



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

7 AUGUST 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- The New Zealand Intelligence and Security Committee [met with government officials](#) on 1 August to discuss the long-term [national security insights forecast of New Zealand's future](#). The report includes responses from a survey of approximately 1000 New Zealanders public on perceived threats, and forecasts three hypothetical future scenarios with different threat outlooks.
- Former President Trump has been indicted for the third time. Four new federal charges were unveiled last Tuesday related to Trump's attempts to retain the presidency in 2020. Charges include one count each of conspiracy to violate rights, conspiracy to defraud the government, obstructing an official proceeding and conspiring to do so. Tuesday's indictment follows indictments relating to mishandling of classified documents and falsifying business records.
- Trump is the first U.S. president to be indicted, and looks set to face three criminal trials next year, even as he campaigns for the presidency. Despite this, polling shows Trump's support remains strong. He retains a commanding lead in the Republican primary, and his support is level with President Biden nationally (43% each).
- [China has recently unveiled plans](#) to impose tighter rules on the use of technology by children under the age of 18. This includes including limiting minors' device usage and controlling the content they consume online. These draft restrictions come two years after China restricted minors to just three hours a week playing online games, in an effort to counter internet addiction among young people. Some media commentators suggest that these proposed regulations will have implications for online content providers and tech groups in China.

Regional updates

Domestic

- Ministry of Business, Innovation and Employment (MBIE) have published the [UpStart Nation report](#) containing recommendations for supporting startups in New Zealand. The report offers advice and insights under four pillars; capital, capability, connectivity and culture.
 - The Government has announced an additional \$567 million of support towards state highway repairs for Tairāwhiti, Wairoa, Hawke's Bay, Coromandel and Northland in the aftermath of Cyclone Gabrielle. Although most connections have been restored, the additional funding will address safety and resilience of roads including resurfacing work, and repairs or replacement of damaged and temporary bridges.
 - New Zealand unemployment increased in the three-months to June, rising from 3.4% to 3.6%.
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Africa

- Foreign Minister Nanaia Mahuta travelled to South Africa last week to explore ways New Zealand can deepen its relationship and economic ties with the region. Minister Mahuta met with her counterpart, South African Minister of International Relations and Cooperation Naledi Pandor, and Minister of Cooperative Governance and Traditional Affairs, Thembisile Nkandimeng. Minister Mahuta also attended several engagements promoting business cooperation with New Zealand, and met with key development partners.
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Americas

- Canada has [passed new legislation](#), The Online News Act, which will require internet platforms like Google and Meta to pay news publishers for content. Australia passed similar legislation in 2021, eventuating in commercial deals between the internet giants and Australian media companies.
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Australia

- The Reserve Bank of Australia left its interest rates unchanged at 4.1%. The [accompanying statement](#) noted inflation remains too high at 6% despite recent declines, the labour market remains very tight, and the Australian economy is in a period of ‘below-trend growth’.
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Europe

- For the month of June the Eurozone unemployment rate hit at a [record low of 6.4 percent](#), down from 6.7 percent compared to last year. Germany had the lowest unemployment rate at 3 percent, and Spain had the highest rate at 11.7 percent.
 - The Eurozone economy surpassed market expectations with [0.3 percent growth](#) for quarter two of 2023. Both France and Spain saw growth, Germany stagnated and Italy experienced a contraction. Annual inflation for the Eurozone continued to slow in July, down [to 5.3 percent – the lowest it has been since January of 2022](#). Slowdowns in cost increases have been observed across energy, food, alcohol, tobacco and non-energy industrial goods. However, services inflation has increased 0.2 percent to 5.6 percent.
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United Kingdom

- [House prices in the UK have been falling](#) at a rate of 0.2 percent month-on-month according to mortgage lender Nationwide. Nationwide’s Chief economist Robert Gardner said that rising interest rates have pushed mortgages over 6 percent for home buyers, with a typical first-time buyer seeing mortgage repayments account for 43 percent of their income, up from 32 percent last year.
 - Prime Minister Rishi Sunak has [announced plans](#) to authorize more than 100 new licences allowing companies to drill for oil and gas in the North Sea.
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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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