

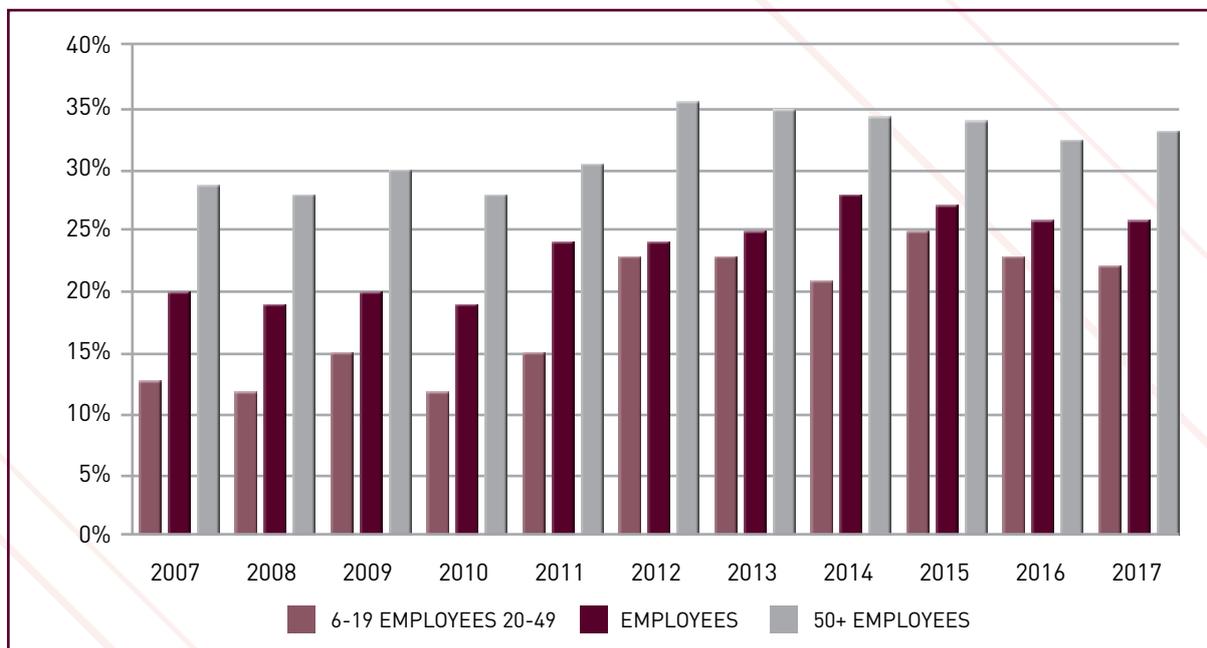
# Trade and Small and Medium Enterprises

We want *Trade For All* to support small and medium size enterprises (SMEs) to succeed globally. Find out more about how SMEs benefit from trade and what assistance is currently available. Take a look and have your say...

## Why do we support New Zealand SMEs to export?

A recent report by the New Zealand Institute of Economic Research notes that workers in industries that are exposed to international competition are paid about \$3,700 more on average than workers in industries that only face domestic competition. Although SMEs account for over 95% of all firms and more than a quarter of employment, only about 23% of New Zealand SMEs are directly engaged in exporting compared with 34% of large businesses. SMEs are defined here as firms with 6 to 49 employees, and large business is defined as firms with 50+ employees.

## Proportion of SMEs that export compared with larger firms, 2007-2017.



Source: Data from Statistics New Zealand Business Operations Survey

## What challenges do SMEs face?

SMEs face unique challenges when they look to export to international markets. For example, their small scale can mean they struggle to overcome large fixed costs of exporting their goods and services overseas. These challenges are not distinct to New Zealand SMEs. SMEs in developed countries account for around one-third of exports, despite accounting for around two-thirds of employment according to a 2016 report called "[Levelling the Trading Field for SMEs](http://www.wto.org)" available at [www.wto.org](http://www.wto.org).

## What initiatives help SMEs to succeed in global markets?

Here is some of the help currently available to help SMEs get established, innovate and grow:

- **Assisting with SME setup and operations:** For resources on starting and operating your small business see [www.business.govt.nz](http://www.business.govt.nz). This includes hosting the [2018 Government Roadshow for small business](#) (ask officials how they can assist with your SME).
- **Growing your SME internationally:** Find out how you can access a wide range of export assistance by:
  - engaging in export preparation workshops and market research at [www.nzte.govt.nz/export-assistance](http://www.nzte.govt.nz/export-assistance)
  - registering at [www.regionalbusinesspartners.co.nz](http://www.regionalbusinesspartners.co.nz)
  - accessing the Research and Development grants and accelerator programmes available at [www.callaghaninnovation.govt.nz](http://www.callaghaninnovation.govt.nz)
  - seeking financial assistance to help manage risk and capitalise on trade opportunities at <https://nzeco.govt.nz/new-zealand-export-credit-office>
  - accessing international networks, such as using our diplomatic network to access international policy best practice and help New Zealand firms succeed in overseas markets.

## How can the Government help businesses address barriers to trade?

Barriers to trade affect all businesses. A recent example of addressing a barrier that impedes SME development is the collaboration between New Zealand and Australia on introducing electronic invoicing (e-Invoicing). This will reduce the costs of trading across the Tasman. Around 75% of New Zealand's exporting SMEs export to Australia.

As part of Trade for All, we want to communicate with and support business on trade and export issues. Key Government points of contact on a range of barriers are at <https://www.mfat.govt.nz/en/trade/how-we-help-exporters/services-for-exporters>. Some of the practical tools we offer include:

- the [barriers to trade portal](#) to help businesses identify trade barriers, register barriers, and get help
- the [tariff finder](#) to help businesses quickly and easily know the cost of trading into different markets
- the exporter help line to allow exporters to engage directly with the Government on the issues they are facing ([exports@mfat.govt.nz](mailto:exports@mfat.govt.nz) or 0800 824 605).

## What are the opportunities to support SMEs through trade agreements?

- **New and improved market access:** trade agreements benefit trade-related businesses of all sizes.
- **Enhanced transparency commitments:** New Zealand could pursue transparency commitments requiring detailed information on agreements to be easily accessible to all companies. Smaller businesses are typically less well equipped to research market conditions.

Have your say at [www.haveyoursay.mfat.govt.nz](http://www.haveyoursay.mfat.govt.nz) or send a submission to [tradeforall@mfat.govt.nz](mailto:tradeforall@mfat.govt.nz)

- What do you think are the key challenges for SMEs who want to succeed in overseas markets?
- What has your experience been using the Government's current internationalisation services?
- To what extent do you want to see the experience of SMEs reflected in trade agreements?
- Are there any other tools or information that you would benefit from receiving?