

## New Zealand and EU approaches to trade and sustainable development

**New Zealand and the European Union share a strong commitment to sustainable development, which a free trade agreement can help to advance.**

New Zealand seeks inclusive economic growth that boosts living standards for all people while ensuring protection for labour standards and the environment. To this end, we pursue labour and environment provisions in all of our free trade agreements.

New Zealand's *Trade for All* includes several principles to help trade policy realise the economic, social, and environmental elements of sustainable development. These principles require trade policy efforts to maximise opportunities and minimise risks associated with global issues, including environmental protection and climate change; protecting health and well-being; labour rights; traditional knowledge and the rights of indigenous peoples; improving gender equity; small and medium-sized enterprise participation in trade and domestic regions' participation in trade; and preserving the Government's right to regulate.

The European Union also works to ensure trade policy helps promote sustainable development. EU trade policy aims to ensure that economic development goes hand in hand with social justice, respect for human rights, high labour standards, and high environmental standards, including through trade that supports tackling climate change.

These shared values, alongside our common commitment to internationally agreed principles and standards and our pursuit of high levels of domestic labour and environmental protection, make New Zealand and the EU natural partners in trade and sustainable development.

### **Key areas**

The EU-NZ FTA is an opportunity to show how trade and investment can contribute to sustainable development, through general obligations, specific commitments, and agreement to cooperate on areas of mutual interest. Standard practice in both New Zealand and the EU has been to include general trade and sustainable development obligations that recognise the need for effective enforcement of labour and environmental laws, including commitments to not weaken or reduce laws or standards to attract or secure trade or investment advantage, alongside obligations ensuring labour and environmental laws and standards are not used as disguised means of trade protectionism.

The FTA offers the opportunity to commit to implement not only relevant existing international instruments and practices, but also to support other initiatives such as those that aim to promote trade in legally obtained and sustainably managed natural resources. The trade and sustainable development chapter offers opportunities for the Parties to agree to cooperate on trade and sustainable development issues of mutual interest, both bilaterally and in regional and multilateral forums.

On trade and environment, provisions should also aim to combat the illegal trade in wild flora and fauna; illegal, unreported and unregulated fishing (IUU); illegal logging; and trade in related products. Both sides have additionally agreed to explore provisions in other areas including:

- the liberalisation of trade in environmental goods and services
- conservation and sustainable management of natural resources and ecosystems
- climate change (including fossil fuel subsidy reform), and
- voluntary sustainability assurance schemes.

New Zealand will also aim to secure ambitious outcomes in other areas including the elimination of subsidies that contribute to overfishing and to illegal, unreported, and unregulated fishing and the transition to a circular economy.

New Zealand also seeks opportunities for cooperation with the EU on these issues, and on emerging green technologies and climate-friendly innovations, and initiatives which promote sustainable, low-emissions development throughout the economy.

In the area of trade and labour, New Zealand and the EU recognise that trade is the product of people's work and therefore, that trade agreements should seek to protect and enhance working conditions and promote decent work, with a view to improving living standards. For New Zealand, decent work requires protection of minimum standards and generation of adequate income within an infrastructure ensuring social protection.

New Zealand will explore with the EU outcomes which support the International Labour Organisation's (ILO's) overarching objectives of promoting decent work in the global economy, including the recognition and reinforcement in each party's domestic law of the ILO's Fundamental Labour Principles and Rights at Work. These comprise: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

Other provisions to be explored with the EU include:

- the effective implementation of relevant international labour instruments that each party has adopted
- the promotion of corporate social responsibility and responsible business conduct by each party in line with commitments made under instruments such as the OECD Guidelines for Multinational Enterprises
- cooperation and dialogue mechanisms to enable the party to pursue issues bilaterally as well as jointly in relevant international forums, and
- mechanisms to promote transparency, dialogue and consultations over any issues arising.