

New Zealand Opposes Five Eyes Group Criticizing China's Policies

B [bloomberg.com/news/articles/2021-04-19/new-zealand-tells-five-eyes-partners-stick-to-intelligence](https://www.bloomberg.com/news/articles/2021-04-19/new-zealand-tells-five-eyes-partners-stick-to-intelligence)

Politics

By

[Tracy Withers](#)

19 April 2021, 10:19 GMT+8 Updated on 19 April 2021, 14:01 GMT+8



Nanaia Mahuta

Photographer: Michael Bradley/Getty Images

New Zealand is opposed to the Five Eyes intelligence-sharing alliance's moves to broaden its remit and take positions on issues such as China's human rights record, Foreign Minister Nanaia Mahuta said.

“We have raised with Five Eyes partners that we are uncomfortable with expanding the remit of the Five Eyes relationship,” Mahuta told reporters Monday in Wellington. “We would much rather prefer looking for multilateral opportunities to express our interests on a number of issues.”

In recent years the alliance between the U.S., Canada, Australia, the U.K. and New Zealand, which has its roots in World War II, has expressed views on China-related issues, including Beijing's treatment of Uyghurs in Xinjiang and political developments in

Hong Kong. New Zealand has on occasion opted not to co-sign those statements and acted independently, which has fanned concerns that it is undermining the alliance's solidarity.

'Five Eyes' Spy Alliance Trains Focus on Xi in Echo of Cold War

"New Zealand has been very clear not to invoke the Five Eyes as the first point of contact on messaging out on a range of issues that really exist outside of the remit of the Five Eyes," Mahuta said. "We have not favored that type of approach and have expressed that to Five Eyes partners. What we would prefer is looking for other supports in the region that may or may not be those countries."

In January, New Zealand didn't join a statement from the other Five Eyes partners following mass arrests in Hong Kong. Mahuta made a separate statement.

In a speech earlier Monday, Mahuta said New Zealand is looking at ways to work closely with all partners to advance the prosperity of Pacific Island nations. Multilateralism will have a more enduring impact than bilateral arrangements, she said.

While Mahuta said China can play a role in the long-term recovery of the Pacific region in the wake of the pandemic, she urged it to contribute greater investment to official multilateral development programs rather than through financing loans.

China has spent at least \$1.6 billion in aid and loans to the region since 2011, according to [the Lowy Institute think tank](#). Diplomats in Washington and Canberra fear that Beijing may use the loans as leverage to establish a naval base on one of the islands that would greatly enhance its military reach toward the Americas.

[Have a confidential tip for our reporters?](#)

[GET IN TOUCH](#)

Before it's here, it's on the Bloomberg Terminal.

[LEARN MORE](#)

UP NEXT

China's V-shaped Recovery Reached Turning Point, Goldman Says

Photographer: Qilai Shen/Bloomberg

economics

China's V-shaped Recovery Reached Turning Point, Goldman Says

Bloomberg News

20 April 2021, 13:32 GMT+8

Explore what's moving the global economy in the new season of the [Stephanomics](#) podcast. Subscribe via [Apple Podcast](#), [Spotify](#) or [Pocket Cast](#).

China's economy is on track to return to trend growth after its V-shaped recovery from the coronavirus slump ended with a record pace of expansion last quarter, according to Goldman Sachs Group Inc.

"The economy appears to have passed a turning point," Goldman Sachs Group Inc. economists including Hui Shan wrote in a note Tuesday. "Policy focus has also shifted from helping the economy heal from the COVID-19 downturn to addressing long-term stability and growth issues."

China Joins U.S. as Engine of Global Recovery With Record Growth

The world's second-largest economy expanded by 18.3% in the first quarter from a year earlier, when much of the country was shut to combat the coronavirus. Underneath the high rate of growth, there was a wide divergence across industries and an ongoing shift in growth drivers, according to Goldman Sachs.

Slump and Rebound

Expected surge in growth is the mirror image of the slump last year

Source: National Bureau of Statistics

Note: February data shows Jan.-Feb. combined

Compared to 2019 to avoid distortions from last year's activity collapse, exports and property sales are clear outperformers, while housing starts and manufacturing investment underperformed, the economists wrote. The performances are likely to show some convergence going forward, but at a slow pace.

While retail sales improved in March, the economists saw no strong signs of household consumption jumping higher in the near term with household saving rate remaining "stubbornly high" in the first quarter.

"With meaningful slack remaining, household consumption should play catch-up, but probably at a measured pace given the weight of uncertainties and the long way toward herd immunity," the economists wrote.

China's exports are also likely to see a shift in demand as the world economy recovers and reopens.

Demand for China-made personal protective gears is likely to soften, while non-Covid-19 related goods are expected to drive exports this year. The global housing boom and economic reopening can fully offset the negative impact of such declining demand for Covid-19 items, the research showed.

On the back of solid economic performance, Goldman Sachs expects the People's Bank of China to keep the policy rate on hold and credit growth to decelerate moderately toward nominal economic growth by the end of the year.

With the sectors' divergent performance, the government is expected to maintain necessary support for some areas while turning even more restrictive in others such as the property market.

— *With assistance by John Liu, and Lin Zhu*

UP NEXT

China's V-shaped Recovery Reached Turning Point, Goldman Says

©2021 Bloomberg L.P. All Rights Reserved