



# Cabinet Economic Development Committee

## Minute of Decision

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### New Zealand – China Free Trade Agreement Upgrade: Approval of Final Outcome and Next Steps

**Portfolio**                      **Trade and Export Growth**

On 13 May 2020, the Cabinet Economic Development Committee:

- 1        **noted** that negotiations to upgrade New Zealand’s Free Trade Agreement with China were formally concluded in October 2019;
- 2        **noted** that the outcome of the negotiations achieves New Zealand’s negotiating objectives and is within the mandate previously approved by Cabinet;
- 3        **noted** the texts of the following five instruments, attached to the paper under DEV-20-SUB-0075, which collectively form the package of agreed outcomes to upgrade the New Zealand-China Free Trade Agreement:
  - 3.1      treaty status *Protocol to Amend the Free Trade Agreement between New Zealand and the People’s Republic of China* (the Protocol);
  - 3.2      treaty status Side Letter on New Zealand’s readjustment of certain allocations and conditions for the temporary employment entry of natural persons in ‘iconic Chinese occupations’ (Temporary Entry Side Letter);
  - 3.3      treaty status Side Letter on tariff elimination for twelve New Zealand wood and paper products exports to China (Wood and Paper Products Side Letter);
  - 3.4      non-treaty status Side Letter on screening thresholds for Chinese investments in New Zealand significant business assets (Screening Thresholds Side Letter);
  - 3.5      non-treaty status Side Letter on cosmetics regulatory cooperation (Cosmetics Cooperation Side Letter);
- 4        **approved** the text of the five instruments referred to above, subject to any minor or technical changes arising from the final legal verification process;
- 5        **approved** the National Interest Analysis, attached to the paper under DEV-20-SUB-0075, subject to any minor or technical changes required between now and public release, which could include additional context-setting relating to COVID-19;
- 6        **authorised** the Minister for Trade and Export Growth, in consultation with relevant Ministers, to approve any necessary minor or technical amendments to the Protocol and the four Side Letters which do not materially alter their content;

- 7 **authorised** the exchange of the four Side Letters, following their translation into Chinese and verification of the Chinese translations by the Department of Internal Affairs prior to signature;
- 8 **authorised** the signature of the Protocol and the four Side Letters, subject to their translation into Chinese and verification of the Chinese translations by the Department of Internal Affairs prior to signature, and the final approval of the Minister for Trade and Export Growth;
- 9 **agreed** that the text of the Protocol and all four Side Letters, along with the National Interest Analysis, the paper under DEV-20-SUB-0075 and its associated minutes be made public at the time of signature with redactions where necessary;
- 10 **agreed** that following signature, the texts of the Protocol, the Temporary Entry Side Letter, the Wood and Paper Products Side Letter and the National Interest Analysis be presented to the House of Representatives for Parliamentary Treaty Examination, in accordance with Standing Orders 397-400;
- 11 **agreed** that the two non-treaty status Side Letters also be provided to Parliament for consideration as part of the overall package of outcomes;
- 12 **noted** that no amendment to primary legislation or regulations will be required in order to implement the Protocol and four Side Letters;
- 13 **authorised** officials to bring the Protocol and two treaty status Side Letters into force, by notifying China in accordance with Article 15(1) of the Protocol, following signature and satisfactory completion of the Parliamentary Treaty Examination process;
- 14 **noted** that the earliest that the Protocol is expected to enter into force is the last quarter of 2020, and is contingent upon China also completing its respective domestic procedures;
- 15 **noted** that:
- 15.1 the Wood and Paper Products Side Letter and the Cosmetics Cooperation Side Letter will take effect on the date the Protocol enters into force;
  - 15.2 the Temporary Entry Side letter will enter into force 90 days after China's reply indicating acceptance to New Zealand;
  - 15.3 the Investment Screening Side Letter will take effect from the date of signature;
- 16 **noted** that the ongoing costs associated with implementing the upgraded Free Trade Agreement are low and will be met from within departmental baselines.

Janine Harvey  
Committee Secretary

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**Present: (see over)**

**Present:**

Rt Hon Winston Peters  
Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Phil Twyford  
Hon Dr Megan Woods  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Stuart Nash  
Hon Iain Lees-Galloway  
Hon Jenny Salesa  
Hon Damien O'Connor  
Hon Kris Faafoi  
Hon Shane Jones  
Hon Willie Jackson  
Hon James Shaw  
Hon Eugenie Sage

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV