

Doing Business in New Zealand

New Zealand is currently ranked first of 189 countries by the World Bank for ease of doing business, meaning it is the country with the best regulatory environment for starting and operating an enterprise. New Zealand has a deregulated, decentralised economy directly exposed to international competition. Over the past three decades, successive New Zealand Governments have reformed New Zealand's trade rules by removing many barriers to imports, ending most subsidies, and ensuring that the rules relating to overseas investment are designed to encourage productive overseas investment in New Zealand.

New Zealand's economic freedom score is 84.2 which makes it the 3rd freest in the 2018 index.

The OECD Economic Survey of New Zealand 2017 notes that "the country has experienced robust economic growth since 2012, buoyed by record levels of inward migration and strong terms of trade. The government budget is near balance, and external deficits are considerably smaller than in past expansions".

The gross domestic product of New Zealand (GDP) is 186.4 billion (USD) making it the 53rd largest national economy in the world. New Zealand had a real GDP growth of 3.5% in 2017.

The New Zealand economy is trade-oriented. Primary sector exports contribute to over 50% of export earnings, such as dairy, meat, wood, fruit and vegetables. Services, especially tourism, are also a key source of export revenue. New Zealand also has developing industries in export education, boat building, IT, horticulture, wine and film. The level of imports closely matches exports and comprises mostly raw materials and capital equipment or industry. New Zealand is committed to the reduction of worldwide trade barriers. Tariffs in New Zealand have been systematically reduced, and import quotas eliminated.

The government has worked to negotiate free trade agreements with major trading partners including Australia, Brunei, Chile, China, Malaysia, Singapore and Thailand. New Zealand's largest export markets are Australia and China, followed by the US, Japan and Korea. China is the main import source, followed by Australia, the US, Japan and Malaysia.

Four main avenues are open to overseas entities wishing to set up a business in New Zealand such as:

- trading directly, registering as an overseas company (i.e. as a branch);
- forming a subsidiary company;
- merging with or taking over an existing New Zealand company, or
- entering a limited partnership. If entering into business with a third party, the usual structures of joint ventures (both incorporated and unincorporated), partnerships and limited partnerships are all available.

New Zealand resident companies are taxed on their worldwide income, and non-resident companies (including branches) are taxed on New Zealand-sourced income.

The New Zealand corporate income tax rate is 28%.

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