EU NZ TRADE AGREEMENT





EU-NZ FTA COUNTRY FACTSHEET FRANCE



Overview of benefits



Eliminates customs tariffs for French exporters and importers



Improves market access for French service providers



Protects distinct French food and drink products



Enables opportunities for green French firms and technology



Supports French smalland medium-sized businesses to export



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



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



Facilitates French investments into New 7ealand





Trade in goods and services

Top-5 exported goods from France to New Zealand

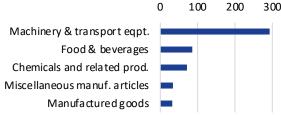


Figure 1: Top-5 exported goods in million Euros, 2023 (Source: <u>Eurostat</u>)

Top-5 exported services from France to New Zealand

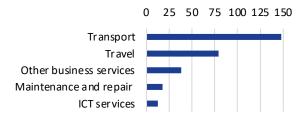


Figure 2: Top-5 exported services in million Euros, 2022 (Source: Eurostat)



Trade in goods

In 2023, French goods exports to New Zealand exceeded €520 million, led by machinery and transport equipment, totalling over €290 million. This was followed by food and beverages (€85 million) and chemicals and related products (€72 million). The EU-NZ FTA brings significant tariff eliminations, enhancing French firms' competitiveness across these and other sectors.



Machinery and transport equipment

Road vehicles (€97 million) are the main exports for machinery and transport equipment, followed by industry-specific machinery (€75 million), such as tractors (€50 million); and other transport equipment (€40 million), mainly including air- & spacecraft equipment (€30 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 8703.80.10), previously 10%, is now 0%.



Food and beverages

For food and beverages, alcoholic beverages (€39 million) are the top exports, mainly including wine of fresh grapes (€31 million). This is followed by dairy products (€14 million), mainly including whey & modified whey (€11 million); and **feeding stuff for animals** (€13 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 sparkling wine, other than champagne (HS 2204.10.12), previously 5%, is now 0%.



Chemicals and related products

For chemicals and related products, medicinal and pharmaceutical products (€21 million) are the top exports. This is followed by essential oils, perfume, and cleaning preparations (€18 million), and chemical products (€18 million), including herbicides, fungicides, and insecticides (€11 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 beauty or make-up preparations (HS 3304.99.00), previously 5%, is now 0%.

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Trade in services

French service exports amounted to €306 million in 2022. Of this, the transport sector accounted for the largest share with €148 million, dominated by sea transport (€143 million).

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

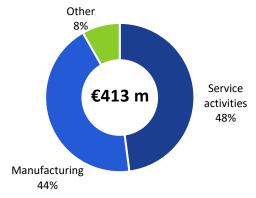


Figure 3: French FDI stock in New Zealand, 2021 (Source: Eurostat)

In 2021, France's foreign direct investment (FDI) stock in New Zealand amounted to €413 million, with the service and manufacturing sector being the primary areas for investment activities. Currently, about 140 French companies are active in New Zealand, primarily carrying out trade and distribution activities.

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

- manufacturing and agricultural machinery
- aerospace
- renewable energy

aligning with France's investment strengths.

French 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 French 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

France's exports of food and beverages to New Zealand ranked second among its export sectors in bilateral trade for 2023, totalling over €85 million. The leading commodities were dairy products (€14 million) for food items, and alcoholic beverages (€39 million), including wine of fresh grapes (€31 million) for beverage items.

The FTA ensures robust protection for 526 French 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 French items include, among others:



Wines: Champagne, Bordeaux, Alsace, Corsica



Spirits: Cognac (grape brandy), Armagnac (grape brandy), Marc du Jura (pomace brandy)



Food items: Camembert de Normandie (cheese), Brie de Meaux (cheese), Jambon de Bayonne (ham)

Public procurement

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

- Expanded market access: French 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 French companies to compete on equal terms with local firms, especially in globally competitive sectors.
- Access to key sectors: French businesses gain entry to a variety of projects, including energy, water, transport, and other 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

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