Trade Sustainability Impact Assessment in support of FTA negotiations between the European Union and New Zealand

Final Inception Report

10th of May 2019

Prepared by BKP Economic Advisors
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ABSTRACT

The European Commission has commissioned a Sustainability Impact Assessment (SIA) in support of the free trade agreement (FTA) negotiations between the European Union and New Zealand. The SIA is aimed at providing a robust analysis of the potential economic, social, human rights and environmental impacts that the trade agreement under negotiation could have, in the EU and New Zealand and in other relevant regions and countries. It also encompasses a continuous and wide-ranging consultation process which to ensure transparency and the engagement of all relevant stakeholders in the conduct of the SIA inside and outside the EU. The goal of the SIA is to provide an integrated, independent, evidence-based, transparent, participatory, and proportionate study on the potential effects of the EU-New Zealand FTA.

This Inception Report presents the methodology and approach for the SIA, including the plan for the stakeholder consultations. The approach is structured as follows. Following a description of the state of play with regard to the economic, social, human rights and environmental situation, the overall potential impact of the FTA will be assessed both quantitatively and qualitatively (including through feedback from civil society); this will also include the effects for SMEs and gender equality. Complementing the overall analysis, five sector studies and up to six cases studies will provide more in-depth assessments of the FTA's impact.

ACRONYMS

ACCSR	Australian Centre for Corporate Social Responsibility
APEC	Asia-Pacific Economic Cooperation
BEUC	Bureau Européen des Unions de Consommateurs
CBD	Convention on Biological Diversity
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CEDAW	Committee on the Elimination of Discrimination against Women
CESCR	Committee on Economic, Social and Cultural Rights
CFR	Charter of Fundamental Rights
CGE	Computable General Equilibrium
CRC	Convention on the Rights of the Child
CSD	Civil Society Dialogue
CSR	Corporate Social Responsibility
CV	Curriculum Vitae
DG	Directorate-General
EC	European Commission
ECHR	European Convention on Human Rights
EDGAR	Emissions Database for Global Atmospheric Research
EEAS	European External Action Service
EESS	Electrical Equipment Safety System
EU	European Union
FDI	Foreign Direct Investment
FRA	Fundamental Rights Agency
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GVC	Global Value Chain
HDI	Human Development Index
HRW	Human Rights Watch
ICCPR	International Covenant on Civil and Political Rights
ICPED	International Convention for the Protection of All Persons from Enforced Disappearance
ICRMW	International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
ILO	International Labour Organization
IPR	Intellectual Property Rights
ISG	Inter-Service Steering Group
IT	Information Technology
LDC	Least Developed Country
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
LSE	London School of Economics Enterprise
MBIE	Ministry of Business, Innovation and Employment
NGO	Non-Governmental Organization
NIA	National Interest Analysis
NTM	Non-Tariff Measure
NZ	New Zealand
OECD	Organisation for Economic Cooperation and Development
OP-CRC-CI	Optional Protocol to the Convention on the Rights of the Child on a Communications Procedure
OP-ICESCR	Optional Protocol to the International Covenant on Economic, Social and Cultural Rights
PACER	Pacific Agreement on Closer Economic Relations
PARC	Partnership Agreement for Relations and Cooperation
RoO	Rules of Origin
SDG	Sustainable Development Goal

SIA	Sustainability Impact Assessment
SME	Small and Medium Sized Enterprise
TBT	Technical Barriers to Trade
TEU	Treaties of the European Union
TFEU	Treaty on the Functioning of the European Union
TiVA	Trade in Value Added
ToR	Terms of Reference
TPRM	Trade Policy Review Mechanism
TSD	Trade and Sustainable Development
TSIA	Trade Sustainability Impact Assessment
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Development and Trade
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNICEF	United Nations International Children's Emergency Fund
US	United States
WEgate	Women's Entrepreneurship Gate
WIOD	World Input Output Database
WTO	World Trade Organisation

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Caveat: The preliminary analysis in this report is based on the Commission's computable general equilibrium (CGE) simulations undertaken at the time of the impact assessment. Given the developments regarding the United Kingdom's exit from the EU, the Commission has decided to update the modelling. As the updated results are not yet known, findings presented in later reports prepared in relation to this sustainability impact assessment may differ from those in the present report.

1. INTRODUCTION

1.1. Objectives and key features of SIAs

1.1.1. Objectives

The European Commission, DG Trade, under Multiple Framework Contract TRADE2017/A5/01 has issued a Request for Services TRADE 2018/C2/C07 to provide "Sustainability Impact Assessments (SIA) in support of the free trade agreement (FTA) negotiations between the European Union and New Zealand, and between the European Union and Australia". As is clear from the Terms of Reference (ToR), the SIA consists of two equally important and complementary components (ToR, p. 5):

- A robust analysis of the potential economic, social, human rights and environmental impacts that the trade agreement under negotiation could have, in the EU, in the partner country(ies) and in other relevant countries;
- A continuous and wide-ranging consultation process, which ensures a high degree of transparency and the engagement of all relevant stakeholders in the conduct of the SIA inside and outside the EU.

From the ToR it is also clear that the SIA has to be integrated, independent, evidence-based, transparent, participatory, and proportionate. The SIA work is carried out in parallel to the ongoing negotiations and as such:

- Feeds into a position paper drafted by the Commission services focusing on the impact and measures proposed for the negotiations and FTA;
- Allows negotiators to reach out to the research team to ask for specific issues/clarifications relevant for the negotiations and for draft results of the ongoing work to reach the negotiators.

Three relevant framework sources for doing a SIA are the Handbook for Trade Sustainability Impact Assessments (2nd Edition), the Better Regulation Package, and the Guidelines on the analysis of Human Rights impacts in impact assessments for trade-related policy initiatives. All three sources are used as frameworks in this study.

1.1.2. Key features

In line with the abovementioned Handbook for Trade Sustainability Impact Assessments, the key features of this study are:

- An integrated approach to assessing the impact of the EU-NZ FTA based on the four sustainability pillars: economic, social, human rights and environmental;
- Engagement in the EU and New Zealand with key stakeholders, including civil society, providing important inputs into the study;
- A relative focus on where the potential effects are expected to be largest (absolute, relative);
- A multi-pronged approach – combining quantitative analysis, gravity regression work, with qualitative approaches like literature reviews, expert and stakeholder interviews, and survey work;
- Apart from an overall analysis, providing deep sectoral dives (of five prioritised sectors) and in-depth analyses in the form of case studies;
- Develop useful policy recommendations, including flanking measures, for the negotiations and potential EU-NZ FTA.

1.2. List of key issues for the EU-New Zealand negotiations

The list of key issues for the EU-New Zealand negotiations will continue to be developed as the study progresses. Based on a first outreach to stakeholders and based on starting work on baselines for the sustainability pillars, we present the following non-exhaustive first list of important issues:

- From an economic perspective the analysis of the sectors of ruminant meats and dairy are interesting to focus on.

- From the human rights baseline analysis, the impact on the rights of indigenous populations (land and property rights that refer to the compliance with the principle of free prior and informed consent) needs to be studied further, also in the context of the topic of business and human rights. This is because this matter may be directly related to companies' activities on the territories owned or traditionally used by indigenous populations.
- The social baseline analysis suggests that despite progress, gender gaps remain on the labour market in both the EU and New Zealand, in terms of employment rate, pay, occupied positions, and the number of hours worked. Moreover, men and women tend to have different sectorial preferences in choosing jobs and setting up enterprises, which means that a new FTA may affect them differently in their roles of workers and entrepreneurs. Accordingly, the analysis will pay attention to the impact of the FTA on women and gender equality. Preliminary findings also suggest that job quality is an issue in some sectors, which are likely to be affected by the new FTA, including ruminant meat, dairy products, fruits and vegetables, and utilities, including construction. These rank high as regards the number of accidents at work and are characterised by low to medium wages, low presence of trade unions (notably in agriculture) and identified cases of exploitation of migrant workers.
- Preliminary findings on the possible impact of the new FTA on environment suggest that right to clean environment, right to water and right to health may potentially be affected and may be proposed for further analysis to define specific vulnerable groups and investigate the details of the impact.
- Methane (CH_4) and nitrous-oxide (N_2O) emissions contribute significantly to New Zealand's overall GHG emissions (43% and 12% of all GHG emissions in New Zealand respectively). The sector's that are majorly responsible for these emissions (mainly agriculture) are likely to be strongly affected by the FTA (from the ex-ante IA) and therefore warrant a closer analysis.
- Changes in the pressure on biodiversity, particularly on endemic species present in New Zealand should be investigated in a post EU-NZ FTA world, amongst others via the changes expected in land use, land use change and forestry (LULUCF).

1.3. Structure and workplan of the EU-New Zealand Trade SIA

1.3.1. Structure of the project

The project is structured along two dimensions:

- From broad to narrow analysis, starting with the overall analysis, and then turning to sector and case study work, ending with policy recommendations and flanking measures.
- From the perspective of each of the four sustainability pillars: economics, social, human rights, and environmental.

Unlike previous Trade SIAs, which had three phases, the study consists of two: an Inception Phase and a main analysis phase (see Figure 1.1 below) leading to a Final Report. A progress and update meeting will be held to present and discuss provisional findings.

1.3.2. Workplan of the study

The findings and recommendations of this study need to be available well in advance of the conclusion of the EU-NZ FTA negotiations in order to feed into those same negotiations. That is why activities have been front-loaded: submission of the draft inception report within less than 1 month of the kick-off meeting, submission and discussion of draft work/chapters with civil society no later than 3 and 4 months after the kick-off meeting, respectively. The draft final report will be submitted in month 6, allowing time to review and discuss the draft findings with the Commission well within the overall 10-month duration deadline for the project as indicated in the ToR. Figure 1.2 below presents the overall study workplan.

Figure 1.1: Project structure and phases

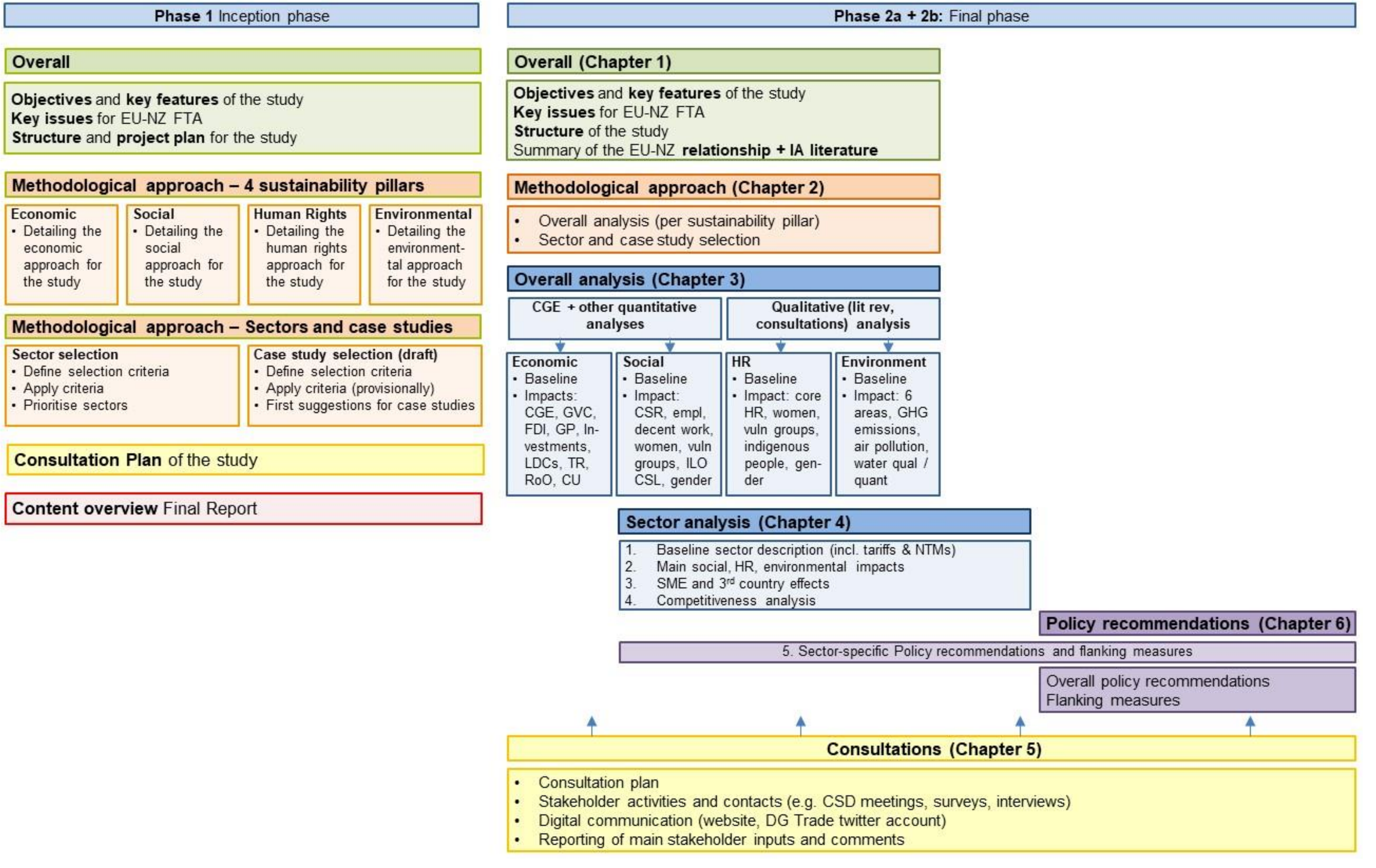

Figure 1.2: Workplan for the study

Project Activities	Time (weeks)																			
	0*	**2**	**4**	**6**	**8**	**10**	**12**	**14**	**16**	**18**	**20**	**22**	**24**	**26**	**28**	**30**	**32**	**34**	**36**	**38**
Kick-off meeting	16/1																			
Work on Inception Report (first sector sel, litrev, screen/scope, etc.)																				
Draft Inception Report			6/2																	
Overall analysis																				
Economic analysis									6/5											
Social analysis									6/5											
Human Rights									6/5											
Environmental analysis									6/5											
Sectoral Analysis																				
Selection sector and case studies																				
Economic analysis									6/5				5/7							
Social analysis									6/5				5/7							
Human Rights									6/5				5/7							
Environmental analysis									6/5				5/7							
Case study work													5/7							
Policy recommendations and flanking measures													5/7							
Consultation process																				
- Consultation plan (incl. identification stakeholders)			6/2																	
- SIA dedicated website			6/2																	
- Stakeholder interviews / meetings											10/6									
- Online surveys/questionnaires open (1 general, 1 specific)											10/6									
- Civil Society Dialogue meetings + presentations (2x)							4/4										4/9			
- Steering Group meetings (4x)	16/1						4/4										4/9			
Draft Final Report													5/7							
Final Report																		18/9		

* The start of the project is the envisaged date of the Kick-off Meeting (t=0)

2. PROPOSED METHODOLOGICAL APPROACH

Our overall approach to the study is presented in Figure 1.1. In the four sections of this Chapter we explain how each of the sustainability pillar approaches will be carried out.

2.1. Detailing the economic approach

The starting point for the economic analysis in this report is the economic modelling undertaken by the Commission (in the study supporting the impact assessment carried out by LSE Enterprise, 2017), which is an appropriate and accepted approach for analysis of trade agreements dealing with traditional issues of cross-border trade in goods and services. The economic variables for focus include trade flows (bilateral exports and imports; exports and imports to the rest of the world; investment; output; prices; welfare and GDP; and fiscal revenues. Further analysis, in subsequent reporting, will be based on the revised CGE simulation results from DG Trade. The analysis will include both scenarios (modest and ambitious) and also include a discussion on the limitations of the modelling (e.g. pertaining to preference utilisation and not including innovation/dynamic FDI effects). A stronger focus will be placed on New Zealand because the anticipated effects of the FTA are much larger there than in the EU in relative terms, due to the different sizes of the two economies.

We will build on this analysis by providing a qualitative and to the extent possible, quantitative, assessment of the main non-tariff measures (NTMs), investment and other behind-the-border issues of particular relevance to the EU-NZ FTA. An example is New Zealand's Electrical Equipment Safety System (EESS) that applies to the import of all electrical equipment and requires various testing, documentation and certification procedures, imposing direct and indirect costs on EU SMEs.

Since these issues are addressed in quite some detail in the ex-ante study, our SIA will identify, describe and analyse the remaining tariff barriers and NTMs affecting trade relations between the EU and New Zealand. The focus of this analysis will be qualitative, since a quantitative treatment would require an extension to the CGE modelling, which has not been requested, and the quantitative analysis already undertaken has largely exhausted the possibilities of the existing CGE model. We anticipate that information on NTMs will emerge primarily from stakeholder consultations and multilateral and bilateral monitoring (e.g., the WTO TPRM and US Special 301), as well as business surveys (including the surveys undertaken as part of the SIA). We will also pay attention to any NTMs in the area of intellectual property rights including Geographical Indications, a priority area for the EU in its FTAs.

We will complement this qualitative analysis by undertaking quantitative assessment of government procurement and investment liberalization under the EU-NZ FTA. We will do this by estimating structural gravity models of procurement and investment separately, using data on public imports from the World Input Output Database (WIOD; Timmer et al., 2015) over 2000-2014 and data on bilateral FDI from the OECD and UNCTAD over 2000-2017, respectively. The economic analysis will also describe the government procurement and FDI landscapes in the EU and New Zealand, including for major sectors; the important legislative requirements governing liberalization in each case; as well as the opportunities and challenges that EU SMEs will face in accessing New Zealand's procurement market at all levels, especially SMEs involved in the main sectors.

On rules of origin (RoO), the economic analysis will include an overview of RoO practices in New Zealand, highlighting whether there have been any recent RoO violations (issues with certificates/fraud; verification issues), thereby providing an assessment of the capacity to administer RoO. Complementary information will be collected through interviews with stakeholders, notably customs and traders. A focus will be put on SMEs, both in the EU and New Zealand (noting that both have different definitions of SMEs which we will also cover), with regard to their experience with the RoOs, in order to identify options for a simplified RoO regime for SMEs in the EU-NZ FTA.

The assessment of the impact of the EU-NZ FTA on SMEs will be based on (i) the investigation, study and interpretation of the project results on implications of legal uncertainty for SMEs in case dispute resolution is needed; and (ii) the "SME test" reflecting the "think small first principle" suggested in the ToR and described in the Better Regulation Guidelines. The analysis will focus on identifying the sectors where SMEs could be more strongly impacted by the EU-NZ FTA.

With respect to GVC integration, the analysis will use the OECD-WTO Trade in Value Added (TiVA) database to establish the current position of New Zealand in GVCs, and particularly value chains involving EU firms. We will also identify the characteristics in terms of (i) the sectors in which GVCs play a particular role for New Zealand; (ii) the role which New Zealander and EU firms play in value chains involving both partners, i.e. whether they are value chain organisers or participants in value chains organised by third parties; (iii) the importance of backwards and forwards linkages and the position of FTA partner firms in the chain; and (iv) the potential contribution which the FTA may have on the strengthening New Zealand's participation in GVCs. We will then estimate the effect of preferential liberalization in the EU-NZ FTA on bilateral backward and foreign participation by estimating a structural gravity model using TiVA data from the OECD over 2000-2011.

We will also complement these quantitative estimates with a qualitative analysis based on information provided by private sector organisations to identify important sectors from a GVC-participation perspective and to identify options on how the FTA could facilitate GVC involvement, such as through a particular focus on intermediates or business services, which are important for GVC development.

Geographically, the effects of the EU-NZ FTA will be determined for the following regions/countries: New Zealand; the EU; the EU Outermost Regions; Turkey; and LDCs. To the extent possible, the analysis of effects will be quantitative, using CGE results and statistical analysis of the main trade links and changes in tariffs.

In assessing the effects of the EU-NZ FTA on the EU's Outermost Regions, as well as on LDCs, we will add value to existing studies by (i) looking at the PACER Plus group and this sub-group of LDCs in more detail; and (ii) analysing the impact on the EU's outermost regions for the first time at all. The methodology involved will entail a sector-disaggregated analysis. In a first step, the CGE model results will be used to determine the sectors in the EU and New Zealand that would benefit (or lose out) from the FTA in terms of increased (or decreased) bilateral exports, total exports and output. In a second step, a matching analysis will be undertaken to examine the extent to which the most affected sectors in the two partner countries are also export sectors in LDCs/outermost regions (to either New Zealand or the EU). If there is competition, then LDC/outermost region sectors could be negatively affected through preference erosion and/or increased competitive pressure on third markets. The effects will be determined qualitatively, distinguishing, if applicable, the countries or regions, which might be positively or negatively affected by the EU-NZ FTA.

2.2. Detailing the social approach

The social analysis seeks to respond to the question of how a reduction of tariff and non-tariff barriers between the Parties via signing the EU-NZ FTA, and how the resulting changes in output of individual sectors and export and import activities, may affect a range of social aspects in the EU and New Zealand. We also seek to determine potential direct and indirect social impacts of other provisions of the future FTA, e.g. on Technical Barriers to Trade (TBT) or Trade and Sustainable Development (TSD).

Our approach consists of three steps:

- **Step 1:** We develop an overview of the current situation, i.e. an analysis of the social relationships in the EU and New Zealand, recent trends in the analysed social aspects (e.g. employment) and factors influencing them.
- **Step 2:** We identify impacts of the future FTA, for the whole economy and chosen sectors, based on the economic model, literature review, statistical data and broad stakeholder engagement.
- **Step 3:** We provide recommendations for policy initiatives and accompanying measures.

In Step 1, the analysis of the current situation has been based mainly on literature review and analysis of statistical data. This includes e.g. the annual reporting about the situation on the labour market provided by the European Commission (draft 2019 EU Joint Employment Report) and the New Zealand's Government, and OECD analysis concerning skills levels in New Zealand compared to other OECD countries. This is accompanied by data from the Labour Survey processed by EUROSTAT and Stats NZ. Data regarding job quality includes reports prepared by specialised agencies, such as Work Safe NZ regarding e.g. the number and type of accidents at work. The section on consumers, welfare, poverty and inequality relies on many sources. These include statistical data on wages; analysis done by Government experts (the Treasury) concerning expected changes in wage levels; data provided by the European Commission, OECD and the New Zealand Ministry of Social Development regarding poverty and inequality; and information about actions taken to reduce poverty levels. Rights at work are analysed based on the reports of the ILO monitoring body and the Committee of Experts; other types of international monitoring and reporting, such as Global Slavery Index or reports by the US Department of State; and surveys and studies carried out by researchers from Auckland University focused on cases of exploitation of migrant workers. We have also used reports provided by the European Commission, the New Zealand's Office for Disability Issues, the European Parliament and the OECD concerning the situation of disabled workers and rate of trade union membership in the EU and New Zealand. Surveys conducted by Mastercard, MYOB (provider of payroll solutions and business software for companies in New Zealand), non-governmental organisations, and a study funded by the European Commission have been used in the analysis of uptake of corporate social responsibility practices and women's activity as entrepreneurs. They have been complemented by statistical data from EUROSTAT and Stats NZ, and by information about international initiatives, under the auspices of the WTO, UNECE and APEC joined by the EU and New Zealand. A full list of sources has been provided in the bibliography (Annex I).

The starting point for Step 2, the analysis of impacts, will be provided by the ex-ante study and the Commission's Impact Assessment Report, both detailing outcomes of the economic model, such as estimated changes in employment levels, wages, welfare and Consumer Price Index. We will refer to them in our Report. This will be complemented by further literature review, notably in the sectorial part of the analysis, as well as by a comprehensive stakeholder engagement. In Annex III, we provide a non-exhaustive list of the most relevant stakeholders from the EU and New Zealand, we would like to get in touch with while Chapter 3 of this Report outlines details of stakeholder consultation activities which will cover all pillars of our study, including the social one. We will use meeting opportunities, surveys and interviews to get additional insights into the situation and trends in individual sectors and analysed social aspects, and to validate our findings. Our analysis at this stage will be guided as well by the Better Regulation toolbox, and a discussion with negotiators involved in talks on the EU-NZ FTA.

In Step 3, we will provide recommendations, which are discussed more in detail at the end of this section.

The analysed types of impacts, in line with the ToR, cover employment levels, women (as workers, entrepreneurs, traders and consumers), consumer welfare (including inequality and vulnerable groups), job quality, rights at work, corporate social responsibility (CSR), and public policies (e.g. social protection, healthcare and education). We sum up in a very concise manner each of these impact areas below.

Employment levels: The current situation analysis describes the labour markets in the EU and New Zealand. It provides data on employment and unemployment rates for different groups of workers (e.g. skilled and unskilled ones, youth, older workers or indigenous people), trends in job creation across sectors and skills levels, and shares of individual sectors in the total employment. It informs about actions taken by the governments to enhance employability of vulnerable groups of workers and to support skills development. At the following stage, we will assess quantitative impacts of the future FTA on the number of jobs to see how a reduction in barriers to trade will influence performance of individual sectors in EU and New Zealand and how this may translate into a potential job creation or a reduction in each sector and a shift of labour force between them. The analysis based on the economic model used by the Commission will provide data for skilled and un-skilled workers across all sectors and under two scenarios which assume liberalisation and increased liberalisation of trade, respectively. Matched with the analysis of sectorial shares in total employment, it will provide an idea of the expected scale of changes induced by the agreement. Based on the available data, we will also estimate whether the Parties have conditions in place to seize the opportunity offered by an FTA to increase sectorial output and employment.

Women (workers, entrepreneurs, traders and consumers): The current situation describes how women in the EU and New Zealand are treated and act on the labour market as workers, the areas of their economic activity as entrepreneurs and participation in international trade, across sectors. It compares data for men and women to determine the level of gender equality across a range of indicators. It also refers to challenges faced by women in their roles and steps taken by the governments to address them. At the next stage, based on the results of the economic modelling, we will estimate the likely changes in employment levels across sectors and how they will impact employment of women compared to men (given that each gender has its own pattern of shares in employment across sectors). In a similar way, we will examine changes in output of individual sectors to be induced by an FTA and how this may influence operation of women-led enterprises active in these sectors compared to the businesses led by men, whose activity may be concentrated in other sectors. Finally, based on the estimated changes in trade performance of the individual sectors, we will analyse what effects this may have on women as traders, knowing sectors in which they operate and types of traded products or services. Supported by stakeholder consultations and other sources, our recommendations will provide proposals supporting gender equality in trade and addressing challenges faced by women in their roles in the context of the new FTA. Although we describe this issue here, women (as with SMEs) will be treated at a higher level in the report structure to highlight the importance of the issue.

Consumers, welfare, levels of inequality and impacts on vulnerable groups: The starting point is an overview of the situation of different groups of population in the EU and New Zealand with a focus on those exposed to risk of poverty and social exclusion, in a breakdown by education levels, main sources of income, household composition, etc. It also provides data related to inequality levels expressed by the ratio of incomes between the richest and the poorest 20 percent of the society. We outline moreover trends in wage levels and have at disposal further information concerning other factors influencing welfare, such as housing prices or changes in types and level of social benefits. At the next stage, based on results of the economic modelling, we will estimate impacts of the future FTA on wage and price levels, welfare and inequality. Moreover, using stakeholder consultations and analysis of textual proposals tabled in negotiations, we will draw conclusions regarding broader impacts of an FTA on consumers, including availability of goods and services, their quality and safety, and consumer information and trust. We note that European consumer organisations have published recommendations for the future EU-New Zealand FTA.

Job quality: We start by providing an overview of job quality indicators (where available, across sectors) in the EU and New Zealand, including types of contracts, the number of working hours per week, and the number and type of accidents at work. At the next stage, we will apply analysis of statistical data and qualitative analysis, supported by literature review and stakeholder consultations to estimate if the future FTA will be likely to have an impact on job quality, in sectors mostly affected by changes in output and trade flows. Therefore, the analysis of impacts on job quality will be carried out as part of the sectorial analysis. To the extent relevant information and data will be available, we will identify more precisely trends in job quality and factors influencing them in each of the analysed sectors to establish the potential scale and direction of changes which may be induced by the FTA.

Rights at work: The description of the current state of play and the following impact analysis will be centred around four ILO core labour standards, i.e. 1) non-discrimination at work, 2) elimination of child labour, 3) prohibition of forced labour, 4) freedom of association and the right to collective bargaining. In the context of non-discrimination at work, we provide information about the situation of people with disabilities and migrant workers on the labour market in EU and New Zealand. We may extend it e.g. by moving from the general part of the analysis data related to the situation of indigenous people on the labour market. The description of the current situation also indicates examples of sectors where cases of child labour and forced labour have been identified. Moreover, it outlines trends in trade union membership across sectors and factors, which have induced observed changes.[1] We also have at disposal further information about planned or taken actions meant to address identified challenges (e.g. to facilitate access to work for people with disabilities or to eliminate cases of forced labour and exploitation of migrant workers in agriculture or fisheries). Collected evidence has also supported the choice of sectors for a more detailed analysis. At the next stage, jointly with further literature review and stakeholder consultations, it will help us determine the likely scale and direction of impacts of the future FTA on the respect of rights at work in EU and New Zealand in the whole economy and in the most affected sectors. At that stage, we will also cross-reference our findings in this section with those related e.g. to poverty levels, given that children, people with disabilities, indigenous people and migrants may be affected by multiple types of impacts, including changes in employment levels, income and prices. In this part of the analysis, we will, moreover, consider potential impacts related to inclusion of a Trade and Sustainable Development (TSD) chapter into the future EU-New Zealand FTA.

Corporate Social Responsibility (CSR) and global value chains: A preliminary description of the current situation will be further developed at the next stage to provide insights into CSR practices in EU and New Zealand and factors encouraging their use. The latter may include policy or legislative incentives, image valued by customers, practice of the lead company in the value chain or of the headquarters influencing actions of branches based in other countries. This combined with stakeholder consultations, will provide an idea of the likelihood and type of potential impacts of the future FTA. We will also seek to determine if cooperation activities proposed in a TSD chapter, such as joint projects or workshops, may encourage peer learning in the area of CSR between business and civil society representatives from EU and New Zealand.

Public policies: social protection, healthcare and education: The main part of the analysis in this section will seek to identify whether the FTA through changes in tariff rates (and the related public revenues), revenues (e.g. taxes and social security contributions) and expenditures (e.g. social benefits) will influence the availability and accessibility of public services and their quality. We will also examine if e.g. through TBT or IPR provisions (e.g. on medical devices and pharmaceuticals) it may influence the availability of services.

At the final stage of our analysis, based on the outcomes from Step 1 and Step 2, we will provide recommendations aimed at strengthening expected positive and mitigating potential negative impacts, which may result from the new FTA. Our aim will be to finish the work early enough to inform the ongoing negotiations. With this in mind, we will divide our recommendations into two parts. The first one will provide proposals to be taken into consideration in the course of negotiations, e.g. through inclusion of a specific text or approach. We will be ready to discuss these proposals with the Commission representatives

[1] We will look, for example, at whether the non-ratification of ILO fundamental convention C87 is a factor.

involved in negotiations. The second set of recommendations will be more forward looking and may suggest actions to be taken by one or both Parties at the stage of implementation of the future FTA or as part of their ongoing policy development.

2.3. Detailing the human rights approach

This section provides a summary of the detailed approach envisaged for the analysis of the impact of the proposed Agreement on human rights in both New Zealand and the EU. We intend to follow a five-step approach that reflects upon the human impact assessment methodologies (De Schutter, 2011) and EC Guidelines on the analysis of human rights impacts in impact assessments for trade-related policy initiatives (European Commission, 2015). Step 4 will feed into the three main steps of the analysis throughout all the stages of the project. Step 5 will be based on all the other steps of the analysis.

Figure 2.1: Methodological Structure of the Human Rights Analysis

In Step 1, we present a concise overview of the *human rights legal framework* (Tables on the ratification status of the core human rights treaties and core ILO Conventions will be presented in the Annex IV in a tabular manner) and *current human rights situations* reflecting on the pre-existing human rights-related issues of vulnerability in both Parties to the prospective FTA (establish the current state of play). We note this part of analysis has been carried out in the ex-ante study (LSE Enterprise, 2017). Therefore, we will not repeat this work but check and reference its results insofar they are relevant and then extend them when necessary by own research based on additional literature review, consultations with local partners and stakeholders. The non-exhaustive list of stakeholders (see Annex III – that we will continuously expand) will be used frequently throughout the study.

In Step 2, we carry out a screening and scoping exercise to identify specific key human rights/issues that are most likely affected by the proposed EU-NZ FTA. The likely cause-effect relationships between trade and trade-related measures in the FTA and human rights are intended to be drawn from multiple sources (FTA texts,[2] literature review, local partners, consultations, etc.). *Screening* results will be presented in a concise tabular manner due to size limitations of the report but will reflect on the possible direct/indirect

[2] In case the textual proposals for the EU-New Zealand Agreement are unavailable. We will use the textual proposals of the CETA Agreement.

and major/minor impacts as specified in Fundamental Rights Check-List in Tool No. 28 of the Better Regulation Box and the EC guidelines. The *scoping* exercise will clarify the scope and content of the possible impacts pointing out how certain measures can create potential impacts on specific human rights. At this stage we will use a broad survey that will be set out, as well as carry out a limited number of human rights focused interviews with stakeholders set up by our New Zealander counterparts to discuss modelling results and results of the screening and scoping exercises to verify and finetune the analysis.

In Step 3, we will focus on the selected human rights/issues and carry out a detailed quantitative and qualitative assessment of these rights. This will substantiate the potential impact and analyse the extent to which measures foreseen in the proposed Agreement may enhance or impair the enjoyment of the relevant rights and/or may strengthen or weaken the ability of the parties to fulfil or progressively realise their international human rights obligations. We intend to provide specific examples in case studies.

Quantitative analysis will be based on the econometric results and possible additional economic, social and environmental analyses. Based on the data, we can provide insights, both at aggregate and sector levels, on how the EU-NZ FTA could impact both Parties. Different quantitative variables help us with parts of the human rights analysis and provide in some cases a reflection upon the affected individuals and/or groups of people in relevant sectors (impact on vulnerable groups of population). The quantitative analysis will be complemented by qualitative assessment. This assessment relies on additional literature review and extensive inputs from the local partners and stakeholders via surveys, interviews and opportunities to provide feedback on draft versions of our work.

Stakeholder consultations, **Step 4**, as mentioned above, will run through all the stages of the analysis and support, verify and fine-tune the findings and conclusions. They also serve as the most important source of information to get insights into the most recent trends in the human rights situation of vulnerable groups. This allows us to assess the potential FTA impact from the perspective of the people (Danish Institute for Human Rights, 2016). At this stage, human rights-related questions will be prepared for the general survey, which will be available on the website and sent out to the identified stakeholders by mail. We will strive to receive at least 25 detailed responses related to the potential human rights impact in order to have a representative sample. Moreover, we will discuss with the team internally as well as with the ISG whether it is useful to include additional human rights questionnaires that are built on the human rights impact assessment methodology and establish specific groups that may potentially be affected (i.e. 'right-holders') and specific groups that have human rights responsibilities (i.e. 'duty-bearers'). From the experience in a previous SIA, interest of stakeholders has been modest at best.

In Step 5, we propose policy recommendations and flanking measures helping to strengthen the positive and mitigate negative human rights impacts of the EU-NZ FTA on human rights, with a focus on the most vulnerable groups. Recommendations will be prepared at an early stage in the project to be able to check them with the ISG and specific human rights organisations. We are also available to meet with the negotiators when draft stages of the research are completed to provide them with insights in our draft findings and listen to (and possibly incorporate) any requests/questions that come out of the negotiations.

2.4. Detailing the environmental approach

2.4.1. Objective and output

In the environmental impact assessment, we will assess the most significant potential environmental impacts resulting from the EU-New Zealand FTA on both the EU and New Zealand. The environmental analysis will result in a clear and concisely written report detailing, both in a quantitative and qualitative manner, which environmental impacts are likely to occur.

2.4.2. Approach

We will follow a well-structured approach in order to enable an efficient, effective and transparent process to assess the environmental impacts of the FTA. The approach incorporates four elements:

1. **FTA elements** – These are measures in the FTA, which can potentially cause environmental impacts. Identified FTA elements: *Market access* and *Rules*;
2. **Impact channels** – The mechanisms through which the FTA elements can result in environmental impacts. Identified impact channels: *scale effects, structural effects, technology effects* and *product effects* (in line with TSIA handbook);
3. **Impact areas** – The different specific environmental areas, which can be affected by the FTA elements. Identified impact areas: *climate change, air quality, land use and soil, biodiversity, water and waste*;
4. **Research methods** – The methodologies used to assess the impact of the FTA on each environmental impact area. Identified research methods: *quantitative and qualitative analyses*.

The environmental approach can be divided up into three consecutive tasks:

- **Step 1:** Establishing the state of play;
- **Step 2:** Quantitative environmental impact assessment;
- **Step 3:** Qualitative impact assessment;
- **Step 4:** Policy recommendations.

We have identified six main environmental impact areas. Even though the impact assessment on each environmental impact area will rely on both qualitative and quantitative research methods (where applicable), the analyses for the first two impact areas (climate change and air quality) will heavily employ quantitative methods. The analyses on the remaining impact areas will mostly rely on qualitative methods.

Step 1 – Establishing the state of play

Prior to assessing any potential impact of the FTA on the EU and New Zealand, we will describe the status quo of their environmental governance and environmental performance. In practice, this implies for the former that we will describe the environmental legislation in place, the responsibilities of different public authorities regarding environmental policymaking, and the impact of multilateral environmental agreements on the respective trade partners. For the latter, this implies an analysis of environmental performance based on relevant environmental impact area indicators for both the EU and New Zealand. The state of play will be established using existing literature and data as well as stakeholder interviews. Regarding the literature and data, we will extensively use LSE's ex-ante impact assessment and complement this with additional sources from our own research (aided by our New Zealand expert). The stakeholder interviews will serve to gain further insights, validate the work, finetune results and generally increase triangulation. They will cover a representative sample of stakeholders – 4 from New Zealand and 4 from the EU.

Step 1 will result in a one-page description of the state of play per environmental impact area for both the EU and New Zealand (i.e. 12 pages in total[3]). The state of play for the EU will be based on the work from earlier SIAs as much as possible and will only be critically reviewed/updated where needed. This will ensure that our focus lies on the lesser known (to EU negotiators) New Zealand environmental impacts, strengthening the overall quality of our outputs in the process.

Step 2 – Quantitative environmental impact assessment

In Step 2 we will produce quantitative estimates of the EU-New Zealand FTA's impacts on greenhouse gas (GHG) emissions and air pollution that provide more detail than the estimates stipulated in the ex-ante impact assessment. We extend the analysis on GHG emissions by analysing not only CO_2 but also methane (CH_4) and nitrous oxide (N_2O)

3 These will go into Annex 3. A summary of the state of play (2 A4-pages) will be incorporated in the main text of the final report.

emissions. The scope of the impact assessment is further expanded by including an air pollution analysis (i.e. assessing the FTA's impact on the concentration of primary particulates, acidifying gases and ozone precursor gases). These extensions are considered relevant because: (i) CH_4 and N_2O cover approximately 43% and 12% of all GHG emissions in New Zealand[4] and originate from sectors likely to be affected by the FTA; (ii) air pollution had not been assessed before.

The CGE results from DG TRADE do not include results on the impact of the FTAs on CH_4 and N_2O or on any air pollutants. Therefore, it is not fully possible to decompose the overall impact figure into the four drivers from the handbook for trade sustainability impact assessments (scale, structural, technology and product effects) using the extended environmental input-output model underlying the CGE results. However, with the CGE sectoral output results as a basis and gas/pollutant data from the EDGAR database[5], we can approximate:

- **Scale effect**: The effect resulting from a change in the scale of production only;
- **Structural effect**: The effect from a change in the scale of production, considering the different emission intensities across sectors;
- **Technology/product effect**: The effect of exchange of more efficient technologies or production methods, which could affect (lower) the emission intensity.

The scale and structural effects will be assessed quantitatively, the technology/product effect will be assessed qualitatively.

Step 2 will result in the reporting of the quantitative estimates of the impacts of the FTAs on GHG emissions and air quality, in the EU and New Zealand (approximately 4 pages). The overall result will be decomposed into its most relevant key drivers where possible. To the extent feasible, we will extend the analysis by an estimation of the welfare effects (i.e. monetise external costs via NEEDS[6] methodology).

Step 3 – Qualitative impact assessment

In Step 3 we will identify and investigate the most significant environmental impacts that are not yet analysed by means of the quantitative impact assessment from Step 2. Based on the triangulation of inputs from the ex-ante impact assessment, the CGE modelling results and the results from qualitative research (causal chain analysis, interviews and literature review), we will continuously update the impact screening matrix. The impact screening matrix should be as exhaustive as possible, which will ensure that all impactful environmental pressures and opportunities that may arise from the FTA are covered. The matrix is made up of all (CGE) sectors and all environmental impact areas presented in Step 1. If significant impacts are expected in a certain sector or environmental impact area, we will attach so-called "impact alerts" to the corresponding sector and impact area. Based on these impact alerts, we can select (in accordance with DG TRADE) one specific environmental impact area for a detailed New Zealand case study.

The case study represents a more elaborate causal chain analysis for a specific impact area of a country, based on additional literature review and two additional interviews per case study. The case study will be approximately 2 pages in length and cover, at minimum, an introduction, the (qualitative) state of play and counterfactual of the impact area, the potential impacts of the FTA and conclusions/recommendations.

Step 4 – Policy recommendations

Based on Steps 1, 2 and 3, we will come up with relevant and concise policy recommendations and flanking measures. We are also happy to provide draft insights for the negotiators and listen to their issues/questions in order to enhance the relevance of our work for the ongoing negotiations.

[4] Available from: https://emissionstracker.mfe.govt.nz/
[5] Available from: http://edgar.jrc.ec.europa.eu/#
[6] Available from: http://www.needs-project.org/

2.5. Sector selection methodology and proposal

Sector selection methodology

Before the sector selection can start, it is important to consider what constitutes a "sector". For practical reasons, the study team took the definition of sectors as established in the Commission's impact assessment as the starting point. This distinguishes 32 sectors, which in turn have been derived from the 57 sectors defined in GTAP 9.[7] In our proposal, we offer to carry out five sector studies.

In order to identify the sectors that are most important and relevant for the study, the following criteria – looking at both New Zealand and the EU – have been applied:

- **Criterion 1: Importance of a sector for the economy.** This has been measured considering a sector's size in terms of its share in total employment and output/value added.
- **Criterion 2: Magnitude of the FTA's expected economic impact on a sector.** Using the results of the ambitious scenario of the Commission's CGE analysis, the Agreement's impact on bilateral exports and total output has been used and consolidated into one score.
- **Criterion 3: Magnitude of the FTA's expected social, human rights and/or environmental impact.** To assign sectoral scores for the social, environmental and human rights impacts of the FTA, the ex-ante study and the Commission's impact assessment were reviewed, and further information – obtained from the literature, media and stakeholders – has been evaluated and rated by the team.
- **Criterion 4: Importance of specific issues raised by stakeholders and issues of particular relevance/importance/sensitivity from a negotiating perspective**.[8] The goal of the SIA is to generate analytical and stakeholder-driven findings that are relevant for the ongoing negotiations, as well as address those issues which are considered of high importance by stakeholders and civil society in general. Therefore, views of stakeholders have been collected during the inception phase and have informed the sector selection. Such view comprised both the importance of a sector in the economy (including factors such as its role in innovation or its enabling nature for other sectors, both up- and downstream) and the expected impact of the FTA on it. During the study, this selection will be further validated as part of the comprehensive consultations to be undertaken.

As various criteria have been used, the individual scores needed to be **aggregated** into one overall sector score and rank in order to select the five "most important" sectors for the in-depth analysis. This has required assigning weights to the individual criteria. The methodology for this is as follows: First, the scores for New Zealand and the EU in criteria 1 to 3 were weighted equally to calculate average scores for these criteria (i.e. any potential impacts in New Zealand and the EU are considered as equally important). Then, criteria 2 and 3 on the impact of the FTA were considered to be more important than the importance of a sector in the economy (criterion 1) in isolation. This is because, if there is no clearly plausible causal link between the FTA and a sector, the impact on that sector would be definition be negligible, and an in-depth sector analysis would therefore not be warranted – even if the sector is economically very important. Finally, stakeholder contributions (criterion 4) were considered as still more important as they are based on a real-life view of the sectors, whereas criteria 1 to 3 are based on a fairly narrow set of statistical data, CGE simulation results and literature review.

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[7] GTAP sectors in turn are defined with reference to the International Standard Industrial Classification of all economic activities (ISIC) and the Central Product Classification (CPC).

[8] In the technical proposal, this criterion was split into two, Criterion 4: Importance of specific issues raised by stakeholders, and Criterion 5: Issues of particular relevance/importance/sensitivity from a negotiating perspective. However, it has seemed more appropriate to collapse these two criteria into one as the study team is not privy to insight information into negotiations; hence, all information on the status of and issues in negotiations that is conveyed to the study team (e.g. through DGs) is filtered through the informant's views and interests, and such information is thus rather to be considered as a stakeholder contribution.

Finally, to ensure that the selected sectors cover a minimum level of variety and representativity across the economy and social landscape, after the ranking it has been checked that the selected sectors fulfil the following conditions: First, to ensure that gender issues are adequately reflected, the selected sectors need to also cover a balance in terms of male and female employment. Second, the inclusion of sectors with a high share of SMEs was also important. Third, the selected sectors should also cover primary (agriculture/extraction), secondary (industry) and tertiary (services) economic activities.

***Five sectors for in-depth analysis*[9]**

Table 2.1 presents the results of the sector prioritisation. It shows the rating of each sector in relation to each of the selection criteria in New Zealand and the EU, applying a simple 3-scale rating scheme (high/medium/low for each criterion). According to this prioritisation exercise, and considering that a balance between goods and services sectors should be applied, the following sectors are proposed to be selected for a detailed sector analysis:

1. The **ruminant meats** sector is economically important in both New Zealand and the EU and is expected to be affected relatively strongly by the FTA: it is expected to be the sector with the highest growth in exports from New Zealand to the EU in absolute terms and the highest relative growth in New Zealand's output. At the same time, EU output is expected to decrease stronger, in relative terms, than any other sector. This has important social, human rights and environmental effects. Regarding the latter, the sector exerts pressure on the environment in a variety of ways. Apart from the geographically non-exclusive greenhouse gas impact of methane (CH_4) emissions, farming of ruminants causes negative impacts on water quality (sediment run-off) and biodiversity (directly via land-use change or indirectly via sediment run-off). As ruminant meat output and exports are expected to grow significantly under a potential FTA, this merits further analysis. In the EU, impacts vary across regions, but as ruminant meat output overall is expected to decrease under the FTA, this could technically loosen the sector's pressures on the environment in the EU.
2. **Dairy** is the second-highest ranked sector; it is an important sector in both New Zealand and the EU, and the FTA is expected to have a strong impact, with bilateral exports from New Zealand to the EU expected to increase by 134%; the change in trade patterns also has consequences regarding the social, human rights and environmental sustainability. The sector has also been highlighted by several stakeholders as being important in the negotiations, citing issues such as Geographical Indications, treatment of subsidies, and threat of increasing import competition as important issues to be addressed.
3. The **machinery** sector is ranked very highly, given its economic importance, particularly in the EU (criterion 1), significant economic impact of the FTA (e.g. in New Zealand, output is expected to decline by 2.9 percent whereas it will increase in the EU, thanks to a strong increase in bilateral exports. Following from the FTA's economic impact, social and human rights and the environment are also expected to be affected, justifying a more in-depth analysis.
4. The **motor vehicles and transport equipment** sector is also ranked very highly, given its high economic importance, particularly in the EU (criterion 1) and the anticipated high economic impact of the FTA – in New Zealand, output is expected to decline by 2.7 percent, and from an EU perspective, both exports and output are anticipated to increase. Following from the output decline in New Zealand, social and human rights there are also expected to be affected, therefore justifying a more in-depth analysis.

[9] Note the caveat on the CGE modelling results at the beginning of this report. A plausibility check has been undertaken to determine if a change in the sector selection is likely to result from the revised simulations. This has shown that the sector selection is likely to be robust, i.e. would not change in response to the revise modelling.

Table 2.1: Sector prioritisation summary[10]

Sector	Criterion 1: Economic importance		Criterion 2: FTA economic impact		Criterion 3a: FTA social impact		Criterion 3b: FTA HR impact		Criterion 3c: FTA environ-mental impact		Criterion 4: Stake-holder and negotia-ting issues	Rank	Priority for selection
	NZ	EU	NZ	EU	NZ	EU	NZ	EU	NZ	EU			
1 Cereals	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Medium	23	Low
2 Rice	Low	Low	Low	Low	Medium	Low	Medium	Low	High	Low	Medium	23	Low
3 Vegetables, Fruits, nuts	Medium	Medium	High	Low	Medium	Low	Medium	Low	Medium	Low	Medium	8	Medium
4 Oil seeds, vegetable oils & fats	Low	Low	Low	Low	Medium	Low	Medium	Low	Low	Low	Low	23	Low
5 Sugar	Low	Low	Low	Low	Medium	Low	Medium	Low	High	Medium	Medium	23	Low
6 Plant & animal fibres and other crops	Medium	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Low	Low	14	Medium
7 Ruminant meats	High	Low	High	Medium	High	High	High	High	High	High	High	1	High
8 Other animal products	Low	High	Medium	Low	Low	Low	Low	Low	Low	Low	Low	22	Low
9 Other meat	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	21	Low
10 Dairy	High	Medium	High	Medium	Medium	Low	Medium	Low	Medium	Medium	High	2	High
11 Wood and paper products	High	High	Medium	Low	Low	Low	Low	Low	Medium	Low	Low	15	Medium
12 Coal	Low	Low	Low	Low	Low	Low	Low	Low	Medium	High	Low	23	Low
13 Oil	Low	Low	Low	Low	Low	Low	Low	Low	Medium	Low	Low	23	Low
14 Gas	Low	Low	Low	Low	Medium	Medium	Medium	Medium	Medium	Medium	Low	23	Low
15 Minerals	Low	Low	Low	Low	Low	Low	Medium	Low	Medium	Low	Medium	23	Low
16 Fishing	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	23	Low
17 Other food products	Medium	Medium	Medium	Low	Medium	Low	Medium	Low	Low	Low	Low	15	Medium
18 Beverages and tobacco	Medium	Medium	Medium	Low	Low	Low	High	Medium	Low	Low	Medium	11	Medium
19 Textile, apparel, leather	Medium	Medium	Medium	Medium	Medium	Low	High	Low	Low	Low	Low	13	Medium
20 Chemicals, rubber, plastic	Medium	High	Medium	Medium	Low	Low	Low	Medium	Medium	Low	Medium	10	Medium
21 Petroleum, coal products	Medium	Medium	Medium	Low	Low	Low	Low	Low	Medium	Low	Low	19	Low
22 Metal products	High	High	High	Medium	Medium	Low	Low	Low	Medium	Low	Medium	7	Medium
23 Non-metallic minerals	Medium	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	19	Low
24 Motor vehicles & transport equipment	Medium	High	Medium	High	High	Low	Medium	Low	Medium	Medium	Medium	4	High
25 Machinery	High	High	High	High	High	Low	Medium	Low	Low	Medium	Medium	3	High
26 Electronic equipment & other manufacture	Medium	Medium	Medium	High	Low	Low	Low	Low	Low	Low	Low	15	Medium
27 Electricity	Medium	Medium	Low	Low	Low	Low	Low	Low	Medium	Low	Low	23	Low
28 Utility (construction, water)	High	High	Medium	Medium	Medium	Low	Low	Low	Low	Low	Medium	11	Medium
29 Transport	High	High	High	Low	Medium	Medium	Low	Low	High	Medium	Medium	5	High
30 Communication and business services	High	High	High	Medium	Medium	Low	Medium	Low	Low	Low	High	5	High
31 Financial services and insurance	High	High	Medium	Low	Low	Low	Medium	Low	Low	Low	Low	15	Medium
32 Recreational and other services	High	High	High	Medium	Low	Low	Medium	Low	Low	Low	Medium	8	Medium

Source: Prepared by the study team.

[10] For the avoidance of doubt, note that criteria 2 and 3 only assess the anticipated economic, respectively non-economic impact of the modernisation of the FTA on a sector, not the overall impact which sectors have on the economy/social fabric/human rights/environment.

5. **Communication and business services** is economically a very important sector in both New Zealand and the EU, as it contributes a large share to each Party's GDP. Also, the FTA is expected to have a substantial effect on bilateral trade, with already relatively high exports anticipated to increase for both Parties. A specific focus will be placed on professional services, which are part of this sector, and which were also mentioned by stakeholders/negotiators to be of interest due to the market access issues and other issues (such as digital trade) being discussed during negotiations.

2.6. Case study selection proposal

Case study selection methodology
In addition to the sector selection, an important feature of the Trade SIA is that we look at case studies. As indicated in the previous sections, we will spread the case studies across the report linking them to where they fit best in the structure (e.g. a case study that is horizontal (economy-wide) will be place in the general analysis chapter while a case study linked to a sector in the sector-specific part).

The more focused case studies will also allow us to go beyond the modelling results and delve more in depth into potential challenges related to the FTA, such as regulatory issues, and how the various measures considered might impact them. In our proposal we offer to carry out up to six case studies, spread across the different sustainability pillars.

For each of the case studies we intend to cover the following elements:

- Description of the specific issue under investigation in the case study;
- Description of the background/context of that specific issue in the EU and/or New Zealand;
- Quantitative and qualitative assessment of the specific issue;
- Key takeaways and insights regarding the specific issue;

A case study will be limited to 2 pages in size.

The selection criteria for the case studies are different from the ones for the sector selection, because case studies are meant to highlight specific aspects of interest for the negotiations, without being relevant across the economy, relevant for multiple sustainability pillars or significant economically.

The criteria for the case study selection are the following:

- Civil society suggestions and inputs for case study topics;
- Relevance for one or more sustainability pillars;
- Specific/narrow economic effects;
- Relevance for the negotiations.

Compared to the sector selection methodology described in the previous section, the weight of importance of stakeholder consultations is higher for the case study selection because the case studies illustrate and focus the study into directions that do not come out a priori from the quantitative analysis.

Immediately after the Kick-off Meeting (16 January 2019) of the project, we have reached out to stakeholders in New Zealand and the EU to get their inputs into potential case study topics by asking for detailed issues the Trade SIA should focus on. We have repeated this invitation at the Civil Society Dialogue (4 April 2019). Following the outreach to stakeholders in the EU and Australia, we have received 29 responses. Some of them indicated that there were no strong suggestions at this stage, while other submissions pointed to different topics for case study analysis.

The suggestions received have been considered and evaluated against the above-mentioned criteria, as well as, crucially, the probable causal nexus between the FTA and the proposed topic.

Case studies proposed for in-depth analysis

The screening has resulted in the below list of case studies. This means we leave two case study topics open to be decided later based on further civil society inputs or inputs from the Commission regarding relevance of certain topics for the negotiations.

As with the sector selection, to ensure that the selected case studies cover a minimum level of variety and representativity across the economy and social landscape, we also factor in that gender and SME issues are adequately reflected, and that each of the sustainability pillars is included in at least one case study.

- **Biodiversity**, where we will look – based on the precise nature of EU and NZ ecosystems and biodiversity governance and based on the fact that NZ has a high level of endemic biodiversity – at any pressures or alleviating elements emanating from the FTA and what recommendations could help strengthen the positive and mitigate the negative potential FTA effects.
- **Children's rights and poverty** could be analysed based on the preliminary social and human rights descriptions where this issue has surfaced as a challenge for New Zealand.
- **Vegetables, fruits & nuts**, is a sector that matters for New Zealand, but it is not a top-5 sector resulting from the sector prioritisation (see previous section).
- **Aluminium** can be analysed further with respect to the economic impact and following social and environmental effects. This can be linked to the scale – structure – technology-effects looked at in the overall environmental analysis.

3. CONSULTATION PLAN

3.1. Introduction

The objectives of the consultations, as specified in the ToR (p. 18) are:

- To engage with interested parties in order to reflect their experience, priorities and concerns;
- To help identify priority areas and key issues relating to the possible economic, social, environmental and human rights impacts in the negotiations; and, ultimately
- To contribute to the transparency of the SIA analysis, through an open and transparent process where presented results are not carved in stone, but draft outcomes and findings are openly and transparently discussed.

To achieve these objectives, the consultation plan presented in this section foresees an active and systematic engagement with stakeholders, during the entire study period, to share information and findings, gather ideas and suggestions that will enrich the analysis with information "from the ground," and to obtain feedback on draft results and information from stakeholders in the EU and New Zealand.

The consultations will comprise the following components, described in further detail in this section:

- Pillar 1: Digital engagement with key stakeholders: website and other channels (section 3.2);
- Pillar 2: Interviews/meetings with and surveys of stakeholders (section 3.3);
- Pillar 3: Civil society dialogue (CSD) meetings (section 3.4);
- Pillar 4: Meetings with EC officials (section 3.5).

To ensure inclusiveness and, to the extent possible, representativeness of the consultations, a necessary preparatory step in the consultations process is to identify and map stakeholders in the EU and New Zealand; this has been the focus of the study team's consultations activities during the inception period (section 3.2).

3.2. Stakeholder Identification and Mapping

The first step in the consultations process has been to identify the stakeholders in the EU and New Zealand that the team will approach and engage with during the study. This has been carried out based on a definition of stakeholders as "those who are affected by, interested in or in any way related to negotiating, implementing and/or monitoring the trade and investment measures under negotiation, irrespective of their access opportunities to the consultations". For practical purposes, the following types of stakeholders are distinguished:

- Private sector representatives (comprising companies, different types of business associations, and social partners);
- Civil society representatives (comprising non-governmental organisations, NGOs, community groups etc.) with interests in the economic, social, human rights, and environmental sustainability pillars;
- Public institutions (comprising government, EU and other political institutions, agencies, and international organisations); and
- Academia and research (comprising universities, research institutes and think tanks).

An initial database of organisations has been prepared during the inception phase based on the following sources and activities:

- For EU stakeholders, a review of past SIA reports and meetings, participation lists of recent CSD meetings, and the study team's existing database prepared in the context of a recent SIA of another EU FTA;
- For New Zealand stakeholders, the study team's own network of partners has been used.

Additional stakeholders will continue to be identified as the study work progresses. It is hoped that the Commission will also share information about stakeholders in New Zealand which have already shown an interest in the EU-New Zealand negotiations. Stakeholders related to sector analyses and case studies will be identified upon approval of the sector and case study selection. Likewise, stakeholders registering through the website will continuously be added to the database and be kept informed of the study's activities and progress.

Annex III presents the list of organisations identified so far – about 110 in New Zealand and 280 in the EU (excluding individual companies). As can be seen, in New Zealand an effort has been made to identify civil society actors representing the different sustainability pillars.

3.3. Pillar 1: SIA Website and Other Electronic Communication

A **website** dedicated to the SIA has been developed and launched during the inception phase. Its address is: http://www.trade-sia-newzealand.eu.

The website has the following characteristics and functionalities:

- The front page provides a brief summary of the SIA in all EU official languages, as well as a timeline for the study. It also embeds DG Trade's official tweets. Important news will also be presented here in the form of a slider;
- The website has three main sections: One provides important information about the SIA and the sustainability dimensions ("about"); a document repository provides access to study outputs (as they become available), stakeholder contributions and other important documents and sources of information ("resources"); and a section providing information about the various consultation activities ("consultations");
- A "contact" section allows website visitors to leave feedback regarding the study and the website as well as register among the list of stakeholders regularly kept informed about the study development.

Website meta information (description, keywords and information for search engine robots) has been used to ensure that the website will be found easily on search engines in order to increase visitor counts and further impact. The website address is also provided on the social media accounts and will be provided to all contacted stakeholders.

Regarding **social media**, with the objective of increasing outreach it was agreed at the kick-off meeting with the ISG that the study would use the existing Twitter accounts of DG Trade and the EU Delegation in New Zealand to share relevant information about the study and its progress. It is intended that tweets will be posted, at a minimum, at the following stages of the study:

- To announce the publication of the draft reports; and
- To inform about important milestones, such as the start or imminent closure of the online surveys, or upcoming meetings.

Email will be used as a complementary tool to reach specific stakeholders throughout the study. Newsletters will be sent to known stakeholders (i.e. those in the database, unless they have opted out) to inform them, at similar intervals as the tweets, about the progress of the study, as well as to invite contributions and comments, send questions, receive feedback and make appointments for in-depth interviews. Indeed, a first round of email consultations has already taken place during the inception phase, where stakeholders were requested to provide inputs regarding the sector and case study selection.

3.4. Pillar 2: Interviews, Meetings and Surveys

The second pillar for engagement with key stakeholders is via interviews, meetings and (online) surveys; these are primarily aimed at obtaining information and views from stakeholders. The choice between the three different communication channels is determined by the type of information we expect to get. Thus, more technical and sector- or issue-specific information will be obtained from interviews and meetings with targeted stakeholders, whereas more general information, as well as information that is held by large groups of stakeholders, such as consumers or SMEs, will be obtained through surveys.

Interviews and meetings

We plan to conduct a range of interviews and one-to-one meetings with private sector and civil society organisations and other key stakeholders. These interviews will be conducted both in the EU and New Zealand, mostly around the moment another study event (such as the ISG or CSD meetings) takes place, or through skype or video-conference, in order to minimise costs.

In total, we envisage to carry out up to 10 in-depth interviews each with EU and New Zealand key stakeholders. These will be based on a structured questionnaire framework (interview guides) that will be constructed with prior inputs from the economic, social, human rights and environmental experts in both the EU and New Zealand and that will also be coordinated with the SIA ISG. These interview guides will be prepared when the desk research has advanced further.

In addition, meetings with the European Economic and Social Committee are also foreseen to present the study progress and discuss draft outputs. It remains to be determined at which stages of the process these meetings will take place.

Surveys

Two online surveys will be undertaken, with questionnaires available in English, French, and German. These surveys are complementary to the interviews and meetings. The first, general one, aims at obtaining the views of a large group of non-specialist stakeholders, as well as associations and NGOs regarding all sustainability issues related to the FTA, including consumer issues. The second survey targets businesses and aims at obtaining information on the potential impacts of the FTA on firms, in particular SMEs.

A particular challenge for online surveys is to balance the desire for obtaining as much information as possible and the limited willingness of respondents to fill in long and complex questionnaires (and open questions). This is being addressed by reducing the number of questions that any individual respondent has to answer as much as possible, by designing “smart” surveys, where responses provided to certain questions influence the selection of follow up questions. This aims at focussing the questions for an individual respondent on those topics in which he or she has shown an interest.

Questionnaires for the surveys were prepared (Annex II), and have been converted into online survey, following approval the ISG. The online surveys have been launched on EUSurvey in early May; the surveys are planned to be open until 23 June 2019. The surveys are promoted through the SIA’s website and DG Trade twitter accounts (with cross-postings/retweets by followers encouraged) as well as through other existing relevant platforms and newsletters, including the EU Trade Newsletters. The study team will continue to look for other platforms for dialogue and will consult with DG Trade’s social media experts in this regard. In addition, the team’s local experts will reach out to stakeholders to disseminate the survey actively on the ground.

Further, more in-depth contributions from stakeholders will be invited as part of the survey and by email. In this context, the study team has also requested to receive non-confidential versions of the responses to the industry survey organised by the Commission at the start of the negotiations.

3.5. Pillar 3: Civil Society Dialogue Meetings

The third pillar of the consultation process focuses on engaging with civil society in the EU in the context of DG Trade's CSD, a system of regular meetings where civil society and the Commission discuss about EU trade policy issues. Study progress and draft outputs are foreseen to be discussed in CSD meetings at the following stages:

- Discussion of the inception report and preliminary study findings at a CSD meeting (where also be information about progress in 3rd round of the negotiations was provided) on 4 April 2019; and
- Discussion of the draft final report – scheduled for September 2019.

In order to have an effective exchange at the meetings, the materials being discussed are planned to be made available (on the SIA website) at least one week ahead of the CSD meeting so the participants to have time to prepare.

At each of the meetings, the study team will:

- Make a clear and concise presentation (supported by slides) of the work completed to date, draft findings, and the way forward;
- Engage in a constructive discussion with the participants on the progress made and results obtained; and
- Prepare the minutes of the meeting.

3.6. Pillar 4: Meetings with the European Commission

Engaging closely with the European Commission is the fourth pillar of the consultation process. This pillar is more "inward" oriented and of a coordinative nature, rather than outward oriented towards civil society and other key stakeholders. The following meetings with the European Commission – through the SIA ISG – are planned to take place (additional meetings or videoconferences may be arranged in case of need):

- A kick-off meeting was held on 16 January 2019;
- An inception report and update meeting was held on 4 April 2019; and
- A final report meeting is tentatively scheduled for September 2019.

For each of the meetings, the study team will:

- Send presentations and other relevant materials at least one week in advance of the meeting so the SIA ISG members can read through the materials and prepare (the draft report being discussed at a meeting will be made available at least two weeks before the meeting);
- Make a clear and concise presentation (supported by slides) of the work completed to date, draft findings, and the way forward;
- Receive the latest information from the European Commission regarding the state of play of the EU-New Zealand negotiations;
- Engage in a constructive discussion with the SIA ISG members on the progress made and results obtained; and
- Prepare the minutes of the meeting.

4. EXPECTED CONTENT OF THE FINAL REPORT

The ToR requires the Inception Report to specify the contents of the interim and final reports. Because the interim report in the new Trade SIA approach is a part of the final report, we will focus on the content of the final report. The informal chapters update half way through the study is already part of the final report.

In the below Table 4.1, we highlight the structure of the final report, where the different elements can be found and how many pages each of the parts is envisaged to be to stay in line with the clear ISG request to come up with a concise and accessible final report. This Table is fully in line with the project structure and phases (Figure 1.1) and the workplan (Figure 1.2). The Executive Summary of the report will be presented – in English, French and German – separately from the full Final Report.

Table 4.1: Proposed Final Report structure

Chapter Nr & Title	Sub-chapter sections	Envisaged # pages
Cover page		I
Inside cover page		II
Abbreviations		III-IV
Content page		IV
Abstract (200 words)		V
Chapter 1: Introduction		6
	1.1 Objectives and Key features of SIAs	
	1.2 List of key issues for EU-NZ FTA	
	1.3 Structure of the report	
	1.4 Summary EU-NZ relationship	
	1.5 Summary EU-NZ FTA impact assessment literature	
Chapter 2: Methodological approach		5
	2.1 Concise overall and sector-specific methodological approach	
	2.2 Concise consultations approach	
Chapter 3: Overall and horizontal impact analysis*		40
** Some case studies can be in this chapter*	3.1 Economic impact analysis	
	3.2 SME impact analysis	
	3.3 Social impact analysis	
	3.3 Gender impact analysis	
	3.5 Human Rights impact analysis	
	3.6 Environmental impact analysis	
Chapter 4: Sector analyses*		40
** Case studies can be in this chapter*	4.1 Sector 1 (state of play, market access [NTM, tariff] issues, economic analysis, social, HR & environmental analyses, SME, 3rd country, competitiveness analysis, policy recommendations	
	4.2 Sector 2 (see sector 1 structure)	
	4.2 Sector 3 (see sector 1 structure)	
	4.2 Sector 4 (see sector 1 structure)	
	4.2 Sector 5 (see sector 1 structure)	
Chapter 5: Consultations		4
	5.1 Summary of the consultation plan	
	5.2 Stakeholder activities and contacts	
	5.3 Main stakeholder inputs / comments	
	5.4 Box with digital outreach results	

Chapter Nr & Title	Sub-chapter sections	Envisaged # pages
Chapter 6: Policy recommendations		4
	6.1 Main findings of the report	
	6.2 Main policy recommendations	
	6.3 Suggested flanking measures	
TOTAL pages report (excluding Annexes)		**99**
Annex 1	Bibliography	
Annex 2	Summary of methodological approach	
Annex 3	Current situation descriptions (full)	
Annex 4	Quantitative (CGE, gravity, environ-mental) results	
Annex 5	Sector and case study selection	
Annex 6	Stakeholder consultations	
Annex 7	Questionnaires (general and specific)	

ANNEX I: BIBLIOGRAPHY

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ANNEX II: DRAFT QUESTIONNAIRE

In this Annex, we provide the draft questionnaire for the EU-New Zealand stakeholder engagement. We present the questions here in a static format. The actual presentation on the online survey EUSurvey will be dynamic, with questions appearing or not based on respondents' answers. The questionnaire might also be split into two – one aiming at a general audience, and the other aiming at companies – if this will facilitate its user friendliness.

Questions for the Survey

A. Introduction

About the EU-New Zealand free trade agreement
In May 2018, the European Commission received the mandate to start negotiations with New Zealand about a free trade agreement between the two. So far, several negotiating rounds have taken place against the backdrop of a challenging global environment. The EU and New Zealand have expressed the ambition to reach a 21st century broad and deep FTA.

About Sustainability Impact Assessments (SIAs)
SIAs analyse the potential economic, social, human rights and environmental impact of trade agreements being negotiated by the European Union (EU). They are based on a robust analysis of the changes that are likely to be caused by the trade agreement in the EU, the partner country and specified other countries. Equally important, they include wide-ranging consultations with stakeholders in the EU and the partner country. SIA findings and recommendations feed into the negotiations, helping negotiators to optimise the related policy choices.

The SIA in support of the EU-New Zealand FTA negotiations is implemented by BKP Development, a German-based economic research and consulting firm, in cooperation with Trade Impact, Trinomics, Danish Institute for Human Rights, IES and Global Sustainable Future. More information about the SIA is available on a dedicated website.

About trade between New Zealand and the EU
In 2017, New Zealand was the EU's 50th largest trading partner for goods, while the EU was third largest for New Zealand (after China and Australia). Total goods trade amounted to Euro 8.7 billion in 2017, while total services trade amounted to Euro 4.4 billion. The EU mainly exports manufactured goods (86%) to New Zealand while importing mostly agricultural products (a share of 74%).

About this survey
All citizens, organisations and public authorities, regardless of where they are located, are welcome to participate in this survey.

We would like to hear from you what you think about the potential EU-New Zealand Free Trade Agreement. What are the positive and negative aspects you expect to come from the FTA? What issues are particularly important for you? We are not asking for you to specify issues that are currently a problem or a positive aspect, we are only asking you to reflect on the potential effects coming from the FTA. Do let us know!

The questionnaire is available in English, French and German. Completing it should take you no more than 20 minutes. If you wish to add further information (such as a position paper), you can do so at the end of this questionnaire.
The survey will be open until 15 June 2019.

Please indicate your preference when replying to this questionnaire:

a) I consent to the publication of all information in my contribution in whole or in part, **including my name or my organisation's name**. I declare that nothing within my response is unlawful or would infringe the rights of any third party in a manner that would prevent publication.
b) I consent to the publication of any information in my contribution in whole or in part (which may include quotes or opinions I express) provided that it is done **anonymously**. I declare that nothing within my response is unlawful or would infringe the rights of any third party in a manner that would prevent publication. In this case, respondents should not include in their submissions any data or information that would allow themselves, or their organisations, to be identified.

Please note that regardless of the option chosen, your contribution may be subject to a request for access to documents under the EU Regulation 1049/2001 on public access to European Parliament, Council and Commission documents. In such cases, the request will be assessed against the conditions set out in the Regulation and in accordance with applicable data protection rules.

Note: Red text indicates guidance on the flow of questions.

B. About you

B.1. Please select in what capacity you are participating in this survey
a) As an individual
b) As a representative of an organisation

If individual:

B.2. Where are you based? Select one of the countries below (New Zealand/EU Member States (list)/others)

B.3. Please provide your name

B.4. What is your gender?
a) Female
b) Male
c) Other/I prefer not to state

B.5. Please provide your E-mail address

If organisation:

B.6. Where is your organisation based? Select one of the countries below (New Zealand/EU Member States (list)/others)

B.7. How would you classify your organisation (select one of the following options)?
a) Business association
b) Company
c) Government or public institution
d) Non-governmental organisation/civil society
e) Academia/research institute/think tank
f) Social partner (trade union or employer association)

B.8. Please provide the name of your organisation

If EU-based company:

B.7.2 How many employees does your company have?
a) Less than 10
b) 10 – 49
c) 50 - 249
d) 250 or more

B.7.3 What was your company's turnover in 2018?
a) Up to EUR 2 million
b) More than EUR 2 million and up to EUR 10 million
c) More than EUR 10 million and up to EUR 50 million
d) More than EUR 50 million

If New Zealand-based company:

B.7.4 How many employees does your company have?

e) Up to 10
f) 11 – 19
g) 20 - 49
h) 50 or more

B.7.5 What was your company's turnover in 2018?

e) Up to NZD 1 million
f) More than NZD 1 million and up to NZD 3 million
g) More than NZD 3 million and up to NZD 20 million
h) More than NZD 20 million

B.9. Is your organisation a woman-led organisation (is a woman in charge of your organisation and/or are more than half of the board members women)?

a) Yes
b) No

B.10. Please provide the name of contact person for us in your organisation

B.11. Please provide the e-mail address of the contact person of your organisation

B.12. Please choose among the options below the one that best describes the area of interest of your organisation:

a) Economic (Agricultural productions, manufacturing, services and investment etc.)
b) Social (levels of employment, job quality, labour standards, poverty, inequality, informality, etc.)
c) Human Rights (social human rights, cultural human rights, political human rights)
d) Environment (Greenhouse gas emissions, waste management, water quality, biodiversity, land use etc.)

C. Small- and Medium Sized Enterprises

If EU-based company:

A.1. Has your company been involved in international trade recently?

a) No
b) Yes, as importer (including sourcing of raw materials/inputs) only
c) Yes, as exporter only
d) Yes, as an importer and exporter

If yes, as importer

A.2. What is the share of imports (from anywhere) in your total turnover?

a. Less than 25%
b. 25% to less than 50%
c. 50% to less than 75%
d. 75% or more

A.3. What share of your imports comes from New Zealand?

a. Less than 10%

b. 10% to less than 50%
c. 50% or more

A.4. What are the three most important bottlenecks you face when importing from New Zealand?
a. Tariffs and border taxes in the EU
b. Technical barriers (e.g. requirements in terms of standards, labelling, food safety, animal and plant health, other regulatory systems)
c. Paperwork related to imports (e.g. certificates of origin)
d. Logistics issues (e.g. availability of transport, delays)
e. High logistics/transport costs
f. Trade finance
g. Issues related to the supplier (e.g. quantities available, problems with product quality)
h. Others

A.5. Please describe which "other" bottlenecks you face

If yes, as exporter

A.6. What is the share of exports (to anywhere) as % of your total turnover?
a. Less than 25%
b. 25% to less than 50%
c. 50% to less than 75%
d. 75% or more

A.7. What share of your exports goes to New Zealand?
a. Less than 10%
b. 10% to less than 50%
c. 50% or more

A.8. What are the three largest bottlenecks you face when exporting to New Zealand?
a. Tariffs and border taxes in New Zealand
b. Technical barriers (e.g. requirements in terms of standards, labelling, food safety, animal and plant health, other regulatory systems)
c. Paperwork related to imports (e.g. certificates of origin)
d. Logistics issues (e.g. availability of transport, delays)
e. High logistics/transport costs
f. Trade finance
g. Issues related to the buyer (e.g. payment problems)
h. Others

A.9. Please describe which "other" bottlenecks you face

A.10. What are the most important issues affecting EU investment in New Zealand? Please choose a maximum of three.
i) Conditions imposed on foreign investments (such as limits on foreign ownership, requirements to hire local staff, etc.)
ii) Procedural rules related to establishing foreign investment (application and approval process, need for permits, etc.)

iii) Limitations in national treatment (different rules applying to foreign invested firms compared to domestic firms, e.g. in access to subsidies, public procurement, etc.)
iv) Obtaining residence and work permits for expatriates, and related issues
v) Financial and tax issues
vi) Others

A.11. Please provide more details and describe which "other" issues for investment are important

If New Zealand-based company:

A.12. Has your company been involved in international trade recently?
a. No
b. Yes, as importer (including sourcing of raw materials/inputs) only
c. Yes, as exporter only
d. Yes, as an importer and exporter

If yes, as importer

A.13. What is the share of imports (from anywhere) in your total turnover?
a. Less than 25%
b. 25% to less than 50%
c. 50% to less than 75%
d. 75% or more

A.14. What share of your imports comes from the EU?
a. Less than 10%
b. 10% to less than 50%
c. 50% or more

A.15. What are the three most important bottlenecks you face when importing from the EU (pick from the list/rank)?
a. Tariffs and border taxes in New Zealand
b. Technical barriers (e.g. requirements in terms of standards, labelling, food safety, animal and plant health)
c. Paperwork related to imports (e.g. certificates of origin)
d. Logistics issues (e.g. availability of transport, delays)
e. High logistics/transport costs
f. Trade finance
g. Issues related to the supplier (e.g. quantities available, problems with product quality)
h. Others

A.16. Please describe which "other" bottlenecks you face

If yes, as exporter

A.17. What is the share of export as % of your total turnover?
a. Less than 25%
b. 25% to less than 50%

c. 50% to less than 75%
d. 75% or more

A.18. What share of your exports goes to the EU?
a. Less than 10%
b. 10% to less than 50%
c. 50% or more

A.19. What are the largest bottlenecks you face when exporting to the EU (pick from the list/rank)?
a. Tariffs and border taxes in the EU
b. Technical barriers (e.g. requirements in terms of standards, labelling, food safety, animal and plant health)
c. Paperwork related to imports (e.g. certificates of origin)
d. Logistics issues (e.g. availability of transport, delays)
e. High logistics/transport costs
f. Trade finance
g. Issues related to the buyer (e.g. payment problems)
h. Others

A.20. Please describe which "other" bottlenecks you face

A.21. What are the most important issues affecting New Zealand investment in the EU? Please choose a maximum of three.
i) Conditions imposed on foreign investments (such as limits on foreign ownership, requirements to hire local staff, etc.)
ii) Procedural rules related to establishing foreign investment (application and approval process, need for permits, etc.)
iii) Limitations in national treatment (different rules applying to foreign invested firms compared to domestic firms, e.g. in access to subsidies, public procurement, etc.)
iv) Obtaining residence and work permits for expatriates, and related issues
v) Financial and tax issues
vi) Others

A.22. Please provide more details and describe which "other" issues for investment are important

If not trading internationally:

A.23. What are the main reasons why you have not been involved in international trade so far?
a) The domestic market is big enough for my company
b) It is difficult to access other markets
c) The paperwork required to import/export is too burdensome
d) My company does not meet the required international standards yet
e) The cost of importing or exporting is too high
f) I don't know
g) Other

A.24. Please specify which "other" reasons have stopped you from engaging in international trade

A.25. Is your company interested in trading internationally?

a) Yes
b) No

A.26. How do you think the EU-New Zealand trade agreement will affect SMEs **in the EU**? [Please note that the formulation of the following statements does not necessarily reflect the views of the study team]

	Strongly disagree	Somewhat disagree	There will be no effect	Somewhat agree	Strongly agree	I don't know
EU SMEs will export more to New Zealand						
EU SMEs will face more competition from New Zealand imports						
EU SMEs will have better chances to plug into global value chains						
EU SMEs will attract more investment from New Zealand investors						
The business environment for SMEs will improve						
The regulatory burden for SMEs will decrease						
Overall, EU SMEs will benefit from the FTA						
Other						

A.27. Which "other" effects for EU SMEs do you expect?

A.28. How do you think the EU-New Zealand trade agreement will affect SMEs **in New Zealand**? [Please note that the formulation of the following statements does not necessarily reflect the views of the study team]

	Strongly disagree	Somewhat disagree	There will be no effect	Somewhat agree	Strongly agree	I don't know
New Zealand SMEs will export more to the EU						
New Zealand SMEs will face more competition from EU imports						
New Zealand SMEs will have better chances to plug into global value chains						
New Zealand SMEs will attract more investment from EU investors						
The business environment for SMEs will improve						
The regulatory burden for SMEs will decrease						
Overall, New Zealand SMEs will benefit from the FTA						
Other						

A.29. Which “other” effects for SMEs in New Zealand do you expect?

A.30. How do you expect the EU-New Zealand Agreement to affect your company specifically?

a. Very positively
b. Somewhat positively
c. Not at all
d. Somewhat negatively
e. Very negatively
f. I don’t know

A.31. Please describe which positive or negative effects you expect for your company

A.32. Which of the issues listed below should be addressed in the negotiations for the EU-New Zealand trade agreement?

	High priority	Low priority	No need to be negotiated	I don’t know
Removal of remaining tariffs				
Removal of tariff rate quotas for agricultural goods				
Less strict and/or simpler rules of origin, particularly for SMEs				
Strengthened mechanism for dispute settlement				
Improving access to government procurement				
Improved protection of intellectual property rights (including geographical indications)				
Liberalisation of trade in services				
Liberalisation of bilateral investment				
Rules on digital trade and e-commerce				
Rules on anti-corruption and bribery				
Rules on competition/anticompetitive practices				
Rules on state aid/subsidies				
Stronger rules on labour and social standards				
Stronger rules for environmental protection				
Improving access to energy and raw materials				
Other				

A.33. Which other issues should be addressed in the negotiations? Name as many as you consider important

A.34. What, in your view, should be the key issues in the negotiations for the EU-New Zealand trade agreement?

A.35. What are the biggest risks or disadvantages of the EU-New Zealand trade agreement for SMEs?

A.36. What are the biggest benefits of the EU-New Zealand trade agreement for SMEs?

A.37. Are there any other comments you would like to make?

D. Your awareness of the Agreement and negotiations

D.1. Did you know that the EU and New Zealand are currently negotiating a bilateral FTA?

a) Yes, and I am following the negotiations/know what the issues are
b) Yes, but I am not sure about the details/key issues of the negotiations
c) No

E. Your views on the economic effects of the EU-New Zealand FTA

E.1. How do you think the trade agreement will affect the economies of New Zealand and the EU? [Please note that the following statements are all positively phrased. They are not necessarily the views of the consultant, but this way you can indicate by agreeing or not how much you align with the statement (or not)]

	Strongly disagree	Somewhat disagree	There will be no effect	Somewhat agree	Strongly agree	I don't know
Goods exports from New Zealand to the EU will grow						
Services exports from New Zealand to the EU will grow						
Goods exports from the EU to New Zealand will grow						
Services exports from the EU to New Zealand will grow						
The New Zealand economy will become stronger because of the FTA						
The EU economy will become stronger because of the FTA						
New Zealand investment in the EU will increase						
EU investment in New Zealand will increase						
There will be more opportunities for New Zealand companies to participate in government/public procurement in the EU						
There will be more opportunities for EU companies to participate in government/public procurement in New Zealand						
Small and medium-sized enterprises in New Zealand will benefit						
Small and medium-sized enterprises in the EU will benefit						
Conditions for digital trade will improve (e-commerce, trade in digital services, etc.)						
Consumers in New Zealand will benefit						
Consumers in the EU will benefit						
Intellectual property rights (e.g. copyrighted works, patents, designs, trademarks, as well as geographical indications) will be better protected [NB: A geographical indication is a distinctive sign used to identify a product as originating in the territory of a particular country, region or locality where its quality, reputation or other characteristic is linked to its geographical origin]						

Governance will improve						
Corruption will decrease						
Other						

E.2. What "other" effect(s) do you envisage?

E.3. Name a maximum of three economic sectors (nb, the sectors could be **broad**, such as agriculture, mining, tourism, etc., or **narrow**, such as dairy products, renewable energy, etc.) that you think will be strongly influenced by the trade agreement.

Name of sector	Negative or positive effect of the Agreement?	Why do you think the sector will be affected?
1. ________________________________		________________________________
2. ________________________________		________________________________
3. ________________________________		________________________________

F. Your views on the social effects of the trade Agreement

F.1. Below we list a number of socio-economic issues. How do you think these issues will be influenced **in New Zealand** because of the FTA?

	Very negatively	Somewhat negatively	Not at all	Somewhat positively	Very positively	I don't know
Employment level in general, and across sectors						
Wages						
Female participation in the labour market						
Gender equality (e.g. incomes)						
Quality of work (e.g. working hours, type and duration of contract, accidents at work)						
Child labour						
Forced labour						
Establishment and operation of trade unions, protection of workers' rights						
Transition from informal to formal employment						
Disabled people/employees and other vulnerable groups						
The rights and protection of migrant workers						
Poverty						
Income inequality						
Wealth inequality						

Consumers (including the prices, choice and availability, quality, or safety of goods or services for consumers, the provision of consumer information, and the protection of consumer rights)						
Vocational training (including 'on the job')						
Social protection (e.g. pensions, other benefits)						
Access to education						
Access to health care						
Other						

F.2. Which "other" issues in New Zealand do you expect to be affected by the FTA, and how?

F.3. And how do you think socio-economic issues will be influenced **in the EU** by an EU-New Zealand FTA?

	Very negatively	Somewhat negatively	Not at all	Somewhat positively	Very positively	I don't know
Employment level in general, and across sectors						
Wages						
Female participation in the labour market						
Gender equality (e.g. incomes)						
Quality of work (e.g. working hours, type and duration of contract, accidents at work)						
Child labour						
Forced labour						
Establishment and operation of trade unions, protection of workers' rights						
Transition from informal to formal employment						
Disabled people/employees and other vulnerable groups						
The rights and protection of migrant workers						
Poverty						
Income inequality						
Wealth inequality						
Consumers (including the prices, choice and availability, quality, or safety of goods or services for consumers, the provision of consumer information, and the protection of consumer rights)						
Vocational training (including 'on the job')						

	Social protection (e.g. pensions, other benefits)						
	Access to education						
	Access to health care						
	Other						

F.4. Which "other" issues in the EU do you expect to be affected by the FTA, and how?

F.5. What do you think will be the three sectors most affected by the trade agreement between New Zealand and the EU? (NB: sectors could be **broad**, such as agriculture, mining, tourism, etc., or **narrow**, such as dairy products, renewable energy, etc.)

	In New Zealand	Positive or negative effect	In the EU	Positive or negative effect
Sector 1				
Sector 2				
Sector 3				

F.6. What do you think will be the three social groups most affected by the trade agreement between New Zealand and the EU? (NB: social groups could be **broad**, such as women, youth, consumers, etc., or **narrow**, such as informal workers in rural areas, etc.)

	In New Zealand	Positive or negative effect	In the EU	Positive or negative effect
Group 1				
Group 2				
Group 3				

G. Your views on the human rights effects of the EU-New Zealand FTA

G.1. Do you think that the trade agreement between the EU and New Zealand could affect the enjoyment of human rights in the EU or New Zealand?

a) Yes, in New Zealand
b) Yes, in the EU
c) Yes, in New Zealand and in the EU
d) No

If in New Zealand:

G.2. How do you think the trade agreement between the EU and New Zealand will affect the enjoyment of human rights **in New Zealand** overall?

a. Positively
b. Negatively

G.3. Please explain why: ____

If in the EU:

G.4. How do you think the trade agreement between the EU and New Zealand will affect the enjoyment of human rights **in the EU** overall?

a. Positively
b. Negatively

G.5. Please explain why: ____

If in New Zealand:

G.6. Below we list a number of human rights. How do you think these will be influenced **in New Zealand** by the EU-New Zealand trade agreement?

	Very negatively	Somewhat negatively	Not at all	Somewhat positively	Very positively	I don't know
Right to work (Art. 6 ICESCR)						
Right to enjoyment of just and favourable conditions of work (Art. 7 ICESCR)						
Right to form trade unions (Art. 8 ICESCR)						
Right to strike (Art. 8 ICESCR)						
Right to social security, including social insurance (Art. 9 ICESCR)						
Right to an adequate standard of living (Art. 11 ICESCR) [Including such rights as right to food (Art. 11 ICESCR, CESCR General Comment No. 12), clothing and housing and continuous improvement of living conditions (see Art. 11 ICESCR)]						
Right to the enjoyment of the highest attainable standard of physical and mental health (Art. 12 ICESCR) [Including right to water and sanitation (CESCR General Comment No. 15)]						
Right to education (Art. 14 ICESCR)						
Right to take part in cultural life (Art. 15 ICESCR)						
Right to privacy (Art. 12 UDHR, Art. 17 ICCPR)						
Right to property (Art. 17 UDHR)						
Right to protection of intellectual property (Art. 15 ICESCR, Art.27 UDHR)						
Right to information (Art. 19 UDHR)						
Right to participate in the conduct of public affairs (Art. 25 ICCPR, Art. 21 UDHR, Art. 8 ICESCR)						
Right of equal access to public services (Art. 25 ICCPR, CCPR General Comment No.25)						

Right to freedom of assembly and association (Art. 21 ICCPR, Art. 22 ICCPR)						
Rights of persons with disabilities (Convention on the Rights of Persons with Disabilities and its Optional Protocol)						
LGBTI rights (Art. 2 ICESCR, Art. 2 ICCPR)						
Rights of indigenous peoples (Art. 27 ICCPR, ILO Convention No. 169, HRC General Comment No.23, CESCR General Comment No.21)						
Women's rights (Art. 2 and 3 ICCPR, Art. 2 and 3 ICESCR, International Convention on Elimination of All Forms of Discrimination Against Women)						
Children's rights (Art. 25 and 26 UDHR, Art. 10 and 12 ICESCR, Art. 23 and 24 ICCPR, ILO Conventions No. 138 and No. 182, Convention on the Rights of the Child and its Optional Protocols)						
Other						

G.7. Which "other" human rights do you expect to be affected in New Zealand? Name as many as you wish.

If in the EU:

G.8. Below we list a number of human rights. How do you think these will be influenced **in the EU** by the EU-New Zealand trade agreement?

	Very negatively	Somewhat negatively	Not at all	Somewhat positively	Very positively	I don't know
Right to work (Art. 6 ICESCR)						
Right to enjoyment of just and favourable conditions of work (Art. 7 ICESCR)						
Right to form trade unions (Art. 8 ICESCR)						
Right to strike (Art. 8 ICESCR)						
Right to social security, including social insurance (Art. 9 ICESCR)						
Right to an adequate standard of living (Art. 11 ICESCR) [Including such rights as right to food (Art. 11 ICESCR, CESCR General Comment No. 12), clothing and housing and continuous improvement of living conditions (see Art. 11 ICESCR)]						
Right to the enjoyment of the highest attainable standard of physical and mental health (Art. 12 ICESCR) [Including right to water and sanitation (CESCR General Comment No. 15)]						
Right to education (Art. 14 ICESCR)						
Right to take part in cultural life (Art. 15 ICESCR)						

Right to privacy (Art. 12 UDHR, Art. 17 ICCPR)						
Right to property (Art. 17 UDHR)						
Right to protection of intellectual property (Art. 15 ICESCR, Art.27 UDHR)						
Right to information (Art. 19 UDHR)						
Right to participate in the conduct of public affairs (Art. 25 ICCPR, Art. 21 UDHR, Art. 8 ICESCR)						
Right of equal access to public services (Art. 25 ICCPR, CCPR General Comment No.25)						
Right to freedom of assembly and association (Art. 21 ICCPR, Art. 22 ICCPR)						
Rights of persons with disabilities (Convention on the Rights of Persons with Disabilities and its Optional Protocol)						
LGBTI rights (Art. 2 ICESCR, Art. 2 ICCPR)						
Rights of indigenous peoples (Art. 27 ICCPR, ILO Convention No. 169, HRC General Comment No.23, CESCR General Comment No.21)						
Women’s rights (Art. 2 and 3 ICCPR, Art. 2 and 3 ICESCR, International Convention on Elimination of All Forms of Discrimination Against Women)						
Children’s rights (Art. 25 and 26 UDHR, Art. 10 and 12 ICESCR, Art. 23 and 24 ICCPR, ILO Conventions No. 138 and No. 182, Convention on the Rights of the Child and its Optional Protocols)						
Other						

G.9. Which "other" human rights do you expect to be affected in the EU? Name as many as you wish.

If in New Zealand:

G.10. Which of the human rights listed below do you think will be most affected **in New Zealand** by the EU-New Zealand trade agreement? [Maximum of three]

Most affected: (dropdown list of the HR listed in the matrix above)

G.11. 2nd most affected: ____

G.12. 3rd most affected: ____

If in the EU:

G.13. Which of the human rights listed below do you think will be most affected **in the EU** by the EU-New Zealand trade agreement? [Maximum of three]

Most affected: (dropdown list of the HR listed in the matrix above)

G.14. 2nd most affected: ____

G.15. 3rd most affected: ____

G.16. Please explain your choice: ____

EU-based respondent - If B7.1 is b; AND B.7.2 is a, b or c; New Zealand-based respondent – If B7.1 is b; AND B7.4 is a, b, or c

G.17 Do you have a formal policy statement which sets out the commitment of your business to meeting its responsibility to respect human rights?

a. Yes
b. No

G.18 Is the policy statement published/publicly available?

a. Yes
b. No

G.19 What is the geographical coverage of the human rights policy commitment in relation to the worldwide operations of your company? (multiple answers possible)

i) The country where your business is based
ii) Selected foreign sites/localities/countries/markets
iii) All countries
iv) Operations in New Zealand are covered
v) Operations in the EU are covered

G.20 Do you perform human rights "due diligence"?
(NB, human rights due diligence is an ongoing process to identify, prevent, mitigate and account for negative human rights impacts which your business may cause or contribute to through its own activities; or which may be directly linked to your business's products, operations or services by a business relationship.)

If yes, does your human rights due diligence include a specific procedure for periodic human rights impact assessment?

a. Yes
b. No

If yes, does your human rights due diligence involve meaningful consultations with potentially affected groups and other relevant stakeholders?

G.21 Do you produce formal public reports on a periodic basis (for example, as part of corporate responsibility/sustainability reports, or of integrated financial and non-financial reporting) to account for how your business identifies and addresses its potential or actual adverse human rights impacts?

G.22 Does your business have processes in place for the effective remedy of adverse human rights impacts which your business has caused or contributed towards through its operations?

vi) Yes
vii) No

G.23 Have there been any reported incidences of adverse human rights impacts caused by your business operations in the EU or New Zealand?

viii) No
ix) Yes, in the EU but not in New Zealand
x) Yes, in New Zealand but not in the EU
xi) Yes, in the EU and in New Zealand

G.24 Please briefly describe

H. Your views on the environmental effects of the EU-New Zealand Agreement

H.1. Do you think that the trade agreement between the EU and New Zealand will have an effect on the environment?

a) Yes, in New Zealand
b) Yes, in the EU
c) Yes, in New Zealand and in the EU
d) No

If in New Zealand:

H.2. Below we list a number of environmental factors. How do you think these factors will be influenced **in New Zealand** by the EU-New Zealand FTA?

	Very negatively	Somewhat negatively	Not at all	Somewhat positively	Very positively	I don't know
Greenhouse gas emissions						
Transport and the use of energy						
Air quality						
Land use (including soil, livestock, agricultural fertilizers)						
Biodiversity						
Water quality and resources						
Waste and waste management						
Ecosystems services and protected areas						
Use of renewable energy						
Natural resource exploitation (including fisheries, and forest resources)						
Other						

H.3. Which "other" environmental issues do you expect to be affected in New Zealand?

If in the EU:

H.4. Below we list a number of environmental factors. How do you think these factors will be influenced **in the EU** by the EU-New Zealand FTA?

	Very negatively	Somewhat negatively	Not at all	Somewhat positively	Very positively	I don't know
Greenhouse gas emissions						
Transport and the use of energy						

	Air quality						
	Land use (including soil, livestock, agricultural fertilizers)						
	Biodiversity						
	Water quality and resources						
	Waste and waste management						
	Ecosystems services and protected areas						
	Use of renewable energy						
	Natural resource exploitation (including fisheries, and forest resources)						
	Other						

H.5. Which "other" environmental issues do you expect to be affected in the EU?

If in New Zealand:

H.6. Which of the environmental factors listed below do you think will be most affected **in New Zealand** by the EU-New Zealand trade agreement? [Maximum of 3]

Most affected: (dropdown list of the environmental issues listed in the matrix above)

H.7. 2nd most affected: ____

H.8. 3rd most affected: ____

If in the EU:

H.9. Which of the environmental factors listed below do you think will be most affected **in the EU** by the EU-New Zealand trade agreement? [Maximum of 3]

Most affected: (dropdown list of the environmental issues listed in the matrix above)

H.10. 2nd most affected: ____

H.11. 3rd most affected: ____

H.12. Please explain your choice: ____

I. Your views on negotiation topics

I.1. Which of the issues listed below should be addressed in the negotiations for the EU-New Zealand trade agreement?

	High priority	Low priority	No need to be negotiated	I don’t know
Removal of remaining tariffs				
Removal of tariff rate quotas for agricultural goods				
Less strict and/or simpler rules of origin, particularly for SMEs				
Strengthened mechanism for dispute settlement				

Improving access to government procurement				
Improved protection of intellectual property rights (including geographical indications)				
Liberalisation of trade in services				
Liberalisation of bilateral investment				
Rules on digital trade and e-commerce				
Rules on anti-corruption and bribery				
Rules on competition/anticompetitive practices				
Rules on state aid/subsidies				
Stronger rules on labour and social standards				
Stronger rules for environmental protection				
Improving access to energy and raw materials				
Other				

I.2. Which other issues should be addressed in the negotiations? Name as many as you consider important

I.3. What, in your view, should be the key issues in the negotiations for the EU-New Zealand trade agreement?

J. Concluding questions

J.1. Overall, what do you think will be the effect of the trade agreement between the EU and New Zealand?

	Very favourable/ very positive	Favourable/ positive	No effect	Adverse/ negative	Very adverse/ very negative	I don't know
For New Zealand						
For the EU						
Overall						

J.2. What is your biggest fear when you think about the EU-New Zealand trade agreement?

J.3. What is your greatest hope when you think about the EU-New Zealand trade agreement?

J.4. Are there any other comments you would like to make?

J.5. If you would like to upload any documents, such as position papers on EU-New Zealand trade relations, please do so here

ANNEX III: LISTS OF RELEVANT ORGANISATIONS EU AND NEW ZEALAND

Table III.1: EU Organisations

Organisation	Type of organisation
ACT Alliance Advocacy to the European Union	Civil society
Active Pharmaceutical Ingredients Committee	Private sector
AeroSpace and Defence Industries Association of Europe	Private sector
Agriculture and Horticulture Development Board (AHDB)	Private sector
Airlines for Europe	Private sector
Airports Council International Europe	Public sector
Amnesty International	Civil society
ASINCA	Private sector
Asociación Española de Mayoristas, Transformadores, Importadores y Exportadores de Productos de la Pesca y la Acuicultura	Private sector
Assocalzaturifici - Italian Footwear Manufacturers' Association	Private sector
Association de l'Aviculture, de l'Industrie et du Commerce de Volailles dans les Pays de l'Union Europeenne asbl	Private sector
Association de producteurs de cinéma et de télévision (EUROCINEMA)	Private sector
Association des Constructeurs Européens d'Automobiles (ACEA)	Private sector
Association Européenne Du Commerce De Fruits Et Légumes De L'UE - European Fruit and Vegetables Trade Association	Private sector
Association of European Automotive and Industrial Battery - EUROBAT	Private sector
Association of European Heating Industry	Private sector
Association of European manufacturers of sporting ammunition	Private sector
BDI - Federal Association of German Industries	Social partners
Brussels Office of the Swedish Trade Unions	Social partners
Bundesarbeitskammer Österreich	Social partners
Bureau Européen de l'Agriculture Française	Social partners
Bureau International des Producteurs d'Assurances & de Réassurances (BIPAR)	Private sector
Business and Industry Advisory Committee (BIAC)(OECD)	International Organization/ think tank
BUSINESSEUROPE	Private sector
Cámara de Comércio e Indústria da Madeira	Private sector
Cámara de Comércio e Indústria da Horta	Private sector
Cámara de Comércio e Indústria de Ponta Delgada	Private sector
Cámara do Comércio de Angra do Heroismo	Private sector
Carbon Capture & Storage Association (CCSA)	Private sector
CEFS - Comité Européen des Fabricants de Sucre	Private sector
CEN - CENELEC	Private sector
Central Europe Energy Partners (CEEP)	Private sector
Centre de Documentation, de Recherche et d'Information des Peuples Autochtones	Civil society
Chambers of Commerce of Ireland (Chambers Ireland)	Private sector
Cia - Agricoltori italiani	Private sector
Cobalt Development Institute (CDI)	Private sector
Comité du commerce des céréales, aliments du bétail, oléagineux, huile d'olive, huiles et graisses et agrofournitures de l'U.E.	Private sector
Comité Européen des Entreprises Vins	Private sector
Committee for European Construction Equipment	Private sector
Committee of the European Sugar Users	Private sector
Confederação Nacional das Cooperativas Agrícolas e do Crédito Agrícola de Portugal	Private sector
Confederatia Sindicala Nationala MERIDIAN (CSN MERIDIAN)	Social partners
Confédération des Syndicats Chrétiens	Social partners
Confederation of Danish Industry (DI)	Private sector
Confederation of European Community Cigarette Manufacturers	Private sector

Organisation	Type of organisation
Confederation of European Paper Industries	Private sector
Confederation of Finnish Industries (EK)	Private sector
Confederation of National Associations of Tanners and Dressers of the European Community (COTANCE)	Private sector
Confederation of National Hotel and Restaurant Associations (HOTREC)	Private sector
Confederation of Netherlands Industry and Employers (VNO-NCW)	Private sector
Confederation of the food and drink industries of the EU (FoodDrinkEurope)	Private sector
Confederation of the German Textile and Fashion Industry	Private sector
Confederazione Cooperative Italiane	Private sector
Conférence des Notariats de l'Union Européenne	Private sector
Conseil des barreaux de la Communauté Européenne (CCBE)	Private sector
Cooperativas Agro-alimentarias de España	Private sector
Council of European Employers of the Metal, Engineering and Technology - Based Industries (CEEMET)	Private sector
Danish Agriculture & Food Council	Private sector
DG Agriculture and Rural Development	Public sector
DG Climate Action	Public sector
DG Competition	Public sector
DG Economic and Financial Affairs	Public sector
DG Employment, Social Affairs and Inclusion	Public sector
DG Energy	Public sector
DG Environment	Public sector
DG Health and Food Safety	Public sector
DG Internal Market, Industry, Entrepreneurship and SMEs	Public sector
DG Maritime Affairs and Fisheries	Public sector
DG Regional and Urban Policy	Public sector
DG Trade	Public sector
Deutscher Industrie- und Handelskammertag e.V.	Private sector
DIGITALEUROPE	Private sector
Direct Selling Europe AISBL	Private sector
Ecommerce Europe	Private sector
Estonian Employers’ Confederation (ETTK)	Private Sector
Estonian Investment Agency	Public sector
EU Agency for Fundamental Rights (FRA)	Public Sector/ think tank
EU Delegation to Australia	Public sector
EU Vegetable Oil and Proteinmeal Industry	Private sector
EU-Australia Round Table	Private sector
EUROALLIAGES	Private sector
Eurochambres	Private sector
EuroCommerce	Private sector
EURODOM	Civil society
EuroGeoSurveys - The Geological Surveys of Europe (EGS)	Civil society
Eurogroup for Animals	Civil society
EuropaBio - European Association for Bioindustries	Private sector
European & International Federation of Natural Stone Industries (EUROROC)	Private sector
European Accounting Association	Private sector
European Aerosol Federation	Private sector
European Aggregates Association (UEPG)	Private sector
European Apparel and Textile Confederation (EURATEX)	Private sector
European Association of Automotive Suppliers (CLEPA)	Private sector
European Association of Chemical Distributors (Fecc)	Private sector

Organisation	Type of organisation
European Chemical Industry Council (Cefic)	Private sector
European Association of Cooperative Banks (EACB)	Private sector
European Association of Craft, Small and Medium-Sized Enterprises (UEAPME)	Private sector
European Association of Dairy Trade (Eucolait)	Private sector
European Association of Fruit and Vegetable Processors (PROFEL)	Private sector
European Association of Internet Services Providers (ISPA)	Private sector
European Association of Metals Eurometaux	Private sector
European Association of Mining Industries, Metal Ores & Industrial Minerals (Euromines)	Private sector
European Association of Mutual Guarantee Societies	Private sector
European Association of Sugar Traders (ASSUC)	Private sector
European Association of the Machine Tool Industries (CECIMO)	Private sector
European Association representing the agricultural machinery industry (CEMA)	Private sector
European Aviation Clusters Partnership	Private sector
European Banking Federation (EBF)	Private sector
European Biodiesel Board	Private sector
European Branded Clothing Alliance	Private sector
European Brands Association	Private sector
European Broadcasting Union (EBU)	Social partners
European Business Aviation Association (EBAA)	Private sector
European Business Services Round Table	Private sector
European Cement Association (CEMBUREAU)	Private sector
European Centre for International Political Economy	Think tank/academia
European Ceramic Industry Association (Cerame-Unie)	Private sector
European Cocoa Association	Private sector
European Committee for Electrotechnical Standardization	Private sector
European Community Shipowner's Associations	Private sector
European Competitive Telecommunications Association	Private sector
European Confederation of Junior Enterprises	Private sector
European Confederation of Woodworking Industries (CEI-Bois)	Private sector
European Construction Industry Federation	Private sector
European Consumer Organisation (BEUC)	Civil society
European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry (COCIR)	Private sector
European Coordination of Independent Producers (CEPI)	Private sector
European Council for Automotive R&D (EUCAR)	Private sector
European Council for Motor Trades and Repairs (CECRA)	Private sector
European Crop Protection Association	Private sector
European Dairy Association	Private sector
European Diisocyanate and Polyol Producers Association	Private sector
European Disposables & Nonwovens Association (EDANA)	Private sector
European DIY Retail Association	Private sector
European Ecommerce and Omni-Channel Trade Association	Private sector
European Economic and Social Committee	Public sector
European Electronic Component Manufacturers Association	Private sector
European Engineering Industries Association (EUnited)	Private sector
European Environment Agency (EEA)	Public sector/ think tank
European Environmental Bureau (EEB)	Civil society
European Expanded Clay Association (EXCA)	Private sector
European Express Association	Private sector
European External Action Service (EEAS)	Public sector
European Family Businesses	Private sector
European Farmers (COPA COGECA)	Private sector
European Federation for Construction Chemicals	Private sector
European Federation for Cosmetic Ingredients	Private sector
European Federation of Engineering Consultancy Associations	Private sector
European Federation of Food, Agriculture and Tourism Trade Unions - EFFAT	Social partners
European Federation of Foundation Contractors	Private sector

Organisation	Type of organisation
European Federation of Geologists (EFG)	Social partners
European Federation of National Associations of Water and Waste Water Services	Private sector
European Federation of Pharmaceutical Industries and Associations (EFPIA)	Private sector
European Federation of Public Service Unions (EPSU)	Social partners
European Federation of the Footwear industry	Private sector
European Fish Processors & Traders Association	Private sector
European Franchise Federation	Private sector
European Furniture Industries Confederation	Private sector
European Health Industry Business Communications Council (EHIBCC)	Private sector
European Industrial Gases Association	Private sector
European Institute for Gender Equality	Public sector/think tank
European Lime Association (EULA)	Private sector
European Livestock and Meat Trade Union	Private sector
European Man-made Fibres Association (CIRFS)	Private sector
European Medical Technology Industry Associations (MedTech Europe)	Private sector
European Milk Board	Private sector
European Newspaper Publishers’ Association (ENPA)	Private sector
European Organisation for Security	Private sector
European Organisation of Tomato Industries (OEIT)	Private sector
European Panel Federation	Private sector
European Patent Office	Public sector
European Plaster and Plasterboard Manufacturers Association (EUROGYPSUM)	Private sector
European Policy Centre	Think tank/academia
European Potato Processors' Association	Private sector
European Potato Trade Association	Private sector
European Power Tool Association	Private sector
European Property Federation	Private sector
European Public and Real Estate Association (EPRA)	Private sector
European Public Health Alliance	Civil society
European Regions Airline Association (ERA)	Private sector
European Renewable Ethanol Association - EPURE	Private sector
European Retail Round Table	Private sector
European Robotics Association (EUnited Robotics)	Private sector
European Round Table of Industrialists	Private sector
European Satellite Operator's Association	Private sector
European Services Forum	Private sector
European Services Strategy Unit	Private sector
European Shippers' Council	Private sector
European Small Business Alliance	Private sector
European Steel Association (EUROFER)	Private sector
European Steel Technology Platform (ESTEP)	Private sector
European Sugar Refineries Association	Private sector
European Technology Platform on Sustainable Mineral Resources (ETP SMR)	Think tank/academia
European Telecommunications Standards Institute (ETSI)	Civil society
European Textile Collectivities Association	Private sector
European Trade Union Confederation - ETUC	Social partners
European Trade Union Institute (ETUI)	Social partners
European Travel Agents’ and Tour Operators’ Associations	Private sector
European Tyre & Rubber Manufacturers' Association (ETRMA)	Private sector
European Whey Processors Association	Private sector
Fair Trade Advocacy Office	Civil society
Fédération des Experts Comptables Européens (FEE)	Private sector
Fédération Internationale de l'Automobile (FIA)	Private sector
Fédération Internationale du Recyclage	Private sector
Federation of European Publishers	Private sector

Organisation	Type of organisation
Federation of European Rice Millers	Private sector
Federation of European Employers (FedEE)	Social partners
Federation of the European Sporting Goods Industry	Private sector
FederlegnoArredo - Federazione Italiana delle Industrie del Legno, del Sughero, del Mobile e dell'Arredamento	Private sector
Female Europeans of Medium and Small Enterprises (FEM)	Private sector
Fern	Civil society
Fertilizers Europe	Private sector
Finpro of Finland	Public sector
Foreign Trade Association - Amfori	Private sector
Freshfel Europe - the forum for the European freshfruits and vegetables chain	Private sector
Friends of Europe	Civil society
Friends of the Earth Europe (FoEE)	Civil society
Gelatine Manufacturers of Europe (GME)	Private sector
German Federal Association of Senior Citizens' Organisations - BAGSO	Civil society
German Marshall Fund of the United States	Think tank/academia
German Trade Union Confederation (DGB)	Social partners
Germany Trade & Invest	Public sector
Glass Alliance Europe	Private sector
Global Industrial and Social Progress Research Institute(GISPRI)	Civil society
Global Witness	Civil society
Greenpeace	Civil society
Health Action International (Europe)	Social partners
Health First Europe	Social partners
Human Rights Watch	Civil society
IFPI Representing recording industry worldwide	Private sector
Independent Retail Europe	Private sector
Industrial Ethanol Association	Private sector
Industrial Minerals Association - Europe (IMA-Europe)	Private sector
industriAll European Trade Union (industriAll)	Social partners
Instituto Cuestiones Agrarias y Medioambientales	Think tank/academia
Intelligent Transport Systems - Europe (ERTICO)	Think tank/academia
International Association of Users of Artificial and Synthetic Filament Yarns and of Natural Silk	Private sector
International Confederation of European Beet Growers	Private sector
International Confederation of Inspection and Certification Organizations	Civil society
International Co-operative Alliance	Private sector
International Federation for Human Rights (FIDH)	Civil society
International Federation of Inspection Agencies	Private sector
International Federation of Reproduction Rights	Civil society
International Labour Organisation (ILO)	International Organisation
International Land Coalition	Civil society
International Network for Sustainable Energy - INFORSE-Europe	Civil society
International Trade Union Confederation (ITUC)	Social partners
Irish Co-operative Organisation Society Ltd	Private sector
Irish Creamery Milk Suppliers Association	Private sector
Irish Farmers' Association	Private sector
Italian National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA)	Think tank/academia
Italian Trade Union Confederation	Social partners
Koepel van de Vlaamse Noord - Zuidbeweging	Civil society
Landwirtschaftskammer Österreich	Private sector
Lighting Europe	Private sector
Lithuanian Education Trade Union	Social partners
Medicines for Europe	Private sector
Nanofutures	Private sector
Nemzeti Agrárgazdasági Kamara	Private sector
Norwegian Seafood Export Council	Private sector

Organisation	Type of organisation
ORGALIM - European Association for Machinery	Private sector
Organisation pour un réseau international d'indications géographiques	Civil society
Österreichischer Gewerkschaftsbund	Social partners
Oxfam International	Civil society
Plastics Recylers Europe	Private sector
Primary Food Processors	Private sector
Société des auteurs et compositeurs dramatiques	Private sector
Solar Power Europe	Private sector
Spanish Association of Soft Drinks Manufacturers	Private sector
Spanish General Workers' Union - UGT	Social partners
spiritsEUROPE	Private sector
STARCH EUROPE	Private sector
Swedish Enterprise	Private sector
Trade Union Advisory Committee (of the OECD) (TUAC)	Social partners
Transport and Environment (European Federation for Transport and Environment)	Civil society
UNIFE	Private sector
Union Européenne du Commerce du Bétail et des Métiers de la Viande	Private sector
Verband der Chemischen Industrie e.V.	Private sector
Verband Deutscher Maschinen-und Anlagenbau e.V.	Private sector
VZBV: Federation of German Consumer Organisations - Verbraucherzentrale Bundesverband	Civil society
Wind Europe	Private sector
Wirtschaftskammer Österreich	Private sector
WWF	Civil society
Zentralverband des Deutschen Handwerks e.V.	Private sector
Zentralverband Elektrotechnik-und Elektronikindustrie e.V.	Private sector

Table III.2: New Zealand Organisations

Organisation name	Type of organisation
20/20 Trust	Civil Society
Action for Children and Youth Aotearoa (ACYA)	Civil society
Allergy New Zealand	Civil society
Amnesty International NZ	Civil Society
Aotearoa Indigenous Rights Trust	Civil society
Aquaculture NZ	Private Sector
Beef and Lamb NZ	Private Sector
Business NZ	Private Sector
Cancer Society New Zealand	Civil society
Canterbury Employer's Chamber of Commerce	Private Sector
CCS Disability Action	Civil society
ChargeNet	Private Sector
Child poverty action group	Civil Society
City Hop	Private Sector
Clean Earth NZ	Private Sector
Council for International Development	Civil society
Dairy Companies Association of NZ	Private Sector
Dairy NZ	Private Sector
Department of Conservation	Public sector
Disabled Persons Assembly	Civil society
Diversity Works NZ	Civil Society
EcoCentre Kaitaia	Civil society
ECPAT Child ALERT New Zealand	Civil society
Environmental Defense Society	Civil society
Environmental Protection Authority	Public sector
EU- NZ Business Forum	Private Sector
Export NZ	Private Sector
Fairtrade Australia and New Zealand	Civil society
Federated Farmers	Civil Society

Organisation name	Type of organisation
Federation of Maori Authorities (FOMA)	Public sector
Forest and Bird NZ	Civil society
Forest Owner's Association	Private Sector
France-NZ chamber of commerce	Private Sector
Friends of the Earth New Zealand	Civil society
Germany-New Zealand Chamber of Commerce	Private Sector
Girls Mean Business	Private Sector
Greenpeace NZ	Civil Society
Grey Power Federation	Civil society
Habitat for Humanity NZ	Civil Society
Horticulture NZ	Private Sector
Hospitality NZ	Civil Society (Trade Association)
Human Rights Foundation of Aotearoa New Zealand	Civil society
Iwi Chairs Forum	Public sector
Landcare Research	Public sector
Maori Tourism Council	Public sector
Maori Women's Development Inc	Private Sector
Marine Farming Association Inc (MFA)	Private Sector
McGuiness Institute	Civil Society
Medical Technology Association of New Zealand (MTANZ)	Private Sector
Mental Health Foundation	Civil society
Ministry for Primary Industries	Public sector
Ministry of Business Innovation and Employment	Public sector
Ministry of Foreign Affairs and Trade	Public sector
Ministry of Health	Public sector
Ministry of Social Development	Public sector
Ministry of the Environment (MFE)	Public sector
Moana New Zealand	Private Sector
Motu Economic and Policy Research	Civil society
Nanogirl labs	Private Sector
National Council of Women in New Zealand	Civil society
Nelson Environment Centre	Civil society
New Zealand AIDS Foundation	Civil society
New Zealand Centre for Human Rights Law, Policy and Practice at the University of Auckland	Civil Society
New Zealand Council of Trade Unions	Social Partners
New Zealand Embassy Brussels	Public Sector
New Zealand Federation of Business and Professional Women (BPW)	Civil society
New Zealand Human Rights Commission	Public sector
New Zealand Maori Council	Public sector
New Zealand Organisation for Rare Disorders (NZORD)	Civil society
New Zealand Salmon Farmers Association	Private Sector
New Zealand Technology Industry Association (NZTech)	Private Sector
New Zealand Trade and Enterprise	Public sector
Ngati Kuri Trust Board	Civil society
NZ Apples and Pears	Private Sector
NZ Avocado	Private Sector
NZ Farm Forestry Association	Civil Society
NZ Food & Grocery Council	Private Sector
NZ Initiative	Think Tank/Academic Institution
NZ International Business Forum	Private Sector
NZ Red Cross	Civil Society
NZ Winegrowers	Private Sector
NZ Young Farmers (NZYF)	Civil Society
Onions NZ	Private Sector
Otago Southland Employers' Association	Private sector
Oxfam NZ	Civil Society
Pacific Business Trust	Civil society
Parliamentary Commissioner for the Environment	Public sector

Organisation name	Type of organisation
Peace Movement Aotearoa	Civil society
Prostate Cancer Foundation New Zealand	Civil society
Save the Children NZ	Civil Society
Sea Shepherd NZ	Civil Society
Seafood NZ	Private Sector
Sexual Rights Initiative	Civil society
Small Enterprise Association of Australia and New Zealand	Private Sector
South Coast Environment Society	Civil society
Steel Construction NZ	Private Sector
Straterra	Private Sector
Sustainability Council of New Zealand	Private sector
Sustainable business network	Private sector
Sustainable coastlines	Civil Society
Tauhara North No. 2 Trust	Civil Society
Te Puni Kokiri	Public Sector
Tearfund NZ	Civil Society
Trade Aid	Private Sector
Transparency International NZ	Civil Society
UNICEF Association New Zealand	Civil society
Wakatu Inc.	Public Sector
Women's Health Action Trust	Civil society
Wood Processors and Manufacturers Association	Private Sector
WorkSafe	Public Sector
Zespri	Private Sector

ANNEX IV: CORE HUMAN RIGHTS TREATIES AND ILO CONVENTIONS

Table IV.1: Status of Ratifications of International Human Rights Treaties for EU Member States and New Zealand*

Treaty	New Zealand	Austria	Belgium	Bulgaria	Cyprus	Croatia	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom**
CAT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CAT	✓	✓	s	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	s	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
ICCPR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ICCPR-OP1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
ICCPR-OP2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CPED		✓	✓	s	s	s	✓	s		s	✓	✓	✓		s	✓		✓	s	✓	✓	s	✓	s	✓	s	✓	s	
CEDAW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CEDAW	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
ICERD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ICESCR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ICESCR-OP			✓							✓	✓				s	✓			✓		s		✓		✓	s	✓		
ICMW																													
CRC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CRC-AC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CRC-SC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	s	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CRC-IC		S	✓		✓	✓	✓	✓		✓	✓	✓			✓	✓		s	✓	s		s	✓	s	✓	s	✓		
CRPD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OP-CRPD	✓	✓	✓	s	✓	✓	s	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			✓	s	✓	✓	✓	✓	✓

* (✓) means state party, (s) means signatory party, (blank space) means no action.
**subject to Brexit procedure but still a member state at the moment of writing of the proposal.
Source: Author's compilation based on the OHCHR Dashboard of ratifications (www.indicators.ohchr.org)

*Table IV.2: Status of Ratifications of ILO Conventions for the EU Member States * and New Zealand*

Treaty	New Zealand	Austria	Belgium	Bulgaria	Cyprus	Croatia	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom**
C029	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C087		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C098	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C105	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C111	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C138		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C182	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C169								✓													✓						✓		

* (✓) means state party, (blank space) means no action.
**subject to Brexit procedure but still a member state at the moment of writing of the proposal.
Source: Author's compilation based on ILO NORMLEX – Information System on International Labour Standards (www.ilo.org)

ANNEX V: CURRENT SITUATION IN THE EU AND NEW ZEALAND

V.1 Economic state of play in the EU and New Zealand

New Zealand was the EU's 50th-largest trading partner for goods in 2017, while the EU was New Zealand's third largest trading partner after China and Australia. In 2017, the EU and New Zealand entered into a Partnership Agreement on Relations and Cooperation containing several economic and trade cooperation rules.

Merchandise trade

Total EU-NZ trade in goods amounted to nearly $10.1 billion in 2017. EU's imports from New Zealand (US$4.2 billion in total) are largely dominated by agricultural products while EU's exports to New Zealand (US$5.9 billion in total) mainly comprise manufactured goods (see Table V.1.1). Primary products account for almost three quarters (73.8%) of EU imports from New Zealand, followed by about one fourth of manufactures (23.9%) and relatively few other products (1.9%). Meat and fruit represent by far the most important sub-categories (43.4%) followed by beverages, spirits and vinegar (11.2%).

EU exports to New Zealand mainly comprise manufactured goods (85.9%), followed by primary products (11.3%). More than half of the EU’s manufacturing exports to New Zealand are of machinery and transport equipment (53.7%), with pharmaceutical products, scientific instruments and plastics representing other significant product categories.

Services trade

Total EU-NZ services trade in 2017 amounted to US$5.4 billion (see Table V.1.2). The EU is the third largest export destination for New Zealand’s services (after Australia and the US) and the second largest source of services imports. EU’s largest services import from New Zealand in 2017 was travel services, which accounted for 58.5% of the EU’s total services imports from New Zealand. EU’s largest service exports to New Zealand in 2017 were transport and travel services which together accounted for nearly three-fourths of EU service exports to New Zealand.

Investment

The EU is the second largest source of FDI in New Zealand; it is also New Zealand’s third largest destination for direct investment abroad. The stock of EU inward FDI in New Zealand amounted to US$7.5 billion in 2017, while the stock of New Zealand's investment in the EU was US$2.2 billion (see Table V.1.3).

Tariffs and NTMs

Table V.1.4 reports applied (AHS), bound (BND) and MFN tariffs, simple averages, in EU-NZ trade by HS2 Chapters. New Zealand has the highest bound tariffs on textiles and clothing; agricultural products; and machinery and transport equipment; but its applied tariffs on EU imports are much lower, except in textile and clothing where these are close to 10%. In contrast, the EU imposes high tariffs on several New Zealand imports including agricultural products and textiles and clothing.

EU-NZ also have a bilateral agreement for mutual recognition of certain technical certificates, covering medicine products and devices, telecommunication equipment, low voltage equipment, machinery and pressure equipment. The two countries also concluded a veterinary agreement to simplify trade in live animals and animal products in 2003; the agreement was updated in 2015.

Table V.1.5 reports the services trade restrictions indices from the OECD for the EU and New Zealand. On average, the EU is slightly more restrictive in its services trade policy than New Zealand, with an average overall STRI of 0.22 relative to 0.21 for New Zealand. The EU's services trade policy is particularly restrictive in air transport and legal services, while New Zealand is the most restrictive in air transport services.

Agricultural products

Trade in agricultural products is important in the EU-NZ trading relationship (see Table V.1.6). Agricultural products comprised 10.5 percent of the EU's total exports to New Zealand in 2017 ($617 million in value) but a whopping 68.7 percent of the EU's total imports from New Zealand ($2.85 billion in value). The EU was particularly reliant on the import of meat; edible fruits and beverage, spirits and vinegar from New Zealand in 2017. The EU's huge trade deficit with New Zealand in agricultural products is despite the relatively high EU tariffs in this sector.

SMEs

According to the EU definition, small and medium-sized enterprises (SMEs) are companies with less than 250 employees (micro-companies: 0-9 employees; small companies: 10-49; and medium-sized firms: 50-249 employees). Based on this definition, 22.3 million SMEs were active in the non-financial business sector across the EU28 in 2014, accounting for 90 million employees. In contrast, large enterprises accounted for 43.766 enterprises and 44.4 million employees.

SMEs are the backbone of the EU economy, representing 99% of all companies. Following Eurobarometer's SME survey of 2015 (fieldwork: June 2015), most of the EU's SMEs are either working in retail (42%) or the service sectors (36%). About 8% are working in manufacturing, with a slightly larger proportion in the industry sector (14%). However, the distribution of SMEs across sectors varies significantly across EU Member States.

The official size class definition of SMEs in the EU differs from that applied in New Zealand. In New Zealand, SMEs are generally defined as businesses with fewer than 50 employees. In New Zealand, 99% of businesses employ fewer than 50 employees. According to the country's first Small Business Sector Report, which outlines the statistics on New Zealand's 460,000 SMEs, one in three New Zealand workers is employed in a small business with less than 50 employees, and together they contribute a third of the country's GDP (Government of New Zealand, Ministry of Business, Innovation and Employment 2015).

For a great number of manufactured products ranging from wood products to machinery and electrical components, New Zealand applies different customs procedures. Although tariffs are already generally low for most manufacturing products, the obligation to fulfil complex customs procedures is a particular obstacle for EU SMEs. In addition, New Zealand regulators require specific product conditions and requirements for many manufactured products including wood products, textiles, chemical and (electrical) machinery products and such regulations are generally more difficult to fulfil by SMEs compared to large enterprises.

Table V.1.1: EU's merchandise trade with New Zealand by HS2 Chapter (2010, 2017, values and % shares)

	Value (US$ mln)				Share of total trade (%)				Share of total EU trade (%)			
	Export		Import		Export		Import		Export		Import	
Product description	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
Aircraft, spacecraft, and parts the	48.6	99.3	8.1	5.4	1.3	1.7	0.2	0.1	0.0	0.1	0.0	0.0
Albuminoidal substances; modified s	11.5	18.2	145.1	160.8	0.3	0.3	3.4	3.9	0.1	0.1	1.7	1.5
Aluminum and articles thereof	26.0	23.0	83.2	55.0	0.7	0.4	2.0	1.3	0.0	0.0	0.1	0.1
Animal or vegetable fats and oils a	16.8	42.2	8.1	7.6	0.5	0.7	0.2	0.2	0.1	0.2	0.0	0.0
Arms and ammunition; parts and acce	7.6	22.5	0.2	0.7	0.2	0.4	0.0	0.0	0.2	0.5	0.0	0.0
Articles of apparel and clothing ac	21.1	58.0	3.5	4.0	0.6	1.0	0.1	0.1	0.0	0.0	0.0	0.0
Articles of iron or steel	52.5	101.8	18.9	11.8	1.5	1.7	0.4	0.3	0.0	0.1	0.0	0.0
Articles of leather; saddlery and h	5.0	10.0	0.6	0.8	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Articles of stone, plaster, cement,	21.7	28.8	13.3	12.0	0.6	0.5	0.3	0.3	0.1	0.1	0.1	0.1
Beverages, spirits and vinegar	70.4	101.0	365.3	466.3	1.9	1.7	8.6	11.2	0.1	0.1	1.0	1.1
Carpets and other textile floor cov	3.9	8.9	0.6	0.8	0.1	0.2	0.0	0.0	0.1	0.2	0.0	0.0
Ceramic products	20.2	31.2	0.4	0.2	0.6	0.5	0.0	0.0	0.1	0.2	0.0	0.0
Cereals	1.5	15.4	12.9	13.8	0.0	0.3	0.3	0.3	0.0	0.1	0.1	0.1
Clocks and watches and parts thereo	1.7	1.8	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cocoa and cocoa preparations	17.0	25.8	0.2	0.5	0.5	0.4	0.0	0.0	0.1	0.1	0.0	0.0
Coffee, tea, matT and spices	4.7	6.7	0.2	0.5	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0
Commodities not specified according	37.5	56.6	36.9	45.3	1.0	1.0	0.9	1.1	0.0	0.1	0.0	0.1
Copper and articles thereof	12.2	11.3	3.8	8.8	0.3	0.2	0.1	0.2	0.0	0.0	0.0	0.0
Cork and articles of cork	1.7	1.1	0.4	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Cotton	3.2	2.1	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dairy produce; birds' eggs; natural	11.0	82.7	298.5	159.5	0.3	1.4	7.1	3.8	0.0	0.2	0.8	0.4
Edible fruit and nuts; peel of citr	2.8	4.8	521.1	644.9	0.1	0.1	12.3	15.6	0.0	0.0	1.3	1.3
Edible vegetables and certain roots	1.3	5.5	73.2	61.3	0.0	0.1	1.7	1.5	0.0	0.0	0.3	0.2
Electrical machinery and equipment	358.4	317.0	102.1	106.4	9.9	5.4	2.4	2.6	0.1	0.1	0.0	0.0
Essential oils and resinoids; perfu	63.9	50.8	7.1	10.0	1.8	0.9	0.2	0.2	0.1	0.1	0.0	0.0
Explosives; pyrotechnic products; m	2.9	3.1	0.1	0.0	0.1	0.1	0.0	0.0	0.2	0.2	0.0	0.0
Fertilisers	15.9	22.2	0.5	0.5	0.4	0.4	0.0	0.0	0.1	0.2	0.0	0.0

Product description	Value (US$ mln) Export 2010	Value (US$ mln) Export 2017	Value (US$ mln) Import 2010	Value (US$ mln) Import 2017	Share of total trade (%) Export 2010	Share of total trade (%) Export 2017	Share of total trade (%) Import 2010	Share of total trade (%) Import 2017	Share of total EU trade (%) Export 2010	Share of total EU trade (%) Export 2017	Share of total EU trade (%) Import 2010	Share of total EU trade (%) Import 2017
Fish and crustaceans, molluscs and	0.5	2.2	121.1	146.6	0.0	0.0	2.9	3.5	0.0	0.0	0.4	0.4
Footwear, gaiters and the like; par	17.5	26.4	6.4	2.6	0.5	0.5	0.2	0.1	0.1	0.1	0.0	0.0
Furniture; bedding, mattresses, mat	51.4	92.6	11.7	16.5	1.4	1.6	0.3	0.4	0.1	0.1	0.0	0.0
Furskins and artificial fur; manufa	0.5	0.5	1.1	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Glass and glassware	24.6	32.6	1.8	1.4	0.7	0.6	0.0	0.0	0.1	0.1	0.0	0.0
Headgear and parts thereof	1.6	3.0	1.9	2.0	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1
Impregnated, coated, covered or lam	7.5	6.4	3.7	3.8	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Inorganic chemicals; organic or ino	9.9	7.8	0.2	0.2	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Iron and steel	25.5	26.4	14.2	2.1	0.7	0.4	0.3	0.1	0.0	0.0	0.0	0.0
Knitted or crocheted fabrics	2.4	3.9	0.4	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0
Lac; gums, resins and other vegetab	3.1	3.5	1.3	1.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.0
Lead and articles thereof	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Live animals; animal products	6.8	1.4	1.1	0.6	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Live trees and other plants; bulbs,	4.2	6.8	10.9	10.1	0.1	0.1	0.3	0.2	0.0	0.0	0.1	0.1
Man-made filaments; strip and the l	8.1	6.1	0.5	0.2	0.2	0.1	0.0	0.0	0.1	0.1	0.0	0.0
Man-made staple fibres	8.4	4.1	0.3	0.2	0.2	0.1	0.0	0.0	0.1	0.1	0.0	0.0
Manufactures of straw, of esparto o	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Meat and edible meat offal	27.0	87.5	1481.3	1153.2	0.7	1.5	35.0	27.8	0.1	0.2	3.6	2.6
Mineral fuels, mineral oils and pro	6.6	16.3	0.4	0.1	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous articles of base meta	34.5	42.1	2.3	1.3	1.0	0.7	0.1	0.0	0.1	0.1	0.0	0.0
Miscellaneous chemical products	73.9	82.0	4.5	5.1	2.0	1.4	0.1	0.1	0.1	0.1	0.0	0.0
Miscellaneous edible preparations	36.1	45.2	3.3	6.8	1.0	0.8	0.1	0.2	0.1	0.1	0.0	0.0
Miscellaneous manufactured articles	7.2	6.5	0.5	0.4	0.2	0.1	0.0	0.0	0.1	0.1	0.0	0.0
Musical instruments; parts and acce	2.2	2.8	0.1	0.4	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Natural or cultured pearls, preciou	11.7	11.5	2.6	10.5	0.3	0.2	0.1	0.3	0.0	0.0	0.0	0.0
Nickel and articles thereof	0.3	0.4	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nuclear reactors, boilers, machiner	722.2	1406.8	102.8	120.9	20.0	24.0	2.4	2.9	0.1	0.2	0.0	0.0
Oil seeds and oleaginous fruits; mi	9.7	24.6	52.6	76.6	0.3	0.4	1.2	1.8	0.1	0.2	0.3	0.3
Optical, photographic, cinematograp	162.4	202.5	100.7	149.0	4.5	3.5	2.4	3.6	0.1	0.1	0.1	0.1

	Value (US$ mln)				Share of total trade (%)				Share of total EU trade (%)			
	Export		Import		Export		Import		Export		Import	
Product description	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
Ores, slag and ash	0.0	0.3	1.2	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Organic chemicals	56.2	35.2	5.1	29.0	1.6	0.6	0.1	0.7	0.0	0.0	0.0	0.0
Other base metals; cermets; article	1.3	0.8	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other made up textile articles; set	7.8	8.6	3.1	5.9	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Other vegetable textile fibres; pap	1.8	2.3	0.0	0.0	0.1	0.0	0.0	0.0	0.2	0.2	0.0	0.0
Paper and paperboard; articles of p	103.0	102.8	6.6	1.2	2.9	1.8	0.2	0.0	0.1	0.1	0.0	0.0
Pharmaceutical products	260.6	322.2	61.4	86.6	7.2	5.5	1.5	2.1	0.1	0.1	0.0	0.0
Photographic or cinematographic goo	4.0	8.0	0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.2	0.0	0.0
Plastics and articles thereof	157.9	198.9	21.7	48.8	4.4	3.4	0.5	1.2	0.1	0.1	0.0	0.0
Preparations of cereals, flour, sta	17.9	30.2	8.6	7.3	0.5	0.5	0.2	0.2	0.1	0.1	0.0	0.0
Preparations of meat, of fish or of	1.3	3.1	12.3	36.0	0.0	0.1	0.3	0.9	0.0	0.0	0.1	0.2
Preparations of vegetables, fruit,	23.4	38.0	2.0	1.6	0.6	0.6	0.0	0.0	0.1	0.1	0.0	0.0
Prepared feathers and down and arti	0.2	0.4	0.3	0.4	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Printed books, newspapers, pictures	30.7	26.6	3.6	1.4	0.8	0.5	0.1	0.0	0.1	0.1	0.0	0.0
Products of animal origin, not else	0.9	2.8	34.5	30.0	0.0	0.0	0.8	0.7	0.0	0.1	1.0	0.7
Products of the milling industry; m	4.3	9.3	0.2	0.5	0.1	0.2	0.0	0.0	0.1	0.1	0.0	0.0
Pulp of wood or of other fibrous ce	1.2	1.0	4.2	5.2	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Railway or tramway locomotives, rol	2.3	3.6	0.0	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Raw hides and skins(other than furs	2.0	1.9	129.4	132.7	0.1	0.0	3.1	3.2	0.0	0.0	1.4	1.3
Residues and waste from the food in	11.7	24.9	10.3	15.9	0.3	0.4	0.2	0.4	0.1	0.1	0.0	0.1
Rubber and articles thereof	33.2	41.5	3.7	7.6	0.9	0.7	0.1	0.2	0.1	0.1	0.0	0.0
Salt; sulphur; earths and stone; pl	1.6	3.8	2.2	2.5	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Ships, boats and floating structure	43.5	32.9	74.1	14.0	1.2	0.6	1.8	0.3	0.1	0.1	0.2	0.1
Silk	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Soap, organic surface-active agents	18.7	23.3	0.6	3.2	0.5	0.4	0.0	0.1	0.1	0.1	0.0	0.0
Special woven fabrics; tufted texti	2.6	3.1	0.1	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0
Sugars and sugar confectionery	7.8	45.6	6.4	5.6	0.2	0.8	0.2	0.1	0.1	0.4	0.1	0.0
Tanning or dyeing extracts; tannins	31.7	43.8	2.6	3.6	0.9	0.7	0.1	0.1	0.1	0.1	0.0	0.0

Product description	Value (US$ mln) Export 2010	Value (US$ mln) Export 2017	Value (US$ mln) Import 2010	Value (US$ mln) Import 2017	Share of total trade (%) Export 2010	Share of total trade (%) Export 2017	Share of total trade (%) Import 2010	Share of total trade (%) Import 2017	Share of total EU trade (%) Export 2010	Share of total EU trade (%) Export 2017	Share of total EU trade (%) Import 2010	Share of total EU trade (%) Import 2017
Tin and articles thereof	0.3	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
Tobacco and manufactured tobacco su	1.2	7.4	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Tools, implements, cutlery, spoons	21.6	26.1	2.2	3.1	0.6	0.4	0.1	0.1	0.1	0.1	0.0	0.0
Toys, games and sports requisites;	25.8	20.7	4.6	5.9	0.7	0.4	0.1	0.1	0.1	0.1	0.0	0.0
Umbrella, sun umbrellas, walking-st	0.4	0.9	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.2	0.0	0.0
Vegetable plaiting materials; veget	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Vehicles other than railway or tram	583.2	1424.6	11.0	9.5	16.1	24.3	0.3	0.2	0.1	0.2	0.0	0.0
Wadding, felt and nonwovens; specia	11.2	13.9	2.7	2.4	0.3	0.2	0.1	0.1	0.1	0.1	0.0	0.0
Wood and articles of wood; wood cha	24.7	36.0	31.5	50.1	0.7	0.6	0.7	1.2	0.1	0.1	0.1	0.1
Wool, fine or coarse animal hair; h	2.6	3.2	140.2	134.8	0.1	0.1	3.3	3.3	0.1	0.1	2.9	2.8
Works of art, collectors' pieces an	6.9	4.7	8.5	7.7	0.2	0.1	0.2	0.2	0.1	0.0	0.1	0.1
Zinc and articles thereof	0.1	0.7	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**3613.2**	**5859.0**	**4228.7**	**4145.2**	**100**	**100**	**100**	**100**	**0.07**	**0.10**	**0.08**	**0.07**

Source: UNComtrade ; own calculations

Table V.1.2: EU's services trade with New Zealand by EBOPS 2010 sector (2010, 2017, values and % shares)

	Value (US$ mln) Export 2010	Value (US$ mln) Export 2017	Value (US$ mln) Import 2010	Value (US$ mln) Import 2017	Share of total trade (%) Export 2010	Share of total trade (%) Export 2017	Share of total trade (%) Import 2010	Share of total trade (%) Import 2017	Share of total EU trade (%) Export 2010	Share of total EU trade (%) Export 2017	Share of total EU trade (%) Import 2010	Share of total EU trade (%) Import 2017
Manufacturing services on physical inputs owned by others	19.6	6.5	2.5	1.8	0.7	0.2	0.2	0.1	0.0	0.0	0.0	0.0
Maintenance and repair services n.i.e.	27.9	70.5	2.8	12.8	1.0	2.1	0.2	0.6	0.2	0.2	0.0	0.0
Transport	1059.3	1121.7	455.6	500.1	39.3	33.2	27.9	24.1	0.3	0.3	0.1	0.1
Travel	556.5	996.8	822.1	1214.9	20.6	29.5	50.3	58.5	0.2	0.2	0.2	0.3
Construction	7.3	19	18.7	4.1	0.3	0.6	1.1	0.2	0.0	0.1	0.1	0.0
Insurance and pension services	149.1	13.9	22.1	4.2	5.5	0.4	1.4	0.2	0.3	0.0	0.1	0.0

	Value (US$ mln)				Share of total trade (%)				Share of total EU trade (%)			
	Export		Import		Export		Import		Export		Import	
	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017	2010	2017
Financial services	153.5	170.4	13.5	28.6	5.7	5.0	0.8	1.4	0.1	0.1	0.0	0.0
Charges for the use of intellectual property n.i.e	71	129.6	24.6	30.4	2.6	3.8	1.5	1.5	0.1	0.1	0.0	0.0
Telecommunications, computer, and information services	211.9	310	69.4	63.4	7.9	9.2	4.2	3.1	0.1	0.1	0.1	0.0
Other business services	345.9	442.1	182.6	196.8	12.8	13.1	11.2	9.5	0.1	0.1	0.0	0.0
Personal, cultural, and recreational services	9.3	6.2	6.2	9.6	0.3	0.2	0.4	0.5	0.0	0.0	0.0	0.0
Government goods and services n.i.e.	81.3	13.1	5.7	4.7	3.0	0.4	0.3	0.2	0.4	0.1	0.0	0.0
SERVICES	**2696.7**	**3379.5**	**1635.9**	**2078**	**100**	**100**	**100**	**100**	**0.2**	**0.1**	**0.1**	**0.1**

Source: OECD Stat; own calculations

Table V.1.3: EU's FDI flows and stocks in and from New Zealand (2017, values and % shares)

	Value (US$ mln)				Share of total FDI (%)			
	Flows		Stocks		Flows		Stocks	
	Inward	Outward	Inward	Outward	Inward	Outward	Inward	Outward
New Zealand	88	22	7485	2157	3.5	-9.8	9.8	12.6

Source: OECD Stat; own calculations

Table V.1.4: Tariffs in EU-New Zealand trade by HS2 Chapter (2016, % simple average tariffs)

		NZ tar on EU imp			EU tar on NZ imp		
Product	Product Name	AHS	BND	MFN	AHS	BND	MFN
01	LIVE ANIMALS	0.00	0.00	0.00	1.44	3.79	1.44
02	MEAT AND EDIBLE MEAT OFFAL	2.95	6.97	2.31	2.92	2.77	2.92
03	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC I	0.12	1.62	0.08	11.07	11.54	11.07
04	DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE	1.31	8.38	1.33	12.50	10.90	12.50
05	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED	0.00	0.23	0.00	0.09	0.11	0.09
06	LIVE TREES AND OTHER PLANTS; BULBS, ROOTS AND THE	0.38	0.88	0.42	6.22	5.46	6.22
07	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS	1.02	8.66	1.30	8.10	7.81	8.10
08	EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUIT OR MEL	1.38	3.61	1.00	8.27	7.67	8.27
09	COFFEE, TEA, MATÉ AND SPICES	2.21	4.38	2.04	3.40	3.40	3.40

		NZ tar on EU imp			EU tar on NZ imp		
Product	Product Name	AHS	BND	MFN	AHS	BND	MFN
10	CEREALS	0.00	0.83	0.00	0.80	6.40	0.80
11	PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES;	3.18	11.24	3.11	8.26	8.65	8.26
12	OIL SEEDS AND OLEAGINOUS FRUITS; MISCELLANEOUS GRA	0.09	0.81	0.09	1.87	1.92	1.87
13	LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXT	0.00	1.20	0.00	0.25	0.25	0.25
14	VEGETABLE PLAITING MATERIALS; VEGETABLE PRODUCTS N	0.00	0.00	0.00	0.00	0.00	0.00
15	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVA	0.48	1.93	0.54	5.11	4.73	5.11
16	PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, M	1.92	8.96	2.06	17.95	18.46	17.95
17	SUGARS AND SUGAR CONFECTIONERY	2.41	3.46	1.40	13.10	13.10	13.10
18	COCOA AND COCOA PREPARATIONS	4.01	12.47	2.78	8.00	8.00	8.00
19	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PA	4.72	16.34	4.65	12.80	12.80	12.80
20	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER P	3.71	14.42	3.95	17.89	17.67	17.89
21	MISCELLANEOUS EDIBLE PREPARATIONS	3.41	14.99	3.83	9.65	9.49	9.65
22	BEVERAGES, SPIRITS AND VINEGAR	2.25	10.29	2.15	1.60	1.60	1.60
23	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPA	3.57	6.01	2.04	1.57	1.79	1.57
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES	2.84	10.79	2.32	31.45	31.45	31.45
25	SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERI	0.04	2.23	0.14	0.00	0.00	0.00
26	ORES, SLAG AND ASH	0.00	0.00	0.00	0.00	0.00	0.00
27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR	0.65	2.32	0.44	1.20	1.84	1.20
28	INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUND	0.16	0.54	0.14	4.28	4.22	4.28
29	ORGANIC CHEMICALS	0.04	0.38	0.05	4.21	3.41	4.21
30	PHARMACEUTICAL PRODUCTS	0.30	1.72	0.30	0.00	0.63	0.00
31	FERTILISERS	0.00	0.45	0.00	2.74	2.43	2.74
32	TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERI	1.50	3.34	0.80	5.60	5.74	5.60
33	ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC	3.95	17.05	3.17	1.90	1.88	1.90
34	SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPA	4.18	16.70	3.77	1.90	1.86	1.90
35	ALBUMINOIDAL SUBSTANCES; MODIFIED STARCHES; GLUES;	2.46	6.37	1.83	5.21	5.01	5.21
36	EXPLOSIVES; PYROTECHNIC PRODUCTS; MATCHES; PYROPHO	1.54	9.35	1.55	6.50	6.50	6.50
37	PHOTOGRAPHIC OR CINEMATOGRAPHIC GOODS	1.75	1.90	0.83	3.58	5.18	3.58
38	MISCELLANEOUS CHEMICAL PRODUCTS	0.96	6.77	0.87	4.79	4.50	4.79

		NZ tar on EU imp			EU tar on NZ imp		
Product	Product Name	AHS	BND	MFN	AHS	BND	MFN
39	PLASTICS AND ARTICLES THEREOF	3.59	14.92	2.98	6.08	5.72	6.08
40	RUBBER AND ARTICLES THEREOF	3.31	12.45	2.58	3.05	3.02	3.05
41	RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEAT	2.35	13.95	1.99	2.40	2.39	2.40
42	ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL	4.59	21.48	4.61	4.38	4.57	4.38
43	FURSKINS AND ARTIFICIAL FUR; MANUFACTURES THEREOF	3.94	17.69	3.47	1.57	1.57	1.57
44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL	3.37	11.07	3.03	1.84	1.56	1.84
45	CORK AND ARTICLES OF CORK	1.00	2.29	0.48	4.18	4.18	4.18
46	MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAI	2.29	7.40	2.00	3.78	3.45	3.78
47	PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERI	0.00	0.00	0.00	0.00	0.00	0.00
48	PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF P	0.00	0.00	0.00	0.00	0.00	0.00
49	PRINTED BOOKS, NEWSPAPERS, PICTURES AND OTHER PROD	0.00	0.00	0.00	0.00	0.00	0.00
50	SILK	0.00	0.00	0.00	3.49	3.49	3.49
51	WOOL, FINE OR COARSE ANIMAL HAIR; HORSEHAIR YARN A	3.51	17.17	2.61	4.11	4.11	4.11
52	COTTON	0.00	2.41	0.00	7.68	7.68	7.68
53	OTHER VEGETABLE TEXTILE FIBRES; PAPER YARN AND WOV	0.00	0.00	0.00	6.69	6.69	6.69
54	MAN-MADE FILAMENTS; STRIP AND THE LIKE OF MAN-MADE	0.97	5.24	0.98	7.40	7.40	7.40
55	MAN-MADE STAPLE FIBRES	0.53	6.52	0.86	7.16	7.16	7.16
56	WADDING, FELT AND NONWOVENS; SPECIAL YARNS; TWINE,	3.56	17.76	3.33	6.05	6.01	6.05
57	CARPETS AND OTHER TEXTILE FLOOR COVERINGS	9.23	36.27	8.97	7.75	7.75	7.75
58	SPECIAL WOVEN FABRICS; TUFTED TEXTILE FABRICS; LAC	1.75	11.99	1.49	7.26	7.28	7.26
59	IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE	1.65	12.55	1.55	6.07	6.12	6.07
60	KNITTED OR CROCHETED FABRICS	2.76	20.01	2.68	7.81	7.81	7.81
61	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNIT	9.68	33.46	9.69	11.64	11.65	11.64
62	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT	9.74	39.29	9.70	11.31	11.31	11.31
63	OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN CLOTHIN	3.61	20.40	3.68	10.01	9.99	10.01
64	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTI	6.17	31.01	5.94	10.81	10.80	10.81
65	HEADGEAR AND PARTS THEREOF	6.08	24.50	5.31	2.63	2.33	2.63
66	UMBRELLAS, SUN UMBRELLAS, WALKING STICKS, SEAT-STI	3.54	14.06	2.78	4.49	4.49	4.49
67	PREPARED FEATHERS AND DOWN AND ARTICLES MADE OF FE	3.26	19.06	3.13	2.10	2.10	2.10
68	ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA	2.85	11.98	3.15	1.06	1.01	1.06

Product	Product Name	NZ tar on EU imp AHS	NZ tar on EU imp BND	NZ tar on EU imp MFN	EU tar on NZ imp AHS	EU tar on NZ imp BND	EU tar on NZ imp MFN
69	CERAMIC PRODUCTS	4.19	16.81	4.14	5.76	5.79	5.76
70	GLASS AND GLASSWARE	1.41	8.81	1.19	5.66	5.64	5.66
71	NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECI	2.36	8.53	1.36	1.41	1.43	1.41
72	IRON AND STEEL	1.64	8.24	1.69	0.00	0.00	0.00
73	ARTICLES OF IRON OR STEEL	3.56	18.10	3.61	1.96	1.97	1.96
74	COPPER AND ARTICLES THEREOF	2.85	9.54	2.19	2.96	2.98	2.96
75	NICKEL AND ARTICLES THEREOF	0.00	0.00	0.00	1.25	1.25	1.25
76	ALUMINIUM AND ARTICLES THEREOF	4.00	16.09	3.47	6.27	6.36	6.27
78	LEAD AND ARTICLES THEREOF	2.19	6.54	1.67	2.50	3.75	2.50
79	ZINC AND ARTICLES THEREOF	1.25	1.86	0.36	2.50	2.50	2.50
80	TIN AND ARTICLES THEREOF	0.67	1.13	0.25	5.34	4.80	5.34
81	OTHER BASE METALS; CERMETS; ARTICLES THEREOF	0.00	0.00	0.00	3.12	3.12	3.12
82	TOOLS, IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF B	2.76	12.55	2.71	2.20	2.17	2.20
83	MISCELLANEOUS ARTICLES OF BASE METAL	3.63	17.91	3.84	1.58	1.61	1.58
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICA	2.96	14.61	3.04	2.20	2.39	2.20
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THERE	2.61	9.77	2.62	1.76	1.59	1.76
86	RAILWAY OR TRAMWAY LOCOMOTIVES, ROLLING STOCK AND	3.93	21.25	4.00	4.84	4.78	4.84
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STO	3.64	17.87	3.63	1.56	1.83	1.56
88	AIRCRAFT, SPACECRAFT, AND PARTS THEREOF	0.00	0.96	0.00	1.66	1.70	1.66
89	SHIPS, BOATS AND FLOATING STRUCTURES	4.74	20.44	4.35	1.38	1.81	1.38
90	OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING,	1.57	3.32	1.28	4.22	4.22	4.22
91	CLOCKS AND WATCHES AND PARTS THEREOF	0.34	4.06	0.15	3.19	3.20	3.19
92	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH	0.00	3.38	0.00	2.87	2.87	2.87
93	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF	0.77	5.75	0.78	1.87	1.71	1.87
94	FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS,	4.55	21.00	4.57	2.30	2.28	2.30
95	TOYS, GAMES AND SPORTS REQUISITES; PARTS AND ACCES	3.61	21.46	3.50	3.22	3.41	3.22
96	MISCELLANEOUS MANUFACTURED ARTICLES	3.81	17.27	3.68	0.00	0.00	0.00
97	WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES	0.00	1.43	0.00	0.00	0.00	0.00

Source: UNCTAD Trains

Table V.1.5: Services trade restrictions in the EU and New Zealand (2018)

	EU						New Zealand					
Sector	Indicator STRI	Restrictions on foreign entry	Restrictions to movement of people	Other discriminatory measures	Barriers to competition	Regulatory transparency	Indicator STRI	Restrictions on foreign entry	Restrictions to movement of people	Other discriminatory measures	Barriers to competition	Regulatory transparency
Logistics cargo-handling	0.19	0.04	0.03	0.01	0.05	0.05	0.31	0.10	0.04	0.00	0.10	0.08
Logistics storage and warehouse	0.18	0.05	0.04	0.01	0.03	0.05	0.22	0.08	0.04	0.00	0.02	0.08
Logistics freight forwarding	0.17	0.05	0.04	0.01	0.01	0.06	0.21	0.08	0.04	0.00	0.00	0.09
Logistics customs brokerage	0.18	0.06	0.04	0.01	0.01	0.06	0.21	0.08	0.04	0.00	0.00	0.09
Accounting	0.26	0.10	0.12	0.01	0.01	0.03	0.20	0.11	0.07	0.00	0.00	0.02
Architecture	0.26	0.04	0.16	0.01	0.01	0.04	0.21	0.06	0.12	0.00	0.00	0.03
Engineering	0.25	0.05	0.14	0.01	0.01	0.04	0.20	0.07	0.11	0.00	0.00	0.03
Legal	0.39	0.17	0.16	0.02	0.01	0.03	0.23	0.12	0.09	0.00	0.00	0.02
Motion pictures	0.18	0.05	0.05	0.03	0.01	0.04	0.19	0.09	0.06	0.02	0.00	0.03
Broadcasting	0.22	0.12	0.03	0.03	0.03	0.02	0.20	0.13	0.03	0.02	0.02	0.02
Sound recording	0.19	0.03	0.05	0.03	0.02	0.05	0.17	0.06	0.06	0.02	0.00	0.04
Telecom	0.15	0.04	0.02	0.02	0.03	0.03	0.19	0.08	0.02	0.01	0.04	0.02
Air transport	0.41	0.23	0.02	0.02	0.12	0.02	0.36	0.20	0.02	0.00	0.13	0.02
Maritime transport	0.22	0.11	0.06	0.02	0.02	0.02	0.23	0.13	0.06	0.00	0.02	0.02
Road freight transport	0.18	0.07	0.05	0.02	0.03	0.01	0.19	0.13	0.05	0.00	0.00	0.01
Rail freight transport	0.21	0.06	0.04	0.01	0.06	0.03	0.23	0.10	0.04	0.00	0.06	0.03
Courier	0.18	0.05	0.03	0.01	0.04	0.04	0.26	0.10	0.03	0.00	0.07	0.05
Distribution	0.16	0.05	0.02	0.02	0.04	0.04	0.16	0.08	0.02	0.00	0.01	0.05
Commercial banking	0.18	0.07	0.03	0.01	0.03	0.04	0.20	0.12	0.03	0.01	0.01	0.03
Insurance	0.17	0.08	0.04	0.01	0.01	0.03	0.14	0.07	0.04	0.00	0.00	0.03
Computer	0.21	0.04	0.08	0.02	0.01	0.06	0.20	0.08	0.08	0.00	0.00	0.04
Construction	0.21	0.04	0.07	0.03	0.01	0.05	0.20	0.08	0.06	0.00	0.00	0.05

Sector	EU Indicator STRI	EU Restrictions on foreign entry	EU Restrictions to movement of people	EU Other discriminatory measures	EU Barriers to competition	EU Regulatory transparency	New Zealand Indicator STRI	New Zealand Restrictions on foreign entry	New Zealand Restrictions to movement of people	New Zealand Other discriminatory measures	New Zealand Barriers to competition	New Zealand Regulatory transparency
Average STRI	**0.22**	**0.07**	**0.06**	**0.02**	**0.03**	**0.04**	**0.21**	**0.10**	**0.05**	**0.00**	**0.02**	**0.04**

Source: OECD STRI database ; the average values for the EU are based on own calculations

Table V.1.6 : EU's trade in agricultural products with New Zealand (2017, values and % shares)

HS2 Code	Product description	Value (US$ mln) Export 2017	Value (US$ mln) Import 2017	Share in total trade (%) Export 2017	Share in total trade (%) Import 2017
1	Live animals; animal products	1.4	0.6	0.0	0.0
2	Meat and edible meat offal	87.5	1153.2	1.5	27.8
3	Fish and crustaceans, molluscs and	2.2	146.6	0.0	3.5
4	Dairy produce; birds' eggs; natural	82.7	159.5	1.4	3.8
5	Products of animal origin, not else	2.8	30.0	0.0	0.7
6	Live trees and other plants; bulbs,	6.8	10.1	0.1	0.2
7	Edible vegetables and certain roots	5.5	61.3	0.1	1.5
8	Edible fruit and nuts; peel of citr	4.8	644.9	0.1	15.6
9	Coffee, tea, matT and spices	6.7	0.5	0.1	0.0
10	Cereals	15.4	13.8	0.3	0.3
11	Products of the milling industry; m	9.3	0.5	0.2	0.0
12	Oil seeds and oleaginous fruits; mi	24.6	76.6	0.4	1.8
13	Lac; gums, resins and other vegetab	3.5	1.1	0.1	0.0
14	Vegetable plaiting materials; veget	0.0	0.5	0.0	0.0
15	Animal or vegetable fats and oils a	42.2	7.6	0.7	0.2
16	Preparations of meat, of fish or of	3.1	36.0	0.1	0.9

		Value (US$ mln)		Share in total trade (%)	
		Export	Import	Export	Import
HS2 Code	Product description	2017	2017	2017	2017
17	Sugars and sugar confectionery	45.6	5.6	0.8	0.1
18	Cocoa and cocoa preparations	25.8	0.5	0.4	0.0
19	Preparations of cereals, flour, sta	30.2	7.3	0.5	0.2
20	Preparations of vegetables, fruit,	38.0	1.6	0.6	0.0
21	Miscellaneous edible preparations	45.2	6.8	0.8	0.2
22	Beverages, spirits and vinegar	101.0	466.3	1.7	11.2
23	Residues and waste from the food in	24.9	15.9	0.4	0.4
24	Tobacco and manufactured tobacco su	7.4	0.0	0.1	0.0
1-24	**Agriculture**	**616.9**	**2846.6**	**10.5**	**68.7**
1-99	**Total goods**	**5859.0**	**4145.2**	**100**	**100**

Source: UNComtrade; own calculations

V.2 Social state of play in the EU and New Zealand

Employment levels

In **the EU**, the number of jobs continued to grow and in 2018 the record 238.9 million people were employed, with the employment rate of 73.2 percent. The total unemployment rate fell to 6.9 percent. The youth unemployment declined to 15.2 percent. It is estimated that in 2017 around 3.2 million jobs were created in the EU, mostly in services (2.8 million). As in previous years, the highest employment growth (4.3 percent) was recorded for older workers (55-64 years) raising employment rate within this group to 57.1 percent in 2017. This reflects reforms of national pensions systems. Moreover, job creation was the highest, (2.9 percent), as in previous years, for highly qualified workers leading to an employment rate of 85.3 percent in this group (the rate for medium-skilled workers increased to 75.7 percent and for low-skilled declined slightly to 55.6 percent). (European Commission, 2017 and 2018a) Sectors with biggest shares in total employment included manufacturing (15.5 percent), wholesale and retail trade (13.8 percent), human health and social services (10.9 percent), education (7.6 percent), and construction (6.8 percent). (EUROSTAT, 2018)

Given the importance of education and skills in seizing opportunities in the labour market, Member States continued taking measures to reduce the rate of early school drop-outs and to raise the rate of tertiary educational attainment. Moreover, they are revising their adult learning programmes and training offer to help the adult population and workers to adapt to the ongoing technological changes having impact on the labour market. Currently, the ratio of low-skilled workers to the number of jobs requiring low level of skills in the EU is like three to one. At the same time more than 40 percent of adults in the EU don't have basic digital skills. (European Commission, 2018a) An OECD analysis estimating the risk of jobs being replaced by automation indicates for the EU figures ranging from 27 percent for Finland and Estonia to 45 percent for the Czech Republic and Slovakia. (OECD, 2017b)

In 2018, **New Zealand's** employment rate increased to 68.3 percent and unemployment further declined to 3.8 percent. The Māori faced a higher unemployment rate of 6.2-8.5 percent and an employment rate of 61.1-63.3 percent. (MBIE, 2018 and 2018a) In the year to September 2018, job creation was driven mainly by health care and social assistance, retail trade and accommodation, while labour supply was enhanced by increased participation of older workers and net immigration. (MBIE, 2018a) Sectors with the main shares in total employment include retail trade, food services and accommodation (15.2 percent), professional, scientific, technical, administrative and support services (12.7 percent), healthcare and social services (10 percent), manufacturing (9.7 percent), construction (9.4 percent), and education (8.8 percent). (Stats NZ, 2018)

The available forecast indicates a slowdown in the employment growth in 2019-2020, with the best results expected for healthcare and education, business services and utilities, and construction. Jobs will be created mainly for high skilled workers. (MBIE, 2018a) This will strengthen divergence in employment rates between groups of workers with different skills levels. In 2015, the employment rate of highly skilled workers was at 87.5 percent (and increasing), middle-skilled: 81.3 percent and declining, and low-skilled: 69.1 percent and declining. (OECD, 2017b) An OECD analysis estimates that around 35 percent of jobs in New Zealand are at risk of being replaced by automation, with 9 percent being at high risk. The figure rises to 45 percent for workers having primary or lower education and is close to zero for those with tertiary education. While the general level of educational attainment in New Zealand is lower than OECD average, the OECD Survey of Adult Skills (2012-2015) indicates a high level of information-processing and problem-solving skills compared to other OECD countries (the fourth and the first rank respectively). This suggest a good preparation for jobs requiring work with new technologies and tasks which will not be easily automated. (OECD, 2017b) The Government has launched initiatives to support skills development and employment opportunities, through training, apprenticeships and job-matching for young people and those currently dependant on benefits. (MBIE, 2017)

Women as workers, entrepreneurs, traders and consumers

Women as workers

The employment rate of women raised in **the EU** in 2017 to 66.4 percent (for men, 77.9 percent) marking an employment gap of 11.5 percentage points. Women are increasingly well-qualified and in certain age groups outperform men in educational attainment (e.g. in 2017, 44.9 percent of women aged 30-34 had tertiary education compared to 34.9 percent among men). Yet, they tend to work fewer hours (in 2017, the EU part-time employment rate for women of 31.1 percent was higher by 23 percentage points than that for men, 8.2 percent). Women also tend to have lower-ranking jobs and be more present in lower paying sectors. This contributes to a gender pay gap (16.2 percent in 2016), which combined with a usually shorter career translates into lower pensions for women (the gender gap of 37.2 percent in 2016). Additional challenges are faced by vulnerable women, i.e. older ones, single parents, disabled, or with a migrant or an ethnic minority background. (European Commission, 2018a, 2018b, 2017a) In 2014, 12.3 million jobs occupied by women in the EU depended on exports. (Rueda-Cantuche, Kutlina-Dimitrova et all, 2018). Sectors having large shares in women's employment in the EU include human health and social services (19.4 percent), wholesale and retail trade (14.6 percent), education (12.8 percent), manufacturing (10.6 percent), and public administration (8 percent). (EUROSTAT, 2018).

In 2016, challenges in entering the labour market were faced especially by mothers and women with care responsibilities. Factors influencing the situation include insufficient child care and other care facilities, fiscal disincentives for second earners, and insufficient availability of flexible working arrangements. Member States and the Commission have taken steps to increase the availability of childcare facilities, introduce more balance in parental leave, encourage women to return to work after childbirth, raise awareness about non-discrimination at work and increase transparency about wage levels for men and women. (European Commission, 2018a, 2018b, 2017, 2017a, 2016)

The women's employment rate continued to increase in **New Zealand** and in 2018 reached 63.2 percent (with 72.8 percent for men, employment gender gap was of 9.6 percentage points). For Māori and Pacific women, the rates in 2017 were lower, at 59.3 percent and 55.3 percent respectively. The unemployment rate was identical for both genders: 3.8 percent, with significantly higher figures for Māori and Pacific women (11.1 percent and 10.4 percent). Many more women (31.5 percent) than men (11.5 percent) worked part-time. In 2018, gender pay gap was of 9.2 percent. (MBIE, 2018 and Stats NZ, 2017 and 2018c) In 2013, women were more qualified than men, with a higher proportion of women having attained tertiary education. (Stats NZ, 2013) However, women work still more often than men in lower-paid industries, carry out unpaid work and are under-represented in leadership positions. (Ministry for Women, 2017) The reasons include unconscious bias and stereotypical views about women and leadership affecting negatively recruitment decisions and promotions; career breaks for child care and other family responsibilities, and flexible work arrangements e.g. part-time work or job-sharing. (Ministry of Women's Affairs, 2013) The Government takes actions to address these challenges. (Ministry for Women, 2017)

Women as entrepreneurs

In 2012, women represented 31 percent of **EU** entrepreneurs (10.3 million persons). The number of entrepreneurs in the labour force, (rate of entrepreneurship) was 10 percent for women and 19 percent for men. 23 percent of women (30 percent among men) entrepreneurs employed workers, the rest operated as solo entrepreneurs. (European Commission, 2014) **Fehler! Verweisquelle konnte nicht gefunden werden.**Women-led enterprises had the greatest shares among entrepreneurs in sectors, such as human health and social services (60 percent), education (55 percent), accommodation and food services (39 percent), administrative and support services (37 percent), and professional, scientific and technical services (34 percent). (European Commission, 2014) In eight EU Member States, for which data related to size of women-led enterprises is available, 94 percent of them were microenterprises, 5 percent small ones and 1 percent medium and large (European Commission, 2014). The main challenges faced by female entrepreneurs include access to finance, information, training, and networks for business purposes, as well as reconciliation of business and family life.[11]

The EU and Member States developed tools to support women in their entrepreneurship, e.g. WEgate ("one-stop-shop" for women who want to start, run or grow a business), the European Network of Female Entrepreneurship Ambassadors, or the European Network of Mentors for Women Entrepreneurs.[12]

In 2018, **New Zealand** ranked first in the Mastercard Index of Women Entrepreneurs based on a range of indicators, including women's advancement in the labour market and entrepreneurship, educational attainment and access to finance, conditions supporting businesses, such as ease of doing business or perceptions of women as entrepreneurs, and support for SMEs, e.g. provision of training. Accordingly, New Zealand had the fourth highest rate of women among all entrepreneurs (33 percent) and the best scores (1st rank) for the ease of doing business, governance quality (effective regulatory policies), support for SMEs (affordable financial services, provision of training and development offer), and the rate of women enrolment in tertiary education. The remaining indicators placed the country at ranks 5th to 10th, with some exceptions, such as social acceptance of and support for entrepreneurs among women (ranks 30th to 39th) and social attitude to running business as a desirable career (39th). The report reveals as well that female entrepreneurs in New Zealand earn on average 32 percent less than male business owners. (Mastercard, 2018)

In a survey carried out in 2015 among women-led SMEs in New Zealand, the respondents named the same challenges as other SMEs, e.g. increasing competition in the market, fuel prices, cash flow, attracting new customers, price margins and profitability. They planned investment in IT systems to maximise productivity and streamline operations. Moreover, women were more likely than male business owners to include staff-oriented actions into their planning, such as wage increase.[13] (MYOB, 2015) In the last decade, women-led enterprises operated in sectors including property and business services, retail trade, as well as personal and other services. (Ministry of Women's Affairs, 2008)

Women as traders

In **the EU**, the European Commission has been leading discussion on women economic empowerment and trade to explore ways of promoting increased women's participation in international trade and identify barriers preventing women from seizing opportunities offered by trade agreements, as well as to develop tools and share experience in gender-based analysis of trade policy. This included e.g. organising an International Forum on Women and Trade in 2017, debate at the European Development Days in 2018 and participation in seminars organised in the follow-up to the 2017 Buenos Aires Declaration on Trade and Women's Economic Empowerment.[14]

New Zealand was among the supporters of the 2017 Buenos Aires Declaration on Trade and Women's Economic Empowerment[15] and has been involved in APEC[16] initiatives promoting women's participation in economic activities and international trade . These include e.g. the 2017 "Gender Inclusion Guidelines"[17], a tool adopted by APEC to integrate gender dimension into work of APEC's forums across five pillars: 1) access to capital and

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[11] DG GROWTH: http://ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/women/

[12] For details, about initiatives supporting female entrepreneurs at the EU level, please see: http://ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/women/support-networks_en.

[13] The main sectors represented in the sample in survey included the professional sector (34 percent), primary industries (21 percent), retail and hospitality (10 percent) and the trades (6 percent).

[14] For more information, see: International Forum on Women and Trade: http://trade.ec.europa.eu/doclib/press/index.cfm?id=1632; European Development Days: https://eudevdays.eu/community/sessions/1004/trade-and-womens-economic-empowerment.

[15] See text of the Declaration and the list of supporting countries: https://www.wto.org/english/news_e/news17_e/mc11_12dec17_e.htm

[16] Asia-Pacific Economic Cooperation, an inter-governmental forum of 21 Pacific Rim member economies.

[17] APEC Gender Inclusion Guidelines: https://www.apec.org/Publications/2017/11/APEC-Gender-Inclusion-Guidelines [accessed on 18 January 2019]

assets, 2) market access, 3) skills, capacity building and health, 4) leadership, voice and agency, 5) innovation and technology. (Braun, 2018) The Government considers further steps to support women's participation in trade and to analyse and address impacts of trade policy and trade agreements on gender equality. (Ministry for Foreign Affairs and Trade, 2018) In June 2019, the Government is going to present proposals of the new Trade for All policy, including on gender and trade.[18] Representatives of New Zealand have also contributed to a UNECE discussion on a greater role for women in international standards setting, including in relation to product standards, which has been summarised by adoption of the Declaration for Gender Responsive Standards and Standards Development.[19]

Consumers[20], welfare, levels of inequality and impacts on vulnerable groups

The share of people at risk of poverty or social exclusion in **the EU** continued to decrease and in 2017 dropped to 113 million people, i.e. 22.5 percent (5 million below the pre-crisis level and 11 million less than in the peak of 2012). Groups of the population most exposed to this risk include young people (aged 18-24), children (notably children of low-skilled parents, non-EU born parents and brought up by single parents), unemployed, unskilled persons with at most the lower secondary education, third country nationals, elderly people and people with disabilities. The number of people living in absolute poverty decreased in 2016 to 7.5 percent (37.8 million). Income inequality decreased, with low-income levels rising, however, still the richest 20 percent of the population had disposable incomes 5.1 times higher than the poorest 20 percent (European Commission, 2017 and 2018a)

In 2017, the real wage increase slowed down (0.5 percent compared to 1.2 percent in 2016) and remained behind the productivity growth. Existing labour market reserves, low inflation rate and quite a low productivity growth may explain this trend. The minimum wages were raised in several Member States. Yet, there are persisting high levels of in-work poverty (9.6 percent of the working population) which need to be addressed, e.g. by adjustments of tax schemes and benefits adequacy. (European Commission, 2018a)

In 2016, in **New Zealand**, around 682,500 persons (15 percent of the population) lived in poverty, including 220,000 children. Groups being at risk of poverty included beneficiaries of social security payments, children, indigenous people (40 percent of Pacific People and 32 percent of Māori), single parents' households (almost 50 percent) and single adults. (Council of Christian Social Services, 2017) According to OECD data, child poverty rate in New Zealand was in 2016 slightly higher than OECD average. (OCED, 2018c) New Zealand has adopted Child Poverty Reduction Act suggesting measures and targets to reduce child poverty, and takes other steps, e.g. to support incomes of poor families. However, these have been balanced or outweighed in some cases by rent increase combined with loss of hardship payments or in the case of families with both parents earning minimum wage, by reaching income threshold beyond which social security benefits are reduced. (St John, 2018) Disposable income of the richest 20 percent of the population is five times higher than that of the poorest 20 percent. (Ministry of Social Development, 2018)

In 2018, wages in New Zealand continued to increase. (Trading Economics, 2019; 2019a and Stats NZ, 2018c) The Government envisages wage increase in 2018-2020 as a result of economic growth, tight labour market and labour market policies, including fair pay agreements, pay equity settlements and minimum wage increases. (The Treasury, 2018)

Regarding aspects having impact on affordability and availability of goods and services, important for consumers, there are arrangements between **the EU** and **New Zealand**, which facilitate trade and provide a foundation to build on in the future FTA. These include e.g. the EU-New Zealand Mutual Recognition Agreement. According to stakeholders, it has brought about positive outcomes for bilateral trade flows, such as recognition of conformity assessments reducing administrative burden for exporters. (European Commission, 2017c

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[18] Trade for All Agenda: https://www.mfat.govt.nz/en/trade/nz-trade-policy/trade-for-all-agenda/

[19] UNECE: Gender Responsive Standards Initiative: http://www.unece.org/tradewelcome/steering-committee-on-trade-capacity-and-standards/tradewp6/thematic-areas/gender-initiative.html

[20] At this stage, women in their role of consumers are considered together with other groups of consumers.

and 2017d) EU and New Zealand have also determined in their adequacy agreement the rules related to data protection. (BEUC, Consumer NZ 2018)

Job quality

In **the EU**, the proportion of temporary workers to all employees remains at 14 percent. They often face more challenging environment regarding job quality, e.g. access to training and career advancement, job security and decision autonomy and are more likely to be at risk of poverty than those with permanent contracts (16.3 percent compared to 5.8 percent in 2017). Since 2008, the number of part-time jobs increased substantially (by 11 percent) while the number of full-time jobs dropped (by 2 percent). However, in 2016 proportionally more full-time than part-time jobs were created mitigating the previous trend. The share of involuntary part-time jobs decreased from 29.1 percent to 27.7 percent. The share of "platform workers" in total employment was of around 2 percent in 2017. The lack of clarity concerning their status, i.e. employees compared to self-employed may raise questions about their job quality, rights and social security coverage. (European Commission, 2017 and 2018a) On average, a full-time employee works in the EU 40.3 hours per week. (EUROSTAT, 2018a) Sectors of construction, transportation and storage, manufacturing, and agriculture, forestry and fishing together accounted for 67.2 percent of fatal accidents at work and 44.9 percent of all non-fatal accidents at work in 2014. (EUROSTAT, 2016)

In **New Zealand**, in 2017, the average number of working hours per week per employee was 37.6. According to Census 2013, 77 percent of employed worked full-time and 23 percent part-time. (Stats NZ, 2013a) The proportion of people having in 2016 a permanent contract to those having a temporary one was 89.3 percent to 10.7 percent. (Stats NZ, 2017a) The highest number of fatal accidents at work is recorded in agriculture, followed by construction and forestry. (Work Safe NZ, 2019) The highest number of non-fatal accidents occurs in construction, followed by manufacturing and transport, with lower numbers in agriculture and mining. (Work Safe NZ, 2019a) New Zealand has ratified three out of four ILO priority conventions. (ILO, NORMLEX)

Rights at work

Non-discrimination at work and vulnerable groups of workers

The EU adopted a Strategy on Disability (2010-2020) outlining actions to take to support people with disabilities, including in access to the labour market. In 2011, the employment rate of people with basic activity difficulty was 47.3 percent. (EUROSTAT, 2014) Moreover, as indicated above, people with disabilities are one of the groups most exposed at risk of poverty or social exclusion in the EU. In 2016, the rate of people with disabilities being at risk of poverty and social exclusion was 30.1 percent while for people without disabilities 20.9 percent marking a gap of 9.2 percent (European Commission, 20118a)

People with a migrant background are more exposed to the risk of poverty than EU-born citizens (41 percent compared to 20.7 percent in 2017) (European Commission, 2018a)

New Zealand has ratified ILO fundamental conventions related to non-discrimination at work, No. 100 and 111. (ILO, NORMLEX) The Government has adopted Disability Strategy 2016-2026 having access to work as one of the areas for action. In 2016, 1.1 million people (24 percent of the population) had a disability. (Office for Disability Issues, 2016) In 2018, employment rate of disabled men was at 23.5 percent (21.3 percent for women) while for people without disabilities, it was at 75.3 percent for men and 64.9 percent for women. The unemployment rate for disabled people was at 11.2 percent for men and 10.1 percent for women, while for people without disabilities it was 4 percent for men and 4.5 percent for women. The highest share of disabled people worked in 2018 in health care and social assistance (13 percent), followed by professional, scientific, technical, administrative and support services (11.8 percent), retail trade and accommodation and food services (10.9 percent), manufacturing (10.5 percent), agriculture, forestry and fishing (9.9 percent), construction (8.1 percent) and education and training (7.6 percent). (Stats NZ, 2018a)

According to OECD, immigration (long-term one) contributes to rising level of skills in New Zealand, given that (according to 2010 data) as a share of the population, immigrants comprised 55.3 percent of those with tertiary education while New Zealanders living abroad represented 29.1 percent. In 2017, the Government announced changes in the immigration policy which may further encourage this trend. On the other end of the scale, there are short-term migrant workers who often carry out work requiring low-levels of skills. (OECD, 2017b) A study conducted by a researcher from the University of Auckland revealed examples of exploitation of migrant workers coming to New Zealand on short-term visas. The analysed cases included construction, dairy sector, horticulture, hospitality, as well as cosmetic and massage services. (Stringer, 2016; University of Auckland, 2016)

Child labour

New Zealand is among the only 16 ILO members (out of 187) who have not ratified yet the Minimum Age Convention No. 138. In 2015, the ILO Committee of Experts expressed concern that the hazardous work was prohibited in the country for children under 15 years of age instead of 18, as it is envisaged in the Convention No. 182. Moreover, based on a survey, only 50 percent of employers employing children or teenagers provided information about health and safety at work. In 2012, there were 450 accidents at work in New Zealand involving children, including 14 fatal ones, most of them in the agricultural sector. (CEACR, 2015) In 2010, children and teenagers worked in: babysitting (23 percent), retail trade (22 percent), outdoor work (a garden), (21 percent), cleaning (17 percent), a restaurant or takeaway food outlet (16 percent). (Department of Labour, 2010)

Forced labour

According to the Global Slavery Index 2018, in **the EU**, the estimated figures for people living in conditions of slavery ranged from 145,000 (0.24%) in Italy to less than 1,000 in Luxembourg. The Netherlands, the UK, Sweden, Portugal, Croatia, Spain, and Belgium are among countries with the strongest response against modern slavery, including adoption of a dedicated legislation supported by strong political commitment, enough resources, and a strong civil society that holds governments to account.

In **New Zealand**, around 3,000 people, i.e. 0.065 percent of the population is estimated as living in conditions of slavery. Migrants from South East Asia and Latin America are most likely to receive work akin to slavery in agriculture, dairy, construction, viticulture, food service, and hospitality sectors, domestic work, and aboard foreign-flagged vessels fishing in New Zealand waters. They experience excessive recruitment charges, excessive working hours, under- or non-payment of wages, restrictions in movement, passport retention and job alteration. Foreign women from Asia and South America are at risk of sex trafficking. (US Department of State, 2018; CEACR, 2016) The Government has supported legislation addressing trafficking in persons and has taken other actions, e.g. provision of training for enforcement agencies, guidance to identify victims of trafficking and assistance for them, information materials for workers, and awareness raising meetings with business and civil society. (US Department of State, 2018) New Zealand has ratified two ILO fundamental conventions on prohibition of forced or compulsory labour. (ILO, NORMLEX)

Freedom of association and the right to collective bargaining

In **the EU**, social partners have been involved in the reform of wage setting mechanism, and vocational education and training, assistance for long-term unemployed, and labour law reform. (European Commission, 2017) In addition, at the EU level, Article 154 of the Treaty on the Functioning of the European Union (TFEU) obliges the European Commission to consult social partners on policy and legislative initiatives related to social field. (TFEU) The Commission facilitates also sectorial and cross-industry social dialogue between social partners at the EU level. In 2015-2016, rates of trade union membership varied across the EU Member States, from 8% in France to 66.8% in Sweden.[21]

In **New Zealand** in 2016, trade union density was at 17.7 percent.[22] The rates varied across sectors, with over 40 percent of workers in health care and social assistance, and in education and training being a trade union member, while in agriculture, forestry and fishing, this was around 3 percent. (Stats NZ, 2016) The overall number of trade union members decreased by half since 1985. This was due to legislative changes related to trade union operation, rise in short-term and casual jobs and economic restructuring of sectors traditionally having high rates of trade union membership. (Parliament of New Zealand, 2000) New Zealand has ratified one out of two ILO fundamental convention on freedom of association and the right to collective bargaining (No. 98). (ILO, NORMLEX)

Corporate Social Responsibility (CSR) and global value chains

In **the EU**, CSR is developed and implemented at the national and EU level and included into the EU external policies (e.g. trade and investment agreements), dialogues with partner countries, and other international initiatives (e.g. Sustainability Compact for the Ready-Made Garment sector in Bangladesh). Several Member States have developed and implement national action plans or strategies regarding CSR and separate action plans on Business and Human Rights. In 2015, the European Commission published an overview of the EU legal and policy framework related to the UN Guiding Principles on Business and Human Rights, and actions implementing them.[23] Some Member States, e.g. Germany or the Netherlands, promote multi-stakeholder initiatives involving governments, business, and civil society organisations developing solutions to respect human rights, labour, and environmental standards in global value chains in diverse sectors. At the EU level, the European Commission leads, and coordinates CSR activities guided in the last few years by the EU CSR strategy 2011-2014.

Applied measures range from legislative instruments, such as the Directive 2014/95/EU on disclosure of non-financial and diversity information by large companies[24] and the EU Regulation on responsible sourcing of minerals from conflict affected and high-risk areas, which will enter into force in 2021[25] over promoting international instruments in the area of CSR and OECD sectorial due diligence guidance documents developed for supply chains in the sectors of minerals, agriculture, extractive industries, textile and garment, and financial services,[26] to best practice sharing. The European Commission has also devised guidance documents for business, such as CSR handbook and questionnaires for SMEs and their advisers. In the context of trade and sustainable development chapters of the EU FTAs, discussions promoting CSR and sharing best practice were held at workshops with partner countries, such as the Republic of Korea and Central America, in 2017-2018. There are also assistance projects supporting CSR development and responsible supply chains, e.g. in the Asian countries[27].

A survey conducted in 2017 in 359 companies in **New Zealand** provided information about CSR practices in private sector, as well as the extent to which they focus on meeting the UN Sustainable Development Goals. The latter were included into the companies' reporting, business strategies, value chain operations or a separate CSR strategy, whereby the last one was mostly present in foreign-owned companies with capital from Europe or North America, thus reflecting actions designed by their overseas Headquarters. According to respondents, CSR reporting contributed to building their company's reputation as a responsible business and helped in positioning its brand. It was conducive to engaging with

21 See: https://stats.oecd.org/Index.aspx?DataSetCode=TUD
22 See: https://stats.oecd.org/Index.aspx?DataSetCode=TUD
23 For more details related to Business and Human Rights at the EU and Member States' level, please, see : http://ec.europa.eu/growth/industry/corporate-social-responsibility/in-practice_en
24 https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/non-financial-reporting_en
25 http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/
26 For more details, please consult OECD website: http://www.oecd.org/corporate/mne/
27 http://trade.ec.europa.eu/doclib/docs/2018/march/tradoc_156624.pdf

leadership and stakeholders in a dialogue about the company and its strategy and helped to identify areas for improved performance. The Global Reporting Initiative was the most used reporting framework. 82 percent of respondents named managing regulatory impacts as their immediate top priority. This relates to a changing regulatory environment in New Zealand which includes a review of the Stock Exchange corporate governance reporting requirements to improve disclosure about environmental, social and governance-related risks and mitigating measures. Building stronger relationships with stakeholders as the top priority ranked second. Respondents based in New Zealand or Australia (which was also covered by the survey) represented mainly the services sector, e.g. professional and consulting services (20 percent), banking (13 percent), utilities (10 percent), transport (9 percent), financial and insurance services (6 percent) and IT (6 percent), followed by engineering, manufacturing and mining industries, with a majority represented by large companies (79 percent of respondents employing 500 workers or more). (ACCSR, 2017)

Public policies – social protection, education and health care

EU Member States have pursued reforms of the social protection systems, e.g. by increasing retirement age, limiting access to early retirement, and focusing on protection of those who receive low pensions, to ensure decent living standards. In other parts of the social protection system, the reform efforts are focused on extending coverage (e.g. to include self-employed and free lancers), improving adequacy of social benefits, and encouraging peoples' activity. Regarding pension systems, the Member States are encouraged to align the pension age of men and women to avoid poverty among female pensioners, and to raise minimum pensions or decrease tax burden on low pension incomes. (European Commission, 2017)

Member States are also modernising their education and training systems. Further steps in this area should focus on continued learning and skills upgrading, a better alignment of education programmes and obtained skills with the labour market needs, coordination between business and education providers, and the use of apprenticeships. (European Commission, 2017)

Several Member States have implemented as well healthcare reforms to encourage the provision of and access to effective primary health care services, enshrine promotion of good health and prevention of diseases in primary care, streamline and increase the sustainability of specialist and hospital care, and to improve the access to affordable medicines used in a cost-effective way. Some Member States are also taking steps to improve the efficiency and quality of long-term care services. This should promote social inclusion and reduce obstacles to labour market participation for family carers, especially women. (European Commission, 2017)

In 2013, individuals in **New Zealand** had a higher tertiary education attainment than the OECD average, and upper secondary education attainment was around the OECD average. Moreover, many vocational education and training programmes were offered in post - compulsory education. However, the socio-economic background of students had a large impact on their performance (more pronounced than the OECD average). Therefore, the New Zealand's Government developed support programmes (education strategies) to help improve performance of students from indigenous communities (Pacific People and Māori), and has taken measures to reduce the rates of early school drop-outs. (OECD, 2013a)

In 2012-2013, New Zealand undertook a reform of the welfare system with the aim to reduce dependence on benefits, encourage more independence and personal responsibility of the beneficiaries, primarily through paid employment, to provide more targeted support and to achieve better social and economic outcomes. The reform included also a mix of incentives and obligations (e.g. preparation of a CV, participation in training, enrolment of children in pre-school education and health care system, or acceptance of a suitable job offer at least part-time, in case of people having young children) based on the assumption that beneficiaries will actively seek and get a job, and therefore income support provided by the system will be temporary and may change over time. It also introduced new types of benefits replacing the existing ones. (NZ Parliament, 2013)

V.3 Human rights state of play in the EU and New Zealand

Human rights framework

"The Union is founded on the values of respect for human dignity, freedom, democracy, the rule of law and respect for human rights" says Article 2 of the Lisbon Treaty. Human rights are guaranteed at the EU level by the EU Charter of Fundamental Rights (CFR) adopted in 2000 and having a binding nature on all EU member states following the Lisbon Treaty of 2009. The Charter is consistent with the European Convention on Human Rights (ECHR) ratified by all the member states. All EU institutions stand by the values of the Union. Fundamental Rights Agency (FRA), was established to perform the tasks of collecting and analysing information and data on human rights, providing independent and evidence-based advice and expertise in the field and communicating and raising fundamental rights awareness.[28]

The European Union's trade relations, just like its other external actions, are guided by its commitment to support and promote democracy and human rights as it is established in the Lisbon Treaty (Art. 3(5), Art. 21(1) (3) TEU and Art. 207(1) TFEU). Moreover, Article 6(1) TEU gives the Charter the binding legal value equal to that of the Treaties by mandating that the EU legal order 'recognises the rights, freedoms and principles set out in the Charter of Fundamental Rights'. In line with the Strategic Framework on Human Rights and Democracy, the EU is committed to "promote human rights in all areas of its external action without exception" (Council of the European Union 2012: 2). This position is supported and developed in the policy documents of the European Commission.[29] The UN 2030 Agenda for Sustainable Development which "envisages a world of universal respect for human rights" (United Nations, 2015: 4), is applied in several EU policy documents further affirming its commitments with respect to human rights and strengthening their importance.[30] Every year FRA publishes a report reflecting on the progress and setbacks of human rights protection at the EU level and proposes recommendations for improvement.

All EU member states are parties to several international human rights instruments and have human rights obligations. They have different records with respect to ratification of international human rights treaties (see Table IV.1 in Annex IV for a full overview), but they are all bound by the human rights values enshrined in the Charter. All the member states ratified all the core ILO Conventions (see Table IV.2 in Annex IVX).

Human rights situation and trends

Based on the 2018 Freedom House Democracy Index, the ranking scores of the states of the European Union with respect to democracy vary from 72 to 100 out of 100 (Freedom House, 2018). The scores of the 2018 Corruption Perception Index of Transparency International for the EU states range from very high (88 for Denmark) to relatively low (42 for Bulgaria) (Transparency International, 2018). The 2017 Human Development Index (HDI) ranks most EU member states as having very high levels of human development.[31]

Since EU member states have not followed homogenous development paths before becoming members of the EU, some states have more human rights issues than others. The 2019 Human Rights Watch (HRW) World Report noted that in 2018, despite a decrease in migration flows to Europe, rights of migrants and asylum seekers continue to be compromised by some EU member states, and main issues remain with respect to discrimination against women, Roma people and LGBTI persons. At the same time, HRW

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[28] See FRA website, https://fra.europa.eu/en/about-fra/what-we-do [accessed 24 January 2019].

[29] For example the European Commission's Trade for All communication (European Commission 2015b) or the EU Action Plan on Human Rights and Democracy (Council of the European Union 2015).

[30] COM(2016) 739 final; COM(2016) 740 final; SWD(2016) 390 final.

[31] HDI ranking is ranging from 4 to 51, with Bulgaria and Croatia being the only two states characterised as a states with a "high" rather than "very high" level of human development (UNDP, 2017).

praised the European Union for remaining a leading actor in promoting human rights globally and welcomed the commitment of the EU institutions in their action to address attacks on democratic institutions and rule of law in Hungary and Poland in 2018 (Human Rights Watch, 2019). Discrimination against women, national minorities, migrants, inequality, rights of older people, impact of the misuse of anti-terror legislation on freedom of expression have been on the agenda of the Council of Europe's Commissioner for Human rights in 2018.[32] European Union Agency for Fundamental Rights raised human rights issues with respect to discrimination and unequal treatment in general, rights of asylum seekers, immigrants and minority ethnic groups, Roma integration, children's rights, violence against women and domestic violence (FRA, 2018). Many of these issues are of domestic character and are not likely to be directly related to trade relations with New Zealand. However, the current situation is important in order to assess human rights impacts, particularly, the degree of the impact, while considering existing sensitivities and issues of vulnerability.

Overall, the human rights situation in the EU can be characterised by several issues that need attention, but, at the same time, it demonstrates that there are constant developments in the field of human rights to improve human rights record and performance of the EU member states. There are various institutions that point out shortcomings and elaborate recommendations on constant improvement of human rights situations in the EU. As such, overall, human rights developments are not likely to be directly linked to trade relations with New Zealand. However, depending on the exact provisions of the proposed Agreement, there may be impacts that may potentially affect human rights situation in the EU at certain sector level or disproportionately affecting specific vulnerable groups. To this end, we will seek for further evidence on the identified issues and whether they are likely to be affected by the proposed EU-New Zealand trade relationship. At a later stage of the study, these findings will be verified and fine-tuned in line with the inputs from the modelling results and stakeholder consultations (adding edge and most up-to-date information with respect to the existing issues of vulnerability).

Current human rights situation in New Zealand

Currently, human rights relationship between the EU and New Zealand is governed by the EU-New Zealand Partnership Agreement for Relations and Cooperation (PARC), that establishes, among others, cooperation between the parties in the area of human rights and gender issues (EEAS, 2018; New Zealand Government, 2016).

Human rights framework

New Zealand is a party to seven out of nine core international human rights treaties,[33] and six out of eight core ILO Conventions,[34] (see Tables IV.1 and IV.2 in Annex IV for an overview), and has human rights obligations established in these instruments. It did not ratify International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICRMW) and the International Convention for the Protection of All Persons from Enforced Disappearance (ICPED), Optional Protocol to the International Covenant on Economic, Social and Cultural Rights (OP-ICESCR) and Optional Protocol to the Convention on the Rights of the Child on a communications procedure (OP-CRC-CI),

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32 See website of the Council of Europe's Commissioner for Human Rights at https://www.coe.int/en/web/commissioner/blog-2018 [accessed 24 January 2019]

33 Core UN human rights treaties include: International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), International Covenant on Civil and Political Rights (ICCPR), International Covenant on Economic, Social, and Cultural Rights (ICESCR), Convention on the Elimination of All Forms of Discrimination again Women (CEDAW), Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT), Convention on the Rights of the Child (CRC), International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICMW), International Convention for the Protection of All Persons from Enforced Disappearance (ICPED), International Convention on the Rights of Persons with Disabilities (ICRPD), and their Optional Protocols.

34 Core ILO Conventions include: Forced Labour Convention, 1930 (No. 29), Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Equal Remuneration Convention, 1951 (No. 100), Abolition of Forced Labour Convention, 1957 (No. 105), Discrimination (Employment and Occupation) Convention, 1958 (No. 111), Minimum Age Convention, 1973 (No. 138), Worst Forms of Child Labour Convention, 1989 (No. 182).

ILO Convention No. 138 on minimum age requirements for admission to employment, ILO Convention No. 87 on freedom of association and protection of the right to organise, ILO Convention No. 169 on the rights of indigenous peoples.[35] New Zealand is also a signatory to the UN Agenda 2030 for sustainable development that came into effect in January 2016. The sustainable development goals (SDGs) apply to all countries and recognise importance of human rights in many of the goals (The Danish Institute for Human Rights, 2018).

In New Zealand human rights are recognised and protected under two main legal acts: the New Zealand Bill of Rights 1990 (which guarantees mostly civil and political rights) and the New Zealand Human Rights Act 1993 (which guarantees the right to discrimination on different grounds: sex, marital status, religious belief, ethical belief, colour, race, ethnic or national origin, disability (including illness), age, political opinion, employment status, family status, and sexual orientation). Next to that, New Zealand has an institutional framework in place to promote and monitor protection of human rights. The New Zealand Human Rights Commission is an independent national human rights institution established by the Human Rights Act 1993 and has the power to resolve disputes related to unlawful discrimination. Office of Human Rights Proceedings was set up under the Human Rights Amendment Act 2001 to provide legal representation and assistance for people who claim to have been unlawfully discriminated against (New Zealand Government, 2016). One of the founding documents of the system of government in New Zealand (though not formally a part of the national legislative framework) is the Treaty of Waitangi which was signed between the Māori chiefs and the British Crown in 1840 (United Nations, 2018a). It provides guarantees for the right of Māori to self-determination and includes the duty to consult the Māori in decisions that affect them (which is not interpreted as absolute and is reported to be inconsistently applied in practice). In contemporary legal framework, due to differences in translation (in the Māori and English versions) and interpretation of the text, the Treaty is more referred to in terms of treaty principles rather than its provisions (United Nations, 2011).[36]

New Zealand has a "strong history in protecting and promoting human rights both at home and internationally",[37] and it has high ranking in terms of human rights, governance and transparency as shown by various international rating agencies.[38] Every time the New Zealand government signs a new significant international treaty, a National Interest Analysis (NIA) is produced by the lead government agency. Ministry of Foreign Affairs and Trade Ministry of New Zealand notes that in negotiating trade agreements, New Zealand seeks to include provisions that include "commitments that labour and environmental laws, policies, regulations and practices will not be used for trade protectionist purposes, or be weakened to encourage trade or investment".[39] Next to that, New Zealand is interested in close cooperation with partners in trade agreements on trade related labour and environmental issues. At the beginning of trade negotiations, the government must start public consultations and to continue them till the ratification of the trade agreement - the first round of consultations for the EU and New Zealand FTA was completed.[40]

35 For detailed description of treaty ratifications and reservations expressed, see ex-ante study (LSE, 2017).

36 "The dominant principles articulated by New Zealand courts, though understood to be evolving, are: partnership, which includes a duty of both parties to act reasonably, honourably and in good faith; active protection, which requires the Government to protect Maori interests, although the degree of the obligation of the vulnerability of the taonga involved in the situation; and redress which requires the Government to take active and positive steps to redress breaches of the Treaty of Waitangi and to provide fair and reasonable compensation for breaches" (United Nations, 2011, para.9, p. 5).

37 Website of the New Zealand Foreign Affairs and Trade Ministry, https://www.mfat.govt.nz/en/peace-rights-and-security/human-rights/ [accessed 24 January 2019].

38 United Nations, Report of the Human Rights Council on its twenty-sixth session, 11 December 2014, A/HRC/26/2, p.56.

39 Website of the Ministry of Foreign Affairs and Trade of New Zealand, https://www.mfat.govt.nz/en/trade/free-trade-agreements/about-free-trade-agreements/ [accessed 25 January 2019].

40 Public statements from different industry associations and other stakeholders can be found https://www.mfat.govt.nz/en/trade/free-trade-agreements/agreements-under-negotiation/eu-fta/resources/ [accessed 25 January 2019].

Human rights situation and trends

Based on the 2018 Freedom House Democracy Index, New Zealand enjoys a very high level of democracy with the ranking score of 98 out of 100 (Freedom House, 2018). The score of the 2018 Corruption Perception Index of Transparency International for New Zealand is 87 meaning that levels of corruption are perceived to be relatively low there (Transparency International, 2018). The 2017 Human Development Index (HDI) (based on the statistical data on such indicators as life expectancy, education, per capita income) ranks New Zealand as having a very high level of human development (UNDP, 2017).

New Zealand is found to have a strong record on human rights.[41] However, there are also issues of concern. They relate to the rights of children, violence against women, and high rates of Māori incarceration. Some of the issues related to human rights have already been discussed in the ex-ante study: the right to health, rights of indigenous peoples, rights of migrants, and rights of refugees and asylum seekers. In this section, we will update the state of play and *inter alia* provide a short overview of the main human rights issues found. In line with the ToR we pay attention to vulnerable groups, women's rights and gender equality, rights of indigenous people.

Right to an adequate standard of living

Fifteen per cent of the New Zealand population lived in poverty in 2016. Population groups vulnerable for poverty included indigenous peoples, single parents, beneficiaries of social security and children.[42] While relevant child poverty-related indicators are dropping, concerns remain about persistently high levels of child poverty in New Zealand. Recent data shows that 27 per cent of all children and young people in the country live in households with low incomes, and 7 per cent of children live in severe poverty, in households with incomes below the relative income poverty line (Duncanson et al., 2018). Māori and Pacific People children, as well as children with disabilities, are reported to be disproportionately affected by child poverty and severe housing deprivation. Regular challenges in access to safe drinking water increase the risk at water-borne disease outbreaks (United Nations, 2018b). Indigenous population, persons with disabilities, migrants and asylum seekers, women with low incomes, representatives of the rural communities are vulnerable to poor housing conditions, discrimination in employment and other disadvantaged socio-economic outcomes.

Prohibition of all forms of slavery

New Zealand has continued to be a destination country for human trafficking victims exploited for the purposes of forced labour and sex, and a source country of children trafficked within the country for the purpose of sexual exploitation. Approximately 3,000 people (0.065% of the population) is likely to be involved in some form of slavery. They experience excessive recruitment charges, excessive working hours, under- or non-payment of wages, restrictions in movement, passport retention and job alteration. Prosecution and conviction rates for trafficking in persons and other slavery-like practices is low, and first prosecutions for trafficking in persons occurred only in 2014 (United Nations, 2018a). New Zealand supported legislation addressing trafficking in persons (UN Convention against Transnational Organized Crime and Palermo Protocol, ILO Forced Labour Convention No. 29 and ILO Abolition of Forced Labour Convention No. 105, ICCPR, CEDAW, CRC) and has taken other actions, e.g. provision of training for enforcement agencies, guidance to identify victims of trafficking and assistance for them, information materials for workers, and awareness raising meetings with business and civil society (US Department of State, 2018).

Right to work and just and favourable conditions of work

Overall, employment rate in New Zealand increased, and unemployment declined.[43] However, despite the efforts taken by the New Zealand government, unemployment rate

[41] See website of the Ministry of Foreign Affairs and Trade of New Zealand, https://www.mfat.govt.nz/en/trade/free-trade-agreements/about-free-trade-agreements/ [accessed 25 January 2019].

[42] See also Section V.2 of the report for more detailed statistical information.

[43] See Section V.2 of the report for more statistical data on this matter.

for Māori and Pacific People remained approximately double the general rate, and women and persons with disabilities were more likely to be unemployed (United Nations, 2018c). Māori continue facing inequality in the labour market since one third of them did not have sufficient qualifications and over half were employed in low-skilled jobs (United Nations, 2018b). According to the OECD findings on the potential change in employment as a result of automation in New Zealand, this situation is likely to deteriorate in the future because jobs of 45 percent of the workers with low levels of educations may be at risk (OECD, 2017b). Disabled people are reported to be almost twice as likely to be unemployed. Minimum Wage Exemption Permits allowed for a pay below the minimum wage to disabled employees under certain circumstances (United Nations, 2014).

Despite the record of the lowest gender wage gap among OECD countries, New Zealand women are often working part-time, engage in multiple employment or take low paid jobs which eventually affects their pensions benefits. Funding of childcare facilities and services decreased which affected women participation in the workforce. The ILO Committee of Experts reported that Employment Relations Act 2000, the Human Rights Act 1993 and the Equal Pay Act 1972 do not fully include the principle of equal pay for work of equal value because "they limit the requirement for equal remuneration for men and women to the same and substantially similar work" (CEACR, 2017).

New Zealand did not yet ratify the ILO Minimum Age Convention No. 138 to apply minimum age requirements in line with international standards. The ILO Committee of Experts expressed concern that national legislation does not ensure that all working children under 18 are protected from hazardous work as it is provided in the ILO Convention No. 182 concerning the prohibition and immediate action for the elimination of the worst forms of child labour (United Nations 2018a).[44]

Right to a clean environment

New Zealanders enjoy high environmental quality of life. However, as reported by the OECD, New Zealand follows an economic growth model based on largely exploiting natural resources which starts to show in increasing greenhouse gas emissions and water pollution.[45] Agriculture, road transport and industry are reported to be the main causes of this effect. Thus, OECD notes that despite being one of the few countries where 80% of electricity is generated from renewable energy sources, New Zealand has "second-highest level of emissions per GDP unit in the OECD and the fifth highest emissions per capita" (OECD, 2017). Most of the pollution is said to come from agriculture (49% of the emissions) so in case the EU-New Zealand FTA leads to increase in agricultural output and increase in agricultural production, it may create a negative impact (particularly palpable in the long run) on the right to clean environment. And this impact may further spread to the enjoyment of the right to water and consequently affect the right to health – but this will be investigated in the next phase of the study.

Harmful impact on children's health, especially for Māori and Pacific People children and children living in low-income settings has already been marked as a risk by the UN Human Rights Committee (United Nations, 2018a). And quality and quantity of New Zealand's freshwater was reported as declining while its population has increased (United Nations, 2017; Ministry for the Environment & Stats NZ, 2017).

Rights of specific persons or groups

Children's rights

As mentioned above, many New Zealand children face high levels of poverty. The 2018 UNICEF report states that the well-being of children in New Zealand is 34th out of 41 developed countries. The report notes that specific measures are necessary on such goals as reducing child poverty, inequality and improving education and health for children due to the high rates of teen pregnancy, neonatal mortality, and high teen suicide rate (UNICEF, 2017; 2018).

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44 See also statistics on child labour, trade union density, and accidents at work involving children in Section V.2 of the report.

45 See Section V.4 of the report for more information with respect to water, and greenhouse gas emissions.

Minimum age for criminal responsibility in New Zealand is set at 10 years (cf. recommendation of the Human Rights Committee is 12 years). Next to that, overcrowded juvenile justice facilities lead to children being held in police custody cells which is not in line with international standards (Human Rights Foundation, 2019).

Children with disabilities are overrepresented in statistics on child poverty and are more likely to be living in one-parent households (United Nations, 2014; 2016b). Some children with disabilities, especially Māori children with disabilities, have difficulty in accessing government services, including health and education services (United Nations, 2014).

Child abuse is reported to be disproportionately affecting vulnerable children. There still exist traditional harmful practices (forced marriage and genital mutilation) that negatively affect the well-being of the children. Indigenous children are reported to be more likely to be put into child care than non-indigenous children (United Nations, 2016b).

Women's rights
Persistent inequalities continue to exist between women and men in employment. There is significant gender pay gap which disproportionately affects women with low income, especially Māori and Pacific People women, as well as women with disabilities. Women are unequally represented in high-level managerial positions and overrepresented in minimum wage jobs (United Nations, 2016a, 2018d; Ministry for Women, 2017). Women are accounted for 38 per cent of members of Parliament, including Māori women parliamentarians and women belonging to ethnic minority groups.[46]

High level of gender-based violence remains a major impediment. Domestic violence against women and girls and sexual violence disproportionately affects Māori women and girls as well as women and girls belonging to ethnic minority groups and women with disabilities. Reporting and prosecution rates of sexual violence are low and there is no information on victims' rehabilitation and redress programmes (United Nations, 2018; NZ Human Rights Commission, 2018).

Māori women have very high levels of incarceration, making up nearly 60 per cent of the female prison population (United Nations, 2011).

Women living in rural and remote areas are exposed to high levels of poverty and gender-based violence (United Nations, 2018).

Rights of indigenous peoples
According to the 2018 statistics, Māori population in New Zealand amounts to 745.000 people, i.e. over 15% of the total population of New Zealand (Stats NZ, 2018). Since 2008, number of seats in the Parliament assigned to the Māori have become proportionate to their percentage of the population (16%). At the local level this proportion has not been observed and is much lower (5%).

Despite adoption of the Māori Health Action Plan (2006-2011) and the Māori Health Strategy, the Māori continue to experience lower health levels than non-Māori population, including with respect to life expectancy, mortality and disability. Drug and alcohol abuse are higher in Māori than in the rest of the population. Māori suicide rates reach 20 per cent (2007 data), smoking rates are 46 per cent and obesity rates are almost twice the national rate of 43 per cent (United Nations, 2011).

Persistent inequalities in the society disproportionately affect Māori and Pacific People (United Nations, 2016a). Māori and Pacific People face a lot of challenges with respect to health care: they face obstacles to access basic health services and are not well linked up to health policies (United Nations, 2018b).

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[46] See Section V.2 of the report for the additional analysis of the situation of women as entrepreneurs, workers, traders and consumers.

Prevalence in disability is higher in the Māori because of poverty and social disadvantages (United Nations, 2014). Employment and pre-employment discrimination remain a challenge (United Nations, 2017). Māori, Pacific People and Asian ethnicities are underrepresented in managerial positions (United Nations, 2018b).

In many cases, the Māori are taken on board for major decisions in the country as stipulated in the Treaty of Waitangi (United Nations, 2011). However, in some cases insufficient efforts had been made to ensure meaningful engagement with indigenous communities prior to adopting legislation affecting their land and water rights (e.g. in development and extractive projects carried out on the territories traditionally used by them or prior to signing the Trans-Pacific Partnership Agreement which included provisions that could potentially affect them) (United Nations, 2016a; 2017).

People of Māori descent are overrepresented in prison population (51.4 per cent of male and 60 per cent of female population) (United Nations, 2015; EEAS, 2017).

Persons with disabilities
In 2016, there were 1.1 million people (24% of the population) who had a disability (Office for Disability Issues, 2016). In 2018, employment rate of disabled men was at 23.5 percent (21.3 percent for women) while for people without disabilities, it was at 75.3 percent for men and 64.9 percent for women. Persons with disabilities were reported to continue to be disadvantaged as their social and economic outcomes remained below those of the general population. Children with disabilities were overrepresented in statistics on child poverty and were more likely to be living in one-parent households (United Nations, 2014, 2017). The Committee on Economic, Social and Cultural Rights (CESCR) expressed concern that the existing national legal framework was not aligned with international standards regarding reasonable accommodation and inclusive education, and that the definition of reasonable accommodation was not formulated in the national legislation with enough clarity (United Nations, 2018a).

Rights of migrants and asylum seekers
Migrant workers in New Zealand are reported to be at risk of discrimination and exploitation, their working conditions are characterised by excessive working hours and non-payment or underpayment of wages. Migrant workers and asylum seekers have challenges to access social services, including health programmes and housing (United Nations, 2017).

Next to that, police facilities are found to be used for immigration purposes. There are no specialised facilities that would allow to separate migrants and asylum seekers from the rest of the detainee population (United Nations, 2016a).

Business and human rights
The CESCR expressed concern that the regulatory framework for companies operating in the country and those domiciled under its jurisdiction acting abroad did not fully ensure respect for economic, social and cultural rights (United Nations, 2018a). There were several instances of New Zealand companies failing to pay minimum wage and exploiting migrant workers, including underpaying persons with disabilities (Business and Human Rights Resource Centre, 2018). The CESCR recommended New Zealand to expedite National action plan on business and human rights in order to implement the UN Guiding Principles on Business and Human Rights (United Nations, 2011a) and strengthen the regulatory framework to ensure due diligence by the companies, to prevent negative impact of companies' activities on the enjoyment of human rights, provide legal liability for violations and allow for claim reparations by the victims. Under-resourcing of the national contact point established under the Guidelines for Multinational Enterprises of the OECD was reported to be a challenge in achieving progress in this matter (United Nations, 2018c), though government has taken several initiatives to work together with business representatives on separate issues related to human rights (e.g. NZ Herald, 2018).

V.4 Environmental state of play in the EU and New Zealand

CLIMATE CHANGE

Governance Framework

The New Zealand government's main policy tool to reduce total GHG emissions is the New Zealand Emissions Trading Scheme (inception in 2008), which is currently undergoing a review and improvements process[47]. It is part of the wider 'Framework for Climate Change Policy'[48] that was recently published by the Ministry of Environment. With New Zealand climate policy being still rather nascent, this document proposes the establishment of, inter alia: the 'Zero Carbon Bill' for New Zealand to become carbon-neutral by 2050, the 'Transition Hub' to provide the relevant background economic analysis, and a designated Climate Change Committee focused on managing emissions from the agriculture and electricity generation sector in particular (currently holding 'interim' status). New Zealand is a signatory to the Paris Agreement.

Performance

New Zealand's gross GHG emissions increased 24% from 1990 to 2016 but 2016 emissions were lower than peak emissions, which occurred in 2006. Net GHG emissions increased by 64% from 1990 to 2016 due to reduced uptake of CO2 from forests. In 2016, the energy (31 MtCO2-e) and the agriculture (39 MtCO2-e) sectors were the main sources of GHG emissions. In terms of gases, roughly half (34 MtCO2-e) of total GHG emissions in 2016 can be attributed to methane (CH4) – predominantly from the agriculture sector. CO2 (11 MtCO2-e) and N2O (9 MtCO2-e) roughly made up the rest of emissions.

AIR QUALITY

Governance Framework

The main governance tool for air quality in New Zealand are the National Environmental Standards for Air Quality (Air Quality NES). They are regulations made under the Resource Management Act 1991 (amended in 2015) and came into effect on 8 October 2004[49]. These standards set a guaranteed minimum level of health protection for citizens. Regional councils (via Regional Policy Statements and Regional Plan Rules) and unitary authorities are responsible for managing and monitoring air quality under the Resource Management Act. Stats NZ and the Ministry of Environment report on new Zealand's air in the 'Our Air 2018' report which is drafted according to requirements under the Environmental Reporting Act 2015[50].

Performance

The concentrations of particulate matter PM_{10} were measured at 96 sites across the country between 1996 and 2017. They have decreased at many locations over the most-recent decade for which complete data is available (2007-2016); this decrease occurred mostly during spring and winter. $PM_{2.5}$ measurements are much scarcer, but of the sites with enough data to calculate tends in the monthly average from 2007-2016, four of five sites had a decreasing trend in winter. Over the most recent three years for which data on PM_{10} is available (2014-2016), however, 35 of 69 sites exceeded the NES for 24-hour average. Over the most recent three-year period (2014-2016) for which there is complete $PM_{2.5}$

[47] Available at: http://www.mfe.govt.nz/climate-change/new-zealand-emissions-trading-scheme/about-nz-ets

[48] Available at: https://www.mfe.govt.nz/sites/default/files/media/Legislation/Cabinet%20paper/framework-for-climate-change-policy-and-key-upcoming-decisions.pdf

[49] Available at : http://www.legislation.govt.nz/regulation/public/2004/0309/latest/DLM286835.html?search=ta_regulation_R_rc%40rinf%40rnif_an%40bn%40rn_25_a&p=3

[50] Available at: http://www.legislation.govt.nz/act/public/2015/0087/latest/DLM5941105.html?search=ta_act_E_ac%40ainf%40anif_an%40bn%40rn_25_a&p=2

data, five of 14 monitoring sites were higher than the WHO annual average guideline for long-term exposure[51].

LAND USE & SOIL QUALITY

Governance Framework

The national government provides framework legislation that structures the planning system and guides planning by lower levels of government (regions and municipalities). Hereby, the Resource Management Act 1991 (amended in 2015) is the main law to govern the planning system of New Zealand. The Local Government Act 2002[52] is the law that gives local governments the power to set out land-use policies. The Ministry of Environment acts as the responsible body for the publication of National Environmental Standards and National Policy Statements which inform regional and local spatial planning (there exist no spatial plan at the national level). These lower-tier spatial plans come in the form of Regional Policy Statements, Regional Plans (both regional), District Plans (municipal) and Unitary Plans (combining regional and municipal). The hierarchical structure of the planning system hence provides for vertical co-ordination between plans. Plans must be consistent with any higher-level plan and must give effect to any national environmental standard. Before approving a plan, horizontal co-ordination is assured by preliminary consultations between councils, ministries, adjacent local authorities, public bodies and utility providers who may be affected by the plan[53].

Performance

Surveys conducted by Stats NZ between 2014 and 2017 found 83% or more of assessed sites were within target range for five of seven soil quality indicators. However, for the two remaining indicators, more than 48% of assessed sites were outside target ranges. Individual performance of soil quality indicators currently stands at: Mineralizable nitrogen (98.4% within); Soil pH (97.8% within); Total carbon (95% within); Bulk density (93% within); Total nitrogen (83% within); Macro porosity (51.6% within); Olsen phosphorus (49.2% within). Furthermore, Olsen phosphorus levels were above target range (and hence damaging) in 51.3% of dairy sites, and 37.2% of cropping and horticulture sites. Macro porosity levels were below target range (and hence damaging) in 65% of dairy sites[54].

ECOSYSTEMS & BIODIVERSITY

Governance Framework

New Zealand is a party to the Convention on Biological Diversity (CBD). The New Zealand Biodiversity Action Plan (2016)[55] – which updates the original Biodiversity Strategy and Action Plan of 2000 – sets out national targets and associated actions, in line with the CBD Strategic Plan to 2020. Key legislation and regulations governing the management of biodiversity and ecosystems include[56] the Resource Management Act (1991), the Conservation Act (1987), the National Parks Act (1980), the Marine and Coastal Area Act (2011), and the Biosecurity Act (1993). The main central government authorities with a statutory role in managing and conserving New Zealand's biodiversity are the Department of Conservation, the Ministry for the Environment and the Ministry for Primary Industries (overseeing the agricultural, fisheries and forestry sectors, as well as biosecurity). New

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51 Ministry for the Environment (2018). Our air 2018 – Data to 2017. Available at: http://www.mfe.govt.nz/sites/default/files/media/Air/our-air-2018.pdf

52 Available at: http://legislation.govt.nz/act/public/2002/0084/170.0/DLM170873.html

53 OECD (2017). The Governance of Land Use – Country fact sheet New Zealand. Available at: https://www.oecd.org/regional/regional-policy/land-use-New-Zealand.pdf

54 Available at: http://archive.stats.govt.nz/browse_for_stats/environment/environmental-reporting-series/environmental-indicators/Home/Land/soil-quality-land-use.aspx

55 Available at: https://www.doc.govt.nz/globalassets/documents/conservation/new-zealand-biodiversity-action-plan-2016-2020.pdf

56 For a full list, see https://www.doc.govt.nz/about-us/our-role/legislation/

Zealand places a strong focus on managing biosecurity risk both before and at the border, and on the control of already-introduced invasive alien species[57].

Performance

New Zealand has a high level of endemic biodiversity; all frogs and reptiles, more than 90% of insects, about 80% of vascular plants and a quarter of the country's bird species are endemic[58]. New Zealand has one of the largest protected area coverage in the world, with a third of the country's terrestrial area under legal protection and management for conservation purposes. The country also has a network of 34 marine protected areas, covering about 7% of New Zealand's territorial sea[59]. Of the taxa with assessed conservation status, almost 83% of native terrestrial vertebrates and 37% of plants are either threatened or at risk of extinction[60].

The main pressures contributing to the decline of biodiversity in New Zealand are competition by invasive alien species; predation and herbivory by introduced species; habitat modification (e.g. from land use change, fragmentation); human activities (such as fishing, pollution, agriculture, certain recreational activities, etc.)[61]. Some of these impact pathways are likely to be exacerbated by trade.

WATER QUALITY & QUANTITY

Governance Framework

In New Zealand, the central government body responsible for setting national targets and regulations related to water is the Ministry for the Environment. Regional Councils are responsible for the management of water resources, including the implementation of the National Policy Statement on Freshwater[62]. Key legislation and policies concerning water quality and quantity include the Resource Management Act 1991 (covers both water use and discharges to water), the National Policy Statement for Freshwater Management 2014 (amended in 2017) and the National Environmental Standard for Sources of Human Drinking Water.

Performance

In New Zealand, a main threat to water quality is nitrogen leaching from agriculture (particularly livestock waste and fertiliser). The latest report on the state of New Zealand's freshwater resources – *Our fresh water 2017*[63] – shows that nitrate-nitrogen levels worsened at 55% of monitored river sites and improved at 28% of sites between 1994 and 2013. Nitrogen leaching from agricultural soils was estimated to have increased by 29% from 1990 to 2012. Phosphorus levels were found to have improved at 42% of monitored river sites and worsened at 25% of sites between 1994 and 2013. Lake water quality varies; 37% of the 65 monitoring sites between 2009 and 2013 had good or very good Trophic Level Index scores (a measure of lake health), while 26% had moderate scores (the rest being poor or very poor)[64].

As regards water quantity, New Zealand has relatively high fresh water per capita, but the supply is not uniform throughout the country. Climate change is predicted to affect rainfall patterns in New Zealand, which may increase pressures on freshwater quantity and flows

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[57] Available at: https://www.cbd.int/doc/world/nz/nz-nr-05-en.pdf
[58] New Zealand – Country Profile, https://www.cbd.int/countries/profile/default.shtml?country=nz#facts
[59] New Zealand – Country Profile, https://www.cbd.int/countries/profile/default.shtml?country=nz#facts
[60] Available at: http://www.mfe.govt.nz/sites/default/files/media/RMA/Our-land-201-final.pdf
[61] Available at: https://www.cbd.int/doc/world/nz/nz-nr-05-en.pdf
[62] Available at: www.environmentguide.org.nz/overview/statutory-bodies/regional-councils/
[63] Available at: http://www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/our-fresh-water-2017_1.pdf
[64] *New Zealand's Environmental Reporting Series: Our fresh water 2017.*

in some parts of the country[65]. The main users of water resources are irrigation and hydroelectricity generation[66].

WASTE & WASTE MANAGEMENT

Governance Framework

The New Zealand Waste Strategy 2010[67] outlines the government's high-level strategic direction for waste management and minimisation. Actual waste management and minimisation planning legislation is primarily provided by the Waste Minimisation Act 2008[68], the Local Government Act 2002 and the Resource Management Act 1991 (amended in 2015). The Waste Minimisation Act 2008 encourages a reduction in the amount of waste generated and disposed of by putting a levy of 10$ per tonne on all waste sent to landfill. The waste disposal levy is the main source of revenue for the Waste Minimisation Fund, which funds projects to promote waste minimisation. The Local Government Act 2002 identifies solid waste collection and disposal thereof as a core service to be considered by a local authority. The Resource Management Act 1991 (amended in 2015) controls the environmental impacts of waste facilities such as disposal facilities, recycling plants and cleanfills. New Zealand is a signatory to the Basel Convention, the Stockholm Convention on persistent Organic Pollutants and the Montreal Protocol on Substances that Deplete the Ozone Layer which are all related to the waste sector[69].

Performance

It is estimated that around 8.7 million tonnes of solid waste (from domestic, commercial, industrial, and institutional waste sources) was generated in New Zealand in 2006, of which 2.4 million tonnes was subsequently diverted from disposal to landfills. This means that approximately 6.3 million tonnes of waste are sent to landfill and cleanfill sites each year. When averaged across the total population, that represents 1 572 kilograms of solid waste per person per year for New Zealand.[70]

65 *New Zealand's Environmental Reporting Series: Our fresh water 2017.*
66 *New Zealand's Environmental Reporting Series: Our fresh water 2017.*
67 Available at: http://www.mfe.govt.nz/sites/default/files/wastestrategy.pdf
68 Available at: http://www.legislation.govt.nz/act/public/2008/0089/46.0/DLM999802.html
69 Available at: http://www.mfe.govt.nz/waste/waste-strategy-and-legislation/legal-framework-waste
70 Available at: http://www.mfe.govt.nz/publications/environmental-reporting/environment-new-zealand-2007-chapter-6-waste/current-state-and

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