

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.

Domestic Updates

- On 15 December, **Treasury** released their [Half Year Economic and Fiscal Update 2021](#). This Update primarily outlines what the Treasury observes in **New Zealand's current economic and fiscal climate**, what we might see in the future, and what risks we may face over the forecast period.
- Under the [COVID-19 Protection Framework \(Traffic Light System\)](#), from 11:59pm on **Thursday 30 December**, the following regions will move to Orange: Auckland, Taupō and Rotorua Lakes Districts, Kawerau, Whakatane, Ōpōtiki Districts, Gisborne District, Wairoa District, and Rangitikei, Whanganui and Ruapehu Districts. Northland will remain at Red. The traffic light map will be updated from 11:59pm on 30 December 2021. The **next review** will be in the week of 17 January 2022. Settings for all of New Zealand can be found [here](#). Guidance for what this means for businesses can be found [here](#).

Global & Multilateral Updates

- The **Asia-Pacific Economic Cooperation (APEC) CEO Summit** was held over 11-12 November and featured business leaders, thought leaders and Prime Ministers and Presidents discussing the state of the world with and post-COVID, sustainability, and digital disruption. The **full Summit can now be accessed for free** [here](#).
- On 10 December, Foreign Affairs Minister Nanaia Mahuta and Trade and Export Growth Minister Damien O'Connor [announced](#) a **new initiative to strengthen economic empowerment for Indigenous Peoples**: the [Indigenous Peoples Trade and Economic Cooperation Arrangement \(IPETCA\)](#). It represents the culmination of months of negotiations with economies and working with Māori, and their respective Indigenous counterparts, to develop and conclude the text. The IPETCA is an ambitious non-binding arrangement that commits economies to deepen Indigenous economic and trade cooperation. It represents a historic step forward in strengthening Indigenous linkages in the Asia Pacific region and beyond.
- Good progress was made in the **seventh round of the [Agreement on Climate Change, Trade and Sustainability \(ACCTS\)](#) negotiations**, which ran from 9 November to 7 December. The eighth round will commence in late February.
- Following the postponement of the WTO Twelfth Ministerial Conference, the **New Zealand-led Fossil Fuel Subsidy Reform (FFSR) Ministerial Statement** was launched in a **joint Trade and Environment event at the WTO** on 15 December. **Ministers launched the Statements virtually**. The Minister for Trade and Export Growth Hon Damien O'Connor delivered a pre-recorded message launching the FFSR initiative. The WTO Director General participated in the event. The Statement is now cosponsored by 45 WTO Members, which accounts for over a quarter of the WTO Membership. The Statement and press release can be found on the [Beehive website](#).

Regional Updates

Australia and the Pacific

- The **Trans-Tasman Retirement Savings Portability Arrangement (2009)** was **amended** on 8 December. The amendment will permit, on application, the transfer of **New Zealanders' lost retirement savings** presently held by the **Australian** Commissioner of Taxation as unclaimed money, to New Zealand

KiwiSaver scheme providers. A priority under the [Single Economic Market](#) agenda, Australia passed legislative changes amid the COVID-19 response to make such transfers possible. New Zealand's Inland Revenue Department is now working with Australian tax authorities to operationalise the updated arrangement.

- **Tuvalu** announced on 3 December a new set of [Standard Operating Procedures for International Travel to Tuvalu](#) in the form of a "colour coding system", effective from 11 December. Under the new system, countries will be categorised as Red, Orange, Green or White depending on the country's vaccination rates and average number of daily COVID-19 cases. The colour category then **determines the quarantine requirements** prior to departure to, and on arrival in, Tuvalu. Each category will require travellers to be fully vaccinated and return a negative PCR test 3 days before travelling.

Asia

- **Singapore's economy** remains **on-track for 7% growth** in 2021, with expansion in **manufacturing output** (increasing 16.9% year-on-year in October 2021) offsetting ongoing weakness in key service sectors, particularly those connected to **tourism**. Although coming off a low base, **biomedical manufacturing output** recorded a standout 56.1% increase over the same time period. The food and beverage sector shrank 4.2% from Q3 2020 to Q3 2021 due to restrictions to curb the spread of COVID-19. The tourism sector was also adversely impacted by ongoing border restrictions. It is expected that these service sectors will not recover to pre-COVID-19 levels until the end of 2022 at earliest. Further reporting on Singapore's economy can be found [here](#).
- **Singapore** has long been a successful regional business hub and served as a **gateway** to South East Asia. As **global supply chain disruption** continues, to protect **aviation connectivity, quarantine-free vaccinated travel lanes** (with capped passenger numbers) have been progressively extended to 27 countries. However, cargo revenue was up 51% compared to 2020 levels (cargo revenue in the first six months to September 30 was US\$1.384 billion). At the **port**, the upgrading and future proofing of key infrastructure continues apace, while Singapore also shifts to provide 'end to end' logistics services for shipping lines and exporters. The Government also seeks to build supply chain resilience in relation to essential goods and services, while simultaneously influencing international norms to prevent the emergence of protectionist trade practices.

Europe

- **Germany's new three-party Federal Government** has indicated its **agricultural policy** – led by a Green Party Minister – will seek progress on **animal welfare, biodiversity, and climate protection**. Initiatives outlined in the Government's agreed agenda include: new mandatory animal welfare and extended country-of-origin labelling; the transformation of animal farming towards lower livestock density and higher welfare standards; more restrictive regulations on live animal transport and the use of pesticides; and a 30% by 2030 target for the share of organic farming. German stakeholder reactions to an overall 'high level' agenda have ranged from 'cautious' to 'positive'. The farmer lobby broadly supports the transformation of animal farming provided the sector is adequately supported with funds. Non-governmental organisations (NGOs) are satisfied overall, hoping for meaningful progress towards a more sustainable and animal-friendly farming model.

Americas

- On 14 December, **Canada's Deputy Prime Minister and Minister of Finance Chrystia Freeland** gave an [address](#) to the House of Commons on the [2021 Economic and Fiscal Update](#). The report outlines \$71.2 billion in spending over the next seven years, focused on continuing the fight against COVID-19, supporting businesses and enabling an inclusive economic recovery. It also provides an update on the **fiscal outlook** – most notably very high inflation sitting at 4.7%, a 4.6% growth of GDP and the deficit for the current financial year being predicted at \$144.5 billion (\$10.2 billion less than forecast). Overall, the report reflects the continued emphasis on COVID-19 (particularly the Omicron variant, and the purchasing of rapid tests and therapeutics) and continued uncertainty regarding supply chains.

Middle East and Africa

- **Supply shortages** triggered by **Turkey's currency crisis**, have led to a halt in surgeries throughout Turkey, including suspension of brain, nerve and orthopaedic surgeries. **Medical products used in surgeries are no longer available** as local suppliers are unable to afford imported goods to replenish existing stocks. There are currently limited supplies in some major hospitals in bigger cities. Medical unions expect medicine shortages to begin early next year.
 - **Israel will add Denmark and the UK to its red list** on 17 December at midnight, due to rapid spread of
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Omicron in both countries. This will bring the total number of countries on the red list to 51. Israel has extended its border restrictions, which will now apply until 22 December.

Market reports released this week

- The previous global economic round-up can be found [here](#).
- A report on [what the new German government means for New Zealand exporters](#) was prepared by the New Zealand Embassy in Berlin.
- A report on [Supply Chain Challenges for US Food and Agriculture](#) was prepared by the New Zealand Embassy in Washington.

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.

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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