

Issue

A Trans-Pacific Partnership (TPP) was announced between nine countries at the November 2011 Asia-Pacific Economic Cooperation leaders summit in Honolulu. This has the potential to significantly affect Australian agriculture.

Trans-Pacific Partnership

- The TPP was first suggested as an alternative trade model given continual frustration experienced by many nations throughout the Doha WTO talks that begun a decade ago. The nine countries currently involved include: Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the United States and Vietnam. This operates within an opt-in fashion, and should not be mistaken for an exclusive group
- Japan has indicated that it also like to be involved. Together, this incorporates around 1/3 of global GDP (1/4 excluding Japan).
- The key features of the TPP include:
 - Eliminating or reducing global trade barriers, such as tariffs and quotas
 - Full regional agreement – facilitate the development of production and supply chains among TPP members
 - Cross-cutting trade issues
 - Streamlining regulation
 - Encouraging small to medium enterprises to trade internationally
 - Encouraging international development, including ensuring any Agreement is fully implemented and its benefits realised
 - Promotion in trade in innovative and green industries
 - The dynamic nature of the agreement – whereby any regulations or standards can be updated where appropriate and as they arise
- This is only a broad outline, further details will be discussed in December and detailed negotiations should be held in 2012

Background

- 60% of Australia's agricultural produce is exported
- Australia already has a FTA with the US, New Zealand, Singapore and Chile, has been in discussions with Japan and Malaysia since 2007 and 2005, respectively
- There has been some concern surrounding Japan indicating they may wish to enter the TPP. This is due to Japan's highly protected agricultural industry, which it is thought would prove to be a serious obstacle in any negotiations
- Canada has indicated it may also wish to join the TPP

NFF position

- If Japan is genuinely interested in participating in the TPP, it should support its rhetoric by concluding its FTA with Australia that has been in negotiation for the last four years. Otherwise, NFF is supportive of the proposed reduction in barriers to trade.

What is NSW Farmers Policy and action on the Issue

- NSW Farmers policy overwhelmingly encourages trade liberalisation. Whether it is through unilateral, bilateral or multilateral free trade agreements, trade is encouraged as long as trading partners abide by WTO rules and regulations. However, it should be noted that there have been some concerns surrounding biosecurity risks associated with New Zealand apple importation.

Recommendation

NSW Farmers support this policy proposal. Australia exports 60% of its produce and any policy that allows an increase in market access, ensuring WTO rules are abided by, is beneficial for Australian agriculture. However, the details of any proposal must be analysed in detail prior to any official position.