

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

Highlights

- **Covid-19 cases in China are at an all-time high, surpassing the peak in April this year. As tight restrictions continue, there have been rare protests against the zero-Covid policy and strict lockdowns.** Cities currently under lockdown generate 65% of China's GDP. Tight restrictions could lead to reduced consumer spending (which could have a flow on impact on demand for New Zealand exports).
- **The Director-General of the World Trade Organisation (WTO) Dr Ngozi Olonja-Iweala met with Prime Minister Jacinda Ardern and other government ministers to discuss global trade** in Wellington on 23 -24 November. During the Director-General's short visit the importance of the WTO and New Zealand's constructive role were highlighted. The discussions also covered weaknesses in global supply chains, the war in Ukraine, its impact on global trade and the WTO.
- Following the recently negotiated EU-NZ Free Trade Agreement (FTA), the **Ministry of Business, Innovation and Employment (MBIE) is seeking feedback on changes to New Zealand's registered geographical indications regime** under the Geographical Indications (Wine and Spirits) Registration Act 2006. Changes to the GIs Act are required for New Zealand to meet its FTA obligations and before the FTA can be ratified. To find out more and to have your say, visit [MBIE's website](#).

Regional Updates

Domestic Updates:

- **Between 14 – 18 November the NZ-UK FTA Roadshow travelled to Dunedin, Christchurch, Auckland and Wellington to promote the Agreement to New Zealand businesses.** New Zealand's Trade Commissioner to the UK, Nick Swallow was joined by technical experts from across Government on a series of panels also consisting of business leaders with "success stories" in the UK market. Approximately 150 people attended the shows, and attendees were vocal in their support of the Agreement's outcomes. Several recurring themes emerged during the week, including an interest in how the Agreement would benefit smaller exporters; how the dispute settlement process would work; technical questions on aspects of the text relating to Rules of Origin/customs procedures; and what the projected timeline is for the Agreement to enter into force. The United Kingdom Free Trade Agreement Legislation Act 2022 received royal assent on the 15th November - meaning New Zealand has now completed its domestic ratification process. New Zealand is now waiting for the UK to complete its domestic processes.
 - **The Centre for Climate Action on Agricultural Emissions was launched at Fieldays on 30 November.** The Centre for Climate Action was announced as part of Budget 2022 and is a joint venture between agribusiness and Government to focus on reducing agriculture emissions and supporting farmers to grow their exports as well as advancing their international edge in agriculture. The Centre is set to fund multiple
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projects to reduce emissions through research and development

Australia and the Pacific:

- **The Minister for Food Safety Meka Whaitiri attended the fourth Australia and New Zealand Food Ministers' Meeting on 25 November in Melbourne.** The Ministers discussed New Zealand and Australia's Food Regulation system policy direction to ensure that both countries have cohesive directions and easy trade. New food standards were set to be approved by Food Standards Australia New Zealand at the meeting. The communiqué of outcomes can be read [here](#).

Europe:

- **The Finnish Prime Minister Sanna Marin was the first Finnish Prime Minister to visit New Zealand on 30 November.** She was joined by the Finnish Trade Minister and a trade delegation. Prime Minister Jacinda Ardern met with Prime Minister Marin to discuss global issues, trade, and Finland's commitment to the EU-NZ Free Trade Agreement and ratification.
- **Red meat exports to Italy increased by 244% over the past year, according to a report by the Meat Industry Association (MIA).** Sheep meat and beef hide demand increased in particular. While China (\$290m), the US (\$134m) and Japan (\$32m) were New Zealand's largest markets, Italy came in fourth worth \$26m. MIA also noted that this massive increase in red meat exports to Italy highlights the importance of the diversification of markets strategy.

Asia:

- **In South Korea, the Bank of Korea (BoK) raised the policy rate by 25 basis points to 3.25%.** This comes after the BoK started to tighten their monetary policy since August 2021.
 - **The New Zealand-China Council has encouraged New Zealand businesses to start exporting digital services** following a report they published around the health and longevity of the services trade with China. Due to the Covid restrictions in China education and tourism exports have taken a massive hit, whereas demand for digital services remains high.
 - **India's overall inflation surged to a 10-year high of 9.52% in August, but falling to 9.1% in September.** Food inflation soared to 9.94% in August – the highest since April 2012 – and fell slightly to 9.08% in September. **India's unemployment rate jumped to 7.77% in October from a four-year low of 6.43% in September.** The rural unemployment rate climbed to 8.04% from 5.84% in the previous month, following the end of the monsoon crop harvest. Winter crops sowing starts in November, which will help to stabilise the rural unemployment rate.
 - **The first in-person Asia Pacific Economic Cooperation (APEC) Leaders' Summit since 2018 featured a number of surprising successes.** Leaders and Ministers' plenary discussions 18-19 November focused on the appropriate response to the economic challenges of inflation, looming recession, the climate crisis, and the need for inclusive growth. Leaders' also agreed to the Bangkok Goals – an APEC framework which gives momentum to the sustainability agenda. The Prime Minister's announcement of \$5.75m towards pro-climate work in APEC was strongly welcomed, with other members looking to also contribute.
 - **China has recently criticised the United States at the meeting of the World Trade Organisation's (WTO) Council for Trade and Goods for violating WTO rules.** China claimed that the US adopted discriminatory and distortive subsidy policies in the US Inflation Act 2022 and the CHIPS Act 2022. China also declared that the US imposed export control regimes unilaterally without any basis and encouraged other WTO members to follow suit.
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Americas:

- **The United States' Court of International Trade issued a court order on 28 November placing a ban on the import of nine fish species** caught in inshore trawl or set net fishing off the West Coast of the North Island. The order was in response to a petition brought by conservation group Sea Shepherd against the US National Oceans and Atmospheric Administration to ban trade in seafood products from this area of New Zealand, on the basis that New Zealand's protections for endangered Maui dolphins from fishing were not comparable to US standards under the Marine Mammal Protection Act. New Zealand Officials are working through the implications of the decision.

Market reports released this week

- The previous global economic round-up can be found [here](#).
- [Indonesia: Trade Update November 2022](#)
- [German farmers go digital - November 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. NZTE also provide comprehensive [market guides](#) which cover export regulations, business culture, market-entry strategies and more.
 - 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.
 - 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.
 - Tatauranga Aotearoa Stats NZ provides official data on the value of New Zealand's exports and imports of both goods and services, by commodity type via the [New Zealand Trade Dashboard \(shinyapps.io\)](#). This interactive dashboard is updated every quarter and allows for filtering by country and by commodity type.
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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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