



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

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# **Weekly Global Economic Round-up**

MARKET INTELLIGENCE REPORT

# Highlights

## World Trade Organisation E-commerce Joint Statement Initiative Announcement

- On 26 July 2024, a stabilised text for the World Trade Organisation (WTO) Joint Statement Initiative on Electronic Commerce was announced. This follows five years of negotiations between a subset of WTO members on an Agreement to set a foundation for rules and international norms surrounding E-commerce and digital trade. The Agreement includes a permanent ban on tariffs on digital trade and promotes consumer protection and the protection of personal information in the digital environment. The Agreement, once implemented, can be expected to benefit consumers and businesses involved in digital trade, especially small and medium sized enterprises. It also serves as a global baseline for digital trade rules and promotes a stable, open and transparent trading environment.

## Strong growth in the decade ahead for Southeast Asia – Report

- A [joint report released last week](#) by the Angsana Council, Bain & Company, and DBS Bank provided a bright forecast for Southeast Asia over the next decade. The report found that over the next decade, Southeast Asia will likely experience faster economic growth and receive higher foreign direct investment than China. According to the report, Southeast Asia's growth will be driven by stronger domestic economies and a resurgence in investment catalysed by "China and..." supply chain shifts. The report also noted that if global growth and trade exceed their baseline forecasts, growth in the region could be even stronger.

# Regional updates

## Domestic

### Regulatory review into approval pathway for agricultural and horticultural products

- Regulation Minister David Seymour, Environment Minister Penny Simmonds, and Food Safety Minister Andrew Hoggard jointly announced last week a regulatory review into the approval path for agricultural and horticultural products. In announcing the review, Ministers stated that the intent was to look at how the Government can speed up the approvals process to ensure farmers and growers get access to safe, innovative products that are necessary to ensure New Zealand's agricultural and horticultural sectors remain competitive in the global marketplace. The review is being led by the Ministry of Regulation who is inviting submissions and feedback until 8 September. If you wish to provide feedback please visit the [Ministry for Regulation webpage](#).
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## Americas

### Mixed signals from the United States economy

- There was concern among international markets last week as a sub-par job report from the United States raised fears that its labour market may be deteriorating, potentially raising the risk of recession. According to a report released by the [United States Bureau of Labor Statistics](#), the United States economy added just 114,000 jobs in July. This represented a significant downshift from the (revised) employment gains in May (216,000) and June (179,000) and is significantly down from the average 215,000 of the past 12 months. The unemployment rate meanwhile rose from 4.1 percent to 4.3 percent, marking the fourth month in a row that the unemployment rate has increased.
- [The Federal Reserve](#) indicated in its latest meeting earlier in the week that it may reduce the baseline interest rates in the United States at its next meeting in September. This would provide welcome news to markets and could indicate a gradual end to the Federal Reserve's tight monetary policy as it has sought to combat inflation.

- On the brighter side, the United States Bureau of Labor Statistics also released its [second quarter estimate for United States labour productivity](#), which is often seen as an indicator of the longer-term health of the United States economy. The report showed an increase on an annual basis of 2.3 percent during the second quarter, as labour costs rose at their slowest pace in over two years. While productivity growth often swings from quarter-to-quarter (growth in the first quarter was just 0.4 percent), the United States has experienced a notable upshift over the past 18 months, which partly helps to explain its outlier performance compared to other advanced economies.
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## North Asia

### Chinese foreign direct investment continues to fall

- Data released by [China's Ministry of Commerce](#) last week indicated a continuing decline in foreign direct investment to China. The government announced this week that foreign direct investment into China declined by 29.1 percent year-on-year during January-June 2024 (to around \$69 billion USD). This decline comes as the Chinese Government tightens up foreign investment requirements and as foreign investors increasingly look to diversify into the fast-growing economies of Southeast Asia.
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## Australia

### Australian inflation remains sticky – but still trending downwards

- The latest release of the consumer price index by the [Australian Bureau of Statistics](#) showed a slight uptick in the headline inflation rate, from 3.6 percent to 3.8 percent in the June quarter. While this was the first increase in the overall rate of price growth since the December 2022 quarter, core (or the “trimmed mean”) inflation, which strips out the most volatile items, declined for the sixth quarter in a row, suggesting that inflation is still trending down. This will likely prove welcome news to the Reserve Bank of Australia, which meets to announce its next rate decision on Tuesday this week (4:30pm New Zealand Standard Time).
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# Europe

## European economy shows modest growth

- Europe's economy saw modest growth during the second quarter. A preliminary estimate by EuroStat showed growth on an annualised basis of 0.7 percent across the European Union and by 0.6 percent in the Eurozone (which includes the 20 countries that use the Euro currency) during the second quarter. While this growth was modest, Germany's economy actually contracted during the second quarter, with gross domestic product contracting by 0.1 percent, as high interest rates continued to put pressure on the industrial sector.
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# External links

The following links may provide useful information to businesses:

- [NZTE's website](#) and their [myNZTE](#) provides 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

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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