

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

- **Global maritime supply chains** have become **congested** causing delays and adding cost to imports and exports. This has been caused by numerous factors including a surge in global sea freight demand as economic activity recovers from COVID-19 restrictions and recent strike action in **Australian** and **United States** ports. The situation has been exacerbated in **New Zealand** due to reduced capacity at **Ports of Auckland**, skilled labour shortages, and constraints on rail capacity between Auckland and **Tauranga**. Reports from exporters confirm **sea freight delays** have impacted them since September, with added congestion surcharges and risk to the quality of primary product when it arrives offshore. **MFAT**, **MPI** and **NZTE** are part of a **Ministry of Transport**-led inter-agency **taskforce** that is actively engaging with ports, freight forwarders, shipping lines and exporters on this issue

Global & Multilateral update

- According to [WTO statistics](#) released on 4 December, the **third quarter of 2020** saw a **partial recovery of world trade in manufactured goods**. Electronics, textiles and automotive products saw growth as production resumed and lockdown measures were eased in major economies. Despite improvements, **merchandise trade** is still well below 2019 levels and preliminary estimates suggest **services trade** remains severely depressed.

Regional updates

The Pacific

- The **New Zealand Ministry for Primary Industries (MPI)** is working with **Tonga's Ministry of Agriculture** on the suspension of the Tongan **watermelon export pathway**. The suspension was provisionally lifted on Wednesday 2 December (last week) by MPI to allow a number of trial shipments prior to Christmas. MPI will closely monitor these to ensure Tongan authorities are implementing the corrective actions without any non-compliance issues.

Asia

- On 7 November, **China** implemented a **new global pre-departure policy** requiring all travellers to China undertake one PCR COVID-19 test (a nasal swab) and one IgM COVID-19 test (a blood sample) and provide these to Chinese Embassies for approval 48 hours prior to departure. At the time IgM testing was not readily available in New Zealand. The Chinese Embassy to **New Zealand** therefore introduced 'interim measures' allowing passengers to undertake 2 PCR tests 48 hours prior to departure. Following advice from the Ministry of Health that IgM tests can now be undertaken in New Zealand, the Chinese Embassy has now announced that the original requirements will take effect from 10 December, with travellers still also able to submit results from the 'interim measures' up until 18 December. China's overall pre-departure requirements remain challenging, however, as New Zealand laboratories still cannot guarantee the turnaround of any COVID-19 test results within 48 hours.

- **Viet Nam's Minister of Health** late last week requested that **food imported into Viet Nam be tested for SARS-CoV2**. At this stage there is little detail available beyond the headline statements. Officials are seeking urgent meetings with Viet Nam's Health, Agriculture, Customs and Trade agencies to understand the potential for New Zealand imports to be impacted by any new testing regime. Food imports make up the majority of New Zealand's exports to Viet Nam.

Europe

- The **UK's transition period** from the **EU** will end on 31 December 2020, when it will leave the EU customs and single market.
- Following a physical meeting with **UK Prime Minister Johnson** in Brussels, **European Commission President von der Leyen** said in a 10 December [statement](#) that "negotiations [for a **post-Brexit EU-UK trade agreement**] are still ongoing. However, given that there is no guarantee that if and when an agreement is found, it can enter into force on time. Our responsibility is to be prepared for all eventualities, including not having a deal in place with the UK on 1 January 2021". Prime Minister Johnson [tweeted](#) on 11 December that it is "time for the public and businesses to get ready" for no agreement by 1 January.
- Information about **how Brexit may affect New Zealanders**, including **exporters**, can be found [here](#).
- In the face of the looming Brexit transition deadline next month, the **UK** and **Singapore** have now agreed to roll over the terms of the existing **Singapore-EU Free Trade Agreement**. The UK and Singapore also announced their intention to launch negotiations on a **Digital Economy Agreement (DEA)**, with the UK acknowledging that these agreements marked another step towards the UK joining the **Trans-Pacific Partnership (CPTPP)**.

Americas

- On 3 December, The **US Department of Agriculture** announced that **the Seafood Trade Relief Program** will be extended into next year, with the sign-up period for the program lasting through to 15 January. The program aids the US seafood industry and fisherman hit by retaliatory tariffs.
- **Ports at Los Angeles and Long Beach** are experiencing significant **congestion and delays** at present. This is impacting on **New Zealand exporters**, particularly those focused on commodities and perishable products.

Middle East

- **Construction** of the [New Zealand Pavilion](#) for **Expo 2020 Dubai** is now **substantively complete**. Construction will now be paused, with finishing elements completed shortly before Expo 2020 commences on 1 October 2021. A key aspect of New Zealand's presence at Expo 2020 is the **NZTE-led business leverage programme**, which includes market discovery, trade delegations and trade show participation throughout the six months of the event. There are also significant opportunities to leverage our participation at Expo 2020 to contribute to our trade and economic recovery and advance foreign policy priorities, including through standalone initiatives using the pavilion's hosting venues and engagement within the Expo hosts' calendar of thematic weeks. For any **queries** pertaining to New Zealand's participation at Expo Dubai 2020, please get in touch with the team via the website: <https://www.nzatexpo.govt.nz/contact>

Market reports released this week

- The New Zealand High Commission in Singapore prepared a [report](#) on Singapore's investment into alternative proteins.
 - Last week's global economic and trade update can be found [here](#).
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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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