



# MEDIA RELEASE

## MINERALS COUNCIL OF AUSTRALIA

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### **Peru-Australia Free Trade Agreement will deliver investment and jobs for Australia**

Ratification of the Peru-Australia Free Trade (PAFTA) will unlock the benefits of open and fair trade and generate more highly-paid, highly skilled jobs in both Peru and Australia.

PAFTA is part of a growing number of free trade agreements which deliver major investment and job opportunities for Australia's mining industry.

Under PAFTA, Peru will eliminate 99.4 per cent of its tariffs, including on valuable Australian resources such as iron ore, copper, nickel, coal, mineral fuels and oil.

The ratification of PAFTA will accelerate reduced tariffs on Australian exports of goods to Peru, provide greater access for Australian services in the Peruvian market and reduce trade costs through more streamlined customs and administrative arrangements.

Australian mining commodities and mining equipment, technology and services (METS) dominate the \$640 million trading relationship with Peru. In 2017, seven out of the top eight of Australia's largest merchandise exports to Peru were METS or mining commodities.

PAFTA also provides commitments on environmental protection and safeguards for Australian public policies in health, education and social welfare.

The agreement provides greater certainty and stability around two-way investment links between Australia and Peru.

PAFTA will directly benefit Peruvians and Peru's business community along with creating more Australian jobs and supporting local business.

With an economy larger than New Zealand and a rapidly growing middle class, there is significant opportunity to rapidly grow Australia's economic linkages with Peru.

In 2017, Australia investment in Peru stood at over \$600 million, with Australian mining companies making major investments in exploration, operational mining activities and partnerships with local resource companies.

Trade liberalisation has been an important component in Peru's economic development, with the nation becoming one of the fastest-growing economies in Latin America, reducing poverty from 52 per cent in 2005 to 26 per cent in 2013.

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