

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.

Domestic Updates

- **Prime Minister Ardern announced that self-isolation and Managed Isolation and Quarantine (MIQ) requirements will be removed** for vaccinated international arrivals eligible to enter under phased border settings, commencing 11.59pm Wednesday 2 March 2022. This will have a **positive impact on the economic and social wellbeing of New Zealanders** by allowing business travel, and enabling leisure travel, as well as making it easier to address current worker shortages. Further information can be found in the press release [here](#)
- The Secretary of Foreign Affairs and Trade has issued, by notice in the Gazette, a **prohibition on the export of all goods intended for use by the Russian military and security forces**, including any armed force, paramilitary force, police force, or militia. The Prohibition on **exports applies to all goods if the end-user of the goods are the Russian military or security forces** — including exports such as food and medical supplies. The offence would not apply in a situation of ordinary food exports to Russia where the end users are not military or security forces. We would **encourage all exporters to undertake due diligence to ensure they are not exporting to a prohibited entity**. Further information can be found in the press release [here](#).
- **Fonterra has suspended exports to Russia**. While food, including dairy, is generally exempt from international sanctions regimes, Fonterra has suspended shipments while monitoring developments. Fonterra exports a small number of products to Russia, primarily butter, about 1% of its annual exports.

Regional Updates

Europe

- **New Zealand and the United Kingdom have signed a historic Free Trade Agreement (FTA)** that unlocks unprecedented access to the UK market and accelerates New Zealand's COVID-19 recovery. The FTA also includes commitments on the movement of business persons, making it easier to do business in the UK. Further information can be found in the press release [here](#).
- **Minister for Trade and Export Growth, Damien O'Connor, visited London and Brussels from 28 February to 2 March**. In London he met both with his Trade Secretary and Agriculture Secretary counterparts, and signed the [UK-New Zealand Free Trade Agreement](#). The expectation is that **the FTA will come into force by the end of 2022**, with the agreement expected to boost New Zealand's GDP **between \$700 million and \$1 billion**.
- In Brussels, **Minister O'Connor met with his EU Trade Commissioner counterpart**, Executive Vice President Valdis Dombrovskis, as well as the EU Commissioner for Agriculture, Janusz Wojciechowski. During the engagements, Minister O'Connor **reaffirmed New Zealand's united position with the EU in condemning Russia's illegal, brutal and intolerable invasion of Ukraine**. They also discussed next steps on the EU-NZ FTA, including the benefits to the EU of the bloc becoming more closely involved in the emerging regional trade architecture of the Indo-Pacific
- **Shipping destined for Russia is reportedly experiencing delays leaving the Port of Rotterdam** as EU officials check cargo for prohibited/sanctioned goods. **New Zealand businesses may be impacted** by this, and by knock-on port delays more generally. Our Embassy in The Hague is in touch with the Port of Rotterdam, and will monitor this issue.
- The Russia-Ukraine conflict, and subsequent sanctions on Russian financial institutions caused a **sharp depreciation in the Rouble, which is now trading at 98 per USD**, having lost 40% of its value since last Thursday. The Russian central bank has responded by increasing its policy rate from **9.5% to 20%**, and by imposing capital controls. Russian commodity exporters have been ordered to **convert 80% of their foreign reserves into Roubles** to help stabilise the

economy.

- The conflict continues to impact Crude oil prices, which crossed the **\$US100/b for the first time since 2014**. It is estimated that Crude oil prices will **remain volatile and elevated** in the coming weeks, which will likely be reflected in New Zealand fuel prices.

Americas

- FreightWaves reports that **the number of container ships waiting for berths at the ports in Los Angeles and Long Beach has decreased to 66**. This is a considerable improvement from the all-time high of 109 in January, and resembles September 2021 levels.

Asia

- **Hong Kong has suspended flights from nine countries until April 20** in response to its ongoing Omicron outbreak, including the US, UK, Australia and France. This has reduced air connectivity.
- Auckland company **Ohmio Automotion has signed a multiyear agreement** to jointly manufacture autonomous electric passenger shuttles with **Korean company Lotte Data Communication Company** for the Korean market, with Ohmio providing the software. The contract comes after almost 20 months of testing by Ohmio, in partnership with Lotte and the Korean Transport Institute, in Sejong city as part of its smart-city concept. This is an exciting example of the kind of **high tech opportunities New Zealand companies are accessing in Korea**. For more information on Ohmio please visit [here](#).

Australia and the Pacific

- The volcanic eruption and tsunami in Tonga earlier this year is estimated to have caused **NZ\$138 million of economic damage (18.5% of Tonga's GDP)**, with 85% of the population affected in some way. The tourism sector was affected by the tsunami with several properties being badly damaged or destroyed altogether. In relation to agriculture, most of the damage was done by the huge amounts of volcanic ash that fell across the country. However, root crops seem to have fared better than other produce. The World Bank has said that **it will take Tonga a long time to recover economically from these disasters** and has already provided financial support in the immediate term.

Market reports released this week

- The previous global economic round-up can be found [here](#).
- ['German screen industry and market: recent trends, funding, bilateral links'](#)
- ['The UK-New Zealand Free Trade Agreement'](#)
- ['Potential impacts of the Russia-Ukraine conflict on the New Zealand economy'](#)

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.
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- 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

If you would like to request a topic for reporting please email exports@mfat.net

To contact the Export Helpdesk

Email exports@mfat.net

Call 0800 824 605

Visit Tradebarriers.govt.nz

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