



6 November 2008

Mr Tim Yeend
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Office of Trade Negotiations
Department of Foreign Affairs and Trade
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H M Ridout
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Dear Mr Yeend

The Australian Industry Group welcomes this opportunity to provide comment on Australian consideration of participation in the Trans-Pacific Strategic Economic Partnership initiative.

Ai Group supports the rationale behind the Federal Government's decision to consider participation in the partnership as a potential building block to a larger Free Trade Area of the Asia-Pacific. The partnership which entered into force in 2006 currently consists of Chile, New Zealand, Brunei and Singapore. The United States has announced that it will launch negotiations to join an expanded comprehensive partnership. It is also understood that Vietnam and Peru are currently considering joining the negotiating process. The partnership's members have made clear their hope that Japan will also be persuaded to join the negotiation process.

With the continued stalling of the Doha Round of the World Trade Organisation talks, it is important that Australia seeks to broaden its market access to as many of our key trading partners as possible. Australian trade with the parties to the agreement negotiation represents more than 20 per cent of Australia's two-way trade in goods and services, with growth averaging nearly 5 per cent per annum.

Ai Group notes that the Trans-Pacific Agreement as it currently stands is composed of 20 chapters and relevant Annexes. It covers trade in goods, rules of origin, trade remedies, sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT), trade in services, government procurement, customs procedures, intellectual property, temporary entry of persons, competition policy, institutional provisions and provisions on consultations and dispute settlement arrangements. It also includes provisions covering cooperation in a number of fields including education, primary industry, culture and science and technology, and a binding Memorandum of Understanding on Labour Cooperation and a binding Environment Cooperation Agreement.

The Agreement does not currently include chapters on financial services, investment, telecommunications or e-commerce. Negotiations on financial services and investment formally commenced in 2008 and include the United States. To date, there have been three rounds of negotiations.

Ai Group understands that the first round of negotiations for an expanded Trans-Pacific Agreement is expected to be held in Singapore in early 2009.

The negotiations, which will hopefully lead to as broad an agreement as possible, will be welcomed by the business community. Industry leaders will watch developments with continued interest.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Heather Ridout". The signature is fluid and cursive, with a long horizontal stroke at the end.

Heather Ridout
Chief Executive