

ExportNZ Trade News & Advocacy Update

July 2025

Trade & Export News Update

India-New Zealand FTA Negotiations Rolling Along

New Zealand's negotiating team is in India for the second full round of negotiations since the process resumed at the time of the Prime Minister's visit to India.

It appears that positive progress is being made, but achieving a high-quality result in dairy is proving elusive. Considerable creativity from both sides will be required to get an early result in this negotiation.

India is also negotiating a "deal" with the United States. The details of this will be interesting to study. It may have implications for what might be possible for New Zealand to achieve in this market.

Gulf Cooperation Council-New Zealand FTA – Final Touches

Work continues on the implementation of the FTA with the Gulf Cooperation Council once this is signed and enters into force. A number of events are being planned to highlight new opportunities created by this agreement. We understand that Minister McClay is contemplating more travel to the region and that he might take a business delegation with him on at least one of these trips.

CPTPP/EU/MERCOSUR Mega Agreement?

Continuing uncertainty caused by US trade policies is driving up interest in building relations with CPTPP amongst non-members. The EU in particular is talking about investing more in relationships in Asia and CPTPP is constantly being mentioned. Interest is also apparent from Brazil and other members of Mercosur in Latin America. Where this interest will lead is still very uncertain.

United States – Deals, Tariffs, and Trump

US policy remains fluid, and there is much uncertainty about where policy will settle. "Deals" with the UK, China, Vietnam and Indonesia have been announced, while several other countries are still in negotiations with the United States. A "deal" with India is rumoured to be imminent. Much to their surprise a number of countries received letters advising that tariffs would be applied to their trade if a "deal" was not finalised by 1 August. Canada seemed

particularly surprised to be advised that a 35% tariff was being proposed for all goods not conforming to USMCA (formerly NAFTA) rules.

To date the following letters have been sent threatening new tariff rates from 1 August:

European Union 30%	Brunei 25%	Libya 30%
Mexico 30%	Philippines 20%	Algeria 30%
Iraq 30%	Sri Lanka 30%	Cambodia 36%
Moldova 25%	Brazil 50%	

Those who have not been negotiating deals are apparently going to receive a "letter of account" soon. This will set out the rate that they will pay on 1 August. Most countries are expected to have a 10% duty imposed.

The completed "deals" with Vietnam and Indonesia are very one-sided. They apply 20% and 19% tariffs respectively. In return the US apparently gets full free access to the other market. This could well have implications for New Zealand exporters to these markets who currently enjoy better access than the US due to CPTPP (Vietnam) and AANZFTA (Indonesia).

Meanwhile, President Trump is continuing to introduce sectoral tariffs. A 50% tariff on copper imports was the most recent addition. This joins the existing tariffs on steel and aluminium, and automobiles and parts. It has been suggested that tariffs on pharmaceutical products will be announced soon. A range of studies is underway, including possible tariffs on wood and lumber. These are due for completion before the end of the year.

There is considerable debate in the US about the legality of some of the tariffs that have been announced. The sectoral tariffs are possibly justifiable, but the broad tariffs announced on 2 April, "Liberation Day", are looking vulnerable in court. These were reduced to an across-the-board 10% pending the negotiation of "deals". Should these tariffs be ruled illegal, there is the possibility that tariffs paid will have to be refunded.

To date, New Zealand has additional sectoral tariffs on steel, aluminium, automobiles and auto parts, plus the base 10% tariff. New Zealand is not seeking a "deal" and is not threatening any retaliation against the US.

Although tariffs have been announced, then altered temporarily by President Trump, the fact is that US tariff levels are much higher than they were before. Tariff revenue is flowing through and helping the Government's books. They are also beginning to impact inflation.

Trade & Export Advocacy Update

Canada-NZ dairy dispute: A Win for Exporters [Press Release]

ExportNZ is pleased to see a years-long dairy dispute between Canada and New Zealand resolved, unlocking higher export value for Kiwi business.

Executive Director Josh Tan says the outcome is a win for New Zealand dairy exporters, and a win for the rules-based trading system.

"It's essential that our trade agreements function as they were agreed to - particularly in the current global trade context. Likewise, our trade partners should ensure they are playing by the rules.

"Canada remains a valuable trade partner to New Zealand. In agreeing to meet its obligations under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Canada has guaranteed better market access for Kiwi exporters and we commend them for honouring this agreed outcome.

"ExportNZ acknowledges the Minister for Trade and Investment and our New Zealand officials, for their persistent effort to reach the right outcome under the CPTPP agreement."

Open Plurilateral on Non-Tariff Barriers – Ministry of Foreign Affairs & Trade [COMPLETED]

- ExportNZ, alongside the New Zealand International Business Forum (NZIBF) submitted on MFAT's recent consultation on a possible open plurilateral negotiation aimed at removing non-tariff barriers (NTBs).
- ExportNZ wrote in support for continued government action to address NTBs that restrict market access.
- We also affirmed that NTBs represent a significant cost and barrier to the goods export sector, and there are also NTBs that apply to digital exports.
- While ExportNZ supports the work to address NTBs, we do not believe that the pursuit of such a plurilateral agreement should divert resources or focus away from other trade agreements or plurilateral agreements.
- ExportNZ pledged to continue working with MFAT and other government agencies as the plurilateral initiative continues to develop.

See the [full submission here](#).

Gene Technology Bill – Health Select Committee [ONGOING]

- ExportNZ and the New Zealand International Business Forum (NZIBF) submitted a written submission to the Health Select Committee regarding the proposed Gene Technology Bill.
- In late June, the ExportNZ Advisory Board met with the Minister responsible for the Bill, Hon. Dr Shane Reti to discuss the Bill and the issues raised in our submission.
- The minister acknowledged ExportNZ's submission to Select Committee and emphasised the need for industry leadership in managing market access issues.
- Select Committee report due late July 2025.
- Ongoing development of secondary legislation and operational detail in parallel to the process for the first Gene Technology Bill.
- ExportNZ Advisory Board members believe more engagement with the Minister is required to ensure the right market access protections are in place.

ExportNZ DHL Export Barometer Survey 2025

- ExportNZ's annual barometer survey was open for responses from 1 to 30 June.
- The survey received a total of 477 responses with 333 complete responses.
- ExportNZ/BusinessNZ will produce a report highlighting key insights from the survey and will work with DHL on the report release.