



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

2 MAY 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- US President Joe Biden has announced he will seek re-election as President in 2024. Under the theme of “Let’s Finish the Job”, Biden’s campaign launch focused primarily on domestic issues, including the preservation of US democracy and personal liberties from “MAGA extremists” in “a battle for the soul of America”. US Senator Robert Kennedy Jr, and author Marianne Williamson are currently the only two other contenders for Democratic nomination, with Senators Elizabeth Warren and Bernie Sanders indicating they will not run.
- New Zealand’s two-year transition period to cease live exports finishes on 30 April 2023 and the [last live export ship](#) has set sail this week. Since 2015, live exports by sea have represented only 0.32 per cent of primary sector export revenue, but animal welfare concerns had the potential to impact New Zealand’s international reputation for ethical trade. Australia has also moved to phase-out live exports of sheep.
- New Zealand ranked first in the charts across the OECD Indicators of Talent Attractiveness for highly skilled workers, and ranked in the top 5 for entrepreneurs. The [OECD Indicators of Talent Attractiveness](#) is a comprehensive tool that captures the strengths and weaknesses of OECD countries regarding their capacity to attract and retain different types of talented migrants.

Regional updates

Domestic

- The Reserve Bank of New Zealand – Te Putea Matua is proposing to ease mortgage loan-to-value ratio restrictions. The proposal comes in response to national house prices falling, and a perceived reduction of risk to financial stability compared to November 2021, when the current settings came into effect.
- The Reserve Bank has decided to implement a 250% risk weighting for bank investments in the [Business Growth Fund](#) (BGF). The BGF was announced in Budget 2022 to help small and medium businesses access finance. The risk weighting is much lower than the 400% status quo risk weighting for investments in single entities.
- A new Export Controls portal for advice and contact information is now available on the Ministry of Foreign Affairs and Trade's [export help page](#).
- Join Ministry of Foreign Affairs and Trade (MFAT) and New Zealand Trade and Enterprise (NZTE) on Tuesday 2 May at 11am for an update on global trade, investment and politics impacting our tech exports via webinar. Global supply chain chaos, war and the aftermath of the pandemic are complicating business. This session will address topics such as how trade policy is supporting Aotearoa's businesses; where the emerging risks are; and what the latest trends in tech investment are. [Register for this webinar](#).
- On Thursday 4 May at 9am Minister for Women Jan Tinetti and Minister for Trade and Export Growth Damien O'Connor will be hosting a webinar and in person event in Wellington to discuss New Zealand's progress on trade and gender. Jane Korinek from the OECD and Urvashi Yadav from Business and Economic Research Ltd. will discuss their recent research on barriers and opportunities for women in exporting, followed by a panel discussion including Brooke Roberts from Sharesies. If you're interested in attending either online or in-person in Wellington CBD, please RSVP to event@women.govt.nz to receive further details.

Global

- New Zealand hosted the second CPTPP senior officials meeting for 2023 in Tamaki Makaurau/Auckland on 18-19 April. This was the first in-person meeting of New Zealand's year as Chair of CPTPP. Close to fifty delegates joined in-person, with another fifty joining virtually. The agenda included implementation efforts around the green economy, digital trade, and inclusive and sustainable trade, as well as

matters relating to progressing the General Review and future accessions. Members also discussed the next steps for the UK's accession process. New Zealand hopes to be in a position for signing at the July CPTPP Commission in Auckland, however there is a lot of substance still to work through. A stakeholder engagement session followed the end of the meeting.

Asia

A North Korean [bank official has been charged](#) by the USA with laundering stolen cryptocurrency for the benefit of Pyongyang. A Chinese national has also been charged with co-conspiracy in the scheme.

Europe

- The European Commission proposed a [Green Claims Directive](#) (GCD) on 22 March 2023 as part of its [Circular Economy Action Plan](#) (CEAP). The central objectives of the GCD are to tackle 'greenwashing' or unreliable environmental claims, promote sustainability, and improve consumers' ability to make sustainability-minded purchasing decisions. The proposal sets out criteria for companies to prove environmental claims, requirements for how these claims will be monitored by an independent verifier, and new rules on the governance of environmental labelling schemes. As the GCD applies equally across EU and non-EU companies, many of the concerns of New Zealand exporters may be shared by producers within the bloc. Nevertheless, exporters will face additional information costs – in acquiring and holding supporting evidence for green claims – as well as compliance costs – in demonstrating environmental performance claims upon request – as a result of the GCD.
 - Projections show a general economic slowdown for Spain, as in many parts of the world. Spanish GDP is projected to grow just 1.4% in 2023 and is not forecasted to grow more than 2.2% in the following years. Despite economic growth slowing down in 2023, Spain will remain one of the fastest growing economies in the Eurozone. The inflation rate is projected to remain relatively high in 2023 at 4.3%, a reduction on the previous year's 8.3%.
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Americas

- British American Tobacco pleaded guilty to charges of conspiracy to sell products to North Korea in a violation of sanctions and also pleaded guilty to conspiracy to commit bank fraud. The company will pay in excess of \$635m to US authorities in the single [largest sanctions penalty](#) in the history of the US Department of Justice.
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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

If you would like to request a topic for reporting please email 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.

To contact the Export Helpdesk

email exports@mfat.net

call 0800 824 605

visit Tradebarriers.govt.nz

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