

NEW ZEALAND

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EXECUTIVE SUMMARY



Stable, transparent, welcoming to foreign investment

Key sectors: agritech, renewable energy, fintech, and infrastructure

Strengths: legal institutions and framework, Asia-Pacific access, strong institutions

Weaknesses: small domestic market, commodity dependence, regulatory screening

COUNTRY OVERVIEW



Population: ~5.3 million

Capital: Wellington

Largest City: Auckland

Strategic location: strategically positioned between Asia-Pacific and Western markets.

High living standards and political stability attract foreign professionals.

ECONOMY

GDP (2024): ~USD 260B

- Recovery resumed in late-2024/early-2025
- Growth forecast ~2.3%

Export-driven economy

- Dairy, meat, wood, tourism, and services

Unemployment: ~4.3%

Reserve Bank of New Zealand (RBNZ)

The **Official Cash Rate** was reduced to **about 3 percent by August 2025**

- further cuts likely.

Lower rates should gradually lift consumer spending, housing activity, and business investment

- but the recovery is taking time.

Housing market stabilized

High mortgage rates and strict lending rules had cooled demand, but **rate cuts** are now helping the market recover.

Housing continues to play a **big role in consumer spending** and economic confidence.

FINANCIAL MARKETS



**Regulated by the
Financial Markets
Authority (FMA)**



**Strong investor
protections,
transparency, and low
corruption**



**Access to debt and
equity markets for both
local and foreign
investors**



**Established financial
infrastructure supports
stable capital flows**

CURRENCY & EXCHANGE CONDITIONS



Currency: New Zealand Dollar (NZD)

Exchange rate: ~1 NZD = .57 USD

Freely floating, globally traded currency

Sensitive to commodity cycles and global sentiment

- What this could mean for your business

BIG MAC INDEX

United States \$5.69

New Zealand \$11.03

Actual Exchange Rate: 0.57

Price in USD \$4.845

Implied PPP of the Dollar: 0.681

Results in a 16% undervaluation



FDI REGULATORY ENVIRONMENT



"The Last Green Land"

Overseen by the Overseas Investment Office (OIO) under the Overseas Investment Act (2005)

Foreign ownership permitted in most sectors; sensitive land and strategic assets require consent.

Government initiative: Invest New Zealand simplifies approvals

STRENGTHS OF THE FDI CLIMATE

Political and macroeconomic stability

- Stable policy, consistent, transparent
- Credibility

Open, rules-based, low corruption economy

- Ensures fair competition and equal treatment of domestic and foreign firms

Reliable legal system and property rights

- Strong property rights ensure that investors can acquire, hold, and transfer assets securely
- Impartial courts

Government incentives for innovation and investment

- Targeted grants, R&D tax credits, and innovation funding

Strong trade links with Australia, China, U.S., and EU

- Over **65% of global GDP**.
- Diversified markets

WEAKNESSES AND RISKS

Small domestic market

- Limits scale

Export concentration

- Heavy dependence on dairy and meat
 - Vulnerable to global price swings.

Rising labor costs

- Skills shortages in key sectors increase project expenses.

Currency volatility

- NZD sensitive to global conditions

Natural-hazard & climate risk

- Earthquakes, floods, and climate events pose long-term challenges

External exposure

- Open economy susceptible to trade shocks and global demand cycles.

COUNTRY RISK REVIEW

Political Risk: Low

Economic Risk: Moderate – tied to global demand

Business environment Risk: Very Low

Sovereign Credit Rating:

- S&P AA+/A-1+
- Fitch AA

Financial System: Stable, but external exposure

Key Risks: Commodity volatility, climate exposure, global slowdown

INVESTMENT OPPORTUNITIES

AgriTech: Smart farming, biotechnology, and food processing

Renewable Energy: Wind, hydro, and geothermal expansion

Infrastructure: Transport, housing, and digital infrastructure

Fintech: Rapidly growing sector supported by digital innovation grants

Tourism & Services: Recovery-focused (post-pandemic), sustainable tourism push

INVESTOR ADVICE

Livestock

Wine

Infrastructure and
Energy development



INVESTOR ADVICE VIDEO

CONCLUSION

New Zealand offers high stability, low risk, and opportunity for value creation

Government actively encourages quality FDI in growth sectors

Investors benefit from transparency and Asia-Pacific integration

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