

Boost for British shoppers and exporters from UK-New Zealand trade deal

- Chocolate, gin, buses and clothes are among British products that could see tariffs of up to 10% removed, encouraging New Zealand to buy British.
- High quality New Zealand products such as wine, food and drink could be tariff-free in UK shops.
- Total trade in goods and services between the UK and New Zealand was worth £2.3 billion last year and is set to increase with a trade deal

A trade deal with New Zealand could give British shoppers and exporters reason to cheer as both countries ditch tariffs as high as 10% on a range of high-quality products. The latest round of trade talks between both sides ended last month with good progress made towards a final deal.

Under a new deal, a multitude of UK goods would no longer be subject to import tariffs when entering the New Zealand market, and exporters would gain an advantage over international rivals in the New Zealand import market, which is expected to grow by 30% by 2030.

- Iconic British exports such as Beefeater gin and Belvoir soft drinks currently face a tariff of 5% when entering New Zealand, as do products from chocolate to cheese and crisps.
- The UK's world-famous fashion industry sold £30m-worth of clothes to New Zealand last year, and businesses like Tee-Time Clothing could now benefit when tariffs of 10% on clothing are lifted.
- Cars are the UK's biggest export to New Zealand, with £133 million-worth sold last year. Buses, motorhomes and caravans are in line to also see tariffs up to 10% removed entirely.

Much-loved New Zealand wine, including Sauvignon Blanc and Pinot Noir, which currently face tariffs of up to 20p per bottle would also be expected to have these tariffs slashed as part of a trade deal which could be agreed in principle soon.

Secretary of State for International Trade Liz Truss said:

"We are working round the clock to get this deal done in the coming weeks. We are both big fans of each other's high-quality products, so this could be a huge boost that allows British shoppers to enjoy lower prices and British exports to be even more competitive.

"New Zealand and the UK are natural partners united by modern values. An agreement would reflect those ideals and is a win-win for both countries.

"It would also be an important step towards our accession to CPTPP, helping

the UK gain access to 11 of the world's biggest and fastest-growing economies across the Pacific region and opening doors to dynamic markets across the world."

Trade between the two countries was worth £2.3 billion last year and would be expected to increase following a deal. New Zealand is a leading member of CPTPP, a free trade area worth around £9 trillion and is supporting the UK's bid to join. Joining CPTPP would open opportunities for UK businesses to sell in some of the largest and fastest-growing markets in the world, populated by half a billion people.

Dominic Goudie, Head of International Trade, the Food & Drink Federation, said:

"We hope to see the UK conclude an ambitious trade deal with New Zealand which removes tariffs facing UK exports of quality manufactured food and drink. This would provide a welcome boost for producers and exporters of iconic UK products including chocolate, coffee, biscuits and soft drinks, where UK sales in New Zealand are currently £10m each year. Our sector has significant untapped potential for export growth and removing existing tariffs will make UK products more competitive, creating the conditions to drive future growth in New Zealand.

"Given their relative geographical proximity, having deals in place with both New Zealand and Australia that deliver similarly ambitious outcomes will be welcome news for UK producers seeking to expand sales around the world, as many will look to supply to both markets."

Louise Ryan, Managing Director, The Gin Hub Pernod Ricard, said:

"A UK-New Zealand FTA is great news for gin produced in the UK. There's a big opportunity for growth in New Zealand, with the gin category doubling in size in the last three years, led by the premium+ segment.

"Cutting the gin tariff to zero will enable us to put more investment behind our iconic British brands, such as our blockbuster Beefeater London Dry Gin, which is accelerating growth with the launch of new flavours: Beefeater Pink Strawberry and Beefeater Blood Orange."

Other popular New Zealand products which could potentially be made cheaper under a UK-New Zealand include apples and Manuka honey. We imported over £42m of apples from New Zealand in 2020 and over £32m of honey even though they currently face tariffs of 8% and 16% respectively. These are set to be eliminated as part of the agreement.