



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

17 APRIL 2023

# Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

# Highlights

- Chinese meat consumption is expected to grow 1% a year for the next three years but consumption patterns are changing according to a recent [research report by McKinsey and Co.](#) The report notes that while pork currently dominates the Chinese meat market, rising income levels and increasingly health conscious consumers may threaten pork's market share.
- US headline inflation has fallen to its lowest level since March 2021, from 6% in February to 5% in March year-on-year. Core inflation, however, remains elevated, primarily driven by an increase in housing costs. Markets will be watching to see how this influences the next decision on Federal rates in May. Federal Reserve Chair Jerome Powell previously said in February he did not expect to cut rates in 2023.
- The International Monetary Fund released their April 2023 World Economic Outlook report, which forecasts growth to fall from 3.4% in 2022 to 2.8% in 2023 before settling at 3.0% in 2024. Advanced economies – of which New Zealand is one – are forecast to see a more pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. The report attributes the uncertainty of the outlook to the turmoil of the global financial sector, elevated inflation, the impacts of Russia's invasion of Ukraine, and the impacts of years of COVID.

# Regional updates

## Domestic

Cyclone Gabrielle has had a major impact on New Zealand's apple harvest for the coming season. Industry body Apple and Pears NZ has estimated the overall New Zealand crop to be down 21% on the original January crop estimate. Chair Richard Punter said that exporters can still expect to receive a premium by continuing to produce high quality apples and pears.

The largest women's sporting event in the world is under 100 days from hitting New Zealand shores. The FIFA Women's World Cup 2023 is being co-hosted by New Zealand and Australia from 20 July to 20 August 2023 and is expected to bring thousands of international fans, presenting significant opportunities for local economies. Games are being hosted in Auckland, Hamilton, Wellington and Dunedin.

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## Australia

Australian unemployment remains at 3.5% for March, a near 50-year low. The continued tight labour market has led to market expectations of an interest rate hike at the next Reserve Bank of Australia board meeting. As previously reported the RBA paused interest rate hikes earlier in the month after ten consecutive hikes.

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## Asia

The new Bank of Japan (BoJ) Governor Kazuo Ueda has said the BoJ will maintain its current ultra-loose monetary policy as inflation remains above the BoJ's target of 2%. The Governor said there will be no rush to reduce the bank's monetary stimulus programme.

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## Americas

The US unemployment rate fell from 3.6% in February to 3.5% in March, continuing the trend of strong labour market data in the US. The pace of hiring, however, has slowed according to RBNZ reporting.

The Bank of Canada (BoC) has held its target policy rate at 4.5% for the second consecutive time. In making this decision the BoC stated that inflation in many countries is easing due to lower energy prices, normalising global supply chains, and tighter monetary policy. Consumption in Canada is expected to moderate this year. However, the BoC noted that demand continues to outstrip supply and the labour market remains tight. The fight is far from over, with core inflation in many advanced economies remaining elevated.

Finance Minister Grant Robertson departed for Washington DC on 11 April to attend the Spring Meetings of the World Bank and the International Monetary Fund. The annual meetings bring together finance ministers, central bankers and private and public sector representatives from around the world to discuss the global economy, development, concerns and opportunities. While at the meetings the Finance Minister will also meet with a number of Finance Ministers and Treasurers, including from the UK, Canada, Australia, the United States, Singapore, Ireland, Luxembourg and the Philippines, along with the Managing Director of the World Bank and other finance leaders.

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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)

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