

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 updates

- The **Ministry for Primary Industries** have published **guidance for employers** who need **extra workers**, including finding seasonal employees, [here](#).
- **New Zealand Trade and Enterprise (NZTE)** are hosting a [webinar on Brexit](#) on **9 October** for the **New Zealand time zone** and a separate session **for New Zealand businesses based in the EU/UK** on **16 October** that will be held in the UK time zone. Each session will have a different focus to reflect where the participants are based.

Global & Multilateral update

- The **first meeting** of the **WTO Committee on Agriculture in Special Session** led by the new Chair Ambassador Gloria Abraham Peralta of Costa Rica, was held on 25 September 2020. This is the forum through which negotiations on agriculture at the WTO are conducted. During the Committee, Australia's new WTO Ambassador George Mina, presented a **Cairns Group technical paper** building the case for an agreed framework for negotiations on domestic support with a view to securing an outcome at MC12 next year.
- The **WTO** released its latest [global trade forecasts](#) this week, in which it projects a 9.2% decline in the volume of **world goods trade** for 2020. This is an improvement over the WTO's previous projection of a 12.9% drop in 2020 and was driven by stronger than expected trade growth in June and July as lockdowns in some countries were eased. Conversely the WTO now project weaker growth in 2021 of 7.2% (down from 21.3%). The WTO also estimates that the **decline in goods trade** will be less severe in **Asia** in 2020 than it will in **North America, South America and Europe**.

Regional updates

Australia

- Australia has announced that from 16 October 2020, it will allow quarantine-free entry into certain states and territories from New Zealand on a one-way basis. *New Zealand has not changed managed isolation and quarantine (MIQ) requirements or border settings for people travelling here. All travellers from Australia, including people returning to New Zealand, are required to undertake two weeks managed isolation and quarantine, undergo COVID-19 testing, and pay a fee, unless exempted.* From 3 November 2020, everyone who checks in to board a flight to New Zealand will be required to hold a voucher for MIQ. The New Zealand Government recommends people [book their voucher](#) before leaving New Zealand.
- Australian Prime Minister Morrison has [announced](#) a \$1.5 billion Modern Manufacturing Strategy as part of Australia's pandemic recovery. Six manufacturing areas have been identified by the Government as National Manufacturing Priorities on the basis of comparative advantage and strategic importance: resources technology and critical minerals processing; food and beverage; medical products; recycling and clean energy; defence; and space. The Government will work with industry to develop detailed and specific roadmaps for each sector by next April. A \$107 million Supply Chain Resilience Initiative to support Australian manufacturers was also announced to invest in capabilities to address areas of identified acute vulnerability domestically.
- Last week the Morrison Government also [announced](#) a significant Digital Business Plan ahead of the 6 October Budget. Much of the funding will go towards establishing a single business registry system and to support direct and more

efficient access to government services. Other announcements include more funding for fibre connectivity and infrastructure to support business; trials to accelerate the roll out of 5G; support for blockchain pilots, fintech exports and regtech; increasing digital skills development and training; supporting digital advice for SMEs; and mandated e-invoicing for all of Federal Government.

Asia

- On 1 October, Japan announced a (unilateral) partial re-opening of its borders to entry by foreign nationals of any nationality holding medium to longer term work or study visas (subject to conditions). All new arrivals have to take a PCR test on arrival and self-isolate for 14 days (this can be done at home or at a hotel). Non-Japanese nationals require an additional pre-departure PCR test before boarding a flight to Japan. For more information visit the [Embassy of Japan in New Zealand website](#).
- On 1 October 2020, an amendment to the Malaysia New Zealand Free Trade Agreement (MNZFTA) entered into force, allowing New Zealand exports, accompanied by a third party invoice, to claim MNZFTA tariff preferences. This amendment provides a permanent and legally binding solution to New Zealand exporters utilising third party invoicing in Malaysia. The amendment replaces a temporary agreement, in place since 2012, which allowed for third party invoicing under MNZFTA but had no legal standing.

Europe

- Following the latest round of **UK and EU negotiations on their post-Brexit future relationship** that ended on 2 October, **UK Prime Minister Johnson** and **EU Commission President von der Leyen** held talks over the weekend (3 October). In a [joint statement](#) both sides agreed “to speak on a regular basis”, signalling intensified political engagement over the coming months in order to try and resolve the outstanding areas of difference (state aid, fisheries, and dispute resolution). The talks followed President von der Leyen’s [announcement](#) that the **EU** had launched **legal proceedings against the UK over its Internal Market Bill** amid concerns it would undermine commitments made under the Withdrawal Agreement, relating to the provision of state aid to Northern Ireland.
- **British beefs exports into the US resumed** last Wednesday for the **first time in 20 years**. British beef was initially banned after the 1996 BSE outbreak (commonly known as Mad Cow Disease). The US Food Safety Inspection Service undertook audits at UK beef, pork and lamb facilities in 2019. Pork exports continue while lamb exports have yet to begin.
- The **UK and Norway** [signed](#) a **bilateral fisheries agreement** on 30 September, providing fishing access into each other’s waters. This largely rolls-over from the previous pre-Brexit arrangement that Norway negotiated with the EU. The new agreement provides for annual quota negotiations, and delinks the issues of fish catch and trade in fish.
- **Dutch primary industries** have remained resilient throughout 2020, contracting by only 3% despite COVID-19. With restaurants having to close over the lockdown period, **supermarkets and speciality stores** experienced an increase in sales. Consumers ordered more meal boxes on line, and choose healthier options, while the consumption of eggs and sheep meat increased.
- On 27 September, 62% of **Swiss voters rejected a referendum** to scrap Switzerland’s existing **agreement with the EU on mutual free movement**. Switzerland has seven bilateral agreements with the EU covering free movement, as well as a range of trade and economic issues, which give Swiss businesses direct access to the European market. A withdrawal from the free movement agreement would have triggered the so-called ‘guillotine clause’, where a withdrawal from one of the seven agreements suspends the six others.

Americas

- The **US** is **appealing** the **WTO’s ruling** from August that upheld **Canada’s** claims that **US countervailing duties imposed on Canadian softwood lumber exports** were inconsistent with global trading rules. The appeal leaves an uncertain path ahead for the case, since an ongoing impasse over judicial appointments has meant that the WTO Appellate Body is currently unable to hear appeals brought by members.
 - On 1 October, the **US Agriculture Department** and **Food and Drug Administration** [announced](#) the signing of a [Memorandum of Understanding](#) that outlines strengthened coordination to facilitate the export of milk and milk products from the US.
 - On 28 September, a court in **California** heard arguments in a case pitting **Apple** against **Epic Games**, the maker of “**Fortnite**” (a hit video game). At issue is whether the control exerted by Apple over the software that can run on its smartphones amounts to a monopolistic abuse of power. The ultimate verdict may have **implications for rules relating**
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to other digital marketplaces.

- The **Trump Administration** issued an [executive order](#) on 30 September to bolster **domestic rare earth mining** in order to **reduce US dependence** on **Chinese imports** of critical minerals. The US currently imports 80 percent of its rare earth elements directly from China. US action may include tariffs, quotas or possible import restrictions. Rare earths are minerals used to build a range of industrial and consumer electronic goods.

Middle East

- The **Gulf** continues to feature among **New Zealand's fastest growing goods export markets**. [Stats NZ August 2020](#) trade figures for the 12 months ending August 2020 (September 2019 – August 2020) show our goods exports to **Saudi Arabia** and **the United Arab Emirates** have increased **38.3%** and **16%** respectively, leading New Zealand's top 20 export markets for percentage change in growth. Despite the Covid-19 pandemic, collective goods exports to **the Gulf Cooperation Council countries (Saudi Arabia, Bahrain, Qatar, Kuwait, Oman and the United Arab Emirates)** have grown **26.5%** this year-to-date (January 2020 – August 2020). The bulk of these exports continues to be dairy (65%), meat (10%) and fruit and nuts (4.4%). The Gulf region **imports** over 90% of its food and beverage needs.

Market reports released this week

- 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

To contact the Export Helpdesk

Email exports@mfat.net

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