

EU statement at the Trade Policy Review of New Zealand, 29/06/15

Statement by EU Ambassador Angelos Pangratis

I would first like to welcome the Delegation of New Zealand, led by Mr. David Walker (Deputy Secretary, Trade and Economic Group, Ministry of Foreign Affairs and Trade). I would also like to thank the WTO Secretariat and the New Zealand delegation for their comprehensive reports which form the basis for our discussion today. Let me extend my appreciation to H.E. Mr. Fernando De Mateo (Mexico) for getting us started today with his remarks.

Mr Chairman, let me start by noting New Zealand's continuous economic growth. As acknowledged by the Secretariat report, New Zealand's trade policy continues to be based on the premise that trade openness, economic growth and improved living standards are strongly linked and, as a result, New Zealand remains one of the most open economies in the world.

A word, Mr Chairman, about our bilateral relationship with New Zealand. The EU and New Zealand are long-standing partners. The commercial ties between the EU and New Zealand are strong and healthy. The EU is New Zealand's 3rd largest partner as regards two-way trade in goods and services with €13.5 bn in the year-ended March 2015. This represents 15% of New Zealand's two-way trade and the EU is New Zealand's largest source of imported goods and services. The EU is also the second largest direct investor in New Zealand with stock of NZ\$10.9bn or 10% of all foreign direct investment in New Zealand in 2014. The EU is the third-largest destination of New Zealand foreign direct investment (NZ\$2.8bn or 8%). We maintain regular bilateral contacts on trade policy; we have concluded negotiations for a Partnership Agreement on Relations and Cooperation and begun a reflection process on further enhancing our trade and investment relations.



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I also wish to convey the EU's appreciation for New Zealand's significant contribution to the multilateral trading system and the much appreciated contribution of Ambassador Adank and his team to the work here in Geneva. The EU shares New Zealand's keen interest in upholding and strengthening the role of the WTO and trust that will continue to exert a positive influence in this organisation.

Mr Chairman, in acknowledging New Zealand's exceptionally strong record, we also note there are some areas where we recognise possibilities for further improvements. This leads me to some issues raised by the EU in the questions submitted ahead of this TPR and that we find particularly important.

As acknowledged by the Secretariat's report agriculture is of the utmost importance to New Zealand's economy, contributing 70% of total merchandise exports in 2014. This economic and trade structure frames the challenges faced by New Zealand. New Zealand's legislation is a key determining factor for the organisation of its primary sector and could give rise to issues impacting on socio-economic and environmental sustainability and international trade. The EU would therefore enquire if New Zealand has intention to review its relevant legislation, for example in dairy.

Then, while the EU welcomes New Zealand's plans to amended legislation on GI registration for wine and spirits, the EU would urge New Zealand to extend such GI legislation to also protect foodstuffs.

Another area of our interest concerns government procurement. The EU congratulates New Zealand on its accession to the Government Procurement Agreement in October 2014 and looks forward to New Zealand's timely deposit of the instrument of accession to GPA. At the same time, the EU looks forward to receiving more information about domestic legislation and/or implementing provisions New Zealand will undertake in connection with its GPA commitments. It would also welcome greater transparency regarding procurement rules that apply at sub-central procuring entities in New Zealand which are not central government agencies or crown entities.

Another important issue relates to New Zealand's sanitary and phyto-sanitary requirements. The EU notes that its Veterinary Agreement with New Zealand is its most advanced effort in bilateral cooperation in this issue area. At the same time, the EU is eager to see New Zealand reform its procedures for introducing new Import Health Standards and encourages it to develop Import Health Standards for products of plant origin.

Last but not least, the New Zealand government has recently reformed requirements for approval of foreign investments. The EU would welcome more information concerning the procedures, requirements and timeframes foreign investors face before New Zealand authorities approve their investments. Persistent uncertainty around these issues may be inconsistent with New Zealand's objective of improving its competitiveness as an investment destination. The EU urges New Zealand to assess these measures for transparency and their impact on current and future foreign investments.

Mr Chairman, to conclude on a positive note which New Zealand more than deserves, the EU applauds the transparency of New Zealand's trade policies and wishes New Zealand a successful review, being confident that all suggestions and feedback provided by Members during this exercise will be well received.