



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

13 NOVEMBER 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- The Asia-Pacific Economic Cooperation (APEC) Leaders' Meeting will take place in San Francisco this week (15-17 November). Tens of thousands of attendees from 21 countries, including New Zealand, will descend on the city to talk about regional economics, trade, and infrastructure.

Regional updates

Australia

- Australian Prime Minister Anthony Albanese met with China's President Xi Jinping on 6 November and Premier Li Qiang on 7 November in Australia's the first leader-level visit to China since 2016. The four-day state visit is seen as a key point in the stabilisation of relations, after some breakthroughs on barley and wine trade disputes. Prime Minister Albanese registered the full range of Australia's interests, including importance of resuming free and unimpeded trade. As part of the visit he attended the China International Import Expo in Shanghai to showcase Australian exports.
 - On 7 November Australia's Reserve Bank raised interest rates by 25 basis points to 4.35 percent, a move that reflects that progress on lowering inflation has been slower than anticipated. Revised inflation forecasts show inflation next year is likely to remain higher than previously anticipated, sitting at 3.5 percent at the end of 2024.
-

Americas

- The United States added 150,000 jobs last month, according to an update from the Bureau of Labor Statistics. This number was slightly below expectations. Hiring figures for August and September were also revised downward, subtracting more than 100,000 jobs. The unemployment rate also rose to 3.9 percent (from 3.8 percent in September). Temporary factors, such as the auto workers strike (which has since ended) reduced the headline number of jobs added. The three-month average job growth was 204,000, a robust number according to economists.
 - The reduction of carbon emissions from jet fuel is a challenge being grappled with globally. California is taking steps towards [increased production and use of sustainable aviation fuel](#) (SAF) as it looks to lead United States climate response efforts for fuel decarbonisation.
-

Pacific

- The Asia Development Bank (ADB) and the Government of Tonga on Thursday signed grant agreements totalling US\$12.5 million to renew, rehabilitate, and expand Queen Salote International Wharf in Nuku'alofa. The Wharf handles 95 percent of imports into Tonga via container cargo and provides an economic lifeline to the people of Tonga better connecting the country to other international ports. It is a critical asset which will be a strong enabler of local jobs. The grant agreements will supplement the Nuku'alofa Port Project which is already under way and is expected to be completed by 2026. It will support global cost escalations caused by supply chain disruptions associated with the COVID-19 pandemic and the increase in fuel prices caused in part by geopolitical events.
 - An [analysis by MFAT into Samoa's tourism industry](#) has found that the country is riding a period of positive growth with total arrival numbers close to pre-COVID levels, 12 months on from border reopening.
-

Europe

- President Macron recently announced [new measures to achieve France's 2030 greenhouse gas targets](#), highlighting the connections between growth, trade and the environment. The strategy seeks to use incentives (rather than penalties) to drive change and is guided by the principles of sovereignty, competitiveness and fairness.
-

Asia

- Official data from China, the world's second largest economy (and New Zealand's largest trading partner), was released last week. The International Monetary Fund's (IMF) latest forecast of Chinese economic growth projected a rise of 5.4 percent in 2023, reflecting better-than-expected growth in the third quarter. However, continuing weakness in the property market and subdued external demand is expected to result in growth of 4.6 percent in 2024. According to preliminary balance of payments data released by Chinese authorities in the past week, direct investment liabilities (a broad measure of foreign direct investment that includes foreign companies' retained earnings in China) were a deficit of \$11.8 billion during the July-September period. Separately, [Chinese Customs data](#), showed that Chinese exports over the previous year have declined by 15 percent to the United States, 10.6 percent to the European Union, and 8.6 percent to Japan, but have climbed by 52 percent to Russia.
 - New Zealand businesses have achieved another year of growth into the South Korean market, according to [an analysis of trade performance by MFAT](#). The report found that though the South Korean economy is expected to slow, there are further opportunities for New Zealand businesses, particularly those that seek to focus on the long term, as well as adding value rather than only focusing on quantity.
-

South East Asia

- A report by [Booking.com and McKinsey](#) forecasts that Indians could be the fourth-largest global travel spenders by 2030. The report found that if India follows China's outbound travel trajectory, then Indian tourists could be making 80 to 90 million international trips a year by 2040. The report also outlines several key factors that influence Indian travel decisions, including:
 - ease of obtaining a travel visa;
 - convenient flights; and
 - the type of travel experience (e.g. what the on-the-ground experience is like in terms of weather, attractions, and whether or not the local population is English speaking).
 - Finally, MFAT has released a short analysis of the [substantial export opportunities for New Zealand businesses presented by the Thai market](#).
-

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

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

Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.