



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

25 AUGUST 2025

Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

Trade and economic updates

New Zealand

Fonterra Sells Global Consumer Business to Lactalis for \$3.845 Billion

- Fonterra has agreed to sell its global consumer, foodservice, and ingredients operations, including iconic brands like Anchor, Mainland, Kapiti, and Anlene, to France's Lactalis for NZD3.845 billion. The deal, expected to close by mid-2026 (pending regulatory and shareholder approval), delivers a tax-free NZD2 dollar-per-share return to Fonterra owners and refocuses the co-op on its core milk processing operations. Fonterra shares jumped over 15%, reaching their highest levels since early 2018. [Read more here.](#)

OCR Cut to 3% as Trade Headwinds Persist

- The Reserve Bank of New Zealand reduced its official cash rate to 3%, noting that although inflation remains within the 1–3% target range, global trade restrictions are constraining economic growth. The committee sees room for additional cuts if trade uncertainties persist and only gradual recovery through H2/2025 is expected. [Read more here.](#)

APEC

APEC Region Trends Analysis August 2025

- Asia Pacific Economic Cooperation (APEC) has published its quarterly [Regional Trends Analysis report](#) which provides an overview of the region's economy through an analysis of macroeconomic, trade, and investment trends. It tracks recent trade and investment measures implemented around the region and discusses risks and opportunities to the region's economic outlook. The report highlights APEC's economic expansion slowed in Q1 2025, reflecting weak demand and continued uncertainty. Easing inflation has allowed monetary policy to remain steady or adjust cautiously, supportive of economic growth requirements. Trade activity shows signs of precautionary frontloading, but sentiment remains largely fragile. Advances in AI offer potential for productivity gains, although outcomes will depend on digital readiness and widespread adoption. Strengthening structural reform, upgrading digital skills, and deepening regional cooperation are critical to building resilience and sustaining growth.

APEC Women and the Economy Dashboard 2025

- APEC has published its annual Women and the Economy Dashboard, which offers a snapshot of the status of women in the region by tracking key indicators over time. It aims to measure progress, uncover data and policy gaps as well as spotlight social barriers that continue to hinder women's full, equal and meaningful participation and leadership in the economy. The Dashboard notes improvements in financial inclusion, digital access, and general education, but also that gender inequality remains systemic, with entrenched barriers in employment, wages, leadership, safety, and legal protections. The report calls for urgent, coordinated action, including legislative reforms, stronger leadership pipelines, investments in care, and better access to training and digital opportunities. A key recommendation is the systematic collection and use of sex-disaggregated data to guide policy and close gender gaps.
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Americas

US Department of Commerce expands steel and aluminium tariff coverage

- On 18 August, the US Department of Commerce published a Notice in the Federal Register (FR Doc. 2025-15819 [here](#)) that substantially expanded the coverage of steel and aluminium derivative products subject to additional sectoral tariffs, beyond those previously published, e.g. in Proclamation 10947 of 3 June 2025).
- Another 407 HS codes, specified in Annex I to the Notice, have been added to the list of products subject to additional steel/aluminium tariffs – which includes industrial, consumer, chemical, and machinery goods.
- As a result of this announcement, which entered into force immediately:
 - the steel/aluminium content of goods entering the US on these 407 tariff lines will face an additional 50% tariff on the steel and aluminium content of the good.
 - the non-steel and non-aluminium content will remain subject to the 15% additional 'reciprocal' tariff applied to New Zealand
 - the US's standard MFN tariff will continue to apply to the entire good
- MFAT's Tariff Finder ([link here](#)) has been updated to reflect this change for the affected 407 tariff lines. In addition, the US's official Harmonized Tariff Schedule (HTS) tariff has been updated (2025 HTS Revision 19, [link here](#)), with the additional tariff lines specified in the Notice now added to Chapter 99, [here](#)).
- New Zealand companies may want to talk to their customs brokers, freight forwarders and US customers about the possibility of - and if so, how this could be done - splitting out on export documentation the steel and aluminium content of their good to ensure that the increased tariff is charged only on the steel and aluminium content of the good in question.

Minister McClay travels to the US for trade talks

- Minister for Trade and Investment, and of Agriculture, Todd McClay travelled to Washington over 21-22 August to meet with US Trade Representative Jamieson Greer and Secretary of Agriculture Brooke Rollins, raising concerns about higher tariffs impacting New Zealand exporters ([see Press Release here](#)).
- The US recently imposed an additional 5% tariff on New Zealand goods, lifting the minimum rate to 15% for countries with a trade surplus with the US – including New Zealand. In his meetings, Minister McClay highlighted the disadvantage this creates for New Zealand, which maintains low tariffs and does not subsidise exports like many other countries. Both sides agreed to stay in contact over the coming months with further meetings planned at upcoming regional trade forums.
- Minister McClay, Secretary Rollins and Trade Representative Greer also discussed shared concerns over trade-distorting subsidies harming the New Zealand and US dairy sectors. They agreed to explore joint action to counter harmful practices by other nations. The talks reaffirmed the importance of the NZ-US trade relationship and a shared commitment to fair and balanced trade.

US announces section 232 investigation imports of wind turbines, parts and components

- The US Department of Commerce has commenced another section 232 “national security” investigation, this time into imports of wind turbines “and their parts and components”. The public comment period for the investigation is open from 25 August until 9 September 2025. The Federal Register [notice](#) says that this investigation was announced on 13 August, though the notice was published on 25 August. Like with other such investigations, it is not clear what HS codes will be within the scope of this investigation. New Zealand’s wind turbine exports to the US are minimal, but companies could be impacted depending on how broad the “parts and components” aspect of the investigation is interpreted. Please reach out to us at us.exports@mfat.govt.nz should you have further questions.

North Asia

South Korea unveils plan to fortify supply chains in strategic sectors amid global uncertainty

- South Korea's government has unveiled a plan to stabilise supply chains across strategic industries, including semiconductors, secondary batteries, critical minerals, logistics, and infrastructure. The initiative, led by the Ministry of Economy and Finance, aims to support every stage of the industrial process—from raw material acquisition to final product manufacturing—amid global supply chain shifts and

geopolitical tensions. Key measures include NZD56 billion in low-interest financing for affected sectors, funding for overseas resource development, and expanded support for logistics infrastructure. The government also plans to increase joint overseas logistics hubs from six in 2025 to 40 by 2032, helping SMEs access global distribution networks.

Southeast Asia

Trade and Investment Minister McClay visits Thailand

- Minister for Trade and Investment Hon Todd McClay visited Thailand on 4–6 August. The visit reaffirmed Thailand’s position as a key regional partner and one of New Zealand’s priority “uplift” relationships in Southeast Asia. During the visit, Minister McClay held productive meetings with Thai counterparts across trade, agriculture, and foreign affairs portfolios, and acknowledged the 20th anniversary of the New Zealand – Thailand Closer Economic Partnership, which has seen New Zealand’s exports to Thailand quadruple. The Minister used the visit to raise several issues affecting the bilateral trading relationship and recommitted to the joint goal of tripling two-way trade over the next 20 years.
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Feedback

We welcome feedback from New Zealand exporters on this report and invite requests for reporting from New Zealand’s [network of Embassies and High Commissions](#). If you have suggestions on a topic you would like to hear more about, or to subscribe to this weekly update, you can sign up [here](#) or email us at exports@mfat.net.

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

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