



"Working Together to Make Trade Work"

NAEGA MAP Trip Report – *High Level Dialogue on Integration Initiatives in the Asia-Pacific Region* – Vina del Mar, Chile

Name of Traveler:

Gary C. Martin, President and CEO, NAEGA

Dates of Travel:

March 12-17, 2017

Purpose of Travel:

Consistent with advancing NAEGA UES objectives, Gary Martin, President and CEO of NAEGA, traveled to Vina del Mar, Chile on March 12-27 to attend the High Level Dialogue on Integration Initiatives in the Asia-Pacific Region.

In Vina del Mar, Mr. Martin will represent NAEGA at meetings surrounding the High-level Dialogue on Integration Initiatives in the Asia-Pacific Region hosted by the Chilean Ministry of Foreign Affairs. Over the past few years NAEGA, through its leadership role in the U.S. Food and Agriculture Dialogue for Trade, has been gathering information and identifying the best possible outcomes from global trade for American agriculture. At the High-level Dialogue, NAEGA will continue this leadership role during meetings with government and industry stakeholders on the future of trade in the Asia-Pacific region. Meetings and engagement surrounding the High-level Dialogue will be reported back to the U.S. Food and Agriculture Dialogue for Trade and will inform future strategy and engagement with government and industry stakeholders.

Summary of Findings/Conclusions/Accomplishment

Building on NAEGA's extensive involvement and leadership in improving the terms of trade for its members, Gary Martin attended the High Level Dialogue on Asia-Pacific Integration hosted by the Chilean Ministry of Foreign Affairs March 13-15. Attending the Dialogue were trade diplomats and industry representatives from the U.S. and all of the current 11 countries that are party to the Trans-Pacific Partnership (TPP) Agreement. Also at the meeting were trade diplomats from all the Pacific Alliance countries (Chile, Colombia, Mexico and Peru), China and South Korea.

Despite the U.S. withdrawal from TPP in January, U.S. ambassador to Chile, Carol Perez, led a strong U.S. delegation at the meetings in Vina del Mar. A team of 4 key staff from the Congress also joined the official U.S. delegation. Mr. Martin worked closely with USDA FAS staff at the U.S. Embassy staff in Santiago and had a private meeting with the U.S. Ambassador. He also debriefed with the Deputy Chief of Mission and U.S. Embassy staff in Santiago before returning to the U.S. During his time in Chile Mr. Martin also met with private sector attendees and gathered several views on how official trade relationships in the Asia Pacific region might change in the near future.

The Chilean General Directorate of International Economic Relations (DIRECON, by its abbreviation in Spanish) termed the high-level meeting with Pacific Alliance members, TPP countries, China, and South Korea as an "opportunity to address the challenges we face with



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creativity and conviction". Most of the official delegations joined DIRECON in consistent messaging that free trade and an open economy are beneficial and positive to their countries while seeking further progress toward more inclusive trade liberalization.

Trade watchers and officials alike had been looking to the March 14-15 summit in Vina for giving some type of clarity on where the TPP may go following the U.S. withdrawal from the pact, along with featuring discussions regarding other efforts at developing deeper ties within the region.

How the TPP moves forward remains an open question. Some signatories such as Australia have advocated a "TPP minus one" approach, while others such as Malaysia have reportedly questioned whether such an option would indeed be viable given the economic loss from the U.S. exit.

A joint statement released on behalf of TPP partners – minus the U.S. – on 15 March did not confirm whether they had reached any sort of convergence on what the trade deal's future might be. Rather, the statement refers to the partners' "firm commitment to collaborate in keeping markets open" and raises their shared fears regarding "protectionism in many parts of the world."

Along with referring to the trade deal's "balanced outcome and strategic and economic significance," the statement refers to a discussion between TPP partners on possible next steps, confirming only that senior trade officials are due to meet again ahead of a ministerial-level gathering on the sidelines of the Asia-Pacific Economic Cooperation (APEC) trade ministers' meeting in Hanoi, Vietnam on 20-21 May.

Notably, the Chilean meeting was also set up as a gathering between TPP signatories and members of the Pacific Alliance, along with China and South Korea. The Pacific Alliance is a four-country group that includes Chile, Colombia, Mexico, and Peru. It was launched in 2012 and has since announced advances such as a tariff elimination deal.

Also during the meetings in Vina Del Mar, support for continuing talks in another regional trade initiative was evident. The 16-country Asia-Pacific group known as the Regional Comprehensive Economic Partnership (RCEP) which has been underway since 2012, and includes all members of the 10-country Association of Southeast Asian Nations (ASEAN) as well as their six FTA partners: Australia, China, India, Japan, New Zealand, and South Korea was a common topic of discussion. According to a summary issued by the Australian Department of Foreign Affairs and Trade, the RCEP group seeks advances in discussions on intellectual property and e-commerce, along with market access and select other topics.

Recommendations

Information gathered from the High Level Dialogue on Integration Initiatives in the Asia-Pacific Region will be pivotal in determining future market opportunities and engagement in the Asia-Pacific Region. Moving Forward, NAEGA should:

- Brief the U.S. Food and Agriculture Dialogue for trade leadership and participants on developments at the High Level Dialogue and prospects for the Asia-Pacific Region.
- Work closely with the U.S. Food and Agriculture Dialogue for Trade to identify key market trends and monitor market access issues throughout the Asia-Pacific.



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- Gather information from NAEGA members and International Grain Trade Coalition (IGTC) stakeholders on potential opportunities for further integration in the Asia-Pacific outside the TPP format.

Attachments

- Joint Statement by the TPP Partners
- List of Contacts