



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

18 SEPTEMBER 2023

# Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

# Highlights

- The [New Zealand Pre-election Economic and Fiscal Update 2023](#) has been released. The update suggests interest rates will remain elevated for some time to reduce inflationary pressure. The resulting period of soft economic growth will then continue to depress the labour market, with the unemployment rate expected to peak at 5.4% in early 2025. Annual inflation is expected to return to within the Reserve Bank of New Zealand's target by December 2024.
- The World Trade Organization has released its annual [World Trade Report for 2023](#). The report examines how 're-globalization' may address national and economic security, poverty alleviation and environmental sustainability. The findings suggest world trade is gradually becoming reoriented along geopolitical lines. Trade flows between hypothetical blocs has increased 4-6% since the start of the war in Ukraine.
- The European Commission President's [State of the European Union](#) address outlined the main priorities and initiatives for the year to come. Included in the list of initiatives was advancing the European Green Deal, addressing economic challenges such as labour shortages, and improving the EU's capabilities in new technology.

# Regional updates

## Global

- Economic Ministers from Brunei (ASEAN Country Co-ordinator), Indonesia (ASEAN Chair 2023), Australia, and New Zealand met in Indonesia on 21 August 2023, to sign the Second Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area, an upgrade to the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA). The result of three years of negotiations ending in November 2022, this upgrade illustrated parties' commitment to post-pandemic economic recovery efforts.
  - This update to the trade deal is significant for bringing AANZFTA up-to-date with modern trade practices and benefiting businesses in the region by adding elements that help make supply chains more robust, encourage the use of digital technology, support sustainable development, promote fair trade, and make trade more transparent. AANZFTA Members believe that this update will create new opportunities for trade and investments, reduce non-tariff barriers that add red tape to businesses, and encourage innovation and sustainable development.
  - President Biden announced the launch of the US-Vietnam Comprehensive Strategic Partnership. The Strategic Partnership, which builds on the Comprehensive Partnership launched in 2013, is aimed at strengthening political and economic ties between Viet Nam and the United States. This includes commitments for further US support to Viet Nam in the areas of infrastructure, climate and energy efficiency and semiconductor manufacturing, among others.
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## Middle East and Africa

- The New Zealand-Türkiye Business Council visited Istanbul on 5 September for a roundtable with its Turkish counterpart. The New Zealand Embassy in Ankara and NZTE were also in attendance. The hybrid event brought Turkish and kiwi businesses together to explore trade and investment opportunities, with a particular focus on New Zealand's seismic expertise and technology. The event highlighted the opportunities that the Turkish market provides New Zealand exporters looking to partner with Turkish companies, including in seismic engineering and manufacturing in Türkiye, and for springboarding to markets in the Middle East and Africa.
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# Europe

- The European Commission's [2023 Summer Forecast](#) revises growth in the EU economy down to 0.8% in 2023, from 1% projected in the Spring Forecast, and 1.4% in 2024, from 1.7%. The Eurozone's inflation for 2023 was similarly revised down from 5.8% to 5.6%.
  - The European Central Bank raised interest rates for the 10th consecutive time. The bank increased rates by 0.25% to 4%, an all-time high. The accompanying [statement](#) said the decision was driven by inflation remaining above target levels.
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# Asia

- The new Thai Government is expected to pursue a more externally focused, liberal trade agenda, presenting opportunities for New Zealand exporters, particularly in the food and beverage sector where New Zealand has a favorable reputation. Inflation is among the lowest of ASEAN countries and tourism has rebounded significantly. However, challenges for the Thai economy remain with economic growth slowing to 1.8% in the second quarter of 2023 (compared with Q1) on the back of weak export demand.
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# 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

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