

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

Highlights:

- **Prime Minister Jacinda Ardern** announced a major package of reforms yesterday, which include an **early opening of New Zealand's border** and a **simplification of immigration settings**. New Zealand's border announcement includes the **full resumption of international education** as well as **cruise ships** being able to return from **31 July**. Read the full press release [here](#).
- **New Zealand** has initiated **dispute settlement proceedings against Canada** regarding its implementation of **dairy tariff rate quotas (TRQs)** under the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**. Find out more [here](#).
- As part of the Government's ongoing response to Ukraine, **Foreign Minister Nanaia Mahuta** has announced **new sanctions targeting disinformation and those responsible for cyber attacks on Ukraine**. The latest round of sanctions, which **entered into force 11 May**, targets eight individuals and entities involved in Putin's campaign of disinformation, as well as cyber attacks on Ukraine. It builds on New Zealand's earlier sanctions targeting propagandists, and expands our sanctions list to include a notorious "troll farm", the spokesperson of the Russian Ministry of Defence, and others. Further information on sanctions taken under the Russia Sanctions Act 2022 can be found [here](#).

Regional Updates

Domestic Updates:

- **Minister Hipkins** has announced that from **6 May residence class visa holders that are unvaccinated against COVID-19 will be able to enter Aotearoa New Zealand**. The change also allows unvaccinated New Zealand Permanent Residents and Australian Citizens ordinarily resident in Aotearoa New Zealand to travel in and out of the country. The press release is available [here](#).

Australia and the Pacific:

- The Government of **Niue** has confirmed it will **open to travelers**, including tourists, from **27 June** and the resumption of passenger flights every week. All travelers arriving into Niue once QFT commences will still be required to undertake COVID-testing as required by the Niue Health Department by completing a polymerase chain reaction (PCR) test.
- **Tasmanian Premier Rockliff** has [announced](#) that the Tasmanian Government will lead a **trade mission to New Zealand** later this year, as part of their plan to grow and diversify economic opportunities across the globe in key areas.

Asia:

- April saw the inaugural meeting of the **Regional Comprehensive Economic Partnership (RCEP)** Joint Committee. RCEP, the world's largest free trade agreement, entered into force in January 2022 and comprises ASEAN, Australia, China, Japan, Korea, and New Zealand. The Committee is responsible for overseeing full implementation of the Agreement to ensure it delivers the expected outcomes for business. Separately, the Joint Committee for the **ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)** also met in April to progress negotiations of the AANZFTA Upgrade, which is scheduled to conclude in September. The upgrade aims to modernise the Agreement which has now been in force for over a decade, and is one of New Zealand's most valuable FTAs. You can find out more about New Zealand's FTAs [here](#).
- A recent meeting with key stakeholders in **Cebu City, Philippines**, revealed there was a **gap in the market for New Zealand to export premium meat to the Philippines targeting the wealthiest 1%**, a demographic who were willing to pay at the premium rate comparable to UAE, China and Japan. This is in addition to a growing class of health conscious middle-class consumers who are also willing to pay for high quality premium meat. Additionally, with New Zealand borders due to open more generally to the Philippines from October onwards, there is **pent up interest to travel to New Zealand for leisure and work**.
- **India's current account deficit surged to a nine-year high of USD 23 billion in Q3**, up from USD 9.9 billion in Q2. The growth was attributed to India's widening trade deficit, reflecting higher commodity prices and domestic demand recovery. Retail inflation inched up to 6.07% in February mainly due to an uptick in food prices, and remained above the tolerance limit of the central bank for a second month in a row. The Reserve Bank of India's kept interest rates unchanged at 4%, choosing to remain accommodative and soak up extra liquidity from the economy in a bid to keep inflation in check and keep economic activity on a resilient growth path.
- **Bangladesh** exports saw 54.82 percent year-on-year growth with figures reaching USD 4.76 billion, making March the seventh consecutive month where export revenues crossed USD 4 billion.

Americas:

- US inflation rose above expectations to **8.3 percent year on year**, slightly down from last month's 8.5 percent year on year.
- Following a virtual **meeting of G7 leaders** earlier this week, **President Biden announced a new round of economic sanctions targeting Russian industries and state media** due to Russia's continued invasion of Ukraine.

Europe:

- A new programme for **startups seeking to set up in Spain** has been launched. **'Rising UP in Spain' partners foreign companies with a local partner** in Spain to host the startup for at least 6 months. Further information and registration is available [here](#).
 - The **Bank of England increased its base interest rates by 0.25 percentage points to 1.0 percent**. The Monetary Policy Committee noted a third of its members voted for a 0.5 percentage point increase to 1.25 percent, in a tougher bid to slow the rate of rising prices. **The UK's annual inflation hit a 30-year high of 7 percent in March**.
 - **Ministry of Foreign Affairs and Trade chief negotiator Vangelis Vitalis** provided a briefing after the recent **NZ – EU FTA Round 12** talks. Vitalis spoke of the challenge in negotiating **agriculture sector market offers**. Read the full article [here](#).
-

Market reports released this week

- The previous global economic round-up can be found [here](#).
- [Services Exporter Survey – Key Findings](#).

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.
-

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

Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.

