

## Trade Recovery Strategy

**T**he Trade Recovery Strategy helps put New Zealand in the best possible position to recover from the impacts of COVID-19, and to seize new opportunities for exports and investment.

One in four New Zealanders' jobs are dependent on exports. Exporting firms are more productive, employ more staff and pay better wages so it's clear that a strong tradeable sector can help drive our recovery.

During the height of the pandemic, the focus has been on protecting trade flows and supply chains to ensure that New Zealanders can access essential goods like medicines and PPE, and that our goods continue to reach our trading partners.

The next phase of New Zealand's response is recalibrating New Zealand's trade policy for a new international environment. The Government is working closely with exporters to ensure the strategy reflects their needs and priorities.

The strategy has three pillars:

- Retooling support for exporters;
- Reinvigorating international trade architecture; and
- Refreshing key trade relationships.

These three inter-related components of our Trade Recovery Strategy are underpinned by the *Trade for All* agenda, as we respond to the social and economic well-being impacts of COVID-19.

The Strategy was launched by Trade and Export Growth Minister David Parker and Associate Trade and Export Growth Minister Nanaia Mahuta on 8 June 2020. Read the announcement [here](https://www.beehive.govt.nz/speech/trade-strategy-recovery-impacts-covid-19) (<https://www.beehive.govt.nz/speech/trade-strategy-recovery-impacts-covid-19>).

We want to hear your views. Get in touch [TradeRecovery@mfat.govt.nz](mailto:TradeRecovery@mfat.govt.nz)

## Retooling support for exporters

**T**he government is increasing support and services offered to exporters to position New Zealand companies to recover markets quickly and seize new opportunities.

Budget 2020 included a \$216 million package from the COVID Response and Recovery Fund to support New Zealand's exporters and international businesses. This work will be led by New Zealand Trade & Enterprise and the Ministry of Foreign Affairs and Trade.

### Priorities include:

- Significantly increasing the number of exporters receiving intensive support from NZTE and other agencies. This will provide access to tailored resources to develop capability and connect with overseas markets and global partners. Collectively, these exporters directly employ over 200,000 people. About 75% of these firms are expected to be SMEs with 50 or fewer employees. NZTE will also be boosting its reach across New Zealand's broader export sector through increased delivery of practical digital services and tools.
- Intensifying MFAT's Economic Diplomacy programme to support exporters facing new trade barriers. These initiatives are being delivered in close coordination with other agencies.
- Improving free exporter tools and services including:
  - Making our trade barriers portal more user-friendly for exporters facing issues offshore
  - Improving our exporter helpdesk service ([exports@mfat.net](mailto:exports@mfat.net) (<mailto:exports@mfat.net>) or 0800 824 605), tariff finder and launching a tool for services exporters

- More international market insight reports drawn from our offshore network and other agencies; and

- Developing tools for exporters to better access support from government and expanding NZTE's International Growth Fund (IGF) to help re-connect companies with international markets and supply chain partners, as well as explore new opportunities.

- Extending services to small and medium enterprises through NZTE's Regional Business Partner network.
- Increasing in-market support to exporters through New Zealand's offshore network, including growing NZTE's team of in-market business development managers in priority markets. This means more "boots on the ground" for exporters while international travel remains restricted.
- An initiative led by NZTE to deliver digital content to help firms build better capability and resilience via e-commerce and better adapted freight and logistics models.
- Strengthening New Zealand's brand in priority markets by broadening our national brand appeal, including by promoting New Zealand as a safe, sustainable and stable location to operate a business and to invest.
- Focusing on building investment capacity in the New Zealand market by channelling stronger domestic private sector investment into the domestic economy and developing large greenfield investment opportunities.

## Refreshing the international trade architecture

**C** OVID-19 has changed the global trade environment in which New Zealand operates. The rules-based trading system has served New Zealand well – open markets, respect for trade rules, and effective multilateral trade systems provide certainty and confidence to traders. It's in our interest to defend the multilateral rules-based system, and to push back against protectionism. This will be done through:

**The World Trade Organisation:** The WTO remains the premier institution through which New Zealand can influence international trade rules, and we should continue to support it. To that end New Zealand has joined a new WTO Multiparty Interim Arbitration Arrangement. This maintains the enforceability

of international trade rules among a sub-set of WTO members (including China, EU, Australia, Brazil, Canada and others).

**Free trade agreements:** Continued progress on free trade agreements sends an important signal that New Zealand is open for business. Negotiations for the European Union-New Zealand Free Trade Agreement and the Regional Comprehensive Economic Partnership (RCEP) are continuing ‘virtually’ despite global lockdowns. We are working to launch negotiations with the UK.

**APEC:** An important component in the recovery strategy will be to support and strengthen Asia Pacific regional trade. APEC can be used to build consensus around policies to support recovery and push back against protectionism.

**Concerted open plurilaterals (agreements that are open to other partners to join):** New Zealand will continue to pursue new ‘plurilateral’ negotiations to retain as much of the rules-based system as possible. The Digital Economy Partnership Agreement (DEPA) and the Agreement on Climate Change, Trade and Sustainability (ACCTS) are examples of this.



## Re-energising and re-focusing our key trading relationships

**N**ew Zealand will intensify our existing trade diversification strategy, leveraging our reputation as a trusted trade partner that may well be COVID-safe.

We are:

- Continuing negotiations on the EU-NZ FTA;
- Expanding the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Pacific Alliance and Mercosur trade agreements;
- Working to launch negotiations for a UK-NZ FTA ; and
- Providing existing FTAs with greater ‘in-market’ and ‘to-market’ support for exporters - ensuring better support to more markets.

Alongside this strategy the Government will progress work to reconnect with the world in a safe and measured way – allowing increased border movement and re-connection with global markets, while developing the world’s smartest and safest border that incorporates the required health measures. The commitment to introduce a trans-Tasman COVID-safe travel zone is a first step on this path.

## Share your views

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