

# EU-NZ FREE TRADE AGREEMENT



## European Union-New Zealand Free Trade Agreement Negotiations: report on the tenth round of negotiations held by video conference, 22-30 March 2021

New Zealand and EU negotiators conducted their meetings for the tenth round of negotiations from 22-30 March 2021 by video conference.

With the exception of the working groups on State-Owned Enterprises, Competition and Subsidies, all other groups convened this round. Useful progress was made, with additional text agreed and positive momentum maintained, over thirty-two different early morning and late night sessions. We continue to work to conclude negotiations as soon as possible and our objective remains a high quality and commercially meaningful outcome.

### What happens next?

Negotiators will meet again for round eleven 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 10 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 resolve further elements of the **Goods** chapter text. Because the EU is still yet to provide an updated offer, **goods market access** was not substantively discussed. As we previously reported, the EU's first offer on agricultural market access for certain dairy and meat products does not yet provide us the basis on which to conclude the negotiations. The current offer would continue to disadvantage New Zealand compared to our competitors. These issues were again discussed between Chief Negotiators, and New Zealand continues both to underline the need for an improved market access offer and to note the link between goods market access and geographical indications. These issues will remain a key topic of discussion, including between Ministers.

On **Rules of Origin**, some progress was made in the chapter text dealing with sanctions for non-compliance and the discussion clarified 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.

The EU presented updated text on **Geographical Indications (GIs)** that modified aspects of its previous proposals and incorporated some New Zealand text proposals. The parties discussed these in detail and identified where common ground had been found on some areas. However, significant differences still remain in relation to the scope of protection. The parties continued to work through the list of names the EU wants protected as GIs in New Zealand under the FTA. New Zealand has focused its objections on a set of key names of concern including feta, gruyere and port.

New Zealand and the EU held constructive discussions on the **Wine and Spirits Annex**. Good progress was made on labelling provisions and a technical discussion was held on wine making practices. Both parties agreed to undertake further intersessional work with the aim of arriving at a trade facilitating outcome.

There is good momentum in the **Trade Remedies** chapter. We were able to agree more text, and agree the transparency provisions for Global Safeguards. Most of the remaining issues, including the EU's proposal for agricultural safeguards and a bilateral transitional safeguard mechanism, are closely linked to market access negotiations. We do not expect to advance those areas until market access negotiations progress further.

Constructive discussions took place in the **Sanitary and Phytosanitary (SPS)** chapter. Further articles were agreed this round and intersessional work has been scheduled to progress the outstanding articles yet to be agreed.

On **Intellectual Property (IP)**, engagement was positive and some progress was made in agreeing a small number of technical aspects of the chapter. However, significant differences remain including EU proposals for extending patent and regulatory data protection for pharmaceuticals, agricultural chemicals and veterinary medicines, extended protection of copyright and designs, protection of technological protection measures (digital locks), the scope of border protection measures and changes to New Zealand's parallel importation regime.

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. There was detailed discussion on proposals relating to marine fisheries, climate change, fossil fuel subsidies, biodiversity, forests, labour, and private sector action. We expect further progress to be made on these matters during the next round.

Concerning **Trade and Gender**, discussion focused on the EU's new text proposal. Synergies exist between our respective approaches and New Zealand will respond with further text proposals prior to the next round in an effort to build on our shared ambition in this area.

Negotiators discussed chapter text and market access in relation to **Government Procurement**. Discussions continued on market access, particularly in relation to possible improvements by the EU and New Zealand to their procurement coverage commitments under the World Trade Organisation Agreement on Government Procurement (GPA).

The **Investment** working group discussed the remaining narrow range of issues relating to the investment rules.

Negotiators also discussed a range of issues related to the **Services** chapters, including temporary entry of business persons, financial services, transport services, and domestic regulation. While progress continues to be made, some of the EU proposals go beyond New Zealand's existing policy settings so work continues to find solutions.

The working group on **Technical Barriers to Trade (TBT)** recapped important remaining areas in the TBT Chapter text including: conformity assessments, equivalence of technical regulations, market Surveillance Cooperation and the **Motor Vehicle Annex** provisions. The EU also gave a brief presentation on the Supplier Declaration of Conformity (SDoC) Annex. The working group agreed to hold intersessional meetings to further progress the discussions on the above areas.

Both sides had a positive, constructive discussion on **Good Regulatory Practice and Regulatory Cooperation**. We agreed some text and identified ways forward on other issues. Both sides committed to intersessional work to progress discussions ahead of the next round.

The **Energy and Raw Materials (ERM)** chapter was discussed over one extended session at Round 10. ERM was not covered at Round 9, so this was a chance for detailed and useful further engagement on the EU's various proposals and the regulatory settings on energy and raw materials that exist in both Parties. Negotiators agreed to explore ideas, including the possibility of new text proposals, intersessionally, with the aim of making further and substantive progress at Round 11.

On **Digital Trade**, the negotiators discussed a range of matters across the chapter, including e-invoicing, paperless trading, consumer protection, privacy and cross-border data flows. Some progress was made and agreement was reached on customs duties.

The parties also discussed **Telecommunications** and made some additional progress.

Negotiators considered new EU proposals for (state-to-state) **Dispute Settlement** procedures. These additional provisions reflect the EU's recent experiences of dispute settlement in a COVID-19 environment. New Zealand will consider the proposals ahead of further discussions at the next round.

On **General Exceptions**, the negotiators continued discussions on exceptions which will apply across the free trade agreement and operate to protect the parties' ability to pursue important public policy objectives. This included further engagement on proposed approaches to taxation, security and creative arts exceptions.

Negotiators held productive discussions on the **Institutional Chapter and Final Provisions Chapter**, with good progress on the chapter text. In particular, negotiators spent time discussing how proposals that support stakeholder engagement can best be operationalised.