

# Boosting growth through trade



 PARTY VOTE  
**National**

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# Boosting growth through trade

New Zealand is fundamentally a trading nation. The strength of our economy is directly related to the success of our exporters.

From our world-class farmers, who produce high-quality food and fibre, to the innovation-driven manufacturing sector, cutting-edge technology sectors, and an ever-expanding array of services – trade is how we pay our way in the world, enabling us to afford the essential public services we all rely on.

New Zealand is a longstanding champion for increased trade and growth, using high-quality trade agreements to reduce trade barriers.

Trade-related industries directly employ hundreds of thousands of Kiwis, and are the catalyst for growth and economic activity throughout our regions. While rural New Zealand earns most of New Zealand's export income, the entire country benefits from trade with other nations.

But after six years of Labour's economic mismanagement, New Zealand's economy is struggling. The cost of living has risen faster than wages, mortgages have become unaffordable, and our export industries have been buried under a mountain of red tape. New Zealand's current account deficit is among the worst in the OECD.

New Zealand needs more trade. National has set an ambitious target to double exports over ten years, including for agriculture and forestry, services, international education, technology and tourism – as part of National's plan to rebuild the economy and get it working for all New Zealanders.

## **National's plan to boost economic growth through trade**

1. Double exports over the next decade
2. Record number of trade missions to create more export opportunities
3. Turbocharge the primary sector to fuel our economic recovery
4. Aggressively pursue Free Trade Agreements to increase access to foreign markets
5. Make India a key trade priority
6. Remove barriers to trade
7. Support strengthening the World Trade Organisation

## 1. Double exports over the next decade

National is ambitious for New Zealand. We know that trade is crucial for growth and higher-paying jobs that will help make all New Zealanders better off.

New Zealand has the opportunity unleash export growth by building stronger connections with other countries. In view of the rapid increase in trade that followed the China Free Trade Agreement (FTA) in 2008, National believes more FTAs with other countries including India can deliver a step-change for exporters.

### **National will:**

- Set an ambitious target to double the value of New Zealand's exports including from key sectors of agriculture, forestry, services, international education, technology and tourism within ten years.
- Regularly report on progress towards this target.

## 2. More Trade Missions to boost exports

One of the most effective ways governments can help businesses increase exports is by creating longstanding and dependable relationships with other countries to open doors to trade.

In the past, National Governments have used trade missions to partner with the business sector and increase trade. However, over the last six years Labour has sadly neglected this important tool, although they have recently realised that trade missions can help Kiwis to sell more overseas.

The next National-led Government will again prioritise high-quality trade missions to boost exports. In particular, we will undertake missions that are both economy-wide and sector-specific.

In our first term, National will conduct trade missions to Australia, China, the EU, GCC countries, India, Japan, Pacific Alliance countries, Southeast Asian nations, UAE, and USA.<sup>1</sup>

National will conduct more trade missions than any previous New Zealand Government.

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<sup>1</sup>Gulf Cooperation Council (GCC) countries include Saudi Arabia, Kuwait, the United Arab Emirates (UAE), Qatar, Bahrain, and Oman. The Pacific Alliance is a trade block which includes Chile, Colombia, Mexico and Peru.

### 3. Turbocharging the Primary Sector

Last year, the primary sector earned more than three-quarters of all goods exports revenue and produced enough food to feed New Zealand eight times over. From meat and dairy, forestry and wood products, high quality wine to kiwifruit and apples, our primary sector's international reputation is exceptional.

Successive governments have tried to improve New Zealand's access to foreign markets. However, food and fibre remain the most heavily protected and subsidised sectors internationally. For example, while the recent FTA with the European Union has improved access for many exporters, it has significantly underdelivered for meat and dairy producers. With a quota of just 10,000 tonnes of beef a year, the average European will only eat a Kiwi steak once every 10 years. There is a risk that future FTAs with India and UAE could deliver only modest gains for agriculture.

The next National-led government will work to reduce barriers to trade for our primary exporters, and will commit to high-quality, commercially meaningful outcomes for primary producers in future FTAs.

### 4. Aggressively pursue Free Trade Agreements

New Zealand's trade agreements have improved access to international markets for Kiwi consumers and exporters. While the Labour and Green parties have previously campaigned against trade and FTAs, a bipartisan consensus between most political parties has started to develop over trade's importance to New Zealand.

In the past, trade policy has been judged on the number of newly negotiated trade agreements. FTAs are important because they level the playing field for Kiwi exporters and make the world a fairer place for them to compete. However, it is the quality of FTAs that matters most for Kiwi exporters.

Over the next decade, New Zealand's trade policy should be judged by the increase in export value they deliver, rather than the number of signed agreements.

National's priority is to complete high-quality FTAs. In our first term in government, National will focus on:

- Completing an FTA with GCC
- Completing an FTA with Pacific Alliance
- Negotiating an Economic Agreement with UAE

## 5. Make India a trade priority

With a population of more than 1.4 billion people, India's economy grew by \$560 billion last year and is expected to become the world's third largest economy by 2030.

Despite Labour launching a policy in 2020 called 'India – New Zealand 2025, Investing in the Relationship,' two-way trade between our two countries has declined by 6 per cent since the start of 2018 to \$2.6 billion. By comparison, two-way trade with China over the same period increased by 49 per cent to \$40 billion.<sup>2</sup>

Australia has just signed an FTA with India. The UK is also close to signing an FTA with India. Yet New Zealand's Foreign Affairs Minister has said that an FTA with India is no longer a priority.<sup>3</sup> No New Zealand Prime Minister has visited India under this Labour Government.

India is a massive opportunity for New Zealand. There are reciprocal prospects in a number of areas including foreign direct investment, employment, educational exchanges, as well as trade.

### **National will:**

- Make India a strategic priority for increased trade and investment.
- A National Prime Minister will visit India within the first year in office.

## 6. Removing barriers to trade

Increasing use of Non-Tariff Barriers (NTBs) by other countries threatens New Zealand's access to overseas markets. Administrative procedures, quotas, price controls, subsidies and product labelling requirements are all examples of NTBs.

NTBs add unnecessary costs and compliance in trade processes, reducing the competitiveness of Kiwi exports and making it harder to sell their goods and services overseas.

National will relentlessly focus on removing NTBs to maximise trade and growth for New Zealand.

### **National will:**

- Protect exports by targeting Non-Tariff Barriers to trade.
- Work with exporters to identify NTBs and direct the Ministry of Foreign Affairs and Trade and the Ministry for Primary Industries to work towards their removal.
- Use World Trade Organisation (WTO) rules and legal instruments in trade agreements to ensure trade obligations are honoured

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<sup>2</sup>Statistics NZ

<sup>3</sup>[Stuff, "Unrealistic or a missed chance? National criticises stalled India trade deal," 18 April 2023](#)

## 7. Support strengthening the World Trade Organisation

New Zealand has always played a valued and constructive role in the WTO, with our diplomats often trusted to chair critical negotiations. Former New Zealand Prime Minister Mike Moore served as Director-General of the WTO from 1999 to 2002.

The WTO's importance for New Zealand's trade and exports cannot be overstated. The WTO remains one of the most effective ways to advocate for a rules-based approach to international trade and promote the benefits of trade to an international audience.

The next National-led Government will work on a bipartisan basis to strengthen the WTO and ultimately support better outcomes for New Zealanders.

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