

Submission

On

**International treaty examination of the
Agreement on Climate Change, Trade
and Sustainability**

Submission to:
Foreign Affairs, Defence and Trade Committee

22 January 2025

Submission

The New Zealand Forest Owners Association (FOA) appreciates the opportunity to provide feedback on the International Treaty Examination of the Agreement on Climate Change, Trade and Sustainability (ACCTS).

The FOA and its respective members support ACCTS – it is the first trade agreement of its kind intersecting trade and climate issues so explicitly, and it offers a fresh opportunity to address the climate crisis and the role of environmental goods.

We echo the sentiments of the Wood Processors and Manufacturers Association of NZ's submission, and second their support on the basis that wood is classified in ACCTS as an environmental good. Wood plays a significant role globally in meeting 2050 emissions targets, and this treaty has the potential to open new opportunities for New Zealand wood product exporters. The FAO's 2024 State of World Forests report projected large increases in wood demand by 2050, and one of the five enabling actions that report recommended was encouraging transformational partnerships.

While the existing trade opportunities for trade in wood products with ACCTS partners is valued at \$5.2 million out of a total wood products export value for New Zealand of \$2.4 billion, it will be possible to generate more value as additional countries join the partnership. The FOA has been approached by several delegations wanting to learn more about ACCTS, and who are interested in demonstrating the value of wood products, particularly timber construction, and its ability to address climate change and sustainability concerns.

While it may take time to build momentum around ACCTS and to show substantive economic benefits to New Zealand trade, this plurilateral agreement has been noticed. New Zealand's leading role in developing ACCTS has also shown our trading partners and investors in New Zealand forestry and wood processing that the Government recognises natural fibres like wood and wool as a trading asset.

We do not object to the submission being made public and we would welcome the opportunity to speak to our submission.

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Submitter

The New Zealand Forest Owners Association Incorporated (FOA) is the representative membership body for the commercial plantation forest growing industry. FOA members are responsible for the management of approximately 1.2 million hectares of New Zealand's plantation forests and over 70% of the annual harvest.

In 2024, the forest growing sector was worth \$6.6 billion in export value and has a 12% share of rural land use. It contributes 1.6% of New Zealand's GDP and employs between 35,000 and 40,000 people in wood production, processing, and the commercial sector.