



Updated February 21, 2023

## New Zealand

Congress has taken an interest in how the United States and New Zealand work together in bilateral, regional, and global contexts to address common concerns in the areas of defense, foreign affairs, and trade. Bilateral and multilateral military-to-military exercises involving the two countries, such as the 23-nation RIMPAC naval exercise, have increased in number since the signing of the Wellington Declaration of 2010 and the Washington Declaration of 2012. These declarations marked turning points in bilateral relations after differences over nuclear policy in the 1980s prompted the United States to suspend its alliance commitments to New Zealand (see below). The renewed strength of the bilateral relationship was also demonstrated by the 2016 visit of the USS *Sampson*, the first U.S. warship to visit New Zealand in more than 30 years. This strengthening of relations has been building since New Zealand's commitment of military forces to Afghanistan in 2003. New Zealand is a member of the Five Eyes intelligence group along with the United States, Australia, Canada, and the United Kingdom.


### Background

New Zealand and the United States have common historical roots as settler societies of the British Empire. New Zealand, also known to New Zealanders as Aotearoa or “the land of the long white cloud,” was first settled by the Polynesian-Maori people around the tenth century. Dutch navigator Abel Tasman discovered the western coast of New Zealand in 1642, but it was English Captain James Cook who, over three expeditions in 1769, 1773, and 1777, circumnavigated and mapped the islands. The 1840 Treaty of Waitangi, between the British Crown and indigenous Maori Chiefs, serves as the basis for relations between the Maori and European communities. The British Monarch, King Charles III, is the constitutional head of state of New Zealand. His representative, the Governor General, acts on the advice of the New Zealand Prime Minister's Cabinet. New Zealand attained Dominion Status in 1907 and gained full political independence from Britain under the 1947 Statute of Westminster Adoption Act. In 1893, New Zealand became the first self-governing country to grant all women the right to vote.

### Politics and Elections

New Zealand is a unicameral, mixed-member-proportional (MMP), parliamentary democracy. MMP was introduced in New Zealand in 1996. Under MMP, Members of Parliament come from both single-member electorates and from party lists, leading to a parliament in which a party's share of the seats roughly mirrors its share of the overall vote. New Zealand does not have a state or provincial level of government. The current government is led by Prime Minister Chris Hipkins of the Labour Party, who became prime minister following Jacinda Ardern's resignation in January 2023. Elections are planned for October 2023.

### Figure 1. New Zealand in Brief

<b>Government:</b> A constitutional monarchy with approximately 120-seat unicameral parliament	
<b>Head of State:</b> King Charles III represented by Governor-General Cindy Kiro	
<b>Head of Government:</b> Prime Minister Chris Hipkins	
<b>Natural resources:</b> natural gas, iron ore, sand, coal, timber, hydropower, gold, limestone	
<b>Natural hazards:</b> earthquakes	
<b>Terrain:</b> Mountainous and plains [41% pasture, 31% forest]	
<b>Area:</b> About the size of Colorado	
<b>Population:</b> 5.2 million (2023 est.)	
<b>Ethnic groups:</b> European 70.2%, Maori 16.5%, Asian 15.1%, Pacific 8.1%. (2018) [Many identify with more than one group.]	
<b>Exports:</b> Products Dairy, meat, wood, fruit. Markets China 31.4%, Australia 12.3%, U.S. 10.5%, Japan 5.6%. (2023)	
<b>GDP:</b> Per capita \$52,805 ppp with 1.4% growth (2023 est.)	

Ardern's government, with 65 of 120 seats in parliament, was the first to rule in its own right since the institution of MMP. The opposition center-right National Party, led by Christopher Luxon, had been gaining in popularity at the end of Ardern's term of office. Hipkins's popularity has, according to polls, closed the gap between Labour and the National Party. Hipkins has asserted that he will focus on the economy. He retained Nanaia Mahuta as foreign minister and made his first international trip as prime minister to Australia in February 2023. In Australia he stressed continuity, stating that “our foreign policy position hasn't changed just because there is a change of prime minister.”

### Climate Change

In 2019, the Ardern government passed the Zero Carbon Act with cross-party support and committed New Zealand to reduce carbon emissions to zero by 2050. Methane from agriculture and waste, which represents over 40% of New Zealand's emissions, was exempt from the zero emissions goal, but has a separate reduction target of 24%-47% below 2017 levels by 2050. In December 2020, New Zealand declared a climate emergency and committed the government to become carbon neutral by 2025. New Zealand has a renewable electricity target of 100% by 2035.

### Defense and Foreign Policy

New Zealand places much emphasis on multilateral processes and regional economic institutions while Australia and the United States figure prominently in New Zealand's security affairs. New Zealand's commitment of troops and assistance in support of the Provincial Reconstruction Team in Bamiyan Province, Afghanistan, from 2003 to 2013 demonstrated, according to observers, New Zealand's value as a diplomatic and military partner.

New Zealand also deployed military trainers in Iraq. The Ardern government increased defense spending during its term. Ardern condemned Russia's invasion of Ukraine and joined international partners in imposing export controls on trade with Russia and travel bans on Russian officials, as well as offering humanitarian assistance to Ukraine.

The Ardern government initiated a Defence Review in July 2022 that is expected to culminate in a new Defence White Paper and Defence Capability Plan. Some observers have speculated that the process could lead New Zealand to adopt a more proactive stance in the South Pacific. New Zealand's 2021 Defence Assessment viewed strategic competition and climate change as New Zealand's two principal challenges. The 2021 assessment prioritized a focus on the Pacific and viewed China's rise as the major driver of increasing strategic competition in the region. A cross-agency governance group is to provide the minister of defence a Defence Policy and Strategy Statement and a Future Force Design Principles Statement for cabinet approval by mid-2023.

## Relations with the United States

The gradual return of close cooperation between the United States and New Zealand since 2003 has helped forge a new security partnership between the two countries. The two nations have fought together in many wars and conflicts and, along with Australia, established the Australia-New Zealand-United States (ANZUS) alliance in 1951. During the mid-1980s, the United States suspended its alliance commitments to New Zealand as a result of differences over nuclear policy, stemming from a conflict between New Zealand legislation that made it nuclear free and the United States' policy of neither confirming nor denying the presence of nuclear weapons on U.S. ships. In the 2010 Wellington Declaration, the United States and New Zealand agreed to emphasize the importance of democracy, human rights, and the rule of law, rather than let differences over nuclear policy define the relationship. The 2012 Washington Declaration further opened the way for enhanced strategic dialogue and cooperation. Subsequent U.S. and New Zealand administrations have sustained this momentum with a focus on shared challenges. For example, during their May 2022 meeting, President Biden and then-Prime Minister Ardern expressed concern about a security agreement between China and the Solomon Islands. New Zealand took delivery of the first of four Boeing P-8A Poseidon aircraft in December 2022. The United States uses Christchurch as a logistics hub to support research on Antarctica. New Zealand signed the Artemis Accords in 2021, establishing principles for space cooperation.

## Regional Relations

New Zealand enjoys close relations with Australia, its neighbor across the Tasman Sea, based to a large extent on the two nations' common origins as British colonies. These ties were strengthened as the two nations fought together in the Australian New Zealand Army Corp (ANZAC) in places like Gallipoli in World War I. This relationship evolved into what is known as the "ANZAC spirit" of close defense cooperation. The close economic, people-to-people, and cultural ties, as well as a shared love of rugby, cricket, and other sport, further reinforce ties.

New Zealand has played a key role in promoting peace, stability, economic development, and the environment in the South Pacific, including in Timor-Leste, Papua New Guinea, and the Solomon Islands. New Zealand worked with Australia and South Pacific nations on the Pacific Agreement on Closer Economic Relations (PACER)—plus, a free trade accord that came into force in December 2020. New Zealand provides disaster assistance to the region and supports the Pacific Islands Forum, the region's principal multilateral organization. New Zealand also set aside 15% of its Exclusive Economic Zone for the Kermadec Ocean Sanctuary to protect a critical regional ecosystem.

New Zealand has a trade-dependent economy and is a supporter of free and open trade. China is New Zealand's largest trade partner. New Zealand has a Closer Economic Relationship agreement with Australia, has a free trade agreement (FTA) with China, and is a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Asia Pacific Economic Cooperation (APEC) group, among other trade relationships. New Zealand ratified the 15-nation Regional Comprehensive Economic Partnership (RCEP) agreement, which does not include the United States, in November 2021 and signed an FTA with the United Kingdom in February 2022.

## Relations with China

A key challenge for New Zealand is balancing concerns over China's growing influence with its role as New Zealand's largest export destination. New Zealand's goods exports to China quadrupled since the signing of the bilateral FTA in 2008. In 2015, New Zealand became a founding member of the China-led Asia Infrastructure Investment Bank (AIIB). In 2017, New Zealand signed a memorandum of understanding with China on China's Belt and Road Initiative. While diplomatic relations between New Zealand and China have become somewhat strained, in part due to rising concerns about Chinese influence in New Zealand and the region, New Zealand has at times sought to chart a middle path with China. Concerns in New Zealand about human rights situations in Hong Kong and Xinjiang have also complicated relations. A Royal New Zealand Navy frigate joined the United Kingdom's carrier strike group, centered on the HMS Queen Elizabeth, as it sailed through the South China Sea in October 2021.

## Congressional Interest

Congress has focused on New Zealand's role as a like-minded democracy, regional trade partner, and ally. Congress has also demonstrated its interest through the Congressional Friends of New Zealand Caucus. Proposed legislation has emphasized the United States' and New Zealand's shared values of democracy, respect for human rights, adherence to the rule of law, and shared commitment to free and fair trade and the international trading system. Congress passed the Knowledgeable Innovators and Worthy Investors (KIWI) Act (P.L. 115-226) in 2018.

---

**Bruce Vaughn**, Specialist in Asian Affairs

IF10389

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.