

**4rd Global Review of Aid for Trade: Connecting to Value Chains
8-10 July 2013**

New Zealand Statement

Delivered by H.E. John Adank, Permanent Representative to the WTO

Thank you, Chair

I would like to add New Zealand's thanks to the WTO for its efforts in organising this Fourth Global Review of Aid for Trade and for the opportunity to take part.

New Zealand is keenly focused on seeing our Aid for Trade deliver better results in terms of realising opportunities for increased trade, employment and incomes, as well as economic empowerment of women and long-term sustainable economic growth.

We very much appreciate the emphasis in this year's Global Review on connecting to value chains.

In New Zealand's Aid for Trade, we acknowledge that connecting, engaging and moving up the global value chains is crucial to **sustainable and inclusive economic growth** on the one hand and **poverty reduction** on the other.

Given the regional and global nature of value chains, **comprehensive trade liberalisation** – in whatever forum this occurs - offers the most benefit for participants in these value chains because it provides the greatest opportunity to also address barriers between third countries, both upstream and downstream.

Our objective in our Aid for Trade is to deliver targeted solutions for our partner countries, especially in the Pacific, by supporting sustainable economic development in **key productive sectors** in agriculture, fisheries and tourism.

Global value chains in agriculture and the agri-food industry are relatively long and international. In **agri-food business value chains** there are more developing and emerging economies involved, linking often small producers in developing and developed countries to consumers all over the world. This reminds us that Global Value Chains and Trade in Value-Added have as much significance to **developing and emerging economies** as to developed economies.

New Zealand has been trying to take an **integrated approach** to our Aid for Trade activities (particularly in our Pacific programmes). We are strengthening connections between our support to **productive sectors** (particularly fisheries, agriculture and tourism) and the **enabling environment** (including transport

infrastructure, access to affordable and reliable energy, and trade facilitation – such as helping countries to meet standards), and connections into higher-value markets.

To this end, we recognise that **resilient basic infrastructure** such as roads, shipping ports or stable cost-effective power supplies are critical in facilitating trade and connecting least developed countries (LDCs) and small island states to global value chains. Connecting to transport and logistics value chains play a particularly important role for these countries, as strong shipping and air connections are needed to fully engage in international trade and participate in global value chains.

Access to more **cost-effective renewable energy resources** is also essential for sustainable economic development, including the ability to competitively engage in economic activity and global value chains. However, cost-effective renewable energy generation remains a major constraint and preoccupation for our partner countries. To help address some of these challenges, New Zealand and the European Union organised the inaugural Pacific Energy Summit in March this year and secured donor commitments of \$635 million to fast-track renewable energy projects and solutions for the Pacific's pressing energy needs.

We also recognise that the **supply side constraints** faced by developing countries in accessing global value chains are plentiful and varied and to be most effective, aid for trade initiatives need to address those constraints.

To maximise impact we are also seeking to build on areas of New Zealand expertise; improve **coordination** with other donors and partner more with the **private sector**.

The impact of other barriers and inefficiencies – both at the border and behind the border - also gets compounded through value chains. **Trade facilitation** can foster integration into global production networks and global markets. Streamlining customs procedures and costs, and addressing inefficient infrastructure can significantly improve a country's competitiveness in, and their ability to benefit from, global value chains.

This underscores the value we see in concluding a **comprehensive Trade Facilitation outcome** for the Ninth WTO Ministerial Conference, and New Zealand has been pleased to join other signatories in affirming our commitment to assistance for trade facilitation implementation in the statement issued on Monday.