FORESTRY PRODUCTS: KEY OUTCOMES

- 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.

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.

www.tpp.mfat.govt.nz

Disclaimer: This document is for information purposes only, and does not constitute legal advice. Please refer to each Party’s official tariff schedules (and notes/appendices) for details of TPP outcomes. All tariff savings in this document are calculated based on TPP Parties’ average annual imports from New Zealand over a three-year period (2012–2014).
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 million
  - 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).

- **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).

**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](http://tariff-finder.fta.govt.nz)

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