

New Zealand-Kuwait Foreign Ministry Consultations, 10 February 2021

2021

Market Report

Summary

- The Inaugural New Zealand Kuwait Foreign Ministry Consultations (FMCs) provided an opportunity to strengthen our long-standing warm relationship with Kuwait. The large Kuwaiti delegation, which included representatives from sixteen agencies, demonstrated Kuwait's strong interest to grow the relationship into new areas.
- The Ministry for Primary Industries (MPI) and Education New Zealand (ENZ) participated in the talks. Topics covered at the Consultations included food security, education, economic and trade, and environmental and scientific discussions.

Report

The inaugural New Zealand – Kuwait Foreign Ministry Consultations (FMCs) took place on Wednesday 10 February 2021 virtually, hosted by Kuwait. The New Zealand Delegation was led by the Deputy Secretary for Europe, Middle East and Africa and Australia (DS EMA), Rob Taylor. Assistant Foreign Minister of the Americas Affairs, Hamad Sulaiman al-Mashaan led the Kuwaiti delegation. The FMCs were scheduled to take place in Kuwait City in 2020 but were held over Zoom due to Covid-19 travel restrictions.

Food Security

Colman Burke and Andrew Pavitt (MPI) thanked the Public Authority for Food and Nutrition (PAFN) for their assistance during the Covid-19 pandemic, noting the excellent working relationship. Burke outlined MPI's proposal, a Draft Arrangement on Sanitary and Phytosanitary Measures and Related Matters, modelled off similar arrangements MPI have signed with the UAE (2016) and Saudi Arabia (2020) in recent years. The Draft Arrangement aims to safeguard consumer health, support food security and facilitate trade. Having better alignment between New Zealand and Kuwait's food standards will make trade in food easier for exporters, and should help insulate New Zealand exporters from future shifts in standards. Burke noted that electronic certification (Ecert) had proved effective during Covid-19 and registered New Zealand's interest in working with PAFN to enable the use of Ecert going forward.

Al Qaney, representing Kuwait Flour Mills & Bakeries Company, discussed some of the major focuses for the company which were importing full cream powder milk and natural butter. They expressed interest in possible cooperation with New Zealand exporters.

Kuwait was particularly focused on finding new substitutes for traditional ingredients used in animal feed, and were curious about the nutrients used in New Zealand. They requested samples to see and test if they were able be used in Kuwait.

Education

Al Sannan from the Kuwait Ministry of Higher Education (MOHE) noted that 79 Kuwaiti international students studied in New Zealand in 2019. Al Sannan canvassed several areas for potential growth, including internships, student and faculty exchange, research cooperation and joint conferences and seminars. Bronwyn Shanks (ENZ) noted interest from New Zealand universities in increased engagement with Kuwait, and undertook to follow up with MOHE in more detail on each of these areas.

Economic and Trade

Kuwait has made significant efforts to improve the ease of doing business (ranked 83 among 190 countries in 2019) and this has been reflected in the positive trend in our bilateral trading relationship. New Zealand exports to Kuwait Y/E September 2020 were \$126.9 million, 43% higher than the four year average of NZ\$88.4 million annually between Y/E September 2016-2019. There have been notable increases in New Zealand's food exports to Kuwait, in line with the trend seen across the GCC (including mānuka honey sales increasing 300% in 2020). New Zealand has seen an increase in export of pre-sawn timber to Kuwait, with our ability to fill orders on time reinforcing New Zealand's reputation as a reliable supplier.

Hamadah from Kuwait Oil Company highlighted their position as a subsidiary under the Kuwait Petroleum Corporation (KPC). He identified the development of the <u>2040 strategy</u> as a source of opportunity, and suggested that identifying core activities and services in the New Zealand oil and gas sector would be beneficial for our bilateral relationship. Concentration was put specifically on environmental impact assessments, oil and gas (including non-associated gas) as aspects for core businesses to collaborate bilaterally. New Zealand companies providing these services were encouraged to e-register on their <u>website</u>.

Environmental and Scientific

Rooy from the Kuwait Institute for Scientific Research (KISR) registered interest in collaborating with New Zealand research institutes in the following areas: renewable energy, climate change, water desalinisation, blue hydrogen and the hydrogen economy.

Taylor noted the New Zealand government intends to meet its environmental commitments e.g. to phase out fossil fuel dependency, renewable energy, future sustainability, hydrogen and alternative fuels for aircrafts which were potential areas of collaboration.

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Under the terms of our Memorandum of Understanding, Foreign Ministry Consultations with Kuwait are held every two years. New Zealand will host the next round in 2023.

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