



Napier Engineering & Contracting Ltd

P.O. Box 12004, Ahuriri, Napier 4144, New Zealand

8 Angus Place, Onekawa, Napier 4110, New Zealand

Phone: +64 6 843 8805 - Fax: +64 6 843 7706

E-mail: enquiries@napiereng.co.nz

Website: www.napiereng.co.nz

Napier Engineering & Contracting Ltd

In response to

The Ministry of Foreign Affairs and Trade inviting submissions on the proposed Free Trade Agreement negotiations between New Zealand and the European Union.

Napier Engineering & Contracting Ltd is a long established medium to heavy engineer specialising in the design and manufacture of food processing equipment for the domestic and world markets.

For further details see www.napiereng.co.nz

Main Points:-

- The proposed Free Trade Agreement will greatly enhance the ability of New Zealand production engineers to acquire high grade agent representatives in the EU zone
- Such an agreement will improve the management of non-scheduled barriers to the export of advanced technology food processing equipment in the EU zone
- The agreement will allow New Zealand production engineers in the agri-business sphere to reap the reciprocal reward of New Zealand's own non-protectionist policies toward EU producers setting up here.
- Care must be taken however that such an agreement does not bind or otherwise involve New Zealand export manufacturers in embargos and trade sanctions stemming from alliances outside the scope of the FTA envisaged.

The ambivalence over the United Kingdom and its adhesion to the EU means that it makes sense for the EU now to evaluate strategic trade partnerships of the type of the one envisaged by New Zealand/ Economic Union FTA.

It would confer upon the EU the very substantial benefit of augmentation and reinforcement in the form of an English-speaking nation that remains very much of the Westminster sphere.

If we regard France and Germany as the heart of the EU we can see that these two countries alone are heavily invested in New Zealand in public transport, infrastructure, electronics, agri-business and viticulture. We refer here only to their involvement in terms of direct provision of services and also supply of goods and equipment from their own factories here.

The FTA envisaged here now enhances the opportunity to balance this with the supply of advanced New Zealand technology in the sphere of manufactured equipment to these countries and to the wider EU membership.

In the nationwide spectrum therefore it should be noted that in terms of France alone that New Zealand has welcomed their full scale ownership here of a predominant share of water treatment, public transport, electrical goods. This does not include France's more obvious share, for example, in dairy machinery.

This is mentioned here as one reason why New Zealand, under the proposed FTA, can capitalise on its own non-protectionist even open-door policy to Europe over the past 30 years or so.

**GENERAL & STRUCTURAL ENGINEERS - FITTERS, WELDERS & BOILERMAKERS - MARINE ENGINEERS
PLANT INSTALLATION & MAINTENANCE - MEAT PROCESSING EQUIPMENT**

Napier Engineering & Contracting Ltd

In the past barriers have been viewed in regard to EU zone as mainly comprising customs duties. In our view the general tariff has not in fact constituted an insurmountable problem. But unofficial barriers have proved a serious impediment. I refer to those elements in the health and safety sphere which can so easily be invoked to choke off processing technology automation imports from a country such as New Zealand.

It is in this area that we can see the advantage of an installed free trade agreement. It will greatly assist our company in, for example, attracting high grade agents with strong market penetration in our desired sectors.

A continuing problem in acquiring this type of agent is in this area of indirect barriers especially in the health and safety area. The kind of agreement being envisioned will do much to underpin the willingness and indeed enthusiasm of these agents to represent New Zealand production engineers. It would be regarded as an official seal of approval.

For example, we are already substantially involved with EU members in Scandinavia where our 150 years of acquired knowledge and expertise in fish processing equipment tends to outweigh any localised protectionism.

Our client base here understands too that New Zealand ordinances on elements such as particulate size and adhesion ratios are just as severe as those among Scandinavian members. Perhaps even more so given New Zealand's early take-up on environmental imperatives.

An all –embracing FTA in regard to the EU would allow us to lever on this Nordic advantage with a view to allaying non-schedule barriers to trade in the EU zone as whole.

It is sometimes said of manufacturers in the advanced technology sector, and especially if they are based in the provinces, as we are, that we view such matters in an overly-narrow and specialised context.

It may be worthwhile pointing out that these views are shared by other agri-business equipment manufacturers within the Hawkes Bay.

It hardly needs us to point out the danger of an over-focus on any single market zone and there are working memories in the Hawkes Bay that recall still the alarm when New Zealand abruptly had to shift its trade emphasis away from the Imperial Preference umbrella. Any diversification of market emphasis is therefore to be encouraged.

There remains though a necessary caution that must be stated. It is that any trade agreement does not involve New Zealand export manufacturers in trade sanctions either stemming from and/or involving countries outside the scope of the agreement.

Our main points are summarised in the abstract at the beginning of this submission.

Ken Evans

Managing director
Napier Engineering & Contracting

Physical Location

8 Angus Place, Onekawa

Postal Address

PO Box 12004, Ahuriri

Napier Engineering & Contracting Ltd

Napier 4144
New Zealand

Phone: +64 6 843 8805

Fax: +64 6 843 7706

enquiries@napiereng.co.nz

It is understood that all of the above is available in part or whole for publication.

