

Overview

The Regional Comprehensive Economic Partnership (RCEP) is a free trade agreement initially negotiated between the 10 members of ASEAN (Brunei-Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam) and six regional countries with which ASEAN has existing free trade agreements (Australia, China, India, Japan, South Korea, and New Zealand).

RCEP was concluded and signed in November 2020, with the exception of India which withdrew from negotiations in November 2019. A fast-track accession process has been established should India wish to re-join RCEP in future.

RCEP will help New Zealand deepen our trade and economic connections in the Asia-Pacific region, the engine room for the global economy. This Agreement covers nearly one third of the world's population and its markets currently take more than half New Zealand's total goods and services exports.

RCEP will play a key part in New Zealand's Trade Recovery Strategy helping put New Zealand in the best possible position to recover from the impacts of COVID 19, and to seize new opportunities for exports and investment.

Key benefits

- Projected to add **\$186 billion to the world economy** and **increase New Zealand's GDP by around \$2.0 billion**.
- Expected to significantly reduce complexity and compliance costs for exporters through a **single rulebook** that covers all 15 markets.
- **New market access** for New Zealand **goods** exporters to Indonesia, through tariff elimination on a number of products including sheep meat, beef, fish and fish products, liquid milk, grated or powdered cheese, honey, avocados, tomatoes and persimmons.
- An improvement on some existing trade rules to better **address non-tariff barriers**. For example RCEP creates an expectation that customs authorities will release perishable goods such as seafood within six hours of arrival, including, in exceptional circumstances, release of such goods outside normal business hours which should reduce spoilage and save exporters money.
- RCEP will provide New Zealand businesses in the region with a more stable and predictable business environment, and a more level playing field. RCEP's **competition rules** require the establishment and enforcement of competition regimes in the region, including the adoption of measures to prohibit anticompetitive activities.

- New **services** and **investment market access** commitments by some RCEP countries that go beyond existing free trade agreements. China and the largest ASEAN countries have made market access investment commitments to New Zealand for the first time.¹
- On **intellectual property**, the outcomes on **geographical indications** (GIs) extend advantages previously secured in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to a wider group of trading partners. The Agreement requires RCEP countries to adopt or maintain due process and transparency obligations in respect of any regime they provide for the protection of GIs.
- RCEP protects the right of the New Zealand Government to **regulate in the public interest**, including for the environment, education, health (the Pharmac model is protected) and well-being of New Zealanders.
- The unique status of the **Treaty of Waitangi** is preserved.
- RCEP does **not contain Investor State Dispute Settlement (ISDS)**.

Trade for All and RCEP

RCEP negotiations started six years before the launch of the Trade for All agenda and were substantially concluded prior to the release of the Trade for All Advisory Board's report. Nonetheless, some Trade for All priorities will be progressed by RCEP, such as a specific chapter on small and medium enterprises to help SMEs engage in international trade.

New Zealand already has treaty-level outcomes on trade and environment and trade and labour with all RCEP countries except Cambodia, Laos and Myanmar. While New Zealand prioritised these issues from the start of negotiations in 2012, it was not possible to achieve a consensus with the other RCEP countries on further substantive provisions.

We will continue to seek outcomes in these and other areas through future reviews of RCEP, accession negotiations with new RCEP parties and with ASEAN, through the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) upgrade.

Find more information on our website: <https://www.mfat.govt.nz/>

¹ While the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) contains market access commitments such as national treatment, these commitments are not currently in force pending negotiation of specific schedules of commitments for investment. The national treatment obligation in the New Zealand China FTA only applies to treatment within the scope of the bilateral investment treaty between New Zealand and China.