

ExportNZ Trade & Advocacy Update May 2024

UAE FTA Negotiations to Go Ahead

At the beginning of the month, New Zealand Minister of Trade, Todd McClay met with his UAE counterpart, Dr Thani bin Ahmed Al Zeyoudi to announce that New Zealand and the United Arab Emirates would formally commence negotiations towards a bi-lateral free trade agreement.

ExportNZ supports the beginning of negotiations and it will be interesting to see how discussions progress with New Zealand also hoping to resume negotiation for a FTA with the Gulf Cooperation States.

New Zealand exporters also expect to see a high-quality agreement, with good outcomes for New Zealand's more traditional exports as well as growing areas like renewable energy and the thriving services sector.

European Union-New Zealand Free Trade Agreement – Ready to Roll

At the beginning of the month, the EU-NZ FTA came into force after many years of lobby the EU to begin negotiations, several years of talks, and a year-long parliamentary process.

There are many very positive outcomes for various export sectors in New Zealand (horticulture seeming to be the biggest immediate winner). But many in the red meat and dairy sectors will continue to feel a little out in the cold with the outcomes for two key sectors in the New Zealand economy.

While celebrations will continue and implementation activity ramps up (see the [FTA Roadshow series ExportNZ is a partner of here](#)) attention will be on geographic indicators, how they are managed, and the pathway to transitioning away from the product names we've come to know.

First Trade Mission Completed for the Year

Late last month, Prime Minister Christopher Luxon led his first trade delegation overseas for the term. With the exception of [one comment](#) made by a senior delegate, by all accounts, the trade delegation was a success, with delegates getting plenty out of PM, the meetings with senior officials and business leaders and the packed schedules in all three countries (Singapore, Thailand, and the Philippines).

With a 'double export value' goal and a pledge to run 'more trade missions than ever', these Missions will need to continue to produce the goods and be kept at a high standard to ensure senior business leaders continue to attend, get deals done, and continue to grow their businesses. ExportNZ is keen to see more!

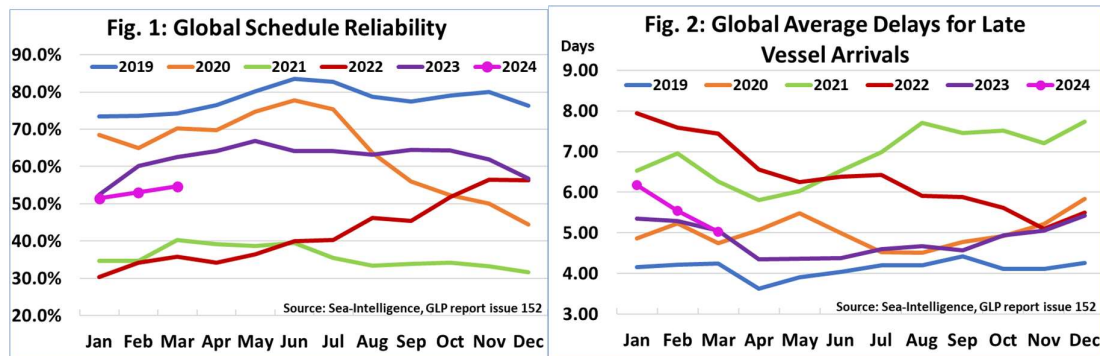
Supply Chain Disruption

International

Global supply chain pressures have eased over the past month according to the [the Global Supply Chain Pressure Index](#). The Index continued its fall and currently sits at -0.85, a decrease from -0.30 in March 2024. This suggests that global supply chain pressures are below the “normal” level, despite the complications caused by the Red Sea and Panama Canal disruptions.

Sea Intelligence’s Global Liner Performance report also shows that global schedule reliability has improved month-on-month in March, and sits at 54.6 per cent reliability (from 53.3 per cent in February). And sits in between the COVID lows, and pre-COVID highs. Year on year, global reliability is below the level in March 2023.

The average delays for late vessel arrivals also fell, marking a good end to Q1. Year-on-year, average delays were at the same point they were in March 2023 (5.03 days) and takes us back to where average delays were at before the Red Sea Crisis.



(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.

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