

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 be added to the weekly distribution list for this report, please also email us at exports@mfat.net.

Domestic Updates

- A **new border exception for Pacific RSE workers** will enable 150 workers to enter New Zealand every 16 days, between July and March 2022. Similar conditions to the previous exception will apply, though the requirement for only experienced workers to participate has been removed, and an explicit condition that only low risk COVID countries can participate is now included.
- From Monday 10 May 2021, the **Ministry of Business, Innovation and Employment** will be accepting **applications under the new [Time Sensitive Travel Allocation](#)**. The objective of this allocation is to facilitate entry into Managed Isolation and Quarantine (MIQ) for travellers who need to enter New Zealand to undertake **critical work that is time sensitive** in New Zealand or parts of the Pacific, or that is time sensitive and potentially impacts New Zealand's national security, international obligations, or international relations. The Time Sensitive Travel Allocation is primarily for pre-planned travel that is time-sensitive and where there would be detrimental (social, economical, environmental or political) impacts if the traveller/s cannot be allocated an MIQ slot on the dates requested. Very few time sensitive travel allocation requests will be granted, so travellers are encouraged to book in early to the Managed Isolation Allocation System as it is the most effective way to guarantee their place.
- **New Zealand Government** will **not pause quarantine-free travel from Victoria** to New Zealand following the identification of a community case in Melbourne. This decision may change as further information becomes available. Further public updates can be found on the New Zealand Unite Against COVID-19 [webpage](#).

Global & Multilateral Updates

- The 2021 Australian Budget has prioritised greater support for resilient supply chains. Treasurer Josh Frydenberg announced that \$98.8 million would be spent over four years to establish an Office of Supply Chain Resilience that would monitor and coordinate existing initiatives to boost supply chains resilience, as well as to implement other Government policy priorities. It is part of a package of support for exporters that also seeks to support market diversification, Australia's contributions to the WTO and Indo-Pacific collaboration.

Regional Updates

Australia and the Pacific

- The **2021 Australian Budget** has **prioritised greater support for resilient supply chains**. Treasurer Josh Frydenberg announced that \$98.8 million would be spent over four years to establish an Office of Supply Chain Resilience that would monitor and coordinate existing initiatives to boost supply chains resilience, as well as to implement over Government policy priorities. It is part of a package of support for exporters that also seeks to support market diversification, Australia's contributions to the WTO and Indo-Pacific collaboration.
 - **Industry body Wine Australia** has reported a **96% drop in the value of their exports to China**, falling from A\$324 million between December 2019 - March 2020 to A\$12 million during the same period this year. The decline in exports has been largely attributed to the tariffs of up to 212% that Chinese authorities placed on bottled products from Australia in November 2020. In March, Chinese authorities confirmed the extension of the tariffs for another five years.
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Asia

- **Prime Minister Ardern** delivered a **speech** to the **China Business Summit** in Auckland on Monday 3 May. The speech is on the Beehive website, [linked here](#).
- **India** and the **European Union (EU)** [have agreed](#) to **resume trade negotiations**, [announced](#) during a virtual India-EU Leaders' Meeting on 8 May.

Europe

- In what will be the first international trip by a New Zealand Minister since the pandemic began, yesterday (13 May) **Minister O'Connor** [announced](#) plans to **travel to London and Brussels** to **progress the UK and EU Free Trade Agreement (FTA) negotiations** in person. This recent announcement followed a conversation between Minister O'Connor and his UK Trade counterpart, **Liz Truss**, where they agreed to intensify New Zealand-UK FTA negotiations with a view to working toward agreement in the coming months ([see here for Ministerial statement](#)). Negotiators are working on a forward plan with the UK that will allow parties to meet this ambitious objective. This includes reinforcing the key areas where progress needs to be made, including on agricultural market access. Round 5 has been scheduled for early June, with round 6 in July.
- An **impact assessment** (available [here](#), in German only) commissioned by the **German Federal Government** further supports the **proposal to transform animal production** in Germany towards improved animal welfare standards, through generating funding through a VAT increase (from 7 to 19%) or an animal welfare levy to compensate German farms for meeting higher animal welfare standards.
- The **Slovak government** submitted to the European Commission on 29 April its **national recovery plan**, which will be funded from the EU's €750 billion recovery fund package. Of the €6 billion Slovakia will receive, €2.3 billion will be spent on 'green' economic transition initiatives, €1.5 billion on healthcare measures and the remainder on digitalisation of public administration, innovation, education and science.
- The **Slovenian government** is set to unveil **another stimulus package for the tourism, hospitality and events industries**, which will extend subsidies, income support and fixed costs compensation to the end of 2021. It will also draw on €1.8 billion of its share of grants from the EU's €750 billion recovery fund package and €666 million in loans to fund its national recovery plan. Like Slovakia, Slovenia will also spend much of this money on a 'green' transition, digital transformation and health and social security spending.

Americas

- On 5 May, the **United States Trade Representative** [announced](#) **US support for the waiver of intellectual property protections for COVID-19 vaccines**. The statement indicates that the US will actively participate in the text-based discussions within the WTO to allow for such a waiver. **New Zealand** has also [announced](#) its support for the waiver of intellectual property protections for COVID-19 vaccines in response to the human catastrophe of the pandemic.
- The Special Agricultural Trade Envoy (SATE), Mel Poulton, hosted an **agricultural field visit to Wairarapa farms** on 15-16 April for the **New Zealand-based Latin American diplomatic corps**. The two-day programme featured visits to four agricultural sites: an arable farm, a sheep and beef farm, a dairy farm, and a vineyard. The visit was an opportunity to showcase the New Zealand agricultural sector as a partner to Latin American markets, and to spotlight New Zealand sustainable farming systems, agritech and farming best practice.
- On Tuesday 4 May, the Foreign Affairs Commission of the **Chilean Congress' Chamber of Deputies** recommended in a unanimous (12-0) vote the **ratification of the Digital Economy Partnership Agreement (DEPA)**. Attending the session on behalf of Foreign Minister Allamand, Vice-Minister of Trade Rodrigo Yáñez stated "DEPA represents a modernising landmark in Chilean trade policy, because it is a pioneer in dealing with digital issues exclusively. This comes at a time of considerable disruption to international trade and value chains because of the pandemic, and represents a new way of economic insertion in the digital age, key for economic reactivation." If approved by the Chamber of Deputies, DEPA's ratification process would then move to the Senate.

Middle East and Africa

- As of 15 May, **Turkey** is **lifting the requirement for a negative PCR result for passengers arriving** from Hong Kong, China, Taiwan, Vietnam, Australia, **New Zealand**, Singapore, Thailand, South Korea, Israel, Japan, United Kingdom, Latvia, Luxembourg, Ukraine and Estonia. Passengers from other destinations are still required to produce a negative PCR test result. All passengers must still complete an entry form prior to their arrival into Turkey: <http://register.health.gov.tr>.
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Market reports released this week

- The previous global economic and trade update can be found [here](#).
 - An April 2021 market update on China was prepared by the New Zealand Embassy in Beijing and can be found [here](#).
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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.

More reports

View full list of market reports from MFAT at www.mfat.govt.nz/market-reports

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