



Joint Submission in response

TO:

**Ministry of Foreign Affairs and
Trade**

ON:

**The New Zealand-United Arab Emirates
Comprehensive Economic Partnership
Agreement**

BY:

**Beef + Lamb New Zealand Ltd
and
Meat Industry Association Inc**

31 March 2024



Introduction

1. This is a joint submission by Beef + Lamb New Zealand Ltd (B+LNZ) and the Meat Industry Association Inc (MIA) representing the views of the sheep and beef sector (i.e. producers, processors, marketers, and exporters).
2. The New Zealand sheep and beef sector (the sector) is a vital driver of the New Zealand economy and its prosperity. Our export led industry, comprising livestock (beef cattle and sheep) production and red meat (beef and dairy cattle and sheep) processing, and exporting, accounts for 92,000 jobs, 35,702 directly and an additional 56,719 indirectly, mainly in regional New Zealand.
3. The sector is New Zealand's second-largest goods export income earner, with \$10.6 billion in export revenue for the year ending December 2023. This accounts for 15.4 percent of the total value of New Zealand's goods exports, behind only dairy. Māori make up a significant portion of the sector with 15 percent of sheep and beef exports coming from Māori farming interests, 36 percent of people working on sheep and beef farms identifying¹ as Māori and a similar amount in the red meat processing sector. New Zealand exports over 95 percent of sheepmeat production and over 90 percent of beef production to nearly 110 markets worldwide.
4. The sector is focused on producing a high-quality product that reflects world class standards for environment, animal welfare, food safety and the health and safety of our workforce. We are proud of our product and the integrity of our production systems.
5. We welcome the opportunity to share our views on the possible Comprehensive Economic Partnership Agreement (CEPA) with the United Arab Emirates (UAE).

Summary

6. The red meat sector welcomed the announcement on 29 February 2024 by the Minister for Trade to begin the process towards a trade agreement with the UAE. This is an important market for the red meat sector in the Middle East with \$47 million of exports in 2023. It is the second largest market in the Gulf Cooperation Council after Saudi Arabia.
7. New Zealand is a supplier of high-quality and sustainable red meat to a market that values our robust food safety and halal slaughter processes. The sector calls for a high-quality and comprehensive agreement with the UAE that further enhances the existing positive trade relationship by addressing tariff and non-tariff barriers to trade to smooth the flow of trade between our countries.

Our export profile

8. The red meat sector's major export to the UAE is high-value chilled beef, which was worth \$31 million in 2023. The UAE is New Zealand's fourth largest chilled beef market behind the US, China, and Japan. Other key exports are frozen beef, wool, and chilled lamb. Most of these

¹ Pg 14 <https://www.mbie.govt.nz/dmsdocument/13781-the-emissions-exposure-of-workers-firms-and-regions>



exports (except chilled meat and blood products) carry a five percent tariff, which we would expect to be removed in any outcome. As the tariffs are modest and most of the sector's exports to the UAE were chilled meat, which is tariff-free, the sector's tariff costs were only \$685,000 in 2023. However, events such as the current shipping disruptions in the Red Sea could result in a shift from chilled to frozen exports, which would potentially see tariff costs more than triple to around \$2.3 million.

9. Overall, it is our 20th highest market so there is huge potential to grow. The UAE is among the world's wealthiest economies and there is increasing demand in the market for the high-quality, safe, sustainable, and nutritious products that the sector produces. Food security is a priority for the UAE with international trade identified as a key enabler to achieve the objectives of the UAE's 2051 vision for national food security. New Zealand can play an important role here, particularly for beef, which is one of the main food items cited in the strategy.

Halal exports system

10. With a population where over 75% are Muslim, the UAE is a key halal market that is increasingly looking for reliable sources of high-quality red meat that meets their strict halal expectations. New Zealand's halal regulatory system is designed for export and enables access to Muslim consumers around the globe. It is a cornerstone of the agile business model for the industry – to find the best market for each part of a carcass.
11. New Zealand's halal system is underpinned by regulations administered by the Ministry for Primary Industries and is fully consistent with its high animal welfare standards. As important, is the halal workforce whose specialist skills directly contribute nearly \$4 billion of export earnings.
12. As a key halal market, the UAE recognises New Zealand's high-quality, robust halal system. Its own halal standards align closely to New Zealand's export halal assurance system, including around animal welfare requirements. This alignment ensures certainty for exporters, and is an important platform for engagement on halal standards with other key Muslim markets.

Areas of cooperation

13. A trade agreement with UAE also provides opportunities to identify and progress areas where both parties have mutual interest. Formal recognition of halal systems between New Zealand and the UAE, as well as ongoing engagement on halal standards development would be a key priority for the industry (as identified above).
14. Cooperation regarding technical regulations, standards, and conformity assessment, and food safety equivalence recognition as a cornerstone of a sanitary and phytosanitary FTA chapter are strongly supported.
15. There are many other areas where cooperation on matters of key global significance would be of benefit between the UAE and New Zealand, including innovation, sustainability and employment.
16. The UAE has a strong interest in environmental sustainability, evidenced by its hosting of COP28 in 2023 and bilateral AIM4Climate programme with the United States. A New Zealand – UAE CEPA could explore areas for cooperation regarding environmental objectives, such as climate change, biodiversity, and water quality.



17. It could provide an opportunity to develop sustainability principles that do not impede trade. For instance, recognition that domestic production systems can vary and lead to sustainable outcomes without overly prescriptive approaches would set an important precedent for future trade agreements.

Conclusion

18. The UAE is a key partner for New Zealand's red meat sector. We expect a high-quality and comprehensive agreement, and look forward to contributing to securing this outcome when the time comes.



About Beef + Lamb New Zealand Ltd and Meat Industry Association Inc

19. Beef + Lamb New Zealand (B+LNZ) is the farmer-owned organisation representing New Zealand's sheep and beef farmers. It is the organisation with the legal mandate to speak on behalf of New Zealand sheep and beef farmers. B+LNZ is funded under the Commodity Levies Act 1990 through a levy paid by producers on all cattle and sheep commercially slaughtered in New Zealand. B+LNZ's vision is profitable farmers, thriving rural communities, valued by New Zealanders and its purpose is to provide insights and actions that drive tangible impact for farmers.
20. B+LNZ represents around 9,200 commercial farming businesses, creating around 35,000 jobs (wages, salaries, and self-employment) in the sheep and beef sector. Around three-quarters of pastoral land and just under a third of New Zealand's total land area is used for sheep and beef farming.
21. The Meat Industry Association of New Zealand Incorporated (MIA) is a voluntary trade association representing New Zealand meat processors, marketers, and exporters. It is an Incorporated Society (owned by members) that represents companies supplying virtually all of New Zealand sheepmeat and beef exports.
22. MIA member companies operate more than 60 slaughter and further processing plants employing 25,000 people throughout the country. Ninety percent of this production is further processed into value-added products. Over a million tonnes, or 86% of total production, is exported to nearly 110 overseas destinations.
23. MIA advocates on behalf of its members and provides advice on economic, trade policy, market access, employment relations, business compliance costs and technical and regulatory issues facing the industry, with a particular focus on food safety, trade, market access, and public policy impacting industry operations.

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