

New Zealand and EU approaches to trade in goods

New Zealand and the EU have agreed to seek a high-quality outcome on trade in goods and have agreed that all products will be part of the negotiations.

New Zealand and the EU have shared interests in high-quality, high-value manufactured and primary products. An ambitious, comprehensive free trade agreement that addresses both tariff and non-tariff measures to facilitate trade in these goods would be to the mutual benefit of the industries and consumers of both parties.

Both the EU and New Zealand agreed in scoping discussions that most tariffs should be eliminated when the Agreement enters into force, with any phase-out of tariffs to occur over a relatively short period.

In the area of primary products, New Zealand producers face high tariffs and quota restrictions in the EU market, in contrast to the open access that EU producers face when exporting to New Zealand. This disparity needs to be addressed.

New Zealand's objective will be to maximise the quality of market access, in order to deliver commercially meaningful outcomes. We will be guided by the principle of fairness and reciprocity. We will seek an ambitious agreement that levels the playing field with the EU's other FTA partners and provides a reciprocal degree of access into each other's markets. This includes the objective of securing tariff liberalisation.

In recognition of possible sensitivities (such as, in the case of the EU, for some agricultural goods), it was agreed in scoping discussions that consideration should be given to these sensitivities during negotiations using a range of possible methods, including extended tariff phase-outs or tariff rate quotas.

New Zealand's view is that any such treatment should be in keeping with the realities of the trade, production and consumption of the products concerned, including the expansion of global markets and the market access that the EU routinely seeks in its own FTAs. For example, the EU is the world's largest exporter of dairy products. It has a highly competitive agricultural export sector and will continue to grow its worldwide export markets.