

Trade Policy Review of New Zealand (First Session on 1 June 2022)

Statement by Hong Kong, China

- I would like to thank Ambassador Clare Kelly and her team in Geneva for representing New Zealand in the trade policy review meetings. I would also like to thank the Discussant Ambassador Stephen De Boer of Canada, for his valuable comments, and the Secretariat for the comprehensive report.
- Hong Kong, China and New Zealand have enjoyed long-standing and progressive trade and economic relations. Our bilateral trade in goods amounted to USD 1.2 billion last year, with an average growth rate of 2.2% from 2017 to 2021. Hong Kong, China was New Zealand's 9th largest export market and the value of our imports from New Zealand (mainly farm products) was 70 times of that of our domestic exports to New Zealand.
- Hong Kong, China and New Zealand have been close in our trade and economic cooperation. Our Closer Economic Partnership Arrangement, which entered into force in January 2011, is Hong Kong, China's first free trade agreement with a foreign country. Based on this Agreement, both sides signed three implementing agreements last month to facilitate the ongoing co-operation in the areas of rules of origin, sanitary and phytosanitary measures, and government procurement.
- We have the following observations on New Zealand's trade policy regime.
- On trade facilitation, we commend New Zealand's efforts in continuously improving its Trade Single Window platform. We also note that New Zealand has updated its customs legislation through the introduction of the Customs and Excise Act 2018. The Act provides for new services and better supports compliance, it also facilitates information sharing between border agencies. We are pleased to learn that the Act has brought along various enhancements on advance rulings, including declaration of provisional value for imported goods and cloud storage of business records.
- Regarding tariff, we are pleased to note that New Zealand has bound all of its tariff lines, and 99.9% of its applied MFN tariff lines carry ad valorem duties. However, we note that the simple average bound rate of 10.5% is noticeably higher than the currently applied MFN average rate of 2.2%. While the gap between the bound rate and the applied rate is not utilised, it may still pose some degree of uncertainties to the trade.

- About services, we are pleased to note that New Zealand remains one of the most open economies in the world. The services sector contributes to a significant portion of New Zealand's economy, accounting for more than 70% of its GDP. Both Hong Kong, China and New Zealand have been actively engaging in WTO's services discussions including the Joint Statement Initiatives on E-commerce and Services Domestic Regulation.
- Lastly, it would be a glaring miss if we do not mention agriculture. New Zealand provides the least government support, among OECD countries, to the agriculture sector and all its domestic support measures fall under the green box. Besides, despite having an Aggregate Measurement of Support commitment level under the Agreement on Agriculture, New Zealand does not use or plan to use such entitlement. New Zealand's ongoing efforts in providing timely notifications are also much appreciated.
- Chair, both New Zealand and Hong Kong, China recognise the importance of open markets and respect for trade rules. We look forward to continue working together with New Zealand in various areas in the WTO. We thank New Zealand for their answers to Hong Kong, China's written questions and wish New Zealand a very successful trade policy review.

Hong Kong Economic and Trade Office in Geneva
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