

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](#). If you would like to be added to the weekly distribution list for this report, please also email us at exports@mfat.net.

Domestic update

- **Industry stakeholders** have recently reported **sea freight import and export delays** with vessels arriving five to seven days late to New Zealand. The delays have been attributed to multiple causes including deferred import activity from earlier in the year due to COVID-19 shutdowns in trading partners, the death of a worker at the Port of Auckland, and industrial action in Australian ports delaying vessel flows.

Global & Multilateral update

- The **WTO Secretariat** has published a [new information note](#) about how the **global intellectual property (IP) system** relates to the COVID-19 pandemic and potential contributions it could make to efforts to address it. The note describes key features of the **WTO Agreement on Trade-Related Aspects of Intellectual Property Rights** that support the creation, manufacture and dissemination of new technologies as well as access to existing technologies relevant to the COVID-19 response. The note also provides an overview of IP-related measures taken by WTO members and other stakeholders since the start of the crisis.
- The **Pacific Agreement on Closer Economic Relations (PACER) Plus** will **enter into force** on 13 December 2020 for the eight countries that have ratified the agreement - **Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, and Tonga**. PACER Plus is a landmark trade and development agreement which covers goods, services and investment. The agreement is coupled with significant development assistance for Pacific Parties (AU\$25.5million for the first five years) which will improve trade facilitation and market access for Pacific exports, build the capacity of Pacific SMEs to trade, and reduce technical barriers to trade through strengthening international standards and conformance capacity. The Pacific region represents a sizeable market for New Zealand exports, more liberal rules of origin coupled with an increasingly consistent and transparent trading environment provides the opportunity to further grow this trade and investment relationship between New Zealand and the Pacific, as well as strengthening intra-Pacific trade

Regional updates

Australia

- **Australia** is allowing **one-way quarantine-free travel to certain states and territories**. Those travelling from **New Zealand** to Australia are subject to both Australian Federal and State Government entry and quarantine requirements. New Zealand has not changed its Managed Isolation and Quarantine (MIQ) requirements or border settings for people travelling here

Asia

- **Singapore** and **Hong Kong** have agreed to create a **two-way air travel bubble** – opening the way for travel (including for leisure) without the need to be quarantined. Although details are yet to be finalised (including the date for the scheme to come into effect), it is expected that risk management controls will include testing for

COVID-19 and a requirement that flights (for passengers travelling under the scheme) do not take transit passengers.

- **Indonesia's** Parliament has passed the **Job Creation Bill** (commonly known as the Omnibus Bill), revising 79 existing laws to improve the **ease of doing business**. The 812-page Bill promises to relax Indonesia's strict labour laws, streamline duplicative regulations across ministries, and simplify business license and land acquisition processes. Whilst the Bill pre-dates the emergence of COVID-19, recovering from the economic impacts of the pandemic has become a central justification for the Bill. **Implications for New Zealand** (including the US and New Zealand's WTO case against Indonesia relating to animal product and horticultural import licences) will not be clear until regulations are published in coming months. Established businesses in Indonesia will need to remain adept at working around complex regulations and procedures.
- In late August, **India** issued [an order](#) requiring 24 **food product imports to be certified as non-genetically modified (GM)** from January 2021, irrespective of whether the exporting country cultivates a "GM" variety of that product. **MFAT** is working with the **Ministry for Primary Industries** and the **Environmental Protection Agency** on a response to India's proposed measures.

Europe

- Round 2 of **UK-NZ Free Trade Agreement (FTA)** negotiations are currently under way this week and next. There will be a further virtual **EU-NZ FTA** round (Round 9) prior to the end of the year.
- 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 the European Union leaders' meeting in mid-October at which no breakthrough was reached, the EU and UK have **agreed to a 10-point plan to guide the next phase of negotiations** over their future relationship, including a future trade deal. However, time is running short to reach a deal and key issues, including on fisheries, remain. Information about **how Brexit may affect New Zealanders**, including **exporters**, can be found [here](#).

Americas

- The **Trump Administration** [released](#) a **national strategy** on 15 October aimed at **protecting and promoting** the competitive edge of **US critical and emerging technologies**. Sectors include artificial intelligence, energy, quantum information science, communication and networking technologies, semiconductors, and military and space technologies.
- **Hawai'i's pre-departure testing programme** for visitors from **continental US** began on 15 October. Under this initiative, visitors will be able to forgo State-mandated quarantine requirements if they can provide evidence of a negative COVID-19 test taken within 72 hours of arrival. Given Hawai'i's economic reliance on tourism and the State's fiscal deficit of over US\$1 billion, this programme is seen by State officials as an essential first step towards economic recovery. Hawai'i has experienced a 97.7% reduction in visitors since March.
- While the **Mexican economy** is being hit hard by the pandemic, **New Zealand businesses** operating in Mexico have been reasonably resilient to COVID-related disruptions. Based on year-to-date trade statistics, 2020 **exports** from New Zealand to Mexico are on track to exceed those of 2019, and **imports** from Mexico are already higher than in 2019. **Dairy** and **meat exports** have remained stable, while exports of **medical equipment** have tripled.
- The **Brazilian government** has **temporarily eliminated corn and soy import tariffs** from countries **outside the Mercosur trade bloc** until next year. Soy imports (including soybean meal and soy oil) will be exempt until 15 January 2021, while corn imports will not pay the tariffs until 31 March 2021.
- Following a meeting held with members of the government, the **Argentine Agro-industry Council (CAA)** has agreed to establish **four working groups** to produce a draft bill. The bill will address increasing productivity in the various **agribusiness sectors** to stimulate exports and generate employment; maintaining government tax revenues to ensure macroeconomic stability; securing domestic food supply while preventing any food price increases; and simplifying export procedures to improve efficiency and facilitate access to international markets.

Middle East

- The first **Africa New Zealand Business Council virtual link up** was held on 13 October to introduce New Zealand businesses to trade opportunities with **Egypt**. The call has already generated interest with several New Zealand
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based companies having reached out to the embassy for advice and assistance on exporting to Egypt. The Egyptian Assistant Minister for Trade and Industry highlighted during the call that Egypt's economy is expected to grow by 3.6% in 2020. The Assistant Minister also confirmed that trading will commence under the African Continental Free Trade Agreement on 1 January 2021. This could be advantageous for New Zealand companies considering exporting goods to Egypt which could then be re-exported elsewhere in Africa.

Market reports released this week

- A report on opportunities in the US marine sector (boat sales) was prepared by the New Zealand Embassy in Washington [here](#).
- 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 new [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 www.mfat.govt.nz/market-reports

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