

Prepared by the Economic Division at the Ministry of Foreign Affairs and Trade

Note: This is the last Weekly Global Economic Round-Up for 2022. The next report will be published on 27 January 2023.

Highlights

- **International tourists have brought in \$1.03 billion in the September 2022 quarter** according to a recent release of the International Visitor Survey July-September 2022. The survey showed that holidaymakers spent \$479 million, friends and family visitors spent \$292 million, and spending levels were higher than October 2019 (pre-Covid). Minister of Tourism Stuart Nash stated that New Zealand should see a massive boost to the economy as more tourists come into New Zealand for the summer.
- **China's government announced a relaxation of Covid restrictions.** Following recent adjustments to Covid settings in November, China has announced a 10-point plan that further relaxes testing measures allowing home isolation instead of managed quarantine, and limiting the duration of lockdowns to five days (unless new cases emerge). Under the plan, the scale of lockdowns will be limited to individual floors and buildings, rather than whole neighbourhoods and districts.

Regional Updates

Domestic Updates:

- **New Zealand's primary industry exports are set to reach a record high of \$55 billion in 2023.** Despite a global downturn, primary industry exports are tracking towards a 4% increase in the year ending June 2023. Dairy remains New Zealand's largest export, and is forecasted to increase by 6% to \$23.3 billion.
- **The Government has announced investment to support Māori businesses in the primary sector as total exports from Māori businesses increase to \$872 million.** The Rautaki mo te Taurikura Action Plan was launched to facilitate the growth of Māori businesses, and support embedding Mātauranga Māori into farming practices. The plan can be downloaded here: <https://www.mpi.govt.nz/dmsdocument/54376>
- **Ukrainian President Volodymyr Zelensky is to address New Zealand Parliament on Wednesday 14 December** to appeal for support against the Russian Invasion of Ukraine. The Ukrainian President will be only the second Head of State to address Parliament after Julia Gillard in 2011.
- **The first round of Indo-Pacific Economic Framework (IPEF) negotiations will take place on 10-15 December in Brisbane.** This round will be an in-person opportunity to continue 'conceptual discussions' on each of the pillars, and continue to seek ambitious outcomes for the region.

Global:

- **The World Trade Organisation (WTO) has recently released an end-of-year trade monitoring report.** The WTO reported that trade restrictions are rising due to economic uncertainty, the food security crisis, and the war in Ukraine. The WTO also reported that WTO members are accelerating the pace of introducing trade-restricting measures.

Australia and the Pacific:

- **Foreign Affairs Minister Nanaia Mahuta met with Australian Minister for Foreign Affairs, Senator the Hon Penny Wong in Canberra on 2 December for the biannual Foreign Minister Consultations.** The Ministers reaffirmed New Zealand and Australia's shared values and discussed climate change, the outcomes of the UN Climate Change Conference (COP27), Pacific engagement, as well as looking ahead to marking significant anniversaries in the New Zealand-Australia bilateral relationship, including the upcoming 40th anniversary of the Closer Economic Relations agreement. You can read more [here](#).
- **Australia's official cash rate has been increased by 0.25 basis points to 3.1%** by the Reserve Bank of Australia (RBA). The RBA Governor said that inflation is currently sitting at 7.3% but is expected to increase over the coming months. The Governor also announced that the unemployment rate currently sits at 3.4%, the lowest it has been since 1974.

Asia:

- From 3-7 December a **Vietnamese delegation led by The President of the National Assembly, Vương Đình Huệ, visited New Zealand.** In a series of high level meetings, an education and economic forum, Huệ reaffirmed Viet Nam's commitment to the strategic partnership, expanding parliamentary and education cooperation, and growing our trade relationship.
- **A statement from China's December Politburo meeting cites economic growth as a priority.** The meeting highlighted China's need for economic stability as well as stability in employment, growth and inflation. The statement did not announce an official GDP growth target however commentators suggest it is expected to be around 5%.

Americas:

- **The US Trade Deficit increased by 5.4% to \$78.2 billion in October.** The US Commerce Department released a recent report which saw US exports down by \$1.9 billion to \$256.6 billion while imports were \$334.8 billion.
- **US steel and aluminium tariffs have been found to be inconsistent with WTO rules** in four panel reports issued on Friday 9 December, which have rejected US assertions of national security to justify the tariffs. A statement issued by a US Trade Representative (USTR) spokesperson shortly after the release of the panel reports states that "the US strongly rejects the flawed interpretation and conclusions" of the panel reports and that "we do not intend to remove the [tariffs] as a result of these disputes".

Europe:

- Finland's Prime Minister, Sanna Marin, accompanied by Minister for International Development and Foreign Trade, Ville Skinnari, and a senior trade delegation, visited Auckland from 29 November to 1 December. During Prime Minister Ardern's discussions with PM Marin, the Ukraine conflict, scope for deepening bilateral cooperation, and the Indo-Pacific were covered. The broader programme had a strong emphasis on increasing trade and investment between New Zealand and Finland (particularly in digital and sustainability fields), including a number of business-to-business events for Trade Minister Skinnari and business delegation. **Finland was focused on building closer economic links with New Zealand as it looks to diversify its partnerships in the wake of the Ukraine war;** the Prime Minister and Minister
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O'Connor therefore found receptive counterparts in making the case for the NZ-EU FTA as a key enabler for new bilateral trade links. Officials will follow-up on the visit with Finnish counterparts.

Market reports released this week

- The previous global economic round-up can be found [here](#).
- [The Dutch Wine Sector: Good Opportunities despite the Challenges - December 2022](#)
- [Economic growth slows in Singapore - December 2022](#)

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 would like 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](#) 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. NZTE also provide comprehensive [market guides](#) which cover export regulations, business culture, market-entry strategies and more.
 - 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.
 - Tauranga 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 \(shinyapps.io\)](#). This interactive dashboard is updated every quarter and allows for filtering by country and by commodity type.
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More reports

View full list of market reports from MFAT at www.mfat.govt.nz/market-reports

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