

Media Release

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Meat & Wool New Zealand and the Meat Industry Association to provide information and analysis for TPP negotiations

Confirmation today that the United States will start negotiating entry to the Trans Pacific Partnership (TPP) is a significant step towards trade liberalisation within the Asia / Pacific region, according to Meat & Wool New Zealand and the Meat Industry Association.

Today's formal notification to Congress follows President Obama's recent announcement at the APEC meeting in Singapore.

Meat & Wool New Zealand Chairman, Mike Petersen said the Congressional notification from the United States Trade Representative, Ron Kirk, of intent to negotiate TPP, signals the start of the process.

"Meat & Wool New Zealand has contributed to this important outcome through its presence in the US for over 50 years in Washington, focused on strengthening our trade opportunities.

"Where we are today justifies the hard work undertaken by Meat & Wool New Zealand, with farming and political leaders over many years."

Meat & Wool New Zealand and the Meat Industry Association have supported a number of initiatives leading up to this outcome, alongside the New Zealand Government and other export sectors. They include the NZ US Partnership forum, the NZ US Council and its counterpart, US-NZ Council in the US.

In the coming weeks and months Meat & Wool New Zealand will be providing the background information and analysis that the Government's negotiators will use when they deal with agriculture in these trade negotiations.

"The complexity of TPP negotiation becomes quickly apparent when the interests of eight participants require consideration. New Zealand is joined at the TPP negotiating table by the US, Australia, Singapore, Brunei, Chile, and Peru, with Vietnam joining initially as an observer with a view to full participation.

“Many will try to characterise this as a bilateral agreement for New Zealand with the US, but it is much more than that. The TPP has the potential to deliver new trade flows in the powerhouse Asia/Pacific region. Different options to achieve this have previously been promoted but TPP has the potential to deliver a big prize through its ‘ground-up’ approach of like minded countries working together.

“The US economy is the biggest in the world with a large number of affluent consumers that value our meat products. By global trade standards New Zealand already enjoys good access to the US but there will still be significant benefits for our sheep and beef farmers.

“It is our largest beef market taking 171,000 tonnes (47% of New Zealand’s total export volume) for the production year ended September 2009 and it generated NZ\$793 million (42% of New Zealand’s total beef exports by value).”

Meat Industry Association Chairman, Bill Falconer said the commitment over a long period of time to strengthening relationships and building a platform of support in the US for a regional trade agreement of this nature was justified.

“It’s also important to recognise the work of government and officials who have accelerated the process, and that the work done over many years will finally come to fruition.”

Key Statistics

The United States imported 171,000 tonnes of New Zealand beef for the 12 months ended September 2009 under New Zealand’s Country Specific Tariff Quota (CSTQ). For this quota there is an in-quota tariff of US4.4c/kg. This amounts to around NZ\$10.3 million paid in tariffs. The out-of-quota tariff is 26.4%.

New Zealand pays tariffs of US 0.7-2.8c/kg on sheepmeat exports to the United States. The United States is New Zealand’s second most valuable market for lamb behind the European Union. New Zealand exports around 19,000 tonnes of sheepmeat to the United States worth about \$236 million annually.

New Zealand exported 2,151 tonnes of wool (clean) to the United States in the 12 months ended September 2009. Total wool exports to the US including value added products, were worth approximately NZ\$24.2 million. The tariff on wool fibre ranges from zero to in excess of US18.7c/kg clean.

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