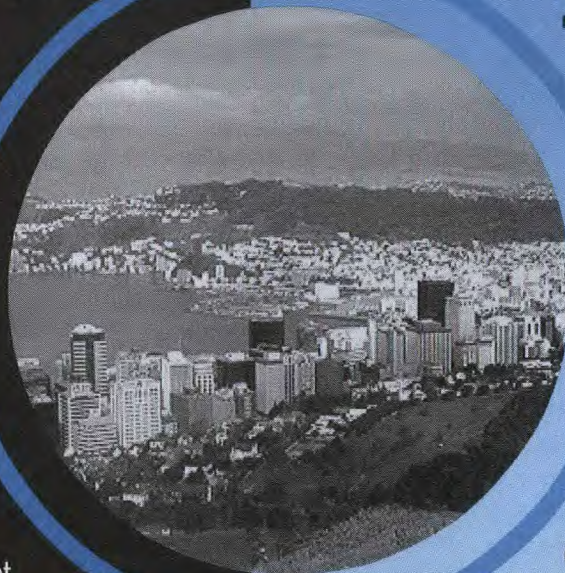


NEW ZEALAND The Software Market

With a team of 500 business professionals in 140 cities around the world, the **Trade Commissioner Service** has the market knowledge you need to succeed in your target market. Our Market Research Centre and our offices abroad have prepared over 600 market studies available for free on our Web site. These studies will help you identify foreign business opportunities and learn more about your target market.

This is an overview of the market. For a more in-depth study of this market and for other studies, visit our Web site. When you are prepared to do business abroad, you can use our Web site to get in touch with our offices around the world and request personalized services electronically.

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The New Zealand software market is heating up. Valued at \$439 million in 2000, the market is expected to grow: Government and industry associations both predict that it will continue to experience higher than average growth, and become a leading sector in the New Zealand economy.

Market Overview

New Zealand has approximately 1,100 software development companies. The market is characterized by small and medium-sized enterprises working in niche sectors. Most of the country's software companies specialize in creating software solutions for individual clients or to address specific situations. For example, New Zealand companies have developed geothermal data management systems, and art museum and library cataloguing systems. New Zealand companies are also strong developers of health-related software, particularly for dental offices, and complicated accounting software

for goods and services tax calculations and point-of-sale applications.

Opportunities

There are niche market opportunities in New Zealand for custom designed software, particularly in business and education applications. The convergence of the software, telecommunications, entertainment, and publishing industries has also opened new avenues. Opportunities exist for Canadian companies with content or technical expertise to collaborate with New Zealand companies to develop interactive software in a variety of fields.

Areas of potential growth in the New Zealand market include software for data warehousing, telecommunications (particularly mobile), and electronic commerce business solutions.

Customers are seeking data warehousing options that will allow them ready access to data, as well as manipulation of data to generate additional revenue streams and improved customer service.

New Zealand companies seeking to expand typically look for joint ventures or strategic alliances with key partners in the target market. Canadian companies may find opportunities to both import and export software by working cooperatively with a New Zealand company in the same field.

Market Access Issues

The New Zealand software market is dominated by international corporations, including Microsoft, Novell, IBM, Digital, Compaq, Unisys and Fujitsu. These companies have established research development offices in New Zealand or have strategic alliances with New Zealand companies. Products are typically sold through distributors. A number of Canadian companies have successfully entered the New Zealand market, including Geac, Corel, Hummingbird and Cognos. Hummingbird products are distributed in New Zealand by Soft Solutions and are used by Telecom and Air New Zealand. Cognos products are distributed by Commercial Data Processing, and their systems are used by many large New Zealand corporations and government ministries.

Key end-users for Canadian companies are small and medium-sized businesses seeking specialized software solutions. Important to success with these end-users is training and after-sales service, an office in New Zealand, or partnership with a New Zealand company.

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No particular regulations govern the sale or distribution of software in New Zealand. Computer software enters the country duty free, however, a 12.5% goods and services tax (GST) applies.

See Potential?

To learn more about this market, read *The Software Market in New Zealand*, prepared by the Market Research Centre of the Trade Commissioner Service. This report and hundreds of others are available on-line at www.infoexport.gc.ca

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