



TRANS-PACIFIC partnership

WOOL, LEATHER AND TEXTILES: KEY OUTCOMES



FACT SHEET

- New Zealand exported NZ\$604 million in wool, leather and textile products to the TPP region in 2015.
- The US, Japan, Canada, Mexico and Peru (New Zealand's five new FTA partners in TPP) imported an average of NZ\$96 million of wool, leather and textiles products from New Zealand per year from 2012–2014. Average annual tariffs were NZ\$3.3 million per year.

 **NZ\$3.3m**
→ Estimated annual tariff savings when TPP is fully implemented.

⇒ Key Outcomes:

- All tariffs will be eliminated on wool, leather and textiles products under the TPP. Estimated tariff savings will be up to NZ\$3.3 million per year when the agreement is fully implemented.
- To qualify for the preferential tariffs under TPP, exporters need to comply with the TPP rules of origin requirements (ROO), which are based on the 'yarn forward' model (with some deviations set out in the Chapter Notes and the Short Supply List).¹

1. For more details, see Chapter 4 (Textile and Apparel Goods), Annex 4-A (Textiles and Apparel Product Specific Rules of Origin) and Appendix 1 to Annex 4-A (Short Supply List of Products) of the TPP. The 'yarn forward' rule is more restrictive than the ROO which apply in New Zealand's other FTAs, so exporters should familiarise themselves carefully with the above Chapters, Annex & Appendix.

→ Key Product Outcomes:

Wool

All tariffs on wool products for Japan and Canada will be eliminated at entry into force. Tariffs will be removed for the United States within 5 years, for Mexico within 10 years, and for Peru within 11 years.

HS2012 Chapter 51: Wool; Animal Hair

Country	Tariff	Treatment
Japan	0%–16%	Entry into Force (EIF)
Canada	0%–14%	EIF
United States	0%–25%	EIF to 5 years
Mexico	0%–15%	EIF to 10 years
Peru	0%–17%	EIF to 11 years

Hides and Skins

All tariffs in the United States, Canada, and Peru will be eliminated at entry into force. Tariffs for Mexico will be eliminated within 10 years, and for Japan within 11 years.

HS2012 Chapter 41: Raw Hides and Skins

Country	Tariff	Treatment
United States	0%–5%	EIF
Canada	0%–5%	EIF
Peru	0%–9%	EIF
Mexico	0%–5%	EIF to 10 years
Japan	0%–30%	EIF to 11 years

Leather

All tariffs for the United States and Canada will be eliminated at entry into force, as are almost all tariffs for Peru. All tariffs for Mexico will be eliminated over 10 years and for Japan over 11–16 years.

HS2012 Chapter 42: Articles of Leather

Country	Tariff	Treatment
United States	0%–20%	EIF
Canada	0%–15.5%	EIF
Mexico	0%–30%	10 years
Peru	0%–9%	EIF to 6 years
Japan	2.7%–18%	11 to 16 years

Other textiles

At entry into force of the TPP, 86% of duties on other textile items levied on New Zealand trade into Japan will be eliminated; and 72% of duties on other textile items levied on New Zealand trade into the United States will be eliminated.

→ Specific Textile tariff lines of key trade interest:


 United States

Tariff Line	Description	Tariff	Outcome
5106.10.00	Yarn of carded wool, containing 85 percent or more by weight of wool, not put up for retail sale	6%	EIF
5106.20.00	Yarn of carded wool, containing less than 85 percent by weight of wool, not put up for retail sale	6%	EIF
5109.10.90	Yarn of wool nesoi, or fine animal hair nesoi, over 85 percent of that wool/hair, put up for retail sale, nesoi	6%	EIF
5607.41.30	Binder or baler twine, of polyethylene or polypropylene, nesoi	4%	EIF
5703.10.80	Carpets and other textile floor coverings, tufted, whether or not made up, of wool or fine animal hair, nesoi	6%	EIF
5703.30.80	Carpets & other textile floor coverings, tufted, whether or not made up, of man-made textile materials (not nylon/other polyamides), nesoi	6%	EIF
5903.90.25	Textile fabrics of man-made fibers, impregnated, coated, covered or laminated with plastics, nesoi, n/o 70% by weight rubber or plastics	7.5%	50% cut at EIF, then eliminated in year 13
6006.10.00	Knitted or crocheted fabrics of wool or fine animal hair, nesoi	10%	EIF
6306.90.50	Camping goods, nesoi, of textile materials other than of cotton	4.5%	EIF
6307.90.98	National flags and other made-up articles of textile materials, nesoi	7%	35% cut at EIF, then eliminated in year 13


 Japan

Tariff Line	Description	Tariff	Outcome
5705.00.022	Of man-made textile materials	7.9%	EIF
5802.30.000	Tufted textile fabrics	3.7%	EIF
6103.43.010	1 Containing embroidery or lace, or figured	10.9%	EIF
6110.30.025	Of other synthetic fibres	10.9%	EIF

→ Tariff finder

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

newzealand.govt.nz

→ Notes