



**NEW ZEALAND  
FOREIGN AFFAIRS & TRADE**

# **Te Moana-nui-ā-Kiwa and Māori Development**

## **THE PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS PLUS**

The Pacific Agreement on Closer Economic Relations Plus is a landmark trade and development agreement that will raise living standards, create jobs, increase trade with and by Pacific Island countries and provide greater certainty for New Zealand businesses trading in the Pacific.



## What is the purpose of PACER Plus?

Pacific Island countries face unique challenges participating in international trade. They have small land masses with limited productive capacity and employment opportunities, higher cost of economic infrastructure, distant markets and vulnerability to extreme climatic events. This is a trade and development agreement designed to help overcome these challenges by making it easier for countries to trade, while creating jobs and increasing living standards and wealth for families.

### ***New Zealand's ambition in support of PACER Plus is to:***

- improve prosperity and resilience in the region;
- make it easier for Pacific countries to trade and attract investment; and
- find innovative ways for New Zealand to benefit.

Eleven Pacific Island Forum countries are signatories to the agreement Australia, Cook Islands, Kiribati, Nauru, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. All Pacific Island Forum members are encouraged to join.

## Māori as Government's Treaty Partner

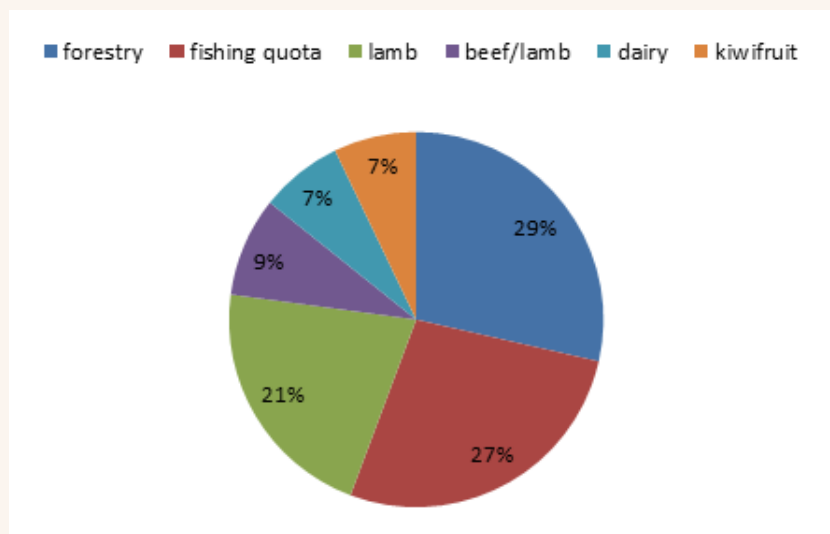
- Māori have a unique status in New Zealand as the Government's treaty partner. Engagement with Māori by the Crown is a fundamental right of both treaty partners where duty to act reasonably and in good faith is paramount. Accordingly it is also important that we can protect Māori interests where trade obligations could present a conflict.
- All of New Zealand's free trade agreements ensure that the unique relationship between the Crown and Māori is provided for. New Zealand's free trade agreements are designed to ensure that they will not prevent any New Zealand Government from fulfilling its obligations to Māori, including under the Treaty of Waitangi. PACER Plus honours and upholds the same protections. PACER Plus will not impede New Zealand's current or future ability to meet its obligations to Māori, including under the Treaty of Waitangi.
- New Zealand's free trade agreements contain a Treaty of Waitangi clause which, combined with other provisions, protects the governments ability to adopt policies that fulfil its obligations to Maori, including under the Treaty of Waitangi (Article 6 of Chapter 11). The Treaty of Waitangi exception has

been included in all of New Zealand's free trade agreements since 2001. This reflects the constitutional significance of the Treaty of Waitangi to New Zealand. The Treaty of Waitangi exception is just one of a number of exception and reservations which ensure that the Government retains its right to regulate in the public interest.

## The Māori Economy

The Māori economy is an important and growing part of New Zealand's overall economy and has an asset base worth around \$50 billion, contributing significantly to the growth of the national economy. The Māori economy is strongly focused on primary industries with Māori collectively owning:

### *Māori Asset Base*



The Māori economy has long been export focused, with trade pre-dating the 1830s.

Today, the shift in global growth to the Asia-Pacific will create new opportunities for the Māori export economy as consumers in emerging markets increasingly look for safe food and high-quality services. Māori strengths of relationship building and cultural identity are highly valued in these markets. The ability for Māori to weave a rich story that is strongly linked to cultural values such as whakapapa (genealogy), whanaungatanga (relationships) and kaitiakitanga (guardianship) around their products will continue to command a high premium in some of New Zealand's key markets.



The Pacific offers a unique opportunity to cultivate authentic trade and development partnerships and models that are strongly embedded in the common whakapapa of Māori and Pacific peoples. PACER-Plus countries have expressed strong interest in learning from the development of the Māori economy.

## **PACER Plus: What are the benefits to Māori?**

This agreement has the potential to ignite a stronger foundation for Māori and Pacific Island Country economies looking to deepen economic relations. It builds on already strong relationships in the region and will open valuable exchanges of successful businesses based on cultural models of care, sharing best practise from building the Māori economy in New Zealand, to unlocking indigenous innovation and enterprise.

The relationship and connections between Māori and with Pacific Island countries are deep with a long-standing history. We have a growing population of New Zealanders who identify as both Pacific and Māori, constituting 22,884 in 2013. The opportunity to work in collaboration with Māori and Pasifika communities in New Zealand can potentially improve prosperity through engagement such as business to business activities, digitising indigenous language and culture, renewable energy models or by providing pathways for goods and services exports.

### ***Fostering existing or new Māori export interests***

Major New Zealand exports to the region include steel, sheep meat, dairy, petrol, wood, medicines and yachts. PACER Plus may be of less obvious commercial significance than traditional FTAs because of its development focus and long-time frames for tariff elimination. But there is potential to cultivate joint ventures or partnerships that would result in knowledge transfer and sharing. Fisheries is a crucial economic sector for Forum Island Countries, and is a sector in which Māori have a keen interest. But the avenues of productive engagement would need to be well targeted given the fisheries apparatus that already exists in the region.



### ***Labour Mobility (including the Recognised Seasonal Employer scheme (RSE))***

Labour mobility already benefits Pacific Island workers and New Zealand's viticulture and horticulture industries, which in turn contribute to the New Zealand Government's wider trade goals (including the progressive and inclusive Trade for All Agenda). Potential exists for Māori interests in sectors where labour mobility initiatives may be developed, particularly construction and fisheries. Initiatives are already underway at regional level involving iwi, employers and potential employees that are consistent with the aims of PACER Plus with respect to labour mobility.

### ***Development Partnerships***

PACER Plus is a trade and development agreement for the region to help overcome these challenges by making it easier for countries to trade, while creating jobs and increasing living standards and wealth for families. Consequently, an area of nascent interest is developmental partnerships that build, at least in the first instance, on RSE/labour mobility interaction. This involves cultivating relationships between the hapu/iwi and villages/tribes that send or employ workers that go beyond the commodification of their labour. There is interest in developing relationships that acknowledge their common whakapapa, foster culturally authentic interactions and lead to outcomes that deliver greater social equity in Pacific communities. Iwi development models may be of interest in the Pacific even though the experiences are not always directly transferable.

### ***Intellectual, cultural and genetic property***

PACER Plus does not have a chapter on intellectual property as questions around access to, ownership over and control of elements of intangible cultural heritage are the subject of engaged and ongoing consideration throughout the Pacific region. PACER Plus will not prevent domestic changes that might be made in the future, including in relation to the protection of indigenous flora and fauna or Treaty of Waitangi settlements.





## PACER Plus: What's in it?

### ***PACER Plus covers the following:***

- Trade in Services and Goods
- Investment
- Movement of Natural Persons
- Customs and Rules of Origin
- Sanitary and Phytosanitary Measures
- Technical Barriers to Trade
- Development and Economic Cooperation
- Legal and Institutional matters

### ***PACER Plus signatories have also signed:***

- Implementing Arrangement for Development and Economic Cooperation
- Labour Mobility Arrangement

## Snapshot Statistics

- New Zealand is home to almost 296,000 Pacific peoples. Of this, 22,884 identified as being of both Pacific and Māori descent.
- New Zealand exports around \$1 billion of goods to the Pacific a year. The initial eleven signatories from the Pacific make up about 28% of the total value of New Zealand's trade in goods with the wider Pacific region.
- Around 30% of Pacific nations' exports go to Australia and New Zealand.
- Pacific seasonal workers in New Zealand remit up to NZ\$41 million in remittances a year.
- New Zealand and Australia are the largest source of tourists for the Pacific.
- AU\$7.7million readiness package triggered on signature
- AU\$25.5million implementation package for five years after entry into force
- A 20% aid for trade target for five years after entry into force. For New Zealand that means at least 20% of its total Official Development Assistance in 'Aid for Trade' in the Pacific region. The exact amount is yet to be determined but if the target were applied to New Zealand Aid Programme's current three year funding cycle (2018-2021) then it would amount to potential investments over NZ\$435 million in economic infrastructure and capacity building.





## Want to find out more?

Visit the Trade section of the Ministry for Foreign Affairs and Trade website [www.mfat.govt.nz/pacer](http://www.mfat.govt.nz/pacer) to find out more about PACER Plus and the benefits it is designed to deliver. This website includes:

- The full text of PACER Plus
- Factsheets on key areas for New Zealand; and
- The National Interest Analysis.

**Disclaimer – This document is for information purposes only, and does not constitute legal advice.**

**Submissions or requests for information can be sent to: [PACREG@mfat.govt.nz](mailto:PACREG@mfat.govt.nz)**

