

ExportNZ Trade & Advocacy Update September 2024

Trade & Export News Update

United Arab Emirates

There was little in the media about Trade Minister Hon Todd McClay's visit to the UAE last week. But it seems to have been successful. New Zealand negotiators are apparently in the UAE in the final stages of the negotiation of the FTA this week. There is talk of a high-level visit to New Zealand from the UAE next week. This all suggests that we might be on the verge of finalising another FTA. Australia has also been negotiating with the UAE, and earlier this week, it announced that both parties had reached an agreement that would eliminate 99% of tariffs on Australian goods being imported into the UAE.

The UAE is an important export market worth over \$1 billion a year in good exports. Services trade is also significant with Emirates playing an important role in tourism and high-value exports. The dairy and meat industries both regard the UAE as an important market. Dairy and frozen meat are expected to benefit most from the FTA. We understand that this will be a very clean FTA with most tariffs dropping to zero on entry into force.

Gulf Cooperation Council

Progress is not quite as good in the negotiation with the wider Gulf Cooperation Council, but those involved seem optimistic that an outcome is achievable by the end of the year. It may not be as clean an outcome as that with the UAE. Finalising FTAs with the UAE and GCC would be a major achievement for Trade Minister McClay in his first year back in the job.

India

Work continues on expanding and deepening ties with India. A visit by the PM appears to have been delayed but the relationship is obviously warming. This is a good thing in itself but it is also a prerequisite if we are to see a resumption of FTA negotiations.

Comprehensive & Progressive Partnership for Trans-Pacific Partnership

Progress remains excruciatingly slow between the CPTPP members. Reviewing and updating the agreement and deciding on how accession applications will be handled has been the focus of work this year, along with ratification of the Agreements that will allow the UK to become a member. That later process has been the most successful. The UK membership will enter into force on 15 December this year.

No great breakthroughs are expected from CPTPP Ministerial meetings in November. Some are hopeful that there will be an announcement that negotiations over Costa Rica joining the Agreement will begin. But Costa Rica is proving difficult over some agriculture products.

Chances of any progress on the China accession have been dealt a blow with Canada's announcement of very high tariffs on Chinese electric vehicle imports.

US Election

Trade policy remains centre stage in the campaign for the White House. Both candidates remain in protectionist mode. Polls are suggesting that Harris has the edge nationwide but it is still a toss-up in some of the battleground states. A few thousand steel, aluminium and auto workers and a few farmers are going to determine the result this time around and both candidates want to demonstrate their support for these sectors by protectionism. It is too early to tell what impact the latest attempt on Trump's life might have on the polls.

The debate on who pays tariffs has been most frustrating to watch. Ultimately the consumer of an imported good pays the tariffs. There may be some absorption of costs between importers and exporters for very low tariffs but ultimately the cost is passed on. Tariffs are a very expensive way to raise revenue.

Indo-Pacific Economic Framework

New Zealand has ratified the Indo-Pacific Economic Framework. The agreement may, one day, prove useful on the trade facilitation front.

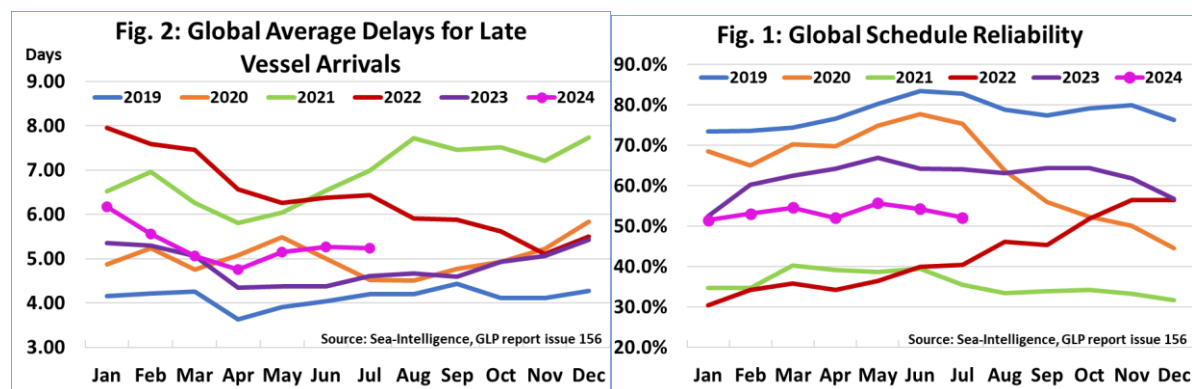
Supply Chain Update

International

According to [the Global Supply Chain Pressure Index](#) pressure on the global supply chain sits at the Index's global historical average. The Index rose to 0.20 in August, an increase from -0.03 (revised) in July and -0.33 in June.

Sea Intelligence's Global Liner Performance report shows that global schedule reliability dropped by 2.1 per cent month on month to 52.1 per cent. As has been the trend for 2024 so far, global reliability remains in the 50-55 per cent range, well below 2023 levels, but higher than the horrors of 2021-22. Year on year, global reliability was -12.0 percentage points below the levels in July 2024.

The average delays for late vessel arrivals stabilised, decreasing slightly to an average of 5.24 days, 0.02 days lower than June 2024, and 0.63 days higher than July 2023.



(Sea Intelligence, 29 August 2024)

Trade & Export Advocacy Update

NZ Customs & Ministry for Primary Industries – Customs Fees Review

New Zealand Customs and the Ministry for Primary Industries have begun public consultation on the recovery of the costs of goods management activities that they engage in at the border.

A review has found that changes to fees are needed to ensure that Customs and MPI can continue to deliver efficient, easy to use services while having sufficient resources to target risks to New Zealand.

Proposals being consulted on include:

- Moving from per document to per consignment charging for low-value goods (valued \$1000 or less).
- Introducing differential charges for high-value air and sea consignments (valued over \$1000).
- Discontinuing one export-related fee.
- Introducing a commercial vessel charge to recover the costs of managing commercial vessels.
- Bringing transhipped goods and empty containers within the scope of the charging regime.
- Moving to full cost recovery for clearing low-value air cargo.
- Recovering the cost of clearing low-value goods arriving by international mail.
- Adjusting fee levels so that Customs' goods management activities are financially sustainable.

If all of the proposals being consulted on are implemented following consultation, there will be changes to the rates and structures of some fees. The rates of some fees would increase and the rates of others would reduce.

These changes will affect exporters, either directly or through third parties. Therefore, we are interested in engaging directly with exporters to ask some short questions. If you are interested in supporting our work, please email Josh Tan (jtan@exportnz.org.nz).

You can find [all the information here](#). Submissions close on the 31st October.

Gene Technology – Proposed Rule Changes

Science, Innovation, and Technology Minister Judith Collins announced legislation changes to end the ban on using gene technology outside the lab, and the introduction of a regulator body on the 13th August. The Minister promised to introduce legislation by the end of the year.

This year, the Minister and the Ministry of Business, Innovation, and Employment has been working with three advisory groups (Technical, Māori, and Business).

Given the possible impacts on our key exporting sector, ExportNZ will submit a position on this important change. We will work with other industry associations and key exporters to ensure that exporter voices are heard in the process.

You can find [more information here](#). We will keep members updated with the consultation process. If you would like to speak to ExportNZ about the rule changes, you can email Josh Tan (jtan@exportnz.org.nz)

ExportNZ Training & Workshops on Offer

Safeguard Your Innovation: Master IP Protection for Global Success

Our partners from Duncan Cotterill will lead a half-day workshop, providing practical, valuable tools and tips only IP lawyers know about.

It is an opportunity to ask our experts questions, share stories with others, and, most importantly, get help in learning how to identify, protect, and leverage your intellectual property assets in international markets.

When: 17 October 2024

Time: 11:30 - 3:30 pm

Venue: Business Central Office, Wellington CBD

Class size: Limited to 12 spots (to ensure a high-quality learning experience)

Early bird pricing: \$362.50 / pp

What you'll learn:

- Common IP pitfalls faced by exporters
- Create an IP Asset List to value your business and unlock growth opportunities
- Demonstrations of clearance checks to ensure your IP rights are protected globally
- Examples of key commercial terms to have in place to ensure ownership of your IP
- A guide to the steps needed to record or register ownership of your IP in New Zealand and overseas

Key benefits to your business or workplace:

- Get answers to your questions from seasoned IP protection lawyers
- Get the inside scoop that only IP lawyers have
- Upskill your team, be in the know of IP protection changes
- Avoid costly legal disputes through proactive IP management
- Shield your big ideas from copycats – protect now, save headaches later



For full workshop details visit the workshop page [>>> here](#)