



NEW ZEALAND
FOREIGN AFFAIRS & TRADE



TRANS-PACIFIC partnership FORESTRY PRODUCTS: KEY OUTCOMES



FACT SHEET

- New Zealand exported NZ\$1.5 billion in forestry products in 2015 to the TPP region.¹
- The United States, Japan, Canada, Mexico and Peru (New Zealand's five new FTA partners in TPP) imported an average of NZ\$773 million of forestry products from New Zealand per year from 2012–2014. Average annual tariffs were NZ\$11 million per year.



NZ\$11m

→ Estimated annual tariff savings when TPP is fully implemented.

⇒ Key outcomes:

- All tariffs on New Zealand forestry and forestry products will be eliminated through TPP, most notably in Japan (New Zealand's fourth-largest export market), as well as the United States (New Zealand's sixth-largest market), and Viet Nam (New Zealand's 11th-largest market).
- Estimated tariff savings are NZ\$11 million per year once the agreement is fully implemented.

1. Tariff lines under HS2012 Chapters 44, 45, 47, 48 and 94.

→ Key markets:

Japan:

At entry into force, 79% of duties paid will be eliminated, 91% within 11 years, and the remainder within 16 years.

Key product outcomes in Japan include:

Elimination at entry into force

- **Fibreboard** (HS 4411)
 - › New Zealand trade with Japan: NZ\$171 million²
 - › Tariff: 2.6%; duty savings from TPP: NZ\$4.5m
 - › Japan is New Zealand's biggest fibreboard market, and New Zealand is Japan's No.1 global supplier.

Elimination over 11 years

- **Non-laminated lumber** (HS 4412.99)
 - › New Zealand trade with Japan: NZ\$4.3 million
 - › Tariff: 6%; duties paid: NZ\$0.26m.

Transitional safeguards:

Two forestry products will have transitional, volume-based safeguards. These are both set above current New Zealand trade levels. Details are as follows:

- **Particle board** (HS 4410.11.110)
 - › New Zealand trade with Japan: NZ\$36 million.
 - › Tariff: 6%; duty savings from TPP: NZ\$2.2 million
 - › TPP outcome: 50% tariff reduction at entry into force, with the remaining tariff eliminated in year 11. Bilateral safeguard removed in year 11.
 - Safeguard: Initial volume 65,000 M³ (increases by 1500 M³ per year).
 - NB: New Zealand trade volume (2014): 51,358 M³
- **Plywood, Coniferous** (HS4412.39)
 - › New Zealand exports in 2014: NZ\$32.4 million.
 - › Tariff: 6%; duty savings from TPP: NZ\$1.9 million.
 - › TPP outcome: 50% tariff reduction at entry into force, with the remaining tariff eliminated in year 16. Bilateral safeguard removed in year 16.
 - Safeguard: Initial volume 60,000 M³ (increases by 1200 M³ per year).
 - NB: New Zealand trade volume (2014): 32,859 M³

2. Japanese import statistics, 2012–2014 average.

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Other markets:

- **United States:** 98% of duties paid will be eliminated at entry into force, and the remainder within eight years.
- **Canada:** All tariffs for forestry and forestry products are eliminated at entry into force.
- **Mexico:** Tariffs are eliminated on all forestry products within 10 years, with most lines subject to tariff elimination at entry into force.
- **Peru:** Tariffs are eliminated on all forestry products within 11 years, with most lines subject to tariff elimination at entry into force.
- **Viet Nam:** Tariffs will be eliminated on all products within four years, including a number of paper and paperboard products not subject to elimination in New Zealand's existing FTA with Viet Nam (AANZFTA).

→ Tariff finder

Look up tariffs under TPP and compare them to other free trade agreements at: tariff-finder.fta.govt.nz