

Q&A

What is the Business Growth Agenda?

The Business Growth Agenda is the framework the Government is using to drive its work to build a more productive and competitive economy, and to communicate and develop that work with the business community. It is focussed on the six key ingredients businesses need to grow and succeed; export markets, investment, innovation, skills, natural resources and infrastructure. It also captures three important cross-cutting themes – Māori economic development; sectors and regions; and regulation.

Why is it important to build export markets?

Internationally connected businesses offer significant benefits to our economy. They grow faster, innovate more, and bring more capital and money into New Zealand. They also attract skilled and innovative individuals, pay higher wages and create jobs for New Zealanders. They are a critically important component of the New Zealand Economy.

What are you doing to support market diversification?

This update of the Export Markets workstream of the Business Growth Agenda outlines an ambitious trade strategy to lift linkages for New Zealand companies around the Pacific Rim and into Europe. We are also undertaking a number of projects to maximise the benefits to exporters of our trade agreements. Specific projects include:

- Launch a new push into Latin America by developing a partnership with the Pacific Alliance;
- seeking a strategic partnership with the ASEAN economic community;
- Pursuing the launch of an EU-New Zealand FTA;
- Negotiate a successful FTA “upgrade” with China;
- Complete negotiations for the TPP Agreement;
- Grow our international footprint to balance our trade interests across the Asia-Pacific region and more broadly around the world;
- Successfully implement the Korea FTA and promote the opportunities for New Zealand exporters; and
- Maximise the benefits of accession to the WTO Government Procurement Agreement with roadshows and facilitation of kiwi exporters.

What are you doing to support product diversification within the economy?

It is critical that we continue to add greater value to our exports through diversifying our product and market base. Specific projects that are underway include:

- Grow NZTE's number of intensively engaged companies from 500 to 700, with a focus on ICT, Māori and high value food and beverage companies with demonstrated capability to grow internationally;
- Develop and grow New Zealand's international marketing brand – using the NZ Story to assist companies to articulate their value propositions; and
- Relaunch the Regional Business Partners Programme to build the pipeline of innovative regional export companies

Innovation is one of the key ways in which businesses diversify. The *Building Innovation* chapter, which will be published in the next few weeks, sets out what we are doing to encourage and support businesses to innovate.

What progress have you made in the Export Markets stream of the BGA in the last year?

We have delivered on a number of our priority areas set out in the 2014 BGA Future Directions report. Consistent with the focus on adding value to tourism and growing international education, we have seen significant growth in both over the last year:

- Tourism arrivals have broken 3 million per annum, and tourism earnings have exceeded \$8 billion for the first time.
- International students numbers are at their highest levels since 2004 (over 110,000 students in 2014). International Education contributes \$2.85 billion and 30,000 jobs to the New Zealand economy.

We acceded to the WTO Agreement on Government Procurement, giving New Zealand businesses enhanced access to a new market worth over \$1.7 trillion, signed the Korea New Zealand Free Trade Agreement, and we have agreement with China to upgrade our landmark FTA signed in 2008. We also concluded an Air Services Agreement with India will enable Air New Zealand to work with its Star Alliance partners to boost travel between India and New Zealand.

With the additional budget funding agreed in Budget 2014 and Budget 2015, NZTE has increased the number of companies it intensively services by 100 to reach a total of 625 companies.

We have continued to embed the New Zealand story, strategy and structure through its integration into company websites, events, marketing collateral, client presentations, promotional videos, with over 2,400 registered users downloading over 14,000 items such as images, videos and logos.

We have also increased New Zealand's footprint in the ASEAN region, giving us a solid base from which to grow international connected businesses that can seize opportunities in an increasingly Asia-Pacific centric world. NZ Inc agencies have increased their staff numbers in Singapore, Jakarta, Ho Chi Minh City and Yangon, as well as in the Middle East and South America.

What is the target for building export markets?

The Government has committed itself to the high-level goal of increasing the ratio of exports to GDP to 40 per cent by 2025. We will do this by growing businesses that are internationally connected and able to add value to volume and seize opportunities in an Asia-Pacific centred world.

What will success look like?

The Business Growth Agenda *Towards 2025* report introduces five vision statements that capture what a successful New Zealand economy would look like in 10 years' time:

- a market based economy that reflects Kiwi attributes – agile, resourceful, innovative and world-beating;
- our businesses add greater value to their goods and services – attracting a premium from our natural resources, intellectual edge and industry know-how;
- we are more internationally connected to reduce the impacts of distance, and seen as a real hub of talent and ideas for the Asia-Pacific region;
- an economy where all regions and our people have the opportunity to grow and prosper;
- we are one of the most highly-skilled countries in the world, with ambitious business leaders who make the best of our diversity of talents and ideas.

An economy like this will grow our productivity and incomes, delivering real and ongoing improvements in quality of life for all New Zealanders.

Where can I provide Feedback?

Feedback is coordinated through the Ministry of Business Innovation and Employment.

- Electronic copies of the report and feedback forms are available on MBIE's website: www.mbie.govt.nz/info-services/business/business-growth-agenda/towards-2025
- Alternatively please feel free to email us directly at bgafeedback@mbie.govt.nz

- We will also be holding workshops as we work to continue the conversation with business. If you would like further information on these, please let us know.