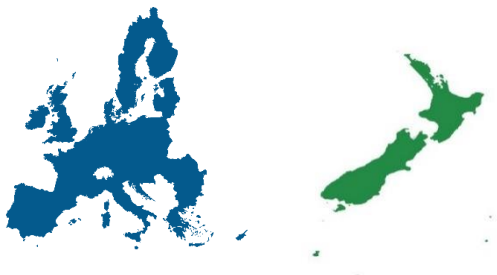


EU-New Zealand Trade Agreement

Launching trade negotiations with New Zealand

June 2018



On 21 June 2018, Commissioner Malmström and Trade Minister Parker officially launched negotiations for a trade agreement between the EU and New Zealand.

"Together, we can conclude a win-win agreement that offers benefits to business and citizens alike. Trade agreements are about economic opportunities but they are also about strengthening ties with our close allies. In New Zealand, we know that we have a partner who stands up for the same vital values as us. This agreement is an excellent opportunity to set ambitious common rules and shape globalisation, making trade easier while safeguarding sustainable development. We can lead by example."



Key facts on New Zealand



5 million
Population



€178 billion
GDP

Bilateral Trade flows in goods	€8.7bn
EU Goods exports:	€5.3bn (2017)
EU Service exports:	€2.7bn (2016)
EU Foreign Direct Investment stocks in New Zealand	€10.9bn (2016)
The EU is New Zealand's third-biggest trade partner after China and Australia	

Why a trade deal with New Zealand?

A trade agreement with this **like-minded partner** will help to deliver jobs, growth and investment, benefitting EU businesses and citizens alike.

New Zealand is **among the world's fastest-growing developed economies**. It has concluded numerous trade agreements with other partners. As the EU does not yet have a preferential bilateral trade arrangement with New Zealand, EU businesses have currently less favourable conditions to access the New Zealand market than many others. A trade agreement with New Zealand would therefore provide EU companies with a level playing field.

This agreement will build on the ongoing trade negotiations with several Asia-Pacific countries, allowing the EU to develop and deepen ties with one of the most dynamic economic regions of the world.

WHAT ARE THE ECONOMIC BENEFITS?

According to the model simulations in our impact assessment, trade in goods between New Zealand and the EU could increase by 47% in case of an ambitious trade deal. The services trade, meanwhile, could increase by 14%.

According to the same model, if the EU concludes ambitious trade agreements with both Australia and New Zealand, this could add €4.9bn to the EU's GDP by 2030 and €1.3bn to New Zealand's economy.

According to the model simulations in our impact assessment, trade in goods between New Zealand and the EU could increase by 37% in case of an ambitious trade deal. The services trade, meanwhile, could increase by 8%.

According to the same model, if the EU concludes ambitious trade agreements with both New Zealand and Australia, this could add €4.9bn to the EU's GDP by 2030 and €4.2bn to New Zealand's economy.

This trade agreement will



reduce existing barriers to trade and investment



provide a new framework for EU-New Zealand trade and investment relationships, including a comprehensive, progressive and up-to-date set of rules



promote smart, sustainable and inclusive growth

create job opportunities



increase benefits to the consumer

Which sectors are likely to gain?

Machinery and appliances

Chemicals

Motor vehicles and transport equipment

Food and drink

Electronic equipment

Major EU exports to New Zealand today include machinery, transport equipment and chemicals. Major imports from New Zealand include animal and vegetable products, foodstuff, chemicals and machinery.

Small and medium-sized firms would benefit from:

- the removal of customs duties
- better access to apply for government contracts in New Zealand
- simpler procedures for product testing
- ensuring that names of traditional food and drink products ("Geographical Indications") are properly protected

What about agriculture?

The EU's agricultural sensitivities will be fully reflected in the negotiations. The sensitivity of some of the EU's agricultural sectors was reflected in the studies carried out while preparing the negotiations and in November 2016, the Commission also released a study on the cumulative impact of future trade agreements on the agricultural sector. It is clear that the EU does not envisage full liberalisation of trade in sensitive agricultural products, but will seek specific treatment for such products such as long tariff dismantling periods, tariff rate quotas, or any other arrangements which the sides agree to be appropriate.

At the same time we will strongly pursue Europe's agricultural export interests.

How will consumers benefit?

- opening markets has the potential to keep **prices down** and give consumers **more choice**
- this does not mean lowering or changing standards that protect people's health and safety, social rights, their rights as consumers or the environment.
- the agreements will not affect the way in which the EU regulates food safety or consumer protection. Imports to the EU will still have to satisfy all EU product rules and regulations – without exception.