

section 1.2 |



appendix 1

Context and process

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1.2 New Zealand: foreign policy and trade policy

New Zealand's small size, geographic remoteness and an economic prosperity reliant on international trade are factors in its policies on foreign affairs and trade. There is a high level of government commitment to ensuring that policies are effective and do not impede New Zealand's international aspirations and endeavours.

Foreign policy

As a small trading nation, overseas links are important to New Zealand's prosperity and security. Historically New Zealand has made great effort to interact with other countries to neutralise the effects of geographical isolation, a small population and modest material resources. The country was prominent in the formation of the United Nations and has maintained and developed economic, political and security interests throughout the world. While New Zealand has a close geographical relationship with countries of the Pacific Rim, the other continents are of importance as trading partners and in terms of historical linkages.

New Zealand's foreign policy centres around three main national interests:

- to protect New Zealand's territorial integrity and security
- to derive maximum benefit from relations with other countries
- to promote the core values shared by most New Zealanders.

In its relationships with other countries, New Zealand has chosen to emphasise particular values. These include: human rights; disarmament in the form of reducing the threat posed by weapons, particularly nuclear weapons and weapons of mass destruction; the prevention of degradation of the environment; sustainable development; and the unique and valuable cultural values of New Zealand, including the Maori aspects of its heritage.

Development assistance

New Zealand's Official Development Assistance (NZODA) programme provides assistance to developing countries to help them better meet their peoples'

economic and social needs. NZODA is an important part of New Zealand's external relations. It helps to advance international economic prosperity, to maintain peace, security and stability, and to protect the global environment. The programme is an important means of demonstrating New Zealand's willingness to assist with the development needs of other countries and to contribute to discussion on global development issues. It forms part of New Zealand's role as a responsible international citizen. For reason of mutual benefit, New Zealand aims to promote economic growth in developing countries to increase standards of living and levels of trade and investment. All countries benefit from efforts to protect the environment and manage resources sustainably.

NZODA concentrates its country and regional support on the Pacific Island states and the developing countries of East and Southeast Asia. Beyond this, assistance is provided primarily through educational scholarships, private-sector linkages, non-governmental organisations, and through contributions to the development and relief efforts of the United Nations, Commonwealth and other multilateral organisations.

Trade policy

Trade is vital to the New Zealand economy. The country's farm producers, manufacturers and service providers need access to the spending power of large consumer markets overseas if they are to grow, prosper and provide jobs for more New Zealanders. At the same time, New Zealand relies on overseas suppliers for raw materials for its industries and for many of the goods and services that enhance the quality of life for New Zealanders.

For these reasons, New Zealand is at the forefront of negotiations to break down barriers to trade with individual countries, within geographical regions and around the world.

New Zealand is an active member of the World Trade Organization, which established a rules-based international trading system. New Zealand has also subscribed to the Asia Pacific Economic Cooperation "Bogor" goal of free and open trade and investment in the Asia Pacific region for developed countries by 2010, and developing countries by 2020. New Zealand has a long-standing established Closer Economic Relations trade agreement with Australia and recently concluded a Closer Economic Partnership agreement with Singapore.