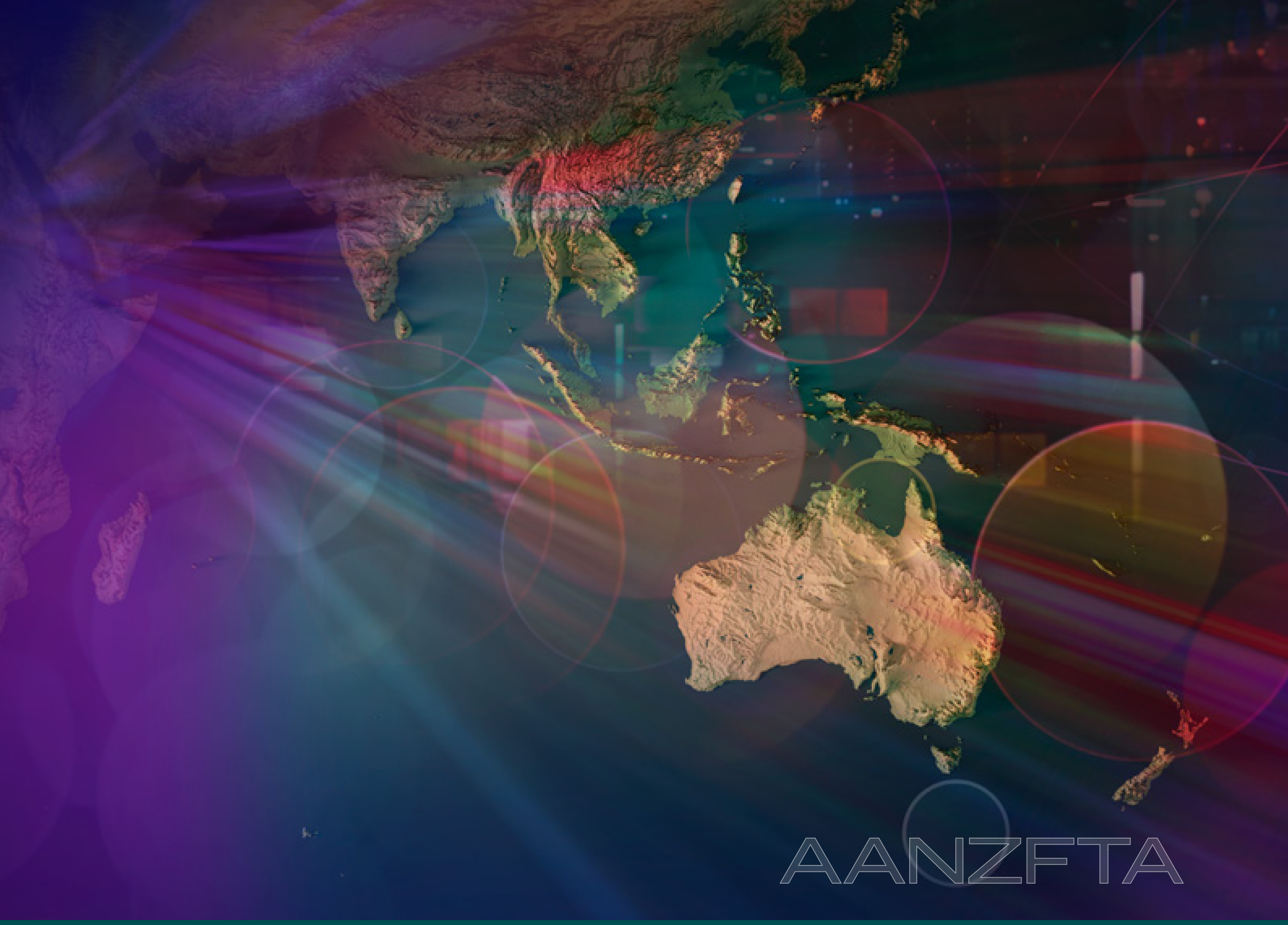
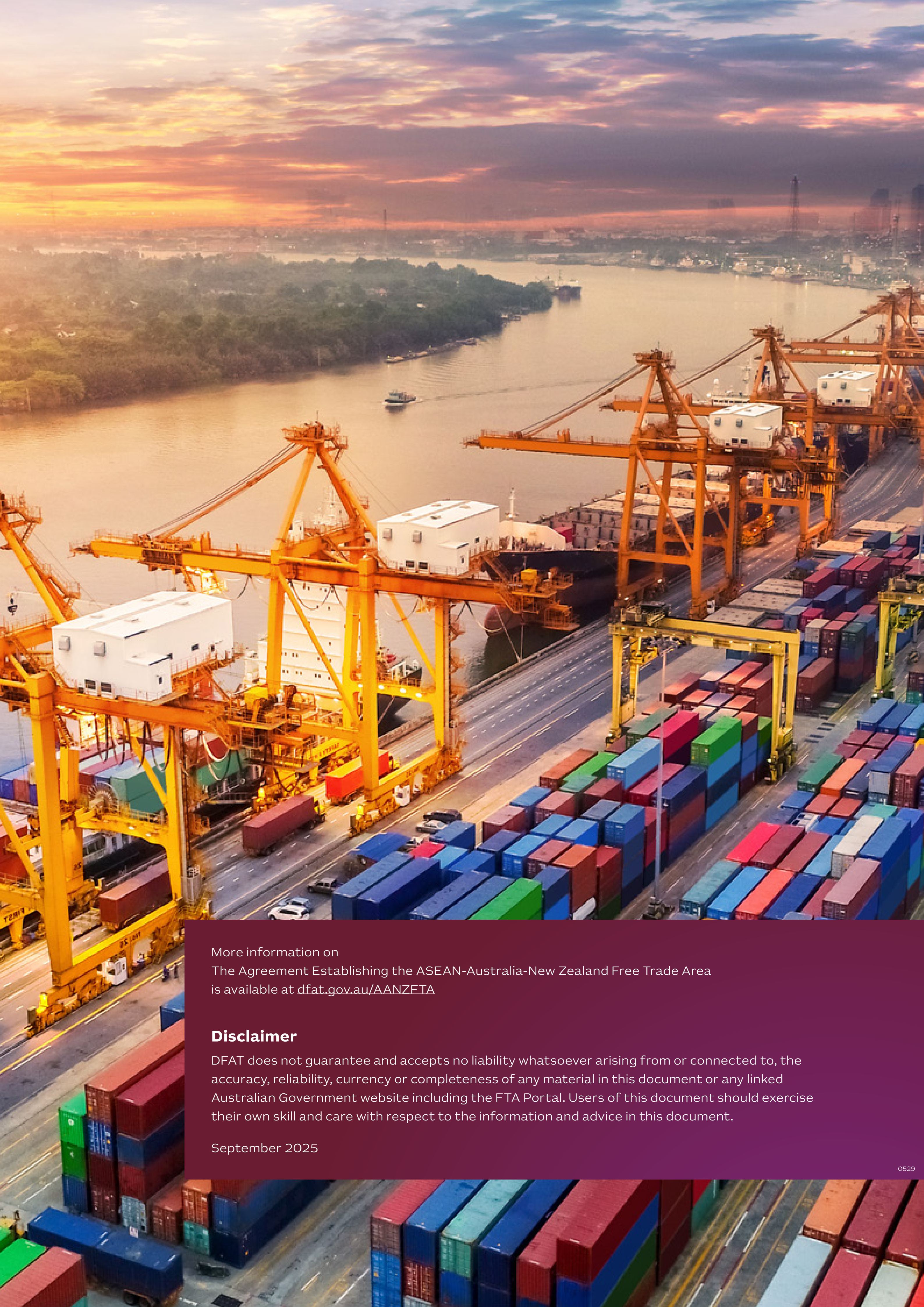
Australian Government

The Agreement Establishing the **ASEAN-Australia-New Zealand** Free Trade Area (AANZFTA)

15 Years of Growth and Partnership



AUSTRALIA



More information on
The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area
is available at dfat.gov.au/AANZFTA

Disclaimer

September 2025

0529

Contents

The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA): 15 Years of Growth and Partnership **3**

One region, one market **3**

Key economic outcomes (since entry into force in 2010 vs 2024) 4

Trade growth with ASEAN: country highlights 5

Agriculture **6**

Agriculture: booming farm exports and two-way benefits 6

Agriculture highlights 8

Manufacturing, integrated supply chains and industrial growth **9**

Manufacturing highlights 9

Services and people-to-people links **10**

Service highlights 10

15 years of economic and technical cooperation **12**

Forward-looking benefits of the AANZFTA Upgrade **16**

Cross-border data flows 16

Electronic commerce 16

Government procurement 16

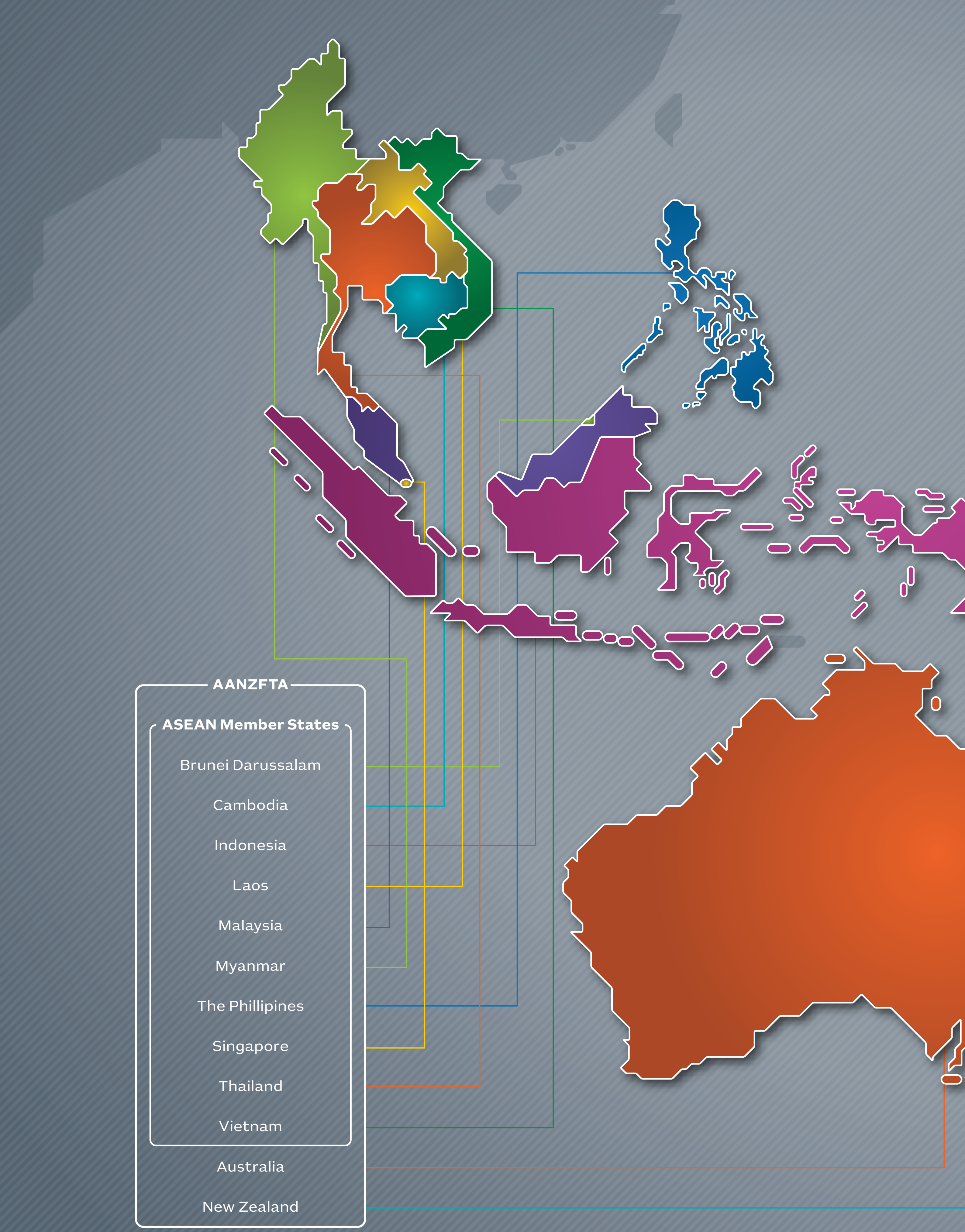
Trade and sustainable development 18

Trade facilitation 18

Movement of natural persons 18

Digital inclusion for micro, small and medium-sized enterprises (MSMEs) 18

Investment 18


AANZFTA
ASEAN Member States
Brunei Darussalam
Cambodia
Indonesia
Laos
Malaysia
Myanmar
The Phillipines
Singapore
Thailand
Vietnam
Australia
New Zealand

The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA): 15 Years of Growth and Partnership

The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) is a landmark regional trade agreement that connects the ten ASEAN Member States (AMS) with Australia and New Zealand. Since its entry into force in 2010, AANZFTA has driven strong gains in trade, investment and cooperation across a range of sectors. Our shared commitment to open markets and regional integration under AANZFTA has unlocked opportunities for over 716 million people and a dynamic regional economy worth over USD 7.5 trillion.

One region, one market

First regional FTA between ASEAN, Australia, and New Zealand	Deepened integration and boosted prosperity across Southeast Asia, Australia and New Zealand	Ambitious goals: eliminate tariffs, reduce barriers, and promote inclusive trade

AANZFTA has eliminated tariffs, boosted two-way trade and investment, as well as supported jobs and innovation across all member economies. AANZFTA's scope goes beyond lowering tariffs. It was Australia's first plurilateral free trade agreement (FTA), the first ASEAN agreement to cover all sectors in a single undertaking and the first time Australia and New Zealand jointly negotiated an FTA with another party. It promotes broad economic cooperation, reduces regulatory hurdles and encourages competitiveness and innovation in our shared region. Through AANZFTA, member parties have achieved significant economic gains.

Key economic outcomes (since entry into force in 2010 vs 2024)

Indicators	2010	2024	Change
Duty-free tariff lines (AUS/NZ)	96.5% at entry	100% by 2020	Nearly total
Duty-free tariff lines (ASEAN)	67% (before AANZFTA)	93.3%	97.3% in 0-5% range
Intra-regional trade	USD 99.3b	USD 157.9b	+59%
AUS–ASEAN trade	USD 74.1b	USD 119.4b	+61%
NZ–ASEAN trade	USD 7.3b	USD 16.5b	+127%
AUS–NZ trade	USD 18.0b	USD 22.0b	+22%
AUS investment in ASEAN	USD 12.1b	USD 18.4b	+52%
ASEAN investment in AUS	USD 21.7b	USD 42.5b	+96%

Source: ITC Trade map, accessed on 17 June 2025

AANZFTA has eliminated import duties on almost all goods. Australia and New Zealand reduced their tariffs so that by 2020, 100 per cent of tariff lines for ASEAN-origin goods were duty-free. Similarly, ASEAN countries eliminated over 90 per cent of tariff lines on imports from Australia and New Zealand by 2020, covering about 96 per cent of Australia's exports to ASEAN. When considering tariff reductions and eliminations, AANZFTA covers nearly 98 per cent of Australian goods exports to the region. This extensive tariff elimination and reduction schedule means consumers and businesses enjoy cheaper prices on imported machinery, food, raw materials and more.

Total two-way trade between ASEAN, Australia and New Zealand has grown more than 60 per cent since 2010. Trade between Australia and ASEAN has grown from around USD 74.1 billion in 2010 to roughly USD 119.4 billion by 2024. ASEAN is now Australia's second-largest trading partner and six AMSs make up Australia's top 15 export partners.

New Zealand's trade with ASEAN has similarly grown, rising from USD 7.3 billion to nearly USD 17.0 billion by 2024. ASEAN has become New Zealand's fourth-largest trading partner.

AANZFTA has also awakened two-way investment. Foreign direct investment (FDI) flows between ASEAN, Australia and New Zealand have nearly tripled since 2010. ASEAN investors have doubled their investment in Australia (from about USD 21.7 billion in 2010 to USD 42.5 billion in 2024), while Australian investment in ASEAN jumped 52 per cent (from USD 12.1 billion to over USD 18.0 billion).

While a network of bilateral FTAs with Australia's trading partners in the region has contributed to this growth, AANZFTA has played a key role in driving this impressive regional integration.

Trade growth with ASEAN: country highlights

Every ASEAN market has benefited from AANZFTA and bilateral FTAs, many experienced remarkable growth in trade with Australia and New Zealand. Some country-level highlights include:

Brunei Darussalam: From USD 1.0b to USD 2.8b

Growth driven by energy exports

Cambodia: Exceeded USD 1.0b by 2024

Trade potential for smaller economies

Indonesia: Trade nearly doubled from USD 8.3b to USD 15.4b

Stronger commodity ties and consumer demand

Lao PDR: From USD 25m to USD 455m

Increasingly integrated into regional value chains

Malaysia: Trade surged from USD 5.0b to USD 19.0b

Trade spans electronics, education and resources

Philippines: From USD 2.0b to USD 7.0b

Growth in food and technology sectors

Singapore: Reached USD 31.0b in trade

Largest ASEAN trading partner; a key regional hub

Thailand: Reached USD 22.0b in trade

Big gains in vehicles, agriculture and manufacturing

Vietnam: Trade surged from USD 4.4b to USD 14.5b

One of Australia's fastest-growing trade partnerships

Source: ITC Trade map, accessed on 17 June 2025

Agriculture

Agriculture: booming farm exports and two-way benefits

Agricultural trade between Australia and ASEAN has flourished under AANZFTA. Tariff reductions and eliminations on horticulture and farm goods like dairy, meat and grains have provided ASEAN's consumers with access to high-quality Australian and New Zealand products.

Australia's agricultural exports to ASEAN doubled from USD 4.0 billion in 2010 to USD 8.0 billion in 2024, now making up 23 per cent of Australia's exports to the region. ASEAN now accounts for nearly 20 per cent of Australia's total global farm exports. Australian beef exports to ASEAN reached USD 1.0 billion in 2024, after facing tariffs up to 35 per cent pre-AANZFTA. Wheat exports rose to USD 2.4 billion, driven by food industry demand. High-value products also grew with fruit exports reaching USD 462 million and wine exports rising 62 per cent since 2010 to USD 149 million.

New Zealand saw similar gains, with agricultural exports to ASEAN reaching USD 3.6 billion (13 per cent of its global total), led by dairy, which nearly doubled to USD 2.6 billion by 2024. New Zealand now exports over USD 3 billion in dairy and meat products annually to ASEAN.

CASE STUDY 1
Strengthening agricultural trade in ASEAN - the ASEAN Regional Diagnostic Network (ARDN) project

Countries impacted: ASEAN-wide.

Challenges addressed: A significant impediment to agricultural trade within ASEAN and with partners like Australia and New Zealand was the limited capacity of AMS' National Plant Protection Organisations (NPPOs) to accurately diagnose plant pests and diseases. Many plant pests are difficult to identify without scientific methods and specialised equipment, and there was no regional mechanism to aggregate diagnostic expertise or address capacity gaps.

Initiatives undertaken: The ARDN project was launched in 2011 under the AANZFTA Economic Cooperation Support Programme (AECSP) with the aim to build a cooperative ASEAN-wide diagnostic system. It delivered over 40 training activities for more than 750 participants. It covered pest identification (e.g., fungi, viruses, nematodes), modern technologies (DNA barcoding, remote microscopy), development of diagnostic tools (factsheets, Lucid keys), lab equipment support and network development at national and regional levels.

Tangible impacts: ARDN strengthened diagnostic capabilities, produced regional pest lists for critical commodities and improved market access. For example, Lao PDR gained new export markets to China and Thailand for corn and cassava; Cambodia gained market access to China for rice and bananas; and the Philippines benefited from enhanced surveillance capacity for its papaya to New Zealand. It also promoted inter-agency, cross-border cooperation and gender inclusion, with 70 per cent of participants being women.

Implementor and duration of the project:
The ARDN project is delivered by the Australian Department of Agriculture, Fisheries and Forestry (DAFF), under the ASEAN Economic Cooperation Support Programme (AECSP) and Regional Trade for Development (RT4D), from 2011 to present.

Australian scientists providing training to ASEAN scientists, training them on scale insects in Kuala Lumpur, at the Forest Research Institute of Malaysia, in August 2013, as part the ASEAN Regional Diagnostic Network (ARDN) project. Image courtesy of Australian Department of Agriculture, Fisheries and Forestry (DAFF).

Agriculture highlights

Agriculture: Booming farm exports and two-way benefits (2024)

	AUS to ASEAN	ASEAN to AUS/NZ
Australian agricultural exports to ASEAN **have doubled** in value from **USD 4.0 billion** in 2010 to **USD 8.0 billion** in 2024. Today, **23 per cent** of Australia's exports to ASEAN are farm products and ASEAN accounts for nearly **one-fifth** of Australia's total agricultural exports worldwide.	▸ Beef: USD 1.0b (+200%) ▸ Wheat: USD 2.4b (+48%) ▸ Citrus: +400% ▸ Wine: USD 149m (+62%)	▸ Tropical foods, seafood, cocoa products ▸ ASEAN agricultural exports reached USD 5.0b ▸ Second-largest foreign food supplier to Australia

Source: Trade Map, accessed on 17 June 2025 at https://www.trademap.org

AANZFTA has improved ASEAN's access to Australian and New Zealand markets, with ASEAN's agricultural exports to both countries doubled to over USD 5.0 billion by 2024.

ASEAN now supplies 11 per cent of Australia's agricultural imports, second only to the EU. Australian stores are stocked with Vietnamese rice and coffee, Thai canned fruits and ASEAN seafood like tuna, prawns and fish – entirely tariff-free.

This two-way growth highlights AANZFTA's unlocking of mutual benefits for farmers and agribusinesses across the region.

Manufacturing, integrated supply chains and industrial growth

AANZFTA has significantly expanded trade in manufactured goods, integrating regional supply chains in electronics, machinery, vehicles, textiles and more. Over the past 15 years, Australia's manufactured goods trade with ASEAN grew by 72 per cent to USD 44.0 billion in 2024, while New Zealand's nearly doubled to USD 7.8 billion. This growth was driven by tariff cuts and rules of origin that allow manufacturers to source components from any AANZFTA country and still qualify for duty-free trade.

Trade in high-tech goods has surged. In 2024, Australia imported USD 4.8 billion in electrical machinery and USD 5.0 billion in other machinery from ASEAN, mainly from Malaysia, Thailand and Singapore. Australian exports of mining, agricultural and medical equipment support ASEAN production. Consumers across the region now benefit from cheaper and more diverse electronics.

AANZFTA has also deepened automotive supply chains. In 2024, Australia imported more than USD 4.7 billion in trucks and commercial vehicles and USD 2.3 billion in passenger cars from ASEAN. ASEAN is now Australia's fourth-largest vehicle trade partner. Australia supplies raw materials, auto parts and design services for ASEAN's auto industry, including aluminium, steel, lithium and copper that are essential for car batteries and electronics. AANZFTA's rules of origin allow cars made in ASEAN with Australian inputs to qualify for tariff-free trade, reinforcing regional integration.

Manufacturing highlights

Manufacturing: integrated supply chains and industrial growth
Connecting factories, parts and products across the region

- AUS–ASEAN manufacturing trade: +72%
- NZ–ASEAN: Doubled to USD 7.8b
- Automobiles: AUS now imports USD 7.0b in ASEAN vehicles
- Textiles: AUS raw materials **>** ASEAN garments **>** AUS/NZ shelves
- Cumulation rules: Any part from AANZFTA region qualifies

From electronics to automobiles and textiles, AANZFTA has enabled integrated regional supply chains, boosting high-tech exports, duty-free vehicle trade and transforming ASEAN into a key supplier of apparel and medical devices to Australia and New Zealand.

In textiles, AANZFTA connects Australian and New Zealand raw material exports with ASEAN's manufacturing strength. Australia exported USD 2.5 billion in cotton to ASEAN in 2024. ASEAN mills process this cotton into garments in Vietnam, Indonesia and Malaysia. Factories like Thai Son S.P in Vietnam cut and sew knitwear locally to meet AANZFTA's origin rules, enabling tariff-free export to Australia and New Zealand. Australia now imports USD 1.4 billion in ASEAN apparel annually, demonstrating a mutually beneficial textile supply chain.

AANZFTA has also spurred growth in medical and high-tech goods. In 2024, Australia imported USD 690 million in medical devices from ASEAN and exported USD 524 million in pharmaceuticals, hearing aids and imaging equipment. Australian firms source components from ASEAN, while companies in Singapore and Malaysia distribute Australian biotech products, reflecting AANZFTA's role in boosting the region's healthcare and technology trade.

Services and people-to-people links

AANZFTA has significantly expanded services trade and strengthened people-to-people ties through education, tourism, finance and telecommunications. Since 2010, total two-way services trade between ASEAN and Australia more than doubled to USD 33.5 billion in 2024 (13 per cent of Australia's total global services trade), while New Zealand's grew to USD 4.0 billion. Liberalisation under AANZFTA has made it easier for service providers to operate across borders by enhancing market access and regulatory certainty.

Education has been a key area with many ASEAN students choosing Australia for their secondary and tertiary education. Australian universities, including Monash and RMIT, have opened campuses in ASEAN, while others maintain strong academic partnerships. New Zealand also benefits, with Thailand being New Zealand's fifth-largest source of international students. These educational exchanges support economic growth, regional relationships and inter-cultural awareness.

Service highlights

Services and people-to-people links		
Education	**Tourism**	**Finance & Telecom**
737,000 ASEAN students in Australia (2024)	AUD 4.2b ASEAN visitor spend in Australia	Banking services: USD 94m to USD 422m
Education = #1 services export to ASEAN	AUD 4.5b AU/NZ tourist spend in ASEAN	Telecom trade: USD 134m to USD 439m

Tourism has flourished, aided by streamlined travel and business mobility provisions. Southeast Asian visitors to Australia rose from just over 1 million in 2014 to 1.4 million in 2024. Meanwhile, Australian travel to ASEAN surged, with Indonesia, Thailand and Vietnam among the top destinations for Australian tourists, who spent AUD 4.5 billion across the region in 2024 alone.

AANZFTA has also deepened financial and telecom sector ties. Banks, such as Australia's ANZ and Malaysia's Maybank, have expanded across the region, while telecom providers now collaborate on regional networks and digital services. As a result, Australia-ASEAN financial services trade soared from USD 94 million in 2010 to USD 422 million in 2024 and telecom trade grew from USD 134 million to USD 439 million; showing how AANZFTA is driving deeper regional integration in high-value service sectors.

CASE STUDY 2
Enhancing skills mobility and quality assurance in ASEAN - the ASEAN Qualifications Reference Framework (AQRF)

Countries impacted: ASEAN-wide.

Challenges addressed: The diversity of national education and qualification systems across ASEAN Member States posed a challenge to the mobility of skilled labour and learners. Without a common point of reference, it was difficult to compare qualifications, which could hinder individuals seeking work or further education in other AMS and affect the overall quality and consistency of education in the region.

Initiatives undertaken: The concept of a region-wide qualifications framework was conceived in 2010, leading to the development of the AQRF in 2014. The AQRF, an eight-level regional qualifications reference framework, was endorsed by ASEAN Economic, Education and Labour Ministers. The AECSP supported this initiative in collaboration with the International Labour Organisation (ILO) by facilitating AQRF Committee meetings and workshops where ASEAN Member States could undertake peer review processes and reference their National Qualification Frameworks or national qualification systems to the AQRF.

Tangible impacts: The AQRF serves as a vital common regional reference tool that enables the comparison of education qualifications across ASEAN. This promotes transparency and builds trust in the qualifications awarded within the region. By doing so, the AQRF supports the mobility of workers and learners, contributes to improving the quality of education and training, enhances mechanisms for validating non-formal and informal learning and aims to create more equitable opportunities for employment. This framework is crucial for facilitating the movement of skilled labour and professionals, a key aspect of deeper services trade integration.

Implementor and duration of the project:
This project was implemented by AECSP in 2014.

Carmela Torres, ILO Senior Specialist on Skills and Employability, explains what ASEAN qualifications frameworks are and how they affect quality assurance in the region, as part of the ASEAN Qualifications Reference Framework (AQRF) project in 2014. Image courtesy of Regional Trade for Development (RT4D) initiative.

15 years of economic and technical cooperation

2025 marks a milestone in Australia and New Zealand's 15 years of economic and technical cooperation under the AANZFTA Economic Cooperation Support Programme (AECSP) and Regional Trade for Development (RT4D), demonstrating Australia and New Zealand's commitment to supporting ASEAN.

AANZFTA was Australia, New Zealand and ASEAN's first FTA to include an economic cooperation chapter. The AUD 36 million AECSP (2010-2022) technical assistance investment, co-funded by Australia and New Zealand, built the foundations of a growing economic cooperation partnership. It equipped ASEAN to implement the Agreement, produced practical guides for implementation, supported economic research, policy advice and capacity building in relevant sectors (such as trade in goods and services, investment, intellectual property, competition and consumer protection) and kept technical assistance running – even during COVID-19.

More than a decade on, the ASEAN-led regional economic architecture has expanded. The Regional Economic Cooperation Partnership (RCEP) signed by AMS, Australia, China, Japan, New Zealand and the Republic of Korea in November 2020 entered into force on 1 January 2022.

In November 2020, Australia announced an AUD 46.3 million contribution to the Regional Trade for Development (RT4D) initiative, from 2021 to 2028, to continue support for economic cooperation under AANZFTA and RCEP. Together with New Zealand's NZD 2.5 million support, the RT4D works to ensure that the benefits of open, free and rules-based trading systems are realised through effective implementation of AANZFTA and RCEP. Australia also committed an additional AUD 5 million to fund the Trade and Gender Equality Incubator (TGEI), from 2022 to 2027, to support research and pilot initiatives that advance gender equality within trade policy.

RT4D extended the focus from implementation to include maximising socio-economic benefits, ensuring that trade benefits all. This broadened outreach ensures that AANZFTA benefits are shared with micro-small-and-medium enterprises (MSMEs), supports women economic empowerment and increases the voice of people with disabilities. Other focuses included increasing stakeholder engagement between the private-sector and government departments to enhance collaboration between industry and governments, provide additional support for least developed countries and improve collaboration between AANZFTA parties.

Economic cooperation under AANZFTA is ASEAN-driven and responds to ASEAN needs through a robust governance structure and locally led development.

In September 2025, Australia and New Zealand announced an additional AUD 4.6 million contribution for RT4D. This funding uplift will help strengthen ASEAN trade policy capability and enable AANZFTA Parties to work together towards a more secure, resilient and prosperous future. Following the uplift, RT4D's total funding is AUD 53.3 million.

Together, Australia and New Zealand's consistent support for 15 years of economic cooperation under AECSP and RT4D showcases our commitment to AMS. It also illustrates that effective FTAs require not only sound rules but also inclusive, adaptive support that translates those rules into tangible, development-oriented outcomes, ensuring that trade benefits all parts of society.

Representatives from AANZFTA parties (ASEAN, Australia and New Zealand) met in Malaysia in June 2025 for the 22nd AANZFTA Joint Committee Meeting, to celebrate the AANZFTA Upgrade and discuss implementation progress. Image courtesy of Department of Foreign Affairs and Trade.

CASE STUDY 3
Empowering local exporters – the Cambodian cashew sector & AANZFTA rules of origin

Countries impacted: Cambodia.

Challenges addressed: A common challenge for MSMEs in developing countries is understanding and effectively using Rules of Origin (RoO) to benefit from preferential tariff rates under FTAs.

Initiatives undertaken: RT4D, through its AANZFTA Implementation Support Program (AISP), engaged with key industry stakeholders in Cambodia, such as the Cashew Nut Association of Cambodia. This engagement focused on equipping producers with the necessary knowledge to apply AANZFTA's RoO.

Tangible impacts: As a result of targeted support, the Cambodian cashew nut sector is better positioned to expand its export reach. Producers can benefit from preferential market access to AANZFTA markets. Crucially, AANZFTA's RoO allow Cambodia to import raw materials from other AANZFTA member countries, process them domestically, and then export finished cashew products throughout the AANZFTA while still qualifying for preferential treatment. This initiative enhances domestic value addition and supports the development of regional value chains. It demonstrates the importance of providing practical guidance directly to MSMEs and industry associations to translate FTAs into real export opportunities.

Implementor and duration of the project:
This project was implemented by RT4D in April 2025.

Participants listening to a panel discussion at the AANZFTA Business Roundtable in Cambodia, in April 2025, to discuss how industry and MSMEs can better utilise AANZFTA. Image courtesy of Regional Trade for Development (RT4D) initiative.

CASE STUDY 4
Promoting fair competition and empowering consumers – the Competition Law Implementation Program (CLIP) and Consumer Affairs Program (CAP)

Countries impacted: ASEAN-wide.

Challenges addressed: AMS had varying levels of development, implementation and enforcement of competition laws and policies. There was a recognised need to build capacity to more effectively investigate anti-competitive practices and foster competitive and efficient markets across the region. Later, attention expanded to include technical cooperation supporting consumer protection frameworks, noting that ASEAN had diverse approaches and arrangements for those laws.

Initiatives undertaken: The Competition Law Implementation Program (CLIP) since 2014 and the Consumer Affairs Program (CAP) since 2020 have focused on building AMS capacities to develop competition and consumer protection laws and policies. Initiatives include training for ASEAN competition and consumer protection officials, encompassing leadership training to empower them to lead and train their staff to enforce national competition and consumer protection laws. Among a variety of activities, a specialised CLIP scholars program was delivered in collaboration with the University of Queensland, enabling officials from ASEAN competition authorities to undertake intensive courses in competition law. CAP also undertook a similar program for ASEAN consumer protection officers, in collaboration with the University of Melbourne. Australia has also welcomed ASEAN competition and consumer protection officials to Australia on secondments, supported embedding Australian officials into ASEAN agencies and delivered regional training workshops in competition and consumer protection policy and laws.

Tangible impacts: These initiatives have enhanced the expertise and capabilities of ASEAN competition and consumer protection officials. The CLIP and CAP programs have facilitated improved understanding and capacity for conducting investigations into anti-competitive and anti-consumer practices. These efforts contribute building more competitive and efficient markets within ASEAN, which ensures AANZFTA's market access benefits are not negated by anti-competitive practices. This benefits consumers through better choices, prices and against harmful practices, while supporting new business entrants, including MSMEs.

Implementor and duration of the project: The CLIP and CAP projects are delivered by the Australian Competition and Consumer Commission (ACCC), under AECSP and RT4D, from 2014 to present.

The 2023 cohort of AMS scholars at the Australian University of Queensland in Brisbane, Australia, as part of the Competition Law Implementation Program (CLIP). Source: Australian Competition and Consumer Commission (ACCC) Image courtesy of Australian Competition and Consumer Commission (ACCC).

Forward-looking benefits of the AANZFTA Upgrade

The Second Protocol to Amend the Agreement Establishing the AANZFTA (the AANZFTA Upgrade) was designed to 'keep in step with state-of-the-art evolutions'[1] in trade agreements. The AANZFTA Upgrade adopts rules in several areas which exceed those in other modern FTAs including customs procedures, e-commerce and investment protection.

The upgraded e-commerce chapter includes provisions on cross-border data flows and paperless trading that go beyond RCEP and are not yet covered under WTO rules. Streamlining administrative mechanisms and addressing non-tariff measures, the AANZFTA Upgrade now reflects best FTA practices and maintains its position as ASEAN's highest quality FTA.

Cross-border data flows

The AANZFTA Upgrade recognises that the seamless movement of data is fundamental to modern trade. The upgraded e-commerce chapter includes rules to enable free flow of data across borders for business purposes. Parties agree not to impose unjustified data localisation requirements, ensuring companies can transfer and store data where it is most efficient. At the same time, the agreement preserves each government's ability to regulate for legitimate objectives such as privacy and cybersecurity.

This balance prevents arbitrary data restrictions while maintaining regulatory space for privacy protection, aligning with international best practice (such as the Singapore-Australia Digital Economy Agreement). The AANZFTA Upgrade lowers barriers for cloud computing, fintech and other data-driven services operating between Australia, New Zealand and ASEAN. This means businesses will be able to access regional markets without building expensive local data centres, improving efficiency and connectivity in sectors from e-commerce to digital banking.

Electronic commerce

Key provisions include:

- Greater use of electronic documents, signatures and authentication, encouraging paperless trade.
- Parties must adopt or maintain laws protecting consumers from online scams and misleading practices and to protect personal data. The AANZFTA Upgrade also contains commitments to curb spam and unsolicited electronic messages, aligning the region with international norms.
- The cooperation provisions encourage digital best practice, sharing experiences and regulatory approaches. The provisions include areas such as digital identities, fintech, artificial intelligence and digital skills development. The AANZFTA Upgrade's cooperation provisions align with ASEAN's own Digital Masterplan 2025 goals of a more inclusive regional digital economy.

Government procurement

Parties agree to publish their procurement laws and bid opportunities, and to conduct procurement in a manner that is transparent and avoids discrimination against foreign suppliers. Over time, this will increase opportunities for businesses (including in sectors like construction, engineering, ICT and environmental services) to bid on government projects in ASEAN countries. Firms with relevant expertise can contribute to projects advancing the region's sustainable development and support domestic industry. The chapter underscores principles of good governance (predictability and accountability in public spending) which align with inclusive growth.

1 Parliament of Australia, Report 211: Treaty tabled on 6 February 2023 – Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area, Joint Standing Committee on Treaties, March 2023, p. 4.

CASE STUDY 5
Promoting cross-border e-commerce - exploring best practices on the implementation of AANZFTA data rules

Countries impacted: ASEAN-wide.

Challenges Addressed: The rapid growth of digital trade has introduced new challenges for businesses, including navigating different regulations on cross-border data transfer, lack of legal recognition for electronic documents and signatures, and ensuring consumer data privacy. The AANZFTA Upgrade introduced a significantly expanded e-commerce chapter, which contains ASEAN's strongest commitments in this area to date. A key focus of AANZFTA Parties was to enhance the interoperability of cross-border data rules for e-commerce.

Initiatives undertaken: RT4D supported this project by providing AANZFTA policymakers tools and resources to promote regulatory alignment of cross-border data rules. This included a background paper that provided an assessment of the existing landscape, stakeholder consultations to identify regulatory enforcement challenges and priorities, as well as a regional workshop for government officials that facilitated discussions and increase knowledge on regulatory approaches and best practices.

Tangible impacts: These modernised rules create a more predictable and secure environment for digital trade. The project increased the knowledge and capacity of AANZFTA policymakers to enact more interoperable and business friendly cross-border data transfer regulations, including understanding how data rules impact MSMEs.

Implementor and duration of the project:
This project was implemented by RT4D through AISP from March 2025 to Dec 2025.

Panel discussion with private sector and government at the regional workshop held in Jakarta, Indonesia in May 2025, as part of the Exploring best practices on the implementation of AANZFTA data rules project. Image courtesy of Regional Trade for Development (RT4D) Initiative.

Trade and sustainable development

In the new Trade and Sustainable Development Chapter, AANZFTA Parties affirmed the importance of protecting the environment and promoting sustainable economic development and cooperation. Under the Agreement, AANZFTA parties have committed to:

- Cooperation to address environmental challenges and climate change across areas such as mitigation and adaptation, renewable energy, circular economy and biodiversity conservation. This supports ASEAN strategies for climate action and carbon neutrality and Australia's climate partnerships.
- Reinforced regional labour laws and a regional commitment to advancing labour rights including improving working conditions, enforcement of labour protections and to encourage developments in occupational safety, workforce upskilling and fair recruitment.
- Cooperate on women's economic empowerment, encouraging initiatives that increase women's ability to benefit from trade (for example, support for women-led businesses and inclusive financing).

Trade facilitation

Building on lessons from the COVID-19 pandemic, the AANZFTA Upgrade contains commitments to expedite trade in essential goods (such as medical supplies and food) during crises.

Improvements in provisions on non-tariff measures (NTM) in the goods chapter strengthen incentives to reduce NTMs. Further, provisions on full cumulation and declarations of origin will open more liberal supply chains and reduce administrative burden and costs.

Movement of natural persons

The AANZFTA Upgrade enhances mobility for businesspeople, skilled professionals and investors by providing certainty on rules related to temporary entry and stay in AANZFTA Parties. These provisions support trade and investment and provide opportunities for skilled professionals to work across the region.

Digital inclusion for micro, small and medium-sized enterprises (MSMEs)

The new MSME chapter complements digital trade commitments by addressing information and capacity barriers that MSMEs face. Parties agree to provide publicly accessible information online about the FTA's provisions and how to use them, which helps MSMEs understand export requirements and digital regulations. Cooperation activities under the MSME chapter may include training programs on digital skills and capacity building to use international trade to access regional markets.

Investment

The Investment Chapter of the AANZFTA Upgrade has been modernised to align with contemporary standards and address public interest concerns. Key changes include an update of investor protections in line with RCEP outcomes.

It activates a previously unused National Treatment obligation, which ensures ASEAN countries must treat Australian and New Zealand investors no less favourably than domestic investors in like circumstances. Importantly, a new Most-Favoured Nation treatment clause has been added, so that any better treatment an ASEAN state gives investors from other countries (in future treaties) would automatically extend to Australian and New Zealand investors. This future-proofs Australian and New Zealand investment interests as ASEAN nations sign new deals.

Additionally, the AANZFTA Upgrade introduces much improved market access commitments for investment (such as not imposing certain quantitative restrictions on foreign investments). The investment obligations bring AANZFTA in line with high-standard agreements, helping Australian investors by locking in protections and access. At the same time, the AANZFTA Upgrade addresses concerns around Investor-State Dispute Settlement provisions with a commitment to review the mechanism within 18 months of entry into force.

CASE STUDY 6
Enhancing MSME Access to Information and Capacity

Countries impacted: ASEAN-wide.

Challenges addressed: MSMEs which represent most enterprises in the AANZFTA region, often lack the resources and expertise to navigate the rules and benefit from FTAs.

Initiatives undertaken: RT4D supported this project by focusing on MSME communication and building MSME's understanding of how to use AANZFTA. This included the development of MSME-focused communication materials providing practical business guidance, tutorials and case studies on how to access and apply the AANZFTA Upgrade's benefits. Four business roundtables were attended by 757 participants from AMS helping foster public-private sector dialogue about the AANZFTA Upgrade and animated "explainer" videos detailed the AANZFTA Upgrade's provisions in simple, actionable terms for businesses.

Tangible impacts: These initiatives are designed to improve access to information about AANZFTA. By translating complex trade rules into user-friendly guides and videos, RT4D is lowering the barriers to entry for MSMEs, empowering them to understand and use the Agreement's provisions.

Implementor and duration of the project: This project was implemented by RT4D through AISP from April 2024 to October 2025.

The AANZFTA Regional Business Roundtable in Lao PDR, held on 21 September 2024, focused on supporting MSMEs and building partnerships between Government and businesses in the 10 ASEAN Member States. From left: Senator the Hon. Tim Ayres, Assistant Minister for Trade of Australia; the Hon. Nicola Grigg, Minister of State for Trade, Minister for Women, and Associate Minister of Agriculture (Horticulture) for New Zealand; His Excellency Malaithong Kommasith, Minister of Industry and Commerce of Laos and Chair of AEM 2024 and His Excellency Dr. Kao Kim Hourn, Secretary-General of ASEAN. Image courtesy of Regional Trade for Development (RT4D) initiative.

CASE STUDY7
Strategic foresight through the Trade and Sustainable Development scoping study

Countries impacted: ASEAN-wide.

Challenges addressed: To effectively implement the AANZFTA Upgrade's Trade and Sustainable Development (TSD) chapter, AANZFTA Parties required a clear, evidence-based understanding of the existing TSD landscape, key challenges and opportunities for economic cooperation in areas like climate action, the green and blue economies and labour rights.

Initiatives undertaken: RT4D commissioned a comprehensive TSD scoping study that identified needs, challenges and opportunities in TSD priority areas, providing a list of recommendations for AANZFTA Parties. The project involved extensive research and consultations with twenty-two key stakeholder groups (including AANZFTA Parties, multilateral organisations and non-governmental organisations) and included an analysis of challenges to women's participation in high value-added work within the circular economy.

Tangible impacts: The TSD scoping study provided a foundation and a clear roadmap for future TSD-related projects under RT4D. It communicated the existing TSD landscape, identified key issues in TSD implementation and recommended potential activities to build AMS capacity and knowledge. This strategic foresight allows AMS to quickly identify, adapt and propose projects that directly support TSD implementation, ensuring that future growth under the AANZFTA Upgrade is both inclusive and sustainable.

Implementor and duration of the project:
This project was implemented by RT4D through AISP from April 2024 to July 2025.

A women entrepreneur showcasing her products at the Intellectual Property (IP) booklet and final showcase event in Lao PDR in December 2024. This was part of the Accelerating Women's Advancement in Intellectual Property project, which focuses on women's economic empowerment and assisting people with disability in Lao PDR.
Source: Regional Trade for Development (RT4D) initiative.

Australian Government