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The Free Trade Agreement and the Agreement on Trade in Wine between the European Union and Australia: early remarks

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SUMMARY: 1. Introduction: preliminary remarks and aims of the contribution. – 2. EU trade agreements in general. – 3. Trade relations between the EU and Australia. – 4. The principal matters addressed by the EU-Australia FTA. – 5. The "Trade and Sustainable Development" (TSD) Chapter (follows). – 6. The "Dispute Settlement" mechanism (follows). – 7. The EU-Australia Agreement on Trade in Wine. – 8. Concluding remarks: the positive features of the EU-Australia trade agreements and the aspects that should be closely monitored.

1. On Tuesday 24 March 2026, in Canberra, the European Union and Australia concluded negotiations for a Free Trade Agreement (FTA). The deal was welcomed by the President of the European Commission, Ursula von der Leyen, and the Prime Minister of Australia, Anthony Albanese: according to both, the agreement "will strengthen bilateral trade and investment, support economic growth, and reinforce the shared commitment of Australia and the European Union to open and rules-based trade" (URSULA VON DER LEYEN, PRESIDENT OF THE EUROPEAN COMMISSION AND ANTHONY ALBANESE, PRIME MINISTER OF AUSTRALIA, *Joint Statement*, 24 March 2026).

The deal, which will enter into force upon completion by the Parties of their respective ratification procedures, is considered by the Commission as the latest milestone in the strategic Indo-Pacific region, following the finalisation of the trade agreement negotiations with Indonesia in September 2025, and with India in January 2026 (EUROPEAN COMMISSION, *Topics – Trade – The EU-Australia trade agreement*, 24 March 2026). More specifically, by removing tariffs on almost all goods and potentially easing EU access to Australian critical minerals, the EU-Australia FTA is also expected to function as a hedge against higher US tariffs under the Trump administration and the growing concerns among Western countries over China's dominant position in rare earths and other critical minerals (on the

point see, for instance: R. JOSE, *Australia and EU seal trade deal, seek to cut reliance on China for critical minerals*, in *Reuters.com*, 23 March 2026). From this perspective, therefore, the agreement fits within a broader set of EU initiatives, including the "Global Gateway" strategy, aimed at building alternative global value chains to those dominated by China (on the point see, for instance: A. MAPELLI, *The EU-Australia Agreement and the European Geography of de-risking*, in *Cesi-italia.org*, 4 March 2026).

It should be recalled that FTA negotiations, the opening of which had been authorised by the Council of the EU on 22 May 2018, were formally launched in Australia on 18 June 2018. Between July 2018 and October 2023, 15 negotiating rounds took place. On 29 October 2023, the EU and Australia decided to suspend talks on the FTA, but in June 2025 the Parties revived them, and the final text was agreed on 24 March 2026, as already mentioned (on the point see, for instance: EUROPEAN PARLIAMENT, *Legislative Train Schedule – EU-Australia Free Trade Agreement*, 22 May 2026). On the very same day, both sides also announced the conclusion of negotiations for a modernised EU-Australia Agreement on Trade in Wine (on the point see, for instance: EUROPEAN COMMISSION, *EU trade relationships by country/region – Countries and Regions – Australia – EU-Australia Trade Agreement*).

This contribution, therefore, will focus on the Free Trade Agreement and, inevitably to a lesser extent, on the Agreement on Trade in Wine between the EU and Australia, examining the key aspects that can currently be identified, in view of the documents available at the time of writing. Subsequently, it will be possible to make some concluding remarks. As this paper focuses on trade-related instruments, the EU-Australia Security and Defence Partnership (SDP) – signed virtually by EU High Representative, Kaja Kallas, and Australian Deputy Prime Minister and Minister of Defence, Richard Donald Marles, and Minister for Foreign Affairs, Penny Wong, on 18 March 2026 (on the point see, for instance: EUROPEAN COMMISSION, *EU and Australia strengthen relations with Security and Defence Partnership and Trade Agreement*, 24 March 2026) – will not be considered.

2. For a better understanding of the EU-Australia FTA, we must preliminarily recall some essential elements of EU trade agreements in general.

As is well known, while the earliest EU trade agreements were almost exclusively focused on the removal (or at least on the reduction) of tariff barriers to trade, the latest pacts are much more ambitious: the movement of goods and services among the signatories through tariff elimination is no longer the one and only raison d'être of the agreements; besides that, the aim of the EU is also to promote sustainable development, implementing values such as the protection of the environment (including the climate change policy) and of workers, intellectual property rights, inclusive growth, research and development and the protection of human rights (L. PASQUALI, *The EU-MERCOSUR Agreement as Source of Development of Specific Global Norms*

and Standards, in C. GARCÍA SEGURA, J. IBÁÑEZ, P. PAREJA (dirs.), *Actores Regionales y Normas Globales: la Unión Europea y los BRICS como Actores Normativos*, Valencia, 2021, p. 131 ff.; on the point see also: I. BARTHESAGHI, N. DE MARIA CALVELO, N. MELGAR ALASSIO, M. A. PEREIRA, *La nueva generación de acuerdos de la Unión Europea y sus implicancias en el sistema internacional*, in E. TREMOLADA ALVAREZ (dir.), *Gobernanza, cooperación internacional y valores democráticos comunes*, Bogotà, 2019, pp. 445-478).

According to the European Commission, EU trade agreements can be divided into four categories: "first generation" agreements, negotiated before 2006, that focus on tariff elimination (as mentioned above); "second generation» agreements, which extend to new areas, including intellectual property rights, services and sustainable development; "Deep and Comprehensive Free Trade Areas" (DCFTAs) that create stronger economic links between the EU and its neighbouring countries; and "Economic Partnership Agreements" (EPAs) focusing on development needs of African, Caribbean and Pacific (ACP) regions (EUROPEAN COMMISSION, *Press Release – EU trade agreements: delivering new opportunities in time of global economic uncertainties*, 14 October 2019). The literature also offers considerably more detailed classifications (on the point see: L. PASQUALI, *Upholding and Promoting EU Values in the Wider World: The Role of FTAs*, in ID. (ed.), *EU Values and International Law. How the EU Upholds and Promotes its Values in the Wider World through its International Agreements*, Cham, 2026, pp. 1-35).

Obviously, the FTA with Australia falls into the second category, since it does not focus only on tariff elimination, but also concerns other areas, as will be shown shortly: consequently, it can be defined as a "New Generation Free Trade Agreement", or NGFTA.

3. As far as trade relations between the EU and Australia are concerned, according to the European Commission, in 2025 Australia ranked as the EU's 22nd biggest partner for trade in goods (accounting for 0.9% of the EU's total trade), while the EU was Australia's second-largest trading partner after China (with 13.9% of the total). Total trade in goods accounted for €47.1 billion in 2025 (an EU surplus of €26.7 billion). The EU's goods imports from Australia mainly comprised mineral products and vegetable products, while its main exports to Australia consisted of machinery and appliances, transport equipment, and chemicals.

Moreover, in 2024 total trade in services stood at €41.9 billion (an EU surplus of €20.1 billion), the stock of EU foreign direct investment in Australia amounted to €120.5 billion and the stock of Australia's investment in the EU was €34.8 billion (EUROPEAN COMMISSION, *EU trade relationships by country/region – Countries and Regions – Australia*, cit.).

In light of the importance of trade in goods and services between the EU and Australia, which exceed €89 billion in goods and services annually and support 460,000 jobs across the EU (EUROPEAN COMMISSION, *Topics – Trade – The EU-Australia trade agreement*, cit.), it is clear that the FTA and the

Agreement on Trade in Wine in question meet certain relevant commercial and strategic needs of both Parties.

4. It is now possible to examine the principal matters addressed by the EU-Australia FTA.

Following the "Initial Provisions" (Chapter 1), the agreement deals with "Trade in Goods" (Chapter 2), through the traditional provisions designed to liberalise such trade. According to the Commission, should the agreement enter into force, it would remove duties on nearly all EU goods exports to Australia (worth €37 billion in 2025 alone): 97.6% of EU exports would be duty-free at its entry into force, while close to 2% would have duties removed over a transition period of up to five years. Tariff removal at entry into force would save EU exporters over €1 billion of duties paid, with more than €1.2 billion in annual savings recorded upon the conclusion of the transition period, out of which €150 million in duty savings on EU exports of agricultural goods. These values would correspond to the fourth-largest FTA concluded by the EU, after the UK, Mercosur and India, and slightly above the EU-Japan FTA (EUROPEAN COMMISSION, *EU trade relationships by country/region – Countries and Regions – Australia – EU-Australia Agreement – MEMO: EU-Australia Free Trade Agreement: Chapter-by-Chapter Summary*).

The deal also includes provisions concerning other matters typically covered by EU trade agreements, in particular the following: "Rules of Origin and Origin Procedures" (Chapter 3); "Customs and Trade Facilitation" (Chapter 4); "Trade Remedies" (Chapter 5); "Sanitary and Phytosanitary Measures" (Chapter 6); "Sustainable Agriculture and Food Systems" (Chapter 7); and "Technical Barriers to Trade" (Chapter 8).

The EU-Australia FTA additionally contains rules on "Services and Investment" (Chapter 9), which "shall apply to measures of a Party affecting trade in services, the establishment or operation to perform economic activities by investors, covered enterprises, and for performance requirements "any enterprise", or the temporary entry of a natural person for business purposes", but does not cover the protection of investments, which, according to the EU Commission, "is not necessary given the level of trust in the respective legal systems of both parties" (EUROPEAN COMMISSION, *EU trade relationships by country/region – Countries and Regions – Australia – EU-Australia Agreement – MEMO: EU-Australia Free Trade Agreement*, cit.); "Capital Movements, Payments and Transfers" (Chapter 10); and "Digital Trade" (Chapter 11), mainly aimed at promoting consumer confidence in digital trade (art. 11.1.1): to that end, each Party recognises that natural persons have a right to the protection of personal data and privacy (art. 11.6.1). Australia's compliance with that right, however, should not be assumed: indeed, it must be remembered that such State is one of the so-called "Five Eyes", a group of countries committed to mass surveillance programs; the structure of their legal systems gives clear priority to State security over privacy (on this point, allow me to refer to: G. RUGANI, *The EU Legal Framework on Personal Data Flows to Third Countries and its Interplay with*

EU International Commitments in the Field of Trade Law, in *Media Laws*, 2025, pp. 210-236).

The Free Trade Agreement also regulates the following matters: "Energy and Resources" (Chapter 12), "Government Procurement" (Chapter 13), "Anti-Competitive Conduct and Merger Control" (Chapter 14), "Subsidies" (Chapter 15), "State-Owned Enterprises" (Chapter 16), "Intellectual Property" (Chapter 17), "Small- and Medium-Sized Enterprises" (Chapter 19), "Good Regulatory Practices" (Chapter 20), and "Transparency" (Chapter 21). With specific reference to the Chapter on "Intellectual Property", it is where the articles on Geographical Indications (GIs) are found: indeed, the FTA also seeks to protect GIs, ensuring that names like "Parmigiano Reggiano" may be used only for products genuinely made in their designated regions (EUROPEAN COMMISSION, *Topics – Trade – The EU-Australia trade agreement*, cit.). The discussion of GIs will be completed shortly.

It must be noted that, as emerges from the Chapter-by-Chapter analysis above, there is no Chapter specifically devoted to "Trade and Economic Cooperation" with Indigenous peoples. Admittedly, certain Chapters of the FTA do contain references to the "Australian First Nations peoples", such as Chapter 12 on "Energy and Resources" and Chapter 17 on "Intellectual Property" (e.g., art. 17.9 is entitled "Indigenous Knowledge of Australian First Nations Peoples"). However, a clear contrast can be observed with the EU-New Zealand FTA, whose Chapter 20 is entirely dedicated to "Māori Trade and Economic Cooperation".

5. Specific attention should be devoted to the provisions concerning "Trade and Sustainable Development" (Chapter 18), that have the objective "to enhance the contribution of the Parties' trade and investment relationship to sustainable development" (art. 18.1.4) and cover labour, gender equality, environmental and climate matters, and responsible business conduct.

The Chapter is grounded in international frameworks and international standards and agreements.

With reference to workers' rights, the FTA requires the Parties to respect, promote and realise the principles concerning the fundamental rights at work, as defined in the fundamental International Labour Organization (ILO) Conventions, which are freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment (art. 18.3.2).

As regards gender equality, the EU-Australia FTA contains provisions concerning the implementation of relevant international agreements addressing gender equality or women's rights – including the UN Convention on the Elimination of all Forms of Discrimination Against Women and ILO Conventions related to gender equality and the elimination of discrimination in respect of employment and occupation (art. 18.4.2) – and promotes cooperation in international fora on such matters (art. 18.4.4).

In relation to environment and climate, both Parties commit to work towards the effective implementation of the Multilateral Environmental Agreements (MEAs) that each Party has ratified (art. 18.5), such as the UN Framework Convention on Climate Change (UNFCCC) and the Paris Agreement (art. 18.6); the Convention on Biological Diversity (CBD) (art. 18.7); and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (art. 18.8).

It is important to emphasise that TSD commitments in the EU-Australia FTA are legally binding and enforceable through the agreement's general "Dispute Settlement" mechanism, that will be analysed below (on the point see, for instance: EUROPEAN COMMISSION, *Questions and answers on the EU-Australia Trade Agreement*, 24 March 2026).

6. In the concluding part of the EU-Australia FTA – which also contains the "Institutional Provisions" (Chapter 22), the "Exceptions" (Chapter 23) and the "Final Provisions" (Chapter 25) – particular consideration should be given to the "Dispute Settlement" mechanism (Chapter 24).

Some of the key features of such mechanism are the following: the possibility of entering into consultations in good faith, with the aim of reaching a mutually agreed solution (art. 24.4); independent panels agreed by both Parties, with the use of pre-established rosters if the Parties do not agree on panel composition (articles from 24.5 to 24.9); rules on transparency and open hearings (art. 24.20); a mediation mechanism, in order to facilitate the finding of a mutually agreed solution with the assistance of a mediator (art. 24.26); and legally binding panel reports (art. 24.13): if the Party complained against does not comply with the final report, there is the possibility of compensation and suspension of obligations (art. 24.17).

It is worth remembering that such "Dispute Settlement" mechanism also applies to Trade and Sustainable Development provisions. This latter aspect should by no means be taken for granted, as it is absent from a great many EU agreements with third countries, including very recent ones such as the FTA with India (the negotiations for which were concluded in January 2026), where TSD provisions are subject to a less effective procedure: a shortcoming that gives rise to significant concerns (on this point, allow me to refer to: G. RUGANI, *The Free Trade Agreement between the European Union and India: Early Remarks Based on the Provisional Text Published on 27 February 2026*, in *Unione europea e Diritti*, 17 May 2026).

7. A few words should now be devoted to the EU-Australia Agreement on Trade in Wine, which modernises the previous deal between the Parties in this field, dating from 2008.

The agreement addresses the following aspects: "Introductory Provisions" (Title I); "Oenological Practices and Processes and Compositional Requirements for Wine" (Title II); "Protection of Wine Names and Related Provisions on Description and Presentation" (Title III); "Specific Provisions on Presentation and Description" (Title IV); "Certification Requirements"

(Title V); "Management of the Agreement" (Title VI); "General Provisions" (Title VII); and "Final Provisions" (Title VIII). The text is also accompanied by several Annexes and Declarations.

According to the Commission, the main features of the modernised EU-Australia Agreement on Trade in Wine are the following: a review and update of the full list of EU wine Geographical Indications and Traditional Terms protected in Australia, building on the previous agreement, in order to offer protection for all EU wine GIs, including the addition of around 50 new GIs from 12 different Member States; protection for the GI "Prosecco", preventing Australian producers from exporting wines using this term after a transition period of 10 years from the entry into force of the new agreement (the term could continue to be used in Australia as a varietal name, with strong labelling disciplines in order to avoid the consumer being misled about the true origin of the wine); simplified recognition of international winemaking practices (EUROPEAN COMMISSION, *EU trade relationships by country/region – Countries and Regions – Australia – EU-Australia Agreement – Factsheet - EU-Australia Free Trade Agreement: Working for EU farmers*).

On the matter, it must be highlighted that Australia agreed long ago to give up the use of many well-known European wine GIs (such as Champagne, Port and Bordeaux) and introduced a dedicated wine GI framework, that offers specific protection to GIs associated with wines and grape products. It is plausible that the new agreement will further strengthen such already sound rules. What has been said, however, applies only to the sector at stake: outside of wine, no similar regime for the protection of food or spirits has been introduced; Australian producers have instead had to rely on the existing certification trade mark system, which lacks the specificity and robustness of a standalone GI framework and presents several difficulties in terms of protecting regional names and products (on the point see, for instance: P. ZITO, *Crafting identity: lessons for Australia from the European Union's geographical indications framework – crafting culture, anchored in place*, in *Journal of Intellectual Property Law & Practice*, vol. 21, n. 3, 2026, pp. 150–158; W. VAN CAENEGEM, K. NAKANO, *The Potential of Geographical Indications for Australian Producers*, in *Bond University Blog*, 2026).

8. Given the above, it is now possible to make some concluding remarks.

The Free Trade Agreement and the Agreement on Trade in Wine between the EU and Australia are, without a doubt, extremely ambitious. They fall within the framework of a wide-ranging cooperation with Australia – under which a Security and Defence Partnership has also recently been signed – and are part of the EU's strategy to diversify global trade partnerships and strengthen supply chains. More specifically, the agreements examined in this contribution, particularly the FTA, are intended to remove over 99% of tariffs on EU exports to Australia, improve access to critical raw materials and strengthen strategic ties with the Indo-Pacific.

Extremely significant is the fact that the EU-Australia pact, as a New Generation Free Trade Agreement, focuses not only on the removal (or at least

on the reduction) of tariff barriers to trade, but also on other areas, such as Trade and Sustainable Development (which this contribution has addressed in some detail). In this respect, it should be especially welcomed that TSD commitments in the EU-Australia FTA are not only legally binding, but also enforceable through the agreement's general "Dispute Settlement" mechanism. Such positive feature – absent from a great many EU agreements with third countries, including very recent ones, where TSD provisions are subject to a less effective procedure – places the FTA with Australia alongside the Comprehensive Economic Partnership Agreement (CEPA) with Indonesia, the negotiations for which were finalised in September 2025 (on the point see, for instance: EUROPEAN COMMISSION, *EU trade relationships by country/region – Countries and Regions – Indonesia – EU-Indonesia agreements – Key elements of the EU-Indonesia Trade Agreement and Investment Protection Agreement*), and, above all, the FTA with New Zealand, already in force since 1 May 2024 (on the point see, for instance: S. VILLANI, *EU Trade Agreements and Dispute Settlement Mechanisms on Sustainable Development: Remarks on the EU-New Zealand FTA*, in E. BARONCINI, A. MARIA DAZA VARGAS, F. FONTANELLI, G. KOSTKA, R. REGUEIRO DUBRA, P. SZWEDO, R. TOIVANEN (eds.), *The UN 2030 Agenda in the EU Trade Policy – Improving Global Governance for a Sustainable New World*, Bologna, 2025, pp. 179-188). Should the CEPA with Indonesia and the FTA with Australia also enter into force, this would constitute a distinctive characteristic of several EU agreements with countries in Oceania (and South-East Asia), one that should undoubtedly be viewed with considerable interest and favour.

That said, there are also aspects of the EU-Australia trade agreements that deserve careful consideration and should be closely monitored. Three may be mentioned.

Firstly, unlike the EU-New Zealand FTA, the EU-Australia FTA does not include a Chapter specifically devoted to "Trade and Economic Cooperation" with Indigenous peoples. This, in truth, is not surprising. In New Zealand, the relationship between the State and Māori is governed by instruments such as, in particular, the Treaty of Waitangi, signed in 1840, that recognises Māori sovereignty over their lands, the protection of their culture and the right to self-determination (on the point see, for instance: M. SCHETTINI, *Upholding and Promoting Human Rights and the Rights of Persons Belonging to Minorities in EU Free Trade Agreements: New Developments and Persistent Challenges*, in L. PASQUALI (ed.), *EU Values and International Law*, cit., pp. 225-254). On the contrary, Australia is one of the only Commonwealth countries that has not signed a federal treaty or agreement with Indigenous peoples; as such, State institutions and laws, including the national Constitution, have developed without ever having been negotiated with First Nations (on the point see, for instance: AUSTRALIAN HUMAN RIGHTS COMMISSION, *Australia has not signed federal treaty with Indigenous peoples*, 11 July 2024). Accordingly, the role of Indigenous peoples under the EU-Australia trade agreements will need to be kept under close review.

Secondly, compliance with the right to the protection of personal data and privacy, as enshrined in art. 11.6.1 of the EU-Australia FTA, will require particularly careful scrutiny, considering that Australia – being one of the "Five Eyes" – is committed to mass surveillance programs and gives clear priority to State security.

Thirdly, it will be interesting to assess, with regard to Geographical Indications, the extent to which the agreements will lead Australia to expand its GI legal framework beyond wine and grape products by extending protection to food and spirits, for which Australian producers have so far had to rely on the existing trade mark regime, which affords a comparatively lower level of protection.

ABSTRACT (ITA)

Il contributo si concentra sull'Accordo di libero scambio ("*Free Trade Agreement*" o FTA) e sull'Accordo sul commercio di vino tra l'Unione europea e l'Australia, i cui negoziati si sono conclusi con successo il 24 marzo 2026, e propone alcune prime osservazioni sulla base dei documenti disponibili nel momento in cui si scrive. Preliminarmente, l'articolo richiama in breve alcuni elementi essenziali degli accordi commerciali dell'UE in generale e illustra la rilevanza delle relazioni commerciali tra l'UE e l'Australia. Successivamente, esso esamina le principali materie disciplinate dal FTA – dedicando particolare attenzione al Capo su commercio e sviluppo sostenibile ("*Trade and Sustainable Development*" o TSD), nonché al meccanismo di risoluzione delle controversie – e dall'Accordo sul commercio di vino. Infine, il contributo mette in luce non soltanto i punti di forza del FTA tra l'UE e l'Australia, ma anche gli aspetti che richiedono attenta considerazione e che dovrebbero essere strettamente monitorati, tra cui il ruolo delle popolazioni indigene, il rispetto del diritto alla protezione dei dati personali e alla *privacy*, nonché la portata della disciplina giuridica australiana in materia di indicazioni geografiche.

ABSTRACT (ENG)

The contribution focuses on the Free Trade Agreement (FTA) and, to a lesser extent, on the Agreement on Trade in Wine between the European Union and Australia, the negotiations for which were successfully concluded on 24 March 2026, and provides some early remarks based on the documents available at the time of writing. Preliminarily, the article briefly recalls some essential elements of EU trade agreements in general and explains the relevance of trade relations between the EU and Australia. Subsequently, it examines the principal matters addressed by the FTA – devoting specific attention to the Trade and Sustainable Development (TSD) Chapter and to the dispute settlement mechanism – and by the Agreement on Trade in Wine. Finally, the contribution highlights not only the strengths of EU-Australia agreements, but also the aspects that deserve careful consideration and should be closely monitored, such as the role of Indigenous peoples, the compliance with the right to the protection of personal data and privacy, and the extent of Australia's Geographical Indications legal framework.