

## 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).

## Global & Multilateral Updates

- On 27 April a joint **Japan-India-Australia Ministerial Statement** outlined further detail on a **Supply Chain Resilience Initiative** being worked on. The joint statement identified possible policy measures as including: (i) supporting the enhanced utilisation of digital technology; and (ii) supporting trade and investment diversification. It instructed officials to implement two initial projects that would help further develop the Initiative: (i) sharing of best practices on supply chain resilience; and (ii) holding investment promotion events and buyer-seller matching events to provide opportunities for stakeholders to explore the possibility of diversification of their supply chains.
- On 20 April, the **Organisation for Economic Co-operation and Development (OECD) Council** (the OECD's most senior body) agreed to a **proposal**, led by New Zealand, to elevate **the Working Party on SMEs and Entrepreneurship** to a Level 1 Committee. The upgrade will provide the OECD's work in this area with increased focus and emphasis by the Organisation and leadership by Council. This is timely and appropriate as members seek to support the recovery of SMEs and entrepreneurs from COVID, and to deploy SMEs in driving the recovery more broadly. The proposal was formally launched by Minister Nash in October 2020, followed by an intense period of negotiations to move it through the technical sub-Committees, and a Ministerial-led diplomatic campaign to develop political support.
- France, Denmark, Germany, the Netherlands, Spain, Sweden and the UK** launched an initiative called the **Export Finance for Future (E3F) coalition** during a virtual meeting on 14 April. The E3F Coalition is a plurilateral initiative to align trade and export support with the goals of the Paris Agreement and to phase-out support for fossil fuel powered projects. The Coalition has committed to end official trade and export finance of: 1) unabated coal power and 2) thermal, coal-related infrastructure, including mines and storage and transport infrastructure that contribute to the thermal coal supply chain. These principles aim to build international momentum, particularly in the OECD context, towards harnessing public export finance for climate action and Fossil Fuel Subsidy Reform (FFSR).

## Regional Updates

### Australia and the Pacific

- On Friday 23 April, **New Zealand** initiated a **pause on quarantine-free flights from Western Australia** following two positive community COVID-19 cases linked to a Perth Managed Isolation Facility. The decision to pause was in-line with other Australian states and territories, and has resulted in a number of direct flights to and from New Zealand to Perth being cancelled. Western Australia came out of lockdown on 12.01am Tuesday 27 April, with some restrictions remaining in place until 1 May. **New Zealand resumed quarantine-free flights between Western Australia and New Zealand** on Wednesday 27 April, based on a renewed Risk Assessment from the Ministry of Health.

### Asia

- China's State Council** last week [approved](#) further opening up of the **services sector** in four regions with "**comprehensive pilot programs**" announced for **Tianjin, Shanghai, Chongqing, and Hainan provinces**. According to the announcement

the programs will “support foreign firms to establish wholly owned financial companies, allow them to invest in travel agencies to undertake outbound tourism business, and give the green light to foreign banks to participate in import and export tax payment services”. At present the added value of the service industry reportedly accounts for around 55% of China's GDP.

- The **Malaysian** agriculture regulator (DVS) and border agency (MAQIS) have formally agreed to a request to **grant temporary dispensation for specified red meat consignments from New Zealand**. This means Malaysia will waive legal penalties for 35 specified meat consignments that were in transit when the new labelling requirements came into effect on 1 January 2021. As a result of the penalties being waived, it will potentially save exporters millions of dollars.

## Europe

- The **European Parliament** approved the **EU-UK future relations agreement**. This means the agreement, which has been provisionally applied since January, can fully **enter into force on May 1**. Prime Minister Boris Johnson said in a statement “This week is the final step in a long journey, providing stability to our new relationship with the EU as vital trading partners, close allies and sovereign equals.”
- **Round four** of the **NZ-UK Free Trade Agreement (FTA) negotiations finished** on Tuesday 27 April. Positive progress was made on the text across the Agreement, revised goods and initial government procurement offers exchanged, and a further two further chapters substantively concluded (Trade Remedies and Competition). Some areas, including the goods market access discussions, need more work. New Zealand reemphasised needing to see a comprehensive goods market access offer from the UK that is commercially meaningful and removes tariffs over time. The round's conclusion was **followed by a public webinar** in which Chief Negotiators updated New Zealand and UK stakeholders on progress made in the round. It included an opportunity for stakeholders to ask Chiefs a wide range of questions such as food production standards, wine and spirits trade, investor state dispute settlement, SME committees and traditional knowledge in medicine. Chief Negotiators have outlined their expectations for continued progress, including additional chapters where negotiators should be working towards substantial conclusion during round five (tentatively scheduled for June).
- The **New Zealand Europe Business Council** and the **Ministry of Foreign Affairs and Trade** jointly **invite you** to a **breakfast update** on recent developments in, and the outlook for, **New Zealand-Europe trade**. Please consult the flyer below for more information. Registration is free. RSVP at [RSVPAuckland@mfat.govt.nz](mailto:RSVPAuckland@mfat.govt.nz)
- On Thursday 6 May, **join representatives** from the **European Union's** Delegation to New Zealand, New Zealand's Ministry of Foreign Affairs and Trade, and Auckland's business community, to discuss the **main issues at stake in the EU-NZ Free Trade Agreement**. More information and event registration [is available here](#).

## Americas

- On 26 April, **Canada's** House of Commons **passed** the [Canadian Budget for 2021](#) titled “A Recovery Plan for Jobs, Growth, and Resilience”, containing 270 separate spending commitments. Deputy Prime Minister and Finance Minister Freeland's [introduction](#) of the budget emphasised economic recovery from the COVID-19 recession as the key focus, with various measures aimed at supporting the middle class. **Key programmes** provided with funding over the next five years include: a Canada-wide early learning and child care system (\$30 billion); extension of COVID-19 subsidies and benefits (\$32.1 billion); and investments in green recovery (\$17.6 billion). The budget also announced \$4.184 billion to help 160,000 SMEs buy and adopt **new technologies** needed to grow, as well as training for 28,000 technology corps assisting SMEs in their digitisation. The Federal Government is also looking to establish a bio-manufacturing industry domestically and create vaccine production capacity.
- The **Brazilian government** has **suspended import duties on soy, corn, soybean meal and soybean oil** until the end of 2021, in an effort to slow inflation worsened by rising global commodities prices.

## **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 realtime 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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# New Zealand Europe Trade

## UPDATE

**Friday, 7 May 2021, 7:45am-9:00am  
(arrive from 7:30am)**

**MFAT Auckland – Level 6, 139 Quay Street,  
Auckland CBD**

The New Zealand Europe Business Council and the Ministry of Foreign Affairs and Trade jointly invite you to this breakfast update on recent developments in, and the outlook for, New Zealand-Europe trade.

### GUEST SPEAKERS:

#### *HON DAMIEN O'CONNOR*

Hear from the Minister for Trade and Export Growth on the latest New Zealand-EU FTA negotiation round, and recent engagements with his European counterparts.

#### *ROB TAYLOR*

Deputy Secretary for Europe at the Ministry of Foreign Affairs and Trade, Rob Taylor, will talk to the Ministry's work with EU counterpart agencies on various trade matters.

Officials from the Ministry of Foreign Affairs and Trade and New Zealand Trade & Enterprise will be available to answer questions and receive your feedback after the event over tea, coffee and pastries.

**Registration is free.**

**RSVP at [RSVPAuckland@mfat.govt.nz](mailto:RSVPAuckland@mfat.govt.nz)**