

ECONOMY

The economic horizon for a country on the rise is endless and this is yet another reason to Live in New Zealand. A free market, globally competitive economy, New Zealand is responsible for 0.3% of the world's material output. The primary industries that make up the economic centre of New Zealand are manufacturing and exporting, agriculture, services and tourism. Traditionally, New Zealand has been an exporter of primary products. Today, the country has an excellent export network which includes primary agricultural as well secondary manufactured goods.

Prior to 1984, New Zealand had one of the most regulated economies of a first world country; however this has changed dramatically and now New Zealand's economy is one of the least regulated. New Zealand is known as being one of the top global business friendly locations welcoming foreign direct investment into its stable, secure, and corruption free business environment.

Having a globally competitive economy has benefited the country in a number of ways. Domestically, an increase in incomes, inflation being contained, a boost to agri-business, and an increase in export capacity have each occurred. On the international stage, New Zealand is a member of the World Trade Organisation operating within internationally recognised fair international trade rules. In 1983, New Zealand and Australia negotiated the Australia-New Zealand Closer Economic Relations Trade Agreement (**ANZCERTA**), which was an agreement to allow for a Trans-Tasman free trade of goods and services. Mutually beneficial to both countries in a number of areas through various protocols, the agreement has successfully enhanced the global competitiveness of the Australasian region over time and continues to this day. Most recently in April 2008, New Zealand signed a free trade agreement with China liberalising the trade in goods, services and investment, and opened up a broad business exchange between the two countries. Currently, Asia receives over one third of NZ exported goods, with Australia receiving over half.

The New Zealand Reserve Bank is primarily responsible for the reduction of the government deficit and monetary policy which focuses on the maintenance of price stability aimed at keeping inflation between 1% to 3%. The country's fiscal policy is transparent and prudent and therefore a person living in New Zealand is reassured as they know just how their government is managing the economy. There is a considerable international banking presence in the country as well as numerous major trading banks. The currency is the New Zealand dollar which is no longer pegged to any of the world's major currencies. Its value is primarily determined by financial markets export trade, currency trading, and interest rates.