

Sunday Star Times, February 2011

*The fourth United States New Zealand Partnership Forum opens in Christchurch tomorrow. It's billed as a landmark event in New Zealand's relationship with the United States. Executive director of the NZ US Council **Stephen Jacobi** answers the question – "Why should ordinary New Zealanders care?" His counterpart US NZ Council President **John Mullen** tells us why the United should bother with a country as small as New Zealand.*

(The New Zealand perspective)

FRIENDS WITH BENEFITS – WHY SHOULD WE WANT TO BUILD THE RELATIONSHIP WITH THE UNITED STATES

By Stephen Jacobi¹

"Partnerships between countries do not build themselves". Those words of US Secretary of State Hillary Clinton during her visit to New Zealand last November were followed by the signing of the Wellington Declaration, a high level expression of how the two countries - once allies, then "very very, very good friends" and now strategic partners - intend to work together to respond to global challenges..

Some might be tempted to believe that New Zealand's diplomatic dance with the United States has very little significance for New Zealanders outside those directly involved in the business of those of politics or trade. They would be very wrong.

Put simply, New Zealanders should care about the relationship because it is in our own interest to do so. The relationship is as important now as it ever has been.

Certainly New Zealand needs a range of carefully balanced and productive international partners, but with the United States we share fundamental values and principles like democracy, human rights and the market economy. When we seek even closer co-operation with the United States in political, security or economic terms we are not dancing to an American tune, but working to achieve what New Zealanders want to achieve in the international sphere.

Over the last five years there has been a conscious and sustained effort on the part of successive governments, business leaders and prominent individuals to overcoming past differences and expanding the relationship across the board. That work has already restored the relationship, again in the words of Hillary Clinton to the point where it's the "strongest and most productive in 25 years".

That can only be in New Zealand's interest. The fact is that in today's radically complex international environment, what happens outside our shores determines prosperity and security at home.

¹ Stephen Jacobi is the Executive Director of the NZ US Council (www.nzuscouncil.com)

New Zealand has spent the last few years languishing in the economic doldrums. Our standard of living is in decline and we are struggling to afford the schools, roads, hospitals and other pieces of vital infrastructure and the first world economy that New Zealanders aspire to.

A key part of our recovery and long-term prosperity has to be export-led growth. More trade with the United States won't fix this alone, but growing the economic relationship will mean securing or creating more jobs in towns like Hawera (through dairy) or Te Puke (kiwifruit) or Christchurch (hi-tech) and so on.

Tremendous progress towards the goal of a free trade agreement is at last being made. It is hoped negotiations to bring the United States into the already established Trans Pacific Partnership (TPP) will be substantially completed by the time President Obama hosts APEC in Honolulu in November.

A freer economic relationship through the TPP will expand trade and lower the cost of doing business by eliminating or reducing tariffs for dairy products, beef and a range of other export goods. It will also make it more difficult for protectionist measures to be applied to New Zealand products as has happened in the past with kiwifruit, lamb and steel.

Importantly, it will put us on the same footing as key competitors Australia and Chile which already have free trade agreements with the US; it will open up access to US Federal government procurement, provide greater security for investment in both directions and focus new commercial attention on New Zealand.

The inclusion of the United States in the TPP should also give further impetus towards the Free Trade Area of the Asia-Pacific, further boosting New Zealand's economic prospects in the region that already takes over 70% of our exports.

Business is just one aspect of this multi-faceted relationship. We have collaborated closely for many years in Antarctica and on Southern Ocean issues. We are working to promote stability and security in the Pacific. We are partners on nuclear non-proliferation through the Proliferation Security Initiative. The relationship is underpinned by strong and growing connections in education, research and innovation, fostered by the superb work of Fulbright NZ and the opportunity for student and academic exchange in both directions.

"The Power of Partnering" is the theme for next week's Partnership Forum. Over 120 high level delegates from government, business and the wider community - including a sizeable delegation from the US Congress - will mix with twenty future leaders drawn from among Americans and New Zealanders studying at New Zealand universities. Discussion at the Forum will be assisted by a new report compiled by the Centre for Strategic and International Studies which takes a fresh look at the relationship and the possibilities for further development.

The Forum will follow Secretary Clinton's lead. It will mark a new chapter in the relationship, continue the work begun in Wellington and make a further contribution to planning and growing our shared future.