



# Free Trade Agreement between Australia and the Republic of Peru (Peru FTA)

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## Submission to the Joint Standing Committee on Treaties April 20, 2018

The Australian Chamber welcomes the Government efforts to liberalise trade to the benefit of the Australian economy.

The Peru – Australia Free Trade Agreement (PAFTA) cements gains achieved in the negotiations of the TPP (11 and 12). This was achieved in record time following the announcement of the US withdrawal from the TPP12 as negotiations were able to use a “model” agreement. This reinforces calls the Australian Chamber has made in the past for the Government to create a precedent “model” agreement to support all future negotiations.

While the PAFTA locks in gains, very similar terms are also available through the TPP11 and presumably are under negotiation for the Pacific Alliance Agreement also involving Peru. It is likely that within a short period of time we will have three, if not four agreements involving Peru. This is the “noodle bowl” of increasing complexity that we highlight so often. Business wants government to simplify, not complicate, the rules and compliance requirements governing trade.

As there is some uncertainty that the TPP11 will enter into force in the near term, the Australian Government should attempt to lock in hard won gains where they are available. This is the situation with the PAFTA.

However, should the PAFTA enter into force and then be followed by the TPP11 (or TPP12), it would be wise to withdraw the PAFTA as a condition of entry into force of TPP11 (or TPP12).

We would be delighted to address the committee on these points.

For further follow up please contact:

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