



Media Release

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**B+LNZ and MIA welcome start of trade study with Taiwan**

Beef + Lamb New Zealand (B+LNZ) and the Meat Industry Association (MIA) say that investigating a closer trade partnership with Taiwan is great news given it's a key export beef market for New Zealand and also a significant sheepmeat market in the Asian region.

B+LNZ Chairman, Mike Petersen says B+LNZ strongly supports a high quality, comprehensive, economic cooperation agreement with Taiwan. Importantly, this announcement continues the solid progress in removing barriers to entry for sheep and beef products into Asia.

New Zealand exported sheep and beef products worth NZ\$213.1 million to Taiwan in 2010. Taiwan is New Zealand's fifth most valuable beef market, with exports of NZ\$115.8 million of chilled and frozen beef for the year ended December 2010. It is also an important sheepmeat market, ranked eighth in terms of volume, with exports of NZ\$60 million.

"Outside of the European Union and the United States, Taiwan is a key market for New Zealand sheepmeat and these tariffs are quite high at 15 per cent or NT\$11.30 per kg."

New Zealand paid around NZ \$19 million of tariffs on red meat and wool exports to Taiwan in the year ended December 2010, roughly split between beef and sheepmeat products.

"Elimination of these tariffs would be of significant benefit to sheep and beef farmers and this is why B+LNZ put a lot of effort into supporting the Government's market access activities, by providing background information and analysis that negotiators need when they deal with agricultural matters.

"While lowering the cost of tariffs is one advantage, it is also important we retain our competitiveness as other countries are negotiating their own bilateral agreements with a number of countries in the Asian region."

MIA Chairman, Bill Falconer said an agreement with Taiwan would complement the New Zealand-China FTA and the Closer Economic Partnership Agreement with Hong Kong. It would also protect New Zealand's competitive position in a key beef and sheepmeat market.

“However in order to complete the Asian trade jigsaw we are looking to Japan and Korea. In a world that is increasingly concerned about securing quality safe food, the reality is that any barriers to entry will be a disincentive to a country like New Zealand which can provide what consumers are looking for.”

**The table below shows New Zealand sheepmeat, beef, wool and co-product exports to Taiwan 12 months ended December 2010 (NZ\$, Tonnes)**

Product description	Tariff	NZD NZ\$ millions	Tonnes	Estimated Tariff Payment NZ\$ millions
Chilled beef	NT%10/Kg	9.6	912	0.40
Frozen beef	NT\$10/KG	106.2	18,529	8.18
Chilled sheepmeat	Higher of NT\$11.3/Kg or 15%	0.6	185	0.10
Frozen sheepmeat	Higher of NT\$11.3/Kg or 15%	59.0	12,399	8.85
Offals	15%-45%	1.9	498	0.65
Other co-products	25%	2.9	647	0.73
Fats & oils	0%	12.3	12,097	-
Prepared meats	20%-40%	0.0	18	0.01
Meat & Bone Meal	0%-2%	8.1	7,156	0.06
Hides & skins	0%-2.5%	3.3	na	-
Wool fibre	0%-7.5%	9.1	1,357	-
<b>Total trade</b>		<b>213.1</b>		<b>19.0</b>

**For more information please contact Beef + Lamb New Zealand Chairman, Mike Petersen 021 243 7344 or Meat Industry Association Chairman, Bill Falconer 021 939520.**