

# CHATTO CREEK

## TRADE REPORT

A COMPLIMENTARY NEWSLETTER ON TRADE ISSUES IN ASIA PACIFIC

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**AUSTRALIA CONCLUDES HONG KONG FTA:** Australia and Hong Kong have concluded FTA negotiations. Its ratification can be expected in 2019. Trade Minister Birmingham said Australia had secured the best services commitment Hong Kong had ever offered with guaranteed access certainty for key sectors.

**JAPAN TAKES AIM AT KOREAN SHIPBUILDING:** Japan has this week started WTO dispute action against South Korea's support for its shipbuilding industry. Japan is challenging a range of support measures including funds, loans, guarantees and insurance claiming they are inconsistent with global subsidy rules.

**PHILIPPINES HAS TOBACCO WIN AT WTO:** A WTO has again ruled largely in favour of the Philippines in a long-running tobacco row with Thailand. A Compliance Panel found Thailand had failed to comply with earlier rulings. The dispute largely relates to customs valuation methodologies used by Thai Customs.

**INDIA FACING SUBSIDY CHALLENGES ON SUGAR AND COTTON:** India's farm subsidy policies are facing intense global scrutiny as Prime Minister Modi prepares for a 2019 election. Australia this week filed dispute action at the WTO on India's sugar support program and the US on India's price support for cotton.

**NEW LEADER AT APEC:** A top Malaysian bureaucrat has been appointed to head the APEC Secretariat to succeed Kiwi Dr Alan Bollard. Dr Rebecca Fatima Sta Maria is the first woman to hold the position. She was secretary-general of the Ministry of International Trade & Industry in Kuala Lumpur from 2010-2016.

**RCEP SPILLS INTO NEW YEAR:** A Ministerial vision of a year-end deal for the mega ASEAN + 6 FTA failed to materialise in Singapore. Leaders of the member economies acknowledged the task to conclude a deal was becoming more urgent and said they were determined to now conclude a high quality RCEP in 2019.

**INDIA CLAIMS HAND IN RCEP DELAY:** Commerce Minister Prabhu has been praised by his own team for his work during a 7<sup>th</sup> RCEP Inter-Sessional Ministerial Meeting in Singapore. A Commerce Ministry statement said Prabhu "defended India's interests effectively and secured maximum flexibilities."

**NO AUSTRALIA-INDONESIA FTA SIGNING:** A signing of the Australia-Indonesia FTA in Singapore last week did not happen with reports Australia's consideration of moving its embassy in Israel to Jerusalem caused a delay. Trade Minister Birmingham said it would be signed when everyone agreed on the time and place

**EU NEGOTIATORS IN CANBERRA:** EU negotiators will be in Canberra this week for a second round of FTA negotiations with Australia. The first round of negotiations was held in Brussels in July. The EU is currently negotiating FTAs with Australia, New Zealand and Indonesia.

**VIETNAM RATIFIES TPP-11:** Vietnam has become the seventh economy to ratify the TPP-11. It joins Australia, Canada, Japan, Mexico, New Zealand and Singapore in completing formalities to formally join the trade agreement. Brunei, Chile, Malaysia and Peru have yet to ratify the mega trade agreement.

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