

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.

Global & Multilateral Updates

- On 4-5 June 2021, the Asia-Pacific Economic Cooperation (APEC) Ministers Responsible for Trade (MRT) took place, chaired by the Minister for Trade and Export Growth Hon Damien O'Connor, with New Zealand represented by the Minister of State for Trade and Export Growth Hon Phil Twyford. APEC Trade Ministers, representing half of global GDP, delivered their most ambitious statement of political intent for some time. They committed to facilitating trade in vaccines and the products essential to completing vaccination programmes, a critical pre-requisite to reopening borders and growing economies. Trade Ministers also reiterated their support for a well-functioning and responsive World Trade Organization (WTO). They additionally reaffirmed APEC's role in supporting trade and sustainability outcomes. This included commitments to conclude the WTO fisheries subsidies negotiations by no later than 31 July, progress work on addressing fossil fuel subsidies, and new efforts to enhance trade in environmental goods and services.
- Discussion of the proposal for a temporary waiver of intellectual property rules under the WTO Trade Related Aspects of Intellectual Property Agreement (TRIP waiver) are ongoing. India, South Africa and other proponents of the TRIPS waiver proposal have tabled an updated proposal. New Zealand has noted its support of a waiver in relation to COVID-19 vaccines and the need for the WTO to move to text based discussions. The EU is preparing to table an alternative proposal that brings together WTO work on facilitating trade and assisting increased manufacture of vaccines and other COVID-19 related products alongside proposals to simplify flexibilities within TRIPS rules. The APEC Ministers Responsible for Trade Meeting Joint Statement, included support from APEC economies for text-based negotiation of a waiver in relation to vaccines. Efforts are continuing within the WTO to urgently consider text to address these issues, however significant differences still exist between members.

Regional Updates

Australia and the Pacific

- On 8 June, the **United Nations** membership agreed to **postpone** to 2024 the **graduation** of **Kiribati** and **Tuvalu** from **Least Developed Country status**. The decision was a big win for both countries, who were concerned about the impact that graduating would have on their economies, especially as the full economic impact of COVID-19 remains unclear.

Asia

- In April, the Standing Committee of China's National People's Congress released second drafts of two key components of **China's comprehensive cybersecurity and data protection legislative framework** in late April: the draft *Personal Information Protection Law* and the draft *Data Security Law*. The latter was approved on 10 June

with the former's enactment likely before the end of the year. The scope of the two laws remains broad, meaning they may have **implications for foreign companies operating in China**, and potentially those based outside the country but handling data of Chinese citizens.

- **China** has enacted a wide-ranging **Anti-Foreign Sanctions Law**, with the stated purpose being “to counter, fight and oppose unilateral sanctions on China. Under the new law, organisations and individuals (and their immediate families) deemed to be involved in making or implementing discriminatory measures against Chinese entities could face Chinese countermeasures including: visa cancellation; freezing of assets; restrictions on Chinese entities cooperating with listed entities; or “other necessary measures”. The new law is being presented as a response to actions taken by the EU, UK, the US and Canada relating to Xinjiang, Tibet, and Hong Kong. It is as yet unclear what practical impact the law will have.
- Coherent with the announcement made by Prime Minister Suga last year, **Japan** has passed **legislation** codifying its goal of reaching **greenhouse gas emission neutrality by 2050**. To achieve its emissions goals, Japan aims to double the number of geothermal power stations by 2030 and ease regulations to allow for the development of geothermal power.
- **Singapore** has established the **Climate Impact X (CIX)** - a Singaporean-based **global carbon exchange and marketplace** that will focus on using nature-based solutions as carbon off-sets by the commercial sector. The establishment of CIX supports Singapore's wider aspiration to become a leading carbon-trading hub. CIX, backed by the Singapore Stock Exchange, DBS bank, Temasek, and Standard Chartered, aims to enhance the transparency, integrity and quality of carbon credits in the voluntary carbon market.
- Following the second postponement of the start of the **Singapore – Hong Kong air travel bubble** (in late May), Minister of Transport Iswaran announced on 10 June that respective countries will ‘review the situation’ in early July and then make a decision about setting a new target launch date. During a short visit by PM Morrison to Singapore on 10 June (on the way to the G7 meeting in the UK), **Australia** and Singapore announced that they would start laying the groundwork for the eventual establishment of an air travel bubble. PM Morrison noted that ‘while there is some time before Singapore and Australia can open up, the two countries are working on putting systems in place to do so’.

Europe

- **Round Five of New Zealand-UK Free Trade Agreement (FTA) negotiations** recently **concluded on 14 June**. In line with Minister of Trade and Export Growth Damien O'Connor's agreement to accelerate trade talks with his UK trade counterpart Secretary of State Liz Truss, solid progress was made with three more chapter texts substantially concluded (government procurement, gender equality, and dispute settlement) and several more likely to follow before round six, currently scheduled for late July. As part of that Ministerial commitment, Minister O'Connor has been in London this week to meet with his UK trade and agriculture counterparts to push this negotiation toward conclusion. A press statement is expected to follow. New Zealand continues to be clear that in our FTA negotiation with the UK, tariffs need to be eliminated over commercially meaningful timeframes and that we won't be compromising the quality of the agreement for speed.
- A **joint webinar** will be held on 22 June with **NZ and UK Chief Negotiators** as panellists who will provide a progress update, and the opportunity for interested stakeholders to ask questions of importance to them.
- On Wednesday 16 June, **Australia and the UK [announced](#)** they have reached **agreement in principle** on their **AU-UK FTA** negotiations. While granular detail of the deal remain unclear, tariffs on all products are slated for eventual elimination under that FTA.

Americas

- On 8 June the **US** Senate passed the **US Innovation and Competition Bill**, a \$250 billion bill to help boost US competitiveness in science and tech innovation. The US House of Representatives is expected to consider the legislation in the coming weeks.
 - With the 30 day **ban on the export of beef scheduled to end** on 20 June, it is still not clear as to whether the **Argentine** government will maintain the **closure or restart exports**. The export ban has resulted in a greater supply
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of beef on the domestic market and an apparent fall in the price of beef, although this was not reflected in prices to the public, which increased by 6%. Ahead of a decision by the government, the consortium of meat exporters (ABC) made a second proposal to the government, whereby they would provide a greater volume of beef to the domestic market at affordable prices. Farmers' representatives have warned that they could re-impose protest measures if exports are not reopened.

- The **cryptocurrency Bitcoin** will become **legal tender in El Salvador**, after the country's Legislative Assembly approved legislation, making it the first country to do so. Bitcoin is set to operate as a parallel legal tender alongside the U.S. dollar, and the Government has requested technical assistance from the World Bank in order to implement the change, according to Finance Minister Alejandro Zelaya.

Market reports released this week

- The previous global economic and trade update can be found [here](#).
- A Singapore Economic Update was prepared by the New Zealand High Commission in Singapore [here](#).
- An update on the French food and beverage sector (including implications for New Zealand) was prepared by the New Zealand Embassy in Paris and can be found [here](#).
- An Economic and Business Update on the Philippines was prepared by the New Zealand Embassy in Manila, available [here](#).

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.
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More reports

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

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