



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

12 FEBRUARY 2024

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- [Data released by Stats New Zealand](#) on 7 February showed the labour market is cooling, but just not as quickly as had been expected. The unemployment rate came in at 4.0 percent in the December Quarter. This was a slight increase from the September quarter, but was well below market expectation of 4.3 percent. Wage growth appears more resilient than expected in the face of a slowing economy. All salary and wage rates increased by 4.3 percent on the same quarter of 2022, average ordinary time hourly earnings rose by 6.9 percent, and average weekly earnings increased by 6.1 percent.

Regional updates

Domestic

- The dairy sector continued its strong start to the year with the [latest dairy auction](#) on 6 February seeing prices rise by 4.2 percent. Prices are now up by 5.4 percent since the start of the year (and up by 3.3 percent on an annual basis). The recent increase in dairy prices appears to be related to a rebalancing in dairy markets, as global supply responds to past price weakness.
 - The Government recently [announced policy changes](#) designed to fast-track the construction consenting process as part of its 100-day plan. On 2 February, Ministers Chris Bishop and Shane Jones jointly announced that the Government would be introducing a fast-track consenting regime for major infrastructure projects. The new consenting regime will seek to prioritise regionally and nationally significant infrastructure and development projects with a focus on fostering economic development.
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Australia and the Pacific

- The Reserve Bank of Australia left the official cash rate unchanged at its first board meeting of 2024. In a [media statement](#), the Reserve Bank noted that while inflation had declined, at 4.1 percent it was still high and above the target rate of 2-3 percent. The Reserve Bank declined to rule out further interest rate hikes, noting the high level of uncertainty around the outlook for the Chinese economy and the implications of the conflicts in Ukraine and the Middle East.
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Americas

- [Data released by the United States](#) on 7 February showed that its trade deficit for 2023 was the smallest in three years. For all of 2023, the trade deficit was US\$773.4 billion, down 18.7 per cent from the US\$951.2 billion figure in the prior year.
 - The release also showed the increasing shift in the United States towards “friendshoring”, with the United States importing more goods from Mexico than China for the first time in about two decades.
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Europe

- The [United Kingdom](#) announced that it had been the first major economy to halve its emissions, having cut them by 50 percent between 1990 and 2022. This, [the announcement noted](#), was a first for a major economy to halve its emission and came due to a massive shift away from coal towards renewable energy. Interestingly, the announcement also showed that during that time the United Kingdom's economy grew by almost 80 percent. The United Kingdom, like many developed economies, is increasingly diverging away from fossil fuel use as innovation and renewable energy sources become more cost-effective.
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North Asia

- Data released by [China's National Bureau of Statistics on 8 February](#) showed China's consumer prices fell at their fastest pace since the global recession in 2009, falling by 0.8 percent compared with a year earlier and well above market expectation of a 0.5 percent decline. This was the fourth consecutive month of declining prices, and raised increasing concerns among commentators that China may fall into a self-perpetuating period of deflation. Deflation can lead to lower production, rising unemployment, decreased demand, and continued price declines, as consumers delay spending and businesses are discouraged from investing.
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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

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