



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

11 NOVEMBER 2024

Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

Regional updates

Domestic

Unemployment rate increases and wage growth rate slows

- Unemployment continues to grow, with more people remaining unemployed for longer periods and a declining employment rate, while wage growth slows, according to figures released by Stats NZ this week. The seasonally adjusted unemployment rate was 4.8% in the September 2024 quarter, compared with 4.6% in the previous quarter. Annually, the number of unemployed people increased by 24.2% to 144,900 (not seasonally adjusted). In the year to the September 2024 quarter, all salary and wage rates (including overtime), as measured by the labour cost index, increased 3.8%. This compares with 4.3% in the year to the June 2024 quarter.
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Australia

OCR Remains at 4.35%

- Australia's economy faces ongoing challenges despite some signs of inflation easing. The Reserve Bank of Australia continues a cautious approach and in November decided to leave the cash rate target unchanged at 4.35%. The third quarter of 2024 saw headline inflation drop to 2.8%, partly thanks to government energy rebates, although underlying inflation remains above the RBA target range, at 3.5%. The RBA Governor has said that the cash rate will stay restrictive until the RBA is confident that inflation is moving sustainably to the middle of its 2-3% target range, forecast for 2026. The RBA also indicates the outlook remains highly uncertain with weak growth in output and tight labour conditions. Financial markets do not expect a OCR rate cut this year, and some are pushing their expectations of a cut beyond February.
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Europe

UK Budget – Initial Reaction

- The Labour Government's first Budget since being elected in July increased government spending by around 2% of GDP a year, on average, over the next five years. One third of spending will include government investment (including transport, housing, and research and development) two thirds will go to day-to-day Government spending. Half of the increase in spending is funded through an increase in taxes, mainly through higher employer National Insurance contributions and capital taxes. The remaining half is funded largely through additional borrowing. The UK's Office for Budget Responsibility has forecast in response that real GDP growth will pick up to 1.1% this year, 2.0% in 2025, and 1.8% in 2026, before falling back to around 1.5% thereafter.
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Middle East

- New Zealand has concluded negotiations with the Gulf Cooperation Council on a [free trade agreement](#) that unlocks opportunities in Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman. This FTA gives our exporters preferential access to an important market, removes tariffs or duties on our products and makes doing business easier. NZ can build on the \$2.6B worth of exports we sent to GCC member states in the year to June 2024.
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Middle East

- Trade and Agriculture Minister Todd McClay visited China from 4 to 11 November, attending the 7th annual China International Import Expo (CIIE) in Shanghai, followed by a visit to Guangzhou – a commercial gateway for New Zealand into southern China.
 - In Shanghai, Minister McClay supported almost 60 New Zealand companies who participated in the Expo this year, which remains a key platform for showcasing in the China market New Zealand's safe, high-quality and innovative products and our world-leading service sector. The Minister also had the opportunity to speak with China's Commerce Minister Wang Wentao, and delivered a keynote address at the Hongqiao International Economic Forum. Following the Expo, the Minister visited Guangzhou and engaged with Kiwi businesses operating in the region.
 - This marked the Minister's second visit to China this year, following a trip in April. China is one of New Zealand's most significant trade and economic relationships and remains an important destination for New Zealand's products. This visit was an opportunity to further strengthen the economic relationship, support Kiwi exporters and promote New Zealand businesses on the world stage.
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External links

The following links may provide useful information to businesses:

- [NZTE's website](#) and [myNZTE](#) provide a range of insights and tools available to support 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.
- Tatauranga 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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