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# New Zealand dairy products get duty-free access to Chinese market

23 January 2024 | News

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The move came amid joint efforts in deepening cooperation. New Zealand was the first developed country to sign an FTA with China, and upgraded the agreement in January 2021, with dairy products being a focus.

Chinese experts said that the duty-free access for New Zealand dairy products demonstrates China's further opening-up that will benefit the international market, particularly with trusted partners. This move is just an initial step in bilateral economic ties, with further progress expected, including the implementation of more convenient policies for personnel exchanges and broader areas of cooperation, such as tourism and education, according to experts.

New Zealand said on Monday that all its dairy products were now able to enter China duty-free as safeguard duties on milk powder ended on December 31, 2023, marking the removal of all remaining tariffs agreed upon in the free trade deal between the two countries, Reuters reported on Monday.

"This is good news for our dairy sector. The removal of these remaining tariffs is expected to deliver additional annual tariff savings of approximately NZ$350 million ($221 million)," Reuters reported, citing a statement by New Zealand Trade Minister Todd McClay.

The FTA upgrade's implementation reflects the high complementarity of the two countries. New Zealand's dairy products hold prestige globally, and Chinese consumers' demand for high-quality products is rising amid consumption upgrades, Chen Hong, director of New Zealand Studies Centre, East China Normal University, told the Global Times on Monday.

China is New Zealand's largest trading partner, with bilateral trade exceeding NZ$40 billion ($25 billion) in 2022.

Official data showed that in the past three years, New Zealand exported an average of 1.4 million tons of dairy products to China each year, worth about NZ$8 billion, about half of which was milk powder, according to media reports.

Duty-free access for dairy products is another example of China moving toward greater openness and welcoming more high-quality goods to enter the Chinese market. This approach also aims to share the dividends of China's market development, Chen added.

"This [tariff exemption on dairy products] is just the first step in deepening bilateral cooperation. It will expand into other areas, including convenient policies for personnel exchanges and further cooperation in the services trade sector, such as collaboration in the tourism and education industries," Chen added.

Talking about the potential of economic cooperation in 2024, Wang Jiazheng, chief representative of the Guangdong Economic and Trade Representative Office in New Zealand, told the Global Times that, in addition to trade, both sides can strengthen ties in fast-developing areas such as the digital economy, including e-commerce and artificial intelligence, in pushing for joint digitalization.

In 2023, New Zealand's economy faced a slowdown, including its infrastructure. In this context, strengthening mutually beneficial cooperation will play a significant role in promoting economic development for both sides, especially in helping New Zealand's economy recover from the post-pandemic downturn, Chen said.