

Mr Ted O'Brien MP
Chair of Trade Sub-Committee
Joint Standing Committee on Foreign Affairs, Defence and Trade
PO Box 6021
Parliament House
Canberra ACT 2600

February 2, 2021

Dear Mr O'Brien MP,

Thank you for the opportunity to comment on *Parliamentary Inquiry into Expanding the Membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)*. Founded in 1975, Keeper Inc. is the leading importer of beef, lamb, and other agricultural products in Taiwan. We source globally for produce ranging from lower to premium price for our customers, which include food joints, diners, fine-dining restaurants and hotels. We have a long-standing business connection with Australian beef suppliers, mainly in Queensland, who have provided us steady imports of high-quality grass-feed beef that are popular with Taiwanese consumers.

Taiwan's beef imports come primarily from Australia, the U.S. and New Zealand. According to Austrade's market assessment, which we think is accurate, Australian beef is very well received in Taiwan because of its clean and green environmental image and high food safety standards. As one of the largest beef supplier in Taiwan, Keeper Inc. sees great potential for import growth of Australian beef due to demographic change, consumer preferences, and price competitiveness, for example:

- From 2011 to 2019, food service industry in Taiwan has seen 67% growth, reaching 812 billion TWD (approximately 27 billion USD) according to the Ministry of Economic Affairs. This can be attributed to increasing popularity for dining out, and the preference for international cuisine.
- Premium beef enjoys an extremely favorable high-end consumer market in Taiwan. Since 2018, Taiwan has become the largest export market for Japan's Wagyu beef. The Australian Agricultural Company (AACo) has also started selling their most valuable Wagyu brand, Westholme in Taiwan in 2019.

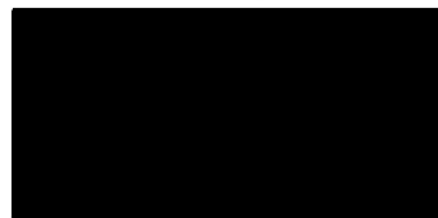
Given Taiwan's status as a promising market for Australia, still the importers in Taiwan are facing relatively high tariff rate. Both chilled and frozen beef are subject to NT\$10/KGM MFN tariff in Taiwan, and this is merely one example of the barriers that put Australian products at a disadvantage compared to imports that enjoy preferential tariff. We believe the most effective way to fully unleash the potential for Taiwan's market is to include Taiwan in the CPTPP. Specifically, Taiwan's CPTPP membership will compliment Australia's national interest as stated in the terms of reference for the inquiry:

- *the opportunity for freer trade between Australia and potential new members;*
- *the merit of the CPTPP as the vehicle to realise freer trade opportunities;*
- *issues related to expanding and improving market access;*

Apart from the obvious benefit of tariff reduction, Taiwan's accession to the CPTPP, which is the most progressive regional FTA, will also streamline our bilateral trade with Australia and other members. We expect red tapes in Taiwan to be eliminated based on CPTPP requirements on SPS, TBT, trade facilitation, and digital trade. This is especially crucial for high-end perishable agricultural products, which is one of Australia's key export categories.

We appreciate the committee's efforts in seeking input from stakeholders of CPTPP expansion. We look forward to the release of final report. Should you require any further information, I invite you to contact our staff at Keeper Inc.

Yours sincerely,



Keeper Inc., Taiwan