



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

24 APRIL 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- Australian Prime Minister Albanese has announced a [new direct pathway to citizenship](#) for New Zealanders living in Australia. The pathway to citizenship will come into effect on 1 July, 2023 and applies to New Zealand citizens on temporary, special category, visas who have lived in Australia for four years, and meet the standard Australian citizenship criteria. This is a significant milestone and will provide Kiwis access to additional services and benefits once they become citizens. It has been hailed by Prime Minister Hipkins as the “biggest improvement in the rights of New Zealanders living in Australia in a generation”.
- New Zealand’s annual inflation rate has fallen from 7.2% in December to 6.7% in March, surprising market expectations. The data has prompted economists from BNZ and Kiwibank to speculate [inflation may have peaked](#). Stats NZ data shows the majority of the inflation for the year to March 2023 was driven by food price increases (11.3%).
- The Government is providing an [additional \\$25 million](#) to help businesses in the clean-up from the damage caused by Cyclone Gabrielle affected regions.

Regional updates

Domestic

- The Ministry of Foreign Affairs and Trade, with Martin Jenkins, is running a review of [New Zealand's digital trade policy](#). Getting a wide range of input from people and organisations that have a stake in digital trade is critical for ensuring the policy settings and direction is fit for purpose. We will be hosting online and in-person public hui in May to gather information and insights, with additional workshops with specific interest groups.
 - The [Organic Products and Production Act 2023](#) received Royal Assent on 5 April 2023 and can be found here. The new rules are aimed at increasing business and consumer confidence in the credibility of organic claims. The new organic products and production rules will also [benefit New Zealand exporters](#) by facilitating trade in their organic products.
 - Prime Minister Chris Hipkins will undertake a small number of [international engagements](#) this year, focused on advancing New Zealand's trade and economic interests. He travelled with a trade delegation to Australia during the weekend to mark 40 years of Closer Economic Relations (CER). The Prime Minister will also travel to the United Kingdom to attend the Coronation of King Charles III in May and to attend the NATO leaders' summit in Vilnius Lithuania in July. The Prime Minister said he will put trade "front and centre" during his overseas travels.
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Australia

- An [independent review](#) of the Reserve Bank of Australia has recommended significant changes to the RBA, including changing the language of the RBA's inflation target, reducing the number of interest rate reviews from 11 to 8 per year, and providing equal consideration to achieving inflation and employment targets.
 - The Reserve Bank of Australia released the [Minutes of their Monetary Policy meeting](#), which notes that inflation remained well above their targets but was expected to ease over the coming quarters. The board also discussed the red hot labour market and generally strong business conditions.
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Asia

- China's GDP grew 4.5% year-on-year in the first quarter of 2023, the fastest pace since the first quarter of 2022 and above the 4% forecast by a Reuters poll of economists. For 2023 the Chinese Government has set a growth goal of around 5%.
 - Taiwan has recently passed its Climate Change Response Act, putting into law its Net-Zero 2050 ambitions and making it the 18th economy in the world to do so. While carbon markets, energy efficiency and sectoral measures are important, the key for Taiwan is to shift away from coal and develop renewable energy sources.
 - The Association of South East Asian Nations (ASEAN) Greenhouse Gas (GHG) emissions have continued to rise on the back of growing energy-related carbon dioxide (CO2) emissions and GHG emissions from agriculture, deforestation and other land use. Regional CO2 emissions per capita are forecast to increase by 140% between 2015 and 2040. Space remains, however, for New Zealand to play a role both in terms of practical cooperation and through dialogue. Opportunities for cooperation in, among others, regional carbon market formulation, climate smart agriculture, adaptation, and loss and damage have all been suggested as areas for New Zealand to consider.
 - India is set to overtake China as the world's most populous country by the middle of the year, according to United Nations data.
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Europe

- The UK's inflation rose 10.1% in the year to March, down from the 10.4% seen in February but above market expectations. This data comes while the unemployment rate rose slightly to 3.8% in the three months to February. Data released by the Office for National Statistics also displays that vacancies fell by 47,000 to 1.1million in the three months to March.
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Americas

- Canada's year-on-year inflation was 4.3% in March, a drop from 5.2% in February. This supports the Bank of Canada's recent pause of interest rate hikes, and their statement that inflation was easing in many countries.
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Pacific

- Deputy Prime Minister and Associate Foreign Affairs Minister (Pacific Region) Hon Carmel Sepuloni, led a Pacific Mission to Solomon Islands, Fiji and Tonga from 16-21 April. This was the first Pacific Mission for Aotearoa New Zealand since the outbreak of COVID-19. The attending delegation included Ministers Shaw (Climate Change) and Edmonds (Pacific Peoples, Associate Health), MPs, and leaders from business, community and youth organisations. A separate economic stream programme was run in parallel with the broader Ministerial programme, which included talanoa (meetings/exchanges) and business/factory visits. This allowed for key Aotearoa New Zealand business leaders to connect with their Pacific counterparts, and better understand the possible economic connections and opportunities available in the region.
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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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