

# EU-NZ FREE TRADE AGREEMENT



## European Union-New Zealand Free Trade Agreement Negotiations: report on the eleventh round of negotiations held by video conference, 28 June – 8 July 2021

New Zealand and EU negotiators conducted their meetings for the eleventh round of negotiations from 28 June to 8 July 2021 by video conference.

With the exception of Technical Barriers to Trade (TBT), Good Regulatory Practice (GRP), and Institutional & Final Provisions, all working groups convened this round. Composed of thirty-four meetings taking place across twenty different chapters, Round 11 resulted in good progress overall, with additional articles agreed and a number of chapters nearing substantive conclusion. In combination with the recent in-person meetings between the Minister for Trade and Export Growth, Damien O'Connor, and his European counterparts in June, the round has ensured that the positive momentum of negotiations has been maintained. Negotiators will look to build on this momentum as we continue to seek to conclude negotiations as soon as possible.

### What happens next?

Negotiators will meet again for round twelve 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. You can also view a Round 11 update from our Chief Negotiator, Vangelis Vitalis, [here](#).

### Have your say

We continue to welcome feedback and engagement on these negotiations – please contact us with views or for further information:

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### Key Working Group progress in brief

Negotiators met to discuss the revised **goods market access** offers, which were exchanged during the round, and remaining unresolved **Goods** chapter text. The revised EU offer – the first in over a year - offered some welcome improvements in non-sensitive areas (e.g. horticulture), but many of New Zealand's key export interests have still not been addressed in a commercially meaningful way.

Outstanding goods issues continue to be discussed between Chief Negotiators, but, in order to provide a basis for conclusion of the FTA, the onus is now on the EU to deliver a further revised goods market access offer which delivers on New Zealand's remaining key interests.

On **Rules of Origin**, progress was made in the chapter text dealing with the treatment of goods in transit and the declarant's obligations in regard to keeping records. In relation to the Product Specific Rules, New Zealand continues to underline the importance of rules of origin that will facilitate trade and support our SMEs but substantial differences remain between our approaches.

New Zealand and the EU continued to engage constructively on the **Wine and Spirits Annex**. A series of intersessional meetings in the lead up to Round 11 paved the way for further progress on labelling at the round and enabled a continuation of productive discussions on winemaking practices and other areas of interest. Both Parties committed to undertake further intersessional work.

New Zealand responded to text on **Geographical Indications (GIs)** provided by the EU at the previous round. The Parties worked to find common ground across the text, including in relation to the scope of protection provided to GIs. The Parties continued to work through New Zealand's objection to the list of names the EU wants protected as GIs in New Zealand under the FTA, such as feta, gruyere and prosecco. The EU proposed possible compromises in relation to certain names. However, differences remain between the Parties in relation to key aspects of the text and key names the EU wishes to protect.

On **Intellectual Property (IP)**, engagement was positive with both Parties working to find appropriate outcomes across the chapter. However, significant differences remain, particularly in relation to the EU proposals for extending patent and regulatory data protection for pharmaceuticals, agricultural chemicals and veterinary medicines.

Negotiators made good progress on the **Trade and Sustainable Development (TSD)** chapter. The TSD chapter includes provisions relating to Trade and Environment and Trade and Labour. Additional text was agreed across a number of articles and substantive discussions took place regarding fossil fuel subsidies. We expect further progress to be made on these matters during the next round.

Regarding **Trade and Gender**, there was a constructive exchange on both Parties' aims and priorities concerning this important area of trade policy, on which there seems broad alignment. The EU will continue to consult on New Zealand's proposals, tabled before Round 11, ahead of further intersessional engagement.

The **Subsidies** working group continued to discuss the kinds of subsidies that both Parties seek to cover in the FTA. New Zealand continued to pursue its proposals for specific disciplines addressing fisheries subsidies and agricultural subsidies. Discussions also continued on proposals from the EU on prohibited subsidies and services. As the EU's proposals depart from New Zealand's existing practice, further work is required to find solutions that work for both Parties.

We continue to make good progress in the **Trade Remedies** chapter, with further text on the application of a bilateral safeguard being provisionally agreed. Most outstanding issues, such as whether New Zealand will give final agreement to the inclusion of a bilateral transitional safeguard mechanism, are dependent on the outcomes of market access negotiations.

New Zealand and the EU held a constructive working group session on level playing field disciplines in the **State-Owned Enterprises and Designated Monopolies** chapter. A key focus of discussions was the relationship between the EU proposals and New Zealand's own experience in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Progress was also made in the **Competition** chapter, with working group discussions focused on constructive solutions to resolve an outstanding issue on competition rules.

**Government Procurement** working group discussions focused on market access. Negotiators had a positive discussion aimed at finding a pathway to closing this aspect of the government procurement chapter.

The **Investment** working group made positive progress in resolving outstanding issues in the investment chapter text. Potential landing zones on the outstanding substantive issues were discussed. A joint discussion was also held with the services working group on market access offers.

Negotiators also made progress on a range of issues in the **Services** chapters, including in relation to temporary entry of business persons, financial services, transport services, and domestic regulation. Some of the EU proposals go beyond New Zealand's existing policy settings so further work is required to progress the remaining issues.

On **Digital Trade**, the negotiators discussed a range of matters across the chapter, including e-invoicing, consumer protection, no-prior authorisation, e-contracting, source code, privacy and cross-border data flows. Some progress was made and agreement was reached on consumer protection and e-invoicing.

The Parties also discussed **Telecommunications** and made additional progress to further narrow the path to a final agreement.

Constructive discussions took place in the **Sanitary and Phytosanitary (SPS)** chapter. Further article text was agreed this round and the chapter is likely to be largely concluded next round.

Useful intersessional engagement had occurred on the **Energy and Raw Materials (ERM)** chapter, which laid a platform for a constructive discussion and further substantive process at Round 11. The chapter is moving closer to substantive conclusion, and negotiators have been careful to ensure that outcomes are aligned with New Zealand's policy and regulatory settings.

Negotiators continued discussions on **General Exceptions and General Provisions** that will apply across the free trade agreement and operate to protect each Party's ability to pursue important public policy objectives. This included further engagement on proposed approaches to taxation, security, and creative arts exceptions.

Negotiators discussed State-to-State **Dispute Settlement** rules and procedures and reached agreement on a number of provisions. The provisions include technical rules and procedures for hearings, include hearings conducted by videoconference.

The **Institutional Provisions** chapter and the **Final Provisions** chapter were not discussed during the round. Negotiators decided to continue to make progress on the outstanding issues by email over the coming weeks.