

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

Highlights:

- **Prime Minister Jacinda Ardern is travelling to Sydney this week for an in-person meeting with new Australian Prime Minister, Anthony Albanese.** The Prime Minister left New Zealand late Thursday afternoon, 9 June, and will return the evening of Friday, 10 June.
- **China has begun easing its COVID-19 restrictions** with all Shanghai residents able to exit their residential compounds on 1 June and public transport resuming in Beijing. Despite easing COVID-19 restrictions, according to media reports **Chinese Premier Li** announced to party leaders that **China's GDP may decline in Q2, due to COVID disruptions in April and May.**
- **Minister Chris Hipkins travelled to Denver last week in his capacity as Minister of Education to speak at the annual NAESA: Association of International Educators expo** to promote New Zealand as an attractive study destination ahead of the **border reopening on 31 July.** Minister Hipkins also travelled to Sao Paulo and Santiago after Denver to strengthen educational links with Brazil and with Chile.

Regional Updates

Domestic Updates:

- **Minister for Trade and Export Growth Damien O'Connor has tested positive for COVID-19.** This comes as Minister O'Connor was about to travel to the **Organisation for Economic Cooperation and Development (OECD)** in Paris and **World Trade Organization's (WTO) 12th Ministerial Conference (MC12)** in Geneva. Minister O'Connor still hopes to attend WTO MC12 provided all goes well with his isolation.

Australia and the Pacific:

- **Australia's central bank increased its policy rate by 50 basis points to 0.85 percent.** This surpassed many expectations of 25 or even 40bps hikes. The central bank has indicated further increases remain likely as the Reserve Bank of Australia seeks to combat rising inflation.
- **Samoa has moved its lowest alert level and has ended the State of Emergency order after more than two years of COVID restrictions.** Businesses are able to operate under normal opening hours; fishing crews are now permitted to take shore leave while offloading catches and replenishing supplies; daily flights between American Samoa and Apia have resumed; and face masks, social distancing and good hygiene are recommended but not mandated. Isolation requirements for incoming travellers have been dropped, and restrictions on commerce and movement have been removed.
- **Samoa Prime Minister Fiame Naomi Mata'afa will visit Aotearoa New Zealand next week, 60 years after the signing of Treaty of Friendship between the two countries.**

- **Foreign Affairs Minister Hon Nanaia Mahuta** has confirmed **Aotearoa New Zealand** is providing further **economic support to the Pacific to strengthen economic resilience** in response to the impact of COVID-19. Up to **\$75m** in additional economic support is provided in **Budget 2022**.

Asia:

- **One of MFAT's market insight reports for this week focuses on opportunities for New Zealand in Viet Nam. Viet Nam's recent economic development** has propelled it, in just one generation, from being one of the poorest countries in the world to an (almost) middle-income country. The burgeoning middle class exhibits increasingly sophisticated consumer behaviour, including for foreign-sourced products, and in its demand for education services. Political stability, and the long-term economic outlook present **strong opportunities for New Zealand businesses. Viet Nam's dynamic and quickly-evolving commercial environment has emerged as a promising retail market for New Zealand exporters seeking to expand and diversify offshore.**

Americas:

- **The US and Taiwan launched negotiations on a new trade initiative, 'the US – Taiwan Initiative on 21st Century Trade**. The initiative is not a traditional trade agreement and aims to “develop concrete ways to deepen the economic and trade relationship, advance mutual trade priorities based on shared values, and promote innovation and inclusive economic growth for our workers and businesses” between the US and Taiwan..
- **Japan has reached an agreement with the US to allow greater market access for US beef into the Japanese market.** The agreement revised the existing beef safeguard mechanism to allow “US beef exporters to more reliably meet Japan's growing demand for high quality beef”, according to US Trade Representative Katherine Tai.

Africa:

- The head of the **African Union and President of Senegal, Macky Sall, said he was “reassured” after his meeting with Russian President Vladimir Putin in Sochi on Friday to discuss unblocking Black Sea trade routes.** The **impact of the war on exports from Ukraine** is particularly affecting the movement of cereal and fertiliser to African countries, highlighting the breadth of the **emerging food security crisis**.

Europe:

- Earlier this week **Minister Mahuta announced a further package of sanctions** targeting forty-four entities (thirty-eight Russian entities and six Belarusian entities). The focus of these entities is state-owned or partly-owned enterprises that either contribute to Russia's export revenue (notably oil and gas company Gazprom) or are significant parts of the Russian military-industrial complex.

Market reports released this week

- The previous global economic round-up can be found [here](#).
- [Opportunities for NZ as Viet Nam's middle class expands – June 2022](#)
- [Malaysia restricts chicken trade – June 2022](#)

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.
- 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.
- Tatauranga Aotearoa Stats NZ provides official data on the value of New Zealand's exports and imports of both goods and services, by commodity type via the [New Zealand Trade Dashboard \(shinyapps.io\)](#). This interactive dashboard is updated every quarter and allows for filtering by country and by commodity type.

More reports

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

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