



TRADE FOR ALL ADVISORY BOARD

CHAIR'S REPORT: MEETING 3

The Trade for All Advisory Board (TFAAB) held its third meeting in Christchurch on Monday 15 April 2019. (A meeting scheduled for 18 March had been cancelled in the aftermath of the tragic events in Christchurch).

There were two sessions. In the first the TFAAB began a discussion of the issues that will be covered under Chapter 4 of its report. In the second, it discussed modalities for the different chapters.

SESSION 1

Stakeholder Engagement

The Chair updated the TFAAB on various meetings and events that he and other TFAAB members had attended since the last meeting. TFAAB members are encouraged to share information about all such events with other members.

Initial Discussion of Chapter 4

Chapter 4 of the TFAAB's report is provisionally titled: "Negotiating Trade Rules to Serve Our Values and Transform Our Economy". Our initial discussion looked at the scope of issues that will be covered in it.

The discussion covered both questions about the content of the agreements and New Zealand's approach. Issues discussed included:

- Whether trade agreements unduly restrict the scope of future government laws and policies that are central to well-being - and whether New Zealand's approach to making commitments has been sufficiently cautious. Questions that arose included:
 - In what way are trade agreements any different from other international agreements?
 - Do NZ negotiating positions reflect too narrow a focus on the interests of exporters when the implications are broad and potentially affect people across society?
 - Are exceptions and protections for the Government's right to regulate strong enough?
 - How do we allow for issues that are not fully resolved at home e.g. Geographical Indications and wider issues of intellectual property and traditional knowledge.
 - Whether the distinction between Non-Tariff Barriers (NTBs), and Non-Tariff Measures (NTMs) that include legitimate government regulation, needs clearer articulation;



- Whether the models that estimate the GDP gains from trade agreements fail to recognise the NTB/NTM distinction.
- Whether NZ is recognising the opportunities and risks to specific groups;
- Whether trade agreements are exacerbating problems of inequality.
- The adequacy of the protection of the Treaty of Waitangi, and the policy space around it, in trade agreements.
- The adequacy of New Zealand's National Interest Assessment process.
- The importance of a rules-based trading system to a small, trade-dependent nation.
- The limits of New Zealand's ability to influence our international partners and what this implies for our approach to trade negotiations.
- The lack of focus on the role that imports play in supporting the standard of living that New Zealanders expect to have.
- The extent to which arguments about the commitments in trade agreements are misused in domestic debates.
- Whether the right systems/structures exist across government agencies to ensure that NZ's trade policy settings are negotiated in full consideration of relevant policy space.
- The appropriate time-frame to be thinking of when designing trade agreements in light of changes in the global economy that can be expected over the next 10-20 years.
- Mechanisms for resolution of disputes, including Investor State Dispute Settlement and alternatives to it.
- The importance and relevance of core trade policy principles like National Treatment and Most Favoured Nation (MFN) status.
- The adequacy of various features of trade agreements, including:
 - labour and environmental standards;
 - their relationship with other international agreements and agreed norms;
 - the need to reflect emerging standards in respect of the digital economy;
 - review and upgrade mechanisms.



SESSION 2

Modalities

The TFAAB discussed modalities for producing draft texts for the five chapters.

Various members have nominated themselves to participate in sub-committees. These sub-committees will agree on relevant experts to assist with research and drafting for Chapters 1, 2 and 5.

The sub-committees will agree different modalities, which may include the convening of outside reference groups, to assist the TFAAB with its work on Chapters 3 and 4.

Next Meeting

The next TFAAB meeting will be in Wellington on Friday 17 May. It will include an initial discussion of Chapter 2.

David Pine
Chair
Trade for All Advisory Board