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NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD  
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

## Scholarship 2022 Economics

### RESOURCE BOOKLET

Refer to this booklet to answer the questions for Scholarship Economics.

Check that this booklet has pages 2–8 in the correct order and that none of these pages is blank.

**YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.**

## PROTECTIONIST TRADE POLICIES AND ALLOCATIVE EFFICIENCY

## RESOURCE A: What is dumping?

duties / tariffs can be imposed.

### RESOURCE B: Evidence of hot potato chip glut dumping in New Zealand

There is evidence of European-produced frozen potato fries being dumped

New Zealand's potato industry contributes just over \$1 billion a year to the economy.

**RESOURCE C: New Zealand specialty cheesemakers call for tariffs on EU imports**

Kiwi cheese producers say they can't compete with cheap European products

It's landing here basically half price in containers and we see it on the shelves now."

**RESOURCE D: Protectionist policies**

- Tariff (anti-dumping duty) on potato fries and specialty cheese.
- Research and development grant to increase productivity in New Zealand potato and specialty cheese industries.

## REDUCING SMOKING INCIDENCE AND INEQUITIES IN NEW ZEALAND

### RESOURCE E: An end to cigarettes? New Zealand aims to create a 'smoke-free generation'

New Zealand has announced a suite of

The move also sparked questions about the extent to which the government should intervene in people's lives.

### RESOURCE F: Tobacco use takes a toll on health and wellbeing

Tobacco use is the single biggest cause of premature death and ill health

often state that they wish to quit, but in reality, find they cannot.

### RESOURCE G: 'Smoke-free generation'

Under this proposed policy, it would be illegal for people currently aged 14 and under to buy tobacco in their lifetime. Banning the sale of cigarettes to younger members of society will create a 'smoke-free generation'.

RESOURCE H: Options to achieve the goals of a Smokefree Aotearoa 2025 Action


## INFLATIONARY PRESSURES AND THE NEW ZEALAND ECONOMY

### RESOURCE I: Further increase in the Official Cash Rate (OCR) (as at November 2021)

The Monetary Policy Committee agreed to raise the OCR to

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] by higher oil prices, rising transport costs, and the impact of supply shortfalls.

### RESOURCE J: Official Cash Rate

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

**RESOURCE K: Economic forecasts in December 2021****New Zealand economy – annual average % change**

	2021	2022(f)*	2023(f)*
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

\* - forecast

**RESOURCE L: New Zealand's capacity utilisation****New Zealand economy – annual average % change**

Quarter	Capacity Utilisation
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

**RESOURCE M: Inflation expected to reach the highest level in 31 years (as at January 2022)**

Inflation is expected to reach its highest level in 31 years in 2022. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED], have significantly driven up construction costs.

## Acknowledgements

Material from the following sources has been adapted for use in this examination:

### Resource A

<https://www.mbie.govt.nz/assets/4aac26c6ac/peaches-in-preserving-liquid-from-china-non-conf-initiation-report.pdf>  
[https://www.wto.org/english/tratop\\_e/adp\\_e/adp\\_info\\_e.htm#:~:text=Under%20Article%20VI%20of%20GATT,the%20importing%20country%20is%20suffering](https://www.wto.org/english/tratop_e/adp_e/adp_info_e.htm#:~:text=Under%20Article%20VI%20of%20GATT,the%20importing%20country%20is%20suffering)  
<https://www.mbie.govt.nz/cross-government-functions/regulatory-stewardship/regulatory-systems/trade-regulatory-system/>

### Resource B

<https://www.rnz.co.nz/news/business/439390/evidence-of-hot-chip-glut-dumping-in-nz-industry-group-says> 29 March 2021  
<https://www.stuff.co.nz/business/124923439/investigation-finds-dutch-company-dumping-frozen-fries-in-nz>

### Resource C

<https://www.farmersweekly.co.nz/cheese-imports-leave-bad-taste/>  
<https://www.newshub.co.nz/home/rural/2020/07/new-zealand-specialty-cheesemakers-call-for-tariffs-on-eu-imports.html>

### Resource E

<https://www.theguardian.com/world/2021/apr/16/new-zealand-aims-to-create-smoke-free-generation-cigarettes>

### Resource F

<https://www.health.govt.nz/our-work/preventative-health-wellness/tobacco-control/smokefree-aotearoa-2025c>  
<https://www.stuff.co.nz/national/politics/103942557/addiction-to-cigarette-taxes-rising-to-22b>

### Resource H

<https://www.health.govt.nz/publication/proposals-smokefree-aotearoa-2025-action-plan> (15 April 2021)

### Resource I

<https://www.rbnz.govt.nz/news/2021/11/mpc-continues-to-reduce-monetary-stimulus>

### Resource J

<https://www.rbnz.govt.nz/monetary-policy/official-cash-rate-decisions>

### Resource K

<https://www.anz.co.nz/about-us/economic-markets-research/economic-outlook/>

### Resource L

<https://tradingeconomics.com/new-zealand/capacity-utilization#:~:text=Capacity%20Utilization%20in%20New%20Zealand%20averaged%2091.39%20percent%20from%202008,the%20first%20quarter%20of%202009.>

### Resource M

<https://www.stuff.co.nz/business/127576940/inflation-expected-to-reach-the-highest-level-in-31-years-so-what-will-cost-more-in-2022>