

17 January 2021

Committee Secretary
Joint Standing Committee on Foreign Affairs, Defence and Trade
PO 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)**

Formosa (Perth) Pty Ltd strongly supports the membership expansion of the CPTPP to include Taiwan as a member country. This expansion will promote freer trade between Australia and Taiwan and yield benefits with respect to trade and economic collaboration between both countries. Some Terms of Reference are addressed below.

Benefits small and medium-sized enterprises (SME)

Formosa (Perth) Pty Ltd is a SME engaged in importing frozen food products from Taiwan. As SMEs are key contributors to Australian employment and economic growth, Taiwan's membership in the CPTPP will encourage the growth of SMEs through the elimination of tariffs and increased trade transparency.

The opportunity for freer trade between Australia and Taiwan

In 2019, the total bilateral trade between Taiwan and Australia was USD13.3 billion. Australia is Taiwan's 11th largest trading partner, accounting for 2.17% of Taiwan's total trade and Taiwan is Australia's 10th largest trading partner, accounting for 2.58% of the country's total trade.

Australia is Taiwan's largest source of coal and iron ore imports. In addition, Australia also imports a large number of Australian dairy products, wheat and sugar which makes Taiwan an important trade partner for Australian agricultural products.

Conversely, Taiwan continues to be a major importer of telecommunication equipment and parts, refined petroleum, computers, and motorcycles and bicycles. The trade links underpin the complementary nature of the trading relationship between the two economies.

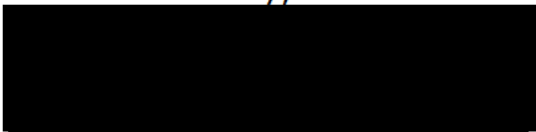
The inclusion of Taiwan as a member country to the CPTPP not only ensures that the current strong trade links between both countries are maintained but also promotes further trade between the two nations.

The merit of the CPTPP as the vehicle to realise freer trade opportunities

The bilateral trade between Australia and Taiwan in 2019 represented a 3.3% growth from 2018. Year-on-year growth in trade between both economies continue to grow with forecasted growth over the next five year projected to be 13.4%. The inclusion of Taiwan as a member country to the CPTPP will encourage further growth in trade and serve as a vehicle to freer trade opportunities between both economies.

Accordingly, we are of the view that it is within Australia's national interest to include Taiwan as a member country to the CPTPP as this will ensure that the strong trade links and economic ties between both economies remain whilst providing significant new opportunities for Australia exporters, importers, and investors engaging in international business.

Yours sincerely,

A large black rectangular redaction box covering the signature of the Director.

Director
Formosa (Perth) Pty Ltd