



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

20 NOVEMBER 2023

Weekly Global Economic Round-up

A MARKET INTELLIGENCE REPORT

Highlights

- New Zealand Minister for Trade and Export Growth Damien O'Connor travelled to San Francisco to attend the Asia Pacific Economic Cooperation Economic Leaders' Week from 12 to 15 November. During his visit, Minister O'Connor met with counterparts from the United States, Singapore, Korea, Australia, Japan, the United Kingdom, Indonesia and India.
- On 16 November 2023, New Zealand and its [Indo-Pacific Economic Framework for Prosperity](#) (IPEF) partners announced the substantial conclusion of negotiations of the Clean Economy Agreement under Pillar III and the IPEF Fair Economy Agreement under Pillar IV. There was also an agreement on the Indo-Pacific Economic Framework for Prosperity, which seeks to establish a ministerial-level council and commission to support ongoing cooperation. Once signed, the IPEF Parties can complete the approval procedures necessary for ratification and entry into force of the three concluded IPEF Agreements. Negotiations will continue under the Trade Pillar.
- Auckland University's Public Policy Institute is hosting its annual [Auckland Trade and Economic Policy School](#) (ATEPS) on Tuesday 21 November at the beautiful Fale Pacifika. Join us for #ATEPS 2023 to explore "Leading Trade Agreements for Sustainable Futures". New Zealand trade thought-leaders will explore the changing international trade environment, Inclusive trade and the importance of engaging the public and translating the value of trade, [it is not too late to register](#).

Regional updates

Domestic

- The Technology Investment Network's TIN200 report was released last week. The report found that the revenue of New Zealand's top 200 technology companies grew by 12 percent year-on-year to reach \$17.13 billion. This growth was driven in large part by increases in offshore revenue, which accounted for 76 percent of total revenue and grew by 13 percent over the same period.
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Americas

- Economic data released last week from the United States continues to paint a picture of stability among an increasingly unstable world economy. Consumer prices increased by 3.2 percent in the 12 months to October, down from 3.7 percent a month earlier, with a sharp monthly decline noted in energy prices. The data raises the probability that the United States may be able to achieve a so-called 'soft landing', where inflation returns to its pre-pandemic norm without a recession or significant economic downturn.
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Europe

- The economic outlook in Europe was less rosy. [The European Union lowered its growth forecast](#) for 2023 and 2024, noting that the economy "has lost momentum" as inflation discourages consumers and higher interest rates deter borrowing for purchases and investment. The outlook was lowered to 0.6% from 0.8% for 2023 in the 20 countries that use the euro currency, and to 1.2% from 1.3% for 2024. The European Union also noted that Europe is particularly exposed to risks of trouble spreading from Russia's ongoing war against Ukraine and the Israel-Hamas war in Gaza.
 - The UK economy failed to grow in the July and September quarter, after a succession of interest rate rises. Forecasters suggest the UK economy is set to be stagnant for several months, and the Bank of England recently said that the UK was likely to see zero growth until 2025.
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North East Asia

- On 19 October the Embassy of the Republic of Korea (South Korea) hosted the Korea – New Zealand Smart Collaboration Forum in Wellington. The event brought together a range of experts to discuss energy transition policy and smart cities and involved business leaders, local government representatives and policy makers. The event highlighted the potential for closer collaboration between Korea and New Zealand in addressing energy security and developing smart cities in a low-carbon and climate resilient future.
 - Economic data released by Asia's two largest economies was mixed this week, with retail sales and industrial value added growth accelerating, but China's consumer prices fell again in October (declining by 0.2 percent), heightening concerns that China could be suffering from deflation. Growth in fixed-asset investment continued to slow amid continuing deterioration in the Chinese property market.
 - Similarly, Japanese economic data showed cast a downbeat picture, with preliminary data showing that the economy shrank at an annual pace of 2.1 percent in the July-September period. This was primarily driven by rising domestic inflation which weighed on consumer demand and added to lower exports as demand waned. The decline is part of an unstable trend in the Japanese economy since the start of the Covid-19 pandemic that has seen periods of economic expansion alternating with contraction.
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South East Asia

- India is on track to become the world's third largest economy by 2027, surpassing Japan and Germany, and to have the third largest stock market by 2030, [according to new research by investment bank Morgan Stanley](#). This strong growth over the next five years is being driven by three megatrends, which includes global offshoring, digitalisation and energy transition. Morgan Stanley assess that this will create a once-in-a-generation shift and opportunities for investors and businesses.
 - Economic growth in Singapore should rebound next year after a period of below-trend growth in 2023. Despite the slowdown in 2023, New Zealand exports performed well in the Singaporean market, with double-digit growth for a number of products. There is scope for further growth as Singapore's economy recovers and continues its efforts to increase its resilience.
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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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