

EU-NZ FREE TRADE AGREEMENT



European Union-New Zealand Free Trade Agreement Negotiations: report on the twelfth round of negotiations held by video conference, 14 March – 25 March 2022

New Zealand and EU negotiators conducted their meetings for the twelfth round of negotiations from 14 March to 25 March 2022 by video conference.

With the exception of Technical Barriers to Trade (TBT) and Trade Remedies all working groups convened this round. Composed of over forty meetings taking place across twenty-seven different chapters, Round 12 resulted in good progress overall, with additional articles and Dispute Settlement Chapter agreed and a number of further chapters nearing substantive conclusion. The working group on Energy and Raw Materials concluded their work before the round. In combination with the recent in-person meetings between the Minister for Trade and Export Growth, Damien O'Connor, and his European Commission counterparts in early March, the round ensured the positive momentum of negotiations has been maintained.

What happens next?

Negotiators will build on this momentum with more intersessional meetings as we seek to conclude negotiations as soon as 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 12 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

New Zealand and EU goods negotiators met to discuss the limited outstanding elements of the **Goods** Chapter text. New Zealand negotiators reiterated expectations on the content and timing of the EU's next goods market access offer.

On **Rules of Origin**, New Zealand continued to press for outcomes that accommodate our permit based fisheries management regime. 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. The group discussed key New Zealand interests in the manufacturing sector, but substantial differences still remain between our approaches.

Following a series of intersessional meetings, New Zealand and the EU made good progress on the **Wine and Spirits Annex** at Round 12, in particular in the areas of winemaking practices, labelling and certification. Both parties reaffirmed their commitment to continue their work intersessionally with the aim of arriving at a trade facilitating outcome.

On **Geographical Indications (GIs)**, the parties continued discussions from late 2021. Subject to wider agreement across the FTA, the parties are now close to agreeing text for the standard of protection and enforcement of GIs. Discussions are ongoing on provisions to amend the list of GIs protected under the agreement over time and the relationship between trademarks and GIs. The parties continued good faith discussion of the list of names the EU wants protected as GIs in New Zealand. However, differences remain between the parties in relation to key names the EU wishes to protect. The parties discussed an EU request for amendments made to certain EU GI registrations to be made to the equivalent names the EU has proposed for protection under this agreement.

On **Intellectual Property (IP)**, engagement was positive with both parties working to find appropriate outcomes across the chapter. Subject to wider agreement across the FTA, a significant proportion of the text has now been agreed in principle. However, substantial differences remain in some key areas, particularly in relation to the EU proposals for extending patent and regulatory data protection for pharmaceuticals, agricultural chemicals and veterinary medicine.

On **Trade and Sustainability Development (TSD)** negotiators agreed additional text across a number of articles and discussions took place regarding fossil fuel subsidies. Negotiators will continue to engage over coming weeks to progress remaining text. The EU's Trade and Sustainable Development Review to be released over coming months is expected to have implications for the chapter.

In the **Trade and Gender** working group, a standalone session took place this round with new leads from both sides. The discussion focused on an exchange of views on chapter text New Zealand tabled last year, with the EU noting some synergies in our respective approaches. There will be exchanges on the New Zealand and EU approaches in the weeks ahead, ahead of further intersessional engagement. In the **Subsidies** working group, some progress was made in the chapter text dealing with multilateral cooperation on fisheries subsidies issues. New Zealand also introduced text on consultations for services subsidies, in recognition of the EU's priorities in the chapter. New Zealand continued to pursue its proposals for disciplines addressing fisheries subsidies as well as an outcome on agriculture subsidies.

New Zealand and the EU held constructive discussions during Round 12 on the **State-Owned Enterprises and Designated Monopolies** Chapter, with a focus on resolving the outstanding definitions and scope that are required to complete the chapter. Positive progress was made towards a mutual understanding on the outstanding issues, and there was a shared commitment to continue the momentum to complete negotiations on the chapter as soon as possible.

While virtual meetings were not held during Round 12, the final outstanding issues in the **Competition** Chapter continue to be discussed between New Zealand and the EU; with a mutually acceptable solution to outstanding areas in the chapter likely close to being agreed.

Government Procurement working group discussions continued to focus on market access. Negotiators had further positive exchanges that further clarified the potential pathway to conclusion of the government procurement chapter.

Good progress has been made in the **Investment** working group with only a few outstanding issues remaining. Discussions also continued on market access schedules which both sides are in the process of preparing for the final exchange of services and investment schedules.

The **Services** Chapter continues to make good progress with most substantial issues resolved. Parties are on track to table their final market access offers, which Parties expect to occur in mid to late May.

The **Digital Trade** Working Group met during the session and exchanged updates on consultations since Round 11, including the release of the Waitangi Tribunal report on WAI2522 in November 2021. There was an exchange in the working group on outstanding articles, including cross-border data flows, personal data and privacy, source code and no prior authorisation. Articles were closed on e-authentication and paperless trading. Negotiators will continue to make progress on the outstanding issues with intersessionals likely in the coming weeks.

The **Sanitary and Phytosanitary** (SPS) Chapter text is largely concluded following constructive negotiations in Round 12. It has been agreed that the few issues that are yet to be resolved will be worked on intersessionally between the parties, with substantive conclusion firmly in sight.

Round 12 marked the first formal discussions on the **Sustainable Food Systems** (SFS) Chapter, proposed by the EU in July 2021. The SFS Chapter focuses on government-level cooperation on increasing the sustainability of food systems. Intersessional engagement since the Chapter was first proposed laid the groundwork for productive engagement during Round 12. Once finalised, the Chapter will create a valuable platform for engagement between the Parties on their respective approaches to SFS and contribute to evolving multilateral work.

There were constructive discussions on **Good Regulatory Practice** and Regulatory Cooperation. These focused on issues including publication of regulatory measures, transparency around domestic processes and mechanisms for regulatory development, and public consultation. Progress was made on parts of the text. Discussions will continue intersessionally in the coming weeks with a view to finding language that accommodates the differences in approach between New Zealand and the EU.

Good progress was made on legal and institutional issues. Notably the **Dispute Settlement** Chapter and its annexes containing rules of procedure for disputes and mediation processes were closed. The final provisions agreed were technical provisions regarding the assistance that can be provided to a dispute settlement panel (of arbitrators) and the circumstances in which a virtual hearing can be held. Further, the **Final Provisions** Chapter is close to being closed. The chapter includes technical provisions that apply to the entire FTA (such as how the FTA is amended and how it enters into force) and the provisions are common to most FTAs. Nothing substantive remains to be discussed and the small handful of issues that remain outstanding can be agreed by email.

The EU and New Zealand also made progress on the **Institutional Provisions** Chapter. The chapter includes provisions relating to committees and other administrative arrangements for the FTA. The chapter will include provisions relating to engagement with domestic stakeholders.

The **Exceptions Chapter** includes exceptions that apply to the entire FTA. Closing the chapter will require some issues to be first resolved in other relevant chapters.

