# EU NZ TRADE AGREEMENT \*\*\*







## **Overview of benefits**



Eliminates customs tariffs for Luxembourg exporters and importers



Improves market access for Luxembourg service providers



Protects distinct Luxembourg food and drink products



**Enables opportunities for** green Luxembourg firms and technology



**Supports Luxembourg** small- and medium-sized businesses to export



Creates opportunities for Luxembourg digital firms to export their services



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



**Facilitates Luxembourg** investments into New **7ealand** 





## Trade in goods and services

Top-5 exported goods from Luxembourg to New Zealand

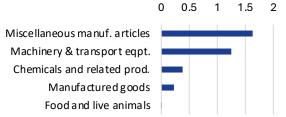


Figure 1: Top-5 exported goods in million Euros, 2023 (Source: <u>Eurostat</u>)

Top exported services from Luxembourg to New Zealand

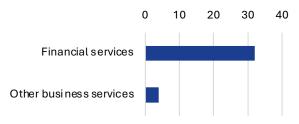


Figure 2: Top exported services in million Euros, 2022 (Source: Eurostat)



### **Trade in goods**

In 2023, Luxembourg goods exports to New Zealand amounted to €3.5 million, led by miscellaneous manufactured articles, totalling €1.6 million. This was followed by machinery and transport equipment (€1.2 million) and chemicals and related products (€0.4 million). The EU-NZ FTA brings significant tariff eliminations, enhancing Luxembourg firms' competitiveness across these and other sectors.



#### Miscellaneous manufactured articles

Miscellaneous articles (€1.5 million) are the main exports, mainly including floor coverings of plastic (€1.4 million). This is followed by professional and scientific instruments (€0.1 million), dominated by measuring instruments; and apparel and clothing articles (€10 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 automated regulating instruments (HS 9032.89.00), previously 5%, is now 0%.



#### Machinery and transport equipment

**Industry-specific machinery** (€0.7 million) are the main exports, mainly including parts for lamp assembling machinery (€0.5 million). This is followed by industrial equipment (€0.3 million), such as valves for transmissions (€0.1 million); and road vehicles (€0.1 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 mixing and processing machines and appliances (HS 8479.82.00), previously 5%, is now 0%.



#### Chemicals and related products

For chemicals and related products, plastics in non-primary forms (€0.4 million) are the top exports, mainly including plates, sheets, film, or foil (€0.3 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 printing ink (HS 3215.19.00), previously 5%, is now 0%.

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### Trade in services

Luxembourg service exports amounted to €43 million in 2022. Of this, the financial sector accounted for the largest share with €32 million.

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

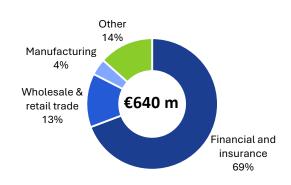


Figure 3: Luxembourg FDI stock in New Zealand, 2022 (Source: Eurostat)

In 2022, Luxembourg's foreign direct investment (FDI) stock in New Zealand amounted to €640 million, with the financial sector being the primary area for investment activities.

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

- financial services
- wholesale & retail trade
- information and communication technology

aligning with Luxembourg's investment strengths.

Luxembourg 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 Luxembourg 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**

Luxembourg's exports of food and beverages to New Zealand ranked fifth among its export sectors in bilateral trade for 2023. The leading commodities were non-specified food preparations.

The FTA ensures robust protection for one Luxembourg wine 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 Luxembourg items include:



## **Public procurement**

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

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

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