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Another milestone in relations between the European Union and New Zealand is in reach with the EU-New Zealand Free Trade Agreement set to enter into force on 1 May. Meanwhile, the European Union is gearing up for European Parliament elections on 6-9 June.

Welcome from the Ambassador

Congratulations to Trade Minister Todd McClay and Members of the New Zealand Parliament for the excellent news that New Zealand has ramped up an early entry into force of the Free Trade Agreement. Our work now begins to make the deal real for Europeans and New Zealanders.

Everyone I meet has a keen awareness of the importance of our shared values for the world we are living in today. In an increasingly complex and conflicted world, I have been struck by the support shown by New Zealand to Ukraine.



On 24 February, the second anniversary of Russia's brutal and illegal invasion, I saw how important it was to our Ukrainian friends that the EU and New Zealand stand shoulder to shoulder.

I see the FTA and Horizon Europe as catalysts to propel our relationship into new and deeper territory. New Zealand scientists are grabbing hold of the opportunities of Horizon Europe – the overall success rate is one in ten, but New Zealand is beating it with one in three successful applications. These research and innovation projects bolster our mutual prosperity, extend our

knowledge and deepen our trusted friendships.

I am really pleased to be meeting so many people. Of course, I am only at the beginning. There is much more to do. Please write to me - I would love to hear your thoughts on the new layout as well as how you are working with Europe or where you want to work and how I can help.

Key milestones in the EU-NZ relationship

EU Free Trade Agreement to enter into force on 1 May

New Zealand has completed its ratification process in March thanks to the adoption by the Parliament of the European Union Free Trade Agreement Legislation Amendment Bill on 21 March, followed by Royal Assent on 25 March. This paves the way for entry into force of the Agreement on 1 May.

EU Ambassador to New Zealand, Lawrence Meredith, has been meeting with Ministers, officials and business stakeholders to discuss the opportunities of the FTA, ranging from trade in goods, services, investment and much more.

He met with Trade and Agriculture Minister Todd McClay to delve into the advantages of the FTA for both the EU and New Zealand.



From 1 May, 94% of New Zealand goods heading to the EU will benefit from zero-tariffs. After seven years, this will rise to 97%, eliminating much of the \$115 million in tariffs paid by New Zealand exporters. Kiwifruit and onions are two product lines that will benefit from day one.

The EU completed its ratification steps already last year: in November, the European Parliament voted in favour with an overwhelming 83% majority. The Council of the European Union (representing the 27 Member States) gave its green light soon after.

More information: <u>EU-New Zealand Trade Agreement</u> | <u>Benefits of FTA with EU (MFAT)</u> | <u>European Union Free Trade Agreement Legislation Amendment Bill</u> | <u>Interview on Newstalk</u> <u>ZB</u>

Foreign Policy Developments

EU special envoy Richard Tibbels visits New Zealand

European Union Special Envoy for the Indo-Pacific, Richard Tibbels, paid a special visit to Aotearoa. New Zealand on 18-20 March.

He met with Ambassadors from Pacific Island Countries, New Zealand Members of Parliament, officials from the Ministry of Foreign Affairs and Trade and other government departments and experts on the Indo-Pacific.

The New Zealand Institute of International Affairs, together with the EU Delegation to New Zealand, hosted an event, 'The EU and the Indo-Pacific' at which Mr Tibbels outlined the **EU's Indo-Pacific Strategy**, highlighted the EU's roles and contributions within the region, and reflected on the Third EU Indo-Pacific Ministerial Forum and First Pacific Day recently held in Brussels (see previous issue for details)

Since 2021 when the EU adopted its Strategy for Cooperation in the Indo-Pacific, the EU pursues partnerships for shared resilience via three key pillars: trade, climate action and security. This includes trade agreements, such as EU-NZ FTA, and cooperation on digital transition and support for value chain diversification, building green transition partnerships, as well as tackling new security challenges. All this is underpinned by concrete projects in the Global Gateway initiative and regular political meetings.



More information: The EU Indo-Pacific Strategy in 60-seconds | The EU and the Indo-Pacific event

Unity for Ukraine: Commemorating the 2nd War Anniversary

As we enter the third year of the war in Ukraine, the EU and NZ stand steadfastly side by side with Ukraine in its struggle against Russian aggression. To mark the anniversary of Russia's illegal aggression against Ukraine, in NZ, the Ukrainian Gromada (Community) of Wellington and the European Union Delegation to New Zealand supported an event, 'Unity for Ukraine' on Saturday, 24 February at Civic Square in Wellington. Elsewhere, several hundred people gathered at Auckland's Silo Park.

The EU stands united in its unwavering support of Ukraine. The EU will do what it takes - providing political, financial, economic, humanitarian, military and diplomatic support - until Ukraine prevails. The EU welcomed the announcement from the New Zealand government pledging further support to Ukraine with military assistance and humanitarian aid. The additional support will bring NZ's combined contribution to Ukraine to 100 million NZD.

More information: NZ announces new support for Ukraine | EU Solidarity with Ukraine | 1News article | RNZ



Comment: The events in Auckland and Wellington were just 2 of 700 events held in cities all around the world organised by the Ukrainian World Congress. Together, they send a message that the international community supports Ukraine's right to defend itself from Russian aggression.

Trade Developments

13th Ministerial Conference of the World Trade Organisation concludes in Abu

Dhabi

The World Trade Organization held its 13th Ministerial Conference (MC13) in Abu Dhabi (UAE) from 26 February to 2 March 2024. Ministers representing WTO Members met to discuss key global trade issues, ranging from food security and **e-commerce** to fisheries subsidies and reform of the WTO.

Members concluded the marathon negotiations by adopting the Abu Dhabi Ministerial Declaration, committing to preserve and strengthen multilateral rules-based trading system, with the WTO at its core.

Important outcomes were secured on e-commerce (not to impose customs duties on e-commerce), new rules to improve global services trade, environmental cooperation, and strengthening the position of developing countries in the global trading system.

The Coalition of Trade Ministers on Climate (which NZ and the EU co-lead together with Kenya and Ecuador) convened for the second time on the margins of MC13. Ministers from 61 countries adopted voluntary trade-related actions to tackle the climate crisis.



More information: <u>WTO Press Release</u> | <u>EU Press Release</u> | <u>MC13 Outcomes</u> | <u>Fossil Fuel</u> Subsidy Reform | Abu Dhabi Ministerial Declaration

Research and Innovation Developments

Brussels Statement endorses principles and values for international cooperation in



Research & Innovation

At an international Ministerial meeting in Brussels on 15-16 February 2024, New Zealand joined other participating countries, stakeholder organisations and the Belgian Presidency of the Council of the European Union to endorse a Statement recognising the importance of enhancing international R&I cooperation supported by mutual trust and understanding. The Statement calls for a roadmap to establish a common understanding of principles and values for international R&I cooperation and coordination with various international fora.

The conference was a key milestone in the Multilateral Dialogue on principles and values for international cooperation in research and innovation. It was attended by Ministers or their representatives from 57 countries, including the 27 EU Member States, 15 countries associated or negotiating association to Horizon Europe, including New Zealand, 15 international cooperation partner countries, as well as representatives of the OECD, UNESCO, and the International Science Council.

Comment: As New Zealand's association to Horizon Europe continues to support closer ties between the EU and New Zealand, several recent initiatives have highlighted the benefits of cooperation. During his courtesy call with Science, Innovation and Technology Minister Hon Judith Collins K.C., H.E. Lawrence Meredith praised New Zealand's immediate successes in Horizon Europe. Both agreed that the EU and New Zealand's shared values underpins New Zealand's increased participation in Horizon Europe.

More information: <u>EU Press Release</u> <u>Brussels Statement</u> | <u>Multilateral Dialogue on</u> Principles and Values

5th edition of European Research and Innovation Days

The fifth edition of the European Commission's annual flagship research and innovation event took place over five days between 18-21 March.

The event brought together policymakers, researchers, stakeholders, and the public to debate and shape the future of research and innovation in Europe and beyond through key policy debates, funding and networking opportunities, and dedicated workshops. A session on 20 March focused on Evolution of Association of Third Countries to EU Research & Innovation Framework Programmes, a session of particular interest for researchers in NZ.

The primary themes for this this year's event were to debate how research and innovation can make Europe greener, fairer and more competitive under a common narrative: a 40-year journey through the Research and Innovation Framework Programmes.

Events were recorded and may be watched now to learn about Horizon Europe.



More information: Event Page - with recordings | Research and Innovation Week 2024

Green Deal Developments

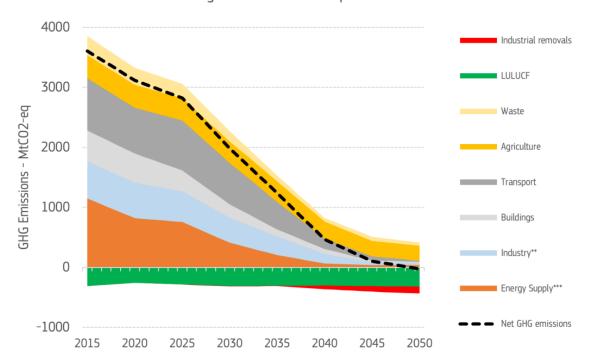
Latest developments on Green Deal

2040 Climate Target

The European Commission has presented plans detailing possible pathways to reach the goal of making the EU climate neutral by 2050. The Commission recommends a **90% net greenhouse** gas emissions reduction by 2040 compared to 1990 levels. Consultation are ongoing, and a legislative proposal will be made after the European elections.

The latest communication set sets out several enabling policy conditions to achieve the 90% target across a wide range of sectors including, transport, energy, decarbonisation of industry, carbon capture, finance and investment, and social policies to ensure no one is left behind.

Greenhouse gas emissions in the period 2015-2050*



^{*}Source: PRIMES, GAINS, GLOBIOM

More information: <u>EU Press Release</u> | <u>EU 2040 Climate Target</u> | <u>EU Communication on 2040 Climate Target</u>

Net Zero Industry Act

The European Parliament and the Council have reached a provisional political agreement on the **Net-Zero Industry Act (NZIA)**. This agreement will help the EU become home to clean technologies and make significant strides towards building a strong domestic manufacturing capacity of those technologies in the EU. NZIA will enhance the competitiveness and resilience of the European industry and support the creation of green, quality jobs as the EU seeks to reach climate neutrality by 2050.

The Act will ensure the EU is well-equipped for the clean energy transition by establishing a benchmark for EU manufacturing capacity for net-zero technologies to reach at least 40% of expected EU demand by 2030. More specifically, the provisionally agreed regulation identifies a broad set of net-zero technologies that can be supported via strategic projects, for example, solar photovoltaic (PV), onshore and offshore wind, fuel cells, electrolyses, batteries, grid technologies and sustainable alternative fuels, among others.

'The Act supports in particular strategic net-zero technologies that are commercially available or soon to enter the market, and have significant potential for rapid scale-up to contribute to the EU's decarbonisation targets' *EU Net Zero Industry Act Factsheet*.

^{**}Excluding non-BECCS industrial removals

^{***}Including Bioenergy with carbon capture and storage (BECCS)



More information: EU Press Release | Net Zero Industry Act | Factsheet

Digital Developments

Digital Services Act starts applying to all online platforms in the EU

From 17 February, the Digital Services Act (DSA), the EU's landmark rulebook that aims to make the online environment safer, fairer and more transparent, started to apply to all online intermediaries operating in the EU.

The DSA is an update to the e-commerce directive that accounts for changes to the online economy and society since 2000 when it originally came into effect. The DSA aims to better protect EU users against illegal goods and content and have their rights upheld on online platforms where they connect with other users, share information, or buy products.



All online platforms with users in the EU (except SMEs) must among other things implement measures to:

- Counter illegal content, goods, and services: online platforms must provide users with means to flag illegal content, including goods and services. Online platforms will also have to cooperate with 'trusted flaggers', specialised entities whose notices will have to be given priority by platforms.
- Protect minors: including a complete ban of targeting minors with ads based on profiling

or on their personal data.

• Ban advertisements that target users based on sensitive data, such as political or religious beliefs, sexual preferences, etc.

In the days following formal application, the **European Commission** opened formal proceedings against **TikTok** for having allegedly breached the DSA in areas linked to the protection of minors, advertising transparency, data access for researchers, as well as the risk management of addictive design and harmful content.

Comment: The DSA is a landmark piece of legislation that is relevant to New Zealand businesses offering online services to EU users. The DSA allows the EU and its Member States to hold large online platforms to account to ensure that the online world is a safe and secure environment for all users.

More information: <u>EU Press Release</u> | <u>The Digital Services Act explained</u> | <u>Digital Services</u> Act Text

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