



**NEW ZEALAND**  
**FOREIGN AFFAIRS & TRADE**  
Manatū Aorere

**4 MARCH 2024**

# **Weekly Global Economic Round-up**

MARKET INTELLIGENCE REPORT

# Highlights

## Reserve Bank keeps OCR steady

Last week the Reserve Bank announced no change to the Official Cash Rate (OCR) keeping it at 5.5 percent. The RBNZ appeared comfortable with progress made so far toward reducing inflation and getting it back in line within the 1-3 percent target band. It expects inflation to return to the target band in the second half of the year and reach 2 percent in late 2025. The RBNZ noted risks to the inflation outlook are “more balanced” than they were late last year. However, projections of the OCR in the short term suggest the RBNZ continues to have limited tolerance for any upside surprises in inflation. [Read more here.](#)

# Regional updates

## Pacific

### Pacific economies recovering slowly

- Pacific economies with higher debt burdens and weak macroeconomic fundamentals are particularly vulnerable to the uncertainty in the global economic environment. While recovery is expected to continue in the Pacific region in 2024, growth will be uneven. According to the Asia Development Bank (ADB) the Pacific's growth projections are 2.9 percent for 2024, lower than the 3.5 percent for 2023.
  - Growth in Pacific economies in 2024 will largely be driven by international tourist arrivals and the resumption of public infrastructure projects. Inflation in the Pacific is forecast to decelerate from 4.9 percent in 2023 to 4.5 percent in 2024. Despite lower inflation, price pressures could arise from climate events, such as El Niño, and disasters triggered by natural hazards, which could affect local food production across the Pacific. Continued volatility in international commodity prices, especially for fuel, could compound the economic challenges faced by Pacific economies, and higher food and energy prices could keep the costs of transport and imported goods elevated.
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## Americas

### Canada launches consultations on CPTPP

- Canada has launched consultations on its proposed implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) dairy tariff rate quotas (TRQs) panel report, as well as other administration policy changes. Canada is holding consultations on the CPTPP dairy TRQs because the CPTPP panel identified non-conformities on two claims, made by New Zealand, that Canada now has the obligation to bring its measures into conformity with the Panel findings.
  - To participate in the consultations, interested parties are asked to review the proposed allocation and administration policy changes and provide comments to the following email address: [TRQConsultation.ConsultationCT@international.gc.ca](mailto:TRQConsultation.ConsultationCT@international.gc.ca) before the consultations close on March 7, 11:59 p.m. (Pacific Time), 2024.
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# Europe

## European inflation rates are declining

- Eurostat, the European Union's statistical office, [has reported that inflation rates are declining](#). The European Union's annual inflation rate was 2.8% in January 2024, down from 2.9% in December. Just a year earlier the rate was 8.6%. European Union annual inflation was 3.1% in January 2024, down from 3.4% in December, dropping from a much higher 10.0% a year earlier.

## European adopts new instant payments regulation

- New instant payments regulation in the European Union will allow people to transfer money within ten seconds at any time of the day, including outside business hours, not only within the same country but also to another EU member state. On 26 February, the Council of the European Union [adopted a regulation](#) that will make instant payments fully available in euro to consumers and businesses in the EU and in EEA countries. This regulation is part of work to complete a capital markets union, to create a single market for capital across the EU.

## UK hosts Digital Standards Showcase

- On 19 February the UK's Department for Science, Innovation and Technology (DSIT) hosted the Digital Standards Showcase, bringing together private sector, academia, non-government organisations and governments to discuss approaches to maintaining and growing a robust digital standards ecosystem. Saqib Bhatti, the UK's Minister for Tech and the Digital Economy, gave a [speech](#) highlighting the importance of standards in driving innovation, ensuring technologies are safe and secure, and embedding moral principles into technology.

## International Energy Agency meets in Paris

- The International Energy Agency (IEA) hosted a [Ministerial meeting on 13-14 February](#) in Paris co-chaired by the Ministers of Ireland and France, marking the 50th anniversary of the IEA's establishment. Ministers from the IEA's 31 member countries laid out a series of mandates for the IEA in a [joint communique](#), and committed to safeguard energy security while speeding up clean energy transitions. The establishment of an IEA Regional Cooperation Centre in Singapore was also announced – the first IEA office outside of Paris.
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# North Asia

## Japan's stock markets reach new heights

- On 23 February 2024, the Nikkei stock market index broke JPY 39,000, reaching a new high for the first time since 1989. Politicians and business leaders welcomed the news as a measure of the strength of Japan Inc, and a vote of confidence in the economic policies being pursued by the Kishida Administration. Separately, new data released on 15 February showed that Germany overtook Japan as the world's third largest economy (in nominal terms, measured in USD) at the end of 2023. When measured using Purchasing Power Parity, Japan's real GDP is still 116% the size of Germany's, however.
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# South and South East Asia

## Philippines signs AANZFTA upgrade

- On 14 February, Secretary of the Philippines' Department of Trade and Industry (DIT) Alfredo Pascual signed the Second Protocol for the ASEAN Australia-New Zealand Free Trade Area. AANZFTA was signed in 2009, and the First Protocol signed in 2014. Upgrade negotiations were concluded in November 2022, and signed in August 2023. Of particular relevance to the Philippines are provisions pertaining to expanded market access for Philippine businesses to invest and provide services in Australia and New Zealand within the professional, education, transport, construction, banking, or tourism sectors, and measures to allow mutual recognition of qualifications. Currently, 90 percent of New Zealand's exports to the Philippines are duty-free under AANZFTA, with two-way trade worth NZ\$1.4 billion a year.
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# Middle East

## Public consultations on trade agreement with UAE open

- This week, Trade Minister Todd McClay announced the start of public consultations for a potential trade agreement with the United Arab Emirates (UAE). The UAE is a top-20 export market for New Zealand, and our largest market in the Middle East, with exports increasing 17% in the last year. Stakeholders are invited to provide input on negotiation priorities such as agriculture, education, and technology, to ensure a comprehensive agreement that benefits both countries. For more information, including on how to make a submission, visit <http://www.mfat.govt.nz/nzuaecepa>
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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.
- Tauranga 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)

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.

## Feedback Request: Seeking Suggestions for Market Intelligence Report Topics

The Ministry of Foreign Affairs and Trade publishes Market Intelligence Reports for New Zealand exporters every week at [www.mfat.govt.nz/market-reports](http://www.mfat.govt.nz/market-reports). These are written by MFAT's network of offshore offices and cover a broad range of topics. To get alerts when new reports are published, go to [Sign up for Market Intelligence Reports \(mfat-reports.info\)](http://mfat-reports.info)

· We invite suggestions for future market intelligence reporting topics. If you have suggestions for reporting topics that would be beneficial to you or the wider New Zealand exporting community, please go to our [open forum survey](#).

Previous global economic round-ups can be found [here](#).

## To contact the Export Helpdesk

email [exports@mfat.net](mailto:exports@mfat.net)

call 0800 824 605

visit [Tradebarriers.govt.nz](http://Tradebarriers.govt.nz)

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