

Voluntary Report – Voluntary - Public Distribution

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Report Name: Australia and EU Finalize Free Trade Agreement

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Post: Canberra

Report Category: Country/Regional FTA's

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Report Highlights:

On March 24, 2026, Australia and the European Union (EU) concluded negotiations on a comprehensive Free Trade Agreement (A-EU FTA) after eight years of negotiations that first commenced in 2018. Once the agreement is formally ratified and implemented, it will reshape the bilateral economic relationship by removing tariffs on 98 percent of Australian goods entering the EU market.

Executive Summary

On March 24, 2026, Australia and the European Union (EU) concluded negotiations on a free trade agreement (FTA), also known as the A-EU FTA. Negotiations on this agreement began in 2018. When the A-EU FTA comes into effect, 98 percent of Australia's goods exports will enter the EU duty-free.

According to the [media release](#) from Prime Minister Anthony Albanese, Australian farmers and producers will benefit from the elimination of almost all European Union tariffs on agricultural products. This includes wine, nuts, fruit and vegetables, honey, olive oil, most dairy products, wheat and barley, and seafood. The press release also states the agreement delivers commercially meaningful access through new or expanded tariff rate quota volumes, including for beef, sheep meat, sugar, rice, wheat gluten, skimmed milk powder, and natural butter.

The Australia-EU FTA outlines new regulations for Geographical Indications (GIs). While Australian producers retain the right to use names such as "Parmesan" and "Kransky," and winemakers may continue selling domestic "Prosecco," other terms are subject to change. Specifically, names such as "Feta," "Romano," and "Gruyere" will undergo a transition through grandfathering clauses and a scheduled phase-out period.

More information on the Australian-European Union Free Trade Agreement (A-EU FTA) can be found on Australian Government Department of Home Affairs [website](#).

A-EU FTA Outcomes (volume of access per annum)

Beef	<p>Total guaranteed preferential access of 35,000 tons (figures in cwe) at full implementation.</p> <p>New access of 30,600 tons after 10 years, with a third of the volume at entry into force (EIF) with a five-year grace period, which includes:</p> <ul style="list-style-type: none">• 16,830 tons of duty-free access for grass fed/grain finished (up to 70 days) beef• 13,770 tons of any beef (no conditionalities) with a 7.5% in-quota rate. <p>Elimination of the 20% in-quota tariff on EIF on Australia's existing WTO 'Hilton' country-specific quota (CSQ) of 4,400 tons [3,389 tons shipped weight].</p>
Sheep meat	<p>Total guaranteed access of 30,851 tons (figures in cwe) at full implementation (including the existing WTO CSQ of 5,851 tons).</p> <p>New duty-free access of 25,000 tons after 7 years, with a third of the volume at EIF, including:</p> <ul style="list-style-type: none">• 18,125 tons of any sheep meat

	<ul style="list-style-type: none"> • 6,875 tons for frozen sheep meat.
Sugar	<p>Total guaranteed, duty-free access of 44,925 tons for Australian raw cane sugar for refining, including:</p> <ul style="list-style-type: none"> • new access of 35,000 tons after three years, starting at 17,500 tons at EIF • immediate elimination at EIF of the EU's in-quota rate of \$172/t (€98/t) on Australia's WTO CSQ of 9,925 tons. <p>New duty-free access of 4,000 tons for processed sugar products at EIF.</p>
Dairy	<ul style="list-style-type: none"> - EU tariffs on cheese of up to \$3,872/t (€2,212/t) eliminated over 3 years. - EU tariffs on dairy spreads, and fats and oils of up to \$4,049/t (€2,313/t) eliminated over 3 years. - EU tariffs on yoghurt of up to 8.3% plus \$2,955/t (€1,688/t) eliminated over 3 years. - EU tariffs on ice cream of up to 8% plus \$674/t (€385/t) eliminated immediately on EIF - EU tariffs on buttermilk and curdled milk or cream of up to 8.3% plus \$2,955/t (€1,688/t) eliminated over 3 years. - EU tariffs on whole milk powder of up to \$2,927/t (€1,672/t) eliminated over 3 years. - For natural butter, immediate access at EIF to an annual duty-free TRQ of 5,000 tons. - For high protein whey (including a small number of processed agricultural products), immediate access at EIF to an annual duty-free TRQ of 2,000 tons. - For skimmed milk powder, immediate access to a duty-free quota of 8,000 tons. <p>Immediate elimination at EIF of the in-quota rates of \$299/t (€170.6/t) on Australia's two WTO CSQs on cheese into the EU.</p> <p>Australia will eliminate the existing tariff on EU cheese imports of \$1.22 per kilogram over 3 years. Australia's existing WTO global cheese TRQ of 11,500 tons remains unchanged.</p>

Rice	<ul style="list-style-type: none"> - EU tariffs on husked (brown) rice of up to \$74/t (€42.50/t) will be eliminated over 3 years. - EU tariffs on broken rice of up to \$114/t (€65/t) will be eliminated over 3 years. - EU tariffs on processed rice products of up to \$410/t (€234/t) will be eliminated over 3 years. <p>For milled/semi-milled rice, immediate access to a duty-free TRQ of 5,000 tons at EIF, rising to 8,500 tons over 5 years.</p>
Wine	EU tariffs of up to \$56/100 liters (€32/100 liters) on wine will be eliminated immediately on EIF.
Tree Nuts	<p>EU tariffs on tree nuts will be eliminated immediately on EIF, including tariffs of up to:</p> <ul style="list-style-type: none"> • 5.6% on almonds • 5.1% on walnuts • 2% on macadamia nuts
Seafood	<p>EU tariffs on seafood will be eliminated immediately on EIF, including tariffs of up to:</p> <ul style="list-style-type: none"> • 15% on kingfish • 12% on prawns • 11% on abalone.
Fruit	<p>The 'ad valorem' component of tariffs in the EU's Entry Price System on fruit will be eliminated once the agreement is fully implemented. While the EU's Entry Price System will be maintained, the relatively high value of Australian produce means this will effectively result in duty-free treatment.</p> <p>Key outcomes include:</p> <ul style="list-style-type: none"> • EU seasonal tariffs on apples of up to 9% eliminated over 7 years • EU seasonal tariffs on pears of up to 10.4% eliminated over 3 years.
Vegetables	<p>EU tariffs on vegetables will be eliminated immediately on EIF, including tariffs of up to:</p> <ul style="list-style-type: none"> • 9.6% tariff on onions • 13.6% tariff on carrots • 11.5% on potatoes. <p>For other vegetables, the 'ad valorem' component of tariffs in the EU's Entry Price System on vegetables (excluding sweetcorn) will be eliminated once the</p>

	agreement is fully implemented. While the EU's Entry Price System will be maintained, the relatively high value of Australian produce means this will effectively amount to duty-free treatment.
Honey	EU tariff of 17.3% will be eliminated over 3 years.
Olive Oil	EU tariff of up to \$2,356/t (€1,346/t) will be eliminated over 3 years.
Non-agricultural goods	All EU tariffs eliminated, except on certain steel products, largely at EIF.
Silicon	5.5% EU tariff eliminated at EIF.
Auto parts	EU tariffs of up to 4.5% eliminated at EIF.
Machinery and electrical goods	EU tariffs of up to 14% eliminated at EIF.
Textiles and textile articles	EU tariffs of up to 12% eliminated at EIF.

Overview of EU Geographical Indications (Gis) protected with treatments

Australia will protect all 396 of EU's GIs. Most of them were not used by Australian producers.

Continued use

Australian producers can continue to use certain terms, provided such use is not misleading.

- Parmesan
- Prosecco (domestic, as a plant variety)
- Kransky

Grandfathering

Prior users can continue to label their products with the below relevant terms. To be a 'prior user', they must be able to prove they used the term continuously and in good faith for at least five years before entry into force.

- Bavarian
- Feta
- Finocchiona

- Grain jenever
- Grappa
- Gruyere
- Bologna
- Munich
- Nurnberger Bratwürste / Nuremberg
- Romano (wholesale)
- Tiroler

Phasing out

The following terms will be phased out (discontinued) of use to describe a product over the relevant duration.

- Fontina – 5 years
- Munster – 5 years
- Sherry vinegar – 5 years
- Slavonski – 5 years
- Szedgedi – 5 years
- Romano – 5 years
- Ouzo – 7 years
- Tsipouro – 7 years
- Prosecco (export) – 10 years

A list of EU geographical indications can be found [here](#).

Next Steps

Now that negotiations have concluded, the draft text of the A-EU FTA will undergo legal checks and be translated into the 24 official languages of the EU. The European Commission will submit the A-EU FTA to the European Council for approval by qualified majority. Australia will undertake domestic processes required for signature, such as approval from the Federal Executive Council. Once both sides have completed their processes the A-EU FTA will be signed. This is expected to occur in late 2026 or early 2027. After signature by both parties, Australia and the EU will need to complete further domestic legal and parliamentary processes, which are expected to take up to another year. For Australia, this involves scrutiny by Parliament through the Joint Standing Committee on Treaties (JSCOT) and consideration of any domestic legislation. The EU will seek the consent of the European Parliament to ratify the agreement. Once all domestic processes are finished, the agreement will enter into force.

Attachments:

No Attachments.