

# Policy 2017



## Trade

### Ambitious and outward looking

National knows that international trade is vital to our economic success. It underpins our businesses, it creates jobs and it lifts wages.

A National will pursue an ambitious, outward-looking trade policy that fights for better and fairer access to international markets for our goods and services exporters.

We will push for a Trans-Pacific Partnership without the United States, because we know that our producers are the best in the world – when we open doors for them they walk through and create opportunities for New Zealanders.

National will provide leadership as a consistent and reliable champion of free and fair trade in a changing world.

**“New Zealand is succeeding and New Zealanders are getting ahead. A big reason for that is National’s determination to open up more opportunities for trade”**

– Hon Todd McClay, National Trade Spokesperson

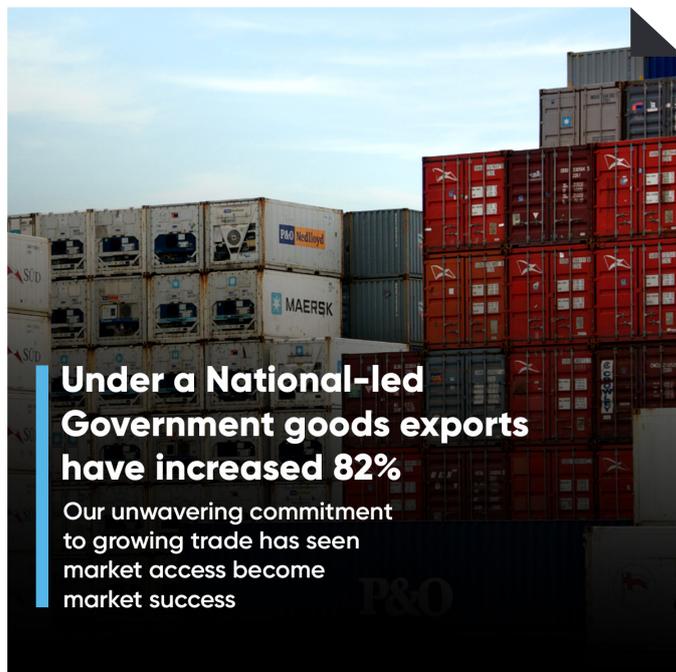
### Trade priorities

- National will pursue the ambitious goal of 90 per cent of New Zealand’s goods exports being covered by Free Trade Agreements by 2030
- In the next term we aim to complete FTA negotiations with the Trans-Pacific Partnership 11, the Pacific Alliance grouping (Mexico, Chile, Colombia and Peru), and RCEP countries including Southeast Asia
- Give priority to negotiations with India, Russia, and the Gulf Cooperation Council countries
- We will also launch FTA negotiations with the European Union, United Kingdom, Sri Lanka, and the Mercosur countries including Brazil, Argentina, Uruguay and Paraguay
- We will upgrade our current FTA arrangements with China, Singapore, and Southeast Asia
- Free trade is vital to our future – exports now account for more than \$70b of our national income, and more than 620,000 New Zealanders depend on exports for their jobs

# National is...

## Providing leadership on trade

- Under National, New Zealand has been a trusted, consistent and reliable advocate for free trade
- We have improved trade access for New Zealand businesses, and enforced strong trade rules so that our businesses are treated fairly
- We have successfully concluded the PACER Plus Agreement, providing Pacific countries a model to develop their economies through trade
- We have concluded trade agreements with ASEAN, Hong Kong, Chinese Taipei, and Korea
- Free trade agreements now cover 53 per cent of our goods exports – but we want to go further



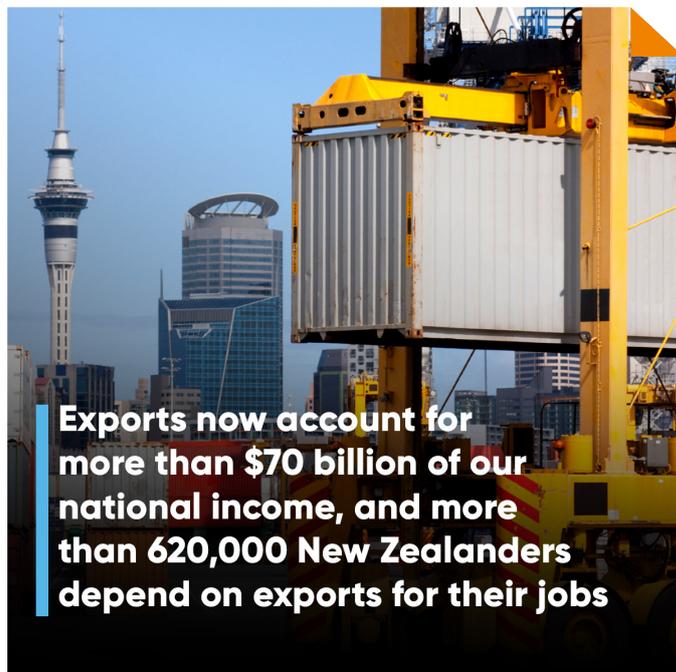
## Supporting new zealand businesses to succeed

- We are providing support to innovative New Zealand businesses to understand the new markets they operate in, so that they can succeed offshore
- We are encouraging Māori and iwi-owned businesses to grow by participating in the global economy
- We are investing in tourism infrastructure so that New Zealand tourism businesses can continue to grow
- We are continuing to invest more in innovation, skills and talent so that New Zealanders are better prepared to expand their offerings in the international marketplace
- The Primary Growth Partnership has invested over \$750m in innovation programmes to increase the market success of the primary industries
- We are investing in ICT and broadband infrastructure so that businesses can sell their services internationally in the digital economy
- The National Government has committed billions to major transport and infrastructure projects, such as the Roads of National Significance to help exporters get their product to market faster

# Our results...

## Trade is boosting growth

- Our two-way trade with China grew from \$8b a year in 2008 to \$23b in 2016. This insulated us from the worst effects of the Global Financial Crisis
- Goods exports to countries we have FTAs with have increased by 82 per cent since 2008. Service exports now deliver \$21b to the economy
- We had a trade surplus of \$3.7b last year, earning \$70.1b in export revenue



# Immediate priorities...

## We're backing TPP

- TPP11 will:
  - Add \$2.5b to our economy annually
  - Create tens of thousands of new jobs
  - Save New Zealand companies \$222m in tariffs each year
  - Be our first FTA with four new countries, including Japan – the world's 3rd largest consumer market
  - Expand our FTA coverage from 53 per cent to 63 per cent
- National will continue to show leadership and work towards a successful conclusion for TPP11. This is a hugely valuable agreement for New Zealand both strategically and economically
- New Zealanders have a right to know where political parties stand on TPP

# Immediate priorities...

## Fta road-map - over the next three years we will...

### Launch

- The European Union: We have \$20b of two-way trade with the EU and are one of only six WTO members without a deal on the table
- United Kingdom: Our largest market in Europe, we are well placed to launch a trade deal with the UK post-Brexit
- Sri Lanka: A growing market for New Zealand dairy
- Mercosur: Countries including Argentina, Brazil, Paraguay and Uruguay

### Complete

- The Trans-Pacific Partnership 11
- Pacific Alliance (Chile, Colombia, Mexico and Peru)
- RCEP (Southeast Asia, Australia, China, India, Korea and Japan)
- Upgrade of our current FTA arrangements with China, Singapore, and Southeast Asia
- Advance negotiations with India, Russia, and the Gulf Cooperation Council countries

# What we will do next...

- We know we'll have to work hard to achieve our goal of reaching 90 per cent coverage of goods exports included in Free Trade Agreements by 2030
- We will fight unfair non-tariff barriers that our producers face in offshore markets
- We will continue to improve engagement with the public, business, Māori and civil society on the benefits of trade to New Zealanders



# Don't put it all at risk

## The opposition would...

- Refused to back TPP11. TPP11 will have huge benefits. Not being part of it will harm our exporters, destroy jobs, and reduce our access to tariff reductions overseas
- Labour and the Greens will not fight for better opportunities for our exporters. Only National will do so
- The opposition is incapable of showing leadership on trade liberalisation because they do not believe in it. A consistent, reliable commitment to champion an open global trading system builds trust. That trust will be damaged by a Labour/Green Government