

January 2025.

Minister Louise Upston

MP for Taupō

Money is made round to go round, as the saying goes, and commerce is the vehicle for making that happen.

The Coalition Government recognises that commerce, particularly exporting, is essential to New Zealand's wealth, and consequently, New Zealanders' wellbeing. It means we can afford world-class public services like health and education. It means we can create jobs and raise incomes to lift all New Zealanders' standard of living.

That's why we have a global focus. Our goal is to double the value of exports in 10 years. We've made progress on significant trade agreements, including signing the European Union Free Trade Agreement, and the New Zealand–United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA).

The UAE is one of our largest markets in the Middle East. Goods and services exports totalled \$1.15 billion in the year to September 2024 and New Zealand companies will have significant opportunities to grow and diversify exports into this market.

To increase capital investment in critical infrastructure, boost innovation in key sectors, and attract world-class talent, we have developed a new initiative – Invest New Zealand (INZ) – to position New Zealand as an attractive destination for foreign direct investment (FDI) and streamline the investment process.

INZ will incubate under the New Zealand Trade and Enterprise (NZTE) umbrella before transitioning to a new Autonomous Crown Entity. NZTE will be refocused with a single mandate to support New Zealand businesses to export more and grow international markets.

Unlocking tens of billions of dollars in global investment opportunities will significantly increase the capital available to support key roading and energy infrastructure and make New Zealand a more attractive and predictable destination for investors.

We're also reforming the science sector to encourage more discoveries and breakthroughs, more commercialising of our brilliant ideas, more start-ups leading to more IPOs, and more opportunities for New Zealanders to compete internationally.

In our first year in government, we restored discipline to public spending and lowered inflation and interest rates, laying the foundations for economic growth and consequent investment, jobs and higher incomes.



A fortnight ago, Stats NZ reported that last quarter inflation was at 2.2 per cent, the second consecutive quarter that the annual rate has met the Reserve Bank's target band of 1–3 per cent.

The domestic component of that inflation declined from 4.9 per cent in the year to September to 4.5 per cent in the year to December which suggests there is scope for further Official Cash Rate (currently 4.75 per cent) reductions in the coming months – potentially good news for mortgagors. The average interest rate paid on residential mortgages fell in November for the first time since September 2021.

Our tax package has provided the first tax relief in 14 years, benefitting 83 per cent of New Zealanders. That includes more than 40,000 families benefitting from FamilyBoost payments of up to \$150 per fortnight to help with early childhood education costs.

Lower inflation and interest rates, coupled with tax relief, means families are spending less on essentials, which eases the pressure on household budgets, and allows them to repay debt and save for the future. It also frees up household cash to be spent in local businesses, encouraging investment and growth.

Prime Minister Christopher Luxon recently reshuffled his team to focus on this year's priorities of economic growth and creating more opportunities for businesses.

To reflect this, the Economic Development portfolio has been renamed Economic Growth, and it has been assigned to Minister of Finance Hon Nicola Willis in addition to her existing portfolios. She will be looking at initiatives to encourage business growth, develop talent and attract investment.

Bringing tourist dollars into New Zealand is part of our economic growth strategy. As the freshly minted Minister for Tourism and Hospitality, I have a special focus on the sector – a critical area for growth and employment, particularly in the regions.

International visitors stopped coming during the COVID-19 pandemic, and while numbers are steadily rising, they haven't yet returned to pre-pandemic levels.

Nevertheless, for the year ended March 2023, Tourism was New Zealand's second-largest export earner, contributing \$10.8 billion, or 11.4 per cent of New Zealand's total exports of goods and services.

I will be encouraging organisers to bring international events to our shores, like the recent VinFast IRONMAN 70.3 World Championship which brought 6000 of the best professional and age group triathletes (and their supporters) from 119 countries around the world to Taupō. Having made the trek to New Zealand, many of them visited other parts of the country as well.

These are the types of events we can piggyback on, encouraging visitors to stay longer and spend more, and of course spread the word about their fantastic experiences to friends and family back home.

The recent New Zealand Institute of Economic Research Quarterly Survey of Business Opinion shows an uptick in business confidence in the last quarter (October – December 2024), the highest level since 2021, and an expectation of increased economic activity.

Happy New Year! I'm optimistic it's going to be a good one!

Authorised by Louise Upston MP, 67 Paora Hapi St, Taupō