Weekly Global Economic Round-up

Market Report

3 December 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 exports@mfat.net.

Domestic Updates

- On 27 November the Minister for Covid-19 Response Hon Chris Hipkins announced that nine Southern African countries have been designated as Very High Risk (VHR). From 11:59pm Sunday 28 November NZST travel to New Zealand from Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, Seychelles, South Africa, and Zimbabwe will be restricted in line with the VHR policy. Only New Zealand citizens, their partners and children, and parents of dependent children who are New Zealand citizens (together with any other children of those parents who are not New Zealand citizens) will be permitted to enter New Zealand. All other travellers, including New Zealand residents, are required to spend 14 days outside a VHR country before flying to New Zealand. All other information and specific requirements for travel from VHR countries is available on the Unite Against COVID-19 website.
- On 2 December 11:59pm, all of New Zealand moved to the <u>COVID-19 Protection Framework</u>. Auckland and some other regions will move to Red. Settings for all of New Zealand can be found <u>here</u>.
- On 8-9 December, the **University of Auckland** (with support from **MFAT**) is holding the **annual Auckland Trade and Economic Policy School** New Zealand's premier annual trade policy conference. Officials will be on hand to discuss supply chain issues, free trade agreement developments and more. The virtual nature of the event means you can dip in and out of the sessions as you need to. For a full programme and registration details, see here.

Global & Multilateral Updates

- The WTO Twelfth Ministerial Conference, initially scheduled for 30 November 3 December in Geneva, has been postponed. General Council Chair and Director General Ngozi Okonjo-Iweala announced the decision at an emergency meeting of the General Council late on Friday evening. The General Council Chair confirmed, "There is no alternative but to postpone the Ministerial Council and reconvene as soon as possible when circumstances allow". The postponement comes following the announcement by Swiss authorities of new restrictions on social gathering, banning of flights from Southern Africa and the self-isolation requirements being placed on travellers from territories who have recorded cases of the Omicron COVID-19 variant.
- MFAT held a virtual post-COP26 stakeholder briefing on 19 November. Led by our Climate Change Ambassador,
 Kay Harrison, the webinar gave stakeholders the opportunity to hear directly about the outcomes of COP26. More
 than 180 representatives of organisations with an interest in climate change attended. The discussion was
 constructive and engaged, with questions on a range of issues including international carbon market rules,
 New Zealand's support to the Pacific, and the initiatives we signed up to at COP26. A recording of the briefing has
 been posted online here.
- The ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) Joint Committee met virtually on 29 November 2021 to progress the upgrade negotiations. Further negotiations will take place early in the first quarter of 2022, with a view to concluding negotiations by September 2022.
- Expo2020 Te Aratini was a success with an estimated 450 people in attendance over the three-day Festival of Indigenous and Tribal Ideas, providing a valuable opportunity for new connections with indigenous participants from around the globe. Discussions are already turning to the next Te Aratini event and building on its legacy. The New Zealand Pavilion continues to attract visitors, with 275,000 welcomed to date. In the first week of December, New Zealand will co-host with the India Pavilion, the United Nations Pavilion and the Women's Pavilion a 'Global Solidarity for Gender Equality' event involving the screening of the Son Rise documentary.
- The Organisation for Economic Cooperation and Development (OECD) released its second Economic Outlook for 2021. The report states that global recovery continues, but its momentum has eased and is growing increasingly imbalanced. Uncertainty remains high due to the failure in ensuring effective global vaccination, leading to the continued emergence of new variants. Income levels in advanced economies are close to pre-pandemic expectations but lower-income economies, especially those with low COVID-19 vaccination rates, are at risk of being

Regional Updates

Australia and the Pacific

- On 27 November, Australia closed its international borders to non-citizens/residents that have been in any of the
 nine southern African countries affected by the COVID-19 Omicron variant in the past 14 days. Australian
 citizens/residents that have been in any of those countries will be required to enter hotel quarantine for 14 days
 regardless of vaccination status.
- Australian states have also responded to the new variant and introduced further border measures to those
 announced by the federal government. New South Wales and Victoria have introduced the requirement of 72 hours
 of self-isolation (or "home-based quarantine") for vaccinated arrivals from all other countries. South Australia has
 reverted back to 14 days quarantine for all international arrivals, just 5 days after implementing its new seven-day
 self-isolation requirements.
- Australia has announced a series of reforms to their Pacific labour mobility programme. The Seasonal Worker
 Program and Pacific Labour Scheme will be consolidated into one streamlined programme that will be managed
 entirely by the Department of Foreign Affairs and Trade. This builds on an announcement in September, where
 Prime Minister Morrison committed to doubling the number of Pacific workers in Australia by March 2022 to at least
 25,000 workers. There are currently around 19,000 Pacific workers in Australia participating across both
 programmes.
- On 25 November, Sāmoa's Ministry of Health issued a new travel advisory with immediate effect that removes the blood serology test requirement for fully vaccinated travelers entering Sāmoa. However, it does retain a requirement for unvaccinated children aged 12 years and under and those who satisfy vaccination exemption criteria. The requirement for travelers from countries with widespread transmission of the COVID-19 Delta variant to divert and spend 28 days or more in a low risk third country before entry to Sāmoa has been removed. This will facilitate travel from Fiji, Australia (NSW and Victoria), India and the United Kingdom. The mandatory vaccination requirement for adult travelers introduced from 1 July has now been extended to all travelers aged 12 years and above.
- The Pacific Labour Mobility Annual Meeting (PLMAM) will take place virtually 7-10 December. The meeting was an
 outcome of the Labour Mobility Arrangement, which was signed alongside PACER Plus, and brings together
 government, industry and academic stakeholders from across the region to discuss labour mobility issues.

<u>Asia</u>

- From 11:59pm on Saturday 27 November, Singapore closed its border to all travellers with recent travel history to seven countries in Africa, including Botswana, Eswatini, Lesotho, Mozambique, South Africa, Namibia and Zimbabwe. Returning Singapore citizens and permanent residents with travel history to any of these countries will have to serve a 10-day quarantine period at a dedicated facility.
- Singapore's launch of upcoming vaccinated travel lanes with Qatar, Saudi Arabia and the United Arab Emirates (scheduled to commence on 6 December) have also been deferred, due to the Middle Eastern nations' proximity as transport nodes to the affected African countries. Additionally, all travellers entering Singapore from Malaysia via the land vaccinated travel lane are now required to take an on-arrival antigen rapid test, in addition to the predeparture PCR test.
- Travellers from Indonesia and India are able to enter Singapore under the Vaccinated Travel Lane scheme from 29 November onwards. This move will rebuild air links with two of Changi Airport's top three markets (with the third being China), and is expected to substantially boost tourism revenue. Continued regional travel restrictions (which will limit Singapore's role as a transit hub) and relatively high travel costs, which could put off cost-sensitive travellers who typically comprise the bulk of passengers on these routes, is expected to continue to limit demand for the services in at least the short term.
- Separately, Trade and Industry Minister Gan Kim Yong has foreshadowed a reopening of the land border between
 Singapore and Malaysia in coming weeks. The reopening is expected to follow a 'Vaccinated Travel Lane-like
 arrangement', with a capped number of travellers entering Singapore via the land border only needing to present a
 negative test (professionally administered antigen or PCR test) 2 days prior to travel. They will also need to take a
 PCR test upon arrival.

Europe

On 26 November, European Commission President Ursula von der Leyen announced that the European Commission has proposed Member States activate the "emergency brake" on travel from countries in southern African and other countries affected to limit the spread of the new Omicron variant. The European Commission proposal includes the suspension of all air travel to affected countries "until we have a clear understanding about the danger posed by this new variant...and travellers returning from this region should respect strict quarantine rules." It is however up to individual EU countries to impose flight bans. Many Member States, anticipating the European Commission's proposal and concerned at the developments, have already implemented flight bans or travel

restrictions to the region: including **Germany**, **France**, **Italy**, **the Netherlands**, **Austria** and **Belgium**. This follows the decision by the **UK** to introduce similar restrictions on travel to a number of countries in southern Africa.

Middle East and Africa

• Following the UK's announcement that South Africa would return to being on the red list, as well as the WHO's designation of Omicron as a 'variant of concern', a number of countries around the world have decided to ban or restrict travel to and from Southern Africa. These include travel restrictions from the US, the EU, Sri Lanka, the UAE, Singapore, Oman, Thailand, Brazil, Australia, Canada, Russia, Iran, Malaysia, the Philippines, Israel, Turkey, the UAE, Seychelles, Cyprus, Guatemala, Saudi Arabia and Mauritius. Flights have been grounded from South Africa to the US, the UK and Europe, resulting in stranded tourists. The South African Government has also come out strongly against the travel bans, aligning itself with the World Health Organisation's position where it has cautioned against the imposition of travel restrictions.

Market reports released this week

- The previous global economic round-up can be found <u>here</u>.
- A report on <u>China's education industry reforms</u> was prepared by the New Zealand Embassy in Beijing.

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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