

LET'S HEAR IT FOR OUR BUILDING EXPORT SUCCESS!

All the good news we read about the economy seems to focus on the great prices farmers are getting or following economists as they search for a recovery in house prices, but what about other highly performing export sectors like building materials.

By Gilbert Peterson, Communications Manager, Employers and Manufacturers Association and Export New Zealand, Auckland

Talk of record dairy pay-outs, the big jump in the lamb market, even the recovery in wool earnings are all justified. However, where once wool accounted for over 20% of New Zealand's exports, for the 12 months ended April, scoured wool exports were only \$445 million or about 1% of total overseas income from exports of traded goods.

Looking outside farming and tourism

Farmers' international success is cause for optimism but it tends to obscure the success of other highly performing export sectors. Here, we're not thinking about tourism or film, wine or super-yacht builders.

Tourism claims to be New Zealand's largest overseas income earner, even though it's diverse and not really the sort of industry a country seeking to become wealthy might aspire to. The average total revenue generated from a person employed in New Zealand tourism is \$82,800 (Statistics NZ: contribution to the economy divided by the number of workers). Compare this to \$404,000, the average for someone employed in manufacturing in New Zealand, or as high as \$863,000 for metal product manufacturing.

Many high value-added building-related exports

Many large exporting businesses outside the farm, forest and fishery are doing a power of good for all our incomes. Foremost among them are the thousands of businesses making building materials and the equipment that fabricates, shapes and handles building materials and the manufacturers of the fittings and furnishings required for residential and commercial construction.

Top of the list of building-related high value-added exports is traditional timber. New Zealand

exports of sawn timber and wood products industries were up 17%, earning nearly \$1.6 billion in the 12 months ended April 2011, far more than wine. Within this overall figure, sawn logs and dressed timber earned \$860 million, up 14%, with sales offshore of plywood, veneer, MDF, wooden structural components and the like earning a further \$705 million.

It's not so simple to identify export categories of steel and aluminium used for construction, but the indicators are that those machining and fabricating metals are performing as strongly. New Zealand metal product manufacturing exporters earned \$425 million in the period, including \$150 million in general hardware, hand tools, and nuts and bolts; \$69 million from sheet metal products and \$190 million from other metal goods.

Prefabricated metal and other buildings earned another \$27 million, up more than a third on the previous year.

On top of these structural items, New Zealand exports cement (sover \$20 million), paint (\$57 million), electrical cable and wiring (\$104 million), carpets (\$111 million), furniture (\$90 million), plastic guttering and piping, plumbing fittings and a host of other critical related items.

Export success stories

Recent export success stories include companies such as:

- Gerard and Metrotile, who sell roof tiles throughout Australia, the United States, South-East Asia and the Middle East
- Fletcher Aluminium, Ullrich Aluminium and National Aluminium, who market window and door extrusions, systems and building accessories in Asia Pacific and elsewhere
- New Zealand Steel's profiled painted steel roofing products

- Pacific Coil Coaters, who are constantly demonstrating their price competitiveness in Australia and further afield
 - Thermakraft and Tasman Insulation, who successfully ship insulation to the Americas.
- Many solid Kiwi industry names are developing their brand reputations offshore. Just some of them are Bremick, DLM, EDL Fasteners, Angus Robertson Mechanical, Nuplex, Resene, PPG, Methven, Paul Engineering, Scott Technology, Akzo, Alsinite and Marley.

Manufacturers that improve productivity

Finally, and potentially adding most value of all, are the firms inventing, designing and manufacturing machinery to improve the productivity of building and construction methods. These include some of our lesser-known industry heroes – New Zealand's best manufacturing stories that are still to be fully told.

Here's an example. In the 1990s, a Napier-based roofing contractor set out to find the world's best roll-forming machine for his business. His search included trade shows in the US and Europe, but he eventually returned home to find Hayes Engineering in Rotorua had the machine he needed.

Designing and making automated machinery for the rapid construction of steel-framed houses and commercial buildings are firms such as Howick Engineering and Framacad. Their sales take them to Europe, the Middle East and even Russia.

As well as the great contribution these businesses make to the building trade and New Zealand's standard of living, their appeal to buyers overseas is a mark of their quality and suitability for purpose here and in the markets overseas where they flourish. ■