



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

**15 JULY 2024**

# **Weekly Global Economic Round-up**

MARKET INTELLIGENCE REPORT

# Highlights

## Countries conclude negotiations on the Agreement on Climate Change, Trade and Sustainability (ACCTS)

- On 2 July 2024, Ministers for Trade from Costa Rica, Iceland, New Zealand and Switzerland announced conclusion of negotiations on the Agreement on Climate Change, Trade and Sustainability (ACCTS). The ACCTS is a ground-breaking trade agreement that demonstrates how economies can achieve commercial outcomes while leveraging trade rules and architecture to contribute to addressing climate and broader sustainable development objectives. The ACCTS opens new markets for New Zealand and strengthens our international connections. It is the first trade agreement New Zealand has concluded with Costa Rica, Iceland or Switzerland outside of the WTO. As an open plurilateral agreement, the commercial benefits and environmental benefits of the ACCTS will grow as new members join. To find out more about the ACCTS visit the [MFAT website here](#).

# Regional updates

## Domestic

### Reserve Bank keeps OCR at 5.5 percent

- On 10 July the Reserve Bank announced that the Official Cash Rate (OCR) will stay at 5.5 percent. The Reserve Bank noted its decision was partly informed by “receding domestic pricing pressures, as well as lower inflation for goods and services imported into New Zealand” and predicts a return to its target range of 1-3 percent inflation in the second half of 2024. However, the Reserve Bank was unclear about the impact upcoming tax cuts will have. Complete data on the Consumer Price Index for the year to 30 June will be released later this week. You can see the Reserve Bank’s [media release here](#).

### OECD releases its ‘red tape’ report

- A new report from the [Organisation for Economic Co-operation and Development](#) (OECD) shows that New Zealand has slipped down its Product Market Regulation Indicators (PMRI), from 2nd in the OECD (behind the United Kingdom) in 1998 to 20th in 2024. The PMRI measures a country’s regulatory framework against best practice, and marks how easy it is to do business. New Zealand is slightly below the OECD average overall but lags behind in key areas like regulations around government lobbying and foreign direct investment. Interestingly, the report found that the relative decline is largely driven by the fact that other countries have deregulated with greater speed than New Zealand, with Lithuania, Sweden, Ireland, the United Kingdom, and the Netherlands rounding off the top five countries.

### Government reveals climate change strategy

- Climate Change Minister Simon Watts revealed the Government’s climate change strategy last week, which outlines how New Zealand will deliver on its climate change goals. The strategy is centred on five core pillars that outlines the Government areas of focus including:
  - Infrastructure is resilient and communities are well prepared
  - Credible markets support the climate transition
  - Clean energy is abundant and affordable
  - World-leading climate innovation boosts the economy
  - Nature-based solutions address climate change
- As part of its announcement, the Government stated that it would soon be consulting

the Emissions Reduction Plan for 2026-30. This will set out policy proposals across the five pillars and focus on the largest drivers of emissions in New Zealand - energy, transport, agriculture, and waste sectors. You can find more about the strategy [here](#).

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## Americas

### Prime Minister Luxon travels to the NATO Summit

- Prime Minister Luxon travelled to the United States 8 – 12 July to attend the NATO Summit, which was hosted by the US in Washington D.C. The Prime Minister attended NATO events, including a dinner hosted by President Biden. The Prime Minister also met with members of the US Administration and Congress, as well as other world leaders, to further deepen New Zealand’s bilateral connections. After the NATO Summit, Prime Minister Luxon travelled to San Francisco to meet with California Governor Gavin Newsom, and support trade and investment links between New Zealand and the US.

### Inflation continues to cool in the United States

- The [consumer price index in the United States](#) rose by 3 percent in the year to June, amid cheaper petrol and moderating rents. This marked the third month in a row that inflation has fallen, and raised expectations that the Federal Reserve will look to cut interest rates in the coming months.
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## South and South East Asia

### New Zealand lifts Indonesian trade cooperation

- Minister for Trade Todd McClay and Dr Sahat Manaor Panggabean, Chairman of Indonesia’s Quarantine Authority, agreed four trade arrangements on 9 July in Auckland:
    - An umbrella cooperation arrangement that provides for cooperation on food safety, animal health and plant health;
    - An electronic certification arrangement that will aim to replace paper-based documentation to streamline trade processes;
    - An export plan for onions that will enable New Zealand to continue exporting onions, without fumigation, to Indonesia; and
    - An export plan for pineapples that will provide for entry of Indonesian pineapples to New Zealand for the first time.
  - Further details can be found from the [Beehive press release](#)
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# Pacific

## Minister of Foreign Affairs travels to Nauru

- The Minister of Foreign Affairs visited Nauru on 3-4 July as part of a three-leg Pacific tour to the Solomon Islands, Nauru and Niue. This was the first dedicated Ministerial bilateral visit to Nauru from New Zealand since at least the early 1990's, so represented a significant step for New Zealand and Nauru deepening their relationship, including on economic resilience and education. The Minister announced that New Zealand is contributing \$5 million to efforts in conjunction with Australia to strengthen the provision of high-quality schooling. While in Nauru, the New Zealand delegation met with President David Adeang, Minister of Foreign Affairs and Trade Lionel Aingimea, and other Ministers and Members of Parliament, taking the opportunity to discuss shared economic and development priorities and to reflect on regional challenges.

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## Feedback

We welcome feedback from New Zealand exporters on this report and invite requests for reporting from New Zealand's [network of Embassies and High Commissions](#). If you have suggestions on a topic you would like to hear more about, or to subscribe to this weekly update, you can sign up [here](#) or email us at [exports@mfat.net](mailto:exports@mfat.net)

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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)

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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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