

## 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

- **Gross Domestic Product (GDP) data** for the **June quarter**, [released](#) on 16 September, confirmed the **strength of the New Zealand economy** ahead of the change in Alert Levels. Real GDP increased by 2.8% in the June quarter, meaning that GDP increased by 5.1% in the year to June 2021. This was stronger than almost all economic commentators were expecting. Expansion in **services industries** drove the overall result, with retail trade, transport and warehousing, and professional services making large contributions. **Agriculture** and **manufacturing** also made significant contributions to growth. Some of this growth can be attributed to Trans-Tasman quarantine free travel (QFT), which was in place for most of the June quarter.
- **Auckland** moved to **COVID-19 Alert Level 3** at 11:59 PM on Tuesday 21 September and will stay in Level 3 for at least two weeks. The **rest of New Zealand** will remain at **Alert Level 2**, but will move from gatherings of 50 up to 100. For further information, please continue to refer to the New Zealand government COVID-19 website <https://covid19.govt.nz/>, including information about [doing business at different Alert Level settings](#) and [financial support for businesses](#).

## Regional Updates

### Australia and the Pacific

- **Minister Damien O'Connor** in his Trade and Export Growth role, held a **virtual Closer Economic Relations (CER) Ministerial** with **Hon Dan Tehan, Australian Minister for Trade, Tourism and Investment**, on Monday 20 September. The Ministers issued a [joint statement](#) highlighting the importance to both countries of trans-Tasman cooperation, including through the Single Economic Market agenda. Ministers discussed collaboration and shared interests in free trade agreements ([CPTPP](#), [RCEP](#), [AANZFTA](#)) and trade related fora ([MC12](#), [APEC](#), [G20](#)). Both Ministers underlined New Zealand and Australia's commitment to the multilateral rules-based trading system, and recognised the importance of collective action to limit the global temperature increase to 1.5 degrees above pre-industrial levels.
- On 15 September, **Australian Capital Territory (ACT) Chief Minister Andrew Barr** announced the ACT's **lockdown is to be extended another four weeks** until 15 October. The Territory originally entered a seven-day lockdown on 12 August after one case, the lockdown was then extended to 17 September. Daily cases have remained stubbornly steady averaging 17.3 per day over the past four weeks of lockdown. ACT Chief Minister Barr indicated high vaccination rates may be Canberra's pathway out of lockdown.
- The Government of **Niue** decided **no inbound travellers were allowed** on Niue's next passenger flight, on September 20. A decision on allowing inbound passengers on the 4 October flight will be made in due course, most likely early in the week beginning 27 September depending on developments in Auckland.
- On 13 September, the **Cook Islands Cabinet** decided to **extend Alert Level 2** in the Cook Islands until New Zealand has been COVID community-transmission free for 14 days and to **continue the pause for all inbound travel** until 11.59pm Tuesday 28 September CKT. The decisions also allows planning for managed returns of stranded Cook Islands' residents and work permit holders to now begin for those people in regions at Alert Level 2, outside Auckland. Prime Minister Mark Brown later announced that visitors would "likely" not be permitted to enter Cook Islands again until New Zealand was at Alert Level 1.

- **American Sāmoa** has recorded its **first case of COVID-19 at the border** in a returning resident in MIQ from Hawaii on the territory's first controlled commercial repatriation flight operated on 13 September. The territory has temporarily suspended all repatriation flights including charter flights from Apia for labourers as it reviews its COVID procedures and border settings.

#### Asia

- On 16 September **China** provided to New Zealand, in our role as Depository for the CPTPP, a **formal request to accede to the [Comprehensive and Progressive Agreement for Trans-Pacific Partnership \(CPTPP\)](#)**. On 22 September, New Zealand also received an **accession request from Taiwan**. New Zealand has – as Depository for the CPTPP, and in line with the 2019 CPTPP Accession Process guidelines – subsequently shared the requests with other CPTPP Signatories. The next step is for the CPTPP group as a whole, through the CPTPP Commission, to determine whether to commence accession processes with China and Taiwan.

#### Europe

- On 15 September, **European Commission** President Ursula von der Leyen delivered the **annual [State of the Union](#) address**. Like its US model, the State of the Union is an opportunity for the President to look back at the last year's achievements and to set out priorities and policy proposals for the year ahead. Although trade policy did not feature prominently in the speech, President von der Leyen did announce that the Commission would seek a **ban on goods produced by forced labour**. Further, von der Leyen announced that the **EU and US** will launch a new **Trade and Technology Council** with a focus on health security and sustainability.
- Another proposal to come out of EU State of the Union was the announcement of an **upcoming "European Chips Act"** to catch up with world leaders on the design and production of **semiconductors**. Presented as "a matter of tech sovereignty", the proposal aims to link up research, design and testing capacities and link up EU and national-level investments.
- On 10 September, **Denmark** became the first country in the Nordics to **remove all COVID-19 restrictions**. **Norway** and **Sweden** look set to follow suit at the end of September, though Norway has cautioned that they will proceed only when they reach a vaccination coverage of 90% in the adult population. High vaccination rates have been cited as the basis for these decisions.

#### Americas

- The **White House** said it would **revoke its travel ban on visitors from 33 countries** (UK, Ireland, Europe's Schengen travel area, China, India, Iran, Brazil and South Africa). Foreign nationals flying to the US will be required to be fully vaccinated against COVID-19 when the policy takes effect in early November. Vaccinated travellers will also have to test negative within three days of departure, while unvaccinated Americans returning to the US will be required to test negative within one day of leaving and again after arriving.
  - In a Forum with the country's key exporters, **President Iván Duque Márquez** asserted that **Colombia needed to "adapt its trade to a post-COVID world"**. This included strengthening "sanitary diplomacy" and agricultural exports to help further diversify Colombia's export portfolio. He cited the arrival of "new economies" to the Pacific Alliance and Colombia's engagement with APEC as key to these aims.
  - President Luis Lacalle Pou announced on 7 September that **China had formally accepted Uruguay's proposal** to move forward with a **bilateral free trade agreement**. A feasibility study will now be carried out, which is expected to be finished before the end of the year. When asked how he expected his Mercosur counterparts to react to the announcement, Lacalle Pou said "Uruguay has been very transparent [...]. If it generates a little discomfort, it will be nothing more and nothing less than a little discomfort." Speaking ahead of an official trip with the president to Mexico and the United States, Foreign Minister Francisco Bustillo noted that there are other countries that have shown interest in bilateral negotiations with Uruguay, and that there could be another announcement soon.
  - **Joyvio Group Co.**, a company owned by the Chinese Academy of Sciences, has announced **plans to invest US\$150 million in salmon production in Chile's** southern Los Lagos and Aysen regions, for exports primarily to the US and Chinese markets.
  - From 1 October, **the Chilean border will reopen to vaccinated non-residents**. The use of compulsory managed isolation hotels will cease from the same date. All travellers will be required to undertake self-isolation for either five days (for travellers holding a Chilean vaccine pass. Note: non-residents will now be able to register their overseas vaccination online and obtain a pass prior to travelling) or seven days (for those without a local pass). All travellers will still be required to return a negative Covid-19 test taken
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up to 72 hours prior to arrival, and non-residents will need proof of medical insurance (up to US\$30,000).

- **Unimmunised tourists visiting Panama will be vaccinated** against COVID-19 from 1 October as part of an initiative launched by the government to revive tourism, which has been hard hit by the pandemic.

#### Middle East and Africa

- **Expo 2020 Dubai opens in one week** and will run for six months (1 October 2021-31 March 2022). This global event is an important opportunity to promote New Zealand as a progressive, innovative and trusted partner and to reconnect with the world. From 1 October Aotearoa New Zealand's pavilion will welcome international visitors, delegations, businesses and host a number of events to showcase New Zealand's creativity, values and innovation to the world. (<https://www.nzatexpo.govt.nz/>). **NZTE** is leading an extensive **Expo Business Leverage programme** to support and accelerate growth of our export customers in the Middle East, including a Māori business focus.

## Market reports released this week

- The previous global economic and trade update can be found [here](#).
- A report on [Canada: COVID-19 Economic Recovery](#) was prepared by the New Zealand High Commission in Ottawa.
- The report [Saudi Arabia: A Faster than Expected Economic Recovery](#) was prepared by the New Zealand Embassy in Riyadh.

## 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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