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## **Corona Virus Update – from Cross Government Agency meeting Thursday 20 February.**

### **China Update**

- As at 10 Feb many businesses resumed operations, but it was reported that Shanghai had only 20% of its normal traffic, so many people are still working from home.
- The Chinese Government realise they need to get the balance right between containment and keeping the economy going – so these sorts of messages are starting to emerge.
- There has been no change to market access requirements.
- There are still delays at the border and supply chain challenges.
- Prioritisation at ports is being given to those that have their own logistics/trucks etc.
- There are still restrictions on movements and factories are still facing shortages of workers and materials.
- Many cities are imposing strict health measures.
- 3000 factories have been retooled to produce health products like face masks
- Shortage of drivers at ports
- Flight cancellations

### **Industry reporting**

- There is a lack of reefers and containers
- Reports of US\$1000.00 per day to plug in a reefer (if you can get one)
- Customs processes taking twice as long as normal
- Short shelf life products most impacted
- Some of our big exporters are reporting things are improving
- Dairy industry is managing the issues OK and not seeing too much disruption
- Forestry situation is serious. A mix of the impact of the virus and an oversupply situation in China has stopped all exports.
- Communication channels starting to open up again.

- Monitoring of social media in China shows people are talking about healthy food.
- Small to medium sized businesses need to be aware of supply chain impacts this is causing – from importing packaging/labelling and components from China to having orders cancelled.

I reported the feedback we have been getting and that small to medium size manufacturers and exporters that are entwined in China supply chains are most impacted, as are those that are heavily dependent on the Chinese market. The inability to get components and labels and packaging has many businesses scrambling. Any business that sells into the tourism market is also hurting from the slow-down in tourism and of course the foreign student market has been severely disrupted. Looking ahead it is likely the cruise ship market will take a hit as well for a while.

#### **Advice for exporters/importers**

- Talk to your banks – they have indicated they will be supportive.
- Talk to the Export Credit Office – check out their services <https://exportcredit.treasury.govt.nz/>
- Talk to your logistics brokers – Customs indicated at an ExportNZ meeting that they could look at expediting in-bound goods movements in disrupted supply chains – taking a risk management approach, but let your broker know to ask.
- Check the Government advice page – updated daily <https://bit.ly/2v16qIE>

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