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Embargoed until 6pm, 12 June 2008

Speech Notes

NZ and Europe: A Partnership for the 21st Century

Europa Lecture 2008
6pm Owen G Glenn Building
University of Auckland Business School

Thank you to the New Zealand European Union Centres Network and the NZ Europe Business Council for the invitation to take part in this important forum for exchanging views.

Last year in Wellington we heard External Relations Commissioner Benita Ferrero-Waldner give an eloquent contribution from a European point of view.

It is an honour to be here in Auckland tonight to talk about the importance of Europe to New Zealand; the wide ranging relationships we have with its countries, and recent moves to strengthen our engagement with Europe.

Nobody with a sense of history can fail to be impressed by the achievements of Europeans in the past 60 years.

They have, of course, built on the profound achievements of preceding centuries, particularly the development of the principles of liberal democracy, and the series of technological innovations that we call the industrial revolution.

Practically all Europeans now elect their governments democratically.

Despite two devastating wars between them within the space of a generation last century, France and Germany are now the closest of partners with an interdependence that makes armed conflict between them today unthinkable.

Countries such as Spain and Ireland, which a generation ago New Zealanders might have seen as impoverished, are now successful modern societies with standards of living that have overtaken our own. The United Kingdom is a powerhouse of the modern services economy.

Countries formerly behind the Iron Curtain are now members of NATO and the European Union. Russia itself is booming economically, a fellow member of APEC, and an assertive participant in world affairs. Europeans increasingly speak with a united voice on the international stage.

Of particular importance for us, Europe's way of life is a powerful magnet for New Zealanders: both short-term visitors and those seeking employment as part of Europe's knowledge-based economy.

Many of those achievements have been connected with the emergence of the European Union.

With the possible exception of a handful of true believers, any of us hearing 40 years ago a description of the degree of integration the EU has reached in 2008 would have been sceptical, to say the least.

For most purposes the EU operates as a single economy and trading entity, accounting for 31 per cent of the world's economic production. Visitors to the EU also find travel throughout most of the member states is borderless.

The EU's projection of soft power and its work on human rights, disarmament, and protection of the environment serve as an inspiration to others and make a vital, positive contribution to a better life for the people of the world. The Lisbon Reform Treaty, signed in December, replaces the proposed European Constitution, which was rejected by voters in France and the Netherlands in 2005.

The Lisbon Treaty envisages a new era of more cohesive international action by the EU as a single entity.

It proposes a foreign service, a foreign minister in all but name, who will be known as a "high representative" and a more streamlined decision-making process.

The current six-month revolving door presidency will be replaced with a full-time President of the Council who is elected for two-and-a-half years.

This will allow the EU to engage with more authority in international affairs and will in turn make it easier for countries like New Zealand to deal with the EU.

Tonight the Lisbon Treaty faces a major test. Ireland is the only member state that is obliged by its own constitution to hold a referendum on whether to approve the Treaty and voting will start in the next few hours.

Although the Treaty will have to be ratified by all the member states, in other countries it will be voted on in the national parliaments, not put to a popular vote.

Current polling indicates that the Irish are evenly split on whether to vote yes or no – and that the issues involved in the campaign have more to do with domestic politics than with specific Treaty concerns.

We in New Zealand will watch with interest to see how this situation is resolved and what impact, if any, a "no" vote will have on how the EU conducts its foreign policy.

Why go over these events? It is to ensure there is no doubt about the priority the New Zealand Government attaches to our relations with Europe.

It is surprising, and indeed disappointing, to see the extent to which New Zealanders employ outdated stereotypes in thinking and talking about Europe. This is evident even from students in our universities.

Too often New Zealanders use the past tense to characterise the importance of Europe to New Zealand. It seems to be widely believed that exporting our primary produce to Europe is getting progressively more difficult. In fact Europe is one of the best markets for both traditional and new products from New Zealand.

Last year alone, it was worth more than one and a half billion dollars for lamb, half a billion for dairy products, and over a quarter of a billion dollars' worth of wine.

The EU has made impressive achievements in reforming its Common Agricultural Policy, and is a constructive player in the World Trade Organisation.

Britain is again the largest source of immigrants to New Zealand, and our second largest source of visitors. And the European market does not begin and end in Britain.

While we would not want to repeat our previous mistake of putting all our trade eggs in the one European basket, we must also avoid the mistake of denying Europe's vitality when we underline the vital importance of Asia to our future.

Nobody in government doubts the importance to New Zealand of Asia, nor of the Americas, Australia, and other regions.

New Zealand and Europe now enjoy a more mature, balanced, and mutually beneficial relationship than at any time in our history.

It would be self-deluding to describe it as a relationship of equals – we are only four million compared to Europe's half a billion – but it is a relationship nurtured on both sides through affinity as well as self-interest.

But it can legitimately be characterised as a partnership.

New Zealand and Europe recognise each other as upholding similar values and having similar aspirations for the future of our world.

We work together to ensure that those values are reflected through multilateral institutions in international affairs.

We help each other understand the regions of the world that we know best.

And our people are able to enrich their lives by exchanges of all kinds between us: trade, investment, culture, tourism, education and scientific and technological co-operation.

Not all of the dense texture of interaction between New Zealand and Europe involves actions by governments.

But we in New Zealand, and clearly governments on the European side, are determined to play our part to the fullest.

Let us now look at what are we doing, and what are we planning to do over the coming years.

Many of New Zealand's closest European friends are members of the European Union, and the EU is the focus of much of our attention.

The current state of our partnership with the EU is well set out in the Joint Declaration on Relations and Cooperation, which we adopted last September in Lisbon.

It outlines our common goals with ten specific headings under which we cooperate, covering the full range of economic, social, environmental, and international issues that are of interest to governments on both sides.

New Zealand's six-monthly consultations with the EU Presidency and the Commission are of great value and have allowed close personal connections and a great partnership to develop between our countries.

There are frequent high-level visits between New Zealand and Europe.

Our Prime Minister visits Europe at least twice a year, usually taking the opportunity to visit several capitals for consultations.

Other Ministerial visits from New Zealand are too numerous to count – three already this month - and our Speaker has just led a delegation of Members of Parliament on a very successful visit to three countries in Central Europe.

While for some reason New Zealand seems to be further from Europe than Europe is from here, we also enjoy a good rate of visits from Europe.

Already this year we have welcomed three ministerial and parliamentary delegations from Germany, Finland and Denmark, which toured the North and South Islands to gain a first-hand appreciation of our agricultural successes — and left with particularly fond memories of our wine and lamb!

We look forward to welcoming a large delegation of Members of the European Parliament to New Zealand shortly.

The result of all these contacts is that we are comfortable with each other and have a good basis for addressing problems that might arise between us.

Contacts are no less intensive at the level of officials. The Joint Declaration mentions annual officials' talks on trade, agriculture, and fisheries as well as frequent informal exchanges on common foreign and security policy issues, development co-operation, human rights, and disarmament.

The Joint Declaration with the EU has a strong forward-looking element: there are a number of agreements we are looking to negotiate between us to advance the relationship.

Since the Declaration was adopted we have concluded a treaty on scientific and technological cooperation, which will soon be signed.

We have been working to update the mutual recognition agreement on conformity assessment which brings together New Zealand, Australia, and the EU, and we are investigating the benefits of a customs cooperation agreement with the EU.

We hope that the European Commission will obtain a mandate in a few hours from now to open negotiations on an air services agreement with New Zealand.

The Agriculture Commissioner, Mariann Fischer Boel, has told our Prime Minister that she is intending to launch resumed negotiations on a wine agreement with New Zealand once the EU's domestic reforms to the sector are in place.

We are also developing the "softer" elements of our cooperation in areas such as inter-civilisation dialogue and action to combat climate change.

We are working to ease the movement of people through the very successful Working Holiday Scheme model that New Zealand has developed. We now have 15 such schemes in place with European countries, with more under negotiation.

Europe is a popular destination for young New Zealanders – partly on account of ancestry and historical links, and partly because of the cultural attractions.

In the year ended April 2008, close to 180,000 New Zealanders visited Europe. This accounted for almost ten per cent of the overseas travel of all New Zealanders and represented an 11 per cent increase over European travel in the previous year.

It is particularly important to the New Zealand Government that there should be no new restrictions on the ability of New Zealanders to travel freely in Europe as an unintended result of the abolition of borders under the "Schengen" process.

We appreciate the assurances we have been given in this regard and we are working with the British Government to preserve access for New Zealanders to the UK.

This activity highlights the important point that, despite the progress of integration in the European Union, relationships with individual countries remain important, both within and beyond the 27 members of the EU.

We also have important relations with non-members. These include countries moving towards membership of the EU, and countries such as Russia that are strategically important in their own right.

Turkey, on the margins of Europe, needs to be part of our thinking on Europe too, a point brought home to me on my recent visit there for the annual Gallipoli commemoration.

Like a number of west European countries, Turkey and Russia are linked to New Zealand through the experience of shared sacrifice in the wars of the 20th century.

Over time we hope to increase our trade and tourism ties with both these countries.

We have also had foreign policy consultations recently with Russia and with Switzerland, and will continue working with them and other friends outside the EU on the many areas of shared interest between us.

New Zealand will shortly have 10 diplomatic posts in Europe, and there are 12 European missions resident in Wellington.

This coverage is complemented by cross-accreditations of ambassadors to countries where we do not have resident embassies, and by the work of the Honorary Consuls on both sides.

We appreciate the contribution that all of these players make to developing the partnership between us, including through the dialogues on public policy we have with a number of individual governments, in areas such as environmental and social policies.

We welcome the constructive involvement of a number of European countries in enhancing the development and stability of our own region, the South Pacific and South-east Asia, through their participation in development co-operation and dialogue with regional governments.

The value to New Zealand of this partnership with Europe should be self-evident.

Enjoying a close, co-operative relationship with the world's largest economic entity, which is also the source of many of our values and institutions, adds immeasurably to the wellbeing of New Zealanders.

And we also receive considerable feedback on the value European leaders see in a close partnership with a like-minded country in the Asia-Pacific region.

Part of the New Zealand Government's strategy for Europe must be to seek constantly to enhance and articulate the value proposition that we offer.

It has been said by Europeans that New Zealand fulfils all the requirements for EU membership apart from our geographical location. We need to do everything possible to neutralise that one barrier, and indeed to capitalise on the benefits New Zealand's location can offer Europe – not as a virtual outpost upholding European values in the Asia-Pacific region, but through our well-developed trading links with Asia.

It is in the context of seeking to maximise the benefits that international engagement offers, that I recently announced a seismic shift in the resources available to the Ministry of Foreign Affairs and Trade.

The five-year package will total \$523 million in operating expenditure, with an additional capital injection of \$98 million.

This boost in resources of course includes Europe. You may be aware that we will be opening an Embassy in Stockholm next month – our first in Scandinavia.

This new Embassy will provide an on-the-ground presence to assist New Zealand's engagement with the Swedish government and business community, as well as consular services for New Zealanders in Sweden.

Over time, the Embassy will be accredited to other Nordic countries, providing government, business and consular services in these countries as well.

The decision to open an Embassy in Stockholm reflects the fact that the Nordic countries are among our closest partners on international issues involving the values important to New Zealanders.

They also offer good models for emulation in our efforts to transform the New Zealand economy to meet the challenges of the 21st century: the successful high-technology multinationals founded in Sweden and Finland are an example of what small countries can achieve.

Our presence in Stockholm will add to our ability to work to influence member governments on important EU decisions affecting New Zealand's interests. It will also free up resources in our European operation to advance other important relationships.

In addition to the new Embassy we are giving priority to strengthening the ability of other posts in Europe to develop the partnership.

The Embassy in Madrid, which at present has only two officers seconded from New Zealand, will be brought up to strength with an additional diplomat, allowing us to give more attention to our rapidly growing relationship with Spain.

The Mission in Brussels will have a new position dedicated to advancing our work with the Europeans on sustainability and the Economic Transformation Agenda.

New permanent positions are being created in London to support our engagement with government and business in Britain.

We are looking at how we can provide better services to New Zealand business in the rapidly growing economies of the former Soviet Union, a region where New Zealand Trade and Enterprise does not have a presence.

Further enhancements to the European operation – including the coordinating division in the Ministry’s head office - are being planned as part of a five-year capability building programme.

The Government is committed to ensuring that the Foreign Service has the tools needed to do the job of advancing New Zealand’s prosperity and safeguarding our security.

Equally important, but less visible than the new offshore positions, is the effort that will go into strengthening the behind-the-scenes infrastructural services such as information technology and human resource development.

We take a “whole of government” approach to our relationships with Europe.

As well as the Ministry of Foreign Affairs and Trade, a number of other government agencies have staff seconded to our embassies there, including Trade and Enterprise, Immigration, the Defence Force, Customs, and Tourism.

Most of these agencies participated in the recent meeting in Rome of our Heads of Mission and government agencies in Europe.

That meeting focused on strengthening the co-ordination of the work of the different agencies, and as a result, work is now under way on a strategic action plan for New Zealand in Europe.

Our partnership with Europe is, as mentioned earlier, not limited to Governments. Business groups such as the NZ-Europe Business Council and the country-specific business councils play an important role, as do the media.

What we need to develop is a more up-to-date understanding of Europe's value to New Zealand, particularly where New Zealand businesses are thinking about their global strategies. You in tonight's audience have a part to play in this.

Universities have a vital role as thought leaders, and we value the work of the EU Centres Network which has organised this evening's event.

As a practical demonstration of support, the Ministry of Foreign Affairs and Trade has decided to provide the Network with funding over the next five years for research scholarships on topics involving Europe.

The European Commission, of course, already provides substantial support for European Studies in New Zealand universities and is looking at contributing to the high school curriculum.

Our Prime Minister has agreed to provide significant support for the new Centre for New Zealand Studies at London University, which will serve as a focal point for the flourishing community of scholars in the UK and the Continent.

In a related area, the European Commission and the New Zealand Government jointly fund the Facilitating Research co-operation between Europe and New Zealand platform for collaboration in scientific research.

Our posts in Europe work closely with various expatriate organisations there, in fields such as culture and education.

We see New Zealanders abroad as a tremendous resource for us, to which can be added the growing number of European "alumni" who have visited New Zealand as tourists, students, or participants in Working Holiday Schemes.

All have a role in showing Europeans what New Zealand is all about: a country working to contribute to the international community as well as enjoying the fruits of that economy.

By making the most of New Zealand's considerable assets we can demonstrate our value to Europe as partners in today's world, and in return reap the benefits of association with Europe, not only as an economic superpower but as a society with global reach that exemplifies many of our own aspirations.

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