

PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS – PLUS (*PACER PLUS*)



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NZIPR seminar

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Outline

- 1. Overview of PACER Plus**
 - **Background, Purpose, Key objectives**
- 2. PACER Plus**
 - **The Agreement: what is and is not PACER Plus**
- 3. Next steps**
 - **Implementation, Monitoring & Evaluation**
- 4. Q & As, discussion**

Pacific Island Forum



PACIFIC REGIONAL TRADE ARCHITECTURE

SPARTECA (1981) — duty-free access to A/NZ for Pacific goods



PACER (2002) — agreed to negotiate a trade agreement in the future



PICTA (2003) — trade agreement between Pacific Island countries



PACER Plus (2017)

Pacific approach: gradual and progressive integration into the international economy

PACER Plus — signed 14 June 2017



PACER Plus – purpose

- Improve prosperity and resilience in the Pacific region
- Job creation, increase living standards and wealth for families in Pacific countries



KEY OBJECTIVES...

- increase export capacity in Pacific Island countries
- Pursue trade and economic integration in the Asia–Pacific
- Make it easier for Pacific countries to attract investment.
- Create a landmark trade and development agreement
- More coherency and impact from ODA to the region.



KEY OBJECTIVES: NZ's ambitions

- improve prosperity and resilience in the Pacific region;
- make it easier for Pacific countries to trade and attract investment;
- find innovative ways for New Zealand to benefit
- Improve the coherency and impact of development assistance that supports sustainable economic development in the Pacific region



Benefits for New Zealand businesses

- Concluding PACER Plus secures our current trade in the Pacific.
- New Zealand businesses will benefit from greater predictability and confidence trading with the Pacific.
- Scope for innovative business opportunities or joint ventures
- New Zealand's prosperity depends on that of our neighbours



Pasifika peoples in New Zealand

- Almost 300,000 Pacific people in New Zealand
- Potential to grow New Zealand based Pasifika businesses and partner with Pacific Island businesses
- Around 30% of Pacific nations' exports go to Australia and New Zealand
- Pacific seasonal workers in New Zealand remit up to NZ\$41 million in remittances a year.
- New Zealand and Australia are the largest source of tourists for the Pacific.

AGREEMENT OVERVIEW

- Customs Procedures
- Sanitary and Phytosanitary Measures
- Technical Barriers to Trade
- Trade in Services
- Trade in Goods
- Rules of Origin
- Investment
- Legal and Institutional
- Development Assistance
- Labour Mobility



AGREEMENT OVERVIEW

What is not in the agreement

- Intellectual property
- Competition chapter
- Investor-State dispute mechanism
- No impairment of ability to regulate for legitimate policy reasons.
- general exceptions for health, environment, security, taxation
- te tiriti o te Waitangi

DEVELOPMENT ASSISTANCE

New Zealand and Australia have made significant **economic cooperation commitments** to help Pacific Island countries implement PACER Plus and realise its benefits

- A\$7.7m PACER Plus Readiness Package: targeted support to assist domestic ratification processes and preparations for entry into force.
- A\$25.5m PACER Plus Development and Economic Cooperation Work Programme on implementation.
- 20% “aid for trade” target for first five years after agreement comes into force.



Examples of trade-related assistance

- **Supporting small and medium enterprises** to grow, improve their market-readiness and access trade and investment opportunities in the region including through a new \$10m Pacific Business Hub and the Pacific Islands Trade and Invest;
- New **tourism market research and development** that will deliver tools for accurately capturing tourism data, enabling improved design and investment in tourism initiatives;
- Increased **regional trade facilitation**, including improved border management;
- Support to improve the quality and robustness of Pacific **qualifications frameworks** with the longer-term objective of enabling qualifications recognition by NZ;
- Roll out of new **labour mobility** initiatives including the Canterbury Reconstruction programme and the Fisheries Employment Initiative.

LABOUR MOBILITY ARRANGEMENT

- Standalone arrangement alongside PACER Plus
- Supports efforts to allow greater labour mobility across the region
- Facilitates Pacific workers to access temporary employment in New Zealand and Australia in industries that face labour shortages.
- This will have economic benefits for New Zealand businesses and for Pacific island countries.



Next steps before implementation

- 14 June Signing: Tonga
- Post-signature outreach
- Parliamentary examination completed.
- NZ legislative review underway
- MFAT/DFAT consulting with PIC governments re readiness package
- Working groups: focus on what?

Implementation: focus areas

- Labour mobility
- Communications and Technology
- Food and Beverages
- Niche investments
- Modelling Māori economic development
- Leveraging Pasifika economy in New Zealand
- Consultancy opportunities
- Measuring the impact of PACER Plus

Measuring PACER Plus impact & success

- Monitoring & Evaluation (M&E) framework
 - To monitor progress, identify key learnings, modify activities to enhance ‘success’ & inform investment

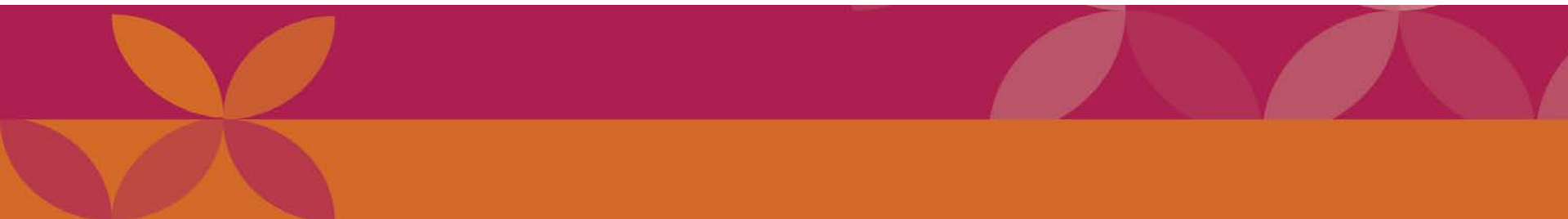


What does “improving prosperity & resilience in the Pacific region” mean & look like?

What are the outcomes? What are indicators?

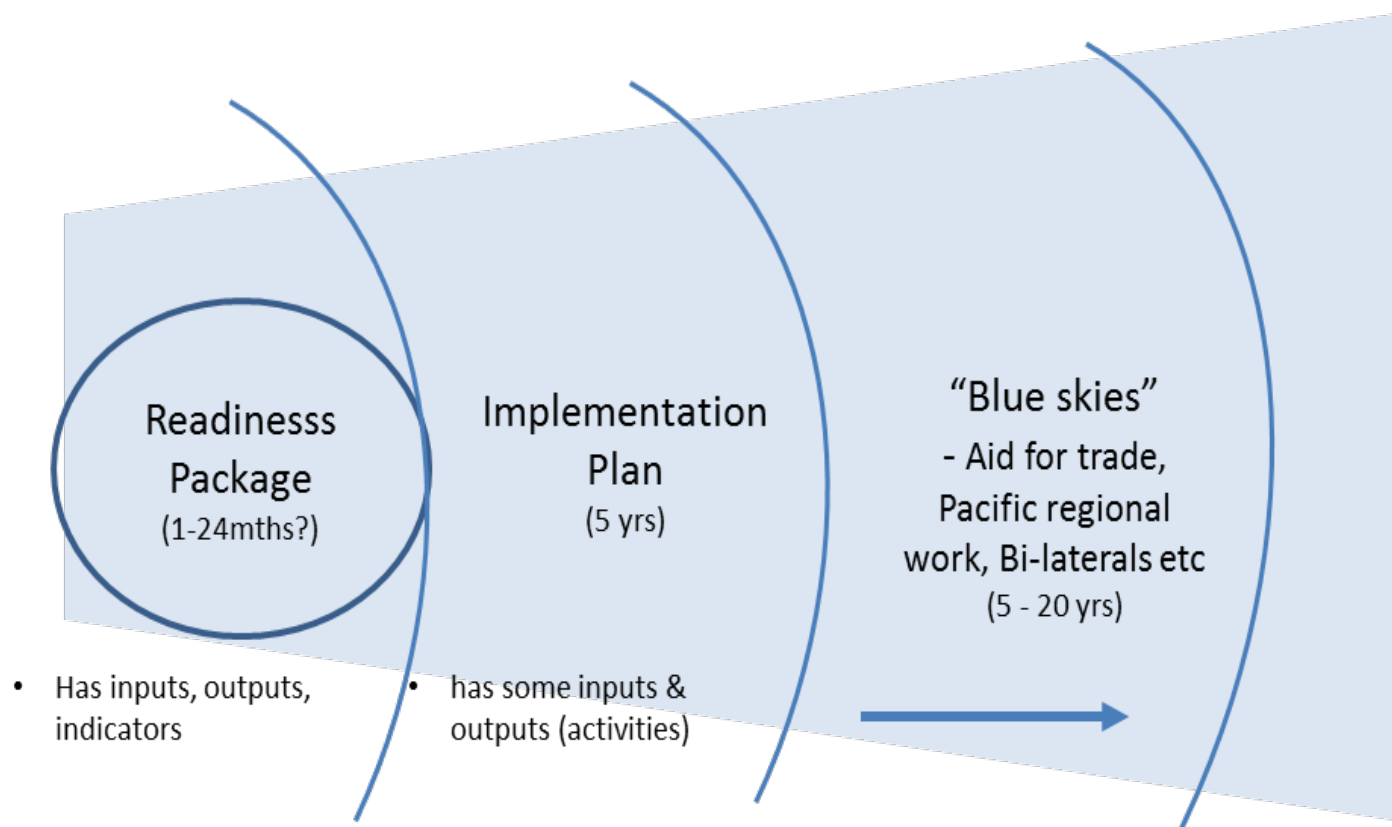
Will the ‘mix’ of activities = outcomes?

How will we measure? At what level?



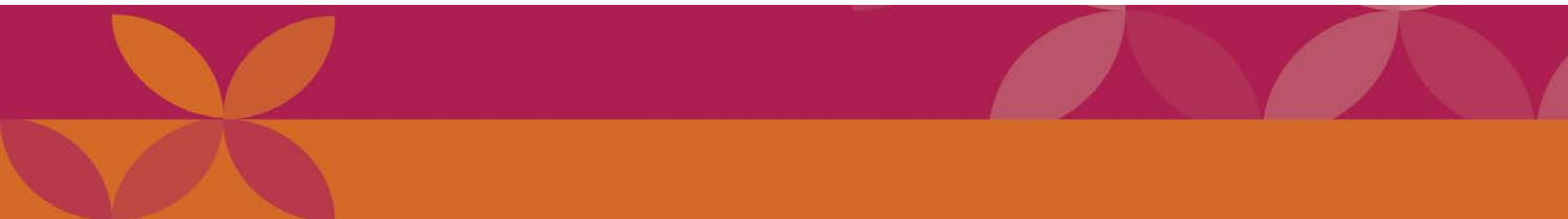
Measuring PACER Plus impact & success

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Measuring PACER Plus impact & success

- Next steps:
 - Develop a draft M & E 'straw man' + the road map forward
 - Invite feedback from academia & NGOs



Full text

- [PACER Plus consolidated legal text](#) [PDF, 4.9 MB] (excluding Schedules of Commitments on Tariffs – Part I for Forum Island Countries)

Text by chapter

- [Preamble](#) [PDF, 22 KB]
- [Chapter 1: Initial Provisions and General Definitions](#) [PDF, 105 KB]
- [Chapter 2: Trade in Goods](#) [PDF, 262 KB]
- This chapter includes:
- Annex 2-A: Schedules of Commitments on Tariffs
 - [Cook Islands - Part I](#) [PDF, 3.3 MB]
 - [Federated States of Micronesia - Part I](#) [PDF, 12 MB]
 - [Kiribati - Part I](#) [PDF, 2.6 MB]
 - [Nauru - Part I](#) [PDF, 14 MB]

THE PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS PLUS

Overview: Purpose and Benefits

The Pacific Agreement on Closer Economic Relations Plus is a landmark trade and development agreement that will lower barriers and provide greater certainty for New Zealand businesses, while raising living standards, creating jobs and increasing exports in Pacific Island countries.

The Agreement primarily comprises technical chapters on Trade in Goods, Services, Investment and Customs, Movement of Natural Persons, Technical Barriers to Trade, Rules of Origin, Customs and Sanitary and Phytosanitary Measures. A separate Arrangement sets out a Development and Economic Cooperation work programme and commitments for broader trade related assistance. An Arrangement on Labour Mobility provides a regional framework to build the Pacific's work ready labour supply and to access regional labour markets, including to Australia and New Zealand.

New Zealand's ambition in supporting PACER Plus is to:

- improve prosperity and resilience in the Pacific region;
- make it easier for Pacific countries to trade and attract investment; and
- find innovative ways for New Zealand to benefit.

The 14 countries participating in PACER Plus are:
New Zealand, Australia, Cook Islands, Federated States of Micronesia, Kiribati, Nauru, Niue, Palau, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

What are the intended outcomes and benefits?

Pacific Island countries face unique challenges participating in international trade. They have small land masses with limited productive capacity and employment opportunities, higher cost of economic infrastructure, distant markets, and vulnerability to



extreme climatic events. PACER Plus intends to help overcome these challenges by making it easier for countries to trade, while creating jobs and increasing living standards and wealth for families.

Benefits of the agreement:

- the agreement strikes a balance between delivering lower barriers and greater certainty for New Zealand businesses, while helping the Pacific Island countries to open their economies to trade at a sustainable pace;
- New Zealand businesses will benefit from lower tariffs, greater access for services and investment, and less red tape when trading with the Pacific;
- to help the Pacific Island countries adjust, New Zealand and Australia are offering over \$33 million in development and economic cooperation assistance; and
- it has the potential to transform Pacific economies, generate growth, jobs and government revenue through increased regional trade, investment and labour flows.

Fact sheets

- [Overview](#)
- [Trade of Goods, Rules of Origin and Customs](#)
- [Services and Investments](#)
- [Legal and Institutions](#)
- [Māori as Treaty Partners](#)
- [Pasifika New Zealand](#)
- [Labour Mobility](#)
- [Development](#)

PACER Plus –
A unique agreement
tailored to the Pacific

Questions?

