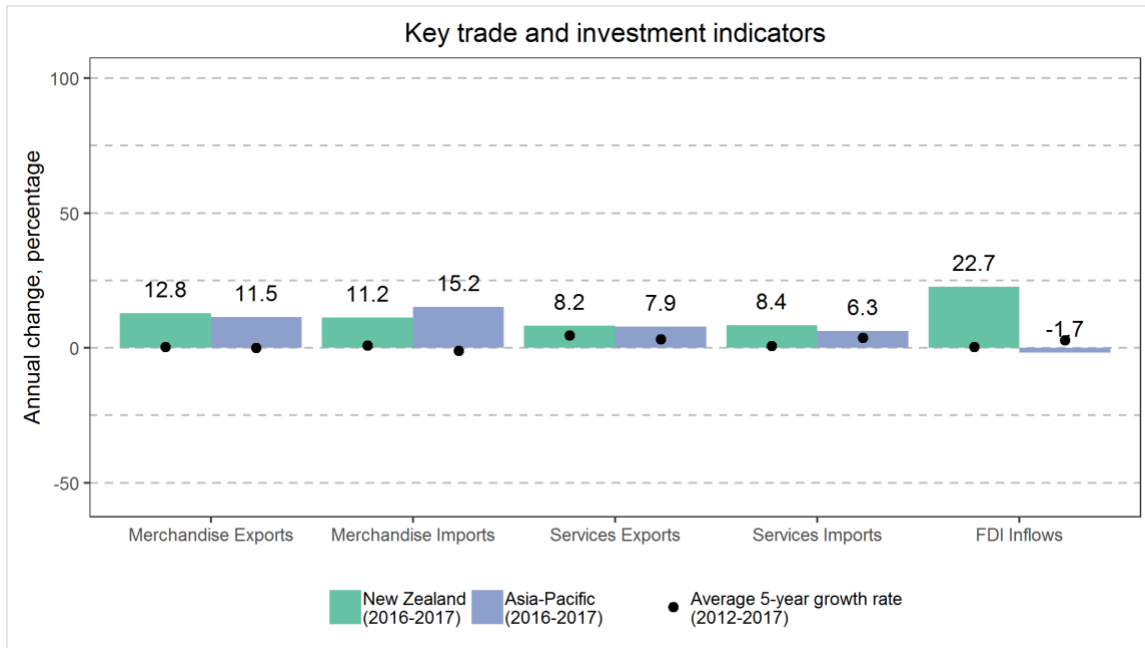




Asia-Pacific Trade Briefs: New Zealand



Merchandise Trade

New Zealand has a trade-to-GDP ratio of 51.96%. Merchandise trade accounted for 73.1% of New Zealand's total trade in 2017. New Zealand's merchandise exports grew by 0.4% on average during 2012-2017, higher than the Asia-Pacific average of 0% during the same time period. In 2017, New Zealand's merchandise exports grew by 12.8%, while in the Asia-Pacific region they increased by 11.5% in the same year. Meanwhile, New Zealand's merchandise imports increased by 1% on average during 2012-2017, and recorded an increase of 11.2% between 2016 and 2017.

Services Trade

In 2017, New Zealand's commercial services' shares of total exports and imports were 29.6% and 24.2%, respectively. Commercial services exports grew by 4.7% on average during 2012-2017, higher than the Asia-Pacific average of 3.2% during the same time period. In 2017, New Zealand's commercial services exports grew by 8.2%, while in Asia-Pacific region they increased by 7.9%. Meanwhile, New Zealand's commercial services imports increased by 0.8% on average during the 2012-2017 period, recording a growth rate of 8.4% from 2016 to 2017.

Foreign Direct Investment (FDI)

New Zealand recorded an average annual FDI inflows growth of 0.4% from 2012 to 2017, smaller than the Asia and the Pacific's 2.9% average annual FDI inflow growth. At the same time, New Zealand experienced an increase in FDI inflows by 22.7% in 2017. In terms of FDI outflows, New Zealand had an average annual FDI



outflows decline of 46.8% in the last five years, smaller than the Asia and the Pacific's 3.5% average annual FDI outflow growth. In 2017, New Zealand experienced an increase in FDI outflows by 835.1%.

Top Trade Partners

In 2017, the largest trade partner of New Zealand was China, representing 22.7% of its exports and 18.8% of its imports. 16.9% of New Zealand's exports and 12.3% of New Zealand's imports by value were traded with Australia, its second largest trade partner. Other significant trade partners were United States, Japan, Germany, Republic of Korea, Thailand, United Kingdom, Singapore, and Malaysia.

Top Traded Products

The largest product category exported by New Zealand in 2017 was "Milk and cream; concentrated or containing added sugar or other sweetening matter" (0402), with an export share of 13.5% of total exports, followed by the second most exported product category, "Butter and other fats and oils derived from milk; dairy spreads" (0405), which accounted for 6.2% of New Zealand's total exports. In terms of imports, "Motor cars and other motor vehicles; principally designed for the transport of persons (other than those of heading no. 8702), including station wagons and racing cars" (8703) represented 9.6% of total imports, standing out the top imported product category. Meanwhile, "Petroleum oils and oils obtained from bituminous minerals; crude" (2709) had a share of 6.2%, the second largest imported product category in New Zealand in 2017.

Tariffs

In 2017, average MFN applied and effectively applied tariffs in New Zealand were 2% and 2.95%, respectively - lower than the averages for the Asia-Pacific economies of 7.46% and 6.91%, respectively. Average MFN bound tariff rate of 8.94% was lower than the Asia-Pacific average of 26.35%. New Zealand is a founding member of the WTO. Currently, 100% of New Zealand's tariff lines are bound.

Trade Costs

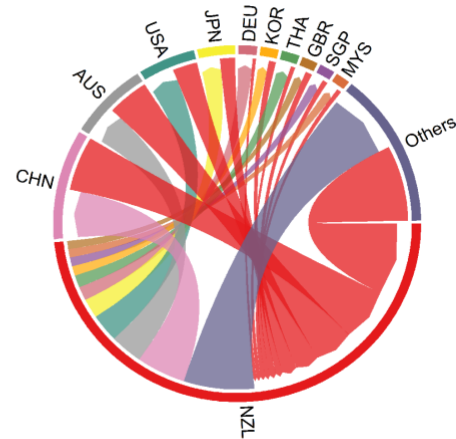
New Zealand's average trade costs with major trading economies in the region, are presented in the graph below. Trade costs in New Zealand remained higher compared with the most efficient traders in Asia and the Pacific.



Foreign Direct Investment (FDI)



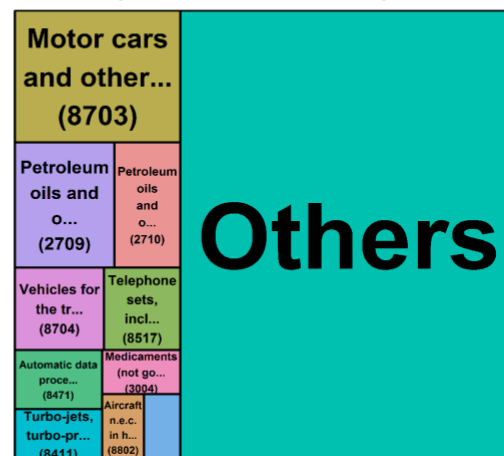
Top 10 trade partners, 2017



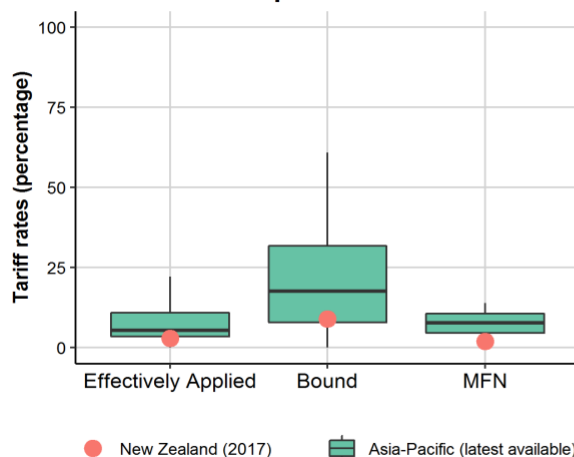
Top merchandise exports



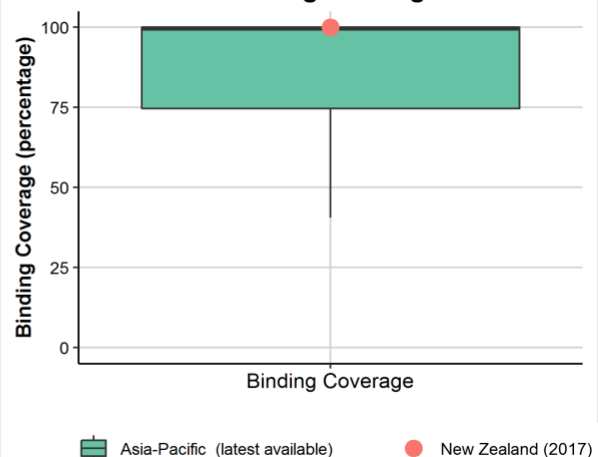
Top merchandise imports

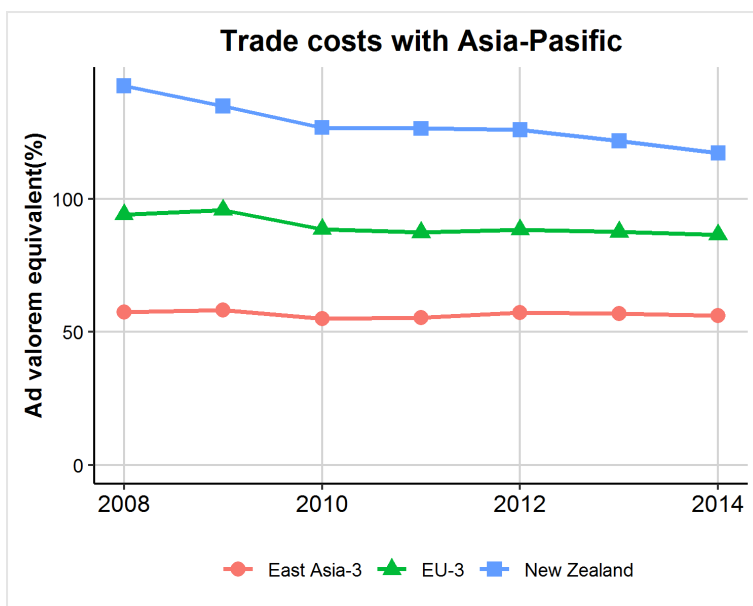


Import Tariffs



Binding coverage





Trade Agreements

New Zealand has 11 trade agreements in force, 3 signed agreements pending ratification, and 4 trade agreements under negotiation. Of the economy's total exports, 58.6% are directed to its trade agreement partners, while 51.8% of its total imports come from trade agreement partners.

Title	Status	Year in force	Share of total exports (%)	Share of total imports (%)
South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA)	in force	1981	18.39	12.48
Australia-New Zealand	in force	1983	16.57	12.31
New Zealand-Singapore	in force	2001	2.07	3.48
New Zealand-Thailand	in force	2005	1.72	4.74
Trans-Pacific Strategic Economic Partnership Agreement (Trans-Pacific SEPA)	in force	2006	2.40	3.69
China-New Zealand	in force	2008	22.27	18.76
ASEAN-Australia-New Zealand	in force	2010	27.00	27.35
Malaysia-New Zealand	in force	2010	1.90	3.30
Hong Kong, China-New Zealand	in force	2011	2.27	0.16
New Zealand-Taiwan Province of China	in force	2013	2.13	1.46
Republic of Korea-New Zealand	in force	2015	2.82	3.72
New Zealand-Gulf Cooperation Council (GCC)	signed	NA	3.22	4.15
Pacific Agreement on Closer Economic Relations (PACER) Plus	signed	NA	17.12	12.35
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	signed	NA	30.49	30.16
India-New Zealand	under neg.	NA	1.22	1.10



ASIA PACIFIC TRADE AND INVESTMENT REPORT 2018

Recent Trends and Developments



Title	Status	Year in force	Share of total exports (%)	Share of total imports (%)
New Zealand-European Union (EU)	under neg.	NA	8.75	18.58
Regional Comprehensive Economic Partnership (RCEP)	under neg.	NA	59.38	58.49
Russia-New Zealand	under neg.	NA	0.43	0.51

Sources: Total commercial services and merchandise trade data were accessed from the WTO statistics website. Bilateral trade data accessed through IMF Direction of Trade Statistics. Product-level data accessed through UN Comtrade database. Tariff data were accessed through the World Bank's WITS and WTO tariff databases. FDI data were accessed through UNCTAD statistics portal. Trade-to-GDP ratio was calculated by summing commercial and merchandise exports and imports and dividing the sum by the latest GDP (current United States dollars), retrieved from the World Bank World Development indicators database. Trade costs data were based on the ESCAP-World Bank trade cost database.

Note: Data are based on economies for which data available only. For regional aggregates, latest data was used in lieu of latest missing values. Merchandise trade data follow the latest HS classification. Products are defined at the 4-digit level. Tariffs are simple average. Trade costs shown are tariff equivalents, calculated as trade-weighted average trade costs of economies with found developing economies in the region (China, India, Indonesia and Russian Federation), where data was available. Trade costs for East Asia-3 comprises China, Japan and the Republic of Korea; trade costs for European Union-3 comprises Germany, France and the United Kingdom.

Definitions: MFN bound tariff is the maximum most-favoured nation (MFN) tariff permitted under WTO obligations. MFN applied tariff is the tariff applied to imports among WTO members. The effectively applied rate is the ratio of collected import tariff revenue and value of imports. Binding coverage refers to the share of bound tariff lines in the total number of tariff lines. For more details contact escap-tiid@un.org.