

# The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) Mini-Trade Reports

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**NEW ZEALAND**

# ABOUT

## APF Canada's CPTPP Mini-Trade Report: **NEW ZEALAND**

- Building on our recent report, [The Impact of the CPTPP on Trade between Canada and the Asia Pacific](#), this mini-report focuses on New Zealand – one of the seven 'AP7' economies (signatories to the CPTPP) in the Asia Pacific.
- This report explores the CPTPP's benefits for Canada's merchandise and service trade relations with New Zealand at the national and sub-national level in the five years post-CPTPP ratification (from 2019 to 2023), with 2018 data for context.
- The report also identifies future trade opportunities for Canadian firms interested in expanding their presence in New Zealand.
- New Zealand ratified the CPTPP in October 2018, and Canada ratified it shortly after in December 2018.
- This is one of the six reports being released by APF Canada in the first quarter of 2025 – the other reports focus on the AP7 economies of [Singapore](#), [Australia](#), [Japan](#), [Malaysia](#), and Vietnam (excluding Brunei due to limited data).



# KEY TAKEAWAYS

- **Merchandise trade** between Canada and New Zealand increased by 14% from just under C\$1.3B in 2018 to around C\$1.5B in 2023, with a Canadian trade deficit as Canada imported more goods from New Zealand.
- **Service trade** grew by 52% from around C\$567M in 2018 to nearly C\$861M in 2023, with a Canadian trade surplus as Canada exported more services to New Zealand.
- **Ontario** and **British Columbia** accounted for 70% of merchandise trade with New Zealand over the five years.
- Canadian businesses may benefit from opportunities in New Zealand's **transportation, aircraft, cleantech, ICT, life sciences, and infrastructure** sectors. Indigenous businesses and entrepreneurs may also benefit from both countries' commitment to supporting increased **Indigenous trade** activity.

## Key Statistics, 2023

GDP (PURCHASING POWER PARITY):

**C\$377B**

POPULATION:

**5.2M**

TOP FIVE TRADE PARTNERS:



**China**



**Australia**



**European Union**



**United States**



**Japan**

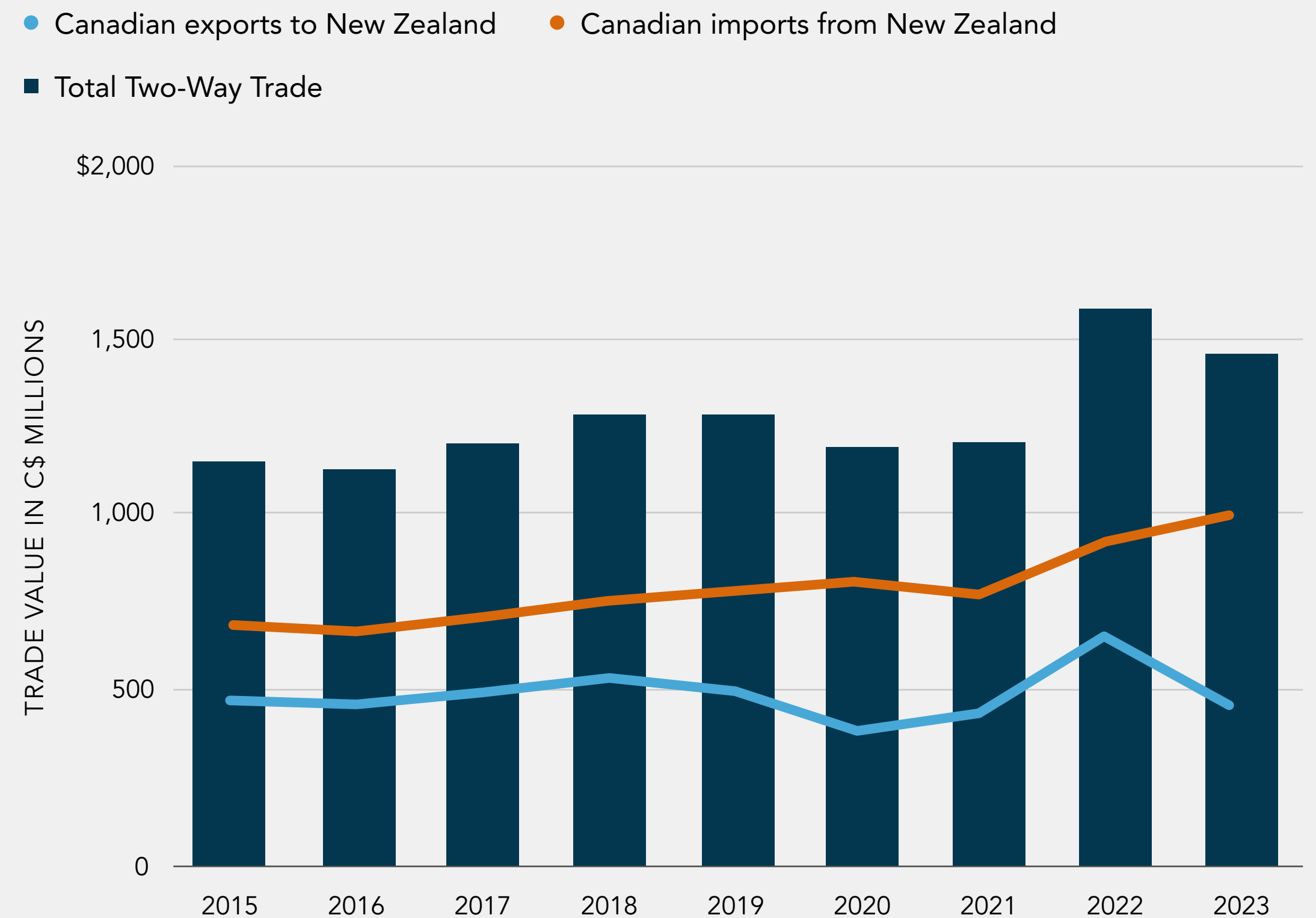
# MERCHANDISE TRADE

New Zealand is Canada's **sixth-largest merchandise trading partner** among the AP7. Within the five years post-CPTPP ratification, Canada-New Zealand two-way trade has increased by an average of 3.5% year-over-year from around C\$1.3B in 2019 to nearly C\$1.5B in 2023 (Figure 1).

The pandemic resulted in a 7% decline in trade volumes from around C\$1.3B in 2019 to C\$1.2B in 2020, with a resilient recovery in 2022 surpassing historical trade levels at nearly C\$1.6B (a 30.7% jump from the previous year).

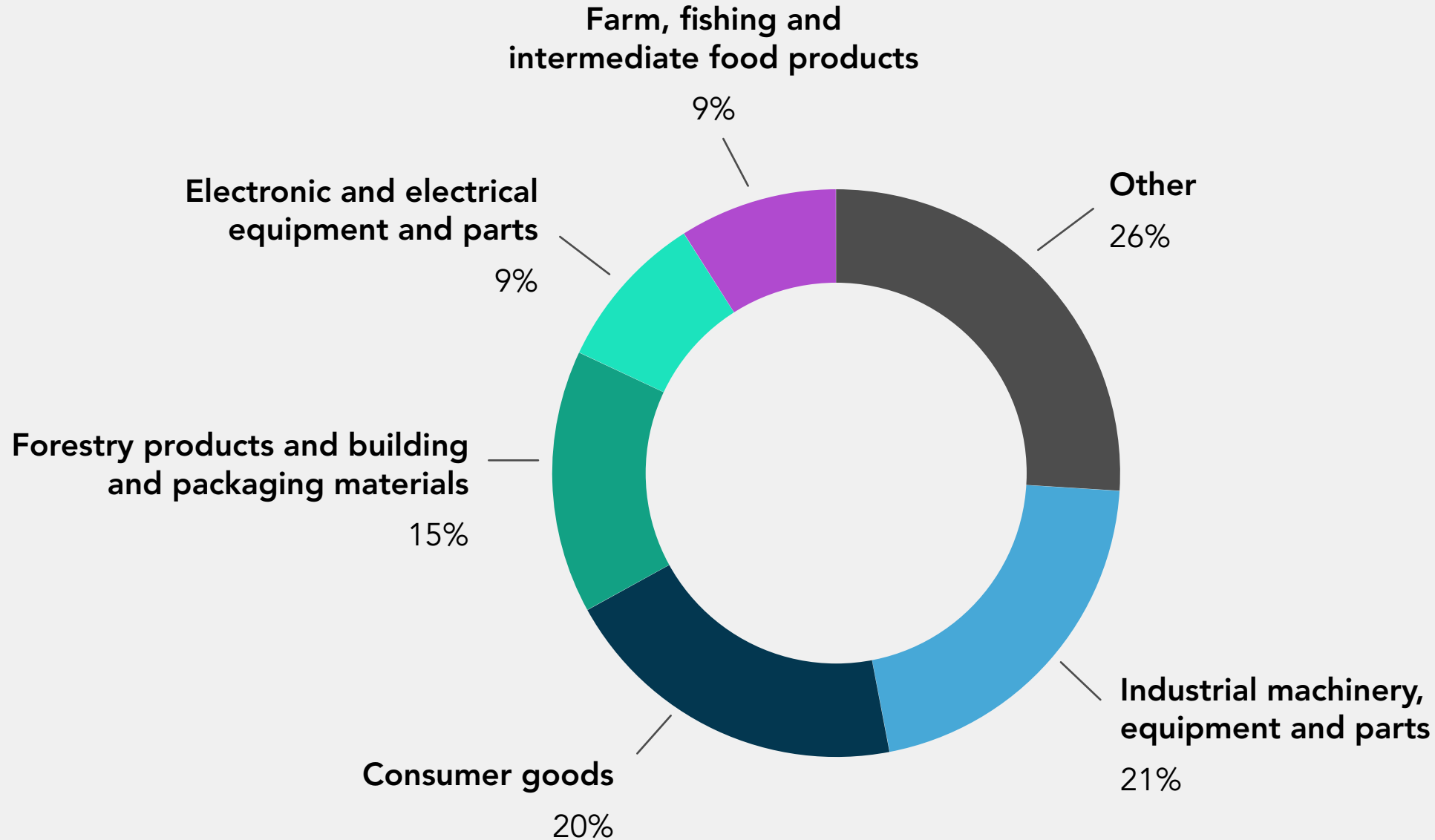
During this period, Canadian imports have grown at a higher rate than exports to New Zealand since CPTPP ratification, with Canada maintaining a merchandise trade deficit with New Zealand.

**Figure 1: Canada-New Zealand Two-Way Merchandise Trade, 2015-23**

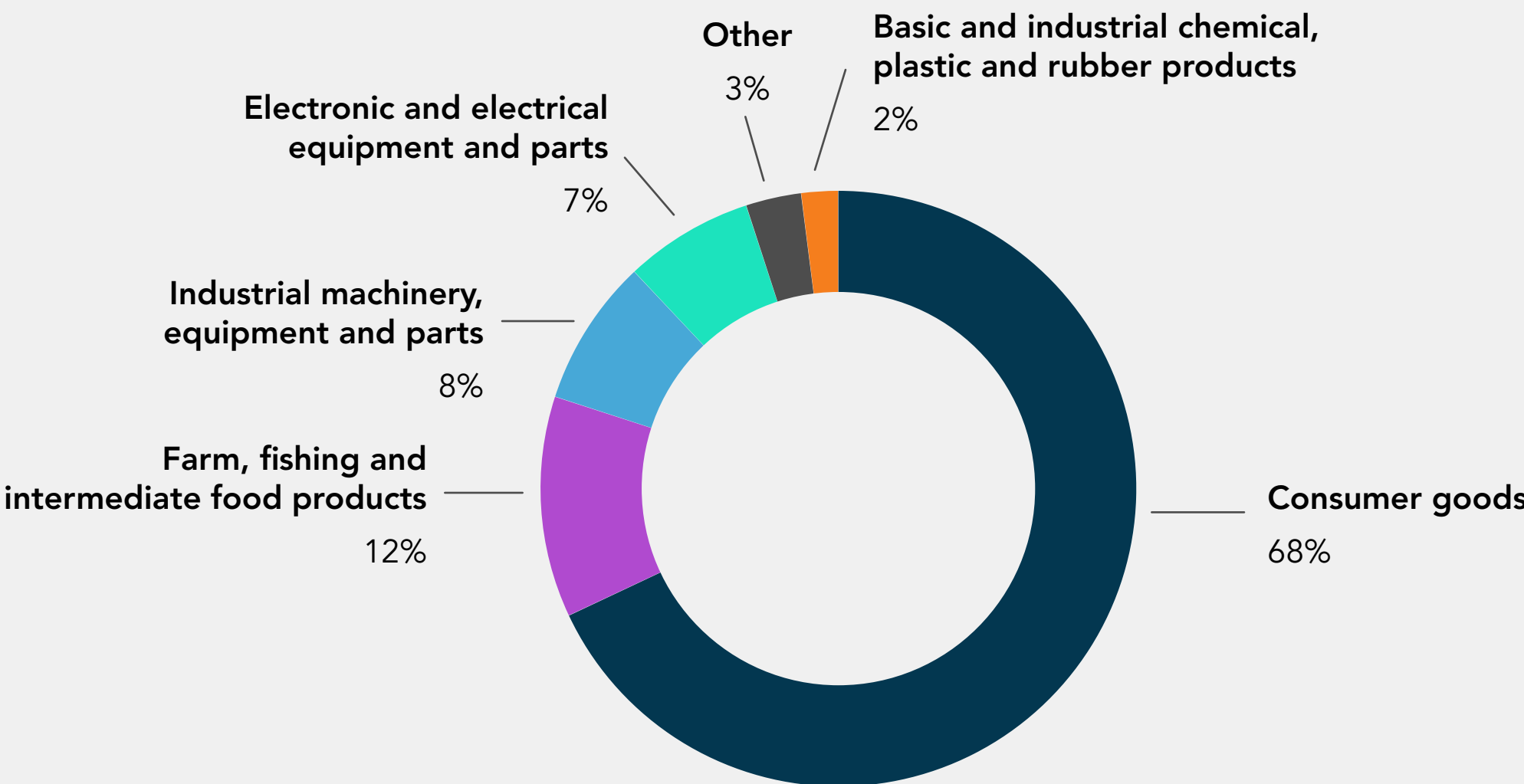


Source: Statistics Canada, 2024, Table 12-10-0171-01

**Figure 2: Canada’s Top Exports to New Zealand, 2019-23**



**Figure 3: Canada’s Top Imports from New Zealand, 2019-23**



Source: Statistics Canada, 2024, Table 12-10-0171-01

**Canadian exports** experienced volatility after the implementation of the CPTPP, in part due to COVID-19. Notably, Canadian exports to New Zealand dropped in 2023, with *metal ores and non-metallic minerals* and *electronic equipment* rebalancing

decreases in export volumes experienced by other sectors. Over the last five years, the top export categories of *industrial machinery, equipment and parts* (21%) and *consumer goods* (20%) accounted for nearly C\$1B of total

Canada-New Zealand merchandise trade (Figure 2).

**Canadian imports** from New Zealand have steadily increased since CPTPP ratification. *Consumer goods* were Canada’s main imports

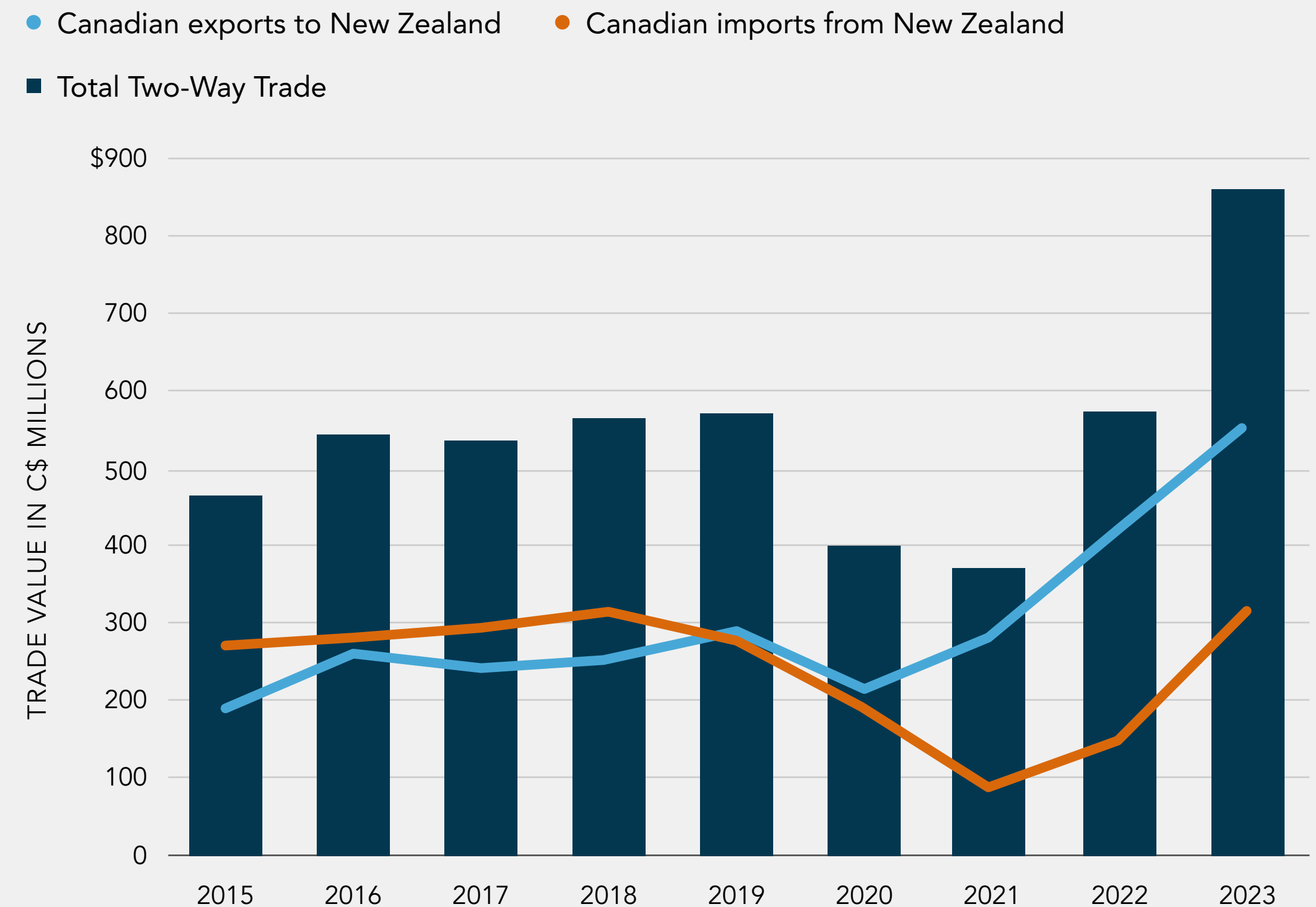
over the last five years, making up 68% of total merchandise imports and valued at C\$2.9B, with *farm, fishing and intermediate food products* following behind, accounting for 12% or around C\$0.5B of imports (Figure 3).

# SERVICES TRADE

New Zealand is Canada's **sixth-largest services trading partner** among the AP7. Services trade between the two economies has increased on average by 14% year-over-year, from less than C\$567M in 2018 to nearly C\$861M in 2023 (Figure 4). The pandemic widened the gap between Canadian exports and imports, with imports regaining momentum only in 2023, while exports recovered in 2022.

Since the ratification of the CPTPP, Canada reversed its previous slight trade deficit to create a growing trade surplus with New Zealand in services, with Canadian exports comprising 63% of two-way services trade.

**Figure 4: Canada-New Zealand Two-Way Services Trade, 2015-23**



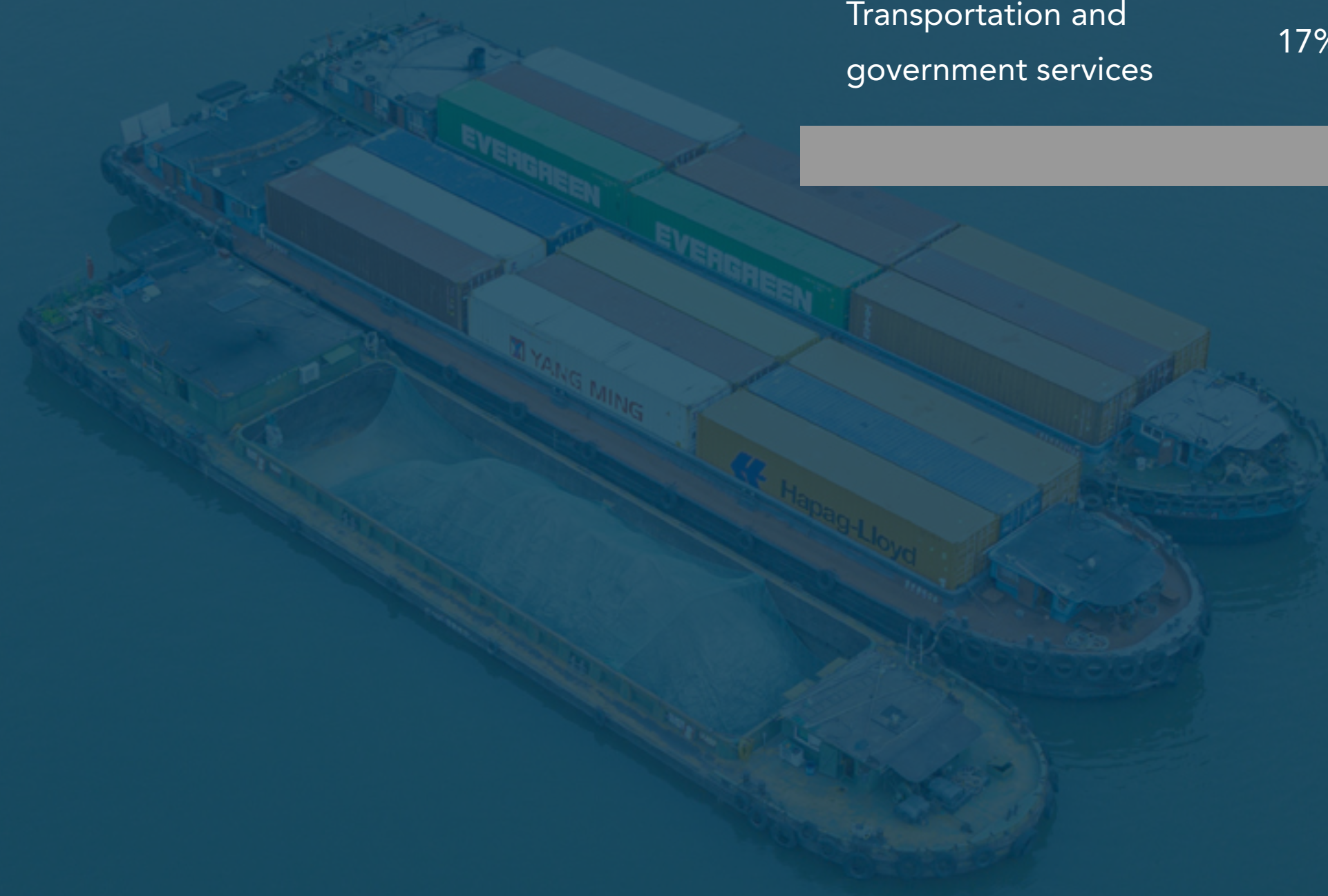
Source: Statistics Canada, 2024, Table 36-10-0007-01

From 2019 to 2023, **Canadian exports** to New Zealand were primarily *commercial services*, representing 57% of all service exports, or nearly C\$1B. Half of Canada’s **imports from New Zealand** were related to travel, which comprised 52% of total imports, exceeding C\$532M in value over the past five years (Table 1). As *travel services* were the most impacted during the pandemic, Canada’s imports in this category declined significantly in 2021-2022, only rebounding beyond pre-pandemic levels in 2023.

**TABLE 1**

Services	Percentage of Total Service Exports to New Zealand, 2019-23	Percentage of Total Service Imports From New Zealand, 2019-23
Commercial	57%	24%
Travel	26%	52%
Transportation and government services	17%	24%

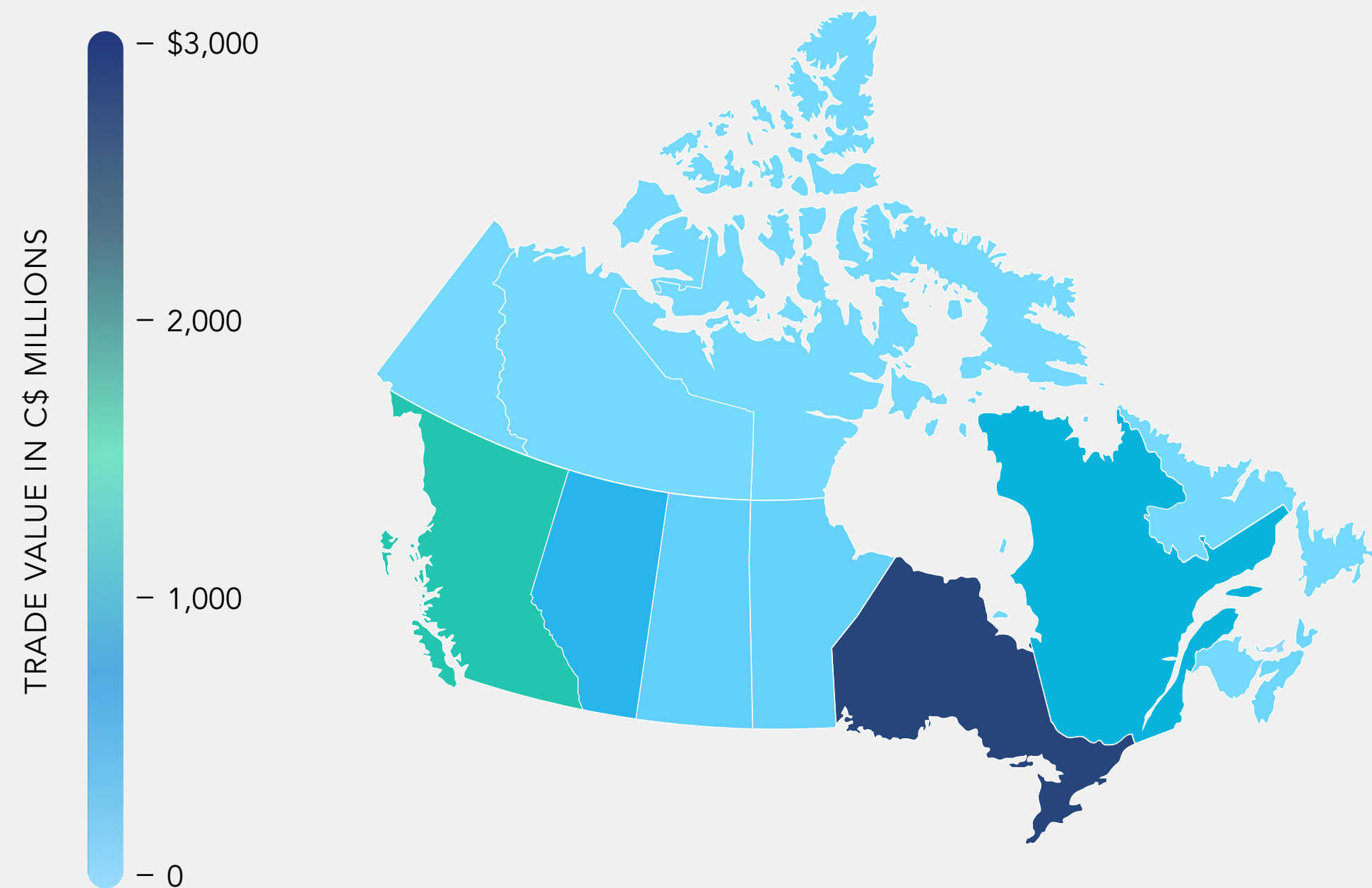
Source: Statistics Canada, 2024, Table 36-10-0007-01



# PROVINCES BENEFITING FROM CANADA-NEW ZEALAND TRADE

**Ontario** and **British Columbia** accounted for 70% of Canada's merchandise trade with New Zealand in the five years after CPTPP ratification (Figure 5). **Quebec**, **Alberta**, and **Saskatchewan** also ranked among New Zealand's top five provincial trade partners.

**Figure 5:** Canadian Provinces Two-way Merchandise Trade with New Zealand, 2019-23



Source: Statistics Canada, 2024, Table 12-10-0173-01

NEW ZEALAND'S TOP FIVE PROVINCIAL PARTNERS:

**Ontario**  
C\$2,759M

**British Columbia**  
C\$1,766M

**Quebec**  
C\$1,057M

**Alberta**  
C\$526M

**Saskatchewan**  
C\$137M



Despite a decline in **Ontario's** trade with New Zealand in 2023, two-way trade has increased at a year-over-year average of 5% since CPTPP ratification. This growth was driven mainly by imports of *consumer goods*, which rose steadily from C\$272M in 2019 to C\$361M in 2023. Similarly, **British Columbia's** *consumer goods* imports increased from C\$134M in 2019 to C\$151M in 2023. Among consumer goods that increased in popularity was [New Zealand's wine](#).

**Ontario, British Columbia, and Alberta** all experienced a decrease in merchandise trade in 2023, while **Quebec and Saskatchewan** continued to expand their trade relations with New Zealand

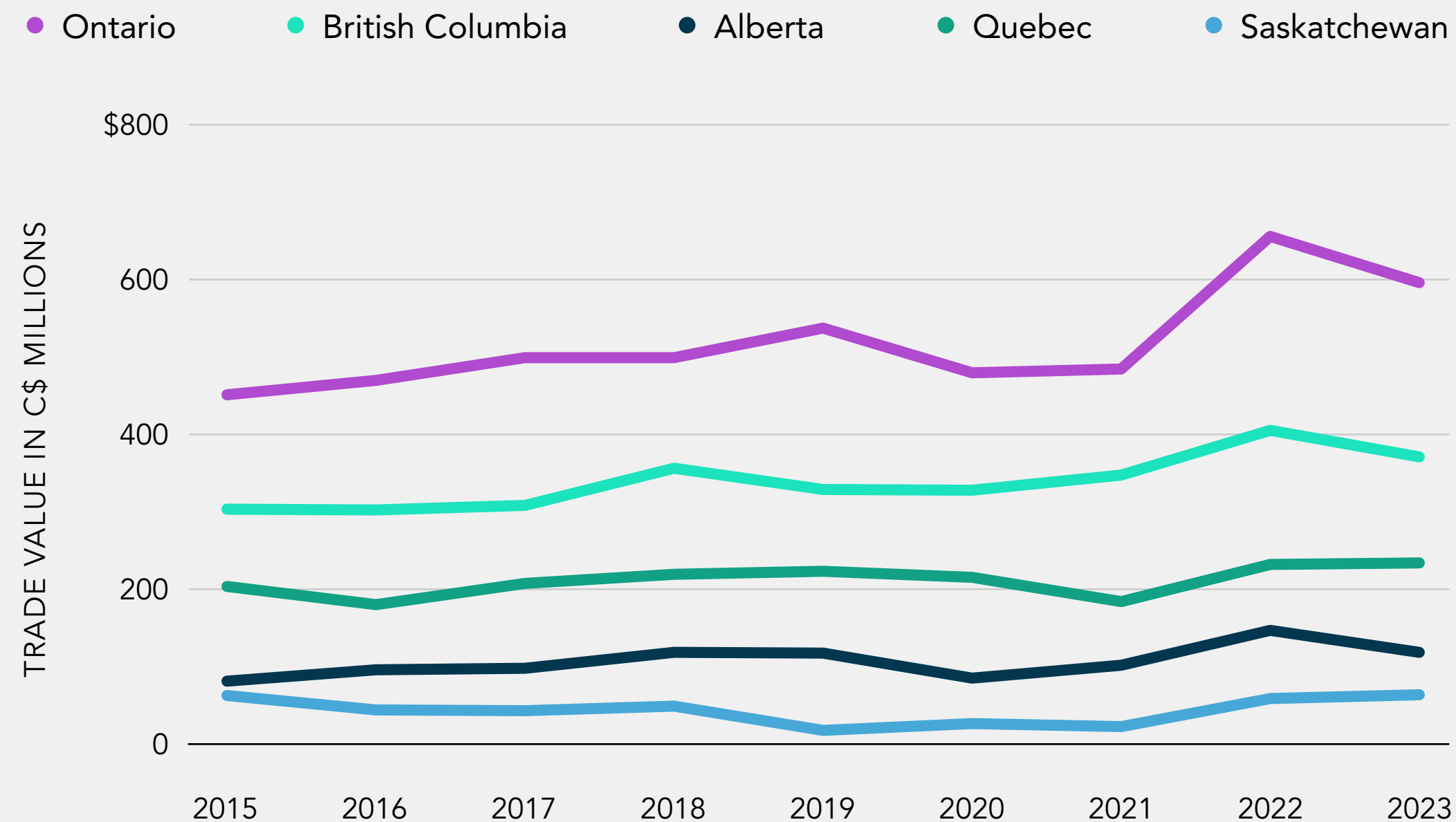
(Figure 6). With respect to the decline for Canada's top two trading provinces in 2023, Ontario experienced decreases in exports of *industrial machinery equipment and parts* (from C\$80M in 2022

to C\$26M in 2023) and *consumer goods* (from C\$75M in 2022 to C\$37M in 2023). Notably, Ontario's exports of *machines and mechanical appliances* shrank by nearly C\$16M from 2022 (C\$18M) to 2023 (C\$2M).

Ontario's declines in these categories are interrelated, pointing to damped [post-pandemic](#) consumer spending and lower [business investment](#) in New Zealand both on imported goods and imported machinery and equipment in reaction to a cost-of-living crisis and [low consumer confidence](#).

British Columbia also exported fewer *forestry products and building and packaging materials* to New Zealand (which declined from around C\$85M in 2022 to C\$24M in 2023) due to weaker growth in residential and commercial construction projects in New Zealand as [inflationary pressures](#) decreased demand and increased building costs, including for imported materials.

**Figure 6: Canadian Provinces Two-Way Trade with New Zealand, 2015-23**



Source: Statistics Canada: Table: 12-10-0173-01

# TRADE OPPORTUNITIES



Canada and New Zealand share common trade characteristics that could readily expand into business opportunities. Critically, Indigenous trade is a key commitment in both countries, which are members of the [Indigenous Peoples Economic and Trade Cooperation Arrangement \(IPETCA\)](#). Accounting for around

1 million, or [19.6% of New Zealand's population](#) in 2023, people of Māori descent represent a significant market for Indigenous producers and consumers in Canada. For instance, 7.2% of Canada's Indigenous (e.g. First Nations, Inuit, Métis) Small and Medium-sized Enterprises (SMEs) who exported

in 2020 listed New Zealand and Australia as [top export destinations](#).

According to the International Trade Centre's [Export Potential Map](#), Canadian exporters can capture market share in New Zealand for transportation, such as **motor vehicles for passengers or transportation of goods**

and **powered aircraft**, which represent a cumulative trade gap of nearly C\$217M. Canada's [Trade Commissioner Service](#) identifies other business opportunities in New Zealand's **cleantech, information and communications technologies, life sciences, and infrastructure industries**.

Conversely, dairy products such as **cheese** and **dairy fats** make up C\$32M of the [export potential gap](#) for New Zealand's exporters to Canada, representing the valuation of losses hanging in the balance of an ongoing trade dispute concerning Canada's dairy trade rate quotas (TRQs). Canada currently maintains 16 TRQs for its dairy market, which set volumes for tariff-free dairy products that can be imported from CPTPP partners such as New Zealand.

In 2023, New Zealand and Canada reached an impasse – [viewed as a victory by both sides](#) – for open dairy market access in front of a panel of CPTPP arbitrators. The following year, the New Zealand government escalated the dispute to compulsory negotiations with the Government of Canada, a move [unprecedented within the CPTPP](#). Under CPTPP and WTO rules, New Zealand could impose tariffs on Canada to recuperate [several years of losses](#), cited to be as much as [C\\$166M](#) up to 2024. The Government of Canada has since responded by defending its dairy TRQ policies and committing to "[engage in the process in good faith.](#)"



