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INTERNATIONAL BUSINESS FORUM WELCOMES KOREA FTA NEGOTIATION

The New Zealand International Business Forum (NZIBF) welcomed today's announcement that Korea and New Zealand will negotiate a comprehensive free trade agreement (FTA).

"Korea is already a major trade partner for New Zealand and an FTA will take the trade and economic relationship to a new level", said NZIBF Executive Director Stephen Jacobi.

The FTA announcement was made in the context of the visit to Auckland by Korean President Lee Myung-Bak. Two rounds of exploratory FTA discussions have already been held with Korea and a joint study, completed last November, found that would produce accumulated gains to real GDP over the 2007-2030 period of US\$5.9 billion and US\$4.5 billion for Korea and New Zealand respectively.

"An FTA with Korea will remove existing trade barriers, expand trade and investment, place New Zealand on a level playing field with competitors in the Korean market and complement other completed or prospective agreements with China, ASEAN, India and the Trans Pacific Partnership (TPP).

"In addition to improved market access New Zealand would stand to benefit from increased investment and innovation from Korea".

At a meeting of the Korea NZ Business Council in Auckland today NZIBF Chairman Graeme Harrison said that the NZIBF intended to convene a high-level Korea NZ Economic Roundtable to take place in Seoul later this year.

"The Roundtable will focus on the big picture of the relationship. It will explore further the value proposition of an expanded relationship for both of us, not just in terms of bilateral business, but in terms of what we can achieve together in the Asia Pacific region and beyond".

Mr Harrison said that an FTA with Korea would tell the world that Korea and New Zealand are prepared to open their economies at a time when many are tempted to close theirs and that expanding trade and investment is the solution to the economic crisis.

For further information

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Note to editors

A copy of Mr Harrison's address and the NZIBF submission to MFAT on the proposed Korea/NZ FTA can be found at the NZIBF website – www.nzibf.co.nz

About the NZ International Business Forum

The Forum is a business organisation which aims to generate wealth for New Zealanders by helping ensure that New Zealand enterprises are fully integrated and engaged in the global economy and New Zealand's global competitive position is maximised. The Forum provides leadership, works with companies and other business organisations to implement key projects and articulates New Zealand's international business priorities to both the New Zealand Government and stakeholders. Forum participants represent companies and sectors with a turnover of over \$20 billion