# Global economic and trade update for New Zealand businesses

Market Report

10 September 2021

## **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**

- The New Zealand Government has reduced the COVID-19 alert level settings outside Auckland to Alert Level 2 from Tuesday the 7<sup>th</sup> of August at 11:59 pm. The Auckland Region will remain at Alert Level 4. Decisions on further changes will be made on Monday the 13<sup>th</sup> of September. For further information, please refer to the New Zealand government COVID-19 website <a href="https://covid19.govt.nz/">https://covid19.govt.nz/</a>, including information about doing business at different Alert Level settings and financial support for businesses.
- On 1 September, the Minister for COVID-19 Response Hon Chris Hipkins announced an extension to the pause on future Managed Isolation Allocation System (MIAS) room releases and a "virtual lobby" pilot for the next MIAS release. The MIQ system is currently under significant pressure due to the need to provide isolation and quarantine facilities for the New Zealand domestic COVID-19 outbreak. The Government is actively looking to ease that pressure with the current pause as well as via deferring or downsizing some large group arrivals. MIQ have also announced changes to the categories for Emergency allocations, including a new category for those who have suffered the bereavement of a close relative.

# **Regional Updates**

#### **Australia and the Pacific**

• Passengers were not permitted on the most recent passenger flight from New Zealand to Niue on 6 September (Niue time, 7 Sept NZ time). The flight carried cargo and a small number of outbound passengers to New Zealand. Niue's Cabinet has also confirmed all inbound travellers are now required to be vaccinated.

#### <u>Asia</u>

• China's Maritime Safety Authority notified a new regulation on 27 August that requires certain vessels to report in advance before passing through China's "territorial sea" (a maritime zone extending 12 nautical miles from the baseline of a coastal state) and declare certain dangerous cargo. The regulation came into effect on 1 September. Agencies are analysing the new regulation and will provide further information as we complete that analysis.

#### **Americas**

- Prior to the Delta surge there were widespread expectations that following Labor Day (6 September) economic recovery in the US would kick into a higher gear. Instead, economists are noting event cancellations, reduced consumer spending, a hiring slow-down, travel restrictions and renewed mask mandates are indicative of a wider economic downturn. The pace of hiring has dropped, down from 1 million in June and July to 235,000 in August. Apple, Amazon, Wells Fargo, Chevron and Prudential Finance have all reversed plans to reopen in-person offices.
- On 7 September, Canada reopened its border to non-essential travel for fully vaccinated international travellers after a 17-month border closure (US travellers have been able to enter Canada for the past month). This permits quarantine-free entry into Canada (including for tourism or other non-essential purposes) for those who have received a negative COVID-19 PCR test and have proof of full vaccination at least 14 days prior to entry. Children up to the age of 12 are exempt from the requirement to be vaccinated. Further details are on the <a href="Arrive Can">Arrive Can</a> website.

- During the first semester of 2021, **Mexican airline passenger numbers grew** at an annual rate of 35.4%, reaching pre-pandemic levels. According to official data, the airlines transported 23.1 million passengers in the first six months of 2021, only 9.85%less than in 2019 for the same period. In 2020, the airlines lost over USD\$9.3 billion, with a decrease of 47% of national passengers and 59% of foreign passengers.
- On 31 August the Argentine Government announced the extension of beef export restrictions until the
  end of October. Exports will remain limited to half of the 2020 average monthly volumes, with some
  existing exceptions retained, including the sale of some cuts to the United States and Israel. Rural sector
  representatives remain in discussions on how to respond to this announcement.
- Ecuador President Guillermo Lasso publicly announced the beginning of Free Trade Agreement (FTA) negotiations with China, with the ambitious aim of signing an agreement by March 2022 when Lasso indicated he would visit China at the invitation of Xi Jinping to attend the Winter Olympics. The FTA with China falls within Lasso's aim to fast track agreements with major economies during his four year term. Lasso also reiterated Ecuador's objective to conclude the process to join the Pacific Alliance.

#### Middle East and Africa

• Qatar is introducing new shelf-life requirements for a range of products in order to protect the domestic dairy industry, including UHT cream and cream. Qatar issued a similar circular in 2019 reducing the shelf life for UHT milk and mozzarella cheese to 45 days. In this latest measure issued in August, Qatar has extended the scope of the 2019 requirements to include more dairy products as well requiring that at least 80% of the shelf life of the product is remaining at the time the product arrives in market. With the significant freight distance, this will likely have some impact on New Zealand dairy exports into the country. MFAT and MPI are clarifying these requirements and considering any further actions. Further information will be provided in due course. The measure also prohibits the import of products from countries deemed to have Foot and Mouth Disease (FMD) as reported by the World Organisation for Animal Health (OIE), which includes Egypt, Saudi Arabia and Morocco.

## Market reports released this week

- The previous global economic and trade update can be found here.
- A report on <u>Opportunities in Thailand for New Zealand Agritech</u>, prepared by the New Zealand Embassy in Bangkok, with input from NZTE, has been published.
- A report is now available on <u>German Businesses Keen to Diversify their Sources of Supply</u>, prepared by the New Zealand Embassy Berlin, in consultation with NZTE Berlin.
- A report on <u>Singapore's Construction Industry</u> was prepared by the New Zealand Embassy in Singapore.

### **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 <a href="www.mfat.govt.nz/market-reports">www.mfat.govt.nz/market-reports</a>

If you would like to request a topic for reporting please email <a href="mailto:exports@mfat.net">exports@mfat.net</a>

# To contact the Export Helpdesk

Email exports@mfat.net
Call 0800 824 605
Visit Tradebarriers.govt.nz

## **Disclaimer**

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.