



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

2 OCTOBER 2023

# Weekly Global Economic Round-up

MARKET INTELLIGENCE REPORT

# Highlights

- [Stats NZ](#) announced that the New Zealand economy grew by 0.9 percent in the last quarter. The biggest contributor to this increase was business services, followed by public administration, safety and defence. Of note, manufacturing activity increased during this quarter after five consecutive quarters of decline. Agriculture, forestry, and fishing, which were impacted by extreme weather events, fell in both the March and June quarters.
- The Government announced an update to immigration settings last week. These changes are intended to help support the economic recovery and businesses going forward. The changes include: o lifting the 2023/24 Recognised Seasonal Employer cap by 500 (to a total of 19,500); o additional roles added to the Construction and Infrastructure Sector Agreement and the Green List; and o a three-month extension for onshore Recovery Visa holders.
- Further information can be found via [Beehive.govt.nz](#) or [Immigration.govt.nz](#).

# Regional updates

## Domestic

The New Zealand Dollar has come under increased pressure recently, falling below 60 US cents as commodity prices have weakened and other central banks have lifted interest rates. Economists from Kiwibank are forecasting the New Zealand Dollar to hit 55 US cents by the end of the year. This is driven by a continuing fall in commodity prices and the lagging Chinese economy.

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## Australia

The Albanese Government has released the *Employment White Paper, Working Future*. The paper presents the Government's vision for a "dynamic and inclusive labour market in which everyone has the opportunity for secure, fairly paid work and people, businesses and communities can be beneficiaries of change and thrive". The paper announces the government's new definition of full employment: where "everyone who wants a job is able to find one without having to search for too long". The document presents 31 future reform directions. Immediate steps announced include accelerating the take up of higher apprenticeships in priority areas of net zero, care and digitalisation; permanently extending the support measure for older pensioners and eligible veterans, giving them the option to earn more income from working without reducing their pension; and smooth the transition to work for some income support recipients, allowing them to retain access to social security benefits such as concession cards for longer when they first get back into work.

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## Pacific

The redevelopment of a fresh produce market in Kimbe, West New Britain Province, has been completed. New Zealand contributed NZ\$4.5 million towards the total project cost of NZ\$16.95 million, which was also funded by Australia and the Provincial Government of West New Britain. The market is due to open in October 2023. It is a major addition to Kimbe's infrastructure and is expected to boost economic development in the region. It includes much improved accessibility and environmental sustainability, and significantly increased safety and security measures, especially for female vendors and the public.

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# Middle East and Africa

Saudi Arabia's Gross Domestic Product (GDP) has surpassed \$1 trillion (US Dollars) for the first time, achieving this milestone ahead of the 2025 target. The figure were reported by the Federation of Saudi Chambers on the occasion of the Kingdom's 93rd National Day. It comes during the same week when the [International Monetary Fund \(IMF\)](#) confirmed the Saudi economy was the fastest-growing among the Group of Twenty (G20) member-states in 2022. This strong growth reflected both strong oil production and robust private consumption and non-oil private investment.

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## Europe

The European Union's Carbon Border Adjustment Mechanism (CBAM) regulation is approaching the initial stages of implementation. The CBAM will apply a carbon levy to certain products in the cement, iron and steel, aluminium, fertilisers, hydrogen and electricity sectors when these products are imported into the European Union. Further information about CBAM is outlined in the Market Intelligence Report linked below. NZTE have developed guidance for affected exporters, which can be found [here](#).

Secretary of Foreign Affairs and Trade, Chris Seed, travelled to Paris and Berlin between 23-30 September. The visit served to reinforce New Zealand's relevance as a partner to France and Germany and to highlight trade and economic opportunities created by the New Zealand-European Union Free Trade Agreement.

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## Asia

On 13 September MFAT officials participated in the annual Joint Commission meeting under the New Zealand-Taiwan bilateral trade agreement (ANZTEC) in Taipei. This year marked the tenth anniversary of ANZTEC and provided a good opportunity to celebrate the success of Aotearoa New Zealand horticultural, meat and dairy products in the Taiwan market and to discuss the scope for further enhancements in the effective utilisation of ANZTEC. Two-way trade has grown by over 100 percent for both economies over the past ten years due in large part to the competitive advantage provided by ANZTEC. NZTE and New Zealand - Taiwan Business Council promotion work in the Joint Commission's margins provided a strong impetus to Aotearoa business taking up further opportunities in this market, including in wine, petfood, and software. ANZTEC was also Aotearoa's first free trade agreement to include a chapter on Indigenous cooperation and considerable activity has, and continues to, occur in this area.

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# Trade and economic issues

The final report on the Digital Trade Review has been published on MFAT's website. This work came from a recommendation from the 2019 Trade for All Advisory Board and a report by the Waitangi Tribunal report in 2021. The report recommends a series of "policy principles" that focus on how the Government can working to remove barriers and address challenges that exist in the digital economy, as well as to continue to protect the Government's right to regulate in this space. These principles will inform the positions and outcomes that New Zealand should seek in digital trade negotiations going forward.

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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

View full list of market reports from MFAT at [www.mfat.govt.nz/market-reports](http://www.mfat.govt.nz/market-reports)

If you would like to request a topic for reporting please email [exports@mfat.net](mailto:exports@mfat.net)

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