

MEDIA RELEASE

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Australia-China free trade agreement to sustain resources growth

TODAY'S SIGNING of an Australia-China free trade agreement will strengthen our bilateral engagement and provide further momentum for the resource industry to drive the Australian economy, create jobs and improve living standards, says national resource employer group AMMA.

"AMMA congratulates the Australian Government on reaching this historic free trade agreement with China, which is already Australia's largest trading partner," says chief executive Steve Knott.

"Our resource industry accounted for \$84 billion worth of exports to China in 2013. That's about 80% of Australia's exports to China and an incredible 26% of total annual exports.

"This agreement marks an important new chapter in our relationship with the world's second largest economy and will create further opportunities for the resource industry, other sectors of our economy and the wider Australian community.

"Bringing our economies even closer together will encourage further investment and interest in Australia's commodities. This has the potential to deliver direct and indirect economic and employment benefits for Australians for decades."

To be signed by Australian Prime Minister Tony Abbott and Chinese President Xi Jinping this afternoon in Canberra, the agreement will contain measures to provide a tangible boost to the national resource industry including abolishing or phasing out tariffs on a range of export commodities including coal, copper and aluminium.

"China is playing a leading role in the growth of Australian commodity exports as our resource industry transitions from a heavy investment phase to a strong production era," Mr Knott says.

"This bilateral agreement will also benefit China through the establishment of the Shanghai free-trade zone, and the reduction or removal of tariffs and regulatory barriers to services, which will encourage the spread of Australian innovations and open up significant new opportunities."

Mr Knott notes the Australian Government has successfully finalised three bilateral trade agreements with major Asia Pacific trading partners in 2014, 'setting a sound foundation for our future economic, employment and social growth'.

"With the China FTA following similar agreements with Japan and Korea, Trade Minister Andrew Robb has effectively delivered a trifecta of strengthened economic relationships with our nation's most important trade partners," he says.

"The Minister should be commended for overcoming difficulties experienced by his predecessors in delivering such positive outcomes for our economy and our community. Today's agreement should enjoy the support of all sides of politics.

"Ultimately, this deal will serve to strengthen the economies of both nations as they pursue long-term growth and prosperity."

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