

EU-New Zealand Free Trade FTA (FTA)

Scene setter

- Following a 4-year negotiation process and 12 negotiation rounds, the EU and NZ concluded FTA negotiations on 30 June 2022. This was the **fastest ever negotiated FTA** on the EU's part.
- The FTA illustrates both sides' efforts to diversify their respective trade relations and is in line with the EU's geopolitical ambition to deepen relations with the **Indo-Pacific region**. Then NZ Prime Minister Ardern presented the deal as being not about volumes but about values. The FTA builds on **strong alignment of values**, as demonstrated by NZ's support since the war broke out in Ukraine. It is also a clear message of **support to the rules based trading system**.
- Signature took place on 9 July 2023, in Brussels. Both sides have completed their ratification procedures (the EU in November 2023, New Zealand in March 2024). **The FTA is in force since 1 May 2024.**

What is special about the FTA?

- This FTA includes a **number of "firsts" on both sides**.
 - For both, it is the first FTA where "next generation" type of sustainability provisions have been agreed, which includes the first-of-its-kind sustainable food systems chapter, and has new commitments on gender equality.
 - For the EU it is also the first time in a bilateral trade FTA where commitments on harmful fisheries subsidies have been agreed, the first FTA to have an indigenous trade chapter, and the first FTA that liberalises green goods and services on entry into force.

Main achievements

1. Goods market access

- **All EU exports to NZ will be tariff free** from entry into force, saving EU businesses some 140 million euros a year. This means the removal of outstanding tariffs of up to 10% on industrial and agri-food products including motor vehicles and parts, machinery, pharmaceuticals, pigmeat, wine and chocolate.
- **91% of NZ's current goods trade to the EU will enter duty free** from entry into force, rising to 97% after seven years. Full or almost all removal applies to fish and seafood, wine, honey, kiwifruit, onion, apples.
- The EU is **fully aware of the importance of meat and dairy products** for NZ. These are also very sensitive products for the EU. This means the right balance was achieved between the importance of these products for NZ while safeguarding the interests of EU farmers and rural communities. We have agreed carefully calibrated tariff quotas.
- **Bilateral trade is expected to increase by up to 30%** within a decade.

2. Services

- The FTA will **make it easier for EU firms to provide services to New Zealand and vice versa**, and will ensure a level playing field between service providers and their competitors. For example, the FTA will facilitate the movement of professionals for business purposes, such as managers or specialists that EU companies post to their subsidiaries in NZ and their family members.
- NZ will see new and improved access for education providers to offer a range of services including English language education services – the first time the EU has agreed to commitments in this sector.

3. Investment

- The FTA ensures **non-discriminatory treatment of investors**. Importantly, investments made by EU investors will be screened in NZ under the same condition as other investors with whom NZ has FTA's.
- **EU investment flows have the potential to increase more than 80%** into NZ.

4. Procurement

- **EU companies will be able to tender, on an equal footing with local companies**, for most central authorities procurement. Until now, there was no guarantee they could do this. They will also be able to tender for contracts of local authorities relating to transport projects funded in whole or in part by NZ's national transport authority.
- In return, **NZ companies will have greater access to the EU procurement market** beyond what is covered by the WTO Government Procurement FTA.

5. Digital Trade

- The FTA contains modern rules on digital trade, **removing barriers to cross-border transactions while safeguarding the ability of both parties to regulate in the public interest.**

- It will facilitate cross-border data flows while preserving EU values on personal data/ privacy protection, and includes ambitious articles on the protection of source code, use of e-contracts and e-invoicing/ paperless trading.
- For NZ, the Digital chapter includes new language that will provide greater certainty as to how the NZ Government can regulate to promote and protect Māori interests in the digital space.

6. Intellectual Property

- The EU and NZ have agreed to **comprehensive IP provisions for the effective protection and enforcement of IP rights** that will encourage innovation and creativity.
- **NZ will protect over 2000 EU Geographical Indications (GIs)**, making it illegal to sell imitations in NZ. Protection extends to misleading use of imagery that suggest a “false” geographical origin. For the first time, NZ will protect GIs for foodstuffs. Use of some EU GI names for non-EU products in New Zealand will be phased-out over a period of five or nine years, with the exception of prior trademarks. Prior users of ‘parmesan’ and ‘gruyère’ will retain the ability to use those terms, but new users cannot use them. In return, the **EU will protect 23 NZ wine GIs**. There is an opportunity to add more GIs in the future.

7. Trade and Sustainable Development

- This FTA is the **EU’s first FTA that integrates its new approach to trade and sustainable development**:
 - The TSD chapter obliges both parties to **effective implementation** of ILO conventions and Multilateral Environmental FTAs that each party has ratified, including the Paris agreement;
 - Respect for the **Paris agreement will be an essential element** of the FTA;
 - TSD commitments are **legally binding and enforceable** through the FTA’s general dispute settlement, including the possibility of sanctions as a last resort in cases of serious violations of core labour principles or of the Paris agreement; and
 - Civil society organisations will have an active role in monitoring implementation of the FTA.
- It contains the most ambitious disciplines the EU has ever agreed to in an FTA on fisheries subsidies and commitments to work together on fossil fuel subsidy reform.
- It also contains an Animal Welfare chapter that affirms the high priority both parties afford the welfare of animals.

8. Small and Medium sized Enterprises

- A **dedicated chapter addresses the specific needs of SMEs**, including information on how to access both markets on a specific SME website, and creates an ‘SME contact Point’ to help identify ways SMEs could make the most of the unlocked opportunities offered by the FTA.

9. Māori Trade and Economic Cooperation Chapter

- The EU and NZ recognise the importance of ensuring that Māori can benefit from the opportunities that the FTA brings. The Chapter **supports the advancement of Māori economic aspirations** through the promotion of activities, such as exchanging information on GIs. The FTA also contains provisions in other chapters that may benefit Māori or recognise the NZ Government’s obligations under NZ’s founding constitutional Treaty (Treaty of Waitangi).

Useful links

- **EU/ European Commission - DG Trade:**
 - Documents, text of the FTA, factsheets and guides: [EU-New Zealand \(europa.eu\)](https://europa.eu)
 - Current tariffs, formalities, etc: Access to Markets Database: [Welcome home page | Access2Markets \(europa.eu\)](https://ec.europa.eu/access2markets/)
The information on the Access2Markets database and its associated tools is copyright protected and access is limited to users logging on the portal from EU territory. However, European companies’ offices outside of the EU can request access by filling in the following [contact form](#).
- **EU/ Enterprise Europe Network, [Enterprise Europe Network | Enterprise Europe Network \(europa.eu\)](https://www.enterprise-europe-network.eu/)**
 - Contact point for the Enterprise Europe Network in New Zealand: Jonathan Young, Head of Industry and Government Engagement, Ara Ake, Jonathan.Young@araake.co.nz
- **NZ/ MFAT:**
 - FTA dedicated website: [New Zealand-European Union Free Trade FTA | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](https://www.mfat.govt.nz/en/Trade-and-Economic-Cooperation/Trade-Agreements/Free-Trade-Agreements/New-Zealand-European-Union-Free-Trade-Agreement/)