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EU-Commission prepares for bilateral trade with New Zealand

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The European Commission has proposed a bilateral trade agreement with New Zealand by submitting a draft decision to the European Council for ratification. Approval of the trade agreement will trigger bilateral trade opportunities for both small and large scale businesses between EU-New Zealand that have the potential to grow by 30% equivalent to â?¬4.5 billion.

The agreement is expected to deliver major benefits for the EU and prompt further investment into New Zealand, with a potential growth rate of up to 80%. Within the first year of implementing the deal, EU companies can save about â?¬140 million a year in duties.

EU farmers will have much better opportunities to sell their produce in New Zealand immediately upon implementation of this agreement. EU exports such as chocolate, sugar confectionery, biscuits, wine and sparkling wine will no longer be subject to tariffs. A number of dairy products, beef and sheep meat, ethanol and sweetcorn are among the agricultural products whose interests are protected by the agreement.

The new trade policies aims to expand export opportunities for small and large businesses to avail the benefits such as,

- Eliminating all tariffs on EU exports to New Zealand
- Opening the New Zealand services market in key sectors such as financial services, telecommunications, maritime transport and delivery services;

- Ensuring non-discriminatory treatment to EU investors in New Zealand and vice versa
- Enhancing EU companies' access to government procurement contracts in New Zealand
- Facilitating data flows, creating predictable and transparent rules for digital trade, and providing consumers with a secure online environment
- Maintaining high standards of data protection and preventing unjustified data localization requirements
- Helping small businesses export more through a dedicated chapter on small and medium enterprises
- Significantly reducing compliance requirements and procedures to allow for quicker flow of goods
- Significant commitments by New Zealand to protect and enforce intellectual property rights, aligned with EU standards.

As part of the EU's Green Deal Industrial Plan announced by President von der Leyen on 1 February 2023, open trade is one of the four pillars. With the new trade policies in place, the EU economy will become greener, more competitive, and more resilient.

The EU-New Zealand Trade Agreement is the first one to integrate the EU's new approach to trade and sustainable development. Based on cooperation and strengthened enforcement, both sides agreed to ambitious TSD commitments.