

AGREEMENT BETWEEN NEW ZEALAND AND THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU ON ECONOMIC COOPERATION



The Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation (ANZTEC) is a high quality, comprehensive economic cooperation agreement that will liberalise and facilitate trade in goods, services and investment between the two markets.

ANZTEC is a highly significant agreement for New Zealand. It delivers preferential tariff access that gives New Zealand exporters a key competitive advantage in an important 'affluent-Asia' market of 23 million people. It also includes innovative provisions on film and television, indigenous cooperation and air links that will expand existing creative, cultural and people-to-people links.



THE IMPORTANCE OF CHINESE TAIPEI

- Chinese Taipei is one of the biggest manufacturers of ICT products in the world, and one of the world's trading powerhouses. It exports more than India; and both exports and imports more than Brazil, Malaysia, Indonesia or Australia.
- Chinese Taipei is New Zealand's eighth largest goods export market, our third largest market for beef and our fourth biggest for fruit.
- Chinese Taipei is an important tourism and education market.
- Chinese Taipei is also important as a gateway to the mainland China market. There are over 1 million business people from Chinese Taipei living in mainland China and many Chinese Taipei companies have major manufacturing and retail operations and established distribution networks there. The cross-strait trade agreement signed by the two sides in 2010, and the 2013 cross-strait services agreement, further cement business relations.
- Chinese Taipei is rapidly becoming a better place to do business. In the World Bank's Ease of Doing Business Survey it jumped from number 61 in 2008, to 16th place in 2012.

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KEY OUTCOMES OF ANZTEC

IMMEDIATE TARIFF ELIMINATION

- On entry into force ANZTEC will immediately take the percentage of New Zealand goods entering Chinese Taipei tariff-free from 25 percent to 70 percent
- Tariffs on NZ\$432.5 million of New Zealand's current exports to Chinese Taipei will be eliminated on day one, with an estimated annual duty saving to New Zealand exporters of NZ\$40.3 million.
- Virtually all New Zealand dairy exports including milk powder, New Zealand's number one export to Chinese Taipei, cheese and butter, and all New Zealand apple, cherry and wine exports will be duty free on entry into force.

ELIMINATION OVER 2-3 YEARS

- All duties on beef, New Zealand's second biggest export to Chinese Taipei, will be eliminated over two years, with an estimated annual duty saving to New Zealand of NZ\$8.7 million.
- All duties on kiwifruit, New Zealand's third biggest export to Chinese Taipei, will be eliminated over three years, with an estimated annual duty saving to New Zealand of NZ\$14.7 million.

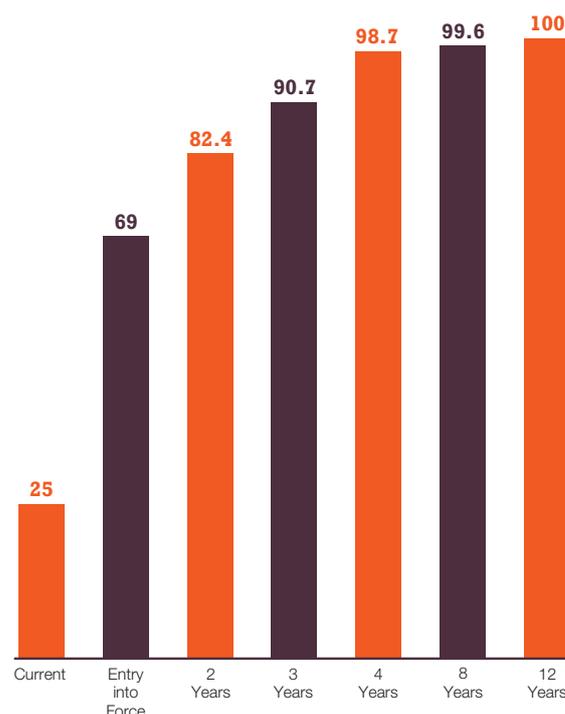
ELIMINATION OVER 4 YEARS

- By the end of the first four years, 98.7 percent of current exports to Chinese Taipei will be duty free.
- Duties on sheep meat, the majority of fish and seafood products, cream and evaporated milk products and honey will be phased out over four years.

ELIMINATION OVER 12 YEARS

- By the end of 12 years, tariffs on 100 percent of current trade will have been eliminated.
- Tariffs on all New Zealand liquid milk and fresh deer velvet will be eliminated over this 12 year transitional period. During this period New Zealand will enjoy access to special tariff quotas with expanding volumes. All trade occurring within these tariff quotas is duty-free.

PERCENTAGE OF NEW ZEALAND EXPORTS ENTERING CHINESE TAIPEI TARIFF-FREE



For Chinese Taipei exports to New Zealand

- ANZTEC provides Chinese Taipei with improved access to the New Zealand market, with the eventual elimination of tariffs on all goods originating from Chinese Taipei.
- The agreement provides a period of four years for New Zealand's most sensitive sectors (vis-a-vis Chinese Taipei) to adjust to tariff reductions, such as some textiles, glass jars, and some manufactured products such as plastics and steel.

SERVICES

New Zealand service providers will benefit from improved commitments from Chinese Taipei in services, particularly in education and air transport-related services.



MOVEMENT OF PEOPLE

ANZTEC includes provisions to better facilitate the movement of business people between New Zealand and Chinese Taipei.

INVESTMENT

Up until now, New Zealand has not had international legal rules in place which safeguard the interests of New Zealand investors in Chinese Taipei. ANZTEC establishes a set of transparent rules based on international best practice intended to facilitate investment flows and provide for the balanced protection of investment. It also includes reciprocal mechanisms to ensure that both New Zealand and Chinese Taipei investors benefit from future liberalisation in specific areas undertaken by the Parties.

MEASURES TO FACILITATE BUSINESS

ANZTEC contains a range of mechanisms designed to reduce barriers to doing business in Chinese Taipei, as well as to improve transparency, economic dialogue and cooperation between New Zealand and Chinese Taipei.

These measures relate to customs practices and procedures, sanitary and phytosanitary measures (SPS measures used to protect human, animal or plant life), technical barriers to trade (TBT – the costs of complying with standards, regulations and conformity assessment procedures), electronic commerce, competition and intellectual property (such as copyright, trademarks and patents).

TRADE AND LABOUR, TRADE AND ENVIRONMENT

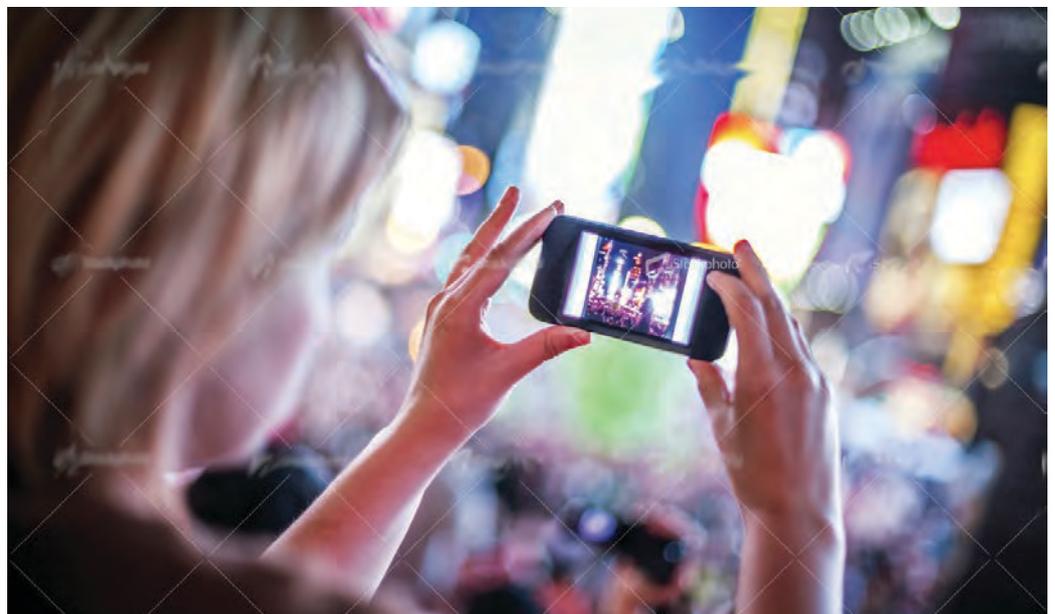
ANZTEC includes chapters on Trade and Labour, and Trade and Environment that will enhance communication and cooperation on these issues and assist in meeting the shared objectives of raising working standards and improving environmental protection in New Zealand and Chinese Taipei. There are provisions on Voluntary Market Mechanisms and an article on liberalising trade in Environmental Goods and Services. Tariffs on 132 environmental goods that contribute to sustainable development and green growth objectives will go to zero immediately on entry into force.

AIR TRANSPORT

ANZTEC incorporates a new “open skies” Air Transport Agreement (ATA) that removes restrictions on the frequency of flights between destinations in New Zealand, destinations in Chinese Taipei, and destinations in other parts of the world.

FILM AND TV CO-PRODUCTION

There are provisions for official co-productions between New Zealand and Chinese Taipei in film or television. Official co-productions are entitled to all the benefits accorded to domestic productions in the legislation of each economy.





INDIGENOUS COOPERATION

ANZTEC includes an Indigenous Cooperation Chapter that will enhance the cultural and people-to-people links between the indigenous people of Chinese Taipei and New Zealand Māori as well as expand and facilitate trade between the two groups.

TREATY OF WAITANGI

ANZTEC contains a specific provision whereby New Zealand maintains its rights to take measures that fulfil its obligations under the Treaty of Waitangi.

DISPUTE SETTLEMENT

ANZTEC includes a robust dispute resolution mechanism for the resolution of disputes between New Zealand and Chinese Taipei relating to the application or interpretation of ANZTEC.

FURTHER INFORMATION

Further detailed information on ANZTEC can be found at www.nzcio.com

The website contains the full text of the Agreement as well as a tariff finder to assist exporters and importers to take advantage of the benefits of ANZTEC.

