



**NEW ZEALAND**  
**FOREIGN AFFAIRS & TRADE**  
Manatū Aorere

**FEBRUARY 2026**

# **New Caledonia: local economy and investment refocus**

MARKET INTELLIGENCE REPORT

# Report

## Economic outlook

New Caledonia is on an economic recovery journey. Following the genuine shock of the civil unrest in 2024 and the ensuing downturn, signs are now pointing in a more positive direction for trade and investment. Key players in the current Government have proposed initiatives to boost the territory's attractiveness and are keenly interested in increasing New Caledonia's trade with partners like New Zealand. Deeper integration into the regional economy is a key feature of the Government's "attractivity roadmap", alongside strengthening the tourism industry, retaining talent, and renewing international investment.

France has announced a financial package of €2 billion over five years – partially conditional on local economic reforms – to support New Caledonia's economic reconstruction. The recovery package includes large-scale support for public finances (health, pensions, energy), debt rescheduling, and targeted investment in infrastructure, tourism, fisheries, agriculture, territorial connectivity (transport), essential services, and climate adaptation. This has unlocked space for the territory to increase capital spending by around 25%, while continuing to reduce operating costs.

- Political uncertainty remains, but the economy is returning to a more predictable footing, encouraging commercial confidence.
- Publicly funded investment is creating opportunities in infrastructure, energy, agriculture and services.
- New Caledonia remains one of the Pacific's largest and most developed economies (GDP ~NZ\$18 billion; population 265,000), providing relative scale for New Zealand companies compared to other regional markets.

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## Economic policy reforms: business attractivity, regional trade and investment

New Caledonia is slowly shifting from a historically protected, high-tariff environment towards greater openness and regional integration. An audit of market protections is under way (results expected mid-2026), and the Government is signalling interest in more liberal trade arrangements and more competitive market settings.

Export growth is a priority for the current Government. Coordination across export bodies is being strengthened, with a 2026 Pacific export mission programme, including the French Pacific Business Forum in Auckland (12–13 March 2026), where New Caledonian businesses will actively seek partnerships.

The Government is also working to implement economic and fiscal reforms to increase the attractiveness of the territory for investors. This includes measures to improve ease of doing business through streamlining administrative processes. It is also expected to establish “zones franches” (tax-free zones) around ports and airports and offer full tax exemptions for SMEs to attract investors.

Other initiatives include setting up a new agency focused on boosting the territory’s business attractiveness and organising the ‘Choose NC’ Summit scheduled for May 2026 in Nouméa. The Summit will showcase local expertise and explain the support available for new investment projects. Additional measures to attract talent are also under way.

- Movement toward more open trade settings could reduce costs and ease entry for New Zealand goods and services over time.
- The French Pacific Business Forum in March provides an entry point for New Zealand firms to meet motivated New Caledonian partners.
- Companies offering professional services, logistics, business support, or capability development are well-placed to benefit from reforms.

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## Tourism

Tourism is now a top economic priority. The Government has set a target of 250,000 visitors per year by 2032, nearly double pre-COVID levels. This strategy includes a significant increase in the international tourism promotional budget, expected to reach XPF1 billion (NZ\$17 million) by 2028. This effort to develop tourism, a sector that already sustains around 5,500 jobs in New Caledonia, is supported by public-private cooperation involving the territorial Government, New Caledonia Tourism (NCT), the Chamber of Commerce and Industry (CCI-NC), and the employer organisation MEDEF.

Key initiatives to support this growth include restoring and expanding air links, particularly with plans to resume flights from Nouméa-La Tontouta to Japan and Fiji, as well as introducing additional routes to Australia (Melbourne). Passenger and freight connectivity with New Zealand improved significantly following Air New Zealand’s return to market in November 2025.

The plan also involves boosting overnight capacity by incentivising hotel development with tax breaks, as demonstrated by the recent opening of the luxury Wadra Bay Hotel in Lifou (Loyalty Islands Province). It also aims to enhance the capabilities of the tourism workforce by increasing the budget for vocational training and establishing new professional education pathways.

# Nickel and energy transition

Nickel, traditionally around 20% of New Caledonia's GDP, remains under pressure due to long-term structural issues and global price volatility. All three nickel plants are seeking new investors. French and New Caledonian authorities are negotiating a recovery plan focused on energy cost reduction, decarbonisation, and investment support.

France has already committed substantial short-term financial support for plants in difficulty and is advancing major energy infrastructure, including a proposed 900 MWh pumped storage power plant. Debate on allowing exports of certain nickel ores not processed locally (currently restricted under New Caledonian law) is expected in early 2026 and will shape future sector viability.

In parallel, New Caledonia's energy transition is accelerating as the territory works to reduce its heavy dependence on imported fossil fuels, while expanding renewable generation and decarbonising its industrial base. In addition to the power plant project mentioned above, recent investments reflect this shift: large-scale solar and storage projects, such as the three photovoltaic farms (132 GWh) operated by TotalEnergies, and the 150 MWh battery built by Akuo in Boulouparis (Southern Province), are being launched to support affordable, carbon-free electricity for both households and the nickel industry.

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## Opportunities for New Zealand businesses

New Caledonia's reform agenda creates openings for New Zealand companies across several sectors:

- Infrastructure & engineering – linked to public investment, energy transition, nickel and tourism development
- Professional services – administration modernisation, training, digital transformation, regulatory compliance
- Clean energy & decarbonisation – renewable generation, storage, industrial optimisation for the nickel industry
- Tourism ecosystem – hospitality, training, products, and partnerships supporting visitor growth
- Export partnerships – growing New Caledonian interest in regional value chains enhances opportunities for New Zealand suppliers

Business confidence in New Caledonia is starting to trend upward after a period of significant economic disruption. Negotiations continue between France and New Caledonia on the territory's long-term political trajectory. However, aided by the announced French financial package, New Caledonia is focused on economic revitalisation and is positioning itself as a more open, better-connected Pacific market. New Zealand firms with regional experience, strong relationship-building capacity, and niche technical capabilities are well placed to benefit.

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