EU NZ TRADE AGREEMENT ***





EU-NZ FTA COUNTRY FACTSHEET FINLAND



Overview of benefits



Eliminates customs tariffs for Finnish exporters and importers



Improves market access for Finnish service providers



Protects distinct Finnish food and drink products



Enables opportunities for green Finnish firms and technology



Supports Finnish smalland medium-sized businesses to export



Creates opportunities for Finnish digital firms to export their services



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



Facilitates Finnish investments into New Zealand







Trade in goods and services

Top-5 exported goods from Finland to New Zealand

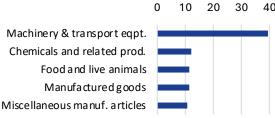


Figure 1: Top-5 exported goods in million Euros, 2023 (Source: <u>Eurostat</u>)

Top-5 exported services from Finland to New Zealand

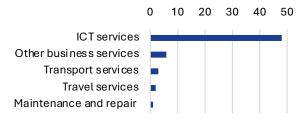


Figure 2: Top-5 exported services in million Euros, 2022 (Source: Eurostat)



Trade in goods

In 2023, Finnish goods exports to New Zealand exceeded €88 million, led by machinery and transport equipment, totalling €39.4 million. This was followed by chemicals and related products (€12 million) and food and live animals (€11.4 million). The EU-NZ FTA brings significant tariff eliminations, enhancing Finnish firms' competitiveness across these and other sectors.



Machinery and transport equipment

Industry-specific machinery (€20 million), such as tractors (€9 million), are the main exports, followed by electrical machinery (€6 million), including static converters (€2 million); and transport equipment (€3.7 million), dominated by yachts, rowing-boats, and canoes.



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 self-propelled earthmoving machinery (HS 8430.50.00), previously 5%, is now 0%.



Chemicals and related products

For chemicals and related products, fertilizers (€7.5 million) are the top exports. This is followed by plastics in non-primary forms (€1.8 million), mainly including plates, sheets, film, or foil (€1.7 million); and plastics in primary form (€1.2 million), including propylene copolymers (€0.5 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 flexible plastic tubes, pipes, and hoses (HS 3917.33.00), previously 5%, is now 0%.



Food and live animals

The main exports for food and live animals are meat and meat preparations (€11 million), dominated by frozen swine meat. This is followed by cereals and flour preparations (€0.3 million), and frozen vegetables (€0.1 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 ice cream containing alcohol (HS 2106.90.98), previously 5%, is now 0%.

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Trade in services

Finnish service exports amounted to €61 million in 2022. Of this, the ICT sector accounted for the largest share with €48 million, dominated by **computer software services** (€10 million).

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

In 2021, Finland's foreign direct investment (FDI) stock in New Zealand amounted to €31 million in the manufacturing sector, while the total amount of investments is confidential (Eurostat). Currently, approximately 10 Finnish companies are active in New Zealand.

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

- information and communication technology
- machinery & advanced manufacturing (incl. energy)
- forestry & agriculture

aligning with Finland's investment strengths.

Finnish 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 Finnish 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

Finland's combined exports of food and beverages to New Zealand ranked second among its export sectors in bilateral trade for 2023, totalling about €12 million. The leading commodities were meat and meat preparations (€11 million), dominated by frozen swine meat; followed by alcoholic beverages (€1.1 million), dominated by spirits and distilled alcoholic beverages.

The FTA ensures robust protection for two Finnish spirits 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 Finnish items include:



Spirits: Suomalainen Marjalikööri (Finnish berry liqueur), Suomalainen Vodka (Vodka of Finland)

Public procurement

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

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

NZ Scandinavia Business Association

Enterprise Europe Network W: www.nzsba.nz/

New Zealand Europe Business Council

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Please refer to the EU-NZ FTA SME Guide for more information