

Prepared by the New Zealand Embassy in Washington DC.

Summary

- Trade officials from New Zealand and 13 other economies will gather in Brisbane, Australia, in mid-December 2022 to begin negotiations toward the Indo-Pacific Economic Framework for Prosperity (IPEF).
- The Indo-Pacific Economic Framework for Prosperity is an opportunity to strengthen economic cooperation with the United States and a diverse range of other economies across our wider home region.
- The Framework will cover some of the most important future-focused economic issues facing our region and the world, including harnessing the digital economy, decarbonising our economies, and making our supply chains more resilient. It will not, however, include tariff concessions.
- New Zealand will begin in-person negotiations with other Framework participants next month to make our economies more connected, resilient, inclusive, sustainable, and competitive.
- Officials will continue to engage closely with stakeholders and Māori partners throughout the process to ensure that their views help shape New Zealand's positions in the IPEF negotiations.

Report

The United States first publicly announced its desire to develop an IPEF concept at the East Asia Summit in October 2021. It was formally launched by several leaders, including Prime Minister Jacinda Ardern, in May 2022. Along with New Zealand, Australia, Brunei, Fiji, India, Indonesia, Japan, Malaysia, the Philippines, Republic of Korea, Singapore, Thailand, the US, and Viet Nam pledged to collaborate on closer economic integration through the Framework. Collectively, these economies represent 40 percent of global GDP, 28 percent of global goods and services trade, and account for a large share of global emissions.

Since then, the scope of IPEF has been outlined. In September 2022, IPEF Trade Ministers and representatives gathered in Los Angeles, United States, and issued statements to guide negotiations on each of the four pillars of the Framework: trade; supply chains; clean economy; and fair economy. Thirteen of the IPEF economies will fully participate in the negotiations of all four pillars, while India will participate in three pillars and start as an observer of the trade pillar negotiations. This is possible as the four pillars will be negotiated independently of each other and may be finalised at different times.

The trade pillar will cover issues relevant to the digital economy, agriculture issues, good regulatory practices and transparency, competition, trade facilitation, labour, environment, inclusivity, technical assistance and economic development. While this is expected to lead to commercially meaningful benefits and fairer outcomes for New Zealand exporters, the Framework negotiations will not include preferential market access commitments for goods or services, like tariff reductions, found in agreements like the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

On the wake of the COVID-19 pandemic and other challenges, Framework partners will seek to coordinate actions

to mitigate and prevent future supply chain disruptions and secure critical sectors and key products. The supply chain pillar will tackle novel policy issues. Negotiators will seek to establish criteria to identify critical sectors and goods of interest to IPEF participants, increase resilience in those sectors and goods, improve transparency and establish a crisis response mechanism. Ministers have also agreed the negotiations will work on strengthening supply chain logistics, and enhancing the role of workers.

In the clean economy pillar, the countries will seek to reduce overall greenhouse gas emissions by advancing cooperation on clean energy and climate-friendly technologies, expanding green investment opportunities, and promoting usage of low- and zero-emissions good and services.

Finally, the fair economy pillar will seek to address corruption, curb tax evasion, and enhance accountability and transparency in support of the investment climate and flows of trade among the IPEF economies.

The principles of sustainability and inclusivity are embedded throughout the Framework. There are strong linkages between the Framework and the principles that underpin New Zealand's Trade for All Agenda, principles we will be bringing to the table in discussions to ensure the benefits of this Framework are broadly shared by our peoples.

The views of stakeholders, civil society, and Māori are fundamental to the advice that goes to Ministers and that will inform New Zealand's negotiation position. Officials will continue to engage closely with stakeholders and Māori throughout the process to ensure that their views help shape the IPEF negotiations, and ultimately to ensure that the benefits of the IPEF flow to all New Zealanders.

External links

- The following links may provide useful information to businesses:

[The Joint Leaders statement on the Indo-Pacific Economic Framework for Prosperity](#)

[Beehive press release - IPEF negotiations launched](#)

[IPEF Ministerial Statements for the four pillars](#)

[The Ministry of Foreign Affairs and Trade's IPEF webpage](#)

More reports

View full list of market reports from MFAT at www.mfat.govt.nz/market-reports

If you would like to request a topic for reporting please email exports@mfat.net

To get alerts when new reports are published: go to mfat-reports.info/pdf

To contact the Export Helpdesk

Email exports@mfat.net

Call 0800 824 605

Visit Tradebarriers.govt.nz

Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.