EU NZ TRADE AGREEMENT ***





EU-NZ FTA COUNTRY FACTSHEET CZECH REPUBLIC



Overview of benefits



Eliminates customs tariffs for Czech exporters and importers



Improves market access for Czech service providers



Protects distinct Czech food and drink products



Enables opportunities for green Czech firms and technology



Supports Czech smalland medium-sized businesses to export



Creates opportunities for Czech digital firms to export their services



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



Facilitates Czech investments into New Zealand







Trade in goods and services

Top-5 exported goods from the Czech Republic to New Zealand

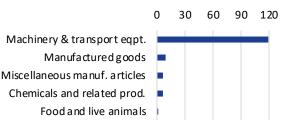


Figure 1: Top-5 exported goods in million Euros, 2023 (Source: <u>Eurostat</u>)

Top exported services from the Czech Republic to New Zealand

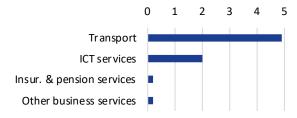


Figure 2: Top exported services in million Euros, 2022

(Source: Eurostat)



Trade in goods

In 2023, Czech goods exports to New Zealand exceeded €140 million, led by machinery and transport equipment, totalling over €119 million. This was followed by manufactured goods (€9 million) and miscellaneous manufactured articles (€7 million). The EU-NZ FTA brings significant tariff eliminations, enhancing Czech firms' competitiveness across these and other sectors.



Machinery and transport equipment

Road vehicles (€85 million) are the main export for machinery and transport equipment. This is followed by office machinery and automated data processing equipment (€17 million), and industry-specific machinery (€6 million), including agricultural machinery (€3 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 motorhomes (HS 8703.40.10), previously 10%, is now 0%.



Manufactured goods

Manufactures of metal (€3 million) are the main exports, including articles of iron or steel wire (€1 million). This is followed by rubber manufactures (€3 million), such as rubber tyres (€2 million); and non-metallic mineral manufactures (€1.4 million), such as glass (€0.6 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 slag, rock, or similar mineral wools (HS 6806.10.00), previously 5%, is now 0%.



Miscellaneous manufactured articles

The main exports are **miscellaneous articles** (€4 million), including toys, games, and sports goods (€3 million). This is followed by professional and scientific control instruments (€2 million), dominated by medical and surgical instruments; and **lighting appliances** (€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 automatic regulating instruments (HS 9032.89.00), previously 5%, is now 0%.

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Trade in services

Czech service exports amounted to €7.3 million in 2022. Of this, the transport sector accounted for the largest share with €4.9 million, dominated by road transport (€2.3 million).

The agreement facilitates easier access for Czech firms to New Zealand's service market, ensuring a level playing field for Czech 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 Czech 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 Czech 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



Figure 3: Investment opportunities for Czech firms and investors

In 2022, the Czech Republic's foreign direct investment (FDI) stock in the Oceania and polar region amounted to €23.8 million, according to Eurostat, with the service sector being the sole area for investment activities. Currently, a small number of Czech subsidiaries are active in New Zealand.

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

- renewable energy
- water treatment and management
- advanced manufacturing

aligning with the Czech Republic's investment strengths.

Czech 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 Czech 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.

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Agriculture & Geographical Indications

The Czech Republic's exports of food and beverages to New Zealand ranked fifth among its export sectors in bilateral trade for 2023, totalling about €1.2 million. Amongst the leading commodities were miscellaneous food preparations (€0.6 million), followed by sugars, sugar preparations, and honey (€0.3 million), and vegetables and fruit (€0.2 million).

The FTA ensures robust protection for 16 Czech 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 Czech items include, among others:



Wines: Čechy, Litoměřická, Morava, Slovácká, Šobeské víno, Znojemská



Spirits: České pivo, Českobudějovické pivo, Žatecký chmel

Public procurement

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

- Expanded market access: Czech 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 Czech companies to compete on **equal terms** with local firms, especially in globally competitive sectors.
- Access to key sectors: Czech 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 Czech Republic

E: canberra@embassy. mzv.cz P: +61 2 6290 1386 W: mzv.gov.cz/canberra

CANZA – Association

E: info@canza.org W: www.canza.cz/

CNZBA – Association

E: info@cnzba.co.nz W: www.cnzba.co.nz/

Enterprise Europe Network

Link to website: een.ec.europa.eu/ Local contact points: een.ec.europa.eu/localcontact-points/cz

New Zealand Europe Business Council

E: info@nzebc.org.nz W: nzebc.org.nz/