

THE PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS PLUS

Pasifika New Zealand

The Pacific Agreement on Closer Economic Relations Plus is a landmark trade and development agreement that will lower barriers and provide greater certainty for New Zealand businesses, while raising living standards, creating jobs and increasing exports in Pacific Island countries.

What is the purpose of the agreement?

New Zealand's ambition in supporting PACER Plus is to:

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

Who are the partners to the agreement?

Ten countries signed PACER Plus on 14 June 2017: Australia, Cook Islands, Kiribati, Nauru, New Zealand, Niue, Samoa, Solomon Islands, Tonga and Tuvalu. Vanuatu subsequently signed on 7 September 2017. The Federated States of Micronesia, Palau, Republic of Marshall Islands are still completing their domestic approval processes.

Why the agreement is important to Pasifika New Zealand?

New Zealand is a Pacific nation and the Pacific is part of New Zealand's identity. This is home to almost 296,000 Pasifika peoples with 65% are living in Auckland. It is projected that by 2038, 10% of New Zealanders will identify as being of Pacific origin, with the majority born here.

As our youngest and fastest growing population (nearly half are under 20 years old), Pasifika achievements and successes will increasingly shape New Zealand's future, help define what it means to be a New Zealander and reinforce New Zealand's global identity as a Pacific nation. The Pasifika New Zealand community is a potentially influential resource of talent, expertise, and innovation across many sectors. We are committed



to creating opportunities for more meaningful engagements to transform Pacific economies, together.

Our own prosperity is dependent on the sustainability and success of the Pacific region. By creating employment opportunities we increase the wealth and well-being of families. By increasing export capacity in the Pacific Island countries they are able to attract greater investment. Success for the Pacific region is success for New Zealand.

What are the benefits for Pasifika New Zealand?

PACER Plus has the potential to provide a new platform for New Zealand businesses looking to trade with Pacific Island countries. It builds on already strong relationships in the region, where we currently export around \$1 billion of goods a year, and will open up more opportunities for businesses where we are already well placed to compete due to geography and our strong connections with the region. New Zealand businesses will benefit from greater predictability and confidence trading with the Pacific.

The connection between Pasifika New Zealand and the Pacific region will continue to improve prosperity through the sending of remittances, business to business activities, and by providing pathways for goods and services exports.

Pacific Island countries represent a diversified market for New Zealand exports including manufactured products, while tourism from New Zealand into the Pacific makes a significant contribution to foreign exchange earnings for a number of Pacific Island countries.

The Recognised Seasonal Employer scheme already benefits Pacific Island workers and New Zealand's viticulture and horticulture industries, which in turn contribute to the New Zealand Government's ambitious export goals under the Business Growth Agenda and Trade Agenda 2030. A new labour mobility arrangement - available only to PACER Plus parties - will look at longer periods of entry, new sectors and harmonisation of qualifications to boost the availability of a work ready labour supply from the region to our productivity.

Snapshot statistics

- New Zealand is home to almost 296,000 Pacific peoples.
- Pacific peoples are New Zealand's fastest growing youth population, projected to make up 10% of the population by 2038.
- New Zealand exports around \$1 billion of goods to the Pacific a year. The initial twelve 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.
- New Zealand has also committed to invest 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 (2015 - 2018) then it would amount to potential investments of over NZ\$340 million in economic infrastructure and capacity building.
- This commitment will also be for a period of five years from when the Agreement enters into force. This regional investment target will be implemented differently in each country, according to the priorities agreed through our bilateral development talks.

Want to find out more?

Visit the Trade section of the Ministry for Foreign Affairs and Trade website 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.

