

Next step in Trans-Pacific Partnership agreement

Agreement on the broad outlines of the Trans-Pacific Partnership (TPP) is an important step towards a high-quality free-trade deal that will benefit New Zealand exporters, Deputy Prime Minister Bill English and Trade Minister Tim Groser say.

Leaders of the nine countries in the Trans-Pacific Partnership (TPP) today agreed on the broad outlines of the free trade agreement, at a meeting hosted by US President Barack Obama in Honolulu on the fringes of the APEC summit. Mr English represented New Zealand on behalf of Prime Minister John Key.

“New Zealand’s trade with the Asia-Pacific region has been growing rapidly in recent years, with Australia and Asia now taking over 60 per cent of our exports,” Mr English says.

“However, our exporters still face barriers in many markets. Reducing those barriers and increasing access for our exports is one of the most important ways we can sell more of our goods to the rest of the world and build a faster growing economy.

“Today’s announcement is an important milestone. It signals the broad outlines of the agreement – including progressive tariff elimination and an end point of full market access – and a strong political commitment from leaders.

“Following Japan’s decision to seek to join the TPP, this creates a real sense of momentum around negotiations. Our message to our negotiators is that we want to convert that momentum into results,” Mr English says.

Leaders endorsed a report from TPP Trade Ministers setting out details of results of the negotiation to date and the next steps.

“The report from trade ministers - endorsed today - represents a great outcome for New Zealand’s interests,” Mr Groser says.

“The bottom line is that leaders are committed to a high-quality agreement – this negotiation is genuinely about free trade and getting trade rules that work for exporters.

“Today’s statements establish an excellent platform to propel the TPP negotiations towards our goal of a high-quality 21st century trade agreement,” Mr Groser says.

The next step will be more detailed negotiations on each of the areas set out in today’s statements. Negotiators will meet again in early December and have been instructed to schedule further negotiating rounds for 2012.

The three documents released today are attached:

- · A statement by the Leaders of the nine TPP countries.
- · A report on the negotiation from TPP Trade Ministers, which Leaders today endorsed.
- · A background paper with additional detail on key features of TPP and content of main chapters or subject areas.

ENHANCING TRADE AND INVESTMENT, SUPPORTING JOBS, ECONOMIC GROWTH AND DEVELOPMENT:
OUTLINES OF THE TRANS-PACIFIC PARTNERSHIP AGREEMENT

On November 12, 2011, the Leaders of the nine Trans-Pacific Partnership countries – Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States – announced the achievement of the broad outlines of an ambitious, 21st-century Trans-Pacific Partnership (TPP) agreement that will enhance trade and investment among the TPP partner countries, promote innovation, economic growth and development, and support the creation and retention of jobs.

The agreement's broad framework is as follows:

Key Features

In reporting to Leaders on the achievement of the broad outlines of an agreement, the Trade Ministers identified five defining features that will make TPP a landmark, 21st-century trade agreement, setting a new standard for global trade and incorporating next-generation issues that will boost the competitiveness of TPP countries in the global economy.

o Comprehensive market access: to eliminate tariffs and other barriers to goods and services trade and investment, so as to create new opportunities for our workers and businesses and immediate benefits for our consumers.

o Fully regional agreement: to facilitate the development of production and supply chains among TPP members, supporting our goal of creating jobs, raising living standards, improving welfare and promoting sustainable growth in our countries.

o Cross-cutting trade issues: to build on work being done in APEC and other fora by incorporating in TPP four new, cross-cutting issues. These are:

- Regulatory coherence. Commitments will promote trade between the countries by making trade among them more seamless and efficient.

- Competitiveness and Business Facilitation. Commitments will enhance the domestic and regional competitiveness of each TPP country's economy and promote economic integration and jobs in the region, including through the development of regional production and supply chains.

- Small- and Medium-Sized Enterprises. Commitments will address concerns small- and medium-sized enterprises have raised about the difficulty in understanding and using trade agreements, encouraging small- and medium-sized enterprises to trade internationally.

- Development. Comprehensive and robust market liberalization, improvements in trade and investment enhancing disciplines, and other commitments, including a mechanism to help all TPP countries to effectively implement the Agreement and fully realize its benefits, will serve to strengthen institutions important for economic development and governance and thereby contribute significantly to advancing TPP countries' respective economic development priorities.

o New trade challenges: to promote trade and investment in innovative products and services, including related to the digital economy and green technologies, and to ensure a competitive business environment across the TPP region.

o Living agreement: to enable the updating of the agreement as appropriate to address trade issues that emerge in the future as well as new issues that arise with the expansion of the agreement to include new countries.

Source: Amcham