



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

26 JUNE 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- New Zealand has moved into the top spot for attracting highly-skilled migrants in 2023, swapping places with Australia which now sits 4th according to the latest OECD talent indicator reports. New Zealand also secured a high ranking for attracting entrepreneurs, behind only Sweden, Switzerland, Canada and Norway. For start-up founders, New Zealand was ranked around the middle of the pack, at 14th of the 24 countries included in this report. This was due to a low ranking on quality of opportunities, income and tax.
- The [Government is making changes to the Skilled Migrant Category](#) (SMC) as part of the immigration rebalance. The changes will see no cap on highly skilled workers coming into the country; a new six-point system for migrants to check their eligibility; and an extension of the Accredited Employer Work

Regional updates

Domestic

- New Zealanders are invited to [have their say on the New Zealand Emissions Trading Scheme](#) (NZ ETS) and the NZ ETS permanent forest category, with public consultation opened last week.
 - The government has ordered the Commerce Commission to conduct a study into the competitiveness of the banking sector, including an assessment of profitability and competition. The study is to ensure banking services are working well for consumers, and will be completed by August 2024.
 - New Zealand Kiwifruit growers' production is down significantly in 2023 owing largely to storms earlier in the year. Expected production in 2023 will be more than 20 million trays below original expectations and down significantly from 2022. As such only about half of New Zealand's kiwifruit growers are expected to break even this year.
 - Paid parental leave entitlements will increase on 1 July, putting an additional \$51 a week into the pockets of new parents or an additional \$1327 for those taking the full 26 weeks of parental leave.
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Global

- The OECD's flagship event, the Meeting of the Council at Ministerial level (MCM), has just wrapped up for another year. MCM advanced a number of issues of significance to New Zealand, with a strong focus on economic resilience, gender, and engagement with the Indo-Pacific region.
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Americas

- [US Secretary of State Antony Blinken travelled to Beijing](#) 18-19 June. Secretary Blinken met with China's President Xi Jinping, Director Wang Yi, and State Councilor Qin Gang, with both sides stressing the need for the world's two largest economies to reduce the potential for miscalculation, improve people-to-people contacts, and cooperate on transnational issues (e.g. climate change, food security, and global macroeconomic stability). The engagement is part of a broader attempt by the US and China to reduce bilateral tensions.
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Australia

- The Critical Minerals Strategy was released by Australia's Minister for Resources on 20 June, it seeks to make Australia a globally significant producer of raw and processed critical minerals. The Strategy highlights six focus areas - including attracting investment and building international partnerships, and growing a skilled workforce. It provides a framework to guide future policy decisions to maximise the national benefits of the country's critical minerals. Independent modelling indicates increasing exports of critical minerals and developing onshore refining and processing capabilities could create upwards of 260,000 new jobs, and add AUD\$133.5 billion to GDP by 2040.
 - On 21 June 2023, the Australian Government announced the establishment of the Australian Jet Zero Council. The council brings together a cross-section of senior stakeholders from across the aviation sector and its supply chains to lead efforts to deliver net zero aviation in Australia. Furthermore, the Sustainable Aviation Fuel Funding Initiative was announced with AUD\$30 million in grant funding to support development of domestic Sustainable Aviation Fuel production from agricultural feedstocks, administered by Australian Renewable Energy Agency (ARENA).
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Europe

- UK core inflation (inflation excluding items with volatile prices such as food and fuel) has risen to its highest level since April 1992 at 7.1%. Meanwhile headline inflation in May remained unchanged at 8.7% from the previous month. This exceeded expectations of a fall to 8.4%.
 - The EU has extended the Autonomous Trade Measures providing Ukraine with free access to the EU market until 6 June 2024, as part of its response to Russia's war. At the same time the exception to the rule - the restriction on imports of grains and oilseeds into the "frontline" EU states bordering Ukraine (other than for transit) - has been extended until 15 September 2023.
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Middle East and Africa

- The recent round of negotiations on the New Zealand-Gulf Cooperation Council Free Trade Agreement was held in Riyadh between 30 May-1 June. This was the first in-person round since the recommencement of negotiations. Technical working groups were held on both goods market access and labour and environment issues. Both parties engaged constructively, though a number of issues remain open in both areas of the negotiation.
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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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