

Global economic and trade update for New Zealand businesses

Market Report

# Feedback

We welcome feedback from New Zealand exporters on this report and invite requests for reporting from New Zealand's <u>network of Embassies and High Commissions</u>. If you would like to be added to the weekly distribution list for this report, please also email us at <u>exports@mfat.net</u>.

## **Domestic Updates**

- At 11.59pm Friday 30 July, Quarantine Free Travel green flights from Australia will cease. Until travel resumes, trans-Tasman travellers will now need to secure a space in MIQ through the Managed Isolation Allocation System (MIAS). For New South Wales (NSW), eligible travellers will be able to register their interest from 10am Friday 30 July 2pm Tuesday 3 August NZT in a tranche of three managed return flights from New South Wales, which will operate between 9 22 August. Public messages are available on the <u>Unite against COVID-19 website</u>. People in Australia are advised to register with <u>Safe Travel</u> website and subscribe to the United Against COVID-19 travel notification service.
- On 3 August, **New Zealand** Prime Minister Jacinda Ardern announced that New Zealand is working towards **potential quarantine-free travel from Samoa, Tonga and Vanuatu** to New Zealand. The intention is that any quarantine-free travel arrangements would be one-way for entering New Zealand only. Travellers would still undergo quarantine on return to Samoa, Tonga and Vanuatu. It is anticipated that quarantine-free travel to New Zealand would be permitted for specific purposes, such as work (RSE) or to access medical or education services. While there will not be travel from all three immediately the MFAT are working towards this opening up in September.
- In **New Zealand**, **shipping disruptions** have translated into unpredictable and "bunched" ship arrivals, and **congestion** at several ports. Ships are taking longer to complete each rotation in their schedules and are calling less frequently at each port, effectively reducing available capacity.

## **Global & Multilateral Updates**

• The World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Council is continuing to discuss the proposal of intellectual property protections for COVID-19 products ("TRIPS waiver") and the parallel European Union proposal to clarify existing flexibilities in TRIPS rules. In June, the TRIPS Council chair has set an ambitious objective for the Council to agree a position before August. However, discussion are set to continue given WTO Members remain divided on the two proposals. New Zealand has continued to advocate for the WTO to adopt a waiver in relation to COVID-19 vaccines as well as other measures to remove barriers and facilitate trade in COVID-19 products.

## **Regional Updates**

#### Australia and the Pacific

- Consultants EY <u>assess</u> the lockdowns are currently costing the Australian economy A\$2.8 billion per week, with the largest proportion of that resulting from the restrictions in NSW. While noting Australia's strong bounce back from last year's lockdown-induced recession, Treasurer Josh Frydenberg has signalled that "it won't be surprising if the September quarter is negative."
- On 29 July, **Australia** and the **UK** <u>signed</u> **a Letter of Intent** to establish a "partnership on low emissions solutions". Cooperation will focus on research and development across six technologies including clean hydrogen; carbon capture and use; carbon capture and storage; small modular reactors including advanced nuclear designs and enabling technologies; low emissions materials including green steel and

soil carbon measurement.

 Sāmoa's new FAST Government has extended the country's COVID-19 State of Emergency (SOE) by four weeks from Sunday 1 August to Sunday 29 August, 2021. Existing strict border measures remain unchanged. With effect from 2 August the new orders contain relaxed Sunday trading hours and restrictions, and restored inter-island ferry services between Upolu and Savaii in an effort to boost the domestic economy.

#### <u>Europe</u>

• The **French Parliament** has **adopted** a **Climate Resilience Law** to help reach France's target of cutting emissions by 40% by 2030 without increasing France's carbon price. The Law is a diverse collection of measures to reduce emissions from consumption, transportation, housing and agriculture primarily. The law also addresses biodiversity protection, by protecting 30% of France's territory and by creating an ecocide offense under French law.

#### **Americas**

• Port congestion, limited freight capacity and ensuing high prices remain problematic for importers and exporters in relation to the US market. The Port of Long Beach, a central hub for the import and export of goods into the US market, forecasts freight congestion to continue well into the 2022 calendar year. Long Beach is one of the top US ports of entry for New Zealand goods. It is the second busiest port in the US, handling more than eight million 20-foot container units per year, and a fifth of all US goods exports. Wine, meat, fruit (apples, kiwifruit) and wood products were the top imports to the port from New Zealand last year.

#### Middle East and Africa

- The **Te Aratini/Festival of Indigenous and Tribal Ideas website** has been **officially launched** (<u>www.tearatini.com</u>). This is an exciting step forward in the planning process and an opportunity to build public support and profile for this important event which New Zealand will host during **Expo 2020 Dubai** on 17-19 November, in partnership with Iwi Chairs and six other countries. On 16 November, prior to the start of Te Aratini, an indigenous business forum will be held. Māori Businesses, the Iwi Chairs Forum and Whanganui Iwi are dealing with directly NZTE, MFAT and the Expo Commissioner-General on a range of business and cultural leveraging opportunities.
- Saudi Arabia reopened tourism visas on 1 August for fully vaccinated travellers to enter the country without institutional quarantine. Visitors must register their vaccine online in advance of travel, have a negative PCR test, and install Saudi Arabia's contact tracing app on arrival. Tourism visas are open to applicants from 49 nationalities (including New Zealand), though entry to Saudi Arabia from the UAE and 12 other countries is still prohibited.

### Market reports released this week

- The previous global economic and trade update can be found <u>here</u>.
- A German economic update was prepared by the New Zealand Embassy in Berlin, in consultation with NZTE Berlin, and can be read <u>here</u>.
- A report titled "US Competition Order Targets 21<sup>st</sup> Century Titans" is available <u>here.</u>

## **External links**

The following links may provide useful information to businesses:

- <u>NZTE</u> has a website focused on providing COVID-19 information for exporters. They've also launched <u>myNZTE</u>, an interactive digital portal of insights and tools available to all New Zealand exporters.
- The Treasury releases a <u>weekly economic update</u> every Friday. Stats NZ has published a <u>data portal</u> with near real-time economic indicators.
- MBIE publishes a <u>sector reports series</u> 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.
- <u>Business.govt.nz</u> provides tools and advice from across government to save small businesses' time and help make the business a success.

• MFAT has created a <u>tariff finder</u> 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 <u>www.mfat.govt.nz/market-reports</u>

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### To contact the Export Helpdesk

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