

Trade

HIGHLIGHTS

Labour will:

- Expand our export markets through trade agreements
- Preserve regulatory sovereignty, including the right to ban foreign buyers of New Zealand homes and farmland
- Diversify our export base
- Support our exporters to add value to exports.

Expanding our export market opportunities

We are a trading nation heavily reliant on exporting. Trade is essential to create new jobs and higher living standards for all New Zealanders.

Exports have dropped under National from 30% to 27% of GDP. Reasons include the misallocation of capital to speculative investment, and under investment in productive industries.

Greater private sector research and development investment is needed to improve productivity and develop new products and services.

Labour has a proud history of improving market access for our exporters, and will continue to support and press for a rules-based multilateral global trading system which is accessible, fair and transparent.

We also recognise that high quality bilateral or regional free trade agreements (FTAs) complement multilateral initiatives.

New Zealanders have seen how successful our bilateral free trade agreement with China has been, which was negotiated by the last Labour government.

Labour will:

- Pursue multilateral and bilateral FTAs in government; for both goods and services.
- Promote New Zealand in to civil society in countries such as the United Kingdom where we want to improve our trading relationships. This will help build public support for a quality FTA with the United Kingdom post-Brexit.

It is important that trade agreements are carefully negotiated, and that provisions in these agreements do not undercut the regulatory sovereignty of New Zealand.

Labour opposes the sale of our farms, homes, state-owned enterprises, and monopoly infrastructure to overseas buyers. Investment protocols in trade agreements should not prevent

a future government controlling such sales. The current National government traded away these rights in NZ's Free Trade Agreement with South Korea and in the proposed Trans Pacific Partnership. Ceding this was wrong in principle. It was also unnecessary, given that other countries including Australia retained their rights to do so. Labour will renegotiate these provisions.

Greater engagement with civil society over trade talks

A broader civil society debate about trade is needed to maintain support and avoid unnecessary social conflict, both within New Zealand and beyond.

Labour will:

- Publish a set of trade negotiation principles including for labour and environment standards, protection of the Treaty of Waitangi, and sovereign rights to control classes of investment
- Engage with the public openly with greater transparency
- Strengthen the quantitative analysis contained in National Interest Analyses required for Parliamentary Treaty ratification to ensure that best estimates of positive and negative impacts of any trade agreements are made
- Establish a Trade Advisory Commission to provide independent advice on the implications of any free trade agreement under negotiation. It would not have a policy-making function

The Commission will be drawn from academic representatives, two New Zealand Council of Trade Unions representatives, a Business NZ representative, an Export NZ representative, an Employers and Manufacturers Association representative, Maori and Pasifika businesses, NGO representatives, and representatives of tradable, financial and services sectors.

Diversifying our export base

Diversification of the New Zealand's economy is needed so that we are less dependent on a small number of exports.

The recent volatility of commodity-dependent economies such as Chile and Australia underlines the economic instability that can result from being reliant on a narrow basket of exports.

Research by Hausmann and others at Harvard University shows that an economy's diversification level is positively associated with long-run economic growth. A broadening of the export base will help to ensure that New Zealand's trade is secure in the long-term, boosting the strength and resilience of the New Zealand economy.

Supporting our exporters to add value to exports

Labour will:

- Support exporters through introduction of a research and development tax credit to encourage improvements in productivity, and the development of new products and services
- A Regional Development Fund
- A manufacturing summit to encourage collaboration and maintenance of the skills and contractors needed to support high-value manufacturing
- A strengthened role for New Zealand Trade & Enterprise to support exporters.

These policies, and others (including monetary policy), will help lift New Zealand's productivity and export performance.

Readying our exporters to maximise international market opportunities

There is much work to do to assist our exporters to take advantage of the Free Trade Agreements we have signed.

Some are not ready to move into overseas markets because of a lack of capital, or skills. More can and should be done to address these deficits and provide New Zealand exporters better opportunities to maximise their potential in new markets.

Labour will:

- Better focus New Zealand Trade and Enterprise (NZTE) on accessing export opportunities for New Zealand firms.

