



EMBARGOED UNTIL 1.00 AM MONDAY 7 SEPTEMBER 2009

NEW ZEALAND BUSINESS ORGANISATIONS SUPPORT MESSAGE TO G20 ON PROTECTIONISM

The heads of three New Zealand business organisations have lent their support to an Australian initiative asking G20 leaders to focus on domestic sources of pressure for protectionist policies.

The initiative is a Policy Brief by the Sydney-based Lowy Institute for International Policy entitled *Message to the G20: Defeating Protectionism Begins at Home*. The paper has been delivered to each of the G20 ambassadors in Canberra with a request to pass it on for their governments' consideration prior to the meeting of leaders of the G20 group of major countries in Pittsburgh on 24 September 2009.

Conor English (Federated Farmers), Roger Kerr (New Zealand Business Roundtable) and Charles Finny (New Zealand Chambers of Commerce) said that protectionist trade policies had been a longstanding problem for New Zealand. The recent global financial crisis and recession had given rise to new protectionist measures, despite G20 leaders' commitment to avoid them.

"Fresh approaches are needed to bring home to politicians and voters that policies that protect some domestic industries come at a cost to consumers and the wider community", they said.

"Initiatives such as the WTO Doha Round need to be supported by a recognition that protectionism doesn't just harm other countries but also – indeed principally – the country imposing the barriers to trade."

The Policy Brief urges governments to sponsor domestic 'transparency' arrangements to provide public advice about the economy-wide costs of domestic protection.

An example of such an institutional arrangement is the Australian Productivity Commission. Beginning as a Tariff Board, its work over the years has done much to raise public understanding of the costs of protectionist policies, and these benefits have spilled over to New Zealand.

"Business organisations in New Zealand strongly support the government's aim of exploring ways of establishing a more formal New Zealand link with the Productivity Commission", Messrs English, Kerr and Finny said.

“We are also pleased that the minister for trade negotiations, Tim Groser, has publicly supported the concept of promoting transparency arrangements internationally.

“We hope the Australian government will do likewise and that the G20 meeting will start a process of discussing the idea in international forums”, they concluded.

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Attachment: Lowy Institute Policy Brief: *Message to the G20: Defeating Protectionism Begins at Home*