Preparing for FTA Negotiations: Domestic Consultations: A Business Perspective

Submitted by: New Zealand International Business Forum (NZIBF)
PREPARING FOR FTA NEGOTIATIONS:
DOMESTIC CONSULTATIONS:
A BUSINESS PERSPECTIVE

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Presentation to APEC workshop
Qingdao, 6 May 2014

Noodle Bowl of Trade Agreements
Outline

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

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.
Supply and value chains

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

US Trade Act 1974

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

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)
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

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
Conclusion

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

Untangling the noodles
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