



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
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# Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

# Regional updates

## Africa and Middle East

### UAE boosts digital startup support in 2024

- The Dubai Chamber of Digital Economy announced support of 1210 startups throughout 2024, an increase of 120% on 2023. The ‘Create Apps in Dubai’ initiative, launched by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Deputy Prime Minister and Minister of Defence of the UAE aims to train and qualify 1,000 Emiratis to drive digital capabilities within the UAE. The program was designed to triple the number of app developers in Dubai by 2025 and support 100 new national projects focused on the development of innovative mobile applications. You can read more about the initiative [here](#).
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## Americas

### United States imposes tariffs on Canada, Mexico, and China

- Last week the United States imposed tariffs on major trading partners Canada, Mexico, and China. President Donald Trump had warned in the leadup to his election that his administration would use tariffs as a tool to address foreign security issues, including immigration and the fentanyl crisis. As a result the United States has implemented a 25% tariff on imports from Canada and Mexico, and a lower 10% tariff on Canadian energy resources. The US has further implemented a 10% tariff on imports from China. There are no exemptions for specific industries. Tariffs are expected to be implemented from 6pm Tuesday NZ time with no end date yet announced. The Trump administration has alluded to tariffs specifically to address the US trade deficit with the European Union alongside universal tariffs for all countries the US trades with. You can read more about the US tariffs [here](#).

### Canada announces retaliatory tariffs for the US

- Shortly after the US announcement of tariffs for its major trading partners, Canada’s Minister of Finance and Intergovernmental Affairs Dominic LeBlanc and Mélanie Joly, Minister of Foreign Affairs, announced that the Canadian government would implement its own round of tariffs on the US. Canada is making good on its commitment to counter the US tariffs by putting in place its own measures it says will “protect and defend Canada’s interests, consumers, workers, and businesses.” The first round of Canada’s tariffs will “include tariffs on CND30 billion in goods imported from the US, effective February 4, 2025, when the US tariffs are applied.

- The list includes products such as orange juice, peanut butter, wine, spirits, beer, coffee, appliances, apparel, footwear, motorcycles, cosmetics, and pulp and paper.” Canada will then move to other goods, which will be worth CND155 billion, and which will be open for public comment for 21 days prior to implementation. You can read the press release from the Canadian government [here](#).

### **China and Mexico voice strong opposition to US tariffs**

- While Canada is so far the only nation of the three to announce its countermeasures, China and Mexico are airing respective opposition to the US plans. China has threatened to sue the US at the World Trade Organisation (WTO), stating through its Ministry of Commerce that “the unilateral imposition of tariffs by the United States seriously violates WTO rules” and that it “urges the US to correct its erroneous practices, meet China halfway, face up to its problems, have frank dialogues, strengthen co-operation and manage differences on the basis of equality, mutual benefit and mutual respect.” The newest tariffs target goods imported from China under \$USD800, which were previously immune, threatening popular businesses like Shein and Temu, Meanwhile, Mexico’s President Sheinbaum took to social media platform X to air Mexico’s dissatisfaction, saying she told her economy minister “to implement [the] ‘Plan B’ that we have been working on, which includes tariff and non-tariff measures in defence of Mexico’s interests”. Read more [here](#).

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## **South and South East Asia**

### **India plans tax cuts to spur growth**

- India’s economy is projected to grow just 6.4% in the coming financial year, its slowest in four years. To ensure that India’s growth remains strong, Finance Minister Nirmala Sitharaman last week announced tax cuts for the around one-third of the Indian population considered middle-class. The cuts will see that Indians earning up to 1.2 million rupees (\$USD13,843) will not pay income taxes, nearly double the current threshold of 700,000 rupees. Those earning over the threshold will still receive a tax cut, providing relief among strong inflation on food. Aside from jus the tax breaks, the budget was aimed in six key areas: taxation, the power sector, urban development, mining, the financial sector and regulatory reforms. You can read more about India’s budget announcements [here](#).
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# Europe

## GDP stagnates in the euro area

- Eurozone GDP stagnated in Q4 2024 as the economies of Germany (-0.2%) and France (-0.1%) contracted. The zone's two largest economies contracted worse than expected, reinforcing concerns over ongoing economic weakness in the region. This was a sharp decline compared to the 0.4% growth recorded in Q3 2024. Year on year, 2024 saw the Eurozone economy expand by 0.7%.
  - The European Central Bank responded by promptly cutting its benchmark interest rate by 25 points to 2.75% Meanwhile inflation in Eurozone was at 2.4% in December, compared to a peak of 10.06% in 2022.
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# External links

The following links may provide useful information to businesses:

- [NZTE's website](#) and [myNZTE](#) provide a range of insights and tools available to support 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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