

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

## Highlights:

- **Prime Minister Ardern and President Biden met in Washington DC on 31 May** and discussed a number of economic and trade issues facing both countries. Prime Minister Ardern welcomed beginning the next phase of discussions towards an Indo-Pacific Economic Framework for Prosperity (IPEF), and underscored New Zealand's commitment to meaningful deliverables. While recognising the domestic complexities in the US in terms of progressing free trade agreements, Prime Minister Ardern reinforced that the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP) was the gold standard for economic engagement in the region. The Prime Minister also raised US tariffs on New Zealand steel and aluminum. At the conclusion of the meeting the President and Prime Minister released a [United States – Aotearoa New Zealand Joint Statement](#).
- **Australian Prime Minister Albanese announced his new full Ministry this week.** This followed news that Labor has now secured a majority of seats in the House of Representatives. Deputy Leader Richard Marles has been appointed [Defence](#) Minister; Senator Don Farrell is the new Minister of [Trade and Tourism](#); Murray Watt Minister of [Agriculture](#); and Claire O'Neil Minister of [Home Affairs](#). See the full list [here](#).

## Regional Updates

### Domestic Updates:

- **Prime Minister Ardern met with Governor of California Gavin Newsom in San Francisco last week.** A cooperation deal on climate change that will facilitate the sharing of information, experiences and research in reducing emissions was signed between New Zealand and California.
- **Prime Minister Ardern also met with tech giants Amazon Web Services, Microsoft and Twitter during her US visit last week.** The meetings included discussions on investment, tourism and the Christchurch Call.
- **Economic and Regional Development Minister Stuart Nash launched the draft [Advanced Manufacturing Industry Transformation Plan](#) for public consultation at the EMEX Trade Show in Auckland on 1 June. Public consultation on the draft Advanced Manufacturing ITP is open from 1 June to 13 July 2022.** There are a range of opportunities for engagement over the next six weeks, including in-person workshops and webinars throughout New Zealand. Read more [here](#).

### Australia and the Pacific:

- **Chinese Foreign Minister Wang Yi visited Pacific Island countries (PIC);** Solomon Islands, Kiribati, Samoa, Fiji, Tonga, Vanuatu and Papua New Guinea over the past 10 days. Minister Wang Yi's visit included co-chairing the second China-Pacific Island Countries Foreign Ministers meeting and signing of numerous economic and political agreements with PICs.

- **Fiji is the latest (and 14<sup>th</sup>) nation to join President Biden's Indo-Pacific Economic Framework (IPEF).** IPEF aims to deepen regional economic integration and boost economic cooperation.
- **Associate Minister of Foreign Affairs Aupito William Sio will travel to Fiji this week, from 1 to 4 June,** to meet with Pacific Marine Ministers, and discuss issues of shared importance to the Blue Pacific Continent.

#### Asia:

- **Shanghai's daily local case number has dropped below 100 for the first time since the lockdowns began, with 65 cases reported on 30 May.** The faster-than-expected decline in case numbers has given municipal authorities the confidence to push forward or accelerate some of the city's June re-opening plans. **Executive Vice Mayor Wu Qing announced that businesses would be allowed to re-open from 1 June,** subject to certain pandemic control measures.
- Following an emergency Cabinet meeting on Monday 23 May, Malaysian Prime Minister Ismail Sabri Yaakob announced that **Malaysia will restrict the export of up to 3.6 million chickens a month from 1 June until domestic prices and production stabilise.** The move effectively bans the export of chicken to a number of countries, including Singapore, Thailand, Brunei, Japan and Hong Kong. The export restrictions are designed to respond to rising prices amongst a range of staple consumer products in Malaysia.

#### Americas:

- **US inflation marginally decelerated in April,** according to the US Federal Reserve's preferred inflation measure. The personal consumption expenditures (PCE) price **index increased 6.3 percent in April after advancing 6.6 percent in March,** the Commerce Department reported last week.
- **Canada's central bank increased its policy rate by 0.5 percent to 1.5 percent.** This represents the third increase this year as inflation continues to rise. **In Canada, Consumer Price Index inflation rose to 6.8 percent in April** and the Bank of Canada expects this to continue increasing in the short-term.

#### Europe:

- **Inflation in Germany reached 7.9 percent year-on-year in May, surpassing predictions of 7.6 percent.** The European Central Bank's next monetary policy decision is scheduled for next week.

## Market reports released this week

- The previous global economic round-up can be found [here](#).

## 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](mailto: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.
  - The Treasury releases a [weekly economic update](#) every Friday. Stats NZ has published a [data portal](#) with near real-time economic indicators.
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- 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 \(shinyapps.io\)](#). 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](http://www.mfat.govt.nz/market-reports)

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