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Message from the Chairman

My dear colleagues:

It is a pleasure to present to you the Tenth edition of the “Asian Council on Trade Facilitation” Newsletter. This publication is a compendium of relevant news, reports, and analysis on recent developments in trade facilitation in Asia Pacific.

This issue features articles on Azerbaijan and Qatar boosting their trade links, Chinese investing in Mongolia to facilitate trade with Russia, ASEAN continuous efforts to facilitate trade, Tehran hosting Russian trade missions, and India boosting trade with the USA.

Another important report is that of Malaysia sending a mission to EU and simultaneously implementing WTO compliance. Philippines and Taiwan are not far behind establishing agreements with EU and USA, respectively.

Indeed, this Newsletter shows the permanent expansion of international trade despite the geopolitical complications generated by the Ukrainian war.

We hope you will find this issue useful and informative.

R. B. Rauniar

*Chairman of Asian Council on Trade Facilitation
CACCI*

Upgrade of ASEAN: Australia - New Zealand Free Trade Agreement

ACCI, 17 November 2022

The Australian Government has announced the substantial conclusion of negotiations for an upgrade to AANZFTA.

According to the Government's media release, once the agreement comes into force, it will benefit Australian businesses through new chapters and provisions, including on micro, small, and medium sized enterprises, trade and sustainable development and education services.

The agreement will also include enhanced provisions on electronic commerce, customs procedures and trade facilitation, trade in goods, rules of origin, trade in services and investments.

To read the full media release click [here](#).

Azerbaijan & Qatar to boost trade, economic relations

[Azernews, 21 January 2023](#)



Economic and trade ties between Azerbaijan and Qatar have been discussed. Mikayil Jabbarov, Azerbaijan's Minister of Economy, tweeted Azernews reports.

"During the meeting with Minister of Commerce and Industry of the State of Qatar Sheikh Mohammed bin Hamad bin Qassim Al Abdullah Al Thani, held within President Ilham Aliyev's participation in the World Economic Forum in Davos on January 17, we discussed the expansion of trade and economic

relations between our countries, as well as the promotion of investments," the minister wrote.

Qatar is dedicated to fostering ties with Azerbaijan and advancing the alliance by facilitating trade between the two nations. The two countries' diplomatic ties, which are based on cooperation and supported by respect and trust between them, were established 30 years ago this year.

The World Economic Forum (WEF) is a global non-governmental and lobbying organization with headquarters in Cologny, Switzerland. German engineer and economist Klaus Schwab, the Executive Chairman of the World Economic Forum, founded it on January 24, 1971. The WEF is best known for its annual gathering, which takes place at the end of January in Davos, a ski resort in Switzerland's eastern Alps. Around 3,000 paying attendees and invited guests, including investors, business and political leaders, economists, celebrities, and journalists, convene for 500 sessions over the course of up to five days to discuss world issues.

Bangladesh and the Commonwealth of Nations: A Boost in Economy

The Daily Star, Ahmad Tousif Jami, Maliha Arosha Hasan, 11 February 2023

In 1972, when Bangladesh joined the Commonwealth as its 34th Member, the country was still in its infant stage struggling with a war-torn economy and a ravaged infrastructure due to the aftermath of the War of Independence. Over time, Bangladesh attained tremendous development on its economic front.

Now, with a resilient and robust economy sustaining growth over the past decade, Bangladesh has received the final recommendation from the United Nations to graduate from the least developed country (LDC) category. This achievement became possible with immense hard work by the nation, along with support from its development partners. Achieving this milestone is one of the most significant events in the country's history. Bangladesh has undoubtedly come a long way as an independent state, as Bangladesh's exit from the LDC category is scheduled to commence in 2026. The parameters for LDC graduation are Per Capita Income (PCI), Human Assets Index (HAI), and Economic Vulnerability Index (EVI). Bangladesh has an outstanding record of satisfying all three parameters back to back, whereas satisfying any two is considered adequate.

LDC status gives a country access to increased benefits like grants, preferential market access etcetera. Bangladesh has been granted a grace period until 2026 where Bangladesh will continue to receive these benefits. Upon exiting the LDC category in

2026, the benefits will decrease. Hence, Bangladesh is preparing a blueprint for a smooth and sustainable LDC graduation.

Bangladesh now needs to go for bilateral and multilateral trade agreements to keep the rate of development progress constant. Bangladesh also needs to look for development partners to ensure the flow of cheaper funds in the overall development of the country. Moreover, the country can work towards achieving common economic goals as part of global political associations such as the Commonwealth.

The nation needs to create a robust blueprint to transition through graduation for the next five years and beyond. Of many criteria the country needs to work on one of the most crucial ones which is boosting trade. Bangladesh can work towards nurturing a strong bond and support structure among the member countries of the Commonwealth. The Commonwealth represents a diverse pool of countries of many unique strengths which presents opportunities to boost trade for all the members. The Commonwealth has a combined population of approximately 2.4 Billion with more than 60 percent of the population aged 29 or under.

The combined GDP was estimated at US\$10.4 Trillion in 2017 which was predicted to reach USD 13 Trillion in 2020 (estimation excludes the pandemic effect). GDP wise Bangladesh stands at the 9th position in the Commonwealth members' list. Some of the largest trade partners of Bangladesh are Commonwealth members. The continuous economic growth of Bangladesh along with its LDC graduation have earned the country a seal of global approval regarding the country's development accomplishment. This increases the confidence of foreign financial actors in the economic strength of Bangladesh. Although non-LDC status is not the only factor considered for trade confidence, this should boost the confidence of investors to invest in the country. Bangladesh has a large low-skilled workforce but should continue to work on increasing its high-skilled workforce and on other aspects where it lags behind such as the weak investment climate. This would help Bangladesh to gain further confidence of foreign financial actors. The Commonwealth can play a leading role in helping Bangladesh overcome these weaknesses.

The Commonwealth can deploy a program similar to the Hub and Spokes Program which they carried out in the Africa, Caribbean and Pacific (ACP) group of countries. In this program, they can send trade advisors to the government who will consult, advise and provide solutions to improve the issues of weak investment climate, lack of a high skilled workforce and other existing issues. This will assist in enhancing the image of investment in Bangladesh in the global arena. Bangladesh can also benefit from tapping into the immense market of the Commonwealth (as stated above with GDP estimation). The number of youth in the Commonwealth can also be a boon to its member nations if proper skills and knowledge can be disseminated to them. Bangladesh also has a large number of youth population and would benefit from the same initiative to prepare its youth for the future.

Bangladesh has many quality products to export to other Commonwealth countries. Bangladesh excels in the field of ready-made garments (RMG) which constitutes over 80% of total exports. Other fields where the country excels include, but are not limited to, pharmaceuticals, construction industry, agricultural-processing, light engineering, jute products, ceramic products, and many more. The Commonwealth could facilitate the development of Bangladesh's export capabilities, which would allow Bangladesh to benefit from exporting more, and other Commonwealth countries could benefit from access to Made-in-Bangladesh quality products that offer great value, such as RMG and pharmaceuticals.

Bangladesh is currently exploring alternative trading arrangements, i.e. bilateral (and regional) free trade agreements, to combat the potential trade shock that will result from the graduation from LDC status. Arrangements and agreements with member states of the Commonwealth will minimize the trade shock, create harmony, and help achieve the Commonwealth Connectivity Agenda for Trade and Industry goals.

Commonwealth members are already working to strengthen logistics performance, streamline and simplify international transit regimes and behind-the-border regulations, and strengthen trade facilitation. They can also take steps to enhance connectivity through investments in both institutional and physical infrastructures. Commonwealth members already enjoy an advantage when it comes to efficient contract enforcement. The association should consider strengthening dialogue and cooperation at the pan-Commonwealth level and sharing country experiences and best practices on issues of physical, digital, regulatory, business-to-business and supply-side connectivity, all framed by the need for inclusive and sustainable trade to contribute towards the achievement of the SDGs. Bangladesh can play an active role in improving trade facilitation among Commonwealth countries.

To become more economically sustainable and resilient, Bangladesh needs the support of the Commonwealth in increased trade arrangements and investments. Further, Bangladesh needs to put more effort into becoming more trade-competitive. Bangladesh needs to combat barriers of economic diversification like preferential treatment of the RMG sector and tariff protection for certain domestic industries. Bangladesh can subsidize other growing industries. The Commonwealth countries can help to train and subsidize where required. In the present context of Bangladesh's LDC graduation, a boost in trade between Bangladesh and Commonwealth countries can benefit all relevant stakeholders. By working towards a common goal, Bangladesh and the Commonwealth both would be able to attain much development and prosperity for the citizens of the Commonwealth as a whole.

China accelerates Mongolia investment to ‘facilitate’ Russia trade link and secure energy, commodities

The South China Morning Post, Ralph Jennings, 11 August 2022

Mongolia and China signed ‘cooperation documents’ after Foreign Minister Wang Yi visited Ulaanbaatar in August 2022.

Mongolia’s top exports include gold, followed by coal briquettes and iron ore, while railway improvements are set to help smooth shipments between China and Russia.



Chinese Foreign Minister Wang Yi met Mongolian counterpart Batmunkh Battsetseg in Ulaanbaatar (EPA-EFE)

China has intensified trade relations with Mongolia, and investment in railway infrastructure improvements in its northern neighbour are set to improve Beijing’s access to vital natural resources and smooth commerce with sanction-hit Russia, analysts said.

Mongolia and China signed “cooperation documents” after Foreign Minister Wang Yi visited counterpart Battsetseg Batmunkh in Ulaanbaatar, according to China’s Ministry of Foreign Affairs.

The two sides agreed to connect railways to highways “so as to keep the industrial and supply chains stable and unimpeded” and to also reopen border crossings, the statement said.

ASEAN reaches important trade facilitation milestone

The Jakarta Post, 10 February 2023



The ASEAN secretary-general and foreign ministers (except Myanmar) attended the 32nd ASEAN Coordinating Council Meeting in Jakarta on Feb. 3. The foreign ministers in attendance were Indonesia's Retno LP Marsudi, Malaysia's Zambry Abdul Kadir, Brunei's Erywan Yusof, Singapore's Vivian Balakrishnan, Thailand's Don Pramudwinai, Vietnam's Bui Thanh Son, Laos' Saleumxay Kommasith, The Philippines' Enrique Manalo, Cambodia's Prak Sokhonn, Timor Leste's Adaljiza Magno and ASEAN Secretary-General Kao Kim Hourn (AFP/Bay Ismoyo)

The ASEAN Trade Repository (ATR) has operated effectively after five years of work under the European Union’s technical assistance program known as ARISE Plus (ASEAN Regional Integration Support by the EU).

ARISE Plus provided over 21 million euros of funding to ASEAN to increase regional economic integration, lower trade barriers, foster the rule of law, and support ASEAN's private sector, especially small and medium enterprises (SMEs) and particularly women-owned businesses, through a number of trade facilitation instruments such as the ASEAN Customs Transit System, the ASEAN Solutions for Investment, Services and Trade and many mutual recognition agreements or harmonized standards in the areas of food safety, organic farming and pharmaceuticals, inter alia.

However, no other trade facilitation tool is arguably as important as the trade-related regulatory transparency provided by the ATR.

Tehran hosts grand Iran-Russia business forum

The Tehran Times, 15 November 2022



Tehran hosted a grand Iran-Russia business forum at Espinas Palace Hotel

TEHRAN - Organized by the Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA), the event was participated by a 120-member Russian delegation as well as businesspeople and officials from Iran, the ICCIMA portal reported.

ICCIMA Head Gholam-Hossein Shafeie, Russian Ambassador to Iran Alexey Yurievich Dedov, Iran's Deputy Foreign Minister for Economic Diplomacy Mehdi Safari, and

President of the Chamber of Commerce and Industry of Russian Federation Sergey Katyrin were among the officials who attended the forum.

Developing infrastructure, a prerequisite for expanding trade

Opening the event, ICCIMA Head Gholam-Hossein Shafeie underlined the need for the improvement of transportation and trade infrastructure for the expansion of trade ties between Iran and Russia, saying that the creation of transportation infrastructure, development of banking relations, facilitation of the issuance of bank guarantees, and expansion of the activities of the green customs corridor are prerequisites for the development of relations between the two countries.

Referring to Iran's major policy of constructive partnership with neighboring countries, Shafeie stated: "In order to create a calm and stress-free environment for business, Iranian private sector emphasizes the use of diplomatic capacities to develop economic and trade relations with other nations."

He further stressed the capacities of Iran and Russia to develop relations and said: "The two countries' major resources and capabilities in various fields such as oil and gas, shipping in the Caspian Sea and general transportation along the north-south corridor, information technology and electronics, petrochemicals, agriculture and food, metals and chemicals, construction and textile materials, pharmaceuticals, technical and engineering services, along with the desire of the two countries for regional cooperation have paved the way for the expansion of bilateral exchanges."

Iran-Russia working on a direct banking channel

Elsewhere in the forum, Mehdi Safari, Iran's deputy foreign minister for economic diplomacy, said Iran and Russia are working on a mechanism for establishing a direct banking channel between the two countries.

Mentioning the visit of several delegations from Central Bank of Iran (CBI) to Russia and also the visit of some Russian bank representatives to Iran, Safari said: "The central bank has sent five high-level delegations to Russia which have had long negotiations [with Russian counterparts]. On the other hand, Russian bank representatives also came to Iran and the infrastructure is being prepared; As the central bank says in four months our business relationship with Russia will be closed [conducted directly], and if this is done, such a relationship can be formed with more than 10 other countries."

Tehran-Moscow eye \$40b of annual trade

Also addressing the forum, President of the Chamber of Commerce and Industry of Russian Federation Sergey Katyrin said: "The roadmap for achieving \$40 billion of trade between Iran and Russia has been prepared and the businesspeople of both sides are waiting for the implementation of a free trade agreement [between the two countries]."

Underlining the Russian chamber's efforts to develop relations between Iranian and Russian businessmen, Katyrin emphasized: "Following these efforts, today more than 100 representatives and entrepreneurs from different provinces of Russia are present in this forum, and we are ready to develop provincial relations between the two countries even further."

"In this regard, as emphasized in the meeting of the presidents of the two countries, various ministers of our country visited Russia in order to lay the groundwork for the development of trade relations," he said.

The official stressed the importance of exchanging information between businessmen of the two countries and added: "Decisions were made in the Russian Chamber [of commerce and industry] to increase the level of relations with the Iranian side, and we took more than 100 people on this trip to show how important it is for Russia to increase relations with Iran."

Iran, Russia governments support private sector ties

Also speaking at the gathering, Russian Ambassador to Iran Alexey Yurievich Dedov underlined the governments of the two countries' support for the expansion of economic ties and said the government officials of Iran and Russia have met each other and talked on the phone several times to come up with ways to develop relations.

"By the end of 2022, the presence of more high-level Russian delegations in Iran can create a foundation for bilateral and multilateral relations and make it possible to reach the economic goals [set by the two sides]."

Headed by Sergey Katyrin, the Russian trade delegation, comprised of businesspersons active in different areas, including transportation, food, constructional materials, petrochemical and oil products, international arbitration, and so on, arrived in Tehran.

After attending the forum, the delegation also plans to visit other Iranian cities of Rasht, Anzali, and Isfahan.

On the sidelines of the business forum, the Russian businesspersons held B2B meetings with their Iranian counterparts.

Iran and Russia traded as much as \$4.63 billion worth of commodities over the past Iranian calendar year (ended on March 20), according to an April report by the Islamic Republic of Iran Customs Administration (IRICA).

Earlier that month, Igor Yevgenyevich Levitin, aide to the president of the Russian Federation, visited Iran on top of a high-ranking delegation to meet with Iranian Transport and Urban Development Minister Rostam Qasemi and discuss the expansion of transport ties.

TPO taking serious measures to facilitate trade, promote exports

The Tehran Times, 6 February 2023



TEHRAN- The head of Iran's Trade Promotion Organization (TPO) elaborated on the major measures being taken by his organization to facilitate Iran's trade and promote the country's export, during a press conference

Alireza Peyman-Pak mentioned the creation of infrastructures to facilitate trade and promote export as the major responsibility of the TPO.

He referred to holding exhibitions to recognize the target markets as one of these measures and said, "We try to diversify the exhibits based on the target markets."

"We focused on increasing our presence in the markets of Africa, Eurasia, East Asia, and Latin America, which were previously neglected", the official noted, adding, "We selected the prioritized markets and held exhibitions through recognizing the potentials and capacities."

“We planned six exhibitions for the African markets, two of them have been already held and the rest four exhibitions are planned to be held”, Peyman-Pak further announced.

The official mentioned Iran’s auto parts exhibition in Moscow as a successful example in this due, and said that such success was also achieved in medical equipment, foodstuffs, garments, constructional materials, and other fields as well.

“We selected 57 products as pivots for holding the exhibitions”, he added.

Targeted dispatch and acceptance of trade delegations

Elsewhere in his remarks, the TPO head mentioned the targeted dispatch of Iranian trade delegations to other countries and targeted acceptance of trade delegations from other countries as the other measures being taken by his organization in line with the facilitation of trade and promotion of export.

He said, “Different delegations were recognized based on the commodity priorities, in a way that a series of prioritized commodity groups were selected and the delegations were dispatched based on them”.

“We acted the same in accepting the foreign trade delegations”, he added.

Peyman-Pak further appreciated the performance of the country’s chambers of commerce in this due, and said, “For example, Tehran Chamber of Commerce, Industries, Mines and Agriculture (TCCIMA) hosted several Russian trade delegations.”

Creating relation between trade platforms of Iran and target countries

TPO head also referred to the establishment of relations between the trade and marketing platforms of Iran and the target countries for recognizing and introducing the traders of the two sides as the other measures being taken by the Trade promotion Organization.

In this due, some good relation was established in China, Russia, Oman, and some other countries, he announced.

Establishment of trade centers

The establishment of trade centers in other countries was the other measure mentioned by Peyman-Pak.

“We have established eight centers in Africa, which are among our most active centers”, he highlighted.

The official said that benefiting from the capacities and capabilities of the private sector and also increasing the number of commercial attachés in other countries is pursued in this due.

The head of Iran's Trade promotion Organization went on to refer to the other measures, such as the establishment of preferential trade and free trade with foreign partners, taken and being pursued by his organization in line with facilitating trade and promoting export, and said that the noticeable rise in Iran's non-oil trade proves that all these measures have borne fruit, as the country's value of non-oil export rose 40 percent in the past Iranian calendar year 1400, and increased by 17.7 percent in the first ten months of the present year (March 21, 2022-January 20, 2023).

Iran, Kazakhstan to launch pilot sea-rail transit route

[The Tehran Times. 7 November 2022](#)



Director General of Ports and Maritime Department of Hormozgan Province Hossein Abbasnejad (2nd R) and Kazakh Deputy Prime Minister Zhumangarin Serik (1st L) visit Iran's Shahid Rajaee Port on November 1, 2022.

TEHRAN – Kazakhstan has reached an agreement with the Islamic Republic of Iran for using the country's rail network and the southern Shahid Rajaei Port for transiting goods to the Central Asian and Commonwealth of Independent States (CIS) regions.

According to Hossein Abbasnejad, the director general of the Ports and Maritime Department of Hormozgan Province, to this end, the two sides are going to implement a pilot sea-rail transport project which will be launched at the beginning of the next year.

Pointing to a recent visit by Deputy Prime Minister and Minister of Trade and Integration of the Republic of Kazakhstan Zhumangarin Serik to Shahid Rajaei Port, Abbasnejad noted that the two sides have agreed to jointly cooperate in implementing the project.

The official noted that due to the conditions created after the Russia-Ukraine war, one of the important issues concerning the transit of commodities is using the International North-South Transit Corridor (INSTC) which has gained Iran a special position in terms of export and import in the eyes of the Central Asian and CIS countries.

Kazakhstan is among the states that have expressed readiness to transit their goods via Shahid Rajaei Port, he said, adding that Astana and Tehran pursue joint ventures to develop investment in the transit sector.

According to the official, a technical committee of representatives from both countries is going to be formed within the next two months in order to discuss mechanisms and requirements to implement the joint venture, including a plan for transferring container freight goods from northern Iran to Shahid Rajaei Port via railway.

Elsewhere in his remarks, Abbasnejad said that Kazakhstan's prime minister is scheduled to visit Iran by the year-end and Kazakh authorities are keen on initiating joint economic activities at Shahid Rajaei Port at the same time.

Heading a high-ranking delegation comprised of representatives of governmental entities and private sector companies, Serik visited Shahid Rajaei Port in southern Hormozgan province on November 1 with the aim of inspecting the potential for investment in terminals of the Iranian port.

During his visit to Iran, the Kazakh delegation was also received by Iranian Transport and Urban Development Minister Rostam Qasemi.

After his meeting with Serik, Qasemi said the two sides have agreed to sign a memorandum of understanding (MOU) to develop cooperation in the transportation and transit sectors.

According to the minister, the MOU covers cooperation in a variety of areas including smartening of customs, equalization of tariffs, and facilitation of visa issuance for Iranian drivers and businessmen.

Prior to the mentioned meeting, Serik had said his country was seeking to cooperate with Iran in establishing an export terminal in the Islamic Republic's southern Bandar Abbas Port.

Stating that his country is looking for the development of export routes for its agricultural products to the Indian subcontinent, the official added: "Our proposal to Iran is not only about building a grain terminal, but also includes related structures and equipment, including wheat and flour warehouses, cold stores and equipment for storing meat."

This Kazakh official stated that in case of reaching an agreement with Iran, the private sector of his country will pay for the implementation of this project.

In early October, Kazakhstan Prime Minister Alikhan Ashanuly Smaiyllov emphasized the importance of improving the level of cooperation between Tehran and Astana in the oil swap, as well as industry, agriculture, scientific and cultural sectors.

The official made the remarks in a meeting with Iran's First Vice President Mohammad Mokhber on the sidelines of the Second Caspian Economic Forum in Moscow.

Mokhber, for his part, said that the level of trade between Iran and Kazakhstan can quickly reach three billion dollars, considering the existing capacities of the two countries.

India, U.S. establish new trade group to bolster supply chains

[The Nikkei Asia, Reuters, 12 January 2023](#)

Agenda includes sustainable finance, clean technologies and customs procedures

NEW DELHI - India and the U.S. have established a new working group to build sustainable supply chains and boost bilateral trade, the governments said in a joint statement on Thursday.

The working group will initially focus on trade facilitation, digitization of customs procedures, issues related to sustainable finance and the scaling up of innovative clean technologies, according to the statement issued after a Trade Policy Forum meeting in Washington.

At a meeting co-chaired by India's trade minister, Piyush Goyal, and U.S. Trade Representative Katherine Tai, the countries also agreed to continue close monitoring of visa issues and increase dialogue on food and agricultural trade issues in 2023.

The U.S. will also consider India's interest in the restoration of beneficiary status under the U.S. generalized system of preferences program, the statement added.



U.S. Trade Representative Katherine Tai, left, and Indian trade minister Piyush Goyal meet during November 2021 in New Delhi. © Reuters

The Trade Policy Forum, revived in 2021 after a gap of four years, will reconvene on a ministerial level before end of 2023.

The two countries said they mean to continue to work together on resolving outstanding trade issues.

"Waiting for all-or-nothing comprehensive agreements will only slow our shared goal of achieving a \$500 billion trade relationship," Atul Keshap, the president of the U.S. Chamber of Commerce's U.S.-India Business Council, said in a statement.

Goyal also said the two countries are looking at larger bilateral footprints for trade and investments than mini deals, with a focus on greater market access and ease of doing business.

U.S. companies are also looking to invest more in India, he added.

"U.S. companies have ambitious plans and are looking to invest large capital and bring technology to India," Goyal said in a statement released on Thursday.

Eximbank signs MOU with POSCO International for supply chain stabilization

Korea Times, Yoon Ja-young, 12 December 2022



Export-Import Bank of Korea (Eximbank) Chairman and President Yoon Hee-sung, center, poses with POSCO International CEO Joo Si-bo, left, and Yang Joon-ho, an executive of S&S INC, after signing an MOU at the bank headquarters in Yeouido, Seoul (Courtesy of Eximbank)

The Export-Import Bank of Korea (Eximbank) signed an MOU with POSCO International and S&S INC for the stabilization of supply chains and the growth of small companies.

The trading affiliate of steel giant POSCO has been purchasing car components from small and medium-sized enterprises (SMEs) and mid-tier manufacturers in Korea for export to global car giants such as FCA and GM.

S&S INC is one of those local SMEs manufacturing car components that have been exported via POSCO International.

Following the MOU, Eximbank will provide 500 billion won in financing by 2025 so as to strengthen the value chains of local businesses in the global supply chain, help balance growth between conglomerates and SMEs and promote exports through its online supply chain factoring program.

Specifically, it plans to make it easier for SMEs engaged in indirect exports to access policy financing, by enhancing convenience in transactions through its online supply chain factoring program as well as its corporate finance platform, which was launched in April to offer corporate financing services online.

Through the online supply chain factoring platform, which is scheduled to launch next month, the bank will be purchasing accounts receivables of the SMEs engaged in indirect exports before their due date. As an example, Eximbank will be purchasing the accounts receivables of S&S INC before its due date, based on the high credit ratings of POSCO International. That will help the SME enjoy better liquidity and a better financial structure as it can cash out.

Eximbank expects the measure to strengthen supply chains that link local SMEs with POSCO International and global car companies.

"We hope the MOU will help bolster the competitive edge of local car component manufacturers in the global supply chain as well as with their liquidity management," Eximbank Chairman and President Yoon Hee-sung said.

"By cooperating with Eximbank, we will be contributing to the stabilization of global automotive supply chains as well as helping local hidden champion firms, equipped with competitive technology, on their road to overseas markets," POSCO International CEO Joo Si-bo said.

Korea, Vietnam to bolster critical materials supply chains

[Korea Times, Baek Byung-yeul, 5 December 2022](#)

Korea and Vietnam agreed to increase cooperation in supply chains for minerals that are needed for IT devices and electric car batteries, eco-friendly renewable energy and textiles, according to the industry ministry.

Korea's Ministry of Trade, Industry and Energy said its minister signed a total of three agreements with his Vietnamese counterpart during a ministerial meeting in Seoul.

Korea's Trade, Industry and Energy Minister Lee Chang-yang and Vietnam's Industry and Trade Minister Nguyen Hong Dien signed the agreements following a summit between President Yoon Suk-yeol and Vietnamese President Nguyen Xuan Phuc.

The Vietnamese president made a state visit to Korea at the invitation of the Korean president to commemorate the 30th anniversary of bilateral diplomatic ties.

With the three agreements, Korea and Vietnam came to an understanding that the two countries will further expand cooperation in industrial supply chains, carbon neutrality and trade facilitation through greenhouse gas reduction, clean energy and expansion of the rules of origin as well as core minerals.



Trade, Industry and Energy Minister Lee Chang-yang / Courtesy of Ministry of Trade, Industry and Energy

For the cooperation on core minerals, the two ministers agreed to bolster partnerships in exploration and development of core minerals in Vietnam, promote investment, stabilize supply and manage global supply chains of the minerals together.

"Since Minister Lee proposed strengthening cooperation in the supply chains for core minerals including rare earths during a meeting with Vietnam's minister of trade and industry in August, he has continued discussing ways to work together for core minerals by sending an investigation team," the industry ministry elaborated.

Vietnam is a resource-rich country with abundant mineral resources. The country is the world's No.2 in rare earths in terms of reserves and third in tungsten. Korea has capabilities in mining, refining and smelting core minerals, so the two sides expect there will be a synergy effect.

For the agreement of cooperation in electricity industry, the two countries agreed to work together on developing ammonia co-firing technology and offshore wind energy. Given Vietnam is heavily dependent on coal power generation, the development of ammonia co-firing technology is expected to greatly contribute to the carbon neutrality of Vietnam.

In addition, the two sides inked an agreement to implement cumulative provisions of British-Vietnamese origin. The agreement will allow preferential tariffs to be applied even if clothes manufactured by processing Korean textiles in Vietnam are exported to the U.K. in the future.

Korea, Vietnam elevate ties to comprehensive, strategic partnership

The Korea Times, Nam Hyun-woo, 5 December 2022



President Yoon Suk-yeol shakes hands with his Vietnamese counterpart, Nguyen Xuan Phuc, during a joint press conference after their summit at the former's presidential office in Yongsan District, Seoul (Yonhap)

President Yoon Suk-yeol and his Vietnamese counterpart, Nguyen Xuan Phuc, held a summit in Seoul, agreeing to elevate bilateral ties to "a comprehensive and strategic partnership."

The two leaders especially vowed to strengthen cooperation in strategy,

security, industry, and supply chains.

Phuc arrived in Seoul as part of a three-day state visit to Korea on the occasion of the 30th anniversary of diplomatic ties between the two countries. Phuc is the first foreign head of state to make a state visit to Korea since Yoon took office on May 10.

"For the past three decades, the two countries have established a model case of mutually beneficial and cooperative bilateral relations, with their dazzling progress in trade and investment cooperation," Yoon said during a joint press conference after the summit at the presidential office in Yongsan, Seoul.

"Based on these achievements, we seek to open up a new era of Korea-Vietnam relations by establishing a comprehensive and strategic partnership," he added.

In addition to Korea, Vietnam has forged comprehensive and strategic partnerships with only China, Russia and India.

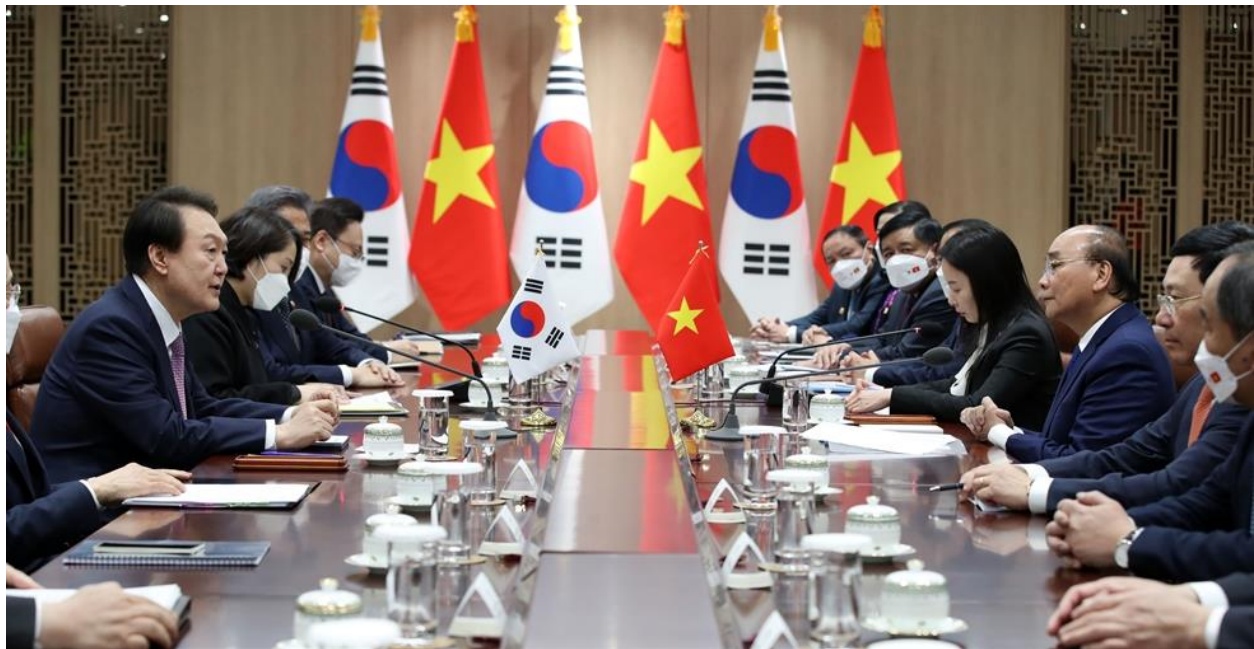
Yoon noted that the two countries will enhance strategic dialogue, since they share mutual interests in the areas of regional peace, security and a rules-based order.

"Vietnam is the core partner of Korea's Indo-Pacific strategy and Korea-ASEAN solidarity initiative," Yoon said. "To strengthen Korea-ASEAN and Korea-Mekong

cooperation, we will closely coordinate with Vietnam. President Phuc also welcomed South Korea's diplomatic vision to become a global pivotal state."

During last month's South Korea-ASEAN summit, Yoon unveiled his Indo-Pacific strategy which focuses on promoting freedom, peace and prosperity in the region, pursuing an open and fair economic order and stronger contributions by Seoul for those goals.

To this end, Yoon promised to reinvigorate vice-minister level strategic conversations between the two countries and expand bilateral cooperation in maritime security and national defense.



President Yoon Suk-yeol speaks during a summit with his Vietnamese counterpart, Nguyen Xuan Phuc, at the presidential office in Yongsan District, Seoul (Joint Press Corps)

The leaders also promised to expand bilateral cooperation for economic security and supply chain resilience.

During their summit, the two countries signed three agreements and six memorandums of understanding on tariffs, financial cooperation, rare minerals, electricity and other economic fields.

Highlighting them was an MOU on stronger bilateral cooperation in rare minerals. Vietnam has the world's second-largest reserves of rare earth metals and is an important supply chain partner for Korea, a chip manufacturing powerhouse.

The leaders also agreed that the two countries will make efforts to reach \$100 billion in bilateral trade by 2023 and \$150 billion by 2030.

"Korean companies are the largest investors in Vietnam with \$30 billion in investments, which are expanding in areas such as technology transfers, in order to develop railways and trains, green industries, smart cities and other areas," Phuc said during the press conference.

"I am convinced that the comprehensive and strategic partnership will usher in a new era of bilateral relations and make contributions to international security and peace," he added.

Yoon also vowed to assist Vietnam with Korean language education. In February of last year, Vietnamese education authorities included Korean as one of the foreign languages taught at elementary schools there.

The Korean president also requested the Vietnamese government's support for Korea's southern port city of Busan's bid to host the 2030 World Expo. The Vietnamese leader responded positively to the request.

Malaysia, Indonesia to send mission to EU to argue against trade curbs: Fadillah

[The Straits Times, Bernama, 10 February 2023](#)

JAKARTA - Malaysia's joint mission with Indonesia to the European Union (EU) to deal with the bloc's restrictions on the entry of various commodity products will be carried out in May, said Deputy Prime Minister Datuk Seri Fadillah Yusof.

Fadillah who is also plantation and commodities minister said Malaysia would inform the EU about the reforestation programme and Malaysia's Forestry Policy, which included sustainable forest management, conservation and biodiversity protection.

"In Malaysia, we already have a policy not to clear forests other than what has been designated," he told the media after holding a meeting with Indonesia's Trade Minister Dr Zulkifli Hasan here. He said the replanting of forest species in the "community farming" programme in Malaysia is under way.

Both also discussed the role of the Council of Palm Oil Producing Countries (CPOPC) to bring the issue of discriminatory trade barriers against palm oil and rubber producing countries to the Asean level.

Reportedly, seven commodities - palm oil, cattle, wood, soy, cocoa, coffee, and rubber, that were cultivated or reared on land that was deforested will be prohibited from entering the EU market once the legislation is approved by the European Parliament.



Deputy Prime Minister Datuk Seri Fadillah Yusof (left) is greeted by Indonesia's Trade Minister Dr Zulkifli Hasan during the official visit in Jakarta. - Pic credit Facebook fadillahyusof194

Other matters discussed included increasing cooperation in research and development (R&D) and marketing Malaysian products such as seismic rubber bearing technology for use in areas that are often hit by earthquakes as well as the threat of defoliation disease on rubber trees (pestalotiopsis).

Fadillah was also informed by Zulkifli about the Border Trade Agreement and Border Crossing Agreement between Indonesia and Malaysia which will be concluded soon.

He believes the agreement will facilitate cross-border trade between Indonesia and Malaysia, especially Sabah and Sarawak, as well as facilitate the entry of human resources from Indonesia in the oil palm sector in Sarawak.

Sarawak now exports electricity generated from hydroelectric dams to West Kalimantan and has been given the opportunity to build a hydroelectric dam in East Kalimantan, he said.

Meanwhile, Fadillah said Malaysia will host the International Tripartite Rubber Council (ITRC) Ministerial Meeting in June.

The meeting involving the main natural rubber producing countries – Indonesia, Malaysia and Thailand – will be preceded by technical committee level discussions in February, he said.

The CPOPC ministerial meeting will be held in May, of which Malaysia is the chairman this year. Fadillah and his delegation were in Jakarta in conjunction with a three-day working visit.

Malaysia's efforts to improve compliance with WTO bearing fruits: MITI

The Sun Daily, Bernama, 11 February 2023



Image credit - Ministry of International Trade and Industry, Malaysia/FBPIX

KUALA LUMPUR - Malaysia's effort to improve its compliance with the World Trade Organisation (WTO) and maintain an open and transparent trading environment is bearing fruits as the number of questions raised at the Eighth Trade Policy Review (8th TPR) in Geneva, Switzerland reduced substantially.

The Ministry of International Trade and Industry (MITI) secretary-general Datuk Seri Isham Ishak (pix), who led the Malaysian delegation to the meeting, said Malaysia received a total of 367 questions from 28 WTO Members with a majority number of questions from the United States, India, Australia, the European Union and Asean member states.

“For record, the number of advanced written questions received by Malaysia for the 8th TPR reduced from 476 received in 2018 that reflect Malaysia’s efforts to improve its compliance to the WTO and maintain an open and transparent trading environment,” he said in a statement from Geneva shared with Bernama.

The 8th TPR of Malaysia was held on Feb 8 and Feb 10, 2023, involving ministries and agencies such as MITI, Ministry of Finance; Ministry of Plantation and Commodities; Ministry of Agriculture and Food Security; Ministry of Natural Resources, Environment and Climate Change; Ministry of Domestic Trade and Cost of Living; Bank Negara Malaysia; Royal Malaysian Customs Department; and Malaysia Palm Oil Board.

Isham said these questions have covered a number of areas such as trade openness, intellectual property rights, food security, halal certification, financial services, sustainable development, e-commerce, SME development, free trade agreements, standards as well issues related to trade and gender.

“Malaysia is committed to uphold rule-based multilateral trading system as well as to implement economic reforms and good practices in the areas of trade, investment and environmental sustainability,” he said.

He said 37 WTO members made intervention by raising questions and providing positive comments on Malaysia’s trade and investment policies during the two-day TPR exercise.

“Most of the members have commended Malaysia on its economic performance despite challenges posed by the pandemic as well as Malaysia’s continued efforts to improve its domestic legislation to meet the international standards, especially in the areas of intellectual property and labour rights,” he said.

Isham said most of the members also commended Malaysia’s productive contributions to regional trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

He said the members observed these developments as a building block for progressive multilateral trade liberalisation.

“Malaysia was applauded for her active participation in the WTO discussions, such as Joint Statement Initiatives on Investment Facilitation for Development (IFD) and e-Commerce, the Cairns Group and WTO Reform meetings,” he said.

Currently, the Permanent Mission of Malaysia in Geneva is led by Ambassador Syahril Syazli Ghazali.

TPR is an exercise mandated in the WTO agreements as part of the transparency obligation, where the WTO Members’ trade and trade-related policies and measures are examined and evaluated.

Philippines plans to forge more trade deals

The Philippine Star, Catheine Talavera, January 30, 2023

MANILA - The Philippines is targeting to have more free trade agreements (FTAs) with various countries as the country continues to work on potential agreements.

In an interview with reporters, Trade Assistant Secretary for Industry Development and Trade Policy Allan Gepty said there is a need for the Philippines to expand its FTA network, adding that the majority of the country's FTAs are anchored on regional ones such as the ASEAN+1 FTA.

"We are now embarking on a Comprehensive Economic Partnership Agreement (CEPA) with the UAE and that we are also working on a possible preferential trade agreement with India," Gepty said.

"In the UAE-CEPA we just basically launched the manifestation, the intent to embark on a comprehensive economic partnership. The next step is for us to work with the terms of reference or the scoping paper for the trade negotiation," Gepty said.

In June last year, the Philippines signed an investment promotion and protection agreement (IPPA) with the UAE.

The DTI has said that as part of the IPPA, a Joint Committee on Investment, to be headed by the undersecretaries of the Philippines' DTI and UAE's Ministry of Finance, was formed to start investment initiatives and look at areas of cooperation.

"The signing of the IPPA marks an important step in further strengthening the countries' economic ties, as the countries have also launched the start of the official negotiations for the Comprehensive Economic Partnership Agreement (CEPA)," former Trade secretary Ramon Lopez had said.

Meanwhile, Gepty said that on a regional level, there are also ongoing negotiations with Canada for the ASEAN-CANADA FTA.

"But, again, more than these FTAs and existing negotiations, for the Philippines, we still have to work on other FTAs bilaterally," Gepty said.

"Of course we are also consistent in our push to resume the Philippine-European Union FTA negotiation. We have been advocating also that we have a bilateral FTA with the US and, of course, there are other countries that we are also studying right now," Gepty said.

The trade official also shared that the country is hoping to sign a free trade deal with South Korea within the first quarter.

In November, DTI Undersecretary and Board of Investments (BOI) managing head Ceferino Rodolfo said the FTA between the two countries was ready to be signed as early as October last year.

“We were foreseeing before that the ASEAN or the APEC meetings would have been a good opportunity for the Secretary to sign this with the South Korean minister, to be witnessed by the leaders,” Rodolfo said.

“But both sides agreed that it should be given the prominence that it deserves, being an FTA between Philippines and Korea. It will be best that it should be signed either in Manila or in Seoul,” Rodolfo added.

Negotiations for the Philippines-South Korea FTA started in June 2019. In October last year, both countries concluded the negotiations for the FTA.

Covered by the negotiations for the FTA are trade in goods, trade remedies, rules of origin, customs procedures and trade facilitation, economic and technical cooperation, competition, and legal and institutional issues.

The final negotiations focused on market access for Philippine bananas and Korean automotive units and parts.

In the negotiations, the Philippines was able to secure elimination of tariffs for its banana exports, which was previously excluded under the Association of Southeast Asian Nations-Korea FTA. In addition, there would be improved access for Philippine processed pineapples to South Korea.

Philippines to boost trade facilitation with ASEAN

[The Philippine Star, Loise Maureen Simeon, 19 January 2023](#)

MANILA - The Philippines will participate in the cross-border exchange of the electronic phytosanitary certificate (e-phyto) that would pave the way for a better trade facilitation in the region.

The Bureau of Customs (BOC) and the Department of Agriculture kicked off the e-phyto certificate among members of the Association of Southeast Asian Nations via the ASEAN Single Window (ASW) System.

The Philippines will exchange the e-phyto certificates with ASEAN members using the BOC E-Phyto Management Portal.

The portal has access to the e-phyto certificates issued by the DA's Bureau of Plant Industry (BPI), the country's official National Plant Protection Organization as well as those issued by the respective NPPOs of exporting countries.

DA and BOC agreed to promote trade facilitation and strengthen the relations between the two government agencies regarding the import and export of plants and plant products.

Moving forward, the BOC and DA will conduct data and process mapping covering both incoming and outgoing e-phyto messages with ASEAN, as well as system alignment with other modes of exchange that the DA-BPI is currently implementing.

The BOC said the cross-border exchange of the e-phyto certificate would reduce document falsification, increase transparency and predictability in agri-food trade, and facilitate faster Customs clearance.

The latest development is in line with President Marcos' order to digitalize Customs procedures and processes to bring services at par with regional and global standards.

UN Reports 'Progress' on Talks to Allow Russian Fertilizer Exports

[The Moscow Times, AFP, 3 November 2022](#)



Fertilizing corn in the Russian Far East (Yuri Smityuk/TASS)

Negotiations underway to unblock exports of fertilizer from Russia have made "important steps forward," one of the main United Nations negotiators said, while acknowledging that there was still a way to go.

Russian grain and fertilizer exports continue to face issues over sanctions imposed after the Kremlin's invasion of Ukraine, despite two agreements

signed on July 22 that called for sanctions to spare agriculture-related products and grant safe passage for Ukrainian grain exports.

The second of those agreements, brokered by Turkey and the UN, has been working quite well, allowing millions of tonnes of grain to leave Ukrainian ports, and relieving some fears over a deepening global food security crisis.

But concerns have been increasing over the future of the deal since Russia briefly exited it over a drone attack on its Black Sea Fleet in Crimea. The deadline for the renewal of the deal was on November 19.

Putin Demands 'Real Guarantees' From Kyiv Before Restoration of Grain Deal

But UN trade negotiator Rebeca Grynspan told reporters in Geneva that she hoped "that the parties will be responsible and will extend and expand the Black Sea grain initiative."

Grynspan also reported significant progress being made on a deal to allow Russian fertilizer exports to resume. "We are working very hard making that facilitation, [and] have concrete results," said Grynspan, who heads the UN's trade and development agency UNCTAD.

"We have made important steps forward, but there is still a road to be traveled, especially with respect to the fertilizer crunch that we are seeing in the world."

She acknowledged that fertilizer exports from Russia – the world's largest producer – continue to face significant obstacles but said "we have been clarifying and engaging with the EU, the U.S. and the U.K. to solve these problems.

"I think that we are making progress," she said, adding though that the negotiators had not made "all the progress that I would want to see right now." "It is a difficult issue, it is a complex ecosystem," Grynspan added.

Singapore, EU sign partnership to strengthen bilateral digital trade

The Business Times, Paige Lim, 1 February 2023

SINGAPORE and the European Union (EU) have signed a digital partnership that will strengthen connectivity and interoperability between both digital markets, enabling people and businesses to transact digitally more seamlessly and at lower costs.

The EU-Singapore Digital Partnership (EUSDP) was signed by Singapore's Minister-in-charge of Trade Relations S Iswaran and European Commissioner for Internal Market Thierry Breton in Brussels.



Singapore's Minister-in-charge of Trade Relations S Iswaran and European Commissioner for Internal Market Thierry Breton at the signing of the EU-Singapore Digital Partnership.

The EUSDP will serve as an overarching framework for all areas of bilateral digital cooperation between the EU and Singapore. These include areas in the cross-border digital economy such as digital trade facilitation, trusted data flows, electronic payments, as well as

standards and conformance. It will also pave the way for cooperation in new and emerging areas such as artificial intelligence (AI), digital identities, and 5G/6G.

On top of that, the partnership will support the digital upskilling of workers, as well as the digital transformation of businesses and public services.

As a first deliverable of the EUSDP, a set of digital trade principles was launched. The Digital Trade Principles will “mark the first step towards a bilateral digital trade agreement that provides legal certainty for cross-border digital trade”, said Minister Iswaran.

Moving forward, Singapore and the EU will exchange best practices and co-develop projects across areas of the digital economy, in partnership with the private sector, said Minister Iswaran and Commissioner Breton. These include projects on AI governance and standards, digital identities, facilitating cross-border digital transactions, supporting the digital transformation of small and medium-sized enterprises, and digital skills.

The signing of the EUSDP follows the announcement by Prime Minister Lee Hsien Loong and European Commission President Ursula in December 2022 that negotiations of the agreement had been substantially concluded.

The EU is Singapore’s fourth-largest goods trade partner and second-largest services trade partner globally. In 2021, bilateral trade in goods came to S\$102 billion, representing 8.8 per cent of Singapore’s total goods trade; meanwhile, bilateral trade in services exceeded S\$67 billion.

The EU is also Singapore’s second-largest foreign investor and largest overseas investment destination.

SL To Establish Separate Investment Zone For Thai Investment

Ceylon Today, Ishara Gamage, 19 January 2023



Chief Negotiator of the International Trade Office in Sri Lanka K. J. Weerasinghe told Finance Today that the Government of Sri Lanka is currently focusing on signing new and more comprehensive Free Trade Agreements (FTA) with India, China, Thailand, Bangladesh and Indonesia during the year and beyond.

Sri Lanka has previously established FTAs with India (for 'goods' trade), Pakistan, and Singapore. China whilst the Bay of Bengal Initiative for Multispectral Technical and Economic Cooperation is being engaged in negotiations.

In line with K. J. Weerasinghe's task, the government is ready to resume the 12th round of bilateral negotiations for the Economic and Technology Co-operation Agreement (ETCA) proposed to be signed with India by the middle of next month.

Reportedly, it is envisaged to relax the quota limits imposed on Apparel and Spices and to persuade India to adopt a relaxed policy regarding the Indian 'negative list'.

He said the date for the next round of negotiations on FTA with China has not been set yet.

Through these agreements, the government hopes to increase exports to India by about 75 per cent and exports to China by about 30 per cent.

As part of the Government's ongoing economic reforms to kick-start the ailing economy, it has been suggested that the country should re-engage itself with the global economy to boost Exports and FDIs which are export-oriented.

"Towards this end, FDIs with strategically significant nations like India, China, and Thailand will be reestablished or pursued to boost the export potential of local industry," he said.

He also said Thailand has vowed to accelerate FTA with Sri Lanka aiming to finish the talks by the beginning of 2024

“A basic agreement was also reached to establish a separate investment promotion zone for Thai investments.

“The two countries agreed on a timeframe to end the discussions by the beginning of 2024 at the third round of FTA talks conducted on January 9-10 in Colombo, Sri Lanka,” he added.

“We will meet in March for the next round of negotiations”.

Attention would also be drawn towards the relaxation of the quota limits imposed by Thailand for the export of Tea and Spices

The third round of talks had been scheduled way back in 2018, however, it had since been postponed for four years owing to the pandemic and the restructuring of Sri Lanka’s negotiation-related institutions.

The trade negotiating committees of the two countries would concentrate on regulations on bilateral trade in products and services, rules of origin, investment, customs processes, and trade facilitation during the third round of discussions.

Furthermore, the group revised the negotiating strategy and established a timetable for concluding the discussions within 1-2 years.

Sri Lanka is now Thailand’s fourth-largest South Asian commercial partner. Bilateral commerce between the two nations was US\$ 334 million in the first 11 months of 2022.

Thailand shipped natural rubber, textiles, diamonds, jewellery, plastic pellets, equipment, and machinery components worth US\$ 253 million to Sri Lanka.

Meanwhile, Thailand imported stones, diamonds, industrial parts, clothing, plants and plant products, and chemicals worth US\$ 81 million from Sri Lanka.

When Somkid Jatusripitak, Thailand’s former Deputy Prime Minister, was on an official visit to Sri Lanka in 2016, the two countries initially discussed an FTA.

The two nations inked an MoU on technical collaboration, a letter of intent on small and medium-sized firm development cooperation, and a cooperative tourist programme for 2016-18.

On May 8, 2018, the Thai Cabinet approved the framework for FTA discussions with Sri Lanka. These include ‘products’ trade, ‘services’ trade, investment, and overall economic cooperation.

The framework had called for the two nations to negotiate an FTA to treble bilateral trade to US\$1.5 billion by 2020.

Sri Lanka is a growing nation with favourable trade and investment conditions, while Thailand may use Sri Lanka as a gateway to boost Thai exports to South Asia, which has a population of more than 1.2 billion.

More crucially, Sri Lanka may serve as a hub for Thai exports to the Middle East and Africa.

Sri Lanka is searching for international partners for investment and joint venture possibilities in a variety of areas, including hotel management, tourism-related enterprises, hospitals, pharmaceuticals, medical supplies, agriculture, technology and jewellery creation.

Taiwan seeks formal talks to join CPTPP trade bloc

Taipei Times, 21 January 2023

Taiwan has in the past year shown its determination and ability to meet the standards needed to become a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and would keep pushing for its accession to the trade bloc, the Office of Trade Negotiations said.

Taiwan has completed amendments to several laws to meet the requirements to be a CPTPP member, and in February last year eased restrictions on imports of Japanese food that were imposed after the 2011 Fukushima nuclear disaster, the office said in a statement.

These efforts were made to demonstrate Taiwan's determination to join the Japan-led trade bloc and to boost the confidence of the 11 CPTPP member states in Taiwan's ability to meet international trade standards, it said.

Taiwan would continue to interact with CPTPP member states this year and ask the trade bloc to establish a working group to review its application to join the trade pact, after the UK is approved as a member state.

In an interview with NHK in Tokyo, British Minister of State for the Indo-Pacific Anne-Marie Trevelyan said she hoped the UK would become a CPTPP member "in the relatively near future."

The CPTPP Commission agreed to formally commence accession negotiations with the UK in June 2021, after the country submitted a formal request to join the trade bloc in February that year.

Taiwan applied to join the trade pact in September 2021, less than a week after China announced its bid to become a CPTPP member.



Minister Without Portfolio John Deng, left, and Office of Trade Negotiations Deputy Trade Representative Yang Jen-ni attend a news conference in Taipei (Photo: CAN)

Meanwhile, Taiwan and the US wrapped up their latest round of talks in Taipei under the US-Taiwan Initiative on 21st-Century Trade, which was launched in June last year.

The office said it aims to complete talks with the US in the areas of trade facilitation, anti-corruption, small and medium-sized enterprises, good regulatory practices and the domestic regulation of services. It hopes to announce the results of those talks before the APEC summit is held in the US later this year.

The office said it would also continue working on deepening relationships with the 18 countries in Southeast Asia, South Asia and Australasia targeted by the government's New Southbound Policy, thereby spreading the risks faced by Taiwanese businesses in the global market.

Significance of Taiwan-US trade initiative

[Taipei Times, Honda Chen, 11 February 2023](#)

Taiwan and the US held their second round of trade talks last month. Called the US-Taiwan Initiative on 21st-Century Trade, it is a major, groundbreaking event, but still there are nay-sayers suspicious of the US' intentions who regard it as little more than a US version of the cross-strait trade in services agreement.

To prevent this distortion from gaining traction, I have outlined the background and some of the salient points of the initiative.

For several years, Western countries have been reassessing the pros and cons of globalization as steered by the WTO, examining two unintended consequences of that system.

First, China was allowed to join the WTO in hopes that it would make it a more open country. However, while it resulted in Beijing benefitting greatly from the WTO's trade facilitation to achieve rapid economic growth, it also reinforced its hegemonic mindset.

Second, the WTO placed too much emphasis on market liberalization and paid too little attention to inclusive growth aspects, such as the environment, labor rights and fighting corruption. This has led to increasingly harsh criticism and calls to transform the way globalization operates.

One of the most important trends in this process has been friend-shoring, in which countries seek out and link up with "like-minded" strategic allies in the formation of international supply chains and developing markets, as well as pursuing more high quality trade agreements with progressive values to improve market resilience and risk resistance.

The US-Taiwan Initiative on 21st-Century Trade is a product of this new approach.

The initiative's goals are clear, and yet the nay-sayers still distrust the US' motivations, regarding it as a revamped cross-strait trade in services agreement, only between the US and Taiwan, instead of between China and Taiwan.

However, the two proposals are very different.

The reason the proposed cross-strait trade in services agreement was so controversial was that it only broached opening up markets and completely ignored progressive values such as workers' rights, environmental protection and the promotion of small, medium and micro businesses. This, together with the huge size disparity of the Chinese and Taiwanese markets, different political systems, Chinese military intimidation of Taiwan and Chinese subsidies to state-owned firms, all added to Taiwanese concerns that the agreement would facilitate China's annexation of the nation.

The US-Taiwan initiative, by contrast, seeks inclusive, sustainable growth that takes into account workers' rights and environmental protection, and emphasizes fair competition without sacrificing other countries. In addition, as the digital economy is transforming trade practices, there needs to be measures in place to address the arrival of this new trade landscape.

The initiative could lead to a robust trade framework and political understanding that would deepen Taiwan-US economic and trade relations, promote mutual values and embrace new business opportunities.

Honda Chen is a senior researcher at the Taiwan Academy of Banking and Finance.

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