



4 BATCH
REPORT
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NZ-UK Free Trade Agreement: Māori Enterprise Perspectives



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Abbreviations

APEC	Asia-Pacific Economic Cooperation
EU	European Union
FTA	Free Trade Agreement
GHA	Glenn Hawkins & Associates Limited
IP	Intellectual Property
IT	Information Technology
MFAT	Ministry of Foreign Affairs and Trade
NZ	New Zealand
NZTE	New Zealand Trade and Enterprise
NZ-UK FTA	New Zealand-United Kingdom Free Trade Agreement
UK	United Kingdom

SUMMARY

Purpose and scope

- This report provides insights from five Māori enterprises on the NZ-UK FTA. The enterprises include a Māori lands trust dealing primarily in forestry, dairy farming and kiwifruit, a communications organisation, and the national body for Māori tourism.
- Interviewees acknowledge that Māori business has whakapapa reflected in ownership and Māori values. Māori business represents te ao Māori and aligns to Māori values, and are owned/ managed by Māori under mana motuhake.

Māori enterprises and trade

- Trade experiences of Māori businesses include enterprise and trade with primary sector clients, trade agreements in tourism, and researching access to new markets.
- Reasons for trade include knowledge acquisition in other specialist sectors, as well as the opportunity for joint R&D projects and collaboration for innovation.

Challenges and opportunities

- Challenges for Māori enterprise and trade include: (1) to do things differently and come up with new frameworks beyond a schedule of tariffs and taxes; (2) the lack of capital, access to liquidity, having large numbers for consensus and tariffs; and (3) the challenge for Māori to reconcile that some of our values would be impinged by an FTA.
- Opportunities include: (1) increasing Māori participation at all levels of trade; and (2) 'marriage' of Māori innovation and mātauranga with British strengths.

Treaty of Waitangi and trade policy

- Māori enterprise views on the treaty and trade policy include: (1) the expectation that the relationship and rights established by te Tiriti o Waitangi are upheld; (2) te Tiriti o Waitangi protecting what makes Māori unique and what adds value (e.g., Māori IP); and (3) that te Tiriti o Waitangi (and its principles) would be the foundation of any FTA.

Expectations of the FTA

- It is expected that Māori should be supported to be full participants in creating trade policy and agreements.
- The FTA needs to ensure that the right people are representing te iwi Māori in the development of the FTA as te Tiriti o Waitangi partners. This means co-design and co-development to ensure frameworks enable Māori to participate fully, rather than consultation after the fact.

Success, benefits, and risks of the FTA

- Success is reduced costs, greater profits to improve pay and working conditions, as well as equity of benefits.
- Increased innovation and more investment in the iwi economy. In addition, success would also be reduced costs for products made available for our whānau.
- More access to a diverse and affordable range of products that will increase whānau quality of life.
- Increased access to capital through joint ventures, sharing of expertise.
- A risk is that te Tiriti o Waitangi is misunderstood by the UK government resulting in similar to the experience with te Tiriti o Waitangi in New Zealand.

Māori priorities and outcomes

- The relationship between Māori and the UK Crown is recognised, so that Māori businesses are treated as domestic rather than foreign.
- Acknowledgement and protection of Māori IP.

PURPOSE

This research provides insights into Māori enterprise perspectives on a NZ-UK FTA and trade policy generally to assist trade negotiations. This report is based on research carried by GHA.

ABOUT THE MĀORI ENTREPRENEURS

#	Iwi	Role	Sector	Experience
P1	Rongomaiwahine, Ngāti Kahungunu	Chief Executive	Māori Tourism	International trade / Trade agreements
P2	Ngāti Whakaue, Ngāti Rangiwewehi, Ngāti Tūwharetoa, Ngāi te Rangi, Ngāti Pūkenga	Chief Executive	Communications	Trade
P3	Ngāti Whakaue, Ngāti Rangiwewehi, Ngāti Tarāwhai	General Manager	Forestry, Dairy farming, Kiwifruit	Research in to access of markets for export of trees
P4	Ngāti Porou	Director	Technology	Trade and export
P5	Ngāti Awa, Ngāti Rangitīhi	Chair, Māori land trust	Mānuka Honey, Land investments	Minimal but knows Scotland well through whakapapa connections.



ABOUT THE MĀORI ENTERPRISES

Being Māori

P1: Being Māori means whakapapa. Everything else is individual to the person.

P2: Being Māori is having a connection with the whenua/tūpuna; living by Māori values such as whanaungatanga, rangatiratanga, manaakitanga and wairua.

P3: Whakapapa to whenua makes us Māori. Being Māori is knowing who we are, where we stand in the world, how we connect to the taiao, to others, and how we nurture those relationships so that they flourish. Living by values that we treasure as Māori – manaakitanga, aroha, kotahitanga, whanaungatanga – so that Māori as a people can flourish.

P5: Whakapapa is a crucial factor for identifying as Māori.

Definition of Māori business

P1: Māori business has whakapapa reflected in ownership and has Māori values.

P2: Māori business represents te ao Māori and presents as Māori. Māori business aligns to Māori values.

P3: Māori business is pakihi who are owned/managed by Māori under mana motuhake – the business can be self-determining in how it operates.

A Māori way of doing business

P1: Māori way of doing business is to tautoko (support) with downstream effects on Māori employment, local economic activity, rural economic activity. Māori also have awareness of impacts on whānau, hapū, iwi.

P2: Māori have always been traders. The concept of mutual exchange is a central pou (pillar, post) of te ao Māori.

P3: For Māori, business structures provide more than just commercial outcomes, they improve social outcomes as well. Māori do this by working within the values, provide benefits to our marae, hapū, and iwi.

Industry, sector, and business activity

P1 is the chief executive of the national Māori tourism body. The organisation provides support and advocacy for members and is the interface between government and Māori tourism providers. P1 has been involved in international trade since the 1990s, focussed primarily on the Asia-Pacific Economic Cooperation (APEC) region.

P2 is the chief executive of a communications organisation and has experience in Māori enterprise and trade with primary sector clients in dairy and forestry.

P3 is the general manager of the social arm of a Māori land trust that works in forestry, dairy farming, and kiwifruit. The trust will cut trees in 15 years, so is researching access to international markets.

P4 is the director of a Māori technology organisation and currently exports product to an international entity that is in the top four production companies in the world.

P5 is currently involved in the mānuka honey industry and is looking to invest in his land and build a mānuka distillation plant and an indoor cannabis facility.

MĀORI ENTERPRISE AND TRADE

Trade experience

P1: Involved in trade agreements and tourism, aligning tourism providers value propositions to visitor markets.

P2: Involved in enterprise and trade with primary sector clients such as Zespri and Seeka.

P3: Looking to research access to markets to determine opportunity to export trees as part of 8,000 ha of forestry, looking to be cut in 15 years.

P4: Exposed to physical product exports in NZTE.

P5: Has limited experience in trade; however, knows the UK well through whakapapa connections to Scotland.

Rationale for trade

P1: Opportunity for joint research and development projects where there is collaboration for innovation benefitting both parties.

P3: The opportunity and pathway to negotiate better deals for market and leverage better commercial outcomes for business.

P5: The opportunities for New Zealand businesses that export their products will have a better chance of establishing markets further abroad by making their products affordable and competitive (e.g., mānuka honey).

Challenges/opportunities

P1: There is opportunity to increase Māori participation at all levels of trade. There is also an opportunity in IP and provenance story as well as kaitiakitanga to sell ethical, high-value products.

P1: The challenge is to trade differently and come up with new frameworks beyond a schedule of tariffs and taxes.

P2: Māori are challenged by the lack of capital, access to liquidity, having large numbers of owners for consensus and tariffs.

P3: It is one thing to have an FTA, and another to have a relationship that provides pathways to market. It will be a challenge for Māori to reconcile that some of our values would be impinged by an FTA.

P3: There is opportunity for a marriage of Māori innovation and mātauranga with British strengths (e.g., it would be great to have pharmaceutical giants partner with iwi to unlock the potential of rongoā Māori).

P4: To compete, you must have scale. If you are new, you are learning 'on the go'.

P4: For some products, an FTA will give you a lower cost of entry, but you still must find a customer and compete with EU firms who have lower cost to market.

One of the fundamental challenges is finding the right expertise to help grow the business to a sufficient size to export products. Another challenge is getting buy-in from whānau in land-block that trade is a good thing.

Treaty and trade policy

P1: Māori and the Crown have obligations under te Tiriti o Waitangi (e.g., protecting Māori rights, but Māori extending those rights to all New Zealanders as whanaungatanga and manaakitanga). The expectation is that the relationship and rights established by te Tiriti o Waitangi are upheld.

P2: Te Tiriti o Waitangi should protect what makes Māori unique and what adds value, (e.g., Māori IP).

P3: Expectation is that te Tiriti o Waitangi (and its principles) would be the foundation of any FTA. Te Tiriti o Waitangi historically provided for trade, given one driver was to secure trading opportunities between tangata whenua and British traders. The challenge will be to ensure that the government aligns with and enhances te Tiriti o Waitangi.

P5: Te Tiriti o Waitangi needs to be meaningful. Te Tiriti is the bridge to creating relationships, assisting with the revitalisation of the reo, and future proofing protection for intellectual property.

Expectations as Māori	<p>P2: It is expected that Māori should be supported to be full participants in creating trade policy and agreements.</p> <p>P3: Ensuring the right people are representing te iwi Māori in the development of the FTA as te Tiriti o Waitangi partners. This means co-design and co-development to ensure frameworks enable Māori to participate fully, rather than consultation after the fact.</p> <p>P5: The expectation is that trade agreements will also respect UK whakapapa, as many Māori have Scottish and English whakapapa.</p>
Inter-indigenous trade	<p>P1: Inter-Indigenous trade would be beneficial, particularly with the bonds of whakapapa to Wales, Scotland, and Ireland.</p> <p>P2: Inter-Indigenous trade is important and would be viewed as an “and + and” alongside other trade opportunities.</p> <p>P3: Inter-Indigenous trade is important, although it is unsure whether the UK government are particularly good at recognising Indigenous culture with Ireland and Scotland, where there is a long history of colonisation. We have much to learn from the likes of Gaelic communities who have been able to protect their Gaelic culture and reo.</p> <p>P4: For Māori technology companies there is extremely limited consideration for inter-indigenous trade. The companies’ key focus is accessing their best addressable market. If these should coincidentally be “Indigenous” that may add a “feel good” factor to the deal, otherwise it is not a “commercial” imperative.</p>
Other comments	<p>P1: Future FTAs will look different with the rise of high-consciousness consumers, ethical consumerism, and consumer activism. FTAs will reflect values more.</p> <p>P2: Māori can help New Zealand in relationships with cultures who have similar values, such as the Japanese and Chinese.</p>

GENERAL NATURE OF THE FTA

Success

- P1: Success is reduced costs, greater profits to improve pay and working conditions.
- P2: Success is equity of benefits. Māori are major participants and are at the table.
- P3: Increased innovation and more investment in the iwi economy. In addition, success would also be reduced costs for products made available for our whānau.
- P3: More access to a diverse and affordable range of products that will increase whānau quality of life.
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Benefits

- P1: Being able to leverage IP and provenance in UK markets.
- P2: Māori historical relationship should give Māori preference. Trade was a precursor to te Tiriti o Waitangi, so this FTA could strengthen relations. The UK market could potentially provide greater economic benefits.
- P3: Access to markets, partners for existing enterprise and pathways for the sustainable commercialisation of our taonga.
- Having the ability to bring experts from UK to provide advice. This is a common occurrence in the geothermal industry, with Israelis providing advice.
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Risks

- P1: A risk is that te Tiriti o Waitangi is misunderstood by our government in New Zealand and in the UK and, similar to the experience with te Tiriti o Waitangi, the outcomes do not align with the good intentions of the parties.
- P2: There is a growth risk that Māori compromise our IP in pursuit of financial benefits.
- P3: There may be a risk that existing Māori business is significantly reduced due to cheaper options coming from the UK where they have the scale to reduce costs of production.
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Protecting rights and interests

- P2: It would be beneficial to carve out a clause for Māori participation and support (access to capital, relationships, brokers, agents, investors) from both governments.
- P3: Culturally, the New Zealand relationship with the UK is already strong, therefore, this would be an extension of this and a space in which Māori can play well.
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SPECIFIC OUTCOMES OF THE FTA

Goods and services

P1: It would be beneficial to understand how we use FTAs as a tool to incentivise action reflective of our values (e.g., overseas investment which supports kaitiakitanga (environment), manaakitanga (pay and working conditions), whanaungatanga (goods and services in the regions)).

Investment

P3: If an FTA opened options for investment in managed funds in the UK, it would open an opportunity for the massive amount of funds that Māori entities hold in managed funds, as well as the increasing number of young whānau who are participating in online trading platforms, to grow intergenerational wealth for their whānau.

P5: Investment could potentially be a good avenue to follow regarding Māori land, and have more potential sources for capital and partnerships.

Environment

P1: Agreement should be based on values. Māori value the environment, so tariffs and incentives should support and encourage good environmental practice and penalise and discourage poor practices.

P3: If te Tiriti is the foundation for the FTA document, Māori should be safe; however, it would be good to see mechanisms included to ensure our environmental rights and interests are protected.

Customary rights

P3: An FTA may reduce barriers for repatriating historically and culturally significant taonga to the Māori people.

Priorities

Priorities for Māori

P1: Environment, IP, pay and work conditions.

P2: The relationship between Māori and the UK Crown is recognised, such as Māori businesses being treated as domestic rather than foreign.

P2: Acknowledgement and protection of Māori IP.

P5: Key aspects for Māori to prioritise are jobs and housing. Maori have land, but there are barriers to achieving these, such as legal, and sources of capital.

Priorities for Māori Business

P1: Special conditions already exist for UK visitors to New Zealand. FTAs help build relationships, but it is the relationships with those entities that stimulate tourism visitor numbers that will be important.

P3: Opening access to markets.

P5: A key priority should be to get Māori into jobs, regardless of the trade of field.





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