



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

8 SEPTEMBER 2025

Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

Trade and economic updates

Global

WTO Head warns of declining adherence to MFN rules

The World Trade Organisation (WTO) Director-General Ngozi Okonjo-Iweala has warned that [global trade is undergoing its most significant disruption in 80 years](#), with the share of trade conducted under WTO's "most favoured nation" (MFN) rules dropping from 80% to 72%. The decline comes as tariffs have recently regained popularity, contrary to the principle of equal treatment among WTO members. While MFN-based trade still dominates, the erosion of rule-based trade raises concerns about predictability and stability in the global trading system.

September UNCTAD report – Trade policy uncertainty continues to rise

The [September 2025 United Nations Trade and Development \(UNCTAD\) Global Trade Update](#) highlights a sharp rise in trade policy uncertainty, driven by geopolitical tensions, industrial competition, and unilateral policy shifts. The uncertainty is proving more disruptive than tariffs, as businesses struggle to plan around unpredictable changes. Small firms and exporters in developing and least developed countries are especially vulnerable, facing higher costs, limited flexibility, and reduced access to finance and markets. The report emphasises resilience through market diversification and participation in trade agreements.

UN Briefing on global consumer inflation expectations

The [September 2025 UN Department of Economic and Social Affairs Economic Analysis \(DESA\) briefing](#) focuses on the growing importance of household inflation expectations in shaping economic outcomes. It highlights that households, especially in developing economies, tend to expect significantly higher inflation than professional forecasters, influenced by personal experiences with volatile food and energy prices. These expectations are shaped by socio-demographic factors such as age, income, education, and gender, with older individuals and women generally anticipating higher inflation. The briefing also notes that inflation expectations surged in early 2025, particularly amid rising trade policy uncertainty.

Africa

African Continental Free Trade Area sees 12.4% growth

[Africa's intra-continental trade has reached a milestone](#), with the African Continental Free Trade Area (AfCFTA) driving a 12.4% increase to USD220.3 billion in 2024. This growth, highlighted at the 2025 Intra-Africa Trade Fair in Algeria, reflects a shift toward industrial diversification and reduced reliance on raw commodities. Key sectors such as machinery, vehicles, chemicals, and electronics are gaining momentum, supported by AfCFTA's implementation tools including the Pan-African Payment and Settlement System, e-Certificate of Origin, and the Digital Trade Protocol.

New Zealand-UAE Free Trade Deal Officially Kicks In

The **New Zealand-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA)** officially entered into force on **28 August 2025**. From this date, **98.5% of New Zealand exports to the UAE can enter duty-free**, rising to 99% by early 2027—delivering estimated annual tariff savings of **NZ\$42 million** for exporters. Key beneficiaries include **dairy, red meat, apples, kiwifruit, seafood, timber, and honey**.

As a **major food importer** (importing 90% of its food needs), the UAE represents a dynamic market and acts as a gateway into a rapidly diversifying **US\$500+ billion economy**. Two-way trade between New Zealand and the UAE is already valued at around NZ\$1.44 billion annually, and the CEPA paves the way for deeper ties not just in goods, but also in **services, digital trade, and investment flows**. [Read more here](#).

North Asia

Korean economy faced with impact of extreme weather

Extreme weather has reduced South Korea's third-quarter GDP growth by 0.1 percent in the 2020s compared to the 2010s, according to the Bank of Korea, which warns that climate-related shocks could undermine long-term growth. The third quarter, particularly vulnerable to climate volatility, has seen repeated heatwaves and torrential rains since 2023, impacting sectors such as construction, agriculture, fisheries, and in-person services. A 10-day increase in torrential rain could cut annual growth in agriculture, forestry and fisheries by up to 2.8 percent, while a 10 percent rise in food prices may push dining-out costs up by 0.9 percent within three quarters. The number of heavy rainfall days has risen by 23.9 percent, and heatwave days by 44.9 percent compared to the 2000s. The Bank urges pre-emptive policy action, including climate-resilient infrastructure and tailored support for vulnerable regions with limited fiscal capacity.

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

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