



ASEAN and Russia to expand trade relations

On 28 August 2014, Miss Chutima Bunyapraphasara, the Permanent Secretary of Commerce, revealed after the 3rd round of discussions of the ASEAN-Russia Joint Cooperation Committee (ARJCC) that both ASEAN and Russia are pleased with the expansion of trade and investment between the two parties.

During the discussion, the two parties agreed to expand trade volumes between the two regions, underscore the opportunities for deepening economic ties, and reiterate their commitment to enhancing trade and investment relations between ASEAN and Russia, in accordance with the ASEAN-Russia Trade and Investment Cooperation Roadmap. The roadmap covers the arrangement of high-level ministerial meetings and sector-specific meetings on the facilitation and liberalization of trade and investment, and encourages the participation of the business sectors by, for example, establishing a trade representative committee to promote economic cooperation and trade and investment expansion between ASEAN and Russia. The areas from which both parties expect to benefit after intensifying trade relations include tourism, energy and agriculture.

Russia has also shown interest in importing more agricultural products and foods from ASEAN. Relevant products under consideration include fresh vegetables, chicken, beans, and fishery products. ASEAN requested that Russia, in turn, facilitate the importation of goods from ASEAN, particularly rice, poultry, seafood products and pineapple, as well as requesting that Russia relax some sanitary and phytosanitary measures for importing animals and plants.

The trade volume between ASEAN and Russia has increased by 10% from USD 18.2 million in 2012 to USD 19.9 million in 2013. Russia's major trading

partner in ASEAN is Vietnam, followed in order by Thailand, Indonesia, Singapore and Malaysia.

China – Australia FTA expected to be concluded by the end of 2014

Following on from an article in an earlier issue of Trade Digest regarding FTA negotiations between Australia and China, a recent update shows an increasingly positive move toward finalization by the end of the year.

Earlier this month, the two sides met in Beijing for their 21st round of negotiations. In a statement, Andrew Robb, the Australian Trade Minister, said that the negotiations were making "solid progress". Australia was pushing for greater access to the agriculture market in China with the aim of boosting its export of dairy products, a required action to help the local dairy industry compete with its counterpart from New Zealand, whose deal with China has already been in place since 2008. Since the establishment of the New Zealand-China FTA, the New Zealand dairy industry has seen an increase of USD 3.3 billion in trade revenue up to the end of 2013. During the same period, the Australian dairy industry's trade revenue increased by only USD 156 million. The Australian government is consequently under significant pressure to push forward for the finalization of its own FTA with China. In exchange for the Chinese government granting Australian enterprises greater access to the dairy-product market in China, the Australian government is prepared to offer China an increased level of scrutiny-free private investment threshold for Chinese firms. The maximum level of foreign private investment allowed in Australia without requiring a review by local officials is likely to increase from a current level of AUD 248 million to AUD 1.08 billion.

Stay informed with latest development in trade negotiations and changes in trade laws/regulations. Get an insight of how the latest news will affect your market and regulatory environment from our “Trade Digest”.

If you have any comments or questions regarding Trade Digest or any matters discussed herein, or if you are interested in finding out more about Bolliger & Company Consulting services, please contact any of the persons below:

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