

Cities in a changing world

Global Cities

Christchurch
4 September 2026

Shamubeel Eaqub, CFA
Chief Economist

 **Simplicity**

shamubeel.eaqub@simplicity.kiwi

Disclaimer

This is Simplicity Research Hub's independent expert commentary and thought leadership on economic trends and policies of interest to all New Zealanders.

This content is our opinions and is provided for general information only. It does not relate to your particular financial situation or goals and is not financial advice or recommendations.

Any external resources provided are accessed at your own risk and the Simplicity Research Hub takes no responsibility for third party content and does not approve, recommend, or endorse any external websites or the content they contain.

Simplicity NZ Limited is the issuer of the Simplicity KiwiSaver and Investment Funds schemes, for Product Disclosure

Statements please visit our website simplicity.kiwi. For more information on our Responsible Investment approach please visit simplicity.kiwi/about-us/ethical-investments.

Key points



The world has changed



As has our population



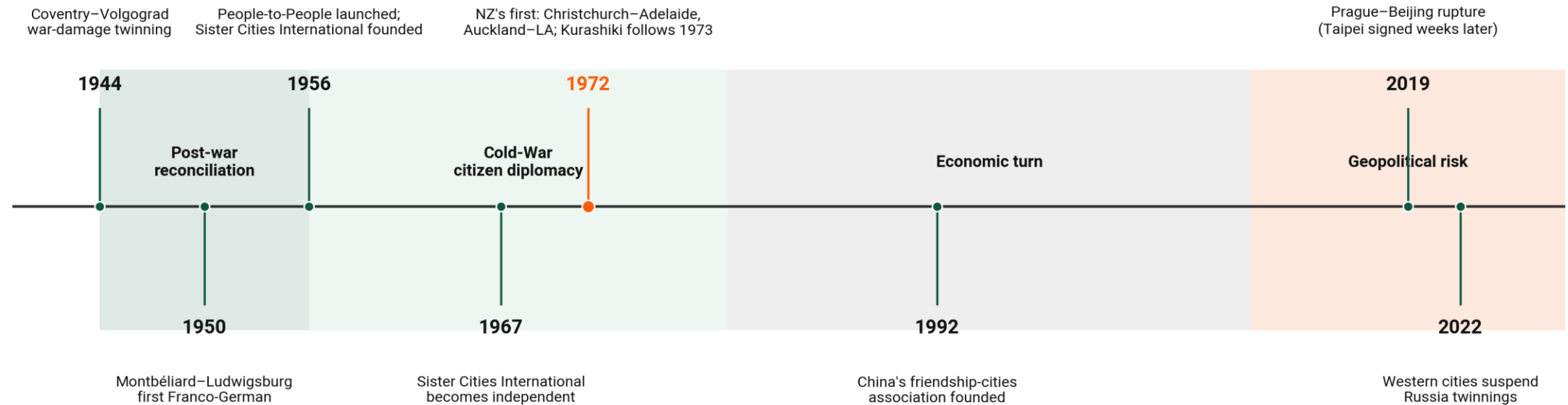
Coordination and connection needed more



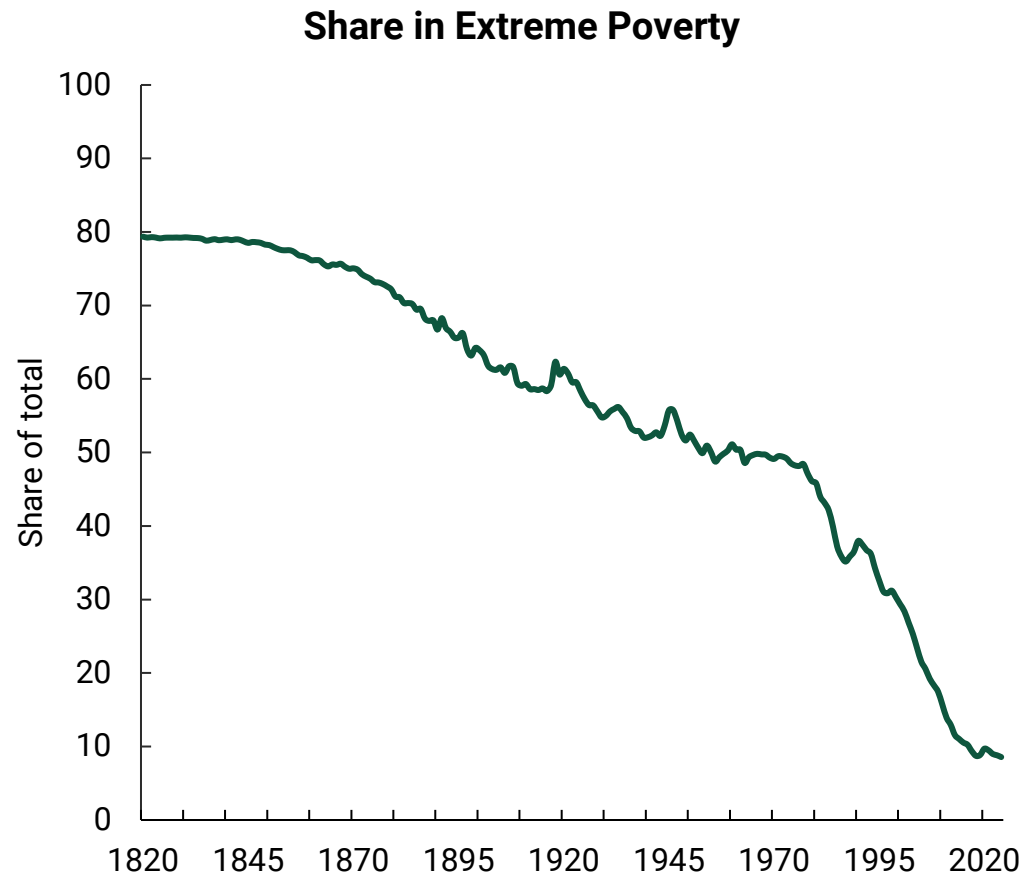
Cities can play a role, if we do it right.

It's a new world

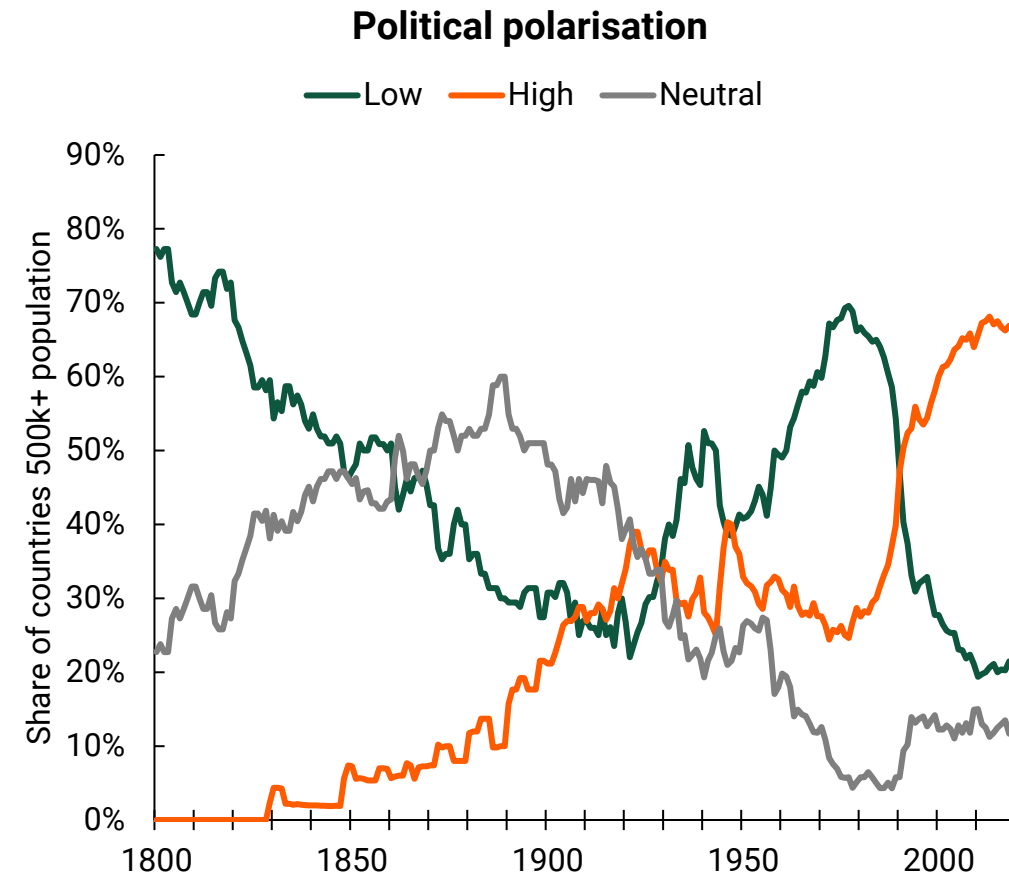
Sister-city and town-twinning milestones



The world is getting better & worse

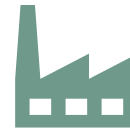


Source: World Bank, Michalis Moatsos (2021), Simplicity Research Hub



Source: Polity Project, Simplicity Research Hub

Institutions really matter



Proximate

Capital
Labour
Technology

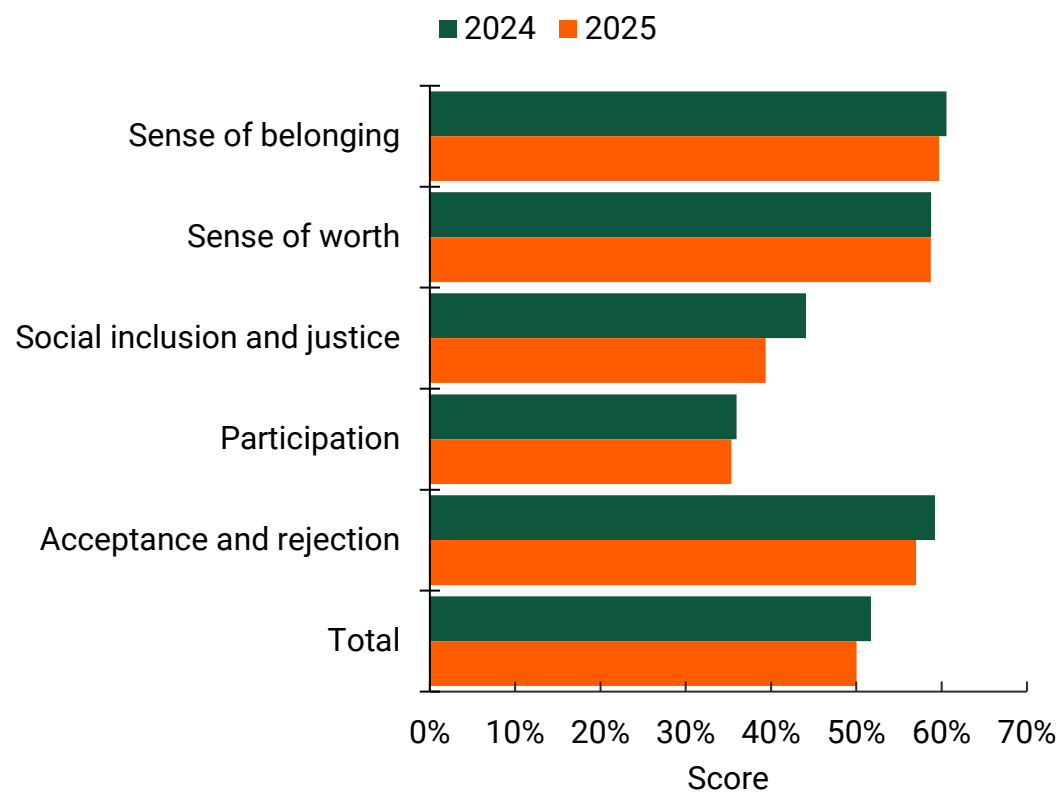


Fundamental

Culture
Institutions
Geography
Luck

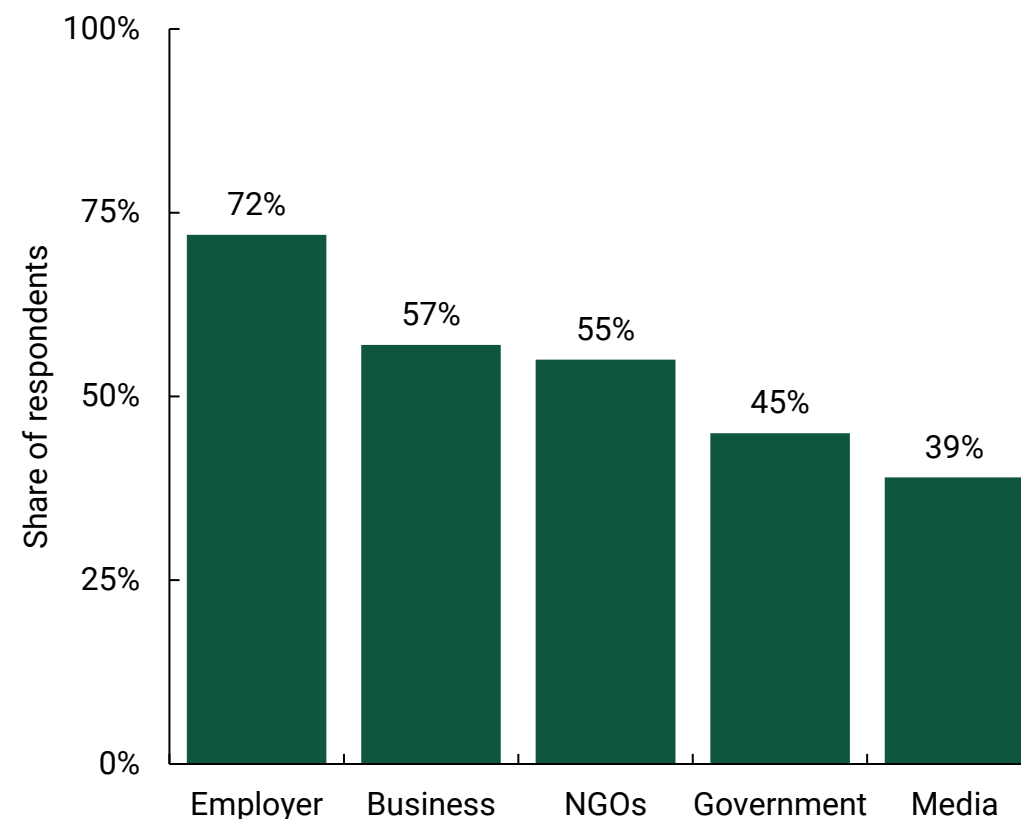
It's a wider malaise of society

NZ Social Cohesion Scores



Source: The Helen Clark Foundation

Trust in institutions

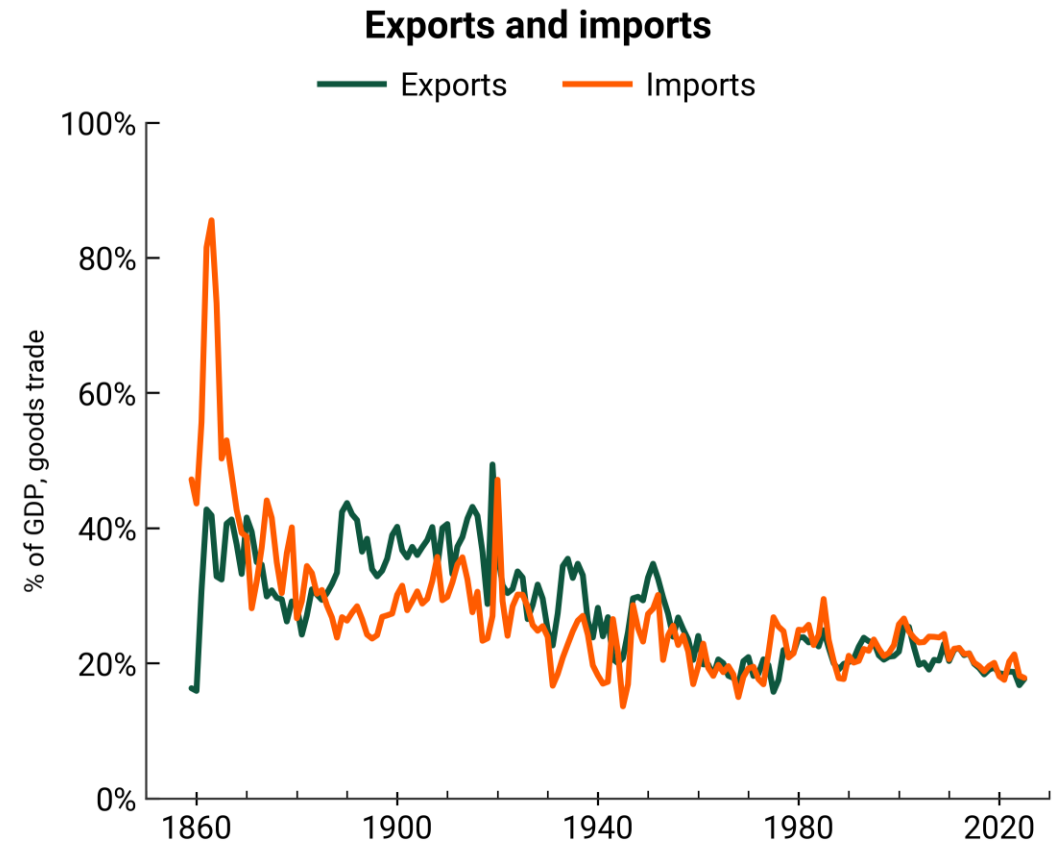


Source: Acumen-Edelman Trust (2026), Simplicity Research Hub

Globalisation is not dead



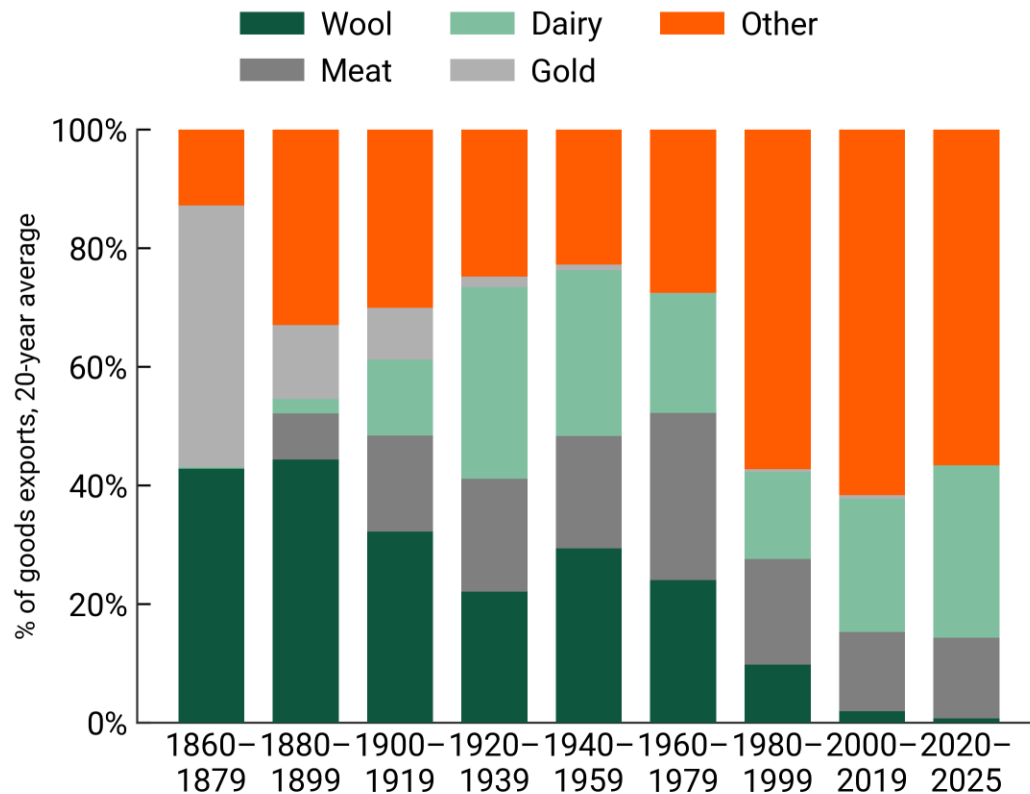
Source: Fouquin and Hugot; CEPII 2016; IMF, World Bank, Simplicity Research Hub



Source: Statistics NZ, Simplicity Research Hub

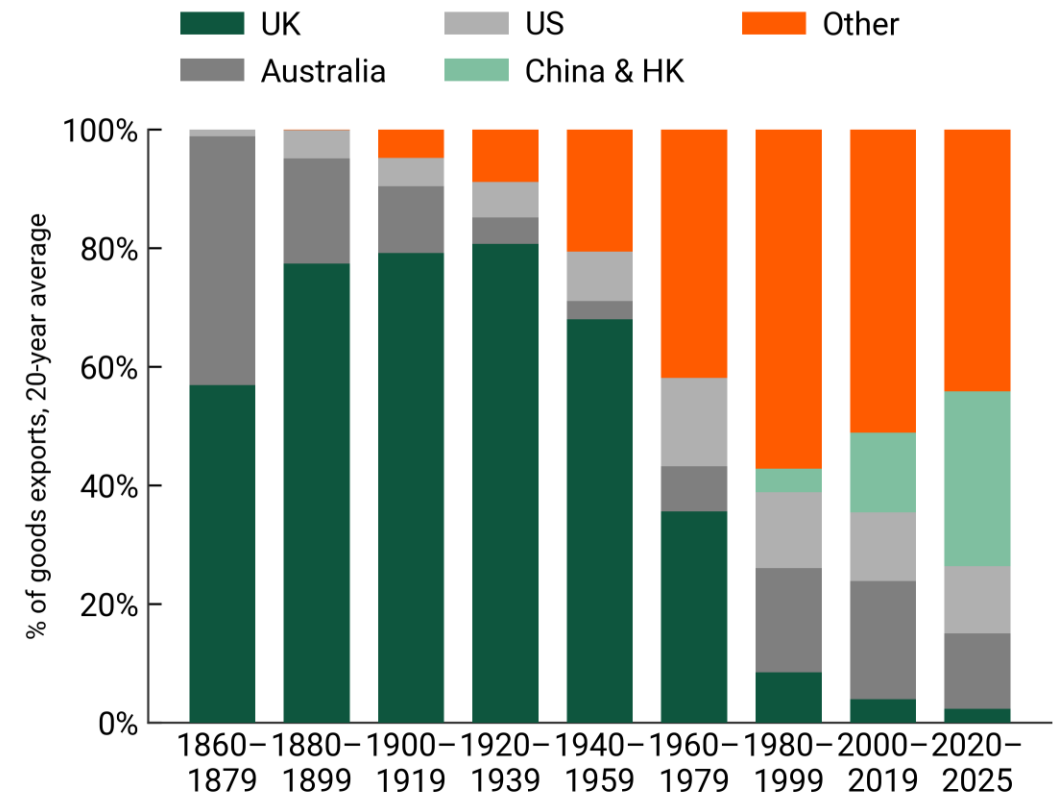
Although changed

Commodity mix of exports



Source: Statistics NZ, Simplicity Research Hub

Export destinations



Source: Statistics NZ, Simplicity Research Hub

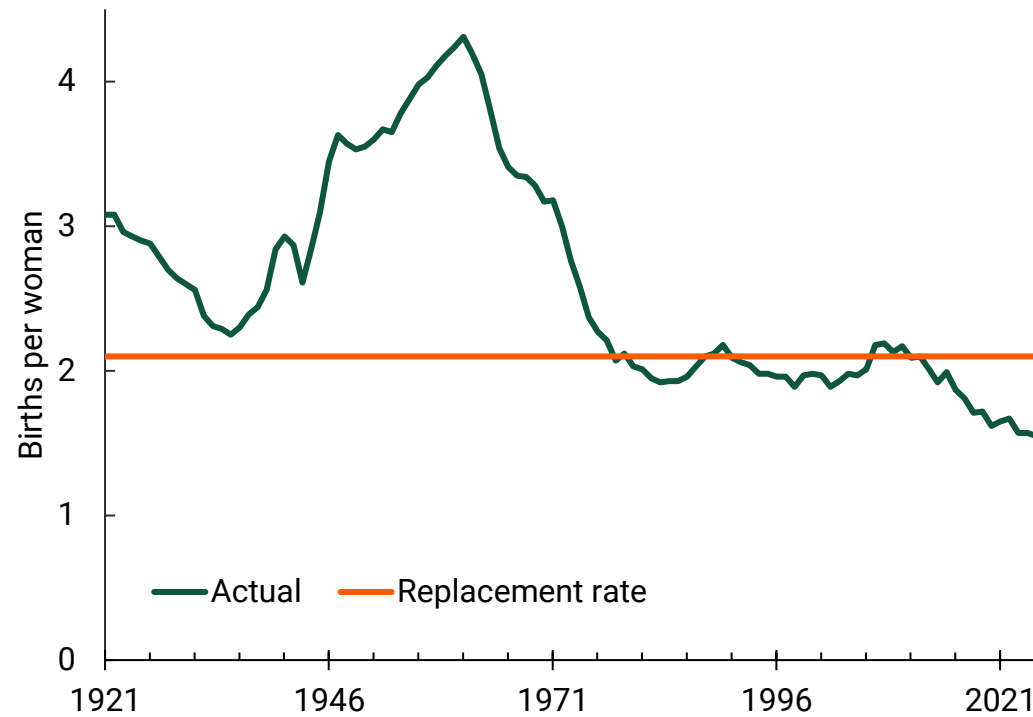
It's a new geography



Source: Statistics NZ, Simplicity Research Hub

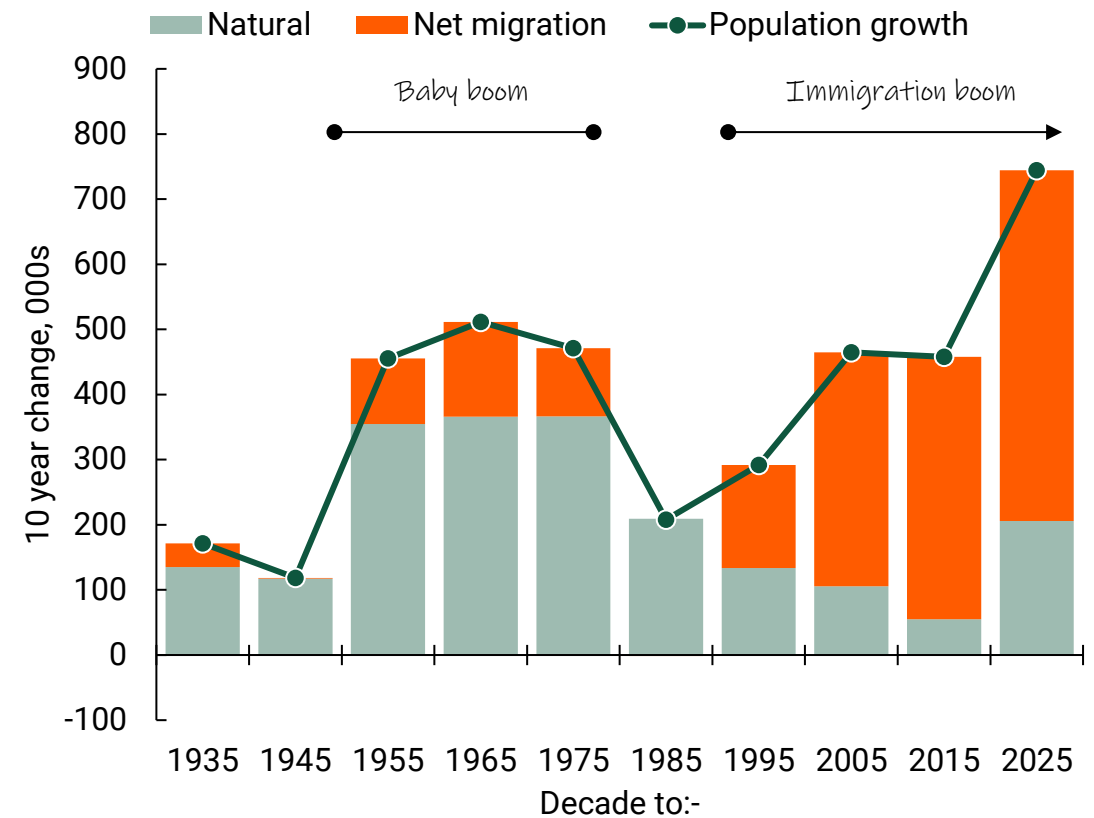
We are also changing

Fertility rate



Source: Statistics NZ, Simplicity Research Hub

Components of population growth



Source: Statistics NZ, Simplicity Research Hub

Diversity is place based & changing

Ethnic diversity by region, 2023



Change in ethnic diversity, 1996 to 2023



Our place in the world...

New Zealand over Europe, to scale



New Zealand over Japan, to scale



...and gloriously isolated

Within 2,000 km of Wellington

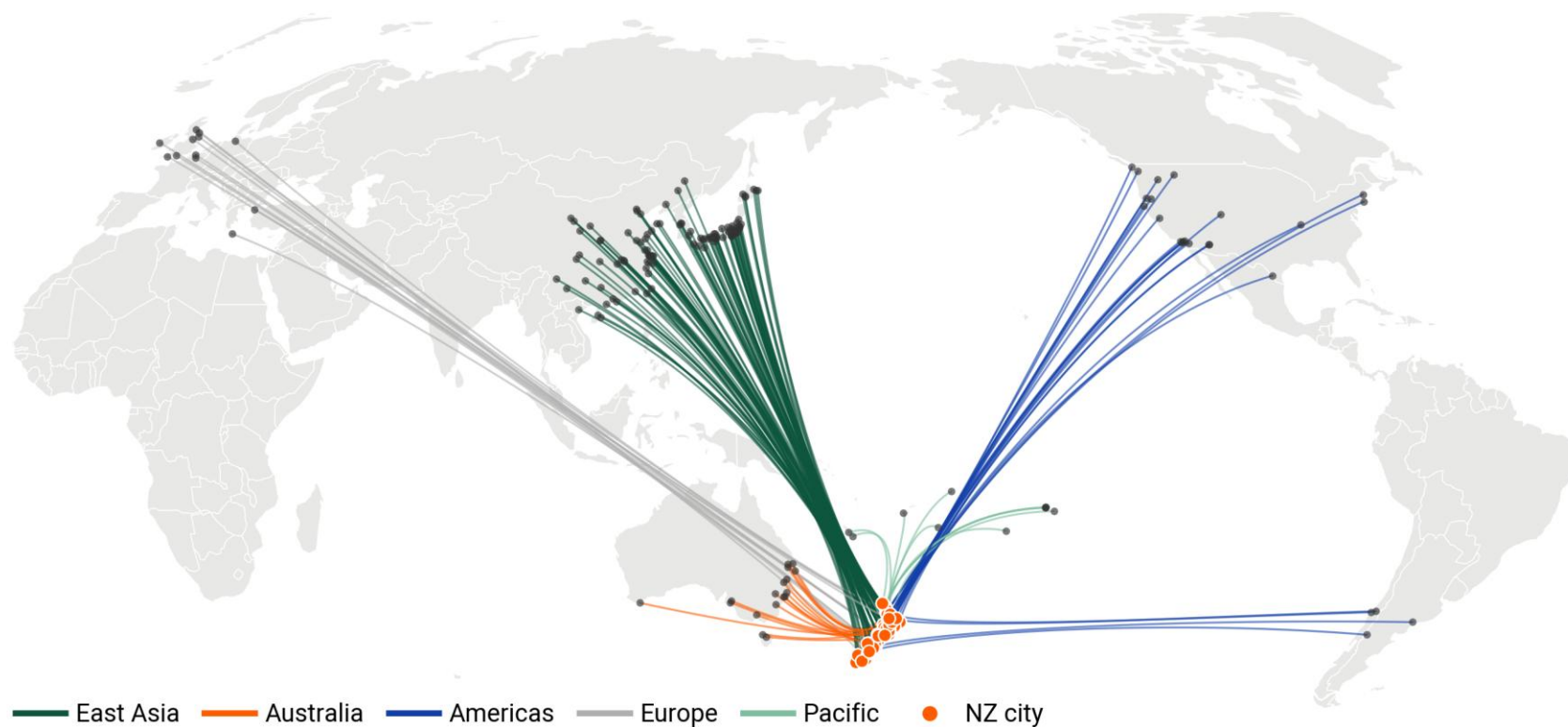


Within 2,000 km of Berlin



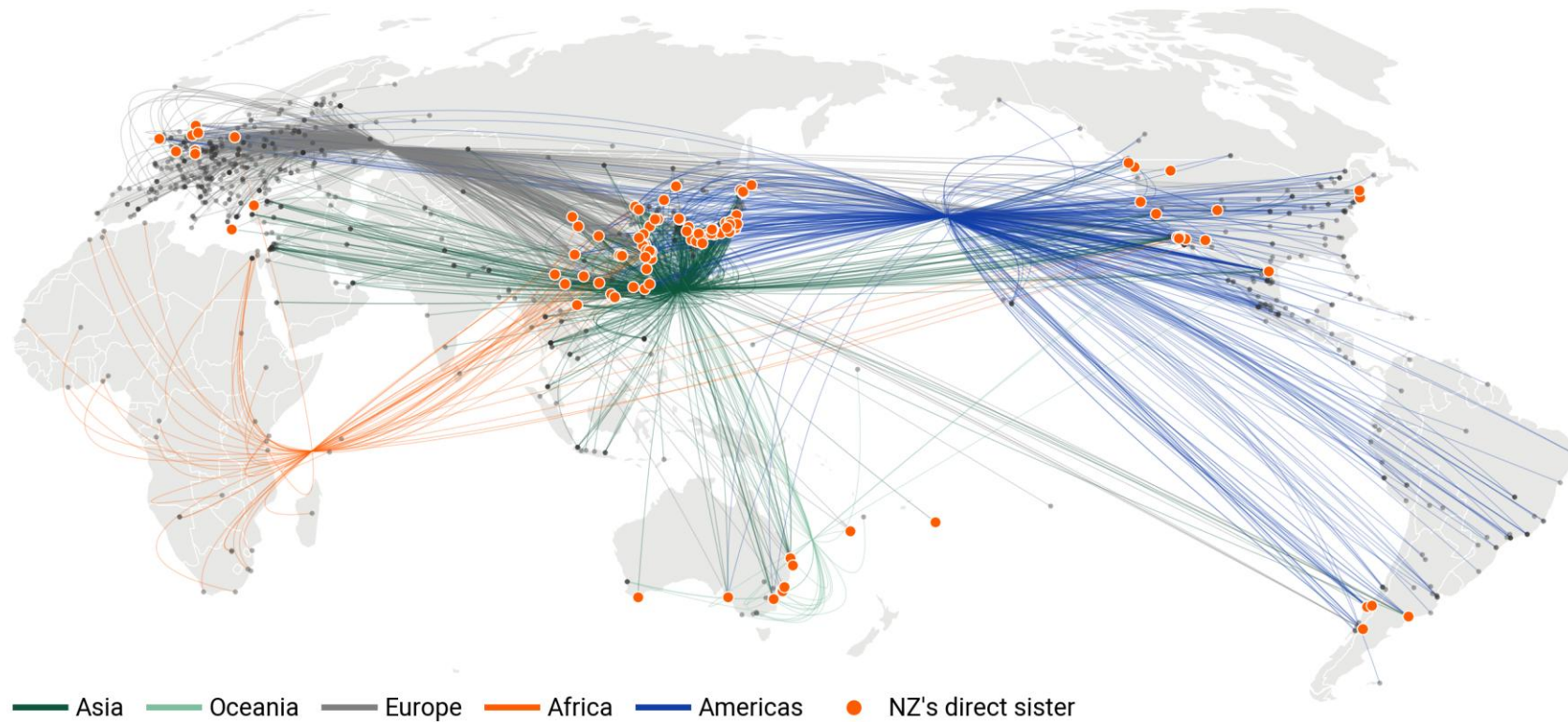
Many but concentrated

New Zealand's sister-city links, by region



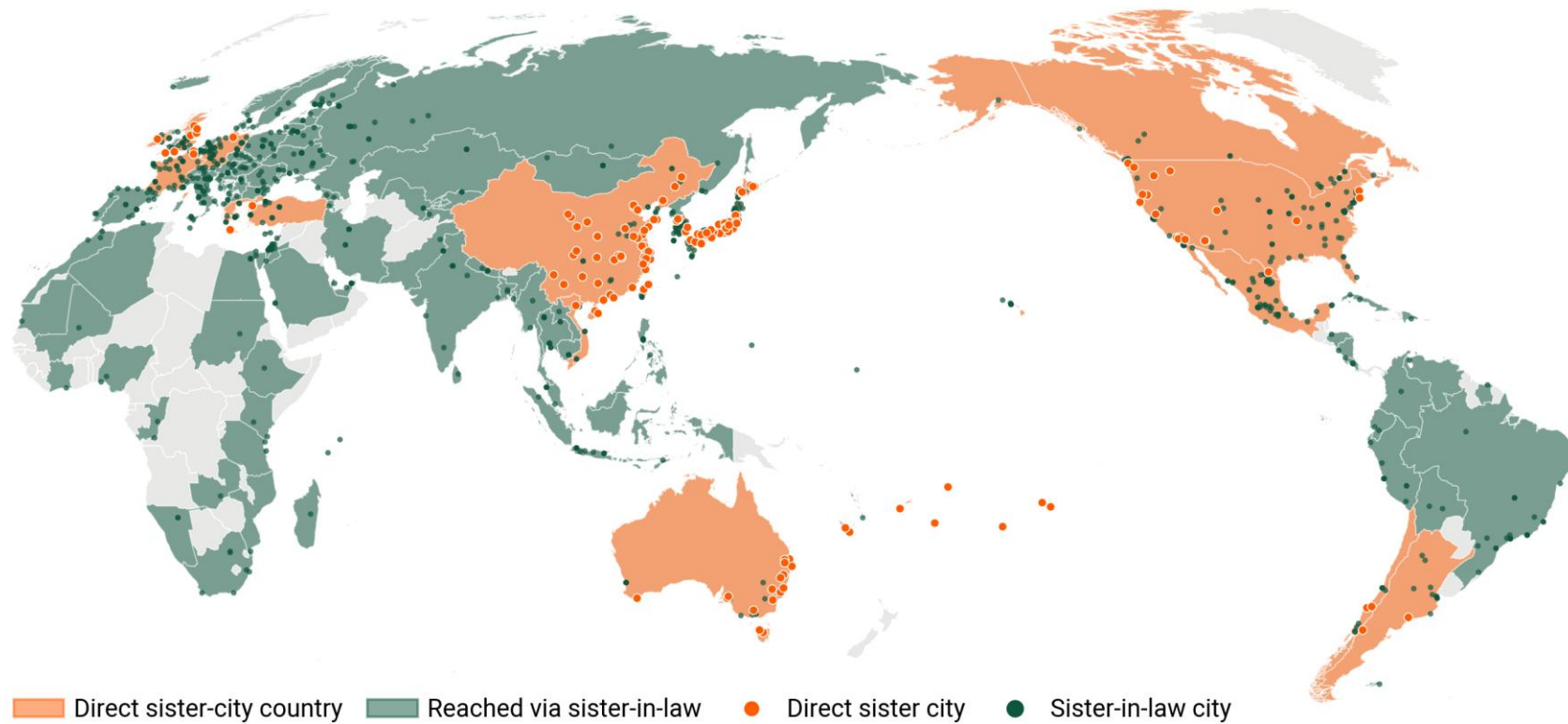
Look one step out...

Second-degree reach of NZ's sister cities, by continent



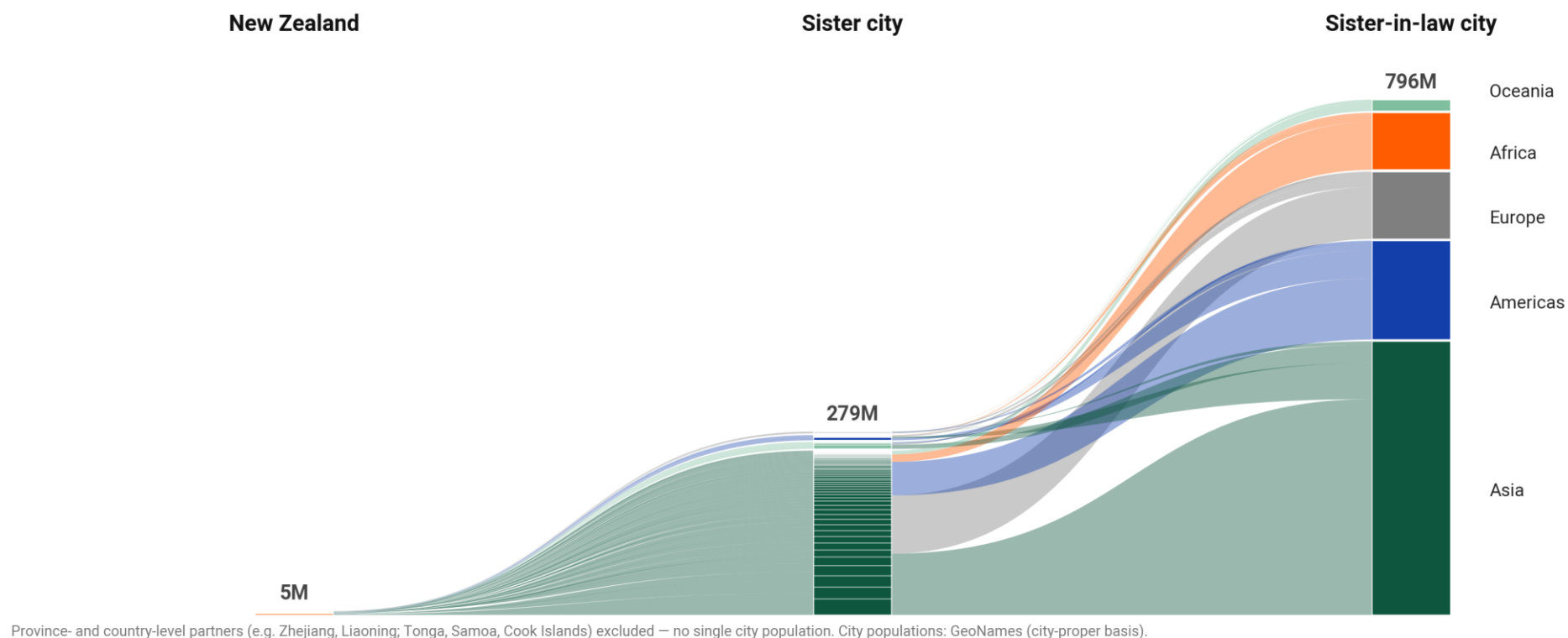
...a network

Countries reached by NZ's sister-city network



Which brings scale

New Zealand's sister-city network by population



National security constraints

The governance gap

Australia	New Zealand
• Statute: Foreign Relations Act 2020 • Minister can cancel subnational deals • Public register: 10,694 (Dec 2024) • Cancelled Victoria's Belt & Road (2021) • Sister cities: notify, not pre-approve	• No statute – councils fully autonomous • PSR: the operational guidance to use • NZSIS warns ties can mask interference • Advisory: annual MFAT engagement • ~154–159 relationships, ~53 councils (2024)

Five tests to screen a relationship

- 1 Broker**
a real city, or steered by a national influence body (e.g. CPAFFC)?
- 2 Clauses**
any political commitment signed ('one China', territorial claims)?
- 3 Human rights**
does association implicate the council in documented abuses?
- 4 Alignment**
would it cut against NZ foreign policy or sanctions?
- 5 Exit**
can it be ended cleanly, with pre-agreed triggers?

What and how



Trade



FDI



Civic & administrative learning



Development & resilience



City diplomacy



People to people exchange

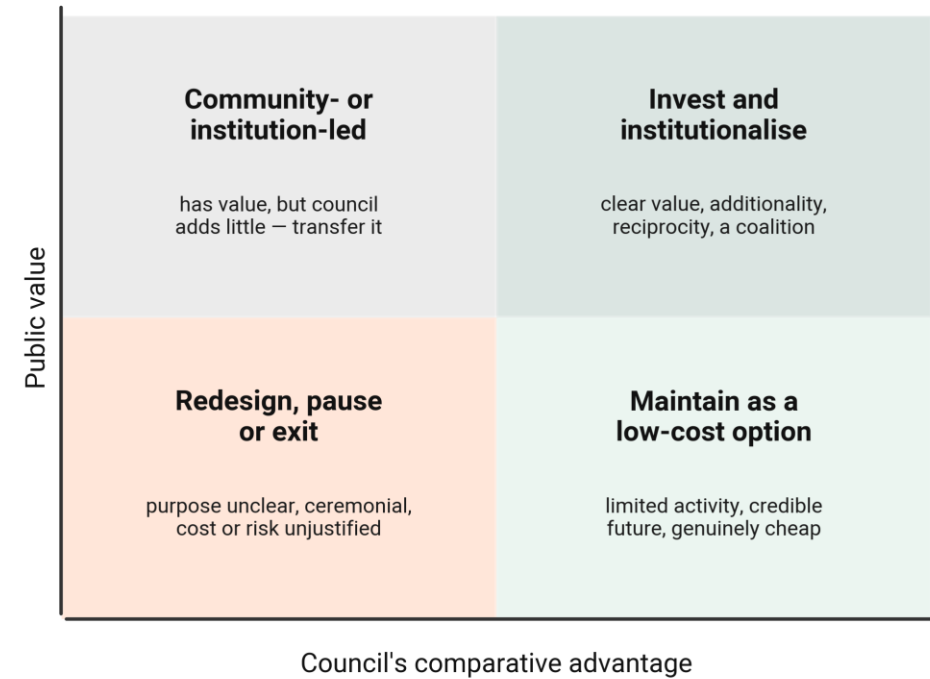


Tourism



Social cohesion

Four portfolio treatments



Risks & opportunities

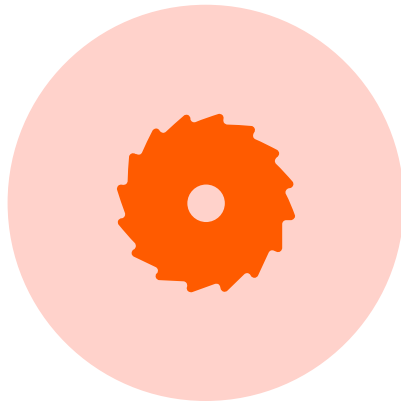
Sister-city failure modes

-  **One enthusiast carrying it**
the tie dies when they move on
-  **Ceremonial capture**
plaques and junkets with no measurable return
-  **One-directional gestures**
effort flows one way; the partner disengages
-  **Signed and forgotten**
no monitoring, no review, no way to end it
-  **An unmanaged liability**
geopolitical exposure left to become a problem

Sister-city success factors

-  **A local champion**
continuity of leadership — turnover kills relationships
-  **Institutionalisation**
a standing committee, a budget line, a paid coordinator
-  **Genuine reciprocity**
real two-way exchange, not one-off gestures
-  **A reason to persist**
a resident diaspora or a concrete economic interest
-  **External funding**
grants and national bodies raise professionalism and survival

Theory of change: what?



Tinkering with existing
ways



Introduce new ways



Change the goals of
what we want to achieve

Key points



The world has changed



As has our population



Coordination and connection needed more



Cities can play a role, if we do it right.



Disclaimer: This is Simplicity Research Hub's independent expert commentary and thought leadership on economic trends and policies of interest to all New Zealanders. This content is our opinions and is provided for general information only. It does not relate to your particular financial situation or goals and is not financial advice or recommendations. Any external resources provided are accessed at your own risk and the Simplicity Research Hub takes no responsibility for third party content and does not approve, recommend, or endorse any external websites or the content they contain. Simplicity NZ Limited is the issuer of the Simplicity KiwiSaver and Investment Funds schemes, for Product Disclosure Statements please visit our website [simplicity.kiwi](https://www.simplicity.kiwi). For more information on our Responsible Investment approach please visit [simplicity.kiwi/about-us/ethical-investments](https://www.simplicity.kiwi/about-us/ethical-investments).