

11 February 2019

Ministry of Foreign Affairs and Trade
Wellington
New Zealand
Via email: UKFTA@mfat.govt.nz

PREPARATIONS FOR A UK-NZ FREE TRADE AGREEMENT

About ExportNZ

ExportNZ is a national industry association comprising of eight regional offices and representing a diverse range of exporters throughout New Zealand. ExportNZ is a division of BusinessNZ, New Zealand's peak business advocacy body.

We are a membership organisation and across our two brands have approximately 2,000 members. We also have four regional partners: Employers Manufacturers Association (Upper North Island), Business Central (Lower North Island), Canterbury Employers Chamber of Commerce (Upper South Island) and Otago Southland Employers Association (Lower South Island).

Our value proposition for members is a mixture of policy and advocacy, education and training, networking, trade missions and inspiration through awards events and conferences.

Submission

ExportNZ welcomes the opportunity to submit on the Ministry of Foreign Affairs and Trade consultation on preparations for a UK-NZ Free Trade Agreement.

New Zealand and the UK have a long period of shared history, culture and values. We have been partners on the world stage in more than just trade, and pursuing a closer trade relationship is a natural extension of this partnership.

The UK is already a very significant trade and investment partner for New Zealand: it is a top export market, and a very important source of imports. A closer trade relationship would offer significant new opportunities to both sides to expand business in agriculture and food as well as technology, services (including tourism, education and environmental services), niche and high-value manufacturing, research and investment.

New Zealand and the UK should negotiate a modern, cutting-edge FTA that helps to build new global trade architecture and enhances the prosperity of both sides, potentially including the following:

- raising the profile of each trading partner in the eyes of consumers, manufacturers, service providers and investors in the other economy;
- reducing costs in relative and absolute terms, and making it easier to do business, allowing New Zealand to supply its high-quality goods and services on an equal footing with its third-country competitors;
- giving UK business better and more secure access to competitively-priced intermediate goods and investment opportunities;
- linking the UK with an economy that is deeply embedded in the economic architecture of the Asia-Pacific, offering dynamic new opportunities to both sides, and
- ensuring that business on both sides can call on a full range of trade options to meet the economic challenges of the decades ahead.

Areas of cooperation

In terms of areas where the UK and NZ can cooperate more closely, we could endeavour to link in value chains and networks potentially spanning from Europe into the Asia-Pacific. Given that New Zealand is counter-seasonal to the UK, there are complimentary opportunities for our respective agricultural sectors. Asian distributors and consumers expect year-round supply of products, such as lamb, beef and dairy products. Our counter-seasonal industries would help maintain year-round supply and contribute to the growth of the sectors in both countries without being in competition. Furthermore, this diversification could also provide opportunities for UK firms to leverage NZ business relationships in markets like China for mutual benefit.

Trade barriers

With regard to trade barriers post-Brexit, obviously one of the largest challenges is cross-border trade with the EU – a number of our members have established a presence in the UK market to facilitate their European operation. The government may need to consider what support they may be able to provide to those companies managing this transition. Additionally, the impact on financial institutions, domestic supply chains and the wider British economy is largely unknown – this may take a few years to recover and will affect our businesses conducting business there.

Other outcomes

An NZ-UK FTA could set a gold standard for reducing barriers to services trade, mobility of business executives and working visas, recognition of qualifications, regulatory coherence, and data mobility.

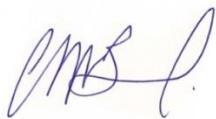
As always, an important aspect of these agreements is working through any non-tariff barriers that may be present, so work to consider what NTBs are present and can be removed should be undertaken.

A part of negotiations should focus on maintaining current visa access, and ensuring work and student visa processes are uncomplicated. Ease of people movement is important for both NZ and the UK's services industries. As such, business people's ability to get fast tracked at Customs (both ways) is important.

Overall, we would like to see a closer trade relationship pursued between New Zealand and the UK, and look forward to pursuing these opportunities in the future.

Thank you for the opportunity to submit on the consultation on preparations for a UK-NZ Free Trade Agreement.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Catherine Beard', with a stylized flourish at the end.

Catherine Beard
Executive Director
ExportNZ