

Proactive Release

Date: 10 August 2020

The following Cabinet paper and related Cabinet minutes have been proactively released by the Minister for Trade and Export Growth:

Report on Overseas Travel: Hon David Parker

(CAB-20-MIN-0315 refers)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- 6(a): to avoid prejudicing the international relations of the New Zealand Government; and
- 6(b): to protect the passing of information from another government on a confidential basis.

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Cabinet

Minute of Decision

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Report on Overseas Travel: Hon David Parker

Portfolio **Trade and Export Growth**

On 29 June 2020, Cabinet **noted** the report from Hon David Parker under CAB-20-SUB-0315 on his travel, from 21 to 26 January 2020 to:

- 1 Singapore to announce the substantive conclusion of the Digital Economy Partnership Agreement negotiations;
- 2 London, England for bilateral discussions;
- 3 Davos, Switzerland to attend an informal meeting of World Trade Organisation Ministers and to attend the World Economic Forum's Trade and Investment Stewards' meeting.

Michael Webster
Secretary of the Cabinet

Office of the Minister for Trade and Export Growth

Chair, Cabinet

Report on Overseas Travel: Hon David Parker

I recommend that Cabinet note this report on my travel to Singapore, London and Davos from 21 to 26 January for bilateral engagements, attendance at the World Economic Forum Annual Meeting, the 41st Cairns Group Ministerial and WTO informal Ministerial Gatherings at Davos and the announcement of the conclusion of negotiations for the Digital Economy Partnership Agreement in Singapore.

Report

- 1 I travelled to Singapore to announce substantive conclusion of the Digital Economy Partnership Agreement (DEPA) negotiations alongside the Singaporean and Chilean Ministers of Trade, with whom I launched the negotiations on 16 May 2019. The DEPA creates a “living agreement” to accommodate development in digital technology and creates rules and best practice that reflect more directly the needs and concerns of New Zealanders.
- 2 I travelled to London on 22 January to meet with my counterpart, the Secretary of State for International Trade, Liz Truss. This provided an opportunity to further discuss progress on the commencement of negotiations of a Free Trade Agreement with the United Kingdom.
- 3 The primary purpose of my travel to Davos was to attend an informal meeting of World Trade Organisation (WTO) Ministers hosted by Switzerland. This annual Swiss-hosted event was a crucial engagement in the lead up to the World Trade Organisation Twelfth Ministerial Conference (MC12) that was expected to be held in June 2020. At this meeting, I advanced New Zealand’s interests in advancing the necessary reform of the WTO and ensuring that the WTO remains a credible and effective body. To this end, I engaged with the Ottawa Group of Ministers on WTO reform.
- 4 I also took part in the World Economic Forum’s (WEF) Trade and Investment Stewards’ meeting, as I have accepted a role as a WEF Trade and Investment Steward for 2019. This provided me with an opportunity to attend the trade-focused events at the WEF. I also met bilaterally with a number of my counterparts.
- 5 Ministers from Singapore, Chile and New Zealand announced the substantial conclusion of the Digital Economy Partnership Agreement on evening of 21 January at a press conference in Singapore. In my remarks to the media, I emphasised the importance of working with other small, open, trade

dependent countries to advance international trade policy at a time of global uncertainty. I noted that digital trade is growing exponentially, which creates opportunities for New Zealand businesses, especially SMEs, to overcome the challenges of scale and distance to enter global markets. Ministers from the three countries noted their intention to sign DEPA at the APEC Ministers Responsible for Trade Meeting in April.

6 The press conference was preceded by an informal discussion among the three ministers. Ministers agreed DEPA had broken new ground by building on the e-commerce commitments under CPTPP. Ministers emphasised the importance of proactively implementing DEPA in the year ahead.

7 My meeting with UK Secretary of State for International Trade Liz Truss on 22 January affirmed New Zealand's place in the first tranche of partners for free trade agreement negotiations once the UK leaves the EU on 31 January -

s6(a)

Truss did not engage on details regarding the process and timetable for negotiations however, reflecting that UK Cabinet-level consideration of these matters continues.

8 This meeting – the fourth with the Secretary of State in seven months – was useful in affirming New Zealand's position in the first tranche of UK's bilateral free trade agreement negotiations. The question of future UK membership of CPTPP was one that Truss returned to on a number of occasions during the conversation, and New Zealand's role in this process was readily acknowledged. The Secretary of State gave enthusiastic responses to my updates on New Zealand trade policy initiatives, including DEPA and ACCTS, with a keen interest to explore the possibility of future UK membership of these plurilateral agreements. Keeping the UK updated on these initiatives – and other New Zealand trade policy priorities – will be valued in the period ahead.

9 The Appellate Body impasse was a key focus at WTO meetings held in the margins of the WEF at Davos. New Zealand and 15 other Members joined an EU led ministerial statement signalling a political intent “to work towards putting in place contingency measures ... in the form of a multi-party interim appeal arrangement based on Article 25 of the WTO Dispute Settlement Understanding”, negotiations for which were expected to take place in the coming months. The US had not taken issue with this ministerial statement and focused, at the Mini-Ministerial, on reiterating their concerns with the functioning of the Appellate Body, while also making strong statements about reform and Special and Differential Treatment for developing Members.

10 The conclusion of fisheries subsidies negotiations is the most pressing negotiating issue and strong messages were delivered by New Zealand and many other Members (including the US). The EU signalled that they “are ready to make compromises” and outlined actions they would take in these negotiations, including potential prohibitions on subsidies in the high seas.

11 The importance of agriculture was also highlighted with the issuance of a joint Cairns Group Ministerial statement seeking a cut in the global level of trade

distorting agricultural domestic support of 50% by 2030 urging WTO members to agree this in principle at MC12 and to establish a work programme to advance this. Joint Statement Initiatives, including on e-commerce, services domestic regulation, and investment facilitation for development continued to advance.

- 12 I had constructive engagement in my bilateral meeting with EU Trade Commissioner Phil Hogan. s6(a)

s6(a)

- 13 My bilateral meeting with Canadian Minister of Small Business, Export Promotion and International Trade Mary Ng was very positive, with Minister Ng noting I was the first counterpart who she'd called upon since assuming her portfolio. We exchanged views on the multi-party dispute settlement/interim arrangements and stressed the importance of concluding fisheries subsidies negotiations. I noted there are areas of the 2021 APEC agenda on which New Zealand would appreciate input from Canada including trade and indigenous people, women's economic empowerment and environmental goods. We agreed to follow up on this at Officials' level.

- 14 I used my bilateral discussion with Colombian Trade Minister to raise the sensitivities Colombia had expressed with respect to dairy in the Pacific Alliance negotiations. I expressed my understanding of the problem for Colombia, but excluding dairy was a problem for New Zealand. I noted that New Zealand could not conclude an FTA that excluded dairy. Minister Restrepo reiterated that the Colombian President has said publicly he wants dairy to be excluded. s6(b)

- 15 I attended - with some thirty Ministerial counterparts - a meeting on 24 January in support of the Joint Statement Initiative on e-commerce. While it appears clear the negotiations will not conclude by mid-year, there was strong encouragement for continued work and a joint statement at MC12.

- 16 I had a warm engagement with Brad Smith, President of Microsoft. Smith reiterated his support for the work of the Prime Minister and the Christchurch Call to eliminate terrorist and extremist content online. Smith noted that the difficulties with controlling harmful online content in the United States due to the Section 230 'safe harbour' provisions in the Communications Decency Act.

- 17 I also met with members of the 'Global Shapers' network of young people and discussed sustainability and the benefits of cross-border collaboration to address global issues such as Climate Change. I had an informative meeting with the Chief Executive of Oxfam India, Amitabh Behar. We discussed the challenges that increased wealth inequality presents in developed and developing economies. We both agreed it is critical that governments address

the widening inequality divide particularly in the context of rising protectionist and populist sentiments around the world.

Proactive release

- 18 This paper will be proactively released as per Cabinet Office Circular CO (18) 4, on the Ministry of Foreign Affairs and Trade's website. The paper will be subject to redaction as appropriate on the grounds set out under the Official Information Act 1982.

Recommendation

I recommend that Cabinet note this report.

Authorised for lodgement

Hon David Parker

Minister for Trade and Export Growth

Proactively released by the Minister for Trade and Export Growth