

Friday 18 December 2015

Statement from Alex Malley, chief executive of CPA Australia on the China-Australia Free Trade Agreement entering into force

The Free Trade Agreement with China – Australia's largest and most important trading partner – sends a clear message that Australia is indeed open for business in the Asian Century.

Quite rightly, there will be much back-slapping in Canberra celebrating the official commencement of the Agreement on 20 December 2015. This new flagship trade pact is Australia's most important bilateral Free Trade Agreement and will create significant opportunities for businesses in both countries.

Make no bones about it – the deal with China is overwhelmingly in our national interest, and not just because goods will be cheaper once tariffs are removed. This Agreement is about jobs and nothing less than our future prosperity.

The fact is that two-way trade between our countries is already valued at over \$150 billion and removing or reducing tariff and non-tariff barriers will help Australian businesses, including our services sector, better compete for business.

China's middle class is expected to expand by 400 million people, or more than 17 new Australias, over the decade to 2022. Even if the estimates are out by 50 per cent, there will still be millions of new middle class consumers – and an agreement to facilitate preferential access for Australian companies.

China's growth has fuelled Australia's prosperity. Its transition to domestic consumption is creating monumental new opportunities. If our country is to remain relevant as the Asian Century evolves, and if we're committed to providing job opportunities for our kids, then we must ourselves transition to meet the evolving needs of that market.

In China, the view on the Agreement is positive. New survey data from CPA Australia shows over 16 per cent of business professionals in China expect the Agreement will encourage their employer to increase their trading activity in Australia and eight per cent expect it will lead their employer to increase their investment in Australia.

As a nation of 23 million people on the periphery of Asia, this deal is the classic no-brainer. Agreements like this are vital to unlocking the potential of many Australian businesses, increasing our competitiveness, securing our place in the Asian Century, and most importantly, creating jobs for the future.

-ENDS-

Media contact: Gavan Ord +61 419 547 782 or Gavan.Ord@cpaaustralia.com.au