



## EU and New Zealand sign ambitious free trade agreement

Brussels, 9 July 2023

The EU and New Zealand have today signed their free trade agreement (FTA), which will deliver significant gains for the EU. The deal will cut some €140 million a year in duties for EU companies from the first year of application. As a result, bilateral trade is expected to grow by up to 30% within a decade, thanks to this deal, with EU annual exports potentially growing by up to €4.5 billion. EU investment into New Zealand has a potential to grow by up to 80%. This landmark agreement also includes unprecedented sustainability commitments, including respect of the Paris Climate Agreement and core labour rights.

The agreement is now sent to the European Parliament for its consent. Following the completion of the ratification process in both the EU and New Zealand, the deal enters into force.

Trade agreements are part of the EU's open trade – or 'partnering' - approach, which is one of the three goals of the [European Economic Security Strategy](#) presented last month. This agreement with New Zealand also demonstrates how the EU is stepping up engagement with this burgeoning region of the world, delivering on its Indo-Pacific Strategy.

Ursula **von der Leyen**, President of the European Commission, said: "*New Zealand is a key partner for us in the Indo-Pacific region, and this free trade agreement will bring us even closer together. With today's signature, we have taken an important step in making the agreement a reality. This modern free trade agreement brings major opportunities for our companies, our farmers and our consumers, on both sides. With unprecedented social and climate commitments, it drives just and green growth while reinforcing Europe's economic security*".

### **New export opportunities for businesses big and small**

The EU-New Zealand FTA will provide new opportunities for businesses by:

- eliminating all tariffs on EU exports to New Zealand;
- opening the New Zealand services market in key sectors such as financial services, telecommunications, maritime transport and delivery services;
- ensuring non-discriminatory treatment to EU investors in New Zealand and vice versa;
- improving access for EU companies to New Zealand government procurement contracts for goods, services, works and works concessions;
- facilitating data flows, predictable and transparent rules for digital trade and secure online environment for consumers;
- preventing unjustified data localisation requirements and maintaining high standards of personal data protection;
- helping small businesses export more through a dedicated chapter on small and medium enterprises;
- significantly reducing compliance requirements and procedures to allow for quicker flow of goods;
- significant commitments by New Zealand to protect and enforce intellectual property rights, aligned with EU standards.

### **Agri-food: stimulating EU exports while shielding EU sensitivities**

EU farmers will have much better opportunities to sell their produce in New Zealand immediately upon application of the agreement. Tariffs will be eliminated as of day one on key EU exports such as pig meat, wine and sparkling wine, chocolate, sugar confectionary and biscuits.

EU farmers will see benefits beyond the tariff cuts. The FTA will protect the full list of EU wines and spirits (close to 2,000 names) such as Prosecco, Polish Vodka, Rioja, Champagne and Tokaji. In addition, 163 of the most renowned traditional EU products (Geographical Indications), such as

Asiago, Feta, Comté or Queso Manchego cheeses, Istarski pršut ham, Lübecker Marzipan, Elia Kalamatas olives will be protected in New Zealand.

The agreement takes into account the interests of EU producers of sensitive agricultural products: several dairy products, beef and sheep meat, ethanol and sweetcorn. For these sectors, there will be no liberalisation of trade. Instead, the agreement will allow zero or lower tariff imports from New Zealand only in limited amounts (through so-called Tariff Rate Quotas).

### **The most ambitious sustainability commitments in a free trade agreement ever**

The EU-New Zealand FTA is the first one to integrate the EU's new approach to trade and sustainable development announced in the [Communication "The power of trade partnerships: together for green and just economic growth"](#), adopted just a week before the negotiations of the free trade agreement were concluded in June 2022.

Both sides agreed to ambitious TSD commitments covering a wide range of issues based on cooperation and strengthened enforcement. For the first time ever in an EU free trade agreement, the deal has a dedicated sustainable food systems chapter, a dedicated trade and gender equality article and a specific provision on trade and fossil fuel subsidies reform. The deal also liberalises environmental goods and services at entry into force.

### **Next steps**

The text will now be transmitted to the European Parliament for consent. After the consent by the Parliament, the Council can adopt the Decision on conclusion, and once New Zealand notifies that it has also completed its ratification procedure, the agreement can enter into force.

### **Background**

Negotiations for an FTA with New Zealand started in June 2018. 12 negotiating rounds took place up to March 2022, followed by intersessional discussions leading up to the conclusion of the negotiations on 30 June 2022, when the deal was announced by President **von der Leyen** and then New Zealand Prime Minister Ardern, in the presence of Executive Vice-President **Dombrovskis**, and New Zealand Trade Minister O'Connor, who led the negotiations on either side.

### **For More Information**

[EU-New Zealand FTA page](#)

[Factsheet EU-NZ FTA](#)

[Factsheet EU-NZ FTA - Trade and Sustainable Development](#)

[Factsheet EU-NZ FTA - Agriculture](#)

[Q&A](#)

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[EU-New Zealand trade relations](#)

[EU Trade and Jobs Report](#)

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### Quotes:

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Ursula von der Leyen, President of the European Commission - 09/07/2023

This landmark free trade agreement with New Zealand will unlock a raft of fresh export opportunities for EU businesses and SMEs for both goods and services. It also contains the most state of the art sustainability commitments of any EU free trade agreement ever, including on climate and labour rights. We are operating at a time of challenging geopolitical shifts, and ambitious trade deals with reliable and like-minded partners therefore more valuable than ever. They drive opportunity while providing a solid platform for cooperation. I look forward to swift ratification by the European Parliament and the New Zealand side so this Agreement can quickly enter into force and benefit our economies and our green transition.  
Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade - 09/07/2023

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