



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

26 MAY 2025

Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

Trade and economic updates

Domestic

New Zealand Budget 2025

On 22 May, the New Zealand Government released Budget 2025, which emphasises fiscal discipline and strategic investment to boost economic growth. It includes new spending, savings and reprioritisation of resources to frontline services, within an operating allowance of \$1.3 billion per annum, the lowest allowance in a decade. The Government is also investing \$4.0 billion in net new capital spending.

Key initiatives include:

- Establishing an Investment Boost tax incentive – the policy allows for 20% of the costs of new assets to be deducted immediately from taxable income (on top of normal depreciation).
- Changes to KiwiSaver – a phased increase in default employer and employee contribution rates to 4%, extending the scheme to 16- and 17-year-olds, and halving the yearly government contribution to make it more fiscally sustainable.
- Funding to boost Defence Force capability and respond to a more challenging global environment.
- Targeted cost-of-living support for low- to middle-income families and other groups.
- Additional investment in health, education, law and order, and other frontline public services.

For more information, see [Budget 2025 - 22 May 2025](#)

Africa and Middle East

Invest Qatar Incentives Programme

On May 21 2025, Invest Qatar unveiled a \$1billion incentives programme during the 5th Qatar Economic Forum, aimed at boosting foreign and local investments and diversifying the national economy. The programme offers financial support covering up to 40% of eligible local investment expenses – including business setup costs, construction, leasing and employee related expenses – over a five year period. It targets key growth sectors identified in the Third National Development Strategy (NDS3), namely advanced industries, logistics, IT and digital and financial services. For more information, see here:

[Invest Qatar unveils \\$1 billion incentives programme to boost foreign and local investment.](#)

North Asia

Shinjiro Koizumi appointed Minister of Agriculture, Forestry and Fisheries, Japan

On 21 May 2025, Shinjiro Koizumi took office as Japan's Minister of Agriculture, Forestry and Fisheries. Koizumi has been involved in Japanese politics since 2007 and previously served as the Minister of the Environment (2019-2021). His appointment comes after previous Minister Taku Eto resigned from the position, responding to rising criticism surrounding a comment Mr Eto made on the cost accessibility of rice. Rice is a staple grain and important commodity in Japan, however its cost remains high still being almost twice as expensive as last year's.

South and Southeast Asia

Singapore and Malaysia launch joint Special Economic Zone

The Johor-Singapore Special Economic Zone (JS-SEZ) launched by Singapore and Malaysia earlier this year in the southern region of Malaysia is starting to take shape. The zone combines a large economic hinterland in the Johor region with favourable tax incentives and improved cross-border connectivity with neighbouring Singapore. It is designed to enable expanded access to finance and investment from Singapore, while also competing for global investment into high-value manufacturing. There may be opportunities for New Zealand businesses seeking to establish or expand their footprint in the region. Of note, food manufacturing undertaken in the JS-SEZ may be eligible to qualify for Malaysian halal certification, which is highly regarded internationally.

Europe

Further wine-making practices approved for New Zealand exports to the UK
On 13 May, the United Kingdom formally agreed to accept exports of New Zealand wine made using ammonium chloride, agar, alginic acid, and potassium ferrocyanide up to a maximum of 0.1 mg/kg. Agreement was reached under the NZ-UK Free Trade Agreement (FTA) and is another example of the benefits that this gold-standard FTA continues to deliver, building on the complete elimination of tariffs on wine exports to the UK that was achieved with entry into force in May 2023. Minutes of the meeting of the Joint Committee, which includes the formal acceptance of these oenological practices, will be published on the MFAT website shortly.

Horizon Europe allocates over €630 million for Climate, Energy and Mobility Research. The European Commission has announced the availability of €636.6 million in funding for Cluster 5 of [Horizon Europe's 2025 Work Programme](#). [Cluster 5](#) focuses on Climate Action, Energy and Mobility. This funding supports research across five “destinations”: cross-sectoral solutions for the climate transition; climate sciences and responses for the transformation towards climate neutrality; sustainable, secure and competitive energy supply; clean and competitive solutions for all transport modes; and safe, resilient transport and smart mobility services for passengers and goods. The application deadlines vary by call. More information, including how to apply, can be found here: [Horizon Europe: over EUR 630 million available to fund new climate, energy and mobility research projects](#).

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

If you would like to request a topic for reporting please email exports@mfat.net

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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

call 0800 824 605

visit Tradebarriers.govt.nz

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