Financing for Development First Drafting Session
New Zealand Intervention: Trade
29 January 2015

Co-Facilitators,

New Zealand agrees strongly that trade is a driver of growth and a key source of development finance, particularly in the agriculture sector.

A critical challenge is therefore increasing the participation of SIDS, LDCs, and LLDCs in global trade.

Concluding the WTO Doha negotiations would be a significant contribution in this respect.

Trade and labour policies, as well as environmental policies, can and should be mutually supportive. Specific environment and labour outcomes, therefore, feature in all of our recent trade and investment agreements. Perhaps a challenge is that such agreements need to better adopt best practice to align with sustainable development.

Subsidy reform – which can be done within or outside trade agreements – is another case in point. The elimination of subsidies such as export subsidies, harmful fisheries subsidies and fossil fuel subsidies are essential to remove distortions on trade and their harmful impacts. Subsidy reform will also free up scarce resources for investment in sustainable development.

It is very important to address the challenges faced by SIDS, LDCs, LLDCs and other countries in special situations. Connecting to, engaging with, and moving up global value chains is crucial to sustainable and inclusive economic growth and poverty reduction. Trade costs, including supply-side constraints, distance to market, the higher cost of economic infrastructure and tax base erosion are big challenges however.

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