



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

27 NOVEMBER 2023

# Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

# Highlights

- The APEC Economic Leaders' Week held 11-17 November provided a valuable platform for New Zealand to deepen its relationships with member economies. Minister O'Connor, who attended on behalf of the caretaker Government, represented New Zealand at several Ministerial-level groupings and had numerous formal and informal meetings with trade and foreign ministers, as well as leaders from a range of APEC member economies.

# Regional updates

## Domestic

- [New Zealand's trade deficit](#) narrowed slightly in October, at \$1.7b (versus \$2.3b in the same month a year earlier). The decline was driven by a fall in overall trade, with exports falling 9.3 percent, while imports fell 14 percent (to \$5.4b and \$7.1b respectively). Milk powder, butter and cheese led the fall in exports, however, Infant formula exports, rose 17 percent to \$240 million. The annual trade deficit for the year ended Oct 31 was \$14.8b, made up of \$69.7b of exports and \$84.5b of imports.
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## Americas

- Javier Milei won the second round of the Argentinian Presidential election last week against current Economy Minister Sergio Massa. The election was largely dominated by economic issues, with inflation in Argentina currently at 143 percent. Milei proposes significant economic reform including scrapping the Central Bank and dollarizing the economy. With a minority in Congress, he will face challenges in implementing changes. However, New Zealand businesses may benefit from his commitment to remove import restrictions (a change not requiring congressional approval). Milei will take office on December 10 and is not expected to announce his cabinet until just before this date.
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## Europe

- On 22 November, the European Parliament voted in favour of ratifying the New Zealand-European Union Free Trade Agreement (NZ-EU FTA), with 524 votes in favour, 85 against and 21 abstentions. This is the largest majority in favour of any EU trade agreement since 2011. The Agreement was signed on 9 July 2023 in Brussels. Once in force it is expected to provide an annual boost to the New Zealand economy of up to \$1.4 billion, and increase exports to the EU by up to \$1.8 billion per year by 2035. The EU is New Zealand's fourth-largest trade partner, with two-way goods and services trade worth \$20.2 billion in 2022, accounting for 10.3 percent of New Zealand's total trade in goods and services.
- New Zealand needs to pass implementing legislation in order to ratify the agreement. Once both Parties have completed ratification, they will notify each other and agree on a date for the agreement to enter into force.

- The United Kingdom's (UK) Office for Budget Responsibility (OBR) provided a sobering update on the UK's economy last week. The OBR projected growth of 0.7 percent in 2024 and 1.4 percent in 2025 respectively, as inflation takes longer to fall. Critically, living standards are not expected to return to pre-pandemic levels until 2027-28.
  - MFAT has released a market intelligence report on the [potential opportunities offered by the UK wind power sector](#). Notwithstanding the challenging economic outlook in the UK, the sector is almost certain to grow, and opportunities in peripheral sectors (transport, training, maintenance) will grow alongside it. There are also opportunities for New Zealand businesses, iwi, government agencies, and local authorities to learn from the UK's offshore wind experience.
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## North East Asia

- The sixth annual China International Import Expo (CIIE) took place in Shanghai from 5-10 November 2023, attended by 55 New Zealand exhibitors, multiple industry delegations and official attendance led by New Zealand Ambassador. CIIE continues to be China's premier trade-focused event and is an area of opportunity for future years. Premier Li Qiang hosted an opening ceremony attended by five foreign leaders (including Australian Prime Minister Anthony Albanese), 66 ministers and 1500 guests. A significant benefit for New Zealand exhibitors at the event is that CIIE provides a platform for positive, extensive publicity and media coverage, with state media companies in attendance to lift CIIE's profile to the domestic (China) and international audience.
  - Japan released a revised [Hydrogen Basic Strategy](#) in June 2023, identifying several core strategic areas which it views as critical to securing its industrial competitiveness in global hydrogen – including through the commercialisation of technology such as electrolyzers. Japan's focus in this area presents opportunities for New Zealand to cooperate in joint research and pilot projects over the coming decades.
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## South East Asia

- The final estimate for Singaporean third quarter gross domestic product showed the economy grew 1.1 percent, slightly better than expectations, and full year growth for 2023 is expected to be roughly 1 percent. The forecast for the Singaporean economy in 2024 is mixed with inflation expected to remain elevated and global demand to remain constrained.
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# Upcoming events

- The ASEAN New Zealand Business Council, in collaboration with MFAT and New Zealand Trade and Enterprise, is hosting a webinar showcasing the results of its most recent NZ ASEAN Trade Survey Insights on 28 November (5:30pm-6pm, New Zealand time). James Robertson, Trade Strategy Manager from Fonterra, will be the guest speaker for the event and will outline the survey's outcomes. MFAT will also attend to provide information on our export services. You can register your interest to attend on the [ASEAN New Zealand Business Council website](#).
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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](http://www.mfat.govt.nz/market-reports)

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