



Submission to Ministry of Foreign Affairs and Trade

Trade for All Agenda

October 2018

Background

WeCreate is the alliance of New Zealand's creative industries with the mission to grow the creative sector's contribution to New Zealand's economy. WeCreate's member organisations represent content creators and owners across the spectrum of the creative industries from screen, to games and books, visual arts, advertising, music, performing arts, mixed reality, design, photography and architecture. In addition to our members, large businesses and government agencies in the New Zealand creative sector are Friends of WeCreate. Together our Members and Friends represent over 25,000 individual creators and creative businesses.

In 2016, WeCreate commissioned NZIER to prepare *The Evolution of Kiwi Innovation*. This report demonstrated that kiwi creativity drives jobs and economic growth, not only in the creative industries, but increasingly as a key enabler of other sectors.

The New Zealand creative sector:

- **Enriches the lives of all New Zealanders** through our ideas, and our stories of people and place
- Brings fresh thinking and new solutions to **help Kiwis thrive**
- Is at the forefront of **technological innovation**
- Drives **growth** in the digital age through **innovation and productivity, diversifying** our output and exports beyond traditional industries
- Generates **high value jobs and outputs** – not just in the creative industries, but **in every sector**
- Fosters the skills and talent we will need to confidently face the **Future of Work**
- Offers new opportunities for **small business and regional development**
- Is sustainable and **kind to the environment, helping to meet emissions targets**
- **Exports globally**, growing trade weightlessly and with few barriers

In the past 2 years, WeCreate has consulted widely in the development of an Action Plan to grow our creative sector for the good of all New Zealanders. The comments made here are informed by that process, which involved the establishment of six Working Groups comprising industry experts, one of which is dedicated to Export.

We welcome the continuation of the engagement we have with the Ministry, and NZTE, to increase the understanding of the potential and challenges of NZ creative businesses, as they relate to trade policy and export opportunity.

Submission prepared by Paula Browning
Chair, WeCreate Inc

Submission

1. WeCreate congratulates MFAT for undertaking a principles-based consultation process on New Zealand's future trade direction.
2. The focus on new and more sustainable economic opportunities aligns well with WeCreate's member-industries' current and potential export offerings.
3. We endorse work on the international rules-based system and New Zealand's contribution to its modernization.
4. We submit that the digital world and digital trade, in both digital products and digital services, require a new approach in both FTAs and the work of the WTO, as the value in economies shifts toward being less about physical goods trade.
5. We support the WTO Joint Statement on Electronic Commerce that New Zealand was a party to in December 2017 ¹.
6. We note that international trade categorization, rules, and agreements do not appropriately account for, nor support, the export growth potential of New Zealand's creative sector. Creative exports that are captured in trade figures are likely to be placed in the services category and yet much of the value will have come from digital "products".
7. We have identified in previous submissions that New Zealand's intellectual property settings do not always align with those of other countries, which creates barriers and costs with licensing creative content.
8. There is currently no trade category for digital products, as traded by many of our creative industries.
9. Creative industries trade in direct-to-consumer digital products, where the distribution mechanism is often privately-owned digital platforms that are not, currently, subject to the terms of FTAs or regulation.
10. Given the current and potential economic value to New Zealand of access to the internet, and distribution of content and services via digital platforms, the government should consider how to engage with these private companies that now play a significant role in digital trade.
11. With an increasing amount of value in the New Zealand economy being derived from digital rather than physical trade, cyber-security and international mechanisms for addressing cyber issues need to be considered in our trade arrangements.
12. The creative sector faces non-tariff barriers and we are keen to work with New Zealand's trade agencies to increase their understanding of these and secure support for mechanisms to address same. Examples are: Privacy laws in some countries, transparency on access to government contracts and censorship.

¹ https://www.wto.org/english/news_e/news17_e/minis_13dec17_e.htm