

(Young, A., 2023)

UK joins CPTPP Asia Pacific trade deal signing ceremony, China and Ukraine on waiting list



By Audrey Young

16 Jul, 2023 05:07 PM 6 mins to read



Prime Minister Chris Hipkins with UK trade chief Kemi Badenoch, centre, Trade Minister Damien O'Connor and other CPTPP ministers. Photo / Smoke Photography

Britain formally signed up to the CPTPP trade deal at a ceremony in Auckland today, with six more countries having applied, including China in 2021 and Ukraine most recently in May this year.

Britain's trade chief, Kemi Badenoch, today signed Britain's formal accession to join what has until now been a pact among 11 countries of the Asia Pacific region., the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

She hinted that the reason the UK joined was as much geopolitical as economic.

She said that with the UK as a member, the CPTPP membership would account for 15 per cent of global gdp.

But she said that CPTPP was about much more than boosting exports.

"It's about the future and the world that we want to live in. Over the next decade, the global economy is set to become ever more interdependent and in this world, our allies are our greatest strength.

"So the UK will use our seat at this table to reinforce the importance of CPTPP's vision of free and fair trade while upholding each country's right to regulate according to their own national requirements."

She said the more CPTPP grew, the more they would all benefit from closer economic ties and through building an even stronger network of free trading nations."

She said it was a historic day for Britain and for CPTPP "but the best is yet to come."

Badenoch, whose formal title is UK Secretary of State for Business and Trade, and was an unsuccessful leadership contender to replace former Prime Minister Boris Johnson when he resigned.

His successor, Liz Truss, appointed her to be the top UK trade minister and she kept the position when Rishi Sunak replaced Truss.

Badenoch was accompanied by a large group of officials including former senior New Zealand official Crawford Falconer, who is overseeing the UK's post-Brexit trade strategy as second permanent secretary for the Department of Business and Trade.

Britain applied for membership of the CPTPP in February 2021.



...ed to the event and to CPTPP by Prime Minister Chris Hipkins. He said the negotiations had been long and at times ... he paid tribute to Japan which chaired the accession working group for "its leadership and commitment in getting up

"Having a major economy like the UK inside the CPTPP brings the Atlantic to the Indo-Pacific in a way that strengthens the rule-based trading system in our region and benefits our exporters, provides great certainty and helps to improve our regional supply chains."

He said that for New Zealand, the CPTPP represented \$60 billion a year in two-way trade and that figure continued to grow.

The UK's accession complemented the outcomes of the NZ-UK free trade agreement.

Following the signing, representatives of the 12 member countries met as the CPTPP Commission and with the CPTPP rotating chair falling to New Zealand this year, Trade Minister Damien O'Connor chaired the commission.

Speaking to reporters before the meeting, O'Connor said nothing to suggest that any the six others in the queue would get a speedy process. He said ministers would be discussing the issue of a review of the CPTPP, which entered into force in December 2018.

He said there was a commitment to review and upgrade the CPTPP before any decisions would be made about aspirant economies. The terms of reference would be worked on over the next few months.

"While it is only five years old, what we have is a commitment to sustainability, a commitment to inclusiveness, a commitment to digital trade that can be better improved so that CPTPP continues to be a gold standard agreement for all its members."

In terms of the UK's accession, it had been a trial run and there had been a lot to learn from it.

"We need to make sure we work through to improve the process to ensure that others in line get a fair deal but again, can show they will meet the high standards and have a track record of meeting high standards that we have in our agreement."

Asked specifically about China, which has already been given a questionnaire on its application, O'Connor said there would have to be a consensus decision on what happened next for China and the other applicants.

"There may be more information required...ensuring the information they have provided will give assurance of maintaining the high standards that the UK had to meet to come in and that there is a track record by those aspirant economies of meeting those high standards."

Each applicant had to work with each member of the CPTPP on a bilateral basis to reassure each and every member that they could reach the standards and technical requirements that are necessary.

Besides New Zealand and the UK, the other members of CPTPP are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, and Vietnam. The United States was originally part of the group but it pulled out in 2017 after Donald Trump was elected president.

Joe Biden has shown no interest in re-joining it.

The six countries in the queue and the date of application are as follows:

- China – Sept 16, 2021
- Chinese Taipei – Sept 22, 2021
- Ecuador – December 17, 2021
- Costa Rica – August 10, 2022
- Uruguay – December 1, 2022
- Ukraine – May 5, 2023

The accession follows some major trade gains by O'Connor, who finalised a trade deal with the UK last year and has recently signed another between New Zealand and the European Union.

O'Connor said the proportion of exports now covered by FTAs has increased to 73.5 per cent, up from only 52.5 per cent.

"CPTPP economies represent \$17.3 trillion of global trade and our membership has saved Kiwi businesses \$300 million in tariffs in just the first two years."

Brunei was absent from Auckland because of official celebrations to mark the Sultan of Brunei's 77th birthday. But the other visiting representatives besides Badenoch were: Australia: Tim Ayres, Assistant Minister for Trade; Canada: Mary Ng, Minister of International Trade; Chile: Claudia Sanhueza, Under-Secretary for International Economic Relations; Japan: Shigeyuki Goto, Minister of Economic and Fiscal Policy; Malaysia: Tengku Abdul Aziz, Minister of Investment, Trade and Industry; Mexico: Alfredo Rogerio Perez Bravo, Ambassador to New Zealand; Peru: Juan Carlos Mathews, Minister of Foreign Trade and Tourism; Singapore: Gan Kim Yong, Minister for Trade and Industry; Vietnam: Nguyễn Hồng Diên, Minister of Trade and Industry.

Audrey Young covers politics as the New Zealand Herald's senior political correspondent. She was named Political Journalist of the Year at the Voyager Media Awards in 2023, 2020 and 2018. She was previously political editor, leading the Herald's Press Gallery team.