

## 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).

## Domestic Updates

- Amid rising fuel prices the Government will **cut 25 cents a litre off fuel for three months** as part of a cost of living package aimed at giving Kiwi families immediate relief through the current global energy crisis triggered by the war in Ukraine. Read the full press release [here](#).
- The **Working Holiday Schemes will reopen in stages**, with all uncapped schemes, which account for around three quarters of all working holidaymakers, **opening for applications at 10am on Monday 14 March**. Capped schemes are being staggered after that. **All schemes will be reopened by 13 September**. The return of working holidaymakers will provide a **boost to the economic recovery**. Read the full press release [here](#).
- **New Zealand's economy expanded by 5.6% in 2021**, having declined by 2.1% in 2020. 2021 was marked by a large contraction in the third quarter as the Delta outbreak was managed, followed by a rebound in the fourth quarter as restrictions eased. While the economy is now larger than pre-COVID levels **it remains about 2% smaller than pre-pandemic projections**. The current Omicron outbreak is weighing on economic activity but growth should pick up again through the remainder of the year as case numbers ease and as border restrictions are removed.
- On the **22 March at 3.00pm-4.15pm, MFAT will host an engagement opportunity to discuss the recently signed NZ/UK FTA and answer your questions**. In light of Omicron, this event will be held via Zoom. The Minister for Trade and Export Growth will deliver opening remarks, with **the opportunity for attendees to ask the Minister questions relating to the FTA**, followed by a panel discussion and separate Q&A session with questions directed to the panellists. [To register for this event, please follow this link](#).
- MFAT will also be in touch soon to advise on details of sector-specific webinars with the officials who worked on the NZ/UK FTA negotiations available to answer questions.

## Regional Updates

### Australia and the Pacific

- The Government has announced that fully vaccinated tourists from Australia will be able to visit New Zealand **without the need for managed or self-isolation from 11.59pm April 12**. International arrivals (unless exempt) must be vaccinated, provide proof of a negative pre-departure test, and be tested on arrival (day 0/1 and 5/6).
- **Australia is set to reopen to cruise ships next month**. In a formal [statement](#), Australian Trade and Tourism Minister Tehan said that the Australian federal government would not be renewing the ban on international cruise ships when the current determination expires on 17 April. The ban has been in place since March 2020. International cruise ships will still need to meet all state and territory requirements, and the federal government is waiting on final approvals from the New South Wales and Queensland governments which are finalising state health protocols.
- **Australia is experiencing record-high petrol prices**, resulting in increasing costs of living. A number of state and federal politicians have called the federal government to cut the current excise (set at AU\$0.44 per litre), including pressure from the South Australian, New South Wales, and Tasmanian Premiers. Australian Prime Minister Morrison has indicated there would be no changes to fuel taxes before the Australian budget is released later this month.

### Asia

---

- The fourth plenary meeting for the **AANZFTA upgrade** (ASEAN-Australia-New Zealand Free Trade Agreement) negotiations took place on **7 March**. The upgrade is scheduled to be **completed by September 2022** and aims to modernise the Agreement, which has now been in place for over a decade, and seek **outcomes to benefit businesses trading within the region**. New Zealand has proposed inclusion of a chapter on Trade and Sustainable Development, in line with our **Trade for All commitments**, which is under consideration.
- On the back of continued strong growth in the Korean economy, **New Zealand-Korea trade returned to pre-COVID levels in 2021, surging 12% to \$5.38 billion** and outperforming New Zealand's trade with the world (+8%). Both exports (+8%) and imports (+14%) grew strongly. New Zealand exporters are well placed to capitalise on opportunities in the post pandemic environment and the **New Zealand brand continues to resonate well in Korea**. Read the full report [here](#).
- The Ministry of Foreign Affairs and Trade is monitoring the current increase in COVID-19 cases in China, including for potential trade impacts. At this stage there **does not appear to be significant and widespread disruption to New Zealand exports to China**, although ongoing global supply chain constraints and COVID-19 related measures continue to shape the trading environment for exporters. As we have seen globally, it is possible **these conditions may become more challenging** as the situation evolves and as measures are introduced to control the spread of the virus.
- **On 18 February, Singapore presented Budget 2022** as the road-map towards a thriving economy in a post-pandemic world. New fiscal measures include the long-anticipated **rise in GST, an increase in wealth taxes and a larger-than expected rise in carbon tax**. This year's budget reinforced Singapore's priorities in generating revenue to meet rising public spending, bridging social inequalities and taking proactive steps towards a green future.
- The budget was released just six days before Russia's invasion of Ukraine. While the government is anxious to move on from the crisis management of 2020 and 2021, the conflict in Europe now presents yet another hurdle for Singapore's highly integrated economy. Rising energy and food prices, compounded with ongoing supply chain fragility, pose significant threats to the city-state so highly dependent on imports.

## Europe

- The G7 has announced it will **strip Russia of its "most favoured nation" status** under WTO rules. The statement asserted that a "broad coalition" of WTO members were preparing **to revoke important benefits of Russia's membership** in a move that would see tariffs imposed on Russian products.
- Cabinet approved finalised regulations for the Russia Sanctions Act. **The First Tranche of sanctions will be announced on Friday 18 March.**

## Americas

- A new economic report shows **the important role the United States plays as an export market for high-value and high-technology New Zealand products** as the country builds its COVID-19 recovery. The report shows that while the primary sector remains the top NZ exporter, digital services have become a major contributor.

## Middle East

- **Minister for Trade and Economic Growth Damien O'Connor visited the United Arab Emirates and Saudi Arabia in early March**, including for the UAE – New Zealand Joint Economic Commission and the Saudi Arabia – New Zealand Joint Ministerial Commission, both of which are **designed to enhance New Zealand's economic relationships**.
  - Minister O'Connor also met with the Secretary General of the Gulf Cooperation Council as well as various counterpart Ministers in the two countries, **signed a Food Security Arrangement with the UAE, and engaged with New Zealand businesses operating in the Middle East**. He also took the opportunity to visit the Aotearoa New Zealand pavilion at Expo 2020 in Dubai, ahead of Expo wrapping up at the end of March.
-

## Market reports released this week

- The previous global economic round-up can be found [here](#).
- [Japan: Market Insights – Premium Food & Beverages](#)
- [South Korea: Bilateral trade returns to pre-COVID levels](#)
- [Opportunities in the rapidly expanding Spanish fintech sector](#)

## 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](http://www.mfat.govt.nz/market-reports)

If you would like to request a topic for reporting please email [exports@mfat.net](mailto:exports@mfat.net)

## To contact the Export Helpdesk

Email [exports@mfat.net](mailto:exports@mfat.net)

Call 0800 824 605

Visit [Tradebarriers.govt.nz](http://Tradebarriers.govt.nz)

## Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.