

New Zealand's COVID-19 Trade Recovery Strategy



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

The Trade Recovery Strategy is a comprehensive plan to put New Zealand in the best possible position to recover from the impacts of COVID-19, and to seize new opportunities for exports and investment.

During the height of the pandemic, the focus has been on protecting trade flows and supply chains to ensure that New Zealanders can access essential goods like medicines and PPE, and that our goods continue to reach our trading partners.

The next phase of New Zealand's response is recalibrating New Zealand's trade policy for a new international environment. The Government is working closely with exporters to ensure the Trade Recovery Strategy reflects their needs and priorities. The components of the Strategy are underpinned by the Trade for All agenda, as we respond to the social and economic well-being impacts of COVID 19. We want to hear your views. Get in touch TradeRecovery@mfat.govt.nz

The strategy has three key pillars:



Supporting exporters

The government is significantly increasing support and services offered to exporters to position New Zealand companies to recover markets quickly and seize new opportunities.

Budget 2020 included a \$216 million package from the COVID Response and Recovery Fund to support New Zealand's exporters and international businesses.

This work will be led by NZTE and MFAT and key priorities include:

- Significantly increasing the number of exporters that receive intensive support from NZTE and other agencies. This will provide access to tailored resources to develop capability and connect with overseas markets and global partners. Collectively, these exporters directly employ over 200,000 people. About 75% of these firms are expected to be SMEs with 50 or fewer employees. NZTE will also be boosting its reach across New Zealand's broader export sector through increased delivery of practical digital services and tools.
- Intensifying MFAT's Economic Diplomacy efforts so it delivers better results for all exporters. This includes more practical support to exporters who face new trade barriers. These initiatives are being delivered in close coordination with NZTE and other agencies.
- Improving our free exporter tools and services. We will do this by:
 - » Relaunching the existing MFAT-hosted trade barriers portal so it is a more user-friendly interface for exporters facing issues offshore.
 - » Improving MFAT's existing exporter helpdesk service (exports@mfat.net or 0800 824 605), tariff finder and launching a tool for services exporters.
 - » Increasing MFAT's focus on producing international market insight reports for businesses that are drawn from our offshore network and other agencies.
- Developing tools for exporters to better access support from government and expanding NZTE's International Growth Fund (IGF) to help re-connect companies with international markets and supply chain partners, as well as explore new opportunities.
- Extending services to SMEs through the NZTE Regional Business Partner network.
- Increasing in-market support to exporters through New Zealand's offshore network, including growing NZTE's team of in-market business development managers in priority markets. This means more "boots on the ground" for exporters while international travel remains restricted.

- An initiative led by NZTE to deliver digital content to help firms build better capability and resilience via e-commerce and better adapted freight and logistics models.
- Strengthening New Zealand's brand in priority markets by broadening our national brand appeal, including by promoting New Zealand as a safe, sustainable and stable location to operate a business and to invest.
- Focusing on building investment capacity in the New Zealand market by channelling stronger domestic private sector investment into the domestic economy and developing large greenfield investment opportunities.



Reinvigorating international trade architecture

COVID-19 has changed the global trade environment in which New Zealand operates. The rules-based trading system has served New Zealand well – open markets, respect for trade rules, and effective multilateral trade systems provide certainty and confidence to traders. It's in our interest to defend the multilateral rules-based system, and to push back against protectionism.

This will be done through:

- The World Trade Organisation - The WTO remains the premier institution through which New Zealand can influence international trade rules, and we should continue to support it. To that end New Zealand has joined a new WTO Multiparty Interim Arbitration Arrangement. This maintains the enforceability of international trade rules among a sub-set of WTO members (including China, EU, Australia, Brazil, Canada and others).
- Free Trade Agreements - Continued progress on FTAs sends an important signal that New Zealand is still open for business. Some FTAs are being positioned as signature-ready, other negotiations (EU-NZ FTA and RCEP) are continuing 'virtually' despite global lockdowns. We are working to launch negotiations with the UK.
- APEC - An important component in the recovery strategy will be to revitalise Asia Pacific regional trade. APEC is the preeminent trade and economic forum in our region and can be used to build consensus around policies to support recovery and push back against protectionism.
- 'Concerted open plurilaterals' – agreements open to other partners to join - New Zealand will continue to pursue new 'plurilateral' negotiations to retain as much of the rules-based system as possible. These create building blocks that can maintain key trade rules. The Digital Economy Partnership Agreement (DEPA) and Agreement on Climate Change, Trade and Sustainability (ACCTS) are working examples of this approach.



Refreshing key trade relationships.

New Zealand will intensify our existing trade diversification strategy, leveraging our reputation as a trusted trade partner that may well be COVID-safe.

We are:

- Continuing negotiations on the EU-NZ FTA
- Expanding the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Pacific Alliance and Mercosur trade agreements
- Working to launch negotiations for a UK-NZ FTA
- Providing existing FTAs with greater 'in-market' and 'to-market' support for exporters - ensuring better support to more markets.

Alongside this strategy the government will progress work to reconnect with the world in a safe and measured way – allowing increased border movement and re-connection with global markets, while developing the world's smartest and safest border that incorporates the required health measures. The commitment to introduce a trans-Tasman COVID-safe travel zone is a first step on this path.

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