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ExportNZ Election Manifesto - 2020

Trade Rules!

- The tradable sector directly and indirectly accounts for \$85 billion (43%) of New Zealand's real GDP and almost three-quarters of a million jobs.
- Further multilateral trade liberalisation would deliver huge benefits to New Zealand: the OECD estimates that New Zealand's real GDP would increase by \$18 billion over the long run if G20 tariffs and non-tariff barriers were halved. This scenario would also create over 42,000 skilled jobs and 20,000 low-skilled jobs.
- The reduction of non-tariff measures could deliver significant gains for New Zealand. The cost to New Zealand exporters of these measures in the APEC region has been estimated at \$8.4 billion.
- Around 70% of the economic benefits accruing to New Zealand from the CPTPP are estimated to come from a reduction in non-tariff barriers.

Trade in a Covid19 World

ExportNZ is of the view that New Zealand will need to learn to live with Covid19 in such a way that businesses can continue to operate, trade and travel in a Covid19 safe way. We advocate for a sophisticated and "high-tech" border, for timely access to importing critical skilled talent, for business travel and for foreign students. Fast tracking and tracing of cases (e.g. Bluetooth Covid Card) and a risk-based approach to the operation of businesses, based on a Covid19 operational safety and health plan. Definitions of "essential" and "non-essential" businesses should be done away with and the judgement instead be on the ability to operate in a Covid19 safe way.

Political Parties need to support trade and jobs by

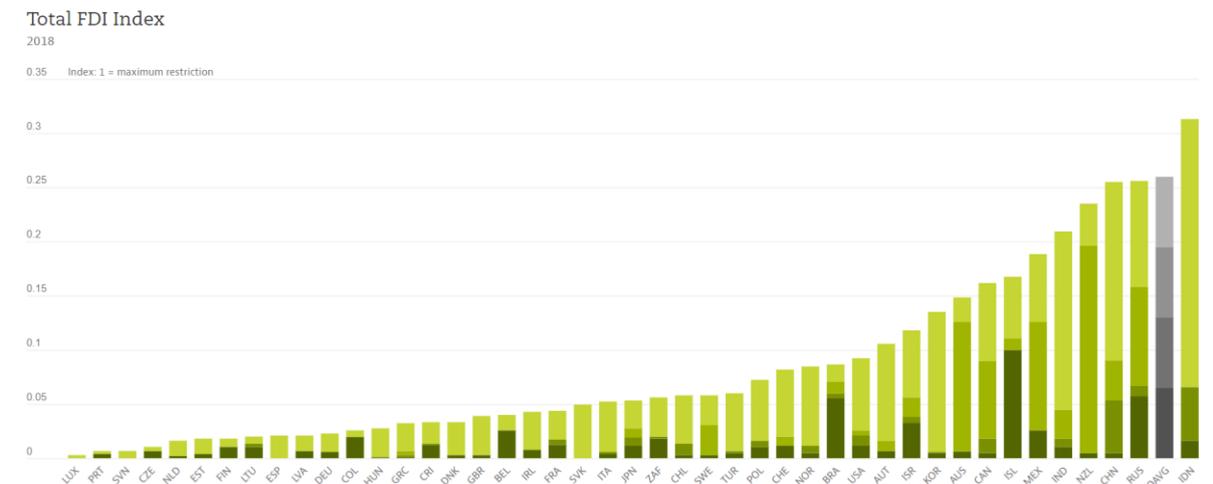
1. Supporting free trade and the multilateral trading system, in particular the WTO which enforces our FTA's and ensures a level playing field for a small economy.
2. Support any opportunities for new FTA's, e.g. with the EU, the United Kingdom, The Pacific Alliance, RCEP and the China FTA upgrade.
3. Keep the pressure off the NZ\$ by aiming to get back to balancing the budget, low interest rates and keep targeting inflation.¹

¹ Quality investment today will enable us to pay back debt tomorrow. Reckless spending today will only burden future generations. We have an opportunity today, to address our creaking infrastructure, tackle climate change, and build a healthy, more productive economy for tomorrow.
Jarrod Kerr, Chief Economist, Kiwibank.

4. Focus greater exporter support in Asia and Africa – developing markets where the going is tougher, but long-term opportunities are significant.
5. Increased focus on non-tariff barriers as countries become more protectionist in a post COVID world.
6. Create a senior role in MPI to be the advocate and champion of the processed/mixed food manufacturers and exporters. They are struggling with a regulatory regime set up for commodity exporters and it is adding significant cost and creating barriers to those wanting to become food exporters.
7. Develop a plan for opening our border safely to international students, business travellers and essential skilled workers.
8. Continue to increase government support for R&D by firms. Globally New Zealand under-invests, both at the company level and at the Government support level.
9. Make it easier to invest in New Zealand to grow bigger companies faster.

GROWING A PIPELINE OF EXPORTERS

Foreign Direct Investment should be made easier in New Zealand. According to the OECD New Zealand ranks poorly when it comes to being an easy place to invest and it has only become harder with recent changes to legislation. There is plenty of evidence to show that having a lot of multi-nationals investing in a country improves the business ecosystem and creates a lot of demand for suppliers and is the way to grow the talent ecosystem as well.



Population Policy

New Zealand has created a \$50 billion “response and recovery fund” of which \$20b, or 6.5 per cent of the country’s gross domestic product, has been set aside for the recovery phase. A similar amount in Australian terms would be A\$123 billion (NZ\$135b).

According to the RBA, New Zealand ranks second only to Canada among 14 developed nations for the size of its fiscal response to the coronavirus. Australia is 10th.

Sydney Morning Herald.

A larger domestic population would lead to larger local demand. We are not a small country; we are a large country with a small population. How big do we want to be by 2050 and are we planning for sustainable growth? Bigger populations lead to economies of scale and increased investment in infrastructure and logistics etc. The OECD suggests that Australia's scale more than compensates for the adverse effects of distance from markets.

Collaborate on-shore to compete offshore

One way to grow bigger companies of scale is for smaller companies to work together in overseas markets (we are starting to see some good collaborations in Wine, Avocados, Marine, Aviation etc.) While NZTE supports collaborations we can do more in this space, with dedicated and ongoing facilitation.

Support the Maori economy

ExportNZ supports the unlocking of the Māori export potential as an important contributor to Aotearoa NZ Inc. Māori are investing in business for both current and future generations and will be the businesses of scale in the NZ economy as a result. Government should support better Māori educational outcomes to be able to fully participate in the Māori and broader economy.

Catherine Beard
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