TWITTER THREATS & BEAUTIFUL LETTERS: As US-China negotiators in Washington DC searched Friday for a trade deal ahead of President Trump’s Twitter-threat of a midnight tariff hike on $200 billion of Chinese goods, President Trump spoke of a “beautiful letter” he had just received from President Xi.

TRADE HOT-LINE TO AUSTRALIAN CABINET: The Labor Party has promised to target non-tariff barriers in Asia with a dedicated strike team if it wins the May 18 election. The team, part of a policy initiative to boost Australian business engagement in Asia, would report directly to a Committee of Cabinet.

TRADE DEALS FACE UNION VETO: The Liberal Party, if re-elected in the May 18 election, has promised to pursue new FTAs including finishing negotiations with RCEP (ASEAN + 6), EU and the Pacific Alliance. It also claims the Labor Party’s trade policy would give trade unions a veto over future trade negotiations.

AUSTRALIA SEEKS FISHING SOLUTION: A joint Australia-US paper to the WTO suggests a way forward in contentious fishing subsidy negotiations. The paper suggests member-specific subsidy caps could be adopted. This would impose meaningful constraints on subsidies while providing some flexibility.

CHINA NEGOTIATORS IN NEW ZEALAND: Negotiators from China were in Wellington last week for a 7th round of talks to upgrade the existing FTA between the two economies. The negotiations were the first in 6 months and followed recent visits to China by Prime Minister Ardern and Trade Minister Parker.

AUSTRALIA HITS CHINA & MALAYSIA WITH DUMPING DUTIES: Industry Minister Andrews has signed-off dumping duties of between 33.7% and 110.3% on steel pallet racking imported from China. Smaller duties of up to 4.8% will apply to imports from Malaysia. The order follows a preliminary determination in 2018.

NEW ZEALAND WARNS OF RETURN TO THE EIGHTIES: Trade Minister Parker has warned there was a real risk the world could revert to a 1980s environment where might was right and countries faced unilateral trade sanctions. An active and successful trade policy was indispensable for a small open economy like NZ.

MALAYSIA LOOKS TO MERCOSUR: The Ministry of International Trade is exploring the possibility of an FTA with Mercosur – the Latin American trade bloc of Argentina, Brazil, Paraguay and Uruguay. Trade Minister Leiking said this week Malaysia was “definitely interested” in a partnership with Mercosur.

US CONFRONTS INDIAN BARRIERS: US Commerce Secretary Ross has spoken in Delhi of significant market access barriers in India including high tariffs and NTBs as well as practices and regulations disadvantaging foreign companies. India is on the cusp of losing tariff preferences to the US market.

MEXICAN TOMATOES HIT US TARIFF: US trade battles have hit salad bowls with the US terminating a tomato agreement with Mexico. It means fresh tomatoes will attract a 17.5% tariff while the two economies seek to negotiate a new agreement. Mexico supplies half the fresh tomatoes sold in the US.