



Election Manifesto from ExportNZ – Snapshot

The single biggest thing Exporters need from Government is unequivocal support for TPP11 and all the other trade deals we have lined up to negotiate. Jobs and higher incomes depend on it.

Trade Rules!

- The tradable sector directly and indirectly accounts for \$85 billion (43%) of New Zealand's real GDP and almost three-quarters of a million jobs.
- Trade helps Kiwi households buy higher quantities of goods and services with their wages, and lets them access a wider variety of products.
- The gains to New Zealand households from improved product choice from trade alone come to \$3.9 billion, or around \$2,300 per household, based on estimates from the literature.
- Further multilateral trade liberalisation would deliver huge benefits to New Zealand: the OECD estimates that New Zealand's real GDP would increase by \$18 billion over the long run if G20 tariffs and non-tariff barriers were halved. This scenario would also create over 42,000 skilled jobs and 20,000 low-skilled jobs.
- The reduction of non-tariff measures could deliver significant gains for New Zealand. The cost to New Zealand exporters of these measures in the APEC region has been estimated at \$8.4 billion.
- Around 70% of the economic benefits accruing to New Zealand from the TPP are estimated to come from a reduction in non-tariff barriers.

Political Parties need to support trade and jobs by

1. Supporting TPP 11. This is still the biggest and the best deal we are going to get and to be left out of TPP11 if it comes together would make our biggest exporting sectors increasingly uncompetitive in the fast growing Asia Pacific region. Given that the highest tariff barriers still tend to be on primary sector exports and these are our biggest export earners, New Zealand has a lot to gain if we get this right and a lot to lose if we do not.
2. Supporting free trade generally – there are more opportunities coming up for FTA's with the EU, the United Kingdom, and the Pacific Alliance.
3. Taking the pressure off the NZ\$ by balancing the budget, keeping low interest rates and targeting inflation.
4. Focusing on greater exporter support in Asia and Africa: developing markets where the going is tougher, but long term opportunities are significant.



Growing a pipeline of exporters

Political parties should have a policy on how to grow bigger companies domestically. Bigger companies have bigger balance sheets and greater capability to perform and compete in overseas markets.

Population Policy

A larger domestic population would lead to larger local demand. We are not a small country; we are a large country with a small population. How big do we want to be by 2050 and are we planning for sustainable growth? Bigger populations lead to economies of scale and increased investment in infrastructure and logistics etc. The OECD suggests that Australia's scale more than compensates for the adverse effects of distance from markets.

Strategic use of Government procurement

Government is responsible for around 40% of GDP and is one of the largest project spenders in the NZ economy. In the absence of having many large multinationals in NZ coupled with a small domestic market, the government should help grow bigger companies by ensuring the economic benefits of using local suppliers are factored into their procurement purchasing policy. Government procurement should not be used to protect local companies from international competition, but to give them the opportunity become bigger and more internationally competitive with products and services that can be sold in international markets.

To be successful, Government needs to ensure that the cost of tendering is not a barrier and tender winners are rated on quality, innovation, the economic, social and environmental impact they have.

New Zealand businesses are likely to win more international tenders if they are successful in selling to the NZ Government and have a good reference customer.

Collaborate on-shore to compete offshore

One way to grow bigger companies of scale is for smaller companies to work together in overseas markets (we are starting to see some good collaborations in Wine, Avocados, Marine, Aviation etc.) While NZTE supports collaborations we can do more in this space, with dedicated and ongoing facilitation.

ExportNZ supports the unlocking of Māori export potential as an important contributor to Aotearoa NZ Inc. Māori are investing in business for both current and future generations and will be businesses of scale in the New Zealand economy as a result.

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