

US/ISRAEL/IRAN CONFLICT

#11 MFAT DAILY UPDATE – Thursday 26 March

KEY MESSAGES - UNCLASSIFIED

- New Zealand is gravely concerned about the trajectory of this conflict.
- We want to see all parties acting with restraint and moving toward a negotiated solution.
- The longer this conflict goes on, the more severe the impacts – for civilians in the region and for the international economy.
- International law, including international humanitarian law, must be upheld.
- **[If asked: talks between US and Iran/15-point ceasefire plan]** We note the US announcement that it is reaching out to Iran through diplomatic channels. New Zealand is keen to see immediate de-escalation and a negotiated solution to this conflict. A political solution is the best way to get lasting security.
- **[If asked: What will any deal with Iran be seeking to achieve?]** The immediate priority is de-escalation. Beyond this, we hope to see a deal that provides long-term security across the region.
- **[If asked: Freedom of access to the Strait of Hormuz is key to New Zealand's supply of diesel and other critical products. What is New Zealand doing to help make this happen?]** Attacks on fuel tankers and energy infrastructure in the Middle East are leading directly to higher fuel prices for Kiwis. New Zealand joined international partners in emphasising support of re-opening the Strait of Hormuz to all commercial shipping. Opening the Strait will depend on the trajectory of the conflict. The reality is that while the war goes on, options are limited.
- **[If asked: Would you contribute defence assets to this effort?]** We have not been asked. Any possible contribution would be a matter for Cabinet to determine based on careful consideration of New Zealand's interests.

Consular

- The situation remains uncertain and the current conflict could escalate at any time, cutting off departure options without warning. We continue to urge New Zealanders to leave the region on commercial flights or by road now, if they can do so safely. This is the fastest way to safety.

Impacts on the Pacific

- We know there are risks for the Pacific— fuel imports are vitally important for Pacific Island countries which are often at the end of long supply chains.
- s6(b)(i), s7(b)(i), s7(b)(ii), s7(b)(iii)

New Zealand takes our obligations to the Realm very seriously, and it's important that we're reliable and trusted partners to our Pacific family more broadly. We're engaging closely with Pacific partners and Australia – including at leaders' level - to understand needs across the region and how we can best provide support.

Economic Implications

- A large proportion of New Zealand trade transits through or originates from the Middle East region. Recent trade negotiations and agreements mean New Zealand's security and economic interests are increasingly linked to the Middle East.
- **[If asked: Exports stuck due to conflict]** It is too early to assess the scale of impacts. Delays can be expected due to suspended sailings and rerouting via alternative corridors. This is likely to have ongoing effects.
- **[If asked: Impact on NZ economy]** It is difficult to predict what the consequences might be for New Zealand when we don't know the trajectory of the conflict. There is a risk that continued disruption to global energy supply chains brings higher fuel prices and places upwards pressure on inflation.

END OF PUBLIC MESSAGES. RESTRICTED CONTENT BEGINS HERE.

KEY DEVELOPMENTS AND ASSESSMENTS

- Iran has rejected the US 15-point ceasefire plan as “extremely maximalist and unreasonable”,^{s6(a)} Iran’s foreign minister said Iran’s policy is to continue “defending” and they have “no intention of negotiating for now”. However, Iran has also reportedly issued its own,^{s6(a)} five-point plan including acts of aggression coming to an end; ensuring the war will not recur; damages and reparations; and sovereignty over the Strait of Hormuz.^{s6(a)}
- The US continues to move reinforcements into the region, with airborne forces now added to the Marines and amphibious capabilities due to arrive on Saturday morning (NZT). Iran’s parliamentary speaker warned Iran is “closely monitoring all US movements in the region, especially troop deployments”.
- ^{s6(a)}
- The IAEA has confirmed direct and indirect hits at nuclear sites in both Israel and Iran, although there does not appear to have been any critical damage.^{s6(a)}
- There is no further clarity today on the meaning of “non-hostile” vessels – which Iran says it may allow to transit the Strait of Hormuz.^{s6(a)} South Korea’s Foreign Minister today publicly questioned the “practical reliability and universality” of Iran’s assurances, asking whether such guarantees could realistically be applied to all vessels.
- Israel has announced an intention to seize almost a tenth of Lebanon’s territory. Defence Minister Israel Katz said Israel will occupy southern Lebanon up to the Litani River to create a “defensive buffer.”^{s6(a), s6(b)(i)} Over a million people – about a fifth of Lebanon’s population – have been displaced so far.
- Australia has banned Iranians who hold visitor visas from travelling to Australia for six months. Home Affairs Minister Tony Burke^{s6(a)} aimed at “protecting the integrity and sustainability” of the migration system.

^{s9(2)(g)(i)}

s9(2)(g)(i)

INTERNATIONAL ECONOMIC IMPACTS AND RESPONSES

Oil – international situation

Australia

- Australia’s Energy Minister Bowen said publicly yesterday (25 March) that in addition to replacing the six earlier cancelled energy shipments, Australia has been able to secure three more cargo deliveries for April and May. He repeated that any form of rationing would only be used in the “absolute worst-case scenario”.
- Australian industrial customers including major suppliers of food, groceries, household goods and medications said yesterday they will pass increased packaging, freight, and other costs on to consumers.
- Jetstar announced it is cutting flights across the Tasman and in New Zealand. More than 55 flights, or 12 per cent of services, have been cut from Jetstar’s intra-New Zealand schedule in May. Flights between Auckland and Sydney, and Auckland and Brisbane have been removed from the schedule of services.

International Energy Agency (IEA) - latest update

- Key messages from a meeting of the International Energy Agency (IEA) Standing Group on Oil Markets (25 March) include:
 - ^{s6(b)(ii)}
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PACIFIC DEVELOPMENTS

- ^{s6(a), s6(b)(i)}
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The region shares New Zealand’s key sources of refined oil – Singapore, South Korea, Malaysia, and Australia.

• s6(a), s6(b)(i)

CONSULAR DEVELOPMENTS

- The consular operation to assist New Zealanders to depart Gulf states is nearing conclusion. As at **Thursday 26 March**, the number of New Zealanders in the region registered on SafeTravel is **3,603**. Current numbers are: UAE 2,189, Qatar 473, Saudi Arabia 417, Jordan 50, Kuwait 96, Bahrain 78, Iran 40, Iraq 28, Israel and the occupied Palestinian territories 70, Lebanon 27, Egypt 102, and Oman 33.
- Our overall assessment is that most New Zealanders who wish to leave Gulf states have now done so, although the ongoing uncertainty and potential for the security environment to deteriorate may prompt a further wave of requests for assistance. Consular assistance is now moving toward more complex cases, rather than New Zealanders requiring immediate assistance to depart.

NEW ZEALAND INC POSTS AND PERSONNEL OFFSHORE

- There have been no changes in the status of the safety of our personnel.
- **Iran:** The New Zealand Embassy in Tehran remains closed. ^{s6(d)}
- **United Arab Emirates:** Both Abu Dhabi and Dubai (UAE) offices are closed to the public although staff in Abu Dhabi can go into the office for essential tasks. The Embassy Duty Officer can be contacted on the Duty Phone for consular enquiries.
- **Saudi Arabia:** The post remains open to the public.
- **Egypt and Türkiye:** These posts continue to operate normally.

US/ISRAEL/IRAN CONFLICT

#12 MFAT DAILY UPDATE – Sunday 29 March

KEY MESSAGES - UNCLASSIFIED

- New Zealand is gravely concerned about the trajectory of this conflict.
- We want to see all parties acting with restraint and a negotiated solution to end this crisis.
- The longer this conflict goes on, the more severe the impacts – for civilians in the region and for the international economy.
- International law, including international humanitarian law, must be upheld.
- **[If asked: Houthi entering the conflict]** This is a concerning development. It's too soon to say what impact it will have on global shipping, but it complicates an already challenging situation.
- **[If asked: What does New Zealand think about some vessels being allowed through the Strait of Hormuz?]** Freedom of navigation is a fundamental, widely accepted, principle of international law. It's imperative that the Strait of Hormuz is fully opened as soon as possible. We need to get ships moving so fuel and goods can be transported safely.
- **[If asked: talks between US and Iran/15-point ceasefire plan]** We note the US has said it is reaching out to Iran through diplomatic channels. New Zealand is keen to see immediate de-escalation and a negotiated solution to this conflict. A political solution is the best way to get lasting security.
- **[If asked: What does New Zealand think about the attacks on nuclear facilities?]** Strikes on nuclear-related facilities pose a significant nuclear safety risk. They also have the potential for serious environmental and humanitarian impacts. We completely agree with calls for maximum restraint to prevent risk of a nuclear accident.
- **[If asked: Is NZ supporting US and Israel's military action?]** New Zealand is not taking part in the conflict and does not intend to. We support de-escalation and an end to this conflict. The US and Israel acted based on their own assessment and information. New Zealand was not privy to that.

Consular

- The situation remains uncertain and the current conflict could escalate at any time, cutting off departure options without warning. We continue to urge New Zealanders to leave the region on commercial flights or by road now, if they can do so safely. This is the fastest way to safety.

Impacts on the Pacific

- We are monitoring the impact of the conflict on the Pacific.
- We know there are risks for the region — fuel imports are vitally important for Pacific Island countries which are often at the end of long supply chains.
- s7(b)(i), s7(b)(ii), s7(b)(iii)

New Zealand takes our obligations to the Realm very seriously, and it's important that we're reliable and trusted partners to our Pacific family more broadly. We're engaging closely with Pacific partners and Australia – including at leaders' level - to understand needs across the region and how we can best provide support if/when requested.

Economic Implications

- A proportion of New Zealand trade transits through or originates from the Middle East region. Recent trade negotiations and agreements mean New Zealand's security and economic interests are increasingly linked to the Middle East.
- **[If asked: exports stuck due to conflict]** We are aware some exporters are experiencing impacts, and further effects are likely. Officials are in touch with a range of export sectors.
- **[If asked: impact on NZ economy]** It is difficult to predict what the consequences might be for New Zealand when we don't know the trajectory of the conflict. There is a risk that continued disruption to global energy supply chains brings higher fuel prices and places upwards pressure on inflation.

END OF PUBLIC MESSAGES. RESTRICTED CONTENT BEGINS HERE.**KEY DEVELOPMENTS AND ASSESSMENTS**

- The Houthis have entered the conflict: firing ballistic missiles and drones from Yemen at targets in Israel. A Houthi spokesperson said they are “conducting this battle in stages”, and that closing the Red Sea is an option. The Houthis targeting commercial ships in the Red Sea, as they have previously, would exacerbate global economic pressures and undermine Gulf state attempts to redirect oil exports to Red Sea ports.
- s6(a)
- s6(a)

The US and Israel have reportedly struck an Iranian water treatment plant and two Iranian universities. Iran threatening to attack similar targets in Israel and the Gulf.
- Iran continues to retaliate despite significant military losses. An Iranian strike injured 12 US personnel and possibly damaged US aircraft in Saudi Arabia. Over 300 US personnel have been wounded to date. s6(a)
- Some Asian states are negotiating passage through the Strait of Hormuz with Iran. Two Thai vessels have transited the Strait after agreement from Iran, and the Foreign Minister of Pakistan has announced Iran has agreed passage for twenty Pakistani-flagged vessels. China is likely to have reached a similar agreement with Iran: two Chinese owned vessels have transited the Strait in the last twenty-four hours while broadcasting “Chinese Owner and Crew”. s6(a)

The small number of vessels being allowed to pass are well below pre-war levels of 150 vessels transiting a day.
- The Foreign Ministers of Türkiye, Pakistan, and Egypt are working together to establish negotiations between Iran and the US. s6(a)
- The war in Lebanon is intensifying. Israeli airstrikes in southern Lebanon have hit Lebanese healthcare facilities, apartment buildings, medical works, and journalists. Israeli ground forces continue to advance into Lebanon, with the goal of establishing a permanent occupied “buffer zone” inside southern Lebanon.

Upcoming Prime Minister and Ministerial engagement with counterparts				
NZ Minister	Country/Territory	Counterpart	Agency lead	Date/timeframe
PM Luxon	Fiji	PM Rabuka	MFAT	Took place Friday 27 March NZT 19:30

s9(2)(g)(i)

s9(2)(g)(i)

INTERNATIONAL ECONOMIC IMPACTS AND RESPONSES

Oil – international situation

Australia

- Prime Minister Albanese announced new fuel security powers on 28 March, indicating the Government will “underwrite the purchase of fuel by the private sector”. Amendments to the Export Finance and Insurance Corporation Act will be introduced on Monday, to enable Export Finance Australia to underwrite the purchase of shiploads of fuel that would add to supply in Australia. PM Albanese said this would also “allow the purchase of fertiliser and other essentials.” The initiative is intended to give “suppliers confidence to secure additional and discretionary cargo used to service uncontracted demand, including regional and independent fuel suppliers”.

Malaysia

- s9(2)(ba)(i)
- Malaysia has successfully negotiated safe passage for some vessels through the Strait of Hormuz.

China

- s6(a) However, Chinese industry are clearly feeling some impacts. China appears to still be relying mainly on imported oil rather than drawing down its reserves. s6(a), s6(b)(i)
- It is still hard to get a clear picture of the extent to which Chinese ships are able to transit Hormuz. s6(a)
- s9(2)(ba)(i)

PACIFIC DEVELOPMENTS

- s6(a), s6(b)(i) The region shares New Zealand’s key sources of refined oil – Singapore, South Korea, Malaysia, and Australia. s6(a), s6(b)(i)

CONSULAR DEVELOPMENTS

RESTRICTED

- As at Sunday 29 March, the number of New Zealanders in the region registered on SafeTravel is 3,601. Current numbers are: UAE 2,191, Qatar 465, Saudi Arabia 415, Jordan 53, Kuwait 96, Bahrain 77, Iran 40, Iraq 25, Israel and the occupied Palestinian territories 74, Lebanon 28, Egypt 105, and Oman 33.
- The most up-to-date and reliable flight information can be obtained from airline websites. New Zealanders should check their flight's status and airline's website for operational information, before travelling to the airport.
- Our overall assessment is that most New Zealanders who wish to leave Gulf states have now done so, although the ongoing uncertainty and potential for the security environment to deteriorate may prompt a further wave of requests for assistance. Consular assistance is now moving toward more complex cases, rather than New Zealanders requiring immediate assistance to depart.

NEW ZEALAND INC POSTS AND PERSONNEL OFFSHORE

- There have been no changes in the status of the safety of our personnel since the previous SitRep.
- **Iran:** The New Zealand Embassy in Tehran remains closed. ^{s6(d)}
- **United Arab Emirates:** Both Abu Dhabi and Dubai (UAE) offices are closed to the public although staff in Abu Dhabi can go into the office for essential tasks. The Embassy Duty Officer can be contacted on the Duty Phone for consular enquiries.
- **Saudi Arabia, Egypt and Türkiye:** The posts remain open to the public and continue to operate normally.

Proactively Released by the Ministry of Foreign Affairs and Trade

RESTRICTED

US/ISRAEL/IRAN CONFLICT**#13 MFAT DAILY UPDATE – Monday 30 March****KEY MESSAGES - UNCLASSIFIED**

- New Zealand is gravely concerned about the trajectory of this conflict.
- We want to see all parties acting with restraint and moving toward a negotiated solution so this crisis can end.
- The longer this conflict goes on, the more severe the impacts – for civilians in the region and for the international economy.
- International law, including international humanitarian law, must be upheld.
- **[If asked: US considering ground operations?]** We do not want to see this conflict expand any further. What is critical now is to get to the point where the US and Iran can re-establish trust.
- **[If asked: Houthi attack on Israel]** This is a concerning development. They have not yet attacked targets in the Red Sea, and we hope they don't. Again, we need to find ways to deescalate the conflict.
- **[If asked: Prospects of diplomatic negotiations]** We welcome the efforts of Egypt, Türkiye, and Pakistan to facilitate negotiations. New Zealand wants immediate de-escalation and a negotiated solution to this conflict. A political solution is the best way to get lasting security.
- **[If asked: What does New Zealand think about the attacks on nuclear facilities?]** Strikes on nuclear-related facilities pose a significant risk. They also have the potential for serious environmental and humanitarian impacts. We completely agree with calls for maximum restraint to prevent risk of a nuclear accident.
- **[If asked: Is NZ supporting US and Israel's military action?]** New Zealand is not taking part in the conflict and does not intend to. New Zealand supports de-escalation and an end to this conflict. The US and Israel acted based on their own assessment and information. New Zealand was not privy to that
- **[If asked: Will New Zealand deploy forced to a multinational military coalition to secure the Strait of Hormuz?]** New Zealand has not received a formal invitation to join a multinational military coalition to secure the Strait of Hormuz. Opening the Strait will depend on the trajectory of the conflict. Officials are engaging with partners to inform any potential future advice to Ministers on any potential future contribution to a multinational coalition. New Zealand's potential participation in an international coalition would be a matter for Cabinet consideration at the appropriate time.
- **[If asked: Is New Zealand engaged in preparatory planning?]** We are monitoring developments in conjunction with partners.

Consular

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Impacts on the Pacific

- We are monitoring the impact of the conflict on the Pacific.
- We know there are risks for the region — fuel imports are vitally important for Pacific Island countries which are often at the end of long supply chains.
- s7(b)(i), s7(b)(ii), s7(b)(iii)

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Economic Implications

- A proportion of New Zealand trade transits through or originates from the Middle East region. Recent trade negotiations and agreements mean New Zealand’s security and economic interests are increasingly linked to the Middle East.
- **[If asked: Exports stuck due to conflict]** We are aware some exporters are experiencing impacts, and further effects are likely. Officials are in touch with a range of export sectors.
- **[If asked: Impact on NZ economy]** It is difficult to predict what the consequences might be for New Zealand when we don’t know the trajectory of the conflict. There is a risk that continued disruption to global energy supply chains brings higher fuel prices and places upwards pressure on inflation.

END OF PUBLIC MESSAGES. RESTRICTED CONTENT BEGINS HERE.

KEY DEVELOPMENTS AND ASSESSMENTS

- The Houthi appear to be pausing after yesterday’s strike against Israel. They have not launched any new attacks, have not attacked shipping in the Red Sea, and Israel is yet to respond.^{s6(a)}
- Foreign Ministers from Pakistan, Saudi Arabia, Turkey and Egypt met in Islamabad to coordinate a de-escalation plan. Pakistan said that it will host talks between the US and Iran this week. Iran has not yet confirmed it will attend.^{s6(a)}
- There are suggestions discussions in Islamabad may include pitching a multinational consortium to manage oil flows through the Strait,^{s6(a)} This follows an announcement by the UN yesterday that it will establish a taskforce to facilitate the flow of fertiliser and other key products through the Strait (similar to the Black Sea Grain Initiative during the war in Ukraine).^{s6(a)}
- With significant numbers of ground troops now amassing, commentators are suggesting Iran is moving to a programme of “pre-emptive destruction” which involves continuous targeting of US bases, logistics hubs and staging areas to disrupt any potential ground or heliborne operation before it can be executed. Iran is also stepping up its rhetoric emphasising its readiness for a ground offensive. Presumably buoyed by the success its economic warfare, Iranian rhetoric is also moving beyond earlier messaging on ‘survival’ towards language that suggests it sees an opportunity to achieve more strategic outcomes and reshape the long-term balance.
- Israel has continued expanding its target set inside Iran, including strikes on water infrastructure and universities and research centres. Iran has indicated it will retaliate against US universities and research centres in Gulf countries.
- The situation in Lebanon continues to deteriorate. Lebanon declared Iran’s Ambassador persona non grata, but he has refused to leave the country.

Upcoming Prime Minister and Ministerial engagement with counterparts				
NZ Minister	Country/Territory	Counterpart	Agency lead	Date/timeframe

s9(2)(g)(i)

INTERNATIONAL ECONOMIC IMPACTS AND RESPONSES

Australia

- Australian National Cabinet has today announced a National Fuel Security Plan, a four-level plan owned by the Commonwealth and states/territories. Prime Minister Albanese named the four levels, and confirmed that Australia is currently at Level 2:
 1. Plan and prepare
 2. Keeping Australia moving
 3. Taking targeted action
 4. Protecting critical services for all Australians.
- Australia will halve the **fuel and diesel excise** at 26 cents per litre, and the **heavy vehicle RUC will be reduced to zero**, from Wednesday 1 April for three months. The next heavy vehicle RUC period will also be deferred by six months. The costs for the heavy vehicle RUC reduction are modelled at **AU\$2.55 billion**, and are projected to reduce headline inflation by half a percentage point.
- Legislation will be introduced today allowing the Government to make **emergency spending** when Parliament is not sitting. It allows for contingency spending from **AU\$1-\$3 billion**.
- Previously-announced legislation providing Export Finance Australia with **new powers to underwrite additional purchases** of fuel, fertiliser, and other vital supplies, is being introduced to Parliament today. It is expected to pass the lower house tonight and pass the Senate tomorrow.

Indonesia

- s9(2)(ba)(i)

Singapore

- Singapore continues to take a 'watch and wait' approach on its crude oil supply. However, there are further reports of production cuts at Singapore refineries, which is a leading indicator of persistent supply restraints. Port congestion issues in Singapore are expected to worsen, driving up shipping costs further.

FIT-P Statement

- MTI will announce a joint Future of Investment and Trade Partnership (FIT-P) Statement on the Maintenance of Supply Chain Connectivity today. This is a New Zealand initiative following earlier work by FIT-P on a supply chains declaration last year, with 10 FIT-P member countries in support (Costa Rica, Iceland, Liechtenstein, New Zealand, Norway, Panama, Rwanda, Singapore, Switzerland and Uruguay). This joint statement outlines their interest in ensuring that trade lines stay open, transparent, and resilient. It commits to working together to identify disruptions to the trade of essential goods and exchanging information on how we will approach and mitigate these.

PACIFIC DEVELOPMENTS

- s6(a), s6(b)(l)

The region shares New Zealand's key sources of refined oil – Singapore, South Korea, Malaysia, and Australia. s6(a), s6(b)(i)

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CONSULAR DEVELOPMENTS

- As at Sunday 29 March, the number of New Zealanders in the region registered on SafeTravel is 3,601. Current numbers are: UAE 2,191, Qatar 465, Saudi Arabia 415, Jordan 53, Kuwait 96, Bahrain 77, Iran 40, Iraq 25, Israel and the occupied Palestinian territories 74, Lebanon 28, Egypt 105, and Oman 33.
- The most up-to-date and reliable flight information can be obtained from airline websites. New Zealanders should check their flight's status and airline's website for operational information, before travelling to the airport.
- Our overall assessment is that most New Zealanders who wish to leave Gulf states have now done so, although the ongoing uncertainty and potential for the security environment to deteriorate may prompt a further wave of requests for assistance. Consular assistance is now moving toward more complex cases, rather than New Zealanders requiring immediate assistance to depart.

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US/ISRAEL/IRAN CONFLICT

#14 MFAT DAILY UPDATE – Tuesday 31 March

KEY MESSAGES - UNCLASSIFIED

- New Zealand is gravely concerned about the trajectory of this conflict.
- We want to see all parties acting with restraint and moving toward a negotiated solution so this crisis can end.
- The longer this conflict goes on, the more severe the impacts – for civilians in the region and for the international economy.
- International law, including international humanitarian law, must be upheld.
- **[If asked: Iran allowing some vessels through the Strait of Hormuz]** This is a step in the right direction, but what's needed is an end to the conflict and freedom of navigation fully restored.
- **[If asked: US considering ground operations]** We do not want to see this conflict expand any further. What is critical now is to get to the point where the US and Iran can re-establish trust.
- **[If asked: Houthi attacks on Israel]** This is a concerning development. They have not yet attacked targets in the Red Sea, and we hope they don't. Again, we need to find ways to deescalate the conflict.
- **[If asked: Diplomatic negotiations in Pakistan]** We welcome the efforts of Egypt, Saudi Arabia, Türkiye, and Pakistan to facilitate negotiations. New Zealand wants immediate de-escalation and a negotiated solution to this conflict. A political solution is the best way to get lasting security.
- **[If asked: What about strikes on civilian energy and water infrastructure? Are those strikes legal?]** We are really worried about the way this is escalating. Civilian deaths are deeply concerning. There are clear international rules that govern conflict. There is no question for New Zealand that international law and international humanitarian law have to be observed. Civilians and civilian infrastructure must be protected.

Consular

- The situation remains uncertain and the current conflict could escalate at any time, cutting off departure options without warning. We continue to urge New Zealanders to leave the region on commercial flights or by road now, if they can do so safely. This is the fastest way to safety.

Impacts on the Pacific

- We are monitoring the impact of the conflict on the Pacific.
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Economic Implications

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s9(2)(g)(i)

INTERNATIONAL ECONOMIC IMPACTS AND RESPONSES

Australia

- Australia's Monday announcement of its National Fuel Security Plan, a reduction in fuel, diesel, and heavy vehicle RUC taxes, and the legislating of new powers to finance emergency / contingency supply chain spending, has been well received domestically, ^{s6(a)}

Victoria and Tasmania have since announced free public transport, although NSW has declined to do so due to cost. Federal Treasury modelling suggests inflation could conservatively reach 5%. Australia's fuel supply stock levels remain unchanged.

Singapore

- ^{s6(a), s6(b)(i)}

Malaysia

- Seven Malaysian-linked vessels (including Petronas oil tankers) were cleared for transit through the Strait of Hormuz following diplomatic engagement with Iran. It is likely these crude tankers are en-route to Malaysian refineries to process Gulf crude. ^{s6(a)}

Korea

- ^{s6(a), s6(b)(i)}

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Japan

- s6(a), s6(b)(i)

Canada

- Canada is not facing significant supply challenges, but its oil sector has largely maxed out its production capacity. Canada has agreed in the International Energy Agency (IEA) context to supply 23.6 million additional barrels, ^{s6(a)}
- Canada's 'East-west' oil and LNG exports to Asian and European markets are in a nascent stage of development, although LNG exports have started to flow.

Taiwan

- ^{s6(a)}
- The government has approved measures to keep household natural gas and LPG prices unchanged in April. Further modest increases in gasoline and diesel prices have been passed on to consumers, but the government continues to absorb the majority of international price rises.

Uruguay

- On Friday 27 March, the Uruguayan Government announced a capped 7% rise in the cost of fuel for this month, and other measures to assist the agriculture sector, including concessional credit lines, an expanded credit guarantee scheme, VAT refunds on diesel for agricultural SME's, and subsidisation of public transport. Industry is not yet reporting shortages of urea and phosphate fertilisers, although recent price hikes have affected planting of key crops.

International Energy Agency

- ^{s6(a), s6(b)(ii)}

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s6(a), s6(b)(ii)

PACIFIC DEVELOPMENTS

• s6(a), s6(b)(i), s9(2)(ba)(i)

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• s6(a), s6(b)(i)

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CONSULAR DEVELOPMENTS

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US/ISRAEL/IRAN CONFLICT

#15 MFAT DAILY UPDATE – Thursday 2 April

KEY MESSAGES - UNCLASSIFIED

- New Zealand is gravely concerned about the trajectory of this conflict.
- We want to see all parties acting with restraint and moving toward a negotiated solution so this crisis can end.
- The longer this conflict goes on, the more severe the impacts – for civilians in the region and for the international economy.
- International law, including international humanitarian law, must be upheld.
- **[If asked: Trump’s speech called on allies to secure shipping in the Strait of Hormuz. Will New Zealand take action to help open the Strait?]** New Zealand has not been asked to send military support to the area. If we received a request, this would be a matter for Cabinet.
- **[If asked: Does NZ support the Pakistan-China peace initiative?]** We welcome all efforts that call for dialogue and de-escalation. New Zealand wants an immediate negotiated solution to this conflict. A political solution is the best way to get lasting security.
- **[If asked: Iran allowing some vessels through the Strait of Hormuz]** This is a step in the right direction, but what’s needed is an end to the conflict and freedom of navigation fully restored.
- **[If asked: US considering ground operations]** We do not want to see this conflict expand any further. What is critical now is to get to the point where the US and Iran can re-establish trust and find a political solution.

UK Foreign Minister Conference [for use from 3 March]

- **[If asked: What was the outcome of New Zealand’s attendance at the UK Foreign Minister conference on the Strait of Hormuz?]** The meeting highlighted our deep shared concerns about the situation. It was collaborative and focused on diplomatic options for restoring freedom of navigation and getting goods through.
- Iran’s attacks on fuel tankers and energy infrastructure in the Middle East are directly impacting New Zealand’s economy and leading to higher fuel prices for New Zealanders.
- We joined the meeting as part of our longstanding commitment to freedom of navigation. Our involvement also reflects the critical importance of this region to New Zealand’s economy.
- **[If raised: Why didn’t the Minister of Foreign Affairs attend the conference?]** Given the time of the meeting in NZ (midnight Thursday) and the Minister of Foreign Affairs’ heavy travel schedule this week, the High Commissioner in London Hamish Cooper will attend on the Minister’s behalf.”

Consular

- The situation remains uncertain and the current conflict could escalate at any time, cutting off departure options without warning. We continue to urge New Zealanders to leave the region on commercial flights or by road now, if they can do so safely. This is the fastest way to safety.

Impacts on the Pacific

- We are monitoring the impact of the conflict on the Pacific.
- We know there are risks for the region — fuel imports are vitally important for Pacific Island countries which are often at the end of long supply chains.
- s7(b)(i), s7(b)(ii), s7(b)(iii)

New Zealand takes our obligations to the Realm very seriously, and it’s important that we’re reliable and trusted partners to our Pacific family more broadly. We’re engaging closely with Pacific partners and Australia – including at leaders’ level - to understand needs across the region and how we can best provide support if/when requested.

Economic Implications

- A proportion of New Zealand trade transits through or originates from the Middle East region. Recent trade negotiations and agreements mean New Zealand's security and economic interests are increasingly linked to the Middle East.
- **[If asked: Exports stuck due to conflict]** We are aware some exporters are experiencing impacts, and further effects are likely. Officials are in touch with a range of export sectors.
- **[If asked: Impact on NZ economy]** It is difficult to predict what the consequences might be for New Zealand when we don't know the trajectory of the conflict. There is a risk that continued disruption to global energy supply chains brings higher fuel prices and places upwards pressure on inflation.

END OF PUBLIC MESSAGES. RESTRICTED CONTENT BEGINS HERE.

KEY DEVELOPMENTS AND ASSESSMENTS

- President Trump delivered a primetime address at 2pm NZT (9pm US EST). This reiterated earlier US messaging without offering anything substantively new. Trump said the US is "very close" to achieving its objectives, and operations could be completed within 2-3 weeks. He threatened Iran would be hit "extremely hard" if no resolution is reached, potentially including strikes on energy-related targets. Trump also stated others should "take the lead" on reopening the Strait of Hormuz.
- s6(a), s6(b)(i)
- s6(a)
Iran's President Pezeshkian has issued an open letter to the US population questioning whose interests are being served in the war, noting it is costly for both Americans and Iranians. s6(a)
- New Zealand's High Commissioner to the UK will join a meeting overnight led by the UK Foreign Secretary focused on diplomatic options to ensure freedom of navigation in the Strait of Hormuz. New Zealand continues to engage with partners to gather information to inform any future advice to Ministers.
- s9(2)(h)
- s9(2)(g)(i)
- The UK Prime Minister said it is "increasingly clear" that the UK's "long term national interest" requires closer partnership with European allies. He has noted a summit with EU partners will be announced in the

coming weeks to help “forge partnerships” in a “dangerous world”. The UK’s announcement comes after President Trump has reportedly “threatened to stop” supplying weapons to Ukraine if European allies do not assist in reopening the Strait of Hormuz.

Upcoming Prime Minister and Ministerial engagement with counterparts				
NZ Minister	Country/Territory	Counterpart	Agency lead	Date/timeframe
Min. McClay	RoK, United States, India, Bangladesh, Fiji, Canada, UK, Singapore, Japan, Rwanda, Morocco, Saudi Arabia, Costa Rica, China, Malaysia, UAE	Counterparts	MFAT	Completed from 26-29 March at WTO MC14.

s9(2)(g)(i)

INTERNATIONAL ECONOMIC IMPACTS AND RESPONSES

United Arab Emirates

- All eight monitored Emirates flights from Dubai, bound for New Zealand and Australia, are confirmed operating today. This is the first time all eight flights have operated on the same day since the conflict began 32 days ago.

Australia

- Prime Minister Albanese delivered a national address yesterday evening (1 April), encouraging Australians to “play their part” by conserving fuel and resources for industries and regions. Albanese will also announce AU\$1 billion in interest-free loans for affected businesses in the trucking and freight sector, and sectors using significant amounts of fuel and fertiliser.
- The Australia Tax Office has agreed to provide temporary relief for small businesses that are unable to meet their tax obligations due to fuel supply issues.

Korea

- Korea has raised its crisis alert to Level 3 (Warning) with effect from midnight 1 April. ^{s6(a), s6(b)(i)}

Level 3 will include a tightening of existing restrictions on public sector vehicle use (from 5 to 2 days of use a week) and some expansion to the private sector, with implementation from 8 April.

- s6(a), s6(b)(i)

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Japan

- Prime Minister Takaichi announced the establishment of a new taskforce focused on securing stable supply chains of critical products, led by Minister of Economy, Trade and Industry, Ryosei Akazawa. Its primary purpose is to analyse the supply situation for various products before considering government intervention where supply shortages are identified. Private companies retain primary responsibility for securing necessary supply chains, with the government providing support where required.

- s6(a), s6(b)(i)

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International Energy Agency (IEA)

- s6(b)(ii)

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PACIFIC DEVELOPMENTS

- s6(a), s6(b)(i)

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s6(a), s6(b)(i)

- The Government of Samoa has set the new retail fuel price for April.^{s6(a)}

From the March to April price change was only minimal (up 1% for petrol; up 3% for diesel).^{s6(a)} , PM La’aulialemalietoa continues to project a message of calm, focusing on reassurances to the public that Samoa will have sufficient fuel stocks until June.^{s6(a)}

- s6(a), s6(b)(i)

CONSULAR DEVELOPMENTS

- As at Wednesday 1 April, the number of New Zealanders in the region registered on SafeTravel is 3,529. Current numbers are: UAE 2,138, Qatar 456, Saudi Arabia 379, Jordan 52, Kuwait 94, Bahrain 76, Iran 38, Iraq 24, Israel and the occupied Palestinian territories 78, Lebanon 24, Egypt 118, and Oman 34.
- Our overall assessment is that most New Zealanders who wish to leave Gulf states have now done so, although the ongoing uncertainty and potential for the security environment to deteriorate may prompt a further wave of requests for assistance.

NEW ZEALAND INC POSTS AND PERSONNEL OFFSHORE

- There have been no changes in the status of the safety of our personnel since the previous SitRep.
- **Iran:** The New Zealand Embassy in Tehran remains closed.^{s6(d)}
- **United Arab Emirates:** Both Abu Dhabi and Dubai (UAE) offices are closed to the public although staff in Abu Dhabi can go into the office for essential tasks. The Embassy Duty Officer can be contacted on the Duty Phone for consular enquiries.
- **Saudi Arabia, Egypt and Türkiye:** The posts remain open to the public and continue to operate normally.

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