

New Zealand–United Kingdom Free Trade Agreement Negotiations

Report on Round Six of negotiations, held virtually from 19-30 July

The Sixth Round of Free trade agreement (FTA) negotiations between the UK and New Zealand was held virtually between 19 and 30 July. The round was supplemented by ongoing inter-sessionals as negotiators work toward substantially closing their chapter text to meet the Ministerial aim of reaching [Agreement In Principle in August](#).

Key outcomes from Round Six and ongoing inter-sessional work includes:

- Substantial completion of the consumer protection chapter, which, once the agreement is concluded, will be New Zealand's first dedicated chapter in an FTA aimed at building consumer trust and welfare.
- Substantial completion of another four chapters covering goods (market access elements excepting): development, anti-corruption and final provisions. The express delivery services annex was also substantially closed. A number of other chapters remain on the cusp of conclusion (e.g. good regulatory practice, cross border trade and services, and trade facilitation and customs procedures).
- A first exchange of initial services and investment market access offers, completing the full package of market access offers on the table in these negotiations.

Together with chapter leads, Chief Negotiators continue to regularly meet as parties seek to agree text and resolve outstanding issues (including on goods market access, intellectual property, temporary entry, rules of origin, government procurement, investment and indigenous trade).

Outreach

On 8 July a webinar was held with interested Treaty partners. Chief Negotiator Brad Burgess and New Zealand's chapter leads for intellectual property and environment discussed how the agreement was shaping up to protect and promote Māori trade interests.

This was followed by a general public webinar on 21 July to update New Zealand stakeholders and the public on the progress made toward reaching agreement in principle. Questions covered a wide range of topics, including on dairy market access, the status of a wine annex, the non-inclusion of Investor state Dispute Settlement, and asking after the UK's response to New Zealand's indigenous text.

A further public webinar was held on 18 August to update interested New Zealanders on progress being made, and to continue discussing areas of interest across the Agreement.

The New Zealand negotiating team will continue to engage with Treaty partners, stakeholders, civil society and the public to further inform New Zealand's approach as we enter the closing phase of negotiations with the UK.

What happens next?

An intensive programme of inter-sessionals continues as we work towards the aim of achieving Agreement in Principle on a high quality, comprehensive and inclusive free trade agreement.

Where can I find out more?

New Zealand's high-level objectives for the UK FTA are available [here](#). Further information, including reports for each the last four rounds can be found in English and Te Reo Māori [here](#).

For notifications and invitations to public meetings and webinars on the UK FTA, Trade for All and our other trade agreements under negotiation, where you'll be able to ask questions and share your views with us, please sign up at FTA_Outreach@mfat.govt.nz or for UK FTA specific events and updates, UKFTA@mfat.govt.nz.

Key working group progress in brief

The **Trade in Goods** working group made further progress inter-sessionally, agreeing remaining elements of chapter text including in articles covering definitions, temporary admission, remanufactured goods, repair and alteration, and data sharing on preference utilisation. Both Parties have agreed that the chapter will provide for the establishment and functions of a Goods Committee.

The **Rules of Origin** working group have held a series of inter-sessionals and formal sessions since Round Five covering both the chapter text and annexes to the chapter. With both parties demonstrating a high degree of pragmatic flexibility, good progress has

been made with chapter text and the Product Specific Rules both moving to near completion.

The **Technical Barriers to Trade (TBT)** working group had productive discussions with a significant proportion of the chapter text now agreed. On the annexes front, continued discussions are taking place to make progress on the wine and the spirits annexes, allowing the parties to gain a shared understanding of each other's proposals. Both sides will advance the remaining work, including on the annexes, inter-sessionally.

Further progress was made across the **Services** cluster of five chapters (cross-border services, domestic regulation of services, temporary entry of business persons, financial services, and telecommunications) and three annexes (professional business services, express delivery services, and maritime services). At Round 6, the working groups met to discuss domestic regulation of services, temporary entry of business persons, financial services, telecommunications, professional business services, express delivery services, and maritime services. The delivery services annex was substantively closed and a number of other chapters and annexes are now nearing closure.

The **Investment** working group held productive discussions on the remaining chapter text. With some minor exceptions, the majority of the articles in the chapter are now agreed. Progress this round included substantive closure of the definitions, scope, and performance requirements articles, and the suite of investment protections articles. Both sides are considering respective proposals on the few remaining outstanding issues in the text.

The **Digital** working group continues to work on developing an innovative and inclusive digital trade chapter. The group has now agreed to commitments on open government data, on preventing spam, and cooperation on cyber security. The group continues to explore articles on facilitating electronic transactions (e.g. digital identities and electronic contracts), on source code, cryptography, e-invoicing, paperless trading and digital inclusion.

The **Good Regulatory Practice and Regulatory Cooperation** working group discussed definitions and the relationship between this chapter and elements of the Transparency chapter. Work is continuing on finalising definitions that are acceptable to both sides and on clarifying the relationship with the Transparency chapter. Once these issues are resolved, the chapter is expected to conclude quickly.

Significant progress was made on the **State-owned Enterprises and Designated Monopolies** chapter in line with New Zealand's existing CPTPP obligations. Outstanding issues remain where chapter provisions continue to be considered alongside other subsidies issues across the Agreement (e.g. New Zealand's proposals to eliminate environmentally harmful fossil fuel, fisheries and agriculture subsidies).

We have now substantially completed New Zealand's first dedicated FTA chapter on **Consumer Protection**. At its core, the chapter aims to build consumer trust and welfare and promote effective measures to protect consumers. It does this by including commitments to protect consumers against misleading, deceptive and unfair commercial activities, ensuring consumers transacting online are afforded like protections when transacting 'offline' and provides a platform for cooperation between New Zealand and the UK on access to redress mechanisms.

Discussions on the **Government Procurement** chapter focussed on market access. Having earlier reached substantial agreement on text, at this round the parties engaged on the updated offers that were exchanged at the end of Round Five. In addition to ensuring understanding of the elements of the respective revised offers, dialogue focussed on identifying potential pathways to reach agreement.

The **Intellectual Property** chapter working group continues to meet regularly to work through text on copyright, trade marks, designs, trade secrets, patents, geographical indications, enforcement, general and cooperation provisions and New Zealand proposals relating Māori interests in intellectual property. Discussions have been focused and constructive with agreement reached in a number of areas. However, significant differences remain in relation to some key policy positions of each party. The working group will continue to discuss these issues, as well as technical and drafting issues throughout the chapter.

Significant progress was made across the **Environment** chapter with articles on right to regulate and enforcement of environmental laws, climate change, biodiversity and forestry close to conclusion. Substantive discussions occurred on circular economy, consultation and dispute settlement with both sides keen to reach agreement in these areas. Achieving outcomes on environmentally harmful subsidies remains a priority for New Zealand and planned sessions in the next few days will, it is hoped, see progress in this important area.

New Zealand is also continuing efforts to include the principal of kaitiakitanga in the chapter, achieve progress in environmental goods and address UK interests in ozone depleting substances, air quality, ship pollution and marine litter.

The **Labour** working group concluded articles on shared commitments, the right to regulate and levels of protection, modern slavery, decent work, labour cooperation, public awareness, and institutional provisions. Text was also largely cleared on labour consultations, leaving only a few outstanding areas for substantive discussion inter-sessionally.

The **Indigenous** working group continues to discuss the inclusion of a chapter dedicated to reflecting Māori interests in the NZ-UK FTA. New Zealand has provided detailed briefing on the Indigenous chapter text proposal, the importance of the Treaty of Waitangi and ongoing engagement with Māori. The UK remains in listening mode, with next steps to be determined as soon as possible. This discussion continues to be framed within the wider objective of delivering to Māori interests across the FTA, including in respect to market access, digital trade, environmental protection and promotion of biodiversity, protection of traditional knowledge, and New Zealand's agreement-wide exception for the Treaty of Waitangi.

New Zealand and the UK substantially concluded the chapter on **Trade and Development**, which acknowledges the contribution that an open and rules-based trade and investment environment can make to sustainable, resilient and inclusive development outcomes in developing countries. The chapter allows for high-level cooperation and the exchange of information with the UK on trade and development in multilateral and regional fora to promote developing country participation in trade, as well as the sharing of best practice to monitor the impacts of trade on developing countries, including Least Developed Countries and Small Islands Developing States.

The **Trade Remedies** working group met to discuss the UK's newly tabled text proposing the inclusion of a bilateral transitional safeguard mechanism. Productive discussions were held on technical aspects of the text. New Zealand emphasised that while it was willing to negotiate text in-principle, it reserved final agreement to the inclusion of a bilateral safeguard in the chapter. Its final agreement was dependent on the quality of market access outcomes.

The UK and New Zealand substantially closed the **Anti-Corruption** chapter which includes provisions on measures to combat corruption and their enforcement, whistle-blowing, integrity among public officials, and the participation of the private sector and civil society. The UK and New Zealand are working through a few remaining areas that will be finalised over the coming weeks.

Further progress was made on the **Legal and Institutional Provisions**. The UK and New Zealand substantially closed the **Final Provisions** chapter, and there was good alignment on the **General Definitions** which apply across the FTA. The UK and New Zealand engaged in a constructive dialogue on the institutional architecture of the Agreement, including the operation of the FTA Joint Committee, and made good progress on the cross-cutting **General Exceptions** chapter.