

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.

Domestic Updates

- On 6 April, Prime Minister Jacinda Ardern [announced](#) the **commencement** from 11:59pm 18 April (NZT) of **quarantine-free travel (QFT) to New Zealand from Australia**. Under QFT, eligible travellers from Australia will be able to enter New Zealand without having to go into a managed isolation facility when they arrive. Australia has allowed QFT from New Zealand since October 2020. The commencement of QFT from Australia means travellers can now move in both directions across the Tasman without the need for managed isolation (although Western Australia is not currently allowing QFT from New Zealand).

Global & Multilateral Updates

- The **fourth round of negotiations** on the [Agreement on Climate Change, Trade and Sustainability](#) (ACCTS) took place virtually during March. Participants - **New Zealand, Costa Rica, Fiji, Iceland, Norway and Switzerland** - are making good progress in developing an "environmental goods" short list based on a large long list of nominations. Steady progress was also made on textual elements for environmental services and eco-labelling, and towards resolution of important questions of scope in fossil fuel subsidy negotiations. Chief Negotiators discussed the 2021 forward work plan. A legal and institutional group has also been established for Round 5, which will take place from 4 May to 3 June. ACCTS is a new initiative that brings together some of the inter-related elements of the climate change, trade and sustainable development agendas and demonstrates how these objectives can be mutually-reinforcing. ACCTS covers four key areas: the removal of tariffs on environmental goods; the establishment of new and binding commitments for environmental services; the establishment of disciplines to eliminate harmful fossil fuel subsidies; and guidelines to inform the development and implementation of voluntary eco-labelling programmes.
- On 31 March, the **Group of 7 (G7) Trade Ministers** (US, Germany, UK, France, Canada, Italy and Japan) released a [joint statement](#) following their first meeting under the inaugural **G7 Trade Tract**, expressing their commitment to make the global trading system fairer, more sustainable and responsive.
- The **World Trade Organisation** [released](#) its latest **global trade forecasts** on 31 March. The volume of world merchandise trade is expected to increase by 8.0% in 2021 after having fallen 5.3% in 2020, continuing its rebound from the pandemic-induced collapse that bottomed out in the second quarter of last year.

Regional Updates

Australia and the Pacific

- In the lead up to **Australia's** conclusion of its JobKeeper wage subsidy scheme on 28 March, the Government announced a A\$1.2 billion **tourism and aviation support package**. The package included half-price airline tickets and direct support to keep airlines and their workers ready for the restart of international aviation. The announcement also included the Government **extending** its existing **loan guarantee scheme** to provide more loans at better terms for a range of struggling SMEs once JobKeeper ended. The Government has been critiqued as offering too little to both the tourism and hospitality industries which continue to struggle, especially in the larger cities.
- In March, **Statistics New Zealand's** [trade dashboard](#) reported an 83% decline in goods and services

imports from **Samoa** to New Zealand in the December 2020 quarter compared to the previous year. NZ\$ 6.79 million in imports was reported, with travel (NZD 3.28 million) being the most significant import. Statistics New Zealand recorded a 41% decline in goods and services exports from New Zealand to Samoa in the December 2020 quarter compared to the previous year. NZ\$ 38.55 million in exports was reported, with travel (NZ\$ 5.84 million) being the most significant import followed by sawn wood (NZ\$ 3.99 million), machinery (NZ\$ 3.41 million), electrical machinery and equipment (NZ\$ 2.11 million).

Asia

- **India** is seeking to **grow** its **smartphone assembly industry** and strengthen its **electronics supply chain**. According information recently released by Indian officials, the government is considering offering financial incentives to entice semiconductor companies to establish manufacturing units in the country. The move comes in the wake of global semiconductor shortages caused by COVID production disruptions and, more recently, by a resurgence in demand for virtual working and entertainment products.

Europe

- **Round 10** of **NZ-EU Free Trade Agreement negotiations** took place virtually over 22-30 March. Useful further progress was made, with more text agreed and positive momentum maintained over thirty-two different early morning and late night sessions. There have been advances on trade and sustainable development, trade and gender, geographical indications, telecommunications, and the goods chapter text, amongst others. Discussions on areas such as intellectual property remain sensitive and challenging. New Zealand continues to make clear the need for a commercially meaningful goods market access offer from the European Union, in order to unlock further progress in the negotiations. **Round 11** expected to take place over June/ July, and work will continue to advance issues before Round 11 where possible.

Americas

- The **US economy** added 916,000 **jobs** in March. The largest gains were in the leisure and hospitality sector, while construction, education and health services also expanded their workforce. The headline unemployment rate dropped to 6% as a result, which is 8.4 million fewer jobs than the pre-pandemic peak.
- **Canada's Supreme Court** ruled on 25 March that the **federal Greenhouse Gas Pollution Pricing Act 2018**, which imposes a **nationwide carbon pricing scheme**, is **constitutional**. The Court rejected the appeals from the provincial governments in Saskatchewan, Ontario and Alberta, judging that while natural resources usually fall under provincial jurisdiction, Canada's federal Government is able to adopt a national approach to matters of 'national concern', such as climate change.
- The leaders of **Argentina, Brazil, Uruguay** and **Paraguay** held an **online summit** on 26 March to mark the 30th anniversary of their joint **Mercosur** trade area. Uruguayan President Luis Lacalle Pou expressed frustration at the pace of trade negotiations with other blocs and countries, and urged formal discussions on liberalising Mercosur's negotiating rules. Brazilian President Jair Bolsonaro largely echoed the message. Meanwhile, Argentine President Alberto Fernandez defended maintaining Mercosur's current negotiating rules.
- The latest **Inter-American Development Bank macroeconomic report** warns of **ongoing uncertainty** in 2021 in **Latin America** and **the Caribbean**. The report points to regional GDP growth of 4.1% this year after a 7.4% decline in 2020 – the worst annual crash on record since 1821.

Middle East and Africa

- **Israel** has carried on with **plans to open the Taba border crossing** (south of Eilat) into **Egypt**. A maximum of 300 Israeli (vaccinated or recovered) will be allowed to enter Egypt until April 12 (review date). The crossing was closed for the past year. The development follows Israel's speedy distribution of the COVID-19 vaccine to its population (currently 52% of Israelis are completely vaccinated) and a 39% decrease in active COVID-19 cases.
 - **Egyptian authorities** have opened an **investigation** into how the **container ship Ever Given** blocked the **Suez Canal** for six days, disrupting global trade and causing billions of dollars in losses. The Suez Canal Authority confirmed that the backlog of 422 ships queuing at both ends of the canal was cleared on 4 April. The *Ever Given* remains anchored in the Great Bitter Lake, halfway along the Suez Canal, pending
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the outcome of the investigation. The Suez Canal Authority is seeking approximately US\$1 billion in damages from the ship's owner. Shipping lines are undertaking a variety of strategies to combat the ongoing impact of the backlog – some have indicated a short-term stop on EU and Asia origin bookings to Oceania due to concerns around container shortages; others are accepting bookings but with additional capacity restrictions in place.

Market reports released this week

- The previous global economic and trade update can be found [here](#).
- An economic update on Bangladesh was prepared by the New Zealand High Commission in New Delhi and can be found [here](#).
- A report on the inaugural New Zealand-Kuwait Foreign Ministry Consultations was prepared by MFAT's Middle East and Africa Division in Wellington 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.

More reports

View full list of market reports from MFAT at www.mfat.govt.nz/market-reports

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