

Asia-Pacific Trade Briefs: New Zealand

- New Zealand’s merchandise exports grew by a healthy 5.7% in 2013, compared to the Asia-Pacific average of 2.1%. Merchandise import growth of 3.6% was also above the regional average of 2.3%. New Zealand services exports contracted by 0.6%, while services imports grew by 1.5%; for the Asia-Pacific region these figures were 4.9% and 4.2% respectively. New Zealand has run trade deficits since 2011. In 2013, the deficit at \$196 million was comparable to the level of previous years [Figures 1 and 2].
- FDI inflows have fallen significantly since 2011. In 2013, FDI inflows contracted by 55.2% to \$986 million. FDI outflows have been quite erratic since 2010: after a fall in 2012, the FDI outflows increased to \$691 million in 2013 [Figures 1 and 4].
- The largest single source of FDI in New Zealand was Australia, which accounted for 36% of total greenfield FDI inflows, followed by the United States with 18%. The same countries are also important as destinations for New Zealand’s outward FDI. Twenty-two percent of greenfield FDI from companies in New Zealand went to Australia and 20% to the United States [Figure 5].
- Compared to the regional average, New Zealand has a relatively open trade regime. Average MFN bound and applied tariffs at 10.2% and 2% are lower than the Asia-Pacific average. The effectively applied average tariff rate of 2.9%, which also reflects preferential tariff rates where available, is significantly below the regional average of 7.2%. New Zealand’s binding coverage is 100% [Figure 3].
- New Zealand has 10 trade agreements in force, which is above the regional average of 7.2. For both exports and imports, 48% are with PTA partners, somewhat higher than the Asia-Pacific average of 38% for exports and 45% for imports [Figure 6].

Figure 1. Key Trade and Investment Indicators

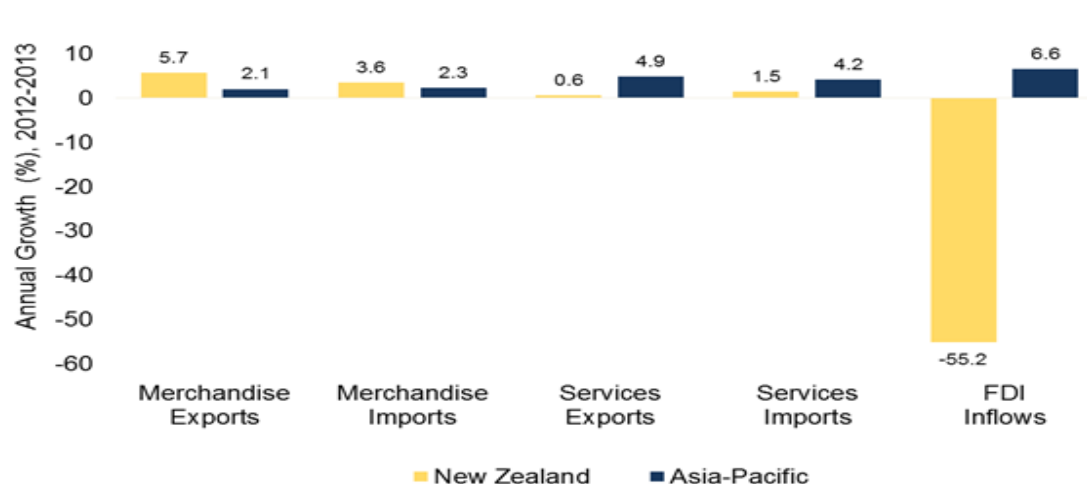


Figure 2. Merchandise Trade

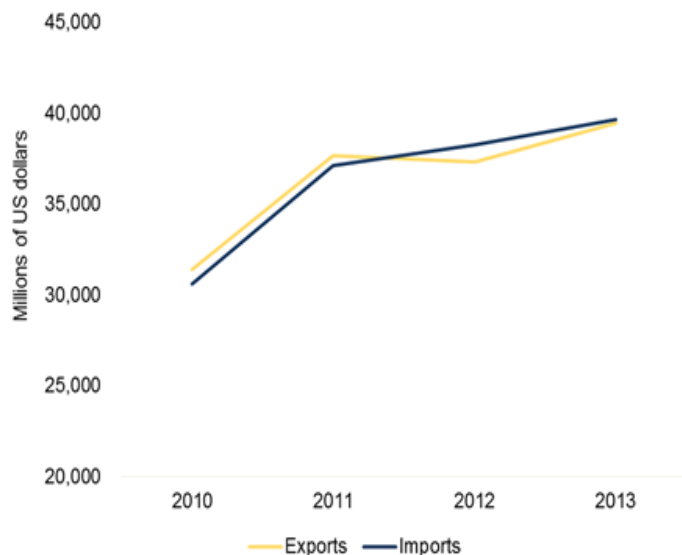


Figure 3. Average Tariffs

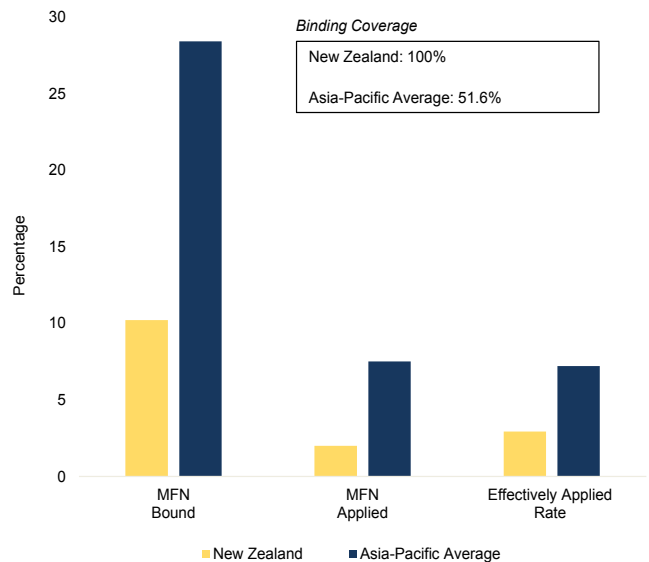


Figure 4. FDI Flows

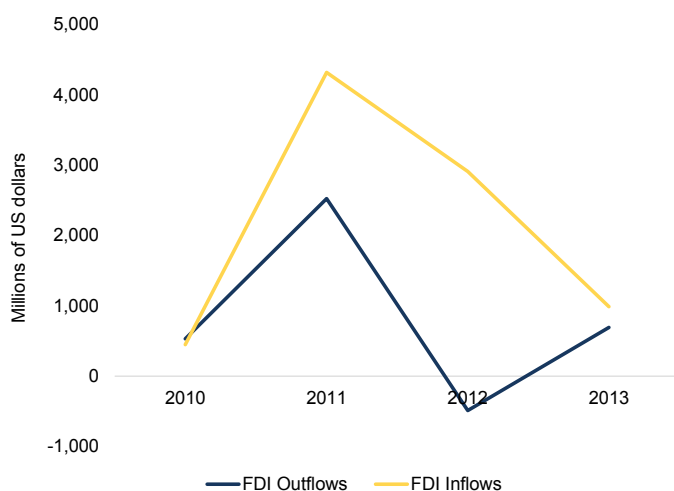
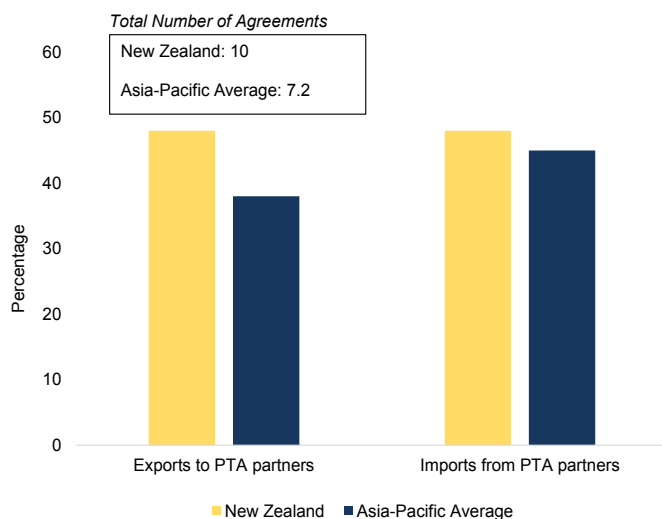


Figure 5. Top 5 FDI Partners

Sources of inward greenfield FDI	Share of total (Avg. % 2010-2012)	Destinations for outward greenfield FDI	Share of total (Avg. % 2010-2012)
Australia	36%	Australia	22%
United States	18%	United States	20%
United Kingdom	11%	China	17%
Switzerland	8%	India	6%
India	6%	The Netherlands	3%

Source: fDi Intelligence 2014

Figure 6. Preferential Trade Agreements



Notes

FDI: foreign direct investment
PTA: preferential trade agreement
MFN: most-favoured nation
Definitions:
Exports to PTA partners: share of exports to PTA partners in total exports. Average over 2010-12.
Imports from PTA partners: share of imports from PTA partners in total imports. Average over 2010-12.
MFN Applied: tariffs applied on imports among WTO members.
MFN Bound: maximum MFN tariff levels agreed to as part of WTO obligations.
Effectively Applied Rates: the lowest available tariff on a product category i.e. the preferential rate if available.
Binding Coverage: percentage of product lines with an agreed bound rate.
Average Tariffs: simple average, data is for year 2012.

Source: Asia-Pacific Trade and Investment Report (APTIR) 2014 unless otherwise specified.

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