

DRAFT

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The European Union and New Zealand – New Perspectives

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Mr Chairman,
Hon Margaret Wilson, Speaker of the House,
Members of Parliament,
Excellencies,
Distinguished guests,

Let me first say how delighted I am to be here, and thank you, Professor Holland, for that kind introduction.

I am very touched by the wonderful welcome I received here at Te Papa this afternoon. And by the splendid museum exhibits I have just seen. You are the guardians of a very special heritage. In Europe we set a great deal of importance on conserving cultural heritage, and it is one of the most enjoyable parts of my job to be able to experience and appreciate the variety of cultures and traditions which make up our planet. Thank you again.

I have been looking forward to this trip – my first visit to this country. New Zealand is renowned in my home country, Austria, for its spectacular natural beauty and breathtaking scenery, as well as your world class sporting prowess. Austria is not a serious competitor with New Zealand in any of your national sports – we may do surprisingly well in sailing at the Olympics, but our lakes don't quite provide the same training ground as the Pacific! Nor are we renowned for our rugby and, having just left our friends in Australia, I think I will say no more than to wish all competing teams "good luck" - whilst secretly hoping that one of the European teams wins!

I am honoured to have been asked to deliver the 2007 Europa Lecture, especially as this year we are celebrating the 50th birthday of the European Union and the peace and prosperity it has brought us.

The primary purpose of my visit to your country is to emphasise the strength of EU-New Zealand relations, and the value the EU places on our partnership with you.

I also want to talk about the future, and that's the subject of my speech tonight.

We have been discussing with your government a way of **upgrading** our relations, to better reflect the sort of relationship we'd like to have. I am looking forward to my meeting with Prime Minister Clark today and with Minister Peters tomorrow to talk about a new **Joint Declaration** which we hope to adopt in September - taking our partnership to a new level and focusing on some of the key issues confronting us in the 21st century.

We are keenly aware of the importance of this partnership. In this globalised world the challenges and opportunities we face are increasingly difficult to deal with on a national or even regional level. That is why the EU wants to consolidate its relationships with those, like New Zealand, with whom it shares values and interests. What we need is a partnership for security – in the Asia-Pacific region; in the wider world; in the economy – where we need a clear international framework enabling all to focus on jobs and growth; and in the environment – where energy and climate security are twin challenges we face.

Following our most recent enlargement at the beginning of this year the EU's population has grown to 495 million and 27 Member States. This bigger market means **we have a quarter of the world's spending power and one-third of the world's GDP**. The euro is strong and economic growth has resumed.

We are now the world's **largest importer of agricultural** products and our trade-distorting support has been significantly reduced. We are **undertaking successive waves of reform to the CAP**, including during the Doha World Trade Organisation negotiations.

The view that we are **a protectionist power**, obsessed with bureaucracy and reluctant to engage with the world beyond our immediate borders is a myth.

That's a perception which, if it ever was true, is certainly **outdated** today. The European Union today is acutely conscious that our future lies in being an open power – open to one another internally, **AND** open to the rest of the world.

But the EU is **not just an economic power**. We are increasingly a **political player on the world stage**. Last weekend our heads of state showed that Europe is united not only on some of the more introspective questions that have taxed us recently, but crucially we are **united on the kind of role we want to develop with our partners around the globe**.

For friends like New Zealand, the key decisions this weekend were the ones which strengthened our foreign policy. This is an area where we are progressively maturing in our ability to act as one, and the steps approved at the European Council will allow us to further raise our game as a Union.

The changes will include appointing a new High Representative for Foreign Affairs and Security Policy, which will make it easier to operate more effectively at the international level.

In recent years we have been making major progress in developing our **crisis management and peace keeping operations** - 60,000 European peacekeepers are serving across the globe.

It's a little known fact that we are also the **world's largest donor** – we give over half the development and humanitarian assistance in the world. We promote human rights and good governance in every corner of the globe, including through our Election Observation Missions.

Our approach to foreign policy is rooted in our commitment to the values we believe have underpinned our own success: democracy and respect for human rights, the rule of law, good governance, market economy principles and sustainable development.

We are firm supporters of multilateralism just as you are in New Zealand. We are not interested in a world of competing power blocs and antagonistic alliances, but a world in which influence, prosperity and the burden of international responsibility is shared. The European Union is and will remain a key driver of this progressive global community, and at the forefront of efforts to tackle the trans-border challenges we face. We look to New Zealand and our other like-minded friends to be partners in this venture.

That brings me back to the core of my speech – our relations with New Zealand - one of our closest partners – if not geographically, then from the point of view of shared approaches and values. Over time, the EU involvement with New Zealand has deepened and widened. Our presence in New Zealand through our Delegation underlines a commitment to work hand and hand with like-minded countries and to forge ever stronger ties of friendship. We are determined to continue this work over the coming years.

For the future there are three key areas where we want to do more together:

- Boosting trade and investment;
- Improving security in the Pacific region; and
- Tackling the global issues of energy security and climate change.

1) Boosting trade and investment

Our bilateral trade is growing steadily - the EU is your second biggest trade and investment partner after Australia. Our trade in goods and services has steadily increased to a total of almost €10 billion.

A significant part of your services trade comes from tourism. We know Kiwis love to travel and your young folk especially make good use of our favourable visa conditions and our Member States' Working Holiday arrangements. In return, we Europeans are a major contributor to your tourism industry. 20% of all short-term visitors to New Zealand in 2005 came from EU Member States.

We are both looking at regional trading relationships. The EU is negotiating an Economic Partnership Agreement with some Pacific countries to encourage regional trading relationships and the integration of the Island states into the global economy. Similarly, New Zealand and Australia are seeking discussions with Pacific Island countries on a free trade agreement in the context of PACER, the Pacific Agreement on Closer Economic Relations. Our goal is to use trade to promote development goals and we hope you have the same goal in mind. Trade is a powerful tool for combating poverty and we must do everything we can to ensure that the Pacific reaps as much benefit as possible from increased world trade.

Looking to the future we both agree that our primary goal is to successfully complete the Doha Round. Further ahead we will look at how best to develop our bilateral trading relationship.

2) Improving security in the Pacific region

Improving security in the Pacific region is an important interest for us both. Unfortunately, however, in many respects the latest developments in this region have not been encouraging. There is clearly much scope for us both to remain engaged and cooperate more closely.

In Fiji we have watched recent actions with considerable concern. We greatly appreciate the role New Zealand has been playing in a very difficult situation. The expulsion of your High Commissioner is a deplorable act and certainly did not contribute to fostering an environment in which democracy can quickly be restored. We have made our views felt in Suva. We have launched a special procedure on Fiji under our agreement with them specifically targeted on the question of human rights and the rule of law. With our regional partners, we are all agreed that the aim must be for Fiji to hold elections no later than the first quarter of 2009.

We are also very much engaged in East Timor, and have sent an election observation mission there for next Saturday's elections. I look forward to sharing views on East Timor with Minister Goff, as I know he visited there just recently. We also appreciate New Zealand's efforts in the Solomon Islands, particularly in the context of the RAMSI intervention, which is a good example of the value of regional cooperation.

Looking further afield, we are heavily involved in Indonesia through our work in Aceh. I know New Zealand has also been very active, and is a valued partner of ours. We want to work to ensure Indonesia's stable political and economic development as the economic power house of region and also the largest Muslim nation in the world.

Dialogue with the Muslim world is one of my personal priorities. I have promoted interfaith dialogue in Europe, the Middle East and beyond.

I was delighted to hear the Prime Minister's recent speech on the subject at Waitangi.

We should work together to foster greater understanding and trust between cultures in **THIS** region. Our goal must be a world in which all faiths, all communities are valued and respected.

3) Energy and climate change

The third focus of our cooperation is energy and climate change. Europe has put these at the top of our political agenda, and we have set ourselves some ambitious targets.

In March we committed ourselves to reducing our greenhouse gases by 20% by 2020. We signalled that we will go further – to 30% - if other industrialised countries join in. Our ultimate objective is to cut global greenhouse gases by 50% by 2050.

We believe that coordinated international action is needed. That's why we enormously value New Zealand's long-standing commitment to the fight against climate change and

look forward to working with you to bring others on-board in the crucial next phase: the run-up to UN talks in Bali in December. One of our DG Environment officials was here in New Zealand just last week to further our collaborative efforts.

The EU is promoting the idea of an international agreement on energy efficiency, and we would like to invite New Zealand to participate actively in this process. We are also involved in supporting scientific and commercial research on clean technologies as well as on climate change. The EU is spending over €700 million on collaborative research on renewable energies under our framework programme. There is clear potential for the EU and New Zealand to work together on this under our science and technology agreement.

Clearly we will only be successful in tackling climate change if we also bring China, India and other developing countries on board, and we need to work with them to help them adopt the policies and technology which can reduce emissions without stifling growth. For example, the EU is promoting near-zero emissions coal technology in China, and we hope this kind of initiative can bring significant results.

Ladies and Gentlemen,

I hope you will agree this gives us an ambitious but meaningful agenda for the coming years as we develop and deepen relations between us. Focusing on boosting our trade and investment; cooperation on security in the Pacific region; and a global approach to climate change and energy, we can make our relations a real 21st century partnership. I look forward to launching our new partnership at the EU-New Zealand Ministerial meeting in September.

For now I would like to thank you once again for your incredibly warm welcome and hospitality, and I am greatly looking forward to seeing more of your very special country over the course of my trip.