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NZ-India Comprehensive Free Trade Agreement Outreach Team Ministry of Foreign Affairs & Trade | Manatū Aorere Wellington Via Email

14th April 2025

Tēnā koe,

Re: Launch of Comprehensive Free Trade Agreement Negotiations between New Zealand and India

Export New Zealand (ExportNZ) welcomes the opportunity to comment regarding the launch of negotiations for a Comprehensive Free Trade Agreement (CFTA) between New Zealand and India.

India is fast becoming one of the world's major economies. With a young, professional population, expanding consumer markets, and a rapidly diversifying economic base – the growing Indian market is a largely untapped opportunity for New Zealand exporters. ExportNZ believes that a comprehensive free trade agreement between New Zealand and India is genuinely of strategic and economic importance to New Zealand.

As an organisation that has consistently advocated for a free and fair international trading system, values international cooperation, and promotes opportunities for economic growth, ExportNZ **strongly supports** the launch of negotiations between New Zealand and India for a comprehensive free trade agreement.

Overall, we expect New Zealand negotiators to deliver on what is outlined in the India-New Zealand Joint Statement (17 March 2025), which is a,

"Balanced, ambitious, comprehensive, and mutually beneficial trade agreement to achieve deeper economic integration."

For New Zealand exporters, this means an Agreement that delivers commercially meaningful outcomes for all New Zealand exporters from day one of the Agreement coming into force. Over the course of the past two decades, New Zealand has always negotiated trade agreements with a wide, inclusive mandate. We are innovators and world leaders when it comes to free trade agreements, and we are proud of the inclusive nature of the past

negotiations and upgrades to older deals. With that in mind, ExportNZ and our export community expect no less.

Market Access for Goods & Mechanisms for Non-Tariff Barriers

There are significant opportunities for New Zealand's commodity exports (including dairy, sheep meat, horticultural produce, and wood and timber products) to meet rising demand in the Indian market, particularly among its growing middle class. However, these opportunities remain largely untapped due to a combination of high tariffs, a complex and often unpredictable regulatory landscape, and the widespread use of non-tariff barriers (NTBs). These barriers add considerable cost, delay, and uncertainty for New Zealand exporters, reducing competitiveness and discouraging market entry.

While reducing tariff barriers should be a priority for New Zealand negotiators, tariff elimination will not deliver meaningful market access unless accompanied by strong commitments to address NTBs. While we defer to individual industry groups to provide negotiators with the details on their sector-specific challenges, ExportNZ strongly believes that addressing the cumulative effect of NTBs across sectors must be a core focus of the CFTA.

The agreement should not only commit both countries to enhancing transparency, certainty, and regulatory cooperation but also include enforceable mechanisms for discussion and resolution. We recommend establishing a government-to-government committee on NTBs with formal consultation processes, timelines for response, and a framework for escalating unresolved issues. This would provide a vital platform for addressing barriers in real-time and ensuring that the commitments made under the FTA translate into practical, on-the-ground outcomes for exporters.

Services and Digital Trade

ExportNZ supports a forward-leaning, future-ready chapter in the CFTA that enables genuine commercial outcomes for New Zealand's services and tech exporters. This should include:

- Commitments to enable cross-border digital trade, including unhindered data flows and prohibitions on unjustified data localisation requirements.
- Provisions to ensure fair and transparent regulatory treatment for foreign service providers.
- Agreements on the mutual recognition of professional qualifications in key sectors such as education, architecture, engineering, health, and consulting.
- Support for innovation and R&D collaboration, especially in areas like AI, clean tech, and climate resilience.

We also urge the establishment of a dedicated digital and services trade dialogue mechanism, which would allow New Zealand and India to engage regularly on evolving regulatory issues, grow industry engagement, and proactively address barriers before they become entrenched.

Such a mechanism would signal a shared commitment to building a modern, inclusive trade relationship that reflects the realities of 21st-century commerce.

ExportNZ is increasingly concerned about the threat to the WTO Moratorium on Imposing Customs Duties on Electronic Transmissions, and the lack of progress on the WTO e-Commerce Joint Statement Initiative. We understand that, among others, India has been one of the most vocal in ending the moratorium. We would hope that through negotiations for a New Zealand-India CFTA, negotiators would be able to advocate for the continuation of the moratorium and for India to support the free and open digital economy.

New Zealand - India Investment

ExportNZ and the Business New Zealand Network have consistently supported the role of foreign investment in driving economic growth and innovation in New Zealand. In the context of an NZ–India CFTA, we would expect to see investment provisions that are consistent with those negotiated in New Zealand's previous trade agreements.

Specifically, we believe that Indian investors seeking to do business in New Zealand, and New Zealand investors entering the Indian market, should be subject to the same investment thresholds and screening criteria as investors from other partner countries. A level playing field will help foster mutual confidence, ensure regulatory consistency, and encourage greater two-way investment.

Support for Other Submissions

As a member of the New Zealand International Business Forum (NZIBF), ExportNZ supports the contribution made by the NZIBF on the NZ-India CFTA Negotiations. We also support the submissions made by ExportNZ Advisory Board members (Annex 2.) and our colleagues on the NZIBF Board, as listed in their submission.

Yours Sincerely,

Joshua Tan

Executive Director

Export New Zealand

ANNEX 1.

About Business New Zealand

<u>BusinessNZ</u> is New Zealand's largest business advocacy body, representing:

- Regional business groups EMA, Business Central, Business Canterbury, and Business South,
- Major Companies Group of New Zealand's largest businesses,
- Gold Group of medium-sized businesses,
- Affiliated Industries Group of national industry associations,
- ExportNZ representing New Zealand exporting enterprises,
- ManufacturingNZ representing New Zealand manufacturing enterprises,
- <u>Sustainable Business Council</u> of enterprises leading sustainable business practice,
- <u>BusinessNZ Energy Council</u> of enterprises leading sustainable energy production and use,
 <u>Buy NZ Made representing producers</u>, retailers and consumers of New Zealand-made goods.

BusinessNZ is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the makeup of the New Zealand economy.

In addition to advocacy and services for enterprise, BusinessNZ contributes to Government, tripartite working parties and international bodies including the International Labour Organisation (<u>ILO</u>), the International Organisation of Employers (<u>IOE</u>) and the Business and Industry Advisory Council (<u>BIAC</u>) to the Organisation for Economic Cooperation and Development (<u>OECD</u>).

About Export New Zealand

ExportNZ is a national industry association representing a diverse range of exporters throughout New Zealand. ExportNZ is a division of BusinessNZ, New Zealand's peak business advocacy body. We are a membership organisation and have approximately 2,000 export members around the country.

ExportNZ advocates for, inspires, connects, and celebrates New Zealand exporters. We aim to build a thriving ecosystem that supports each other.

We are exporters helping exporters.

BusinessNZ Network



ANNEX 2.

Export New Zealand Advisory Board Members

- 1. David Boyd, Foot Science International (Chair)
- 2. Katherine Rich, Business New Zealand
- 3. Justine Arroll, Fonterra
- 4. Ché Bliss
- 5. Ann Clifford, New Zealand Trade & Enterprise (ex-officio)
- 6. Kristy Grant, Lane Street Studios
- 7. Stephen Jacobi, Jacobi Consulting
- 8. Yannis Naumann, Zespri International
- 9. Dan Sullivan, Douglas Pharmaceuticals
- 10. Michael Whitehead, Tap-In Ventures