

COMMENT

Good morning America ... and welcome back

Michael Barnett

Once the theatre of US President Donald Trump's election defeat is quelled and the Biden team moves in to set a more responsible Covid response and re-engage with the rest of the world, New Zealand needs to be ready to respond.

Joe Biden has signalled clearly that his presidency will not pursue an isolationist or overly protectionist policy but will re-join the international community as a responsible, contributing global citizen open to supporting multilateral trade, economic, health and climate issues.

This sea change is supported by the New Zealand network of chambers and our US counterparts as we share the same goals to find mutually beneficial ways to live, work, trade and engage with each other.

An important first step will be for the US to re-join the World Health Organisation - after Trump initiated moves to withdraw from this critical organisation co-ordinating a global response to the pandemic - and importantly, the Paris agreement. This will provide an early opportunity for the new administration to indicate its intent on key climate change issues including greenhouse gas emission levels which the US, responsible for 15 per cent of global emissions,

needs to bring down if it is to be a responsible player.

Another critical issue likely to be addressed early on by the new administration will be steel and aluminium tariffs which have been the cause of bitter frustration for allies including Britain, Germany,

Japan and Korea.

The signs are positive from within the Biden camp that there will be an end to artificial trade wars on allies, which we know the US Chamber will applaud.

But the tipping point will be a thaw in US-China trade relations which were left in tatters by Trump after decades of building relationships. All indications are that we can expect by March that China will be the centre of trade attention, with calls for better access for American-made goods to China, removal of reciprocal tariffs by both countries and initiation of a series of visits by high-level trade delegations. This is all good news.

So, what does this mean for New Zealand?

As a trading nation with a food bag of products sought by the world, we need to use our current reputation and

Covid-free status to win access to markets. We want to confirm free trade agreements with the US, UK and EU for starters, and complete the upgrade of our FTA with China as well as be part of more multilateral trade pacts.

We've got more work to do

urgently to get the best deal we can from Brexit, particularly over meat quotas, but also be very aware that there will be fast work on a UK-US bilateral trade agreement.

The EU will be exerting pressure too, seeing a once-in-a-generation opportunity to design a new transatlantic agenda and lead global co-operation.

For us, APEC and the meeting of heads of state from across the Asia Pacific region in November is a huge opportunity to reset the agenda in our part of the world.

Remember it was Trump in his

first week of office who stamped out US membership of the TransPacific Partnership to turn the US inwards.

Now known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) it has 11 members and the door is still open for the US when or if it wants to re-engage.

The recent conclusion of negotiations of the Regional Comprehensive Economic Partnership (RCEP) between 15 Asia-Pacific nations sets the scene for a new era in trade co-operation and opportunity. RCEP, liberalising trade among China, Japan, Korea, Australia, New Zealand and 10 Southeast Asian nations, is a clear sign the region is not standing still but is pursuing growth on every front to defy and shake off the ravages of the pandemic and closed borders.

Biden's team has a lot on its plate, and while the emphasis is not going to be on negotiating new, formal trade pacts as a priority, you can bet that officials are already looking for a pathway to create or rather re-establish opportunities for American exporters to gain a place in the fastest growing economic region in the world.

While the balance of power has not shifted - quite - the engine for long-term, sustainable growth has. The sunrise economies led by the Asian tigers are roaring ahead across every sector, overtaking traditional technology, energy and manufacturing sectors once dominated by American exporters.

The United States Chamber will be a powerful advocate and champion to support their country's re-engagement in APEC and Indo-Pacific co-operation - and for our part, we see a brand new day and will welcome them back.

Michael Barnett is the chief executive of the Auckland Business Chamber.