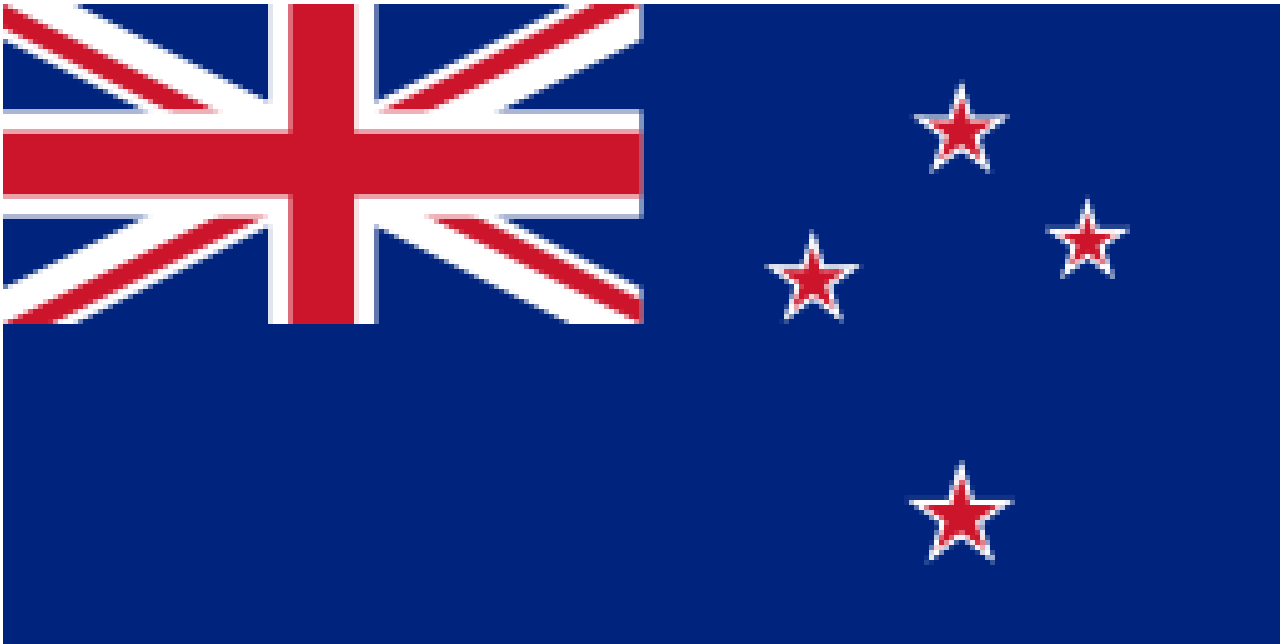


ANALYSIS OF NEW ZEALAND

by Line and Leon



https://en.wikipedia.org/wiki/Flag_of_New_Zealand

Summary :

- 1) Introduction
- 2) Growth Indicators for New Zealand
- 3) Economy of New Zealand
- 4) New Zealand Political System
- 5) Inflation Rate
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Line :blue

Leon : black

1) Introduction

New Zealand is a country in Oceania, southwest of the Pacific Ocean. The country consists of two islands: One in the south and one in the north. New Zealand is also surrounded by approximately 600 smaller islands.

New Zealand is very geographically isolated.

This isolation has allowed the development of a very rich and varied flora and fauna.



<https://www.lonelyplanet.com/maps/pacific/new-zealand/>

The history of this country is one of the shortest in the world, because it's one of the last territories discovered by humans.

New Zealand has been independent since September 26, 1907, before it was a British colony.

It still has strong ties with the United Kingdom, as well as with Australia.

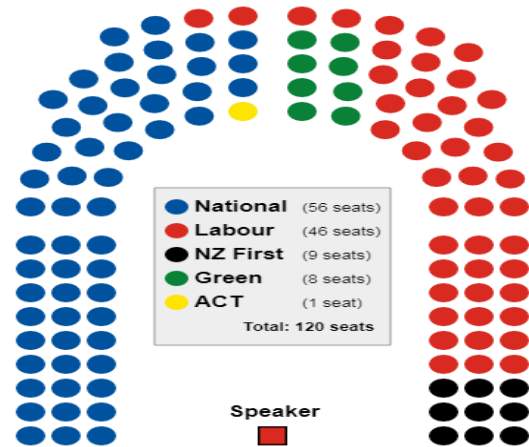
Since its independence, New Zealand is a parliamentary monarchy and part of the Commonwealth.

The national language is English and the currency is the New Zealand dollar.

Wellington has been the capital of New Zealand since 1865 and the second most populous city in the country. It's located at the edge of the Pacific Ocean. The main New Zealand financial institutions are spread between Wellington and Auckland. Wellington is also the political center of New Zealand, the seat of parliament, ministries and state departments. It also hosts a world-class film industry, as well as an important theatrical scene.



<http://goworldcargo.com/where/shipping-to-new-zealand/>



<https://www.lonelyplanet.com/maps/pacific/new-zealand/>

The economy of New Zealand is the 53rd-largest national economy in the world when measured by nominal gross domestic product (GDP) and the 68th-largest in the world when measured by purchasing power parity (PPP). New Zealand has one of the most globalised economies and depends greatly on international trade – mainly with Australia, the European Union, the United States, China, South Korea, Japan and Canada. New Zealand's economy is mainly based on the tertiary sector, particularly tourism, although the primary sector, through agriculture and the mining sector, plays a more important role than the other developed countries.

2) Growth Indicators for New Zealand

Growth Indicators	2016	2017	2018 (e)	2019 (e)	2020 (e)
GDP (billion USD)	185,37	201,39	206,00	212,15	227,38
GDP (annual growth in%, constant price)	4,1	3,0	3,1	3,0	3,1
GDP per capita (USD)	39	41	41	42	44
Balance of public finances (in% of GDP)	1,3	1,4	0,9	1,0	1,3
State debt (in% of GDP)	33,5	31,7	30,4	29,4	28,4
Unemployment rate (% of the labor force)	5,1	4,7	4,5	4,4	4,4
Current account balance (billion USD)	-4,17	-5,47	-7,35	-8,10	-8,62
Current account balance (% of GDP)	-2,3	-2,7	-3,6	-3,8	-3,8

Source : FMI - World Economic Outlook Database,

In this chart you can find some information about the GDP of New Zealand. You can see that the annual growth in percentage rises year by year. From 2016 to 2018 the GDP rose by 6,1% (from 185,37 to 206,00 USD) also for the future there are good opportunities. Also the GDP per head rose and so the unemployment rate decreases.

Generally, Government debt as a percent of GDP is used by investors to measure a country ability to make future payments on its debt, thus affecting the country borrowing costs and government bond yields. Government Debt to GDP in New Zealand averaged 23.81 percent from 1972 until 2017, reaching an all time high of 54.80 percent in 1992 and a record low of 4.40 percent in 1974.

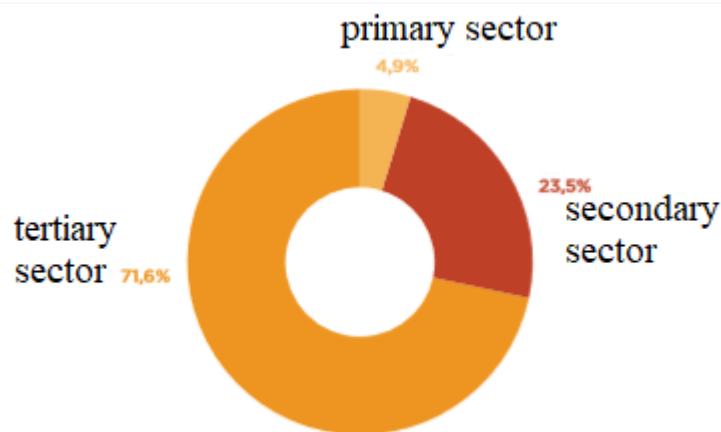
3) Economy of New Zealand

New Zealand is a small open economy that works on the principles of free trade. It is geographically isolated. That's why agriculture and industry are relatively developed to meet the needs of the local market.

The country is highly dependent on its primary sector which is highly oriented to export. This makes the economy New Zealand vulnerable to fluctuations prices.

New Zealand maintains close trade links with Australia and the United States, as well as with Asian countries. She also signed a free trade agreement in 2008 with China.

Sector composition of GDP in 2011, in%



source : EIU

We can see that in 2011 New Zealand's GDP was 4.9% for the primary sector, 23.5 for the secondary sector and 71.6 for the tertiary sector.

Between 2000 and 2007, the New Zealand economy has developed strongly. However, the economy of the New Zealand has deteriorated further when the economic crisis world began in September 2008. New Zealand experienced a period of recession between 2008 and the first half of 2009. However, the decline in the economy has remained relatively small compared to other countries. according to the OCDE, New Zealand was the 7th least affected country by the global economic crisis among its 34 members.

The New Zealand economy then recovered from 2010 largely thanks to exports.

New Zealand's economy today is based on a stimulating monetary policy, a sharp rise in net immigration, strong domestic demand and low unemployment.

China is New Zealand's largest trading partner.

In the last five years, New Zealand's exports have declined at an annual rate of -1.5%. However, by 2018, exports should be revitalized, thanks to improved terms of trade due to higher milk prices.

Trade is significant for the New Zealand economy as the sum of the value of imports and exports accounts for 55% of GDP.

The public deficit and debt, which are low in comparison with other OECD countries, continued to fall in 2017. Inflation is also low.

Finally, the business environment is one of the most efficient and competitive in the world. New Zealand has the lowest level of subsidy in OECD countries, and 30 years ago, it eliminated all agricultural subsidies, which boosted the development of agriculture in the country. The country is catching up with Western economies in terms of per capita GDP and unemployment rate has stabilized since 2009. The country ranks first in the international ranking of the 2017 Corruption Perception Index. and is ranked the world's third freest economy by the 2018 Global Index of Economic Freedom.

4) New Zealand Political System



source : lepetitjournal

New Zealand is a constitutional monarchy with parliamentary democracy. A member of the Commonwealth, the country recognizes Queen Elizabeth II as a monarch, she has the title Queen of New Zealand. A governor represents the Crown on New Zealand territory.

The New Zealand political and judicial system is very similar to that of the United Kingdom. Like the latter, New Zealand does not have a written constitution, and constitutional practice is based on custom and convention. The governor general must act in agreement with the executive council, composed of himself and all the ministers of the government, led by the prime minister.

New Zealand, which has a small population of about 4.5 million, has a parliament of 120 members of parliament elected for 3 years.

New Zealand has only one assembly. The house of representatives is the heart of New Zealand's political power. Its role is to vote the laws. Executive power comes from the majority political party in the House. Its role is to enforce the laws passed and to manage the day-to-day affairs of the state

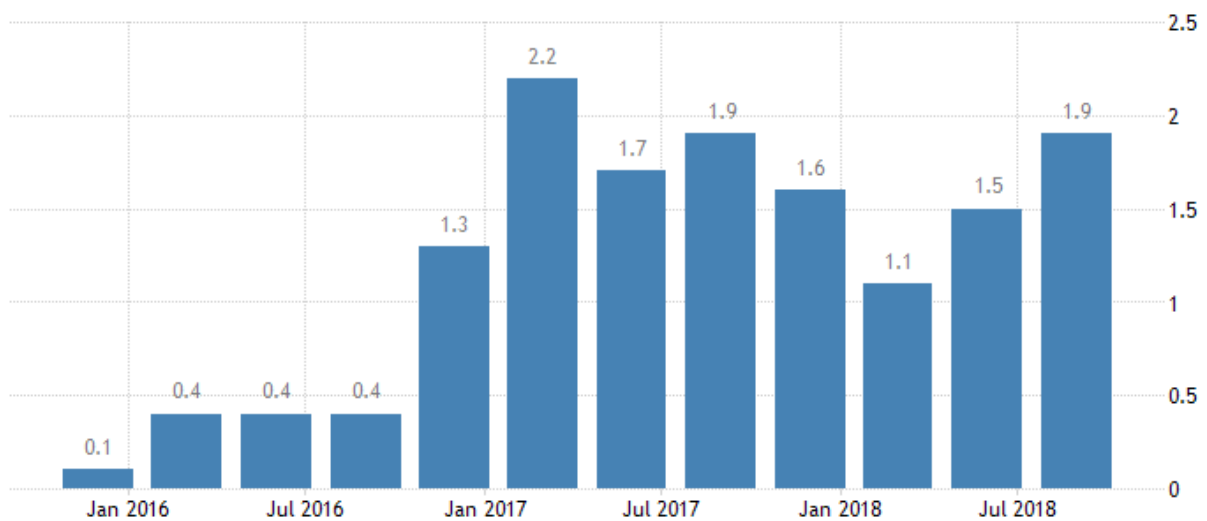
The highest court in New Zealand is the court of appeal. The decisions of the court are without recourse, unless the possibility of applying to the Privy Council of Great Britain is granted.

The Labor Party and the National Party have dominated the New Zealand political scene since the 1930s, alternately occupying power. The Labor Party was traditionally moderate, center-left, and the center-right National Party. However, both tended to keep New Zealand

in a regulated and protectionist economy. Differences have tended to fade since 1984, when parties began fundamental economic and social reforms.

5) inflation Rate

Consumer prices in New Zealand increased 1.9 percent year-on-year in the third quarter of 2018 following a 1.5 percent increase in the previous quarter. The print came above consensus expectations (1.7 percent) and was the highest rate in four quarters. Higher inflation was mainly explained by a 19 percent jump in petrol prices, which also nudged transport prices higher (+5.6 percent). Meantime, housing and household utilities increased 3.1 percent with construction up 4.1 percent, rentals rising 2.3 percent and local authority rates up 5.1 percent. Inflation Rate in New Zealand averaged 4.67 percent from 1918 until 2018, reaching an all time high of 44 percent in the third quarter of 1918 and a record low of -15.30 percent in the first quarter of 1923.



SOURCE: TRADINGECONOMICS.COM | STATISTICS NEW ZEALAND

<https://tradingeconomics.com/new-zealand/inflation-cpi>

6) Exchange Rates



<https://www.financemagnates.com/forex/bloggers/reasons-new-zealand-dollar-may-keep-rising-versus-us-dollar/>

The currency of New Zealand is the New Zealand Dollar (NZD). This currency is only used in the country itself. Underneath the NZD is compared with the USD and the Euro:

1 NZD → 0,67 USD

1 NZD → 0,59 €

So the value of the NZD is weaker than the value of the USD or the Euro.

7) Conclusion

All in all we can say that New Zealand is a economic stable country with many import and export possibilities. The economy is based on free trade and it's the 53rd-largest national economy in the world with the 68th-largest GDP that is measured by purchasing power parity (PPP). The most important trading partner is Australia but New Zealand is connected in trading with the whole world. The country is ruled by a constitutional monarchy with parliamentary democracy with Queen Elizabeth II as the monarch.

The currency is called the New Zealand Dollar, so this currency is only used in the country itself.

Line's work review :

VERY GOOD WORK but no sources quoted. A very good share of work, your analysis is well-organised, well-written and complete !

Economic facts and explanations : A

Economic analysis : A+

English : A+

Efforts to cooperate : A+

Mrs MESTRE : Line's grade 19/20