



1 April 2009

Secretariat  
Foreign Affairs, Defence and Trade Committee  
Parliament Buildings  
**WELLINGTON**

**SUBMISSION ON THE ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE  
AGREEMENT (AANZFTA)**

1. This submission is made on behalf of the NZ International Business Forum Inc (NZIBF) whose members are listed at Annex A. NZIBF is a grouping of senior business leaders working to promote New Zealand's engagement in the global economy. NZIBF brings together the major export sectors and leading business organisations.
2. NZIBF is pleased to support the conclusion of AANZFTA and congratulates the Government and officials on this important step forward. In NZIBF's assessment, the agreement will deliver significant value to New Zealand exporters, most particularly through the progressive tariff elimination achieved on all items of key trade interest, including dairy products, meat, horticulture and wood products. NZIBF expects that ongoing reviews of the agreement will enable the outcome on fish products with Indonesia, Viet Nam and the Philippines to be improved. AANZFTA also achieves significant outcomes on services trade and investment. NZIBF believes AANZFTA has the potential to increase the level of two way trade and investment with ASEAN countries as well as serving as a further building block towards trade liberalisation in the Asia Pacific region.
3. NZIBF had earlier been concerned that the outcome of the negotiation might have been less than comprehensive with regard to meat and dairy products but these problems have been addressed. While the timeframes for tariff elimination are lengthy they are acceptable. NZIBF thanks the Government and officials for the attention paid to its representations in the course of the negotiation.

4. NZIBF welcomes the AANZFTA provisions on investment dispute settlement which reflect the provisions in the earlier NZ/China FTA. Outward foreign investment by New Zealand companies provides for better distribution and more cost effective manufacturing closer to end consumers while retaining important product design functions in New Zealand. The countries of ASEAN are an important target for outward investment on the part of New Zealand companies. Investment dispute settlement provisions are aimed at ensuring governments do not change rules and regulations without due process once investments have been made. The AANZFTA investment dispute settlement provisions will provide increased security for New Zealand's investments in ASEAN.
5. NZIBF notes and welcomes that AANZFTA absolutely protects the right of the New Zealand Government to continue to make regulations that apply equally to local and foreign investors in the areas of health, safety, and the environment.
6. In conclusion, NZIBF believes that AANZFTA is good for both New Zealand and ASEAN and for exporters, importers, workers and consumers in both countries. NZIBF urges the Select Committee give favourable consideration to the passage of legislation required to enact AANZFTA.

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## ANNEX A

### NZIBF: MEMBERSHIP 2009

Graeme Harrison, Chairman, ANZCO Foods (*Chair*)  
 Rod Carr, Vice-Chancellor, University of Canterbury  
 Peter Clark, Chief Executive, PF Olsen and Company  
 Don Elder, Chief Executive, Solid Energy NZ Ltd  
 Charles Finny, Chief Executive, Wellington Regional Chamber of Commerce\*  
 Robin Hapi, Chairman, Sealord Group Ltd  
 Gary Judd QC, Chairman, ASB Bank Ltd  
 John Loughlin, Chairman, Zespri International Ltd  
 Mike Petersen, Chairman, Meat and Wool New Zealand  
 Phil O'Reilly, Chief Executive, Business NZ  
 Henry van der Heyden, Chairman, Fonterra Co-operative Group Ltd

Stephen Jacobi, Jacobi Consulting Ltd (*Executive Director*)  
 Gabrielle Rush, Rush Consulting (*Associate Director*)

\* *Representing the New Zealand Chambers of Commerce*

#### Alternate directors

Scott Champion, Chief Executive, Meat and Wool NZ  
 Bruce Turner, Global Trade, Fonterra  
 Carol Ward, Director, Corporate and Grower Services, Zespri International