

# CHATTO CREEK

## TRADE REPORT

A COMPLIMENTARY NEWSLETTER ON TRADE ISSUES IN ASIA PACIFIC

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**AUSTRALIA TAKES ON INDIAN SUBSIDIES:** Australia and Brazil have launched dispute action at the WTO over India's sugar subsidies. Trade Minister Birmingham said India's sugar subsidies were inconsistent with global rules. They had hurt Australian producers by forcing a glut of low-priced sugar onto global markets.

**WTO PANEL HITS CHINA SUBSIDIES:** China has suffered a significant trade setback. A WTO Dispute Panel has ruled largely in favour of a US complaint that Beijing's market price support subsidies for wheat, rice and corn between 2012 and 2015 were significantly higher than a 8.5% commitment by China.

**TRADE MINISTERS IN SIEM REAP:** Ministers from RCEP (ASEAN + 6) were in Siem Reap on Friday for a 7<sup>th</sup> ministerial meeting for the mega trade deal. Assistant Minister Coulton represented Australia. The meeting came directly after a 25<sup>th</sup> round of negotiations in Bali. Officials rushed from meeting to meeting.

**JAPAN SIGNS NEW ASEAN FTA:** Foreign Minister Kono signed a new Japan-ASEAN FTA during the week. ASEAN economies are now expected to embark on their own ratification processes of the updated economic partnership agreement. New areas include liberalisation of the service and investment sectors.

**AUSTRALIA & INDONESIA TO SIGN FTA:** Trade Ministers Birmingham and Lukita are expected to meet in Jakarta on March 4 to sign a long-awaited FTA between the two economies. An Australia-Hong Kong FTA is also expected to be signed this month. Australia's ratification of the FTAs is unlikely before the election.

**US TARGETS STRUCTURAL STEEL:** The US Commerce Department has started a major dumping and subsidy investigation into imports of fabricated structural steel from China, Canada and Mexico. A US industry complaint alleges dumping margins of up to 222% and nearly 100 different subsidy programs.

**THAI CORN TO GET A BREXIT TARIFF BREAK:** The United Kingdom is to drop existing EU safeguard tariffs on a range of goods including tinned sweetcorn from Thailand and tinned mandarins from China once it has left the European Union. It said this week the tariffs did not provide any protection for UK industry.

**AUSTRALIA LAUNCHES NEW CENTRE OF EXCELLENCE:** Trade Minister Birmingham has launched a new Centre of Excellence for Global Trade. The Jean Monnet Centre of Excellence at the University of Adelaide, is designed to boost Australia-EU relations and advance knowledge on trade topics.

**USTR CAUTIONS ON CHINA OUTCOME:** USTR Lighthizer still places an "if" on whether the US can conclude a trade deal with China. He told the House Ways and Means Committee this week the US was making progress in what were intense and specific negotiations but he was cautious of a satisfactory outcome.

**INDONESIAN NEGOTIATORS HEAD TO BRUSSELS:** Indonesian trade negotiators will be in Brussels next week for a 7<sup>th</sup> round of FTA negotiations with the European Union. Negotiations began in 2016. The EU reported "good progress across the board" from the last negotiations held in Palembang in October 2018.

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