

CHATTO CREEK

TRADE REPORT

A COMPLIMENTARY NEWSLETTER ON TRADE ISSUES IN ASIA PACIFIC

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US-CHINA RELATIONS TURN NASTY: In moves which have significantly spooked global stock markets, US-China relations have turned nasty. President Trump fired the first salvo with new tariffs on \$300 billion of Chinese goods. China responded by letting the yuan fall and by halting new purchases of US farm produce.

AUSTRALIA'S RECORD TRADE SURPLUS: Australia recorded its largest ever monthly trade surplus of \$8.03 billion in June. This contributed to a record annual trade surplus of \$49.89 billion for 2018-19. Australia exported \$470 billion of goods and services in 2018-19. This was \$66 billion more than in 2017-18.

US GETS BETTER BEEF ACCESS TO EUROPE: The US will be able to significantly boost its annual duty-free exports of beef to the European Union over seven years. A new exclusive tariff-rate quota will see allowable shipments increase from 13,000 metric tons to 35,000 metric tons.

AUSTRALIAN OUTLINES REFORM NEEDS: Trade Minister Birmingham has identified three reform areas for global trade. Speaking in Beijing, he outlined a need to reinforce the authority of global trade rules, update the WTO rulebook and to work with China to boost the participation of all developing economies.

US DECLARES CHINA A CURRENCY MANIPULATOR: The US Treasury this week declared China to be a currency manipulator. This was the first such declaration in 25 years. Treasury Secretary Mnuchin said he would work with the International Monetary Fund to eliminate China's unfair competitive advantage

TRADE MINISTER VISITS KOREA: Australian Trade Minister Birmingham visited Seoul this week where he met with Korean Trade Minister Yoo Myung-hee to explore ways to boost trade and investment between the two economies. They also discussed ways of expanding cooperation in the energy sector.

RCEP MINISTERS HOLD TO YEAR-END CONCLUSION: Trade Ministers from the ASEAN + 6 economies met in Beijing last weekend and called for continued momentum toward a year-end conclusion for the FTA. They called on participating economies to find pragmatic and solution-oriented approaches.

PHILIPPINES ACKNOWLEDGES RCEP PROGRESS: Trade Secretary Lopez spoke optimistically this week of RCEP negotiators concluding an agreement in November. He spoke of negotiators showing more flexibility and significant recent progress in key areas such as market access and investments.

CANADA WORKING TO RESUME CHINA PORK EXPORTS: Trade Minister Carr told pork producers this week that Canada was committed to resolving issues that had stopped pork exports to China. Exports of Canadian pork and beef to China were stopped in June following the discovery of fake export certificates.

JAPAN PURSUES TURKISH FTA: Negotiators from Tokyo were in Ankara this week for a 16th round of negotiations for an economic partnership agreement between the two economies. Negotiations for a wide-ranging agreement began in 2014 and are expected to be concluded by the end of this year.

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