

CHATTO CREEK

TRADE REPORT

A COMPLIMENTARY NEWSLETTER ON TRADE ISSUES IN ASIA PACIFIC

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LITTLE TRADE NEWS FROM US & JAPAN: A statement after this week's US-Japan Economic Dialogue spoke of strengthening economic, trade and investment ties. But on the cusp of an election in Japan and President Trump's Asian visit, it was silent on bilateral FTA negotiations between the two economies. Japanese media reported the US had again shown interest in starting such talks.

CHINA'S SME INITIATIVE APPEARS TO STALL AT WTO: China's proposal to the WTO that special consideration be given SMEs in anti-dumping investigations appears to be attracting limited support with members raising concerns about creating different legal obligations for businesses depending on size.

AUSTRALIAN & INDONESIA VIEW YEAR-END DEAL: During a 9th round of negotiations in Jakarta earlier this month, chief negotiators from the two neighbours reaffirmed a commitment to conclude a CEPA (FTA) deal by year-end. A 10th round has been scheduled to be held in November.

EUROPEAN PARLIAMENT PAVES WAY FOR AUSTRALIA & NZ: The European Parliament's Committee on International Trade has voted 30-5 to adopt negotiating mandates for FTA negotiations with Australia and New Zealand. In adopting the mandates, it was clear agriculture will be a tough topic for the negotiators.

INDONESIA TO BEGIN TURKISH FTA NEGOTIATIONS: Indonesia is expected to begin bilateral FTA negotiations with Turkey by year end. This comes as Malaysia seeks to expand the FTA it signed with Turkey in 2015. A key focus for both ASEAN economies is market access for palm oil.

TRUMP THREATENS TO QUIT NAFTA: President Trump last week threatened to quit the trade deal. "If we can't make a deal, it'll be terminated and that will be fine." A 4th negotiating round ended this week after 10 days with a 5th round now scheduled for November 17-21 and an acknowledgement that negotiations will spill into 2018. In a swipe at the negotiating approach of Mexico and Canada, USTR Lighthizer warned manufacturing policies dependent on exports to the US without balance could not continue.

WTO COOKS INDONESIAN CHICKEN LAW: A WTO Panel has ruled that Indonesia violated trade rules by excluding chicken products from a list of permitted imports. The ruling followed a complaint by Brazil. However, the Panel did rule that Brazil's complaint related to transport, labelling and veterinary certification delays had failed to establish there was also an "unwritten" prohibition on chicken imports.

AUSTRALIA & HONG KONG WORKING TOWARD FTA DEAL: Negotiators from Australia and Hong Kong met in Melbourne last week for a third round of FTA negotiations. Negotiations were launched in May. A key focus of the negotiations is the services sector.

MALAYSIA MOVES AGAINST STEEL IMPORTS: Malaysia has announced provisional anti-dumping duties of up to 111.61% on cold-rolled stainless-steel imports from China, South Korea, Taiwan and Thailand. The duties will apply for up to 120 days while anti-dumping investigations continue.

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