

UK and New Zealand sign comprehensive trade deal

- International Trade Secretary signs UK-New Zealand free trade deal in meeting with New Zealand minister Damien O'Connor in London
- UK-New Zealand trade expected to see a boost of almost 60% under the deal, helping the UK Build Back Better from the pandemic
- Agreement will see red tape slashed for the UK's world-leading tech, creative and services companies
- Deal drives towards accession to Comprehensive and Progressive Agreement for Trans-Pacific Partnership – which had a GDP of £8.4 trillion in 2020

The UK has signed a far-reaching trade deal with New Zealand that will remove trade barriers on a huge range of UK goods and services and provide new opportunities for British businesses.

The deal has been signed by International Trade Secretary Anne-Marie Trevelyan and New Zealand Minister for Trade and Export Growth Damien O'Connor. After reaching agreement in principle last October negotiators have worked intensely to finalise the agreement.

The UK-New Zealand trade relationship was worth £2.3 billion in 2020 and is now expected to increase by almost 60%, boosting our economy by £800 million and increasing wages across the UK.

Under the new deal, tariffs will be eliminated on all UK exports to New Zealand, including current tariffs of up to 10% on clothing and footwear, 5% on buses and up to 5% on ships, bulldozers and excavators.

Smaller businesses will also find it easier to break into the New Zealand market as a result of modernised customs procedures, such as digital documents and customs clearance as quick as six hours.

Other UK benefits include:

- UK professionals, such as lawyers and auditors, being able to work in New Zealand more easily, and bring their families with them.
- Red tape being slashed for the 5,900 UK SMEs who export goods to New Zealand and employ 233,000 people.

- Guarantees for small businesses who will benefit from practical advice and support to find opportunities and link to commercial partners in New Zealand.
- Flexible rules of origin that will give British exporters an advantage over international rivals in the New Zealand import market, which is expected to grow by 30% by 2030.

UK consumers will also have access to a standalone consumer chapter, while high-quality products that British shoppers love could become more affordable, including Marlborough Sauvignon Blanc, Manuka Honey and kiwi fruit.

This deal is the most advanced agreement New Zealand have signed with any nation bar Australia and is part of our ambitious strategy to deepen trade ties with like-minded partners and create a more predictable, free and fair framework for UK businesses.

It is one of our greenest deals ever, confirming commitments to the Paris agreement and Net Zero. It will liberalise tariffs on the largest list of environmental goods in any FTA to date and encourage trade and investment in low carbon services and technology.

International Trade Secretary Anne-Marie Trevelyan said: “This deal will slash red tape, remove all tariffs and make it easier for our services companies to set up and prosper in New Zealand.

“Our trade with New Zealand will soar, benefiting businesses and consumers throughout the UK and helping level up the whole country.

“Like all our new trade deals, it is part of a plan to build a network of trade alliances with the most dynamic parts of the world economy, so we set the UK on a path to future prosperity.”

The agreement is one of a series of advanced deals with leading nations that will update trade rules for the digital age, building on the groundbreaking Digital Trade Principles agreed by G7 countries under the UK’s Presidency.

It is also a vital part of our plan to build new trade routes for services, which the UK excels at, and to refocus Britain on the faster-growing parts of the world in the Asia-Pacific region, including accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a vast free trade area populated by half a billion people and with a joint GDP of £8.4 trillion in 2020.

Vincent Keaveny, Lord Mayor of the City of London, said: “This deal will strengthen trade between the UK and New Zealand, deepen market access and make it easier for people to operate in each other’s economies.

“From the lawyers advising on contracts, to the ships transporting goods, and the banks providing the financing – financial and professional services are

the glue which binds the international trading system.

“As a newly independent trading nation I’m proud to see the UK blazing a trail in this area with New Zealand, a country with which we share close cultural, historical and familial ties.

Mike Cherry, FSB National Chair, said: “New Zealand is a key market for UK small businesses – close to a third of smaller exporters already have ties to the nation. As such, this deal marks a great step forward, and we are pleased to see inclusion of a dedicated SME chapter that will help more small businesses from both countries to take part in international trade and, in doing so, spur our global economic recovery.

“We also welcome the important additional measures outlined as part of the agreement, not least around the streamlining of self-declaration of origin procedures and bringing more small businesses into government supply chains.”