



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

Weekly Global Economic Round-up



MARKET REPORT

6 March 2023

Highlights

- The UAE has published its long awaited final version of the UAE's 993 "Animal Slaughtering Requirements According to Islamic Rules" halal standard. A considerable number of New Zealand's recommended changes are being made, following consistent consultation with UAE authorities since 2019 to ensure a revised halal standard would still enable the free flowing of meat exports into the food import dependent UAE. While some uncertainty remains, on balance there appears to be **low risk to New Zealand's NZ\$46 million worth of meat exports to the UAE** following the publishing of the final standard, which is to be implemented in December 2023.
- The World Trade Organization (WTO) has published a ['Trade Monitoring Update'](#) following the one year anniversary of Russia's invasion of Ukraine. The update shows there has been an increase in trade-restrictive measures following Russia's invasion of Ukraine. Since the beginning of the war and up to February 28, 2023, 96 export restrictions on essential agricultural commodities were identified to have been applied by 29 WTO members and six observers. Of these, 88 applied to food and feed, and eight specifically targeted fertilizer exports. The update highlights that while the initial implementation of export restrictions was often directly attributed to the invasion, subsequent measures were introduced with a reference to the need to ensure domestic supply and to contain inflationary pressures.
- The [ANZ New Zealand Business Outlook](#) shows business confidence rose another 9 points in February to -43. Inflation expectations remain near 6%.

Regional updates

Domestic

- The Government is [deploying Bailey Bridges across six sites](#) in the North Island to reconnect isolated communities impacted by Cyclone Gabrielle and the Auckland floods. The bridges will restore pivotal transport routes for the communities.

Americas

- US consumer confidence fell from 109.0 to 107.1 from December to January, suggesting US households continue to be concerned about economic conditions over the next six months as reported by the Reserve Bank of New Zealand.
- Canadian GDP for quarter four came in at 0% compared to the previous quarter. This ended a streak of five consecutive quarterly increases and was far below analysts' average forecast for a 1.5% increase.
- Two US Senators have introduced legislation seeking to restart free trade negotiations with the United Kingdom. The bill, introduced by Senate Finance Committee members Chris Coons and John Thune, would authorize the Biden Administration to negotiate and conclude a trade agreement with the United Kingdom. Negotiations were previously introduced by the Trump Administration, but were not concluded. To date, the Biden Administration has chosen not to restart these negotiations.

Asia

- The **Upgraded NZ-China Free Trade Agreement** continues to deliver further market access improvements for exporters, with China removing all customs duties on a further set of New Zealand wood and paper products earlier than expected. The Upgraded FTA entered into force in April 2022 and provided for tariffs on 12 wood/paper lines to be progressively reduced, and then eliminated, over a 10- year period. Since then, China introduced a 0% tariff rate on three of these lines in accordance with Most Favoured Nation provisions in April 2022. China has now confirmed that seven further product lines are now also at 0% tariff. This means that 10 of the 12 wood and paper lines covered in the Upgrade have achieved 0% tariffs at least eight years earlier than was formally agreed by both governments.

- **Foreign Minister Nanaia Mahuta's visit to Japan** this week focused on strengthening our economic partnership with Japan, and our cooperation to ensure prosperity and security in the Indo-Pacific. Japan is New Zealand's fourth-largest trading partner and an important source of investment, making it a critical supporter of our economic recovery and resilience. While in Tokyo, Minister Mahuta met with Japanese Foreign Minister Yoshimasa Hayashi and other senior Japanese political leaders, attended a roundtable on Maori business with the Japan-New Zealand Business Council, and connected with Pacific Ambassadors. She was accompanied by a Maori delegation, whose engagements in Tokyo focused on strengthening Maori-Japan business and people-to-people links.
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Australia

- Australian Treasurer Jim Chalmers announced amendments to superannuation tax breaks. The concessional tax rate applied to future earnings for balances above \$3million will be 30 percent. This measure will commence on 1 July 2025 and apply to the 2025-26 financial year onwards. The Government will introduce enabling legislation to implement this adjustment as soon as practicable. Further consultation will be undertaken with the superannuation industry and other relevant stakeholders to settle the implementation of the measure.
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Europe

- Amid concerns about Europe's industrial competitiveness, as well as supply chain disruptions and energy crises caused by COVID-19 and Russia's invasion of Ukraine, the EU has further sharpened their focus on Europe's ability to compete with North America and Asia. This concern has come to a head with passing of the US Inflation Reduction Act (IRA), which offers tax breaks and subsidies to companies investing in clean tech and decarbonisation and which the European Union (EU) worries will tempt European companies to shift their operations to the US. In response to the IRA, the European Commission has unveiled a "Green Deal Industrial Plan". The Plan seeks to position Europe as a leader in the global race to develop clean technologies through a simplification of regulations and more flexibility for EU Member States to subsidise their industries.
 - The Irish Government has terminated its Immigrant Investor Programme (IIP), which offered residency in exchange for investment from wealthy global citizens. The IIP, which had netted almost €1.25bn since its inception in 2012, was open to individuals with personal wealth of more than €2m. Alternatively, individuals could make a non-refundable donation of €500,000 to projects in the arts, sports, health, culture or education.
 - French and Spanish inflation data was stronger than expected, at 7.2% and 6.1% in February, respectively, both 0.2 percentage points higher than last.
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Middle East and Africa

- Iran is battling a sharp increase in inflation, alongside a historic devaluation of its Rial against the US dollar. In a February report released by the Statistical Centre of Iran (SCI), Iran's point-to-point inflation was reported at 53.4 percent for the eleventh month of the Iranian year (20 January – 19 February).
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Market Reports released this week

- Read the [previous global economic round-up](#).
 - [The German tourism market: recent trends and sustainability initiatives – March 2023](#)
 - [Indonesia introduces new import requirements – February 2023](#)
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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. 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.
- 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.

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.

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