

New Zealand and Free Trade Agreements

As part of the conversation we're having with all New Zealanders on Trade for All, we're answering questions people have about trade policy and how free trade agreements or "FTAs" are negotiated. Take a look and have your say...

What are free trade agreements (FTAs)?

FTAs are international treaties on trade. They can be between just two economies, or between a group of economies. The focus is primarily on economic benefits, but a FTA may also have sustainability, political, strategic, or aid benefits. To find out more about [New Zealand's involvement in FTAs](#), see www.mfat.govt.nz.

Step 1: Consultation

We consult with New Zealanders from before negotiations begin up until a FTA is ratified. Interested groups or individuals can submit views in writing or participate in consultation meetings. For details on [how we consult on free trade agreements](#) visit www.mfat.govt.nz.

Step 2: Developing a mandate

Feedback from consultations helps inform the mandate for negotiations. The mandate is a set of instructions and boundaries on what issues may be covered in negotiations and the outcomes we should seek. We report to Cabinet on objectives, and recommendations for the FTA, including expected benefits and risks and advice on how those risks might be managed. Cabinet must approve the mandate before negotiations can start. For details on [free trade agreements under negotiation](#) visit www.mfat.govt.nz.

Step 3: Negotiations and further consultation

There is no set timeframe for holding negotiating meetings (called negotiating "rounds") with our negotiating partners, but they usually take place every two to four months. Between rounds we can consult further and, if necessary, seek updated negotiating mandates from Cabinet. Modern FTA negotiations often cover the following areas, among others:

- Goods trade
- Services trade
- Investment
- Intellectual property
- Labour standards and environment standards
- Competition policy
- Government procurement
- E-commerce

While negotiating, care is taken to ensure obligations are drafted so they do not impair our Government's right to regulate, including the ability to make legitimate public policy in areas such as health, environment, labour, culture and heritage, and fulfilling the Crown's obligations to Māori. More details on [what New Zealand negotiates in FTAs](#), and [how we protect our right to regulate](#) can be found at www.mfat.govt.nz.

Step 4: Progress a National Interest Analysis

Once negotiations are concluded and the text outcomes can be analysed, a National Interest Analysis is prepared. This sets out the advantages and disadvantages of New Zealand becoming a party to the agreement. The content that needs to be covered in the National Interest Analysis is set out in the Standing Orders of the House of Representatives, and includes a summary of the consultation that has taken place.

Step 5: Signing the agreement

Cabinet approves the final text of the agreement and gives authority to sign the agreement. Cabinet also approves the National Interest Analysis, which is then publically released. At this stage the agreement is agreed but not yet legally binding.

Step 6: Presenting the agreement to Parliament for consideration

The agreement and the National Interest Analysis are presented to the House of Representatives. A Parliamentary Select Committee has 15 sitting days to consider these and to hear public submissions before reporting back to the House. If the Select Committee has recommendations, the Government must table a response within 90 days. Read more information on [FTAs that have been signed](#) and are currently being considered by the New Zealand Parliament at www.mfat.govt.nz.

Step 7: Parliament passing implementing legislation

After the Parliamentary Select Committee has reported back on the agreement the legislation required to implement the agreement can be introduced to Parliament. The legislation ensures that New Zealand can comply with the agreement once it enters into force. Prior to the legislation passing it is considered by a Select Committee which calls for public submissions.

Step 8: Ratification of the agreement

When all of the above steps are completed, the agreement is brought into force for New Zealand. For more information on the process that is followed, check the [International Treaty Making Guide](#) on our website www.mfat.govt.nz. We exchange formal documents with other countries to confirm our domestic procedures are complete. See our website for more information on the nine [free trade agreements in force](#).

Have your say at www.haveyoursay.mfat.govt.nz or send a submission to tradeforall@mfat.govt.nz

- Are you happy with the information available on trade negotiations?
- How could we improve consultation?
- What issues do you want to be consulted on?