

The Consumer Voice in Europe

## EU-NEW ZEALAND TRADE AGREEMENT

BEUC reaction to the concluded agreement



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From the consumer perspective, the benefits of the agreement are quite marginal. Nevertheless, we welcome some positive elements for consumer protection such as easier access to redress and cooperation on the safety of products sold online. There are also clearer protections for personal data and safeguards for regulatory oversight of artificial intelligence. These positive elements should be further improved and become a model for future deals.

Yet, this agreement is not a model of sustainable trade. Future trade deals will need to prove that trade policy can really be aligned with the Green Deal and the Farm to Fork Strategy.

### **Not as sustainable as it seems**

This deal is supposed to be the most ambitious when it comes to sustainability. Yet, we do not see how importing more sheep meat and dairy from New Zealand can contribute to tackle climate change. Especially when consumers are advised to reduce their consumption of meat and dairy for health and environmental reasons. There is a **clear clash here between trade policy and the Green Deal and Farm to Fork Strategy**. The improvements made in the trade and sustainable development chapter are not sufficient to address this contradiction. Likewise, the chapter on sustainable food systems looks positive on paper but does not compensate for the inherent unsustainability of shipping more meat from New Zealand in exchange of more EU exports of cheese, spirits and wines.

**As a bare minimum**, the EU should require its trading partners' farmers and food producers to abide by the same rules as those that apply to EU ones, where relevant. This could be achieved through **mirror clauses**<sup>1</sup>. The EU should also swiftly ensure that the already adopted ban on importing meat from animals that have received growth-promoting antimicrobials becomes fully effective.

### **Positive elements for consumer protection to replicate in future deals**

The deal will help better protect consumers, notably when they buy online. It will enable better cooperation between the authorities in charge of **product safety**. The EU and New Zealand also commit to provide an easy access to **redress** to consumers, and to compensation if something goes wrong after an online purchase. This is a concrete benefit for consumers.

The agreement makes it clear that **the EU can regulate as it deems appropriate** to protect consumers, the environment and health. This is reassuring in case there would be a trade dispute over a future measure designed to protect consumers.

New Zealand has agreed that when companies want to transfer data to the EU, and vice versa, the first priority will be the **protection of personal data and privacy**. In its past trade deals, New Zealand was rather favouring a more flexible approach for companies, less protective for people's digital rights.

We welcome the level of **transparency** provided by both sides and the engagement with NGOs.

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<sup>1</sup> [https://www.beuc.eu/sites/default/files/publications/beuc-x-2022-028\\_beuc\\_comments\\_call\\_for\\_evidence\\_on\\_mirror\\_measures.pdf](https://www.beuc.eu/sites/default/files/publications/beuc-x-2022-028_beuc_comments_call_for_evidence_on_mirror_measures.pdf)

## What should be improved in future trade deals, such as with Australia

Some elements of the deal should be dealt with differently in future trade deals, to better deliver to consumers. The first test case should be the trade deal with Australia, as it may be concluded in a few months.

The EU should have been more ambitious on protecting consumers online by making sure that **information** will be available as to where a product comes from, where the trader comes from and how to contact them. This could have easily been included in the deal, as New Zealand agreed to such language in the e-commerce talks at the World Trade Organization.

This deal includes a ban against forced disclosure of companies' source code. The goal of the EU is to protect companies from sharing their source code as a condition to do business abroad, as this can lead to intellectual property theft. However, our member's research<sup>2</sup> shows that this type of clause can limit the ability of authorities to check whether **algorithms** comply with EU law. In this regard, this trade deal goes in the right direction by ensuring that authorities and certification bodies can access and review source code. This is important to protect consumers from unfair and biased algorithms. Future EU trade deals should go further and enable this access to academics and civil society, such as consumer organisations. This will help hold algorithmic systems to account.

We strongly recommend the EU to reach agreements with third countries to **eliminate or at least lower mobile phone roaming charges**. EU trade deals tend to include clauses to deliver clearer information for consumers on roaming fees and cooperation to make these more affordable. These clauses fall short of what consumers expect. With this deal, the situation is even worse: roaming is not even mentioned. It is a missed opportunity, as it could have been a concrete benefit for consumers.

The EU shouldn't replicate the article on **net neutrality** in future deals because it falls way below EU standards of protection. Contrary to the Open Internet Regulation, it does not deliver net neutrality and its wording can be subject to abuse.

The deal specifies that service providers should not be obliged to have a "**representative office**" to be able to do business in the EU or New Zealand. The EU should find a different wording and a clearer definition because this is not a common legal term. Moreover, it could create confusion as some EU laws require traders to appoint a "**legal representative**". This is the case for EU laws dealing with product safety and the upcoming Digital Services Act.

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<sup>2</sup> Study commissioned by our German member, vzbv: AI regulation in the European Union and trade law [https://www.vzbv.de/sites/default/files/downloads/2021/01/21/21-01-26\\_study\\_ai\\_and\\_trade.pdf](https://www.vzbv.de/sites/default/files/downloads/2021/01/21/21-01-26_study_ai_and_trade.pdf)

