

## Malaysia-Australia Free Trade Agreement Outcomes at a Glance

The Malaysia-Australia Free Trade Agreement benefits Australian exporters, importers and consumers by opening markets and freeing trade and investment between our two countries. The Agreement builds on the commitments made by both countries in Australia's regional Free Trade Agreement with ASEAN and New Zealand (AANZFTA).

### For Australian Goods Exporters

Under the Agreement, Malaysia and Australia have cut tariffs earlier and on a wider range of goods than negotiated under AANZFTA. The Agreement also addresses other barriers to trade and makes administration for traders simpler.

97.6 per cent of Australian goods currently exported to Malaysia became eligible for tariff-free treatment on entry into force of the Agreement, rising to 99 per cent in 2017\*. Australia eliminated all remaining tariffs on goods from Malaysia on entry into force of the Agreement.

Australian industries benefiting from the Agreement include:

- **milk** – a liberalised licensing arrangement for liquid milk exporters, allowing access for higher value retail products;
- **automotives** – elimination of all tariffs on large cars and virtually all tariffs on **automotive parts** imported into Malaysia from day one. All tariffs on small cars will be eliminated by 2016. From day one, Malaysia exempted Australian cars from its global limit on imports;
- **processed foods; plastics; chemicals and a range of manufactured products** –elimination of virtually all tariffs;
- **wine** – a guarantee for Australian exporters of the best tariff treatment Malaysia gives any country;
- **iron and steel** – tariffs on 96.4 per cent of iron and steel imported from Australia eliminated by 2016. This will rise to 99.9 per cent by 2017 and 100 per cent by 2020\*; and
- **rice** – open access arrangements from 2023. All tariffs eliminated by 2026.

\*Based on goods imported by Malaysia from Australia in 2009 – 2011  
Tariff commitments apply to goods that meet the Agreement's rules of origin  
Information correct as of 16 January 2013

## For Australian Service Suppliers

Australian investors are guaranteed the right to majority ownership in companies in a wide range of sectors supplying services in Malaysia, including:

- **education services** – 70 per cent ownership in higher education services, increasing to 100 per cent in 2015; 70 per cent ownership in a range of other education services;
- **financial services** – 70 per cent ownership in investment banking and direct insurance services;
- **telecommunications** – at least 70 per cent ownership in all telecommunications services; and
- **professional services** – 100 per cent ownership in accounting, auditing and bookkeeping services; 100 per cent ownership in management consultant services (*excluding* financial management consulting); 51 per cent ownership in taxation services.

Suppliers in other industries such as **tourism, research and development** and **mining-related services** are also guaranteed the right to majority ownership.

## Helping Australian Businesses

The Agreement allows for:

- **business-friendly rules of origin** provisions. Australian exporters do not need to supply a certificate of origin, but rather a simpler declaration of origin;
- more Australian business executives and senior managers can **work in Malaysia** and stay for longer periods;
- easier access to **visas** for spouses and dependants of Australians working in Malaysia;
- the establishment of a framework for mutual **recognition of qualifications** and licensing for professionals;
- stronger protection of Australian **trademarks and copyright**; and
- the facilitation of **electronic commerce** through measures to increase efficiency, and to protect online consumers.