



# Negotiating the Trans Pacific Partnership - implications for governance

Chartered Secretaries New Zealand

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# Outline

- Why TPP ?
- What is TPP ?
- Where are we up to ?
- What implications for governance?





- A collaboration of key business leaders
- Focus on integrating New Zealand into global economy
- Provides policy advice and support to  ABAC
- [www.nzibf.co.nz](http://www.nzibf.co.nz)
- [www.tradeworks.org.nz](http://www.tradeworks.org.nz)

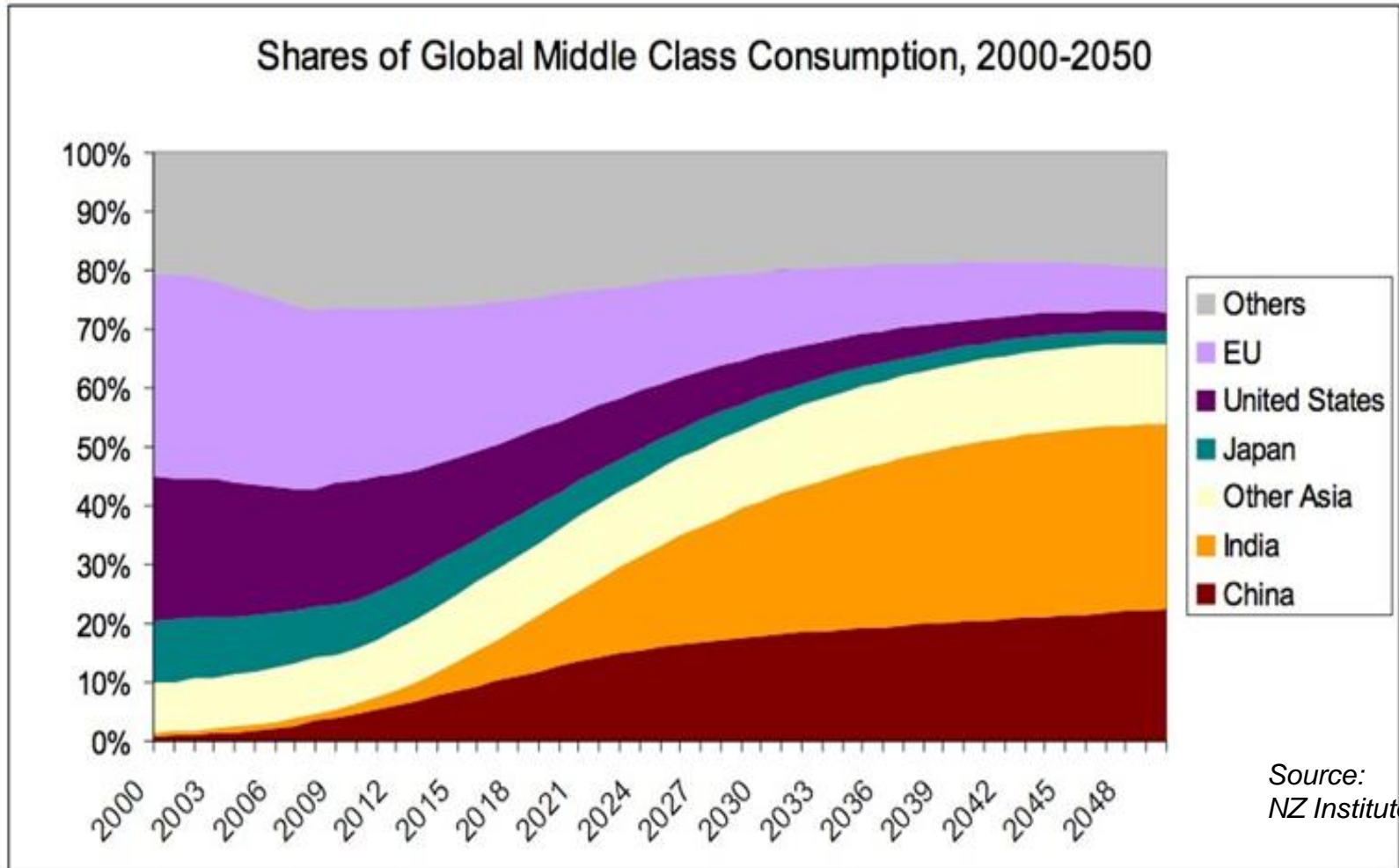




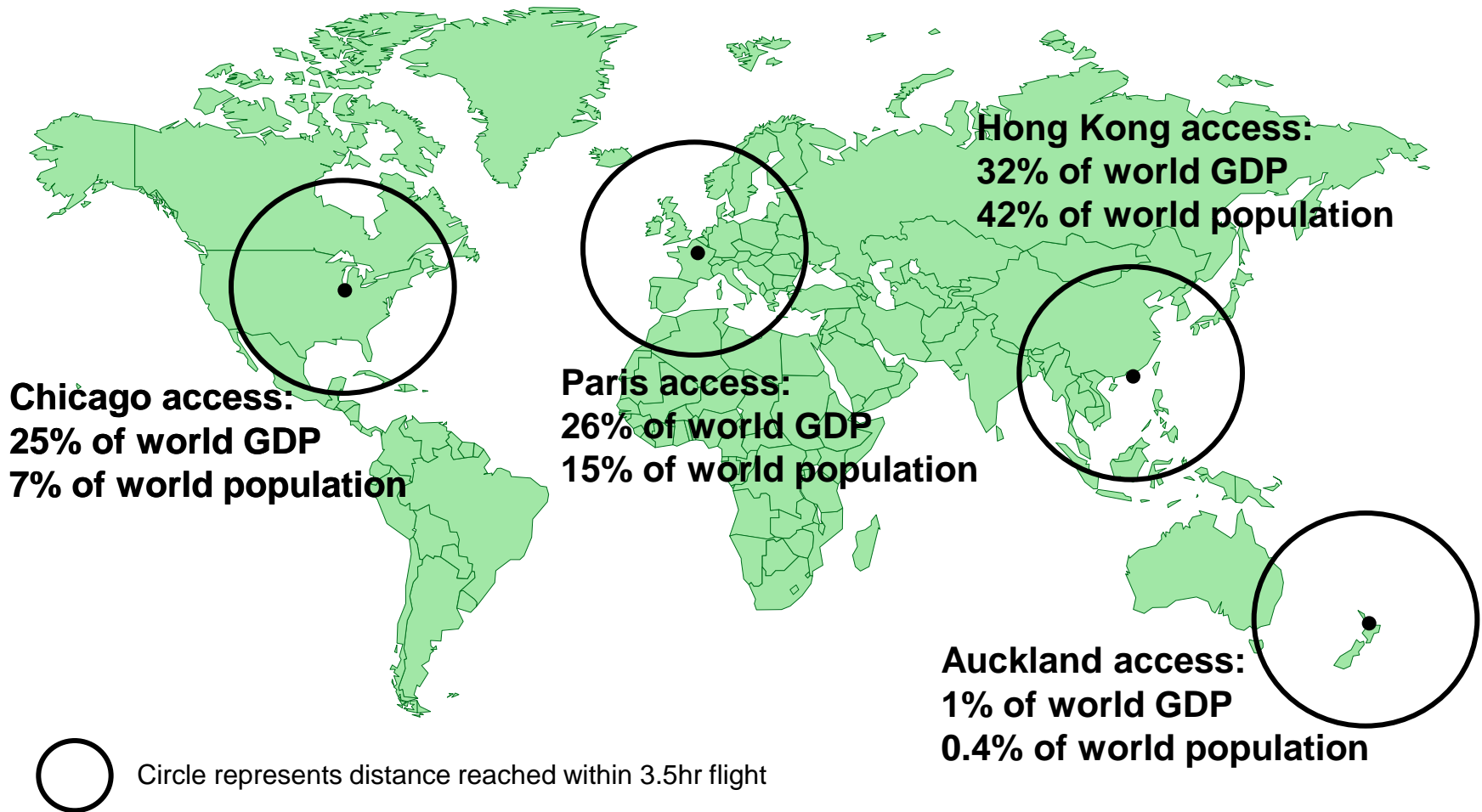
**TPP is not like any other trade negotiation  
because trade is not like it used to be**



# The world is changing

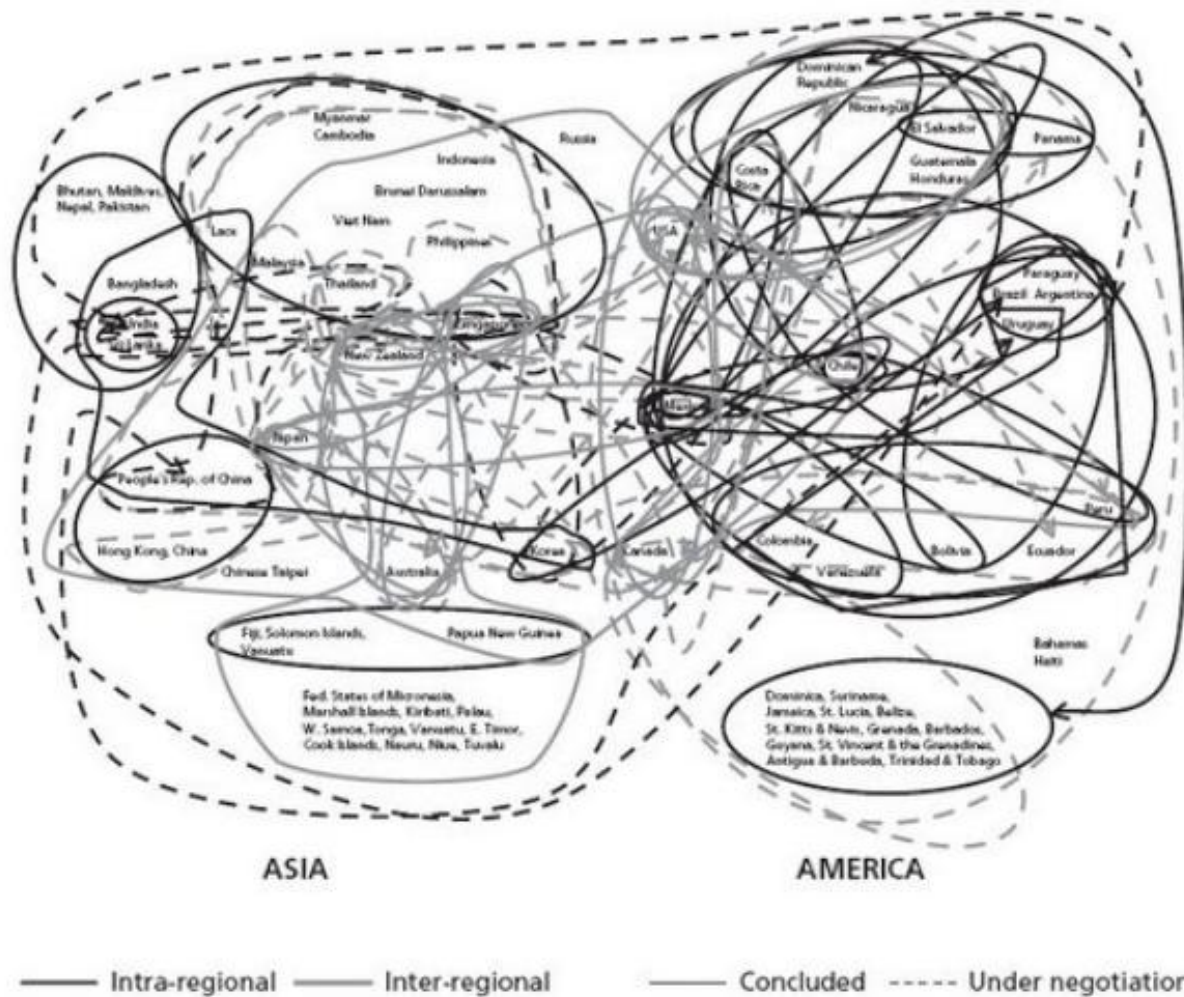


# New Zealand's predicament



Source: Groningen Growth and Development Centre and the Conference Board, Total Economy Database, May 2006, <http://www.ggdc.net>

# Noodle Bowl of Trade Agreements



# What is TPP?

- From P4 to P12 - economies\* in search of consensus
- “Broad outlines” released at APEC Honolulu 2012
- Market access schedule and a body of rules for trade and investment
- Opportunities and risks

*\* Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, New Zealand, United States, Viet Nam*



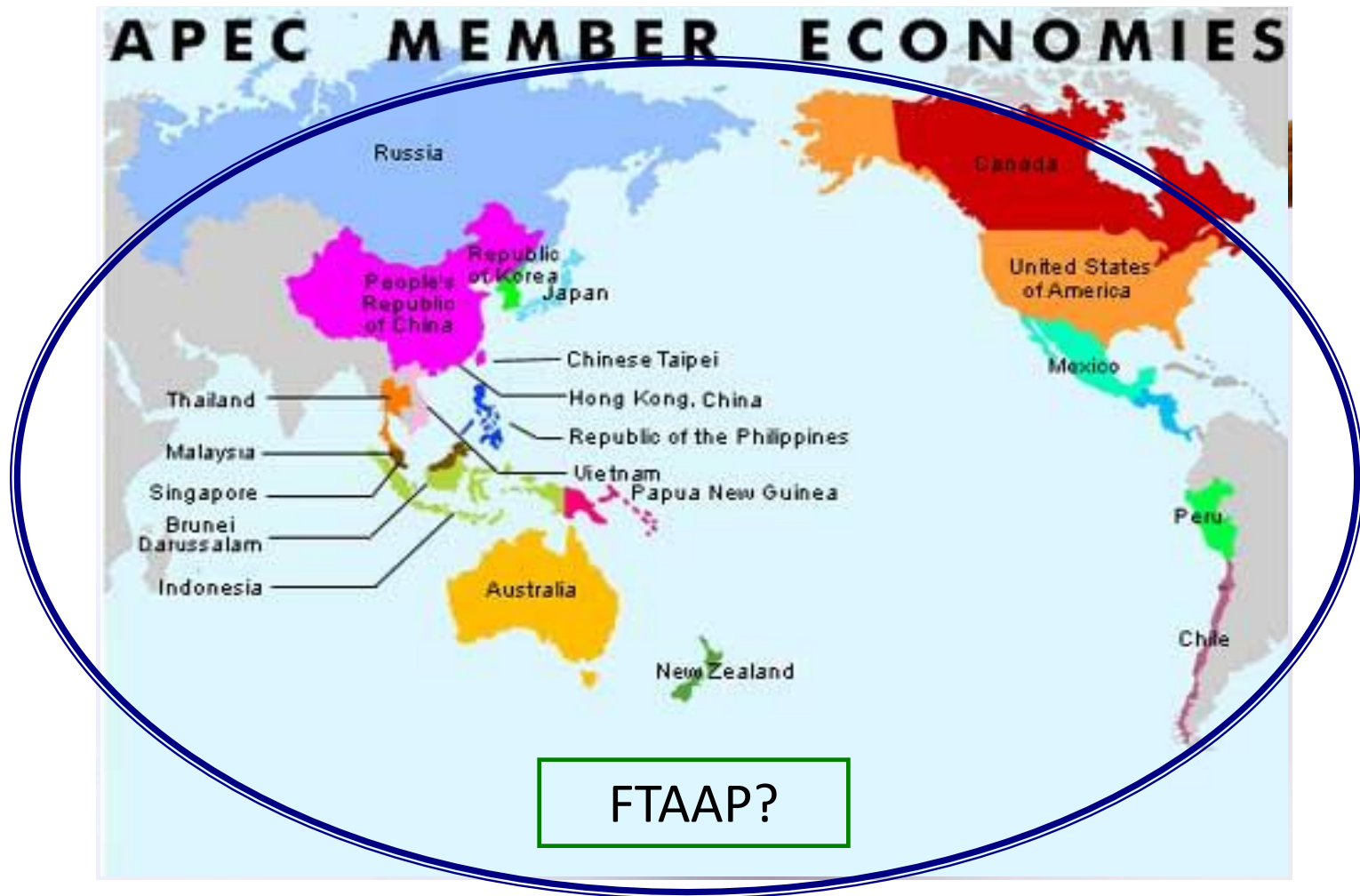


# Most egregious tariffs

- Canada:
  - Cheese: 245.5% outside quota
  - Butter: 298.5% outside quota
- United States
  - Cheese USD 1,227/MT = 29%
  - Butter: USD 1,541/MT or 39%
- Japan
  - Beef: 38.5%



# A seamless economic space



# Where are we up to?

- 19 + rounds held to date
- Ministers and Chief Negotiators working on the most difficult issues
- With or without Japan ?
- It's really a US story ...



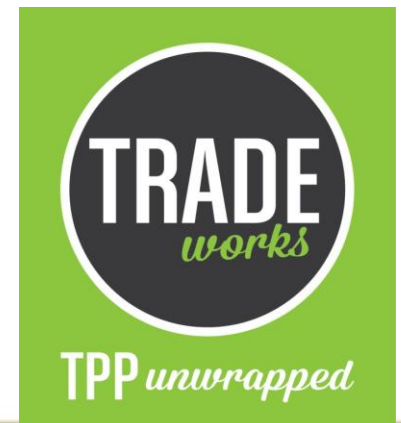
# TPP – more difficult issues

- Agricultural market access
- Intellectual Property
- Investor state dispute settlement
- Pharmaceuticals
- State owned enterprises
- Environment
- Transparency



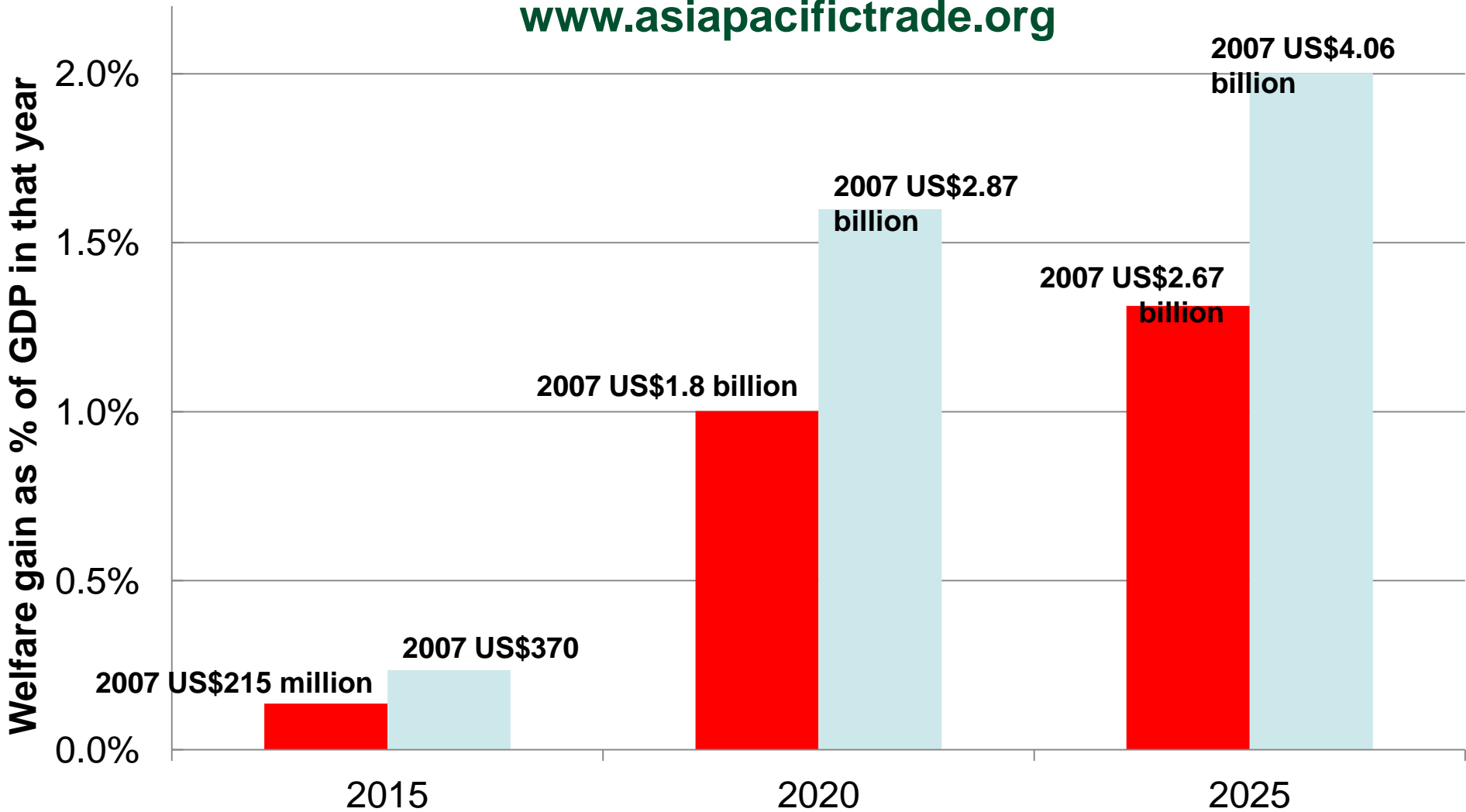
# TPP – Downside risks

- It may not get done
- The market access on offer may be inadequate
- The required changes to NZ policy might be too great
  - Software patents
  - Pharmaceutical IP



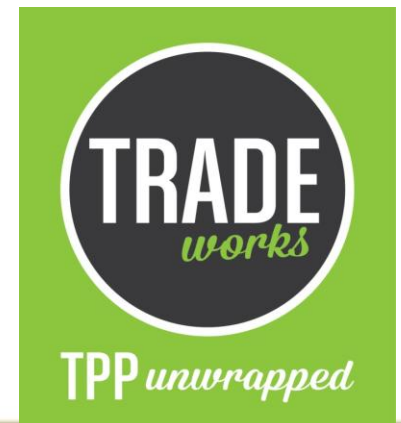
# Welfare gains from TPP (current countries)

[www.asiapacifictrade.org](http://www.asiapacifictrade.org)



# Governance

- TPP has the capacity to transform the way business is done
- Puts in place new rules, linking New Zealand more closely to Asia Pacific
- Expect some change to existing policy
- No guarantees of success !



Why do we need free trade? That's important, why? What about jobs? How else can free trade help us?

## Why do we need free trade?

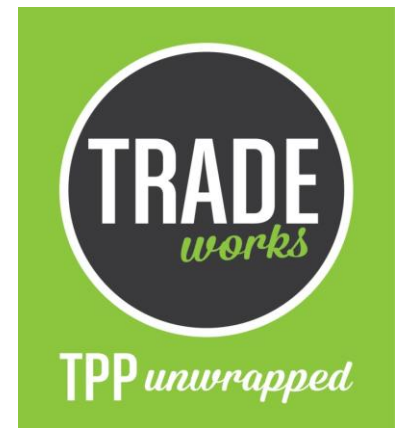
New Zealand has always been a nation of traders, but we need a level playing field to compete in competitive world markets. Trade agreements set the rules of the game that allow us to compete. They stop big countries pushing around little countries. Our [free trade agreements](#) with countries like China, Australia, Singapore, Indonesia, Chile and Thailand are allowing us to earn millions of dollars for our economy and to create jobs.



## That's important, why?

Free trade gives consumers [more choice](#) and a broader range of goods and services to choose from. Free trade has helped make possible the lifestyles we have become accustomed to. It has helped diversify and deepen our economy. But more than this, the links we develop through trade and investment with other countries support people to people connections. They give us a richer and more diverse society.





# Thank you!

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