EU NZ TRADE AGREEMENT





EU-NZ FTA COUNTRY FACTSHEET PORTUGAL



Overview of benefits



Eliminates customs tariffs for Portuguese exporters and importers



Improves market access for Portuguese service providers



Protects distinct Portuguese food and drink products



Enables opportunities for green Portuguese firms and technology



Supports Portuguese small- and medium-sized businesses to export



Creates opportunities for Portuguese digital firms to export their services



Enables Portuguese firms to bid on public contracts in New Zealand



Facilitates Portuguese investments into New **7ealand**





Trade in goods and services

Top-5 exported goods from Portugal to New Zealand

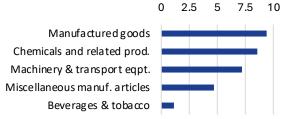


Figure 1: Top-5 exported goods in million Euros, 2023 (Source: <u>Eurostat</u>)

Portuguese service exports to New Zealand 2018-2022

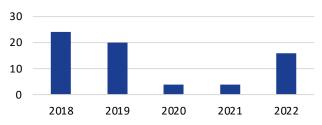


Figure 2: Exported services in million Euros, 2018-2022 (Source: Eurostat)



Trade in goods

In 2023, Portuguese goods exports to New Zealand amounted to €32.6 million, led by manufactured goods, totalling €9.3 million. This was followed by chemicals and related products (€8.5 million) and machinery and transport equipment (€7.2 million). The EU-NZ FTA brings significant tariff eliminations, enhancing Portuguese firms' competitiveness across these and other sectors.



Manufactured goods

Textile yarn and fabrics (€3.4 million) are the main exports for manufactured goods. This is followed by manufactures of metals (€2 million), such as structural metal building parts (€0.9 million); and non-metallic mineral manufactures (€1.1 million), including ceramic tableware (€0.4 million).



Prior to the FTA, tariffs in this sector were as high as 10%, however, these have been eliminated, dropping to $oldsymbol{0}\%$ since the entry into force. For example, the tariff rate for woven fabrics (HS 5806.39.00), previously 5%, is now 0%.



Chemicals and related products

For chemicals and related products, plastics in non-primary forms (\in 7.3 million) are the top exports, mainly including plates, sheets, film, or foil (€7.2 million). This is followed by perfumery and cosmetic preparations (€0.4 million) and **organic chemicals** (€0.2 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%.



Machinery and transport equipment

Road vehicles (€3.5 million) are the main exports for machinery and transport equipment. This is followed by industrial machinery (€0.9 million), including heating and cooling equipment (€0.6 million); and electrical **equipment** (€0.6 million), mainly including static converters (€0.5 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 passenger boarding bridges for airports (HS 8479.71.00), previously 5%, is now 0%.

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Trade in services

Portuguese service exports amounted to €16 million in 2022. This represents an increase in service exports following a decline during the COVID-19-affected years. Of this, the tourism sector accounted for the largest share with €13 million.

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

New Zealand is an untapped market for Portuguese investors, with currently a small number of Portuguese companies active in New Zealand.

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

- textiles and fabrics
- software services
- renewable energy

aligning with Portugal's investment strengths.

Portuguese 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 Portuguese 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

Portugal's exports of food and beverages to New Zealand ranked fifth among its export sectors in bilateral trade for 2023, totalling about €2.2 million. The leading commodities were alcoholic beverages (€1.1 million), dominated by wine of fresh grapes; followed by vegetables and fruit (€0.5 million), including tomatoes (€0.3 million).

The FTA ensures robust protection for 68 Portuguese 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 **Portuguese items** include, among others:



Wines: Vinho Verde, Douro, Alentejano, Lisboa, Bairrada, Algarve



Spirits: Aguardente Bagaceira Bairrada (pomace brandy), Poncha da Madeira (sugarcane rum)



Food items: Salpicão de Vinhais (meat), Azeite do Alentejo Interior (oil), Mel dos Açores (honey)

Public procurement

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

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

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

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