

This is the last report for 2020. We will be back with a new release after the New Year holiday period.

Feedback

We welcome feedback from New Zealand exporters on this report as we continue to refine its content. We also invite requests for reporting from New Zealand's [network of Embassies and High Commissions](#). Please direct any suggestions or feedback to exports@mfat.net.

Domestic Update

- **New Zealand's GDP** grew by 14.0% in the **September 2020 quarter**, leading to an annual fall of -2.2% in the September year. While this follows its largest decline on record in the June quarter, it suggests the economy has been more resilient than expected with the result at the upper end of economists' predictions.

Regional updates

Australia and the Pacific

- **Media** have reported that **China** has **suspended the importation of beef from another Australian supplier**. This is now the sixth Australian beef supplier to be hit with import bans this year. No particular reason has been given for the latest suspension.
- On 11 December, the Premier of Queensland, Hon Anastacia Palaszczuk [announced Queensland's inclusion in the Trans-Tasman Safe Travel Zone](#). As with the other Australian States and Territories that now permit quarantine-free travel from New Zealand, the details regarding quarantine-free travel from New Zealand to Queensland are set out on the Australian Department of Home Affairs [website](#).
- **On 27 November, Tokelau and Nauru signed a four-year arrangement enabling Nauru to purchase the ability to fish in Tokelau's Exclusive Economic Zone, starting in 2021**. The arrangement significantly strengthens Tokelau's revenue security and its relationships with the Parties to the Nauru Agreement (PNA) countries (PNA controls the world's largest sustainable tuna purse seine fishery. Members include the Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands and Tuvalu).

Asia

- **Approximately 300,000 farmers have gathered in and around the Indian capital of New Delhi to protest three recent agricultural laws passed by the Government of India**. After talks between union representatives and government officials broke down last week, protests have intensified and spread to other Indian cities and overseas, including in **Auckland** on 6 December (attended by 1500 people), and **Wellington** on 7 December (20 people). Reports suggest that agriculture accounts for only 15% of India's GDP while employing over half of the country's 1.35 billion people. The Indian Government argues the new laws, which aim to deregulate the agricultural sector, will transform the agricultural sector through increased private investment. Farmers argue that the laws will result in unemployment, growing debt, and possible land loss for small-scale farmers.
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- Earlier this month, **Singapore** and **Hong Kong** agreed to postpone the commencement of an air travel bubble to 2021 due to the increase of COVID-19 cases in Hong Kong. The new start date for the bubble will be reviewed later this month by both parties.

Europe

- **Negotiations** between the **UK and EU** on their future relationship, including a future trade agreement, continue. While it appears the parties are near the end-stages, a deal is yet to be struck. The two main sticking points appear to be around fisheries and the so-called “level playing field” – the rules that set the terms of competition between the two sides under a zero tariff/zero quota outcome. A non-negotiated (no-deal) outcome remains a possibility.
- Whatever the outcome, **New Zealand businesses** should prepare for changes from 1 January 2021 when the UK will leave the EU Customs Union and Single Market. Information about **how Brexit may affect New Zealanders**, including **exporters**, can be found [here](#).

Americas

- On 9 December the **US Trade Representative (USTR)** launched the first-ever **enforcement action under the United States-Mexico-Canada Agreement (USMCA)**, formally requesting consultations with **Canada** on their administration of **Tariff Rate Quotas (TRQs) for dairy products**. USTR argues that Canada’s approach of granting a portion of TRQs to Canadian processors contravenes its USMCA commitments and limits US producers’ quota access (USTR Press Release [here](#)). Hon Mary Ng, Canada’s Trade Minister, responded that she was “very confident that Canada is meeting its obligations under USCMA.”

Market reports released this week

- MFAT’s monitoring international supply chains report has been updated and can be found [here](#).
 - An economic update on the Netherlands was prepared by the New Zealand Embassy in The Hague [here](#).
 - Last week’s 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.

More reports

View full list of market reports from MFAT at <https://www.mfat.govt.nz/en/trade/mfat-market-reports>

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

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