**New Zealand’s Bogor Goals Progress Report (as at 8 August 2014)**

### Highlights of Achievements and Areas for Improvement

- Low MFN average tariffs. No import restrictions or prohibitions on commercial grounds.
- New regulations in a number of services sectors to establish clear rules and set a proper regulatory environment to encourage services activities.
- Foreign investment policies are open in comparison to international standards.
- A high percentage of standards are aligned with Australia. New Zealand is actively participating in relevant international fora in this area.
- Trade facilitation initiatives being implemented, such as the Trade Single Window to send cargo information electronically to a single platform.
- Policies to improve the efficacy of the intellectual property system have been implemented by amending existing regulation. New Zealand is also harmonizing procedures for patents with Australia under the Single Economic Market.
- Major regulatory reviews were conducted in recent years. An annual regulatory planning system is maintained.

### Summary of Topics

#### Tariffs

MFN tariff rates are equal to 0, 5 and 10 per cent. In October 2013, the New Zealand Government announced that tariff will remain unchanged until at least 30 June 2017, except when tariff concessions have been agreed through the negotiation of trade agreements.

New Zealand continues reducing tariffs through negotiations of trade agreements. In fact, an agreement with Chinese Taipei entered into force on 1 December 2013. Most of the New Zealand tariffs under this agreement were eliminated on that date and the remaining products will have their tariffs eliminated by 2017.

#### Non-Tariff Measures

New Zealand does not apply import restrictions or prohibitions on commercial grounds or to protect the domestic industry. In recent years, some measures have been introduced to regulate the entry of certain goods for public health and security reasons, such as the Psychoactive Substances Act 2013, the Biosecurity Law Reform Act 2012 and the National Animal Identification and Tracing Act 2012.

Through the Dumping and Countervailing Duties Amendment Act, New Zealand also clarified rules to assess and make decisions on applications for refunds of anti-dumping duties paid in excess of the margin of dumping.

#### Services

New Zealand has introduced a wide array of domestic regulations in several services sectors in recent years. In general, the measures aim to outline clear responsibilities based on new

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*This brief report was prepared with information from New Zealand’s submission of 2012 APEC Individual Action Plan (IAP) template; the WTO TBT Information System and information from The Treasury website.*
developments in the market, establish clear rules and keep a proper regulatory environment to encourage services activities. For example, in the education sector, the Education Amendment Act 2013 was passed to set out the necessary legal framework for the introduction of a new type of school called Partnership Schools/Kura Hourua.

In the environmental sector, a framework to promote sustainable management of New Zealand’s natural resources in its exclusive economic zone and continental shelf entered into force in 2013.

In the financial sector, the Financial Markets Conduct Act was passed in 2013. Among the new rules, the Act establishes new licensing regimes for specific financial services (such as fund managers and derivatives issuers) and regulates new forms of capital-raising like peer-to-peer lending and crowd-funding. Also, the Financial Reporting Act was passed in the same year to allow shareholders of SMEs to decide whether the company must prepare financial statements. The intention is to improve capital markets and reduce compliance costs.

**Investment**

Regulations on foreign investment in New Zealand are open in comparison to international standards. Foreign investments are screened in New Zealand only under certain conditions: 1) acquisition of a 25% or more in business assets valued at over NZD100 million; 2) fishing quota investments; and 3) investment in sensitive land.

To provide additional incentives to investors, New Zealand is negotiating agreements to avoid double taxation. Two of these agreements were signed with Japan and Papua New Guinea. Both entered into force in 2013.

**Standards and Conformance**

As of June 2013, New Zealand had 3,193 standards in its catalogue, 100 more standards than in June 2011. 33 per cent of them were identical to the International Standardization Organization (ISO) and International Electrotechnical Commission (IEC) standards. Nine per cent were modified adoptions of ISO or IEC standards. Eighty-two per cent of all standards were aligned with Australia.

New Zealand has been participating actively in bilateral recognition agreements. An example is the amendments to the Mutual Recognition Agreement between New Zealand and the European Union in January 2013.

New Zealand is participating actively in relevant international fora such as the WTO TBT and SPS Committees. In the area of legal metrology, New Zealand has an active participation in the International Organization for Legal Metrology (OIML) and the Asia-Pacific Legal Metrology Forum (APLMF). In general consumer product safety, New Zealand participates in the International Consumer Product Health & Safety Organization (ICPHSO) as well as in the International Consumer Product Safety Caucus (ICPSC).

In order to protect public health, New Zealand has notified the WTO TBT Committee that it has introduced legislation to its Parliament which (if it becomes law) would implement plain packaging of tobacco products in New Zealand. This initiative has been raised as a specific trade
concern at the WTO, most recently in March 2014, on the grounds that plain packaging is inconsistent with three WTO agreements. However, New Zealand and other WTO Members believe that tobacco plain packaging is a legitimate and necessary public health measure and therefore consistent with Members’ WTO obligations.

Customs Procedures
The New Zealand Customs and the Ministry for Primary Industries are implementing the Joint Border Management System, whose first stage includes a Trade Single Window. This system allows parties to send cargo information electronically to one platform, instead of doing it to separate entities. In addition, the system helps to improve coordination among different agencies and release goods in a faster and consistent way.

Intellectual Property Rights
Policies to improve the efficacy of the intellectual property system are being implemented. For example, the Patents Act 2013 was enacted in September 2013 in order to provide stricter criteria for granting patents. In addition, the Copyright Act was amended in 2013 to adjust the period to prevent the parallel importation of copies of films from nine to five months of the film’s public release.

In recent times, New Zealand joined three international treaties on trade marks. On 10 December 2012, New Zealand put in force the Madrid Protocol (international registration of marks) and the Singapore Treaty (trademarks law). On 6 October 2013, the Nice Agreement (international classification of goods and services for registration of marks) was put in force as well.

As part of the Single Economic Market between Australia and New Zealand, both sides have agreed to have single patent application and examination processes. Similarly, they have agreed to implement a single trans-Tasman registration regime for patent attorneys practicing in both economies.

Competition Policy
In order to achieve the objectives of the Single Economic Market between Australia and New Zealand, the Commerce Commission (International Co-operation, and Fees) Act was brought into force in October 2012 to enhance cooperation between competition and consumer regulators in both economies. In the same way, the Consumer Law Reform Bill was passed by the Parliament in December 2013, with the purpose of aligning New Zealand’s consumer laws with those of Australia.

Amendments to the Dairy Industry Restructuring Act 2001 were made to increase competitive pressure Fonterra faces in the farm gate market for farmers’ milk. Fonterra is a co-operative that collects about 88 per cent of the milk produced in New Zealand. The Act stipulates that Fonterra must accept milk offers from dairy farmers in New Zealand and allow a relatively costless exit from the co-operative. Also, the Act was amended to increase the transparency of how Fonterra sets the price it pays for milk at the farm gate and introduce a milk price monitoring regime by the New Zealand Commerce Commission.
**Government Procurement**
The government procurement system is open, transparent and accountable. New Government Rules of Sourcing were published in 2013. These rules represent government standards of good practice for procurement planning, approaching the market and contracting.

New Zealand is negotiating its accession to the WTO Government Procurement Agreement.

**Deregulation/Regulatory Review**
Eighteen major regulatory reviews were completed recently in a number of areas such as air transport, capital markets, food regulation, milk products, electricity and telecommunications, among others. In addition, the Productivity Commission completed inquiries on local government regulation, trans-Tasman economic integration, housing affordability and international freight transport costs.

An annual regulatory planning system is maintained and a Regulatory Impact Analysis regime is in place to review proposed regulation.

**Mobility of Business People**
Immigration New Zealand has introduced two new visa facilitation mechanisms for high value travelers. Holders of gold class status in Air New Zealand and China Southern Airlines can use evidence of that status as a proxy for evidence of funds when applying for a visitor visa.

An automated border processing system was opened for United Kingdom and United States ePassport holders for departures in July 2013. In addition, U.S. Global Entry Members arriving at Auckland, Wellington and Christchurch can use a dedicated line now.

**Transparency**
New Zealand accepted an invitation to join the Open Government Partnership (OGP) in April 2014. The OGP was launched to provide an international platform for domestic reformers committed to making their governments more open, accountable and responsive to citizens.

**RTA/FTAs**
New Zealand has nine FTAs/RTAs in force. On 1 December 2013, a FTA with Chinese Taipei entered into force. New Zealand also reported its participation in seven FTA negotiations, including those for the Trans-Pacific Partnership Agreement and the Regional Comprehensive Economic Partnership.

**Labor and Environment**
New Zealand has concluded legally-binding side agreements on labor and environment, in the context of the ASEAN-Australia-New Zealand FTA, with Indonesia. The core elements are related to cooperation, consultation and agreed common principles on trade and labor and trade and environment.

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1 New Zealand’s RTA/FTAs that have been concluded previously are as follows: New Zealand–Australia (1983), New Zealand–Singapore (2001), P4 (2006), New Zealand–Thailand (2005), New Zealand–China (2008), ASEAN–Australia–New Zealand (2010), New Zealand–Malaysia (2010), and New Zealand–Hong Kong, China (2011).