

# 'New Zealand seeks trade with India outside FTA, milk'

A few years back, India and New Zealand were close to signing a free trade agreement (FTA) as part of negotiations under the Regional Comprehensive Economic Partnership (RCEP) before New Delhi walked out of the multilateral trade deal, citing domestic compulsions. **DAMIEN O'CONNOR**, New Zealand's minister for trade, export growth and agriculture tells Sanjeeb Mukherjee in an interview that dairy is his country's biggest export item, but they are willing to explore possibilities. Edited excerpts:

**Some years back there was talk of India-New Zealand FTA as part of the RCEP negotiations. Where does it stand now that India is no longer part of the deal?**

We had discussed with India then and wanted to work through RCEP to formalise our trade arrangement.

Obviously, withdrawal of India at the late stage was a disappointment for us. And, we ultimately at some point definitely like to have a formal trade arrangement or FTA with India. But, at this stage, our approach is to strengthen the bilateral partnerships, build relationships, support the firms that are in both the markets, and explore the opportunity that is in front of us now.

**Do you think the FTA is still viable?**  
In the long term, I can't say, but we understand it is not something that Indian ministers

focus on sharing knowledge with other farmers in the region.

Look, New Zealand does not have a FTA with the US, but it is still our fourth-largest trading partner. We also have some very big and valuable relationships with Denmark. We believe we can do the same here.

A FTA does offer more security and certainty to people who trade, which in the long-term, we hope to see eventually.

**Again coming back to dairy, does keeping it out weaken any trade negotiations? What are the other sectors which you are looking at?**  
We are growing hugely in services and sectors like gaming and IP (intellectual property); for us services like engineering are big. India can support our gaming industry. We have goods and services in environmental areas and could cooperate with India, provided tariff barriers are lowered here. Climate change is a shared challenge for both India and New Zealand and we can look to cooperate with India here.

**In agriculture, apart from dairy, what are other areas of cooperation**



assisting the Indian dairy industry in building its productive capacity.

Something like we have been doing in Binsar farms, Haryana. [In Binsar Farms, New Zealand's investors and experts are working with local partners in community-driven, leading-edge dairy farming. The collaboration has a strong

**that you are looking at?**

We are very big in wood logs, which is among the single biggest items of export to India.

It is used as raw material in several items here in India. Apart from that we could also look at exporting sheep meat, horticulture products etc. We can look to assist Kiwi growers here in India to boost their productivity.

**What is the volume of trade between India and New Zealand now and where do you see it in the next five years?**

At present, the two-way trade between the two countries is close to \$2 billion per annum and we are looking to at least double it in the next five years. And this doubling will be with dairy but in a different way.

As I said, we would like to replicate the Binsar model in other farms as well. We could look at working with 10,000 FPOs that the Central government is promoting.

New Zealand can also learn from India as to how to control animal diseases. Animal tracing is an area which is very developed in New Zealand. We can look to share technology with it.