New Zealand Private Enterprise: Sector Review

FIXNZ DATA & TRUTH

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Executive Summary

New Zealand's private-enterprise economy is a mixture of highly productive export champions, large domestically focused companies, cooperatives, listed firms and a long tail of small businesses. The strongest internationally competitive sectors are food production, medical technology, software, specialised manufacturing and selected infrastructure services. By contrast, much domestic employment remains concentrated in construction, retail, tourism and other labour-intensive sectors.

The central policy question is not whether New Zealand has successful firms - it clearly does - but whether the wider business environment allows more firms to scale, export, invest in technology and retain ownership, talent and intellectual property in New Zealand.

Core finding: New Zealand produces strong companies, but too few of them grow into large, enduring, locally anchored global firms.

1. Agriculture and Food Production

Agriculture, food processing and export marketing remain the foundation of New Zealand's private-enterprise sector. Fonterra, Silver Fern Farms, Alliance Group, Zespri, Sanford, Ballance Agri-Nutrients and other large producers and cooperatives connect farms to global markets.

- Fonterra remains one of the country's largest enterprises, with annual revenue around NZ$26 billion in the period covered by the source material.
- Meat processing is dominated by several large firms, including Silver Fern Farms and Alliance Group.
- Zespri coordinates and markets New Zealand kiwifruit globally and is a major horticultural export platform.
- Sanford is a significant seafood producer and exporter, while fertiliser cooperatives support agricultural productivity.

The sector's strength lies in established supply chains, global brand recognition and access to premium markets. Its weaknesses include commodity-price exposure, environmental constraints, high transport costs and a tendency to export raw or lightly processed products rather than maximising domestic value-add.

2. Tourism, Hospitality and Leisure

Tourism is a major employer and export earner. Large firms include Tourism Holdings Limited, SkyCity Entertainment Group and Skyline Enterprises, while thousands of smaller accommodation, food-service and visitor-experience businesses make up the wider sector.

- Tourism Holdings Limited operates rental-vehicle and tourism businesses across several countries.
- SkyCity combines casinos, hotels, food and entertainment, while Skyline operates tourism attractions and related services.
- The sector supports well over 100,000 jobs when direct and related employment is included.

Tourism has strong growth potential as international visitor numbers recover, but productivity is often constrained by seasonal demand, lower wages, housing shortages in tourism centres and reliance on temporary or migrant labour.

3. Finance, Insurance and Investment

New Zealand's banking system is dominated by large Australian-owned banks, so the locally controlled private-finance sector is more visible in insurance, fund management, KiwiSaver, fintech and specialist investment products.

- Simplicity is a major New Zealand-owned KiwiSaver and investment manager and has promoted domestic infrastructure investment.
- Tower Insurance is one of the largest locally based insurers.
- Southern Cross is a major not-for-profit health insurer and private-health provider.
- Xero and Pushpay illustrate the international potential of software-enabled financial services.

The key opportunity is to deepen New Zealand-owned pools of capital so that local savings can finance infrastructure, productive businesses and scale-up companies rather than flowing mainly into housing or overseas markets.

4. Technology, Software and Biotechnology

Technology is one of New Zealand's most promising high-productivity sectors. Digital technology, software, IT services, medical devices, agritech and aerospace have grown faster than the wider economy.

Company	Field	Indicative scale	Strategic significance
Xero	Cloud accounting software	About NZ$2.1b annual revenue	Global recurring-revenue software platform
Fisher & Paykel Healthcare	Medical devices	About NZ$2.02b annual revenue	Export-led advanced manufacturing and R&D
Datacom	IT services	About NZ$1.48b annual revenue	Large regional technology-services employer
Rocket Lab	Space systems	About US$436m annual revenue	Launch, satellites and high-value engineering
Halter	Agritech	High-growth private company	Combines software, hardware and farm productivity

These firms show that New Zealand can build globally competitive companies when intellectual property, specialist skills and export markets are combined. The persistent challenge is scale: many promising firms are sold offshore, relocate key functions, or struggle to access the capital and specialist labour required for global expansion.

5. Construction and Infrastructure

Construction is one of New Zealand's largest employment sectors. Fletcher Building and Fulton Hogan are among the largest firms, while Hawkins, Downer New Zealand and many specialist contractors deliver major public and private projects.

- Fletcher Building reported group revenue of roughly NZ$7.68 billion in the period covered by the source report.
- Fulton Hogan reported revenue of about NZ$7 billion across New Zealand and Australia.
- Sector employment peaked at more than 200,000 workers before declining as the construction cycle weakened.

The industry is essential to housing and infrastructure, but faces repeated cost escalation, labour shortages, volatile workloads and weak project pipelines. Greater certainty in long-term public investment would improve workforce training, equipment investment and productivity.

6. Energy and Utilities

New Zealand's electricity sector is dominated by large listed companies with significant government ownership, while private enterprise plays a larger role in fuel retail, energy services, distributed generation, technology and infrastructure.

- Z Energy is the country's largest fuel retailer and is now owned by Australia's Ampol.
- Contact Energy and Vector are major listed participants in generation, retail and network infrastructure.
- Nova Energy operates in electricity retail and gas supply.

Future private investment will focus on renewable generation, grid resilience, electric-vehicle charging, batteries, demand management and lower-emission industrial energy. The main constraint is whether regulation and infrastructure planning provide stable, investable signals.

7. Healthcare and Medical Enterprise

Private healthcare combines globally competitive manufacturing with domestic insurance, hospitals, pharmaceuticals and specialist services.

- Fisher & Paykel Healthcare is the leading medical-device exporter.
- Douglas Pharmaceuticals is a major family-owned pharmaceutical manufacturer and exporter.
- EBOS Group is a large healthcare and animal-care distributor.
- Southern Cross operates private health insurance and hospital services.
- Pacific Edge and other biotechnology companies represent the high-risk, high-value innovation end of the sector.

Ageing populations and global health demand support long-term growth, but research funding, clinical validation, regulatory approval and access to growth capital remain critical barriers.

8. Telecommunications, Aerospace and Defence

Telecommunications is highly concentrated. Spark, One New Zealand and 2degrees account for most mobile and broadband services. Large capital requirements and spectrum access create high barriers to entry, although smaller virtual operators compete in niche markets.

Aerospace and defence remain small but strategically important. Rocket Lab is the standout company, with significant engineering and manufacturing activity linked to New Zealand. A smaller group of firms supplies antennas, marine systems, security technology, maintenance and specialist defence services.

High-productivity sectors do not need to employ everyone. Their value lies in raising exports, wages, skills, tax revenue and the demand for advanced local suppliers.

9. Cross-Sector Comparison

Sector	Approx. enterprise base	Concentration	Employment	Outlook
Agriculture	About 61,600 enterprises	Major export chains led by a few large firms	Tens of thousands	Strong exports; pressure to add value and reduce environmental impact
Food and beverage	About 22,700 manufacturing enterprises	Export processing highly concentrated	Tens of thousands	Premium food, nutrition and processing growth
Tourism and hospitality	About 26,100 enterprises	Many SMEs; several large operators	Over 100,000	Recovery and growth, but productivity and labour constraints
Finance	About 50,900 enterprises	Banking and insurance concentrated	About 70,000	Fintech and local investment products
Technology	About 7,800 information/media enterprises	Mixed; strong global niche firms	Over 100,000 broader digital roles	Fast growth and export potential
Construction	About 81,200 enterprises	Large projects dominated by major contractors	Peak above 200,000	Dependent on housing and infrastructure pipeline
Healthcare	About 25,800 employers	Varies by subsector	About 294,000 public and private	Long-term growth from ageing and global demand
Aerospace and defence	No clean separate count	Small specialist firms	Several thousand at most	High-value strategic potential

10. Traditional Firms and New-Economy Firms

Traditional firms tend to have large asset bases, established brands, mature distribution networks and access to bank or bond finance. They provide scale and stability, but may be slower to digitise or enter new markets.

New-economy firms are more likely to rely on intellectual property, software, specialist talent and equity finance. They can grow rapidly and sell globally from a small domestic base, but face high failure risk, intense international competition and pressure to relocate or sell.

Dimension	Traditional enterprise	High-growth technology enterprise
Main advantage	Brands, assets, channels and operating history	Scalable IP, speed and access to global niches
Typical finance	Bank lending, retained earnings and bonds	Venture capital, private equity and public markets
Main risk	Slow innovation and cyclical exposure	High failure rate and dependence on specialist talent

National value	Large employment and stable supply chains	Exports, productivity, R&D and high wages

11. Policy Questions for New Zealand

- How can more local firms scale without moving ownership, headquarters or intellectual property offshore?
- How can KiwiSaver and domestic savings finance productive companies and infrastructure?
- How can immigration policy support genuinely high-productivity roles rather than low-wage labour substitution?
- How can public procurement reward delivery, innovation and local capability without protecting inefficient firms?
- How can competition policy reduce oligopoly rents in banking, supermarkets, telecommunications and building materials?
- How can the tax and planning system redirect investment from passive property gains toward productive capital?
- How can vocational training and university research better connect with firms that export and innovate?

FIXNZ position: successful enterprise policy should reward productivity, exports, innovation, fair competition and the creation of durable New Zealand capability.

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9. Stats NZ business-demography and employment data.

10. Company annual reports and public industry sources cited in the source-language edition.

Editorial Note

This English edition is a translated and editorially reconstructed version of a Chinese-language research reference. Figures are presented as indicative values from the reporting periods used in the source material. Readers should verify current data against official statistics and the latest company disclosures.