

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&S INDIA-NEW ZEALAND BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Dominion of New Zealand lies in the South Pacific Ocean, about 1,750 (1,100 miles) southeast of Australia. It consists of North Island and South Island, separated by the narrow Cook Strait, and several smaller islands, including Stewart Island (or Rakiura) in the south. New Zealand is a member of the UN, WTO, the Commonwealth, OECD, Asian Development Bank, the Pacific Community, the Pacific Islands Forum, Colombo Plan, APEC and the Antarctic Treaty.

2. New Zealand has an advanced market economy, with the country ranked 17th in the 2025 Human Development Index, and 11st in the 2025 Index of Economic Freedom. It is a high-income economy with a nominal gross domestic product (GDP) per capita of USD 48,071 as of 2023. The currency is the New Zealand dollar, informally known as the "Kiwi dollar"; it also circulates in the Cook Islands (see Cook Islands dollar), Niue, Tokelau, and the Pitcairn Islands. As per available report of IMF Executive Board Concludes 2024 Article IV Consultation with New Zealand May 13, 2024, New Zealand's economic activity has slowed following monetary policy tightening and a decline in investment. After the Reserve Bank of New Zealand's (RBNZ) cumulative rate hikes of 525 bps between October 2021 and May 2023, GDP growth momentum fell substantially in 2023 and the slowdown is broad-based. Following border reopening, record net migration in 2023 helped address supply-side bottlenecks and labour shortages. Inflation has declined significantly from its 7.3 percent y/y peak in 2022 Q2 to 4 percent y/y in 2024 Q1 but is still well above the RBNZ target and higher than in peer economies. Inflation expectations remain anchored.

A snapshot of New Zealand's select economic indicators is as under.

TABLE- 1
Main Economic Indicators, 2020-2029

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
					Projections					
NATIONAL ACCOUNTS										
Real GDP (production)	-1.4	5.6	2.4	0.6	1.0	2.0	2.4	2.4	2.4	2.4
Domestic demand	-1.7	10.1	3.4	-1.5	-0.4	1.5	2.0	2.1	2.2	2.1
Private consumption	-1.7	7.7	3.2	0.3	-1.6	2.0	2.1	2.3	2.4	2.3
Public consumption	6.7	7.8	4.9	-1.1	-1.1	0.0	0.6	0.4	0.4	0.4
Investment	-7.8	18.1	2.0	-5.1	0.3	1.5	3.0	3.0	3.0	2.9
Public	4.0	7.9	-6.4	4.9	2.5	1.3	2.3	2.5	2.8	2.8
Private	-7.4	13.5	6.3	-2.6	-4.1	1.5	3.2	3.1	3.1	2.9
Private business	-9.3	15.7	9.6	-1.9	-4.5	1.4	3.4	3.4	3.4	3.1
Dwelling	-3.1	9.0	-0.9	-4.2	-3.0	1.9	2.8	2.4	2.4	2.4
Inventories (contribution to growth, percent)	-0.8	1.4	-0.4	-1.1	0.7	0.0	0.0	0.0	0.0	0.0

Net exports (contribution to growth, percent)	1.5	-4.8	-1.5	2.2	1.5	0.3	0.3	0.1	0.1	0.1
Real gross domestic income	-0.7	5.1	1.3	0.0	1.4	2.1	2.5	2.5	2.5	2.5
Investment (percent of GDP)	22.1	25.0	26.0	24.4	24.3	24.2	24.4	24.4	24.4	24.5
Public	5.5	5.7	5.4	5.7	5.7	5.7	5.7	5.6	5.6	5.6
Private	16.6	19.4	20.6	18.7	18.6	18.6	18.7	18.7	18.8	18.9
Savings (gross, percent of GDP)	21.1	19.2	17.2	17.5	18.3	18.9	19.6	20.0	20.3	20.8
Public	-4.3	-3.2	-3.5	-3.5	-3.5	-2.6	-1.7	-1.1	-0.4	-0.1
Private	25.5	22.4	20.7	21.0	21.8	21.4	21.3	21.0	20.7	20.9
Potential output	1.6	1.5	1.9	2.1	2.3	2.3	2.2	2.2	2.2	2.2
Output gap (percent of potential)	-2.3	1.7	2.1	0.6	-0.5	-0.9	-0.7	-0.5	-0.2	0.0
LABOUR MARKET										
Employment	1.3	2.2	1.7	3.1	1.1	1.1	1.6	1.7	1.7	1.6
Unemployment (percent of labour force, ann. average)	4.6	3.8	3.3	3.7	5.0	5.4	5.2	5.0	4.7	4.5
Wages (nominal percent change)	3.8	3.8	6.5	7.0	4.8	3.9	3.7	3.2	3.0	3.0
PRICES										
Terms of trade index (goods and services, % change)	1.2	-1.0	-3.1	-3.4	0.6	0.1	0.2	0.1	0.2	0.1
Consumer prices (avg, % change)	1.7	3.9	7.2	5.7	3.1	2.5	2.4	2.1	2.0	2.0
GDP deflator (avg, % change)	2.2	3.0	5.5	5.7	3.0	2.7	2.5	2.0	1.9	2.2
MACRO-FINANCIAL										
Official cash rate (policy rate, percent, avg)	0.4	0.3	2.2	5.2	5.4	5.1	4.2	3.3	3.0	2.8
Credit to the private sector (percent change)	3.9	6.1	4.3	0.1	2.2	4.2	4.0	4.2	4.2	4.3
Interest payments (percent of disposable income)	6.5	5.3	6.3	7.8	7.4	7.7	6.4	5.9	5.6	5.3
Household savings (percent of disposable income)	3.6	3.6	3.2	2.7	2.5	2.4	2.3	2.9	3.6	4.3
Household debt (percent of)	172	173	172	165	162	160	158	156	155	153

disposable income)										
GENERAL GOVERNMENT (percent of GDP) 1/										
Revenue	36.2	37.7	39.4	37.8	37.5	37.9	38.5	38.8	39.0	39.2
Expenditure	42.4	40.1	43.4	40.9	41.5	41.0	40.5	40.2	39.7	39.3
Net lending/borrowing	-6.2	-2.4	-4.0	-3.1	-4.0	-3.1	-2.0	-1.5	-0.7	-0.1
Operating balance	-4.4	-0.2	-1.8	-1.1	-2.3	-1.1	-0.1	0.4	1.1	1.8
Cyclically adjusted primary balance 2/	-4.4	-2.7	-3.7	-3.1	-2.8	-1.3	0.0	0.9	1.5	2.2
Gross debt	38.5	46.0	48.8	46.0	46.0	48.7	48.7	49.0	48.6	46.5
Net debt	9.7	10.6	17.1	19.0	22.1	24.4	25.2	25.6	25.2	24.2
Net worth	85.4	94.7	102.0	95.8	91.0	87.3	85.3	82.7	80.9	79.9
BALANCE OF PAYMENTS										
Current account (percent of GDP)	-1.0	-5.8	-8.8	-6.9	-6.0	-5.4	-4.8	-4.4	-4.1	-3.7
Export volume	-13.5	-2.5	0.2	9.6	6.4	5.2	5.1	4.8	4.9	4.9
Import volume	-15.6	14.4	4.7	-0.2	0.1	3.1	3.5	3.6	4.0	3.8
Net international investment position (percent of GDP)	-55.8	-46.7	-51.2	-51.7	-55.8	-58.6	-60.7	-62.5	-64.0	-64.9
Gross official reserves (bn USD)	13.0	16.4	13.7	14.8	...	...	...	...	...	...
MEMORANDUM ITEMS										
Nominal GDP (bn NZD)	323	353	381	405	422	441	463	483	504	527
Percent change	1.2	9.1	8.0	6.4	4.1	4.6	4.9	4.4	4.4	4.6
Nominal GDP per capita (US)	41,325	48,843	47,266	47,519	48,513	49,626	51,030	52,375	54,032	55,717
Real gross national disposable income per capita (NZD)	52,637	54,667	54,959	53,737	53,458	54,057	54,860	55,606	56,357	57,100
Percent change	-1.8	3.9	0.5	-2.2	-0.5	1.1	1.5	1.4	1.4	1.3
Population (million)	5.1	5.1	5.1	5.2	5.3	5.4	5.4	5.5	5.6	5.6
USD/NZD (average level)	0.650	0.708	0.636	0.614	...	...	...	...	...	...
Nominal effective exchange rate	104.5	109.9	106.5	105.0	...	...	...	...	...	...
Real effective exchange rate	100.9	107.6	105.5	105.5	...	...	...	...	...	...
Sources: IMF staff estimates and projections.										
1/ Fiscal year.										
2/ In percent of potential GDP.										

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of New Zealand are China, Australia, United States, Japan and Rep. of Korea. On the other hand five major import partners of New Zealand are China, Australia, United States, Rep. of Korea and Japan. Major five exported goods of New Zealand are (i) Milk and cream in solid forms of >1.5% fat, (ii) Butter and other fats and oils derived from milk, (iii) Frozen boneless bovine meat, (iv) Untreated coniferous wood in the rough and (v) Frozen unboned meat of sheep. On the other hand major five imported goods of New Zealand are (i) Petroleum oils, etc., (excl. crude); preparation, (ii) Automobiles including gas turbine powered, (iii) Automobiles with reciprocating piston engine (iv) Transmission apparatus, for radioteleph incorporation and (v) Diesel powered trucks with a GVW.

4. New Zealand's total exports in 2020 were of the order of USD 38,290 million. It scaled up to USD 42,961 million in 2024. Exports from New Zealand steeply increased by 15.76% in the year 2021 and faced a 7.55% decrease in the year 2023. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 2.92%.

5. New Zealand's total imports in 2020 were of the order of USD 36,546 million and which touched USD 4,75,92 million mark in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 6.83%.

6. New Zealand had an overall Balance of Trade deficit from 2021 to 2024 and that scaled maximum USD 9,235 million in 2022, but in 2020 it was a surplus balance of trade. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 4.88 %.

A snapshot of New Zealand's overall Trade Statistics is presented in Table 2 and Figure 1 below

TABLE - 2

NEW ZEALAND'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	38290		36546		74,836		1744
2021	44325	15.76	49221	34.68	93,546	25.00	-4896
2022	45615	2.91	54850	11.44	1,00,465	7.40	-9235
2023	42170	-7.55	50469	-7.99	92,639	-7.79	-8299
2024	42961	1.88	47592	-5.70	90,553	-2.25	-4631

**Annual
Compound
Growth
Rate**

2.92

6.83

4.88

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

FIGURE-1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and New Zealand have a warm and longstanding relationship. India's importance to New Zealand is growing, reflecting India's expanding economy, bilateral Trade: In the year 2023-24, NZ exported USD 0.84 billion of total goods and services to India and imported USD 0.91 billion and a total trade value of USD 1.75 billion. India primarily imports wool, Iron & Steel, fruit & nuts and aluminium from NZ. New Zealand ranked 71st as an export destination of India in FY 2024-25. India's exports to New Zealand was 0.16 % of its total export value in FY 2024-25. In the same financial year imports from New Zealand was only 0.08% of India's total import value. New Zealand was the 74th major import partner of India in FY 2024-25. In FY 2024-25, only 0.10% of India's total international trade value was between India and New Zealand as per DGCI&S data base.

8. Indo- New Zealand total volume of bilateral trade in FY 2020-21 was of the order of USD 867.78 million. It scaled up to USD 1310.89 million in FY 2024-25. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 was 10.86%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade with New Zealand. Exports from India to New Zealand increased steeply by 32.09% in FY 2024-25. The annual average compound rate of growth of Exports was 9.97%. On the other hand, imports from New Zealand to India increased by 78.97% in FY 2024-25. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 11.98%.

A snapshot of India's merchandise trade statistics w.r.t. New Zealand is presented in **Table 3 & Figure 2**.

TABLE - 3

(Value in USD Million)

Year	Exports from India to New Zealand	Percentage Growth in Exports	Imports from New Zealand to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	486.25		381.53		867.78		104.72
2021-22	487.60	0.28	374.84	-1.75	862.44	-0.62	112.76
2022-23	547.84	12.35	477.74	27.45	1025.58	18.92	70.10
2023-24	538.33	-1.74	335.14	-29.85	873.47	-14.83	203.19
2024-25	711.08	32.09	599.81	78.97	1310.89	50.08	111.27

Annual

Compound
Growth
Rate

9.97

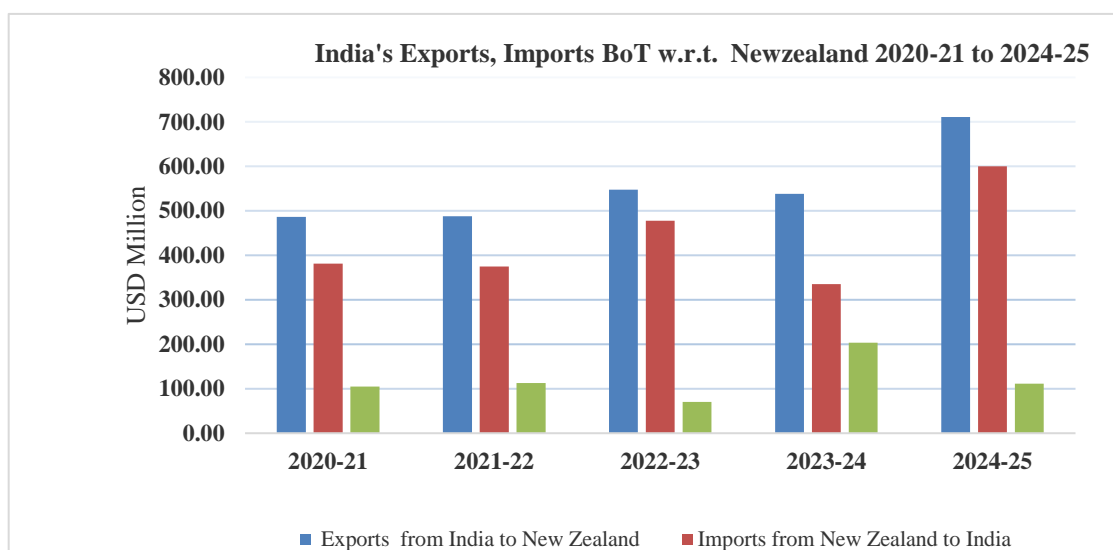
11.98

10.86

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

FIGURE- 2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. **Petroleum Products, Drug Formulations Biologicals and Electric Machinery and Equipments** had occupied the top three slots in India's exports to New Zealand in the year 2024-25. **Petroleum Products** occupied the bulk 25.69% share of export value of India to New Zealand.

b. **Iron and Steel, Other Wood and Wood Products and Electric Machinery and Equipments** were the three major commodities in India's imports list from New Zealand in the year 2024-25, India imports a significant amount of **Iron and Steel** from New Zealand with a share of 13.67% and of total imports from New Zealand recorded in 2024-25.

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO NEW ZEALAND
2020-21 TO 2024-25 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Petroleum Products	1.68	1.97	88.80	54.97	182.65	17.26	4407.61	-38.10	232.27
	Share in total export	0.35	0.40	16.21	10.21	25.69				
2	Drug Formulations Biologicals	46.25	44.92	51.72	66.48	56.57	-2.88	15.14	28.54	-14.91
	Share in total export	9.51	9.21	9.44	12.35	7.96				
3	Electric Machinery and Equipments	63.02	12.83	8.57	14.59	36.27	-79.64	-33.20	70.25	148.59
	Share in total export	12.96	2.63	1.56	2.71	5.10				
4	Cotton Fabrics, Madeups Etc.	29.15	28.44	28.62	32.77	32.99	-2.44	0.63	14.50	0.67
	Share in total export	5.99	5.83	5.22	6.09	4.64				
5	RMG Cotton Incl. Accessories	18.99	23.48	23.87	24.85	26.33	23.64	1.66	4.11	5.96
	Share in total export	3.91	4.82	4.36	4.62	3.70				
6	Paper, Paper Board, and Products	6.48	15.01	6.32	13.56	18.41	131.64	-57.89	114.56	35.77
	Share in total export	1.33	3.08	1.15	2.52	2.59				
7	Marine Products	8.46	11.69	20.98	15.92	17.17	38.18	79.47	-24.12	7.85
	Share in total export	1.74	2.40	3.83	2.96	2.41				
8	Products of Iron and Steel	12.00	17.26	16.06	13.79	14.43	43.83	-6.95	-14.13	4.64
	Share in total export	2.47	3.54	2.93	2.56	2.03				
9	Manmade Yarn, Fabrics Madeups	12.23	18.91	13.64	12.19	13.21	54.62	-27.87	-10.63	8.37
	Share in total export	2.52	3.88	2.49	2.26	1.86				
10	Motor Vehicle/ Cars	27.38	14.07	12.10	11.26	12.48	-48.61	-14.00	-6.94	10.83
	Share in total export	5.63	2.89	2.21	2.09	1.76				
	Total export to NEW ZEALAND	486.25	487.60	547.84	538.33	711.08	0.28	12.35	-1.74	32.09

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM NEW ZEALAND
2020-21 TO 2024-25 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Iron and Steel	35.02	25.80	35.03	39.12	82.02	-26.33	35.78	11.68	109.66
	Share in total import	9.18	6.88	7.33	11.67	13.67				
2	Other Wood and Wood Products	55.06	21.30	0.61	6.69	74.43	-61.31	-97.14	996.72	1012.56
	Share in total import	14.43	5.68	0.13	2.00	12.41				
3	Electric Machinery and Equipments	33.34	1.29	15.86	0.43	66.42	-96.13	1129.46	-97.29	15346.51
	Share in total import	8.74	0.34	3.32	0.13	11.07				
4	Fresh Fruits	38.22	56.39	34.19	29.97	50.21	47.54	-39.37	-12.34	67.53
	Share in total import	10.02	15.04	7.16	8.94	8.37				
5	Coal, Coke and Briquettes	25.86	13.02	93.79	47.85	48.82	-49.65	620.35	-48.98	2.03
	Share in total import	6.78	3.47	19.63	14.28	8.14				
6	Wool, Raw	25.37	37.17	38.68	38.35	47.35	46.51	4.06	-0.85	23.47
	Share in total import	6.65	9.92	8.10	11.44	7.89				
7	Aluminium, Products of Aluminium	23.84	29.54	31.10	39.86	43.00	23.91	5.28	28.17	7.88
	Share in total import	6.25	7.88	6.51	11.89	7.17				
8	Pulp & Waste Paper	32.51	67.24	115.08	8.61	34.51	106.83	71.15	-92.52	300.81
	Share in total import	8.52	17.94	24.09	2.57	5.75				
9	Residual Chemicals and Allied Products	9.56	19.38	23.14	19.38	32.20	102.72	19.40	-16.25	66.15
	Share in total import	2.51	5.17	4.84	5.78	5.37				
10	Medical and Scientific Instruments	21.07	22.27	7.72	8.98	13.17	5.70	-65.33	16.32	46.66
	Share in total import	5.52	5.94	1.62	2.68	2.20				
	Total import from NEW ZEALAND	381.53	374.84	477.74	335.14	599.81	-1.75	27.45	-29.85	78.97

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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