

#### **International Trade**

#### **By Auckland Business Chamber**

Irrespective of whether you are an importer or an exporter, the uncertainty imposed by Covid demands that you have access to good information and that you are well connected to support that ensures sound decision making for your international trade direction.

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New Zealand is a vibrant trade dependent economy. Our success is built on a history of innovative businesses exporting niche products and solutions from every sector to every market around the globe. The tyranny of distance has been overcome with innovation from within the supply chain and the creative marketing of goods and services that the world has stated it needs.

For the year ended June 2020 Statistics New Zealand reported a welcome trade surplus of \$3.7 billion, led by high primary sector exports from a particularly abundant harvest with lower than usual imports due to the nationwide Covid lockdown.

New Zealand's top three trade partners – China, Australia, and the European Union – accounted for approximately half of the total trade with the rest of the world. Japan follows the United States as New Zealand's fifth-largest trade partner.

The suggestion is that 2021 may be more challenging as importers and manufacturers face disrupted shipping timetables, significantly reduced and more expensive air freight options, supplier shortages or supplier closures and exporters in the primary sector overcome the absence of traditional labour sources to get produce export ready. However, Government is beginning to recognise and respond to these challenges and the expectation is that the resilience and innovation of the export sector will deliver a positive result.

New Zealand is a supporter of free and open trade and has one of the most open market economies. By contrast most other countries exercise controls at their border for revenue collection (duties), to regulate volume of imports or to protect local producers (quotas) and to ensure compliance with domestic product safety regulations (product registration). Through Free Trade Agreements New Zealand enjoys an advantage in respect of duty rates and some mutual recognition of standards in partner countries, however, quota allocations remain limiting for the primary sector.

Product registration procedures are unfamiliar territory for many exporters more used to New Zealand's consumer law control of product safety.

While making a quick trip to 'sort things out' in person is not currently an option, exporters should allow additional time to complete registration, if necessary, calling on support from New Zealand's local trade representatives.

The New Zealand brand is associated internationally with high quality products, ingenuity and innovative solutions developed by a nation of creative thinkers.

It is a brand with value and while we operate in a regime of trust and pride in that brand we need to ensure that there is no brand New Zealand dilution as some take production processes offshore but still claim the New Zealand brand.

E-commerce is opening the prospect of exporting to more SMEs and even micro businesses.

On the surface the potential to sell anywhere in the world from a home office is exciting and appears straightforward. What seems as the same as trading domestically, can quickly reach a sales threshold deemed 'commercial' which triggers a necessity to comply with import and export regulations.

As we all appreciate the environment for conducting international trade changed overnight in early 2020 and as a result international travel remains restricted, virtual engagement has become commonplace and E-commerce platforms continue to allow smaller companies to engage in export trade.

All these changes demand a rethink of how

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