

11 February 2019

Ministry of Foreign Affairs and Trade
Wellington
New Zealand
Via email: UKFTA@mfat.govt.nz

Dear Sir/Madam,

RE: Letter of Support – Preparations for a UK-NZ Free Trade Agreement

Introduction

This Letter of Support is made of behalf of the Wellington Chamber of Commerce (The Chamber) and Business Central.

Our organisation is a business membership association, representing 3,400 members and their interests throughout central New Zealand from Taranaki across to Gisborne and down to Nelson. We represent three brands, Wellington Chamber of Commerce, Business Central, and Export New Zealand Wellington. As this submission is made on behalf of two of our membership groups we expect that this submission should be weighted accordingly, rather than for each membership group to put in their own repetitious version.

- The Wellington Chamber of Commerce has been the voice of business in the Wellington region for 162 years since 1856 and advocates for policies that reflect the interest of Wellington's business community, in both the city and region, and the development of the Wellington economy as a whole, with over 3,500-member businesses. The Chamber has a strong focus on trade and "NZ Inc" issues. The Chamber acts as secretariat for the New Zealand Chambers of Commerce, a network of 29 chambers from across New Zealand.
- Business Central is one of the four regional organisations comprising New Zealand's peak business advocacy group, BusinessNZ and represents employers throughout the Central region. Business Central is a recognised leader in employment advice, consultancy and training – regarded as the authority in the fields of employee relations, occupational health and safety, and people management.

Our organisation writes in support of both the ExportNZ and the New Zealand International Business Forum (NZIBF) submissions on the Ministry of Foreign Affairs and Trade's

consultation on preparations for a UK-NZ Free Trade Agreement. We would like to add our voices behind their submissions, but also make the additional comments below on behalf of our members. We welcome and support the concept of a free trade agreement between the United Kingdom and New Zealand and believe such an agreement is an important part in advancing UK-NZ trade-relations to the next level. We appreciate the opportunity to comment and we look forward to continuing to engage on the matter in the near future.

Focus Issues

Like our partners at ExportNZ and NZIBF, our organisation believes there is a strong case of a modern, comprehensive, and forward-thinking bi-lateral UK-NZ free trade agreement. A free-trade agreement would preserve our current trade interests in the UK, improve parity with our in-market competitors, and generate new opportunities and benefits for those already in market and those interested in exporting or investing in the UK in the future.

Even without a free trade agreement, New Zealand's trade relationship with the UK is healthy. They are our sixth-largest export destination for goods and services, our eighth-largest source of imports, and an important source of business investment into New Zealand. This despite the fact that the UK has a number of tariff and non-tariff barriers impeding trade with New Zealand, are a part of the European Common Market, and are on the other-side of the world.

Regardless of the issues above, our exporters still see the UK as a valuable market. The historical and culture bonds between our two countries make it easier for New Zealand companies to understand the British market, build business partnerships, and overall easy to do business. Many of our exporting members comment that the UK is a preferred market and that with the CPTPP agreement signed, it should be a priority for the New Zealand government to now continue to improve trade relations with the UK.

Our organisation supports an ambitious and inclusive free -trade agreement that promotes the New Zealand Government's *Trade for All* agenda. From encouraging regional and Māori businesses to begin exporting, to empowering women in business, to supporting an environmentally sustainable export industry, we want to see all parts of New Zealand profit from a free trade agreement.

While we support the *Trade for All* agenda, we also believe that any negotiated free trade agreement between New Zealand and the UK should address the barriers NZ exporters have in terms of high tariffs and restrictive tariff-rate quotas. We would like to see a focus on these issues and to see a market access outcome involving the elimination of tariff rate quotas to key NZ export products specifically from the primary industry, as well as the New Zealand processed food sector. This would reduce costs for businesses, smoothen the export process, and provide a competitive market for the consumer.

Any UK-NZ FTA should also look to advance cooperation between NZ and UK companies. There is the opportunity for NZ and UK companies to join together to improve product value chains and allow networking through one another that has not been possible before. Given

that NZ and the UK are counter-seasonal, there are complimentary opportunities for our respective agricultural sectors. Other markets around the world would benefit from a year-round supply of high-grade NZ-UK primary products. A counter-seasonal partnership between NZ and UK companies would contribute to growing the sectors in both countries without being in competition.

Conclusion

The Wellington Chamber of Commerce and Business Central believe that there is strong reasoning for a free-trade agreement between New Zealand and the United Kingdom. While trade between our two countries has been healthy, there is an opportunity to do more in terms of goods exported, ideas shared, partnerships built, and lives improved. Overall, we would like to see a closer trade relationship pursued between New Zealand and the United Kingdom and encourage the Government to continue consulting with New Zealanders on the topic.

Thank you again for the opportunity to contribute to the consultation and we look forward to commenting further on the matter in the future.

Yours sincerely,



John Milford
Chief Executive
Wellington Chamber of Commerce & Business Central