

WORLD TRADE ORGANIZATION

Panel established pursuant to Article 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes

US - Tariff Measures on Certain Goods from China

THIRD PARTY ORAL STATEMENT OF NEW ZEALAND

30 October 2019

I INTRODUCTION

1. Mr Chairman, distinguished members of the Panel.
2. New Zealand's participation in the current dispute reflects its systemic interest in the issues raised. New Zealand has a significant interest in the preservation of the multilateral rules-based global trading system, and in maintaining the important role played by the WTO.

II THE MULTILATERAL RULES BASED TRADING SYSTEM

3. The multilateral rules-based trading system regulates and fosters international trade. The WTO covered agreements sit at the heart of this system. They ensure that all Members, regardless of their size or trading capacity, are subject to the same baseline rights and obligations and, accordingly, have equal opportunity to participate in the global market.
4. By prescribing what Members can and cannot do, the multilateral rules-based trading system provides the predictability necessary to ensure efficient and stable trade. A predictable and stable trade environment encourages trade expansion by reducing the degree of risk that traders must assume. This fosters growth and, in turn, enhanced economic welfare.
5. This system is currently under threat by unilateral trade action, taken by multiple Members, in order to influence other Members' trade practices.

III UNILATERAL ACTION

6. Unilateral action, taken outside of the covered agreements and directed at disrupting the trade of another Member, is antithetical to a stable and predictable trading system. It undermines the rights and obligations that form the foundation of the system, and the fundamental principle that these rights and obligations apply to all Members, equally.
7. The multilateral rules-based trading system is built on the principal of trade liberalisation. This is facilitated through the mutual acceptance of limitations on what Members can do. The benefits conferred by the covered agreements can only be effectively enjoyed if all Members comply with them. If one Member expressly steps away from these commitments, this will undermine the stability and certainty on which the system rests, and could reduce the incentive for other Members to comply. Depending on the scale, nature and duration, unilateral action of this kind can threaten the system as a whole.

IV CONCLUSION

8. New Zealand is committed to the preservation and maintenance of the multilateral rules-based trading system. The system is not perfect. These imperfections cannot, however, be used to justify actions that will distort trade and destabilise the system as a whole. If the system is undermined, all Members will suffer. Its preservation and strengthening should be an imperative for all Members.