



30 March 2026

Minister of Foreign Affairs

For approval by

2 April 2026

Iran War: New Zealand's foreign policy approach

BRIEFING Decision Submission

PURPOSE To provide an update on the evolving conflict in the Middle East, and to propose New Zealand positioning.

Recommended referrals

Prime Minister	For information by	7 April 2026
Minister of Defence	For information by	7 April 2026
Minister for Trade and Investment	For information by	7 April 2026
Associate Minister of Foreign Affairs	For information by	7 April 2026

Contact details

NAME	ROLE	DIVISION	WORK PHONE
s9(2)(g)(ii)		Middle East and Africa Division	s9(2)(a)
		Middle East and Africa Division	

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Key points

- One month into the Iran war, a resolution to the conflict looks increasingly remote. Dynamics remain uncertain and dangerous. Iran is willing and able to fight on, ^{s6(a), s9(2)(g)(i)}
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- Given the uncertainty, the situation could deteriorate further. Risks include a major escalation with large scale civilian casualties and/or critical infrastructure loss; regional escalation (Red Sea, Gaza, Lebanon, Iraq, Syria); and asymmetric attacks (terrorism, cyber) outside the Middle East. There are likely around 7,000 New Zealanders in the Gulf who could also be in danger.
- ^{s6(a), s9(2)(g)(i)}
- The war has seriously affected New Zealand's national interests. Iran's choking of the Strait of Hormuz means fuel, fertilizer and polymer movements are particularly affected. ^{s9(2)(g)(i)}

Economic impacts extend across the Indo-Pacific, with Pacific and Asian partners particularly exposed to fuel supply shocks and supply chain disruption.

- Given the severity of the consequences, it is in New Zealand's interests that there is a rapid end to the conflict. Alongside extensive economic diplomacy, New Zealand's approach to date has had two core elements:
 - recognition of the threat posed by Iran to the region and to global security; and
 - messaging that lasting solutions to the issues Iran presents will require negotiated outcomes (de-escalation, dialogue and respect for international law).
- If the war continues, it will be increasingly important for New Zealand to encourage de-escalation and highlight the risks to our national interests, ^{s6(a)}. In this context, we recommend:
 - Sharpening New Zealand's position to reflect our concerns about Iran's behaviour and the serious impacts of the conflict on New Zealand and the Pacific;
 - Supporting coordinated diplomatic efforts calling for restraint and de-escalation; ^{s6(a), s9(2)(g)(i)}
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^{s9(2)(g)(ii)}

for Secretary of Foreign Affairs and Trade

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Recommendations

It is recommended that you:

- | | | |
|---|--|-----------------|
| 1 | Note it is unlikely there will be a rapid end to the war in the Middle East, and that any escalation to the conflict would see the situation deteriorate further. | Yes / No |
| 2 | Note that New Zealand's national interests, including our economic interests, and those of our Indo-Pacific partners, are already being seriously affected by the conflict. | Yes / No |
| 3 | Agree that it is in New Zealand's national interests to encourage restraint and de-escalation to protect our citizens, support conditions that stabilise markets, reduce uncertainty, and prevent a wider geopolitical spillover that could compound economic harm. | Yes / No |
| 4 | Agree that New Zealand's private and public messaging on the war should continue to focus on de-escalation and restraint. | Yes / No |
| 5 | Agree that ^{s6(a), s9(2)(g)(i)} | Yes / No |
| 6 | Note there are no resourcing implications. | Yes / No |
| 7 | Refer a copy of this submission to the Prime Minister, Minister of Defence, Minister for Trade and Investment and the Associate Minister of Foreign Affairs. | Yes / No |

Rt Hon Winston Peters
Minister of Foreign Affairs

Date: / /

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Report

This is a complex conflict that may get worse

s6(a), s9(2)(g)(i)

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4.

5. At the same time, there are risks that the conflict could deteriorate further, through:

- Attacks on civilian infrastructure, and/or large-scale civilian casualties;
- The entry of new actors into the conflict (including the Houthi attacking shipping);
- Regional escalation involving Gaza, Lebanon and potentially Iraq and Syria; and
- The possibility of asymmetric attacks (terrorism, cyber) outside the Middle East.

The conflict is seriously affecting New Zealand's national interests

6. The conflict in the Middle East has quickly demonstrated the resonance of that region for New Zealand's core national interests. Over 7,000 New Zealanders call the region home (3,500 now registered on Safe Travel) with many more (normally) transiting daily.

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7. New Zealand's trade with the Middle East has been affected by the conflict. Of most immediate concern, however, is the disruption to shipping through the Strait of Hormuz, which is constraining New Zealand's access to critical inputs such as fuel, fertiliser and polymers, contributing to shortages and inflationary pressures.
8. For New Zealand exporters, shipping, airfreight, and transport costs face upward pressure as transport links have been rerouted away from the Persian Gulf, and fuel and insurance cost increases are being passed on to customers. This is already impacting our \$3.5 billion of exports to the region. Volatile input prices and supply shortages will squeeze margins unevenly across sectors, with fuel and transport-intensive industries such as tourism, forestry, wine and seafood facing greater risk than digital services, dairy and meat.
9. The conflict is already having a serious macro-economic impact on New Zealand, and that will worsen the longer the conflict continues. ^{s9(2)(g)(i)}
10. Indo-Pacific neighbours are also being significantly affected. Asia is the world's largest energy importing region, and a significant share of its oil and liquefied natural gas imports transit the Strait of Hormuz. The Pacific is also feeling the effects, particularly those countries which are high fuel import dependent relative to GDP, have limited reserve buffers, and are exposed through tourism and aviation costs. You already have separate advice on assisting the Pacific.

New Zealand's priority remains de-escalation

11. Alongside extensive economic diplomacy, New Zealand's approach to date has had two core elements:
 - a. recognition of the threat posed by Iran to the region and to global security; and
 - b. noting that lasting solutions to the issues Iran presents will require negotiated outcomes (de-escalation, dialogue and respect for international law)
12. New Zealand's comments, therefore, have focused on de-escalation, restraint, dialogue, adherence to international law, and upholding freedom of navigation. We have also sought to protect our citizens, support conditions that stabilise markets and reduce uncertainty, and prevent a wider geopolitical spillover that could compound economic harm.
13. Looking ahead it will be important for New Zealand to step up its outreach to those with most influence on the crisis, ^{s6(a)} Our messages should sharpen New Zealand's position to make clear that, while we share concerns about Iran's behaviour, the current conflict has already seriously affected New Zealand's national interests, and those of our Pacific and Indo-Pacific neighbours. An extended war would only exacerbate that.
14. ^{s6(a), s9(2)(g)(i)}

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s6(a), s9(2)(g)(i)

15.

s6(a), s9(2)(g)(i)

16. s6(a), s9(2)(g)(i)

17.

18.

Resourcing can be pursued within existing baselines

19. This approach to the conflict can be pursued within existing baselines and does not require a reprioritisation of work. There are no people implications.