

*Substantive updates from the previous report have been shaded red.*

## 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](mailto:exports@mfat.net).

## Multilateral and Supply Chain Updates

- **Japan, India and Australia** have agreed to launch an initiative to achieve **supply chain resilience in the Indo-Pacific region**. A joint [statement](#) by the respective Trade Ministers recognised the need for regional cooperation on building a resilient supply chain in the Indo-Pacific and have called on other countries in the region to join.
- Roberto Azevêdo stepped down as the **Director-General of the WTO** on 31 August, a year early. The position will remain vacant until the appointment of a new Director-General. The process to condense the eight DG candidates down to one – over three different rounds - commenced this week in Geneva, and is intended to conclude by early November 2020.

## Domestic Updates

### Australia

- **Chinese authorities** have **suspended Queensland abattoir John Dee** from **selling beef to China** after banned chemical **chloramphenicol** was detected on 26 August. John Dee is Australia's oldest family owned meat processor. Earlier this year, four Australian abattoirs were suspended from selling beef to China over labelling breaches.
- **Lockdown measures** in **Melbourne** have been **extended** by two weeks, with officials saying new Covid-19 cases had not dropped enough. Victoria State Premier Daniel Andrews said the restrictions would be in place **until 28 September**, with a slight relaxation to allow single people to form a bubble together. A gradual easing of the measures will be implemented from October.

### Asia

- **China's Ministry of Commerce (MOFCOM)** has issued [new rules](#) setting out a centralised **complaints process for foreign-invested enterprises and investors**. The rules give effect to China's Foreign Investment Law that entered into force at the beginning of the year, and will require MOFCOM and its offices throughout China to fairly and promptly consider complaints, and coordinate with other agencies as appropriate from 1 October.
- **India** may face **sugarcane harvest delays** as fears of COVID-19 infections could dissuade millions of migrant workers needed for the harvest, threatening supply worldwide. India is the second biggest producer of cane worldwide, but only 5% of the industry is mechanised.

### Europe

- Following the resignation of **EU Trade Commissioner** Phil Hogan, **Valdis Dombrovskis**, Executive Vice President in charge of the economy, from **Latvia** has been nominated to become **the next EU Trade Commissioner**, subject to normal European Parliament vetting procedures. Following Hogan's departure, Ireland's new **EU Commissioner**, **Mairead McGuinness**, will take over the **Financial Services** portfolio.

- **New Zealand exports to France** have registered a 14.6% increase in the year to July 2020. This is primarily driven by a surge of **respiratory equipment** (NZ\$74 million, +63.7%), almost on par with **meat** (NZ\$75 million, +8.8%) as New Zealand's number one export to France over this period. In contrast, **French imports to New Zealand** are down by 23.8% to \$465.5 million with vehicles, aircrafts and pharmaceutical products all experiencing significant declines.

#### Americas

- The **US** has **extended Section 301 tariff exclusions** for a wide range of **Chinese goods** to until the end of 2020. Products range from disposable face masks and respirators to smart watches, Bluetooth devices and musical instruments. The move follows postponement of a planned six-month review of the recent US-China trade deal, which had been scheduled to take place in August.
- The **US** and **Taiwan** are establishing a new **bilateral economic dialogue** to strengthen ties. This follows the recent easing of long-standing restrictions on US beef and pork imports, cited by the US Administration as a barrier to FTA negotiations.
- To maintain **Mexico's exemption from US steel duties** under section 232 of the US Trade Expansion Act (i.e. on grounds of national security), Mexico will establish a **steel monitoring regime** to address surges in steel pipe, mechanical steel tubing and semi-finished steel imports to the US. Mexico has a free trade deal with the US under the US-Mexico-Canada Agreement (USMCA), which entered into force from 1 July.
- The **Philippines** has **extended its temporary ban on Brazilian poultry products** until Brazil ensures that its products are safe to export. Brazil's Foreign Ministry issued a [statement](#) urging the Philippines to lift its embargo or Brazil would "take appropriate measures with the World Trade Organisation". Brazil has traditionally accounted for approximately 20% of the Philippines' poultry imports.

#### Africa

- Despite projections of an 8% GDP contraction in 2020, various **New Zealand businesses** operating in **South Africa** have reported continued **positive operations and sales**. In the first half of 2020, **New Zealand exports to South Africa** increased by 7.4% against the same period last year and despite the months of lockdown, the second quarter figures were up more than 12% relative to 2019.
- **Kenya** has noted a 36% **decline in milk production**, with some suggesting the government **may be required to import milk powder** to meet domestic demand. While overall production has been declining, recent shortages have been attributed to COVID-19 market disruptions, foot and mouth disease, and unusually cold weather. With a national monthly demand of 54 million litres, the country is experiencing a deficit of 12 million litres. The per capita consumption in Kenya stands at 110 litres per annum, one of the highest in sub-Saharan Africa.

## Market reports released this week

- [Monthly report on international supply chains](#) that provides a snapshot of how international supply chains are functioning, significant actions supporting supply chains, and other issues of interest to New Zealand firms engaged in trade. *(Last update: 7 September)*
- [Market update on Japan](#) prepared by the New Zealand Embassy in Tokyo.
- The [impact of the EU-Viet Nam Free Trade Agreement for New Zealand exporters](#) prepared by the New Zealand Embassy in Ha Noi.
- 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 [COVID-19 economic dashboard](#), and 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](mailto:exports@mfat.net)

## To contact the Export Helpdesk

Email [exports@mfat.net](mailto:exports@mfat.net)

Call 0800 824 605

Visit [Tradebarriers.govt.nz](https://Tradebarriers.govt.nz)

## Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.