

# Seven analyses that can be undertaken with New Zealand Import or Export statistics

The purpose of using trade statistics is to answer key questions of value for firms. Key questions like:

- assess a firm's performance relative to the total market
- monitor market conditions
- monitor competitors, new entrants, and retirements from a market and
- to search for new sales opportunities.

TradeData have spent more than 20 years assisting firms answer these sorts of questions using detailed New Zealand import and export statistics. This paper lists 7 different analyses that can be undertaken with New Zealand import or export statistics.

## **ANALYSIS 1. Market Share**

Firms often want to measure how well they are performing relative to competitors or other operators in the marketplace. Market Share analysis enables firms to track their performance relative to others. Is the market increasing or decreasing and is my share of the market increasing or decreasing? These are key questions for firms.

TradeData are expert in assisting firms measure market share. Three examples are list below:

- The New Zealand export and import data lists trade on a Port to Port (and Country) basis. For example:
  - Exports of Skimmed Milk Powder from Tauranga Seaport to the Philippines transshipped via Singapore; or
  - Imports of a product from China shipped from Qingdao into Dunedin (New Zealand)

An individual firm can subtract their export or import transactions from the total port to port (or country) exports/imports shipments to calculate their own market shares over time. Combining a firm's own export or import transactions with total shipments sourced from TradeData, enable market shares to be calculated.

- Market Shares can be measured across different dimensions like firms, countries, ports, or regions within New Zealand. For example, when considering Olive Oil imports into New Zealand, you may want to measure the import share of Italian Olive oils compared to oils from Spain.
- Another example, you may be a North Island exporter and you are currently exporting to China. If you combined New Zealand exports to China with Chinese imports statistics of your product, then you can measure New Zealand market share in the in the Chinese import market. If you further combine this with your own company's exports to China, you then have a measure of your market share of the Chinese import market. This could be further broken down into different regions across China using the Port of Discharge dimension found in New Zealand export and Chinese import statistics.

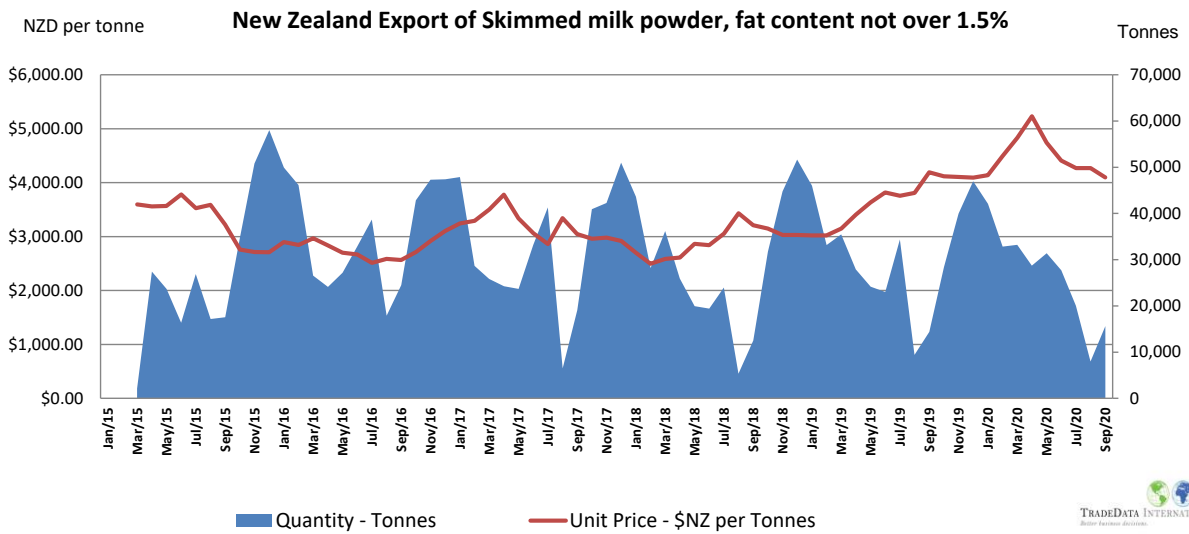
TradeData are expert in combining export and import data from different countries to expand the market share analyses that can be undertaken. Likewise, firms can add their own exports and imports to measure their own market shares.

## **ANALYSIS 2. Monitor Market Size and Growth/Decline Characteristics by Country**

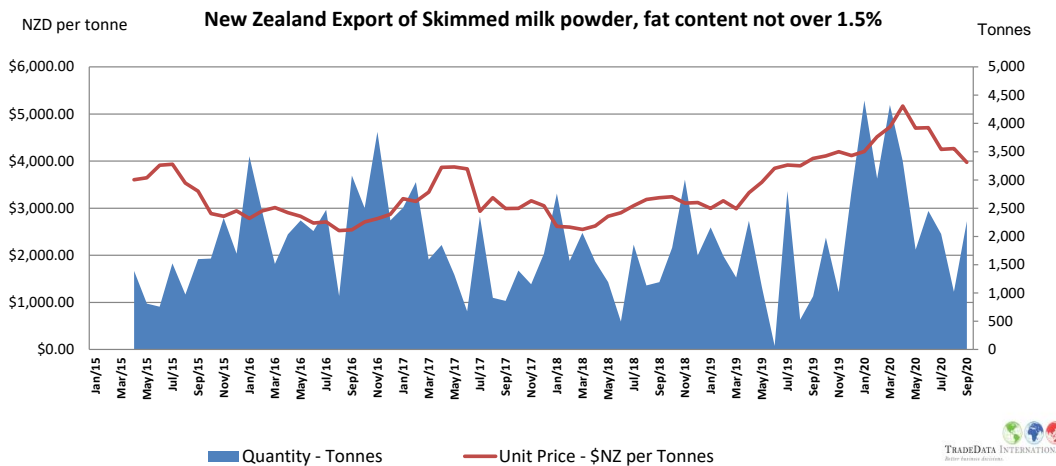
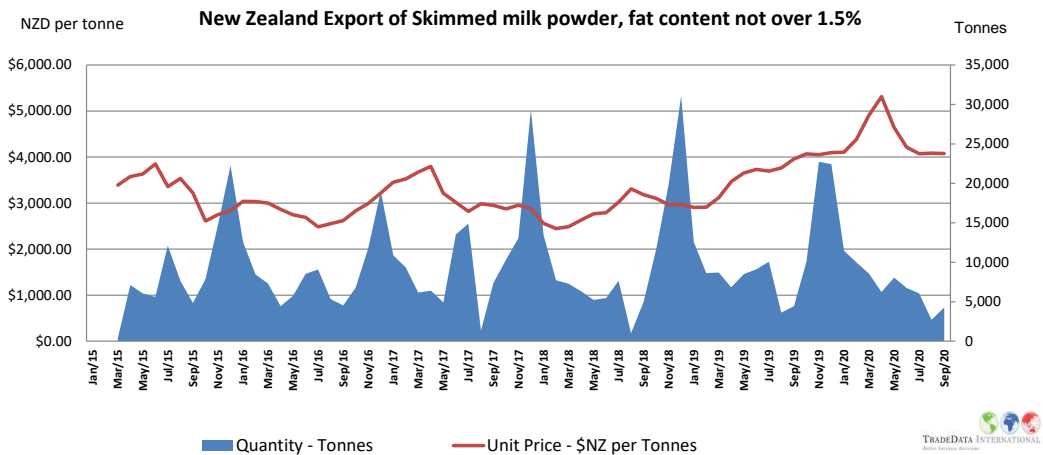
TradeData's standard excel file enables firms to quickly monitor the size of an export or import market and whether it is static, growing, or declining. The following chart comes from TradeData's standard excel file and lists New Zealand exports of low-fat milk powder. This shows:

- Export volumes to be highly seasonal with volumes stable, on a trend basis, over time
- Exports volumes peak over September to May each year; and

- Prices received have increased very strongly over the last 18 months from an average of \$NZ 3,000 per tonne in early 2019, to around \$NZ 5,000 per kilogram by mid-2020 before falling back to just above \$NZ 4,000 in September.



The next two charts contrast New Zealand exports to China with exports to Indonesia. Exports to China are increasing slowly, whereas exports to Indonesia declined for several years before increasing strongly over the last 6 months. Average prices for both markets are similar and have increased strongly in recent months. These sorts of analyses are easily undertaken with TradeData's standard Excel file report.

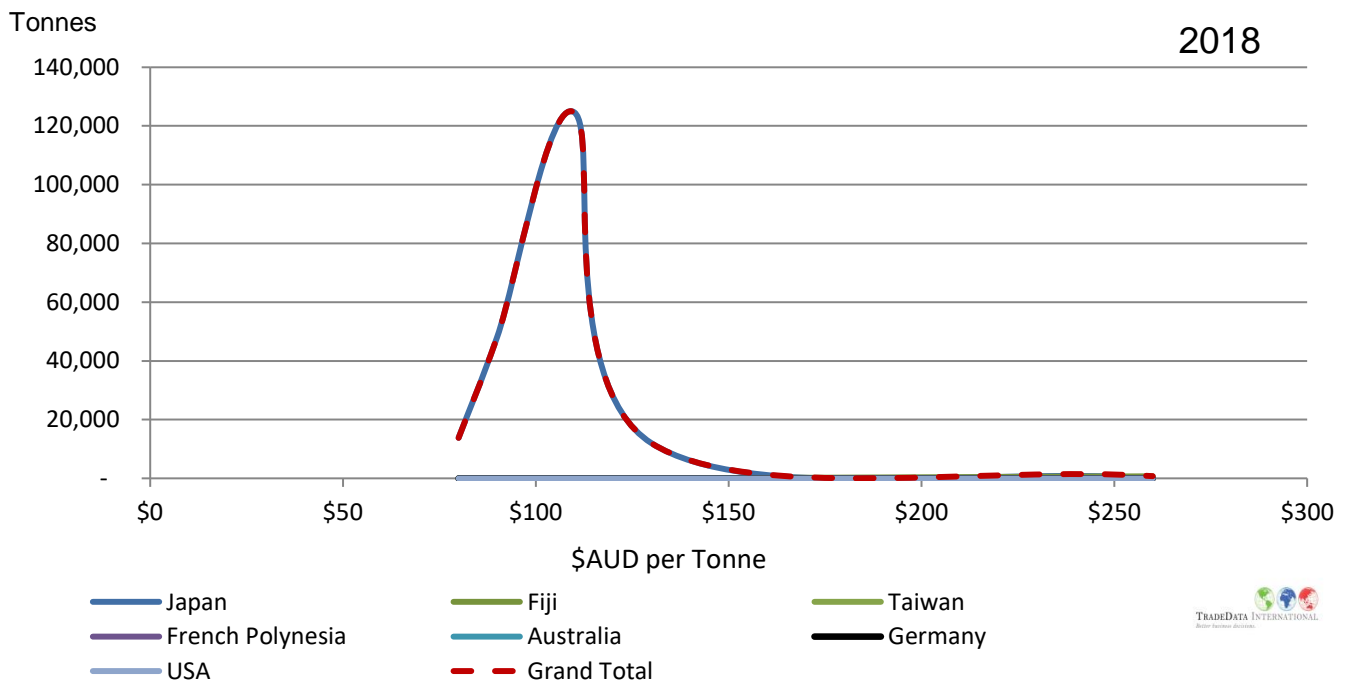


### ANALYSIS 3. Monitor Competitor Activities and Identify New Potential Sales Opportunities

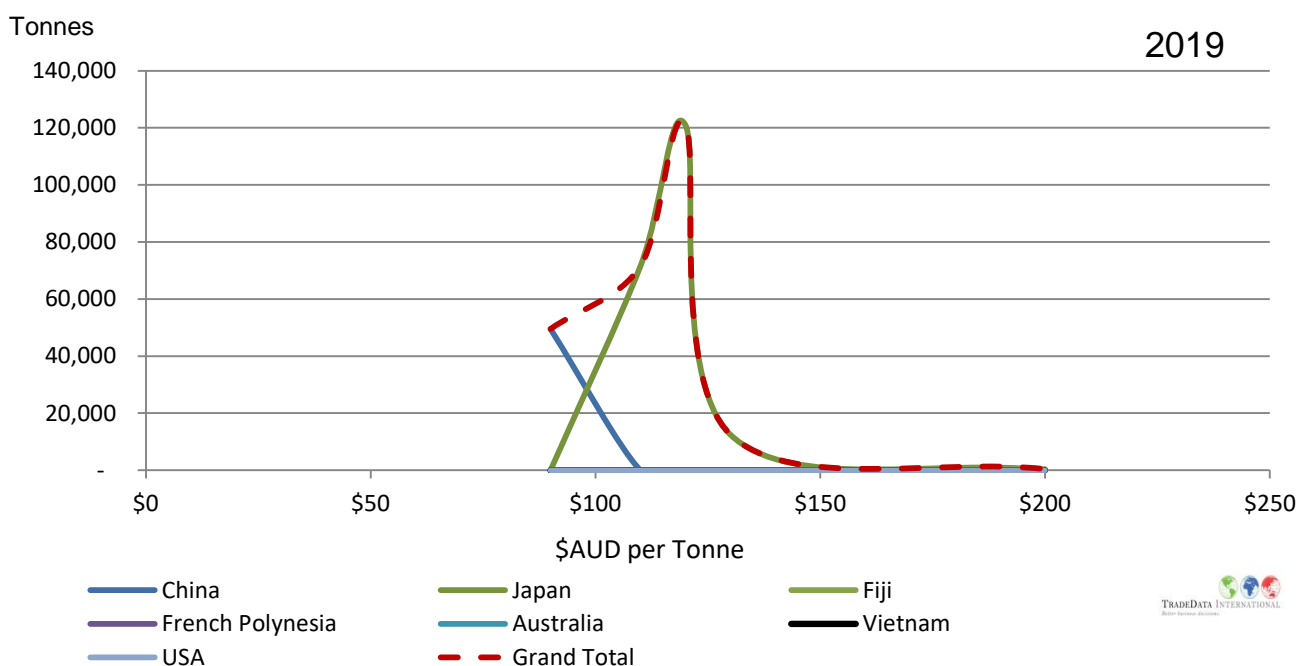
A Price Histogram is a useful chart for as it measures at a point in time, the volume of export or imports at different price points. This is particularly useful for identifying market segments.

The following two charts list for 2018 and 2019, a Price Histogram of New Zealand exports of coniferous woodchips. The 2018 chart shows nearly all sales go to Japan at prices between \$NZ 160 and \$NZ 300 per bone dry unit. In 2019 this pattern changes as prices are far higher, and Indonesia has entered the market and purchased significant volumes at \$NZ 200 per bone dry unit. Japan is still the largest market at prices mostly above \$NZ 250 per bone dry unit. Thus, the market is starting to segment with Indonesia entering the market purchasing at lower prices to Japan.

**Price Histogram - New Zealand Exports of Wood; for fuel, in chips, pinus radiata**



**Price Histogram - New Zealand Exports of Wood; for fuel, in chips, pinus radiata**



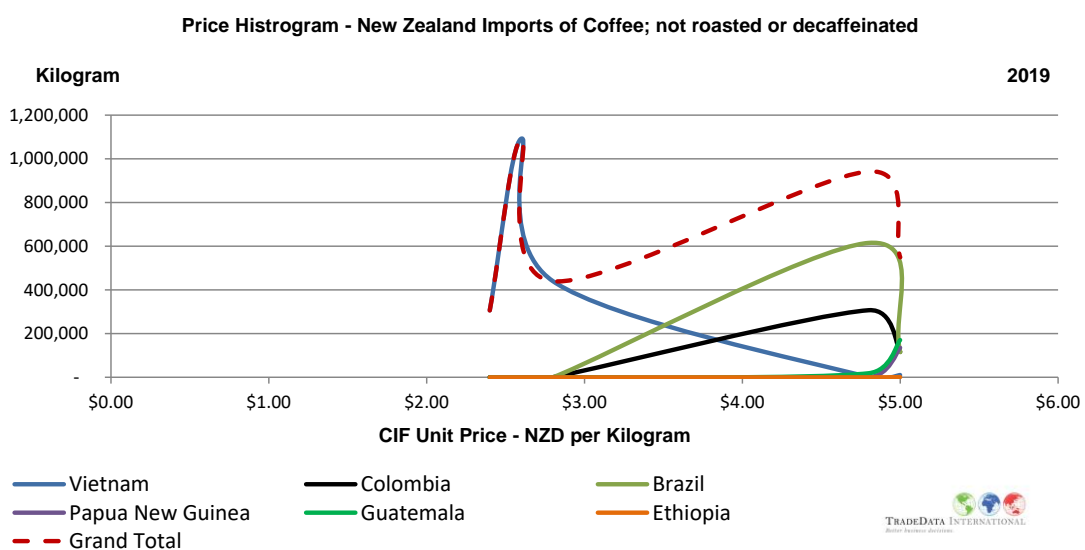
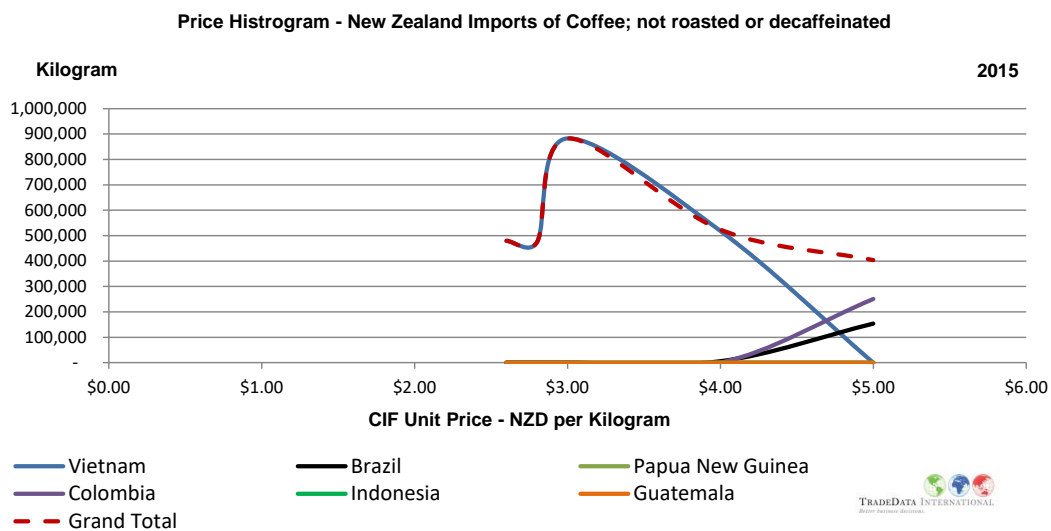
## ANALYSIS 4. Market Segmentation

At its core, trade market segmentation is research that divides export or import transactions into subsets of similar transactions (product segment) that might be found in one HS code.

By understanding market segments, firms can target more precisely their sales, marketing strategies, competitors and so on. The charts below list an import example of market segmentation by price.

The first chart below lists a Price Histogram of New Zealand imports of Coffee (not roasted or decaffeinated) in 2015. Imports arrive at two major price points. The first at around \$NZ 3 a kilogram and nearly all this coffee is from Vietnam. The second, and smaller price segment, is at prices around \$NZ 5 a kilogram, and these are mostly from Brazil and Colombia.

The second chart now lists the same Price Histogram for 2019 and the structure of the market has changed markedly. First the volume of imports has grown strongly, and most of this growth is in the higher priced market segment around \$NZ 5 per kilogram with imports from Brazil and Colombia. This is now the largest market segment where previously it was the smaller segment. One aspect of this analysis is if you do not segment the transactions into these two segments your analysis will produce an average import price around \$NZ 4 per kilogram, where a small proportion of imports occur.

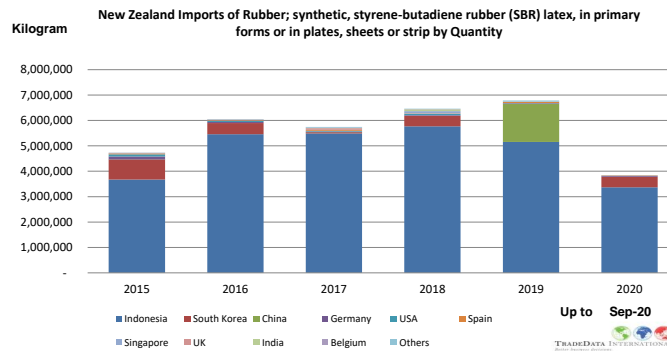


By segmenting observations into these separate price segments and analyzing them separately, the analysis is far more insightful. In fact, by not undertaking this segmentation, the analysis could be misleading.

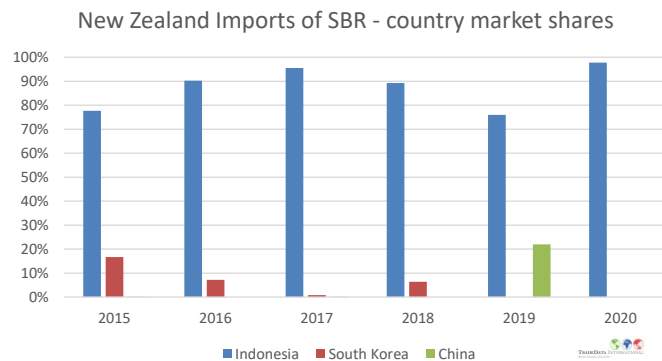
TradeData are expert in market segment analysis and are happy to advise when undertaking these analyses.

## ANALYSIS 5. Identify New Entrants into an Import/Export Market or a Change in Market Structure

Markets are dynamic. New entrants come and go as circumstances change. The chart below lists the top ten supply countries to New Zealand of Synthetic Styrene-butadiene Rubber latex in primary forms (SBR). Indonesia dominates this market. In 2015, South Korea had a significant market share but was not able to hold onto their share and by 2019 was no longer supplying New Zealand. China entered the market in 2019, taking some market share from Indonesia, but has not been able to hold onto that share, thus far in 2020, with no further sales.



Indonesia, although sometimes facing strong competition, still dominates the market in 2020. The next chart shows this by comparing the percent of the New Zealand import market held by Indonesia, South Korea, and China.



TradeData's standard excel file enables efficient analysis of the structure of New Zealand import or export statistics.

## ANALYSIS 6. Identify Transport and insurance Costs and Initial Purchase Prices

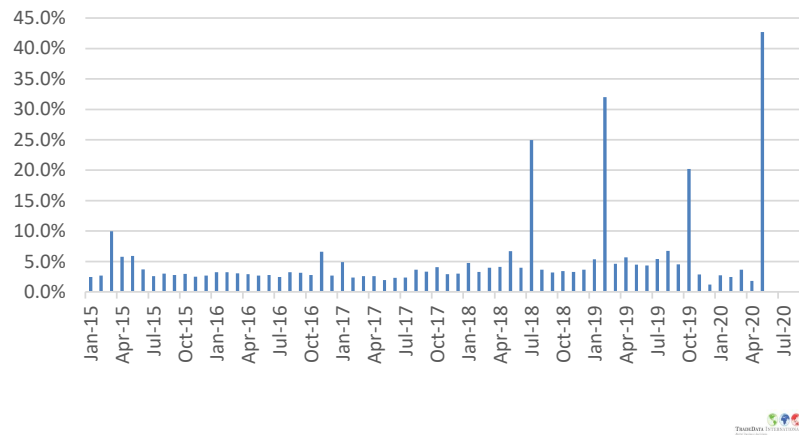
Adhering to an international convention, New Zealand import data lists values both on a:

- **Free on Board (FOB)** basis – this is the actual import purchase value with no insurance or transport costs included and
- **Cost Insurance and Freight (CIF)** basis – this is the initial **Cost** of the item plus includes **Insurance** and **Freight**. This represents the cost to purchase and have the product arrive at a New Zealand port.

Exports statistics by convention are expressed in FOB value terms. Likewise, import statistics are expressed in CIF values. However, one unique feature of the New Zealand import data is that it also includes the FOB value. Thus, the difference between the CIF and FOB values are the implied transport and insurance cost to ship to New Zealand.

The chart below lists the total transport and insurance costs for importing SBR into New Zealand over time. These costs are normally well under 5% of the total CIF value. However, on several occasions in the last two years, these costs have been more than 20% and in the last few months well under 5%.

### Styrene-butadiene rubber (SBR) latex - transport and insurance cost share of total landed cost in New Zealand



TradeData are expert in advising clients on the makeup of purchase values, transport, and insurance costs in international trade.

### ANALYSIS 7. Analyze Port to Port Trade movement and Transshipment Trade

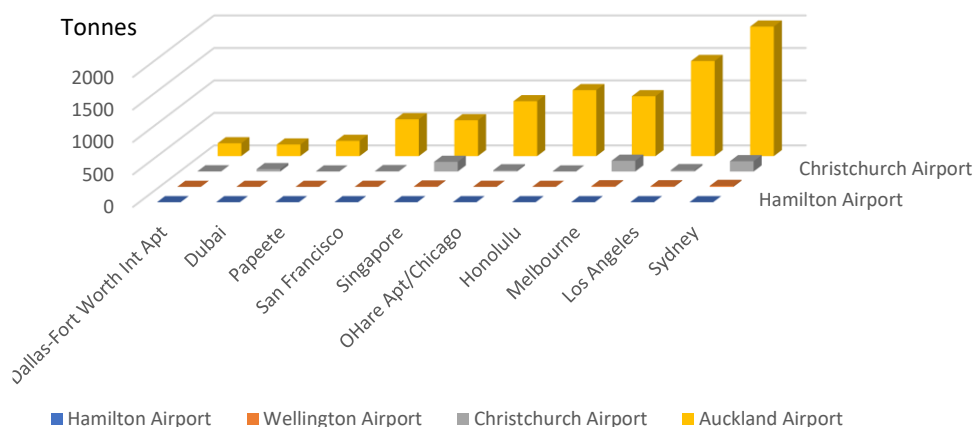
One key aspect of New Zealand Import and Export data are the Port to Port details. All New Zealand Ports are linked to the overseas ports from which the goods arrive from (imports) or go to (exports). The overseas (non-New Zealand) port details are:

- For imports, the last port of loading before arriving in New Zealand; and
- For exports, the first port of discharge after leaving New Zealand.

#### 1. Port to Port Analysis

Export or Import volumes (and values) between two selected ports can be analyzed. The following chart list an example of Air Transport imports from the USA – in 2019 – in tonnages and only the major port to port shipment outcomes are listed. These shipments can be further broken down into the individual products that are imported on a Port to Port basis.

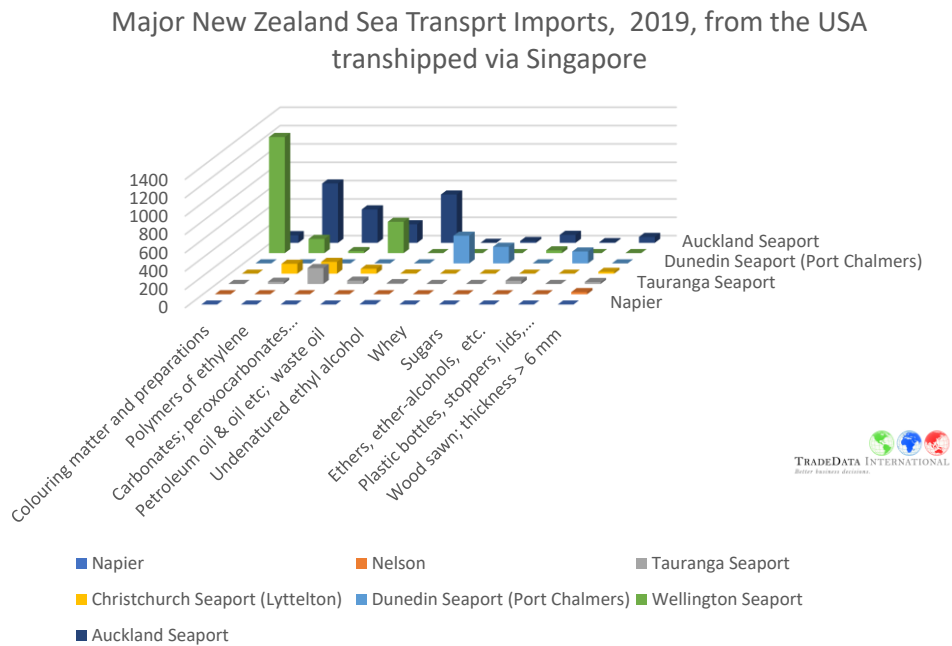
### New Zealand Imports from the USA by Air - major airport to airport movements - 2019



TradeData are expert at advising clients on Port to Port analyses using New Zealand import and export data.

## 2. Transshipment Analysis

Transshipment occurs where the overseas port (export or import) is not located within the country of origin (imports) or country of final destination (exports). The example below lists New Zealand imports, by sea, from the USA, where the last Port of Loading is Singapore, rather than a USA port.



### Conclusion

TradeData are expert in analysing New Zealand import and export statistics. TradeData delivers the trade statistics in a standard excel file that enables the user to obtain the maximum amount of commercial information from the data. TradeData offers a Free initial design/analysis consultation or advise. Contact us for more details.