



UK-New Zealand FTA

Top 10 Benefits

Our shared history, common values and commitment to free trade is matched by a dedication to high standards and the rule of law. It makes complete sense for the UK to do a trade deal with New Zealand, which will make us stronger allies.

- 1. Levelling up the UK**

This deal will deliver benefits to people, businesses and communities throughout the country – supporting the levelling up agenda. It is expected to increase trade with New Zealand by almost 60%, boost the economy by £800 million and add £200 million to household wages in the long-run.¹
- 2. Red tape cut for small businesses**

Red tape will be slashed for the 5,900 UK Small and Medium-Sized Enterprises (SMEs) that export goods to New Zealand. These businesses employed 233,000 people in 2020.² Simple and modern customs procedures, including a commitment to release goods within 48 hours of arrival if requirements have been met, will save time and money for businesses. A dedicated chapter in the agreement will provide SMEs with practical advice and support to find opportunities and links to commercial partners in New Zealand.
- 3. Tariff-free access for British goods**

At Entry into Force, businesses will benefit from the immediate removal of tariffs on 100% of UK goods exports, worth £17 million annually. These tariff reductions include clothing (up to 10%), footwear (up to 10%), buses (5%), ships (up to 5%) and bulldozers and excavators (up to 5%). Flexible rules of origin will also give UK firms an advantage over international rivals in the New Zealand import market, a market which is expected to grow by around 30% by 2030.³
- 4. Better investment opportunities**

This agreement will protect investors and increase opportunities in both countries, making it easier for UK businesses to expand their footprint and become more profitable in New Zealand. Higher screening thresholds mean that fewer UK investments will be subject to review under New Zealand's overseas investment regime. This will limit barriers and lead to savings for UK businesses, who owned £900 million worth of foreign direct investment in New Zealand in 2020.⁴
- 5. Global leadership on climate and environment**

This deal includes a ground-breaking environment chapter that reinforces our commitments to the Paris Agreement and our efforts to meet net zero. It will also encourage trade and investment in low carbon goods, services and technology, with the most comprehensive list of environmental goods with liberalised tariffs in a trade deal to date.
- 6. Opening new digital markets**

The deal will cut red tape for our advanced tech and services companies, making it easier to break into the New Zealand market. Customs duties on electronic transmissions, such as software, will be prohibited. Easier e-commerce and the free flow of trusted data, essential for modern businesses, will be guaranteed between the UK and New Zealand. In 2019, 40% of the UK's £651 million of services exports to New Zealand were delivered digitally.
- 7. Boosting the UK's world-leading services sector**

The deal guarantees that British service suppliers – from accountancy and legal services to financial services and engineering – can compete in New Zealand on an equal footing. It will keep licensing and authorisation procedures transparent and straightforward, help facilitate the recognition of UK qualifications in New Zealand, support innovation in financial services, and promote the UK's leadership in FinTech. The deal could increase the gross value added of the financial and professional business services sectors by around £105 million (compared to 2019 levels).
- 8. More opportunities to work in and travel to New Zealand for business**

Brits will be able to work more freely in New Zealand thanks to unprecedented new commitments that allow UK service suppliers, including lawyers and auditors, to deliver contracts. It will be easier for senior managers, executives and specialists to move on intra-company transfers. They will be eligible for visas to work for a period of 3 years and family members will also be able to join.
- 9. Kiwi quality at lower prices**

Consumers will benefit directly from increased choice, better product quality and lower prices for imported goods. Removing tariffs could make high-quality products that British consumers love more affordable, including Marlborough Sauvignon Blanc, Manuka Honey and kiwi fruit.
- 10. Paves the way to CPTPP**

This deal is another step towards our accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a major trans-pacific trading bloc. Joining CPTPP would hitch the UK to some of the world's biggest current and future economies, populated by half a billion people and with a joint gross domestic product (GDP) of £8.4 trillion in 2020.⁵

¹ DIT 'UK-New Zealand FTA Impact Assessment' The long run boost to GDP is compared to projected levels of GDP in 2035. The increase in wages is compared to levels of wages in 2019.

² HMRC 'Trade in Goods by Business Characteristics 2020'

³ DIT 'Global trade outlook - September 2021 report'

⁴ ONS 'Foreign direct investment involving UK companies: 2020'

⁵ IMF 'World Economic Outlook, October 2021'