

# **Trade Sustainability Impact Assessment in support of FTA negotiations between the European Union and New Zealand**

***Draft Final Report***

## **ANNEXES**



## ACRONYMS

AAAQ	Availability, Accessibility, Acceptability and Quality
AANZFTA	ASEAN Australia New Zealand Free Trade Area
ACCSR	Australian Centre for Corporate Social Responsibility
ACP	African, Caribbean and Pacific
AHS	Effectively Applied Tariff
ANZCERTA	Australia-New Zealand Closer Economic Relations Trade Agreement
APEC	Asia-Pacific Economic Cooperation
API	ASEAN Prosperity Initiative
ASEAN	Association of Southeast Asian Nations
AUS	Australia
AVE	Ad Valorem Equivalents
BEUC	Bureau Européen des Unions de Consommateurs
BIT	Bilateral Investment Treaty
BND	Bound Tariff
BSE	Bovine Spongiform Encephalopathy
B&L NZ	Beef and Lamb New Zealand
CBD	Convention on Biological Diversity
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CEDAW	Committee on the Elimination of Discrimination against Women
CERD	Convention on the Elimination of All Forms of Racial Discrimination
CESCR	Committee on Economic, Social and Cultural Rights
CETA	Comprehensive Economic and Trade Agreement
CFR	Charter of Fundamental Rights
CGE	Computable General Equilibrium
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPI	Consumer Price Index
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CRC	Convention on the Rights of the Child
CRPD	Convention on the Rights of Persons with Disabilities
CSD	Civil Society Dialogue
CSR	Corporate Social Responsibility
CV	Curriculum Vitae
DG	Directorate-General
DHB	District Health Board
DIRA	New Zealand Dairy Restructuring Act
DRIVES	Development and Research on Innovative Vocational Education Skills
EAHP	European Association of Hospital Pharmacists
EC	European Commission
ECHR	European Convention on Human Rights
EDA	European Dairy Association
EDF	European Development Fund
EDGAR	Emissions Database for Global Atmospheric Research
EEAS	European External Action Service
EESS	Electrical Equipment Safety System
EPHA	European Public Health Alliance
ER	Equal Rights
ESMO	European Society for Medical Oncology
EU	European Union
FDI	Foreign Direct Investment
FRA	Fundamental Rights Agency
FSANZ	Food Standards Australia New Zealand
FSMS	Farm Safety Management System
FTA	Free Trade Agreement
FTAAP	Free Trade Area of the Asia-Pacific
GDP	Gross Domestic Product
GE	General Equilibrium
GGFC	Gross Government Final Consumption
GHG	Greenhouse Gas
GI	Geographical Indication
GMO	Genetically Modified Organism
GNI	Gross National Income
GSIM	Global Simulation Model
GSP	Generalised Scheme of Preferences

GTAP	Global Trade Analysis Project
GVA	Gross Value Added
GVC	Global Value Chain
HAP	Hazardous Air Pollutant
HDI	Human Development Index
HHI	Herfindahl-Hirschman Index
HQB	High-Quality Beef
HR	Human Rights
HRW	Human Rights Watch
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICIO	Inter-Country Input Output
ICH	International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use
ICPED	International Convention for the Protection of All Persons from Enforced Disappearance
ICRMW	International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
IDDCR	Intellectual Disability, Compulsory Care and Rehabilitation
IHC	Import Health Standards
ILO	International Labour Organization
IP	Intellectual Property
IPPC	International Plant Protection Convention
IPR	Intellectual Property Rights
ISDS	Investor-State-Dispute-Settlement
ISG	Inter-Service Steering Group
IT	Information Technology
LCA	Life Cycle Assessment
LDC	Least Developed Country
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
LSE	London School of Economics Enterprise
LULUCF	Land Use, Land Use Change and Forestry
MBIE	Ministry of Business, Innovation and Employment
MCI	Macroinvertebrate Community Index
MFAT	Ministry of Foreign Affairs and Trade
MFN	Most Favoured Nation
MIA	Meat Industry Association
MPI	Ministry of Primary Industries
MRA	Mutual Recognition Agreement
NDC	Nationally Determined Contribution
NES	National Environmental Standards
NESCS	National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health
NGO	Non-Governmental Organization
NIA	National Interest Analysis
NPS	National Policy Statement
NTB	Non-Tariff Barrier
NTM	Non-Tariff Measure
NZ	New Zealand
NZFSA	New Zealand Food Safety Authority
NZHEA	New Zealand Horticulture Export Authority
NZIER	New Zealand Institute for Economic Research
OBS	Other Business Services
OCT	Overseas Country and Territory
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OIE	World Organisation for Animal Health
OIO	Oversees Investment Act
OP-CRC-CI	Optional Protocol to the Convention on the Rights of the Child on a Communications Procedure
OP-ICESCR	Optional Protocol to the International Covenant on Economic, Social and Cultural Rights
OR	Outermost Regions
PACER	Pacific Agreement on Closer Economic Relations
PARC	Partnership Agreement for Relations and Cooperation

PE	Profit Elasticity
PE	Partial Equilibrium
PIC/S	Pharmaceutical Inspection Cooperation Scheme
PPML	Poisson Pseudo-Maximum Likelihood
PTE	Patent Term Extension
RBC	Responsible Business Conduct
RDP	Regulatory Data Protection
RMA	Resource Management Act
RoO	Rules of Origin
ROW	Rest of World
RTA	Regional Trade Agreement
R&D	Research and Development
SDG	Sustainable Development Goal
SIA	Sustainability Impact Assessment
SME	Small and Medium Sized Enterprise
SPC	Supplementary Protection Certificate
SPI	Submerged Plant Index
SPS	Sanitary and Phytosanitary
STRI	Service Trade Restrictiveness Index
TBT	Technical Barriers to Trade
TCE	Trade Cost Equivalents
TEU	Treaty of the European Union
TFEU	Treaty on the Functioning of the European Union
TiVA	Trade in Value Added
ToR	Terms of Reference
TPP	Trans-Pacific Partnership
TPRM	Trade Policy Review Mechanism
TRIPS	Trade Related Aspects on Intellectual Property Rights
TRQ	Tariff-Rate Quota
TSD	Trade and Sustainable Development
TSIA	Trade Sustainability Impact Assessment
TTIP	Transatlantic Trade and Investment Partnership
UK	United Kingdom
UN	United Nations
UN ESCAP	United Nations Economic and Social Commission for Asia
UNCTAD	United Nations Conference on Development and Trade
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNICEF	United Nations International Children's Emergency Fund
US	United States
USDA	United States Department of Agriculture
VFN	Vegetables, Fruits and Nuts
WEEE	Waste Electric and Electronic Equipment
WEgate	Women's Entrepreneurship Gate
WHO	World Health Organization
WIOD	World Input Output Database
WIR	World Investment Report
WITS	World Integrated Trade Solution
WPC	Whey Protein Concentrate
WPI	Whey Protein Isolate
WTO	World Trade Organisation

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## I. ANNEX I: BIBLIOGRAPHY

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## II. ANNEX II: METHODOLOGICAL APPROACH

In the four sections of this annex we explain concisely how each of the sustainability pillar analyses are carried out.

### II.1 Detailing the economic approach

The starting point for the economic analysis in this report is the economic modelling undertaken by the Commission (European Commission, 2017), as updated in March 2019, which is an appropriate and accepted approach for analysis of trade agreements dealing with traditional issues of cross-border trade in goods and services. The economic variables for focus include trade flows (bilateral exports and imports; exports and imports to the rest of the world; investment; output; prices; welfare and GDP; and fiscal revenues. Further analysis, in subsequent reporting, is based on the revised CGE simulation results from DG Trade. The analysis includes both scenarios (modest and ambitious) and also include a discussion on the limitations of the modelling (e.g. pertaining to preference utilisation and not including innovation/dynamic FDI effects). A stronger focus is placed on New Zealand because the anticipated effects of the FTA are much larger there than in the EU in relative terms, due to the different sizes of the two economies.

We build on this analysis by providing a qualitative and, to the extent possible, quantitative, assessment of the main non-tariff measures (NTMs), investment and other behind-the-border issues of particular relevance to the EU-NZ FTA. An example is New Zealand's Electrical Equipment Safety System (EESS) that applies to the import of all electrical equipment and requires various testing, documentation and certification procedures, imposing direct and indirect costs on EU SMEs.

Since these issues are addressed in quite some detail in the ex-ante study, the SIA identifies, describes and analyses the remaining tariff barriers and NTMs affecting trade relations between the EU and New Zealand. The focus of this analysis is qualitative, since a quantitative treatment would require an extension to the CGE modelling, which has not been requested, and the quantitative analysis already undertaken has largely exhausted the possibilities of the existing CGE model. Information on NTMs is taken primarily from stakeholder consultations and multilateral and bilateral monitoring (e.g., the WTO TPRM and US Special 301), as well as business surveys (including the surveys undertaken as part of the SIA). We also pay attention to any NTMs in the area of Intellectual Property Rights.

We complement this qualitative analysis by undertaking quantitative assessment of government procurement and investment liberalization under the EU-NZ FTA (see Boxes below). We do this by estimating structural gravity models of procurement and investment separately, using data on public imports from the World Input Output Database (WIOD; Timmer et al., 2015) over 2000-2014 and data on bilateral FDI from the OECD and UNCTAD over 2000-2017, respectively. The economic analysis also describes the government procurement and FDI landscapes in the EU and New Zealand, including for major sectors; the important legislative requirements governing liberalization in each case; as well as the opportunities and challenges that EU SMEs will face in accessing New Zealand's procurement market at all levels, especially SMEs involved in the main sectors.

#### *Box II.1: Gravity approaches to Foreign Direct Investment*

We estimate a structural gravity model of bilateral FDI flows and stocks using data on inward FDI from the OECD over 2005-2017 for the following 36 OECD partners: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, UK and USA.

We use the Poisson Pseudo-Maximum Likelihood or the PPML estimator (Silvana and Tenreyro, 2006) to examine the effect of preferential investment liberalization in the EU-NZ FTA on the bilateral FDI flows and stocks. The PPML accounts for both the incidence of zero FDI flows and stocks and heteroskedasticity of the error term in estimation, leading to unbiased estimates. The estimating equations (1) and (2) take the following form:

$$FDI_{ijt}^F = \exp (\beta_0 + \beta_1 PIA_{ijt} + \beta_2 BIT_{ijt} + \lambda_{it} + \lambda_{jt} + \lambda_{ij}) + \mu_{ijt} \quad (1)$$

$$FDI_{ijt}^S = \exp (\beta_0 + \beta_1 PIA_{ijt} + \beta_2 BIT_{ijt} + \lambda_{it} + \lambda_{jt} + \lambda_{ij}) + \mu_{ijt} \quad (2)$$

where the dependent variables in the two equations are bilateral inward FDI flows and stocks in country *i* from country *j* at time *t* in € million;  $PIA_{ijt}$  is a binary dummy indicating membership of a trade agreement with provisions on investment between two FDI partners;  $BIT_{ijt}$  is a binary dummy indicating membership of a bilateral investment treaty between two FDI partners; and  $\mu_{ijt}$  is the error term. We include three-way fixed effects ( $\lambda_{it}$ ,  $\lambda_{jt}$ ,  $\lambda_{ij}$ ) to account for multilateral resistance (for instance see Anderson & Yotov, 2012) as well as endogeneity (for instance see Baier & Bergstrand, 2007; Baier et al. 2014) in estimation.

### *Box II.2: Gravity approaches to Public Procurement*

We use the Poisson Pseudo-Maximum Likelihood or the PPML estimator (Silvana and Tenreyro, 2006) to examine the effect of preferential procurement liberalization in the EU-NZ FTA on bilateral procurement. The PPML accounts for both zero trade flows and heteroskedasticity of the error term in estimation, leading to unbiased estimates. The estimating equation (3) takes the following form:

$$M_{ijt}^G = \exp (\beta_0 + \beta_1 GPA_{ijt} + \beta_2 PPA_{ijt} + \lambda_{it} + \lambda_{jt} + \lambda_{ij}) + \mu_{ijt} \quad (3)$$

where the dependent variable is public imports in country *j* from country *i* at time *t* in €million;  $GPA_{ijt}$  is a binary dummy indicating membership of the GPA;  $PPA_{ijt}$  is a binary dummy indicating membership of trade agreements with provisions on government procurement; and  $\mu_{ijt}$  is the error term. We include three-way fixed effects ( $\lambda_{it}$ ,  $\lambda_{jt}$ ,  $\lambda_{ij}$ ) to account for multilateral resistance (for instance see Anderson & Yotov, 2012) as well as endogeneity (for instance see Baier & Bergstrand, 2007; Baier et al. 2014) in estimation.

On rules of origin (RoO), the economic analysis includes an overview of RoO practices in New Zealand, highlighting whether there have been any recent RoO violations (issues with certificates/fraud; verification issues), thereby providing an assessment of the capacity to administer RoO. Complementary information is collected through interviews with stakeholders, notably customs and traders. A focus is put on SMEs, both in the EU and New Zealand (noting that both have different definitions of SMEs which we will also cover), with regard to their experience with the RoOs, in order to identify options for a simplified RoO regime for SMEs in the EU-NZ FTA.

The assessment of the impact of the EU-NZ FTA on SMEs is based on (i) the investigation, study and interpretation of the project results on implications of legal uncertainty for SMEs in case dispute resolution is needed; and (ii) the “SME test” reflecting the “think small first principle” suggested in the ToR and described in the Better Regulation Guidelines. The analysis focusses on identifying the sectors where SMEs could be more strongly impacted by the EU-NZ FTA.

With respect to GVC integration, the analysis uses the OECD-WTO Trade in Value Added (TiVA) database to establish the current position of New Zealand in GVCs, and particularly value chains involving EU firms. We also identify the characteristics in terms of (i) the sectors in which GVCs play a particular role for New Zealand; (ii) the role which New Zealander and EU firms play in value chains involving both partners, i.e. whether they are value chain organizers or participants in value chains organized by third parties; (iii) the importance of backwards and forwards linkages and the position of FTA partner firms in the chain; and (iv) the potential contribution which the FTA may have on the strengthening New Zealand’s participation in GVCs. We then estimate the effect of preferential liberalization in the EU-NZ FTA on bilateral backward and foreign participation by estimating a structural gravity model using TiVA data from the OECD over 2000-2011.

We also complement these quantitative estimates with a qualitative analysis based on information provided by private sector organizations to identify important sectors from a GVC-participation perspective and to identify options on how the FTA could facilitate GVC involvement, such as through a particular focus on intermediates or business services, which are important for GVC development.

Geographically, the effects of the EU-NZ FTA are determined for the following regions/countries: New Zealand; the EU; the EU Outermost Regions and OCTs; Turkey; and LDCs. To the extent possible, the analysis of effects is quantitative, using CGE results and statistical analysis of the main trade links and changes in tariffs.

In assessing the effects of the EU-NZ FTA on the EU's Outermost Regions and OCTs, as well as on LDCs, we add value to existing studies by (i) looking at the PACER Plus group and this sub-group of LDCs in more detail; and (ii) analyzing the impact on the EU's outermost regions for the first time at all. The methodology involved entails a sector-disaggregated analysis. In a first step, the CGE model results are used to determine the sectors in the EU and New Zealand that would benefit (or lose out) from the FTA in terms of increased (or decreased) bilateral exports, total exports and output. In a second step, a matching analysis is undertaken to examine the extent to which the most affected sectors in the two partner countries are also export sectors in LDCs/outermost regions (to either New Zealand or the EU). If there is competition, then LDC/outermost region sectors could be negatively affected through preference erosion and/or increased competitive pressure on third markets. The effects are determined qualitatively, distinguishing, if applicable, the countries or regions, which might be positively or negatively affected by the EU-NZ FTA.

*Box II.3: Global Simulation Model (GSIM) approaches to the motor vehicles and transport equipment sector*

In order to analyze the effects of the EU-NZ FTA on the motor vehicles and transport equipment sector, which is one of the major sectors impacted by the FTA, a partial equilibrium (PE) Global Simulation Model (GSIM) was applied with regard to aluminum, which is a crucial input material for the sector. The choice between a PE or a GE model depends on the preference and skills of the analyst (Bacchetta et al., 2012) or the phenomenon being explored. The differences between GE and PE also extends to the data requirements. A GE model needs data for the global market, therefore requiring a far more extensive dataset, much larger than a PE model which only requires data from the specific market. It is important to note that PE model results are sensitive to the values of elasticities of supply and demand, on which the current literature is limited. For this case study a PE model has been chosen because the effect of the trade liberalization shock is analyzed for one industry specifically, the aluminium industry, which under the CGE results provided by DG Trade is summarized as metal products, although the aluminum sector constitutes largely to New Zealand's economy and is also a major import of the EU. For the aluminum case study under the EU-NZ FTA, the GSIM was applied to estimate the effects of the EU-NZ FTA on aluminum trade. In 2002, Francois and Hall created the GSIM to analyze global trade policy changes and their effect on trade flows, world prices and welfare (Francois and Hall, 2002). The GSIM is a PE model that focuses on a specific amount of country or industry-level factors and assesses their impact in a multi-country global market. This approach enables the model to run effectively with only a limited amount of data (Francois and Hall, 2002). The countries included in the GSIM are chosen based on the level of involvement in the market and the nature of the shock. The remaining countries are summarized as the rest of world (RoW). By including the RoW, the model becomes more complex as it is expanded into a global market context. This added complexity increases the GSIM's accuracy (Francois and Hall, 2002). Four specific data sets are required for the GSIM: initial trade values between the chosen countries or markets, quantified NTMs, the elasticities of demand, supply and substitution. The initial trade values are the values of export and import of each country before the occurrence of the shock. The barriers that affect the trade flows between countries can be in the form of tariffs, subsidies or NTMs. Through quantifying the relevant NTMs for the study, the goal is to quantify the trade cost equivalents (TCEs) of the NTMs (Berden and Francois, 2015). An initial baseline set of NTM figures is included in the model, followed by the new NTM values. Based on the data, the GSIM will calculate the estimated trade values, welfare and price changes amongst other parameters subject to the new costs. The chosen countries involved in this model include the EU27, New Zealand, the UK, Australia, Japan, Switzerland, China, and the US. The choice is based on the main parties under the planned FTA as well as other major exporting and importing countries in the iron ore industry. The UK is taken into account separately from the EU28 in light of the process of the UK's withdrawal from the EU. The tariffs for aluminum imports and

exports for the EU, New Zealand, and the remaining specified countries required under this model are based on the World Integrated Trade Solution (WITS) database. The elasticities are estimated using secondary sources and the bilateral trade data between the specified countries comes from UN Comtrade.

## II.2 Detailing the social approach

The social analysis seeks to respond to the question of how a reduction of tariff and non-tariff barriers between the Parties via signing the EU-NZ FTA, and how the resulting changes in output of individual sectors and export and import activities, may affect a range of social aspects in the EU and New Zealand. We also seek to determine potential direct and indirect social impacts of other provisions of the future FTA, e.g. on Technical Barriers to Trade (TBT) or Trade and Sustainable Development (TSD).

Our approach consists of three steps:

- **Step 1:** We develop an overview of the current situation, i.e. an analysis of the social relationships in the EU and New Zealand, recent trends in the analyzed social aspects (e.g. employment) and factors influencing them.
- **Step 2:** We identify impacts of the future FTA, for the whole economy and chosen sectors, based on the economic model, literature review, statistical data and broad stakeholder engagement.
- **Step 3:** We provide recommendations for policy initiatives and accompanying measures.

In Step 1, the analysis of the current situation has been based mainly on literature review and analysis of statistical data. This includes e.g. the annual reporting about the situation on the labor market provided by the European Commission (draft 2019 EU Joint Employment Report) and the New Zealand's Government, and OECD analysis concerning skills levels in New Zealand compared to other OECD countries. This is accompanied by data from the Labour Survey processed by EUROSTAT and Stats NZ. Data regarding job quality includes reports prepared by specialized agencies, such as Work Safe NZ regarding e.g. the number and type of accidents at work. The section on consumers, welfare, poverty and inequality relies on many sources. These include statistical data on wages; analysis done by Government experts (the Treasury) concerning expected changes in wage levels; data provided by the European Commission, OECD and the New Zealand Ministry of Social Development regarding poverty and inequality; and information about actions taken to reduce poverty levels. Rights at work are analyzed based on the reports of the ILO monitoring body and the Committee of Experts; other types of international monitoring and reporting, such as Global Slavery Index or reports by the US Department of State; and surveys and studies carried out by researchers from Auckland University focused on cases of exploitation of migrant workers and work in conditions of slavery. We have also used reports provided by the European Commission, the New Zealand's Office for Disability Issues, the European Parliament and the OECD concerning the situation of disabled workers and rate of trade union membership in the EU and New Zealand. Surveys conducted by Mastercard, MYOB (provider of payroll solutions and business software for companies in New Zealand), non-governmental organizations, and a study funded by the European Commission have been used in the analysis of uptake of corporate social responsibility practices and women's activity as entrepreneurs. They have been complemented by statistical data from EUROSTAT and Stats NZ, and by information about international initiatives, under the auspices of the WTO, UNECE and APEC joined by the EU and New Zealand. A full list of sources has been provided in the bibliography (Annex I).

The starting point for Step 2, the analysis of impacts, is provided by the ex-ante study and the Commission's Impact Assessment Report, both detailing outcomes of the economic model, such as estimated changes in employment levels, wages, welfare and Consumer Price Index. This is complemented by further literature review, notably in the sectorial part of the analysis, as well as by a comprehensive stakeholder engagement. We use meeting opportunities, surveys and interviews to get additional insights into the situation and trends

in individual sectors and analyzed social aspects, and to validate our findings. Our analysis at this stage is guided as well by the Better Regulation toolbox, and a discussion with negotiators involved in talks on the EU-NZ FTA.

In Step 3, we provide recommendations, which are discussed more in detail at the end of this section.

The analyzed types of impacts, in line with the ToR, cover employment levels, women (as workers, entrepreneurs, traders and consumers), consumer welfare (including inequality and vulnerable groups), job quality, rights at work, corporate social responsibility (CSR), and public policies (e.g. social protection, healthcare and education). We sum up in a very concise manner each of these impact areas below.

**Employment levels:** The current situation analysis describes the labor markets in the EU and New Zealand. It provides data on employment and unemployment rates for different groups of workers (e.g. skilled and unskilled ones, youth, older workers or indigenous people), trends in job creation across sectors and skills levels, and shares of individual sectors in the total employment. It informs about actions taken by the governments to enhance employability of vulnerable groups of workers and to support skills development. At the following stage, we assess quantitative impacts of the future FTA on the number of jobs to see how a reduction in barriers to trade will influence performance of individual sectors in EU and New Zealand and how this may translate into a potential job creation or a reduction in each sector and a shift of labor force between them. The analysis based on the economic model used by the Commission provides data for skilled and un-skilled workers across all sectors and under two scenarios which assume liberalization and increased liberalization of trade, respectively. Matched with the analysis of sectorial shares in total employment, it provides an idea of the expected scale of changes induced by the agreement. Based on the available data, we also estimate whether the Parties have conditions in place to seize the opportunity offered by an FTA to increase sectorial output and employment.

**Women (workers, entrepreneurs, traders and consumers):** The current situation describes how women in the EU and New Zealand are treated and act on the labor market as workers, the areas of their economic activity as entrepreneurs and participation in international trade, across sectors. It compares data for men and women to determine the level of gender equality across a range of indicators. It also refers to challenges faced by women in their roles and steps taken by the governments to address them. At the next stage, based on the results of the economic modelling, we estimate the likely changes in employment levels across sectors and how they will impact employment of women compared to men (given that each gender has its own pattern of shares in employment across sectors). In a similar way, we examine changes in output of individual sectors to be induced by an FTA and how this may influence operation of women-led enterprises active in these sectors compared to the businesses led by men, whose activity may be concentrated in other sectors. Finally, based on the estimated changes in trade performance of the individual sectors, we analyze what effects this may have on women as traders, knowing sectors in which they operate and types of traded products or services. Supported by stakeholder consultations and other sources, our recommendations provide proposals supporting gender equality in trade and addressing challenges faced by women in their roles in the context of the new FTA. Although we describe this issue here, women (as with SMEs) are treated at a higher level in the report structure to highlight the importance of the issue.

**Consumers, welfare, levels of inequality and impacts on vulnerable groups:** The starting point is an overview of the situation of different groups of population in the EU and New Zealand with a focus on those exposed to risk of poverty and social exclusion, in a breakdown by education levels, main sources of income, household composition, etc. It also provides data related to inequality levels expressed by the ratio of incomes between the richest and the poorest 20 percent of the society. We outline moreover trends in wage levels and have at disposal further information concerning other factors influencing welfare,

such as housing prices or changes in types and level of social benefits. At the next stage, based on results of the economic modelling, we estimate impacts of the future FTA on wage and price levels, welfare and inequality. Moreover, using stakeholder consultations and analysis of textual proposals tabled in negotiations, we draw conclusions regarding broader impacts of an FTA on consumers, including availability of goods and services, their quality and safety, and consumer information and trust. We note that European consumer organizations have published recommendations for the future EU-New Zealand FTA.

**Job quality:** We start by providing an overview of job quality indicators (where available, across sectors) in the EU and New Zealand, including types of contracts, the number of working hours per week, and the number and type of accidents at work. At the next stage, we apply analysis of statistical data and qualitative analysis, supported by literature review and stakeholder consultations to estimate if the future FTA will be likely to have an impact on job quality, in sectors mostly affected by changes in output and trade flows. Therefore, the analysis of impacts on job quality is carried out as part of the sectorial analysis. To the extent relevant information and data being available, we identify more precisely trends in job quality and factors influencing them in each of the analyzed sectors to establish the potential scale and direction of changes which may be induced by the FTA.

**Rights at work:** The description of the current state of play and the following impact analysis is centered around four ILO core labor standards, i.e. 1) non-discrimination at work, 2) elimination of child labor, 3) prohibition of forced labor, 4) freedom of association and the right to collective bargaining. In the context of non-discrimination at work, we provide information about the situation of people with disabilities and migrant workers on the labor market in EU and New Zealand. We may extend it e.g. by moving from the general part of the analysis data related to the situation of indigenous people on the labor market. The description of the current situation also indicates examples of sectors where cases of child labor and forced labor have been identified. Moreover, it outlines trends in trade union membership across sectors and factors, which have induced observed changes.<sup>1</sup> We also have at disposal further information about planned or taken actions meant to address identified challenges (e.g. to facilitate access to work for people with disabilities or to eliminate cases of forced labor and exploitation of migrant workers in agriculture or fisheries). Collected evidence has also supported the choice of sectors for a more detailed analysis. At the next stage, jointly with further literature review and stakeholder consultations, it helps us determine the likely scale and direction of impacts of the future FTA on the respect of rights at work in EU and New Zealand in the whole economy and in the most affected sectors. At that stage, we also cross-reference our findings in this section with those related e.g. to poverty levels, given that children, people with disabilities, indigenous people and migrants may be affected by multiple types of impacts, including changes in employment levels, income and prices. In this part of the analysis, we also consider potential impacts related to inclusion of a Trade and Sustainable Development (TSD) chapter into the future EU-New Zealand FTA.

**Corporate Social Responsibility (CSR) and global value chains:** A description of the current situation provides insights into CSR practices in EU and New Zealand and factors encouraging their use. The latter may include policy or legislative incentives, image valued by customers, practice of the lead company in the value chain or of the headquarters influencing actions of branches based in other countries. This combined with stakeholder consultations, provides an idea of the likelihood and type of potential impacts of the future FTA. We also seek to determine if cooperation activities proposed in a TSD chapter, such as joint projects or workshops, may encourage peer learning in the area of CSR between business and civil society representatives from EU and New Zealand.

**Public policies: social protection, healthcare and education:** The main part of the analysis in this section seeks to identify whether the FTA through changes in tariff rates (and the related public revenues), revenues (e.g. taxes and social security contributions)

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<sup>1</sup> We look, for example, at whether the non-ratification of ILO fundamental convention C87 is a factor.

and expenditures (e.g. social benefits) will influence the availability and accessibility of public services and their quality. We also examine if e.g. through TBT or IPR provisions (e.g. on medical devices and pharmaceuticals) it may influence the availability of services.

Based on the outcomes from Step 1 and Step 2, we provide recommendations aimed at strengthening expected positive and mitigating potential negative impacts, which may result from the new FTA. Recommendations are divided into two parts. The first one provides proposals to be taken into consideration in the course of negotiations, e.g. through inclusion of a specific text or approach; the second set is more forward looking and suggests actions to be taken by one or both Parties at the stage of implementation of the future FTA or as part of their ongoing policy development.

### II.3 Detailing the human rights approach

This section provides a summary of the detailed approach envisaged for the analysis of the impact of the proposed Agreement on human rights in both New Zealand and the EU. We intend to follow a five-step approach that reflects upon the human impact assessment methodologies (De Schutter, 2011) and EC Guidelines on the analysis of human rights impacts in impact assessments for trade-related policy initiatives (European Commission, 2015). Step 4 feeds into the three main steps of the analysis throughout all the stages of the project. Step 5 is based on all the other steps of the analysis.

Figure II.1: Methodological Structure of the Human Rights Analysis



**In Step 1**, we present a concise overview of the *human rights legal framework* (presenting the ratification status of the core human rights treaties and core ILO Conventions in a tabular manner) and *current human rights situations* reflecting on the pre-existing human rights-related issues of vulnerability in both Parties to the prospective FTA (establish the current state of play). We note this part of analysis has been carried out in the ex-ante study (LSE Enterprise, 2017). Therefore, we do not repeat this work but check and reference its results insofar they are relevant and then extend them when necessary by own research based on additional literature review, consultations with local partners and stakeholders.

**In Step 2**, we carry out a screening and scoping exercise to identify specific key human rights/issues that are most likely affected by the proposed EU-NZ FTA. The likely cause-effect relationships between trade and trade-related measures in the FTA and human rights

are intended to be drawn from multiple sources (FTA texts,<sup>2</sup> literature review, local partners, consultations, etc.). *Screening* results are presented in a concise tabular manner due to size limitations of the report but reflect on the possible direct/indirect and major/minor impacts as specified in Fundamental Rights Check-List in Tool No. 28 of the Better Regulation Box and the EC guidelines. The *scoping* exercise clarifies the scope and content of the possible impacts pointing out how certain measures can create potential impacts on specific human rights. At this stage we use a survey as well as carry out a limited number of human rights focused interviews with stakeholders set up by our New Zealander counterparts to discuss modelling results and results of the screening and scoping exercises to verify and finetune the analysis.

**In Step 3**, we focus on the selected human rights/issues and carry out a detailed quantitative and qualitative assessment of these rights. This substantiates the potential impact and analyzes the extent to which measures foreseen in the proposed Agreement may enhance or impair the enjoyment of the relevant rights and/or may strengthen or weaken the ability of the parties to fulfil or progressively realize their international human rights obligations.

Quantitative analysis is based on the econometric results and possible additional economic, social and environmental analyses. Based on the data, we provide insights, both at aggregate and sector levels, on how the EU-NZ FTA could impact both Parties. Different quantitative variables help us with parts of the human rights analysis and provide in some cases a reflection upon the affected individuals and/or groups of people in relevant sectors (impact on vulnerable groups of population). The quantitative analysis is complemented by qualitative assessment. This assessment relies on additional literature review and extensive inputs from the local partners and stakeholders via surveys, interviews and opportunities to provide feedback on draft versions of our work.

Stakeholder consultations, **Step 4**, as mentioned above, run through all the stages of the analysis and support, verify and fine-tune the findings and conclusions. They also serve as the most important source of information to get insights into the most recent trends in the human rights situation of vulnerable groups. This allows us to assess the potential FTA impact from the perspective of the people (Danish Institute for Human Rights, 2016). Human rights-related questions are included in the general survey, available on the website and sent out to the identified stakeholders by mail.

**In Step 5**, we propose policy recommendations and flanking measures helping to strengthen the positive and mitigate negative human rights impacts of the EU-NZ FTA on human rights, with a focus on the most vulnerable groups.

## II.4 Detailing the environmental approach

In the environmental impact assessment, we assess the most significant potential environmental impacts resulting from the EU-New Zealand FTA on both the EU and New Zealand. The environmental analysis details, both in a quantitative and qualitative manner, which environmental impacts are likely to occur.

We follow a well-structured approach in order to enable an efficient, effective and transparent process to assess the environmental impacts of the FTA. The approach incorporates four elements:

- 1. FTA elements** – These are measures in the FTA, which can potentially cause environmental impacts. Identified FTA elements: *Market access* and *Rules*;

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<sup>2</sup> In case the textual proposals for the EU-New Zealand Agreement are unavailable. We will use the textual proposals of the CETA Agreement.



- 2. Impact channels** – The mechanisms through which the FTA elements can result in environmental impacts. Identified impact channels: *scale effects, structural effects, technology effects* and *product effects* (in line with TSIA handbook);
- 3. Impact areas** – The different specific environmental areas, which can be affected by the FTA elements. Identified impact areas: *climate change, air quality, land use and soil, biodiversity, water and waste*;
- 4. Research methods** – The methodologies used to assess the impact of the FTA on each environmental impact area. Identified research methods: *quantitative and qualitative analyses*.

The environmental approach can be divided up into consecutive tasks:

- **Step 1:** Establishing the state of play;
- **Step 2:** Quantitative environmental impact assessment;
- **Step 3:** Qualitative impact assessment;
- **Step 4:** Policy recommendations.

We have identified six main environmental impact areas. Even though the impact assessment on each environmental impact area relies on both qualitative and quantitative research methods (where applicable), the analyses for the first two impact areas (climate change and air quality) heavily employ quantitative methods. The analyses on the remaining impact areas mostly rely on qualitative methods.

### ***Step 1 – Establishing the state of play***

Prior to assessing any potential impact of the FTA on the EU and New Zealand, we describe the status quo of their environmental governance and environmental performance. In practice, this implies for the former that we describe the environmental legislation in place, the responsibilities of different public authorities regarding environmental policymaking, and the impact of multilateral environmental agreements on the respective trade partners. For the latter, this implies an analysis of environmental performance based on relevant environmental impact area indicators for both the EU and New Zealand. The state of play is established using existing literature and data as well as stakeholder interviews. Regarding the literature and data, we extensively use LSE's ex-ante study and complement this with additional sources from our own research (aided by our New Zealand expert). Stakeholder interviews serve to gain further insights, validate the work, finetune results and generally increase triangulation. They cover a representative sample of stakeholders – 4 from New Zealand and 4 from the EU.

Step 1 results in a one-page description of the state of play per environmental impact area for both the EU and New Zealand (i.e. 12 pages in total<sup>3</sup>). The state of play for the EU is based on the work from earlier SIAs as much as possible and is only critically reviewed/updated where needed. This ensures that our focus lies on the lesser known (to EU negotiators) New Zealand environmental impacts, strengthening the overall quality of our outputs in the process.

### ***Step 2 – Quantitative environmental impact assessment***

In Step 2 we produce quantitative estimates of the EU-New Zealand FTA's impacts on greenhouse gas (GHG) emissions and air pollution that provide more detail than the estimates stipulated in the ex-ante impact assessment. We extend the analysis on GHG emissions by analyzing not only CO<sub>2</sub> but also methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) emissions. The scope of the impact assessment is further expanded by including an air pollution analysis (i.e. assessing the FTA's impact on the concentration of primary particulates, acidifying gases and ozone precursor gases). These extensions are considered relevant because: (i) CH<sub>4</sub> and N<sub>2</sub>O cover approximately 43 percent and 12 percent of all

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<sup>3</sup> These will go into Annex 3. A summary of the state of play (2 A4-pages) will be incorporated in the main text of the final report.

GHG emissions in New Zealand<sup>4</sup> and originate from sectors likely to be affected by the FTA; (ii) air pollution had not been assessed before.

The CGE results from DG TRADE do not include results on the impact of the FTAs on CH<sub>4</sub> and N<sub>2</sub>O or on any air pollutants. Therefore, it is not fully possible to decompose the overall impact figure into the four drivers from the handbook for trade sustainability impact assessments (scale, structural, technology and product effects) using the extended environmental input-output model underlying the CGE results. However, with the CGE sectoral output results as a basis and gas/pollutant data from the EDGAR database<sup>5</sup>, we can approximate:

- **Scale effect:** The effect resulting from a change in the scale of production only;
- **Structural effect:** The effect from a change in the scale of production, considering the different emission intensities across sectors;
- **Technology/product effect:** The effect of exchange of more efficient technologies or production methods, which could affect (lower) the emission intensity.

The scale and structural effects are assessed quantitatively, the technology/product effect is assessed qualitatively.

Step 2 results in the reporting of the quantitative estimates of the impacts of the FTAs on GHG emissions and air quality, in the EU and New Zealand (approximately 4 pages). The overall result is decomposed into its most relevant key drivers where possible. To the extent feasible, extend the analysis by an estimation of the welfare effects (i.e. monetize external costs via NEEDS<sup>6</sup> methodology).

### ***Step 3 – Qualitative impact assessment***

In Step 3 we identify and investigate the most significant environmental impacts that are not yet analyzed by means of the quantitative impact assessment from Step 2. Based on the triangulation of inputs from the ex-ante impact assessment, the CGE modelling results and the results from qualitative research (causal chain analysis, interviews and literature review), we have updated the impact screening matrix with the aim of making it as exhaustive as possible, which ensure that all impactful environmental pressures and opportunities that may arise from the FTA are covered. The matrix is made up of all (CGE) sectors and all environmental impact areas presented in Step 1. Where significant impacts are expected in a certain sector or environmental impact area, we attach so-called “impact alerts” to the corresponding sector and impact area. Based on these impact alerts, we can select (in accordance with DG TRADE) one specific environmental impact area for a detailed New Zealand case study.

The case study represents a more elaborate causal chain analysis for a specific impact area of a country, based on additional literature review and two additional interviews per case study.

### ***Step 4 – Policy recommendations***

Based on Steps 1, 2 and 3, we formulate relevant and concise policy recommendations and flanking measures.

#### ***Quantitative environmental assessment – methodological note***

The quantitative assessment uses three main sources:

1. The Emission Database for Global Atmospheric Research (EDGAR)
2. The economic modeling results
3. United States Environmental Protection Agency (EPA)

EDGAR contains annual data on air pollutants and GHG emissions (including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, NO<sub>x</sub>, SO<sub>2</sub>, PM10 and PM2.5) per sector for the period 1970-2012. The sector definition in EDGAR differs

<sup>4</sup> Available from: <https://emissionstracker.mfe.govt.nz/>

<sup>5</sup> Available from: <http://edgar.jrc.ec.europa.eu/#>

<sup>6</sup> Available from: <http://www.needs-project.org/>

from the sector definition in the economic modelling results. As a **first step**, the sectors were manually matched. This was done by defining more aggregated sectors (which was necessary as the sector definitions from EDGAR and the economic modelling were too different to be matched directly) and, subsequently, by matching the economic modeling sectors and the EDGAR sectors based on this new sector definition. The result of this matching procedure is shown in the table below.

### Matching of sectors

Environmental analysis sectors	Economic modelling sectors	EDGAR sectors
<b>Agriculture - rice</b>	Rice	Rice cultivation
<b>Agriculture - horticulture</b>	Cereals, vegetables and fruits, oilseeds, sugar, fibre crop	Direct soil emissions, Indirect N2O from agriculture, Other direct soil emissions
<b>Agriculture - meat and dairy</b>	Bovine meat, other animal products, other meat, dairy	Enteric fermentation, Manure management, Manure in pasture/range/paddock
<b>Wood, paper, food, beverages, tobacco</b>	Wood and paper, beverage and tobacco	Production of pulp/paper/food/drink
<b>Coal mining</b>	Coal	Fugitive emissions from solid fuels
<b>Oil and gas</b>	Oil, gas	Fugitive emissions from oil and gas
<b>Chemicals, rubber, plastic</b>	Chemicals	Production of chemicals, Solvent and other product use: paint, Solvent and other product use: degrease, Solvent and other product use: chemicals, Solvent and other product use: other
<b>Petroleum, coal products</b>	Oil products	Other Energy Industries, Non-energy use of lubricants/waxes (CO2)
<b>Metal products</b>	Metal products	Production of metals
<b>Non metal products</b>	Non metal products	Cement production, Lime production, Limestone and dolomite use, Soda ash production and use, Production of other minerals
<b>Machinery, electronic equipment and other manufacture</b>	Machinery, electronic equipment and other manufacture	Manufacturing Industries and Construction
<b>Electricity</b>	Electricity	Public electricity and heat production
<b>Utility</b>	Utility	Wastewater handling
<b>Transport</b>	Transport	Domestic aviation, Road transportation, Rail transportation, Inland navigation, Other transportation
<b>Services</b>	Communication services, financial services, other services	Residential and other sectors, Solid waste disposal on land, Waste incineration, Other waste handling

Source: Trinomics based on EDGAR and economic modelling results

In the **second step**, the expected output growths (for the conservative and ambitious scenarios) from the economic modelling results were aligned with the new sector definition. The output growth of a certain environmental analysis sector (e.g. Agriculture – meat and dairy) was set equal to the weighted average output growth of all corresponding economic modelling sectors (e.g. bovine meat, other animal products, other meat, dairy). The weights were defined as the share of output in 2030 of a certain economic modeling sector (e.g. bovine meat) in the sum of outputs values of all economic modeling sectors (e.g. bovine meat, other animal products, other meat, dairy) corresponding to a certain environmental analysis sector (e.g. Agriculture – meat and dairy).

In the **third step**, the EDGAR emission data were distributed over the environmental analysis sector. This resulted in:

1. The 2012 baseline GHG emissions/air pollutants per environmental analysis sector; and
2. The expected output growth per environmental analysis sector.

For the GHGs, a **fourth step** was performed, in which the EDGAR emissions (which are only available until 2012) were updated based on emission projections from EPA to estimate the 2030 baseline emissions. EPA published emission projections for non-CO<sub>2</sub> GHGs, with the following details:

- Geographical scope: all countries in the world
- Period: 2015-2050
- Sectors: energy, industrial processes, agriculture and waste

Based on the EPA data, the percentage change in non-CO<sub>2</sub> emissions between 2010 and 2030 was calculated at a sector level (per country). The EDGAR 2010 emissions were then multiplied by the percentage change (indexed) in emissions in the relevant sector and country. The following sector matching was applied:

EPA sector	Environmental analysis sectors
<b>Agriculture</b>	(i) Agriculture - rise, (ii) agriculture – horticulture and (iii) agriculture – meat and dairy
<b>Industrial processes</b>	(i) Wood, paper, food, beverages, (ii) chemicals, rubber, plastic, (iii) petroleum, coal products (iv) metal products (v), non-metallic minerals and (vi) machinery, electronic equipment and other manufacture
<b>Energy</b>	(i) Coal mining, (ii) oil and gas, (iii) electricity and (iv) utility
<b>Average</b>	(i) Transport and (ii) services

It was chosen to use the EPA projections because it was deemed more robust to use projections from a single source for all countries (rather than country specific sources which each might rely on a different set of assumptions). In order to verify the robustness of this approach, a sensitivity analysis was performed by using emission projections from other sources (such as the third biennial reports to the UNFCCC), which did not lead to substantially different outcomes. This step resulted in the 2030 baseline emissions at sector level.

In the **fifth step**, the 2030 baseline emissions were multiplied with the expected output growth in the conservative and ambitious scenarios. The difference between the baseline 2030 emissions and the emissions in case of a conservative/ambitious FTA are defined as the effect of the FTA on the emissions/air pollutants in a certain environmental sector.

The quantitative analysis separates the scale effect, composition effect and total effect, which were calculated as follows:

1. Scale effect: national emissions in 2030 times overall output growth;
2. Composition effect: the sum of all environmental analysis sector effects (as described in this methodological note) minus the scale effect; and

Total effect: scale effect plus composition effect.

### **III. ANNEX III: STATE OF PLAY DESCRIPTIONS**

#### **III.1 Economic state of play**

New Zealand was the EU's 50th-largest trading partner for goods in 2017, while the EU was New Zealand's third largest trading partner after China and Australia. In 2017, the EU and New Zealand entered into a Partnership Agreement on Relations and Cooperation containing several economic and trade cooperation rules.

##### **Merchandise trade**

Total EU-NZ trade in goods amounted to nearly €8.9 billion in 2017. EU's imports from New Zealand (€ 3.7 billion in total) are largely dominated by agricultural products while EU's exports to New Zealand (€5.2 billion in total) mainly comprise manufactured goods (see Table III.1.1). Primary products account for almost three quarters (73.8 percent) of EU imports from New Zealand, followed by about one fourth of manufactures (23.9 percent) and relatively few other products (1.9 percent). Meat and fruit represent by far the most important sub-categories (43.4 percent) followed by beverages, spirits and vinegar (11.2 percent).

EU exports to New Zealand mainly comprise manufactured goods (85.9 percent), followed by primary products (11.3 percent). More than half of the EU's manufacturing exports to New Zealand are of machinery and transport equipment (53.7 percent), with pharmaceutical products, scientific instruments and plastics representing other significant product categories. New Zealand's applied tariffs on these imports from the EU are already low, suggesting limited scope from a tariff liberalization perspective.

##### **Agricultural products**

Trade in agricultural products is important in the EU-NZ trading relationship (see Table III.1.6). Agricultural products comprised 10.5 percent of the EU's total exports to New Zealand in 2017 (€546 million in value) but 68.7 percent of the EU's total imports from New Zealand (€2.5 billion in value). The EU was particularly reliant on the import of meat, edible fruits and beverages, spirits and vinegar from New Zealand in 2017. The EU's high trade deficit with New Zealand in agricultural products is despite the relatively high EU tariffs in this sector. This makes any negotiations on agriculture sensitive for the EU, despite the clear importance of this sector for New Zealand's exports to the EU.

At the same time, for EU exporters, New Zealand is an important market for several agricultural products, especially cereals and oilseeds. In fact, the share of EU's exports to New Zealand in New Zealand's total imports from the world exceeded 10 percent in 11 of the 24 HS2 products in 2017. For New Zealand farmers and food manufacturers, the EU is a particularly important export destination for live trees and plants, dairy produce, and ruminant meat. The share of EU's imports from New Zealand in New Zealand's total exports to the world also exceeded 10 percent in 11 of the 24 HS2 products in 2017.

Agriculture is thus an important factor in the EU-NZ trade and investment relationship, and hence in the FTA negotiations, especially for New Zealand. New Zealand has comparative advantages in several agricultural commodities, and many competitive product offers to the European market. Yet, New Zealand itself also has food trade limiting measures in place, such as foreign investment screening procedures, market-offer concentrations (i.e. Export State Trading) or virtual trade prohibitions by way of SPS measures. For the EU and given the size and general competitiveness of production in New Zealand, agriculture matters economically, but also socially (for rural and remote areas).

Agricultural production in New Zealand and the EU is fundamentally different both in terms of specific sector output and the regulatory framework. Except for wines and spirits, New Zealand exports would rather occur at the beginning of the food value chain, whereas the EU exports relatively more processed food specialties. Moreover, European wines and spirits, cheese and other products at the high end of the value chain enjoy growing

consumer demand and confidence in New Zealand. As a regulatory collateral, this might also explain New Zealand's sometimes considerable NTMs for human health reasons, further discussed below.

*Geographical Indications:* New Zealand has no bilateral GI agreement with the EU. However, the relevant provisions in the WTO TRIPS Agreement apply. At the regional level, under the *ASEAN-Australia-New Zealand FTA* (AANZFTA), the Parties recognize that GIs may also be protected through a trademark system (Art. 7.4). Furthermore, Article 10.5 in New Zealand's *Transpacific Strategic Partnership Agreement* with Brunei Darussalam, Chile and Singapore provides that GIs for wines and spirits listed in Annex 10.A are protected in the territories of the other Parties like under TRIPS-Art.22.1 "to the extent permitted by and according to the terms and conditions set out in their respective domestic laws".

At the level of domestic regulation, the *Geographical Indications (Wine and Spirits) Registration Act 2006* finally entered into force in 2017. It provides a regime for registering New Zealand place names (e.g., Marlborough, Hawkes Bay) as GIs, for wine or spirits. It also allows for foreign GIs for wines or spirits to be registered in New Zealand. Under New Zealand's domestic law, GIs may be protected under the Fair Trading Act 1986, the common law tort of "passing off" and through Trademark law. For example, non-French winemakers are prevented from labelling their sparkling wine with "Champagne". Special considerations apply to the use and registration of intellectual property that contains an element of Māori culture, for example, a Māori word, image, or design.<sup>7</sup>

*Market access:* The respective EU-NZ market access conditions are essentially determined by applied tariffs and, in addition, for certain New Zealand products, by tariff-rate quotas (TRQs).

*Tariffs:* Trade between the EU and NZ is distorted by tariffs, especially in the EU with an average applied MFN rate of 14.4 percent, while the WTO Trade Profiles show that the EU average simple MFN rates are 5.1 percent (10.7 percent for agricultural goods and 4.2 percent for non-agricultural goods).<sup>8</sup> New Zealand's applied non-ad valorem tariff rates in 2015 were 2.0 percent (1.4 percent for agricultural goods and 2.2 percent for non-agricultural goods). Hence, while trade liberalization will bring for all parties overall positive results, in some tariff-protected sectors serious market share impairments could result for EU producers.

*TRQs:* For more sensitive agricultural products the EU applies preferential tariffs or duty-free treatment but for limited quantities. Additional quantities are then subject to the MFN or a preferential but higher applied duty rate. Some of these TRQs were negotiated in the Uruguay Round, in order to safeguard so-called "current" and "minimum" market access. They appear in the WTO schedules of concessions of the EU and of New Zealand. Other EU TRQs appear in some of its FTAs, often as carveouts of its current access commitments.

The EU has many TRQs for beef, dairy, sugar and other imports. Some are open to all traditional suppliers, some others for preferential suppliers only. For preferential imports from New Zealand, the EU grants four TRQs at low or zero rates: Sheep and goat meat (227,854 tonnes), Butter (74,693 tonnes), Cheese for processing (4,000 tonnes), and Cheddar (7,000 tonnes).<sup>9</sup>

At a meeting of the WTO Agriculture Committee on 20 February 2018, Australia and New Zealand questioned the European Union's plan to release skimmed milk powder stocks onto the market. The European Commission replied that it had purchased skimmed milk powder from dairy farmers, resulting in the EU stocks reaching a total of 370,000 tonnes. Disposal

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<sup>7</sup> Source and information on the registration procedures at the Intellectual Property Office of New Zealand (IPONZ) (<https://www.iponz.govt.nz/about-ip/geographical-indications/the-gi-act/> seen on 2 April 2019)

<sup>8</sup> WTO Trade Profiles (<http://stat.wto.org/TariffProfile/WSDBTariffPFHome.aspx?Language=E>; 2 April 2019)

<sup>9</sup> SCHEDULE CLXXIII - EUROPEAN UNION, 1 December 2016 (document WT/Let/1220, WTO-certified version)



of these stocks would be made "in compliance with the commitments resulting from international agreements."<sup>10</sup>

New Zealand has WTO-scheduled TRQs only for Fresh Apples, Fresh Pears, and Hop cones. It has never opened those quotas i.e. it applies duty-free rates for unlimited quantities of imports under those tariff lines. Export subsidies (Budgetary Outlay and Quantity Reduction) were scheduled to be phased out by the year 2000. New Zealand also has other trade-limiting measures in place, such as market-offer concentrations (i.e. Export State Trading).

TRQs raise several issues in international negotiations. First, the allocation of WTO-enshrined TRQs in an FTA may come at the expense of third countries. A second potential conflict could arise from the preferential TRQ volumes. Moreover, most TRQ allocation methods – except "first come first served" – have been criticized as "non-automatic import licenses". Hence, assuming the EU would want to grant certain tariff concessions to New Zealand only in the form of TRQs, the relevant WTO anti-discrimination disciplines (e.g. GATT-Articles XIII and XXIV, Agreement on Import Licensing Procedures, others), as well as possible third country rights and claims, should be considered in the EU-NZ FTA negotiation as well, in order to avoid legal claims by third countries.

*Non-tariff measures:* While agricultural trade is in many instances facing high tariffs (MFN and applied), NTMs are often even more important. Moreover, NTMs based on health policies may amount to actual import prohibitions – unless successfully challenged in dispute settlement as NTBs.

One relevant benchmark in the EU-NZ negotiation would seem to be the *ASEAN-Australia-New Zealand Free Trade Agreement* (AANZFTA) dated 27 February 2009 and which entered into force for all countries in 2012. This goes less for tariffs which are traditionally quite low in most of these countries. But for several NTMs, for instance on risk assessment and certification the AANZFTA negotiation reached a "WTO Plus" result which the EU negotiators may want to keep in mind in order to ensure a level-playing field, namely for the EU's food exports.

Domestic production standards in New Zealand are seldom harmonized with or equivalent to EU standards. EU exports presently enjoy only two trade facilitating standard recognitions by way of Mutual Recognition Agreements (MRA): one for testing and conformity assessments, and the bilateral Veterinary Agreement in respect of sanitary measures applicable to trade in live animals and animal products. Existing cooperation takes place through meetings of senior official level Annual Trade Talks as well as the Agriculture Dialogue.

*Risk assessments:* Food Standards Australia New Zealand (FSANZ) conducts individual country risk assessments. In respect of EU suppliers and considering the Single Market regulations applying indiscriminately to all EU countries, this is surprising – and definitely a negotiations issue worth taking up with both Australia and New Zealand. In addition to these country reviews, the competent authorities in each country conduct a separate import risk assessment for each exporting country to address animal quarantine issues. Taken together, these risk assessment procedures significantly delay imports of bovine products. Moreover, they appear not to be fully aligned with, say, the BSE requirements of the OIE or the OIE's official status, namely for safe commodities, e.g. deboned meat.

In the eventuality of a successful conclusion of an EU-USA trade deal and the EU-Mercosur FTAs, Australia and New Zealand would remain the only countries among the top ten suppliers that would have to pay MFN tariff rates for wine in the EU.

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<sup>10</sup> WTO Secretariat dated 20 February 2018, at [https://www.wto.org/english/news\\_e/news18\\_e/agcom\\_23feb18\\_e.htm#documents](https://www.wto.org/english/news_e/news18_e/agcom_23feb18_e.htm#documents) (2 April 2019)

Under the present circumstances tariff reductions are a key requirement for a successful FTA. Nevertheless, the ironing out of the remaining standard differences acting as NTMs with the new FTAs should be a top priority. Chances for this negotiation are good despite earlier, less successful attempts. In the meantime, both the EU and New Zealand have already concluded several MRAs with other countries such as the USA, or Canada. The two EU-NZ FTA could therefore at least partly close a triangle, including for trade in intermediary products, for instance milk powder, or hazelnuts for organic chocolate production. Moreover, under different FTAs and within their own Customs Union, New Zealand is engaged in ambitious “WTO Plus” programmed of standard harmonization and regulatory cooperation, namely for sanitary standards and technical trade barriers. For food standards, MRAs could also be envisaged for certification processes – even where the three parties will continue to diverge fundamentally, such as on GMOs and growth hormones for beef, and (more recently) pork (Ractopamine).

Even a summary listing and description of the main NTMs applying to EU exports to New Zealand shows important negotiating issues. They are listed here in order of importance to concerned stakeholders.

- Human and animal health protection measures, biodiversity and biosecurity measures, and strict import certification procedures by at least two government agencies. For instance, the EU sees an important trade barrier in the fact that, for animal health reasons, all pork meat imports must be cooked (Pork Biosecurity Import Risk Assessment). One reason for this requirement is several diseases absent in Australia and New Zealand but allegedly endemic in some European countries. Similarly, for poultry meat import procedures.
- Important trade barriers remaining for fresh fruits and vegetable exports from Europe. This problem is exacerbated by the absence of binding, multilateral phytosanitary standards for plant health.
- Import approval procedures for each EU member state are considered as additional trade barriers, unnecessary in view of the Single Market common standards, and cumbersome especially when deviating without justification from relevant Codex and OIE rules.

*Subsidies:* Domestic farm policies may have a trade impact, especially if they involve price or product support measures. No FTA so far has established disciplines limiting such agricultural support beyond the present WTO rules and limits. This means that the EU FTA with New Zealand is unlikely to act as an external constraint on agricultural policy space for the trading partners – including by way of structural adjustment support possibly arising as a result of future market developments, or as required by the implementation of the Paris Agreement on Climate Change. It is perhaps worth noting that agriculture contributes to 48 percent of New Zealand’s total GHG emissions. Agriculture thus being the single biggest source of CO<sub>2</sub> emissions in New Zealand. This raises the question on how the government intends to mitigate climate change in this sector. Regardless of such plans, to be announced in the context of New Zealand’s Nationally Determined Contribution, trade-impacting NTMs and subsidies can always be addressed in the appropriate joint committees, after the conclusion of the FTA.

*FDI incentives and restrictions:* In both the EU and New Zealand, foreign investment is welcome in the food processing industry, for instance dairy. The *Dairy Industry Restructuring Act 2001* does restrict who may hold shares in certain co-operatives in the dairy sector, and this regime may not be amended without the consent of the responsible Minister. However, New Zealand approved the sale of its largest family-owned dairy business to a Chinese company. Its biggest dairy company Fonterra has investments in three EU countries. Europeans invest in New Zealand’s agricultural businesses. The recently announced divestment of Fonterra’s stake in the Dutch company Friesland Campina may not be related to regulatory obstacles.<sup>11</sup>

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<sup>11</sup> Jim Cornall, Fonterra issues financial results and announces potential divestments. *in* Dairy Reporter.com dated 21 March 2019



For investment policies in respect of the food value chain, there would probably be only few problems. If the negotiators do not want to fundamentally alter the regulatory framework for agricultural investments in the investment chapter of their FTA, a clearer understanding on the line between the primary and secondary sector might be advisable. This should also include a relaxation of screening limits in New Zealand's foreign investment regulation. Indeed, an understanding on where agricultural FDI is welcome might increase two-way food investments – not least for exports to third markets like China.

Perhaps not a serious negotiating issue for the EU, but nonetheless worth mentioning, is the *exclusion of tobacco* from international arbitration under the TPPA/CPTPP. This *tobacco carveout* seems to be spreading to new trade and investment agreements entered into by Australia and New Zealand. While Australia has replaced the carveout with a broader *public health exclusion* in its new FTA with Indonesia, an explicit carveout appears to be included in the even more recent FTA/IIA with Singapore. It also continues to figure in the revised Australia-Hong Kong Investment Agreement (their original investment agreement was the source of the plain packaging investment complaint in various tribunals including in the WTO).<sup>12</sup>

### **Services trade**

Total EU-NZ services trade in 2017 amounted to €4.7 billion (see Table III.1.2). The EU is the third largest export destination for New Zealand's services (after Australia and the US) and the second largest source of services imports. EU's largest services import from New Zealand in 2017 was travel services, which accounted for 58.5 percent of the EU's total services imports from New Zealand. EU's largest service exports to New Zealand in 2017 were transport and travel services which together accounted for nearly three-fourths of EU service exports to New Zealand.

### **Investment**

The EU is the second largest source of FDI in New Zealand; it is also New Zealand's third largest destination for direct investment abroad. The stock of EU inward FDI in New Zealand amounted to €6.6 billion in 2017, while the stock of New Zealand's investment in the EU was €1.9 billion (see Table III.1.3).

The main investment barrier EU investors face in New Zealand are stricter investment screening thresholds compared to investors from other countries (e.g. the US, China, and the CPTPP member states) that have already concluded FTAs with New Zealand. In 2005 the Overseas Investment Act (OIO) entered into force, which regulates foreign investments by foreign natural and legal persons that want to invest in New Zealand with more than 25 percent foreign owned investments. Investments in New Zealand's sensitive land, significant business assets and fishing quota must obtain consent from the Overseas Investment Office (OIO) before they do so. A revision to the Act in 2018 means that residential land is also now sensitive land.

To gain consent, investments from overseas investors must usually deliver benefits over and above those that a likely New Zealand investor would deliver. These benefits can be economic, such as additional jobs or improved market access, but can also include other benefits such as providing walking access, undertaking pest control, protecting and enhancing indigenous fauna and vegetation. There is less demanding criteria for overseas people wanting consent to buy a home and live in it, or develop residential land, and also for certain forestry investments.

Consent decisions are made by Ministers, with advice from the Office, or by the Office itself, under delegation from ministers.

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<sup>12</sup> Simon Lester, Tobacco Etc. Carveout in the New Australia-Hong Kong Investment Agreement. *in* International Economic Law and Policy Blog dated 30 March 2019

### *Thresholds of the Overseas Investment Regulations 2005*

The thresholds for 2018 were:

- NZ\$516 million, if the investor is an Australian non-government investor; and
- NZ\$108 million, if the investor is an Australian government investor.
- Foreign investors (overseas natural persons and legal persons) need to apply to OIO for consent if they wish to acquire:
  - Sensitive land (not including residential land) or an interest in sensitive land (e.g. by buying shares in a company that owns sensitive land), or
  - Business assets worth more than \$100 million, or
  - Fishing quota or an interest in fishing quota.

A company incorporated outside New Zealand is an overseas person regardless of who owns or controls it. Measuring ownership or control interest is relevant to determining if a company, trust, partnership or unincorporated joint venture requires consent to invest in sensitive New Zealand assets.

Consent may be required for:

- A transaction by an overseas person to acquire 25 percent (or more) ownership or control interest
- A transaction to acquire less than 25 percent ownership or control interest if the aggregated ownership or control interest of unrelated overseas persons is 25 percent (or more)
- The loan of money by an overseas person to a New Zealand individual or entity that invests in New Zealand.

### *Forestry assets*

Overseas investments in freehold or leasehold land which is in forest or to be converted to forest require consent. The changes extended this requirement to investments in more than 1,000 hectares of forestry rights in any year. Forestry rights are different to other investments as they do not involve the sale of the land, but the right to grow and harvest the crop. You can purchase up to 1,000 hectares of forestry rights per calendar year, or any forestry right of less than three years duration, without approval. The changes introduced two new consent pathways for forestry investments (including freehold land and forestry rights). One of these is a modified version of the existing benefit test. They also extended the overseas investment regime to cover non forestry profits a prendre (rights to take).

The Overseas Investment Amendment Act 2018 came into force on 22 October 2018. The changes prevent certain overseas people from buying residential property in New Zealand. With some exceptions for Australian and Singaporean citizens, anyone who is not a New Zealand citizen or is not 'ordinarily resident' in New Zealand, is an overseas person.

### **Tariffs and NTMs**

Table III.1.4 reports applied (AHS), bound (BND) and MFN tariffs, simple averages, in EU-NZ trade by HS2 Chapters. New Zealand has the highest bound tariffs on textiles and clothing; agricultural products; and machinery and transport equipment; but its applied tariffs on EU imports are much lower, except in textile and clothing where these are close to 10 percent. In contrast, the EU imposes high tariffs on several New Zealand imports including agricultural products and textiles and clothing.

EU-NZ also have a bilateral agreement for mutual recognition of certain technical certificates, covering medicine products and devices, telecommunication equipment, low voltage equipment, machinery and pressure equipment. The two countries also concluded a veterinary agreement to simplify trade in live animals and animal products in 2003; the agreement was updated in 2015.

Table III.1.5 reports the services trade restrictions indices from the OECD for the EU and New Zealand. On average, the EU is slightly more restrictive in its services trade policy than New Zealand, with an average overall STRI of 0.22 relative to 0.21 for New Zealand. The EU's services trade policy is particularly restrictive in air transport and legal services,

while New Zealand is the most restrictive in air transport services. The latter sector is therefore important from a liberalization perspective, also given the importance of transport services in EU's services trade with New Zealand.

### **Small- and Medium Sized enterprises**

The EC defines SMEs as follows: "The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million." (EC, 2016). A SME is thus categorized based on three factors: level of employment, level of turnover, and size of the balance sheet.

SMEs are the backbone of the EU economy. Based on the definition, there were 24.5 million SMEs active in the non-financial business sector across in 2017, which represents 99.8 percent of all non-financial businesses. SMEs employ approximately 66.4 percent of the total EU-28 employment, which amounts up to 90 million employees. SMEs also create 56.8 percent of the value added generated by the non-financial sector. In contrast, large enterprises in the EU-28 accounted for 46,547 enterprises, 47.9 million employees and 43.2 percent of the value added.

SMEs can be divided into five main business sectors: accommodation and food services, business services, construction, manufacturing, and wholesale and retail trade. Following Eurobarometer's SME survey of 2015 (fieldwork: June 2015), the majority are working in retail (42 percent) or the service sectors (36 percent). About 8 percent are working in manufacturing, with a slightly larger proportion in the industry sector (14 percent).

In 2017, SMEs continued to grow at a moderate rate. SMEs generated an average increase of 3.5 percent in the value added and an average increase of 2.0 percent in employment. In contrast, in 2016 these figures were at 1.5 percent and 2.3 percent respectively. For 2019, SMEs are forecasted to continue to grow. The SMEs value added is estimated to increase by 4.3 percent. SMEs employment in is also expected to grow by 1.3 percent in 2019. On the member country basis, all member states expect their SMEs value added and employment to grow.

The official size class definition of SMEs in the EU differs from that applied in New Zealand. In New Zealand, there is no official definition of a SME business. However, New Zealand has traditionally used the following definition in regulations: SMEs are generally defined as businesses with 50 or fewer employees.

SMEs are the backbone of New Zealand's economy. Based on the definition there were 522,654 SMEs in 2018, which represents approximately 97 percent of all businesses. SMEs employ approximately 29 percent of the total employment, which amounts up to 631,200 employees. The SMEs generate 28 percent of New Zealand's GDP. (Government of New Zealand, Ministry of Business, Innovation and Employment, 2018). 97 percent of the businesses in New Zealand have less than 20 employees. This large number in small SMEs can be explained with the high establishing rate of small SMEs, as 33 percent of firms with 1-19 employees have existed for five or less years. Additionally, SMEs in New Zealand have a survival rate of approximately 51.4 percent.

The majority of SMEs is active in the following business sectors: construction, accommodation and food services, primary industries, retail trade. The majority work in construction (12.8 percent), accommodation and food services (11.7 percent), primary industries (10.8 percent), and retail trade (9.9 percent).

For a great number of manufactured products ranging from wood products to machinery and electrical components, New Zealand applies different customs procedures. Although tariffs are already generally low for most manufacturing products, the obligation to fulfil complex customs procedures is a particular obstacle for EU SMEs. In addition, New Zealand regulators require specific product conditions and requirements for many manufactured products including wood products, textiles, chemical and (electrical) machinery products

and such regulations are generally more difficult to fulfil by SMEs compared to large enterprises.

### **Least Developed Countries**

LDCs represent the world's poorest states, which account for less than 2 percent of the global economy, for 1 percent of global trade in goods, and for less than 1 percent of global trade in services. Trade between the EU and African, Caribbean and Pacific (ACP) countries accounts for more than 5 percent of EU imports and exports, approximately €23.5 billion, making the EU a major trade partner for the majority of LDCs. LDCs export mostly agricultural goods, commodities, and transformed goods to the EU. The EU believes that it is required to support LDCs in their growth to enable these countries to benefit from international trade. The EU has signed 28 EPAs with the majority of ACP countries and also has 23 countries in the ACP region benefitting from a standard GSP agreement, 10 countries in the ACP, European and South American region benefitting from a GSP+ arrangement, and 49 countries in the ACP and Caribbean region benefitting from a Everything but Arms (EBA) agreement. In 2013, the EU provided €3 billion in Aid for Trade to LDCs through the European Development Fund, Development Cooperation Instrument, and the European Neighbourhood & Partnership Instrument. The EU also helps exporters in LDCs via its Trade Helpdesk, International Trade Centre, and Small Traders Capacity Building program.

In 2017, the total value of exports of LDCs to New Zealand amounted to €123.6 million, making New Zealand a rather small market for LDCs. However, over the course of the past years New Zealand's imports from LDCs has increased mainly due to higher imports of textile-related and oil. New Zealand believes that it is required to support LDCs in their growth to enable these countries to benefit from international trade. New Zealand currently has granted 48 standard GSPs to LDCs. To ensure the sound implementation of domestic policies and reforms to stimulate growth and development, New Zealand established the Official Development Assistance (ODA). The ODA is an aid expenditure for LDCs and is determined on yearly basis as a percentage of the country's Gross National Income (GNI). In 2017, New Zealand funded a total amount of €547 million, which represented roughly 0.23 percent of New Zealand's GNI. Since 2011, approximately 59 percent of the aid expenditure flows to LDCs in the Pacific, 17 percent to Asia, 3 percent to Africa, and 1 percent to Latin America and the Caribbean. The remaining 20 percent is designated for multilateral development efforts. The Aid for Trade budget represents roughly 30 percent of the country's total aid funding

### **EU Outermost regions**

Several EU Member States have parts of their territory situated in areas around the world, very distant from the European continent. These areas are known as outermost regions (ORs). The EU currently has nine outermost regions located around the globe and these include five French overseas departments (Martinique, Mayotte, Guadeloupe, French Guiana and Réunion), one French overseas community (Saint-Martin), two Portuguese autonomous regions (Madeira and Azores), and one Spanish autonomous community (the Canary Islands). ORs deal with a variety of challenges and issues in regard to future development potential caused by the region's geographical characteristics and economic dependency. Geographical characteristics, specifically distance, insularity, small size, challenging topography and climate, as well as economic features, in particular dependency on agricultural products and natural resources, can constraint the ability of ORs to improve their sustainable, inclusive and stable future growth. In terms of the GDP per capita as a percentage of the EU average (EU=100), all of the ORs are below 100 percent: Martinique (77.03 percent), Mayotte (30.75 percent), Guadeloupe (73.1 percent), French Guiana (58.4 percent), Réunion (69.92 percent), Saint-Martin (n.a.), Madeira (73.39 percent), Azores (69.2 percent), and the Canary Islands (78.2 percent). As the ORs represent a vital part of the EU, it is of high interest to the EU to support and improve the process of economic and social development in these regions.

To do so, the EU implemented specific measures and policies in October 2017 under the Commission Communication (COM (2017)0623). The objective of the strategy is to build a stronger and sustainable partnership with the ORs in order to improve the region's

competitiveness, level of innovation, and cooperation with neighboring countries. To achieve this goal, the European strategy aligns with four main pillars: a new governance model based on strong partnership, building on OR assets, enabling growth and job creation, and scaling up cooperation. The strategy also aims to improve current trade and customs policies, fiscal policy, free zones, agriculture and fisheries policies, and the supply of raw materials and consumer goods. For the period 2014 to 2020, the EU has allocated a total of €13.3 billion in structural and investment funds to the ORs through the European Regional Development Fund, European Social Fund, European Agricultural Fund for Rural Development, European Agricultural Guarantee Fund, and European Maritime and Fisheries Fund.

### **Overseas countries and territories**

OCTs are not the same as ORs as OCTs are constitutionally linked to several EU Member States. Although OCTs are not sovereign countries, they are able to exercise a certain level of autonomy in regard to economic affairs, employment market, public health, home affairs and customs. EU's OCTs do not form part of the EU territory and the EU single market, yet they are required to comply with regulations and obligations enforced on third countries. The obligations include policies concerned with trade, rules of origin regulations, health and plant health standards, as well as safeguard measures. Currently, the EU has 25 OCTs which are linked to the countries Denmark, France, the Netherlands, and the United Kingdom. These OCTs include Anguilla (UK), Aruba (NL), Bermuda (UK), Bonaire (NL), British Antarctic Territory (UK), British Indian Ocean Territory (UK), British Virgin Islands (UK), Cayman Islands (UK), Curaçao (NL), Falkland Islands (UK), French Polynesia (FR), French Southern -and Antarctic Territories (FR), Greenland (DK), Montserrat (UK), New Caledonia and Dependencies (FR), Pitcairn (UK), Saba (NL), Saint Barthelemy (FR), Sint Eustatius (NL), Sint Maarten (NL), South Georgia and South Sandwich Islands (UK), Saint Helena, Ascension Island, Tristan da Cunha (UK), St. Pierre and Miquelon (FR), Turks and Caicos Islands (UK), and Wallis and Futuna Islands (FR).

As the OCTs represent a vital part of the EU, it is of high interest to the EU to support and improve the process of economic and social development in these regions. In order to do so, the EU's association, including the detailed rules and procedures, with the OCTs are clearly defined in Part IV of the Treaty of the Functioning of the European Union and in the Council Decision 2013/755/EU. Additionally, Article 355 of the Treaty of Lisbon enables the European Council to amend the current status of an OCT, without having to amend the agreement. For the period 2014 to 2020, the EU has allocated a total of €364.5 million in structural and investment funds to the OCTs through the EU budget, the 11th European Development Fund, and the European Investment Bank's EDF Fund. The total investment allocation to OCTs consists of €229.5 million for territorial allocations, €100 million for regional cooperation and integration, €21.5 million serves as a reserve for humanitarian and emergency assistance under Envelope B, €5 million for interest subsidies financing, and €8.5 million for studies and technical assistance.

New Zealand currently has four OCTs located around the globe. These OCTs are the Ross Dependency, Tokelau, Cook Islands, and Niue. The Ross Dependency represents New Zealand's Antarctic territorial claims and thus has no permanent inhabitants, Tokelau is a dependent territory, while Cook Islands and Niue are associated states of New Zealand. As the OCTs represent a vital part of New Zealand, it is of high interest to the country to support and improve the process of economic and social development in these regions. To do so, the country has initiated bilateral and regional development programmes with these territories. Through the bilateral programmes, Tokelau received €35.7 million, Cook Islands received €37.4 million, and Niue received €35.2 million in 2015 to 2018. Additionally, the regional programmes allocated a total of €299.4 million to the Pacific region via the Pacific Economic Development programme, Pacific High Commissions Fund, Pacific Human Development programme, Pacific Regional Agencies, and Pacific Transformational Fund for the years 2015 to 2018. The funds are intended to be allocated in order to support the 12 main investment priorities: renewable energy, agriculture, ICT, economic governance, law and justice, health, fisheries, tourism, trade and labour mobility, education, resilience, and humanitarian response. In the year 2017, exports of nuclear reactors, boilers, machinery accounted for 8 percent of total EU OCT exports to New Zealand (see Table III.1.7). This

is also a major EU export to New Zealand, which suggests that EU OCT exports of nuclear reactors, boilers, machinery to New Zealand may be adversely affected by preferential liberalization under the EU-NZ FTA.

Table III.1.1: EU's merchandise trade with New Zealand by HS2 Chapter (2010, 2017, values and % shares)

Product description	Value (€ mln)				Share of total trade (%)				Share of total EU trade (%)			
	Export		Import		Export		Import		Export		Import	
	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
Aircraft, spacecraft, and parts the	36.5	87.9	6.1	4.8	1.3	1.7	0.2	0.1	0	0.1	0	0
Albuminoidal substances; modified s	8.6	16.1	109.1	142.3	0.3	0.3	3.4	3.9	0.1	0.1	1.7	1.5
Aluminum and articles thereof	19.5	20.4	62.6	48.7	0.7	0.4	2	1.3	0	0	0.1	0.1
Animal or vegetable fats and oils a	12.6	37.3	6.1	6.7	0.5	0.7	0.2	0.2	0.1	0.2	0	0
Arms and ammunition; parts and ...	5.7	19.9	0.2	0.6	0.2	0.4	0	0	0.2	0.5	0	0
Articles of apparel and clothing ac	15.9	51.3	2.6	3.5	0.6	1	0.1	0.1	0	0	0	0
Articles of iron or steel	39.5	90.1	14.2	10.4	1.5	1.7	0.4	0.3	0	0.1	0	0
Articles of leather; saddlery and h	3.8	8.8	0.5	0.7	0.1	0.2	0	0	0	0	0	0
Articles of stone, plaster, cement,	16.3	25.5	10.0	10.6	0.6	0.5	0.3	0.3	0.1	0.1	0.1	0.1
Beverages, spirits and vinegar	52.9	89.4	274.7	412.7	1.9	1.7	8.6	11.2	0.1	0.1	1	1.1
Carpets and other textile floors	2.9	7.9	0.5	0.7	0.1	0.2	0	0	0.1	0.2	0	0
Ceramic products	15.2	27.6	0.3	0.2	0.6	0.5	0	0	0.1	0.2	0	0
Cereals	1.1	13.6	9.7	12.2	0	0.3	0.3	0.3	0	0.1	0.1	0.1
Clocks and watches and parts	1.3	1.6	0.0	0.4	0	0	0	0	0	0	0	0
Cocoa and cocoa preparations	12.8	22.8	0.2	0.4	0.5	0.4	0	0	0.1	0.1	0	0
Coffee, tea, mate and spices	3.5	5.9	0.2	0.4	0.1	0.1	0	0	0.1	0.1	0	0
Commodities not specified according	28.2	50.1	27.7	40.1	1	1	0.9	1.1	0	0.1	0	0.1
Copper and articles thereof	9.2	10.0	2.9	7.8	0.3	0.2	0.1	0.2	0	0	0	0
Cork and articles of cork	1.3	1.0	0.3	0.0	0	0	0	0	0.1	0.1	0	0
Cotton	2.4	1.9	0.2	0.1	0.1	0	0	0	0	0	0	0
Dairy produce; birds' eggs; natural	8.3	73.2	224.4	141.2	0.3	1.4	7.1	3.8	0	0.2	0.8	0.4
Edible fruit and nuts; peel of citrus	2.1	4.2	391.8	570.7	0.1	0.1	12.3	15.6	0	0	1.3	1.3
Edible vegetables and certain roots	1.0	4.9	55.0	54.2	0	0.1	1.7	1.5	0	0	0.3	0.2
Electrical machinery and equipment	269.5	280.5	76.8	94.2	9.9	5.4	2.4	2.6	0.1	0.1	0	0
Essential oils and resinoids; perfume	48.0	45.0	5.3	8.8	1.8	0.9	0.2	0.2	0.1	0.1	0	0
Explosives; pyrotechnic products; m	2.2	2.7	0.1	0.0	0.1	0.1	0	0	0.2	0.2	0	0

	Value (€ mln)				Share of total trade (%)				Share of total EU trade (%)			
	Export		Import		Export		Import		Export		Import	
Product description	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
Fertilizers	12.0	19.6	0.4	0.4	0.4	0.4	0	0	0.1	0.2	0	0
Fish and crustaceans, molluscs and	0.4	1.9	91.1	129.7	0	0	2.9	3.5	0	0	0.4	0.4
Footwear, gaiters and the like; par	13.2	23.4	4.8	2.3	0.5	0.5	0.2	0.1	0.1	0.1	0	0
Furniture; bedding, mattresses, mat	38.6	81.9	8.8	14.6	1.4	1.6	0.3	0.4	0.1	0.1	0	0
Fur skins and artificial fur; man...	0.4	0.4	0.8	0.8	0	0	0	0	0	0	0.1	0.1
Glass and glassware	18.5	28.8	1.4	1.2	0.7	0.6	0	0	0.1	0.1	0	0
Headgear and parts thereof	1.2	2.7	1.4	1.8	0	0.1	0	0	0.1	0.1	0.1	0.1
Impregnated, coated, covered or lam	5.6	5.7	2.8	3.4	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Inorganic chemicals; (in)organic	7.4	6.9	0.2	0.2	0.3	0.1	0	0	0	0	0	0
Iron and steel	19.2	23.4	10.7	1.9	0.7	0.4	0.3	0.1	0	0	0	0
Knitted or crocheted fabrics	1.8	3.5	0.3	0.2	0.1	0.1	0	0	0.1	0.1	0	0
Lac; gums, resins and other vegetables	2.3	3.1	1.0	1.0	0.1	0.1	0	0	0.1	0.1	0.1	0
Lead and articles thereof	0.3	0.1	0.1	0.0	0	0	0	0	0	0	0	0
Live animals; animal products	5.1	1.2	0.8	0.5	0.2	0	0	0	0.1	0	0	0
Live trees and other plants; bulbs,	3.2	6.0	8.2	8.9	0.1	0.1	0.3	0.2	0	0	0.1	0.1
Man-made filaments	6.1	5.4	0.4	0.2	0.2	0.1	0	0	0.1	0.1	0	0
Man-made staple fibers	6.3	3.6	0.2	0.2	0.2	0.1	0	0	0.1	0.1	0	0
Manufactures of straw	0.1	0.0	0.0	0.0	0	0	0	0	0	0	0	0
Meat and edible meat offal	20.3	77.4	1113.8	1020.5	0.7	1.5	35	27.8	0.1	0.2	3.6	2.6
Mineral fuels, mineral oils and pro	5.0	14.4	0.3	0.1	0.2	0.3	0	0	0	0	0	0
Miscellaneous articles of base meta	25.9	37.3	1.7	1.2	1	0.7	0.1	0	0.1	0.1	0	0
Miscellaneous chemical products	55.6	72.6	3.4	4.5	2	1.4	0.1	0.1	0.1	0.1	0	0
Miscellaneous edible preparations	27.1	40.0	2.5	6.0	1	0.8	0.1	0.2	0.1	0.1	0	0
Miscellaneous manufactured articles	5.4	5.8	0.4	0.4	0.2	0.1	0	0	0.1	0.1	0	0
Musical instruments; parts and accessories	1.7	2.5	0.1	0.4	0.1	0	0	0	0.1	0.1	0	0



Product description	Value (€ mln)				Share of total trade (%)				Share of total EU trade (%)			
	Export		Import		Export		Import		Export		Import	
	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
Natural or cultured pearls, precious stones	8.8	10.2	2.0	9.3	0.3	0.2	0.1	0.3	0	0	0	0
Nickel and articles thereof	0.2	0.4	0.0	0.1	0	0	0	0	0	0	0	0
Nuclear reactors, boilers, machinery	543.0	1245.0	77.3	107.0	20	24	2.4	2.9	0.1	0.2	0	0
Oil seeds and oleaginous fruits; mi	7.3	21.8	39.5	67.8	0.3	0.4	1.2	1.8	0.1	0.2	0.3	0.3
Optical, photographic, cinematography	122.1	179.2	75.7	131.9	4.5	3.5	2.4	3.6	0.1	0.1	0.1	0.1
Ores, slag and ash	0.0	0.3	0.9	1.0	0	0	0	0	0	0	0	0
Organic chemicals	42.3	31.2	3.8	25.7	1.6	0.6	0.1	0.7	0	0	0	0
Other base metals; cermets; article	1.0	0.7	0.2	0.2	0	0	0	0	0	0	0	0
Other made up textile articles; set	5.9	7.6	2.3	5.2	0.2	0.1	0.1	0.1	0.1	0.1	0	0
Other vegetable textile fibers; pap	1.4	2.0	0.0	0.0	0.1	0	0	0	0.2	0.2	0	0
Paper and paperboard; articles of p	77.4	91.0	5.0	1.1	2.9	1.8	0.2	0	0.1	0.1	0	0
Pharmaceutical products	195.9	285.1	46.2	76.6	7.2	5.5	1.5	2.1	0.1	0.1	0	0
Photographic or cinematographic goo	3.0	7.1	0.1	0.0	0.1	0.1	0	0	0.1	0.2	0	0
Plastics and articles thereof	118.7	176.0	16.3	43.2	4.4	3.4	0.5	1.2	0.1	0.1	0	0
Preparations of cereals, flour	13.5	26.7	6.5	6.5	0.5	0.5	0.2	0.2	0.1	0.1	0	0
Preparations of meat, of fish	1.0	2.7	9.2	31.9	0	0.1	0.3	0.9	0	0	0.1	0.2
Preparations of vegetables, fruit,	17.6	33.6	1.5	1.4	0.6	0.6	0	0	0.1	0.1	0	0
Prepared feathers and down	0.2	0.4	0.2	0.4	0	0	0	0	0	0.1	0	0
Printed books, newspapers, pictures	23.1	23.5	2.7	1.2	0.8	0.5	0.1	0	0.1	0.1	0	0
Products of animal origin, not else	0.7	2.5	25.9	26.5	0	0	0.8	0.7	0	0.1	1	0.7
Products of the milling industry; m	3.2	8.2	0.2	0.4	0.1	0.2	0	0	0.1	0.1	0	0
Pulp of wood	0.9	0.9	3.2	4.6	0	0	0.1	0.1	0	0	0	0
Railway or tramway locomotives	1.7	3.2	0.0	0.4	0.1	0.1	0	0	0	0	0	0
Raw hides and skins (other than furs	1.5	1.7	97.3	117.4	0.1	0	3.1	3.2	0	0	1.4	1.3
Residues and waste from the food in	8.8	22.0	7.7	14.1	0.3	0.4	0.2	0.4	0.1	0.1	0	0.1

	Value (€ mln)				Share of total trade (%)				Share of total EU trade (%)			
	Export		Import		Export		Import		Export		Import	
Product description	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
Rubber and articles thereof	25.0	36.7	2.8	6.7	0.9	0.7	0.1	0.2	0.1	0.1	0	0
Salt; sulphur; earths and stone; pl	1.2	3.4	1.7	2.2	0	0.1	0.1	0.1	0	0	0	0
Ships, boats and floating structure	32.7	29.1	55.7	12.4	1.2	0.6	1.8	0.3	0.1	0.1	0.2	0.1
Silk	0.3	0.1	0.0	0.0	0	0	0	0	0.1	0	0	0
Soap, organic surface-active agents	14.1	20.6	0.5	2.8	0.5	0.4	0	0.1	0.1	0.1	0	0
Special woven fabrics; tufted textiles	2.0	2.7	0.1	0.2	0.1	0.1	0	0	0.1	0.1	0	0
Sugars and sugar confectionery	5.9	40.4	4.8	5.0	0.2	0.8	0.2	0.1	0.1	0.4	0.1	0
Tanning or dyeing extracts; tannins	23.8	38.8	2.0	3.2	0.9	0.7	0.1	0.1	0.1	0.1	0	0
Tin and articles thereof	0.2	1.5	0.0	0.0	0	0	0	0	0	0.2	0	0
Tobacco and manufactured tobacco	0.9	6.5	0.0	0.0	0	0.1	0	0	0	0	0	0
Tools, implements, cutlery, spoons	16.2	23.1	1.7	2.7	0.6	0.4	0.1	0.1	0.1	0.1	0	0
Toys, games and sports requisites;	19.4	18.3	3.5	5.2	0.7	0.4	0.1	0.1	0.1	0.1	0	0
Umbrella, sun umbrellas, walking sticks	0.3	0.8	0.0	0.1	0	0	0	0	0.1	0.2	0	0
Vegetable plaiting materials; vegetables	0.0	0.0	0.4	0.4	0	0	0	0	0	0	0.2	0.1
Vehicles other than railway or tram	438.5	1260.7	8.3	8.4	16.1	24.3	0.3	0.2	0.1	0.2	0	0
Wadding, felt and nonwovens;	8.4	12.3	2.0	2.1	0.3	0.2	0.1	0.1	0.1	0.1	0	0
Wood and articles of wood;	18.6	31.9	23.7	44.3	0.7	0.6	0.7	1.2	0.1	0.1	0.1	0.1
Wool, fine or coarse animal hair;	2.0	2.8	105.4	119.3	0.1	0.1	3.3	3.3	0.1	0.1	2.9	2.8
Works of art, collectors' pieces	5.2	4.2	6.4	6.8	0.2	0.1	0.2	0.2	0.1	0	0.1	0.1
Zinc and articles thereof	0.1	0.6	0.0	0.3	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2716</b>	<b>5185</b>	<b>3179</b>	<b>3668</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0.07</b>	<b>0.1</b>	<b>0.08</b>	<b>0.07</b>

Source: UN Comtrade ; own calculations

Table III.1.2: EU's services trade with New Zealand by EBOPS 2010 sector (2010, 2017, values and % shares)

	Value (€ mln)				Share of total trade (%)				Share of total EU trade (%)			
	Export		Import		Export		Import		Export		Import	
	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
Manufacturing services on physical inputs owned by others	14.7	5.8	1.9	1.6	0.7	0.2	0.2	0.1	0	0	0	0
Maintenance and repair services n.i.e.	21.0	62.4	2.1	11.3	1	2.1	0.2	0.6	0.2	0.2	0	0
Transport	796.5	992.7	342.6	442.6	39.3	33.2	27.9	24.1	0.3	0.3	0.1	0.1
Travel	418.4	882.1	618.1	1075.1	20.6	29.5	50.3	58.5	0.2	0.2	0.2	0.3
Construction	5.5	16.8	14.1	3.6	0.3	0.6	1.1	0.2	0	0.1	0.1	0
Insurance and pension services	112.1	12.3	16.6	3.7	5.5	0.4	1.4	0.2	0.3	0	0.1	0
Financial services	115.4	150.8	10.2	25.3	5.7	5	0.8	1.4	0.1	0.1	0	0
Charges for the use of intellectual property n.i.e	53.4	114.7	18.5	26.9	2.6	3.8	1.5	1.5	0.1	0.1	0	0
Telecommunications, computer, and information services	159.3	274.3	52.2	56.1	7.9	9.2	4.2	3.1	0.1	0.1	0.1	0
Other business services	260.1	391.2	137.3	174.2	12.8	13.1	11.2	9.5	0.1	0.1	0	0
Personal, cultural, and recreational services	7.0	5.5	4.7	8.5	0.3	0.2	0.4	0.5	0	0	0	0
Government goods and services n.i.e.	61.1	11.6	4.3	4.2	3	0.4	0.3	0.2	0.4	0.1	0	0
<b>SERVICES</b>	<b>2027.6</b>	<b>2990.7</b>	<b>1230.0</b>	<b>1838.9</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

Source: OECD Stat; own calculations

Table III.1.3: EU's FDI flows and stocks in and from New Zealand (2017, values and % shares)

	Value (€ mln)				Share of total FDI (%)			
	Flows		Stocks		Flows		Stocks	
	Inward	Outward	Inward	Outward	Inward	Outward	Inward	Outward
New Zealand	77.9	19.5	6623.9	1908.8	3.5	-9.8	9.8	12.6

Source: OECD Stat; own calculations

Table III.1.4: Tariffs in EU-New Zealand trade by HS2 Chapter (2016, % simple average tariffs)

Product	Product Name	NZ tar on EU imp			EU tar on NZ imp		
		AHS	BND	MFN	AHS	BND	MFN
01	LIVE ANIMALS	0.00	0.00	0.00	1.44	3.79	1.44
02	MEAT AND EDIBLE MEAT OFFAL	2.95	6.97	2.31	2.92	2.77	2.92
03	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC I	0.12	1.62	0.08	11.07	11.54	11.07
04	DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE	1.31	8.38	1.33	12.50	10.90	12.50
05	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED	0.00	0.23	0.00	0.09	0.11	0.09
06	LIVE TREES AND OTHER PLANTS; BULBS, ROOTS AND THE	0.38	0.88	0.42	6.22	5.46	6.22
07	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS	1.02	8.66	1.30	8.10	7.81	8.10
08	EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUIT OR MEL	1.38	3.61	1.00	8.27	7.67	8.27
09	COFFEE, TEA, MATÉ AND SPICES	2.21	4.38	2.04	3.40	3.40	3.40
10	CEREALS	0.00	0.83	0.00	0.80	6.40	0.80
11	PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES;	3.18	11.24	3.11	8.26	8.65	8.26
12	OIL SEEDS AND OLEAGINOUS FRUITS; MISCELLANEOUS GRA	0.09	0.81	0.09	1.87	1.92	1.87
13	LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXT	0.00	1.20	0.00	0.25	0.25	0.25
14	VEGETABLE PLAINTING MATERIALS; VEGETABLE PRODUCTS N	0.00	0.00	0.00	0.00	0.00	0.00
15	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVA	0.48	1.93	0.54	5.11	4.73	5.11
16	PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, M	1.92	8.96	2.06	17.95	18.46	17.95
17	SUGARS AND SUGAR CONFECTIONERY	2.41	3.46	1.40	13.10	13.10	13.10
18	COCOA AND COCOA PREPARATIONS	4.01	12.47	2.78	8.00	8.00	8.00
19	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PA	4.72	16.34	4.65	12.80	12.80	12.80
20	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER P	3.71	14.42	3.95	17.89	17.67	17.89
21	MISCELLANEOUS EDIBLE PREPARATIONS	3.41	14.99	3.83	9.65	9.49	9.65
22	BEVERAGES, SPIRITS AND VINEGAR	2.25	10.29	2.15	1.60	1.60	1.60
23	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPA	3.57	6.01	2.04	1.57	1.79	1.57
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES	2.84	10.79	2.32	31.45	31.45	31.45
25	SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERI	0.04	2.23	0.14	0.00	0.00	0.00
26	ORES, SLAG AND ASH	0.00	0.00	0.00	0.00	0.00	0.00
27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR	0.65	2.32	0.44	1.20	1.84	1.20

Product	Product Name	NZ tar on EU imp			EU tar on NZ imp		
		AHS	BND	MFN	AHS	BND	MFN
28	INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUND	0.16	0.54	0.14	4.28	4.22	4.28
29	ORGANIC CHEMICALS	0.04	0.38	0.05	4.21	3.41	4.21
30	PHARMACEUTICAL PRODUCTS	0.30	1.72	0.30	0.00	0.63	0.00
31	FERTILISERS	0.00	0.45	0.00	2.74	2.43	2.74
32	TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERI	1.50	3.34	0.80	5.60	5.74	5.60
33	ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC	3.95	17.05	3.17	1.90	1.88	1.90
34	SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPA	4.18	16.70	3.77	1.90	1.86	1.90
35	ALBUMINOIDAL SUBSTANCES; MODIFIED STARCHES; GLUES;	2.46	6.37	1.83	5.21	5.01	5.21
36	EXPLOSIVES; PYROTECHNIC PRODUCTS; MATCHES; PYROPHO	1.54	9.35	1.55	6.50	6.50	6.50
37	PHOTOGRAPHIC OR CINEMATOGRAPHIC GOODS	1.75	1.90	0.83	3.58	5.18	3.58
38	MISCELLANEOUS CHEMICAL PRODUCTS	0.96	6.77	0.87	4.79	4.50	4.79
39	PLASTICS AND ARTICLES THEREOF	3.59	14.92	2.98	6.08	5.72	6.08
40	RUBBER AND ARTICLES THEREOF	3.31	12.45	2.58	3.05	3.02	3.05
41	RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEAT	2.35	13.95	1.99	2.40	2.39	2.40
42	ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL	4.59	21.48	4.61	4.38	4.57	4.38
43	FURSKINS AND ARTIFICIAL FUR; MANUFACTURES THEREOF	3.94	17.69	3.47	1.57	1.57	1.57
44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL	3.37	11.07	3.03	1.84	1.56	1.84
45	CORK AND ARTICLES OF CORK	1.00	2.29	0.48	4.18	4.18	4.18
46	MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAI	2.29	7.40	2.00	3.78	3.45	3.78
47	PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERI	0.00	0.00	0.00	0.00	0.00	0.00
48	PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF P	0.00	0.00	0.00	0.00	0.00	0.00
49	PRINTED BOOKS, NEWSPAPERS, PICTURES AND OTHER PROD	0.00	0.00	0.00	0.00	0.00	0.00
50	SILK	0.00	0.00	0.00	3.49	3.49	3.49
51	WOOL, FINE OR COARSE ANIMAL HAIR; HORSEHAIR YARN A	3.51	17.17	2.61	4.11	4.11	4.11
52	COTTON	0.00	2.41	0.00	7.68	7.68	7.68
53	OTHER VEGETABLE TEXTILE FIBRES; PAPER YARN AND WOV	0.00	0.00	0.00	6.69	6.69	6.69
54	MAN-MADE FILAMENTS; STRIP AND THE LIKE OF MAN-MADE	0.97	5.24	0.98	7.40	7.40	7.40

Product	Product Name	NZ tar on EU imp			EU tar on NZ imp		
		AHS	BND	MFN	AHS	BND	MFN
55	MAN-MADE STAPLE FIBRES	0.53	6.52	0.86	7.16	7.16	7.16
56	WADDING, FELT AND NONWOVENS; SPECIAL YARNS; TWINE,	3.56	17.76	3.33	6.05	6.01	6.05
57	CARPETS AND OTHER TEXTILE FLOOR COVERINGS	9.23	36.27	8.97	7.75	7.75	7.75
58	SPECIAL WOVEN FABRICS; TUFTED TEXTILE FABRICS; LAC	1.75	11.99	1.49	7.26	7.28	7.26
59	IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE	1.65	12.55	1.55	6.07	6.12	6.07
60	KNITTED OR CROCHETED FABRICS	2.76	20.01	2.68	7.81	7.81	7.81
61	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNIT	9.68	33.46	9.69	11.64	11.65	11.64
62	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT	9.74	39.29	9.70	11.31	11.31	11.31
63	OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN CLOTHIN	3.61	20.40	3.68	10.01	9.99	10.01
64	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTI	6.17	31.01	5.94	10.81	10.80	10.81
65	HEADGEAR AND PARTS THEREOF	6.08	24.50	5.31	2.63	2.33	2.63
66	UMBRELLAS, SUN UMBRELLAS, WALKING STICKS, SEAT-STI	3.54	14.06	2.78	4.49	4.49	4.49
67	PREPARED FEATHERS AND DOWN AND ARTICLES MADE OF FE	3.26	19.06	3.13	2.10	2.10	2.10
68	ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA	2.85	11.98	3.15	1.06	1.01	1.06
69	CERAMIC PRODUCTS	4.19	16.81	4.14	5.76	5.79	5.76
70	GLASS AND GLASSWARE	1.41	8.81	1.19	5.66	5.64	5.66
71	NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECI	2.36	8.53	1.36	1.41	1.43	1.41
72	IRON AND STEEL	1.64	8.24	1.69	0.00	0.00	0.00
73	ARTICLES OF IRON OR STEEL	3.56	18.10	3.61	1.96	1.97	1.96
74	COPPER AND ARTICLES THEREOF	2.85	9.54	2.19	2.96	2.98	2.96
75	NICKEL AND ARTICLES THEREOF	0.00	0.00	0.00	1.25	1.25	1.25
76	ALUMINIUM AND ARTICLES THEREOF	4.00	16.09	3.47	6.27	6.36	6.27
78	LEAD AND ARTICLES THEREOF	2.19	6.54	1.67	2.50	3.75	2.50
79	ZINC AND ARTICLES THEREOF	1.25	1.86	0.36	2.50	2.50	2.50
80	TIN AND ARTICLES THEREOF	0.67	1.13	0.25	5.34	4.80	5.34
81	OTHER BASE METALS; CERMETS; ARTICLES THEREOF	0.00	0.00	0.00	3.12	3.12	3.12
82	TOOLS, IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF B	2.76	12.55	2.71	2.20	2.17	2.20
83	MISCELLANEOUS ARTICLES OF BASE METAL	3.63	17.91	3.84	1.58	1.61	1.58

Product	Product Name	NZ tar on EU imp			EU tar on NZ imp		
		AHS	BND	MFN	AHS	BND	MFN
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICA	2.96	14.61	3.04	2.20	2.39	2.20
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THERE	2.61	9.77	2.62	1.76	1.59	1.76
86	RAILWAY OR TRAMWAY LOCOMOTIVES, ROLLING STOCK AND	3.93	21.25	4.00	4.84	4.78	4.84
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STO	3.64	17.87	3.63	1.56	1.83	1.56
88	AIRCRAFT, SPACECRAFT, AND PARTS THEREOF	0.00	0.96	0.00	1.66	1.70	1.66
89	SHIPS, BOATS AND FLOATING STRUCTURES	4.74	20.44	4.35	1.38	1.81	1.38
90	OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING,	1.57	3.32	1.28	4.22	4.22	4.22
91	CLOCKS AND WATCHES AND PARTS THEREOF	0.34	4.06	0.15	3.19	3.20	3.19
92	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH	0.00	3.38	0.00	2.87	2.87	2.87
93	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF	0.77	5.75	0.78	1.87	1.71	1.87
94	FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS,	4.55	21.00	4.57	2.30	2.28	2.30
95	TOYS, GAMES AND SPORTS REQUISITES; PARTS AND ACCES	3.61	21.46	3.50	3.22	3.41	3.22
96	MISCELLANEOUS MANUFACTURED ARTICLES	3.81	17.27	3.68	0.00	0.00	0.00
97	WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES	0.00	1.43	0.00	0.00	0.00	0.00

Source: UNCTAD Trains

Table III.1.5: Services trade restrictions in the EU and New Zealand (2018)

Sector	EU						New Zealand					
	Indicator STRI	Restrictions on foreign entry	Restrictions to movement of people	Other discriminatory measures	Barriers to competition	Regulatory transparency	Indicator STRI	Restrictions on foreign entry	Restrictions to movement of people	Other discriminatory measures	Barriers to competition	Regulatory transparency
Logistics cargo-handling	0.19	0.04	0.03	0.01	0.05	0.05	0.31	0.10	0.04	0.00	0.10	0.08
Logistics storage and warehouse	0.18	0.05	0.04	0.01	0.03	0.05	0.22	0.08	0.04	0.00	0.02	0.08
Logistics freight forwarding	0.17	0.05	0.04	0.01	0.01	0.06	0.21	0.08	0.04	0.00	0.00	0.09

	EU						New Zealand					
Sector	Indicator STRI	Restrictions on foreign entry	Restrictions to movement of people	Other discriminatory measures	Barriers to competition	Regulatory transparency	Indicator STRI	Restrictions on foreign entry	Restrictions to movement of people	Other discriminatory measures	Barriers to competition	Regulatory transparency
Logistics customs brokerage	0.18	0.06	0.04	0.01	0.01	0.06	0.21	0.08	0.04	0.00	0.00	0.09
Accounting	0.26	0.10	0.12	0.01	0.01	0.03	0.20	0.11	0.07	0.00	0.00	0.02
Architecture	0.26	0.04	0.16	0.01	0.01	0.04	0.21	0.06	0.12	0.00	0.00	0.03
Engineering	0.25	0.05	0.14	0.01	0.01	0.04	0.20	0.07	0.11	0.00	0.00	0.03
Legal	0.39	0.17	0.16	0.02	0.01	0.03	0.23	0.12	0.09	0.00	0.00	0.02
Motion pictures	0.18	0.05	0.05	0.03	0.01	0.04	0.19	0.09	0.06	0.02	0.00	0.03
Broadcasting	0.22	0.12	0.03	0.03	0.03	0.02	0.20	0.13	0.03	0.02	0.02	0.02
Sound recording	0.19	0.03	0.05	0.03	0.02	0.05	0.17	0.06	0.06	0.02	0.00	0.04
Telecom	0.15	0.04	0.02	0.02	0.03	0.03	0.19	0.08	0.02	0.01	0.04	0.02
Air transport	0.41	0.23	0.02	0.02	0.12	0.02	0.36	0.20	0.02	0.00	0.13	0.02
Maritime transport	0.22	0.11	0.06	0.02	0.02	0.02	0.23	0.13	0.06	0.00	0.02	0.02
Road freight transport	0.18	0.07	0.05	0.02	0.03	0.01	0.19	0.13	0.05	0.00	0.00	0.01
Rail freight transport	0.21	0.06	0.04	0.01	0.06	0.03	0.23	0.10	0.04	0.00	0.06	0.03
Courier	0.18	0.05	0.03	0.01	0.04	0.04	0.26	0.10	0.03	0.00	0.07	0.05
Distribution	0.16	0.05	0.02	0.02	0.04	0.04	0.16	0.08	0.02	0.00	0.01	0.05
Commercial banking	0.18	0.07	0.03	0.01	0.03	0.04	0.20	0.12	0.03	0.01	0.01	0.03
Insurance	0.17	0.08	0.04	0.01	0.01	0.03	0.14	0.07	0.04	0.00	0.00	0.03
Computer	0.21	0.04	0.08	0.02	0.01	0.06	0.20	0.08	0.08	0.00	0.00	0.04
Construction	0.21	0.04	0.07	0.03	0.01	0.05	0.20	0.08	0.06	0.00	0.00	0.05
<b>Average STRI</b>	<b>0.22</b>	<b>0.07</b>	<b>0.06</b>	<b>0.02</b>	<b>0.03</b>	<b>0.04</b>	<b>0.21</b>	<b>0.10</b>	<b>0.05</b>	<b>0.00</b>	<b>0.02</b>	<b>0.04</b>

Source: OECD STRI database ; the average values for the EU are based on own calculations



Table III.1.6 : EU's trade in agricultural products with New Zealand (2017, values and % shares)

		Value (€ mln)		Share in total bilateral trade (%)	
		EU export to NZ	EU import from NZ	Export	Import
HS2 Code	Product description	2017	2017	2017	2017
1	Live animals; animal products	1.2	0.5	0.0	0.0
2	Meat and edible meat offal	77.5	1020.6	1.5	27.8
3	Fish and crustaceans, molluscs and	2.0	158.3	0.0	3.5
4	Dairy produce; birds' eggs; natural	73.2	141.2	1.4	3.8
5	Products of animal origin, not else	2.5	26.6	0.0	0.7
6	Live trees and other plants; bulbs,	6.0	8.9	0.1	0.2
7	Edible vegetables and certain roots	4.8	54.3	0.1	1.5
8	Edible fruit and nuts; peel of citrus	4.3	570.7	0.1	15.6
9	Coffee, tea and spices	5.9	0.5	0.1	0.0
10	Cereals	13.6	12.2	0.3	0.3
11	Products of the milling industry; m	8.2	0.5	0.2	0.0
12	Oil seeds and oleaginous fruits; mi	21.8	67.7	0.4	1.8
13	Lac; gums, resins and other vegetables	3.1	0.9	0.1	0.0
14	Vegetable plaiting materials; vegetables	0.0	0.4	0.0	0.0
15	Animal or vegetable fats and oils	37.3	6.7	0.7	0.2
16	Preparations of meat, of fish	2.7	3.2	0.1	0.9
17	Sugars and sugar confectionery	40.4	4.9	0.8	0.1
18	Cocoa and cocoa preparations	22.9	0.5	0.4	0.0
19	Preparations of cereals, flour	26.7	6.5	0.5	0.2
20	Preparations of vegetables, fruit	33.6	1.4	0.6	0.0
21	Miscellaneous edible preparations	40.0	6.0	0.8	0.2
22	Beverages, spirits and vinegar	89.4	412.7	1.7	11.2
23	Residues and waste from the food in	22.1	14.1	0.4	0.4
24	Tobacco and manufactured tobacco	6.5	0.0	0.1	0.0
<b>1-24</b>	<b>Agriculture</b>	<b>545.9</b>	<b>2519.2</b>	<b>10.5</b>	<b>68.7</b>
<b>1-99</b>	<b>Total goods</b>	<b>5185.0</b>	<b>3668.4</b>	<b>100</b>	<b>100</b>

Source: UN Comtrade; own calculations

Table III.1.7: OCTs trade with New Zealand (2017, values and % shares)

	EU OCTs				New Zealand OCTs			
Product description	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)
Live animals; animal products	304.0	0.2	2.4	0.1	1.2	0.0		
Meat and edible meat offal	41362.9	21.6			3170.7	4.5		
Fish and crustaceans, molluscs and	2502.8	1.3	68.4	1.6	558.4	0.8	914.6	63.3
Dairy produce; birds' eggs; natural	30168.1	15.8	3.4	0.1	3025.1	4.3	63.6	4.4
Products of animal origin, not else	68.7	0.0	1.5	0.0	23.5	0.0		
Live trees and other plants; bulbs,	424.3	0.2			0.1	0.0		
Edible vegetables and certain roots	7844.6	4.1	274.7	6.4	1173.7	1.7	11.9	0.8
Edible fruit and nuts; peel of citrus	4272.6	2.2	209.9	4.9	384.4	0.6	14.9	1.0
Coffee, tea, and spices	232.0	0.1	0.0	0.0	320.3	0.5	0.9	0.1
Cereals	168.7	0.1			49.6	0.1		
Products of the milling industry	157.4	0.1			560.8	0.8		
Oil seeds and oleaginous fruits	262.9	0.1			45.9	0.1		
Lac; gums, resins and other vegetables					2.1	0.0	3.9	0.3
Vegetable plaiting materials; vegetables	50.3	0.0			1.0	0.0		
Animal or vegetable fats and oils a	811.9	0.4			438.2	0.6		
Preparations of meat, of fish or of	4503.5	2.4	2.5	0.1	2556.6	3.7		
Sugars and sugar confectionery	5711.1	3.0	0.0	0.0	566.1	0.8		

Product description	EU OCTs				New Zealand OCTs			
	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)
Cocoa and cocoa preparations	159.3	0.1	0.2	0.0	426.6	0.6		
Preparations of cereals, flour	1828.9	1.0	0.0	0.0	1798.7	2.6		
Preparations of vegetables, fruit,	2587.3	1.4	0.3	0.0	1802.0	2.6	64.6	4.5
Miscellaneous edible preparations	1456.7	0.8	7.5	0.2	4233.0	6.1		
Beverages, spirits and vinegar	2372.3	1.2	61.5	1.4	5975.8	8.6		
Residues and waste from the food	4487.3	2.3			480.6	0.7		
Tobacco and manufactured tobacco	814.1	0.4			157.1	0.2		
Salt; sulphur; earths and stone	4643.9	2.4	0.1	0.0	373.0	0.5		
Ores, slag and ash			13.6	0.3				
Mineral fuels, mineral oils and pro	4784.7	2.5	67.6	1.6	7400.3	10.6		
Inorganic chemicals	272.2	0.1	1.2	0.0	44.2	0.1		
Organic chemicals	170.5	0.1	27.5	0.6	50.9	0.1		
Pharmaceutical products	455.9	0.2			455.3	0.7	0.3	0.0
Fertilizers	556.2	0.3	14.8	0.3	108.9	0.2		
Tanning or dyeing extracts; tannins	1116.3	0.6	0.9	0.0	937.0	1.3		
Essential oils and resinoids; perfume	667.0	0.3	22.1	0.5	602.0	0.9	0.9	0.1
Soap, organic surface-active agents	382.3	0.2	0.1	0.0	1208.5	1.7		
Albuminoidal substances; modified	450.7	0.2			135.9	0.2	0.2	0.0

	EU OCTs				New Zealand OCTs			
Product description	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)
Explosives; pyrotechnic products	7.8	0.0			2.5	0.0		
Photographic or cinematographic goods	74.3	0.0			27.3	0.0		
Miscellaneous chemical products	899.1	0.5	325.1	7.5	323.2	0.5	6.6	0.5
Plastics and articles thereof	6140.8	3.2	20.1	0.5	2881.5	4.1	36.6	2.5
Rubber and articles thereof	444.5	0.2	0.1	0.0	648.9	0.9	4.2	0.3
Raw hides and skins (other than furs)	1.2	0.0						
Articles of leather; saddlery	61.5	0.0	0.7	0.0	54.1	0.1	0.1	0.0
Furskins and artificial fur	2.2	0.0			0.4	0.0		
Wood and articles of wood	9229.4	4.8	51.7	1.2	3378.4	4.8		
Cork and articles of cork					2.2	0.0		
Manufactures of straw	0.5	0.0	0.0	0.0	8.1	0.0		
Pulp of wood or of other fibers			310.5	7.2				
Paper and paperboard; articles	2265.4	1.2	71.0	1.6	1137.6	1.6		
Printed books, newspapers, pictures	188.4	0.1	6.7	0.2	362.2	0.5	0.9	0.1
Silk								
Wool, fine or coarse animal hair	0.9	0.0						
Cotton	154.2	0.1			40.5	0.1	0.1	0.0
Other vegetable textile fibers	2.0	0.0					20.4	1.4

Product description	EU OCTs				New Zealand OCTs			
	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)
Man-made filaments	173.7	0.1	0.0	0.0	28.9	0.0		
Man-made staple fibers	22.6	0.0	1.3	0.0	30.0	0.0	1.7	0.1
Wadding, felt and nonwovens	38.0	0.0	0.1	0.0	64.1	0.1		
Carpets and other textile floor covers	30.5	0.0			92.4	0.1		
Special woven fabrics; tufted textiles	16.9	0.0			14.4	0.0		
Impregnated, coated, covered or lam	35.3	0.0			27.5	0.0		
Knitted or crocheted fabrics					12.8	0.0		
Articles of apparel and clothing	74.5	0.0	2.1	0.0	250.3	0.4	4.4	0.3
Articles of apparel and clothing	47.8	0.0	4.1	0.1	106.8	0.2	5.6	0.4
Other made up textile articles	740.1	0.4	9.9	0.2	408.8	0.6		
Footwear, gaiters and the like	54.7	0.0	4.2	0.1	197.3	0.3		
Headgear and parts thereof	64.4	0.0	0.1	0.0	43.9	0.1		
Umbrella, sun umbrellas, walking-sticks	66.4	0.0			21.4	0.0		
Prepared feathers and down and artificial	4.8	0.0	0.0	0.0	20.1	0.0		
Articles of stone, plaster, cement,	412.7	0.2	37.5	0.9	1520.7	2.2	0.1	0.0
Ceramic products	8.6	0.0			169.5	0.2	1.1	0.1
Glass and glassware	427.0	0.2	3.6	0.1	228.0	0.3	1.2	0.1

	EU OCTs				New Zealand OCTs			
Product description	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)
Natural or cultured pearls, precious stones	610.2	0.3	99.8	2.3	174.5	0.2	67.9	4.7
Iron and steel	10163.4	5.3	358.5	8.3	640.5	0.9	58.0	4.0
Articles of iron or steel	2933.0	1.5	107.1	2.5	2466.2	3.5	27.4	1.9
Copper and articles thereof	17.4	0.0	388.6	9.0	102.8	0.1		
Nickel and articles thereof	0.3	0.0						
Aluminum and articles thereof	8423.0	4.4	271.7	6.3	1180.3	1.7		
Lead and articles thereof	1.3	0.0			14.6	0.0		
Zinc and articles thereof	18.0	0.0			1.6	0.0		
Tin and articles thereof	1.6	0.0			2.9	0.0		
Other base metals; cermets; article	9.8	0.0						
Tools, implements, cutlery, spoons	208.7	0.1	13.0	0.3	522.7	0.7	0.7	0.0
Miscellaneous articles of base meta	362.8	0.2	0.0	0.0	365.7	0.5	0.1	0.0
Nuclear reactors, boilers, machinery	5246.5	2.7	353.6	8.2	3918.6	5.6	21.5	1.5
Electrical machinery and equipment	1265.9	0.7	342.8	7.9	3504.4	5.0	60.0	4.1
Railway or tramway locomotives	100.0	0.1			44.6	0.1		
Vehicles other than railway or tram	528.8	0.3	10.7	0.2	592.5	0.8	0.1	0.0
Aircraft, spacecraft, and parts the	45.7	0.0	82.9	1.9	1.6	0.0	1.8	0.1
Ships, boats and floating structure	10227.7	5.3	236.2	5.5	882.2	1.3	0.6	0.0

Product description	EU OCTs				New Zealand OCTs			
	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)	Import (€ '000)	Share (%)	Export (€ '000)	Share (%)
Optical, photographic, cinematography	590.0	0.3	259.5	6.0	630.4	0.9	4.3	0.3
Clocks and watches and parts thereof	0.5	0.0			10.2	0.0		
Musical instruments	0.4	0.0	0.1	0.0	3.1	0.0	1.8	0.1
Arms and ammunition	84.6	0.0			12.0	0.0		
Furniture; bedding, mattresses	685.4	0.4	63.1	1.5	2906.4	4.2	7.5	0.5
Toys, games and sports requisites	389.3	0.2	5.4	0.1	491.5	0.7		
Miscellaneous manufactured articles	102.3	0.1	2.5	0.1	222.1	0.3		
Works of art, collectors' pieces	15.4	0.0	0.0	0.0	1.9	0.0	34.7	2.4
Commodities not specified	1722.0	0.9	97.5	2.3	26.9	0.0		
<b>Total</b>	<b>191495.4</b>	<b>100.0</b>	<b>4322.0</b>	<b>100.0</b>	<b>69891.7</b>	<b>100.0</b>	<b>1445.4</b>	<b>100.0</b>

Source: UN Comtrade; authors' calculations





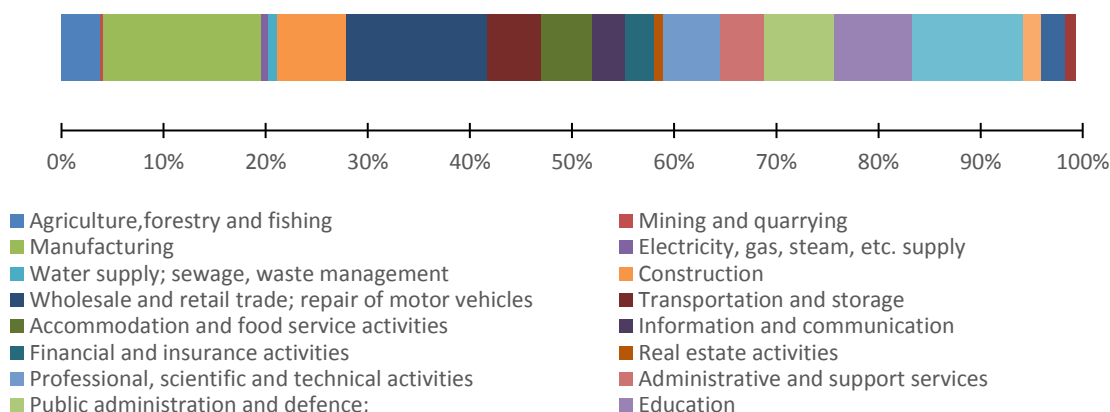
## III.2 Social state of play

### III.2.1 Overall social state of play

#### Employment Levels

In the EU, the number of jobs continued to grow and in 2018 the record 238.9 million people were employed, the equivalent of the employment rate of 73.2 percent in the age group 20-64 years. The total unemployment rate kept falling and in 2018 it decreased to 6.9 percent. The youth unemployment also continued declining, however, remained higher, at 15.2 percent. It is estimated that in 2017 around 3.2 million jobs were created in the EU, mostly in services (2.8 million). Construction and industry also recorded a solid growth rates, while agriculture noted a slight recovery. In 2017, as in previous years, the highest employment growth (4.3 percent) was recorded for older workers (55-64 years) raising employment rate within this group from 45.5 percent in 2008 to 57.1 percent in 2017. This reflects reforms of national pensions systems aiming at ensuring their sustainability and securing labour supply in times of demographic changes. Moreover, as in previous years, across the skills groups, employment growth was the highest (2.9 percent) for highly qualified workers leading to an employment rate of 85.3 percent in this group (the rate for medium-skilled workers increased up to 75.7 percent and the one for low-skilled workers declined slightly to 55.6 percent). (European Commission, 2017 and 2018a). Given the importance of education and skills in seizing opportunities in the labour market, Member States continued taking measures to reduce the rate of early school drop-outs reaching 10.6 percent in 2017 and to raise the rate of tertiary educational attainment (in 2017, it increased to 39.9 percent). Moreover, they are revising adult learning programmes and training offer to help the adult population and workers to adapt to the ongoing technological changes having impact on the labour market. Currently, the ratio of low-skilled workers to the number of jobs requiring low level of skills in the EU is like three to one, and at the same time more than 40 percent of adults in the EU don't have basic digital skills, with the figure increasing to 70 percent in some Member States. (European Commission, 2018a) An OECD analysis estimating the risk of jobs being replaced by automation indicates figures from 27 percent in Finland and Estonia to around 45 percent in the Czech Republic and Slovakia. Moreover, the OECD Survey of Adult Skills (2012-2015) indicates a high level of information-processing skills for Finland, the Netherlands, Sweden and Belgium (Italy and Spain being at the other end of the scale), and problem-solving skills with the same three countries at the top, and Poland and Greece closing EU ranking. (OECD, 2017b) Figure III.2.1 presents sectorial shares in total EU employment in 2018.

Figure III.2.1 Sectorial shares in total EU employment (2018)

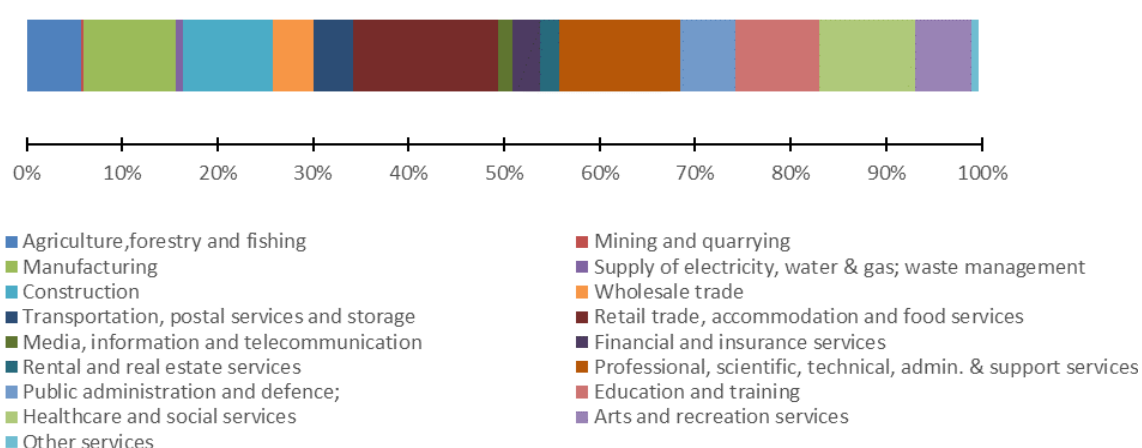


Source: Author's own calculations based on EUROSTAT, Labour Force Survey (2018), <https://ec.europa.eu/eurostat/web/lfs/data/database> [accessed on 8 January 2019]

In New Zealand, in 2018, the employment rate continued to increase to 68.3 percent and unemployment further declined to 3.8 percent. Although the same trends are reported for all ethnic groups, the Pacific People and Māori face a higher unemployment rate of 6.2-8.5 percent and a lower employment rate of 61.1-63.3 percent. (MBIE, 2018 and 2018a) In 2018, job creation was driven mainly by health care and social assistance, retail trade and accommodation. The largest fall in the number of jobs was recorded by agriculture, forestry and fishing. The construction sector also reported decline in employment, after a few years of growth. Labour supply was driven mainly by increased participation of older workers and net immigration. The available forecast indicates a slowdown in the employment growth in 2019-2020, with the best results expected for health and education, business services and utilities and construction. Jobs will be created mainly for high skilled workers, with lower numbers expected for middle-skilled workers and unskilled ones. (MBIE, 2018a) This will strengthen the trend of diverging employment rates between the groups of workers with different skills levels. In 2015, the employment rate of highly skilled workers was at 87.5 percent (and increasing), middle-skilled: 81.3 percent and declining, and low-skilled: 69.1 percent and declining. (OECD, 2017b)

An OECD analysis estimates that around 35 percent of jobs in New Zealand are at risk of being replaced by automation, with 9 percent being at high risk. This is close to OECD average, with figures for other OECD members ranging from around 25 percent for South Korea to around 45 percent for the Czech Republic and Slovakia. The figure for New Zealand rises to 45 percent for workers having primary or lower education and is close to zero for those with tertiary education attainment. Moreover, while the general level of educational attainment in New Zealand is lower than the OECD average, the OECD Survey of Adult Skills (2012-2015) indicates a high level of information-processing skills and problem-solving skills in New Zealand compared to other OECD countries (the fourth highest and the highest rank respectively). This suggest a good preparation for jobs requiring work with new technologies and tasks which will not be easily automated. (OECD, 2017b) The Government has launched initiatives to support skills development and employment opportunities, through training, apprenticeships and job-matching for young people and those currently dependent on benefits. One of such initiatives, the Sector Workforce Engagement Programme focuses on construction, horticulture and viticulture, tourism and hospitality, road freight transport, and care sectors. (MBIE, 2017) Figure III.2.2 presents sectorial shares in total employment in New Zealand in 2018.

Figure III.2.2 Sectoral shares in total employment in New Zealand (2018)



Source: Stats NZ, Labour market statistics, March 2018 [accessed on 9 January 2019]: <https://www.stats.govt.nz/information-releases/labour-market-statistics-march-2018-quarter>

## Consumers, welfare, levels of inequality and impacts on vulnerable groups

In the EU, favorable economic conditions and social benefits' reforms, including minimum income schemes, contributed to increase in disposable households' income. However, in some Member States the latter has not reached yet the pre-crisis level suggesting that GDP growth has not been inclusive enough and has not been translated into comparable

welfare increase in the society. In 2017, the real wage increase slowed down (0.5 percent compared to 1.2 percent in 2016) and remained behind the productivity growth (between 2000 and 2017, the productivity per capita increased by 15.6 percent while the real wages by 11.2 percent). Existing labour market reserves, low inflation rate and quite a low productivity growth may explain this trend. The minimum wages were raised in several Member States, in consultation with social partners. Yet, there are persisting high levels of in-work poverty (9.6 percent of the working population) which need to be addressed, e.g. by tax schemes and benefits adequacy. (European Commission, 2018a)

The share of people at risk of poverty or social exclusion in the EU continued to decrease and in 2017 dropped to 113 million people, i.e. 22.5 percent (5 million below the pre-crisis level and 11 million less than in the peak of 2012). Groups of the population most exposed to this risk include young people (aged 18-24), children (notably children of low-skilled parents, non-EU born parents and brought up by single parents), unemployed, unskilled persons with at most the lower secondary education, third country nationals, elderly people and people with disabilities. The number of people living in absolute poverty decreased in 2016 to 7.5 percent (37.8 million). Regarding income inequality, the richest 20 percent of the population had disposable incomes on average 5.1 times higher than the poorest 20 percent. (European Commission, 2017 and 2018a)

In 2016, in New Zealand, 682,500 persons (15 percent of the population) lived in poverty, including 220,000 children. The groups being at risk of poverty included beneficiaries of social security payments, children, indigenous people (40 percent of Pacific People and 32 percent of Māori), single parents' households (almost 50 percent) and single adults. (Council of Christian Social Services, 2017) According to OECD data, child poverty rate in New Zealand was in 2015-2016 slightly higher than OECD average. A few policy responses were suggested, including support for access or return to the labour market for parents, training and skills development for low-skilled, availability of child care facilities, and social transfers. (OECD, 2018c) New Zealand has adopted Child Poverty Reduction Act suggesting measures and targets to reduce child poverty. The Government takes also other steps, e.g. supports incomes of poor families by increasing Accommodation Supplement or minimum wage. However, these have been balanced or outweighed in some cases by rent increase combined with loss of hardship payments or in the case of families with both parents earning minimum wage, by reaching income threshold beyond which social security benefits are reduced. (St John, 2018) Distribution of income among different groups of the New Zealand's society is similar as in the EU and Australia, i.e. disposable income of the richest 20 percent of the population is five times higher than that of the poorest 20 percent. (Ministry of Social Development, 2018)

In 2018, wages in New Zealand continued to increase. (Trading Economics, 2019 and 2019a) The Government envisages that up to 2020 this trend will continue as a result of economic growth, tight labour market (a declining unemployment rate, the working age population growing on average by 1.7 percent annually, and net migration slowing down) and labour market policies, including fair pay agreements, pay equity settlements and minimum wage increases. (The Treasury, 2018)

Regarding aspects having impact on affordability and availability of goods and services, important for consumers, there are arrangements between the EU and New Zealand, which facilitate trade and provide a foundation to build on in the future FTA. These include e.g. the EU-New Zealand Mutual Recognition Agreement. According to stakeholders, it has brought about positive outcomes for bilateral trade flows, such as recognition of conformity assessments reducing administrative burden for exporters. (European Commission, 2017c and 2017d) The EU and New Zealand have also determined in their adequacy agreement the rules related to data protection. (BEUC, Consumer NZ 2018)

### **Job quality**

In the EU, the proportion of temporary workers to all employees remains stable, at 14 percent (in some Member States, up to 26 percent). Temporary workers often face more

challenging job quality environment than the permanent workers, e.g. in access to training and career advancement, job security and decision autonomy. They are also three times more likely to be at risk of poverty than those with permanent contracts (16.3 percent compared to 5.8 percent in 2017). Since the beginning of 2008 crisis, the number of part-time jobs increased substantially (by 11 percent) while the number of full-time jobs dropped (by 2 percent). However, as recent figures suggest, this trend may change given that in 2016 proportionally more full-time than part-time jobs were created. Moreover, the share of involuntary part-time jobs decreased from 29.1 percent to 27.7 percent. The share of “platform workers” in total employment was of around 2 percent in the EU in 2017. The lack of clarity concerning their status and form of employment, i.e. employees compared to self-employed, may raise questions about their job quality, rights and social security coverage. (European Commission, 2017 and 2018a) On average, a full-time employee works in the EU 40.3 hours per week, with the mining sector recording the longest (42 hours) and education the shortest (38.1 hours) working week. (EUROSTAT, 2018a) Construction, transportation and storage, manufacturing, and agriculture, forestry and fishing sectors together accounted for 67.2 percent of all fatal accidents at work and 44.9 percent of all non-fatal accidents at work in 2014. (EUROSTAT, 2016)

In 2017, the average number of working hours per week per employee in New Zealand was 37.6. According to Census 2013 data, 77 percent of all employed worked full-time and 23 percent part-time. (Stats NZ, 2013a) The proportion of people having in 2016 a permanent contract to those having a temporary one was 89.3 percent to 10.7 percent. (Stats NZ, 2017a) Between 2008 and 2017, casual workers<sup>13</sup> constituted around 5 percent of all employees in New Zealand, with the highest share being (in 2012) in agriculture, where this group made up 11.2 percent of all workers. Agriculture, e.g. the sector of fruits, nuts and vegetables, employs also seasonal workers. (ILO, 2018) There are examples of actions taken by the Government and employers aiming to improve working conditions of these groups of workers. For example, in 2016, New Zealand adopted legislation about the minimum number of working hours for casual workers to avoid the so-called “zero-hour” contracts (i.e. contracts with no guarantee of work despite the person being “on a stand-by”). (ILO, 2018) Moreover, representatives of the horticulture sector deliver workshops for employers on minimum employment standards and cooperate with the Government agencies on questions related e.g. expansion of the Recognized Seasonal Employer scheme enabling recruitment of overseas seasonal workers in the sector. (Horticulture NZ, 2018)

The number of fatal accidents at work has been relatively stable between 2011-2018 with a total number of 30-34 accidents a year (with two peaks in 2012 and 2013 marking 37 and 40 accidents respectively). The highest number has been recorded in agriculture, followed by construction and forestry. (Work Safe NZ, 2019) Concerning non-fatal accidents, the highest number occurs in construction, followed by manufacturing and transport, with lower numbers in agriculture and mining. (Work Safe NZ, 2019a) New Zealand has ratified three out of four ILO priority conventions, including convention No. 81 on labour inspection, which is supposed to support effective enforcement of the domestic labour legislation, including provisions related to job quality. (ILO, NORMLEX) Moreover, it has adopted Health and Safety at Work Strategy 2018-2028. The latter focuses on areas with the potential of the greatest impact of action, i.e. groups of workers being most in need (e.g. Māori and Pacific People, migrant and seasonal workers, and young and older workers, who are more at risk of work-related injuries), enterprises needing support (e.g. SMEs and those active in sectors related to a high level of risk and harm to health) and better management of work-related risks to health. Activities undertaken within the Strategy will engage employers, workers, health and safety practitioners and will put an

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<sup>13</sup> Casual workers are usually hired on a day or shift basis (i.e. for a few hours) depending on the employer's needs. They often work in such sectors as agriculture, forestry and fishing, mining, retail trade and accommodation and food services. There are cases also in transport and health care and social services (the latter e.g. in domiciliary care for elder persons). In 2012, a casual worker in New Zealand worked on average around 20 hours a week, with one third working partly or fully in non-standards time, i.e. in the evenings, at nights and over the weekends.

emphasis on the need to develop and share high quality data to facilitate actions and decision making. (MBIE, 2018c)

## **Rights at work**

### *Non-discrimination at work and vulnerable groups of workers*

The EU adopted a Strategy on Disability (2010-2020) outlining actions to take to support people with disabilities, including in access to the labour market. In 2011, the employment rate of people with basic difficulty in activity was 47.3 percent. (EUROSTAT, 2014) People with disabilities belong to the groups most exposed at risk of poverty or social exclusion in the EU. In 2016, the rate of people with disabilities being at risk of poverty and social exclusion was 30.1 percent while for people without disabilities 20.9 percent marking a gap of 9.2 percent (European Commission, 2018a) People with a migrant background are exposed to twice as high risk of poverty than EU-born citizens (41 percent compared to 20.7 percent in 2017) (European Commission, 2018a)

New Zealand adopted the Disability Strategy 2016-2026 having access to work as one of the areas for action. In 2016, 1.1 million people in New Zealand (24 percent of the population) had a disability. (Office for Disability Issues, 2016) In June 2018, employment rate of disabled men in New Zealand was at 23.5 percent (21.3 percent for women) while for people without disabilities, this rate was at 75.3 percent for men and 64.9 percent for women. The unemployment rate for disabled people was at 11.2 percent for men and 10.1 percent for women, while for people without disabilities it was 4 percent for men and 4.5 percent for women. In 2018, the highest share of disabled people worked in health care and social assistance (13 percent), followed by professional, scientific, technical, administrative and support services (11.8 percent), retail trade and accommodation and food services (10.9 percent), manufacturing (10.5 percent), agriculture, forestry and fishing (9.9 percent), construction (8.1 percent) and education and training (7.6 percent). Other sectors have shares from 2.5 percent to 5.4 percent. (Stats NZ, 2018a) New Zealand has ratified both ILO fundamental conventions related to non-discrimination at work, No. 100 and 111. (ILO, NORMLEX)

In 2013 (the latest published Census data)<sup>14</sup> some 4 million of people of foreign origin lived in New Zealand. The main ethnicities included European (British, Dutch, German), Chinese, Indian, Filipino, nationals of Pacific islands (Samoa, Cook Islands, Tonga) and Australian. (Stats NZ, 2013b) The annual net migration varies over time and in 2016/2017 reached 72,300 persons (permanent and long-term migrant residents) while temporary work visas were issued for 209,178 persons (countries having the largest share in this group included India, the UK, China and Germany).<sup>15</sup> (MBIE, 2018b) According to OECD data,<sup>16</sup> out of foreign born migrants being of working age and living in New Zealand, the majority worked in services sectors: 17.2 percent in wholesale and retail trade, 12.5 percent in real estate, renting and business services, 8.1 percent in education, 6.8 percent in health and social services, 5.4 percent in hotels and restaurants, 4.7 percent in utilities, incl. construction, 4.6 percent in transport, storage and communications, 3.1 percent in financial services, 4.1 percent in agriculture and fishing, and 14.4 percent in manufacturing.

According to OECD, immigration (in particular long-term one) contributes to rising level of skills in New Zealand, given that (according to 2010 data) as a share of the population, immigrants comprised 55.3 percent of those with tertiary education while New Zealanders living abroad represented 29.1 percent. In 2017, the Government announced changes in the immigration policy (Skilled Migrant Category) which may further encourage high skills migration. On the other end of the scale, there are short-term migrant workers who often

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<sup>14</sup> The 2018 Census data will be published in September 2019.

<sup>15</sup> Among temporary workers entering New Zealand in 2016/2017, the largest group participated in Working Holiday Scheme (70,002), followed by Family visa holders (35,755), holders of Essential Skills visas filling in gaps on the labour market by offering skills not available in New Zealand (32,796) and students with a right to work (27,922), as well as workers having visas to work in agriculture, horticulture and viticulture (14,662).

<sup>16</sup> See: [https://stats.oecd.org/Index.aspx?DataSetCode=DIOC\\_SECTOR](https://stats.oecd.org/Index.aspx?DataSetCode=DIOC_SECTOR)

take low-skills jobs. (OECD, 2017b) A study carried out by a researcher from the University of Auckland revealed examples of exploitation of migrant workers coming to New Zealand on short-term visas. The analyzed cases included construction, dairy sector, horticulture, hospitality, as well as cosmetic and massage services (the latter linked to sexual abuse). The people worked excessive hours (up to 80-90 a week), were severely underpaid, didn't have paid holidays nor contracts, were subject to humiliating treatment, had to pay for residency and received the same money in return as their wages. Moreover, taxes deducted from their pay were not paid into the Inland Revenue. (Stringer, 2016 and The University of Auckland, 2016)

#### *Child labour*

New Zealand is among the only 16 ILO members (out of 187) who have not ratified yet the Minimum Age Convention No. 138. In 2015, the ILO Committee of Experts expressed concern that the hazardous work was prohibited in the country for children under 15 years of age instead of 18, as it is envisaged in the Convention No. 182. Moreover, based on a survey, only 50 percent of employers employing children or teenagers provided information about health and safety at work. In 2012, there were 450 accidents at work in New Zealand involving children, including 14 fatal ones, most of them in the agricultural sector. (CEACR, 2015) According to a study commissioned in 2010 by the Department of Labour, the main types of work carried out by children and teenagers in New Zealand included: babysitting (23 percent), work in a shop, petrol station or supermarket (22 percent), outdoor work, e.g. in a garden (21 percent), cleaning (17 percent) and working in a restaurant or takeaway food outlet (16 percent). The majority of surveyed young persons worked either after or before school, with their main motivation (for 76 percent) being to earn money to cover their own expenditures. 5 percent worked to save money for studying and 1.5 percent to support their family. The survey also indicates that around half of 13-14 years old were engaged in any form of paid activity and this share was increasing with the age. It was also determined that youth from socio-economic high deprivation areas are less likely to work than their peers from more affluent groups, while youth from urban and rural areas had comparable shares of those engaged in part-time paid work. (Department of Labour, 2010) In the 2018 report, the ILO Committee of Experts noted information provided by the New Zealand's Government about intended reform of legislation related to health and safety at work and work of young persons to increase the age from which the hazardous types of work are permitted and to ensure adequate protection for working youth. Moreover, the Government informed about plans to conduct a new Youth Health and Wellbeing Survey to get updated insights into the types of work carried out by youth and the related working conditions. (CEACR, 2018)

#### *Forced labour*

According to the Global Slavery Index 2018, in the EU, the estimated figures for people living in conditions of slavery ranged from 145,000 (0.24 percent) in Italy to less than 1,000 in Luxembourg. The Netherlands, the UK, Sweden, Portugal, Croatia, Spain, and Belgium are among countries with the strongest response against modern slavery, including adoption of a dedicated legislation. In 2017, in Belgium, guidelines for public procurement were issued advising how to implement ILO conventions, in 2015 in the UK the Modern Slavery Act was adopted and other Member States have reported progress in implementing the EU non-financial reporting Directive which increases transparency in operation of certain groups of EU-based enterprises. The response often requires strong political commitment, resources, and a strong civil society that holds governments to account.

The Council adopted Decision authorising EU Member States to ratify the ILO Forced Labour Protocol in the interest of the EU for the parts affecting EU competences (EU/2015/2071). 15 EU MS ratified the Protocol so far and remaining MS are in the process.

In 2018, in New Zealand, around 3,000 persons, i.e. 0.065 percent of the population, were estimated as living in conditions of slavery. This related in particular to migrants from South East Asia and Latin America working in conditions akin to slavery in agriculture, dairy sector, construction, viticulture, food service, and hospitality services, domestic work, and



aboard foreign-flagged vessels fishing in New Zealand waters. Such workers may experience excessive recruitment charges, excessive working hours, under- or non-payment of wages, restrictions in movement, passport retention and job alteration. Foreign women from Asia and South America are at risk of sex trafficking. (US Department of State, 2018) In 2016, the ILO Committee of Experts noted adoption by New Zealand in 2015 of the Crimes Amendment Act extending definition and criminal character of trafficking for exploitation purposes. (CEACR, 2016) To address the problem of trafficking in persons, the Government has taken actions, e.g. training for enforcement agencies, development of guidance helping to identify victims of trafficking, provision of assistance for victims, preparation of information materials for migrant workers about their rights<sup>17</sup>, awareness raising meetings with business and civil society and introducing regulations banning employers breaching employment standards from employing migrant workers.<sup>18</sup> (US Department of State, 2018) New Zealand has ratified ILO fundamental conventions on prohibition of forced or compulsory labour (No. 29 and 105). (ILO, NORMLEX)

#### *Freedom of association and the right to collective bargaining*

EU Member States have developed different models of social partners' engagement in the design and implementation of relevant policies. Social partners have been involved in the reform of wage setting mechanism, including the minimum wage, vocational education and training reforms, assistance for long-term unemployed, and labour law reform. (European Commission, 2017) In addition, at the EU level, Article 154 of the Treaty on the Functioning of the European Union (TFEU) obliges the European Commission to consult social partners on policy and legislative initiatives related to social field. This includes health and safety at work, working conditions, social protection, conditions of employment of third country nationals, equality between men and women in the labour market, and others. (TFEU, OJ 326 C of 26.10.2012) The Commission facilitates also sectorial and cross-industry social dialogue between social partners at the EU level.<sup>19</sup> In 2015-2016, rates of trade union membership varied across EU Member States, from 8 percent in France to 66.8 percent in Sweden.<sup>20</sup>

In the 2017/2018 EU debate about implementation of TSD Chapters and ways to improve it, participants emphasized a need of taking steps, in cooperation with the partner country, to ensure alignment of the Parties' law and practice with the ILO fundamental conventions (European Commission 2017e, 2018).<sup>21</sup>

In 2016, the rate of trade union membership was in New Zealand at 17.7 percent.<sup>22</sup> However, the rates varied across the sectors, with over 40 percent of workers in health care and social assistance, and in education and training being a trade union member, while in agriculture, forestry and fishing, this was around 3 percent. (Stats NZ, 2016 – See Figure III.2.3) The overall number of trade union members decreased by half since 1985, with the largest loss recorded by the sector of agriculture, forestry and fishing. This was

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<sup>17</sup> Information materials for migrant workers explaining their rights have been prepared and published in Chinese, Korean, Hindi, Vietnamese and other languages spoken by the largest groups of migrants: <https://www.immigration.govt.nz/about-us/policy-and-law/integrity-of-the-immigration-system/migrant-exploitation> [accessed on 3 June 2019]

<sup>18</sup> Labour inspection in New Zealand publishes lists with the names of employers (companies) who have breached employment standards with regard to migrant workers and have been banned from recruiting migrant workers. Such lists are regularly updated (at the time of writing this Report, the latest version was of 29 May 2019). In the first four months of 2019, 46 employers were banned from employing migrant workers. There are also financial penalties imposed: <https://www.employment.govt.nz/assets/Uploads/3abebaac61/published-stand-down-report-2019-05-29.pdf> [accessed on 3 June 2019]

<sup>19</sup> For more information, please see the website of Directorate General (DG) Employment, Social Affairs and Inclusion: <http://ec.europa.eu/social/main.jsp?catId=329&langId=en>

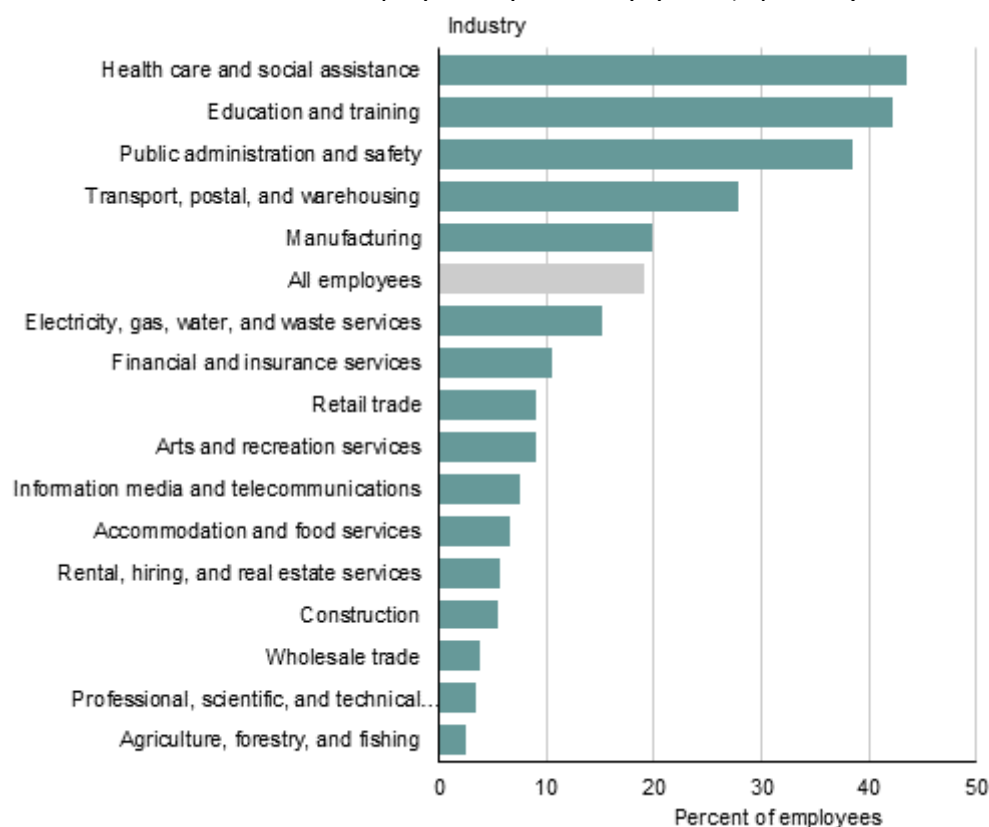
<sup>20</sup> See: <https://stats.oecd.org/Index.aspx?DataSetCode=TUD>

<sup>21</sup> Also see "ETUC Resolution for an EU progressive trade and investment policy," ETUC, 16 June 2017, <https://www.etuc.org/en/document/etuc-resolution-eu-progressive-trade-and-investment-policy> [accessed 31 December 2018].

<sup>22</sup> See: <https://stats.oecd.org/Index.aspx?DataSetCode=TUD>

largely due to the Labour Relations Act 1987, which required unions to have a minimum of 1,000 members (compared to 30 members under previous legislation). Other factors included rise in short-term and casual jobs and economic restructuring of sectors traditionally having high rates of trade union membership. Since the repeal of the Labour Relations Act in 1991, the number of small trade unions, some of them based in one enterprise, started increasing. (Parliament of New Zealand, 2000) New Zealand has ratified one ILO fundamental convention on freedom of association and the right to collective bargaining (No. 98). Ratification of the convention No. 87 on freedom of association and protection of the right to organize is pending. (ILO, NORMLEX)

Figure III.2.3: Union member employees by industry (2016, quarter)



Source: Statistics New Zealand

## Corporate Social Responsibility (CSR) and global value chains

In the EU, CSR is developed and implemented at the national and EU level and included into EU external policies (e.g. trade and investment agreements), dialogues with partner countries, and other international initiatives (e.g. Sustainability Compact for the Ready-Made Garment sector in Bangladesh). Several Member States have developed and implement national action plans or strategies regarding CSR and separate action plans on Business and Human Rights. In 2015, the European Commission published an overview of the EU legal and policy framework related to the UN Guiding Principles on Business and Human Rights, and actions implementing them.<sup>23</sup> Some Member States, e.g. Germany or the Netherlands, promote multi-stakeholder initiatives involving governments, business, and civil society organizations developing solutions to respect human rights, labour, and environmental standards in global value chains in diverse sectors. At the EU level, the European Commission leads, and coordinates CSR activities guided in the last few years by the EU CSR strategy 2011-2014. Applied measures include legislative instruments, such as the Directive 2014/95/EU on disclosure of non-financial and diversity information by

<sup>23</sup> For more details related to Business and Human Rights at the EU and Member States' level, please, see : [http://ec.europa.eu/growth/industry/corporate-social-responsibility/in-practice\\_en](http://ec.europa.eu/growth/industry/corporate-social-responsibility/in-practice_en)



large companies<sup>24</sup> and the EU Regulation on responsible sourcing of minerals from conflict affected and high-risk areas, which will enter into force in 2021<sup>25</sup>. The EU also promotes international instruments in the area of CSR and OECD sectorial due diligence guidance documents developed for supply chains in the sectors of minerals, agriculture, extractive industries, textile and garment, and financial services,<sup>26</sup> as well as best practice sharing. The European Commission has also devised guidance documents for business, such as CSR handbook and questionnaires for SMEs and their advisers. In the context of trade and sustainable development chapters of the EU FTAs, discussions promoting CSR and sharing best practice were held in 2017-2018 at workshops with partner countries, e.g. Central America and the Republic of Korea. There are also assistance projects supporting CSR development and responsible supply chains, e.g. in the Asian countries<sup>27</sup>.

A survey conducted in 2017 in 359 companies in New Zealand provided information about CSR practices in private sector, as well as the extent to which they focus on meeting the UN Sustainable Development Goals. The latter were included into the companies' reporting, business strategies, value chain operations or a separate CSR strategy, whereby the last one was mostly present in foreign-owned companies with capital from Europe or North America, thus reflecting actions designed in managed by their overseas Headquarters. According to respondents, CSR reporting contributed to building their company's reputation as a responsible business and helped in positioning its brand. It was conducive to engaging with leadership and stakeholders in a dialogue about the company and its strategy and helped to identify areas for improved performance. Global Reporting Initiative was the mostly used reporting framework. 82 percent of respondents named managing regulatory impacts as their immediate top priority. This relates to a changing regulatory environment in New Zealand which includes a review of the Stock Exchange corporate governance reporting requirements to improve disclosure about environmental, social and governance-related risks and mitigating measures. Building stronger relationships with stakeholders as the top priority ranked second. Respondents based in New Zealand or Australia (which was also covered by the survey) represented mainly the services sector, e.g. professional and consulting services (20 percent), banking (13 percent), utilities (10 percent), transport (9 percent), financial and insurance services (6 percent) and IT (6 percent), followed by engineering, manufacturing and mining industries, with a majority represented by large companies (79 percent of respondents employing 500 workers or more). (ACCSR, 2017)

Other sources, e.g. a Deloitte 2018 overview report and reports of individual companies confirm that an increasing number of enterprises in New Zealand follow CSR practices. This includes a wide range of actions, e.g. improving impact on environment (by reducing emissions or use of pesticides), care for wellbeing of workers and suppliers (e.g. farmers), decisions to source only locally and ethically or to support local communities and children, e.g. those living in poverty or requiring help in improving financial literacy.<sup>28</sup> (Deloitte, 2018) Surveyed companies (243) recognize benefits from pursuing CSR/RBC practices. In their view, they include strengthened reputation, reduced risk, strengthened competitive advantage, new value created through new products or markets, reduced costs, reduced complaints and/or disagreements with stakeholders and a greater willingness of activist groups to engage and negotiate. (Deloitte, 2018) Large companies with HQ in New Zealand having operations in Australia will need to comply with the Australian "Modern Slavery Act" which entered into force in 2019 and requires companies with AUS\$100 million revenues in

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<sup>24</sup> [https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/non-financial-reporting\\_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/non-financial-reporting_en)

<sup>25</sup> <http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/>

<sup>26</sup> For more details, please consult OECD website: <http://www.oecd.org/corporate/mne/>

<sup>27</sup> [http://trade.ec.europa.eu/doclib/docs/2018/march/tradoc\\_156624.pdf](http://trade.ec.europa.eu/doclib/docs/2018/march/tradoc_156624.pdf)

<sup>28</sup> Ibidem.

Australia, regardless of where they are based to provide a public report on how they identify and combat modern slavery problems in their operations and supply chains.<sup>29</sup>

### **Public policies – social protection, education and health care**

EU Member States have pursued reforms of the social protection systems, e.g. by increasing retirement age, limiting access to early retirement, and focusing on protection of those who receive low pensions, to ensure decent living standards. In other parts of the social protection system, the reform efforts are focused on extending coverage (e.g. to include self-employed and free lancers), improving adequacy of social benefits, and encouraging peoples' activity. Regarding pension systems, the Member States are encouraged to align the pension age of men and women to avoid poverty among female pensioners, and to raise minimum pensions or decrease tax burden on low pension incomes. (European Commission, 2017)

Member States are also modernizing their education and training systems. Further steps in this area should focus on continued learning and skills upgrading, a better alignment of education programmes and obtained skills with the labour market needs, coordination between business and education providers, and the use of apprenticeships. (European Commission, 2017)

Several Member States have implemented as well healthcare reforms to encourage the provision of and access to effective primary health care services, enshrine promotion of good health and prevention of diseases in primary care, streamline and increase the sustainability of specialist and hospital care, and to improve the access to affordable medicines used in a cost-effective way. Some Member States are also taking steps to improve the efficiency and quality of long-term care services. This should promote social inclusion and reduce obstacles to labour market participation for family carers, especially women. (European Commission, 2017)

In 2013, individuals in New Zealand had a higher tertiary education attainment than the OECD average, and upper secondary education attainment was around the OECD average. Moreover, many vocational education and training programmes were offered in post - compulsory education. However, the socio-economic background of students had a large impact on their performance (more pronounced than the OECD average). Therefore, the New Zealand's Government developed support programmes (education strategies) to help improve performance of students from indigenous communities (Pacific People and Māori), and has taken measures to reduce the rates of early school drop-outs. (OECD, 2013a)

In 2012-2013, New Zealand undertook a reform of the welfare system with the aim to reduce dependence on benefits, encourage more independence and personal responsibility of the beneficiaries, primarily through paid employment, to provide more targeted support and to achieve better social and economic outcomes. The reform included also a mix of incentives and obligations (e.g. preparation of a CV, participation in training, enrolment of children in pre-school education and health care system, or acceptance of a suitable job offer at least part-time, in case of people having young children) based on the assumption that beneficiaries will actively seek and get a job, and therefore income support provided by the system will be temporary and may change over time. It also introduced new types of benefits replacing the existing ones. (NZ Parliament, 2013)

In New Zealand, health care expenditures are covered in 80 percent by the Government (i.e. from public sources) and in 2017/2018 this equaled NZ\$16.8 billion or 5.9 percent of GDP. (Cumming, 2017) Public expenditure on social security and welfare took the biggest

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<sup>29</sup> Deloitte: Social licence is key to New Zealand business survival. 2018 Modern Slavery Act provides significant opportunities for New Zealand businesses: <https://www2.deloitte.com/nz/en/pages/risk/articles/social-license-key-to-nz-business-survival.html>

share of public spending in 2017 (NZ\$25 billion or 9.5 percent of GDP)<sup>30</sup> while expenditures for education in the same year equaled NZ\$13.3 billion (around 5 percent of GDP) and were projected to grow up to NZ\$14.4 billion by 2021.<sup>31</sup>

### **III.2.2 Overall gender equality state of play**

#### **Women as workers**

In 2017 in the EU, the employment rate of women continued to raise reaching 66.4 percent. With the employment rate for men being at 77.9 percent, this meant a persistent gap of 11.5 percentage points. Women are increasingly well-qualified and in certain age groups outperform men in educational attainment (e.g. in 2017, 44.9 percent of women aged 30-34 had tertiary education compared to 34.9 percent among men). Yet, they tend to work fewer hours (in 2017, the total EU part-time employment rate for women of 31.1 percent was higher by 23 percentage points than that for men, 8.2 percent). Women also tend to have lower-ranking jobs than men and be more present in lower paying sectors. The sectoral segregation also persists among skilled professionals where women choose law or health care and are underrepresented in such professions, as engineers or ICT experts. (Figure III.2.4 outlines sectorial shares in total employment in the EU in 2018 in a break-down by gender.) These factors contribute to a gender pay gap (16.2 percent in 2016), which combined with a usually shorter career translates into lower pensions for women (gender gap of 37.2 percent in 2016). Additional challenges on the labour market are faced by vulnerable women, i.e. older ones, single parents, with disabilities, or with a migrant or ethnic minority background. (European Commission, 2018a, 2018b, 2017a) According to a study carried out in 2014, 12.3 million jobs occupied by women in the EU depended on exports (Rueda-Cantuche, Kutlina-Dimitrova et al, 2018). Also, in this case a gender gap has been revealed: the figure represented 38 percent of all EU export-dependent jobs while female employment equaled 46.1 percent of total EU employment in the same year.<sup>32</sup>

In 2016, challenges in entering the labour market were faced especially by mothers and women with care responsibilities (e.g. in six Member States, over 50 percent of potential female workforce aged 25-49 were inactive because of the need to look after children or disabled adults; moreover, the employment rate of mothers with children under the age of 6 was up to 30 percentage points lower than that of women without children). Factors influencing negatively women's situation on EU labour market include insufficient child care and other care facilities, fiscal disincentives for second earners (substantial effective tax increase and/or withdrawal of benefits following increase in salary or in number of working hours), and insufficient availability of flexible working arrangements (e.g. lack of a possibility to work for part of the weekly time from home). Member States have taken steps to increase the availability of childcare facilities, introduce more balance between men and women in parental leave, encourage women to return to work after childbirth, raise awareness about non-discrimination at work and increase transparency regarding wage levels. (European Commission, 2018a, 2018b, 2017, 2017a) At the EU level, the Commission presented in 2017 a policy and legislative package "The initiative on work-life balance for working parents and carers" that aims at modernizing EU legislation in the area of family-related leave and flexible working arrangements. The Commission adopted an Action Plan to tackle the gender pay gap 2017-2019, (European Commission, 2018b) and the „EU strategic engagement for gender equality 2016-2019". (European Commission, 2016)

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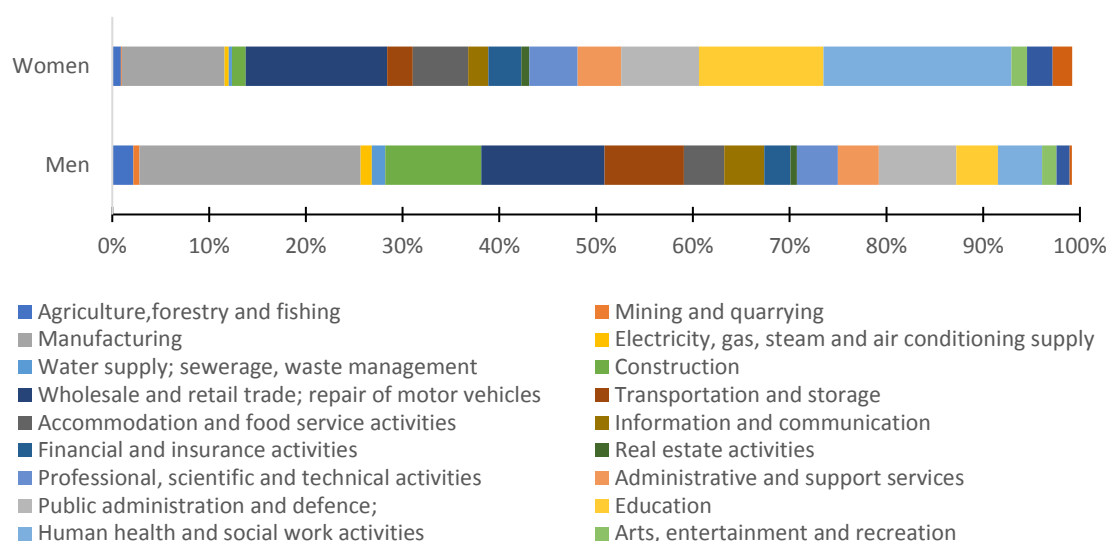
<sup>30</sup> Stuff: "What is the Government's biggest core expense?" (January 2018) [accessed on 4 June 2019]: <https://www.stuff.co.nz/business/industries/100479864/what-is-the-governments-biggest-core-expense>

<sup>31</sup> Stuff: „NZ government spending on education continues to grow" (January 2018): <https://www.stuff.co.nz/business/industries/100991279/nz-government-spending-on-education-continues-to-grow> [accessed on 4 June 2019]

<sup>32</sup> This may be explained to some extent by the fact that women are often occupied in sectors with lower presence in international trade, such as education, health care and social services, and public administration.

Women account for 25.3 percent of board members in the largest publicly listed companies registered in the EU Member States, with the share ranging from 43.4 percent in France to 7.4 percent in Estonia. (European Commission, 2018b)

Figure III.2.4: Sectoral shares in total EU employment by gender (2018)

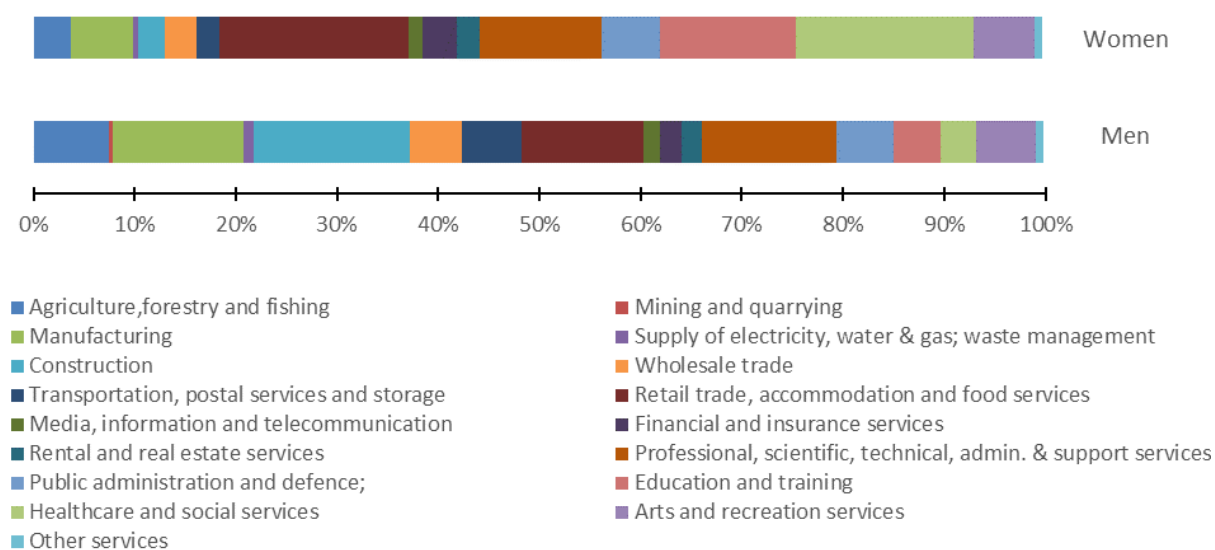


Source: author's calculations based on EUROSTAT, Labour Force Survey (2018), <https://ec.europa.eu/eurostat/web/lfs/data/database> [accessed on 13 October 2018]

The women's employment rate continued to increase in New Zealand and in 2018 reached 63.2 percent. With the rate for men at 72.8 percent, an employment gender gap was of 9.6 percentage points. For Māori and Pacific women<sup>33</sup>, the rates were lower, at 59.3 percent and 55.3 percent respectively. The unemployment rate was identical for both genders: 3.8 percent, with significantly higher figures for Māori and Pacific women (11.1 percent and 10.4 percent). Many more women (31.5 percent) than men (11.5 percent) worked part-time and this included 32,000 men and 79,000 women working part-time involuntarily, i.e. ready to take and seeking more hours. In 2018, the gender pay gap was of 9.2 percent (a decrease from 16.2 percent in 1998). (Ministry of Business, Innovation and Employment, 2018 and Stats NZ, 2017 and 2018c) In 2013, women were more qualified than men, with a higher proportion of them having attained tertiary education. (Stats NZ, 2013) However, women work still more often than men in lower-paid industries, are under-represented in leadership positions and undertake most of unpaid work. (Ministry for Women, 2017) Three main reasons impeding females' careers and progression towards management positions include unconscious bias and stereotypical views about women and leadership affecting negatively recruitment decisions and promotions; career breaks for child care and other family responsibilities, and flexible work arrangements e.g. part-time work or job-sharing. (Ministry of Women's Affairs, 2013) The Government takes actions to address the identified challenges, e.g. it has published guidance for employers outlining measures to close the gender-based pay gap. It started work on extensions to paid parental leave to encourage men to take a greater role in child care; it supports training programmes increasing women's employability and promotes female participation in well-paid occupations like digital technology and the trades. The Ministry for Women has also been actively involved in promoting female candidates for directorships in public sector boards contributing to women holding (in 2017) 45.3 percent of them. At the same time, women remain underrepresented at the managerial posts in private sector. In 2017, they held only 18 percent of directorships on the boards of companies listed on the New Zealand Stock Exchange. (Ministry for Women, 2017). Figure III.2.5 outlines sectorial shares in the total employment of women and men, respectively, in New Zealand in 2018.

<sup>33</sup> Rates provided for Māori and Pacific women were recorded in 2017.

Figure III.2.5 Sectoral shares in total employment in New Zealand by gender (2018)



Source: Stats NZ, Labour market statistics, March 2018 [accessed on 18 January 2019]: <https://www.stats.govt.nz/information-releases/labour-market-statistics-march-2018-quarter>

### Women as entrepreneurs

According to a study prepared for the European Commission, in 2012, the share of women among EU entrepreneurs was 31 percent (10.3 million persons), recording an increase from 28 percent in 2008. The rate varied between the EU Member States from 18 percent in Malta and 20 percent in Ireland to 40 percent in Lithuania and Latvia. Compared to the total labour force, the number of entrepreneurs (rate of entrepreneurship) in the EU was 10 percent for women and 19 percent for men. 23 percent of female entrepreneurs employed workers; the rest acted as solo entrepreneurs (with different legal forms of the undertaking). Among men, employers made up 30 percent of entrepreneurs. 22 percent of female entrepreneurs had lower than the secondary education, 42 percent had a secondary education and 36 percent had a higher education level. 31 percent worked part-time in their enterprises, the reasons being having a second job, family responsibilities, illness, disability, old age, and need for leisure time. (European Commission, 2014) Table II.2.1 outlines the main sectors of activity of women-led enterprises in the EU.

30 percent of EU farmers were women (93 percent of them being solo entrepreneurs). In eight EU Member States, for which data on size of women-led enterprises is available, 94 percent of women-led undertakings were microenterprises, 5 percent small ones and 1 percent medium and large ones (European Commission, 2014). The main challenges faced by female entrepreneurs included access to finance, information, training, and networks for business purposes, as well as reconciliation of business and family life.<sup>34</sup>

<sup>34</sup> DG GROWTH: <http://ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/women/>

*Table III.2.1: Share of women-led enterprises in the EU by sector, 2010*

Sector	Women-led enterprises as % of all enterprises in the sector
Human health and social work	60
Other services	65
Education	55
Accommodation and food services	39
Administrative and support services	37
Professional, scientific and technical activities	34
Trade (wholesale and retail)	33
Agriculture, forestry, and fishing	30
Financial and insurance services	26
Manufacturing	20
Information and communication	20

Source: European Commission (2014).

The EU and Member States developed tools to support women in their entrepreneurship, e.g. WEgate (launched in 2016) provides a “one-stop-shop” for women who want to start, run or grow a business. It provides information about access to training, mentoring, advice and business networking opportunities. Another tool, a policy network supporting and promoting female entrepreneurship brings together government and other institutions’ representatives from 31 countries (EU, Norway, Iceland and Turkey) to provide advice, information, and contacts regarding existing support measures for female entrepreneurs, as well as to identify good practices.

The European Network of Female Entrepreneurship Ambassadors launched in 2009 is made up of around 270 entrepreneurs from 22 European countries. Their aim is to act as role models by telling their story to raise awareness and encourage entrepreneurship as a career option for women of all ages. The work of the network has brought about tangible results: over 650 national meetings have been organized, reaching more than 61 000 would-be women entrepreneurs. The ambassadors have supported creation of more than 250 new women-led enterprises and created 22 networking and business support clubs for women. The European Network of Mentors for Women Entrepreneurs was inaugurated in 2011 and brings together representatives of 17 EU and Western Balkan countries. It provides advice and support to women entrepreneurs on the start-up, management and growth of their businesses in the early phases.<sup>35</sup>

In 2018, New Zealand ranked first in the Mastercard Index of Women Entrepreneurs based on scores in a range of indicators, including women’s advancement in the labour market and entrepreneurship, educational attainment and access to finance, conditions supporting businesses, such as ease of doing business or perceptions of women as entrepreneurs, and support for SMEs, e.g. provision of training. Accordingly, New Zealand had the fourth highest rate of women among all entrepreneurs (33 percent) and the best scores (1<sup>st</sup> rank) for the ease of doing business, governance quality (effective regulatory policies), support for SMEs (affordable financial services, provision of training and development offer), and the rate of women enrolment in tertiary education. The remaining indicators placed the country at ranks 5<sup>th</sup> to 10<sup>th</sup>, with some exceptions, such as social acceptance of and support for entrepreneurs among women (ranks 30<sup>th</sup> to 39<sup>th</sup>) and social attitude to running business as a desirable career (39<sup>th</sup>). The report reveals as well that female entrepreneurs in New Zealand earn on average 32 percent less than male business owners. (Mastercard, 2018)

<sup>35</sup> For details, about initiatives supporting female entrepreneurs at the EU level, please see: [http://ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/women/support-networks\\_en](http://ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/women/support-networks_en).



In a survey carried out in 2015 among women-led SMEs in New Zealand, respondents named the same challenges as other SMEs, e.g. increasing competition in the market forcing SMEs to raise their competitiveness, fuel prices, cash flow, attracting new customers, price margins and profitability. They planned e.g. investment in IT systems to maximize productivity and streamline operations. Moreover, women were more likely than male business owners to include staff-oriented actions into their planning, such as wage increase. The reasons for setting up a business included a need to have own control over professional activity, more flexibility, an opportunity to follow a passion, and a wish to combine work with family life.<sup>36</sup> (MYOB, 2015) In the last decade, women-led enterprises operated in sectors including property and business services, retail trade, and personal and other services. (Ministry of Women's Affairs, 2008)

### **Women as traders**

In the EU, the European Commission has been leading discussion on women economic empowerment and trade to explore ways of promoting increased women's participation in international trade and identify barriers preventing women from seizing opportunities offered by trade agreements, as well as to develop tools and share experience in gender-based analysis of trade policy. This included e.g. launch with the UN Women and the ILO of a three-year WE EMPOWER programme promoting economic empowerment of women at work through responsible business conduct, adoption of a recommendation on trade and gender under EU-Canada FTA,<sup>37</sup> negotiation of a trade and gender chapter under EU-Chile modernized AA, organizing an International Forum on Women and Trade in 2017, debate at the European Development Days in 2018 and participation in seminars organized further to the 2017 Buenos Aires Declaration on Trade and Women's Economic Empowerment.<sup>38</sup>

New Zealand's Government was among supporters of the 2017 Buenos Aires Declaration<sup>39</sup> and has been involved in the APEC<sup>40</sup> initiatives promoting women's participation in economic activities and international trade (women, SMEs and inclusive growth form one out of four priorities of the Chilean Presidency in APEC in 2019)<sup>41</sup>. These include e.g. "Gender Inclusion Guidelines"<sup>42</sup>, a tool adopted by APEC in 2017 to integrate gender dimension into work of APEC's forums across five pillars: 1) access to capital and assets, 2) access to markets, 3) skills, capacity building and health, 4) leadership, voice and agency, 5) innovation and technology. (Braun, 2018) The Government is also considering further steps to support women's participation in trade, but also to analyze and address impacts of trade policy and trade agreements on gender equality. These can include analysis of women's participation in economic activity and trade to guide negotiations on trade agreements, consideration of a dedicated trade and gender chapter and cooperation within the FTA bodies on trade and gender-related questions. (Ministry for Foreign Affairs and Trade, 2018) In June 2019, the Government is going to present proposals of the new Trade for All policy, including on gender and trade.<sup>43</sup> Representatives of New Zealand have also contributed to a UNECE discussion on a greater role for women in international standards setting, including in relation to product standards, which has been summarized

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<sup>36</sup> The main sectors represented in the sample in survey included the professional sector (34 percent), the primary industries (21 percent), retail and hospitality (10 percent) and the trades (6 percent).

<sup>37</sup> See: <http://trade.ec.europa.eu/doclib/events/index.cfm?id=1949> [accessed on 15 February 2019]

<sup>38</sup> For more information, see: International Forum on Women and Trade: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1632>; European Development Days: <https://eudevdays.eu/community/sessions/1004/trade-and-womens-economic-empowerment>.

<sup>39</sup> See text of the Declaration and the list of supporting countries: [https://www.wto.org/english/news\\_e/news17\\_e/mc11\\_12dec17\\_e.htm](https://www.wto.org/english/news_e/news17_e/mc11_12dec17_e.htm)

<sup>40</sup> Asia-Pacific Economic Cooperation, an inter-governmental forum of 21 Pacific Rim member economies.

<sup>41</sup> Priorities for APEC, Chile 2019: <https://www.apecchile2019.cl/apec/apec-chile/priorities-apec-2019> [accessed on 18 January 2019]

<sup>42</sup> APEC Gender Inclusion Guidelines: <https://www.apec.org/Publications/2017/11/APEC-Gender-Inclusion-Guidelines> [accessed on 18 January 2019]

<sup>43</sup> Trade for All Agenda: <https://www.mfat.govt.nz/en/trade/nz-trade-policy/trade-for-all-agenda/>

by adoption of the Declaration for Gender Responsive Standards and Standards Development.<sup>44</sup>

### **Women as consumers**

Women in their role of consumers are considered together with other groups of consumers in the general part of the social impacts' analysis.

## **III.3 Human Rights state of play**

### ***Human rights framework***

"The Union is founded on the values of respect for human dignity, freedom, democracy, the rule of law and respect for human rights" says Article 2 of the Lisbon Treaty. Human rights are guaranteed at the EU level by the EU Charter of Fundamental Rights (CFR) adopted in 2000 and having a binding nature on all EU member states following the Lisbon Treaty of 2009. The Charter is consistent with the European Convention on Human Rights (ECHR) ratified by all the member states. All EU institutions stand by the values of the Union. Fundamental Rights Agency (FRA), was established to perform the tasks of collecting and analyzing information and data on human rights, providing independent and evidence-based advice and expertise in the field and communicating and raising fundamental rights awareness.<sup>45</sup>

The European Union's trade relations, just like its other external actions, are guided by its commitment to support and promote democracy and human rights as it is established in the Lisbon Treaty (Art. 3(5), Art. 21(1) (3) TEU and Art. 207(1) TFEU). Moreover, Article 6(1) TEU gives the Charter the binding legal value equal to that of the Treaties by mandating that the EU legal order 'recognizes the rights, freedoms and principles set out in the Charter of Fundamental Rights'. In line with the Strategic Framework on Human Rights and Democracy, the EU is committed to "promote human rights in all areas of its external action without exception" (Council of the European Union 2012: 2). This position is supported and developed in the policy documents of the European Commission.<sup>46</sup> The UN 2030 Agenda for Sustainable Development which "envisages a world of universal respect for human rights" (United Nations, 2015: 4), is applied in several EU policy documents further affirming its commitments with respect to human rights and strengthening their importance.<sup>47</sup> Every year FRA publishes a report reflecting on the progress and setbacks of human rights protection at the EU level and proposes recommendations for improvement.

All EU member states are parties to several international human rights instruments and have human rights obligations. They have different records with respect to ratification of international human rights treaties (see Table III.3.1 below), but they are all bound by the human rights values enshrined in the Charter. All EU member states ratified all the core ILO Conventions (see Table III.3.2 below).

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<sup>44</sup> UNECE: Gender Responsive Standards Initiative: <http://www.unece.org/tradewelcome/steering-committee-on-trade-capacity-and-standards/tradewp6/thematic-areas/gender-initiative.html>

<sup>45</sup> See FRA website, <https://fra.europa.eu/en/about-fra/what-we-do> [accessed 24 January 2019].

<sup>46</sup> For example the European Commission's Trade for All communication (European Commission 2015b) or the EU Action Plan on Human Rights and Democracy (Council of the European Union 2015).

<sup>47</sup> COM(2016) 739 final; COM(2016) 740 final; SWD(2016) 390 final.



Table III.3.1: Status of Ratifications of International Human Rights Treaties for EU Member States\* and New Zealand

Treaty	New Zealand	Austria	Belgium	Bulgaria	Cyprus	Croatia	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom**
CAT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CAT	✓	✓	S	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	s	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
ICCPR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ICCPR-OP1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
ICCPR-OP2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CPED		✓	✓	s	S	s	✓	S		s	✓	✓	✓		s	✓		✓	s	✓	✓	s	✓	s	✓	s	✓	s	
CEDAW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CEDAW	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
ICERD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ICESCR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ICESCR-OP			✓							✓	✓				s	✓			✓		s		✓		✓	s	✓		
ICMW																													
CRC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CRC-AC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CRC-SC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	s	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CRC-IC		S	✓		✓	✓	✓	✓		✓	✓	✓			✓	✓		s	✓	s		s	✓	s	✓	s	✓		
CRPD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CRPD	✓	✓	✓	s	✓	✓	s	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			✓	s	✓	✓	✓	✓	✓

\* (✓) means state party, (s) means signatory party, (blank space) means no action.

\*\*subject to procedure of the UK withdrawal but still a member state at the moment of writing of the proposal.

Source: Author's compilation based on the OHCHR Dashboard of ratifications ([www.indicators.ohchr.org](http://www.indicators.ohchr.org))

Table III.3.2: Status of Ratifications of ILO Conventions for the EU Member States \* and New Zealand

Treaty	New Zealand	Austria	Belgium	Bulgaria	Cyprus	Croatia	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom**
C029	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C087		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C098	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C105	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C111	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C138		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C182	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C169								✓													✓						✓		

\* (✓) means state party, (blank space) means no action.

\*\*subject to procedure of the UK withdrawal but still a member state at the moment of writing of the proposal.

Source: Author's compilation based on ILO NORMLEX – Information System on International Labour Standards ([www.ilo.org](http://www.ilo.org))

***Human rights situation and trends***

Based on the 2018 Freedom House Democracy Index, the ranking scores of the states of the European Union with respect to democracy vary from 72 to 100 out of 100 (Freedom House, 2018). The scores of the 2018 Corruption Perception Index of Transparency International for the EU states range from very high (88 for Denmark) to relatively low (42 for Bulgaria) (Transparency International, 2018). The 2017 Human Development Index (HDI) ranks most EU member states as having very high levels of human development.<sup>48</sup>

Since EU member states have not followed homogenous development paths before becoming members of the EU, some states have more human rights issues than others. The 2019 Human Rights Watch (HRW) World Report noted that in 2018, despite a decrease in migration flows to Europe, rights of migrants and asylum seekers continue to be compromised by some EU member states, and main issues remain with respect to discrimination against women, Roma people and LGBTI persons. At the same time, HRW praised the European Union for remaining a leading actor in promoting human rights globally and welcomed the commitment of the EU institutions in their action to address attacks on democratic institutions and rule of law in Hungary and Poland in 2018 (Human Rights Watch, 2019). Discrimination against women, national minorities, migrants, inequality, rights of older people, impact of the misuse of anti-terror legislation on freedom of expression have been on the agenda of the Council of Europe's Commissioner for Human rights in 2018.<sup>49</sup> European Union Agency for Fundamental Rights raised human rights issues with respect to discrimination and unequal treatment in general, rights of asylum seekers, immigrants and minority ethnic groups, Roma integration, children's rights, violence against women and domestic violence (FRA, 2018). Many of these issues are of domestic character and are not likely to be directly related to trade relations with New Zealand. However, the current situation is important in order to assess human rights impacts, particularly, the degree of the impact, while considering existing sensitivities and issues of vulnerability.

Overall, the human rights situation in the EU can be characterized by several issues that need attention, but, at the same time, it demonstrates that there are constant developments in the field of human rights to improve human rights record and performance of the EU member states. There are various institutions that point out shortcomings and elaborate recommendations on constant improvement of human rights situations in the EU. As such, overall, human rights developments are not likely to be directly linked to trade relations with New Zealand. However, depending on the exact provisions of the proposed Agreement, there may be impacts that may potentially affect human rights situation in the EU at certain sector level or disproportionately affecting specific vulnerable groups. To this end, we will seek for further evidence on the identified issues and whether they are likely to be affected by the proposed EU-New Zealand trade relationship. At a later stage of the study, these findings will be verified and fine-tuned in line with the inputs from the modelling results and stakeholder consultations (adding edge and most up-to-date information with respect to the existing issues of vulnerability).

***Current human rights situation in New Zealand***

Currently, human rights relationship between the EU and New Zealand is governed by the EU-New Zealand Partnership Agreement for Relations and Cooperation (PARC), that establishes, among others, cooperation between the parties in the area of human rights and gender issues (EEAS, 2018; New Zealand Government, 2016).

***Human rights framework***

New Zealand is a party to seven out of nine core international human rights treaties,<sup>50</sup> and

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<sup>48</sup> HDI ranking is ranging from 4 to 51, with Bulgaria and Croatia being the only two states characterised as a states with a "high" rather than "very high" level of human development (UNDP, 2017).

<sup>49</sup> See website of the Council of Europe's Commissioner for Human Rights at <https://www.coe.int/en/web/commissioner/blog-2018> [accessed 24 January 2019]

<sup>50</sup> Core UN human rights treaties include: International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), International Covenant on Civil and Political Rights (ICCPR), International Covenant

six out of eight core ILO Conventions,<sup>51</sup> (see Tables III.3.1 and III.3.2 for an overview), and has human rights obligations established in these instruments. It did not ratify International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICRMW) and the International Convention for the Protection of All Persons from Enforced Disappearance (ICPED), Optional Protocol to the International Covenant on Economic, Social and Cultural Rights (OP-ICESCR) and Optional Protocol to the Convention on the Rights of the Child on a communications procedure (OP-CRC-CI), ILO Convention No. 138 on minimum age requirements for admission to employment, ILO Convention No. 87 on freedom of association and protection of the right to organize, ILO Convention No. 169 on the rights of indigenous peoples.<sup>52</sup> New Zealand is also a signatory to the UN Agenda 2030 for sustainable development that came into effect in January 2016. The sustainable development goals (SDGs) apply to all countries and recognize importance of human rights in many of the goals (The Danish Institute for Human Rights, 2018).

In New Zealand human rights are recognized and protected under two main legal acts: the New Zealand Bill of Rights 1990 (which guarantees mostly civil and political rights) and the New Zealand Human Rights Act 1993 (which guarantees the right to discrimination on different grounds: sex, marital status, religious belief, ethical belief, color, race, ethnic or national origin, disability (including illness), age, political opinion, employment status, family status, and sexual orientation). Next to that, New Zealand has an institutional framework in place to promote and monitor protection of human rights. The New Zealand Human Rights Commission is an independent national human rights institution established by the Human Rights Act 1993 and has the power to resolve disputes related to unlawful discrimination. Office of Human Rights Proceedings was set up under the Human Rights Amendment Act 2001 to provide legal representation and assistance for people who claim to have been unlawfully discriminated against (New Zealand Government, 2016). One of the founding documents of the system of government in New Zealand (though not formally a part of the national legislative framework) is the Treaty of Waitangi which was signed between the Māori chiefs and the British Crown in 1840 (United Nations, 2018a). It provides guarantees for the right of Māori to self-determination and includes the duty to consult the Māori in decisions that affect them (which is not interpreted as absolute and is reported to be inconsistently applied in practice). In contemporary legal framework, due to differences in translation (in the Māori and English versions) and interpretation of the text, the Treaty is more referred to in terms of treaty principles rather than its provisions (United Nations, 2011).<sup>53</sup>

New Zealand has a “strong history in protecting and promoting human rights both at home and internationally”,<sup>54</sup> and it has high ranking in terms of human rights, governance and transparency as shown by various international rating agencies.<sup>55</sup> Every time the New

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on Economic, Social, and Cultural Rights (ICESCR), Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT), Convention on the Rights of the Child (CRC), International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICMW), International Convention for the Protection of All Persons from Enforced Disappearance (ICPED), International Convention on the Rights of Persons with Disabilities (ICRPD), and their Optional Protocols.

<sup>51</sup> Core ILO Conventions include: Forced Labour Convention, 1930 (No. 29), Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Equal Remuneration Convention, 1951 (No. 100), Abolition of Forced Labour Convention, 1957 (No. 105), Discrimination (Employment and Occupation) Convention, 1958 (No. 111), Minimum Age Convention, 1973 (No. 138), Worst Forms of Child Labour Convention, 1989 (No. 182).

<sup>52</sup> For detailed description of treaty ratifications and reservations expressed, see ex-ante study (LSE, 2017).

<sup>53</sup> “The dominant principles articulated by New Zealand courts, though understood to be evolving, are: partnership, which includes a duty of both parties to act reasonably, honourably and in good faith; active protection, which requires the Government to protect Maori interests, although the degree of the obligation of the vulnerability of the taonga involved in the situation; and redress which requires the Government to take active and positive steps to redress breaches of the Treaty of Waitangi and to provide fair and reasonable compensation for breaches” (United Nations, 2011, para.9, p. 5).

<sup>54</sup> Website of the New Zealand Foreign Affairs and Trade Ministry, <https://www.mfat.govt.nz/en/peace-rights-and-security/human-rights/> [accessed 24 January 2019].

<sup>55</sup> United Nations, Report of the Human Rights Council on its twenty-sixth session, 11 December 2014, A/HRC/26/2, p.56.

Zealand government signs a new significant international treaty, a National Interest Analysis (NIA) is produced by the lead government agency. Ministry of Foreign Affairs and Trade Ministry of New Zealand notes that in negotiating trade agreements, New Zealand seeks to include provisions that include “commitments that labour and environmental laws, policies, regulations and practices will not be used for trade protectionist purposes, or be weakened to encourage trade or investment”.<sup>56</sup> Next to that, New Zealand is interested in close cooperation with partners in trade agreements on trade related labour and environmental issues. At the beginning of trade negotiations, the government must start public consultations and to continue them till the ratification of the trade agreement - the first round of consultations for the EU and New Zealand FTA was completed.<sup>57</sup>

### ***Human rights situation and trends***

Based on the 2018 Freedom House Democracy Index, New Zealand enjoys a very high level of democracy with the ranking score of 98 out of 100 (Freedom House, 2018). The score of the 2018 Corruption Perception Index of Transparency International for New Zealand is 87 meaning that levels of corruption are perceived to be relatively low there (Transparency International, 2018). The 2017 Human Development Index (HDI) (based on the statistical data on such indicators as life expectancy, education, per capita income) ranks New Zealand as having a very high level of human development (UNDP, 2017).

New Zealand is found to have a strong record on human rights.<sup>58</sup> However, there are also issues of concern. They relate to the rights of children, violence against women, and high rates of Māori incarceration. Some of the issues related to human rights have already been discussed in the ex-ante study: the right to health, rights of indigenous peoples, rights of migrants, and rights of refugees and asylum seekers. In this section, we will update the state of play and *inter alia* provide a short overview of the main human rights issues found. In line with the ToR we pay attention to vulnerable groups, women’s rights and gender equality, rights of indigenous people.

#### ***Right to an adequate standard of living***

Fifteen per cent of the New Zealand population lived in poverty in 2016. Population groups vulnerable for poverty included indigenous peoples, single parents, beneficiaries of social security and children.<sup>59</sup> While relevant child poverty-related indicators are dropping, concerns remain about persistently high levels of child poverty in New Zealand. Recent data shows that 27 per cent of all children and young people in the country live in households with low incomes, and 7 per cent of children live in severe poverty, in households with incomes below the relative income poverty line (Duncanson et al., 2018). Māori and Pacific People children, as well as children with disabilities, are reported to be disproportionately affected by child poverty and severe housing deprivation. Regular challenges in access to safe drinking water increase the risk at water-borne disease outbreaks (United Nations, 2018b). Indigenous population, persons with disabilities, migrants and asylum seekers, women with low incomes, representatives of the rural communities are vulnerable to poor housing conditions, discrimination in employment and other disadvantaged socio-economic outcomes.

#### ***Prohibition of all forms of slavery***

New Zealand has continued to be a destination country for human trafficking victims exploited for the purposes of forced labour and sex, and a source country of children trafficked within the country for the purpose of sexual exploitation. Approximately 3,000

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<sup>56</sup> Website of the Ministry of Foreign Affairs and Trade of New Zealand, <https://www.mfat.govt.nz/en/trade/free-trade-agreements/about-free-trade-agreements/> [accessed 25 January 2019].

<sup>57</sup> Public statements from different industry associations and other stakeholders can be found <https://www.mfat.govt.nz/en/trade/free-trade-agreements/agreements-under-negotiation/eu-fta/resources/> [accessed 25 January 2019].

<sup>58</sup> See website of the Ministry of Foreign Affairs and Trade of New Zealand, <https://www.mfat.govt.nz/en/trade/free-trade-agreements/about-free-trade-agreements/> [accessed 25 January 2019].

<sup>59</sup> See also Section V.2 of the report for more detailed statistical information.

people (0.065 percent of the population) is likely to be involved in some form of slavery. They experience excessive recruitment charges, excessive working hours, under- or non-payment of wages, restrictions in movement, passport retention and job alteration. Prosecution and conviction rates for trafficking in persons and other slavery-like practices is low, and first prosecutions for trafficking in persons occurred only in 2014 (United Nations, 2018a). New Zealand supported legislation addressing trafficking in persons (UN Convention against Transnational Organized Crime and Palermo Protocol, ILO Forced Labour Convention No. 29 and ILO Abolition of Forced Labour Convention No. 105, ICCPR, CEDAW, CRC) and has taken other actions, e.g. provision of training for enforcement agencies, guidance to identify victims of trafficking and assistance for them, information materials for workers, and awareness raising meetings with business and civil society (US Department of State, 2018).

#### *Right to work and just and favorable conditions of work*

Overall, employment rate in New Zealand increased, and unemployment declined.<sup>60</sup> However, despite the efforts taken by the New Zealand government, unemployment rate for Māori and Pacific People remained approximately double the general rate, and women and persons with disabilities were more likely to be unemployed (United Nations, 2018c). Māori continue facing inequality in the labour market since one third of them did not have sufficient qualifications and over half were employed in low-skilled jobs (United Nations, 2018b). According to the OECD findings on the potential change in employment as a result of automation in New Zealand, this situation is likely to deteriorate in the future because jobs of 45 percent of the workers with low levels of educations may be at risk (OECD, 2017b). Disabled people are reported to be almost twice as likely to be unemployed. Minimum Wage Exemption Permits allowed for a pay below the minimum wage to disabled employees under certain circumstances (United Nations, 2014).

Despite the record of the lowest gender wage gap among OECD countries, New Zealand women are often working part-time, engage in multiple employment or take low paid jobs which eventually affects their pensions benefits. Funding of childcare facilities and services decreased which affected women participation in the workforce. The ILO Committee of Experts reported that Employment Relations Act 2000, the Human Rights Act 1993 and the Equal Pay Act 1972 do not fully include the principle of equal pay for work of equal value because “they limit the requirement for equal remuneration for men and women to the same and substantially similar work” (CEACR, 2017).

New Zealand did not yet ratify the ILO Minimum Age Convention No. 138 to apply minimum age requirements in line with international standards. The ILO Committee of Experts expressed concern that national legislation does not ensure that all working children under 18 are protected from hazardous work as it is provided in the ILO Convention No. 182 concerning the prohibition and immediate action for the elimination of the worst forms of child labour (United Nations 2018a).<sup>61</sup>

#### *Right to a clean environment*

New Zealanders enjoy high environmental quality of life. However, as reported by the OECD, New Zealand follows an economic growth model based on largely exploiting natural resources which starts to show in increasing greenhouse gas emissions and water pollution.<sup>62</sup> Agriculture, road transport and industry are reported to be the main causes of this effect. Thus, OECD notes that despite being one of the few countries where 80 percent of electricity is generated from renewable energy sources, New Zealand has “second-highest level of emissions per GDP unit in the OECD and the fifth highest emissions per capita” (OECD, 2017). Most of the pollution is said to come from agriculture (49 percent of the emissions) so in case the EU-New Zealand FTA leads to increase in agricultural output and increase in agricultural production, it may create a negative impact (particularly

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<sup>60</sup> See Section V.2 of the report for more statistical data on this matter.

<sup>61</sup> See also statistics on child labour, trade union density, and accidents at work involving children in Section V.2 of the report.

<sup>62</sup> See Section V.4 of the report for more information with respect to water, and greenhouse gas emissions.

palpable in the long run) on the right to clean environment. And this impact may further spread to the enjoyment of the right to water and consequently affect the right to health – but this will be investigated in the next phase of the study.

Harmful impact on children's health, especially for Māori and Pacific People children and children living in low-income settings has already been marked as a risk by the UN Human Rights Committee (United Nations, 2018a). And quality and quantity of New Zealand's freshwater was reported as declining while its population has increased (United Nations, 2017; Ministry for the Environment & Stats NZ, 2017).

#### *Rights of specific persons or groups*

##### *Children's rights*

As mentioned above, many New Zealand children face high levels of poverty. The 2018 UNICEF report states that the well-being of children in New Zealand is 34<sup>th</sup> out of 41 developed countries. The report notes that specific measures are necessary on such goals as reducing child poverty, inequality and improving education and health for children due to the high rates of teen pregnancy, neonatal mortality, and high teen suicide rate (UNICEF, 2017; 2018).

Minimum age for criminal responsibility in New Zealand is set at 10 years (cf. recommendation of the Human Rights Committee is 12 years). Next to that, overcrowded juvenile justice facilities lead to children being held in police custody cells which is not in line with international standards (Human Rights Foundation, 2019).

Children with disabilities are overrepresented in statistics on child poverty and are more likely to be living in one-parent households (United Nations, 2014; 2016b). Some children with disabilities, especially Māori children with disabilities, have difficulty in accessing government services, including health and education services (United Nations, 2014).

Child abuse is reported to be disproportionately affecting vulnerable children. There still exist traditional harmful practices (forced marriage and genital mutilation) that negatively affect the well-being of the children. Indigenous children are reported to be more likely to be put into child care than non-indigenous children (United Nations, 2016b).

##### *Women's rights*

Persistent inequalities continue to exist between women and men in employment. There is significant gender pay gap which disproportionately affects women with low income, especially Māori and Pacific People women, as well as women with disabilities. Women are unequally represented in high-level managerial positions and overrepresented in minimum wage jobs (United Nations, 2016a, 2018d; Ministry for Women, 2017). Women are accounted for 38 per cent of members of Parliament, including Māori women parliamentarians and women belonging to ethnic minority groups.<sup>63</sup>

High level of gender-based violence remains a major impediment. Domestic violence against women and girls and sexual violence disproportionately affects Māori women and girls as well as women and girls belonging to ethnic minority groups and women with disabilities. Reporting and prosecution rates of sexual violence are low and there is no information on victims' rehabilitation and redress programmes (United Nations, 2018; NZ Human Rights Commission, 2018).

Māori women have very high levels of incarceration, making up nearly 60 per cent of the female prison population (United Nations, 2011).

Women living in rural and remote areas are exposed to high levels of poverty and gender-based violence (United Nations, 2018).

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<sup>63</sup> See Section V.2 of the report for the additional analysis of the situation of women as entrepreneurs, workers, traders and consumers.

### *Rights of indigenous peoples*

According to the 2018 statistics, Māori population in New Zealand amounts to 745.000 people, i.e. over 15 percent of the total population of New Zealand (Stats NZ, 2018). Since 2008, number of seats in the Parliament assigned to the Māori have become proportionate to their percentage of the population (16 percent). At the local level this proportion has not been observed and is much lower (5 percent).

Despite adoption of the Māori Health Action Plan (2006-2011) and the Māori Health Strategy, the Māori continue to experience lower health levels than non-Māori population, including with respect to life expectancy, mortality and disability. Drug and alcohol abuse are higher in Māori than in the rest of the population. Māori suicide rates reach 20 per cent (2007 data), smoking rates are 46 per cent and obesity rates are almost twice the national rate of 43 per cent (United Nations, 2011).

Persistent inequalities in the society disproportionately affect Māori and Pacific People (United Nations, 2016a). Māori and Pacific People face a lot of challenges with respect to health care: they face obstacles to access basic health services and are not well linked up to health policies (United Nations, 2018b).

Prevalence in disability is higher in the Māori because of poverty and social disadvantages (United Nations, 2014). Employment and pre-employment discrimination remain a challenge (United Nations, 2017). Māori, Pacific People and Asian ethnicities are underrepresented in managerial positions (United Nations, 2018b).

In many cases, the Māori are taken on board for major decisions in the country as stipulated in the Treaty of Waitangi (United Nations, 2011). However, in some cases insufficient efforts had been made to ensure meaningful engagement with indigenous communities prior to adopting legislation affecting their land and water rights (e.g. in development and extractive projects carried out on the territories traditionally used by them or prior to signing the Trans-Pacific Partnership Agreement which included provisions that could potentially affect them) (United Nations, 2016a; 2017).

People of Māori descent are overrepresented in prison population (51.4 per cent of male and 60 per cent of female population) (United Nations, 2015; EEAS, 2017).

### *Persons with disabilities*

In 2016, there were 1.1 million people (24 percent of the population) who had a disability (Office for Disability Issues, 2016). In 2018, employment rate of disabled men was at 23.5 percent (21.3 percent for women) while for people without disabilities, it was at 75.3 percent for men and 64.9 percent for women. Persons with disabilities were reported to continue to be disadvantaged as their social and economic outcomes remained below those of the general population. Children with disabilities were overrepresented in statistics on child poverty and were more likely to be living in one-parent households (United Nations, 2014, 2017). The Committee on Economic, Social and Cultural Rights (CESCR) expressed concern that the existing national legal framework was not aligned with international standards regarding reasonable accommodation and inclusive education, and that the definition of reasonable accommodation was not formulated in the national legislation with enough clarity (United Nations, 2018a).

### *Rights of migrants and asylum seekers*

Migrant workers in New Zealand are reported to be at risk of discrimination and exploitation, their working conditions are characterized by excessive working hours and non-payment or underpayment of wages. Migrant workers and asylum seekers have challenges to access social services, including health programmes and housing (United Nations, 2017).

Next to that, police facilities are found to be used for immigration purposes. There are no specialized facilities that would allow to separate migrants and asylum seekers from the



rest of the detainee population (United Nations, 2016a).

#### *Business and human rights*

The CESCR expressed concern that the regulatory framework for companies operating in the country and those domiciled under its jurisdiction acting abroad did not fully ensure respect for economic, social and cultural rights (United Nations, 2018a). There were several instances of New Zealand companies failing to pay minimum wage and exploiting migrant workers, including underpaying persons with disabilities (Business and Human Rights Resource Centre, 2018). The CESCR recommended New Zealand to expedite National action plan on business and human rights in order to implement the UN Guiding Principles on Business and Human Rights (United Nations, 2011a) and strengthen the regulatory framework to ensure due diligence by the companies, to prevent negative impact of companies' activities on the enjoyment of human rights, provide legal liability for violations and allow for claim reparations by the victims. Under-resourcing of the national contact point established under the Guidelines for Multinational Enterprises of the OECD was reported to be a challenge in achieving progress in this matter (United Nations, 2018c), though government has taken several initiatives to work together with business representatives on separate issues related to human rights (e.g. NZ Herald, 2018).

### **III.4 Environmental state of play**

#### **III.4.1 Climate Change**

##### ***Governance Framework***

The New Zealand government's main policy tool to reduce total GHG emissions is the New Zealand Emissions Trading Scheme (inception in 2008), which is currently undergoing a review and improvements process<sup>64</sup>. It is part of the wider 'Framework for Climate Change Policy'<sup>65</sup> that was recently published by the Ministry of Environment. With New Zealand climate policy being still rather nascent, this document proposes the establishment of, inter alia: the 'Zero Carbon Bill' for New Zealand to become carbon-neutral by 2050, the 'Transition Hub' to provide the relevant background economic analysis, and a designated Climate Change Committee focused on managing emissions from the agriculture and electricity generation sector in particular (currently holding 'interim' status). New Zealand is a signatory to the Paris Agreement.

**Performance** - New Zealand is on track to meet its 2020 Nationally Determined Contributions (NDC) which aims to reduce the *net* GHG emissions to 5% below 1990 emission levels. Climate Action rates their 2020 NDC as "compatible with the 2 °C target" (2018). New Zealand furthermore committed to a 2030 reduction target of 30% below 2005 emission levels (which is in contrast rated as "insufficient to keep global warming below 2 °C"). The country's *gross* GHG emissions increased by 19.6% from 1990 to 2016, but 2016 emissions (roughly 79 Megaton CO<sub>2</sub>-eq) were lower than peak emissions, which occurred in 2006 (roughly 83 Mton CO<sub>2</sub>-eq). The transport and agriculture sectors (dairy in particular) have, over the years, contributed the most to the rise in gross emissions. New Zealand's *net* GHG emissions show an opposite trend resulting from their Land Use, Land-Use Change and Forestry (LULUCF) policy. In 2017, for instance, New Zealand offset around 24 Mton CO<sub>2</sub>-eq with their LULUCF policy. *Figure III.4.1*, shows the emissions (in CO<sub>2</sub>-eq) of the three major GHGs in New Zealand and *Figure III.4.2* the responsible sectors in 2012. In contrast to most countries, New Zealand's most significant GHG is CH<sub>4</sub> (43%) rather than CO<sub>2</sub> (41%) or N<sub>2</sub>O (15%). The agricultural sector is responsible for the lion's share of both the CH<sub>4</sub> and the N<sub>2</sub>O emissions. In fact, more than 95% of the CH<sub>4</sub> and N<sub>2</sub>O emissions were caused by different activities in the agricultural sector.

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<sup>64</sup> Available at: <http://www.mfe.govt.nz/climate-change/new-zealand-emissions-trading-scheme/about-nz-ets>

<sup>65</sup> Available at: <https://www.mfe.govt.nz/sites/default/files/media/Legislation/Cabinet%20paper/framework-for-climate-change-policy-and-key-upcoming-decisions.pdf>

Figure III.4.1 Gross GHG emissions in Mton CO<sub>2</sub>-e in 2012 in New Zealand and the EU27

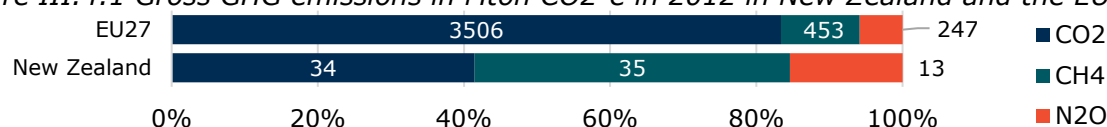
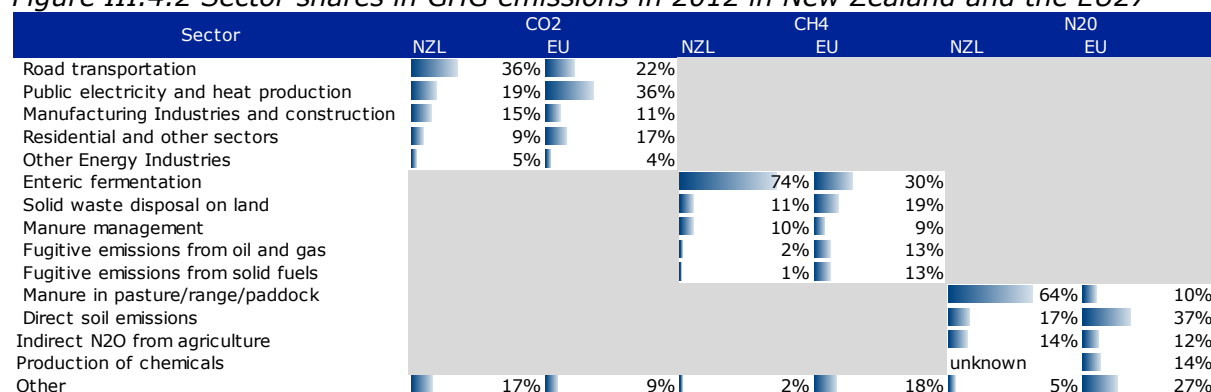


Figure III.4.2 Sector shares in GHG emissions in 2012 in New Zealand and the EU27



Source: Trinomics based on EDGAR

## III.4.2 Air Quality

### Governance Framework

The main governance tool for air quality in New Zealand are the National Environmental Standards for Air Quality (Air Quality NES). They are regulations made under the Resource Management Act 1991 (amended in 2015) and came into effect on 8 October 2004<sup>66</sup>. These standards set a guaranteed minimum level of health protection for citizens. Regional councils (via Regional Policy Statements and Regional Plan Rules) and unitary authorities are responsible for managing and monitoring air quality under the Resource Management Act. Stats NZ and the Ministry of Environment report on new Zealand's air in the 'Our Air 2018' report which is drafted according to requirements under the Environmental Reporting Act 2015<sup>67</sup>.

**Performance** – By virtue of its remote location, low incidence of heavy industry and low population density, New Zealand enjoys relatively good levels of air quality. It is ranked 7<sup>th</sup> globally in the 2018 Environmental Performance Index, based on an assessment of hazardous air pollutants (HAPs) from household solid fuels, PM<sub>2.5</sub> average exposure and PM<sub>2.5</sub> exceedance. Together with PM<sub>10</sub>, these pollutants make up the most common aggravators to New Zealand's air quality (via wood & coal burning for home heating and vehicle emissions). The concentrations of particulate matter PM<sub>10</sub> were measured at 96 sites across the country between 1996 and 2017. They have decreased at many locations over the most-recent decade for which complete data is available (2007-2016), with decreases recorded especially in the spring and winter seasons. PM<sub>2.5</sub> measurements are much more scarce, but of the sites with enough data to calculate trends in the monthly average from 2007-2016, 3 of 4 airsheds had a decreasing trend in winter. Over the most recent three years for which data on PM<sub>10</sub> is available (2014-2016), however, 30 of 51 airsheds still exceeded the NES for 24-hour average limits (50 µg/m<sup>3</sup>). Over the most recent three-year period (2014-2016) for which there is complete PM<sub>2.5</sub> data, 4 of 11 monitored airsheds were also higher than the WHO annual average guideline (2018)<sup>68</sup> for

<sup>66</sup> Available at : [http://www.legislation.govt.nz/regulation/public/2004/0309/latest/DLM286835.html?search=ta\\_regulation\\_R\\_rc%40rinf%40rnif\\_an%40bn%40rn\\_25\\_a&p=3](http://www.legislation.govt.nz/regulation/public/2004/0309/latest/DLM286835.html?search=ta_regulation_R_rc%40rinf%40rnif_an%40bn%40rn_25_a&p=3)

<sup>67</sup> Available at: [http://www.legislation.govt.nz/act/public/2015/0087/latest/DLM5941105.html?search=ta\\_act\\_E\\_ac%40ainf%40anif\\_an%40bn%40rn\\_25\\_a&p=2](http://www.legislation.govt.nz/act/public/2015/0087/latest/DLM5941105.html?search=ta_act_E_ac%40ainf%40anif_an%40bn%40rn_25_a&p=2)

<sup>68</sup> There is no National Emissions Standard for PM<sub>2.5</sub>. Therefore, the WHO guidelines are used as an adequate benchmark measurement.

long-term exposure ( $10 \mu\text{g}/\text{m}^3$ ). Figure III.4.3 shows the sectors that emitted most of the air pollutants (in 2012). In 2016, 121 kton  $\text{NO}_x$  was emitted in New Zealand, 46 kton  $\text{PM}_{10}$  and 34 kton  $\text{PM}_{2.5}$ .<sup>69</sup>

Figure III.4.3 Sector shares in air pollutants in 2012 in New Zealand and the EU27

Sector	NO <sub>x</sub>		SO <sub>2</sub>		PM <sub>2.5</sub>		PM <sub>10</sub>	
	NZL	EU	NZL	EU	NZL	EU	NZL	EU
Road transportation	29%	37%	2%	0%	19%	18%	6%	6%
Manufacturing Industries and Construction	24%	12%	35%	12%	31%	19%	21%	13%
Public electricity and heat production	12%	26%	10%	60%	1%	8%	1%	7%
Manure in pasture/range/paddock	9%	0%	0%	0%	1%	0%	0%	0%
Direct soil emissions	7%	4%	0%	0%	0%	0%	0%	0%
Inland navigation	7%	5%	13%	5%	9%	7%	3%	2%
Residential and other sectors	3%	8%	19%	11%	15%	19%	21%	36%
Agricultural waste burning	2%	1%	1%	0%	0%	0%	30%	11%
Production of pulp/paper/food/drink	1%	0%	13%	4%	11%	3%	9%	6%
Other Energy Industries	1%	2%	1%	5%	0%	3%	0%	1%
Production of metals	0%	0%	5%	0%	5%	3%	3%	2%
Manure management	0%	1%	0%	0%	2%	6%	3%	9%
Other	5%	3%	1%	2%	5%	11%	2%	7%

Source: Trinomics based on EDGAR database

### III.4.3 Land Use and Soil Quality

#### Governance Framework

The national government provides framework legislation that structures the planning system and guides planning by lower levels of government (regions and municipalities). Hereby, the Resource Management Act 1991 (amended in 2015) is the main law to govern the planning system of New Zealand. The Local Government Act 2002<sup>70</sup> is the law that gives local governments the power to set out land-use policies. The Ministry of Environment acts as the responsible body for the publication of National Environmental Standards and National Policy Statements which inform regional and local spatial planning (there exist no spatial plan at the national level). These lower-tier spatial plans come in the form of Regional Policy Statements, Regional Plans (both regional), District Plans (municipal) and Unitary Plans (combining regional and municipal). The hierarchical structure of the planning system hence provides for vertical co-ordination between plans. Plans must be consistent with any higher-level plan and must give effect to any national environmental standard. Before approving a plan, horizontal co-ordination is assured by preliminary consultations between councils, ministries, adjacent local authorities, public bodies and utility providers who may be affected by the plan<sup>71</sup>.

**Performance** - Indigenous land cover in New Zealand has been decreasing between 1996 and 2012 due to clearance, conversion and development. This has accelerated land erosion, with losses now standing at 192 million tonnes lost per year. Even though land used for agricultural purposes decreased by 10%, a 10% increase in urban land use has led to the loss of some of the most fertile lands in the country. Pressures on soil quality have augmented due to a heavy increase (42%) of land used for dairy farming, especially concerning phosphorus levels (51% of sites outside target range) and macro porosity (65% of sites outside the target range) (Ministry of environment, 2018b). New Zealand soil is mainly under pressure due to intensification (irrigation & fertilization), land use change, and legacy effects (past deforestation & climate change).

However, surveys conducted by Stats NZ between 2014 and 2017 found that 83% or more of total assessed sites (all uses<sup>72</sup>) were within target range for five of seven soil quality indicators. For the two remaining indicators, more than 48% of assessed sites (all uses)

<sup>69</sup> Data available at Stats NZ: <https://www.stats.govt.nz/indicators/air-pollutant-emissions>

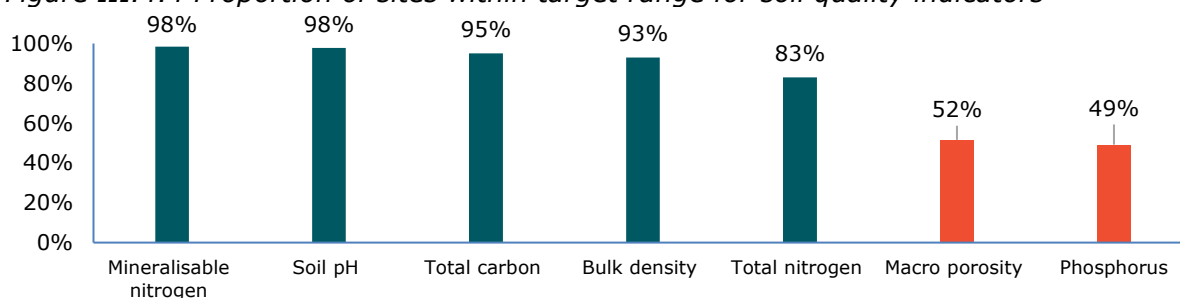
<sup>70</sup> Available at: <http://legislation.govt.nz/act/public/2002/0084/170.0/DLM170873.html>

<sup>71</sup> OECD (2017). The Governance of Land Use – Country fact sheet New Zealand. Available at: <https://www.oecd.org/regional/regional-policy/land-use-New-Zealand.pdf>

<sup>72</sup> Land uses included in this assessment are: forestry, cropping & horticulture, dairy, dry stock.

were outside target ranges. Individual performance of soil quality indicators in New Zealand is visualized in Figure III.4.4.

Figure III.4.4 Proportion of sites within target range for soil quality indicators



Source: Stats NZ

### III.4.4 Ecosystems and Biodiversity

#### Governance Framework

New Zealand is a party to the Convention on Biological Diversity (CBD). The New Zealand Biodiversity Action Plan (2016)<sup>73</sup> – which updates the original Biodiversity Strategy and Action Plan of 2000 – sets out national targets and associated actions, in line with the CBD Strategic Plan to 2020. Key legislation and regulations governing the management of biodiversity and ecosystems include<sup>74</sup> the Resource Management Act (1991), the Conservation Act (1987), the National Parks Act (1980), the Marine and Coastal Area Act (2011), and the Biosecurity Act (1993). The main central government authorities with a statutory role in managing and conserving New Zealand's biodiversity are the Department of Conservation, the Ministry for the Environment and the Ministry for Primary Industries (overseeing the agricultural, fisheries and forestry sectors, as well as biosecurity). New Zealand places a strong focus on managing biosecurity risk both before and at the border, and on the control of already-introduced invasive alien species<sup>75</sup>.

**Performance** – New Zealand has a high level of endemic biodiversity; all frogs and reptiles, more than 90% of insects, about 80% of vascular plants, and a quarter of the country's bird species are endemic (Convention on Biological Diversity, 2012). New Zealand has one of the largest protected area coverage in the world, with a third of the country's terrestrial area under legal protection and management for conservation purposes. The country also has a network of 34 marine protected areas, covering about 7% of New Zealand's territorial sea (ibid). Despite this, indigenous land cover continues to decline, constituting an ongoing threat to native biodiversity. Between 2001 and 2016, 214 wetlands (nearly 1,250 hectares) were lost, while a further 746 wetlands declined in size (Ministry of Environment, 2018b). Almost two-thirds (45) of New Zealand's 71 identified rare and naturally uncommon ecosystems are classified as 'threatened', of which 18 are 'critically endangered' (ibid). Of the taxa with assessed conservation status, almost 83% of native terrestrial vertebrates (birds, bats, reptiles and frogs) and 37% of plants are either 'threatened' or 'at risk of extinction' (ibid). The main pressures contributing to the decline of biodiversity in New Zealand are: (i) competition by invasive alien species; (ii) predation and herbivory by introduced species; (iii) habitat modification (e.g. from land use change, fragmentation); and (iv) human activity (such as fishing, pollution, agriculture, certain recreational activities) (Convention on Biological Diversity, 2012).

<sup>73</sup> Available at: <https://www.doc.govt.nz/globalassets/documents/conservation/new-zealand-biodiversity-action-plan-2016-2020.pdf>

<sup>74</sup> For a full list, see <https://www.doc.govt.nz/about-us/our-role/legislation/>

<sup>75</sup> Available at: <https://www.cbd.int/doc/world/nz/nz-nr-05-en.pdf>

### III.4.5 Water Quality and Quantity

#### **Governance Framework**

In New Zealand, the central government body responsible for setting national targets and regulations related to water is the Ministry for the Environment. Regional Councils are responsible for the management of water resources, including the implementation of the National Policy Statement on Freshwater<sup>76</sup>. Key legislation and policies concerning water quality and quantity include the Resource Management Act 1991 (covers both water use and discharges to water), the National Policy Statement for Freshwater Management 2014 (amended in 2017) and the National Environmental Standard for Sources of Human Drinking Water.

#### **Performance**

In New Zealand, a main threat to water quality is nitrogen leaching from agriculture (particularly livestock waste and fertilizer). The latest report on the state of New Zealand's freshwater resources – *Our fresh water 2017*<sup>77</sup> – shows that nitrate-nitrogen levels worsened at 55 percent of monitored river sites and improved at 28 percent of sites between 1994 and 2013. Nitrogen leaching from agricultural soils was estimated to have increased by 29 percent from 1990 to 2012. Phosphorus levels were found to have improved at 42 percent of monitored river sites and worsened at 25 percent of sites between 1994 and 2013. Lake water quality varies; 37 percent of the 65 monitoring sites between 2009 and 2013 had good or very good Trophic Level Index scores (a measure of lake health), while 26 percent had moderate scores (the rest being poor or very poor)<sup>78</sup>.

As regards water quantity, New Zealand has relatively high fresh water per capita, but the supply is not uniform throughout the country. Climate change is predicted to affect rainfall patterns in New Zealand, which may increase pressures on freshwater quantity and flows in some parts of the country<sup>79</sup>. The main users of water resources are irrigation and hydroelectricity generation<sup>80</sup>.

### III.4.5 Waste and Waste Management

#### **Governance Framework**

The New Zealand Waste Strategy 2010<sup>81</sup> outlines the government's high-level strategic direction for waste management and minimization. Actual waste management and minimization planning legislation is primarily provided by the Waste Minimization Act 2008<sup>82</sup>, the Local Government Act 2002 and the Resource Management Act 1991 (amended in 2015). The Waste Minimization Act 2008 encourages a reduction in the amount of waste generated and disposed of by putting a levy of 10\$ per ton on all waste sent to landfill. The waste disposal levy is the main source of revenue for the Waste Minimization Fund, which funds projects to promote waste minimization. The Local Government Act 2002 identifies solid waste collection and disposal thereof as a core service to be considered by a local authority. The Resource Management Act 1991 (amended in 2015) controls the environmental impacts of waste facilities such as disposal facilities, recycling plants and cleanfills. New Zealand is a signatory to the Basel Convention, the Stockholm Convention on persistent Organic Pollutants and the Montreal Protocol on Substances that Deplete the Ozone Layer which are all related to the waste sector<sup>83</sup>.

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<sup>76</sup> Available at: [www.environmentguide.org.nz/overview/statutory-bodies/regional-councils/](http://www.environmentguide.org.nz/overview/statutory-bodies/regional-councils/)

<sup>77</sup> Available at: [http://www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/our-fresh-water-2017\\_1.pdf](http://www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/our-fresh-water-2017_1.pdf)

<sup>78</sup> New Zealand's Environmental Reporting Series: *Our fresh water 2017*.

<sup>79</sup> New Zealand's Environmental Reporting Series: *Our fresh water 2017*.

<sup>80</sup> New Zealand's Environmental Reporting Series: *Our fresh water 2017*.

<sup>81</sup> Available at: <http://www.mfe.govt.nz/sites/default/files/wastestrategy.pdf>

<sup>82</sup> Available at: <http://www.legislation.govt.nz/act/public/2008/0089/46.0/DLM999802.html>

<sup>83</sup> Available at: <http://www.mfe.govt.nz/waste/waste-strategy-and-legislation/legal-framework-waste>

**Performance** – Statistics on waste management and recycling rates in New Zealand are not widely available. This is, to a certain extent, explained by the fact waste management is decentralised. International organisations are critical about New Zealand’s performance. According to the World Bank, for instance, New Zealand is the most wasteful nation in the developed world (Perrot & Subiantoro, 2018). In 2007, it was estimated that around 8.7 million tonnes of solid waste (from domestic, commercial, industrial, and institutional waste sources) was generated in New Zealand in 2006, of which 2.4 million tonnes was subsequently diverted from disposal to landfills. This means that approximately 6.3 million tonnes of waste was sent to landfill and cleanfill sites each year. When averaged across the total population, that represented 1 572 kg of solid waste per person per year for New Zealand (Ministry of Environment, 2017).<sup>84</sup>

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<sup>84</sup> Available at: <http://www.mfe.govt.nz/publications/environmental-reporting/environment-new-zealand-2007-chapter-6-waste/current-state-and>

## IV. ANNEX IV: QUANTITATIVE RESULTS

### IV.1 Econometric (general equilibrium) modelling results

Table IV.1.1: Impact of the EU-NZ FTA on GDP (%)

Country	Ambitious scenario	Conservative scenario
EU27	0.0	0.0
UK	0.0	0.0
Australia	0.2	0.1
New Zealand	0.5	0.3
Turkey	0.0	0.0
USA	0.0	0.0
Canada	0.0	0.0
Japan	0.0	0.0
Korea	0.0	0.0
EFTA	0.0	0.0
EU FTAS	0.0	0.0
ASEAN	0.0	0.0
ASEAN TPP	0.0	0.0
Vietnam	0.0	0.0
Pacific	-0.1	-0.1
LDC	0.0	0.0
China	0.0	0.0
Hong Kong	0.0	0.0
ROW	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.2: Impact of the EU-NZ FTA on value of GDP

Country	Ambitious scenario	Conservative scenario
EU27	0.1	0.1
UK	0.1	0.0
Australia	0.0	0.0
New Zealand	0.6	0.3
Turkey	0.0	0.0
USA	0.0	0.0
Canada	0.0	0.0
Japan	0.0	0.0
Korea	-0.1	-0.1
EFTA	0.0	0.0
EU FTAS	0.0	0.0
ASEAN	-0.1	0.0
ASEAN TPP	0.0	0.0
Vietnam	0.0	0.0
Pacific	-0.3	-0.1
LDC	0.0	0.0
China	0.0	0.0
Hong Kong	0.0	0.0
ROW	0.0	0.0

Source: CGE results provided by DG Trade (2019)



Table IV.1.3: Impact of the EU-NZ FTA on overall welfare (€ millions)

Country	Ambitious scenario	Conservative scenario
EU27	4086	2176
UK	961	444
Australia	1371	875
New Zealand	567	381
Turkey	6,7	-1,9
USA	-445	-232
Canada	-7	-5
Japan	-217	-206
Korea	-418	-305
EFTA	-55	-18
EU FTAS	-203	-120
ASEAN	-752	-380
ASEAN TPP	-88	-32
Vietnam	-20	-16
Pacific	-83	-39
LDC	-47	-26
China	-894	-377
Hong Kong	40	12
ROW	-1157	-668

Source: CGE results provided by DG Trade (2019)

Table IV.1.4: Impact of the EU-NZ FTA on carbon dioxide emissions (%)

Country	Ambitious scenario	Conservative scenario
EU27	0.1	0.0
UK	0.0	0.0
Australia	0.3	0.1
New Zealand	0.6	0.3
Turkey	0.0	0.0
USA	0.0	0.0
Canada	0.0	0.0
Japan	0.0	0.0
Korea	0.0	0.0
EFTA	0.0	0.0
EU FTAS	0.0	0.0
ASEAN	0.0	0.0
ASEAN TPP	0.0	0.0
Vietnam	0.0	0.0
Pacific	-0.2	-0.1
LDC	0.0	0.0
China	0.0	0.0
Hong Kong	0.0	0.0
ROW	0.0	0.0

Source: CGE results provided by DG Trade (2019)



Table IV.1.5: Impact of the EU-NZ FTA on respective carbon dioxide emissions (%)

CGO2	EU 27	UK	AUS	NZ	TK	USA	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
<b>Ambitious Scenario</b>																			
Coal	0.0	0.1	0.2	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0
Oil	0.0	0.6	0.2	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.3	0.0	0.0	0.0	0.0
Gas	0.1	-0.1	0.9	0.3	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.1	0.0	0.0
Oil pct	0.0	0.1	0.2	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
<b>Conservative Scenario</b>																			
Coal	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Oil	0.0	0.0	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Gas	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Oil pct	0.0	0.0	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.6: Impact of the EU-NZ FTA on real wages (%)

	EU 27	UK	AUS	NZ	TK	USA	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
<b>Ambitious Scenario</b>																			
Land	-0.4	-0.9	1.5	1.8	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
UnskLab	0.0	0.1	0.3	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
SkLab	0.0	0.1	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Capital	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NatlRes	-0.1	0.1	0.2	2.1	0.0	0.0	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.2	0.0	-0.1	0.0
<b>Conservative Scenario</b>																			
Land	-0.1	0.0	0.5	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
UnskLab	0.0	0.0	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
SkLab	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NatlRes	-0.1	-0.1	0.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.7: Impact of the EU-NZ FTA on the CPI (%)

Country	Ambitious scenario	Conservative scenario
EU27	0.1	0.0
UK	0.1	0.0
Australia	-0.1	-0.1
New Zealand	0.1	0.0
Turkey	0.0	0.0
USA	0.0	0.0
Canada	0.0	0.0
Japan	0.0	0.0
Korea	0.0	0.0
EFTA	0.0	0.0
EU FTAS	0.0	0.0
ASEAN	0.0	0.0
ASEAN TPP	0.0	0.0
Vietnam	0.0	0.0
Pacific	-0.1	0.0
LDC	0.0	0.0
China	0.0	0.0
Hong Kong	0.0	0.0
ROW	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.8: Impact of the EU-NZ FTA on volume of exports (%)

Country	Ambitious scenario	Conservative scenario
EU27	0.1	0.0
UK	0.2	0.1
Australia	0.8	0.4
New Zealand	0.7	0.4
Turkey	0.0	0.0
USA	0.0	0.0
Canada	0.0	0.0
Japan	0.0	0.0
Korea	0.0	0.0
EFTA	0.0	0.0
EU FTAS	0.0	0.0
ASEAN	0.0	0.0
ASEAN TPP	0.0	0.0
Vietnam	0.0	0.0
Pacific	-0.2	-0.1
LDC	0.0	0.0
China	0.0	0.0
Hong Kong	0.0	0.0
ROW	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.9: Impact of the EU-AUS FTA on value of exports (%)

Country	Ambitious scenario	Conservative scenario
EU27	0.1	0.1
UK	0.3	0.1
Australia	0.7	0.4
New Zealand	1.1	0.5
Turkey	0.0	0.0
USA	0.0	0.0
Canada	0.0	0.0
Japan	0.0	0.0
Korea	0.0	0.0
EFTA	0.0	0.0
EU FTAS	0.0	0.0
ASEAN	0.0	0.0
ASEAN TPP	0.0	0.0
Vietnam	0.0	0.0
Pacific	-0.3	-0.1
LDC	0.0	0.0
China	0.0	0.0
Hong Kong	0.0	0.0
ROW	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.10: Impact of the EU-NZ FTA on volume of imports (%)

Country	Ambitious scenario	Conservative scenario
EU27	0.1	0.1
UK	0.2	0.1
Australia	0.9	0.5
New Zealand	2.0	0.9
Turkey	0.0	0.0
USA	0.0	0.0
Canada	0.0	0.0
Japan	-0.1	0.0
Korea	-0.1	-0.1
EFTA	-0.1	0.0
EU FTAS	0.0	0.0
ASEAN	-0.1	0.0
ASEAN TPP	0.0	0.0
Vietnam	0.0	0.0
Pacific	-0.4	-0.2
LDC	0.0	0.0
China	-0.1	0.0
Hong Kong	0.0	0.0
ROW	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.11: Impact of the EU-AUS FTA on value of imports (%)

Country	Ambitious scenario	Conservative scenario
EU27	0.1	0.1
UK	0.3	0.1
Australia	1.0	0.5
New Zealand	2.0	0.9
Turkey	0.0	0.0
USA	0.0	0.0
Canada	0.0	0.0
Japan	-0.1	0.0
Korea	-0.1	-0.1
EFTA	0.0	0.0
EU FTAS	0.0	0.0
ASEAN	-0.1	0.0
ASEAN TPP	-0.1	0.0
Vietnam	0.0	0.0
Pacific	-0.4	-0.2
LDC	0.0	0.0
China	-0.1	0.0
Hong Kong	0.0	0.0
ROW	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.12: Impact of the EU-NZ FTA on EU sector employment under the ambitious scenario (%)

Sector	Land	Unskilled Labour	Skilled Labour	Capital	Natural Resources
Rice	0.1	-0.2	-0.2	-0.1	0.0
Cereals	0.0	-0.1	-0.1	-0.2	0.0
Vegetables and fruit	-0.1	-0.2	-0.2	-0.2	0.0
Oilseeds	0.1	-0.2	-0.2	-0.1	0.0
Sugar	0.1	-0.2	-0.2	-0.2	0.0
Fiber crop	0.0	-0.1	-0.1	-0.1	0.0
Bovine meat	-0.6	-1.5	-1.5	-1.4	0.0
Other animal products	0.1	0.0	0.0	0.0	0.0
Other meat	0.2	0.0	0.0	0.0	0.0
Dairy	0.1	-0.1	-0.1	-0.1	0.0
Wood and paper	0.2	0.0	0.0	0.0	0.0
Fishing	0.0	0.0	0.0	0.0	0.0
Coal	0.3	-0.2	-0.2	-0.1	0.0
Oil	0.1	-0.1	-0.1	-0.1	0.0
Gas	0.4	0.4	0.4	0.4	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Other food	0.2	0.0	0.0	0.0	0.0
Beverages & tobacco	0.2	0.0	0.0	0.0	0.0
Textiles	0.2	0.0	0.0	0.0	0.0
Chemicals	0.2	0.0	0.0	0.0	0.0
Oil products	0.2	-0.1	-0.1	0.0	0.0
Metal products	0.3	0.0	0.0	0.0	0.0
Non metal products	0.3	0.0	0.0	0.1	0.0
Motor vehicles	0.4	0.3	0.3	0.3	0.0
Machinery	0.3	0.1	0.1	0.2	0.0
Elect. machinery	0.2	-0.1	-0.1	-0.1	0.0
Electricity	0.2	0.0	0.0	0.0	0.0
Utilities	0.3	0.0	0.0	0.1	0.0
Transport services	0.3	-0.1	-0.1	0.0	0.0
Comm services	0.3	0.0	0.0	0.0	0.0
Financial services	0.2	0.0	0.0	0.0	0.0
Other services	0.3	0.0	0.0	0.0	0.0
CGDS	0.2	0.0	0.0	0.1	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.13: Impact of the EU-NZ FTA on EU sector employment under the conservative scenario (%)

Sector	Land	Unskilled Labour	Skilled Labour	Capital	Natural Resources
Rice	0.0	-0.1	-0.1	0.0	0.0
Cereals	0.0	0.0	0.0	0.0	0.0
Vegetables and fruit	-0.1	-0.2	-0.2	-0.2	0.0
Oilseeds	0.0	-0.1	-0.1	-0.1	0.0
Sugar	0.1	0.0	0.0	0.0	0.0
Fiber crop	0.0	0.0	0.0	0.0	0.0
Bovine meat	0.2	0.2	0.2	0.3	0.0
Other animal products	0.0	0.0	0.0	0.0	0.0
Other meat	0.1	0.0	0.0	0.0	0.0
Dairy	0.1	0.1	0.1	0.1	0.0
Wood and paper	0.1	0.0	0.0	0.0	0.0
Fishing	0.0	0.0	0.0	0.0	0.0
Coal	0.1	-0.1	-0.1	-0.1	0.0
Oil	0.0	-0.1	-0.1	-0.1	0.0
Gas	0.0	-0.1	-0.1	-0.1	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Other food	0.1	0.0	0.0	0.0	0.0
Beverages & tobacco	0.1	0.0	0.0	0.0	0.0
Textiles	0.1	0.0	0.0	0.0	0.0
Chemicals	0.1	-0.1	0.0	0.0	0.0
Oil products	0.1	0.0	0.0	0.0	0.0
Metal products	0.1	0.0	0.0	0.0	0.0
Non metal products	0.1	0.0	0.0	0.0	0.0
Motor vehicles	0.2	0.2	0.2	0.2	0.0
Machinery	0.1	0.0	0.0	0.0	0.0
Elect. machinery	0.0	-0.1	-0.1	-0.1	0.0
Electricity	0.1	0.0	0.0	0.0	0.0
Utilities	0.1	0.0	0.0	0.0	0.0
Transport services	0.1	0.0	0.0	0.0	0.0
Comm services	0.1	0.0	0.0	0.0	0.0
Financial services	0.1	0.0	0.0	0.0	0.0
Other services	0.1	0.0	0.0	0.0	0.0
CGDS	0.1	0.0	0.0	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.14: Impact of the EU-NZ FTA on New Zealand sector employment under the ambitious scenario (%)

Sector	Land	Unskilled Labour	Skilled Labour	Capital	Natural Resources
Rice	-0.4	-0.2	-0.2	0.0	0.0
Cereals	-1.6	-1.8	-1.7	-1.6	0.0
Vegetables and fruit	1.7	2.4	2.5	2.7	0.0
Oilseeds	-1.0	-1.0	-0.9	-0.5	0.0
Sugar	-1.2	-1.5	-1.2	-0.5	0.0
Fiber crop	-0.9	-0.8	-0.8	-0.6	0.0
Bovine meat	1.9	4.1	4.2	4.7	0.0
Other animal products	0.1	0.4	0.5	0.7	0.0
Other meat	-1.3	-1.5	-1.3	-0.6	0.0
Dairy	0.0	0.5	0.6	1.0	0.0
Wood and paper	-0.9	-0.8	-0.6	0.0	0.0
Fishing	-0.2	0.0	0.0	0.2	0.0
Coal	-1.4	-3.0	-2.2	0.4	0.0
Oil	-0.6	-0.4	-0.3	0.0	0.0
Gas	-0.5	-0.1	0.0	0.4	0.0
Minerals	0.4	0.7	0.7	0.9	0.0
Other food	-0.7	-0.4	-0.1	0.6	0.0
Beverages & tobacco	-0.6	-0.1	0.2	0.9	0.0
Textiles	-0.9	-0.7	-0.5	0.4	0.0
Chemicals	-1.0	-0.9	-0.6	0.2	0.0
Oil products	-0.8	-0.5	-0.3	0.5	0.0
Metal products	-1.4	-1.8	-1.5	-0.7	0.0
Non metal products	-0.7	-0.4	-0.1	0.7	0.0
Motor vehicles	-2.0	-3.2	-3.0	-2.1	0.0
Machinery	-2.1	-3.4	-3.1	-2.3	0.0
Elect. machinery	-0.8	-0.5	-0.2	0.6	0.0
Electricity	-0.9	-0.6	-0.4	0.5	0.0
Utilities	-0.2	1.0	1.2	2.2	0.0
Transport services	-1.0	-0.9	-0.6	0.5	0.0
Comm services	-0.7	-0.3	0.0	0.8	0.0
Financial services	-0.8	-0.4	-0.2	0.7	0.0
Other services	-0.8	-0.4	-0.1	0.8	0.0
CGDS	-1.1	1.2	1.4	2.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.15: Impact of the EU-NZ FTA on New Zealand sector employment under the conservative scenario (%)

Sector	Land	Unskilled Labour	Skilled Labour	Capital	Natural Resources
Rice	-0.3	-0.1	-0.1	0.0	0.0
Cereals	-0.9	-0.9	-0.9	-0.8	0.0
Vegetables and fruit	2.1	2.9	2.9	3.0	0.0
Oilseeds	-0.5	-0.3	-0.2	0.0	0.0
Sugar	-0.7	-0.6	-0.5	-0.2	0.0
Fiber crop	-0.1	0.1	0.1	0.2	0.0
Bovine meat	-0.4	-0.2	-0.2	0.0	0.0
Other animal products	0.7	1.1	1.1	1.2	0.0
Other meat	-0.7	-0.6	-0.5	-0.2	0.0
Dairy	-0.8	-0.8	-0.8	-0.7	0.0
Wood and paper	-0.5	-0.3	-0.2	0.0	0.0
Fishing	0.0	0.1	0.1	0.2	0.0
Coal	-0.8	-1.2	-1.0	0.1	0.0
Oil	-0.3	-0.1	0.0	0.1	0.0
Gas	-0.2	0.2	0.2	0.4	0.0
Minerals	0.2	0.3	0.4	0.4	0.0
Other food	-0.3	0.1	0.2	0.5	0.0
Beverages & tobacco	-0.2	0.4	0.5	0.8	0.0
Textiles	-0.2	0.6	0.7	1.0	0.0
Chemicals	-0.2	0.4	0.5	0.8	0.0
Oil products	-0.5	-0.1	0.0	0.3	0.0
Metal products	-0.6	-0.4	-0.3	0.0	0.0
Non metal products	-0.4	0.0	0.1	0.4	0.0
Motor vehicles	-1.1	-1.5	-1.4	-1.1	0.0
Machinery	-0.8	-0.7	-0.7	-0.3	0.0
Elect. machinery	-0.4	0.1	0.2	0.6	0.0
Electricity	-0.5	-0.2	-0.1	0.3	0.0
Utilities	-0.3	0.4	0.5	0.9	0.0
Transport services	-0.6	-0.2	-0.1	0.3	0.0
Comm services	-0.5	-0.1	0.0	0.4	0.0
Financial services	-0.5	-0.1	-0.1	0.3	0.0
Other services	-0.5	-0.1	0.0	0.4	0.0
CGDS	-0.1	0.6	0.6	0.8	0.0

Source: CGE results provided by DG Trade (2019)



Table IV.1.16: Impact of the EU-NZ FTA on sector output under the ambitious scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	-0.1	0.0	0.4	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	0.0	0.0	-0.1	0.0
Cereals	-0.1	-0.1	-0.1	-1.7	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Vegetables and fruit	-0.2	-0.1	0.1	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Oilseeds	-0.1	0.0	0.6	-0.9	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	-0.2	-0.4	0.8	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0
Fiber crop	-0.1	0.0	-0.4	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.1	0.0	0.0
Bovine meat	-1.4	-2.5	4.6	4.1	0.0	0.0	0.1	0.1	0.4	0.0	-0.1	0.1	0.1	0.0	0.3	0.0	0.0	0.1	0.0
Other animal products	0.0	0.2	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other meat	0.0	0.4	-0.1	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dairy	-0.1	-0.1	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.0	0.1	0.0	0.0	0.0
Wood and paper	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Coal	-0.1	-0.1	0.3	0.2	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0
Oil	-0.1	-0.1	0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Gas	0.3	0.8	-0.8	0.3	0.0	-0.1	-0.1	-0.4	0.0	0.0	0.0	-0.2	-0.1	0.0	0.1	-0.1	0.0	-0.1	0.0
Minerals	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other food	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Beverages & tobacco	0.0	0.0	0.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Textiles	0.0	0.0	-0.1	-0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
Chemicals	0.0	0.1	-0.5	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Oil products	0.0	0.0	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Metal products	0.0	0.4	0.0	-1.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.1	0.0	-0.1	0.0	-1.1	0.0	0.0	0.0	0.0
Non metal products	0.1	0.1	-0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Motor vehicles	0.3	0.4	-1.8	-2.7	0.1	0.0	0.0	-0.2	-0.4	0.0	0.0	-0.3	0.0	0.0	0.6	0.0	0.0	0.0	0.0
Machinery	0.1	0.4	-2.2	-2.8	0.0	-0.1	-0.1	0.0	0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.4	0.0	0.0	-0.1	0.0
Elect. machinery	-0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Electricity	0.0	0.1	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Utilities	0.1	0.1	0.6	1.7	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0	-0.4	0.0	0.0	0.0	0.0
Transport services	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comm services	0.0	0.0	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Financial services	0.0	-0.1	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.1	0.0	0.0	0.0	0.0
Other services	0.0	0.0	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.17: Impact of the EU-NZ FTA on sector output under the conservative scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	0.0	0.0	0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Cereals	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vegetables and fruit	-0.2	-0.2	0.2	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Oilseeds	-0.1	-0.1	0.5	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	0.0	-0.1	0.1	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Fiber crop	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Bovine meat	0.2	0.4	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other animal products	0.0	-0.1	0.2	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other meat	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dairy	0.1	0.1	-0.3	-0.8	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wood and paper	0.0	0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Coal	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gas	-0.1	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Minerals	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other food	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Beverages & tobacco	0.0	0.0	0.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Textiles	0.0	0.0	0.4	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	0.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil products	0.0	0.0	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Metal products	0.0	0.2	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0
Non metal products	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Motor vehicles	0.2	0.3	-1.4	-1.3	0.1	0.0	0.0	-0.1	-0.3	0.0	0.0	-0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Machinery	0.0	0.1	-0.3	-0.6	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Elect. machinery	-0.1	-0.1	0.3	0.4	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Electricity	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Utilities	0.0	0.0	0.3	0.7	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Transport services	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comm services	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial services	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other services	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.18: Impact of the EU-NZ FTA on sector CPI under the ambitious scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	0.1	0.0	-0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cereals	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.0	0.0	0.0
Vegetables and fruit	-0.1	-0.1	0.3	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Oilseeds	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Fiber crop	0.0	0.0	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0
Bovine meat	-0.2	-1.4	0.5	0.5	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Other animal products	0.0	-0.1	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Other meat	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dairy	0.0	0.0	-0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Wood and paper	0.1	0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fishing	0.0	0.0	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Coal	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Oil	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gas	0.1	0.4	-2.0	0.2	0.0	0.0	0.0	-0.1	-0.1	0.1	0.0	-0.1	-0.1	0.0	0.0	-0.1	0.0	-0.1	-0.1
Minerals	0.0	0.0	-0.1	0.8	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.1	0.0	-0.1	0.0
Other food	0.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Beverages & tobacco	0.0	-0.1	-0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Textiles	0.0	0.0	-0.4	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	-0.6	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil products	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Metal products	0.1	0.1	-0.5	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Non metal products	0.1	0.1	-0.7	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Motor vehicles	0.1	0.1	-1.3	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Machinery	0.0	0.0	-1.2	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Elect. machinery	0.0	0.0	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Electricity	0.1	0.1	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utilities	0.1	0.1	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Transport services	0.0	0.1	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Comm services	0.1	0.1	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Financial services	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Other services	0.1	0.1	-0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.19: Impact of the EU-NZ FTA on sector CPI under the conservative scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	0.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cereals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vegetables and fruit	-0.1	-0.1	0.1	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Oilseeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fiber crop	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bovine meat	0.1	0.3	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other animal products	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Other meat	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dairy	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wood and paper	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fishing	0.0	0.0	0.2	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Coal	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gas	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minerals	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other food	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Beverages & tobacco	0.0	-0.1	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Textiles	0.0	0.0	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil products	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Metal products	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non metal products	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Motor vehicles	0.0	0.0	-0.9	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Machinery	0.0	0.0	-0.4	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Elect. machinery	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electricity	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utilities	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transport services	0.0	0.0	-0.2	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comm services	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial services	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other services	0.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0

Source: CGE results provided by DG Trade (2019)

Table IV.1.20: Impact of the EU-NZ FTA on EU sector exports under the ambitious scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	-0.2	-0.7	-0.4	0.1	-0.4	-0.4	-0.4	-0.5	-0.5	-0.3	-0.5	-0.6	-0.5	-0.5	-0.8	-0.4	-0.5	-0.6	-0.4
Cereals	-0.3	-0.1	1.0	2.8	0.1	0.2	0.2	0.3	0.6	0.1	0.2	0.6	0.5	1.0	1.4	0.2	0.4	0.2	0.2
Vegetables and fruit	-0.3	-0.4	8.4	2.4	0.1	0.1	0.1	0.2	0.3	0.1	0.1	0.0	0.1	0.1	1.5	0.1	0.1	0.2	0.1
Oilseeds	-0.2	-0.2	1.0	1.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.1	-0.3	-0.3	-0.3	-0.3	-0.1	-0.3	-0.3	-0.2	-0.3
Sugar	-0.4	-1.2	0.2	-0.1	-0.3	-0.4	-0.4	-0.5	-0.5	-0.1	-0.4	-0.5	-0.5	-0.5	-0.3	-0.4	-0.4	-0.4	-0.4
Fiber crop	-0.1	-0.2	1.2	3.3	0.1	0.1	0.1	0.1	0.2	0.0	0.1	0.2	0.0	0.1	0.7	0.1	0.5	0.1	0.0
Bovine meat	-3.4	-19.6	2.5	4.2	0.1	0.4	0.2	0.8	1.6	0.1	-0.1	1.1	0.9	0.0	1.9	0.0	0.5	0.3	0.1
Other animal products	-0.1	-0.3	3.2	0.6	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.1	0.0	0.0
Other meat	0.0	-0.2	1.1	30.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.2	-0.2	-0.2
Dairy	-0.6	-0.5	48.6	29.4	0.1	-0.1	-0.1	-0.2	-0.3	-0.1	-0.2	0.0	0.3	0.2	0.7	0.1	0.3	-0.2	0.0
Wood and paper	-0.1	-0.1	21.3	4.1	-0.3	-0.5	-0.5	-0.5	-0.5	-0.2	-0.5	-0.5	-0.5	-0.5	-0.7	-0.4	-0.5	-0.5	-0.4
Fishing	0.0	-0.1	5.1	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.1	0.0
Coal	-0.3	-0.2	96.3	96.2	-0.5	-0.4	-0.4	-0.7	-0.6	-0.3	-0.5	-0.6	-0.6	-0.6	-1.1	-0.4	-0.5	-0.6	-0.5
Oil	-0.2	0.0	14.9	14.0	-0.2	-0.2	-0.2	-0.2	-0.3	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.2	-0.3	-0.4	-0.2
Gas	-4.0	-2.7	3572.8	2611.8	-5.1	-5.1	-5.2	-7.1	-6.9	-2.9	-5.5	-8.1	-7.2	-5.0	-5.8	-5.3	-5.4	-6.3	-5.2
Minerals	0.0	0.1	8.0	9.8	-0.0	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-1.0	0.0	-0.1	0.0	-0.1
Other food	-0.1	-0.1	11.2	12.5	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.3	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2
Beverages & tobacco	-0.1	-0.8	6.7	6.0	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.2	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1
Textiles	-0.3	-0.2	103.4	101.1	-0.4	-0.5	-0.5	-0.5	-0.5	-0.3	-0.5	-0.5	-0.5	-0.5	-0.8	-0.5	-0.5	-0.5	-0.5
Chemicals	-0.1	-0.1	20.3	26.5	-0.3	-0.4	-0.4	-0.4	-0.5	-0.1	-0.4	-0.5	-0.5	-0.5	-0.7	-0.4	-0.5	-0.4	-0.4
Oil products	0.0	0.1	4.3	8.2	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1
Metal products	-0.1	0.0	54.1	52.0	-0.4	-0.5	-0.5	-0.6	-0.7	-0.4	-0.6	-0.7	-0.6	-0.6	-1.4	-0.5	-0.6	-0.6	-0.5
Non metal products	0.0	0.0	58.2	53.4	-0.3	-0.4	-0.4	-0.4	-0.5	-0.2	-0.4	-0.6	-0.4	-0.4	-0.7	-0.3	-0.4	-0.3	-0.4
Motor vehicles	0.0	0.0	52.1	43.0	-0.2	-0.4	-0.4	-0.5	-0.7	-0.2	-0.4	-0.6	-0.5	-0.5	-0.9	-0.4	-0.4	-0.3	-0.4
Machinery	-0.2	-0.1	60.4	62.4	-0.4	-0.6	-0.6	-0.7	-0.7	-0.3	-0.6	-0.7	-0.7	-0.7	-1.1	-0.5	-0.6	-0.6	-0.5
Elect. machinery	-0.3	-0.3	58.4	53.0	-0.5	-0.6	-0.6	-0.7	-0.7	-0.4	-0.6	-0.6	-0.6	-0.6	-1.1	-0.5	-0.6	-0.6	-0.6
Electricity	0.0	0.1	-0.6	0.3	-0.3	-0.4	-0.3	-0.4	-0.6	-0.1	-0.4	-0.5	-0.4	-0.4	-0.6	-0.3	-0.4	-0.4	-0.3
Utilities	0.0	0.0	7.8	9.1	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.3	-0.3	-0.8	-0.2	-0.3	-0.3	-0.3
Transport services	-0.1	0.0	6.9	7.5	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.4	-0.2	-0.2	-0.2	-0.2
Comm services	-0.1	-0.1	7.2	7.6	-0.2	-0.3	-0.3	-0.3	-0.3	-0.2	-0.3	-0.3	-0.2	-0.2	-0.6	-0.2	-0.3	-0.2	-0.2
Financial services	-0.1	-0.1	7.8	8.3	-0.2	-0.2	-0.2	-0.3	-0.4	-0.2	-0.3	-0.3	-0.3	-0.2	-0.5	-0.2	-0.3	-0.2	-0.3
Other services	-0.1	0.0	7.4	8.3	-0.2	-0.3	-0.3	-0.3	-0.4	-0.2	-0.3	-0.4	-0.3	-0.3	-0.7	-0.3	-0.3	-0.3	-0.3

Source: CGE results provided by DG Trade (2019)

Table IV.1.21: Impact of the EU-NZ FTA on EU sector exports under the conservative scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	-0.1	-0.1	-0.2	0.0	-0.2	-0.3	-0.3	-0.3	-0.3	-0.2	-0.3	-0.4	-0.3	-0.3	-0.5	-0.3	-0.3	-0.4	-0.3
Cereals	0.1	0.0	0.0	0.2	-0.1	-0.1	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Vegetables and fruit	-0.3	-0.4	7.4	1.7	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.1	0.0
Oilseeds	-0.1	-0.1	0.9	1.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2
Sugar	0.0	0.0	0.1	-0.1	-0.2	-0.3	-0.2	-0.3	-0.3	-0.1	-0.2	-0.3	-0.3	-0.3	-0.2	-0.2	-0.3	-0.3	-0.2
Fiber crop	-0.1	0.0	0.7	2.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	0.1	-0.1	0.0	-0.1	-0.1
Bovine meat	0.6	3.7	0.1	0.6	-0.1	-0.2	-0.2	-0.3	-0.3	-0.1	-0.3	-0.3	-0.2	-0.3	0.0	-0.2	-0.2	-0.1	-0.2
Other animal products	-0.1	-0.5	2.9	0.5	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Other meat	0.0	0.0	0.9	29.4	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.1
Dairy	0.1	0.1	47.8	27.2	-0.1	-0.2	-0.1	-0.3	-0.6	-0.1	-0.2	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1	-0.3	-0.2
Wood and paper	0.0	-0.1	20.7	5.0	-0.1	-0.3	-0.3	-0.3	-0.3	-0.1	-0.3	-0.3	-0.3	-0.3	-0.4	-0.2	-0.3	-0.3	-0.2
Fishing	0.0	-0.1	5.0	1.2	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	0.0	0.0	-0.1
Coal	-0.1	-0.1	-0.3	-0.4	-0.2	-0.2	-0.2	-0.2	-0.4	-0.3	-0.2	-0.3	-0.3	-0.3	-0.5	-0.2	-0.3	-0.3	-0.3
Oil	-0.1	0.0	0.0	0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.2	-0.1
Gas	-0.3	-0.2	1.5	1.2	-0.4	-0.4	-0.5	-0.6	-0.6	-0.2	-0.5	-0.7	-0.6	-0.4	-0.5	-0.4	-0.4	-0.5	-0.4
Minerals	0.0	0.0	0.7	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.4	0.0	0.0	0.0	0.0
Other food	0.0	-0.1	11.2	12.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1
Beverages & tobacco	-0.1	-0.8	6.7	5.8	0.0	-0.1	-0.1	-0.1	-0.2	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	-0.1
Textiles	-0.2	-0.2	47.8	47.3	-0.2	-0.3	-0.3	-0.3	-0.3	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4	-0.3	-0.3	-0.3	-0.3
Chemicals	-0.1	-0.1	6.5	9.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.3	-0.2	-0.2	-0.4	-0.2	-0.2	-0.2	-0.2
Oil products	0.0	0.0	0.0	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.1	0.0	-0.1	-0.1	0.0
Metal products	-0.1	0.0	21.7	21.2	-0.2	-0.3	-0.3	-0.3	-0.4	-0.2	-0.3	-0.4	-0.3	-0.3	-0.7	-0.2	-0.3	-0.3	-0.3
Non metal products	0.0	0.0	22.4	17.3	-0.2	-0.2	-0.2	-0.2	-0.3	-0.1	-0.2	-0.3	-0.2	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2
Motor vehicles	0.0	0.0	37.7	22.2	-0.1	-0.2	-0.2	-0.3	-0.4	-0.1	-0.2	-0.4	-0.3	-0.3	-0.4	-0.2	-0.2	-0.2	-0.2
Machinery	-0.1	-0.1	21.1	19.5	-0.2	-0.3	-0.3	-0.4	-0.4	-0.2	-0.3	-0.4	-0.3	-0.3	-0.5	-0.3	-0.3	-0.3	-0.3
Elect. machinery	-0.2	-0.2	12.7	11.9	-0.2	-0.3	-0.3	-0.4	-0.4	-0.2	-0.3	-0.3	-0.3	-0.3	-0.5	-0.3	-0.3	-0.3	-0.3
Electricity	0.0	0.0	-0.3	0.0	-0.2	-0.2	-0.2	-0.2	-0.3	-0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2
Utilities	0.0	0.0	7.8	7.9	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.1	-0.4	-0.1	-0.2	-0.2	-0.1
Transport services	-0.1	0.0	6.9	7.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1
Comm services	-0.1	-0.1	7.3	7.2	-0.1	-0.2	-0.1	-0.2	-0.2	-0.1	-0.1	-0.2	-0.1	-0.1	-0.3	-0.1	-0.2	-0.1	-0.1
Financial services	-0.1	-0.1	7.8	7.8	-0.1	-0.1	-0.1	-0.2	-0.2	-0.1	-0.1	-0.2	-0.1	-0.1	-0.3	-0.1	-0.2	-0.1	-0.1
Other services	-0.1	0.0	7.5	7.8	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.1	-0.2	-0.3	-0.1	-0.2	-0.2	-0.2

Source: CGE results provided by DG Trade (2019)

Table IV.1.22: Impact of the EU-NZ FTA on New Zealand sector exports under the ambitious scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	33.7	33.1	-2.2	-1.9	-2.3	-2.3	-2.4	-2.4	-2.4	-2.2	-2.4	-2.5	-2.4	-2.5	-2.5	-2.3	-2.4	-2.5	-2.4
Cereals	4.5	4.8	-1.8	0.4	-2.6	-2.6	-2.5	-2.3	-2.0	-2.8	-2.6	-2.0	-2.1	-1.4	-0.8	-2.4	-2.2	-2.6	-2.6
Vegetables and fruit	36.6	36.4	-2.6	-2.0	-4.0	-3.6	-3.6	-3.4	-3.3	-3.6	-3.6	-3.6	-3.4	-3.7	-2.1	-3.6	-3.5	-3.6	-3.6
Oilseeds	19.8	19.9	-1.8	-1.7	-2.1	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.1	-2.0	-1.7	-2.1	-1.9	-2.0	-2.1
Sugar	418.5	414.5	-1.3	-1.1	-1.3	-1.5	-1.4	-1.5	-1.5	-1.2	-1.3	-1.5	-1.5	-1.5	-1.2	-1.3	-1.4	-1.3	-1.4
Fiber crop	5.7	5.6	-2.7	-1.2	-3.4	-3.2	-3.2	-3.1	-3.2	-3.3	-3.3	-3.3	-3.2	-3.4	-2.6	-3.4	-2.9	-3.3	-3.4
Bovine meat	25.3	18.0	0.0	1.1	-1.8	-1.8	-1.8	-1.6	-1.2	-1.8	-1.9	-1.5	-1.4	-1.9	-1.2	-1.9	-1.6	-1.7	-1.8
Other animal products	10.0	9.9	-1.3	-1.2	-1.7	-1.7	-1.7	-1.6	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	-0.9	-1.8	-1.7	-1.7	-1.7
Other meat	4.6	4.4	-2.3	-4.5	-2.4	-2.2	-2.4	-2.4	-2.4	-2.3	-2.4	-2.2	-2.2	-2.2	-2.2	-2.4	-2.4	-2.4	-2.3
Dairy	133.3	133.5	-12.6	-5.3	-3.0	-3.2	-3.2	-3.3	-3.3	-3.4	-3.3	-3.1	-2.8	-3.0	-2.4	-3.0	-2.8	-3.3	-3.1
Wood and paper	0.9	0.9	-2.9	-0.7	-1.0	-1.1	-1.1	-1.1	-1.1	-0.8	-1.1	-1.1	-1.1	-1.1	-1.3	-1.0	-1.0	-1.1	-1.0
Fishing	19.3	19.3	-1.0	-0.6	-1.5	-1.4	-1.4	-1.4	-1.4	-1.5	-1.5	-1.5	-1.5	-1.4	-1.4	-1.5	-1.4	-1.4	-1.4
Coal	-0.1	-0.1	-0.5	-0.5	-0.3	-0.3	-0.3	-0.5	-0.5	-0.3	-0.4	-0.5	-0.5	-0.4	-1.0	-0.3	-0.4	-0.4	-0.4
Oil	-0.9	-0.8	-0.8	-0.5	-1.0	-1.0	-1.0	-1.0	-1.0	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.1	-1.0
Gas	-1.6	-0.9	-17.1	-2.3	-2.2	-2.2	-2.2	-2.9	-2.9	-1.6	-2.3	-3.4	-2.8	-2.2	-2.8	-2.3	-2.4	-2.6	-2.2
Minerals	-5.0	-4.9	-4.6	-3.3	-5.2	-4.9	-5.0	-5.2	-4.8	-5.2	-4.3	-5.0	-4.7	-4.8	-5.6	-5.2	-5.1	-4.9	-4.9
Other food	52.9	52.9	-2.9	-1.6	-1.2	-1.3	-1.3	-1.3	-1.3	-1.2	-1.3	-1.4	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3
Beverages & tobacco	14.5	13.7	-2.5	-1.1	-0.6	-0.6	-0.6	-0.6	-0.7	-0.6	-0.6	-0.7	-0.6	-0.6	-0.7	-0.6	-0.6	-0.6	-0.6
Textiles	17.6	17.7	-4.2	-4.8	4.5	-1.4	-1.4	-1.5	-1.4	-1.2	-1.4	-1.4	-1.5	-1.4	-1.7	-1.4	-1.4	-1.4	-1.4
Chemicals	28.7	28.7	-5.7	-3.7	14.3	-1.0	-1.0	-1.1	-1.1	-0.8	-1.1	-1.1	-1.1	-1.1	-1.3	-1.0	-1.1	-1.1	-1.0
Oil products	2.3	2.3	-0.1	0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.1	-0.4	-0.1	-0.2	-0.1	-0.1
Metal products	15.9	16.0	-5.0	-4.9	-1.0	-1.1	-1.1	-1.3	-1.3	-1.0	-1.2	-1.3	-1.2	-1.2	-2.0	-1.1	-1.2	-1.2	-1.1
Non metal products	3.2	3.2	-6.6	-4.0	-0.2	-2.0	-2.0	-2.1	-2.1	-1.8	-2.0	-2.1	-2.0	-2.0	-2.0	-1.9	-2.0	-2.0	-2.0
Motor vehicles	13.7	13.7	-10.3	-8.7	22.8	-0.7	-0.7	-0.7	-0.9	-0.5	-0.7	-0.9	-0.7	-0.7	-1.1	-0.7	-0.6	-0.6	-0.6
Machinery	9.2	9.2	-9.5	-9.6	13.3	-0.4	-0.4	-0.5	-0.5	-0.1	-0.4	-0.5	-0.5	-0.5	-0.9	-0.3	-0.4	-0.4	-0.3
Elect. machinery	7.0	7.1	-2.9	-1.7	9.6	-1.3	-1.3	-1.3	-1.4	-1.1	-1.3	-1.3	-1.3	-1.3	-1.7	-1.2	-1.3	-1.3	-1.3
Electricity	-0.2	-0.1	-0.7	0.1	-0.5	-0.6	-0.5	-0.6	-0.8	-0.3	-0.5	-0.7	-0.6	-0.6	-0.8	-0.5	-0.6	-0.6	-0.5
Utilities	8.5	-0.7	-1.7	-0.6	-0.9	-1.0	-1.0	-1.0	-1.0	-0.9	-1.0	-1.1	-1.0	-0.9	-1.5	-0.9	-1.0	-1.0	-1.0
Transport services	8.4	-0.2	-1.9	-1.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.3	-0.4	-0.4	-0.4	-0.4	-0.6	-0.4	-0.4	-0.4	-0.4
Comm services	8.3	-0.4	-1.7	-1.3	-0.5	-0.6	-0.6	-0.6	-0.7	-0.5	-0.6	-0.6	-0.6	-0.5	-0.9	-0.5	-0.6	-0.5	-0.6
Financial services	8.1	-0.6	-1.3	-0.8	-0.7	-0.7	-0.7	-0.8	-0.9	-0.6	-0.7	-0.8	-0.7	-0.7	-1.0	-0.7	-0.8	-0.7	-0.7
Other services	7.9	-0.7	-1.8	-1.0	-0.9	-0.9	-0.9	-1.0	-1.0	-0.8	-0.9	-1.0	-0.9	-0.9	-1.3	-0.9	-0.9	-0.9	-0.9

Source: CGE results provided by DG Trade (2019)

Table IV.1.23: Impact of the EU-NZ FTA on New Zealand sector exports under the conservative scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	0.3	0.3	-0.5	-0.3	-0.5	-0.6	-0.6	-0.6	-0.6	-0.5	-0.6	-0.7	-0.6	-0.6	-0.8	-0.5	-0.6	-0.7	-0.6
Cereals	-0.1	-0.1	-1.1	-0.8	-1.2	-1.1	-1.1	-1.1	-1.0	-1.1	-1.2	-1.1	-1.1	-1.1	-1.0	-1.1	-1.1	-1.2	-1.1
Vegetables and fruit	37.9	37.7	-2.2	-1.5	-3.0	-2.7	-2.7	-2.5	-2.5	-2.7	-2.7	-2.7	-2.6	-2.7	-1.7	-2.7	-2.6	-2.7	-2.7
Oilseeds	21.0	21.0	-1.0	-0.9	-1.0	-1.0	-1.0	-1.0	-1.0	-0.9	-1.0	-1.0	-1.0	-1.0	-0.9	-1.0	-0.9	-1.0	-1.0
Sugar	0.7	0.7	-0.6	-0.4	-0.4	-0.5	-0.5	-0.6	-0.5	-0.3	-0.4	-0.6	-0.5	-0.5	-0.4	-0.4	-0.5	-0.5	-0.5
Fiber crop	7.3	7.4	-1.8	-0.8	-2.1	-1.9	-1.9	-1.9	-2.0	-2.0	-2.0	-2.0	-2.0	-2.1	-1.8	-2.1	-2.0	-2.0	-2.0
Bovine meat	0.3	0.3	-0.3	-0.2	-0.4	-0.5	-0.5	-0.5	-0.5	-0.4	-0.5	-0.5	-0.5	-0.5	-0.4	-0.5	-0.4	-0.4	-0.5
Other animal products	10.8	10.4	-1.0	-0.6	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-0.6	-1.2	-1.1	-1.1	-1.1
Other meat	6.0	6.0	-1.2	-4.0	-1.1	-1.0	-1.1	-1.1	-1.1	-1.0	-1.1	-1.0	-1.0	-1.0	-1.0	-1.1	-1.1	-1.1	-1.0
Dairy	0.4	0.4	-10.7	-4.2	-0.6	-0.7	-0.5	-0.8	-1.1	-0.6	-0.7	-0.7	-0.7	-0.7	-0.6	-0.6	-0.6	-0.8	-0.6
Wood and paper	1.6	1.6	-2.2	-0.5	-0.2	-0.2	-0.2	-0.3	-0.3	-0.1	-0.2	-0.3	-0.3	-0.3	-0.4	-0.2	-0.2	-0.2	-0.2
Fishing	19.2	19.2	-1.2	-0.7	-1.7	-1.6	-1.6	-1.6	-1.6	-1.6	-1.7	-1.7	-1.7	-1.6	-1.5	-1.7	-1.6	-1.6	-1.6
Coal	0.2	0.2	0.0	0.2	0.1	0.1	0.1	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	-0.3	0.1	0.0	0.0	0.0
Oil	-0.4	-0.4	-0.4	-0.1	-0.5	-0.5	-0.5	-0.4	-0.5	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
Gas	-0.9	-0.8	-1.4	0.0	-1.1	-1.1	-1.1	-1.2	-1.2	-1.1	-1.1	-1.2	-1.2	-1.1	-1.2	-1.1	-1.1	-1.2	-1.1
Minerals	-2.2	-2.2	-1.9	-1.4	-2.4	-2.3	-2.3	-2.4	-2.2	-2.4	-2.0	-2.3	-2.2	-2.2	-2.5	-2.4	-2.4	-2.3	-2.3
Other food	53.7	53.6	-2.4	-1.5	-0.7	-0.8	-0.8	-0.8	-0.8	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8	-0.7	-0.8	-0.8	-0.7
Beverages & tobacco	14.8	14.0	-2.3	-1.0	-0.3	-0.3	-0.3	-0.3	-0.4	-0.3	-0.3	-0.4	-0.3	-0.3	-0.4	-0.3	-0.3	-0.3	-0.3
Textiles	18.6	18.6	-1.8	-2.1	5.5	-0.5	-0.5	-0.5	-0.5	-0.4	-0.5	-0.5	-0.5	-0.5	-0.6	-0.5	-0.5	-0.5	-0.5
Chemicals	29.5	29.5	-1.8	-1.1	15.2	-0.2	-0.3	-0.3	-0.3	-0.1	-0.3	-0.3	-0.3	-0.3	-0.4	-0.2	-0.3	-0.3	-0.2
Oil products	2.3	2.3	0.0	0.2	0.0	-0.1	0.0	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.2	0.0	-0.1	-0.1	-0.1
Metal products	16.5	16.6	-1.9	-1.7	-0.2	-0.3	-0.3	-0.4	-0.4	-0.3	-0.3	-0.4	-0.4	-0.3	-0.7	-0.3	-0.3	-0.4	-0.3
Non metal products	4.4	4.4	-2.6	-1.2	1.0	-0.7	-0.7	-0.8	-0.8	-0.6	-0.8	-0.8	-0.8	-0.8	-0.8	-0.7	-0.8	-0.7	-0.8
Motor vehicles	12.3	12.3	-7.3	-4.6	23.5	-0.1	-0.1	-0.2	-0.3	0.0	-0.1	-0.3	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1
Machinery	9.4	9.4	-3.3	-2.9	13.7	-0.1	0.0	-0.1	-0.1	0.1	-0.1	-0.1	-0.1	-0.1	-0.3	0.0	-0.1	-0.1	0.0
Elect. machinery	8.0	8.0	-0.6	-0.1	10.7	-0.3	-0.3	-0.3	-0.3	-0.2	-0.3	-0.3	-0.3	-0.3	-0.5	-0.2	-0.3	-0.3	-0.3
Electricity	0.1	0.2	-0.2	0.2	0.0	-0.1	0.0	-0.1	-0.2	0.1	0.0	-0.1	0.0	-0.1	-0.1	0.0	-0.1	0.0	0.0
Utilities	9.1	-0.2	-1.2	-1.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.3	-0.3	-0.5	-0.3	-0.3	-0.3	-0.3
Transport services	8.7	0.1	-1.5	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Comm services	8.7	0.0	-1.3	-1.4	0.0	-0.1	-0.1	-0.1	-0.2	0.0	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1
Financial services	8.6	-0.1	-0.8	-0.8	-0.1	-0.1	-0.1	-0.2	-0.2	-0.1	-0.1	-0.2	-0.1	-0.1	-0.2	-0.1	-0.2	-0.1	-0.1
Other services	8.5	-0.1	-1.2	-0.9	-0.2	-0.2	-0.2	-0.3	-0.3	-0.2	-0.3	-0.3	-0.2	-0.2	-0.4	-0.2	-0.3	-0.3	-0.2

Source: CGE results provided by DG Trade (2019)



Table IV.1.24: Impact of the EU-AUS FTA on aggregate sector exports under the ambitious scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN TPP	VT	Pacific	LDC	China	HK	ROW
Rice	-0.3	0.3	1.1	-0.2	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.0	-0.5	0.0	0.0	0.0	0.0
Cereals	-0.1	-0.1	-0.2	-2.0	-0.4	0.0	0.0	0.2	0.0	0.0	0.0	0.6	0.3	0.0	-1.2	0.0	0.1	0.0	0.1
Vegetables and fruit	-0.2	0.0	-0.2	5.3	-0.1	0.0	0.0	0.0	0.0	-0.2	0.0	0.1	0.0	0.0	0.5	-0.1	0.0	-0.1	-0.1
Oilseeds	-0.2	0.0	0.7	-1.2	-0.1	0.0	0.0	0.0	-0.1	-0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	-0.4	-0.4	4.8	-1.1	-0.1	0.0	-0.1	0.0	0.1	0.0	0.0	0.1	0.0	-0.1	-0.5	-0.1	0.0	-0.1	0.0
Fiber crop	0.0	0.3	-0.6	-1.3	-0.1	0.0	0.0	0.1	0.2	0.0	0.0	0.1	0.1	0.0	-0.1	0.0	0.0	0.0	0.0
Bovine meat	-3.5	-0.7	8.9	5.8	-1.6	0.1	0.2	-2.9	0.3	-2.8	-1.4	0.8	0.4	-1.1	0.4	-0.1	-0.8	-0.2	-0.2
Other animal products	-0.1	0.1	0.4	0.9	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.1	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Other meat	0.0	0.6	-0.2	-0.7	-0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.2	0.1	0.0	-0.2	0.0	0.1	-0.1	0.0
Dairy	-0.1	-0.1	1.6	0.9	0.2	0.1	-0.2	0.2	-0.4	-0.4	0.3	0.5	0.3	0.3	-0.1	0.3	-0.1	0.1	0.3
Wood and paper	0.0	0.3	0.8	-1.3	0.0	0.1	0.0	0.1	0.1	0.2	0.0	0.1	0.0	0.0	0.5	0.0	0.0	-0.1	0.1
Fishing	0.0	0.0	0.1	-1.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2	-0.1	0.0	-0.1	0.0
Coal	-0.3	-0.4	0.3	-0.4	-0.2	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	-0.1	-0.1	0.7	-0.1	-0.1	0.0	-0.1
Oil	-0.1	-0.2	0.3	-0.8	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.1	0.3	0.0
Gas	5.7	12.9	4.9	-9.6	-0.3	-1.1	-0.1	-1.0	-0.6	0.0	-0.2	-0.5	-0.2	-0.3	0.2	-0.3	-0.9	-1.2	0.0
Minerals	-0.1	-0.1	0.0	-5.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	-0.1	0.0
Other food	0.0	0.2	1.3	0.7	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.1	-0.1	-0.1	-0.1	0.0	0.0	-0.1	0.0
Beverages & tobacco	-0.1	0.1	3.3	1.6	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0	0.0
Textiles	0.1	0.6	5.2	2.6	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.2	0.0	0.1	-1.2	0.0	0.0	-0.1	0.0
Chemicals	0.0	0.1	1.9	2.5	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	-0.1	0.0
Oil products	0.0	-0.1	0.6	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	-0.1	0.0
Metal products	0.0	0.8	1.3	-1.7	0.0	0.0	0.1	0.1	0.1	-0.1	0.2	0.0	-0.1	0.0	-1.3	0.0	0.0	0.0	0.0
Non metal products	0.2	0.5	1.8	-2.1	0.0	0.0	-0.1	0.0	0.1	0.1	-0.1	0.0	-0.2	-0.1	0.4	0.0	0.0	0.0	0.0
Motor vehicles	0.4	0.7	2.1	-1.0	0.1	-0.1	-0.1	-0.3	-0.6	0.1	0.0	-0.7	-0.1	0.0	0.8	0.0	-0.2	-0.1	0.0
Machinery	0.3	0.8	0.9	-1.9	0.0	-0.2	-0.2	0.0	0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.9	-0.1	-0.1	-0.1	0.0
Elect. machinery	-0.1	0.3	1.5	-0.3	-0.1	0.0	0.0	0.1	0.2	-0.1	0.0	0.2	0.0	0.1	0.8	-0.1	0.0	0.0	-0.1
Electricity	-0.1	-0.3	0.9	-0.4	0.0	0.1	0.0	0.2	0.3	0.1	0.1	0.4	0.3	0.2	0.4	0.0	0.1	0.1	0.1
Utilities	-0.2	-0.3	2.1	2.4	0.0	0.1	0.1	0.2	0.2	0.1	0.1	0.3	0.2	0.1	0.6	0.1	0.2	0.0	0.1
Transport services	0.0	-0.2	1.5	0.4	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Comm services	-0.1	-0.3	2.2	0.5	0.0	0.2	0.1	0.1	0.3	0.1	0.1	0.3	0.2	0.1	0.6	0.1	0.1	0.1	0.1
Financial services	-0.1	-0.3	1.4	0.8	0.0	0.2	0.1	0.2	0.3	0.1	0.1	0.3	0.2	0.1	0.7	0.1	0.1	0.1	0.1
Other services	-0.1	-0.3	1.6	0.2	0.0	0.1	0.0	0.1	0.2	0.0	0.1	0.2	0.1	0.1	0.6	0.0	0.1	0.0	0.1

Source: CGE results provided by DG Trade (2019)

Table IV.1.25: Impact of the EU-AUS FTA on aggregate sector exports under the conservative scenario (%)

Sector	EU 27	UK	AUS	NZ	TK	US	CAN	JP	KOR	EFTA	EU FTAs	ASEAN	ASEAN Tpp	VT	Pacific	LDC	China	HK	ROW
Rice	-0.1	0.0	0.3	-0.6	-0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	-0.2	0.0	0.0	0.0	0.0
Cereals	0.0	-0.1	-0.1	-1.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	-0.2	0.0	0.1	0.0	0.0
Vegetables and fruit	-0.2	-0.2	0.6	6.1	-0.1	0.0	0.0	0.0	0.1	-0.2	0.0	0.1	0.0	0.0	0.4	-0.1	0.0	-0.1	-0.1
Oilseeds	-0.1	-0.1	1.6	-0.2	-0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	0.0	-0.1	0.3	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.0	0.0	0.0
Fiber crop	-0.1	-0.1	0.0	-0.2	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bovine meat	0.6	0.1	0.1	-0.2	0.4	0.1	0.1	0.9	0.2	0.7	0.5	0.2	0.1	0.4	0.5	0.1	0.4	0.1	0.1
Other animal products	-0.1	-0.1	0.9	1.5	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Other meat	0.0	-0.1	0.1	0.6	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.2	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Dairy	0.2	0.3	0.6	-1.0	0.0	-0.2	0.2	-0.1	-0.7	-0.2	0.1	0.2	0.1	0.1	-0.3	0.1	-0.3	-0.1	0.1
Wood and paper	0.0	0.5	0.6	-0.5	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-0.1	0.0	0.2	0.0	0.0	0.0	0.0
Fishing	0.0	0.0	0.1	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Coal	-0.1	-0.2	0.2	0.0	-0.1	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	-0.1	0.3	-0.1	-0.1	0.0	0.0
Oil	-0.1	-0.1	0.3	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0
Gas	-0.3	-0.3	0.6	-1.2	0.0	0.1	0.0	0.3	0.2	0.0	0.0	0.1	0.0	0.1	0.2	0.0	0.0	0.0	0.0
Minerals	0.0	0.0	0.0	-2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Other food	0.1	0.2	1.3	1.2	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	0.0	-0.1	0.0
Beverages & tobacco	0.0	0.1	3.3	1.9	0.0	-0.1	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0	0.0
Textiles	0.0	0.3	5.2	3.9	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	-0.6	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	1.5	4.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Oil products	0.0	0.0	0.3	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Metal products	-0.1	0.3	0.8	-0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.1	0.0	-0.1	0.0	-0.5	0.0	0.0	0.1	0.0
Non metal products	0.1	0.2	2.0	-0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	-0.1	0.0	0.1	0.0	0.0	0.1	0.0
Motor vehicles	0.3	0.6	1.8	-0.1	0.1	-0.1	0.0	-0.2	-0.5	0.0	0.0	-0.5	-0.1	0.0	0.3	0.0	-0.1	0.0	0.0
Machinery	0.0	0.2	1.4	0.3	0.0	-0.1	-0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
Elect. machinery	-0.2	-0.1	1.3	1.0	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.1	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Electricity	-0.1	-0.1	0.5	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.2	0.0	0.1	0.1	0.1
Utilities	-0.1	-0.1	2.0	3.0	0.0	0.0	0.1	0.1	0.2	0.0	0.1	0.1	0.1	0.1	0.2	0.0	0.1	0.0	0.0
Transport services	0.0	-0.1	1.4	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Comm services	0.0	-0.1	2.1	0.9	0.0	0.1	0.0	0.1	0.2	0.0	0.0	0.1	0.1	0.1	0.2	0.0	0.0	0.0	0.0
Financial services	-0.1	-0.1	1.4	1.3	0.0	0.1	0.0	0.1	0.2	0.0	0.1	0.1	0.1	0.1	0.3	0.0	0.0	0.0	0.0
Other services	0.0	-0.2	1.6	0.8	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0

Source: CGE results provided by DG Trade (2019)

## IV.2 Gravity model results

Table IV.2.1: Impact of the EU-NZ FTA on Public Procurement (Baseline PPML estimates)

Variable	Baseline
PPA <sub>ijt</sub>	0.408*** (0.0360)
GPA <sub>ijt</sub>	0.268*** (0.0539)
Observations	27,570
Pseudo-R2	0.9998
Fixed effects	it, jt, ij
Robust standard errors in parentheses	
***p<0.01, **p<0.05, *p<0.1	

Source: Author's own calculations based on CGE results provided by DG Trade (2019)

Table IV.2.2: Impact of the EU-NZ FTA on Investment

Variable	FDI <sup>F</sup> <sub>ijt</sub>	FDI <sup>S</sup> <sub>ijt</sub>
PIA <sub>ijt</sub>	0.627*** (0.286)	0.189*** (0.0510)
BIT <sub>ijt</sub>	-0.546 (0.431)	0.0 (0.0804)
Observations	7,144	10,102
Pseudo-R2	0.9072	0.9853
Fixed effects	it, jt, ij	
Robust standard errors in parentheses		
***p<0.01, **p<0.05, *p<0.1		

Source: Author's own calculations based on CGE results provided by DG Trade (2019)

## IV.3 Econometric (partial equilibrium) GSIM modelling results

Table IV.3.1: Impact of the EU-NZ FTA on bilateral aluminum trade flows

Countries	EU27	UK	NZ	AUS	Japan	Switzerland	US	China	ROW
EU27	0.0	0.0	4.7	0.0	0.0	0.0	0.0	0.0	0.0
UK	0.0	0.0	4.7	0.0	0.0	0.0	0.0	0.0	0.0
New Zealand	5.0	5.0	0.0	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Australia	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Japan	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Switzerland	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
US	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
China	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
ROW	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0

Source: Author's own calculations based on UNComtrade data

Table IV.3.2: Impact of the EU-NZ FTA on aluminum trade values (€ millions)

Countries	EU27	UK	NZ	AUS	Japan	Switzerl and	US	China	ROW
EU27	2,087.8	3,444.4	32.1	188.2	246.1	2,038.1	2,124.2	779.1	978.3
UK	1,856.1	0.0	3.1	30.3	16.9	115.9	179.5	129.6	330.7
New Zealand	41.1	8.3	0.0	57.8	356.8	0.0	20.1	12.1	189.7
Australia	49.4	12.8	38.9	0.0	913.0	0.0	316.7	83.6	1,588.0
Japan	80.4	7.8	11.2	53.4	0.0	0.7	162.2	612.2	991.6
Switzerland	1,693.6	96.8	0.2	5.0	4.1	0.0	44.3	15.4	114.4
US	831.5	159.2	9.3	52.3	310.9	11.9	0.0	799.3	7,788.4
China	3,282.8	393.9	86.2	912.7	1,620.4	15.4	2,967.1	0.0	8,601.0
ROW	12,717.5	424.6	38.0	349.3	3,925.6	420.5	13,377.9	2,807.4	79,780.6

Source: Author's own calculations based on UNComtrade data

Table IV.3.3: Impact of the EU-NZ FTA on aluminum prices, quantities and revenues

Countries	Change in output (%)	Change in producer price (%)	Change in FOB price (%)	Change in producer revenues	Value of change in producer revenues (€)
EU27	0.0	0.0	0.0	0.0	681,347.1
UK	0.0	0.0	0.0	0.0	23,273.0
New Zealand	0.1	0.1	0.1	0.2	1,187,713.8
Australia	-0.0	0.0	0.0	0.0	-60,817.8
Japan	-0.0	0.0	0.0	0.0	-24,677.7
Switzerland	-0.0	0.0	0.0	0.0	-43,933.9
US	0.0	0.0	0.0	0.0	-22,726.2
China	0.0	0.0	0.0	0.0	-197,376.0
ROW	0.0	0.0	0.0	0.0	-148,168.8

Source: Author's own calculations based on UNComtrade data

Table IV.3.4: Impact of the EU-NZ FTA on aluminum welfare

Countries	Producer surplus	Downstream/ final consumer effects			Total welfare (€)
	Change in producer surplus (€)	Change in consumer surplus (€)	Change in consumer prices (%)	Change in total consumption (%)	
EU27	378,526.1	697,657.2	0.0	0.0	1,076,183.4
UK	12,929.5	34,027.9	0.0	0.0	46,957.4
New Zealand	659,841.0	651,098.9	-0.3	0.3	1,310,939.9
Australia	-33,787.7	-62,082.1	0.0	0.0	-95,869.8
Japan	-13,709.8	-367,394.6	0.0	0.0	-381,104.4
Switzerland	-24,407.7	-72,610.5	0.0	0.0	-97,018.2
US	-12,625.6	-61,108.4	0.0	0.0	-73,734.0
China	-109,653.3	-31,881.7	0.0	0.0	-141,535.0
ROW	-82,316.0	-76,974.7	0.0	0.0	-159,291.4

Source: Author's own calculations based on UNComtrade data

## V. ANNEX V: SECTOR AND CASE STUDY SELECTION

### V.1 Sector selection methodology and proposal

#### ***Sector selection methodology***

Before the sector selection can start, it is important to consider what constitutes a “sector”. For practical reasons, the study team took the definition of sectors as established in the Commission’s impact assessment as the starting point. This distinguishes 32 sectors, which in turn have been derived from the 57 sectors defined in GTAP 9.<sup>85</sup> In our proposal, we offer to carry out five sector studies.

In order to identify the sectors that are most important and relevant for the study, the following criteria – looking at both New Zealand and the EU – have been applied:

- **Criterion 1: Importance of a sector for the economy.** This has been measured considering a sector’s size in terms of its share in total employment and output/value added.
- **Criterion 2: Magnitude of the FTA’s expected economic impact on a sector.** Using the results of the ambitious scenario of the Commission’s CGE analysis, the Agreement’s impact on bilateral exports and total output has been used and consolidated into one score.
- **Criterion 3: Magnitude of the FTA’s expected social, human rights and/or environmental impact.** To assign sectoral scores for the social, environmental and human rights impacts of the FTA, the ex-ante study and the Commission’s impact assessment were reviewed, and further information – obtained from the literature, media and stakeholders – has been evaluated and rated by the team.
- **Criterion 4: Importance of specific issues raised by stakeholders and issues of particular relevance/importance/sensitivity from a negotiating perspective.**<sup>86</sup>

The goal of the SIA is to generate analytical and stakeholder-driven findings that are relevant for the ongoing negotiations, as well as address those issues which are considered of high importance by stakeholders and civil society in general. Therefore, views of stakeholders have been collected during the inception phase and have informed the sector selection. Such view comprised both the importance of a sector in the economy (including factors such as its role in innovation or its enabling nature for other sectors, both up- and downstream) and the expected impact of the FTA on it. During the study, this selection will be further validated as part of the comprehensive consultations to be undertaken.

As various criteria have been used, the individual scores needed to be **aggregated** into one overall sector score and rank in order to select the five “most important” sectors for the in-depth analysis. This has required assigning weights to the individual criteria. The methodology for this is as follows: First, the scores for New Zealand and the EU in criteria 1 to 3 were weighted equally to calculate average scores for these criteria (i.e. any potential impacts in New Zealand and the EU are considered as equally important). Then, criteria 2 and 3 on the impact of the FTA were considered to be more important than the importance of a sector in the economy (criterion 1) in isolation. This is because, if there is no clearly plausible causal link between the FTA and a sector, the impact on that sector would be definition be negligible, and an in-depth sector analysis would therefore not be warranted – even if the sector is economically very important. Finally, stakeholder

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<sup>85</sup> GTAP sectors in turn are defined with reference to the International Standard Industrial Classification of all economic activities (ISIC) and the Central Product Classification (CPC).

<sup>86</sup> In the technical proposal, this criterion was split into two, Criterion 4: Importance of specific issues raised by stakeholders, and Criterion 5: Issues of particular relevance/importance/sensitivity from a negotiating perspective. However, it has seemed more appropriate to collapse these two criteria into one as the study team is not privy to insight information into negotiations; hence, all information on the status of and issues in negotiations that is conveyed to the study team (e.g. through DGs) is filtered through the informant’s views and interests, and such information is thus rather to be considered as a stakeholder contribution.

contributions (criterion 4) were considered as still more important as they are based on a real-life view of the sectors, whereas criteria 1 to 3 are based on a fairly narrow set of statistical data, CGE simulation results and literature review.

Finally, to ensure that the selected sectors cover a minimum level of variety and representativity across the economy and social landscape, after the ranking it has been checked that the selected sectors fulfil the following conditions: First, to ensure that gender issues are adequately reflected, the selected sectors need to also cover a balance in terms of male and female employment. Second, the inclusion of sectors with a high share of SMEs was also important. Third, the selected sectors should also cover primary (agriculture/extraction), secondary (industry) and tertiary (services) economic activities.

### ***Five sectors for in-depth analysis<sup>87</sup>***

Table 2.1 presents the results of the sector prioritization. It shows the rating of each sector in relation to each of the selection criteria in New Zealand and the EU, applying a simple 3-scale rating scheme (high/medium/low for each criterion). According to this prioritization exercise, and considering that a balance between goods and services sectors should be applied, the following sectors are proposed to be selected for a detailed sector analysis:

1. The **ruminant meats** sector is economically important in both New Zealand and the EU and is expected to be affected relatively strongly by the FTA: it is expected to be the sector with the highest growth in exports from New Zealand to the EU in absolute terms and the highest relative growth in New Zealand's output. At the same time, EU output is expected to decrease stronger, in relative terms, than any other sector. This has important social, human rights and environmental effects. Regarding the latter, the sector exerts pressure on the environment in a variety of ways. Apart from the geographically non-exclusive greenhouse gas impact of methane (CH<sub>4</sub>) emissions, farming of ruminants causes negative impacts on water quality (sediment run-off) and biodiversity (directly via land-use change or indirectly via sediment run-off). As ruminant meat output and exports are expected to grow significantly under a potential FTA, this merits further analysis. In the EU, impacts vary across regions, but as ruminant meat output overall is expected to decrease under the FTA, this could technically loosen the sector's pressures on the environment in the EU.

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<sup>87</sup> Note the caveat on the CGE modelling results at the beginning of this report. A plausibility check has been undertaken to determine if a change in the sector selection is likely to result from the revised simulations. This has shown that the sector selection is likely to be robust, i.e. would not change in response to the revised modelling.

Table V.1: Sector prioritization summary<sup>88</sup>

Sector	Criterion 1: Economic importance		Criterion 2: FTA economic impact		Criterion 3a: FTA social impact		Criterion 3b: FTA HR impact		Criterion 3c: FTA environmental impact		Criterion 4: Stakeholder and negotiating issues	Rank	Priority for selection
	NZ	EU	NZ	EU	NZ	EU	NZ	EU	NZ	EU			
1 Cereals	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Medium	23	Low
2 Rice	Low	Low	Low	Low	Medium	Low	Medium	Low	High	Low	Medium	23	Low
3 Vegetables, Fruits, nuts	Medium	Medium	High	Low	Medium	Low	Medium	Low	Medium	Low	Medium	8	Medium
4 Oil seeds, vegetable oils & fats	Low	Low	Low	Low	Medium	Low	Medium	Low	Low	Low	Low	23	Low
5 Sugar	Low	Low	Low	Low	Medium	Low	Medium	Low	High	Medium	Medium	23	Low
6 Plant & animal fibres and other crops	Medium	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Low	Low	14	Medium
7 Ruminant meats	High	Low	High	Medium	High	High	High	High	High	High	High	1	High
8 Other animal products	Low	High	Medium	Low	Low	Low	Low	Low	Low	Low	Low	22	Low
9 Other meat	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	21	Low
10 Dairy	High	Medium	High	Medium	Medium	Low	Medium	Low	Medium	Medium	High	2	High
11 Wood and paper products	High	High	Medium	Low	Low	Low	Low	Low	Medium	Low	Low	15	Medium
12 Coal	Low	Low	Low	Low	Low	Low	Low	Low	Medium	High	Low	23	Low
13 Oil	Low	Low	Low	Low	Low	Low	Low	Low	Medium	Low	Low	23	Low
14 Gas	Low	Low	Low	Low	Medium	Medium	Medium	Medium	Medium	Medium	Low	23	Low
15 Minerals	Low	Low	Low	Low	Low	Low	Medium	Low	Medium	Low	Medium	23	Low
16 Fishing	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	23	Low
17 Other food products	Medium	Medium	Medium	Low	Medium	Low	Medium	Low	Low	Low	Low	15	Medium
18 Beverages and tobacco	Medium	Medium	Medium	Low	Low	Low	High	Medium	Low	Low	Medium	11	Medium
19 Textile, apparel, leather	Medium	Medium	Medium	Medium	Medium	Low	High	Low	Low	Low	Low	13	Medium
20 Chemicals, rubber, plastic	Medium	High	Medium	Medium	Low	Low	Low	Medium	Medium	Low	Medium	10	Medium
21 Petroleum, coal products	Medium	Medium	Medium	Low	Low	Low	Low	Low	Medium	Low	Low	19	Low
22 Metal products	High	High	High	Medium	Medium	Low	Low	Low	Medium	Low	Medium	7	Medium
23 Non-metallic minerals	Medium	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	19	Low
24 Motor vehicles & transport equipment	Medium	High	Medium	High	High	Low	Medium	Low	Medium	Medium	Medium	4	High
25 Machinery	High	High	High	High	High	Low	Medium	Low	Low	Medium	Medium	3	High
26 Electronic equipment & other manufacture	Medium	Medium	Medium	High	Low	Low	Low	Low	Low	Low	Low	15	Medium
27 Electricity	Medium	Medium	Low	Low	Low	Low	Low	Low	Medium	Low	Low	23	Low
28 Utility (construction, water)	High	High	Medium	Medium	Medium	Low	Low	Low	Low	Low	Medium	11	Medium
29 Transport	High	High	High	Low	Medium	Medium	Low	Low	High	Medium	Medium	5	High
30 Communication and business services	High	High	High	Medium	Medium	Low	Medium	Low	Low	Low	High	5	High
31 Financial services and insurance	High	High	Medium	Low	Low	Low	Medium	Low	Low	Low	Low	15	Medium
32 Recreational and other services	High	High	High	Medium	Low	Low	Medium	Low	Low	Low	Medium	8	Medium

Source: Prepared by the study team.

<sup>88</sup> For the avoidance of doubt, note that criteria 2 and 3 only assess the anticipated economic, respectively non-economic impact of the modernisation of the FTA on a sector, not the overall impact which sectors have on the economy/social fabric/human rights/environment.





2. **Dairy** is the second-highest ranked sector; it is an important sector in both New Zealand and the EU, and the FTA is expected to have a strong impact, with bilateral exports from New Zealand to the EU expected to increase by 134 percent; the change in trade patterns also has consequences regarding the social, human rights and environmental sustainability. The sector has also been highlighted by several stakeholders as being important in the negotiations, citing issues such as Geographical Indications, treatment of subsidies, and threat of increasing import competition as important issues to be addressed.
3. The **machinery** sector is ranked very highly, given its economic importance, particularly in the EU (criterion 1), significant economic impact of the FTA (e.g. in New Zealand, output is expected to decline by 2.9 percent whereas it will increase in the EU, thanks to a strong increase in bilateral exports. Following from the FTA's economic impact, social and human rights and the environment are also expected to be affected, justifying a more in-depth analysis.
4. The **motor vehicles and transport equipment** sector is also ranked very highly, given its high economic importance, particularly in the EU (criterion 1) and the anticipated high economic impact of the FTA – in New Zealand, output is expected to decline by 2.7 percent, and from an EU perspective, both exports and output are anticipated to increase. Following from the output decline in New Zealand, social and human rights there are also expected to be affected, therefore justifying a more in-depth analysis.
5. **Communication and business services** is economically a very important sector in both New Zealand and the EU, as it contributes a large share to each Party's GDP. Also, the FTA is expected to have a substantial effect on bilateral trade, with already relatively high exports anticipated to increase for both Parties. A specific focus will be placed on professional services, which are part of this sector, and which were also mentioned by stakeholders/negotiators to be of interest due to the market access issues and other issues (such as digital trade) being discussed during negotiations.

## V.2 Case study selection proposal

### *Case study selection methodology*

In addition to the sector selection, an important feature of the Trade SIA is that we look at case studies. As indicated in the previous sections, we will spread the case studies across the report linking them to where they fit best in the structure (e.g. a case study that is horizontal (economy-wide) will be placed in the general analysis chapter while a case study linked to a sector in the sector-specific part).

The more focused case studies will also allow us to go beyond the modelling results and delve more in depth into potential challenges related to the FTA, such as regulatory issues, and how the various measures considered might impact them. In our proposal we offer to carry out up to six case studies, spread across the different sustainability pillars.

For each of the case studies we intend to cover the following elements:

- Description of the specific issue under investigation in the case study;
- Description of the background/context of that specific issue in the EU and/or New Zealand;
- Quantitative and qualitative assessment of the specific issue;
- Key takeaways and insights regarding the specific issue;

A case study will be limited to 2 pages in size.

The selection criteria for the case studies are different from the ones for the sector selection, because case studies are meant to highlight specific aspects of interest for the negotiations, without being relevant across the economy, relevant for multiple sustainability pillars or significant economically.

The criteria for the case study selection are the following:

- Civil society suggestions and inputs for case study topics;
- Relevance for one or more sustainability pillars;
- Specific/narrow economic effects;
- Relevance for the negotiations.

Compared to the sector selection methodology described in the previous section, the weight of importance of stakeholder consultations is higher for the case study selection because the case studies illustrate and focus the study into directions that do not come out a priori from the quantitative analysis.

Immediately after the Kick-off Meeting (16 January 2019) of the project, we have reached out to stakeholders in New Zealand and the EU to get their inputs into potential case study topics by asking for detailed issues the Trade SIA should focus on. We have repeated this invitation at the Civil Society Dialogue (4 April 2019). Following the outreach to stakeholders in the EU and New Zealand, we have received 29 responses. Some of them indicated that there were no strong suggestions at this stage, while other submissions pointed to different topics for case study analysis.

The suggestions received have been considered and evaluated against the above-mentioned criteria, as well as, crucially, the probable causal nexus between the FTA and the proposed topic.

### ***Case studies proposed for in-depth analysis***

The screening has resulted in the below list of case studies. This means we leave two case study topics open to be decided later based on further civil society inputs or inputs from the Commission regarding relevance of certain topics for the negotiations.

As with the sector selection, to ensure that the selected case studies cover a minimum level of variety and representativity across the economy and social landscape, we also factor in that gender and SME issues are adequately reflected, and that each of the sustainability pillars is included in at least one case study.

- **Biodiversity**, where we will look – based on the precise nature of EU and NZ ecosystems and biodiversity governance and based on the fact that NZ has a high level of endemic biodiversity – at any pressures or alleviating elements emanating from the FTA and what recommendations could help strengthen the positive and mitigate the negative potential FTA effects.
- **Children's rights and poverty** could be analyzed based on the preliminary social and human rights descriptions where this issue has surfaced as a challenge for New Zealand.
- **Vegetables, fruits & nuts**, is a sector that matters for New Zealand, but it is not a top-5 sector resulting from the sector prioritization (see previous section).
- **Aluminum** can be analyzed further with respect to the economic impact and following social and environmental effects. This can be linked to the scale – structure – technology-effects looked at in the overall environmental analysis.

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## 1 INTRODUCTION

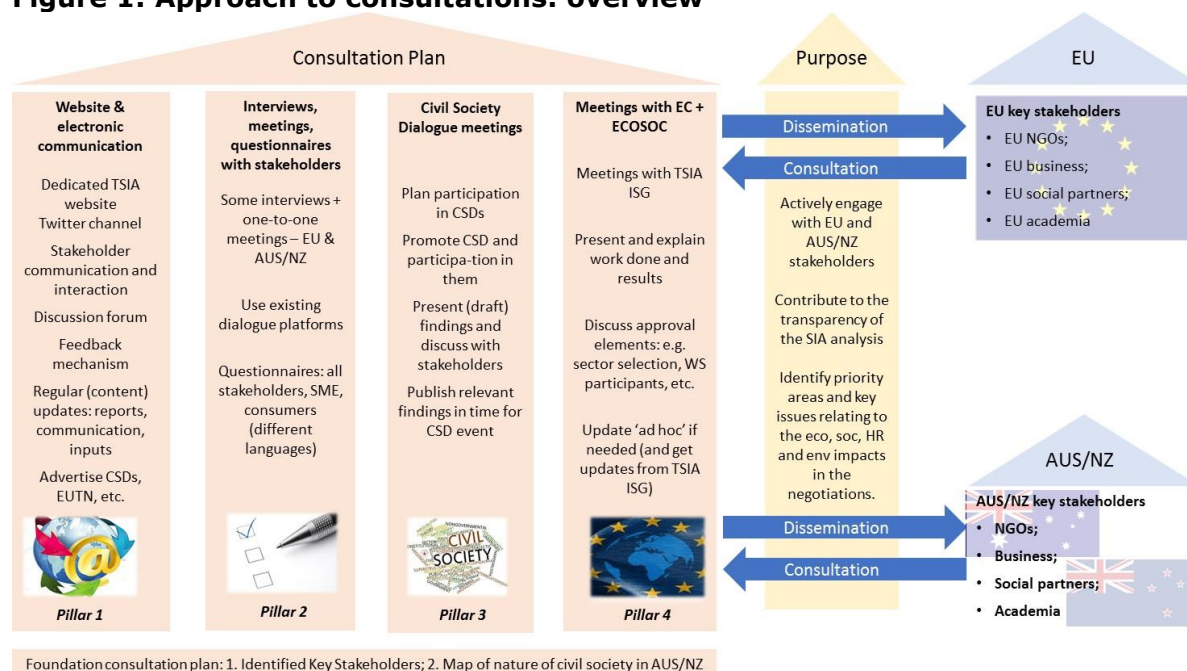
The objectives of the consultations, as specified in the ToR (see p. 18), were:

- to actively engage with all interested parties in order to reflect their experience, priorities and concerns;
- to contribute to the transparency of the SIA analysis;
- to help identify priority areas and key issues relating to the possible economic, social, environmental and human rights impacts in the negotiations.

To achieve these objectives, the consultations comprised four main pillars (Figure 1):

- Pillar 1: Digital engagement with key stakeholders: website and other channels, and dissemination of (draft) results and inputs;
- Pillar 2: Interviews, meetings and surveys with key stakeholders, and dissemination of (draft) results and inputs;
- Pillar 3: Civil society dialogue (CSD) meetings, and dissemination of results and inputs;
- Pillar 4: Meetings with EC officials.

**Figure 1: Approach to consultations: overview**



Consultation and communication activities have been undertaken in line with the consultations plan presented in the inception report. While key findings from the consultations are presented in the main SIA report, this consultations report presents more details about the implementation and findings from the study team's engagement with stakeholders. Section 2 describes implementation aspects for each of the four consultation pillars, and survey results and findings are presented in section 3.<sup>1</sup>

<sup>1</sup> It is important to note that in this report, survey responses are reported on in summarised form, and arguments made by stakeholders are not further discussed – this is done, where required, in the main report. Also, contributions made through position papers are separately reported in this report.

## 2 IMPLEMENTATION OF CONSULTATIONS AND COMMUNICATION ACTIVITIES

### 2.1 Stakeholder Database

Based on a definition of stakeholders as “those who are affected by, interested in or in any way related to negotiating, implementing and/or monitoring the trade and investment measures under negotiation, irrespective of their access opportunities to the consultations,” the first step in the consultations process was to identify the stakeholders in the EU and New Zealand that the team would approach and engage with during the study.

For practical purposes related to the structuring of the consultations as well as the interpretation of contributions, the following types of stakeholders have been distinguished:

- Private sector representatives (comprising companies, different types of business associations, and social partners);
- Civil society representatives (comprising non-governmental organisations, NGOs, community groups etc.) and think tanks/academia with interests in the economic, social, human rights, and environmental sustainability pillars; and
- Public institutions (comprising government, EU and other political institutions, agencies, and international organisations).

While an initial database of stakeholders was prepared during the inception phase – based on, for EU stakeholders, a review of past SIA reports and meetings, and lists of participation in recent CSD meetings held – this has been continuously updated during the course of the study.

In total, about 400 stakeholders (organisational entities) have been included in the database, 85 in New Zealand and 314 in the EU. Annex B presents the list of stakeholders included in the database, and Table 1 provides a summary of the database composition by type of stakeholder in New Zealand and the EU

**Table 1: Composition of identified stakeholders in New Zealand and the EU (number of entities in database)**

Type of stakeholder	Number in New Zealand	Number in EU	Total number
<b>Civil society/Think Tank/Academia</b>	44	48	<b>92</b>
<b>Private sector</b>	27	215	<b>242</b>
<b>Public sector</b>	11	8	<b>19</b>
<b>Social partners</b>	3	43	<b>46</b>
<b>Total</b>	<b>85</b>	<b>314</b>	<b>399</b>

Note: Institutions which indicated during the consultations that they were not interested in the topic are not included in the table, nor listed in Annex B .

Source: Compiled by study team.

In order to reach out effectively and engage with stakeholders, including those in risk of being excluded an initial mapping of stakeholders was also undertaken during the inception period. This helped identify both the central stakeholders for the consultations (primarily those with a high level of interest in EU-New Zealand trade and investment, and its consequences across the sustainability pillars), and those that could be affected by the FTA but are in risk of being excluded from the consultations.

## **2.2 Pillar 1: SIA Website and Other Electronic Communication**

The primary purpose of the website and electronic communication has been to ensure that any interested person can access relevant information on the SIA at any time. The use of social media has also aimed at allowing stakeholders to provide feedback and discuss issues relevant to the SIA online.

### *2.2.1 SIA Website*

A website dedicated to the SIA was launched during the inception phase and continuously updated as the study progressed. The website address is:

<http://www.trade-sia-new-zealand.eu>

The website has the following characteristics and functionalities:

- The front page provides a brief summary of the SIA (in all EU official languages), as well as a timeline for the study. Important news have been highlighted by using a slider, as well as by embedding the SIA Tweets;
- Three main sections allow easy access to information: One provides important information about the SIA and the sustainability dimensions ("about"); a document repository provides access to all study outputs: stakeholder contributions and other important documents and sources of information ("resources"); and a section providing information about the various consultation activities ("consultations");
- A "contact" section allows website visitors to leave feedback regarding the study and the website as well as register to be kept informed about the study development.

Website meta information (description, keywords and information for search engine robots) has been used to ensure that the website can be found easily on search engines.

### *2.2.2 Social Media*

Regarding social media, with the objective of increasing outreach it was agreed at the kick-off meeting with the ISG that the study would use the existing Twitter accounts of DG Trade and the EU Delegation in New Zealand to share relevant information about the study and its progress. Tweets have been posted at key stages of the study, e.g. to announce the publication of the draft reports and to inform about the start or imminent closure of the online surveys, or upcoming meetings.

### *2.2.3 Newsletters and email*

A number of email newsletters have been sent at critical points in the study – at an introductory stage, at the launch of the online survey, and a reminder shortly before the closure of the online survey. The recipient list numbers about 400 in line with the composition of stakeholders in the database. The opening rate of newsletters was around 30% of the overall recipients in the EU and New Zealand. Given this relatively low rate and the fact that email newsletters generated limited action by stakeholders<sup>2</sup> (presumably because many recipients delete "professional" email newsletters, despite personalisation), individual messages were also sent to all stakeholders, in many cases followed up by calls. Although being very resource-intensive, this generated more reactions by stakeholders in the form of survey submissions and interviews.

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<sup>2</sup> The "click rate" (i.e. the share of recipients actually seeking more information on the SIA by clicking on a link in the newsletter) rarely exceeded 10%.



### **2.3 Pillar 2: Interviews, Meetings and Surveys**

The second pillar for engagement with key stakeholders has been via interviews, meetings and surveys; these are primarily aimed at obtaining information and views from stakeholders. The choice between the three different communication channels was determined by the type of information we expected to get. Thus, for more technical and sector- or issue-specific issues, interviews and meetings with targeted stakeholders have been held, whereas more general information, as well as information that is held by large groups of stakeholders, such as SMEs, has been obtained through surveys.

Interviews and one-to-one meetings with stakeholders in New Zealand and the EU were conducted in various forms – face-to-face, videoconference, phone, and written.

As planned, two online surveys were undertaken, with questionnaires available in English, French, and German. The first, general one, aimed at obtaining the views of a large group of non-specialist stakeholders, as well as associations and NGOs regarding all sustainability issues related to the FTA, including consumer issues. The second survey targeted businesses and aims at obtaining information on the potential impacts of the FTA on firms, in particular SMEs.

The online surveys were launched on the EU-Survey platform on 10 June 2019, and were initially open until 30 July 2019. This was later extended to 15 August 2019 in response to a relatively low number of responses.

A particular challenge for online surveys is to balance the desire for obtaining as much information as possible and the limited willingness of respondents to fill in long and complex questionnaires (and open questions). This has been addressed by reducing the number of questions that any individual respondent has to answer, by designing “smart” surveys, where responses provided to certain questions influence the selection of follow up questions. This aims at focussing the questions for an individual respondent on those topics in which he or she has shown interest.

The surveys were promoted through mailings, the SIA website, as well as through Twitter cross-postings. In addition, the team’s local experts reached out to stakeholders to disseminate the survey actively on the ground. Further, more in-depth contributions from stakeholders will be invited as part of the survey and by email.

### **2.4 Pillar 3: Civil Society Dialogue Meetings**

The third pillar of the consultation process focused on engaging with civil society in the EU in the context of DG Trade’s CSD, a system of regular meetings where civil society and the Commission discuss about EU trade policy issues. As planned, study progress and draft outputs have been discussed in one CSD meeting so far, which was held, as planned, in Brussels on 04 April 2019 to discuss the draft inception report. Documentation related to it – including the presentation, and list of organisations registered – is available from the DG Trade website.<sup>3</sup>

The next and final CSD meeting is tentatively planned for October/November 2019 in Brussels and will focus on the presentation and discussion of the draft final report.

### **2.5 Pillar 4: Meetings with the European Commission**

Engaging closely with the European Commission is the fourth pillar of the consultation process. This pillar is more “inward” oriented and of a coordinative nature, rather than outward oriented towards civil society and other key stakeholders.

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<sup>3</sup> See: <http://trade.ec.europa.eu/civilsoc/meetdetails.cfm?meet=11534>.



Of the three scheduled meetings with the European Commission – through the SIA ISG – two have so far taken place: A kick-off meeting was held on 16 January 2019, and a meeting to discuss the draft inception report on 04 April 2019.

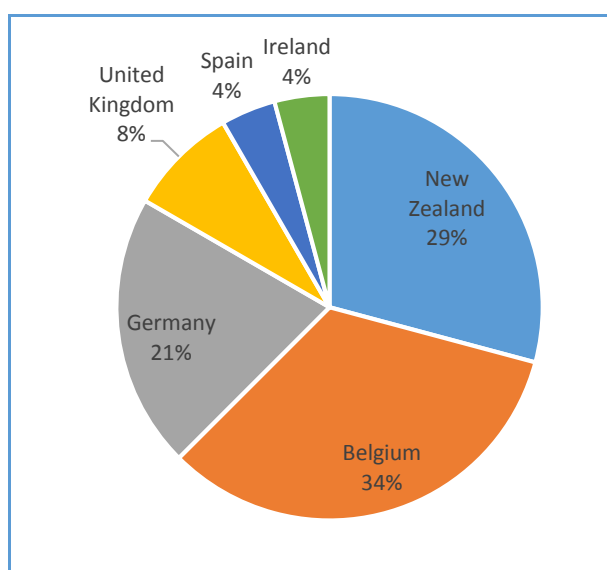
### 3 SURVEY RESULTS AND FINDINGS

This section presents the results of the two online surveys undertaken as part of the study, i.e. the general and business surveys. Contributions made through position papers and interviews have been reflected in the analyses presented in the main body of the report. We reiterate the caveat that in the present report survey responses are reported on, positions shared by stakeholders through position papers are presented but not further discussed – this is done, where required, in the main report.

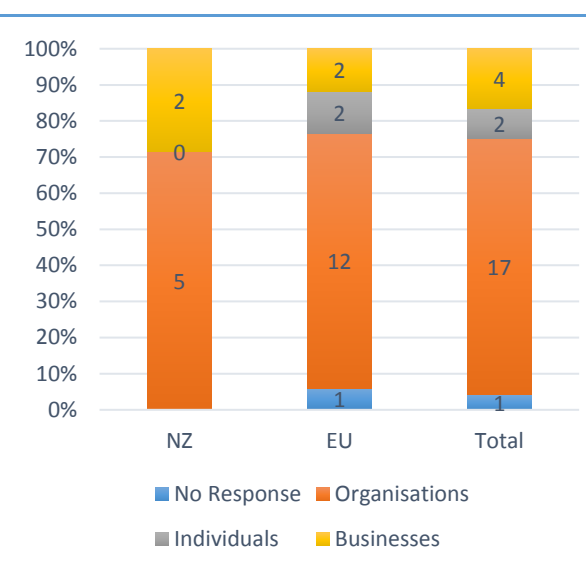
#### 3.1 Respondent Characteristics

In total, 24 respondents participated across the two surveys, of which 20 in the general one and 4 in the business/SME survey. 29% of the respondents (7) are New Zealanders, and the remaining 71% (17) located in the EU, most of which in Germany and Belgium (Figure 2). 71% of respondents represent organisations, 17% businesses, and 8% individuals (Figure 3).

**Figure 2: Respondents by country**



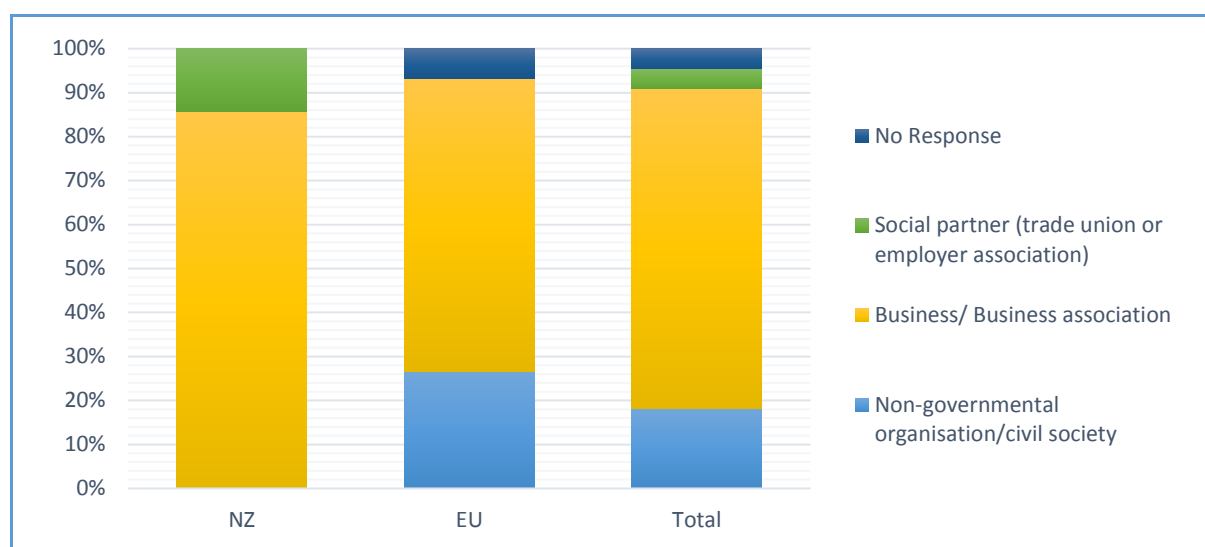
**Figure 3: Survey respondents by type**



Source: Responses to online surveys; n = 24.

According to the self-assigned organisation type, in New Zealand no NGOs, government institutions and academia/think participated in the survey. Among EU participants, most responses were received from NGOs and business associations, social partners, consumer organisations and public institutions did not participate (Figure 4). It should be noted that the types of organisations not participating in the online survey rather provided position papers or responded to interviews.

**Figure 4: Responding organisations by type**

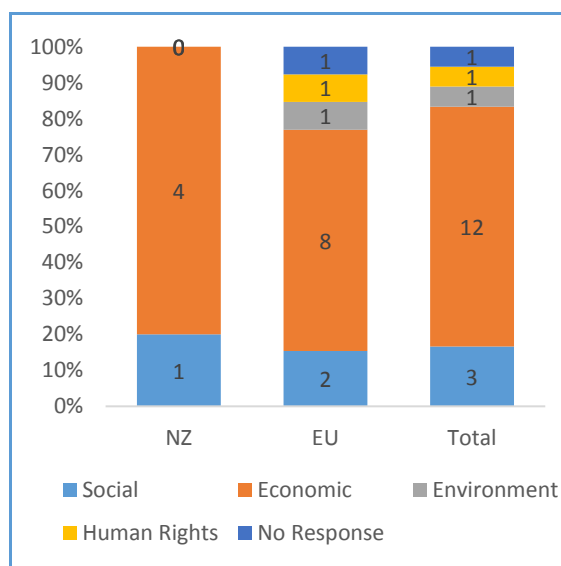


Source: Responses to online surveys; n = 22.

In terms of the organisations' main interest across the four sustainability pillars, survey respondents in New Zealand and the EU showed a stronger focus on the economic issues related to the negotiations, followed by the social aspects. Only in the EU a few respondents express interest in environmental and human rights (Figure 5). This mix of interests is hardly surprising given that most respondents represented business associations.

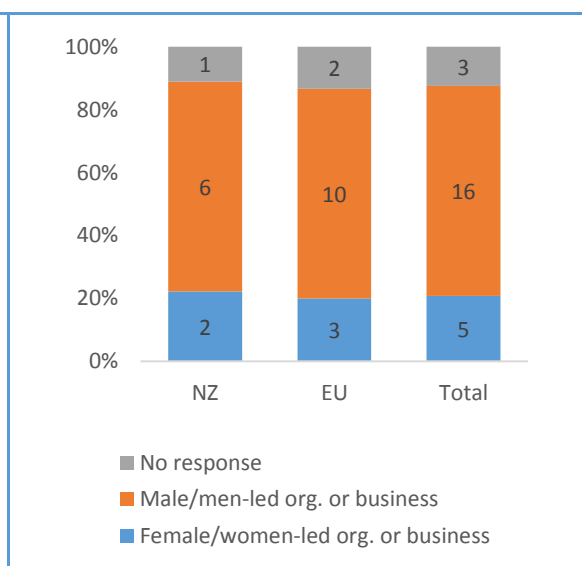
In terms of participation by gender, 5 responses (20%) were provided by women, respectively women led organisations and businesses (Figure 6).

**Figure 5: Main type of interest among responding organisations**



Source: Responses to online surveys; n = 18.

**Figure 6: Survey respondents by gender**



Source: Responses to online surveys; n = 24.

Regarding the business survey, the number of responses was so low (4) that the survey findings are not representative. The four businesses participating in the survey were equally split between New Zealand and the EU (Germany and UK). In terms of size, in New Zealand companies did not provide their size, and in the EU, one of the companies reported being very small, while the other company reported being small. All the participating businesses have affiliated businesses in the EU respectively New Zealand. Likewise, all four

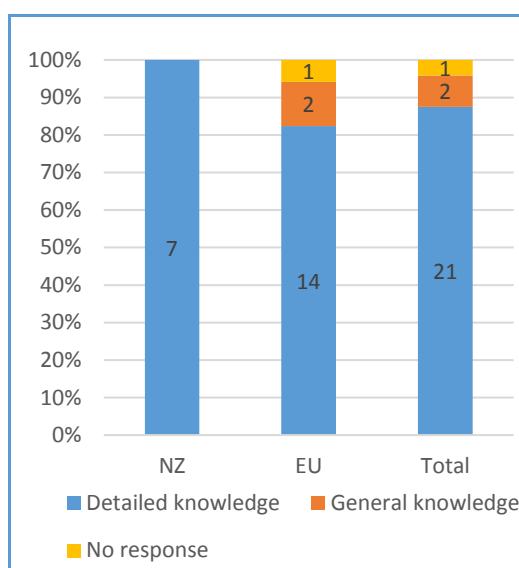
participating businesses have experience (more than five years) with New Zealand-EU trade.

Three out of the four business respondents – two in New Zealand and one in the EU – have a human rights policy in place, in two cases this is published. For the New Zealand companies, the policy covers operations in New Zealand, in the case of one of the respondent operations in all countries are covered. In the case of the other New Zealander respondent the operations in New Zealand, EU and other selected countries are covered by the human rights policy. For the single EU company that has a human right policy, this policy is applicable in all the countries where the business is based, so the operations in New Zealand and the EU are covered. The three businesses have no procedure in place to take measures for the remedy of negative human rights impacts. One respondent stated that incidents with negative effects on human rights had been recorded in New Zealand.

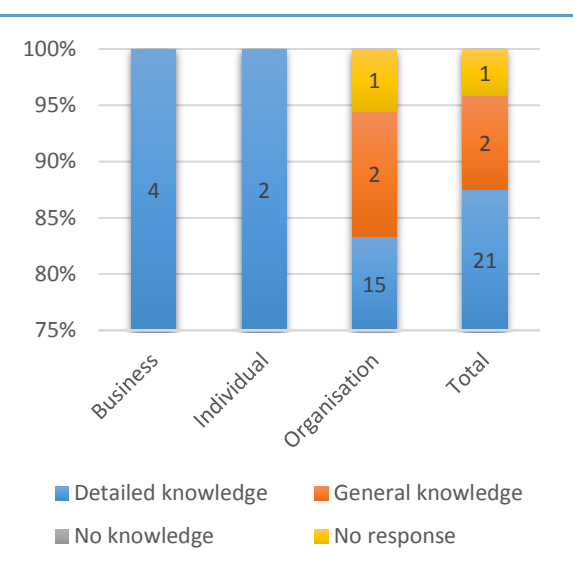
### 3.2 Knowledge of the Free Trade Agreement Negotiations

The vast majority of survey participants – more than 90% in both New Zealand and the EU – state that they have at least a general knowledge of the existing negotiations of the FTA; EU and New Zealanders respondents are equally well informed (Figure 7). Surprisingly, businesses and individuals felt slightly more knowledgeable than organisations (Figure 8). This high level of information about the ongoing FTA negotiations might indicate a self-selection bias, whereby primarily persons and organisations that have an interest in and knowledge of the Agreement participated in the survey.

**Figure 7: Knowledge of the ongoing Free Trade Agreement Negotiation, by location**



**Figure 8: Knowledge of the ongoing Free Trade Agreement Negotiation, by type of respondent**



Source: Responses to online surveys; n = 24.

In terms of current problems in bilateral commercial relations, the following ones were mentioned:

- For imports: taxes and border taxes in the EU, technical barriers, cumbersome paperwork, logistics issues and costs (each mentioned by the majority of respondents);
- For exports: tariffs and border taxes, technical barriers, paper work related to exports, and issues related to the supply chain;
- For investment in New Zealand (views of EU respondents): conditions imposed on foreign investment, obtaining residence and work permits and general restrictions to investment;

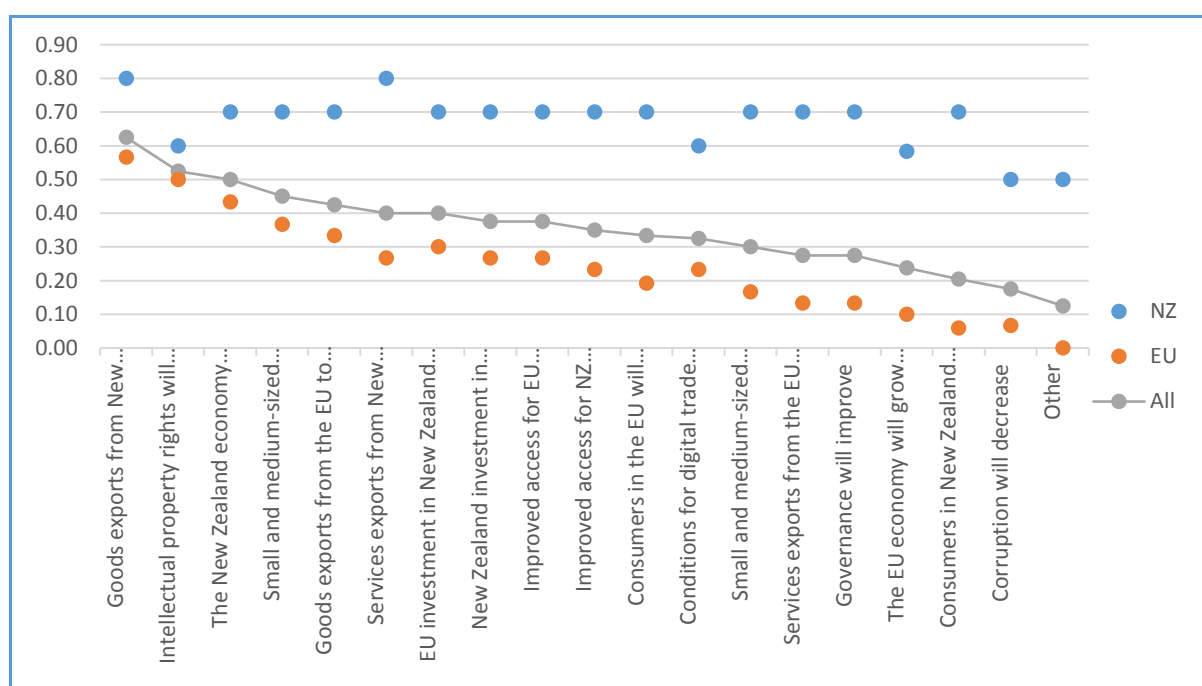
- For investment in the EU (views of New Zealanders respondents): obtaining residence and work permits, limitation in national treatment, financial and tax issues.

### 3.3 Views on Economic Effects

To determine survey participants' views on the anticipated economic effects of the FTA, the questionnaire included statements on various such effects and asked whether respondents strongly disagreed, somewhat disagreed, somewhat agreed or strongly agreed with the statement, or whether the Agreement would have no effect. These responses were then transformed into an index ranging from -1 (all respondents "strongly disagreeing" with the proposition) to +1 (all respondents "strongly agreeing" with the proposition), with an index value of zero indicating no or a neutral expected effect.<sup>4</sup>

The various economic effects as anticipated by respondents are presented in Figure 9, ordered from the most positive effects to the most negative (or rather least positive) ones. On average, respondents expect positive effects of the new Agreement across the board, indicated by a positive index value. The strongest positive effects are anticipated for the level of goods exports from New Zealand to the EU, better protection of IPR, and economic growth in New Zealand. Conversely, the most limited positive effects of the new Agreement are expected for the incidence of corruption, consumers in New Zealand, and for the economic growth in the EU. On average, New Zealand respondents are clearly more optimistic about the Agreement than EU respondents.

**Figure 9: Expected economic effects of the FTA, by location of respondent (index)**



Source: Responses to online general survey; n = 20 (also see Table 3 in annex).

The "other" effects mentioned by survey respondents were the following ones:

- One respondent expects that New Zealand's milk production will be further developed and export will be enhanced.
- Another respondent expects that overall two-way trade in goods and services will increase as a result of freer access provided in the new Agreement.
- One participant anticipated that the agreement will have a positive effect in all areas.

<sup>4</sup> For the calculation of the index, values to responses were assigned as follows: "strongly agree" +2, "somewhat agree" +1, "no effect", "I don't know" or no response 0, "somewhat disagree" -1, and "strongly disagree" -2. These values were then aggregated across all responses and normalised.

- Two participants stated that the bilateral trade and economic relation between New Zealand and the EU has yet to realise its full potential. They highlighted the need to address the remaining barriers to market access for goods and services in order to enhance the commercial opportunities, provide consumers with more choices and increase competitiveness of businesses in both countries.
- For New Zealander respondents, trade of red meat in particular requires to address the remaining tariff peaks, TRQs limitation and non-tariff barriers in order to provide new opportunities for New Zealander exporters and EU importers. In the view of the respondent, this is the only way to supply high quality, competitively –priced meat products to discerning consumers in the EU. The respondent highlights that New Zealand red meat production is limited by land-use changes and natural constraints which means that exporters are focused on supplying only the products that consumers demand at the right time of the year. Due to its counter-seasonal production cycle, New Zealand is well placed to work collaboratively with EU producers to provide consumers with “best in season” meat product around the year. This is beneficial for consumers in the EU and for New Zealander producers
- Two participants stated that whether and to what extent the consumers in the EU and New Zealand benefit from the new Agreement depends on the design of the Agreement itself. The view of the participant is that consumers will only benefit if consumer protection standards are upheld and tangible benefits for consumers (such as roaming or online commerce) are agreed. Digital commerce will then benefit from a free trade agreement if measures are taken to increase consumer confidence in digital commerce. These include, inter alia, rules on dispute resolution and return of defective products in online purchases from the EU in New Zealand (and vice versa). In addition, measures must be taken in the area of product safety to prevent EU consumers from receiving goods that are not in line with EU product safety standards through online commerce. Based on the proposals of the EU, the participants believe that it could lead to positive impacts and expect that New Zealand will support these proposals.
- One respondent expressed concern regarding EU exports of pharmaceutical products to New Zealand. Going beyond TRIPs provisions could have a negative effect on the equitable access to medicines, as it may limit the access to generic (cheaper) medicines in New Zealand.
- One concern was raised regarding the inclusion of strong commitments to labour standards, including the core ILO Conventions to guarantee that the agreement is beneficial for both parties.
- One participant highlighted a concern regarding issues related to animal protections and their protection of their habitats specially in the context of animal agriculture.

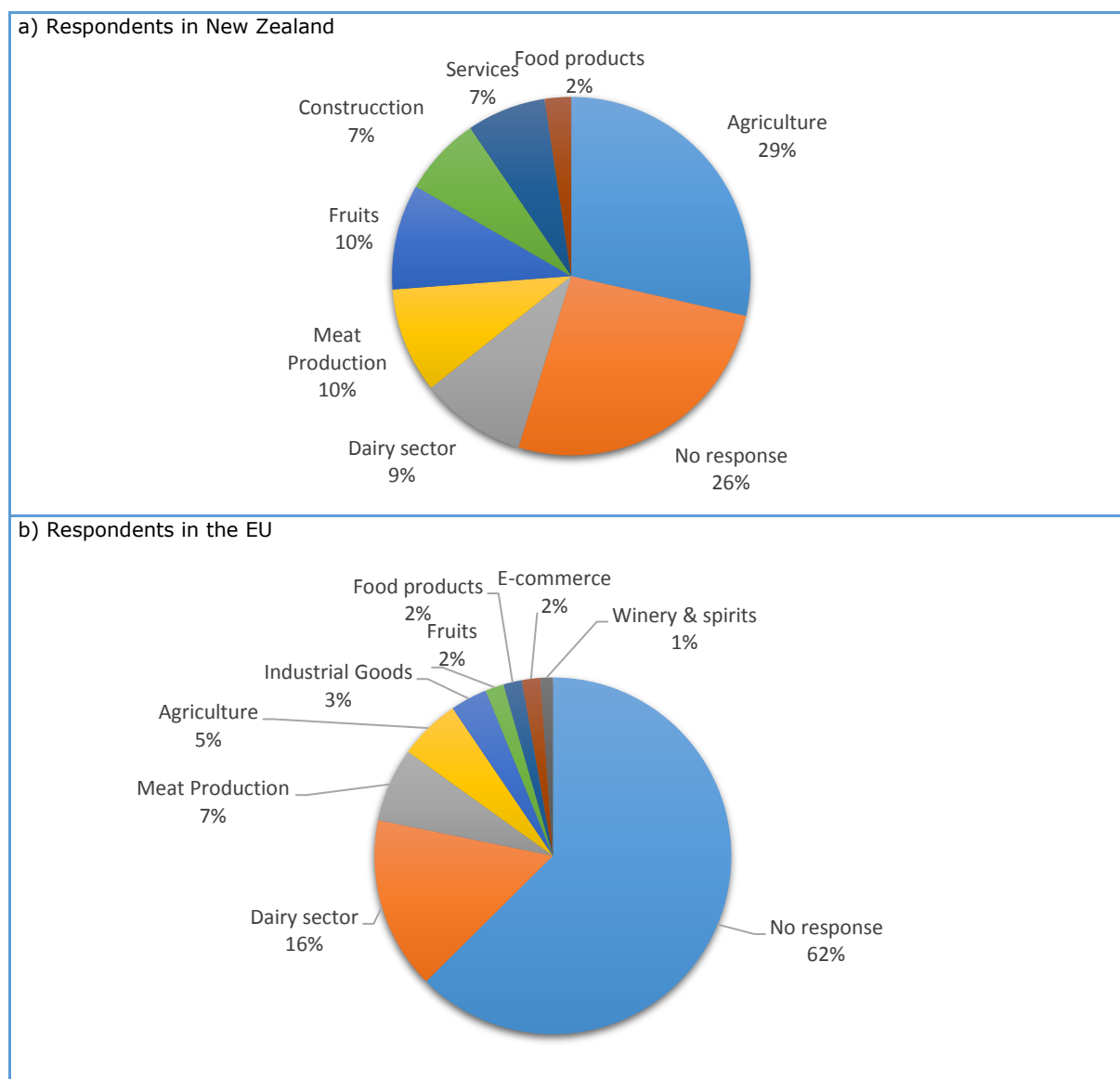
To determine which **sectors** are considered as most influenced by the new FTA, survey participants were asked to name the three most influenced sectors in an open question. From the sectors mentioned, a ranking of sectors was prepared using a simple score whereby the 2<sup>nd</sup> most influenced sector is weighted double the 3<sup>rd</sup> most influenced one, and the most influenced sector triple (see Table 4 in annex).<sup>5</sup>

The results are shown in Figure 10. Respondents in New Zealand consider that agriculture is the sector in which the FTA will have the highest effect. EU survey participants see the dairy sector, meat production, and agriculture as more influenced by the negotiations than other sectors; in New Zealand the dairy sector and meat products are also considered as most influenced, followed by construction, services and food products.

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<sup>5</sup> Score value = 3 \* number of responses under “most influenced sector” + 2 \* number of responses under “2<sup>nd</sup> most influenced sector” + 1 \* number of responses under “3<sup>rd</sup> most influenced sector”

**Figure 10: Sectors seen as most influenced by the new FTA**

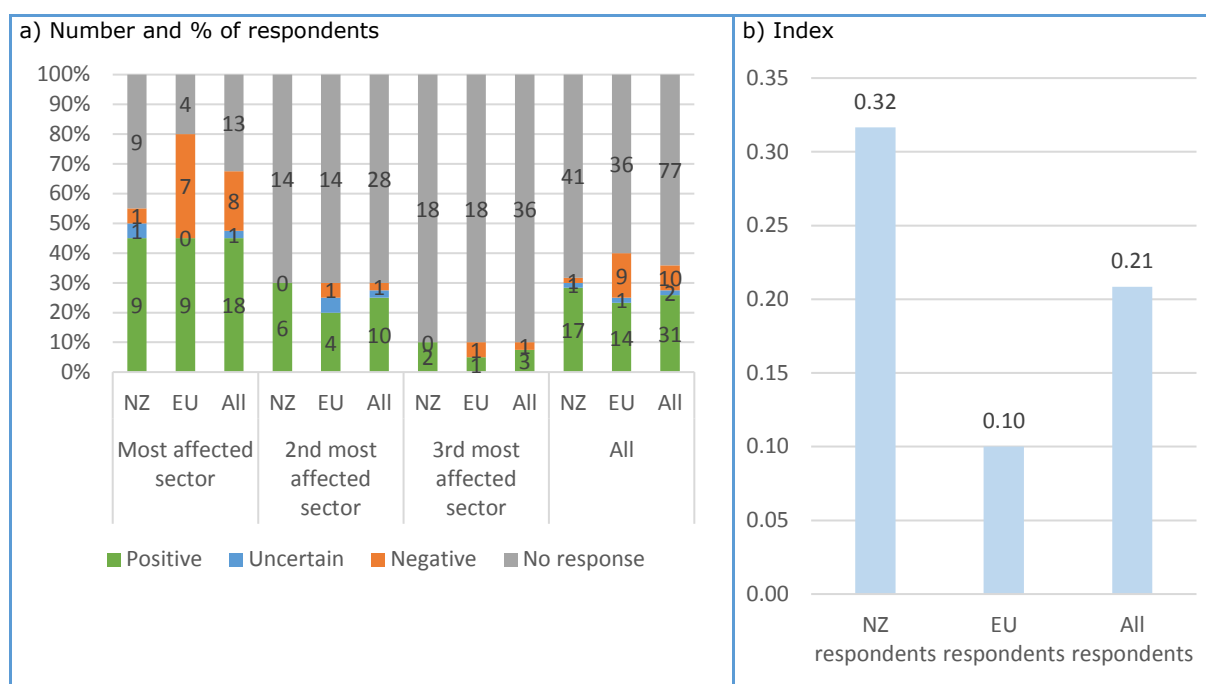


Source: Responses to online general survey; n = 20 (see Table 4 in annex).

In terms of the direction of the effect – i.e. whether sectors are expected to be affected positively or negatively – there is a weak tendency among the respondents to anticipate positive effects of the Agreement, while around 7% expect negative effects (Figure 11a) – overall, few respondents expect sectoral effects in more than one sector. Respondents in the EU are more sceptical, with an equal number of respondents expressing a view expecting a negative effect and positive effect. This difference in views is depicted in the constructed index,<sup>6</sup> which is clearly positive for New Zealander respondents (+0.32) and marginally positive for EU respondents (+0.10), yielding an overall expectation that the new Agreement will have positive effects on economic sectors (Figure 11b).

<sup>6</sup> Index value = number of responses expecting a positive effect – number of responses expecting a negative effect, applying the weighting of 3 (most affected sector) / 2 (second most affected sector) / 1 (third most affected sector), divided by 6. Index values range from -1 (all responses expect negative effect) to +1 (all responses expect positive effect).

**Figure 11: Expected direction of the Free Trade Agreement's sectoral effects**



Source: Responses to online general survey; n = 20.

More details on the type of effects for each of the sectors mentioned, distinguishing between anticipated positive and negative effects of the Agreement, are provided in Table 2. Note that the table does not reflect the number of comments/ expectations made, but only the different arguments. It also does not assess the arguments made by respondents but only reports the comments made in questionnaires.

**Table 2: Expected sectoral effects of the future Agreement - details**

Sector	Anticipated positive effects mentioned	Anticipated negative effects mentioned
Agriculture	<ul style="list-style-type: none"> <li>Will benefit EU consumers</li> <li>Helps to facilitate other trade opportunities</li> <li>Seasonal production means little competition and year-round supply</li> <li>Will open new opportunities</li> <li>Removal of import barriers</li> <li>Year-round supplies</li> </ul>	None
Dairy Production	<ul style="list-style-type: none"> <li>Tariff reductions for EU exports, could lead to a possible increase in investment opportunities.</li> <li>More production and more exports</li> <li>Increased scope for market access. New Zealand currently exports 95% of its dairy production, so opening the EU market will see an increase in its dairy exports.</li> </ul>	<ul style="list-style-type: none"> <li>Pressure on the EU dairy market caused by the import of dairy products from New Zealand</li> <li>More imports coming from New Zealand</li> </ul>
Animal Agriculture; Meat Production	<ul style="list-style-type: none"> <li>The EU and New Zealand are strong partners in the supply of sheep-meat. New Zealand provides sheep-meat to EU consumers during the off season in the EU, because the EU is not self-sufficient in the production of sheep meat.</li> <li>More exports, economic growth</li> <li>Several collaboration opportunities, such as developing best practice,</li> </ul>	<ul style="list-style-type: none"> <li>The liberalisation of trade in animal agricultural products may lead to an increase in intensive farm animal production, which may have a negative impact on animal welfare and the environment.</li> </ul>

Sector	Anticipated positive effects mentioned	Anticipated negative effects mentioned
	increasing innovation and productivity and growing the red meat category with consumers. <ul style="list-style-type: none"> <li>Beef production in the EU is under pressure due to a range of mainly structural factors as well as from civil society regarding its impact on the environment. Beef from New Zealand provides an opportunity to EU consumers to obtain high quality beef without have to have concerns about animal welfare, residues and antibiotics, feed source or excessive environmental impact.</li> </ul>	
Fruit Production	None	<ul style="list-style-type: none"> <li>Competition in kiwi fruit production and commercialization</li> </ul>
Industrial Goods	<ul style="list-style-type: none"> <li>Improved parity with TPP partners on supply of electronics</li> <li>having more availability of supply for industrial/telecommunications goods</li> </ul>	None
e-Commerce	<ul style="list-style-type: none"> <li>As long as the FTA agrees to strengthen the trust of consumers in online trade, specifically adequate information for consumers on dispute resolution, product return policies between the EU and New Zealand.</li> </ul>	None
Construction	<ul style="list-style-type: none"> <li>Clarity regarding certification processes of products</li> <li>Access to more and new products with improved energy efficient qualities</li> </ul>	None
Services	<ul style="list-style-type: none"> <li>Continuous economic growth in the sector</li> <li>Clarity on regulations pertaining to digital services</li> </ul>	None
Wine	<ul style="list-style-type: none"> <li>Increase in exports and economic growth</li> </ul>	<ul style="list-style-type: none"> <li>Negative effects on the EU economy</li> </ul>

Source: Responses to online general survey.

In the business survey, the effect categories were slightly different, focussing on the potential impacts of the New Agreement on SMEs in New Zealand and the EU. Here, respondents expect the Agreement to have an overall positive impact on SMEs in both the EU and New Zealand. Businesses were also asked how they see the impact of the new Agreement on themselves. The perception is clearly positive, with only one respondent in the EU expecting a negative effect from the result of the negotiations.

### 3.4 Views on Social Effects

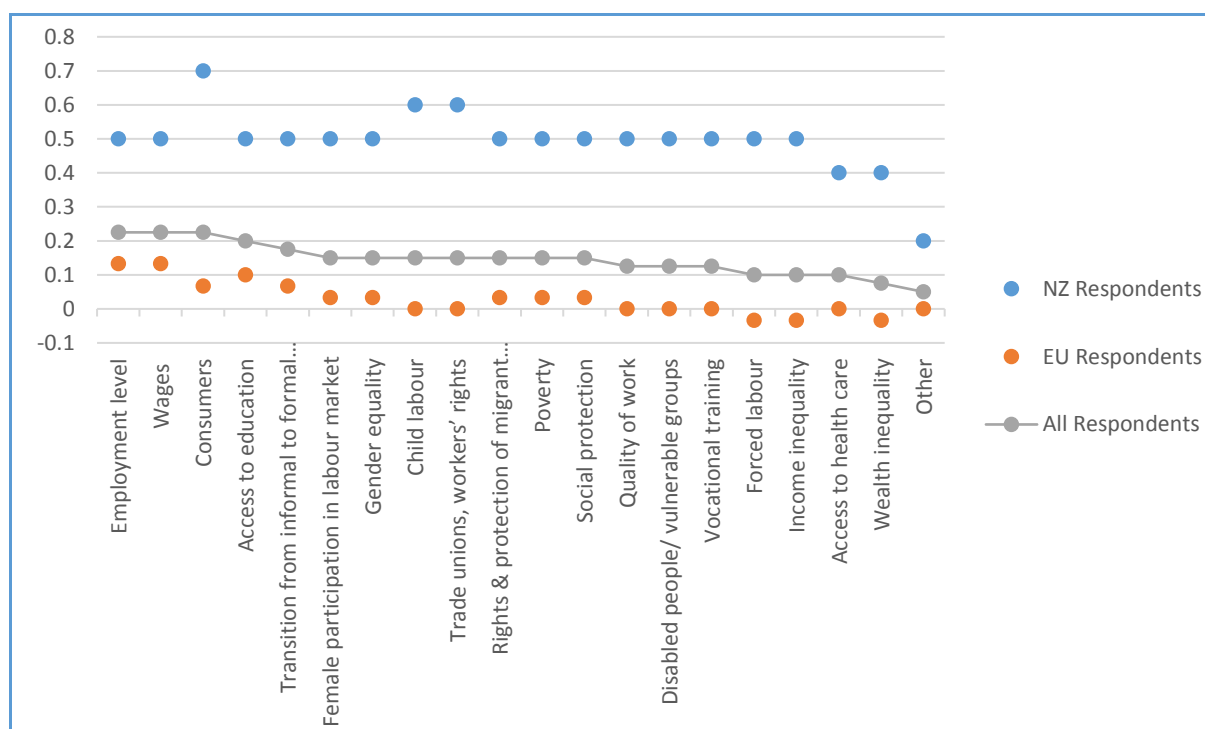
To determine survey participants' views on the anticipated social effects of the new FTA, the questionnaire listed various social indicators and asked whether the Agreement's effect on each would be "very positive", "somewhat positive", "somewhat negative" or "very negative", or whether there would be no effect. These responses were then transformed into an index ranging from -1 (all respondents expecting a "very negative" effect) to +1 (all respondents expecting a "very positive" effect), with an index value of zero indicating no or a neutral expected effect.<sup>7</sup>

<sup>7</sup> See the calculation of the corresponding index of the Agreement's economic effects in section 3.3 above.



The responses show a generally positive perception of the Agreement's effects in **New Zealand** across all types of social indicators, with varying degrees (Figure 12). The most limited/neutral effect is expected for wealth inequality, access to health care and income inequality. Conversely, the strongest positive effect of the Agreement is anticipated for employment levels, wages and consumers. Generally, EU respondents have a more sceptical view, expecting a no impact or a slightly negative impact of the Agreement on forced labour, income and wealth inequality in New Zealand.

**Figure 12: Expected social effects of the new Agreement in New Zealand, by location of respondent (index)**

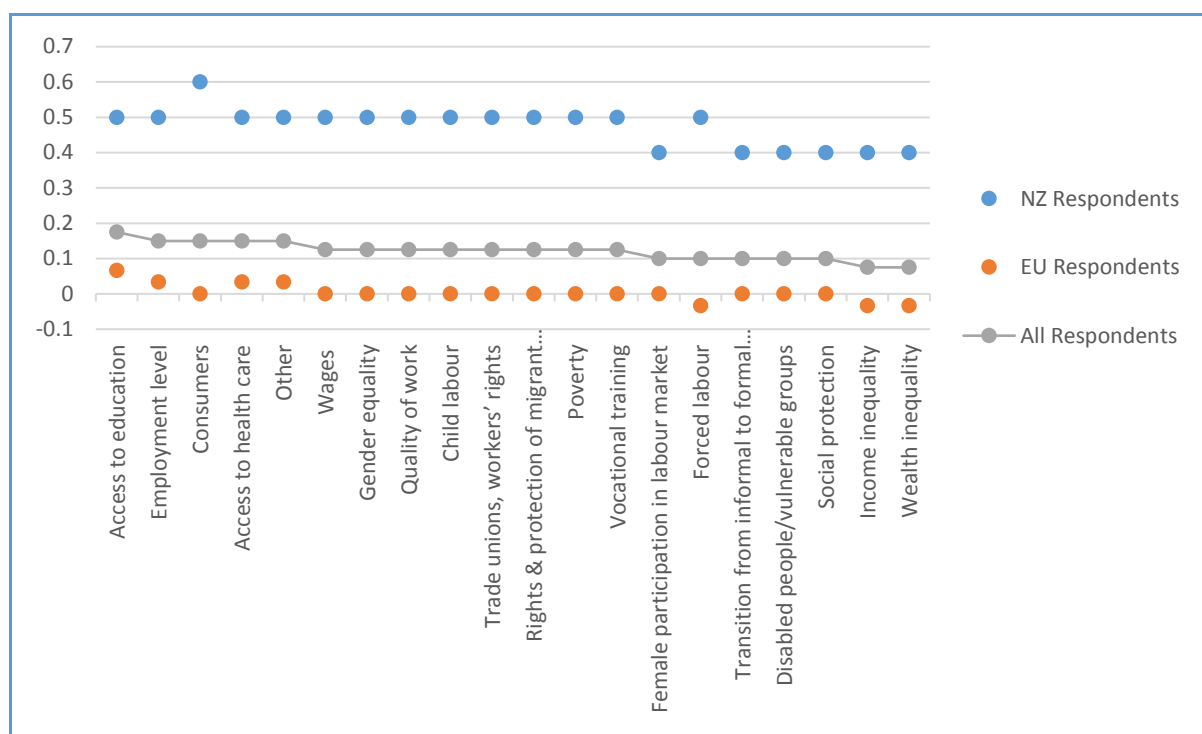


Source: Responses to online general survey; n = 20.

No "other" social effects in New Zealand were mentioned by survey respondents.

Regarding the potential social effects of the Agreement in **the EU**, respondents expect a very limited impact across all indicators (Figure 13). This view is held in particular by respondents in the EU. New Zealanders respondents expect overall a positive impact across all indicators. No "other" social effects in the EU were mentioned by survey respondents.

**Figure 13: Expected social effects of the new Agreement in the EU, by location of respondent (index)**



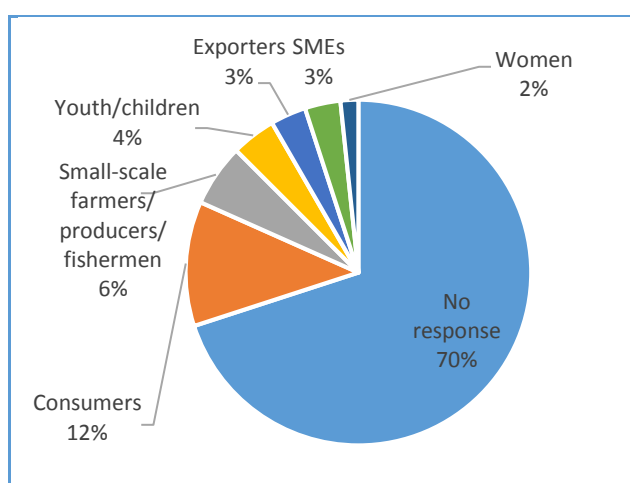
Source: Responses to online general survey; n = 20.

To determine which **social groups** are considered as most influenced by the Free Trade Agreement, survey participants were asked to name the three most influenced groups in an open question. From the groups mentioned, a ranking of affected groups was prepared using the same formula as for the economic sectors (see Table 6 in annex and section 3.3 above).

The results for social groups **in New Zealand** influenced by the FTA are shown in Figure 14. Among a total of 20 different groups to choose from, consumers, small-scale farmers/producers and children/youth are seen to be most influenced by the new Agreement; however, few survey participants provided a response, indicating that the scale of the impact on any social group is expected to be limited.

This is even more true regarding the anticipated effect of the FTA on different social groups **in the EU**, highlighting the potential impact on consumers, followed by small – scale farmers/producers, importers and youth/children (Figure 15). In both, New Zealand and the EU the most common answer was “no response”.

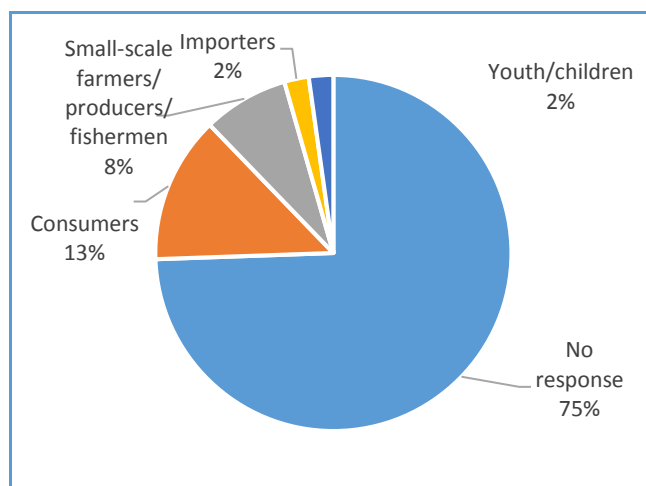
**Figure 14: Social groups in New Zealand seen as most influenced by the FTA**



Source: Responses to online general survey; n = 20 (see Table 4 in annex).

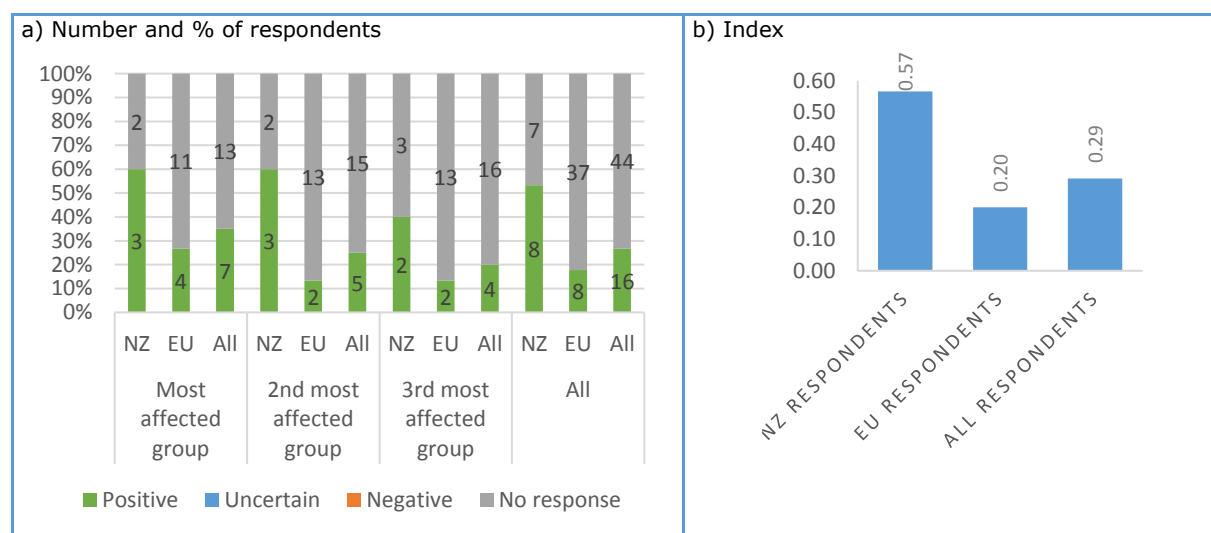
In terms of the direction of the effect, i.e. whether social groups are expected to be affected positively or negatively, 27% of all responses expect positive effects of the new Agreement on social groups **in New Zealand**, while 73% provided no answer (Figure 16a). Respondents in the EU show a similar tendency, of the 17 responses expressing a view, 14 expect a positive effect and three a negative one. This view is mirrored in the constructed index, which is positive both for New Zealanders (+0.57) and for EU respondents (+0.20), yielding an overall expectation that the new Agreement will have positive effects on social groups (Figure 16b) in New Zealand.

**Figure 15: Social groups in the EU seen as most influenced by the FTA**



Source: Responses to online general survey; n = 20 (see Table 4 in annex).

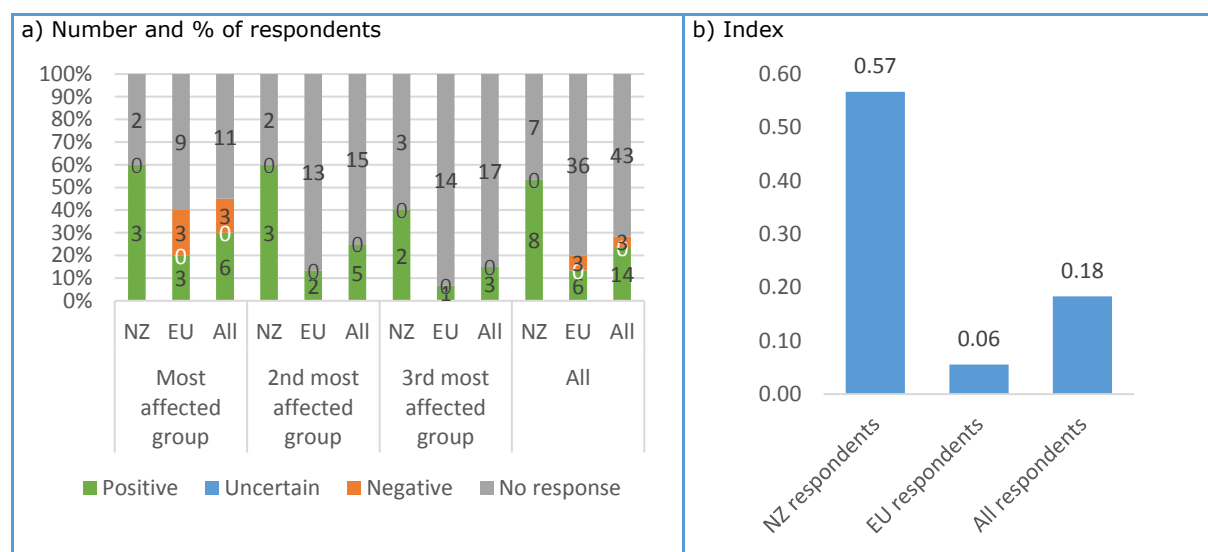
**Figure 16: Expected direction of the New Agreement's effects of social groups in New Zealand**



Source: Responses to online general survey; n = 20.

**In the EU**, social groups are also expected to be affected positively: 23% of all responses expect positive effects of the new Agreement, while 5% expect a negative impact – and 72% provided no answer (Figure 17a). EU respondents are more sceptical and are the only group expecting a negative effect of the agreement on EU social groups. Again, these views are mirrored in the constructed index, which shows a clearly stronger positive perception of New Zealanders respondents (+0.57) than EU respondents (+0.06) (Figure 17b).

**Figure 17: Expected direction of the New Agreement's effects of social groups in the EU**

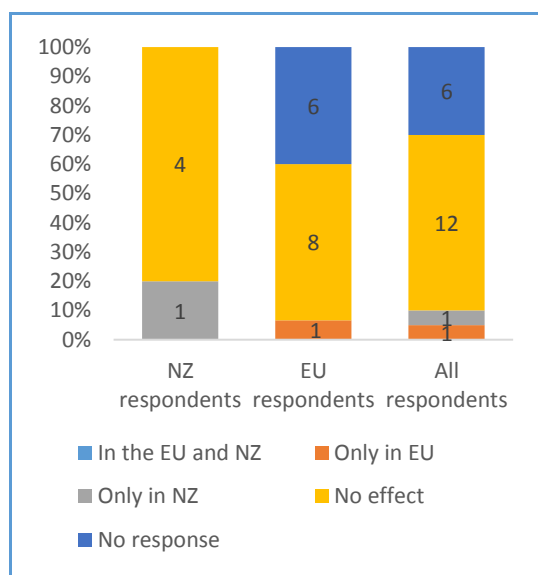


### 3.5 Views on Human Rights Effects

To determine the survey participants' views on the anticipated effects of the new Agreement on the enjoyment of human rights, a similar approach as for social effects was followed, except that in preliminary questions survey participants were asked whether they thought that the new Agreement would have any human rights impact in New Zealand, the EU or both (Figure 18), and whether they thought that the impact would be negative or positive (Figure 19). Most of the respondents do not expect the new Agreement to have any effect on human rights in New Zealand or in the EU.

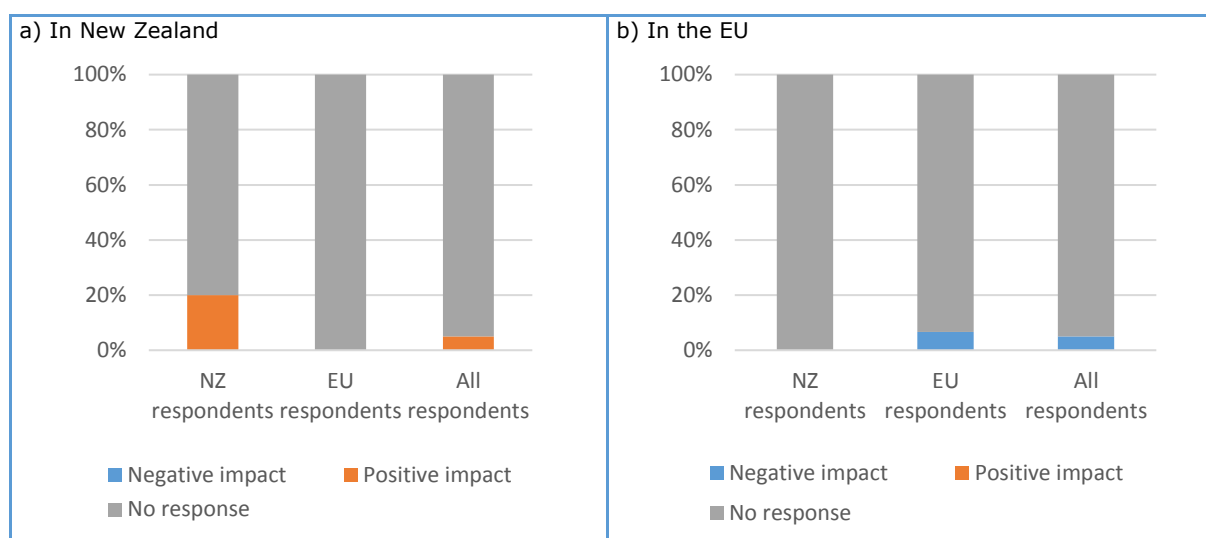
As only two respondents expected any human rights impact, a more detailed analysis of the survey with regard to any anticipated human rights impacts of the FTA cannot be undertaken.

**Figure 18: Expected human rights impact of the new Agreement in the EU and New Zealand**



Source: Responses to online general survey; n = 20.

**Figure 19: Direction of expected human rights impact of the new Agreement**



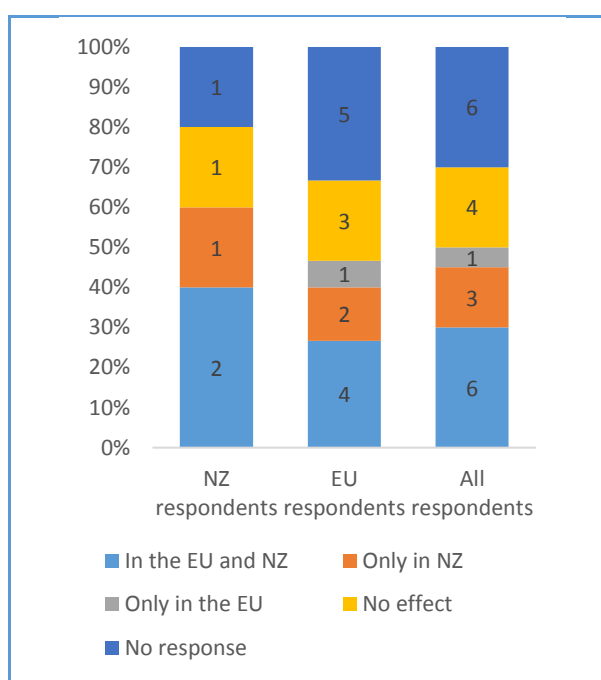
Source: Responses to online general survey; n = 20.

### 3.6 Views on Environmental Effects

To determine survey participants' views on the anticipated environmental effects of the new Agreement, the same approach as for social effects was followed, except that in a preliminary question, participants were asked whether they thought that the new Agreement would have any environmental impact in New Zealand, the EU or both (Figure 20). About 30% of respondents expect effects to occur in the EU and NZ, around 15% expect environmental effect only in New Zealand and 5% only in the EU. Half of all respondents expect no effect or provided no response.

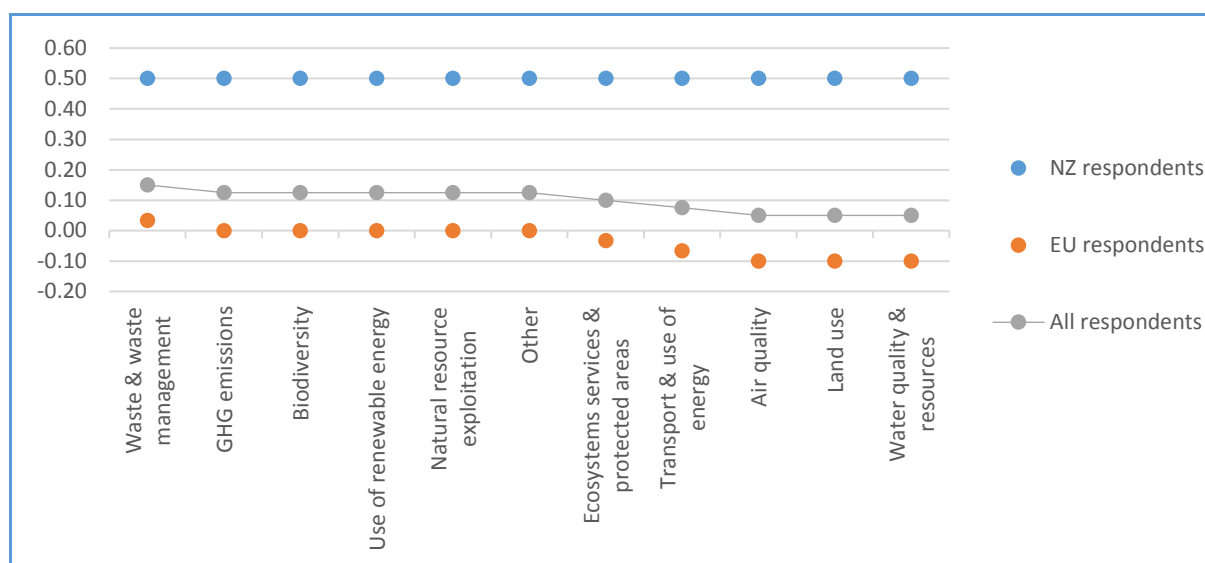
The responses to the various potential environmental effects in **New Zealand** show a generally slightly positive perception, due to positive views held among New Zealanders survey participants; conversely, EU respondents are more critical (Figure 21). The strongest positive views of the Agreement's effects are with regard to the waste and waste management, GHG Emissions and Biodiversity. EU respondents mostly expect the Agreement to have a limited effect on New Zealand's environment, with slightly negative impacts anticipated on Ecosystem services and protected areas, transport and use of energy, air quality, land use, and water quality and resources. Very few respondents expressed a view, so that the reliability of these responses is limited.

**Figure 20: Expected environmental impact of the new Agreement in the EU and New Zealand**



Source: Responses to online general survey; n = 20.

**Figure 21: Expected environmental effects of the New Agreement in New Zealand, by location of respondent (index)**

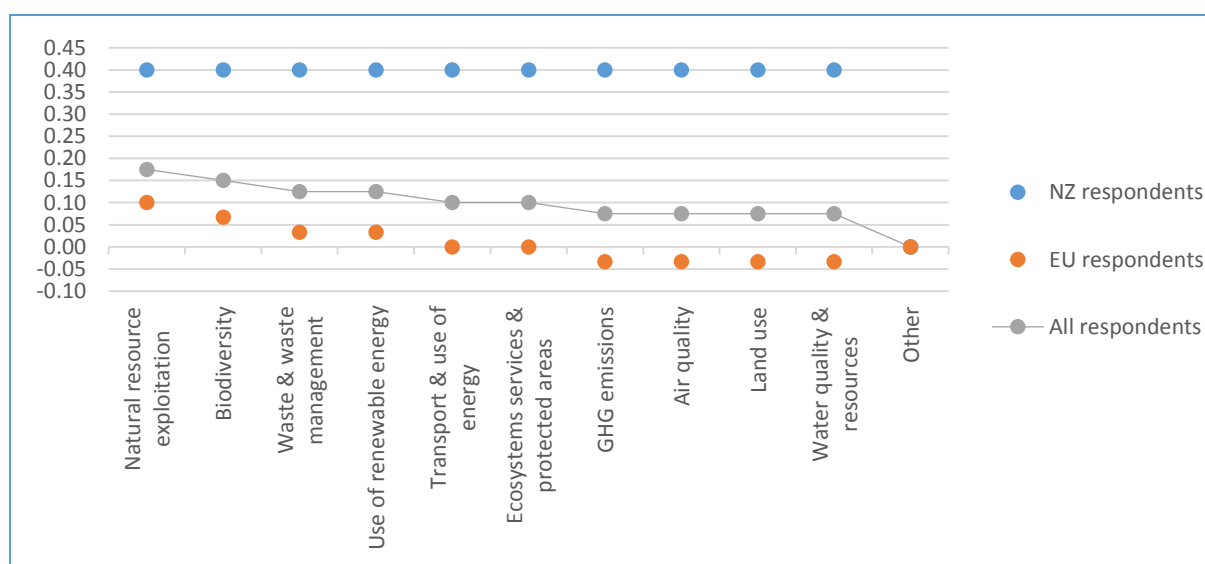


Source: Responses to online general survey.

No “other” environmental effects in New Zealand were mentioned by survey respondents.

Regarding the potential environmental effects of the Agreement in **the EU**, again respondents from New Zealand are more optimistic than respondents from the EU. Positive effects are expected on natural resources exploitation, biodiversity and waste and waste management (Figure 22).

**Figure 22: Expected environmental effects of the New Agreement in the EU, by location of respondent (index)**

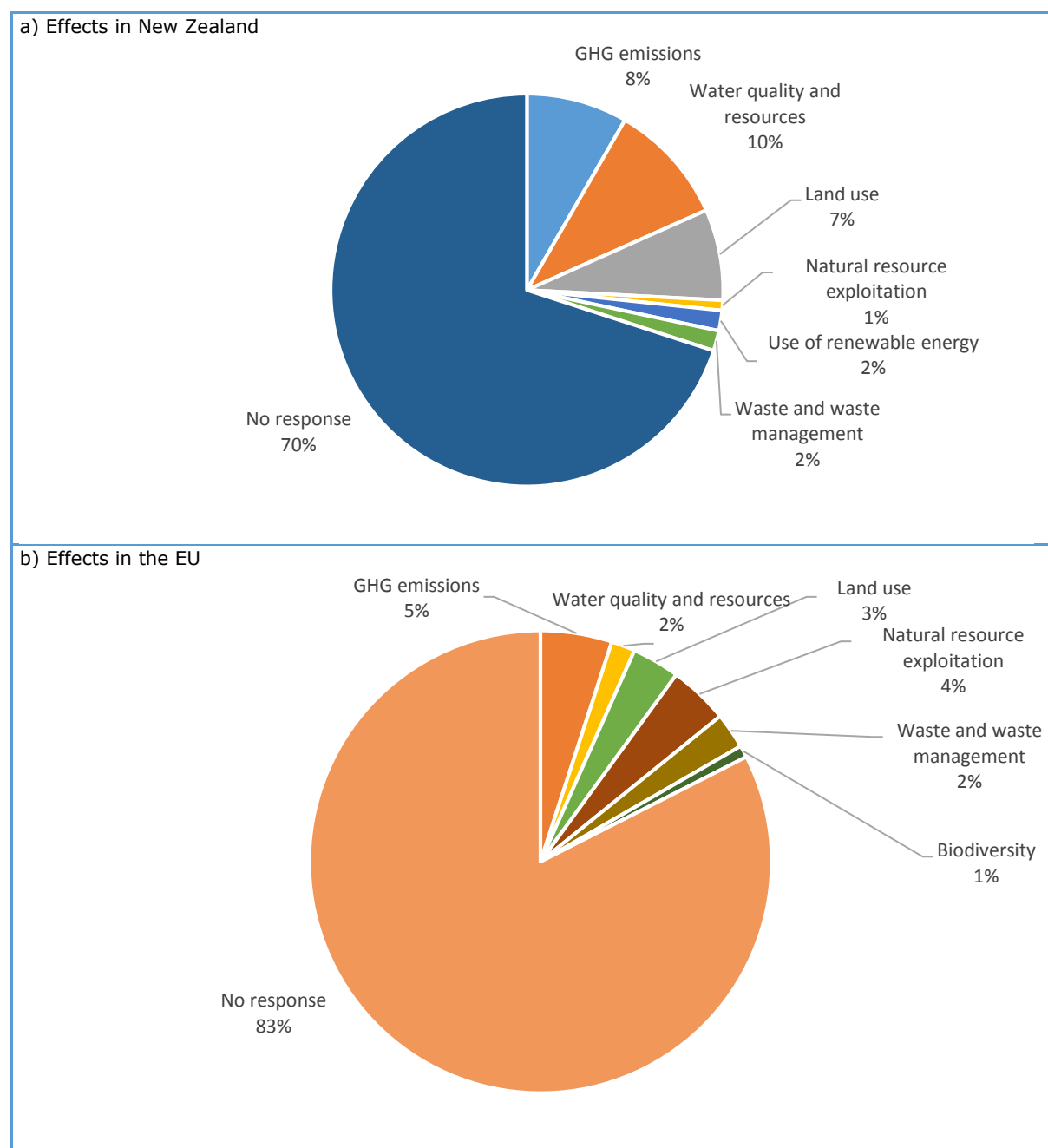


To determine which environmental **issues** are considered as most influenced by the Agreement, survey participants were asked to name the three most affected ones. From the responses, a ranking of issues was prepared using a simple score whereby the 2<sup>nd</sup> most influenced issue is weighted double the 3<sup>rd</sup> most influenced one, and the most influenced issue triple (see Table 9 in annex).<sup>8</sup>

<sup>8</sup> The methodology for the score calculation is the same as for economic sectors; see section 3.3 above.

The results are shown in Figure 23. In New Zealand, water quality and resources are seen as the most affected issue, followed by GHG emissions, use of renewable energy, waste and waste management and natural resource exploitation. In the EU, GHG emissions, and natural resource exploitation are perceived as most affected (note however the small number of responses regarding environmental effects in the EU and New Zealand).

**Figure 23: Environmental issues seen as most influenced by the New Agreement (score)**



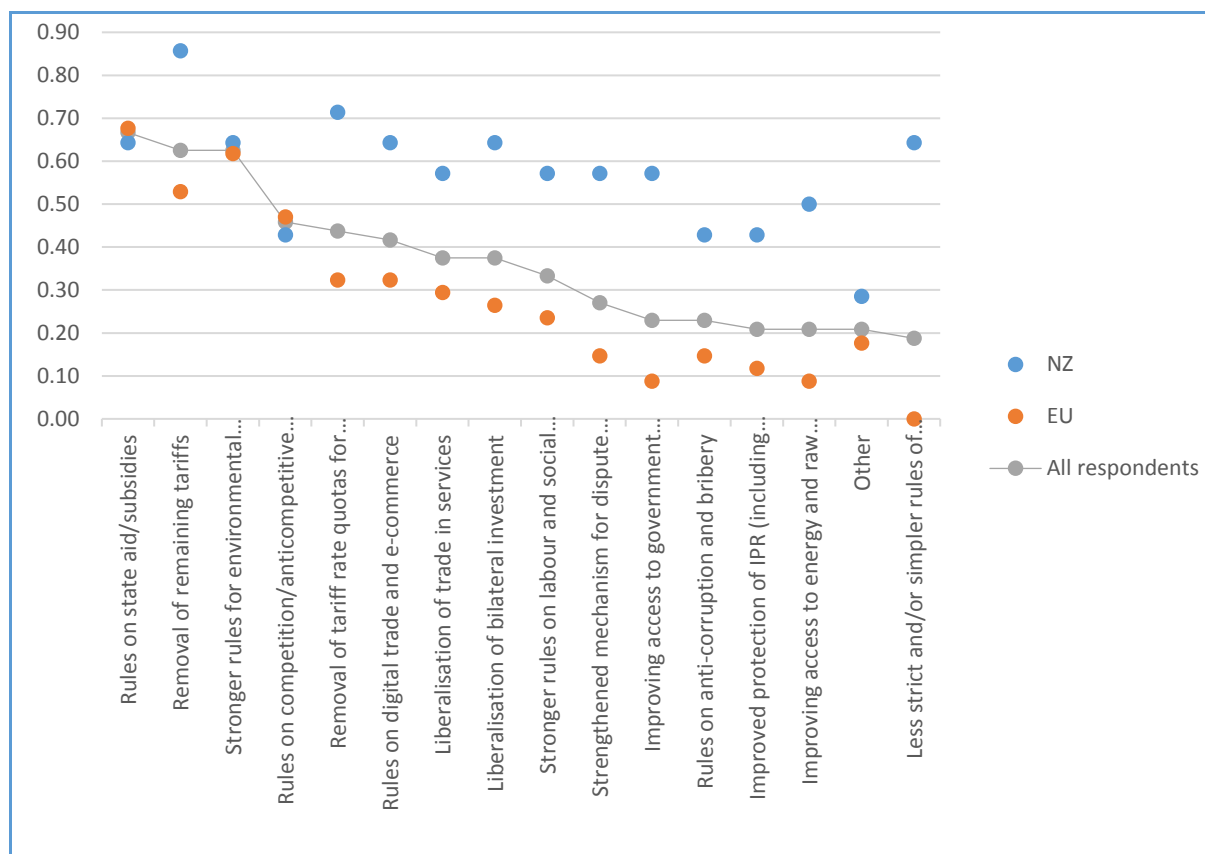
Source: Responses to online general survey; n = 20 (see Table 9 in annex).

### 3.7 Preferences for Negotiation Issues

Survey participants were asked to assign priorities to a number of negotiation issues. The responses were then transformed into an index following the same methodology, adapted as required, as for the ranking of anticipated effects; the index ranges from zero (no respondent considering the issue to have low or high priority in the negotiations) to one (all respondents giving high priority to the issue).

The responses are summarised in Figure 24 (distinguishing between EU and New Zealand respondents). The three issues considered most important overall are rules on state aid/subsidies (index score of 0.68), removal of remaining tariffs (0.62), and stronger rules for environmental protection (0.62). New Zealand respondents on average assign higher priorities on most issues than EU respondents, the only exceptions being rules on state aid and competition.

**Figure 24: Preference index for negotiation issues, by location of respondent**



Source: Responses to online surveys (general and business survey); n = 20.

The other negotiation issues mentioned by respondents were the following ones:

- One participant mentioned that the negotiations should address the operations of WTO illegal state trading enterprises;
- Other respondent highlighted that the biggest stumbling blocks nowadays in trade are the rules around technical regulations for goods (TBT/SPS). However, NTBs more generally, regulatory cooperation and coherence, private standards acting as de facto barriers to trade, some of the "new generation" issues such as "trade and sustainable development"; "trade and gender"; "indigenous issues" or trade unrelated components should be addressed in the negotiations;
- One respondent stated that harmful fisheries subsidies should be addressed in the agreement. The participant highlighted the importance of animal welfare also being included in the negotiations. The participant emphasized that this issue should not be restricted just to the SPS or regulatory cooperation but should be addressed in the section on Sustainable Development, specifically in chapter focusing on the impacts on the environment and animal welfare of industrialised farming;
- A further participant stated the importance of including following aspects into the negotiations: Codification of the EU precautionary principle; Extension of the trade exemption regulations by the protection term "consumer protection" and thus the guarantee of the "right to regulate" in the area of consumer protection; cost-oriented prices for telephony, short messages and data usage (roaming charges); Measures to safeguard product safety;



- Another respondent argued that public health & tobacco protection should be included in the negotiations.

With regard to the key issues for the negotiations, the following ones were mentioned by respondents (literal quotes):

- *EU will have a positive influence on New Zealand, since New Zealand is a little behind on environmental protection;*
- *Stop WTO illegal state trading enterprises;*
- *Trade and economic issues while putting in place mechanisms for stronger ongoing cooperation on non- trade bilateral issues;*
- *Consumers at the heart of the agreement: there should be a dedicated chapter on consumers to ensure tangible benefits and safeguard protections;*
- *Reduced prices and wider choices: Removal of tariffs and mechanisms to ensure a pass-through effect to consumers notably via a supervision of the competition authorities;*
- *Tangible benefits for consumers: better information for consumers when buying online (applicable consumer right, location of the seller, total price including custom duties) and easier access to redress. Reduction of telecommunication costs;*
- *High level of consumer protection: uphold current levels of protection and not undermine the development of future protection, for instance because of provisions on good regulatory practices;*
- *Ensuring data protection and privacy rights: the EU position on cross border data flows, data protection and privacy in the digital trade chapter is not negotiable;*
- *Transparency and involvement with public interest groups: New Zealand should follow the EU's approach to transparency and publish its negotiating texts to allow civil society to assess what is being negotiated on behalf of citizens;*
- *Prevent pressure on the EU dairy market caused by increased imports of dairy products from New Zealand;*
- *From a beef and lamb sector perspective, the key issues need to be high quality, comprehensive market access for all agricultural products with no exclusions to allow producers to supply in response to market dynamics;*
- *Rules around NTBs to ensure behind the border requirements do not negate any preferential tariff access;*
- *Rules on domestic support to minimise market distortions and impacts on global markets;*
- *Rules that build on the foundation of the WTO and are WTO-plus;*
- *Sustainable development, particularly with regard to environmental protection is a key issue that should be addressed in the FTA;*
- *Removal of remaining tariffs;*
- *Strong labour standards, including requirements to ratify ILO Core Conventions;*
- *Provide a clear example of trade which principally focusses on benefiting public well-being, rather than generating profit often to the detriment of public health and the environment;*
- *Maintaining the level of consumer protection and the "right to regulate" for future regulatory measures in the interests of consumer protection and tangible benefits for consumers.*

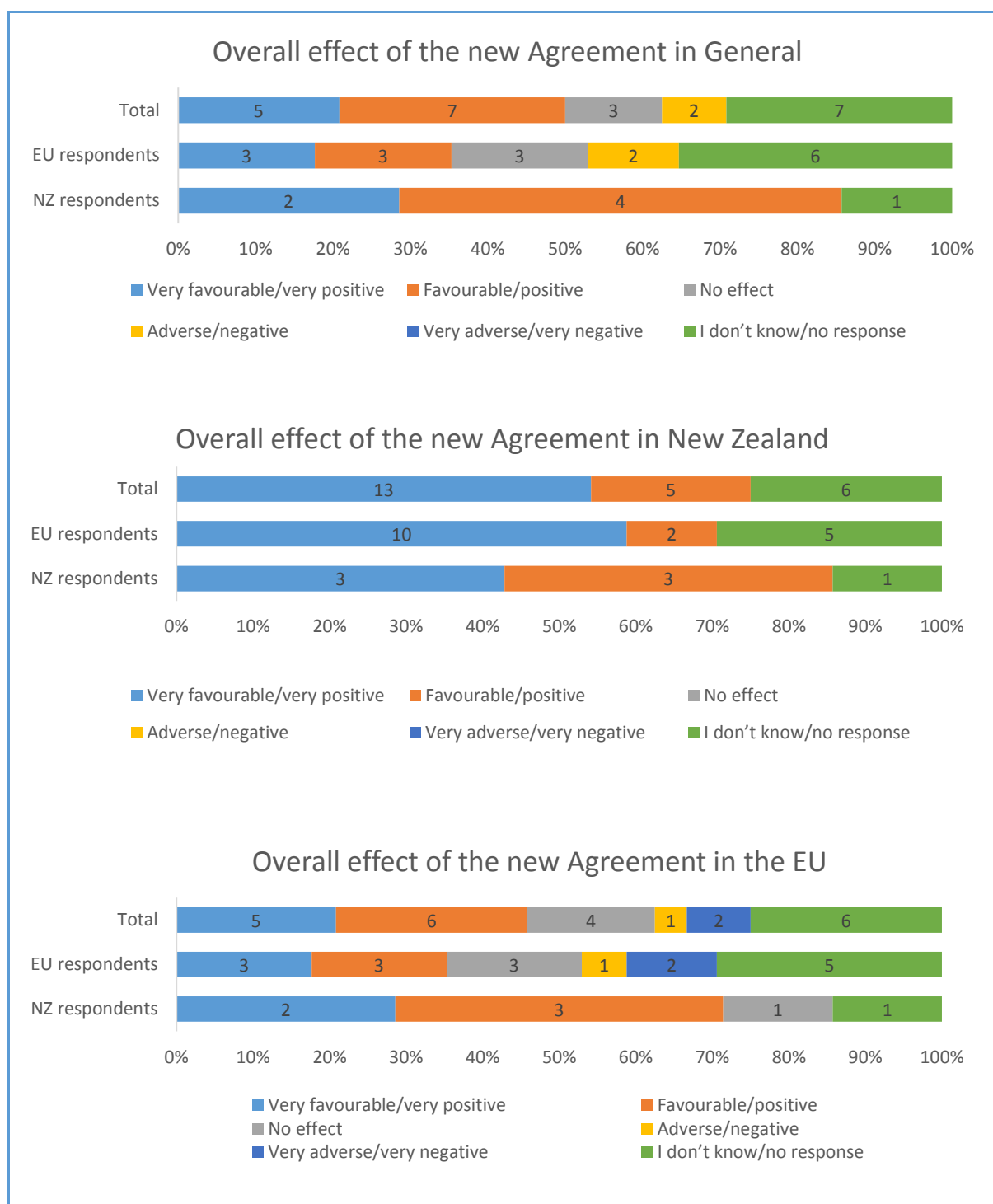
### **3.8 Overall views on the Agreement**

To get an overall image of survey participants' expectations from the new Agreement, the surveys included a question on whether they had a positive or negative perception of the Agreement's overall effects in New Zealand, in the EU and in general.

The responses are summarised in Figure 25. Around 50% of respondents stated that the overall effect of the Agreement was positive or very positive, while 8% anticipated a negative overall impact of the Agreement. The effect was considered even more positive in New Zealand (close to 75% of respondents expecting a positive impact), and slightly

less so in the EU – but still a majority expects an overall positive effect or no effect of the Agreement in the EU, against 12% expecting a negative or very negative effect.

**Figure 25: Anticipated overall effects of the FTA**



Source: Responses to online surveys; n = 24.

Survey participants were then also asked about their “biggest fears” and “greatest hopes” in relation to the Agreement. The responses regarding the biggest fears were (literal quotes):

- *Exponential growth of kiwi fruit exports;*
- *Free trade of dairy products (2 respondents);*

- *Strong focus on defensive interests instead of truly seeking to benefit from each party's strengths;*
- *EU proposal for a chapter on good regulatory practices, while there is a need for greater predictability with regards to regulations, a trade agreement is not the appropriate tool to define how governments should conduct impact assessments, public consultations and legislative reviews. The first objective of trade agreements must remain to protect citizens while ensuring trade flows and not the other way around;*
- *The FTA must be of high quality and comprehensive in order to be credible and successful in setting a new benchmark for the trade and economic architecture. Anything less than comprehensive market access, WTO-plus rules; provisions to address the new generation issues; and robust dispute settlement mechanism would fail to achieve the stated objectives for the FTA and would miss the opportunity to realise the full potential of the bilateral relationship;*
- *That the FTA is being driven by defensive interests which seek to protect inefficient industries at the cost of the efficiency and consumers;*
- *The biggest fear is that it will lead to an increase in intensive farm animal production and thereby also an increased negative impact on the environment and animal welfare. This FTA has the potential to increase protections for both farmed and wild animals and the natural environment, but will only succeed in this if ambitious provisions are agreed and adopted;*
- *Without incorporating strong labour standards, including commitments to ratify all core ILO conventions, a trade agreement could contribute to undermining labour rights and conditions in both New Zealand and the EU;*
- *The biggest fear is that consumer interests are not sufficiently taken into account in the negotiations and the great opportunity to place consumer interests at the heart of the agreement, protecting consumer rights and bringing tangible benefits to consumers is lost;*
- *That the FTA reinforces negative trends seen in other trade agreements, increasing trade in unhealthy goods including tobacco and alcohol, limiting equitable access to medicines, stymieing domestic attempts to regulate and protect public health, and strengthening the hand of transnational corporations to challenge legislation laying down public health protections via investment dispute settlement mechanisms, as was seen with the challenge on Australia's plain cigarette packaging law from Philip Morris International.*
- *Another fear is that the trade agreement expands opportunities for corporations to dispute the introduction of public health measures going forward and influence their formulation and implementation.*

Conversely, the following "greatest hopes" were stated by respondents:

- *Standards in New Zealand will lift;*
- *Abolishing all state trading enterprises;*
- *To cancel the Agreement (2 respondents);*
- *that there is overall deepening of the relationship and that both EU and NZ societies benefit from increased exposure to each other;*
- *Ambitious provisions to protect consumers, notably online and to create the conditions for a more competitive telecom market;*
- *That the FTA sets a new high standard for modern trade agreements. More specifically that it supports and builds on the multilateral rules based system; liberalises trade for the benefit of all; and makes real inroads to addressing the new generation issues;*
- *That it will benefit environmental protection, biodiversity and will leverage improvements in animal welfare standards;*
- *That the agreement could be a new model of a trade agreement that supports, rather than undermines, protection of labour standards and the rule of law. As above, this would require labour standards, including requirements to ratify ILO Core Conventions, to be incorporated in the Agreement;*

- *That doing business will become easier, including product certification clarity, temporary staff assignment easier;*
- *That it could raise the bar, and demonstrate what a truly health-coherent trade agreement, focussed on public well-being looks like;*
- *That the EU and New Zealand set a real gold standard, such standard would put the interests of consumers at the centre of the Agreement while strengthening the economy.*

In the concluding comments, most survey participants reiterated some of the statements made earlier in the survey. Some expressed their satisfaction with certain aspects of the future FTA, and some others reiterated the importance of certain aspects, such as the need for “Great values alignment will mean positive outcome”, the importance of assessing the impact of the FTA on the fruit producing industry taking into consideration the experiences on the FTAs with South Africa (lemons), Egypt (oranges) and Ecuador (bananas), the importance of an assessment of the implications of rules on good regulatory practices on the ability of governments to regulate, or the inclusion of joint commitments to environmental protection sections including GHG emissions and transition to a low emissions economy in the negotiation of the Agreement.

## ANNEX A: TABLES AND GRAPHS

**Table 3: Anticipated economic impact – type and direction of effects**

	Respondents in NZ								Total
	Strongly agree	Somewhat agree	There will be no effect	Somewhat disagree	Strongly disagree	I don't know/no response	I don't know	NA	
Goods exports from New Zealand to the EU will grow	3	2	0	0	0	0	0	0	5
Services exports from New Zealand to the EU will grow	3	2	0	0	0	0	0	0	5
Goods exports from the EU to New Zealand will grow	2	3	0	0	0	0	0	0	5
Services exports from the EU to New Zealand will grow	2	3	0	0	0	0	0	0	5
The New Zealand economy will grow stronger	2	3	0	0	0	0	0	0	5
The EU economy will grow stronger	2	3	0	0	0	1	0	1	6
New Zealand investment in the EU will increase	3	1	0	0	0	1	0	1	5
EU investment in New Zealand will increase	3	1	0	0	0	1	0	1	5
More opportunities for NZ companies to participate in public procurement in the EU	3	1	0	0	0	1	0	1	5
More opportunities for EU companies to participate in public procurement in NZ	3	1	0	0	0	1	0	1	5
SMEs in New Zealand will benefit	3	1	0	0	0	1	0	1	5
SMEs in the EU will benefit	3	1	0	0	0	1	0	1	5
Conditions for digital trade will improve	2	2	0	0	0	1	0	1	5
Consumers in New Zealand will benefit	3	1	0	0	0	1	0	1	5
Consumers in the EU will benefit	2	3	0	0	0	0	0	0	5
Intellectual property rights (including geographical indications) will be better protected	2	2	0	0	0	1	0	1	5
Governance will improve	2	3	0	0	0	0	0	0	5
Corruption will decrease	2	1	1	0	0	1	0	1	5
Other	2	1	0	0	0	2	0	2	5

	EU respondents								Total
	Strongly agree	Somewhat agree	There will be no effect	Somewhat disagree	Strongly disagree	I don't know/no response	I don't know	NA	
Goods exports from New Zealand to the EU will grow	7	3	1	0	0	4	2	2	15
Services exports from New Zealand to the EU will grow	3	2	2	0	0	8	6	2	15
Goods exports from the EU to New Zealand will grow	3	4	3	0	0	5	3	2	15
Services exports from the EU to New Zealand will grow	2	0	3	0	0	10	7	3	15
The New Zealand economy will grow stronger	5	3	1	0	0	6	4	2	15
The EU economy will grow stronger	2	1	5	2	0	5	3	2	15
New Zealand investment in the EU will increase	3	3	4	1	0	4	2	2	15
EU investment in New Zealand will increase	4	1	3	0	0	7	4	3	15
More opportunities for NZ companies to participate in public procurement in the EU	3	2	3	0	0	7	5	2	15
More opportunities for EU companies to participate in public procurement in NZ	1	5	2	0	0	7	5	2	15
SMEs in New Zealand will benefit	2	7	0	0	0	6	4	2	15
SMEs in the EU will benefit	1	5	1	2	0	6	4	2	15
Conditions for digital trade will improve	1	5	2	0	0	7	6	1	15
Consumers in New Zealand will benefit	2	3	5	1	2	4	2	2	17
Consumers in the EU will benefit	2	4	0	3	0	4	3	1	13
Intellectual property rights (including geographical indications) will be better protected	7	1	1	0	0	6	4	2	15
Governance will improve	1	2	5	0	0	7	5	2	15
Corruption will decrease	0	2	5	0	0	8	6	2	15
Other	0	0	4	0	0	11	6	5	15

	All respondents								Total
	Strongly agree	Somewhat agree	There will be no effect	Somewhat disagree	Strongly disagree	I don't know/no response	I don't know	NA	
Goods exports from New Zealand to the EU will grow	10	5	1	0	0	4	2	2	20
Services exports from New Zealand to the EU will grow	6	4	2	0	0	8	6	2	20
Goods exports from the EU to New Zealand will grow	5	7	3	0	0	5	3	2	20
Services exports from the EU to New Zealand will grow	4	3	3	0	0	10	7	3	20
The New Zealand economy will grow stronger	7	6	1	0	0	6	4	2	20
The EU economy will grow stronger	4	4	5	2	0	6	3	3	21
New Zealand investment in the EU will increase	6	4	4	1	0	5	2	3	20
EU investment in New Zealand will increase	7	2	3	0	0	8	4	4	20
More opportunities for NZ companies to participate in public procurement in the EU	6	3	3	0	0	8	5	3	20
More opportunities for EU companies to participate in public procurement in NZ	4	6	2	0	0	8	5	3	20
SMEs in New Zealand will benefit	5	8	0	0	0	7	4	3	20
SMEs in the EU will benefit	4	6	1	2	0	7	4	3	20
Conditions for digital trade will improve	3	7	2	0	0	8	6	2	20
Consumers in New Zealand will benefit	5	4	5	1	2	5	2	3	22
Consumers in the EU will benefit	4	7	0	3	0	4	3	1	18
Intellectual property rights (including geographical indications) will be better protected	9	3	1	0	0	7	4	3	20
Governance will improve	3	5	5	0	0	7	5	2	20
Corruption will decrease	2	3	6	0	0	9	6	3	20
Other	2	1	4	0	0	13	6	7	20

Source: General survey responses; n = 20.

**Table 4: Anticipated economic impact – most affected sectors**

	NZ respondents				EU respondents			
	Most affected sector	2nd most affected sector	3rd most affected sector	Score	Most affected sector	2nd most affected sector	3rd most affected sector	Score
Agriculture	8	0	0	<b>24</b>	2	2	0	<b>10</b>
Fruits	2	1	0	<b>8</b>	1	0	0	<b>3</b>
Meat Production	0	4	0	<b>8</b>	4	0	0	<b>12</b>
Organic products	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Dairy sector	2	1	0	<b>8</b>	8	2	0	<b>28</b>
Food products	0	0	2	<b>2</b>	1	0	0	<b>3</b>
Construction	0	3	0	<b>6</b>	0	0	0	<b>0</b>
Industrial Goods	0	0	0	<b>0</b>	2	0	0	<b>6</b>
High fat, salt or sugar foods	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Tomato processing sector	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Winery & spirits	0	0	0	<b>0</b>	0	0	2	<b>2</b>
Artisanal fishery	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Salmon farming	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Forestry	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Mining sector	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Lithium	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Energy	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Renewable energies	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Pharmaceuticals	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Industrial machinery	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Services	0	2	2	<b>6</b>	0	0	0	<b>0</b>
Information technologies	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Tourism	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Education sector	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Social care and labour	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Science & technology	0	0	0	<b>0</b>	0	0	0	<b>0</b>
E-commerce	0	0	0	<b>0</b>	1	0	0	<b>3</b>
Environment	0	0	0	<b>0</b>	0	0	0	<b>0</b>
Green technology	0	0	0	<b>0</b>	0	0	0	<b>0</b>
No response	2	4	8	<b>22</b>	10	27	28	<b>112</b>

Source: General survey responses; n = 20.

**Table 5: Anticipated social impact – type and direction of effects**

		NZ respondents								
		Very positively	Somewhat positively	Not at all	Somewhat negatively	Very negatively	Don't know/no response	I don't know	NA	Total
Effect in NZ	Employment level	2	1	1	0	0	1	0	1	5
	Wages	2	1	1	0	0	1	0	1	5
	Female participation in labour market	2	1	1	0	0	1	0	1	5
	Gender equality	2	1	1	0	0	1	0	1	5
	Quality of work	2	1	1	0	0	1	0	1	5
	Child labour	2	2	1	0	0	0	0	0	5
	Forced labour	2	1	1	0	0	1	0	1	5
	Trade unions, workers' rights	2	2	1	0	0	0	0	0	5
	Transition from informal to formal employment	2	1	1	0	0	1	0	1	5
	Disabled people/vulnerable groups	2	1	1	0	0	1	0	1	5
	Rights & protection of migrant workers	2	1	1	0	0	1	0	1	5
	Poverty	2	1	1	0	0	1	0	1	5
	Income inequality	2	1	1	0	0	1	0	1	5
	Wealth inequality	2	0	2	0	0	1	0	1	5
	Consumers	3	1	0	0	0	1	0	1	5
	Vocational training	2	1	1	0	0	1	0	1	5
	Social protection	2	1	1	0	0	1	0	1	5
	Access to education	2	1	1	0	0	1	0	1	5
	Access to health care	2	0	2	0	0	1	0	1	5
	Other	0	2	1	0	0	2	0	2	5
Effect in the EU	Employment level	2	1	1	0	0	1	0	1	5
	Wages	2	1	1	0	0	1	0	1	5
	Female participation in labour market	2	0	0	0	0	3	1	2	5
	Gender equality	2	1	1	0	0	1	0	1	5
	Quality of work	2	1	1	0	0	1	0	1	5
	Child labour	2	1	1	0	0	1	0	1	5
	Forced labour	2	1	1	0	0	1	0	1	5
	Trade unions, workers' rights	2	1	1	0	0	1	0	1	5
	Transition from informal to formal employment	2	0	2	0	0	1	0	1	5
	Disabled people/vulnerable groups	2	0	2	0	0	1	0	1	5
	Rights & protection of migrant workers	2	1	1	0	0	1	0	1	5
	Poverty	2	1	1	0	0	1	0	1	5
	Income inequality	2	0	2	0	0	1	0	1	5
	Wealth inequality	2	0	2	0	0	1	0	1	5
	Consumers	2	2	0	0	0	1	0	1	5
	Vocational training	2	1	1	0	0	1	0	1	5
	Social protection	2	0	2	0	0	1	0	1	5
	Access to education	2	1	1	0	0	1	0	1	5
	Access to health care	2	1	1	0	0	1	0	1	5
	Other	2	1	1	0	0	1	0	1	5

(Continues)

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(Continued)

		EU respondents								
		Very positively	Somewhat positively	Not at all	Somewhat negatively	Very negatively	Don't know/no response	I don't know	NA	Total
Effect in NZ	Employment level	0	4	2	0	0	9	4	5	15
	Wages	0	4	2	0	0	9	4	5	15
	Female participation in labour market	0	1	5	0	0	9	4	5	15
	Gender equality	0	1	5	0	0	9	4	5	15
	Quality of work	0	0	6	0	0	9	4	5	15
	Child labour	0	0	6	0	0	9	4	5	15
	Forced labour	0	0	5	1	0	9	4	5	15
	Trade unions, workers' rights	0	0	6	0	0	9	4	5	15
	Transition from informal to formal employment	0	2	3	0	0	10	5	5	15
	Disabled people/vulnerable groups	0	0	5	0	0	10	5	5	15
	Rights & protection of migrant workers	0	1	4	0	0	10	5	5	15
	Poverty	0	2	3	1	0	9	4	5	15
	Income inequality	0	0	4	1	0	10	5	5	15
	Wealth inequality	0	0	4	1	0	10	5	5	15
	Consumers	2	1	0	3	0	9	4	5	15
	Vocational training	0	0	5	0	0	10	5	5	15
	Social protection	0	1	4	0	0	10	5	5	15
	Access to education	1	1	4	0	0	9	4	5	15
	Access to health care	0	0	6	0	0	9	4	5	15
	Other	0	0	3	0	0	12	6	6	15
Effect in the EU	Employment level	0	2	3	1	0	9	4	5	15
	Wages	0	1	4	1	0	9	4	5	15
	Female participation in labour market	0	0	6	0	0	9	4	5	15
	Gender equality	0	0	6	0	0	9	4	5	15
	Quality of work	0	0	6	0	0	9	4	5	15
	Child labour	0	0	6	0	0	9	4	5	15
	Forced labour	0	0	5	1	0	9	4	5	15
	Trade unions, workers' rights	0	0	6	0	0	9	4	5	15
	Transition from informal to formal employment	0	0	5	0	0	10	5	5	15
	Disabled people/vulnerable groups	0	0	5	0	0	10	5	5	15
	Rights & protection of migrant workers	0	0	4	0	0	11	5	6	15
	Poverty	0	1	4	1	0	9	4	5	15
	Income inequality	0	0	4	1	0	10	5	5	15
	Wealth inequality	0	0	4	1	0	10	5	5	15
	Consumers	0	3	1	3	0	8	4	4	15
	Vocational training	0	0	5	0	0	10	5	5	15
	Social protection	0	0	5	0	0	10	5	5	15
	Access to education	0	2	4	0	0	9	4	5	15
	Access to health care	0	1	5	0	0	9	4	5	15
	Other	0	1	2	0	0	12	6	6	15

(Continues)



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(Continued)

		All respondents								Total
		Very positively	Somewhat positively	Not at all	Somewhat negatively	Very negatively	Don't know/no response	I don't know	NA	
Effect in NZ	Employment level	2	5	3	0	0	10	4	6	20
	Wages	2	5	3	0	0	10	4	6	20
	Female participation in labour market	2	2	6	0	0	10	4	6	20
	Gender equality	2	2	6	0	0	10	4	6	20
	Quality of work	2	1	7	0	0	10	4	6	20
	Child labour	2	2	7	0	0	9	4	5	20
	Forced labour	2	1	6	1	0	10	4	6	20
	Trade unions, workers' rights	2	2	7	0	0	9	4	5	20
	Transition from informal to formal employment	2	3	4	0	0	11	5	6	20
	Disabled people/vulnerable groups	2	1	6	0	0	11	5	6	20
	Rights & protection of migrant workers	2	2	5	0	0	11	5	6	20
	Poverty	2	3	4	1	0	10	4	6	20
	Income inequality	2	1	5	1	0	11	5	6	20
	Wealth inequality	2	0	6	1	0	11	5	6	20
	Consumers	5	2	0	3	0	10	4	6	20
	Vocational training	2	1	6	0	0	11	5	6	20
	Social protection	2	2	5	0	0	11	5	6	20
	Access to education	3	2	5	0	0	10	4	6	20
	Access to health care	2	0	8	0	0	10	4	6	20
	Other	0	2	4	0	0	14	6	8	20
Effect in the EU	Employment level	2	3	4	1	0	10	4	6	20
	Wages	2	2	5	1	0	10	4	6	20
	Female participation in labour market	2	0	6	0	0	12	5	7	20
	Gender equality	2	1	7	0	0	10	4	6	20
	Quality of work	2	1	7	0	0	10	4	6	20
	Child labour	2	1	7	0	0	10	4	6	20
	Forced labour	2	1	6	1	0	10	4	6	20
	Trade unions, workers' rights	2	1	7	0	0	10	4	6	20
	Transition from informal to formal employment	2	0	7	0	0	11	5	6	20
	Disabled people/vulnerable groups	2	0	7	0	0	11	5	6	20
	Rights & protection of migrant workers	2	1	5	0	0	12	5	7	20
	Poverty	2	2	5	1	0	10	4	6	20
	Income inequality	2	0	6	1	0	11	5	6	20
	Wealth inequality	2	0	6	1	0	11	5	6	20
	Consumers	2	5	1	3	0	9	4	5	20
	Vocational training	2	1	6	0	0	11	5	6	20
	Social protection	2	0	7	0	0	11	5	6	20
	Access to education	2	3	5	0	0	10	4	6	20
	Access to health care	2	2	6	0	0	10	4	6	20
	Other	2	2	3	0	0	13	6	7	20

Source: General survey responses.

**Table 6: Anticipated social impact - Most affected social groups in New Zealand**

	NZ respondents				EU respondents				Total score
	Most affected group	2nd most affected group	3rd most affected group	Score	Most affected group	2nd most affected group	3rd most affected group	Score	
Indigenous peoples	0	0	0	0	0	0	0	0	0
Consumers	2	1	0	8	2	0	0	6	14
Exporters	0	0	0	0	0	2	0	4	4
Importers	0	0	0	0	0	0	0	0	0
Informal workers	0	0	0	0	0	0	0	0	0
Women	0	0	2	2	0	0	0	0	2
Youth/children	1	0	0	3	0	1	0	2	5
Patients	0	0	0	0	0	0	0	0	0
Workers	0	0	0	0	0	0	0	0	0
Rural communities	0	0	0	0	0	0	0	0	0
Small-scale farmers/ producers	0	0	0	0	2	0	1	7	7
All citizens	0	0	0	0	0	0	0	0	0
Elderly	0	0	0	0	0	0	0	0	0
Poor	0	0	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0	0	0
Vulnerable groups	0	0	0	0	0	0	0	0	0
Migrants	0	0	0	0	0	0	0	0	0
Tourists	0	0	0	0	0	0	0	0	0
Politicians	0	0	0	0	0	0	0	0	0
No response	2	2	3	13	11	12	14	71	84
SMEs	0	2	0	4	0	0	0	0	4
No effect	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>30</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>90</b>	<b>120</b>

### Most affected social groups in the EU

	NZ respondents				EU respondents			
	Most affected group	2nd most affected group	3rd most affected group	Score	Most affected group	2nd most affected group	3rd most affected group	Score
Indigenous peoples	0	0	0	0	0	0	0	0
Consumers	3	0	0	9	4	0	0	12
Exporters	0	0	0	0	0	0	0	0
Importers	0	0	0	0	0	1	0	2
Informal workers	0	0	0	0	0	0	0	0
Women	0	0	2	2	0	0	0	0
Youth/children	0	0	0	0	0	1	0	2
Patients	0	0	0	0	0	0	0	0
Workers	0	0	0	0	0	0	0	0
Rural communities	0	0	0	0	0	0	0	0
Small-scale farmers/ producers	0	0	0	0	2	0	1	7
All citizens	0	0	0	0	0	0	0	0
Elderly	0	0	0	0	0	0	0	0
Poor	0	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0	0
Vulnerable groups	0	0	0	0	0	0	0	0
Migrants	0	0	0	0	0	0	0	0
Tourists	0	0	0	0	0	0	0	0
Politicians	0	0	0	0	0	0	0	0
No response	2	2	3	13	9	13	14	67
SMEs	0	2	0	4	0	0	0	0
No effect	0	1	0	2	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>30</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>90</b>

Source: General survey responses.

**Table 7: Anticipated human rights impact – most affected rights**

	NZ - most affected			NZ - 2nd most affected			NZ - 3rd most affected			Score
	NZ respondents	EU respondents	All respondents	NZ respondents	EU respondents	All respondents	NZ respondents	EU respondents	All respondents	
Right to work	0	0	0	0	0	0	0	0	0	0
Right to protection of IP	0	0	0	0	0	0	0	0	0	0
Right to adequate standard of living	0	0	0	0	0	0	0	0	0	0
Right to health	0	0	0	0	0	0	0	0	0	0
Right to just and favourable conditions of work	0	0	0	0	0	0	1	0	1	1
Rights of indigenous peoples	0	0	0	0	0	0	0	0	0	0
Right to social security	0	0	0	0	0	0	0	0	0	0
Women's rights	0	0	0	0	0	0	0	0	0	0
Rights of persons with disabilities	0	0	0	0	0	0	0	0	0	0
Right to participate in conduct of public affairs	0	0	0	0	0	0	0	0	0	0
Right to take part in cultural life	0	0	0	0	0	0	0	0	0	0
Right to education	0	0	0	0	0	0	0	0	0	0
Right to privacy	0	0	0	0	0	0	0	0	0	0
LGBTI rights	0	0	0	0	0	0	0	0	0	0
Right of equal access to public services	1	0	1	0	0	0	0	0	0	3
Right to form trade unions	0	0	0	1	0	1	0	0	0	2
Right to property	0	0	0	0	0	0	0	0	0	0
Children's rights	0	0	0	0	0	0	0	0	0	0
Right to information	0	0	0	0	0	0	0	0	0	0
Right to freedom of assembly and association	1	0	1	0	0	0	0	0	0	3
Other	0	0	0	0	0	0	0	0	0	0
No response	4	15	19	4	15	19	4	15	19	114
Total	5	15	20	5	15	20	5	15	20	

	EU - most affected			EU - 2nd most affected			EU - 3rd most affected			Score
	NZ respondents	EU respondents	All respondents	NZ respondents	EU respondents	All respondents	NZ respondents	EU respondents	All respondents	
Right to adequate standard of living	0	0	0	0	0	0	0	0	0	0
Right to just and favourable conditions of work	0	0	0	0	0	0	0	0	0	0
Right to information	0	0	0	0	0	0	0	0	0	0
Right to social security	0	0	0	0	0	0	0	0	0	0
Right to work	0	0	0	0	0	0	0	0	0	0
No response	5	15	20	5	15	20	5	15	20	
Total	5	15	20	5	15	20	5	15	20	

Source: General survey responses.

**Table 8: Anticipated environmental impact – type and direction of effects**

		NZ respondents								
		Very positively	Somewhat positively	Not at all	Somewhat negatively	Very negatively	Don't know/ no response	I don't know	NA	Total
Effects in NZ	Greenhouse gas emissions	2	1	0	0	0	2	0	2	5
	Transport and the use of energy	2	1	0	0	0	2	0	2	5
	Air quality	2	1	0	0	0	2	0	2	5
	Land use (including soil, livestock, agricultural f	2	1	0	0	0	2	0	2	5
	Biodiversity	2	1	0	0	0	2	0	2	5
	Water quality and resources	2	1	0	0	0	2	0	2	5
	Waste and waste management	2	1	0	0	0	2	0	2	5
	Ecosystems services and protected areas	2	1	0	0	0	2	0	2	5
	Use of renewable energy	2	1	0	0	0	2	0	2	5
	Natural resource exploitation (including fisherie	2	1	0	0	0	2	0	2	5
	Other	2	1	0	0	0	2	0	2	5
Effects in the EU	Greenhouse gas emissions	2	0	0	0	0	3	0	3	5
	Transport and use of energy	2	0	0	0	0	3	0	3	5
	Air quality	2	0	0	0	0	3	0	3	5
	Land use (including soil, livestock, agricultural f	2	0	0	0	0	3	0	3	5
	Biodiversity	2	0	0	0	0	3	0	3	5
	Water quality and resources	2	0	0	0	0	3	0	3	5
	Waste and waste management	2	0	0	0	0	3	0	3	5
	Ecosystems services and protected areas	2	0	0	0	0	3	0	3	5
	Use of renewable energy	2	0	0	0	0	3	0	3	5
	Natural resource exploitation (including fisherie	2	0	0	0	0	3	0	3	5
	Other	0	0	0	0	0	5	0	5	5

(Continues)

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		EU respondents								Total
		Very positively	Somewhat positively	Not at all	Somewhat negatively	Very negatively	Don't know/ no response	I don't know	NA	
Effects in NZ	Greenhouse gas emissions	1	1	0	3	0	10	0	10	15
	Transport and the use of energy	0	1	0	3	0	11	1	10	15
	Air quality	0	0	1	3	0	11	1	10	15
	Land use (including soil, livestock, agricultural f	0	1	0	2	1	11	0	11	15
	Biodiversity	0	2	0	2	0	11	0	11	15
	Water quality and resources	0	1	0	2	1	11	0	11	15
	Waste and waste management	0	1	2	0	0	12	1	11	15
	Ecosystems services and protected areas	0	1	0	2	0	12	1	11	15
	Use of renewable energy	0	0	3	0	0	12	1	11	15
	Natural resource exploitation (including fisherie	0	2	0	2	0	11	0	11	15
	Other	0	0	0	0	0	15	0	15	15
Effects in the EU	Greenhouse gas emissions	0	2	0	1	1	11	0	11	15
	Transport and use of energy	0	1	1	1	0	12	1	11	15
	Air quality	0	0	2	1	0	12	1	11	15
	Land use (including soil, livestock, agricultural f	0	1	1	0	1	12	0	12	15
	Biodiversity	0	2	1	0	0	12	0	12	15
	Water quality and resources	0	1	1	0	1	12	1	11	15
	Waste and waste management	0	1	1	0	0	13	1	12	15
	Ecosystems services and protected areas	0	1	1	1	0	12	1	11	15
	Use of renewable energy	0	1	1	0	0	13	1	12	15
	Natural resource exploitation (including fisherie	1	1	1	0	0	12	0	12	15
	Other	0	0	0	0	0	15	0	15	15
		All respondents								Total
		Very positively	Somewhat positively	Not at all	Somewhat negatively	Very negatively	Don't know/no response	I don't know	NA	
Effects in NZ	Greenhouse gas emissions	3	2	0	3	0	12	0	12	20
	Transport and the use of energy	2	2	0	3	0	13	1	12	20
	Air quality	2	1	1	3	0	13	1	12	20
	Land use (including soil, livestock, agricultural f	2	2	0	2	1	13	0	13	20
	Biodiversity	2	3	0	2	0	13	0	13	20
	Water quality and resources	2	2	0	2	1	13	0	13	20
	Waste and waste management	2	2	2	0	0	14	1	13	20
	Ecosystems services and protected areas	2	2	0	2	0	14	1	13	20
	Use of renewable energy	2	1	3	0	0	14	1	13	20
	Natural resource exploitation (including fisherie	2	3	0	2	0	13	0	13	20
	Other	2	1	0	0	0	17	0	17	20
Effects in the EU	Greenhouse gas emissions	2	2	0	1	1	14	0	14	20
	Transport and use of energy	2	1	1	1	0	15	1	14	20
	Air quality	2	0	2	1	0	15	1	14	20
	Land use (including soil, livestock, agricultural f	2	1	1	0	1	15	0	15	20
	Biodiversity	2	2	1	0	0	15	0	15	20
	Water quality and resources	2	1	1	0	1	15	1	14	20
	Waste and waste management	2	1	1	0	0	16	1	15	20
	Ecosystems services and protected areas	2	1	1	1	0	15	1	14	20
	Use of renewable energy	2	1	1	0	0	16	1	15	20
	Natural resource exploitation (including fisherie	3	1	1	0	0	15	0	15	20
	Other	0	0	0	0	0	20	0	20	20

Source: General survey responses.

**Table 9: Anticipated environmental impact – most affected environmental issues**

	NZ - most affected			NZ - 2nd most affected			NZ - 3rd most affected			Score
	NZ respondents	EU respondents	All respondents	NZ respondents	EU respondents	All respondents	NZ respondents	EU respondents	All respondents	
GHG emissions	1	0	1	0	3	3	1	0	1	10
Water quality and resources	1	2	3	1	0	1	0	1	1	12
Land use	0	2	2	0	0	0	1	2	3	9
Natural resource exploitation	0	0	0	0	0	0	0	1	1	1
Transport and the use of energy	0	0	0	0	0	0	0	0	0	0
Use of renewable energy	0	0	0	0	1	1	0	0	0	2
Waste and waste management	0	0	0	1	0	1	0	0	0	2
Ecosystems services & protected a	0	0	0	0	0	0	0	0	0	0
Biodiversity	0	0	0	0	0	0	0	0	0	0
Air quality	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
No response	3	11	14	3	11	14	3	11	14	84
Total	5	15	20	5	15	20	5	15	20	

	EU - most affected			EU - 2nd most affected			EU - 3rd most affected			Score
	NZ respondents	EU respondents	All respondents	NZ respondents	EU respondents	All respondents	NZ respondents	EU respondents	All respondents	
GHG emissions	1	1	2	0	0	0	0	0	0	6
Water quality and resources	0	0	0	1	0	1	0	0	0	2
Transport and the use of energy	0	0	0	0	0	0	0	0	0	0
Land use	0	0	0	0	1	1	1	1	2	4
Use of renewable energy	0	0	0	0	0	0	0	0	0	0
Natural resource exploitation	0	1	1	0	1	1	0	0	0	5
Waste and waste management	0	1	1	0	0	0	0	0	0	3
Biodiversity	0	0	0	0	0	0	0	1	1	1
No response	4	12	16	4	13	17	4	13	17	99
Total	5	15	20	5	15	20	5	15	20	

Source: General survey responses.

## ANNEX B: STAKEHOLDERS INCLUDED IN THE DATABASE

### Stakeholders in the European Union

ACT Alliance Advocacy to the European Union
Active Pharmaceutical Ingredients Committee
AeroSpace and Defence Industries Association of Europe
Agriculture and Horticulture Development Board (AHDB)
Airlines for Europe
Airports Council International Europe
Amnesty International - EU Institutions Office
Antwerp World Diamond Centre
Architects' Council of Europe (ACE)
ASINCA
Asociación Española de Mayoristas, Transformadores, Importadores y Exportadores de Productos de la Pesca y la Acuicultura
Assocalzaturifici - Italian Footwear Manufacturers' Association
Association de l'Aviculture, de l'Industrie et du Commerce de Volailles dans les Pays de l'Union Européenne asbl
Association de producteurs de cinéma et de télévision (EUROKINEMA)
Association des Constructeurs Européens d'Automobiles (ACEA)
Association Européenne Du Commerce De Fruits Et Légumes De L'UE - European Fruit and Vegetables Trade Association
Association nationale interprofessionnelle du bétail et des viandes (Interbev)
Association of European Automotive and Industrial Battery - EUROBAT
Association of European Heating Industry
Association of European manufacturers of sporting ammunition
Österreichischer Gewerkschaftsbund
BDI - Federal Association of German Industries
Bocconi University
Brussels Office of the Swedish Trade Unions
Bundesarbeitskammer Österreich
Bureau de Recherches Géologiques et Minières (BRGM)
Bureau Européen de l'Agriculture Française
Bureau International des Producteurs d'Assurances & de Réassurances (BIPAR)
Business and Industry Advisory Committee (BIAC)(OECD)
BUSINESSEUROPE
Câmara de Comércio e Indústria da Madeira
Camara de Comércio e Indústria da Horta
Câmara de Comércio e Indústria de Ponta Delgada
Câmara do Comércio de Angra do Heroísmo
Carbon Capture & Storage Association (CCSA)
Comité Européen des Fabricants de Sucre (CEFS)
CEN - CENELEC
Central Europe Energy Partners (CEEP)
Centre de Documentation, de Recherche et d'Information des Peuples Autochtones
Centre for Socio-Eco-Nomic Development (CSEND)
Chambers of Commerce of Ireland (Chambers Ireland)
Chambre de commerce et d'industrie de région Paris Ile-de-France
Cia - Agricoltori italiani
Cobalt Development Institute (CDI)
Comité du commerce des céréales, aliments du bétail, oléagineux, huile d'olive, huiles et graisses et agrofournitures de l'U.E.
Comité Européen des Assurances (CEA)
Comité Européen des Entreprises Vins (CEEV)
Committee for European Construction Equipment
Committee of the European Sugar Users
Confédération des Syndicats Chrétiens
Conférence des Notariats de l'Union Européenne
Confederação Nacional das Cooperativas Agrícolas e do Crédito Agrícola de Portugal
Confederatia Sindicala Nationala MERIDIAN (CSN MERIDIAN)

Confederation Francaise Democratique du Travail (CFDT)
Confederation of Danish Industry (DI)
Confederation of European Community Cigarette Manufacturers
Confederation of European Paper Industries
Confederation of Finnish Industries (EK)
Confederation of National Associations of Tanners and Dressers of the European Community (COTANCE)
Confederation of National Hotel and Restaurant Associations (HOTREC)
Confederation of Netherlands Industry and Employers (VNO-NCW)
Confederation of the food and drink industries of the EU (FoodDrinkEurope))
Confederation of the German Textile and Fashion Industry
Confederazione Cooperative Italiane
Confederazione Nazionale Coldiretti
Conseil des barreaux de la Communauté Européenne (CCBE)
Conservation International (CI)
Consorzio Remedia
Cooperativas Agro-alimentarias de España
Cosmetics Europe - The Personal Care Association
Council of European Employers of the Metal, Engineering and Technology - Based Industries (CEEMET)
Critical Raw Materials Alliance (CRM Alliance)
Danish Agriculture & Food Council
Danish Shipping
Deutscher Industrie- und Handelskammertag e.V.
DIGITALEUROPE
Direct Selling Europe AISBL
Dutch Dairy Trade Association
Ecommerce Europe
Electrical and Electronic Portuguese Enterprises Association (ANIMEE)
Estonian Employers' Confederation (ETTK)
Estonian Investment Agency
EU Agency for Fundamental Rights (FRA)
EU Vegetable Oil and Proteinmeal Industry
EU-Australia Round Table
EUROALLIAGES
Eurochambres
EuroCommerce
EURODOM
EuroGeoSurveys - The Geological Surveys of Europe (EGS)
Eurogroup for Animals
Eurometal
EuropaBio - European Association for Bioindustries
European & International Federation of Natural Stone Industries (EUROROC)
European Accounting Association
European Aerosol Federation
European Aggregates Association (UEPG)
European Aluminium AISBL
European Apparel and Textile Confederation EURATEX
European Association of Automotive Suppliers (CLEPA)
European Association of Chemical Distributors (Fecc)
European Association of Cooperative Banks (EACB)
European Association of Craft, Small and Medium-Sized Enterprises - UEAPME
European Association of Dairy Trade (Eucolait)
European Association of Fruit and Vegetable Processors - PROFEL
European Association of Internet Services Providers (ISPA)
European Association of Metals Eurometaux
European Association of Mining Industries, Metal Ores & Industrial Minerals (Euromines)
European Association of Mutual Guarantee Societies
European Association of Sugar Traders (ASSUC)
European Association of the Machine Tool Industries (CECIMO)
European Association representing the agricultural machinery industry (CEMA)
European Aviation Clusters Partnership

European Banking Federation (EBF)
European Biodiesel Board
European Branded Clothing Alliance
European Brands Association
European Broadcasting Union (EBU)
European Builders Confederation
European Business Aviation Association (EBAA)
European Business Services Round Table
European Cement Association (CEMBUREAU)
European Centre for International Political Economy
European Ceramic Industry Association (Cerame-Unie)
European Chemical Industry Council (Cefic)
European Cocoa Association
European Committee for Electrotechnical Standardization
European Committee of Domestic Equipment Manufacturers (CECED)
European Community Shipowner's Associations
European Competitive Telecommunications Association
European Concrete Paving Association
European Confederation of Junior Enterprises
European Confederation of Woodworking Industries (CEI-Bois)
European Construction Industry Federation
European Consumer Organisation (BEUC)
European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry (COCIR)
European Coordination of Independent Producers (CEPI)
European Council for Automotive R&D (EUCAR)
European Council for Motor Trades and Repairs (CECRA)
European Crop Protection Association
European Dairy Association
European Diisocyanate and Polyol Producers Association
European Disposables & Nonwovens Association (EDANA)
European DIY Retail Association
European Ecommerce and Omni-Channel Trade Association
European Electronic Component Manufacturers Association
European Engineering Industries Association (EUnited)
European Environmental Bureau (EEB)
European Expanded Clay Association (EXCA)
European Express Association
European Family Businesses
European Farmers
European Federation for Construction Chemicals
European Federation for Cosmetic Ingredients
European Federation of Biotechnology Section of Applied Biocatalysis
European Federation of Engineering Consultancy Associations
European Federation of Food, Agriculture and Tourism Trade Unions - EFFAT
European Federation of Foundation Contractors
European Federation of Geologists (EFG)
European Federation of National Associations of Water andWaste Water Services
European Federation of Pharmaceutical Industries and Associations (EFPIA)
European Federation of Public Service Unions (EPSU)
European Federation of the Footwear industry
European Fish Processors & Traders Association
European Franchise Federation
European Furniture Industries Confederation
European Health Industry Business Communications Council (EHIBCC)
European Industrial Gases Association
European Institute for Gender Equality - EIGE
European Liaison Committee for Agriculture and agri-food trade (CELCAA)
European Lime Association (EULA)
European Man-made Fibres Association (CIRFS)
European Medical Technology Industry Associations (MedTech Europe)
European Milk Board



European Newspaper Publishers' Association (ENPA)
European Organisation for Security
European Organisation of Tomato Industries (OEIT)
European Panel Federation
European Patent Office
European Petroleum Industry
European Plaster and Plasterboard Manufacturers Association (EUROGYPSUM)
European Policy Centre
European Potato Processors' Association
European Potato Trade Association
European Power Tool Association
European Property Federation
European Public and Real Estate Association (EPRA)
European Public Health Alliance
European Regions Airline Association (ERA)
European Renewable Ethanol Association - EPURE
European Retail Round Table
European Robotics Association (EUnited Robotics)
European Round Table of Industrialists
European Satellite Operator's Association
European Services Forum
European Services Strategy Unit
European Shippers' Council
European Small Business Alliance
European Steel Association (EUROFER)
European Steel Technology Platform (ESTEP)
European Sugar Refineries Association
European Technology Platform on Sustainable Mineral Resources (ETP SMR)
European Telecommunications Network Operators' Association (ETNO)
European Telecommunications Standards Institute (ETSI)
European Textile Collectivities Association
European Trade Union Committee for Education
European Trade Union Confederation - ETUC
European Trade Union Institute (ETUI)
European Travel Agents' and Tour Operators' Associations
European Travel Commission
European Tyre & Rubber Manufacturers' Association (ETRMA)
European Union Road Federation
European Whey Processors Association
Fédération des Experts Comptables Européens (FEE)
Fédération Internationale de l'Automobile (FIA)
Fédération Internationale du Recyclage
Fair Trade Advocacy Office
Federation of European Publishers
Federation of European Rice Millers
Federation of the European Sporting Goods Industry
FederlegnoArredo - Federazione Italiana delle Industrie del Legno, del Sughero, del Mobile e dell'Arredamento
Female Europeans of Medium and Small Enterprises (FEM)
Fern
Fertilizers Europe
Finpro of Finland
Fiscalnote
Foreign Trade Association - Amfori
Fratini Vergano
Freshfel Europe - the forum for the European freshfruits and vegetables chain
Friedrich-Ebert-Stiftung
Friends of Europe
Friends of the Earth Europe (FoEE)
Gelatine Manufacturers of Europe (GME)
German Federal Association of Senior Citizens' Organisations - BAGSO
German Marshall Fund of the United States

German Trade Union Confederation (DGB)
Germany Trade & Invest
GINETEX
GIZ - Brüssel
Glass Alliance Europe
Global Industrial and Social Progress Research Institute(GISPRI)
Global Witness
Greenpeace
Health Action International (Europe)
Health First Europe
Human Rights Watch
Humane Society International/Europe
ICMP - the global voice of music publishing
IFPI Representing recording industry worldwide
IHK Nord e.V. - Arbeitsgemeinschaft norddeutscher Industrie- und Handelskammern
Independent Retail Europe
Industrial Ethanol Association
Industrial Minerals Association - Europe (IMA-Europe)
industriAll European Trade Union (industriAll)
INSTITOUTO GEOLOGIKON KAI METALLEFTIKON EREVNON (IGME)
Instituto Cuestiones Agrarias y Medioambientales
Intelligent Transport Systems - Europe (ERTICO)
International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk
International Confederation of European Beet Growers (CIBE)
International Confederation of Inspection and Certification Organizations
International Co-operative Alliance
International Federation for Human Rights (FIDH)
International Federation of Inspection Agencies
International Federation of Reproduction Rights
International Land Coalition
International Network for Sustainable Energy - INFORSE-Europe
International Society for Mangrove Ecosystems (ISME)
International Trade Union Confederation (ITUC)
International Trademark Association
Irish Co-operative Organisation Society Ltd
Irish Farmers' Association
Italian National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA)
Italian Trade Union Confederation
Koepel van de Vlaamse Noord - Zuidbeweging
Landwirtschaftskammer Österreich
Lighting Europe
Lithuanian Education Trade Union
Médecins Sans Frontières International
Maa-ja metstaloustuottajain Keskusliitto - Central Union of Agricultural Producers and Forest Owners
Medicines for Europe
Ministry of Economics of the Republic of Latvia in cooperation with the Ministry of Agriculture
Mouvement des Entreprises de France (Medef)
Nanofutures
NanoMEGAS
Nemzeti Agrárgazdasági Kamara
Norwegian Seafood Export Council
Orgalim
Organisation pour un réseau international d'indications géographiques
Oxfam International
Plastics Recylers Europe
Primary Food Processors
SMEUnited
Société des auteurs et compositeurs dramatiques
Solar Power Europe
Spanish Association of Soft Drinks Manufacturers

Spanish General Workers' Union - UGT
spiritsEUROPE
STARCH EUROPE
Swedish Enterprise
Trade Council of the Ministry of Foreign Affairs of Denmark
Trade Union Advisory Committee (of the OECD) (TUAC)
Transport and Environment (European Federation for Transport and Environment)
UNIFE
Union des Confédérations de l'Industrie et des Employeurs d'Europe - UNICE
Union Européenne du Commerce du Bétail et des Métiers de la Viande
Union of the Czech Production Cooperatives
Unite the Union
US Dairy Export Council
Verband Deutscher Maschinen-und Anlagenbau e.V.
VZBV: Federation of German Consumer Organisations - Verbraucherzentrale Bundesverband
Wind Europe
Wirtschaftskammer Österreich
Zentralverband des Deutschen Handwerks e.V.
Zentralverband Elektrotechnik-und Elektronikindustrie e.V.

## Stakeholders in New Zealand

Action for Children and Youth Aotearoa (ACYA)
Allergy New Zealand
Amnesty International NZ
Aotearoa Indigenous Rights Trust
Aquaculture NZ
Beef+Lamb NZ
Cancer Society New Zealand
Canterbury Employers' Chamber of Commerce
CCS Disability Action
ChargeNet
City Hop
Clean Earth NZ
Dairy Companies Association of NZ
Department of Conservation
Disabled Persons Assembly
Diversity Works NZ
EcoCentre Kaitiaia
ECPAT Child ALERT New Zealand
Environmental Defense Society
Environmental Protection Authority
EU- NZ Business Forum
Export NZ
Federated Farmers
France-NZ chamber of commerce
Friends of the Earth New Zealand
Germany-New Zealand Chamber of Commerce
Girls Mean Business
Greenpeace NZ
Grey Power Federation
Habitat for Humanity NZ
Horticulture NZ
Hospitality NZ
Human Rights Foundation of Aotearoa New Zealand
Landcare Research
Maori Women's Development Inc
Marine Farming Association Inc (MFA)
McGuinness Institute
Medical Technology Association of New Zealand (MTANZ)

Mental Health Foundation
Ministry for Pacific People
Ministry of Foreign Affairs and Trade
Ministry of the Environment (MFE)
Motu Economic and Policy Research
Nanogirl labs
National Council of Women in New Zealand
Nelson Environment Centre
New Zealand AIDS Foundation
New Zealand Centre for Human Rights Law, Policy and Practice at the University of Auckland
New Zealand Council of Trade Unions
New Zealand Embassy Brussels
New Zealand Federation of Business and Professional Women
New Zealand Human Rights Commission
New Zealand Maori Council
New Zealand Organisation for Rare Disorders (NZORD)
New Zealand Salmon Farmers Association
New Zealand Trade and Enterprise
Ngati Kuri Trust Board
NZ Farm Forestry Association
NZ Food & Grocery Council
NZ Initiative
NZ International Business Forum
NZ Red Cross
NZ Young Farmers (NZYF)
Otago Southland Employers' Association
Oxfam NZ
Pacific Business Trust
Parliamentary Commissioner for the Environment
Peace Movement Aotearoa
Prostate Cancer Foundation New Zealand
Save the Children NZ
Sea Shepherd NZ
Seafood NZ
Sexual Rights Initiative
Small Enterprise Association of Australia and New Zealand
South Coast Environment Society
Straterra
Sustainability Council of New Zealand
Sustainable business network
Sustainable coastlines
Tauhara North No. 2 Trust
Tearfund NZ
Trade Aid
Transparency International NZ
UNICEF Association New Zealand
Women's Health Action Trust