

Why Labour's 5 'Non-Negotiable Bottom Lines' for the TPPA-11 aren't **IT'S OUR FUTURE**

Claim 1: Meaningful market access gains for exporters

Those market access gains were disappointing in the original deal, and don't reflect the overall economic impact of the TPPA. MFAT predicted minimal gains of 0.9% of GDP by 2030, if you believed the modelling. Labour didn't, saying it *'is not sufficient for us to be confident benefits proposed in the National Interest Analysis will eventuate. ... Questions about whether the deal might secure just an additional nine jobs for the industry went without compelling answer from Government officials. ... Labour joins calls made by submitters calling for further modelling of the TPPA's impacts on employment and wage distribution. We also join submitters calling for a related public health analysis of the TPPA impact.'*

Since the US has exited the deal the market access gains are even less. The government ignored its own and others' calls for a robust economic assessment of the net impacts, including for employment and distribution, before any deal was signed. Even with the exaggerated modelling, the TPPA-11 is still predict to add only another 0.3% – 1.0% to GDP by the time it is fully implemented in 20 years' time. Treasury predicts 61% GDP growth without TPPA over that period. Further, tariff reductions in the supply chain of \$222m per year by 2034 are mainly for low value-added commodities. Overseas processors, importers and retailers will grab a significant share of that.

Claim 2: Preserving the right to regulate

The whole purpose of these agreements is to restrict the right of sovereign governments to choose how to regulate in the national interest on matters as diverse as banking, foreign investment, government procurement and platform operators like Uber and Amazon.

The investment rules pose the biggest threat. The only old TPPA provision that has been suspended is of marginal importance. The special rights of foreign investors and the offshore investor-state dispute settlement (ISDS) process remain intact. They could still bring an investment dispute if, for example, the NZ government revokes licenses to bottle free water for export or imposes user charges, restricts licensing of ISPs, or significantly strengthens environmental regulation on mining. A TPPA-11 with ISDS makes the government's commitment to reject it in all new trade deals futile. The government says a side letter with Australia that promises not to apply ISDS between the two countries hugely reduces the risks. That was in the original TPPA, and in previous agreements. Four other countries have agreed to side letters, but ISDS exists in other agreements with those countries and they still apply! They are also not significant investors. Investors from Japan or Canada are.

Claim 3: Allow restrictions on foreign purchases of residential property

Nothing has changed on that. That's why Labour is rushing through Overseas Investment Act amendments to allow it to ban foreign purchases of residential property and restrict foreign ownership of forestry rights, before the TPPA comes into force. Once it does, a NZ government won't be able to tighten restrictions on foreign ownership of other resources, such as water rights or tradeable carbon credits.

Claim 4: Protecting the Treaty of Waitangi

The Waitangi Tribunal claim on the TPPA is ongoing. Its initial report under urgency, the Tribunal urged the Crown to consult the claimants and other Maori on a stronger protection in the TPPA and other agreements. The government says the Treaty Exception is the best it can do. The Tribunal is now considering when to hear the remaining issues, including TPPA's impacts on water, knowledge, health. The TPPA also requires NZ to adopt the UPOV 1991 convention on plant varieties, which Cabinet and the Wai-262 claim on indigenous knowledge have recognised is non-compliant with te Tiriti. Labour didn't try to get that suspended from the TPPA-11. NZ now has 3 years from the TPPA's entry into force to adopt UPOV91 or pass an equivalent domestic law that is consistent with the Treaty. MBIE doesn't seem to know where to start. The Tribunal has kept oversight of that as well.

Claim 5: Protecting the Pharmac model

It turns out this meant that Pharmac continues to operate. The weapons the TPPA gave to Big Pharma to interfere in its processes and to get stronger monopoly rights on expensive new medicines have been mostly been suspended, but not removed, and they are still vulnerable to ISDS. The US will insist on even stronger rights if it re-engages with the TPPA.