

Weekly Global Economic Round-up

Market Report



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

As of Tuesday 2 November at 11:59pm, parts of Waikato are at Alert Level 3, Step 2. Auckland also moved to Alert Level 3, Step 2 on Tuesday 9 November at 11:59pm. Settings for Auckland and parts of Waikato will be reviewed on Monday 15 November. The rest of New Zealand (including Upper Northland) is at Alert Level 2. Guidance under alert level settings can be found <u>here</u>. The <u>Wage Subsidy</u> will continue to be available under the current settings.

Regional Updates

Australia and the Pacific

- Following the commencement of quarantine-free travel from all of New Zealand from 1 November, Australia is set to open under the same terms to Singapore on 21 November and has also developed a one-way quarantine-free "Pacific Partnership Pathway" for (all vaccinated) travellers from certain low-risk Pacific Island Countries. Travellers from most Pacific jurisdictions (excluding Fiji, Papua New Guinea and Timor Leste) will be allowed to enter without quarantine, provided they are fully vaccinated with an approved vaccine and return a negative pre-departure test. The Federal Government plans to provide additional support to Pacific countries for the additional administrative burden this scheme will create, including around vaccination services and certification processes. The primary drivers for establishing the Pathway are the need to address critical domestic labour shortages and to support Australia's key Pacific relationships. Although this initiative had a nominal start date of 1 November, it still requires approval from Australian States and Territories; officials understand that New South Wales, Victoria and ACT have already agreed in-principle.
- The Cook Islands Cabinet has decided to re-open the Cook Islands' border to New Zealand on 14 January (NZ Time). Current advice is that only vaccinated travellers with a negative pre-departure test who have spent at least 14 days in New Zealand will be permitted to enter the Cook Islands once the border re-opens. There will be no requirement for these travellers to enter MIQ in the Cook Islands on arrival.

<u>Asia</u>

- The Minister for Trade and Export Growth Hon Damien O'Connor spoke to the New Zealand business community in Shanghai at a virtual roundtable on 1 November. The discussion focused on our important economic relationship with China, New Zealand trade policy, and global trends in a COVID world. It also provided insights into the challenges and opportunities the New Zealand business community is facing in China. The event supported New Zealand's activities during this month's China International Import Expo, which includes a virtual New Zealand country pavilion and two New Zealand-branded commercial pavilions featuring 19 New Zealand companies, among them Fonterra, Zespri, Silver Fern Farms, Synlait and F&P Healthcare.
- Indonesia is in a good shape for economic recovery with GDP growth forecasted to rebound up to 3.7% in 2021 and 5% in 2022. The Indonesian Government is introducing various fiscal policies to return to a state budget deficit below 3% of GDP starting in 2023, to increase investor and global market confidence in Indonesia. In the June 2021 quarter, New Zealand's total goods and services exports to Indonesia had risen by 37.1% compared to the previous year, supported by the increase in agricultural goods exports, despite the pandemic triggering a 23.7% fall in services exports. There is concern that newly introduced

import regulations could potentially disrupt the horticultural and beef import processes for New Zealand businesses.

Europe

• **Continental Europe** is experiencing **disruption of international supply chains**. Containers are scarce, costly and often arriving late at Europe's main ports, where further delays occur and cost is accrued. Current issues could last well into 2022 if not 2023, and a return to pre-COVID levels is considered unlikely. A full report will be released shortly on what this means for New Zealand exporters.

Middle East and Africa

• Egypt has delayed until 15 December the extension of its new halal certification regime to dairy products. Dairy products leaving New Zealand after 15 December will be required to have a halal certification certificate issued by IS EG Halal, the Egyptian certification company. Approximately \$24 million worth of dairy products, primarily butter, are currently en route to Egypt.

Market reports released this week

The previous global economic and trade update can be found <u>here</u>.

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.
- The all of government <u>Trade Barriers website</u> 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 <u>www.mfat.govt.nz/market-reports</u>

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

To contact the Export Helpdesk

Email <u>exports@mfat.net</u> Call 0800 824 605 Visit <u>Tradebarriers.govt.nz</u>

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