Weekly Global Economic Round-up

Market Report

19
November 2021

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

- On 17 November, New Zealand <u>launched</u> the digital COVID-19 vaccination certificate for domestic use

 My Vaccine Pass. This is available for anyone who has received a full vaccination course in New Zealand or has had their vaccination record confirmed as being 'fully vaccinated' (see below for definition). My Vaccine Pass is now available for download through My COVID Record.
- The New Zealand digital COVID-19 vaccination certificate for international travel was also publicly launched on 17 November. This is available for anyone who has received full vaccination or the final dose of the course in New Zealand. The certificate is available for download through My COVID Record.
- It was also signalled that **New Zealand** will **shift to the** <u>COVID-19 Protection Framework</u> (CPF) in **the week of 29 November**. The new three level CPF (also referred to as the traffic light system), will see businesses, retail, public facilities and schools generally able to remain open for vaccinated people. My Vaccine Pass will be a vital tool as part of New Zealand's transition to the CPF. At this point in time, My Vaccine Pass will be implemented and may need to be shown to enter events and venues.
- The New Zealand Government has now established a position on which vaccines administered overseas will be recognised in the New Zealand domestic context to inform a range of policies, including access to My Vaccine Pass. The definition of 'fully vaccinated' against COVID-19 recognises a full course of vaccination from any Medsafe or WHO EUL approved vaccines, a combination of any of these vaccines (heterologous schedules) or a full course of another authorised vaccine plus an additional dose of a vaccine approved by Medsafe (including Moderna that is administered outside of New Zealand). This definition does not alter the minimum vaccination standards for entry to New Zealand for non-New Zealand citizens (i.e. a full course of any of the 23 COVID-19 vaccines) that has been in place since 1 November.
- On 17 November, the New Zealand Government <u>announced</u> that Aucklanders who have been fully vaccinated or have a negative COVID-19 test result within 72 hours of departure hours will be able to reconnect with the rest of New Zealand on 15 December. This requirement will be in place for the core summer period of December 15 2021 to January 17 2022.
- Waikato moved back to Alert Level 2 from Tuesday, 16 November at 11:59pm. Auckland remains at Alert Level 3, Step 2 and this will be reviewed on Monday 22 November. The rest of New Zealand is at Alert Level 2. Guidance under alert level settings can be found here. The Wage Subsidy will continue to be available under the current settings.
- The spread of COVID-19 continues to disrupt supply chains in Auckland. Earlier this month, Ports of Auckland reportedly stood down 19 staff due to potential exposure to COVID-19, with a similar event having previously occurred at KiwiRail's Southdown Container terminal. Other emerging issues include rising costs (with reports in recent weeks of some Auckland transport providers introducing an "Auckland congestion surcharge" for FCL, or Full Container Load deliveries), and limited domestic air capacity to and from Auckland, while Tāmaki Makaurau remains at Alert Level 3. MFAT's Auckland team remains in close contact with key business leaders and groups in the city.
- Minister for Trade and Export Growth Hon Damien O'Connor is <u>travelling</u> to <u>Singapore</u>, <u>Australia</u>, and <u>Switzerland</u> from 16 November to 6 December for a wide-ranging programme focused on building on New Zealand's COVID recovery by furthering the country's economic and trade objectives across the Indo-

Pacific region and through the WTO multilateral system.

Global & Multilateral Updates

- Delegations continue to maintain momentum in the <u>Agreement on Climate Change, Trade and Sustainability (ACCTS)</u> negotiations, with Round 7 scheduled between 9 November 7 December. This Round comes shortly after the ACCTS Trade Ministers met in the margins of the <u>Meeting of the OECD Council at Ministerial Level</u> in October and issued a <u>statement</u> encouraging continued progress in the negotiations. Round Seven will focus on advancing text proposals across the four pillars of the ACCTS and continuing to build the environmental goods list.
- The ACCTS Climate Ministers for Fiji, Costa Rica, Iceland and New Zealand participated in an ACCTS side-event at COP26 hosted by Fiji and New Zealand. The Ministers responded to questions relating to the Agreement and the progress in the negotiations to date. The Ministers spoke on the role of ACCTS and broader trade and economic policies in accelerating climate action. The Ministers urged the ACCTS negotiators to continue making progress and conclude an ambitious outcome. A joint press release from the six Climate Ministers was issued following the event. The event was an opportunity to highlight the ACCTS and New Zealand's leadership in this policy space to a climate-focused audience. The hybrid event attracted over 100 attendees. The seventh round of negotiations will continue this week among officials.

Regional Updates

Australia and the Pacific

• **Niue** has announced it is **reducing quarantine for inbound travellers** from 13 days to ten days. The new policy is expected to be in place for the next passenger flight departing New Zealand on November 30.

<u>Asia</u>

- Viet Nam's lockdowns between June and October had a severe economic and social impact. In Q3, Viet Nam's GDP shrank by 6.17%, and the World Bank's growth forecasts for this year dropped from around 6.7%to less than 4.5%. Viet Nam's manufacturing sector is operating again, but most are still running at less than 50% capacity.
- The Philippines has exited the third wave of COVID-19 and the average number of new cases is at its lowest point since early March 2020. Vaccine mandates will come in to force on 1 December, and includes all eligible public and private-sector employees tasked to work on-site in areas with adequate vaccine availability to be vaccinated. Employees could not be fired for refusing vaccination, but would be required to undergo regular RT-PCR or antigen tests at their own expense.
- On testing and quarantine protocols for arrivals into the Philippines, on 11 November New Zealand
 moved from the 'green list' to the 'yellow list'. As a 'yellow list' country, vaccinated travellers from New
 Zealand now need to undergo facility-based quarantine until the release of their negative RT-PCR test
 result taken on the fifth day in the Philippines. After that, travellers will be required to undergo home
 quarantine until the 10th day. Foreign nationals shall be required to secure their pre-booked
 accommodation for at least 6 days.
- Reduced pressure on Malaysia's healthcare system has allowed the government to focus on border reopening. Since September, restrictions have been lifted on outwards travel by Malaysians; long-term visa holders no longer require approval to enter; and travellers from specific countries which were previously barred are again permitted. Seven day home quarantine is allowed for fully-vaccinated travellers entering Malaysia (10 day hotel quarantine for the unvaccinated).
- In the past two weeks, Malaysia has announced quarantine-free travel lanes for vaccinated travellers from Singapore and selected parts of Indonesia, to open later this month and in early 2022 respectively. Discussions are also underway with Brunei and Thailand. Last week, the National Recovery Council announced the country's borders would be opened to tourists from the end of the year. But without firm details on any of these plans, they remain subject to change.
- In tandem with the easing of domestic measures, Singapore has relaxed certain border restrictions. From 11 November, 23 countries previously deemed by Singapore to constitute the highest risk of COVID-19 infections (including Laos and India) will move into Category III (down from Category IV). Passengers arriving from Category II and III countries will now also be able to present a negative, professionally administered antigen rapid test taken 48 hours prior to departure for Singapore (but will still be required to serve a 7-day stay at home notice on arrival in Singapore). Note: New Zealand is a Category II country.

• From 29 November, Singapore will add three new vaccinated travel lanes (VTLs), with Malaysia, Sweden and Finland. This will increase the daily quota of travellers arriving into Singapore to 6,000 daily, up from the current 4,000 (pre-pandemic, there were approximately 190,000 arrivals to Changi Airport daily). It is expected that the Singapore-Malaysia VTL will boost the aviation sector, restore key business links and allow for the reunification of family and friends. Tourism industry players, however, caution that further easing of curbs in both countries – in terms of both people movement and the economy – is needed before any major impact from the VTL is apparent. The VTL with Malaysia presently only covers air travel, and does not yet include land travel via the Causeway or Second Link, the primary travel link for the 300,000 Malaysian workers in Singapore. The Singapore Government has indicated that discussions on quarantine-free travel via the land borders are under way.

Europe

On 16 November, the EU announced its decision to recognise New Zealand COVID-19 certificates and
also New Zealand's recognition of EU digital COVID-19 certificates. While the decision is a unilateral
equivalence decision, the arrangement is reciprocal with New Zealand also recognising EU digital COVID
certificates for proof of vaccination or test status on entry into New Zealand. More information on the EU
Digital COVID Certificate can be found here.

Middle East and Africa

• The fourth joint webinar co-organised by the New Zealand Embassy in Ankara and the Turkish Foreign Economic Relations Board (DEIK, an umbrella organisation for Turkey's important business associations) was held on 9 November. The webinar aimed to promote awareness of renewable energy projects, innovation, best practices, and highlight trade and investment opportunities between New Zealand and Turkey. Throughout the webinar, the similarities between New Zealand and Turkey – and opportunities for cooperation – were highlighted. The webinar is available on YouTube here.

Market reports released this week

- The previous global economic round up can be found here.
- A report on <u>California's Zero Emission Vehicle Market</u> prepared by the New Zealand Consulate-General in Los Angeles.
- A report on Exporting to Europe: logistical challenges and how exporters can respond prepared by the New Zealand Embassies in Berlin, Brussels and The Hague.

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 <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 www.mfat.govt.nz/market-reports

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