



NZTE supporting New Zealand aviation

by Peter Smythe



Peter Smyth is a Sector Manager for New Zealand Trade and Enterprise (NZTE), based in Hamilton. He is a member of the Aviation Industry Cluster Advisory Board and has extensive experience in the aviation industry.

NZTE is the New Zealand Government's national economic development agency. Through a network of offices worldwide, NZTE aims to improve the international competitiveness and sustained profitability of NZ business by providing access to people, knowledge and opportunities.

NEW ZEALAND TRADE AND ENTERPRISE supports businesses to grow internationally through a range of services and programmes, including advice, training, mentoring, funding, and business and market development assistance for businesses of all sizes – from start ups to groups of established exporters. Many of these are open to all businesses, while some have eligibility criteria around firm size or level of development.

The past few years have been tough for New Zealand businesses, and the aviation industry hasn't been immune to the challenges that have arisen from the global recession.

However, while the global aerospace industry faces major challenges in the short term as a result of the recent financial crisis, and in the longer term from rising fuel prices and environmental concerns, it remains an essential industry for New Zealand and offers substantial opportunity for business growth.

Exports from the aviation sector, excluding Air New Zealand's passenger operations, were \$800 million in 2006, and the industry's goal is to increase this to \$2 billion by 2020. NZTE is committed to supporting the wider industry achieve this target, and to further strengthen New Zealand's capability and expertise in areas such as airline, military and helicopter pilot training; maintenance, repair and overhaul; VIP aircraft interior fit-out; light aircraft manufacturing; and technology based services.

NZTE has worked closely with Aviation New Zealand since it was established, and we continue to provide significant support to champion the international development of the aviation industry, encourage scale through collaboration to target specific opportunities and to connect international customers with New Zealand solutions.

Thinking globally

Global trends such as growing competition from low labour cost countries; the centralisation of modern aircraft maintenance, repair and overhaul by original equipment manufacturers; the push to maintain quality and ensure regulatory compliance; and of course the global economic environment and rising fuel costs, all impact on the local aviation industry.

If New Zealand is to remain competitive and exploit opportunities in international markets, the industry needs to:

- Continue to concentrate on developing specialised products and services, using design, applied technologies and new materials that increase efficiency, reduce weight and lower costs for aviation customers, and enhance safety.
- Focus on market niches that are less vulnerable to higher fuel costs and reduced demand, where quality is more important

- than price, service differentiation is possible and margin is high.
- Effectively position New Zealand's capabilities to meet global demands by raising market awareness and facilitating market penetration using both export and in-market delivery models.
- Coordinate, efforts to overcome lack of scale and offer total solutions that deliver stable, ongoing business.
- Integrate companies more effectively into global value chains and make New Zealand a credible option for overseas companies interested in becoming more involved with the industry here.

Many New Zealand aviation companies are already responding to global trends and demands, and there are exciting opportunities to connect the aviation industry to emerging technology such as titanium, where New Zealand has a growing reputation for making titanium powders faster, more cleanly and better than anyone else.

NZTE's support for the industry is purposely focused on assisting New Zealand aviation to transform itself into a more specialised, globally-connected, high margin, sustainable service and manufacturing industry based on 21st century technologies. We are working closely with Aviation New Zealand and individual firms on a programme of coordinated effort in capability building, market positioning and development, and investment over a three–five year period.

Over the next few months in particular, the focus will be on the priority markets of North and South Asia, America, the Middle East and Europe. Events such as the Singapore Aerospace Expo and the Hamburg Aircraft Interiors Expo are important avenues for New

Zealand companies to showcase their innovation, products and services. They are also a mechanism to explore alternative market opportunities, and get exposure to wider developments within the industry as a whole. NZTE will be providing in-market support at these and other events and activities being coordinated by Aviation New Zealand in key markets.

Helping businesses grow internationally

NZTE's network of international offices means that we have the ability to help businesses grow by building alliances and developing strategic commercial relationships overseas. These alliances can provide access to international distribution networks; new markets, skills and technology; and investment capital. Our global network of staff is tapped into aviation trends and developments in international markets, and NZTE has a significant amount of market specific intelligence and research that can help businesses stay on top of these. I urge companies to take a look at these resources on our website, and to get in touch if there are specific markets and issues you would like assistance with.

NZTE is committed to the aviation industry and we will continue working closely with companies to help them make the most of new market opportunities and achieve international success. NZTE's overall goal is to help firms create new and sustainable wealth for New Zealand, and the aviation industry is well positioned to contribute to this. We have the abilities and technologies to do some very special things and put New Zealand aviation on the world stage. The building blocks are in place and we have new innovations and new developments ready to go.

More information is available from www.nzte.govt.nz