



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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Opportunities in South East Asia: Singapore, Thailand and the Philippines

MARKET INTELLIGENCE REPORT

Summary

- Prime Minister Luxon’s April 2024 mission to Singapore, Thailand, and the Philippines with government representatives and business leaders successfully reinvigorated New Zealand’s relationships with key partners in Southeast Asia. Government-to-government relations were advanced across a range of areas – from security, political, and people-to-people issues, to increasing opportunities for New Zealand’s trade.
- The mission also showcased New Zealand as a business-focused country and as a destination for investment from the region. Under the themed “innovation and green economy”, it demonstrated that Southeast Asia is a place to do business and for advancing tangible business deals (see NZTE’s wrap up: [PM Mission to Singapore, Thailand and the Philippines](#)). Business leaders came from the renewable energy, innovation, clean tech, premium food and beverage, education and tourism sectors.
- A range of events across the three capitals showcased New Zealand’s world-class culture. Te Wehi Haka’s performances, in particular, reinforced New Zealand’s unique identity, character, and values.

Report

South East Asia – dynamic export opportunities

The choice to visit Southeast Asia within the Government's first 150 days is a concrete demonstration that New Zealand's relationship with the region is critical to New Zealand's prosperity and security. New Zealand is not only a long-standing friend for the region, but also a trusted partner for the future, and one that can contribute to tackling challenges in the region.

Southeast Asia's ten countries together represent the world's fifth-largest economy, with New Zealand exporting NZ\$9.1 billion worth of goods and services to the region in 2023. The region boasts some of the highest growth rates in the world. This makes it a region with significant opportunities for New Zealand exporters across multiple sectors.

The accompanying business delegation was part of the Government's commitment to increasing trade missions and to doubling the value of exports over ten years.

Prime Minister Luxon spoke of what he described as his government's key tasks to grow New Zealand: investing in a world-class education system; supporting a strong science, tech and innovation eco-system; ensuring modern, reliable infrastructure to unlock productivity; having smart regulation and removing "red tape" which stands in the way of investment; and strengthening international connections, with Southeast Asia a priority.

Singapore: increasingly valuable relationship

Prime Minister Luxon's visit to Singapore reinvigorated political connections at the highest levels, building a relationship with Singapore's then-Leader Prime Minister Lee and current leader Prime Minister Wong. Prime Minister Luxon was in Singapore when the appointment of Prime Minister Wong was announced and became the first Leader to meet him. Prime Minister Luxon and then-Singaporean Prime Minister Lee agreed to 'substantially elevate' the Enhanced Partnership over the next year. The two leaders also agreed on the following:

- Expanding the Enhanced Partnership by adding a sixth pillar 'Supply chains and Connectivity', with a package of measures including launching negotiations for an Agreement on Trade in Essential Supplies and a food security mission to New Zealand.
 - Further 'green' cooperation including Green Economy focused business missions on energy and transport technology and cooperation on finance and investment including carbon markets.
 - Strengthening defence and wider security links.
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Business opportunities

The Prime Minister and accompanying business delegation made the most of being in a regional hub and demonstrated that New Zealand was looking to lift trade, investment, and commercial relationships with Singapore.

Highlights include:

- **Google's** Asia Pacific Senior executives meeting on AI and private/public collaboration shaping innovation in Singapore and the region.
- **Air New Zealand** and Neste announced the airline's largest sustainable aviation fuel deal to date.
- **Massey University** unveiled its enhanced partnership with local education provider PSB Academy in Singapore, which will see the expansion of Massey's offshore footprint in South East Asia.
- **Oritain** announced its Southeast Asia expansion and the opening of a new office in Singapore later this year, alongside a multi-year deal with Singapore-based Ramatex.
- **CarbonClick** shared its partnership with Singapore's Changi Airport. CarbonClick is supporting Changi's carbon offset programme which encourages Singapore's business community to use the Changi programme to offset their carbon.
- **The FOODBOWL**, part of the New Zealand Food Innovation Network (NZFIN), extended its memorandum of understanding with the Singapore Institute of Technology and FoodPlant Pte to become the Asia Pacific Innovation Network, now also including Australia and Indonesia.

NZ-Singapore Trade Relationship Snapshot

New Zealand and Singapore enjoy a complementary trade relationship. Singapore is New Zealand's fourth largest trading partner for two-way trade with approximately NZ\$10.33 billion in goods and services traded in the year ending December 2023. Singapore is also the fourth largest source of foreign investment into New Zealand.

Singapore also has considerable economic importance for New Zealand as a commercial and transport hub for Southeast Asia. In containerised trade, 18 percent of our exports and 23 percent of our imports go through or to the Port of Singapore.

The economic and trade relationship is underpinned by the following free trade agreements and economic/trade institutions:

- Singapore – New Zealand Closer Economic Partnership (CEP)
- ASEAN-Australia-New Zealand Free Trade Area Agreement (AANZFTA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- Regional Comprehensive Economic Partnership (RCEP)

- Digital Enhanced Partnership Agreement (DEPA)
- World Trade Organization (WTO)
- Asia-Pacific Economic Cooperation (APEC)
- Small Advanced Economies Initiative (SAEI)
- Indo-Pacific Economic Framework (IPEF)

New Zealand Goods and Services Trade with Singapore (year ended March 2024, NZD)	
Total two-way trade	\$10.07 billion
Ranking	Singapore is NZ's 4 th largest trading partner for total trade value
New Zealand Goods Trade with Singapore (year ended March 2024, NZD)	
NZ goods exports	\$1.81 billion
Main exports	Dairy, mineral fuels and oils, food preparations, meat, offal.
NZ imports	\$3.8 billion
Main imports	Mineral fuels and oils, food preparations, machinery, medical equipment, plastics.
New Zealand Trade in Services with Singapore (year ended March 2024, NZD)	
NZ services exports	\$654.61 million
Main exports	Travel, transport, business services, telecommunications
NZ imports	\$3.8 billion
Main imports	Transport, business services, telecommunications, insurance

Thailand: commitment to deepened relations

Prime Minister Luxon's meeting in Bangkok with Thai Prime Minister Srettha Thavasin set the scene for opportunities to further enhance cooperation in a variety of sectors (agriculture; renewable energy; education; and tourism), and growing defence and security cooperation. The two Prime Ministers have a shared business background before joining politics, and are both leading comparatively new, economically-focused governments,

Core announcements included a commitment to upgrading the bilateral relationship to a Strategic Partnership by 2026 (the 70th anniversary of bilateral relations), and agreement to triple two-way trade by 2045.

Untapped potential

Both Leaders have been focused on using international engagements to promote export growth and attract foreign direct investment. Thailand, like New Zealand, is an export-oriented market.

Two-way trade has more than tripled in the last 20 years since the New Zealand Thailand Closer Economic Partnership (NZTCEP) has been in place. Thailand boasts a strong middle-income economy with 16-20 million consumers able to afford premium products. Highlights include:

- Setting a joint goal of tripling two-way trade over the next 20 years.
 - NZAero signed a multi-million-dollar, multi-year deal with Thai Aviation Industries Co. Ltd.
 - Massey University agreed to conduct training for 40 teachers from Princess Chulabhorn Science High School teachers and 100 teachers from public schools;
 - DSH Systems Limited and SEEN Safety Limited agreed to provide warehouse safety and dust suppression equipment to CPF Group, one of Thailand's largest conglomerates.
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NZ-Thailand Trade Relationship Snapshot

Thailand is New Zealand's eighth-largest two-way trading partner and our eleventh-largest export destination. Thailand is our fifth-largest market for dairy with 16-20 million consumers able to afford premium products – with New Zealand products representing 40 percent of Thailand's imported dairy.

Agricultural commodities feature as a large part of New Zealand’s exports to Thailand, with a limited number of technology-focused businesses, SMEs and services looking to grow their footprint in Thailand. New Zealanders make a valuable contribution to Thailand’s tourism industry (which makes up around 18 percent of the Thai economy) with around one in every sixty New Zealanders having visited Thailand in 2023 (85,897 visitors, a 145% increase on 2022). Thailand is a critical manufacturing and logistics hub for New Zealand’s supply chains.

The economic and trade relationship is underpinned by the following free trade agreements and economic/trade institutions:

- Thailand – New Zealand Closer Economic Partnership (TNZCEP)
- ASEAN-Australia-New Zealand Free Trade Area Agreement (AANZFTA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- Regional Comprehensive Economic Partnership (RCEP)
- World Trade Organization (WTO)
- Asia-Pacific Economic Cooperation (APEC)
- Indo-Pacific Economic Framework (IPEF)

New Zealand Goods and Services Trade with Thailand (year ended March 2024, NZD)	
Total two-way trade	\$4.35 billion
Ranking	Thailand is NZ’s 8 th largest trading partner (total trade value)
New Zealand Goods Trade with Thailand (year ended March 2024, NZD)	
NZ goods exports	\$1.24 billion
Main exports	Dairy, fruits and nuts, wood pulp and recovered paper or paperboard.
NZ imports	\$2.75 billion
Main imports	Vehicles, mechanical and electrical machinery, plastics.
New Zealand Trade in Services with Thailand (year ended March 2024, NZD)	
NZ services exports	\$208.99 million
Main exports	Travel
NZ imports	\$144.7 million
Main imports	Travel



Philippines and NZ relationship set for take off

The Prime Minister's third destination was Manila on 18-20 April. During his meeting with the Philippines' President Ferdinand Marcos Jr, the two Leaders agreed to elevate the Philippines-New Zealand relationship to a Comprehensive Partnership by 2026. They also set a shared goal to grow two-way trade by 50 percent by 2030. The visit highlighted many aspects of New Zealand's relationship with the Philippines, including the growing people-to-people connections, trade and economic opportunities, and defence and security cooperation.

While in Manila, the Prime Minister announced a NZ\$41 million contribution to the Manilla-Headquartered Asian Development Bank (ADB)'s Energy Transition Mechanism. This contribution supports the clean energy transition in the Philippines, Viet Nam and Indonesia and comes under New Zealand's [Climate Finance Strategy](#).

Commercial overview

The Philippines' economy is expected to double by 2033 and be a top 20 economy in the world by 2050. The Philippines has a particularly young population with around half the population under 25. As a result, it is well positioned to see rising incomes, consumption, and economic growth.

The Philippines' economic potential offers significant prospects for New Zealand businesses. Prime Minister Luxon's visit provided an opportunity to showcase this to the trade delegation.

Highlights include:

- A **strategic cooperation arrangement** between NZTE and the Philippines largest conglomerate Ayala Group was signed. It would facilitate access for New Zealand businesses in a range of innovation and green economy areas.
 - A **hydrogen cooperation agreement** among Tuaropaki Trust, its Japanese partner Obayashi Corporation and Philippine geothermal giant EDC. This trilateral agreement is the first of its kind.
 - **Morrison Global** also announced it had recently decided to invest in a Philippines renewable energy company.
 - **Creative HQ** and **Plant and Food Research** respectively signed contracts with national and local Philippine government departments and the ADB in the areas of government innovation and climate smart agriculture.
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NZ-Philippines Trade Relationship Snapshot

The Philippines is New Zealand's 24th ranked trading partner (6th in Southeast Asia). Two-way trade value currently stands at NZ \$1.38 billion (as of December 2023). The Philippines achieved GDP growth of 7.6 percent in 2022 and 5.6 percent in 2023. The Philippines is our 20th largest export destination.

The economic and trade relationship is underpinned by the following free trade agreements and economic/trade institutions:

- ASEAN-Australia-New Zealand Free Trade Area Agreement (AANZFTA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- Regional Comprehensive Economic Partnership (RCEP)
- Digital Enhanced Partnership Agreement (DEPA)
- World Trade Organization (WTO)
- Asia-Pacific Economic Cooperation (APEC)

New Zealand Goods and Services Trade with the Philippines (year ended March 2024, NZD)	
Total two-way trade	\$1.4 billion
Ranking	24 th
New Zealand Goods Trade with the Philippines (year ended March 2024, NZD)	
NZ goods exports	\$740.29 million
Main exports	Dairy, meat, wood
NZ imports	\$168.5 million
Main imports	Electrical machinery, fruit and nuts, mechanical machinery
New Zealand Trade in Services with the Philippines (year ended March 2024, NZD)	

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