



## **SUBMISSION TO THE FOREIGN AFFAIRS, DEFENCE AND TRADE COMMITTEE OF THE NEW ZEALAND PARLIAMENT**

### **TRANS PACIFIC PARTNERSHIP AGREEMENT AMENDMENT BILL**

**JULY 2016**

1. This submission is made on behalf of the NZ International Business Forum (NZIBF) whose members are listed at Annex A<sup>1</sup>. NZIBF is a forum of senior business leaders working together to promote New Zealand's engagement in the global economy. NZIBF earlier submitted to the Select Committee commending the conclusion of the Trans Pacific Partnership Agreement (TPP) as part of the International Treaty Examination of the agreement in March of this year.
2. As we stated in our earlier submission, NZIBF warmly welcomes and supports the TPP. The TPP offers consistent, certain and more advantageous access to five new markets with which New Zealand has not to date been able to negotiate bilateral FTAs, including key trading partners the United States and Japan. In addition, the TPP will enhance our trade and investment relationship with six existing FTA partners. While the TPP is imperfect in the scope of liberalisation achieved in some areas, including for the dairy sector and for a very small number of other products and some services sectors, the agreement is an improvement over the status quo. More broadly, the TPP provides a new framework for trade in goods and services and investment flows in the powerhouse Asia-Pacific region, and positions New Zealand well to participate effectively in global value chains. The new framework embraces groundbreaking "next generation" business issues such as the digital economy along with protection of the environment and labour standards. Overall, while the exact magnitude of gains is difficult to calculate, without question the TPP will contribute to enhancing New Zealand's economic growth, job creation and living standards. The counterfactual scenario, of standing aside from the TPP, risks significant adverse consequences for New Zealand in the region.
3. NZIBF commends the present enabling legislation, which is required to implement New Zealand's participation in the TPP. New Zealand maintains a relatively open market and regulatory regime. While adjustment will be required in some areas to implement TPP commitments, primarily in relation to the areas of copyright term and

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<sup>1</sup> The views in this submission are those of NZIBF as a whole. Individual members may have different views on specific issues covered in this submission.

technological protection measures, transparency obligations, and in the Overseas Investment Act, very little change is otherwise required in relation to current practices in New Zealand. NZIBF believes that the adjustment arising from implementation of this legislation in New Zealand will be minimal. (Our earlier submission covered the detail of NZIBF views in relation to the TPP outcomes on intellectual policy and investment.)

4. NZIBF hopes therefore that all political parties in the New Zealand Parliament will be able to support this implementing legislation given the significant benefits it will provide to New Zealand business, to consumers and to the economy overall.
5. NZIBF recalls that if the Agreement is not ratified by all Parties before February 2018, it will instead enter into force after ratification by at least six members which together have a GDP of more than 85 percent of the total. In practice this means that the United States and Japan will both need to have ratified the agreement in order for it to enter into force. There accordingly remains some uncertainty over the implementation of the Agreement. NZIBF considers that early ratification by New Zealand would nevertheless send a vital affirmation of the value of the Agreement and the importance of deeper regional economic integration to trading partners both within and outside of TPP. Therefore NZIBF urges the early passage of this legislation.
6. While this submission is made on behalf of the NZIBF membership, a number of NZIBF members made their own submissions on the International Treaty Examination of the TPP Agreement in March 2016, and on the implementing legislation, providing more detailed comments on specific issues relevant to their individual business interests.

### **Recommendations to the Foreign Affairs, Defence and Trade Committee**

7. NZIBF recommends that the Committee:
  - a. **support** the passage of the present legislation giving effect to the TPP agreement
  - b. **approve** NZIBF's request to be heard in support of this submission.

#### For further information

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**NZ International Business Forum  
July 2016**

## Annex A

### Board members of the NZ International Business Forum

Malcolm Bailey, Director, Fonterra Co-operative Group (Chair)  
Michael Barnett, Chief Executive, Auckland Regional Chamber of Commerce and Industry  
*(representing the New Zealand Chambers of Commerce)*  
Peter Clark, Chief Executive, PF Olsen Ltd  
Paul Gestro, Head of Asia, BNZ  
Sir Graeme Harrison, Chairman, ANZCO Foods Ltd  
Kirk Hope, Chief Executive, Business NZ  
Peter McBride, Chairman, Zespri International Ltd  
James Parsons, Chairman, Beef + Lamb New Zealand  
Steve Yung, Chief Executive, Sealord Group Ltd

#### Alternate Directors

Catherine Beard, Executive Director, Export NZ/Manufacturing NZ  
Sam Mclvor, Chief Executive, Beef + Lamb New Zealand  
Simon Limmer, Chief Operating Officer, Zespri  
Philip Turner, Director, Global Stakeholder Affairs, Fonterra Co-operative Group Ltd

#### Executive team

Stephen Jacobi, Jacobi Consulting Ltd (*Executive Director*)  
Fiona Cooper Clarke, Cooper Clarke Consulting Ltd (*Associate Director*)  
Stephanie Honey, Honey Consulting (*Associate Director*)

#### Associate members

NZIBF's membership comprises a range of associate members who are listed on our website, [www.tradeworks.org.nz](http://www.tradeworks.org.nz).