



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

14 AUGUST 2023

# Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

# Highlights

- The Government has worked with BlackRock, one of the world's largest investors in climate infrastructure and clean technology, to launch a \$2 billion fund with the goal of making New Zealand one of the first countries in the world to reach [100% renewable electricity](#).
- Lower milk prices are expected to wipe out nearly \$2 billion from dairy industry revenues this year. Fonterra lowered their forecast per kilogram milk solids price by approximately \$1, leading BNZ economists to estimate a reduction in industry revenue of \$1.9 billion. Overall, dairy prices are down 13.4% (in USD prices) since the start of 2023, and down 42.4% since March 2022.
- On Friday 11 August Minister for Trade and Export Growth, Hon Damien O'Connor, met with his Australian counterpart, Senator Don Farrell, for the Closer Economic Relations (CER) Trade Ministers meeting. Ministers released a [Joint Statement outlining](#) priorities for advancing economic collaboration under CER in its 40th anniversary year. As announced by Prime Ministers at the ANZLM on 26 July, Ministers also [signed the Australia-New Zealand Sustainable and Inclusive Trade Declaration](#), supporting our transition to more inclusive, sustainable and resilient economies fit for the 21st century.

# Regional updates

## Domestic

- New Zealand, as Chair of the Inclusive Trade Action Group (ITAG), hosted ITAG Breakfast meetings for Ministers in the margins of the 7th CPTPP Ministerial Meeting in Auckland on 16 June. The meeting focussed on agreeing the new Tāmaki Makaurau Joint Declaration on Inclusive and Sustainable Trade, sharing New Zealand and Canada’s recent ITAG three-year reviews of the effectiveness of CPTPP in delivering on an inclusive agenda, discussing the ITAG Work Plan including working together to promote further inclusive and sustainable outcomes in the context of the CPTPP General Review, and discussing future membership of the group.
  - [New Zealand red meat exports declined 12% year-on-year in value in June 2023.](#) Sheep meat exports decreased to most major markets – likely reflecting tough conditions in major economies – while beef exports remained solid, according to Meat Industry Association Chief Executive Sirma Karapeeva. The Meat Industry are now seeing benefits of the New Zealand-United Kingdom Free Trade Agreement for beef exports with tariff savings of around \$650,000 in June 2023.
- 

## Asia

- China’s imports and exports decreased faster than market expectations in July. Imports decreased 12.4% year-on-year in July against market expectations of a 5% decrease, while exports decreased 14.5% compared to market expectations of a 12.5% decrease. This represents the largest decline in exports since the beginning of the global COVID-19 pandemic in 2020.
- China was New Zealand’s top trading partner in the year ending December 2022, with two-way goods and services trade totaling NZ\$40.32 billion. Total exports of infant formula, fruit and meat products all increased on 2021 levels. Air connectivity between China and New Zealand continues to improve with the reinstatement of air services. Current air connectivity has recovered to over half of 2019 summer peak season levels.
- Sri Lanka has sought accession to the Regional Comprehensive Economic Partnership (RCEP), as part of President Ranil Wickremesinghe’s trade liberalisation agenda. A more open and competitive Sri Lankan economy, to which joining RCEP through future RCEP accession procedures (which are under discussion) would be in New Zealand’s interests – delivering greater certainty and opening up further commercial opportunities for our businesses.

- The Association of South East Asian Nations (ASEAN) continues to recover from the economic effects of COVID-19 faster than the global norm. As a region, ASEAN has bounced back from GDP growth of 3.4% in 2021 to achieve growth of 5.7% in 2022, outstripping the global GDP growth average of 3.4%. The figures for the region over the next few years appear even more promising. ASEAN's projections of 4.7% in 2024 and 5.0% in 2025 are expected to outpace global average growth estimates currently sitting at 2.8% and 3.0% respectively. However, these headline figures mask a projected divergence in global growth. According to the IMF, growth in advanced economies is expected to slow over the next two years (to 1.3% and 1.4% respectively), while emerging economies continue their recovery and return to pre-pandemic growth levels.
- 

## Americas

- US consumer prices increased 3.2% in the 12 months to July, rising slightly from June to July (0.2%). This remains above the Federal Reserve's target of 2.0%, albeit well below the peak of 9.1% in June 2022.
- 

## Australia

- China recently announced it will remove import duties on Australian barley from 5 August 2023. The removal of these duties puts an end to a three-year dispute and will see Australia discontinue its legal proceedings at the WTO.
- 

## Europe

- MFAT will shortly release a market intelligence report on the Norwegian aquaculture sector. Aquaculture, one of Norway's most important industries, is governed by a strict system of regulation and licensing processes which aims to ensure sustainable practices and environmental protection. The Norwegian industry has embraced technological advancements, while developments in research around feed and disease management have improved fish health and environmental outcomes. However, managing disease and in particular lice remains one of the industry's major challenges.
  - Despite the lack of proximity to European markets, New Zealand shares many of Norway's success factors, and given the likemindedness on climate, environment, and sustainability, there may be opportunities for cooperation and exchange particularly on developments in research, technology and regulation to ensure that growth is achieved while limiting adverse environmental impacts.
-

# 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)

If you would like to request a topic for reporting please email [exports@mfat.net](mailto:exports@mfat.net)

To get email alerts when new reports are published, go to our [subscription page](#).

To learn more about exporting to this market, New Zealand Trade & Enterprise's comprehensive [market guides](#) cover export regulations, business culture, market-entry strategies and more.

## To contact the Export Helpdesk

email [exports@mfat.net](mailto:exports@mfat.net)

call 0800 824 605

visit [Tradebarriers.govt.nz](http://Tradebarriers.govt.nz)

### Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.