

UPDATE: 22 March 2024

Kia ora

This week’s update features the latest developments in diplomatic and trade relationships and a promising start to NZ’s horticulture exports while Vietnam dominates in international news and Freshfel warns about the unintended consequences of the proposed compromise to the new EU Packaging law. You’ll find links to these as well as our regular items of regulatory notifications, consultations, national and international news, and upcoming events below.

Ngā mihi

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| GOVERNMENT AGENCY NEWS |

## ICPR changes & other updates

The following ICPRs have been updated in a number of sections since the last newsletter

* Fiji: [ICPR Fiji](https://www.mpi.govt.nz/dmsdocument/643-Fiji)

If you need any further clarification, contact your Independent Verification Agency in the first instance.

## WTO and TBT Notifications

Please find attached the most recent WTO and TBT notifications from countries that are considering changes to their plant import requirements for specific products. If you have any concerns about the notifications being presented, please contact Plant.exports@mpi.govt.nz so that they can potentially make a submission to the notifying country.



## Consultations

#### Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) General Review

The Ministry of Foreign Affairs and Trade is currently seeking views on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) General Review. The Review will take into account the work of all committees established under CPTPP, identify provisions that would benefit from revision or updating, and ensure the Agreement remains of the highest possible standard. Feedback is sought to ensure that CPTPP remains relevant to the trade and investment issues and challenges New Zealand currently faces

MFAT particularly welcomes feedback from Māori, businesses, exporters, civil society and the public to ensure CPTPP reflects the interest of all New Zealanders. Consultation opens on 7 March 2024. To make a submission, email cptpp@mfat.govt.nz or use the link to [complete a survey](https://www.surveymonkey.com/r/V33BXCX).

#### NZ-UAE Comprehensive Economic Partnership Agreement.

On 29 February 2024, New Zealand opened submissions for public submissions on a possible CEPA with the UAE. MFAT are keen to hear from anyone with an interest in providing feedback, including Māori, civil society, and businesses or individuals currently trading into the UAE market or those with an interest in doing so in the future. Information on the CEPA and how to make a submission are on the Ministry of Foreign Affairs and Trade [website](https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-under-negotiation/new-zealand-united-arab-emirates-free-trade-agreement/). Submissions close on the 31 March 2024.

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| NEW ZEALAND NEWS |

## Government news

#### NZ and Chinese Foreign Ministers hold official talks

Minister of Foreign Affairs Winston Peters met with Chinese Foreign Minister Wang Yi in Wellington earlier this week. “It was a pleasure to host Foreign Minister Wang Yi during his first official visit to New Zealand since 2017. Our discussions were wide-ranging and enabled engagement on many facets of New Zealand’s relationship with China, including trade, business, and people-to-people links,” Mr Peters says. "Alongside areas of cooperation, it was important to acknowledge areas of difference such as human rights, including the situation in Xinjiang, Hong Kong and Tibet.”

Minister Wang also met with Prime Minister Christopher Luxon and Minister for Trade Todd McClay. [Full article here](https://www.beehive.govt.nz/release/nz-and-chinese-foreign-ministers-hold-official-talks)

#### New diplomatic appointments

Foreign Minister Winston Peters has today announced four new diplomatic appointments. “Our diplomats play a pivotal role in advancing and protecting New Zealand’s interests around the world,” Mr Peters says. “We are pleased to appoint senior diplomats from the Ministry of Foreign Affairs and Trade to these important positions.

The appointments are:

* Andrew Needs as High Commissioner to Australia.
* Patrick Rata as High Commissioner to India.
* Mark Trainor as Ambassador to Russia
* David Pine as High Commissioner to Sri Lanka. [Full article here](https://www.beehive.govt.nz/release/new-diplomatic-appointments-1)

## Industry news

#### McClay drives May Day start for EU trade deal

Fast legislative footwork from the new government looks set to result in an early start to New Zealand’s free trade agreement with the European Union, generating tens of millions of dollars in additional tariff savings for exporters. The tariff savings, estimated to be worth $100 million to exporters in the agreement’s first year, have been on hold while parliamentarians worked their way through enabling legislation, which had its first reading only at the end of January. Now Trade Minister Todd McClay has reached a deal to curtail the normal legislative process by missing out the legislation’s second reading when it returns to the House this Wednesday. McClay said he expects a third and final reading and vote on the legislation the next day “so that the following Monday we can get it signed into law”.

Tariffs took $46m out of $1 billion of kiwifruit marketer Zespri’s sales to the EU last year. Those tariffs will drop from 8.8% currently to zero on implementation of the FTA. Zespri’s chief executive, Daniel Mathieson, said 90% of its kiwifruit is due to cross the EU border after May 1, meaning most of this season’s EU-bound crop will benefit from the tariff being scrapped. It was similar for onions, with 50% of exports to the EU due to arrive after May 1, when the current tariff of 9.6% is now due to be scrapped. [Full article here](https://www.farmersweekly.co.nz/markets/mcclay-drives-may-day-start-for-eu-trade-deal/)

#### First Zespri kiwifruit charter of 2024 heads to China

Zespri’s first charter shipment of the 2024 New Zealand kiwifruit season has departed Port of Tauranga bound for Shanghai. It is the first of 63 charter vessels Zespri expects to use this season to ship around half of the expected 193m trays, or almost 695,000 tonnes, of Green, SunGold and RubyRed kiwifruit to more than 50 countries. That’s up from the 51 charter vessels used last season. According to Zespri, charter ships carry more fruit and provide more certainty by sailing straight to market without calling on other ports en route.

“With the first charter shipment now on its way, there’s a lot of excitement about the season ahead and we look forward to seeing both charter and container ships continue to set sail from the Port of Tauranga to our more than 50 markets including Europe, China, Japan and others over the coming weeks and months.” said Zespri chief operating officer Jason Te Brake. [Full article here](https://www.fruitnet.com/produce-plus/first-zespri-kiwifruit-charter-of-2024-heads-to-china/259164.article)

#### RubyRed to hit one million trays this season

Around one million trays, or 3600 tonnes of Zespri’s popular berry-like Zespri RubyRedTM Kiwifruit are expected to be devoured this season. Zespri RubyRedTM Kiwifruit is now available in most supermarkets and fruit and vegetables stores in New Zealand and will also be in markets throughout Asia Pacific including Japan, China, Taiwan and Singapore and for the first time this season in South Korea, Malaysia and Hong Kong.

Zespri Chief Executive Officer Dan Mathieson says it’s exciting to reach the one million tray milestone for Zespri RubyRedTM Kiwifruit which is in its third year of commercial production. “We’re expecting strong growth across all our kiwifruit varieties this season, with 193 million trays of kiwifruit to be shipped to markets around the world, with our Zespri RubyRedTM Kiwifruit crop volume increasing with new orchards coming into production,” says Dan.

Zespri RubyRed Kiwifruit is the latest variant to come through Zespri’s world-leading kiwifruit breeding programme, in partnership with Plant & Food Research, with 2024 marking the third year of commercial production. [Full article here](https://www.sunlive.co.nz/news/338746-rubyred-to-hit-one-million-trays-this-season.html)

#### T&G announces excellent start to 2024 Jazz season

Craig Betty, director of operations for T&G, said the 2023/24 New Zealand growing season is off to a great start, with a good quality crop on the trees. “Across the country, we’ve had near-perfect apple growing conditions, with hot sunny days and cool nights, enabling the crop to develop great colour and eating quality,” said Betty. “Our Jazz apples taste great — with that perfect balance of crisp, tangy-sweet flavour that consumers love and seek out.”

It’s also the first full season that T&G’s state-of-the-art automated Hawke’s Bay packhouse has been operational. “Our Whakatu packhouse helps ensure we have the capacity to handle increasing volumes of fruit and that the quality of our fruit is prioritised by utilising some of the world’s leading AI defect sorting, soft fruit handling, and robotic fruit packers and palletiser technology,” said Betty.  “With best in class systems across our supply chain we ensure our apples arrive in-market in great condition and meet customer and consumer needs.”  [Full article here](https://www.fruitnet.com/produce-plus/tandg-announces-excellent-start-to-2024-jazz-season/259134.article)

#### NZ Government allots $6.2m for passionfruit project in Vietnam

A five-year New Zealand Government-funded project to help Viet Nam build a more lucrative passionfruit export industry was formally launched by the Prime Ministers of Viet Nam and New Zealand in Wellington recently. New Zealand Prime Minister Christopher Luxon announced the NZ$6.24m investment in Viet Nam’s horticulture sector, called the ‘Viet Nam Climate-Smart Fruit Value Chain project’, known as VietFruit. The project is part of a long-term development co-operation to support Vietnam’s agriculture sector, build resilience to climate change and disasters, and develop a more highly skilled and educated workforce.

Plant and Food Research scientists have spent about a decade working on growing the country's dragonfruit industry there - introducing a new productive growing system which doubled yields and improved fruit quality, thereby returns for growers too. The project resulted in three new varieties of dragonfruit that have been bred and commercialised. Now, it's passionfruit that's in for an industry transformation.

In the year ended June 2023, New Zealand exported $1.1 billion of total goods and services to Vietnam and imported $1.56b, according to Stats NZ data. The country of nearly 100 million people was the second-leading export destination for New Zealand apples in the year to June, after China. [Full article here](https://www.rnz.co.nz/news/country/511494/government-allots-6-point-2m-for-passionfruit-project-in-vietnam)

## Reports & Insights

#### Take the survey: Global Coalition of Fresh Produce 2024 Survey into production/shipping costs and selling prices

United Fresh are encouraging New Zealand’s horticulture sector to complete the Global Coalition of Fresh Produce global survey into production/shipping costs and selling prices for producers and traders of fruit and vegetables. The aim of this survey is to see if and how the health of our industry has changed over the past year, compared to when it was first carried out in early 2023.

The Global Coalition of Fresh Produce brings together fresh produce associations from around the world, based on their joint vision to create resilient global value chains for fruit and vegetables that bring a myriad of economic, environmental and societal benefits. The Coalition’s mission is to voice solutions to address disruptions in global supply chains for fresh produce, including – but not limited to – rising costs, and share and promote best practices. United Fresh is a board member of the organisation.

You can take the survey [here](https://5aday.us20.list-manage.com/track/click?u=6da879b6faf5dc2e07794a680&id=9e7d6669d5&e=0ff94fdc1c)

#### Upcoming events and webinars:

* Freight Futures Summit, 11-12 April 2024, Grand Millennium Auckland, Auckland [Full details here](https://event.brightstar.co.nz/FreightFuturesConference2024)
* Hort Connections, 3-5 June 2024, Melbourne Convention Centre, Australia. [Full details here](https://hortconnections.com.au/)
* World Potato Congress, 23-26 June 2024, Adelaide, Australia. [Full details here](https://tcc.eventsair.com/world-potato-congress-2024/)
* International Fresh Produce Safety Symposium, 20-21 August 2024, Australia [Full details here](https://fpsc-anz.com/)
* Horticulture Conference and RSE Conference, 28-30 August 2024, Mercury Baypark, Tauranga.
* CBAFF Annual Conference, 18-20 September, 2024, Christchurch.

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| INTERNATIONAL NEWS |

## GAIN reports:

Gain reports are from the “Global Agricultural Information Network” and are produced by the USDA. They are designed to provide timely information on the economy, products and issues in foreign countries that are likely to have an impact on United States agricultural production and trade. The information in them is written for USA exporters but the majority is equally relevant to New Zealand. For import regulations for a particular market, New Zealand exporters should first check the countries ICPR on MPI’s web site.

China: Draft National Food Safety Standard of General Principles for the Labeling of Prepackaged Foods Notified to WTO

On February 9 and February 12, 2024, China notified the revised draft National Food Safety Standard of General Principles for the Labeling of Prepackaged Foods to the World Trade Organization (WTO) under G/SPS/N/CHN/1295 and under G/TBT/N/CHN/1827. The proposed date of entry into force is to be determined. This revised draft National Food Safety Standard closely mirrors the recently released draft letter from the Secretariat of the National Food Safety Standard Review Committee analyzed in FAS GAIN Report CH 2024-0021. This report explains the minor modifications between the two drafts and provides an unofficial translation of the draft standard notified to WTO. [Full report here](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Draft%20National%20Food%20Safety%20Standard%20of%20General%20Principles%20for%20the%20Labeling%20of%20Prepackaged%20Foods%20Notified%20to%20WTO_Beijing_China%20-%20People%27s%20Republic%20of_CH2024-0033)

## In The News:

#### Korea faces crisis in apple production

South Korea is grappling with a pressing issue: a scarcity of apples leading to skyrocketing prices, dubbed the "appflation" crisis. Wholesale apple prices have surged to 5,414 won ($4.11) per kilogram, marking a staggering 97.33% increase from the previous year. This sharp rise in apple prices has also contributed to a substantial 41.2% year-on-year increase in overall fresh fruit prices, the largest surge seen in over three decades.

The root cause of this crisis lies in a multitude of factors. Apple production in South Korea has plummeted by 30% in 2023 compared to the previous year, mainly due to adverse weather conditions exacerbated by climate change. Spring frosts, cold spells, frequent rains, and outbreaks of apple anthracnose have severely hampered apple production, leading to a significant shortage in the market. The effects of climate change are also gradually shifting ideal apple-growing regions, making traditional areas less viable. Compounding these challenges is South Korea's strict regulatory environment regarding fruit imports. Despite the dwindling local production, stringent regulations prevent the importation of foreign apple varieties, exacerbating the shortage and contributing to the escalating prices. [Full article here](https://www.freshplaza.com/oceania/article/9609251/korea-faces-crisis-in-apple-production/?utm_medium=email)

#### Viet Nam-Australia announce Comprehensive Strategic Partnership

Australia and Vietnam elevated their relationship to a Comprehensive Strategic Partnership (CSP) on 7 March, capping a busy year which saw a broader lift in Viet Nam’s relations with its closest economic and security partners. Only six other countries hold this level of diplomatic relationship with Viet Nam [China, Russia, India, South Korea, United States, Japan]. Under their CSP, Australia and Viet Nam have committed to expand cooperation in defence, trade and investment, people-to-people ties, climate, green energy, and digital technology, and pledged to reinforce cooperation amidst growing tension in the South China Sea. [Full article here](https://www.mfat.govt.nz/en/trade/mfat-market-reports/weekly-global-economic-report-18-march-2024/?utm_source=MFAT&utm_campaign=71a820736a-EMAIL_CAMPAIGN_2024_03_18_08_09&utm_medium=email&utm_term=0_-71a820736a-%5BLIST_EMAIL_ID%5D)

#### South African oranges gain access to Vietnam

A new bilateral protocol has been established between South Africa and Vietnam, opening the Vietnamese market to South African oranges. “This is good news ahead of the 2024 citrus export season, which will start to ramp up in April,” said the South Africa’s Citrus Growers’ Association (CGA) in a statement. The historic protocol comes almost a decade after a change in Vietnamese import regulations necessitated a new protocol.

The opening of the market offers an export potential of 15,000 tonnes of oranges for South Africa’s citrus growers. “This will mean that we can contribute to more job opportunities and revenue generation,” the CGA continued. [Full article here](https://www.fruitnet.com/asiafruit/south-african-oranges-gain-access-to-vietnam/259195.article)

#### Vietnam overtakes Chile, becoming second-largest exporter of fruits and vegetables to China in 2023

In 2023, Vietnam has overtaken Chile, becoming the second-largest exporter of fruits and vegetables to China, largely propelled by an increase in durian exports. China's imports in this sector reached over US$24.4 billion, with Thailand leading at $8.6 billion, despite a slight decline. Vietnam's exports to China surged to $3.4 billion, boosting its market share from 8% to 14%, surpassing Chile's long-held position.

According to Dang Phuc Nguyen, the general secretary of the Vietnam Fruit and Vegetable Association, the growth is attributed not only to durian exports but also to China's heightened demand for Vietnam's processed fruits and vegetables. The anticipated official exports of frozen durian, avocado, and coconut are expected to further increase Vietnam's export figures. Vietnam's competitive advantages include cost-effectiveness and shorter shipping times compared to its competitors. The country's total exports in this category for 2023 amounted to $5.6 billion, marking an 80% increase from the previous year, with China accounting for 60% of the total exports. [Full article here](https://www.freshplaza.com/oceania/article/9607741/vietnam-overtakes-chile-becoming-second-largest-exporter-of-fruits-and-vegetables-to-china-in-2023/?utm_medium=email)

#### Chilean cherry exports flat in 2023/24

Chilean cherry exports will remain broadly flat in 2023/24, but exports to China are set to hit a new record, according to the Chilean Cherry Committee. As the season draws to a close, it said 413,979 tonnes of cherries had been shipped worldwide, 0.3 per cent down on the same period last year. Exports to China stood at 377,000 tonnes, 3.3 per cent above last season.

This season also saw the first ship carrying cherries reach India in record time of 36 days and a single stopover. “This makes us optimistic about how we can develop this market, especially considering that we entered it with zero tariff,” said Iván Marambio, president of Frutas de Chile. [Full article here](https://www.fruitnet.com/asiafruit/chilean-cherry-exports-flat-in-2023/24/259193.article)

#### Compromise on new EU Packaging law will dramatically damage fresh produce consumption

After reviewing the content of the preliminary agreement of the Trilogue between the European Council, European Parliament, and Commission on the Packaging and Packaging Waste Regulation (PPWR), Freshfel Europe says they are baffled to see the escalation of policy incoherencies and the unfair discrimination towards fresh produce. "In the current format, the PPWR will undoubtedly increase packaging waste, contribute to more food waste, generate logistical inefficiencies, increase carbon emissions, breach the functioning of the Single Market by allowing national provisions, and, above all, lead to a further decline of consumption. Freshfel urgently calls for amending the compromised text to safeguard the internal market and secure a feasible business environment for fresh produce."

While the compromise PPWR will allow exceptions to restrictions on plastic packaging for fresh produce, Member States will have the competence to draw their own national exception lists based on guidelines to be formulated by the Commission with the support of EFSA. This will cause a proliferation of national lists, with no list being the same as the other due to differences in diet cultures, product requirements, and trade patterns. Freshfel Europe's General Delegate Philippe Binard explains that "not having a Union harmonized list of exempted products that could be packed in plastic packaging will deeply impact the distribution within the EU Single Market, especially but not only within border regions. When fresh produce is packed, the final destination is rarely known. As a result, fresh produce might have to be unpacked and re-packed in the supply chain, causing increased packaging waste and risking the quality of the product." [Full article here](https://www.hortidaily.com/article/9607974/compromise-on-new-eu-packaging-law-will-dramatically-damage-fresh-produce-consumption/?utm_medium=email)

#### Pressure builds for charge on global shipping sector's CO2 emissions

The European Union, Canada, Japan and climate-vulnerable Pacific Island states are among 47 countries rallying support for a charge on the international shipping sector's greenhouse gas emissions, documents reviewed by Reuters showed. The documents, being discussed at an International Maritime Organization (IMO) meeting now entering a second week, outline four proposals with a combined 47 backers for imposing a fee on each tonne of greenhouse gas the industry produces. Support for the idea has more than doubled from the 20 nations that publicly supported a carbon levy at a French climate finance summit last year. "I'm very confident that there's going to be an economic pricing mechanism by this time next year," IMO Secretary-General Arsenio Dominguez told a news conference on Monday when asked about the prospects of a carbon emissions levy for shipping. "What form this is going to have and what the name is going to be, I don't know," he added.

Shipping, which transports around 90% of world trade, accounts for nearly 3% of the world's carbon dioxide emissions - a share expected to expand in the coming decades without tougher anti-pollution measures. [Full article here](https://www.reuters.com/sustainability/climate-energy/pressure-builds-charge-global-shipping-sectors-co2-emissions-2024-03-18/?utm_source=Sailthru&utm_medium=Newsletter&utm_campaign=Daily-Briefing&utm_term=031824&user_email=b2b7302eec288cded54cb9cdad2ef273639f17733b3c15fb7fa4b3eb3795721a)

#### World Economic Forum Report: Global cooperation is stalling – but new trade pacts show collaboration is still possible.

Trade is defying the decline in global cooperation, as new trade pacts and deals have been established. The World Economic Forum's Global Cooperation Barometer highlights trade as a unifying force amidst the challenges of conflict, climate crisis, and economic difficulties. The report emphasizes that cooperation can coexist with competition. Examples of recent trade deals include the EU-Singapore Digital Partnership, Ecuador-China free trade deal, the UK's membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the EU-New Zealand trade agreement, the Atlantic Declaration between the US and UK, and the India trade agreement with the European Free Trade Association. These pacts demonstrate that collaboration is still possible in tumultuous times. [Full report here](https://www.weforum.org/agenda/2024/03/global-cooperation-trade-pacts/)

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