



Kiwi exporters think they'll bounce back sooner

New Zealand exporters think they will recover from the global economic crisis faster than Australia

Auckland, 5 May 2009 – A survey of more than 520 New Zealand and Australian exporters by DHL, the world's leading express and logistics company, has found that 46 per cent of New Zealand exporters believe New Zealand will recover faster from the Global Economic Crisis (GEC) than Australia, and 42 per cent believe that Australia will be harder hit than New Zealand.

Fifty-five per cent of New Zealand exporters say orders have remained the same in the last three months and 21 per cent say orders have increased in the same three month period. The Australians are not quite as bullish with 64 per cent of Australian exporters claiming their orders remained the same for the last three months. However, only 17 per cent state their export orders have increased.

"It's positive that Kiwi exporters are still looking buoyant in the current economic situation and this may be attributed to the fluctuating Kiwi dollar working to their advantage," says Gary Edstein, Senior Vice President, Oceania, DHL Express.

Over 90 per cent of New Zealand exporters encourage the idea of 'domestic' Trans Tasman flights and this is reciprocated across the Tasman with 89 per cent of Australian exporters in favour of the idea.

This sharing of sentiment continues with 54 per cent of New Zealand exporters in favour of a single Trans Tasman currency and 52 per cent of Australian exporters claiming they support the proposal.

"Australia is a key market for New Zealand. The 'domestic' Trans Tasman flights would allow for easier trading and foster economic growth on both sides of the Tasman," says Mr. Edstein. "However, while a single currency may be great for facilitating business, there



are concerns around the different strengths of the two economies and links to national identity; which may account for only small majorities being in favour on both sides of the Tasman”.

Around 66 per cent of New Zealand exporters believe there are significant barriers to New Zealand companies exporting to Australia. To overcome these barriers 75 per cent of New Zealand exporters believe that increased harmonisation between Australia and New Zealand’s regulatory and tax laws would benefit their business.

Both governments have been working to facilitate Closer Economic Relations (CER) since 1983, yet only 37 per cent of New Zealand exporters are happy with the current level of activity towards a single economic market. Thirty eight per cent are “not happy” and 25 per cent “don’t know”.

Just under half (46 per cent) of New Zealand exporters perceive that the level of effort shown by each country to improve trade relations is fairly even; that Australia and New Zealand work on it equally. However, nearly a quarter of Kiwi exporters, 23 per cent, feel that Australia works harder at it compared to the 4 per cent of exporters who think the New Zealand government works harder at it.

“Our respective governments have given some good indications about progressing closer economic relations recently but these need to be put in place. There also needs to be more engagement with stakeholders, and an increase in the level of awareness and interest in the process,” Mr. Edstein said.

The 2008 DHL Export Barometer found that Australia is the key market destination for New Zealand exports with 69 per cent of exporters having exported there in the past 12 months. According to Statistics New Zealand’s 2008 International Trade Investment and Travel Profile, 22 per cent of all New Zealand exports went to Australia and were worth \$9.2 billion in year end June 2008. This accounted for 19.5 per cent of all imports, worth \$8.7 billion in the same year. (Source: Statistics New Zealand).

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Media Contact:

Andy Hunter

Professional Public Relations

Phone: 09 979 2011

E-Mail: andy.hunter@ppr.co.nz

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