NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

New Zealand Ministry of
Foreign Affairs and Trade
Manatū Aorere

195 Lambton Quay
Private Bag 18–901
Wellington 6160
New Zealand

T +64 4 439 8000
F +64 4 472 9596

OIA 30480

31 October 2025

Personal Details removed for Proactive Release

Tēnā koe Personal Details removed for Proactive Release

Thank you for your email of 8 October 2025 in which you request the following under the Official Information Act 1982 (OIA):

"- *United States Tariffs: New Zealand Response, dated 4 August 2025*
- *United States Tariffs: Updated Impact Analysis, dated 15 August 2025*"

Please find attached the documents you have requested. Some information is withheld under the following sections of the OIA:

- 6(a): to avoid prejudicing the security or defence of New Zealand or the international relations of the New Zealand Government;
- 6(b)(i): to protect the passing of information from another government on a confidential basis;
- 9(2)(a): to protect individuals' privacy;
- 9(2)(b)(ii): to avoid prejudice to the commercial position of another party;
- 9(2)(d): to protect the economic interests of New Zealand;
- 9(2)(f)(iv): to protect the confidentiality of advice tendered by Ministers of the Crown and officials;
- 9(2)(g)(i): to protect the free and frank expression of opinions by departments; and
- 9(2)(j): to avoid prejudice to negotiations.

Where the information has been withheld under section 9 of the OIA, no public interest in releasing the information has been identified that would override the reasons for withholding it.

Please note that it is our policy to proactively release our responses to official information requests where possible. Therefore, our response to your request (with your personal information removed) may be published on the Ministry website: www.mfat.govt.nz/en/about-us/contact-us/official-information-act-responses/

If you have any questions about this decision, you can contact us by email at: DM-ESD@mfat.govt.nz. You have the right to seek an investigation and review by the Ombudsman of this decision by contacting www.ombudsman.parliament.nz or freephone 0800 802 602.

Nāku noa, nā

Sarah Corbett
for Secretary of Foreign Affairs and Trade

NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

15 August 2025

Minister for Trade and Investment — For information by 2 A gust 02

United States Tariffs: Updated Impact Analysis

BRIEFING	Overview Submission
PURPOSE	To provide an updated analysis of the e ted econom c impac s of he United States July 31 t r po cy a no n m.nts on New Zealand exporters and the economy.

Recommended referrals

Prime Minister	For informatio by	21 August 2025
Minister of Foreign Affairs	For informatio by	21 August 2025
Minister of Finance	Fo informatio by	21 August 2025
Minister of Agriculture	For information by	21 August 2025
Minister of Customs	For information by	21 August 2025
Minister of State for Trade and Investment	For information by	21 August 2025
Minister of Commerce and Consumer Affairs	For information by	21 August 2025

Contact details

NAME	.OL	DIVISION	WORK PHONE
Sara Meymand	Divisio	Trade Policy and Negotiations Division	s9(2)(a)
Geoff King	Chief Economist	Economic Division	

Minister's Office to complete

☐ Approved	☐ Noted	☐ Referred
☐ Needs amendment	☐ Declined	☐ Withdrawn
☐ Overtaken by events	☐ See Minister's notes	

Comments

ECON-185-830

United States Tariffs: Updated Impact Analysis

Key points

- On July 31 President Trump announced an increase in the US tariffs applied to New Zealand's exports from 10 to 15 percent. This applies on top of existing US tariffs pre-April 2.

- This submission provides an update on the sector level and macro-economic impacts of New Zealand's new tariff position into the US. Over the medium term the economy wide impact is still negative s9(2)(j) , but in the short term there could be real pain ahead for individual firms or at the sector level as they adjust to the new trade landscape.

- This five-point increase in the tariff we face into the US is expected to have a s9(2)(j) for a sub-set of exporters, including s9(2)(j), s9(2)(b)(ii) A further tariff escalation – particularly if our main competitors were not subject to such an increase - would become more problematic in both macro and micro-economic terms.

- New Zealand has historically benefitted from a relatively level playing field into the US market, s9(2)(j) and mostly low US 'Most-Favoured Nation' (MFN) tariff rates. This is despite the absence of a Free Trade Agreement (FTA) and the existence of such preferential arrangements for many of our key competitors (Australia, Chile other Latins and USMCA partners). While the 10 percent tariff announced on April 2 added around $1 billion of tariff costs on New Zealand's exports to the US, it generally did not affect New Zealand's comparative position relative to other competitor countries. However, following the July 31 announcement, New Zealand's competitive position has now been eroded, particularly when compared to some of our main competitors.

- The short-term effects of these increased tariffs and a now uneven playing field are likely to be felt at a company level, adding pressure to business margins, and affecting those sectors where there is a high dependency on the US market. In particular, s9(2)(j), s9(2)(b)(ii) face increased pressures as a result of the July 31 announcement. s9(2)(b)(ii), s9(2)(d) In addition, some regions, firms, and socioeconomic groups in New Zealand may be impacted disproportionately, albeit relatively modestly.

- MFAT's updated economic modelling highlights that US tariff policy will negatively impact global GDP growth, including exerting some downward pressure on returns from some of New Zealand's major export markets. The trajectory of global economic growth is expected to negatively be impacted by 0.5 percent over the medium term.

- s9(2)(b)(ii), s9(2)(d)

United States Tariffs: Updated Impact Analysis

- Exports to US and China are expected be the most heavily impacted, s9(2)(j)

- There are no resourcing implications as a result of this submission.

Vangelis Vitalis
for Secretary of Foreign Affairs and Trade

United States Tariffs: Updated Impact Analysis

Recommendations

It is recommended that you:

1 **Note** that the July 31 Executive Order to raise the additional tariff on New Zealand exports from 10 to 15 percent will, over the medium term, impact negatively, s9(2)(j) on the wider economy, but in the short term there could be real pain ahead for individual firms or at the sector level as they adjust to the new trade landscape with the erosion of some sectors' comparative tariff position into the US relative to competitor nations. **Yes / No**

2 **Note** that commodity s9(2)(j), s9(2)(b)(ii) are expected to face increased pressures, s9(2)(d) **Yes / No**

3 **Note** that MFAT's updated economic modelling highlights that US tariff policy will negatively impact the growth trajectory of global GDP, including exerting some downward – again modest – pressure on returns from New Zealand's major export markets and in particular China. **Yes / No**

4 **Note** that MFAT's updated economic modelling suggests the medium-term impacts of US tariffs on the growth trajectory of New Zealand's GDP and total exports, s9(2)(j) . **Yes / No**

5 **Note** that the tariff escalation may encourage more New Zealand exporters to explore opportunities in other markets where New Zealand retains FTA preferences (i.e. with CPTPP members, ASEAN member states, the EU and the UK, among others); **Yes / No**

6 **Refer** a copy of this submission to the Prime Minister, Minister of Foreign Affairs, Minister of Finance, Minister of Agriculture, Minister of Customs, Minister of State for Trade and Investment, and Minister of Commerce and Consumer Affairs. **Yes / No**

Hon Todd McClay
Minister for Trade and Investment

Date: / /

United States Tariffs: Updated Impact Analysis

Report

Timeline of impacts of US trade policy on the New Zealand economy

1. Prior to President Trump entering office earlier this year, New Zealand exports into the US entered on a relatively even playing field. Despite long-standing US free trade agreements with Australia, Canada, Mexico, and others such as Chile and many Central American competitors (in dairy, horticulture, and seafood), New Zealand's key export sectors had applied tariff rates which were broadly comparable to many of our competitors. This was largely due s9(2)(g)(i) US' mostly low 'Most-Favoured Nation' (MFN) tariff rates. In 2024, New Zealand's NZ$8.9 billion in exports to the US were subject to just NZ $100 million in tariffs annually (i.e. an average tariff of 1.1 percent).

2. On April 2, President Trump announced elevated US tariffs on most trade partners. This included an additional 10 percent 'baseline' tariff on New Zealand, with other countries having the same or higher tariff rates applied. On April 9, s9(2)(d) the Trump administration paused elevated tariffs on most nations, retaining a 10 percent 'baseline' over the 90-day negotiation period. The Administration subsequently has pursued country-specific negotiations and announcements with key trading partners, with wide ranging tariff applications, often in the pursuit of broader policy outcomes.

3. On July 31, President Trump issued a further Executive Order applying a minimum 15 percent additional tariff on all countries with which the US had a goods tariff deficit, including New Zealand. Th s sh ft d New Zealand from the lowest additional tariff 'baseline' of 10 percent, to one where we now face higher US tariffs compared to some of our key competitors into the market. In ef ect this has now eroded some of New Zealand's competitive position for key pr ducts.

Short term sector- e l i ass ss nt

4. The US is New Zealand's second-largest export market and second-fastest growing major export destination in recent years. In 2024, NZ $8.9 billion worth of goods trade was sent to the US, providing a major market for our meat, mechanical and electrical machinery, dairy, wine, forestry, and seafood sectors.

5. The increase in the additional tariff on New Zealand goods will undermine the competitive position of many New Zealand exporters into the US market relative to other countries, particularly Australia, the UK, and Chile as well as Canada and Mexico (under the US-Mexico-Can da Agreement, USMCA) - and in some cases the EU[1].

6. The 15 percent additional tariff will add costs to New Zealand exporters. Some will find it harder to pass on the tariff increase to US importers (and the US consumer), given other competitors (e.g. from Australia and Chile, among others) enjoy a five-point preference, This will increase pressure on already tight business margins and may influence production and employment decisions at the company level. In addition, the US's global removal of its 'de minimis' exception, which previously enabled goods valued below USD $800 to enter the US duty free and with simplified procedures, will add cost and complexity to business models, particularly for our small and medium e-commerce provider for which the de-minimis exemption has been a significant incentive.

[1] Under the EU-US deal, a flat 15% tariff applies to EU exports, rather than a 15% tariff on top of the US' existing tariff rates (as applies to countries such as New Zealand). Where the US' existing tariff exceeds 15%, the EU is not subject to additional tariffs (giving it an advantage over other economies).

7. The precise level of impact will vary firm by firm and will depend on the character of the individual supply chains and the structure of their contracts with US importers and distributors. In our discussions with exporters, the ongoing uncertainty of US tariff policy continues to impact on businesses' decisions. This includes concerns over ongoing uncertainty surrounding the potential for future changes to New Zealand's tariff rate.

8. The most vulnerable New Zealand export sectors to the increased 15 percent additional tariff are likely to be those that:

    - have a high dependency and market concentration on the US market;
    - face strong competition from US producers:
    - experience challenges in diverting product to other markets at a price point comparable to the US market; or
    - are at a disadvantage from other US trade partners who have received a more favourable tariff treatment.

9. Based on these criteria, the following sectors could potentially face some heightened form of vulnerability as a result of the new tariff settings (see appendix 1 for further detail).

s9(2)(j), s9(2)(b)(ii)

United States Tariffs: Updated Impact Analysis
s9(2)(j), s9(2)(b)(ii)

10. There may be early indications that New Zealand's exports to the US are beginning to soften as a result of the Administration's tariff policies, combined with softening demand. While there was strong export growth in March (up 16 percent on the previous year) in April (up 18 percent), perhaps reflecting front loading of exports ahead of implementation of the 10 percent tariff on April 5, May and June exports have subsequently fallen by 4 percent and 10 respectively – and the decline may be obscured by increases in inventory storage as companies plan for further tariff escalation.

11. It is too early to tell whether this reflects the beginning of an ongoing trend of tariff induced weakening of demand in the US market, or a temporary dip following a pre "Liberation Day" surge in exports. However, most key export sectors have still recorded positive net export growth since the imposition of the April 2 tariffs. The notable exception to this is manufactured products, which are 11.4 percent lower over the same period. The recent *ExportNZ* barometer report suggests that most exporters are yet to make changes to mitigate the negative impacts of US tariffs.

12. More broadly, an despite the recent volatility of export flows into the US market and uncertainty regarding US tariff policy, overall, New Zealand's global exports have remained resilient with total goods exports for the three months to June 2025 13.3 percent higher compared to the same period last year.

Medium-term macro-economic impacts

13. The global economy appears to have experienced early resilience in the face of US tariff polices. This reflects stronger-than-expected front-loading of exports in anticipation of higher tariffs, an improvement in financial conditions, a weaker US dollar, and fiscal expansion in some major jurisdictions, including China. As this front-loading comes to an end, weaker US consumer spending and the inflationary effects of increased tariffs are anticipated to increasingly weigh on US GDP. Global growth is expected to decelerate over the next two years as ongoing policy uncertainty and US tariff policy begins to weigh on global trade flows and economic growth.

United States Tariffs: Updated Impact Analysis

14. The IMF's most recent World Economic Outlook (produced just before the July 31 announcement) projects global growth of 3.0 percent for 2025, down from 3.3 percent in its last projections in January 2025. Similarly, forecasts for global trade growth in 2025 have been adjusted down from 3.2 percent to 2.6 percent.

15. MFAT's own modelling (see appendix 2) suggests that over the medium term (3-5 years), growth in the global economy is expected to be negatively impacted by up to 0.5 percent. This is as a result of the US administration's tariffs and the retaliatory actions implemented to date by key trade partners, such as China. s6(a)

16. However, at the macro-economic level, the increase in US tariffs on New Zealand exports from an additional 10 percent to an additional 15 percent s9(2)(j) In the context of a $430 billion economy and $105 billion of total annual exports, a $1.5 billion tariff shock s9(2)(g)(i) New Zealand's medium-term GDP growth trajectory is likely to be just 0.2 percent lower than would otherwise have been the case without US tariffs. This represents a reduction of just 0.1 percent compared to the April 2 scenario.

17. Reduced demand or New Zealand products in o the US market (due to tariffs), and the impact of the US policies on global growth, are expected to lower New Zealand's total export growth trajectory over the medium term by 0.2 percent (a small change from the 0.1 impact under earlier modelling done following the April 2 announcement).

18. Exports to US and China are expected be the most heavily impacted, s9(2)(g)(i) In particular, New Zealand exports into the US will be negatively impacted by 5.4 percent – i.e. exports will grow 5.4 percent less than they would have without the tariffs. Another key driver of New Zealand's economic impact will be the constraint that high tariffs and reciprocal measures will have on New Zealand's largest export market, China. Export growth into that market is expected to be negatively impacted by 2.4 percent although ongoing fiscal stimulus should help to support any weakening demand for New Zealand's food and fibre products.

19. s9(2)(b)(ii)

20. However, not all sectors are expected to be negatively affected. We expect recent strong demand out of Europe to continue, which in the context of the FTA preferences we enjoy s6(a) should support dairy, sheep meat, horticulture, and seafood export growth. Similarly, over the medium term, New Zealand's service sector exports are expected to be unaffected by the spillover effects of US tariffs.

21. Overall, the economic risks to New Zealand and the global economy remain tilted to the downside. Global trade policy uncertainty remains high. In particular, there remain unresolved issues yet to be negotiated between the US and some the world's largest economies, such as China, India, Canada, and Brazil which could yet alter global growth, international trade flows, and New Zealand's competitive position in the US market.

United States Tariffs: Updated Impact Analysis

22. One area of particular concern relates to Section 232 national security investigations. These remain ongoing for a range of key global products (e.g. pharmaceuticals, semiconductors, and critical minerals) which could further raise effective tariff rates for key inputs and create bottlenecks or dislocations in global supply chains that amplify the direct effect of the current baseline s9(2)(j), s9(2)(g)(i)
s9(2)(j), s9(2)(g)(i)

23. If the current levels of elevated trade policy uncertainty become further protracted, its impact could weigh more heavily on global economic growth and extend recent financial market volatility.

24. As firm investments in existing and new trade linkages are delayed or abandoned, slower growth in trade and output, especially in export-oriented economies, could be expected to continue. Recent discussions with business have highlighted their own investment decision delays in the face of ongoing uncertainty.

Resourcing

25. There are no resourcing implications as a result of this submission.

Appendix 1: Indicators for identified potentially vulnerable New Zealand exports into the US

s9(2)(j), s9(2)(d)

United States Tariffs: Updated Impact Analysis

s9(2)(j), s9(2)(d)

Appendix 2: MFAT CGE model medium-term macro-economic impacts on New Zealand

New Zealand impact		April			August		
		Impact			Impact		
		GDP	Exports	Imports	GDP	Exports	Imports
Total		-0.1%	-0.1%	-0.3%	-0.2%	-0.2%	-0.8%
Trade Partner	United States		-5.3%	-5.6%		-5.4%	-17.9%
	China		-2.2%	7.3%		-2.4%	8.5%
	Australia		0.7%	-0.4%		1.7%	-0.7%
	Rest of World		1.4%	-1.0%		0.9%	0.3%

NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

4 August 2025

Minister for Trade and Investment — For action by ust . 25

United States Tariffs: New Zealand Response

BRIEFING	Decision Submission
PURPOSE	To agree New Zealand's next steps in response to the United States of America (US) decision to raise the additional tariff on New Zealand from 10 to 15 percent.

Recommended referrals

Prime Minister	For inform tion b	7 August 2025
Deputy Prime Minister	For in'orm tion b	7 August 2025
Minister of Foreign Affairs	For concurrence by	7 August 2025
Minister of Finance	For information by	7 August 2025
Minister of Agriculture	For information by	7 August 2025
Minister of Customs	For information by	7 August 2025
Minister of State for Trade and Investment	For information by	7 August 2025
Minister of Commerce and Consumer Affairs	For information by	7 August 2025

Contact details

NAME	ROLE	DIVISION	WORK PHONE
James Waite	Divisi al nag	Americas Division	s9(2)(a)
Sara Meymand	Div al nag	Trade Policy Negotiations Division	

Minister's Office to complete

☐ Approved	☐ Noted	☐ Referred
☐ Needs amendment	☐ Declined	☐ Withdrawn
☐ Overtaken by events	☐ See Minister's notes	

Comments

United States Tariffs: New Zealand Response

Key points

- On 31 July, President Trump issued an Executive Order (EO) which increased New Zealand's additional tariff rate from the 10 percent rate in force since 2 April, to a 15 percent tariff, applicable from 7 August.

- This puts New Zealand at a disadvantage in the US market relative to key competitors, including Australia and Chile. s6(a) New Zealand has formally registered serious concern and disappointment at the US decision and urged[1] it be reversed.

- We are advised the decision to apply a tariff of 15 percent to New Zealand was a by President Trump, in the course of determining new rates for every country. President Trump's sole criterion f r n d ri g arif treatm nt was a country's trade balance with the US – all countries with goods trade su pl se would fa an auto ati increase. In New Zealand's case, we currently run a small goods trade surplus (just 0.1 percent of the global US trade deficit). Therefore, our rate went up.

- In the call between USTR Greer and MTI, immediately following the news of New Zealand's tariff rise, s6(b)(i)

- Nonetheless, there is scope for officials and Ministers to carefully and sequentially engage US counterparts s9(2)(j)

- s6(a), s9(2)(j)

s9(2)(j)

Vangelis Vitalis
for Secretary of Foreign Affairs and Trade

[1] Trade under the US-Mexico-Canada Agreement (USMCA) is exempt from US tariffs, meaning the 35 percent tariff rate assigned to Canada in fact covers only a very small percentage of Canada's trade (other than autos, steel/aluminium and copper, for which Canada and Mexico are subject to the same sectoral tariffs as others).

United States Tariffs: New Zealand Response

Recommendations

It is recommended that you:

1	**Note** that New Zealand has registered serious concern and disappointment at the US decision to raise New Zealand's additional tariff from 10 to 15 percent and sought that the United States reverse the decision.	**Yes / No**
2	**Note** that the additional 5 percent tariff, on top of the 10 percent additional tariff which New Zealand exports have been subject to since April, will raise tariff costs by a further NZ$400 million per annum to NZ$1.39 billion per annum total.[2]	**Yes / No**
3	**Note** s6(b)(i)	**Yes / No**
4	**Agree** that New Zealand sequentially engage at senior officials' and ministerial level s9(2)(j)	**Yes / No**
5	**Agree** that the Minister of Foreign Affairs seek a phone call with Secretary of State Rubio to ask that the US reverse its decision with respect to New Zealand, s9(2)(j), s6(a)	**Yes / No**
6	**Agree** that, following Deputy Secretary Vangelis Vitalis' travel to Washington in the week of 4 August, MFAT develop further advice for ministers responding to the a d t ona 5 percent tariff, including options for visits by the Minister for Trade and Investment and the Minister of Finance.	**Yes / No**
7	**Refer** a copy of this submission to the Prime Minister, Deputy Prime Minister, Minister of Foreign Affairs, Minister of Finance, Minister of Agriculture, Minister of Customs, Minister of State for Trade and Investment, and Minister of Commerce and Consumer Affairs.	**Yes / No**

Hon Todd McClay Minister for Trade and Investment	Rt Hon Winston Peters Minister of Foreign Affairs
Date: / /	Date: / /

[2] Based on 2024 trade levels. Note that this is levied at the point of import, and not all this cost will be borne by New Zealand exporters. A (potentially significant) portion may be passed on to US importers or consumers.

United States Tariffs: New Zealand Response

Report

1. On 31 July, President Trump issued an Executive Order (EO) which increased New Zealand's tariff rate from 10 to 15 percent. This is additional to any pre-existing MFN tariffs. For most New Zealand exports these MFN tariffs are low (under 1 percent for over 85 percent of New Zealand's exports to the US, and under 5 percent for 95 of New Zealand's exports). The revised tariffs take effect seven days after the order's signing i.e. on 7 August (12:01 am EDT / 4:01 pm NZT). Goods shipped before then will be subject to the previous 10 percent tariff, provided they arrive by 4 October.

2. New Zealand engagement with senior US officials since the announcement, s6(a), s6(b)(i)

[3] The decision was not specific to New Zealand.

3. s6(b)(i)

4. Nonetheless, New Zealand must consistently respond against the US measures s9(2)(j)

5. s9(2)(j)

s6(a)

[3] US statistics show this at US$1.1 billion per annum; New Zealand's show it at US$700 million in 2024.

[4] s9(2)(j)

Trade Impact of a baseline tariff of 15 percent

6. The US is New Zealand's second-largest goods export market, responsible for NZ$9 billion in exports in 2024, 12.7 percent of our goods exports globally. Exports have grown considerably over the past five years, up from US$5.6 billion in 2019, when the US constituted only 9.4 percent of New Zealand's exports. s6(b)(i)

7. Tariffs on New Zealand, and almost all other countries, have increased sharply under the second Trump Administration. Beforehand, in 2024, New Zealand exports to the US were subject to an average MFN tariff rate of 1.1 percent – with tariffs totalling an estimated NZ$100 million (noting a significant proportion of our trade, especially beef but also some dairy, benefits from quotas with in-quota tariff rates significantly below the out-of-quota rate).

8. Following the imposition in April of a 10 percent 'baseline' tariff on New Zealand in addition to MFN tariffs, plus the separate sectoral tariffs on steel and aluminium (50 percent), autos and auto parts (25 percent) the average tariff leapt to 11.1 percent - with tariffs totalling an estimated NZ$990 million.[5]

9. With New Zealand's rate poised to increase to a 'reciprocal' 15 percent tariff from 7 August in addition to MFN tariffs (and no further sectoral tariffs other than copper as yet), the average tariff on New Zealand exports will increase to 15.6 percent - with the cost of tariffs now totalling an estimated NZ$1.39 billion.

10. From 2 April until 31 July, after President Trump paused his threatened 'reciprocal' tariffs on 57 economies (56 countries plus the European Union's 27 member states), almost all countries were subject to the same 'baseline' 10 percent tariff – meaning New Zealand exporters were on a level playing field with their international competitors (other than Canada and Mexico, which could export duty-free under the US-Mexico-Canada Agreement, subject to meeting its rules of origin).

11. From 7 August, 66 countries plus the 27-member EU (i.e. 93 countries) will face reciprocal tariffs of 15 percent or more, and the remaining approximately 100 countries will face the 10 percent baseline tariff 'due to the US having a goods trade surplus with them).

12. This will leave New Zealand exporters paying a higher tariff than those countries which continue to face the 10 percent additional 'baseline' tariff. In addition, our exporters will face higher tariffs than EU exporters – albeit in most cases only marginally – where our total tariff exceeds 15 percent.[6]

13. s9(2)(j)

[5] Approximately $775 million of New Zealand exports are currently exempt from US tariffs, awaiting the completion of 'national security' investigations on eight sectors under s232 of the Trade Expansion Act of 1962. Approximately half of these exports are timber, followed by semiconductors and pharmaceuticals.

[6] This is because the EU's negotiated 15 percent tariff rate includes the US's MFN tariff (whereas for all other countries, the 'reciprocal' tariff is in addition to the MFN rate), or where the MFN tariff exceeds 15 percent, the EU is not subject to an additional tariff (again unlike New Zealand and other countries, where the additional tariff continues to apply).

[7] As US tariffs are levied upon import, this submission uses US import statistics as New Zealand "exports".

s9(2)(j)

14. While New Zealand exporters in these sectors will face higher tariffs than key competitors into the US market such as Australia, Canada, Mexico, and Chile, this has long been the case to some extent, as each of these countries has long-standing free trade agreements (Canada and Mexico for 30 years, Australia and Chile for 20 years) that have provided them with long term preferential access to the US market. What is poised to change on 7 August is the magnitude of this tariff differential, which will increase from an average of 1.1 percent currently, to 5 percent or more.

15. s9(2)(d) But with the US our second-largest export destination overall – and our largest for some products s9(2)(j)

[8] MPI "Situation and Outlook for Primary Industries," June 2025, for relevant categories.
[9] Timber is currently exempt from additional tariffs, until the ongoing section 232 investigation concludes. As a result, New Zealand exporters do not face any competitive disadvantage.

16. s9(2)(j)

17. s9(2)(j)

18. l g y r str s over c k a the likely impact of tariffs w er) the , a and competitive threats from those with lower tariffs. This will help us form a judgment on the balance of benefits and costs to any engagement with the US.

Engagement with the United States since the announcement

19. Since the morning of Friday 1 August, we have made representations to various levels of the US Administration. Th s has include :

- MFAT Deputy Secretary Trade and Economic made clear in a phone call to USTR Greer's Chief of Staff that the escalation was s6(a), s6(b)(i)
- MFAT Deputy Secretary Asia and Americas Group and Divisional Manager Americas Division formally called in the US Chargé d'Affaires s6(a) on Friday to register New Zealand's dismay and request that the United States reverse its decision and refrain from lifting the tariff above 10 percent.
- MTI phone call with USTR Greer on 2 August where our concern was formally registered at a political level.
- MFA registered his concerns with US Chargé d'Affaires s6(a) at Wellington airport, in an unplanned meeting.
- The New Zealand Embassy in Washington DC has engaged at senior levels with USTR staff, State Department, the National Security Council, and Department of Commerce. s9(2)(j), s6(b)(i)

[10] s9(2)(j)

United States Tariffs: New Zealand Response

s6(b)(i)

s9(2)(j)

s9(2)(f)(iv)

s9(2)(j)

[11] s9(2)(f)(iv)

United States Tariffs: New Zealand Response

31. s9(2)(j)

32. We should also continue to emphasise the openness of the New Zealand economy to US imports and lack of substance to the US argument that its tariffs are reciprocal.

33. s9(2)(j)

Next Steps

34. Deputy Secretary Trade & Economic Group, Vangelis Vitalis will travel to Washington in the week of 4 August to engage the US system, including senior USTR staff and the Department of Commerce. The objectives of this visit are in four inter-related parts:
    - to register our serious concern at this US action;
    - to make clear to the US the damage it has done to our commercial interests;
    - to verify our understanding of the rationale for US policy; and
    - to assess the options for New Zealand's response.

35. Depending on the outcomes of discussions, MFAT will develop further advice for ministers on how to address the tariff situation and options (including objectives and timing) for possible visits to Washington DC by the Minister for Trade and Investment and Minister of Finance.

36. We recommend that the Minister of Foreign Affairs seek a phone call with Secretary of State Rubio to ask that the US reverse its decision with respect to New Zealand, s6(a), s9(2)(j)

Resourcing

37. There are no financial implications associated with this submission.

38. There are no resourcing implications associated with this submission although responses to the US is requiring reallocation of effort across government away from addressing other trade priorities.

39. Work to respond to the challenges created by United States trade policy, including the imposition of tariffs, is already a key priority for the Ministry of Foreign Affairs and Trade, the Treasury, New Zealand Customs Service, the Ministry for Primary Industries, and New Zealand Trade and Enterprise.