



Industry Reports 2020

February



New boost for German-New Zealand relationship

New Zealand's "Lift Strategy" to strengthen bonds with Germany

The 31st of January 2020 at exactly 11 pm GMT will be remembered as an historic day in the history of the United Kingdom and the European Union: Brexit has really happened. However, it is now time to look forward and perhaps New Zealand's Minister of Foreign Affairs and Trade, Winston Peters, had a feeling for what was going to happen when he and his Ministry released their strategic intentions plan for the country in 2018. It's a strategic framework, a four-year-plan (2018-2022) developed by the Ministry of Foreign Affairs and Trade (MFAT), which includes the aim to 'lift' NZ's relationships with five selected countries. Within the strategy paper, it is very significant that Germany was selected as the only European country overall. All other countries sit within Asia: Japan, Indonesia, Singapore, and India.

Why is this strategy important for NZ?

The foreword of the strategic paper reads that New Zealand aims to be more present internationally to achieve its objectives: "The Government has recognised the need to invest in the Ministry (of Foreign Affairs and Trade) to strengthen our influence and show that New Zealand is a country that engages with the world, contributes to solving global challenges, protects its interests, and

promotes its values." For this very reason, New Zealand's Government has agreed on additional funding of NZ\$ 714 million over a period of four years to boost these goals. Firstly, most of the funding will be directed towards the Pacific to help reduce Pacific Island countries' vulnerability to the impacts of climate change and to assist these countries progress towards the United Nations Sustainable Development Goals.

Secondly, within this strategy lies the goal to grow a more sustainable and productive economy for New Zealand. This includes ongoing negotiations of free trade agreements to secure the country's access to offshore markets. Thirdly, a very important part of NZ's strategic goals is to build and leverage targeted international relationships.

In order to build these relationships, NZ Government agencies such as NZTE, MBIE, MPI, Education NZ, Tourism NZ and Investment NZ were consulted as part of the creation of the strategy. This strategy is also meant to contribute to the objectives of other stakeholders such as the German Federal Ministry of Foreign Affairs, the German-New Zealand Chamber of Commerce (GNZCC) and the business community.

Germany could become NZ's strongest European partner

Given shifting geopolitical dynamics, New Zealand's Ministry of Foreign Affairs and Trade has decided to "build new and enduring mechanisms to lift (their) engagement with Germany", to strengthen its links with a like-minded partner to manage risks and catalyse opportunities for cooperation. The associated Germany Strategy provides a four-year plan to support this goal, which aims to see Germany become a reliable and influential partner for New Zealand in a post-Brexit EU.

The current bilateral relationship between Germany and New Zealand is based on common values, good access, and communication, and it is full of potential. Germany can be best described as the economic powerhouse of the EU as it makes up 29 percent of the Eurozone's GDP. As one of the founding members of the European Union, its market is defined by a highly skilled workforce, stable infrastructure, and diverse industries. As the largest economy in the European Union, Germany is an influential, valuable and reliable trading partner for export and import businesses in New Zealand. With total trade in goods and services worth NZ 3.8 billion dollars. As a leading location for trade fairs, Germany plays an important role for many New Zealand businesses that want to source new product innovation as well as businesses that want a platform to promote their company and products on a world stage.

How to create this stronger bond?

With Great Britain's exit from the European Union comes a lot of change. Although New Zealand wants to continue to work on progressing intra-Commonwealth trade, a

close relationship with the European Union has become more and more important. As Europe's largest and strongest economy and its unique position within the EU, Germany could be the key for New Zealand's negotiations for a free trade agreement (FTA) with the European Union, one of the world's largest trading entities. To strengthen the relationship between NZ and Germany the strategic plan of the Ministry of Foreign Affairs and Trade has identified seven pillars of its lift strategy:

1. International Architecture
2. NZ-EU FTA Free Trade Agreement
3. Economic and Trade Returns
4. Cultivating Science, Space and Innovation Links
5. Pacific Engagement
6. Highlighting NZ's knowledge of Asia
7. Transforming German Perceptions of NZ

The commitment of German businesses investing in New Zealand's economy is long term with a strong presence of 130 subsidiaries based in Aotearoa. The German-New Zealand Chamber of Commerce (GNZCC) plays a huge role in bilateral trade partnerships by promoting German-New Zealand business relations. Germany has also long been one of New Zealand's most important partners in the area of science and innovation. A good example for new scientific cooperation is the Letter of Intent that was signed by NZ's Ministry of Business, Innovation and Employment (MBIE) and the German Aerospace Centre (DLR) at the 69th International Astronautical Congress in Bremen, Germany in 2018. It includes a commitment to work closely together on research including space systems, satellite technology, rocketry, and ground-based infrastructure.

Several key initiatives have already been implemented to gain as much success as possible over the four-year-period of New Zealand's strategy:

- More high-level engagement between Ministers and Deputy Secretaries from both Foreign Ministries
- Increase of senior-level discussions on a range of foreign policy, security, trade, science, space, and environmental issues
- An NZ delegation of Track II academics visit to Berlin to engage with their German counterparts during Asia-Pacific Week in Germany's capital
- Young Business Leaders Exchange programme has been established to enable five Kiwi and five German tech entrepreneurs to visit capitals in 2020 and build networks
- New Zealand Story (NZ Story) prioritised Germany for market research on public perceptions. NZ Story is a country reputation programme that enables businesses, influencers, and stakeholders to leverage the value of being from New Zealand.
- Parliamentary constituency and connections have been deepened
- Resources were provided for an extra staff member at the New Zealand Embassy in Berlin

The Ministry of Foreign Affairs and Trade want to deliver key results with their "Lift Strategy Plan" which in the case of Germany is defined as a "deliberate programme of investing discretionary effort" that is supposed to grow New Zealand's relationships with Germany to provide tangible benefits for NZ by 2022. MFAT evaluates the benefits and the success of their strategic plan by measuring the growth of investment and of bilateral relationships within the defined seven pillars of the "Lift Strategy".

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