



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

25 NOVEMBER 2024

Weekly Global Economic Report

MARKET INTELLIGENCE REPORT

Highlights

NZ signs trade deal with Costa Rica, Iceland and Switzerland

- Trade and Agriculture Minister Todd McClay has signed a pioneering trade agreement that prioritises New Zealand's sustainable exports at a ceremony during APEC in Peru last week.
- The Agreement on Trade and Sustainability (ACCTS), between Costa Rica, Iceland, and Switzerland was concluded in July of this year and opens up significant economic opportunities for New Zealand businesses by eliminating tariffs on key sustainable goods and services.
- This agreement also introduces the first international guidelines on eco-labelling, ensuring they do not become Non-Tariff Barriers (NTBs), and further supports New Zealand's renewable energy sector by establishing rules to prevent fossil fuel subsidies.

IPETCA Partners gather to strengthen indigenous trade and investment

- The Indigenous Peoples Economic and Trade Cooperation Arrangement Partnership Council met recently in the margins of the APEC Economic Leaders Week in Lima, bringing together Australia, Canada, Chinese Taipei, New Zealand and the United States. The membership reported back on cooperation activities done this year and identified priorities for the 2025 work plan. They also met with the APEC Informal Caucus on Indigenous Trade and Investment and participated in an Indigenous Trade Dialogue with APEC Trade Ministers.

Regional updates

Domestic

Fonterra has increased its forecast milk price to a \$9-10/kg range, a mid-point of \$9.50

- Strong demand in reference commodity products is driving up prices in recent Global Dairy Trade auctions.
 - This is not far off the 2022 prices although softer than previous peaks in 2008, 2011 and 2014. Overall the Global Dairy Trade index is 25% higher than it was 12 months ago.
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Pacific

Palau President Surangel Whipps Jr wins re-election

- President Surangel Whipps Jr has won his second term in office following the Republic of Palau's national election which ran from 5-12 November. He secured his presidency against Tommy Remengesau Jr by approximately 1,500 votes. Palau is a tourism-dependent economy which came under immense pressure during and following COVID-19. Whipps is known for spearheading several economic reforms such as the introduction of the Palau Goods and Services Tax (PGST), an increase of the minimum wage for government employees, tax refunds for low-income workers and utility subsidies. Under President Whipps, Palau is expected to implement a high-value tourism strategy which aims to attract higher-spend tourists while reducing the negative effects of tourism on the natural environment.

PACER Plus: Ministers Meeting for the region's largest and most comprehensive trade agreement

- Minister of State for Trade Nicola Grigg was in Brisbane on 15 November for the annual Pacific Agreement for Closer Economic Relations Plus (PACER Plus) Ministers meeting. This was the first in-person Ministers meeting since PACER Plus came into force in 2020.
 - Ministers were positive about the impacts of PACER Plus in their countries. Some key topics included recognition that the Agreement's success relies on the private sector, and that supporting the private sector should be a core focus for the Agreement moving forward. Parties also agreed on an ambition to increase overall trade outcomes, and acknowledged the opportunities and impacts of labour mobility on economic growth.
 - While there are currently ten members, New Zealand hopes for all Pacific Island Forum members to join PACER Plus. Nauru, who has signed, but not ratified the Agreement attended as an observer. Fiji did not attend, but is currently undergoing domestic consultations to inform their re-engagement with the Agreement.
 - For more information about PACER Plus and how it can help trade within the Pacific, see MFAT's [PACER Plus overview page](#), or our "[Using PACER Plus](#)" page..
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Europe

Milk production reached 160.8 million tonnes in 2023

- EU farms produced an estimated 160.8 million tonnes of raw milk in 2023. This marks an increase of 0.8 million tonnes compared with 2022 and a rise of 15.8 million tonnes compared with 2013. New Zealand produces approximately 21 million tonnes.
 - Germany was the largest producer of drinking milk in the EU, accounting for 19% of the total production. It was also the top producer of acidified milk products (27%), butter (20%) and cheese (22%).
 - Spain ranked second in drinking milk production, with 15% of the EU total, followed by France (13%). The Netherlands was the second largest producer of acidified milk products (17%), followed by Poland (10%).
 - France was the second largest producer of both butter and cheese (18% of the EU total for each product). Ireland ranked third in butter production (13%), while Italy was third in cheese production (13%).
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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.
- 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

If you would like to request a topic for reporting please email exports@mfat.net

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To learn more about exporting to this market, New Zealand Trade & Enterprise's comprehensive [market guides](#) cover export regulations, business culture, market-entry strategies and more.

To contact the Export Helpdesk

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