

Proactive Release

Date: 6 December 2019

The following Cabinet paper and related Cabinet minute have been proactively released by the Minister for Trade and Export Growth:

***EU – New Zealand Free Trade Agreement: Update to negotiating mandate
(CAB-19-MIN-0168 refers)***

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction codes:

- 6(a): to avoid prejudicing the international relations of the New Zealand Government;
- 6(b): to protect the passing of information from another government on a confidential basis;
- 6(e)(vi) to avoid damage to the New Zealand economy by the premature disclosure of decisions relating to entering into of overseas trade agreements;
- 9(2)(d): to protect the economic interests of New Zealand; and
- 9(2)(j): to avoid prejudice to negotiations.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

European Union - New Zealand Free Trade Agreement: Update to Negotiating Mandate

Portfolio **Trade and Export Growth**

On 10 April 2019, the Cabinet Economic Development Committee (DEV):

Background

- 1 **noted** that:
 - 1.1 on 2 August 2017, the previous government approved a general negotiating mandate for the initial rounds of negotiations for a European Union – New Zealand Free Trade Agreement (FTA) [EGI-17-MIN-0212];
 - 1.2 the FTA negotiations were launched in June 2018;
- 2 **agreed** that for the purposes of the paragraphs set out below, Delegated Ministers be the Ministers for Trade and Export Growth, Finance, Economic Development, Commerce and Consumer Affairs, Customs, Agriculture, Fisheries, Forestry, and Health (or a subset of these Ministers depending on the specific issue);

Intellectual property

- 3 **noted** that a significant number of European Union (EU) proposals remain outstanding in the intellectual property chapter, s9(2)(j)
- 4 **noted** that some EU proposals (including extending the term of protection for copyright and related rights, pharmaceutical patents and regulatory data and industrial designs) s9(2)(j), s9(2)(d)
- 5 s9(2)(j)
- 6 **noted** that:
 - s9(2)(j)

6.2 negotiators should continue to seek provisions that preserve policy space for the Crown to provide protection for Māori rights and interests under the Treaty of Waitangi in this area;

7 **noted** that the Ministry of Foreign Affairs and Trade, Te Puni Kōkiri and other officials are working on a joint briefing to Ministers on Māori interests in the FTA;

Geographical indications

8 **noted** that the expansion of New Zealand's existing Geographical Indications (GIs) regime is a critical offensive interest of the EU for successful completion of the negotiations, and is tied to a satisfactory outcome in the overall FTA, most notably commercially meaningful market access for products of interest to New Zealand;

9 **noted** that the period for consultation on the EU list of 2,200 proposed GIs and the nomination of New Zealand GI names has closed, and that officials are aiming to complete analysis of the information received and to communicate the outcome of consultations to Ministers and to the EU before the next round in May 2019;

s9(2)(j)

11 **agreed** that Delegated Ministers may authorise the Ministry of Business, Innovation and Employment and the Ministry of Foreign Affairs and Trade to release a discussion paper to consult the public on the standard of protection to be given to GIs in New Zealand;

12 **noted** that consultation on the standard of protection for GIs in New Zealand will afford the opportunity for Māori interests to be fully canvassed and considered;

13 **agreed** that Delegated Ministers may provide further guidance to officials s9(2)(j)

14 **invited** the Minister for Trade and Export Growth to report back to DEV s9(2)(j)

Energy and raw materials

15 **agreed** to include a chapter on energy and raw materials in the FTA;

16 s9(2)(j)

17 **agreed** that provisions of an energy or raw materials chapter should:

s9(2)(j)

State-Owned Enterprises

18 s9(2)(j)

19

Janine Harvey
Committee Secretary

Present:

Rt Hon Winston Peters (Chair)
Hon Phil Twyford
Hon David Parker
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Kris Faafoi
Hon James Shaw

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister for Trade and Export Growth

EU - New Zealand Free Trade Agreement: Update to negotiating mandate

Proposal

- 1 This paper seeks an updated mandate to reflect developments in the negotiation and to allow further progress to be made in upcoming negotiating rounds. Further papers addressing wider issues will be required to enable conclusion of the negotiation this year.

Executive summary

- 2 FTA negotiations between the EU and New Zealand are progressing well, consistent with the shared objective of substantially completing negotiations in 2019. Two more rounds of negotiations are scheduled for May and July before the European summer break and at least two more formal rounds – and much intersessional work – will need to be held in the latter part of the year.
- 3 Market access offers in goods, services, investment and government procurement will have been exchanged by the May round, and less contentious chapters of the agreement should largely be completed in May and July. Both sides agree that negotiations should be narrowed largely to the key issues by that time. These would include:
 - The relationship between our priorities on goods market access and the EU's priorities relating to Geographical Indications;
 - other intellectual property issues, in particular those relating to extended terms of protection;
 - whether government procurement commitments should extend to local government and council controlled entities;
 - a range of issues covered by the trade and sustainable development chapter; and
 - energy and raw materials, which is a new chapter for New Zealand.
- 4 Officials will continue to update Ministers on how negotiations are tracking with respect to such issues, their relation to existing mandates and potential negotiating outcomes and "trade-offs", and will seek specific new mandates from Cabinet or delegated Ministers as required. In the meantime, this Cabinet paper updates ministers and seeks revised mandates for:

- geographical indications (GIs) s9(2)(j)
 - the inclusion of an energy and raw materials chapter on EU priorities, s9(2)(j)
 - s9(2)(j) for state owned enterprises and s9(2)(j) *de minimis* threshold for the coverage of enterprises.
- 5 Cabinet is asked to approve an approach on GIs that would allow further progress on the EU's proposed list of names for protection and the procedures for giving such names protection, but subject explicitly to the EU making commercially meaningful initial offers on meat and dairy products.
- 6 The EU is seeking a separate chapter on energy and raw materials. s9(2)(j)

The paper also confirms the parameters of what might be included in such a chapter, including New Zealand's objectives for the chapter and areas where New Zealand can and cannot agree.

- 7 s9(2)(j)

Background

- 8 The EU¹ is our third largest trading partner (two-way trade in goods and services is valued at nearly \$22 billion) and second largest inward investor. It is our third largest export destination (12% of total exports) and a significant export destination by value for sheep meat, kiwifruit, apples, venison, wine, fish, education, transport, and tourism (constituting 17.3% of visitor spend). The EU is New Zealand's largest source of imports, primarily transportation services, tourism, vehicles, and industrial goods. The EU is also our second largest investment partner (around \$85.5 billion total inward and \$48 billion total outward investment) and is New Zealand's most important regional science and innovation partner, accounting for nearly 40 percent

1 All references to the European Union include the United Kingdom unless otherwise specified.

of all our international research collaboration. Even with Brexit, the EU's high ranking would still hold.

- 9 Since New Zealand and EU leaders launched negotiations for an EU-NZ FTA in June 2018, three rounds of negotiations have been held, and two more are scheduled to take place before the European summer break in August. In line with public statements made in January by EU Commission President Jean-Claude Juncker, we are working to achieve substantial conclusion of the negotiation by the end of this year. An agreement with the EU will send an important signal about the health and value of open, rules-based trade at a time of increasing uncertainty in the global environment.
- 10 Negotiations are moving quickly and we expect to close a number of chapters in the next two rounds. Initial goods market access offers were exchanged in early February. Offers for services, investment, and government procurement will be exchanged before round four in mid-May. Parameters for initial offers were approved by delegated Ministers.

Core issues in the negotiations

- 11 Scoping conducted prior to the launch of negotiations and discussions in the negotiations to date have given us a good understanding of the EU's main offensive interests and what is needed to conclude negotiations.
- 12 Protection for the EU's long list of **Geographical Indications** (GIs) is one of the EU's key offensive interests, but we have made it clear to the EU that this is closely linked with our priorities in **agricultural market access**. New Zealand can only agree to the EU's proposal for an extended GIs framework if we can achieve a satisfactory outcome in the overall agreement, most notably in terms of commercially meaningful market access for primary products. This is particularly the case for dairy and beef, given the minimal access that currently exists and the number of cheese GIs the EU is asking us to recognise and protect. s9(2)(j)
- 13 In other areas of **intellectual property** (IP), the EU is asking New Zealand for increased protection for pharmaceutical data, patent term extension, copyright term extension, and extended protection of technological protection measures. s9(2)(j)

We will strongly resist any provisions that could increase the cost of medicines for New Zealanders². s9(2)(j)

s9(2)(j)

s9(2)(j)

- 14 The EU and New Zealand agreed in scoping discussions to explore in the negotiations issues relating to the protection of **genetic resources and traditional knowledge**. s9(2)(j)

I consider at this stage that we should continue to preserve policy space for the Crown to provide protection for Māori rights and interests under the Treaty of Waitangi in this area. In the meantime, the Ministry of Foreign Affairs and Trade, Te Puni Kōkiri and other officials are working on a joint briefing to Ministers on these and other **Māori interests in the FTA**.

- 15 The EU also has a strong interest in extending access to New Zealand's **government procurement** market at the local government level. s9(2)(j)

- 16 New Zealand and the EU agreed during scoping that a **Treaty of Waitangi exception** should be included in the FTA. Combined with other provisions in the Agreement, the inclusion of this exception will protect the ability of the Crown to implement domestic policies that fulfil its obligations to Māori, including under the Treaty of Waitangi, without being obliged to offer equivalent treatment to members of the EU. New Zealand has tabled its standard text, which is non-negotiable. On the question of the **right to regulate**, obligations throughout the FTA will be agreed so as not to impair the ability of governments to make legitimate public policy, such as for public health, safety or environmental reasons, while an exceptions chapter will provide a 'safety net' to allow these measures in unusual situations where they would otherwise result in the breach of an obligation under the FTA.

Comment

- 17 In several areas, we are now reaching the limits of the initial mandate for negotiations (approved by Cabinet in August 2017 EGI-17-0212). In order to allow further progress in coming rounds, this paper seeks an updated mandate.
- 18 Officials will continue to update Ministers on how negotiations are tracking with respect to mandate parameters and potential "trade-off" scenarios and will seek specific new mandates from Cabinet or delegated Ministers when required. More information is provided in **Annexes 1 and 2** on how negotiations are currently tracking in key areas and where further mandate updates are likely to be sought.

- 19 Where more detailed guidance is needed, it is recommended that the Ministers for Trade and Export Growth, Finance, Economic Development, Commerce and Consumer Affairs, Customs, Agriculture, Fisheries, Forestry, and Health, (or a subsection of these Ministers depending on the specific issue) have delegated authority to approve provisions that do not depart significantly from currently approved parameters.

Updated mandates

- 20 The following sections provide further detail on the updated mandate parameters proposed at this stage in the negotiations.

Geographical indications

- 21 GIs are one of the EU's main offensive interests in FTA negotiations. The EU is asking New Zealand to protect GIs to the same standard of protection afforded to them in the EU - a standard well beyond our own regime which provides for the minimum standards mandated under the WTO TRIPS Agreement. The EU is also asking us to protect a list of around 2,200 names as GIs for exclusive use by European producers. s9(2)(j)

The FTA would also provide for New Zealand GIs to be protected in the EU and for our list to be augmented over time. Longer term, this could provide additional benefits for New Zealand food, wine and spirit producers, including Māori producers.

- 22 s9(2)(j)

From the outset of the negotiation, including in the scoping document, any expansion of protection of GIs in New Zealand has been expressly linked by both parties to commercially meaningful agricultural market access for New Zealand exporters into the EU. For New Zealand, dairy (especially cheese) is the principal area affected by any potential extension of GI protection, and therefore the industry will be looking for substantial access benefits in exchange for any concessions on GIs. s9(2)(j)

- 23 s9(2)(j)

- 24 In December 2018, delegated Ministers agreed to the Ministry of Foreign Affairs and Trade publishing the EU list of names for the purpose of public consultations. This was done as an act of good faith in the negotiations to incentivise the EU to provide meaningful market access offer prior to the commencement of Round 3. The consultation invited the public to:
- a. object to any of the listed names being protected as GIs in New Zealand for exclusive use by European producers and to provide relevant information supporting that objection; and
 - b. nominate New Zealand names for protection in the EU as GIs.
- 25 The closing date for the consultation was 19 March 2019. Officials are currently analysing objections and nominations received by the Ministry.
- 26 The above consultation did not seek feedback on the framework and level of protection proposed by the EU but made explicit reference to a separate public consultation on that subject. Given the EU proposal would, if accepted, result in a fundamental change in New Zealand's existing protection framework, it is appropriate that the New Zealanders be consulted on those proposed changes. Such consultation will need to clearly identify the impact of the negotiation process on any future changes to New Zealand's legislation. The consultation will provide the avenue for full discussion of Māori interests in these changes.
- 27 No progress was made in the GI negotiation in the February negotiating round, because New Zealand's domestic consultation on the EU's list of names was still ongoing. s9(2)(j)
- 28 It is clear that agreement with the EU will not be possible unless New Zealand agrees to expand GI protection to some degree. Conversely, New Zealand cannot agree this kind of GIs regime without commensurate agricultural market access benefits. Therefore, it is in both parties' interest that the GI negotiations continue to make progress, particularly given the time required to find agreement and the aim of substantial completion this year. s9(2)(j)

s9(2)(j)

In the absence of such an offer, we would need to tell the EU that while we have a mandate to negotiate, we cannot do so without acceptable EU proposals on the table.

29 s9(2)(j)

30 I recommend that further flexibilities for GIs negotiations allow negotiators to agree to:

s9(2)(j)

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s9(2)(j)

31 I also recommend that Cabinet agree that Delegated Ministers:

s9(2)(j)

Energy and Raw Materials

32 The EU is seeking a separate chapter on energy and raw materials, as it has in its other recent FTAs³. The proposal is consistent with the principles in the scoping

³ The EU is also proposing energy and raw materials (ERM) chapters with Australia, Chile and Indonesia. s6(a) The EU Mexico FTA includes a chapter very similar to what is proposed by the EU, but the recently concluded EU-Japan agreement does not include one. With Singapore and Viet Nam, these chapters focus on non-tariff barriers relating to renewable energy. With Mercosur and Canada, the EU obtained ERM provisions within other chapters.

document. Now that the details of the EU's proposal are clear, officials seek Cabinet approval of the New Zealand approach.

33 The proposed chapter covers three core areas:

- a. Pricing rules: providing for prohibitions on the designation and maintenance of import and export monopolies, prohibitions on imposition of higher prices for exports, and rules relating to the regulation of domestic prices. The EU has also proposed import/export monopoly prohibitions in the Goods chapter s9(2)(j)
- b. Regulatory rules: relating to processes for authorisations, such as permits, offshore risk and safety regulation, access to energy transport infrastructure, access to infrastructure by renewable producers, and safety and integrity of equipment and infrastructure;
- c. Environmental rules: relating to the quality of environmental impact assessments, offshore risk and safety.

34 s9(2)(j)

35 The proposed chapter is not readily applicable to the New Zealand context. The EU proposes that agricultural products such as wool, leather, and natural fibre yarns be subject to regulatory and assessment approaches more typically suited to extractive industries such as mining. New Zealand's regulatory approach is fundamentally different, and we are pursuing our sustainability interests in these sectors through the Trade and Sustainable Development chapter discussions. s9(2)(j)

36 Wood products are included in the proposed list of 'raw materials'. s9(2)(j)

- 37 Overall, I propose that New Zealand accept the EU's proposition that there be a chapter on energy and raw materials, and work to shape its scope and substance so that it is more appropriate to the New Zealand context. s9(2)(j)

we can promote issues important to New Zealand (like renewable energy investment).

- 38 s9(2)(j)

- 39 While agreeing to include an energy and raw materials chapter, I also propose that there should be clear parameters for what should be included in the chapter text. There is opportunity for New Zealand to demonstrate its renewable energy and broader environmental credentials through this chapter, including through cooperation and partnerships, and this should be a core objective for negotiators.

s9(2)(j)

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State-owned enterprises, designated monopolies and enterprises granted special rights or privileges (state trading enterprises)

- 40 The EU's proposed disciplines on State-Owned Enterprises (SOEs) and Designated Monopolies (DMs) mirror the CPTPP SOEs Chapter in seeking to ensure a level-playing field between these entities and their private competitors. Non-discriminatory treatment, commercial considerations and transparency obligations ensure that advantages which SOEs may receive from the government do not distort international trade and investment.
- 41 However, the EU's approach would extend the scope of application to capture an increased number of entities beyond what is covered in the CPTPP SOEs Chapter. s9(2)(j), s6(a), s6(b)

Definition of "State-Owned Enterprise"

- 42 CPTPP defines "State-Owned Enterprise" as an enterprise in which the government has majority ownership or control of share capital, voting rights, or the power to appoint the majority of the board of directors. s9(2)(j)

43 s9(2)(j)

44 s6(e)(vi), s9(2)(j)

45

De Minimis Threshold

- 46 An annual revenue threshold was included in the CPTPP SOEs chapter which exempts all enterprises with annual revenues of less than 200 million Special Drawing Rights (SDRs)⁶ to ensure that only large enterprises with the ability to affect global trade and investment are captured by the Chapter. A de minimis threshold limits the unnecessary burden of compliance and the risk of hindering development for smaller enterprises such as SMEs.
- 47 New Zealand and the EU are currently in discussions to determine an appropriate annual revenue threshold which takes into account the relative size of each Party's economy. s9(2)(j)
- 48 s9(2)(j)

State Trading Enterprises

- 49 In addition to SOEs and DMs, the EU is also seeking to subject "Enterprises granted special rights or privileges" to SOE chapter obligations. "Enterprises granted special rights or privileges" are defined as "any enterprise, public or private, that has been granted by a Party, in law or in fact, special rights or privileges; special rights or privileges are granted by a Party when it designates or limits to two or more the number of enterprises authorized to provide a good or service." The EU has formulated this definition on the basis of the WTO General Agreement on Tariffs and Trade (GATT)'s definition of "State Trading Enterprises" (STEs)⁷.
- 50 s6(e)(vi), s9(2)(j)

6 \$405 million NZD under current exchange rates.

7 WTO "Understanding on the Interpretation of Article XVII" (1994): "State Trading Enterprises means a governmental and non-governmental enterprise, including marketing boards, which have been granted exclusive or special rights or privileges, including statutory or constitutional powers, in the exercise of which they influence through their purchases or sales the level or direction of imports or exports."

s6(e)(vi), s9(2)(j)

Consultation

- 51 The following departments have been consulted in the preparation of this paper and concur with its recommendations: Treasury, Ministry of Business Innovation and Employment, Ministry for Primary Industries, Ministry of Transport, Ministry of Justice, WorkSafe, Te Puni Kōkiri, and the Ministry for the Environment.

Financial implications

- 52 There are no direct financial implications from this paper. Any agreement on geographical indications will lead to the establishment of new arrangements for their ongoing management, but officials will provide more information to Cabinet on these and other costs as they become clearer later in the negotiations.

Human rights

- 53 There are no inconsistencies with the Human Rights Act 1993 and New Zealand Bill of Rights Act 1990.

Legislative implications

- 54 There are no new legislative implications from this paper. However, we expect that protection for geographical indications will likely require legislative changes. Other aspects of intellectual property protection might also be affected. Ministers will be updated as specific legislative changes become apparent.

Regulatory impact analysis

- 55 Not required at this stage. An extended National Interest Analysis (incorporating a Regulatory Impact Analysis) will be presented to Cabinet when negotiations have concluded and the text of the EU-NZ FTA is submitted for approval for signature.

Gender implications

- 56 No gender implications statement is required.

Disability perspective

- 57 No disability perspective statement is required.

Publicity

- 58 Agencies are undertaking domestic public engagement on the EU-NZ FTA to ensure that all interested New Zealanders have the opportunity to engage on issues of interest. Engagement activities to date include two rounds of public submissions and

a range of dedicated general and specific stakeholder meetings targeted at Māori, industry, and the general public. A wider range of material on the issues in the FTA has been made available and summaries of negotiating rounds are published on the Ministry of Foreign Affairs and Trade's website. A key objective of engagement is to ensure that the wider public and Māori have a fuller understanding of the important issues under negotiation as well as what is involved in the process. A further series of engagements around the country with business, the public and with Māori will be held throughout the rest of 2019.

Recommendations

59 I recommend that the Committee:

Intellectual property

1. **Note** that a significant number of EU proposals remain outstanding in the intellectual property chapter, [s6\(e\)\(vi\)](#), [s9\(2\)\(j\)](#)
2. **Note** that some EU proposals (including extending the term of protection for copyright and related rights, pharmaceutical patents and regulatory data and industrial designs) would impose significant costs on the economy, [s6\(e\)\(vi\)](#), [s9\(2\)\(j\)](#)
3. [s6\(e\)\(vi\)](#), [s9\(2\)\(j\)](#)
4. **Note** [s6\(e\)\(vi\)](#), [s9\(2\)\(j\)](#)

negotiators should continue to seek provisions that preserve policy space for the Crown to provide protection for Māori rights and interests under the Treaty of Waitangi in this area;

5. **Note** that the Ministry of Foreign Affairs and Trade, Te Puni Kōkiri and other officials are working on a joint briefing to Ministers on Māori interests in the FTA;

Geographical indications

6. **Note** that the expansion of New Zealand's existing GI regime is a critical offensive interests of the EU for successful completion of the negotiation and is tied to a satisfactory outcome in the overall FTA, most notably commercially meaningful market access for products of interest to New Zealand;
7. **Note** that the period for consultation on the EU list of 2,200 proposed GIs and the nomination of New Zealand GI names has closed and officials are

aiming to complete analysis of the information received and to communicate the outcome of consultations to Ministers and to the EU before the next round in May;

8. s6(e)(vi), s9(2)(j)

9. **Agree** that Delegated Ministers may authorise the Ministry of Business, Innovation and Employment and the Ministry of Foreign Affairs and Trade to release a discussion paper to consult the public on the standard of protection to be given to GIs in New Zealand;

10. **Note** that consultation on the standard of protection for GIs in New Zealand will afford the opportunity for Māori interests to be fully canvassed and considered;

11. s6(e)(vi), s9(2)(j)

12. **Direct** the Minister for Trade and Export Growth to report back to Cabinet s6(e)(vi), s9(2)(j)

Energy and Raw Materials

13. **Agree** to include a chapter on energy and raw materials in the EU-NZ FTA;

14. s6(e)(vi), s9(2)(j)

s6(e)(vi), s9(2)(j)

Approved for lodgement

Hon David Parker
Minister for Trade and Export Growth

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Annex 1

Update on key areas of negotiations

Intellectual Property

- 1 In addition to issues relating to GIs (discussed above), the EU has proposed a large number of **intellectual property** (IP) obligations that, if agreed to, would require changes to New Zealand's IP regulatory framework. s9(2)(j)

- 2 The EU has also raised other proposals that were highly controversial during the negotiations of CPTPP and TPP, including expanding the protections for **technological protection measures** and **plant variety rights** (including joining the International Convention for the protection of New Varieties of Plants (UPOV 91)), repealing the parallel importing policy, and enhanced enforcement measures.

- 3 s9(2)(j)

- 4

- 5

- 6 The EU and New Zealand agreed in scoping discussions to explore in the negotiations issues relating to the protection of **genetic resources and traditional**

knowledge. In response to the EU's proposals on plant variety rights, negotiators have clearly stated that flexibilities in the text would be required to ensure that the Crown is always able to meet treaty obligations in relation to taonga species.

s9(2)(j)

- 7 The Ministry of Foreign Affairs and Trade, Te Puni Kōkiri and other officials will work on a joint briefing to Ministers on Māori interests in the FTA. In the meantime, negotiators will continue to work with the EU to agree an indigenous issues chapter or other provisions that recognise Māori interests in, and aspirations for, the FTA. As noted above, officials also plan to host a workshop for EU negotiators at the May round on the Māori economy and are offering an opportunity for EU negotiators to visit a successful collectively owned Māori agricultural enterprise.

Government Procurement

- 8 The EU has signalled that it has the highest level of ambition and expects comprehensive reciprocal opening of **government procurement** markets at all levels of government, s9(2)(j)

- 9 s9(2)(j)

10

Trade and Sustainable Development

- 11 Because the EU only tabled its text on **trade and sustainable development** in February, there has not yet been substantial progress in this chapter. However, the initial run-through at the last round was constructive, and New Zealand was able to lay down some markers on where we would likely be seeking alternative or more ambitious language.

Trade for All issues

- 12 s9(2)(j) While sustainable development and SMEs are a priority for both sides,
s9(2)(j)

New Zealand agrees that that is an outcome we also wish to avoid but has urged the EU to provide clarity on what they might be able to work with based on the discussion papers we have provided.

- 13 s9(2)(j)
- Negotiators are pressing the EU to consider how we can reflect its oft-stated support for indigenous rights and aspirations in the FTA, given that these issues are critical for New Zealand. Officials plan to host a workshop for EU negotiators at the May round on the Māori economy, and will continue conversations with Māori on how their concerns can be reflected in FTA outcomes.

Annex 2

EU FTA IP Chapter obligations requiring change to New Zealand's current legislation

s9(2)(j)

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s9(2)(j)

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Annex 3

State-Owned Enterprises and Designated Monopolies

The table below shows how State-Owned Enterprises and Designated Monopolies would be affected in New Zealand.

s9(2)(j)

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