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Turning those good ideas into serious money

By Stephen Jacobi

A high powered delegation of business and government leaders to Washington this month aims to help Kiwi ingenuity profit in the home of modern capitalism. Organiser Stephen Jacobi explains its importance for the future.

In case you didn't know it, "the world is flat". That's the title of a new book on globalisation by New York Times columnist Thomas Friedman.

Friedman observes that the forces of globalisation are "flattening out" differences between countries, giving rise to new players in global commerce, new business ideas and new generators of wealth.

That is very relevant to a country like New Zealand, far from its export markets. We are a country of innovators, no question. Our challenge is to turn good ideas into serious money. That's something they know a thing or two about in the United States.

Some Kiwis criticise aspects of American life, but ultimately we share a "can do" attitude. The big difference is that there are 300 million of them. As Friedman notes, graduates from just one institution - the famed Massachusetts Institute of Technology - are estimated to have founded 4,000 companies, creating at least 1.1 million jobs worldwide and generating sales of \$232 billion.

"People often forget what an incredibly open, say-anything-do-anything-startanything-go-bankrupt-and-start-anything-again society the United States is," he notes.

Kevin Roberts, Kiwi head of Saatchi and Saatchi is not daunted by the disparity in size and wealth between New Zealand and the United States.

Kevin has a vision of the "New Zealand Edge meeting the American Dream". It's a romantic image, but one that pays dividends. Look no further than Peter Jackson to see what can happen when Kiwi creativity meets American commercial power.

Looking around, there are plenty of examples of New Zealand business making inroads into the US.

NZ icon Fisher and Paykel is today manufacturing high-end appliances in the US. From Ellerslie, Trends Publishing produces and distributes design books for the US market. Fonterra manages a significant proportion of US diary exports. And Tenon, formerly Fletcher Challenge Forests, has moved its head office to the US to better control its all important distribution network.

The kind of synergy that comes from combining Kiwi ingenuity with viable commerce

is critical if New Zealand is to fully transform itself into a value-add economy.

How do we make more of this opportunity? While a free trade agreement with the US would be great, and appropriate given our long association, New Zealand can't afford to just sit and wait. We need to get on with business.

That's why the NZ US Council, with our counterpart in Washington, has organised a Partnership Forum taking place in Washington DC later this month. It's a business rather than government initiative though there will be senior government participation on both sides.

The New Zealand delegation led by former Prime Ministers Jim Bolger and Mike Moore comprises board members or CEOs of some of New Zealand's largest exporters including Air New Zealand, ANZCO, Fonterra, NZ Post, PPCS, Meat and Wool New Zealand, Solid Energy and Trends Publishing.

We will be met in Washington by a similar group including senior Bush Administration officials and representatives of US corporates with interests in New Zealand like Boeing, Caterpillar, EDS and Weyerhaeuser.

The focus on the agenda will be building relationships, but also talking about business opportunities for New Zealand and the United States to cooperate elsewhere in the world. We have been told many times the barriers to achieving an FTA are more economic than political. We represent only a small market for US exporters – the 43rd largest in fact. Our key challenge is to demonstrate that New Zealand's relevance is not limited to the size of our domestic market. There are much greater opportunities for both countries both globally and in the Asia Pacific region if we work closely together.

As Kevin Roberts is fond of saying, pound for pound, New Zealand's contribution to global creativity and trade liberalisation is simply top of the world. The similarities between New Zealand and the United States are woven by our shared history, love of freedom and opportunity, and incredible design, technology and creative capability.

Coming back to Friedman, when asking if the US already has all the creativity and innovative ideas it needs, the answer is obvious: No. Never.

In a flattened world, business, whether in the US or New Zealand, needs all the friends and partners it can get.

¹ Stephen Jacobi is Executive Director of the NZ US Council.