Importance:

Zealand’s important position in the Asia–Pacific region as well as its increasing clout in various global and regional fora.

Binders:

greater investments, trade and people-to-people contact, Commonwealth, parliamentary democracy, English language and sports

There are three primary reasons for states to come together: to aggregate

power, to solve problems or to build community. If New Zealand and India

were to come together for the purpose of power aggregation, there would be

three sources of shared threats in the future. The first and most obvious threat

would be China, though both countries would be least interested in arriving at

an arrangement aimed at ‘containing’ China. The second would be the rise of

radical Islam in Indonesia and the threat it poses to that country. A third,

convergence is likely to emerge in the future from non-traditional, trans-border

disruptive forces and issues necessitating cooperation through multilateral fora

and bilateral engagement. Of the three, the third issue has greater potential for

convergence

. Areas of Divergence

 With regard to bilateral relations, there have been two major irritants:

1. Nuclear Stance
2. WTO Negotiations: The United States and agricultural

exporters like New Zealand also want major developing countries to open their

markets to more foreign farm products. Developing countries like India and

Brazil for whom agriculture is top priority feel their farmers have long suffered

from farm subsidies from rich countries and would prefer greater parity in

tariff reduction vis-à-vis rich nations. But New Zealand, a

major agricultural exporter that gave up farm subsidies years ago, would also

like to see the United States and the European Union cut farm support

Bilateral Trade:

Two-way goods trade between New Zealand and India is valued at over NZ$1.25 billion

Imports: primary commodities, Coal, Dairy products, fruit and machinery,  Log exports and wood pulp continue to strengthen, along with hides and skins used in the manufacture of leather goods. Wool, as an input into Indian carpets, has traditionally been an important export to India, but is declining. There is great potential for exports to diversify, particularly through the free trade agreement currently under negotiation. India is keen to benefit from New Zealand's advanced technology in dairy, renewable energy and agro-food industries.
services trade: tourism and education.

Traditionally, India’s main exports to New Zealand have been gems and

jewellery. But Indian exports are becoming more diverse, and now include a

wide range of manufactured products

Opportunities for growth in other services sectors and in investment include professional and business services, environmental services, engineering and construction services, and services incidental to agriculture and forestry.
[Joint Trade Committee](http://en.wikipedia.org/w/index.php?title=Joint_Trade_Committee&action=edit&redlink=1) in 1983 and have had discussions on a [free trade agreement](http://en.wikipedia.org/wiki/Free_trade_agreement) either bilaterally or through the [East Asian Summit](http://en.wikipedia.org/wiki/East_Asian_Summit), but this has not emerged due to disagreements over [agricultural subsidies](http://en.wikipedia.org/wiki/Agricultural_subsidies).

several areas of co-operation were identified – the more important ones being, post-harvest technologies/logistic management for the agriculture sector, renewable energy sector, including wind and geo-thermal energy; tourism; films (including animation films); pharmaceuticals; education, IT enabled services; and financial services.

The two economies were essentially complementary and there was considerable potential to increase bilateral trade and economic relations.

### Education

India is one of New Zealand's fastest growing education markets, now our fourth largest (after China, South Korea, and Japan).
4600 Indian students studying in New Zealand.
The New Zealand-India Education Cooperation Arrangement, first signed in 2005(renewed 2010): The Arrangement is a broad framework for bilateral cooperation on education. It established an Education Joint Working Group of senior officials.

### Tourism

Over 30,000 Indian tourists. The Bollywood connection, especially in Queenstown, has been instrumental in stimulating tourism and links with New Zealand’s film production industry.

## People to people links

There is a vibrant Indian community of over 100,000 in New Zealand (2006 census), around 2.5% of the population.

* Sir Edmund Hillary honoured with Padma Vibhushan
* The Governor General Anand Satynand was the Chief Guest at the Pravasi Bharatiya Convention held on January 7-9, 2011 and was also honoured with Pravasi Bharatiya Samman award.

Sporting Ties: Cricket, Hockey

Defence cooperation: joint naval exercises, Indian and New Zealand troops have served together in [United Nations](http://en.wikipedia.org/wiki/United_Nations) peacekeeping missions in [Kosovo](http://en.wikipedia.org/wiki/Kosovo) and [Sudan](http://en.wikipedia.org/wiki/Sudan). 2007 and participated in exercises with Indian Navy.

Multilateral links

United Nations, Commonwealth, the World Trade Organisation, East Asia Summit (EAS) and ASEAN Regional Forum, India’s interest extends to the Pacific Island states and in 2003 it became a dialogue partner of the Pacific Islands Forum.

Agreements Signed:

• Trade Agreement - October 1986

• Agreement on avoidance of Double Taxation - October, 1986

• Civil Aviation Agreement between India and New Zealand August 1997

• MOU on Scientific and Technical Cooperation between ICAR and Horti Research of New

Zealand - March 1998

• MoU of Technical Cooperation between Department of Agriculture and Cooperation,

Ministry of Agriculture, GOI and Ministry of Agriculture and Forestry Regulatory Authority of

New Zealand on Cooperation on Plant Quarantine Issues, April 1999

• Arrangement between India and New Zealand for cooperation in the area of Information

Technology, December 2001

• MoU between Indian Institute of Carpet Technology (IICT) and the Wool Research

Organisation of New Zealand (WRONZ), May 2003

• MOU on Cooperation between the Indian Council of World Affairs and the New Zealand

Institute of International Affairs, November 2008

• Education Cooperation Arrangement, April 2010

• MOU between Indian Council for Cultural Relations and Victoria University of Wellington,

New Zealand, for establishment of Council’s short-term Chair in India’s International

Relations and/or Indian Politics at the University; September 2010

New Zealand PM John Key to visit India 2011:

New Zealand-India Free Trade Agreement (FTA) negotiations: It will set up a more strategic relationship, offering partnership and development opportunities across industries - for example, New Zealand helping India to meet food security objectives. India is looking to ramp up production to meet increasing demand and New Zealand has a long agricultural history. New Zealand can also offer technology in a broad range of areas, including agri-processing, food processing, technology transfer in refrigeration, cold chains, storage and logistics for minimising post-production losses.