



**NEW ZEALAND**  
**FOREIGN AFFAIRS & TRADE**  
Manatū Aorere

**8 JULY 2024**

# **Weekly Global Economic Round-up**

MARKET INTELLIGENCE REPORT

# Regional updates

## Domestic

### **Minister Bishop announces changes to urban planning rules**

- The Minister for Housing and Urban Development, Chris Bishop, outlined the Government's ambitious new plan to increase the housing supply in a speech to the Real Estate Institute of New Zealand (REINZ) last week. As part of stage one of the Government's Going for Housing Growth policy, council powers over urban boundaries and councils will be required to plan for 30 years of housing growth. Other changes under the policy include the removal of the requirement of a minimum floor area and balcony requirements, as well as the strengthening of the intensification provisions in the National Policy Statement on Urban Development.
- In his speech to the REINZ, Minister Bishop stated that the changes were intended to flood the market with affordable housing and would, in time, drive down the price of land and housing. Further information about the changes can be found [here](#).

### **Prime Minister Luxon addresses the Primary Industries New Zealand Summit and Awards**

- On 2 and 3 July, Prime Minister Luxon addressed the 'Primary Industries New Zealand Summit & Awards' organised by Federated Farmers and Brightstar at the Tākina Wellington Convention and Exhibition Centre. The event brought together government and industry leaders for a wide-ranging agenda focused on major issues facing New Zealand's primary industries and celebrated New Zealand's most successful and innovative primary industry producers and businesses. In his speech, the Prime Minister highlighted the need to embrace technology and scientific innovation as a means to enable trade, as well as renewing his commitment to increasing two-way trade with India.
  - Minister for Trade Todd McClay emphasised the need for 'out of the box' solutions to resolving trade barriers such as non-tariff barriers. The summit included a panel discussion on growing New Zealand's presence in India with Indian High Commissioner H.E. Neeta Bhushan, Hamish Marr (Special Agricultural Trade Envoy), Michael Fox (Head of Global Public Affairs, Zespri) and Sirma Karapeeva (CEO, Meat Industry Association). For more details on the agenda for the Primary Industries Summit, see here: [Primary Industries New Zealand Summit and Awards 2024 \(brightstar.co.nz\)](#).
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# Americas

## Latest US jobs report shows moderating growth

- The latest [United States jobs report](#) shows that the labour market appears to be moderating, increasing the likelihood that the Federal Reserve may cut interest rates in 2024. Payrolls increased by 206,000 in June. Nearly three-quarters of these were government and health care service roles, while retail, manufacturing, and professional and business services all saw negative growth. Job growth in April and May was also revised lower, with 111,000 fewer jobs created in the previous two months than initial estimates indicated. The unemployment rate also ticked up in June, from 4.0 percent to a two and a half high of 4.1 percent. This is actually a sign of continuing strength in the United States labour market, due largely to an increase in the labour force participation rate, a sign that the previously discouraged workers are re-entering the job market and seeking employment.
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# Europe

## Labour wins the UK election

- The Labour Party won the United Kingdom general election in a polls-predicted landslide last week, picking up 214 seats for a total of 411. The Conservative party, which held onto power for 14 years, lost 252 seats for a total of 121. Incoming Prime Minister Sir Keir Starmer said, “the work of change begins immediately” and named his cabinet over the weekend, with Jonathan Reynolds picking up Secretary of State for Business and Trade and David Lammy, Secretary of State for Foreign, Commonwealth and Development Affairs. Prime Minister Luxon congratulated Sir Starmer for his victory on X (formerly Twitter) and thanked outgoing PM Rishi Sunak for his service. Labour’s policy priorities are outlined in their [2024 manifesto](#).
- Nigel Farage, the former leader of pro-Brexit UKIP (United Kingdom Independence Party), also had a successful day, leading his Reform Party to pick up 4.1 million votes, which translated into five seats under the UK’s first past the post electoral system. The Green party also won four seats with 1.9 million votes.

## France turns out highest number of voters since 1981

- French voters returned to the polls on Sunday, 7 July, to elect the remaining members of the French National Assembly. The second round saw the highest turnout since 1981, with an estimated 67.1% of registered voters heading to the ballot box.
- The final results will take some time to confirm, however exit polls show the left ‘New Popular Front’ (NFP) coalition will finish in first place, collecting somewhere between 177-192 Assembly seats. President Macron’s ‘Ensemble’ coalition is projected to be

second (between 152-158 seats), with the far-right National Rally and its partners in third (138-145 seats). This means no party or coalition has come close to the 289 seats required for an absolute majority, and the focus will now turn to negotiations to avoid a hung parliament.

- Shortly after the first projections, incumbent Prime Minister Gabriel Attal gave a televised address in which he confirmed he would resign on Monday – as is convention, given his party failed to gain a majority. It is the role of the French President to nominate a new Prime Minister, who must then be approved by parliament and thus often hails from whatever party or coalition holds a majority (whether relative or absolute). A statement from President Emmanuel Macron’s office this evening said the President would wait for the “full picture in parliament to emerge” before making any decisions about appointments. The statement also noted that the President “as guarantor of our institutions, will respect the choice of the French people”.

### **EU Commission announces provisional duties on Chinese electric vehicles**

- The European Union Commission has imposed provisional duties on imports of battery electric vehicles (BEVs) from China nine months after the initiation of an anti-subsidy investigation. When adopted by member states, this decision would make the duties definitive for a period of five years. Though well below the 100 percent tariff imposed on Chinese BEV imports by the US in April, the tariffs pose a new barrier to the fast-growing market for Chinese vehicles. Analysts note that even with the tariffs Chinese BEVs remain very competitive compared to their European competition. Beijing called the tariffs “a naked act of protectionism” and noting that a final EU ruling won’t be made for four months, hoped a “mutually acceptable solution” could be reached as soon as possible “on the basis of facts and rules.”
  - Provisional tariffs will apply as of 5 July, for a maximum duration of four months. Tariffs are set at 17.4 per cent, 19.9 per cent and 37.6 per cent to be applied to Chinese carmakers BYD, Geely and SAIC respectively. Other BEV producers in China which cooperated in the investigation would be subject to a 20.8 per cent weighted average duty, while the Commission set the duty for other non-cooperating companies at 37.6 percent. During the next four months a final decision must be taken through a vote by EU Member States on definitive duties.
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# External links

The following links may provide useful information to businesses:

- [NZTE](#) has a website focused on providing COVID-19 information for exporters. They've also launched [myNZTE](#), an interactive digital portal of insights and tools available to all New Zealand exporters.
- The Treasury releases a [weekly economic update](#) every Friday. Stats NZ has published a [data portal](#) with near real-time economic indicators.
- MBIE publishes a [sector reports series](#) which provides regularly updated reports on all industry sectors that make up the New Zealand economy. These include official economic data and the challenges and opportunities that face New Zealand's industry sectors.
- [Business.govt.nz](#) provides tools and advice from across government to save small businesses' time and help make the business a success.
- MFAT has created a [tariff finder](#) which is designed to help goods exporters and importers maximise benefits from New Zealand's Free Trade Agreements and compare tariffs in 136 other markets.
- The all of government [Trade Barriers](#) website can be used to register any trade barriers experienced or issues exporting to an offshore market. Queries can be sent via the website or through the MFAT Exporter Helpline 0800 824 605. Enquiries will be sent to the government agency best placed to answer.
- Tauranga Aotearoa Stats NZ provides official data on the value of New Zealand's exports and imports of both goods and services, by commodity type via the [New Zealand Trade Dashboard](#). This interactive dashboard is updated every quarter and allows for filtering by country and by commodity type.

# More info

## More reports

View full list of market reports from MFAT at [www.mfat.govt.nz/market-reports](http://www.mfat.govt.nz/market-reports)

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