



Report of the 7th round of negotiations for a Free Trade Agreement between the European Union and Australia

4 – 15 May 2020 (per video-conference)

Officials from the European Commission and Australia held the 7th round of Free Trade Agreement (FTA) negotiations between the European Union and Australia from 4-15 May 2020 by a series of video-conferences. The EU negotiating team was led by Ms Helena König, Chief Negotiator and Deputy Director General for Trade of the European Commission, while the Australian team was led by Ms Alison Burrows, Chief Negotiator and First Assistant Secretary at the Australian Department of Foreign Affairs and Trade.

Discussions were held in a good and constructive atmosphere and showed a shared commitment to negotiate an ambitious and comprehensive agreement. In a slightly reduced format due to the virtual organisation of the round, 23 working groups and sub-groups met covering most of the areas of the future FTA. Negotiators discussed the textual proposals that had been submitted for the different chapters, and their respective comments. They clarified the underlying concepts and practices, the linkage with international agreements where relevant, and the involvement of different levels of government. Where possible, negotiators agreed in principle on text parts that were agreeable to both sides. A number of follow-up actions were decided ahead of the 8th negotiation round which is provisionally scheduled for September 2020.

Details per negotiating area

Trade in Goods: The two sides further discussed and explained details of the market access offers for goods that were exchanged in October last year, and the open provisions of the consolidated text as regards fees and formalities, national treatment, customs valuation, remanufactured goods, and non-tariff measures.

Rules of Origin: Both sides discussed general provisions on rules of origin, origin procedures and product specific rules for some sectors. On general provisions and origin procedures, further progress was made and differences in approaches were further narrowed down. On product specific rules, both sides have discussed in detail the respective proposals on certain sectors and provisionally agreed on the product specific rules for a few products.

Customs and Trade Facilitation: Both sides discussed all articles in the chapter in a constructive manner. Good progress continued to be made, most notably in relation to the articles on relations with the business community and on temporary admission, which were provisionally agreed.

Trade Remedies: The two sides discussed the remaining outstanding issues. Further progress was made regarding the WTO trade defence instruments (anti-dumping, anti-subsidy and global safeguards) and regarding the procedural aspects of the bilateral safeguard clause. Other elements, such as the conditions required to take safeguard measures remain linked to the developments in the market access discussions.

Technical Barriers to Trade (TBT): Both sides focussed in particular on conformity assessment, including the update of the existing Mutual Recognition Agreement. The EU side further explained its recent proposal on cooperation on market surveillance and safety of non-food products. Articles on technical regulations, international standards, transparency and marking and labelling were also discussed.

Services and Investment: A full round of comprehensive discussions on services and investment took place. Texts in most areas are now very close to being provisionally agreed, however finding mutually acceptable compromises for the remaining few issues will nonetheless take more time. Following the initial exchange of offers during the previous round, an extensive question and answer session took place. Australia and the EU thus remain on track to achieve a highly ambitious and comprehensive outcome on services and investment.

Digital Trade: Both sides discussed the provisions of the Digital Trade Chapter in detail. The following provisions were provisionally agreed: e-authentication, e-signature and e-documents, paperless trading and unsolicited direct marketing communications. Substantial progress was made and clear pathways forward were developed on a number of other provisions.

Public Procurement: Both sides discussed open text issues. They further exchanged views on their respective requests and offers, and on reciprocity. Australia informed the EU on the progress of internal consultations with States and Territories on market access.

Intellectual Property Rights (IPR): Discussions covered six main sections of the IPR Chapter, including general provisions, copyright and related rights, trademarks, patents, IPR enforcement, including border measures, and geographical indications. Both sides engaged constructively in discussions based on a consolidated text, which allowed for some further progress in a number of areas.

Geographical indications (GIs): Discussions mainly focused on the opposition grounds to the protection of a number of EU GI names, based on files prepared by Australia.

Competition and Subsidies: Both sides discussed the two sections of the Competition chapter and good progress was made. On the section covering Anticompetitive Conduct and Mergers Control the two sides further clarified and exchanged views on the provisions and the most recent text proposals. On the section of the chapter covering Subsidies, the discussion focused on the most recent text attributions. Both sides continued to agree provisionally on some text parts.

State-Owned Enterprises: Both sides resumed the discussion on the chapter on the basis of the text as provisionally agreed in the previous round and the recent text attributions from both sides. Discussions were constructive and good progress was made. Both sides agreed to continue work inter-sessionally.

Trade and Sustainable Development (TSD): Both sides continued discussions based on the EU Chapter text proposal and Australia's attributions and proposals to it. Discussions covered a number of sections of the TSD Chapter, including general provisions and definitions, as well as provisions on trade and: labour, climate change, wildlife conservation and biodiversity, transparency, and scientific and technical information. Both sides discussed the respective provisions, comments and attributions. A number of follow up actions in relation to various TSD provisions were agreed. Both sides updated each other on the impact of COVID19 on the TSD-related policies. The EU side updated on implementation of its European Green Deal communication of 11 December 2019 and reiterated the importance of ratification of all 8 fundamental ILO Conventions, as well as the importance of the TSD commitment to effective implementation of the Paris Agreement by both Parties.

Energy and raw materials: Australia presented the state of internal reflections in light of the follow up actions agreed at the previous round. The EU and Australia further explored potential areas of mutual interest, providing updates on relevant policy developments on each side.

Dispute Settlement and Mediation: Both sides continued detailed and constructive discussions on the Dispute Settlement Chapter, and its two Annexes (Rules of Procedure and Code of Conduct). Both sides reached agreement on the objectives for the Chapter, which include transparent, efficient and effective dispute settlement procedures. They also agreed in principle on many areas relating to the concrete operation of the dispute settlement mechanism but certain areas remain outstanding. Both sides agreed on next steps to prepare for Round 8.