



# New Zealand Sheep and Beef Sector Barriers to International Trade

September 2019

## How do Beef + Lamb New Zealand and the Meat Industry Association work together on trade?

Beef + Lamb New Zealand (B+LNZ) and the Meat Industry Association of New Zealand (MIA), together represent the views of the New Zealand red meat sector, including farmers, processors, marketers and exporters and are the interface between the sector and government on red meat issues.

## Our trade policy teams work together to ensure:

- Government and key stakeholders understand and take into account the sector's key interests;
- Access into key export markets is maintained and improved by working with government to remove non-tariff barriers, gain market access through the Government's free trade agreement (FTA) agenda, and develop relationships with international counterparts; and
- The sector has timely and well-informed insights into international trade developments, trends, market access priorities and opportunities.

## Barriers to trade

In a highly competitive global market, removing barriers to trade improves the economics of our exports. Our sector faces two types of barriers to trade: tariffs and non-tariff barriers (NTBs).

Tariffs imposed at the border increase the cost of New Zealand's product, can be prohibitive and result in New Zealand product being uncompetitive. New Zealand's network of trade agreements have saved the sector over \$350 million in tariffs in 2018 alone. But, given we also faced tariffs of \$250 million in 2018, there is more to be done.

Additionally, the sector's companies face a myriad of NTBs offshore that are just as costly, sometimes prohibitive, and very difficult to address. They can curb trade regardless of preferential tariff treatment. Progressive, modern trade agreements are an opportunity to put in place disciplines around NTBs to prevent them becoming a barrier to the sector's exports.

## What are NTBs and why do they matter?

NTBs include opaque rules, arbitrary standards that are not based in science, customs, and other import procedures that are slow, costly and excessive. Resolving non-tariff barriers is important because:

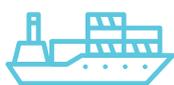
- They can stop business from competing effectively;
- They can affect all forms of goods and services exports - from food and manufactured products, through to e-commerce and digital services;
- They can raise food prices, undermine food quality, impact on food availability and impose extra burdens on businesses.

## Non-Tariff Barriers faced by the Red Meat Sector

The types of NTBs facing the red meat sector include:

- Onerous premises audit and registration requirements
- Onerous or unnecessary certification
- Lack of transparency of requirements
- Inconsistent technical requirements
- Prescriptive and onerous labelling requirements
- Onerous import checks
- Consularisation of documentation
- Private standards.

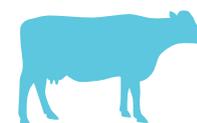
 **Government resources:** [www.tradebarriers.govt.nz/what-are-trade-barriers](http://www.tradebarriers.govt.nz/what-are-trade-barriers)



Total exports 2018:  
**\$9.1 billion**  
to more than 120 countries

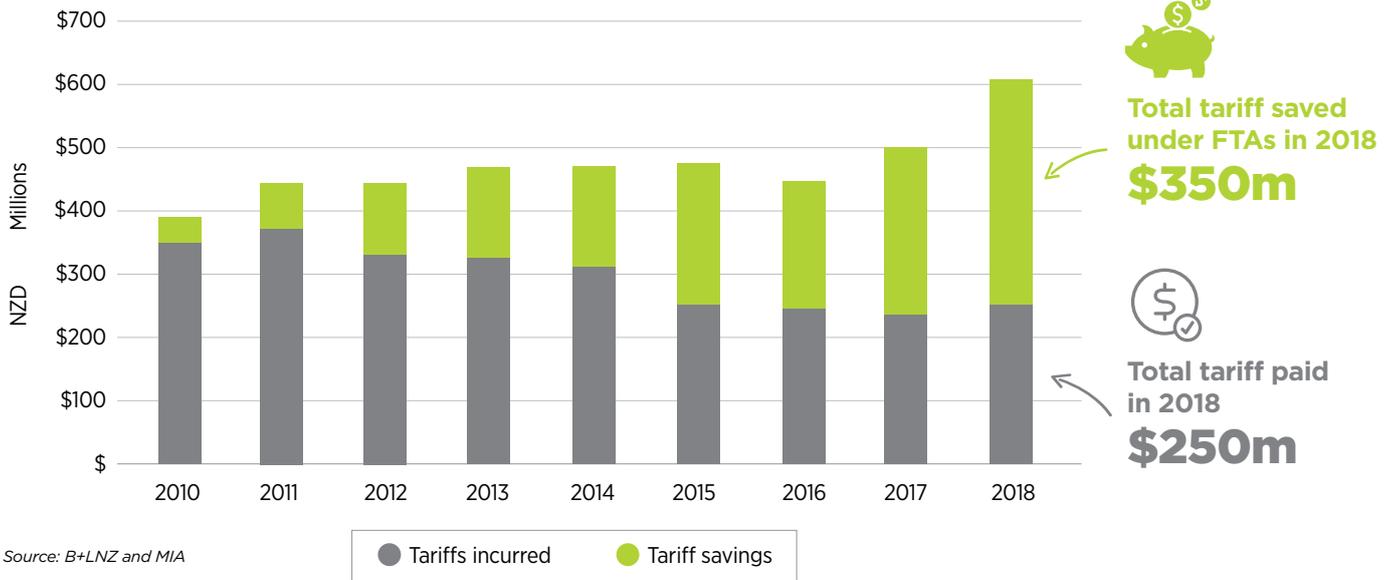


**94%**  
of sheepmeat production  
is exported



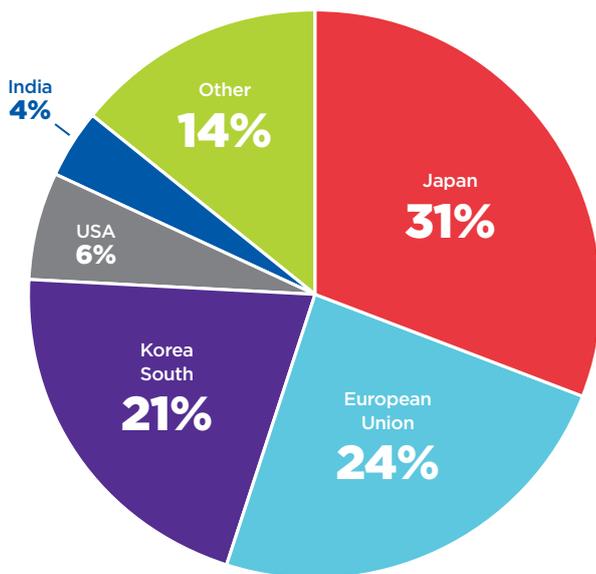
**87%**  
of beef production  
is exported

## Summary of Sector's FTA Tariff costs and savings



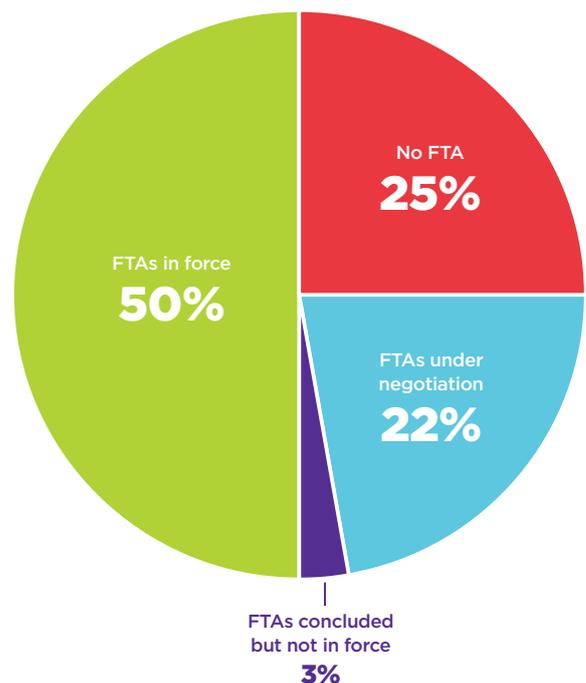
## Tariffs paid on Sheepmeat, Beef and Co-products by country

Year ending Dec 2018



Source: Compiled by B+LNZ from Global Trade Atlas and WTO tariff download facility/NZ FTAs

## The sector's trade, by value, covered by Free Trade Agreements (FTAs)



### Top Sheepmeat markets for 2018

- European Union \$1.4 billion
- China \$1.2 billion
- United States \$430 million

### Top Beef markets for 2018

- United States \$1.2 billion
- China \$782 million
- Taiwan \$188 million