

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

Highlights:

- Prime Minister Jacinda Ardern led a [trade mission](#) including over 30 New Zealand businesses to Melbourne and Sydney this week as part of the Government's reconnection strategy to support export growth and the return of tourists post COVID-19. The Prime Minister and a number of New Zealand Ministers attended the [Australia-New Zealand Leadership Forum](#) in Sydney, and the Prime Minister gave a major Foreign Policy speech at the [Lowy Institute](#) before holding her formal Leaders' Meeting with Prime Minister Albanese on Friday.

Regional Updates

Domestic Updates:

- Work visa applications have now opened for people based offshore seeking an opportunity to work in New Zealand. The third and final stage of the new simplified Accredited Employer Work Visa (AEWV) policy opened earlier this week, allowing migrants offshore to apply for a work visa to come and work in New Zealand for an accredited employer. Read more [here](#).

Australia and the Pacific:

- Minister of Foreign Affairs Nanaia Mahuta has tested positive for COVID-19 and will not attend the foreign ministers meeting at the Pacific Island Forum on Friday 8 July. The Associate Foreign Minister Aupito William Sio will travel to Fiji this week to represent Aotearoa New Zealand at the Pacific Islands Forum (PIF) Foreign Ministers' Meeting in Suva.
- The Reserve Bank of Australia increased the cash rate by 50 basis points to 1.35 percent. This move was expected. The accompanying Monetary Policy Decision [statement](#) referred to global inflation being elevated by COVID-19 supply chain disruptions, the war in Ukraine, and strong demand.

Europe:

- On Friday 1 July Prime Minister Jacinda Ardern met UK Prime Minister Boris Johnson in London and took a number of steps to strengthen the already close bilateral trade and economic ties. Building on the UK-NZ Free Trade Agreement signed earlier this year, leaders agreed to a new fast-tracked customs process which will benefit exporters accessing both markets. Leaders also agreed to enhance our bilateral Working Holiday/Youth Mobility Scheme, which will allow more UK and New Zealand citizens to travel and work in each others' countries for longer. Once in force, the age limit will be raised from 30 years to 35 years, and the length of stay extended to three years. The Prime Ministers released a joint statement that can be found [here](#).
- Boris Johnson has resigned as UK Conservative Party leader after multiple ministers quit his parliament in protest and demanded his resignation. He remains Prime Minister until a successor is chosen. Further details can be read [here](#).

- **European headline inflation reached a new high of 8.6 percent year-on-year.** German inflation, however, slowed for the first time this year, coming in at 7.6 percent for June y/y, compared to 7.9 percent in May. Meanwhile, Spanish consumer price index inflation reached 10 percent in June y/y compared to 8.5 percent in May.
- **Aotearoa New Zealand will ban the import of Russian gold.** This follows statements during last week's **G7 Summit** on tackling Russia's revenue from gold, **Moscow's largest export outside of the energy sector**. The **United States, United Kingdom, Canada and Japan** have so far signalled they **will prohibit imports of Russian gold**. **Australia** has also announced it will **impose an import ban on gold**.

Asia:

- **China has reduced its required quarantine period for overseas arriving travellers:** down to seven days of centralised quarantine plus three days of health monitoring. This marks the most significant easing of China's border restrictions since the onset of its current (and now largely suppressed) Omicron outbreak.
- **Sri Lanka's economic crisis has taken a further turn for the worse** over the past fortnight, with the country now running on less than a day's worth of fuel reserves. The nation's next promised fuel shipment is still several weeks away, with all bilateral lines of credit tapped out and foreign currency reserves inadequate to meet import bills. **Cost of living** is a key driver of public dissatisfaction. **Inflation was 55% (and food inflation 80%) in June**, relative to a year ago – **record high levels** since the 1950s.

Americas

- The Office of the **United States Trade Representative** is **seeking public comment** on its efforts to develop a **"focused trade strategy" for combatting forced labour**, which will include existing and "potential new" trade tools, the agency said in a Federal Register notice this week. **United States Trade Representative Katherine Tai** first announced that USTR would develop a **trade strategy to combat forced labour** in January. The **deadline for submitting written comments to USTR will be 30 days after the Federal Register notice is published on Wednesday**.

Market reports released this week

- The previous global economic round-up can be found [here](#).
- [NZ Women in Export – OECD Releases Trade & Gender Review of NZ – June 2022](#)
- [Prime Minister's visit to the US supports sustainable trade connections – June 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.

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.
- Tatauranga 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

Call 0800 824 605

Visit Tradebarriers.govt.nz

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