

# CHAFTA AND WHAT IT MEANS FOR YOUR BUSINESS



We at ILWAustralia have been following the completion of the China – Australia Trade Agreement since its conception a decade ago. After ten years of thorough negotiation between the two countries, the agreement was finally signed by Australia's Prime Minister Tony Abbott and Chinese President Xi Jinping on 17th June 2015.

We are one of only a few countries that have a current free trade agreement with China, undoubtedly one of the strongest economies in the world. Having this relationship is surely an advantage that will set us apart from our foreign competitors. It was designed to reduce the cost of trade between the 2 nations for the next 20 years. It is not yet fully in place, and implementation will come in phases, but better start planning as early as now to see how your business can take full advantage of this new relationship.

A lot of industries are now seizing the opportunity especially the dairy and agricultural sector. There is a growing concern on food safety in China, especially for dairy. There is also concern for pollution in agricultural lands due to the dense manufacturing industry. Many Australian dairy companies are cashing in on Chinese demand for higher quality food and they are securing million dollar contracts in China now with this agreement in place.

Another industry that will surely benefit is the wine industry, with China's growing middle and upper class, demand for luxury goods be it cars, fashion, wine or food is in a continuous rise.

For those importing goods, once the agreement is fully implemented, Australian businesses (and households) can now take advantage of the tariff free imports of goods from China.

**CHINA-AUSTRALIA FTA:  
THE BENEFITS FOR AUSTRALIA**

**DID YOU KNOW THAT CHINA IS AUSTRALIA'S #1 LARGEST TRADE PARTNER WITH TOTAL TRADE WORTH NEARLY \$160 BILLION?**

**CHINA-AUSTRALIA FTA WILL MAKE AUSTRALIAN EXPORTERS MORE COMPETITIVE IN THE CHINESE MARKET:**

- COAL**
- FRESH SEAFOOD**
- CLEAN SAFE BEEF**
- HAIR AND MAKE-UP PRODUCTS**
- PEARLS**
- QUALITY WINE**
- HORTICULTURAL PRODUCTS INCLUDING FRESH FRUIT**
- DAIRY**

**CHAFTA WILL OPEN UP MORE OPPORTUNITIES FOR SERVICES IN CHINA, ALREADY OUR LARGEST SERVICES MARKET WORTH \$7.5 BILLION IN 2013-14**

**CHAFTA INCLUDES NEW OR SIGNIFICANTLY IMPROVED ACCESS TO CHINA FOR AUSTRALIAN BANKING HEALTH AND AGED CARE AND PROFESSIONAL SERVICES**

Australian Government  
Department of Foreign Affairs and Trade

Australia  
Trade

The key to taking advantage of the trade agreement for importers is to determine which of your imported goods are of Chinese origin. Update your current trading terms with your supplier to clearly show all products from China.



We at ILWAustralia have over 20 years' experience in freight forwarding and custom clearance between the two countries and we can help you take advantage as each phase of the agreement rolls out to make sure you are getting the full savings you can get from your shipment.

On the contrary, for those importing goods from other countries, it is now official that the government will introduce the 10% GST on all purchases below \$1000.



So even if you are just buying a book from Amazon, or a shirt from Ebay, you would have to pay 10% more. It is still unclear how this new system will be implemented, whether the tax will be charged from the sellers end or the buyers through the borders custom. Well, they have 2 years to figure it out as implementation date is not until July 2017, but this will not help Australian businesses and consumers.



We would also like you to note of our total confidentiality of customer and supplier information. You are assured that all information you pass through us, whether collected online or through are staff, are protected and confidential.

Our system uses secure logins, firewalls, encryption, antivirus and all paper information are stored in a secure facility.

And lastly, with Christmas just 12 weeks away we do advise that you start planning your holiday shipment. As always, around this time ever year, we are foreseeing a heavy influx of orders and traffic around ports. Please schedule your shipment as early as you can to avoid the Christmas rush.

