



Trade Works



SUBMISSION TO THE MINISTRY OF FOREIGN AFFAIRS AND TRADE AN OPEN PLURILATERAL ON NON-TARIFF BARRIERS

June 2025

Introduction

1. This submission is made on behalf of the New Zealand International Business Forum (NZIBF) and Export New Zealand (ExportNZ).
2. NZIBF is a multi-sector organisation representing larger export sectors and key business associations, with strong representation from the agriculture, horticulture, processed food, wine, and seafood industries. These sectors all face non-trade barriers (NTBs) including, inter alia, a varied mix of quotas, import licensing, product standards, and technical regulations which are increasingly being used to restrict trade and protect domestic industries. NZIBF's members are listed at Annex A¹.
3. ExportNZ, a division of Business New Zealand, is a national industry association representing New Zealand's diverse range of export sectors throughout the country. ExportNZ's advisory board is listed at Annex B¹.
4. NZIBF and ExportNZ welcome this opportunity to provide comment on the proposed NTB plurilateral. NZIBF and ExportNZ have consistently focused on the negative impact of NTBs, both in our ongoing engagement with MFAT and in formal submissions on FTAs. For example, in our submission on the India free trade agreement (FTA) negotiations in April 2025 we noted our hope that after its conclusion "*only robust and at most minimally trade-restrictive non-tariff measures, designed to meet legitimate policy objectives, [will] remain in place.*"² Our organisations also welcome the steps MFAT has taken to address NTBs through the <https://www.tradebarriers.govt.nz> website and regular reporting of outcomes.

Executive Summary

5. Non-tariff barriers (NTBs) are "non-tariff measures" (NTMs) applied before, at or beyond the border in a way that is more trade restrictive than necessary. NTBs are increasing in prevalence and impact as tariffs have declined over time. They impose major costs on New Zealand's most competitive export sectors and also apply in the digital sphere.

¹ The view in this submission is that of NZIBF and ExportNZ. Individual members may have different views on specific issues covered in this submission.

² NZIBF, *Submission to the Ministry of Foreign Affairs and Trade on a Comprehensive Free Trade Agreement with India*, April 2025

6. Addressing NTBs can be complex and time-consuming. Useful work has been undertaken in APEC to propose a non-binding set of principles which could be promoted to other partners. The proposed plurilateral approach is a novel one, but its success will depend on whether major trading partners can be persuaded to join and whether the focus of the plurilateral addresses the range of NTBs identified in this submission. The pursuit of a plurilateral approach should not come at the expense of the existing, legally binding agreements and resources allocated to bilateral approaches.

Definition

7. The contemporary trade environment does not just involve tariffs at the border, but also increasingly a plethora of NTMs as part of the trade policy measures used by economies to organise and regulate markets. Many of these measures are in place to achieve legitimate goals, such as the protection of human, animal or plant health or safety, transparency or quality assurance, or to regulate a particular aspect of the functioning of the market. NTMs can become NTBs, either because the way they are designed or implemented is more trade-restrictive than necessary to meet a legitimate objective (whether intentionally or unintentionally), because they are discriminatory (between trade partners or between imported or domestically produced products), or because they are deliberately designed to keep imports out of a market.
8. As such NTBs often seek to advantage domestic producers over competitors from other markets by adding costs, time delays or other barriers to market entry. NTBs lower competitiveness for business, raise prices for consumers, distort trade flows and inhibit investment. They can be particularly burdensome for MSMEs and can curtail the ability of all firms to participate effectively in global value chains. These impacts can occur even where cross-border activity is not the target, or where a legitimate policy objective is intended. NTBs are notoriously difficult to identify, address and remove and this requires close co-operation between government agencies and business.

Sectoral impacts

9. Research by the economic consultancy Sense Partners in 2024 found that NTBs fall most heavily on New Zealand's meat, processed foods, and dairy products sectors, placing a particularly heavy imposition on some of our most important exporters. Another report, for the Meat Industry Association (MIA), estimated that NTBs impose a \$1.5 billion cost on New Zealand meat exporters each year³. Evidence from the wood products sector to a recent Select Committee enquiry reveals that logs and timber products also face a

³<https://mia.co.nz/wp-content/uploads/2024/11/Red-Meat-Sector-Exports-Factsheet-2024.pdf>

wide range of measures which add cost, confusion and complexity and are a significant impediment to growth in New Zealand's wood product exports⁴.

10. Members of both NZIBF and ExportNZ report that a variety of NTBs impact goods exports. The most significant of these are⁵:

- a. Tariff rate quotas and related overly complex administrative procedures
- b. Subsidies, incentives and discretionary loans or tax rebates offered to competing domestically produced products
- c. Discriminatory requirements for product or factory approvals prior to shipment
- d. Discriminatory sanitary and phyto-sanitary requirements
- e. Discriminatory labelling requirements which do not follow international norms
- f. Lack of recognition of international standards.

11. NTBs also exist in the digital sphere⁶. Technical standards, such as product labelling requirements, including for verification of product certifications, are becoming more significant as countries begin to introduce digital or e-labels. Global trade interoperability will increasingly require the use of common international digital standards. Without coordinated action, the world risks raising yet more trade barriers as national regulators use local standards coupled with customised proprietary technologies. What is required is the use of International Standards Organisation (ISO) standards that are technology neutral.

12. International standards form the foundations for interoperability for building the national public digital infrastructure, as advanced in the Government's digital government strategy⁷. Action such as that recommended by the Asian Development Bank (ADB)⁸ to recognise and adopt common international digital standards for e-labelling may not only reduce future trade barriers but also accord with the government's digital strategy.

Addressing NTBs⁹

10. Significant work to address the proliferation of NTBs has been undertaken, with New Zealand leadership, by the APEC Business Advisory Council (ABAC). ABAC's Cross-Cutting NTB Principles were adopted with minor modification on a voluntary and non-binding basis by APEC Ministers in 2018. These provide a strong point of reference for ensuring legitimate NTMs do not become trade-distorting NTBs and can be promoted and

⁴ Wood Processors and Manufacturers Association (WPMA) submission to New Zealand Foreign Affairs, Defence and Trade Select Committee, October 2024. WPMA is an associate member of NZIBF.

⁵ This list is illustrative only.

⁶ This material has been supplied by NZIBF associate member GS1.

⁷ <https://www.digital.govt.nz/digital-government/strategy/strategy-summary>

⁸ *Harnessing Digital Transformation for Good*, Asian Development Policy Report, May 2025

⁹ This section and those following draw on work undertaken by the New Zealand Members of the APEC Business Advisory Council (ABAC) whose work we acknowledge.

applied in the plurilateral context. NZIBF and ExportNZ applaud and support ABAC's continuing efforts in this area. The following summary of principles adopted by APEC shows that non-tariff measures:

- should be transparent, consultative and timely, resulting in predictable, coherent, and non-discriminatory application, and information about non-tariff measures should be publicly available;
- should be consistent with APEC member economies' commitments and obligations as members of the WTO;
- should be no more trade-restrictive than necessary to meet a legitimate objective, and where appropriate, should focus on outcomes, rather than mandating prescriptive approaches;
- should be based on relevant international standards, where appropriate, and should be developed in accordance with relevant WTO agreements or committee recommendations;
- should not arbitrarily or unjustifiably discriminate against imported products;
- should not pose unwarranted barriers to the development of new technologies that drive innovation; and
- a regulatory impact analysis could be considered as a tool to assess consistency with the principles stated above.

Proposed plurilateral

13. The proposal to use a plurilateral mechanism to address NTBs is a novel way to address a major issue for exporters. It confirms the innovation with which New Zealand trade policy makers are approaching contemporary trade issues. NZIBF and ExportNZ welcome this new thinking and continuing attention to NTBs. There are, however, practicalities to bear in mind.
14. The success of any plurilateral depends very much on the number and trade weight of participants. A major consideration would be whether New Zealand's major trading partners in the Asia Pacific region and Europe are participating – without the involvement of significant economies the impact of the plurilateral will likely be curtailed. Ideally participants should also share a common understanding about the impact of NTBs and how they be tackled and if possible avoided. Developing wider acceptance of APEC's Non-Binding Principles might provide a useful place to start.
15. Our organisations understand that in practice, members of the plurilateral would use the Arrangement *“to share lists of NTBs (with any commercially sensitive information removed), best practices in their resolution, and coordinate diplomatic efforts to address non-tariff barriers in third party markets”*. Reaching agreement on prioritising NTBs to be tackled could prove difficult. It would be necessary to include participants facing a similar range of NTBs, including, from New Zealand's perspective, those applying to the meat, processed foods, dairy products and wood processing sectors.

16. NZIBF and ExportNZ are mindful of the opportunity cost of pursuing an NTB plurilateral. New Zealand already has an extensive, legally binding set of agreements with a range of trade partners. These are designed to harmonise rules and standards, provide mechanisms for challenging, clarifying, or disputing NTBs, and are a channel of communication between competent authorities. NZIBF and ExportNZ would not want to see scarce trade policy resources diverted from bilateral efforts to address NTBs with major partners, including in the context of these existing and legally binding agreements. This suggests close attention should be paid to the business case and potential trade-creating value of the plurilateral.

Recommendations to the Ministry of Foreign Affairs and Trade

17. NZIBF and ExportNZ recommend that the Ministry:

- a. **note** the NZIBF and ExportNZ's support for continuing government action to address NTBs which restrict trade
- b. **note** that NTBs represent a significant cost for the goods export sector and apply also in the digital sphere
- c. **note** that work undertaken by ABAC and APEC provides a useful point of reference for ensuring legitimate NTMs do not become NTBs
- d. **note** NZIBF and ExportNZ's view that the success of the proposed plurilateral will depend on such features as the extent to which the membership includes significant trade partners for New Zealand, whether the focus of the plurilateral could apply to the major categories of NTBs identified in this submission
- e. **note** NZIBF and ExportNZ's view that pursuit of a plurilateral approach should not come at the expense of the extensive, legally binding set of agreements that are already in place or divert resources away from the mechanisms under these agreements or other bilateral approaches
- f. **continue to consult** with industry stakeholders as the work programme for a possible plurilateral is developed further.

For further information

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**NZ International Business Forum & Export New Zealand
June 2025**

Annex A

Executive members of the NZ International Business Forum

1. Philip Gregan, (Chair) Chief Executive, NZ Winegrowers
2. Catherine Beard, Director, Advocacy, BusinessNZ
3. Raewyn Bleakley, Chief Executive, NZ Food and Grocery Council
4. Kimberly Crewther, Executive Director, Dairy Companies' Association of New Zealand
5. Michael Fox, Head of Global Public Affairs, Zespri International
6. Sirma Karapeeva, Chief Executive, Meat Industry Association
7. Karen Morrish, Chief Executive, NZ Apples and Pears
8. Mike Pretty, Non-Executive Chairman, Kraft Heinz
9. Katherine Rich, Chief Executive, Business NZ
10. Geoff Rolleston, Chair, Māori Kiwifruit Growers
11. Sarah Salmond, Partner, Minter Ellison
12. Tim Silverstone, General Counsel and General Manager, Corporate Affairs, Sealord Group Ltd
13. Alan Thomson, Chief Executive, Beef + Lamb NZ
14. Reuben Tucker, General Manager, Institutional and Business Banking, Westpac
15. Simon Tucker, Director, Global Stakeholder Affairs, Fonterra

Alternate members are listed on the NZIBF website at www.tradeworks.org.nz

Annex B

Export New Zealand Advisory Board Members

1. David Boyd, Owner & Director, Foot Science International (Chair)
2. Katherine Rich, Chief Executive, Business New Zealand
3. Justine Arroll, General Manager – Trade Strategy, Fonterra
4. Ché Bliss, Independent Director
5. Kristy Grant, Chief Executive & Co-Owner, Lane Street Studios
6. Stephen Jacobi, Director, Jacobi Consulting
7. Yannis Naumann, Global Communications Manager, Zespri International
8. Dan Sullivan, General Manager – Regulatory Affairs, Douglas Pharmaceuticals
9. Michael Whitehead, Founder & Principal, Tap-In Ventures
10. Ann Clifford, Director - Customer Capability, New Zealand Trade & Enterprise (Ex-Officio)