



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

16 SEPTEMBER 2024

# Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

# Highlights

## New Zealand ratifies IPEF agreements

- The Indo-Pacific Economic Framework (IPEF) is a set of agreements between 14 countries to develop new rules that focus on supply chain issues, climate action, corruption and facilitation of investment flows. The United States-led initiative includes India, Japan, Korea, Australia, New Zealand, Fiji and key ASEAN members. The group represents 40% of global GDP and takes 50% of New Zealand's exports.
- On 12 September New Zealand ratified four IPEF agreements negotiated in 2023: The IPEF Supply Chain Agreement; The Clean Economy Agreement; The Fair Economy Agreement; and The overarching Agreement on IPEF. Following New Zealand's ratifications all four IPEF agreements will be in force by mid-October. These will be the first substantial treaty-level trade agreements New Zealand has entered with India and with the United States.
- MFAT's website includes a range of IPEF-related resources, including texts: [IPEF statements and resources](#) | [New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#). Fuller detail is set out in the [National Interest Analysis](#).

## **New Zealand Plays Active Role in APEC Ministerial Meetings**

- APEC Economies met in Lima, Peru, at the end of August for a series of meetings between Ministers and Senior Officials. Ministerial meetings covered Health, Food Security and Energy. Officials from MFAT, MBIE, MPI and Customs, and Kiwi academics and business representatives attended committee meetings and workshops over 11 days. The meetings progressed several projects and areas of work of interest to New Zealand, notably on the Free Trade Area of the Asia-Pacific, non-tariff measures, digital and paperless trade, and environmental goods and services.
- Discussions also canvassed hosting arrangements for 2026 and beyond; APEC's budget; and the selection process for the next Executive Director of the APEC Secretariat. Peru provided updates on arrangements for APEC Economic Leaders' Week which will take place 13 to 16 November 2024 in Lima. Korea presented its agenda for its host year in 2025 with the theme, "Connect. Innovate. Prosper."

# Regional updates

## Africa and Middle East

### Climate change costs Africa up to 5% of GDP

- Simon Stiell, executive secretary of the U.N. Framework Convention on Climate Change, met with African ministers of environment in the Ivory Coast on 5 September, telling them that “the climate crisis is an economic sinkhole”. The impacts of climate change are costing African nations up to 5% of their economic output according to Stiell, who called for more investment to tackle the issue in Africa. Stiell said that of the \$400 billion spent on clean energy in the last year only \$2.6 billion went to African nations. Read the Reuters report [here](#).

### African cities forecast to see rapid urbanisation over next decade

- The Economist Intelligence Unit’s (EIU) new report [African Cities 2035](#) outlines the rapid population growth and consequent urbanisation facing the continent over the next decade. Cities with a population greater than 1 million today will be home to 21% of Africa’s population but generate 60% of the continent’s GDP. This will result in a number of socio-economic benefits, including wealthier consumer markets, greater capacity for industrial production and more sophisticated commercial hubs. These benefits will need to be balanced against heightened demand for public services and employment, infrastructure, and housing.

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## Americas

### US inflation figures drop to lowest since 2021

- The 12-month inflation rate for the US dropped to 2.5%, a decline from the 2.9% increase during the month of July and the lowest rate of inflation since February 2021, according to the [latest figures](#) from the Bureau of Labor Statistics. On a month-to-month basis, core prices, which excludes volatile food and energy costs, rose 0.3%, a slight pickup from July’s 0.2% increase. These figures, along with a recent softening of the US labour market, have raised expectations that the Federal Reserve will cut interest rates at its next meeting later this week.
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# North Asia

## Japanese wages set to surpass inflation for first time in 30 years

- Year-on-year average monthly cash earnings in Japan grew 3.6% in July, as compared to the core consumer price index, which grew at 2.7% over the same period, according to firm Asset Management One. This trend is expected to hold in the second half of 2024, meaning that wages in Japan are growing in real terms for the first time in 30 years. Despite recent volatility in the Japanese market, the rise in wages may be a positive indication that Japanese consumers have more disposable income, which in turn may help to spur the overall economy. [Read more here.](#)
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# South and South East Asia

## Singapore's Prime Minister Wong lays out new domestic economic policies

- Singapore's Prime Minister Lawrence Wong presented his first National Day Rally 'state of the nation' speech last month as a "major reset of policies" almost 100 days after taking over from former Prime Minister Lee Hsien Loong. The suite of policy initiatives aimed at addressing Singaporeans' concerns about the rising cost of living, education, housing, and the economy, represented less a radical policy transformation and more continuity with the objectives of the previous Lee administration. Key announcements included new unemployment assistance for low to medium income earners, an expansion of paid parental leave to 30 weeks, significant incentives for job re-skilling, and a review of government regulations aimed at maintaining Singapore's business-friendly environment.
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# Europe

## European Union cuts interest rates

- On 12 September, the European Central Bank slashed interest rates as inflation subsides across the 20 countries that use the Euro. The move saw the bank's rate-setting council lower the deposit rate from 3.75% to 3.5% following an earlier cut in June. The cut comes after a period of rapid increases to tame inflation induced by surging energy prices related to Russia's invasion of Ukraine.
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# External links

The following links may provide useful information to businesses:

- [NZTE's website](#) and [myNZTE](#) provide a range of insights and tools available to support New Zealand exporters.
- [New Zealand Trade and Enterprise](#) provides a range of support and advice for 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.
- Tatauranga 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.

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