



New Zealand–U.S. Relations

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 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. New security agreements—the Wellington Declaration of 2010 and the Washington Declaration of 2012—marked turning points in bilateral relations and revitalized military ties. Since the signing of these agreements, a new bilateral strategic partnership has emerged, and military-to-military exercises involving the two countries have increased in number. 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 New Zealand is balancing concerns over China’s growing influence with its role as New Zealand’s largest export destination.

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- Māori people around the tenth century, seven centuries before the arrival of Europeans. The 1840 Treaty of Waitangi, between the British Crown and indigenous Māori Chiefs, serves as the basis for relations between the Māori and European communities. The British Monarch 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 independence from Britain in 1947.

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 (districts) 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 Christopher Hipkins of the Labour Party, who became prime minister following Jacinda Ardern’s resignation in January 2023. Elections, required triennially, are scheduled for October 2023.

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 has stabilized Labour’s political standing since assuming the premiership, in part due to his response to the devastation caused by heavy flooding in early 2023 and his focus on rising inflation. Some opinion polls taken in the late spring of 2023 show a tight race between Labour and its coalition partner, the Green Party, on one side, and National and its frequent ally, the ACT Party, on the other. This opens up the possibility that The Te Paati Māori, which advocates for stronger protection of indigenous rights, could provide the votes needed to swing the balance of power.

Figure 1. New Zealand in Brief

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| <p>Government: A constitutional monarchy with approximately 120-seat unicameral parliament</p> <p>Head of State: King Charles III represented by Governor-General Cindy Kiro</p> <p>Head of Government: Prime Minister Chris Hipkins</p> <p>Natural resources: natural gas, iron ore, sand, coal, timber, hydropower, gold, limestone</p> <p>Natural hazards: earthquakes</p> <p>Terrain: Mountainous and plains [41% pasture, 31% forest]</p> <p>Area: About the size of Colorado</p> <p>Population: 5.2 million (2023 est.)</p> <p>Ethnic groups: European 70.2%, Maori 16.5%, Asian 15.1%, Pacific 8.1%. (2018) [Many identify with more than one group.]</p> <p>Exports: <u>Products</u> Dairy, meat, wood, fruit. <u>Markets</u> China 31.4%, Australia 12.3%, U.S. 10.5%, Japan 5.6%. (2023)</p> <p>GDP: Per capita \$52,805 ppp with 1.4% growth (2023 est.)</p> | |
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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 to Iraq from 2015 to June 2023. New Zealand has condemned Russia’s invasion of Ukraine, joined international partners in imposing export controls on trade with Russia, trained Ukrainian troops (in the UK), provided humanitarian assistance to Ukraine, and participated as a guest—with Australia, Japan, and South Korea—in meetings of NATO senior leaders. The Hipkins government also is debating participating in the advanced technology sharing component of the Australia-United Kingdom-United States (AUKUS) alliance.

In 2022, the Ardern government began a Defence Review 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 the country’s principal challenges. It prioritized a focus on the Pacific, and viewed China’s rise as the major driver of increasing strategic competition in the region. The Ardern government also worked to increase defense spending to address those challenges, with such expenditures reaching 1.54% of GDP in 2020.

Relations with the United States

The United States and New Zealand armed forces have fought together in many wars and conflicts 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 it 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. 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. 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 U.S.-New Zealand 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 World War I. This relationship evolved into what is known as the “ANZAC spirit” of close defense cooperation. Goods flow tariff-free between the two countries, and over 10% of New Zealanders reside in Australia.

New Zealand has played a key role in promoting peace, stability, economic development, and the environment in the South Pacific, including in 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. New Zealand signed a free trade agreement with China in 2008. New Zealand also is a member of the 11-member Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the 15-nation Regional Comprehensive Economic Partnership (RCEP) agreement, neither of which includes the United States. Wellington 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 their bilateral FTA. In 2015, New Zealand became a founding member of the China-led Asia Infrastructure Investment Bank (AIIB), 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 part due to rising concerns about PRC efforts to exert political and economic influence in New Zealand and the region. 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

In Congress, proposed legislation has emphasized the United States’ and New Zealand’s shared values of democracy, history of security cooperation, respect for human rights, adherence to the rule of law, and shared commitment to free and fair trade and the international trading system. Congress also has demonstrated its interest through the Congressional Friends of New Zealand Caucus. In 2018, Congress passed the Knowledgeable Innovators and Worthy Investors (KIWI) Act (P.L. 115-226), granting New Zealanders access to E1 and E2 entrepreneur and investor visas.

This In Focus updates a previous version authored by Bruce R. Vaughn.

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