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ASEAN+3 Trade Reporter is a monthly round-up of trade developments in the South East Asia and East Asia regions. It is published by ITS Global, Australia's leading consultancy on international trade and environment policy developments in the Asia-Pacific region. Alan Oxley is the Principal of ITS Global. He is a former Ambassador of Australia to the GATT (the predecessor to WTO) and is Chairman of the Australian APEC Study Centre at RMIT University. Further information on the activities and current projects of ITS Global is available at www.itsglobal.net.

Latest Issues

Regional Growth Up – China the key: World Bank

Commentary by ITS Global

Regional Growth Up – China the key: World Bank

In its latest assessment for growth in East Asia, the World Bank lifted its forecast by one percentage point to nearly 9 per cent, following strong growth in China. Inflation in China rated only a modest risk, despite hikes in real estate prices. The Bank underlined how essential it was that China stuck to its strategy of rebalancing its economy through structural reform.

The World Bank also stated that countries in the region need to introduce measures to address climate change. That is not good advice since most countries accept that serious measures to reduce emissions will reduce economic growth. That is why China and leading developing countries refused to go along with growth-sapping strategies at the Copenhagen climate change conference last December. The latest reports from Washington are that the Obama Administration is increasingly unlikely to try to put climate change legislation through Congress in its current term.

Global Developments

There were no significant developments during April.

ASEAN

Bilateral trade is rising with the China-ASEAN FTA

[Press release](#), MOFCOM, 20 April

According to the Chinese Ministry of Commerce (MOFCOM), after completion of the China-ASEAN FTA (CAFTA) trade between the parties grew by 80 per cent to US\$21.48 billion in January alone. Enterprises from the central Chinese provinces have shown great interest in CAFTA, with growing numbers of enterprises seeking to capitalise on the new opportunities from declining tariffs.

Topics (links)

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ASEAN Secretary-General Surin Pitsuwan has voiced his [support](#) for CAFTA, stating that the agreement will provide significant opportunities for both economies. It is currently the largest FTA in terms of market size (1.9 billion people).

Joint media statement of the 14th ASEAN Finance Ministers' Meeting

[Media statement](#), ASEAN, 8 April

On 8 April, finance ministers from ASEAN economies met in Vietnam. Ministers reaffirmed their commitment to the sustainable economic recovery of the ASEAN economies, monetary and financial integration and the strengthening of ASEAN finance cooperation and economic integration. See also: '[ASEAN countries determined to overcome economic crisis](#)', *China Daily*, 8 April.

WTO Developments

US launches investigation of Chinese aluminium extrusions

[Article](#), China Daily, 22 April

The US has initiated an anti-dumping and countervailing duty investigation on aluminium extrusions imported from China. The preliminary inquiry is scheduled by the US International Trade Commission (ITC) for May 2010. If the ITC determines that there is a reasonable indication that imports from China are injuring or threatening injury to the US industry a preliminary determination will follow in June.

Trade Agreements

First meeting of China/Japan/Korea FTA

[News item](#), MOFCOM, 8 May

On 6 May, a joint research meeting on the China, Japan and South Korea FTA was held in Seoul, South Korea. The parties signed a statement reaffirming their commitment to complete joint research on an agreement ahead of the trilateral Leaders' Meeting scheduled for 2012. Non-governmental studies on a regional free trade zone between China, Japan and South Korea commenced in 2002. In 2009, the leaders of the three economies agreed on joint research studies at the government level.

Planned Implementation crucial for Japan-Thailand FTA

[News item](#), Bangkok Post, 19 April

According to the Thailand Development Research Institute (TDRI), the implementation plan developed by the Thai Government will be crucial for the effectiveness of the Japan-Thailand Economic Partnership Agreement (JTEPA). TDRI vice president Somkiat Tangkitvanich expressed concern that although many Thai exporters benefit from the FTA, many more are not aware of the most cost effective export procedures available to them.

China-Costa Rica FTA signed

[News release](#), MOFCOM, 9 April

After six rounds of negotiations, Costa Rica and China signed an FTA in Beijing on 8 April. The FTA is the first China has signed with a Central American country. Zero tariffs will be gradually introduced on more than 90 per cent of bilateral trade in goods. According to MOFCOM, China-Costa Rica bilateral trade reached US\$3.18 billion in 2009.

ECFA Agreement offers wide benefits

[Article](#), Xinhua Net, 1 April

The Economic Cooperation Framework Agreement (ECFA) which is currently being

negotiated between China and Taiwan will be beneficial for Taiwan and the mainland, according to Schive Chi, Chairman of Taiwan Stock Exchange Corporation. At the latest Cross Straits Investment conference, he stated that lower tariffs agreed to under the Agreement will boost trade and investment. Taiwan's economy is expected to gain significantly from the ECFA, with an estimated rise of between 1.6 per cent and 1.7 per cent in GDP.

China and Taiwan [held](#) a successful second round of negotiations on the ECFA in late March. Common concerns on an early harvest program, goods and services trade, and planning for future negotiations were discussed.

Bilateral trade between Vietnam and Russia on the rise

[Article](#), China Daily, 22 March

According to Xinhua, bilateral trade between Vietnam and Russia climbed by 11.5 per cent in 2009 and is expected to rise by 35 per cent in 2010. Vietnam imports oil and steel products and fertilisers from Russia; Vietnam mainly exports seafood, garment, footwear, vegetables and fruits to Russia.

Asia-Pacific

Japan's exports on the rise

[News item](#), Channelnewsasia.com, 22 April

Japan is reportedly on its way to recovery from the global recession due to a rise in exports. The latest figures indicate that exports of automobiles, electronics and other goods have increased, especially to Asian countries. On the other hand, exports to the US and Europe have fallen due to the economic crisis. Economic experts predict that 'Japan's economy will continue to grow' despite a weak jobs market and deflation.

35th Cairns Group Ministerial Meeting held

[Press release](#), The Cairns Group, 19-20 April

The Ministers of the Cairns Group of Agricultural Exporters met in Punta del Este, Uruguay, on 19 - 20 April, to discuss the Doha Round and provide future planning in the light of the global economic recovery. In their joint statement, Ministers urged the participating economies to resist protectionism and to increase efforts in multilateral trading reforms, with the WTO Doha Development Agenda being the top priority.

World Bank: East Asia & Pacific to recover from economic slowdown

[Press release](#), The World Bank, 7 April

The World Bank raised its growth forecast for developing East Asia this year by almost a full percentage point to 8.7 per cent, but said the region's fast growing economies must make structural reforms to sustain their rapid expansion. East Asia's speedy rebound from the economic downturn was largely driven by China. Slower growth is expected in developed economies. To return to pre-crisis growth rates, countries will need to implement fiscal stimulus measures. The full report and executive summary by the World Bank are available [here](#). See also: '[World Bank upgrades East Asian growth to 8.7% this year](#)', *Xinhua*, 7 April.

The 10th Session of China-Indonesia Committee on economy and trade

[News item](#), MOFCOM, 8 April

Chinese Commerce Minister Chen Deming and Indonesian Trade Minister Mari Pangestu agreed to enhance trade and investment cooperation at the recent session of China-Indonesia Joint Committee on Economy and Trade, held in Yogyakarta, Indonesia. Both parties noted that the China-ASEAN FTA has been beneficial for their respective economies, with China's direct investment in Indonesia already having risen by 29 per cent in 2009.

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