

Market Access Sectoral and Trade Barriers Database

-New Zealandlast updated on 2002-06-19

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GENERAL FEATURES OF TRADE POLICY

OVERVIEW

New Zealand comprises two main islands, North and South, and several other smaller islands. The economy is dependent on agricultural products, which are subject to an increasing degree of processing for export income. New Zealand population was 3,82 million inhabitants in March 2000 and its per capita Gross Domestic Product (GDP) amounted to 19.104 US\$ in 1999 (compared to United Kingdom's 22.093 US\$).

New Zealand's economic history in the second half of the 20th century has consisted largely of the attempt to evade the high tariffs imposed by the major industrial nations against agricultural products by diversifying its farm economy and by expanding its manufacturing base.

The 1990s saw the retreat of the state from all areas of the economy and now New Zealand is one of the world's most open and deregulated economies. Import licensing to protect domestic industry has now been largely dismantled and tariff protection has been significantly lowered.

In fiscal year 2001/2000 (end June 2001), the total exports of New Zealand amounted to NZ\$ 30.792 million. New Zealand's export markets were Australia (18,4% of total), EU (15,8%), USA (14,5%) and Japan (13,7%). In the same fiscal year, the total imports in New Zealand were equal to NZ\$ 31.938 million, mainly from Australia (22%), the European Union (17,8%), and the United States (16,7%). Japan accounted for 10,7% of New Zealand's imports.

Although New Zealand became a founding member of the WTO in 1995 and is at the forefront of negotiations to break down trade barriers with individual countries and within geographical regions, it is not a member of the plurilateral Agreement on Government Procurement.

The Australia New Zealand Closer Economic Relations - Trade Agreement (ANCERTA) provides for reciprocal free trade between New Zealand and Australia. New Zealand has also signed preferential trade agreements with the South Pacific Forum (SPARTECA). New Zealand participates in several meetings of the Association of Southeast Asian Nations (ASEAN) and is a party to the Forum for <u>Asia Pacific Economic Cooperation (APEC)</u>.

In 2000 New Zealand successfully negotiated a <u>Free Trade Agreement with Singapore</u> that entered into force in January 2001. Now it is exploring a similar initiative with Hong Kong, Chile and Korea. It has also put forward the idea of a "Pacific Three" (New Zealand, Singapore, Chile) or "Pacific Five" (as before plus Australia and the United States). This is in contrast to the historical pattern, where apart from ASEAN and ANZCERTA, regional initiatives have been either MFN-based (like APEC) or relatively insignificant.

EU-New Zealand bilateral relations

According to EC statistics, the two-way trade between the EU and New Zealand totalled 4,5 billion Euro in 2000. New Zealand's imports from the EU were valued at 2,14 billion Euro while its exports to the EU were valued at 2,38 billion Euro. The United Kingdom and Germany are New Zealand's main EU source of imports, behind New Zealand key import markets of Australia, the United States, Japan and the Peoples Republic of China. Imports from other key EU countries included Italy, France, Sweden, Belgium, Netherlands, Finland and Denmark. The UK is New Zealand's most significant export destination in the EU. Other significant EU exporting destinations include Germany, Belgium, Italy, France and Netherlands.

New Zealand-EU trade relations are managed under the WTO agreements, as well as the bilateral Joint Declaration of 4 May 1999. New Zealand and the European Community have also concluded bilateral agreements in the areas of sanitary measures applicable to trade in live animals and animal products (1997) and <u>mutual recognition in relation to conformity assessment (1998)</u>. However, the 1997 Veterinary Agreement is not in force yet.

Section	Year	Import(Euro)	Export(Euro)
Animals & animal products	1996	921,399,730	5,313,710
	1997	1,051,635,280	3,672,070
	1998	1,095,288,420	3,842,390
	1999	1,093,955,340	6,164,560
	2000	1,135,649,130	8,100,650
	2001	1,333,354,710	4,429,010
	2002	1,302,073,350	7,561,970
	2003	1,297,796,740	6,585,140
	1996	330,725,960	10,556,010
	1997	309,933,810	11,396,860
	1998	328,864,810	11,017,860
	1999	366,530,760	11,587,240
Vegetable products	2000	338,894,530	13,875,210
	2001	403,095,540	14,492,160
	2002	437,171,810	15,682,590
	2003	443,937,570	15,971,770
	1996	1,765,290	4,659,850
	1997	2,597,420	9,162,240
	1998	2,756,190	6,571,460
Animal or vegetable fats	1999	2,986,960	5,248,400
Animal or vegetable lats	2000	4,832,030	8,988,610
	2001	5,717,490	6,998,020
	2002	4,039,880	11,472,060
	2003	5,901,290	10,123,150
	1996	31,336,940	42,373,920
	1997	45,791,810	55,625,920
	1998	51,450,060	56,117,700
Prepared foodstuffs	1999	67,319,130	64,235,250
Prepared loousturis	2000	73,818,070	70,572,570
	2001	85,429,460	73,650,720
	2002	86,709,750	76,201,040
	2003	90,047,960	75,835,580
	1996	1,793,040	8,784,160
	1997	1,992,070	4,709,990
	1998	5,083,890	3,254,380
Mineral products	1999	4,066,890	4,710,290
Mineral products	2000	2,650,450	4,178,010
	2001	4,002,050	4,191,730
	2002	5,656,770	5,264,370
	2003	6,410,630	12,168,220
	1996	86,988,460	202,152,800

The following table is an overview of the tradeflow between the European Union and New Zealand

	1997	97,548,270	232,188,900
	1998	100,097,480	219,845,050
	1999	94,958,340	253,708,860
Chemical products	2000	114,117,350	263,854,260
	2001	150,564,280	267,671,390
	2002	151,406,560	288,112,140
	2003	130,863,830	289,948,770
	1996	8,823,510	89,173,030
	1997	10,093,440	104,416,440
	1998	9,576,820	96,220,330
Plastics & rubber	1999	13,973,370	108,154,350
	2000	15,829,400	117,464,680
	2000	13,530,200	131,358,470
	2001	15,834,130	123,180,890
	2002	12,399,690	116,913,910
	1996	147,540,950	3,998,920
	1990	138,403,810	
			4,300,040
	1998	153,778,920	4,158,520
Hides & skins	1999	103,141,340	3,838,130
	2000	140,432,330	4,590,450
	2001	164,076,620	4,777,780
	2002	140,699,480	4,664,990
	2003	137,114,990	3,515,310
	1996	2,740,460	10,384,850
	1997	2,580,700	11,965,100
	1998	6,363,450	13,147,740
Wood & wood products	1999	6,578,490	15,843,540
	2000	6,943,120	17,967,540
	2001	3,996,110	19,168,790
	2002	3,730,430	20,993,950
	2003	4,195,590	20,352,580
	1996	2,942,990	118,816,930
	1997	3,304,810	135,476,690
	1998	4,646,050	121,181,580
Wood pulp products	1999	5,255,140	118,927,460
Wood pulp products	2000	5,911,240	132,356,720
	2001	5,424,840	128,160,650
	2002	4,782,990	115,739,010
	2003	5,035,050	125,168,130
	1996	143,269,900	62,349,120
	1997	177,482,740	70,955,310
	1998	186,790,460	63,973,780
The other of the other	1999	140,489,120	66,044,890
Textiles & textile articles	2000	184,357,340	70,518,940
	2001	197,876,050	68,821,160
	2002	188,482,030	75,284,660
	2003	180,719,270	72,402,670
	1996	1,082,520	11,333,280
	1997	1,201,430	11,897,460
	1998	1,458,140	11,105,960
	1999	1,766,830	10,945,590
Footwear, headgear	2000	2,397,660	13,389,090
	2001	2,390,730	13,226,880
	2002	3,249,360	14,222,460
	2002	2,799,590	14,431,760
	1996	3,246,740	40,400,170
	1990	6,080,250	43,972,490
	1997	9,015,490	36,139,640
Articles of stone, plaster,	1998		
cement, asbestos		9,754,490	39,898,880
	2000	11,369,510	43,959,880
	2001	11,541,830	41,814,200

	2002	10,385,560	49,766,170
	2002	9,079,580	49,766,170 51,574,270
	1996	1,218,550	6,232,050
	1997	1,447,090	7,874,040
	1998	1,317,420	7,888,450
Pearls, (semi-)precious	1999	983,020	9,990,360
stones, metals	2000	1,312,810	12,396,170
	2001	972,930	14,139,690
	2002	1,762,130	16,303,670
	2003	964,670	16,601,070
	1996	13,456,610	86,553,530
	1997	13,189,410	97,467,550
Base metals & articles	1998	18,105,360	78,793,940
	1999	14,260,870	86,508,500
thereof	2000	20,114,950	105,568,810
	2001	24,444,990	99,847,410
	2002	21,372,980	101,854,510
	2002	18,277,460	101,829,350
	1996	72,396,260	549,078,240
	1990	72,747,800	578,883,400
	1998	87,918,490	529,761,470
Machinary 9 machaniad	1998	84,343,780	541,986,500
Machinery & mechanical applicances	2000	126,277,450	582,268,600
applicances	2000	127,392,520	623,832,710
	2001	120,838,020	621,332,050
	2002	141,767,820	644,464,090
	1996		
		5,591,610	145,844,610
	1997	10,139,220	141,362,790
	1998	8,271,450	115,921,930
Transportation equipment	1999	27,447,260	151,584,100
	2000	32,547,340	145,408,960
	2001	29,238,910	318,611,420
	2002	23,505,740	244,344,580
	2003	25,243,100	491,024,450
	1996	14,042,730	62,975,500
	1997	17,107,990	71,928,620
	1998	21,659,620	59,716,800
Instruments - measuring,	1999	22,837,460	73,819,760
musical	2000	24,644,980	70,509,010
	2001	32,363,380	80,261,550
	2002	30,972,070	82,642,120
	2003	37,831,690	94,402,440
	1996	20,610	2,318,830
	1997	22,520	2,531,120
	1998	43,260	1,807,590
Arms & ammunition	1999	262,800	2,629,850
	2000	295,120	3,686,360
	2001	301,690	5,782,790
	2002	72,620	5,263,260
	2003	96,080	4,461,980
	1996	3,567,470	31,001,690
	1997	3,684,580	36,973,930
	1998	4,099,270	34,729,760
Miscellaneous	1999	6,297,970	48,737,660
wiscellaneous	2000	8,358,790	36,038,620
	2001	8,376,590	41,802,320
	2002	9,873,000	45,149,180
	2003	9,306,120	47,115,280
	1996	1,279,250	2,705,150
	1997	2,395,870	6,053,800
	1998	4,315,700	2,800,450

Works of art	1999	2,779,920	3,026,910
	2000	3,902,880	2,362,350
	2001	3,271,030	2,448,380
	2002	4,000,840	1,641,360
	2003	3,225,250	2,864,460
Other	1996	8,045,590	12,128,090
	1997	7,702,740	10,876,540
	1998	11,893,950	16,437,910
	1999	14,996,640	10,321,790
	2000	21,225,770	12,342,810
	2001	14,986,290	11,858,960
	2002	19,913,290	11,001,990
	2003	17,846,930	16,777,470

Agriculture and Fisheries 2002-08-13

Food imports into New Zealand are subject to sanitary and phytosanitary (SPS) measures last updated on set out by the Ministry of Agriculture and Forestry Biosecurity Authority (MAF Biosecurity). The Ministry of Health is responsible for food imports in relation to their sanitary status.

> The two key pieces of legislation are the Food Act 1981 and the Biosecurity Act 1993, and their subsequent amendments. The Biosecurity Act requires that imported risk goods (which may include horticultural food products such as fresh produce as well as other items -it is not restricted to just products of agricultural origin) enter New Zealand in accordance with measures outlined in specific IHSs. The IHS will state the zoo or phytosanitary measures which must be met before the risk goods can be given clearance to enter New Zealand.

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TARIFFS AND DUTIES

Applied Tariff Levels

In October 1998, the Government legislated a programme for the removal of all remaining tariffs by 1 July 2002 on items other than textiles, clothing, carpet, headgear and footwear (the latter products become free on 1 July 2004 or 1 July 2006). However, the tariff reduction programme was suspended in early 2000, with the new Labour-Alliance government opting to freeze tariffs at their existing levels until 2005. Current duty rates may be searched by either an HS Product Code (4 or 6 digits) or by Keywords describing the product in the Applied Tariffs section of this Database.

Tariff Predictability

New Zealand increased the coverage of its tariff bindings from 55% to over 99% of lines as a result of the Uruguay Round. Under the Agreement on Agriculture, all tariffs on agricultural products have been bound. The only remaining unbound tariffs concern 7% of transport equipment lines and 0,1% of textiles and clothing.

Reductions to bound tariff rates, as agreed in the Uruguay Round, will cut New Zealand's average bound rate to some 12 % by the end of its implementation period in 2004. The average bound rate will be 7,1 % for agricultural products and 12,8% for other products. In accordance with specific WTO zero for zero arrangements, tariffs on pharmaceuticals (HS Chapter 30) were removed and bound at zero on 1 July 1997.

Levies and Charges (Other than Import Duties)

New Zealand imposes no levies or additional charges on imports that are not imposed on domestic products, other than customs duties. Other levies include the 12,5% goods and services tax (GST, a value-added tax), excise taxes, the Alcoholic Liquor Advisory Council Levy and the Heavy Engineering Research Levy.

The alcohol excise tax is based on alcohol content, but with a higher rate per liter of alcohol for spirits than for wine and beer.

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TRADE DEFENCE INSTRUMENTS

New Zealand was one of the first countries to adopt anti-dumping legislation. Its policy framework for trade remedies (anti-dumping and countervailing duties and safeguard action) was reviewed comprehensively in 1986, and more recently in 1994 to implement the changes required by the new WTO Agreements. As part of the national competition policy, trade remedies policy is now being reviewed.

Since 1998 New Zealand Customs Service (NZCS) has <u>completed anti-dumping and anti-subsidy investigations</u> related to the following goods from the EU:

- Canned Peaches, from Greece (Dumping Investigation)
- Ace Inhibitors from, Germany (Dumping Investigation)
- Hollow Gold Jewellery, from Italy (Dumping Investigation)
- Tamoxifen Citrate, from the United Kingdom (Dumping Investigation)
- Canned Peaches, from the European Union (Subsidy Investigation)
- Refined Sugar, from Belgium, Denmark, Germany and the Netherlands
- SG (Spheroidal Graphite) ductile cast iron G-Clamps, from the United Kingdom (Reassessment Investigation)

The <u>anti-dumping measures in force</u> concern <u>canned peaches, from Greece</u>, with sunset date on 9 March 2003. <u>Canned peaches from all Member States of the European Union</u> remain also subject to <u>countervailing duties</u> until 9 January 2003. The duties range from 8% to 22% with an average rate of 21%. It should be noted that the anti-dumpling duty against imports from Greece is additional to the countervailing duties applicable to these same goods from EU countries.

Agriculture and Anti-Dumping Measure Fisheries

960230- Countervailing Duties [2002-06-19]

Also exports of canned peaches from the European Union are subject to countervailing duties in New Zealand since January 1998. The duties range from 8% to 22% with an average rate of 21%. Besides, canned peaches from Greece are subject to anti-dumping duties at an ad valorem rate of 17% since March 1998. It should be noted that the anti-dumpling duty against imports from Greece is additional to the countervailing duties applicable to these same goods from EU.

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NON TARIFF BARRIERS

Registration, Documentation, Customs Procedures

Customs clearance is required for all goods imported to or exported from New Zealand. Following the introduction of an electronic data import entry system in March 1995, some 97% of import shipments are cleared electronically. Valuation is based on self-declaration, with about 10% of entries being checked for compliance. Entries that are not selected for the compliance check are normally cleared in a matter of minutes, according to the New Zealand authorities; those subject to the check may take 24 hours for clearance.

Standards, Sanitary and Other Technical Requirements

Standards are sometimes cited in legislation as requirements, but usually are cited as a means of

compliance. According to the New Zealand authorities, all standards, technical regulations, and conformity assessment procedures apply equally to domestically produced and imported goods and services.

The Testing Laboratory Registration Council (Telarc New Zealand) operates New Zealand's voluntary system of conformity assessment for testing and calibration activities, a user-funded statutory body owned by the New Zealand Government and reporting to the Minister of Commerce. It has established mutual recognition arrangements (MRAs) for laboratory accreditation with similar entities in many countries, including most EU member States (except Austria, the Benelux countries and Portugal) Australia, Hong Kong, Singapore, and the United States.

In 1998 New Zealand and the European Union signed an agreement for the mutual recognition of conformity assessment. The agreement covers the following sectors: pharmaceuticals, medical equipment, telecommunications terminal equipment, low voltage electrical equipment, machinery, pressure vessels, motor vehicles and parts, and electro-magnetic compatibility.

New Zealand quarantine regime restricts imports of a large number of agricultural and related food products. Foods must not only satisfy quarantine requirements to be sold in New Zealand, but also they need to comply with the Australian New Zealand Food Standards Code.

Government Procurement

New Zealand is not a signatory to the plurilateral WTO Agreement on Government Procurement and does not intend to seek membership to the Agreement.

Other Non-Tariff Measures

State Trading Enterprises

Exports of most agricultural products are restricted to the respective marketing board, exporters approved by such a board, or relevant producer organisations. According to the latest New Zealand's notification to WTO on State Trading Enterprises, the products covered are apples and pears; hops; kiwifruit; dairy products; and other horticultural products such as avocados, blackcurrants, boysenberries, buttercup squash, chestnuts, nashi/Asian pears, nectarines, peaches, persimmons, plums, sweet cherries, table grapes, and tamarillos. For these measures, the authorities invoke Article XI (2)(b) of the GATT 1994, which refers to measures "necessary to the application of standards or regulations for the classification, grading or marketing of commodities in international trade."

Local Content Schemes

New Zealand has no local-content requirements, except in public procurement, where governments departments must require information on local contents of goods and services offered for supply.

Government Procurement

960229- Purchasing policy guidelines [2001-11-19]

New Zealand is not a signatory to the plurilateral WTO Agreement on Government Procurement and does not intend to seek membership to the Agreement. Great flexibility is provided to public entities for the procurement of goods and services as they see fit: no legislation or regulations are specifically directed at government procurement, and since July 1992 there is no provision for the use of local preferences. However, under the so-called purchasing policy guidelines of the Ministry of Commerce, purchasers are advised to "fully consider the advantages of purchasing locally", and it is government policy that procurement procedures provide full and fair opportunity for local suppliers. Central government departments and ministries are required to obtain origin and local-content information on all offers to supply goods.

Subsidies

010054-Public Good Science Fund [2002-04-26]

As part of the latest New Zealand research framework, the Public Good Science Fund has been split into five

more-focused funds, including a <u>fund for research for industry</u> (responsible for food and fibre, manufacturing and infrastructure funding). Research contracts for research for industry – the fund that co-funds projects with Meat New Zealand - currently total NZ\$176 million, of which the food and fibre component is NZ\$123,5 million.

010055-Trade Access Support Programme [2002-06-05]

The Trade Access Support Programme (TASP) funds practical efforts to break down barriers to New Zealand goods and services exports – customs duties, discriminatory product standards, labelling requirements, unscientific quarintine restrictions and other government regulations. The New Zealand Government has allocated NZ\$450.000 in the 2001-2002 financial year for the Programme.

010056-Export Credit Scheme [2002-05-03]

New Zealand's Export Credit Scheme provides export credit guarantees to support exporting firms with growth potential. The program started in July 2001 and is implemented by the <u>New Zealand Export Credit Office (ECO)</u> within the <u>New Zealand Treasury</u>. The program involves the Government working with the private sector to provide underwriting services for exporters who need finance between shipping an export order and being paid for delivery.

There are <u>two export credit facilities</u> available: a) a short term facility targeted at small to medium sized exporters, and b) a medium to long term facility for term export contracts of goods and services.

The ECO provides a credit guarantee, rather than cash. <u>Eksport Kredit Fonden</u> (the Danish Government's export credit agency) has been appointed the agent to operate the Export Credit Office. The maximum liability the Government will accept through the scheme is limited to NZ\$350 million. This is a contingent liability to the Crown, transactions are priced to cover all costs.

<u>Managing the export credit guarantee policy</u> is one of the **work priorities** for the fiscal <u>year 2001/02</u> within the New Zealand Treasury. The Secretary to the Treasury will monitor the operation of the ECO with the assistance of a Technical Advisory Committee.

Agriculture and Quantitative Restrictions and Related Measures Fisheries

960231- Dairy Export Control [2002-08-13]

New Zealand's two largest dairy manufacturing co-operatives, New Zealand Dairy Group and Kiwi Dairies, <u>merged to form Fonterra Cooperative</u> Group Ltd on Tuesday 16 October 2001. Fonterra is an integrated marketing and manufacturing enterprise. The merger has been approved by the shareholders of the two respective co-operatives, and received the necessary parliamentary approval.

As a result off the merger, the authority of the dairy industry's established marketing arm, the **New Zealand Dairy Board (NZDB)**, to control exports has been terminated by legislation.

The NZDB continues to exist as a statutory organisation operating as a subsidiary of Fonterra. A valuation process is underway to enable those NZDB shareholding companies that are not part of the merger to be paid out. To enable this process to take place, the NZDB will continue to operate until 16 October 2002. At that time the NZDB will then convert to a limited liability company and merge with Fonterra.

Initially (until 2007 then a phase out) the right to export **butter, cheddar cheese and cheese for processing** from New Zealand to the EU has been allocated exclusively to the NZDB and therefore to Fonterra. The method to allocate export licences for these products after 2007 is yet to be decided, although it is expected to involve contestability.

Fonterra's exclusive allocation of the export licences will be taken into consideration during the valuation and process of payment to exiting dairy manufacturing companies.

Subsidies

010053-Sustainable Farming Fund [2001-11-19]

The <u>Sustainable Farming Fund</u> was established by the New Zealand Government in September 2000. The fund aims to support community-driven programmes aimed at improving financial and environmental performance of the land-based sectors. It provides money for projects that address problems, enable access to information, to technology or tools, or improve the community economic base. The Fund provides a percentage of the costs and individual projects can be up to three years' duration. The total amount provided per project, per year, is up to NZ\$200.000. Total funding allocated in the first funding round (2000-01) was over NZ\$4 million. Eligibility in the second round (2001-02) was extended to include smaller projects under NZ\$10.000 and water management issues previously funded from other sources.

Sanitary and phytosanitary measures

010057-New Zealand- Uncooked Porkmeat import restrictions [2004-09-14]

As mentioned elsewhere, **uncooked pig meat and pig meat products** from the European Union are allowed to be imported into New Zealand only if they are originating in <u>Sweden</u> or in <u>Denmark</u>.

In addittion, Danish unprocessed pigmeat can be imported only if the meat is processed in New Zealand either by a heat treatment (cooked) to the minimum core temperature set out within a scale ranging from 56°C to 70°C for different periods of time or by a procedure that changes the level of acidity or alkalinity of the meat to pH 5 or below or to pH 7 or above.

The temperature/time values set out by New Zealand Import Health Standard (HIS) for <u>Danish</u> <u>uncooked pig meat</u> are the following:

- 56° C for 60 minutes
- 57° C for 55 minutes
- 58°C for 50 minutes
- 59°C for 45 minutes
- 60°C for 40 minutes - 61°C for 35 minutes
- 62° C for 30 minutes
- 63° C for 25 minutes
- 64°C for 22 minutes
- 65°C for 20 minutes
- 66°C for 17 minutes
- 67°C for 15 minutes
- 68° C for 13 minutes
- 69° C for 12 minutes
- 70°C for 11 minutes.

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EU exporters find extremely restrictive these quarantine measures established to prevent the spread of the Porcine Reproductive and Respiratory Syndrome (PRRS) disease. A heat treatment process of 65 degrees Celsius for 10 minutes would be sufficient for treating the porkmeat against the PRRS disease.

 2004- June 2004: EU/ NZ Veterinary Agreement Joint Management Committee (JMC)bilateral discussions: Pursuent to technical discussions under the Veterinary Agreement, there are now bilateral projects ongoing between Finland/ New Zealand, Denmark/ New Zealand and the Netherlands/ New Zealand to identify options to certify disease freedom on a country/ regional/ farm basis.

010026-New Zealand- Restrictions on foods [2004-09-10]

Food imports into New Zealand are subject to strict sanitary and phytosanitary (SPS) measures set out by the Ministry of Agriculture and Forestry **Biosecurity Authority (MAF Biosecurity)**, which is the national SPS notification authority and enquiry point for New Zealand.

The two key pieces of legislation are the Food Act 1981 and the Biosecurity Act 1993. According to the **Biosecurity Act 1993**, all foods imported into New Zealand must be conform to an Import Health Standard (IHS) issued by MAF Biosecurity. IHSs set out the requirements relating to transit, importation and quarantine of agriculture products (permit, health certification and other documentation accompanying the consignment, transport to and treatment in a quarantine facility, etc.).

Quarantine regulations require that IHSs be developed on a country/commodity basis. However, plant IHSs issued before November 1993 are still in a state of transition and they are not yet country specific. They have been summarised in the MAF Biosecurity <u>Standard 152.02 of 1993 on</u> <u>Importation and Clearance of Fresh Fruit and Vegetables into New Zealand</u>. As of 1993 the 'new' IHSs are developed on a country/commodity basis, and therefore some foods currently being imported come under an old, and some under a new, plant IHS. Of the sixty-two plant IHSs approved since 1993, three concern fresh fruit and vegetables from the EU. They are the IHS for <u>orange from Spain</u> issued in November 1999, the IHS for <u>kiwifruit from Italy</u> issued in December 1999, and the IHS for <u>Capsicums from the Netherlands</u> issued on 24 October 2000.

For animals and animal products the MAF holds <u>338 Import Health Standard (HISs)</u> (150 live animal and their germplasm IHSs and 188 animal product IHSs). On 31 August 2001, due to the risk Porcine Reproductive and Respiratory Syndrome (PRRS), New Zealand revised IHS for both <u>Uncooked Pig Meat Products</u> and <u>Processed Pig Meat Products</u> for Human Comsumption From Denmark.

Other IHSs concerning food imports from EU countries are:

- the Import Health Standard for the Importation into New Zealand of Pig Meat Products for Human Consumption from Sweden, where PRRS is not present;

- the Import Health Standard For The Importation Into New Zealand Of Specified Products For Human Consumption Containing Dairy Products, Eggs Or Meat, issued in October 2001;

- the Import Health Standard For The Importation Into New Zealand Of Pre-Cooked Heat-And-Eat Meals Containing Animal Products For Human Consumption From Canada, European Community and The United States of America, issued on 1 November 2001; and

- the Import Health Standard For The Importation Into New Zealand Of Specified Pig Meat Products For Human Consumption From Italy, issued in 1 May 2002.

The compliance of food imports with IHSs is managed by the MAF Quarantine Service together with the <u>New Zealand Customs Service</u>.

In addition to Import Health Standards issued by MAF Biosecurity, foods imported into New Zealand must also comply with the New Zealand Food Regulations, which will be replaced in January 2003 by the Joint Food Standards Code 2001 developed by the <u>Australia New Zealand</u> Food Authority (ANZFA), in co-operation with the Ministry of Health (MOH). Most food products need a MOH permit to import. Until 2003 the Food Regulations 1984 and the New Zealand Food Standard 1996 regulate food sold in New Zealand.

The Joint Food Standard Code 2001 includes restrictions on the production method of foods and their composition, as well as on their preservation, packaging and labelling. Unlike Australia, the 2001 Code's restrictions on production (processing requirements) are not applicable to New Zealand. Imports of foods not corresponding to the standards established in the Code are prohibited. Some foods must also be listed in the Code standards to be imported.

Thus any food imported into New Zealand must comply with Import Health Standards (quarantine regulations) and Food Standards. Quarantine regulations are the first barrier for food imports; however, foods authorised by MFA Biosecurity may be sold in New Zealand market only if they comply with the Food Standards Code approved by the Ministry of Health.

General and specific requirements for food imports into New Zealand may be searched in the Market Access Database (section <u>Exporters' Guide to Import Formalities</u>) by either an HS product code (4 digits) or by keywords describing the product.

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INVESTMENT RELATED BARRIERS

New Zealand maintains investment restrictions in certain areas and overseas investors are not given national treatment for investment in natural resources (mining, forestry and fishing sectors), financial reporting requirements and international airlines.

According to the <u>Overseas Investment Amendment Act 1998</u>, which came into force on 1 February 2002, foreign investors require consent to acquire or take control of 25% or more of businesses or property worth more than NZ\$10 million as well as of land over 5 ha or worth more than NZ\$10 million and of certain sensitive land.

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IPR

New Zealand Copyright Act 1994, as amended in May 1998, allows parallel imports (goods imported in one country outside the distribution channels authorised by the manufacturer). The so called parallel imports occur when goods subject to intellectual property rights are imported into a country without the consent of the owner of the copyright or "other equivalent intellectual property right" in the country in which they were made. According to New Zealand Ministry of Economic Development, "parallel-importing bans restrict intra-brand competition by giving intellectual property right holders an exclusive importing right." However,

the government has proposed changes of legislation to ban parallel imports of films, videos and DVDs for nine months from a title's first international release, so that the nine-month parallel importing ban give the film distribution industry a period of protection to allow for the orderly release of these products.

New Zealand does not fully recognise the geographical indications and the traditional expressions of EU wines.

<u>Guide</u>

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