

## **ExportNZ Trade & Advocacy Update**

### **April 2024**

Activity over the past month has been largely devoted to ensuring full utilisation of FTAs that have been negotiated rather than negotiating new ones. The one exception is the Gulf where work continues on both the **GCC and UAE** opportunities. Submissions on the UAE FTA are being analysed.

The PM's trip to Singapore, Thailand and the Philippines is very much with trade and investment in focus. Government is keen to see exporters de-risk vis-à-vis China. Minister Peters is expected to visit some ASEAN capitals in the next few weeks also. This will be his second recent visit to the region. He visited Singapore and Indonesia in March.

Trade Minister McClay's visit to China is very welcome and could not be better timed following Foreign Minister Peters' NATO and Washington visits. Both have been noted closely in Beijing. China is clearly going to be our most important export market for many years to come and Government needs to continue to invest heavily in the relationship.

**CPTPP** Senior Officials are gathering soon in Canada for their first face to face meeting with Canada in the Chair. This is likely to progress the review of the Agreement and lessons learned from the UK accession. Progress on new accessions is unlikely.

The **EU-NZ FTA** comes into force on 1 May. This is welcome news for a number of exporters – particularly Zespri.

Disruptions to the **international supply chain** are again in focus. Hijacking of vessels and continuing attacks by the Houthis, low water levels in the Panama Canal, and now disruption at the Port of Baltimore are all in the mix. Exporters are watching how recent developments might affect the Persian Gulf, however, supply chain pressure seems to have eased... for now (more below).

On a positive note, **Australia-China trade** relations appear to have fully regularised.

Trade policy remains an issue in the forthcoming **US election**. All noises are protectionist – from both sides. Trump's proposed global tariff and huge tariffs on China would be particularly disruptive should he be elected. We will be monitoring developments closely.

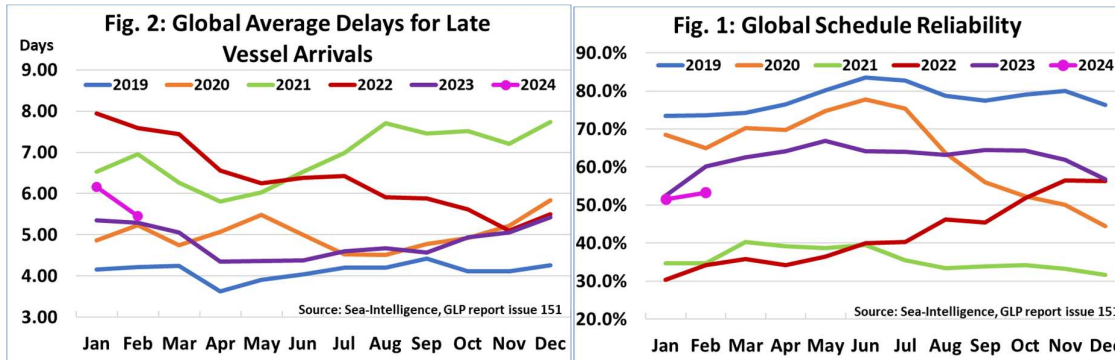
### **Supply Chain Disruption**

#### International

Global supply chain pressures have remained relatively stable for the first quarter 2024 according to [the Global Supply Chain Pressure Index](#). The Index has fallen back below the historic average and currently sits at -0.27 this is a small decrease from -0.11 in February 2024. This suggests that global supply chains conditions are at a "normal" level, despite the complications caused by the Red Sea and Panama Canal disruptions.

Sea Intelligence's Global Liner Performance report shows that global schedule reliability has improved month-on-month in February, and sits at 53.3 per cent reliability (from 51.6 per cent in January). Year on year, global reliability is below the level in February 2023.

Although routes are continuing to re-route around the Cape of Good Hope, there was a sense of stability in February, the average delay for LATE vessel arrivals improved to 5.46 days (from 6.01 days in January) roughly at the same levels as February 2023, and also February 2020 (pre-Covid-19).



(Sea Intelligence, April 2024)

### Climate Change Commission – 2050 Target & International Shipping & Aviation Emissions

The Climate Change Commission is currently reviewing New Zealand’s 2050 Emissions Target, and as part of this review is consulting on whether emissions from international shipping and aviation should be included in the target.

As an exporting nation, New Zealand relies on both aviation and maritime shipping connections to buy and sell goods on the global stage and bring visitors to New Zealand. Therefore, it is important that the voice of exporters is heard in this consultation.

ExportNZ is preparing a submission on the Review and is keen to hear from exporters on their views. If you would like to provide comments to us, please email [jtan@exportnz.org.nz](mailto:jtan@exportnz.org.nz).

You can find more information on the [Review here](#). Submissions close on the 31<sup>st</sup> of May.

### Mixed and Processed Food & Beverage – Feedback on Regulatory System

ExportNZ is calling out for feedback from mixed/processed food and beverage exporters and manufacturers on the regulatory environment here in New Zealand, and when engaging in overseas markets.

We have actively engaged with Ministry for Primary Industries on issues and bottlenecks faced by the sector and would like to ensure that we are still advocating in the right areas of work.

If you would like to speak with ExportNZ about the regulatory environment for Mixed/Processed Food & Beverage exporters and manufacturers, please email [jtan@exportnz.org.nz](mailto:jtan@exportnz.org.nz).