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Hon Phil Goff

23/03/2006

Tariff Act clears way for four-nation trade deal

Today's passage through Parliament of the Tariff (Trans-Pacific Strategic Economic Partnership) Amendment Act allows New Zealand to ratify a four-way trade agreement with Chile, Brunei, and Singapore, says Trade Minister Phil Goff.

"The Trans-Pacific Economic Partnership Agreement liberalises trade in goods and services, improves the business environment and promotes cooperation on a range of economic areas between all four countries," Mr Goff said.

"It establishes a free trade area that spans the Pacific and joins Latin America, South East Asia and New Zealand. In doing so it offers new opportunities for New Zealand exporters. The four countries have a combined GDP of around NZ\$400 billion, and four-way trade is worth over NZ\$2.5 billion dollars.

"Tariff reductions under the agreement will make New Zealand's exports more competitive in Chile and Brunei Darussalam. Once the agreement comes into force, tariffs will be immediately eliminated on 89 per cent of our current exports to Chile, and 92 per cent of our current exports to Brunei.

"Exports between New Zealand and Singapore are already duty-free under the existing New Zealand-Singapore Closer Economic Partnership.

"Tariffs will be phased out in three steps through to 2015, with special steps for sensitive New Zealand products such as apparel, footwear and carpet.

"The agreement also includes broad coverage of services, which will make it easier for our service providers to operate and compete in Chile, Singapore, and Brunei, while retaining New Zealand's ability to protect sensitive sectors such as social services, water and marine resources.

"The agreement meets the government's aim of negotiating deals that provide opportunities for exporters and guard against erosion of benefits for New Zealand exporters from preferences afforded to third parties.

"It also serves the government's objective of broadening relations with Latin America and Asia, as well as promoting our trade liberalisation policy.

"New Zealand's prosperity as a nation, and our ability to pay for the lifestyles and social services that are so important to us, is dependent on our ability to sell goods and services on the world market.

"New Zealand needs global trade rules that allow our products to compete on the merits of their quality and innovation in markets that are not distorted by subsidies and trade barriers.

"Our ultimate goal is the conclusion of comprehensive global trade agreements through the WTO. The successful completion of a high-quality FTA such as the Trans-Pacific Strategic Economic Partnership Agreement provides impetus towards that goal, by demonstrating a commitment to the principles of free trade that stretches across the Pacific," Mr Goff said.