



**Growing together:**  
a modern and inclusive upgrade to  
the **ASEAN-Australia-New Zealand**  
**Free Trade Area Agreement**  
Key outcomes for members and businesses

# An upgrade which expands opportunities for businesses across our region

The upgraded ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Agreement (the upgrade) is an important new milestone in the region's economic integration and unlocks a range of new outcomes to ensure it meets today's needs of businesses.

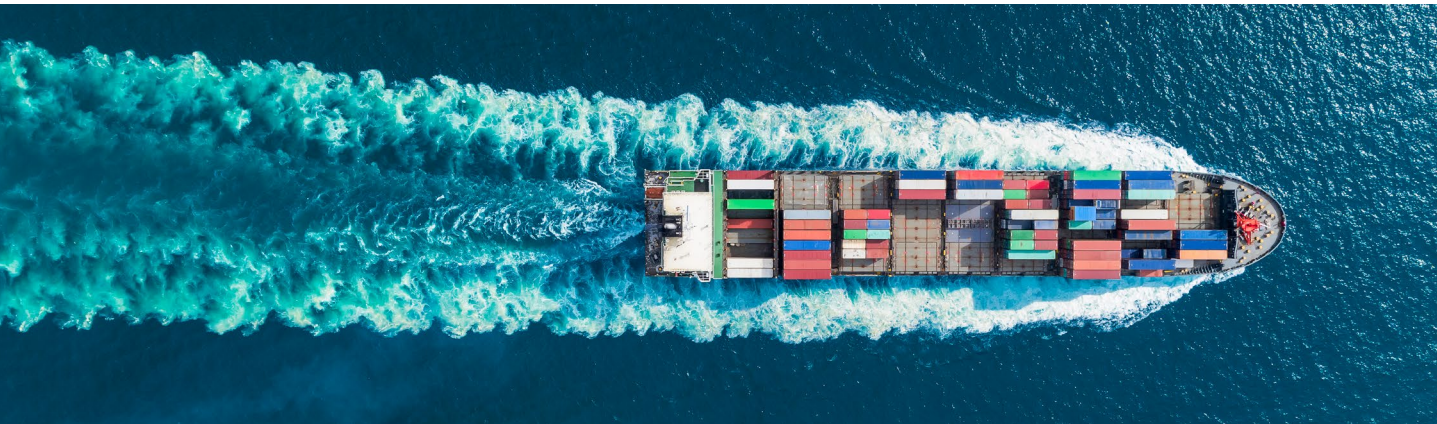
At a time of growing economic uncertainty and rapid technological change, the upgrade promotes an open, stable, and predictable environment which improves the confidence and ease of doing business for traders in the region by maximizing their pathways for growth. It does this through provisions which harnesses the natural advantages of the Parties' geographic proximity and economic complementarity as well as their established traditions of dialogue and cooperation.

It is ASEAN's first upgraded trade agreement with dialogue partners (Australia and New Zealand), and builds on the strong foundations of the original landmark AANZFTA with new and enhanced chapters and provisions to:

- modernize and simplify trade at and beyond the border;
- address new and emerging barriers to minimize friction; and
- introduce new provisions to promote sustainable and inclusive economic development

In many areas the upgrade contains the Parties' most ambitious trade commitments, going beyond other bilateral and regional agreements, meaning that the AANZFTA continues to remain high-quality, responsive to emerging challenges, a catalyst for innovation and an asset for importers and exporters.

## The AANZFTA in Numbers:



Source (2009 population and GDP)

Source (2009 ASEAN-NZ two-way trade)

Source (2009 ASEAN-AU two-way trade)

Source (2021 ASEAN-AU two-way trade)

Source (2021 ASEAN-NZ two-way trade)

Source (2022 GDP, Population)

Joint Media Statement on the Signing of the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area Cha-am, Thailand, 27 February 2009 - ASEAN Main Portal

Global New Zealand International Trade, Investment and Travel Profile: Year ended June 2009

DFAT Trade at a Glance 2010

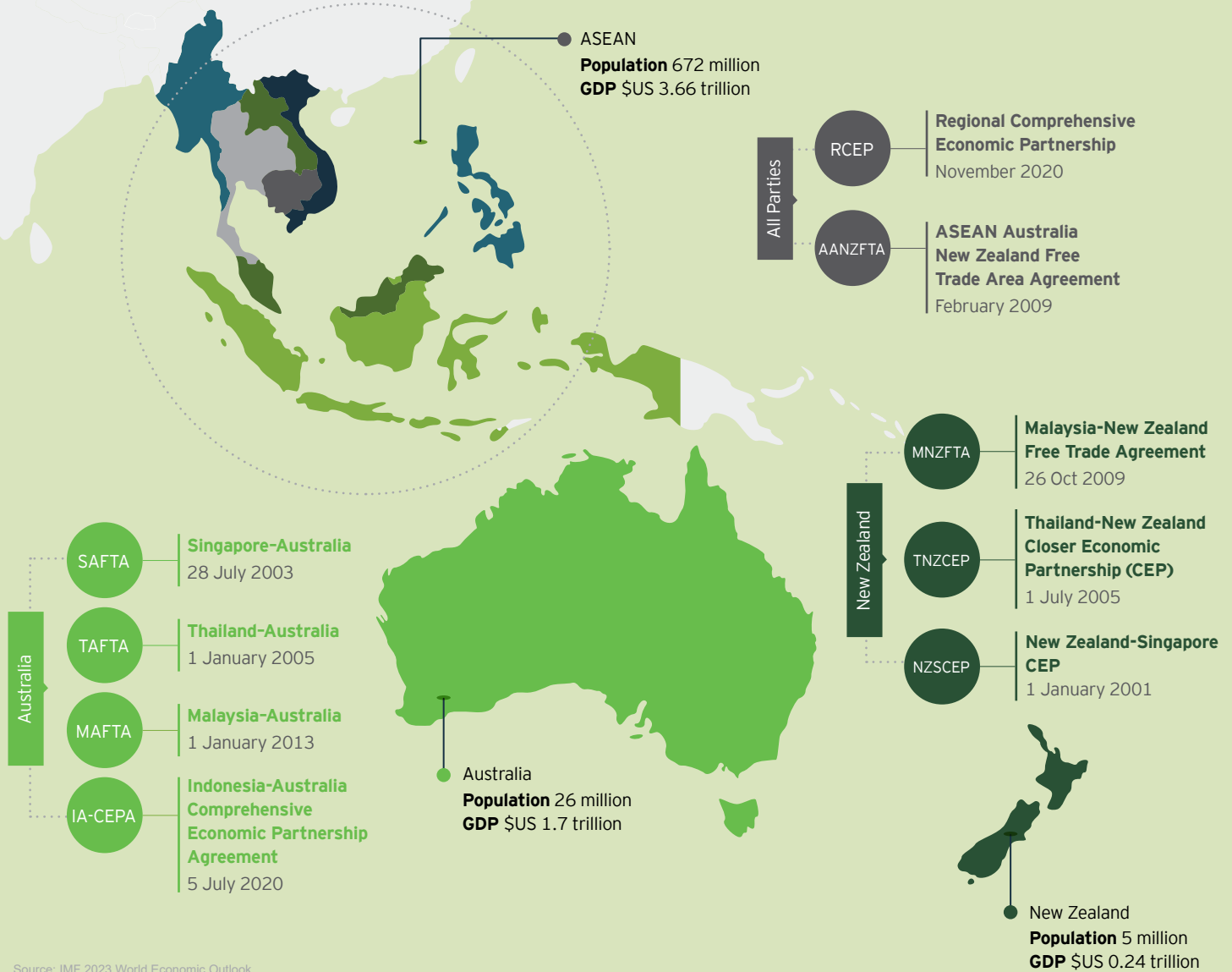
ASEAN and Australia | Australian Government Department of Foreign Affairs and Trade (dfat.gov.au)

ASEAN trade deal upgrade boost for exporters | Beehive.govt.nz

IMF 2023 World Economic Outlook

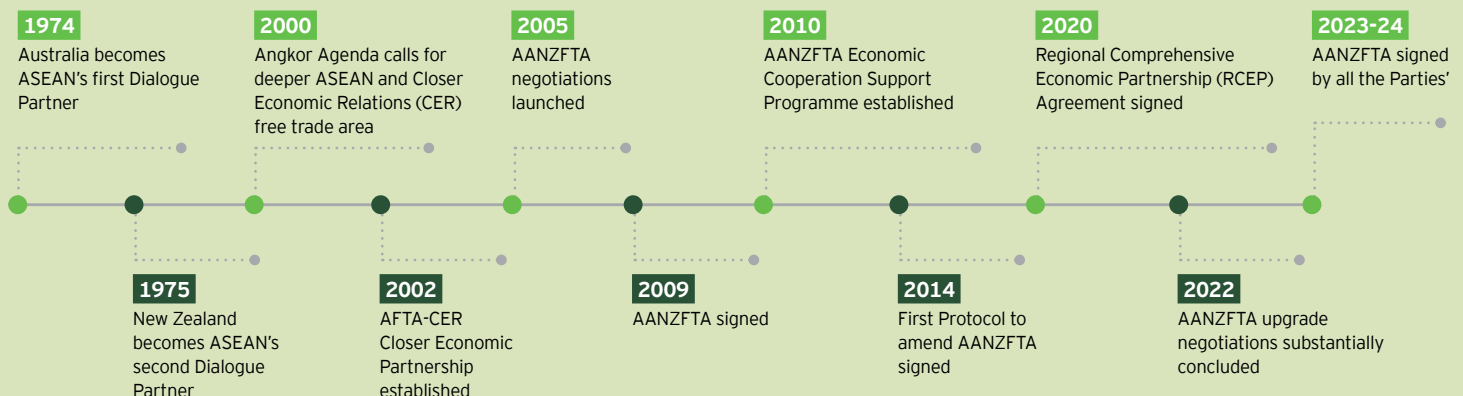
# The upgrade builds on nearly half a century of friendship, trade and growth

Country, 2022 Population, 2022 GDP



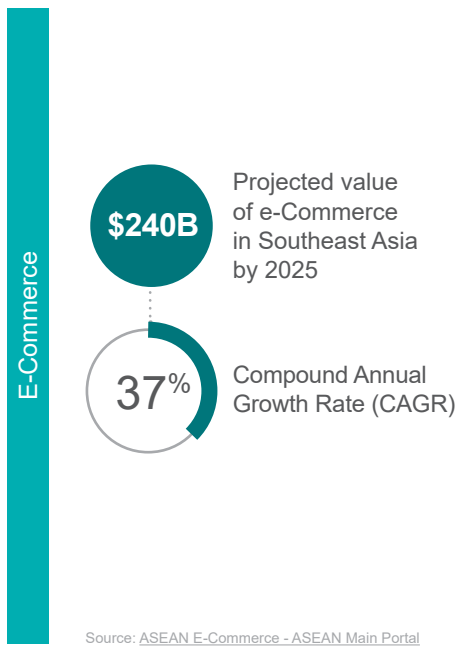
Source: IMF 2023 World Economic Outlook

## Evolution of economic and political relationship timeline



# Enhanced Chapters

The upgrade includes new provisions which build on existing chapters and make it easier for businesses in the region to unlock the full benefits of the agreement.



## E-Commerce

**Business will benefit from greater regulatory clarity and coherence with improved transparency and interoperability of standards and regulations relating to e-Commerce, consistent with international norms.**

Recognizing the huge growth in digital trade in the region, the upgrade contains a significantly expanded e-Commerce chapter and introduces stronger e-Commerce rules which aim to increase consumer protection and reduce unnecessary barriers to the cross-border transfer of business information. The additional provisions contain outcomes in fields such as electronic invoicing, digital trade standards and conformity assessment, open government data and digital inclusion for e-Commerce. These e-Commerce provisions are ASEAN's strongest to date and go beyond the Regional Comprehensive Economic Partnership (RCEP) commitments. The provisions incorporate transitional periods to facilitate effective implementation by Least Developed Countries (LDCs) and encourage interoperability and regulatory coherence in accordance with international standards.



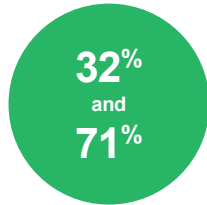
## Competition

**Businesses will benefit from a more level-playing field through measures aimed at limiting anti-competitive behavior, promoting transparency, due process, and cooperation between national competition authorities.**

The upgrade goes beyond ASEAN's RCEP commitments and significantly improves the original AANZFTA by strengthening provisions to address anti-competitive activities as well as safeguard confidentiality of information and ensure consumer protection. The Agreement's comprehensive coverage of consumer protection laws and regulations will promote greater competition in markets, better protect consumers from anti-competitive practices and enhance economic efficiency. The upgrade also increases technical cooperation, consultation, and sharing of relevant experiences between the Parties.

## Services

As of 2021, services sector represents between



of ASEAN Member States' GDP

Source: [ASH-2023-v1.pdf \(aseanstats.org\)](#)

### Services

**Services businesses will benefit from enhanced market access, more business-friendly domestic regulations and the creation of enhanced cooperation opportunities in growth sectors.**

The upgrade goes beyond ASEAN's RCEP commitments through its more ambitious provisions and expanded sector coverage. This includes dedicated annexes on education and professional services which encourage deeper cooperation through information exchange and standard setting as well as an expanded annex on financial services to support the development of safe and secure cross-border electronic payments. The upgrade also includes new commitments on air transport services and telecommunications services which aim to improve access and mobility.

## Investment

In 2021, ASEAN saw



Total Foreign Direct Investment inflows

Source: [ASEANstats.org](#)

### Investment

**Investors in key growth sectors will benefit from clearer and more business-friendly domestic regulations allowing them to invest with confidence.**

The upgrade provides foreign investors and regulators with improved transparency and certainty around the different country-specific investment regimes operating across the region. This includes clarifying the scope of what is defined as an 'investment', affording investors treatment which is at least as favorable as treatment accorded to local investors in like circumstances and strengthening prohibitions on performance requirements which require investors to meet certain requirements, such as the use of domestic goods, as a condition of investment. The upgrade also creates a forward work programme amongst the Parties to address additional barriers and requirements which currently apply to investments.

## Trade in Goods, Customs Procedures and Trade Facilitation

ASEAN's total trade with Australia and New Zealand has increased by approximately



from USD \$65 billion in 2010 to USD \$116 billion in 2022

EY analysis of [ASEAN Stats Portal Database](#)

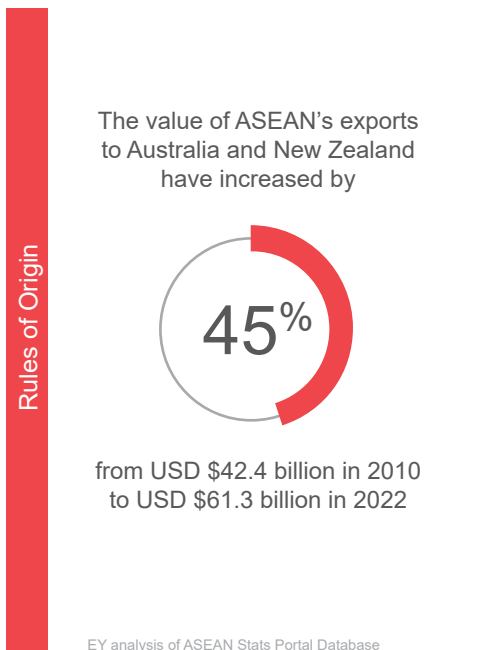
### Trade in Goods, Customs Procedures and Trade Facilitation

**Businesses will likely experience time and cost savings from more transparency and consistency of rules governing movement of goods, ensuring their products can circulate around the region freely, particularly in times of emergency.**

The upgrade builds on ASEAN's first trade agreement article that addresses Non-Tariff Measures (NTMs) and builds in progress made in other agreements which have been concluded since the AANZFTA was originally signed, such as the World Trade Organization's Trade Facilitation Agreement (TFA+). It also includes dedicated provisions on trade facilitation of essential goods during crises, to ensure these can continue to be traded freely during humanitarian crises, epidemics, or pandemics. The upgrade contains comprehensive provisions, to further simplify and harmonize customs procedures between the Parties and foster growth in regional and global supply chains, most of which go beyond ASEAN's RCEP commitments. This includes new commitments to improve transparency on customs rules, procedures, fees, taxes, and other relevant customs information to help to expedite the movement, clearance, and release of essential goods. It also encourages the electronic exchange of trade documents and data through single window systems.

# Enhanced Chapters

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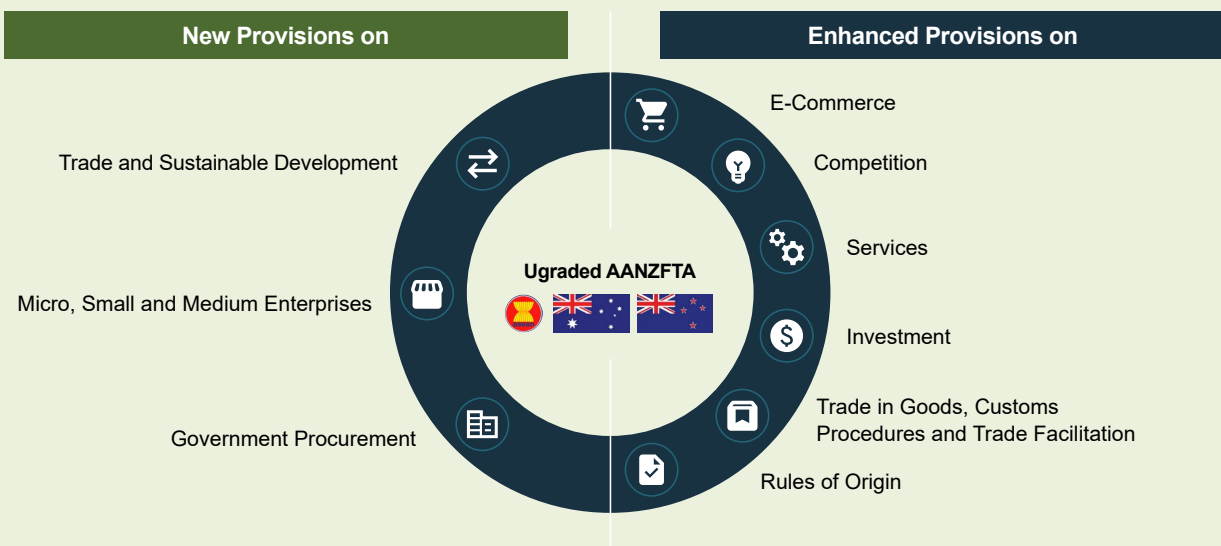


## Rules of Origin

**Businesses, particularly micro, small, and medium enterprises (MSME), stand to benefit from lower barriers to meeting origin requirements for their products, allowing them to more easily qualify for AANZFTA's high-quality preferential tariffs and better integrate into regional supply chains.**

The upgrade will streamline and modernize the AANZFTA's rules of origin requirements. The upgrade seeks to simplify the process for issuing and verifying Certificates of Origin (CoO), create an enabling environment for the adoption of electronic systems for information exchanges, and provide more flexibility for ASEAN exporters in sourcing inputs for the products they trade, through simplifying provisions governing the transit and transshipment of goods. The upgraded rules are in step with modern supply chains and transit arrangements, making it easier for ASEAN businesses to access the AANZFTA's high-quality preferential tariff reductions. Additionally, the upgrade provides for the future implementation Declarations of Origin (DoO), reducing time and cost for traders by allowing self-certification.

# An upgrade which ensures our landmark agreement continues to deliver into the future





# New Chapters

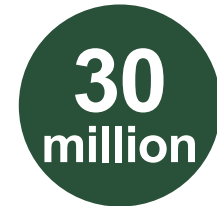
The upgrade includes new chapters governing areas of trade which are becoming increasingly important to businesses in the region and which were not included in the original agreement.

## Trade and Sustainable Development

### Trade and Sustainable Development (TSD)

**Businesses will have better opportunities to participate in sustainable production, improve working conditions and access commercial opportunities associated with the growing green and blue economy.**

The upgrade includes ASEAN's first standalone chapter on Trade and Sustainable Development, recognizing the importance of these issues in securing the region's future through cooperation, information sharing and non-application of dispute settlements. This chapter provides a mechanism that facilitates economic cooperation on topics related to the environment, sustainability, labor, women's economic empowerment, the Sustainable Development Goals, and other areas which may be mutually agreed.



Number of jobs that could be created in Southeast Asia by 2030 with a green recovery from the COVID-19 pandemic

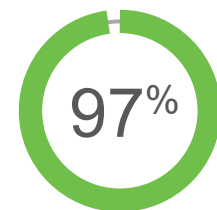
Source: [Southeast Asia Green Recovery Can Create More Than 30 Million Jobs by 2030 — ADB | Asian Development Bank](#)

## Micro, Small and Medium Enterprises

### Micro, Small and Medium Enterprises (MSME)

**Businesses in the region can leverage the AANZFTAs high-quality market access provisions and rules to grow the scale and reach of their operations.**

The upgrade explicitly recognizes the significant contributions MSMEs make to the region's economic growth, employment, and innovation. The chapter seeks to address the unique interests, needs and challenges MSMEs face in trading across borders by ensuring they can access and take full advantage of AANZFTA's provisions, including through more effective and streamlined trade rules, improved access to markets and global value chains, and the promotion of important themes such as e-Commerce, digital transformation, and sustainability.



Percent of enterprises in Southeast Asia are considered MSMEs

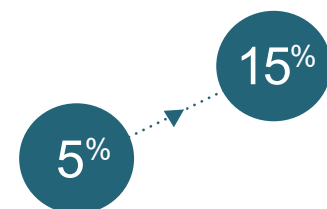
Source: [Overview of MSMEs in Asia-Pacific Regions | UNESCAP](#)

## Government Procurement

### Government Procurement (GP)

**Businesses from across the region can participate in major government projects and governments can choose from a broader range of suppliers.**

The upgrade includes a stand-alone chapter on Government Procurement, which maximizes opportunities for suppliers to participate in ASEAN, Australian and New Zealand government procurement markets through transparent and stable rules and regulations. The government procurement provisions set an ambition beyond ASEAN's other FTAs and incorporate the latest developments in government procurement practices, including electronic publication and submission of tender documentation, sustainability, integrity and facilitating the participation of MSMEs.



Government procurement as percentage of GDP range for AANZFTA Parties.

Source: [https://www.eria.org/uploads/media/15.ERIA\\_Book\\_2019\\_Reg.Int\\_NTM\\_Chapter\\_9.pdf](https://www.eria.org/uploads/media/15.ERIA_Book_2019_Reg.Int_NTM_Chapter_9.pdf)

# Spotlight on Women-Led Businesses

The AANZFTA Agreement has had a positive impact on women-led businesses in the region since it came into force in 2010.

The Agreement reduced barriers to trade and investment, provided access to new markets and resources, and supported women entrepreneurs in a wide range of sectors including, retail, food and beverage, ICT, education, agriculture, manufacturing, services, and tourism.

The upgrade builds on the comprehensive architecture already provided to further increase the opportunities available to women-led businesses and MSMEs in the region. Women will have increased opportunities in areas including digital and sustainable trade and the upgrade encourages cooperation and capacity building aimed at maximizing women's economic empowerment.

The AANZFTA Implementation Support Program, aimed at supporting ASEAN member states to realize the full benefits of an upgraded AANZFTA, is one such mechanism that will provide direct opportunities for women and MSMEs to realize the benefits of the upgrade by providing capacity building support and access to technical expertise.



## 20-65%

Women-led businesses account for between 20 and 65 percentage of MSMEs across individual ASEAN member states.

Women-led businesses account for between 20-65% of all MSMEs across the individual ASEAN member states and play an increasingly significant role in economic growth and resilience.

They create jobs, generate income, and promote innovation. The upgrade provides opportunities for all MSMEs with targeted support for women entrepreneurship to facilitate their growth and success.

Source: [https://www.oecd.org/southeast-asia/regional-programme/Strengthening\\_Womens\\_Entrepreneurship\\_ASEAN.pdf](https://www.oecd.org/southeast-asia/regional-programme/Strengthening_Womens_Entrepreneurship_ASEAN.pdf)

## Next Steps

The signing of the upgrade represents the initial phase in the process to its ratification and, ultimately, entry into force for the Parties. In preparation for this, businesses and investors are encouraged to examine the detail of the upgrade text to identify where and how they can take advantage of its provisions across their operations and realize the AANZFTA's full potential.



