

# “Judginess” setting in already?

The Hugo Group, November 2017

# First three weeks

- Successful-ish first international trip
- TPP became CPTPP – no signing ceremony
  - Relative weakness of NZ as player compared to past
  - Equivocal position as domestic pressures meant loss of the deal would not be catastrophic
  - As long as new govt not blamed
- Very shaky start in the House
  - Hipkins not demonstrating mastery as Leader of the House
  - National determined to draw blood
  - Weak showing from Kelvin Davis
  - Chaos in Beehive – give it time

# The new PM abroad



# Observations from APEC / ASEAN meetings

- Arden causes a stir wherever she goes
- Lives well on her wits – but was at times overawed
- Taking risks with the Australian relationship
- EU expressed displeasure at Russia FTA
  - Might we have to choose?
- Problematic relationship with Justin Trudeau already
- Modi very engaged
- Winston Peters's desire for a US 'pivot' apparent in North Korea initiative

# APEC demonstrates coalition balancing act

- Labour highly focused on settling down its business/exporter constituency
- Was never going to walk away from TPP-11
- BUT
  - Pursued risks with Manus Island to placate left
  - NZ First's mercurial nature exposed by indecisive response on support for necessary legislation
  - Peters present at Ardern press conferences – unwilling contributor, playing favourites with media
- Ardern expresses impatience with a smile – may need to harden up in media dealings

# TPP-11 / CPTPP

- Preserved market access – key thing to bear in mind
- Wins on pharma/IP are potentially temporary
  - Only suspended if and until US re-enters
- Canada's cultural exceptions bid came at the last minute
  - Clearly sought to stall
  - NAFTA their larger game
  - Reduced loss of face for Trump with no signing ceremony
- ISDS gains minor
- But ISDS appears to be on the wane anyway
- No discernible progress on RCEP

# Domestic agenda

- Govt scrambling to draft legislation required for first 100 days
- Grant Robertson playing down talk of a ‘mini-Budget’ pre-Christmas
- But expect an “opening the books” exercise to soften electorate for either under-delivery on fiscal promises or higher public debt targets
- Most likely delivery date: Dec 14