

Media Release

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Meat & Wool New Zealand and Meat Industry Association welcome the Free Trade Agreement with the Gulf Cooperation Council

Meat & Wool New Zealand and the Meat Industry Association have welcomed news that the negotiations for a Free Trade Agreement between New Zealand and the Gulf Cooperation Council (G.C.C.) have concluded.

“This is very good news”, Meat & Wool New Zealand Chairman, Mike Petersen said. “While we continue to hope for a successful outcome to the WTO’s multilateral negotiations – the Doha Round – current progress is not matching the positive rhetoric of world leaders. That makes it all the more important for New Zealand to press forward in securing and improving access to important markets by means of bilateral Free Trade Agreements (FTAs) such as the agreement with the G.C.C.”

Meat Industry Association Chairman, Bill Falconer said the countries of the Middle East have long been a major market for New Zealand and the countries of the Arabian Gulf, including notably Saudi Arabia, comprise our third largest regional market by value for sheepmeat after the European Union and the United States.

“The structure of the trade has changed over the years. It used to be a market mainly for frozen carcasses; however the meat trade has now diversified with cuts and chilled product making important inroads. In 2008 the value of New Zealand lamb and mutton exported to the GCC countries was \$149 million, of which Saudi Arabia took \$98 million. An additional \$4 million of frozen sheep offals was sold.”

Mr Petersen said beef exports to the GCC had also grown in recent years and in 2008 reached more than \$35 million. In total, New Zealand’s exports of sheepmeat, beef, co-products and wool to the six GCC member countries in 2008 amounted to NZ\$188.9 million.

Currently the GCC charges tariffs of 5% on frozen beef and sheepmeat. While this rate is not high by international standards, tariffs totaling \$7.2 million were

incurred in 2008, and members currently have the ability to impose much greater tariffs.

“The New Zealand meat industry welcomes the elimination of these tariffs. Perhaps even more important than this is the fact that New Zealand exporters of meat products and wool will know that the tariff-free access is secure.

Mr Falconer said on occasion, non-tariff issues had arisen in our trade with the Gulf countries and this new Agreement will create a closer and constructive environment for solutions to be sought to any such issues that might arise in the future.”

“It’s an excellent basis for consolidating and further developing New Zealand’s meat trade with the Gulf region.”

This Free Trade Agreement will need to be translated into Arabic and ratified by the six member states of the GCC before it can enter into force.

For more information please contact Meat & Wool New Zealand Chairman, Mike Petersen 021 243 7344 or Meat Industry Association Chairman, Bill Falconer 021 939520.