



Report on the fourth round of negotiations for a Free Trade Agreement between the European Union and New Zealand

13-17 May 2019
Wellington, New Zealand

Summary

The fourth round of negotiations for a Free Trade Agreement (FTA) between the European Union and New Zealand was held from 13 to 17 May 2019 in Wellington. The negotiations covered most of the areas of the future agreement, including both sides' market access offers for services and investment, as well as for public procurement, which had been exchanged in the run-up to the round. The negotiators achieved good progress across all discussed areas. The round was an opportunity to agree on the Transparency chapter.

Details per negotiating area

Trade in Goods: Both sides made further progress on the text of the chapter, taking it to an advanced degree of completion with the difficult issues now significantly narrowed down and well identified. Both sides held exploratory talks on market access for sensitive products. Both sides agreed to hold a technical videoconference on market access before the next round in order to maintain the momentum.

Rules of Origin: The discussions covered all Articles of General Provisions (Section A) and Origin Procedures (Section B). Both sides agreed substantial additional parts of the text, notably in relation to origin procedures. The EU side tabled its proposal for the Product Specific Rules and the introductory notes to these rules. Based on these proposals, both sides started detailed product specific rules discussions.

Customs and Trade Facilitation: Both sides made good progress and constructive exchanges enabled to agree on five additional articles. The next round will focus on the remaining issues and on the institutional provisions in order to ensure the consistency and coherence with the existing EU-New Zealand customs agreement.

Technical Barriers to Trade: Both sides resumed work on the TBT Chapter and its Automobile and Wine annexes. In the TBT Chapter, both sides made progress in the less contentious areas. Both sides continued to have constructive discussions in the more difficult areas, especially as regards the way forward on conformity assessment.

Both sides started working on the basis of a joint text on the Car Annex, where some of the less difficult provisions were agreed. An agreement was reached on text in the area of cosmetics on the prohibition of animal testing. Based on an EU proposal, both sides also started text-based discussion on the Wine Annex.

Sanitary and Phyto-Sanitary measures: Both sides continued to have constructive and detailed discussions which focused on the relationship between the Veterinary Agreement and the SPS Chapter of the FTA. Both sides agreed to seek further legal clarification on a number of questions identified during the discussion.

Both sides undertook further work on the articles related to definitions, scope, equivalence, regionalisation in the plants sector, audits, export certification, AMR and the Joint Management Committees.

Trade in Services: Both sides exchanged initial market access offers for services and investment, and had a first initial discussion on the respective offers. On the text of the future agreement, fruitful discussions were held on the general provisions, cross-border trade in services, entry and temporary stay of natural persons for business purposes and the regulatory framework sections dealing with mutual recognition, delivery services, international maritime transport services and domestic regulation. For the latter, the EU side tabled

a revised text proposal. Further progress was made on various provisions of the text, particularly for delivery services. Useful discussions were held on areas of policy difference in various chapters.

Digital Trade: Fruitful discussions were held on all provisions in the Digital Trade Title. Both sides provided further clarifications and explanations on their regulatory systems with relation to some provisions. Further progress was made by agreeing parts of the text, while detailed technical discussions were held on articles which require further internal consultations.

Investment and Capital Movements: Constructive discussions took place with regard to the investment liberalization provisions, in particular on scope, definitions, non-discrimination, prohibition of performance requirements and non-conforming measures. Both sides exchanged useful clarifications with the view of approaching positions and preparing a future agreement on the remaining issues. Significant progress was made in further consolidating the text of the chapter on capital movements, payments and transfers.

Intellectual Property Rights: Both sides discussed constructively and in detail every section of the IPR Chapter (general provisions, copyright and related rights, patents, trademarks, protection of undisclosed information, plant varieties, enforcement including border measures, and cooperation), except geographical indications.

Both sides reached agreement on a number of provisions based on further clarifications and explanations of their respective IP frameworks and the tabling of respective compromise proposals. Remaining areas where further work will be required have been narrowed down. Despite additional progress on various technical elements, significant divergence between both sides' views remained in a number of areas.

With respect to geographical indications, both sides had a first review of the result of the publication for opposition by New Zealand of EU geographical indications on a basis of a summary table of the oppositions received by the deadline of 19 March 2019. Discussion on the text provisions will be held at a later stage.

Public Procurement: The round yielded progress on the text of the Public Procurement Chapter, notably with regard to several "GPA plus" provisions the EU side had tabled at the beginning of the FTA talks.

Both sides had also a first exchange on the respective initial market access offers exchanged in the run-up to the round, which will require for further talks and engagement in future rounds.

Trade and Sustainable Development: Both sides had a first full reading of the consolidated text based on the EU initial text proposal and submissions from New Zealand. Both sides discussed all articles, reached a preliminary agreement on a number of issues, and narrowed down further work to a limited number of areas. The issue of ratification by New Zealand of the fundamental ILO conventions (No 87 and 138) was discussed.

Transparency: Both sides resolved the last outstanding issues and closed the negotiation on this chapter.

Good Regulatory Practice: Fruitful exchange on a way forward to merge both sides' approaches, which will provide a basis to progress on text in the next round.

Dispute Settlement: Both sides made further progress on the text of the chapter. Both sides also consolidated important parts of the annexes on the rules of procedure and the code of conduct.