

ExportNZ Trade & Advocacy Update October 2023

With October 14th now done and dusted, and the Labour Party conceding that they will not be able to form the next government, we can have a look at what the potential government's priorities are for exporters over the next three years.

We were pleased to hear over the course of the pre-election campaign trail, from all three potential Government parties, that trade and exports are a priority for them and that the parties see increasing exports as a way to boost New Zealand's economy.

National released their trade policy priorities document "[*Boosting Growth Through Trade*](#)" on the 10th October with seven key points:

1. Double exports over the next decade
2. More Trade Missions to boost exports
3. Turbocharge the Primary Sector
4. Aggressively pursue free trade agreements
5. Make India a trade priority
6. Remove Non-Tariff Barriers
7. Support strengthening the World Trade Organisation

Looking back at our ExportNZ pre-election document, we are encouraged that the National Party has taken on the feedback that we have provided on behalf of members and the wider export sector.

ExportNZ supports the ambition outlined in the National Party's document – doubling New Zealand's trade revenue in ten years is an aspirational goal and one certainly worth targeting as achieving it would go a long way to growing new jobs, developing new exporting sectors, and growing the overall New Zealand economy.

To do this, we believe the incoming government has a part to play in ensuring that new and emerging exporters are well supported to build their capability to export successfully, offer different ways to support exporters attending tradeshows, invest in supply chain infrastructure, and support companies investing in research and development of new products and services.

There was lots of discussion about our trade relationship with India (more so the lack of one and the opportunity in front of us), ExportNZ has called for an "all hands-on deck" approach to building a better relationship with India and believes that we need a long-term engagement strategy that both major parties and the private sector can commit to.

And finally, exporters and officials alike are seeing an increase in the number of trade barriers being introduced in markets around the world. Tackling these barriers and ensuring a fair and free trading environment means giving officials the resources to get them engaging with their counterparts from different countries and participating in both bilateral and multilateral meetings. Advocating on behalf of exporters on non-tariff barriers will be a priority for ExportNZ going forward.

National Party – Economic Policy Manifesto

National released [their document: *Rebuilding the Economy*](#) on the 22nd of September, with their priorities being;

1. Stop wasteful spending and get the books back in order.
2. Deliver tax relief to encourage hard work and ease the cost-of-living crisis.
3. Cut red tape to make it easier to invest and grow.
4. Build infrastructure for growth like roads, public transport and renewable energy.
5. Grow skills and attract talent to boost productivity.
6. Strengthen connections to the world by supporting trade and investment.
 - Strengthen New Zealand's international connections, so that Kiwi businesses have access to markets, skills and capital.
 - Prioritise our relationship with India, with an ultimate goal of developing a Free Trade Agreement.
 - Invest more in the relationships with the Gulf Cooperation Council and Pacific Alliance to create the conditions that will allow us to secure high-quality free trade agreements.
 - Focus on reducing the effect of non-tariff barriers in other countries to protect export revenue.

Campaign Watch – International Trade & Exports

At the BusinessNZ Election Conference on the 5th September, each of the political party leaders present gave remarks. Here is what we captured that is export-specific...

Chris Luxon said that he wants to see a *"much more externally focused New Zealand out there hustling in the world, because [he] thinks that a lot of our relationships globally have gone cold over the period of insularity we've had over the last six years, so I'm expecting my trade minister and my foreign minister to be on the plane doing the business for New Zealand a lot."*

Luxon believes it is about asking *"How do we get our businesses more confident about operating in South East Asia, ultimately into India, the UK, and Europe, and actually commercializing and taking advantage of the free trade agreements that have been created over recent decades."*

He went on to say, *"I keep saying it, but India is a priority for us, I know it will be hard, but trade with India two-way has gone backwards over the past six years... we have to be able to unlock that opportunity as well."*

On Q&A on the 24th September, Jack Tame asked Nicola Willis (as Finance Spokesperson) about our export economy (Grant Robertson was also asked the same questions).

Nicola Willis said that it was the role of the government to;

"The government's role is to create the conditions in which people will make those decisions [decisions to grow their business, invest, hire new people, take a risk, etc.]."

First, do no harm – don't put too many barriers in the way in the form of red tape and regulation.

Second, if there are issues that are getting in their way, if it's taking too long to get freight from port to the factory then try and reduce those barriers, make sure that they can get the skilled workers, that they need, make sure that they're not in a high-inflation, high-interest

rate environment, help build access to foreign markets. The government's role is to create the conditions in which businesses and individuals want to invest and grow.

When asked what sectors they think will feature in the top five exports 10 years from now, **Nicola** said that "*she would like to see – export education, aquaculture, and software as a service (SaaS).*"

BusinessNZ Briefing to the Incoming Ministers (BIM)

BusinessNZ's *Briefing to Incoming Ministers* says New Zealand faces a challenge in rebuilding the economy after Covid, in developing better infrastructure and addressing climate change, and says businesses need to grow and become more productive so they can help meet the challenge.

Priority recommendations for the new Government's first 100 days:

- Replace the Natural and Built Environment Act and Spatial Planning Act with resource management law that promotes development and upholds property rights.
- Repeal the Fair Pay Agreements Act.
- Fix the Holidays Act
- Reinstate 90-day trials for new employees in any size of business.
- Return the Reserve Bank to a single focus on fighting inflation.

Recommendations for the next 3 years:

- Amend the Overseas Investment Act to make it easier for businesses to gain overseas investment.
- Reduce the rate of corporate tax and remove disincentives around personal rebates.
- Invest more in R&D and enable faster depreciation of plant and equipment.
- Alleviate the regulatory burden on businesses.
- Establish a stable and predictable Minimum Wage-setting process.
- Create an employment environment that incentivises working rather than benefit-seeking.
- Amend the legislation for new water services entities so that it is less divisive and makes provision for cost-sharing between local and central government.
- Improve education and training outcomes, including vocational training.
- Make immigration settings more open, simple and predictable.
- Make climate change regulations more long-term and stable, with fewer reviews.
- Promote exports and exporters.
- Develop a range of infrastructure funding mechanisms.
- Partner with regional business organisations to deliver support services.