

Umanga Iti - Umanga Takawaenga

Small to Medium Enterprises (SME's)

General

- As at February 2007:¹
 - 97% of enterprises were SMEs with 89% of enterprises employing five or fewer people;
 - the number of SMEs had increased 2% since 2006;
 - SMEs accounted for 31% of all employees with five or fewer employee firms accounting for 12% of all employees; and
 - those employed by SME's increased by 18% since 2001.

Māori Business

- In 2007, the total value added produced by Māori businesses represented approximately 2.0% of New Zealand's GDP compared to 1.2% in 1996. This is distributed across a number of different industries:²

Table 1: Production and Value Added in the Māori Economy³

Industry	Value Added (\$ million)	Industry share (%)	SMEs (%)
Agriculture	417	16%	98
Forestry	23	1%	98
Fishing	135	5%	98
Property	690	27%	98
Education	333	13%	77
Health	212	8%	93
Culture	49	2%	97
Other	704	27%	-
Total	2,563	100%	-

Source: New Zealand Institute of Economic Research (NZIER) 2007

Māori Employment

- Māori identifying themselves as self-employed (both with and without employees) grew by more than 20 percent between 2001 and 2006, from 17,100 to 20,850. Non-Māori self-employed grew by 8.8 percent during the same period.⁴

¹ SMEs in New Zealand: Structure and Dynamics 2008, Ministry of Economic Development (MED) 2008.

² Māori participation in the New Zealand Economy, Final Report to Te Puni Kōkiri, NZIER 2007.

³ Ibid with SME data from MED (2008).

⁴ Incomes for Māori Self-Employed, Te Puni Kōkiri Fact sheet, August 2007.



- However, the percentage of self-employed Māori and Māori employers has largely remained static between 2001 and 2006, although there has been a slight increase in Māori employers. It should also be noted that the self-employment rates for Māori are approximately half those of most other ethnic groups.⁵

Table 2: Percentage Ethnic Groups by Status in Employment 2001-2006⁶

Ethnic group (grouped total responses)	2006 Census Employment status				2001 Census Employment status			
	Paid employee	Self-employed and without employees	Employer	Unpaid family worker	Paid employee	Self-employed and without employees	Employer	Unpaid family worker
European	77.1	12.9	7.9	2	75.9	13.4	8.4	2.3
Māori	88.3	6.5	3.3	1.9	88.1	6.5	3.1	2.2
Pacific peoples	93	4.3	1.6	1.2	92.6	4.4	1.6	1.3
Asian	78.8	12	6.5	2.7	74.3	14.3	7.4	3.9
Other ⁷	75	13.8	9	2.2	80.1	12	5.9	2
Total	78.4	12.2	7.4	2.1	77.3	12.7	7.7	2.3

Source: MED (2008)

Māori Income

- Between 2001 and 2005 the number of self-employed Māori earning more than \$30,000 a year increased by 13%.⁷

Māori Entrepreneurship⁸

- In terms of entrepreneurial activity, Māori (17.7%) and New Zealand (17.6%) were surpassed globally by only Thailand and Venezuela.
- 25% of Māori say they expect to start a business in the next three years compared to 13.1% of the general population.
- Māori women have the world's third highest entrepreneurship rate.

Discussion

The SME sector (19 or fewer employees) is particularly susceptible to the recession due to SME's not having the scale or the reserves to withstand an economic downturn.

- What are the key issues facing Māori SMEs arising from the recession?
- What can Māori do to enhance/mitigate these opportunities/issues or their impacts?
- How can government support Māori and wider New Zealand efforts?
- What are the immediate priorities for action?
- What are the longer term areas for focus for Māori people in the labour market?
- What are the key points to be communicated to the Employment Summit?

⁵ Ibid.

⁶ MED (2008).

⁷ Te Puni Kōkiri (2007).

⁸ Global Entrepreneurship Monitor Aotearoa New Zealand 2005.

