

EU-NZ FREE TRADE AGREEMENT



European Union-New Zealand Free Trade Agreement Negotiations: report on the eighth round of negotiations held by video conference, 8–23 June 2020

New Zealand and EU negotiators held video conference meetings for the eighth round of negotiations from 8-23 June 2020.

Again, solid progress has been made during this round. Further text for various chapters was agreed. We are working to conclude negotiations as soon as possible and our objective continues to be to agree a high quality and commercially meaningful deal.

What happens next?

Negotiators will meet again for round nine but the dates are not yet confirmed. This is very likely to be another virtual round. Work in between rounds will continue via email and video conference where possible.

Where can I find out more?

Find out more about our overall objectives for this agreement, including information on each area being negotiated, at the [European Union-New Zealand Free Trade Agreement section](#) of the Ministry of Foreign Affairs and Trade website.

Have your say

We continue to welcome feedback on these negotiations – please contact us for further information:

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Key Working Group progress in brief

Negotiators met to discuss the **Goods** chapter text and **market access**. The EU's first offer on agricultural market access for certain dairy and meat products does not yet provide us with a platform to conclude the negotiations. The offer would continue to disadvantage New Zealand compared to our competitors from such countries as Chile, Canada, and elsewhere. These issues continue to be discussed by negotiators and between Ministers. New Zealand continues to note the link between goods market access and geographical indications.

Prior to round eight, New Zealand tabled a proposal for a stand-alone statement relating to **environmental goods and services**.

On **Rules of Origin**, some progress was made in the chapter text dealing with the treatment of originating goods. In relation to the Product Specific Rules, New Zealand continues to seek rules of

origin that will facilitate trade and support our SMEs but substantial differences remain between our approaches.

There were detailed discussions on **Geographical Indications (GIs)**. New Zealand was able to share the outcomes from the recently concluded public consultation on the EU's proposed framework for GIs protection. This also enabled New Zealand to present a discussion document on alternative text proposals. The parties discussed those proposals in detail and identified some areas of possible compromise, including in relation to the protection of multi-component or 'compound' GI names. However, there remain significant differences between the parties in a number of other areas, including in relation to the level of protection. There was also further discussion of the objections that New Zealand has received to date in relation to the EU proposed names.

New Zealand and the EU continued detailed negotiations for a **wine annex**. Both the EU and New Zealand see strong connections between the wine annex discussions and GIs. For New Zealand, we continue to seek an annex that will reduce costs for our wine sector and that will facilitate wine trade between the partners. New Zealand confirmed its openness during this round to include spirits within scope of the annex.

We had another good discussion on **SMEs** at this round, sharing the information we each provide to SMEs, including through New Zealand's Tariff Finder website. There was a detailed discussion this round of **Good Regulatory Practice and Regulatory Cooperation**, with negotiators focusing on ensuring any text accommodates the nature and scale of our respective domestic arrangements.

The **Digital Trade** working group continued detailed discussion on the full range of issues in the chapter, including in relation to digital trade facilitation (through paperless trading provisions) and data (through provisions on personal information or privacy and data flows). The working group continues to draw from the existing FTA practice of both sides to consider text solutions. New Zealand and the EU share similar ambitions for digital trade and the negotiators are working to find approaches to text that ensures these objectives are met. The parties also discussed **Telecommunications**, making good progress on the text.

Negotiators also met to discuss the **Intellectual Property** chapter. Some progress was made in the technical elements of the chapter text, but substantial differences remain between New Zealand and the EU. As with round seven, differences include the term of protection for copyright and related rights, designs, and patents, as well as for marketing approval data for pharmaceutical, veterinary and plant protection products. There are also differences in relation to the scope of border protection measures, intellectual property enforcement, performers' rights, and New Zealand's parallel importation regime.

Negotiators discussed both chapter text and market access in relation to **Government Procurement** and New Zealand provided an updated offer on government procurement prior to the commencement of round eight. Ongoing discussions on market access in the FTA negotiations relate to the possible improvements by the EU and New Zealand to their procurement coverage commitments under the World Trade Organisation Agreement on Government Procurement (GPA). New Zealand continues to seek chapter text relating to the environmental, social and cultural elements of government procurement.

Good progress was made on the **Trade Remedies** chapter, with both sides agreeing solutions to text issues. As previously outlined, some of the outstanding issues in the text, such as the EU's proposal for an agricultural safeguard, are linked to goods market access negotiations and will not be agreed until those are closer to completion. This matter was therefore not advanced during round eight discussions.

There was detailed discussion on **Subsidies**, with both sides outlining the kinds of subsidies that they look to cover in the FTA. New Zealand pursued its proposals for specific provisions on fisheries subsidies. New Zealand also tabled a text proposal in relation to agricultural subsidies. Discussions will continue on the proposals from New Zealand (i.e. on fisheries and agriculture) and proposals from the EU (i.e. on prohibited subsidies and services).

There was detailed discussion of the **Energy and Raw Materials** chapter during the round, with good progress made, including on elements that relate to New Zealand's sustainability objectives like on renewable energy and environmental impact assessment.

The **Investment** working group continues to discuss the remaining elements in the investment chapter text, including in relation to the EU's proposals for new obligations (for example, with respect to performance requirements). Negotiators also discussed a wide range of matters relating to the **Services** chapters, including in relation to temporary entry of business persons, mutual recognition, domestic regulation and maritime services. Some of the EU's proposals depart from New Zealand's existing practice, so further work is required to find solutions that work for both sides. Offers on services and investment will be updated in July. The EU has also provided additional proposals on financial services that New Zealand is considering.

Both sides met to discuss the **Sanitary and Phytosanitary (SPS)** chapter, on which both parties share a high level of ambition. Discussions were constructive and detailed and good progress continues to be made. Provisions relating to plant health have been nearly completed and we expect the remainder of the chapter to be concluded shortly, following resolution of outstanding issues, including the EU's proposal on Scientific Robustness and Transparency.

Progress was also made in the **Trade and Sustainable Development** working group, with negotiators focusing on agreeing to text. The path forward is becoming clearer but differences remain. New Zealand continues to focus on seeking enforceable provisions that support trade and climate change, biodiversity and marine fisheries. New Zealand's proposals include provisions on fossil fuel subsidy reform and environmentally harmful subsidies, but these are not agreed by the EU.

There were also constructive discussions on **Technical Barriers to Trade (TBT)** with progress made to the chapter text and an overarching discussion on the EU's proposal for a sector annex on **automotive trade**. On TBT, provisions on Standards and Transparency and Conformity Assessment and Technical Regulations were completed. Good progress was also made on consumer-product safety.

Negotiators were also able to discuss **State-Owned Enterprises (SOEs)**. Again, engagement was constructive on alternative text proposals. New Zealand continues to seek clarity on the scope of the chapter, including in relation to a threshold for SOE coverage.

Negotiators are very close to completing the **Dispute Settlement** procedures, with final issues relating to consultation on proposed measures, selection of mediators and a roster approach to panellists. We expect this to be resolved intersessionally or at the next round.

Negotiators continued discussions on **General Exceptions**, which will apply across the free trade agreement and operate to protect the parties' ability to pursue important public policy objectives. New Zealand continued to advance discussions on a proposed creative arts exception, including through a joint discussion between the General Exceptions and Services working groups. Discussions are also ongoing in relation to the text for taxation and security exceptions. The EU also provided text on Institutional and Final provisions.

We expect the chapter on **Competition** to be advanced in coming weeks.