alongside enhanced business mobility provisions will mean it’s even easier to travel to Australia to do business.

***Will this deal deliver for the Union?***

* **Yes – this deal will deliver for the whole Union.** The government’s scoping assessment carried out before negotiations began found that Wales, Scotland and all English regions benefit in all modelled scenarios.
* **Scotland**
* Scotland’s thriving financial service providers will benefit from better access through digital and services provisions in this deal, alongside the new investment provisions which will bring new opportunities to Scotland.
* Tariffs on iconic goods like Scotch Whisky will be removed and with simplified customs procedures this will help boost Scottish exports.
* **Wales**
* Wales’ foods and drinks producers will benefit from the removal of tariffs and non-tariff barriers and access to welcome sustainability provisions.
* Manufacturers will benefit from new procurement opportunities and with enhanced business mobility provisions will mean it’s even easier to travel to Australia to do business.
* **Northern Ireland**
* More than 80 per cent of all exports from Northern Ireland are machinery and manufacturing based goods – many of which are used extensively in Australia’s mining, quarrying and recycling sectors. Thanks to this new FTA these exports will have their tariffs removed and with simplified customs procedures this will help boost Northern Irish exports.
* Manufacturers will benefit from new procurement opportunities and with enhanced business mobility provisions will mean it’s even easier to travel to Australia to do business.

**Agriculture**

***Is this deal precedent setting?***

* **No – no single deal sets a blueprint for future deals.** All trade deals are bespoke and different and are tailored to the relationships and markets of the countries involved - there is no one size fits all.

***Will this deal undercut British farmers?***

* **No – The deal will not undercut UK farmers or compromise our high standards.** Internal Whitehall analysis shows little to no impact once projected productivity improvements are taken into account. Any changes for sensitive goods such as beef and lamb can be staged - with 10-15 years being the norm for FTAs with Australia.

***What benefits will this deal bring British framers?***

* **This deal is a gateway to joining CPTPP.**Joining this high-standards free trade agreement of 11 Pacific nations which will mean lower tariffs for British exports to those markets.
* **Our new trade deals will bring new export opportunities to British farmers.** The UK produces highly sought after high-quality premium cuts - our new FTAs will create new export opportunities for British farming.
* **Global demand for beef and lamb is soaring.** Meat consumption is projected to rise nearly 73 percent by 2050.
* **There is growing demand for British meat in Asia-Pacific markets.** Demand for beef and lamb is increasing in the Asian market, while demand in European markets is falling.

***How is this deal different to the one we currently have with the EU?***

* **Tariff liberalisation with Australia will be staged** – meaning that it will be 10-15 years before we have the same zero tariff and zero quota arrangements we currently have with the EU – a market, which is only 31 miles from the UK, while Australia is nearly 9,500 miles away.

***Will this deal allow hormone fed beef into the UK?***

* **No – Hormone-fed beef is banned in the UK and will not be allowed to enter the UK market – this won’t change under any FTA.** Compromising on the high food standards we enjoy in the UK is red line in our trade negotiations - we will never allow it.

***Will an FTA put the UK’s high food standards at risk?***

* **No – maintaining our high food standards is a red line in our trade negotiations.** Australia has some of the highest animal welfare standards in the world.
* **Aussie animal welfare standards are high and similar to ours.** Australia is marked 5 out of 5 (the highest possible) by the World Organisation of Animal Health (OIE).
* **Australian standards are higher than those in the EU.** Both practices of castration of chickens and production of foie gras are banned in Australia on welfare grounds but continue to be permitted in the EU.

***Will this deal lead to Australian meat flooding the market?***

* **No – Meat imports from Australia account for only a tiny fraction of our overall meat imports – around one per cent.** Just 0.15 per cent of all Australian beef exports go to the UK – and Australia aren’t using all of their tariff-free quota for lamb that they have already. Meaning they could already be exporting more lamb tariff-free, but choose not to.
* **Australian export opportunities to the UK are likely to be limited**. We are more likely to see prime steak for restaurants, rather than cheap imports flooding supermarket shelves.
* **Australian imports of beef would likely displace current imports from the EU, not British produce.** Australian beef imports are highly likely to displace imports from the EU. Imports from the EU account for the majority of beef imports into the UK with 237,928 tonnes imported in 2020 making up 98 per cent of total beef imports into the UK that year.
* **Australian beef and lamb is already committed to the rapidly growing Asia-Pacific markets.**Around 75 per cent of Australian beef exports, and 70 per cent sheep meat are imported to Asia-Pacific markets, where the costs of beef production can be twice as high than the UK in some markets. The prospect of substantive Australian imports of beef and sheep meat is very low.
* **Brits buy British.** There are strong ‘Buy British’ trends in the UK and strong support for British farmers – 81 per cent of beef sold in the UK is under the British logo, with Aldi, Budgens, the Co-op, Lidl, M&S, Morrisons and Waitrose all using 100 per cent British beef.