



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

6 JUNE 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- The [New Zealand-United Kingdom Free Trade Agreement entered into force](#) on Wednesday 31 May, unlocking opportunities in a crucial market for some of our key exports, with one of the best market access packages New Zealand has secured in any trade deal. When fully implemented the FTA is estimated to increase New Zealand's exports to the UK by up to 53%, and to boost New Zealand's GDP by NZ\$1 billion.
- US President Joe Biden has signed into law the deal agreed with Congressional leaders last week to raise the US debt ceiling. The final deal suspends the debt limit until 2025 and follows weeks of negotiations between Democrat and Republican leaders, with the legislation signed into force just two days before the date when the US Treasury had indicated the US would begin to default on its obligations.

Regional updates

Domestic

- [Funding changes to the New Zealand Screen Production Grant](#) announced on 30 May will make it easier for the screen sector to access support. The changes will allow all domestic productions to access the Grant as well as other funding from NZ On Air Te Mangai Paho and New Zealand Film Commission, provide a 20% rebate for post-production, digital and visual effects and reduce the qualifying expenditure amount to \$250,000. The New Zealand screen sector contributes more than \$3.5 billion to the New Zealand economy annually and employs over 13,900 people.
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Global

- Asia Pacific Economic Cooperation (APEC) Trade Ministers met on 25-26 May in Detroit, USA. The general theme for the US' host year is on sustainability and inclusion. A key focus of the Ministerial meeting was how APEC could support the multilateral trading system, with the WTO at its core. With the WTO Director General Ngozi Okonjo-Iweala present, trade ministers argued to reinvigorate and reform the WTO, bring into force a fully functioning dispute resolutions system, and recognise the importance of sustainability and inclusion in trade.
 - Trade and Export Growth Minister Damien O'Connor will travel to Europe this week to attend the Commonwealth Trade Ministers' Meeting in London on [date] and to vice-chair the OECD Ministerial Council Meeting in Paris on 7 June.
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Asia

- Economic activity in China appears to have slowed in May. This follows a period of strong growth through the start of 2023 following the easing of COVID restrictions. However, recent data has shown China is experiencing low consumption, weaker domestic demand and lower than expected retail sales.
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Australia

- The monthly Consumer Price Index (CPI) indicator rose 6.8 per cent in the year to April 2023, above the 6.3 per cent reported in March 2023, but below the high of 8.4 per cent recorded in December 2022. The April increase was driven largely by rising house (8.9%) and food (7.9%) prices.

Europe

- On 28 May President Recep Tayyip Erdogan was re-elected as President of Türkiye, having been elected for the first time as prime minister in 2003 and president since 2014. It remains to be seen whether Erdogan will change his unorthodox monetary policies and raise interest rates to bring inflation under control. Consumption-led growth has kept the economy afloat, but this is not expected to be sustained much longer. The Turkish lira has lost 77% of its value against the US dollar in the past five years, dropping to an all-time low on Monday 29 May.
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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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