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In the year ended June 2015 New Zealand businesses earned around \$67.5 billion through exporting their goods and services; a performance which contributed around 30 percent of New Zealand's GDP and enabled many jobs. Total imports for the same year totaled around \$65.1 billion.

The government has set an ambitious target to increase the ratio of exports to GDP to 40 percent by 2025 and whilst it is putting resources in place to help achieve this goal, through negotiating further free trade agreements and encouraging business delegations; a collaborative private and public sector approach will be essential to achieve this goal as a reality.

New Zealand is recognised internationally as a country that is innovative, creative and demonstrates ingenuity in the development of high quality products, increasingly in demand, especially in the new emerging consumer markets of Asia.

More importantly, there is a growing awareness among New Zealand businesses of exporting's potential to generate new sources of revenue.

Essential to growing a business through exporting is the need to do some homework before taking the plunge – put simply: "I have the idea to get into exporting, I need a strategy and I want the outcome to be growth – of my business, of markets, of turnover and revenue. So how do I get started?"

But first questions first! Why?

Why export?

Deciding to take advantage of the opportunities available in the international market place for your business may be for some of the following reasons:

- **Growth:** The New Zealand market is small on all accounts. For your business to develop strongly and grow faster, it must look to the world market place.
- **Profitability:** Some markets may offer you a better pricing structure than the New Zealand market.
- **Economies of scale:** Larger production runs allow you to spread the fixed costs of your plant, equipment and factory costs over the larger runs; giving you a reduced per unit cost.
- **Seasonal fluctuations:** The seasonal fluctuations your business may experience in New Zealand can be reduced by exporting (especially to northern hemisphere markets) resulting in a more even cashflow and stable workforce.
- **Price competitiveness:** Your business can achieve, through larger production runs on an ongoing basis, a

price advantage on the domestic market, resulting in gaining a greater share of the domestic market.

- **Reduce input costs:** Exports will permit the purchase of larger volumes of raw materials, parts and components, resulting in a further reduction of the per unit production cost.
- **Upgrading plant and equipment:** Is it time to upgrade your plant and equipment but you cannot embark on this without increased turnover? Export business will provide the volumes you require to justify upgrading plant and equipment. This in itself may also help reduce the unit cost of production.
- **Market entry:** You may wish to launch a new product but the domestic market is not large enough on its own to launch it. However, by factoring in additional export sales, entry onto the domestic market may become feasible.
- **Manage business cycle risks:** The traditional business cycles in New Zealand caused by our high exposure to commodity price variations may create instability for your local business. Exporting will provide a broader base of activities, providing better stability.
- **Exploit an innovative edge:** Through your exposure to new ideas, technology and processes from meeting new markets, you may have developed a new product or service. This can help your business develop innovative products and services and so provide the platform and stability the business needs to grow.
- **Staff loyalty and stability:** Through successful exporting you can engender increased enthusiasm, loyalty and commitment amongst your staff. This will contribute to a more stable work force and higher productivity.
- **Small businesses (SMEs) can be successful exporters:** It is a popular misconception that only large companies can succeed overseas. Indeed, many SMEs have found that their competitive advantage lies in some form of technological or creative advantage – through Kiwi innovation and ingenuity; "we do things differently here". Reflecting an adaptive Kiwi attitude, many SMEs have 'unique' or 'niche-type' products or services. When these are known in offshore markets, they generally develop consumer loyalty and sustainable demand.

Are you ready to export?

As thousands of New Zealand businesses can confirm, successful exporting is hard work and to get started requires a singular clarity of purpose and drive (see the



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