



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

24 FEBRUARY 2025

Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

Regional updates

Domestic

Government announces changes to the Overseas Investment Act

- This week, the Government announced [plans to reform the Overseas Investment Act](#), with Associate Minister of Finance David Seymour commenting the changes will “speed up decisions and provide more confidence to investors”, while protecting New Zealand’s national interests. Key elements of the package include:
 - better acknowledging the benefits investment can provide to New Zealand’s economy,
 - for all investments aside from residential land, farmland and fishing quota, making decisions in just 15 days, unless the application could be contrary to New Zealand’s national interest,
 - strengthening the Government’s ability to intervene on the rare occasion that a transaction is not in the national interest,
 - giving LINZ more powers to grant consent without involving Ministers.
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Americas

US relaunches investigations into countries that introduce digital service taxes

- Last week, President Trump issued an [Executive Order directing agencies to relaunch digital service taxes investigations](#) that were initiated during his first term. President Trump has indicated [tariffs may be applied on countries "to combat the digital service taxes](#) (DSTs), fines, practices, and policies that foreign governments levy on American companies." Several countries have already introduced DSTs, levying taxes on sales revenue by these and other digital services providers within their borders.
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Australia

Australia's central bank cuts rates for the first time in four years

- Last week, the [Reserve Bank of Australia \(RBA\)](#) lowered the cash rate by 0.25%, the first cut since November 2020. The RBA noted that inflation had fallen substantially since its peak of 7.8% in 2022 and was now sitting at 2.4%. However, it said it “remains cautious” about the prospect of further reductions, pointing to significant “geopolitical and policy uncertainties” and a tight labour market (with [unemployment rates remaining around historic lows](#)).
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South and South East Asia

UK-India re-launch talks on a free trade agreement

- This week, UK Trade Secretary Jonathan Reynolds travelled to India to meet with his counterpart, Indian Minister for Commerce Piyush Goyal, to [relaunch talks on a UK-India trade deal](#). The visit will include two-days of focused discussions; with negotiating teams meeting for the first under the new UK government (however, this will be the [15th round of negotiations](#)). The UK and India are currently the sixth and fifth largest global economies, and their trade relationship is worth over NZ\$90.35 billion. UK Investment Minister Poppy Gustaffsson will also visit New Delhi and Bengaluru this week seeking to attract further Indian investment into the UK. India is a major and growing source of FDI into the UK.
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Europe

Eurozone growth stagnates

- Last week, the European Central Bank announced that Eurozone [economic growth stagnated](#) in the fourth quarter of 2024. [Annual GDP growth remains unchanged](#) at 0.9%. This is the first time the economy has not grown since the fourth quarter of 2023. GDP growth across Europe is currently varied, with GDP contracting in France and Germany in the fourth quarter of 2024, while Spain's GDP grew by 0.8%. The EU is focused on supporting economic growth, with the European Commission recently launching its [“Competitiveness Compass”](#) which proposes a new approach to competitiveness that combines industrial policies, investment and reforms, particularly focused on innovation, decarbonization and security.
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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.
- 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

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