

Submission

On

International Treaty Examination of the Free Trade Agreement
between the Government of New Zealand and the Government of the
Republic of India

Submission to:
Foreign Affairs, Defence and Trade Select Committee

15 May 2026

New Zealand Forest Owners Association

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 Aotearoa New Zealand's plantation forests and over 70% of the annual harvest. The New Zealand Forest Owners Association represents the owners of New Zealand's commercial plantation forests. Forestry is New Zealand's fourth largest primary sector exporter generating \$6.3 billion in revenue in 2025 and is a major contributor to regional employment with over 42,000 people working across the supply chain. Forestry also plays a key role in the transition to a low-emissions economy.

Introduction

The New Zealand Forest Owners Association (FOA) appreciates the opportunity to submit on the NZ–India Free Trade Agreement (FTA). We support the conclusion of the NZ–India FTA and its early entry into force. India is a significant and growing market for forestry products. The FTA provides an opportunity to improve market access, strengthen trading relationships, and support long-term development of the forestry sector.

Market context and strategic importance

India is structurally reliant on imports of wood fibre due to limited domestic softwood resources. Demand for timber and fibre is expected to continue to grow, driven by population growth, urbanisation, infrastructure development, housing demand, rapid middle-class growth, increased uptake of renewable building products and increasing use of packaging and fibre-based products.

These factors position India as a key long-term market for New Zealand forest growers. New Zealand plantation forestry provides a renewable and sustainable source of fibre that is well suited to meeting this demand.

Current tariffs on New Zealand forestry exports to India act as a material barrier to trade, Tariffs range from 5.5% to 11 % and alongside non-tariff barriers act as a disincentive to exporters, particularly relative to competitors with preferential access like Australia. FOA supports the removal of tariffs on the majority of forestry products on entry into force of the FTA, with remaining tariffs phased out over time. Tariff liberalisation will:

- improve competitiveness of New Zealand log and fibre exports
- significantly expand NZ forestry trade
- build stronger long term supply arrangements and customer relationships support diversification of export markets,
- enhance returns to forest owners, and

- reduce exposure to volatility in existing markets.

Forest growers underpin the wider wood processing and manufacturing sector by supplying logs and fibre. Improved access to the Indian market will support increased supply of raw material into both export markets and potential offshore processing opportunities

The FTA creates scope for greater integration across the forestry value chain, including:

- supply relationships with Indian processors,
- development of higher-value wood products using New Zealand fibre, and
- increased investment linkages.

A viable and competitive forest growing sector is a necessary precondition for achieving downstream processing and manufacturing outcomes in New Zealand. According to the supporting documents to the FTA, wood products alone are expected to experience the largest absolute increase of all exports, up \$487 million annually by 2050. India's domestic softwood market (including radiata pine) was valued at USD 508 million in 2025 and is predicted to grow at a rate of 11 percent annually, according to an Intelmarket Research report. The softwood market is forecast to reach around USD 1.06 billion (NZD 1.79 billion) by 2032.

Forestry cooperation, research and standards

FOA supports the inclusion of forestry cooperation provisions in the FTA. Cooperation should prioritise practical outcomes, including:

- sustainable forest management practices,
- forest productivity and genetics,
- forest health and biosecurity,
- climate change mitigation and adaptation, and
- workforce capability and training

New Zealand has established expertise in plantation forestry systems that can support India's objectives to expand and improve its forest resources. Bilateral engagement also presents an opportunity to strengthen research linkages and increase scale and impact of forestry research and innovation.

Alignment and recognition of standards will be a critical factor in enabling increased trade. FOA notes the importance of:

- phytosanitary requirements being science-based,
- consistent and transparent application of import requirements, and
- recognition of internationally accepted certification systems

We are continuing to work with Phytos, Ministry for Primary Industries and others on phytosanitary options in addition to methyl bromide on arrival, and appreciate that the wording in the FTA supports a joint risk-based approach grounded in science and evidence, in accordance with the SPS Agreement.

Phytosanitary regulations remain a critical factor in New Zealand's forestry trade. In 2019, total wood exports to India reached \$326 million, with raw logs accounting for \$243 million of that total. However, log exports fell to \$31 million in 2023 following New Zealand's domestic phase-out of methyl bromide fumigation. Trade has since staged a gradual recovery, rising to \$71 million in 2025 after an interim bilateral agreement allowed for methyl bromide treatment upon arrival at Indian ports.

Recognition of New Zealand radiata pine within Indian construction standards will support both log exports and the development of higher-value products. Forestry plays an important role in supporting New Zealand's climate change response, including through carbon sequestration and provision of renewable materials. Increased trade in sustainably sourced wood products can contribute to emissions reduction by substituting for more emissions-intensive materials and increasing carbon storage in long-lived products. For example, we have already discussed the potential with Indian partners around growing our contribution to India's development of their circular economy through paper-based packaging systems, including for food products. The FTA provides an opportunity to support these outcomes through increased use of sustainably produced timber and wood fibre products.

Non-tariff barriers

Non-tariff barriers (NTBs) are a significant constraint on forestry exports. Issues identified by exporters include complex and sometimes inconsistent customs processes, administrative delays, and additional fees and compliance costs. We have previously appeared jointly with the Wood Processors and Manufacturers Association before the committee on this issue, and the damage that NTBs can do to our trade growth.

FOA supports the FTA provisions aimed at reducing NTBs and improving transparency and efficiency in border processes. Effective implementation of these provisions will be essential to achieving the intended benefits of the agreement.

Conclusion

FOA supports the NZ–India FTA and its timely implementation. The agreement will improve market access for forestry exports and strengthen the sector's long-term prospects. Realising the full benefits of the FTA will depend on:

- effective tariff liberalisation,
- reduction of non-tariff barriers,
- progress on standards alignment, and
- active forestry cooperation

FOA encourages continued engagement between government and industry to support implementation.

Closure

We do not object to our submission being made public. We welcome the opportunity for further discussion and engagement. We wish to be heard at Select Committee in support of our submission should the opportunity arise.



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