

Speech: Liam Fox celebrates UK – New Zealand trading relationship

Tena koutou, Tena koutou, Tena koutou katoa

[Maori Meaning: Greetings, greetings, greetings to you all]

There you have it, Maori with a Scottish accent.

It is a pleasure to be back again in New Zealand, and to visit your country for the first time in my new capacity as Secretary of State for International Trade.

I was last here in 2011, when I came as Secretary of State for Defence. At that time, I was here to strengthen the defence and security links between our nations. Today, I am here to strengthen the economic and trade ties between us and boost our partnership and to commit to an open, rules based system for international trade.

I am delighted to be the first UK cabinet minister, and as I understand it, the first senior minister from any Commonwealth country, to visit New Zealand since your election.

I would like to congratulate Prime Minister Arden and Deputy Prime Minister Winston Peters – not least for being here – on coming together to form a coalition government and David Parker on his appointment as Minister for Trade and Export Growth, among his other many roles – in some countries he would be a one man cabinet.

Before I get too far into the speech, I would also like to thank Phil Wood of the British New Zealand Business Association for hosting this event today.

The BNZBA are celebrating their centenary this year, and for all that time they have worked tirelessly to develop and promote bilateral trade, investment and goodwill between New Zealand and Britain.

It is a pleasure to be hosted by an organisation that is committed to the UK-New Zealand relationship as my own Department is – and been around a bit longer.

As I'm sure all of you will be aware, I have arrived in New Zealand at an exciting moment in the UK's economic and political history.

When my Department for International Trade was created by the Prime Minister last year, it was the first time in more than 4 decades that the world's fifth-largest economy had had a dedicated trade department, with a seat at the cabinet table.

Last year's referendum result has brought the UK's trading future into sharp focus. Soon, we will be able to shape our own, independent trade policy, and determine our own economic destiny.

My department has faced a steep learning curve. I would like to pay tribute to New Zealand's own Ministry of Foreign Affairs and Trade for their invaluable support and assistance to my department.

Not only did they share best practice and strategy, but they brought decades of experience to help DIT achieve immediate success.

It was an act of friendship that will not be forgotten.

Britain's trading future will, of course, rest partially upon the future relationship that we negotiate with the European Union.

The Prime Minister has been clear on what that relationship should entail. We are seeking an ambitious and comprehensive free trade agreement with the EU, but we must also be free to negotiate our own agreements with friends and partners across the world.

Throughout the EU process, our watchwords will be transparency, stability and continuity.

We want businesses operating in the UK to face minimal disruption, and to ensure that their trade in Europe and elsewhere goes unhindered.

This may involve a transition period while our new relationship is implemented. Our future relationship will be based upon shared values, cooperation, and mutual prosperity.

That is why I am confident that an agreement will be reached. It is essential that we ensure agreement on economic principals rather than political for the benefit of all our citizens.

The question then arises – what kind of trading nation does Britain want to be? If this power of economic self-determination is being repatriated, how do we intend to use them?

Some of you will read what the nay sayers continue to write. Despite what some commentators would have you believe, the UK will continue to be a successful and prosperous economic power after we leave the European Union.

Since the referendum FDI is at a record high and unemployment is down.

This should not surprise anyone, after all, our intrinsic strengths, from the English language, to our legal system to our universities and advanced research capabilities, will continue to make us one of the most competitive places on earth to do business.

Quite simply, Britain's ambition is to be the global champion of free trade, using our economic and diplomatic influence to remove barriers to trade and liberalise international commerce.

A large part of this will involve leading by example – ensuring that our own bilateral and multilateral trade is as frictionless as possible.

This will begin with the replication, as far as possible, of our current trading schedules as we take our independent seat on the WTO – in Geneva, maintaining current tariff levels with a view to seeking further liberalisation in future.

On the day we leave the EU, we will also continue trading on our current terms with the nations with which we already have trade agreements under the EU, rolling over those favourable agreements intact.

After all, the UK has no desire to erect barriers to trade and investment where none currently exist – quite the reverse!

We have already organised trade working groups with countries around the world, including New Zealand, to remove non-tariff barriers and liberalise trade in the short-term.

Some of these will develop over time into full FTA negotiations, though it is worth pointing out that FTAs are not the only tools we have available to promote more open and more liberal trade.

And, as I have publically said many times, my 3 top priorities for future free trade agreements are New Zealand, Australia, and the United States.

New Zealand, of course, is a natural trading partner for the United Kingdom.

A shared history has developed over time into unshakable friendship.

Its foundation, of course, is the personal links that exist between our 2 countries. There are, for example, over 250,000 British passport holders currently living here – some 5% of the population.

There are, in turn, around 50% more Kiwis working in the UK than there were 20 years ago.

This closeness is reflected in the success of our economic relationship. In 2015 to 2016, UK exports to New Zealand increased by more than 27%. This makes New Zealand our fastest-growing export market. The BNZNA must feel very vindicated!

Our export success has been driven largely by an increase in sales of vehicles, both personal cars and public transport.

British bus manufacturer Alexander Dennis has, for example, secured more than £50 million worth of orders this year from across New Zealand.

And UK defence companies are natural partners in helping NZ meet its modern defence needs with offshore patrol, future frigate and air transport capabilities.

Britain is, in turn, New Zealand's largest export market in the European Union. New Zealand exports more to the UK than to Germany, France and Italy combined.

Our investment relationship is also a remarkable success story. Britain is the second-largest overseas investor in New Zealand, holding some 20% of total FDI. According to the New Zealand government, the UK's investments in this country amounts to around \$76 billion NZD.

Of course, all of us here today know that we cannot rest on our laurels. There remains a vast amount of untapped potential between our economies and for us to do in partnership to achieve globally.

Already, UK companies are contributing their experience and expertise to major development projects across New Zealand, from Auckland's city rail link, to redevelopment of the city's airport and ambitious urban regeneration projects.

British companies will help to build New Zealand's future.

And, in turn, New Zealand will have a major role in the future of the UK.

For you have charted a path that we seek to follow. Britain's accession to the EEC was an economic shock to this country, as barriers to trade were erected around your primary export market.

When Britain joined the European Community, New Zealand reacted not by turning inwards, but by transforming yourself into one of the world's great free-trading nations.

The remarkable economic success of the last 3 decades owes much to the ambition and vision of your communities, your businesses and your governments. Britain could learn much from this approach.

Let me tell you, the All Blacks might be rightly feared and respected on the rugby pitch, but their dominance pales in comparison to the respect afforded to your trade negotiators in the corridors of the WTO in Geneva.

In fact, they are so good that I even hired one myself, when Crawford Falconer joined DIT as Chief Trade Negotiation Adviser a few months ago.

The UK hopes to replicate at least some of your success. Not only is your FTA with Australia rightly hailed as the global gold-standard, but New Zealand is the only country to successfully conclude FTAs with China, Hong Kong and Taiwan.

Once, the United Kingdom too was synonymous with free trade. Now, we must regain that confidence and seize the opportunity to reshape global trade in the future.

As we begin this process, New Zealand has already proved itself a firm and steadfast friend.

Few countries on earth enjoy such a close relationship, not only historically, but in our values, our people, and our defence and security. It is as sound a base as there can be for a confident future partnership.

There may be challenges ahead – there always have been – but if we remain dedicated to our free trading principles, then I believe that we can build a brighter, more prosperous future, for Britain, New Zealand, and the world.

Politics is binary, you are either shape by the world around you, or you shape the world around you. I choose that together we do the shaping.

Thank you.