EU NZ TRADE AGREEMENT ***





EU-NZ FTA COUNTRY FACTSHEET CROATIA



Overview of benefits



Eliminates customs tariffs for Croatian exporters and importers



Improves market access for Croatian service providers



Protects distinct Croatian food and drink products



Enables opportunities for green Croatian firms and technology



Supports Croatian smalland medium-sized businesses to export



Creates opportunities for Croatia's digital firms to export their services



Enables Croatian firms to bid on **public contracts** in New Zealand



Facilitates Croatian investments into New 7ealand







Trade in goods and services

Top-5 exported goods from Croatia to New Zealand

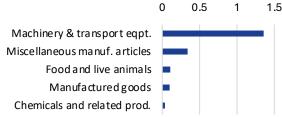


Figure 1: Top-5 exported goods in million Euros, 2023 (Source: <u>Eurostat</u>)

Top exported services from Croatia to New Zealand

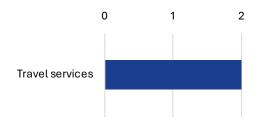


Figure 2: Top exported services in million Euros, 2022 (Source: Eurostat)



Trade in goods

In 2023, Croatian goods exports to New Zealand exceeded €1.9 million, led by machinery and transport equipment, totalling €1.4 million. This was followed by miscellaneous manufactured articles (€0.3 million) and food and live animals (€0.1 million). The EU-NZ FTA brings significant tariff eliminations, enhancing Croatian firms' competitiveness across these and other sectors.



Machinery and transport equipment

Electrical appliances (€0.6 million) are the main exports, mainly including electrical transformers (€0.5 million). This is followed by **metalworking machinery** ($\{0.3\}$ million), dominated by machine-tools; and industrial machinery (€0.3 million), mainly including furnace burners (€0.2 million).



Prior to the FTA, tariffs in this sector were as high as 10%, however, these have been eliminated, dropping to **0%** since the entry into force. For example, the tariff rate for machine-tools for working metal (HS 8462.29.00), previously 5%, is now 0%.



Miscellaneous manufactured articles

Miscellaneous articles (€0.3 million) are the main exports, dominated by carved or moulded organic materials. This is followed by professional and scientific instruments (€10 thousand), such as geophysical surveying instruments (€4 thousand); and travel goods (€3 thousand).



Prior to the FTA, tariffs in this sector were as high as 10%, however, these have been eliminated, dropping to **0%** since the entry into force. For example, the tariff rate for water-sport equipment (HS 9506.29.00), previously 5%, is now 0%.



Food and live animals

The main exports in this category are soup and broth preparations (€50 thousand), followed by food preparations containing cocoa (€35 thousand) and sugars and sugar preparations (€8 thousand), dominated by sugar confectionery not containing cocoa.



Prior to the FTA, tariffs in this sector were as high as 5%, however, these have been eliminated, dropping to **0%** since the entry into force. For example, the tariff rate for food preparations filled with cocoa (HS 1806.31.00), previously 5%, is now 0%.

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Trade in services

Croatian service exports amounted to €2 million in 2022, with the entire amount coming solely from the travel

The agreement facilitates easier access for Croatian firms to New Zealand's service market, ensuring a level playing field for Croatian service providers in sectors like telecommunications, financial services, and international maritime transport. Additionally, the FTA includes advanced provisions for the movement of business professionals, allowing Croatian firms to efficiently post managers or specialists and their families to subsidiaries in New Zealand.



Support framework for exporters

The FTA introduces a comprehensive regulatory framework designed to simplify export procedures and reduce compliance costs for Croatian firms. This includes streamlined customs processes and easy access to essential information. Central to this effort is the European Commission's Access2Markets platform, which provides detailed information and guidance on tariffs, rules of origin (Rules of Origin Self-Assessment Tool - ROSA), taxes, import procedures and formalities, product requirements, trade barriers, and trade flow statistics. The databases are restricted to users in the EU. EU companies' offices outside the EU can request access via this form.



Please visit the EU's **Access2Markets** platform for more information

Investment opportunities



New Zealand is an untapped market for Croatian investors.

The FTA lays the groundwork for increased Croatian investment in New Zealand, particularly in sectors such as

- financial services
- information and communication technology
- pharmaceutical and biotechnology

aligning with Croatia's investment strengths.

Figure 3: Investment opportunities for Croatian firms and investors

Croatian investment in New Zealand is poised for growth, supported by a favourable investment climate and shared priorities in sustainability and innovation. Under the FTA, the investment screening threshold has been doubled to NZD 200 million (~€110 million). This adjustment impacts Croatian investors planning to acquire significant business assets in New Zealand. Guidance on the overseas investment regime in New Zealand is available from the Overseas Investment Office. More information on investing in New Zealand can be found on the New Zealand Trade and Enterprise website.





Agriculture & Geographical Indications

Croatia's exports of food and beverages to New Zealand ranked third among its export sectors in bilateral trade for 2023, totalling about **€0.1 million**. The leading commodities were **soups and broths** (€50 thousand), followed by **food preparations containing cocoa** (€35 thousand), and **sugars and sugar preparations** (€8 thousand).

The FTA ensures robust protection for 40 Croatian food and drink items in New Zealand, guarding against counterfeit goods and securing marketing for authentic products with their traditional names. The agreement also includes provisions to potentially expand the list of protected geographical indications (GIs), bolstering the safeguard of Europe's culinary and cultural legacy. All EU GIs protected in New Zealand can be accessed through New Zealand's Intellectual Property Office.

Protected Croatian items include, among others:



Wines: Dingač, Hrvatska Istra, Moslavina, Plešivica, Slavonija



Spirits: Hrvatska travarica (herbal brandy), Hrvatska stara šljivovica (plum brandy)



Food items: Baranjski kulen (sausages), Dalmatinski pršut (dry-cured ham)

Public procurement

The FTA unlocks new opportunities for Croatian firms within New Zealand's public procurement sector, offering several key benefits:

- Expanded market access: Croatian firms now have broader access to New Zealand's procurement, extending beyond WTO limits to include all entities governed by New Zealand Procurement Rules.
- Equal footing with local firms: The FTA levels the playing field, allowing Croatian companies to compete on **equal terms** with local firms, especially in globally competitive sectors.
- Access to key sectors: Croatian businesses gain entry to transport and infrastructure projects, notably those funded by the New Zealand Transport Agency and Auckland Transport, enhancing prospects in engineering and technology.

More information on public procurement can be accessed via New Zealand Government Procurement. Furthermore, New Zealand's Marketplace platform allows EU firms to register their interest in providing Software as a Service (SaaS), consultancy, managed services, and enterprise software to the government.

Key contacts & additional information

Embassy of the Republic of Croatia New Zealand Croatia **Business Council**

Enterprise Europe Network

New Zealand Europe Business Council

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