MANILDRA GROUP
100% AUSTRALIAN OWNED

23 October 2026

Email: RCEP@dfat.gov.au

To the Regional Trade Agreements Division, Department of Foreign Affairs and Trade,

RE: Manildra Group submission to the RCEP General Review

Manildra Group welcomes the opportunity to contribute to the General Review of the Regional Comprehensive Economic Partnership Agreement (RCEP). This submission is lodged under the extension to Friday 23 October 2026 granted by DFAT's FTA Support Team on 15 October 2026.

About Manildra Group

Manildra Group is an Australian, family-owned business that turns Australian wheat into flour, starches, gluten, glucose and ethanol at sites across regional New South Wales. Our ethanol is produced at the Shoalhaven Starches site at Bomaderry, near Nowra, in food, pharmaceutical, industrial, beverage and fuel grades.

Exports are central to the ethanol business. We currently supply customers in nine RCEP economies: Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand and Vietnam. Most are distillers and beverage manufacturers while some markets are industrial and fuel opportunities. We are actively seeking customers in the remaining RCEP markets, namely China, Cambodia, Laos, Myanmar and Brunei.

The products covered by this submission are:

HS code	Product
2207.10	Undenatured ethyl alcohol of 80% volume or higher, including extra neutral alcohol (ENA)
2207.20	Denatured ethyl alcohol
2208.90	Undenatured ethyl alcohol of less than 80% volume

Summary

While the RCEP may be utilised in other export sectors, it currently gives Australian ethanol no tariff advantage in any market where Manildra trades. In every RCEP market, its ethanol rates are equal to or worse than those already available under AANZFTA, CPTPP, ChAFTA, KAFTA or TAFTA, and to date no customers have asked for an RCEP certificate of origin (see Table 1 for comparison). Our food and

ingredient exports likewise rely on existing FTAs and have never used RCEP, while our certificate of origin issuer has not issued an RCEP certificate for Manildra.

As a starting point, Manildra submits that the agreements that already work should be protected. AANZFTA gives duty-free access to the Philippines, New Zealand, Singapore and Thailand, and these markets carry most of our export volume today.

The general review, however, is an opportunity to make RCEP impactful for ethanol markets. We respectfully request DFAT to pursue six changes:

1. **Indonesia:** eliminate the 30% tariff on Australian ethanol (HS 2207.10 and 2207.20), which keeps qualified buyers from purchasing.
2. **South Korea:** open access for fermented alcohol used to make liquor (HS 2207.10.9010), now subject to 270%, and bring RCEP rates at least to KAFTA levels.
3. **Vietnam:** eliminate tariffs on Australian ethanol (HS 2207), where RCEP's 26.7% is more than five times the AANZFTA rate.
4. **Japan:** align RCEP with CPTPP and remove the remaining specific duties on HS 2208.90.
5. **Malaysia:** bring ethanol into tariff commitments and simplify import licensing.
6. **All RCEP markets:** no-less-favourable commitments so RCEP ethanol rates are never worse than the best rate Australia already holds in that market.

How Manildra uses Australia's FTAs today

Importers choose whichever agreement gives the lowest duty, and none of our ethanol customers has chosen RCEP. The table compares the agreement in use with RCEP for undenatured ethanol (HS 2207.10), our main export line, with other lines noted where they differ.

Market	Manildra trades now	Agreement used	Best rate available, HS 2207.10	RCEP rate, HS 2207.10	RCEP compared
Philippines	Yes	AANZFTA	0%	0%	Same
Japan	Yes	CPTPP (JAEPA excludes ethanol)	1.8% on 2207.10.190, falling to 0.9% in April 2027 and 0% in April 2028	6.3%	Worse; also worse on 2207.20 (17% or 23.81 yen/L against 0%) and 2208.90 (37.5 to 40 yen/L against 15 to 16 yen/L)
South Korea	Yes	KAFTA	0% on 2207.10.9090; 10% on 2207.10.1000; 270% on 2207.10.9010	20% on 2207.10.9090; no commitment on the other two lines	Worse; also 5.3% against 1% on 2207.20, and 20% against 0% on 2208.90
Malaysia	Yes	None: ethanol is excluded from every FTA	Specific duty of RM26.25/L (CPTPP schedule)	No commitment	No better
Thailand	Yes	AANZFTA or TAFTA	0%	0%	Same; worse on 2207.20 (1.8 baht/L against 0%)
New Zealand	Yes	ANZCERTA, AANZFTA or CPTPP	0%	Not scheduled	Not needed
Indonesia	Yes	AANZFTA	30%; 150% on 2208.90.99	No commitment	No better
Vietnam	Yes	AANZFTA	5%	26.7%	Worse; also 13.3% to 26.7% against 5% on 2207.20
Singapore	Yes	AANZFTA, CPTPP or SAFTA	0%	Not scheduled	Not needed
China	Not yet	ChAFTA	0%	30%	Worse
Cambodia	Not yet	AANZFTA	0%	11%	Worse
Laos	Not yet	AANZFTA	30%	30%	Same; both high
Myanmar	Not yet	AANZFTA	5%	Not scheduled	No better
Brunei	Not yet	CPTPP	0%	Not scheduled	Not needed

Table 1

Rates from the DFAT FTA Portal (ftaportal.dfat.gov.au), compiled by Manildra in July 2026. "No commitment" means the line is excluded from the RCEP schedule (shown as U).

Priority issues

Tariffs in Indonesia, South Korea and Vietnam prevent sales outright; duties and licensing in Japan and Malaysia add cost to existing trade.

Country	Product and HS code	Current barrier	Commercial impact	Change sought
Indonesia	Undenatured ethanol, 2207.10.00; denatured ethanol, 2207.20.11, 2207.20.19, 2207.20.90; ethanol below 80%, 2208.90.99	30% duty under AANZFTA on 2207 lines and 150% on 2208.90.99; no RCEP commitment. We understand competing ethanol from ASEAN members such as Vietnam, and from Pakistan, enters duty free.	Several Indonesian buyers have qualified our product but will not buy at a 30% disadvantage. Current trade is small.	Indonesia to schedule Australian-origin 2207.10 and 2207.20 for elimination under RCEP, or through the IA-CEPA review, at least matching the treatment of ASEAN suppliers.
South Korea	Fermented alcohol for liquor manufacture, 2207.10.9010; roughly distilled alcohol for beverages, 2207.10.1000; other undenatured ethanol, 2207.10.9090; denatured ethanol, 2207.20.0000; ethanol below 80%, 2208.90.9000	270% on 2207.10.9010, with no KAFTA preference and no RCEP commitment; 10% on 2207.10.1000. RCEP rates are higher than KAFTA on every other line.	Korean beverage producers cannot buy our ENA at 270%. Lower-grade product at 10% has not been price competitive, so our Korean sales are limited to fuel and industrial grades.	A tariff rate quota or phased reduction for Australian-origin 2207.10.9010 under RCEP or KAFTA; RCEP rates on all Korean ethanol lines no higher than KAFTA.
Vietnam	Undenatured ethanol, 2207.10.00; denatured ethanol, 2207.20.11, 2207.20.19, 2207.20.90; ethanol below 80%, 2208.90.99	5% under AANZFTA on 2207.10 (CPTPP 10%, RCEP 26.7%); 40% under AANZFTA on 2208.90.99.	Strong enquiry from beverage and industrial buyers does not convert to sales. A long-standing beverage customer buys well below its requirement because our product is not competitive after duty.	Elimination of duty on Australian-origin 2207 lines under RCEP; reduction of the 40% duty on 2208.90.99.
Japan	Undenatured ethanol for direct use, 2207.10.190; denatured ethanol, 2207.20.100 and 2207.20.200; ethanol below 80%, 2208.90.123 and 2208.90.240	Duty still paid: 1.8% on 2207.10.190 under CPTPP until April 2028, and 15 to 16 yen/L on the 2208.90 lines. JAEPA excludes ethanol. RCEP is 3.5 times CPTPP on 2207.10 and 37.5 to 40 yen/L on 2208.90. Only ethanol re-distilled in Japan enters free.	Japan is one of our main markets. Every shipment pays duty and our customers are requesting a JAEPA certificate of origin upon entry; RCEP is never used.	RCEP Japanese rates on 2207 and 2208.90 aligned with CPTPP; elimination of the specific duties on 2208.90.123 and 2208.90.240.
Malaysia	Undenatured ethanol, 2207.10.0000; denatured ethanol, 2207.20.1100, 2207.20.1900, 2207.20.9000; ethanol below 80%, 2208.90.9900	Ethanol is excluded from AANZFTA, MAFTA and RCEP. Specific duties of RM26.25/L (2207.10) and RM28.21/L (2208.90) under CPTPP; three separate duties apply to all origins; an import licence is mandatory.	Trade continues, but layered duties add cost and sales are restricted to licensed importers.	Ethanol lines brought into Malaysia's RCEP tariff commitments; transparent, time-bound import licensing for food, beverage and industrial ethanol.
China, Cambodia, Laos, Myanmar	2207.10, 2207.20 and 2208.90	RCEP rates of 11% to 30% in China and Cambodia, against 0% under ChAFTA and AANZFTA. Laos charges 30% to 40% under both AANZFTA and RCEP; Myanmar 5% on 2207 and 40% on 2208.90.	No current trade. RCEP offers no improvement in China and Cambodia, and duties in Laos and Myanmar deter entry.	RCEP rates no higher than ChAFTA and AANZFTA; phased elimination in Laos and Myanmar.

Table 2

Making RCEP work for ethanol

RCEP's value is its reach: one set of origin rules across 15 economies, with regional cumulation. For ethanol that value is lost because RCEP's tariff schedules have less benefit than the bilateral and ASEAN agreements they sit beside.

A best-rate floor. Each Party's RCEP rate on HS 2207 and 2208.90 should be no higher than the best rate it already provides Australia under another agreement. That means Japan at CPTPP levels, Korea at KAFTA levels, China at ChAFTA levels, and Cambodia, Thailand and Vietnam at AANZFTA levels or better. Lines excluded from RCEP in Indonesia, Malaysia and Korea should be brought into commitments.

Origin rules exporters can use. Australian wheat-based ethanol meets RCEP's origin rules without difficulty. Once rates are competitive, RCEP's cumulation and back-to-back proof of origin would support regional storage and blending hubs, which AANZFTA cannot do because Japan, Korea and China are not Parties to it.

Clearer market entry. Import licensing for ethanol in Indonesia and Malaysia should be transparent, with published criteria and processing times.

Food and ingredient exports. Our food and ingredient exports use existing FTAs and have never used RCEP. Our certificate of origin issuer has advised that switching is not warranted without a clear tariff, origin or market access gain. Changes from this review should leave existing agreements and certificate processes intact and add no documentation.

Conclusion

Manildra supports RCEP and the regional integration it represents, but for ethanol it is not yet a mechanism that provides trade benefit. Lifting RCEP ethanol rates to the best existing rate in each market, and removing the Indonesian, Korean and Vietnamese barriers, would open markets where buyers already want Australian ethanol. We would welcome the chance to discuss these issues with DFAT's negotiators, including commercial detail in confidence.

Should you have any questions or wish to discuss our submission further, please do not hesitate to contact me at joe.dennis@manildra.com.au or on 0498 314 539.

Kind regards,

Joe Dennis

Joe Dennis

Head of Government and Corporate Affairs

MANILDRA GROUP