



**Asia-Pacific  
Economic Cooperation**

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## **Preparing for FTA Negotiations: Domestic Consultations: A Business Perspective**

Submitted by: New Zealand International Business Forum (NZIBF)



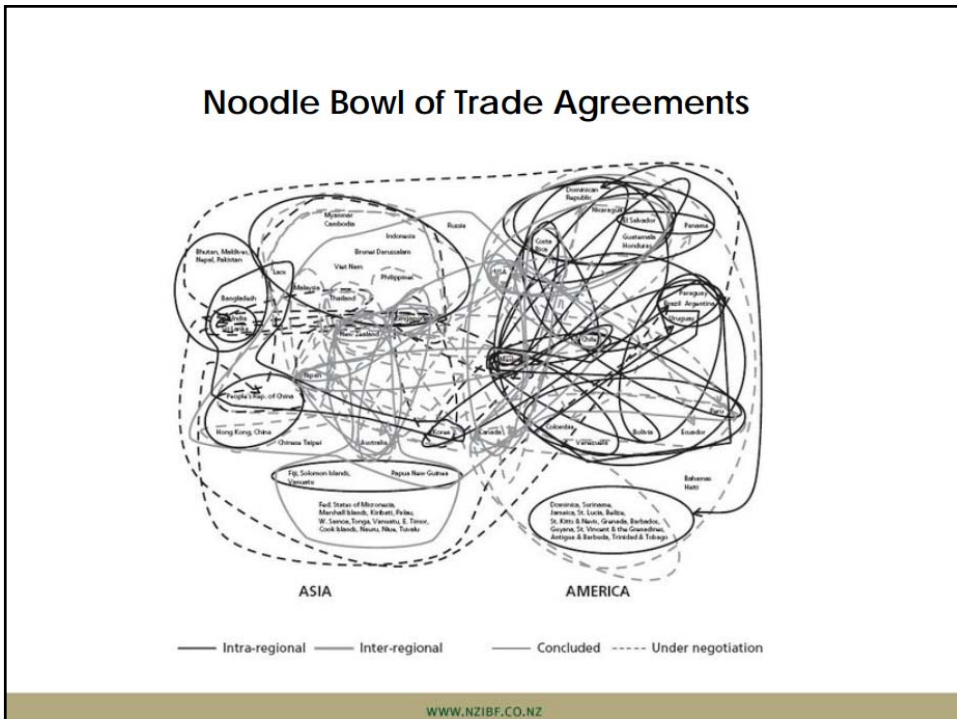
**Capacity Building Workshop on Preparing  
for FTA Negotiations  
Qingdao, China  
6-7 May 2014**

**NZ** INTERNATIONAL BUSINESS FORUM



## PREPARING FOR FTA NEGOTIATIONS: DOMESTIC CONSULTATIONS: A BUSINESS PERSPECTIVE

Stephen Jacobi  
Presentation to APEC workshop  
Qingdao, 6 May 2014



## Outline

- Why is consultation with business important
- Different models of consultation
- Tips for better business consultation



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## Business is done by business

*“Businesses have a vital role in shaping their country's negotiating strategy - whether for commodities, manufactures or services - in a way that helps them to capitalize on opportunities from the resulting agreements. Their support for a freer trading environment alone has a positive impact. On the operational level, their perception of which areas are of critical business importance and their analytical inputs to support negotiating positions are invaluable to their negotiators.”*

- J Denis Bélisle.



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## Supply and value chains

- From trade to investment, goods to services – the age of the supply chain has come !



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## US Trade Act 1974

- Directs the President to seek information from representatives of the private sector with respect to:
  - negotiating objectives and bargaining positions before entering into a trade agreement
  - the operation of any trade agreement once entered into; and
  - other matters arising in connection with the development, implementation and administration of the trade policy of the United States.



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## US Trade Act 1974 cont'd

- Also directs the President to:
  - “establish such sectoral or functional advisory committees as may be appropriate” and provides that USTR organize and administer these committees together with the appropriate Cabinet Secretary



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## Structured framework (United States)

- the **President's Export Council (PEC)**
- the “top tier” **Advisory Committee for Trade Policy and Negotiations (ACTPN)**
- five “tier two” **Policy Advisory Committees** in functional areas
- sixteen “tier three” sectoral and functional **Industry Trade Advisory Committees (ITACs)**
- six “tier three” **Agricultural Trade Advisory Committees (ATACs)**



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## Informal framework (New Zealand)

- Direct Ministerial engagement with senior business leadership
- Close and regular contact with individual businesses, business organisations and civil society
- Written submissions and one on one discussions
- No sharing of text



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## What works best

- When governments develop a deep understanding of their business sectors
- When governments consult regularly and in detail
- When there is close co-ordination of the consultation process
- When governments help business develop trade policy capacity



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## Conclusion

- Governments need a pro-active business consultation strategy
- A range of models which can co-exist
- Predictability and care are key issues
- Not one size fits all



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## Untangling the noodles



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