

29 April 2021

CPTPP Consultations Team
Ministry of Foreign Affairs & Trade
Wellington
Via: cptppconsultations@mfat.govt.nz

SUBMISSION ON THE CPTPP ACCESSIONS CONSULTATION

Kei te rangatira, tēnā koe,

The Wellington Chamber of Commerce and Business Central (The Chamber) welcomes the opportunity to submit to the Ministry of Foreign Affairs and Trade our views on the future membership of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). The Chamber writes to express our support for the expansion of the CPTPP. We also strongly encourage New Zealand to support any application by Taiwan to join the CPTPP.

Introduction to the Chamber

The Chamber has been the voice of business in the Wellington region for 162 years, since 1856, and advocates policies that reflect the interests of the business community in both the city and region and the development of the region's economy as a whole. The Chamber advocates the views of its members and obtains that view through regularly surveying members.

We are a business membership association, representing 3,625 members and their interests throughout the Wellington region, as well as being one of the four regional organisations comprising New Zealand's peak business advocacy group, BusinessNZ. In Wellington, our organisation operates the Wellington Chamber of Commerce, accredited to the New Zealand Chamber of Commerce network. Our organisation also delivers ExportNZ to Wellington, Hawke's Bay and the Central region.

In the absence of diplomatic relations with Taiwan, the Wellington Chamber of Commerce operates the New Zealand Commerce and Industry Office (NZCIO) in Taipei as a subsidiary with seconded staff from relevant government departments. This office is responsible for developing New Zealand's trade, economic, and cultural interests with Taiwan.

Comments on Overall Expansion of the CPTPP

Any expansion of the membership must enhance the value of the agreement. New members must be able to demonstrate that they can both meet the high standard set by CPTPP rules and market access commitments but also adhere to these rules.

We note that the UK has formally requested membership of CPTPP and that media accounts are suggesting that the Philippines may also have applied for this membership. Both are strong candidates. The UK, as a major economy, is particularly interesting. This interest suggests that CPTPP may have global rather than just regional appeal.

As an APEC member, the Philippines also has appeal, so long as it can meet the Agreement's high standards.

Several other APEC members stand out as potential members of CPTPP in the short term. The Republic of Korea, Thailand and Taiwan stand out in particular. All have multiple FTAs with existing CPTPP members, and all have the potential to meet the Agreement's standards.

Comments on Taiwan's Intent to Join the CPTPP

It is clear that Taiwan has a strong interest in eventually joining CPTPP. This has been signalled on several occasions. The NZTBC strongly encourages New Zealand to support any application by Taiwan to join the CPTPP.

Taiwan has FTAs, of the highest quality, with both Singapore and New Zealand. The commitments in these agreements have been faithfully implemented and there have been no issues relating to compliance by Taiwan to its commitments. This is equally true of the commitments Taiwan has made in the WTO.

The FTAs that Taiwan has with Singapore and New Zealand were negotiated at the same time as CPTPP was being negotiated. These Agreements draw upon some CPTPP language and concepts. This should make Taiwan's accession to CPTPP easier to accomplish.

Taiwan is a full member of the WTO as a separate Customs Territory. WTO rules allow all members to negotiate FTAs with other members so long as they meet certain conditions. There is no legal impediment to Taiwan joining the CPTPP.

There is strong support for the United States negotiating an FTA with Taiwan in the US House and Senate. Allowing Taiwan to join the CPTPP would therefore increase US interest in joining CPTPP also. This would suit the interests of all existing members and encourage other jurisdictions to join the agreement.

Taiwan as a Trading Partner

Taiwan and New Zealand enjoy a growing trade relationship thanks to the ANZTEC (The Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation) Agreement.

Thanks to the high-quality FTA, the Taiwan-New Zealand trading relationship continues to grow, despite the ongoing Covid-19 pandemic. Trade with Taiwan grew by 12.4 per cent for the year ending December 2020 and they are now New Zealand's 7th largest export market. Taiwan also overtook the United Kingdom to become New Zealand's 6th largest export market for the second quarter of 2020— a notable achievement, given New Zealand's historical relationship with the UK. Having Taiwan as a member of the CPTPP will offer more opportunities for Kiwi exporters to grow their businesses in Taiwan.

The Chamber also sees opportunities for our trading relationship to blossom into other areas of business such as the circular economy, digital and creative technology, green energy sources, food and beverage technology, and "smart city" infrastructure.

Allowing Taiwan's accession to the CPTPP would help facilitate the growing trade and business relationship between our two economies.

Thank you for the opportunity to submit on the expansion of the CPTPP. We look forward to continuing our engagement on the issue once all the submissions have been considered.

Nāku iti noa, nā

A handwritten signature in black ink, appearing to read 'Simon Arcus', with a stylized, flowing script.

Simon Arcus
Chief Executive

Business Central, Wellington Chamber of Commerce, and ExportNZ Central