

Trade and Regional Economic Development

We want *Trade for All* to support regional economic development in New Zealand. Find out more about how trade affects regional economies and what assistance is currently available to the regions. Take a look and have your say...

Why do our regions need better access to trade?

Overseas markets provide New Zealand businesses with access to more customers as well as new sources of ideas, technology and capital. Through trade, New Zealand businesses are able to scale up, develop expertise and have more incentive to innovate.

Trade agreements support regional economic growth by:

- improving conditions in offshore markets for New Zealand's exporters
- improving access to productive foreign investment in a way that continues to protect sensitive land and assets.

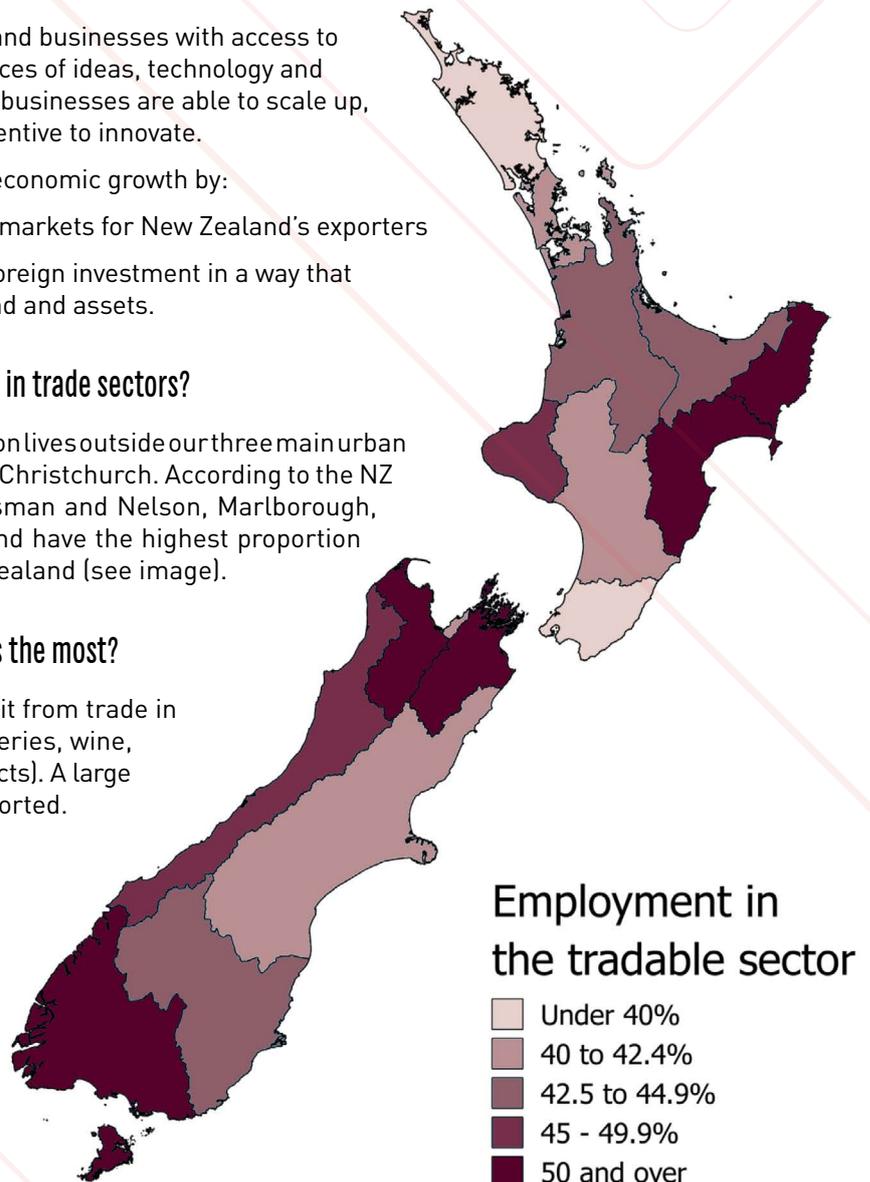
Which regions employ the most people in trade sectors?

Nearly half of New Zealand's population lives outside our three main urban centres of Auckland, Wellington and Christchurch. According to the NZ Institute of Economic Research: Tasman and Nelson, Marlborough, Hawke's Bay, Gisborne and Southland have the highest proportion of tradable sector workers in New Zealand (see image).

Which tradable sectors benefit regions the most?

New Zealand's regions mainly benefit from trade in the primary sector (meat, dairy, fisheries, wine, forestry and some horticulture products). A large proportion of these products are exported.

However, much of the knowledge-intensive and high value added business activity (even within the primary sector) occurs in the urban centres and there is potential for more of this to be done earlier in the supply chain, thereby increasing the benefits for businesses and communities in the regions.



What initiatives help regions to share in the benefits of trade?

Current initiatives to assist regional economies include:

- **Building infrastructure in the regions:** Transport and communications infrastructure is essential for exporting from the regions to distant foreign markets. Tourism infrastructure also helps the regions to manage and take advantage of the growing number of visitors to New Zealand. The Provincial Growth Fund has been established to assist with regional infrastructure and economic development generally in the regions. \$1 billion per annum over three years allocated to the fund is available for lifting the productivity potential of regions. For further information, see:
 - [New Zealand infrastructure plans](#) on the Treasury's website www.treasury.govt.nz
 - the Government's [Policy Statement on Land Transport](#) at www.transport.govt.nz
 - information on [communications infrastructure](#) and [the Provincial Growth Fund](#) at www.mbie.govt.nz.
- **Regional action plans:** Central Government works with regions to identify economic opportunities and implement plans to increase employment, incomes and investment. These plans include leveraging opportunities for export, as well as diversifying into higher value added economic activities.
- **Immigration:** The New Zealand immigration system allows regional businesses in the tradable sector to recruit workers from overseas when there are not enough New Zealand workers. For more information see www.immigration.govt.nz.
- **Trade support offices:** Several Government trade agency offices support businesses in the regions to build capability and grow internationally. This includes New Zealand Trade and Enterprise and the [Regional Business Partner network](#). The network connects exporters with a range of services including training, strategy development, market research, business mentors and research and development grants. For further information see www.nzte.govt.nz.

What are the opportunities to address regional development through trade agreements?

- **Measurement and analysis:** We're planning to undertake research on the effectiveness of trade agreements as a tool for supporting domestic regional economic development.
- **Investing in digital connectivity:** Improving digital connections helps to alleviate the challenge of distance between the markets in our regions and foreign markets. The Government can assist regions by negotiating e-commerce rules in trade agreements that help businesses to ease the transfer of data across borders.

Have your say at www.haveyoursay.mfat.govt.nz or send a submission to tradeforall@mfat.govt.nz

- What opportunities or challenges do you see for regional communities and business looking to participate in trade?
- To what degree do you think New Zealand's regions currently benefit from trade?
- What else do you think would help regions to capture greater benefits of trade?
- To what extent do you want to see a regional perspective reflected in trade agreements?