

ExportNZ Trade News & Advocacy Update

April 2025

Trade & Export News Update

The trade policy world continues in some turmoil, with huge uncertainty continuing to exist about the details of US trade policy. How other jurisdictions react to US policy is just as important as US policy itself.

United States of America – Wheeling and Dealing

While President Trump has suspended the highest of his proposed reciprocal tariffs for most for 90 days a 10% base tariff remains in place. The threat of higher tariffs remains if some form of “deal” cannot be negotiated. Many countries are therefore lining up to negotiate deals. What the deals are actually going to look like is still a matter of speculation but all eyes are on India-US negotiations as some rumours suggest will be a template which other negotiations might follow. There are suggestions that an India-US deal might be quite close.

There is clearly tension within the US Administration about what the final policy should look like. So it would be unwise to believe all the rumours that are flying around Washington.

It is unclear whether any of the “deals” will see the US agreeing to remove the 10% base tariff away. If this does happen New Zealand’s competitive position may be threatened. We have the 10% base tariff in place and we are not negotiating any “deal” at present.

There are suggestions that the US will be seeking concessions in areas such as non-tariff measures, digital trade and value-added taxes as part of these negotiations. For many jurisdictions will find concessions in some of these areas very difficult to agree to.

There is continuing talk about new sectoral tariffs being imminent. Semi-conductors and pharmaceuticals seem to be the most likely next announcements.

Our best advice is to stay vigilant. Attend MFAT and NZTE briefings when these are available. And keep monitoring the media as the US policies can change daily.

Retaliatory Actions Underway

China has retaliatory policies against US trade in place. This is already starting to impact in the marketplace. But these retaliatory policies are also fluid and can be tweaked by the Chinese Government.

Canada also has retaliatory policies in place. There is widespread consumer reaction against US products and tourism from Canada, and it seems from many European jurisdictions.

Again, it is wise to seek official advice on these policies and to keep monitoring changes.

Supply Chain Effects – Spikes in Demand

There are reports of congestion at US ports caused by larger than-normal flows of goods entering the US in an attempt to avoid tariffs. The US Customs Service is also having difficulty gearing up to collect the new tariffs. A few months out it seems that there could be a downturn in Chinese exports to the US which may ease this congestion.

While there may currently be congestion at US ports, there are also reports of a sharp rise in Trans-Pacific blank sailings (a scheduled voyage on a container ship that is cancelled or skipped). Sea-Intelligence reports that the Asia-to-West Coast USA route is expecting to have as much as 28% of weekly cargo capacity blanked over the next week, while 10 services are set to be cancelled.

Expected imports into US ports are also expected to fall by 20.8% YoY in May according to the US National Retail Federation's Global Port Tracker.

While we can attribute this rise in blank sailings to the newly introduced tariffs on Chinese goods, it is too early to tell what will happen to products disrupted by the US and Chinese policies. This could well disrupt third-party markets and cause congestion in ports in Asia, Europe and elsewhere.

The Trump Administration has published a policy that will see increasingly large levies imposed upon products exported to the US in Chinese-built ships. Much of New Zealand's product exported to the US is exported on such vessels.

Again, exporters should be monitoring this policy closely and talking to their shipping lines.

New Zealand – Fighting for the Rules-Based System

New Zealand is trying to make progress in the newly launched negotiation with India. It will be interesting to see what impact an India-US "deal" might have on India's negotiating position with New Zealand and others.

New Zealand is also trying to encourage others to join CPTPP. Bringing the EU and CPTPP closer together is also becoming a policy priority. Maybe other groups such as the GCC, Mercosur and the European Free Trade Association will also be approached. The Prime Minister's [recent speech on trade policy](#) is well worth a read.

The speech was a strong one in support of the free trade and rules-based system. Prime Minister Luxon also recognised the critical role that export growth will play in improving the New Zealand economy.

Trade & Export Advocacy Update

Public Consultation on New Zealand-India Free Trade Agreement Negotiations [CLOSED]

Trade and Investment Minister Todd McClay has launched a public consultation on New Zealand and India's negotiations for a comprehensive Free Trade Agreement.

ExportNZ submitted in **strong support** of the launch of free trade negotiations between New Zealand and India. Overall, ExportNZ expects New Zealand negotiators to deliver on what is outlined in the India-New Zealand Joint Statement from 17th March 2025, which is a;

"Balanced, ambitious, comprehensive, and mutually beneficial trade agreement to achieve deeper economic integration."

ExportNZ asked negotiators to address areas such as market access for New Zealand exports, non-tariff barriers in the Indian market, engagement in digital and services exports, advocacy for the WTO Moratorium on Imposing Customs Duties on e-Transmissions, and cross-border investment.

You can read [our submission here](#).

International Maritime Organization: Approves Net-Zero Regulations for International Shipping

The International Maritime Organization (IMO) has recently approved the draft regulations that establishes new fuel standards, a global pricing mechanism for international shipping emissions, and will aim to reduce greenhouse gas emissions from global shipping to zero by 2050.

The framework will enter into force in 2027 and will become mandatory for ocean-going ships over 5,000 gross tonnage.

Under the draft regulations, ships will be required to comply with:

- Global fuel standard: Ships must reduce, over time, their annual greenhouse gas fuel intensity (GFI) – that is, how much GHG is emitted for each unit of energy used. This is calculated using a well-to-wake approach.
- Global economic measure: Ships emitting above GFI thresholds will have to acquire remedial units to balance its deficit emissions, while those using zero or near-zero GHG technologies will be eligible for financial rewards.

In a submission to the Climate Change Commission in 2024, ExportNZ stated that:

New Zealand should be a 'close follower' of the work to achieve these goals and the policy levers that the IMO intends to introduce. ExportNZ would like to stress that it believes that the issues surrounding IAS emissions are an international problem and one that will take large multinational shipping companies and agreements between states to solve."

There are issues with the lack of a preferred and widely-used green fuel, New Zealand also lacks the port infrastructure and refuelling capabilities to be able to receive “green” ships so while we have a clear international commitment to reduce greenhouse gases in international shipping, it is unclear how New Zealand will ensure there are green alternative options for exporters to use.

IMO Press Briefing: <https://www.imo.org/en/MediaCentre/PressBriefings/pages/IMO-approves-netzero-regulations.aspx>

ExportNZ Submission: <https://exportnz.org.nz/exportnz-submission-to-climate-change-commissioner-regarding-2050-review-and-ias-inclusion/>