

29 May 2009

Jo Dow
New Zealand – India Free Trade Agreement Submissions
Free Trade Unit
Ministry of Foreign Affairs and Trade
Private Bag 18-901
WELLINGTON

Dear Jo

India and New Zealand Free Trade Agreement

Business New Zealand welcomes this opportunity to provide its views on the potential for a New Zealand and India free trade agreement (FTA).

Business New Zealand has long supported free trade and open markets. We support a comprehensive New Zealand and India free trade agreement (i.e. goods, services and investment). We also continue to be a strong advocate for international attempts to conclude the World Trade Organisation, Doha Development Round negotiations and support the New Zealand Government's attempts to keep alive the prospect of a successful conclusion to the Doha trade talks.

Business New Zealand continues to be concerned that the recent global financial market instability and slowing economic activity has seen a retreat from open market policies and trade liberalisation. We welcome New Zealand government leadership to urge our trade-partners to not retreat from open market policies. This must continue to be a high priority for the government as trade has and continues to provide considerable benefits to New Zealand and its trading partners.

India and New Zealand have had a long standing and positive bilateral relationship and there is considerable potential to strengthen this further. A FTA between New Zealand and India will strengthen our already strong economic relationship. It will also improve the multifaceted bilateral linkages between our countries – the government-to-government, education, and trade relationships – that have been growing steadily over recent years.

As noted in the report, *India-New Zealand Joint Study for a Free Trade Agreement/Comprehensive Economic Cooperation Agreement*, a free trade agreement would deliver a broad range of benefits to both countries.

Over the past twenty years the Indian economy has become a force in its own right with significant long term potential for New Zealand enterprises. A comprehensive FTA or Comprehensive Economic Cooperation Agreement with India would generate increased export opportunities for New Zealand enterprises in the Indian market.

Business New Zealand endorses the decision that New Zealand enter into negotiations with India on a comprehensive high quality FTA that is World Trade Organisation consistent.

The complexities of negotiating such an agreement and achieving a satisfactory outcome are likely to present many challenges. It will be important that these challenges do not lead to a lessening of ambition during the negotiations.

On the information available, Business New Zealand supports the strategic intent to negotiate a comprehensive trade agreement. We will provide additional comments as the balance of economic benefits from the negotiations becomes clearer. Business New Zealand encourages the New Zealand government to work with business in drafting the agreement.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. O'Reilly', with a long horizontal stroke extending to the right.

Phil O'Reilly
Chief Executive