# 2026 NZBRiC Business Outlook Survey Report

**China, June 2026**

NZBRiC New Zealand Business Roundtable in China

UMS United Media Solution
Digital Marketing Specialist

**Supported By:** ICBC 工银新西兰

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# MESSAGE FROM THE CHAIR


**Daniel Young**
*Chair*
*NZBRiC*


We are pleased to present our 2026 New Zealand Business Roundtable in China (NZBRiC) Business Outlook Report, encompassing 70 New Zealand businesses and completed in April – May 2026. The report comes in a period of instability that is being felt the world over, however, despite headwinds both locally and globally, the report finds that the relationship between our respective government and business leaders, on multiple levels remains healthy and optimistic.

The results of this year's survey can be summarised by three overarching themes: **Opportunity, Optimisation** and **Localisation**. As China continues to grow domestically, New Zealand businesses are moving to capture new markets outside the traditional tier one cities, optimise their supply chains and utilising local talent to move faster in the ever-changing Chinese Market.

## Opportunity

New Zealand firms maintain a strong outlook on the opportunities within the China market. This year, 64% of respondents reported high or very high optimism regarding their Chinese operations, up from 51% in 2025. Furthermore, total confidence, encompassing those with at least moderate optimism or higher climbed to 97%, compared to 94% last year. These figures underscore a clear consensus: New Zealand businesses continue to see enduring value in commitment to this market. Amid a challenging economic environment in New Zealand, these numbers should provide comfort to New Zealand companies that are looking to break into China for the first time.

New Zealand products occupy a unique footprint in China, typically positioning at the very top of the premium category or serving as critical OEM suppliers to domestic firms. For premium brands, Tier 1 and 1.5 hubs, including Shanghai, Beijing, Guangzhou, Shenzhen, and Hangzhou, remain primary growth engines, possessing the concentrated purchasing power required to absorb premium price points. This is borne out in our data, with Hangzhou and Ningbo demonstrating the highest resilience among firms targeting operational expansion. Additionally, New Zealand businesses are optimistic about lower-tier market growth, with 45% of respondents expressing moderate to high confidence in Tier 3 cities and below. While the mid-market territory of Tier 2 provincial capitals like Wuhan and Nanjing remains challenging to penetrate, New Zealand companies are structurally well-positioned to capitalise on the eventual consolidation of distributors across these mid-tier regions.

## Optimisation

China's 15th Five-Year Plan places a strong emphasis on prioritising production quality over sheer quantity. As Chinese companies advance this transition, the unmatched scale of domestic manufacturing allows them to achieve economies of scale that few other countries can match. This dynamic is creating clear opportunities for New Zealand businesses. According to our latest findings, 34% of surveyed firms expect to further optimise their supply chains moving forward, a significant leap from just 20% in 2025. This shift is also reflected in investment intentions, and when asked about drivers for future capital deployment, supply chain optimisation saw the largest year-on-year increase. Ultimately, as China focuses on elevating its total factor productivity, New Zealand firms are well-positioned to leverage these advancements to enhance the quality and efficiency of their products as they enter the market.

## Localisation

The third core theme emerging from our 2026 survey is the clear shift toward localisation. For companies operating in China, strong local channel partnerships remain a cornerstone of success, with 50% of firms citing these relationships as a primary driver for their market presence.

At the same time, New Zealand firms are increasingly building their operations around local talent. Over 50% of surveyed companies now operate with no New Zealand nationals or permanent residents on the ground, a 15% increase from 2025. While this shift can create cross-cultural and communication challenges between New Zealand headquarters and China teams, it highlights the rising quality of the local talent pool, and the soft labour market which has meant lower costs of employment.

The workforce has reached a level where a majority of firms now confidently entrust their entire on-the-ground operations to locally engaged staff.

Looking at both trends together, stronger local partnerships and entirely local teams, it is clear that New Zealand businesses are adapting to a key market reality. To keep up with how fast Chinese consumer preferences change, companies need deep local roots. Without local presence through partnerships and/or staff, international businesses may find it challenging to match the market's rapid speed of change.

## Looking ahead

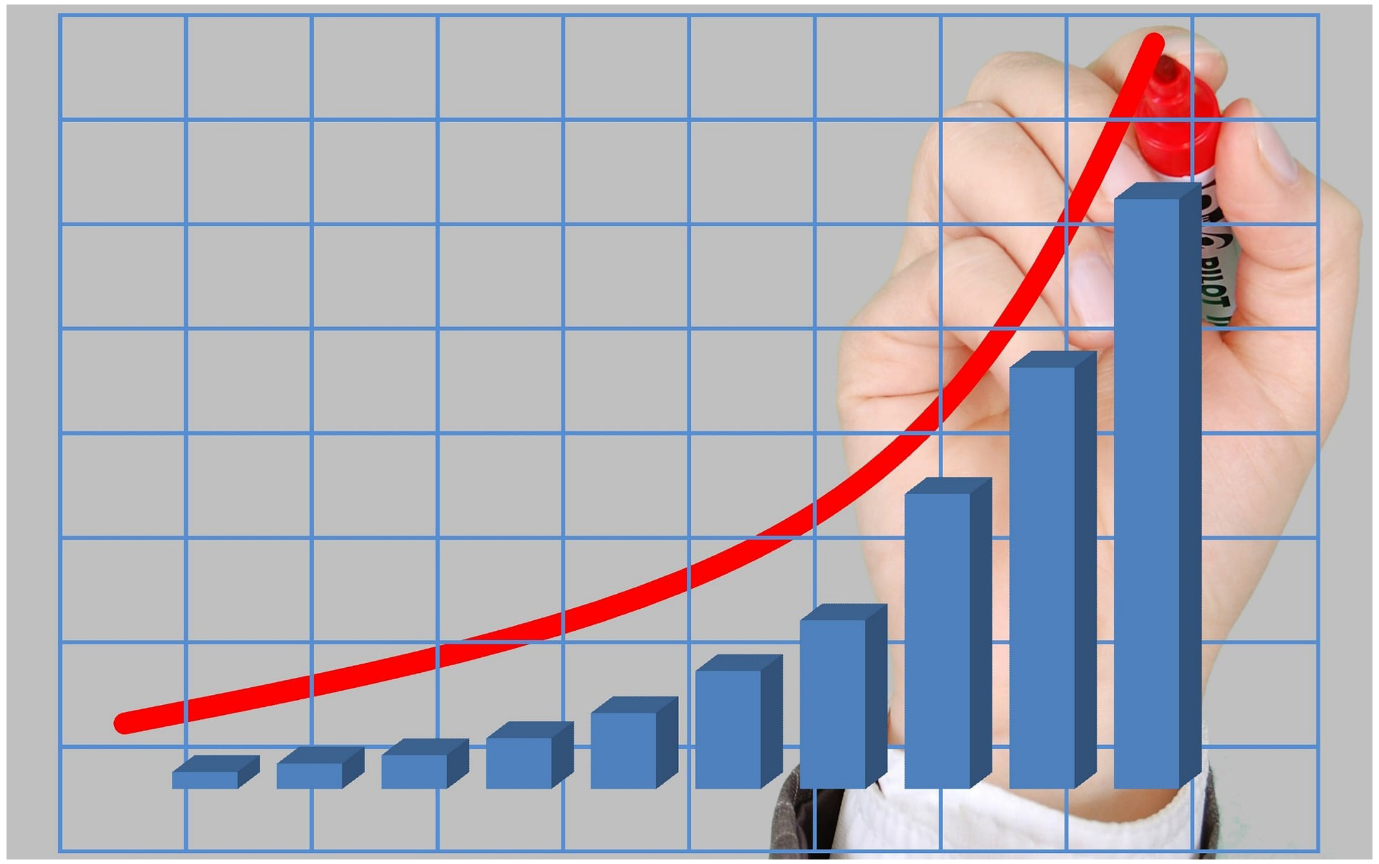
This report offers a robust foundation of insights, analysis, and recommendations for all stakeholders in the NZ–China relationship. We hope that business, government and professional communities can draw on these findings to guide and support their decision-making in the year ahead. As we collectively navigate the opportunities and challenges of the China market, we look forward to working closely with such stakeholders to strengthen NZ-China trade sectors.

In closing can I offer, on behalf of our Board, a sincere thank you to the 2026 Business Outlook Survey editorial team. Their hard work, dedication, and valuable insights are instrumental to the success of this report. For media enquiries, please contact Nick at "nicholas.calder@nzbric.com

# FOREWORD

The **2026 New Zealand Business Roundtable in China Business Outlook Report** is the fourth annual survey conducted by the New Zealand Business Roundtable in China (NZBRiC). The survey examines the opinions and confidence of New Zealand businesses operating in the Chinese market, and seeks to provide valuable context, insights, and policy recommendations for business leaders, policymakers, and government officials.

In 2025, China's economy grew by 5% year-on-year, with real consumption expenditure rising by 4.4%, successfully meeting the government's GDP growth target of "about five percent." This expansion was primarily driven by the manufacturing, services, and export sectors, which each recorded growth between 4% and 6%. Clean technology and "new productive forces" remained central priorities for the Chinese government and contributed significantly to economic momentum. However, Beijing continues to focus on expanding domestic consumption and rising income levels as it seeks new growth drivers against an uncertain international trading environment. According to McKinsey, consumption in early 2025 was largely driven by upgrading incentives for home appliances and electric vehicles, stimulated by government subsidies to clear inventories. The final quarter of the year, however, saw a pivot toward personal care, fashion, and Food and Beverage, with many sectors experiencing stronger growth in Q4 than in the first three quarters combined.



Of relevance to New Zealand exporters, retail sales increased by 3.7% year-on-year in 2025 to reach 50 trillion RMB, while online retail sales grew by 8.6% to 16 trillion RMB, defending China's position as the world's largest online retail market.

In early 2026, China launched its 15th Five-Year Plan, prioritising high-quality production and technological self-reliance. While consumption ranks third on the government's list of formal priorities, it remains prominent for Chinese consumers. Following a wave of Food and Beverage consumption vouchers distributed throughout 2025, it remains to be seen whether this short-term stimulus can be converted into a long-term unlocking of the 22 trillion RMB in household savings currently held in Chinese banks. Chinese households' marginal propensity to save, as measured by Mckinsey in April 2026, is still 33.2%; the highest of any developed economy in the world. Gradual, ongoing welfare reform and raising household incomes will be essential to sustainable, long-term consumption growth.

Moving into the second half of 2026, the geopolitical landscape remains unstable, characterized by escalating trade tensions, economic security concerns, and ongoing global conflicts. Despite these global headwinds, the New Zealand–China trade relationship has demonstrated remarkable stability under our long-standing Free Trade Agreement (FTA). Bilateral trade rebounded strongly, climbing 10% compared to 2024 to top NZD $40 billion, surpassing the previous record high set in 2022. As our survey results indicate, New Zealand–China trade continues to show underlying resilience and adaptability.

Over the past year, New Zealand's primary commodity exports to China delivered robust growth. Dairy exports led the recovery, increasing by 31% to NZD $8.2 billion—a sharp acceleration from the modest 4.5% growth seen in 2024. Forestry exports rose by 13.8% to NZD $3.3 billion, while meat and edible offal remained stable at NZD $2.1 billion. A major standout was the edible fruit and nut sector, which surged by 38% to NZD $1.6 billion, providing a timely boost to New Zealand's rural economy alongside the projected windfall from the divestment of Fonterra's consumer brands.

In contrast, the services sector experienced a softening in initial tourism demand, reflected in a drop in visa numbers compared to 2025. Consequently, New Zealand's travel services exports to China decreased by 9.5% to NZD $2.57 billion, while travel services imports from China rose by 6.1% to total NZD $1.39 billion.

This report further explores how these broader macroeconomic dynamics are shaping the optimism, investment strategies, revenue trajectories, and overall sentiment of New Zealand firms engaged with the Chinese market. As China begins implementing its 15th Five-Year Plan (2026–2030), it continues to make substantial progress across domestic and global value chains—driven by advancements in high-quality manufacturing, electronics innovation, and next-generation technologies. Navigating the sheer scale and velocity of change in the world's second-largest economy is a complex task for any business, we hope this report offers valuable strategic support and practical insights for the year ahead.

# ABOUT THE NEW ZEALAND BUSINESS ROUNDTABLE in CHINA (NZBRiC)

NZBRiC

New Zealand Business Roundtable in China | 新西兰中国商业圆桌会

The New Zealand Business Roundtable in China (NZBRiC) is a non-profit organisation that unites industry, corporate, and individual members committed to advancing the New Zealand–China commercial relationship. Our mission is to foster a collaborative network of businesses and government leaders, serving as a strong voice and advocate for New Zealand–China trade relations. Through our efforts, we continue to strengthen bilateral ties and drive growth in key trade sectors across both nations.

Our members span a diverse range of sectors, including Food and Beverage, Professional Services, cosmetics, technology, education, and fast-moving consumer goods. Collectively, our membership now accounts for over 50% of New Zealand's export value to China.

Headquartered in Shanghai – China's economic centre – NZBRiC remains closely connected to its members, delivering dedicated support through our four core pillars: **Advocacy, Information and Insights, Networking,** and **Representation**. These pillars guide our work as we champion the interests of New Zealand businesses in China, ensure they are informed and heard, and foster meaningful connections that help drive long-term success in the world's second-largest economy.


# ABOUT ICBC NEW ZEALAND

## About ICBC Group

Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured into a joint-stock limited company. On 27 October 2006, the Bank was successfully listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The Bank has devoted itself to building a world-class and modern financial institution with Chinese characteristics. The Bank has a high-quality customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to seek further development and adheres to creating value through services while providing abundant financial products and superior financial services to over 13 million corporate customers and 766 million personal customers around the world. It has served the high-quality development of the economy and society with its own high-quality development. The Bank has been consciously integrating social responsibilities into its development strategy and operation and management activities, and gaining wide recognition in the aspects of serving the manufacturing industry, promoting inclusive finance, backing rural revitalization, developing green finance and participating in public welfare undertakings.

The Bank always keeps in mind its underlying mission of serving the real economy with its principal business, and along with the real economy it prospers, suffers and grows. Taking a risk-based approach and never overstepping the bottom line, it constantly enhances its capability of controlling and mitigating risks. Besides, the Bank remains steadfast in understanding and following the business rules of commercial banks to strive to be a long-lasting and ever-prosperous bank. It also stays committed to seeking progress with innovation while maintaining stability, continuously enhances the key development strategies, actively develops the FinTech and accelerates the digital transformation. The Bank unswervingly delivers specialized services, and pioneers a specialized business model, thus making it "a craftsman in large banking".

The Bank was ranked the 1st place among the Top 1000 World Banks by The Banker for the twelfth consecutive year, and took the 1st place among the Top 500 Banking Brands of Brand Finance for the ninth consecutive year.

## About ICBC New Zealand

As a wholly-owned subsidiary of ICBC, Industrial and Commercial Bank of China (New Zealand) Limited (ICBC New Zealand) obtained banking license from the Reserve Bank of New Zealand (RBNZ) on 19 November 2013. ICBC

New Zealand is the first Chinese bank licensed to operate in New Zealand and marks ICBC's first institutional presence in the country. In 2020, ICBC was granted a branch license in addition to the subsidiary license. Through the dual license structure and leveraging the extensive global network of ICBC, we offer an extensive range of financial products and services for the New Zealand market including account management, remittance, international settlement, corporate finance, trade finance and mortgage loans etc.

Integrated with ICBC's internationalization steps, ICBC New Zealand aims at generating value for our clients with comprehensive corporate and retail services and becoming a bridge between New Zealand and China to boost bilateral economic and trade relationship.

ICBC New Zealand is located in Auckland CBD, which is the centre of finance and conveniently located close to transportation. Surrounded by classical Baroque architecture and spacious business district, our clients can enjoy VIP services in Chinese and English languages.

United Media Solution (UMS) was founded in 2011 and now works with partners and clients from Australia, New Zealand, China, the UK, Europe, and select markets in the US.

UMS crafts innovative, data-driven marketing strategies that authentically connect brands with global audiences. With expertise across international education, tourism, B2B, and government relations, the company takes pride in creating and delivering tailored solutions that resonate across cultures and regions.

UMS believes the future belongs to those who can adapt to change and embrace complexity with clarity. The world is evolving faster than ever, with trends in AI, technology, culture, and global connectivity reshaping industries at their core. UMS's role is to anticipate these shifts, interpret their implications, and translate them into opportunities for growth.

Transparency, collaboration, and growth are core values at UMS. The company fosters an open environment where both team members and clients can thrive together. Its culture is young, professional, and fun—driven by a passion for delivering results and building strong relationships.

UMS's journey began in China, where deep local connections and cross-cultural understanding provided a strong foundation for growth in the APAC region. Today, UMS partners with clients around the world, from multinational corporations to emerging brands looking to expand their presence.

The company's perspective is grounded in years of cross-cultural experience and remains forward-looking. UMS consistently asks key questions: What's next for global business? How can technology bridge gaps instead of widening them? What do consumers and decision-makers truly value in a hyper-connected world?

UMS is grateful for the journey that has brought it to where it is today and is excited about the future as it continues to grow, evolve, and break new ground alongside its clients.

UMS – a trusted digital consultancy partner, bridging brands with global audiences.

United Media Solution
Digital Marketing Specialist



# ABOUT THE BUSINESS OUTLOOK SURVEY REPORT

Thank you for reading the fourth annual New Zealand Business Roundtable in China Business Outlook Survey Report. This comprehensive report is based on a survey conducted by NZBRiC in April to May 2026 and represents our flagship research publication of the year.

It provides a unique platform for New Zealand businesses operating in China to share their perspectives and shape how New Zealand engages with China on matters of business, trade, and policy. For many respondents, this survey offers the most direct channel to ensure their views are reflected in the broader dialogue on New Zealand–China economic relations.

This 4th edition also marks the second time the report has been published in both English and Chinese, continuing our commitment to engaging stakeholders in both New Zealand and China. The findings presented here serve as a trusted resource for business leaders, government officials and industry organisations, helping to inform decision-making across sectors.

NZBRiC extends its sincere thanks and appreciation to all respondents for their invaluable participation in the Business Outlook Survey 2026 – your insights made this report possible. We also wish to thank our Executive Committee for their guidance, input, and continued commitment to NZBRiC's success.

# HEADLINE FIGURES

## 68%

**of businesses are satisfied or very satisfied with their primary engagement partners in China.** This high satisfaction rate underscores the exceptional quality of local distributors, marketing partners, and agents, proving they remain a vital asset for New Zealand companies on the ground in China.

## 64%

**of New Zealand companies report high or very high optimism about operating in China,** with 97% now reporting at least moderate confidence. This marks the second consecutive year of tracking overall sentiment, showing a significant upward trajectory from 2025.

## 60%

**of respondents identify intensifying domestic competition as their single greatest business challenge in China.** This pressure reinforces the strategic necessity for firms to localise—not just by tailoring their products, but by accelerating their operational speed to match the market

## 51%

**of New Zealand enterprises now operate with zero New Zealand nationals or permanent residents physically based in China.** This represents a 15-percentage-point increase over 2025, illustrating a trend toward operational localisation. It also reflects the improvement in the calibre of the local talent pool over the past decade, which New Zealand firms are now successfully leveraging.

## 51%

**of respondents saw an expansion in profits.** Notably, the share of companies reporting a moderate profit increase (10–20%) doubled to 15%, alongside a modest rise in those clearing the 20% growth mark. However, this momentum is tempered by a market bifurcation, as the portion of firms experiencing a significant profit decline rose from 3% to 10%.

## 49%

**of surveyed businesses achieved a revenue increase compared to last year.** This aligns with both 2025 performance data and prior growth expectations, demonstrating that despite global economic headwinds, the Chinese market remains a key growth market for New Zealand.

# METHODOLOGY AND SURVEY RESPONDENTS

The 2026 NZBRiC Business Outlook Survey was conducted via SurveyMonkey between April and May 2026, distributed to NZBRiC members and affiliated businesses or organisations with active commercial interests in China. The survey covered market presence, financial performance, investment intentions, workforce, the bilateral relationship, and key challenges and opportunities of operating in the China market.

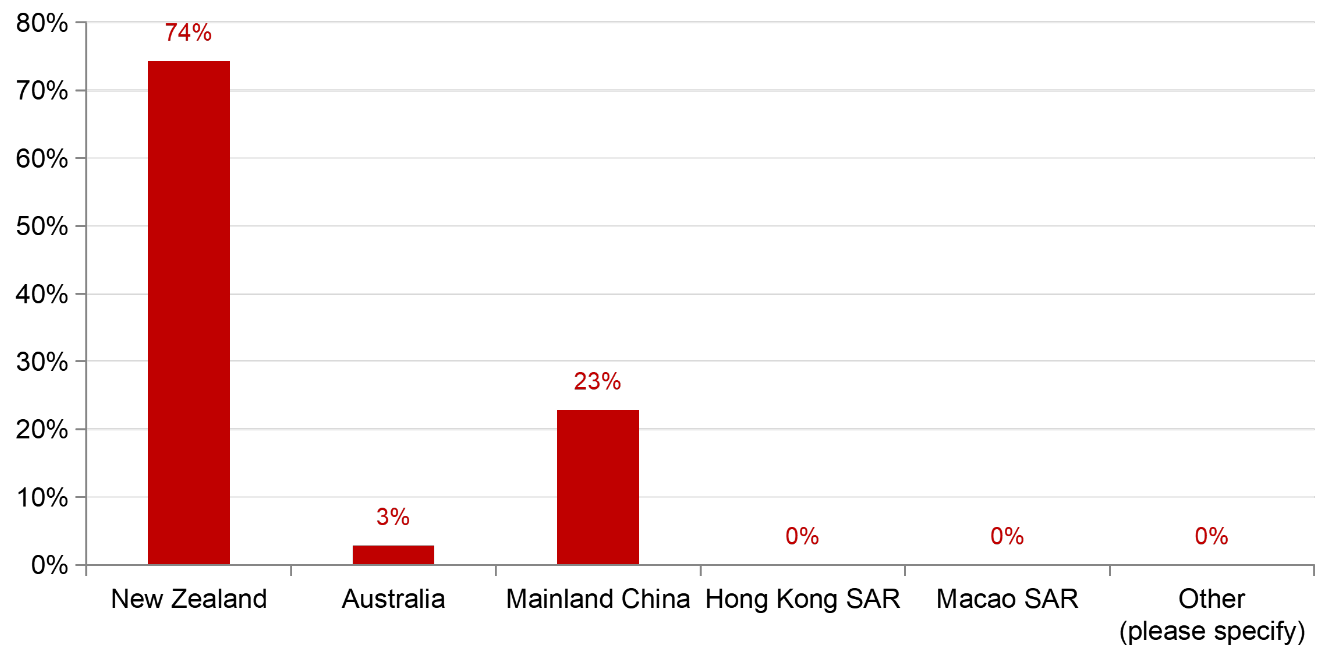
70 organisations completed the survey. Results are reported as percentages of valid respondents per question, with year-on-year comparisons drawn from the 2025 and 2024 surveys where applicable.

## Company Headquarters

In 2026, 74% of respondents were headquartered in New Zealand, with a further 23% based in Mainland China and 3% in Australia. It is worth noting that the 2025 survey asked where respondents were personally located, while the 2026 survey asked where their organisation is headquartered. This means the two figures are not directly comparable — the shift from 73% China-located (2025) to 23% China-headquartered (2026) reflects a change in question design as much as any change in respondent composition.

What the 2026 data does confirm is that the survey captures a genuinely diverse mix of organisations, including New Zealand-based exporters shipping product into China, Chinese-headquartered entities with NZ ownership or strong NZ commercial ties, and Kiwis living and working in China who run consulting and advisory businesses serving international and New Zealand firms operating in market.

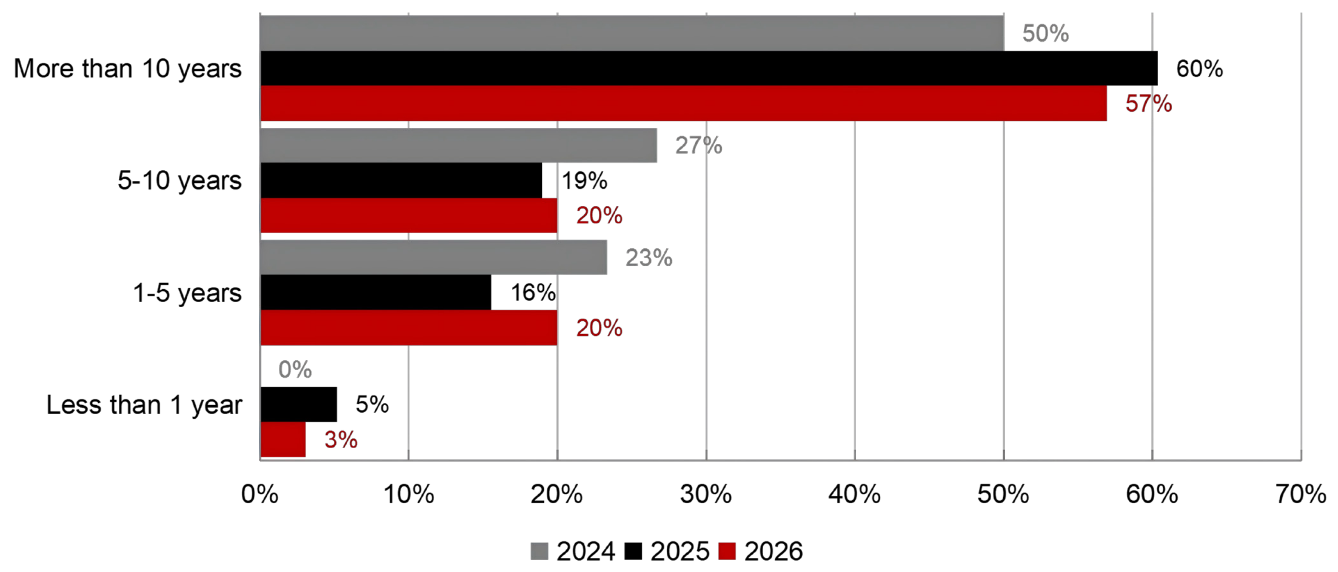
**Where is your organisation headquartered?**



## Length of China Engagement

Respondent data regarding tenure of operations underscores a mature market footprint among New Zealand enterprises. The percentage of companies operating in China for more than 10 years eased slightly to 57% from 60% in 2025, while the share of new market entrants operating for less than a year dipped slightly to 3%. Notably, the most prominent expansion occurred in the 1-to-5-year category, which climbed to 20% from 15.5% in 2025. This shift demonstrates operational continuity, indicating that a portion of recent market entrants have successfully navigated their initial launch phase and established a medium-term presence.

**How long has your organisation been operating in China?**




## Industry Spread

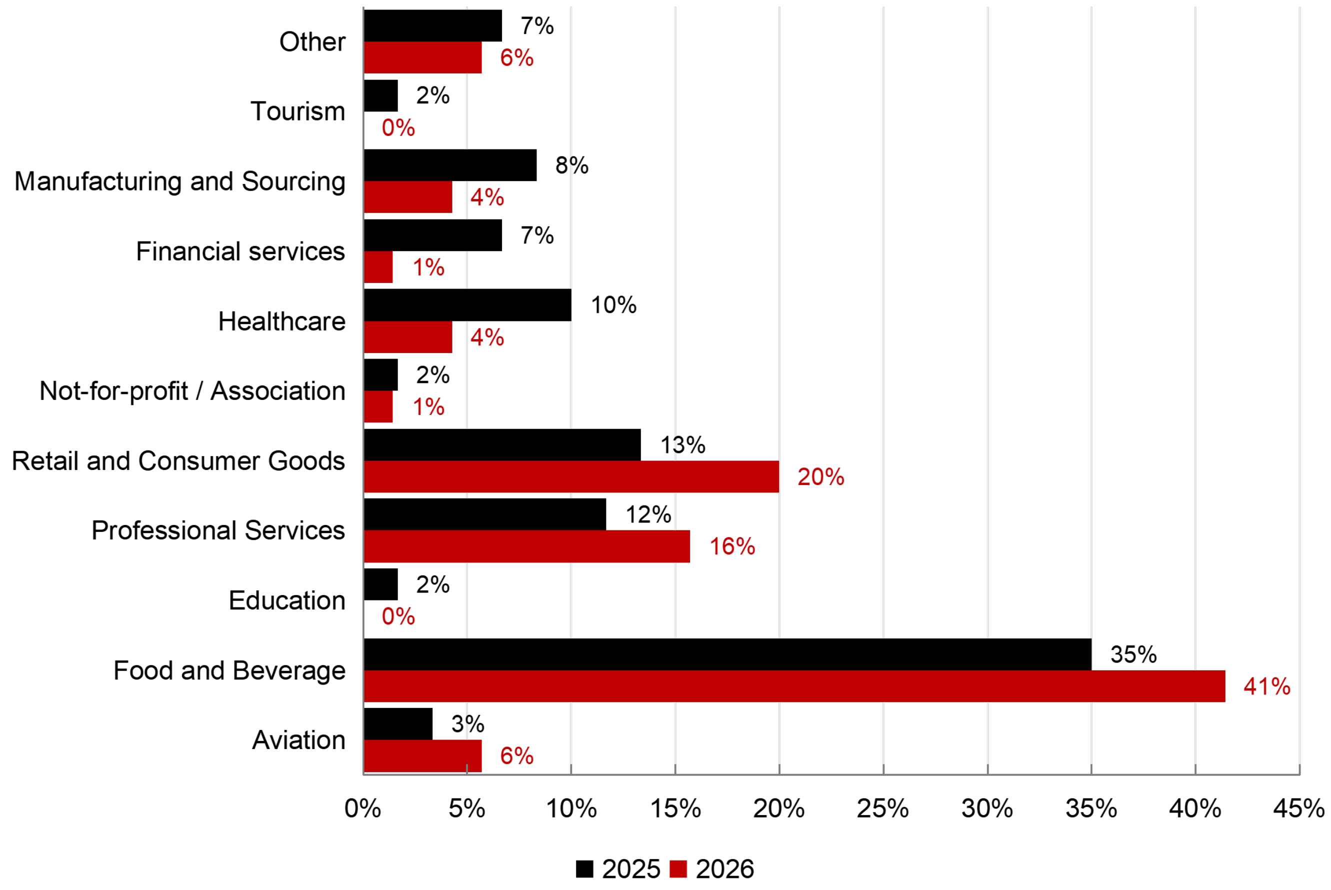
Food and Beverage remained the dominant sector, accounting for 41% of respondents — up from 35% in 2025. This is consistent with the central role primary sector exports play in the New Zealand–China trade relationship. Retail and Consumer Goods was the next largest group at 20%, up from 13%, reflecting growing representation from New Zealand branded goods companies.

Professional Services accounted for 16% of respondents (up from 12% in 2025). This group largely comprises New Zealand professionals based in China providing consulting, advisory, and business services to international and New Zealand clients operating in the market — an important but often under-counted segment of the bilateral commercial relationship that can provide much needed expertise to New Zealand firms looking to enter China.



Other notable changes include healthcare participation fell from 10% to 4%, and Financial Services from 7% to 1%, while Aviation grew slightly to 6%. Manufacturing and Sourcing fell from 8% in 2025 to 4%.

**Which option best describes the industry you operate in?**

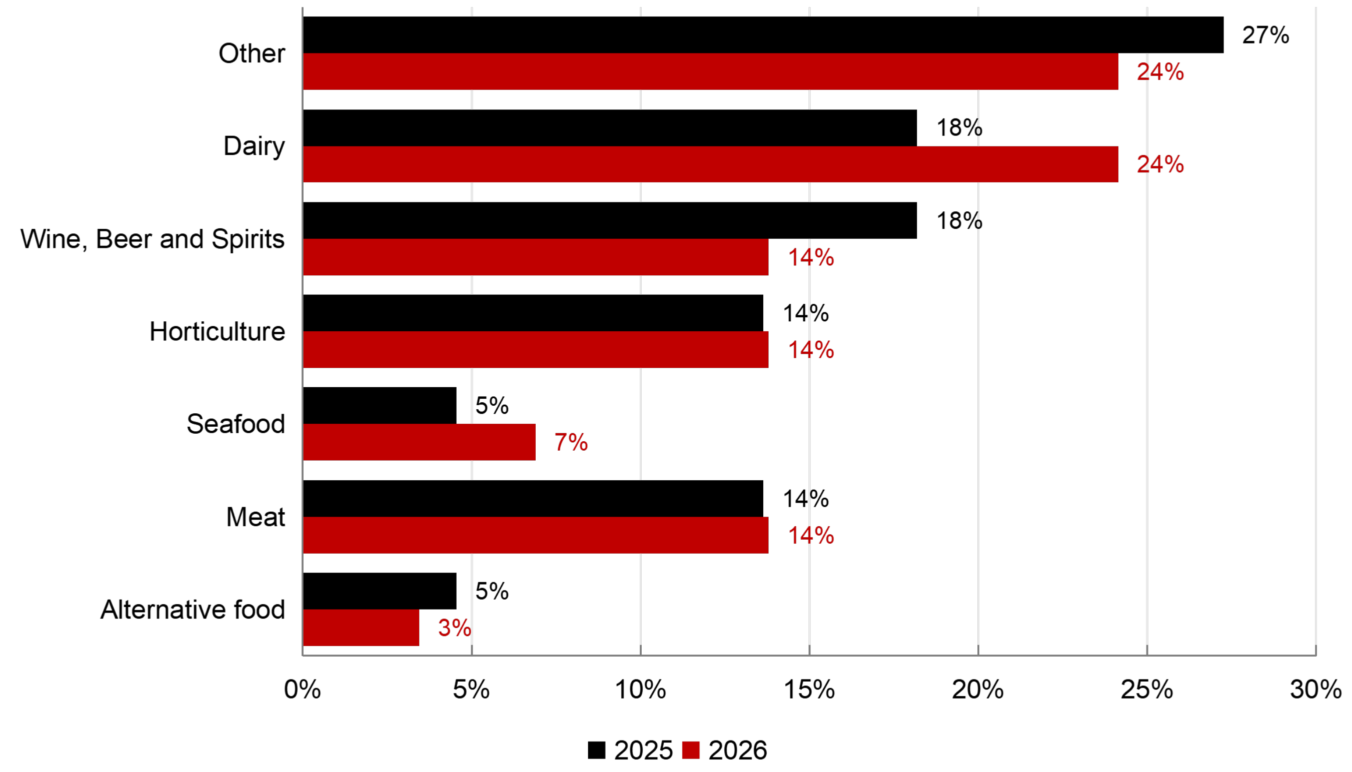



These declines should be seen in a broader context, the financial sector operates within a heavily regulated landscape and faces intense domestic competition, a dynamic that likely contributed to this contraction. On the manufacturing and sourcing front, while its relative percentage among respondents decreased, the absolute number of participating firms in this sector remained stable, indicating ongoing operational continuity rather than a sector-wide retreat.

## Food and Beverage Sub-sectors

Within the Food and Beverage sub-sectors, Dairy and Seafood recorded the most visible increases in respondent share compared to 2025. This uptick broadly aligns with the macroeconomic trade data, while mirroring anecdotal evidence of a growing number of New Zealand seafood exporters actively looking to expand their presence in the Chinese market.

**What food and beverage sub-sector best describes your organisation?**




## Global Footprint of Respondents

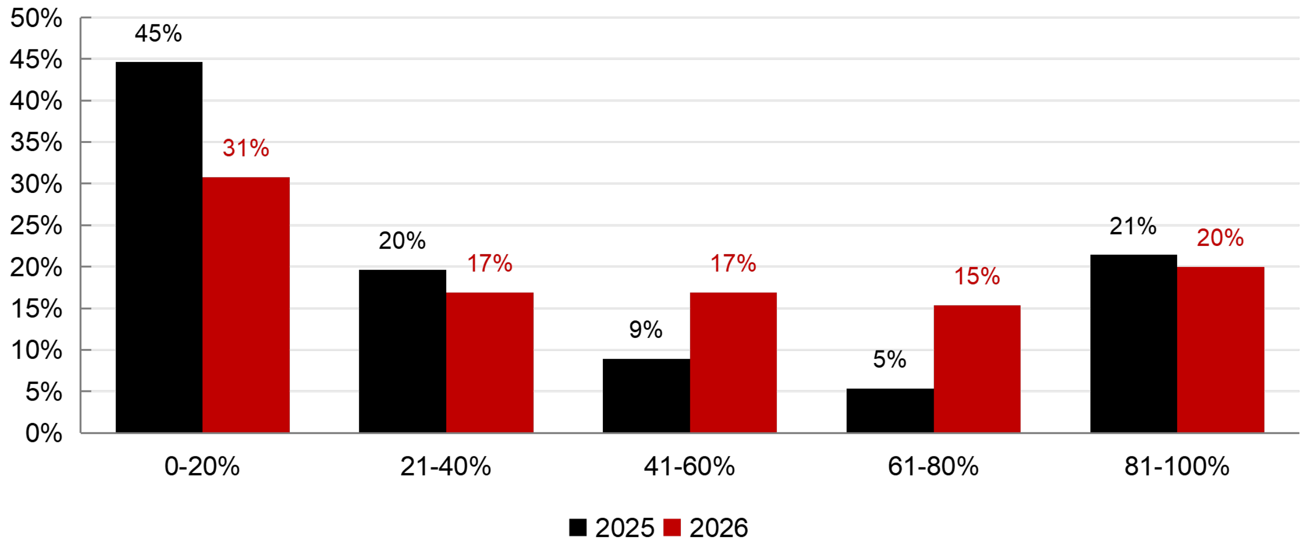
The survey captured organisations of all sizes. The largest single cohort was enterprise businesses with 500 or more employees globally, at 22% — reflecting the footprint of major NZ exporters in the sample. At the other end, 17% were micro-businesses of five or fewer people. Taken together, organisations with fewer than 100 staff globally made up just over 60% of respondents, confirming that SMEs remain the backbone of New Zealand's commercial engagement with China.

| Worldwide Employees | 2026 | Classification |
|---|---|---|
| 1–5 employees | **17%** | Micro |
| 6–25 employees | **21%** | Small |
| 26–50 employees | **12%** | Small-Medium |
| 51–250 employees | **22%** | Medium |
| 250+ employees | **28%** | Large |

## China-Focused or Globally Diversified?

One of the clearest indicators of how China-committed this survey's respondents are is the share of global revenue they derive from China. In 2026, 69% of respondents drew more than 20% of their global revenue from the Chinese market — a meaningful increase from 55% in 2025. The proportion deriving 0–20% of revenue from China fell from 45% to 31%, suggesting the sample has become more China-weighted as shown by the increase in respondents who chose between 41 and 80% of their revenue coming from China.

**What proportion did China contribute to your organisation's global revenue?**




That said, most respondents are not exclusively China-focused. Greater China was the dominant international market outside Mainland China, but North America and Oceania were each cited by around 45%, and Southeast Asia by 38% of respondents as another key area of international focus. For most organisations in this survey, China is the primary market — but not their only one.

## How Representative Is the Sample?

China is New Zealand's largest trading partner, with two- way trade valued at NZD $41.1 billion in 2025. Food and Beverage — dairy, meat, horticulture, seafood, and honey — consistently makes up the lion's share of those exports, with Professional Services, education, and tourism forming the primary services component.

The 2026 survey sample reflects this closely. The dominance of Food and Beverage respondents mirrors the sector's weight in bilateral trade. The presence of Professional Services, Retail and Consumer Goods, and Aviation respondents round out the overall trading picture between the two nations.

The survey does not claim to be a census of all New Zealand businesses trading with China. It is a sample drawn from the NZBRiC network, which collectively represents a significant share of two-way trade value. The findings are best understood as a strong indicator of the attitudes and outlook of New Zealand businesses that are actively and materially engaged in the Chinese market.

**BUSINESS FOOTPRINT IN CHINA: HOW NEW ZEALAND FIRMS ARE ENGAGING**

## Section Summary — New Zealand Business Footprint in China

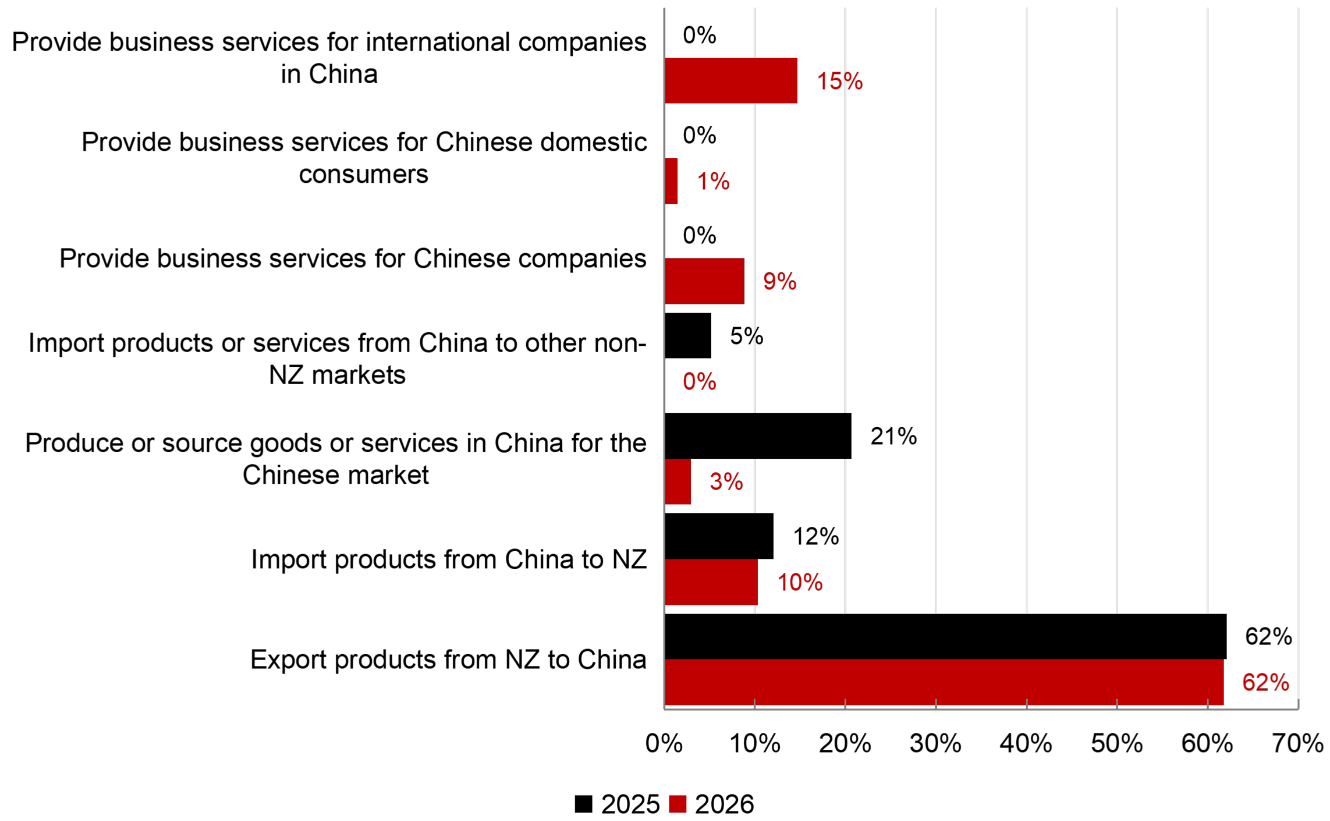
- **62% of respondents export products from NZ to China — a figure unchanged across three consecutive surveys, confirming the export model remains the defining mode of engagement.**
- **Channel partner relationships have surged as a strategic driver, rising from 20% in 2024 to 49% in 2026 — the largest three-year movement of any metric in the survey.**
- **Shanghai's operational dominance has grown further to 86%, while Hangzhou is emerging as a genuine secondary hub for consumer and digital-oriented businesses.**
- **69% of respondents derive more than 20% of global revenue from China — a sample that has become more China-weighted, not less, year-on-year**

The defining feature of the New Zealand commercial relationship with China remains unchanged, New Zealand firms export product into China, and China is primarily a sales destination. 62% of respondents describe their core engagement as exporting products from New Zealand to China — a figure that has barely changed across three consecutive surveys. That consistency illustrates that the export-to-China model is deeply embedded and is not being replaced by more complex forms of in-market engagement.

Almost all of this export activity is driven by Food and Beverage, where 96% of respondents are exporters. Retail and Consumer Goods also fits largely within this model, with many of those respondents exporting branded goods from New Zealand into the Chinese consumer market

10% of respondents describe their primary engagement as importing products from China to New Zealand — consistent with 2025 levels and reflecting a small but stable cohort for whom China is a sourcing base rather than a sales market. A further portion of respondents source some goods from China alongside their primary export activity. Manufacturing and assembly operations remain present but represent only 7%.

**What would best describe your organisation's supply chain?**

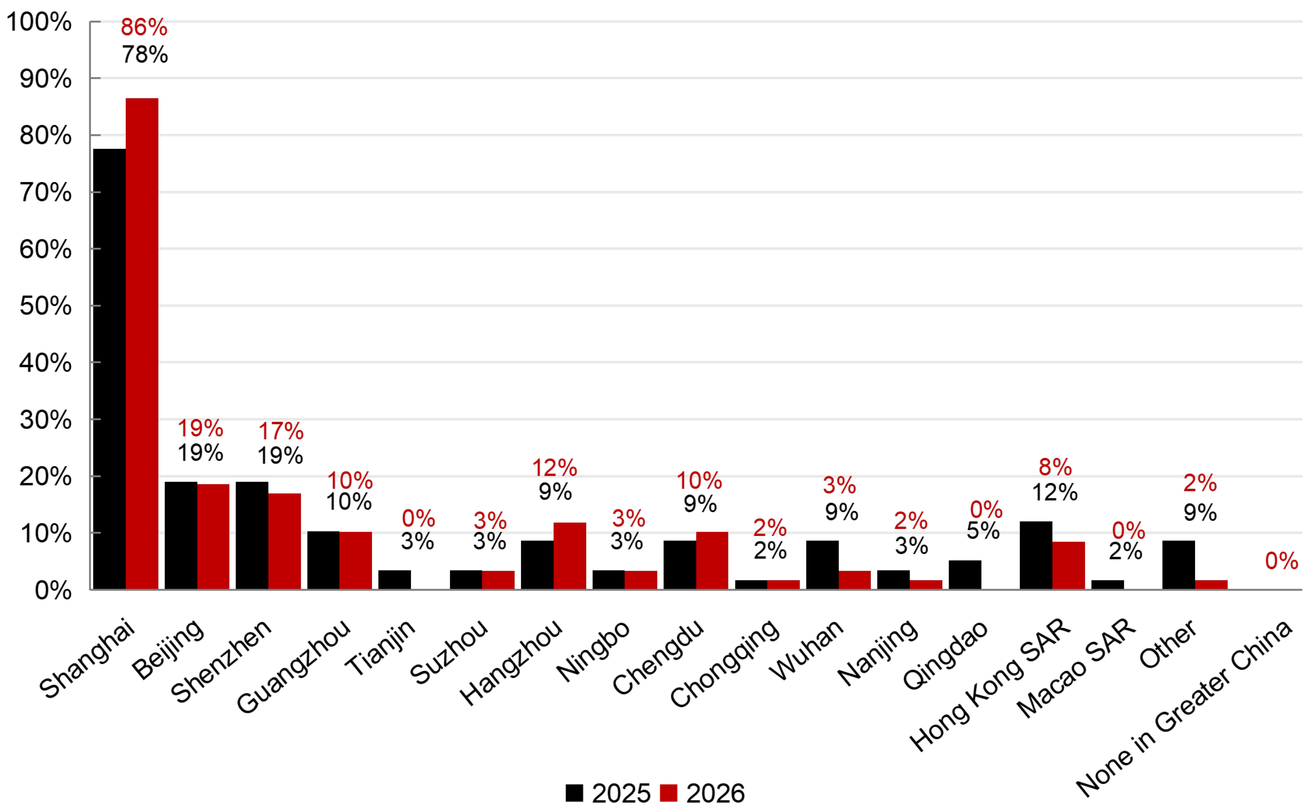



The 2026 survey expanded its engagement categories to include the service sector and better reflect on the ground engagement in China. 14% of respondents describe their core engagement as providing business services to international companies operating in China, and a further 9% are providing services directly to Chinese companies. Together, these service providers represent nearly a quarter of the survey.

This group is concentrated almost entirely within Professional Services, where the majority are providing advisory, consulting, and business facilitation services — typically operating out of Shanghai or Shenzhen. Their role as market navigators and facilitators for larger organisations tends to be underrepresented in trade statistics but is commercially meaningful.

Examining on-the-ground business locations, the survey results show a continued increase in respondents based in Shanghai, reaffirming its status as the primary commercial window into China. Noticeable upticks in both Hangzhou and Chengdu highlight the growing importance of these Tier 1.5 hubs. The location data reflects New Zealand businesses shifting to capitalize on affluent consumer segments in Hangzhou and robust logistics and distribution networks in Chengdu that can help New Zealand companies expand across the southwest of China. Anecdotally, NZBRiC companies have also reported increased interest and sales expansion into 2nd and 3rd tier cities as relative disposable income of households in these central cities rises.

**Where does your organisation have an on-the-ground presence or sales office in China?**






## What Operations Look Like on the Ground

The most common operational structure is a Sales and Marketing office, reported by 53% of respondents — reflecting the export-heavy character of the sample. 23% report having their headquarters in China — primarily China-based Professional Services and Food and Beverage firms that have built their business in-market. Regional headquarters (21%) and sole operating market managers (14%) round out the respondents, the latter being a common model for smaller exporters maintaining a lean in-market presence. Manufacturing and assembly facilities are present for 7% of respondents, and research facilities for 11% — a growing indicator that some NZ firms are beginning to embed themselves in Chinese innovation ecosystems, particularly in food science and product development.

| Operation Type in China | 2026 | Industry Concentration |
|---|---|---|
| Sales and Marketing office | 53% | F&B (76%), Retail (80%) |
| Headquarters | 23% | Prof. Services (73%) |
| Regional headquarters | 21% | F&B (24%), Retail (30%) |
| Sole operating Market Manager | 14% | Prof. Services (27%) |
| Research facility | 11% | Retail (30%), Manufacturing (50%) |
| No operations in Greater China | 11% | Exporters / pre-entry |
| Innovation centre | 9% | F&B (16%) |
| Manufacturing or assembly | 7% | Manufacturing, Healthcare, Retail |
| Distribution facility | 6% | F&B, Healthcare |

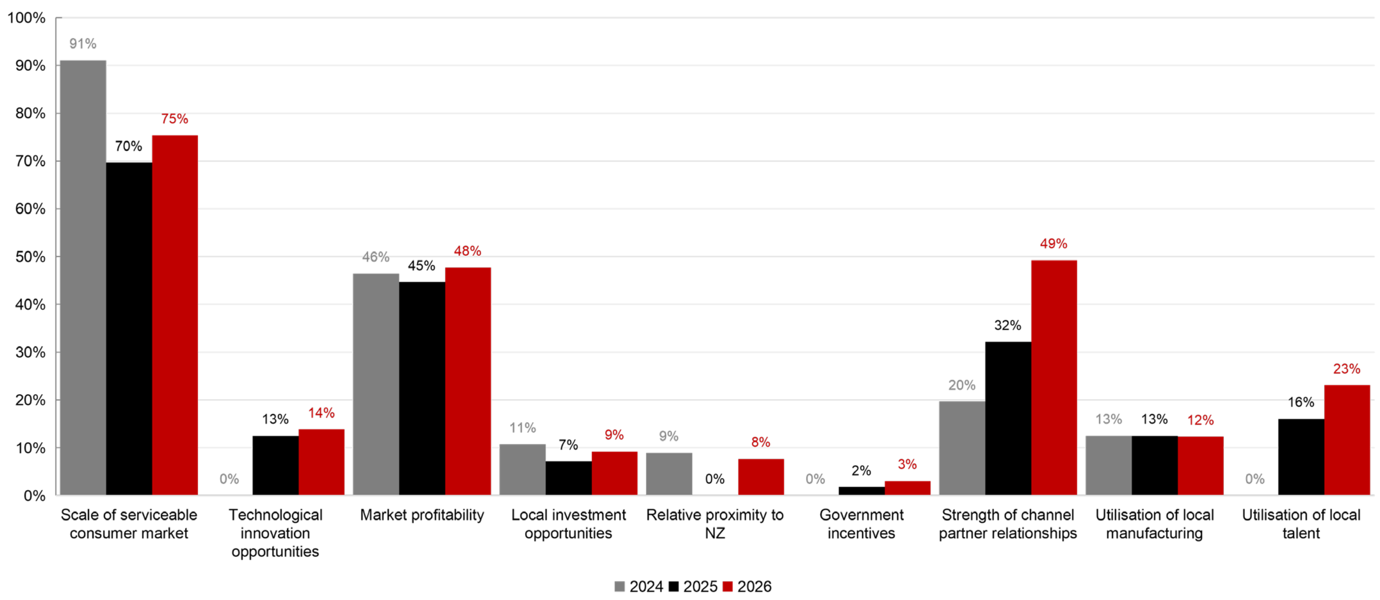
## Why Companies Are in China — and How That's Changing

Understanding what draws New Zealand businesses to China — and how that motivation is shifting — is as important as understanding how they operate once they're there. Three years of data from the business outlook survey shows the reasons for being in China are becoming more sophisticated, more relationship-oriented, and increasingly tied to a deeper understanding of what it actually takes to succeed in the China market.

The sheer scale of the Chinese consumer market remains the primary draw for NZ businesses, cited by 75% of respondents in 2026 as a key reason for being in the market. However, this figure has moderated from 91% in 2024, and the way respondents frame it has changed. In 2024, 'scale' appeared to be self-justifying — China's billion-plus consumers were reason enough. By 2026, that logic has been tempered by experience, acknowledging the market is large, but accessing it profitably requires the right infrastructure and investment on the ground.

Market profitability has remained stable across all three years — cited by roughly 46–48% of respondents each year. This consistency suggests that for firms that are succeeding in China, the business case holds up and for those still working through the market's complexity, the profit potential remains the goal they're building toward.

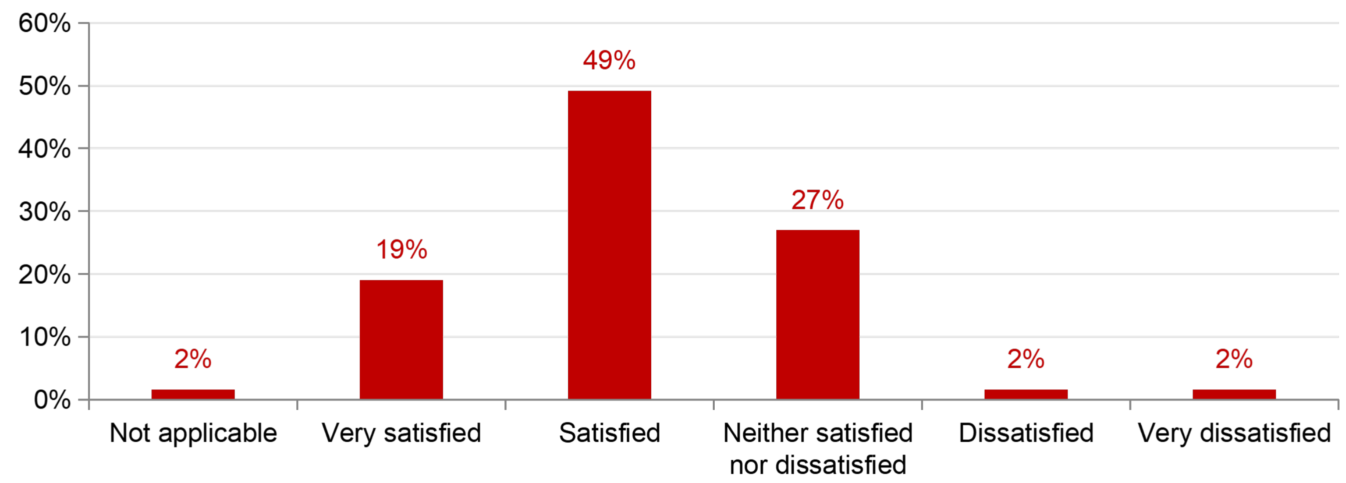
**What are your reasons for being in the China market?**




The single most significant shift in why New Zealand businesses are in China — and arguably the most important trend in this entire survey — is the rise of channel partner relationships as a core strategic driver. In 2024, the strength of channel partner relationships was cited by 20% of respondents as a key reason for China engagement. By 2025 that had risen to 32%. In 2026 it has reached 49% — making it the second most cited reason for being in the market, behind only consumer market scale. The data shows a change in how New Zealand businesses understand and approach the Chinese market. The era of 'place product in China and wait' is over. What has replaced it is a more deliberate, relationship-driven model in which who you work with — distributors, agents, e-commerce operators, and marketing partners — is often the primary determinant of commercial success.

Against the backdrop of rising channel partnership importance New Zealand companies are broadly satisfied with their engagement partners. 68% of respondents describe themselves as satisfied or very satisfied with their key engagement partners in China — including distributors, marketing partners, and digital platforms. 27% are neither satisfied nor dissatisfied, and only around 3% express active dissatisfaction.

**How satisfied are you with your key engagement partners in China?**



## Geographic Concentration of NZ Business Activity

Shanghai has always been the operational centre of gravity for New Zealand businesses in China, but its dominance has grown further in 2026. 86% of respondents with a China presence are based in Shanghai — up from 78% in 2025 and 82% in 2024. Far from dispersing, the NZ business footprint is consolidating in China's commercial capital.

This concentration makes sense. Shanghai offers the most sophisticated consumer market for premium imported goods, the deepest pool of international business talent, the strongest logistics and customs infrastructure, and the most established ecosystem of NZ-affiliated distributors, partners, and industry groups. For Food and Beverage exporters in particular, Shanghai is where the consumer relationship is built and where the channel partner networks that now define 49% of respondents' China strategy are most deeply rooted.

| City | 2024 Presence | 2025 Presence | 2026 Presence | Direction |
|---|---|---|---|---|
| Shanghai | 82% | 78% | **86%** | Consolidating ▲ |
| Beijing | 25% | 19% | **19%** | Stable |
| Shenzhen | 15% | 19% | **17%** | Steady |
| Hangzhou | 0% | 9% | **12%** | Emerging ▲ |
| Chengdu | 7% | 9% | **10%** | Growing ▲ |
| Guangzhou | 18% | 10% | **10%** | Stable |
| Hong Kong SAR | 10% | 12% | **8%** | Declining ▼ |
| Suzhou | 0% | 3% | **3%** | Stable |
| Ningbo | 0% | 3% | **3%** | Stable |

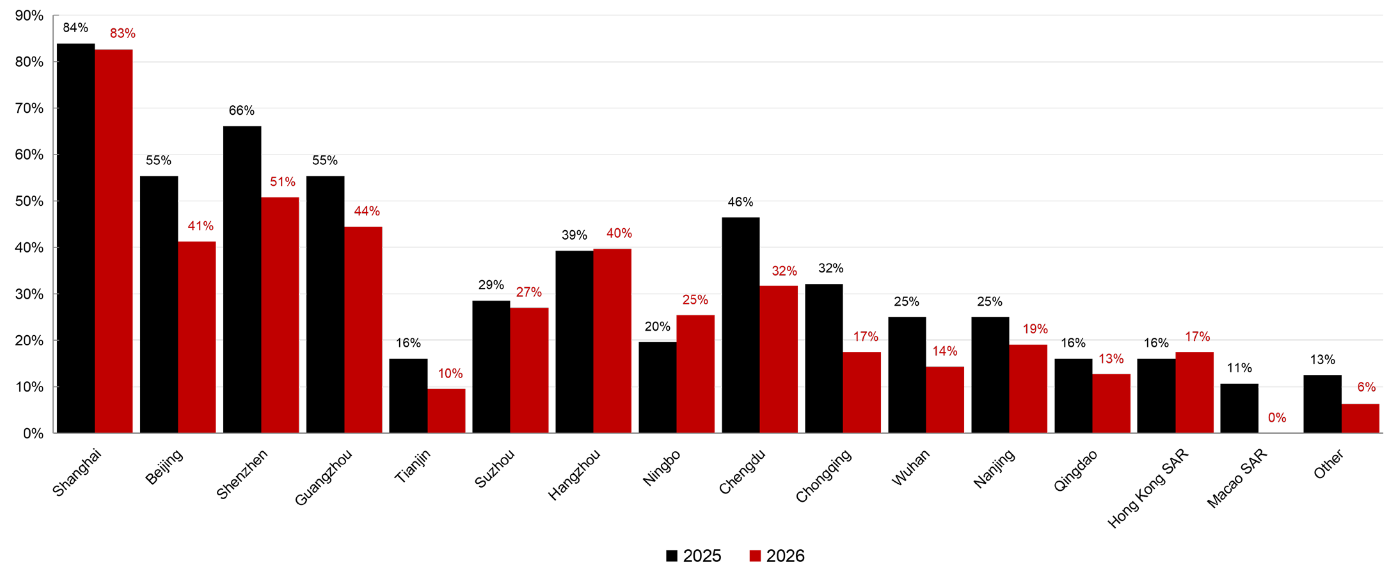


Outside Shanghai, the picture is one of gradual rebalancing. Beijing's share of on-the-ground presence has held steady at around 19%, but its role as a forward growth target has softened — cited by 41% as a growth-focus city, down from 55% in 2025. Shenzhen follows a similar pattern: stable presence at 17% but declining as a future priority (51% in 2026 vs 66% in 2025).

The more interesting shifts are occurring in China's second-tier commercial cities. Hangzhou has seen steady growth in NZ business presence, rising from 0% in 2024 to 9% in 2025 and 12% in 2026. It is now the fourth-most-common city for on-the-ground NZ business operations, concentrated among Retail and Consumer Goods firms (30% of that sector have a presence there) for whom proximity to China's e-commerce infrastructure is a direct commercial advantage.

Chengdu remains relevant, particularly for Food and Beverage firms looking to access China's inland consumer base — 12% of F&B respondents have a Chengdu presence, and 10% of all respondents have an operation there. However, its profile as a growth priority has moderated, cited by 32% in 2026 versus 46% in 2025, suggesting more caution in overall expansion plans for respondents.

**What cities are you focusing on for growth in China?**

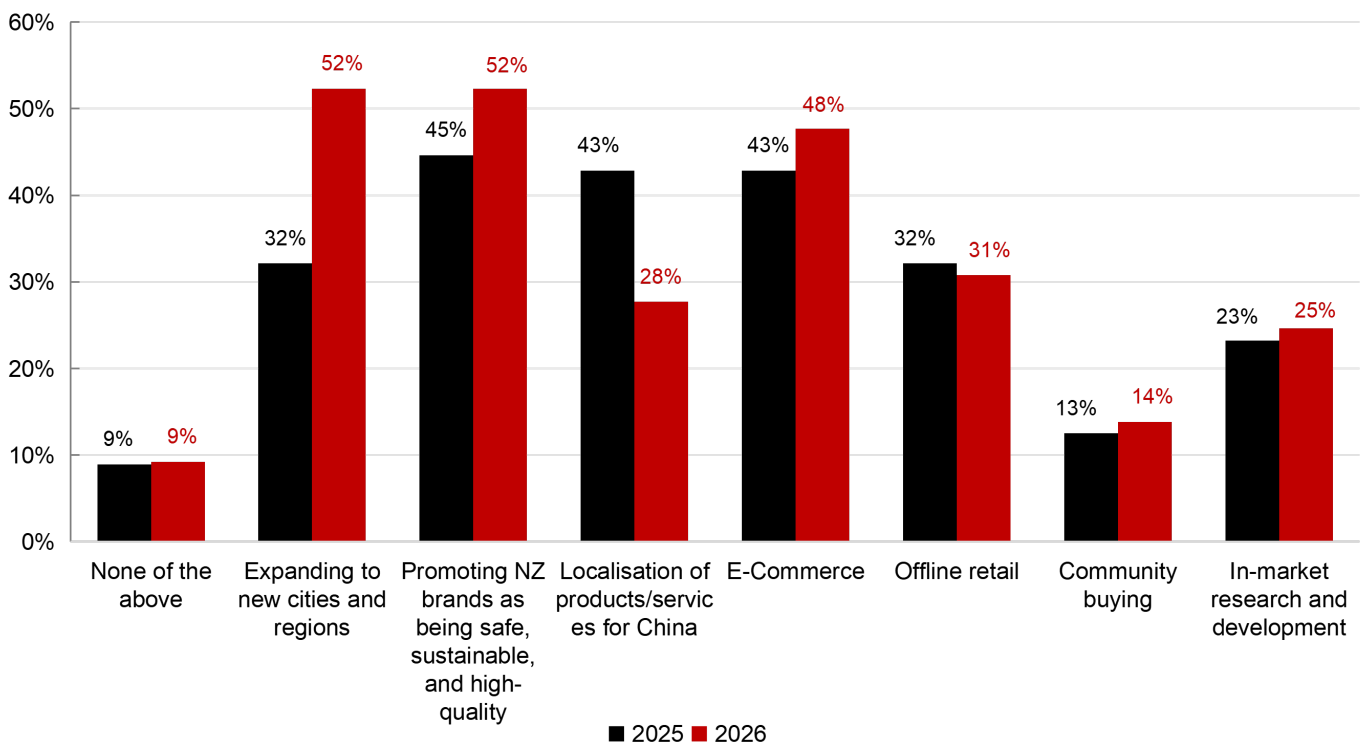


## What This Means for Strategy

The rise of channel partnership importance maps directly onto the strategic priorities NZ businesses are pursuing in 2026. The biggest year-on-year jump in strategy is 'expanding to new cities and regions', which has risen from 32% in 2025 to 52% in 2026. Geographic expansion in China without strong local channel partners is commercially unviable — these two trends are directly connected. Businesses that have built trusted partner relationships in Shanghai are now using that model as a template for pushing into Hangzhou, Chengdu, and beyond into 2nd and 3rd tier cities.

E-commerce remains a priority for 48% of respondents (up from 43% in 2025) — and here again, channel partnerships are central. The major Chinese e-commerce platforms — Tmall, JD.com, Douyin, and the growing social commerce ecosystem — are not direct channels that NZ firms can simply sign up to and manage independently. Success on these platforms requires specialist operators, local agencies, KOL relationships, and logistics infrastructure that is typically managed by or through local partners.

**Which of the following are key strategies that your organisation is focusing on?**




## Outlook Hotspots and Cool-Spots — 2026

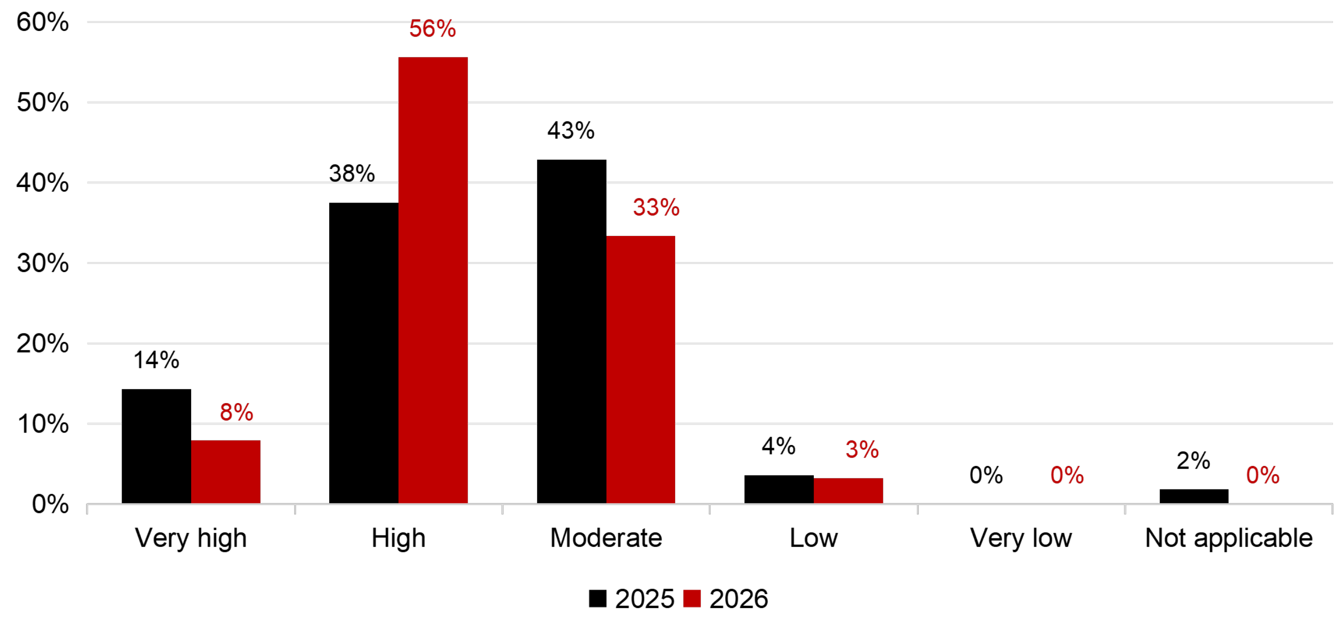
- **Most optimistic dimensions: China market opportunities, revenue growth, Tier 1 cities — broadly stable to improving.**
- **Most cooled dimensions: competitive pressure (>40% pessimistic), profitability growth, and the regulatory environment.**
- **The New Zealand–China relationship has shifted from a clear strength in 2025 to a more divided outlook in 2026.**

The 2026 survey paints a picture of cautious optimism, respondents continue to back the China market as a long-term proposition, but they are clear-eyed about a tougher, more competitive operating environment than a year ago. Headline optimism has firmed compared to 2025, yet a closer reading of the data shows that beneath this confident surface, expectations on profitability, regulation and competitive pressure have softened. The market is viewed as harder to win in, but worth winning in.

## Overall Optimism Remains High, and Is Broadening

When asked to describe their general optimism toward operating in China, 64% of respondents now rate it "high" or "very high", up from 52% in 2025. The shift sits almost entirely in the "high" bracket, which jumped from 38% to 56%, while the share rating optimism as "moderate" fell from 43% to 33%. Pessimism is effectively absent — only 3% rate optimism as "low" and no respondents selected "very low". Given a large number of similar respondents to our survey from 2025 to 2026, this is a clear signal that New Zealand businesses operating in China have moved from being moderately optimistic to being highly optimistic, even as the operating environment becomes more demanding.

**How would you describe your general optimism towards operating in China?**

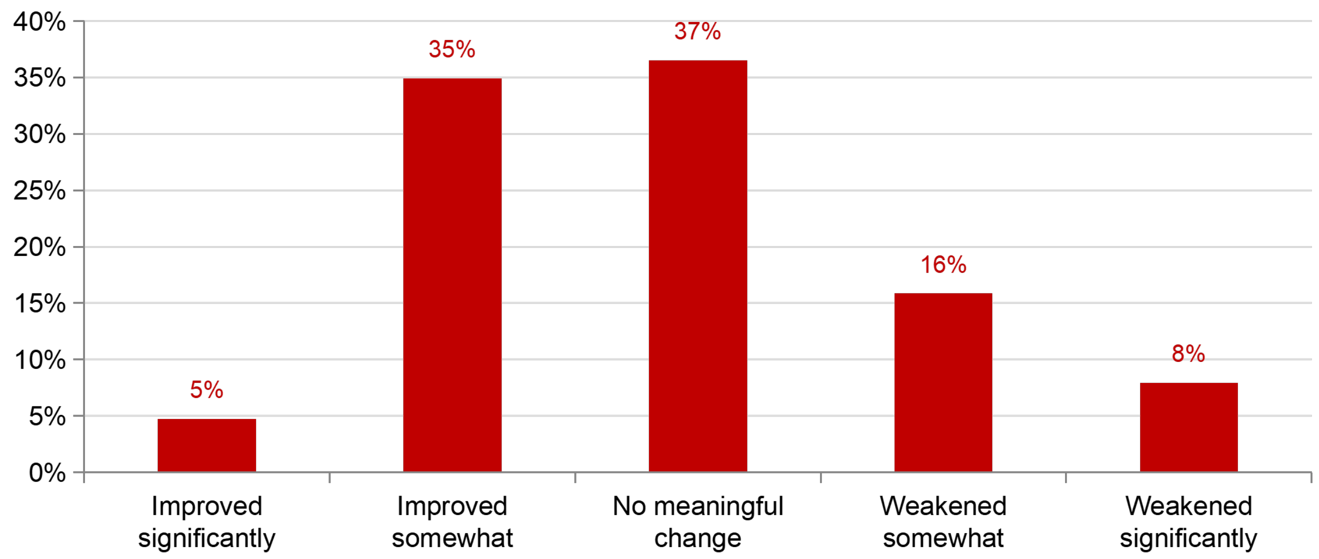



Optimism per sector view makes the story even more interesting. Healthcare is the standout in that every respondent rates their optimism as either “high” or “very high”, with no respondents in the moderate or lower brackets. Aviation sits at the other end of the spectrum, with most respondents in that sector reporting only moderate optimism. The remaining sectors cluster between the two — predominantly reporting moderate to high optimism — which means the broadening of optimism evident at the aggregate level is being driven by genuine improvement across most of the respondent base rather than by a small number of outlier sectors.

## The Business Environment Is Seen as Steady, Not Improving

Asked how the business environment in China has changed over the past 12 months, most respondents said there, "no meaningful change" (37%), closely followed by "improved somewhat" (35%). A combined 24% of respondents felt the environment had weakened either somewhat (16%) or significantly (8%), while only 5% saw a significant improvement. The picture is therefore one of relative stability and modest improvement.

**How has the business environment in China changed over the past 12 months?**

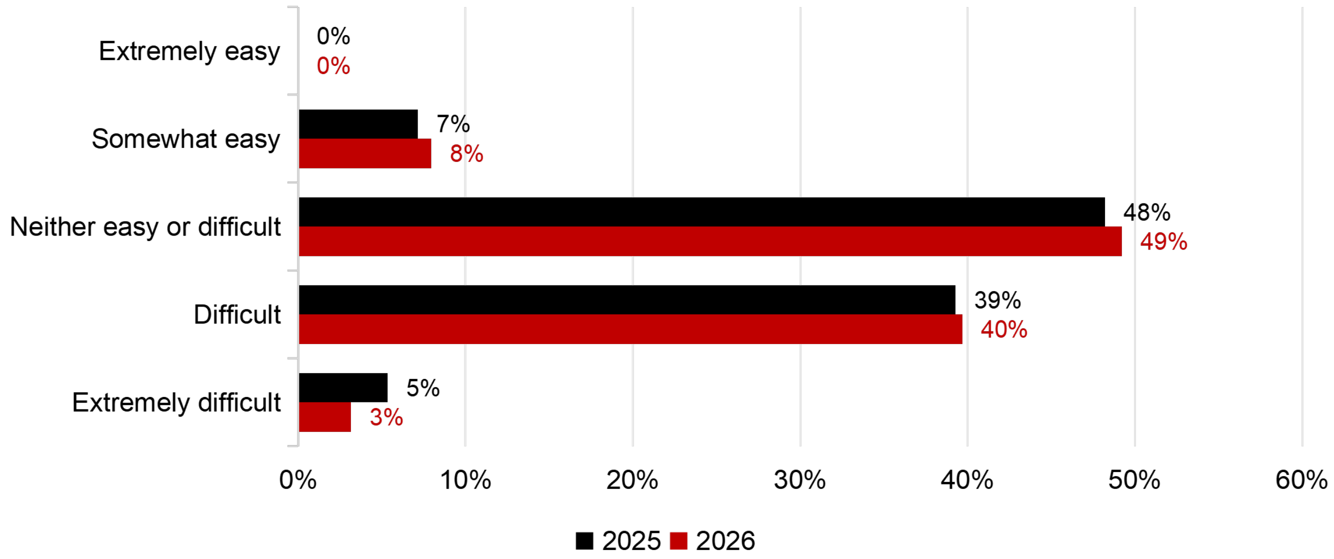



Food & beverage stands out as the clearest beneficiary of the past 12 months, with 40% of respondents in the sector reporting an improved environment and only 18% reporting a deterioration. In most other industry sectors, opinion is much more evenly divided, with respondents reporting both improving and worsening conditions in roughly similar proportions — meaning the tilt toward improvement is being felt disproportionately by food & beverage rather than by other sectors.

## Ease of Doing Business

In 2026, perceptions of how easy it is to do business in China remained mixed. The largest share of respondents rated the environment as “neither easy nor difficult” at 49%, while 40% described it as “difficult”. Compared with 2025, these views have held steady. This stability matters, even with macroeconomic headlines about consumer softness, competitive intensity and regulatory change, the day-to-day experience of operating in China is not getting materially harder for established New Zealand businesses.

**How would you describe the ease of doing business in China in the 12 months?**




Beneath the aggregate, however, the picture is far from uniform, sector matters. Most respondents in Retail and Consumer Goods describe market conditions as difficult, while food & beverage respondents are split between “difficult” and “neither easy nor difficult”, as are several other industry sectors. Company size matters as well, around 50% of small-business respondents describe conditions as “difficult” or “extremely difficult”, against only 30% of respondents from businesses with more than 50 employees — a gap that points to the resource and scale advantages larger players enjoy in a more competitive operating environment. Time in market is a further differentiator, all respondents with less than two years in the China market describe conditions as difficult, underlining how steep the early learning curve has become for new entrants.

## Outlook Is Mixed Across Opportunities

The picture becomes more nuanced when respondents are asked to rate their outlook across specific aspects of the market. China market opportunities remain the brightest dimension, with 54% of respondents at least moderately optimistic and only 8% pessimistic. Revenue growth and Tier 1 cities also attract strong net-positive sentiment. However, on several dimensions — competitive pressure, the regulatory environment and the New Zealand–China relationship — sentiment has clearly cooled relative to 2025.

| | Very pessimistic | Moderately pessimistic | Slightly pessimistic | Neither optimistic nor pessimistic | Slightly optimistic | Moderately optimistic | Very optimistic |
|---|---|---|---|---|---|---|---|
| China market opportunities | 0% | 3% | 5% | 8% | 30% | **35%** | 19% |
| E-commerce | 3% | 2% | 13% | 17% | 22% | **30%** | 13% |
| Profitability growth | 0% | 3% | 17% | 21% | **32%** | 21% | 6% |
| Revenue growth | 0% | 2% | 11% | 17% | 25% | **33%** | 11% |
| Competitive pressure | 5% | 14% | 22% | **25%** | 16% | 14% | 3% |
| Regulatory environment | 5% | 2% | 21% | **32%** | 22% | 14% | 5% |
| New Zealand-China relationship | 2% | 5% | 13% | 22% | **25%** | 22% | 11% |
| Tier 1 cities | 0% | 3% | 13% | 24% | **29%** | 19% | 13% |
| Tier 2 cities | 2% | 2% | 6% | **29%** | 27% | 21% | 14% |
| Tier 3 cities and below | 3% | 2% | 5% | 25% | 21% | **35%** | 10% |

Competitive pressure remains the dimension with the most pessimistic outlook, with 41% of respondents at least slightly pessimistic — essentially unchanged from 41% in 2025 but worth noting as the only dimension where pessimism outweighs optimism. Profitability growth has also weakened with 21% of respondents now overall pessimistic about future profitability, versus 13% who held similar concerns last year, and only 6% are now very optimistic — down from 9% in 2025. The regulatory environment shows a similar drift, with pessimism rising from 16% in 2025 to 27% in 2026.

Overall, China remains commercially central for many New Zealand businesses surveyed, but the 2026 results show a market that has become harder to grow profitably. The headline story is one of polarisation: a meaningful group of businesses is still posting strong growth, while a second group is reporting revenue and profit declines. Margin pressure is widespread and even where revenue is holding up, profitability is not always following.




## REVENUE, PROFITABILITY AND BUSINESS PERFORMANCE

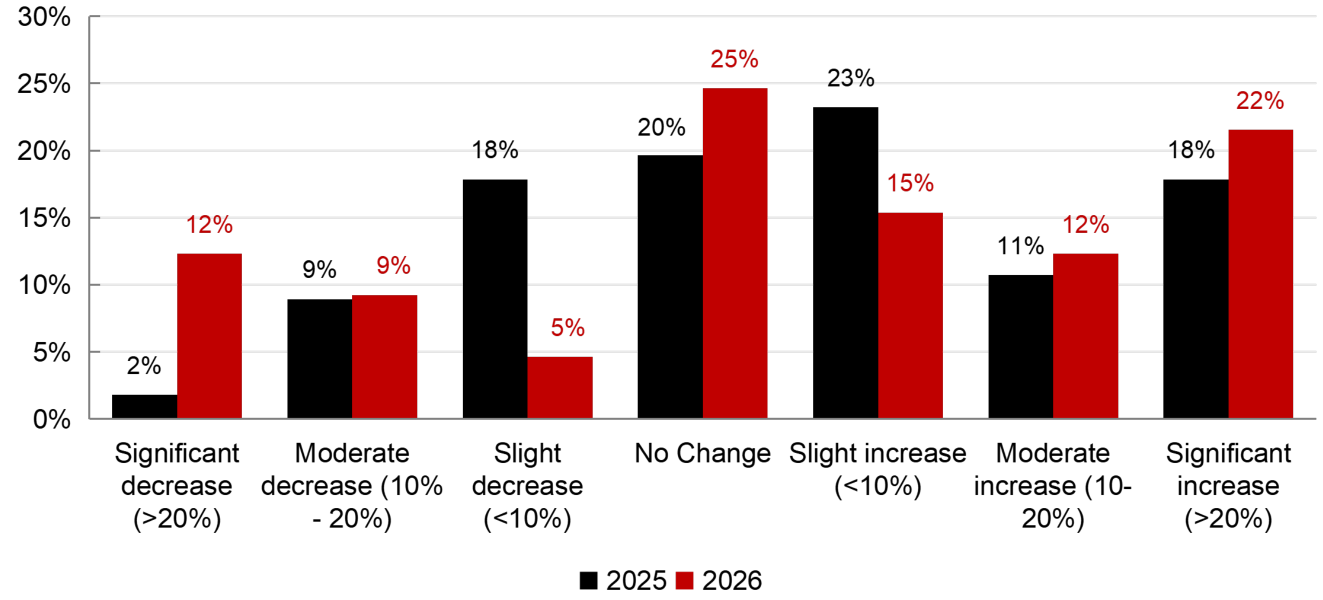
## Performance Snapshot — 2026

- **49% of respondents grew revenue from China in the past 12 months; 26% saw revenue decline.**
- **22% recorded significant revenue growth of more than 20%**
- **12% experienced a significant revenue decline of more than 20%, up from 2% in 2025.**
- **Margin pressure is widespread: 35% report some level of margin compression.**

On a year-on-year basis, 49% of respondents reported revenue growth from China in the past 12 months, broadly comparable to the 52% who reported growth in 2025. The composition of that growth, however, has changed. The proportion reporting a "significant" revenue increase of more than 20% rose to 22% in 2026, up from 18% in 2025, while the share reporting only "slight" growth fell from 23% to 15%. In other words, more respondents are growing strongly — but more are struggling to grow revenue.

The flip side is the share of respondents reporting any kind of revenue decline (slight, moderate or significant) remained broadly stable at 26% versus 29% a year ago, but the composition has shifted toward steeper falls. Slight declines (less than 10%) dropped from 18% of respondents to 5%, while significant declines rose sharply from 2% to 12%. The market is delivering a wider spread of outcomes for New Zealand businesses than it did a year ago, with a more polarised distribution between revenue winners and losers.

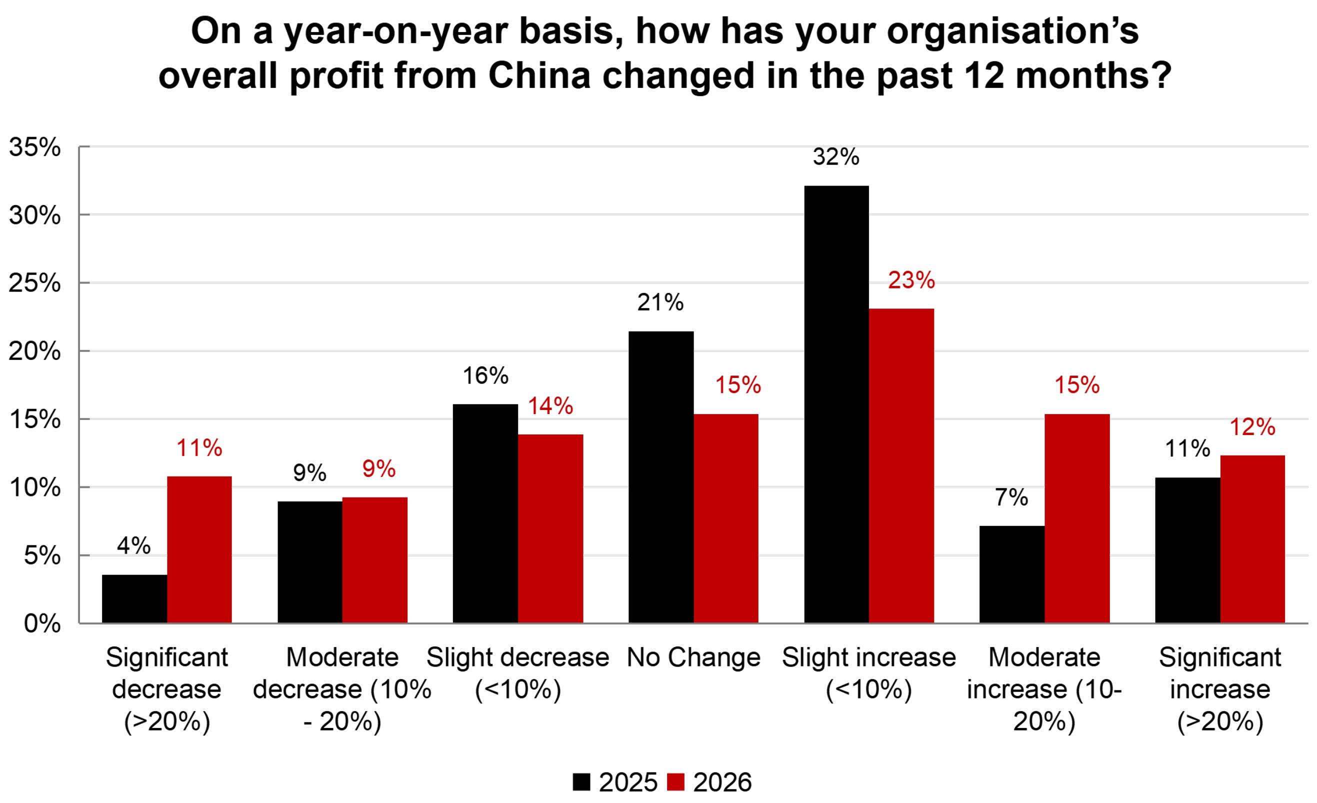
**On a year-on-year basis, how has your organisation's revenue from China changed in the past 12 months?**




Reading these aggregate results through a sector lens helps explain the polarisation. Dairy has had a strong year on the top line, with more than 60% of dairy respondents reporting revenue growth from China and 20% reporting significant growth of more than 20%. Retail and Consumer Goods also performed strongly, with 42% of respondents in the sector reporting significant revenue growth above 20%. Services, by contrast, sits at the weaker end of the distribution: around 50% of services firms reported at least a moderate revenue decline over the past year, and 27% reported significant declines of more than 20%.

## Profit Follows a Similar Pattern

Profit performance broadly tracks revenue, with 51% of respondents reporting some level of profit growth in the past 12 months, but the underlying mix has weakened. The share reporting a significant profit decrease of more than 20% rose from 4% in 2025 to 11% in 2026, and combined decline (significant, moderate and slight) now accounts for 34% of respondents — up from 29% a year ago. "Slight" profit growth, the most common response in 2025 at 32%, dropped to 23% in 2026, indicating that the easier wins of last year are no longer as readily available.




The sector view is highly differentiated. Professional Services is by some distance the weakest performer, with more than 60% of respondents in the sector reporting a decrease in profits and 27% reporting significant decreases of more than 20%. Food & beverage shows a much more spread-out distribution, with respondents reporting both increases and decreases, although the balance skews positive — 29% of food & beverage firms report profit increases of more than 10%. Retail and Consumer Goods is the strongest sector on profitability, with almost 70% of respondents reporting profit growth over the past year.

## Margin Pressure but Overall Positivity

When profitability change is read against revenue change, the gap points to margin pressure. While 49% of respondents grew revenue and 51% grew profit, the share reporting any kind of margin decline reached 35%, with 12% experiencing a significant margin contraction of more than 20%. Combined with the strong feedback on "increasing domestic competition" and "rising labour and input costs" elsewhere in the survey (see Section 8), the data suggests that even respondents holding revenue steady are doing so at a higher cost than a year ago.

The margin picture by sector reinforces just how uneven that pressure is. Retail and Consumer Goods are a clear outlier on the positive side: 67% of respondents in the sector report that profit margins have grown over the past year, against 25% reporting declines — and of those declines, the majority are slight. Food & beverage is more divided, with 46% of respondents reporting profit expansion and 29% reporting lower profits. Professional Services shows the most difficulty, with 72% of respondents in the sector reporting margin declines and 54% reporting declines of more than 10% — a much sharper margin contraction than the aggregate 35% figure implies.

## Sourcing Exposure Is More Concentrated Than It Appears

China's role as a sourcing market also remains material. While 49% of respondents source less than 20% of their inputs from China, 12% rely on China for 81–100% of sourcing — up from 5% in 2025. The combined share sourcing more than 60% of inputs from China rose from 16% to 23%. These numbers are representative of New Zealand's major importers, of which China is the main market in which to source their offerings.

# INVESTMENT AND GROWTH OUTLOOK

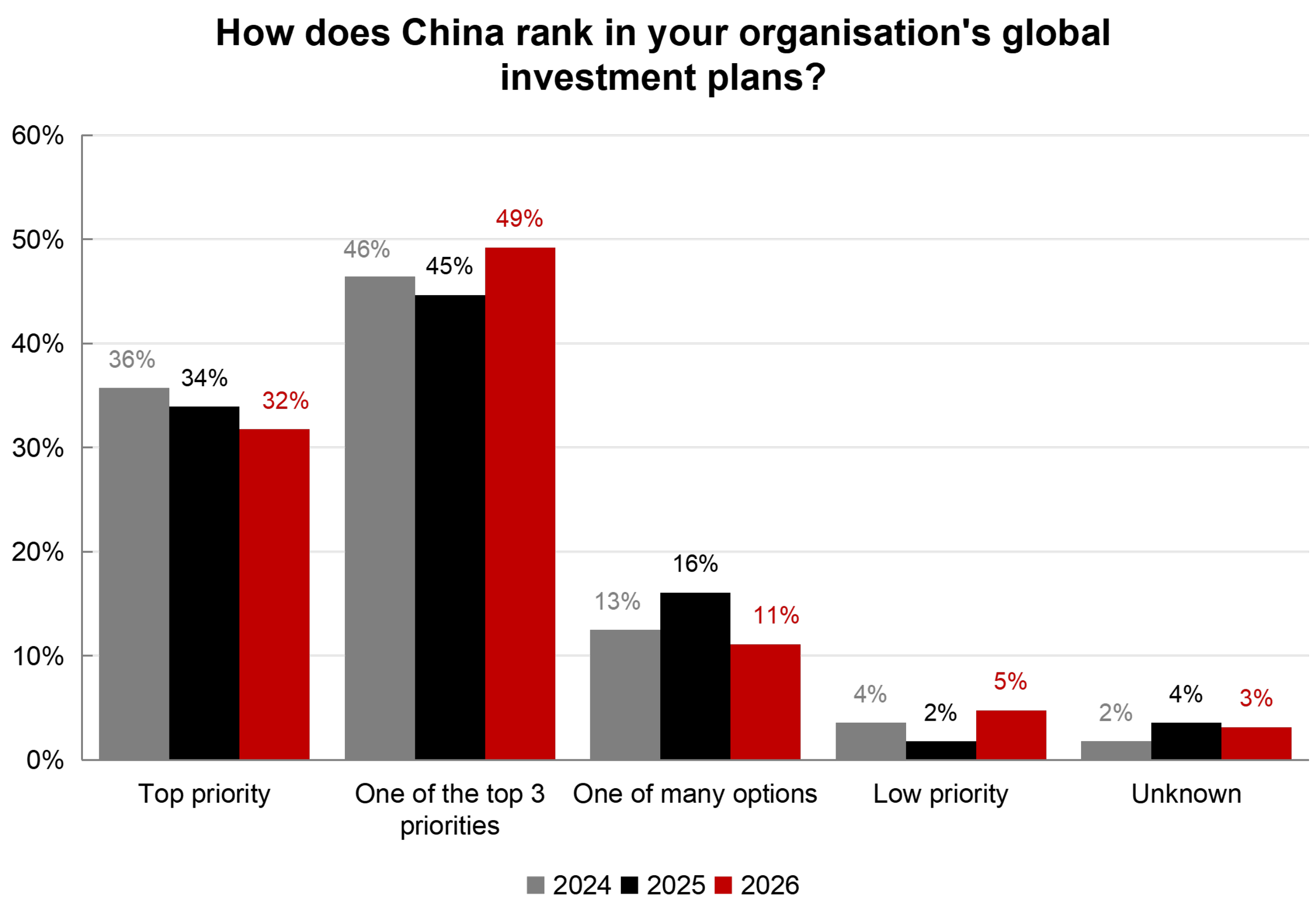
## Investment Outlook — At a Glance

- **81% of respondents rank China in their top 3 global investment priorities.**
- **65% expect to increase China investment over the next 12 months; 76% over the next 3 years.**
- **35% expect a moderate (10–20%) increase in China investment over 3 years — the single largest response.**
- **"Unsure" responses on the 3-year horizon dropped from 13% in 2025 to 3% in 2026.**

New Zealand businesses are committing more capital to China, and they expect to commit even more over the medium term. Despite the more difficult competitive and profitability conditions described in earlier sections, China continues to rank as a top-three global priority for around four-fifths of respondents, short-term investment plans skew strongly positive, and three-year intentions are the most bullish of any forward-looking question in the survey.

## China Retains Its Strategic Priority Status

China is the top global investment priority for 32% of respondents and is one of the top three priorities for a further 49%. Taken together, 81% of respondents place China in the top three of their global investment plans — broadly in line with 79% in 2025 and 82% in 2024. Only 5% of respondents now describe China as a low priority. The signal is that, even as individual respondents adjust the pace and form of their investment, the strategic centrality of China to New Zealand business is not being reassessed.

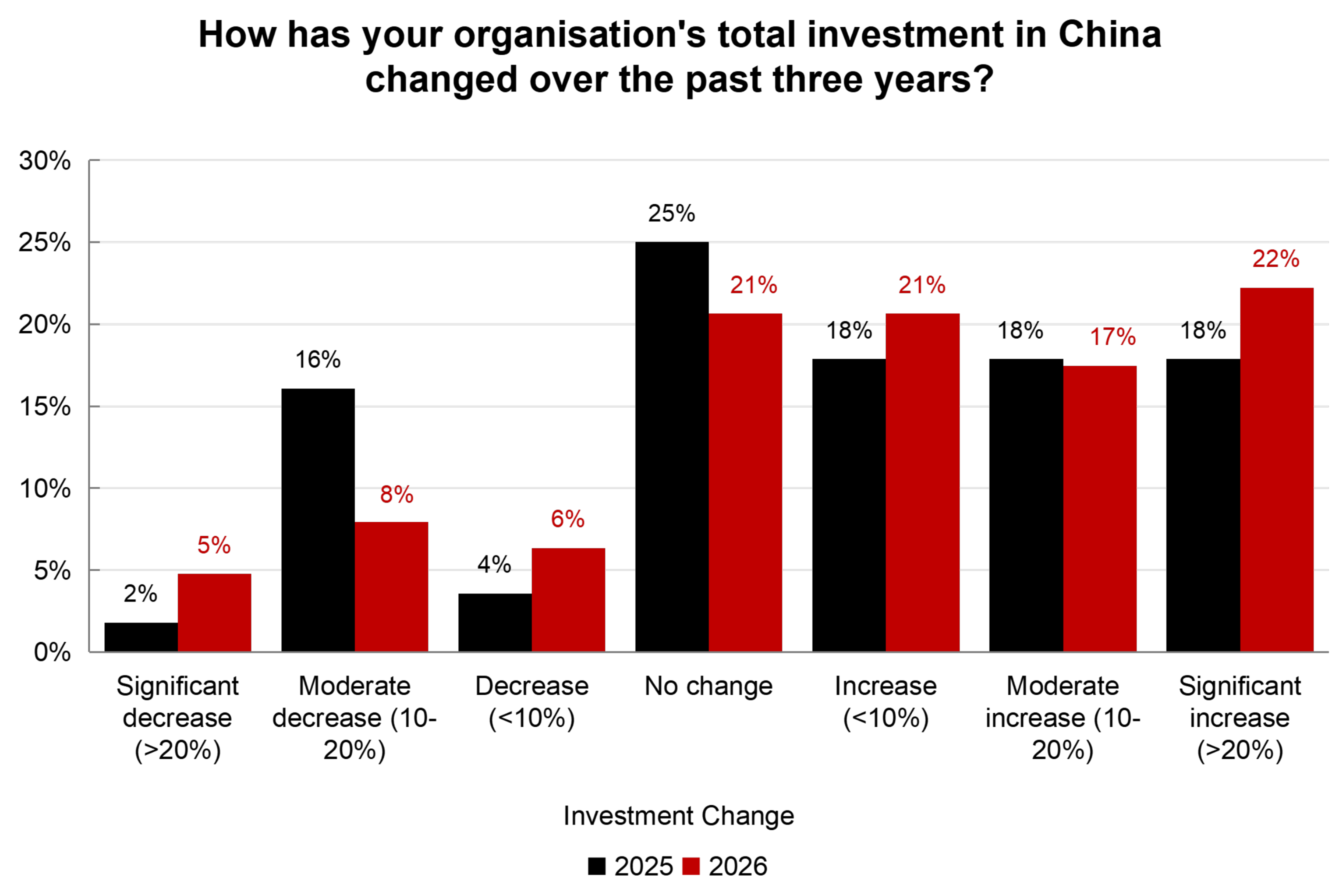



## Recent Investment Has Trended Up

Looking back, 57% of respondents increased their investment in China over the past 12 months, with 19% reporting a significant increase of more than 20%. Only 16% reduced investment. Across a longer three-year window, 60% of respondents have increased their investment over the past three years, and 22% have done so significantly. This is consistent with the broader pattern in the data — the New Zealand business community in China has been investing rather than retreating.

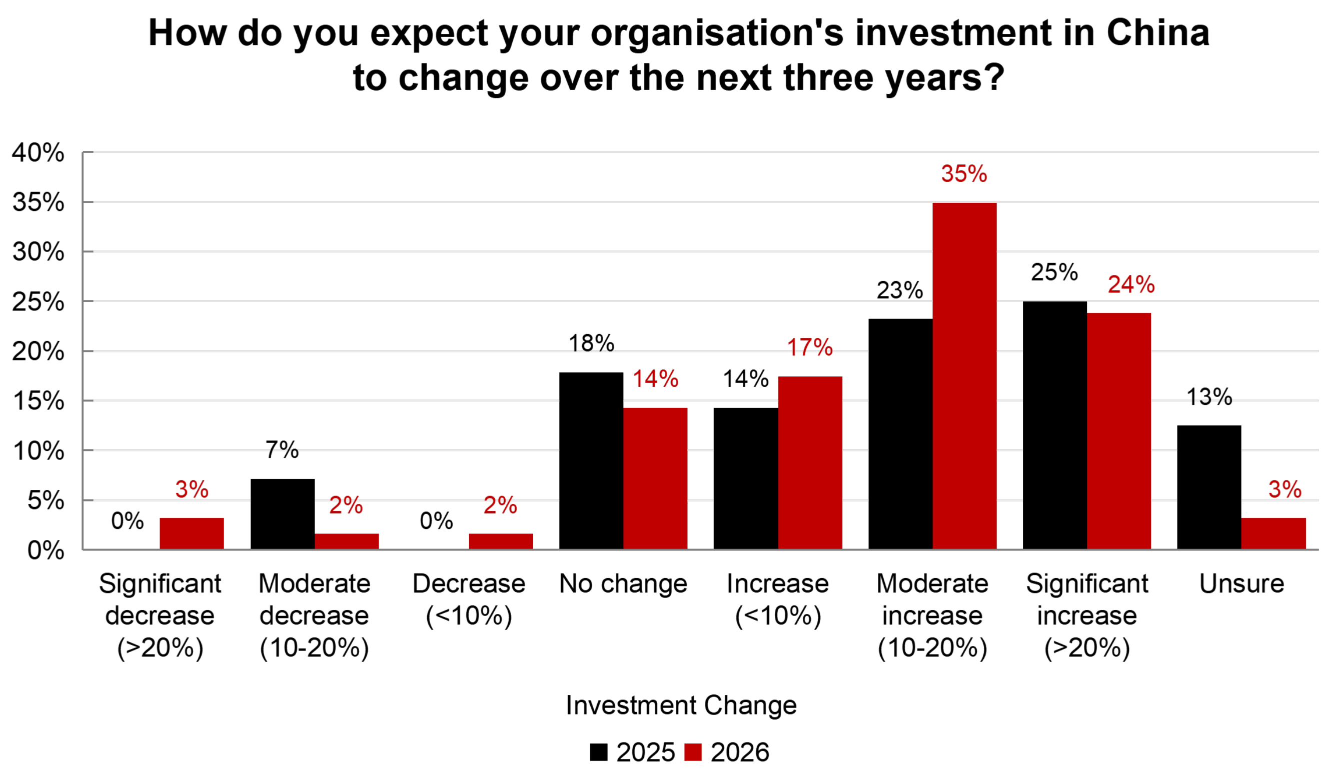
The sector view sharpens this picture. Retail and Consumer Goods, healthcare and manufacturing have led the way on recent capital commitments: 67% of respondents in these sectors collectively reported increased investment over the past 12 months, with 42% reporting increases of more than 20%. All surveyed healthcare firms increased their China investment in the past year, with 67% doing so by more than 20%, and all surveyed manufacturing firms also increased investment. Food & beverage tells a similarly positive story, with 57% of respondents increasing investment and 36% reporting increases above 10%. Professional Services is the exception, with investment changes essentially evenly split — 27% increased, 27% decreased and 45% reported no change.

Over the longer three-year window the sector picture is broadly similar, with two notable differences. Food & beverage looks somewhat stronger on the three-year view than on the 12-month one, with 64% of respondents reporting increased investment and 25% reporting increases of more than 20%. Professional Services, by contrast, looks weaker on the three-year view, with 45% of respondents reporting net investment decreases — pointing to a sector that has been recalibrating its China footprint for some time rather than only in the past year.




## Forward-Looking Investment Intent Is Firmly Positive

Over the next 12 months, 65% of respondents expect to increase their investment in China — 27% slightly, 21% moderately and 17% significantly. Only 8% expect any kind of decrease, and just 6% remain unsure. Looking out three years, the appetite is even stronger: 76% expect to increase their investment, with 35% expecting a moderate (10–20%) increase and 24% expecting a significant (>20%) increase. The share expecting no change halves from 21% over 12 months to 14% over three years, suggesting that respondents who are currently holding investment steady plan to scale up once conditions clarify.




The collapse in "unsure" responses — from 13% to 3% on the three-year question — is a noteworthy signal in its own right. Respondents may be facing a more challenging market, but they are markedly more decided about how they intend to respond to it: with continued, and in many cases accelerated, investment.

## Short-Term Caution, Long-Term Commitment

Among respondents who expect any kind of investment increase, the share expecting a significant (>20%) increase rises from 17% on a 12-month view to 24% on a three-year view, and the moderate (10–20%) bracket rises from 21% to 35%. New Zealand businesses appear to be pacing their commitments — investing steadily through the current cycle while positioning for a more decisive scale-up once competitive, regulatory and macro-economic conditions become clearer.

## What's Driving Future Investment?

The two leading opportunities cited by respondents when considering future investment are gaining market share to capitalise on future market growth (49%) and greater profit potential (41%). Supply chain optimisation (33%) has risen sharply year-on-year, reflecting the strategic reweighting of China within global supply chains. Revenue diversification (32%) and the digital economy (24%) round out the top five. Notably, Tier 3 cities and below have emerged as a new opportunity area, cited by 17% of respondents — up from 0% in 2025 — pointing to the geographic broadening of the New Zealand business footprint within China.

## Geographic Priorities: Shanghai Dominates, but the Map Is Broadening

Shanghai remains the unambiguous centre of gravity for New Zealand business activity in China, cited as a growth focus by 83% of respondents — virtually unchanged from 84% in 2025. The following cities, however, have reordered. Shenzhen (51%), Guangzhou (44%), Beijing (41%) and Hangzhou (40%) form the principal cluster of following cities. Beijing, Shenzhen, Chongqing and Wuhan have all seen their share fall year-on-year, suggesting a sharper, more selective city strategy. Ningbo (25%) and Hong Kong (17%) have edged up, reflecting their continued role in trade and financial flows.

| Top city growth priorities | 2025 | 2026 |
|---|---|---|
| Shanghai | 84% | 83% |
| Shenzhen | 66% | 51% |
| Guangzhou | 55% | 44% |
| Beijing | 55% | 41% |
| Hangzhou | 39% | 40% |
| Chengdu | 46% | 32% |
| Ningbo | 20% | 25% |
| Hong Kong SAR | 16% | 17% |

# OPPORTUNITIES AND CHALLENGES IN THE CHINA MARKET

## Section Summary — Opportunities Versus Challenges

- **Domestic competition (60%) is the single largest current challenge — and the picture is intensifying, not easing.**
- **Rising labour and input costs, plus a sharp rise in cultural/communication friction, are the two fastest-growing concerns.**
- **Market share and profit potential remain the top opportunities, with supply chain optimisation and Tier 3 cities rising fast.**
- **Engagement partners deliver a strong satisfaction signal (68% satisfied or better), with limited regulatory blockages (17%).**

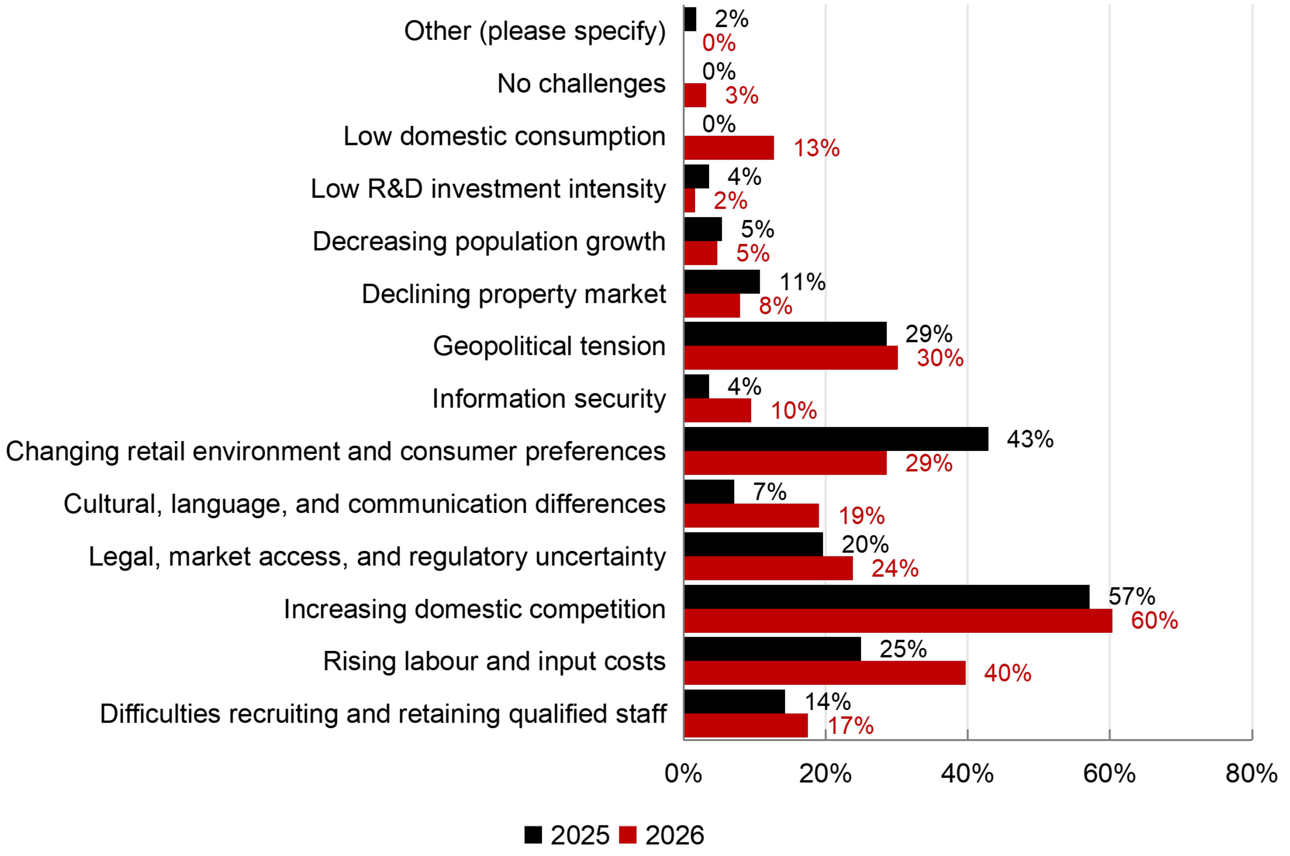
The investment commitment described in Section 7 does not exist in a vacuum. It is being made against the most competitive backdrop the China market has presented to New Zealand businesses in recent years, and a more complex regulatory and geopolitical setting.

## Current Challenges: Domestic Competition Is Now the Defining Issue

Increasing domestic competition is by some distance the most commonly cited current challenge, named by 60% of respondents — up from 57% in 2025 and the single most-selected challenge in the survey. Rising labour and input costs (40%, up from 25%) have risen even more sharply, and is now the second-ranked current challenge. Geopolitical tension (30%) and changing retail environment and consumer preferences (29%) make up the rest of the top tier.

Two challenges stand out for the speed of their rise. Cultural, language and communication differences have nearly tripled year-on-year, from 7% in 2025 to 19% in 2026 — a signal that, even among an established China-experienced respondent base, the gap between New Zealand and Chinese commercial culture is widening, not narrowing. Low domestic consumption, which was not included in the 2025 survey, was named by 13% of respondents in 2026.

**What are the top challenges your business currently faces in China?**




## Future Investment Challenges: Domestic Competition Top of Mind

When respondents look ahead and assess the top challenges to future investment, the order shifts only modestly but the context changes. Increasing domestic competition (59%), rising labour and input costs (35%), changing retail environment and consumer preferences (35%) and geopolitical tension (35%) form a closely-bunched leading group. Geopolitical tension rises from 27% in 2025 to 35% in 2026 — a meaningful jump that reflects the more uncertain external policy backdrop New Zealand businesses now operate within. Low domestic consumption also features prominently here at 19%, indicating that respondents are watching consumer trends not just as a current pressure but as a structural factor in future capital allocation.

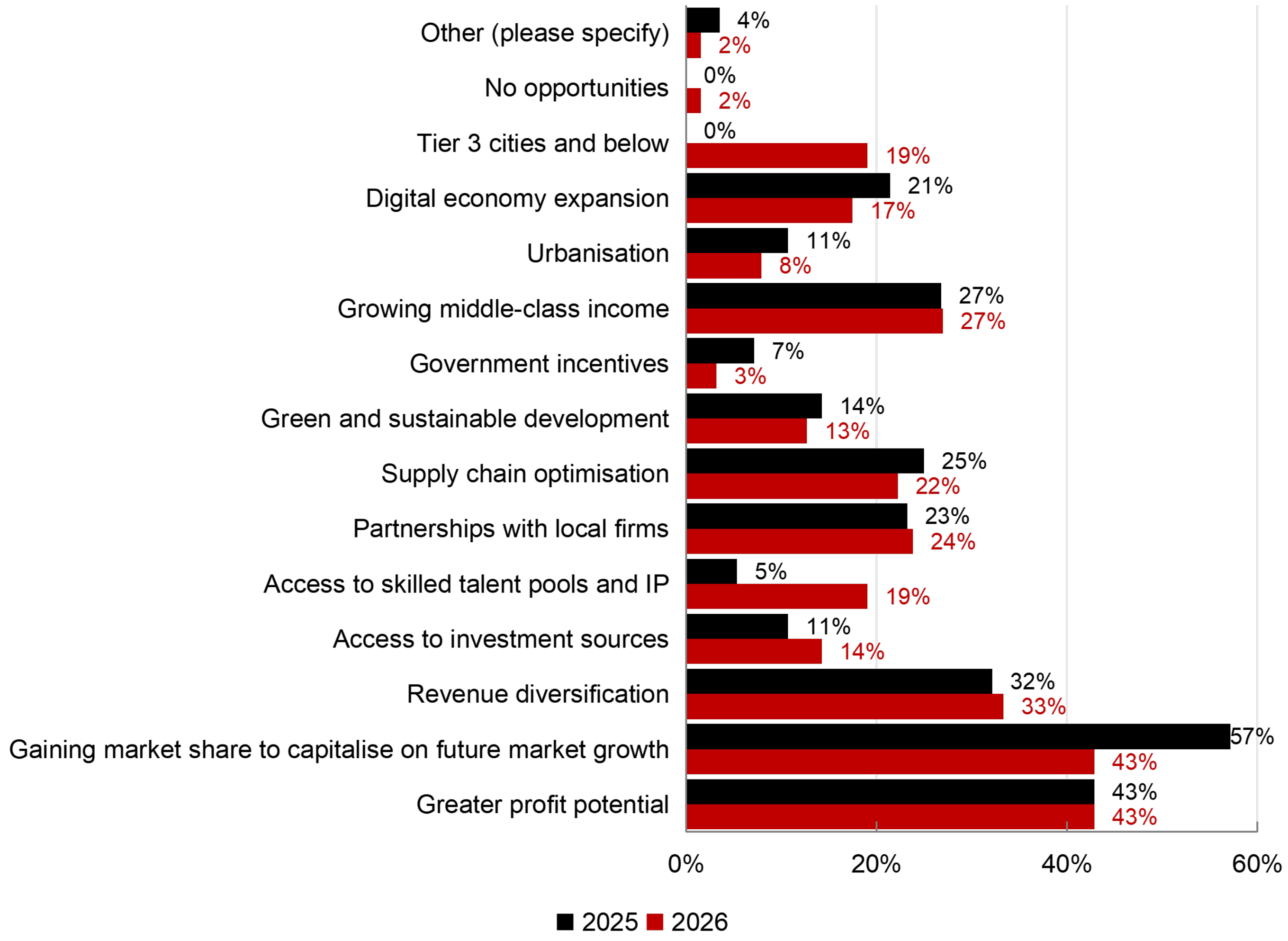
Importantly, several challenges that have featured in earlier surveys — declining property market (3%), decreasing population growth (5%) and low R&D investment intensity (2%) — remain peripheral concerns for the survey base. New Zealand business challenges in China are predominantly commercial and competitive in nature, with regulatory and geopolitical concerns layered on top, rather than structural in origin.



## Opportunities: Market Share, Profit and Supply Chain Rebalancing

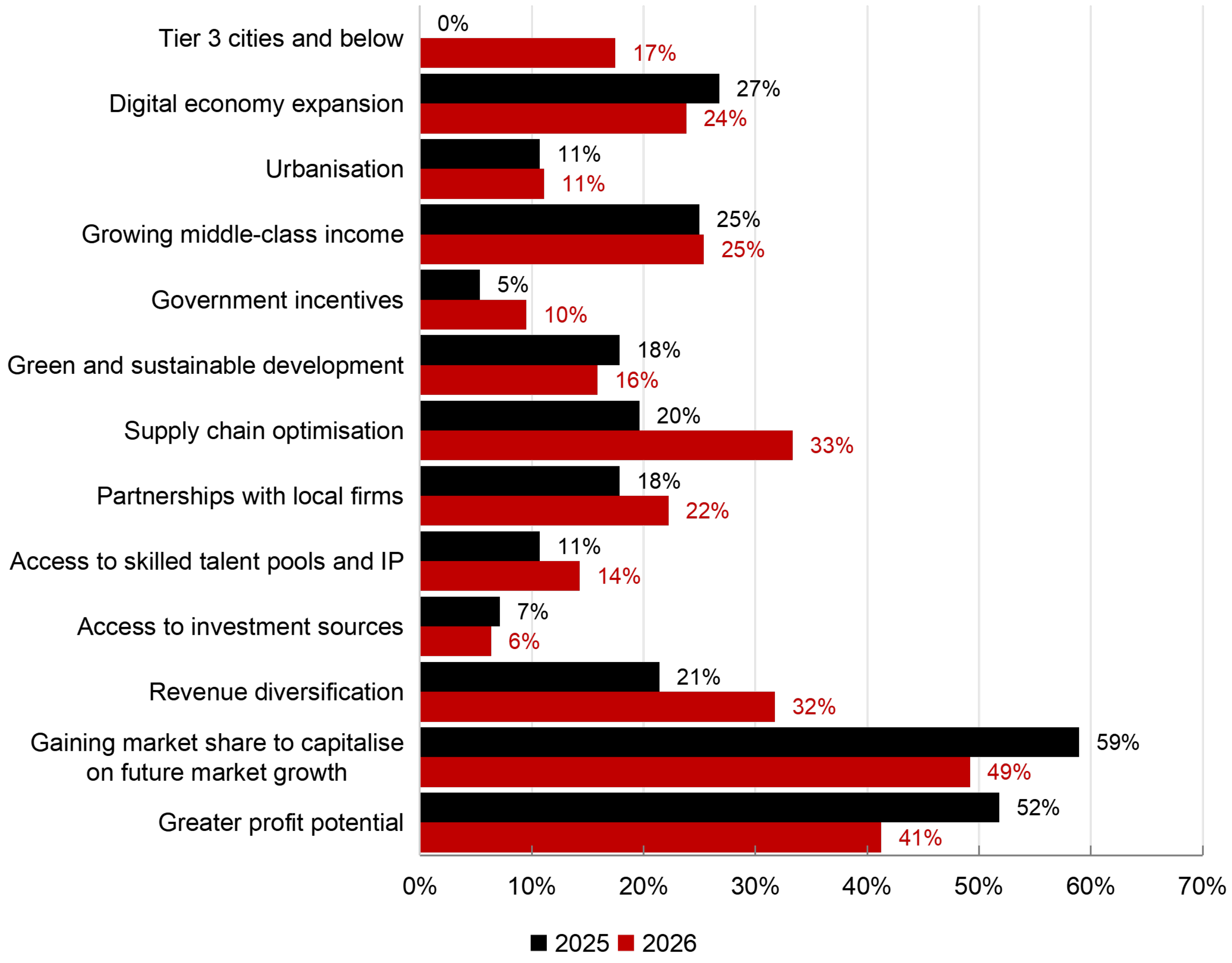
On the opportunity side, the picture is more stable. The two most commonly cited current opportunities are gaining market share to capitalise on future market growth (43%, down from 57% in 2025) and greater profit potential (43%, unchanged from 2025). The 14-point drop in respondents citing market-share gains as a current opportunity is one of the largest year-on-year shifts in the survey, and signals that New Zealand businesses are finding it materially harder to win ground in a more competitive China market than they did a year ago. Revenue diversification (33%) has held steady and is now consistently named in the top three. Partnerships with local firms (24%), supply chain optimisation (22%), and access to skilled talent pools and IP (19%, up from 5%) round out the top tier.

**What are the top opportunities you currently see for your business in China?**



The 2026 survey also captures the emergence of a clear new opportunity theme. Tier 3 cities and below were cited as a current opportunity by 19% of respondents — a category that did not register in 2025. Combined with the rise of supply chain optimisation in future-investment opportunities (from 20% to 33%), this points to a New Zealand business cohort that is actively reshaping its China strategy and expanding geographically beyond Tier 1 cities, rebalancing supply chain footprint, and competing on a wider operating canvas than before.

**What are the top opportunities for your business when considering future investments related to the China market?**




## Current Opportunity vs Future Opportunity: Where the Gaps Are

Comparing current opportunities to the opportunities respondents see when assessing future investment reveals where strategic emphasis is shifting. Supply chain optimisation is named more often as a future opportunity (33%) than as a current one (22%) — a meaningful 11-point gap, and the largest gap of any single line item. Government incentives and the digital economy also score higher on the future view than on the current view, suggesting that respondents expect these to become more material as policy support. Conversely, access to investment sources and growing middle-class income are seen as slightly stronger current than future opportunities, reflecting respondents' belief that easier wins on these dimensions may now lie in the past.

## Regulatory Issues: A Minority Report, but a Sharp One Where Present

Asked directly whether any regulatory issues are preventing them from increasing trade, 83% of respondents said no. The 17% who said yes flagged a varied list of specific concerns rather than a single dominant issue. The themes named most often were visa processing speed and cost, restrictions on the import of health and wellness products, recent changes to VAT refunds, GB standard compliance, and animal testing requirements.

## Practical and Commercial Versus Geopolitical and Regulatory

Reading the challenge data across both the current and future-investment views, the obstacles facing New Zealand businesses in China fall into two broad categories. The first — and consistently the largest — is practical and commercial: domestic competition, rising costs, shifting consumer preferences, and the cultural and communication gap. These are operating-environment issues that affect daily commercial execution. The second category is structural and external: geopolitical tension, regulatory uncertainty, and information security. While these structural concerns have risen year-on-year — particularly geopolitical tension — they remain secondary in scale to the commercial pressures of competing in a rapidly maturing Chinese market. The implication for strategy is that the principal battleground for New Zealand businesses in China remains commercial execution rather than geopolitical positioning.

“

NEW ZEALAND–CHINA BILATERAL RELATIONS: STABLE OPERATIONS, MORE SOBER EXPECTATIONS

## Section Summary — New Zealand–China Bilateral Relations: Stable Operations, More Sober Expectations

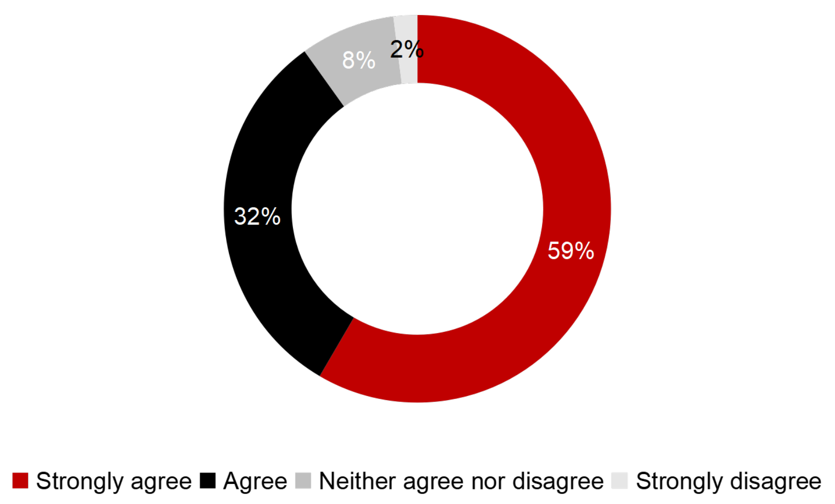
- **91% of respondents say the relationship is important to their success in China.**
- **Combined “strong” or “very strong” assessments have declined from 83% (2024) to 62% (2026).**
- **Optimism remains positive overall but has shifted toward moderate, slight, and neutral positions.**
- **83% report no regulatory barriers, indicating stable trade conditions.**
- **Around two-thirds of firms (37% unchanged + 29% increased focus) are maintaining or strengthening their China strategy.**

The 2026 survey suggests that the bilateral relationship remains both commercially important and operationally functional, but respondents hold a more measured outlook. The core distinction is between continued business continuity and more cautious forward sentiment. For most firms, trade flows and day-to-day operations remain stable. At the same time, fewer respondents now describe the relationship in strongly positive terms, and more sit in the middle.

## Diplomatic Health Remains Commercially Foundational

The bilateral relationship continues to be understood as part of the operating environment rather than an external factor. This is reflected clearly in the data: 59% of respondents strongly agree and 32% agree that the strength of the New Zealand–China relationship matters to their success, meaning 91% attach commercial importance to the relationship. Only 2% express disagreement, reinforcing the breadth of this view.

### Importance of the NZ–China relationship to business success




### Importance Keep

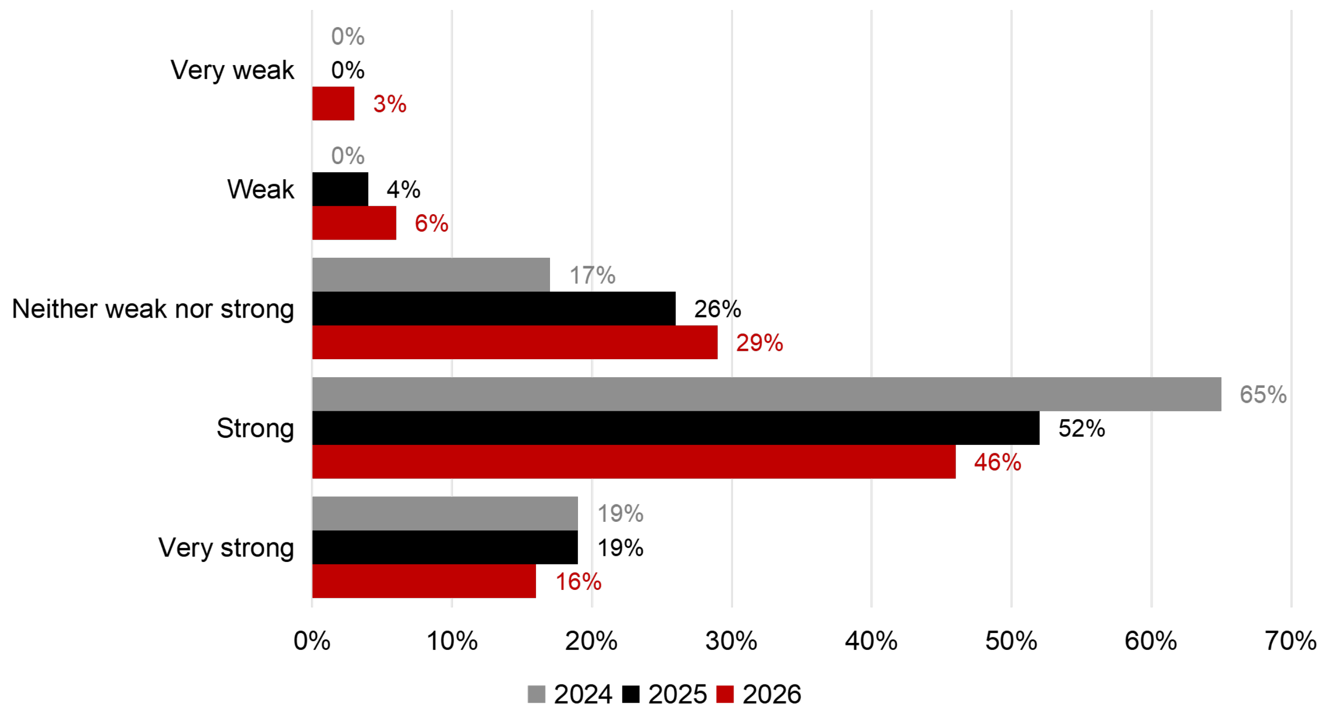
| Response | Share of Respondents |
|---|---|
| Strongly agree | 59% |
| Agree | 32% |
| Neither agree nor disagree | 8% |
| Disagree | 0% |
| Strongly disagree | 2% |

This level of alignment suggests that respondents see the relationship less as a contextual backdrop and more as a form of commercial infrastructure that shapes confidence, access, and planning assumptions.

## Sentiment Has Moderated, Not Reversed

The 2026 data points to a shift in sentiment over time. Combined “strong” and “very strong” assessments of the relationship have declined from 83% in 2024 to 62% in 2026, while neutral responses have increased from 17% to 29%. The share describing the relationship as weak has risen to 9%, but remains limited.

### How would you describe the strength of the New Zealand China relationship?



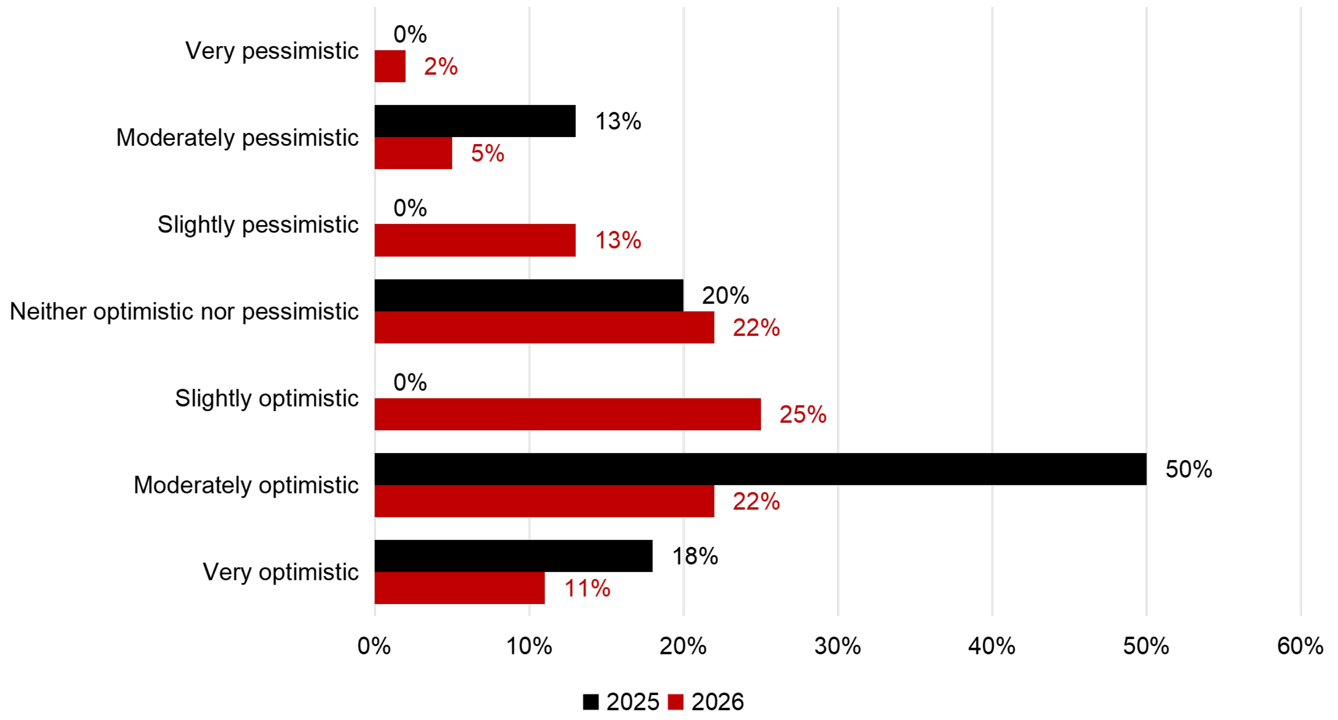

### How Would You Describe the Strength of New Zealand’s Relationshipwith China?

| Assessment | 2024 | 2025 | 2026 |
|---|---|---|---|
| Very strong | 19% | 19% | 16% |
| Strong | 65% | 52% | 46% |
| Neither weak nor strong | 17% | 26% | 29% |
| Weak | 0% | 4% | 6% |
| Very weak | 0% | 0% | 3% |

This movement toward the middle is consistent with a more pragmatic stance. Firms are less inclined to equate a stable relationship with a strongly positive trajectory, and more likely to treat it as a baseline condition that requires active management.

That same shift is visible in forward expectations. In 2025, 68% of respondents were either very or moderately optimistic. In 2026, only 33% remain in those top two categories, with 25% slightly optimistic and 22% neutral, while roughly 20% fall into pessimistic categories. Optimism has not disappeared, but it is now more dispersed and less concentrated at the top end.

**Outlook on the New Zealand–China relationship**




**Outlook on the New Zealand–China Relationship**

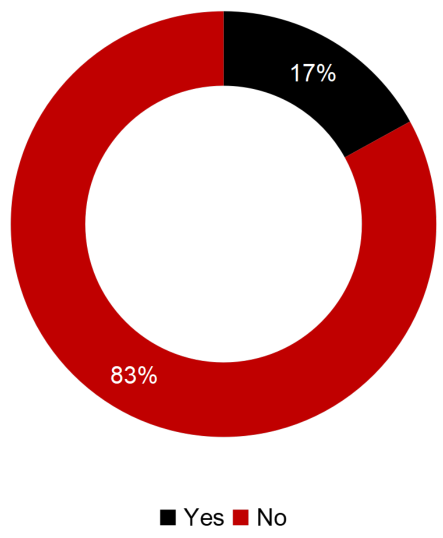
| Response | 2025 | 2026 |
|---|---|---|
| Very optimistic | 18% | 11% |
| Moderately optimistic | 50% | 22% |
| Slightly optimistic | — | 25% |
| Neither optimistic nor pessimistic | 20% | 22% |
| Slightly pessimistic | — | 13% |
| Moderately pessimistic | 13% | 5% |
| Very pessimistic | 0% | 2% |

Across both current and forward views, the direction is consistent: sentiment has cooled and broadened, rather than turning negative.

## Operations Remain Stable and Support Demands Are Practical

This moderation in sentiment has not translated into operational disruption. Only 17% of respondents report regulatory barriers preventing them from increasing trade, while 83% report no such constraints. Most firms are therefore not experiencing the bilateral relationship as a limiting factor in current operations.

**Are there regulatory issues preventing increased trade?**




**Are There Any Regulatory Issues Preventing You from Increasing Trade?**

| Response | Share of Respondents |
|---|---|
| Yes | 17% |
| No | 83% |

The nature of government support requested reinforces this point. The most common request is stronger promotion of New Zealand goods and services (38%), followed by support connecting with Chinese partners or clients (27%) and guidance on expansion into regional hubs (14%). Other requests, including workforce support and digital platform guidance, remain secondary at around 8% each.



## Commercial Priorities for Government Engagement

**What additional support from the New Zealand Government would most help your organisation succeed in China?**

| Support Type | Share of Respondents |
|---|---|
| Stronger promotion of New Zealand goods and services | 38% |
| Support bringing Chinese partners/clients to New Zealand | 27% |
| Guidance and connections on expanding into regional hubs | 14% |
| Advice on supporting new workers in China | 8% |
| Guidance on using key digital platforms | 8% |
| Support bringing NZ expats into China | 5% |

Taken together, these responses show that firms are not calling for intervention to address market access issues. Instead, they are seeking support that improves visibility, conversion, and partner access within a market that remains open but more competitive.

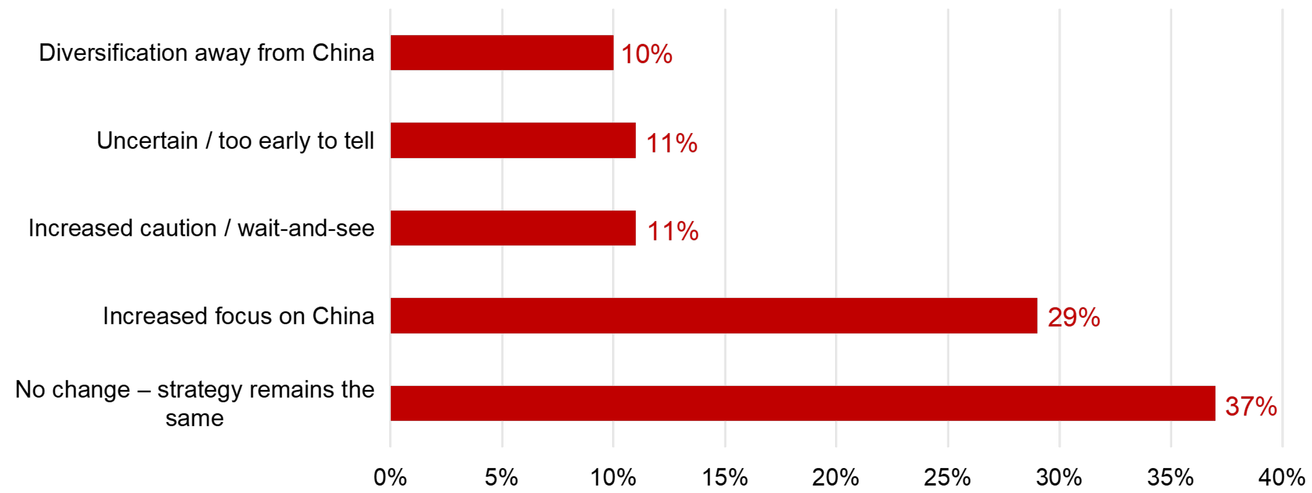
# CHINA STRATEGY: STAYING THE COURSE

The 2026 data indicates that New Zealand firms are not withdrawing from China. Most continue to treat it as a core market, despite a more complex external environment. The shift is not in whether firms remain, but in how they operate — with greater emphasis on execution, channel development, and more selective expansion.

## Global Instability Has Not Altered Core Positioning

Responses indicate a high degree of strategic continuity. 37% of respondents report no change to their international strategy, while a further 29% report increased focus on China, meaning roughly two-thirds are maintaining or strengthening their exposure. By contrast, only 10% report active diversification away from China, with an additional 11% taking a wait-and-see approach. While global uncertainty is clearly influencing planning, it has not triggered large-scale reallocation away from the market.

**Impact of global instability on China strategy**



**Changes in International Strategy Due to Global Instability**

| Response | Share of Respondents |
|---|---|
| No change – our international strategy remains the same | 37% |
| Increased focus on China | 29% |
| Increased caution / wait-and-see | 11% |
| Uncertain / too early to tell | 11% |
| Diversification away from China | 10% |
| Supply chain reconfiguration | 2% |

Taken together, the data points to adjustment within the market rather than exit from it, with China continuing to sit at the centre of global strategy.

## China Remains a Distinct Core Market

The survey also indicates that China is not being treated as interchangeable with other markets. When asked about the impact of the recent New Zealand–India FTA on their organisation's investment outlook for China, 76% of respondents reported no impact, while 21% reported a more positive impact. Only 2% reported a negative impact.

This suggests that the India FTA is being read primarily as complimentary rather than substitutive. For most firms, it does not alter their China position. For a minority, it supports broader regional growth without displacing China's role.



# PEOPLE, TALENT, AND BUSINESS TRAVEL

## Section Summary — People, Talent, and Business Travel

- **51% of respondents now employ zero NZ nationals in China, up from 35% in 2025 — localisation of talent is now the majority model.**
- **Where NZ staff are present, the value is strategic: cultural bridging, head office alignment, and real-time market intelligence that visiting executives cannot replicate.**
- **Executive travel has softened, with the 2–4 trips per year band falling from 57% to 48%, compounding the reduction in expat presence.**
- **Cost is the dominant travel barrier at 60% (up from 54%), while language barriers have risen sharply from 13% to 22%.**

## He Tangata, He Tangata, He Tangata

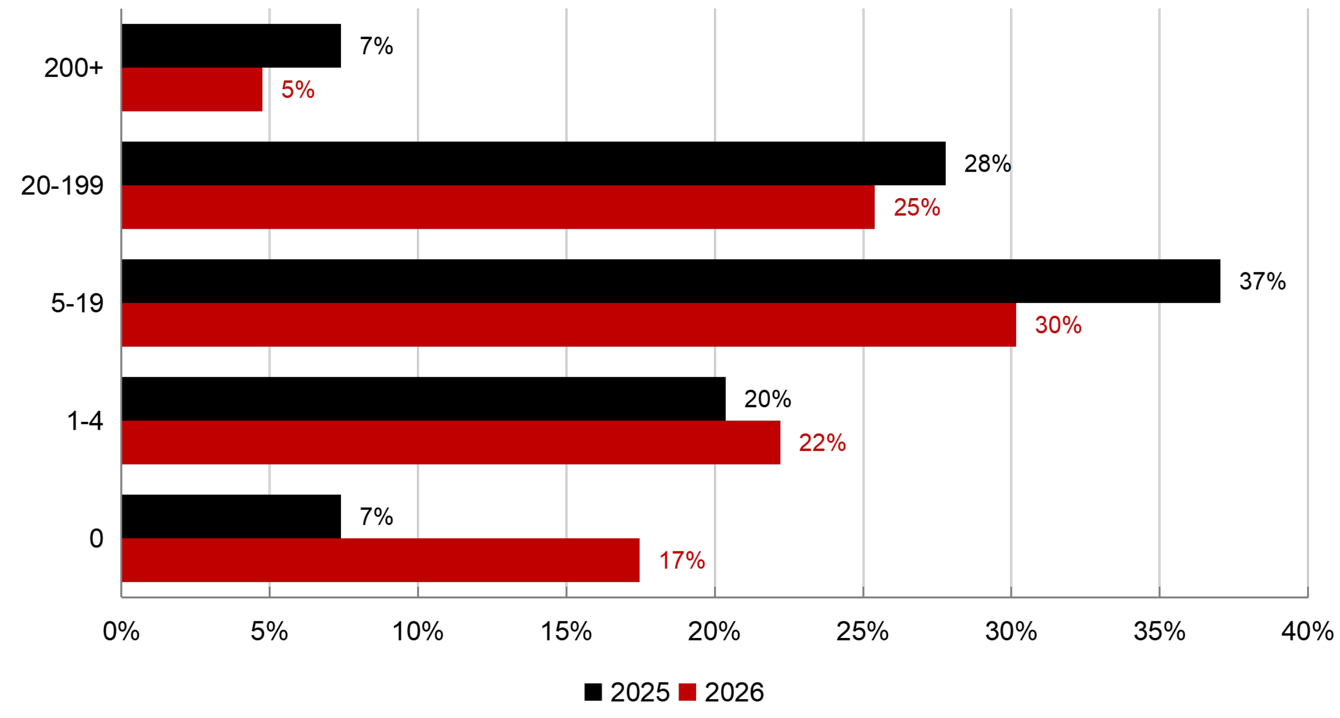
The human dimension of New Zealand's commercial engagement with China is undergoing a meaningful shift. In-market teams are stabilising rather than growing, the New Zealand expat community in China has shrunk materially, and leadership travel frequency has eased. At the same time, confidence in local Chinese talent is rising, and those firms that do maintain NZ staff on the ground are increasingly clear-eyed about the strategic value that presence provides. This chapter examines what is happening on the ground with teams, talent, and travel — and what it means for the quality of New Zealand's commercial relationships in China.

## A Leaner Model

The size of in-market team sizes has shifted notably. The proportion of respondents with zero employees in Mainland China has grown from 7% in 2025 to 17% in 2026, more than doubling. Those with large China-based workforces (200+) have also declined, from 7% to 5%. The growth is concentrated in the small-to-mid bands: 1–20 employees, which aligns with the dominant operational model of a lean Sales and Marketing team or a small Professional Services office.



**How many employees are employed by your organisation in Mainland China?**

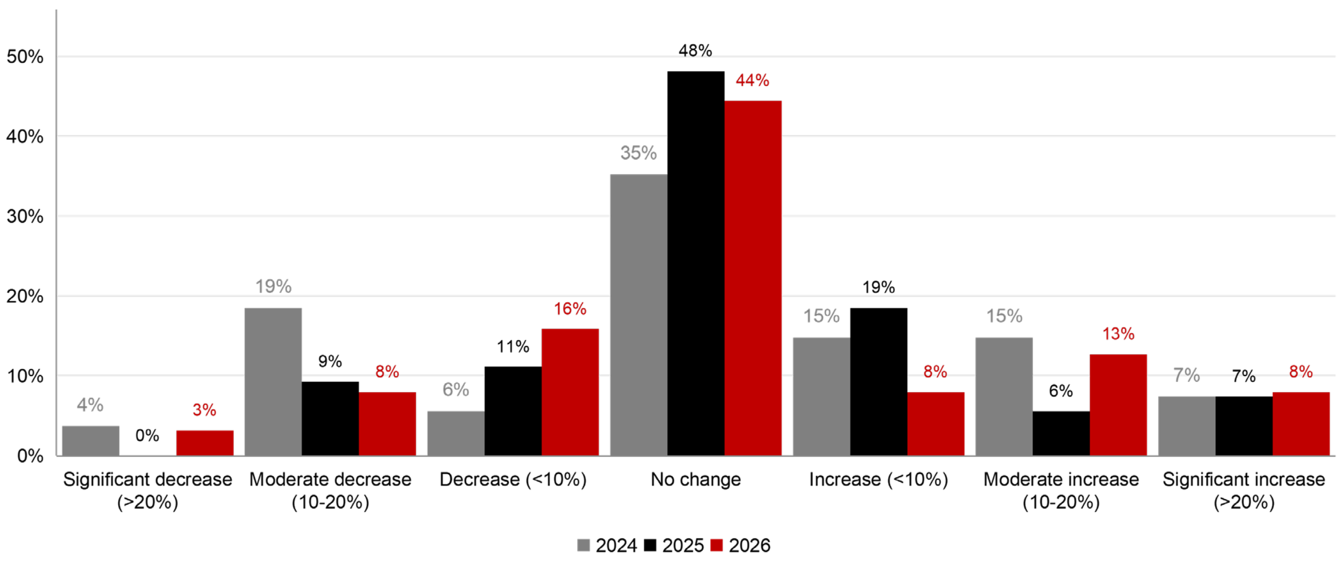



This reflects a broader rationalisation of in-market operations with more agile teams that rely on local talent and partner relationships rather than headcount to maintain market coverage.

## Changing Headcounts

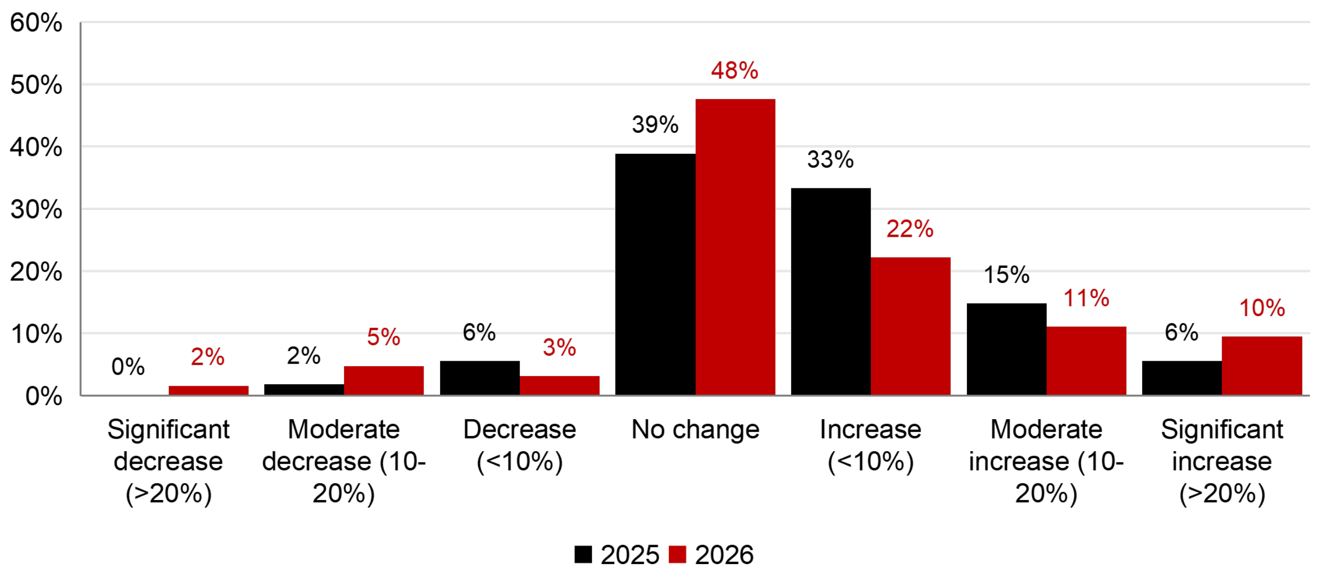
Most respondents report no change in their China headcount over the past twelve months. But the direction among those who have changed is more nuanced than in previous years. 27% have reduced their in-market teams in some form, up from 20% in 2025. The share that increased has also slipped, from 32% to 29%. The net picture is one of consolidation with more firms trimming headcount than were doing so a year ago, growth is happening at a lower rate, and the centre of gravity has shifted toward stability.

**How has your organisation's headcount in China changed over the past 12 months?**




Looking ahead, optimism about headcount growth has moderated. In 2025, 54% of respondents expected to increase China headcount over the following twelve months, a strongly expansionary signal. In 2026, that has fallen to 43%, with the 'no change' band growing from 39% to 48%. Growth expectations have slipped and the confidence of 2025 has given way to more measured expansion plans.

**How do you expect your organisation's headcount in China to change over the next 12 months?**



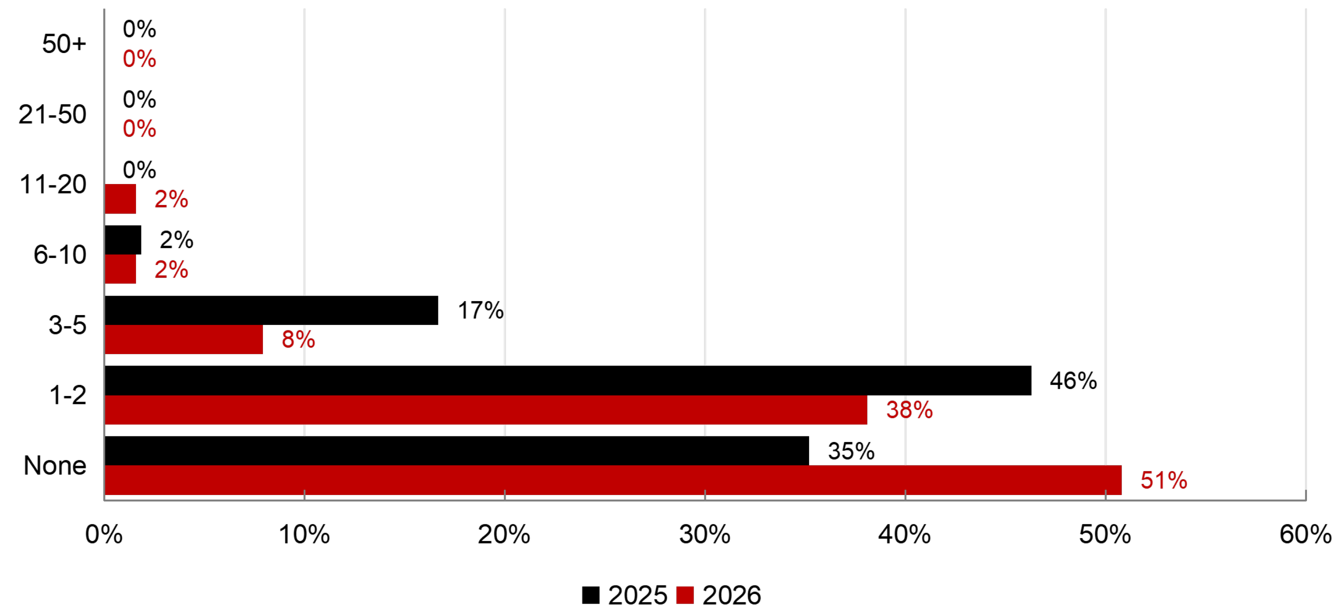



## Fewer Kiwis on the Ground

One of the most significant findings in the 2026 data is the decline in New Zealand nationals or permanent residents based in China. More than half of respondents — 51% — now employ zero New Zealand citizens or permanent residents in their China operations, up from 35% in 2025.

Among those that do employ NZ nationals, the numbers are small and have shrunk. The 1–2 person band has fallen from 46% to 38%. Those employing 3–5 NZ nationals have halved, from 17% to 8%. Only a handful of respondents maintain larger NZ cohorts, and none employ more than 20

**How many New Zealand nationals (Citizens and Permanent Residents) are currently employed in China?**




The decline of the NZ expat community in China has real implications for the quality and nature of New Zealand's commercial engagement in China. People who live and work in China develop a feel for the speed of the market, an intuitive understanding of consumer behaviour, an ability to navigate relationships and institutions more naturally, and a credibility with Chinese counterparts that comes from being genuinely present in their world.

## The Challenges of Having NZ Staff on the Ground

For firms that do deploy or are considering deploying New Zealand staff in China, the barriers are well understood. Cost of employment and relocation is by far the most cited challenge at 38% — and given the differential between NZ salary expectations, relocation packages, housing allowances, and the cost of international schooling for families with children, this is not surprising. A single NZ expat hire in Shanghai can cost two to three times the equivalent local hire before factoring in the lifestyle support package that is typically expected.

Visa and work permit requirements (22%) and talent availability and suitability (22%) are cited equally — the former reflecting ongoing administrative complexity in obtaining and maintaining China work authorisation for foreign nationals, the latter reflecting a more fundamental question about whether the right kind of China-capable NZ talent exists in sufficient depth.

## Localisation: Confidence in Chinese Talent

The single largest response to the question of NZ staffing challenges is revealing in a different way, 43% of respondents say there is simply no current need — or that the question is not applicable to their situation. This reflects how New Zealand businesses are structuring their China operations. For a growing majority, the answer is “in China, for China, with China” and trusting their full operations to local Chinese professionals.

This shift reflects a genuine increase in the quality, capability, and reliability of local Chinese talent — particularly in those who are internationally educated and experienced in international firms, they combine deep market knowledge with the cross-cultural fluency to work effectively with New Zealand head office. The talent pool in Shanghai, Shenzhen, and the other cities where New Zealand businesses operate is deep and commercially sophisticated.

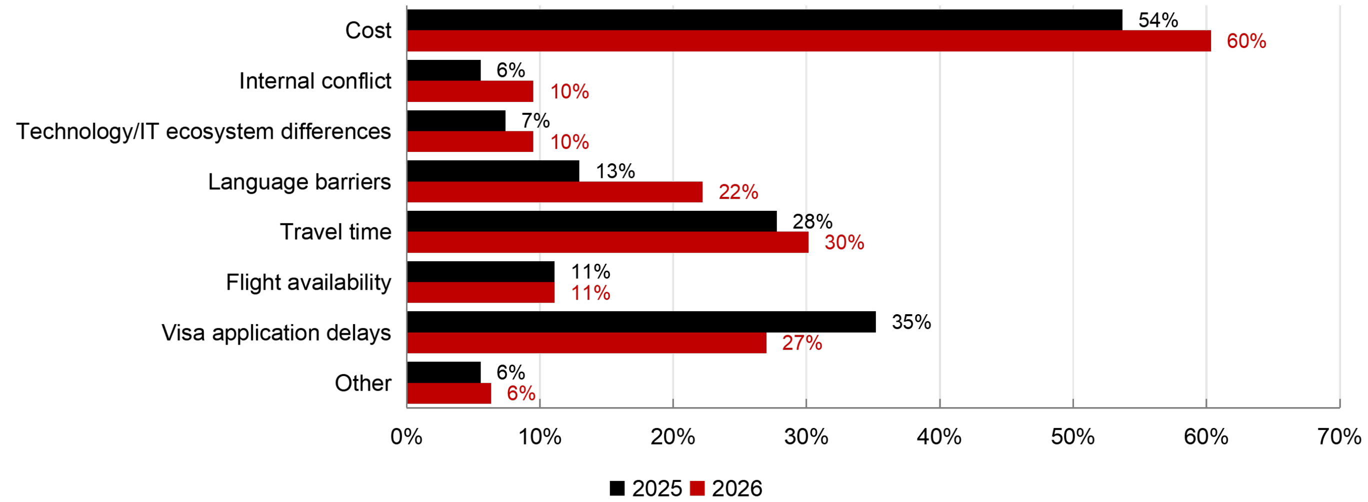
## Business Travel: Still Constrained, Cost Is the Dominant Barrier

The frequency with which senior NZ executives travel to China has softened in 2026. The proportion making 2–4 trips per year has fallen from 57% in 2025 to 48%. Those making five or more trips have also edged down from 17% to 14%. Meanwhile, the share of executives who do not travel to China at all has grown from 15% to 21%, and those making only a single annual visit have grown from 11% to 17%.

The most cited barrier to growing two-way business travel between China and New Zealand is cost, cited by 60% of respondents — up from 54% in 2025. This reflects the compounding effect of airfare, accommodation, visa fees — now one of the most expensive visas in the world, and lost productivity on return, all of which add up to a meaningful barrier that smaller organisations in particular struggle to justify without a clear commercial benefit.

Visa application delays (27%), which dominated complaints in 2025 at 35%, have eased. However, we continue to have difficulties with visas not being approved, and inconsistent outcomes when applying as groups, creating major difficulties in bringing customers, distributors and boards from China to New Zealand.

**What are the biggest barriers to growing two-way business travel between China and New Zealand?**




Language barriers have grown notably as an impediment to travel and we can only assume this encompasses cultural barriers as well. This complaint has risen from 13% in 2025 to 22% in 2026. This may be a consequence of the reduction in NZ nationals living in China as the community of China-experienced Kiwis in Shanghai shrinks, the language and culture gap means that companies must spend more time looking after visiting executives. With New Zealand companies working in small teams this takes time away from more business-critical tasks.

## When New Zealand Presence on the Ground Really Matters

The case for maintaining New Zealand nationals in China is not primarily operational — local staff can manage operations as well as, and often better than, expats. It is strategic and relational. The qualitative responses describe the value of NZ staff in terms that cluster around three themes: communication and alignment, cultural bridging, and market intelligence.

On communication and alignment: having a New Zealand professional in the China team makes it substantially easier to manage the interface between a China-based operation and a New Zealand head office. The differences in communication style, decision-making pace, risk appetite, and institutional culture between a NZ corporate and a China-market team are significant, and a person who has lived in both worlds is difficult to replace with emails and quarterly visits.

On cultural bridging: respondents describe NZ staff as a 'culture bridge', bringing 'fresh perspectives and approaches' and 'cross-cultural communication and diversity of thoughts and ideas.' In a market where relationships are built slowly and trust is established through sustained personal relationships, having a New Zealander who is also a genuine participant in the local business community carries weight that cannot be replicated from a distance.

On market intelligence: 'up-to-date knowledge of market development from actual experience' and 'easier to communicate with NZ upstream supply chain' were cited directly. These translate to faster decision-making, better-calibrated strategy, and fewer misunderstandings of what is actually happening in the China market.

## What It Means for New Zealand Business

Taken together, the people and travel data in 2026 describes a New Zealand business community in China that is becoming more operationally capable through localisation, but less physically present at the senior and expatriate level. Local Chinese talent is carrying more of the operational and even strategic weight — and doing so effectively. But the connections that bind a China operation to its New Zealand parent — shared experience, cultural fluency in both directions, the ability to translate strategy into local execution and local intelligence back into strategy — are thinning. Combined with the NZ expat presence shrinking, it leaves a gap that neither the local team nor the visiting executive can fully bridge.

## Section Summary — Perceptions Matter: Brand New Zealand

- **NZ brand awareness is stable at 59% strong or very strong, but increasingly concentrated — "Very strong" has grown to 22% while broad "Strong" awareness have moved up.**
- **Te Ao Māori resonance has eased, with "yes" responses falling from 35% to 24% — effective where it is authentic and story-driven, limited as a broad-market brand device.**
- **Individual companies are the primary carriers of the NZ brand in China — making the quality of individual brand investment a collective concern for NZ Inc.**

## New Zealand Brand Awareness Strengthens

New Zealand brand awareness in China looks broadly stable with 59% of respondents describe it as strong or very strong in 2026, virtually unchanged from 57% in 2025. But that stability at the headline level masks a more interesting structural shift taking place underneath it.

The 'Very strong' band has grown significantly — from 13% in both 2024 and 2025 to 22% in 2026. At the same time, 'Strong' alone has declined steadily from 58% in 2024 to 44% in 2025 to 37% in 2026. Taken together, this pattern describes a brand that is becoming more polarised rather than more broadly established. Those who know New Zealand know it well — as a premium, trusted, credentialled origin. But the feeling of broad awareness is softening, and the 'Neither strong nor weak' band has held steady at around 25%, suggesting a large cohort of Chinese consumers for whom New Zealand remains largely unknown.

| Brand Awareness Level | 2024 | 2025 | 2026 |
|---|---|---|---|
| Very strong | 13% | 13% | 22% |
| Strong | 59% | 44% | 37% |
| Neither strong nor weak | 9% | 24% | 25% |
| Weak | 19% | 9% | 13% |
| Very weak | 0% | 9% | 3% |

Those describing NZ brand awareness as weak or very weak dropped from 19% in 2025 to 16% in 2026. The overall trajectory is not of a brand in decline, but of one that is concentrating deeper within its established engaged audience while not yet making meaningful gains in breadth.

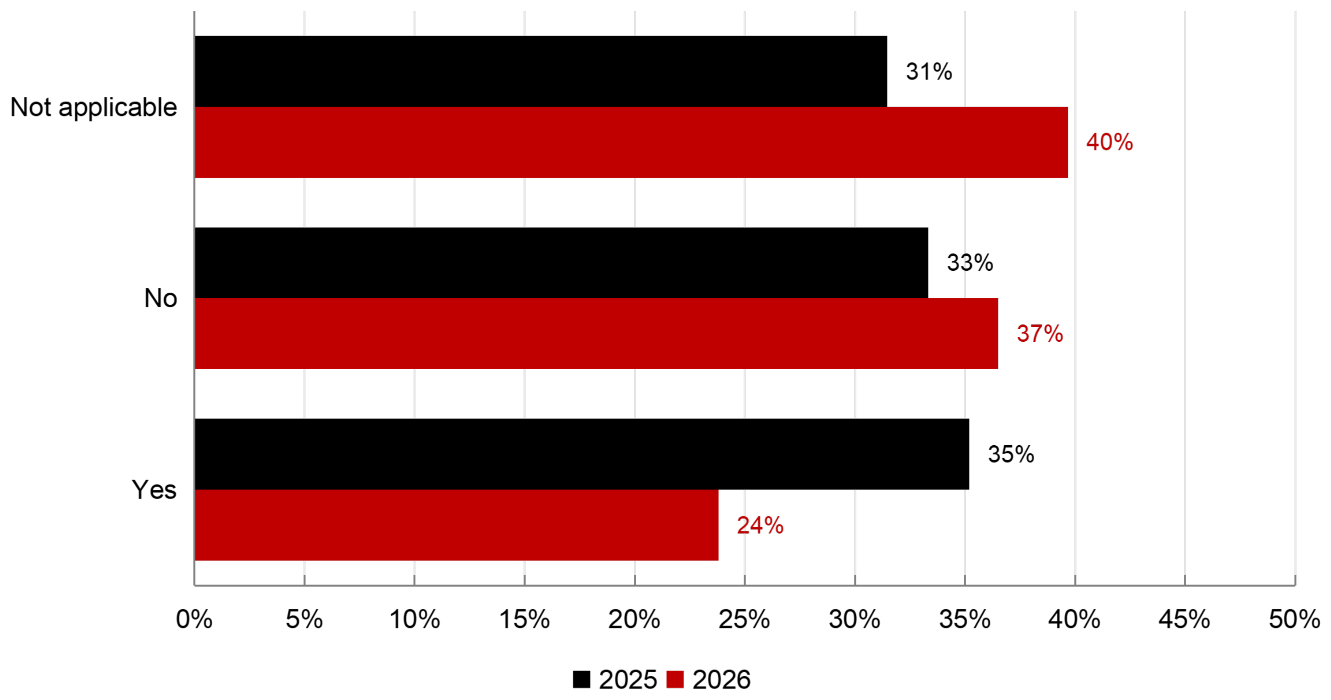
The softening of broad 'Strong' awareness points to a structural challenge that the NZ brand has excellent penetration with the premium shopper and the health-conscious urban middle class, but limited visibility with the broader Chinese consumer population. As China's consumer market matures and segments more finely, New Zealand companies need to look to move beyond their established customer base or look to refine their market segments more clearly.

## The Role of Māori Identity in New Zealand's China Brand

Six respondents in the 2026 survey identify as Māori businesses — representing 9% of the sample, down from 14% in 2025. All six are New Zealand-headquartered, with one exception being a wine business headquartered in Mainland China. The sector breakdown is concentrated in Food and Beverage (four businesses, spanning seafood, wine, and dairy) with company sizes ranging from micro-businesses of one to five employees to large enterprises of 500 or more.

When asked whether incorporating Te Ao Māori into country-of-origin branding resonates with Chinese audiences, the 2026 responses showed the proportion saying 'yes' has fallen from 35% to 24%, while 'no' has risen from 33% to 37%, and 'not applicable' has grown from 31% to 40%.

**Does incorporating Te Ao Māori into country-of-origin branding resonate with Chinese audiences?**




Where Māori identity does appear to carry real weight in the China market is in specific, story-driven contexts and narratives for premium products where the connection to land, ocean, and indigenous production methods adds authenticity. Cultural diplomacy where the distinctiveness of New Zealand's indigenous culture creates genuine interest and differentiation from other Western countries should be explored to bolster this image and prominence of Te Ao Māori awareness in China.



# BUSINESS

## 01 Encourage extended executive placements over short-term visits.

Long-term assignments are crucial to fully understanding the complexities of the China market. Extended stays foster deep commercial relationships, cultivate a more nuanced market perspective, and drive meaningful cross-cultural communication. Most importantly, they build stronger organizational alignment between regional teams and global headquarters, which brief visits cannot replicate. To achieve this, businesses should prioritise multi-month secondments to their China operations rather than multi-week trips.

## 02 Establish local R&D partnerships to enhance global competitiveness.

New Zealand firms are no longer simply competing against localised players in their export markets; they are competing on a global stage where market dynamics change rapidly. As international competition continues to intensify, New Zealand companies can strategically leverage local partnerships and regional capital. Doing so allows them to co-develop market-specific solutions, capture shifting consumer preferences faster, and build capabilities that strengthen their competitiveness both within China and globally.

## 03 Accelerate go-to-market strategies and product iteration cycles.

Chinese consumers demand novelty, actively seeking the next major trend, experiential offering, or brand event. To satisfy this appetite, introducing a new SKU does not always require a ground-up product redesign or extensive foundational research, it can be achieved through rapid incremental iterations of existing product lines. New Zealand companies should actively maintain a pipeline of product variants and be operationally prepared to market these updates, creating a continuous sense of fresh relevance for the Chinese consumer.

## 04 Find synergies for future investment decisions with the15th Five-Year Plan.

For well-resourced organizations, analysing and identifying synergies with China's 15th Five-Year Plan can yield significant strategic advantages. Aligning your corporate growth strategy with these national policy priorities can secure broader institutional support, de-risk market expansion initiatives, and unlock critical commercial opportunities across China.

## 05 Deepen CSR alignment with overall business strategy.

New Zealand's commitment to an egalitarian society forms the bedrock of our business values—we fundamentally believe in creating opportunities for all to succeed. When structuring Corporate Social Responsibility (CSR) frameworks, organizations should collaborate closely with local charity partners to identify where support can drive the most meaningful impact. Executing well-aligned CSR initiatives demonstrates a clear recognition of the mutual value derived from the New Zealand–China trade relationship, showing a tangible commitment to reinvesting in the communities that support our commercial success.

## 06 Encourage Chinese partners to share more data with New Zealand SME suppliers.

NZBRiC encourages Chinese distributors and partners to collaborate closely with their New Zealand suppliers by sharing data and on-the-ground market insights. The success of New Zealand businesses is directly tied to the success of their distributors; New Zealand firms are not looking to compete with the sheer size of domestic companies, but rather to complement them. Sharing richer data allows New Zealand suppliers to better understand localised trends, refine their product offerings, more effectively meet the evolving needs of Chinese consumers and promotes mutual trust between supplier and distributor.

# GOVERNMENT

## Chinese Government

## 01 Improve the clarity of incentives for businesses entering China.

Coming from a market of five million people, New Zealand companies entering China often face a steep learning curve when navigating its vast regulatory and corporate landscape. New market entrants require clear guidance to understand and access available government incentives that can support their commercial success. Developing a comprehensive landing guide specifically tailored to New Zealand businesses would significantly streamline this transition and accelerate their integration into the Chinese market.

## 02 Continue to support advancements in the domestic consumption landscape.

Consumption remains a critical pillar of GDP growth. Alongside "new productive forces," even marginal gains in consumer spending can drive swift macroeconomic momentum. Expanding access to premium, healthy, and nutritious food products directly supports long-term public health goals. By encouraging these consumption trends, stakeholders can simultaneously drive economic resilience and foster a healthier, more sustainable market ecosystem.

## 03 Foster healthy market competition.

New Zealand companies remain highly sensitive to intense domestic competition, which respondents identify as the single greatest challenge when evaluating operations and future investment in China. Often operating with more constrained capital resources and marketing budgets than their domestic counterparts, New Zealand firms face a visible squeezing of mid-market enterprises. Continued structural support for healthy market competition ensures an equitable playing field, providing Chinese consumers with greater product diversity and access to premium options and strengthens investor confidence for New Zealand firms committing capital to the Chinese market.

# New Zealand Government

## 01 Enhance MFAT and NZTE institutional support and engagement within regional hubs.

As our findings indicate, New Zealand companies are increasingly targeting expansion into rising economic centres, with Hangzhou, Ningbo, and Chengdu emerging as primary priorities. In the Chinese market, institutional relationships and commercial success are deeply intertwined.

NZBRiC recognises the significant efforts of NZ Inc in supporting New Zealand businesses across these regions and building on this momentum, we would encourage the New Zealand Government to consider further strengthening their regional engagement frameworks. This could include maintaining a regular cadence of official visits to key regional centres. Ongoing, high-level engagement can help demonstrate sustained commitment to local governments and partners and may support the development of new strategic opportunities for New Zealand businesses operating in China.



## 02 Align New Zealand's business visa framework more closely with peer economies.

Recent initiatives by Immigration New Zealand to open the New Zealand Electronic Travel Authority (NZeTA) to Chinese nationals holding valid Australian visas, coupled with proactive collaboration with NZBRiC to facilitate member travel, represent excellent steps toward dismantling cross-border commercial barriers. However, New Zealand still has a valuable opportunity to modernise its broader business visa settings to better support international commercial engagement.

At present, the application cost for a New Zealand business visa sits at approximately NZD $600, placing it at the higher end of global visa fees. Furthermore, the underlying framework remains comparatively restrictive relative to peer economies. Under the United Kingdom's Standard Visitor visa and the United States' B1/B2 visa, for example, business visitors are permitted by default to attend corporate meetings, participate in training, or deliver specialized training. These countries also routinely issue multi-year, multiple-entry visas from a single application.

Conversely, New Zealand separates its business visitor criteria from the general visitor pathway, defaulting these visas to a single-year duration unless explicit evidence of pre-planned future travel is provided. This introduces recurring administrative hurdles for firms whose cross-border engagements—such as distributor alignment, strategic partnership development, or customer visits—naturally span multiple visits over longer horizons. Shifting to a multi-year default for business visitor visas would substantially reduce this administrative burden and improve accessibility for key international stakeholders. Ultimately, introducing this regulatory flexibility would catalyse stronger commercial connections while maintaining appropriate border oversight, making it significantly easier for New Zealand and Chinese enterprises to commit to and engage with New Zealand.

## 03 Develop capabilities to leverage Chinese manufacturing scale for New Zealand firms beyond primary industries.

Outside of the primary sector, New Zealand businesses face significant domestic constraints when attempting to scale operations locally. This lack of manufacturing capacity is a major hurdle for the secondary sector, particularly for firms with global growth ambitions. To address this, the government should actively facilitate strategic connections and support high-growth enterprises looking to establish manufacturing partnerships in China.

While global tariff levels remain uncertain, China's unmatched economies of scale keep its production costs substantially lower than New Zealand's, offering a pathway to international competitiveness. Although some may argue that offshoring production limits domestic economic benefits, offshoring creates high-value corporate positions at global headquarters in New Zealand as well as a direct, positive impact to the country's current account balance.

### 04 Increase engagement with industry associations for policy dissemination and financial support for Non-Governmental Organisations.

New Zealand non-governmental business organisations operating on the ground in China have a relatively short history, but they are growing rapidly. As dynamic entities, they are uniquely positioned to leverage local partnerships and maintain greater operational flexibility. Because of this agility, they are complements rather than competitors to government departments and their shared objectives.

These organizations possess a unique capacity to mentor and develop young New Zealand professionals, sharpening their commercial skills directly in-market. To enable these groups to scale their impact and operate more ambitiously, the New Zealand government should provide targeted financial and structural support. For example, sponsoring a dedicated graduate placement—structured similarly to the Prime Minister’s Scholarship—for a one-year, full-time internship would deliver two benefits: immediately expand resources for organizations on the ground and cultivate the China expertise that New Zealand's commercial sector requires.

## China and New Zealand Government

### 01 Enhance targeted support for New Zealand SMEs during their initial three years of operation in China.

New Zealand SMEs operating in China are uniquely vulnerable to shifting market dynamics and intensifying domestic competition. Our data highlights a distinct gap based on organizational scale, 50% of small businesses with fewer than 50 employees report that doing business in China is difficult, compared to just 30% of larger corporations. This challenge is even more acute for newer market entrants, with 100% of surveyed firms in their first two years of operation classifying the business environment as difficult.

To improve these outcomes, greater coordination between the New Zealand government and Chinese local authorities is essential. While NZTE delivers exceptional foundational support to help companies establish a market presence, deeper collaboration with municipal and district-level governments—who are directly invested in the success of foreign firms within their jurisdictions—could significantly smooth the transition. By bridging this gap, stakeholders can deliver more impactful, localised support for New Zealand companies navigating their critical initial phases in the Chinese market.

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# About Us

The New Zealand Business Roundtable in China is a non-profit organization that brings together industry, corporate, and individual members who share a common interest in the success of the New Zealand/China trading relationship. Our goal is to promote mutual business interests and advance key trade sectors in the New Zealand and China trade relationship.

As a collaborative network of key business and government leaders in the New Zealand-China relationship, we strive to be the leading voice and advocate on New Zealand-China trade matters. Our members represent a wide range of sectors from New Zealand, including Food and Beverage, services, cosmetics, technology, travel, HR, FMCG, health, and more.

In the past few years, NZBRiC has focused on collaborating and supporting NZ businesses and their teams through various challenges created by ever-changing responses to the pandemic. From 2023, we have moved into our post-COVID recovery phase with an emphasis on advocacy, representation, and providing insights to our members. We are dedicated to advancing the interests of our members and promoting a successful New Zealand-China trading relationship.


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