

Partnership Forum takes NZ US relations to a new level

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If New Zealanders are unaware of the extent to which the relationship between the United States and New Zealand has grown in the last 18 months the arrival in Auckland next week of 50 influential Americans should leave them in no doubt.

Through careful diplomacy, and with bipartisan political support and the active involvement of business leaders, the relationship is being taken to a new level.

The most significant indicator of this sea-change came in March this year when Prime Minister Helen Clark met with President George Bush. There were a range of other high-level bi-lateral meetings leading up to the Prime Minister's visit.

The relationship is set to take another step forward with the most senior American delegation ever to have visited New Zealand arriving in Auckland on 9 September for the second US NZ Partnership Forum.

The US delegation will be headed by Christopher Hill, United States Assistant Secretary of State for East Asian and Pacific Affairs. It was Hill who took the lead in Washington for the relationship building strategy and managed to convince Secretary Rice and the President to move around the "rocks in the road" in the relationship.

The Forum delegation will also include senior officials, business and community leaders prepared for a frank and open conversation about how to contribute to continuing growth in the Asia Pacific region, to use innovation to drive the development of new business and to respond to the challenges of sustainability and renewable energy.

Organised by the NZ US Council, and its Washington-based counterpart, the event will build on the success of the inaugural Partnership Forum held in Washington DC in April last year. It was at this Forum that Mr Hill first publicly mooted the idea of a renewed partnership between the United States and New Zealand.

Some will claim that enhanced co-operation with the US detracts from New Zealand's independent foreign policy. Quite the contrary is the case. The Forum seeks to align the two countries where our values and interests coincide. Iraq and broader security issues are not on the Forum agenda. Others will claim that the lack a free trade agreement with the US means progress is not being made. They would be mistaken. In the light of a disagreement between the Administration and Congress about the scope of future negotiations, New Zealand needs to position itself to be in the queue once the American negotiating agenda becomes clear.

In the meantime, there is untapped economic potential in the relationship for New Zealand. This potential can only be realised by understanding the American operating environment, opening communication channels and building relationships with influential American political and business leaders.

The benefits to New Zealand of the strongest possible relationship are obvious – the US is a market of 300 million consumers with twice the average income of Kiwis. The

US is our second largest export destination but we only rank as the United States' 48th largest trading partner.

Finding ways to engage Americans with the New Zealand story is paramount. The theme of the 2007 Forum is "Partnership and Innovation" and this is where New Zealand business can provide a point of difference that will help to balance the economic relationship. The success of the "Lord of the Rings" trilogy is a highly visible illustration of what can be achieved when American commercial power partners with New Zealand innovation.

But the film industry is only one example and at the Forum we will be highlighting to the American delegation other areas where New Zealand innovation can add real value in the US market. Examples include Fonterra's collaborative relationship with Dairy Farmers of America which makes Fonterra a significant exporter of American dairy products and Wendy Pye's new involvement with Time Warner to develop content for an on-line learning programme accessed by 7 million customers in the United States.

The Forum is designed to capture the ideas, vision and energy of a range of players in the relationship. We shall know that the 2007 Forum has been a success if it is attended by high level Americans and New Zealanders; if it provides an occasion for robust discussion and sharing of views and open exploration of differences; if the Forum provides a platform for both governments to continue and deepen the process of relationship-building; and if there is a willingness to continue the dialogue in the future.

The challenge for New Zealand business is to continue to show leadership in innovation and to develop deeper relationships so that our American partners can recognise how our innovation and creative thinking can add value and make a real difference. It is this added value, and the US constituency and support it generates, that will grow both the relationship and the New Zealand economy, strengthen our case for an FTA, and serve the broader interests of both countries.

Stephen Jacobi is Executive director of the NZ US Council. The 2007 Partnership Forum takes place in Auckland on 10 and 11 September.