



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

9 JUNE 2025

Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

Trade and economic updates

Global

OECD Report: Global Growth Slows as Trade Tensions Rise

- The Organisation for Economic Co-operation and Development (OECD) warns that global economic growth is set to slow from 3.3% in 2024 to 2.9% in 2025 and 2026, weighed down by rising trade barriers, geopolitical uncertainty, and weak investment. The report also highlights that inflationary pressures remain persistent, with elevated services prices and higher trade costs contributing to sticky inflation across many OECD countries. In New Zealand, inflation is projected to ease gradually but remain above the Reserve Bank's target range into 2026.
 - On the investment front, the OECD stresses that policy uncertainty and tighter financial conditions are dampening business confidence and capital expenditure globally. For New Zealand, this could translate into slower growth in export-oriented sectors and reduced foreign investment inflows. The report urges governments to reduce regulatory burdens and restore trade stability to unlock investment and productivity gains. The report suggests exporters should diversify markets, monitor inflation-linked costs, and prepare for a more cautious global investment climate. You can read the full report and its section on New Zealand by [visiting the link here](#).
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North Asia

New Korean President prioritising economic revitalisation

- Following his election on 3 June, new President Lee Jae-myung is prioritising economic revitalisation in South Korea amid challenges posed by U.S. tariff pressures and weak domestic demand. His administration aims to secure a favourable trade agreement with the U.S. before the expiration of a 90-day tariff suspension on 9 July, which includes a potential 25% levy on South Korean exports. To stimulate the economy, Lee plans to implement supplementary budgets and promote advanced industries.
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Europe

ECB Holds Rates Steady Amid Slowing Inflation: Signals Cautious Optimism

- The European Central Bank (ECB) has decided to keep its interest rates unchanged in June 2025, maintaining the main refinancing rate at 4.25%, the deposit facility at 3.75%, and the marginal lending facility at 4.5%. This decision reflects the ECB's cautious optimism as inflation in the euro area continues to decline. Inflation currently sits at 2.2%, with projections showing headline inflation nearing the 2% target by 2026. The ECB emphasized that while inflationary pressures are easing, underlying price dynamics—particularly in services—remain persistent.
 - For exporters and financial markets, the ECB's stance suggests a stable monetary environment in the near term, with potential rate cuts later in the year if inflation rates continue to drop. The ECB also reaffirmed its commitment to data-dependent decision-making, signalling that any future policy adjustments will hinge on incoming economic data. Exporters to the EU should monitor consumer demand trends closely, as stable interest rates may support gradual recovery in household spending and investment. [Read more here.](#)
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South and Southeast Asia

AANZFTA Upgrade entry into force

- The **ASEAN-Australia-New Zealand Free Trade Agreement (AANZTFA)** Upgrade entered into force on 21 April 2025. The Upgrade was signed in August 2023 and ratified by New Zealand in December 2024. The upgrade streamlines customs processes, improves the flow of essential goods during crises, and addresses non-tariff barriers.
- The current ratified Parties (other than New Zealand) are Australia, Brunei Darussalam, Lao PDR, Singapore and Malaysia – all of whom will now operate under the Second Protocol (the Upgrade). The remaining ASEAN members will continue to operate under the AANZFTA First Protocol, until they ratify.

Indonesia-EU Trade Deal Nears Completion

- Indonesia is poised to finalize its Comprehensive Economic Partnership Agreement (CEPA) with the European Union by the end of June 2025, a move that could significantly reshape trade flows in the Indo-Pacific. The deal, under negotiation since 2016, aims to eliminate tariffs on over 90% of goods traded between the two economies.

- The agreement is expected to boost Indonesia's exports to the EU, currently valued at around €21 billion annually, and attract greater European investment into Indonesia's manufacturing and green energy sectors. For Kiwi exporters, this could mean both challenges and opportunities: while EU goods may gain a pricing edge in Indonesia, improved infrastructure and rising consumer demand could open new niches for high-value New Zealand products. You can [read more here](#).

Indonesia Advances Toward OECD Membership

- Indonesia has reached a significant milestone in its journey to join the Organisation for Economic Co-operation and Development (OECD), with the adoption of an initial accession roadmap by the OECD Council. This marks a pivotal step in aligning Indonesia's economic, regulatory, and governance frameworks with OECD standards. As Southeast Asia's largest economy, Indonesia's accession would make it the first ASEAN member to join the OECD, signalling its commitment to open markets, sustainable development, and international cooperation.
- For exporters and investors, Indonesia's progress toward OECD membership could enhance transparency, regulatory stability, and trade facilitation - making it a more attractive and predictable partner in global supply chains. The accession process will involve rigorous policy reviews across areas such as trade, investment, environment, and anti-corruption. As Indonesia harmonizes its policies with OECD norms, exporters—particularly in the Indo-Pacific—should monitor these reforms closely for new opportunities and compliance requirements. [Read more here](#).

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.
- 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

To get email alerts when new reports are published, go to our [subscription page](#).

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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