

## Feedback

We welcome feedback from New Zealand exporters on this report and 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](mailto:exports@mfat.net).

## Regional Updates

### Australia

- **OECD** members have appointed **Australia's** former Minister of Finance **Mathias Cormann** as the **next OECD Secretary-General**. He was appointed by consensus after he emerged as the candidate with the most support on Friday evening, winning the straw poll by 19 votes to 17 votes for Sweden's Cecilia Malmstrom. Cormann's five-year term will begin on 1 June 2021. Many members expressed their renewed expectations for the OECD under a new Secretary General, the first from the Asia-Pacific.

### Asia

- On 17 March, **Taiwan** announced the official opening of a two way quarantine-free '**travel bubble**' with **Palau**. A number of restrictions will apply, including travellers only being allowed to book and travel as a tour group (no individual travel is allowed).
- For the first time since August 2017, **Japan** has **temporarily raised tariffs** on **U.S. beef imports**, due to volumes exceeding agreed safeguard levels for the year ending 31 March 2021. The tariff will be 38.5% until 16 April, up from 25.8%.
- **New Zealand's** most significant **investors in India** have formed the (provisionally titled) "**India Investment Group**". The Group will provide advice on how to grow New Zealand's investment footprint in India, including exploring possible initiatives to consolidate New Zealand expertise and leverage capital from third countries. The Group is chaired by Earl Rattray (ex-Fonterra) and members include **Fonterra, Zespri, Fisher and Paykel Healthcare, Rakon, and New Zealand Apples and Pears**. It is business-led, voluntary, and supported by the **New Zealand High Commission in New Delhi** and **New Zealand Trade and Enterprise**.

### Americas

- **US President Biden** has signed into law the **US\$1.9 trillion American Rescue Plan Act** to address the health and economic impacts of COVID-19. The Act contains a range of large-scale measures, including funding for COVID-19 vaccine distribution, direct payments of US\$1400 to Americans earning less than \$75,000, and expanded unemployment benefits. The OECD estimates that the stimulus will add one whole percentage point to global GDP growth in 2021 and has raised its 2021 US GDP growth forecast from 3.2% to 6.5%.
- **Katherine Tai** was **confirmed** by the US Senate as **United States Trade Representative (USTR)** in a unanimous vote on 18 March. Katherine Tai is a trade expert who spent the past six years as adviser on matters of international trade to the Democratic Chair and Members of the House Ways and Means Committee. Prior to that, she served in the USTR offices for seven years.
- The Bank of America increased its **forecast of Mexico's economic growth** for 2021 from 3% to 4% (following the 8% contraction in 2020). According to an investors report, it is expected that the US economic recovery will help Mexico. However, Mexico is not expected to recover to pre-pandemic economic levels until 2023. Forecast GDP growth for 2022 is 2%, due to the uncertain economic environment. While the exports sector is recovering, internal consumption and investment remain hard

hit.

- **Final GDP estimates** from **Chile's** Ministry of Finance show that the Chilean economy shrank 5.8% in 2020, driven by large drops in the construction, services, commerce, and manufacturing sectors, though the decline was considerably less than expectations. Chile also ended 2020 with a positive current account balance, of 1.4% of GDP. Despite rising case numbers and increased lockdowns negatively affecting economic performance during the first quarter of 2021, the Central Bank predicts GDP growth in 2021 to reach 6.5 percent. Updated forecasts by private banks are even more optimistic: Santander (7%), Itaú (7.7%) and Capital Group (11%), in light of rising copper and food prices and the rapid vaccination campaign.
- The **Colombian Ministry of Agriculture and Rural Development** launched **new credit lines** with lower interest rates for **small and medium producers**. The special credit lines of up to COP\$1.5 million during 2021 will be managed by Finagro. Four of these credit lines are specifically reserved for economic reactivation, rural women, agricultural sustainability and green business, and Afro-Colombian communities.

### Middle East

- On 23 March, the *MV Ever Given*, a Japanese owned **container ship** ran aground in the **Suez Canal in Egypt**. The ship, has **blocked all maritime traffic** in one of the world's busiest shipping lanes. Approximately 30% of global container ship traffic passes through the Suez Canal, including consumer commodities and fuel. This represents 12% of all global trade of goods. MFAT is closely monitoring the situation in the Suez Canal and if there will be any impact on New Zealand's trade flows.

## Market reports released this week

- The previous global economic and trade update can be found [here](#).
- An update on Japan's economy was prepared by the New Zealand Embassy in Tokyo and can be found [here](#).
- An update on South Korea bilateral trade was prepared by the New Zealand Embassy in Seoul and 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.
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## More reports

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