Global economic and trade update for New Zealand businesses

Market Report

3 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 whole of **New Zealand south of the Auckland region moved to Alert Level 3** at 11:59 PM on Tuesday 31 August (NZT) as planned and will remain at Alert Level 3 for at least one week. **Northland** moved intoAlert Level 3 at 11:59 PM on Thursday 2 September (NZT). Cabinet will review this decision on Monday 6 September. **Auckland will remain at Alert Level 4** until at least Tuesday 14 September. Cabinet will review Alert Levels for the region on Monday 13 September. For further information, please 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.
- In light of current Alert Levels, the **Ōtepoti Trade Roadshow** scheduled for 23 September has been **postponed**. An update will be shared once a new date has been set.

Global & Multilateral Updates

Asia-Pacific Economic Cooperation (APEC) economies during New Zealand's host year have completed
technical work that ensures APEC's existing environmental goods list is compatible with the currently
implemented Harmonized System (HS2017) tariff classifications. The <u>list</u> continues to cover the originally
agreed 54 environmentally-friendly products, with nearly all APEC members by now having reduced tariffs
on these products to 5% or less.

Regional Updates

Australia and the Pacific

- The Australian Government has extended its pause on quarantine-free flights from New Zealand to Friday 27 August due to the community outbreak of COVID-19 here. Any passenger flights from New Zealand to Australia this week will be 'red flights' requiring 14 days of quarantine on arrival in Australia. New Zealand's suspension of quarantine-free travel from Australia continues.
- Australian Trade Minister Dan Tehan and Indian Trade Minister Hon Piyush Goyal have released a joint statement directing officials to meet as often as required to achieve an "early harvest announcement by December 2021 on an interim [free trade] agreement to liberalise and deepen bilateral trade in goods and services, and pave the way for a comprehensive agreement."
- The **Cook Islands** Government has responded to the COVID-19 outbreak in New Zealand by **pausing inbound passenger travel**, shifting to Alert Level 2/Yellow, and contact tracing and testing recent arrivals. Cook Islands Government is considering further options for the resumption of tourism this week.

Asia

- On 19 August Transport Minister S. Iswaran outlined Singapore's plans for easing border restrictions,
 noting that if the country remained closed, it risked lasting damage to its economy and its status as an
 aviation hub. Singapore has introduced a four-category classification system for countries and regions,
 with differentiated border measures for each category. Authorities will consider the 21-day travel history
 of travellers prior to their entry to Singapore in determining which category they fall into.
- Singapore and Hong Kong will no longer launch the long-awaited travel bubble, following a divergence in COVID-19 management strategies which puts Singapore's move to living with COVID at odds with Hong

- Kong's commitment to a 'zero-case' strategy. However under Singapore's new classification system, travellers from Hong King will still only be required to clear an on-arrival PCR test to enter the country from 21 August onwards.
- The new Korea Electronic Travel Authorisation (K-ETA), launched in May and becoming mandatory from 1 September 2021, is an electronic travel authorisation that visitors from countries with a visa waiver agreement with South Korea can use to enter the country. Due to visa-free travel between the ROK and New Zealand being suspended since April 2020, most travellers from New Zealand are currently unable to use a K-ETA authorisation. However, a limited number of New Zealand business people whose business trips are approved as essential by the ROK can still apply for and use a K-ETA. Once visa free travel between the ROK and New Zealand is restored, New Zealanders traveling to the ROK for tourism, visiting a family member, participating in events or meetings, or commercial business (excluding where profit is derived) can apply for a K-ETA. Further details on the K-ETA and how to apply can be found here and at www.k-eta.go.kr.

Europe

• Throughout August, negotiators have been working around the clock to achieve a high quality, comprehensive and inclusive free trade agreement with the UK. New Zealand's Chief Negotiator has been in London for the past two weeks, negotiators are holding ongoing virtual negotiating sessions, and we are in regular contact with UK counterparts, including at ministerial level. There is still some work to do to reach the right deal, but we are making continued progress towards that objective.

Middle East and Africa

• Egyptian halal regulatory authority, IS EG Halal, has advised that from 1 October 2021, all food and beverage imports entering Egypt must be halal certified by IS EG Halal. For more information, please see this FYI issued by Ministry for Primary Industries.

Market reports released this week

• The previous global economic and trade update can be found here.

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 www.mfat.govt.nz/market-reports

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