EU NZ TRADE AGREEMENT





EU-NZ FTA COUNTRY FACTSHEET ROMANIA



Overview of benefits



Eliminates customs tariffs for Romanian exporters and importers



Improves market access for Romanian service providers



Protects distinct Romanian food and drink products



Enables opportunities for green Romanian firms and technology



Supports Romanian small- and medium-sized businesses to export



Creates opportunities for Romanian digital firms to export their services



Enables Romanian firms to bid on public contracts in New Zealand



Facilitates Romanian investments into New 7ealand





Trade in goods and services

Top-5 exported goods from Romania to New Zealand

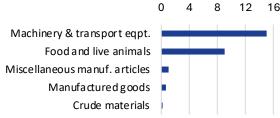


Figure 1: Top-5 exported goods in million Euros, 2023 (Source: <u>Eurostat</u>)

Top exported services from Romania to New Zealand

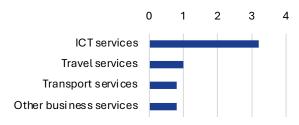


Figure 2: Top exported services in million Euros, 2022 (Source: Eurostat)



Trade in goods

In 2023, Romanian goods exports to New Zealand exceeded €26.1 million, led by machinery and transport equipment, totalling €15 million. This was followed by food and live animals (€9 million) and miscellaneous manufactured articles (€1 million). The EU-NZ FTA brings significant tariff eliminations, enhancing Romanian firms' competitiveness across these and other sectors.



Machinery and transport equipment

Road vehicles (€12 million) are the main export for machinery and transport equipment, followed by electrical apparatus (€1.8 million), such as switches, relays, and fuses (€0.8 million); and power-generating machinery (€0.4 million), dominated by steam-generating boilers.



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 other electrical sound and image equipment (HS 8543.70.90), previously 5%, is now 0%.



Food and live animals

For the category food and live animals, cereals and flour preparations are the sole exports (€9 million), mainly including unmilled maize (€8.4 million), followed by bakers' wares, such as bread (€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 filled food preparations containing cocoa (HS 1806.31.00), previously 5%, is now 0%.



Miscellaneous manufactured articles

Footwear (€0.4 million) is the main export. This is followed by miscellaneous articles (€0.3 million), including parachutes and rotochutes (€0.2 million); and apparel and clothing articles (€0.2 million), such as knitted and crocheted shirts (€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 upholstered seats with metal frames (HS 9401.71.00), previously 5%, is now 0%.

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Trade in services

Romanian service exports amounted to €5.9 million in 2022. Of this, the ICT sector accounted for the largest share with €3.2 million, dominated by **computer-related services** (€3.2 million).

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

New Zealand is an untapped market for Romanian investors. Currently a small number of Romanian companies are active in New Zealand, operating in the ICT and energy efficiency space.

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

- renewable energy, particularly geothermal energy
- food processing
- transportation and logistics

aligning with Romania's investment strengths.

Romanian 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 Romanian 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

Romania's exports of food and beverages to New Zealand ranked second among its export sectors in bilateral trade for 2023, totalling about €9 million. The leading commodities were cereals and flour preparations (€9 million), including unmilled maize (€8.4 million); and bakers' wares, such as bread (€0.5 million).

The FTA ensures robust protection for 56 Romanian 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 **Romanian items** include, among others:



Wines: Recaș, Târnave, Cotnari, Banat, Dealurile Transilvaniei



Spirits: Tuică de Argeș (plum brandy), Pălincă (fruit spirit), Vinars Murfatlar (grape brandy)



Food items: Telemea de Ibănești (cheese), Salam de Sibiu (pork sausage)

Public procurement

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

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

New Zealand Europe Business Council

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