

Services Market Access

The Regional Comprehensive Economic Partnership (RCEP) goes beyond trade in goods across borders. RCEP will provide New Zealand service suppliers with legal protections that guarantee market access and non-discriminatory treatment, entitling them to treatment in RCEP markets that is equivalent to that given to local and foreign competitors (subject to country-specific exceptions).

These improved commitments for services are also important for many New Zealand goods exporters as they look to undertake services-related activities to support their international business, such as establishing an in-market presence, forming commercial partnerships or providing after-sales services.

The services sector plays an increasingly important role in the global economy and the growth of the New Zealand economy through the generation of opportunities for greater income, productivity, and employment. RCEP will help New Zealand build on the NZ\$10.38 billion worth of services exported to RCEP countries in the year ending June 2020.

Sectoral outcomes

New Zealand services exporters to the RCEP region already enjoy market access benefits secured in the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) and through free trade agreements (FTAs) with Japan (the Comprehensive and Progressive Agreement for Trans-Pacific Partnership), China (New Zealand - China FTA), and South Korea (New Zealand – Korea FTA). In RCEP, these benefits have been consolidated and improved upon in a range of areas.

Consolidation of these commitments allows for greater transparency and usability for services stakeholders hoping to identify opportunities across the Asia-Pacific region. RCEP will ensure that market access commitments remain up to date, matching the reality of RCEP countries' regulatory environments and ensuring unexpected barriers aren't encountered when services exporters try to deliver their services offshore.

RCEP will provide New Zealand services exporters with improved access commitments over and above existing FTAs. For example, Philippines has agreed new commitments in professional services, computer and related services, education services, environmental services and air transport services. Thailand has agreed new commitments in professional services, computer-related services, research and development services, distribution services, education services and air transport services. Indonesia has agreed to new commitments in education services, engineering services, and computer related services.

RCEP countries have agreed to progressive liberalisation and transparency of market access commitments. The RCEP services chapter includes a Most-Favoured Nation rule which means that, in negotiated services sectors, New Zealand services suppliers will automatically receive the benefits of any additional liberalisation that RCEP countries might provide to third countries in future agreements. This will help protect the competitive position of New Zealand services exports throughout the region, including in sectors of significant commercial interest to New Zealand.

RCEP will also provide 'Domestic Regulation' provisions which are relevant to services suppliers who need to obtain a licence and/or registration to deliver services in RCEP markets. The Agreement requires that these processes should be based on objective and transparent criteria. RCEP will set specific

standards for these processes focused on the ability of services providers to complete examination/assessment, the cost of submitting applications, and the feedback received on these applications. These rules will make registration/qualification processes more navigable for New Zealand services providers struggling to come to grips with foreign regulatory environments.

Protecting the right to regulate

At the same time, New Zealand retains the right to regulate for legitimate public policy purposes.

RCEP countries are permitted to have exceptions to the 'reservable' obligations. These are either termed 'limitations' (for countries using the 'positive list' approach) or 'reservations' (for countries using the 'negative list' approach). New Zealand has made commitments using a positive list. This means the 'reservable' obligations only apply against those sectors listed in our Annex II market access schedule. Additionally, New Zealand has taken a range of limitations in the sectors in which it is applying these reservable obligations.

Public services provided by the government are also excluded from the scope of New Zealand's services commitments in RCEP. New Zealand can maintain or introduce policy measures, even those that restrict trade, in areas such as social services (including health, public education, and social security), foreign investment screening, management of our exclusive economic zone, and our biosecurity and food safety regimes.

Enhancing visa access for business people

The ability for business people to secure visas in a transparent and timely manner is a key facilitator for international trade.

The Temporary Movement of Natural Persons chapter will enhance access into RCEP countries for business persons engaged in trade in goods, the supply of services, and the conduct of investment activities. It is designed to assist individuals and businesses taking up the commercial opportunities offered through RCEP.

The chapter does not apply to people seeking employment in New Zealand or to immigration matters, such as citizenship or permanent residency applications.