



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

17 JULY 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- The Reserve Bank of New Zealand has left the [Official Cash Rate unchanged](#) for the first time in nearly two years. The OCR will remain at 5.5% as the Bank seeks to constrain inflation levels, currently at 6.7% year-on-year.
- The [NATO Summit](#) took place in Vilnius, Lithuania last week. Allies agreed to the most detailed and robust defence plans since the Cold War, strengthened their commitment to defence investment and agreed to bring Ukraine closer to NATO. At the Summit allies reaffirmed Ukraine will become a part of NATO.
- Last weekend Auckland played host to international Trade Ministers as New Zealand hosted the 7th Commission Meeting of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). New Zealand welcomed United Kingdom Trade Secretary Kemi Badenoch to take part in a signing ceremony to mark the United Kingdom's formal accession to CPTPP. The United Kingdom's membership of CPTPP sits alongside New Zealand's bilateral Free Trade Agreement, giving Kiwi exporters greatly expanded access to the world's sixth largest economy. Find out more about [New Zealand's Chair and Host year](#) and the CPTPP Agreement.

Regional updates

Domestic

- As the FIFA Women's World Cup Australia & New Zealand 2023™ gets underway, New Zealand Trade and Enterprise will be hosting an in-person event; [Taking on the world: Ambitious Leaders making their mark](#) in Ponake (Wellington) on Thursday 27th July. During this inspiring gathering, you will hear first-hand accounts from individuals who have embraced risk, broken boundaries and forged their own paths to success.
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Pacific

- Aotearoa New Zealand recently imported over 2,000 kilograms of taro from Samoa tariff free under the Pacific Agreement on Closer Economic Relations (PACER) Plus. The PACER Plus Implementation Unit (PPIU) supported the collaboration of farmers in Samoa to collectively export their produce. The PPIU utilized its networks to facilitate collaboration among parties and this has resulted in demand for Samoan taro at Papakura Wholesale Meats Direct to soar.
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Europe

- Germany has adopted new legislation that introduces husbandry labelling for animal products, starting with unprocessed pork. Labelling will be mandatory for domestic products and voluntary for (and open to) imported products. Beef and dairy are expected to be included later.
 - Spain's lengthy drought has put the nation's water reservoirs under constraint and threatened primary production. Extensive shortage in food production this season will have impacts for food supply and prices within Europe and beyond. While short-term government measures have alleviated some of the impacts on growers in Spain, longer term solutions to water management in particular are required. New Zealand agritech companies have an opportunity to engage with the world's tenth largest agrifood producer.
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Asia

- Despite sluggish economic growth caused by contracting exports and slow GDP growth, private consumption and spending in South Korea remains high. Global trends have caused a dip in Korea's manufacturing industry and tech exports (particularly semi-conductors), but favourable employment conditions remain and individual spend on the goods and services important to Koreans remain high. Aotearoa New Zealand already enjoys high favourability in the health supplements market in Korea – both for the quality of its raw ingredients (e.g. deer velvet, mussel oil) and value-added products (e.g. Manuka honey, colostrum protein). New Zealand is ranked the second largest international seller of health supplements in Korea after the US.
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Americas

- US Treasury Secretary Janet Yellen visited Beijing from 6 to 9 July, marking the first high-level economic talks between the United States and China since the beginning of the Biden Administration. During her visit Yellen held 10 hours of meetings with four of China's top economic policymakers, including her counterpart Vice Premier He Lifeng. The visit came shortly after the recent visit of Secretary of State Blinken to Beijing last month.
 - The Dominican Republic's efforts to combat corruption and support economic growth has turned it into the fastest growing economy in Latin America and Caribbean and made it an increasingly attractive market for foreign companies and investment, New Zealand included.
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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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