



# Responding to the Global Crisis

*New Zealand Trade and Enterprise*

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WORLD TRADE PROMOTION ORGANISATION  
CONFERENCE

OCTOBER 2010



# WTPO AWARDS 2008

New Zealand  
TRADE & ENTERPRISE 



A tiny but beautiful country of four million people at the bottom of the South Pacific, New Zealand needs global reach.

Overcoming our geographic location and connecting with global markets for goods and services as well as ideas, technology and people, is critical to our economic performance.



# International network



## NZTE'S INTERNATIONAL NETWORK

NZTE operates a hub and spoke approach to offshore locations. This ensures depth and expertise in markets while retaining operational flexibility. Hub offices are permanent locations housing the regional director and trade commissioner, and investment, sector and market specialists. Hubs support the regionally located spokes. Spoke offices are intended to be flexible, with their duration and resourcing reflecting changing market opportunities.

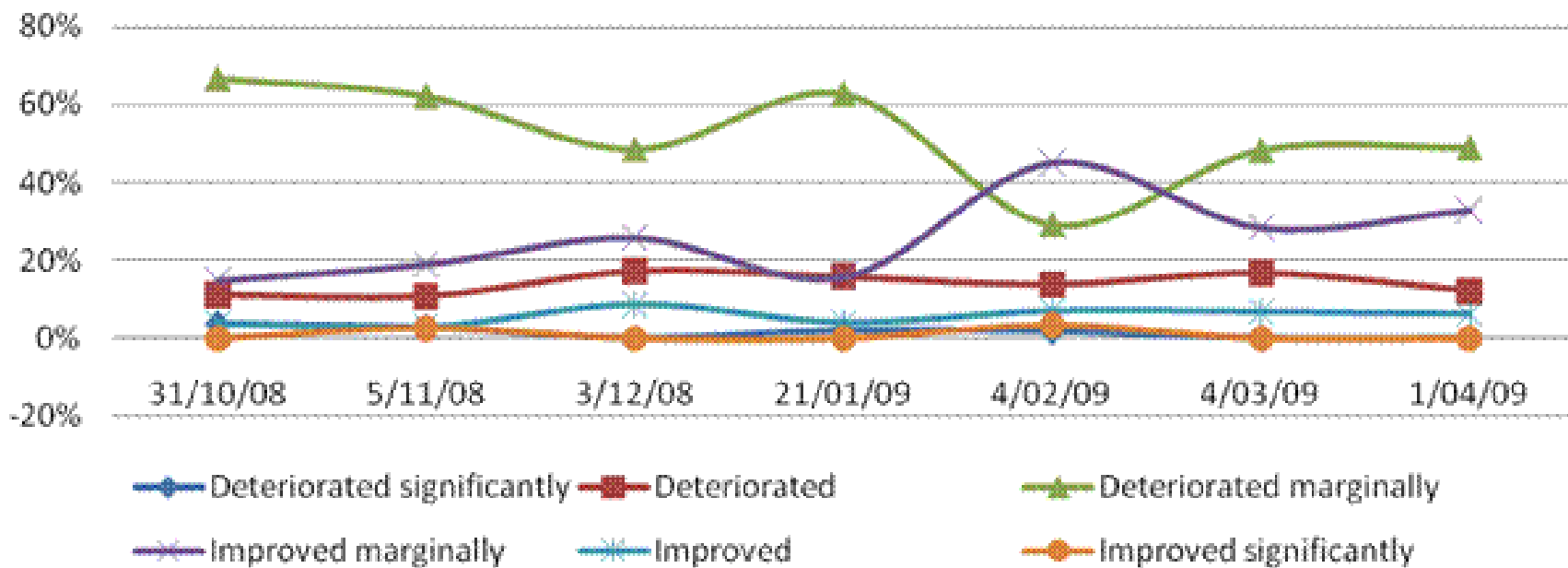
## NEW ZEALAND OFFICES





# Changing landscape

Over the last week the commercial opportunities my clients face have:





# Working with business

We worked with businesses to address issues they identified, which included:

## **Dealing with slowing demand**

Managing uncertainty, maintaining relationships and managing cash flow and credit.

## **Understanding the customer**

Up-skilling sales teams, positioning products as branded solutions for increased competitiveness, and getting in front of customers (in person or making better use of technology)

## **Agility**

Knowing how to recognise issues connected with the downturn and being able to deal to them quickly.

## **Opportunities**

The potential and benefits of collaborating to achieve results overseas, including leveraging supply chains and staff, and drawing on other companies' experiences

# Resource support

“We’ve totally embraced lean manufacturing and it’s been great for the business. Our sales are up while staff numbers have remained the same. We have a less stressed and happier workplace. The whole factory has changed. It has improved productivity and efficiency, and reduced mistakes.”

*Andrew Cunningham,  
Hunza (outdoor lighting manufacturers)*



# Export volumes

## Exports by destination

| Destination |                     |                      | 12 months ended |        |          |
|-------------|---------------------|----------------------|-----------------|--------|----------|
|             |                     |                      | June            |        | % change |
| Rank        | Code <sup>(3)</sup> | Name                 | 2009            | 2010 P |          |
|             |                     |                      | \$(million)     |        |          |
| 1           | AU                  | Australia            | 9,717           | 9,652  | -0.7     |
|             |                     | People's Republic of |                 |        |          |
| 2           | CN                  | China                | 3,359           | 4,109  | 22.3     |
|             |                     | United States of     |                 |        |          |
| 3           | US                  | America              | 4,808           | 3,556  | -26.0    |
| 4           | JP                  | Japan                | 3,373           | 3,070  | -9.0     |
| 5           | GB                  | United Kingdom       | 1,757           | 1,567  | -10.8    |
| 6           | KR                  | Republic of Korea    | 1,282           | 1,321  | 3.0      |
| 7           | SG                  | Singapore            | 791             | 1,142  | 44.5     |
| 8           | ID                  | Indonesia            | 1,065           | 897    | -15.7    |
| 9           | HK                  | Hong Kong (SAR)      | 823             | 826    | 0.5      |
| 10          | TW                  | Taiwan               | 769             | 814    | 5.9      |
| 11          | MY                  | Malaysia             | 796             | 751    | -5.7     |
| 12          | IN                  | India                | 727             | 731    | 0.6      |
| 13          | DE                  | Germany              | 860             | 668    | -22.3    |
| 14          | PH                  | Philippines          | 671             | 661    | -1.5     |
| 15          | TH                  | Thailand             | 573             | 533    | -7.0     |
| 16          | SA                  | Saudi Arabia         | 582             | 513    | -12.0    |
| 17          | CA                  | Canada               | 515             | 479    | -7.1     |
| 18          | NL                  | Netherlands          | 524             | 467    | -10.9    |
| 19          | FR                  | France               | 554             | 464    | -16.3    |
| 20          | BE                  | Belgium              | 526             | 408    | -22.4    |



# Tailored support

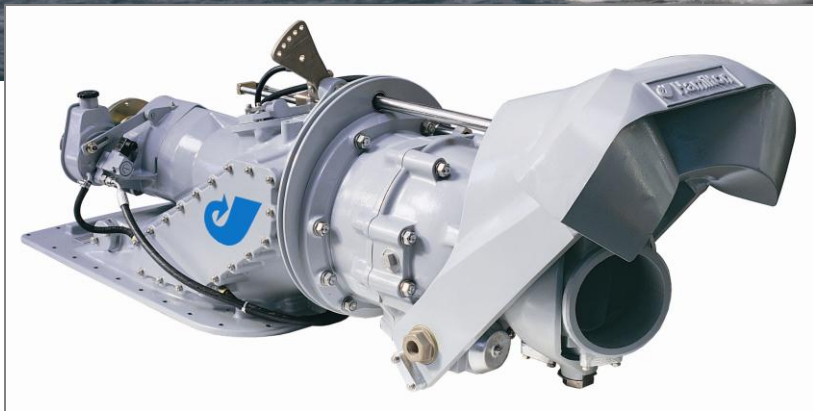
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# Long term partnerships

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## **FACT FILE: HAMILTON JET LIMITED**

**LOCATION:** CHRISTCHURCH

**STAFF:** 300 IN NEW ZEALAND AND 60  
OFFSHORE

**EXPORTING:** OVER 98 PERCENT OF  
PRODUCT EXPORTED

**EXPECTED REVENUE FROM LATEST R&D:**  
\$NZ30 – 40 MILLION OVER THE  
NEXT THREE YEARS



# Long term partnerships

“With a specialist industry like ours, many of the usual market development strategies aren’t appropriate. The funding NZTE has provided, and the doors their staff have been able to open, have been invaluable,”

“We have a pretty close relationship with our NZTE client manager and he regularly brings staff from the agency’s overseas offices to see what we do first hand. With a good understanding of what we do, they are better able to work for us offshore.”

Christian Walsh, Marketing Manager, Hamilton Jet.

# Long term partnerships

“The China Advisory Board helped us locate a new distributor in China and connected us to a government agency that builds boats and is now fitting them with our waterjets. Visiting our plant was crucial – they really understand what we are about, much more than would be possible by looking at brochures and the website.”

# Long term partnerships

“We undertake the work to grow our markets strategically, NZTE assists with the execution – opening doors, networking, providing expertise on areas that might trip us up, reviewing business plans for a specific region, providing general advice and support.”

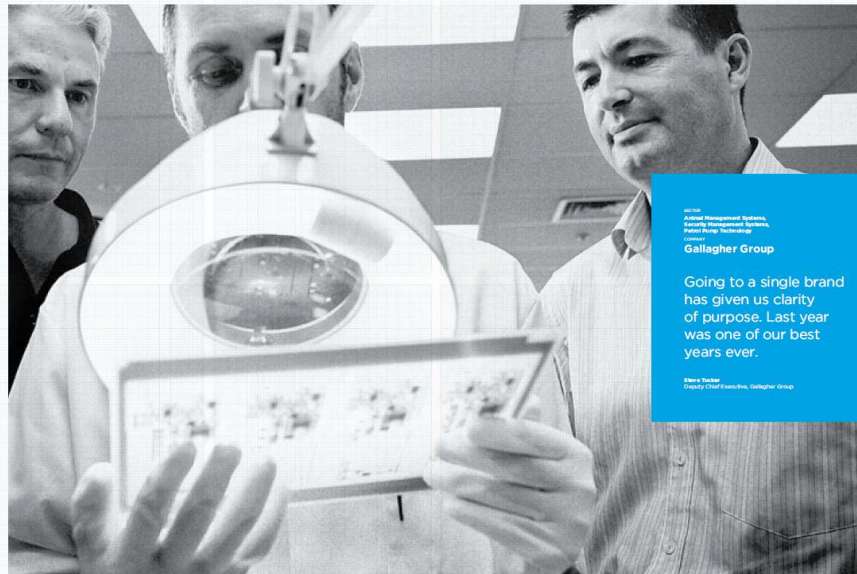
*Frank Owen, Tait Radio Communications*



# Long term partnerships

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## Better by Design<sup>NZ</sup>



**WISER**  
Project Management Systems,  
Inventory Management Systems,  
Project Design, Construction  
Software  
**Gallagher Group**

Going to a single brand  
has given us clarity  
of purpose. Last year  
was one of our best  
years ever.

**Steve Foster**  
Supply Chain Executive, Gallagher Group



**WISER**  
Project Management Systems,  
Inventory Management Systems,  
Project Design, Construction  
Software  
**Pacific Aerospace**

Better by Design helped  
us to understand where  
in the market we wanted  
to be and what we need  
to do to get there.

**Stephen Gandy**  
CEO Pacific Aerospace





## June 2010 quarter\*

- Exports increased 6.8 percent to \$11.2 billion.
- Export values are now similar to the record high of late 2008.
- Milk powder, butter, and cheese contributed half of the increase in export values.
- Imports increased 5.8 percent to \$10.8 billion.
- Import values are still well below their 2008 high.
- The trade balance was a surplus of \$389 million (3.5 percent of exports).

*\*Values are seasonally adjusted and compared with the March 2010 quarter unless otherwise stated.*



# No 1 export destination

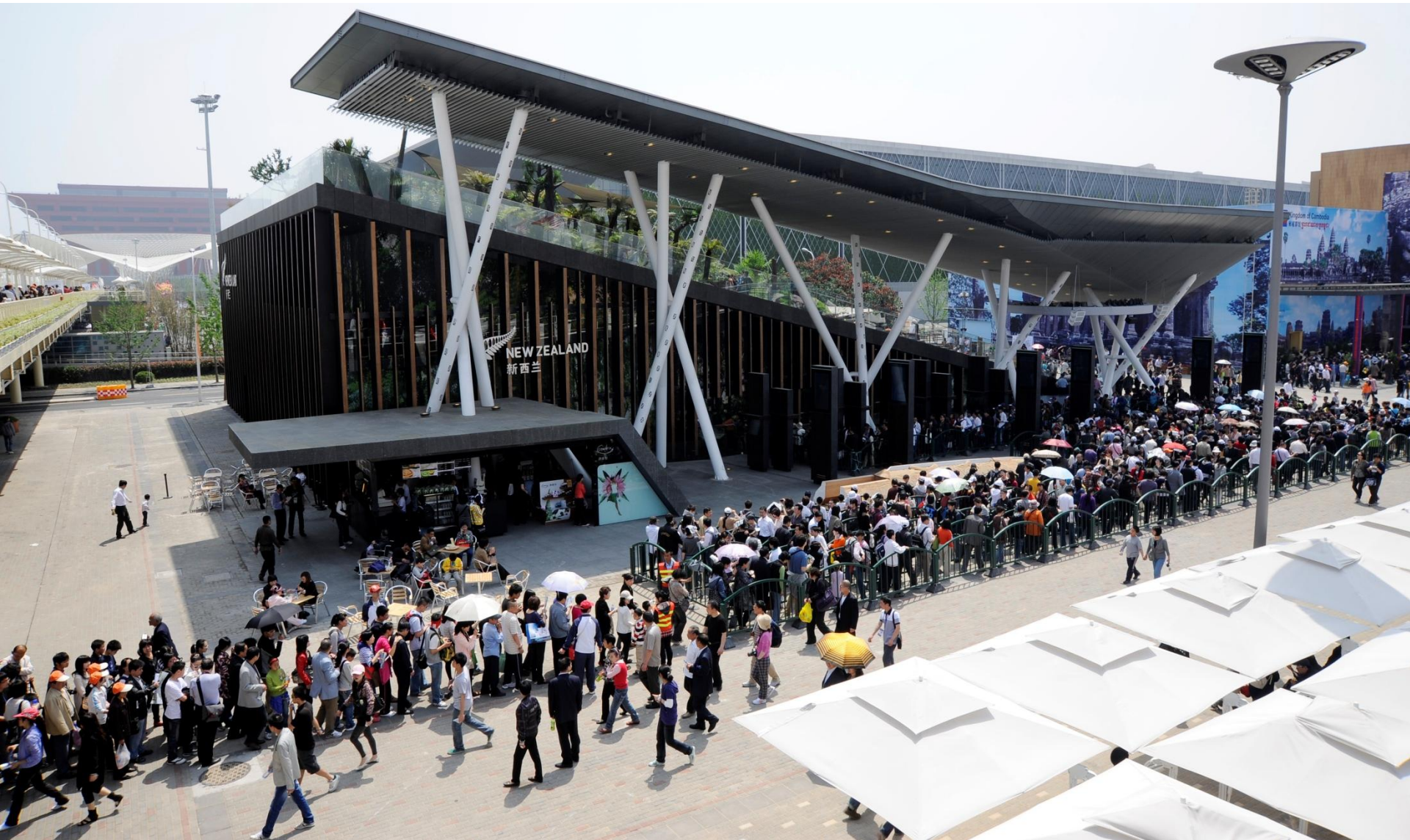
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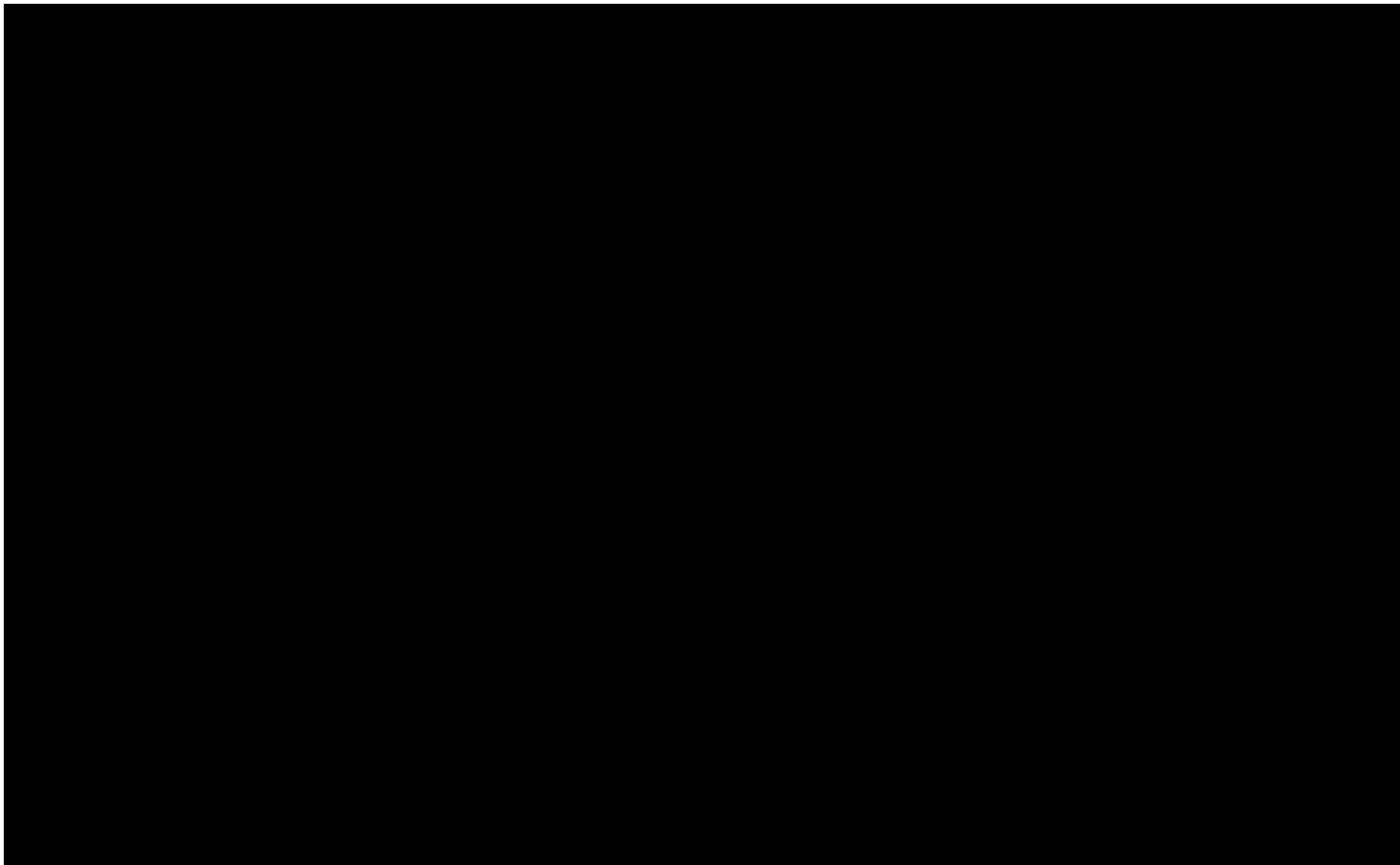
# An expanding network

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“New Zealand, despite its geographical isolation, has turned itself into an entrepreneurial powerhouse, leading the world in the creation of small and medium-sized enterprises, thanks in part to enlightened government policies.”

*The Economist, March 2009*





**The End**

