

## 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).

## Domestic Updates

- **Quarantine Free Travel** from the Australian state of **Victoria to New Zealand** will be **paused** from 1.59am (NZT) Friday. The pause will run for at least four days from 1.59am (NZT) Friday 16 July and be subject to further review on Monday 19 July. The full press release can be found [here](#).
- Entries for the **Westpac Champion Business Awards 2021** for the Canterbury Region closes next Friday 23 July. All entries can be submitted through the online platform [here](#). You can find the award categories and descriptions [here](#).

## Regional Updates

### Australia and the Pacific

- **Australia** has issued a [public plan](#) to **reopen borders** and an expressed intent to move away from aggressively suppressing the COVID-19 virus to “living with it”. The “**pathway out of COVID**” was agreed between federal, state and territory leaders at National Cabinet on Friday 2 July. It outlines four phases: (1) Vaccinate, prepare, pilot (current phase); (2) Post-vaccination (from 2022); (3) Consolidation; (4) “New normal”. Within the plan, it was also announced that current caps on international arrivals would be halved by 14 July until at least 31 August 2021, and that during Phase One, Australia would look to undertake a “very small” pilot with reduced quarantine requirements for vaccinated returning travellers.
- **Australian Treasury's [2021 Intergenerational Report](#)** projects that Australia's **economy will grow more slowly** over the next 40 years than it has done in the past, although real GDP growth is still predicted to average 2.6% over the same period. Australian Government spending is projected to grow significantly as population growth slows and the population ages.
- The **Samoa Bureau of Statistics (SBS)** this week reported that **Samoa's GDP** declined by 7.0% in the March 2021 quarter, recording a total GDP in real terms of \$459.6 million. The **economy** continues to decline due to the impacts of the COVID-19 pandemic affecting economic activity within the March 2021 quarter including international travel restrictions, reduced trade, global control measures and national lockdown. The pandemic has directly affected most sectors of the economy with SBS data showing wholesaling activities, travel and tour related activities, construction, air and land transport, accommodation and restaurant and financial services being the hardest hit.

### Asia

- On 10 July, **Singapore** and the **United Arab Emirates** announced **restrictions on travellers from Indonesia** due to the deteriorating COVID-19 situation in Indonesia. From 11 July, passengers from Indonesia cannot transit through the UAE. From 12 July, transit through Singapore is not possible if a passenger has a travel history to Indonesia in the previous 21 days.
- The **Thai Government** has moved forward with **plans to reopen Thailand for tourism**, centred around the ‘**Phuket Sandbox**’ scheme. Under the scheme, vaccinated tourists have been able to travel quarantine-free to the resort island from 1 July, following a drive to vaccinate more than 70% of Phuket residents. The Sandbox is intended to be a model for other tourism-dependent areas in Thailand, which are set to re-open to international tourists in stages over the following months. Unfortunately, the Government's plans have coincided with a new COVID wave concentrated in central and southern Thailand, which led

to an all-time high of 9,500 new daily cases on 11 July. While additional COVID restrictions have been imposed in high risk provinces (including Bangkok), at this stage, the Phuket Sandbox scheme is continuing as planned.

- **India's Commerce and Industry Minister Piyush Goyal** proposed a **services trade agreement** between friendly nations of the **Indo-Pacific region** during a special trade ministers plenary session at the 6-8 July Indo-Pacific Business Summit, saying "it can help liberalise domestic regulations and build capacity on e-commerce and IT-enabled services and other areas such as Artificial Intelligence."

## Europe

- **Round 11** of the **EU-NZ Free Trade Agreement negotiations** took place virtually over 28 June – 8 July. Good further progress was made over thirty-four negotiating sessions across twenty chapters. Officials saw an up-tick in progress, and a number of chapters, including competition and energy & raw materials, have moved closer to conclusion. There was also useful further progress in other areas such as telecommunications, rules of origin, services and investment. Revised goods market access offers were exchanged this round. The EU offer includes improvements in areas such as horticulture, but there remains more work to do to achieve a high quality, commercially meaningful agreement that delivers for New Zealand exporters across other key sectors. **Dates for Round 12** are yet to be confirmed, though intersessional work between rounds will continue, as officials push for conclusion as soon as possible.

## Americas

- **Airlines for America**, the US Travel Association, and 22 other groups have outlined a [roadmap to immediately reopen international travel](#). The groups want to keep restrictions only for the highest-risk countries, while residents of low- to moderate-risk countries could enter the US with no additional requirements if they have been vaccinated and have not had COVID-19 in the last three months. Those who have had COVID-19 would need to provide medical proof of recovery or a negative test within 72 hours of departure. Unvaccinated people would also be allowed to enter the country with a negative test. The groups have called upon the Biden Administration to immediately reopen travel between the US and the UK. In parallel, 75 members of the House of Representatives sent a [letter](#) calling for the reopening of the US border with Canada to nonessential travellers.
  - **Imports** at the **US' largest retail container ports** are continuing to show double-digit **growth** over last year as strong consumer demand continues. According to the monthly Global Port Tracker [report](#) by the National Retail Federation (NRF), major US commercial ports imported more than 2.33 million shipping containers in May representing an 8.6% increase from April and a 52.2% increase from May 2020. If trends continue, NRF forecasts that container imports for 2021 will be up nearly 17% from a year ago.
  - The **US Bipartisan Congressional Trade Priorities and Accountability Act of 2015** – known as **Trade Promotion Authority (TPA)** – **expired on 1 July**. TPA is a fast track authority that Congress uses to establish trade negotiating objectives, notification and consultation requirements, and procedures to consider implementing legislation for certain reciprocal trade agreements. It ensures time-limited congressional consideration and an up-or-down vote with no amendments.
  - **Argentina's Paraná River** measured at the **port of Rosario** is seeing some of its **lowest water levels in decades**. The historic low levels are expected to result in additional costs of US\$315 million for the agribusiness sector between March and August 2021. During 2020, the Rosario port terminal shipped 70% of Argentina's grain exports, 96% of vegetable oil exports and 96% of flour exports, valued at about US\$20 billion, which is equivalent to 37% of Argentina's exports for the year 2020.
  - At a meeting of **Mercosur finance and foreign ministers** on 7 July, **Uruguay** Foreign Minister Francisco Bustillo announced that Uruguay would start **bilateral trade negotiations with third parties** while remaining a full member of Mercosur. The Uruguayan Government argued that Mercosur Resolution 32, which determines that free trade agreements with other countries and blocs must be adopted by consensus, was never internalised by the full members of Mercosur and therefore is not in force.
  - Central Bank figures for **Chile's trade balance** in the first half of 2021 showed that the volume of **exports** grew 21.5% over the previous 12 months, and export value increased 29.4% over the same period. The value of copper exports grew 58.4%. **Imports** increased 42.1% over last year's levels. China continues to be Chile's principal export market (38.6%), followed by the US (15.9%) and Japan (7.6%); the top three markets for imports were China (27.9%), the US (18.3%) and Brazil (7.8%).
  - **AES Andes**, a subsidiary of Fortune 500 company AES Corporation – headquartered in the US and one of
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Chile's principal private electricity producers – has struck a deal with the **Chilean Ministry of Energy** to **phase out four coal- powered thermoelectric plants by 2025** (it runs five in total). The deal is worth over US\$600 million. The plants produce a total of 1097 MW (25% of the current carbon-derived energy market) but have been malfunctioning since 2017 and are not profitable. AES Andes expects to grow its renewable portfolio by 165% by 2024 (it already has a diverse portfolio of power plants in Chile that includes hydro, solar and wind power generation).

- According to **Colombia's** border authorities, **international air connectivity** is beginning to **return to pre-pandemic levels**. Eleven international airlines have announced 23 new routes to/from Colombia this year. The airports of Bogotá, Medellín and Barranquilla are leading this reactivation.

#### Middle East and Africa

- **Egyptian halal certification company IS EG Halal** has advised that it will assume **responsibility for halal certification of all meat exports to Egypt** from 1 August 2021. Any product that already has an import certificate prior to 15 July would not be affected. Further information to come.
- On 22-23 June, the **New Zealand Embassy in Riyadh** attended the opening of a **joint venture** between New Zealand's Pultron Composites' subsidiary company **Mateenbar Ltd**, and **Saudi Arabia's IKK Group** in Dammam, Eastern Province. The product (Mateenbar) is an innovative technology that uses New Zealand IP but will be manufactured locally in Saudi Arabia. It is a construction product (rebar) that does not corrode, making it more durable and sustainable than steel rebar. The launch was an opportunity to highlight innovative New Zealand technology.

## Market reports released this week

- The previous global economic and trade update can be found [here](#).
- A report on the South African economy was prepared by the New Zealand High Commission in Pretoria and can be read [here](#).
- An Algeria economic update was prepared by the New Zealand Embassy in Cairo [here](#).
- An overview of the Dutch High-Tech Sector prepared by the New Zealand Embassy in The Hague is available to read [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

View full list of market reports from MFAT at [www.mfat.govt.nz/market-reports](http://www.mfat.govt.nz/market-reports)

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