THE EUROPEAN UNION

ITS ECONOMIC SIGNIFICANCE AND THE CASE FOR AN FTA

Photo: Erasmus Bridge, Rotterdam

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AUGUST 2014

EXECUTIVE SUMMARY

Building on our historical, political and cultural linkages with Europe, recent developments including the Prime Minister's joint declaration with the European Council and Commission Presidents and the conclusion of a Partnership Agreement on Relations and Cooperation have given us a platform to take our trade and economic relationship with the European Union (EU) to the next level - including the possibility of launching FTA negotiations.

Deepening our trade and investment relationship with the EU would represent an important economic opportunity for New Zealand. While much of our recent trade growth has come from Asia, the EU remains a significant trade and investment partner. In particular, the EU is:

- *our **third largest export destination**, and a key market for high-value products and services;*
- *our **second biggest market for services exports**;*
- *our **second largest source of overall imports**; and*
- *our **second largest source and destination of overseas investment***

The EU is also a global trade and economic heavyweight with total GDP of NZ$20.7 trillion. Even with its current low (1.8%) overall growth rate taken into account, it will still add $US260 billion to the global economy each year. And individual EU markets, including those of particular importance to New Zealand (e.g. the UK), are showing even greater growth potential. The EU is also a diverse and sophisticated market with higher per capita income than many of our other export markets (e.g. China) and its high quality infrastructure, R&D investment and similar political norms and values also contribute to its attractiveness as a preferential trade and investment partner.

The need for an FTA is growing more urgent. New Zealand is now one of only six WTO members without any preferential market access arrangement with the EU either in force or under negotiation. In the absence of an FTA, our traditional market access is suffering relative to our competitors. E.g.:

- *New Zealand **kiwifruit** faces a tariff of 8.8% while Chile's enters the EU duty free.*
- *Our **sparkling wine** can face duties of €32 per hundred litres. Argentina's enters duty free.*
- *New Zealand **Southern Bluefin Tuna** faces tariffs of 22%. Ukrainian product enters duty free.*
- *The impending EU-Canada FTA is expected to include a sizeable duty free quota for Canadian **beef**. New Zealand exporters will continue to face a tariff of 20%.*

Given its integration and influence in the global trading system, regulatory compliance and cooperation with the EU is increasingly important for succeeding not only in the EU but also third country markets. We need to get involved as much as possible to help shape what will become global regulatory norms; especially considering the 'multiplier effect' achieving EU compliance can have on our exporters' access to third country markets and their integration into global value chains.

An FTA with New Zealand would be advantageous to the EU too. We may not be the EU's largest trading partner but the quality and comprehensiveness of an FTA with New Zealand could strengthen the EU's hand in its ongoing negotiations; provide a high quality benchmark for future EU trade initiatives, particularly in the Asia-Pacific; lend genuine impetus to the WTO and complement the EU's own domestic growth and structural reform agenda. Our excellent cooperation on a number of important and otherwise challenging trade issues such as animal health, data protection and customs could help expedite the negotiation and provide EU leaders with an early opportunity to send a powerful message about the EU's determination to help shape the economic architecture of the Asia-Pacific as well as a signal of their commitment to global growth, trade and economic reform.

INTRODUCTION

As the world's largest economy with deeply embedded global value chains, deepening our economic relationship with the European Union (EU) through an FTA represents a major opportunity for New Zealand. In addition to the EU's size and significance as a trade and investment partner, an FTA would help address the relative decline in two-way trade that has occurred partly as a result of recent EU deals with other countries. Given Europe's integration into global value chains and its influence on international rules and standards, a high quality comprehensive agreement with regulatory cooperation provisions could have a multiplier effect on our integration into the global economy and help ensure our global trading position for years to come. This report examines the current state of our trade and economic relationship with the EU, the prospects for launching an FTA negotiation and the economic importance of this for New Zealand. It concludes that, even with the EU's current low growth taken into account, its size, sophistication and significance to the global economy make it a key partner for New Zealand on the road to increased trade and economic growth. Similarly for the EU, the quality and comprehensiveness of an FTA with New Zealand could set a useful benchmark for its other trade initiatives and provide incoming EU leaders with an early opportunity to send a powerful signal about the EU's determination to help shape the economic architecture of the Asia-Pacific and of their own commitment to trade, growth and economic reform.

WHERE ARE WE AT SO FAR?

Strengthening our ties with the EU has long been a priority for the government, and for obvious reasons. Our history of European migration, inherited political and cultural traditions and legacy of military sacrifice mean that Europe will always remain important to New Zealand's history and identity. Since 1945, our cooperation with European partners on a host of initiatives - from the formation of institutions like the UN to peacekeeping and security operations from the Balkans to the Horn of Africa to joint renewable energy projects in the Pacific - have all contributed to make the EU and New Zealand instinctive international partners. The July 2014 announcement of a Political Agreement on Relations and Cooperation further underlines the strength of our political relationship.

By contrast, our trade and economic relationship with the EU has some ground to make up. New Zealand's trade access into the EU remains essentially unchanged since the conclusion of the WTO Uruguay Round in the mid-1990s. In relative terms it has even declined, partly due to FTAs the EU has concluded with other countries delivering them trade preferences relative to New Zealand.

But momentum has been building. On 25 March 2014, Prime Minister Key and European Presidents Barroso and Van Rompuy released a joint declaration committing both sides to "reflect on options to progress the trade and economic relationship". Importantly, the declaration specified that such options would include "the possible opening of negotiations to further liberalise trade and investment" and a commitment to meet again in 2015 to take stock and decide on next steps.

For the first time in the history of our relationship with the EU, an FTA is therefore now a realistic possibility. It is formally on the bilateral agenda. Work on the process of "reflection" is under way in Brussels and in Wellington. In this context, this paper recalls why it is worth considering the significance of our trade and economic relationship with the EU and why pursuing an FTA matters.

EU-NZ TRADE: ANOTHER LOOK AT THE "CAUTIONARY TALE"

The story of New Zealand's trade relationship with Europe is so well ingrained it has become almost a cautionary tale of the dangers in overreliance on a single market. Its 'lesson' is equally well known: diversify the export product and market mix including into high-growth markets, particularly in Asia. In recent years that approach has served New Zealand well. Our geographic location and suite of high quality free trade agreements with key Asian partners[1] has seen a dramatic increase in trade with Asia. And taking account of the impact of the global financial crisis on the EU economy, the decision to focus on Asia could seem to have been vindicated.

But the numbers tell a slightly different story. Our trade with the EU has not actually declined to the extent some might think. While it's true that the EU's relative position in our trade rankings has slipped in recent years, it still remains our third largest export destination (behind Australia and China) accounting for NZ$7.3 billion of total exports. It is also our number two market for services exports and our second most important source of imports (goods and services) totalling NZ$10.6 billion in 2014. In both categories, only Australia accounts for more.

EU-NZ trade in figures

		2009			2014		
		Value	Rank	% of total	Value	Rank	% of total
Exports to the EU ($NZ million)	Goods (fob)	$5,978	2	13.8	$4,901	3	9.8
	Services	$2,959	2	18.5	$2,389	2	14.8
	Total	$8,937	2	14.6	$7,290	3	10.8

		2009			2014		
		Value	Rank	% of total	Value	Rank	% of total
Imports from the EU ($NZ million)	Goods (vfd)	$7,252	2	16.1	$8,153	1	17.4
	Services	$2,143	2	14.9	$2,508	2	16.7
	Total	$9,396	2	15.8	$10,660	2	17.3

Source: Statistics New Zealand

International Investment

Bilateral goods and services trade is only part of the economic picture. Importantly, the EU is also both our second largest source of *and* destination for overseas investment with nearly NZ$60 billion invested in New Zealand as of March 2014 and NZ$33 billion of New Zealand investment in the EU. Its investment in New Zealand is nearly double the amount of our next largest investment partner, the US (NZ$32 billion), and more than twenty times that of China (NZ$2.8 billion). Only Australia (NZ$113 billion) accounts for a greater proportion of foreign investment in New Zealand.

New Zealand investment in the EU ($NZ million)

	2009	2014	Rank	% of total
ODI	$2,281	$2,900	3	12.8
Total	$34,013	$32,841	2	19.7

EU Investment in New Zealand ($NZ million)

	2009	2014	Rank	% of total
ODI	$9,877	$9,237	2	9.0
Total	$61,345	$59,951	2	19.0

Source: Statistics New Zealand

[1] NZ/Singapore; Brunei/Chile/Singapore (P4); NZ/Thailand; NZ/China; NZ/ASEAN/Australia; NZ/Malaysia; NZ/Hong Kong; NZ/Chinese Taipei

To some extent, the recent (relative) decline in trade figures can be explained by the exchange rate, with the lower Euro translating into less New Zealand exports when measured by dollar value. But drilling down below the headline numbers, Europe's significance becomes clearer. While in the aggregate it remains our third largest export destination, accounting for 10.8% of total exports, when one looks at product lines in excess of NZ$25 million, these are disproportionally weighted towards the EU - in some cases considerably so.

Most notably, the EU remains our number one export destination for sheep meat (NZ$1.28 billion) with exports to Europe accounting for over 44% of our total exports; nearly twice the value of those destined for China, our next biggest market. The EU is also our number one export destination for kiwifruit (NZ$272 million) and apples and pears (NZ$181.5 million). Exporters of other important primary products such as venison, wine, fish, hides and skins are also heavily reliant on the EU market. Our services trade is also disproportionately weighted in favour of Europe. Taking inward tourism as an example, Europeans accounted for 14.5% of total inward visitor numbers in 2014 but 20.9% of visitor *spending* (NZ$1.5 billion); more than double that of US visitors and still more than those from China. Other important service sectors include education and transport, with exports to the EU respectively accounting for NZ$175 million and NZ$259 million in the year to March 2014.

The EU's significance as a two-way investment partner also underlines its importance to our economic growth. Given our size and distance from major export markets, access to capital is crucial for absorbing new technologies, enhancing competitiveness, creating scale and integrating into global value chains. At the same time, our ultimate production limits and geographic location mean that our ability to integrate into the global economy also depends on the extent to which we can ramp up our own offshore investment. Here, the EU's importance can be seen in both the aggregate and individual sectors. While it can be difficult to break down investment statistics by sector, those studies that have been done have found that EU investors tend to account for significant investment shares in sectors of particular importance for our exports. Taking "agribusiness" as an example, a recent KPMG study found that Germany alone accounted for 17% of inward foreign investment to the sector between 2010 and 2012; the second largest individual source country. (KPMG 2013)

Another important area of economic activity that is *not* reflected in two-way trade statistics is science and innovation cooperation, a key driver of longer-term productivity, employment and economic growth. Here too the EU is particularly significant to New Zealand. The EU is our most important regional science and innovation partner. Nearly 40 per cent of all New Zealand's international research collaboration is with EU-based entities.[i]

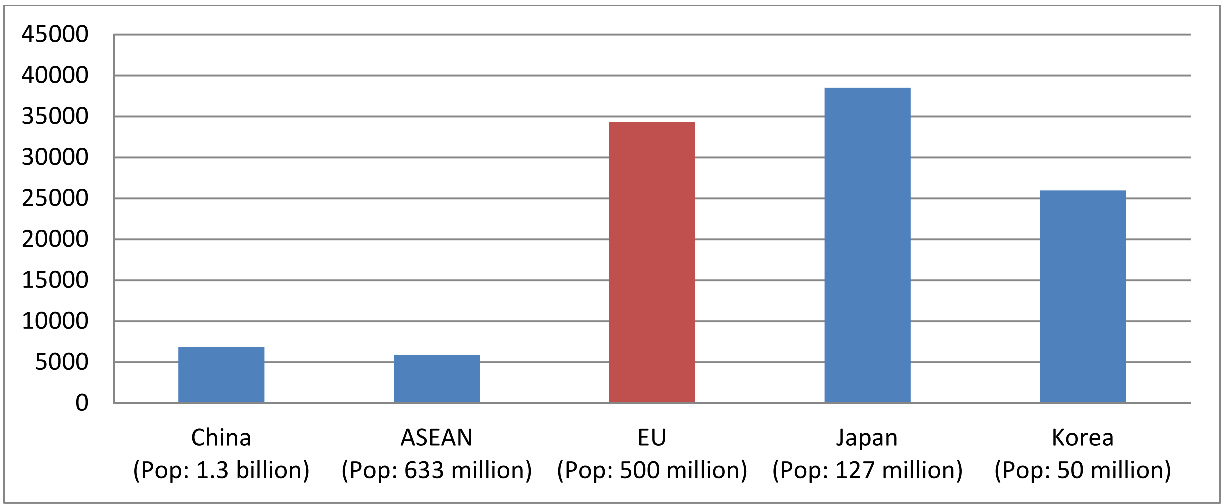
It is also significant that the EU is now the only one of our top ten trading partners with which New Zealand does not have an FTA either in force or under negotiation.

THE EU - A GLOBAL ECONOMIC AND TRADE HEAVYWEIGHT

Much of that significance is a consequence of the sheer size of the EU economy. We sometimes forget that the EU's 28 member states still constitute the world's largest economic entity, with total GDP amounting to US$17.4 trillion (NZ$20.7 trillion).[ii] This means that, even in current economic conditions, the EU represents a sizeable growth market. To put that in perspective, its current relatively modest GDP growth projections (1.8%) would still result in an additional US$260 billion per annum. This is broadly equivalent to adding an economy the size of the Philippines each year to the global economy.

Just like the bilateral trade figures mentioned above, the headline numbers tell only part of the story. Current growth rates vary widely among individual EU Member States. A number of the EU's eastern and Baltic member states for instance are currently experiencing GDP growth of between 3 and 5%.[iii] The United Kingdom - the EU's largest individual market for New Zealand products - is also predicted to grow at more than 3% this year. Importantly, those growth rates are coming off an already high base. The average wealth of the EU's 500 million citizens is significantly higher than consumers in many markets closer to home (i.e. around US$34,000 compared to China's per capita income of US$6,800).

Figure 1: Average Income (GDP per capita - US$)



Source: World Bank and ASEAN Secretariat

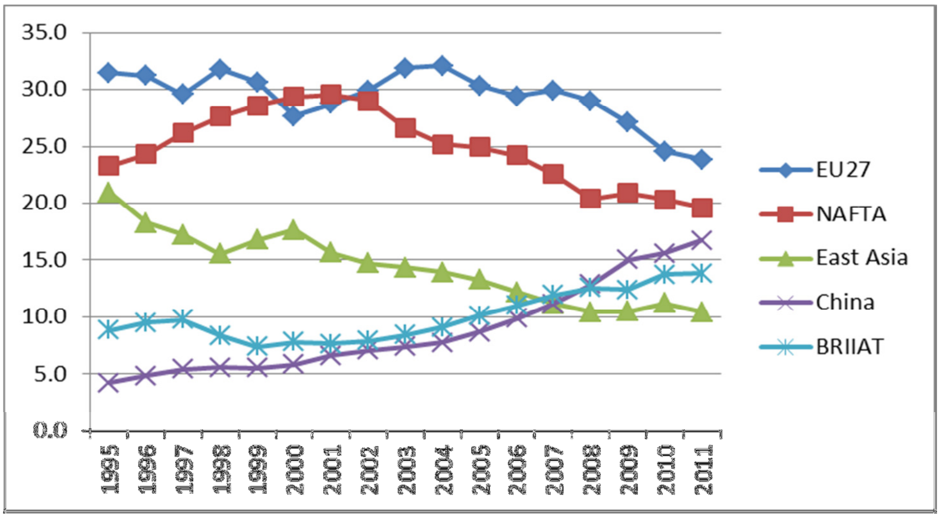
A number of other factors also point to the EU's considerable longer term growth potential. These include its highly developed infrastructure and the fact that it accounts for more than a quarter of world R&D spending. The European Union's new Framework Programme for Research and Innovation - Horizon 2020 - has a budget of over NZ$115 billion for its seven year-long life and is expected to account for around 8 per cent of the total EU spend on R&D. Almost a third of the world's annual patent applications and scientific publications are produced in the EU (compared to 22% from the United States, and 17% from China). Like New Zealand, it enjoys strong political institutions and policy frameworks underpinned by inclusive democratic traditions and the rule of law. Taken together, these are all key drivers of longer term investment, dynamic productivity and sustained economic growth.

Translating that into trade opportunities, this means the EU is a highly diverse, wealthy and sophisticated market offering opportunities to firms at all stages of the value chain: from primary products to capital equipment; intermediate and finished manufactured and consumer goods and, importantly, significant opportunities for services and investment.

But the EU is not just a large, wealthy market. It's also a highly integrated and influential player in the world trading system. Despite the global recession, the EU still remains the world's biggest trader, accounting for 16.4% of global (goods and services) imports and 15.4% of the world's total exports. Chinese exports by comparison account for 13.4% of the world total and US exports 10.5%)[iv] Similarly for investment, while inward and outward foreign direct investment (FDI) has declined during the global financial crisis, the EU still remains among the world's largest regional players, accounting for 17% of total world FDI inflows and 17.8% of global FDI outflows.[v]

Its significance as both a source *and* destination market for trade and investment has made the EU one of the most integrated regions in global value chains, and it is reaping the benefits accordingly. A recent study concluded that, despite the economic crisis, the EU was still capturing a higher share of global value chain derived income than any other region. (Timmer et al 2013)

Figure 2: Regional shares in world GVC income (manufactures - %)[2]



Source: World Input Output Database (cited in Timmer et al 2013)

These findings have real economic significance for New Zealand. First, it suggests that trading with the EU can have a multiplier effect on our global economic integration, enabling New Zealand firms to benefit from their EU partners' deeper integration into the global economy and increase their share in the benefits this delivers. Second, and arguably more importantly, the EU's dominance in world trade mean that it also plays a major role in the development of global rules and norms.

The EU's role in peak international agenda-setting organisations such as the WTO, OECD, *Codex Alimentarius* or the World Customs Organisation (WCO) is already well known. But with the growing understanding of the mechanics of global value chains, there is also an increasing awareness of the influence that the EU's own regulatory settings have on world trade. With exports increasingly crossing and re-crossing borders either as intermediate inputs or "embedded services" in finished products, the likelihood that they will need to comply *at some point* with EU standards or regulations increases considerably. In other words, European standards will often be the *de facto* world standard.

[2] BRIIAT = Brazil, Russia, India, Indonesia, Africa and Turkey

Given how much of New Zealand's export product mix consists of primary or intermediate inputs, even our exports to non-European markets frequently need to be EU-compliant. On the other hand, where compliance with EU standards can already be demonstrated, this can have spill-over reputational benefits in other markets.

Case in Point: Export Education

The EU's normative influence can be seen with regard to education, a service sector worth more than NZ$2.5billion to the New Zealand economy. The EU is a leading player in education innovation as well as the harmonisation of education and qualification systems. Developments such as the European Higher Education Area, European Research Area and the Lisbon Convention on the Recognition of Higher Education Qualifications have global implications for international student and labour mobility. New Zealand's involvement in these forums and our work on aligning our qualifications frameworks with the EU has been essential to gaining greater recognition of our processes and qualifications. European ideas and processes are also observed closely by the rest of the world, leading to related projects in our own region such as the Regional Convention on the Recognition of Qualifications in Higher Education, APEC and East Asia Summit initiatives. Put simply, our involvement with EU qualifications frameworks helps make our own export education providers more attractive to international students from all over the world and also assists our broader services trade through better recognition of New Zealand qualifications in a range of markets - in both cases delivering important longer term economic benefits to New Zealand.

THE FTA IMPERATIVE

The attractiveness and significance of the EU market aside, the case for an FTA with Europe is more than just a "nice to have". New Zealand is now one of only six WTO members without some kind of preferential access arrangement into the EU either in force or under negotiation.[3] In the absence of an FTA, our traditional market access arrangements into the EU are beginning to suffer. The EU's high tariffs on many agricultural products of interest to New Zealand exports are well known. Less well known though is that, as the EU signs more and more FTAs with other partners, the playing field for most New Zealand firms is becoming increasingly tilted in favour of our competitors. This underlines the urgency of an FTA with the EU.

Real world examples of where recent EU FTAs have reduced our market access conditions relative to competitors include the following:

- *Kiwifruit*: New Zealand exporters face a tariff of 8.8%. Chile enters the market duty free.
- *Tomatoes*: New Zealand exporters pay a tariff of 12.8%. Korea enters the market duty free.
- *Onions*: New Zealand exporters pay a tariff of 9.6%. Mexico enters the market duty free.
- *Sparkling Wine*: New Zealand sparkling wine can face duties of €32 per one hundred litres. Argentina enters duty free.

[3] The others are Russia, China, Hong Kong, Chinese Taipei (Taiwan) and Australia

- *Southern Bluefin Tuna*: New Zealand's frozen Southern Bluefin Tuna faces tariffs of 22%. Ukrainian tuna can enter duty free. [4]
- *Honey*: New Zealand honey faces tariffs of 17.3%. Turkey enters the market duty free.
- *Beef*: the impending Canada-EU FTA is expected to include a sizeable duty free quota for chilled and frozen beef. A 20% tariff will continue to apply to New Zealand exporters.

Higher relative tariff rates are only part of the problem. When the EU's other ongoing negotiations are taken into account - particularly its negotiation with Japan and the Trans-Atlantic Trade and Investment Partnership (TTIP) with the US - even greater challenges could emerge. It is too early to predict exactly what the eventual TTIP deal will look like, but both the EU and US have been clear that it is intended to go much further than many other trade agreements; with a deliberate emphasis on regulatory convergence and setting new standards of trade rules between the world's two largest markets.

> *"TTIP will be an important way for us to shape regulations, norms, including on investment, and ultimately values that govern economic exchange worldwide"*
> **Karel de Gucht, European Commissioner for Trade – 22 May 2014**

How those rules and standards are developed could have major implications for third countries like New Zealand. As the WTO's 2013 World Trade Report noted, non-tariff measures (NTMs) such as rules, standards and regulations are on track to supplant tariffs as the most significant barriers to international trade. Further academic studies have found that the trade restrictiveness of NTMs can be equivalent to tariffs of up to 51% and that, when averaged across a sample of countries, NTMs almost doubled the level of trade restrictiveness compared with tariffs. (Kee et al, 2009)

Given their increasing importance to the global trading system, discussions on "behind the border" issues like rules, standards and regulations would ideally occur in multilateral forums like the WTO. But the lack of progress in the WTO Doha Round has left the door open for these to be developed on a preferential basis through FTAs. This is not a new phenomenon. In fact, many of the principles under discussion are the same as those underpinning the "Closer Economic Relations" (CER) agreements and evolving Single Economic Market (SEM) between New Zealand and Australia. But given the size and influence of the two economies involved, the TTIP negotiation represents by far the most globally significant example - potentially since the formation of the European Union itself. And while they will be developed bilaterally on a preferential basis, the practical application of these rules means they will gradually become *de facto* international norms. New Zealand therefore has an interest in seeking opportunities to shape these rules as far as possible in a way which is both workable and beneficial for our regulators and exporters.

With the TTIP negotiation still at an early stage there is little information about how the EU and US will deal with regulatory convergence. The news is not necessarily all bad however. One possibility is that both sides may agree on a harmonized set of common standards for their two markets, which would obviously benefit all exporters. But another possibility could be that they adopt a "mutual

[4] The Ukraine/EU Deep and Comprehensive FTA grants tariff free access for Ukraine to the EU market on 95% of tariff lines. While the Agreement is yet to be formally ratified, its market access provisions were unilaterally implemented by the EU on 23 April 2014.

recognition" approach, which could put third country firms at a disadvantage in having to meet two sets of standards while their EU and US competitors might only have to meet one. Its overall impact remains to be seen, but given the emerging understanding of how global value chains can multiply the trade-distorting effect of even small barriers the potential effects could be quite significant.

TOWARDS AN EU-NZ FTA

A high quality and comprehensive FTA with the European Union would be the best way to reverse New Zealand's growing competitive disadvantage in the EU market as well as address the challenges posed by new EU rules and regulations, including those developed as part of the EU's other major FTA negotiations. This is not just a defensive objective. Given the EU's market significance and the cascading effect of its regulations on global value chains, a high-quality agreement that incorporates advanced regulatory cooperation provisions such as mutual recognition of our regulations would not only contribute to increased trade with Europe, but could also help ensure New Zealand's global trade access for years to come.

In addition to the obvious benefits of improved market access for New Zealand products and safeguarding our existing trade, an FTA with Europe could also have a multiplier effect in terms of increasing our integration with the global economy. As the world's largest and wealthiest market that is also the biggest source of investment - particularly in R&D - enhanced economic integration with the EU would help New Zealand exporters remain at the cutting edge of global innovation, while also taking advantage of the EU's own integration into global value chains: two key objectives identified by the New Zealand Productivity Commission in its April 2014 report on addressing New Zealand's 'productivity paradox'. (De Serres et al 2014)

The case for an FTA with New Zealand is also something that is gaining resonance in the EU. As the new group of EU Commissioners and European Parliamentarians prepares to take office for the EU's next five-year legislative term, the strength of New Zealand's existing cooperation with the EU is becoming better known. So too is the fact that, notwithstanding the EU's busy FTA negotiation agenda, there is much about the relationship with New Zealand that could help ensure that a high quality negotiation could be concluded quickly. This includes the fact that, unlike many of the EU's other trading and negotiating partners, New Zealand already enjoys excellent bilateral cooperation on a number of otherwise challenging trade issues. For example:

- Unlike any of the EU's other trading partners, New Zealand already has a functional bilateral Veterinary Agreement governing animal health aspects of our trade. Given how problematic such issues have proven to be in the EU's other negotiations, this existing treaty level agreement is a major point in favour of a broader trade agreement with New Zealand.

- We are among a very small number of EU trading partners that already enjoys a comprehensive adequacy assessment by the European Commission of our legislative regime for personal privacy, facilitating two-way exchanges of electronic data; a critical enabler of e-commerce.

- The EU-New Zealand Science and Technology Cooperation Agreement (STCA) governs our overall science and innovation relationship and provides a formal platform for our research and innovation partnerships. The strength of this relationship was demonstrated by the fact that, after an initial five year period, the STCA was recently renewed indefinitely.

- New Zealand is also no stranger to far-reaching regulatory cooperation through an FTA, as demonstrated by what we have managed to achieve with Australia and others in our region.

Other aspects of our economic relationship are underpinned by a range of other arrangements and treaty level agreements, including on the mutual acceptance of conformity assessment bodies and a forthcoming Agreement on Customs Cooperation. This latter agreement will provide a platform for a future mutual recognition agreement enabling New Zealand firms to benefit from mutual recognition of a range of trade-facilitating measures including risk management techniques, risk standards, security controls and trade partnership programmes. Crucially, these agreements are also complemented by long-standing and regular engagements at official level. This has ensured a level of familiarity, like-mindedness and mutual respect of each other's systems and processes.

Such like-mindedness, plus New Zealand's high level political commitment to the deal, could provide the incoming group of European policymakers with a high quality trade policy achievement early in their term. This would be advantageous to the EU. We may not be the EU's biggest trade partner, but the quality and comprehensiveness of an FTA with New Zealand could strengthen the EU's hand in its other ongoing negotiations, particularly those currently on a slower track or at risk of diminishing ambition as well as the EU's planned upgrades to its older, "first generation" FTAs; provide a high quality benchmark for future EU trade initiatives, especially in the Asia-Pacific; lend genuine impetus to the WTO through WTO-compatible "building blocks" for next generation issues (e.g. e-commerce, labour and environment, regulatory cooperation and investment), and send a powerful message about the EU's determination to help shape the economic architecture of the Asia-Pacific as well as a signal of its commitment to global growth, trade and economic reform.

In short, there is much that could be in it for both the EU and New Zealand and plenty for us both to reflect upon ahead of the upcoming 'decision point' for an FTA in 2015.

Notes

[i] International research activity reported to MBIE from Government-funded research-related contracts – Ministry of Business, Innovation and Employment (MBIE)
[ii] World Bank - http://data.worldbank.org/country/EUU
[iii] Eurostat database - http://epp.eurostat.ec.europa.eu
[iv] Data compiled from WTO Trade profiles – www.wto.org
[v] UNCTAD World Investment Report 2014 http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=937

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1 Timmer, M. P., B. Los, R. Stehrer, G. J. de Vries (2013). *"Fragmentation, Incomes, and Jobs: An Analysis of European Competitiveness"* Economic Policy, vol. 11(4), pp 613-661.
2 Kee, H. L., Nicita, A. and Olarreaga, M. (2009), *"Estimating trade restrictiveness indices"*, Economic Journal 119(534): 172-199
3 De Serres, Yashiro and Boulhol; *An International Perspective on the New Zealand Productivity Paradox;* The New Zealand Productivity Commission Working Paper 2014/01
4 KPMG Report – *Foreign Direct Investment in New Zealand, A Review of OIO Statistics* – June 2013