



## Media Release

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### **Businesses sweet and sour on food safety rules**

*– Compliance with regulations rated top challenge and key opportunity, ANZ survey finds –*

Food safety regulations are the biggest challenge but also a major source of competitive advantage for New Zealand's food and beverage firms, according to research from ANZ.

The annual ANZ Privately Owned Business Barometer survey included 178 food and drinks firms and found an industry that was upbeat about the future, hungry for growth, showing the way in mobile technology and social media use, and collaborating to open export opportunities.

The survey also flagged a number of growth challenges, including securing shelf space for products and managing constraints on capacity, such as time, people, plant and funding.

Respondents rated compliance with food safety regulations as their biggest headache. But many saw the high standards required as a competitive advantage when selling overseas.

John Bennett, ANZ's central region general manager for Commercial & Agri, said: "Compliance can be seen as eating up valuable time and resources and there's a danger of seeing it as just another overhead to be managed. But food safety is an increasingly important factor in every market.

"In that sense, stringent regulations are both a key advantage if we get it right, and a key risk if we get it wrong. The key to turning compliance into a competitive advantage is investing in good systems and processes right from the start. Once systems are up and running compliance is simply business as usual."

#### **Key findings**

- Optimism is high, with 60% of respondents looking to expand by growing their share of existing markets; at least 40% are looking to grow into new regions or countries.
- For those with international business, the most common channel to market was via an agent or distributor, used by around half of respondents. But e-commerce is gaining traction, with 30% now using this channel to generate sales.
- Some 55% of respondents said mobile technology had increased sales. China is seen as having particular potential as the largest and fastest-growing e-commerce market.
- Collaboration in the sector is high (60% of respondents are collaborating with other firms) but could bring further benefits, especially in the areas of innovative product development and opening up new markets.
- Half said being a New Zealand business was very helpful in doing business overseas.

Mr Bennett said there was a golden opportunity for New Zealand food and beverages.

"Rich resources in water and land and a reputation for quality and food safety all open doors in growing markets. The New Zealand story has as much resonance as ever, and remains a competitive advantage in overseas markets where food safety and sustainability are major concerns.

"It's such a familiar story to us, but one in two respondents say 'Brand New Zealand' is a key advantage in doing business internationally. Many still see plenty of room to turn up the volume on our story in overseas markets.

"Turning these advantages into growth comes with significant challenges but would lift returns across the entire value chain, which is a prize worth chasing for New Zealand's businesses and the economy."

The ANZ Privately-Owned Business Barometer is New Zealand's most comprehensive annual survey of business sentiment, taking in commercial, farming and Maori businesses. The 2015 survey, undertaken in the first half of the year, was followed up by focus groups throughout New Zealand.

The Food and Beverage 2015 Report was compiled from the findings and is available here: [www.anz.co.nz/barometer](http://www.anz.co.nz/barometer)

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