TRANSPACIFIC PARTNERSHIP (TPP): THE CLOSING PHASE

WHAT'S IN IT FOR NEW ZEALAND (this page)

1. Opportunity to devise a 21st century regional trade and investment framework involving 26 PTA partners, supporting internationalisation of NZ business and new growth and employment opportunities that this brings.

2. Most viable pathway to APEC-wide Agreement (FTAAP) that could cover 73% of NZ exports and protect 40% of NZ's foreign investment - it potential delivery mechanism for APEC'S Bogor Goals.

3. Strategic and economic analysis supports the case for a balanced TPP: A comprehensive agreement offers GDP and export gains, and significantly more if TPP expands.

WHAT ARE THE RISKS (see page 2)

1. There are costs. We are presented with significant demands: 66(4).

2. From our perspective they bring costs, are not good policy and or reduce future regulatory flexibility.

Strategic Drivers

- Part of NZ's growth strategy: opening up Asia-Pacific markets, and closer integration with key partners will contribute to a more competitive and productive NZ economy.

- Establishing a 21st century regional trade framework that provides the most credible pathway to an APEC-wide agreement (Free Trade Area of the Asia Pacific, FTAAP)

- Economic and Export Opportunities

Economic modelling points to TPP having a significant positive impact:

- A range of economic models have looked at the GDP impact of a US FTA, TPP and an expanded TPP. The trend is positive, with reasonable significant GDP gains.

Other Benefits

- Services and Investment (page)

- Regulatory convergence, transparency and harmonisation will help address the border barriers

- Rules to support intellectual property (IP), Buyer (IP) Members can be disagreed from protection sentiment

- Confidence untested businesses with 66(4), 66(4) (goods/bare), 66(4) (wine, tobacco, livestock, seafood)

- Concrete investment and services frameworks left incomplete in NA, Malaysia, and ASEAN FTA's

- New countries such as Mexico could be at the table in December

- Goods market access: our approach

- 66(4)

- 66(4)

- 66(4)
WITHHELD IN FULL:

- 6(a),
- 6(b) (i),
- 6 (c) (vi),
- 9(b)(3)(v).
TRANS-PACIFIC PARTNERSHIP: CLOSING PHASE

- Part of NZ's growth strategy: Direct connections with the Business Growth Agenda (export markets) and drive to improve access to innovation, capital, and resources.
- Extensive coverage of our economic offshore footprint: 45% of NZ's goods exports, two-thirds of commercial services exports, and 70% of offshore FDI.
- New free trade deals with the US, Japan, Mexico, Canada and Peru (over $10 billion of NZ goods and services exports). Adding depth to our existing deals with ASEAN (e.g., access to Malaysia and Viet Nam's government procurement markets).
- Significant potential costs (trade and investment diversion) if NZ stands aside from a high quality TPP.

WORKING TO CONCLUDE THIS YEAR
NZ's NEGOTIATING MANDATE

withheld in full:
- s 6 (a),
- s 6 (b)(c)(i),
- s 9 (2)(c)(i).

MINISTERIAL ENGAGEMENT IN CLOSING PHASE

<table>
<thead>
<tr>
<th>September</th>
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<tbody>
<tr>
<td>• Submission to Ministers on s 6 (a)</td>
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<td>• Submission to Ministers on how future policy space could be s 6 (c)(i)</td>
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<th>November</th>
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<tr>
<td>• Possible Cabinet paper required to confirm guidance on final set of issues</td>
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<td>If on track to conclude in 2013:</td>
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<td>• Delegated Ministers consulted on s 6 (c)(i)</td>
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<td>• Advice to Ministers on conclusion, signing and ratification process</td>
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<th>December</th>
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<tr>
<td>• If TPP concluded in December:</td>
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<td>• Ministers briefed on key outcomes</td>
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<th>February</th>
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<td>• If TPP concluded in December and Parties are aiming for March 2014 signature:</td>
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<td>• Cabinet paper seeking approval of outcomes, approval to sign TPP and approval of R&amp;A/paper publication material</td>
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Delegated authority in the final phase

For some issues in TPP, delegated Ministerial approval procedures have been authorised.

Based on experience from past trade negotiations, we expect the process for engaging with delegated Ministers in the final week(s) of the negotiation, if this is indeed required, will necessitate very short periods for Ministerial consideration and approval.

Similar mechanisms were in place for conclusion of negotiations with Malaysia.

The Cabinet and Ministerial consultation plan noted on the left is intended to ensure we are as prepared as possible for the final stage of the negotiation (perhaps the last two weeks of November/first week of December — a best case scenario). But it may still prove necessary to seek decisions from Ministers in these final weeks within very compressed time periods.
TIMELINE: BEST CASE SCENARIO FOR CLOSING TPP

Withheld in full:

- 96 (4);
- 96 (6) (c);
- 9 (2) (c)
CONCLUDING THE TRANS-PACIFIC PARTNERSHIP (TPP) AGREEMENT

- s 6 (a)(i)
- s 6 (b)(i)
- s 9 (c)(i)

**New Zealand goods and services exports to TPP markets each year, including $12 billion to countries with which we don't currently have FTAs**

$29 million

**Estimated cost to consumers each year from extending copyright term to 70 years for books, music and film**

$5.39 million

- s 6 (a)(i)
- s 6 (b)(i)
- s 9 (c)(i)
- s 9 (d)(i)

Refusing two pages of this document withheld in full under the grounds of the OIA stated above

Delegated Ministers may still need to take decisions on

- s 6 (a)(i), s 9 (c)(i)

at a later point

Attached annex provides background on GDP gains modelling, summarises goods market access offers, provides an overview of TPP chapters, and outlines key intellectual property outcomes

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