

The Trans–Pacific Partnership Agreement (TPP)

History and state of play

Department of Foreign Affairs and Trade

History

- ▶ P4 (Chile, Singapore, New Zealand and Brunei)
 - Negotiations commence in 2002
 - Trans–Pacific Strategic Economic Partnership (P4) enters into force in 2006
- ▶ Negotiations to add investment and financial services commitments commence in 2008, involving United States
- ▶ In November 2008 United States, Australia and Peru announce intention to join P4 in negotiating TPP

History

- ▶ First round of negotiations in Melbourne
March 2010
 - 11 rounds have been held to date
- ▶ Vietnam has participated in all rounds, initially as an associate member
- ▶ Malaysia joined the negotiations at 3rd round in Brunei
- ▶ TPP – P4 revised, expanded or a new agreement?

What is the TPP?

- ▶ The TPP will be a high quality, comprehensive 21st century agreement that addresses new and traditional trade issues
- ▶ Broad outline of the TPP agreement announced by TPP Leaders in November 2011
- ▶ Once the TPP has entered into force it will co-exist with previous FTAs
 - businesses will be able to choose which agreement to operate under

Benefits for members

- ▶ Strategic opportunity to
 - shape emerging regional economic architecture
 - increase economic integration and liberalisation in the Asia-Pacific
 - ▶ Commercial benefits
 - Some new market access plus improved supply chain integration in the shorter term
 - Increasing benefits in the longer term
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Negotiating Groups

CHIEF NEGOTIATORS

GOODS	Trade in Goods Trade Remedies Customs Cooperation Rules of Origin Sanitary and Phytosanitary Measures Technical Barriers to Trade Market Access
SERVICES	Cross Border Trade in Services Financial Services E-Commerce Telecommunications
OTHER	Investment Intellectual Property Environment Labour Government Procurement Legal and Institutional Issues Competition and State Owned Enterprises Capacity Building

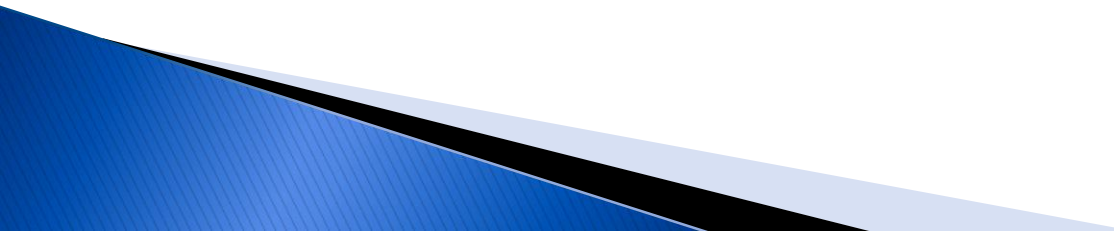
HORIZONTAL ISSUES

Regional integration; Regulatory coherence; Transparency; Development; Living agreement; SMEs; Competitiveness

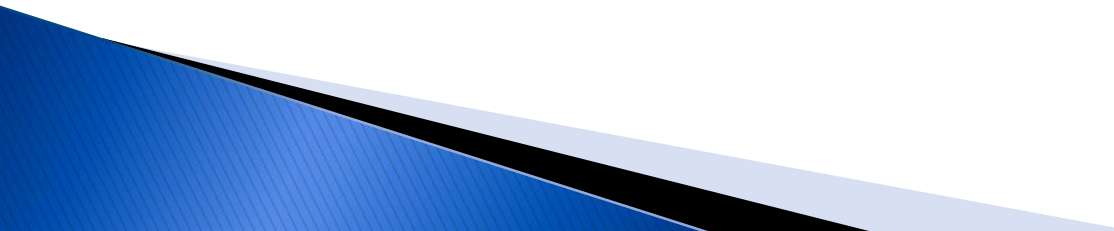
Process

- ▶ Negotiating rounds on average every 2–3 months
 - interessional meetings
- ▶ Stakeholder engagement – both domestically and during negotiating rounds
 - formal and extensive stakeholder program and engagement between negotiators and stakeholders

Status of Negotiations

- ▶ Solid progress is being made in the negotiations
 - ▶ TPP parties are advancing text-based discussions across more than 20 working groups
 - ▶ Market access offers have been exchanged on goods, services, investment and government procurement.
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Goods Market Access Offers

- ▶ Negotiations on goods market access are well underway
 - ▶ Offers and requests have been exchanged
 - ▶ Seeking tariff outcomes which build upon existing agreements
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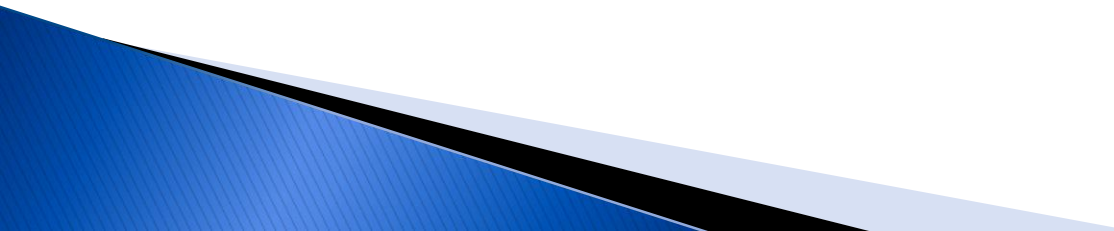
Rules of Origin

- ▶ Seeking flexible rules of origin
 - complement ambitious market access outcomes
 - bring maximum benefit of regional integration
- ▶ Parties agreed to base rules of origin on the “change in tariff classification” approach
 - all have submitted their initial proposals
 - negotiations focussing on time-consuming process of determining over 5000 product-specific rules

Government Procurement

- ▶ A comprehensive draft government procurement (GP) chapter is under discussion
 - revised market access offers have now been exchanged by all parties
- ▶ The question of whether sub-central procurement should be covered is still under discussion
- ▶ GP is a sensitive area for those parties which have no existing international commitments.

Cooperation and Capacity Building

- ▶ Negotiations on a consolidated text are at an advanced stage and close to completion
 - ▶ Aim is to agree on provisions that establish a simple, efficient and effective mechanism for coordinating activities that will assist all Parties to implement the TPP and enhance its benefits.
 - ▶ Possible that there will be issue specific cooperation provisions in other chapters also
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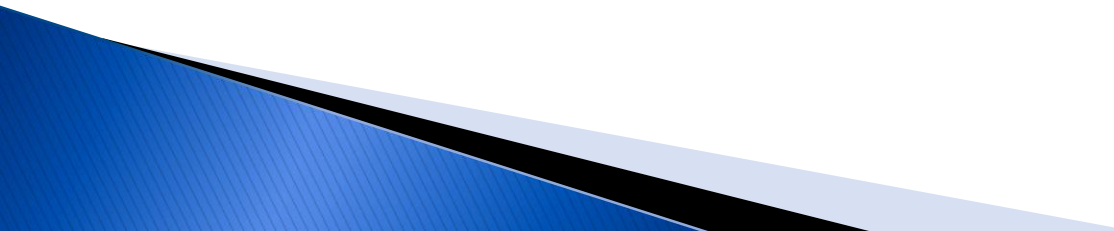
Horizontal Issues

- ▶ TPP Parties have agreed ‘horizontal themes’ to guide negotiators:
 - Promoting regional integration – by improving regulatory coherence and supply chain connectivity
 - Encouraging participation of small and medium-sized business in trade
 - Promoting transparency
 - Creating a ‘living agreement’
 - Facilitating development

Membership of the TPP

- ▶ Current TPP negotiating parties are committed to seeing the TPP membership expand over time to other Asia–Pacific economies
 - final decisions on new membership taken by a consensus of current negotiating parties
 - New participants will need to demonstrate a commitment to meeting the high standards which current members are aiming for
- ▶ TPP parties have welcomed Japan, Canada and Mexico's interest in the TPP

Next round of Negotiations

- ▶ Intersessional negotiations on labour, environment, financial services, GP, IP, investment, Rules of Origin and TBT will be held in early April
 - ▶ 12th round to be held in United States in May
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Thank you