

Technical Barriers to Trade (TBT) Strategy

Goal: Reduce TBTs affecting New Zealand firms and increase international regulatory cooperation by maximising the outcomes of our TBT work programme.



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NEW ZEALAND
FOREIGN AFFAIRS & TRADE



NEW ZEALAND
TRADE & ENTERPRISE
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Introduction

As a trade dependent economy, geographically distant from export markets, New Zealand is a firm supporter of free and open trade. We have one of the most open market economies in the world and are committed to reducing unnecessary costs associated with trade.

Non-tariff measures (NTMs) have become a dominant feature of international trade, particularly as tariffs have gradually been lowered or removed. It is well recognised globally that governments have the right to regulate to protect health, safety, environment and national security. It is when these government measures become more trade restrictive than necessary, or are developed for illegitimate purposes, that they become non-tariff barriers to trade (NTBs).

NTBs can reduce market access for exporters, create burdensome compliance requirements for importers, and increase the costs associated with trade. These barriers also generally have a disproportionate impact on small and medium-sized enterprises (SMEs). NTBs can make it more difficult for SMEs to start exporting, or grow exports, due to the costs, and multitude, of complex regulatory requirements that can generally be more easily absorbed in large-scale firms.

Technical barriers to trade (TBTs) are a subset of NTMs. They are barriers to trade in goods created by technical regulations, standards and conformity assessment procedures, and they can be both legitimate and illegitimate. The government's work programme on TBT aims to contribute to the overall reduction of illegitimate TBTs for New Zealand importers and exporters, and increase trust in the quality and safety of imported products. Activities that form our work programme include participation in international committees, negotiation and implementation of free trade agreements (FTAs), education for regulators and firms, international regulatory cooperation, and operating New Zealand's World Trade Organisation (WTO) TBT Enquiry Point.

The way that governments direct resource and investment to the prevention and reduction of TBTs can differ substantially among developed and developing countries. The challenge for New Zealand is to maximise value for New Zealand firms while taking into account our unique factors, such as our size, current and future trade profile and areas of comparative advantage.

The Government is focused on increasing the benefits and accessibility of trade for all New Zealanders through its Trade for All Agenda. Maximising the value and accessibility of trade also contributes to the government's objectives of building a productive, sustainable and inclusive economy, improving the opportunities for SMEs to contribute to the strategic direction of economic and trade policies, and diversification of these policies. Our work on addressing TBTs and increasing international regulatory cooperation through TBT activities can support these priorities.

The global context

With globalisation and the progressive removal of barriers to trade, more firms should be able to enter the global market. But new patterns of protectionism mean governments must work as hard as ever to prevent illegitimate barriers to trade, while meeting domestic consumers' demand for safe and high-quality products.

TBTs are a common source of frustration for firms trading in the global market. Researchers have estimated that TBTs potentially affect 93 percent of global goods exports, while 41 percent of New Zealand imports are subject to TBTs.¹ Although some TBT are legitimate and necessary for reasons such as the protection of human health and safety, national security, the environment, and consumers, many TBT that affect global trade are not created for legitimate purposes, or are more trade restrictive than necessary to meet the policy objectives.

Global rules or principles that commit countries to good regulatory practices and the prevention of illegitimate TBTs are implemented through organisations, such as the WTO. These rules aim to reduce the impact of TBTs on global trade and create a fair, facilitative and sustainable trading environment. Many countries also negotiate specific obligations related to TBTs through FTAs and mutual recognition agreements (MRAs). There are opportunities for New Zealand to use these mechanisms to reduce the impact of TBTs on our trade and to increase international regulatory cooperation.

The WTO Agreement on TBT is the key global set of rules

The WTO Agreement on Technical Barriers to Trade (the “TBT Agreement”) entered into force with the establishment of the WTO in 1995. The TBT Agreement aims to ensure that technical regulations, standards and testing and certification procedures do not create unnecessary obstacles to trade. The TBT Agreement also recognises that members have the right to regulate to ensure the quality of exports, the protection of human, animal or plant life or health, the environment, national security or the prevention of deceptive practices.

The TBT Agreement has established a common baseline understanding of good regulatory practice when developing and implementing TBT measures and a means for bringing disputes against other members for imposing unreasonable TBTs. The fundamental principles include, among others: non-discrimination, promoting predictability of access to markets, encouraging the use of international standards and the need to avoid unnecessary barriers to trade.

The TBT Agreement is the primary tool that guides New Zealand’s TBT work and the obligations are implemented throughout our regulatory system. New Zealand’s interests are also represented through our membership of the WTO Committee on TBT, which is an important forum for raising concerns with other members’ TBT measures.

Growing protectionist sentiment around the world is challenging the effectiveness of international organisations, such as the WTO. For a small, distant country reliant on trade, the

¹ <http://unctad.org/en/Pages/DITC/Trade-Analysis/Non-Tariff-Measures.aspx>.

impetus to promote free trade is now even greater, and the drive to maintain a global rules-based system is essential to ensure our economy is protected. Participation in the WTO TBT Committee should contribute to these goals by strengthening relationships with trading partners and reducing barriers to trade between members.

Free trade agreements create opportunities for countries to enhance their multilateral commitments

WTO members have committed to upholding the principles and obligations in the TBT Agreement. For many countries, including New Zealand, these obligations represent a baseline of good regulatory practice, and many countries commit to even more trade facilitating principles with FTA partners and likeminded countries.

New Zealand has negotiated chapters dedicated to addressing TBTs with all of our FTA partners. These chapters reinforce and, in many cases, go beyond the obligations in the WTO TBT Agreement. These advanced obligations particularly relate to transparency of regulatory processes, procedures for assessing conformity, recognition of conformity assessment results and sharing of information between trade partners. New Zealand's modern FTAs have also begun focusing on specific sectors where TBTs are particularly prolific or complicated, such as complex manufacturing sectors like cosmetics, pharmaceuticals and medical devices.

The rise of protectionism and challenges in the multilateral system confirms the value of bilateral and plurilateral agreements that entrench these global rules between trading partners. TBT chapters can enhance regulatory cooperation, provide more direct and facilitated engagement on TBT issues, and increase the transparency of regulatory processes. More post hoc evaluation of TBT chapters is required to identify the costs and benefits of different obligations, but according to existing analysis and discussions with regulatory agencies, TBT officials understand that some obligations in TBT chapters can create burdensome costs for regulators that are not necessarily outweighed by the intended benefits.

Mutual recognition agreements on conformance have variable outcomes for facilitating trade

Mutual recognition agreements (MRAs) are also a way for governments and private bodies to facilitate trade and reduce TBTs. MRAs generally recognise conformity assessment results undertaken in other countries or by particular accredited bodies, and in some cases recognise the equivalence of standards. The intent of MRAs is to reduce the costs of trade associated with conformity assessment and differing standards, although their success in achieving this has not been proven in many of New Zealand's own government-government MRAs.

Researchers disagree on the value of MRAs. Some have linked mutual recognition of conformity assessment results with positive impacts on export probabilities and bilateral trade volumes. Others have emphasised the overall lack of real evidence of the successful implementation and maintenance of government-government MRAs. In April 2018, the Ministry of Business, Innovation and Employment (MBIE) published an evaluation of New Zealand's own conformity assessment MRAs and found that only one was being regularly used by exporters. For many sectors, the costs of implementation of these types of agreements can

be prohibitive and the commercial value limited. Researchers are generally more forgiving of non-government MRAs which usually rely on existing accreditation infrastructure and relationships, minimising the costs of implementation.

Other global initiatives can also lower the negative impacts of TBTs on global trade

In addition to the WTO and regional trade and conformance agreements, there are many other global initiatives that contribute to the reduction of illegitimate TBTs.

In 1994, the Asia-Pacific Economic Cooperation (APEC) established a Sub-Committee dedicated to helping reduce the negative effects of differing standards and conformance arrangements on trade and investment flows in the region. As a member economy of APEC, New Zealand is represented on the Sub-Committee on Standards and Conformance. The Committee provide us with the opportunity to progress projects of interest to New Zealand regulators and firms with the aim of reducing TBTs, and increasing the quality of products that we import. Despite this, our role in this Committee has tended to be one of capacity building among developing countries, particularly through information sharing about New Zealand's regulatory system.

Other organisations that contribute to the reduction of TBTs globally and of which New Zealand regulators or private bodies are members or active participants include:

- **The International Organisation for Standardisation (ISO):** develops international standards.
- **The International Electrotechnical Commission (IEC):** develops standards and conformity assessment systems for all electrical, electronic and related technologies.
- **The Pacific Area Standards Congress (PASC):** a Pacific regional body that aims to strengthen international standardisation activities in ISO and IEC.
- **The International Organisation of Legal Metrology (OIML):** develops model regulations, standards, related documents and mutual recognition systems for use by legal metrology authorities and industry.
- **The International Laboratory Accreditation Cooperation (ILAC):** aims to enhance accreditation and conformity assessment in the fields of calibration, testing and inspection.
- **The International Accreditation Forum (IAF):** aims to enhance accreditation and conformity assessment in the fields of management systems, products, services and personnel.

ISO, IEC, PASC and OIML provide New Zealand regulatory and standards bodies with the opportunity to influence international standards, and reduce the costs of trade associated with different standards. They each contribute to global efforts to harmonise standards. ILAC and IAF create opportunities for New Zealand's accreditation bodies to form networks of trusted accreditation systems and to reduce the costs of trade associated with conformance requirements. Our participation in these bodies can be a useful way to influence the development of standards and infrastructure that we are encouraged, and in some cases required, to adopt as a result of our obligations under the WTO TBT Agreement.

The purpose of this Strategy

The future of global trade is driving the need for more innovative approaches to addressing TBTs. Traditional government and intergovernmental efforts to reduce barriers to trade are unlikely to remain effective as trade intensifies, diversifies, and becomes subject to a wider spectrum of policies.

The purpose of this Strategy is to provide guidance and ambition for fostering a more effective and efficient TBT work programme. It sets actions for how the government can maximise the intended outcomes of different activities in our work programme and develop a plan for how we can achieve our priorities, taking into account the global context and wider government policy. It will help to achieve a better understanding of the costs and benefits of our international commitments and TBT activities, many of which have never been fully evaluated.

We expect New Zealand's trade to grow and to diversify into a wider range of products and services. We also expect that TBTs will continue to affect our trade but that as a result of our TBT activities, we will have effective mechanisms available to manage some of the negative impacts. The evidence we need to identify how best to prioritise these activities to ensure the benefits are maximised is not easily identified through our existing work programme. The Strategy will ensure our evaluation and policy planning generates this information and will guide how it is used to improve our work.

We have identified five focus areas where we consider we can make the most substantive and effective changes to the way we work to meet our objectives (see following section for objectives and principles). These focus areas also represent the activities we think deliver the greatest opportunity to reduce TBTs affecting New Zealand firms and to increase the safety and quality of our imports through international regulatory cooperation.

Objectives and principles

Our TBT work programme should be designed and prioritised to meet New Zealand Inc. objectives and delivered according to principles that maximise the value for New Zealand firms and regulators.

Objectives

The government is committed to reducing or removing NTBs affecting New Zealand's trade, as well as ensuring the quality of products imported into New Zealand. This is reflected in the Government's Trade for All Agenda which acknowledges that trade can impact all types of firms and individuals. Our commitment to reduce NTBs is based on the expected benefits that this creates for New Zealanders, including increasing the ease of doing business, reducing compliance costs and increasing the transparency of regulatory requirements.

Our work on NTBs across government is designed to deliver those outcomes by targeting resource at activities that result in the most value for New Zealand firms and regulators, while creating an inclusive and accessible trade environment for all New Zealanders. The government also takes a New Zealand Inc. approach to preventing and addressing NTBs across all sectors.

Our work on TBTs involves several government agencies and Crown entities and is linked to other work programmes, such as those covering economic and trade strategy, sanitary and phytosanitary measures (SPS), and product regulatory reforms. Shared objectives across relevant government agencies will ensure our work to reduce NTBs is aligned and takes advantage of common interests.

This TBT Strategy will deliver on the following objectives:

1. Prevent, remove or reduce unnecessary or illegitimate technical barriers to trade.
2. Ensure compliance with New Zealand's international obligations.
3. Promote regulatory cooperation between domestic regulators, and with other countries.
4. Ensure the most efficient and effective use of New Zealand government resource.
5. Ensure TBT frameworks are future proofed to reflect a continuously diversifying economy, including supporting the government's Economic Strategy.

Principles

In addition to the above objectives, we have recognised a need to establish a principled foundation on which to continue, and enhance, our TBT work programme. Along with the above objectives, these principles will support our prioritisation of work and guide our assessment of the value of different activities. The government's work on TBT should be:

- aligned with our international obligations
- providing a net benefit outcome for New Zealand and New Zealanders
- responsive to business concerns and interests
- ambitious
- evidence based
- accountable to New Zealanders
- transparent
- reviewed regularly.

Focus Areas

Focus Area 1: Negotiating free trade agreements

TBT chapters in our free trade agreements will reinforce and enhance the TBT Agreement, promote high quality regulatory practice and cooperation, and minimise implementation costs.

TBT chapters are now included in all of New Zealand's FTAs. These chapters enable New Zealand and our trading partners to make commitments to uphold and implement the TBT Agreement, but also to meet higher standards of transparency and good regulatory practice beyond our WTO obligations. This is intended to support our exporters and regulators by reducing unnecessary and costly TBTs in FTA markets and establishing direct networks of cooperation and communication with key trading partners.

It is difficult to determine the effectiveness of TBT chapters in FTAs, particularly the impact that WTO-plus provisions (those that extend beyond our WTO obligations) have on TBTs and regulatory cooperation. Anecdotally, we know that some WTO-plus provisions can add value by facilitating trade and increasing the transparency of regulatory processes for firms, particularly SMEs. But we also know that other WTO-plus provisions can be costly and burdensome for the government to implement, particularly those that impose prescriptive transparency requirements. We can record and analyse situations where market access has been impeded as a result of a TBT, but we are yet to develop a methodology for identifying whether the process of resolving the TBT was made easier, or the impact of the TBT any less, as a result of TBT chapter obligations.

The reduction of TBTs, and the success of New Zealand firms internationally, depend on many factors and can rarely be attributed directly and exclusively to individual FTA chapters. Increases in trade volumes can often be attributed to the successful conclusion of a FTA, but attributing success to individual chapters, such as TBT chapters, is well-documented globally as being difficult and attempts to do so are likely to generate an unrealistic assessment because broad assumptions must be made. However, we can make better use of the information we already collect about TBTs that affect our exports, and we should collect more information about the benefits and opportunities that our TBT chapters create in these situations.

Despite the difficulties, it is important that we evaluate the approach to TBT chapters in our trade agreements to ensure the government's investment of time and resource is providing the best possible outcomes for New Zealand firms and regulators. This includes evaluating the impacts (both positive and negative) of outcomes for exporters, importers, manufacturers, and other firms potentially impacted by TBTs throughout supply chains.

Our literature review and stakeholder consultation found the following key observations about obligations contained in TBT chapters of FTAs:

- Acceptance of equivalence of technical regulations is one of the most effective obligations for reducing barriers to trade, but requires a high degree of existing market integration.

- Mutual recognition of conformity assessment procedures can be an effective obligation for reducing barriers to trade, but is more likely to succeed between private bodies, such as accreditation bodies, than government-government.
- Bilateral or regional harmonisation of standards is not as effective at reducing barriers to trade as harmonisation with international standards and risks isolating countries from multilateral efforts to harmonise.
- Adoption of good regulatory practices between countries is a significant contributor to the reduction of trade barriers.
- Transparency provisions in TBT chapters are valuable but prescription adds complexity and costs.

Many of these observations reflect New Zealand's own implicit policy priorities when negotiating TBT chapters, although these priorities are rarely explicitly documented or discussed with stakeholders. Explicit identification of our key policy priorities prior to negotiations will target our policy analysis to areas of most value to New Zealand, while also enhancing the transparency of our priorities in preparing for, and negotiating, TBT chapters. It will also support our approaches to future FTA negotiations where a different, new approach to a TBT chapter might be preferable. Evaluation of our work programme, and lessons learned from other countries, may also provide information which changes our views on the value of particular activities and obligations. It is important that our policy priorities recognise that previous negotiated outcomes may not be the best precedent for future FTAs and our work programme and policy thinking is agile enough to respond to these changes of view.

Our approach to TBTs in FTAs should also meet government priorities, including increasing the value of New Zealand's exports, shifting New Zealand's manufacturing further along the production value chain, increasing opportunities for manufacturers, and making trade more inclusive and accessible to New Zealanders. TBT chapters should, therefore, not necessarily focus solely on traditional models for reducing TBT, but on models that reflect a more diverse and high value manufacturing trade profile, and models that maximise the benefits of trade for a wider range of firms and individuals.

TBTs in the high-value manufacturing sector have not been commonly understood or documented in New Zealand because we have tended to be reactively focused on TBTs affecting our traditional exports. We want to expand our focus in the TBT work programme to reflect these new, more complex, sectors of potential growth for New Zealand and to better support the government's broader trade and economic policies.

To reflect our policy priorities and ensure TBT chapters deliver on those priorities, we are recommending an agreed set of core components that should be prioritised in the negotiation of TBT chapters. We are also recommending early communication with stakeholders in preparation for negotiations. This prioritisation and early stakeholder engagement will enable us to balance outcomes in TBT chapters with implementation costs. It will also provide us with guidance and information to consider the need for sector-specific approaches where the general TBT frameworks may not provide the intended outcomes. These priorities are subject to change based on information obtained through evaluation of our TBT chapters and their outcomes, and will be adapted for the circumstances and policy goals of each FTA.

Action points

To be implemented as a priority through the trade negotiation with the European Union, with a wider application over time as new and current negotiations progress.

TBT negotiators and policy officials will:

ENGAGE stakeholders early in the development of policy positions for TBT chapters, including:

- relevant regulators and industry bodies to discuss sector-specific interests; and
- Standards New Zealand and the accreditation bodies on core TBT chapter provisions.

SEEK cross-cutting, enabling mechanisms for reducing TBTs that can be applied across sectors and across different types of measures.



CONSIDER, where appropriate, the need for sector-specific outcomes in consultation with industry and regulators.

REFLECT a balanced approach in TBT chapters that ensures domestic resources are directed to the areas expected to be of most value to exporters and regulators.

Focus Area 2: Implementing free trade agreements

Our implementation work will maximise the value of negotiated frameworks, build effective relationships with counterparts, and be prioritised according to our policy priorities.

Our implementation work is essential for extracting the full value of TBT chapters in trade agreements, but its impact is difficult to quantify. The primary implementation activities include, among others:

- managing TBT Committees
- operating contact points for information exchange and cooperation
- establishing cooperation networks amongst regulators
- ensuring our domestic regulatory processes meet the obligations agreed in our trade agreements
- working across government and with our FTA partners to resolve particular TBT issues.

As with the specific obligations in TBT chapters, it is also difficult to quantify the outcomes of our implementation work. Implementation can be varied and prioritised to different activities. It is important that we understand which activities provide the greatest value for New Zealand firms and regulators. Previously, we have tended to base these decisions on anecdotal evidence from firms, regulators and likeminded countries, but we have rarely explicitly evaluated the outcomes of the activities to measure the benefits and to provide a source of genuine evidence of the impact of TBT chapters.

Our stakeholders have told us that we need to improve our work to implement TBT chapters. Stakeholders drew particular attention to the underutilisation of TBT Committees, technical assistance, and consultation mechanisms with our trade partners. Stakeholders consider these mechanisms vital to developing and maintaining positive relationships with regulators and policy officials in other countries, which can enable much easier consultation and cooperation on particular TBTs. TBT Committees are also viewed as an initial platform to build relationships with other regulators that can eventuate into a more direct bilateral engagement.

MBIE is now required to service seven bilateral or regional TBT Committees (growing to ten, with the expected addition of CPTPP, Pacific Alliance and the Regional Comprehensive Economic Partnership).

We agree with stakeholders that many of the implementation activities, particularly TBT Committees, can provide real and meaningful outcomes for firms and regulators. The challenge is to prioritise those Committees and implementation activities that are providing the greatest value for New Zealand to ensure our obligations are met, value is extracted, and resources are managed effectively.

A prioritisation tool would enable policy officials and regulators to focus implementation effort on those markets where there is high value in regulatory cooperation or in the reduction of TBTs.

[REDACTED]
[REDACTED]
[REDACTED] We recommend that a prioritisation tool be developed jointly with MFAT that ensures overall trade priorities and considerations for implementing existing and future FTAs are incorporated.

We also acknowledge that our implementation work, and decisions about how to prioritise that work, would benefit from input from key stakeholders, such as product regulators, accreditation bodies and Standards New Zealand. Encouraging greater exposure of our TBT work programme will increase our understanding of key issues of interest to New Zealand and reflect a more NZ-Inc. approach to prioritisation of the work programme. Greater engagement with key agencies, such as the Ministry for Primary Industries and New Zealand Trade and Enterprise, will also provide opportunities to share information and learn from similar tools used across government to prioritise work on NTBs.

Action points

To be implemented as a priority through the implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, with a wider application over time as new and ongoing implementation work progresses.

MBIE, in consultation with the Ministry of Foreign Affairs and Trade (MFAT), will:

MONITOR and **EVALUATE** the implementation of TBT chapters and sector-specific annexes to assess the value to firms. This could include partnering with academia to develop a methodology and analyse specific variables.

DEVELOP and **IMPLEMENT** a tool to target implementation work at the activities and markets of most value, using the following considerations:

- value of current or potential trade
- business priority concerns
- emerging global trends
- government policies and priorities
- prevalence of TBTs in export markets (using data from international organisations)
- priority product sectors for domestic regulation
- the expected value of capacity building.

RECORD and regularly **CIRCULATE** the TBT work programme and outcomes to key stakeholders (relevant regulators, accreditation bodies, New Zealand Trade and Enterprise and Standards New Zealand) to enable more joined up, substantive and valuable implementation activities.

Where appropriate, **CONSIDER** circulating and receiving input or contributions to implementation activities from industry bodies.

INITIATE regular engagement with accreditation bodies and Standards New Zealand on the TBT work programme and its outcomes.

Focus Area 3: Participating in the WTO TBT Committee

Our work in the WTO TBT Committee will deliver diverse and meaningful outcomes for New Zealand firms and reflect New Zealand's current and potential trade profile.

The WTO TBT Committee is the key international organisation where New Zealand can gather information on global trends, challenge other members' regulatory actions that affect New Zealand's trade and promote our own TBT interests through thematic discussions. Despite being a small country, our influence in international settings should not be understated.

New Zealand has a strong interest in upholding the global rules-based system, and in facilitating developing countries' work towards full adherence to this system. But with growing protectionist sentiment around the world and a general discontent among WTO members with the effectiveness of WTO Committees, we need to better evaluate the outcomes of our participation in this Committee and ensure we are maximising the objectives of our work programme. New Zealand's participation in the TBT Committee should benefit regulators and firms, as well as fulfilling our international obligations.

The TBT Committee should provide a forum for New Zealand to engage in the global TBT community, to use the weight and support of more influential members to make positive change, and to learn from other members. Our participation in recent years has largely been procedural and focused on raising specific trade concerns. A greater involvement in the substantive policy discussions could increase the value of our participation and create outcomes that better align with the objectives of our work programme.

Business and regulatory stakeholders have told us that identifying and monitoring emerging global themes and issues is important. TBT issues that affect other countries' exporters are often slower to affect New Zealand's exports due to our distance from markets and our comparatively smaller volumes of trade. Identifying these issues early and working with other countries to address them when they first begin to affect global trade may prevent the issues from eventually affecting New Zealand's exports. There are also opportunities for our regulators to learn from the experiences of other countries in regulating new technologies, such as electric vehicle technology and future foods.

We agree with stakeholders that these are important outcomes, but they have not been an obvious focus of our work in the TBT Committee in recent years. Having a more proactive and targeted approach to monitoring and analysing emerging themes, future trends, new technologies and policy discussions at the TBT Committee will deliver immediate and long term benefits for our exporters and regulators. To achieve this, we will take a more strategic approach to our participation in the TBT Committee: identifying specific trade concerns that could be of future interest or concern for New Zealand and contributing more proactively and fully in policy discussions. The challenge for us is identifying what might be of emerging interest to New Zealand across many different sectors. Increasing our engagement with regulators and industry bodies will help us understand these future interests.

Action points

MBIE and MFAT will work together to:

PARTICIPATE in a wider range of policy discussions at the WTO TBT Committee.

MONITOR emerging issues of potential interest to New Zealand at the WTO TBT Committee and incorporate these emerging interests in the TBT work programme.

INITIATE regular engagement with relevant regulators and industry bodies to inform our assessment of New Zealand's emerging interests and issues.

Focus Area 4: Operating the WTO TBT Enquiry Point

The TBT Enquiry Point will ensure New Zealand's WTO notification obligations are met and that stakeholders are well informed.

The WTO TBT Enquiry Point is the cornerstone of our obligations under the WTO TBT Agreement. It is the single formal point of contact between New Zealand and other WTO members. The Enquiry Point is in a unique position to monitor, and ensure, New Zealand's compliance with the TBT Agreement. It is also in a position to ensure New Zealand stakeholders are kept well-informed about TBT measures that other WTO Members are taking that might have an impact on New Zealand's trade.

The Enquiry Point and its functions are not well understood amongst industry. Engagement between the Enquiry Point and stakeholders should be frequent and valued. New Zealand bodies, both public and private, should be fully aware of the options available to them for increasing their knowledge about actions of other WTO Members that could impact on New Zealand's trade. The primary tool for achieving this is the WTO notification alert tool, e-Ping. There is a risk that the current low engagement with the Enquiry Point and e-Ping is resulting in missed opportunities to influence new regulatory measures overseas that could affect New Zealand's exports.

The Enquiry Point is also uniquely placed to ensure that New Zealand is meeting its WTO TBT obligations, and obligations related to notifying trade partners under our FTAs. Knowledge of the Enquiry Point, and our international TBT obligations, is varied amongst government regulatory agencies, with many unaware that these obligations are likely to apply to regulatory measures within their portfolio. [REDACTED]

A greater focus on increasing stakeholder awareness of the WTO TBT system, particularly e-Ping, would benefit regulators and firms and strengthen our compliance with international TBT obligations. The challenge for the Enquiry Point is to sell the importance and value of WTO notifications as a tool for firms and industry bodies to evaluate potential trade concerns and market access; and for regulators to build knowledge and trust in the regulatory and conformance systems for imported products. We are recommending an improved and more frequent education and promotion of the Enquiry Point to enhance the value of the service to firms and regulators and provide confidence in our compliance with WTO obligations.

² New Zealand submitted 38 TBT notifications to the WTO in the ten year period, Sept 2008 – Sept 2018.

Action points

The TBT Enquiry Point will:

Continually **PROMOTE** the use of e-Ping amongst government agencies, firms and other relevant entities, including increasing knowledge of the value of New Zealand commenting on other members' proposed measures.

Work with organisations such as Export New Zealand, New Zealand Trade and Enterprise and MFAT to regularly **CIRCULATE** messages to exporters and offshore Posts about the value of e-Ping.

USE various methods, such as workshops, seminars, email correspondence, face-to-face meetings and other methods as appropriate, to promote the TBT User Guide to regulators to ensure compliance with our TBT obligations.

MFAT will:

ENCOURAGE offshore Posts to monitor TBT notifications from their countries of accreditation.

Work with MBIE to **ENSURE** communications from Posts, and knowledge of specific TBT issues, are incorporated into MBIE's implementation work to increase coverage, and enable prioritisation, of specific TBT issues.

Focus Area 5: Evaluating the work programme

Regular and ongoing evaluation of our TBT work programme will provide greater evidence to support our decisions about policy priorities and prioritisation of TBT activities.

Evaluation is an important tool for gathering evidence about whether policy interventions are achieving the intended outcomes. Without regular evaluation, it is difficult to understand the value of our effort in some TBT activities or how to prioritise our work. It is also difficult to improve our cooperation activities and services without knowing whether, and how, those activities could be improved. Regular evaluation of the work should provide us with some of those answers, be useful input into future implementation work and provide guidance on areas of added value for future FTA negotiations and upgrades.

There are several tools already available, such as the trade barriers website and the United Nations Conference on Trade and Development's NTB statistics, which collate and monitor information related to TBTs affecting New Zealand exporters. We will more proactively use these sources of information to feed into our TBT implementation activities, and prioritisation of effort across the activities. Similarly, several other countries are beginning to implement a more strategic approach to TBT work programmes that may provide lessons for New Zealand, opportunities for cooperation to reduce the resource burden and opportunities to identify the benefits of particular activities in likeminded or similarly-sized markets.

As an immediate priority, we recommend partnering with academia to develop a methodology to analyse the impact of TBT chapters and sector-specific annexes in our FTAs on New Zealand's manufacturing firms. The tool will use variables such as firm inputs, outputs and supply chain activities over time. This would initially involve assessing the outcomes of our most recently implemented FTA, the New Zealand – Korea FTA which has now been in force for over two years. The refined methodology will then be used to assess the impact of CPTPP from the beginning of its implementation.

Action points

MBIE will:

EVALUATE the TBT work programme annually and adjust activities, policies and the recommendations in this Strategy to ensure the work programme is continually relevant and useful.

USE information received through tools such as the tradebarriers.govt.nz portal, industry feedback or concerns, and other government resources on identifying NTBs, to inform the TBT work programme and its priorities.

MONITOR likeminded countries' TBT work programmes and strategies and, where appropriate, incorporate lessons learned from those programmes when undertaking our own evaluation.

PARTNER with academia to develop a methodology for analysing the impact of TBT chapters in free trade agreements on New Zealand's manufacturing firms.

Key partners and stakeholders

Strategic partnerships with key stakeholders will ensure a successful delivery of the Strategy. It is important that the Strategy, the work that eventuates and the outcomes reflect a New Zealand Inc. approach focused on supporting firms to succeed in the global economy.

Full and effective implementation of this TBT Strategy requires cooperation across government. The development of this Strategy has been a partnership approach between key government agencies, and is based on consultation with relevant stakeholders. These agencies will continue operating a co-design approach to its implementation, particularly as part of the ongoing evaluation of the TBT work programme. The agencies that have contributed to the development of this Strategy are:

- the Ministry of Business, Innovation and Employment
- the Ministry of Foreign Affairs and Trade
- Standards New Zealand
- New Zealand Trade and Enterprise
- the Ministry for Primary Industries.

Other important relationships are vital to the success of this strategy and are reflected throughout the strategy's action points. Additional key stakeholders we intend to draw expertise and support from in implementing this strategy include:

- the Ministry of Health and MedSafe New Zealand
- WorkSafe New Zealand
- the Environmental Protection Authority
- International Accreditation New Zealand
- Joint Accreditation System – Australia New Zealand
- Export New Zealand and Business New Zealand
- industry representative bodies.