



MISSION REPORT

following the 24th EU-New Zealand

Inter-Parliamentary Meeting

AUCKLAND & WELLINGTON 24-25 FEBRUARY 2020

Members

Ms Ulrike MÜLLER, Chair	RENEW
Mr Axel VOSS, Vice-Chair	EPP
Mr Morten LØKKEGAARD	RENEW
Ms Monika VANA	GREENS/EFA
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Ms Gabriele BISCHOFF	S&D
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Introduction

The Delegation of the European Parliament for relations with Australia and New Zealand (DANZ) carried out a mission to Auckland and Wellington from 24 to 25 February 2020 (with 23 February dedicated to internal and secretariat level meetings). The mission was combined with a subsequent mission to Australia that took place from 26 to 28 February in Canberra and Melbourne. Chaired by Ulrike Müller and supported by Vice-Chair Axel Voss, the Delegation was composed by a total of eight Members, representing five political groups from six Member States. One Member of the Delegation, Pedro Silva Pereira, is Vice-President of the European Parliament and Member of the Committee for International Trade of the European Parliament (INTA), and another Member, Iuliu Winkler, is Vice-Chair of the same committee.

DANZ would like to warmly thank the New Zealand Parliament, which, in cooperation with the New Zealand Embassy in Brussels and the Delegation of the European Union in Wellington, provided a high level programme and assured all possible assistance for the delegation during its stay.

Context

The mission took place a few months after the 23rd EU/New Zealand Inter-Parliamentary Meeting, held in Brussels in October 2019 and was the first EU mission to New Zealand after the withdrawal of the United Kingdom from the European Union. Much is happening in the region and in New Zealand itself, also in terms of the bilateral relation with the European Union: the country is in a pre-electoral phase, with both elections and referendums over euthanasia and liberalisation of cannabis scheduled for the 19th of September 2020; the negotiations for a EU/New Zealand Free Trade Agreement are in a crucial phase; a new balance of power is emerging in the Pacific region, with the rising role of China politically, financially and security wise. Moreover, compared to previous visits to the country, the EP Delegation could witness the increasing importance of the Maori and the indigenous dimension in the New Zealand political and institutional life.

Meetings

On 23 February, the Delegation held internal and secretariat level meetings. On 24 and 25 February, the official programme was intensive, and included, for example, meetings with three Ministers, the Deputy Secretary for Trade and Economy and Chief Negotiator for the Free Trade Agreement (FTA), plus the Speaker of the New Zealand Parliament.

The official Inter-Parliamentary Meeting took place on the morning of 24 February and was followed by a working lunch with EUMS Diplomats and with the Ambassador and staff from the EU Delegation. The Delegation also had the opportunity to visit locations of economic, scientific and historical importance. The full programme is attached at the end of this report (see Annex I).

Inter-parliamentary meetings

As in previous visits, the EP Delegation was received very warmly, quickly confirming a well-established, friendly and mutually beneficial relationship. Well prepared to engage in discussion with their European counterparts, the New Zealand parliamentarians - in the IPM itself, in the working lunch and in the separate meeting with the Speaker - offered a comprehensive vision of the challenges faced by the country and of the role of the legislative power. Proceeding through a structured agenda, the two sides discussed pivotal topics, such as the developments taking place in both New Zealand and the EU, the current FTA negotiations, climate change, the role of Western democracies in the current geopolitical scenario, the respective policies in the Pacific, the emergence of the indigenous vocation in the country and other issues. More than once the New Zealand side made reference to “EU leadership” - a concept echoed also by some Ministers. Overall the IPM proved not only the convergence on a common approach to global challenges, but also a more strategic and structural alliance, based on values and shared history - as stated also by the visit to the War Museum in Auckland. The message from Auckland and Wellington was clear: we need a strong Europe.

New Zealand, a country with a strong agricultural sector and relying heavily on trade relations, is facing a degree of USA disengagement from the region and from the multilateral system, a more assertive Chinese policy in the Pacific, and a growing complexity and inter-connection of global issues - from climate change to the digital sphere. These are all crucial elements stressing the need of a strong partnership, in spite of the geographical distance from Europe and of Brexit.

The Free Trade Agreement: timing, method and content

Not surprisingly, the FTA was the dominant topic in the meetings, not only with the New Zealand Deputy Secretary for Trade and Economy and Chief negotiator Vangelis Vitalis, but also during the IPM and the meetings with the other Members of the government. The presence of two full Members of INTA, one of them Vice Chair of the committee, contributed to the collective DANZ capacity in addressing several

concerns raised by the New Zealand side as well as presenting the main EP positions on the negotiations. It should also be added that prior to departure, the EP delegation had received an extensive preparatory briefing from the Commission's FTA negotiation team.

Compared to some other FTA negotiations, the one with New Zealand benefits from the fact that the country is already such a close and like-minded partner of the EU. Importantly also, there is strong cross-party support and broad social consensus within the country for the FTA. The Speaker of the Parliament made this very clear.

However, there is frustration in Wellington for the lack of a clear market access proposal from the EU. New Zealand is clearly waiting for this and extremely eager to make substantial progress in the negotiations. A slight disappointment on the lack of progress and possible delays was evident in the meeting with Mr Vitalis, who did not want to accept possible delays if they were to be related to Brexit. On the other hand, he assured the Delegation that the country's autumn elections and a possible change of government would not be a disruptive factor, since, he claimed, one government can conclude the agreement and another one can sign it.

The timetable of the FTA process was a matter of concern, also since anti-global free trade positions are popular in New Zealand too, and Mr Vitalis warned that the assumption that the market would be more open in the future, is not anymore there. He added that although both conservatives and socialists support the agreement, social consensus might decline and he insisted in working on a democratic process able to gain public support. For that reason, it is essential to address economic actors and citizens with transparency - an approach well shared by the NZ authorities and the European Parliament - and to ensure that the agreement will be beneficial for all sectors, including small businesses, family farmers and indigenous people.

Therefore, both sides stressed the paramount importance of achieving an ambitious Sustainable Development Chapter (SDC), to the extent that the FTA should become a "new generation agreement", focussing on sustainability and based on high environmental and labour standards, as well as transparent negotiations. Benefits for SMEs, women, and the Maori community are all key issues which need to become actual provisions in the final text of the FTA.

However, and somewhat unexpectedly, the New Zealand side openly expressed disappointment towards the EU's lack of ambition to work towards a genuinely meaningful SDC, calling for clear provisions for its actual enforceability, including limitations to fishing subsidies and fossil fuel (as included in the EU/FTA with Singapore).

On environmental standards, there was little controversy in agreeing on a roadmap to reach zero emissions and much interest was shown by the New Zealand interlocutors

in the external dimension of the European Green Deal. This new political element was not present when the mandate for negotiations was established and should now be fully part of the negotiation framework. The EP Delegation stressed the importance of fully including the Green Deal roadmap in all current and future FTA negotiations. On this, the FTA with New Zealand can be a crucial case, given the willingness of New Zealand in joining forces with the EU's most recent plans. As the Minister for Climate Change Mr Shaw pointed out.

It is surprising that New Zealand has not signed two relevant International Labour Organisation (ILO) conventions, which are considered essential by the EU side, and there seemed to be little awareness among local MPs that the delegation met, on this issue. One convention deals with child labour and the New Zealand side spoke of the strong tradition of children working within the family circle, notably in small farms but also in other part-time jobs. Since by no means do these types of part-time and mostly seasonal activities affect the children's education curriculum (schooling is compulsory until the age of 16) the actual reasons why the convention has not yet been signed by New Zealand were left a little unclear. The second case is about the right of strike, including the sympathy strike which is not currently allowed in New Zealand.

Although apparently minor issues, these are nevertheless obstacles that need to be resolved. Deputy Secretary Vitalis pointed out that some EU Member States have not yet ratified ILO provisions on forced labour. However, one should take into consideration that the EU cannot accept a lower standard of commitment than the one established in ILO conventions and the one required by other FTAs. From its side, New Zealand stresses that it takes its duties very seriously and signs only what it can actually fully enforce.

Another issue of debate was, as expected, the various geographical indications. The issue was constantly presented in a systematic and united way by the EP delegation: Geographical Indications (GIs) are crucial to protect and even promote local identities on the global market and not a protectionist measure, to the extent that denominations have a restricted use also within a single Member State. The European experience confirms that rebranding and, for example, use of a local ("indigenous") denomination can be a successful market strategy, and the New Zealand side received a consistent message that room for compromise is very limited. The conclusion was that a solution will have to be found, also for challenging sectors such as the wine industry.

Finally, the New Zealand Members of government and the parliamentarians that the Delegation met were of the same opinion that the EU will hardly find a more motivated partner in achieving an agreement with ambitions both on the trade scope and on an extended sustainability chapter. While significant to the EU, this FTA is even more important for a small and exported oriented country such as New Zealand.

Climate Change

New Zealand plays a leading role in the region in tackling climate change. It is affected by storms and fires of increasing severity and frequency, while longer drought periods have reduced agricultural exports.

New Zealand has a fully climate change oriented State budget and the country is carrying out several reforms and programmes, which include: the reduction of emissions from cow and sheep livestock; moving from intensive stocks to smaller ones; investments in hydrogen (in cooperation with industries and farms traditionally consuming oil and gas); education of a new generation of engineers who used to work with alternative forms of energy, Genetically Modified Organism production with manageable emission impact. New Zealand has the target of reaching carbon neutrality by 2050 and in order to achieve such a goal the country needs to double the production of its renewable energy. In the meantime, the government has stopped issuing exploitation rights for gas and oil and the existing ones will expire by 2037.

A frequent question was how the EU can interact with such ambitious efforts. Once more, the European Green Deal, the conversion to even more eco-friendly farming, and current best practices in legislation on water management and waste treatment attracted the attention of the New Zealand interlocutors. This part of the planet provides an excellent platform for translating the Green Deal into an innovative and competitive foreign policy.

The Pacific, an ocean of challenges and opportunities

On different occasions, New Zealand hosts, upon receiving the EP delegation or during official openings of meetings, followed Maori formulas. The protocol visit to the Auckland Museum also reaffirmed on the one hand the role of New Zealand in the Twentieth Century history of Europe, and on the other hand, the fundamental Maori and indigenous identity within the country.

The very visible revival of Maori languages and flags is not only a joyful effort in reconciling and strengthening the national identity, but also a strategic repositioning of New Zealand as a full Pacific country. This vast region is going through fundamental changes and as the Hon. Mr Aupito William Sio, Minister of the Pacific People, suggested in the meeting, New Zealand intends to play a crucial role on major issues - connectivity, cooperation for development of small island States, security, climate change mitigation and economic investment. Measures such as the release of seasonal working visas are making some impact in the neighbouring countries and offer a

different model compared to the export of labour force from China to the region.

Connectivity has a vital importance in New Zealand also, and satellites, aviation, and notably digital technologies are important. While Australia and USA are key partners for security and defence in the region, Europe has much to offer in terms of scientific and technologic cooperation and digitalisation of the economy, but for other sectors of the society as well, for instance, education and public health, as well as issues related to data protection. While Chinese companies are always active, New Zealand looks increasingly for European opportunities to exploit. This is an additional reason for an ambitious Free Trade Agreement, with public procurement, services and a strong digital component at the centre of the agreement. New Zealand seems to be keen to use the FTA's leverage effect not only internally but equally in the Pacific - and this makes the FTA a strategic instrument for the EU's presence in this part of the world.

EU role

The EU has a high profile in New Zealand and the attention given to the EP Delegation by the NZ Parliament and government confirmed that. The IPM itself focussed on how the EU and its presence in the Pacific, is a vital partner with expertise in several areas including in digital market and the digital sphere at large, in data protection, environmental standards, climate change mitigation, and in support to SMEs. The peculiarity of the Free Trade Agreement with New Zealand is that it would provide a tremendous instrument for boosting economic relations within an already strong political partnership. This is the best possible basis for agreeing on an ambitious FTA and to enable it to become a reference agreement for other future FTAs.

With the UK now out of the EU, New Zealand is repositioning its link with Europe. The EP delegation received no evidence that New Zealand intends to scale down its partnership with the EU: on the contrary, Brexit offers the opportunity to shape a deeper relationship beyond the historical role and the consolidated presence of London in the country.

The role and a follow-up of the European Parliament

As constantly proven, especially by the INTA Members of the EP Delegation, the European Parliament is closely following the FTA negotiations with New Zealand. The main issues deserving a dedicated focus are:

-) Disconnecting the timeframe of negotiations with New Zealand from the negotiations with the United Kingdom, in order to reach an agreement in a reasonable time and avoid interference between the two separate issues.
-) Setting an ambitious goal for a Sustainable Development Chapter with relevant targets on labour and environment, climate change, and high dividend of the agreement for indigenous people and other sectors of the society.
-) Fully involving SMEs and, for example, family based farming as crucial actors of the trade relations between the two sides.
-) Promoting the concept of GI as a way to valorise local identities and identity brands, in Europe as well as in New Zealand.

With its strategic position and policy of being not only *in* the Pacific but as part *of* the Pacific, New Zealand should also be one of the cornerstones of the EP's political activity on the region - whether on digital matters or other forms of connectivity, climate change or security - along other consolidated partners such as Australia, Japan and South Korea.

Annexes

- 1: final programme
- 2: list of participants



DELEGATION FOR RELATIONS WITH AUSTRALIA AND NEW ZEALAND

**24TH EU-NEW ZEALAND INTERPARLIAMENTARY MEETING
AUCKLAND & WELLINGTON 24-25 FEBRUARY 2020**

FINAL PROGRAMME

Sunday 23 February AUCKLAND

10.00-14.00 Meeting of secretariat with Per Sjonell from the EU delegation (Wellington), Ms Janell Silvam and Mr Winton Holmes - VCO

14.00-17.00 With the Chair, Ulrike Müller and Ms Vana

Individual arrivals of Members

Monday 24 February

10.00 Briefing by H.E. Mrs Nina Obermeier, Ambassador of the EU mission to New Zealand

11.00 Opening of the 24th EU-New Zealand Interparliamentary meeting

13.00 Working lunch hosted by Members of the New Zealand Parliament

- 14.30 War Memorial Museum, The Auckland Domain, Parnell. Guided tour of the War Memorial Museum
Maori greeting and tour with Nanaia Mahula
- 15.30 Mint Innovation
- Travel to Wellington

Tuesday 25 February - WELLINGTON

- 9.00 Meeting with Hon. Nanaia Mahuta, Minister for Maori Development
- 09.30 Mihi Whakatau (welcoming ceremony) with Mr Kura Moeahu, Tumu Whakarae, Principal Cultural Adviser and Mr Adrian Rurawhe, Assistant Speaker
- 10.00 Meeting with the Rt. Hon. Mr Trevor Mallard, Speaker of the House of Representatives
- 10.45 Meeting with the Rt. Hon. James Shaw, Minister for Climate Change
- 11.45 Meeting with Deputy Secretary for Trade and Economy, Mr Vangelis Vitalis
- 13.00 Lunch with Members of the New Zealand Parliament
- 14.45 Visit to the Parliament with Mr Jim Chappell, Parliament tour guide.
- 15.45 Meeting with the Hon. Mr Aupito William Sio, Minister for Pacific Peoples
- 16.45 TV interview (DANZ Chair only)
- 19.00-21.00 Dinner hosted by the Chair of the delegation for relations with Australia and New Zealand, Ms Ulrike Müller



ANNEX II LIST OF PARTICIPANTS

Ms Ulrike MÜLLER, Chair	RENEW	Germany
Mr Axel VOSS, Vice-Chair	EPP	Germany
Mr Morten LØKKEGAARD	RENEW	Denmark
Ms Monika VANA	GREENS/EFA	Austria
Mr Iuliu WINKLER	EPP	Romania
Ms Gabriele BISCHOFF	S&D	Germany
Mr Kosma ZŁOTOWSKI	ECR	Poland
Mr Pedro SILVA PEREIRA	S&D	Portugal

Members were accompanied by 4 Staff from the EP

RENEW Renew Europe

Greens/EFA Greens, European Free Alliance

EPP European People's Party -
Christian Democrats

ECR European Conservatives and Reformists Group

S&D Group of the Progressive Alliance
of Socialists and Democrats