

The Queensland (Australia) Federation of Taiwanese Associations,
Shop 36B,
Sunny Park Shopping Centre,
Sunnybank, Q4109.
28th January, 2021.

Committee Secretary,
Joint Standing Committee on Foreign Affairs, Defence and Trade,
P.O. Box 6021,
Parliament House,
Canberra, ACT 2600.

Dear Committee Secretary,

RE: Parliamentary Inquiry into expanding the membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The Queensland (Australia) Federation of Taiwanese Associations strongly supports the expansion of the Trans-Pacific Partnership (TPP) and also supports the view that Taiwan's inclusion in the CPTPP will have significant business interests for both Australia and Taiwan.

Taiwan is a free and open market economy. "All-round Construction" and "Economic Power-up" plans are the two pillars of economic strategy that aim to increase infrastructure development, accelerate deregulation, and unlock Taiwan's growth potential. Other key policies, such as the Four-Year National Development Plan (2017-2020), the New Southbound Policy and the "5+2" Industrial Innovation Plan, have already been set in motion to accelerate structural reforms and to advance industrial transformation.

The CPTPP offers a great opportunity for Taiwan to participate in the Asia-Pacific market. In the past three years, the total GDP of CPTPP members has reached 2.5 trillion US dollars. Taiwan has close economic and trade ties with all members. Trade with the eleven members accounts for more than one-fifth of Taiwan's total exports.

In 2017, trade with CPTPP Members consisted of one-fourth of Taiwan's total trade. Thirty per cent of Taiwan's imports came from CPTPP members and twenty per cent of Taiwan's exports were to CPTPP members. In the same year, 30.42% of Taiwan's total FDI (Foreign Direct Investment) came from CPTPP members, while more than half of Taiwan's outbound investment (54%) went to CPTPP members.

In 2019, 31% of Taiwan's accumulated outbound investment destination was to CPTPP members, while inbound FDI from CPTPP members consisted of 20.6% of its total FDI. Vietnam, Singapore, and Australia were the top three CPTPP destinations for Taiwanese investment. Australian and Japanese corporations invested more in Taiwan than did other CPTPP members.

Taiwan and Australia share a cordial, long-standing friendship and are continuing to cooperate in many fields. With regard to the bilateral economic relationship, in 2019, total trade between these two countries reached 13.3 billion US dollars. Taiwan invested 316 million US dollars in Australia, while Australian investment in Taiwan was 714 million dollars. These numbers suggest Taiwan and Australia have a high degree of economic complementarity.

In 2020, via a series of humanitarian efforts, Taiwan and Australia joined forces to combat COVID-19. The two countries have also collaborated in the exchange of raw materials, that are used in the manufacture of critical medical supplies, such as face masks and hand sanitizer, that help to contain the spread of the pandemic. It is now a good time for Taiwan and Australia to move on to the next stage; proactively working together to revive our economies in the post-pandemic era.

Australia is Taiwan's eleventh-largest trading partner and its largest source of coal and iron ore. Taiwan is Australia's sixth-largest merchandise export market and its fourteenth-largest trading partner. Taiwan is a staunch and reliable advocate of regional economic integration. It is looking forward to enhancing bilateral economic and trade co-operation, scientific information exchange, and to the sharing of resources, while strengthening multilateral economic ties with like-minded countries in the region.

The Queensland (Australia) Federation of Taiwanese Associations is convinced that an Economic Cooperation Agreement (ECA) would significantly boost Australia's exports to Taiwan, bringing substantial benefits to the people of both countries. The Federation's members also believe that, to include Taiwan as a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, is a way to strengthen and deepen regional co-operation. We, therefore, call for the Australian government to support Taiwan's inclusion in the CPTPP.

Thanking you,
Yours sincerely,

The Queensland (Australia) Federation of Taiwanese Associations.