

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

## Highlights:

- **Prime Minister Ardern** has announced she will lead trade missions next week (18-24 April) to **Singapore and Japan**, accompanied by Minister for Trade and Export Growth Damien O'Connor, a business delegation, and Chief Executives of Ministry of Foreign Affairs and Trade, New Zealand Trade and Enterprise, Tourism NZ, and Education NZ. The Prime Minister will deliver the message that 'New Zealand is open for business'. Read the full press release [here](#).
- **World food prices hit an all-time high in March following Russia's invasion of Ukraine** – an agricultural powerhouse. The UN Food and Agriculture Organization (FAO) said its Food Price Index, which tracks monthly changes in international prices for a basket of commodities, was up 12.6% from February - **the highest level since its inception in 1990**.
- **The Reserve Bank of New Zealand (RBNZ) announced an increase in the Official Cash Rate (OCR) from 1.0 percent to 1.50 percent**. This comes in the wake of increasing inflationary pressure and represents the largest single increase in the OCR since 15 March 2000.

## Regional Updates

### Domestic Updates:

- **New Zealand will release 483,000 barrels from its emergency oil stocks** as part of an agreement by the 31 International Energy Agency (IEA) member countries to offset the loss of Russian oil exports.
- **The Government released new proposals last week in an attempt to combat the challenges of modern slavery**. Included in the proposals is a requirement for organisations to take action if they become aware of modern slavery or worker exploitation. In addition, large organisations will be required to undertake due diligence to prevent, mitigate and remedy modern slavery and worker exploitation. [Consultation on the proposals](#) has opened and submissions can be made until 7 June 2022.
- **The Government has partnered with the country's largest and only organic certified medicinal cannabis grower to accelerate the growth of the industry**. The \$32.2 million joint project will further support the country's economic recovery from COVID-19, providing jobs and growth in our regional economies. **The global medical cannabis market is valued at \$28 billion and is growing at 27 per cent annually**. Read the full press release [here](#).

### Australia and the Pacific:

- **Australian Prime Minister Morrison has announced that the next Australian Federal election will take place on 21 May**. With the Australian Government now in caretaker mode, major policy decisions and significant appointments will be put on hold until after the election.
- **The Government of Niue has released a timeframe for easing border restrictions, with all requirements to be removed by October 2022**. From May all travellers to Niue will be required to undertake seven days self-isolation on arrival. Restrictions will be further eased in July, with isolation requirements removed for Niueans and essential travellers. All border restrictions will be lifted in October.

- **The Australian Department of Agriculture, Water and the Environment has released a new service that provides dairy producers and processors with personalised one-on-one help to start exporting.** The [Dairy Export Facilitator Service](#) is available to help businesses take the first steps to get export-ready and navigate the export registration process.

#### Asia:

- **Minister for Trade and Export Growth has commented publicly on the Australia-India Economic Cooperation and Trade agreement,** an interim trade agreement and partial step towards signing a Comprehensive Economic Cooperation Agreement expected to be signed the end of 2022.
- **Minister O'Connor** told [media](#) "we are acutely aware of the impact an 'early-harvest' Australia-India deal may have on future commercial opportunities for some New Zealand exporters, and we are engaged closely with industry leaders on this". **At this stage, concluding a full free trade agreement between New Zealand and India is not a realistic short-term prospect.** In the meantime New Zealand and India continued to work together to strengthen their broader bilateral relationship.

#### Europe

- **Russia has announced its first counter-sanctions against New Zealand,** imposing travel restrictions on 130 people, including the Governor General, Prime Minister, all Members of Parliament, high-ranking defence force personnel, and senior defence and intelligence officials. The make-up of the list reflects New Zealand's own travel bans against senior Russian political, intelligence and defence figures announced in February. However, unlike our own, Russia's list does not yet include any senior New Zealand business leaders.
- **The French Presidential elections are under way with the incumbent Emmanuel Macron set to face far-right candidate Marine Le Pen in the second round on 24 April.** The vote totals from the first round show President Macron with 27.4% of the vote against 24.0% for Le Pen.

#### Americas:

- **President Biden signed two bills for further sanctions on Russia and Belarus on 8 April.** One bill suspends normal trade relations with Russia and Belarus and seeks to further leverage trade and human rights sanctions. The other bill prohibits the importation of energy products from Russia.

## Market reports released this week

- The previous global economic round-up can be found [here](#).
- [MFAT – Managing Global Supply Chains: January – March 2022](#)
- [Expo 2020 Dubai: Food, agriculture and livelihoods, April 2022](#)
- [European Union: Proposal for a Corporate Sustainability Due Diligence Directive, April 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](mailto:exports@mfat.net).

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## 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.

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## More reports

View full list of market reports from MFAT at [www.mfat.govt.nz/market-reports](http://www.mfat.govt.nz/market-reports)

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