

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 in the future.

The Agreement primarily comprises technical chapters on Trade in Goods, Services, Investment and Customs, Movement of Natural Persons, Technical Barriers to Trade, Rules of Origin, Customs and Sanitary and Phytosanitary Measures. A separate Arrangement sets out a Development and Economic Cooperation work programme and commitments for broader trade related assistance. An Arrangement on Labour Mobility provides a regional framework to build the Pacific's work ready labour supply and to access regional labour markets, including to Australia and New Zealand.

- to help the Pacific Island countries adjust, New Zealand and Australia are offering over \$33 million in development and economic cooperation assistance; and
- it has the potential to transform Pacific economies, generate growth, jobs and government revenue through increased regional trade, investment and labour flows.

Why is the agreement important to New Zealand?

New Zealand is a Pacific nation and the Pacific is part of New Zealand's identity. By 2038, 10% of the New Zealand population will identify as being of Pacific origin, with the majority born here. Our own prosperity is dependent on the sustainability and success of those around us.

A key objective for PACER Plus is to encourage economic development across the Pacific region as a whole, so that we grow stronger together.

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'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.

What are the intended outcomes and benefits?

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. PACER Plus intends to help overcome these challenges by making it easier for countries to trade, while creating jobs and increasing living standards and wealth for families.

Benefits of the agreement:

- the agreement strikes a balance between delivering lower barriers and greater certainty for New Zealand businesses, while helping the Pacific Island countries to open their economies to trade at a sustainable pace;
- New Zealand businesses will benefit from lower tariffs, greater access for services and investment, and less red tape when trading with the Pacific;



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 current 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.



Overview: Purpose and Benefits

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 exports in Pacific Island countries and provide greater certainty for New Zealand businesses trading in the Pacific.

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.

