

EU-New Zealand Free Trade Agreement Negotiations: report on the fifth round of negotiations in Brussels, 8-12 July 2019

New Zealand negotiators returned to Brussels for the fifth round of negotiations from 8 to 12 July.

Good progress was made in some areas and more chapters should be able to be completed soon, including Sanitary and Phytosanitary (SPS), Customs, and Competition.

What happens next?

Negotiators will meet again after the European summer break and will work to make as much progress as possible via teleconferences in between negotiating rounds.

Where can I find out more?

Find out more about our overall objectives for this agreement, including brief 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.

Please come along to one of the events in our current round of public meetings running until September. For upcoming locations, details, and registration please go to our website [here](#).

The EU's text proposals are available [here](#).

Key working group progress in brief

The **Goods** working group focused on the chapter text, and made some progress on a number of areas, although there is some way to go including on market access.

Some progress was made on agreeing text in the **Rules of Origin** chapter and negotiations continued on Product Specific Rules (PSRs). We want to ensure that PSRs are trade facilitating and work for New Zealand businesses, especially SMEs.

The **Customs and Trade Facilitation** working group discussed the outstanding provisions in the chapter and agreed further text, including an article on authorised economic operators.

Negotiators had constructive discussions on new alternative text proposals in the **Trade Remedies** working group.

Significant progress was made in the **Sanitary and Phytosanitary** (SPS) Chapter of the FTA. It was agreed that the Veterinary Agreement will be affirmed, and the SPS Chapter in the FTA will cover all matters not covered by the Veterinary Agreement, in particular phytosanitary issues and plant-related processed food.

Energy and Raw Materials negotiators had the first-text based discussions which focused on refining the scope of the chapter. New Zealand also introduced text to support our interests in renewable energy and to ensure the chapter meets our shared environmental objectives.

New Zealand and the EU started text based negotiations for the **Wine Annex** on the basis of a joint working document comparing New Zealand's proposal for an annex covering trade in wine and the EU's proposal for an annex covering trade in wine, aromatised wine products and spirit drinks. We want a Wine Annex that helps to facilitate trade in wine between New Zealand and the EU.

Discussions on the **Services and Investment** issues were constructive and saw progress in a number of areas. We narrowed the substantive issues that will require further discussion, but that we hope to resolve at Round 6. Initial market access offers were discussed in more detail and a way forward for final offers was identified.

Discussions on the **Digital Trade** chapter were positive and constructive. Both parties agreed provisions on consumer protection. For more complicated provisions, where there is divergence in New Zealand and EU regulatory approach or FTA practice, discussions led to greater clarity and possible solutions.

Negotiators made significant progress on the **Government Procurement** text at the round. Both sides agreed to further provisions on registration systems, the mechanisms by which to incorporate certain provisions of the WTO Government Procurement Agreement in this FTA, the exchange of procurement statistics and further improved a provisionally agreed article on e-procurement. Progress was also made on provisions to support environmental, labour, and social considerations in government procurement. The parties' market access discussion focussed mainly on in-depth technical questions and clarifications about the content of their respective first offers, which were exchanged at the previous round.

Negotiators made progress on the **Trade and Sustainable Development** Chapter, agreeing further provisions in a range of areas including objectives, text on climate change, forests, and responsible business conduct/supply chain management. Detailed discussions continued on the right to regulate, labour issues, multilateral environmental agreements, environmentally harmful subsidies, biodiversity, circular economy, and transparency. Both parties agreed to a range of follow-up actions, including an expert-led intersessional video-conference on fisheries provisions as well as select further text proposals and text reformulations, to maximise momentum ahead of the next round of negotiations.

The **SMEs** working group had a productive meeting at Round 5 and reached agreement on more of the text. The group is continuing to work intersessionally to resolve remaining issues.

New Zealand and the EU were only able to schedule a short discussion on **Good Regulatory Practice/Regulatory Cooperation** at this Round. However, we made good use of that time to have a preliminary discussion on model text reflecting our respective domestic approaches to implementing good regulatory practice. We have jointly committed to further internal work with a view to making substantive progress towards an agreed text at the next formal discussion.

Negotiators continue to work through the design of effective and efficient **Dispute Settlement** procedures, to enable the parties to resolve any future disagreement concerning the interpretation and application of the free trade agreement. A small number of outstanding issues remain for both parties, and negotiators have undertaken to consult internally on these in order to map out a possible way forward ahead of the next Round. Otherwise most of the text across the Dispute Settlement Chapter, Rules of Procedure and Code of Conduct is now agreed.

Negotiators also began discussing the '**General Exceptions**' chapter, which will apply across the free trade agreement and operate to protect the parties' ability to pursue important policy objectives.

New Zealand and the EU had brief discussions on **Trade for All**/Progressive Trade Issues in preparation for more in depth discussions and formal proposals later in the year.

Working groups were not held for **Intellectual Property, SOEs, Competition, Subsidies, or TBT**. Negotiations will continue by video or teleconference where possible.