



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

22 MAY 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Domestic

- Prime Minister Hipkins has described Budget 2023 as a balancing act that aims to support “the here and now pressures, while also laying the foundation for real long-term benefits”. The headline figures include removing the \$5 co-payment for prescription medicines from July this year, free public transport for under 13s and extending the 20 hours free early childhood education to two-year-olds.
- The [Forests \(legal Harvest Assurance\) Amendment Bill](#) received Royal assent and became an Act of Parliament on 17 May. The legal harvest assurance system will require forest owners, log traders, primary processors, timber exporters and importers to provide assurance the timber they are dealing with has been legally harvested or sourced from timber that has been legally harvested. The Act allows for up to three years for commencement and a further 12 months for compliance.
- The Government has agreed in-principle to eight of the nine [recommended changes made by the Commerce Commission](#) to improve the residential building sector for businesses and consumers. Key changes include monitoring and publishing prices of key building supplies; providing guidance to businesses and councils on alternative products; and driving the uptake of offsite manufacturing by Government agencies by a minimum of 10% year on year, to improve productivity and competition.

Regional updates

Global

- The most recent round of Indo-Pacific Economic Framework (IPEF) negotiations wound up on 15 May in Singapore. The negotiations covered the full IPEF agenda, and the negotiating round was the final round prior to the IPEF Ministerial to be held in Detroit, Michigan, on 27 May, 2023. IPEF is a future focused economic cooperation framework covering a range of priority economic and trade issues, including supply chains.
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Africa

- South Africa's electricity crisis continues to intensify as Eskom confirms new national standards proposing Stage 16 load shedding, twice the current maximum of Stage 8 (at least 12 hours without power per day). As of 9 May South Africa experienced the same amount of load shedding this year than it had in all of 2022. Although public discourse around a grid collapse is increasing, experts continue to deem it "unlikely". Nevertheless, material impacts persist as insurers increasingly exclude cover for grid collapse.
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Asia

- Brunei has completed the applicable domestic processes to join the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP). This triggers article 3.2 of the CPTPP and means that for Brunei, the agreement will enter into force 60 days from the date of notification, on 12 July. The CPTPP becomes legally binding for Brunei and it formally becomes a party on that date.
 - 2023 is the 10th anniversary of the signing and entry into force of ANZTEC, New Zealand's economic cooperation agreement with Taiwan. Since the entry into force of ANZTEC, New Zealand exports to Taiwan have grown at twice the rate of our exports to all destinations, reaching NZ\$1.7 billion. Most of the benefits of tariff elimination have accrued to food products, which now account for 84% of our exports to Taiwan (up from 77% in 2012). Taiwan is a competitive market with high levels of food imports, and ANZTEC alone does not guarantee success. Going forward, New Zealand firms need to have strong competitive positioning around quality, values/story, supply, and commitment, and an understanding of Taiwan consumer preferences.
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Americas

- The White House has formally announced that President Biden will not travel to Papua New Guinea and Australia following the G7 in Tokyo as planned but will instead return to Washington for ongoing negotiations with Republican Congressional leaders on raising the US debt ceiling. US Secretary of State Antony Blinken will stand in as the US representative to attend the Pacific Summit with Pacific Islands Forum Leaders.
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Europe

- Prime Minister Albanese cancelled the scheduled QUAD (a group comprised of Australia, India, Japan and the US) leader level meeting in Sydney this week due to President Biden's last minute cancellation related to ongoing US domestic negotiations on raising the US debt ceiling. The four leaders instead met in the sidelines of the G7 summit in Hiroshima over the weekend.
 - Australia and the United States committed to enhance bilateral cooperation under a Climate, Critical Minerals and Clean Energy Transformation Compact, establishing climate and clean energy as a central pillar of the Australia-United States Alliance.
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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

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