

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 17 August, **New Zealand** Prime Minister Jacinda Ardern announced that all of New Zealand will move to **Alert Level 4** from 11:59pm on Tuesday 17 August (NZT). As of 20 August, Alert Level 4 will remain until at least 11:59pm on Tuesday 24 August 2021. Minister of Finance Hon Grant Robertson also [announced](#) that a number of **business support measures** will be activated, including the [Wage Subsidy Scheme](#) and the [Resurgence Support Payment](#). For further information, please refer to the New Zealand government COVID-19 website <https://covid19.govt.nz/>, including information about [doing business at Alert Level 4](#) and [financial support for businesses](#).
- The **outcome** of the **Environmental Protection Authority (EPA)**'s independent Decision-making Committee's (DMC) deliberations on the **recapture rates of methyl bromide** was [announced](#) on 18 August. In essence, there will be a **total ban** of methyl bromide fumigation aboard ships from January 2023 and phased increases to full recapture rates for fumigation in containers and under covers (e.g. tarpaulin). Larger buffer zones may be required depending on the fumigation method and there will be stricter accountability and reporting measures to the EPA. Further details on the EPA decision can be found [here](#).
- On 11 August, the Minister for Covid-19 Response Chris Hipkins, [announced](#) that **escalating COVID-19 case numbers** in **Indonesia** and **Fiji** mean the two countries have been **designated as very high risk**, which limits travel to New Zealand. As of 11:59pm (NZT) on 15 August 2021, travel to New Zealand from Indonesia and Fiji will be restricted to only New Zealand citizens, their partners and children, and parents of dependent children who are New Zealand citizens (together with any children of those parents who are not New Zealand Citizens). Other travellers from very high risk countries, including New Zealand residents, are required to spend 14 days outside a very high risk country before flying to New Zealand. Brazil, India, Pakistan and Papua New Guinea remain designated as very high risk countries.

Global & Multilateral Updates

- On 11 August, **Chinese authorities suspended all operations** at the Meishan container terminal at the **Port of Ningbo-Zhoushan** following a positive COVID-19 test from an asymptomatic port worker. Other terminals remained operational but congested. On 18 August, the Port announced that it could commence a **phased reopening** of the Meishan terminal this week, with the possibility of a full reopening by 6 September. The Port has been forced to turn away inbound vessels, causing a substantial backlog of tankers, bulk carriers and containerships. Ningbo-Zhoushan is the world's largest port in terms of cargo tonnage, and the third largest container port. Supply chain congestion is also worsening in **Vietnam** as it faces its own COVID-19 lockdown in the south and centre of the country. MFAT will continue to monitor the impact on New Zealand trade flows.

Regional Updates

Australia and the Pacific

- Australian** Trade Minister Dan Tehan has [publicly confirmed](#) **India** has agreed to this year **progress bilateral negotiations** for a **Comprehensive Economic Cooperation Agreement**. Chief Negotiators will

meet next week to discuss the framework for negotiations going forward. Minister Tehan will then discuss the framework with Indian Trade Minister Goyal.

- In response to the shift to alert level 4 in New Zealand, the **Cook Islands** Cabinet has decided to shift the Cook Islands to **Alert Level 2** from 17 August at 11.59pm and pause inbound passenger travel from Auckland to Rarotonga until at least Monday 23 August CKT.
- The **Asian Development Bank (ADB)**'s **most recent forecasts** (July 2021) shows that the **Pacific region** will begin to return to **growth in 2021**, after a severe downturn in 2020. The ADB is forecasting moderate growth of 0.3% in 2021 and 4.0% for 2022. The 2021 growth forecast is driven by **Papua New Guinea**. **Fiji** had been on track to follow a similar trend, but the current outbreak of COVID-19 has thrown doubt over the country's economic recovery, compounding its economic contraction in 2020 (of negative 15.7%, Fiji's deepest on record).
- **Travel bubbles** are expected to contribute to a **gradual recovery in smaller Pacific economies** – initially the **Cook Islands, Niue, and Palau**. Widespread roll-out of vaccines, both within Pacific economies and in their trade and tourism partners, is expected to play a major role in improving growth in 2022. However, the uneven roll-out of vaccines will likely be reflected in uneven economic recoveries. In addition, countries with large tourism sectors remain vulnerable to disruptions that may hamper economic recoveries.

Asia

- According to **India's** Commerce and Industry Secretary B V R Subrahmanyam and in line with its revamped foreign trade strategy, India will **fast-track its free trade agreements (FTAs)** with **at least six nations** over the next few months. In particular, with the United Arab Emirates (likely to be the first), the UK, Australia, Canada and the European Union.

Middle East and Africa

- COVID-19 is **delaying trade** between **Africa and China** (Africa's largest trading partner). African traders report experiencing **cargo delays** and **steep import costs**. Observers attribute this to container shortage, as more vessels prioritise the China-Europe and trans-Pacific trade routes above other markets.

Market reports released this week

- The previous global economic and trade update can be found [here](#).
- A report on the French Pacific Trade and Economic Outlook was prepared by the Pacific Polynesia and French Polynesia Division at the Ministry of Foreign Affairs and Trade. It can be read [here](#).
- A report covering US plans to charge carbon-intensive imports was prepared by the New Zealand Embassy in Washington D.C. and can be read [here](#).
- A Japan: Q2 Economic Update 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

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