

OPENING REMARKS

H.E. Stephanie Lee
Ambassador of New Zealand to ASEAN
at the 2nd ASEAN-OECD Investment Policy Conference
10 December 2014, ASEAN Hall, Jakarta

Tena kotou, tena kotou, tena kotou katoa; Selamat pagi; good morning.
Excellencies, honoured guests, ladies and gentlemen!

I am delighted to be making these opening remarks today, not just because I am Ambassador to ASEAN but also because I was previously New Zealand's Deputy Permanent Representative to the OECD. So I am a great believer in both of the institutions holding this conference, and in the important work they do to build stability and prosperity.

This is a very important moment, on the cusp of 2015 and the establishment of the ASEAN community. New Zealand is watching the momentum build with enthusiasm and optimism. We are working to support ASEAN community-building across the three pillars.

New Zealand's support for this 2nd ASEAN-OECD Investment Policy Conference is through the Economic Cooperation Work Programme established under the ASEAN-Australia-New Zealand Free Trade Agreement, commonly known as AANZFTA.

Since signing AANZFTA in 2009, we have worked closely with ASEAN colleagues to lay the ground for further expanding the scope of our investment relationship.

Through that time we have enjoyed a constructive dialogue on investment issues. Events like this conference and the OECD investment policy reviews have helped us to build a pathway towards opening our economies and making commerce across the region more efficient.

This is why AANZFTA is an important Agreement – for New Zealand it stands at the centre of our trade and economic relationship with ASEAN but it is much more. As a high quality, comprehensive agreement, AANZFTA has been referred to by ASEAN colleagues as a model for wider economic integration.

It is pleasing to see the strength and leadership ASEAN is showing in terms of building regional economic integration, through both its internal processes and through its external linkages. The ongoing RCEP negotiations, including in investment, demonstrate ASEAN's commitment to regional economic integration, and we look forward to positive outcomes in this area for ASEAN, New Zealand and all Participating Countries.

For New Zealand our economic relationship with ASEAN is very important. Taken as a block, ASEAN is now our fourth largest trading partner for goods

(behind China, Australia and the EU), accounting for 13% of New Zealand's total international trade. Of our top ten trading partners, ASEAN was our second fastest growing trading relationship behind China over the last five years.

So we enthusiastically welcomed the decision by the OECD Ministerial meeting in 2013 to establish a comprehensive South East Asia Regional Programme and we were pleased to assist the development of the Programme, which was launched earlier this year.

The OECD's stronger presence in the region is an important step towards further strengthening the place of South East Asia in the global economy and drawing from international best practice. Importantly too, it provides the OECD with a window into this dynamic region which will continue to gain significance over the coming years.

This is why New Zealand has been strongly supportive of the OECD South East Asia Regional Programme and initiatives such as the OECD Investment Policy Reviews that have been funded through the AANZFTA Economic Cooperation Work Programme.

We know from experience that these reviews are an immensely useful diagnostic tool to identify opportunities to enhance investment and promote business.

Twenty years have passed since New Zealand underwent its own investment policy review. We were amongst the first countries in the OECD to experience this process, and it came on the heels of sweeping economic reforms in New Zealand. Those reforms led to a significant and dramatic upswing in the level of inward foreign investment, particularly from Asia.

Such significant changes carry with them a number of questions. For New Zealand, the review was an opportunity to make sense of the investment flows both into and out of the country, to understand what was driving this movement in capital, and to take stock of the structural framework on which our systems were built. The years preceding New Zealand's review had seen exceptionally large inflows of investment.

While the OECD found New Zealand to be on the right track, the review did bring with it a number of recommendations. Changes to the processes and procedures to approve foreign investment have subsequently been modernised, and New Zealand now consistently lies at the top of global rankings for ease of doing business as judged by the World Bank.

But investment is not just about money, about quantity. There is a quality aspect too. Responsible business conduct and the fostering of sustainable and inclusive development are needed to ensure the benefits of investment can be enjoyed across all levels of society.

The OECD reviews provide an excellent stocktake of the current investment environment and provide practical policy options to assist structural reform. We are pleased that the AANZFTA Economic Cooperation Work Programme has been used to fund the review of Myanmar as well as reviews for Malaysia, the Philippines, Cambodia, Laos, and Viet Nam.

The Economic Cooperation Work Programme is an important element of our AANZFTA relationship and ensures that the FTA is a living agreement that continues to deliver by ensuring that parties have the capacity to implement the agreement.

On that basis, we encourage parties to further utilise the ECWP as they look to implement the recommendations in the OECD's reviews.

Through tools such as the Investment Policy Reviews we, collectively, can build a stronger regional economic architecture and continue to realise the benefits of our high quality FTA, AANZFTA, which is helping to lay the foundations for future discussions on investment within the region.

Those discussions will have an important bearing on the successful implementation of the ASEAN Economic Community, as an efficient investment environment will drive sustainable and inclusive economic growth in the ASEAN region.

I look forward to the proceedings of the 2nd ASEAN-OECD Conference over the next two days - thank you.