

Launch of Peru-Australia Free Trade Agreement

24 May 2017

Today I announce the launch of the Peru-Australia Free Trade Agreement (PAFTA) negotiations with Peru's Minister for Foreign Trade and Tourism, Eduardo Ferreyros.

The Turnbull Government is seeking a high quality, comprehensive Free Trade Agreement (FTA) with Peru to open new markets for Australian exporters that will create more Australian jobs.

Peru presents a growing opportunity for Australian exporters that this FTA will help unlock. Over the last decade, Peru has been one of the fastest growing economies in Latin America, and the world, with annual GDP growth averaging 5.9 per cent (2005-2015).

Many of Australia's exports to Peru are blocked by high tariffs that this FTA will seek to eliminate. Australian dairy and sugar exports currently attract tariffs of up to 29 per cent, beef exports face tariffs of up to 17 per cent, and sheep meat, wheat, rice and wine also face tariff barriers. The United States, the European Union and Canada all have FTAs that give them preferential access to Peru. PAFTA will help Australian farmers compete and break into this growing market.

Australia's services exporters could also benefit from an FTA as Peru is increasingly looking offshore for specialised services. Australian expertise in key growth sectors such as mining, finance, education, health and tourism, are well suited to meet this demand. I will be working to ensure Australian services providers have access to the market on the best possible terms

An FTA with Peru would be another gateway to Latin America, strengthening our economic relationship with the region and enabling Australian business to tap into value chains between the Americas and Asia. In 2015-16, two-way trade with Peru was worth \$504 million, up 19.4 per cent from the previous year.

The first round of negotiations will be held in Lima in July. Australia and Peru have experience negotiating so we hope an agreement will be concluded quickly.

During negotiations, I invite stakeholders to provide their views on the specific impediments to trade and investment that PAFTA could address. Further information on how to make a submission is available at www.dfat.gov.au/pafta