EU NZ TRADE AGREEMENT





EU-NZ FTA COUNTRY FACTSHEET DENMARK



Overview of benefits



Eliminates customs tariffs for Danish exporters and importers



Improves market access for Danish service providers



Protects distinct Danish food and drink products



Enables opportunities for green Danish firms and technology



Supports Danish smalland medium-sized businesses to export



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



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



Facilitates Danish investments into New 7ealand







Trade in goods and services

Top-5 exported goods from Denmark to New Zealand

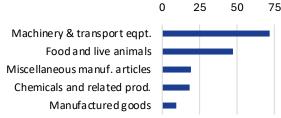


Figure 1: Top-5 exported goods in million Euros, 2023 (Source: <u>Eurostat</u>)

Top-5 exported services from Denmark to New Zealand

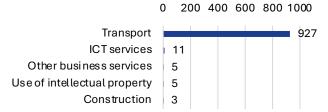


Figure 2: Top-5 exported services in million Euros, 2022 (Source: Eurostat)



Trade in goods

In 2023, Danish goods exports to New Zealand exceeded €180 million, led by machinery and transport equipment, totalling over €70 million. This was followed by food and live animals (€47 million) and miscellaneous manufactured articles (€19 million). The EU-NZ FTA brings significant tariff eliminations, enhancing Danish firms' competitiveness across these and other sectors.



Machinery and transport equipment

General industrial machinery (€30 million), such as pumps, fans, and centrifuges (€12 million), are the main exports. This is followed by industry-specific machinery (€20 million), including food processing machines (€9 million); and other electrical machinery and apparatus (€10 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 refrigerating or freezing equipment (HS 8418.69.00), previously 5%, is now 0%.



Food and live animals

As for food and live animals, dairy products and bird's eggs (€19 million) are the top exports, mainly including cheese and curd (€18 million). This is followed by meat and meat preparations (€15 million), and fish, crustaceans, and molluscs (€9 million).



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 edible ice mixtures containing alcohol (HS 2106.90.98), previously 5%, is now 0%.



Miscellaneous manufactured articles

Professional and scientific control instruments (€13 million) are the main exports, including instruments for physical and chemical analysis (€7 million). This is followed by furniture and parts thereof (€2 million) and miscellaneous plastic-based articles (€1 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 dresses of synthetic fibers (HS 6204.43.00), previously 10%, is now 0%.

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Trade in services

Danish service exports amounted to €953 million in 2022. Of this, the transport sector accounted for the largest share with €927 million, dominated by sea transport (€924 million).

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

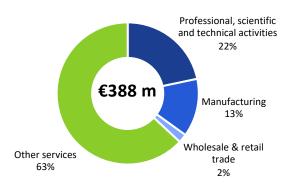


Figure 3: Danish FDI stock in New Zealand, 2022 (Source: Eurostat)

In 2022, Denmark's foreign direct investment (FDI) stock in New Zealand amounted to €388 million, with the service sector being the primary area for investment activities. Currently, at least 30 Danish companies are present in New Zealand, primarily operating in the logistics and medical sectors.

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

- energy
- transport/logistics
- agriculture

aligning with Denmark's investment strengths.

Danish 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 Danish 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

Denmark's exports of food and beverages to New Zealand ranked second among its export sectors in bilateral trade for 2023, totalling about €47 million. The leading commodities were dairy products and bird's eggs (€19 million) for food items. Beverages, particularly alcoholic beverages, accounted for only a small share of exports at €60 thousand.

The FTA ensures robust protection for 5 Danish 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 **Danish items** include:



Wines: Bornholm wines, Fyn wines, Jylland wines, Sjælland wines



Food items: Danablu (cheese)

Public procurement

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

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

Royal Danish Embassy

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W: australien.um.dk/en/ trade-council

NZ Scandinavia **Business Association**

W: www.nzsba.nz/

Enterprise Europe Network

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

New Zealand Europe Business Council

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