

TRADE UPDATE

Activity in New Zealand and globally is intense on the trade policy front. In New Zealand we have the second Round of the FTA negotiations with the EU underway. Last week New Zealand hosted the latest round of negotiations with the Pacific Alliance (Chile, Peru, Colombia and Mexico plus Australia, New Zealand, Canada and Singapore). And we are due to be hosting a round of negotiations on the Regional Comprehensive Economic Partnership (ASEAN plus India, China, Korea, Japan, Australia and New Zealand in a couple of weeks. Globally the US has achieved a deal with Canada on what is to replace NAFTA. A deal with Mexico had already been reached some weeks ago. In the WTO the EU and UK have faced stiff opposition to their proposal to carve up existing quotas. And in the UK Brexit is as confusing as ever.

EU - NZ FTA

As expected agriculture, geographic indications and intellectual property have been identified as “potential rub points” in the second round of negotiations. Good progress appears to have been made on other issues.

Pacific Alliance

Alarm bells are ringing. Why did Colombia not attend the latest round of negotiations in Auckland? Is this just because the new Government in Bogota is finding its feet or is something else afoot? Given that all other parties to this negotiation already have FTAs with New Zealand (assuming CPTPP is ratified) Colombia is the big prize in this negotiation for New Zealand.

NAFTA 2.0

The master negotiator has delivered a revised North American Free Trade Agreement but with a new name USMCA (US Mexico Canada Agreement). Unfortunately it is not as good as CPTPP and in some areas it is not as good as the old NAFTA. Don't believe the hype.

RCEP

We haven't seen any publicity on the forthcoming RCEP negotiations in Auckland but we might have missed this. Hopefully this negotiation is coming to a conclusion so we hope that the transparency implied in the “Trade for All” agenda is applied to this negotiation.

WTO

20 WTO members have formerly objected to the EU and UK proposals to reallocate import quotas post Brexit (should Brexit occur). The list includes New Zealand and the US, China, Japan, India, Russia, Canada, Mexico, Brazil and Australia. Some useful allies in that list.

Brexit

Who knows what will happen here – but if we have a no deal Brexit expect potential chaos at the border. The timing could not be worse for our chilled sheep meat exports given the coincidence with Easter. Companies should start contingency planning (see European Shippers Council article below).