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On 9 July the European Union and Aotearoa New Zealand signed a free trade agreement and a research cooperation agreement. Prime Minister Chris Hipkins travelled to Brussels for the occasion. This comes as the European Summer begins in full swing, and EU lawmakers work intensively to finalise European Green Deal legislation. With European elections one year away, many are now looking to the future always with the spectre of Russia's illegal invasion of Ukraine looming. Summer recess might be on the horizon, but the EU's support for Ukraine remains steadfast.

## Key milestones in the EU-NZ relationship

### New Zealand and European Union sign ambitious free trade agreement

**9 July 2023** – The European Union and Aotearoa New Zealand have signed a free trade agreement (FTA), which will deliver significant gains for both sides. New Zealand companies can expect a **\$1.8 billion** boost in exports to the EU per year. Trade between the two partners is expected to grow by **30% over the next decade**.

Some of the other key provisions of the deal include:

- **Duties removed on 91%** of New Zealand's goods exports to the EU from entry into force, rising to 97% after seven years.
- **Tariff savings of \$100 million per year** on New Zealand exports to the EU from day one – the highest immediate tariff savings of any New Zealand FTA. This includes the removal of tariffs on products



like kiwifruit, Mānuka honey, fish and seafood, onions, wine and industrial products.

- Significant new quota access for beef, sheep meat, butter and cheese.

Underlining the two partners' commitment to sustainability, the FTA includes the **most ambitious sustainability commitments in a free trade agreement ever**. For the first time in an EU free trade agreement, the deal has a dedicated sustainable food systems chapter, a chapter on indigenous (Māori) trade and economic cooperation, a dedicated trade and gender equality article and a specific provision on trade and fossil fuel subsidies reform. The deal also liberalises environmental goods and services at entry into force.

Commenting on the agreement, President Ursula von der Leyen said, "New Zealand is a key partner for us in the Indo-Pacific region, and this free trade agreement will bring us even closer together. With today's signature, we have taken an important step in making the agreement a reality. This modern free trade agreement brings major opportunities for our companies, our farmers and our consumers, on both sides. With unprecedented social and climate commitments, it drives just and green growth while reinforcing Europe's economic security".

The text will now be transmitted to the European Parliament for ratification. After the ratification by the Parliament, the Council can adopt the Decision on conclusion, and once New Zealand notifies that it has also completed its ratification procedure, the agreement can enter into force.

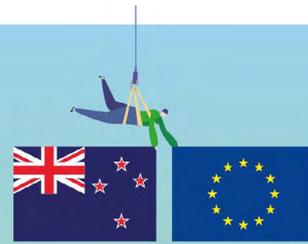
Zespri Head of Global Public Affairs,  
Michael Fox said



*Today's signing is hugely welcome, in particular at a time when producers around the world are dealing with so many challenges. As exporters, agreements like this are obviously incredibly important to us but we think it also sends a signal to the world that our leaders support trade because they know the benefits it delivers to exporters, communities and economies and they want to push back against what is an increasingly protectionist international approach. We also really strongly support the FTA's focus on sustainability and trade for all which will help with ongoing efforts to improve environmental and social outcomes and we look forward to it coming into force.*



**More Information:** [Commission Press Release](#), [Beehive Press Release](#), [Press Statement of Commission President](#), [EU-New Zealand FTA Page](#), [NZ MFAT Webpage](#), [Factsheet EU-NZ FTA](#), [Factsheet Trade and Sustainable Development](#), [Factsheet Agriculture](#), [Questions & Answers](#)



# HORIZON EUROPE



## New Zealand becomes associated to Horizon Europe

#HorizonEU

#GlobalApproach

#strongertogether

THE EU RESEARCH & INNOVATION PROGRAMME 2021 – 2027

### New Zealand joins Horizon Europe Research and Innovation Programme

**9 July 2023** – The EU and New Zealand have signed the agreement on the participation of New Zealand to Horizon Europe, the EU’s research, and innovation programme. Horizon Europe is the biggest EU research and innovation programme ever with a budget of €95.5 billion (\$170 billion).

Association to Horizon Europe means that researchers and organisations in New Zealand can now participate in **Pillar II of the programme**, the most relevant and biggest collaborative part that is primarily focused on shared global challenges in **climate, energy, mobility, digital, industry and space, health, and more.**

“I’m glad that we are allowing New Zealand to participate in Horizon Europe, our flagship innovation programme” said President Ursula Von der Leyen at the signing of the agreement in Brussels. “This is the first association agreement with a country that is not geographically close to Europe, but very close in so many other ways, including the capacity and willingness to innovate. We are looking forward to pooling our best minds and talents to work together on the next generation of clean tech, biotech and digital projects.”

To mark the occasion, a **Horizon Europe Launch Aotearoa New Zealand** was held on 12-13 July and the **European Commission’s Deputy Director-General for Research and Innovation, Signe Ratso**, visited the country. **New Zealand Minister for Research, Science and Innovation, Dr Ayesha Verrall**, hosted a reception for the research community in Wellington. The following day, a panel discussion took place at the University of Canterbury *Horizon Europe: What research policy futures for Aotearoa New Zealand and the EU?* The panel discussed synergies between Horizon Europe

and the New Zealand Government White Paper Te Ara Paerangi – Future Pathways. Thereafter, an information session provided a practical overview of Horizon Europe and how to apply for funding. Recordings of the two webinars can be found below).



#### Comment

*The EU is New Zealand’s most significant regional science and innovation partner, with more than half of New Zealand’s researchers regularly engaged in active collaborations with EU partners. This agreement represents a huge opportunity for New Zealand researchers to deepen their ties and partake in cutting edge research and innovation.*

**More Information:** [Press Release](#), [Council Press Release](#), [Horizon Europe](#), [Recording: Horizon Europe Policy Futures](#), [Recording: Horizon Europe Information Session](#)

## Prime Minister Hipkins visits Europe for FTA and Horizon Europe signing and NATO summit

**14 July 2023** – Prime Minister Chris Hipkins embarked on a European tour between 7-14 July to witness the signing of the **free trade agreement** with the EU and of the association agreement to **Horizon Europe** (see above), attend a **NATO summit** in Vilnius and meet with Swedish Prime Minister **Ulf Kristersson**.

Prime Minister Hipkins attended the **NATO summit** in **Vilnius** as a guest on **11-12 July**, where NATO leaders discussed boosting ties with Ukraine and increasing their military support amid Russia's invasion. "Russia's illegal invasion of Ukraine fundamentally undermines the international rules-based system that is so important to New Zealand. It has had significant impacts on the global economy, as well as New Zealand's economic recovery," Hipkins said. He noted that "threats to our security and resilience are not just regional, they are also global. Geography, therefore, does not determine or constrain our interests and we must have like-minded partners near and far".

NATO, Secretary General, **Jens Stoltenberg** [commented](#) that "New Zealand is a highly valued partner of NATO and we very much appreciate the fact that you are now attending the NATO Summit in Vilnius".

During his stopover in Sweden on 11 July, Hipkins sat down over a glass of New Zealand wine with **Prime Minister Ulf Kristersson**. Hipkins took the opportunity to thank the Swedish government for their support with the FTA during Sweden's EU



Council Presidency earlier in 2023. The two also discussed security matters ahead of the NATO summit.

### Comment

*The security of EU and NATO are inter-connected. Not only are 22 EU Member States also NATO Allies; together they can also mobilise a broad range of tools and make most efficient use of resources to address those challenges and enhance the security of their citizens. A stronger EU and a stronger NATO are mutually reinforcing.*

**More Information:** [NATO Press Release](#), [NATO Website](#), [PM Hipkins Speech to NATO](#), [Meeting between PM Hipkins and NATO Secretary General Jens Stoltenberg](#)

## Foreign Policy Developments

### EU adopts 11<sup>th</sup> package of economic sanctions against Russia

**23 June 2023** – The Council has adopted an **eleventh package of economic and individual restrictive measures** intended to **strengthen existing EU sanctions** and **crack down on their circumvention**, thereby further eroding Putin's war machine and his revenues.

The package includes the following:

- **Circumvention tool:** the EU will strengthen bilateral relations with third countries but should this fail the Council may unanimously decide to **restrict the sale, supply, transfer or export of goods and technology** whose export to Russia is already prohibited to third countries whose jurisdiction is demonstrated to be at a continuing and particularly high risk of being used for circumvention.



- **Transit ban:** the EU has prohibited the export to third countries via Russia goods and technology which may contribute to Russia's military and technological enhancement. This include jet fuel and fuel additives that could be used in the aviation and space industry.
- **Broadcasting:** The Council extended the suspension of broadcasting licences to five additional media outlets: **RT Balkan, Oriental Review, Tsargrad, New Eastern Outlook** and **Katehon**.
- **Roads and ports:** The EU extended the prohibition to transport goods into the EU by road to trailers and semi-trailers registered in Russia, including when hauled by trucks registered outside of Russia. In addition, the Council decided to prohibit access to EU ports to any vessels that engage in **ship-to-ship transfers**.

#### Comment

*The recent case of a RNZ reporter editing reporting on the Russian invasion with a pro-Russian stance is an example of how pernicious the impact of the propaganda machine of the Russian Federation can be. Russian propaganda has repeatedly and consistently targeted European political parties, especially during election periods, as well as civil society, asylum seekers, Russian ethnic minorities, gender minorities, and the functioning of democratic institutions in the EU and its member states. Foreign information manipulation and interference is a challenge for all democratic societies, including New Zealand.*

**More Information:** [Press Release](#), [Council Decision and Regulation](#), [EU response to Russia's Invasion of Ukraine](#)

## EU publishes its approach to enhance economic security

**9 June 2023** – The **European Commission** and the **High Representative** have jointly published a **Communication on a European Economic Security Strategy**. The Communication focuses on minimising risks arising from certain economic flows arising from geopolitical tensions and accelerated technological shifts, while preserving maximum levels of economic openness and dynamism.

The strategy proposes a thorough assessment of risks related to economic security. These include:

- Risks to the resilience of supply chains, including energy security.
- Risks to physical and cyber security of critical infrastructure.
- Risks related to technology security and technology leakage.
- Risks of weaponisation of economic dependencies or economic coercion.

The newly proposed strategy has three goals in mind: (i) promote the EU's economic base and competitiveness, (ii) protect against risks, and (iii) partner with the broadest possible range of countries to address shared concerns and interests.

#### Comment

*The FTA between the Aotearoa New Zealand and the European Union should be viewed through the lens of this new strategy. The EU is one of NZ's closest partners politically, and is a major trading partner. Increased trade links between the two partners will strengthen bonds creating a foundation for the two sides to address shared concerns and interests.*

**More Information:** [Press Release](#), [Communication](#), [Factsheet](#)



## Green Deal Developments

### Commission proposes package to support clean and modern shipping

**1 June 2023** – The Commission has presented **five legislative proposals** to update, revise, and modernise rules on maritime safety and prevent water pollution.

The proposals will equip the EU with new tools to support clean and modern shipping. They will align EU rules with international regulations, creating a level-playing field for the sector while improving implementation and enforcement through digitalisation and more EU cooperation.

**Comment**

Changes include extending the scope of the rules to completely cover not only **illegal discharges of oil and noxious liquid substances** (its current scope), but also **illegal discharges of harmful substances in packaged form, sewage, garbage, and discharge waters and residues from Exhaust Gas Cleaning Systems**. This is an important contribution to the EU Green Deal objectives.

*The latest package on maritime transport is another important piece of the European Union’s ongoing work to remodel the regulatory framework to be in line with its international obligations while supporting the effort in the fight against climate change.*

**More Information:** [Press Release](#), [Communication](#), [Questions & Answers](#), [EMSA Website](#)

**Commission publishes new antitrust guidelines on horizontal cooperation agreements with new chapter on sustainability agreements**

**1 June 2023** – The Commission has adopted the revised **Horizontal Guidelines**; an instrument that provides businesses who cooperate with their competitors clear and up-to-date guidance on how to assess the compatibility of their horizontal cooperation agreements with EU competition rules.

Significantly, a new chapter on sustainability agreements has been added, which clarifies that **antitrust rules do not stand in the way of agreements between competitors that pursue environmental, social or other sustainability objectives**.

This is an important development that allows the private sector to cooperate in the fight against climate change without fear of running afoul of competition laws.

**Maurits Dolmans, Partner at Cleary Gottlieb, says that:**



The Commission is showing real thought leadership in competition policy by adopting guidelines that enable sustainability cooperation in the private sector. Climate change is the result of the greatest market failure the world has ever seen. It is great news that private cooperation is now allowed to deal with this, and to stop climate change, in the interest of consumers and society. We hope other countries will follow suit.



The new Guidelines will enter into force following their publication in the Official Journal of the EU.



**Comment**

*Cooperation between companies with sustainability goals in mind is in some cases necessary to avoid a “Prisoner Dilemma” situation. By agreeing to move together on sustainability companies can ensure fair competition while achieving sustainability goals and targets together.*

**More Information:** [Press Release](#), [Communication](#), [Questions & Answers](#), [Podcast: Let’s Talk Competition](#)

## New rules to make phones and tablets more sustainable and repairable

**16 June 2023** – E-waste is one of the worst kinds of waste if only because most of it is needless and is a waste of rare earth metals. Two new pieces of legislation will help address this problem will benefit consumers and the planet to make phones and tablets more environmentally sustainable.

First, the Commission proposed new product-specific rules under the **EU Energy Labelling Regulation**. Smartphones and tablets put on the EU market will now have to display information on their energy efficiency, battery longevity, protection from dust and water, and resistance to accidental drops. This is also the first time that a product placed on the EU market will be required to display a reparability score.

The text will now be submitted to the European Parliament and Council for a two-month scrutiny period, after which it will be formally adopted if there is no objection to the text by the co-legislators.

Meanwhile, lawmakers in the European Parliament and Council on the same day also agreed new ecodesign rules for mobile and cordless phones and tablets under the **Ecodesign Directive**. New minimum design requirements have been set to enhance the durability, environmental performance and energy efficiency of these products, covering reliability, reparability, recyclability, reusability and the avoidance of premature obsolescence.

Together, these measures will help to make the EU's economy more circular, save energy, cut the EU's carbon footprint, support circular business models and deliver the benefits of the Green Deal.

Ana-Mariya Madzhurova from Dutch smartphone manufacturer, Fairphone says



With the Ecodesign Regulation and Energy Labelling Regulation, there is a new opportunity to raise the bar on the electronics industry and promote sustainable consumption of goods. The Energy Labelling Regulation is critical in ensuring that consumers are able to make informed choices about the products they purchase. Furthermore, it serves as an incentive for manufacturers to design more sustainable products which is a step closer to having sustainable smartphones become the norm.



On 12 July, a separate **Ecodesign Regulation for Sustainable Products** was [voted on in plenary](#) of the European Parliament. This regulation will replace the Ecodesign Directive and will create a harmonized framework across the EU.

### Comment

*With this strong push for more sustainable practices in the consumer electronics sector, consumers in Aotearoa stand to benefit if the firms subject to these requirements were to expand their practices around the world.*

**More Information:** [Press Release](#), [Energy Labelling Regulation](#), [Commission Ecodesign Regulation](#), [Commission Energy Labelling Delegated Regulation](#)

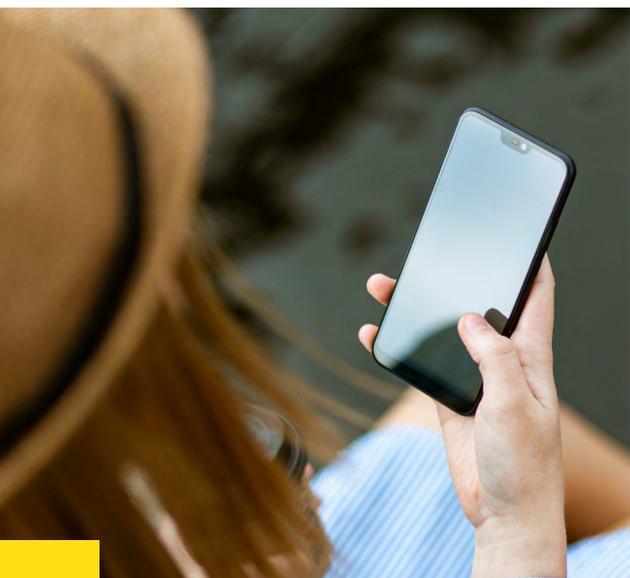
## EU lawmakers agree on a nature restoration law

**12 July 2023** – Both the Council and the European Parliament have adopted their respective political positions on a proposal for the **nature restoration law**. The proposal aims to put in place **recovery measures** that will cover at least **20 % of the EU's land and 20 % sea areas by 2030**, and all ecosystems in need of restoration by **2050**. The law places specific legally binding targets and obligations for nature restoration in each of the listed ecosystems.

The law gives effect to the [UN Kunming-Montreal Global Biodiversity framework](#) agreed in December 2022 which, among other measures, sets a target amongst signatories to protect 30% of the globe's lands, oceans, coastal areas, and inland waters by 2030.

The law will now be negotiated in Trilogues between the Council led by the Spanish Presidency and the European Parliament before it will formally be adopted into law.

**More Information:** [European Parliament Press Release](#), [Council Press Release](#), [Euractiv](#)



# Financial and Banking Developments

## Proposals to modernise payments services and open financial services data

**28 June 2023** – The European Commission has put forward proposals to bring payments and the wider financial sector into the digital age. The new rules will improve consumer protection and competition in electronic payments, and will empower consumers to share their data in a secure way so that they can get a wider range of better and cheaper financial products and services.

The proposal includes amending the **Payment Services Directive (PSD2)** which will now become **PSD3**. In addition, the Commission has proposed a **Payment Services Regulation (PSR)**. The changes will:

- Combat and mitigate payment fraud.
- Improve consumer protection.
- Level the playing field between banks and non-banks.
- Improve the functioning of open banking.
- Improve the availability of cash in shops and ATMs.
- Strengthen harmonisation and enforcement across the EU.

The package also includes a proposal for a **framework for Financial Data Access**. The proposal will establish clear rights and obligations to manage customer data sharing in the financial sector beyond payment accounts. Customers will now have better control over their data and who can access the data in line with the General Data Protection Regulation. In practice, this proposal will lead to more innovative financial products and services for users and it will stimulate competition in the financial sector.

### Comment

Meanwhile the New Zealand Parliament is currently debating the [establishment of a consumer data right](#) to give individuals and companies greater choice and control over their data. Parallels between the EU's proposed Data Act and the abovementioned revision of PSD2 demonstrate that both the EU and NZ are acting to improve competition and consumer rights.

**More Information:** [Press Release](#), [Factsheet](#), [Questions & Answers](#), [Proposal for a Payment Services Regulation](#), [Proposal for PSD3](#), [Proposal for a Regulation on Financial Data Access](#)



# Agricultural Developments

## Commission proposes regulation on new genomic techniques

**5 July 2023** – The Commission has proposed a new regulation on **New Genomic Techniques (NGT)**. NGTs are innovative tools that help increase the sustainability and resilience of the food system. They allow developing improved **plant varieties** that are **climate resilient**, **pest resistant**, that require less **fertilisers** and **pesticides** and can ensure **higher yields**. This will help cut EU use of chemical pesticides by half and reduce dependency on EU agricultural imports.

This initiative will propose a legal framework for plants obtained by targeted mutagenesis and cisgenesis and for their food and feed products. The aim is to maintain a high level of protection for human and animal health and the environment, enable innovation in the agri-food system and contribute to the goals of the European Green Deal and the 'Farm to Fork' strategy.

The proposal will:

- Establish two categories of plants obtained by NGTs: NGT plants comparable to naturally occurring or conventional plants, and NGT plants with more complex modifications.
- Both categories will be subject to different requirements to reach the market taking into account their different characteristics and risk profiles. The plants from the first category will need to be notified. The plants from the second category will go through the more extensive process of the GMO directive.
- Give incentives to steer the development of plants towards more sustainability.
- Ensure transparency about all NGT plants on the EU market (for e.g., through labelling of seeds).
- Offer robust monitoring of economic, environmental and social impacts of NGT products.

### Comment

This initiative will be particularly interesting for New Zealand's world-leading food sector. It will improve conditions for investing into research and development into new plant varieties, and companies will be able to rely on this new regulatory framework to bring new plant varieties to market with the necessary protections in place.

**More Information:** [Press Release](#), [JRC Press Release](#), [Factsheet](#), [Questions & Answers](#), [Proposal for a Regulation on New Genomic Techniques](#)



## Aquacultural Developments

### Council and Parliament reach agreement on new rules to combat overfishing

**1 June 2023** – The Council has reached a provisional agreement with the European Parliament on updated rules to help prevent overfishing. The revision of the fisheries control system modernises the way fishing activities are controlled to ensure that EU vessels and those fishing in EU waters follow the rules set out in the **Common Fisheries Policy (CFP)**.

**For imported fish, a new digital system** (known as “CATCH”) will be introduced in the context of the catch certification scheme for **illegal, unreported and unregulated (IUU)** fishing. The aim is to ensure that catch certificates and other related documents will be managed in a single, EU-wide digital environment, thus improving the ability of authorities to detect products stemming from IUU fishing.

**Non-EU countries will be able to produce and validate catch certificates** directly in the CATCH digital environment. For fishery products imported into the EU, importers will also need to submit catch certificates via CATCH.

The main legal framework for the EU’s fisheries control system is set out in Regulation (EC) No 1224/2009 on fisheries control. Monitoring is carried out by national authorities, with the support and cooperation of the European Commission and of the European Fisheries Control Agency (EFCA).

The text still needs to be approved by Member State ministers. The European Parliament Fisheries Committee approved the agreement on 27 June 2023. A vote in full plenary will take place after the summer recess.

#### Comment

*New Zealand seafood exports are currently at NZD 1.9 billion per year. Exporters stand to gain from a simplified system for verifying their catch certificates in a centralised system. Reducing the amount of IUU is also critical for creating a level playing field internationally and for preserving fishing stocks globally for the benefit of all.*

**More Information:** [Council Press Release](#), [European Parliament Press Release](#), [Text of Preliminary Agreement](#)

## Consumer Protection Developments

### Stronger EU product safety rules enter into force

**12 June 2023** – The **General Product Safety Regulation (GPSR)** has now entered into force. The new framework will ensure that only safe products are offered to consumers, regardless of the origin of the products and whether they are sold in shops or on online marketplaces. The regulation applies to non-food products, regardless whether they are sold offline or online.

The new rules include the following elements:

- Key elements such as the evolving nature of a product or its interconnectivity in the safety assessment of consumer products.
- Improving the conditions for product safety between online and offline sales.
- Establishing specific product safety requirements for online marketplaces to protect consumers against dangerous products sold via online marketplaces.
- Extending the obligation for all non-harmonised products imported to the EU to have an economic operator in the EU responsible for the product safety issues.
- Providing national authorities with necessary tools, thus stepping up their enforcement powers.
- Ensuring effective product recalls by requiring direct contacts of consumers and standardised recall notices.

#### Comment

*Online marketplaces are increasingly used by consumers to purchase goods, including goods from New Zealand. With the ratification of the Free Trade Agreement between the EU and NZ and the increased opportunities for New Zealand businesses to sell products in the EU, it will be important for New Zealand exporters to review the new product safety rules to ensure they fulfil the requirements.*

**More Information:** [Press Release](#), [General Product Safety Regulation](#), [General Product Safety Directive](#)