

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

USTR PRESS RELEASES ARE AVAILABLE ON THE USTR WEBSITE AT WWW.USTR.GOV

FOR IMMEDIATE RELEASE:	CONTACT:	2004-82
NOVEMBER 17, 2004		RICHARD MILLS / NEENA MOORJANI
		(202) 395-3230

U.S. and Australia Address FTA Implementation Issues

FTA to Take Effect January 1, as Planned

SANTIAGO, CHILE ---- U.S. Trade Representative Robert B. Zoellick met with Australian Trade Minister Mark Vaile today and finalized arrangements to bring the Australia-United States Free Trade Agreement (FTA) into force on January 1, 2005.

“We have addressed U.S. concerns over Australia’s implementation of the agreement and I am pleased to announce that the FTA will go into force on January 1, the earliest possible opportunity,” Zoellick said.

Today, the United States and Australia exchanged diplomatic notes certifying that each country respectively has completed its internal requirements to allow the agreement to enter into force on January 1, 2005.

“This FTA will eliminate more than 99 percent of tariffs on industrial goods between the two countries,” said Zoellick. “By opening markets for goods and services, promoting investment, enhancing protection for intellectual property, and freeing electronic commerce, this Agreement will create real economic opportunities in both the United States and Australia for businesses, farmers, ranchers, and workers,” he said.

The United States had raised concerns with Australia that its FTA implementing legislation, which its Parliament passed in August 2004, did not fully implement a number of the FTA commitments it made on intellectual property. Australia has committed to take steps, including legislative and regulatory changes, to address these issues.

“U.S. businesses are eager to begin reaping the benefits of this historic agreement,” Zoellick said. “I am pleased that we were able to work together to address U.S. concerns and look forward to working together to ensure full and faithful implementation of the Agreement,” he continued.

Background

Negotiations on the Australia-U.S. FTA began in March 2003, and President George W. Bush and Prime Minister John Howard made it a priority for both countries to conclude the Agreement. The negotiations were completed on February 8, 2004 and the Agreement was

signed on May 18, 2004. The Congress approved the Agreement in July 2004, and the President signed the measure into law on August 3, 2004.

The U.S.-Australia FTA is the first FTA between the United States and a developed country since the U.S.-Canada Free Trade Agreement in 1988. It is a 21st century agreement that reflects the modern globalized economy. The FTA will open markets and streamline mutual access in intellectual property, services, government procurement, e-commerce, and investment.

Australia is a large and growing trade and investment partner of the United States, and in 2003 was America's 14th largest export market for goods. Two-way goods and services trade is nearly \$29 billion, a 53-percent increase since 1994. Two-way foreign direct investment is about \$61 billion. Australia purchases more goods from the United States than they do from any other country, and the United States enjoys a bilateral goods and services trade surplus of \$9 billion. Australia is a key export market for important U.S. manufacturing sectors such as aircraft, autos and auto parts, machinery, computers and electronic products, chemicals, and wood and paper products. Each of the 50 U.S. states exports to Australia, and Australia is among the top 25 export destinations for 48 of the 50 states. The leading states exporting to Australia are Washington, California, Illinois, Texas, Michigan, New York, Ohio, Pennsylvania, and Florida.

The United States is working to open markets globally in the Doha World Trade Organization (WTO) negotiations; regionally through APEC and the Free Trade Area (FTAA) of the Americas negotiations; and bilaterally, via FTAs. New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world.

###

