

November 17, 2020

Regional Comprehensive Economic Partnership (RCEP) Agreement

Dear Valued Customer,

On 15 November 2020, Ministers from 15 countries signed the Regional Comprehensive Economic Partnership (RCEP) Agreement.

RCEP is a regional free trade agreement that will complement and build upon Australia's existing free trade agreements with 14 other Indo-Pacific countries. It is a modern and comprehensive free trade agreement covering trade in goods, trade in services, investment, economic and technical cooperation, and new rules for electronic commerce, intellectual property, government procurement, competition, and small and medium sized enterprises.

The RCEP covers 58% of Australia's two-way trade in goods and services. While the scope of the agreement is massive, the impact for importers may be limited as Australia already has Free Trade Agreements with the RCEP members.

The agreement will still need to go through a parliamentary approval process in Australia. If approved, legislation will be introduced which ratifies the agreement. The agreement will only come into force once at least 6 ASEAN countries have ratified the agreement and 3 other non-ASEAN countries also ratify the agreement (including Australia).

On commencement, the agreement only comes into force for those countries that have ratified it. This is unlikely to happen until late 2021 or early 2022.

Once the agreement is ratified, the key benefits are as follows:

- Easier to satisfy rules of origin requirements. All RCEP members origin content can be counted when assessing Free Trade eligibility.
- Declarations of Origin can be provided by exporters (not authorised bodies) therefore reducing administrative cost.
- RCEP may offer the benefit of previously non eligible goods under another Free trade agreement becoming eligible for duty free entry under the RCEP.

C H Robinson will continue to keep you updated on the progress of Regional Comprehensive Economic Partnership (RCEP) Agreement.

Thank you for being our Valued Customer. If you have any questions or concerns regarding the notice held within, please contact your Key Account Manager or a C.H. Robinson representative.

Sincerely,
C.H. Robinson.

Our information is compiled from a number of sources that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.

