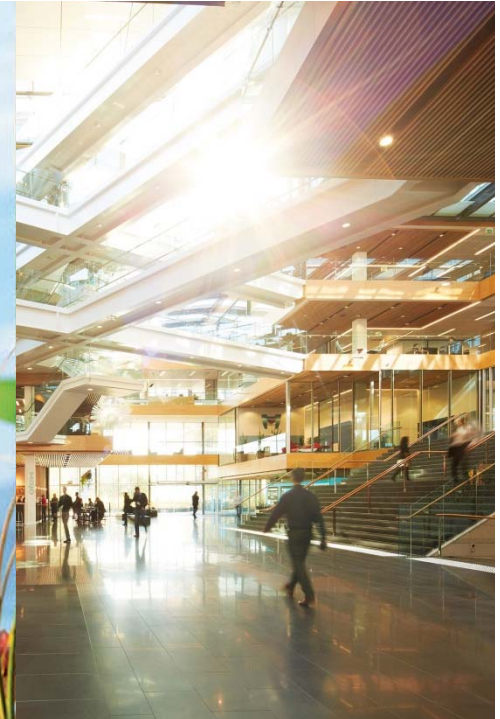




# Open for Business

**An Introduction to  
New Zealand**

23 August 2013  
Version 1



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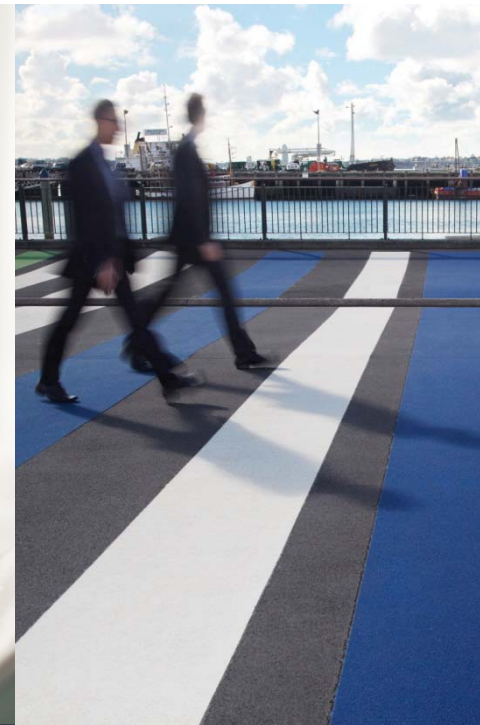
# **Presentation Overview**

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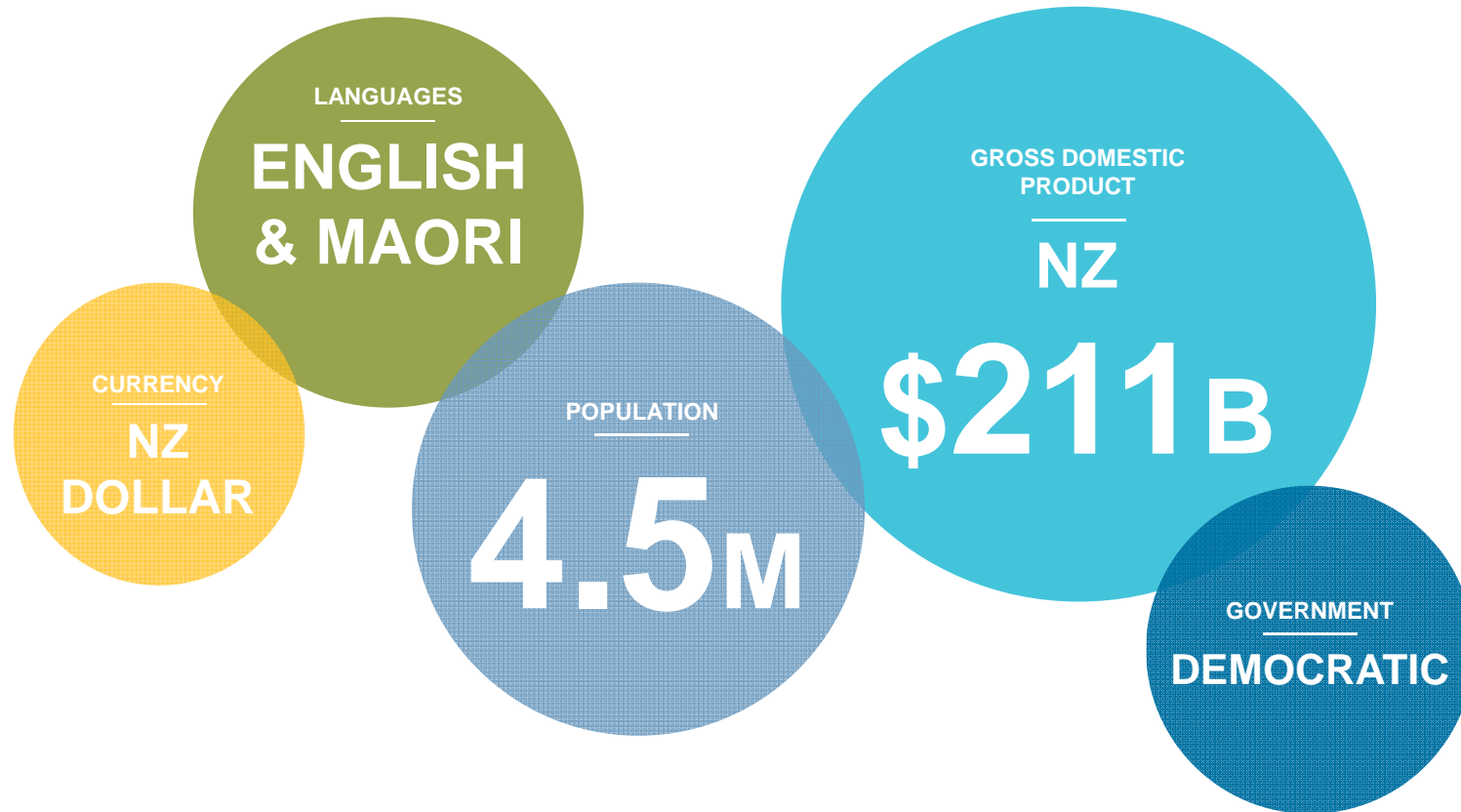


- **An Introduction to the New Zealand Economy.**
- **The New Zealand Business Environment.**
- **A Creative and Innovative Nation.**
- **New Zealand and the Asia Growth Story.**
- **An Open and Welcoming Society.**

# An Introduction to the New Zealand Economy



# *Tēnā koutou.* Welcome to New Zealand.



LAND AREA: 268,000 KM<sub>2</sub> • 103,000 MILES<sub>2</sub>

# Economic Overview

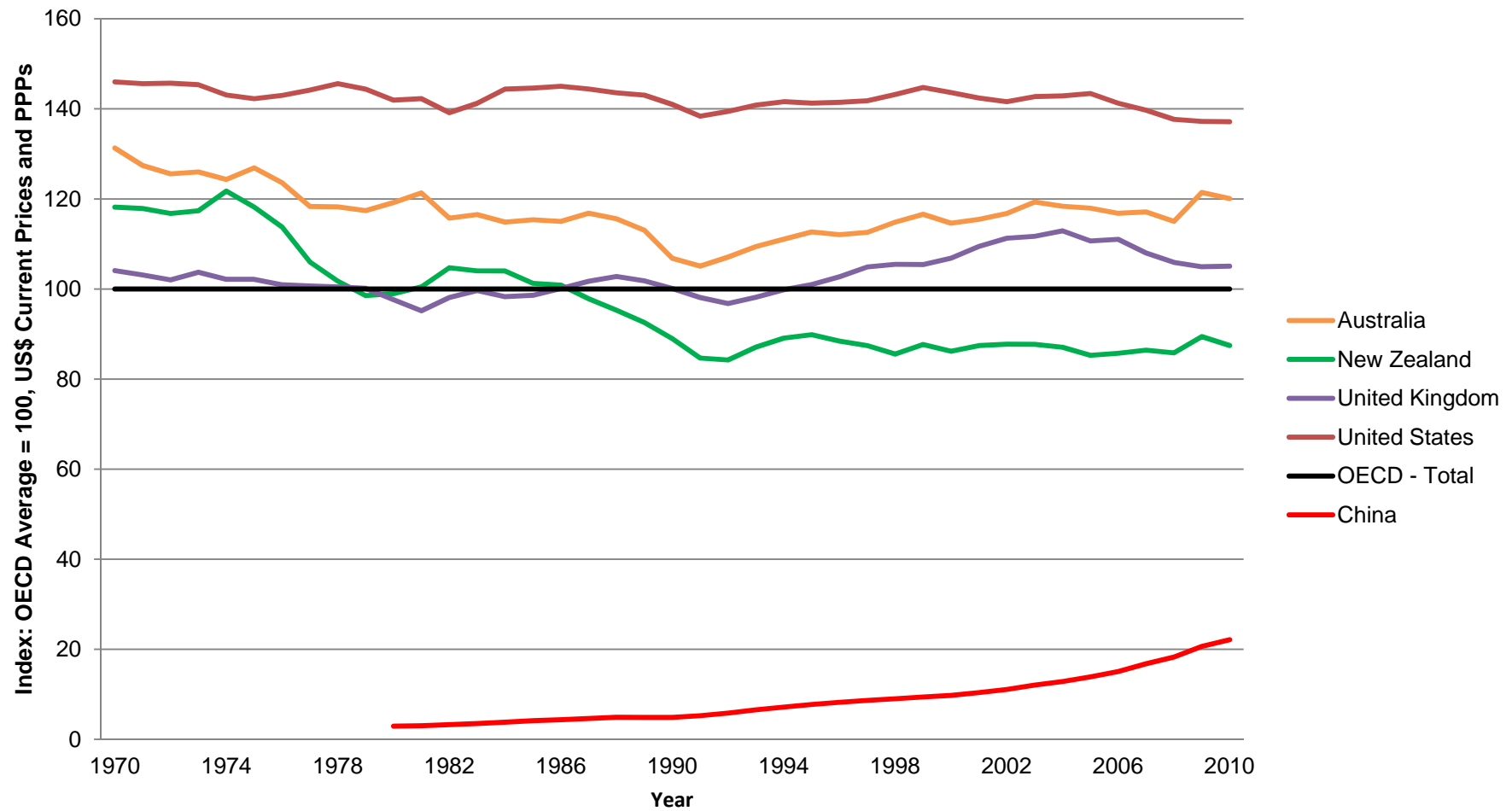


ECONOMIC FACTOR	TOTAL	DATE
NZ national population	4,478,000	June 2013
GDP (NZ\$ billion)	211	December 2012
GDP per capita	NZ \$47,600	February 2013
CPI inflation	0.7%	June 2013
Unemployment rate	6.4%	June 2013
Total exports (NZ\$ billion)	59.8	February 2013
Total imports (NZ\$ billion)	59.6	February 2013
Exchange rate	0.82	May 2013

# GDP Per Capita Comparison



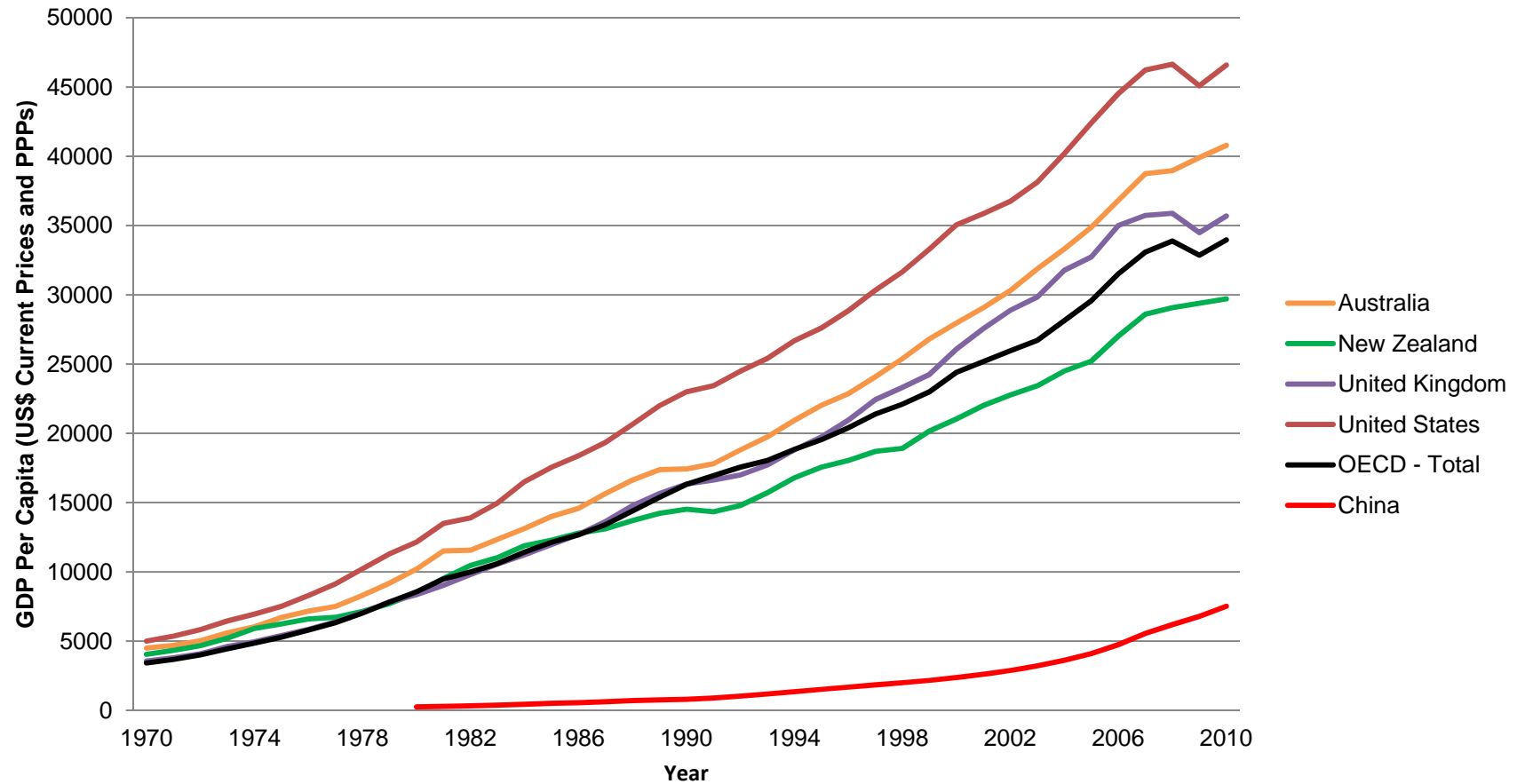
## New Zealand's Relative GDP per Capita



# New Zealand's Nominal GDP Growth



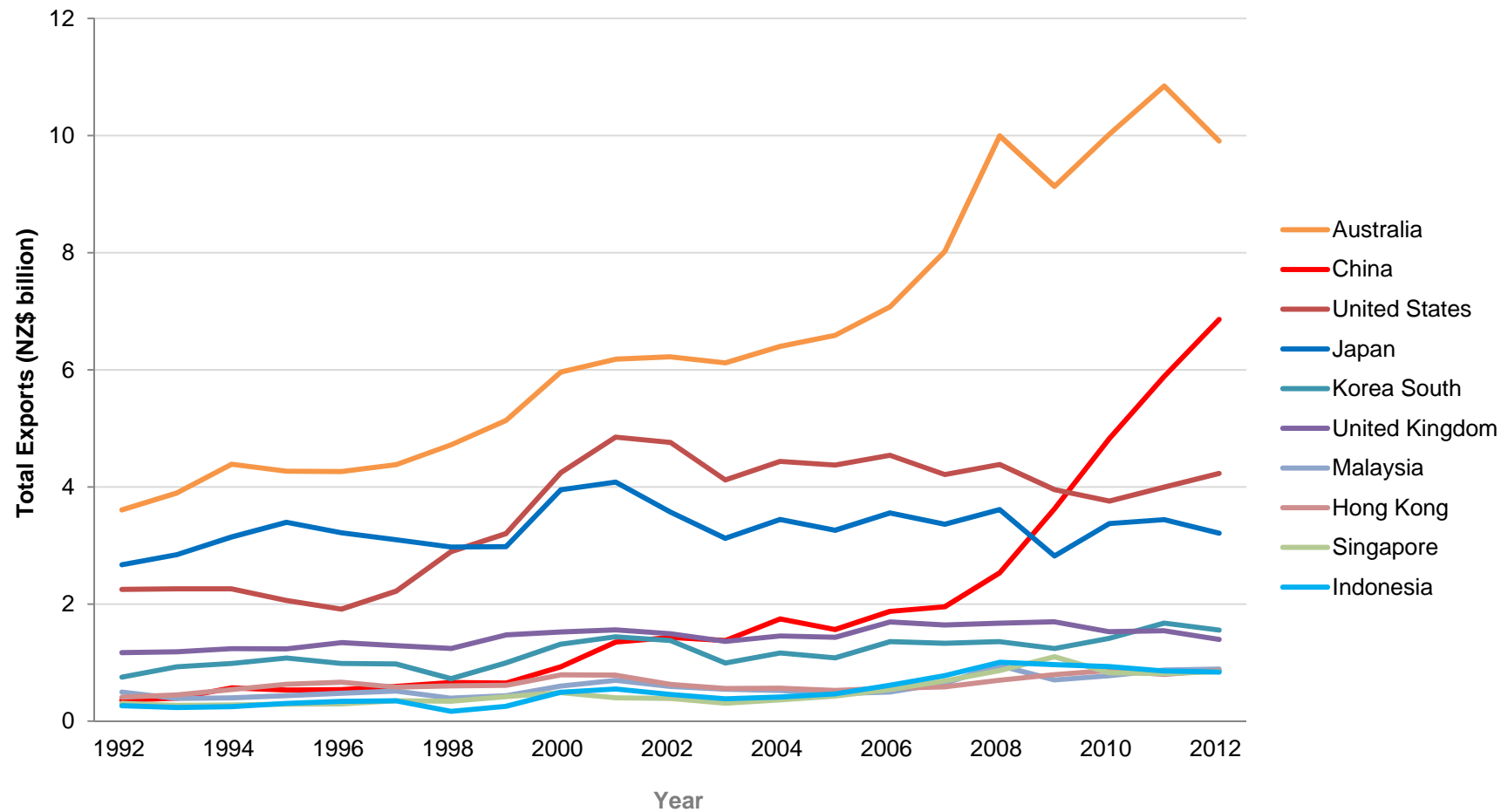
## GDP Per Capita (US\$ current prices and purchasing power parity)



# New Zealand's Major Export Destinations



## New Zealand's Exports by Country (NZ\$ billion)



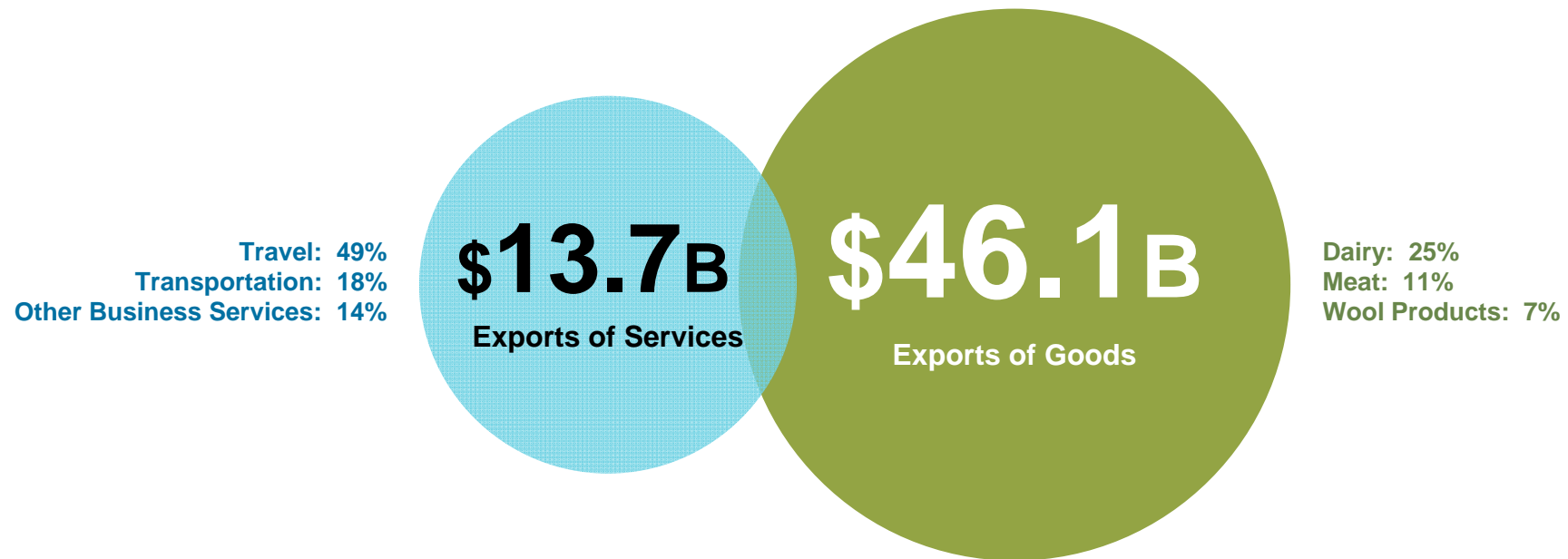


# New Zealand's Export Footprint



## Exported Goods and Services

Year End December 2012

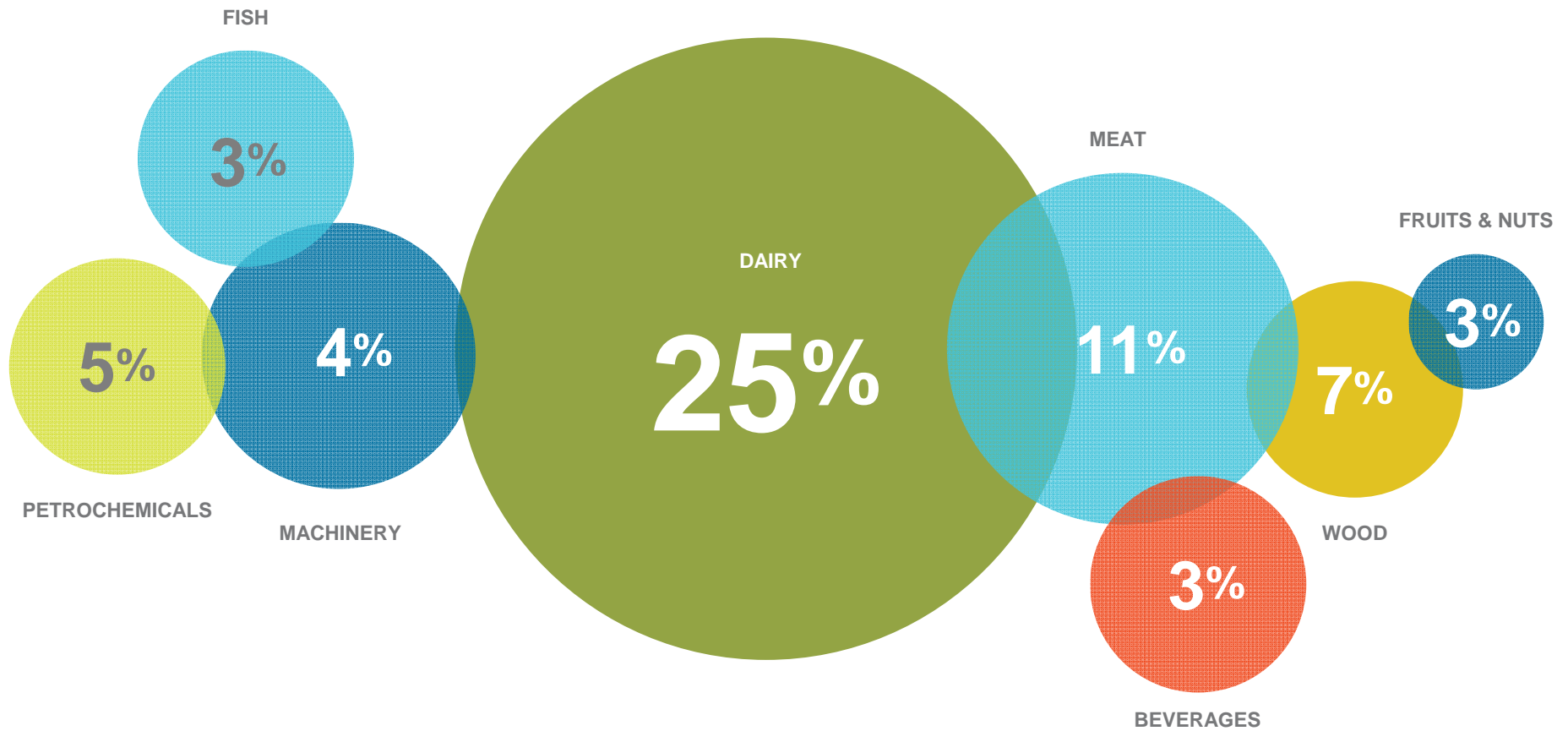


# New Zealand's Export Footprint: Goods



## Exported Merchandise Goods

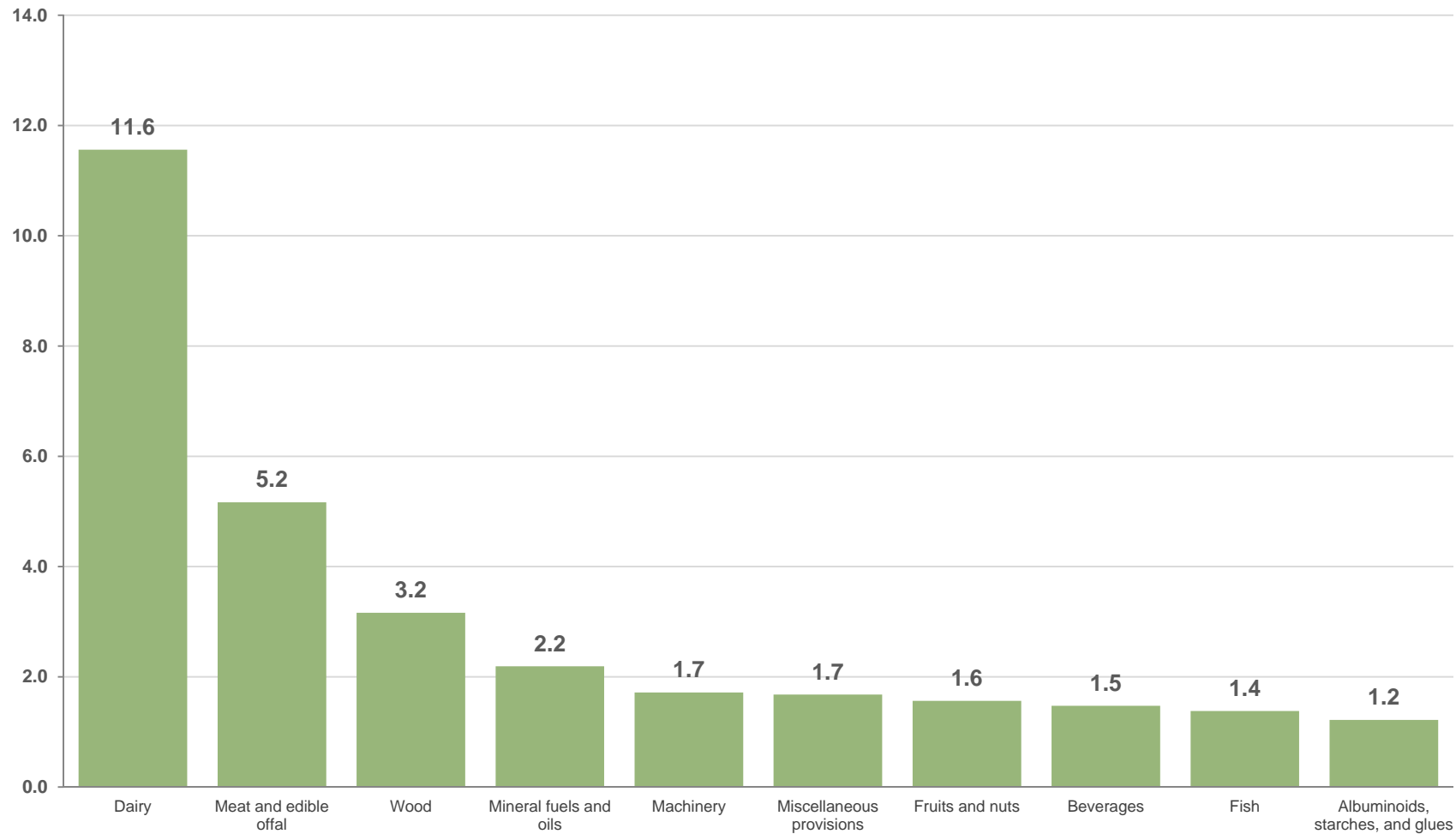
Year End December 2012



# Our Top 10 Exports: Goods



The top 10 Goods categories contribute \$31.1b

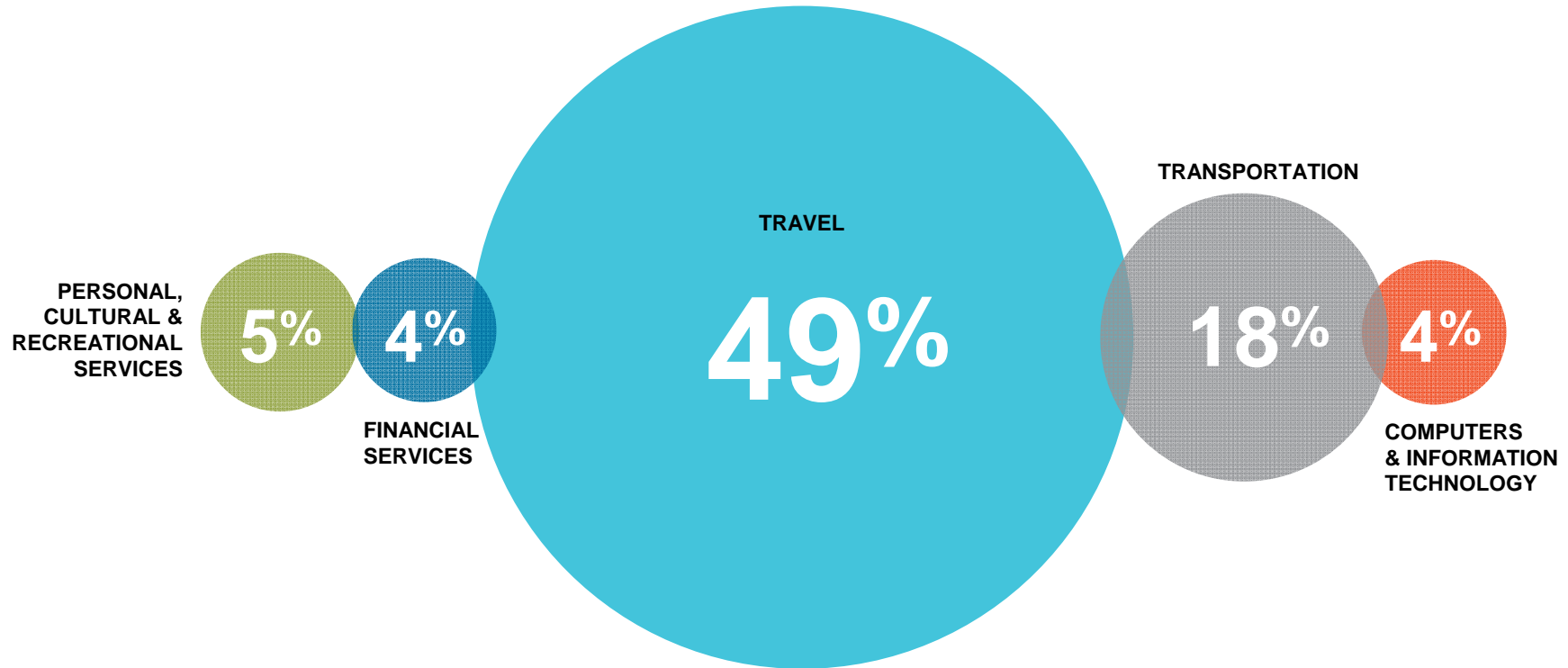


# New Zealand's Export Footprint: **Services**



## Exported Services

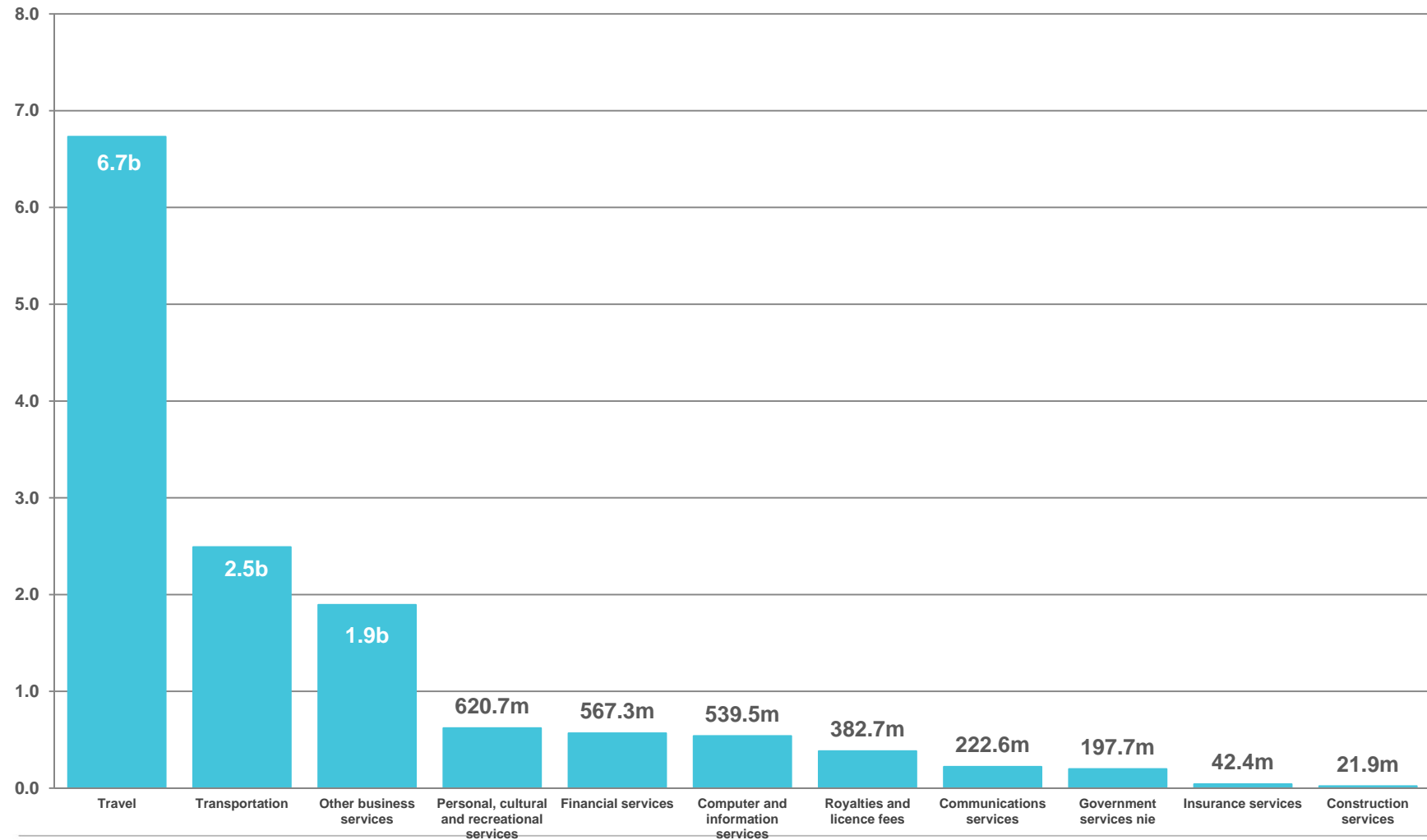
Year End December 2012



# Our Top 10 Exports: **Services**



The top 10 Services categories contribute \$13.1b



# New Zealand's International Economy



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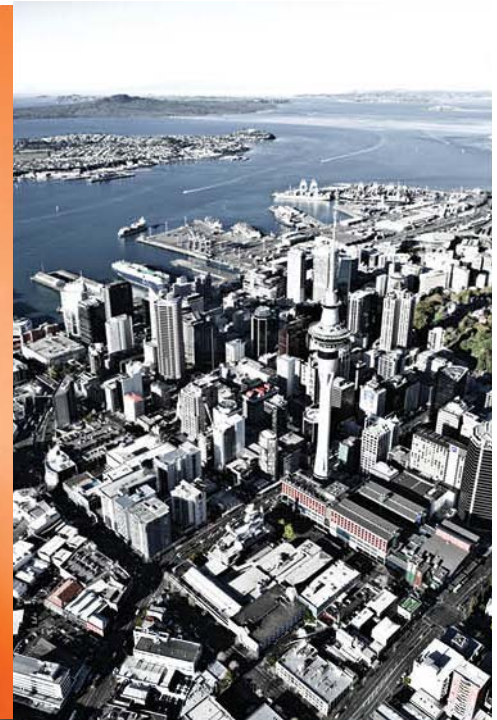
# In Summary

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- **New Zealand has a reputation for creating high quality, innovative products and services.**
- **We are a strongly trade-oriented society that has developed sophisticated infrastructure and policies to support companies that do business internationally.**
- **We are well connected by efficient technology and logistics.**
- **We are ready to partner and are open for business.**

# The New Zealand Business Environment



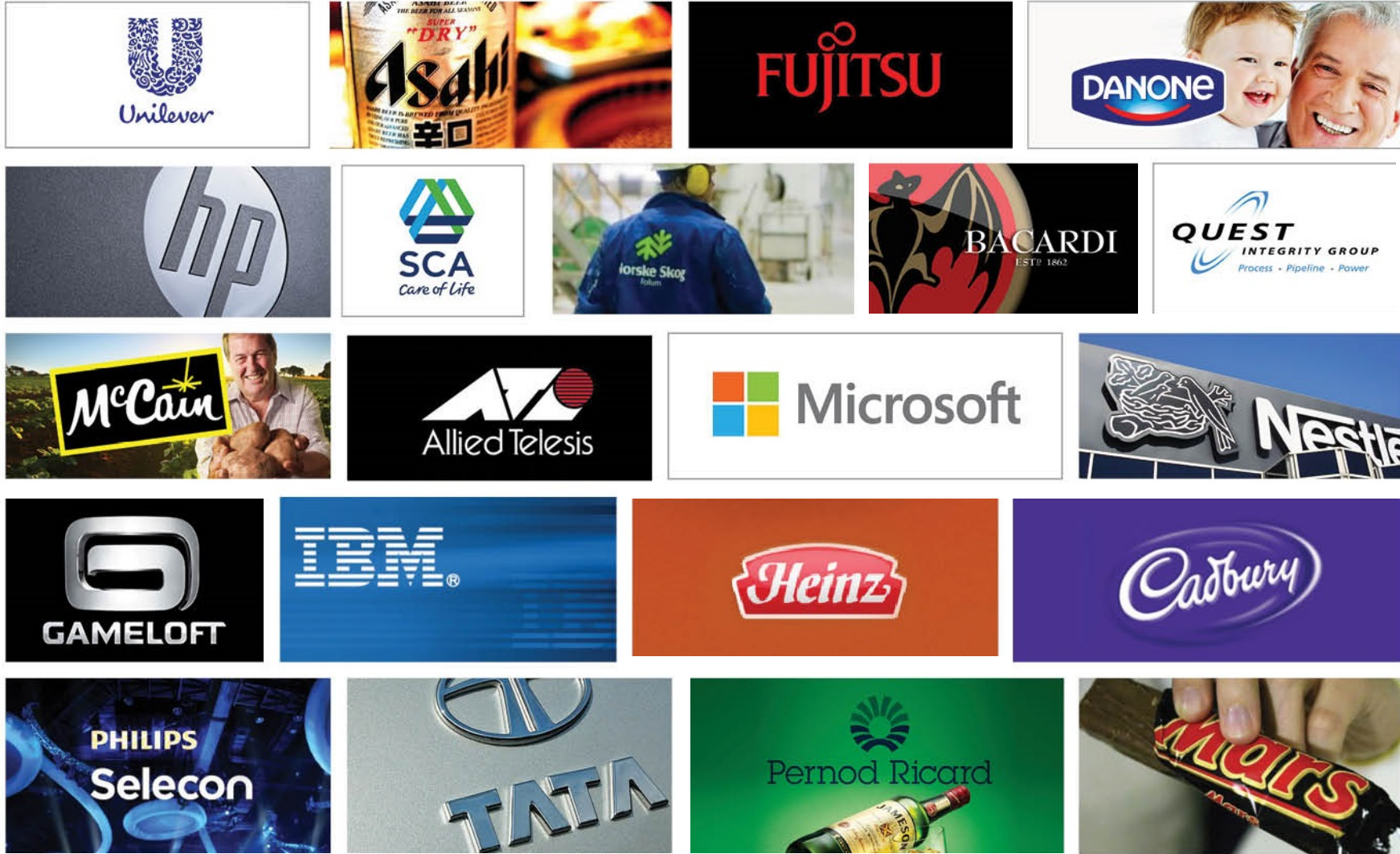


# A Trusted Business Environment



Forbes Magazine	International Budget Partnership	Transparency International	World Bank	Reputation Institute
<i>Best Countries for Business 2012</i>	<i>Open Budget Survey 2012</i>	<i>Corruption Perceptions Index 2012</i>	<i>Ease of Doing Business Report 2012</i>	<i>Country Reprtrak 2013</i>
<p><b>NEW ZEALAND 1</b></p> <ul style="list-style-type: none"> <li>Denmark</li> <li>Hong Kong</li> <li>Singapore</li> <li>Canada</li> <li>Ireland</li> <li>Sweden</li> <li>Norway</li> <li>Finland</li> <li>United Kingdom</li> <li>Australia</li> <li>United States</li> <li>Belgium</li> <li>Netherlands</li> <li>Switzerland</li> <li>Taiwan</li> <li>Chile</li> <li>Luxembourg</li> <li>Iceland</li> <li>France</li> </ul>	<p><b>NEW ZEALAND 1</b></p> <ul style="list-style-type: none"> <li>South Africa</li> <li>United Kingdom</li> <li>Sweden</li> <li>Norway</li> <li>France</li> <li>United States</li> <li>Republic of Korea</li> <li>Czech Republic</li> <li>Russia</li> <li>Slovenia</li> <li>Brazil</li> <li>Germany</li> <li>India</li> <li>Slovakia</li> <li>Chile</li> <li>Bulgaria</li> <li>Uganda</li> <li>Spain</li> <li>Indonesia</li> </ul>	<p><b>NEW ZEALAND 1</b></p> <ul style="list-style-type: none"> <li>Denmark</li> <li>Finland</li> <li>Sweden</li> <li>Singapore</li> <li>Switzerland</li> <li>Australia</li> <li>Norway</li> <li>Canada</li> <li>Netherlands</li> <li>Iceland</li> <li>Luxembourg</li> <li>Germany</li> <li>Hong Kong</li> <li>Barbados</li> <li>Belgium</li> <li>Japan</li> <li>United Kingdom</li> <li>United States</li> <li>Chile</li> </ul>	<p>Singapore</p> <p>Hong Kong</p> <p><b>NEW ZEALAND 3</b></p> <ul style="list-style-type: none"> <li>United States</li> <li>Denmark</li> <li>Norway</li> <li>United Kingdom</li> <li>South Korea</li> <li>Georgia</li> <li>Australia</li> <li>Finland</li> <li>Malaysia</li> <li>Sweden</li> <li>Iceland</li> <li>Ireland</li> <li>Taiwan</li> <li>Canada</li> <li>Thailand</li> <li>Mauritius</li> <li>Germany</li> </ul>	<ul style="list-style-type: none"> <li>Canada</li> <li>Sweden</li> <li>Switzerland</li> <li>Australia</li> <li>Norway</li> <li>Denmark</li> </ul> <p><b>NEW ZEALAND 7</b></p> <ul style="list-style-type: none"> <li>Finland</li> <li>Netherlands</li> <li>Austria</li> <li>Germany</li> <li>Ireland</li> <li>Belgium</li> <li>Japan</li> <li>United Kingdom</li> <li>Italy</li> <li>France</li> <li>Spain</li> <li>Portugal</li> <li>Singapore</li> </ul>

# Multinationals Operating in New Zealand



# A Government Focused on Growth



**Six pillars for growing  
New Zealand's export economy.**

From 30 – 40% GDP on  
Exports by 2025



# Welcoming to International Investment

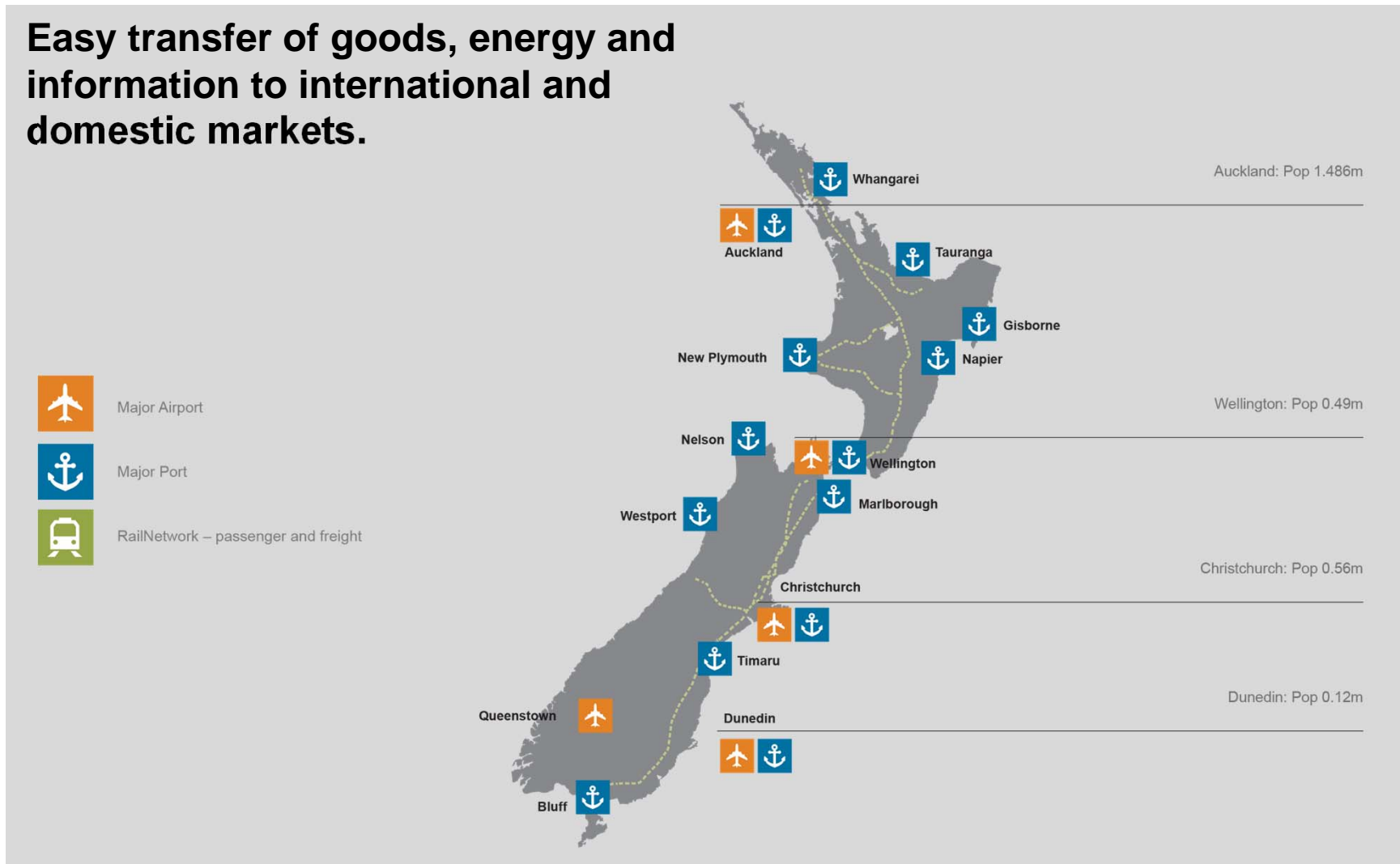


Rank	STOCK OF DIRECT INVESTMENT IN NEW ZEALAND	TOTAL INVESTMENT
1	Australia	NZ\$54.6b
2	USA	NZ\$10.9b
3	United Kingdom	NZ\$4.8b
4	Singapore	NZ\$3.2b
5	Japan	NZ\$2.8b
6	Netherlands	NZ\$2.7b
18	China	Confidential
	Other Countries (Including China)	NZ\$20.6b

# Modern Infrastructure



Easy transfer of goods, energy and information to international and domestic markets.



# Sound Macroeconomic Base



**Low inflation environment.**

**A strong banking sector.**

# Simple Tax Structure



A business-friendly tax system that supports capital expansion, R&D and investment.



Recoverable Goods and Services (VAT) tax.

Tax-deductible business expenses (incl. R&D) and depreciation.

**28%**

Corporate tax rate.  
No payroll tax.  
No capital gains tax.

# The Overseas Investment Office Reviews Significant Investment Applications



The Overseas Investment Act (2005) regulates the acquisitions by overseas persons of:

- 25% or greater,
- ownership or control of interests in sensitive New Zealand land
- significant business assets.

Sensitive assets include: land and water space, business assets of more than \$100m NZD and fishing quota.

A large number of investments don't need approvals.



# Priority Investment Sectors



**Biotechnology**



**Financial Services**  
*(shared, insurance, call centres)*



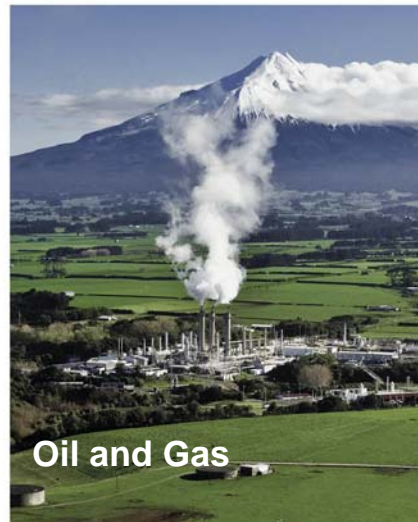
**ICT**



**Infrastructure**



**Manufacturing**  
*(Focus on high value food)*



**Oil and Gas**



**Primary Sector**  
*(Dairy, Aquaculture, Wine)*



**Tourism**

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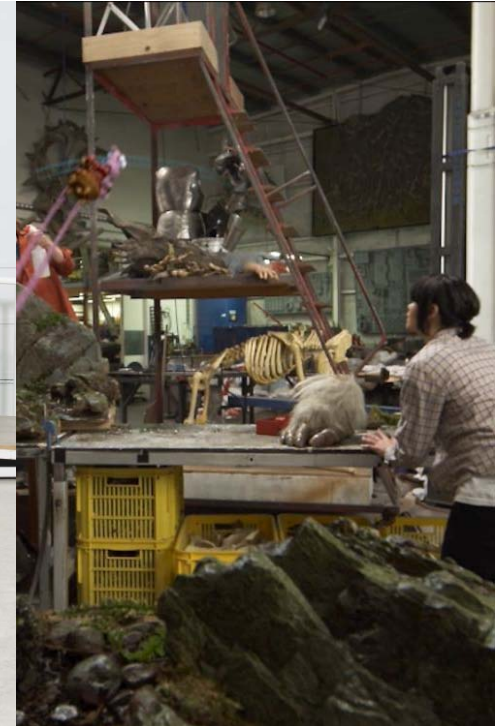
# **In Summary**

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- **A trusted business environment.**
- **Welcoming to international investment.**
- **Sound macroeconomic base.**
- **Simple tax structure.**
- **Compelling investment opportunities.**

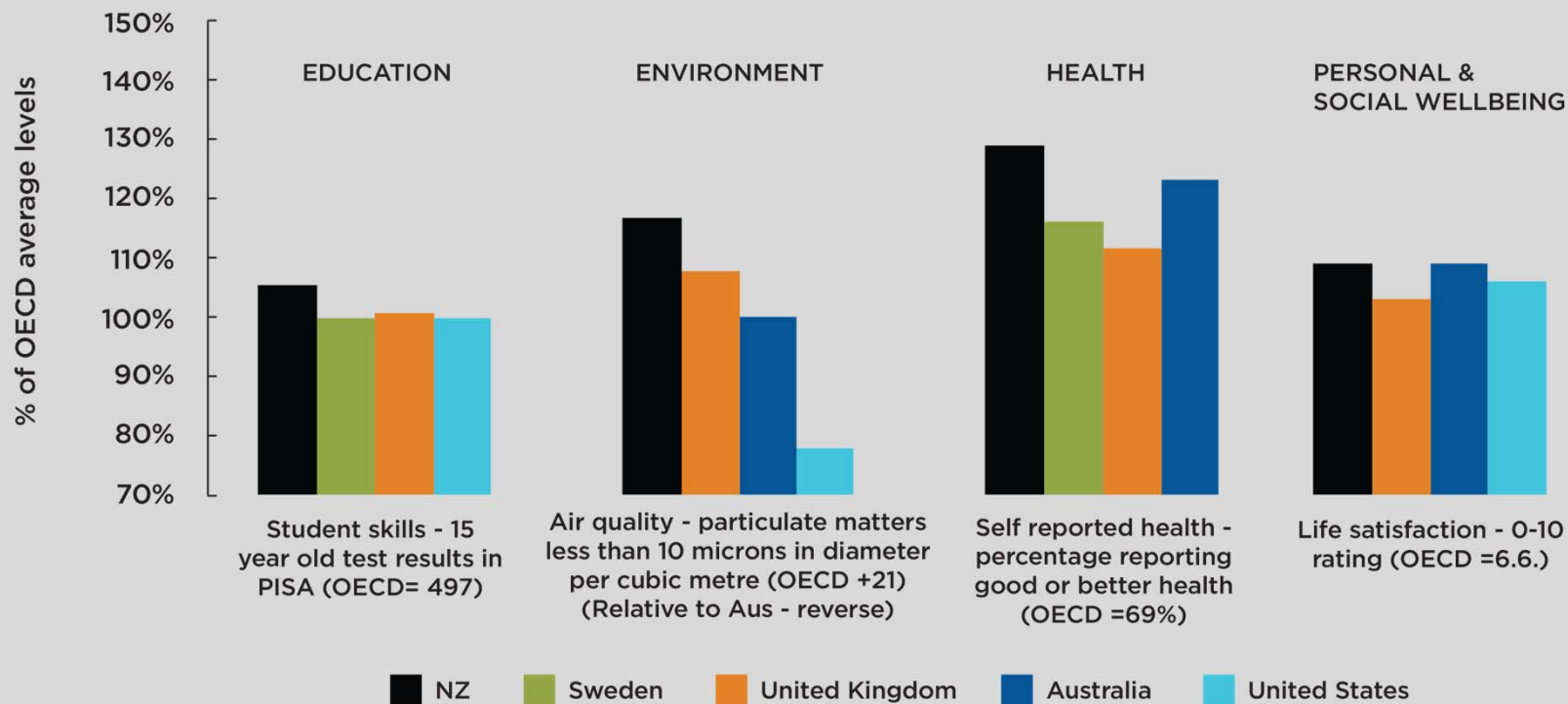
# A Creative and Innovative Nation



# We Perform Well in OECD Measures



New Zealand's educational, environmental, health and wellbeing measures are above the OECD average.



# A Well Developed Education System



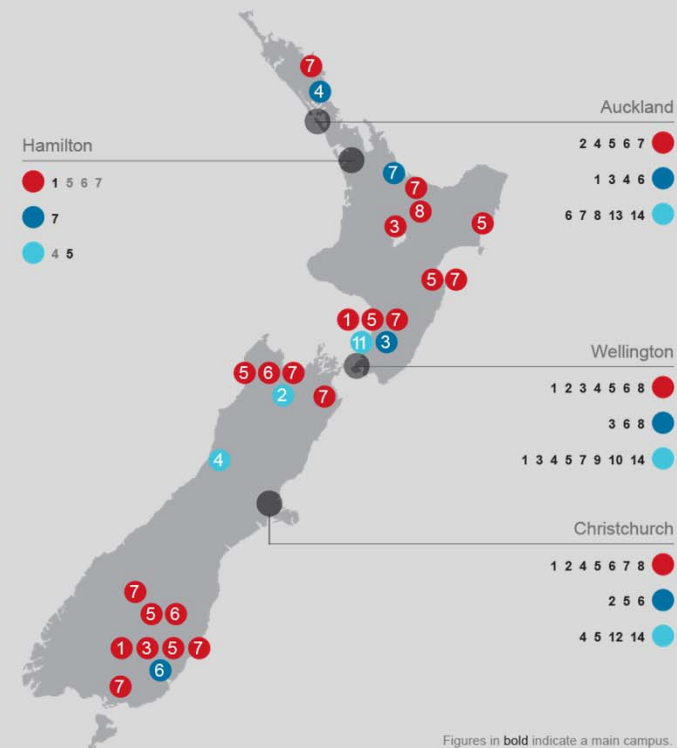
Legatum Institute Prosperity Index 2012	OECD Education at a Glance 2012	OECD Education at a Glance 2012	OECD Education at a Glance 2012
<p><i>Education access and quality, Human Capital</i></p> <p><b>NEW ZEALAND 1</b></p> <ul style="list-style-type: none"> <li>Australia</li> <li>Canada</li> <li>Taiwan</li> <li>United States</li> <li>Norway</li> <li>Republic of Korea</li> <li>Finland</li> <li>Slovenia</li> <li>Spain</li> <li>Netherlands</li> <li>Sweden</li> <li>Iceland</li> <li>Ireland</li> <li>Germany</li> <li>Denmark</li> <li>Belgium</li> <li>Lithuania</li> <li>France</li> <li>Hungary</li> </ul>	<p><i>Program for International Student Assessment - Reading</i></p> <ul style="list-style-type: none"> <li>China</li> <li>Republic of Korea</li> <li>Finland</li> <li>Hong Kong</li> <li>Singapore</li> <li>Canada</li> </ul> <p><b>NEW ZEALAND 7</b></p> <ul style="list-style-type: none"> <li>Japan</li> <li>Australia</li> <li>Netherlands</li> <li>Belgium</li> <li>Norway</li> <li>Estonia</li> <li>Switzerland</li> <li>Iceland</li> <li>Poland</li> <li>United States</li> <li>Liechtenstein</li> <li>Germany</li> <li>Sweden</li> </ul>	<p><i>Program for International Student Assessment - Science</i></p> <ul style="list-style-type: none"> <li>China</li> <li>Finland</li> <li>Hong Kong</li> <li>Singapore</li> <li>Japan</li> <li>Republic of Korea</li> </ul> <p><b>NEW ZEALAND 7</b></p> <ul style="list-style-type: none"> <li>Canada</li> <li>Estonia</li> <li>Australia</li> <li>Netherlands</li> <li>Chinese Taipei</li> <li>Liechtenstein</li> <li>Germany</li> <li>Switzerland</li> <li>United Kingdom</li> <li>Slovenia</li> <li>Macau</li> <li>Poland</li> <li>Ireland</li> </ul>	<p><i>Young people completing university education</i></p> <ul style="list-style-type: none"> <li>Iceland</li> <li>Poland</li> <li>United Kingdom</li> <li>Denmark</li> <li>Australia</li> <li>Slovak Republic</li> <li>Finland</li> </ul> <p><b>NEW ZEALAND 8</b></p> <ul style="list-style-type: none"> <li>Ireland</li> <li>Netherlands</li> <li>Norway</li> <li>Japan</li> <li>Portugal</li> <li>United States</li> <li>Czech Republic</li> <li>Israel</li> <li>Sweden</li> <li>Canada</li> <li>Italy</li> <li>Switzerland</li> </ul>

# An Integrated R&D System



## Science and Innovation supported by the New Zealand Government.

Crown Research Institutes	Universities	Research Associations and Organisations
1 AgResearch	1 Auckland University of Technology	1 BRANZ (Building Research)
2 ESR (Environmental and Social)	2 Lincoln University	2 Cawthron Institute (Marine Biology)
3 GNS Science (Geological and Nuclear Science)	3 Massey University	3 Cement and Concrete Association of New Zealand
4 IRL (Industrial Research Limited)	4 University of Auckland	4 CRL Energy (Coal Research)
5 Landcare Research	5 University of Canterbury	5 Dairy NZ
6 NIWA (Water and Atmosphere)	6 University of Otago	6 Fert Research
7 Plant and Food	7 University of Waikato	7 Harmonic
8 Scion (Forest Research)	8 Victoria University of Wellington	8 Heavy Engineering Research Association
		9 Malaghan Institute
		10 Meat and Wool New Zealand
		11 NZ Leather and Shoe Research
		12 New Zealand Plant Breeding and Research Association
		13 Transport Engineering Research New Zealand
		14 Callaghan Innovation



# A Leading Player in Patent Development



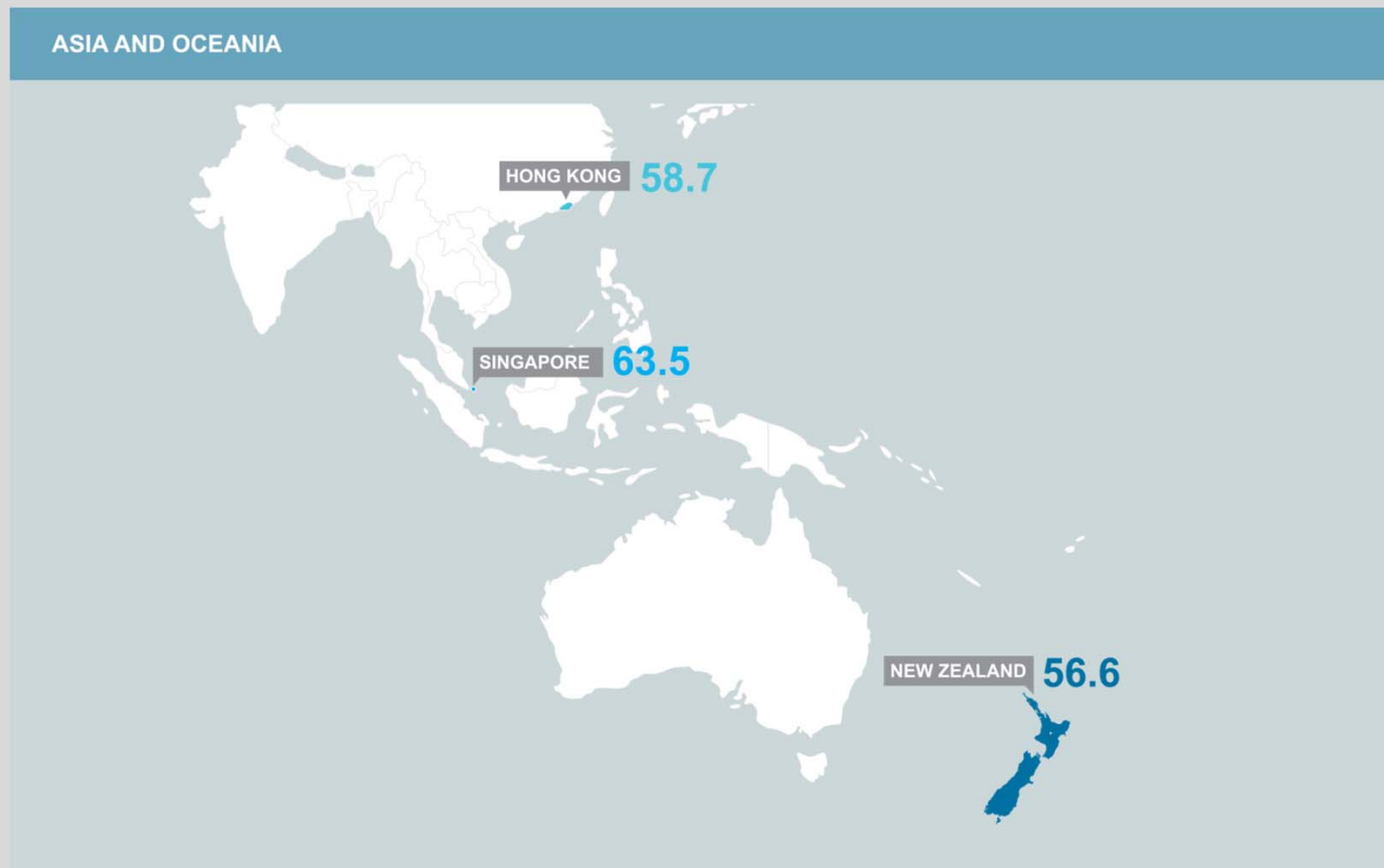
## Bloomberg Global Patent Activity



# New Zealand Top 3 in Asia for Innovation

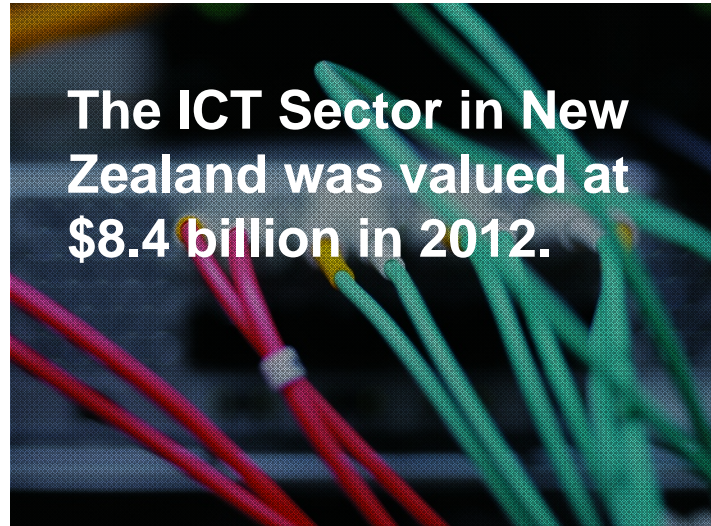


## Global Innovation Index 2012





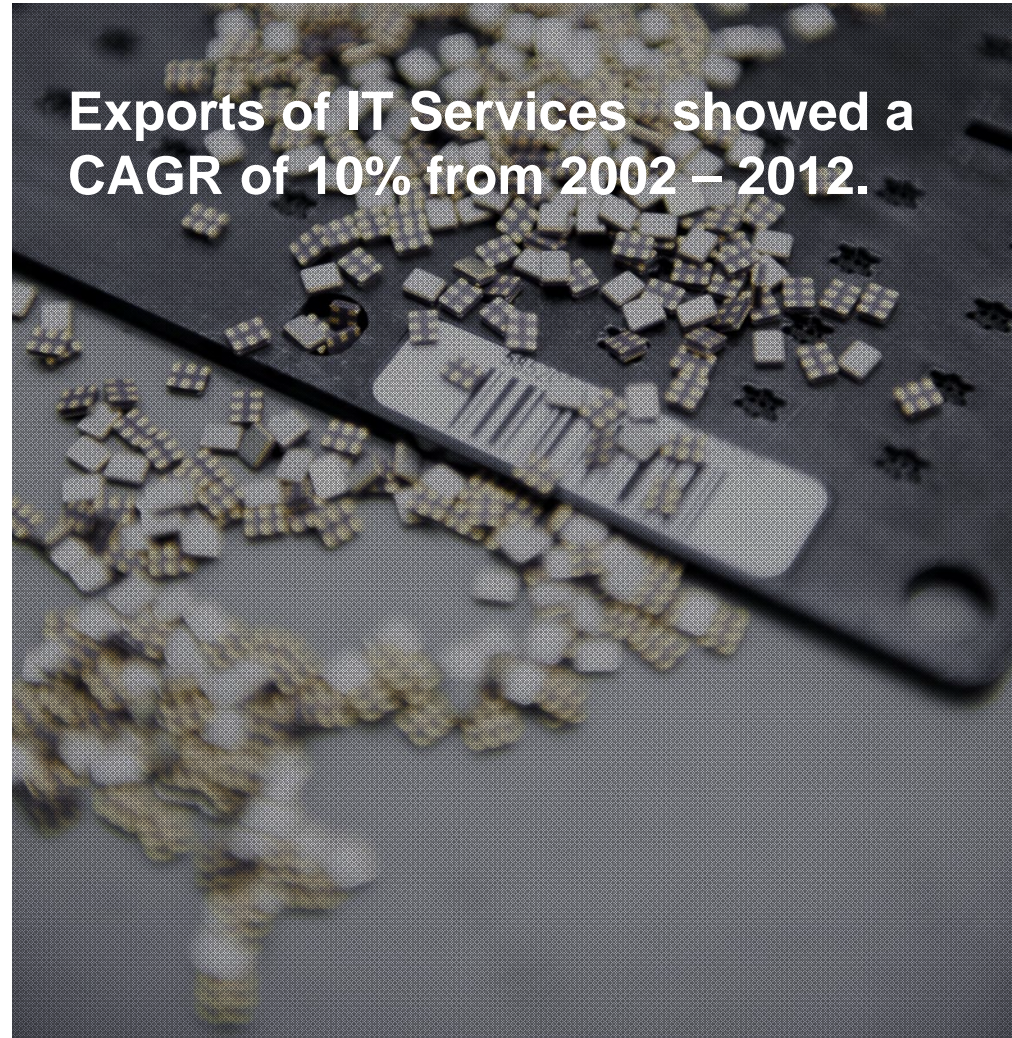
# Rapid Growth in Technology Exports



**The ICT Sector in New Zealand was valued at \$8.4 billion in 2012.**



**Total exports of IT Services were valued at \$659m, or 7.8% of the ICT Sector's total value in 2012.**



**Exports of IT Services showed a CAGR of 10% from 2002 – 2012.**

# A Proud Culture of Innovation

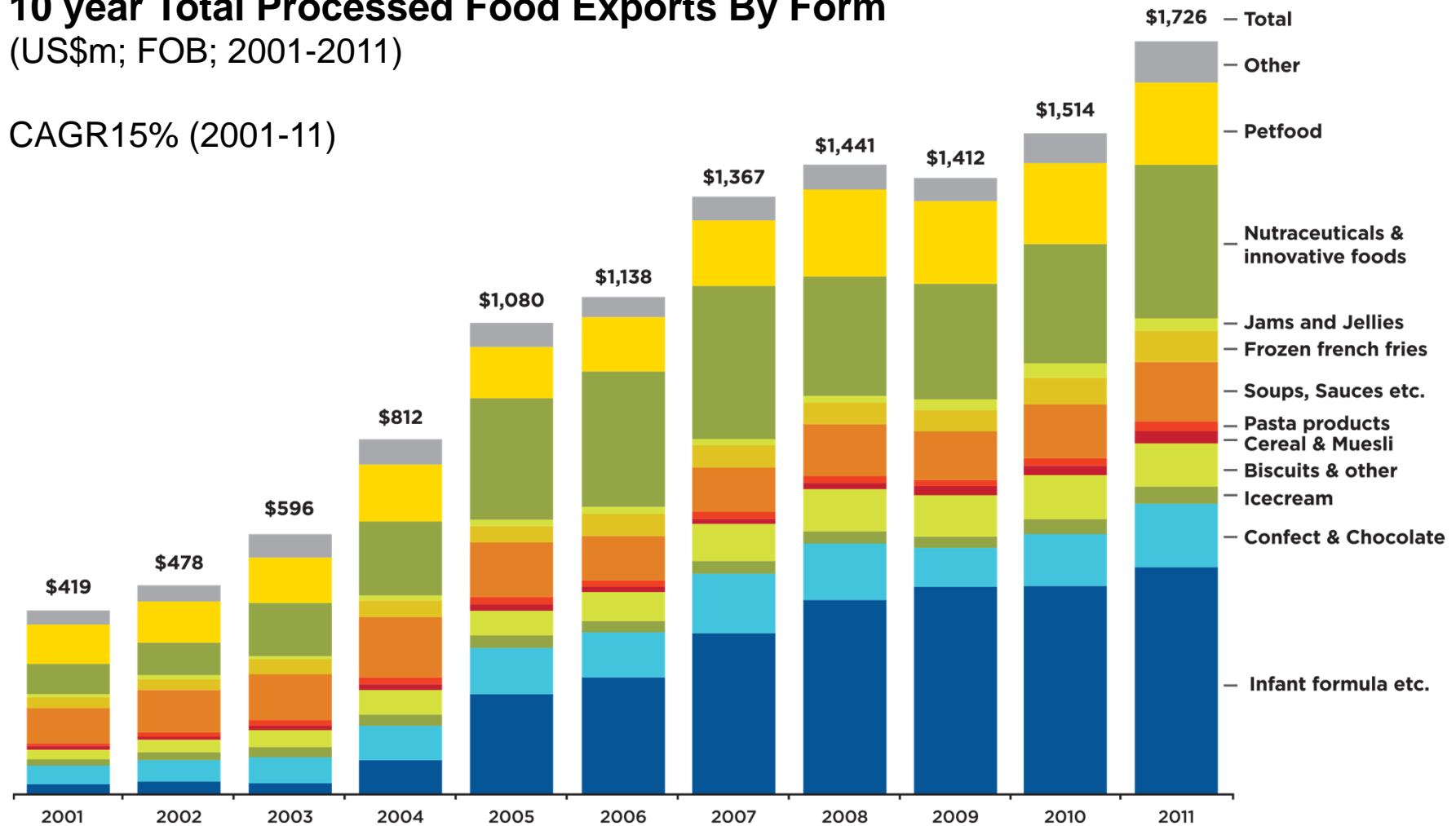


# Food Innovation Enjoying Strong Growth



## 10 year Total Processed Food Exports By Form (US\$m; FOB; 2001-2011)

CAGR15% (2001-11)



# Resourcefulness is in our DNA

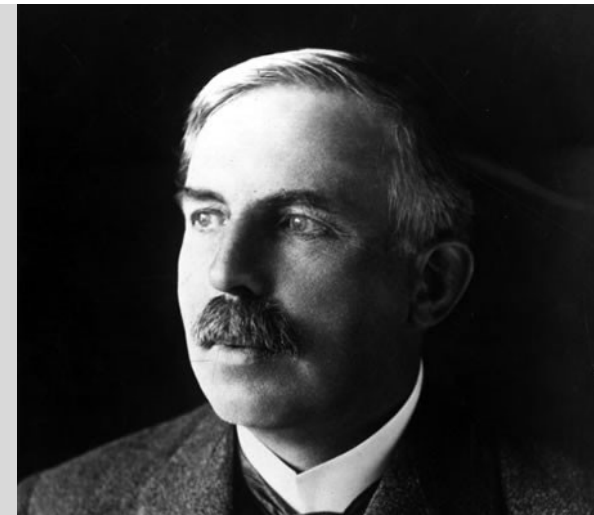


*“Forward thinking and innovation are not limited to any part of the world; but they flourish in New Zealand - and in the mind of Kiwis.”*

**Time Magazine**

*“We didn’t have the money so we had to think.”*

**Ernest Lord Rutherford**  
1908 Nobel Laureate for Chemistry  
and father of Nuclear Physics



# Resourcefulness is in our DNA



*“People think we shot in New Zealand because the rainforests are beautiful... But we didn't have a single day of exteriors on the movie. It was all created with ones and zeros.”*

**James Cameron**

Three time Academy Award Winning  
Film Director



*“Our intelligent thinking and our creative ability can have a huge impact taking our brand out to the world .”*

**Sir Richard Taylor**

Four time Academy Award Winner  
Weta Workshop

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# **In Summary**

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- **A trusted business environment.**
- **Technology sector growing.**
- **A proud culture of innovation.**
- **Resourcefulness is in our DNA.**

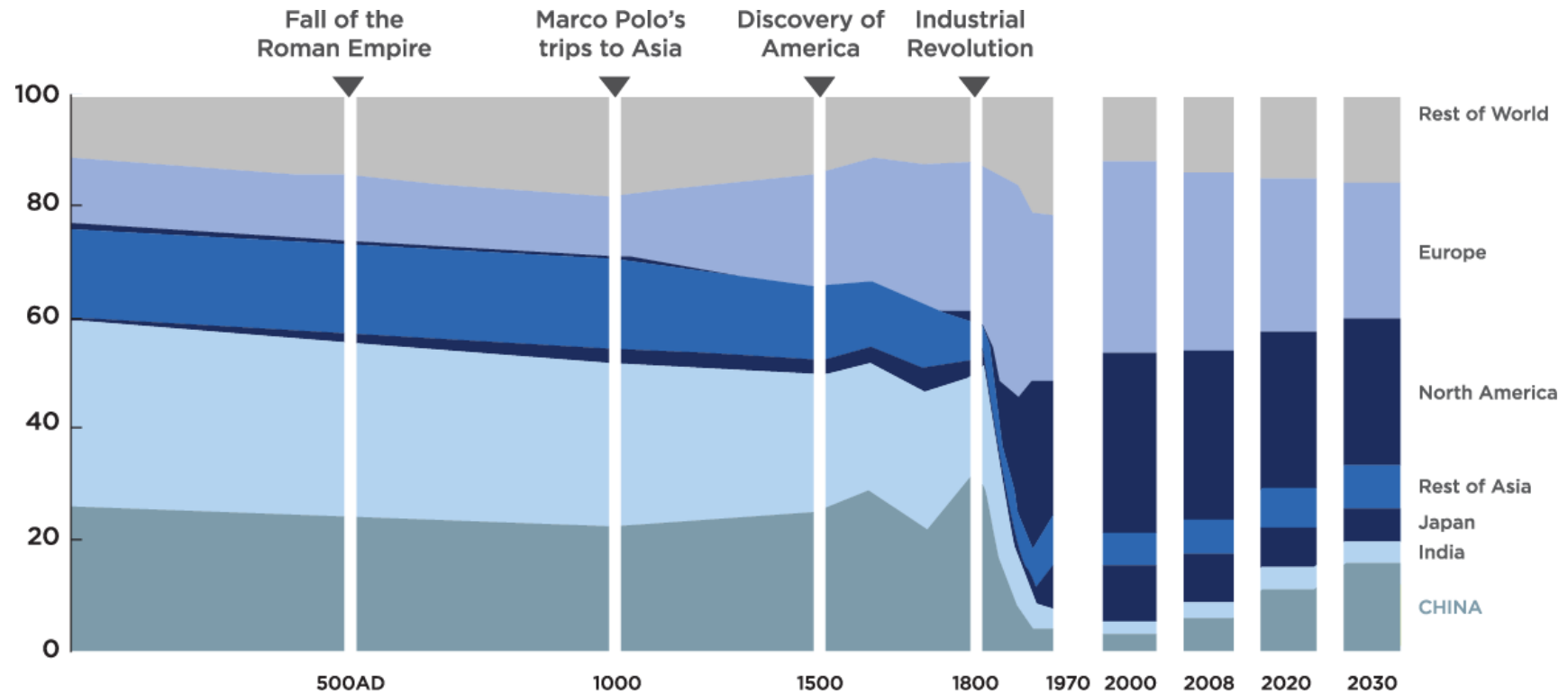
# New Zealand and the Asia growth story



# The Asia Growth Story



## Percentage Share of total World GDP 1-2030 AD

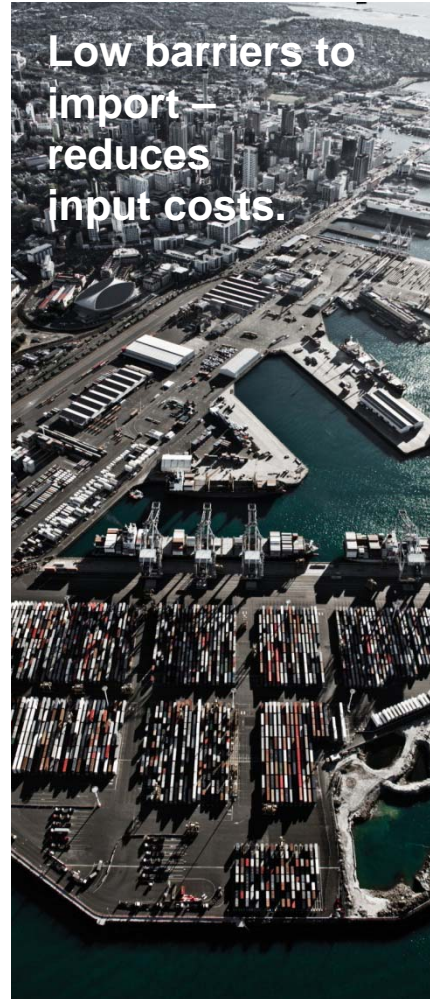




# New Zealand is Open For Trade



**An extensive network of Free Trade Agreements (FTAs) including China, ASEAN and Australia.**



**Low barriers to import – reduces input costs.**



**Transparent and predictable rules, strong protection, preferential tariffs, rules of origin, and customs facilitation.**

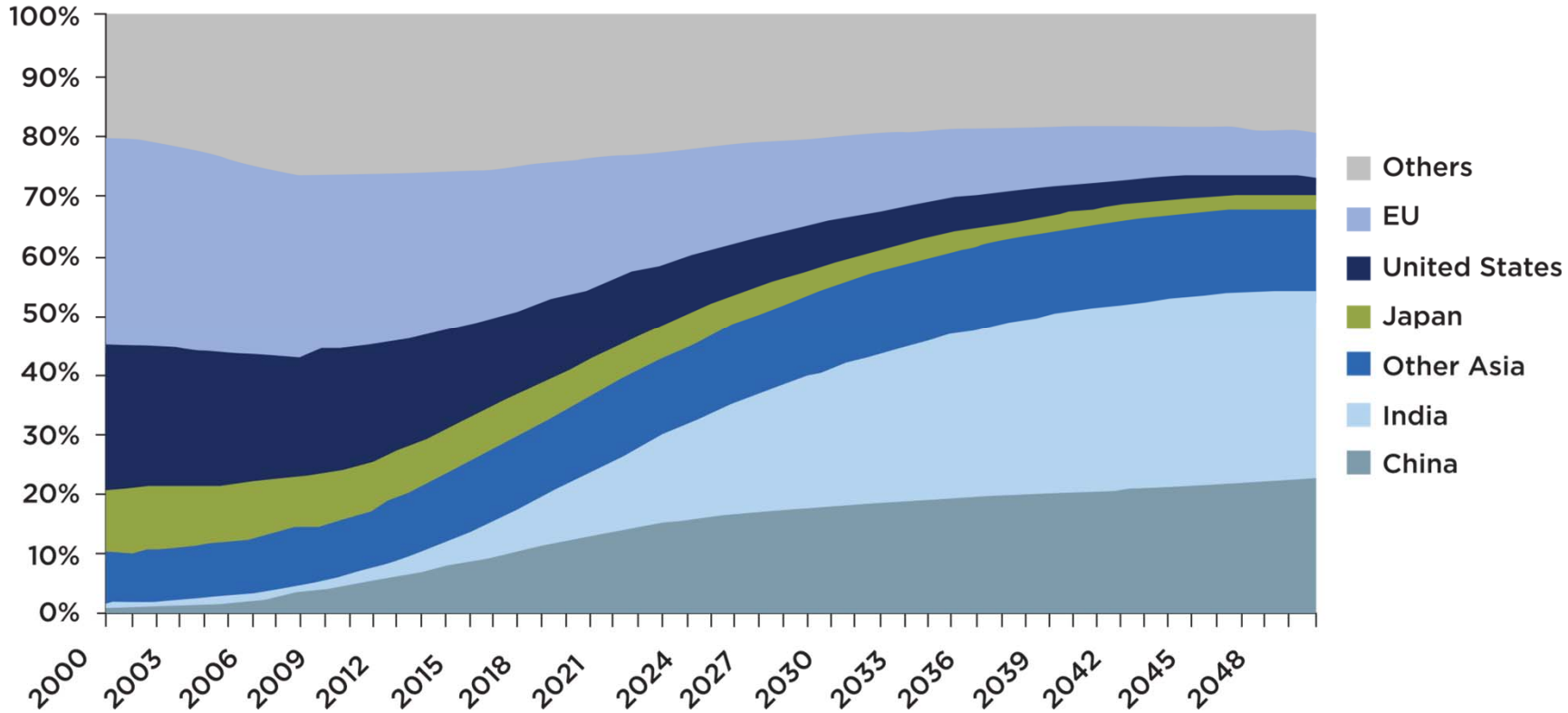


**Border administration facilitates goods movements.**  
*(5th in 2012 Global Enabling Trade Report).*

# Asia and India Driving Global Consumption



### Shares of Global Middle Class Consumption, 2000-2050

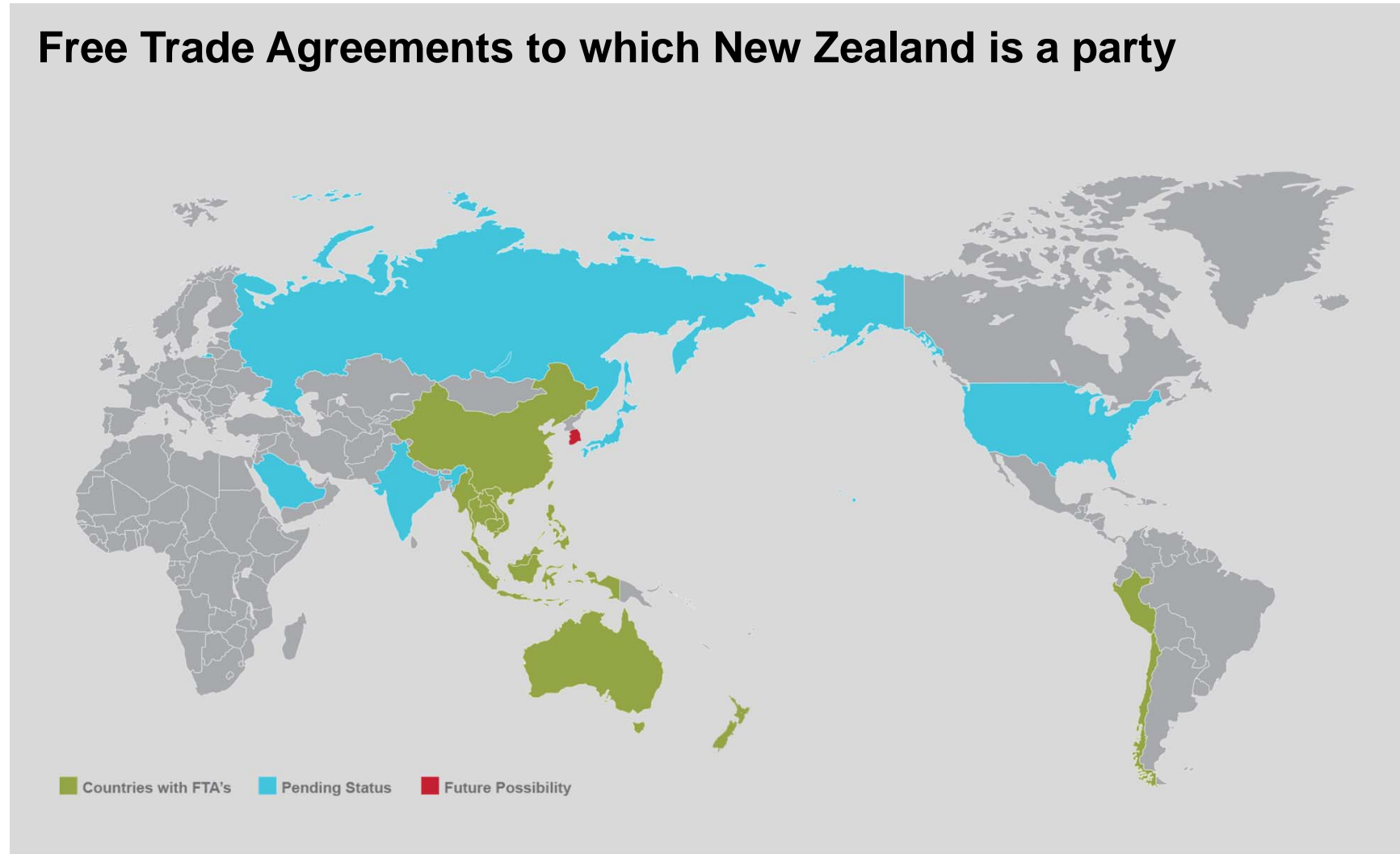


Source: The Brookings Institute, The Emerging Middle Class in Developing Countries Homi Kharas March 15, 2010

# Deepening Trade Relationships



## Free Trade Agreements to which New Zealand is a party



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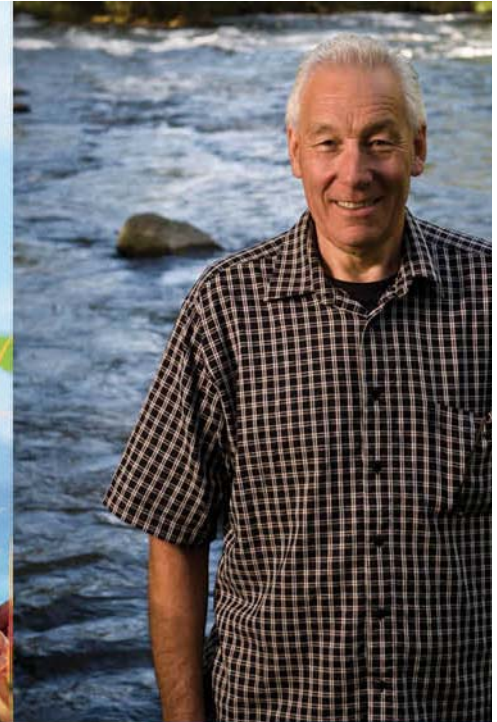
# **In Summary**

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- **New Zealand is part of the Asia growth story.**
- **New Zealand open for trade.**
- **Asia and India driving global consumption.**
- **Deepening trade relationships.**

# An Open and Welcoming Society



# We Enjoy a Good Quality of Life



Fraser Institute	Institute for Economics & Peace	The Wall Street Journal	United Nations	The Economist
<i>Worldwide Index of Human Freedom 2013</i>	<i>Global Peace Index 2012</i>	<i>Index of Economic Freedom 2012</i>	<i>Development Index 2013</i>	<i>Where to be Born Index 2013</i>
<p><b>NEW ZEALAND 1</b></p> <p>Iceland Denmark</p> <p>Netherlands Hong Kong Australia Canada Ireland United States Denmark Japan Estonia Switzerland Norway Finland Austria Luxembourg Chile Iceland United Kingdom Slovakia Costa Rica</p>	<p><b>NEW ZEALAND 3</b></p> <p>Austria Switzerland Japan Finland Canada Sweden Belgium Norway Ireland Slovenia Czech Republic Germany Australia Singapore Portugal Qatar Qatar</p>	<p><b>NEW ZEALAND 4</b></p> <p>Hong Kong Singapore Australia</p> <p>Switzerland Canada Chile Mauritius Denmark United States Ireland Bahrain Estonia United Kingdom Luxembourg Finland The Netherlands Sweden Germany Taiwan</p>	<p><b>NEW ZEALAND 6</b></p> <p>Norway Australia United States Netherlands Germany</p> <p>Ireland Sweden Switzerland Japan Canada South Korea Hong Kong Iceland Denmark Israel Belgium Austria Singapore France</p>	<p><b>NEW ZEALAND 7</b></p> <p>Switzerland Australia Norway Sweden Denmark Singapore</p> <p>Netherlands Canada Hong Kong Finland Ireland Austria Taiwan Belgium Germany United States UAE South Korea Israel</p>

# A Good Quality of Life



## United Nations Human Development Index 2013

Records the rankings of nations across education, health, and income dimensions.



# Growing Ethnic Diversity



- Growing diversity in the population.
- Importing a global set of cultural perspectives.
- A well connected and educated global diaspora.





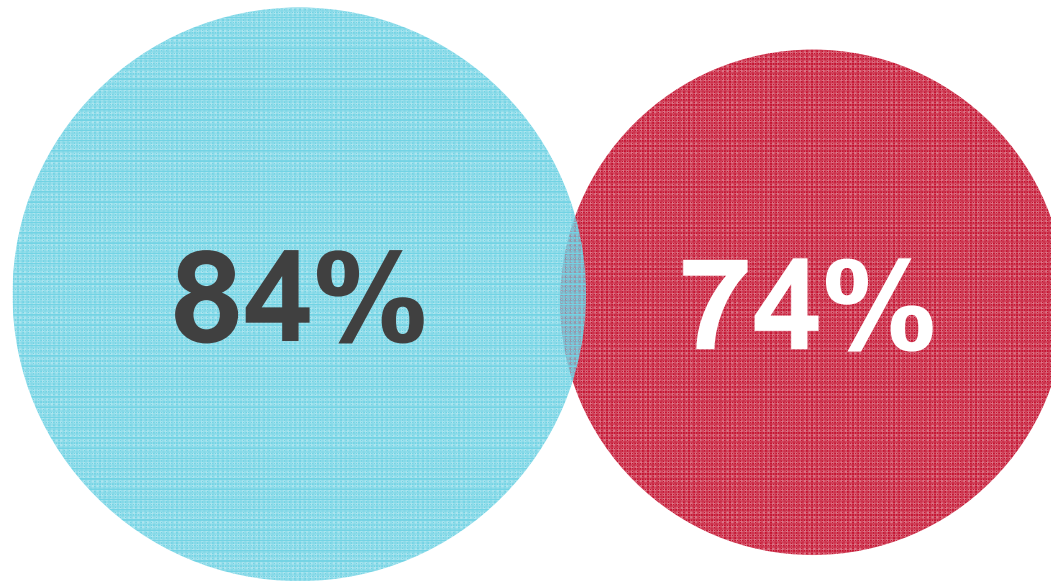
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# Welcoming Towards Other People

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## Asia New Zealand Colmar Brunton - Perceptions of Asia Study 2012



84% said it was *very important* or *quite important* for New Zealand to develop cultural and economic ties

74% believed that Asian people brought a *valuable cultural diversity* to New Zealand

# Welcoming Towards Other People



## Asia New Zealand Colmar Brunton - Perceptions of Asia Study 2012

Warmth towards people from Asian countries

	New Zealanders' warmth rating towards Asian countries	Australians' warmth rating towards Asian countries
China	69	59
Japan	74	70
India	66	58
South Korea	69	61

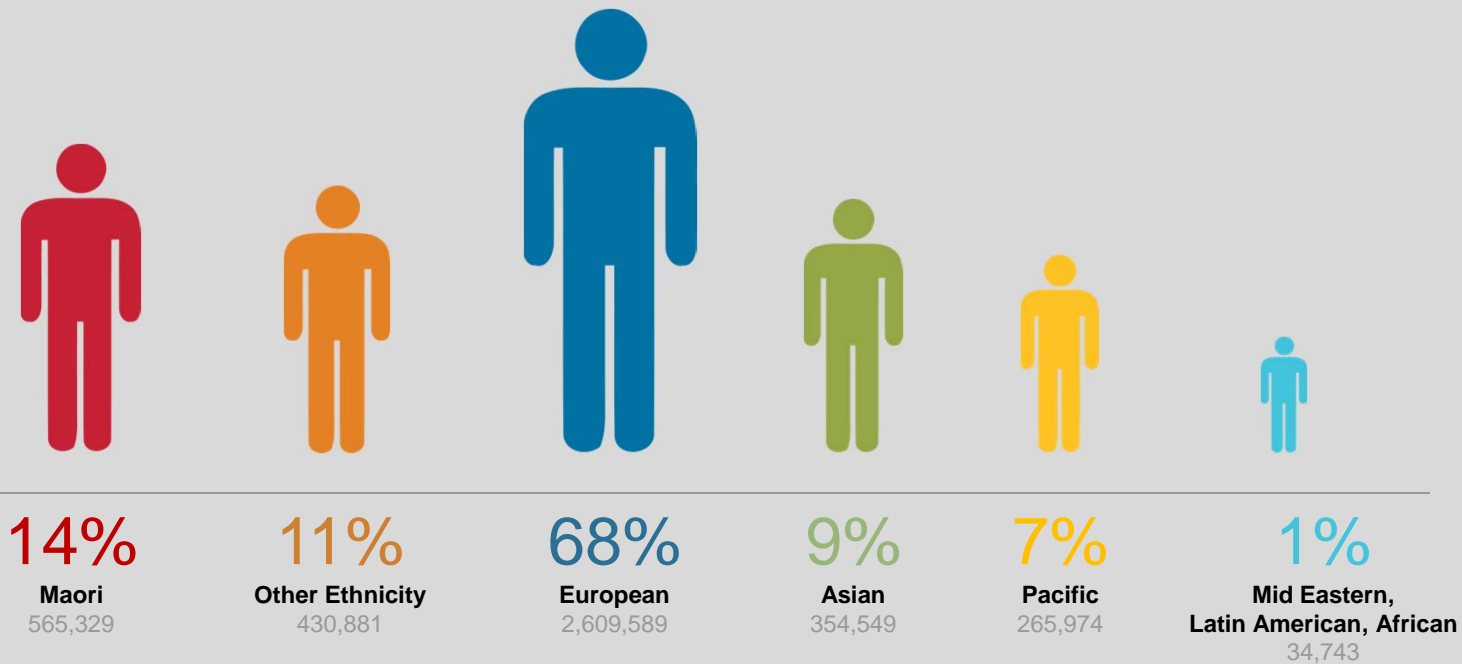
*NZ results compared with a similar survey by the Australian Lowy Institute.*

# Cultural Diversity Growing

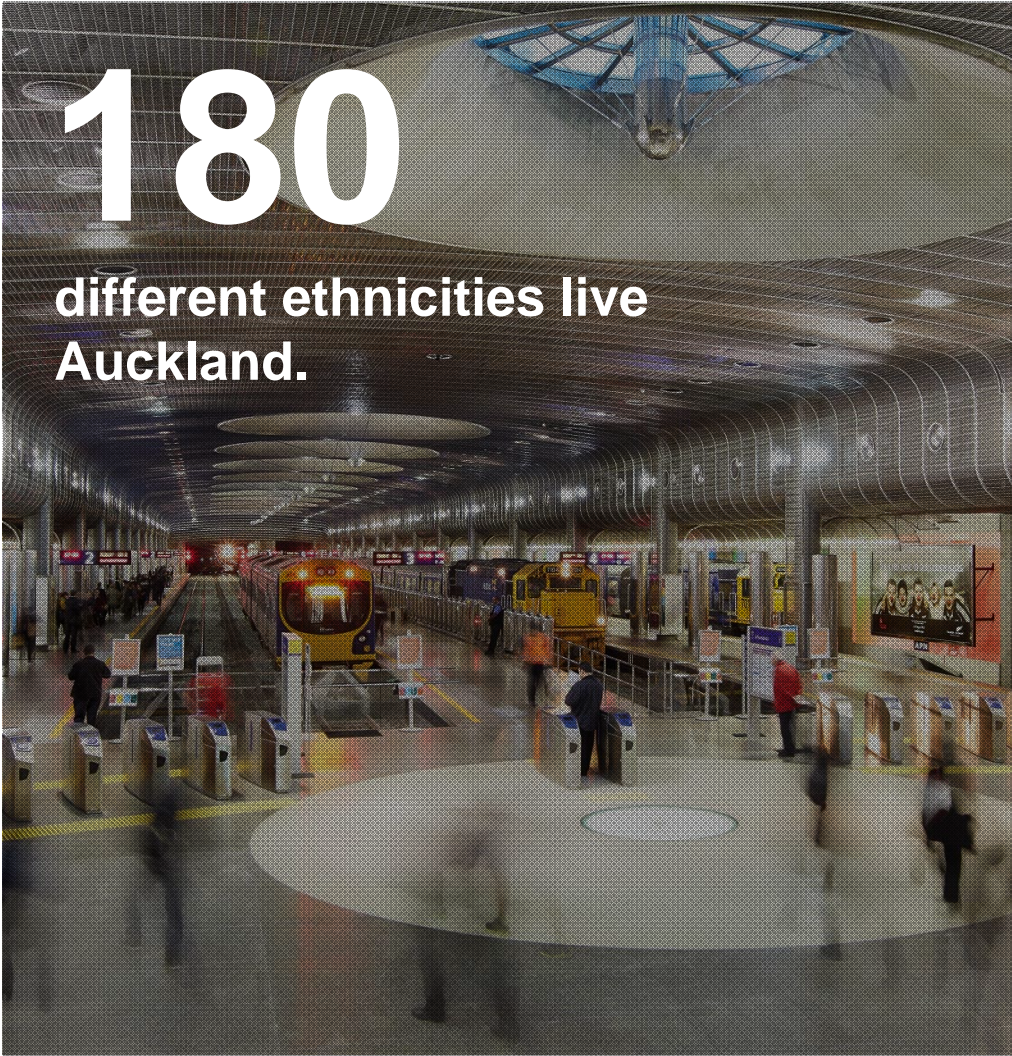


## Ethnic Composition of New Zealand

Total from last four censuses



# Welcoming Towards Other People



# A Global Citizen



New Zealand is an active member of international organisations:

- United Nations
- APEC
- OECD
- World Trade Organization
- The Commonwealth

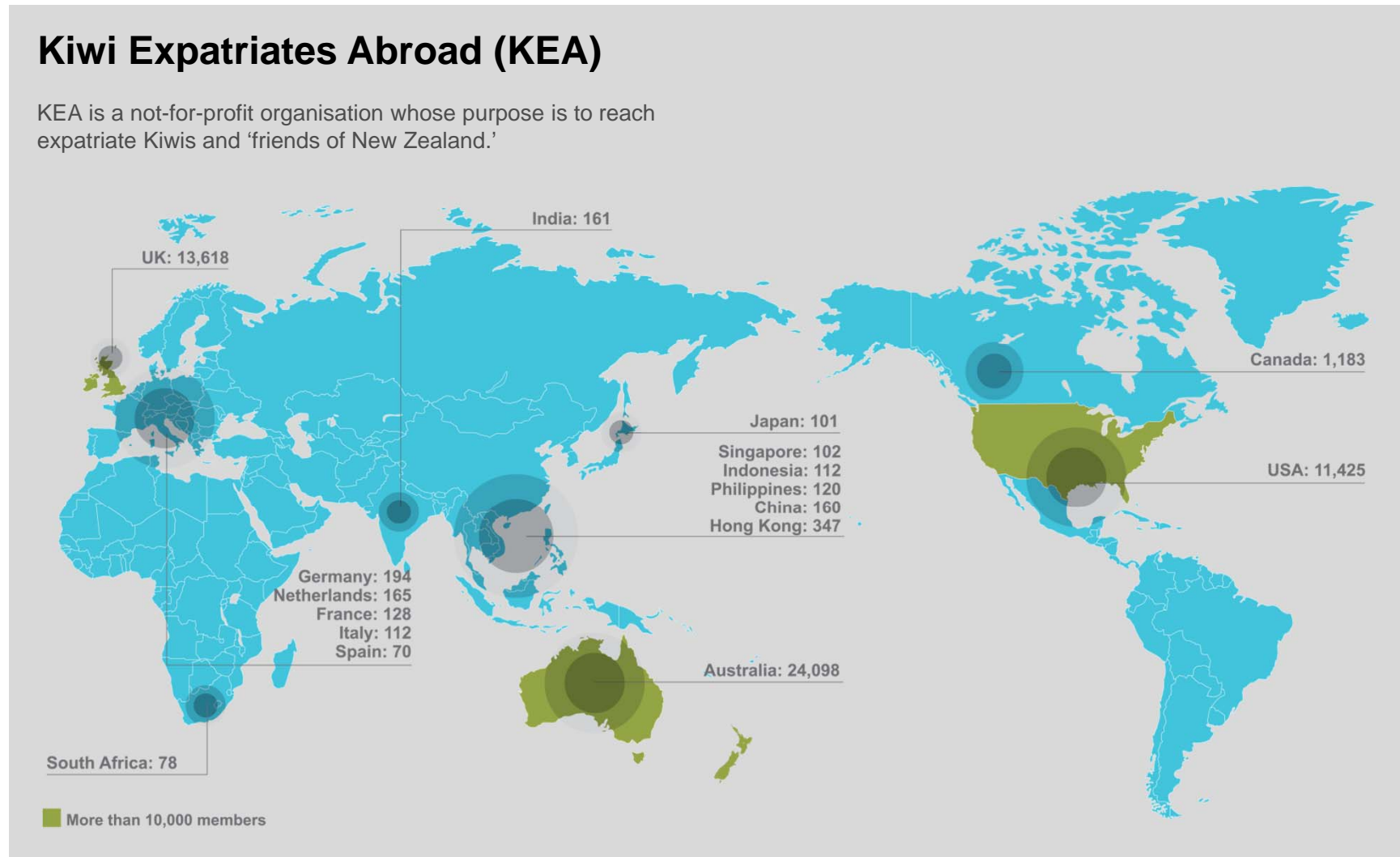


# Highly Connected Expatriate Community



## Kiwi Expatriates Abroad (KEA)

KEA is a not-for-profit organisation whose purpose is to reach expatriate Kiwis and 'friends of New Zealand.'



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## **In Summary**

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- **Residents enjoy a good quality of life.**
- **Growing ethnic diversity.**
- **Welcoming towards other people.**
- **Highly connected expatriate community.**

---

# New Zealand has a Promising Economic Future

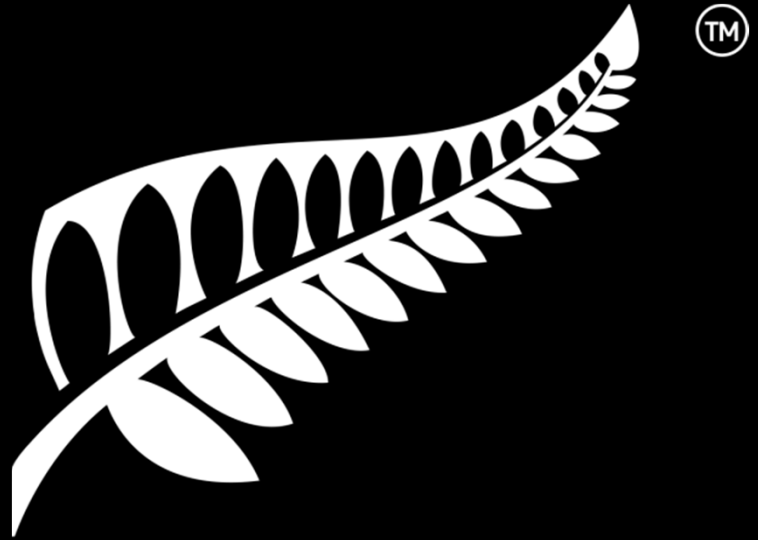
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Partnering with high growth economies for our premium products and services.







**NEW ZEALAND**