

The EU's Eastern enlargement as an opportunity for increasing trade and socio-economic relations between the EU and New Zealand

MILENKO PETROVIC

University of Canterbury, New Zealand

milenko.petrovic@canterbury.ac.nz

ADAM GRIFFIN

University of Canterbury, New Zealand

Adam.griffin@pg.canterbury.ac.nz

Abstract

After the signing of the New Zealand - China Free trade agreement in 2008, New Zealand's trade with the EU has seen less substantial growth. From being the second largest partner, the EU has become New Zealand's third largest trading partner, behind China and Australia. Moreover, the recent departure of the UK from the EU threatens to further downgrade the importance of the EU as New Zealand's trade partner and its relevance in terms of tourist origin to New Zealand. On the other hand, although still marginal, New Zealand's trade and tourist relations with the new EU member states from Central and Eastern Europe have seen a remarkable expansion. Focussing on the examination of current trends in the volume of trade and tourist exchange between New Zealand and this group of states, this paper assesses their importance for New Zealand - EU relations and prospects for their further expansion.

Keywords: EU Enlargement, Central and Eastern Europe, New Zealand, trade and socio-economic relations

Introduction

The European Union (EU) and New Zealand (NZ) are like-minded partners, with shared values, numerous common goals, and similar stances on most global issues. Consequently, New Zealand has extensive economic, socio-cultural and political ties with the EU, with economic relations being the core of this relationship. Expressed through high levels of trade in goods and services and foreign investment, New Zealand's economic relations with the EU and its member states have intensified over the years, relying on (several) trade agreements which were signed in order to expand and accelerate exchange of goods and services between the two parties. As of 2019, which is the latest pre Covid-19 year with data available, the EU as a whole is New

Zealand's third largest trading partner behind China and Australia, and New Zealand is the EU's 50th largest trading partner. Moreover, the EU and its member states are the second largest source of foreign direct investment in New Zealand with about 11% of the total, after Australia with 52% and ahead of the USA with 8% (European External Action Service, 2020). Since 2007, bilateral relations between the two parties have been largely founded on the Joint Declaration on Relations and Cooperation signed in September 2007, which coincided with the signing of the NZ-China Free Trade Agreement (FTA) in 2008. After the latter took place, New Zealand's trade with the EU has seen less substantial growth, while the total volume of its trade with China has nearly tripled over the last decade. However, although still marginal, New Zealand's relations with the new EU member states from Central and Eastern Europe (CEE), which did not effectively exist during the Cold War period, have seen a remarkable expansion. Imports of goods to New Zealand from the CEE countries (CEECs) which joined the EU in 2004 and 2007 have particularly increased and amounted to over NZ\$ 1 billion in 2019, growing from just over NZ\$ 100 million at the time of their accession. While this amount made up only 8.4% of New Zealand's import of goods from the EU28 as a whole, and the value of the total trade in goods between New Zealand and the CEE members of the EU was less than 7.1% of that between New Zealand and the EU in 2019, the growing relationship with this group of states provides a solid opportunity for New Zealand to further expand trade relations with the EU.

The considerable expansion of the volume of trade and some other aspects of socio-economic relations (especially people to people links, tourist visits and scientific and cultural exchanges) between NZ and EU member states from CEE has largely occurred as a result of the increased visibility of these states to the NZ population and businesses after they became members of the EU (Gibbons, 2008; Petrovic & Barrer, 2003). While the opportunity for further expansion of trade and socio-economic relations between the EU and New Zealand via EU enlargement also exists with regard to New Zealand's relations with the current candidates and potential candidates for EU membership from the Western Balkans, the effects of this wave of EU enlargement on EU-NZ relations will be much more modest. This is not only because of the small size of the Western Balkan states and their economies, whose combined population is smaller than that of Romania alone and whose combined GDP is significantly smaller than that of any of the four largest CEE post-communist states - Poland, Czechia¹, Romania and Hungary² - but also due to the slowness and uncertainties which characterise the current process of EU accession negotiations with these states and bring into doubt its successful closure in the foreseeable future (Petrovic & Tzifakis (2021).

After providing a brief overview of the nature and origins of socio-economic and trade relations between New Zealand and the EU and its member states from CEE as well as the Western Balkan states in Section 1, the following sections in this article focus on examining the volume of trade in goods and tourist exchange between New Zealand and its European partners. Particular attention is paid to assessing the relevance of increasing trends in the volume of goods trade and tourist exchange between New Zealand and the CEE states. While the economic wellbeing of New Zealand as a relatively small country largely depends on the trade of goods and services (Köllner,

¹ It was not until 2016 that the name "Czechia" was entered into the United Nations name database as the English short-form name for the Czech Republic (as e.g. Germany is short-form name for the Federal Republic of Germany). Hence, in this article, as in most recent international publications and EU documents and websites, the short-form name "Czechia" is used.

² Which are middle-sized countries as none of them except Poland (with 38 million) has a population above 20 million.

2018; Ledgard et al., 2011), the importance of tourism to the NZ economy has enormously increased over the last 30 years so that tourism-related industries contributed 9.8% to national GDP in 2019 (Statistics New Zealand, 2020e, p. 6) which is more than any single industry individually (Statistics New Zealand, 2020c).

As New Zealand had little political contact and had less than marginal economic contacts with the CEECs during the whole Cold War period and has only gradually started to improve them since, the academic coverage of this relationship has so far also been minimal. Some partial exceptions can be found (Gibbons, 2008; McMillan, 2003; Ockelford, 2004; Petrovic & Barrer, 2003) which discuss some aspects of the relationship, mainly in the context of New Zealand's general relations with the EU. This article will try to contribute to this limited body of scholarship by conducting an analysis of the importance of EU enlargement on New Zealand's relations with selected CEECs (and hereby the EU as a whole) combining the qualitative approach which includes analysis of the first-hand research of academic and media resources, governmental and non-governmental publications with quantitative data. The latter will focus on the investigation of the volumes of trade in goods and the number of tourist visits exchanges between New Zealand, the EU and CEE states.

The CEECs, whose relations with New Zealand will be closely examined in the following sections, are divided in three groups for the purpose of the conducted analysis. This grouping has been made in accordance with the EU membership status of these countries (i.e. the date of accession to the EU) which shows remarkable correlations with the level of established relations between the particular groups of states and New Zealand. The first group includes eight countries which joined the EU in 2004 and have so far established more extensive trade and tourist relations with New Zealand. Five of these countries are located in East Central Europe – Czechia, Hungary, Poland, Slovakia, and Slovenia – and three are Baltic states - Estonia, Latvia and Lithuania. The second group includes three South East European countries - which joined the EU in 2007 (Bulgaria and Romania) and 2013 (Croatia) and have, with the exception of tourist exchanges with Croatia, much less extensive relations with NZ than (most of) the countries in the first group. Finally, the third group comprises six countries from the so-called Western Balkans - four current candidates for EU membership – Albania, Montenegro, North Macedonia and Serbia – and two potential EU candidates – Bosnia and Herzegovina and Kosovo; all of which (with only a partial exemption of Serbia) have so far had only a rudimentary relationship with New Zealand.

New Zealand-CEE relations before and during the 1990s

While New Zealand's relations with the European Union (as well as its historical predecessors the EEC and EC) and its member states have generally been extensive, especially since the early 1970s when the UK joined the (then) EEC, political and economic ties between New Zealand and former communist states from Central and Eastern Europe were effectively non-existent until the end of the Cold War division of Europe (and the world) in 1991 (Gibbons, 2008; Petrovic & Barrer, 2003). Regardless of the extremely low level of mutual contacts, thanks to the structure of their education system and school curricula, the people in the CEECs had a solid awareness of New Zealand's basic geographical and geo-political facts, even throughout the Cold War years. On the other side, in New Zealand, general knowledge of the people and history of these countries and Europe in general (apart from the UK and to some extent France

and Germany) has always been less than rudimentary (Petrovic & Barrer, 2003). During the first years of the post-communist history of the CEECs and throughout the whole decade of the 1990s, not much changed in the relationship between New Zealand and these countries.

There were some attempts by the then New Zealand government to support post-communist economic transition of Poland and Hungary (with a very modest aid donation of NZ\$1 million), mostly aimed at agricultural development (Bolger, 1993; Gamble, 1990; Moore, 1990). In the 1990, New Zealand's political and economic relations with the CEECs remained sporadic and effectively non-existent until the early 2000s. Before it opened its embassy in Poland, Warsaw, in April 2005, New Zealand did not have direct diplomatic or trade representation in any of the CEECs. The exchanges of bilateral visits between government officials from either side were extremely rare as were cultural contacts between New Zealanders and people in CEE. News and other reports from Central and Eastern Europe were barely represented in the New Zealand media and general knowledge of developments in this part of world remained 'tabula rasa' for the New Zealand political and business elite, let alone the wider public. Not surprisingly, in a survey of the New Zealand public undertaken in 2003, 78.3% of respondents were unable to name any of the CEE countries which were (then) expected to join the EU in 2004 and a further 16% named wrong ones (National Centre for Research on Europe, 2003).

The first New Zealand Prime Minister who paid a visit to a former communist country in CEE was Jim Bolger visiting visited Poland in 1993. However, this visit did not contribute to any expansion of diplomatic or economic relations between the two countries in the years that followed. The second visit of a New Zealand PM to any post-communist CEE country occurred 12 years later when Helen Clark, in the aftermath of completion of the 2004 EU enlargement, went to Poland to open the New Zealand embassy in 2005. This visit was more fruitful as it resulted in the establishment of direct diplomatic representation between the two countries at ambassadorial level for the first time in their history.³ The completion of the 2004 EU enlargement also contributed to more extensive political contacts between New Zealand and other new EU members from CEE although the embassy in Warsaw has remained the only New Zealand embassy in the whole region of post-communist CEE.⁴ In addition to being able to meet their representatives in Brussels during their regular visits to the EU (more or less every 1-2 years), New Zealand Prime Ministers, Ministers of Foreign Affairs or parliamentary delegations have since 2004 visited all CEE members of the EU at least once (Bulgaria being the only exception), but several of them (particularly Poland, Hungary, Czechia, Croatia and the Baltic states) more than once, and in the case of some, multiple times in a year (Ministry of Foreign Affairs and Trade, 2020). All these countries have also begun to pay regular visits at the leadership (Presidential or Prime Ministerial) and Foreign ministerial or parliamentarian levels to New Zealand; Poland, Hungary, Croatia, Estonia and Lithuania on multiple occasions, particularly since 2013 (Ministry of Foreign Affairs and Trade, 2020). The increased political and diplomatic contacts with the CEECs after their accession to the EU have undoubtedly contributed to the significant expansion of New Zealand's trade and socio-economic relations with these countries. The increase in dialogue and

³ The first Polish ambassador to reside in New Zealand (Lech Mastalerz) came to Wellington in 2004 (for more details see Embassy of the Republic of Poland in Wellington, 2018).

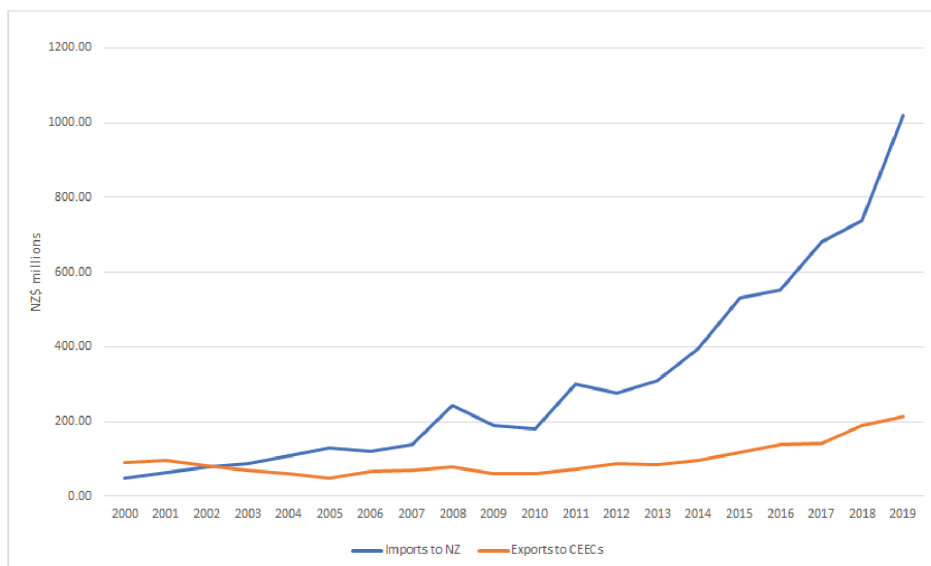
⁴ Although Hungary opened its embassy in Wellington in February 2017, New Zealand did not respond reciprocally and its Ambassador to Austria in Vienna continued to be accredited to Hungary as well.

connections either bilaterally or through representation in EU institutions and bodies have not only contributed to the increasing visibility of the CEECs to NZ diplomats, politicians, and media, but has also benefited the confidence of NZ businesses to trade and establish closer economic cooperation with these countries. Previous fears of doing business in the risky markets of these countries largely disappeared after the CEECs became part of the EU's single market (Gibbons, 2008).

Trade relations between New Zealand and the EU and CEE states

Trade in goods between New Zealand and the European Union (i.e. all EU member states combined) has intensified over the years, especially with the signing of many agreements to improve trade relations. As earlier noted, despite the signed FTA between New Zealand and China in 2008, the EU has remained the third largest trading partner to New Zealand and New Zealand is the EU's 50th largest trading partner (Statistics New Zealand, 2019). According to Statistics New Zealand, total trade between NZ and the EU amounted to NZ\$ 17.4 billion in 2019, which comprised NZ\$ 5.3 billion worth of exports from NZ to the EU, and NZ\$ 12.1 billion worth of imports from the EU to NZ (Statistics New Zealand, 2019). New Zealand largely exported agricultural goods to the EU and the EU largely exported manufactured goods to New Zealand (European External Action Service, 2020). Trade in services between New Zealand and the European Union is also extensive. Total trade in services (the biggest share of it comprises travel and transportation) between New Zealand and the EU amounted to NZ\$ 7.0 billion in 2019, with this comprising of NZ\$ 3.7 billion worth of services exported from NZ to the EU, and NZ\$ 3.3 billion worth of services imported from the EU to NZ (Statistics New Zealand, 2019).

In the context of trade relations between New Zealand and the CEECs both exports and imports of goods from CEECs comprise a very small amount of the overall NZ-EU trade exchange. When comparing the total trade in goods between NZ and the CEECs to the total trade between NZ and the EU in 2019, trade with the CEECs only amounts to 7.1% of the total. Breaking this down into imports and exports, imports of goods from the CEECs to NZ makes up 8.4% of the total imports from the EU to NZ, while exports from NZ to the CEECs comprises only 4.0% of the total exports from NZ to EU (Statistics New Zealand, 2019, 2020a, 2020b). However, while this amount may be minor when compared to the total, it is important to note that these percentages have significantly increased over the past 15 years after the CEECs became members of the EU.

Figure 1: Total trade value of goods between NZ and CEECs between 2000 and 2019

Source: (Statistics New Zealand, 2020a, 2020b)

As shown in Figure 1 and Table 1, the most obvious change in NZ trade with the CEECs is the large increase of New Zealand imports from the first two groups of CEE countries, which grew from NZ\$ 130.57 million in 2005 to NZ\$ 1,018.70 million in 2019.⁵ There can also be noticed very consistent growth of this trade relationship throughout the time period, with the exception of 2008 to 2011 due to the global financial crisis. The exports of goods from NZ to the first two groups of CEECs over the same time period have seen less impressive growth. While there was a more than two-fold increase, growing from NZ\$ 50.28 million in 2005 to NZ\$ 213.65 million 2019, most of this growth came between 2013 and 2018, with negligible growth rates between 2005 and 2010.

Table 1: Imports and exports to and from New Zealand (NZ\$ million)

	2005		2010		2015		2019	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
East-Central Europe & Baltics (8 countries)	120.91	36.59	169.24	51.61	461.87	98.08	904.97	181.04
Poland	35.94	15.48	39.56	11.59	117.27	37.29	235.84	80.81
Czechia	32.97	1.90	51.98	7.17	130.13	12.79	248.12	42.35
Hungary	32.40	1.71	55.90	12.99	84.26	1.64	189.63	8.39
Slovakia	6.92	0.16	9.18	0.39	82.33	0.63	119.73	9.33

⁵ These and other figures for goods trade expressed in NZ\$ in this article, include the cost of insurance and freight.

South Eastern Europe (3 countries)	9.66	13.69	12.05	10.84	68.95	19.87	113.74	32.62
Croatia	1.57	5.41	1.37	3.27	2.97	2.66	6.30	1.48
Romania	5.98	3.10	5.87	3.95	22.78	8.97	83.70	11.10
Bulgaria	2.11	5.18	4.81	3.62	43.20	8.24	23.74	20.14
Western Balkans (6 countries)	1.05	0.33	1.97	4.91	5.26	0.93	10.31	4.03
Serbia	0.80	0.27	0.92	0.96	2.35	0.34	5.37	3.63
North Macedonia	0.05	0.33	0.60	0.74	0.56	0.03	0.85	0.09
Bosnia and Herzeg	0.16	0.00	0.38	0.71	1.95	0.27	3.33	0.12
Albania*	0.04	0.03	0.08	2.48	0.38	0.14	0.69	0.02
EU28	6,989.51	4,863.13	6,220.23	4,996.08	9,301.80	5,250.65	12,064.98	5,340.69
World	37,278.77	30,817.30	42,360.48	43,529.29	52,510.11	48,973.55	64,365.87	59,899.24

Source: (Statistics New Zealand, 2020a, 2020b)

While the East-Central Europe group may provide the majority of New Zealand's exports to and imports from the CEECs, there has been a gradual increase of New Zealand imports from the Baltic and South Eastern European states since 2013, though the total value of NZ trade with all these countries (with the partial exemption of Romania) remains negligible.

New Zealand has aspired to sign a Free Trade Agreement with the EU for the past decade (The Dominion Post, 2009), but the negotiations for an EU-NZ FTA were officially opened only in June 2018 (European Commission, 2018). The European Commission's Impact Assessment Report indicated that a FTA would provide the growth of New Zealand's real GDP by 0.52%, or €1.3 billion, and would increase NZ's exports to the EU by up to 22.2%, with EU exports to NZ expected to rise by up to 32.4% (European Commission, 2017). The report also indicated that exports and imports for all sectors would grow, with the exception of NZ exports of coal, oil, gas, and minerals to the EU, and EU exports of some agricultural products to NZ. The report especially highlighted growth of trade in animal products, beverages, and fruit. With wool and beverages comprising a significant proportion of trade with the CEECs, the signing of the EU-NZ FTA has the potential to stimulate the long-term economic growth of NZ exports to these countries, and consequently, to boost NZ-EU economic relations in general (European Commission, 2017). Although the negotiations were initially anticipated to have been concluded by the end of 2019 (Vela, 2019) they are at time of writing still in their 10th round. Disagreements over agricultural access and geographical indications are the major obstacle for their finalisation. A leaked copy of the EU offer in June 2020 was described as "paltry" by NZ's Trade Minister and there has not been an amended offer submitted since (Sachdeva, 2021). Furthermore, uncertainties related to upcoming general elections in France and Germany, two countries which have the potential to significantly impact EU agriculture imports, indicate that finalising the EU-NZ FTA by the end of 2021 would be ambitious. Due to the uncertainty around agricultural access in the FTA negotiations, it is difficult to estimate the level to which the FTA will impact the NZ-CEEC relationship.

The structure and composition of New Zealand's goods trade with the CEECs

Trade in goods between New Zealand and the CEECs shows a very large imbalance between New Zealand exports to and imports from the CEECs. New Zealand goods imports from the CEECs severely outweigh exports of New Zealand goods to these countries. The top three commodities imported from the CEECs consist of vehicles, machinery, and electrical machinery. The total value of goods imported from the CEE EU member states in 2019 was NZ\$ 1,019 million and of this amount NZ\$ 354 million was from vehicles, NZ\$ 150 million was from machinery, and NZ\$ 132 million was from electrical machinery. Many of the CEECs specialise in the production and manufacturing of machinery and vehicles. During the reforms of 1990s, many uncompetitive Soviet-era industries ceased to exist. However, the manufacturing industry recovered well, which largely stemmed from an influx of FDI from Western Europe (Naudé et al., 2019). The main reason for increasing investment into the CEECs was in the lower costs of production, particularly labour costs combined with the attractiveness of high skills workers that has continued to occur until the present times. The main countries that have seen the largest increase in manufacturing capabilities are the ECE countries of Czechia, Poland, and Hungary. Slovakia and Slovenia, whilst being categorised in the ECE group, did not see the same level of growth.

With cars making up the bulk of imports from the CEECs, it is important to note that one of the principal reasons for that lies in the fact that New Zealand as a country with a very high cars-to-people ratio is one of the largest per capita car importers in the world. According to the Motor Industry Association in 2018, New Zealand sits third highest globally on a list of vehicles per capita, with 860 vehicles per 1,000 people. The second reason for such huge imports of cars from the CEE countries to New Zealand can be found in the fact that many manufacturing plants have shifted from Western European countries towards Central and Eastern Europe since 2009 due to the lower costs of production.

While the value of goods exports from New Zealand to the CEECs are minor when compared to imports, there has still been, as stated above, a gradual rise of it, especially since 2014. The top commodities that are exported to the CEECs are fish, wool, and beverages. Of the total value of exports of goods from New Zealand to the CEE EU member states of NZ\$ 213.65 million in 2019, NZ\$ 61 million was from fish, NZ\$ 50 million was from wool, and NZ\$ 22 million was beverages. More than a half of these exports went to Poland and Czechia, whereas New Zealand exports to the other ECE and Baltic States were minimal. The South-Eastern Europe group also maintain inconsistent levels of trade with New Zealand with negligible imports of New Zealand goods, whereas corn and machinery comprise the largest part of their goods exports to New Zealand. A huge discrepancy that exists between the value of New Zealand's goods exports to and imports from all the CEE countries largely results from a general trend of decreasing exports of goods from New Zealand to the EU as a whole after the signing of the FTA with China which has become the main export destination for New Zealand (primarily agricultural) goods (Statistics New Zealand, 2020a, 2020b). The other important reason for this trend may be found in the still very small and volatile markets of the CEECs.

People to people links and tourism

New Zealand tourism has seen considerably increasing positive effects of the CEE countries' accession to the EU. While the number of New Zealand visitors to Europe is still dominated by the visits to the United Kingdom, Table 2a clearly highlights that the percentage of NZ travellers to the UK, in relation to total NZ travellers to Europe, has decreased significantly. At the same time, the number of NZ visitors to the CEECs has doubled. Despite visitor numbers to the CEECs from New Zealand remaining comparatively low, most CEECs have seen a good level of growth in NZ visitors since 2015, with the exception of the Baltic States, which suffers from a lack of tourism globally (Baltic Sea Tourism Center, 2018, p. 14).

Table 2a: NZ visitors to UK, selected EU states, and CEECs & their makeup percentage of NZ visitors to Europe.

Year	Total visitors to Europe from NZ	Total NZ visitors to UK (% of total)*	Total NZ visitors to Italy (% of total)	Total NZ visitors to France (% of total)	Total NZ visitors to Germany (% of total)	Total NZ visitors to CEECs (% of total)
2005	149,713	86,377 (57.70%)	9,077 (6.06%)	10,614 (7.09%)	8,193 (5.47%)	3,644 (2.43%)
2010	167,698	92,294 (55.04%)	10,749 (6.41%)	13,764 (8.21%)	12,486 (7.45%)	4,813 (2.87%)
2015	213,940	112,140 (52.42%)	16,800 (7.85%)	19,100 (8.93%)	14,480 (6.77%)	7,560 (3.53%)
2018	263,277	124,803 (47.40%)	23,021 (8.74%)	21,176 (8.04%)	17,805 (6.77%)	12,146 (4.61%)
2019	279,293	128,960 (46.17%)	24,323 (8.70%)	21,771 (7.78%)	19,876 (7.12%)	14,092 (5.05%)

Source: (Statistics New Zealand, 2017, 2020d)

Table 2b: Visitors from UK, selected EU states, and CEECs to New Zealand & their makeup percentage of total European visitors to NZ

Year	Total visitors to NZ from Europe	Total UK visitors to NZ (% of total)	Total Italian visitors to NZ (% of total)	Total French visitors to NZ (% of total)	Total German visitors to NZ (% of total)	Total CEEC visitors to NZ (% of total)
2005	513,257	306,815 (59.78%)	7,472 (1.46%)	16,977 (3.31%)	57,549 (11.21%)	8,185 (1.59%)
2010	457,025	234,314 (51.27%)	8,617 (1.89%)	24,579 (5.38%)	64,648 (14.15%)	11,196 (2.45%)
2015	463,152	203,952 (44.04%)	9,280 (2.00%)	33,376 (7.21%)	84,544 (18.25%)	13,488 (2.91%)
2018	568,169	237,166 (41.74%)	12,458 (2.19%)	43,606 (7.67%)	102,087 (17.97%)	20,726 (3.65%)
2019	553,151	231,712 (41.89%)	12,306 (2.22%)	40,777 (7.37%)	98,050 (17.73%)	20,695 (3.74%)

Source: (Statistics New Zealand, 2017, 2020d, 2020f)

The newest member of the EU, Croatia, is the one which sees the most NZ visitors each year, with over 5,000 New Zealanders visiting there in 2019. The second most popular destination for New Zealand tourists in CEE is Czechia which hosted half the number of New Zealand visitors (2, 386) than did Croatia in 2019. The numbers of European visitors to New Zealand show similar trends (Table 2b). Among the CEEC visitors to NZ, Poles and Czechs comprise the biggest share of visitors, with New Zealand seeing a boost in CEEC visitors, particularly after 2015. The continuing and steady increase of the total numbers of tourists to New Zealand from the three largest East-Central European states, which combined have come close to and even surpassed some

Western European countries of a similar size (including e.g. Italy), continue to confirm the relatively high interest of people from these countries in New Zealand and the positive impacts of their accession to the EU on this increase. On the other hand, visitors' exchange between New Zealand and non-EU states from the Western Balkans has more or less remained unchanged and marginal throughout the last two decades. A moderate increase in the number of New Zealand visitors to Serbia and North Macedonia since 2010 (Table 3) can be explained not so much by increased interest of the wider New Zealand public in these two countries but rather by the improved opportunities for international travel in the period of recovery from the global financial crisis (especially significantly cheaper airfares) which were used by New Zealand citizens who earlier emigrated from these countries to visit their relatives there.

Table 3: Visitors to New Zealand from Europe and NZ visitors to Europe (Annual-Dec)

	2005		2010		2015		2019	
	Visitors to NZ	NZ Visitors to Europe	Visitors to NZ	NZ Visitors to Europe	Visitors to NZ	NZ Visitors to Europe	Visitors to NZ	NZ Visitors to Europe
East-Central Europe & Baltics	7,522	1,827	9,719	2,907	11,600	4,100	17,313	6,855
Poland	1,742	527	2,546	794	3,760	1,160	5,931	1,873
Czechia	3,163	598	3,605	959	3,920	1,420	5,476	2,386
Hungary	929	256	1,191	599	1,312	880	1,767	1,873
Slovakia	620	162	748	238	512	220	894	368
South Eastern Europe	663	1,769	1,477	1,853	1,888	3,400	3,382	7,083
Croatia	196	1,147	311	1,389	480	2,200	760	5,486
Romania	282	420	863	356	896	700	1,705	1,102
Bulgaria	185	202	303	108	512	500	917	495
Western Balkans	306	656	154	967	384	1,080	509	1,480
Serbia	189	374	134	653	208	540	270	738
North Macedonia	72	102	20	111	112	280	85	273
Bosnia and Herzegovina	21	131	0	81	0	40	40	127
Albania	24	49	0	48	0	60	35	154
Europe	513,257	149,713	457,025	167,698	463,152	213,940	553,151	279,293
World	2,365,529	1,868,074	2,510,759	2,026,864	3,129,312	2,411,560	3,888,473	3,101,427

Source: (Statistics New Zealand, 2017, 2020d)

The positive impacts of EU enlargement on people-to-people links and exchange of tourist visits between New Zealand and the CEE countries primarily stem from the improved economic conditions and living standards in the new member states (that

have largely occurred through and thanks to their accession to the EU – see e.g. Petrovic (2013) Ch. 1 and Rapacki and Próchniak (2009)) - that not only enable their citizens to travel but also increase their tourist offers and attractiveness to foreign visitors. The other stimulus that EU enlargement provides for strengthening New Zealand tourism relations and people-to-people links with the new EU member states comes through the waiver of visa requirements and establishment of specific forms of closer cooperation between New Zealand and these states using the programmes and schemes established between New Zealand and the EU. In addition to the programmes that support scientific and academic exchange and cooperation (Embassy of the Republic of Poland in Wellington, 2018; European Education and Culture Executive Agency, 2013; Gibbons, 2008), the participation in the working holiday schemes has been of particular importance in increasing the number of New Zealand visitors to CEE EU member states and vice versa in recent years.

A working holiday scheme is a reciprocal agreement which allows people from the signatory countries to come to New Zealand and New Zealanders to travel to these countries for up to 12 months to have a holiday while also working on the side (Immigration New Zealand, 2020). New Zealand has so far signed a working holiday scheme with all of the CEE members of the EU (with the only exception of Bulgaria and Romania) and has hosted several thousand users of this scheme from CEECs since the early 2010s (Immigration New Zealand, 2021). The effects of the existing working holiday scheme agreements between New Zealand and the CEE countries on the number of mutual visitors would have been even stronger if New Zealand had embassies in these countries (and vice versa) as an applicant must apply in-person in order to take part in the scheme. However, not surprisingly, none of the Western Balkan states currently have a working holiday scheme with New Zealand.

Conclusion

The analysis conducted and data presented in this article has shown a strong positive impact of EU enlargement on trade and general socio-economic relations between New Zealand and the CEE post-communist states. Integration into the larger EU market has not only stimulated economic growth and increased the standard of living in the CEE countries, enabling their people to travel more and businesses to offer more goods and services to international markets, including New Zealand's, but has also made these countries more visible to the New Zealand business elite and the wider public. While New Zealand's trade relations with the EU and its western member states have started to grow at a slower pace (especially its goods exports) after the signing of the FTA with China in 2008, the exchange of goods and services between New Zealand and the new EU members from CEE increased several times over the last decade. Imports of goods to New Zealand from these countries have grown particularly strongly, increasing their share of total New Zealand goods imports from the European Union from 1.7% in 2005 to 8.4% in 2019. A similarly strong increase has occurred with regard to the intensification of people-to-people links between New Zealand and CEE members of the EU. The importance of EU enlargement for New Zealand's relations with European post-communist states can also be seen through comparison of the above trends with New Zealand's relations with non-EU states in the Western Balkans which have remained negligible (with only the partial exception of Serbia which has relatively notable emigration to New Zealand). Although the latter have been seen as potential (and later official) candidates for EU membership since the early 2000s, and have considerably deepened their relations with the EU since, they have remained

outside the EU's common institutions and unable to use the advantages of EU membership for boosting their relationship with New Zealand. The slow progress of the EU accession process of these states and uncertainties related to its successful completion, alongside the very small combined size of these countries does not give much hope that New Zealand's relations with these countries will significantly intensify in the foreseeable future.

References

- Baltic Sea Tourism Center. (2018). *State of the Tourism Industry in the Baltic Sea Region – 2018 Edition*.
- Bolger, J. B. (1993). PM visits Poland. *New Zealand external relations and trade record*, 1(9), 19-20.
- Embassy of the Republic of Poland in Wellington. (2018). *45 Years of Diplomatic Relations: Poland & New Zealand*.
https://issuu.com/msz.gov.pl/docs/poland___new_zealand_-_45_years___we
- European Commission. (2017). *Commission Staff Working Document Impact Assessment Accompanying the document Recommendation for a Council Decision authorising the opening of negotiations for a Free Trade Agreement with New Zealand*.
<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1505303601241&uri=SWD:2017:289:FIN>
- European Commission. (2018, June 21). *EU and New Zealand launch trade negotiations* [Press release]. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=186>
- European Education and Culture Executive Agency. (2013). Bilateral Cooperation Programme: Selection Year 2013 - Call 44/2012. European Commission: Education, Audiovisual and Culture Executive Agency. https://eacea.ec.europa.eu/sites/eacea-site/files/ici_ecp_selected_project_2012.pdf
- European External Action Service. (2020). New Zealand and the EU. Delegation of the European Union to New Zealand. https://eeas.europa.eu/delegations/new-zealand/1600/new-zealand-and-eu_en
- Gamble, D. (1990). New Zealand relations with Eastern Europe. *New Zealand External Relations Review*, 40(2), 12-14.
- Gibbons, M. (2008). *New Zealand and the European Union* (SprintPrint ed.). Pearson.
- Immigration New Zealand. (2020). Working Holiday Visas. Ministry of Business, Innovation & Employment. Retrieved February 2020 <https://www.immigration.govt.nz/new-zealand-visas/options/work/thinking-about-coming-to-new-zealand-to-work/working-holiday-visa>
- Immigration New Zealand. (2021). Work Visa applications decided (top), people included (bottom), by application criteria. Immigration New Zealand. Retrieved March 2021 <https://www.immigration.govt.nz/documents/statistics/statistics-work-applications-decided>
- Köllner, P. (2018). The European Union as “A Partner of First-Order Importance” for New Zealand. In R. G. Patman, I. Iati, & B. Kiglics (Eds.), *New Zealand and the World: Past, Present and Future* (pp. 439-455). World Scientific Publishing Co. Pte. Ltd. https://doi-org.ezproxy.canterbury.ac.nz/10.1142/9789813232402_0028

- Ledgard, S. F., Lieffering, M., Coup, D., & O'Brien, B. (2011). Carbon footprinting of New Zealand lamb from the perspective of an exporting nation. *Animal Frontiers*, 1(1), 40-45. <https://doi.org/10.2527/af.2011-0010>
- McMillan, S. (2003). Enlarging the European Union. *New Zealand International Review*, 28(3), 7-11.
- Ministry of Foreign Affairs and Trade. (2015). *New Zealand High Commission London, United Kingdom. New Zealand Government*. Retrieved March 2020 <http://web.archive.org/web/20150210050734/http://www.nzembassy.com/united-kingdom/relationship-between-nz-and-the-united-kingdom/nz-and-the-united-kingdom>
- Ministry of Foreign Affairs and Trade. (2020). *Europe*. Ministry of Foreign Affairs and Trade. Retrieved February 2020 <https://www.mfat.govt.nz/en/countries-and-regions/europe/>
- Moore, M. (1990). New Zealand relations with Eastern Europe. *New Zealand External Relations Review*, 40(2), 13.
- National Centre for Research on Europe. (2003). External Perceptions of the European Union: A Survey of New Zealanders' Perceptions and Attitudes towards the European Union. National Centre for Research on Europe. Retrieved April 2019 from
- Naudé, W., Surdej, A., & Cameron, M. (2019). *The Past and Future of Manufacturing in Central and Eastern Europe: Ready for Industry 4.0?* <http://ftp.iza.org/dp12141.pdf>
- Ockelford, R. (2004). *EU enlargement and the implications for New Zealand agriculture*.
- Unsure whether there is information missing in the above entry. I searched for it but was unsuccessful.
- Petrovic, M. (2013). *The Democratic Transition of Post-Communist Europe: In the Shadow of communist differences and an uneven Europeanisation*. Palgrave Macmillan.
- Petrovic, M., & Barrer, P. (2003, 01/01). EU Enlargement to the East as an Opportunity for New Zealand.
- Petrovic, M., & Tzifakis, N. (2021). A geopolitical turn to EU enlargement, or another postponement? An introduction. *Journal of Contemporary European Studies*, 29(2), 157-168.
- Rapacki, R., & Próchniak, M. (2009). *The EU Enlargement and Economic Growth in the CEE New Member Countries*.
- Sachdeva, S. (2021, April 15). *A tale of two free trade negotiations*. Newsroom. <https://www.newsroom.co.nz/a-tale-of-two-free-trade-negotiations>
- Statistics New Zealand. (2017). *NZ-resident traveler departures by country of main destination (Annual-Dec)*.
- Statistics New Zealand. (2019). *Goods and services trade by country: Year ended December 2019*. <https://www.stats.govt.nz/information-releases/goods-and-services-trade-by-country-year-ended-december-2019>
- Statistics New Zealand. (2020a). *Exports for Overseas Merchandise Trade (job NZ\$): Country of Destination by Commodity (HS2) and Period*. http://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE7311&ShowOnWeb=true&Lang=en

- Statistics New Zealand. (2020b). *Imports for Overseas Merchandise Trade (cif NZ\$): Country of Origin by Commodity (HS2) and Period*.
http://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE7301&ShowOnWeb=true&Lang=en
- Statistics New Zealand. (2020c). *National accounts (industry production and investment): Year ended March 2019*.
- Statistics New Zealand. (2020d). *NZ-resident traveller arrivals by EVERY country of main destination and purpose (Annual-Dec)*.
- Statistics New Zealand. (2020e). *Tourism satellite accounts: 2019*.
<https://www.stats.govt.nz/information-releases/tourism-satellite-account-2019>
- Statistics New Zealand. (2020f). *Visitor arrivals by country of residence (Annual-Dec)*.
- The Dominion Post. (2009, January 31). *Clark pushes free trade deal in Europe*. Stuff.
<http://www.stuff.co.nz/national/16996/Clark-pushes-free-trade-deal-in-Europe>
- Vela, J. H. (2019, January 25). *NZ prime minister: Trade war tied to public dissatisfaction*. *Politico EU*. Politico. <https://www.politico.eu/article/nz-prime-minister-trade-war-tied-to-public-dissatisfaction/>