

Losing access to leading AI models

Key points

- New Zealand builds no leading AI models of its own. Our national strategy as a small nation is to adopt leading models built offshore.
- In June 2026 the US government ordered Anthropic to cut off foreign access to its most capable models. New Zealand lost access overnight. Access was restored after 19 days, but the legal precedent and the motivations behind the restriction remain.
- Leading AI models are becoming core economic infrastructure and a key input into our cyber defences.
- The Government's AI strategy cites research estimating AI adoption could deliver \$76 billion in economic gains. Being locked out of leading models would mean falling behind countries that keep access and missing out on the economic gains and cyber defence capabilities of advanced AI.

Losing access to leading models would affect New Zealand in two ways: we would fall behind on productivity and economic growth, and we would [become more vulnerable to cyberattacks](#).

A new critical input into New Zealand's economy

Leading AI models are becoming a general-purpose input across the economy, similar to telecommunications and global financial services. The Government's [AI Strategy](#) states "either we embrace AI or risk being left behind", and cites research that adopting AI could add [\\$76 billion to the New Zealand economy by 2038](#), over 15 percent of GDP.

The approach set out in the strategy is for New Zealand to be an adopter nation, not a developer of AI technology. That is a sensible position for a small country. But it means the economic benefits the strategy seeks to deliver depend on continued access to models built elsewhere, supplied on terms set elsewhere and controlled under other countries' laws.

New Zealand has experienced being cut off overnight

On 12 June 2026, the [US Commerce Department ordered Anthropic](#) to suspend access to its two most capable models, Claude Fable 5 and Claude Mythos 5, for any foreign national anywhere in the world, including the company's own foreign staff. The directive cited national security concerns and gave the company 90 minutes to comply. Because Anthropic could not verify each user's nationality, it disabled both models for every customer worldwide.

New Zealand users lost access to the most capable AI models available, three days after their launch, with no warning. The restriction was lifted on 1 July, 19 days later, and only after Anthropic strengthened the models' safeguards.

Why it could happen again

The legal precedent and the underlying motivation for the restriction remain in place. The June restriction was driven by safety and national security concerns, and those concerns will grow as models become more capable. Future leading models are therefore likely to attract controls. Analysts describe the

episode as [a “kill switch” for frontier AI](#) and [a precedent for AI export controls that future administrations can reuse](#).

The models New Zealand relies on are controlled by a handful of companies in overseas jurisdictions. A small number of decision makers have the power to significantly restrict New Zealand's access. And this access could also narrow for commercial reasons: through pricing, capacity constraints or preferential access for favoured customers and countries.

What being locked out would cost

If leading AI models result in extreme concentrations of economic power, New Zealand may be able to share in those economic gains, but in the worst case, we could be largely excluded from them.

The June restriction caused limited harm because the models had been public for only three days and little had been built on them. But as firms and government agencies embed leading models in their daily operations, a sudden restriction could disrupt services and workflows across the economy in the way a fuel or telecommunications outage does today. A restriction applied across US providers would leave few comparable alternatives.

In the event New Zealand was cut off from leading models, we would still have access to second-tier and open source AI models. But working with less capable models while competitors work with the best could be a major disadvantage in high-value work. If leading models are meaningfully better at software development, analysis, research and professional services, firms that have them will outcompete firms that do not. New Zealand is a trade-exposed economy, and our exporters would be competing against rivals with better tools.

These costs would compound over time. Productivity growth builds year on year, so any gap that emerges could potentially persist for years after the period of exclusion. If leading models increasingly drive research and innovation itself, exclusion also slows the rate at which New Zealand generates future gains, not just current ones.

Government agencies will increasingly rely on leading models to deliver services, and some already rely on them for security. The National Cyber Security Centre is [accessing the most capable models to prepare New Zealand's defences](#) against AI-enabled cyberattacks, so a future restriction could impact the government's ability to secure its own systems.

What New Zealand can do

The government should treat access to leading AI models as it treats other critical inputs supplied offshore. For fuel, that means [a Fuel Security Study, a Fuel Security Plan and a 2026 Fuel Response Plan](#). For AI, the first step is to understand the exposure. Priorities include:

- Assessing New Zealand's current and projected dependence on leading models, and where the chokepoints are.
- Costing the scenarios in which access could be restricted.
- Identifying options for securing access through trade agreements, diplomacy and New Zealand's standing as a trusted and safety-conscious adopter.

Our accompanying [policy paper](#) sets out further detail.