



Report on the 11th round of negotiations for a Trade Agreement between the European Union and New Zealand

28 June – 8 July 2021

Summary

The 11th round of negotiations for an EU-New Zealand trade agreement was held from 28 June to 8 July 2021 by videoconference. The discussions covered most areas of the future agreement. The round was preceded by a meeting between New Zealand's Minister of Trade, Damien O'Connor, and Executive Vice-President of the European Commission, Valdis Dombrovskis. The meeting allowed not only to take stock of the negotiation, but also to give an additional impetus to the negotiation process.

Details per negotiating area during this round

Trade in Goods: A constructive discussion that brought both sides closer. Both sides exchanged improved tariff offers, which constituted a positive contribution towards a successful conclusion of the round. In the discussions on the chapter the text, New Zealand confirmed its agreement on the finalisation of the article on export and import restrictions. The key outstanding articles are related to origin marking and customs fees. New Zealand undertook to provide a counterproposal on transparency commitments regarding customs fees.

Rules of Origin: Discussions covered the full text of Section A (General Provisions) and Section B (Origin Procedures). Both sides agreed on the articles related to non-alteration, claim for preferential tariff treatment, statement on origin, and record-keeping requirements. The list of issues that remain open includes notably cumulation, tolerances for agricultural products, value calculation methods and vessels conditions.

The discussion on Product Specific Rules covered agricultural and processed agricultural products, fisheries, machinery, ships, aircraft, leather, textiles and clothing. The EU side confirmed the need to apply its standard vessels conditions and double transformation for textiles.

Trade Remedies: Both sides discussed all sections of the chapter. While anti-dumping/anti-subsidy and global safeguard provisions have been in larger part resolved, the discussion on some issues remains problematic. The list of these

includes references to “green box” subsidies in anti-dumping/anti-subsidy and the right of parties to make use of the WTO agricultural safeguard clause.

Under bilateral safeguard section, the discussion in relation to the length of the transition period, the duration of measures, different injury standards for agricultural products and outermost regions, remains open. The negotiation on these elements is linked to progress in market access offers.

Wine and Spirits Annex: Constructive discussion that allowed to identify pragmatic solutions at hand. The EU side re-confirmed readiness to provide flexibilities on wine definition and alcohol range, to consider some of New Zealand’s oenological practices that differ from standards established by International Organisation of Vine and Wine (OIV) and the EU, and to explore simplified certification for wine. New Zealand showed readiness to identify in the OIV recommendations a pivotal element in respect of oenological practices. Both sides acknowledged the need to continue technical work on all these areas.

Sanitary and Phyto-Sanitary measures: Constructive discussions that allowed to conclude the articles on animal welfare and implementation and resources. Both sides also continued discussions on anti-microbial resistance, definitions, risk assessment, sustainable food systems and the institutional setup.

Trade in Services: Both sides continued discussions on general provisions, entry and temporary stay of natural persons for business purposes and the regulatory framework sections dealing with domestic regulation, international maritime transport services, financial services and telecommunications services. Further progress could be made on various provisions throughout the text. Both sides held useful discussions on various areas of policy difference. In addition, they discussed the general exceptions applicable to trade in services. Both sides also continued discussions on the offers for services and investment.

Digital Trade: Both sides went once more through all the open issues in the text of the title, resulting in progress on the text of several articles. For a number of other articles, both sides discussed possible compromise solutions.

Investment Liberalisation: Both sides made good progress on some of the core disciplines in the chapter. New Zealand made some proposals related to the market access provision. Both sides found an in principle agreement on the Most Favoured Nation text and the New Zealand offer. Both sides discussed potential landing zones in relation to other provisions.

Government Procurement: Both sides discussed possible landing zones for government procurement market access, and in particular in relation to the coverage of procurement falling within the scope of application of New Zealand’s procurement law.

Intellectual Property Rights: Both sides discussed all sections of the chapter, and reached agreement on a limited number of provisions based on further clarifications and explanations of their respective Intellectual Property frameworks. Additional text has been agreed across the chapter based on compromise solutions.

Geographical Indications (GIs): New Zealand agreed in principle to grant GI protection at the level of Art. 23 TRIPs to foodstuff GIs. Both sides discussed the New Zealand concerns about the potential impact of maintaining GI protection

for EU products that are not currently exported to New Zealand, nor likely to be exported in the future, and the EU side concerns towards any provision limiting “in principle” amendments of the lists to GIs not protected at entry into force of the Agreement.

Both sides worked through the list of New Zealand objections to EU GIs and discussed possible solutions for each name exploring the concepts of phasing-out, grandfathering, homonymous GIs, use in translation, plant varieties and compound terms.

Trade and Sustainable Development: Both sides held constructive discussions covering all the outstanding elements of the joint TSD text. The negotiators made further progress in text consolidation and were able to provisionally close additional articles, notably those related to trade and sustainable fisheries management and aquaculture, and to trade and responsible supply chains. In addition, both sides solved most outstanding issues in relation to transparency, trade and biodiversity, and trade and forests. Both sides also held detailed discussions on trade and gender.

Antitrust, Mergers and Subsidies: On Antitrust and Mergers, the negotiations were constructive and mutually acceptable solutions have been found on most provisions. Both sides will continue to work to find a compromise on remaining open issues. On Subsidies, both sides held constructive and detailed discussions on the outstanding issues.

State-Owned Enterprises: On SOEs a fruitful session took place in which much of the text was agreed and the few remaining issues were identified for further work –some to be dealt with necessarily at higher levels for resolution. New Zealand will come back inter-sessionally to resolve a long standing difficulty involving existing SOEs in New Zealand.

Energy and Raw Materials: The negotiations were very constructive, finding mutually acceptable compromises on the vast majority of provisions, with a limited number of issues remaining open.

Dispute Settlement and Legal: The legal group continued its discussion on the exception chapter focussing on parts of the general exception, the tax exception and the security exception. Some progress was made on the general exception. The group also discussed a number of technical modifications that the Commission had proposed at the last round taking into account recent experience with conducting bilateral dispute.

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