"Visions of a Free & Open Indo Pacific" – New Zealand contribution to the <u>Indo-Pacific Maritime Security Exchange</u>

Ladies and gentlemen, distinguished guests.

E nga mana, e nga reo, e nga iwi o te motu nei, tena kotou, tena koutou, tena koutou katoa. To all peoples and all tongues, greetings, greetings, greetings.

It's a great privilege to be invited to contribute to such an important occasion. I'm honoured to join colleagues from Japan and Korea to offer some framing thoughts on New Zealand's approach to the Indo-Pacific.

Dr Santoro, it's great to be in your company again – the Pacific Forum is one of Hawaii's great institutions. And I know my colleagues have always found its insights valuable as we think about the strategic shifts that are occurring in the region.

[The importance of the Indo-Pacific starts for New Zealand in the Pacific]

New Zealand anchors its Indo-Pacific perspectives in the geography that defines our immediate region, the Pacific – or Oceania as our American friends call it.

As Prime Minister Ardern recently said, the Pacific is our home. It's the region New Zealand most squarely identifies with. And where we very literally share a population base. Over 300,000 Pacific people live in Auckland - which gives the city the well-deserved reputation as the Polynesian capital of the world.

In this context, it's been a priority for successive New Zealand Governments to lift engagement with the Pacific region; delivering greater investment; and building long term partnerships built on a foundation of mutual respect. Today, our policy settings are focused on working with our Pacific partners to build long-term resilience, while ensuring our joint endeavours have a high degree of Pacific ownership and innovation.

But the Pacific itself is an increasingly complex and contested region. The enduring challenges of fragile economies, mixed levels of governance and poor infrastructure have been exacerbated by the more modern threats of geostrategic competition, climate change and the global pandemic. In short, what happens in the wider Indo-Pacific impacts materially on our neighbourhood the Pacific; its well-being, and its prosperity.

In this context, New Zealand has embraced the concept of the Indo-Pacific as our wider home, locating ourselves in a larger ecosystem of nations and regions that includes East Asia, the Pacific, the Indian sub-continent and the Pacific Rim.

[Our guiding principles in the region]

Since first referring to the Indo-Pacific as a policy construct, New Zealand has emphasised a principles-based approach to the region. We support regional architecture, including new architecture and regional initiatives that:

 Demonstrate clear respect for international rules and norms - including the United Nations Convention on the Law of the Sea, and freedom of navigation and overflight

- That promote openness we want to see a region that is open for trade, investment, and the movement of people to support prosperity and open supply chains
- That are inclusive to ensure all countries in the region can participate
- That uphold and respect nation state sovereignty; and
- And finally, that promote transparency to ensure states are honest about their foreign policy objectives and initiatives beyond their borders

We see these principles as critical to ensuring regional peace, prosperity and stability. They protect and advance the interests of all states, big and small, including New Zealand's.

And our interests in the region, like other international partners attending today, are substantial.

Economically, the Indo-Pacific is fundamentally important to New Zealand - accounting for 80 percent of our total annual global exports, and exceeding NZ\$70 billion of annual goods and services exports. Underlining the centrality of the region to New Zealand's interests, the economies of China, Australia, the US and ASEAN make up our current top four trading partners.

These numbers reflect the impact of a generation of economic diplomacy to build regional and bilateral trade architecture - offering opportunity to New Zealand traders and investors; and their counterparts in the region. There have been landmark trade deals with ASEAN, China, Korea, the CPTPP countries and the ASEAN-based RCEP group. Future accessions to CPTPP will be a critical element in the evolution of the Indo-Pacific regional architecture; as will the negotiation of the Indo-Pacific Economic Framework. Importantly, these arrangements – and the regional integration and interdependence they've driven – have been a factor in improving interstate relationships and supporting stability.

Into the future, we expect climate action to take on a growing profile in New Zealand's trade and economic agenda in the region. We have long been active in campaigning for fossil fuel subsidy reform – and are making progress in implementing a NZ\$1.3 billion commitment to support climate finance initiatives in the region. We also welcome the fact clean energy will be one of the pillars of the Indo-Pacific Economic Framework negotiating agenda. Moreover, our domestic mitigation efforts will require additional emissions reductions over and above those that can be achieved domestically - for which again we expect key partners to be Indo-Pacific economies.

Despite the progress that's being achieved in economic integration, gains in the region are taking place against an increasingly contested geostrategic backdrop. Developments in Europe – with Russia violating fundamental rules on the territorial integrity of states – have had an unsettling impact on the region, challenging long standing assumptions on which regional stability and prosperity have been founded. These assumptions are also challenged in our neighbourhood. In short, the Indo-Pacific has become increasingly contested, and the strategic environment more challenging.

In this context, New Zealand's efforts to play our part in defending the international rules-based order has taken on increasing importance. Whether it's working with partners to uphold UN sanctions against North Korea; supporting freedom of navigation and overflight in the South China Sea; suspending political and military bilateral engagement following the coup in Myanmar; or working in partnership to uphold regional norms and the primacy of regional institutions in the Pacific.

In pursuing our interests, we rely heavily on engagement in the regional institutions such as the Pacific Islands Forum, the East Asia Summit, ASEAN Regional Forum and the ASEAN Defence Ministers' Meeting Plus. These institutions are critical elements of the region's economic and security architecture. Taken together they provide the necessary mechanisms for the region to come together and tackle the most important economic and security challenges. Importantly, they also lower the risk of states preferring the use of power over dialogue.

[Conclusion]

I'd like to leave you with a final thought. New Zealand is active and engaged in the region and has a long history of cooperation. We have recognised for decades that what happens in the wider Indo-Pacific impacts materially on our neighbourhood the Pacific; its well-being, and its prosperity.

Like all good relationships, we share common objectives that help to promote a more peaceful, prosperous and stable region. Our support for rules-based international order, adherence to institutions and norms, and promoting economic integration has yielded enormous benefits. Promoting multilateralism and consensus building ensures respect for our common good and it assures our pathway forward is beneficial for the region.

But in a world where the architecture and systems we've collectively built are under pressure. And where the use of power and coercion, as opposed to rules and diplomacy, is being preferred by some actors. It's beholden on all of us to remain clear eyed about the type of future we want in the region – and the principles we collectively need to prioritise to achieve it.

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