

# ExportNZ Trade News & Advocacy Update November 2025

## **Trade & Export News Update**

It has been another busy month on the trade policy front. Arguments have been made before the US Supreme Court on the legality of the Trump Administration's Liberation Day tariffs; some tariff rates have been changed unilaterally, India's commerce minister and a business delegation have visited New Zealand, Trade Minister McClay has taken trade missions to China and India, and CPTPP has been active.

## **Crunch time for tariffs – United States of America**

The politics of tariffs has been changing in the United States. It has taken a while, but the Liberation Day tariffs have begun to impact prices. This, as anticipated, has had a negative impact on consumer sentiment and has also been reflected in recent election results. Liberation Day tariffs on beef and a number of other agricultural products have been removed. Kiwifruit and avocado exports have also benefited from these changes.

Given the importance of beef and kiwifruit to our exports to the United States, this change is very positive for these two industries. ExportNZ had welcomed the decision, however, we maintain that New Zealand goods exports complement US domestic production and should never be targeted by the 15% extra tariff they incur in the US.

But all may not be good news.

Perhaps anticipating a negative judgment in the Supreme Court, the American Sheep Industry Association has formally requested an investigation under sections 201 and 202 of the US Trade Act. The US sheep industry claims that sheep meat imports have surged by 45% between 2000 and 2023 and that local producers have lost market share. Decisions taken under the Act would not be affected by any Supreme Court Judgement on the Liberation Day tariffs and any tariff applied could be higher (or lower) than the 15% tariff that has been applied as part of the Liberation Day policy.

It is possible that other US industries will seek protection from the remedies available under the Trade Act should the Supreme Court rule against the Administration.

The Supreme Court decision may not be out until early next year.

## **New Zealand-India activity intensifies**

A fifth round of negotiations on the India FTA has been held. Significantly, Indian Minister of Commerce Piyush Goyal and a business delegation visited New Zealand. Most recently, Trade Minister Todd McClay has led a timber industry delegation to India and has had follow-up talks with his Indian counterpart.

There is always some theatre to trade negotiations. And as negotiators tend to be very tight-lipped, some degree of tea leaf reading is necessary to judge what progress might be being achieved. The India FTA is no exception.

In this case, it is clear that activity is intensifying. And the level of Ministerial interaction is unusually high. This is all consistent with a negotiation getting close to the endgame. Minister Goyal would probably not have come to New Zealand if negotiations were not seen to be making good progress. All reports suggest that the vibes for the Goyal visit were excellent.

Recent activity seems to support the view that India is disconcerted by the tariffs that have been imposed by the US and wants to diversify markets through the negotiation of new FTAs. And it is wanting to demonstrate that the way India negotiates FTAs has changed. Suppose an outcome can be achieved with New Zealand. In that case, this will achieve a speed record for the Indian negotiating team, and it might encourage other larger markets to come back to the Indian negotiating table.

Specialist trade journalists are reporting that the New Zealand side is confident of negotiating a commercially meaningful outcome to this negotiation and that this will be a bigger deal than the early harvest outcome between Australia and India.

The outcome on dairy products is unlikely to be fantastic, but the signs are that an outcome to negotiations may be possible in the first half of 2026.

## **CPTPP accessions TBD**

The CPTPP Ministers and Senior Officials will be meeting in Melbourne 21 and 22 November.

The meeting aims to achieve outcomes in four areas.

- 1) The first is on the General Review of the agreement. Several members have been disappointed with the limited scope of the general review and the cautious position of some other members. Some changes will be agreed in Melbourne.
- 2) The second is accessions. Costa Rica's accession has taken far too long. It is finally likely to be approved. Market access has proved to be the issue and negotiations are ongoing.

- 3) The third is the launch of new negotiations. A number of economies have now applied for membership. Most recently, the Philippines, Uruguay, and Indonesia have joined Taiwan, China, Ecuador, and Ukraine as applicants. And all are possible candidates for the next accession negotiation.

Multiple negotiations are possible, but some seem more comfortable with one negotiation taking place at a time.

- 4) The final outcome is the launch of dialogues. Dialogues will be launched with ASEAN and the EU. Of these, the EU-CPTPP is the most interesting. This is not a negotiation at this stage, but a dialogue discussing the scope of what might be possible in due course.

### **APEC and the East Asia Summit**

The Prime Minister and some Ministers attended the end-of-year ASEAN and APEC summits in Malaysia and Korea at the start of the month. Both visits were very much overshadowed by superpower politics, with the focus being on President Trump and his summit with Chinese leader Xi Jinping. Trump interestingly, did not attend any of the APEC summit itself.

For New Zealand it was encouraging to see some of the heat come out of the China-US relationship with the US reducing tariffs on Chinese imports by 10% and by suspending, for a year, policies that would have penalised goods entering US ports on Chinese owned or Chinese made vessels (a significant quantity of New Zealand exports to the US travels on Chinese made vessels).

The Prime Minister had good meetings with many regional leaders and had a brief meeting with President Trump.

### **Todd McClay in China**

Trade Minister McClay led a delegation of over 80 New Zealand companies to Shanghai. The companies were attending the China International Import Expo. More than 20 Memorandums of Understanding or supply agreements were signed between New Zealand and China and this was also an opportunity to showcase the recently launched "grass-fed standard" for meat exports.

In a press release, the Trade Minister stated that deals and partnerships worth \$450 million had been signed between New Zealand and Chinese companies.

### **European Union-New Zealand success**

New Zealand exports to the EU have grown by over 30% in the last year. This growth has been assisted by the FTA coming into force and by a growing sense of partnership between the EU and New Zealand.

This was very evident at the first NZ-EU Summit held in Auckland in late October. EU Trade Commissioner Maroš Šefčovič attended the summit along with many EU and regionally based EU business leaders. Maroš Šefčovič will be back in the region this week to attend the CPTPP-EU dialogue in Melbourne.

There is talk of a summit being held in the EU sometime in mid-2026. Watch this space.

## **Australia back at #2**

Australia was, for many years, New Zealand's major export market. It was overtaken by China some years ago, and then in 2024, the United States overtook Australia as our second-largest goods export market. Maybe as a result of slower growth into the US because of higher tariffs, Australia has in the last two months reclaimed second spot.

Australia is by a large margin New Zealand's largest tourism market. 1.64 million Australians travelled to New Zealand in the year ending September 2025.