



**NEW ZEALAND**  
**FOREIGN AFFAIRS & TRADE**  
Manatū Aorere

# **Weekly Global Economic Round-up**



**MARKET REPORT**  
**13 February 2023**

# Highlights

- **The G7 and Australia have reached an agreement on a price cap on Russian crude oil in response to the ongoing Russian invasion in Ukraine.** They have set two price levels for petroleum, a “premium-to-crude” petroleum price level which is for products like kerosene and gasoline set at 100 U.S dollar per barrel, and a “discount-to-crude” price level set at 45 U.S. dollars for products like fuel oil. The Australia, Canada, the European Union, Germany, Italy, Japan, the United Kingdom and the United States have established this agreement as the Price Cap Coalition.
- **New Zealand contributes \$4.5 million to recovery efforts, following the earthquakes in Türkiye and Syria on 6 February.** Over 13 million people have been affected, while the death toll has surpassed 33,000 and continues to rise. New Zealand has contributed \$4.5 million in humanitarian assistance and two Fire and Emergency New Zealand specialists to the earthquake response (working remotely from New Zealand). This earthquake is expected to impact global supply chains as one major port in Türkiye has collapsed and other operations may be impacted by power outages.
- **Foreign Minister Nanaia Mahuta was in India 6 - 10 February.** Mahuta met with the Vice President of India, Hon Jagdeep Dhankar and her Indian Government counterparts, External Affairs Minister S. Jaishankar and Tribal Affairs Minister Arjun Munda. Minister Mahuta travelled to New Delhi and then to Mumbai to promote New Zealand’s education, trade and tourism interests.

# Regional updates

## Domestic

- **The minimum wage will increase by \$1.50 to \$22.70 per hour.** The increase will apply from 1 April 2023. The Training and Starting-Out minimum wage rates will remain at 80% of the adult minimum wage. It is estimated that an increase in minimum wage of 7% will have a minor inflationary impact of 0.1% on the wages portion of GDP.
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## Global

- The most recent round of **Indo-Pacific Economic Framework (IPEF) negotiations (8 – 11 February 2023) took place in New Delhi.** The negotiation round was an opportunity for officials across the grouping of 14 countries to negotiate on future-focused issues, like shoring up the resilience of supply chains; accelerating action towards a clean economy; and upholding key principles of a fair economy.

## Europe

- **Prime Minister of the United Kingdom Rishi Sunak has created 4 new government departments including a new Department for Business and Trade.** This new department will be led by former Trade Secretary Kemi Badenoch. The other three departments (which are reshaped from pre-existing entities) are Department for Energy Security and Net Zero headed up by Grant Shapps; a new Department for Science, Innovation and Technology (including online safety) to be headed up by former Culture Secretary Michelle Donelan, and changes to the Department for Culture, Media and Sport (which no longer includes digital issues) to be led by former Housing Minister Lucy Frazer.

# Americas

- **In early December 2022, the Government of Canada published its Critical Minerals Strategy**, summarising its future approach to further mining and exporting of critical minerals, and the reasons why it is in Canada’s interests to do so. It describes critical minerals as “the building blocks for the green and digital economy” and outlines five objectives it aims to deliver: supporting economic growth, competitiveness and job creation; promoting climate action and environmental protection; advancing reconciliation with Indigenous Peoples; fostering diverse and inclusive workforces and communities; and enhancing global security and partnership with allies.
- On 3 November 2022, **Canadian Deputy Prime Minister and Minister of Finance Chrystia Freeland gave an address to the House of Commons introducing the 2022 Fall Economic Statement**. The 96 page document was described by Freeland as “focused on building an economy that works for everyone... which makes life more affordable for Canadians”. The document is split into three chapters: making life more affordable; jobs growth and an economy for everyone; and a fair and effective government. It announces \$22.1 billion in new spending over 6 years, (on top of \$31.2 billion of new spending announced in the budget in April). It includes an additional \$8.5 billion during that period for “anticipated near-term pressures” – presumably a veiled reference to an impending recession. Read the [full market intelligence report](#).

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## Market Reports released this week

- Read the [previous global economic round-up](#).
- [MFAT – Monitoring Global Supply Chains: October 2022 - January 2023](#)

# Feedback

We welcome feedback from New Zealand exporters on this report and invite requests for reporting from New Zealand's network of Embassies and High Commissions. If you would like to subscribe to this weekly update, you can sign up here or email us at [exports@mfat.net](mailto:exports@mfat.net).

## 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. NZTE also provide [comprehensive market guides](#) which cover export regulations, business culture, market-entry strategies and more.
- 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 \(shinyapps.io\)](#). 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](http://www.mfat.govt.nz/market-reports)

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