

17 August 2018

Ministry of Foreign Affairs and Trade
Wellington
Via email: EU-FTA@mfat.govt.nz

NZ-EU FREE TRADE AGREEMENT

About ExportNZ

ExportNZ are national industry associations representing a diverse range of exporters throughout New Zealand. ExportNZ is a division of BusinessNZ, New Zealand's peak business advocacy body.

We are a membership organisation and across our two brands have approximately 2,000 members. We also have four regional partners: Employers Manufacturers Association (Upper North Island), Business Central (Lower North Island), Canterbury Employers Chamber of Commerce (Upper South Island) and Otago Southland Employers Association (Lower South Island).

Our value proposition for members is a mixture of policy and advocacy, education and training, networking, trade missions and inspiration through awards events and conferences.

Submission

ExportNZ welcomes the opportunity to submit on the New Zealand-European Union Free Trade Agreement (NZ-EU FTA).

In an era with growing trade and political instability New Zealand and the European Union have a long period of shared history, culture and values. We have been partners on the world stage in more than just trade, and pursuing a closer trade relationship is a natural extension of this partnership.

The EU is already a very significant trade and investment partner for New Zealand: it is a top export market, and a very important source of imports. A closer trade relationship would offer significant new opportunities to both sides to expand business in agriculture and food as well as technology, services (including tourism, education and environmental services), niche and high-value manufacturing, research and investment.

The opportunities are in the EU but also linking in to value chains and networks potentially spanning from Europe into the Asia-Pacific. Given that New Zealand is counter-seasonal to the EU, there are complimentary opportunities for our respective agricultural sectors. Asian distributors and consumers expect year-round supply of products, such as lamb, beef and dairy products. Our counter-seasonal industries would help maintain year-round supply and contribute to the growth of the sectors in both countries without being in competition.

Additionally, given our trade with wider Europe has shrunk as our trade within the Asia-Pacific has grown, we do not present the same challenge and competition to local businesses in the areas of agriculture that we have in the past. In fact, our economy has diversified significantly since the 1970s, and we have seen significant growth in our manufacturing and services sectors, including IT and software, tourism and education. These sectors all provide opportunity for more collaboration and support for the EU economy. Furthermore, this diversification could also provide opportunities for EU firms to leverage NZ business relationships in markets like China for mutual benefit.

New Zealand and the EU could negotiate a modern, cutting-edge FTA that helps to build new global trade architecture and enhances the prosperity of both sides, including by:

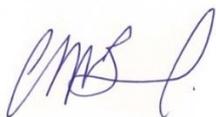
- raising the profile of each trading partner in the eyes of consumers, manufacturers, service providers and investors in the other economy;
- reducing costs in relative and absolute terms, and making it easier to do business, allowing New Zealand to supply its high-quality goods and services on an equal footing with its third-country competitors;
- giving EU business better and more secure access to competitively-priced intermediate goods and investment opportunities;
- linking the EU with an economy that is deeply embedded in the economic architecture of the Asia-Pacific, offering dynamic new opportunities to both sides, and
- ensuring that business on both sides can call on a full range of trade options to meet the economic challenges of the decades ahead.

We would also like to endorse the NZ International Business Forum's submission, specifically regarding what the negotiating agenda should contain, namely market access for goods and services and related provisions, investment, good regulatory practice and coherence, competition policy, intellectual property, government procurement and trade remedies.

Additionally, we believe an NZ-EU FTA should set a gold standard for reducing barriers to services trade, mobility of business executives and working visas, recognition of qualifications, regulatory coherence, and data mobility.

Overall, we would like to see a closer trade relationship pursued between New Zealand and the EU, and look forward to pursuing these opportunities in the future.

Yours Sincerely,



Catherine Beard
Executive Director
ExportNZ