

## 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](mailto:exports@mfat.net).

## Domestic Updates

- On 14 April, the New Zealand Government [announced](#) a **ban on the export of livestock by sea**, with a transitional period of up to two years. This follows a Cabinet direction in August 2019 for the Ministry for Primary Industries (MPI) to lead a review into the export of livestock to improve the welfare of the animals being exported by sea and enhance New Zealand's reputation.
- On 6 May, MFAT is hosting the **Government Update for Exporters: Trade-Led Recovery** at the Vodafone Events Centre in Manukau. Minister for Trade and Export Growth, Hon. Damien O'Connor will be a guest speaker. Officials from a range of agencies (including MFAT, New Zealand Trade and Enterprise, Ministry of Business, Innovation and Employment, Ministry for Primary Industries and the Export Credit Office) will be present to answer your questions about New Zealand's trade policy, trade negotiations, and improved exporter services. **For more information, please see attached flyer and RSVP to:** [FTA\\_Outreach@mfat.govt.nz](mailto:FTA_Outreach@mfat.govt.nz). This is the first of a series of trade policy road shows that MFAT are hosting around the Aotearoa.

## Global & Multilateral Updates

- Global supply chains continue to be disrupted by COVID-19. We are hearing from industry that **pricing for both air and sea freight has come under further pressure** as the after effects of the Suez Canal blockage are now being felt in New Zealand. Refrigerated container ("reefer") availability has deteriorated in the last few weeks, with **processors/exporters finding it difficult to obtain refrigerated containers for export requirements**. Impacts vary across, and within, each sector: apple and pears, red meat and seafood appear most impacted at this stage.

## Regional Updates

### Australia and the Pacific

- As a result of Trans-Tasman Quarantine Free Travel, a number of airlines have decided to **cease operations of 'red flights' between Australia and New Zealand** (i.e. flights carrying passengers who need to enter an MIQ facility on arrival). This will have **transit implications for travellers** from a range of countries who rely solely on commercial flights via Australia to enter New Zealand. Officials are in discussions with Australia to find a possible solution. However, it is a commercial decision for each airline as to which types of flights they operate.

### Asia

- On 26 March, the **Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act)** was **passed into Philippines law**, introducing **reforms to corporate income tax (CIT)** and **incentives to attract investment**. Corporations will be subject to a 5 percent cut in CIT starting July 2020 (applying retroactively) until 2022. The CIT rate will reduce further by 1 percentage point every year from 2023-2027. From 2027 onwards the CIT rate will remain at 20%. The reduction will

boost the country's cost competitiveness in doing business and will bring the country closer to the ASEAN CIT rate average (22%). The CREATE Act amends the Corporate Income Tax and Incentives Reform Act (CITIRA).

## Europe

- The **EU Agro-Trade Platform**, organised by the European Fund for the Development of Polish Villages Foundation, took place virtually on 24-26 March 2021. A representative from the New Zealand Embassy in Brussels presented on New Zealand policy. The session focused on water use in agriculture in the context of climate change. The three-day event catered to over 500 participants from around 40 countries.

## Americas

- In late November 2020, the **United States** formally notified the **World Trade Organisation (WTO)** that it would remove certain medicines, medical devices and critical inputs from its coverage commitments under the **WTO Agreement on Government Procurement (GPA)** (Note: a [previous market report](#) on this issue has now been updated). The United States has now **withdrawn its proposed modification effective immediately**. In doing so, the United States advised the GPA Secretariat that it continues to review its government procurement policy and looks forward to working with parties to the GPA to find solutions to secure the medical supply chain between allies and partners.
- Inflation in **Argentina** increased by 4.8% in March, reaching 12.4% in the first quarter. In response, the **Argentine government** has announced a series of **measures** to try to **contain price increases in the food sector** and to guarantee the **supply of goods, products and industry supplies**. These measures include the establishment of a registry of beef exporters, more price control mechanisms, and the renewal of price agreements with major businesses.
- The Argentine government and the **International Monetary Fund (IMF)** continue with negotiations for a **new debt payment programme with Argentina**. Argentine Economy Minister Martin Guzman has said he is doubtful that a deal will be reached by May, although IMF officials say that progress has been made. Minister Guzman is currently undertaking an official visit to Europe to gather support for the ongoing negotiations with the IMF and the Paris Club, holding meetings with officials from Germany, France, Spain and Italy, as well as with Pope Francis.
- Sources in the mining industry expect **copper prices to continue increasing**, which may **trigger greater investment and production levels for Chile's largest export**. American bank Goldman Sachs called the red metal "the new petroleum" in the era of electric cars and renewable energy. Local and international mining companies have put forward investment projects that should create nearly 200,000 jobs over the next five years..
- In a virtual ceremony on 7 April, **New Zealand's** Minister of Agriculture, Hon. Damien O'Connor, and **Ecuador's** Minister of Agriculture and Livestock, Xavier Lazo, signed a **Memorandum of Arrangement (MoA) in bilateral agricultural cooperation**. The non-binding arrangement is between New Zealand's Ministry for Primary Industries and Ecuador's Ministry of Agriculture and Livestock, building on an existing work programme between the two entities. It provides a framework and platform to support New Zealand's agricultural objectives in Ecuador, particularly NZTE's agribusiness interests.

## **Market reports released this week**

- The previous global economic and trade update 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.

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## More reports

View full list of market reports from MFAT at [www.mfat.govt.nz/market-reports](http://www.mfat.govt.nz/market-reports)

If you would like to request a topic for reporting please email [exports@mfat.net](mailto:exports@mfat.net)

## To contact the Export Helpdesk

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Call 0800 824 605

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# TRADE-LED RECOVERY

## GOVERNMENT UPDATE FOR EXPORTERS

Thursday 6th May 2021, 0900 - 1200

Sir Noel Robinson Conference Centre, Vodafone Events Centre  
770 Great South Road, Manukau

Do you work in a business that exports, or one interested in doing so? Interested in how to benefit from free trade agreements, or the removal of non-tariff barriers? Come and hear about efforts to boost New Zealand's economic recovery from COVID-19 through international trade.

### GUEST SPEAKERS

**Hon Damien O'Connor**

MINISTER FOR TRADE AND EXPORT GROWTH

**Clare Kelly**

ASSISTANT SECRETARY - TRADE AND ECONOMIC GROUP,  
MINISTRY OF FOREIGN AFFAIRS AND TRADE.

*Officials from a range of agencies, including MFAT, NZTE, MBIE, Customs, MPI and Export Credit Office will be on hand to answer questions and receive your feedback*

*Morning tea and lunch provided. Registration is FREE.*

To register, email [FTA\\_Outreach@mfat.govt.nz](mailto:FTA_Outreach@mfat.govt.nz)