

EU-NEW ZEALAND FREE TRADE AGREEMENT

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Executive Summary

The free trade agreement (FTA) between the European Union (EU) and New Zealand entered into force on 1 May 2024 after 12 rounds of negotiations between 2018 and 2022 (Delivorias, 2023). It was formally signed in Brussels on 9 July 2023 by European Commission (EC) President Ursula von der Leyen and the then-current New Zealand Prime Minister Jacinda Ardern.

The agreement liberalises trade in goods, services and investment, while simultaneously embedding enforceable commitments on climate and labour standards. The agreement advances the United Nations (UN) Sustainable Development Goals (SDGs) as well as protects and promotes Māori interests in line with Te Tiriti o Waitangi/the Treaty of Waitangi throughout the text. Spanning 27 chapters, the FTA reflects shared values that extend beyond trade.

The EC estimates that tariff removals outlined by the FTA will save EU businesses €140 million annually and increase trade flows by up to 30% overall (European Commission, n.d.). New Zealand's exports, meanwhile, could rise by NZ\$1.8 billion a year, adding NZ\$1.4 billion to GDP by 2034 (New Zealand Foreign Affairs & Trade, 2024a). For the EU, the FTA secures a trusted partner in the Indo-Pacific and reinforces its geopolitical reach. For New Zealand, it strengthens resilience, supports sustainable growth and reduces reliance on hitherto traditional markets such as China and Australia.

In 2022, EC President von der Leyen called it a ‘modern trade agreement’ that would bring ‘major opportunities to our companies, our farmers and our consumers [...] on both sides’ (cited in Kelly & Doidge, 2023). As a nation-state often compared with Australia, New Zealand’s experience with negotiations and the final FTA text may offer actionable insights for Australia’s ongoing negotiations with the EU.

Context of negotiations

Timeline table

Negotiations	Month/Year	Location
Formally launched	June 2018	Brussels
First round	July 2018	Brussels
Second round	October 2018	Wellington
Third round	February 2019	Brussels
Fourth round	May 2019	Wellington
Fifth round	July 2019	Brussels
Sixth round	December 2019	Wellington
Seventh round	March–April 2020	Virtual
Eighth round	June 2020	Virtual
Ninth round	November 2020	Virtual
Tenth round	March 2021	Virtual
Eleventh round	June–July 2021	Virtual
Twelfth round	March 2022	Virtual

Signed	July 2023	Brussels
Ratified	May 2024	EU–NZ

(Source: *New Zealand Foreign Affairs & Trade, n.d.e*)

Timeline discussion

New Zealand first proposed a free trade agreement (FTA) with the European Union in 2009. At the time, the EU was New Zealand's third-largest trading partner after Australia and China, with bilateral trade worth NZ\$19 billion by the end of 2014 (Benson-Rea, 2022, p. 19). New Zealand's main exports to the EU included sheep meat, fresh fruit, wine, apples, wool and butter (Benson-Rea, 2022, p. 20). In October 2015, the two parties announced their intention to negotiate an FTA, and formal discussions began in 2018.

The EU's approach to trade had already been shifting in the years leading up to the negotiations. In 2010, the EC released a 'Trade, Growth and World Affairs' strategy promoting: fair trading conditions; rejection of protectionism; and pursuit of ambitious FTAs (Carrillo, 2024). This strategy launched a new generation of FTAs, beginning with South Korea (signed 2010, entered into force 2015) and followed by the Comprehensive Economic and Trade Agreement (CETA) with Canada (2016, 2017), both of which introduced unprecedented trade and sustainable (TSD) chapters and expanded protections for geographical indications (GIs) under intellectual property rights. These developments served to create permanent features of EU FTAs in the future, embedding the EU's value-driven approach to trade (Carrillo, 2024).

When negotiations with New Zealand began in 2018, both parties entered with a clear set of objectives. Building on their 2015 'Trade for All' strategy which hoped to promote transparent, responsible and value-based trade, the EU entered the agreement with an assertive approach on sustainability. This was guided by the 2021 European Green Deal and the Paris 2030 climate agenda (Carrillo, 2024). New Zealand emulated this strategy, establishing their own 'Trade for All' agenda in 2018 by updating their trade policy to seek more sustainable economic opportunities (Benson-Rea, 2022, p. 21). New Zealand also

sought to reduce tariffs and obstacles limiting access to EU markets, while advancing priorities such as higher labour and environmental standards, sustainable and progressive economic growth, as well as improved living standards (Benson-Rea, 2022, p. 20). These shared commitments to progressive, inclusive and sustainable trade highlighted the two parties' like-mindedness and created common ground in negotiations (Benson-Rea, 2022).

The political climate and state of international order at the time of negotiations also shaped pursuit of this trade alliance. In the EU market, around 450 million people consumed six percent of New Zealand's exports prior to the FTA entering into force (New Zealand Foreign Affairs & Trade, n.d.b). Trade in goods between the EU and New Zealand was valued at €9.1 billion at the end of 2014, with New Zealand ranked 50th in the EU's trading partners (Kelly & Doidge, 2023, p. 24). The EU's decision to pursue an FTA with a geographically 'distant' and relatively 'small' economy was largely shaped by the political context at the time (Kelly & Doidge, 2023 p. 23). Negotiations unfolded against the backdrop of Brexit, rising protectionism, China's expanding influence, Russia's war against Ukraine, as well as supply chain disruptions from COVID-19. Together, these factors ultimately reshaped strategic thinking about trade, resilience and security for both parties (Carrillo, 2024, p. 7). These circumstances also reinforced the EU's Indo-Pacific strategy, through which it sought to diversify away from Russia and China, deepen engagement with regional partners and strengthen geopolitical influence in the region (Kelly & Doidge, 2023, p. 27).

The EU–NZ FTA was therefore more than an economic agreement. It levelled the playing field with countries already benefiting from preferential trade arrangements with New Zealand and strengthened the EU's position in the Indo-Pacific. More broadly, the FTA also projected EU confidence in its broader trade agenda as it reinforced their 'ongoing commitment to liberal internationalism and a rules-based order' (Kelly & Doidge, 2023 p. 25). The FTA was therefore considered a 'welcome and much-needed resumption of an ambitious EU trade agenda' (BusinessEurope, 2022) and was described as sending a clear 'geopolitical message' (Carrillo, 2024, p. 7).

These political, economic and strategic factors set the stage for the design of the agreement itself. The next section examines the key features of the EU–NZ FTA, including its scope, innovations and accompanying implications for both parties.

Notable Features and Provisions of the FTA

Praised by the EU Socialists and Democrats lead member on negotiations Pedro Silva Pereira as the ‘most progressive agreement ever concluded by the EU’ (Socialists & Democrats, 2023, para. 3), the NZ–EU FTA has a strong emphasis on sustainable and ethical trade, reflected across several chapters of the agreement. These include: Chapter 19 ‘Trade and Sustainable Development’, which addresses ethical labour standards, gender equality, environmental protection and climate matters; Chapter 20 ‘Māori Trade and Economic Cooperation’, supporting the participation and economic aspirations of Māori in international trade; Chapter 7 ‘Sustainable Food Systems’, promoting sustainable food production and the use of Indigenous knowledge; and Chapter 8 ‘Animal Welfare’, establishing science-based standards for the ethical treatment of animals. Collectively, these chapters demonstrate the FTA’s commitment to link trade liberalisation with sustainability, social responsibility, ethical governance and the advancement of the UN SDGs, going well beyond traditional trade objectives through ‘far-reaching, enforceable provisions’ (Directorate-General for Trade and Economic Security, n.d.c).

Chapter 19: Trade and Sustainable Development

‘TSD commitments are legally binding and enforceable under the dispute settlement framework of the FTA.’ – Directorate-General for Trade and Economic Security, n.d.b

Chapter 19 establishes a dedicated framework for trade and sustainable development. This agreement is the first EU FTA to include enforceable provisions on fossil fuel subsidy reform, sustainable food systems and women’s empowerment, referencing UN and International Labour Organisation (ILO) conventions to advance gender equality and promote cooperation in international forums. As noted in **Article 19.1.5**: ‘the objective of this chapter is to enhance the integration of sustainable development, notably its environmental and social dimensions (in particular the labour aspects)’ (New Zealand Foreign Affairs & Trade, 2024b, p. 358).

Article 19.3: Multilateral labour standards and agreements commits to respect and promote fundamental labour rights under the ILO, including:

- 3a) Freedom of association and collective bargaining
- 3b) Elimination of forced labour
- 3c) Abolition of child labour
- 3d) Elimination of employment discrimination (New Zealand Foreign Affairs & Trade, 2024b, pp. 387–389).

Article 19.4: Trade and Gender Equality (New Zealand Foreign Affairs & Trade, 2024b, pp. 390–393) establishes a comprehensive framework to advance gender equality and women’s economic empowerment in trade and investment. This represents a significant development in EU trade policy, especially given that ‘articles specifically dedicated to trade and gender equality are rare’ (Carrillo, 2024, p. 17). The gender-specific provisions were negotiated during rounds nine, 10 and 11, with New Zealand taking a proactive role consistent with its leadership in the Global Trade and Gender Arrangement (GTAGA) (Carrillo, 2024, p. 18).

Article 19.4 acknowledges the important contribution of women to economic growth and commits both parties to gender-responsive policies and mainstreaming practices to ensure equal access to opportunities in the labour market and international trade. The article aligns with UN SDG 5 (Achieve gender equality and empower all women and girls) and the Joint Declaration on Trade and Women’s Economic Empowerment, requiring each party to promote public awareness and transparency of gender equality laws and policies. It reinforces obligations under international conventions – including the 1979 Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) – and complements the labour standards outlined in the FTA’s **Article 19.3**.

Key areas of cooperation include facilitating women’s participation in trade and entrepreneurship, including Wāhine Māori (Indigenous women of New Zealand). Other commitments include:

- Sharing best practices and data on gender-based trade policies;
- Promoting women’s leadership, education and participation in traditionally underrepresented fields such as STEM, innovation, e-commerce and trade-related sectors;

- Supporting financial inclusion, literacy and access to trade finance;
- Ensuring gender-neutral measures in licensing, qualifications and technical standards;
- Cooperating in international forums (e.g. the World Trade Organisation (WTO) and Organisation for Economic Co-operation and Development) to advance gender equality in trade.

Article 19.6: Trade and Climate Change (New Zealand Foreign Affairs & Trade, 2024b, pp. 395–398) emphasises the urgent need to combat climate change in line with the UN Framework Convention on Climate Change (UNFCCC) (1992), the Paris Agreement, and other relevant multilateral environmental agreements. Both parties commit to effectively implementing the UNFCCC and the Paris Agreement, including refraining from actions or omissions that would undermine these treaties' purposes and objectives.

Key commitments under **Article 19.6** include (New Zealand Foreign Affairs & Trade, 2024b, pp. 395–396):

- Trade climate alignment (**19.6.4a**): Promote the mutual supportiveness of trade and climate policies to drive the transition towards low-emission, resource-efficient, circular and climate-resilient economies.
- Facilitating green trade (**19.6.4b**): Remove barriers to trade and investment in goods and services crucial for climate change mitigation and adaptation, for example by addressing tariff and non-tariff barriers or adopting policy frameworks that enable deployment of best available technologies.
- Carbon markets (**19.6.4c**): Support emissions trading as an effective tool to reduce greenhouse gas emissions and ensure environmental integrity in developing international carbon markets.
- International cooperation (**19.6.5**): Strengthen bilateral and regional action through:
 - Dialogue and cooperation on Paris Agreement implementation (**19.6.5a**).
 - Policy and technical exchanges on domestic and international carbon pricing (**19.6.5b**).

- Support ambitious emissions reduction measures by the International Maritime Organisation, alongside phasing out ozone-depleting substances and phasing down hydrofluorocarbons under the Montreal Protocol (**19.6.5c**).

Related Provisions in Chapter 19

Article 19.6 sits within a broader sustainability framework that also includes features elsewhere in Chapter 19 (New Zealand Foreign Affairs & Trade, 2024b, pp. 398–412):

- Fossil fuel subsidy reform (**Article 19.7**)
- Biological diversity (**19.8**)
- Forests (**19.9**)
- Sustainable fisheries and aquaculture (**19.10**)
- Sustainable investment (**19.11**)
- Responsible business conduct and supply chains (**19.12**)
- Transparency (**19.14**)
- Committee on Trade and Sustainable Development (**19.15**), which complements **Article 24.4** on specialised committees.

The FTA makes TSD commitments legally binding through the general dispute settlement. For the first time in an EU FTA, serious violations of core labour and climate obligations – including ILO fundamental rights and Paris Agreement commitments – may trigger trade sanctions ‘as a matter of last resort’ (Directorate-General for Trade and Economic Security, n.d.b).

Unlike most EU FTAs, which exclude the TSD chapter from the agreement’s general dispute settlement mechanism (DSM), the EU–NZ FTA explicitly includes TSD under this mechanism. This makes the EU–NZ deal the first instance where a TSD chapter falls under the general DSM rather than relying on a specialised, non-binding process (Carrillo, 2024, p. 20). The DSM itself comprises four stages: consultation; expert panel review; compliance, and temporary remedies. There is in-built flexibility for parties to settle at any point in the

process (Carrillo, 2024, p. 20).

This reflects lessons learned from previous EU trade policy. In 2018, the EC published ‘Feedback and Way Forward on Improving the Implementation and Enforcement of Trade and Sustainable Development Chapters’, acknowledging concerns about weak compliance mechanisms (Carrillo, 2024, p. 9). Public consultations followed, culminating in the 2022 communication ‘The Power of Trade Partnerships: Together for Green and Just Economic Growth’, which committed to addressing the ‘compliance gap’ (Carrillo, 2024, p.12). These developments directly informed this chapter in the EU–NZ FTA, resulting in strengthened TSD enforcement and – for the first time – economic sanctions for non-compliance.

Chapter 20: Māori Trade and Economic Cooperation

This chapter in the EU–NZ FTA acknowledges Te Tiriti o Waitangi / the Treaty of Waitangi as a constitutional foundation for Aotearoa New Zealand. It promotes the opportunities and addresses the challenges Māori people face in accessing international trade and investment. It also proactively establishes cooperation to advance Māori economic aspirations and wellbeing (New Zealand Foreign Affairs & Trade, 2024b, pp. 413–421).

Key provisions in Chapter 20 include:

- **Context and Purpose (Article 20.2):** Recognises the role of trade in supporting Māori wellbeing and economic participation. The chapter commits to cooperation informed by te ao Māori (the Māori world), mātauranga Māori (traditional knowledge), tikanga Māori (customary system of values and practices) and kaupapa Māori (theory for social and educational change), while promoting Māori contributions to policy and programme design (New Zealand Foreign Affairs & Trade, 2024b, p. 415).
- **International Instruments (Article 20.3):** Aligns with global frameworks, including the UN Declaration on the Rights of Indigenous Peoples (2007); as well as the UN Educational, Scientific and Cultural Organisation’s Convention on Cultural Diversity (2005) and 2030 Agenda for Sustainable Development and Convention on Biological Diversity (New Zealand Foreign Affairs & Trade, 2024b, p. 416).
- **Cooperation Activities (Article 20.5):** Includes strengthening Māori-owned

enterprises' access to trade; building EU–Māori business links (especially SMEs and digital trade); supporting science and innovation partnerships; and cooperating on GIIs.

- Provisions across the agreement (**Article 20.4**): Māori interests are further embedded across at least 10 of the FTA's other chapters, demonstrating the foregrounding of Māori importance for New Zealand:
 - Chapter 2: Recognition of goods of particular importance to Māori people (e.g. mānuka, mānuka honey and mānuka oil)
 - Chapter 7: Cooperation on indigenous knowledge and leadership in sustainable food systems
 - Chapter 14: Stronger protection of geographical indications and Māori traditional knowledge
 - Chapter 18: Māori-owned enterprises are also supported through fair access to public procurement in this chapter, as well as in:
 - enhanced participation in SMEs and digital trade (Chapter 21)
 - representation in advisory and monitoring groups (Chapter 24)
 - Chapter 19 (Trade and Sustainable Development) cross-links to Article 19.4 on gender equality, explicitly acknowledging the role of wāhine Māori in advancing inclusive trade outcomes
 - Chapter 25 finally includes a Treaty of Waitangi safeguard, affirming New Zealand's right to adopt measures favouring Māori in fulfilment of its Treaty obligations. Importantly, the interpretation of the Treaty itself is excluded from the FTA's dispute settlement mechanism, ensuring Treaty matters remain a matter of New Zealand sovereignty (New Zealand Foreign Affairs & Trade, 2024b, pp. 417–418).

The inclusion of the Māori Trade and Economic Cooperation chapter was driven largely by New Zealand, requiring the EU to accommodate its request for a dedicated chapter. This represents a significant step toward embedding Indigenous rights and participation within an

international trade framework. However, it can be argued that the chapter's broad rhetoric could be merely ticking the box, given NZ is already required to uphold these commitments under the existing treaty framework. Nevertheless, it could be argued that explicitly recognising the Te Tiriti o Waitangi and more broadly integrating Māori perspectives and aspirations throughout the FTA, the agreement sets a precedent for inclusive trade policy that respects Indigenous governance and economic development.

The FTA also integrates broader sustainability and ethical commitments through Chapter 7 'Sustainable Food Systems' and Chapter 8 'Animal Welfare'. Chapter 7 promotes sustainable food production, healthy diets, reductions in food waste and carbon footprints, while explicitly recognising the role of Indigenous knowledge, participation and leadership in shaping resilient food systems. Chapter 8 reinforces animal welfare by recognising animals as sentient beings, requiring science-based welfare standards in farming, thereby extending WTO norms and encouraging continued cooperation and research in the field (New Zealand Foreign Affairs & Trade, 2024b, p. 131–139).

ISDS

Another notable aspect of the agreement is the exclusion of Investor-State Dispute Settlement (ISDS) (Directorate-General for Trade and Economic Security, n.d.b) which has been increasingly criticised in recent years and left out of the EU's most recent FTAs, such as the proposed EU–Mercosur Agreement. Earlier agreements like CETA (2017), EU–Singapore (2019), and EU–Vietnam (2020) replaced traditional ISDS with the reformed Investment Court System (ICS) (Directorate-General for Trade and Economic Security, n.d.d). In the EU–NZ FTA, the absence of both ISDS and the ICS means that companies cannot directly sue governments over alleged breaches of investment rights. This ensures that public policy and regulatory decisions – such as those related to sustainability, labour or Indigenous rights – remain under government control and are not subject to private arbitration (Directorate-General for Trade and Economic Security, n.d.b).

Limitations and Challenges of the TSD chapters

The EU–NZ FTA contains some of the most progressive TSD provisions ever negotiated by the EU, incorporating civil society mechanisms and enforceable standards. Nonetheless,

several limitations and challenges merit critical consideration.

The multilateral labour standards under Article 19.3 are a key area of concern, these standards obliging parties to ‘make continued and sustained efforts to ratify the fundamental ILO conventions if they have not yet done so’ (New Zealand Foreign Affairs & Trade, 2024b, p. 388). Although all EU member states had ratified these conventions by the time the agreement was signed, New Zealand has yet to ratify Convention 87 (Freedom of Association and Protection of the Right to Organise) as well as Conventions 138 (Minimum Age) and 187 (Occupational Safety and Health) (Carrillo, 2024, p. 14). This raises questions around compliance and the practical enforceability of labour standards outlined by the FTA, highlighting a potential gap between formal commitments and their actual implementation.

Another critical consideration is the underlying purpose of TSD chapters: mitigating potential negative spillover effects arising from trade liberalisation, which can include environmental, social or human rights costs (Carrillo, 2024, p. 13). In the EU–NZ context, an *ex ante* Sustainable Impact Assessment (SIA) concluded that the agreement could potentially increase greenhouse gas emissions due to greater trade and production in the dairy and agricultural sectors (Carrillo, 2024, p. 13). This calls into question whether the TSD chapters’ progressive design reflects genuine advancement of sustainable trade, or more so functions as a band aid solution to offset environmental costs of liberalisation in sensitive sectors.

Moreover, the EU–NZ FTA’s progressive TSD chapters benefited from a shared values framework between the two parties, facilitating stronger commitments to sustainability, labour rights and gender equality (Benson-Rea, 2022, p. 21). While this alignment enables the FTA to serve as a potential model for other agreements – including with Australia – it remains uncertain whether the EU’s value-driven approach can be successfully applied in North–South FTAs with partners which due to different socioeconomic, historical or cultural factors may not share or be able to share the same commitments to ethical and sustainable trade (Carrillo, 2024), or may not express such commitments in mutually intelligible ways.

Chapter 2: National Treatment and Market Access for Goods

Agriculture was a particularly sensitive area during negotiations (Delivorias, 2023, p. 4). New Zealand is a major agricultural exporter with the sector representing approximately 40% of

merchandise exports and acting as a critical source of rural employment (Fabling et al., 2015). The state, therefore, is ‘heavily dependent on the export of agricultural products’ (Obadovic, 2018, p. 14) and entered negotiations seeking high levels of market access. In previous FTAs, New Zealand had liberalised beef, sheep meat, dairy, kiwifruit and wine, never excluding agricultural products nor applying tariff rate quotas (Obadovic, 2018). The EU, by contrast, has historically protected products seen as a threat to domestic producers while liberalising those posing little risk. This dynamic played out in the EU–NZ FTA, where access concessions were carefully balanced to protect EU farmers while meeting New Zealand’s demands for agricultural liberalisation.

Annex 2-A: Tariff Elimination Schedules included (EU–NZ FTA Annex 2-A -8-25):

Product	Starting Access	Final Access	Phase-in Period
Beef	3,333 tonnes In-quota tariff: 7.5%	Grows to 10,000 tonnes duty-free In-quota tariff: 7.5%	7 Years
Sheep meat (fresh/chilled)	4,433 tonnes duty-free	13,300 duty-free	6 years
Sheep meat (frozen)	8,233 tonnes duty-free	24,700 tonnes duty-free	6 years
Milk Powder	5,000 tonnes In-quota tariff: 20% of MFN rate	15,000 tonnes In-quota tariff: stays at 20% MFN	7 years
Butter	5,000 tonnes	Tariff reduced to 5% MFN	7 years

	In-quota tariff 20% MFN		
Cheese	8,333 tonnes duty-free	25,000 tonnes duty-free	7 years

(Source: *New Zealand Foreign Affairs & Trade, 2024c*)

According to the EU, agriculture and market access were key prizes for New Zealand exporters in this agreement (Delivorias, 2023, p. 10), a framing that NZ's Ministry of Foreign Affairs (MFAT) also adopted in its diplomatic communications. Beef and sheep quotas were expanded, accompanied by significant tariff reductions. Meanwhile, dairy gained new quotas for butter, cheese and milk powder, all in turn subject to lower tariffs.

Although these concessions were more modest than NZ had hoped, they allow NZ farmers and food producers to grow where they had previously been significantly constrained due to limited WTO quota access and high tariffs (New Zealand Foreign Affairs & Trade, n.d.b). As Hudson (2022) noted when discussing the outcome of the negotiations, 'NZ exporters will benefit from significantly improved access into the EU market'. It is important to note, however, that as shown in the table above, many tariff cuts and quota increases are phased in over time rather than taking effect immediately.

Despite the positive official messaging from both sides, reactions at the sectoral level were more critical. There was 'harsh criticism from the European Dairy and Meat Sector' (Delivorias, 2023, p. 10). Concerns were raised on New Zealand's side about the lack of market access improvements in agriculture, labelled 'disappointing' (Delivorias, 2023, p.10) due to remaining quotas and high in-quota tariffs, which even today continues to limit the ability to expand exports into the EU market. As has been pointed out, this access to the EU market was, after all, 'one of the main objectives of the negotiations' (Hudson, 2022).

Chapter 18: Intellectual Property: Geographical Indications

Chapter 18 of the EU–New Zealand FTA addresses GIs, which has historically been a highly sensitive area in EU trade negotiations due to the continuing impacts of the Common Agricultural Policy since 1962. Under the economic agreement with the EU, New Zealand must amend domestic law to protect nearly 1,976 EU GIs, including foods and beverages, meaning local producers can no longer use terms like ‘sherry’, ‘port’ and ‘feta’, although some protections are phased in over five to nine years (New Zealand Foreign Affairs & Trade, n.d.c, p. 6). Existing users of certain names, such as ‘gruyere’ and ‘parmesan’, are allowed to continue using them. In return, the EU protects 23 New Zealand wine and spirit GIs, including Marlborough, Central Otago, Waiheke Island and Martinborough (New Zealand Foreign Affairs & Trade, n.d.c, p. 6).

While this GI exchange was a defensive priority for New Zealand, it was described in much stronger language as an ‘essential outcome’ for the EU in the FTA (New Zealand Foreign Affairs & Trade, n.d.a). The final agreement suggests New Zealand made significant concessions in GI protection to secure agricultural market access, a trade-off that could be interpreted as a win for the EU and a more constrained benefit for New Zealand exporters. However, the ‘Agreement foresees the opportunity to add more GIs in the future’ (Directorate-General for Trade and Economic Security, n.d.e).

Geographical indications and phase-out periods

Geographical indication (EU Good)	Product class	Phase-out period: May 2024 onwards
Bayerisches Bier	Beer	5 years
Munchener Bier	Beer	5 years
Feta	Cheeses	9 years
Gorgonzola	Cheeses	5 years

Grappa	Spirits	5 years
Madeira/Madera	Wines	5 years
Port	Wines	9 years
Sherry/Jerez/Xeres	Wines	5 years
Prosecco	Wines	5 years

(Source: *Ministry of Business, Innovation & Employment, 2024*)

Chapter 21: Small and Medium-Sized enterprises

The EU–NZ FTA acknowledges the economic importance of small and medium-sized enterprises (SMEs), dedicating Chapter 21 entirely to supporting SMEs. This is a relatively modern FTA feature that provides practical tools and guidance to help SMEs navigate markets.

Key provisions include:

- Information sharing (**Article 21.2**): Each party shall establish a website for SMEs to allow accessibility of the agreement's specific/necessary information.
- SME contact points (**Article 21.3**): 'SME contact points shall: a) ensure that needs of SMEs are taken into account in the implementation of this Agreement so that SMEs of both Parties can take advantage of this Agreement (New Zealand Foreign Affairs & Trade, 2024b, p. 426).

Chapter 12: Digital trade

Chapter 12 is also a relatively new chapter among FTAs. The chapter recognises digital

commerce as a key economic driver and intends to regulate ecommerce, data flows, online services and digital products in three sections and sixteen articles (New Zealand Foreign Affairs & Trade, 2024b, p14):

- **Article 12.4:** Cross-border data flows
- **Article 12.5:** Protection of personal data and privacy
- **Article 12.6:** Customs duties on electronic transmissions
- **Article 12.12:** Consumer trust online
- **Article 12.13:** Unsolicited direct marketing communications
- **Article 12.14:** Cooperation on regulatory matters regarding digital trade
- **Article 12.15:** Paperless trade in goods
- **Article 12.16:** Open internet access.

Post-Agreement Performance

‘The New Zealand–European Union Trade Agreement (FTA) is paying off’ – Hon Todd McClay, 2025

While the agreement between New Zealand and the EU is still relatively fresh and longitudinal data is not yet available, some initial results and projected trade impacts can be presented here.

Following the EU–New Zealand FTA, New Zealand’s exports grew significantly. Bilateral trade reached almost €8.1 billion in 2023 (Directorate-General for Trade and Economic Security, n.d.a). In the year to March 2025, total exports rose by 7.4% to NZ\$105 billion, supporting economic growth and narrowing the trade deficit. Goods exports increased by 7.1% to NZ\$74 billion – driven by kiwifruit, dairy and meat – while services grew by 8.1% to NZ\$31 billion, with travel revenue returning to pre-COVID levels (New Zealand Foreign Affairs & Trade, 2025).

Exports to the EU rose 22.6% to \$7.2 billion) – led by Germany, the Netherlands and Italy – likely reflecting enhanced opportunities from the FTA. Kiwifruit exports were particularly strong, up by 70.8% to NZ\$956 million, also likely influenced by tariff removal and record domestic production. New Zealand’s GDP rose by 0.8%, slightly above forecasts, with the Treasury projecting around 3% annual growth for the next three years, suggesting the FTA has contributed to trade expansion and economic resilience (New Zealand Foreign Affairs & Trade, 2025).

Key Takeaways for Australia

Sustainability and gender equality are now core elements of trade policy, and the EU–NZ FTA provides a model that could come to bear on the current ongoing negotiations between the EU and Australia. Legally binding provisions, including enforceable sanctions for non-compliance, demonstrate how FTAs can promote these values effectively.

The Māori Trade and Economic Cooperation chapter sets an international precedent by formally recognising Indigenous rights and interests in trade. This highlights the importance of integrating Indigenous considerations into trade negotiations to support governance and economic development.

Securing better access for New Zealand agriculture required significant trade-offs on GIs on New Zealand’s part. In its own negotiations, Australia should consider the political and commercial balancing acts involved.

While the agreement’s TSD chapters are ambitious, enforcement remains challenging. Even well-designed labour and environmental provisions need clear monitoring mechanisms. Yet the SIA on the EU–NZ FTA highlighted potential environmental pressures, such as increased emissions from dairy and agriculture, underscoring the need to manage sector-specific impacts carefully.

Conclusion

While there are challenges – such as limitations in the TSD chapters and domestic backlash over goods and GIs – the NZ–EU FTA is progressive and delivers significant benefits for both parties. It reflects the EU’s increasingly assertive, values-driven trade policy over the past two decades and provides important lessons for Australia on integrating sustainability, gender and Indigenous protections into trade agreements. Despite rising global protectionism, the EU–NZ FTA’s lower tariffs and enhanced market access have supported the growth and resilience of both New Zealand and the EU. This FTA ultimately represents a mutually beneficial step forward in trade policy that commits to international trade rules and ‘sets a global benchmark on social and environmental priorities’ (Benson-Rea, 2022, p. 20). It remains to be seen how mutual benefit might similarly play out in negotiations between Australia and the EU.

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