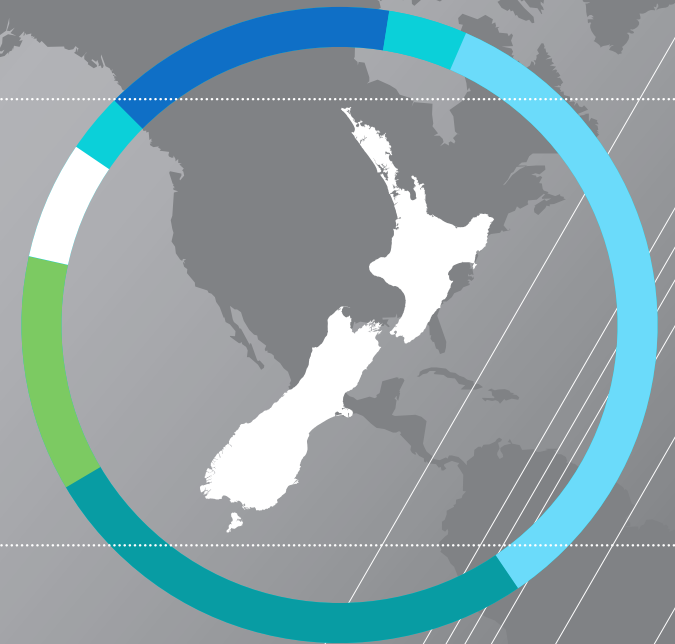


→ MAIN REPORT

THE NEW ZEALAND Sectors Report 2014

AN ANALYSIS OF THE NEW ZEALAND ECONOMY BY SECTOR





**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

MBIE combines the former Ministries of Economic Development, Science + Innovation, and the Departments of Labour and Building and Housing.

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PART TWO

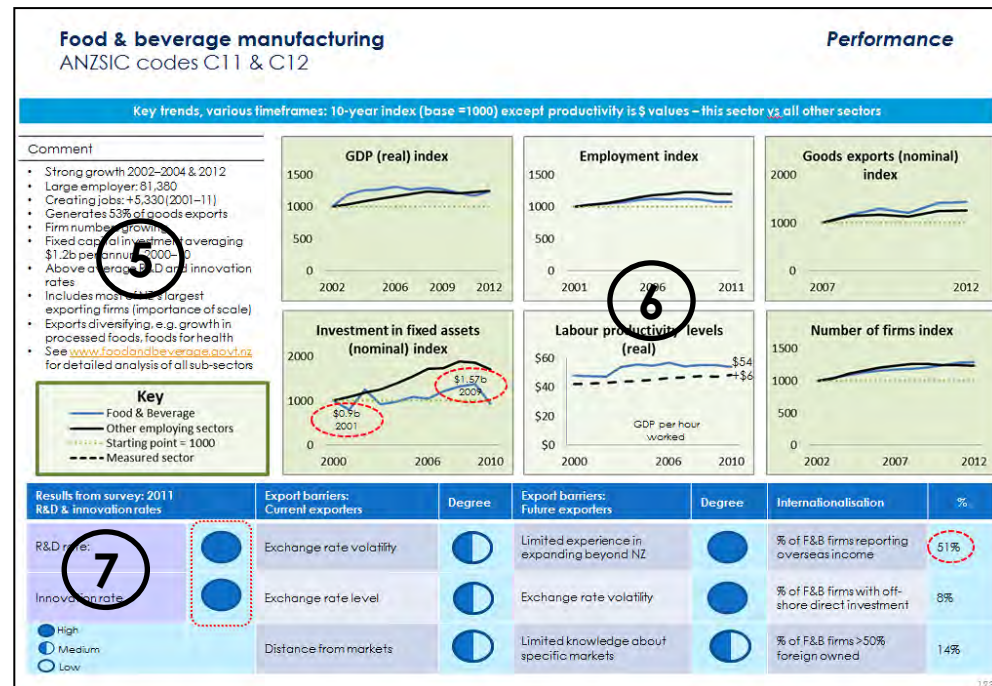
SECTOR SNAPSHOTS

GUIDE TO READING SNAPSHOT CHARTS

Guide to reading snapshot charts

Sectors are reviewed across two pages

| Food & beverage manufacturing | | | | | | Situation | | | |
|---|--------------|-------------|---------------|--------------------|--------------------------|------------------------------|--------------------|-----------------------------|---------------------|
| ANZSIC codes C11 & C12 | | | | | | | | | |
| Food product, beverage and tobacco product manufacturing, includes meat and meat products, seafood processing, dairy products, fruit and vegetable processing, oils and fats, grain mill and cereal products, bakery products, sugar and confectionery and other food manufacturing (including pet food). | | | | | | | | | |
| Scorecard | | | | | | Example firms | | | |
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) | Firm | Turnover (\$m) | Employees | Ownership |
| 1 GDP 2012 (nominal) | \$7,270m | 4.4% | -27.2% | 0.1% | 2.7% | 2 Enterraco Group | \$19,800 (2012) | 15,600 | Co-op |
| GDP 2012 (real) | n/a | n/a | 6.0% | -0.5% | 2.1% | Silverfern Farms | \$2,006 (2012) | 5,500 | Co-op |
| Goods exports 2012 | \$23,758m | 52.9% | 2.0% | 7.5% | n/a | Alliance Group | \$1,371 (2012) | 5,000 | Co-op |
| Employment 2011 | 81,380 | 3.6% | -0.7% | -0.9% | 0.7% | Anzco Foods | \$1,116 (2010 est) | 2,500 | Private |
| Productivity 2010 | \$54 | 112.0%** | -1.9% | -0.3% | 1.2% | Goodman Fielder NZ | \$1,091 (2011 est) | 1,800 | Public |
| Fixed capital investment 2010 | \$1,080m | 3.5% | -31.4% | -2.8% | -0.6% | | | | |
| No. of firms 2012 | 3,134 | 0.7% | 0.6% | 1.9% | 2.6% | | | | |
| Industry level financial performance | | | | | | Key exports from this sector | | Key markets for this sector | |
| Measure | Total | | Growth (1 yr) | | Product | Exports (\$m: 2012) | Country | Exports (\$m: 2012) | |
| | This sector | All sectors | This sector | All sectors | | | | Product | Exports (\$m: 2012) |
| 3 Total revenue per firm 2011* | \$13,866,789 | \$575,386 | 12.9% | 4.7% | Milk powder | \$6,765 | China | \$3,342 | |
| Total revenue per employee 2011* | \$544,700 | \$311,600 | 14.4% | 4.0% | Sheep meat | \$2,645 | USA | \$2,643 | |
| Surplus per employee 2011* | \$13,300 | \$24,000 | 0.8% | -12.7% | Butter and dairy spreads | \$2,295 | Australia | \$2,448 | |
| Return on equity 2011* | 7.8% | 6.6% | up | down | Frozen beef meat | \$1,748 | Japan | \$1,274 | |
| Debt ratio (liabilities/assets) 2011* | 55.6% | 64.1% | up | down | Cheese | \$1,420 | UK | \$965 | |
| Capital stock per worker 2010 | \$151,398 | \$169,344 | 0.1% | 5.2% | Other | \$8,885 | Other | \$13,086 | |
| * Equals % of total employing firms, except productivity, which is total measured sectors. **NZ average = 100% #All sector total excludes some industries. Refer appendix, terms and definitions. | | | | | | TOTAL all exports | \$23,758 | TOTAL all countries | \$23,758 |



Situation

- Scorecard: economic metrics of this sector relative to New Zealand average.
- Five example firms in this sector.
- Sector-level financial performance: aggregated financial data for this sector versus New Zealand average.
- Top five exports by product from this sector, top five markets for all products from this sector, 2012 data.

Performance

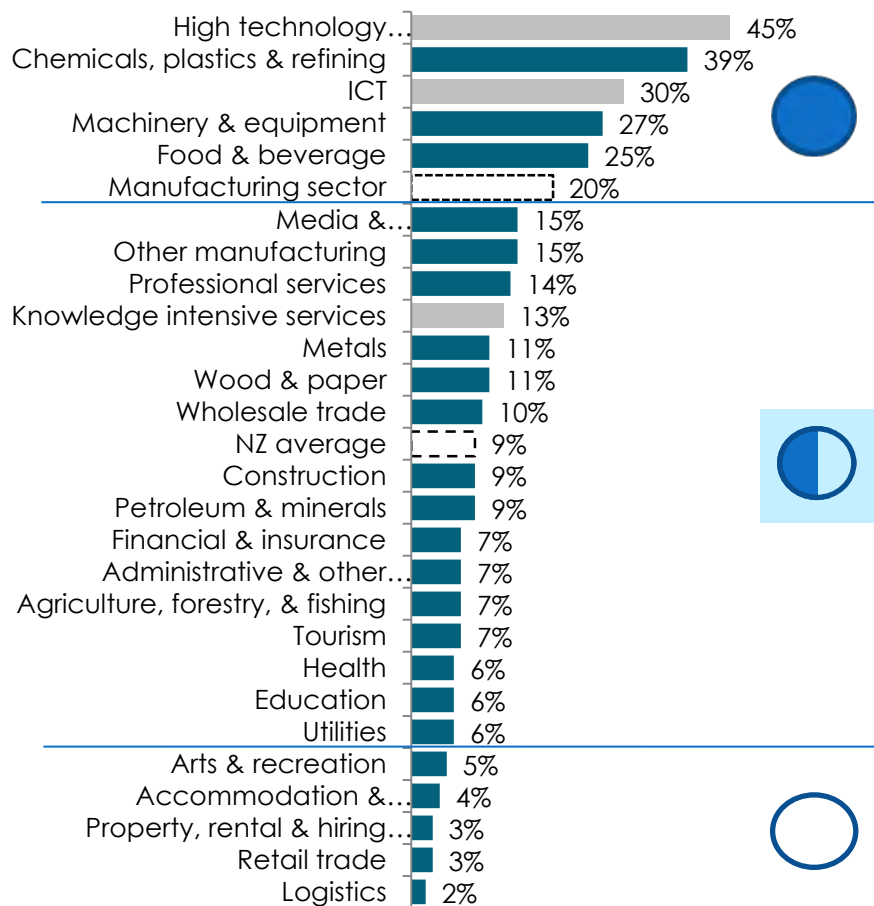
- Comment: highlights of key metrics.
- Key trends, various metrics, various timeframes. An index of this sector's performance over time versus all other sectors, except productivity, which is a simple dollar measure of GDP per hours worked in the sector compared to all other sectors.
- Indicates R&D and innovation rates, top three export barriers and level of internationalisation – see following two pages.

See Appendix for methodology, sources and limitations.

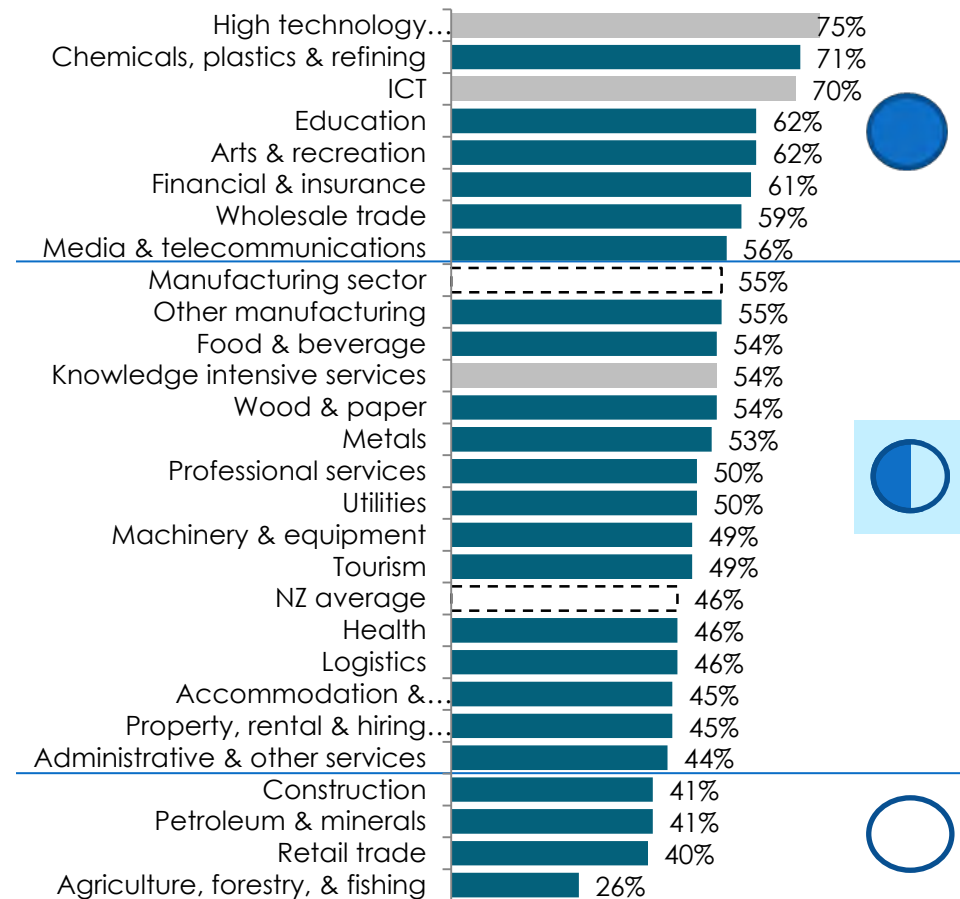
Guide to reading snapshot pages

R&D and innovation rates

Firms reporting R&D activity (2011)



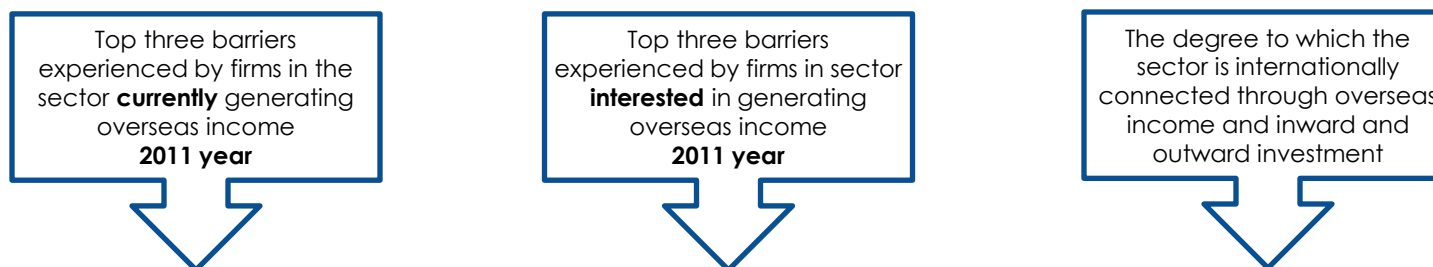
Firms reporting innovation activity (2011)



- The **R&D rate** and **innovation rate** are measures of the number of firms in the sector that reported engaging in some form of R&D activity or innovation activity in the last financial year. This is a different measure from business expenditure on R&D or expenditure on innovation. Firms may report having undertaken either innovation or R&D or both, or none.

Guide to reading snapshot charts

Export barriers & internationalisation



| Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|------------------------------------|---------|--|---------|---|-----|
| 1. Exchange rate volatility | | 1. Limited experience in expanding beyond NZ | | % of F&B firms reporting overseas income | 51% |
| 2. Exchange rate level | | 2. Exchange rate volatility | | % of F&B firms with off-shore direct investment | 8% |
| 3. Distance from markets | | 3. Limited knowledge about specific markets | | % of F&B firms >50% foreign owned | 14% |

| | % firms |
|--|---------------------------------------|
| | High >50% of firms report barrier |
| | Medium 25-49% of firms report barrier |
| | Low 1-24% of firms report barrier |

Interpreting the table: example is food and beverage manufacturing

- Top three barriers to exporting are reported by 25 to 49% of **current exporting** firms in the sector in 2011.
- Top two barriers to exporting are reported by more than 50% of firms in the sector **interested in exporting (future exporters)** in 2011, and the third barrier is reported by 25 and 49 percent of firms interested in exporting.
- The sector scores highly on internationalisation with 51% of firms in the sector reporting income from overseas, 8% of firms report overseas holdings, and 14% of firms in the sector being foreign owned.



PRIMARY SECTORS

- Agriculture, forestry & fishing
- Petroleum & minerals
- **See pages 92–94 for guide to reading snapshot pages**

Agriculture, forestry & fishing

ANZSIC Code A

Situation

Includes firms whose main activity is growing crops, raising animals, growing and harvesting timber, and harvesting fish and other animals from farms or their natural habitats. Included are horticulture, livestock production and aquaculture, forestry and logging, and fishing, hunting and trapping. Much of the outputs from this sector are inputs to the food & beverage and wood & paper sectors.

| Scorecard | | | | | |
|-------------------------------|-----------|----------|-----------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 year) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$13,225m | 7.7% | 19.6% | 12.3% | 3.6% |
| GDP 2013 (real) | n/a | n/a | -0.9% | 2.1% | 0.7% |
| Goods exports 2013 | \$4,951m | 11.2% | 8.0% | 9.8% | 5.5% |
| Employment 2012 | 163,518 | 7.1% | -0.1% | 0.4% | -0.5% |
| Productivity 2011 | \$46 | 94.8% | -4% | -2.2% | 1.2% |
| Fixed capital investment 2011 | \$2,164m | 6.9% | -10.1% | 1.2% | 3.5% |
| No. of firms 2013 | 67,973 | 14.4% | -3.9% | -2.0% | -1.9% |

| Example Firms | | | |
|--------------------|------------------|-----------|---------------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Sealord | \$530 (2012) | 1,100 | 50/50 Maori trust/foreign |
| Sanford | \$464 (2012) | 1,850 | Listed |
| Ernslaw One | \$284 (2009 est) | 100 | Private (Tiong family) |
| Landcorp | \$215 (2012) | 573 | NZ Government SOE |
| Aotearoa Fisheries | \$154 (2012) | 300 | Iwi |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$486,540.7 | \$1,377,888 | 6.3% | 6.5% |
| Total income per employee 2012# | \$343,900 | \$327,400 | 2.8% | 4.9% |
| Surplus per employee 2012# | \$38,500 | \$32,100 | 1.3% | 32.1% |
| Return on equity 2012# | 5.4% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 47.3% | 57.4% | down | down |
| Capital stock per worker 2011 | \$118,643 | \$168,533 | -0.7% | 1.1% |

| Export value by product | | Export value by market | |
|----------------------------|---------------------|----------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Logs | \$1,482 | China | \$1,484 |
| Fruit nec (e.g. kiwifruit) | \$1,076 | Japan | \$602 |
| Apples, pears, and quinces | \$347 | Australia | \$389 |
| Greasy wool | \$286 | South Korea | \$380 |
| Live rock lobsters | \$226 | EU (unspecified) | \$248 |
| Other | \$1,163 | Other | \$1,477 |
| TOTAL all exports | \$4,580 | TOTAL all countries | \$4,580 |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms, and definitions

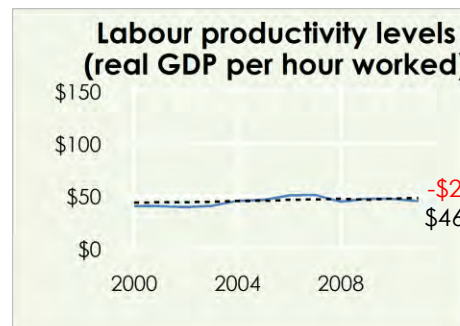
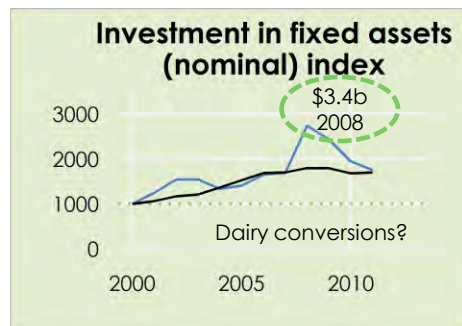
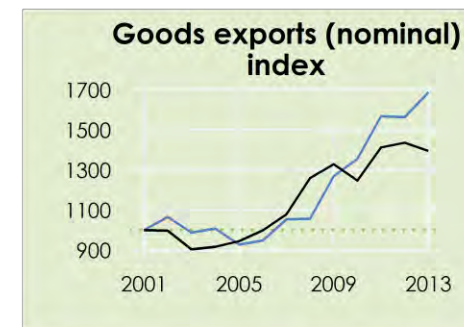
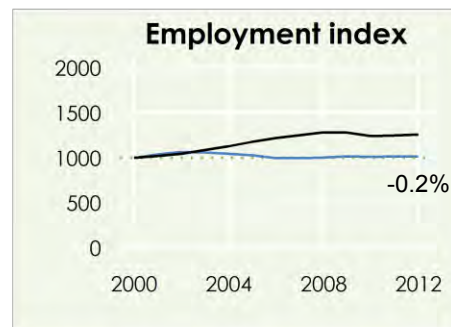
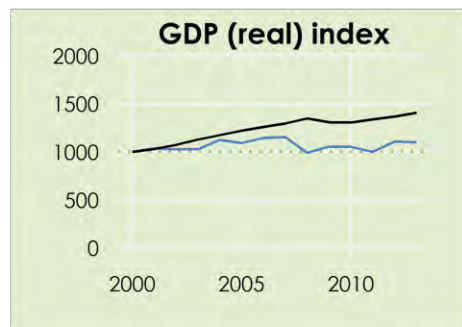
Index of key trends, various timeframes: (base =1000), except productivity is \$ values – this sector vs all other sectors

Comment

- GDP growth below average
- Large employer: 163,518
- Lost jobs overall: -2,442 (2000–12)
- Lost jobs: -11,529 (2002–06)
- Gained jobs: +3,156 (2007–12)
- Firm numbers declining, indicating shift to fewer, larger firms
- R&D carried out collectively through Commodity Levies Act funding so may explain low R&D rate by individual firms
- Most outputs of this sector are inputs into food & beverage manufacturing, e.g. milk into milk powder

Key

- Agriculture, forestry & fishing
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



| Results from survey: 2011 R&D & innovation rates | | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|------------------------------------|---------|--|---------|---|-----|
| R&D rate | ○ | 1. Exchange rate volatility | ● | 1. Limited experience in expanding beyond NZ | ● | % of agriculture, forestry & fishing firms reporting overseas income | 19% |
| Innovation rate | ○ | 2. Exchange rate level | ● | 2. Limited knowledge about specific markets | ● | % of agriculture, forestry & fishing firms with off-shore direct investment | 2% |
| | | 3. Distance from markets | ◐ | 3. Limited access to distribution networks | ● | % of agriculture, forestry & fishing firms >50% foreign owned | 3% |

- High
- ◐ Medium
- Low

This sector includes firms that mainly extract naturally occurring mineral solids, such as coal and ores, and includes liquid minerals such as crude petroleum, and gases, such as natural gas. The products produced by firms in this sector involve the minimum amount of processing to produce a marketable product.

| Scorecard | | | | | |
|-------------------------------|----------|----------|-----------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 year) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$4,340m | 2.5% | 5.3% | 19.1% | 12.1% |
| GDP 2013 (real) | n/a | n/a | 2.3% | -2.3% | 0.2% |
| Goods exports 2013 | \$1,795m | 4.1% | -13.8% | -7.1% | 10.4% |
| Employment 2012 | 7,311 | 0.3% | 4.7% | 5.3% | 6.6% |
| Productivity 2011 | \$330 | 687.5% | -5.7% | 0.1% | -4.7% |
| Fixed capital investment 2011 | \$1,052m | 3.4% | -34.8% | 8.0% | 12.1% |
| No. of firms 2013 | 662 | 0.1% | 2.3% | 5.9% | 5.6% |

| Example firms | | | |
|-------------------------|----------------|-----------|-------------------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| OMV New Zealand | \$670 (2009) | 90 | Foreign (Listed-ASX) |
| OceanaGold | \$390 (2009) | 500 | Listed (ASX,TSX,NZX) |
| Shell Todd Oil Services | \$240 (2012) | 350 | Private (Todd family & Shell) |
| Winstone Aggregates | \$220 (2012) | 320 | Fletcher Building |
| New Zealand Oil & Gas | \$106 (2011) | 20 | Listed (NZX) |

| Industry level financial performance | | | | |
|---------------------------------------|--------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$12,151,468 | \$1,377,888 | 1.8% | 6.5% |
| Total income per employee 2012# | \$1,313,600 | \$327,400 | 5.1% | 4.9% |
| Surplus per employee 2012# | \$218,300 | \$32,100 | -20.4% | 32.1% |
| Return on equity 2012# | 17.0% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 73% | 57.4% | up | down |
| Capital stock per worker 2011 | \$1,895,332 | \$168,533 | -2.4% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

| Export value by product | | Export value by market | |
|---|---------------------|----------------------------|---------------------|
| Product (excludes coal) | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Crude petroleum oils | \$2,023.3 | Australia | \$2,673 |
| Gold and silver | \$714 | Singapore | \$39 |
| Other | \$22.7 | Indonesia | \$25 |
| TOTAL all exports | \$2,797 | China (PRC) | \$22 |
| Note Coal exports are confidential. In 2012 other countries reported imports of New Zealand coal worth US\$394m, with India accounting for 56%, China 30%, Japan 12% and all others 2%. | | Japan | \$14 |
| | | Other | \$24 |
| | | TOTAL all countries | \$2,797 |

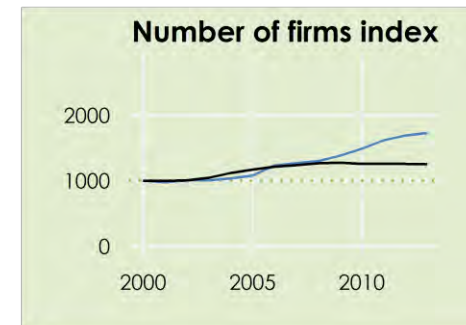
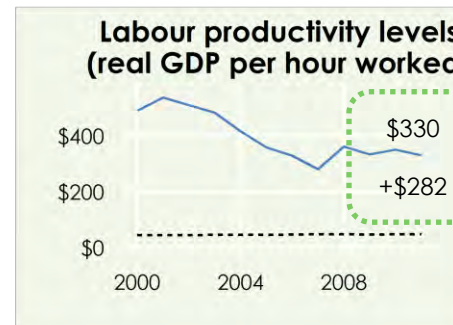
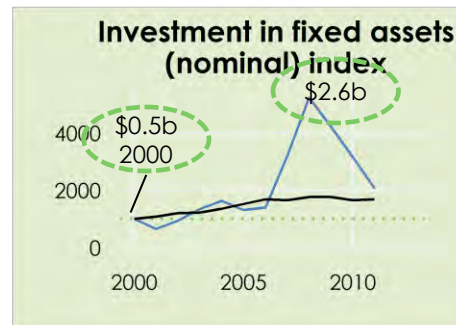
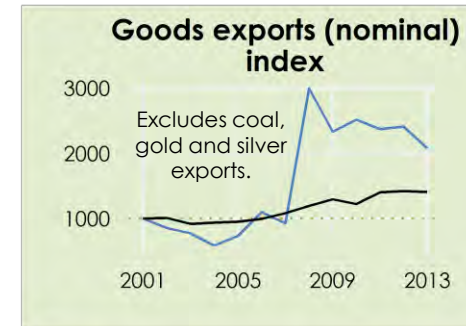
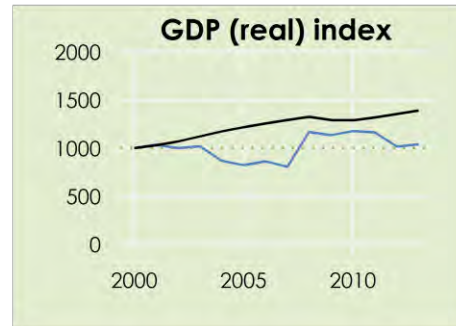
Index of key trends, various timeframes: (base =1000), except productivity is \$ values – this sector vs all other sectors

Comment

- Little real growth 2002–12; price driven nominal growth post 2007
- Small employer: 7,311
- Gained workers: +3,582 (2000–12)
- Most productive sector in the economy; productivity declining
- Investment spiked 2007/08
- Exports tripled in 2008; nearly all NZ crude oil is exported to Australia
- Outputs from this sector are inputs into construction & chemicals, plastics & refining manufacturing e.g. methanol production, fertiliser (urea)
- Sector growth drives demand in other sectors, e.g. engineering, IT services.

Key

- Mining & petroleum extraction
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



| R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|------------------------------|---|---------|---|---------|--|----------------|
| R&D rate (% of firms) | 1. Other | | 1. Limited experience in expanding beyond NZ | | % of petroleum & minerals firms exporting | 16% (15 firms) |
| Innovation rate (% of firms) | 2. Inability to increase supply | | 2. Limited knowledge about specific markets | | % of petroleum & minerals firms with off-shore direct investment | 6% |
| | 3. Distance from markets / Exchange rate volatility / limited access to finance | | 3. Exchange rate level / Exchange rate volatility / Distance from markets | | % of petroleum & minerals >50% foreign owned | 16% |

- High
- ◐ Medium
- Low

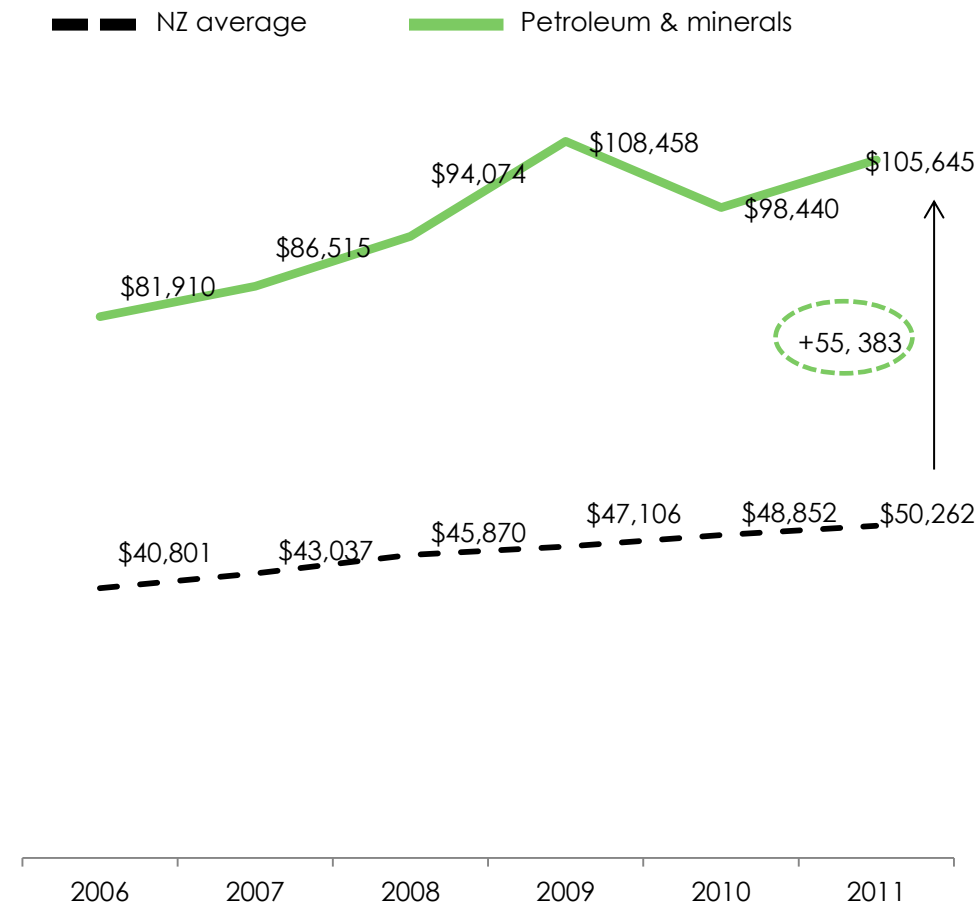
Salaries and wages

Salaries in the petroleum and minerals sector are over twice the New Zealand average

Example chart from the Petroleum and Minerals in-depth report

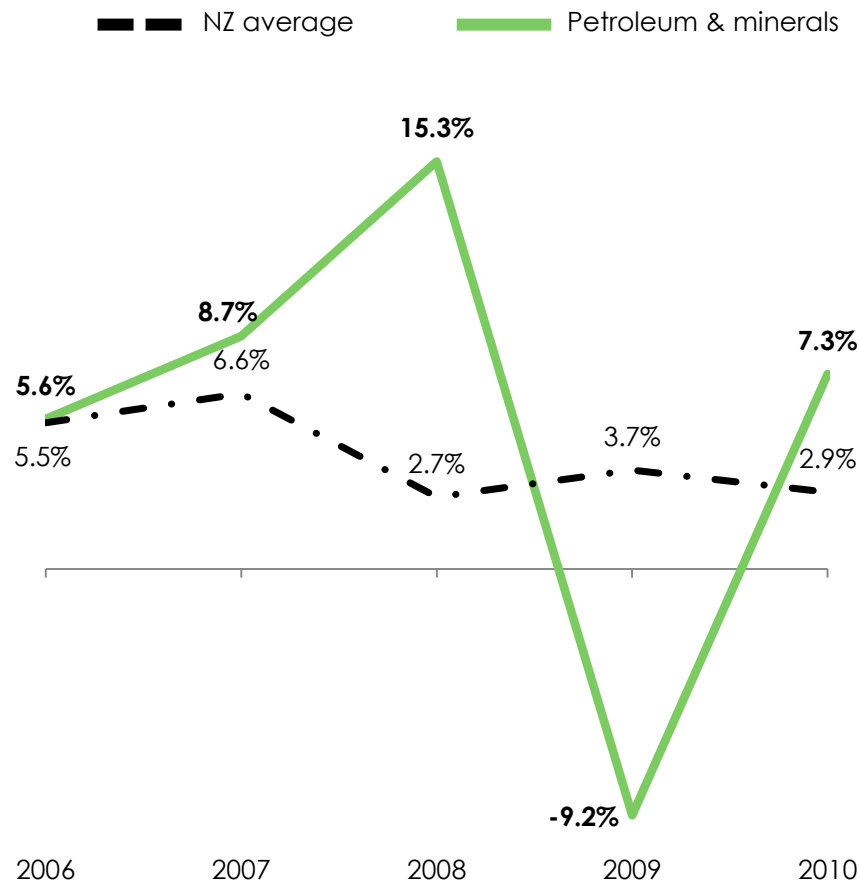
Average salaries/wages

NZ\$; 2006–2011



Growth in average salaries/wages

% change; 2006–2010



Note: average wage is calculated by total salaries & wages paid divided by number of employees

Source: Statistics New Zealand, Annual Enterprise Survey

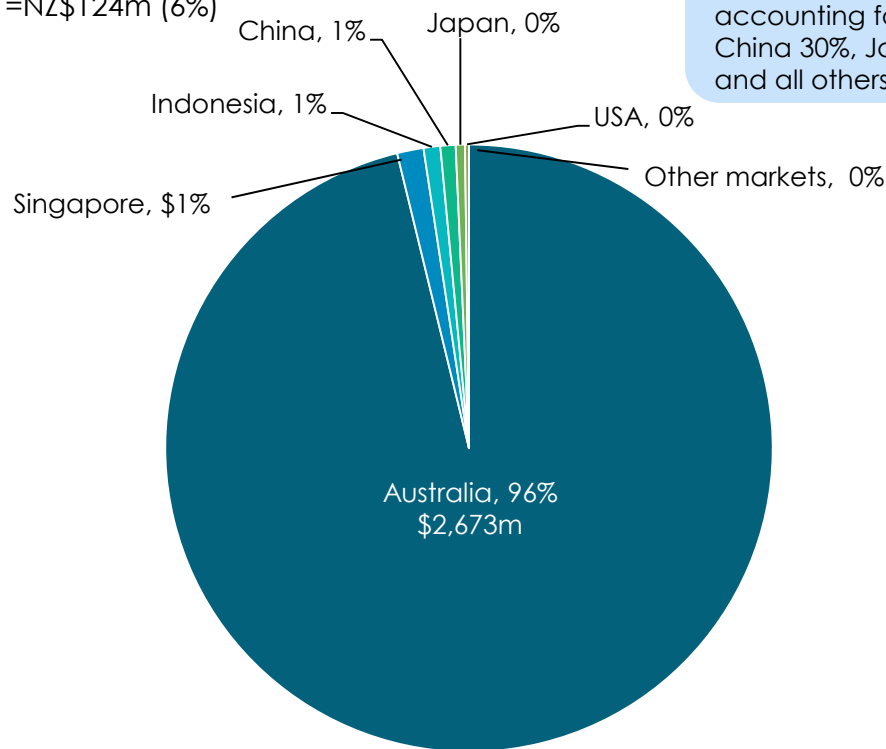
Export destinations

Australia imports 96% of New Zealand's petroleum and minerals exports; oil and gold are New Zealand's two single largest exports to Australia

Petroleum and minerals exports by market

% of petroleum and minerals exports; 2012

Total non-Australian markets
=NZ\$124m (6%)



In addition New Zealand exported US\$394m of coal in 2012, with India accounting for 56%, China 30%, Japan 12% and all others 2%.

Total= 100%; (\$2,797m)

Example chart from the
Petroleum and Minerals
in-depth report

Top ten goods exports to Australia by value

NZ\$m: year ended June 2013

| | Description | Value |
|----|--|----------|
| 1 | Crude petroleum oils | \$1,632m |
| 2 | Gold | \$574m |
| 3 | Wine | \$373m |
| 4 | Food preparations, not elsewhere specified | \$220m |
| 5 | Cheese | \$211m |
| 6 | Silver | \$200m |
| 6 | Non-crude petroleum oils, waste oil, and biodiesel | \$163m |
| 7 | Sawn or chipped wood of thickness 6mm and over | \$161m |
| 8 | Plastic containers | \$132m |
| 9 | Bread, pastry, cakes, and biscuits | \$132m |
| 10 | Sweetened water | \$124m |



MANUFACTURING SECTORS

- Wood & paper
- Food & beverage
- Machinery & equipment
- Chemicals, plastics & refining
- Metals & metal products
- Other manufacturing
- **See pages 92–94 for guide to reading snapshot pages**

Wood & paper manufacturing

ANZSIC codes C14 & C15

Situation

Includes firms involved in wood product manufacturing; and pulp, paper and converted paper product manufacturing. For example, wood firms process timber into wood chips, wooden prefabricated buildings and building components, and reconstituted wood products. Paper firms produce wood pulp, paper, cardboard, newsprint, stationery and sanitary products.

| Scorecard | | | | | | Example firms | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|-------------------------|------------------|-----------|-----------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) | Firm | Turnover (\$m) | Employees | Ownership |
| GDP 2011 (nominal) | \$2,243m | 1.3% | 9.8% | -0.2% | -0.3% | Carter Holt Harvey | \$468 (2012 est) | 857 | Private |
| GDP 2013 (real) | n/a | n/a | -4.2% | -1.3% | -0.2% | Tenon | \$394 (2011 est) | 320 | |
| Goods exports 2013 | \$2,603m | 5.9% | -5.7% | -0.3% | -0.3% | Amcors Packaging | \$329 (2011 est) | 205 | Foreign |
| Employment 2012 | 22,500 | 1.0% | -4.8% | -5.4% | -2.6% | Norske Skog Tasman | \$316 (2010 est) | 350 | Foreign |
| Productivity 2011 | \$43 | 88.5% | 2.9% | 3.8% | 2.7% | SCA Hygiene Australasia | \$288 (2009 est) | 40 | Foreign |
| Fixed capital investment 2011 | \$276m | 0.9% | -21.1% | -12.6% | -11.9% | | | | |
| No. of firms 2013 | 1,866 | 0.4% | -3.7% | -4.3% | -2.3% | | | | |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$4,048,529 | \$1,377,888 | 2.3% | 6.5% |
| Total income per employee 2012# | \$351,200 | \$327,400 | -0.4% | 4.9% |
| Surplus per employee 2012# | \$9,500 | \$32,100 | -34% | 32% |
| Return on equity 2012# | 5.3% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 47.0% | 57.4% | down | down |
| Capital stock per worker 2011 | \$157,300 | \$168,533 | -6.5% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

| Export value by product | | Export value by market | |
|--|---------------------|----------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Sawn or chipped wood of thickness 6mm and over | \$763 | Australia | \$776 |
| Chemical wood pulp, soda or sulphate | \$368 | Japan | \$474 |
| Fibreboard | \$249 | China | \$402 |
| Uncoated kraft paper, nec | \$159 | USA | \$179 |
| Plywood | \$144 | South Korea | \$152 |
| Other | \$1,076 | Other | \$776 |
| TOTAL all exports | \$2,759 | TOTAL all countries | \$2,759 |

Wood & paper manufacturing

ANZSIC codes C14 & C15

Performance

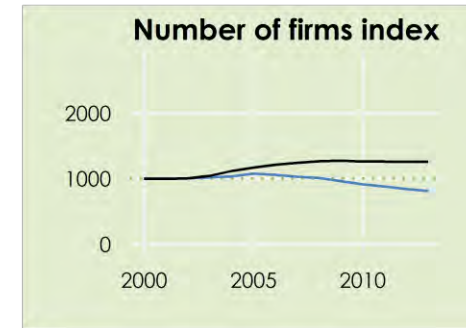
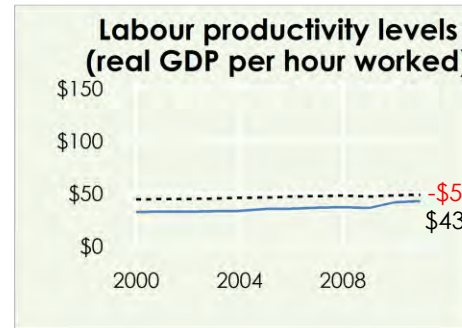
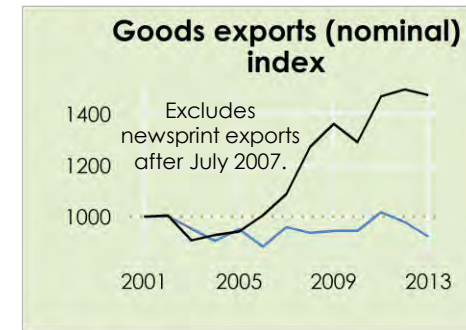
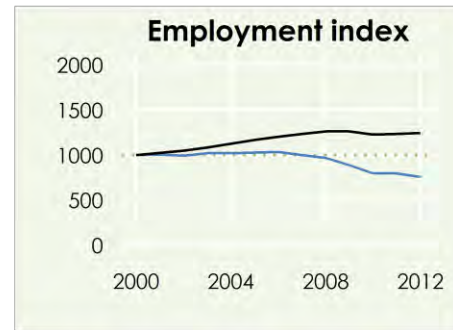
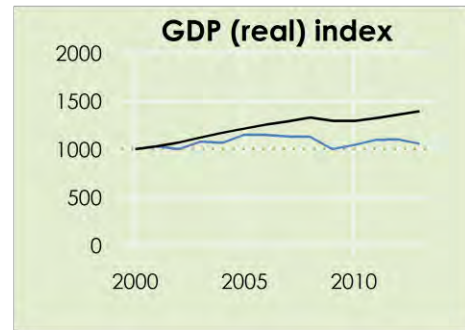
Index of key trends, various timeframes: (base =1000), except productivity is \$ values – this sector vs all other sectors

Comment

- GDP growth below average after 2006
- Small employer: 22,500
- Lost jobs overall: -7,160 (2000-12)
- Firm numbers declining
- Exports flat/declining
- Fixed capital investment lumpy but growth overall
- Productivity improving: +2.9% in 2011
- Many outputs from this sector are inputs into construction; historical data may reflect construction downturn
- Excludes confidential newsprint exports from July 2007; other countries report newsprint imports from NZ valued at NZ\$179m in the 2011 calendar year

Key

- Wood & paper
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



| Results from survey: 2011 R&D & innovation rates | | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|--|---|---------|--|---------|--|-----|
| R&D rate: | | 1. Exchange rate volatility | | 1. Limited experience in expanding beyond NZ | | % of wood & paper firms reporting overseas income | 27% |
| Innovation rate | | 2. Exchange rate level | | 2. Exchange rate volatility | | % of wood and paper firms with off-shore direct investment | 3% |
| | | 3. Low market demand or increased competition in overseas markets | | 3. Limited access to distribution networks | | % of wood and paper firms >50% foreign owned | 6% |

- High
- ◐ Medium
- Low

Food & beverage manufacturing

ANZSIC codes C11 & C12

Situation

Food product, beverage and tobacco product manufacturing, includes meat and meat products, seafood processing, dairy products, fruit and vegetable processing, oils and fats, grain mill and cereal products, bakery products, sugar and confectionery and other food manufacturing (including pet food).

| Scorecard | | | | | |
|-------------------------------|-----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$7,737m | 4.5% | 3.3% | 0% | 2.6% |
| GDP 2013 (real) | n/a | n/a | 4.1% | -0.1% | 0.8% |
| Goods exports 2013 | \$23,820m | 54% | 0.2% | 4.3% | 6.1% |
| Employment 2012 | 81,370 | 3.5% | -0.2% | -0.7% | 0.3% |
| Productivity 2011 | \$57 | 118.7% | -3.3% | -1.6% | 0.9% |
| Fixed capital investment 2011 | \$1,243m | 4% | 8.5% | 0.7% | 3.1% |
| No. of firms 2013 | 3,280 | 0.7% | 3.8% | 2.5% | 2.5% |

| Example firms | | | |
|----------------------|--------------------|-----------|-----------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Fonterra Co-op Group | \$19,800 (2012) | 15,600 | Co-op |
| Silver Fern Farms | \$2,006 (2012) | 5,500 | Co-op |
| Alliance Group | \$1,371 (2012) | 5,000 | Co-op |
| Anzco Foods | \$1,116 (2010 est) | 2,500 | Private |
| Goodman Fielder NZ | \$1,091 (2011 est) | 1,800 | Public |

| Industry level financial performance | | | | |
|---------------------------------------|--------------|-------------|---------------|-------------|
| | Total | | Growth (1 yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$13,082,252 | \$1,377,888 | -1.1% | 6.5% |
| Total income per employee 2012# | \$527,300 | \$327,400 | -0.6% | 4.9% |
| Surplus per employee 2012# | \$20,400 | \$32,100 | 43.7% | 32.1% |
| Return on equity 2012# | 11.1% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 52.6% | 57.4% | down | down |
| Capital stock per worker 2011 | \$146,558 | \$168,533 | -1.3% | 1.1% |

| Export value by product | | Export value by market | |
|--------------------------|---------------------|----------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Milk powder | \$6,765 | China | \$3,342 |
| Sheep meat | \$2,645 | USA | \$2,643 |
| Butter and dairy spreads | \$2,295 | Australia | \$2,448 |
| Frozen beef meat | \$1,748 | Japan | \$1,274 |
| Cheese | \$1,420 | UK | \$965 |
| Other | \$8,885 | Other | \$13,086 |
| TOTAL all exports | \$23,758 | TOTAL all countries | \$23,758 |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

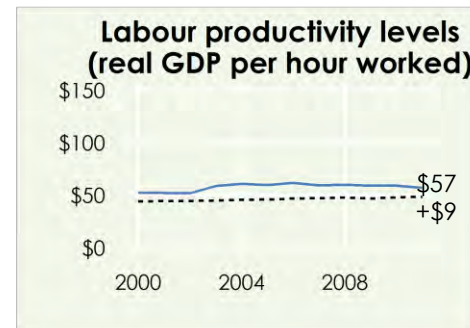
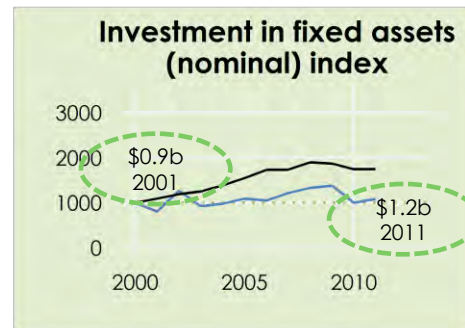
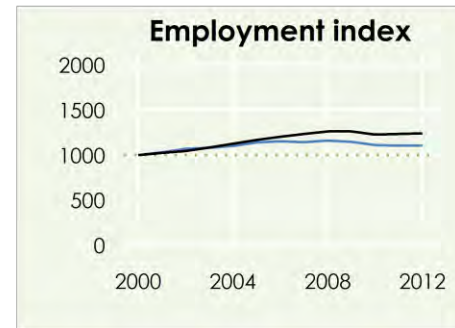
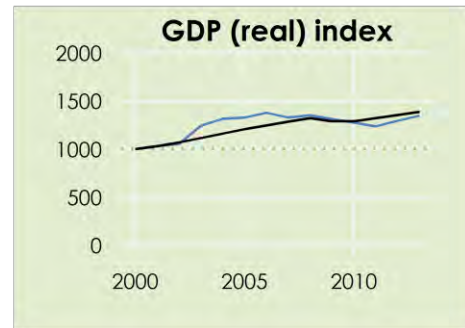
Index of key trends, various timeframes (base =1000), except productivity is \$ values – this sector vs all other sectors

Comment

- Strong export growth, 54% of NZ goods exports
- Large employer: 81,370
- Created jobs 2000–08: +11,698
- Lost jobs: 2009–12: -4,110
- Firm numbers growing
- Fixed capital investment averaging \$1.2b per annum 2000–10
- Above average innovation rate
- Includes most of NZ's largest exporting firms (importance of scale)
- Exports diversifying, e.g. growth in processed foods, foods for health
- **See www.foodandbeverage.govt.nz for detailed analysis of all sub-sectors**

Key

- Food & beverage
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|------------------------------------|---------|--|---------|---|-----|
| R&D rate: | 1. Exchange rate volatility | Medium | 1. Limited experience in expanding beyond NZ | High | % of F&B firms reporting overseas income | 51% |
| Innovation rate | 2. Exchange rate level | Medium | 2. Exchange rate volatility | High | % of F&B firms with off-shore direct investment | 8% |
| | 3. Distance from markets | Medium | 3. Limited knowledge about specific markets | Medium | % of F&B firms >50% foreign owned | 14% |

- High
- ◐ Medium
- Low

Machinery & equipment manufacturing

ANZSIC codes C23 & C24

Situation

Includes firms which transform materials, substances or components into new products. It includes the production of all kinds of vehicles, from cars to baby strollers; lenses; medical equipment; scientific and measuring equipment; cables, wires and fibre optics; computers and communication equipment; and electrical, domestic, commercial and industrial appliances.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$3,776m | 2.2% | 5.2% | 3.5% | 5.1% |
| GDP 2013 (real) | n/a | n/a | -1.6% | -0.8% | 0.7% |
| Goods exports 2013 | \$3,196m | 7.2% | -6.2% | -1.2% | 1.7% |
| Employment 2012 | 43,900 | 1.9% | 0.7% | -1.8% | -0.7% |
| Productivity 2011 | \$41 | 84.8% | 7.4% | 1.3% | 1.1% |
| Fixed capital investment 2011 | \$278m | 0.9% | 101.4% | -4.3% | 0.5% |
| No. of firms 2013 | 5,149 | 1.1% | -1.0% | -0.9% | 0.4% |

| Example firms | | | |
|----------------------------|------------------|-----------|-----------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Fisher & Paykel Appliances | \$1,037 (2012) | 1,600 | Foreign (Haier) |
| Compac Sorting Equipment | \$755 (2009 est) | 180 | Private |
| Fisher & Paykel Healthcare | \$516 (2012) | 1,800 | Listed |
| Gallagher Security | \$328 (2012 est) | 600 | Private |
| NDA Engineering Ltd | \$265 (2009 est) | 150 | Private/Foreign |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$1,934,460 | \$1,377,888 | 6.8% | 6.5% |
| Total income per employee 2012# | \$259,500 | \$327,400 | 5.4% | 4.9% |
| Surplus per employee 2012# | \$17,600 | \$32,100 | 18.1% | 32.1% |
| Return on equity 2012# | 19.4% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 55.9% | 57.4% | down | down |
| Capital stock per worker 2011 | \$57,031 | \$168,533 | -3.0% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

| Export value by product | | Export value by market | |
|--|---------------------|----------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Mechano-therapy & massage appliances | \$290 | Australia | \$1,275 |
| Refrigerators & freezers | \$213 | USA | \$588 |
| Yachts and other vessels | \$153 | UK | \$115 |
| Telephones & cellphones | \$129 | China | \$112 |
| Electric control boards, panels & consoles | \$112 | Canada | \$93 |
| Other | \$2,511 | Other | \$1,225 |
| TOTAL all exports | \$3,408 | TOTAL all countries | \$3,408 |

Machinery & equipment manufacturing

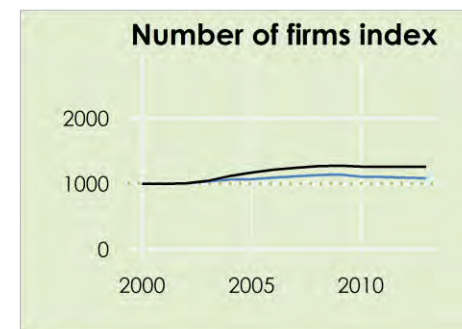
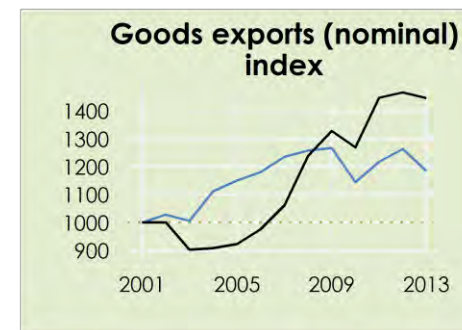
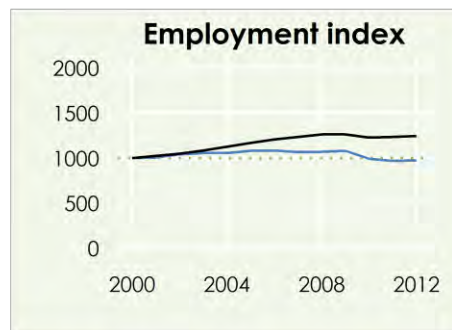
ANZSIC codes C23 & C24

Performance

Index of key trends, various timeframes: (base =1000), except productivity is \$ values – this sector vs all other sectors

Comment

- GDP growth below average
- Medium-large employer: 43,900
- Losing jobs overall: -1,140 (2000–12)
- Created jobs: +3,700 (2001–09)
- Lost jobs: -5,150 (2009–11)
- Created jobs: +310 (2012)
- Productivity spike in 2011: +7.4%
- Exports declined -2.1% 2008–13
- Australia takes a third of exports
- High R&D rate: includes many high technology manufacturing firms
- Aggregate data may mask some high performing firms



Key

- Machinery & equipment
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors

| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|--|---------|--|-----|
| R&D rate | 1. Exchange rate volatility | High | 1. Limited experience in expanding beyond NZ | High | % of machinery & equip. firms reporting overseas income | 41% |
| Innovation rate | 2. Distance from markets | Medium | 2. Distance from markets | Medium | % of machinery & man. firms with off-shore direct investment | n/a |
| | 3. Exchange rate level / low market demand or increased competition | High | 3. Limited knowledge about specific markets | High | % of machinery & man. firms >50% foreign owned | n/a |

- High
- ◐ Medium
- Low

Chemicals, plastics & refining manufacturing

ANZSIC codes C17, C18 & C19

Situation

Includes firms focused on petroleum and coal product manufacturing, basic chemical and chemical product manufacturing, and polymer product and rubber product manufacturing. Products include paints and coatings, fuels, oils and fluids, fertilisers, pesticides, resins, rubber and plastic products, pharmaceuticals and medicines, cleaners and cosmetics.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$3,223m | 1.9% | -6.8% | -5.3% | 0.6% |
| GDP 2013 (real) | n/a | n/a | 5.3% | 4.0% | 1.6% |
| Goods exports 2013 | \$1,712m | 3.9% | -15.7% | 2.3% | 0.0% |
| Employment 2012 | 20,420 | 0.9% | 1.9% | -3.2% | -1.1% |
| Productivity 2011 | \$107 | 222.6% | 17.3% | 7.9% | 3.0% |
| Fixed capital investment 2011 | \$312m | 1% | -4.3% | -4.9% | 1.8% |
| No. of firms 2013 | 1,185 | 0.3% | -1.2% | -1% | -0.2% |

| Example firms | | | |
|-------------------------|------------------|-----------|------------------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Nuplex Industries | \$1,616 (2012) | 230 | Listed |
| Ravensdown Fertiliser | \$1,070 (2012) | 700 | Co-op |
| Ballance Agri-Nutrients | \$915 (2012) | 750 | Co-op |
| Dulux | \$478 | 700 | Foreign (Orica – Listed ASX) |
| Resene Paints | \$328 (2012 est) | 600 | Private |

| Industry level financial performance | | | | |
|---------------------------------------|--------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$15,348,624 | \$1,377,888 | 11.9% | 6.5% |
| Total income per employee 2012# | \$909,500 | \$327,400 | 6.3% | 4.9% |
| Surplus per employee 2012# | \$49,200 | \$32,100 | -22.2% | 32.1% |
| Return on equity 2012# | 16.4% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 49.0% | 57.4% | down | down |
| Capital stock per worker 2011 | \$253,520 | \$168,533 | -4.1% | 1.1% |

| Export value by product | | Export value by market | |
|---|---------------------|----------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Non-crude petroleum oils, waste oil and biodiesel | \$215 | Australia | \$949 |
| Plastic containers | \$168 | USA | \$104 |
| Retail medicines | \$159 | Japan | \$91 |
| Insecticides, rodenticides, herbicides and fungicides | \$122 | UK | \$53 |
| Bitumen mixtures | \$91 | China | \$41 |
| Other | \$957 | Other | \$474 |
| TOTAL all exports | \$1,712 | TOTAL all countries | \$1,712 |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

Chemicals, plastics & refining manufacturing

ANZSIC codes C17, C18 & C19

Performance

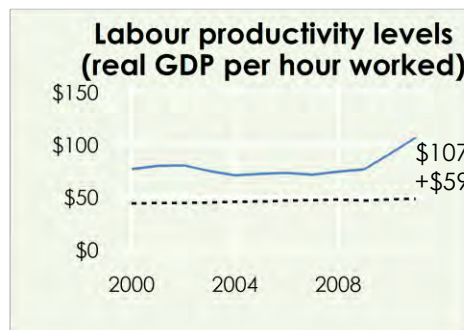
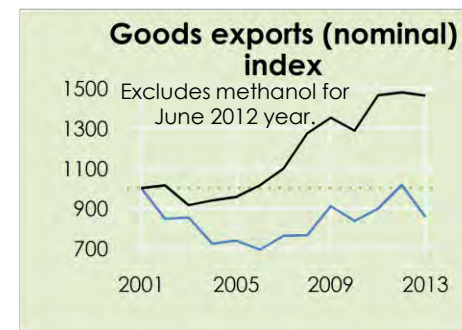
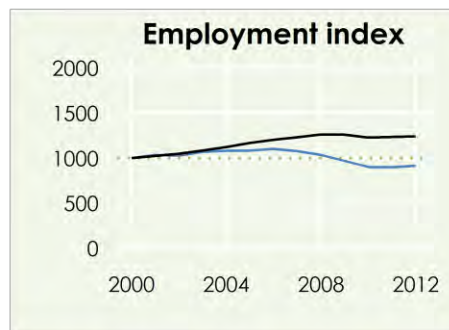
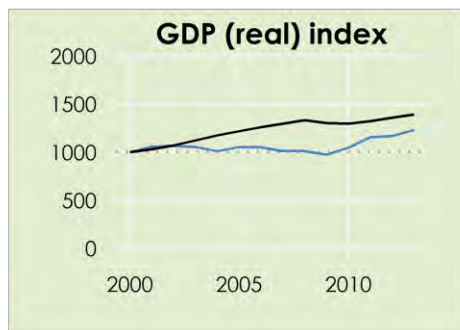
Index of key trends, various timeframes: (base =1000), except productivity is \$ values – this sector vs all other sectors

Comment

- Share of GDP declining
- Medium employer: 20,420
- Lost jobs overall: -1,860 (2000–12)
- Created jobs: +390 (2012)
- Highly productive
- Return on equity high: 23%
- Fixed capital investment trending up till 2010
- High R&D and innovation rates
- Includes pharmaceuticals
- Australia key market
- Highly internationalised sector
- Exports data excludes confidential methanol for the June 2012 year (\$242m in June 2011 year)

Key

- Chemicals, plastics & refining
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|---|---------|--|-----|
| R&D rate | 1. Distance from markets | Medium | 1. Limited access to finance for expansions beyond NZ | High | % of chemicals, plastics & refining firms reporting overseas income | 75% |
| Innovation rate | 2. Low market demand or increased competition in overseas markets | Medium | 2. Limited experience in expanding beyond NZ | Medium | % of chemicals, plastics & refining firms with off-shore direct investment | 10% |
| | 3. Exchange rate volatility | High | 3. Distance from markets | Medium | % of chemicals, plastics & refining firms >50% foreign owned | 18% |

- High
- ◐ Medium
- Low

Metals & metal products manufacturing

ANZSIC codes C21 & C22

Situation

Includes primary metal and metal product manufacturing, plus fabricated metal product manufacturing. Products include iron and steel, tubes and pipes, aluminium production and smelting, smelting of metals, such as silver, metal building products, and other products made of metal such as bathroom fixtures, tools, containers and tanks.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$2,613m | 1.5% | 0.1% | -0.8% | 2.7% |
| GDP 2013 (real) | n/a | n/a | -0.2% | -3% | -1.7% |
| Goods exports 2013 | \$2,832m | 6.4% | -9.8% | -2% | 3.8% |
| Employment 2012 | 29,320 | 1.3% | -1.8% | -3.4% | -0.5% |
| Productivity 2011 | \$41 | 85.3% | 17% | -2.4% | -0.5% |
| Fixed capital investment 2011 | \$371m | 1.2% | 36.4% | 4.9% | 8% |
| No. of firms 2013 | 3,102 | 0.7% | -2.4% | -3% | -1% |

| Example firms | | | |
|--------------------------------|------------------|-----------|--------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| New Zealand Steel | \$845 (2011) | 1600 | Foreign |
| New Zealand Aluminium Smelters | \$704 (2011) | 750 | Foreign |
| Pacific Steel | \$282 (2012 est) | 500 | Listed (Fletchers) |
| Ullrich Aluminium | \$282 (202 est) | 500 | Private |
| Methven | \$106 (2012) | 100 | Listed |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$2,842,089 | \$1,377,888 | 1.7% | 6.5% |
| Total income per employee 2012# | \$344,300 | \$327,400 | 1.1% | 4.9% |
| Surplus per employee 2012# | \$19,600 | \$32,100 | -1.0% | 32.1% |
| Return on equity 2012# | n/a | 8.6% | n/a | up |
| Debt ratio (liabilities/assets) 2012# | 53.5% | 57.4% | up | down |
| Capital stock per worker 2011 | \$103,317 | \$168,533 | 3.0% | 1.1% |

| Export value by product | | Export value by market | |
|--|---------------------|----------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Unwrought aluminium | \$937 | Australia | \$949 |
| Gold | \$609 | USA | \$104 |
| Ferrous waste & scrap | \$220 | Japan | \$91 |
| Hot-rolled iron or non-alloy steel flat-rolled 600mm or more | \$198 | UK | \$53 |
| Clad iron or non-alloy steel 600mm or more flat-rolled | \$112 | China | \$41 |
| Other | \$1,010 | Other | \$1,848 |
| TOTAL all exports | \$3,086 | TOTAL all countries | \$3,086 |

* Equals % of total employing firms, except productivity, which is total measured sectors.

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions.

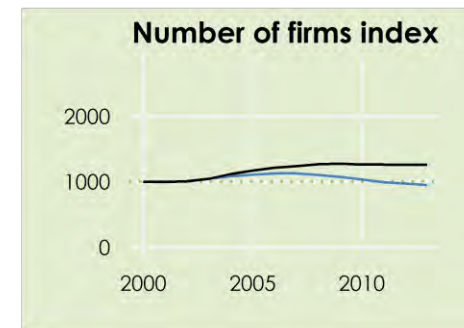
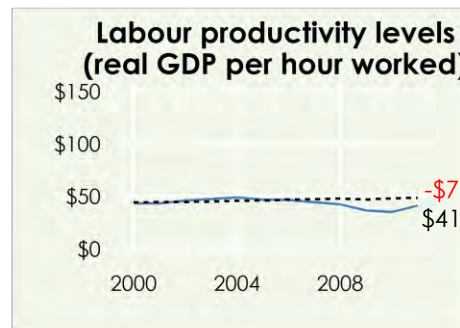
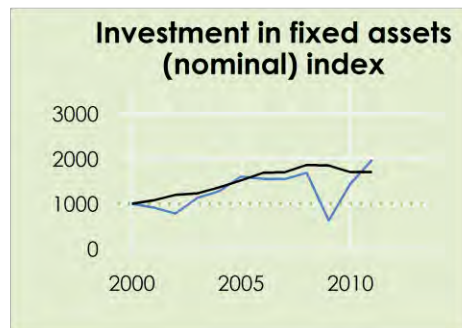
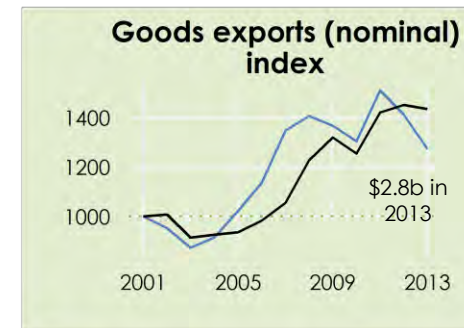
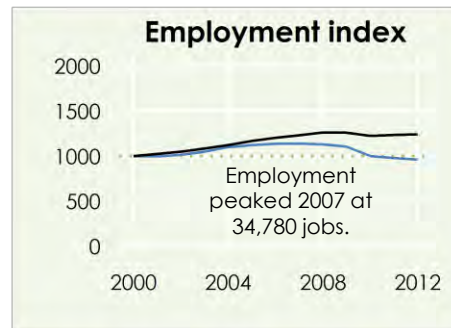
Index of key trends, various timeframes: (base =1000), except productivity is \$ values – this sector vs all other sectors

Comment

- Contribution to GDP declining
- Medium employer: 29,320
- Lost jobs overall: -1,210 (2000–12)
- Created jobs: +4,250 (2001–07)
- Lost jobs: -5,460 (2008–12)
- Exports flat; aluminium accounts for nearly 30% of total exports
- 'Low market demand/increased competition' factor in export performance e.g. aluminium price drop
- Productivity improved 17% in 2011 after a period of decline
- Christchurch rebuild may stimulate demand

Key

- Metals
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|--|---------|--|-----|
| R&D rate | 1. Low market demand or increased competition in overseas markets | High | 1. Limited experience in expanding beyond NZ | High | % of metals & metals products firms reporting overseas income | 23% |
| Innovation rate | 2. Exchange rate volatility | Medium | 2. Limited knowledge about specific markets | High | % of metals & metals products firms with off-shore direct investment | n/a |
| | 3. Limited access to finance for expansion beyond New Zealand | Medium | 3. Limited access to finance for expansion beyond NZ | Medium | % of metals & metals products firms >50% foreign owned | n/a |

- High
- ◐ Medium
- Low

Other manufacturing

ANZSIC codes C13, C16, C20 & C25

Situation

Other manufacturing includes firms producing textiles, leather, clothing and footwear; printing, non-metallic mineral products, and furniture. Products include leather clothing and goods, carpets, t-shirts, printed materials and services, reproduction of recorded materials (such as CDs), bottles, windows, bricks, cement, concrete, furniture, toys, sports goods, jewellery and umbrellas.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$2,830m | 1.6% | -1.1% | -3.1% | 0.5% |
| GDP 2013 (real) | n/a | n/a | 2.2% | -4.2% | -1.8% |
| Goods exports 2013 | \$1,755m | 4% | -5.2% | -0.9% | -2.2% |
| Employment 2012 | 41,630 | 1.8% | -4.0% | -5.3% | -3.4% |
| Productivity 2011 | \$35 | 72.1% | 1.6% | 0.7% | 1.2% |
| Fixed capital investment 2011 | \$356m | 1.1% | -10.8% | -7.3% | 2.9% |
| No. of firms 2013 | 5,899 | 1.2% | -1.7% | -2.9% | -1.8% |

| Example firms | | | |
|-------------------------------|------------------|--------------------|-------------------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Blue Star Group | \$569 (2011) | 1,100 | Foreign |
| Firth | \$437 (2012 est) | 800 | Listed (Fletchers) |
| Cavalier Bremworth | \$217 (2012) | 600 | Listed (Cavalier Corporation) |
| NZ Comfort Group (Sleepyhead) | \$180 (2013 est) | 320 | Private |
| Lowe Corporation | \$169 (2013 est) | 300–500 (seasonal) | Private |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$950,858 | \$1,377,888 | 1.6% | 6.5% |
| Total income per employee 2012# | \$208,900 | \$327,400 | 5.1% | 4.9% |
| Surplus per employee 2012# | \$9,300 | \$32,100 | 13.4% | 32.1% |
| Return on equity 2012# | 17.1% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 61.8% | 57.4% | down | down |
| Capital stock per worker 2011 | \$85,955 | \$168,533 | 0.0% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors.

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions.

| Export value by product | | Export value by market | |
|-------------------------------|---------------------|----------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Degreased wool | \$490 | Australia | \$469 |
| Raw sheep or lamb skins | \$236 | China | \$401 |
| Tanned cattle hides and skins | \$162 | Italy | \$227 |
| Tufted carpets | \$119 | UK | \$84 |
| Raw cattle hides and skins | \$102 | USA | \$83 |
| Other | \$741 | Other | \$587 |
| TOTAL all exports | \$1,850 | TOTAL all countries | \$1,850 |

Other manufacturing

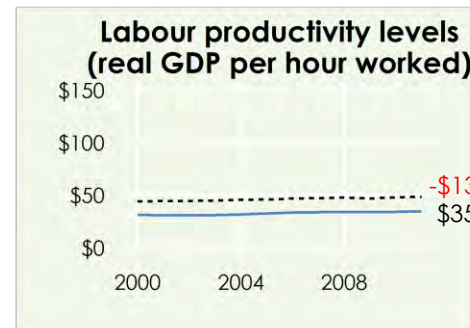
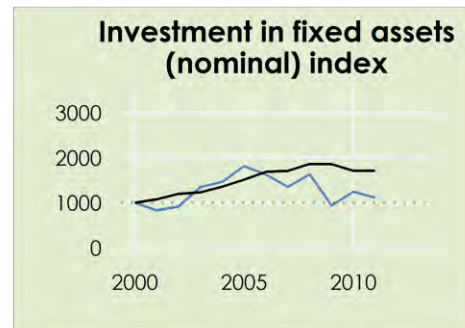
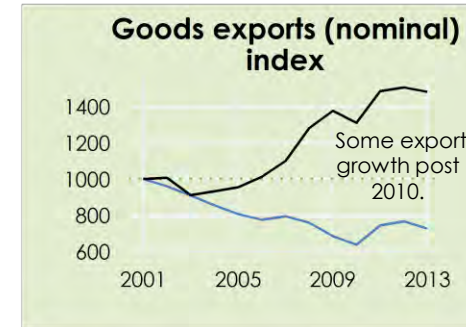
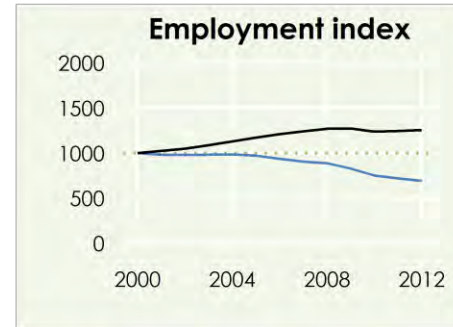
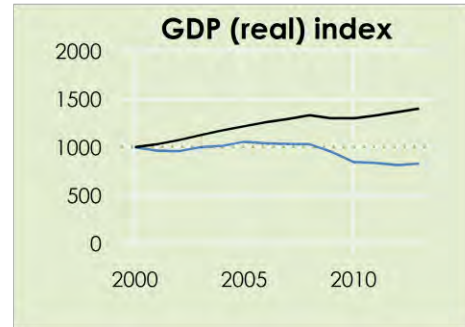
ANZSIC codes C13, C16, C20 & C25

Performance

Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- Sector GDP declining 2005–12
- Medium employer: 41,630
- Lost jobs overall: -18,630 since 2000
- Exports declined to \$1.7b in 2013, from \$2.4b in 2001
- Includes many firms which supply materials to the construction sector; may recover as construction picks up
- Data may indicate long-term restructuring in some activities driven by competition from emerging economies, outsourcing and/or new technologies.



Key

- Other manufacturing
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors

| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|--|---------|---|----------|
| R&D rate | 1. Distance from markets | | 1. Limited experience in expanding beyond NZ | | % of other manufacturing firms reporting overseas income | 31% |
| Innovation rate | 2. Low market demand or increased competition in overseas markets | | 2. Limited access to finance for expansion beyond NZ | | % of other manufacturing firms with off-shore direct investment | Data n/a |
| | 3. Exchange rate volatility | | 3. Limited access to distribution networks | | % of other manufacturing firms >50% foreign owned | Data n/a |

- High
- ◐ Medium
- Low



SERVICES SECTORS

- Utilities
- Construction
- Logistics
- Wholesale trade
- Retail trade
- Accommodation & restaurants
- Arts & recreation services
- Property, rental & hiring services
- Administration & other services
- Finance & insurance
- Media & telecommunications
- Professional, scientific & technical services

See pages 92–94 for guide to reading snapshot pages.

This covers firms engaged in the provision of electricity, gas (through mains systems) and water, including drainage and sewage services. Firms which collect, treat and dispose of waste materials are also included in this sector. Includes electricity generation.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$6,686m | 3.9% | 8.5% | 6.6% | 7.7% |
| GDP 2013 (real) | n/a | n/a | -2.4% | 0.7% | 1.6% |
| Goods exports 2013 | 0 | 0% | n/a | n/a | n/a |
| Employment 2012 | 14,418 | 0.6% | 1.1% | 4.2% | 3.9% |
| Productivity 2011 | \$210 | 436.8% | -2.9% | -1.6% | -3.4% |
| Fixed capital investment 2011 | \$3,195m | 10.2% | -4.5% | 3.2% | 9.6% |
| No. of firms 2013 | 1,037 | 0.2% | 1.8% | 0.9% | 2.2% |

| Example firms | | | |
|--------------------|----------------|-----------|------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Contact Energy | \$2,700 (2012) | 600 | Listed NZX |
| Meridian Energy | \$2,570 (2012) | 365 | SOE/listed |
| Genesis Power | \$2,270 (2012) | 500 | SOE |
| Mighty River Power | \$1,520 (2012) | 843 | SOE/listed |
| Vector | \$1,252 (2012) | 1000 | Listed NZX |

| Industry level financial performance | | | | |
|---------------------------------------|--------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$17,222,767 | \$1,377,888 | 8.6% | 6.5% |
| Total income per employee 2012# | \$1,160,400 | \$327,400 | 8.5% | 4.9% |
| Surplus per employee 2012# | \$129,900 | \$32,100 | -10.5% | 32.1% |
| Return on equity 2012# | 6.1% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 48.5% | 57.4% | up | down |
| Capital stock per worker 2011 | \$3,147,595 | \$168,533 | 0.3% | 1.1% |

| Export value by product | | Export value by market | |
|-------------------------|---------------------|------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |

Sector does not generate goods exports. Some firms in this sector have the scale to invest in building international businesses, particularly based around knowledge and capability developed in New Zealand.

Examples include:

- Mighty River Power investments in geo-thermal energy in the US, Chile and Germany
- Meridian investments in wind energy in Australia

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

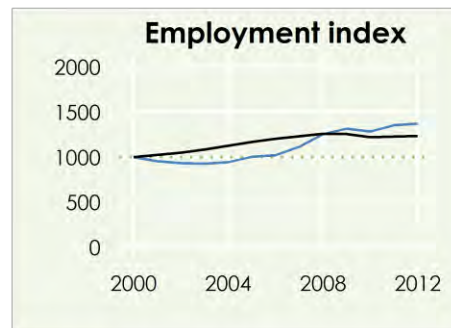
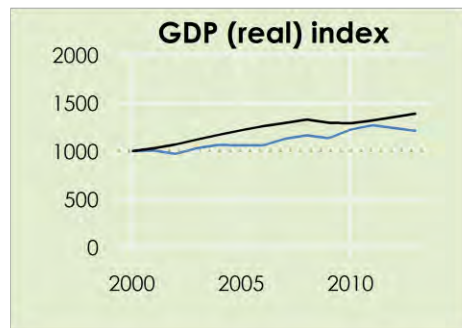
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

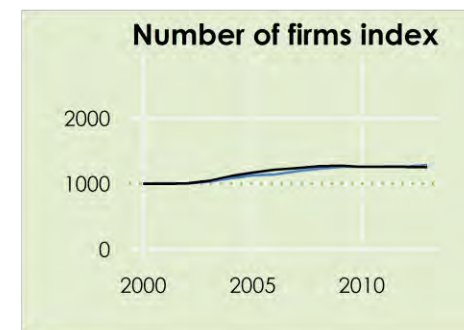
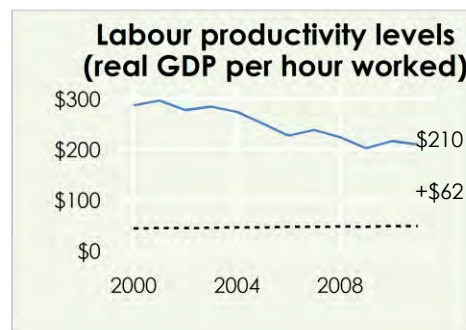
- Average GDP growth
- Small employer: 14,418 (2012)
- Created jobs: +3,816 (2000–12)
- Highly productive, but productivity declining
- Highly capital intensive
- 8% of firms have invested offshore – similar rate to food & beverage and twice average for all other sectors
- Fixed capital investment growth up (likely to be lumpy due to large nature of projects)
- Highly consolidated sector reflects nature of activity e.g. power generation

Key

- Utilities
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



No goods exports



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|--|---------|--|---------|---|-----|
| R&D rate | 1. Exchange rate volatility | High | 1. Limited experience in expanding beyond NZ | Medium | % of utilities firms reporting overseas income | 11% |
| Innovation rate | 2. Low market demand or increased competition in overseas markets | Medium | 2. Limited knowledge about specific markets | Medium | % of utilities firms with off-shore direct investment | 8% |
| | 3. Distance from markets / Overseas government regulations or tariffs. | High | 3. Limited access to distribution networks | Medium | % of utilities firms >50% foreign owned | 8% |

- High
- ◐ Medium
- Low

Construction includes firms mainly engaged in the construction of buildings and other structures, including additions, alterations, reconstruction, installation, and maintenance and repairs. Includes demolition of buildings and clearing of building sites. Blasting, test drilling, landfill, levelling, earthmoving, excavating, land drainage and other land preparation are included.

| Scorecard | | | | | |
|-------------------------------|-----------|----------|-----------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 year) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$10,295m | 6.0% | -4.4% | 3.3% | 7.2% |
| GDP 2013 (real) | n/a | n/a | 14.4% | 0.1% | 3.7% |
| Goods exports | \$0 | 0% | n/a | n/a | n/a |
| Employment 2012 | 174,021 | 7.6% | 1.4% | -1.4% | 3.1% |
| Productivity 2011 | \$34 | 70.9% | -4.6% | 1.0% | 0.9% |
| Fixed capital investment 2011 | \$655m | 2.1% | -25.1% | -13.2% | 0.3% |
| No. of firms 2013 | 49,479 | 10.5% | 0.0% | -1.9% | 1.8% |

| Example firms | | | |
|-------------------------------|----------------|-----------|-------------------------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Fletcher Residential | \$1b | 4,300 | Fletcher Building (Listed NZX; ASX) |
| HEB Construction | \$166m (est) | 500 | Private |
| Naylor Love Construction | \$86m (est) | 265 | Private |
| Medium size Christchurch firm | \$9m (est) | 35 | Owner-operated |
| Small Auckland builder | \$0.65m (est) | 3 | Owner-operated |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$684,678 | \$1,377,888 | 5.5% | 6.5% |
| Total income per employee 2012# | \$286,200 | \$327,400 | 0.5% | 4.9% |
| Surplus per employee 2012# | \$15,600 | \$32,100 | -4.3% | 32.1% |
| Return on equity 2012# | 26.7% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 66.1% | 57.4% | up | down |
| Capital stock per worker 2011 | \$54,165 | \$168,533 | -3.4% | 1.1% |

| Export value by product | | Export value by market | |
|-------------------------|---------------------|------------------------|---------------------|
| Service | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Construction services | \$24m | Australia | \$6m |

Construction does not generate goods exports. But some of the largest firms in construction have built significant international businesses focused in particular on Australia.

Examples include:

- Fletcher Building
- Fulton Hogan.

Typically these firms have built integrated businesses that may include manufacturing of building materials, quarrying, design, distribution, wholesaling and retailing as well as core construction activities described above.

* Equals % of total employing firms, except productivity, which is total measured sectors

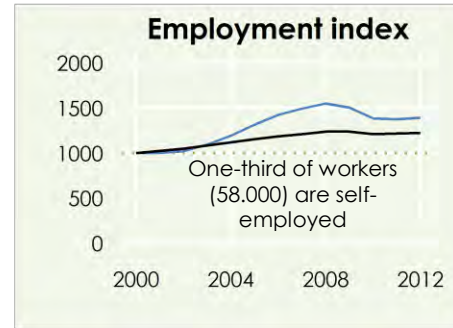
**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

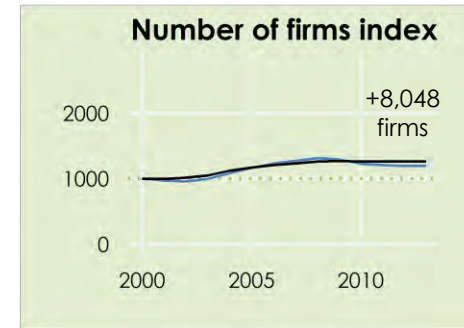
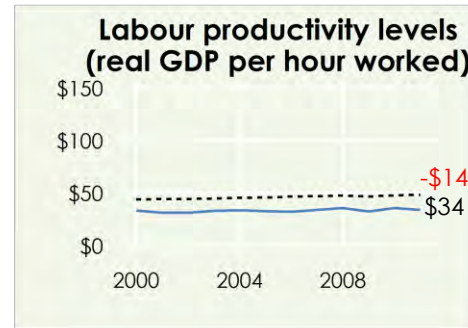
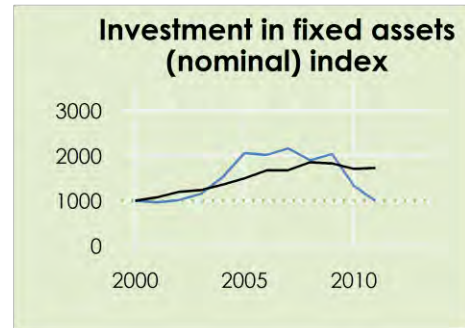
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- GDP grew above average 2002–2008
- Large employer: 174,021
- Created jobs overall: +49,065 (2000–12)
- Created jobs: +68,598 (2001–08)
- Lost jobs: -21,894 (2008–11)
- Number of firms increasing
- Surge in fixed capital investment 2005–09, e.g. in plant, machinery and equipment and transport equipment
- Low R&D/innovation rates at firm level
- R&D funded collectively through the Building Research Levy (\$8.7m in 2012)
- Many inputs to this sector are outputs from manufacturing and mining



No goods exports



Key

- Construction
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors

| Results from survey: 2011 R&D & innovation rates | | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|--|--|---------|--|---------|--|----|
| R&D rate | | 1. Exchange rate volatility | | 1. Limited experience in expanding beyond NZ | | % of construction firms exporting | 3% |
| Innovation rate | | 2. Limited experience in expanding beyond NZ | | 2. Other | | % of construction firms with off-shore direct investment | 3% |
| | | 3. Limited access to distribution networks | | 3. Limited access to distribution networks | | % of construction firms <50% foreign owned | 3% |

- High
- ◐ Medium
- Low

Number of employees by sub-sector

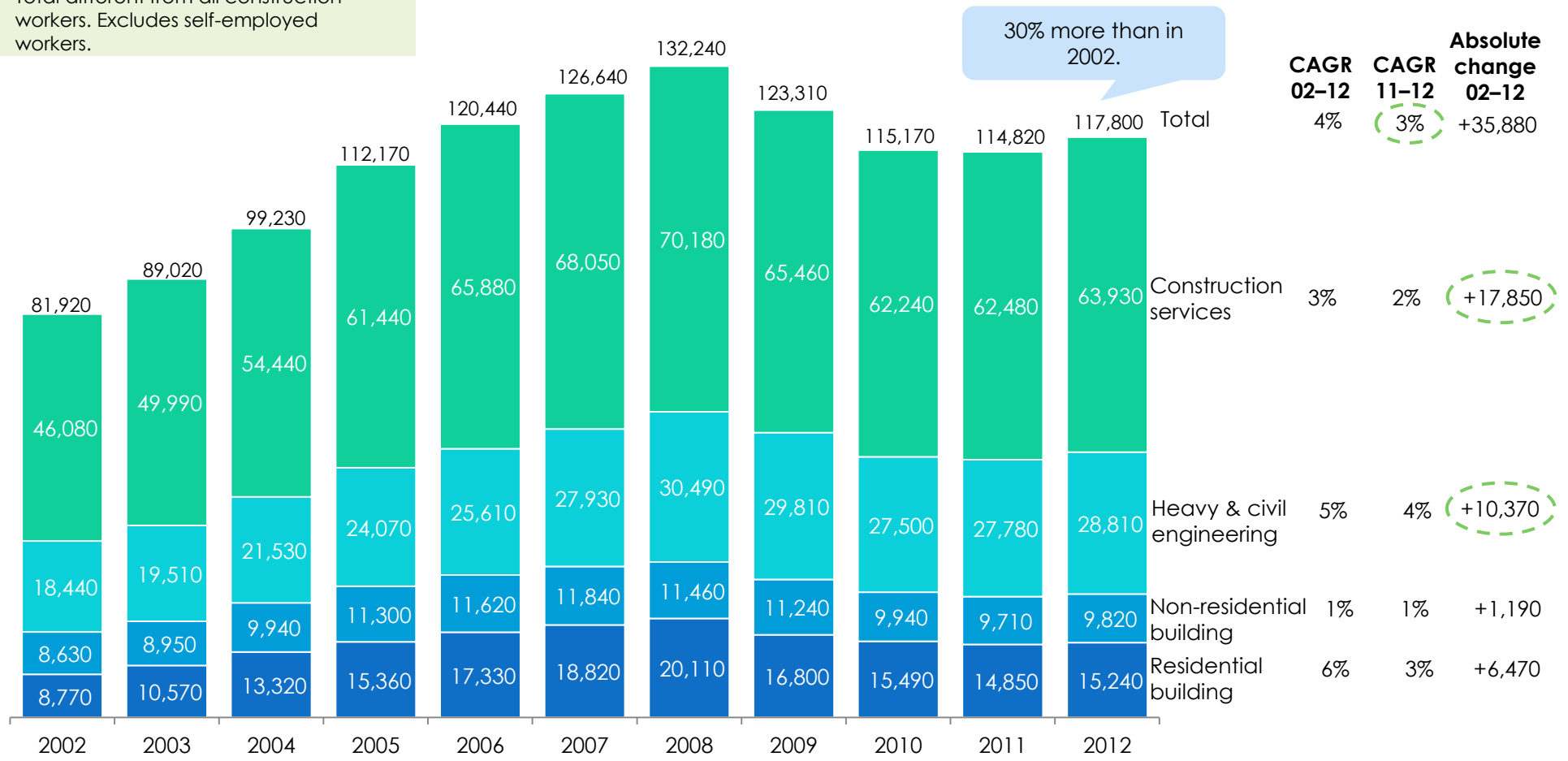
Despite the GFC, employee numbers are 30% higher in 2012 compared to 2002; employment growth driven by construction services and heavy and civil engineering

Number of employees by sub-sector

Employees; 2002–2012

Total different from all construction workers. Excludes self-employed workers.

Example chart from the Construction in-depth report



Note: totals may not match other pages due to rounding;

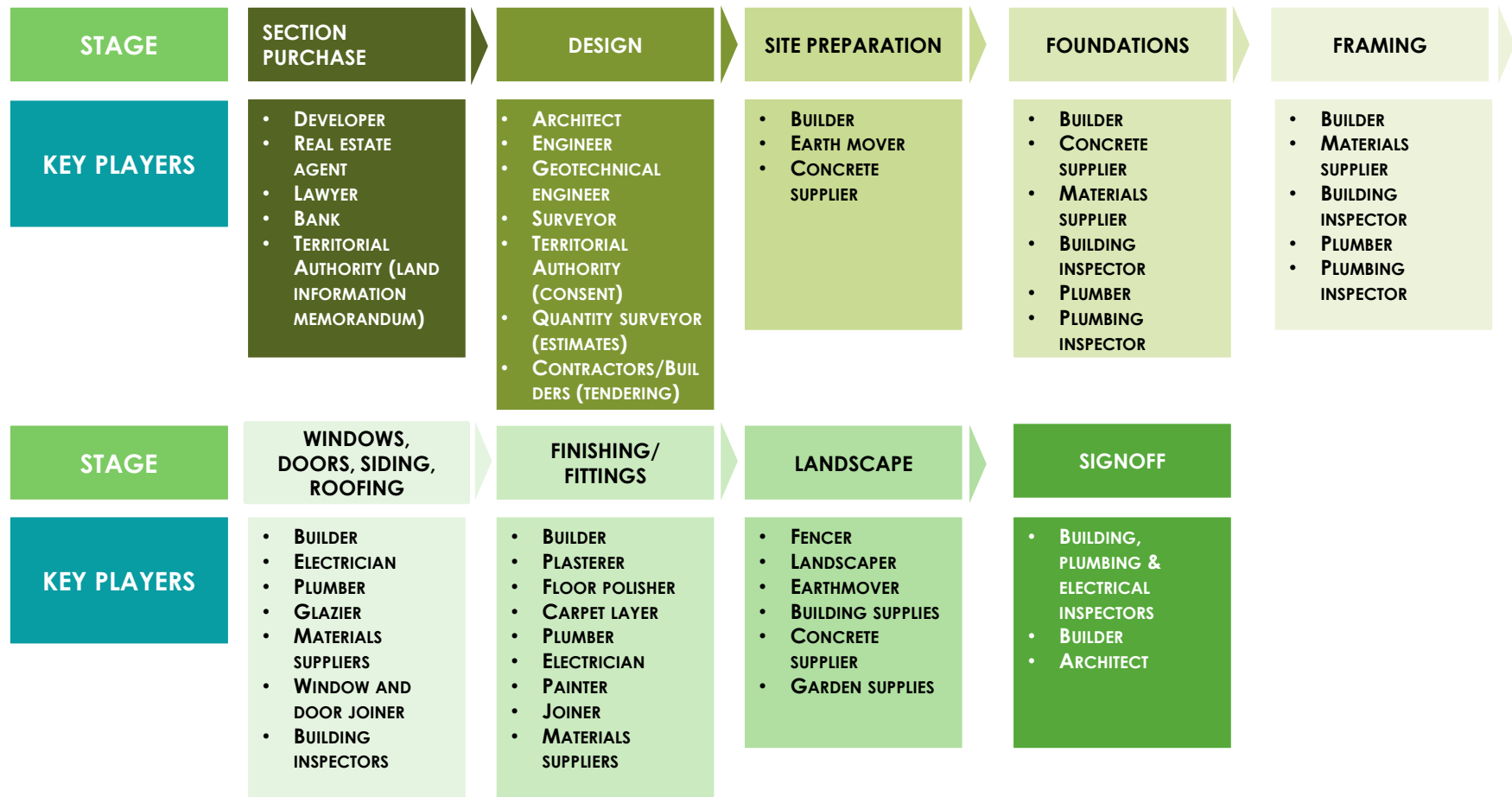
Source: Statistics New Zealand, New Zealand Business Demography Statistics (2012)

Residential construction: building a house

Building a house is a complex business involving a wide range of professions, trades and service providers

Example chart from the Construction in-depth report

Simplified model of the stages required to build a residential house, 2013



Includes firms transporting passengers and freight by road, rail, water or air, as well as related support services and scenic and sightseeing transport, and firms which operate warehouses or otherwise store goods. Also includes stevedoring, harbour, airport and navigation services, customs agency services and postal services.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$8,698m | 5.0% | 7.7% | 2.8% | 5.0% |
| GDP 2013 (real) | n/a | n/a | 0.7% | 0.6% | 1.9% |
| Goods exports 2013 | \$0 | 0% | n/a | n/a | n/a |
| Employment 2012 | 95,844 | 4.2% | 0.9% | -0.1% | 1.3% |
| Productivity 2011 | \$50 | 103.4% | 3.4% | 0.9% | 1.3% |
| Fixed capital investment 2011 | \$4,397m | 14.0% | -0.9% | 5.6% | 9.7% |
| No. of firms 2013 | 14,285 | 3.0% | -1.0% | -1.2% | 0.8% |

| Example firms | | | |
|---------------------|----------------|-----------|----------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Air New Zealand | \$4,483 (2012) | 10,000 | Listed/NZ Govt |
| NZ Transport Agency | \$2,000 (2012) | 1300 | NZ Govt |
| Mainfreight | \$1,813 (2012) | 1200 | Listed |
| New Zealand Post | \$1,310 (2012) | 8132 | NZ Govt |
| KiwiRail | \$715 (2012) | 4000 | NZ Govt |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$1,424,938 | \$1,377,888 | 4.4% | 6.5% |
| Total income per employee 2012# | \$256,300 | \$327,400 | 0.9% | 4.9% |
| Surplus per employee 2012# | -\$7,500 | \$32,100 | -137.7% | 32.1% |
| Return on equity 2012# | -3.7% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 50.3% | 57.4% | up | down |
| Capital stock per worker 2011 | \$539,017 | \$168,533 | 5.0% | 1.1% |

| Export value by product | | Export value by market | |
|--------------------------|---------------------|----------------------------|---------------------|
| Product (services) | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Transport services | \$2,566 | Australia | \$899 |
| | | US | \$315 |
| | | UK | \$174 |
| | | Other | \$1,178 |
| TOTAL all exports | \$2,566 | TOTAL all countries | \$2,566 |

Firms in this sector or with activities in this sector may have the scale to invest in building international businesses, e.g. Mainfreight has built or acquired businesses in Australia, Asia, the United States and Europe.

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

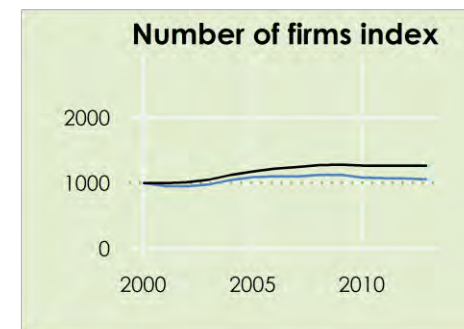
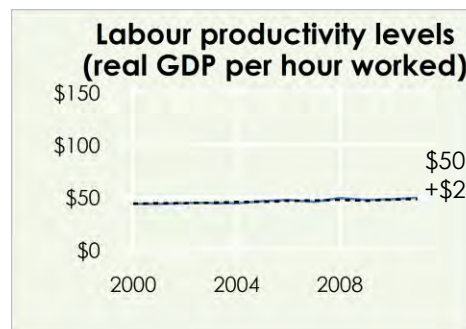
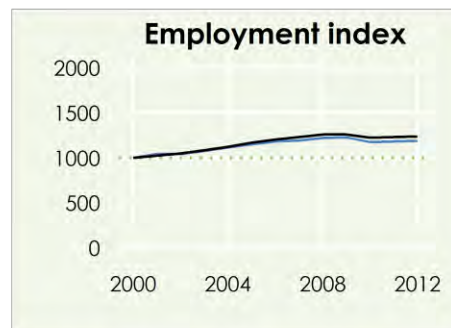
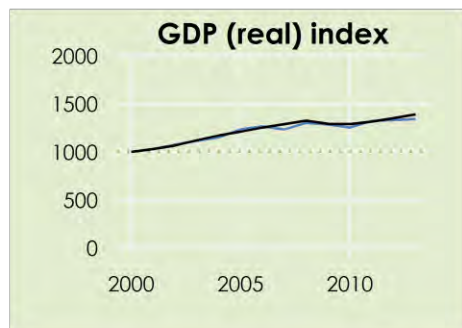
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- GDP growing below average
- Large employer: 94,844 (2011)
- Created jobs: +15,345 since 2000
- Fixed capital investment includes expenditure on roads, railways; growth reflects government investment in infrastructure (NZ Transport Agency)
- Number of firms stable but income per firm growing faster than average
- Low R&D rate
- One in 10 firms generate some overseas income
- Data suggests this sector is a bellwether for overall performance of the economy

Key

- Transport & logistics
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



No goods exports

| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|---|---|---------|---|---------|---|-----|
| R&D rate | 1. Low market demand or increased competition in overseas markets | Medium | 1. Low market demand or increased competition in overseas markets | Medium | % of transport & logistics firms reporting overseas income | 10% |
| Innovation rate | 2. Language and cultural differences | Medium | 2. Limited access to finance for expansions beyond NZ | Medium | % of transport & logistics firms with off-shore direct investment | 2% |
| | 3. Distance from markets | Medium | 3. Other | Medium | % of transport & logistics firms >50% foreign owned | 8% |

- High
- ◐ Medium
- Low

Firms that purchase and on-sell goods, without significant transformation, to other firms; includes commission-based buying and selling.

| Scorecard | | | | | | Example firms | | | |
|-------------------------------|-----------|----------|---------------|--------------------|---------------------|--------------------------------------|---------------------|-----------|--------------------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) | Firm | Turnover (\$m) | Employees | Ownership |
| GDP 2011 (nominal) | \$10,327m | 6% | 9.8% | 4.3% | 4.6% | Carter Holt Harvey | \$10,531 (2012 est) | 10,500 | Private |
| GDP 2013 (real) | n/a | n/a | 2.1% | 0.1% | 2% | Placemakers | \$2,106 (2012 est) | 2,100 | Listed (Fletcher Distribution) |
| Goods exports 2013 | \$0m | 0% | n/a | n/a | n/a | Carters | \$1,203 (2012 est) | 1,200 | Private (Carter Holt Harvey) |
| Employment 2012 | 115,959 | 5% | 0.5% | -0.7% | 0.7% | Combined Rural Traders Society (CRT) | \$1,190 (2012) | 500 | Co-op |
| Productivity 2011 | \$52 | 108.3% | 5.9% | 0.7% | 0.6% | OfficeMax | \$752 (2013 est) | 750 | Foreign |
| Fixed capital investment 2011 | \$710m | 2.3% | 1.6% | -7% | 2.2% | | | | |
| No. of firms 2013 | 16,700 | 3.5% | -1.1% | -1.3% | -0.2% | | | | |

| Industry level financial performance | | | | | Export value by product | | Export value by market | |
|---------------------------------------|-------------|-------------|--------------|-------------|--|---------------------|------------------------|---------------------|
| | Total | | Growth (1yr) | | Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| | This sector | All sectors | This sector | All sectors | | | | |
| Total income per firm 2012# | \$4,834,962 | \$1,377,888 | 5.9% | 6.5% | Exports of commercial services year ended June 2011: \$306m | | | |
| Total income per employee 2012# | \$847,400 | \$327,400 | 6.2% | 4.9% | Experimental data from Statistics NZ indicates that the value of goods exports by wholesale trade firms was around \$8b in 2011. An example is Zespri, which is not a grower or a retailer, but a marketer and distributor. | | | |
| Surplus per employee 2012# | \$32,700 | \$32,100 | 3.5% | 32.1% | We work with growers and post-harvest operators to source top-quality ZESPRI® Kiwifruit and supply this kiwifruit through our distribution partners to wholesale markets and retail customers. – Zespri website | | | |
| Return on equity 2012# | 23.6% | 8.6% | down | up | The method used in this report maps goods exports to the sectors most likely to produce them . As wholesalers purchase and on-sell goods, no goods exports have been allocated to the wholesale trade sector. See Appendix. | | | |
| Debt ratio (liabilities/assets) 2012# | 62.8% | 57.4% | down | down | | | | |
| Capital stock per worker 2011 | \$55,901 | \$168,533 | -1.9% | 1.1% | | | | |

* Equals % of total employing firms, except productivity, which is total measured sectors

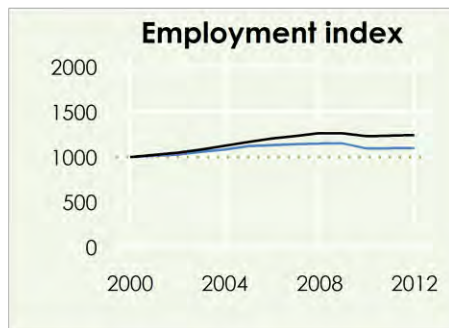
**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

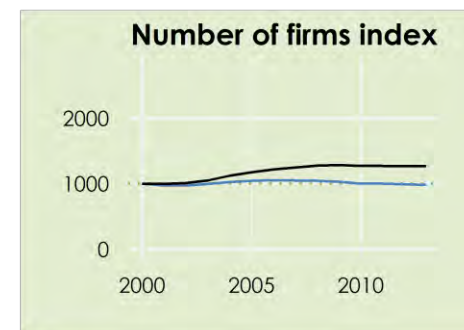
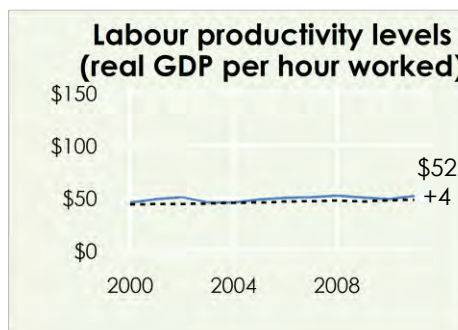
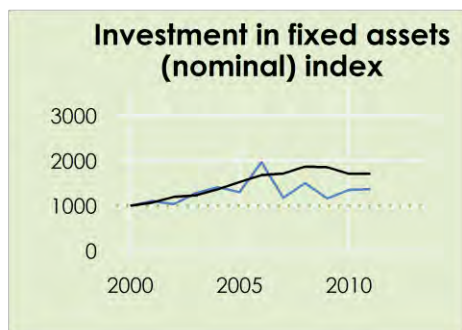
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- GDP growth below average
- Absolute output growth plus small growth in number of firms may indicate industry consolidation
- Large employer: 115,959
- Created jobs overall: +10,827 (200-12)
- Created jobs: +15,930 (2000-08)
- Lost jobs: -5871 (2008-10)
- Productivity above average
- High return on equity: 22.7%
- Relatively internationalised sector in terms of foreign ownership, outward direct investment and overseas income.



See comment on exports previous page.



Key

- Wholesale trade
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors

| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|---|---|---------|---|---------|---|-----|
| R&D rate | 1. Exchange rate volatility | | 1. Limited experience in expanding beyond NZ | | % of wholesale trade firms reporting overseas income | 41% |
| Innovation rate | 2. Low market demand or increased competition in overseas markets | | 2. Limited experience in expanding beyond New Zealand | | % of wholesale trade firms with off-shore direct investment | 9% |
| <ul style="list-style-type: none"> ● High ◐ Medium ○ Low | 3. Other | | 3. Limited access to distribution networks | | % of wholesale trade firms >50% foreign owned | 21% |

Firms that purchase and on-sell goods, without significant transformation, to the general public; includes commission-based buying and selling and internet sales.

| Scorecard | | | | | | Example firms | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|-------------------------------------|------------------|-----------|---------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) | Firm | Turnover (\$m) | Employees | Ownership |
| GDP 2011 (nominal) | \$8,550m | 5% | 4.4% | 1.6% | 4.8% | Progressive Enterprises (Countdown) | \$4,965 (2009) | 18,000 | Foreign |
| GDP 2013 (real) | n/a | n/a | 4.1% | 1% | 3% | Z Energy | \$3,179 (2012) | 250 | NZ Super Fund |
| Goods exports 2013 | \$13m | 0% | 0.1% | 16.3% | 19.2% | The Warehouse | \$1,732 (2012) | 5,562 | Listed |
| Employment 2012 | 215,544 | 9.4% | -0.6% | -1.1% | 1.2% | Farmers | \$722 (2013 est) | 3,100 | Private |
| Productivity 2011 | \$26 | 53.5% | 1.5% | 0.7% | 1.6% | Hallenstein Glasson Holdings | \$215 | 1,200 | Listed (NZX) |
| Fixed capital investment 2011 | \$663m | 2.1% | -1% | -8.3% | 0.8% | | | | |
| No. of firms 2013 | 25,988 | 5.5% | 0.4% | -0.6% | 0.7% | | | | |

| Industry level financial performance | | | | | Export value by product | | Export value by market | |
|---------------------------------------|-------------|-------------|--------------|-------------|---|---------------------|------------------------|---------------------|
| | Total | | Growth (1yr) | | Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| | This sector | All sectors | This sector | All sectors | | | | |
| Total income per firm 2012# | \$2,206,809 | \$1,377,888 | 5.2% | 6.5% | Used clothing (goods) | \$13 | n/a | n/a |
| Total income per employee 2012# | \$298,700 | \$327,400 | 3.8% | 4.9% | Tourism exports# (services) | \$1,847 | n/a | n/a |
| Surplus per employee 2012# | \$11,000 | \$32,100 | 29.4% | 32.1% | Commercial services | \$165 | | |
| Return on equity 2012# | 29.4% | 8.6% | up | up | TOTAL (goods & services) | \$2,025 | | |
| Debt ratio (liabilities/assets) 2012# | 66.7% | 57.4% | down | down | # Expenditure by international tourists: Retail is 19% of total tourism exports. | | | |
| Capital stock per worker 2011 | \$28,557 | \$168,533 | -2.3% | 1.1% | <ul style="list-style-type: none"> The sector has potential to generate international businesses. Typically these are vertically integrated incorporating retail shops, design, distribution, strong brands and manufacturing (often outsourced). Examples include: Kathmandu (adventure clothing), Pumpkin Patch (designer children's clothing), and Icebreaker (outdoor merino clothing). Due to the integrated nature of these businesses they may not be classified as 'retailers' for statistical purposes. | | | |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

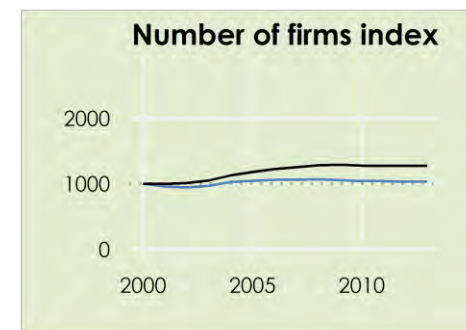
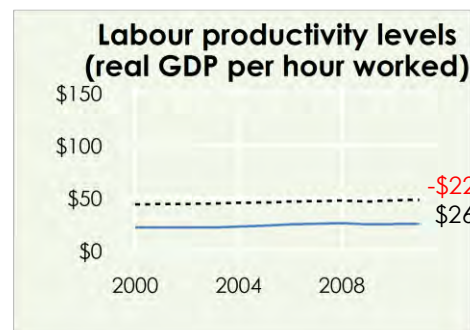
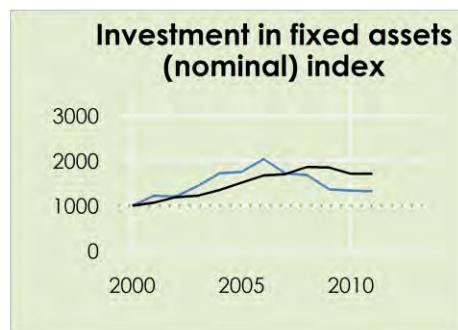
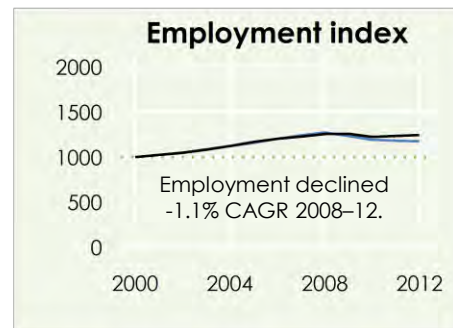
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- GDP growth above average
- Largest employer: 215,514 (2012)
- More jobs overall +32,265 (2000–12)
- Created jobs: +49,953 (2000–08)
- Lost jobs: -17,658 (2009–12)
- Labour-intensive sector: productivity half NZ average
- Productivity growth flat
- Return on equity high: 29%
- Foreign ownership concentrated in large chains, e.g. Countdown (Woolworths Australia), Dick Smith Electronics (Anchorage Capital Partners, Sydney), so low rate (2%) misleading.

Key

- Retail trade
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



| Results from survey: 2011 R&D & innovation rates | | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|------------------------------------|---------|---|---------|--|----|
| R&D rate | ○ | 1. Exchange rate volatility | ● | 1. Limited access to finance for expansions beyond NZ | ● | % of retail trade firms reporting overseas income | 4% |
| Innovation rate | ◐ | 2. Exchange rate level | ● | 2. Limited experience in expanding beyond NZ | ◐ | % of retail trade firms with off-shore direct investment | 0% |
| | | 3. Distance from markets | ● | 3. Overseas government regulations or tariffs | ◐ | % of retail trade firms >50% foreign owned | 2% |

- High
- ◐ Medium
- Low

Accommodation and restaurants

ANZSIC Code H

Situation

This sector includes firms which provide short-term accommodation and/or meals, snacks or beverages for consumption on and off-site. Firms providing other recreation or entertainment facilities, as well as food, beverage and accommodation services (e.g. casinos, amusement parks, sports clubs) are not included in this sector.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$4,175m | 2.4% | 4.5% | 5.3% | 6.1% |
| GDP 2013 (real) | n/a | n/a | 0.7% | 0.6% | 1.8% |
| Goods exports 2013 | \$0m | 0% | n/a | n/a | n/a |
| Employment 2012 | 152,538 | 6.6% | 1.3% | 0.6% | 3.1% |
| Productivity 2011 | \$24 | 49.0% | 0.3% | -0.2% | 0.3% |
| Fixed capital investment 2011 | \$571m | 1.8% | 10.2% | -5.3% | 3.2% |
| No. of firms 2013 | 18,379 | 3.9% | 0.9% | 1.0% | 2.1% |

| Example firms | | | |
|--|----------------|-----------|-----------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Spotless Facility Services | \$398 (2011) | 12,000 | Foreign |
| Restaurant Brands (KFC, Pizza Hut., Starbucks) | \$308 (2012) | 4500 | Listed |
| McDonald's | \$199 (2011) | 6000 | Foreign |
| Compass Group | \$134 (2009) | 2000 | Foreign |
| Millennium & Copthorne Hotels | \$115 (2010) | 2000 | Foreign |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$568,081 | \$1,377,888 | 7% | 6.5% |
| Total income per employee 2012# | \$83,800 | \$327,400 | 2.8% | 4.9% |
| Surplus per employee 2012# | \$3,800 | \$32,100 | 65.2% | 32.1% |
| Return on equity 2012# | 10% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 55.9% | 57.4% | down | down |
| Capital stock per worker 2011 | \$47,321 | \$168,533 | -1% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

| Export value by product | | Export value by market | |
|-------------------------|---------------------|------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Tourism exports# | \$2,775 | n/a | n/a |

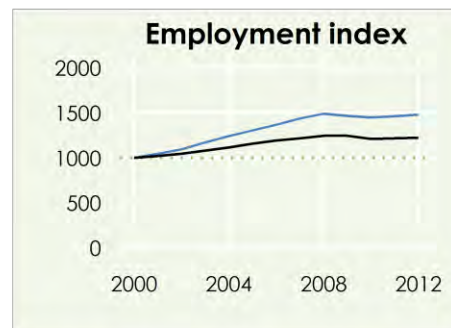
Expenditure by international tourists, 29% of all tourism exports

- The sector has potential to generate international businesses - e.g. through franchising, based particularly on quality and strong brands.
- Examples include:
 - Hell Pizza's franchises in Australia
 - BurgerFuel's expansion into Australia and the Middle East. A brand built around quality NZ ingredients.

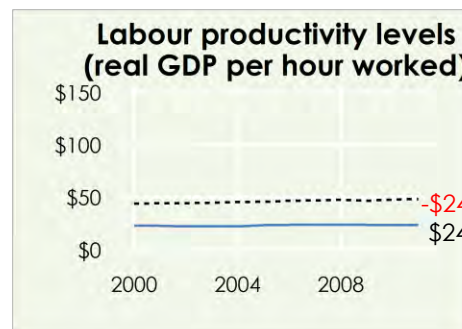
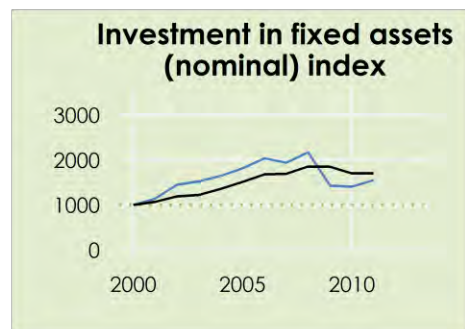
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- GDP growth at average
- Large employer: 152,538
- Employment growth above average
- Created jobs: +49,545 (2000–2012)
- Productivity growth flat
- Number of firms growing
- Return on equity 10% (2012)
- 18,000 firms. As many are small NZ-owned businesses, the rate of foreign ownership may be misleading as this will be concentrated in large enterprises, e.g. hotels
- Generated 29% of tourism exports (2012)



No goods exports



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|---|---------|---|-----|
| R&D rate | 1. Exchange rate level | High | 1. Limited experience in expanding beyond NZ | High | % of accommodation & restaurants firms reporting overseas income | 14% |
| Innovation rate | 2. Exchange rate volatility | High | 2. Limited knowledge about specific markets | Medium | % of accommodation & restaurants firms with off-shore direct investment | 1% |
| | 3. Low market demand or increased competition in overseas markets | Medium | 3. Exchange rate level / Exchange rate volatility | Medium | % of accommodation & restaurants firms >50% foreign owned | 1% |

Arts & recreation services

ANZSIC Code R

Situation

This sector includes groups preserving or exhibiting objects and sites of historical, cultural or educational interest such as museums, zoos, art galleries, art productions and live performances or events, such as theatres, and sporting activities, like gyms and sport clubs. Gambling activities are included. Film and TV production and distribution is excluded.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$2,774m | 1.6% | -1.3% | 1.7% | 4.6% |
| GDP 2013 (real) | n/a | n/a | -1.1% | -2.7% | -0.9% |
| Goods exports 2013 | \$17m | 0% | 31% | -2.3% | 1.3% |
| Employment 2012 | 41,865 | 1.8% | 0.8% | 1.7% | 3.7% |
| Productivity 2011 | \$49 | 102.2% | -5.7% | -2.9% | -1.8% |
| Fixed capital investment 2011 | \$863m | 2.8% | 10.4% | 12.4% | 7.5% |
| No. of firms 2013 | 9,422 | 2% | -0.5% | -0.3% | 1.5% |

| Example firms | | | |
|----------------------------------|----------------|-----------|--------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| New Zealand Lotteries Commission | \$885 (2011) | 120 | NZ Govt |
| SKYCITY Entertainment | \$851 (2012) | 3,360 | Listed |
| New Zealand Racing Board (TAB) | \$301 (2012) | 800 | Statuary Authority |
| Te Papa Tongarewa Museum | \$52 (2009) | 520 | NZ Govt |
| Ruapehu Alpine Lifts | \$29 (2012) | 70 | Listed |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$727,878 | \$1,377,888 | 7.0% | 6.5% |
| Total income per employee 2012# | \$176,300 | \$327,400 | 4.9% | 4.9% |
| Surplus per employee 2012# | \$21,800 | \$32,100 | 35.4% | 32.1% |
| Return on equity 2012# | 10.7% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 25.2% | 57.4% | down | down |
| Capital stock per worker 2011 | \$200,891 | \$168,533 | 3.3% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

| Export value by product | | Export value by market | |
|----------------------------------|---------------------|----------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Paintings, drawings, & pastels | \$6.6 | n/a | n/a |
| Original sculptures & statues | \$2.6 | | |
| Collections & collectors' pieces | \$2.4 | | |
| Other | \$1.0 | | |
| TOTAL (goods) | \$12.7 | | |
| Commercial services exports | \$122 | | |
| TOTAL all exports | \$134.7 | TOTAL all countries | \$134.7 |

Arts & recreation services

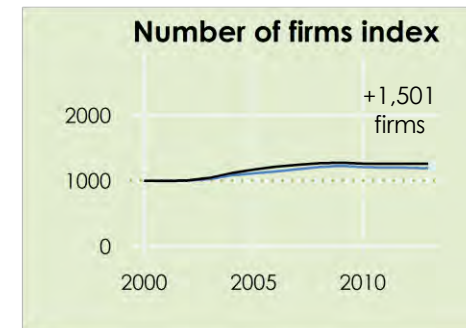
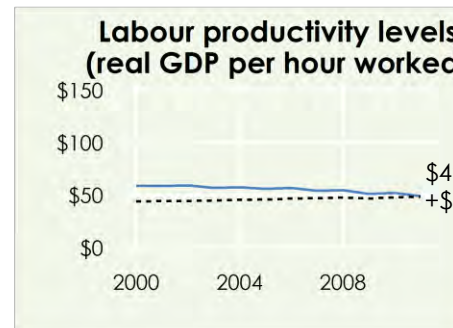
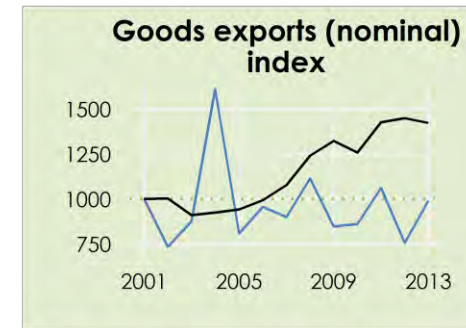
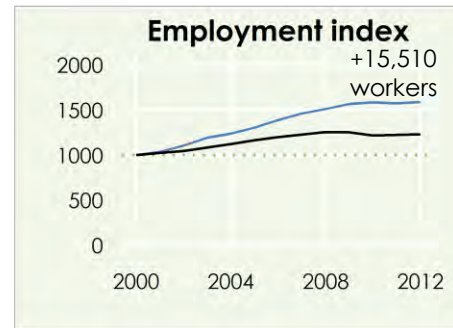
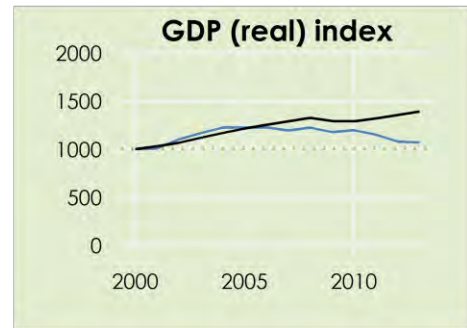
ANZSIC Code R

Performance

Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- GDP growth below average
- Medium employer: 41,865 (2012)
- Gained workers: +15,510(2000–12)
- Has gone from being the 4th smallest employing sector in 2000 to the 7th smallest in 2012, overtaking other manufacturing, metals and wood and paper in number employed
- Productivity in 10 year decline
- Strong fixed capital investment – impact of Rugby World Cup?
- Low R&D rate: 5% of firms
- Return on equity 11% (2012)



Key

- Arts & recreation services
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors

| Results from survey: 2011 R&D & innovation rates | | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|------------------------------------|---------|--|---------|--|----|
| R&D rate | ○ | 1. Exchange rate level | ● | 1. Limited experience in expanding beyond NZ | ● | % of arts and recreation services firms reporting overseas income | 7% |
| Innovation rate | ● | 2. Exchange rate volatility | ● | 2. Distance from markets | ◐ | % of arts and recreation services firms with off-shore direct investment | 2% |
| | | 3. Distance from markets | ◐ | 3. Limited knowledge about specific markets | ◐ | % of arts and recreation services firms >50% foreign owned | 2% |

- High
- ◐ Medium
- Low

Property & rental services

ANZSIC Code L

Situation

Real estate services such as selling, renting and/or buying real estate for others, managing real estate for others and appraising real estate are found in this sector. Firms renting or hiring out goods such as cars, animals, DVDs or scaffolding are also included.

| Scorecard | | | | | |
|-------------------------------|-----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$13,322m | 7.7% | 8.5% | 5% | 7.1% |
| GDP 2013 (real) | n/a | n/a | 1.8% | 0.9% | 1.9% |
| Goods exports 2013 | \$0m | 0% | n/a | n/a | n/a |
| Employment 2012 | 49,386 | 2.1% | -0.4% | -2.3% | 0.5% |
| Productivity 2011 | \$192 | 399.0% | 2.0% | 1.9% | 3.5% |
| Fixed capital investment 2011 | \$5,031m | 16.1% | 39.2% | -4.5% | 6% |
| No. of firms 2013 | 100,039 | 21.2% | 2% | 0.7% | 4.2% |

| Example firms | | | |
|----------------------|------------------|-----------|-----------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Housing New Zealand | \$1,078 (2012) | 1050 | NZ Govt |
| Harcourts | \$522 (2012 est) | 2500 | Private |
| Barfoot & Thompson | \$313 (2012 est) | 1500 | Private |
| Brookfield Multiplex | \$218 (2010) | 80 | Foreign |
| Avis Rent A Car | \$131 (2011) | 200 | Foreign |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$299,546 | \$1,377,888 | 4.7% | 6.5% |
| Total income per employee 2012# | \$839,900 | \$327,400 | 0.9% | 4.9% |
| Surplus per employee 2012# | \$215,800 | \$32,100 | 26.1% | 32.1% |
| Return on equity 2012# | 7.2% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 57.0% | 57.4% | down | down |
| Capital stock per worker 2011 | \$2,097,431 | \$168,533 | 0.7% | 1.1% |

| Export value by product | | Export value by market | |
|-------------------------|---------------------|------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| n/a | n/a | n/a | n/a |

Sector has (theoretical) potential to generate international businesses, e.g. in rural real estate or hire services.

10% of firms in this sector reported generating overseas income in 2011.

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

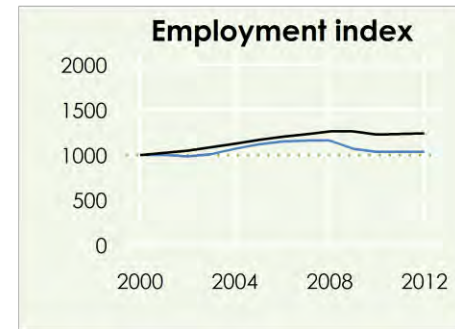
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

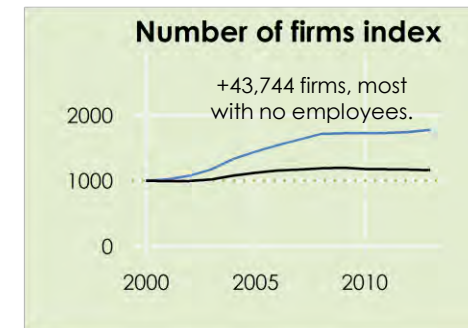
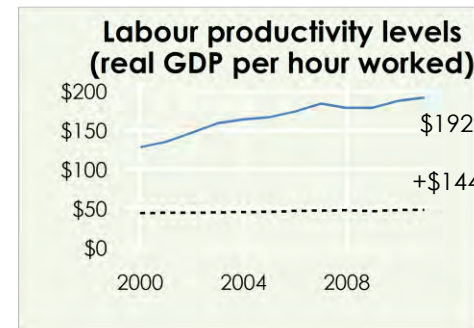
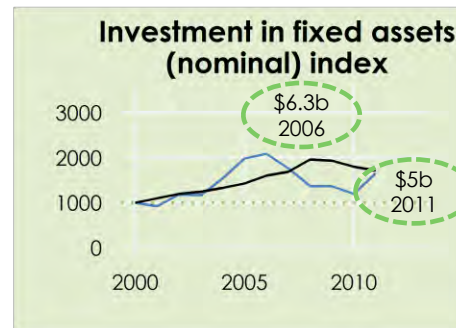
- GDP growth above average
- Medium employer: 49,386
- More jobs overall: +1,629 (2000–12)
- Created jobs: +7,683 (2000–07)
- Lost jobs: -6,054 (2008–12)
- Highly productive: 4 times NZ average, likely due to high capital/labour ratio in rental market.
- +43,744 firms (2000–12); 39,000 of these are in the property operators sub-sector (ANZSIC L671) and have no employees; likely to be 'mum and dad' property investors
- Fixed capital investment pattern reflects property bubble mid-2000s

Key

- Rental, hiring & property services
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



No goods exports



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|---|---------|---|-----|
| R&D rate | 1. Limited access to finance for expansion beyond New Zealand | High | 1. Other | Medium | % of property & rental services firms reporting overseas income | 10% |
| Innovation rate | 2. Limited access to distribution networks | Medium | 2. Limited experience in expanding beyond New Zealand | Low | % property & rental services firms with off-shore direct investment | 0% |
| | 3. Limited knowledge about specific markets | Low | 3. Limited knowledge about specific markets | Low | % of property & rental services firms >50% foreign owned | 3% |

Administration firms provide routine support activities, such as office administration, hiring staff or arranging travel, for the day-to-day operations of other firms or organisations. Building and other cleaning services also fall within this sector. 'Other services' includes personal care services, such as health and beauty, and organisations which promote and defend the interests of their members.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$7,801m | 4.5% | 4.9% | 4.2% | 6.1% |
| GDP 2013 (real) | n/a | n/a | 0.9% | 0.9% | 2.1% |
| Goods exports 2013 | \$0m | 0% | n/a | n/a | n/a |
| Employment 2012 | 199,722 | 8.7% | 2% | 0.4% | 2.5% |
| Productivity 2011 | \$30 | 61.4% | 2% | 0.2% | 0.5% |
| Fixed capital investment 2011 | \$542m | 1.7% | -32.8% | -3.6% | 0.7% |
| No. of firms 2013 | 36,973 | 7.8% | 1.4% | 0.8% | 2.3% |

| Example firms | | | |
|----------------------------------|----------------|-----------|----------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| AWF Group | \$119 (2012) | 100 | Listed |
| Flight Centre | \$105 (2009) | 700 | Foreign |
| New Zealand Rugby Union | \$101 (2011) | 80 | Incorporated society |
| Motor Trade Association | \$92 (2011) | 50 | Industry body |
| Hays Specialist Recruitment (NZ) | \$59 (2012) | 80 | Foreign |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|---------------|-------------|
| | Total | | Growth (1 yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$484,762 | \$1,377,888 | 6.1% | 6.5% |
| Total income per employee 2012# | n/a | \$327,400 | n/a | 4.9% |
| Surplus per employee 2012# | n/a | \$32,100 | n/a | 32.1% |
| Return on equity 2012# | 12.2% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 34.3% | 57.4% | down | down |
| Capital stock per worker 2011 | \$31,786 | \$168,533 | -4.8% | 1.1% |

| Export value by product | | Export value by market | |
|-------------------------|---------------------|------------------------|---------------------|
| Product (services) | Exports (\$m; 2011) | Country | Exports (\$m; 2011) |
| Commercial services | \$99 | n/a | |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

Administration & other services

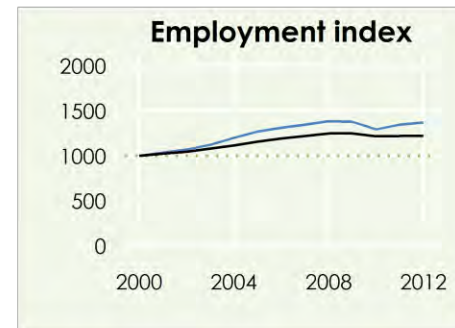
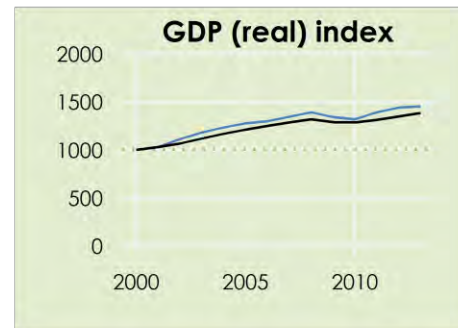
ANZSIC codes S & N

Performance

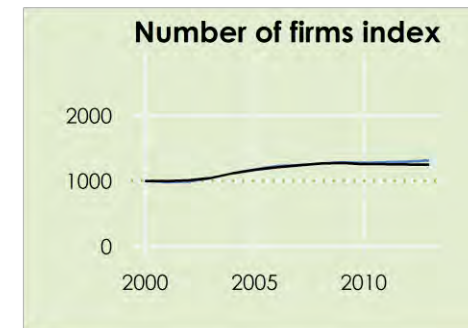
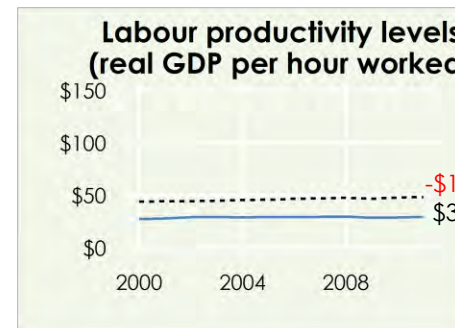
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- GDP growth at average
- Very large employer: 199,722
- Created jobs overall: +54,195 (2000–12)
- Created jobs: +56,208 (2000–2008)
- Lost jobs: -13,368 (2009–10)
- Created jobs: +11,355 (2011– 12)
- Employment growth above average
- Productivity growth below average



No goods exports



Key

- Administration & other services
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors

| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|---|---------|--|-------|
| R&D rate | 1. Exchange rate volatility | | 1. Limited experience in expanding beyond NZ | | % of admin & other services firms reporting overseas income | 11.6% |
| Innovation rate | 2. Low market demand or increased competition in overseas markets | | 2. Limited access to finance for expansions beyond NZ | | % of admin & other services firms with off-shore direct investment | n/a |
| | 3. Distance from markets | | 3. Distance from markets | | % of admin & other services firms >50% foreign owned | n/a |

- High
- ◐ Medium
- Low

Finance and insurance includes firms undertaking financial transactions involving the creation, liquidation or change in ownership of financial assets, and/or in facilitating financial transactions. This includes activities such as raising funds via deposits or issuing securities, investing funds, or providing or underwriting insurance.

| Scorecard | | | | | |
|-------------------------------|-----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$10,244m | 5.9% | -7% | 6.5% | 7.1% |
| GDP 2013 (real) | n/a | n/a | 1.9% | 1.4% | 4% |
| Goods exports 2013 | \$0m | 0% | n/a | n/a | n/a |
| Employment 2012 | 63,495 | 2.8% | 2.5% | 0.9% | 2.9% |
| Productivity 2011 | \$98 | 203.5% | -2.4% | 2.5% | 2.6% |
| Fixed capital investment 2011 | \$1,569m | 5% | -13.1% | 13.9% | 8.9% |
| No. of firms 2013 | 29,083 | 6.2% | -2.6% | 1.7% | 8.2% |

| Example firms | | | |
|-----------------------------------|----------------|-----------|------------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| ANZ Bank | \$7,800 (2009) | 9,600 | Foreign (Listed - ASX) |
| Accident Compensation Corporation | \$4,600 (2010) | 3,000 | NZ Govt |
| Bank of New Zealand | \$4,000 (2009) | 5,600 | Foreign (Listed - ASX) |
| ASB Bank | \$3,900 (2010) | 3,261 | Foreign (Listed - ASX) |
| Westpac New Zealand | \$3,500 (2010) | 5,500 | Foreign (Listed - ASX) |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|---------------|-------------|
| | Total | | Growth (1 yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$2,763,344 | \$1,377,888 | 30.0% | 6.5% |
| Total income per employee 2012# | n/a | \$327,400 | n/a | 4.9% |
| Surplus per employee 2012# | n/a | \$32,100 | n/a | 32.1% |
| Return on equity 2012# | 13.5% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 78.6% | 57.4% | down | down |
| Capital stock per worker 2011 | \$134,456 | \$168,533 | 2.4% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

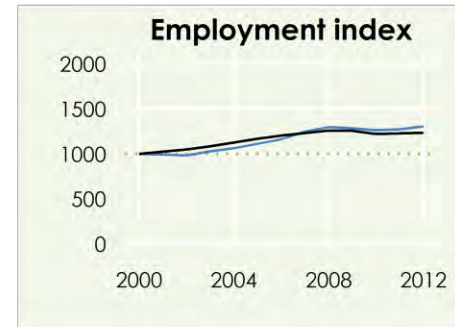
#All sector total excludes some industries. Sector total excludes ANZSIC K6330

| Export value by product | | Export value by market | |
|--------------------------|---------------------|----------------------------|---------------------|
| Product (services) | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Insurance services | \$46 | Australia | \$102 |
| Financial services | \$281 | Other | \$225 |
| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL all exports | \$327 | TOTAL all countries | \$327 |

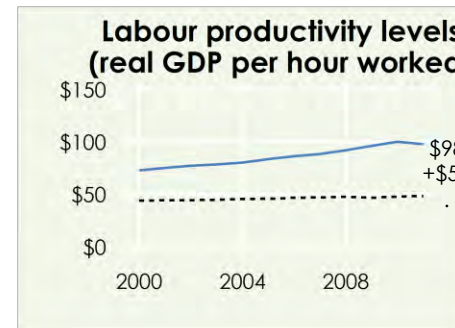
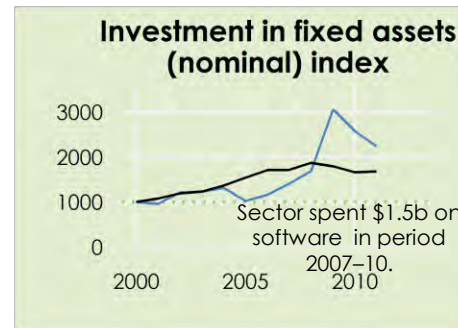
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- GDP growth above average
- Large employer: 63,495
- Created jobs: +14,850 (2000–12) despite high investment in technology
- Productivity: twice NZ average
- Sector added 17,892 firms 2000–12; 16,964 with zero employees in the 'financial asset investing' sub-sector (ANZSIC K624)
- Fixed capital investment \$2.2b in 2009
- High innovation rate: 61% of firms
- 20% of firms foreign owned; likely that small firms NZ owned, large firms foreign owned, e.g. Australian banks



No goods exports



Key

- Finance & insurance
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors

| Results from survey: 2011 R&D & innovation rates | | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|--|---|---------|---|---------|---|-----|
| R&D rate | | 1. Other | | 1. Limited experience in expanding beyond NZ | | % of finance & insurance firms reporting overseas income | 17% |
| Innovation rate | | 2. Exchange rate volatility | | 2. Limited knowledge about specific markets | | % of finance & insurance firms with off-shore direct investment | 7% |
| | | 3. Distance from markets / overseas government regulations or tariffs | | 3. Overseas government regulations or tariffs | | % of finance & insurance firms >50% foreign owned | 20% |

- High
- ◐ Medium
- Low

Media & telecommunications

ANZSIC Code J

Situation

Includes telecommunications firms (transmission services and wired and wireless infrastructure) as well as firms mainly engaged in creating, enhancing and storing information products in media that allows for their dissemination using analogue and digital signals via electronic, wireless, optical and other means. Does not include equipment manufacturing or information technology services.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$5,791m | 3.4% | 0% | -0.8% | 1.8% |
| GDP 2013 (real) | n/a | n/a | 4.0% | 3.3% | 3.9% |
| Goods exports 2013 | \$19m | 0% | -12.4% | -0.9% | -4.3% |
| Employment 2012 | 46,005 | 2% | 3% | -0.4% | 0.5% |
| Productivity 2011 | \$89 | 186.0% | 5.2% | 5.3% | 4.0% |
| Fixed capital investment 2011 | \$1,887m | 6% | -1.1% | 1.1% | -3% |
| No. of firms 2013 | 4,980 | 1.1% | 0.1% | 1.9% | 3.4% |

| Example firms | | | |
|-------------------------------|----------------|-----------|------------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Vodafone | \$1,600 (2010) | 1,400 | Foreign (Listed –FTSE) |
| Sky Network TV | \$796 (2011) | 1000 | Listed (NZX) |
| Chorus | \$613 (2012) | 2,500 | Listed (NZX) |
| Television New Zealand (TVNZ) | \$382 (2012) | 1,115 | NZ Govt |
| APN New Zealand (NZ Herald) | \$457M (2007) | 3,051 | Listed (ASX, NZX) |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$2,917,973 | \$1,377,888 | 1.1% | 6.5% |
| Total income per employee 2012# | \$395,300 | \$327,400 | 2.1% | 4.9% |
| Surplus per employee 2012# | \$8,500 | \$32,100 | 30.8% | 32.1% |
| Return on equity 2012# | 3.2% | 8.6% | up | up |
| Debt ratio (liabilities/assets) 2012# | 60.4% | 57.4% | down | down |
| Capital stock per worker 2011 | \$390,829 | \$168,533 | 1.9% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

| Export value by product | | Export value by market | |
|-----------------------------------|---------------------|------------------------------|---------------------|
| Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Books, brochures, and leaflets | \$18.9 | Australia | \$8.4 |
| Other | \$3.4 | UK | \$2.6 |
| | | Other | \$11.3 |
| TOTAL (goods) | \$22.3 | TOTAL (all countries) | \$22.3 |
| Commercial services | \$769 | n/a | |
| TOTAL (goods and services) | \$791.3 | TOTAL all countries | \$791.3 |

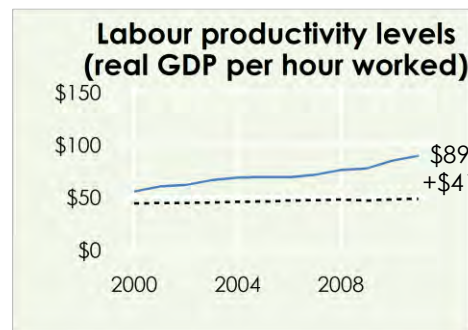
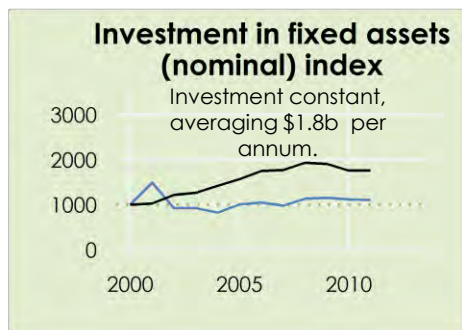
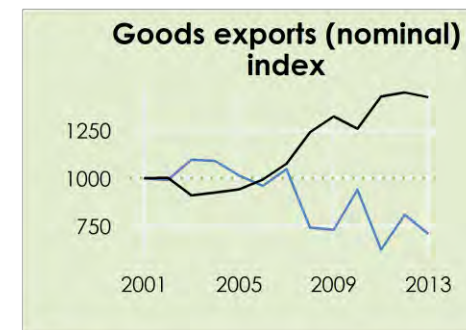
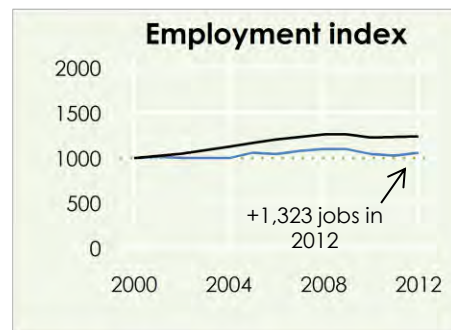
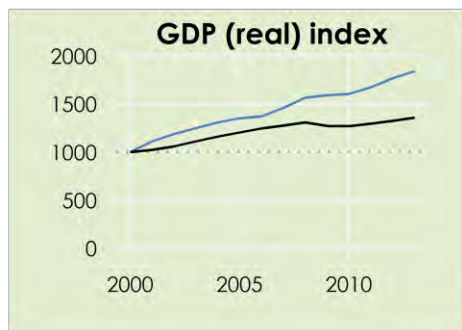
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

- Real GDP growth above average; slower nominal growth implies falling prices
- Medium employer: 46,005
- Created jobs overall: +2,550
- Created jobs: +4,434 (2000–08)
- Lost jobs: -3,207 (2008–11)
- Productivity growing strongly
- Firm numbers growing
- Consistent capital investment in equipment & software averaging \$1.8b per annum 2000–10.
- Return on equity low: 3.2%
- 16% of firms foreign owned
- 40% report income from overseas

Key

- Media & telecommunications
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|---|---------|--|-----|
| R&D rate | 1. Other | | 1. Limited experience in expanding beyond NZ | | % of media & telecoms firms reporting overseas income | 40% |
| Innovation rate | 2. Low market demand or increased competition in overseas markets | | 2. Limited knowledge about specific markets | | % of media & telecoms firms with off-shore direct investment | 5% |
| | 3. Distance from markets | | 3. Limited access to finance for expansions beyond NZ | | % of media & telecoms firms >50% foreign owned | 16% |

- High
- ◐ Medium
- Low

Professional, scientific & technical services

ANZSIC Code M

Situation

These services include scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy, veterinary science and professional photography. Firms in this category typically specialise and sell their expertise. In most cases, equipment and materials are not major inputs.

| Scorecard | | | | | |
|-------------------------------|-----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$13,919m | 8.1% | 6.6% | 5.1% | 6.9% |
| GDP 2013 (real) | n/a | n/a | 4.0% | 2.8% | 3.2% |
| Goods exports 2012 | \$0m | 0% | n/a | n/a | n/a |
| Employment 2012 | 201,132 | 8.7% | 1.4% | 0.9% | 3.0% |
| Productivity 2011 | \$49 | 101.1% | 3.7% | 1.4% | 0.9% |
| Fixed capital investment 2011 | \$1,245m | 4% | 0.3% | 2.2% | 4.8% |
| No. of firms 2013 | 50,953 | 10.8% | 0.9% | 0.8% | 3.3% |

| Example firms | | | |
|--------------------------------|------------------|-----------|-----------------------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Datacom | \$670 (2010) | 1,900 | Private (35% NZ Super Fund) |
| BECA | \$610 (2012) | 2,600 | Employee-owned |
| Opus International Consultants | \$370 (2010) | 1,800 | Listed (NZX) |
| PwC (NZ) | \$330 (2012) | 1,300 | Limited Partnership |
| Datam | \$255 (2013 est) | 860 | NZ Govt (NZ Post) |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|---------------|-------------|
| | Total | | Growth (1 yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$572,702 | \$1,377,888 | -2.3% | 6.5% |
| Total income per employee 2012# | \$225,400 | \$327,400 | -4.9% | 4.9% |
| Surplus per employee 2012# | \$33,300 | \$32,100 | -11.2% | 32.1% |
| Return on equity 2012# | 21.3% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 62.2% | 57.4% | up | down |
| Capital stock per worker 2011 | \$33,188 | \$168,533 | -2.4% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions

| Export value by product | | Export value by market | |
|---|---------------------|------------------------|---------------------|
| Product (services) | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Computer system design & related services | \$628 | n/a | n/a |
| Other commercial services | \$784 | | |
| TOTAL (all services) | \$1,412 | | |

Sector includes many firms that export services and/or are building significant international businesses, e.g. Datacom, BECA and Opus International.

Professional, scientific and technical services

ANZSIC Code M

Performance

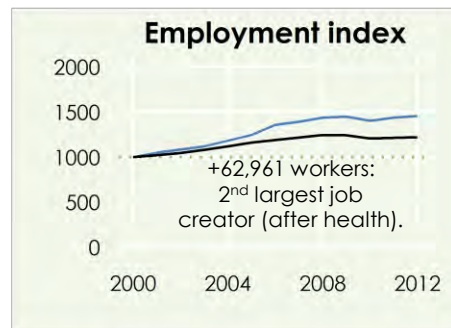
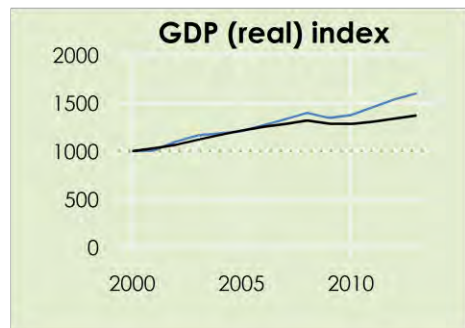
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

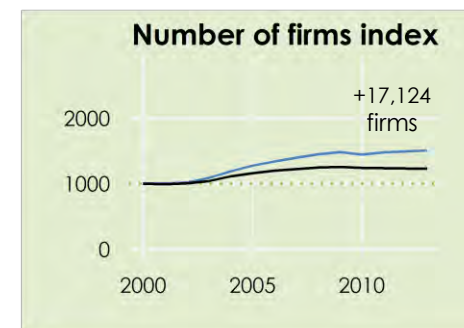
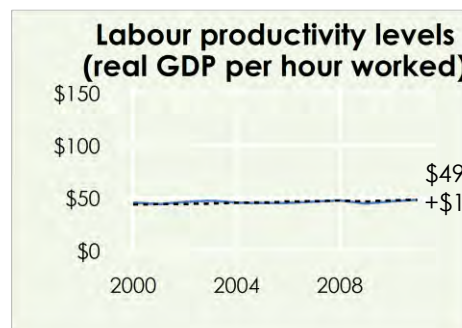
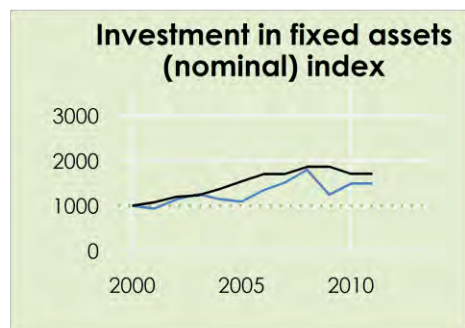
- GDP growth above average from 2009
- Large employer: 201,123
- Created jobs overall +62,961 (2000–12)
- Lost jobs: -6,456 (2009–10)
- Created jobs: +8,041 (2011–12)
- Productivity growth flat overall
- Number of firms growing
- Return on equity high: 21%
- Aggregate data may mask high performing firms
- Includes firms also included in knowledge intensive services & ICT.
- See separate in-depth reports on Knowledge Intensive Service and ICT for detailed analysis: mbie.govt.nz

Key

- Professional services
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



No goods exports. Sector generates significant services exports.



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|---|---------|--|---------|---|-----|
| R&D rate | 1. Distance from markets | Medium | 1. Limited access to finance for expansion beyond NZ | Medium | % of professional services firms reporting overseas income | 27% |
| Innovation rate | 2. Low market demand or increased competition in overseas markets | Medium | 2. Limited experience in expanding beyond NZ | Medium | % of professional services firms with off-shore direct investment | 7% |
| | 3. Other | Low | 3. Distance from markets | Medium | % of professional services firms >50% foreign owned | 7% |

- High
- ◐ Medium
- Low



GOVERNMENT, EDUCATION AND HEALTH SECTORS

- Government, defence & public safety
- Education
- Health & social assistance

See pages 92–94 for guide to reading snapshot pages.

Special note on productivity:

Statistics New Zealand released productivity statistics for the health and education sectors for the first time in 2013. Increases in productivity for health and education sectors increase people's value for tax money. Even though health services are non-marketable and may not help export growth, it is still meaningful in improving welfare in New Zealand.

Includes central, state or local government legislative, executive and judicial activities directed at providing physical, social, economic and general public safety and security services, and in enforcing regulations. Includes defence and police, government representation and international government organisations. Does not include state owned enterprises.

| Scorecard | | | | | | Example firms | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|--------------------------------|----------------|-----------|------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) | Firm | Turnover (\$m) | Employees | Ownership |
| GDP 2011 (nominal) | \$8,570m | 5.0% | 1.6% | 6.8% | 7.2% | Auckland Council | \$3,000 (2012) | 8,200 | Local Govt |
| GDP 2013 (real) | n/a | n/a | -0.2% | 1.8% | 4.6% | New Zealand Defence Force | \$2,100 (2009) | 11,142 | NZ Govt |
| Goods exports 2013 | \$0m | 0% | n/a | n/a | n/a | Ministry of Education | \$1,700 (2010) | 2,600 | NZ Govt |
| Employment 2012 | 109,200 | 4.7% | 1.8% | 2.7% | 3.6% | New Zealand Police | \$1,400 (2010) | 10,884 | NZ Govt |
| Productivity 2010** | n/a | n/a | n/a | n/a | n/a | Ministry of Social Development | \$1,100 (2009) | 6,300 | NZ Govt |
| Fixed capital investment 2011 | \$1,031m | 3.3% | -25.7% | -6.2% | 5.4% | | | | |
| No. of firms 2013 | 1,209 | 0.3% | -2.1% | 0.3% | 1.1% | | | | |

| Industry level financial performance | | | | | Export value by product | | Export value by market | |
|---------------------------------------|--------------|-------------|--------------|-------------|---|---------------------|------------------------|---------------------|
| | Total | | Growth (1yr) | | Product | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| | This sector | All sectors | This sector | All sectors | | | | |
| Total income per firm 2012# | \$30,944,939 | \$1,377,888 | -6.1% | 6.5% | Government services | \$766 | n/a | n/a |
| Total income per employee 2012# | n/a | \$327,400 | n/a | 4.9% | As a significant purchaser of goods and services – including large infrastructure projects and IT systems and software – the government can have a material effect (both positive and negative) on growth and innovation in many sectors. | | | |
| Surplus per employee 2012# | n/a | \$32,100 | n/a | 32.1% | | | | |
| Return on equity 2012# | 0.4% | 8.6% | up | up | | | | |
| Debt ratio (liabilities/assets) 2012# | 28.0% | 57.4% | up | down | | | | |
| Capital stock per worker 2011 | \$121,693 | \$168,533 | 0.3% | 1.1% | | | | |

* Equals % of total employing firms, except productivity, which is total measured sectors.

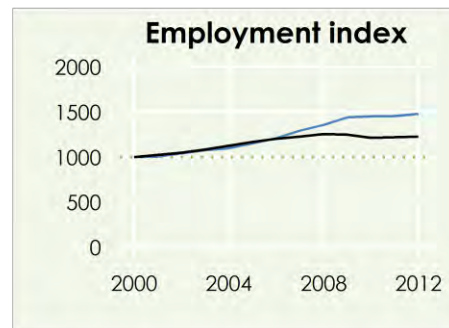
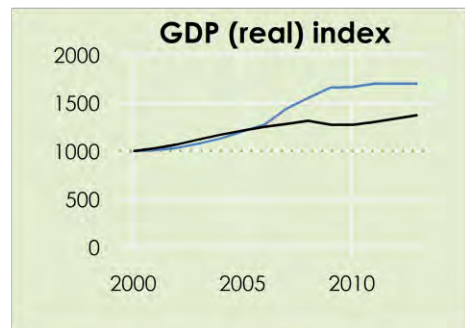
**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions.

Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)

Comment

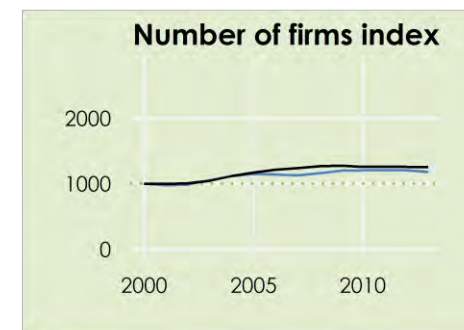
- GDP growth above average 2006–09
- Large employer: 109,200
- Created jobs: +35,470 (2000–2012)
- Includes local government, defence forces and police
- Number of enterprises increased from 1,027 in 2000 to 1,209 in 2013 (+186)
- Fixed capital investment includes prisons but excludes hospitals and schools
- In 2010 fixed capital investment was \$1.27b, \$244m of this was in intangible assets, likely to be software and software development



No goods exports



Non-measured sector. No productivity data



| Results from survey: 2011 R&D & innovation rates | | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|---|-----|------------------------------------|---------|-----------------------------------|---------|----------------------|-----|
| R&D rate | n/a | | n/a | | n/a | | n/a |
| Innovation rate | n/a | | n/a | | n/a | | n/a |
| <ul style="list-style-type: none"> ● High ◐ Medium ○ Low | | | | | | | |

This includes firms or organisations mainly engaged in the provision and support of education and training, including preschools, schools, technical colleges, training centres and universities. They may be publicly owned and operated, or privately owned and operated, either for profit or not for profit.

| Scorecard | | | | | |
|-------------------------------|----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$8,984m | 5.2% | 3.1% | 6.6% | 6.5% |
| GDP 2013 (real) | n/a | n/a | 0.6% | 1.1% | 0.4% |
| Goods exports 2012 | \$0m | 0% | n/a | n/a | n/a |
| Employment 2012 | 183,129 | 8.0% | -0.8% | 1.6% | 2.4% |
| Productivity 2011 | \$33 | 68.8% | -6.7% | -1.3% | -1.6% |
| Fixed capital investment 2011 | \$1,602m | 5.1% | 15.8% | 7.1% | 10% |
| No. of firms 2013 | 7,810 | 1.7% | 0.3% | 1.1% | 1.5% |

| Example firms | | | |
|--------------------------------|----------------|-----------|-----------|
| Firm | Turnover (\$m) | Employees | Ownership |
| University of Auckland | \$788 (2008) | 4,493 | n/a |
| UNITEC Institute of Technology | \$141 | 1,200 | n/a |
| Kidicorp | \$62 (2008) | ~3,500 | Private |
| Rangitoto College | \$27.8 (2012) | 190 | NZ govt |
| Ashburton Borough School | \$2.5 (2012) | 19 | NZ govt |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$1,900,629 | \$1,377,888 | 1.2% | 6.5% |
| Total income per employee 2012# | n/a | \$327,400 | n/a | 4.9% |
| Surplus per employee 2012# | n/a | \$32,100 | n/a | 32.1% |
| Return on equity 2012# | 3.7% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 24.0% | 57.4% | down | down |
| Capital stock per worker 2011 | \$105,988 | \$168,533 | 3.6% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors.

**NZ average = 100%

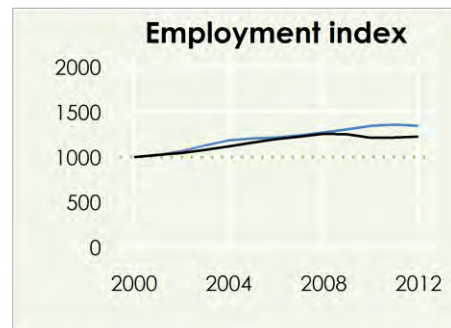
#All sector total excludes some industries. Refer appendix, terms and definitions.

| Export value by product | | Export value by market | |
|--|---------------------|------------------------|---------------------|
| Product (services) | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| Education-related travel | \$650 | n/a | n/a |
| Provision of commercial education and training services overseas | \$76 | | |
| TOTAL all exports | \$726 | | |

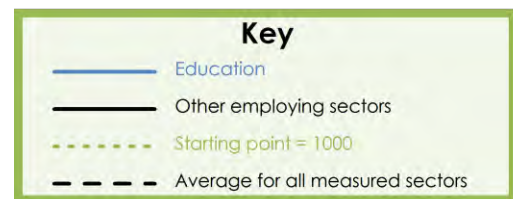
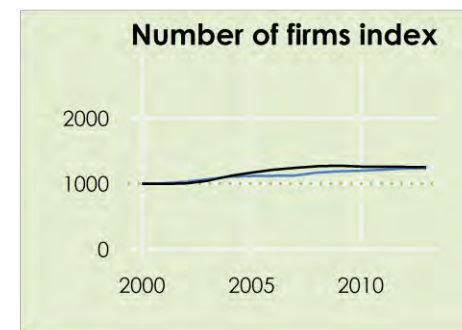
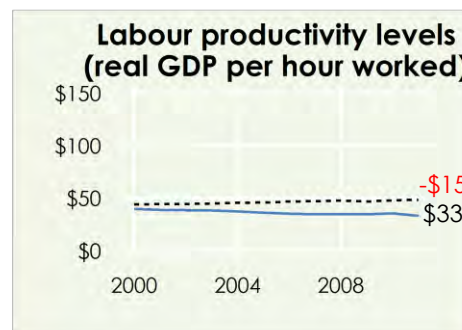
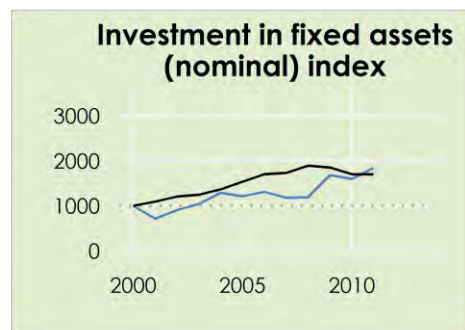
Index of key trends, various timeframes: (base =1000), this sector vs all other sectors (except productivity is \$ values)












Comment

- Below average real GDP growth
- Large difference between nominal and real GDP growth implies that prices have increased significantly more than volumes
- Large employer: 183,129 (2012)
- Created jobs : +47,289 (2000–12)
- Productivity declining
- Includes private providers
- Two-thirds of fixed capital investment is buildings, and around 10% likely to be software



No goods exports.
In 2012/13 the value of international education to New Zealand was measured at \$2.6 billion.
See page 52.
See Infometrics report available from www.enz.govt.nz



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|--------------------------------------|--|--|---|---|-----|
| R&D rate:  | 1. Distance from markets |  | 1. Limited experience in expanding beyond NZ |  | % of education enterprises reporting overseas income | 19% |
| Innovation rate:  | 2. Exchange rate level |  | 2. Limited access to finance for expansion beyond NZ |  | % of education enterprises with off-shore direct investment | 2% |
|  High  Medium  Low | 3. Language and cultural differences |  | 3. Other |  | % of education enterprises >50% foreign owned | 2% |

Health & social assistance

ANZSIC Code Q

Situation

This includes firms or organisations mainly engaged in providing human healthcare and social assistance. Includes hospitals, medical services, residential care, childcare and counselling services. They may be publicly owned and operated, or privately owned and operated, either for profit or not for profit.

| Scorecard | | | | | |
|-------------------------------|-----------|----------|---------------|--------------------|---------------------|
| Measure | Total | % of NZ* | Growth (1 yr) | Growth (5 yr CAGR) | Growth (10 yr CAGR) |
| GDP 2011 (nominal) | \$12,359m | 7.2% | 3.6% | 7.2% | 8.1% |
| GDP 2013 (real) | n/a | n/a | 3.3% | 1.5% | 3.1% |
| Goods exports 2012 | \$0m | 0.0% | n/a | n/a | n/a |
| Employment 2012 | 210,141 | 9.1% | 1.6% | 3.1% | 3.1% |
| Productivity 2011 | \$39 | 81.5% | -2% | -0.7% | -0.2% |
| Fixed capital investment 2011 | \$1,304m | 4.2% | 22.7% | 6.5% | 5.8% |
| No. of firms 2013 | 17,148 | 3.6% | 0.8% | 1.1% | 2.5% |

| Example firms | | | |
|-----------------------------------|------------------|-----------|--------------|
| Firm | Turnover (\$m) | Employees | Ownership |
| Auckland District Health Board | \$1.7B (2010) | 10,500 | NZ Govt |
| Ryman Healthcare Limited | \$257 (2012) | 2,600 | Listed (NZX) |
| Mercy Ascot Hospital | \$137 (2013 est) | 1,000 | Private |
| Labtests Ltd | \$82 (2013 est) | 600 | Foreign |
| Royal New Zealand Plunket Society | \$72 (2012) | 562 | Charity |

| Industry level financial performance | | | | |
|---------------------------------------|-------------|-------------|--------------|-------------|
| | Total | | Growth (1yr) | |
| | This sector | All sectors | This sector | All sectors |
| Total income per firm 2012# | \$1,584,352 | \$1,377,888 | 6.0% | 6.5% |
| Total income per employee 2012# | n/a | \$327,400 | n/a | 4.9% |
| Surplus per employee 2012# | n/a | \$32,100 | n/a | 32.1% |
| Return on equity 2012# | 17.4% | 8.6% | down | up |
| Debt ratio (liabilities/assets) 2012# | 49.8% | 57.4% | down | down |
| Capital stock per worker 2011 | \$66,271 | \$168,533 | 1.4% | 1.1% |

* Equals % of total employing firms, except productivity, which is total measured sectors.

**NZ average = 100%

#All sector total excludes some industries. Refer appendix, terms and definitions.

| Export value by product | | Export value by market | |
|------------------------------|---------------------|------------------------|---------------------|
| Product (services) | Exports (\$m; 2012) | Country | Exports (\$m; 2012) |
| No exports allocated. | | | |

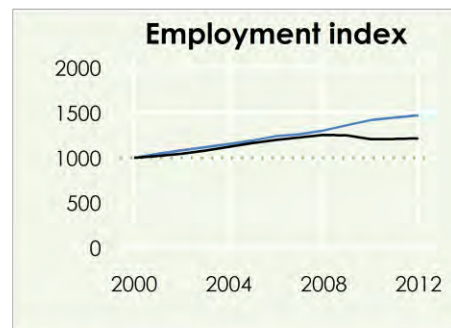
Key trends, various timeframes: 10-year index (base =1000) except productivity is \$ values – this sector vs all other sectors

Comment

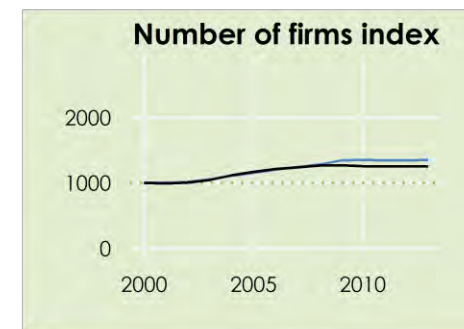
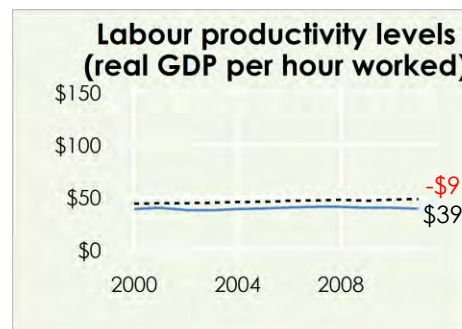
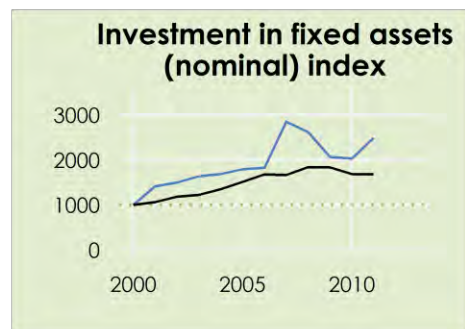
- GDP growth above average from 2009
- Large difference between nominal and real GDP growth implies that prices have increased significantly more than volumes
- Very large employer: 210,141 (2012)
- Largest increase in jobs in the economy: +67,443 (2000–12)
- Number of firms growing (e.g. +373 childcare services 2002–2012)
- Includes private providers
- Annual fixed capital investment (nominal) in 2010 was twice that in 2000 (\$1,061m vs \$523m)
- \$800m investment in buildings in 2007

Key

- Health
- Other employing sectors
- - - Starting point = 1000
- - - Average for all measured sectors



No goods exports



| Results from survey: 2011 R&D & innovation rates | Export barriers: Current exporters | % firms | Export barriers: Future exporters | % firms | Internationalisation | % |
|--|------------------------------------|---------|---|---------|--|------|
| R&D rate | 1. Other | High | 1. Other | Medium | % of health enterprises reporting overseas income | 0.8% |
| Innovation rate | 2. Exchange rate level | Low | 2. Low market demand or increased competition in overseas markets | Medium | % of health enterprises with off-shore direct investment | 2% |
| | 3. No others reported | Medium | 3. Limited experience in expanding beyond NZ | Low | % of health enterprises >50% foreign owned | 2% |

- High
- ◐ Medium
- Low

