



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- In its latest [World Economic Update](#), the International Monetary Fund (IMF) projects continued below-trend global growth in 2024. Advanced economies are expected to grow by 1.5 percent on average in 2023 and 1.4 percent in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024. The bright spot in the report is that global inflation is forecast to continue to decline steadily, from 6.9 percent in 2023 to 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices.

Regional updates

Domestic

- New Zealand has been ranked first in the Hinrich Foundation-IMD [Sustainable Trade Index](#) for the second year in a row. The Index is a comprehensive measure of 30 major economies' ability to trade in an economically, socially and environmentally sustainable way.
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Pacific

- On 17-20 October, the Commonwealth Secretariat held a three-day workshop in Suva, Fiji, focusing on the 'Effective legal frameworks for Building the Digital Economy'. At the end of the workshop, the Commonwealth Secretariat announced the formal establishment of the Pacific Regional E-commerce Alliance, which aims to support e-commerce development in the Pacific region, focusing on raising awareness, mobilising resources, and promoting partner coordination.
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Australia

- Australian Prime Minister Anthony Albanese had a series of notable announcements during the past week. During a state visit to the United States on 25 October, the Prime Minister announced additional financing for Microsoft's investment in the Australian innovation and the Australian critical minerals sectors. Under the plan, Microsoft will make an additional AUD\$5 billion investment in Australia, progressing Australia's goal of becoming a world-leading digital economy. The investment will enable the expansion of Microsoft's Australian hyperscale cloud computing and artificial intelligence (AI) infrastructure over the next two years. It will also enable the expansion of the local data centre footprint from 20 to 29 sites across Sydney, Canberra and Melbourne, and create an extra 300,000 places in its AI and cloud skills program.
- Prime Minister Albanese also announced a further AUD\$2 billion to expand the Australian critical minerals sector, with the aim to unlock Australian reserves of lithium, nickel and other essential elements for batteries and other renewable technologies. This aligns with the shared US-Australia objective of increasing the supply of minerals, as captured by the Climate, Critical Minerals and Clean Energy Transformation Compact.

- Prime Minister Albanese will travel to China (4-7 November) where he will meet with President Xi Jinping and Premier Li Qiang. This will be the Prime Minister's first visit to China, and the first visit to China by an Australian Prime Minister since 2016. According to the Prime Minister's statement, the leaders are expected to discuss cooperation in a range of areas including economic links, climate change and links between people. The visit will take place shortly after Albanese's official visit to Washington DC, 23-26 October. The China trip was announced on 22 October, following a breakthrough in Australia's World Trade Organisation dispute with China over wine tariffs. China has agreed to undertake an expedited review of its duties, which is expected to take five months.
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Americas

- Despite predictions of a global slowdown, the United States economy continued to surge during the third quarter. Initial estimates released by Commerce Department's Bureau of Economic Analysis showed that the world's largest economy grew at a rate of 4.9 percent, more than twice the rate of growth in the second quarter of 2023 (2.1 percent). The Commerce Department said that the expansion during the third quarter was driven by a surge in consumer spending, inventories, exports, residential investment and government spending.
 - Argentina presidential election is heading to a run-off on November 19 after none of the candidates crossed the necessary threshold to win an outright victory during the first round of voting on 22 October. The run-off election will see Javier Milei, a libertarian economist take on Sergio Massa, the current Minister for the Economy. The economy has been the main focus of the election with inflation rising at an annual rate of 138 percent in the latest (September) report.
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Europe

- The IMF's World Economic Update also projects that Germany will overtake Japan as the world's third largest economy (at market exchange rates) by the end of 2023. This has been driven primarily by a slide in the yen against the dollar and the euro, but also points to steadier long-term growth in Germany compared to Japan, which has experienced weak economic growth since the 1990s.
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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.
- Tatauranga 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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