

# Proactive Release

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The following Cabinet papers and related Cabinet minutes have been proactively released by the Minister of Foreign Affairs

Title	Reference
<i>Cabinet Minute of Decision: Report of the Cabinet Economic Policy Committee: Period Ended 19 December 2025</i>	CAB-26-MIN-0001
<i>Report of the Cabinet Economic Policy Committee: Period Ended 19 December 2025</i>	
<i>Cabinet Economic Policy Committee: New Zealand's Foreign Policy Reset: Year Two Stocktake</i>	ECO-25-SUB00223

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

#### Key to redaction codes:

- 6(a): to avoid prejudicing the international relations of the New Zealand Government;
- 9(2)(g)(i): to protect the free and frank expression of opinions by departments;
- 9(2)(j): to avoid prejudice to negotiations.

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# Cabinet

## Minute of Decision

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### **Report of the Cabinet Economic Policy Committee: Period Ended 19 December 2025**

On 27 January 2026, Cabinet made the following decisions on the work of the Cabinet Economic Policy Committee for the period ended 19 December 2025:

ECO-25-MIN-0223	<b>New Zealand's Foreign Policy Reset: Year Two Stocktake</b> Portfolio: Foreign Affairs	CONFIRMED
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Rachel Hayward  
Secretary of the Cabinet



# Cabinet Economic Policy Committee

## Summary

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### New Zealand’s Foreign Policy Reset: Year Two Stocktake

**Portfolio** Foreign Affairs

**Purpose** This paper provides an update on the second year of the Foreign Policy Reset (the Reset).

**Previous Decisions** In November 2024, FPS noted the actions taken in support of the Reset in year one, the contextual and resource challenges facing New Zealand, and major policy decisions pending over the coming year; and invited the Minister to provide a further stock-take towards the end of 2025 [FPS-24-MIN-0030].

**Proposal** The global operating environment over the past year has deteriorated further, with negative trends accelerating and volatility increasing. Challenges include s6(a) the undermining and rewriting of global rules and norms, and increasingly aggressive activity around the world (as summarised in **paragraph 13.4, page 7**).

New Zealand has been highly active, visible, and vocal on the international stage in pursuit of the Reset goals. This has resulted in progress being made in areas including uplifts in priority relationships in South and Southeast Asia s6(a) the launch and advancement of free trade agreement negotiations with India, meaningful progress in the diversification of trade architecture and market access, and an enhanced focus on Pacific resilience, with closer cooperation with like-minded partners in the region. The key year two outcomes are summarised in the tables on **pages 3-6**.

New Zealand will need to continue to drive and advance the Government’s foreign trade priorities to defend our interests and values in an increasingly contested and uncertain geopolitical environment. Decisions will be sought in the following year on issues including s6(a)

**Impact Analysis** Not applicable.

**Financial/ Legislative Implications** None from this paper. An update on how Budget 2025 funding has been used as on **page 9**.

**Timing Matters** None specified.

**Communications** None proposed.

**Consultation** Paper prepared by MFAT (Foreign Affairs), DPMC (Prime Minister), GCSB, MPI, MBIE (Economic Growth, Immigration), Defence, Transport, Customs, NZDF, Police, NZSIS, NZTE (Economic Growth, Trade and Investment), TPK, and the Treasury were consulted.

The Minister indicates that FPS Ministers were consulted.

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**The Minister of Foreign Affairs recommends that the Committee:**

- 1 note the actions taken and outcomes delivered during Year Two of the Coalition Government's Foreign Policy Reset (the Reset), as outlined in the paper under ECO-25-SUB-0223;
- 2 note the significant strategic challenges and deteriorating global environment facing New Zealand as it further implements the Reset;
- 3 note the forthcoming foreign policy decisions that will give further effect to the Reset, including advice that will become before the Cabinet Foreign Policy and National Security Committee in support of the lines of effort identified in the Reset.

Jenny Vickers  
Committee Secretary

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**Hard-copy distribution:**  
Cabinet Economic Policy Committee  
Minister for Emergency Management and Recovery

Office of the Minister of Foreign Affairs

Cabinet Foreign Policy and National Security Committee

## **New Zealand's Foreign Policy Reset: Year Two Stocktake**

### **Proposal**

- 1 This paper takes stock of the second year of New Zealand's Foreign Policy Reset (the Reset). In a strategic environment that continues to deteriorate, the paper also looks ahead to forthcoming foreign policy issues and decisions.

### **Relation to government priorities**

- 2 In February 2024, Cabinet recognised that the challenging global outlook was making it increasingly difficult to achieve a safer, more prosperous, and more sustainable future for New Zealanders. It agreed to align diplomatic resources and guide broader NZ Inc effort behind a reset of New Zealand's foreign policy [FPS-24-MIN-002]. In November 2024, Cabinet received a report back on New Zealand's Foreign Policy Reset during the first year of the Coalition Government and requested a further stocktake towards the end of 2025 [FPS-24-MIN-0030].

### **Executive Summary**

- 3 The global operating environment over the past year has deteriorated further, with negative trends accelerating and volatility increasing.

- 4 A defining feature has been s6(a)

Russia continues to play a malign, disruptive role, including through its ongoing aggression in Ukraine.

- 5 In this more contested, fragmented, and volatile world, New Zealand has been highly active, visible, and vocal on the international stage in pursuit of the Reset goals. Over the second year of the Reset this activity has resulted in:

- 5.1 Uplifts in priority relationships in South and Southeast Asia, s6(a) to frame and advance both security and prosperity objectives.

- 5.2 Launch and advancement of free trade agreement negotiations with India, as well as enhanced defence engagement.

- 5.3 Enhanced focus on Pacific resilience, s6(a) closer cooperation with likeminded partners engaging in the region, and advocacy for Pacific interests with the US.

- 5.4 A more streamlined and impactful International Development Cooperation programme. New Zealand's strong support for Pacific regional architecture emphasised through confirmation of New Zealand's hosting and Chairing of the Pacific Islands Forum in 2027-28.
  - 5.5 Closer coordination with likeminded partners, including through support for Ukraine and engagement in coalitions of interest and s6(a)
    - . Key Ministerial relationships (including Prime Minister, Foreign Affairs, Trade and Investment, and Defence) established with the US Administration, and greater engagement and practical cooperation in the Australia relationship across key areas of national interest.
  - 5.6 Meaningful progress in the diversification of trade architecture and market access, with the entry into force of a free trade agreement (FTA) with the United Arab Emirates, an updated ASEAN-Australia-New Zealand agreement, conclusion of negotiations with the Gulf Cooperation Council, and strong growth in exports to the UK (21% increase YE June 2025) and EU (28% increase YE June 2025) following entry into force of FTAs with those markets.
  - 5.7 Some hard-won multilateral gains, including the entry into force of the WTO Fisheries Subsidies Agreement.
- 6 The Ministry of Foreign Affairs and Trade (MFAT) has undertaken an internal realignment to focus on the Reset priorities. The deteriorating strategic outlook also points to the importance of sustaining an increased effort across Government to defend and advance New Zealand's national interests.
  - 7 Such an effort will be critical across NZ Inc to continue to drive and advance the Government's foreign and trade priorities; to defend our key interests in an increasingly contested and uncertain geopolitical environment; and to shape a regional and global environment that reflects New Zealand's values and interests.
  - 8 In the coming months officials will present advice for Ministers to take decisions on a range of significant foreign policy issues, with risks and trade-offs that reflect our geostrategic operating environment.

## Analysis

- 9 The Prime Minister, Minister of Foreign Affairs, Minister of Defence, Minister for Trade and Investment, and Minister for Climate Change have sustained an intensive international engagement programme through Year Two of the Reset. MFAT portfolio Ministers undertook 88 high level visits to 43 countries in the last Financial Year, supplemented by the hosting of 62 high-level visits to New Zealand by foreign leaders and ministers. Sustaining a regular tempo of Ministerial travel to the Pacific and South and Southeast Asian countries s6(a) will be important to further consolidate and deepen high-level political relationships.
- 10 These international engagements have allowed us to communicate New Zealand's perspective on the geostrategic challenges faced, our commitment to key bilateral and regional relationships, and a commitment to shaping a global environment that supports shared interests and values. The table below summarises key outcomes over Year Two

of the Reset against the major lines of effort, and how these outcomes help advance our interests.

<b>Foreign Policy Reset: Year Two Stocktake</b>	
<i>Increasing focus on and resources applied to Southeast Asia and South Asia (particularly India), and North Asia</i>	<ul style="list-style-type: none"><li>• A Comprehensive Strategic Partnership concluded with Singapore, setting clear, agreed workstreams for deepening bilateral cooperation across six thematic areas: trade and economic; defence, safety and security; science, technology and innovation; people links; climate change and green economy; and supply chains and connectivity.</li><li>• A step-change in the India relationship, with the Prime Minister’s March 2025 visit delivering a broad set of political and economic outcomes, including the launch of comprehensive Free Trade Agreement negotiations, as well as announcement of a Defence Cooperation Arrangement.</li><li>• The elevation of the New Zealand-ASEAN relationship to a Comprehensive Strategic Partnership, and a new NZ-ASEAN Plan of Action agreed for the 5-year period ahead to strengthen New Zealand’s cooperation with ASEAN under the pillars of peace, prosperity, people, and planet.</li><li>• s6(a)</li><li>• Strengthened strategic cooperation with the Philippines on defence and maritime issues, with a Status of Visiting Forces Agreement signed.</li><li>• A Comprehensive Strategic Partnership concluded with Viet Nam including an agreed NZD\$5 billion two-way trade target in 2026.</li><li>• A Comprehensive Strategic Partnership concluded with the Republic of Korea with a set of new initiatives under the pillars of strategic and security, prosperity and innovation, and people and planet.</li><li>• A successful Prime Minister’s mission to China in June 2025, including conclusion of 11 new agreements, and more than NZD\$1 billion in business deals announced.</li><li>• 11 Trade Missions (of 17 this Parliamentary term) have been to these regions, building connections and promoting New Zealand as a country to do business with.</li><li>• A significant lift in International Development Cooperation (IDC) to Southeast Asia, contributing to stronger governance and economic development and deepening New Zealand’s relationships and influence in the region.</li></ul>
<i>Impact:</i> The outcomes have advanced New Zealand economic and security goals with priority regional partners, established clear work programs to further deepen relationships, and made meaningful contributions to the Government’s economic objectives.	
<i>Sustaining a deeper and comprehensive focus on the Pacific</i>	<ul style="list-style-type: none"><li>• Regional agreement for New Zealand to host and Chair the Pacific Islands Forum 2027-28, positioning New Zealand to shape the regional agenda.</li><li>• Delivery of a streamlined IDC programme (\$NZ573 million to the Pacific in 2024-25 FY) targeting underlying causes of regional and</li></ul>

	<p>domestic vulnerabilities — supporting good governance and democratic institutions, security, climate adaptation, and economic and social resilience.</p> <ul style="list-style-type: none"><li>• Close coordination with Australia to bolster the Pacific region’s geopolitical resilience, s6(a)</li><li>• High-level visits included the first stand-alone Ministerial visits in 17 years to the North Pacific (Republic of Marshall Islands (RMI), Federated States of Micronesia (FSM) and Palau), leading to accreditation of RMI and FSM Ambassadors to New Zealand.</li><li>• Support for Bougainville’s political future and steps towards lasting peace through hosting the Government of Papua New Guinea and the Autonomous Bougainville Government at Burnham Military Camp.</li><li>• Humanitarian assistance and recovery support following Vanuatu’s devastating earthquake in December 2024.</li></ul>
<p><i>Impact:</i> The outcomes demonstrate proactive, coordinated and prioritised focus on defending and advancing New Zealand’s core strategic interests in the region (national security, economic prosperity, social cohesion, respect for the rule of law and democratic norms).</p>	
<p><i>Applying renewed attentiveness to likeminded partnerships, and supporting new mini-lateral groupings</i></p>	<ul style="list-style-type: none"><li>• New Zealand’s Defence Capability Plan and budget trajectory s6(a)</li><li>• Enhanced engagement and cooperation in the Australia-New Zealand relationship, including s6(a)</li><li>• Deliberate engagement with the US Administration focused on key issues of mutual interest including the Pacific. s6(a)</li><li>• Strategic Dialogue launched with Canada to deepen cooperation on key security issues.</li><li>• Strengthened security cooperation with UK, including through refreshed UK-NZ Joint Defence Ministers’ Statement on Defence Cooperation.</li><li>• Sustained, visible New Zealand support for Ukraine (including through continued deployment of NZDF training personnel, IP4-NATO engagement and participation in Coalition of the Willing virtual meetings) s6(a)</li><li>• Pathway established for CPTPP dialogues with EU and ASEAN, as well as accession processes for interested parties.</li></ul>
<p><i>Impact:</i> The outcomes have consolidated core likeminded partnerships, notwithstanding a period of political change and disruption. Mini-lateral groupings (e.g. CPTPP) are embedding more ambitious outcomes for others to coalesce around over time.</p>	
<p><i>Supporting doubling export value over the next decade</i></p>	<ul style="list-style-type: none"><li>• Concluded new FTAs with the United Arab Emirates and the Gulf Cooperation Council, and entry into force of an updated ASEAN–Australia–New Zealand agreement.</li></ul>

	<ul style="list-style-type: none"><li>• Proactive defence of the rules-based trading system alongside efforts to strengthen and modernise the system to advance New Zealand’s interests. This included engagement at APEC, OECD, and launching the Future of Investment and Trade Partnership grouping.</li><li>• Strong export growth to the EU and UK markets (28% and 21% annual growth for YE June 2025, with exports increasing by \$1.73 billion and \$680 million respectively), reflecting intensified efforts to implement these recent trade agreements.</li><li>• New Zealand Trade and Enterprise supported exporters achieved a combined \$4.83 billion in export deals (YE June 2025), up 27 per cent on the previous year. This included \$1.7 billion of deals for food and beverage exporters and \$1.4 billion of deals for technology and services exporters, as well as growth in manufacturing exports.</li><li>• A lift in focus and ambition for the Single Economic Market agenda with Australia, across agencies and at the political level.</li><li>• Political engagement and a trade mission have supported two-way trade with China, our largest trade partner and export market, which reached a record NZD\$40.17 billion (YE June 2025).</li><li>• Intensive ongoing engagement with the US Administration and the New Zealand export community on responding to US tariffs and trade policy.</li><li>• Resolved CPTPP dairy quota dispute with Canada, improving New Zealand exporters’ access to Canada’s dairy market (worth up to \$157 million per year in value for New Zealand dairy exporters).</li><li>• Resolution of non-tariff barriers affecting more than NZD\$600 million worth of exports (YE June 2025), including NZD\$200 million in the China market.</li><li>• Stand-up of new investment attraction agency Invest New Zealand from 1 July 2025.</li></ul>
<p><i>Impact:</i> Outcomes have been reflected in record export values for our businesses; represent a meaningful contribution to the Government’s objective of doubling export value over the next decade; and have seen further diversification of New Zealand’s export markets in a volatile and unpredictable international economy.</p>	
<p><i>Targeted multilateral engagement</i></p>	<ul style="list-style-type: none"><li>• Underlined strong New Zealand support for international law including international humanitarian law in the context of both the Russia-Ukraine and Israel-Hamas conflicts. Further strengthening of Russia sanctions regime.</li><li>• Appointment of our Permanent Representative in New York as co-chair of one of three workstreams of the UN80 Reform programme, underling our credibility and commitment to effective UN reform.</li><li>• Proactive role in defending the Antarctic Treaty System, s6(a), s9(2)(j)</li><li>• Leadership on international stewardship of oceans, working with Australia and Pacific partners across key multilateral institutions to protect Pacific sovereignty and legal entitlements to valuable maritime zones, in the face of rising sea levels.</li></ul>

	<ul style="list-style-type: none"><li>• Parliamentary Treaty Examination completed for the Biodiversity Beyond National Jurisdiction agreement paving the way for New Zealand ratification of the most significant law of the sea treaty in a generation.</li><li>• Active engagement on emerging rules and frameworks (e.g. space and cyberspace, including attributions), and to safeguard the nuclear and non-proliferation framework.</li></ul>
<p><i>Impact:</i> The outcomes have helped ensure New Zealand’s core multilateral interests and values are defended (and where possible advanced) in a rules-based international system that remains critical to New Zealand, but which is under acute pressure.</p>	

**Navigating stronger headwinds**

- 11 These outcomes have been achieved in a global operating environment characterised by acute uncertainty and flux, where pressing geopolitical issues and crises outside of the Reset priorities have also demanded Government attention. The earthquake that struck Vanuatu in December 2024, further evacuations of New Zealanders from Gaza, and consular support to New Zealanders in Israel and Iran during the June 2025 conflict (including evacuation of the New Zealand Embassy), are examples of emergencies over the past year requiring the Government’s immediate attention and response.
- 12 In responding to crises events, the emergency response processes at MFAT, often involving interagency coordination, were active for 92 days across the 2024-25 Financial Year. Staff contributed over 1,000 cumulative workdays to emergency responses.
- 13 We expect volatility to remain a defining feature of the global operating environment in the period ahead. In seeking to further build on the foreign policy gains of the Reset we will need to navigate significant headwinds, including:

13.1 s6(a)

13.2

- 13.3 The undermining and re-writing of global rules and norms: The weakening of multilateralism and global rules is accelerating. s6(a)

Geostrategic competition is playing out in a range of forums, from the Antarctic Treaty System through to technical standard setting bodies. These developments leave the world increasingly ill-equipped to deal with new and emerging challenges including those arising from rapid technological evolution and competition. In some areas such as trade the centre of gravity for rulemaking may be shifting to regional blocs and open-plurilateral coalitions.

- 13.4 The world is an increasingly dangerous place: Russia's ongoing aggression against Ukraine, s6(a)

Grey zone tactics including foreign interference, espionage, malicious cyber activity, and sabotage are further impinging on sovereignty and security. International security threats across different theatres are increasingly interconnected, and there is growing risk of multiple concurrent crises that would have compounding impacts.

**Forthcoming issues and decisions**

- 14 The Reset Year Two outcomes identified above represent significant progress on which to build in the period ahead, and the lines of effort agreed by Cabinet for the Reset continue to be the right ones to best position New Zealand in a deteriorating strategic environment.

- 15 Several key issues and decisions will need to be considered by Ministers in the coming year, some involving trade-offs and resourcing choices in a challenging fiscal environment.

- 16 s6(a)

- 17 The implementation of recently signed Comprehensive Strategic Partnerships (CSPs) with key partners in Southeast Asia and Korea, upgrading our relationships with Thailand and the Philippines, as well deepening our relationship with India including through trade, will be important vehicles to support our objectives in the Indo-Pacific.

s6(a)

18 Our ongoing engagement with the US Administration s6(a)

19 Our priority effort into relationships with and groupings of likeminded partners,s6(a)

20 Our multilateral engagement will remain focused on those areas where New Zealand's interests and values are most engaged. And, with an expectation that the multilateral system will continue to come under pressure, we will look closely at how regional groupings, mini-lateralism, and selective coalitions of interest can be effective vehicles for progressing our interests on issues that matter to us. s6(a)

21 s6(a) , our economic resilience can be strengthened through other partners that have an interest in certainty and high-quality products. This has been reflected in impressive growth in trade with the EU and UK since entry into force of trade agreements with those markets. Much of our trade focus will continue to be across the ASEAN, EAS and APEC memberships. The CPTPP will become more important for us, including as a potential bridge to building international trade rules and norms with the EU and ASEAN. A successful conclusion to trade negotiations with India would open significant new export opportunities for New Zealand firms into a market of 1.4 billion consumers, with a rapidly growing middle

class. s6(a)

## Financial Implications

- 22 This paper does not seek any additional funding.
- 23 Through Budget 2025 the Coalition Government recognised the importance of providing more resources to NZ Inc agencies, to enable them to defend and advance New Zealand's national interests and Foreign Policy Reset priorities agreed by Ministers. This funding has been important in enabling us to:
- 23.1 Help address our strategic interests in the Pacific, s6(a)
- 23.2 Help support our trade and economic interests, including in our region, with \$83.75 million over four years to:
- 23.2.1 increase activity related to Free Trade Agreement leveraging and addressing the non-tariff barriers faced by our exporters;
- 23.2.2 create new funding pools focused on India and Southeast Asia that allow NZ Inc agencies to support cooperation initiatives and programmes developed in partnership with priority countries; and
- 23.2.3 help drive uplifts in priority relationships in our region, reflected in Comprehensive Strategic Partnerships with Singapore, Vietnam Korea and ASEAN, as well as broader outcomes.
- 23.3 s6(a)
- 24 Now more than ever New Zealand needs to lift its ability to engage with the world to defend and advance our interests. The funding received through Budget 2025 and internal reprioritisation by MFAT<sup>1</sup> has been a key enabler in the progress achieved in implementing the Reset priorities. s9(2)(g)(ii)

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<sup>1</sup> At my direction MFAT undertook a review of its foreign policy resources to more strongly align with the Government's key foreign policy goals. This led to the reprioritisation of \$46 million over four years to: s9(2)(g)(ii)

## Legislative Implications

- 25 There are no cost-of-living, legislative, climate, population, or human rights implications stemming from this paper.

## Use of External Resources

- 26 No external resources have been used to prepare this policy advice or are needed to deliver its recommendations.

## Consultation

- 27 The following agencies were consulted on this paper: Ministry of Business, Innovation and Employment, Customs, New Zealand Defence Force, Ministry of Defence, Police, Ministry for Primary Industries, New Zealand Trade and Enterprise, Te Puni Kōkiri, Ministry of Transport, Treasury, Government Communications Security Bureau, New Zealand Security Intelligence Service, and Department of the Prime Minister and Cabinet. Department of Prime Minister and Cabinet (PAG) has been informed of the paper.

## Communications

- 28 No publicity is intended around this paper.

## Proactive Release

- 29 There are grounds for withholding sections of this Cabinet paper under 6(a), given the potential for its content to prejudice the international relations of the Government of New Zealand.

## Recommendations

The Minister of Foreign Affairs recommends that the Committee:

- 1 note the actions taken and outcomes delivered during Year Two of the Coalition Government's Foreign Policy Reset;
- 2 note the significant strategic challenges and deteriorating global environment facing New Zealand as it further implements the Reset;
- 3 note the forthcoming foreign policy decisions that will give further effect to the Reset, including advice that will become before the Committee in support of the lines of effort identified in the Reset.

Authorised for lodgement

Rt. Hon Winston Peters

Minister of Foreign Affairs