

Trade Outside Europe and Freedom of Movement

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Summary

Outside of Europe, many countries have FTAs with each other. The norm is that these deals allow for movement of goods, services and capital but crucially, NOT people. Below are some examples.

Australia-China Free Trade: Free Trade but NOT Freedom of Movement

- Australia signed a free trade deal with China, the so-called 'China-Australia Free Trade Agreement (ChAFTA)' which entered force in December 2015.
- However this deal does not allow unquestioned and absolute freedom of movement. The Australian Government have made clear that Chinese nationals who want to come to Australia must secure employer sponsorship for a 457 visa¹. This involves an applicant fulfilling Australia's vaunted points-based system.
- In short, Australia has a fully-fledged FTA with China. However, it does not also have freedom of movement of people. This is yet more proof that in the 21st century it is perfectly possible to have freedom of movement of goods and services but not of people.
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New Zealand-China Free Trade: Free Trade but only very slight changes to movement rules

- New Zealand signed a free trade deal with China which entered force in 2008. As a side note this was the first time China has ever signed such a deal with a country with an advanced economy².
- This deal only briefly mentions freedom of movement. It states that as part of the deal, decisions for Chinese student visas will be speeded up. However the agreement states that the student

¹ <https://dfat.gov.au/trade/agreements/chafta/fact-sheets/Documents/chafta-myths-versus-realities.pdf>

² <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/china-fta/>

must still pass criminal record and health screening tests. In other words, the decision will be made quicker, but the conditions will still be strict.

- Another mention of freedom of movement concerns Chinese nationals transiting New Zealand airports en route to somewhere else. Given New Zealand's geographic position relative to China, it is unlikely many Chinese nationals would be transiting here anyway.
- The text of the deal explicitly mentions that it regards freedom of movement of people as a separate issue to goods and services *"The sole fact of requiring a visa for natural persons of a Party and not for those of non-Parties shall not be regarded as nullifying or impairing trade in goods or services or conduct of investment activities under this Agreement."*³

Switzerland-Japan Free Trade Deal:

- Non-EU Switzerland has the ability to sign its own free trade deals. It signed such a deal with Japan in February 2009. This deal also does not include freedom of movement. Japanese citizens must obtain a Schengen visa and that entitles them to a limited time period in Switzerland/Schengen. If they want to stay longer than that period, such as by working or marrying a Swiss national, they are subject to the same, rather strict Swiss immigration controls⁴ including a ten year wait for citizenship⁵. This includes steps like registering with the local police.

³ https://www.mfat.govt.nz/assets/_securedfiles/FTAs-agreements-in-force/China-FTA/NZ-ChinaFTA-Agreement-text.pdf

⁴ <https://www.eda.admin.ch/countries/japan/en/home/visa-entry-to-switzerland/visa-entry-switzerland-residency/visas/japanese.html>

⁵ http://www.swissinfo.ch/eng/naturalisation-debate_pariament-passes-new-swiss-citizenship-law/38821516