

Statement on Launch of UK-New Zealand FTA

Today we are very pleased to announce the launch of free trade agreement (FTA) negotiations between the United Kingdom and New Zealand. An FTA between our two nations, the closest of friends with deep historic and family ties rooted within New Zealand's founding Treaty of Waitangi, will strengthen our economies and set the stage for an exciting new chapter in our relationship. It is a top priority for both countries and will play an important role in our COVID-19 economic recovery strategies.

Our FTA will be ambitious, comprehensive, future-focused, and will support sustainable and inclusive trade. By removing tariffs and tackling non-tariff barriers, the agreement will reduce costs for exporters and consumers, support job creation, innovation and collaboration, and boost two-way trade in goods and services worth £2.9bn in 2019. It will also encourage more two-way investment, with the UK already the fifth largest investor in New Zealand, and the UK the fourth largest recipient of New Zealand's direct investment in 2018. At the same time, our agreement will ensure we can continue to regulate in the public interest and uphold our high health, environmental, labour, food safety, animal welfare and product standards.

We are committed to achieving a modern agreement with best-practice trade rules on emerging and increasingly important issues, including the digital economy. New Zealand's track record of innovation on digital trade, such as the Digital Economy Partnership Agreement (DEPA), matched with the UK's innovation-oriented ecosystem, provides a strong foundation to enhance digital trade even further through our FTA.

With shared ambition in leading the global fight against climate change, we also see a UK-New Zealand FTA supporting our respective targets to reach net zero carbon emissions by 2050, including by working closely together to ensure the agreement helps promote clean growth, supports our transition to a low carbon economy, and contributes to efforts to address other important sustainability concerns.

We both believe our agreement should open up the opportunities of trade to all parts of our economy and society, including for women-led businesses and entrepreneurs, as well as for Māori economic interests in the case of New Zealand. Similarly, we will work to make it easier for small and medium sized enterprises (SMEs) to seize the opportunities our FTA will bring and encourage more growing businesses to do so.

At a time when the global trading environment is under threat from protectionism, and as we look to speed up our economic recovery from the effects of COVID-19, the launch of negotiations today demonstrates our support for open, rules-based, trade arrangements. These are so central to our shared prosperity, which is why we are committed to negotiating an ambitious agreement alongside deepening our cooperation at the WTO, in the

Commonwealth and other fora on these issues.

Trade Minister, David Parker, said:

We are looking forward to getting down to business quickly with the UK to forge a world-leading bilateral agreement that not only opens doors for our businesses to trade, invest and innovate more together, but also demonstrates our commitment to inclusive and sustainable trade. Blazing an early trail together in this way will also act as useful stepping stone for the UK in advancing its wider Asia-Pacific trade connections, including through possible future accession to the CPTPP.

International Trade Secretary Liz Truss said:

This is an historic moment for both our countries. A free trade agreement will strengthen our historic bonds of friendship, help grow our economies, and perhaps most importantly demonstrate to the rest of the world that like-minded democracies are prepared to advance and defend free trade in the face of rising global protectionism. New Zealand is one of the world's most progressive trading nations. Together, we can break new ground in trade policy and help set new global standards, and in doing so position both our countries as leaders in the debate about how to grow and advance international commerce.

The FTA will serve as a framework for an even stronger economic partnership as the UK seeks to expand its already close relationships in the Asia-Pacific. New Zealand, as a leading member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), welcomes the UK's intention to join this group and its determination to turbocharge its economic engagement in the region through membership.

The first round of UK-New Zealand FTA negotiations will begin on 13 July through virtual means. We will work flexibly and creatively to conclude a high-quality, comprehensive and inclusive agreement as quickly as possible, consulting closely with all interested stakeholders.