

Feedback

We welcome feedback from New Zealand exporters on this report as we continue to refine its content. We also invite requests for reporting from New Zealand's network of Embassies and High Commissions. Please direct any suggestions or feedback to exports@mfat.net.

Domestic update

- **Statistics New Zealand's** latest release suggests that **two-way trade** was down 8.5% (\$7.2 billion) overall for the first half of 2020 compared with the same period in 2019. This places New Zealand roughly in the middle of our key trading partners in respect to goods. **Exports** are down 5% (\$2.3 billion) for the first half of 2020 with **services** a significant portion of the drop. **Goods exports** have also fallen overall, largely driven by wood and seafood, but **meat, dairy and fruit** have all grown. **Imports** have been comparatively more affected than exports, down 12% (\$4.9 billion) for the first half of the year and experienced roughly equally across goods and services. Imports of **pharmaceutical products** are one of the few categories to experience growth (up 7%), partly driven by higher prices.
- **Customs New Zealand** has prepared **information** for **small craft seeking to arrive in New Zealand**. New Zealand's maritime border is currently closed under the **Maritime Border Order**. Any foreign vessels, or vessels with foreign crew, must be approved to arrive in New Zealand through an **exemption process** authorised by the Ministry of Health (MoH). Exceptions remain for cargo ships, fishing vessels, and those with humanitarian reasons or other compelling needs. Further details can be found [here](#). Please note that the threshold for exception is high.

Global & Multilateral update

- The **WTO fisheries negotiations** **officially resumed in the week of 14 September** following a period of hiatus due to COVID-19. The September meetings have kicked-off an intensive schedule of engagements between now and December, with WTO Members now expected to be in continual negotiating mode in an effort to reach an agreement by the end of 2020 deadline. Negotiations were launched in 2001 as part of the WTO Doha Development Round and seek to address the known detrimental environmental, development and trade impacts of fisheries subsidies.
- **Income earned by workers around the world declined** by 10.7% (equates to about 5.5% of global GDP) in the first nine months of 2020, according to the **International Labour Organization's** [latest report](#). This estimate excludes income support provided by government measures, which would have made the global drop in labour hours more severe. High-income countries launched fiscal stimulus measures equating to about 10% of working hours, while low-income countries' measures equated to just 1.2% of working hours. 94% of workers are still in countries with some sort of workplace restrictions, and 32% are in countries with closures for all but essential workplaces.

Regional updates

Australia

- **Australian Minister for Energy and Emissions Reduction, Angus Taylor**, released a **Low Emissions Technology Statement** on 22 September. This sits under Australia's Technology Investment Roadmap and will focus on lower emissions, lower costs and more jobs. The Statement outlines **five priority technologies** (including hydrogen, energy storage, carbon capture and soil carbon) and **economic goals** to make new technologies more cost-effective. The goals in the Statement will be backed by a Technology Investment Framework that leverages private and public investment.

Asia

- **China's Ministry of Commerce** has released [details](#) of its “**unreliable entities list**”, initially announced in May 2019. The regulations would **blacklist foreign firms or individuals** whose actions allegedly violate Chinese laws, endanger national sovereignty, security and development interests of China, and violate normal market transaction principles and block, cut supply to or impose other discriminatory measures on Chinese companies, other organisations and individuals. Firms and individuals on the blacklist would be restricted or banned entirely from trading with and investing in China.
- According to an [Asian Development Bank report](#) released last week, 70.6% of **Philippine Micro, Small and Medium Enterprises (MSMEs)** were forced to temporarily close during the pandemic, followed by **Laos** (61.1%), **Indonesia** (48.6%) and **Thailand** (41.1%). Philippine MSMEs also reported the most contract **cancellations** (19.1%) and product and service delivery **delays** (35%). Regarding **employment**, 66.2% of Philippine MSMEs reported temporary staff cuts, followed by Laos (53.5%), Indonesia (51%) and Thailand (42.3%). A total of 3,877 South East Asian MSMEs were surveyed.

Europe

- Last week the **UK Chancellor** announced a range of **new economic measures** in the **Winter Economy Plan** to halt job losses and business failures. New measures included the **Job Support Scheme** (replacing the furlough scheme) with the government providing 22% of workers' pay in “viable” jobs, beginning in November and lasting for six months. Also announced was an **extension of the self-employment income support scheme**; a ‘pay as you grow’ extension giving businesses 10 years to repay bounce-back loans; and a 5% cut to VAT for hospitality and tourism until the end of March.

Americas

- The US Department of Agriculture has announced a further USD\$14 billion of direct assistance to farmers under the US Government's Coronavirus Food Assistance Programme (CFAP). This second round of CFAP payments almost doubles the assistance available to farmers under the programme.
- A US federal judge granted a preliminary injunction on a proposed US ban on social media app Tik Tok, which was to take effect on 27 September. The decision allows the app to continue to be available in US based app stores temporarily. Meanwhile, Chinese state media indicate that Beijing would be unlikely to approve the prospective purchase deal between ByteDance, Oracle Corp. and Walmart Inc.
- The US will expand Brazil's sugar import quota from 230,000 tonnes to 310,000 tonnes, as discussions continue on increasing US sales of ethanol to Brazil. An additional 10,718 tonnes of raw sugar quota have also been allocated to Australia.
- On Friday 18 September, Canada's Foreign Minister Francois-Philippe Champagne announced that Canada would no longer continue free trade talks with China. “I don't see the conditions being present now for these discussions to continue at this time,” Champagne said. Talks were launched in 2016 when Prime Minister Trudeau visited China and Premier Li Keqiang visited Canada. China is Canada's second-largest trading partner after the US.
- A US investigation into the effects of imports on domestic blueberry production is a concern for Chile and Peru, for whom the US is the largest export market. Both countries are among the US's five largest import sources of the fruit.

Middle East

- Despite considerable economic challenges caused by US sanctions and the impact of COVID-19, New Zealand businesses remain engaged in the **Iranian market**. The New Zealand Embassy in Tehran continues to support New Zealand firms and to this end the Embassy (MFAT/NZTE) plans to host early 2021 a further **Iranian market webinar** for NZ business. We envisage this webinar (our fourth) will focus on the implications for the Iranian market of the outcome of the US Presidential Election. More information will be provided on the webinar in due course.
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Market reports released this week

- A report on the [trade between New Zealand and the EU for the year ending June 2020](#) was prepared by the New Zealand Embassy in Brussels.
- A [trade and economic update on France](#), including how New Zealand goods are faring, was prepared by the New Zealand Embassy in Paris.
- An [update on New Zealand's trade with Germany](#) was prepared by the New Zealand Embassy in Berlin.
- Last week's global economic and trade update can be found [here](#).

External links

The following links may provide useful information to businesses:

- [NZTE](#) has a website focused on providing COVID-19 information for exporters. They've also launched [myNZTE](#), an interactive digital portal of insights and tools available to all New Zealand exporters.
- The Treasury releases a [weekly economic update](#) every Friday. Stats NZ has published a [data portal](#) with near real-time economic indicators.
- MBIE publishes a [sector reports series](#) which provides regularly updated reports on all industry sectors that make up the New Zealand economy. These include official economic data and the challenges and opportunities that face New Zealand's industry sectors.
- [Business.govt.nz](#) provides tools and advice from across government to save small businesses' time and help make the business a success.
- MFAT has created a [tariff finder](#) which is designed to help goods exporters and importers maximise benefits from New Zealand's Free Trade Agreements and compare tariffs in 136 other markets.

More reports

View full list of market reports from MFAT at <https://www.mfat.govt.nz/en/trade/mfat-market-reports>

If you would like to request a topic for reporting please email exports@mfat.net

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