

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

Highlights:

- **Prime Minister Jacinda Ardern is travelling to Europe and Australia for a range of trade, tourism and foreign policy engagements.** The **Prime Minister** will leave **New Zealand on Sunday 26 June**. Following a five day **Europe** programme, she will **travel to Australia (Melbourne and Sydney)** for a four-day programme **4-8 July**, accompanied by a number of other ministers and a large business delegation. Read more details [here](#).
- **Travellers to New Zealand will no longer need a COVID-19 pre-departure test from 11.59pm Monday 20 June..** Other travel requirements including proof of vaccination, completing the on-line Traveller Health Declaration, and testing following arrival, remain unchanged. Read the full announcement [here](#).
- **New Zealand** has contributed to a number of significant **outcomes and progress at the Twelfth Ministerial Conference (MC12) of the World Trade Organization (WTO)**, which concluded in the early hours of Friday morning after a week of intense negotiations between its 164 members. A major outcome is a **new Agreement on Fisheries Subsidies** following negotiations this week facilitated by **Minister for Trade and Export Growth Damien O'Connor**. The agreement includes important **prohibitions on subsidies related to illegal, unreported and unregulated (IUU) fishing; subsidies regarding over-fished stocks; and subsidies provided to fishing taking place on the unregulated high seas.**

Regional Updates

Domestic Updates:

- **New Zealand's Trade and Export Growth Minister Damien O'Connor will travel to Europe, Canada and Australia** to advance **New Zealand's economic interests, departing New Zealand on Friday 24 June**. The final leg of **Damien O'Connor's** trip will see him join the **Prime Minister at the annual Australia New Zealand Leadership Forum in Sydney**.
- **New Zealand's GDP fell 0.2 percent in the March quarter**, with exports falling 14.3 percent compared to the December quarter.
- **Foreign Minister Nanaia Mahuta** travelled to **Rwanda** last week to **represent New Zealand at the Commonwealth Heads of Government Meeting (CHOGM) in Kigali**. While at **CHOGM, Minister Mahuta** will meet with a range of counterparts and leaders of countries where in-person travel has been difficult due to COVID restrictions. She will also host a working lunch for representatives of **Pacific member states**.

Australia and the Pacific:

- **Samoa Prime Minister Fiame Naomi Mata'afa** visited New Zealand last week. During her visit she met with Prime Minister Ardern, Minister Mahuta, and horticulture leaders in Hawke's Bay. **Prime Minister Fiame** noted that Samoa was undertaking a review of its participation in the RSE scheme to ensure continued alignment with Samoa's workforce needs. She confirmed there had been no suspension of Samoa's participation in the scheme and the ongoing importance of labour mobility to Samoa.
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Europe:

- **French President Macron's Ensemble coalition has failed to secure a parliamentary majority. Ensemble has won 245 of the 577 parliamentary seats, falling short of the 289 needed for an absolute majority.** The left wing **NUPES coalition led by the far left won 131 seats** (the combined left vote numbered only 60 seats in 2017). **Marine Le Pen's far right party, the National Rally, delivered 89 seats** – eleven times the number they won in 2017 and its best result ever. This will see the opposition across the spectrum present a significant force in the French legislature over the next five years and the **President will now be required to secure the support of other more mainstream parties to pass legislation** – foremost the fourth-placed Les Republicains (centre right), which is expected to hold 64 seats.
- The **European Commission has backed Ukraine's bid to be given candidacy status to join the EU** - bringing it one step closer to joining the bloc. Candidacy status is a significant step to joining the EU. **Ukraine President Volodymyr Zelenskyy welcomed the decision**, calling it a “step closer to victory”. But the time taken for accession was unlikely to be accelerated and the process could take many years. **EU Commission President Ursula von der Leyen said Ukraine still had to make "important reforms" on rule of law, oligarchs, human rights and tackling corruption.** The recommendation from the **European Commission** still needed to be **signed off by the EU's 27 member states**, who meet to discuss it this week. The **French, German and Italian leaders have already backed Ukraine's bid, but the decision must be unanimous.**

Asia:

- **India's GDP growth slowed to 4.1% in Q4 FY22 from 5.4% in the previous quarter**, reflecting the impact of COVID restrictions, rising input cost pressures, and working from a high base from last year. The **Reserve Bank raised its CPI inflation projection from 5.7% to 6.7% for FY23**, while retaining GDP growth at 7.2%.
- **Bangladesh's export revenue in May was the lowest in 9 months at USD 3.83 billion**, while **remittances also slowed down with a 13.15% decline year-on-year, standing at USD 1.88 billion.** Bangladesh's **trade deficit reached a record high of USD 27.57 billion** in the first 10 months of the financial year 2021-22 due to high import payments amidst a global price spiral and resumption of COVID-related deferred payments.
- **Nepal's government has proposed a budget of USD 14.7 billion for fiscal year 2022-23.** Budget 2022 seeks to **focus on domestic sources to cover its expenditure**, including internal debt collection, in order to reduce dependency on external debt. Budget 2022 recommends boosting customs fees on luxury commodities and heavy sector products to contain inflation. The government also **cut the FDI minimum threshold restriction in order to promote Nepal's domestic manufacturing enterprises for overseas investment.**

Multilateral:

- Another significant outcome from the WTO **MC12** is that the Members have agreed a package of responses to **future emergencies including pandemics**, to build on the lessons from our respective experiences in responding to **COVID-19**. This includes the “**TRIPS waiver**” on **COVID-19 vaccines**, which is designed to facilitate the **production and distribution of vaccines in developing countries**. Ministerial conferences are the highest decision making body of the WTO. They are traditionally scheduled to occur every two years, but due to COVID-19, the MC12 was the first one to occur in five years.

Market reports released this week

- The previous global economic round-up can be found [here](#).
 - [Non-tariff measures: Impacts, trends and effects on exports from New Zealand](#)
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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.

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.
- Tauranga Aotearoa Stats NZ provides official data on the value of New Zealand's exports and imports of both goods and services, by commodity type via the [New Zealand Trade Dashboard \(shinyapps.io\)](#). This interactive dashboard is updated every quarter and allows for filtering by country and by commodity type.

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

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