



## European Union - New Zealand Economic Relations

The European Union is New Zealand's second largest trading partner after Australia. For the year to December 2007, two way bilateral trade was in excess of NZ\$12 billion. This consisted of New Zealand exports to the European Union worth NZ\$6.2 billion and New Zealand imports from the European Union totalling NZ\$6 billion.

EU imports to New Zealand amounted to 16.4 per cent of all New Zealand imports for 2006, rising to 16.9 per cent in 2007. At the same time, New Zealand's proportion of exports to the EU stayed almost unchanged at 15.4 per cent in 2007, compared to 15.5 per cent in 2006.

The EU is New Zealand's most valuable single market for sheepmeat, helped by the fact that the EU only produces 10 per cent of its own sheepmeat. New Zealand's sheepmeat exports to the EU increased by 3 per cent between 2004 and 2007, amounting to NZ\$1.5 billion.

The EU is a valuable trade partner for dairy and wine products as well. In 2007, New Zealand's exports of dairy products was worth more than NZ\$400 million. For wine, it was over a quarter of a billion New Zealand dollars.

The United Kingdom is New Zealand's most important trading partner within the EU with NZ\$1.5 billion of merchandise trade exports in 2006, followed by Germany with NZ\$800 million. New Zealand's investments in new EU member states such as the Czech Republic (over 400 per cent) and in Slovakia (almost 300 per cent) have grown significantly according to latest figures available for the two years following the time those countries joined the EU in 2004.

**New Zealand Merchandise Exports to the European Union: December Years (Euro\$000 FOB)**

| Description  | 2005           | 2006           | 2007           | %<br>Change |
|--|----------------|----------------|----------------|-------------|
| 1 Meat and edible meat offal   | 1025401        | 999796         | 983554         | -4%         |
| 2 Edible fruit and nuts, peel of citrus fruits or melon  | 404696         | 384037         | 337708         | -17%        |
| 3 Dairy produce, birds' eggs, natural honey, edible products of animal origin                              | 194835         | 235556         | 209381         | 7%          |
| 4 Beverage, spirits and vinegar  | 126560         | 138497         | 175918         | 39%         |
| 5 Albuminoidal substances, modified starches, glues, enzymes   | 109775         | 128947         | 139317         | 27%         |
| 6 Wool, fine or coarse animal hair, horsehair yarn and woven fabric  | 161337         | 165410         | 130233         | -19%        |
| 7 Fish and crustaceans, molluscs and other aquatic invertebrates   | 139585         | 134320         | 123882         | -11%        |
| 8 Raw hides and skins (other than furskins), and leather   | 105288         | 124697         | 103712         | -1%         |
| 9 Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof                            | 95852          | 88970          | 99561          | 4%          |
| 10 Aluminium and articles thereof  | 25585          | 48507          | 91980          | 260%        |
| 11 Electrical machinery and equipment and parts thereof, sound recorders and reproducers, teli             | 103675         | 80383          | 84180          | -19%        |
| 12 Optical, photographic, cinemagraphic, measuring, checking, precision, medical or surgical instruments   | 61507          | 66665          | 75478          | 23%         |
| 13 Edible vegetables and certain roots and tubers  | 29189          | 40096          | 56735          | 94%         |
| 14 Pharmaceutical products   | 39783          | 36253          | 50622          | 27%         |
| 15 Ships, boats and floating structures  | 73082          | 23676          | 34604          | -53%        |
| 16 Oil, seeds and oleaginous fruits, miscellaneous grains, seeds and fruit, industrial or medical products | 28839          | 28962          | 28009          | -3%         |
| 17 Products of animal origin, not elsewhere specified or included  | 30441          | 25812          | 27690          | -9%         |
| 18 Vehicles other than railway or trammy rolling-stock, and parts and accessoires thereof                  | 18375          | 16076          | 17730          | -4%         |
| 19 Articles of iron or steel   | 12180          | 15784          | 14974          | 23%         |
| 20 Plastic and articles thereof  | 11427          | 11843          | 13740          | 20%         |
| <b>Top 20 Sub Total</b>  | <b>2797412</b> | <b>2794287</b> | <b>2799008</b> | 100%        |
| NZ's Total Exports to the European Union   | 2968654        | 2988686        | 3033806        | 2%          |
| Top 20 as % of Total Exports to the European Union   | 94%            | 93%            | 92%            |             |

**New Zealand Imports from the European Union: December Years (Euro\$000 CIF)**

| <b>Description</b>  | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>%<br/>Change</b> |
|---|-------------|-------------|-------------|---------------------|
| 1 Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof                         | 626659      | 569706      | 614913      | -2%                 |
| 2 Vehicles other than railway or trammy rolling-stock, and parts and accessoires thereof                | 525262      | 478305      | 554965      | 6%                  |
| 3 Electrical machinery and equipment and parts thereof, sound recorders and reproducers, teli           | 237544      | 262951      | 226924      | -4%                 |
| 4 Pharmaceutical products   | 179386      | 147076      | 154097      | -14%                |
| 5 Optical, photographic, cinemagraphic, measuring, checking, precision, medical or surgical instruments | 135362      | 140593      | 138672      | 2%                  |
| 6 Paper and paperboard, articles of paper, pulp of paper or of paperboard                               | 117671      | 89009       | 82809       | -30%                |
| 7 Beverage, spirits and vinegar   | 51207       | 51826       | 58005       | 13%                 |
| 8 Articles of iron or steel   | 45635       | 46149       | 56382       | 24%                 |
| 9 Essential oils and resinoids, perfumery, costmetic or toilet preparations                             | 42527       | 46040       | 49709       | 17%                 |
| 10 Miscellaneous chemical products  | 41325       | 46727       | 48707       | 18%                 |
| 11 Furniture, bedding, mattresses, mattresses supports, cushions and similar stuffed furnishings        | 47480       | 45250       | 46494       | -2%                 |
| 12 Aircraft, spacecraft and parts thereof   | 222046      | 76037       | 41620       | -81%                |
| 13 Miscellaneous articles of base metal   | 23415       | 33906       | 36166       | 54%                 |
| 14 Organic chemicals  | 40165       | 32707       | 29693       | -26%                |
| 15 Iron and steel   | 28383       | 28488       | 28440       | 0%                  |
| 16 Rubber and articles thereof  | 26465       | 24961       | 27332       | 3%                  |
| 17 Ceramic products   | 27902       | 25148       | 24238       | -13%                |
| 18 Aluminium and articles thereof   | 20895       | 15387       | 20332       | -3%                 |
| 19 Wood and articles of wood, wood charcoal   | 18703       | 17338       | 18454       | -1%                 |
| 20 Miscellaneous edible preparations  | 26329       | 25753       | 17520       | -33%                |
| <b>Top 20 Sub Total</b>   | 2484361     | 2203357     | 2275472     | -8%                 |
| NZ's Total Exports to the European Union  | 3125935     | 2815259     | 2903216     | -7%                 |
| Top 20 as % of Total Exports to the European Union  | 79%         | 78%         | 78%         |                     |