

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 18 October, the Government announced that **Northland** will move to **Alert Level 2** at 11:59pm on Tuesday 19 October. The **Auckland Region will stay at Alert Level 3, Step 1**, to be reviewed on Monday 1 November. **Parts of Waikato remain at Alert Level 3** until 11.59pm on Wednesday 27 October and will be reviewed on that day. The **rest of New Zealand remains at Alert Level 2**. Guidance under alert level settings can be found [here](#). The [Wage Subsidy](#) will continue to be available under the current settings.
- With the current COVID-19 Delta outbreak primarily affecting Pasifika communities in **Auckland, Pasifika businesses were feeling the added pressure** of responding to the ever-present needs within their communities and families – which have been complicated by the pandemic whilst trying to keep their business afloat.
- The majority of **Pasifika businesses** are Auckland based, start-up businesses, and operating in construction and services, sectors disproportionately impacted by current lockdown restrictions. **Pressures on the business** were compounded by uncertainties in the market, cash flow constraints, accumulating bills, declining mental health, technological inequities, and challenges accessing products and markets, government assistance (e.g. wage subsidy) and social support services (e.g. food parcels).
- Despite challenges, there were **reports of surges in sales for a number of Pasifika products** such as kava and root crops, as businesses pivot to selling and marketing on social media. For example, the lockdowns have seen kava clubs shift online where consumer preferences were trending toward smaller packaging and premium kava varieties. It has also provided an opportunity to reach new consumers.

Global & Multilateral Updates

- On 20 October 2021, **New Zealand** and the **United Kingdom reached Agreement in Principle** on a high quality, comprehensive and inclusive **free trade agreement (FTA)**. Read the announcement [here](#). The Agreement in Principle sets out the key elements of the NZ-UK FTA, with the text to be finalised over the coming months. The FTA will substantially cut costs for exporters and businesses, provides improved access to the UK market, and delivers on the Government's Trade for All agenda. **At full implementation** of the FTA the UK will **eliminate all tariffs on New Zealand exports** - with over 97% of tariff lines being removed the day the FTA comes into force, including on honey, wine, kiwifruit, onions, a range of dairy and meat products, and most industrial products. Read more about the Agreement in Principle at [Agreement in Principle | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#).

Regional Updates

Australia and the Pacific

- The **Australian Federal Government** has announced quarantine-free travel (QFT) can **resume from the South Island of New Zealand to Australia** from Tuesday 19 October. These flights will be open to all nationalities, provided they can comply with the pre-departure measures and declare they have not been in the North Island in the 14 days prior to travelling. While this announcement is applicable to all of Australia, it is also subject to agreement by states and territories to accept QFT and so far only New South Wales and Victoria have agreed to accept arrivals. There are currently no green flights available between the South Island and Australia.
- On 15 October, **New South Wales (NSW)** Premier Dominic Perrottet announced that, from 1 November,

the NSW Government will **scrap its requirement** for fully vaccinated people arriving in NSW **from overseas to undertake hotel or home quarantine** and ask the Australian Government to remove all restrictions on the number of such international arrivals into NSW. (All international arrivals are currently required to spend 14 days in a quarantine hotel or other government quarantine facility and this is currently capped at 750 passengers per week into NSW). This easing of quarantine restrictions will apply initially to Australian citizens, permanent residents and their immediate families.

- **Fiji Airways** has announced it is **resuming flights to New Zealand** (amongst other low-risk destinations) from 1 December. Travellers will be required to be fully vaccinated and provide a negative PCR test within 72 hours prior to departure. Prime Minister Frank Bainimarama appealed directly to Australian and New Zealand travellers, noting that he is “entirely confident in [Fiji’s] ability to manage the risk associated with quarantine-free travel”. Initial reports indicate interest from Australian travellers has been high. While the level of interest from other markets remains untested, re-opening of borders is a welcome boost for Fiji’s medium-term economic resilience.

Asia

- **India’s current account balance posted a surplus** of USD 6.5 billion (0.9% of GDP) in the April-June quarter, after a deficit of USD 8.1 billion (1% of GDP) in January-March. The surplus in the quarter ended June 2021 was due to the smaller trade deficit for goods which shrunk from USD 41.7 billion to USD 30.7 billion, and an increase in net services receipts. The impact of the second wave of COVID-19 on demand for fuel and gold in particular, compressed the trade deficit leading to a current account surplus. Net services receipts increased, both sequentially and on a year-on-year basis, on the back of robust performance of net exports of computer and business services.
- In **September, Bangladesh** registered **record single-month export earnings** of USD 4.16 billion thanks to a strong rebound in garment shipments. The figure is 38% higher than last September’s USD 3.01 billion and 39.17% higher than the monthly target of USD 2.99 billion.

Europe

- On 2 October, **New Zealand** was **added to the list of countries exempt from the blanket ban** imposed in March 2020 **on foreigners entering Russia**. This decision means that New Zealand citizens and residents can once again apply for Russian visas in the normal, pre-covid way, alongside people from 68 other countries, including the US, UK, and several EU member states. A further nine countries, including Iran, Norway, and Thailand, will be exempt from the start of November. New Zealand citizens and residents travelling to Russia must present evidence of a negative result from a PCR test taken no more than 72 hours before their arrival in country. There is no requirement for testing or self-isolation on arrival. Likewise, there is no requirement for foreigners entering Russia to prove their vaccination status. This decision was announced in the Russia media in late September as *a resumption of direct flights between Russia and New Zealand as of 5 October*, with a twice-weekly service between Moscow and Wellington.

Americas

- **President Biden** had announced **steps to make the Ports of Los Angeles and Long Beach operate 24/7** in an effort to **reduce the current bottlenecks** affecting the whole **US** supply chain. The Southern California ports continue to be a focal point of the supply chain crisis with an estimated 500,000 containers waiting offshore for an average of 11 days before they can be unloaded at the ports. The effects of this long-term supply chain disruption continues to impact the global flow of goods, causing increasing delays for New Zealand exporters, and is not expected to be alleviated for another 18 months. A full report on this issue was prepared by the New Zealand Consulate-General in Los Angeles [here](#).
 - The **US** will **lift restrictions for international travellers who are fully vaccinated** on 8 November. Foreign travellers entering the US by air will have to provide a recent negative test and proof of vaccination before boarding the flight.
 - **US-based companies like distilleries** that had pivoted to manufacture alcohol-based hand sanitizers under guidance relaxed by the Food and Drug Administration to combat the pandemic have been told by the FDA to **stop making these products** by the end of the year as there is no longer a shortage.
 - **Argentina’s** Ministry of Agriculture, Livestock and Fisheries announced **new registration requirements for the export of maize** from the 2020/2021 harvest on 11 October. The measure requires that every sworn declaration presented for authorisation must establish that the merchandise has already been acquired and that it will be shipped in the next 30 days aboard an identified vessel. According to a statement from the Ministry: “Maize exports are open and Argentina will export a record 38.5 million
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tons. There is no limitation nor ban.”

- During his first official visit abroad as **Argentina's** Foreign Minister, Santiago Cafiero met with **Brazilian** Foreign Minister Carlos França in Brasilia, after which they announced that a **consensus had been reached to apply a 10% reduction to Mercosur's Common External Tariff (CET)**. Subsequently, on 14 October, Cafiero received his **Paraguayan** counterpart, Euclides Acevedo, with whom he agreed that the revision of Mercosur's CET is "a central element for the updating of the bloc". The reduction of the CET for imports from third countries has been, together with the possibility of negotiating individual trade agreements with third countries, one of the thorniest issues for the bloc in recent years.
- From 1 October, **citizens and residents from neighbouring countries (Bolivia, Brazil, Chile, Paraguay and Uruguay)** are **permitted entry into Argentina**. Citizens from bordering countries must have been fully vaccinated at least 14 days prior to entering the country and must present a PCR test performed within 72 hours prior to the flight departure time. After passing the milestone of vaccinating 50 percent of its population, the Argentine government also announced the lifting of the daily quota for the entry of passengers from 19 October onwards.
- The **Uruguay** government is **on course to offer vaccination to foreigners arriving in the country** after 1 November. As part of the announcement made by Tourism Minister Tabaré Viera, the government is considering offering a third dose to foreigners over the age of 18 or vaccinating those under 18, subject to regulations by the Health Ministry. Viera explained that it would be a third dose for adults and not a first or second dose, since one of the entry requirements to Uruguay is to have a complete vaccination schedule, with a maximum validity of nine months.
- **Colombian small business owners blocked the Rumichacha Bridge**, which borders **Ecuador**, on 4 October. This bridge has been partially closed for the past 18 months, only allowing certain cargo through both ways. The Colombian protesters are urging the Ecuadorean government to open this border crossing fully to restart economic activity.

Market reports released this week

- The previous global economic and trade update can be found [here](#).
- The New Zealand Consulate-General in Los Angeles has prepared a Report on California Supply Chain Congestion [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.
 - The all of government [Trade Barriers website](#) can be used to register any trade barriers experienced or issues exporting to an offshore market. Queries can be sent via the website or through the MFAT Exporter Helpline 0800 824 605. Enquiries will be sent to the government agency best placed to answer.
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More reports

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

If you would like to request a topic for reporting please email exports@mfat.net

To contact the Export Helpdesk

Email exports@mfat.net

Call 0800 824 605

Visit Tradebarriers.govt.nz

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