

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

Highlights:

- Prime Minister Jacinda Ardern is leading a trade mission to Singapore and Japan this week. In Singapore she met with Prime Minister Lee Hsien Loong. The Prime Ministers agreed to add a new Green Economy Pillar to the Enhanced Partnership between Singapore and New Zealand, and to launch a Singapore and New Zealand Supply Chain Working Group.
- China's ongoing use of zero-COVID regulations in Shanghai continue to impact on supply chains, with some New Zealand companies considering contingency planning.
- Treasury's latest estimates show annual inflation increasing to 6.9% in the March 2022 quarter, from 5.9% in the December 2021 quarter.
- New Zealand and Australia governments are funding a new initiative to support indigenous business.

Regional Updates

Domestic Updates:

- Treasury's latest estimates show annual **inflation increasing to 6.9% in the March 2022 quarter**, from 5.9% in the December 2021 quarter as petrol prices, construction costs, and food prices (in particular) contribute to rising prices. While demand has remained resilient through the Omicron outbreak, it appears to be easing with **electronic card spending falling 1.3%** in March 2022. **Slower demand is also reflected in declining house prices and tightening credit conditions.** Meanwhile, the ongoing COVID-19 related **supply disruption** and the war in Ukraine **continue to put significant pressure on prices.** [here](#)

Australia and the Pacific:

- The New Zealand and Australian governments have announced funding for a new initiative to support indigenous business. Targeted towards Aboriginal, Torres Strait Islander and Māori communities, the funding will provide e-commerce training and business development to help up to 82 indigenous businesspeople. Read the full press release [here](#).
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Asia:

- **Prime Minister Jacinda Ardern is leading a trade mission to Singapore and Japan this week** to support New Zealand's economic rebuild through reconnecting with two of its closest Indo-Pacific economic and security partners. The Prime Minister is being **accompanied by Minister for Trade and Export Growth Damien O'Connor** and a **delegation of senior business leaders and media** in her **first overseas trip since the COVID-19** outbreak began over two years ago. The delegation includes dairy, food and beverage, technology, tourism and renewable energy sector leaders, with a **strong focus on promoting sustainability and innovation**.
- During her time in Singapore, the Prime Minister met with **Singapore's Prime Minister Lee Hsien Loong**. The Prime Ministers agreed to strengthen the Enhanced Partnership by adding a **new pillar on "Climate Change and Green Economy"**, covering cooperation on areas such as energy transition technology, carbon markets, sustainable transport and waste management.
- To help build resilience against current and future supply chain disruption, the Prime Ministers also agreed to launch a **Singapore and New Zealand Supply Chain Working Group**. They asked officials, working closely with the private sector, to identify opportunities for collaboration in support of more productive, resilient, sustainable, and digitally enhanced supply chains for enterprises of all sizes and for improved food and energy security in both countries. [Joint Statement by the Prime Ministers of New Zealand and Singapore | Beehive.govt.nz](#)
- Prime Minister Jacinda Ardern also announced that **New Zealand is relaunching and expanding its Working Holiday Scheme with Singapore** and will welcome applications from 5 May. 300 visas (up from 200) will be available to 18-30 year olds for 12 months, extended from the original 6 months. [NZ to expand Working Holiday Scheme with Singapore | Beehive.govt.nz](#)
- Shanghai remains in a **city-wide lockdown to limit the spread of COVID-19** in line with **China's zero-COVID regulations**, with **supply chains continuing** to be **impacted** and **operating** under significant **constraints**. The Economist has suggested that a one-month lockdown of Shanghai and its spillover effects could knock 4% off China's GDP in [that period](#). **Air New Zealand** is currently operating a **reduced cargo service** into Pudong Airport with trucking services across the country available but severely constrained. Trucking activity around Shanghai is reportedly operating at 15% of normal levels, with nationwide trucking activity by some reports down as much as 40% from mid-March. Most **New Zealand companies are experiencing disruptions** – with some considering contingency planning – but most are still able to get supplies into Shanghai and cleared. Officials are continuing to monitor the impacts of the lockdown and its impact on New Zealand businesses.
- **Sri Lanka** continues to **face challenging economic conditions**. Amidst rate hikes, credit rating downgrades, and a decision to pre-emptively default, a delegation led by the newly-appointed Finance Minister Ali Sabry has now left Sri Lanka to **meet with the International Monetary Fund (IMF)** this week. Negotiations continue with other bilateral and multilateral lenders to address Sri Lanka's ongoing foreign exchange shortage and humanitarian needs.
- The government of the **Republic of Korea (ROK)** moved **forward in its plans** to join the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**. Deputy Prime Minister and Minister of Economy and Finance Hong Nam-ki approved the plan to join the CPTPP that was previously discussed at a ministerial meeting on international economic security on April 8. The government will **first complete internal procedures before submitting an official bid**, which is expected before the new administration comes in to office on 10 May Read the official press release [here](#).

Europe:

- The Government has announced **new sanctions against Russia's largest banks and financial institutions**, as part of the Government's ongoing response to Russia's invasion of Ukraine. The latest sanctions will **affect 18 entities**, which make up approximately **80% of Russia's total banking assets**. The 18 entities
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designated under the latest round of sanctions are: Alfa-Bank, Bank Rossiya, Bank Otkritie, Black Sea Bank for Development and Reconstruction, Central Bank of the Russian Federation, Credit Bank of Moscow, Gazprombank, GenBank, Industrial Savings Bank, Novikombank, Russia Agricultural Bank, Russian National Commercial Bank, Russian Direct Investment Fund, Sberbank, Sovcombank, SMP Bank, Vnesheconomban and VTB. Regulations passed also include the **details of trade measures that were announced on 6 April** and will **come into force on 25 April**. For more detail on these, please check out our [Russian Sanctions website](#) and [the Sanctions register](#). [Russian banks targeted under latest round of sanctions | Beehive.govt.nz](#)

Americas:

- On 19 April the **United States** Treasury Department **issued guidance on support** for countries facing rising **food insecurity because of Russia's war against Ukraine**. The guidance outlines the many **humanitarian** and **food-related authorizations** issued by US Treasury's Office of Foreign Assets Control in support of people impacted by Russia's war. It also provides consolidated information for financial institutions, non-governmental organizations and market participants to more easily assess whether they are engaging in authorized or exempt transactions. More information [here](#).

Middle East and Africa:

- **South Africa's largest port**, the Port of Durban, has been **significantly affected by flooding**. The Port of Durban is a primary gateway to southern Africa for critical imports of food, fuel and products. On **11 April it was forced to suspend all activity** in the port as access roads and railway lines in and out of the port were damaged. On **13 April very limited operation was resumed**.

Market reports released this week

- The previous global economic round-up can be found [here](#).
- [MFAT – Managing Global Supply Chains: January – March 2022](#)
- [Expo 2020 Dubai: Food, agriculture and livelihoods, April 2022](#)
- [European Union: Proposal for a Corporate Sustainability Due Diligence Directive, April 2022](#)

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.
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- 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

If you would like to request a topic for reporting please email exports@mfat.net

To contact the Export Helpdesk

Email exports@mfat.net

Call 0800 824 605

Visit Tradebarriers.govt.nz

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