

U.S. - Australia Free Trade Agreement

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The United States-Australia Free Trade Agreement (FTA) entered into force on January 1, 2005. As a result of the FTA, tariffs that averaged 4.3 percent were eliminated on more than 99% of the tariff lines for qualifying U.S. manufactured goods exported to Australia. In addition to tariff elimination, the FTA affords substantial benefits in a broad range of other sectors.

The FTA opened markets for services such as life insurance and express delivery, improved protection of intellectual property and helped facilitate American investments through predictable access and a stable business environment. For the first time, in many sectors, American firms are now allowed to compete for Australia's government purchases on a nondiscriminatory basis. U.S. farm exports benefit from duty-free treatment, including processed foods, fruits and vegetables, corn, and soybeans. The FTA also made advances in e-commerce and market access for pharmaceuticals.

Rules of Origin

For goods not wholly obtained, you must meet the product's rule of origin, usually through Tariff Shift or Regional Value Content. Learn more about how to Read and Apply FTA Rules of Origin. The rules of origin may be found in the final text of the FTA. Occasionally, a particular rule of origin may be revised. For the most updated version of the ROOs consult the Harmonized Tariff Schedule of the United States, General Notes — General Note 28.

In addition to the above rules of origin, there may other ways to qualify your product:

- <u>Accumulation</u> may allow the producer to reduce the value of the non-originating materials used in the production of the good.
- <u>De Minimis</u> allows the exporter to disregard a very small percentage of non-originating materials the do no meet a tariff shift rule.
- Direct Shipment are goods which must be shipped directly from one FTA party to another FTA party.
- <u>Fungible Goods and Materials</u> refers to goods or materials (components) that are interchangeable for commercial purposes and whose properties are essentially identical.
- <u>Indirect Materials</u> are goods used in the production, testing, or inspection of a good but not physically incorporated into the good.

Claiming/Documenting Origin

No specific certificate is required for the U.S. – Australia FTA. You may be requested by the importer or the Australian Customs Service to provide information to support a claim of preferential treatment. More information on what to include can be found in Free Trade Agreements Certificates of Origin.

Key Links/Resources

- USTR U.S.-Australia FTA
- USDA U.S.-Australia FTA Overview
- Summary of the U.S. Australia Free Trade Agreement (Textiles)
- CBP Side-by-Side Comparison of FTAs
- U.S. Commercial Service Australia

- FTA Tariff ToolFTA Help Center