

Prepared by the Economic Division at the Ministry of Foreign Affairs and Trade

Domestic Update:

- **New Zealand Trade and Enterprise** – Te Taurapa Tūhono (NZTE) has [released new resources](#) on sustainable packaging for New Zealand exporters, in response to global trends and requirements for businesses to reduce waste and non-renewable material use.
- NZTE analysis notes that **legislation and targets for sustainable packaging are being toughened in key export markets for New Zealand goods**, including Australia, the United States, the EU, China, South Korea and Japan.

Regional Updates

Australia and the Pacific

- On **Friday 25 March**, senior officials from Australia and New Zealand held a virtual meeting to discuss progress under the **Single Economic Market (SEM)**. The SEM process has held up well in the face of travel restrictions and COVID-related workload pressures, and the meeting on Friday gave a firmer understanding of possible outcomes across the full range of working groups (e-commerce and digital economy, science and innovation, supply chains, indigenous business, circular economy, and seamless movement of goods and people), as well as looking ahead to potential deliverables for the 40th anniversary of our Closer Economic Relations in 2023.
- Australian **Treasurer Frydenberg has delivered a pre-election budget** that attempts to address the recent hike in living costs through short term measures. Key measures include a temporary 6-month halving of the fuel excise tax, a one-off cash handout of \$250 for pensioners and welfare recipients, and a \$420 increase to the annual tax rebate for lower and middle income earners which will conclude at the end of the financial year.
- On **Friday 25 March the Australian Government** announced the application of its **fifteenth** and **sixteenth** round of **sanctions relating to Russia-Ukraine**. These rounds target Belarusian President Alexander Lukashenko and members of his family, as well as 20 persons who are military and defence personnel within the Belarusian Ministry of Defense and the Belarusian Armed Forces, or are Russian military commanders; and 22 Russian additional “propagandists and disinformation operatives”.
- **Foreign Affairs Minister Nanaia Mahuta visited Fiji this week**, her first trip to the Pacific since announcing New Zealand’s Pacific Resilience approach last year. While in Fiji, Minister Mahuta met with Prime Minister and Minister of Foreign Affairs Josaia Voreqe Bainimarama. Read the full press release [here](#).
- Following this meeting Prime Minister, Bainimarama and Minister Mahuta announced the **signing of the Duavata Partnership: Aotearoa Whenua Manapori o Whiti Tauaki Mahitahi**, a high level cooperation arrangement between the two countries. The *Duavata Partnership* reaffirms Fiji and Aotearoa New Zealand’s commitment to work together on issues of shared interests and importance.

Asia

- **China’s month-long Omicron surge** has also seen an escalation of COVID-19 cases in 21 of its 31 provinces. China continues to pursue a “dynamic zero-COVID” policy model, involving citywide restrictions, lockdowns, and mass testing. Total COVID-19 numbers across China have not seen exponential growth, however, and cases in some of the hardest hit regions are trending down.
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- Overall **supply chain impacts - including for New Zealand exporters - appear to be minimal to date**, other than challenges arising from domestic logistics, particularly for sales through e-commerce channels. However short-term supply chain volatility seems likely over the remainder of 2022, particularly if China's COVID-19 situation evolves into a larger scale outbreak. **The ongoing restrictions in China** and predictions of declining demand have been attributed to a recent oil price decline of over 6 percent. At the time of reporting Brent Crude is currently trading at USD\$113 per barrel.

Europe

- **EU-NZ FTA Round 12 occurred virtually over 14 - 25 March.** Useful overall progress was made with a number of chapters either closed or brought closer to conclusion at or in advance of the round. Negotiators will be working hard over coming months to move discussions into the end-game with the aim of concluding negotiations as soon as possible. A revised and commercially meaningful market access offer for beef and dairy is required from the European Union before this can occur. A public report on Round 12, and video blog from Chief Negotiator Vangelis Vitalis, will be available on the MFAT website [here](#) shortly.
- **Inflation in the UK has increased to 6.2 percent**, 0.3 percent above expectations. This announcement is unlikely to represent much of the impact of higher commodity prices since Russia's invasion of Ukraine at the end of February. Latest forecasts indicate **UK inflation rising to 8.7 percent this year**. Read the full report [here](#).

Market reports released this week

- The previous global economic round-up can be found [here](#).

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 subscribe to this weekly update, you can sign up [here](#) or email us at exports@mfat.net.

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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- 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.

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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