



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

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# Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

# Highlights

## Prime Minister Christopher Luxon travels to Southeast Asia

- It was a busy week of travel for the Government this past week, with [Prime Minister Christopher Luxon completing a tour of Southeast Asia](#), travelling to Singapore, Thailand and the Philippines. The Prime Minister was accompanied by a delegation of New Zealand business that enabled the trade mission to showcase some of the country's leading firms.
- There were several notable bilateral announcements during the trip. In Singapore, the Prime Minister and Prime Minister Lee agreed to enhance practical cooperation on strengthening food security, access to supply chains, defence cooperation, two-way investment, and the transition to a green economy. In Thailand, the Prime Minister and Prime Minister Srettha agreed to upgrade New Zealand's bilateral relationship and to a shared trade goal of tripling two-way trade by 2045. Finally, in the Philippines, the Prime Minister and President Marcos Jr agreed to elevate the New Zealand-Philippines relationship to a Comprehensive Partnership by 2026, strengthen defence cooperation and to grow trade by 50% by 2030.

# Regional updates

## Domestic

### Latest inflation numbers revealed

- Headline annual inflation eased further to 4.0% in the March quarter, down 4.7% from the quarter previous. However, while the fall in headline inflation is encouraging (the lowest rate since June 2021) the devil was in the detail. The easing in headline inflation was caused by slowing tradables (or imported) inflation; non-tradables (or domestic) inflation only fell a touch to 5.8%, driven by items such as rents, local council rates, construction costs and the price of tobacco. Because non-tradeable inflation remains high, market analysts now do not expect to see rate cuts by the Reserve Bank until early 2025. [For greater detail read Stats NZ's release.](#)

### Special Agriculture Trade Envoy travels to India

- New Zealand's Special Agriculture Trade Envoy (SATE), Hamish Marr, recently concluded a visit to India. The SATE is a working New Zealand farmer, who acts as an international spokesperson for New Zealand's agriculture sector. Hamish met with various government and industry contacts in India to discuss agricultural cooperation and to share New Zealand's trade and agriculture story. Hamish's next visit will be to Canada and the United States in late May.

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## Global

### IMF updates forecasting for the global economy

- The International Monetary Fund (IMF) has upgraded its [forecast for the global economy](#) in 2024, projecting that global economic activity will expand 3.2 percent this year, up 0.1 percentage point from its January estimate. The IMF also expects the global economy to expand at the same rate in 2025.
  - Of New Zealand's major trading partners, the United States continues to stand out, with the IMF projecting for it to expand by 2.7 percent in 2024. China, meanwhile, is projected to expand by a 4.6 percent during 2024, slightly below the Chinese Government's forecast of 5 percent as it continues to struggle with a deflating property sector.
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# Americas

## Minister of Finance travels to Washington DC

- [Minister of Finance Nicola Willis travelled to Washington DC](#) last week to attend a meeting of the Five Finance Ministers group, with counterparts from Australia, the United States, Canada, and the United Kingdom. This is the second in-person meeting of the Five Finance Ministers (with the first in Washington DC last year) and provides an opportunity to discuss ways each country can work together to navigate global economic challenges. Minister Willis also attended the Spring meetings of the International Monetary Fund and World Bank, which include finance ministers, treasurers, central bankers and relevant stakeholders from around the world. The meetings and provide an opportunity to discuss the global economy, development, as well as shared challenges and opportunities.
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# Europe

## French economic update

- Following a cabinet reshuffle in January, the French Government is pursuing an active agenda to tackle cost-of-living pressures and key issues of education, law and order, and reducing red-tape for business. After having experienced a strong post COVID recovery, France is facing more subdued short term economic prospects. The French economy grew by 0.9% in 2023 and the government's 2024 forecast has been revised down from 1.4% to 1%, broadly aligning with the European Union average. The French economy should pick up mildly after that, to 1.5% in 2025. This compares favourably with its other European neighbours, including Germany and the United Kingdom.

## EU and US Divergent Interest Rate Pathways?

- Speeches from central bank officials last week underlined the divergence between expected interest rate paths on either side of the Atlantic. For instance, US Federal Reserve Chair Jerome Powell in a speech last week noted the ongoing strength of the US labour market and the stalled progress in falling US inflation at the start of 2024. Powell's comment that the US Federal Reserve should "...allow restrictive policy further time to work" suggested the possibility of later interest rates cuts than had been expected by markets. In contrast, the European Central Bank is sounding more confident that inflation is cooling in line with expectation, allowing the ECB to cut interest rates sooner than the US Fed – possibly as soon as June.
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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](#) or email us at [exports@mfat.net](mailto:exports@mfat.net)
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# Market reports released this week

- Read the [previous global economic round-up](#)
  - [Rise in plant-based proteins in the Netherlands and Spain](#)
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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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