

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

## Highlights:

- **Prime Minister Ardern visited Japan last week on the second leg of her Asian trade mission**, accompanied by the Minister of Trade and Export Growth. There was a strong focus on the fact that New Zealand is open for business – and is preparing to welcome back tourists, international students and working holiday-makers.
- **Emmanuel Macron has secured a second five-year term with his defeat of far right candidate Marine Le Pen in the second round of the French presidential elections.** In his victory speech, delivered to a jubilant crowd in front of the Eiffel Tower, Macron emphasised the need for unity, acknowledging those that did not vote for him. Parliamentary elections will follow in June.
- **Poland and Bulgaria have lost access to Russia’s gas supplies after refusing to make payments in rubles** according to officials. **European natural gas prices have increased in response**, with markets concerned this trend may continue should other EU nations lose access to Russia’s gas supplies.

## Regional Updates

### Domestic Updates:

- The government has released [Te rautaki ueā me te rautaki whakawhiwhinga o Aotearoa - New Zealand freight & supply chain issues paper](#), with the intension of being the first step in developing a strategy that will optimise the supply chain over the next 30 years. This is part of the government’s strategy to increase supply chain resilience and future proof it from further international shocks.

### Australia and the Pacific:

- **Australia’s annual Consumer Price Index (CPI) inflation increased to 5.1 percent for the March 2022 quarter**, a 2.1 percent increase this quarter. The most significant driver behind the increasing CPI was **Automotive fuel prices, which rose 11 percent**. Read the full announcement [here](#).
- **The High Court in Wellington has approved the takeover of Z Energy by Australian petroleum company Ampol**, the last big hurdle in the takeover, which has also been approved by shareholders, the Commerce Commission and the Overseas Investment Office. Trading in Z Energy shares was suspended on 28 April, with delisting from the NZX AND ASZ set to take place on 10 May. The deal is valued at close to \$2 billion.
- **Matson shipping service has announced that “due to the recent sharp and sustained increase in all fuel prices”, it will introduce an emergency bunker adjustment factor (EBAF) for the New Zealand Express shipping service** and also those to Tonga, Samoa, American Samoa, the Cook Islands and Niue. This will be **\$300 for dry containers and \$385 for refrigerated containers and will apply from 21 May**

**onwards.** While not large increases in themselves, they come on top of other external inflationary pressures, including fuel costs. This is particularly significant for Niue, where Matson is the sole sea freight provider.

- New legislation, **The Labour and Employment Relations Amendment Bill 2022**, was presented in **Samoa Parliament** earlier this week, aimed at **improving working conditions for seasonal workers**. Read the full press release [here](#).

#### Asia:

- During her time in Japan **the Prime Minister met with Japanese Prime Minister Fumio Kishida and delivered a speech to the Japan-New Zealand Business Council**. The Minister of Trade and Export Growth met with the Japanese Ministers of Foreign Affairs; Economy, Trade and Industry; Agriculture, Forestry and Fisheries; and the Minister in Charge of Economic Revitalization (including CPTPP). Auckland.
- **The Prime Minister announced the start of negotiations towards an information sharing agreement with Japan**, and a New Zealand Government investment of up to \$8 million in research in advanced technologies to strengthen cooperation in science and technology between the two countries.
- With members of the business delegation and the Trade and Export Growth Minister, **the Prime Minister attended a range of events. These focused on hydrogen technology and geothermal energy, on food and beverage, and on the Working Holiday Scheme with Japan**. She relaunched the Game On English programme which combines rugby coaching and English learning in New Zealand. And she witnessed the **signing of agreements between Hokkaido and the New Zealand Embassy, and Education NZ and Japan Women's University**.
- **As China's ongoing use of zero-COVID measures in Shanghai continues, international air and sea cargo is still able to enter and leave the city, but supply chains remain impacted, and are operating under significant constraints**. Shanghai's seaports officially remain open, but are operating at levels well below normal, and congestion is significant.
- In recent days, **central authorities have made clear that addressing logistics issues, both in Shanghai and nationally, is a priority**. For example, Vice Premier Liu He has announced **"one trillion RMB"** to address logistics bottlenecks across the country.
- The impacts of lockdowns within China, however, have been felt acutely at the **Global Dairy Trade auction** with the price of **whole milk powder and skim milk powder falling 4.4 percent and 4.2 percent** respectively.

#### Europe:

- The **World Trade Organization's (WTO) 12th ministerial conference (MC12) will be held June 12-15** at WTO headquarters in Geneva, the director-general and chair of the General Council informed members on Monday. MC12 was scheduled for 30 November to 3 December 2021, but was postponed due to the COVID-19 outbreak. Read the full press release [here](#).

## Market reports released this week

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- The previous global economic round-up can be found [here](#).
- [Mexico's Manufacturing Sector](#)
- [California prioritises climate change spending and prepares to enter 'Lithium Valley', April 2022](#)
- [Get notified when the rules change in offshore markets, April 2022](#)
- [Business development in or with Germany: incentives, joint ventures, access to capital, 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).

## 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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