

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

Highlights:

- **New Zealand is back on the map for international tourism and business travelers as the country opened up to visitors from around 60 visa-waiver countries on 2 May.** Citizens of visa-waiver nations can now travel to New Zealand without isolation if they are vaccinated and do a pre-departure and arrival test for COVID-19. A list of visa-waiver countries can be found [here](#).
- **Finance Minister Grant Robertson has unveiled new fiscal rules in a pre-Budget speech earlier this week.** These include a surplus target between zero to two percent of GDP, a new measure of debt, and a debt ceiling of 30 percent of GDP. Read the full press release [here](#).
- **The Reserve Bank of Australia (RBA) announced an increase in its cash rate target by 25 basis points to 35 basis points.** This is the RBA's first interest rate hike since 2010 and reflects the surging inflation and tight labour market felt in Australia (and around the world).

Regional Updates

Domestic Updates:

- **Entries and nominations are now open for the 2022 New Zealand International Business Awards (NZIBA)!** The NZIBA is the country's most prestigious national awards for export businesses. As New Zealand reconnects with the world, the NZIBAs aim to celebrate and acknowledge incredible achievements – and look ahead to the future. [Enter here](#).
- Kiwi Expats Abroad (KEA) has released a report on '**Understanding the skills of offshore Kiwi in tech**'. The report highlights **New Zealand** has a significant number of offshore and returning Kiwi who can support and grow **Aotearoa's tech sector**, particularly addressing gaps in senior leadership and board roles. [Read the full report here](#).

Australia and the Pacific:

- The **New Zealand Fiji Business Council recently hosted a webinar with the Fiji Consulate General and Trade Commission, the Fiji High Commission in Wellington, and New Zealand Trade and Enterprise.** The focus of the webinar was on **Fiji-New Zealand trade and economic recovery**. This was a timely conference given that **as of 1 May**, fully vaccinated visitors to Fiji no longer need to take a pre-departure COVID-19 test. Border reopening in Fiji began for select countries, including New Zealand, in late 2021.
- **Samoa will be reopening its borders progressively over the coming months. In May the borders will be open to citizens and residents** travelling to Samoa for any purpose and **for foreign workers that have a contract to work in Samoa.** In **August/September Samoa will open to the rest of the world.** Specifics about the reopening are yet to be announced, but airlines are getting ready to increase the number of

regular passenger flights to Samoa. Samoa has also confirmed a shift in its approach to quarantine on arrival. For **remaining flights in May and beyond, only those who test positive on arrival will be required to enter MIQ**. Those testing negative on arrival will be released for isolation.

Asia:

- **China's ongoing use of zero-COVID measures** to eliminate community transmission in its major centres continues to impact supply chains and the economy more broadly, particularly in **Shanghai** where the lockdown persists. The economic cost of the recent lockdowns will likely be significant, but the full effects remain difficult to predict..
- Decisions made during the past month, including to **enter technical default by suspending external debt repayments** and to begin negotiations with the **International Monetary Fund (IMF)**, have helped **stabilise the economic crisis in Sri Lanka**. However, it has stabilised at an intolerable level for many Sri Lankans. **Food inflation in April**, for example, reached **46.6 percent**, with **overall inflation** surging to **30 percent**.

Americas:

- A **United States (US) Business Summit** took **place in Auckland earlier this week** with officials and business leaders from both **New Zealand** and the **US** speaking. The main message was **New Zealand is open for business**, with **Prime Minister Ardern, Minister O'Connor** and CEOs of both **RocketLab** (Peter Beck) and **Air New Zealand** (Greg Foran) speaking.
- **Prime Minister Ardern spoke of New Zealand's "preference to see the United States enter the CPTPP"** and of New Zealand's interest in President Biden's Indo-Pacific Economic Framework (IPEF). Both of these points come amid wider wishes for the US to be "present and engaged in the economic architecture of our region".

Europe:

- **EU Commission President von der Leyen today presented the EU's sixth package of sanctions against Russia, targeting oil, banks and propaganda**. Von der Leyen also formally announced the phase out of Russian oil, beginning with crude oil within the next six months and refined produced by the end of 2022.
- The **Swedish central bank increased its policy rate to 0.25 percent** late last week. The central bank also predicted **further increases throughout the year**. This marks a significant shift in policy where as recently as February Riksbank (Sweden's central bank) had not forecast policy rate increases until 2024. The decision comes amidst **high inflation** and an **unstable economic outlook**.
- Right-wing **Prime Minister Janez Janša** has been **defeated by newcomer Robert Golob and his liberal green Freedom Movement** in **Slovenia's election on Sunday 24 April**. Janša's Slovenian Democratic party took about 24% of the vote, compared to 34.5% for the Freedom Movement party.

Market reports released this week

- The previous global economic round-up can be found [here](#).
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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

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