NZTE: PARTNERING FOR INTERNATIONAL GROWTH

How NZTE supports exporting companies and the benefits of collaborating to succeed in market.

Michelle McKenna, Coalitions and Sectors

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KEY POINTS

1. Why is internationalisation important?

2. Reasons for Optimism

3. NZTE – how we help companies grow internationally

4. Government support
WHY IS INTERNATIONALISATION IMPORTANT?

The value of our exports have been rising…

But as a share of GDP, exports have been relatively constant over time.

N.B. Figures for year 2014 are for New Zealand’s trade in goods and services, year ended June.
HOW WE COMPARE WITH OTHERS

EXPORTS as % of GDP
(OECD countries with less than 20m people)

Source: World Bank
SCALE AND DISTANCE... THE OBVIOUS ISSUES

New Zealand’s geographic challenge:
Selecting countries distance from world markets and population

While Chile and Australia are distant, they have the benefit of large home markets.

Ireland, Denmark and Finland are small but located close to large and rich markets.

Distance from world markets
Weighted by share in world trade

15,000 km
10,000 km
5,000 km
0 km

Population
1 billion
100 million
10 million
1 million
CAN WE PARTICIPATE IN GLOBAL TECHNOLOGY SUPPLY-CHAINS?
CAN WE RESPOND TO MIDDLE EASTERN DEMAND FOR SERVICES?
CAN WE HELP MEET GROWING GLOBAL DEMAND FOR HEALTH TECHNOLOGY & SERVICES?
WITH AN UNDERLYING VIEW THAT NZ NEEDS TO PARTICIPATE ACROSS THE WHOLE VALUE CHAIN
OUR EXPORT FOOTPRINT
IN 2014 NEW ZEALAND EXPORTED

Goods & Services totalling NZ$68,054m

These figures are for year to 30 June 2014
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REASONS FOR OPTIMISM

- Emerging economies are looking for safe technology and services
- Our DNA is primed for ingenuity and resilience
- We are small….so we can organise… NZ Inc
- We are open, stable, democratic, and non-corrupt
INNOVATION AND INGENUITY IS IN OUR DNA
MARKETS ARE BECOMING MORE ACCESSIBLE

- Agreements in force
- Agreements pending ratification
- Agreements under negotiation
AND WE ARE WELL PLACED

There are more people living in this circle than outside of it
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OUR PURPOSE

To grow companies internationally — bigger, better, faster — for the benefit of New Zealand.
KEY FACTS

- **4000** Customers
- **37** International locations
- **$180m** Budget 2015 (+30m grants)
- **100** Private sector advisors
- **580** People (50% offshore)

**CROWN ENTITY**
With private board
NZTE INTERNATIONAL NETWORK
NZTE’S STRATEGIC FRAMEWORK

NEW ZEALAND

BUSINESS GROWTH AGENDA

GROW COMPANIES INTERNATIONALLY — BIGGER, BETTER, FASTER — FOR THE BENEFIT OF NEW ZEALAND

GROWING COMPANIES: ONE-ON-ONE AND IN COALITIONS

MATCHING CAPITAL WITH OPPORTUNITY

RIGHT SERVICE, RIGHT TIME, RIGHT PLACE

OUR PEOPLE

DIGITAL KNOWLEDGE PLATFORM

PARTNERSHIP WITH NZ INC.
WORKING ONE-ON-ONE WITH CUSTOMERS

EXPORT GOODS + SERVICES EARNINGS, YEAR TO DECEMBER 2014*

- 255 COMPANIES >$25 million
- 595 COMPANIES $5 - $25 million
- 12,000 COMPANIES earning < $5 million

*Source: Statistics New Zealand (generalised)
OUR CUSTOMER VALUE PROPOSITION

Customer Value Proposition

OUR PURPOSE IS SIMPLE
To grow companies internationally — bigger, better, faster — for the benefit of New Zealand.

We identify, plan for and act on your biggest opportunities for international growth.

WE DO THIS IN TWO WAYS;

1. Firstly, by boosting your global reach and market knowledge to help you succeed internationally.
   This is achieved by leveraging our government mandate, combined with a dedicated NZTE team in our offices in New Zealand and throughout the world, who are connected to a network of experienced private sector specialists.

2. Secondly, by building your capability to succeed internationally.
   We provide services or access to services designed to improve efficiency and operations, spark innovation, refine strategy, enhance leadership and access capital.

Our level of engagement is defined by the needs of your company.
This will change depending on where your company lies on its path to international success and the time and resource you are prepared to commit.

We’re always on the lookout for smart, forward-thinking businesses with excellent potential for international growth; growth that will provide real and lasting benefits for our country.
WE BOOST YOUR GLOBAL REACH AND HELP YOU SUCCEED INTERNATIONALLY.

i. Experienced people and respected private sector advisors committed to helping you build a sound knowledge of what it takes to succeed internationally.

ii. Access to international distribution networks, new markets, new skills and investment capital.

iii. Market intelligence and insights, global business trends and growth industries and in-market support for market development.

iv. Working with industry sectors and alliances of like-minded companies to increase the speed and scale of your international success.

v. Harnessing the collective power of our NZ Inc partners — to increase the speed and scale of your growth.

vi. Our Government status opens doors to influential contacts in the public and private sectors globally.
WE BUILD YOUR CAPABILITY BY PROVIDING SERVICES, OR ACCESS TO A RANGE OF SERVICES, TO GIVE YOU THE TOOLS AND SKILLS NEEDED TO SUCCESSFULLY TAKE ON THE WORLD.
BUILDING PARTNERSHIPS

Our level of engagement is defined by the needs of your company.

This will change depending on where your company lies on its path to international success and the time and resource you are prepared to commit.
PARTNERSHIP IS KEY... WITH BUSINESS

- It's a two way relationship
- With a tailored plan
- Right services, right time
- Open communication
- Agreements kept
- Information is confidential
HOW WE ADD VALUE TO COMPANIES

First we understand their business, then we develop a tailored plan, then marshal all the services and resources of NZTE and NZ Inc to deliver on the plan.

CUSTOMERS
Every customer is unique

DISCOVER
Customer Needs

PLAN
Customised plan

PERFORM
Deliver services

Markets
Strategy
Capital
Governance
Design

Other NZ Inc. services:
- Callaghan
- MFAT
- MPI
- MBIE
- Export Credit
- Regional Partners
WORKING WITH BUSINESS LED COALITIONS

Coalitions are companies with a shared opportunity or challenge that come together to achieve international growth.
COLLABORATE TO COMPETE

We are a nation of small businesses

97% of New Zealand businesses either have no employees or fewer than 20.

The scale and SME nature of our companies means that we need to think smarter and collaborate to compete.

Can you achieve international growth by yourself or could you go bigger, better, faster by pooling resource, expertise or funding with other like-minded companies?
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<th>Why do coalitions come together?</th>
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<tr>
<td>To develop joined up products, services or solutions</td>
<td>To capitalise on international market opportunities</td>
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<tr>
<td>To build capability to succeed internationally</td>
<td>To win big deals and solve complex problems</td>
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“With the formation of NZ Telematics Alliance, we have the opportunity to reduce cost and actually do some larger scale projects that would otherwise be unachievable for any one company”

Selwyn Pellet
CEO of Coretex
Chair of the Telematics Alliance
CRAFT BEER COLLECTIVE

The CBC is a coalition of five craft beer companies – 8 Wired Brewing, Renaissance Brewing, Three Boys Brewery, Tuatara Brewing Company, and Yeastie Boys.

Common goal to tackle the UK craft beer market. Great opportunities but difficult to tackle on your own.

Working together, the CBC put together a portfolio of beer brands that enabled them to successfully secure a UK distributor and then launch in the UK market.

Appointed a NZ Beer Ambassador to generate positive PR and exposure in the UK Craft Beer market.

Collaboration allows individual companies to deliver a number to things they couldn’t deliver on their own:

• a wider product range,
• more regular supply,
• greater volume & scale (By shipping together they have achieved greater cost efficiencies)

NZTE support for the Collective included:

• in-market assistance and introductions
• co-funding to launch in the UK and appoint a UK-based NZ beer ambassador
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WE EACH HAVE OUR ROLES AND RESPONSIBILITIES

**Ministry of Business, Innovation & Employment**
“Grow NZ for all”
Providing the foundations for economic development

**Ministry for Primary Industries**
“Grow and protect New Zealand”
Unlocking the constraints for growth; infrastructure, access, regulation

**Callaghan Innovation**
“Accelerate commercialisation of innovation”
Focus on high value manufacturing sector

**NEW ZEALAND FOREIGN AFFAIRS & TRADE**
“Kick the doors down”
Market access and entry

**NEW ZEALAND TRADE & ENTERPRISE**
“Go to market”
Partner with companies to grow internationally

**BUSINESS GROWTH AGENDA**
30 -> 40% exports to GDP by 2025

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**Martyn Dunne**
Director General, MPI

**Brook Barrington**
CEO, MFAT

**Hemi Rolleston**
Acting CEO, Callaghan Innovation

**David Smol**
CEO, MBIE

**Peter Chrisp**
CEO, NZTE
MFAT ARE LEADING THE NZ INC COUNTRY STRATEGIES
... CHINA, INDIA, AUSTRALIA, USA, GCC, ASEAN
NZTE AND CALLAGHAN INNOVATION: NO WRONG DOOR

Callaghan Innovation

Help plan future products and identify technologies needed to develop them

Find the right expertise

Conduct product development R&D

Lower the risk and cost of product development with grants

Help build in-house innovation skills and capacity

Lead technology delegations and collaborative innovation projects

MARKET / INSIGHTS

MULTIPLE OVERSEAS MARKETS

BUSINESS GROWTH

GO TO MARKET

Boosting your global reach and market knowledge

Local networks, knowledge and insight in 38 international locations

Helping to build your capability for international growth

Develop new customers markets
AND WITH REGIONAL PARTNERSHIPS THAT PROVIDE

• Connections, advice, referrals, support

• Access to the combined Callaghan Innovation/ NZTE toolkit

• Vouchers / co-investment to help address gaps in business capability
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