

2 February 2016

Rt Hon John Key
Prime Minister of New Zealand
WELLINGTON

Dear Prime Minister

We welcome the signing of the Trans Pacific Partnership (TPP) in Auckland on 4 February.

New Zealand stands to gain significantly from TPP, which links 36% of global GDP, 812 million consumers and includes markets taking 40% of our exports. Our major trade interests – meat, horticulture, wine, seafood, forest products, dairy and manufactured goods – will all benefit from the reduction and/or elimination of tariffs and non tariff barriers especially in markets like Japan, the United States, Canada, Mexico and Peru. Our services sectors will also benefit from improved rules governing trade in services.

It is inconceivable that New Zealand would allow our access to markets to be impaired and our competitiveness to decline by standing outside such an important agreement when our competitors are part of it.

These tangible trade gains have been secured without the need for significant policy change in New Zealand. We are already a largely open market for foreign competition. We have robust laws for environmental and labour protection. TPP clearly provides for continuing favourable treatment for Maori under the Treaty of Waitangi, which is fully protected. Our state owned enterprises already operate along commercial lines. Our current policies in relation to intellectual property will also require little change, except in the area of copyright. We welcome your assurances that TPP will not entail increases in the costs of medicines for individual Kiwis. The TPP contains a number of provisions that will enhance patient access to innovative health care in member countries, including groundbreaking provisions for strong medical device regulatory coherence and systems based on international best practices.

We support the protection that investor state dispute settlement provides to investors in New Zealand and to our businesses that make investments in other countries. These protections have been a feature of our previous trade agreements. It appears to us that the Government's continuing right to regulate in areas such as public health, the environment and land purchases is effectively safeguarded in TPP. The checks and balances in the agreement pose little likelihood that New Zealand would be successfully challenged. Foreign direct investment in New Zealand has been an important source of economic growth and job creation over the years and we need to continue to attract it.

New Zealand benefits enormously from trade. It creates higher value jobs, ensures our firms are globally competitive, keeps us innovating and investing in new technology and the latest management and work-place practices. Our integration with the rest of the world is vital for continuing economic success. TPP takes us a step further in that direction and provides a new body of rules for trade and investment, which New Zealand has had a hand in making.

Yours sincerely

Kirk Hope, CEO
BusinessNZ



Sir Ken Stevens, Chair
ExportNZ



Malcolm Bailey, Chair
International Business
Forum



William Rolleston
President Federated
Farmers



Michael Barnett, CEO
Auckland Chamber
of Commerce



Kim Campbell
CEO EMA



Katherine Rich
Executive Director
Food & Grocery Council



Kimberly Crewther
Executive Director
Dairy Companies Assn



Philip Gregan, CEO
NZ Winegrowers



Julian Raine, President
Horticulture NZ



Mike Hearn
Executive Director
American Chamber of
Commerce in NZ



Scott Champion, CEO
Beef + Lamb NZ



Faye Sumner, CEO
Medical Technology
Assn



David Rhodes, CEO
NZ Forest Owners Assn



Peter Townsend, CEO
Canterbury Employers
Chamber of Commerce



Bill Falconer, Chair
Meat Industry Assn



Simon Hegarty, CEO
Horticulture Export
Authority



Catherine Beard
Executive Director
ManufacturingNZ



John Milford, CEO
Wellington Employers
Chamber of Commerce



Hon Simon Power, Chair
NZ US Council



Charles Finny, Chair
**NZ Port Company
CEO Group**

Mike Knowles, Chair
NZ Shippers Council



John Scandrett, CEO
Employers Otago
Southland



Scott Arrol, CEO
Health IT



Alister Lawrence
Chair ASEAN NZ
Business Council



Ian Kennedy, Chair
Japan NZ Business
Council



Henri Eliot,
President Canada NZ
Business Council



Matthew O'Meagher
Chair Latin America NZ
Business Council

