



**NEW ZEALAND
FOREIGN AFFAIRS & TRADE**
Manatū Aorere

27 MAY 2024

Weekly Global Economic Round-up

MARKET INTELLIGENCE REPORT

Highlights

Government releases draft minerals strategy for public consultation

- The Government released a draft minerals strategy for public consultation last week. The intent of the strategy is to enable a long-term, strategic approach to how New Zealand develops its mineral resources. The strategy is built on 3 key pillars (Enhancing prosperity for New Zealanders, Demonstrating the sector's value, and Delivering minerals for a clean energy transition) and discusses the specific actions New Zealand could take to position the minerals sector to deliver value in an environmentally and socially responsible manner. The draft strategy can be found on the [Ministry of Business, Innovation and Employment's webpage](#). Submissions close 31 July 2024.

Regional updates

Domestic

Reserve Bank leaves Official Cash Rate unchanged

- The Reserve Bank has held the [Official Cash Rate](#) unchanged at 5.5 percent last Wednesday. In its announcement, the Reserve Bank stated that restrictive monetary policy is being effective in bringing down inflation, and that they expected it to return to its target of 1 to 3 percent by the end of 2024.

Retail sectors ends run of declines in March quarter

- [The retail sector](#) showed some sign of life in the March quarter, rising by 0.5 percent. This ends a bleak run of eight consecutive quarters of declines. Recreational goods and accommodation saw the largest gains, up by 4.7 percent and 4.1 percent respectively. Food and beverage services also saw strong growth, increasing by 2.2 percent and motor vehicle and parts also saw improvement of 1.1 per cent.
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North Asia

Auckland hosts the 10th China Business Summit

- The 10th China Business Summit took place in Tāmaki Makaurau Auckland last week, bringing together business and political leaders and stakeholders from the New Zealand and Chinese business communities to discuss New Zealand-China economic, commercial and political relations. This year's theme was "Navigating Today's China."
 - Prime Minister Luxon delivered the [opening address](#) to the audience, highlighting the growth and enduring strength of the trade relationship, and setting out the government's ambitious trade agenda and approach to engagement in our region and in the world. This year's speakers also included the [Minister for Trade](#), the Chinese Ambassador to New Zealand and other significant business leaders.
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Pacific

PACER Plus set to facilitate trade in the Pacific

- Cook Islands, Kiribati, Niue, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, Australia, and New Zealand convened on May 16-17, 2024, for the Pacific Agreement for Closer Economic Relations Plus (PACER Plus) Joint Committee meeting, hosted by Samoa. As the Pacific's most comprehensive trade agreement, PACER Plus includes provisions for goods, services, investment, and labour mobility. It is bolstered by a co-funded (NZ/Australia) AUD\$25 million work program.
 - The Committee reviewed progress towards the Agreement's goal of regional integration, elevating trade capability, and facilitating regional prosperity, noting that positive achievements have been made that set the stage for future trade and economic development. The Committee noted progress in Parties' implementation of the Agreement, such as in transposition of HS Codes, allowing exporters and importers to keep up to date with international trade practices and technological advancements. Progress was also made in automated border processes leading to faster processing and higher revenue at countries' borders. To find out more about PACER Plus, including how it can assist exporters/importers working in the Pacific, visit MFAT's [PACER Plus webpage](#).
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Europe

EU economy rebounds

- May figures shows the European Union (EU) economy showing nascent signs of recovery after a prolonged period of stagnation. Inflation remains stable while the [EU's trade surplus increases](#). More details can be found on the [European Statistical Monitor](#), a dashboard of short-term indicators on the economy, environment, business, health and work. The dashboard, which is updated monthly, provides a holistic overview of key developments within the EU.

Sunak calls July election

- The United Kingdom heads to the polls on 4 July. In a speech delivered outside Downing Street, Prime Minister Rishi Sunak said “now is the moment for Britain to choose its future”. The announcement came following the release of figures by the [Office for National Statistics](#) which showed inflation declining to its lowest level in three years in April (2.3 percent), and represents the lowest increase since July 2021.
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Technology

Report from Price Waterhouse Cooper show significant impact of AI on labour productivity

- Sectors more exposed to Artificial Intelligence (AI) are experiencing almost five times higher growth in labour productivity, according to [a report released by Price Waterhouse Cooper](#) last week. The report found that AI could allow many nations to break out of persistent low productivity growth, generating economic development, higher wages, and enhanced living standards. The report also highlighted the economic opportunity for those with the right skills in the labour market, with jobs that require AI skills carrying up to a 25 percent average wage premium in some markets.
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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.
- 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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