



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

Regional updates

North Asia

South Korea to invest heavily in R&D

- South Korea will [invest 830 billion won](#) (NZD985.9 million) in 2026 in Research and Development (R&D) for industrial technologies to enhance its competitiveness in advanced industries. The Ministry of Trade, Industry and Energy will collaborate with experts to focus on areas like AI, quantum computing, mobility, and semiconductors. Since last year, the government has launched 124 R&D projects in these sectors, totalling 6.7 trillion won in investment.

Japanese investors seek safe-haven assets

- The intensifying global trade situation has led Japanese investors to seek traditional safe-haven assets, including gold and high-quality sovereign bonds, as rising uncertainty over the economic impact of U.S. tariffs induces a risk asset sell-off.
- Japanese direct investment in Australia reached a record AUD141.1 billion (NZD151.8 billion) in 2024, driven by real estate and resources projects. Japan accounted for 12% of Australia's total foreign direct investment, the third-largest contributor behind the U.S. and the U.K. Japan became the second largest Foreign Direct Investment source in the real estate sector by pouring more than AUD3 billion into the country, with Japanese companies engaged in property developments ranging from residential housing and rental properties to single-family homes.

Japanese companies work in space

- Honda will partner with US companies to test in orbit a renewable energy technology it hopes to one day deploy on the moon's surface. Honda is developing a mechanism capable of generating electricity and oxygen continuously – enabling astronauts to breathe – using solar energy and water known to be present in some lunar soils. It plans to test this technology aboard the International Space Station. Honda already employs the system in its electric vehicles, and now wants to extend it to space.

Japan announces lead negotiator for US tariffs

- On Tuesday 8 April, the Japanese government appointed Akazawa Akimasa, Minister of State for Economic Revitalization, to lead tariff negotiations with the US. Japan has not announced its own tariffs against US imports in retaliation to new duties that the US will impose. But Japan has signalled its intention to use all tools available to defuse risk to its economy. Akazawa told lawmakers that he would maintain "a sense of urgency."

- Prime Minister Shigeru Ishiba instructed relevant cabinet ministers to carefully examine and analyse the impact of tariffs on domestic industries, to ensure all necessary support such as measures to help with cash flow is provided, and to strongly urge the US to review its measures. The US has subsequently reduced Japan's tariff rates to 10% however specific industries will still be affected.
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South and Southeast Asia

Southeast Asian nations respond to US tariffs

Some countries across Southeast Asia have commented on the latest round of Tariffs imposed by the United States and the impact they anticipate:

- **Indonesia**

- The Indonesian government has publicly stated it will opt for negotiations rather than retaliation in response to the US imposing a 32% tariff on its goods. President Prabowo Subianto has emphasized the importance of maintaining fair and equal relations and a willingness to increase US imports. The government has also publicly signalled it will consider “strategic steps” to liberalise its economy as well as collective action with its ASEAN neighbours. It has already announced plans for concessions on US imports, including on taxes, quotas, local content rules. A high-level delegation is planned to go to Washington DC to discuss the measures.

- **Philippines**

- The Philippines has commented publicly that US tariffs of 17% on its exports could “provide strategic opportunities for the Philippines to improve its economic relationship with the US”. The Philippines has indicated a willingness to discuss “enhanced market access” (i.e. reduced tariffs) for key US export interests, such as automobiles, dairy products, frozen meat, and soybeans. Though the US tariffs will impact export growth, the Philippines has also publicly acknowledged it is in a comparatively better position than neighbouring countries, and within ASEAN, only Singapore had a lower tariff (10%). A Philippines official told media that this comparatively lower tariff may incentivise investment and manufacturing in the Philippines.

- **Singapore**

- Singapore has expressed disappointment at the announcement by the Trump Administration of a 10% tariff on its exports and is projecting these will have a significant impact on Singapore's economic growth forecasts. On 4 April, Prime Minister Lawrence Wong described the US tariffs as a “seismic change in the global order”, and that “the era of rules-based globalisation and free trade is over”. In the pre-recorded video message, Wong warned that small, open economies such as Singapore needed to brace for inevitable shocks to come and

that the “risks were real, and the stakes are high”. The 10% baseline tariff was imposed on Singapore, despite its recording a trade deficit with the US. This was a lower rate than those imposed on its Southeast Asian neighbours.

- **Malaysia**

- On 2 April, the US imposed a 24% baseline tariff on most Malaysian goods effective 9 April, with some exemptions (semi-conductors, pharmaceuticals, and some raw materials). Semiconductors account for approximately 23% of Malaysia’s annual exports to the US. Prime Minister Anwar has commented publicly that, because of the US tariffs, Malaysia’s GDP growth projections of 4.5-5.5% will need to be reviewed. In 2024, the US was Malaysia’s second largest export market with exports growing 23.2%. Malaysia has announced that it will not at this stage implement retaliatory tariffs against the US, until it has consulted with other ASEAN countries. Prime Minister Anwar has stated that “Malaysia, as ASEAN Chair, will lead efforts to present a united regional front, maintain open and resilient supply chains, and ensure ASEAN’s collective voice is heard clearly and firmly on the international stage”.

- **Viet Nam**

- On 2 April President Trump imposed 46% tariffs on Vietnamese exports to the United States, as part of a raft of “Liberation Day” tariffs. Only Cambodia (49%) received a higher tariff rate than Viet Nam in Southeast Asia. The tariffs were scheduled to come into effect on 9 April but have now been ‘paused’ for 90 days. In the meantime, Viet Nam will still have the 10% baseline tariff. In an earlier call with President Trump, Communist Party Secretary General, To Lam, offered to cut all Vietnamese tariffs on US imports to zero if a deal could be reached. In 2024, sales to the US made up 30% of Viet Nam’s total exports and 27% of its nominal GDP.

Europe

European Union suspends counter-tariffs

- The European Union has [temporarily suspended its counter-tariffs](#) on the United States for at least 90 days to continue negotiations with the Trump administration and avoid an escalating trade war. This move follows Trump's announcement to pause his own "reciprocal tariffs". The EU's counter-tariffs, initially targeting €21 billion in US products like soybeans, copper, iron, and motorbikes, had been approved just hours before Trump’s reversal. Initially, the US announced a 20% tariff rate on almost all EU goods, but the reversal now means the EU will face a 10% baseline tariff, with steel, aluminium, and cars still subject to a 25% rate. The EU’s priority remains finding a compromise with Washington, even though the remaining tariffs are expected to hurt the EU’s export-driven economy.
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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

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