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New Zealand-United States Relations

Some in Congress have 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 security cooperation, which had been limited since differences over nuclear policy in the 1980s prompted the United States to suspend its alliance commitments to New Zealand (see below), have been growing since New Zealand committed military forces to Afghanistan in 2003. Cooperation agreements in the early 2010s led to a new bilateral strategic partnership, and military-to-military exercises involving the two countries have grown more frequent. New Zealand is a member of the Five Eyes intelligence group along with the United States, Australia, Canada, and the United Kingdom. A key challenge for the New Zealand government is balancing its concerns over the Peoples Republic of China (PRC or China) attempting to exert greater influence in the region against its interest in maintaining cooperative ties with New Zealand's largest export destination.

New Zealand-related issues facing Congress include oversight and appropriations related to international security cooperation, international trade, cooperation in the Pacific Islands, and New Zealand's possible participation in the Australia-United Kingdom-United States' (AUKUS) security partnership.

Politics and Elections

New Zealand is a unicameral parliamentary democracy that does not have a state or provincial level of government. Parliamentary elections must be held every three years. In the most recent elections, in October 2023, the right-of-center National Party led by Christopher Luxon won the most seats and subsequently formed a coalition government with the smaller ACT and New Zealand First parties, bringing an end to the left-of-center Labour Party's seven-year run in power. Coalition politics are the norm in New Zealand. The National-led government has moved to cut taxes and regulations, and trim government spending, including eliminating the separate Māori Health Authority created under Labour, and repealing Labour's "Fair Pay" initiative that had made it easier for workers to bargain.

Defense and Foreign Policy

The National-led government, like its Labour-led predecessor, emphasizes the importance of multilateral processes and regional economic institutions to New Zealand's interests, as well as the importance of Australia and the United States in New Zealand's security affairs. In 2023, the previous Labour government published a Defence Policy Review and a National Strategy Statement (New Zealand's first-ever) referencing the Australia alliance and partnership with the United States. Both describe an

increasingly threatening external environment, discuss the challenges posed by China's assertive behavior, and identify strategic competition and the impacts of climate change as principal challenges to New Zealand's interests.

New Zealand

Area: About the size of Colorado

Population: 5.2 million (2024 est.)

Government: A constitutional monarchy with a 123-seat unicameral parliament

Head of State: King Charles III
represented by Governor-General
Cindy Kiro

Head of Government: Prime Minister Christopher Luxon

Natural resources: natural gas, iron ore, sand, coal, timber, hydropower, gold, limestone

Ethnic groups: European 64%, Maori 17%, Chinese 5%, Indian 5%, Pacific 8% (2018) [Many identify with more than one group.]

Exports: Products Dairy, meat, wood (2022). **Markets** China 27%, Australia 13%, the United States 12%, Japan 5% (2023)

GDP: Per capita \$53,800 PPP (2024) with 0.6% growth in 2023

Sources: World Factbook, Trade Data Monitor, IMF, Map, CRS.



The Luxon government is expected to increase defense spending to 2% of GDP as part of a soon to be released National Defense Capability Plan (current spending is roughly 1.5% of GDP). New Zealand has deployed planes and naval vessels to help monitor international sanctions against North Korea, condemned Russia's invasion of Ukraine, joined international partners in imposing export controls on trade with Russia, trained Ukrainian troops (in the UK), and provided humanitarian assistance to Ukraine. Since 2022 it has participated as a guest—with Australia, Japan, and South Korea—in the annual NATO summit. In March 2025, it was reported that Prime Minister Luxon would join an international "coalition of the willing" phone call to discuss potential deployment of peacekeepers to Ukraine. The National-led coalition government has "welcomed" the AUKUS partnership "as an initiative to enhance regional security and stability," and is "investigating opportunities" for participating in AUKUS' technology sharing component, known as Pillar II. (See CRS Report R47599, *AUKUS Pillar 2 (Advanced Capabilities): Background and Issues for Congress*, by Luke A. Nicastro)

Relations with the United States

The United States and New Zealand armed forces have fought together in many wars and, along with Australia, established the Australia-New Zealand-United States (ANZUS) alliance in 1951. In 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 the country nuclear free, and the United States' policy of neither confirming nor denying the presence of nuclear weapons on U.S. ships. In 2010, the United States and New Zealand signed the Wellington Declaration, and 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. Since at least 2021, bilateral meetings among senior officials have discussed cooperation in the Pacific Islands, an area of renewed emphasis for both countries. New Zealand signed the Artemis Accords in 2021, establishing principles for U.S.-New Zealand space cooperation. In April 2024, the two countries agreed to hold an annual Secretary of State-Foreign Minister meeting.

The Luxon government has sought productive relations with the second Trump Administration. Foreign Minister Winston Peters visited Washington DC in March 2025 where discussions with cabinet officials involved trade tariffs, U.S. aid to the Pacific Islands, and defense spending. Some analysts believe that planned reciprocal tariffs instituted by the Trump Administration on April 2 will have a limited impact on New Zealand. According to the U.S. Trade Representative, U.S. goods trade with New Zealand totaled an estimated \$10.1 billion in 2024 with the U.S. goods trade deficit with New Zealand at \$1.1 billion, a 5.7 percent decrease (\$67 million) from 2023.

Relations with China

New Zealand's goods exports to China have quadrupled since the signing of their bilateral free trade agreement (FTA) in 2008. In 2015, New Zealand became a founding member of the China-led Asia Infrastructure Investment Bank, and in 2017 signed a memorandum of understanding with China on China's Belt and Road Initiative.

Although New Zealand has at times sought to chart a middle path with China, diplomatic relations between New Zealand and China have become somewhat strained in the 2020s. There are rising concerns about PRC efforts to exert political and economic influence in New Zealand and the region, particularly the Pacific Islands. Concerns in New Zealand about human rights in Hong Kong and Xinjiang also have complicated relations. Luxon visited Manila in April 2024, where he and Philippines President Ferdinand Marcos, Jr., issued a joint statement expressing "shared serious concern" over incidents between Philippine and PRC vessels in the South China Sea. In July 2024, New Zealand's National Cybersecurity Centre joined its counterparts from the other Five Eyes members as well as Japan, South Korea, and Germany in issuing an advisory about APT40, a PRC-sponsored cyber group.

In February 2025, a People's Liberation Army Navy's Task Group conducted live-fire trainings in the Tasman Sea that separates New Zealand from Australia. The Task Group, including three PLA warships, forced commercial flights between Australia and New Zealand to make last-minute diversions. New Zealand and Australia both claimed they

received only a "couple of hours' notice" before the drills began; the PRC government asserted that it had provided advanced notice and carried out the drill in accordance with international law. Foreign Minister Peters later hosted PRC Foreign Minister Wang Yi to discuss cooperation on trade, economics, and climate change.

Regional Relations

New Zealand enjoys close relations with Australia, its sole formal ally. Goods flow tariff-free between the two countries, and New Zealanders and Australians can legally travel, live, and work in either country. Over 10% of New Zealanders reside in Australia.

New Zealand has a strong Pacific identity, and has played a key role in promoting peace, stability, economic development, and the environment in the Pacific Islands. Tokelau is a non-self-governing territory of New Zealand while Cook Islands and Niue, both former colonies, are in free association with New Zealand.

Approximately 60% of New Zealand's development assistance goes to the Pacific Islands. New Zealand, Australia, and South Pacific nations belong to the Pacific Agreement on Closer Economic Relations (PACER) Plus, a free trade and development 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. In 2022, New Zealand, the United States, Australia, Japan and the United Kingdom, launched the Partners in the Blue Pacific (PBP), an informal organization "to support Pacific priorities."

New Zealand has strong interest in Antarctica due to its geographic proximity and involvement in early Antarctic exploration. New Zealand has made a territorial claim to a significant portion of the continent's landmass, and maintains Scott Base, a research station at the southern end of Ross Island in Antarctica. Christchurch is the staging area for joint logistical support operations serving U.S. permanent stations at McMurdo and the South Pole. Increased international activity in Antarctica, particularly China's expanding scientific and fishing presence, has attracted the attention of analysts in New Zealand.

Climate Change

The Luxon government appears to have de-emphasized climate change mitigation programs in its budget and prioritized economic issues. The government has announced plans to repeal Labour's ban on offshore oil and gas exploration, and announced a goal to double mineral exports by 2035. Luxon and other government ministers, however, have mentioned the importance of combatting climate change in their remarks with foreign counterparts, and at the 2023 COP28 conference committed to reducing New Zealand's net greenhouse gas emissions by 50% below gross 2005 levels by 2030.

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