



CHINA – NEW ZEALAND RELATIONS AFTER THE COLD WAR: IMPLICATIONS FOR NEW ZEALAND ‘S FOREIGN POLICY

Duong Thi Hong Thai¹, Dr. Hong Hanh Bui²

¹PhD Candidate at University of Social Sciences and Humanities, Vietnam National University, Hanoi, Lecturer, Faculty of English, Phenikaa University

²Assoc. Prof., University of Social Sciences and Humanities, Vietnam National University, Hanoi

Abstract

Since the Cold War, the China – New Zealand relations have made great progress. New Zealand’s multiple connections with China are more diverse than at any other time in the history. This article explores the relations between the two countries since the Cold War. In the context of the rise of China in the Asia-Pacific region, this examination is critical and has implications for New Zealand to pride itself on maintaining an independent foreign policy to protect its own sovereign interests while balancing economic security and maintaining a productive and respectful relationship with a great power like China.

Keywords

China, New Zealand, Relations, After the Cold War

I. Introduction

Since the official relations with China in 1972, New Zealand relations with China have also burgeoned over the past decades. Indeed, out of all developed western nations, New Zealand has been the most front-footed in establishing economic ties with China, boasting of achieving 'Five Firsts'. These include being the first Western country to (1) conclude a bilateral agreement with China on its accession to the World Trade Organisation (August 1997); (2) recognise China's status as a market economy (May 2004); (3) enter into Free Trade Agreement (FTA) negotiations with China (announced November 2004); (4) successfully conclude an FTA with China (April 2008), and (5) launch negotiations to upgrade an FTA with China (MFAT, 2017)[1]. The development of New Zealand's economy is now strongly related to that of China. For trade in total goods and services, People's Republic of China ranked **1** for highest export value, ranked **1** for highest import value, and ranked **1** for highest total trade value. Additionally, New Zealand has also chosen to join China's expanding number of infrastructure initiatives. However, since Chinese Communist Party (CCP) General Secretary Xi Jinping assumed office in 2012, New Zealand and its traditional allies face some strategic problems. New Zealand's national interests in a peaceful environment in Antarctica, the South Pacific, and the Indo-Asia-Pacific may be harmed by China's new foreign policy. Dr. Jonathan Coleman, New Zealand's Minister of Defense, said that his country was “walking this path between the US and China.”[2] Therefore, the New Zealand government must strike a balance between economic security, interests in national security, and sovereignty while dealing with China. Getting the China-and-US relationship right in the current geopolitical and economic climate is one of the main difficulties facing New Zealand's foreign policy. The purpose of this article is to examine New Zealand-China relations after the Cold War and discuss the prospects of the relations in order to derive foreign policy recommendations for New Zealand with the People’s Republic of China in the context of the changing global order, especially in the Asia Pacific region.

II. Research Methodology

The paper uses two research methods: descriptive statistical research method and analytical-synthesis method to trace New Zealand's with China after the Cold War, discuss the future of China – New Zealand relations, the opportunities and challenges for New Zealand foreign policy in the context of the changing global order, especially in the Asia Pacific region.

III. Research Results

1. The foundation of China – New Zealand Relations

Aotearoa-New Zealand and China have a long history together, beginning in 1792 when a London company slaughtered kekeno skins to trade for tea on the Chinese market. In 1865, New Zealand missionaries and aid workers built schools and hospitals in Republican China, and Arnolis Hayman was arrested and imprisoned during the Long March of the Chinese Communist Party. Rewi Alley helped establish the Chinese Industrial Cooperative movement during World War II, and James Bertram spoke with Mao Zedong in Yan'an [3]. 493 women and children from China were granted asylum in New Zealand as war refugees. Both World Wars One and Two saw New Zealand and China as allies.

Mao Zedong, the leader of the Chinese Communist Party (CCP), declared the establishment of the People's Republic of China (PRC) on October 1, 1949. New Zealand diplomats urged that the PRC be recognized in 1949, but due to the civil war in many parts of China, the decision was delayed. In 1971, the US and China joined in a quasi-alliance against the USSR, the so-called "Strategic Triangle". New Zealand cast a vote in favor of the PRC assuming the China seat at the UN in 1971. In the late 1960s, the CCP government had punished New Zealand for having made critical statements about the PRC at the United Nations by restricting trade.

It took the election of a new Labour government in late 1972 to take the step of recognising the PRC and breaking off relations with the ROC. Official relations between New Zealand and the PRC were established on 22 December 1972. The PRC came close to being New Zealand's second-largest market in Asia with exports of NZ \$17.4 million just 18 months after diplomatic recognition. Diplomats in New Zealand began to believe that the New Zealand government's stance toward the CCP and its strategic concerns would determine New Zealand's ability to trade with the PRC. In 1978, New Zealand was the first country to accord China "developing country" status for trading purposes. It was the first of numerous economic "firsts" that would characterize relations between New Zealand and China in the years to come.

Robert Muldoon was the first prime minister of New Zealand to travel to the People's Republic of China (PRC) in 1976 and 1980. He discussed the spread of Soviet influence in the Asia-Pacific region and invited Beijing to expand its diplomatic and strategic competitions into the South Pacific region. Under the Fourth Labour government (1984–1990), trade became a key component of foreign policy and references to a "special relationship" between New Zealand and the PRC became widespread. The PRC and New Zealand maintained a "special relationship" in the 1980s, with exports reaching NZ\$298.2 million in 1985 and the PRC being New Zealand's sixth-largest export market and top consumer of wool. In 1986, the New Zealand Parliament's Foreign Affairs and Defence Committee proposed a China strategy and signed a Science and Technology Cooperation Agreement. In 1986, the number of immigrants from China, Taiwan, and Hong Kong increased tenfold, with 18,000 Chinese living in New Zealand in 1986.

The Tiananmen violence on June 4 in 1989 had a profound impact on public and official perceptions of the relationship between New Zealand and China. Thousands of New Zealanders participated in protest marches against the violence, and commentators criticized the New Zealand administration for failing to examine issues and contrasts between the two nations critically. In contrast to the "China fever" of the 1980s, the events of 1989 allowed for the restoration of official relations between New Zealand and the PRC on a more realistic footing. The ROC established a Taipei Economic and Cultural Office in Wellington, while New Zealand established a representative office in Taipei.

2. The Evolution of New Zealand-China Relations after the Cold War

1989-1995

The perceptions of China in the West have drastically changed as a result of the end of the Cold War in Europe (1989–1991). In the years after 1989 the PRC was no longer seen as a quasi-ally of the West, and, after the Soviet coup of 1991, no longer needed as a quasi-ally of the West [4]. Close allies of New Zealand frequently held the belief that the CCP government was destined to fail, and this belief was shared by the majority of academic analysts as well. "the chances of weak politicians such as Jiang Zemin and Li Peng remaining in power for long in the post-Deng succession struggle period must be very small", the New Zealand Beijing embassy reported in 1992. According to a source from the New Zealand embassy in Washington, "Deng is betting against history." [5]

However, the New Zealand government chose to support the PRC in public and sought to set itself apart from the US and Australia, which were more outspoken in their criticism. As in the 1970s, diplomats emphasized that “we cannot get to first base economically if we do not get the political relationship right.” [6] Trade between New Zealand and the PRC increased throughout time, and other relationships including those in education also flourished. But in terms of trade, investment, and as a source of tourists and migrants, the ROC remained more significant to New Zealand. Taiwan was New Zealand's sixth-largest trading partner in 1995, while the PRC was its seventh-largest trading partner.

1995-2003

New Zealand-PRC relations have always been influenced by the state of US-PRC relations. In 1995, US-PRC relations reached an all-time low. The PRC voiced significant opposition to ROC President Lee Teng-hui's visit to the US. New Zealand-PRC relations became noticeably warmer from this period on. In the viewpoint of the CCP administration, New Zealand tried to separate itself from US actions against the PRC after taking a critical stance on such policies. New Zealand's relationship with the PRC had been predetermined by the US during the Cold War, but some New Zealand officials wished to end that restriction in the 1990s. One of New Zealand's former ambassadors to China claimed in a 1995 report that “US policy towards China lacks consistency. To a large extent it is being driven by domestic political imperatives. New Zealand does not face the same constraints, and will not necessarily find it an advantage to pursue its interests in China in close association with the US.” [7] In many additional reports, New Zealand officials stated that China was crucial to their country and in the future, would likely become more important to New Zealand than the US and the UK.

A significant stream of new immigrants to New Zealand started to come from the PRC in the middle of the 1990s. And starting in 1997, a significant number of Chinese students started traveling to New Zealand on temporary visas to pursue their studies. New Zealand was the first Western nation to approve the bilateral documents necessary for China's WTO admission that same year. New Zealand became an authorized travel destination for Chinese tour groups in 1999, according to China's National Tourism Administration.

With the election of the Clark Labour government (1999-2008), New Zealand found common ground with the PRC on opposition to the US invasion of Iraq. But in 2003, New Zealand Prime Minister Helen Clark revealed apprehension about the PRC's rise when she stated that she opposed the Iraq war because it set a precedent of large powers ignoring the United Nations and international law, she told a reporter from *The Guardian*, “This is a century which is going to see China emerge as the largest economy, and usually with economic power comes military clout. In the world we are constructing, we want to know [that the system] will work whoever is the biggest and the most powerful.” From the perspective of a small state such as New Zealand, a strong international system and respect for international law is the best means to secure regional security and global peace.

Under the Clark administration, New Zealand's ties to China in trade, education, and tourism dramatically increased. In 2003 New Zealand signed a Comprehensive Cooperative Relationship Agreement with the PRC. In the same year New Zealand and the PRC updated their Science and Technology Cooperation Agreement. In 2004, New Zealand and China began negotiations to develop a Free Trade Agreement (FTA). Prime Minister Clark told *People's Daily* New Zealand was “the first developed country to conclude a bilateral market access agreement with China for its entry to the World Trade Organization; the first to recognize China's status as a market economy and the first country to enter FTA negotiations with China”. Ms. Clark said New Zealand was hoping to conclude a fourth first, to be the first developed country to conclude a FTA agreement with China [8].

2004-2008

Also in 2004, the Ministry of Foreign Affairs and Trade released an update on New Zealand's most important diplomatic relationships [9]. Six countries or territories were designated as New Zealand's “bedrock” relationships, meaning that they were the most important. The first five were unremarkable: Australia, the US, Japan, the European Union, and the South Pacific Forum countries; however, adding China to the list was a significant change.

New Zealand maintained a positive and dynamic relationship with the PRC due to the PRC's growing relevance on the international stage and the strength of the China market. It didn't indicate a break with New Zealand's long-standing allies, but it did imply that its diplomats and politicians thought the world operated under a completely different set of rules than it did during the Cold War. The New Zealand-China Free Trade Agreement was signed in April 2008 by Prime Minister Clark and CCP General Secretary Hu Jintao. It was China's first with a country in the West.

2008-now

The National Party administration from 2008 to 2017 (headed by John Key from 2008 to 2016 and Bill English from 2016 to 2017) upheld the Clark administration's stance on China and expanded on the business prospects presented by the FTA. New Zealand was protected from the worst consequences of the Global Financial Crisis of 2008 and beyond by the trilateral interactions between the economies of Australia, China, and New Zealand. The

New Zealand's trade with People's Republic of China
(2015-2022) \$ million

	2015	2016	2017	2018	2019	2020	2021	2022
Exports								
Total	11,440	12,377	15,094	17,260	20,100	18,218	21,211	21,389
Total goods	8,611	9,432	12,094	13,847	16,727	16,419	20,040	20,148
Total services	2,829	2,945	3,000	3,413	3,373	1,798	1,171	1,241
Imports								
Total	10,447	10,576	11,262	12,837	13,307	12,879	16,243	18,925
Total goods	9,884	9,958	10,536	12,076	12,514	12,298	15,446	18,169
Total services	563	618	725	761	793	581	797	756

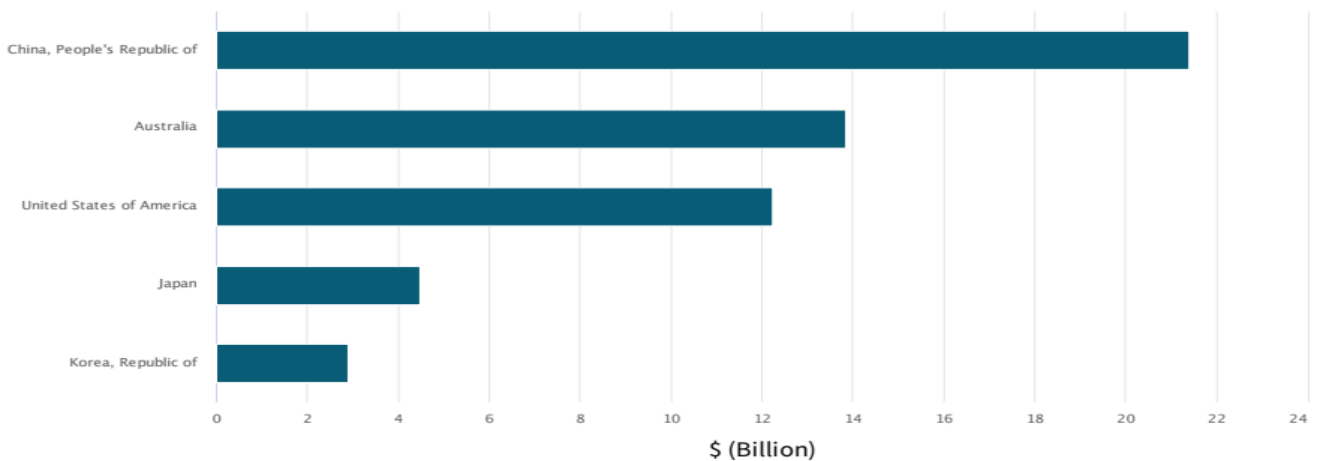
(Source: https://statisticsnz.shinyapps.io/trade_dashboard/)

trade linkages. Therefore, regardless of the degree of New Zealand's market exposure, the growth or decline of the Chinese economy will directly affect New Zealand's prosperity [10].

In 2022 New Zealand exported \$21.39 billion of total goods and services to People's Republic of China and imported \$18.93 billion, representing a trade balance of \$2.46 billion and a total trade value of \$40.31 billion. This represented 23.8% of all exports of total goods and services in this time period and 17.7% of imports. For trade in total goods and services, People's Republic of China ranked 1 for highest export value, ranked 1 for highest import value, and ranked 1 for highest total trade value. It is clearly illustrated through the two graphs below: Top 5 exports destinations and top 5 import origins:

Top 5 export destinations - YE December 2022

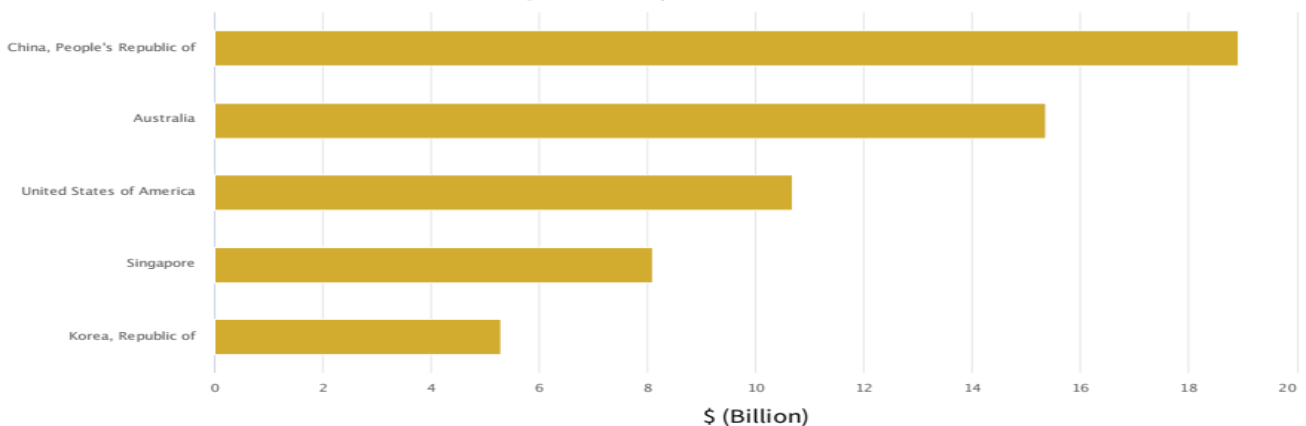
Total goods and services | The rest of the world



(Source: https://statisticsnz.shinyapps.io/trade_dashboard/)

Top 5 import origins - YE December 2022

Total goods and services | The rest of the world



(Source: https://statisticsnz.shinyapps.io/trade_dashboard/)

value of trade in goods between New Zealand and China doubled to \$20 billion between 2009 and 2014, exports grew at an annual rate as high as 50%. In particular, the dairying business profited. By 2016, 90% of China's imports of whole milk powder came from New Zealand and 11% of total infant formula imports. However, despite these numbers, a report for New Zealand's Reserve Bank noted that China's economic relevance to New Zealand was more about China's influence on the terms of trade—the global pricing of the goods New Zealand buys and sells—than it was about direct

With strong government encouragement, New Zealand-China scientific, economic and strategic links continued to expand. The Strategic Research Alliance (SRA) between New Zealand and China was established in 2010. The SRA aimed to boost scientific research collaborations between China and New Zealand as well as science commercialization. China presently ranks as New Zealand's sixth-largest partner in international scientific research. In 2014, New Zealand and China signed an agreement to form a "Comprehensive Strategic Partnership", one of a series of such agreements which the PRC has signed with partners around the world. As part of the "diversification" of military links [11], a 2014 report by the former head of the New Zealand Defence Force's International Department suggested that New Zealand establish military ties with the PRC. Now, high-level visits, defense consultation, joint military drills, collaboration in humanitarian aid and disaster relief, as well as training and officer exchanges, are all part of New Zealand and China's defense cooperation.

In 2015 New Zealand was the first Western country to join China's Asian Infrastructure and Investment Bank (AIIB). Then in 2017, New Zealand was also the first Western government to sign a Memorandum of Agreement with the PRC's Belt and Road Initiative (BRI/OBOR), Xi Jinping's signature policy. As a broker for infrastructure projects involving China in the South Pacific and South America, New Zealand aimed to gain advantages. Under the Key-English National government, New Zealand expanded its connections with China beyond commerce to include cooperation in the Antarctic and areas like banking, telecommunications, forestry, food safety and security, education, science and technology, and tourism. However, there were some dangers associated with this expansion of ties, as Jonathan Coleman, the minister of defense for National, alluded to in 2013 when he mentioned the "tightrope."

The Key-English National Party government followed two main principles on China: 1. the "no surprises" policy [12], which appeared to mean avoiding the New Zealand government or its officials or anyone affiliated with government activities saying or doing anything that might offend the PRC government; and 2. upholding the long-standing emphasis on "getting the political relationship right", which under National came to mean developing extensive and intimate political links with the CCP government's local and national leaders as well as their representatives and affiliated actors in New Zealand. According to the Minister of Foreign Affairs from 2008 to 2017, Murray McCully, getting the China relationship right was the "top priority" of his government [13].

New Zealand was reluctant to join the US and Australia in criticizing China's military base building activities on disputed islands in the South China Sea, activities that threatened New Zealand's sea lanes of communication and reliance on a rules-based international order for protecting its interests. This hesitation to upset the apple cart regarding New Zealand-China relations was due to economic interests. It was far from what New Zealand's allies had hoped for, who accused the National government of being soft on China, but Prime Minister Key and other ministers made a series of subdued remarks in 2015 and 2016 in response to intense pressure from Australia and the US. As with many other governments, the foreign minister of New Zealand publicly criticized the PRC regime.

There was an incident in the relations between China and New Zealand in 2017. Dr. Yang Jian, a National Party MP from the CCP, had a 15-year career in Chinese military intelligence and was a member of the CCP. He traveled to Australia in 1994 to pursue a PhD at the Australian National University and rose to the position of leadership in the CCP's political endeavors among the local Chinese student population. He served as the CCP-controlled organization's chairman for many years in Canberra's Chinese Student and Scholars Association and advocated and helped to create the New Zealand National government's China strategy. In 2017, an investigation published in Newsroom and the Financial Times revealed that the CCP had increased political interference activities under Xi Jinping, sparked by the Magic Weapons paper. New Zealand intelligence officers did voice concerns about these actions during a Five Eyes meeting in June 2017, but the situation had never before been discussed in public in New Zealand [14].

China has adopted a strategy to protect its sovereignty since Xi Jinping took office in 2012. This began after the 2008 global financial crisis, when the CCP foreign policy line became increasingly assertive in protecting China's rights. The PRC is now asserting its global leadership position and pursuing an aggressive foreign policy. China is working to alter the current global order and is on the way to becoming a great power. The People's Republic of China (PRC) has built a number of military bases on disputed islands in the South China Sea, declared an ADIZ over the disputed Senkaku/Diaoyu islands and Sokota Rock (held by Korea) in the East China Sea, engaged in a number of territorial disputes with the Philippines, rejected the Permanent Court of Arbitration's ruling on the matter of its territorial claims in the South China Sea, and has become more assertive toward US military Freedom of Navigation operations.

In the South Pacific, China provides military assistance to Vanuatu, Fiji, Papua New Guinea, and Tonga, and has put 18 BeiDou-3 satellites into orbit in 2018. China's strategic and military interests in the South Pacific are based on long-standing ties and fill the gap left by the declining influence of the US and France in the area. China is on the verge of achieving all the criteria for a global great power, including worldwide political, economic, and military clout.

In September 2017, there were elections in New Zealand. A coalition government of Labour, New Zealand First, and the Greens was formed in October 2017 after six weeks of negotiations. Early on, the new administration

showed that it was conscious of the need to modify New Zealand's China policy. According to Foreign Minister Winston Peters, "New Zealand is no longer for sale" [15] under the Labour-New Zealand First-Greens government. New Zealand's Prime Minister Ardern expressed her concern for the country's standing as one that is free of corruption. She asserted that her administration would keep New Zealand interested in the outside world while also protecting its own interests. James Shaw, leader of the Greens, has made few foreign policy statements, but his party is a strong advocate of an independent foreign policy for New Zealand and had previously been critical of the CCP's policy on Tibet and Falungong.

The new government took the extraordinary step of making public its national security briefings. A section on espionage featured discussion about foreign hacking attacks and "attempts to unduly influence expatriate communities". The briefing advised the PM to "openly provide information about public security issues to the public." [16]

Similar to the previous administration, the Ardern administration has sent ministers high profile events in New Zealand that are sponsored by organizations that support the Belt Road Initiative there and CCP proxies. However, Ardern has acknowledged in a number of speeches that New Zealand "must not be naive" and that the country was in fact dealing with "foreign interference activities." [17] The Ardern-Peters administration announced a new Pacific-focused foreign policy, the Pacific reset, which many interpreted as responding to concerns about China's growing dominance in the South Pacific.

In June 2018, Defence Minister Ron Mark launched the Strategic Defence Policy Statement which highlighted concerns about China's activities in the South China Sea and human rights abuses, and featured a discussion about "foreign political interference" activities, without naming names. In November 2018, New Zealand intelligence organisation the Government Communications Security Bureau (GCSB) turned down the New Zealand government's telecommunication company Spark's plan to use Huawei to set up a 5G network, citing national security concerns. The GCSB released details on China's ongoing hacking attacks against New Zealand three weeks later. The Ministry of Foreign Affairs and Trade issued a strategy document that highlighted New Zealand's "new strategic framework", the document expanded on the concerns raised in the Strategic Defence Policy Statement. New Zealand's China strategy was undergoing a correction, setting a direction somewhat different to that which had been followed for at least the last 30 years. Xi's aggressive foreign policy demanded a response.

In terms of immigrations, tourism, and education, by 2019, the population of Chinese New Zealand permanent residents and citizens had grown to around 200,000. Their families may have immigrated to New Zealand before 1949. Many people who did first immigrate from the PRC departed there to avoid the politics. Chinese people in New Zealand are now a sizable voting bloc who, in recent years, have tended to support National. Additionally, there are now much more Chinese visitors and students visiting New Zealand. China overtook Australia as New Zealand's second-largest tourism market in 2012. 2017 saw 448,000 Chinese visitors come to New Zealand. Although overall enrolment numbers have decreased during the peak years, China has been New Zealand's top export market for education for nearly 20 years. While 40,000 Chinese students received student visas to study in New Zealand in 2017, there were 115,000 Chinese students studying there in 2003.

3. The future of China – New Zealand Relations: Challenges and some implications for New Zealand foreign policy

China's new status as a major Pacific power and its potential to become the dominant power in the region as well as globally, poses lots of challenges for New Zealand. Like many other nations, New Zealand has become a target of the CCP's increased political interference activities. How the New Zealand administration will handle this domestic security issue and how to meet the problems that Xi's more assertive foreign policy presents for New Zealand are the tricky questions.

New Zealand does not have a framework of shared values with the PRC to build a subsidiary relationship with, unlike in the past when it had dependent relationships with the US and Great Britain. New Zealand also lacks a common alliance framework to resolve disagreements in private while maintaining public unity on common goals. The PRC and New Zealand have been moulded by very different political cultures. Wellington decision-makers would not find it reassuring to know New Zealand's security was 'guaranteed' by a state that it shares little history or cultural ties with. In addition, Beijing lacks the military power to guarantee global trade routes. Therefore, switching security alignment from Washington to Beijing appears extremely unlikely. As a small state, New Zealand should not overtly align with the US or China, instead repeatedly stating that it supports the rules-based liberal order and that all states should respect international law.

In the meantime, the PRC's interests abroad continue to expand. As the value of the yuan declines and the Chinese economy slows, the 2018–2019 US–China trade war has a negative influence on New Zealand's exports to China in addition to the relationship between these two countries. Therefore, obtaining more FTAs, would reduce New Zealand's economic dependence on China. An alternative approach to strategic alignment for New Zealand could be to emphasise the new and expanding methods of trade and communication that globalisation provides. This makes it conceivable for NZ to pursue a foreign policy strategy of neutrality, with New Zealand seeking to

satisfy its material and security interests by diversifying its global partnerships that hedge against an acute future policy dilemma.

In May 2018, Foreign Minister Peters talked of the international system being at an inflection point. The challenges of the new global order are being faced up by the New Zealand administration. New Zealand's interests in a peaceful Asia Pacific and Antarctica may no longer be sufficiently protected by the US-centered hub and spoke model of security alliances and one international treaty. New Zealand can better manage its economic and political ties with China and the USA with a clear-headed strategy and leadership, and strategic investments in capacity. New Zealand can do more to collaborate with other like-minded states in the Asia Pacific to protect its interests both looking North and looking South. As the ROC has a proactive Southbound foreign policy under President Tsai Ying-wen (2016), New Zealand can identify methods to cooperate with the ROC on Taiwan. While it is necessary for New Zealand to maintain partnerships with China in areas where they might be mutually beneficial, but should draw the line on aspects which endanger New Zealand's national interests such as political interference activities.

In addition, it would be prudent to assess if New Zealanders' perceptions of China are keeping up with the evolution of the bilateral relationship. The New Zealand government still needs to do a lot more to prepare the New Zealand population to accept China's status as a dominant power in the Asia-Pacific region.

It has often been said in the past that New Zealand is not important to China and that if New Zealand offends the Chinese government, then New Zealand will risk their trade with them. So far, despite the Ardern-Peters Coalition government raising concerns about foreign interference activities and speaking up against China's activities in the South China Sea and the Pacific, there has been no significant impact on New Zealand's trade relations with China. In fact, trade rose by 15% in 2018.

Furthermore, it is simply not true that New Zealand is not important to China. China is interested in New Zealand for a variety of important reasons, in addition to the ongoing efforts New Zealand has made to build goodwill with the CCP government since diplomatic connections were established in 1972. In addition to potentially giving China four votes in international organizations, the Cook Islands, Niue, and Tokelau fall under the purview of the New Zealand government, which is crucial for China's expanding interests in the South Pacific, including the Belt and Road Initiative, the deployment of the Beidou GPS system, and Huawei's Pacific partners.

The CCP administration is pursuing a long-term strategic objective in Antarctica, which will necessitate the collaboration of established Antarctic governments like New Zealand, a claimant state and one of the region's closest access points. One of the nations closest to Antarctica is New Zealand. The CCP administration wants to obtain foreign arable land in order to increase food safety because New Zealand has inexpensive arable land and a tiny population.

China receives 90% of its imported milk powder from New Zealand, and China is the largest foreign investor in that country's dairy industry. As the PLA develops its long-range precision missiles, near-space research is a crucial new field of study. New Zealand is helpful in this regard. Untapped oil and gas reserves exist in New Zealand. The Panama Papers published in 2016 claimed that New Zealand was "at the center" of international money laundering. The Cook Islands, Niue, and Tokelau are recognized as countries that facilitate tax havens and money laundering.

In addition to being a NATO partner state, New Zealand is a member of the Five Power Defence Arrangement, the UKUSA Intelligence Agreement, and the unofficial ABCA grouping of forces. A big victory for the CCP administration would be to remove New Zealand from these military alliances and away from its traditional allies, or at the very least to persuade New Zealand to cease spying on the PRC for the Five Eyes.

Beijing views New Zealand's economic, political, and military ties to China as a role model for Australia, the South Pacific's small island states, and more generally other Western governments. A Beidou ground station—there are currently three of them in Antarctica and three in Australia—and the PLA-Southern Navy's Hemisphere naval facilities might also be strategically located in New Zealand. All of these reasons make New Zealand of considerable interest to China.

Chinese diplomacy has a saying from the PRC's first Foreign Minister, Zhou Enlai, which provides a model for this new approach: "seek common points while facing up to differences". In the current changing global order, New Zealand must be proactive in its foreign policy. New Zealand should find a way to protect its own sovereign interests while balancing economic security and maintaining a productive and respectful relationship with a great power like China.

IV. Conclusion

Despite the many differences between the two societies, New Zealand and China have sustained a rich and complex relationship for long history, especially after the Cold War. In the current period, New Zealand's political, economic, cultural, social and even military links with China are strong and developing in a positive direction. New Zealand's multiple connections with China are more diverse than at any other time in the history. Although, there are still challenges, for a small country like New Zealand, dependent on establishing positive relationships with the major powers, such as China, is a matter of political survival. As a small state, New Zealand should continue to

develop a constructive, mutually-beneficial relationship with China for many years to come. This is even more likely if New Zealand can continue to maintain the principle of “looking for common points” at the same time as “facing up to differences.”

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