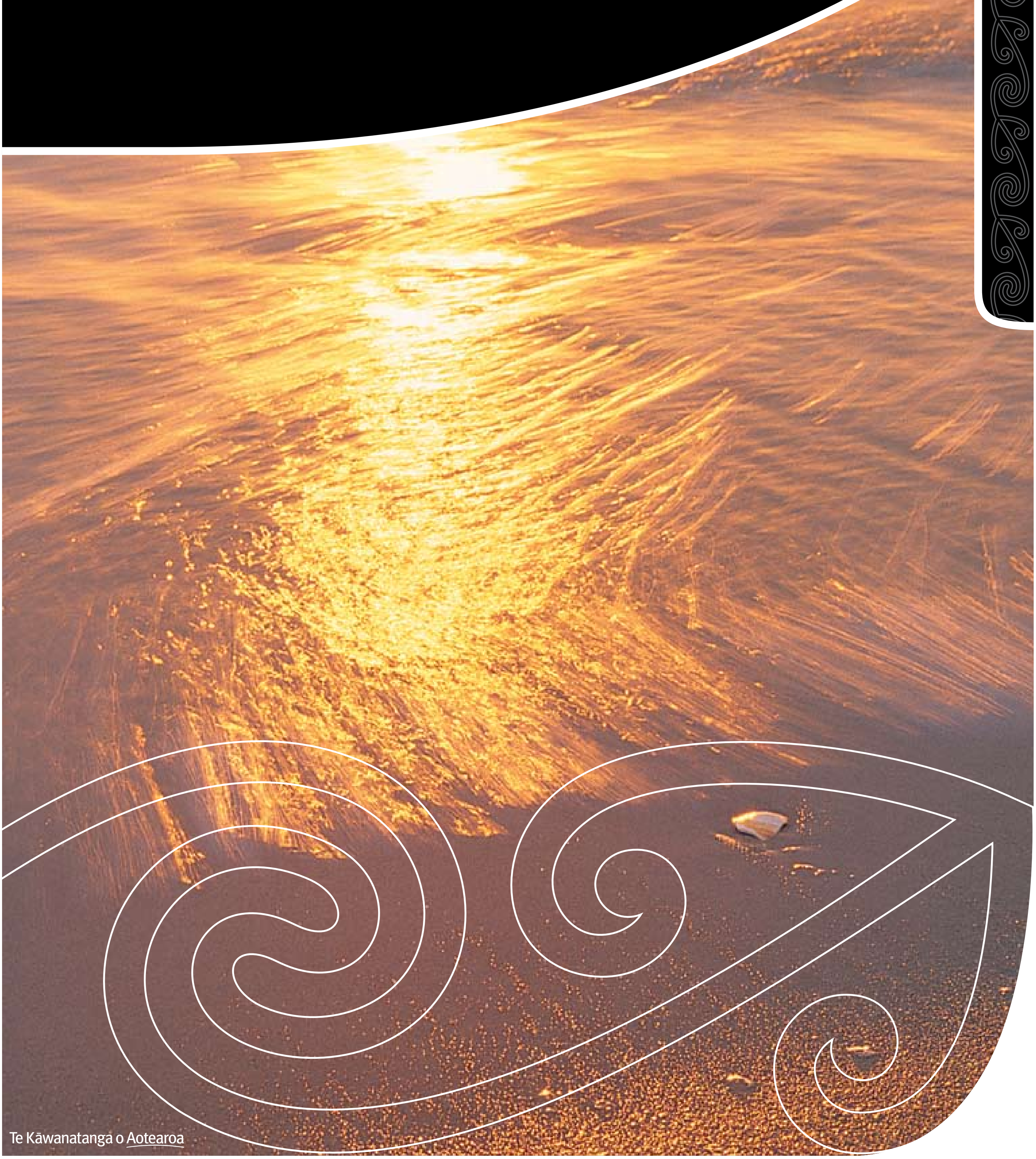
Te Puni Kōkiri
REALISING MĀORI POTENTIAL

nzier
authoritative analysis

MĀTAURANGA *KNOWLEDGE*

Te Hoko ki Tāwāhi a Ngāi Māori

Māori Export Competitiveness

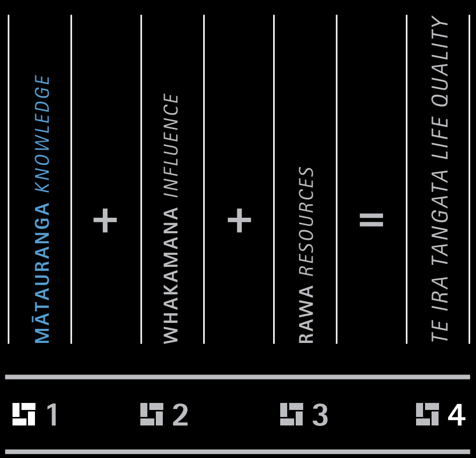


Te Kāwanatanga o Aotearoa

Ka tope tāhū anō, waiho kia rere ana

The ridgepole of the house is cut so let it rise

REALISING MĀORI POTENTIAL



The framework above identifies three key enablers that are fundamental to Māori achieving Te Ira Tangata (improved life quality) and realising their potential. All our written information has been organised within these three key enablers or Te Ira Tangata.

1	*Mātauranga – Building of knowledge and skills.* *This area acknowledges the importance of knowledge to building confidence and identity, growing skills and talents and generating innovation and creativity. Knowledge and skills are considered as a key enabler of Māori potential as they underpin choice and the power to act to improve life quality.*
2	*Whakamana – Strengthening of leadership and decision-making.*
3	*Rawa – Development and use of resources.*
4	*Te Ira Tangata – The quality of life to realise potential.*

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Final report to Te Puni Kōkiri

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NIKAU – the off spring of tane and Tunarangi, nikau provided a rich array of benefits for Māori including thatching and weaving materials (leaves), storage containers (outer trunk), necklaces (berries), and food (young shoots).

KEY POINTS

RE-BALANCING TOWARDS EXPORTING LEADS TO BETTER ECONOMIC OUTCOMES

Recent discussion has focused on the need to re-balance the New Zealand economy. The aim of the re-balancing is to shift production towards the tradable sector and increase our exports. International trade is good for New Zealand's economic growth because it opens our businesses to larger markets, and allows us to focus on doing what we do best by creating opportunities for our more productive firms to expand.

The gains from exporting flow across the whole economy as higher incomes and sales are spent in New Zealand places like supermarkets, cafes and restaurants, clothing stores, and all the other aspects of New Zealand's economy. In this way the whole country gains from improved export performance.

HIGH-GROWTH INDUSTRIES PRESENT OPPORTUNITIES FOR ALL OF NEW ZEALAND

New Zealand's export sector needs a step change in performance to meet the Government's goal of increasing the value of exports to 40 percent of GDP by 2025. New Zealand can make large gains by improving its export performance in high global-growth sectors. New Zealand already has an export advantage in these products. It should be simpler to build on these existing strengths than develop exports in entirely new products. The high demand growth for these products suggests that there is plenty of space for New Zealand producers to expand.

Māori businesses are operating in all of New Zealand's broad areas of export strength. It is likely that Māori businesses will have opportunities in these high-growth industries. Māori businesses appear well placed to take advantage of export opportunities in the primary sector as well as through tradable services such as tourism, education, and personal, cultural and recreational services.

PLANNING AND LEVERAGING EXISTING GOVERNMENT RESOURCES CAN HELP MĀORI EXPORTERS SUCCEED

The decision to export is risky for businesses. Māori businesses need to enter export markets with their eyes open to all relevant risks. The competitive nature of a product market is one of these risks and is a significant factor of long-term success. Māori businesses need to consider how they will respond to all of the competitive aspects of a market before deciding to export. A Porterian framework is a useful way of thinking about these competition issues.

NZTE and MFAT are two government agencies that have a direct role in developing New Zealand's international trade. Māori businesses that take advantage of the export-focused advice and resources provided by these agencies will be well placed to enter export markets with greater confidence.

WHAUWHAU– like the clematis, whauwhau was known to Māori as the child of two stars of the heaven, Rehua and heralds the arrival of summer with its blossom.

PURPOSE

There has been a lot of recent discussion about the need to re-balance the New Zealand economy, especially in light of the global recession. Part of this re-balancing means shifting the economy away from the non-tradable sector towards industries that compete with imports or are exportable – the tradable sector. To support this re-balancing the Government has set a goal of increasing the value of New Zealand's exports to 40 percent of GDP by 2025.[1]

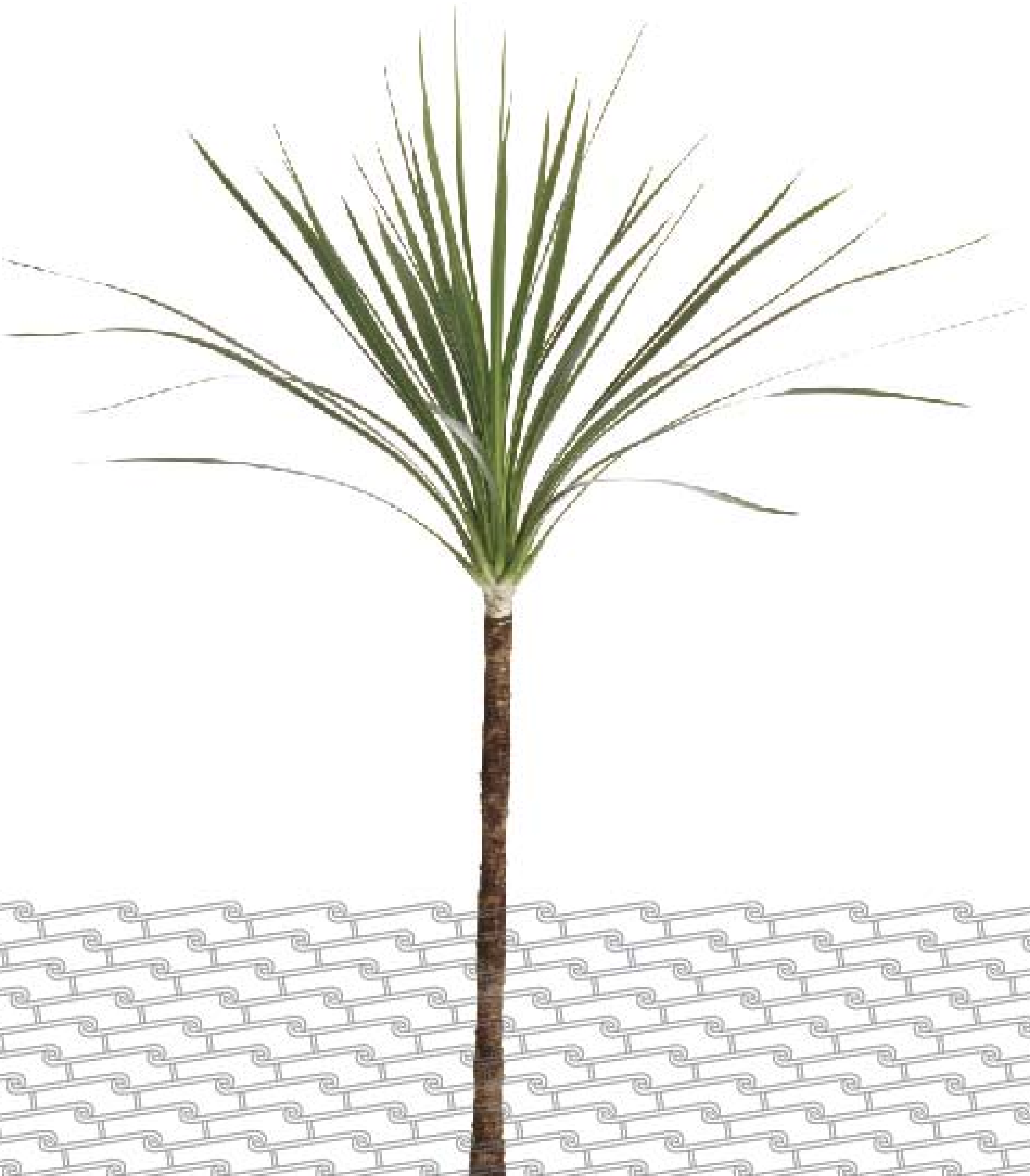
Te Puni Kōkiri wants to gain a better understanding of the economic benefits of exporting, areas of New Zealand's exporting advantage, and some strategies to enter export markets. This understanding will inform Te Puni Kōkiri's actions as it supports Māori businesses to allocate their capital resource and increase their international activities.

This report:

- provides an overview of the well-known benefits from exporting;
- provides potential areas of Māori exporting strength, based on recent research of New Zealand's areas of export strength;
- discusses a framework that businesses may follow when deciding how to enter an export market; and
- reviews the existing Government mechanisms that assist businesses to begin or expand exports.

1 This goal was stated when the current government introduced its 'Economic Growth Agenda'. See speech from August 2009 by Hon Gerry Brownlee titled 'Priorities for New Zealand in the current economic environment'. http://gerrybrownlee.co.nz/index.php?/archives/130-Opening-Address-to-the-2009-EDANZ-Conference.html

Also see CBC (10) 19 - Medium Term Economic Growth Agenda: Science and Innovation Initiatives. Released 8 Jul 2010. http://www.treasury.govt.nz/publications/informationreleases/budget/2010/pdfs/b10-cbc10-19.pdf



WHY EXPORTING HELPS

International trade allows New Zealand to move beyond its small size and make the most out of its economic resources. This happens in three main ways:[2]

- **Access to bigger markets** - Businesses that export have the opportunity to sell to a maximum pool of 6.7 billion customers, while those that focus on New Zealand are limited to 4.4 million people. This global pool also provides space for producers with unique products that may not be commercially successful in small markets such as New Zealand. In addition, exporting allows New Zealand firms to tap into regional and global value chains and provides a platform for forming linkages with overseas firms that might result in new opportunities.
- **Spreading risk** – Exporting businesses are able to put their sales 'eggs' in a number of different baskets. This reduces potential losses to the firm if one basket was to collapse. While this revenue diversification is a positive, exporting firms also face a number of extra risks such as exchange rate fluctuations.
- **Benefits from doing what we do best** – International trade provides New Zealand with the opportunity to focus on producing what we do best, and then trade with the rest of the world for the other things that we want. Recent New Zealand research into the characteristics of exporting firms found that exporters tend to be larger, more productive, and pay higher wages than non-exporting firms.[3] This suggests that by focusing on our strengths and expanding them, our economy can shift away from our less strong areas, become more productive and we will earn higher incomes.

The gains from exporting flow across the whole economy as the higher incomes and sales are spent in New Zealand places like supermarkets, cafes and restaurants, clothing stores, and all the other aspects of New Zealand's economy. In this way the whole country gains from improved export performance.

EXPORTING IS JUST ONE PART OF THE INTERNATIONAL STORY

While this paper focuses on exports, it is important to be aware that exporting is only one way that New Zealand connects to international markets. The other ways also present opportunities for businesses to grow and become more productive. The other ways include:

- Importing.
- Outward and inward foreign investment.
- Migration and immigration.

How these pathways improve New Zealand's productivity has been recently discussed by the Treasury.[4] They found that connecting with the rest of the world can increase productivity through the three reasons discussed above as well as by accessing high productivity resources such as global supply chains, and applying new international ideas to New Zealand situations such as new production techniques.

This suggests that exporting is not the only way that Māori businesses can gain from international connections. Businesses could grow by applying international knowledge and experience to their situation. They could do this in a number of ways including by enticing international experts to move to New Zealand, or by learning from an international partner.

2 Māori Economic Development Taskforce. (2011). Increasing exports. MET Discussion Paper. http://www.tpk.govt.nz/_documents/taskforce/met-increaseexport-2011.pdf

3 Fabling and Sanderson (2009), Saravanaperumal and Charteris (2010)

4 New Zealand Treasury (2009)

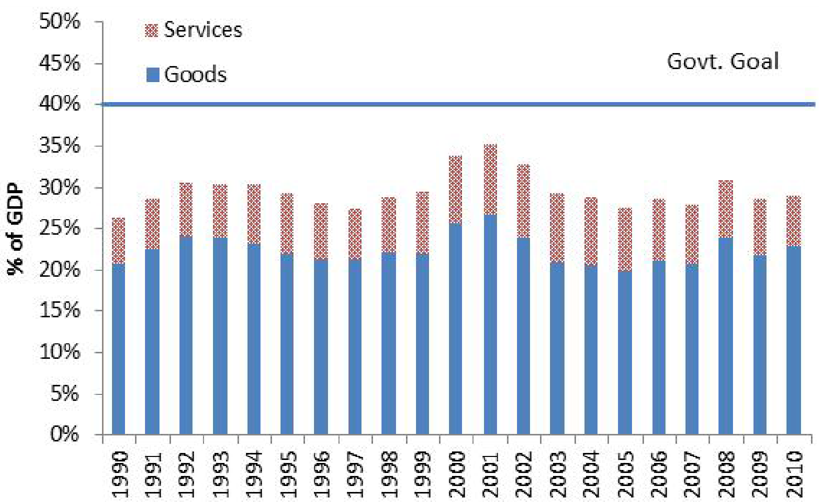
RECENT PERFORMANCE AND AREAS OF STRENGTH

HOW HAS NEW ZEALAND DONE?

In 2008, the Government set its goal to increase exports to 40 percent of GDP. At that time, New Zealand's exports were 30 percent of GDP, or $17.8 billion below the target level. Global trade felt the full impact of the global recession the following year. The OECD reports that global trade fell 12.5 percent in 2009.[5] New Zealand's exports were affected but recovered in 2010 to nearly the same value as in 2008.[6]

Figure 1 shows that since 1990, New Zealand's exports peaked at 35 percent of GDP in 2001. This suggests that New Zealand's export sector will need to change and grow to reach the Government's goal.

FIGURE 1: NEW ZEALAND'S EXPORTS 1990–2010, PERCENTAGE OF GDP



Source: Statistics New Zealand

AREAS OF NEW ZEALAND EXPORTING SUCCESS

Research has suggested that New Zealand's export competitiveness could be increased by improving efficiency and innovation in the sectors that we are successfully exporting. We should keep doing what we have been doing, just do it better and smarter, whilst continuing to look for new products and markets.[7]

This section looks at the successful parts of our export profile and lists some products that could provide opportunities for Māori businesses to explore.

5 OECD (2010)

6 For a comprehensive overview of New Zealand's export and investment linkages with the rest of world, see the 'Global New Zealand' report published every 6 months by Statistics New Zealand and MFAT. This includes our key exports to each of our main markets. The report is available at http://www.stats.govt.nz/browse_for_stats/industry_sectors/imports_and_exports/global-nz-dec-10.aspx

7 Ballingall and Briggs (2002)

GOODS EXPORTS

Nesbit (2011) recently analysed the performance of New Zealand's exports between 1999 and 2007.[8] In that analysis New Zealand's goods exports were grouped into five areas, shown in Table 1:

- **Star performers** – These are products where New Zealand is gaining global market share and where global exports of these products are out-growing the global exports of all products.
- **Potential stars** – These are products where New Zealand is losing global market share, but global exports of these products are out-growing the global exports of all products.
- **Losers in slow growing markets** – These are products where New Zealand is losing global market share and these products are growing slower than the global exports of all products.
- **Winners in slow growing markets** – These are products where New Zealand is gaining global market share, but these products are growing slower than the global export of all products.
- **No comparative advantage** – These are products where New Zealand is relatively worse at producing them than other countries.[9]

Table 1 tells us that while most of New Zealand's exports are in low-growth products, 20 percent are in high-growth products. Concentrating on improving the performance of these high-growth sectors can go a long way to re-balancing the economy and helping meet the Government's export goal. The rest of this section will focus on the high-growth products, the star performers and potential stars.

TABLE 1: NEW ZEALAND'S AREAS OF EXPORT SUCCESS

	2007 Value of exports in each area (US$000)	Percentage of total exports
Area 1 Star performers – world exports grew faster than average, NZ exports grew even faster	3,932,146	14.6%
Area 2 Potential stars – World exports grew faster than average, but NZ exports grew slower than world exports	1,531,484	5.7%
Area 3 Losers in slow growing markets - world exports grew slower than average, NZ exports even slower	7,246,254	26.9%
Area 4 – Winners in slow growing markets – world exports grew slower than average, but NZ exports grew faster	9,750,909	36.2%
Total of the four areas	22,460,794	83.4%
No comparative advantage	4,470,140	16.6%
Total exports	26,930,933	100.0%

Source: Nesbit (2011)

8 Note that this analysis was carried out at an industry level, rather than at the firm level. There may be value in identifying Māori businesses in these groups and doing some case studies to show what strategies have helped them to succeed.

9 The world's largest exporters of products are not always those that have the lowest production costs. What matters is the *comparative advantage* - that these countries are *relatively* better at making that product than another, when compared to another trading country.

STAR PERFORMERS

Star performers are the products where New Zealand has an export advantage, and global demand is soaring. Expanding or finding innovative production methods for our star performers should be the goal of the businesses that make them. Making the most of these chances will help re-balance the economy and lift our export performance.

New Zealand's star performers, as shown in Table 2, are dominated by food or animal products, manufactured goods, or machinery and transport equipment.

TABLE 2: NEW ZEALAND'S STAR PERFORMING EXPORTS

	NZ exports 2007 (US$000)	Percentage of star-performing exports
Food and live animals	1,763,924	44.9%
Beverages and tobacco	60,922	1.5%
Crude materials, inedible, except fuels	320,379	8.1%
Mineral fuels, lubricants and related materials	214,637	5.5%
Animal and vegetable oils and fats	3,870	0.1%
Chemicals	22,620	0.6%
Manufactured goods classified chiefly by material	631,468	16.1%
Machinery and transport equipment	554,656	14.1%
Miscellaneous manufactured articles	159,405	4.1%
Other (includes confidentialised items)	200,266	5.1%
Grand Total	3,932,146	

Source: Nesbit (2011)

These products typically include some type of processing or development. Some of the more specific examples provided by Nesbit (2011) include:

- Natural milk products.
- Prepared foods.
- Fresh or chilled cuts of sheep meat.
- Lifting machinery.
- Washing machines.
- Hydraulic engines.
- Agricultural machinery.
- Metals including iron, steel or aluminium.

POTENTIAL STARS

Ballingall and Briggs (2002) suggest focussing on products where New Zealand is losing market share in high growth markets. These products should be stars if their performance could be improved.

New Zealand already shows an export advantage in these products. It should be simpler to build on these existing strengths than develop exports in entirely new products. The high demand growth for these products also suggests that there is plenty of space for New Zealand producers to expand.

Nesbit (2011) provides some specific examples of these products, and as with the star performers, they involve some processing beyond raw materials. Examples include:

- Fresh cheese.
- Preserved shellfish.
- Fresh or chilled vegetables.
- Albumins.
- Machinery and transport equipment.
- Electric conductors.
- Sailboats.
- Refrigerators/freezers.
- Machines to crush or grind stone, ores and minerals.
- Plywood.

Producers of these, or related products, need to review their production methods to make sure they are keeping up with the technological frontier. Any new or innovative approaches could be implemented in New Zealand.

While they are not comprehensive, the examples of the potential and star performers do show that there are opportunities for growth across both the primary and manufactured sectors.

SERVICES EXPORTS

As Figure 1 showed, New Zealand's services exports represent about 20 percent of our total exports. Figure 2 shows that while New Zealand's services exports as a percentage of GDP are higher than Japan, the United States and Australia, they are low when compared to most other OECD countries. This difference suggests that our services exports are under-developed and present a growth opportunity for New Zealand – and Māori - producers.

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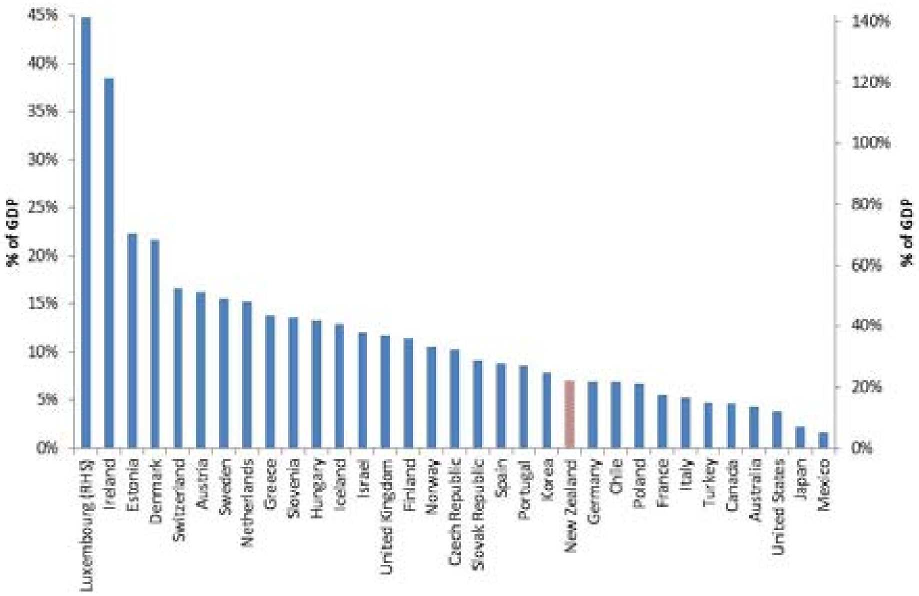
FIGURE 2: OECD MEMBERS' SERVICES EXPORTS



Exports as a percentage of GDP, Luxembourg on RHS, 2008
Source: OECD

Services trade data are notoriously difficult to source, however, Nesbit (2011) does analyse the available data and finds that New Zealand has an export advantage in the following sectors:

- Tourism.
- Education.
- Business travel.
- Legal, accounting, management consulting, and public relations.
- Personal, cultural, and recreational services.

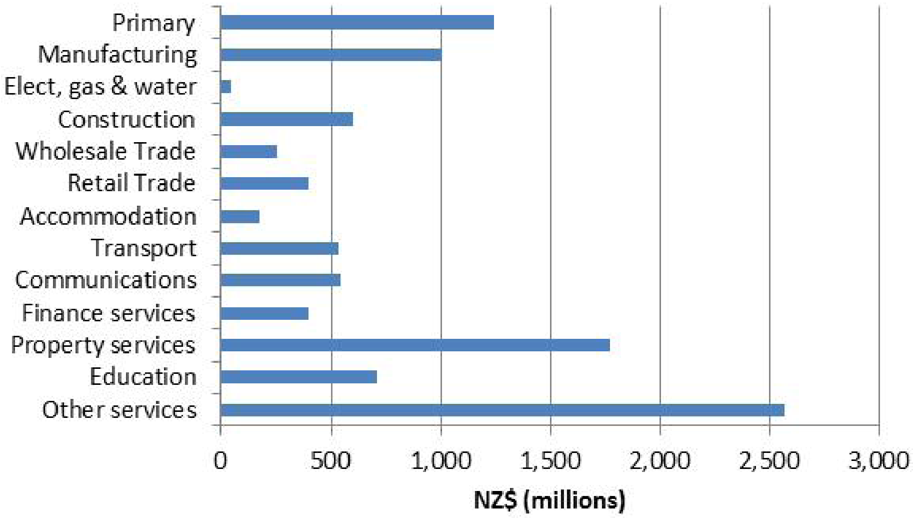
While this list is not exhaustive due to the lack of data, it does highlight some areas where New Zealand is doing well, and could have the potential to do better. Businesses in these sectors that focus only on the New Zealand market, could be in a good position to consider entering foreign markets.

POTENTIAL AREAS OF MĀORI EXPORTING STRENGTH

The potential areas of Māori exporting strength are likely to be in the sectors where Māori businesses are already successful. This section identifies some broad areas in the Māori economy that could be star performers.

Official information on the size and make-up of the Māori economy is scarce. Estimates of Māori exports by sector are not available. A number of studies have estimated the size and industrial make-up of the Māori economy (NZIER 2007, BERL 2008, BERL 2011). The most recent of these estimated Māori GDP to be $10.3 billion in 2010, with an asset base of $36.9 billion.

FIGURE 3: INDUSTRY CONTRIBUTION TO MĀORI GDP, 2010



Note: Primary includes agriculture, forestry, fisheries, and mining. Other services includes health, community, cultural, recreational, personal and other services.
Source: BERL (2011)

Figure 3 shows that the largest industries in the Māori economy are other services (including health, community, cultural, recreational, personal and other services), property services, the primary sector (including agriculture, forestry, fisheries, and mining), and manufacturing. The primary and manufacturing sectors are trade-exposed and thus present ample opportunities for Māori businesses to engage internationally.

Figure 4 shows that Māori assets are spread out across a diverse range of sectors. There is a significant amount of asset ownership in the primary sector. Other significant assets are held in property and other services.

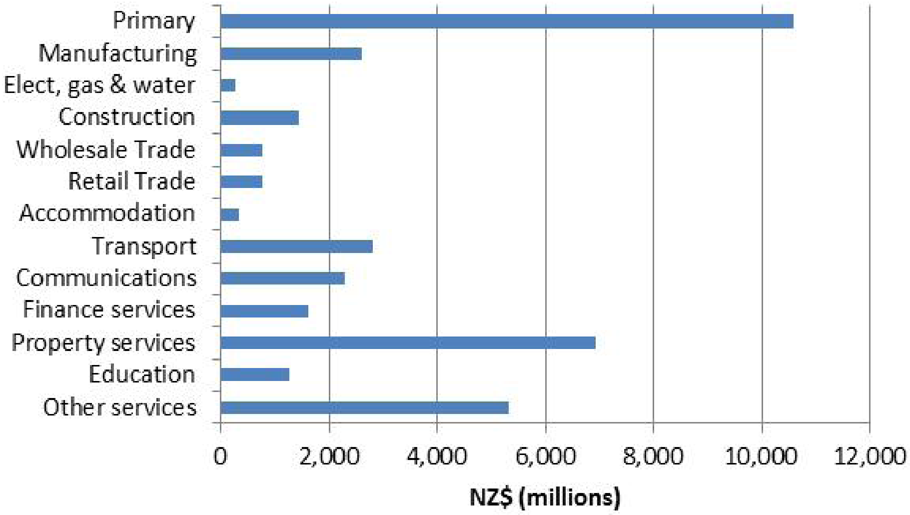
The estimates from BERL (2011) are broad and indicate that Māori businesses operate across the whole of the economy. This suggests that there could be opportunities for Māori businesses across the star performing and potential star products discussed above.[10]

Many of New Zealand's star performers and potential stars were sourced from the primary sector. The high level of asset ownership in, and the large contribution to GDP from, the primary sector suggests that Māori businesses could be well positioned to take advantage of the primary sector export opportunities.

Figure 3 shows that Māori have a strong presence in the services sectors that were shown by Nesbit (2011) to have an export advantage. Specifically mentioned were tourism, education, and personal, cultural and recreational services. Many of these services are tradable, and developing international sides to Māori businesses in these areas would deliver benefits to the entire economy.

10 See Māori Economic Development Taskforce (2011) for a brief commentary on the uniqueness of Māori exports – namely tikanga Māori and understanding the importance of relationships in conducting international business.

FIGURE 4: MĀORI ASSETS BY INDUSTRY, 2010



Note: Primary includes agriculture, forestry, fisheries, and mining. Other services includes health, community, cultural, recreational, personal and other services
Source: BERL (2011)

FAILING TO PLAN IS PLANNING TO FAIL

The way forward for Māori business is to grasp the available export opportunities. Before making the decision to export, interested businesses needs to step back and think about what they are going to do, how they are going to do it, and who can help them with it.

This section discusses a framework for Māori businesses to consider the competitive nature of the market they plan to enter, and two New Zealand government agencies with export related roles.

COMPETITION STRATEGY

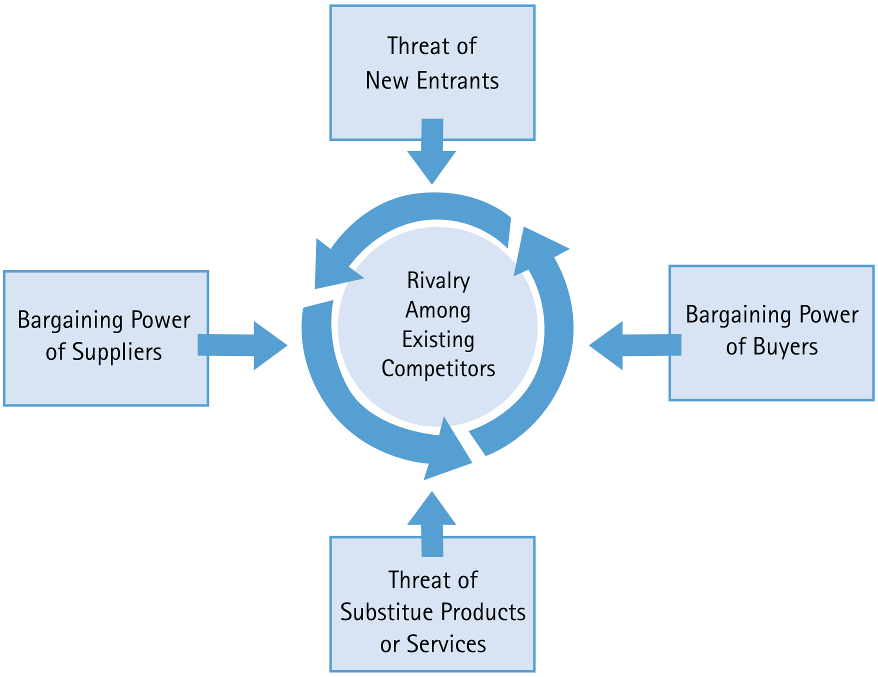
Producing a globally competitive product is a good start but does not guarantee long-term exporting success. Over the longer-term the competitive nature of a product market is a larger factor in success. Māori businesses need to consider all of the competitive aspects of a market before deciding to export.

Porter (1979) provides a well-known framework to think about the competition in a market, known as five forces analysis. Porter (1979) considers the nature of competition in an industry to be related to five basic forces, as shown in Figure 5:[11]

- Threat of new entrants.
- Bargaining power of suppliers.
- Bargaining power of purchasers.
- Threat of substitution.
- Rivalry among existing competitors.

11 Future research could take a selection of Māori businesses that are already exporting or are considering exporting and apply this Porterian framework to their operations.

FIGURE 5: FIVE FORCES THAT SHAPE INDUSTRY COMPETITION



Source: Porter (1979)

The strength of these forces play a role in profit levels and the ultimate success of firms in a market. A business' role is to find a position in the market where it can defend itself or influence the forces to its advantage.

IMPLICATIONS FOR MĀORI BUSINESSES

Māori businesses need to think how each of these forces work in their potential export market, and plan how they intend to address them. The constantly changing nature of export markets means that existing exporters can also benefit from applying this framework to their current situation.

THREAT OF NEW ENTRANTS

An industry that is open to new entrants forces existing firms to constantly protect their market share, or risk losing it. Businesses that enter an industry usually bring increased production capacity, a desire to gain market share and the resources to make it happen.

Porter (1979) states that the threat of new entrants depends on the barriers to entering the industry, and the likely response from existing firms. The six main barriers to entering an industry are presented in Table 3.

TABLE 3: BARRIERS TO INDUSTRY ENTRY

Economies of scale	Existing firms can have an advantage if costs fall as production increases. This is a barrier to entering the industry because new entrants have to invest heavily get the benefits of scale. This can be prohibitive for some firms.
Product differentiation	Existing firms can have an advantage if their product is seen as unique and controls a specific segment of the market. Potential competitors have to break this customer loyalty and may need to spend heavily on advertising or customer service to do so
Capital requirements	Existing firms can have an advantage simply by operating in a market with high start-up costs. In some industries, firms will have to invest in research and development as well as providing credit to customers and establishing inventories. High costs like these will prevent some firms from entering the market.
Cost disadvantages beyond economies of scale	Established firms can learn from their experiences in the market. Benefits from experience can range from learning the best suppliers or production techniques to purchasing assets at lower, pre-inflation prices. These advantages are difficult for potential competitors to over-come. On the other hand, new firms may leap-frog existing businesses by using an innovative production technique.
Access to distribution channels	Existing firms have an established supply chain that begins with their suppliers and flows through their distribution channels to the final consumer. New firms can find it difficult to set-up these chains, especially if all of the options are controlled by existing firms. To get beyond this barrier new firms may have to accept a lower return, provide a higher quality product to their customers, or develop their own options at each stage of the chain.
Government policy	Competition can be influenced by government policy in a market. Governments can limit the number of firms in a market, or access to important raw materials (e.g. through tariffs or other trade barriers). Firms should evaluate these barriers before entering the market as they are difficult to over-come.

Source: Porter (1979)

The expected reaction of an existing firm to a new competitor will also influence the threat of new entry. Aspects of existing firms that will determine whether firms will enter a market include:

- A firm's previous reactions to new competition.
- A firm's availability of resources to fight back.
- A firm's willingness to cut prices to keep market share.

IMPLICATIONS FOR MĀORI BUSINESSES

Māori businesses that are able to overcome higher barriers to entry will be able to defend their position more easily than firms operating in markets with low barriers to entry. Reviewing the threat of new entry in a potential market will make Māori businesses aware of what they will need to do to remain competitive in that market.

BARGAINING POWER OF SUPPLIERS

Powerful suppliers are able to apply pressure in a market by increasing the price of their product, or reducing its quality. This is particularly relevant for industries where businesses are unable to increase their price and must absorb the higher cost.

Powerful suppliers usually have some of the following characteristics:

- A small number of competitors.
- A unique product, or one that is expensive to change to another supplier's version.
- Can easily expand to compete in the downstream industry.

IMPLICATIONS FOR MĀORI BUSINESSES

Māori businesses can reduce this threat by choosing the supplier that has the least power to negatively influence it. Māori businesses will often be part of a supply chain. It is important for Māori businesses to understand all of their supply options, and choose the supplier that is least able to apply pressure.

BARGAINING POWER OF PURCHASERS

Consumers can influence a market by driving down prices, demanding higher quality products, or playing competitors off against each other.

Powerful consumers usually have some of the following characteristics:

- Purchases large volumes, or a limited number of purchasers in the market.
- Purchases a standard product that can be supplied by any competitor.
- The product is a large part of their product, making it worth their time to find the lowest cost.
- Earn low profits, making lowering costs very important.
- Can easily expand to compete in the upstream industry.

IMPLICATIONS FOR MĀORI BUSINESSES

Māori businesses can reduce this threat by selling to the purchasers with the least opportunity to put negative pressure on them. In practice this means that Māori businesses need to know not only about their own market, but also about their purchaser's market and how their product contributes to it. This knowledge will allow Māori businesses to choose the most appropriate purchaser.

THREAT OF SUBSTITUTION

Substitute products are similar to each other and can be easily interchanged. Substitute products compete with each other and place a limit on the possible price for a good, limiting the success within a market.

Porter (1979) suggests that substitute products that deserve the most attention are those that are:

- Improving their value-for-money when compared to the original product.
- Produced by industries that are earning large profits.

Industries that earn large profits quickly attract substitutes whose producers are interested in claiming some of those profits.

IMPLICATIONS FOR MĀORI BUSINESSES

Two ways that Māori firms can reduce the threat of substitutes are by either making their product more unique, and therefore less able to be substituted with another, or improving its quality. As noted in NZIER (2003), the strong influence of tradition, culture and spiritual values sets Māori businesses apart from other businesses operating in New Zealand. This suggests that these influences can also set Māori businesses apart from global competitors.

RIVALRY AMONG EXISTING COMPETITORS

Competition amongst existing firms usually involves a mixture of price competition, the introduction of new products, and advertising campaigns. The depth of the rivalry can be related to a number of factors, including:

- The market consists of a large number of firms that are relatively equal in size and power.
- The industry is growing slowly, which make firms fight for market share.
- Each firm's product is similar and easily substitutable.
- The product is perishable, giving firms the temptation to lower prices.

IMPLICATIONS FOR MĀORI BUSINESSES

Māori firms are unlikely to influence most of these characteristics, but they do have some options. Recent research by NZIER and TE PUNI KŌKIRI (2007) one of the key strengths of Māori businesses is a focus on establishing partnerships based on deep and broad relationships. Māori businesses that develop deep relationships with their customers are likely to have increased customer loyalty. More loyal customers are less likely to switch to other products, which has the effect of reducing the number of rivals for that Māori firm.

PUTTING IT ALL TOGETHER

Understanding the causes of competition in an industry allows a Māori firm to think about how it can act to side-step any negative impacts and how it can position itself to make the most of its strengths. This will help to reduce the risks associated with exporting.

THE GOVERNMENT IS THERE TO HELP

As increasing exports is a focus of the Government, it is useful to look into how it can help before a firm plunges into a new market.[12] The New Zealand Government has two agencies that have a direct role in developing New Zealand's international trade. They are:

- New Zealand Trade and Enterprise (NZTE).
- Ministry of Foreign Affairs and Trade (MFAT).

NEW ZEALAND TRADE AND ENTERPRISE

NZTE focuses on supporting exporting firms through its trade promotion role.[13] NZTE has a mountain of information about preparing to export and offers a range of programmes to help businesses develop and succeed globally. Some of these programmes may include some funding to help eligible businesses get ready to export.

Along with these programmes, NZTE holds a large amount of information about global export markets. This information is generated from NZTE's network of 37 international offices. Businesses are able to receive these market reports from NZTE electronic distribution list.[14]

New Zealand businesses have the opportunity to use NZTE as a resource before they decide to start exporting. NZTE is able to offer advice to make sure exporting is successful.

MINISTRY OF FOREIGN AFFAIRS AND TRADE

MFAT focuses on improving New Zealand's access to foreign markets through its role as a negotiator of Free Trade Agreements (FTAs) and in the World Trade Organisation (WTO).[15] New Zealand's trade negotiators are highly-rated and have had recent success in completing FTAs with a number of countries.[16]

The FTAs that MFAT negotiates are designed to make things easier for New Zealand businesses to trade with foreign countries. Businesses play a role in these agreements by telling MFAT of any issues they have with a country so they can be resolved.

MFAT publishes BusinessLink, a regular electronic magazine that provides updates on progress in trade negotiations and any potential negotiations.[17] The contact details provided in *BusinessLink* gives businesses the opportunity to get involved in the trade negotiating process and to make sure that any agreement meets their needs.

12 Future research may want to highlight specific cases of how government agencies have helped Māori businesses become better engaged with the global economy.

13 More information is available at http://www.nzte.govt.nz/get-ready-to-export/Pages/get-ready-to-export.aspx

14 Businesses can sign up for these reports at: http://www.nzte.govt.nz/Register-for-Updates/Pages/Register-for-Updates.aspx

15 More information is available at www.mfat.govt.nz

16 These countries include Australia, the 10 members of ASEAN, Chile, China, and Hong Kong. MFAT is also currently negotiating with South Korea, India, Russia, and the 8 negotiating partners in the Trans-Pacific Strategic Partnership (TPP), which includes the United States and Peru.

17 More information on BusinessLink, including how to join the mailing list, can be found at http://www.mfat.govt.nz/Media-and-publications/Publications/Businesslink.php

CONCLUSIONS

New Zealand's export sector needs a step-change in performance if it is to meet the Government's goal of increasing the value of New Zealand's exports to 40 percent of GDP by 2025.

There are excellent export opportunities for New Zealand in global high-growth sectors. New Zealand already has had export success in these sectors. Māori businesses can take advantage of these opportunities by expanding or applying innovative production methods to these products.

Māori businesses entering export markets will face many risks. The competitive nature of a product market is one of these risks and is a significant factor of long-term success. Developing strategies to respond to all of the competitive aspects of a market will be an important part of Māori firms' preparation for exporting. There are considerable government resources available to assist Māori firms that are thinking about exporting.

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ABOUT NZIER

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