

**Mr. Vangelis Vitalis**  
**Deputy Secretary, Trade and Economic Group**  
**Ministry of Foreign Affairs and Trade, New Zealand**

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**of the Committee on Trade and Investment**  
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Thank you very much. Distinguished guests and representatives. It is a real honour and a privilege to have this opportunity to address you on such an important topic. I've divided my presentation into four key elements. First of all, to sketch a little bit of the context as we see it, including the challenges we face this year in 2021.

But perhaps most importantly, we need to really focus on the issues that we can work together on as we look ahead both in our region and on trade policy more generally, and then some concluding observations.

My first contextual observation is that even before COVID-19 struck, the Golden Weather for international trade policy has effectively ended.

I say the Golden Weather because the Golden Weather started for us in 1994 with the establishment of the World Trade Organization, which brought for the first time into the international trading system agricultural trade, a crucial sector, not just for my country, but for many developing and least developed countries. And critically, it made the rules on agricultural trade legally enforceable.

In other words, even small countries like mine, where we felt that we were being cheated by a larger country, we could take them to court to a dispute settlement system in Geneva at the World Trade Organization and successfully win a case and then have that larger country bring its regime into compliance. And New Zealand has a proud record of taking such dispute, settlement cases against almost all of the major economies of the world.

So the first assumption that had governed the Golden Weather since 1994 was the enforceability of those rules. The second was that fundamentally markets would become more open overtime, and indeed that is exactly what has happened as we just heard from the earlier presentation. The inexorable trend over the last nearly 20 years has been more markets being opened up and more opportunities being there for those of us who depends so crucially on trade-led growth, and by that I include most of the developing and least developed economies in our own region.

So enforceable rules, markets becoming increasingly open, and the third assumption was that there has been a social license that supported trade policy and trade negotiations.

And that Golden Weather underpinned by those three very important assumptions, carried us through, at least, until very recently.

Unfortunately, over the last four years, that Golden Weather has effectively ended, we no longer have a functioning dispute settlement mechanism at the World Trade Organization and markets are not becoming more open. The reality is that we have seen the sharpest spike since 1994 in protectionist measures by a number of economies. And I'm sorry to say this has been driven by many developed economies, in particular, with very significant impacts for developing and least developed economies. The social license for trade policy too has become increasingly frayed in many countries COVID-19, has raised further skepticism about trade policy. The concerns are whether the food that we are eating, the clothes that we are wearing, the products that we are using, whether those are genuinely safe anymore from the challenges imposed on us by COVID.

So those are my broader contextual comments. I think the big theme for 2021, and my second set of remarks, is around uncertainty.

Clearly, we don't know enough yet about the health impact of COVID-19, nor do we know enough yet about the related economic shock – its depth and breadth. We know that it is going to be significant indeed. It already is. As you heard from the earlier presentation in terms of a range of economic indicators, there are some profound effects that we are now starting to see. And I, as an economist, always think of lag effects as well. So, there is an ongoing challenge there.

And as I said earlier, there's growing uncertainty about the role of trade in fighting the crisis. It is in that context that I now want to move to the mitigations. My third area of remarks.

My remarks, are essentially in two parts, 1st, I wanted to give you a sense of the trade recovery strategy of a small distant and agricultural dependent economy, namely New Zealand. We launched the New Zealand Trade Recovery Strategy in September last year in response to the COVID-19 crisis. And it is in three parts. We call them the three Rs.

The first are retooling support to exporters.

That is where we acknowledge that many exporters are no longer able to travel. They can't work with their clients. They are also facing new barriers out there. So we looked to reconfigure the way in which the New Zealand Ministry of Foreign Affairs and Trade, and other domestic agencies with an interest in international economic development, were working.

In particular, we look to support and to lean in to support our exporters internationally, helping them by making our embassies more available. Those embassies help them meet customers, for example. To help them breakdown barriers, we are delivering more market intelligence and to make that available. And I should say this is of course available even to non-New Zealand firms because it is on the Internet, on [<https://www.mfat.govt.nz/en/trade/mfat-market-reports/>].

If you click on that link you will see over 100 reports produced by New Zealand embassies about market conditions, in economies around the world. That was the first.

The second area of focus is refreshing the international trade architecture. It is a fundamental belief of New Zealand that trade and openness is the way to deal with this pandemic. So, in a time of a global crisis, there should be more global cooperation, including in trade, not protectionist measures that beggar and indeed “sicken thy neighbour”. In particular, we have a focus on the World Trade Organization, trying to support and sustain that important institution. We also help by supporting the free trade agreements that

are emerging in our region. We are a proud member of the CPTPP. We are also a member of RCEP. As has just been said by the Executive Secretary, the Regional Comprehensive Economic Partnership Agreement was signed at the end of last year. Digitally, by the way.

These agreements are fundamentally important stepping stones and building blocks for the regional architecture across the Asia Pacific.

In addition to that, New Zealand has a strategy of what we're calling concerted open plurilateralism.

This is the idea that we move ahead with small groups of economies that we want to work together with that share our ambition and our objectives. When we have concluded that negotiation, we make that agreement open to all other WTO members who are able to meet the standards that we have set. So, to give you two practical examples of recent negotiations: the first is the Digital Economic Partnership Agreement (DEPA) recently signed and now entered into force between Singapore, Chile, and New Zealand. The agreement is about digital trade, about facilitating digital trade and we warmly welcomed the interest of Canada in joining that agreement. This was announced at the end of last year.

Another important agreement that we want to negotiate first, but then open up to other WTO members, is the Agreement on Climate Change, Trade and Sustainability. It's called ACCTS for short. This is an agreement that will eliminate barriers on environmental goods and services, but also will address fossil fuel subsidies - in other words, using trade agreements, hard trade rules and their enforceability to drive subsidy reform of the kind that really affects many of the economies in this region. It's being negotiated with Costa Rica, Fiji, New Zealand, Iceland and Norway as well as Switzerland, and we hope to have this agreement concluded in time for the COP, hosted by the UK. We welcome the interests of other WTO members who may want to join that agreement. These are our attempts to build, support and sustain the international trade architecture, but also to facilitate cooperation amongst us.

The final element of our trade recovery strategy is about relationships. The third R. The relationships are all about our ministers and senior officials getting onto zoom - zoom diplomacy. They are calling and re-engaging with their counterparts. So even though they may not be able to travel, they are engaged.

The final area that I wanted to touch on very briefly is of course APEC. New Zealand has the privilege and the responsibility to be hosting APEC this year. It will all be hosted virtually so in this kind of format.

But in particular, we have the very weighty responsibility to convert the very good work done by Malaysia and the other 19 APEC economies to create the Putrajaya Vision into the APEC action plan for 2040. This will be the agenda that we set for the next 20 years. This will be the primary objective of New Zealand's APEC hosting in 2021. We have other initiatives that we are seeking to advance. We would like, for example, to agree a list, an updated list, of environmental goods and services as a contribution to sustainability; we're exploring what areas we might collectively work in the 21 economies on in terms of digital trade and of course we want to work together in the various economic and financial elements that APEC traditionally addresses – as well as to work together to tackle COVID-19.

In that regard we would like to be able to identify a list of essential COVID-19 goods, gowns, masks and so on and to agree amongst APEC economies that we should be facilitating, not restricting the trade in these critical items.

By way of conclusion, let me just say clearly these are uncertain times. These are challenging times for health reasons and for economic reasons. I'm very sorry to say this, we see rising protectionism that we see internationally, including most recently, of course, the imposition of export restrictions on vaccines by a major group of developed economies. That is a striking development. The other observation that I would make is that I think we can all acknowledge and as the Executive Secretary has pointed out, how important trade is to international cooperation and collaboration, but also as a driver of our economic recovery. So I think we need to work across all of the elements that trade policy provides to help build our shared resilience but also to drive forward collectively to the greater cooperation that we need to have and the way in which trade can contribute to that greater understanding amongst all of us.

For us, of course it will be about APEC. It will be about the World Trade Organization, but it will also be about important organisation such as this one which it has been my honor and privilege to speak to today. My thanks.