

EXPORTNZ & DHL EXPORT BAROMETER REPORT 2024



NZ exporters demonstrating resilience and determination to increase sales in the face of continuing headwinds

The latest ExportNZ/DHL Export Barometer shows that, overall, New Zealand's exporters had a positive last 12 months and are confident that export orders will increase over the next 12 months. In pursuit of export growth, they have increased the number of overseas markets into which they sell, implemented measures to

increase their orders and made changes to tackle rising costs and other barriers they continue to face. But, while they have been determined and resourceful in pursuit of increasing exports, there are areas where government support is valued and would have a positive impact.



271 COMPANY RESPONSES

**LABOUR
SHORTAGES
DECREASING
INCREASE
IN EXPORT
SALES**

**INCREASED
COST
PRESSURES
GEOPOLITICAL
TENSIONS
DOMESTIC
REGULATORY
BARRIERS**

KEY MESSAGES

The survey took place in July 2024 and attracted responses from 271 companies, up from 250 in 2023. Many of the survey questions were asked in both years, this has enabled changes in the market and other conditions to be highlighted.

In the past 12 months respondents have reported an increase in export sales, and confidence about what the next 12 months will hold. The key findings of the survey are that supply chain and logistics costs have increased significantly in the past year. Exporters are still facing numerous barriers to exports, including geopolitical tensions and domestic regulatory barriers strengthening or emerging. Fortunately some of the barriers, notably domestic labour shortages and a lack of finance/capital, have weakened.

In the face of cost pressures and other barriers, it is encouraging to note that exporters have introduced changes to address and overcome them. More respondents are now actioning change than in 2023, and it is encouraging to note that fewer exporters are doing nothing to help themselves.

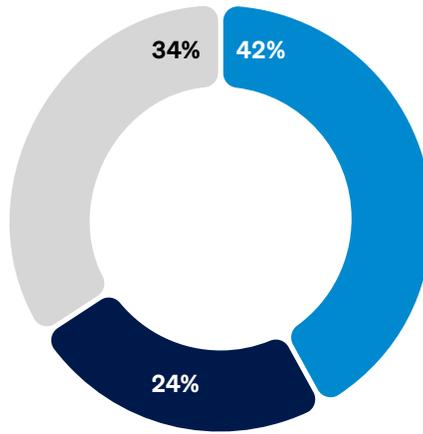
There is scope for more government support. Most frequently, exporters have indicated a desire for increased support toward attendance at trade shows. This means more than subsidising companies to be there; it means working to create a more impactful and coordinated NZ Inc. presence at the shows. Increased support for R&D and better access to market research would also help. Ultimately there are several ways for the government to engage with exporters, especially if New Zealand businesses are to achieve the government's target of doubling exports within 10 years.

ExportNZ and DHL both applaud the achievements and determination of New Zealand's exporters, and we stand ready to support them.

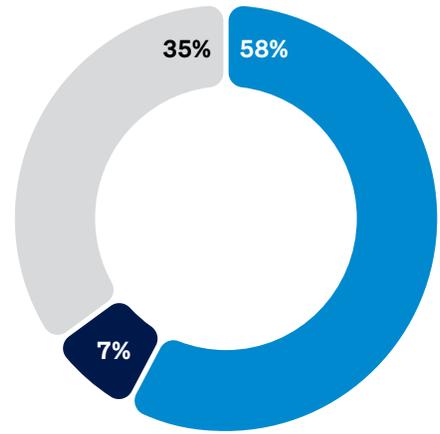
NZ EXPORTERS ARE BATTLING ON...

The exporters participating in the survey were more likely to have increased their exports in the past 12 months than to have experienced a decrease. A net 18% (those saying increased, less those saying decreased) managed an increase. Encouragingly, the respondents are highly optimistic about what will happen in the coming 12 months, with a net 51% expecting to increase their exports.

Export Performance in the Past 12 Months



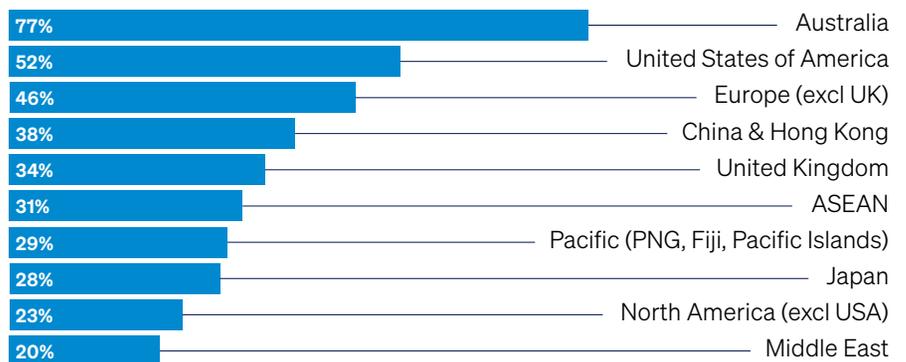
Expected Export Performance in the Coming 12 Months



● Unchanged ● Increase ● Decrease

As in previous years, Australia, the USA and Europe (excluding the UK) were the markets most frequently mentioned as destinations. However, it is interesting to note that the respondents appear to be exporting into a larger range of markets. In 2024, they exported into an average of 4.6 markets, compared to 4.2 in 2023. This was partly the result of more exporters selling into the EU and the UK, following the completion of New Zealand’s Free Trade Agreements with those economies. But the largest increase was in the number of exporters selling into the USA.

Percentage of Respondents Who Traded with Key Markets Over the Last 12 Months

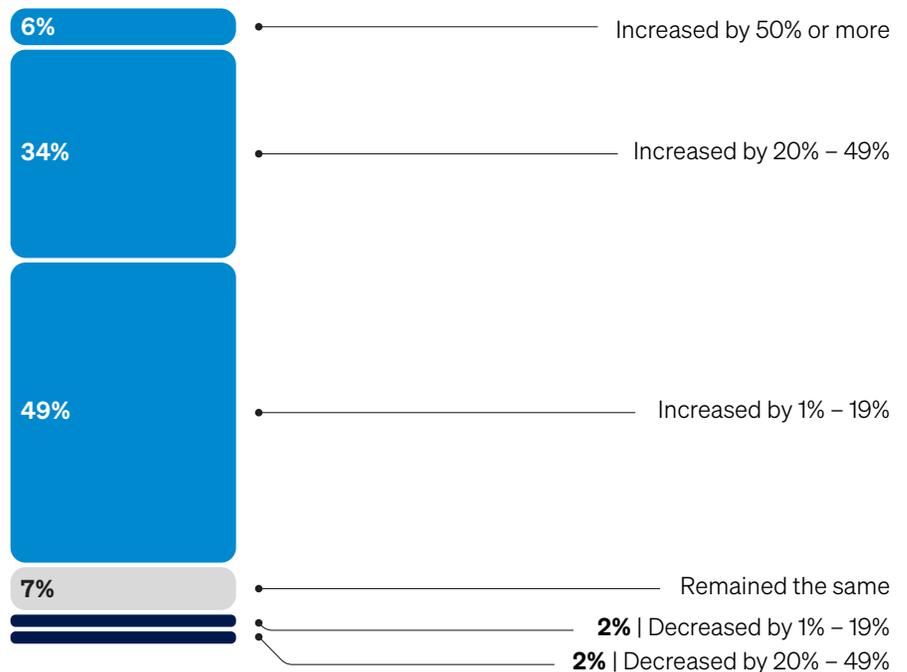




...BUT THEY ARE FACING INCREASED COSTS AND OTHER BARRIERS

It is clear, however, that the respondents faced considerable headwinds during the past year. In total, 89% reported that their cost of doing business had increased. Moreover, 40% experienced cost increases of 20% or more, with some suffering increases of more than 50%. By contrast, only 11% experienced unchanged or reduced costs.

Cost of Doing Business Compared to a Year Ago

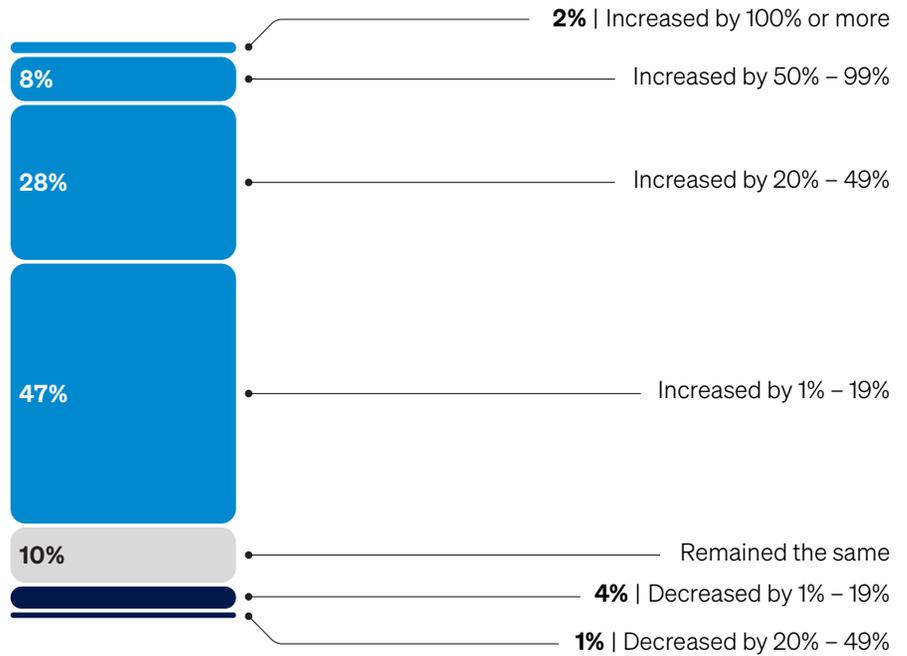


“THE COST OF EXPORTING PRODUCTS OUT OF NEW ZEALAND IS UNSUSTAINABLE. IT’S GOING TO FORCE US TO MOVE OUR MANUFACTURING CLOSER TO OUR MARKETS.”

Manufacturer, 20–99 FTEs, Canterbury

Supply chain and logistics costs are a component of total business costs, and it is clear that they contributed significantly to total cost increases during the past year. Overall, 85% of the respondents reported that supply chain and logistics costs had increased, including 10% who reported an increase of 50% or more. However, the most frequent response was that this class of costs had increased by less than 20%. A further 15% reported that these costs had stayed the same or reduced.

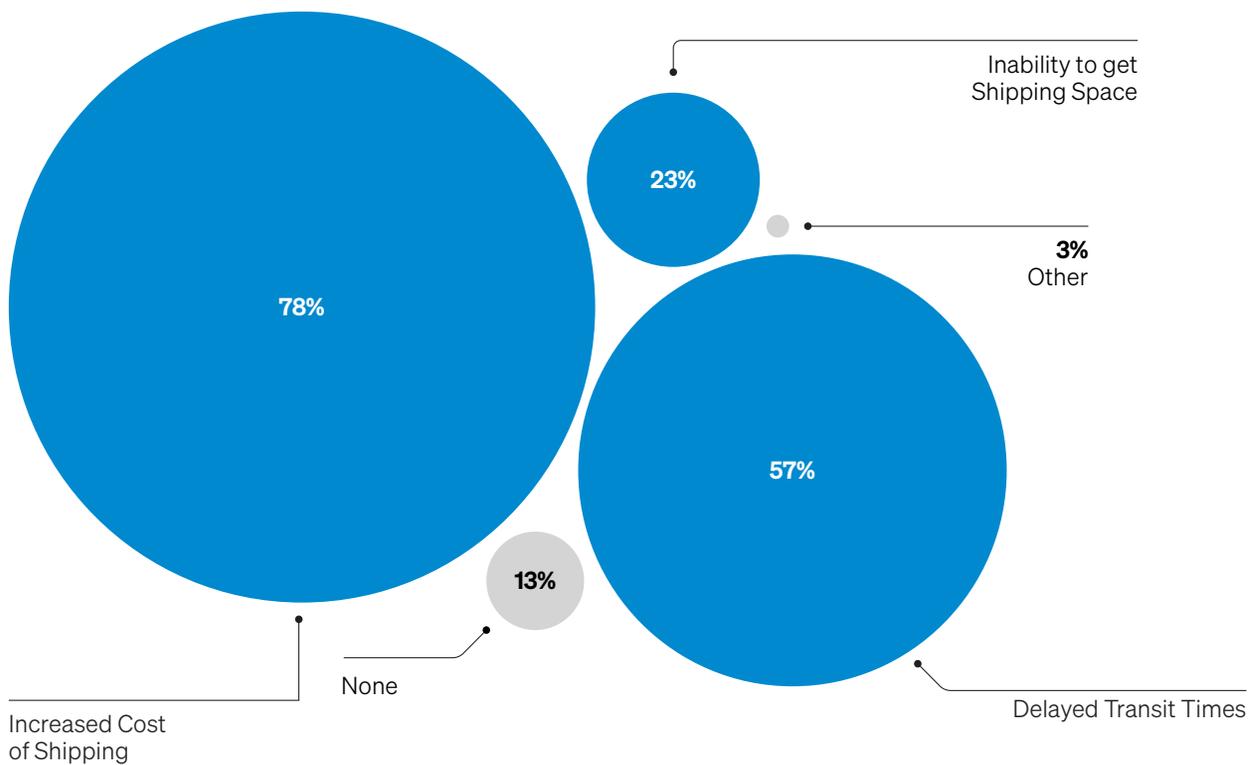
Increases in Total Supply Chain and Logistics Costs in the Past Year



Comments added alongside the numerical responses to this question indicated that, whereas the effects of the COVID pandemic on supply chains had more or less disappeared, new cost-compounding problems had emerged. These new problems were primarily the hostilities in the Red Sea area, which necessitated shipments taking the longer route round the Cape of Good Hope, and the low water levels in the Panama Canal complex, which slowed movements through the Canal considerably.

In light of these new problems, it is not surprising that the impacts most often reported were that shipping costs and transit times had increased. 13% of the respondents indicated that no impacts on supply chains were still being felt and, presumably, these were businesses that ship to geographically closer markets, or export by air.

Impacts on Supply Chain in the Past 12 Months



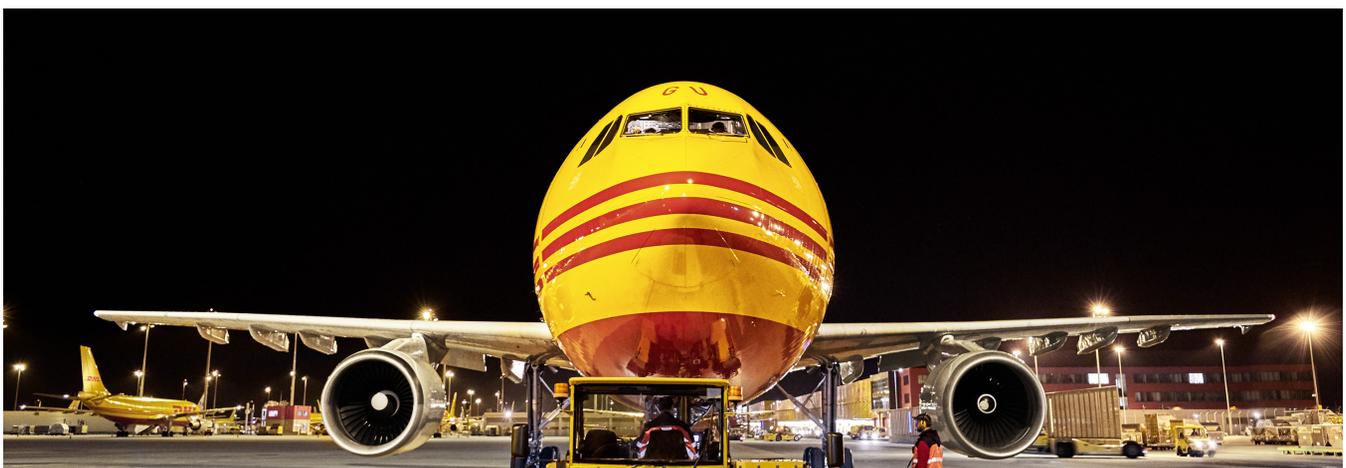
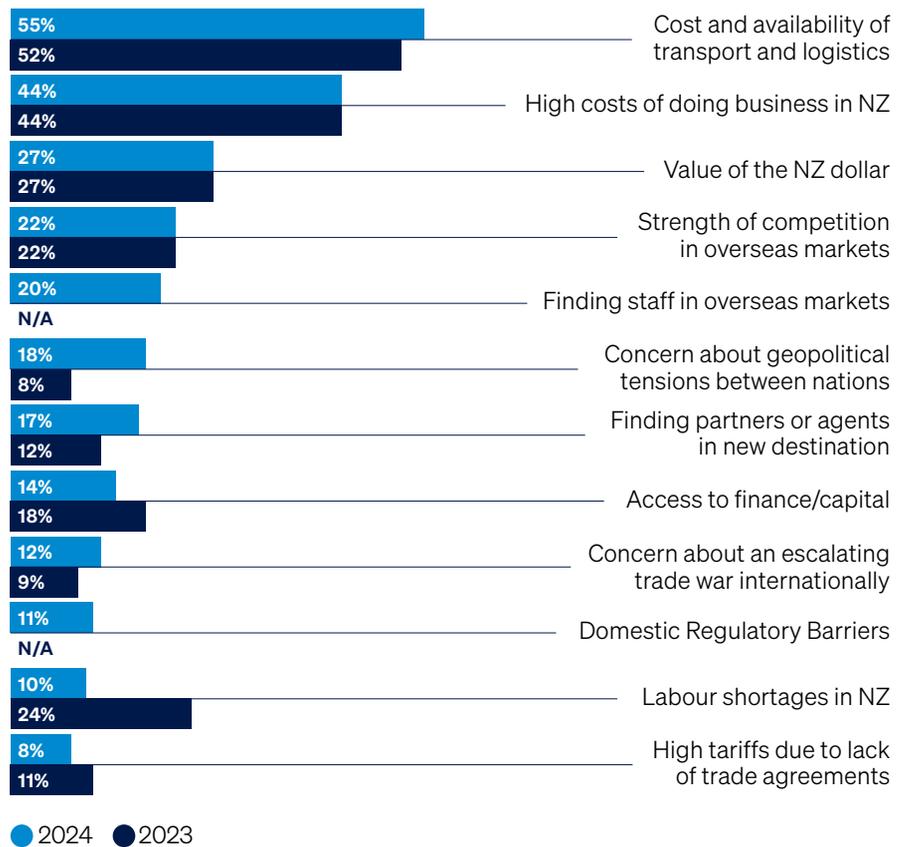
Transport costs and high general business costs in New Zealand remain widespread obstacles to exporting, and it is likely that they both contribute towards a lack of competitiveness in overseas markets.

However, it is also interesting to note some significant changes, between 2023 and 2024, in the major barriers that were reported. A standout finding was that the proportion of respondents citing concerns about geopolitical tensions more than doubled to 18%, while the proportions citing difficulties finding partners or agents in new destinations and concerns about an escalating trade war internationally also increased. Finding staff in overseas markets was a new response option, and the responses showed that in 2024, it is a relatively common problem.

By contrast, several barriers were cited less often. There was a major decrease in the proportion of respondents mentioning labour shortages in New Zealand, and this undoubtedly reflects the easing of the domestic labour market. Access to finance/capital was mentioned less frequently in 2024, and this might reflect less competition for these resources in a weakening domestic economy. A lack of trade agreements was also less of a problem than previously.

Domestic regulatory barriers and finding staff in overseas markets were presented as response options for the first time in the 2024 survey, and the responses showed the latter is a fairly widely-experienced barrier.

Major Barriers to Exporting as Indicated by NZ Businesses



EXPORTERS ARE FIGHTING BACK AGAINST COSTS AND OTHER BARRIERS TO EXPORTS...

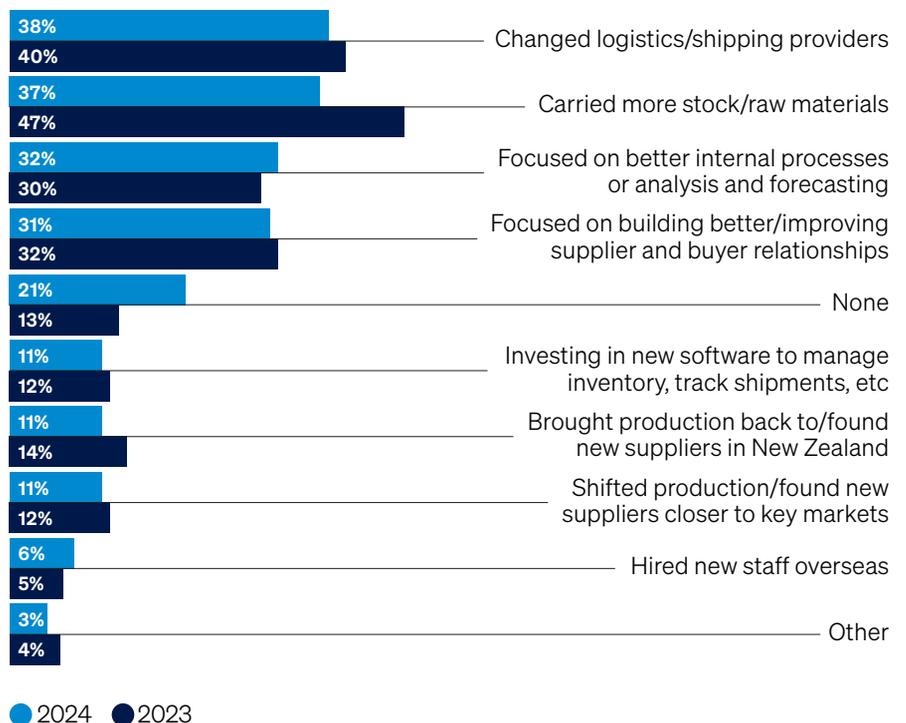
In terms of supply chain and logistics changes implemented by exporters, it is interesting to note that the proportion of respondents saying that they had made no changes increased from 13% in 2023, to 21% in 2024. This could have been for a number of reasons, but two might have been that exporters had no options, or that they were simply toughing it out.

However, one of the stand-out features was that the proportion indicating that they had carried more stock/ raw materials had decreased somewhat between the two years. This could be more of a reflection of reduced inward supply chain issues.

Another feature is that a frequently mentioned response was that exporters had changed their logistics/shipping providers. This suggests that, even though a few might see no options, the majority of exporters are actively trying to deal with the cost increases highlighted in earlier parts of this report.

Changes Implemented with Supply Chain and Logistics

Top 10 Responses



“GLOBAL CONSUMER CONFIDENCE IS THE MAIN ISSUE AT THE MOMENT — DRIVEN BY POLITICAL UNCERTAINTY/WARS, COST OF LIVING, ENERGY, ETC.”

Manufacturer, 20–99 FTEs, Bay of Plenty

“WE HAVE A VARIED AND SOMETIMES COMPLEX GLOBAL SUPPLY CHAIN. THE CHALLENGES CAN BE ACROSS MANY FACTORS. ADDITIONAL EXPERTISE AND SUPPORT FROM SERVICE PROVIDERS AND AGENCIES IS VITAL FOR US TO SUCCEED.”

Manufacturer, 20–99 FTEs, Canterbury



“PUT UP PRICES TO COVER. WE ARE FINDING AIRFREIGHT THE BIGGEST EXPENSE AND WE’VE HAD TO DEAL WITH DIFFERENT PORTS HAVING ISSUES AND DELAYS.”

Construction, 20–99 FTEs, Auckland

Beyond trying to reduce shipping and logistics costs, exporters are taking a range of measures to increase their exports. It is notable that the proportion of respondents who said they were taking no actions fell from 22% in 2023 to 15% in 2024. Also reflecting the earlier finding that the average number of markets into which respondents exported had increased, the proportion of respondents that entered new markets increased from 22% to 31% between the two years. However, the most frequent response remained that the exporters had developed new products/services.

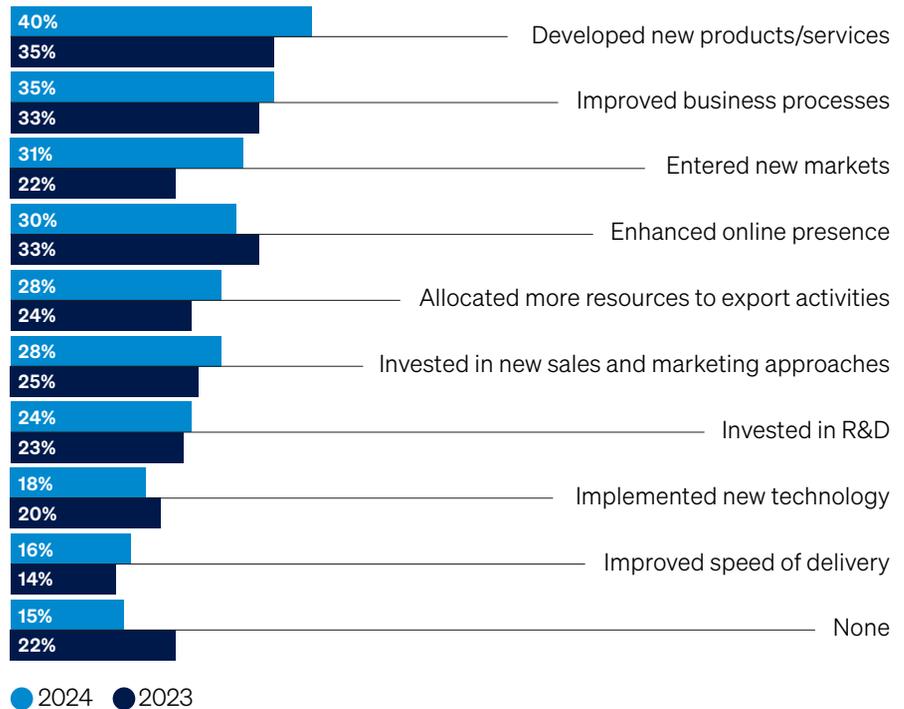
“LOWER COSTS WHERE POSSIBLE. MAINTAIN AND IMPROVE OUR CUSTOMER FOCUSED SERVICE. INCREASE OUR CUSTOMER BASE. LOOK AT OTHER PRODUCTS AND MARKETS.”

Other (Distributor), 2–4 FTEs, Bay of Plenty

Further evidence that the exporters were being dynamic in their actions is that the proportions indicating that they had invested more in R&D, invested more in new sales and marketing approaches, and/or had allocated more resources to export activities, had all increased. This probably explains why such a large proportion of the respondents were confident about increasing their exports in the coming year.

Actions to Increase Export Orders

Top 10 Responses

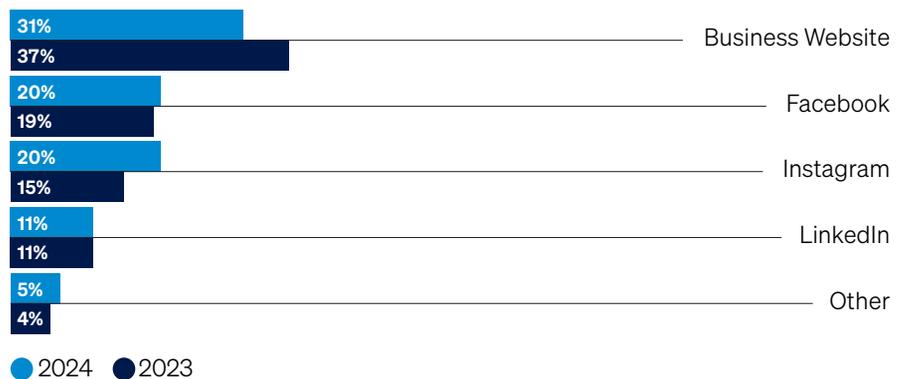


“EXPORT ORDERS HAVE INCREASED DUE TO ENHANCED CUSTOMER ENGAGEMENT, COSTS HAVE INCREASED, AND WE HAVE SUCCESSFULLY BEEN SEEKING ALTERNATIVE SUPPLIERS FOR GOODS AND SERVICES.”

Manufacturer, 20–99 FTEs, Wellington

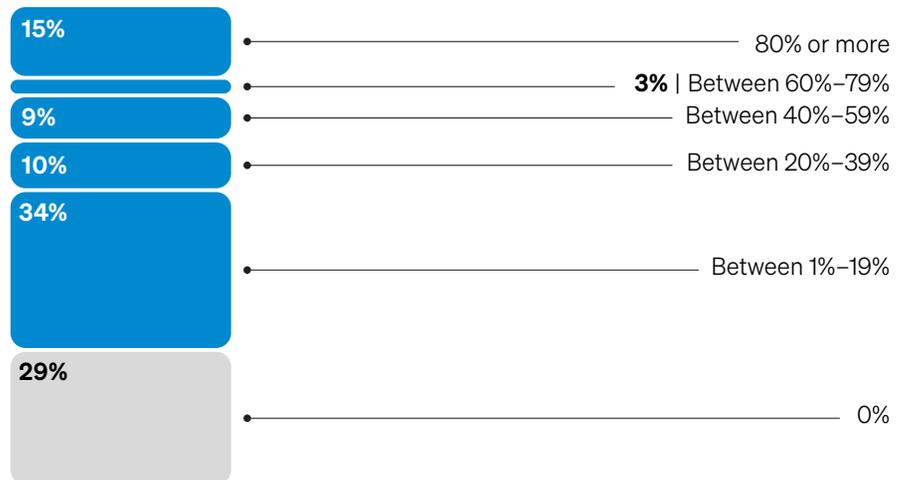
Of those respondents using online platforms to generate export orders or enquiries, most were likely to use their own company website. However, it is also interesting to note that popular social media platforms, such as Facebook and Instagram are prominent.

Top 5 Online Platforms Used to Generate Export Sales



Surprisingly perhaps, online orders and enquiries seem to contribute relatively little to export sales. Almost two-thirds of respondents reported that either none or less than 20% of their sales were generated online. The implication of this is that most sales are from repeat orders, or in-person visits to overseas markets.

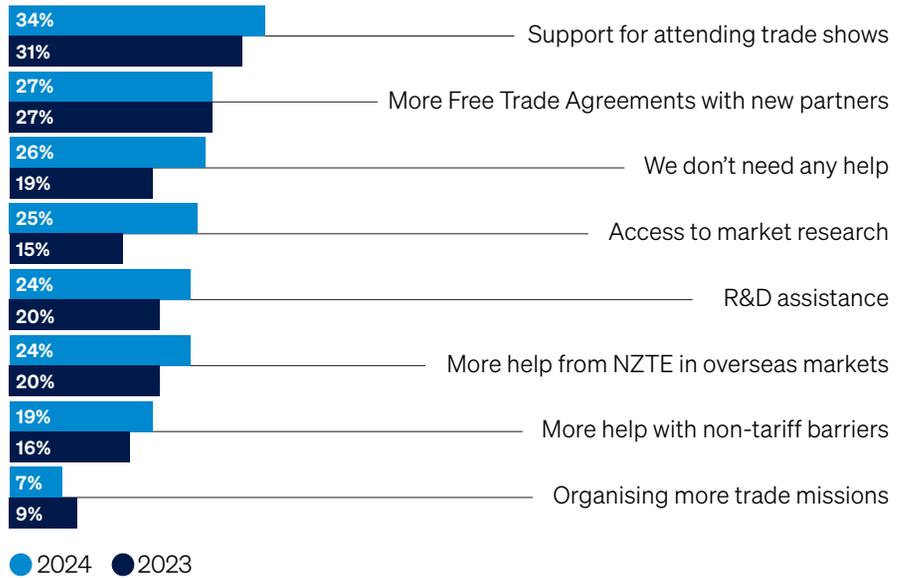
Percentage of Export Orders Generated From Online Orders or Enquiries



...BUT HOW CAN THE GOVERNMENT SUPPORT NEW ZEALAND EXPORTERS?

Despite the fact that they display resilience and are taking active steps to maintain and increase their overseas sales, exporters feel there are ways the government can effectively support them. Support for attending trade shows remains the most desired form of support and has grown in terms of the proportion of exporters asking for this. The type of desired support that increased most between 2023 and 2024 was for access to market research, up from 15% to 25%. There was also an increased desire for more help from NZTE in overseas markets and for R&D assistance. On the other hand, the proportion of respondents saying that they didn't need any help increased from 19% in 2023, to 26% in 2024.

Types of Government Support Most Wanted by Exporters



“[THE] GOVERNMENT SHOULD (HELP TO) DRIVE “COST OF GOODS SOLD” DOWN BY IMPROVING LOGISTIC EFFICIENCIES OF LAND AND SEA TRANSPORT; AND REDUCE COMPLIANCE COSTS FOR MANUFACTURING.”

Manufacturer, 100+ FTEs, Nelson-Tasman

“MORE SUPPORT IN-MARKET TO: 1) INCREASE AWARENESS OF OUR PRODUCTS, 2) BUILD & PROMOTE NZ’S CREDIBLE & TRUSTWORTHY BUSINESS REPUTATION, 3) ALLOW EASIER ACCESS TO RESEARCH & DEVELOPMENT SUPPORT.”

Manufacturer, 20–99 FTEs, Wellington

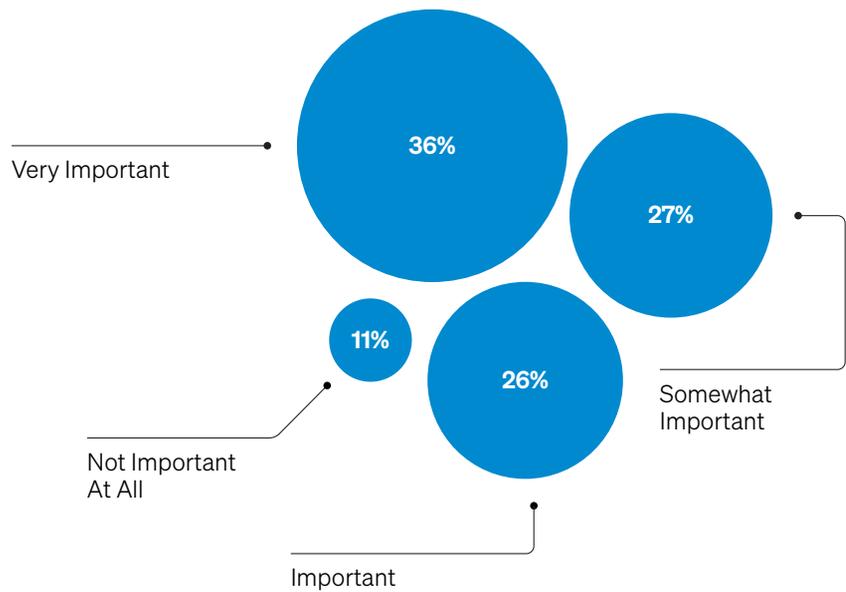
FOCUS ON SUSTAINABILITY

The 2024 survey examined the importance of sustainability in logistics and supply chain decisions, and the question of whether the exporters had any sustainability targets or goals for their supply chains. The finding on the first of these issues was that exporters were almost twice as likely to say that sustainability was important or very important, as they were to say the opposite. However, the exporters were somewhat more likely to say that they did not have any sustainability targets or goals, than to say they did. This suggests that exporters might benefit from guidance on how they can put their sustainability beliefs into practice.

MONITORING AND MEASURING OUR SUPPLY CHAIN IMPACTS (E.G. EMISSIONS) AND LOOKING AT THE MOST EFFICIENT SHIPPING OPTIONS.

Manufacturer, 20–99 FTEs, Bay of Plenty

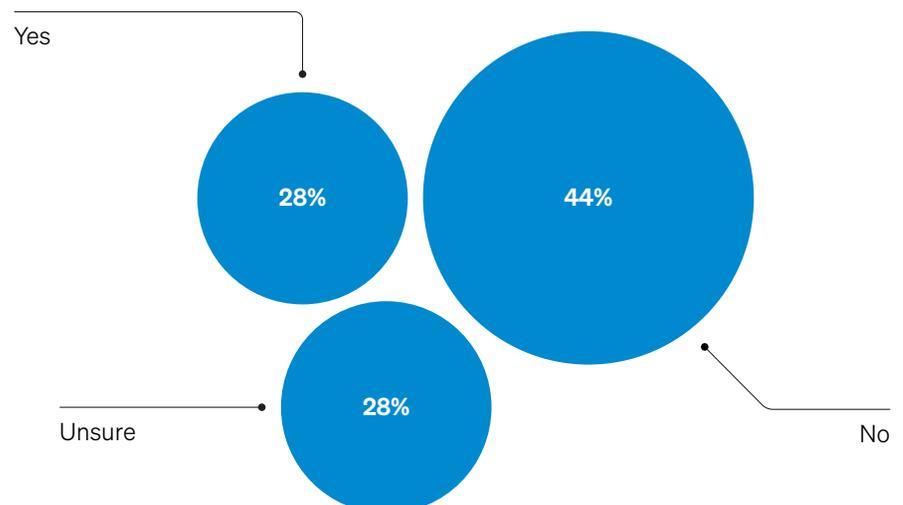
Importance of Sustainability in Logistics and Supply Chain Decisions



WE AIM TO HAVE FULL TRACEABILITY OF ALL RAW MATERIALS AND COMPONENTS REQUIRED TO PRODUCE OUR PRODUCTS.

Manufacturer, 20–99 FTEs, Wellington

Does Your Organisation have any Sustainability Targets or Goals for its Supply Chain?



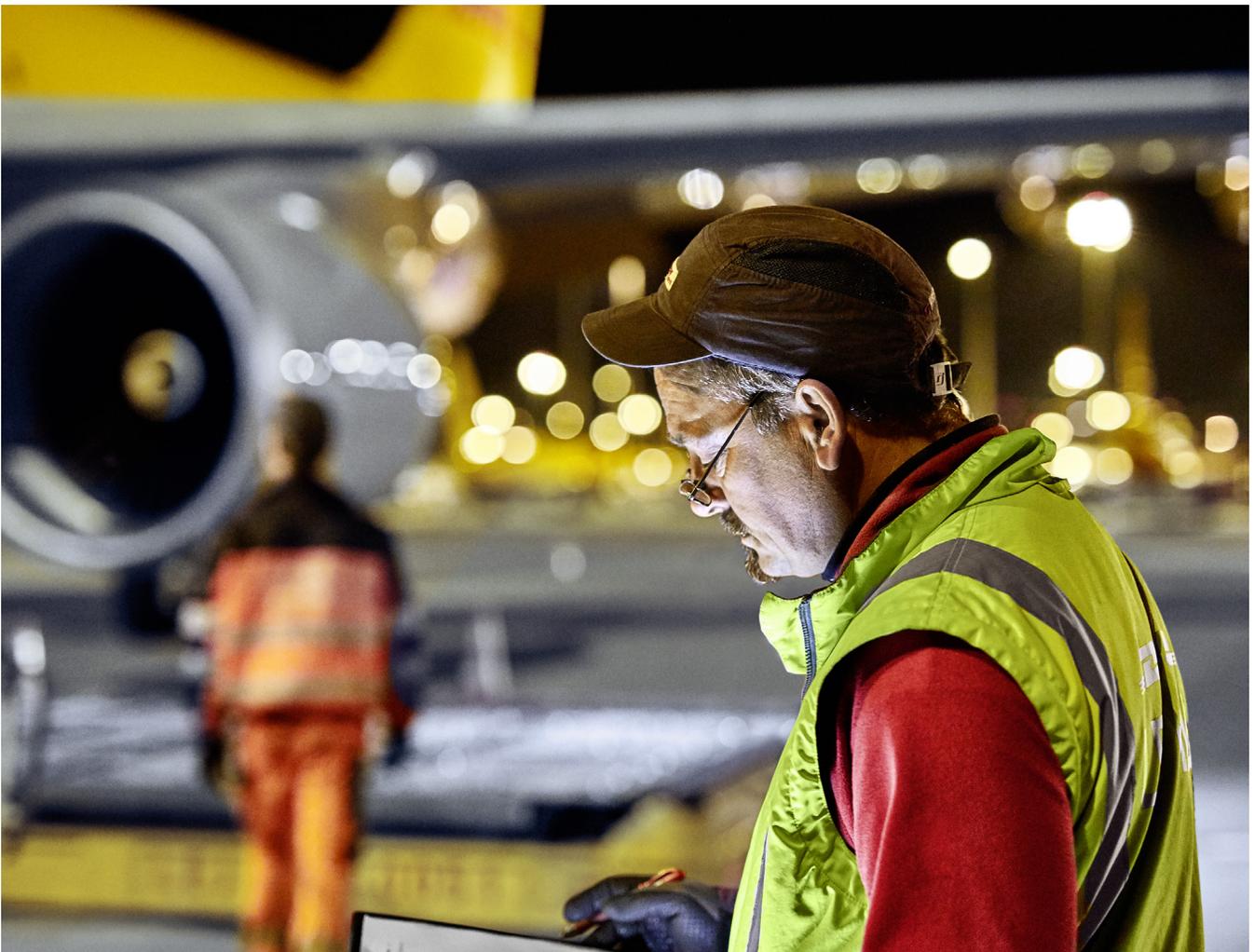
ABOUT THE EXPORTNZ DHL EXPORT BAROMETER

The ExportNZ DHL Export Barometer is an initiative aimed at analysing export confidence in New Zealand and identifying export trends. It is based on nationwide research, examining the business outlook of exporters, highlighting changes in overseas market demand and providing insights into the factors impacting on New Zealand's export trade.

The research was conducted between 01 June and 30 June 2024. The profile of respondents included representatives from all areas of the country, with Auckland representing 40%, Wellington 14%, Rest of the North Island 25%, Canterbury 15% and Rest of South Island 7%. They comprise a range of business sizes with 30% either sole traders or having 2–4 employees, 26% classed as small businesses (5–19 people), 30% medium (20–99 people) and 14% as large businesses (100+ employees).

The key industry segments targeted are: Manufacturing (39%), Online Retail (9%), Professional Scientific & Technical Equipment (6%) and Agriculture, Forestry & Fishing (9%).

While the majority of respondents comprise businesses that have been exporting for more than 20 years (49%), 23% have been exporting for 11–20 years, 13% have been exporting for 6–10 years and 15% have been exporting for five years or less.





DHL is the leading global brand in the logistics industry. Our DHL divisions offer an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfilment solutions, international express, road, air and ocean transport to industrial supply chain management. With about 594,000 employees in more than 220 countries and territories worldwide, DHL connects people and businesses securely and reliably, enabling sustainable global trade flows. With specialised solutions for growth markets and industries including technology, life sciences and healthcare, engineering, manufacturing & energy, auto-mobility and retail, DHL is decisively positioned as “The logistics company for the world”.

DHL is part of the DHL Group. The Group generated revenues of more than 81 billion euros in 2023. With sustainable business practices and a commitment to society and the environment, the Group makes a positive contribution to the world. The DHL Group aims to achieve zero-emissions logistics by 2050.



ExportNZ is a national industry association representing a diverse range of exporters throughout New Zealand. ExportNZ is a division of BusinessNZ, New Zealand’s peak business advocacy body. We are a membership organisation with approximately 2,000 export members nationwide.

ExportNZ advocates for, inspires, connects, and celebrates New Zealand exporters. We aim to build a thriving ecosystem that supports each other.

We are Exporters Helping Exporters