

**UK
TRADE &
INVESTMENT**



**Doing Business Down Under –
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New Zealand – Not Just Sheep & Rugby



Why New Zealand is an Ideal market for UK Exporters



So Where in the World are we?



NZ Background – Key Facts & Figures

Location: 1250 miles southeast of Australia and approximately 12000 miles from the UK

Landmass: 268, 680 sq km (UK 244, 820)

Population: 4.3 million

GDP: £27000 per capita

2 Main islands: North & South Islands, and numerous small islands

3 major cities: Wellington (capital), Auckland (business centre) & Christchurch

Unitary State, not a Federation of States like Australia. 16 Regional Councils and 74 Territorial Authorities, all set their own rates (tax)



NZ Background - Economy

- NZ Economy performing well compared to other advanced economies during global financial crisis
- NZ banks less exposed to credit crunch
- GDP contracted less than UK and US during 2009 and is expected to revert to trend levels of around 3% in 2011
- Business confidence is improving - positive in May '09
- World's 2nd easiest country to do business*
- World's least corrupt country (equal)**
- Signed free trade agreement with China last year - China's first with an OECD country
- Free market economy with low tax rates compared to UK

NZ Background – Economy

Key Sectors

- Service Sector (69% of GDP)
- Manufacturing & Construction (27% of GDP)
- Farming & Raw Material Extraction (4%)

Dependence on International Trade

- Agricultural , Fishing and Forestry Exports account for 50% of Output
(Fonterra 2nd largest dairy company in the world)
- 2nd Biggest Export is Oil (mainly due to lack of refining)

Most Important Trade Partners

- Australia (20%)
- US (13%)
- Japan (10%)
- China (6%) – and growing!
- UK (5%)

New Zealand – Key Economic Indicators*

GDP Growth %	2009	2010
China	+6.5	+7.3
India	+5.0	+6.4
NZ	-2.7	-0.6
USA	-3.2	+1.6
UK	-4.0	+0.6
Japan	-7.0	+0.8

Country	Unemployment 2009	Inflation CPI – 2009
China	9.5	-0.5
USA	8.1	-0.?
India	7.2	5.0
UK	6.5	2.2**
NZ	5.0	1.4
Japan	4.8	-1.7

*Economist Intelligence Unit, May 2009

**www.statistics.gov.uk

UK/New Zealand – Links

- UK exports to New Zealand were worth £240m from January-August 2008
- The UK is New Zealand's fifth largest trading partner in two-way trade
- The UK is New Zealand's seventh most important import market
- Around 80% of New Zealanders claim at least some British Ancestry



So Why Do Business in New Zealand?

Why Do Business in New Zealand

- World's 2nd easiest country to do business
- World's least corrupt country (equal)
- Legal System Based on UK Common Law
- Easy Regulatory Environment
- Low/ No Import Duties
- Dual Tax Agreement with UK
- English Speaking, UK products are viewed favourably
- Well Educated, Sophisticated Consumers
- Ideal Test Market for niche products
- Opposite seasons, provides opportunities for companies with seasonal products.
- Gateway to Asian Economies, Pacific Islands and South America

Routes to Market

- Direct Sales
- Agent/ Distributor
- Establish Local Business
- JV's & Strategic Partnerships
- Invest in NZ Company

Issues to Consider & Barriers to Entry

- Tariff / Import Duties/ & GST
- Bio-security
- Tyranny of Distance
- Due Diligence on any commercial agreement
- Management of Commercial relationship
- Regulations / Legislation
- Pricing – Dealing with Exchange rate fluctuations
- Competition!
- Size of market



Key Business Opportunities in New Zealand

ICT

- New Zealand's ICT market worth approx NZ\$8bn
- New Zealand to build new broadband network worth NZ\$1.5bn over 5 years
- Significant research infrastructure and highly-skilled workforce
- Technology-hungry, early-adopting, savvy, consumer base
- broad skills and responsiveness of our developers and managers
- E-health, Jade are the largest supplier of dental software into the UK
- Growth opportunities in E-health & E- learning
- GPS Systems – Navman was developed in NZ
- Rakon – supplies frequency control devices to approximately 50% of the global GPS market

Environment & Renewable Energy

- NZ was one of the first signatories to the Kyoto Protocol and will play an active role in Copenhagen this week.
- Around 70% of NZ electrical energy is from renewable resources
- Public and government support for pursuing lower carbon economy
- Emissions trading scheme currently under review by the Government
- Actively investing in renewable energy, particularly marine, wind, biomass and Geothermal
- Significant development of biofuels (tallow, algae)
- Establishment of EECA – to Promote green technology and offer support to businesses & Households to adopt new technology

Biotechnology & Healthcare

Biotechnology

- New Zealand has one of the world's most creative and active biotechnology sectors.
- Tax concessions of up to 150 per cent available for companies looking to conduct R&D in Australia
- NZ government & Industry actively pursuing international collaborations.

Healthcare

- Well funded healthcare system similar to UK
- Currently import 96% of medical devices
- Products used in NHS held in high regard
- Simple notification process for medical technology
- CE Mark & Local agent/ Distributor essential

Creative Industries

- UK creative industries highly regarded in New Zealand – British design seen as world leader
- Fashion is one of New Zealand's fastest growing sectors
- Fashion Exports Doubles in Value since 2000
- 50 Established Designer Labels selling internationally
- Strong film industry, location for some of the most successful movies of recent times (Lord of the Rings, Last Samurai, Lion Witch & the Wardrobe, all filmed in NZ)
- WETA Workshops has become a world leader in CGI and other digital media
- Software/interactive development and design and visual arts

Other Opportunities

Other opportunities exist in the following sectors

- Agriculture
- Giftware
- Engineering
- Education (particularly e-learning)
- Oil & Gas
- Professional Services
- Food & Drink
- Marine – Super Yacht Building



What can UKTI New Zealand
do for you?

What UKTI New Zealand can do for you

- **Local knowledge:** Tailored, experienced, impartial advice to maximise your chances of succeeding in New Zealand
- **Product launch:** our facilities are available in Auckland and Wellington.
- **Introduction service:** To prospective business partners, key Govt bodies and business mentors, Trade Associations etc
- **In Market Support:** Advice on logistics etc, assistance in arranging visit programmes.
- **Promotion:** PR to local media, UKTI website, e-newsletter and email campaigns
- UKTI New Zealand are a creative bunch and very open to discuss other ideas to help you reach the market.



For Further Information on the
New Zealand Market
Contact

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