

EU-New Zealand Free Trade Agreement Negotiations: report on the third round of negotiations in Wellington, 13-17 May 2019

EU negotiators returned to Wellington in May for the fourth round of EU-NZ FTA negotiations.

In general, good progress is continuing across the agreement and we have now starting to close some chapters of the agreement. All initial market access offers have now been exchanged for goods, services, investment and government procurement.

What happens next?

Dates have been proposed for further rounds of negotiations in July and October.

Negotiators will meet or talk via teleconference with their counterparts to help promote further progress in between 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 for Foreign Affairs and Trade website.

We are kicking-off a new round of public meetings where you can hear directly from MFAT negotiators, ask questions, and share your views. Meetings are taking place around the country from June until September. You can find details on dates, locations and how to register [here](#).

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

Key working group progress in brief

The **Trade in Goods and Market Access** group focused on goods market access offers and further discussed how to address various sensitivities. New Zealand continued to underline the need for the EU to make comprehensive and commercially meaningful market access offers covering all products of New Zealand export interest. On text negotiations, the two sides agreed three additional articles on National Treatment on Internal Taxation and Regulation, Export Licensing Procedures and Preference Utilisation in the goods chapter text.

Satisfactory progress was made on the **Rules of Origin** text, but a few issues remain unresolved. The EU provided their Product Specific Rules ahead of the round, and the week was the first chance for discussions on these and New Zealand's proposals tabled earlier.

Although some issues remain in the **Customs and Trade Facilitation** chapter text, five articles were agreed and substantial progress was made on one other.

Good progress continues to be made on the substantive provisions of the **Sanitary and Phytosanitary (SPS)** chapter. At the end of this round, substantial progress has now been achieved on equivalence, export certification, plant regionalisation, audits, emergency measures and import checks. The relationship between the Veterinary Agreement and the SPS Chapter of the FTA has yet to be determined. This issue will be subject to further work before the next round.

In addition, and alongside SPS, the proposed **Animal Welfare** provisions for the FTA were substantively agreed. The final placement of these provisions within the FTA is yet to be mutually determined and agreed.

The **Technical Barriers to Trade** working group made progress on a small number of articles in the chapter text. Some substantial differences remain in the provisions governing technical regulations and conformity assessments but a possible compromise approach was suggested. Constructive discussions were held on the EU proposed automotive annex and the Parties were able to identify the differences in each other's regulatory regimes. Both sides also agreed to continue to support alternative methods to animal testing of cosmetic products. The EU tabled its proposed text for an **annex covering trade in wine**, aromatised wine products and spirit drinks in response to New Zealand's earlier proposed text covering trade in wine.

Discussions on the **Services and Investment** issues were constructive and saw progress in a number of areas. We clarified the substantive issues that require further discussion at Round 5, where we hope to make significant progress on the outstanding text issues. Initial market access offers were exchanged prior to the round and reflect our shared high ambition. Detailed discussion of these offers will take place at Round 5.

The discussions on the **Government Procurement** text were overall positive. The parties agreed the article on modifications and rectifications of coverage and are making good progress in reaching convergence on further WTO GPA+ commitments. On market access, both sides presented their initial offers and engaged in preliminary discussions about their expectations. The parties will further these discussions at the next round.

Further progress was made on parts of **Intellectual Property (IP)** chapter. However, substantial differences on a number of significant provisions proposed by the EU, including extending the term of protection for copyright and related rights, designs and patents, extended protection for marketing approval data for pharmaceuticals and agricultural products and changes to New Zealand's parallel importation regime. There are also differences in relation to the scope of border protection requirements, technological protection measures, intellectual property enforcement, and performers' rights.

In relation to **Geographical Indications (GI)**, the EU was provided an overview of responses received from New Zealand's recent consultation on the EU's proposed list of names. However, further progress on GIs and the EU's proposed framework for protection remains dependant on progress in other areas of the negotiation, in particular market access for New Zealand's agricultural exports.

In **Trade and Sustainable Development (TSD)**, negotiators had the first opportunity to negotiate text and agreed a number of provisions throughout. New Zealand presented text on circular economy, fossil fuel subsidy reform, biodiversity, forestry, and fisheries. Each side reiterated their preferred

approach on the question of applicability of the Agreement's dispute settlement mechanism to the chapter.

New Zealand and the EU had further discussions on a possible model that would reflect our respective domestic approaches to implementing **Good Regulatory Practice**. Further work will be undertaken intersessionally on this and on **Regulatory Cooperation** with a view to making progress on an agreed text at the next formal discussion.

Negotiators have now reached agreement on the text of the **Transparency** chapter, setting out the standards that the Parties should aim for in publishing and administering trade-related measures.

Productive discussions were held on **Dispute Settlement** procedures, with most of the text now agreed. Some areas of policy divergence remain, however, which the Parties will continue to work through at the next round of negotiations.

The EU presented a proposal to address aspects of New Zealand's **Trade for All** agenda, including indigenous, gender, SMEs, and domestic regional economic development. New Zealand will review prior to the next round and make further proposals.

Negotiators for **Competition Policy** and **SOEs** worked via videoconference to make further progress. The Competition chapter should be closed in the coming weeks.

Working groups were not held for **Energy and Raw Materials, SMEs, Subsidies, or Trade Remedies**.