FICCI 100
100 YEARS OF BUILDING TOMORROW

INDIA – NEW ZEALAND ECONOMIC PARTNERSHIP

Advancing Trade, Investment and Innovation

July 2026

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AN OVERVIEW

India and New Zealand have emerged as increasingly important economic partners in the Indo-Pacific, with cooperation expanding across trade, investment, agriculture, technology, education, tourism, renewable energy and research. As one of the world's fastest-growing major economies, India presents significant opportunities for New Zealand businesses through its expanding consumer market, growing manufacturing base, digital economy and infrastructure development. The two countries also share a common interest in strengthening resilient supply chains, promoting sustainable growth and fostering innovation-led economic cooperation in an increasingly dynamic global environment.

For India, New Zealand is an important partner owing to its expertise in high-value agriculture, food technology, renewable energy, education, advanced manufacturing and innovation. New Zealand's strengths in research, sustainability and clean technologies complement India's scale, skilled workforce and growing industrial capabilities. Supported by strong people-to-people ties and an expanding Indian diaspora, the partnership is increasingly driven by collaboration in emerging sectors, knowledge exchange and technology transfer, creating new avenues for long-term economic engagement.

The India-New Zealand FTA signed in April 2026, India's fastest concluded FTA, marks a significant milestone in the bilateral economic relations by providing a comprehensive framework to deepen trade, investment and sectoral cooperation. By improving market access, eliminating duties on Indian exports, facilitating services and establishing a stable investment framework, the agreement is expected to unlock new commercial opportunities while strengthening collaboration in areas such as digital technologies, agriculture, healthcare, education, renewable energy and innovation.

The FTA seeks to expand bilateral trade by improving market access for goods and services while supporting diversification into high-growth sectors. With bilateral trade currently amounting to USD 1,155.61 million[1], the agreement seeks to build on existing cooperation in agriculture, food processing, tourism, education, digital services and advanced technologies. The FTA aims to strengthen supply chain resilience, promote innovation-led partnerships and create new opportunities for businesses in both countries.

A key objective of the FTA is to deepen bilateral investment by creating a transparent and predictable investment environment. The agreement sets the ground for inflow of USD 20 billion in FDI from New Zealand to India and encourages bilateral investments through

[1] https://tradestat.commerce.gov.in/eidb/country_wise_ttrade

greater regulatory certainty, joint ventures and research collaborations. The FTA supports investment across India's priority sectors of manufacturing, renewable energy, infrastructure, digital technologies, agriculture, healthcare and education.

Beyond trade and investment, the FTA promotes broader strategic cooperation in areas such as climate resilience, clean energy, digital innovation, financial technology, research collaboration, professional mobility and people-to-people exchanges. These initiatives are expected to strengthen institutional partnerships, accelerate knowledge sharing and support sustainable, innovation-driven economic growth while reinforcing the long-term strategic partnership between India and New Zealand.

Bilateral Trade

Before the FTA	Expected After the FTA
Bilateral trade stood at USD 1,155.61 million, made up of Indian exports worth USD 566.51 million and imports worth USD 589.10 million in 2025-2026, maintaining an overall upwards trajectory over the past five years while moderating in 2025-26.[2]	Trade is expected to increase significantly due to the elimination of 100% of duties on Indian exports, and India offering market access on 70.03% of its tariff lines for imports from New Zealand.[3]
Services market access remained constrained, with existing mobility arrangements remaining relatively limited.	New Zealand has offered its most comprehensive services commitment, covering 118 service sectors with MFN treatment across 139 sectors, expected to increase services market access and create greater mobility for Indian skilled professionals.[4]

[2] https://tradestat.commerce.gov.in/eidb/country_wise_ttrade
[3] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/apr/doc2026427857501.pdf
[4] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/apr/doc2026427857501.pdf

Bilateral Investment

Before the FTA	Expected After the FTA
Cumulative FDI from New Zealand to India stood at USD 88.62 million during April 2000-March 2025.[5]	The FTA establishes a framework expected to facilitate USD 20 billion in New Zealand investment into India over the next 15 years.[6]
Cumulative investment from India to New Zealand stood at USD 90 million during April 2000-February 2026, concentrated in wholesale & retail trade, manufacturing and financial services.[7]	The FTA is expected to encourage greater Indian investment in ICT, renewable energy, healthcare, education, agritech and advanced manufacturing.

I. Bilateral economic relations: Reinforcing complementarity in a changing world

India and New Zealand share deep political, diplomatic and economic relations that withstood the vicissitudes of global changes over seven decades since the establishment of formal diplomatic relations between the two countries in 1952. In the beginning, it was the shared Commonwealth heritage, democratic values and a common international understanding that inspired India and New Zealand to forge a strong bilateral partnership.

As both countries embarked upon their respective development journey in the 1950s and down the decades gained growing geopolitical and geo-economic weightage in the global order, the significance of the India-New Zealand bilateral relations began to be felt not just on the two countries but on the global economic landscape as a whole, of which the Indo-Pacific region is a key facet.

New roles in an evolving global order

In today's multipolar world, the India-New Zealand partnership gains particular importance in view of India serving as a geopolitical anchor and stabilising force to the world, balancing traditional Western powers with the Global South, while New Zealand acts as a crucial bridge, integrating Pacific regional interests with emerging Asian economic powerhouses[8].

As the sixth largest economy in the world, as well as the fastest growing major economy, India has strengthened its position as a pivotal global growth engine that contributes to

[8] https://ijsdr.org/papers/IJSDR2504077.pdf

resilient global supply chains, manufacturing growth, robust digital public infrastructure that is being adopted by various countries around the world, technological sovereignty of different countries, and sustainable development. All this, while serving as the Voice of the Global South advocating a more inclusive, equitable international system that ensures more representation for developing countries in global governance and trade.

In a similar vein, New Zealand, a developed economy historically known for its advancements in agriculture and allied sectors, and a highly industrialised state that is today at the forefront of cutting-edge technologies, assiduously supports an open, free-market global economy the dividends of which are meant to reach all quarters of the globe.

Key actors in the Indo-Pacific region

In recent years, India and New Zealand have also drawn closer on the plinth of Indo-Pacific priorities. The two countries are committed to a free, open, and stable Indo-Pacific maritime region, driven by mutual interests in maritime security, sustainable ocean ecology, regional economic resilience, and a mutual desire to check unchecked hegemonic expansion in the region[9].

It may be noted that the Indo-Pacific is one of world's most vital geopolitical and economic regions, stretching from the eastern coast of Africa to the western Pacific Ocean, accounting for over 60% of global GDP and two-thirds of global maritime trade. The region serves as a central hub for global commerce, security, and power competition.

For India, the Indo-Pacific is the cornerstone of the country's 'Act East' and 'Link West' foreign policies. In this light, India advocates for a multipolar, inclusive, and rules-based Indo-Pacific that guarantees maritime security.

India and New Zealand underlined their shared commitment to Indo-Pacific when Hon'ble Prime Minister of India, Shri Narendra Modi and Hon'ble Prime Minister of New Zealand, Rt Hon Christopher Luxon, during his official visit to India on 16-20 March 2025, jointly committed to a free, open, and inclusive Indo-Pacific driven by development rather than expansionism[10].

In furtherance of these goals, New Zealand also joined the Indo-Pacific Oceans Initiative (IPOI) and the Coalition for Disaster Resilient Infrastructure (CDRI), wherein the IPOI provides a framework for both countries to cooperate on sustainable resource management, disaster response, and mitigating the impacts of climate change on vulnerable Pacific Island nations.

It was envisaged that New Zealand, as a Pacific nation with strong ties to these islands, and India, through its IPOI, can work together on climate adaptation strategies, maritime disaster

[9] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2111753&reg=48&lang=2
[10] https://www.mea.gov.in/speeches-statements?dtl/39195/English_Translation_of_Press_Statement_by_Prime_Minister_during_IndiaNew_Zealand_Joint_Press_Statement_March_17_2025

response, and coastal infrastructure resilience. Similarly, the Indo-Pacific faces increasing challenges from IUU fishing, particularly by foreign fleets operating in contested waters. New Zealand, with its expertise in sustainable fisheries management, could contribute to joint efforts with India to curb this issue through enhanced patrol coordination and capacity-building initiatives for smaller island nations[11].

Trade pact: A game-changer

The concerted strategic initiatives of India and New Zealand is now well complemented by a landmark Free Trade Agreement (FTA) that the two countries entered into on 27 April 2026, aimed at boosting bilateral market access, labour mobility, and investments. The primary goals of the FTA are to increase bilateral trade to **$5 billion within five years** (from ~$1.3 billion) and to secure a **$20 billion investment commitment** from New Zealand over 15 years[12].

The investments are expected to support 'Make in India' priorities across manufacturing, infrastructure, and innovation. This capital injection would directly aid India in expanding its manufacturing capacity, thereby creating alternative production hubs that reduce over-reliance on single-source markets[13].

The agreement also provides for:

- **Tariff Eliminations:** New Zealand has eliminated duties on 100% of Indian exports, benefiting labour-intensive sectors like textiles, leather, and gems. In return, India has offered market access and phased tariff cuts on 70% of tariff lines.
- **Sector Protections:** To protect domestic industries, India has excluded nearly 30% of tariff lines from the deal, shielding sensitive sectors like dairy products, onions, sugar, and almonds.
- **Talent Mobility:** Creating an annual quota of 5,000 temporary employment visas for skilled Indian professionals across 118 service sectors, while guaranteeing no numerical caps and extended post-study work rights for Indian students. The agreement opens opportunities for India to emerge as a key supplier of skilled workforce, alongside prospects for future cooperation in areas such as AYUSH and services such as yoga Instructors, chefs, and music teachers, and services under sector of interests like IT, engineering, healthcare, education, and construction.
- **MSME and Logistics Integration:** Establish institutional linkages for MSMEs to easily access trade information and integrate into global value chains. This would allow both economies to distribute production and component sourcing across smaller,

[11] https://www.orfonline.org/research/why-new-zealand-wants-better-ties-with-india-despite-china
[12] https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=158370&ModuleId=3&reg=3&lang=1
[13] https://www.pib.gov.in/PressNoteDetails.aspx?ModuleId=3&NoteId=156654&reg=48&lang=2

more agile businesses rather than highly centralized conglomerates.

The FTA also augments the bilateral cooperation as participating members of the Indo-Pacific Economic Framework for Prosperity (IEF) Supply Chain Agreement that was finalised earlier in May 2023 and which came into effect in early 2024. Under the IPEF framework, India and New Zealand aim to enhance:

- **Supply Chain Resilience:** Joint efforts to reduce vulnerabilities and disruptions in critical sectors.
- **Crisis Response:** Collaborative information-sharing and communication channels during supply chain emergencies.
- **Labour Standards:** A tri-partite approach to protect worker rights in member economies.

Partnerships for climate resilience

India and New Zealand are building climate resilience through strategic partnerships focused on climate-resilient agriculture, disaster-resilient infrastructure, and clean energy. The bilateral collaborations heavily emphasise research exchanges and green technologies to mitigate environmental risks[14].

India aims to leverage New Zealand's expertise in food technology, dairy innovation, and environmental practices to secure sustainable, climate-adaptive livelihoods and coastal protections[15]. It may also be noted that New Zealand supports India's leadership in the International Solar Alliance (ISA), collaborating on clean energy transitions.

Testing the tech frontiers

In keeping with the imperative of leveraging modern technologies for driving economic transformation, India and New Zealand are actively collaborating for safe, inclusive, and human-centred AI. The bilateral FTA also facilitates deep bilateral cooperation in financial technology. The agreement includes provisions for joint knowledge exchange regarding Digital Sandbox and Regulatory Sandbox frameworks, positioning India as a primary technology hub for cross-border applications.

Looking ahead, partnerships are being forged to bridge startups, accelerate digital transformation, and drive joint research in areas like agritech and cybersecurity.

[14] https://www.pmindia.gov.in/en/news_updates/india-new-zealand-joint-statement/
[15] https://www.adaptation-undp.org/projects/enhancing-climate-resilience-indias-coastal-communities

Indian Diaspora: A key binding factor

Historically, the Indian Diaspora has played an instrumental role in strengthening the India-New Zealand economic and cultural linkages. Currently, the 300,000-strong People of Indian Origin make up almost six percent of New Zealand's population. The Indian community is increasingly prominent in New Zealand's political and public spheres, with several among them holding local and national government positions. This representation helps shape policy, promote multiculturalism, and strengthen India-New Zealand bilateral relations.

Now, with the FTA providing for expanded student mobility and post study work visa for STEM graduates and skilled professionals, New Zealand is emerging as a premier destination for Indian students, with enrolments growing by over 30%. Today, Indian students make up roughly 11% of New Zealand's total international student population.

The multi-dimensional partnership has set the ground for expanded bilateral trade and investment flows.

II. New Zealand economy: A rising high-tech powerhouse

Characterised by a stable political environment, transparent regulatory framework, high ease of doing business, and a strong commitment to sustainability, New Zealand has established itself as one of world's most competitive and innovation-driven economies. The national GDP stands about USD 257.76 billion[16], recording an annual GDP growth of 0.8%. Although economic growth has moderated amid global uncertainties, New Zealand continues to benefit from strong macroeconomic fundamentals, export competitiveness, skilled human capital, and an innovation-led growth model.

The economy is highly diversified across agriculture, manufacturing, information and communication technology (ICT), tourism, renewable energy, biotechnology, forestry, logistics, food processing, and professional services[17]. The country's export-oriented model focuses on high-value production rather than mass manufacturing, enabling the country to maintain a strong global presence across specialised industries.

Agriculture[18] remains the backbone of the economy, contributing 6-7% of GDP directly while supporting an extensive network of processing, logistics, research, and export services. Advanced farming practices, extensive mechanisation, and favourable climatic conditions have positioned New Zealand among the world's most efficient agricultural producers. The

[16] https://www.stats.govt.nz/indicators/gross-domestic-product-gdp/
[17] https://www.britannica.com/place/New-Zealand/Economy
[18] https://iere.org/how-much-of-new-zealands-economy-is-agriculture/?__cf_chl_f_tk=BIcOIDCnd_9vVDg375OOevZ8Y5suQjUUDsK7CtLfUaM-1783055977-1.0.1.1-jtRHUDgQiJn7XhKLyu24W.Yc9Gm1aGqoKl8w.vUNr4E

dairy sector remains the country's largest merchandise export industry. Despite producing only 2.6%[19] of global milk supply, New Zealand exports nearly 87.5% of its dairy processing output, manufacturing over 1,500 specialised dairy products for global markets. Other key export sectors include meat, horticulture, wine, seafood, forestry, and value-added wood and paper products.

Alongside its traditional strengths, New Zealand has developed a rapidly expanding manufacturing and technology ecosystem. Manufacturing activities in food processing, specialised engineering, machinery, and transport equipment continue to enhance export value, while abundant hydroelectric, geothermal, and wind energy resources provide industries with reliable low-carbon electricity, reinforcing the country's commitment to sustainable industrial growth.

The ICT sector[20] has emerged as New Zealand's third-largest export industry, valued at approximately USD 19.8 billion in 2024 and projected to grow at around 10% annually. Comprising nearly 24,000 technology enterprises, the sector generates over USD 6 billion in export revenue through Software-as-a-Service (SaaS), artificial intelligence (AI), cloud computing, fintech, agritech, healthtech, cybersecurity, and digital technologies. Investments by global technology companies such as Google, Microsoft, and Amazon Web Services (AWS) in hyperscale data centres further strengthen New Zealand's position as an emerging digital innovation hub.

This balanced economic structure creates strong complementarities with India[21]. While New Zealand offers expertise in dairy technology, agritech, renewable energy, biotechnology, and advanced research, India contributes strengths in IT, digital infrastructure, engineering, pharmaceuticals, AI, advanced manufacturing, and skilled talent. Supported by the recently concluded India–New Zealand FTA, both countries are well positioned to deepen cooperation in trade, investment, technology transfer, innovation, and research, creating resilient value chains and unlocking long-term opportunities for sustainable economic growth.

[19] https://www.farmersweekly.co.nz/news/economic-powerhouse-and-employer-of-note-thats-dairy-today/#google_vignette
[20] https://www.trade.gov/country-commercial-guides/new-zealand-information-and-communication-technology-ict
[21] https://thecatalystonline.com/tech-events-conferences/convergence-2026/strengthening-india-new-zealand-tech-collaboration-at-convergence-india/

III. Raising the bar for bilateral trade flows

For decades, the expansive geographical distance between India and New Zealand had somewhat limited the scale of bilateral trade. However, in recent years both countries have increasingly recognised each other as important partners in the Indo-Pacific region, with cooperation expanding across trade, investment, agriculture, education, technology, tourism, research, renewable energy, and people-to-people exchanges.

Viewing India's emergence as one of the world's fastest-growing major economies, New Zealand identified India as a priority partner through its "Opening Doors to India[22]" policy in 2011, which was subsequently reinforced through the NZ Inc. India Strategy. The strategy aimed to position India as a core economic, trade, investment, education, and political partner for New Zealand by promoting greater business engagement, institutional cooperation, and market access. Since then, both governments have worked towards strengthening commercial ties through ministerial visits, business delegations, sector-specific collaborations, and institutional dialogue mechanisms.

An important pillar of the bilateral relationship has been the Joint Trade Committee (JTC),[23] which serves as the principal institutional mechanism for reviewing and expanding trade and investment cooperation. The most recent JTC meeting, held in April 2024, focused on strengthening bilateral trade, enhancing market access, expanding business presence, deepening agricultural and horticultural cooperation, promoting pharmaceutical collaboration, and reviewing the broader economic dialogue architecture between the two countries.

In the same year, India and New Zealand also signed a Customs Cooperative Arrangement[24], aimed at facilitating smoother customs procedures, improving supply chain security, strengthening information exchange, combating customs fraud and transnational organised crime, and enhancing trade facilitation between the two economies. These initiatives demonstrate the increasing institutionalisation of bilateral economic engagement.

The complementary strengths of both economies create substantial opportunities for expanding bilateral trade.

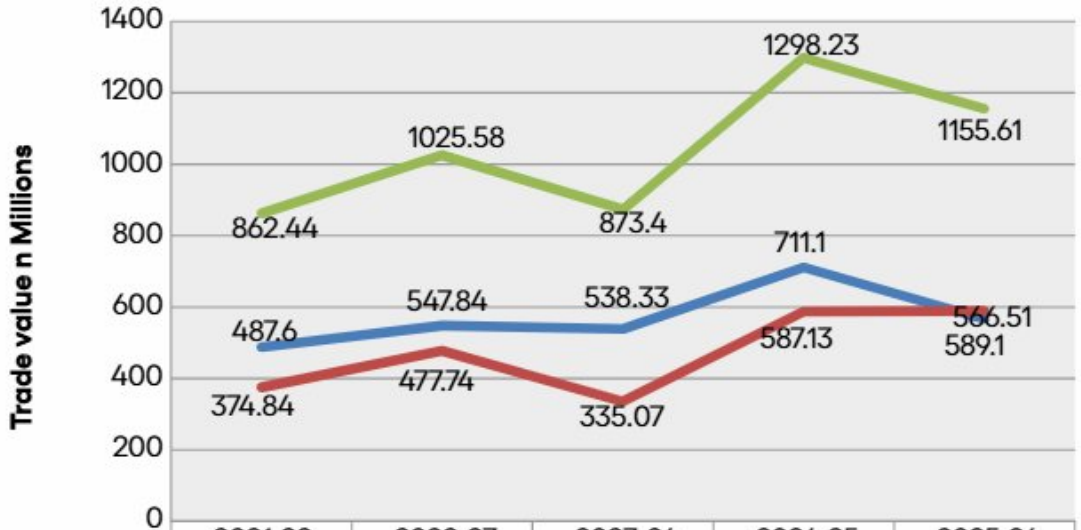
a. A statistical analysis of India-New Zealand bilateral trade in the period 2020-21 to 2025-26

In recent years, India and New Zealand have witnessed growing sectoral collaboration driven by sustained trade promotion initiatives, institutional dialogue, and business-to-business engagement. Bilateral cooperation has expanded across pharmaceuticals, agriculture,

[22] https://www.mea.gov.in/Portal/ForeignRelation/Bilateral-13-03-2025.pdf
[23] https://www.mea.gov.in/Portal/ForeignRelation/Bilateral-13-03-2025.pdf
[24] https://www.customs.govt.nz/about-us/news/media-releases/customs-arrangement-to-strengthen-new-zealand-and-india-cooperation

manufacturing, engineering, technology, tourism, education, and digital transformation, supported by trade delegate visits, investment forums, industry exhibitions, and business networking platforms. These initiatives have strengthened commercial linkages, encouraged technology and knowledge exchange, improved market access, and created new opportunities for trade and investment. As both countries seek to diversify supply chains and strengthen economic resilience, bilateral trade is poised to enter a new phase of growth, underpinned by increasing private sector participation, sector-specific partnerships, and long-term strategic cooperation.

Fig 1: India's Bilateral Trade[25] with New Zealand (2020-21 to 2025-26) (in USD mn)



	2021-22	2022-23	2023-24	2024-25	2025-26
Exports	487.6	547.84	538.33	711.1	566.51
Imports	374.84	477.74	335.07	587.13	589.1
Bilateral Trade	862.44	1025.58	873.4	1298.23	1155.61

Source: Ministry of Commerce and Industry, Government of India

The five-year trade data indicates that India-New Zealand bilateral trade has followed an overall upward trajectory, despite short-term fluctuations in both exports and imports. Bilateral trade increased from USD 862.44 million in 2021-22 to USD 1,155.61 million[26] in 2025-26, representing an overall growth of approximately 34%[27] over the five-year period. The highest level of bilateral trade was recorded in 2024-25 (USD 1,298.23 million), driven by a sharp increase in both exports and imports. This aligns with the broader expansion of bilateral merchandise trade observed before the conclusion of the India-New Zealand FTA.

[25] https://tradestat.commerce.gov.in/eidb/country_wise_ttrade
[26] https://tradestat.commerce.gov.in/eidb/country_wise_ttrade
[27] https://tradestat.commerce.gov.in/eidb/country_wise_ttrade

India's exports have consistently remained higher than imports throughout the period, reflecting a sustained trade surplus in India's favour. Exports increased from USD 487.60 million in 2021-22 to a peak of USD 711.10 million in 2024-25 before moderating to USD 566.51 million in 2025-26.

Imports exhibited greater volatility, rising sharply in 2022-23, declining in 2023-24, and recovering strongly over the subsequent two years to reach USD 589.10 million in 2025-26. Although bilateral trade declined by around 11%[28] in 2025-26 from the previous year's peak, imports remained relatively stable while the moderation was primarily driven by lower Indian exports.

Overall, the data suggests that bilateral trade has become more dynamic, with growing commercial engagement and expanding opportunities across sectors such as engineering goods, pharmaceuticals, textiles, agriculture, and advanced manufacturing. The strengthening institutional relationship and recent trade initiatives are expected to provide further momentum to bilateral trade in the coming years.

A. Merchandise Trade

1. Exports

Table 1: Indian exports[29] to New Zealand (in USD mn)

S. No	Commodity	2024-25	2025-26
1	Mineral Fuels and Oils	182.65	25.98
2	Pharmaceutical Products	57.52	58.99
3	Nuclear Machinery and Mechanical Equipment	51.79	37.44
4	Made-up Textiles & Worn Clothing	37.58	40.60
5	Knitted Apparel & Accessories	19.40	18.77
6	Vehicles & Auto Parts	19.27	35.07
7	Paper & Paper Products	18.36	7.48
8	Woven Apparel & Accessories (not knitted)	17.62	17.21
9	Jewellery, Gemstones & Precious Metals	16.91	25.46
10	Electrical Machinery & Equipment	16.47	16.71

Source: Ministry of Commerce and Industry, Government of India

[28] https://tradestat.commerce.gov.in/eidb/country_wise_ttrade
[29] https://tradestat.commerce.gov.in/eidb/country_wise_export

India's export basket to New Zealand reflects a well-diversified mix of manufactured, engineering, pharmaceutical, textile, and consumer goods, highlighting the complementary nature of the bilateral trade relationship. A notable trend between 2024-25 and 2025-26 is that though India's petroleum product exports reached a record high in 2025[30], there has been a sharp decline in exports of Mineral Fuels and Oils, which fell from USD 182.65 million to USD 25.98 million. This might indicate that they are driven by a combination of lower fuel-price realisations and weaker or more irregular demand from New Zealand, rather than a single policy shock. Despite this decline, the overall export basket remained resilient, with several value-added sectors recording stable or positive growth.

Pharmaceutical products emerged as India's largest export category in 2025-26, increasing marginally from USD 57.52 million to USD 58.99 million[31], reflecting India's strong global competitiveness in generic medicines and healthcare products. Engineering and manufacturing exports continued to play a significant role, with Vehicles & Auto Parts recording the highest growth among the top commodities, increasing from USD 19.27 million to USD 35.07 million. Exports of Electrical Machinery & Equipment remained stable, while Nuclear Machinery and Mechanical Equipment continued to be an important engineering export despite a moderate decline.

India also maintained a strong presence in labour-intensive manufacturing sectors such as textiles, apparel, and clothing accessories. Exports of Made-up Textiles & Worn Clothing increased to USD 40.60 million, while knitted and woven apparel remained relatively stable, demonstrating sustained demand for Indian textile products in New Zealand. Additionally, exports of Jewellery, Gemstones & Precious Metals increased significantly, indicating growing demand for high-value consumer goods. This sustained demand[32] from New Zealand is supported by higher disposable incomes, changing consumer preferences towards luxury products, and an increasing appreciation for premium craftsmanship. Urban centres, in particular, have witnessed growing demand for high-end jewellery, driven by greater purchasing power and evolving consumption patterns.

Overall, the export composition suggests a gradual transition away from dependence on mineral fuel exports towards a more diversified portfolio of high-value manufactured products, engineering goods, pharmaceuticals, automobiles, textiles, and consumer products, strengthening the resilience and long-term sustainability of India-New Zealand trade.

[30] https://news.eepcindia.com/uploads/news_update_pdfs/news_update_pdf_13012026_031637.pdf
[31] https://tradestat.commerce.gov.in/eidb/country_wise_export
[32] https://www.kenresearch.com/new-zealand-luxury-jewelry-market

2. Imports

Table 2: New Zealand exports[33] to India (in USD mn)

S. No	Commodity	2024-25	2025-26
1	Iron and Steel	82.02	73.07
2	Wood and Wooden Articles	78.44	75.65
3	Nuclear Machinery and Mechanical Equipment	74.79	15.67
4	Mineral Fuels and Oils	52.59	66.77
5	Fruits and Nuts	50.21	61.25
6	Wool, Animal Hair and Yarn	47.36	47.10
7	Aluminium and Articles	43.00	50.08
8	Wood Pulp and Paper Scrap	39.78	51.43
9	Albuminoidal Substances, Glues and Enzymes	35.48	51.12
10	Photographic instruments and Apparatus	16.49	16.31

Source: Ministry of Commerce and Industry, Government of India

India's import basket from New Zealand reflects the country's strength in natural resources, agricultural commodities, forestry products, and specialised industrial inputs, highlighting the complementary nature of bilateral trade. Unlike India's exports, which are dominated by manufactured goods, imports from New Zealand are largely composed of primary commodities and raw materials that support India's manufacturing, construction, food processing, and industrial sectors.

Iron and Steel remained India's second largest import category despite a moderate decline from USD 82.02 million in 2024-25 to USD 73.07 million[34] in 2025-26, while Wood and Wooden Articles were the largest. Similarly, imports of Wood and Wooden Articles remained relatively stable, underlining New Zealand's well-established forestry industry and India's growing demand for timber and wood-based products.

While Nuclear Machinery and Mechanical Equipment witnessed a sharp decline, several other sectors recorded notable growth. The decline in imports may partly reflect India's growing domestic electrical equipment manufacturing sector, which is projected to expand from around USD 50 billion[35] to over USD 195 billion by 2035, reducing reliance on imports and strengthening export competitiveness.

[33] https://tradestat.commerce.gov.in/eidb/country_wise_all_commodities_import
[34] https://tradestat.commerce.gov.in/eidb/country_wise_export
[35] https://www.mckinsey.com/industries/industrials/our-insights/wired-for-growth-indias-electrical-equipment-opportunity

Imports of Mineral Fuels and Oils increased from USD 52.59 million to USD 66.77 million, while Fruits and Nuts also recorded significant growth, reflecting rising demand for premium agricultural products in the Indian market.

Industrial raw materials experienced healthy expansion, with imports of Aluminium and Articles and Wood Pulp and Paper Scrap. The rising demand in the category of Albuminoidal Substances, Glues and Enzymes can be attributed to the Indian pharmaceutical[36] industry's shift towards high-value, fermentation-based products, driven by the increasing importance of biologics, biosimilars, and advanced therapeutic solutions. These commodities serve as essential inputs for industries such as packaging, paper manufacturing, chemicals, pharmaceuticals, food processing, and engineering. Meanwhile, imports of Wool, Animal Hair and Yarn remained stable, reinforcing New Zealand's position as a reliable supplier to India's textile and apparel industry.

Overall, the import profile demonstrates that India's imports from New Zealand are concentrated in resource-based products, agricultural commodities, forestry products, and industrial raw materials, complementing India's export of value-added manufactured goods. This complementary trade structure presents significant opportunities to further strengthen bilateral value chains, diversify trade, and expand cooperation in agriculture, advanced manufacturing, food processing, and sustainable industrial development.

B. Expected outcomes of FTA

The landmark India-New Zealand FTA, one of India's fastest negotiated foreign trade agreements, represents a significant step towards deepening economic integration by substantially liberalising trade in goods and services while encouraging long-term investment cooperation. Under the agreement, New Zealand has eliminated duties on 100% of Indian exports, providing significant market access for Indian products such as pharmaceuticals, engineering goods, textiles and apparel, leather products, footwear, marine products, gems and jewellery, handicrafts, automobiles, and processed food products.

Conversely, India has offered market access on 70.03% of its tariff lines, while maintaining exclusions on approximately 30%[37] of tariff lines, thereby protecting sensitive sectors that account for nearly 95%[38] of New Zealand's existing bilateral exports, particularly dairy and certain agricultural commodities.

The FTA also establishes an Agricultural Productivity Partnership, encouraging cooperation in agricultural research, precision farming, sustainable agricultural practices, and integration into global value chains. By improving market access and reducing trade barriers, the agreement positions New Zealand as a strategic gateway for Indian businesses to the

[36] https://www.biospectrumindia.com/public/features/73/2801
[37] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/apr/doc2026427857501.pdf
[38] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/apr/doc2026427857501.pdf

wider Oceania and Pacific region, while providing New Zealand with enhanced access to India's rapidly expanding consumer market.

C. Service trade and sectorial opportunities

While merchandise trade has traditionally dominated the India-New Zealand economic relationship, services trade has emerged as an increasingly important pillar of bilateral cooperation, driven by growing collaboration in education, information technology, healthcare, tourism, research, innovation, and agriculture. The FTA[39] is expected to significantly accelerate this momentum by improving market access for service providers, facilitating the movement of skilled professionals, and encouraging deeper institutional and business partnerships.

One of the strongest areas of cooperation is education, with India currently being New Zealand's second-largest source of international students. Approximately 8,000[40] Indian students are pursuing higher education in New Zealand across disciplines including information technology, engineering, hospitality, science, architecture, and business, contributing significantly to New Zealand's education sector while strengthening long-term people-to-people ties.

Academic collaboration has also expanded through research partnerships. In 2020, the Indian Institute of Technology (IIT) Delhi[41] and several New Zealand universities established the New Zealand Centre at IIT Delhi to promote joint research and academic exchange. Supported by a joint funding commitment of USD 100,000[42], the initiative financed collaborative research projects in priority areas including cancer research, cybersecurity, robotics, autonomous vehicles, waste management, and medical technology, demonstrating the growing emphasis on knowledge exchange and innovation.

The information technology[43] and digital services sector have also become an important areas of bilateral cooperation. Recent engagements have identified opportunities for collaboration in AI, aerospace technologies, sensor technologies, marine technologies, research and development (R&D), startup ecosystems, Global Capability Centres (GCCs), and digital skills development. Global Innovation Alliance (GIA)[44] has emerged as an important platform connecting startups, industry, academia, and government institutions from both countries, facilitating technology transfer, innovation partnerships, and talent development by combining India's strengths in software and digital services with New Zealand's expertise in advanced technologies.

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[39] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/apr/doc2026427857501.pdf
[40] https://www.mea.gov.in/Portal/ForeignRelation/Bilateral-13-03-2025.pdf
[41] https://www.enz.govt.nz/news-and-research/ed-news/first-research-projects-funded-through-nz-centre-at-iit-delhi
[42] https://www.cgiauckland.gov.in/page/india-new-zealand-bilateral-brief/
[43] https://www.msn.com/en-in/news/india/new-zealand-delegation-meets-karnataka-it-bt-minister-to-explore-innovation-skills-collaboration/ar-AA1UcIIS
[44] https://www.msn.com/en-in/news/india/new-zealand-delegation-meets-karnataka-it-bt-minister-to-explore-innovation-skills-collaboration/ar-AA1UcIIS

Cooperation is also expanding in the agritech sector[45], reflecting the complementary strengths of both economies. A significant milestone was the Memorandum of Understanding (MoU) signed between New Zealand's QLBS and India's Map My Crop under the New Zealand India Entrepreneurship Initiative (NZIEI). The partnership combines New Zealand's expertise in precision agriculture, food traceability, and export compliance with India's capabilities in artificial intelligence, satellite imagery, drones, remote sensing, and digital agriculture. These initiatives support the development of smart farming solutions, digital compliance systems, and precision agriculture while promoting sustainable agricultural practices and improved integration into global value chains.

The dairy sector[46] has emerged as one of the most strategically balanced components of the India-New Zealand FTA, reflecting India's objective of protecting its domestic dairy industry while fostering collaboration in high-value dairy segments. India, the world's largest milk producer, supports nearly 150 million rural dairy farmers, making dairy a highly sensitive sector. Accordingly, the FTA excludes core dairy products such as liquid milk, butter, cheese, and most milk powders from tariff liberalisation, ensuring that India's domestic producers remain insulated from direct import competition.

The agreement focuses on collaboration in specialised nutrition products[47], bulk infant formula, dairy ingredients, and functional dairy products, where tariffs will be phased down over a seven-year period. A key provision grants zero-duty access for dairy ingredients imported into India solely for processing and re-export, enabling New Zealand companies to leverage India's cost-competitive food processing industry as a manufacturing hub for the Oceania and wider global markets. The FTA transforms the dairy relationship from one centred on commodity trade to one driven by investment, advanced processing, technology collaboration, and nutritional innovation, creating long-term opportunities for both countries while safeguarding India's dairy ecosystem.

The tourism sector[48] has witnessed renewed momentum through initiatives aimed at improving connectivity and increasing visitor flows. During Prime Minister Christopher Luxon's visit to India, Air India and Air New Zealand signed an MoU to establish direct flights between the two countries by 2028, subject to regulatory approvals and aircraft availability. Simultaneously, Tourism New Zealand[49], Auckland Airport, and Air New Zealand launched a joint marketing campaign to position New Zealand as a year-round destination for Indian travellers. Tourism New Zealand has also partnered with nine leading Indian travel agencies to develop customised travel experiences tailored to Indian tourists. With tourism being New Zealand's second-largest export earner after agriculture, these initiatives are expected to

[45] https://www.asiamediacentre.org.nz/agritech-partnership-marks-early-win-for-new-zealand-india-business-initiative
[46] https://dairynews.today/news/india-and-new-zealand-sign-fta-with-special-focus-on-dairy-nutrition.html
[47] https://dairynews.today/news/india-and-new-zealand-sign-fta-with-special-focus-on-dairy-nutrition.html
[48] https://traveltradejournal.com/new-partnerships-set-stage-for-robust-india-new-zealand-travel-growth/
[49] https://traveltradejournal.com/new-partnerships-set-stage-for-robust-india-new-zealand-travel-growth/

substantially boost bilateral tourism. Furthermore, the centenary of India-New Zealand sporting relations in 2026, centred around cricket[50], is expected to promote sports tourism, cultural exchange, and people-to-people connectivity.

The India-New Zealand FTA provides an additional impetus to services trade by offering New Zealand's most comprehensive services market access commitment, covering 118[51] service sectors with Most-Favoured Nation (MFN) treatment across 139 sectors. The agreement creates significant opportunities for Indian professionals in information technology, engineering, healthcare, education, construction, hospitality, and professional services, while facilitating greater mobility of skilled workers.

Supported by the FTA, these sectors are expected to play an increasingly important role in diversifying bilateral trade, strengthening innovation-led partnerships, promoting investment, and creating long-term opportunities for sustainable economic cooperation.

IV. Deepening Two-Way Investment Ties

FDI flows between India and New Zealand have been relatively modest over the years with investment patterns indicating diversification but limited growth. Cumulative FDI from New Zealand to India in the period 2000-2025 amounted to USD 88.62 million[52], according to the Department for Promotion of Industry and Internal Trade (DPIIT). Cumulative Indian investment into New Zealand has also been modest, amounting to USD 90 million[53] in the period from April 2000 to February 2026, with investments spread across the sectors of wholesale and retail trade, manufacturing and financial services[54].

However, bilateral investment flows between India and New Zealand are set to expand greatly through the signing of the FTA between the two countries which establishes a stable investment framework setting the ground for the inflow of USD 20 billion in FDI[55] from New Zealand to India over the next 15 years. Priority sectors for investment have been identified as manufacturing, renewable energy, infrastructure, innovation and R&D, agriculture and food-tech, and digital economy.

[50] https://traveltradejournal.com/new-partnerships-set-stage-for-robust-india-new-zealand-travel-growth/
[51] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/apr/doc2026427857501.pdf
[52] https://www.dpiit.gov.in/static/uploads/2026/04/efbfcc1b6ebb398f153c2374b32e960a.pdf
[53] https://dea.gov.in/files/overseas_direct_investment_documents/ODI%20Factsheet%20February%202026.pdf
[54] https://www.india-briefing.com/news/india-new-zealand-fta-signed-2026-trade-commercial-investment-opportunities-44392.html/
[55] https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=158370&ModuleId=3&reg=3&lang=1

Scope of Investments in India

A. Manufacturing

India's manufacturing sector, particularly in the areas of advanced manufacturing, food processing, agri-tech, dairy technology and machinery production, provides plentiful opportunities for investment for companies from New Zealand. Manufacturing is central to India's economy, employing over 27 million workers across the country and contributes to 16-17% of national GDP[56]. By 2035, the government is targeting a rise in this share of GDP to 25%[57], creating 143 million jobs, supported by initiatives like 'Make in India' and 'Production-Linked Incentive' (PLI) schemes. Digital transformation through automation, digitalisation and process-driven production has improved efficiency, allowing Indian manufacturers to claim a competitive position in global markets.

Key investment opportunities for New Zealand companies in India's manufacturing sector:

- India's 'Make in India' initiative creates opportunities for New Zealand firms specialising in precision engineering, automation and industrial machinery, supporting the modernisation of the sector through technology transfer.
- India's expanding medical device industry offers opportunities for New Zealand companies to establish manufacturing facilities, joint ventures and R&D collaborations.
- New Zealand firms could also explore investment opportunities in the manufacture of clean energy technologies, including energy storage systems, smart-grid equipment and hydrogen technologies.

B. Agriculture & Agri-tech

Agriculture is a foundational pillar of India's economy, supporting the livelihoods of nearly 55%[58] of the population. India's agriculture sector is developing significantly through the adoption of modern technologies, mechanisation and sustainable farming practices. Government of India initiatives such as the Digital Agriculture Mission, National Mission for Sustainable Agriculture and the Agriculture Infrastructure Fund are promoting precision farming, farm mechanisation and post-harvest infrastructure.

The India New Zealand FTA provides for strengthening bilateral agricultural cooperation through joint action plans for production of kiwifruit, apples and honey, aimed at improving productivity, quality and farmer incomes. Collaboration with New Zealand in research, setting up of Centres of Excellence, improved planting material, orchard management, post-harvest practices, food safety and sustainable beekeeping will enhance agricultural capabilities and promote the adoption of global best practices in India.

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[56] https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=158382&ModuleId=3&reg=3&lang=1
[57] https://www.ibef.org/industry/manufacturing-sector-india
[58] https://www.ibef.org/industry/agriculture-india

Key investment opportunities for New Zealand companies in India's agriculture sector:

- New Zealand companies could invest in precision agriculture technologies, including GPS-enabled equipment, sensors, drones and data-driven farm management solutions.
- India's growing farm mechanisation presents opportunities for investment in advanced agricultural machinery and equipment. New Zealand firms could partner with Indian manufacturers to develop solutions suited to small and medium-sized farms.
- New Zealand's expertise in post-harvest management and temperature-controlled supply chains could help reduce food losses and improve market access.
- Rising domestic and global demand for organic produce creates opportunities in organic certification, traceability systems and sustainable farming practices. New Zealand companies could support Indian producers in meeting international quality and sustainability standards.
- New Zealand's strengths in dairy farming, animal genetics and livestock management offer opportunities for investment in modern dairy infrastructure and farm technologies.
- India's rapidly expanding agritech ecosystem offers opportunities for joint R&D, technology transfer and startup collaboration.

C. Renewable Energy

India's journey towards carbon neutrality has made large strides, with the nation achieving 51.5% renewable energy share[59] in total domestic electricity generation by July 2025, achieving the third position in global renewable energy rankings. India aims to achieve 500GW of non-fossil fuel-based energy by 2030, and has allowed 100% FDI under the automatic route for projects regarding renewable energy generation and distribution. Under the Ministry of New and Renewable Energy (MNRE), Government of India, projects promoting the generation of solar energy, wind energy, bioenergy, hydropower and geothermal energy have been undertaken, and provide investment opportunities for New Zealand companies.

Key investment opportunities for New Zealand companies in India's renewable energy sector:

- New Zealand companies could invest in solar manufacturing, utility-scale solar projects and rooftop solar solutions. Opportunities also exist in advanced solar technologies, energy management systems and project development.

[59] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2250039&lang=1&reg=3

- India's National Green Hydrogen Mission offers opportunities for investment in hydrogen production, storage, transport and related technologies. New Zealand's expertise in clean energy innovation can support the development of a competitive hydrogen ecosystem.
- As renewable energy capacity expands, demand for battery storage and grid-balancing solutions is increasing. New Zealand firms could contribute through advanced battery technologies, energy storage systems and smart energy management.
- India's growing wind energy market presents opportunities in turbine components, engineering services and operations and maintenance solutions.
- New Zealand companies could invest in smart-grid technologies, digital energy management and grid optimisation solutions to support India's efforts to integrate larger shares of renewable energy into the power system.
- India's focus on circular economy initiatives creates opportunities in waste-to-energy plants, biomass processing and bioenergy technologies. New Zealand's expertise in sustainable resource management can support these projects.

D. Infrastructure & Logistics

As India's economy grows, its development is supported by the quality and scale of its infrastructure systems. National Highway networks have grown sharply from 91,287 km in 2014 to 1,46,204 km in 2025[60]. While major port handling capacity increased by 87%[61], airport capacity has doubled, and Indian Railways has prioritised network expansion.

India's logistics ecosystem has also developed significantly, with India's ranking in the World Bank Logistics Performance Index rising from 44 in 2018 to 38 in 2023[62]. In 2025, the sector was expected to grow at a CAGR of 10.7% until 2026[63]. Therefore, there is great potential in investing in infrastructure and logistics in India, supported by forward-looking initiatives such as National Infrastructure Pipeline (NIP), National Logistics Policy and PM Gati Shakti.

Key investment opportunities for New Zealand companies in India's infrastructure and logistics sector:

- New Zealand companies could invest in India's expanding road, rail, port and airport infrastructure through engineering services, project management and technology partnerships.

[60] https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154624&ModuleId=3&reg=48&lang=2
[61] https://www.pib.gov.in/FactsheetDetails.aspx?Id=149113&reg=48&lang=2
[62] https://www.pib.gov.in/FactsheetDetails.aspx?Id=149113&reg=48&lang=2
[63] https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=155038&ModuleId=3&reg=3&lang=2

- India's growing agriculture, food processing and pharmaceutical sectors have increased demand for modern cold-chain infrastructure and warehousing. New Zealand's expertise in temperature-controlled logistics and supply chain management could support this expansion.
- New Zealand firms could invest in digital logistics platforms, supply chain optimisation, freight management and warehouse automation.
- India's port modernisation initiatives create opportunities for New Zealand companies in port logistics, cargo handling technologies and maritime services.
- New Zealand companies specialising in sustainable construction, green building technologies and climate-resilient infrastructure could contribute to India's urban development goals.
- India's development of multimodal logistics parks under the PM Gati Shakti programme offers opportunities in integrated freight terminals, warehousing and logistics services.

E. Digital Technologies

India's digital economy has emerged as one of the fastest-growing in the world, driven by widespread internet penetration, rapid smartphone adoption and a supportive policy environment. The country has developed a robust digital public infrastructure through initiatives such as Aadhaar, the Unified Payments Interface (UPI) and the Open Network for Digital Commerce (ONDC), enabling innovation across fintech, e-commerce and digital services.

India is also home to the world's third-largest startup ecosystem, with over 2 lakh DPIIT recognised startups[64], fostering rapid advancements in AI, machine learning and other emerging technologies. As digital adoption continues to accelerate across businesses and consumers, there is significant potential for New Zealand companies to invest in fintech, e-commerce platforms, AI-driven solutions and collaborative innovation with India's vibrant startup ecosystem. Government initiatives such as the Digital India programme, IndiaAI Mission and Startup India further strengthen the country's attractiveness as a destination for technology investment.

Key investment opportunities for New Zealand companies in India's digital technologies sector:

- New Zealand firms can collaborate with Indian financial institutions and fintech startups to develop innovative digital financial solutions in digital banking, financial inclusion, and payment technologies.

[64] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2214872&reg=3&lang=2

- India's globally recognised digital payments ecosystem, led by UPI, creates opportunities in payment infrastructure, cybersecurity and cross-border payment solutions. New Zealand firms could partner with Indian companies to develop secure and scalable digital payment technologies.
- New Zealand companies could invest in research, product development and industry-specific AI applications.
- Rising digital adoption and data localisation requirements are driving investment in cloud computing and data centre infrastructure. New Zealand companies could contribute through cloud services, data management solutions and digital infrastructure technologies.

Rakon: A case study of New Zealand investment in India

As global demand for advanced frequency-control and timing solutions grew, Rakon sought to expand its manufacturing capacity while establishing a cost-competitive production base capable of serving both Indian and international markets. At the same time, India aimed to strengthen its high-technology manufacturing ecosystem under the Make in India initiative and attract foreign investment in advanced electronics and space technologies.

Rakon expanded its 15-year presence in India by inaugurating a Research and Manufacturing Centre of Excellence in Bengaluru in 2023. The company invested approximately USD 8.5 million[65], with plans to invest an additional USD 31.2 million over the following five years, while employing around 500 people. Beyond manufacturing, Rakon partnered with ISRO to develop high-precision components for major Indian space missions, including the Chandrayaan moon missions, the Mangalyaan Mars orbiter mission, Aditya L1 and Gaganyaan, integrating local manufacturing with research, innovation and technology development.

Rakon's investment has strengthened India's position as a manufacturing and innovation hub for advanced technologies while supporting local employment, skills development and technology transfer. Its collaboration with ISRO demonstrates how long-term foreign investment can extend beyond production to include high-value research and strategic technology partnerships. The case highlights India's growing attractiveness for global technology companies seeking to combine competitive manufacturing with innovation, supported by favourable industrial policies and a robust engineering talent pool. Various New Zealand companies such as Glidepath, RML Engineering, Gallagher Group, Sealegs, Hamilton Jet, Quality NZ, Redesign Group, and Valocity, have also made investments towards establishing operations in India[66].

[65] https://www.rakon.com/news/rakon-opens-research-and-manufacturing-facility-in-india
[66] https://www.mea.gov.in/Portal/ForeignRelation/Bilateral-13-03-2025.pdf

Scope of Investments in New Zealand

A. IT and Digital Services

New Zealand's ICT market, valued at USD 19.8 billion in 2024[67], has experienced sustained growth, supported by advanced digital infrastructure, a highly skilled workforce and a strong innovation ecosystem. The technology sector is one of New Zealand's largest export industries, contributing to 8% of GDP in 2024[68], while the ICT market continues to expand across cloud computing, AI, fintech, health IT and software services. Indian IT companies have established a strong presence in New Zealand, providing digital transformation, cloud computing, cybersecurity and enterprise technology solutions to businesses and government agencies.

Key investment opportunities for Indian companies in New Zealand's ICT sector:

- Indian IT companies could expand their digital transformation and consulting services for businesses and government agencies in New Zealand.
- New Zealand's increasing adoption of cloud technologies has created demand for secure cloud infrastructure and cybersecurity solutions. Indian firms could leverage their global expertise to support digital resilience across key industries.
- Indian companies could invest in AI, machine learning and data analytics solutions for sectors such as healthcare, agriculture, financial services and public administration.
- New Zealand's evolving fintech ecosystem offers opportunities in digital banking, payment technologies, RegTech and financial software. Indian firms could partner with local financial institutions to develop innovative and secure financial solutions.
- New Zealand's innovation ecosystem provides opportunities for Indian companies to establish software development centres and collaborative R&D facilities.
- Indian technology firms could collaborate with New Zealand startups through venture capital, innovation hubs and technology accelerators.

B. Renewable Energy

New Zealand's renewable energy sector is a cornerstone of its low-emissions economy, supported by abundant natural resources and a strong commitment to sustainability. Around 85%[69] of New Zealand's electricity is generated from renewable sources, primarily hydropower, geothermal and wind energy, with the government targeting 100% renewable

[67] https://www.trade.gov/country-commercial-guides/new-zealand-information-and-communication-technology-ict
[68] https://technewzealand.org.nz/nzs-tech-sector/
[69] https://www.eeca.govt.nz/insights/energy-in-new-zealand/renewable-energy/

electricity in normal hydrological years by 2030[70]. The country is also investing in emerging technologies such as green hydrogen, offshore wind, battery storage and smart energy systems to support decarbonisation and energy security.

Key investment opportunities for Indian companies in New Zealand's renewable energy sector:

- New Zealand's emerging green hydrogen industry offers opportunities for Indian companies in hydrogen production, storage and export infrastructure.
- New Zealand's growing onshore and offshore wind sector presents opportunities in project development, engineering services and turbine components.
- As renewable energy generation increases, demand for battery storage and grid-balancing technologies is expected to grow. Indian companies could invest in advanced energy storage systems and smart energy management solutions.
- New Zealand's transition to a low-carbon electricity system creates opportunities in smart-grid technologies, digital energy management and grid modernisation.
- The growing adoption of electric vehicles presents opportunities in EV charging infrastructure, battery technologies and integrated mobility solutions.
- New Zealand's strong research ecosystem offers opportunities for Indian companies to collaborate on clean energy technologies, including geothermal energy, bioenergy and renewable energy integration.

C. Agriculture

Agriculture remains a cornerstone of New Zealand's economy, underpinned by advanced farming practices, high productivity and a strong export orientation. It contributes to about 12% of the nation's GDP[71]. The sector accounts for the majority of the country's merchandise exports, with dairy, meat, horticulture and forestry products driving economic growth. New Zealand has also established itself as a global leader in precision agriculture, sustainable farming, animal genetics and food safety, supported by a robust agricultural research and innovation ecosystem.

Key investment opportunities for Indian companies in New Zealand's agriculture sector:

- New Zealand's advanced agricultural sector offers opportunities for Indian companies to invest in precision farming technologies, digital agriculture and farm automation.

[70] https://www.pwc.co.nz/industry-expertise/energy-and-utilities/navigating-the-energy-transition.html
[71] https://www.arxada.com/en/crop-protection/regions/new-zealand-agriculture

- Indian companies could invest in food processing, packaging and value-added agricultural products by leveraging New Zealand's high-quality agricultural produce.
- New Zealand's globally competitive dairy industry provides opportunities for collaboration in dairy processing, animal genetics and livestock management technologies. Indian firms could benefit from knowledge transfer and advanced production practices.
- New Zealand's strong agricultural research ecosystem offers opportunities for joint R&D, technology transfer and innovation partnerships.
- New Zealand's expertise in sustainable agriculture creates opportunities for investment in organic farming, environmental technologies and resource-efficient production systems.

D. Healthcare

New Zealand's healthcare sector is supported by a high-quality public health system, a strong life sciences ecosystem and growing investment in digital health and medical innovation. The country has developed expertise in medical technologies, biotechnology, digital health solutions and health research, creating opportunities for international collaboration. The India-New Zealand FTA further strengthens healthcare cooperation by facilitating trade in traditional medicine services, promoting collaboration between India's AYUSH systems and Māori health practices, and supporting medical value travel and wellness services.

Key investment opportunities for Indian companies in New Zealand's healthcare sector:

- New Zealand's medical technology sector offers opportunities for Indian companies to invest in medical devices manufacturing, diagnostics and digital health solutions.
- New Zealand's growing biotechnology ecosystem presents opportunities in pharmaceuticals, biomedical research and life sciences innovation.
- Increasing adoption of telemedicine, electronic health records and AI-enabled healthcare creates opportunities for investment in digital health platforms and healthcare software.
- The India-New Zealand FTA facilitates trade in Ayurveda, yoga and other traditional medicine services, creating opportunities for Indian companies to expand wellness services and collaborate with New Zealand providers.
- New Zealand's strong clinical research and innovation ecosystem offers opportunities for joint R&D, technology transfer and healthcare innovation.

E. Education

New Zealand's education sector is internationally recognised for its high-quality institutions, strong research capabilities and emphasis on innovation and skills development. Education is one of the country's major service exports, attracting international students through its globally ranked universities, vocational education providers and research institutions. New Zealand also has a strong focus on digital learning, industry collaboration and applied research, creating an environment that supports innovation and workforce development. Under the FTA, Indian students in New Zealand may work up to 20 hours a week while studying, with an extended post-study work visa, providing opportunities for Indian youth to gain global exposure.

Key investment opportunities for Indian companies in New Zealand's education sector:

- New Zealand's growing adoption of digital learning creates opportunities for Indian companies to invest in EdTech platforms, online learning solutions and educational software.
- Indian companies could partner with New Zealand institutions to establish vocational training programmes in high-demand sectors such as information technology, healthcare, engineering and agriculture to address skill shortages.
- New Zealand's strong research ecosystem offers opportunities for joint R&D, academic collaboration and technology commercialisation. Indian companies could work with universities and research institutions to develop innovative solutions across emerging sectors.
- Indian firms could partner with universities and tertiary institutions to develop industry-focused curricula, internships and innovation programmes.
- Growing demand for digital capabilities creates opportunities for Indian companies to deliver training in artificial intelligence, cybersecurity, cloud computing and data analytics.

TCS: A case study of Indian investment in New Zealand

As New Zealand accelerated its digital transformation across both the public and private sectors, growing demand for advanced digital capabilities, skilled technology professionals and innovation-driven solutions rose. Businesses and government agencies required long-term technology partners capable of supporting digital modernisation while strengthening local digital capacity.

Tata Consultancy Services has operated in New Zealand for over 38 years, providing digital transformation services across banking, retail, construction, manufacturing and local government. The company employs around 460 professionals and has complemented its commercial operations by partnering with New Zealand universities on research in sustainability, cybersecurity and AI. TCS also invests in STEM education and talent development programmes to strengthen the country's future digital workforce.

TCS has contributed to New Zealand's digital transformation by supporting technology adoption across multiple industries while fostering research collaboration and skills development. Its long-term presence demonstrates how foreign investment in ICT can generate value beyond business operations by strengthening innovation ecosystems, building local capabilities and developing future talent. The case highlights the role of sustained foreign investment and industry-academia partnerships in supporting a knowledge-based economy. Many other Indian IT companies including Infosys have a presence in New Zealand[72], as well as financial institutions such as Bank of India, Bank of Baroda and New India Assurance. Companies such as HCL, Mahindra Motors, Dr. Reddy Laboratories and Royal Enfield Motors also have operations in New Zealand.

FTA: Broadening the canvas for investments

- Greater Bilateral FDI Flows: Improved market access, enhanced investment protections and greater regulatory certainty are expected to encourage higher levels of two-way foreign direct investment across priority sectors.
- Strengthened Business Partnerships: Reduced trade barriers and improved economic cooperation are likely to facilitate joint ventures, strategic partnerships and technology transfer between Indian and New Zealand companies.
- Diversification of Investment Sectors: Investment beyond traditional sectors into renewable energy, digital technologies, agritech, healthcare, education, advanced manufacturing and infrastructure.
- Enhanced Innovation and R&D Collaboration: Greater collaboration between businesses, universities and research institutions is expected to accelerate innovation, commercialisation of technologies and startup partnerships in emerging industries.
- Improved Supply Chain Integration: Stronger economic linkages are likely to enhance bilateral supply chains, particularly in agriculture, food processing, clean energy and advanced manufacturing, improving resilience and market access.
- Growth in Services and Knowledge-Based Industries: Liberalisation of services is expected to support investment in ICT, fintech, education, professional services, healthcare and digital trade, creating new opportunities for businesses in both countries.
- Sustainable and Green Investment: Promote investments in renewable energy, sustainable agriculture, green hydrogen and low-carbon technologies, supporting both countries' climate and sustainability objectives.

[72] https://www.mea.gov.in/Portal/ForeignRelation/Bilateral-13-03-2025.pdf

V. Charting the next phase of economic relations

As India and New Zealand enter a new phase of bilateral engagement following the conclusion of the Free Trade Agreement, the focus must now shift from expanding trade volumes to building a resilient, innovation-driven, and future-oriented economic partnership. The FTA provides a strong foundation for transforming the bilateral relationship into a comprehensive economic and strategic partnership.

Going forward, both countries should move beyond traditional merchandise trade and focus on strengthening collaboration in high-growth sectors such as artificial intelligence, agritech, healthtech, renewable energy, advanced manufacturing, digital technologies, and biotechnology through joint research, technology transfer, startup exchanges, and innovation partnerships.

The complementary strengths of the two economies also present opportunities to build integrated value chains by combining New Zealand's expertise in dairy technology, food processing, and precision agriculture with India's manufacturing capabilities, digital infrastructure, and skilled workforce.

Expanding services trade through greater mobility of professionals, students, researchers, and entrepreneurs, supported by mutual recognition of qualifications and academic collaborations, will further strengthen people-to-people ties.

Additionally, establishing a dedicated India–New Zealand Business and Investment Platform can facilitate investment, regular business dialogues, and sector-specific partnerships. By promoting innovation, resilient supply chains, sustainability, and deeper private-sector engagement, both countries can unlock new opportunities for trade, investment, and long-term economic cooperation while strengthening their strategic partnership in the Indo-Pacific region.

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ABOUT FICCI

Established in 1927, Federation of Indian Chambers of Commerce and Industry (FICCI) is the largest and oldest apex business organisation in India. Mahatma Gandhi addressed FICCI's 4th AGM in 1931. Our 98th AGM was held in November 2025. With our rich legacy, FICCI would play an even greater role as India emerges as the 3rd largest economy.

FICCI works with its key stakeholders to foster active engagement and dialogue with decision makers, to support steps that are good for commerce and industry.

As a member-led and member-driven organisation, FICCI represents over 2,50,000 companies across all segments of economy including public, private and multinationals. The diverse membership base of FICCI across all Indian states includes both direct and indirect members through its 300 affiliated regional and state level industry associations. FICCI has a large international presence via partner agreements with 250 national business associations in over 100 countries.

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