

Committee Secretary
Joint Standing Committee on Foreign Affairs, Defence and Trade
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Parliament House
Canberra ACT 2600

The Australian-Taiwanese Friendship Association would like to make a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade **re: inquiry into expanding membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership CPTPP.** COVID-19 has brought about unprecedented challenges for the global economy and has demonstrated the risks associated with Australia heavily relying on a single market. The time is therefore opportune to expand membership of the CPTPP to meet Australian national benefit. We believe that Taiwan would be a strong addition to all the existing CPTPP members including Australia especially.

Australia and Taiwan, both liberal democratic societies in the Asia-Pacific, have a long-standing friendship and vibrant trade relations. In 2018, Taiwan was Australia's sixth-largest merchandise export market totalling AUD 10.6 billion; while merchandise imports from Taiwan totalled AUD 5 billion. Australia and Taiwan already trade a plethora of goods which have significantly benefited both markets. The major exports from Australia to Taiwan include, but are not limited to, coal, iron ore, wheat and wine. Australian food and lifestyle products are becoming increasingly popular amongst consumers in Taiwan. Key imports from Taiwan to Australia include telecommunication equipment and parts, refined petroleum, computers, and motorcycles and bicycles. There is also a strong two-way services trade- Taiwanese tourist, students, and working holidaymakers have contributed to the Australian economy significantly.

Despite these diverse trade relations, current trade barriers have prevented bilateral economic ties from reaching their full potential. Taiwan with a self-sufficiency ratio of around 33 per cent is still heavily reliant on imports such as food and beverage products. Taiwan has been a significant importer of Australian agricultural products, and is a major consumer of Australian beef, dairy, and vegetables; Taiwan was Australia's 13th largest market for agricultural exports in 2017/2018. Since 2015, Australia has replaced Spain as the fifth largest wine supplier to the Taiwanese market. However, many meat and wine product imports to Taiwan are still subject to tariffs ranging from 15 to 30 percent. Free trade agreements, in the form of CPTPP membership would therefore allow greater, mutually beneficial economic ties between Australia and Taiwan.

In addition to bilateral economic benefits, Australia's commitment to liberal democratic values, and our support for a rule-based international order would be further strengthened by the welcoming of Taiwan, a fellow liberal democratic society, into the CPTPP.

Yours Faithfully,
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