



05 January 2021

Joint Standing Committee on Foreign Affairs, Defence and Trade
PO Box 6021
R1.120 Parliament House
Canberra ACT 2600

Attention: Andrew Dawson | Committee Secretary

**RE: Inquiry into expanding the membership of the Comprehensive and Progressive
Agreement for Trans-Pacific Partnership**

Dear Mr Dawson,

Thank you for the opportunity to contribute to the Parliamentary Inquiry into expanding the membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) ("the Inquiry").

DHL Express transports air cargo consignments to and from all current CPTPP member countries. The COVID-19 pandemic has seen an exponential growth in our volumes throughout 2020, with 11.1m import consignments (25.3% increase YoY) and 6.7m export consignments (25% increase YoY). As such, we believe we are qualified to comment on the Inquiry.

DHL Express supports the entry of additional member countries into the CPTPP. In this regard, it will be interesting to see what direction the United States takes, given its historical involvement in the (then) TPP, coupled with the recent change of Administration. Whilst it could benefit from entering into a regional Free Trade Agreement (FTA), Australia's direct interests would largely be unaffected in that the Australia-United States FTA is already in existence, providing trade benefits for both countries.

The other 'major economies' that may consider joining the CPTPP are China and India. However, it should be noted that both countries are heavily invested in the Regional Comprehensive Economic Partnership (RCEP) and may be reluctant to join another regional FTA, at least in the short term. With RCEP expected to come into force this year, any immediate changes to CPTPP membership would appear unlikely.

The CPTPP sets a high benchmark in traditional and new areas of trade, including e-commerce, Government procurement, investment protection and environmental standards etc. This means that other FTAs in the region are compared to these high standards and creates a subconscious comparison where existing or new FTAs are being negotiated. As such, DHL Express welcomes any expansion of the CPTPP as it would serve to address the unfortunate increase in Non-Tariff Barriers (NTBs) hampering trade, such as complex border clearance processes with prescriptive certificate of origin and refund policies. It is critical to trade facilitation in the region that these NTBs do not become entrenched. Rather, standardized border clearance processes should prevail.

Should you wish to discuss further, please don't hesitate to contact me.

Yours sincerely,

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Ben Somerville,
Senior Manager, Customs & Regulatory Affairs,
DHL Express Australia

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