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Hon Jim Sutton

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Brunei signs Trans-Pacific Strategic Closer Economic Partnership agreement

Brunei has signed the Trans-Pacific Strategic Closer Economic Partnership agreement, Trade Negotiations Minister Jim Sutton announced today.

Brunei's ambassador to New Zealand, Pehin Dato Jock Lim Seng, signed the agreement at Parliament in Wellington today. Singapore and Chile had signed a fortnight ago.

The Trans-Pacific SEP links New Zealand, Chile, Singapore and Brunei.

Mr Sutton said it was a high quality free trade agreement that builds new strategic and economic links between our country, Latin America and Asia.

He said he was pleased Brunei had decided to join the agreement, originally known as Pacific 3. It was possible other countries in the region might follow suit.

"Brunei is also a member of the Association of South East Asian Nations. Their joining P-4 is expected to be helpful in the current ASEAN-Australia-New Zealand FTA negotiations."

In the year to June 2004 New Zealand exported goods worth NZ\$3.6 million. The main imports were dairy, iron and steel products and vegetables.

In the year to June 2004 New Zealand imported goods worth NZ\$256 million from Brunei, mainly oil. It already enters duty free.

Currently, 92 percent of New Zealand's exports to Brunei enter duty free, including key exports such as dairy.

On entry into force of the agreement, Brunei will bind these tariffs at zero. This is a gain for New Zealand of about \$50,000 a year. While Brunei currently applies a zero MFN rate, without the Trans-Pacific SEP it has the flexibility to raise these rates to its WTO bindings, which are considerably higher. Brunei will eliminate its tariffs on remaining products (including forestry) by 2015.