

A
Global Country Study Report
On

“NEW ZEALAND”

Submitted To

KIM-KALOL

(Gujarat Technological University)

A Project Report Submitted in Partial Fulfillment of the requirement of the award for the degree of MBA

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Submitted By

Div-B

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MBA PROGRAMME

Affiliated to Gujarat Technological University, Ahmedabad

Students' Declaration

The student of Master of business administration in Kalol Institute of Management, hereby declare that this project of Global Country Report entitled “**The Scope of Business in New zealand**” is our original work and is a result of our own dedication.

We are submitting this report to the faculty of our collage for the fulfillment of our requirement of the MBA programme conducted by Gujarat Technology University. We also declare that this report will not submit to any other organization or university for the award of any degree.

PREFACE

In Today's scenario of business, International Business plays a vital role for the entrepreneurs.

During several decades, International Business has been growing considerably in India. Enterprises are going internationally to earn more revenue for the business. Enterprises are spanning their wings strategically for increasing the business.

Before going internationally, managers need to find the pros & cons for the particular country and need to evaluate the country strategically.

Here we get this opportunity to do similar kind of activities in as part of Global Country Report. We have made this report on the **“PESTEL Analysis and SWOT Analysis of New Zealand and various sectors and various Business Plan in New Zealand”**. We had tried our level best to comprehend all the aspects in this project.

ACKNOWLEDGEMENT

Apart from our efforts, the success of this report depends largely on encouragement & guidelines of many others. We take this opportunity to express our gratitude to the people who have been concerned in the successful completion of this project.

We would like to show our gratitude to Dr. Tejas Dave, Programme Co-ordinator, Kalol Institute of Management, for giving a wholesome feed-back & valuable guidance to complete the project.

We express our sincere gratitude to our guide Ms. Khushbu Shah and our co-ordinator Ms. Rinki Rola, Kalol Institute of Management &, without their valuable guidance & inspiration; we would not able to finish this project. We are grateful to them for their prolonged interest in our work and excellent guidance. We are thankful to respondents for giving their time to contribute their opinions to us.

We are also thankful to the entire KIM family for their cooperation and support. We are extremely thankful to our parents for giving their constant and precious guidance, support and motivation during the course of completion of our project. The friends, who always bear and motivate me throughout this project, we are thankful to them to also.

EXECUTIVE SUMMARY

The main aim behind preparing the global country report was to study the environment of a country and turn challenges into opportunities through forming country specific strategies. The global country report on New Zealand country includes economic, social, cultural, technological, infrastructural, and environmental background of it. The SWOT analysis is a necessary element of the research for preparing of any level of strategic plan. The PESTEL analysis is done to know the macro-environment of New Zealand and to use it as a strategic tool to understand market growth or decline, business position, potential and direction for operations in New Zealand.

In This Report we have covered Overview of Country, Economical Overview, SWOT & PESTEL Analysis of country, Scope of Businesses in New Zealand and PESTEL & SWOT Analysis of various industries and the feasibility of various Business Plans.

In This Report we have Covered Various Sectors and Different Business Plans to Establish, Import & Export from India to New Zealand. We have also covered how to trade with New Zealand through different aspects of legal procedure along with different Innovative Ideas/Plans.

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Chapter-1

OVERVIEW OF COUNTRY:

1.1 INTRODUCTION ABOUT NEW ZEALAND

Geography :-

Locations	:	Oceania, island in the South Pacific Ocean, Southeast of Australia.
Area	:	270,500 sq. km.
Capital	:	Wellington.
Other cities	:	Auckland, Christchurch, Hamilton.
Largest City	:	Auckland.
Nationality	:	New Zealander
Currency	:	New Zealander dollar.
Terrain	:	Highly varied, from snowcapped mountains to lowland plains.
Climate	:	Temperate to subtropical.
Government	:	Parliamentary democracy and constitutional monarchy.

History :-

New Zealand was populated by fishing and hunting people of East Polynesian ancestry perhaps 1,000 years before Europeans arrived. Known to some scholars as the Moa-hunters, they may have merged with later waves of Polynesians who according to Maori tradition arrived between 952 and 1150. Some of the Maori called their new homeland "Aotearoa," usually translated as "land of the long white cloud."

In 1642, Abel Tasman, a Dutch navigator made the first recorded European sighting of New Zealand and sketched sections of the two main islands' west coasts. English Captain James Cook thoroughly explored the coastline during three South Pacific voyages beginning in 1769. In the late 18th and early 19th centuries, lumbering, seal hunting, and whaling attracted a few European settlers to New Zealand.

In 1840, the United Kingdom established British sovereignty through the Treaty of Waitangi signed that year with Maori chiefs. In the same year, selected groups from the United Kingdom began the colonization process. Expanding European settlement led to conflict with Maori, most notably in the Maori land wars of the 1860s. British and colonial forces eventually overcame determined Maori resistance. During this period, many Maori died from disease and warfare, much of it inter tribal.

Constitutional government began to develop in the 1850s. In 1867, the Maori won the right to a certain number of reserved seats in parliament. During this period, the livestock industry began to expand, and the foundations of New Zealand's modern economy took shape. By the end of the 19th century, improved transportation facilities made possible a great overseas trade in wool, meat, and dairy products.

By the 1890s, parliamentary government along democratic lines was well-established and New Zealand's social institutions assumed their present form. Women received the right to vote in national elections in 1893. The turn of the century brought sweeping social reforms that built the foundation for New Zealand's version of the welfare state.

The Maori gradually recovered from population decline and, through interaction and inter marriage with settlers and missionaries, adopted much of European culture. In recent decades, Maori have become increasingly urbanized and have become more politically active and culturally assertive.

New Zealand was declared a dominion by a royal proclamation in 1907. It achieved full internal and external autonomy by the Statute of Westminster Adoption Act in 1947, although this merely formalized a situation that had existed for many years.

1.2. DEMOGRAPHIC DETAILS OF NEW ZEALAND:-

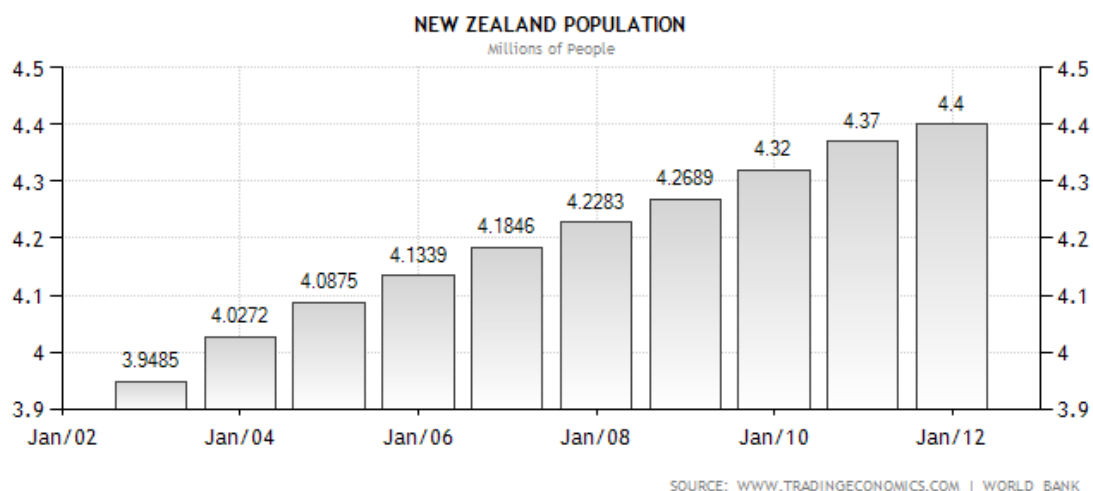
People :-

Most of the 4 million New Zealanders are of British origin. About 15% claim drop from the indigenous Maori population which is of Polynesian origin. Nearly 76% of the people including a large majority of Maori live on the North Island.

During the late 1870s, natural increase permanently replaced immigration as the chief contributor to population growth and accounted for more than 75% of population growth in the 20th century. Nearly 85% of New Zealand's population lives in urban areas (with almost one-third in Auckland alone), where the service and developed industries are growing rapidly. New Zealanders colloquially refer to themselves as "Kiwis," after the country's native bird.

Population:-

4,441,135 (as at 9 September 2012)



The total population in New Zealand was last reported at 4.4 million people in 2011 from 2.4 million in 1960, changing 86 percent during the last 50 years. New Zealand has 0.06 percent of the world's total population which means that one person in every 1568 people on the planet is a resident of New Zealand.

Historically, from 1960 until 2011, New Zealand Population averaged 3.36 Million reaching an all time high of 4.40 Million in December of 2011 and a record low of 2.37 Million in December of 1960.

The total population in New Zealand was last reported at 4.37 million people in 2010 from 2.4 million in 1960, changing 82 percent during the last 50 years

Birth rate:-

The birth rate of the New Zealand is 13.57 births per 1000 Population at the end of the year 2011.

Death Rate :-

The death rate of the New Zealand is 7.2 deaths per 1000 Population at the end of the year 2011. The death rate is low than the birth rate so the population increases in the New Zealand.

Religions :-

There are different religious people live in the New Zealand in which 38.6% are Protestant (Anglican 13.8%, Presbyterian, Congregational, and Reformed 10%, Christian (no denomination specified) 4.6%, Methodist 3%, Pentecostal 2%, Baptist 1.4%, other Christian 3.8%), 12.6% are Roman Catholic, 1.6% are Maori Christian, 1.6% are Hindu, 1.3% are Buddhist, 2.2% are from other religions, 32.2% are no religion, 9.9% are other or unidentified.

Gender Ratio :-

The male to female ratio means gender ratio of New Zealand for different age structure at the end of the year 2011 is as follows.

At birth	:	105	males	per	100	females
Under 15 years	:	105	males	per	100	females
15-64 years	:	100	males	per	100	females
65 years and over	:	85 males per 100 females				
Total population	:	99 males per 100 females				

Life Expectancy at birth :-

The life expectancy of the New Zealand's People at the time of the birth is 80.71 years at the end of the year 2011 in which the life expectancy of male is 78.7 years and female is 82.81 years.

Literacy Rate :-

The literacy rate means the rate of people above the age 15 can read and write. The literacy rate of New Zealand is 99% of total population in which the literacy rate of both male and female are 99%.

Languages :-

There are three official language English, Maori, Sign use in New Zealand. English is the language use in production. Maori is a Polynesian language related to the languages of other Pacific Island culture such as Hawaiian, Tongan, and Samoan.

The Maori language is part of New Zealand Culture. Maori has only been well-known as an official language Television and Radio Programme

Climate and Weather :-

New Zealand has mild temperatures, moderately high rainfall, and many hours of sunshine.

➤ **Temperature :-**

New Zealand has a mostly temperate climate. While the north has subtropical weather during summer, and inland alpine areas of the South Island can be as cold as -10°C in winter, most of the country is located near the coast, which means temperatures soft. The New Zealand average temperature decreases as travelling southward. January and February are the warmest months and July is the coldest month of the year. In summer, the average most temperature ranges between $20-30^{\circ}\text{C}$ and in winter between $10-15^{\circ}\text{C}$.

➤ **Four seasons in one day :-**

New Zealand weather can change suddenly. Be prepared for sudden changes in weather and temperature if you're going climbing or doing other outdoor activities.

➤ **Sunshine :-**

Most places in New Zealand receive over 2,000 hours of sunshine per year, with the sunniest areas - Bay of Plenty, Hawke's Bay and Nelson / Marlborough - receiving over 2,350 hours. Sunlight here can burn skin rapidly from September to April, particularly from 10 am to 4 pm, even on cloudy days.

➤ **Rain :-**

New Zealand rainfall is high and evenly throughout the year. In the northern and central New Zealand more rain falls in winter than in summer, whereas for much of southern New Zealand, winter is the season of least rainfall. Besides produce impressive local forest areas, heavy rainfall makes New Zealand an ideal place for farming and horticulture.

➤ **Snow :-**

Snow normally appears during the months of June to October, although cold spells can occur outside these months. More snow in New Zealand falls in the mass areas, such as the Central Plateau in the north and south of the Alps in the south. Also falls heavily within Canterbury and Otago. Snow rarely falls in coastal areas, with the exclusion of the east coast of the South Island; you can experience some snow in winter.

Economic Analysis:

New Zealand has a mixed economy which operates on free market principles.

New Zealand has a different type of generation. i.e. Pastoral agriculture, Hydro electricity Forestry, Horticulture and etc..

Out of this hydro electricity it provides cheap source of energy and as an important source of income (export). Visitor destination and tourism of New Zealand is popular. it is also depended on primary sector for goods export.

Export of goods and services = 1/3 of real expenditure GDP

Poverty Line:

Poverty line: the year of 2012, 0.01 %

As per the UNICEF report which ranked New Zealand 4th worst on an OECD child poverty league table.

The Child Poverty in Rich Countries 2005 report shows that one in six children in New Zealand are still living below the poverty line.

But, there is no official poverty line in New Zealand.

There are severe difficulties obstructing the construction of an official poverty line - in terms of setting the level, the choice of equivalence scale, how to take account of geographical variation in living costs (particularly housing), how to handle short-term periods of low income, and how to adjust the measure over time.

These difficulties are those of judgments about household needs, and also methodological and measurement difficulties.

Literacy:

Age 15 and over can read and write is considered in Literacy rate.

Total population: 99%

Male rate is 99%

Female rate is 99% (2003 est.)

Unemployment, youth age 15- 24 is total 16.6%

In that male are 16% & female are 17.2% (2009)

Educational Expenditures

6.1% of GDP (2007)

School life expectancy (it is primary to tertiary education)

Total = 19 years

Male = 19 years

Female = 20 years (as per estimation 2008)

- ✓ There are nearly 2600 schools in New Zealand. Most of these schools are publically owned and funded by the government.
- ✓ Fees range of private school in NZ is from \$4000 to \$14000 a year.
- ✓ Children of NZ get a good level of personal attention with an average of one teacher for every 23-29 students at primary level, and individual teacher to 17-23 students at secondary state schools.
- ✓ Eight universities are there in NZ located in Auckland, Hamilton, Wellington, Christchurch and Dunedin.

Chapter - 2

INTERNATIONAL TRADE RELATION

Current status of New Zealand in import-export:

With the country

Main Import Partners	(%)
Australia	18.1
China	16.0
U.S.	10.5
Japan	7.4
Germany	4.1

http://en.wikipedia.org/wiki/Economy_of_New_Zealand

Main Export products	(%)
Coal	47.0
Logs	19.2
Dairy products	11.7
Wool	4.3
Apples	2.6
Machinery	2.4
Hides & Skins	2.3
Aluminium	2.0
Scrap metal	1.9
Waste paper	1.4
Total Export	931.1(million NZ\$)

Main Imported products	(%)
Medicines	13.8
Jewellery	6.5
Lines	4.8
Electric equipment	4.0
Diamonds	3.7
Plastics	3.4
Chemicals	3.0
Leather products	2.7
Printing ink	2.6
Total import	371.4(million NZ\$)

(<http://www.mfat.govt.nz/Countries/Asia-South-and-Southeast/India.php>)

Prohibited Activities in New Zealand:

The following business activities are prohibited in New Zealand

Imports

- Tobacco
- Children's toys, crayons, baby walkers,
- Cigarette lighters
- Controlled drugs, such as cocaine, cannabis and so on
- Refrigerators, freezers, air conditioners, heat pumps, water coolers
- Rough diamonds
- Tires

Export

- Animals & Animal product
- Birds (other than domestic birds) and other wildlife
- Chemical weapons
- Controlled drugs
- Indigenous timber and its products
- Fruit wine, vegetable wine, and grape wine made from grapes not grown in New Zealand
- Hazardous chemical and pesticides that are covered by the Rotterdam convention
- Horticultural products

(<http://www.customs.govt.nz/features/prohibited/Pages/default.aspx>)

The following business activities are only permitted for New Zealand

Import

- Vehicles
- Electronics
- Petroleum and fuels / refined oil
- Textiles
- Plastics
- Motorcar
- Aircrafts and aircraft parts
- TV receivers including video monitors and projectors
- Telephone equipment
- Medical instruments
- Medicaments
- Automatic data process machines

Exports

- Dairy products (cattle and goats)
- Meats (sheep, beef, deer)
- Hides and leather
- Fish
- Wood products, including paper and paper associated products
- Tourism
- Wine
- Wool
- Fruits and vegetables
- Cereal products
- Organic chemicals
- http://wiki.answers.com/Q/What_does_New_Zealand_import_and_export
- Pharmaceutical products
- Plastic products
- Rubber products
- Textiles
- Furniture
- Electrical equipment
- Agricultural and industrial machinery
- Aluminum
- Iron/steel and other metals
- Crude oil and mineral oils

Documents required for Import-Export:

Imports

Documents

- All imported goods need to be cleared by the New Zealand custom services. The process is known as import entry clearance. It can be cleared in two ways, by one self or by broker or through online.
- Types of clearances
 - Import entry
 - Electronic Cargo Information (ECI)

- Before you submit an import entry clearance or ECI report you will be required to know :
 - The entry types to be used
 - The client code and supplier code
 - The arrival detail of the shipment including flight or craft information , weights , number of packages, ports of loading and discharges, Airway bill/Bill of lading number , mail notice number etc.
 - The customs value of the goods and the freight content.
- Electronic message may be generated or an import delivery order given after shipment is cleared.

Licenses

- There are no requirements or quotes for import license in NZ.

Taxes/Tariffs and other fees

	5%	10%
Bicycles	Amplifiers	Carpets, rugs
Binoculars	Bags	Clothing
Calculators	Ceramic tiles	Footwear
Cameras	Cigarette, lighters	Hats
Cell phones	Cosmetics	Shoes
Electric clocks	Groceries	
Navigational equipments	Furniture	
Watches	Heaters	
Television sets	Jewellery	
Metal & wooden ornaments etc.	Motor vehicle, parts etc.	

(<http://www.customs.govt.nz/features/charges/feetypes/Pages/default.aspx>)

Exports

Documents

- In order to export goods from New Zealand, a customs declaration is required to be filed including a certificate of origin and bill of lading.
- There are some information is to be needed for export entry like a full description of the package goods which you export, commercial invoice, customs client code, certificate of inspection, shipping orders etc.

Excise charges

- The fees of export entry transaction is NZ\$10.22 which payable on every export entry for goods exported under an approved secure exports scheme and whichever goods are not exported under an approved secure export scheme, they will be charged NZ\$14.56.

Trade between NZ and India

Import from India

Textile woven of cloth and Footwear

Export of New Zealand to India

Coal, wool, Unprocessed logs, Aluminum, Skin of Sheep's with wool and leather.

New Zealand also wants to increase the Export of Agriculture products like dairy product, Art of gardening, and Wine Industrial products like coal and wood.

New Zealand export sheep wool to India and from that wool India make carpet it push up Indian exports.

Bilateral Trade (with two sides)

Bilateral trade has been increase continuously and reaching nearly \$ 1.325 billion in 2011.

Figures of two sides trade in New Zealand \$ (million)

	2007	2008	2009	2010	1011
Export to India	366.20	543.70	630	900	938
Import from India	268.90	329.10	355	368	387

New Zealand top ten Import from India (2010)	NZ\$ (million)
Pharmaceutical products	47.80
Precious stones and metals	40.07
Electrical machinery	18.99
Textile articles	18.05
Woven apparel	16.57
Special other	11.80
Machinery	11.77
Plastic	11.23
Leather apparel and bags	10.31
Chemical products	9.61
Total Imports	368.12

New Zealand and India relationship

New Zealand and India have a long standing and warm relationship. We share the same democratic traditions, the same language, & an eagerness for cricket. NZ has one of the most eye-catching economies in the world in which to carry out business. In the 1980'S undertaking a far-reaching and comprehensive programmed of economic reform, NZ stands out as a country well customized for long-term competitiveness. It offers an extensively low-cost, deregulated, and resource-rich environment, ensuring its pleasant exterior as a place to do business.

Chapter - 3

SWOT OF NEW ZEALAND

Strengths

- ❖ They grow lot of food in the country, so that the export more food than import.
- ❖ Plentiful fresh water
- ❖ Geographically isolated
- ❖ Stable democratic political system
- ❖ Suitable soil
- ❖ Minor but good quality reserve of oil & natural gas
- ❖ Good cool temperate to warm temperate climate
- ❖ Approximately 60% of electricity generated from renewable
- ❖ Experience with alternative currency system even national also
- ❖ Fair number of social organizations, showing the will for social engagement
- ❖ Open minded people , willing to discuss & consider alternative mission for growth of the new Zealand
- ❖ High literacy rate
- ❖ Socially progressive culture
- ❖ Nowhere in the country is too far from the sea, which tends to buffer temperature extremes.

Weakness

- ❖ Highly geographically distributed population in both rural and urban areasthe limiting feasibility of public transport.
- ❖ Geographically inaccessible meaning at the end of global supply chain.
- ❖ Very difficult manufacturing exists.
- ❖ Import significance amount of staple foods such as grains and pulses.
- ❖ Traditional grain growing areas are being converted into dairy.
- ❖ They depend upon significant amounts of imported artificial fertilizers.
- ❖ High rate of car ownership
- ❖ Highly urbanized
- ❖ Governance arrangements at every level i.e. local, regional, national which Favor cars and roads over other modes of transport.
- ❖ Foreign ownership of bank and most industry
- ❖ Tiny economy- super in a weak position to sudden changes
- ❖ No long culture of local community life, most town spread out and lacks true centre

- ❖ Domestic transport 99% dependent on fossil fuels
- ❖ Constant culture of the private car
- ❖ Poor urban and very poor rural and inter-city, rail links and services
- ❖ Electricity generation and transmission system not well organized to get renewably-generated power to domestic consumers. For example, 15% of new Zealand electricity is used by the Tiwai point aluminum smelter but, if this were to close, transmission constrain make it difficult to send this electricity where most domestic consumption occurs
- ❖ Almost complete dominance of neo-classical(“liberal”) economic views in universities, the media, Government departments etc. both in terms of the dominance of this views within intuitional dealing with economics, and the dominance of economy over other discipline .

Opportunities

- ❖ Dependence of past oral agriculture means there is “clear slate” with which we can redesign agriculture to incorporate appropriate water management and poly culture farming strategies i.e. re-localization of food production. Thus reducing impact of natural systems through agriculture rather than increasing impacts
- ❖ Plentiful opportunity through medium to micro hydro, wind and tidal systems to decentralized electricity network and further increase renewable generation
- ❖ Significant opportunities to close the loops of numerous waste streams such as nutrient and energy capture from sewage, putrescible waste, farming run-off and forestry.
- ❖ National currency with small population makes change to alternative monetary system (i.e. interest free) easier, especially if current currency would become unstable (due to huge foreign divestmenMany potential renewable energy resources are being hardly utilized at present. For example the country has better solar energy potential than Germany, yet use of solar energy is very small because current policies, housing regulation etc.
- ❖ “Tightly coupled” political system which means that the chains of influence are relative small – this cuts both ways, it makes easier for both ordinary citizen and for big business to influence political processes.

- ❖ New Zealand is a very good place for growing things. At present, much what we grow is on the basis of potential export receipts (cows, pines) but there is a lot of potential to grow other things.

Threats:

- ❖ Liquid energy shortfalls impacting on transport
- ❖ Continued contamination of soil and waterways
- ❖ Foreigners withdrawing all their investment ala Iceland
- ❖ ‘Law and order’ and overregulation response from government on growing crisis, thereby restricting local initiatives to build on alternatives.
- ❖ Most of population lives close to coast, and often sea level- so many cities and town vulnerable to rapid sea level rise.
- ❖ Likely short to medium effects of climate change on new Zealand include more droughts in east of both islands, more heavy rain and flooding in the west – both threaten food production.

Chapter – 4

PESTEL ANALYSIS OF NEW ZEALAND

4.1 Political

Usually the conservative National Party and left-leaning Labour Party have dominated New Zealand political life since a Labour government came to power in 1935.

The Labour Party implement a broad array of social and economic legislation, complete social safety, a large-scale public works program, a minimum basic wage, a 40-hour workweek, and necessary unionism during its first 14 years.

In 1949, the National Party won control of the government and adopts many welfare measures instituted by the Labour Party. Until 1984 National party held power, apart from for two brief periods of Labour governments in 1957-60 and 1972-75.

In 1984, the Labour party recaptures control of the government. The Labour government institutes a series of fundamental market-oriented reform in response to New Zealand's mounting external debt.

The National Party another time formed the government in October 1990.

New Zealand inaugurates a mixed-member proportional (MMP) system to choose its parliament in 1996. The system was planned to increase demonstration of smaller parties in parliament.

The Labour Party won election in November 1999 and again in July 2002.

The two independent members of parliament: a former Labour Party MP and a former United Future New Zealand MP both left their own parties in 2007. General election on November 8, 2008 was won by the National Party.

General election on November 26, 2011 resulted in the re-election of National Party with 48% of the total vote and 60 parliamentary seats. The Opposition Labour Party traditional 27.1% of the vote and won 34 seats.

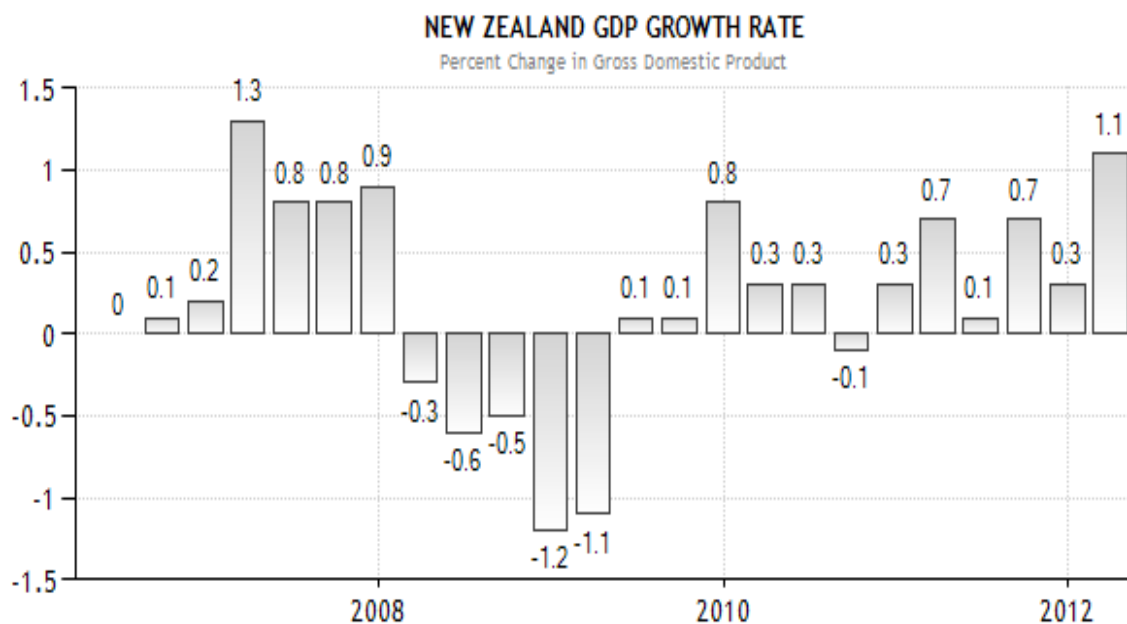
4.2 Economical Environment:-

GDP

The Gross Domestic Product (GDP) is the market value of all final goods and services produced within a country in a given period of time. In 2010, the GDP of New Zealand was worth 142.48 Billion US dollars. From 2004 to 2008 the GDP continuously increases after that it decreasing again in 2009 and then increase in 2010. The below chart shown the historical data of New Zealand's GDP.

GDP Growth Rate

The GDP Growth Rate provides an aggregated measure of changes in value of the goods and services produced by an economy. In first quarter of 2012 over the previous quarter, the Gross Domestic Product (GDP) expanded 1.10 percent. Between 2008 and 2010 the GDP growth rate was negative but from 2010 it reflects positively once again. The below chart shown the historical data of New Zealand's GDP Growth Rate.

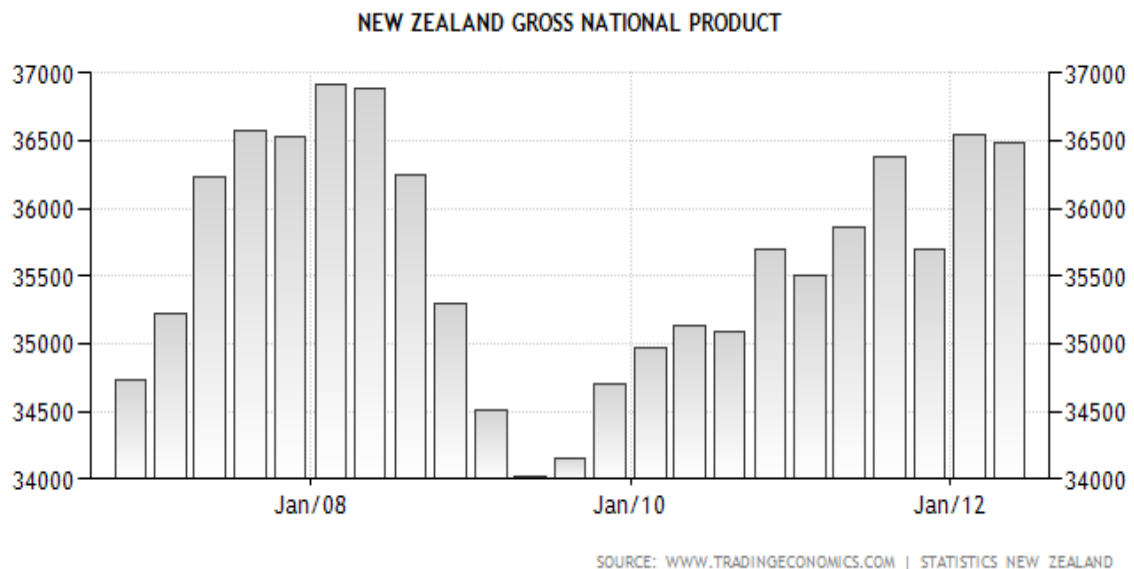


SOURCE: WWW.TRADINGECONOMICS.COM | STATISTICS NEW

The New Zealand economy grew by 0.3 percent in quarter-4 of the year 2011.

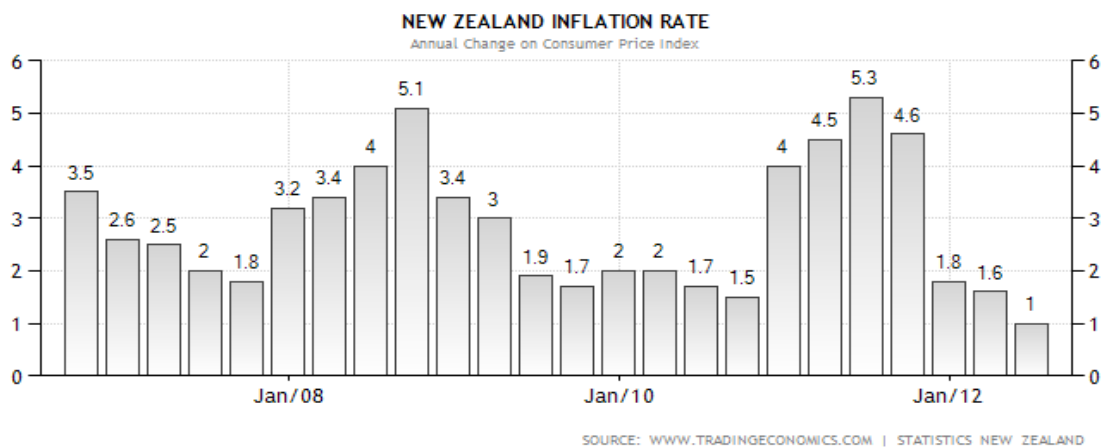
GNP

In New Zealand, the Gross National Product decreased to 36491.00 in May of 2012 from 36543.00 in February of 2012. In December 2010 the GCP was low. The below chart shown the historical data of New Zealand's GNP.



Inflation Rate:

Inflation rate defined as a general rise in prices measured against a standard level of purchasing power. In the second quarter of 2012, the inflation rate was noted at 1.00 percent. The inflation rate is fluctuated a lot in between 2008 to 2012. The below chart shown the historical data of New Zealand's Inflation Rate.



The CPI rose by 1.8 percent in quarter-4 of the year 2011.

Interest Rate:

The Official Interest Rate is the Official Cash rate (OCR) which introduced in March 1999 and reviewed eight times a year by Bank. The interest rate decisions are taken by the Reserve Bank of New Zealand. The interest rate of New Zealand was last recorded at 2.50 percent from April 2011 to July 2012. New Zealand left the interest rate unchanged at 2.50 percent. The below chart shown the historical data of New Zealand's Interest Rate.



Unemployment Rate:

The unemployment rate refers to the number of people actively looking for a job as a percentage of the labor force. In the second quarter of the year 2012, the unemployment rate in New Zealand recorded at 6.8 percent. In January 2010, the unemployment rate was high at 7 percent. The below chart shown the historical data of New Zealand's Unemployment Rate.



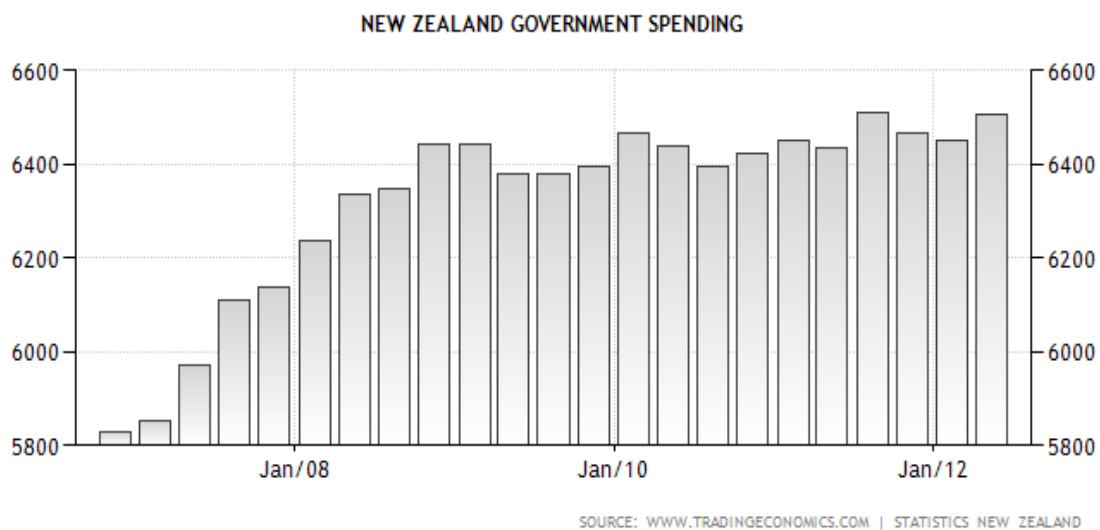
Consumer Spending:

In May of 2012, the Consumer Spending increased to 21802.00 from 21752.00 in February 2012. In year 2009 the consumer spending is very low. The below chart shown the historical data of New Zealand's Consumer Spending.



Government Spending:

In May of 2012, the government spending of New Zealand increased to 6504.00 from 6450.00 in February 2012. The government spending is continuously increases from the year 2008. The below chart shown the historical data of New Zealand's Government Spending.



Industrial Production:

Industrial production measures changes in output for the industrial sector of the economy. In first quarter of 2012, the industrial production increased 0.20 percent. From January 2008 to January 2010, the industrial production is very low and reaches up to -10.3. The below chart shown the historical data of New Zealand's Industrial Production.



SOURCE: WWW.TRADINGECONOMICS.COM | THE WORLD BANK GROUP

Exports:

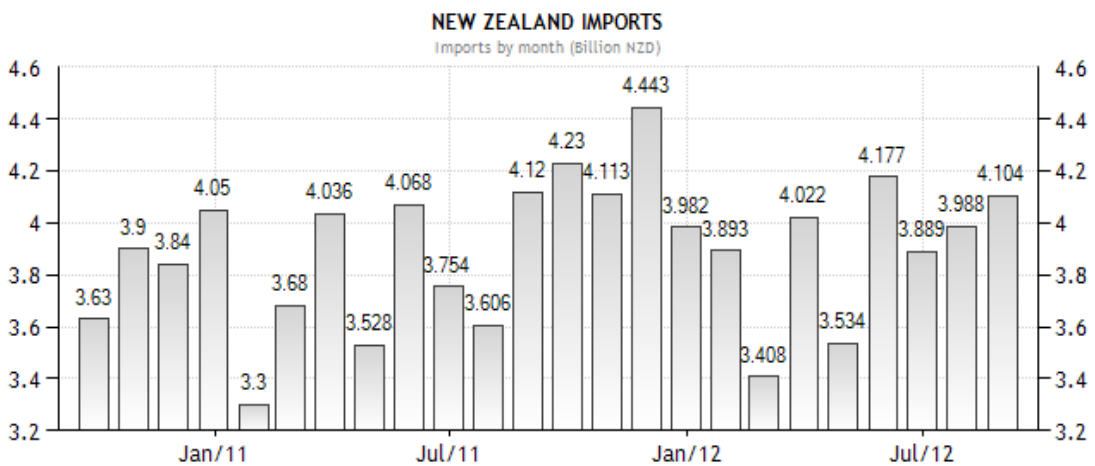
New Zealand's economy is highly dependent on international trade. In August of 2012, the exports of New Zealand were worth 3.22 Billion NZD. In between January 2011 to July 2011, the export of the New Zealand was high at 4.686 Billion NZD. The below chart shown the historical data of New Zealand's Exports.



SOURCE: WWW.TRADINGECONOMICS.COM | STATISTICS NEW ZEALAND

Imports:

In December 2011, the imports of the New Zealand were high at 4.43 Billion NZD which decreases to 4.104 Billion NZD in August 2012. The below chart shown the historical data of New Zealand's Imports.



SOURCE: WWW.TRADINGECONOMICS.COM | STATISTICS NEW ZEALAND

4.2 SOCIAL AND CULTURAL ENVIRONMENT:-

Culture :-

People of New Zealand are very hard working people. New Zealand is a good place for living and is all about balancing honest day's work with social fun. They not spend their precious time in work place but they also spend times with their family, through which we can able to understand that they do care for their family. Life of New Zealand people is less stressed.

New Zealand is the fifth country out of 187 countries for a mix of long and healthy life, opportunity of education as well as a decent standard of living.

➤ Pace of Life :-



- People are very relaxed and easy going way to each other.
- Because of less population communities
- . Also crime rate is law.
- Basically the business is on contract, due to this they faces less stress.

➤ **Sport and Outdoors :-**



- New Zealand is the country which has a natural play ground not only that we would be able to find plenty of the opportunities to enjoy the outdoor games too.
- There are many rivers and lakes, especially in the south island, due to that there are many opportunities for boating, fishing, windsurfing, kite boarding etc.

➤ **Festivals :-**

There are many festivals celebrate by the New Zealanders. Other countries culture are also being recognised too, such as chienes, Lantern Festival, as well as Diwali festival which is celebrated with full of lights.

In New Zealand, Wellington and Auckland host international arts festivals in alternative years and which is attracting other Big-name acts, also there are other local festivals which are being celebrated.

➤ **Film, music, comedy :-**

New Zealand has cinemas which is large as well as small screen for family blockbusters, international art house movie and the products of the strong local film industry.

In New Zealand Kiwi is one type of music which most famous music.



➤ **Food and Wine :-**

- New Zealand export top quality of foods as well as wines to the world.
- Kiwi specialities: Pavlova, ANZAC Biscuits, Kiwifruit, Hangi.
- As we all know that New Zealand is one of the best country for wine and food.

➤ **Lifestyle of New Zealand :-**

From urban to rural area we will find that different lifestyle of New Zealand's people.

➤ **Regional Diversity :-**



Kiwi is stand united, at a regional level where we can find there is variety of atmosphere, economic drivers as well as culture.

➤ **Maori Language and Traditions :-**



National language taonga which is spoken around 23% of New Zealanders. The language is undergoing a recovery with initiatives like Maori language Week, Maori language schools and Maori language television .

➤ **Holy Places :-**

The tiny St. Mary's Church at Motuti in the remote Hokang area of northern New Zealand attracts local and global pilgrims to the shrine of the country's first Catholic bishop.



A cemetery next to the church serves the mainly-Maori local wide society.

Maori Arts :-

New Zealand's Maori culture is an integral part of kiwi life and adds a exclusive, active experience for guests Maori make up 14% of New Zealand population and history, language and traditions are central to New Zealand,

Cultural centres and workshops :-



You can get a closer look at Maori art forms in cultural centres and studios throughout New Zealand. One is in Retour Te Puia, which allows visitors in their schools of weave and carving to see artist at work,

4.4 TECHNOLOGY ENVIRONMENT IN NEW ZEALAND

Clean Technology

New Zealand is a country which is differently located from the opportunities which is following low carbon global economy and also became the attractor in fuels, materials and technologies which is used in the clean technology industry.

In today's world where the environ and business are totally linked with different multinational corporation and the factor on carbon pollution in their investing decision.

New Zealand is producing 75% of its electricity and supplying renewable energies such as hydro, geothermal and wind power. These sources are having very low power of carbon and by this it generate clean energy for industry.

There are different types of technology i.e.,

➤ **Clean transportation:-** As a historically point of view, New Zealand was the country who was the initiator for using the fuels for transport, eg; natural gas and liquefied petroleum gas, and feeling proud to create new ideas for transportation technologies. The country organization has also developed automotive technologies which include wireless charging, electric vehicles etc not only that the third generation bio-fuel from sustainable resources i.e., planting, algae etc.

➤ **Replaced energy:** - The country i.e., New Zealand is having a very strong history in replacing(renewable) energy with a pioneering interest in geothermal power and decades of expertise in hydro generation. Not only that New Zealand is a developing energy from its biomass resources along with the capture of wave and tidal flows. The country has produces upto 75% of its electricity from renewable sources and that is set upto 90% minimum by 2025 as that has been decided by New Zealand government in 2007.

➤ **Environmental technologies:** - New Zealand's business is the new idea of using bio-energy from biological waste i.e., liquid waste, food waste and land fill waste. The initiative where piloting gasification and bio-oil technologies for New Zealand tree, plant and waste, so that they can use anaerobic digestion of farm waste for complete farm energy solutions.

➤ **Energy efficient technologies:** - There is a variety of clean technology companies developing energy and resource efficient technologies as well as processes for

industry. These include efficient motors, pumps and valves which can be used in food processing, domestic appliance and industrial machinery.

<http://business.newzealand.com/emea/en/invest-in-new-zealand/clean-technology/>

Telecom Of New Zealand

New Zealand has one of the largest telecom sector which is named by New Zealand Exchange i.e., (NZX), not only that is the 39th largest telecommunication in the Organization for Economic Co-operation and Development (OECD).

Telecom was organized in 1987 and latter it was privatized in 1990. At that time the selling price was very low , not only that telecom had only one controller for all phone lines in New Zealand at that time. The debate was also held whether the telecom should be privatization or not.

On 31st of the March 2008 telecom was being used in three parts under the local loop unbundling central government i.e., Telecom Retail, Telecom Wholesale, and Chorus.

Wind Power In New Zealand

Wind power in New Zealand generate a little but fast growing quantity of the country electricity. It has been established generation source in the late 1990's, in 2012 wind mills accounts for 622 MW of installed capacity and nearly 5% of electricity generate in the country.

Wind Turbine is the oldest wind turbine in New Zealand i.e., in Brooklyn, Wellington which is still working in a good manner. It was placed in 1993.

Capacity and expansion of generation:-

In January 2012 the wind mills was place in New Zealand with the capacity of 622MW. In 2011 wind mills had produced 1,930 GWh electricity, not only that 4.5% of the country's electricity was produced that year. The New Zealand Wind Energy Association has assumed that wind would be able to reach upto 20% by the year 2030.

<http://business.newzealand.com/northamerica/en/invest-in-new-zealand/clean-technology/>

Medical Technologies Industry

The medical technologies zone in New Zealand is rising and diverse, and has benefit from New Zealand's global respect as a home to huge science and quality medicine with a strong educated workforce.

The invention variety includes medical devices, in-vitro diagnostics, dental tools and medical imaging tools. It is a broad sector, representing all devices and connected medical technologies related to the delivery of human health outcomes, in particular technologies which requires listing for use in human health application, including technologies used to improve the quality of life and assistive living sub-sector.

The New Zealand medical technology industry employs more than 5,000 people across more than 400 companies.

Fast facts

- Total exports are worth \$510 million annually, and are growing at a rate of 16 percent per year.
- New Zealand medical technology manufacturers export 90 percent of their product.
- Major export markets are the United States, Australia and Europe.
- Total research expenditure for 2007/2008 is estimated to have been \$56.6 million.
- The Medical Technology Association of New Zealand believes the industry could be worth \$1 billion by 2015.

http://business.newzealand.com/vAmrwdw/media/100382/medical_technologies_industry_fact_sheet.pdf

Biotechnology And Agricultural Technology

New Zealand has capabilities to add importance to agricultural products by applying biological facts which has led to world-leading capabilities in the fields of agritech, animal health, food technology, as well as human health which include medical technology too.

According to the graph New Zealand's 2009 Bioscience survey;

156 organizations are looking forward to introduce not more but at least one new or suggesting to improve bioscience product to the market within next two years.

The scientific expertise constantly expanding into new areas in which New Zealand has a same competition gain, which include clean technology, natural products, bioactive substances, functional foods, and nutraceuticals.

<http://www.nzte.govt.nz/access-international-networks/Explore-opportunities-in-growth-industries/growth-industries/Pages/Biotechnology-and-agricultural-technology.aspx>

E-Government In New Zealand

It means that government agency people in New Zealand who need every day to day updates easily and information etc for achieving the e-government goals.

There are some goals for e-government. They are:-

In 2007, information as well as communication tech will be a complete fundamental of giving government information, services as well as processes.

In 2010, the operation of government will be transformed as government agencies and their partners use technology to provide user-centered information and services and achieve joint outcomes.

<http://www1.american.edu/initeb/sf9412a/egov.htm>

In 2020, people would be engage with the government and would be transformed, as an increase of innovative ideas is used for the opportunities which are being offered by network

Wave Energy Technology

Oceans cover maximum 70% of the world's surface and provide an huge, renewable and natural energy source. As the wind blow over the surface of the ocean it creates wave by transferring energy to the marine system. Due to this waves are concerted of wind energy and the longer and stronger the wind blows, the more powerful waves can become.

In New Zealand government has dedicated to a target of being 90% dependent on renewable electricity by 2050. Due to such a rich marine energy resources, they think that wave energy could play a vital part in achieving its target.

Achievements

The first wave energy was developed in New Zealand.

It was awarded the first resource consent in New Zealand for the wave energy expansion project

It has also been a winner i.e., two times of Marine Energy Deployment Fund

<http://www.wavenergy.co.nz/>

AMBER TECHNOLOGY

Amber was shaped in 1987, as a result of management takeover of the audio and film divisions of Rank Electronics, these Australian industries handle some of the world's most modern and stylish electronics in the technically thirsty Australian and New Zealand markets. Their customers eagerly support new technology frequently well in advance of many other countries.

With a nationalized network of offices in major capital cities, supported by 205 dealers and service agents nation-wide. Not only that it also provides a capable distribution and support system across a territory larger than the USA with just one tenth of the population.

Amber provides positive entrance and support to:-

- Broadcast- television, radio and telecommunications
- Education- colleges and universities.
- Government- Defence and blue-chip corporate authorities

<http://www.linkedin.com/company/amber-technology>

INFRASTRUCTURE IN NEW ZEALAND

Due to government support, the infrastructure has seen an increasing in transport financial support, the unbundling of local sphere telecommunications, improved broadband infrastructure, and analysis of New Zealand's energy sector, also focusing other areas too...

A rising pipeline of infrastructure opportunity in New Zealand exists in the planned area of social infrastructure, geothermal energy, health and wealth, going to places of interest, technology and the monitor industry.

Air transport

In South Island Christ church Airport is the largest airport. In New Zealand there are 113 airports. The main airport i.e., international airport is at Auckland Airport which handles 11 million passengers in 2005, similarly Christ church Airport handles around 6 million passengers per year, while Wellington Airport handles around 5 million passengers per year.

Roads of New Zealand

The New Zealand State Highway network is the main national highway network in New Zealand. Less than 100 roads in both the North and South Islands are State Highways.

The highways are originally designated using two-tier system, national (SH 1-8) and local, with national highways having a high standard and support priority. Most of the state highways, and the network consists of SH1 running the length of both islands, SH 2-5 and 10-58 in the North Island, and SH 6-8 and 60-99 in the South Island, number roughly north to south. State highways are noticeable by red shield-shaped with white numbering.

RAILWAYS INFRASTRUCTURE

Wellington, in New Zealand was only the city was the computerized rail system was developed. In 2000s there was an activity in Auckland's computer rail which helped, in a greater part by new investment in infrastructure.

TECHNOLOGY

- New Zealand's size, population mix, proximity to rapidly growing Asian countries and Western-style economy make it an ideal market for establishing technology infrastructure such as mobile and broadband communications.



- Further technology infrastructure investment opportunities exist in telecommunications and new fiber optic cables.
- New Zealand's low carbon footprint, cheap electricity, abundance of water for cooling, robust infrastructure and highly educated workforce also make it an optimal location for data centers.

4.5 Ecological scenario:

Driver affects the growth in business

Rapid decarbonization of economies towards renewable energy and concerns about ongoing energy security which create geopolitical and oil price instability

Population growth and changes in population demographics lead to extreme downstream pressure on water resources waste food and energy systems

Environmental toxicity, pollution and rising biodiversity loss which in some cases is restricting economic growth and health concerns

A corporate shift towards tackling inefficiency as a source of profit rather than cost increase growth of country but it will decline the environmental growth

Sustainable Efficient Agriculture



New Zealand has a world leading ability to add value to agriculture it ability to counter the unexpected food mile and energy use claims reputation as a highly efficient food producing nation. Fonterra, the world's largest dairy company and New Zealand's largest private sector has invested in innovation centers in New Zealand, Australia, China and Singapore. These innovation centers are keen to developing technologies in a broad range of sectors including forage and bovine genetics, nutrition, flavors and packaging materials.

New Zealand co-leads the world with the Netherlands in livestock research – work that is critical to delivering solutions to ruminant methane emissions and, in the short term, to mitigating the risks of emission related trade barriers for New Zealand's dairy sector. Dairy co-products also provide New Zealand with an opportunity to add value to our exports without further degradation to the environment. It is not only the dairy sector where New Zealand companies are getting ahead with biologically active products. The bioactive Manuka honey export industry is already worth NZ\$100 million and is set to increase rapidly

Geothermal



New Zealand geothermal operators are world leaders. Two New Zealand companies Mighty River Power and Contact Energy are rank in the top ten geothermal companies in the world in terms of installed capacity. New Zealand can look to Iceland as a perfect example of how a country can come forward as a global leader in geothermal technology. Mighty River Power has started a global strategy to export key geothermal institutional capabilities like academic, scientific, project development, business operations which developed the New Zealand market. Global opportunities in the geothermal energy industry are growing fast. Mighty River Power is committing US\$250 million to Geo Global Energy to develop a geothermal development pipeline. Geo Global Energy helped Mighty River Power secure a number of prospects including in promising geothermal nation Chile and in the US.

Water Management



As world water shortage becomes increasingly important New Zealand can become a world leader in ways to conserve water through water management technology. New Zealand water management companies are already making progress in recent New Zealand companies made 18 deals across the world worth NZ\$45 million. There are new technologies like automated irrigation and organic farming enhancing to physical water quality monitoring. A lack of targets for nutrient flows is holding back the nutrient discharge management and nutrient management plans. Proper targets must come from the government. New Zealand is missing an opportunity to use knowledge it already has towards freshwater quality gains.

Biofuels

Production of alternative carbon neutral liquid fuels such as biofuels, can help to reduce New Zealand's oil demand and impact positively on its balance of payments. The first generation of biofuel production is criticized for using almost as much fossil fuel as the energy it produces a New Zealand Crown Research Institute estimates that it is technically feasible to provide 100% of New Zealand's liquid fuel needs 85% of New Zealand's electricity through biofuels. This scenario involves planting an extra 1.8 million hectares of forest on marginal land as it becomes available over the next 25 years.

This will help the economic base and energy security and also help to reduce 500 million tones of CO₂. The current New Zealand Biodiesel Grants Scheme is not as effective as it could be and does not have a sufficiently long term strategy to encourage investment in production facilities. Sweden gives an example of a positive way forward. Sweden is targeting the commercialization of second generation technologies such as cellulosic ethanol with a US\$95 million package spread over the next three years. New Zealand currently has over five million tons of unrecovered biomass if it is well placed country has global research exploring opportunities in bioenergy conversion technologies

Biodiversity

The importance of biodiversity to New Zealand cannot be ignored. Tourism generates NZ\$20 billion for New Zealand's economy and contributes 18% of export earnings. This associate to 9.2% of GDP the number of visitors to New Zealand annually is projected to rise to 2.9 million by 2016. New Zealand's green image is the key to this success ecotourism provides an opportunity for the long term protection of country resources and encouraging innovative green growth. Ecotourism is worth US\$30 billion a year and is growing by 30% per year. According to a survey by the Travel Industry of American visitors spend almost NZ\$450 million in New Zealand each year. For the New Zealand tourism industry it is of utmost importance to keep the environment in premium condition. The Ministry of Economic Development estimates that those tourists who come here for nature based tourism stay longer than other tourists and spend more on average per trip to New Zealand (NZ\$3,040 versus NZ\$2,680)

Aquaculture



New Zealand is an isolated island therefore country has rich marine wildlife and associated industry knowledge. The rise of aquaculture offers opportunities for New Zealand. In the past 30 years aquaculture in New Zealand has grown from very small beginnings to a significant primary industry with currently estimated in excess of NZ\$380 million and with a target of reaching NZ\$1 billion in sales by 2025. Sustainable aquaculture has the potential to make a significant contribution to New Zealand's economy. This industry currently employs over 3,000 people and this figure is expected to increase in coming years. The aquaculture sector is the world's fastest growing seafood sector. The Food & Agriculture Organization predicts global demand for seafood will almost double from 45 to 85 million tones by 2015. aquaculture of new Zealand is produce currently exported to 79 countries. the quality assurance programme of new Zealand for shellfish is recognized as one of the strictest in the world it does not use antibiotics, pesticides, vaccines in salmon farming practices. The high quality of New Zealand's coastal waters creates ideal conditions for shellfish aquaculture. A Ministry of Agriculture and Forestry (MAF) survey of the New Zealand industry in November 2011-12 found no major environmental problems

4.6. Legal Environment

New Zealand's Tax system

New Zealand's moves differ from many countries where Governments are boost taxes to meet growing budget deficit.

While it is no tax place of safety, New Zealand has simple tax laws with a focus on minimum loophole. It has the major attractions of predictability, fairness and simplicity.

NZ offer positive tax surroundings for investor's assets & earnings.

NZ tax at a glance

Personal Income	Above \$70,000 - 33% \$48,001 to \$70,000 - 30% \$14,001 to \$48,000 - 17.5% \$0 to \$14,000 – 10.5%
Company Income	28%
Sales & Excise Tax (GST)	15%
Fringe Benefit Tax	49.25%
Gift Duty	None
Estate Tax	None
Capital Gains & Dividends	Capital gains: Applies to foreign debt and equity investments and not in NZ investments. Dividends: Imputation system to avoid double tax
Tax on savings	Distributions are tax free as at source tax paid at normal income levels

Key features of New Zealand's tax system include:

- No health care tax, apart from a minimal accident compensation tax.
- No general capital gains tax
- No social security tax
- No payroll tax
- No local or state taxes apart from property rates paid to local authorities
- No inheritance tax

Four years' tax concession:

If you are taking into consideration living in NZ a big hold is the tax allowance on overseas investment income & pensions that apply for your first four years of living.

Only you're NZ sourced income is liable to income tax for that 4 years period.

No capital gains tax on New Zealand investments. Tax can apply to realized and non-realized gains on overseas portfolio together with exchange gains.

Avoid double taxation:

You may find yourself a tax resident in New Zealand as well as in another country or region in that case it is possible that your income could be taxed twice.

NZ minimize that double tax situation by providing credits for tax paid overseas on income that is also subject matter to New Zealand tax. In NZ, You must have to pay tax if you stay for more than 6 months in any 12-month period. Even if you are student you have to pay tax. Tax is deductible from your wages or salary as PAYE(pay as you earn).

Financial year:

In New Zealand financial year run from 1 April to 31 March.

Take an IRD number:

Your employer will ask for your IRD number when you start a job. This is your individual tax number. You can call on 0800 227 774 for IRD number 8am to 8pm Monday to Friday & 9am to 1pm on Saturday.

Trade and Foreign Investment - Policy

Trade Agreements

All international treaties must be vote in assembly before being signed and must give full effect to our Treaty of Waitangi obligations. It must put the human rights of peoples and governments before those multinational company investors.

Environmental agreements through an International Trading Organization and regional trading agreements to replace the WTO.

Human rights

Stop importing goods produced by slave, prison or child labor.

Preserve the right of tangent when to protect themselves and their tango from trade and investment related exploitation.

Ecological sustainability

Ban trade in GMOs except under strict bio security controls for contained use.

Reduce the introduction of unwanted foreign variety.

Just and sustainable production and trade

A government assurance to buy local reduce our confidence on imported goods. For e.g. The food we can grow here.

Goods and services produced or sold in NZ to meet up quality and sustainability standards for e.g. the energy and recycling standards.

Support fair trade with developing countries that maintain sustainable growth.

Preserve or impose tariff, quotas or bans to stop unfair competition from unjust or indefensible production For e.g. forced labor, unsustainable classification.

Resist trade deregulation in public services, goods and utilities & where pretty, roll back GATS commitments.

Investment safeguards

Land ownership for New Zealand citizens and stable residents only.

More strict conditions on out of the country investment.

Analyzing the Monetary and Fiscal Policy of New Zealand

When it has a urbanized economy, due to large part of trade and exports, GDP much depend on it. It is subject to unstable fluctuations in GDP growth.

An active role takes by the government in the economy with large social programs, participation in healthcare and state-owned-enterprises.

By evaluating different factor of the economy we can decide whether or not this is a good venture position for a new developed plant.

Fiscal and Monetary Policy

Due to the joint constitution of the New Zealand Treasury and Reserve Bank,

- The Reserve Bank controls the OCR & reserve necessities of banks - the monetary policy.
- The Treasury maintains control the fiscal policy of the Crown including management of state-owned enterprises.

The Treasury's role in Fiscal and Monetary policy during the 2008-2009 financial crises

The Treasury will have to focus to bring down debt to a careful level to ensure a stable economic environment & a public division that produces quality goods.

The size of purchases by the government has a large impact on the overall GDP because of the nature of the NZ economy.

The Reserve Bank of New Zealand sets reserve requirements for the banks as part of NZ's monetary policy.

Currency information

Inflation	1.6%
Coins	\$1, \$2, 10c, 20c, 50c
Bank notes	\$5, \$10, \$20, \$50, \$100
Central Bank	Reserve Bank of New Zealand Users: New Zealand, Cook Islands, Niue,

Patent System in New Zealand

New Zealand is known as having a sound Intellectual Property legislation and steady Intellectual Property base. A Patent Office guarantees a well searched technical measurement to be reported within 5 working days of filing.

New Zealand independent government authority has an ability to be given an early Technical Examination and search Report and receive an application date with huge value to both the patent agent and his or her client.

The report may confirm the innovation and not cover any prior art otherwise it will be the case. In short, it offers an self-determining review of the innovation which can be used to rework.

Copyright, trade marks & intellectual property rights notices

Copyright:

Under the Copyright Act 1994, there is no need to register copyright in New Zealand as copyright defense comes into existence automatically when an original work is made and fixed. Original works created in countries who are party to the Trade-Related Aspects of Intellectual Property Rights Agreement are also confined in New Zealand under this Agreement.

Trademarks:

In New Zealand, a trade mark owner seeking protection of their trade mark must first register the trade mark with the Intellectual Property Office of New Zealand (IPONZ). The security that is obtainable to trade mark owners in New Zealand sets out the Trade Marks Act 2002.

Indemnity and security:

If you are filing notices with Customs for the first time, you will necessary to lodge a cash security amount to \$5,000.00 at that time. The cash security must also be accompanied by a finished security instrument. The security device is document that contains an indemnity

clause allowing Customs to draw upon the cash security, if necessary for the purposes of recovering any managerial or legal costs it incurs when enforcing a notice on your behalf.

There are 3 forms of security device available to supply for types of notices you will be filing with Customs:

1. Security under the Trade Marks Act 2002
2. Security under the Copyright Act 1994
3. Dual-purpose security for persons lodging notices under both the Trade Marks and Copyright Acts.

Authorization to act:

Intellectual property law can be complex and Customs' role forms just one part of a larger picture. It is suggested that you consult with a patent attorney or law firm specializing in intellectual property law before started. If you are using a law firm to act as your agent you will need to supply them with a letter authorizing them to act on your behalf in deference of filing border protection notices with us.

Enforcement action by Customs:

In cases where Customs intercepts supposed counterfeit or pirated goods at the border – for which a notice has been filed – we will investigate further and determine whether these goods infringe your intellectual property rights. If we consider that to be the case, we will detain the goods and give you 10 working days to initiate Court proceedings against the importer. This period may be extended up to a total of 20 working days if there is good reason to do so.

In cases where an importer concedes that their goods contravene your intellectual property rights, the importer may consent to the goods being surrendered to the Crown.

If, as a trade mark or copyright owner, you choose not to take any Court action, then we are appreciative by law to discharge the in custody goods back to the importer.

Chapter-5

Scope of Business

GROWING INDUSTRIES:

1. TOURISM

Tourism Industry covers huge range of business directly or indirectly. Tourism provide stage to introduce the domestic culture, uniqueness ,infrastructure of country to the world.

2. SEAFOOD INDUSTRY

Seafood is among New Zealand's top 10 largest exports, and international sales have grown from just NZ\$500 million to NZ\$1.5 billion over the past 20 years. Products are exported all over the world. Major markets are China, Australia, the United States, Hong Kong and Japan.

3. SUSTAINABILITY

The New Zealand fisheries Quota Management System (QMS) was introduced in 1986, with the aim of conserving major fisheries stocks and making the fishing industry more efficient. There are now over 95 species or species groups managed under the QMS. This management system covers most major fisheries within New Zealand's exclusive economic zone, and will eventually cover all commercially harvested species.

4. AQUACULTURE

New Zealand is a world leader in sustainable aquaculture, and the country is one of the best in the world for growing seafood, due to the high quality of its natural environment and clean wat

New Zealand farms operate under some of the world's best standards of water quality and environmental sustainability. National standards for sustainable aquaculture, developed by the government and industry, will ensure that New Zealand continues to be a world leader in management of sustainable aquaculture.

5. INNOVATION

Innovation is a pillar of the New Zealand seafood industry, from the development of new harvesting and distribution methods that maximise quality, to the creation of new, added-value products. More than 70 percent of New Zealand's seafood exports are considered added-value..

6. OIL AND GAS INDUSTRY

The oil and gas industry has a wide range of uses and play an important role in fuelling the economy of New Zealand. New Zealand is an under-explored petroleum destination by international standards.

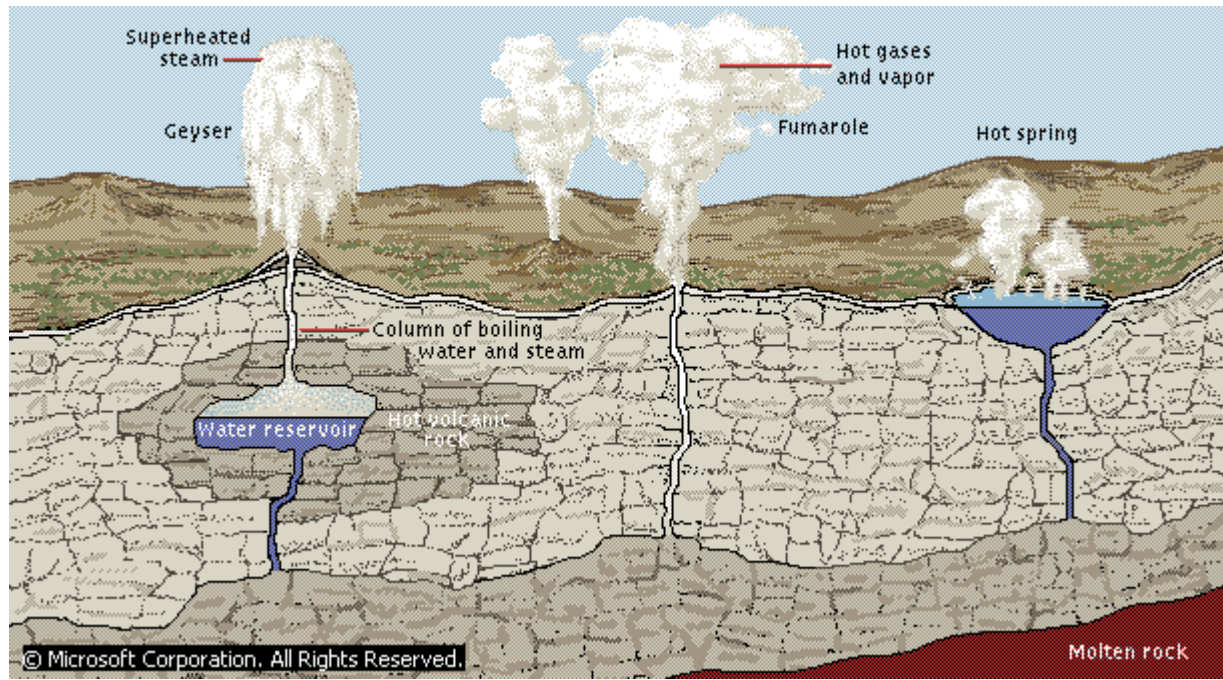
7. AGRITECH

Agricultural technology (agritech) developed in New Zealand has emerged as a key differentiator for the international farming business. It is helping to deliver higher yields and greater reliability in farming outcomes around the globe.

Agriculture is one of New Zealand's largest industries, employing more than 114,000 people in full-time equivalent positions.

5.2. UPCOMING INDUSTRIES:

1. GEOTHERMAL ENERGY DEVELOPMENT



According to the current sustained development it is expected to develop in the electricity generation sector for the next 15 to 20 years and it may be boom over next 5 to 10 years. The continued growth is expected for geothermal heat supply and direct use.

This growth is attempts the requirement for the energy is already started by doing major investment by national generators. And they have sufficient resources to sustain the growth expectations for the above period.

Chapter - 6

Business Plan of Wine Bar

INTRODUCTION:

New Zealand Wine:

New Zealand is a premier new-world wine country, producing award-winning wines that reflect the clean air and sunshine. Top quality wines are exported to cellars worldwide.

Best known internationally for sauvignon blanc, New Zealand also has a growing international reputation for pinot noir, chardonnay, pinot gris, riesling, carbernet sauvignon, merlot and method traditionnelle sparkling wines.

Most of the country's more than 500 winemakers are boutique, small scale operations producing low volumes of niche varieties. The industry supports more than 16,500 full-time jobs.

History of New Zealand Wine:

The winemaking industry in New Zealand may have begun in 1819, when the first vines were planted on North Island. It may have begun in 1836, when an Australian winemaker made New Zealand's first wine. Or it may have begun in 1873, when the country produced its first wine for commercial purposes.

The rootstock of America, to graft grapes of their own, they were using the grapes of America to produce wine of New Zealand and planted grapes in the United States simply instead.

Also, the producers of New Zealand, to compensate for the grapes to increase the volume, not ripe, are allowed to add both water and sugar in the wine. For the 20th century, most of the drunk wine of New Zealand, these practices suspicious vines and in the United States, produced a wine of low quality like this that have been imported from Australia actually much.

In 1919, New Zealand refused to legislate requiring the prohibition of alcohol in the state. Prohibition has not been established, but the government discourages alcohol consumption in a variety of ways. Through the 1950s, wine could not be sold in shops and restaurants, it was not until 1990 that they were allowed to supermarkets to sell wine in the end.

The situation when I started to place more emphasis on quality, producers began to brighten in the 1970s. Replaced grape varieties Hardy is excellent, the government placed a limit on the amount of water that the producer is added to the wine in the end. To be led government and local interest falls, the explosion of production, exports became a major market soon.

New Zealand Wine Region:

New Zealand, has a major wine producing area of 10. The wine regions of first-class, there is a Hawke's Bay Marlborough and North Island Auckland, Gisborne, Wairarapa and (Martin), Central Otago, Canterbury South Island.

We produce a broad spectrum of wine, mini-climate grape varieties in the geographical area of these, and soil structure was changed.

Hawke's Bay and Marlborough is a producer of premium wine of two of New Zealand. Product types include:

Sauvignon Blanc - Marlborough

Pinot Noir - Martinborough, Central Otago

Cabernet - Hawke's Bay, Waiheke Island

Chardonnay - Gisborne

Pinot Gris - Martinborough, Central Otago

Also New Zealand, Methode you have outstanding produce Traditionelle sparkling wine.

New Zealand Winery:

There are about 500 wineries in New Zealand is divided into three categories:

Category 1 Winery - less than 200,000 liters of production

2 million liters production - 20,000 - 2 category

Production in excess of 2 million liters - 3 category.

Three major wineries of New Zealand is Nobilo Montana, and Villa Maria.

New Zealand wine exports

The growth of nearly 24% every year, export earnings from the production of NZ wine has seen a tremendous increase over the past 20 years.

Wine industry in New Zealand is contributing NZ \$ 1.5 billion over two years more than the national economy.

Wine market in New Zealand:

Following the United Kingdom and the United States, Australia is the largest market of New Zealand. Exports to Asia and Canada will continue to increase.

Inspiration of Europe:

Auckland is a founding area of New Zealand wine industry, it features a vineyard of more than 50 in a range of places to beautiful Waiheke Island from west Auckland.

West Oakland was the first region to produce wine in New Zealand driving by the community of Croatia which introduced New Zealand on how to love the wine of life. Behind Selaks, Babits, such as Villa Maria, a label best known Auckland area, are many of today the name of the Dalmatian and Croatian.

PESTEL ANALYSIS

Political:

The Wine industry in the New Zealand, there is no political challenges, no trade restriction and government rules and regulation for producing wine. The government of New Zealand support to all businesses including Wine industry. The government ran a viticulture research station at Te Kauwhata, in the Waikato, from 1901 until the 1980s. The two most important government agencies in the trade field are the Ministry of Foreign Affairs and Trade (MFAT) & New Zealand Trade and Enterprise (NZTE). They have two separate roles; MFAT open the door for foreign markets by overcoming or dropping trade entrée barrier and NZTE helps New Zealand businesses by provided that export development consultancy services.

Economy:

The New Zealand wine industry makes a significant contribution to the New Zealand economy in terms of output, GDP and employment. This impact extends well beyond its direct sales and employment activities due to its strong links to other sectors in the New Zealand economy such as tourism, retail sales and bars and restaurants. Value-added is the most commonly accepted measure of economic activity. The sum of value added across all businesses is termed Gross Domestic Product (GDP). The wine industry contributes a total of \$1.52 billion in value-added to the New Zealand economy, of which \$1.06 billion is from indirect and induced impacts. The employment effects of the wine industry are also significant. The wine industry directly employs around 5,900 full time equivalent workers. 2 Approximately 10,600 full time equivalents are employed elsewhere in the economy due to the activity within the wine industry. The total employment impact of the wine sector is estimated at 16,568 full time equivalent workers. These have experienced solid growth in export earnings since 1990. From a total of \$2.9 billion in exports in 1990, export receipts reached \$8.7 billion in 2006. Major markets are the United States, Australia, Europe, Japan and China.

Social and Culture:

The New Zealand people prefer more non-vegetarian food than vegetarian and also they eat Sea-food more with wine. Majority of the people prefer wine as a regular drink of their life. There are growing range of Wineries and Wine Bar in many cities. New Zealand wines and beers compete with the best winning awards around the world.

Technology

Wine Technology in New Zealand is the leading independent business. In New Zealand wine technology is the best technology in the world which produces world's best award winning wines. Nelson Marlborough Institute of Technology is launching a new course to meet industry demand for people skilled in organic wine production. The Marlborough Wine Research Centre - located in Blenheim, in the Marlborough wine region - is at the heart of Kiwi vine technology. The research centre works with universities and research facilities to provide scientific leadership and technological development for the wine industry.

Environmental:

Climate in New Zealand is firmly linked with the country's economic performance, as a significant amount of the country's economic activity is based on agriculture production. New Zealand based research has shown the relevance of climate on agricultural production through its influence on soil moisture, rainfall and air temperature. The effect of droughts and floods on agricultural output is almost always negative. So the agriculture is the main base for the Wine industry.

Climate affect on pasture growth / dairy agricultural production determined by

- Rainfall days
- Soil moisture deficit
 - rainfall needed to return the soil to saturation
- Growing degree days
 - number of degrees that the average temperature is above a baseline value (5°Celsius)

Legal:

The some Act available in new Zealand which are as follows:

Agricultural Compounds and Veterinary Medicines Act 1997

The ACVM act impose conditions on the import, manufacture, sale and use of agricultural compounds to ensure they do not cause a breach of food residue standards, which could adversely affect consumers or animals or jeopardise international trade

Wine Act 2003

The production, processing and export of wine are covered by the Wine Act 2003. According to the Wine Act 2003, the company who wants to produce the wine have to registered Wine Standard Management Plan.

An application for registration of a wine standards management plan must be made in writing in a form or manner approved by the Director-General

The Director-General may require an applicant to supply further information or other material before determining whether or not to register a wine standards management plan.

If the information or material is not supplied within 6 months of the date of the request, or within such further time as the Director-General allows, the application for registration lapses.

Wine Regulation 2006

Wine and wine products must be free from hazards.

SWOT ANALYSIS

Strengths:

- Strong and growing success in premium/super-premium
- Achieves a strong price premium in key markets
- Highly dependent on four countries (AU, UK, USA and Canada)
- Increasing exports of bulk wine
- Growth in market share in key markets
- Innovative and quality-focused winemakers
- Closer shipping distances to Asia compared to European competitors
- Demonstrated capabilities in beverage production

Weaknesses:

- Large number of small wineries with low/no economies of scale
- High debt levels of many small and medium sized wineries
- Lack strong super-premium heritage brands as demanded by brand and status conscious Asian consumers
- Long shipping distance to traditional western markets
- No large New Zealand owned champion growing and driving New Zealand brand position in beverages

Opportunities:

- Continued income growth in Asian markets and Canada
- Biggest market of New Zealand wine consumption is Australia, UK and US
- Joint in-market activity spreading cost of marketing
- Automated vineyard pruning technology reducing requirements for labour
- Strong and growing demand in Asia for premium fortified wines/wine based spirits
- Leverage success of New Zealand wine industry; build on awareness of New Zealand in wider premium beverages segments
- Wide range of New Zealand unique plants available as flavouring
- Rapidly growing demand for premium alcoholic beverages in Asia

Threats:

- Difficult finding good distributors to gain access into key markets
- Continued growth of bulk wine trade reducing the value of wine
- Oversupply of wine globally increasing pressure on price
- Continued growth of retail brands/store brands in wine
- Changing consumer sentiment

Business Plan:

Alcoholic beverages is a major opportunity for investors. Wine has shown rapid growth in New Zealand.

The **Auckland metropolitan area**, in the [North Island](#) of [New Zealand](#), is the largest and most populous [urban area in the country](#). It has 1,397,300 residents, which is 32 percent of the country's population.

- New Zealand Sauvignon Blanc a “must-have” component of portfolio for major global wine companies
- Three of the top five US wine companies in NZ
- Three of the largest EU alcoholic beverage companies in NZ
- Three of the top five Australian wine companies in NZ
- Future area growth of Marlborough limited due to geological constraints

In following locations the Wine Bar available in New Zealand. Maximum number of Wine Bar is in Auckland and there are more requirement in Auckland so we select this region.

- [Auckland](#) (15)
- [Bay of Plenty](#) (3)
- [Canterbury](#) (14)
- [Hawkes Bay](#) (2)
- [Manawatu-Wanganui](#) (3)
- [Marlborough](#) (1)
- [Northland](#) (1)
- [Otago](#) (4)
- [Waikato](#) (3)
- [Wellington](#) (7)
- [West Coast](#) (1)

About the Wine Bar:

Name of the Wine Bar:

“The Real Wine Store”

The Real Wine Store will be a partnership firm consisting of two partners, out of these two one partner will be going to New Zealand to setup a Wine Bar like getting license, promotion, strategic location for Wine Bar and then getting it on rent and hiring employee from New Zealand.

Time of Wine Bar: 3 pm to 10 pm

Place:

- 107/150 KARANGAHAPE RD,
- L1 SHOP 7,
- AUCKLAND CITY,
- AUCKLAND

Area: 1119 (Approx SqFt) / 104 (Approx m2)

(<http://www.menus.co.nz/wine-bars/>)



Mission:

Our mission is to provide best quality of wine in Auckland city of New Zealand and create big image in customers mind.

Vision:

To provide best wine at reasonable price

Customers can feel great relaxation in the Wine Bar

Promotion:

- The main objective would be to make aware the people of New Zealand about our Wine Bar through newspaper advertisement and hoardings. The advertising started before the three months of inauguration of the Wine Bar.
- We will provide a discount coupon to every customer and this discount will be redeemed on the next month purchase.
- We are also connected with the people by internet that is, we are making our own website so that New Zealand people as well as the other countries tourists are also connecting with us.

Product & Price

At the starting of the Wine Bar, the only selected varieties should be served and the selling price of Wine per glass is shown as below.

Sr No.	Name of Wine	Price per Glass (NZ\$)
1	Outback	10
2	Tomato Sauvignon Blame	11
3	Hawkesbridge 2010	13
4	Limited & Clease	12
5	Dorreien	18
6	Esl Ralley	12
7	Hawkesbridge 2019	13
8	Ribbonwood	12
9	Chateau Bordeneuve	13
10	Lobster Reef	17
11	Krondorf	13
12	Goldwich Crossing Vineyards	13
13	Coopers Creek	13
14	Fierte	12
15	The Rocks	12
16	Paradox	12
17	Stonyfell	12
18	Zenith	11
19	Penfolds	14
20	Crosse Vineyard	12
21	Dog Point Vineyard	14
22	Amberton Brut	11
23	Youngnick	11
24	Gusfane Sorantz	16
25	Veuve Cliequot Ponsardin Rose	40
26	Veuve Cliequot Ponsardin Brut	40



Human resource:

- The human resource agency will be contacted for hiring employees.
- For employees that need to be hired on temporary basis a contract company supplying human resource will be contacted.

	Designation	No. of person	Education Qualification	Skills Required	Salary (NZ\$)
1.	General Manager	1	MBA	-Having experience Of 1year -Having Good Leadership Skills, Managing Team. -Taking Decision Regarding All The Activity of Wine Bar Including Stocks Also.	3570 (per hour 17NZ\$)
2.	Cashier come accountant	1	Commerce graduate with main accounting	-Knowledge of computer and accounting	2200
3.	Counter Boy	2	12 th pass	-Good communication skill -Who can handle customers very softly and delightly	1680
4.	Waiter	2	12 th pass	-Good communication skill -Who can handle customers very softly and delightly.	1680
5.	Security Guard	2	12 th pass	-Healthy and fit -Who can handle any situation if occurs in the Wine Bar	2000 (per hour 10NZ\$)

[\(http://www.careers.govt.nz/\)](http://www.careers.govt.nz/)

Financial Analysis:

Note: All amounts shown in financial analysis is in NZ\$.

Starting business with the capital of 25000 NZ\$ per partner.

Fixed Expenses:

Particulars	Quantity	Total Amount
Wine Bar Counter	1	3000
Counter Stools	6	363
Pub Table with 2 Chairs	10	1710
Wine Bottle Holder	5	220
Crockery	-	1800
AC	Central	2500
Heater	3	1500
Lighting	-	500
Computer	1	500
Music System	1	1000
TOTAL	-	13093

<http://www.onewayfurniture.com/woodchair.html>

Projected Profit and Loss Statement:

Particulars	1st year	2nd year	3rd year	4th year
Sales	271800	343208	392792	415352
Closing Stock	10760	12720	15080	16480
(-)Purchases (includes Purchase expenses)	96000	114165	126200	136760
(-)Opening stock	–	10760	12720	15080
Gross Profit	186560	231003	268952	279992
Balance Carried Forward	–	(4276)	41091	124307
(-)Operating expenses:				
Business License Fee	2500	–	–	–
Liquor License Fee	800	–	–	–
Salary	133560	133560	133560	133560
Advertisement expenses (it includes website expense)	2500	2000	2000	2000
Office expenses	2000	500	500	500
Depreciation	1300	1400	1500	1500
Rent and Rates	42276	42276	42276	42276
Insurance of Building	2180	2180	2180	2180
Telephone	720	720	720	720
Misc. Expenses (Electricity expenses, discount coupon, etc.)	3000	3000	3000	4000
Total operating expense	190836	185636	185736	186736
Net Profit / Loss	-4276	41091	124307	217563

BALANCE SHEET

Liabilities	1st year	Assets	1st year
Capital		Furniture	5793
Partner A 25000		AC and Heater	4000
Partner B 25000	50000	Computer	500
		Music System	1000
		Crockery	1800
		Closing stock	10760
Profit and Loss A/C	--	Cash on hand	23171
Depreciation fund	1300	Profit and loss A/c	4276
	51300		51300

Liabilities	2nd year	3rd year	4th year	Assets	2nd year	3rd year	4th year
Capital				Furniture	5793	5793	5793
Partner A 25000				AC and Heater	4000	4000	4000
Partner B 25000	50000	50000	50000	Computer	500	500	500
				Music System	1000	1000	1000
				Crockery	2800	3800	3800
Profit and Loss A/C	41091	124307	217563	Closing stock	12720	15080	16480
Depreciatio n fund	2700	4200	5700	Cash on hand	66978	148334	241690
	93791	178507	273263		93791	178507	273263

Cash Flow Statement:

Particular	1st year	2nd year	3rd year	4th year
Cash Receipts	271800	343208	392792	415352
- Expenditure				
Cash Purchase	96000	114165	126200	136760
Operating expenses	189536	184236	184236	185236
Fixed expense	13093	1000	1000	-
Net Cash Flow	-26829	43807	81356	93356
Cash on hand	23171	66978	148334	241690

Pay Back Period:

$$= (26829) + 43807 + 33022/81356$$

$$= 2 \text{ year and } 5 \text{ month}$$

In the 2 year and 5 month the investment will be covered.

Net Present Value:

Year	Net Cash Inflow	Discount Factor	Present Value
1	(26829)	0.909	(24387)
2	43807	0.826	36184
3	81356	0.751	61098
4	93356	0.683	63762
Total			136657

$$\text{NPV} = \text{Present Value of Net Cash Inflow} - \text{Present Value of Cash Outflow}$$

$$= 136657 - 50000$$

$$= \mathbf{86657}$$

Conclusion:

- ❖ In 2 year and 5 months the company covered the investment which is invested.
- ❖ The Business of opening Wine Bar will profitable and suggested to open the Wine Bar in the New Zealand.
- ❖ We can start to serve snacks after achieving the payback period means we can expand our business as Wine Bar come Restaurant.

Chapter – 7

Business Plan of Travelling Business

INTRODUCTION OF TOURISM SECTOR

Tourism is important for New Zealand's future economic growth. It contributes \$18.6 billion to the economy each year—10% of New Zealand's gross domestic product. It is also an important source of employment. One in every 10 New Zealanders works in the tourism industry. Tourism is largest export sector. International visitors contribute \$9.3 billion to the economy each year, which accounts for approximately 19.2% of export earnings. During the year ended January 2010, 2.4 million international visitors arrived in New Zealand. Domestic visitors are also a vital part of the tourism industry. They contribute \$12.4 billion to the economy each year, and they help sustain tourism businesses during the low season.

Many people in the country provide essential tourist services, such as accommodation, passenger transport, adventure operations and food and beverage venues. With the provision of a diverse range of tourism services comes the related various legal issues, ranging from employment law to resource management.

SWOT Analysis of Tourism Industry

Strength

- One of the youngest country on the earth.
- High literate ratio.
- Culture is progressive.
- Untouched portion of the earth.
- Geographically isolated

Weakness

- Lack of efficient transportation.
- High usage of fossil fuel.
- Foreign ownership of banks and industry
- At the end of the globe.
- Less population and spread in wide area.

Opportunities

- Providing upscale accommodation.
- Natural Landscape.
- Increased Privatization.
- World class theme park.

Threats

- Australia.
- Seasonality of Tourism.
- Terrorism.
- Pollution.
- Foreigners withdraws there investments

6.3 PESTEL Analysis For Tourism Industry

Political analysis

The Tourism Industry Association New Zealand (TIA) will launch its Tourism Future Statement 2011-2014 *The Visitor Economy: Creating Wealth* at The Langham, Auckland this evening (Tuesday 30 August, 6pm)

“Worth \$22.4 billion annually, tourism employs almost one in ten New Zealanders and is the country’s largest export industry, earning more foreign exchange than any other sector”.

Tourism is a resilient and forward-looking industry which is working hard to increase its market share of international travellers, in particular high value visitors

The tourism industry’s five priorities for the incoming government for the next three years are:

- ❖ The government system is a parliamentary democratic system with a Commonwealth kingdom.**New**
- ❖ **Zealand is a democratic country in which the members of parliament (MPs) are chosen in free and fair elections.**
- ❖ Usually the conservative National Party and left-leaning Labour Party have dominated New Zealand political life since a Labour government came to power in 1935.

Economic Analysis

- ❖ Tourism has 10% contribution to GDP.
- ❖ The economic effects of tourism which bring the most benefit to the host nation.
- ❖ Tourism is a low import user which means more of the money earned here stays here.
- ❖ The New Zealand government is earning money through tourist taxes such as the airport tax, and income tax revenue from people employed by the tourism industry.
- ❖ If New Zealand is to see more growth in tourism they must try and make the country more attractive to visit. More flights, low visa requirements, favourable exchange rates.
- ❖ Considering the Negative aspect that country is relying more on tourism Industry

Social Analysis

- ❖ Tourism provide stage for cultural interaction, city with a ‘multicultural feel, improved facilities for local residents, provide employment opportunities.
- ❖ Tourism encourages cultural and traditional acceptance.
- ❖ There are more things for locals to see and do as a result of tourism.
- ❖ Country is much tidier because of tourism-related beautification work undertaken.
- ❖ New Zealanders do not accept the bad and often dangerous driving of visitors that Many residents have reported the rudeness and arrogance of tourists towards residents.
- ❖ Sometimes Communication problems also been seen among tourist and local residents.

Technological effect on tourism industry

- ❖ The convergence of industries has forced people to create terminology such as information technology, biotechnology, ubiquitous technology and even cultural technology to explain frequently talked about topics.
- ❖ Tourism Technology is a term that encompasses all social, cultural, managerial, and value-adding activities of the tourism industry.
- ❖ Tourism Technology also incorporates and encourages technological advancements and economic development in the tourism industry.
- ❖ Tourism industry can adopt to design, produce, and market various tourism products.
- ❖ In addition to coordinating various aspects of human resources in the travel and tourism industry.
- ❖ New Zealand has established Visitor Information Centre for getting travel related Information for tourist well-being.
- ❖ To utilise the technology, Software for tourists is adopted by Industry where tourists can easily organise their trip online.

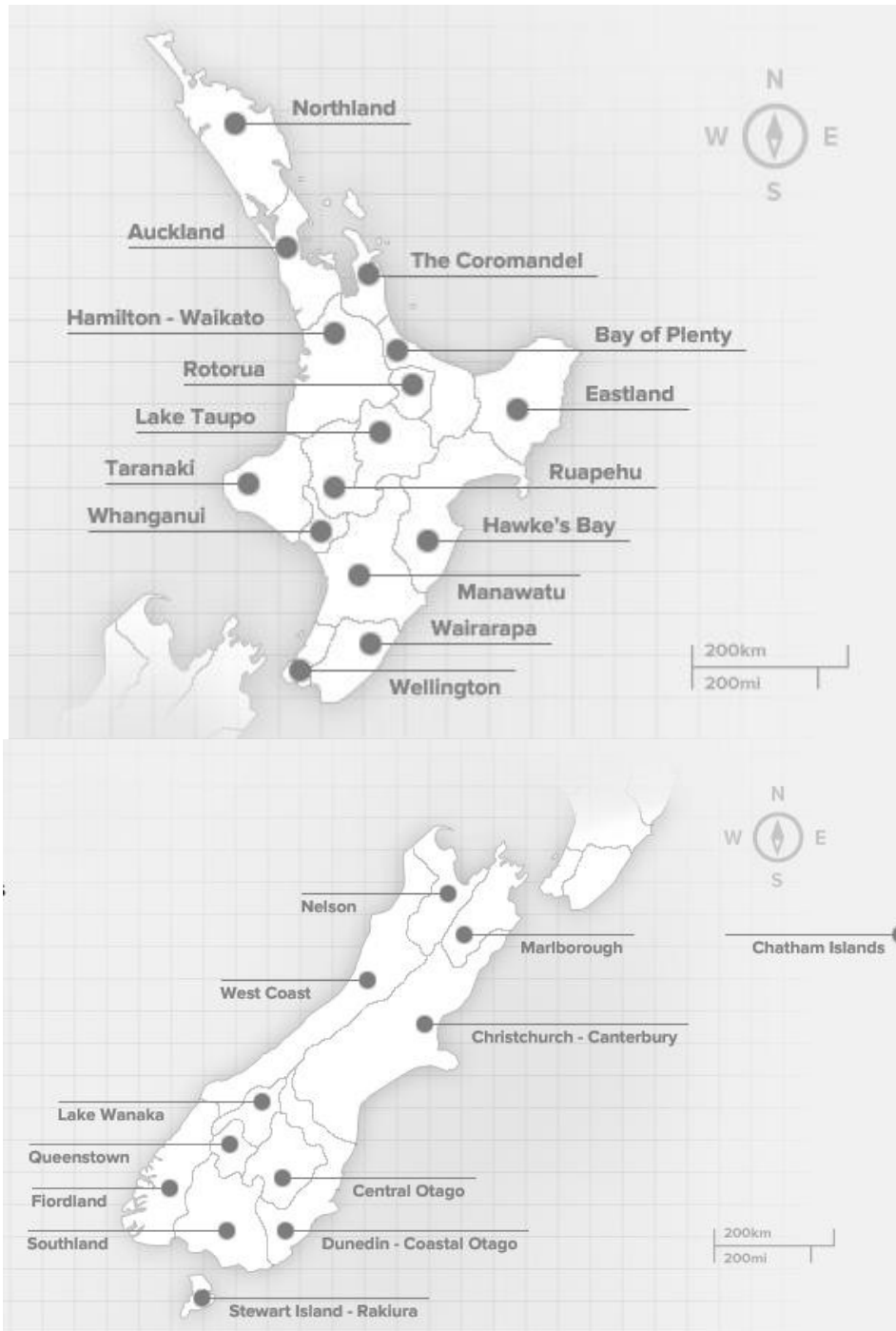
Environmental Analysis

- ❖ The quality of the environment, both natural and man-made, is essential to tourism.
- ❖ However, tourism's relationship with the environment is complex that it can have adverse environmental effects.
- ❖ It involves many activities Many of these impacts are linked with the construction of general infrastructure such as roads and airports, and of tourism facilities, including resorts, hotels, restaurants, shops, golf courses and marinas.
- ❖ The negative impacts of tourism development can gradually destroy the environmental resources on which it depends.
- ❖ On the other hand, tourism has the potential to create beneficial effects on the environment by contributing to environmental protection and conservation.
- ❖ It is a way to raise awareness of environmental values and it can serve as a tool to finance protection of natural areas and increase their economic importance.
- ❖ Concern with the environmental effects, New Zealand is considering the following aspects,
 - Three main impact areas: natural resources, pollution, and physical impacts.
 - Environmental impacts at the global level.

Legal Analysis

- ❖ In every country there are laws that need to be followed by every Industry.
- ❖ New Zealand government has established Tourism Act that is followed by Tourism Industry.
- ❖ Apart from this laws there are other laws as well which are necessary to follow by the industry directly or indirectly and they are as follows,
 - Resource Management Act 1991
 - Historic Places Act 1993
 - Wildlife Act 1953
 - New Zealand Tourism Board Act 1991
 - Tourist and Health Resorts Act 1908
 - National Parks Act 1980

6.4 Places for Tourism in New Zealand



Auckland City

Auckland is the very significant city for New Zealand in Every aspect. The places in Auckland Travelors would like to travel



Waitemata Harbour on a jet boat or experience the thrill of sailing an America's Cup yacht. If you are feeling really brave you can bungy off the Auckland Harbour Bridge or try a controlled base jump off the Sky Tower! Or love a spot of shopping in the heart of Auckland City – explore designer shops tucked away in and around High Street. Discover an eclectic mix of shops and vibrant al fresco cafes in Chancery's cobblestone plaza.

And travel Elliott Stables' gourmet food village for a selection of treats. Check-out Britomart's vibrant shopping, entertainment and business precinct. Surrounded by heritage buildings discover a buzzing neighbourhood of restaurants, funky bars, designer boutiques and art spaces.

A morning or afternoon at Auckland Zoo is always a fantastic experience. The beautifully designed enclosures make you feel like you're in the animals' natural habitat. Discover, imagine and explore the stars above at the Stardome Observatory and Planetarium, or the depths below at Kelly Tarlton's Antarctic Encounter and underwater World. Following stop is the famous beachside suburb of Mission Bay – throw a ball around in the park and lovefish and chips and an ice cream on the coast. Or relax in one of the famous bars or cafes for a

refreshing drink. For dinner head to the award-winning Annabelles Restaurant in the beachside village of St Heliers for a delicious seafood meal with uninterrupted sea views.

Indulge your cultural side and travel New Zealand's largest art collection at the newly redeveloped Auckland Art Gallery. Learn about the sacred tribal history, traditions and ancient stories of the local NgatiWhatua tribe on the Tamaki Hikoi (Auckland Walk) or explore the latest exhibitions and the stories of Aotearoa at the Auckland Museum in the Domain. In the evening, love dinner up the Sky Tower and the beautiful sunset and city lights, or head to the famous Viaduct and Wynyard Quarter precincts to take-in the glittering water, shining yachts and stylish harbourside restaurants.

Hauraki Gulf

Buy an all-day pass for the hop-on hop-off harbour discovery cruise with 360 Discovery. Jump on board the 10am boat at downtown Auckland and cruise to Rangitoto Island – Auckland's key landmark on the horizon and its youngest volcano. A leisurely hike up to the summit takes around one hour and the views are definitely worth the effort.

Next stop is Motuihe Island where you'll love some of the best white-sand beaches in the Hauraki Gulf. After an afternoon of swimming and relaxing, step back on the boat and sail across to Orakei Wharf for a sunset fish-and-chip dinner on the beach at Mission Bay.

Jump on Explore NZ's Whale and Dolphin Safari and head out into the expansive Hauraki Gulf to observe these mammals in their natural habitat. Look out for pods of dolphins and whales, plus keep your eyes peeled for sea birds like gannets and little blue penguins as well as a variety of fish.

Or head up to TiritiriMatangi Island and hang out with the cheeky weka for the day. Take a guided walk and learn about the island's wildlife, flora and fauna. Surrender your senses to the island's beauty and gentle birdsong, inhale nature's fresh air and observe New Zealand's nocturnal wildlife as the sun goes down.

Spend some time exploring Rotoroa Island – the newest addition to Auckland's island adventures. You'll need your walking shoes as the tracks meander through the regenerating native bush, past beaches and up hills to reveal magnificent panoramic views across the Hauraki Gulf. Cool down with a swim in the crystal clear water, and love a barbecue lunch at

one of the free barbecues on the island. Learn about Rotoroa's colourful history at the exhibition centre and explore the jail house and the school house for some really interesting stories. Or simply hang a fishing line over the end of Home Bay wharf.

Love a relaxing stay in one of the island's three Qualmark 4-star plus vibrant holiday homes - the perfect way for families and friends to escape the real world.

North Auckland



Hire a car and drive forty-five minutes north of the Auckland Harbour Bridge, where you'll find an area devoted to producing great food and wine and living the good life. Take a look at the itineraries below for great ideas to help you plan your Auckland day trip. Alternatively, book a trip with Warkworth Tours, and be guided expertly around the region.

Explore the countryside on horseback with Horse Riding Warkworth as you trek over picturesque farmland and through lush forests. Alternatively, head to Goat Island Marine Reserve and book a guided snorkel experience or a dive trip with Goat Island Dive and Snorkel. Or if you prefer to keep your feet dry, love a cruise on the Glass Bottom Boat and marvel at the teeming shoals of fish and other sea life.

Spend a leisurely two hours kayaking up the Puhoi River with Puhoi River Canoes. Listen out for the herons, pukekos and kingfishers as you meander down the wide estuary to the Wenderholm Regional Park before returning to Puhoi by courtesy shuttle.

The Puhoi Pub, with its collection of artifacts and colourful characters is a great spot to refuel before a travel to the Bohemian Museum. Cheese lovers shouldn't miss a travel to the Puhoi

Cafe and Cheese Store where you can view the cheese-making process first-hand and sample some of the range.

Don't miss the unseen gems at Parry Kauri Park – marvel at the 1000-year-old giant Kauri tree, meander along the nearby walking track and discover fascinating collections at Warkworth Museum. Finish the day with a sheep and dog show at Sheepworld just north of Warkworth.

Explore delightful Matakana Village a food and wine lovers paradise. Stroll around boutique shops, love a riverside lunch at Matakana Market Kitchen and later unwind with a glass of local wine from The Vintry whilst you sit back and relax at the boutique Matakana cinemas.

Hit the beach. Gather your surfboard, sun umbrella and a picnic lunch from the superb Matakana Village Farmers' Market (on Saturdays) and head to Tawharanui Regional Park where you can explore one of Auckland's best kept secrets – an open sanctuary where kiwis breed and native plants flourish.

Alternatively, discover some of Matakana's many boutique wineries. Pick up a Matakana Wine Trail map or take a tour and love some cellar-door wine tastings. The award-winning Ascension Wine Estate offers outstanding dining experiences and a unique mix of traditional and unusual styles of wine. At Brick Bay Wines, taste stunning wines in the spectacular Glass House and experience the Sculpture Trail that winds through native landscape.

Stay overnight at Warkworth Lodge located in the heart of Warkworth near local cafes and bars. Or take in the beautiful views at Matakana Country Lodge or Sugarloaf Lodge overlooking the picturesque Matakana countryside - you won't want to leave.

The parks and beaches of the North Shore lend themselves nicely to a stroll or hike on a sunny day. Explore the 45 hectares of bush land around the Chelsea Sugar Refinery in Birkenhead, or stretch your legs along the Takapuna to Milford coastal walk which follows the heritage trail. At low tide the route follows a mixture of paved promenade, beach and lava rocks and is a walk loved by many Aucklanders.

Love an ice cream on Takapuna Beach or a coffee and local art at the Pumphouse Theatre or travel Lake Pupuke – a favourite spot for rowing, sailing and canoeing.

Take the 12-minute ferry ride from downtown Auckland and stroll around the art galleries, book shops and cafes of old Devonport. This captivating maritime village by the sea is also home to New Zealand's naval base where you can travel the museum to learn about the country's naval heritage.

After lunch at one of the cafes in the village centre stock up on delivious sweet treats from Devonport Chocolates. Next take a walk – or even a segway tour with Magic Broomstick Tours - to the top of Mt Victoria and North Head. These volcanic cones offer stunning 360 degree views from the city to the Gulf Islands. On North Head kids of all ages will love exploring the gun emplacements and tunnels.

If you are traveling on a Sunday, you can gather everything you want for an amazing picnic lunch from the Orewa Beach Farmers' Market. Then head to either Shakespear Regional Park on Whangaparaoa Peninsula or picturesque Wenderholm, just north of Waiwera. Both are coastal parks offering great walks with beaches, stunning views, heritage sites and any number of perfect picnic spots. Fire up one of the barbeques and love a delicious feast or play games on the grass. At the end of the day, love a relaxing soak in the mineral pools at Waiwera. These natural thermal pools are a great place to unwind and relax.

Waiheke Island



When you have only a few hours to spare, book a wine, food or sightseeing tour and explore the island with a local. The guides share stories of life on the island and point out hidden secrets. Sample award-winning wines in the beautiful vineyards, taste delicious local produce, see impressive local artwork, love the stunning scenery and learn more about Waiheke Island. Stop for a gourmet lunch at one of the island's top vineyard restaurants or at a village beachside cafe.

Hire scooters or bikes and explore the 'island of wine'. Take in the panoramic sea views at Mudbrick, TeWhau and Cable Bay or love a glass of the legendary Larose at Stonyridge.

For adventure seekers, zoom across the tree tops and vineyards on a flying fox zipline. Then love a gentle, guided hike back up to the travel centre, where you will learn about local flora and fauna along the way.

Or make a day of it, with archery, laser claybird shooting and all manner of fun activities at Wild on Waiheke. Finish the day with a leisurely stroll along the white sand at Oneroa Beach. Or take a dip in the ocean before heading to one of the local eateries in Oneroa for a delicious bite to eat.

Pick-up a rental car and explore the eastern end of Waiheke Island. Connells Bay Sculpture Park is where art and nature unite to create unique and thought-inspiring sculptures.

Spend a few hours exploring the tunnels and gun emplacements of Stony Batter – a historic fort from WW2 – before moving down to the famous summertime destination of Onetangi Beach. The two kilometre stretch of white sand lends itself to all manner of beach activities

so bring the cricket bat and volleyball with you. Or if you'd rather relax on the beach, find a bit of sand underneath a sprawling pohutukawa tree to spread out on.

West Auckland



Head west along the northern side of the Manukau Harbour to Titirangi village for brunch before driving on to the AratakiTravelor Centre, the gateway to the Waitakere Ranges Regional Park. Set on a ridge surrounded by rainforest, it offers spectacular views and insights into the area's heritage and natural history. Pick-up a map and explore the walking tracks in the rugged Waitakere Ranges.

If you're feeling energetic, there are a variety of tracks to choose from, many of them less than one hour's walk. Pick up a map to help you find your way around the park or talk to the park staff and get their recommendations.

If you have a penchant for wine, you'll love the unique cellar-door experiences available in the Kumeu region. The area is steeped in history with wineries dating back to the 1930s and ranging in size from boutique artisan winemakers to some of the best-known names in wine. Take a tour or pick up a wine trail map and experience the region at your own pace.

If adventure is more your thing, head to Parakai for Auckland's best skydiving experience with Blueskies Skydiving and finish the day with a soak at Parakai's thermal hot pools

If excitement beckons, drop in to Woodhill Forest where rain or shine, 4-Track Adventures offer fun-filled quad biking experiences. Or join a group of adventure enthusiasts for a day of canyoning in the heart of the Waitakere rainforest.

Pack your wetsuit and spend a few hours surfing the waves that roll in from the Tasman Sea then head up to the viewing platform above Muriwai – here you'll be able to experience the awesome sight of looking down on a vast gannet colony. About 1,200 pairs nest here from August to March each year.

Christchurch

Travelers can arrive in Christchurch through our international airport, by rail from the Inter Island Ferry at Picton, or by road on State Highway 1.

Getting here is easy. You may find leaving a little more difficult ...



Explore the city's green heart, Hagley Park, for world-class entertainment at the pop-up events village, now home to Christchurch's iconic festivals and events calendar (bethere.co.nz).

So make sure you explore Christchurch and its amazing Canterbury backyard; this vibrant and picturesque city is surrounded by natural wonders – the sparkling Pacific Ocean, majestic Southern Alps, and an ancient volcanic peninsula.

Discover Canterbury's lush vineyards, pristine glacial lakes, worldclass natural wildlife experiences and Mount Cook National Park – all part of this region of remarkable contrasts.

Akaroa Harbour is the chosen destination for cruise ships traveling Canterbury during the 2012/13 season, due to earthquake damage in LytteltonHarbour. The cruise ship season runs from October to April each year. Depending on the size of the vessel, each cruise ship could have up to 2000 travelers. Very occasionally two cruise ships will travel Akaroa Harbour at the same time, resulting in a maximum number of 4000 travelers.

Bus and shuttle operators link Christchurch and the east coast, connecting coastal and inland settlements with northern destinations such as Picton and Nelson, and southern towns like Dunedin. Operators connect Christchurch to Arthur's Pass, the West Coast and Mt Cook. Rail options for east coast and coast-to-coast travel are provided by TranzScenic.

Wellington

Places to travel in Wellington

Museum of New Zealand (Te Papa Tongarewa)



Southward Vintage Car Museum Mount Victoria



Old St Paul's Cathedral



Wellington Botanic Garden



Dunedin

This tour runs on a section of railway which was considered the highlight of the trip between Christchurch and Invercargill and offers spectacular views over Otago Harbour and the wild Otago coastline. It is considered one of the "must-do" railway trips in New Zealand.



A highlight of your travel to Dunedin is a trip on the Taieri Gorge Railway - one of the world's great train trips and one of Dunedin's top attractions. Departing daily from downtown Dunedin into the Taieri Gorge, this trip travels through some of New Zealand's most beautiful scenery which cannot be seen from the road!



Spend half a day with the horses on the beaches of Aramoana. Suits beginners or competent riders with a maximum of two people per trip. View wildlife from horseback, including seals, sealions and penguins. Advanced riders will relish the opportunity to gallop along the white sands of the shore.



An unforgettable experience awaits, the highlight of your Dunedin travel! Love a fully guided tour of New Zealand's only castle, Larnach Castle, built in 1871, followed by a Wildlife cruise on NZ's most picturesque harbour and peninsula with Monarch Wildlife Cruises. Be fascinated and exhilarated with the wealth of wildlife, dramatic views, so close, so natural - the only way to see it all - Otago Peninsula, Otago Harbour, Tairaroa Head

Napier

If you're looking for something unique and outstanding to do while you're in Napier, one of our daily tours is your answer. Our guided tours are like nothing else you've ever experienced. Aboard the Hawke's Bay Express, a luxurious road train that's a steam train on the outside and a 1930s time warp inside, you'll explore Napier in true Art Deco fashion. Through our commentary, you'll learn all about the city and region, local legends, and the achievements of great New Zealanders.



Welcome to Hooters Vintage & Classic Vehicle Hire. Whether it's a personalized tour or the experience of driving yourself, 'Hooters' is the perfect company to tailor make your package, whatever your needs and get you into your dream car today.

Nelson

Welcome to the Buried Village. Violent and unexpected, the volcanic eruption of Mount Tarawera was New Zealand's greatest natural disaster. It destroyed the eighth wonder of the world - the magnificent Pink and White Terraces. For more than four hours, rocks, ash and mud bombarded the peaceful village of TeWairoa . Now nearly 120 years on, the excavated village offers a first hand insight into the devastation, chaos and mayhem that transpired on the night Mount Tarawera erupted.



Polynesian Spa is New Zealand's leading international spa, providing a unique thermal spa experience on the shore of Lake Rotorua. In a tranquil setting overlooking Lake Rotorua, travelers can love a wonderful fusion of relaxing hot mineral spring bathing, sumptuous spa therapies, and picturesque lake views.

Like rain in England, leprechauns in Ireland and moose in Canada, there's one thing most people associate with New Zealand - sheep! That's why no trip to Rotorua would be complete without a travel to The Agrodome and the chance to interact with New Zealand's friendliest animals.



6.5 Traveling Business Plan For New Zealand

Why we have Selected Travelling Business?

The Tourism industry is important for any country and normally every country supports this industry and same New Zealand promotes tourism. The New Zealand has the natural resources and environment which provides relaxation to anyone. The New Zealand VISA policy is also very liberal.

The Gujarati's are having found of travelling and hanging out. That's why we have selected tourism industry to establish our business. At initial stage we establish our business just for Gujarat and we will expand to the national and international level and also we will establish other offices.

MISSION

The Dream Trip's mission statement is to provide superior, personalized service through our staff of dedicated people. To fulfill this mission, we are committed to:

- Partner with our agents.
- Attracts customers and exceeds their expectations,
- Provide competitively-priced and quality claimed service.
- Take advantage of technology.
- Profitability.

VISION

“Dream Trip Travel Agency focuses on diverse business in terms of market, customer and travel service & product in all fields of inbound, outbound and domestic travel with an aim to become one of the leading travel companies in the region”

Marketing Analysis

Products (Packages)

Package 1 True Value Package Price is **Rs. 85,000** per Person plus Taxes

It Includes

Accommodation,

Transportation,

Morning Breakfast and Dinner.

Package 2 Economic Package Price is **Rs. 1,10,000** per Person plus Taxes

It Includes

Accommodation,

Transportation,

Morning Breakfast and Dinner

Entry Pass

Package 3 Luxurious Package Price is **Rs. 1,30,000** per Person plus Taxes

It Includes

Accommodation,

Transportation,

Morning Breakfast and Dinner

Entry Pass

Sight-seeing of Auckland City

Package4 Royal Package

Accommodation,

Transportation (Separate vehicle),

Morning Breakfast Lunch and Dinner

Entry Pass

Sight-seeing of Auckland City

Tour Guide

Package 5 Customize Package

Package 4

Price is Rs. 1,90,000 per Person plus Taxes

10 Night 11days time duration and places are covered

Package 3 plus

Malborough

Central otago

Dudedin

Southland

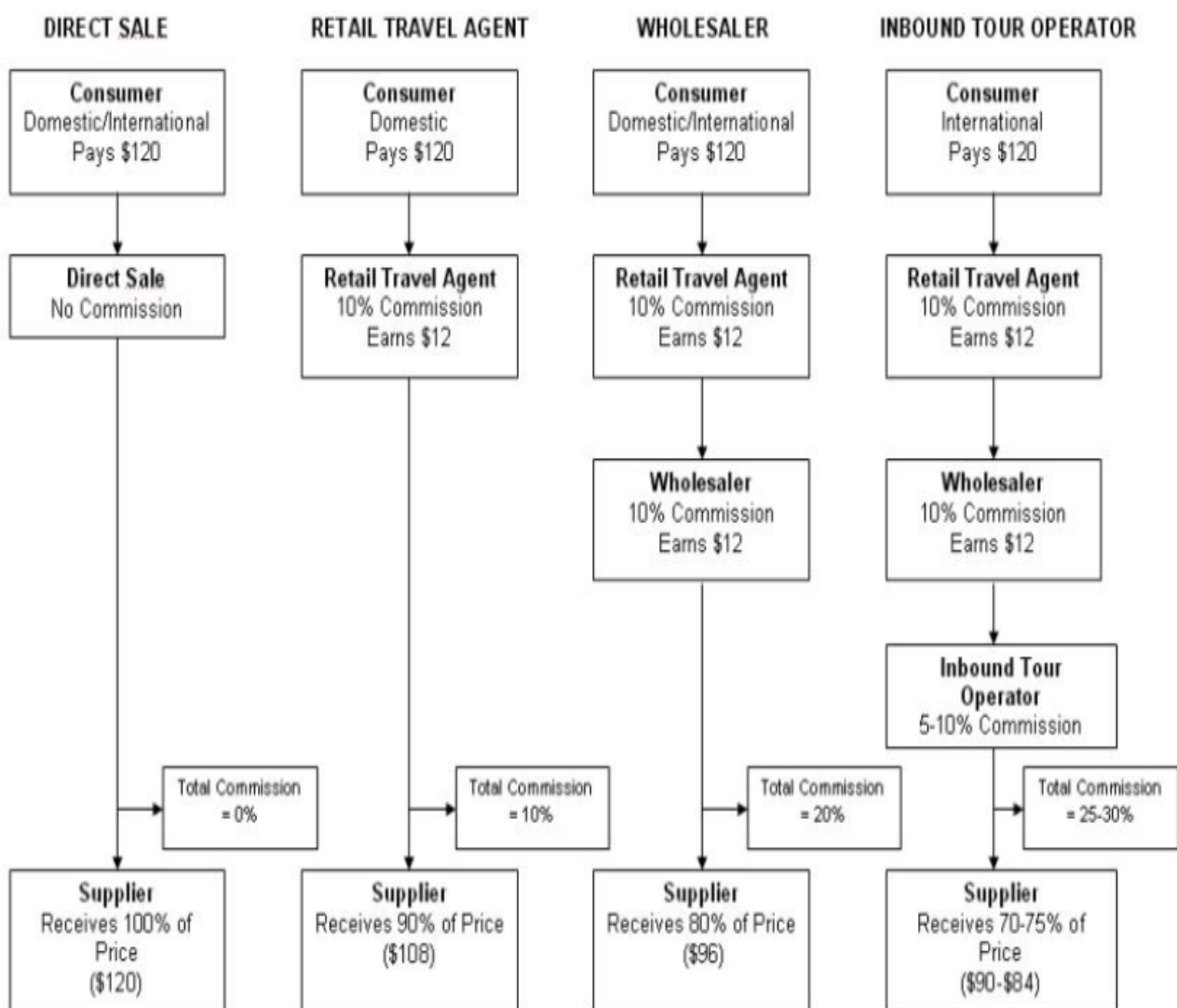
Package 5

Minimum Price is Rs.1,00,000 per Person plus Taxes

Time duration and places are covered to be decided by Visitors themselves

Pricing Strategy

Dream Trip will be competitively priced in relation to the dictates of the market. Due to the preliminary nature of our services we intend to implement a penetration pricing strategy which will ensure that potential clients are not frightened away by our prices, up until our services are appreciated and fully operational. However this will dictate that our costs are prudently kept so as to ensure our financial goals come to fruition. Each trip will include an average of eight to ten persons. We intend our income structure to match our cost structure, so as to ensure that the salaries we pay to our employees to assure good service are balanced by the cost we charge to the customer.



Promotion Strategy

Promotion Strategy will be based primarily on informing potential clients of the existence of our services and making the right information available to our target customer. The purpose

will be to highlight the benefit of utilizing our service(s), which will include: Access to exclusive travel destinations Service to fully appreciate destinations through information packages, and not just sight-seeing Access to special interest travel according to the groups preferences In such a market we cannot afford to appear in or produce second-rate material with poor labels that make our services look less than they are.

Hence we intend to leverage our presence using quality brochures and other sales literature, including promotional material such as pens, complimentary slips and pads. We intend to spread the word about our business through the following:

Advertising

This shall be undertaken through trade and industry publications, which are read by tourists, as well as the local newspapers. A constant look out will be made of any special editions in the local newspapers, which may provide an opportunity for us to advertise our services and business name. Dream Trip will also be advertised through professionally done brochures, and other such sales literature, which allow enough detail to be communicated about the services offered by the company. This literature will be mainly targeted at potential clients and placed or made available at strategic points, such as travel agencies. With time we also intend to utilize billboards to advertise ourselves, likewise located at strategic points. Hence we plan to design and put up posters communicating the services we provide located around hotels, lodges, airports and other such areas where tourists typically pass by.

Personal Selling

Undoubtedly customer solicitation face-to-face will be a powerful form of promotion mainly due to the fact that its flexibility will enable us to match the customer's needs to specific attributes of our services as well as giving concise details of what we have to offer. Another significant determinant in utilizing personal selling is the fact that we are relatively new on the market. As such, potential clients will, to a certain degree, be skeptical towards the intended service(s) and how they are able to benefit from them.

In cases where the opportunity of obtaining a large order exists it may be necessary for the top management to go out personally, especially considering the fact that we are still a relatively new firm on the market. However this shall be the situation in the majority of cases due to our relative infancy.

Direct Marketing

This will be used but only to a limited extent in the form of telemarketing and informing potential clients and obtaining referrals where possible. In the case of telemarketing it will involve our targeting potential clients of our services and informing them of our existence and destinations. We may then arrange for an appointment with the respective decision-maker, with the purpose being to lure them into utilizing of our services.

Internet Marketing

The increasing growth of the Internet as an information source provides an opportunity for ourselves that we may exploit. This is particularly so in view of the increasing dissemination of information over the World Wide Web, as individuals and groups look at obtaining the best deal possible. More often than not these individuals and groups seek out information over the Internet due to its relatively low cost and ease of use helping to minimize time wasting. However this will require adequate planning so as to ensure that all information on the website is accurate and up-to-date, ensuring we market a professional image. This will mainly serve foreign tourists and other interested stakeholders.

In all the above we intend to communicate our ability to deliver a good service that will satisfy the clients' needs. Hence our messages will influence the engagement decision of prospective clients by emphasizing our customer focus and, persuade prospective clients that we are different from our competitors. All the above promotional tools shall be well integrated and utilized in tandem so as to maximize their effect.

Positioning Statement

Dream Trip intends to offer a unique service to all of its clients, primarily travelers, so as to position itself as the premier travel provider. This shall be undertaken through provision of affordable, comfortable and luxurious transport as well as informative insights about the various sights and areas. These excursions will be tailored to the individuals'/groups' interests and thus providing love and satisfaction. Our competitive advantage shall be our customer orientation and friendly staff who shall go at lengths to ensure the customer is served and fully satisfied. Through our reasonable charges and satisfying excursions we intend to attract a large portion of the market, both directly and indirectly. Hence all promotional material and campaigns shall be directed to fulfilling our intended positioning on the market.

Human Resource Analysis

We aim to compensate our staff well, so as to maintain their precious expertise and to ensure job satisfaction and enrichment through allocation of right. Our compensation will include health care, generous profit sharing, plus a minimum of 3 weeks vacation. Dream Trip recognizes that our employees contribute to the company's long-term wealth, acknowledging our obligation to remunerate them competitively. We intend to improve our capacity to attract and people of value through competitive reward packages.

Particulars	Year 1	Year 2	Year 3
Managers	600000	900000	1200000
Tour Guide\ Manager	648000	648000	648000
Office Attendant	120000	120000	120000
Sales And Marketing	60000	120000	150000
Total People	8	9	9
Total Payroll	1428000	1788000	2118000

Financial Analysis

The financial plan shall be essential if we are to meet our objectives. The intention is to finance growth through cash flow and equity.

One of the most important factors will be the payment terms as agreed between the client or customer. We can't push our customers hard on collection days, because they are extremely sensitive and will normally judge us on our terms. Therefore there is need to develop a permanent system of receivables financing systems mutually agreed between both parties. Hence in the financial plan we intend to have the following:

1. A fundamental respect for giving our customers value, and for maintaining a healthy and congenial workplace.
2. Cash flow as first priority, growth second,
3. Profits third. Respect for realistic forecasts, and conservative cash flow and financial management.

Important Assumptions

The financial plan depends on important assumptions. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions.

Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.

We assume amongst other things a 60-day average collection period, sales entirely on invoice basis except for individuals who come directly to us, expenses mainly on a net 30 day basis, 30 days on average for payment of invoices, and present-day interest rates.

General Assumptions

Particulars	Year 1	Year 2	Year 3
Current Interest Rate (%)	10	10	10
Long term Interest Rate (%)	10	10	10
Tax Rate (%)	30	30	30

Assumptions for Financial Analysis

- Our office will be at Ahmedabad on rental basis.
- The capital is brought by Owners of the business and no borrowing is done.
- The business is more rely on online bases.
- Depreciation is not considered on assets.
- The management is done by the Owners.
- They are not allowed to make drawings but they will be paid fix salary.
- The website maintenance will be on contract basis.
- The rent will remain same for the first three Years.
- We have made collaborations with the other players of the tourism Industry in New Zealand and we get commission for such collaborations.

Projected Profit and Loss

Our projected profit and loss is shown in the table below, with sales increasing from more than Rs. 3500000 the first year to more than Rs.5565000 the second, and Rs.6300000 in the third year. Our net profit margin is relatively good for a start-up organization in our line of business. Hence we do expect to more than break-even in the first year of operation.

As with the break-even, we are projecting very conservatively regarding cost of sales and gross margin. Our cost of sales may be much lower, and gross margin higher, than in this projection. We prefer to project conservatively so that we make sure we have enough cash. The detailed monthly projections are included in the appendix.

Pro Forma Profit and Loss

Particulars	Year 1	Year 2	Year 3
Sales & Commissions	2500000	3000000	4500000
Gross Margin (%)	80	80	80
Expenses			
Payroll	1428000	1788000	2118000
Sales & Marketing	500000	500000	700000
Rent	180000	180000	180000
Miscellaneous & Maintenance	45000	60000	90000
Launch of Website & Server & Registration	50000	0	0
Total Operating Expenses	2203000	2528000	3088000
PBIT	(203000)	(128000)	512000
Less Loss Of Previous Year	N/A	(203000)	(331000)
PBIT After Adjusting Loss	(203000)	(331000)	181000
Interest Expenses	0	0	0
Tax Incurred	N/A	N/A	54300
Net Profit\Loss	(203000)	(331000)	126700
Net Profit\ Sales (%)	(8.12)	(11.03)	2.81

Break-even Analysis

Particulars	Year 1	Year 2	Year 3
Total Cost annually	2203000	2528000	3142300
(÷) Months	12	12	12
Monthly Revenue Break-even(Round up)	183583	210666	261858

Assumptions:

Average Percent Variable Cost 20%

Projected Cash Flow

Particulars	Year 1	Year 2	Year 3
Cash Received			
Cash Sales	2000000	2400000	3500000
Cash Commission	350000	450000	650000
Subtotal Cash From Operations	2350000	2850000	4150000
Expenditures			
Cash spending	1693304	2013446	3213341
Sales & Marketing	300000	500000	500000
Rent	180000	180000	180000
Miscellaneous & Maintenance	45000	60000	90000
Launch of Website & Server	50000	0	0
Tax	N\A	N\A	54300
Subtotal Cash Spent	2268304	2753446	4037641
Cash In Flow	81696	96554	112359
Cash-In-Hand	101696	104326	120315

Balance Sheet

Particulars	Year 1	Year 2	Year 3
Assets			
Long-term Assets			
Long-term Assets	205000	205000	205000
Current Assets			
Cash	101696	104326	120315
Account Receivables	150000	150000	350000
P & L A/c	203000	331000	N/A
Total Assets	659969	790326	675315
Liabilities			
Capital	500000	500000	500000
Accounts Payable	159969	290326	38615
Retain	N/A	N/A	10000
P & L A/c	N/A	N/A	126700
Total Liabilities	659969	790326	675315

Conclusion

From our study we can conclude that the “Travelling business” which we have started for New Zealand is the feasible business as people of India and specifically of Gujarat are found of travelling domestically as well as internationally of different places. So our business of “Travel agency” can acquire a huge market in India.

We plan to expand our business first as staying in India and make trips for Indian peoples and make profit.

Then after we are also think to expand our business in New Zealand and arrange trips for New Zealanders for India as in India there are many places for travelling which help our country to increase our GDP. We cannot initially do business in New Zealand as we are new to the travelling industry so we make base for our desired business and then we can do business in New Zealand and also make money. There is a high potential to earn money in Tourism industry we have decided to enter in this industry and make our company name in International Tourism Industry by covering all countries one by one as we will succeed.

Thus we can say that our travel business is very feasible and acceptable concept in India As well as in New Zealand.

Chapter – 8

Business Plan of Handicraft

The vision for the Handicrafts sector is as follows:

“To create a globally competitive Handicrafts Sector and provide sustainable livelihood opportunities to the artisans through innovative products designs, improvement in product quality, with modern technology and preserving traditions.”



1.1 Handicrafts: An Overview

Handicrafts are unique expressions which represent a culture, tradition and heritage of a country. Highlighted with distinct designs & finishes, the handicraft items speak loud & clear about the excellent artistic skills of craftsmen which makes the pieces absolutely priceless. As well the cultural and traditional importance of handicrafts and old traditional industries, the handicrafts industry also plays a major and basic role in boosting economic development and developing human resources. Every country has its own unique handicraft style bringing forth the diverse historical aspects in beautiful forms of handicrafts. The general perception was that good quality handicrafts are meant for upper class of the society.

New Zealand is well developed country. We analyzed that in New Zealand market, handicraft product are very popular. The production or the usage of craft product is exceptionally high in area where it is still basic and essential to the lifestyle of people and the product is originally traditional in function and design. There are produced less handicraft products and mainly import of that product. Due to usage or interest of NZ's people in handicraft product there is opportunity to export these products.

1.2 Handicraft Industry Scenario in NZ:

Similar to other, NZ is dependent on imports some diamonds, jewellery, leather, stones textile, metal for Handicraft. The country has limited resources of it and also labours. The key features of the country's handicraft sector are:

- Approximately 75% NZ's people interested in handicraft products.
- In 2010, NZ import approximately 15-20% of the total of handicraft products and materials use in it.
- Handicraft consumption is high and there is shortage of skill labour so that import of handicraft is also high.

New Zealand Art And Crafts

People of New Zealand are very much interested in different type of articles and thing to decorate their home and relative places. So there are some types of product which is used by their people as under:

- **Shell Handicraft**

Craftsperson's imagination has converted sea shells into creative & decorative gift items.



- **Embroidered craft**

The unique art of embroidery, using mere threads, can produce amazing craft that can decorate homes.



- **Iron Handicraft**

Iron & existing popular decorative iron produce beautiful & eye delighting craft pieces.



- **Marble Craft**

Garden Sculpture, decorative, furniture, stair- the cool & comforting marble is everywhere.



- **Plastic craft**

Plastic has made way into crafts industry too and is used to make attractive products.



- **Bone Handicraft**

Natural bones are converted into masterpiece crafts that come in different colors & designs.



- **Sandstone Craft**

Hard & tough sandstone is used to make beautiful sculpture & decorative.



- **Jewellery Handicraft**

Exotic jewellery items made by hand give a different class of elegance to the wearer.



- **Silver Craft**

The shining metal is not limited to jewellery alone, it is now used to make an collection of gift items & souvenirs.



- **Jute Handicraft**

Jute handicrafts has grown for home decor and many other purposes.



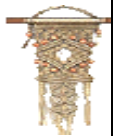
- **Wooden Handicraft**

Durable and elegant wood can be carved into myriad styles which contributes to its converted position.



- **Jute Craft**

From curtains, rugs & cushion covers to wall hangings, handicrafts & even stationary.



- **Aluminium craft**

Aluminum handicraft used for making small art pieces like candle holders & vases..



<http://www.craftcentral.com/handicraft/Intro>

SWOT Analysis:



I. Strengths:

- Low capital investment and high ratio of value addition
- Variety of products which are unique
- Exporters willing to handle small orders
- Increasing emphasis on product development and design up gradation
- Large, diversified and potential market
- Cheap labor rates that result to competitive price
- Low barriers of new entry
- High employment potential.

II. Weakness:

- Inadequate market study and marketing strategy
- Inconsistent quality
- Capacity to handle limited orders
- Untimely delivery schedule
- Inadequate information of new technology.
- Lack of skilled labor.
- Inadequate support mechanism for product development.
- Power interruptions and inadequate infrastructure facilities.
- Inadequacy of raw material at appropriate price
- Lack of mechanism for dispersal of innovative technology for enhancement in production and finishing.

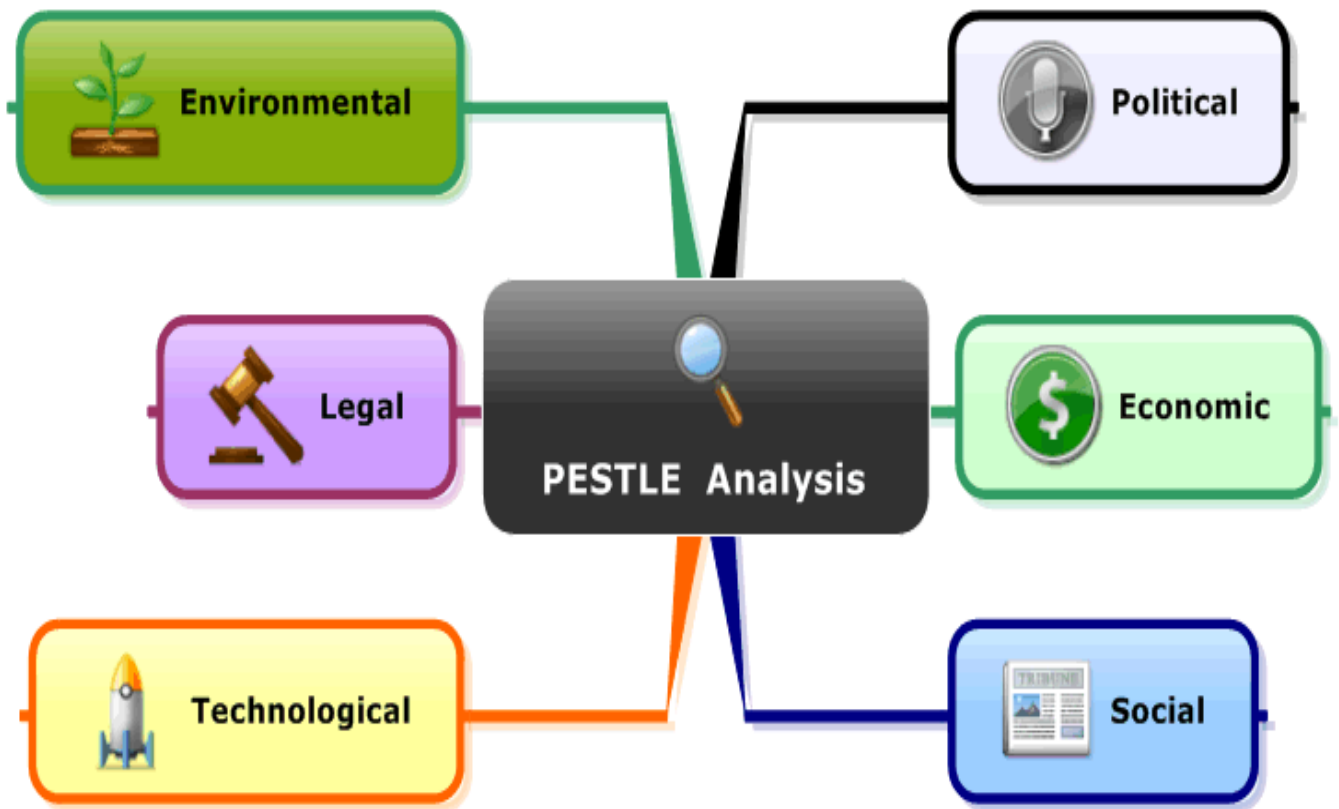
III. Opportunities:

- Rising demand for handicraft products in developed countries such as USA, Canada, Britain, France, Germany, Italy etc.
- Developing fashion industry requires handicrafts products
- Development of sectors like Retail, Real Estate that offers great requirements of handicrafts products
- Development of domestic and international tourism sector
- E-Commerce and Internet are emerged as promissory distribution channels to market and sell the craft products
- Growing demand in export market quality products & Growing environmental concern.

IV. Threats:

- Better quality products produced by competitors from Europe, South Africa, South Asia, etc.
- Better packaging by our competitor
- Competition in domestic market
- Balance between high demand and supply
- Better Trade terms offered by competing countries
- Consistent quality and increasing focus on R&D by competing countries
- Craft producers have to compete on price, quality and delivery for different segments.
- There is lack of awareness about new traditions and among craftsmen
- Lack of Technological support and training.

PESTEL Analysis:



1) **Political Factor:**

- The government focuses on developing high-quality policies and it is also applicable to the handicraft business so people are really satisfied by using handicraft products.
- Free market economy and government also encourage investors without intervention.
- Due to less intervention of government, handicraft products are available at cheaper rate and qualitative.

2) Economical Factor:

- There is no tax charge for handicraft products in NZ.
- The strong foundations of economic freedom in New Zealand are well supported by strong and healthy protection of property rights and an independent judiciary that gives strength anti-corruption measures.
- Inflation rate is low which is more beneficial to decide low prices of handicraft product.(Inflation rate of 4.5%)

3) Social Factor:

- Living standard of New Zealand people is good and luxurious so some of them prefer to buy innovative and creative items.
- Handicraft is mostly innovative and different items made by use of innovative skill and New Zealand people like to decorate their homes and hotels through handicraft product in different way.
- New Zealand women are highly educated and taking actively interested in handicraft products in New Zealand.

4) Technological Factor:

- As the business of handicraft which is fully handmade product so any kind of technology or changing technology is not require for producing any type of product.
- In some manner technology is only useful for marketing purpose.

5) Ecological Factor:

- New Zealand is friendly culture that encourages foreign investors and investment.
- New Zealand has policy of entering the any multi business company.
- Company policy is very liberal.
- Handicraft must be follow the Environmental regulation protects like sea, air, land, housing and living space.

6) Legal Factor:

- New Zealand gives the 100% foreign ownership of business.
- The Companies operating in New Zealand are pursued to good corporate governance.
- There is no other taxes are in handicraft business.
- Starting with new business necessary Work visa, residency permit, identification card.
- Handicraft business appoints any employers are advised to arrange and process necessary document to the Labour Market Regulatory Authority (LMRA).

5.1 Why we have selected Emboss metal gift article?

We have analyzed New Zealand market and found that Emboss metal crafts are used for the decoration. Now a day people live luxurious life and like to decorate their home with artistic things.

New Zealand is free economy. The import tax is very less and also entry barriers are less. The documentation process is easy and license is not required for majority of the product. It is VAT free and capital investment is also less required as compare to other industry.

We will hire a warehouse and shop in Auckland as it is large city so we can capture large market as it nearer to sea so that cost of transportation will be less as we are purchasing products in India and exporting to New Zealand.

5.2 Key Driving Factors:

- **NZ's strategic location** helped to import or export of handicraft.
- **Policies** related to the establishment of Handicraft are quite accommodating in NZ. The country allows 100% foreign ownership, and free trade agreements with the NZ and India.
- NZ's customers have **high preference for high-value branded products**.

Mission:

- Our mission is to provide royal artistic products to the segmented customers.
- Attract customers and exceeds their expectations.
- Values long term relationship with suppliers.

Vision:

- To provide a qualitative items at reasonable rate.
- To provide products in all segmented customers.



Initial Phase:

- **Name of sales outlet:**
Harihar embossed metal and wooden gift articles.

- **Name of outlet(New Zealand):**
Harihar embossed metal and wooden gift articles.

Harihar embossed metal and wooden art & gift will be a partnership firm consisting of four partners, from these four partners two will be going to New Zealand to setup a showroom like getting license some government requirement, finding a strategic location for showroom and then buying it on rent and hiring employees from New Zealand. Two partner staying in India will handle some export related requirement and related trade agreements.

After complete all analysis both partner handed shop to the manager in New Zealand and come in India. Then one partner among them will go to New Zealand in regular interval like one visit in two months for checking the various accounts and other financial data of New Zealand shop. And remaining time all the three will be handle production unit and export product.

5.3 Product Analysis:

We will purchase Emboss metal craft from manufacturer in India and export to New Zealand.

We estimated that we will trade different types of items in one year which are as follow.

Items	Piece
Photo Frame	1500
Jewellery Box	1000
Bajot(lower sitting)	700
Flower Pot	800
Temple	100
Candle Stand	2000

We will purchase land on rent in India and in New Zealand for storage and marketing purpose.

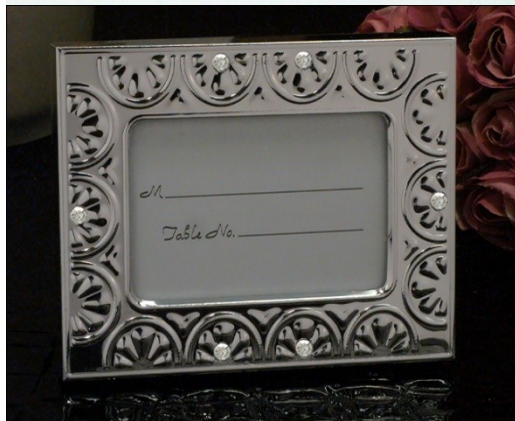
We will establish our godown in Kalol city. The cost of rent of land is less compare to other area nearby Kalol and also it will easier to transport the product very easily.

5.3 Marketing Analysis:

➤ **Product:**

We are going to trade different style and different type of Amboise metal and wooden gift articles and candle stand for decorative purpose in New Zealand.

Photo Frame



Jewellery Box



Bajot (lower sitting)



Flower Pot



Temple



Candle Stand



➤ **Place:**

We hire a godown in Kalol city near for storage and trading purpose in domestic market and also export to New Zealand via sea from Mundra. We purchase our product from “Maruti Handicraft” in Kalol.

Auckland population is very high as compare to other city in New Zealand and people also interested to purchase this type of products for their decorative and gift purpose. So we have hire shop in Auckland city because it is proper place for selling Handicraft product. Auckland is nearby sea this reason to the transportation cost is less.

➤ **Price:**

We trading different types of decorative and gift articles product so the price per piece is as below:

Items	Selling price per unit/piece
Photo Frame	600-1000
Jewellery Box	1000-2000
Bajot(lower sitting)	2000-3500
Flower Pot	800-2000
Temple	9500-15000
Candle Stand	300 to 1000

Note: Inclusive all taxes

➤ **Promotion:**

Our objective would be to attract local people of New Zealand about showroom and products, so these will be done by:

- ❖ Newspaper advertisement and hoardings.
- ❖ Contact with popular Advertisement agency in New Zealand for advertisement of our services in Auckland city.
- ❖ We will provide a discount coupon to every customer and this discount will be redeemed on the net purchase.
- ❖ We are also connected with the people by internet that is, we are making our own website so that New Zealand people as well as other countries are also connecting with us.

➤ **Segmentation:**

Our target segmentation is to generally three types of customers:

❖ Local customer:

In it we serve middle and upper class people who are highly interested and found of decoration for their home with deferent different thing. And also those people who in search of different gift articles for their relatives or religious.

❖ Internet customer:

We serve also for the people who have not time to visit at showroom and like to purchase this type of product so though internet we provide online booking or purchase order for them and also with home delivery in only Auckland city.

❖ Business houses and corporate firm:

We also serve to those people who like to decorate their offices and corporate houses with this type of product, so we provide him different types of products with highly creative nature.

➤ **Distribution Channel**

A distribution channel is a group of people involved in the transfer of title or ownership do the product to the ultimate customer. Distribution channel is nothing but intermediaries or middlemen between the producer and consumer. Here we are creating a distribution channel from India to New Zealand for selling our product.



5.4 Human Resource Analyses:

In India, for trade and management of products in godown, we need different types of people with different qualification so the list is as below.

For distribution in New Zealand we will hire a managers and salesmen executive for managing and marketing products in different areas or cities. For marketing we require some good people who have power in their communication and speech to convince anyone. Marketing is a big challenge for us.

Requirements in India:

Particular	Designation	No. Of Person	Education Qualification	Skills Required
1.	Marketing manager	1	Master degree (MBA,PGDM) (Marketing)	Having experience Of 1year -Having Good Leadership Skills, Managing Team. -Taking Decision Regarding All The Marketing Activity Including Stocks Also.
2.	Office work	2	12 th pass out having experience of 1 year, Bachelors degree (Pursuing/ completed) working for part time basis or for a temporary basis	-Good communication skill, -He/She should know English and New Zealand language -Handle stall and attract customers.
Total		3		

Requirements in New Zealand:

Particular	Designation	No. Of Person	Educational Qualification	Skills required
1	General Manager	1	Master degree(MBA,PGDM) (Finance/ HR)	Having experience of 5 years -Dynamic personality -Good behavioral skill
2	Marketing Manager	1	Master degree (MBA,PGDM) (Marketing)	Having experience Of 1year -Having Good Leadership Skills, Managing Team. -Taking Decision Regarding All The Marketing Activity Including Stocks Also.
3	Sales Executive	5	Completed bachelor degree in any field and having minimum 1 year experience.	Good communication skill, -He/She should know English and New Zealand language -Handle stall and attract customers
4	Worker	2	Education not required	
Total		9		

5.5 Financial Analysis:

Important Assumptions

The financial plan depends on important assumptions. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions.

Some of the more important underlying assumptions are:

- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- Assume a steady economy, without major recession that would greatly hinder our target market's access to their personal luxury finds.
- We assume amongst other things cash sales,
- All the data assumed in Indian Rupees or converted in Indian rupees.
- We have considered currency exchange rate
- 1NZ\$ = 45 INR

General Assumption:

Particulars	Year 1	Year 2	Year 3
Current Interest Rate (%)	10	10	10
Long term Interest Rate (%)	10	10	10
Tax Rate (%)	30	30	30

Assumption for Financial Analysis:

- Our office will be in Kalol and Auckland city
- The capital is brought by Owner and there is no any borrowing cost.
- Depreciation is not considered on assets.
- The website maintain will be on contract basis.
- Rent will remain same in 2 years.
- Sales will be increased by 50% in next year.
- We assumed selling price 25% off for promotion and awareness in 1st year, and then charge original prices in next year.
- Preliminary expenses written off in 5 years.
- We assume to increase payroll 20 % in next year.
- In handicraft no tax imply.

Here we are showing financial analysis of our business

- **Fixed Cost:**

1. Man Power:

Designation	Number	Monthly Salary	Annual salary
In India			
Marketing Manager	1	15000	180000
Office worker	2	7000	168000
In New Zealand			
General Manager	1	35000	420000
Marketing manager	1	25000	300000
Sales Executives	5	10000	600000
Worker	2	5000	120000
Total			1788000

2. Shop in New Zealand = 540000Rs. yearly

3. Shop/ Godown In India = 300000 Rs. yearly

4. Purchase Price:

We purchase finished products from the manufacture in Kalol city that will provide our order in timely and cheaply rate. (Inclusive all taxes)

Items	Price per piece
Photo Frame	200-400
Jewellery Box	400-800
Bajot(lower sitting)	800-1300
Flower Pot	300-800
Temple	3000-5000
Candle Stand	100-400

- **Variable cost**

Variable cost assumed to be 30%.

Advertisement

particular	Year 1
Sampling cost	25000
Exhibition	100000
Advertisement (browser, news paper, etc.)	300000
Internet	25000

Transportation for Regular visit (yearly)

Particular	Trip	Rupees.
Round trip from India to New Zealand	4 visit in year	400000

Electricity cost (yearly)

Particular	Rupees.
In India	14000
In New Zealand	54000
Total	70000

Now we prepare a projected Profit & Loss Account for the Initial Year in New Zealand

Projected Profit & Loss Account

Particulars	1st Year Amount (Rs.)	2nd Year and more
Sales (including closing stock)		
Photo Frame	1012500	1350000
Jewellery Box	1237500	1650000
Bajot(lower sitting)	1575000	2100000
Flower Pot	900000	1200000
Temple	937500	1250000
Candle Stand	1050000	1400000
Total Sales	6712500	8950000
(-)Purchases (includes Purchase expenses)	3050000	3050000
Gross Profit	3662500	5900000
(-)Operating expenses:		
Rent(include rent of Godown in India)	840000	840000
Salary and incentives	1788000	2145600
Advertisement expenses	450000	450000
Visit expenses (Air ticket , Accommodation)	400000	400000
Electricity expenses	70000	70000
Written off preliminary expense		100000
Total expenditure	3548000	4005600
PBIT	114500	1994400
Interest Expenses	N/A	N/A
Tax Incurred	N/A	N/A
Net Profit/Loss	114500	1894400
Net profit/ sales margin	1.70	21.16

Break Even Analysis:

Particular	Year 1	Year 2 and more
Total Cost	3548000	4005600
(÷)	12	12
Monthly Revenue Break- even (Round Up)	295667	333800

Projected Cash Flow

Particular	Year 1	Year 2 and more
Cash received		
Cash sales	6712500	8950000
Expenditures		
Purchase	3050000	4575000
Sales and marketing	450000	450000
Rent	840000	840000
Visit expense	400000	400000
Variable expenses	25000	25000
Tax	N/A	N/A
Payrolls	1788000	2145600
Electricity bills	70000	70000
Subtotal cash spent	3573000	8505600
Cash in flow	89500	444400
Cha in hand	159000	603400

In 2nd year purchase would be made in cash but stock is in showroom and transist.

Balance Sheet

Particulars	Year 1	Year 2 nd and more
Assets		
Long-term Assets		
Long-term Assets	1650500	2350500
Current Assets		
Cash	159000	603400
Inventory	1805000	2540500
Preliminary expenses	500000	400000
P & L A/c	N/A	N/A
Total Assets	4114500	5894400
Liabilities		
Capital	4000000	4000000
Accounts Payable	N/A	N/A
Retain	N/A	N/A
P & L A/c	114500	1894400
Total Liabilities	4114500	5894400

Long term Assets.

Particular	Nos.	Total
Computer	4	200000
Two wheeler	3	200000
A/C	3 (2, 1)	250000
Furniture		800000
Tempo	1	200500
407 Tempo	1	700000
Total		2350500

5.6 Future Plans:

- Introducing a different related product.
- Sample of all the above products will be kept in showroom so that demand can be known and according to demand exporting the products from India.
- Selling these products to hotels and restaurants in Auckland and different cities of New Zealand.
- Opening sales outlet in different cities of New Zealand.

Conclusion:

From our study we can conclude that the HANDICRAFT business which we have started in New Zealand is the feasible business as people of New Zealand are found of decoration for their house with different man made handicraft item so our business of Handicraft can acquire a huge market in New Zealand as people of New Zealand are addicted to live luxurious life and their standard of living is very high so they love to decorate their house with different handicraft product so our these products will be a very new item for New Zealand 's people to use for decoration

We will also expand our business in different cities with different types of related products which is useful in decorative home as well human itself also.

Thus we can say that business is very feasible and acceptable concept in New Zealand.

Chapter – 9

Business Plan for Open a Restaurant

INTRODUCTION OF HOSPITALITY INDUSTRY

Higher tertiary education providers and industrial organizations in English speaking countries have used ‘ Hospitality’ to describe a cluster of service sector activities associated with the provision of food, drink and accommodation.

However, a distinction should be drawn between commercial and private domain of hospitality. Hospitality in Private or social domain is seen as provision of food, accommodation and drink based on more altruistic motives while commercial hospitality is “concerned with exploitation of society for an economic surplus, with guests volunteering into the exchange process as a medium through which to express individual socio-economic needs, aspirations and desires.”

The industry of hospitality is well positioned to meet the sustainability challenge because without doubt, hospitality is hard on the planet; it is a consumption industry after all.

Hospitality businesses should think ways to add value to their clients dining experience without necessarily taking dollars off.

Hospitality businesses revealed that 84 percent of operators have a recycling program in place. This is a huge start but it is only a small part of a wider sustainability program that forward thinking businesses are adopting.

These industry’s wage and salary rates are under tight control in the face of continuing difficult global and local economic conditions.

For hospitality businesses summer is special in lots of ways. From a business perspective it is a time when New Zealanders get together, celebrate and holiday.

The famous Spa Hotel in Taupo traces its roots back to the 1869 when it was built by a former armed constabulary sergeant who had taken part in the Maori wars.

A 2012 heritage assessment report on the hotel notes: "The Spa Hotel represents the beginnings of Taupo’s tourist industry, which is the current basis of the local economy. The true significance of the Spa Hotel complex lies and its cultural association value is assessed as very high."

Analyzing the remuneration trend in the hospitality industry over a five year period (2007-2011), average hourly rates increased by between 8.39% (wine waiter position) to 24.78% (cafe assistant). However the real growth adjusted for inflation rates over this period increased by 0% - 14.21%.

Analysis of salaries for hospitality positions over a five year period (2007-2011) show subdued although mostly positive salary movement. A lot of positions had nominal salary growth of between 5% - 15% from 2007-2011. When it is adjusted for inflation, the real growth is minimal, or even (at times) negative.

In an era of increasing sophistication of customers' demands when hotel facilities, such as room, restaurant, bar, nightclub, or health club are no longer considered a luxury, hospitality providers go to great lengths to provide unique benefit to customers and turn to different strategies, amongst which the creation of brand and favorable image become one of the most important reasons for developing customer loyalty.

Infrastructure at the hospitality and accommodation business encompass licensed bar and restaurant facilities for up to 480 people serviced by a commercial-grade kitchen, 15 chalet units configured to sleep up to five guests each, a further 10 studio units configured to sleep three guests each, additional accommodation buildings for staff and long-stay guests, indoor and outdoor swimming pools, and a thermal bore with two heat exchange units providing heating to the accommodation suites.

In New Zealand new forms of accommodation are becoming increasingly popular. These include luxury hotels, boutique hotels and resorts, as well as backpacker and budget hotels.

With the international hotel chains dominating the hotel industry, there is currently very strong international interest by the major worldwide operators to expand their outlets in New Zealand.

In Hospitality the Hotel industry is involved with providing overnight accommodation, food and beverages, various recreational and business facilities for travelers.

New Zealand's restaurant industry is a highly competitive market in which customers have the buying power to choose from a large variety of outlets. The market tries continuously to expand; however the frequency of customer dining has decreased. To attract and retain customers, an organization needs to communicate to its current and potential stakeholders the unique benefits that the business offers.

CHALLENGES FACING HOSPITALITY INDUSTRY

One of the major provisions that could come in the budget could be relaxation of norms for hotels to get infrastructure status. It will help hotel companies to raise debt at a cheaper interest rate and also provide them a longer time period of 15 to 20 years to repay it.

The industry is also seeking extension of visa-on-arrival facility to tourists from more countries,

EXPECTATIONS OF THE INDUSTRY FROM THE BUDGET INCLUDE:

- Increased depreciation on hotel buildings. Hotels were eligible for depreciation allowance of 20 per cent till March 31, 2012. After that, this was scaled down to 10 per cent. The industry is looking for this allowance to be restored to 20 per cent.
- Duplication of Service Tax - the same base of room and Food & Beverage revenue is taxed by the state governments by way of luxury tax and VAT. The additional levy of service tax by the central government leads to multiple taxation and increases the burden of the consumer.
- Extending benefit of service tax exemptions, which are available to other exporters, to hotels and tourism related service providers.
- Get exemption from payment of service tax on services rendered by foreign travel agents.

THE TOP CHALLENGES CURRENTLY FACING HOSPITALITY BUSINESSES:

- Food cost, with 50.6% of survey respondents choosing this area as the biggest test for their Business. A lot of business owners mention that although food costs (and other costs) had increased they found it difficult to increase their menu pricing past a perceived threshold.
- Labour costs. At 49%, labour costs are the second biggest challenge.
- Building and maintaining sales volume (43.2%).

IN THE UPCOMING 12 MONTHS OPERATORS CONSIDER THERE TO BE FOUR TOP CHALLENGES:

- Labour costs
- Food costs
- Building and maintaining sales volume
- Operating costs

SWOT ANALYSIS OF HOSPITALITY INDUSTRY

- **Strengths:**

- **Strategy:** Established differentiation plan.
- **Structure:** Decentralized and Flat construction.
- **Skills:** Varied range of service skills within staff and management.
- **Style:** Strong, participative culture.
- **Staff:** Specialized and experienced staff that is motivated and very skilled. A well-qualified team who are proud of their hotel and respect and promote the brand values.
- **Shared Values:** Well and fluently communicated.
- **Brand Strength:** Brand value finely represented engendering brand loyalty amongst existing and new guests.
- **Reputation:** A strong name within the local market and corporate and travel trade markets for reliability, exemplary service and quality.

- **Weaknesses:**

- **Strategy:** Differentiation plan needs to be further clearly communicated externally, within local and national markets.
- **Systems:** Formal systems result from the detail oriented work and surroundings. Interdepartmental connections could be improved.
- **Staff:** Seasonal turnover require constant training and orientation of new staff.
- **Facilities:** Certain rooms require reconstruction and upgrade as regards technical equipment, such as high speed Internet access and laptop links.

- **Opportunities:**

- **Market:** frequent growth after a period of slump.
- **Competitors:** No direct competition exist at present, in terms of the five star 'boutique business property' niche.
- **Suppliers:** Long-term and strong relationships established with suppliers.

- **Threats:**

- The trend for guest hotels is growing and so the hotel industry can be greatly affected.

PESTLE ANALYSIS FOR NEW ZEALAND

INTRODUCTION:

PESTEL is a strategic management tool that provides useful framework to analyze the environmental pressure on Business. It is an exterior analysis of the macro-environment in which a business operates.

These factors are beyond the control of an organization or a country but are important to be aware of while undergoing business plan. The main object is to realize the affect on business or trade policy because of external factors of a country which is different to others.

Political and Legal Factor:

- One of the important factors for any country which affect trade policy is their legal rule and regulation and their government. If the government is steady then there is less chance of risk because legal rule and regulation would not be change in short time.
- In New Zealand, the risk is high because after every 3 year the new government applies new rules and regulation which could be good for an organization.
- To start its new business or planned business entity, every organization requires a huge amount of money. In New Zealand as high lending rate, company has to paid more interest which could be good for the government but it reduce the profit of a company.
- Business freedom in New Zealand is 99.9 % and trade freedom is 84.6 % New Zealand has better environment to do trading and business. (Index of economic freedom, 2009).

Economy Factor:

- In New Zealand, people spend more which help to carry on the circulation of money all over the country in term of buy luxuries products, capital goods and essential products. Their inflation rate and unemployment rate is less which is a positive sign for GDP growth rate.
- If inflation rate is low then every commodity and service such as steel, labour, rice, iron, sugar and others products will available at low price where an organization can make. So, consider these points in mind we can say that New Zealand is suitable for a company which produces luxurious products such as diamond, fast food and car.
- Economical changes in any country can affect the hospitality industry because they will have an effect on the tourism industry. For example, if in some countries there will be too high level of unemployment & lower level of income. People will not have money for booking a hotel so prefer to stay at home rather than traveling.

Social and Culture Factor:

- New Zealand has majority of Muslim and Christian's religion. So, during festival like Christmas consumption and imports of foods and beverage and electronic gadgets increases.
- If people are educated, it will help to boost the economy growth because they have knowledge about latest technology which helps them to maximize their output at low cost with effective use of input.
- Life expectation rate is more and mortality rate is low in New Zealand which is good for country but not consider so good at organization prospective because in New Zealand, after retirement, without doing any work people get pension, gratuity fund till long time which affect company profit.

Environmental factor:

- New Zealand is cold country with full of land.
- New Zealand has disadvantage like they have less resources of water, so the cost of fishery occupation is high because they have to import at high cost.

FEASIBILITY STUDY OF VEGETARIAN RESTAURANT IN NEWZEALAND

Introduction:

New Zealand is one of the best countries for wine as well as food. The taste of the food is just awesome whether it being freshly harvested produce from gardens, or land or sea.

New Zealand has good climate weather, site scene, natural resources, beach etc which attract the tourists so that tourism industry grow and so that hospitality and restaurant industry has wide scope to start business in New Zealand.

New Zealand export top quality of foods as well as wines to the world. Majority of the people prefer pasture-fed lamb, seafood, venison and beef, fruit and vegetables and dairy products etc.

Mehfil Restaurant is unique to Auckland New Zealand. The restaurant features Full Service Dining. The restaurant will be fine dining in a comfortable atmosphere. The warm colors, soft music, fresh flowers, amazing artwork and candles from some of the area's most notable new artists.

Rules and Regulation to Open A Restaurant In New Zealand:

Owning a restaurant or bar comes with so many rules attached, it's simple to want to throw in the towel. Certain state and federal permits and licenses have to be getting by all businesses when you are serving food and drink; the stakes are high because consumer health is occupied. Food and beverage businesses must obey with a myriad of industry specific rules and regulations and running afoul of any one of them could lead to bad promotion and permanently turn customers off.

- **Food storage:** Food must be stored separately and labeled by date received. The first items expected must be the first items used. The facility must have a effective thermometer and refrigeration must be below 40 degrees Fahrenheit. Anything above 40 degrees allows growing bacteria.
- **Employee cleanliness:** Employees are likely to be clean, wash their hands regularly, and keep hair pulled back so it doesn't get into food or drinks.
- **Employee safety:** All employers are subject to federal Occupational Safety and Health Administration (OSHA) set of laws. OSHA sets and enforce safety standard to ensure healthy and safe working conditions. OSHA will examine your place and help you meet their standards.
- **Restaurant inspections:** Each state has its own restaurant inspection process but usually the inspection is done by the County's Health Department. Restaurant permit can be suspended for any number of infringement including rodent infestation, lack of hot water, faulty plumbing and more.

- **Selling alcohol:** Contact your local city office to apply for a license to sell alcohol. The different classes of licenses depending on what kind of alcohol you are serving and where the drinks are served. If you're opening a winery or brewery and producing your own alcohol you will need to contact the Alcohol and Tobacco Tax and Trade Bureau for approval.

How to Keep Your Customers Healthy:

- ✓ There are laws and systems that have been established to help ensure that the food served in restaurants is safe. Bacteria grow simply if given the chance.
- ✓ The local Health Department will send out inspectors to make sure that the chefs and servers are following the proper plan. Inspectors will issue fines for slight violation and can shut you down for major violations.

- *Working with Inspectors from the Local Health Department:*

- ✓ The Health Department will work with you to establish the correct systems and practices. The inspectors are habitually feared and dreaded but most of the regulations have important ramifications for keeping food clean and safe.
- ✓ A system called **HACCP – Hazard Analysis Critical Control Point** consists of seven important steps to ensure food safety. This method was in fact first designed to maintain food safety for NASA astronauts so you know this stuff works! The three main elements of the system are: food quality, microbiology control and risk assessment.

- *The 7 steps of HACCP are as follows:*

- 1) Assess hazards and potential risks.
- 2) Identify critical control points including cross contamination, cooking, and hygiene and cooling.
- 3) Set up procedures to make sure safety is maintained at all critical control points.
- 4) Monitor critical control points and use the correct tools, signs and training materials to ensure this.
- 5) Take corrective actions as soon as a critical control point is in jeopardy or when any violations are pointed out by the Health Department.
- 6) To set up a record-keeping structure to log all of your flowcharts and temperature checks
- 7) Keep up with the system to make sure it is working.

- **Avoiding Food Contamination:**

- ✓ There are many safety procedures to follow when preparing food in your restaurant. One of the important is to thaw frozen foods properly.
- ✓ You can cook food from its frozen state or by refrigerating it at less than 38 degrees F. You may also melt under running water at a temperature of 70 degrees F. or below for up to 2 hours. A microwave is another acceptable way to thaw foods but only if the whole cooking period will be in the microwave or the food will be done (immediately after microwaving) by another cooking method.
- ✓ Food items such as meats and poultry must be cooked to the correct inner temperatures. Thermometers are the finest way to ensure accuracy of these temps.

- **Avoid Cross Contamination:**

- ✓ Cross contamination is all too common in kitchens today. Be sure to dirt free and wash any equipment used to prepare food between uses and be particularly vigilant when handling a potentially harmful food such as raw poultry, fish or beef.
- ✓ There is a “danger zone” of temperature 40 degrees F. – 140 degrees F. within which food bacteria multiply quickly and can flourish. The temperature of food should be kept out of this zone as much as possible. The boundary time spent in the danger zone including all aspects of storage and preparation and service is 4 hours.

Food Storage:

- ✓ Storage is another way to protect your food from becoming impure or spoiled. There are some rules for this area as well. Use the “first in, first out” (FIFO in accounting) rule meaning that foods should be used in the order they are delivered.
- ✓ Keep all foods wrapped and clean. Each item in your walk-in refrigerator or freezer and your dry storage space should be in a sealed labeled container or package within the contents and date received. Do not take a chance on doubtful foods: “When in doubt, throw it out” is an immense rule to live when it comes to food safety. Go throughout your refrigerator unit often and get rid of spoiled foods.
- ✓ The refrigerator temperature must be below 38 degrees F. Items stored including meats, vegetables, and seafood and dairy products. Keep an effective thermometer in the unit at all times so you will know at a quick look if there is a problem. You do not desire to lose your whole inventory. Freezers should maintain foods at below 0 degrees F. The majority of foods will not preserve their quality in a freezer so it should be used only as required. Use fresh products whenever potential.
- ✓ Items in dry storage should be kept between 50 – 70 degrees F with a relative moisture of 50 – 60%.
- ✓ Food and beverage processing encompass all steps of production from the cultivator to the consumer. Each step involves significantly different types of processes which require monitoring for safety, conformance to specifications and profit optimization.
- ✓ Mandated by the FDA such as HACCP actions and ISO 22000-based food safety. Management system is the basis for many fulfillment and quality programs in the Beverage and Food industry. Companies understand that improperly skilled employees, poor quality products or inadequate service are expensive and can lead to more severe consequences.
- ✓ With the above kept in mind, Soft Expert Software allows organizations to demonstrate compliance, optimize financial performance, and reduce risk and present opportunities to continually get better the organization.
- ✓ Implementing statistical process control and built-up analysis enables food companies to move from inspection-based models to a process-control model. This helps make sure consistency in producing secure, higher-quality products which meet regulatory requirements. While at the same time, maximizing profitability and efficiency.

Food Quality:

- ✓ Poor food quality can have terrible results. Excessive costs of recall and even the loss of human life has taken food quality to a entire new level of assurance. Food companies need to obey with innumerous authoritarian quality necessities and keep up with a fixed budget while preventing quality issues.
- ✓ As the challenge of producing reliable and safe consumer products grow. Food and beverage industry needs to get better quality management to its highest. A quality structure that can meet the exclusive requirements of food quality allows organizations to not just comply with regulations, but also gives them the right tools to do well in any food manufacturing environment.
- ✓ Soft Expert Suite is an incorporated management software system that addresses the definite needs of food quality management, providing a structure of modular resources that automates and streamlines food quality processes. Soft Expert's range of mechanism are fully integrated to convey a best-in-class Food and Quality clarification, from CAPA management to statistical process control and document management.
- ✓ Soft Expert set links business strategy to food quality issues, CAPA and cause analysis. It will efficiently manage quality and compliance processes through process mapping and automation, audit management, complaint handling, performance indicators, and more –while reducing management costs and improving customer satisfaction.

Food Safety:

- ✓ Food Safety Management is an ever varied and changing dimension of your company. More and more departments are contributing to this function in your operations, creating more data than most can practically analyze and process. So how can you successfully and efficiently automate your food safety program to achieve better oversight via better results, real-time information and better safety assurance?
- ✓ There has been also a great quantity of food safety standards in the world and variation between standards, their implementation and auditing. With the achievement that the International Organization of Standardization (ISO) has with coordination of standards. It was logical that they take on this issue with the development of an ISO Food Safety Standard.
- ✓ The standard, ISO 22000 was released in 2005. Since its release, it has been effectively implemented in hundreds of companies approximately the world. The ISO 22000 Standard can be applied to any organization in the food chain from the farm to the food packaging producer.
- ✓ However, the food safety landscape is quickly changing. Public inspection has enlarged and other organizations and regulations such as the Food Safety Modernization Act (FSMA), International Food Standard (IFS), Global Food Safety Initiative (GFSI), Safe Quality Food (SQF), FSSC 22000 and BRC are in place.
- ✓ In the past, you are paper-based or mixture system may have been good enough but today's authoritarian environment demands more.

Mission:

Mehfil is a great place to eat, combining an intriguing atmosphere with interesting and excellent food. It is not only to have huge tasting food but have efficient and friendly service because customer satisfaction is paramount.

Vision:

We want to be the restaurant choice for all families and singles, old and Young male or female. Employee welfare will be uniformly important to our success. Every person will be treated fairly and with the greatest respect. We want our employees to feel a part of the success of Mehfil Restaurant.

We will merge menu variety, ambiance, atmosphere, special theme nights and a friendly staff to create a sense of 'place' in order to reach our goal of overall value in the dining experience. We want fair profits for the owners and a rewarding place to work for the employees.

Business objective:

Main objective is to introduce taste of Indian Vegetarian Foods in New Zealand.

- **Business Type:** Restaurant (Vegetarian)
- **Location:** In Auckland city New Zealand
- Stay as a small restaurant with excellent food and service.
- Expand our marketing and advertising in New Zealand.
- **Size:** 2,000 - 2,500 sq. ft. (estimated)

Start-up Restaurant:

Our start-up costs come to \$50,000 which is mostly expensed furniture, equipment, painting, rent, reconstruction, liquor license, start-up labor, six months operating cash, and legal and consulting costs associated with opening our restaurant. These are the start-up necessities to the best of our knowledge and experience in the industry.

We are seeking loan guaranty for \$50,000 with a 7% interest rate. We are investing \$30,000 of our own capital and seeking to raise an additional \$10,000 from investors.

Company Summary:

In Our restaurant we will provide seating for 50 customers. Where possible, reflection will be given to incorporate a dining patio. Parking, Zoning and Accessibility issues will be reviewed as key criteria.

The restaurant will have drawings and paintings from some of the area are the majority of the notable new artists. This will provide the art community a chance to show their work in a friendly and exciting environment. We will send out special invitations for the opening night and attract many people and newspapers.

The restaurant will be located in Auckland New Zealand. The restaurant will service lunch-dinner, and after-hours dining during the week and weekends. We will be open 7 days a week. Serving lunch Monday - Friday 11:30 AM - 2:30 PM. Dinner Monday - Friday, between 5 PM - 10 PM. Saturday and Sunday Dinner 5 PM - 11 PM. We will be closed on Good Friday, Christmas Day and Easter Sunday and until 1.00 pm on Anzac Day.

The kitchen staff will have the best in culinary education and work experience. Their inventive talents will complement one another. Restaurant staff will offer the finest service in an electric atmosphere and offer customers an extraordinary dining experience.

We believe the personnel plan is in good proportion to the size of the restaurant and projected revenues. The staff will comprise 13 full-time employees and 8 part-time employees, who will work a total of 754 man-hours per week.

Mehfil Menu:

Drink Menu			
HOT BEVERAGES		NON-ALCOHOLIC	
Particulars	Price	Particulars	Price
Irish Coffee	\$7.50	Soft drinks	\$4.00
Hot Chocolate	\$4.00	Ginger Ale/Tonic/Soda	\$4.50
English Breakfast Tea	\$4.00	Apple Juice	\$4.50
Masala Chai (Indian Tea)	\$4.00	Tomato Juice	\$4.50
Earl Grey Tea	\$4.00	Orange Juice	\$4.50
Camomile Tea	\$4.00	Mango Lassi	\$5.00
Ginger Tea	\$4.00	Sweet Lassi	\$5.00
Green Tea	\$4.00	Salted Lassi	\$5.00
Peppermint Tea	\$4.00	Buttermilk (chHas)	\$3.50

Dinner Menu			
VEGETARIAN DISHES			
Particulars	Price	Particulars	Price
Khichadi And Chhas	\$14.90	Paneertikka Masala(NEW)	\$16.00
Paneer Chilly (New)	\$16.50	Malai Kofta	\$16.00
Sag Paneer	\$16.00	Dal Makhani	\$15.50
Aloo Sag	\$16.00	Aloo Mattar	\$16.00
Aloo Gobi	\$16.00	Chana Masala	\$15.50
Mattar Paneer	\$16.00	Vegetable Makhani	\$16.00
Tarka Dal	\$15.50	Mixed Vegetable Curry	\$16.00
TANDOORI BREADS		RICE	
Plain Naan	\$4.00	Plain Rice (Basmati)	\$3.70
Paratha	\$4.00	Jeera Rice	\$6.00
Aloo Paratha	\$4.50	Coconut Rice	\$6.00
Roti	\$4.00	Vege Pulao	\$6.00
Butter Naan	\$4.50		
Onion Kulcha	\$4.50		
Vege Naan	\$4.50		
SIDE DISHES		DESSERTS	
Boiled Vegetables(New)	\$7.00	Mango Kulfi	\$6.50
Green Salad	\$6.00	Gulab Jamun	\$6.50
Onion & Tomato Kachumber	\$4.00	Rasgulla	\$6.50
Raita	\$4.00	Chocolate Cake	\$6.50
Mango Pickle	\$4.00		
Mango Chutney	\$4.00		
Onion Slice With Lemon	\$3.00		
Roasted Papadum	\$1.20		

Market Analysis Summary:

Instead of building a business around a preconceived concept, we conducted market research and built a concept around our consumers. Our market analysis identified the following key drivers as areas of opportunity to service New Zealand's restaurant customers:

- 1) **Portion Selection:** Our surveyed focus group endorsed having a choice of different size portions. Mehfil concept is built to offer different-sized portions. Our customers want the option to choose what satisfies their appetite.
- 2) **Menu Style:** Vegetarian restaurants are increasing in New Zealand. Our research results do not identify any single only Vegetarian style of restaurant as desired, but rather suggest that incorporating strong veg. and Non Veg. influences in the menu selection will be popular. Again, variety is the underlying element for this concept.
- 3) **The Dining Experience:** Customer satisfaction with food and service has been and continues to be of utmost importance, but our findings indicate that the décor, lighting, bar, and other options to improve the dining experience are also factors in customer decisions. Mehfil takes all these factors in consideration for the design of this restaurant.
- 4) **Reasonable Prices:** This was no surprise given the economic tide. Although the restaurant industry as a whole has seen growth in 2005-2006, customers are demanding value for their dining dollar. Mehfil menu is priced at a mid-tier level, with no entrée over \$17. In addition we have selection priced between \$3.50 - \$9.50, allowing budget dining in a full-service restaurant.

Keys to Success:

- 1) **Unique, Innovative & Contemporary:** The creation of a unique and innovative fine dining atmosphere will differentiate us from the competition. The restaurant will stand out from the other restaurants in the area because of the unique design and decor. We will offer a fine dining experience in an electric atmosphere.
- 2) **Product quality:** Nice food, great service and atmosphere.
- 3) **Menu:** Only Vegetarian Food.
- 4) **Control Focus:** We will control costs at all times, without exception. Cost Control will be an integrated function of the restaurant from the onset. Cost control is about managing the numbers - interpreting and comparing the numbers that impact the bottom line. 80 percent of the success of a restaurant is determined before it opens.

Human Resource: The human resource agency will be contacted for hiring employees.

	Designation	No. of person	Education Qualification	Skills Required	Salary (NZ\$)
1.	Restaurant Manager	1	MBA in specialization in Hotel Management	Having experience Of 3year Having Good Communication Skills, Co-coordinating Team. Taking Decision Regarding what to required in Restaurant.	2500
2.	Cashier come accountant	1	Commerce graduate with main accounting	Knowledge of computer and accounting	1500
3.	Counter Boy	2	No fixed criteria	Good communication skill Who can handle customers very softly and delight	1400
4.	Waiter	12	No fixed criteria	Good communication skill Who can handle customers as well as Restaurant activity	1200
5.	Security Guard	1	No fixed criteria	Healthy and fit Who can handle any situation if occurs in the Restaurant.	1000

Financial Analysis:

Fixed Expenses

Particulars	Quantity	Total Amount (NZ \$)
Restaurant kitchen	1	3000
Counter Chairs	50	2000
Tables	10	2500
Crockery	-	1900
Heater	3	1500
Lighting	-	800
Computer	1	500
Music System	1	600
Furniture	-	1200
TOTAL	-	14000

Projected Profit and Loss Statement:

Particulars	Year 1	Year 2
Sales	170000	210000
Closing Stock	15000	12000
(-)Purchases (includes Purchase expenses)	130000	140000
Gross Profit	55000	82000
(-)Operating expenses:		
License Fee	6000	-
Salary	22200	22200
Advertisement expenses (it includes website expense)	3500	3000
Depreciation	2500	2600
Rent and Rates	42270	42270
Insurance of Restaurant	2200	2200
Other Expenses	5000	5700
Total Operating Expenses	83670	77970
Net Profit / Loss	-28670	4030

Balance Sheet:

Liabilities and Capital	1st year (NZ \$)	Assets	1st year (NZ \$)
		Fixed Expenses	
Current Borrowing	-	Furniture (inclu. Chair & table)	\$3700
Long-term Liabilities	\$50,000	Heater	\$1500
Total Liabilities	\$50,000	Computer	\$500
Capital		Music System	\$600
Planned Investment		Crockery	\$1900
Mehfil Owner	\$30,000	Closing Stock	\$15000
Investor	\$10,000	Restaurant Kitchen	\$3000
		Lighting	\$800
Additional Investment Requirement	\$0	Cash on Hand	\$34330
Loss at Start-up	(-\$28,670)		
Total Capital and Liabilities	\$61330	Total Assets	\$61330

Liabilities and Capital	2nd year (NZ \$)	Assets	2nd year (NZ \$)
		Fixed Expenses	
Current Borrowing	-	Furniture (inclu. Chair & table)	\$3700
Long-term Liabilities	\$50,000	Heater	\$1500
Total Liabilities	\$50,000	Computer	\$500
Capital		Music System	\$600
Planned Investment		Crockery	\$1900
Mehfil Owner	\$30,000	Closing Stock	\$12000
Investor	\$10,000	Restaurant Kitchen	\$3000
		Lighting	\$800
Additional Investment Requirement	\$0	Cash on Hand	\$24000
Net profit	\$4030		
Total Capital and Liabilities	\$90430	Total Assets	\$90430

Cash Flow Statement:

Particular	1st year(NZ\$)	2nd year
Cash Receipts	185000	222000
- Expenditure		
Cash Purchase	130000	140000
Operating expenses	83670	77970
Fixed expense	12000	12000
Net Cash Flow	-40,670	7970
Cash on hand	34330	24000

Conclusion:

- ❖ In 2 year company gets the profit of \$4030.
- ❖ This shows opening of a Restaurant in New Zealand is profitable and also to Run Forward in Future.
- ❖ We can start to serve snacks as well as other Vegetarian Food in Restaurant in Future.

Chapter – 10

Business plan of Milk Product (Flavored Lassi)

Introduction of Industry



Dairy cattle were first introduced by European colonizers in the early 19th era to deliver milk, butter and cheese for resident supply. As initial as 1846, only six years later the signing of the Treaty of Waitangi, the initial export was started.

In 1882 NZ exported the first refrigerated shipment an international meat and butter from Port Chalmers, Dunedian to London on the Ship “Dunedin”.

New Zealand is the world's 8th largest milk producer, with about 2.2% of world production. Total production was 1.3 billion kg of milk solids, and NZ\$8.38 billion of dairy products were exported in the year ending 30 September 2007. Also, Fonterra is the largest processor of milk in New Zealand. It processes 94.8 percent of all milk solids from dairy farms.

http://1.bp.blogspot.com/-fgwqOw2-wEw/UQWPjvhBRAI/AAAAAAAAuCA/uCuyw_7qMqo/s640/NZ+dairy+farming.jpeg

PESTEL Analysis of Industry

❖ Political factor:-

In Political factor, the political parties are **tolerable** in NZ so it need to work with central and local government, and the public to ensure supportable **use of these resources** and easily agreement related to natural resource licensing and other process. Political **support in Global markets** and Political support within New Zealand The evolution of industry structure to make possible growth.

In terms of guidelines, government should ensure that all plans and policies developed by local and central government relating to land use, resource availability, energy and environmental concerns are based on sound scientific, economic and social principles.

❖ Economic factor:-

Dairy industry makes a large and growing input to the New Zealand economy. NZ economy is usually based on a foundation of exports from its effective agricultural system. Leading agricultural exports contain meat, dairy products, forest products, fruit and vegetables, fish as well as wool. Leading manufacturing sectors are food processing, metal fabrication, and wood and paper production

Exchange rates:-

New Zealand Dollars (NZ\$) per US\$1 1.2652 (2012), 1.3869 (2005), 1.5248 (2004), 1.9071 (2003), 2.1622 (2002), 2.3788 (2001), 2.2012 (2000), 1.8886 (1999), 1.8632 (1998), 1.5083 (1997), 1.4543 (1996), 1.5235 (1995)

On 31 June 2012, gross foreign debt was NZ\$256.4 billion, or 125.3% of GDP on 31 March 2012, net foreign debt was NZ\$141.65 billion or 104.4% of GDP

Factor:-

- The New Zealand economy benefits greatly from the dairy industry.
- The dairy farming industry work with government to continue the benefits.
- New Zealand economy and agroindustry has been gradually increased in 2010.
- New Zealand had the second-lowest personal tax burden in the [OECD](#), once all compulsory effects.
- The dairy sector has forecast to grow export revenue to \$11.9 billion in 2012

- Volume and price growth in the delivered benefits to the dairy industry, it has generated living standard improvements across New Zealand's regional economies, including in metropolitan areas such as Auckland and Wellington.
- Exchange rates are rising since 10 year.

❖ **Social factors:-**

Social factors are squeezed on the dairy industry. The social factor include demographics (age, gender, race, family size, etc.), lifestyle changes, population shifts, education, trends, fads, diversity, immigration/emigration, health, living standards

Factor:-

- Major problem with ethics of Maori people like land ownership, and Maori has the right in the area of environmental matters as a partner in resource management.
- The NZ people are changing values together with a power of “green” concerns both nationally and globally.
- The industry is performing the readiness to hold the changes though with levels of frustration.
- Carbon footprints and sustainability area present and future significant issue for the industry.
- Societal expectations about the condition of services including services, hobby, technology and other lifestyle factors have impacted upon rural life.
- Dairying has to move to highlight the positive to compete.

❖ **Technology factor:-**

The technology factor include inventions, new discoveries, research, energy fuels, communications, health (pharmaceutical, equipment, etc.), manufacturing advances, information technology, internet etc.

Factor:-

- Increasing success of existing beneficial technologies.
- Developing new technologies to increase potential milk solids production from food, potential food conversion efficiency, cow functionality and resource use efficiency.
- Developing quantity and managing tools for on-farm decision making.
- Farmer meeting in the development of industry policy, strategy, structure and operation lasting technological advance.
- Technologies also help in for product quantity and quality to comfort advances in veterinary technology, innovations in milking, transport and processing.

❖ **Environmental factors:-**

Farming has been growing on the account for the environmental influence of the industry. Fish and Game has progressed by the “dirty dairying” i.e. , on going damages to the ecological health of NZ fresh water, which has been focused on the effect of dairying on water quality. The response to the campaign “Dairying and clean Streams Accord” i.e., an agreement signed in 2003 in NZ among Fonterra, Ministry for the Environment, Ministry of Agriculture and Forestry has been summarized for the level of water pollution. The family maintained Crafar Farms i.e., NZ largest family who has owned the dairy of NZ, has accepted the burnt of the action and have been considered the “poster boys for dirty dairying” which has been committed by Environment Waikato’s i.e., a local govt of NZ or chairman Ian Balme

SWOT Analysis Of Dairy

❖ Dairy sector's strengths:-

- Livestock products i.e. Milk & Meat are major source of food.
- Dairy sector is having huge potential for good-sized earnings.
- NZ is having wide scope for Milk Production, and also its ranking is 8th in the world.
- Dairy sector in NZ is having low cost of production compare to competitive milk producing countries.
- Human resource and manpower availability in dairy farming.
- Large support of sheep for milk production.

❖ Dairy sector's weaknesses:-

- Relatively small dairy cattle milk production market.
- Constant lack of improved, adapted dairy cows.
- Unorganized sector, unaware of basic farm management practices including record keeping, farm/ market infrastructures & marketing information.
- Nutrition is still a problem hinder the domestic animals productivity in general and milk production in particular.
- Vast production damages due to common diseases every year.
- Poorly developed cold chain with inadequate number of milk chilling and processing centers.
- Lack of education, technical skills, initiative and experience in modern dairy farming.
- Implementation of traditional approach.
- Old fashion equipment & technologies.

❖ Dairy sector's opportunities:-

- Increasing demand of value added dairy products.
- Local and international dairy products needs are much higher than supply.
- Commercially viable sector with great credit potential and absorption capacity.
- Dairy sector provides raw material for food & leather industry.

❖ Dairy sector's threats:-

- Due to fear of default, banker community has refusal for lending loans.
- High risks of diseases in livestock.
- Defective and unorganized markets.

Introduction of Business



<http://2.bp.blogspot.com/->

w5ZIN_MKGMU/TrL_Et26wEI/AAAAAAAAALY/k16Ro8lytYs/s1600/yogurt.jpg

❖ Status of Yoghurt industry in New Zealand

- Yoghurt in New Zealand is developed and contains of a wide-ranging of products. New products containing features such as decreases fat, no added sugar and added probiotic cultures are gradually popular due to the constant trend towards improved products.
- They related yoghurts into three crucial nutrients per 100g- i.e., total fat, saturated fat and sugar. The nutrient norms are those which is being developed by the Australian consumer association. Yoghurt is a best source of calcium.
- Customer of NZ powerfully supports the overview of “traffic light” which is being labeled on the front of pack in every product or package of foods- because it comforts customer to make better food selections.

Traffic light criteria for food			
	Low	OK	High
Total fat	≤ 3.0g	3.1g - 19.9g	≥ 20g
Saturated fat	≤ 1.5g	1.6g - 4.9g	≥ 5.0g
Sugar ≤ 5.0g	≤ 5.0g	5.1g - 14.9g	≥ 15.0g

<http://www.consumer.org.nz/reports/yoghurt/about-our-survey>

<http://www.marketresearch.com/Euromonitor-International-v746/Yoghurt-Zealand-6268860/>

❖ Yogurt available in NZ:

- Fresh 'N Fruity *:



It's a variety of little fat sugared yoghurts in regular and bear fruit alternatives. Fresh 'n Fruity includes live acidophilus and bifidus cultures. It's a healthy for breakfast or snack choice

- Fresh 'N Fruity Lite *:



It's an 99.9% fat free. It conveys the National Heart Foundation's tick of approval. It's very rich in taste and also includes live acidophilus and bifidus cultures.

- De Winkel Acidophilus Yoghurt *:



It's being consider that the finest foods are those which environment provides, and that foods from environment need little involvement. Thus De Winkely yoghurt is all simply natural, which contains no artificial flavours, colours, no protection, no gelatin and is gluten free – making De Winkel one of the simplest and yummiest yoghurts in the New Zealand market.

- **Fresh 'N Fruity Greek Style*:**



It's being thick and velvety with a mild, delightful f flavor. It's a best for cooking and baking. Also it is a great ingredient for dips, dressing and sauces.

- **Mammoth Supply Co. Yoghurt:**



It's a real man food. It contain Seeds, grain and fruit in yoghurt that's as thick as a buttress. Also it includes different flavors too i.e., Lemon Passion, Apricot Honey, Mango Coconut, Apple Blueberry, Berry Black Forest, Apple Pie

- **Piako:**



It's a creamy and kind gluten-free yoghurt with 100% pure New Zealand honey, real fruit and three different probiotic cultures

<http://www.fonterrafoods.co.nz/component/ffpr/?view=product&id=234&manufacture=0>

❖ **History of lassi**



- Lassi is widespread in Punjabi, Hindi, Urdu, Marathi, Gujarati as well as Bengali.
- It has very standard traditional yogurt based drink which is invented in Punjab region. In Dharmic spiritual (religious) yogurt sugared with honey is used in performing the spiritual rituals.

- Common lassi is served with milk and on topped it has a thin layer of thickened cream.
- It is being enjoyed as chilled as during the hot weather for refreshment, not only that but it is mostly consume during lunch time. With a bit of turmeric powder mixed because it helps to cure gastroenteritis.

❖ **Process step by step:**

- **Precautions:**

- Use fresh water for research of lassi.
- Don't use bad flavoured curd for lassi research.
- Use similar color flavor. Also use clean tools for preparing and warming.

- **Material required:**

- Whole scan milk.
- Stick sugar (sugar cane sugar).
- Common salt.
- Eatable color and food ranking flavor.

- **Apparatus:**

- Curd stick(steel or woody).
- Dairy moving thermometer.

- **Procedure:**

- Take fine set-curd in a vessel.
- Add up little number of water.
- Standardize the substances of curd stick or beater.
- Thinned the substance with 1-2 parts of icy water.
- Adding the water will be depending on the composition of curd.
- Then add sugar at the rate of 14 to 20% or add common salt to 1-2%.
- Add color and flavoring material as preferred.
- Mix it up the content nicely.
- Add ice cube or crushed ice, colors and serve it.

❖ **Mission and Vision**



- **Mission:** Magnify Indian flavor of Yoghurt in New Zealand.
- **Vision:** To become one of the finest brand of Yoghurt in New Zealand.

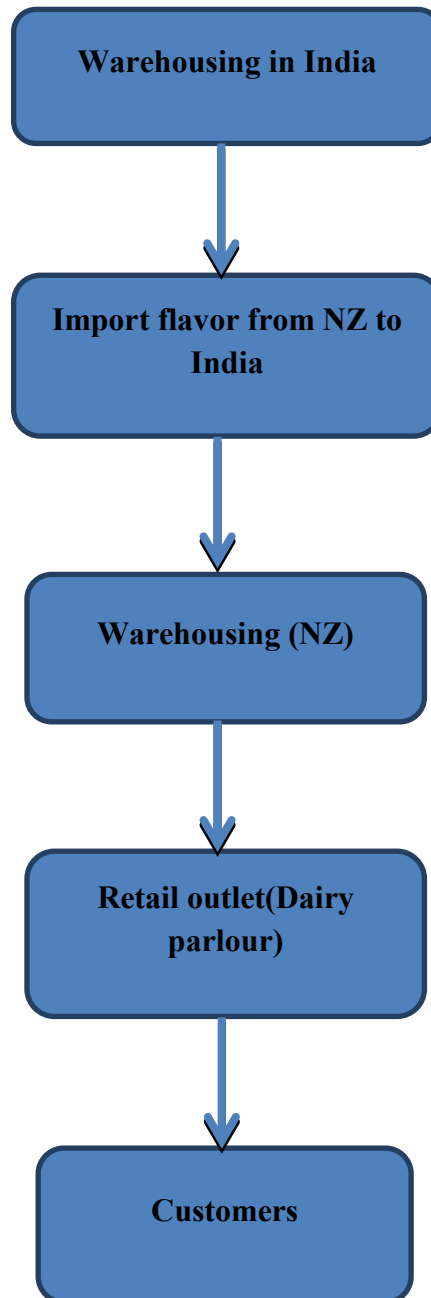
❖ **Business plan phases**

- **Phase 1:** Primarily the company is going to distribute their product to the present Yogurts shop. The company is also going to provide facility of home delivery by order receiving through telephone and taking order during special occurrence like marriage, b'day parties etc.
- **Phase 2:** As the success takes place among people of New Zealanders during the initial phase then for more awareness, the company is going to open their own outlets. During this phase the company is going to market for our product by doing advisement in T.V., popular Newspapers etc.
- **Phase 3:** After achieving good position in the mind of people as well as in Yogurts industry, we would be starting for franchises

❖ **BUSINESS OBJECTIVE:**

- Main objective of the company's product is to introduce taste of Indian traditional Yogurt (Lassi) in New Zealand.
- **Name of the Lassi shop:** Punjab Di Lassi
-

❖ **Distribution Channel:**



❖ **Process for starting the business in New Zealand:**

- **Business Structures:**

Sole Trader:

- In this trader you are the complete control of your own business. The whole profit would be yours, but the duties and obligations includes any debt your business incurs.
- For becoming a sole trader it doesn't require any legal paper work that is why many of the new Zealander starts the business as a sole traders.

Partnership:

- In partnership you have to choose a pool of your own assets with one another in one business, with the profit and losses of the business divided between you.

Companies:

- A company is a business that start its business with following all the rules and regulation, and it is being separated from its shareholders.
- This is being very important because the company owns all its assets and liabilities, which means your own responsibilities for any debts and also it is generally limited to the amount you've invested as share capital in the business.
- The New Zealand companies has to be incorporated or registered with the companies office i.e., (the national registrar of companies).

- **Business names:**

The Companies Office:

- As soon as the business name is being held in reserve on the companies register, it is then impossible for others to reserve the same name within the following 20days. The name would be protected and becomes permanent once the company is registered. It is one type of protection and stops the other companies being registered in New Zealand with the same name.

IPONZ(The Intellectual Property Office of New Zealand)

- It is the organization where clear and trademarks is on the original commercial assets which includes business names. Unlike companies, sole traders, and partnerships doesn't have any protection over their own business names, but with the help of IPONZ they can apply for the trade mark for their any brand or logo which would be used as a unique way.

Registrations:

- The first step for the business to be get registered is that they have to get an IRD number from Inland Revenue.

Sole traders and partnerships:

- If the business is as a sole trader then you have have to return your business income under your personal IRD number. But Partnership have their own IRD number.
- If the business is not having the personal IRD number then they had to apply by filling out an IRD number application – individual (IR595) or an IR595A for a partnership.

Companies:

- If your business is running through the company you need to get an IRD number for it. Rather then going to the Inland Revenue.
- For reserving a company name costs only \$10.22 is being required, while for registering a New Zealand company you need \$150, and both can be done through online with the Companies Office.

You need also get to register with the Inland Revenue:

For GST (Goods and Services Tax)

- The business should get registered itself once they reach or expected to reach in the following 12 months an annual turnover of more than \$60,000. As it is being registered than you need to collect GST for the govt on the goods and services you sell and can

easily able to claim GST back for the goods and services which you buy for your business.

Business Taxes

•

If you are a sole trader or carry on business in partnership with others then you will have to pay an income tax from your own profits. But if you start a company, its profit will be taxed separately at the company tax rate.

Licenses, agreements and authorities:

- Regional councils and other bodies may also play an important part in setting up your business.
- If the work is done from home i.e., you want to open a café or bakery you have to apply for a licence first with your regional council. Your homegrown(local) council also controls health and safety standards for all businesses and building permits, so its being assets making contact before you start your business.

<http://www.business.govt.nz/starting-and-stopping/entering-a-business/starting-a-business>

❖ Rental Agreement in New Zealand:

A rental agreement is a form of bond, agreed to between landowners and renters, which outlines the particular conditions of a rental. Both the landowners and renter must ensure that the renter receives a copy before the rent begins.

Among other things, the contract must specify the names of parties involved, the bond, a list of personal property, the date the rent will start and end and street address for the landowner.

The standard forms is available from stationery outlets such as Whitcoulls and Warehouse Stationery.

- Types of rental:

There are three types of rental. They are

Fixed term rental:

- Its runs for a period of time which is set out in the rental agreement. Neither the rental nor the landowner may end the tenancy before the term is up.
- It means that suppose if you agree to rent a goods or property for one year but after half a year i.e., six months decide to go foreign, you will continue to be responsible for the rental. But if the land owner agrees to another rental and a new rental contract is signed and yours duty finishes.

A periodic rent:

- It continues up to the land owner or rental brings it to an end by giving warning. There is a correct way for this i.e., periodic rents are probably the furthestmost common form of tenancy.

A service rent:

- It occurs where a manager or an employer provides somewhere to live for a worker. Also service rental are covered by the Residential Tenancies Act

❖ Personal management:

- Manager from India.

- Manager will manage all the activities from India to New Zealand. Handle all the legal activities related to license for starting business, hiring people for business, guide the people for marketing, and taking major decision for that plant arrangement and related to equipments.

- Experts from India (Lassi making).

- They will come to give training for making Lassi to New Zealand. This training will be conduct for 10 days and it will be on the job training.

- Employer hiring from NZ.

- Lassi maker from New Zealand, 3 delivery boys, 2 cleaner, 1 security, 2 packaging person.

❖ SALARY STRUCTURE:

No. of person	Designing	Salary
1	Manager	Rs 50,000
1	Expert	Rs 40,000
3	Lassi maker	Rs 20,000
3	Distributor	Rs 21500 (incl. 1500 petrol)
1	Cleaner	Rs 7000
1	Worker for packaging	Rs 12000

Note: Maximum incentives per head are 3,000

❖ Training program

- To experts of lassi maker will go to New Zealand for giving training to trainees. This training will be conduct for 10 days. At the initial stage there will be only 3 people for making lassi.
- The most familiar type of “On the job training” is coaching or understudy method. An experience chef (lassi maker from India) or trainees supervisor train the chef (lassi maker).

Step 1: Prepare the learner

- First experts will give introduction about the product (lassi) to trainees that what kind of yogurt it is.
- Trainer explains lassi’s uniqueness and differentiates it from the other yogurts which are existing in New Zealand.
- Familiarize worker with equipment’s, material, ingredients, and tools.

Step 2: Present the operation

- Explain quantity and quality requirement of lassi.
- Go through job at normal pace.
- Explain each step between making the process of lassi. Explain the quality level or those in which errors are likely to be made.

Step 3: Do a try out

- Have the beginner go through the process of lassi.
- Do improvement and give suggestion if any problem occurs in between process to make it up to the mark.

Step 4: Follow up.

- Allocate to whom beginner should go for help.
- This lassi making training will be continued for the 10 days.

❖ **Financial Plan**

Investment for business

PARTICULAR	AMOUNT(NZ \$.)
Annual rent (land)	12480
2 Refrigerators	14163072
Equipments	3344220
Furniture	7966728
10 Cold Box	2876874
Total Investment For Business	28363374

1rs=44.2596 nz \$

Source: <http://www.xe.com/currency/nzd-new-zeland-dollar?r=1>

Time: 10.48pm

Cost sheet for the month of May, June, July2013 (for 5 kg per day)

Particulars	May	June	July
Raw material:	9000	9000	9000
<u>Whole scan milk.</u>	3000	3000	3000
<u>Stick sugar</u>	9000	9000	9000
<u>(sugar cane sugar).</u>	8100	8100	8100
<u>Common salt.</u>	1300	1300	1300
<u>Eatable color and</u>	1050	1050	130
<u>Food ranking flavor.</u>	5000	5000	5000
	2000	2000	2000
	3000	3000	3000
	6000	-	
DRY FRUITS			
OTHER INGREDIENTS			
OTHER	28000	28000	28000
	3500	3500	3500
Variable cost:			
Electricity			
Gas	59000	59000	59000
	2600	2600	2600
Fixed cost:	1200	1200	1200
Rental expenses	1400	1400	1400
Admin. Expenses			
Cleaning expenses			
Advertisement expenses			
	1,43,150	1,37,150	1,37,150
Total	2,00,000	3,30,000	3,45,000
(-) Sales	56,850	1,92,850	2,07,850
Profit			
[: -] Units	(200)	(200)	(200)
Profit per unit	285	964	1039

Particulars	August	Sept	Oct
Raw material:			
Whole scan milk.	10000	10000	10000
Stick sugar	8000	8000	8000
(sugar cane sugar).	9500	9500	9500
Common salt.	8500	8500	8500
Eatable color and	1500	1500	1500
Food ranking flavor.	200	200	200
dry fruits	7000	7000	7000
other ingredients	3000	3000	3000
other	4000	-	-
Variable cost:	28000	28000	28000
Electricity	3500	3500	3500
Gas			
Fixed cost:			
Rental expenses	59000	59000	59000
Admin. Expenses	2600	2600	2600
Cleaning expenses	1200	1200	1200
Advertisement expenses	1400	1400	1400
Maintenance expenses	5000	5000	5000
Total	1,52,400	1,48,400	1,48,400
(-) Sales	3,90,500	4,01,500	3,45,000
Profit			
[: -] Units	2,38,100	2,53,100	2,71,600
	(210)	(210)	(210)
Profit per unit	1133	1205	1293

Particulars	Nov	Dec	Jan
Raw material:			
Whole scan yogurt	14950	14950	14950
Stick sugar	30000	15000	15000
(sugar cane sugar).	18000	12000	12000
Common salt.	10000	10000	10000
Eatable color and	5800	5000	5000
Food ranking flavor.	350	350	350
dry fruits	12000	8000	8000
other ingredients	10000	4000	4000
	8000	-	-
Variable cost:	28000	28000	28000
Electricity	3500	3500	3500
Gas			
Fixed cost:	59000	59000	59000
Rental expenses	2600	2600	2600
Admin. Expenses	1200	1200	1200
Cleaning expenses	1400	1400	1400
Advertisement expenses	5000	5000	5000
Maintenance expenses			
Total	2,14,800	1,70,000	1,70,000
(-) Sales	4,70,000	4,70,000	4,70,000
Profit			
[: -] Units	2,55,200	3,00,000	3,00,000
	(210)	(220)	(220)
Profit per unit	1215	1363	1363

Particulars	Feb	March	April
Raw material:			
<u>Whole scan yogurt.</u>	119100	119100	119100
<u>Stick sugar</u>	30000	30000	30000
<u>(sugar cane sugar).</u>	29000	29000	29000
<u>Common salt.</u>	50400	50400	50400
<u>Eatable color and</u>	1800	1800	1800
<u>Food ranking flavor.</u>	35000	35000	35000
dry fruits	15000	15000	15000
other ingredients	19,000	19,000	19,000
	7500		
	28000	28000	28000
Variable cost:	3500	3500	3500
Electricity			
Gas			
	59000	59000	59000
Fixed cost:	2600	2600	2600
Rental expenses	1200	1200	1200
Admin. Expenses	1400	1400	1400
Cleaning expenses	5000	5000	5000
Advertisement expenses			
Maintenance expenses			
	4,07,500	4,00,000	4,00,000
Total	7,50,000	7,50,000	7,50,000
(-) Sales	3,42,500	3,50,000	3,50,000
Profit			
[: -] Units	(250)	(250)	(250)
Profit per unit	1370	1400	1400

P&L A/C

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Salary (Indian &NZ)	2948158	Income from Sales	134287735
Incentives	1033461		
Rent charges(2611316 *12)	31335792		
Maintenance exp.(221298*12)	2655576		
Cleaning exp.(53112*12)	637344		
Electricity exp.(1239269*12)	14871228		
Gas expenses(1549086*12)	18589032		
Admin expenses (115075*12)	1380899		
Advertisement exp.(61963*12)	743556		
Promotional exp.	1,20,000		
Travelling & visa exp.	2180670		
Profit	57792019		
	134287735		134287735

❖ **Conclusion**

Company has decided to launch “Lassi” in New Zealand, because their people prefer to have Yogurts. Our main source of that we would providing Indian taste lassi in small dairy shops. It will be easy for us to attract the New Zealanders.

As per our study we also found that the business of LASSI is having a good scope in New Zealand. If any company wants to launch dairy product or even LASSI is beneficial to those companies.

Overall we concluded that in New Zealand there is a good scope for conducting the business in dairy industry. The LASSI business is more benefited to us and it gives good profit to our business also in first phase and so on.

Chapter – 11

Business Plan of Exporting Footwear

Product

FOOTWEAR SECTOR IN NEW ZEALAND AND SWOT ANALYSIS

Footwear sector in New Zealand

The footwear market in the New Zealand generates the total revenues through the sale of all types of Men's, Women's and Children's Footwear. The New Zealand Footwear market is valued at retail selling price the Currency conversion rates calculated by using constant annual average of Exchange rates.

The imports of footwear from developing countries to New Zealand are included in the five categories.

- Footwear with leather upper
- Footwear with plastic-rubber uppers
- Footwear with textile uppers
- Footwear with other uppers
- Parts of footwear.

Each category can be divided into multiple subcategories; for instance, Footwear with leather uppers contains more than 44 subcategories in the classification systems. For each category, it will be stated clearly which categories are subject for analysis.

• Market Structure

The market can be divided into the following consumer segments: Men's footwear, women's footwear, sports shoes and footwear for children.

There is mostly the men and women have a choice of the footwear which is fit for the different seasons as well as for the different occasions, work, free time, sports etc. however, in the New Zealand, one segment of the footwear market primarily young people tend to prefer sports shoes all over the year.

people generally more conscious about the quality of footwear product. But price is an important aspect; cheap footwear with low quality will be difficult to sell in the footwear market of New Zealand.

The parents consider greater importance for selecting the footwear for their children In the New Zealand. They believe that the design of the footwear must be shaped and of high quality and for that they are ready to pay a high price. Normally the children will get a full set of footwear each year to fit their growing feet.

- **Product groups:**

- **Based on user**

- Women's footwear
- Men's footwear
- Children's footwear

- **Based on type**

- Casual footwear
- Formal footwear
- Evening footwear
- Sports footwear

- **Based on material** (used for production and trade statistics)

- Leather footwear
- Plastic or rubber footwear
- Textile footwear
- Other footwear (e.g. waterproof footwear and parts of footwear)

- **SWOT Analysis:**

Strengths:

- Well organized linkage with exporter countries
- Importer friendly government policy
- Managements with business background become quality and environment conscious.
- Presence of qualified leather technologists in the field.
- Strong Supply chain in footwear industry.

Weaknesses:

- High labor cost
- Lack of natural resources
- Non availability of quality footwear components
- Little brand image
- Uneconomical size of manufacturing units.

Opportunities:

- Opportunities in value fashion segment, particularly for fashionable casual and evening footwear with e.g. comfortable foot beds.
- More online purchasing will provide opportunities for New Zealand export.
- Growing fashion consciousness globally.

Threats:

- Entry of multinationals in domestic market
- Improving quality to adapt the stricter international standards.
- Fast changing fashion trends are difficult to adapt for footwear industry.
- Large competition in footwear industry of New Zealand.

COMPANY PROFILE

Establishment and Growth of Evergreen:

Evergreen Footwear Ltd. Evergreen footwear basically started off as a marketing company for the Evergreen Group and then it is subsequently ventured into the manufacturing of footwear product.

For spanning North India, the company has established 7 manufacturing plants and they are located in Delhi, Haryana (Bahadurgarh), and Bhiwadi (Rajasthan). These units have a cumulative area of over 1, 20,000 sq. feet enabling mass production. Each manufacturing plant is equipped with the world-class machinery and hi-tech product testing laboratories. The current capacity of the Evergreen footwear is 3.35 lakh pairs per day which resulting in annual capacity of more than 100million pairs.

RFL produces different products under different brands. It produces Hawaii slippers branded as “Evergreen” whereas the light slippers segment is branded “Flite”. The school and sports shoes segment is branded Sparx .

For producing the footwear product, Evergreen’s key raw materials include the natural rubber synthetic rubber. Between the price rise of raw material and operating margin, there is a direct co-relation.

Evergreen is the second largest footwear producer in India. Evergreen footwear the company has established as a quality conscious Footwear Company in Indian economy as on today. And it maintains a good combination of comfort, style & workmanship.

Evergreen footwear has started with the manufacture of Hawaii slippers. Now It has grown into a large scale entrepreneurship having a various product. In the year 1977, sale of the Evergreen was Rs.1 million which is increased to Rs.5000 million in 2010.

- **Profile of the company:**

Company name: Evergreen footwear

Nature: Manufacturer, Exporter

- **Vision:**

The vision of Evergreen footwear is to achieve an annual turnover of Rs.1000crore at the end of year 2013.

- **Mission:**

The mission of the Evergreen is to ensure a customer satisfaction keeping with the company's value of "Quality Par Excellence".

- **Core values:**

The core values of the Evergreen are,

-Corporate citizenship

-Honesty

-Transparency

-Employee satisfaction

-Customer orientation

-Team orientation.

- **Objectives of Evergreen for exporting in New Zealand:**

The main objectives of the Evergreen are as followings:

- To establish a footwear export business in New Zealand
- To achieve good customer relationship
- To provide qualitative footwear products as per the quality standards of New Zealand.

- **Future plan**

Evergreen will export current brand of the Evergreen footwear then after according to the requirement of the people we will manufacture and export it.

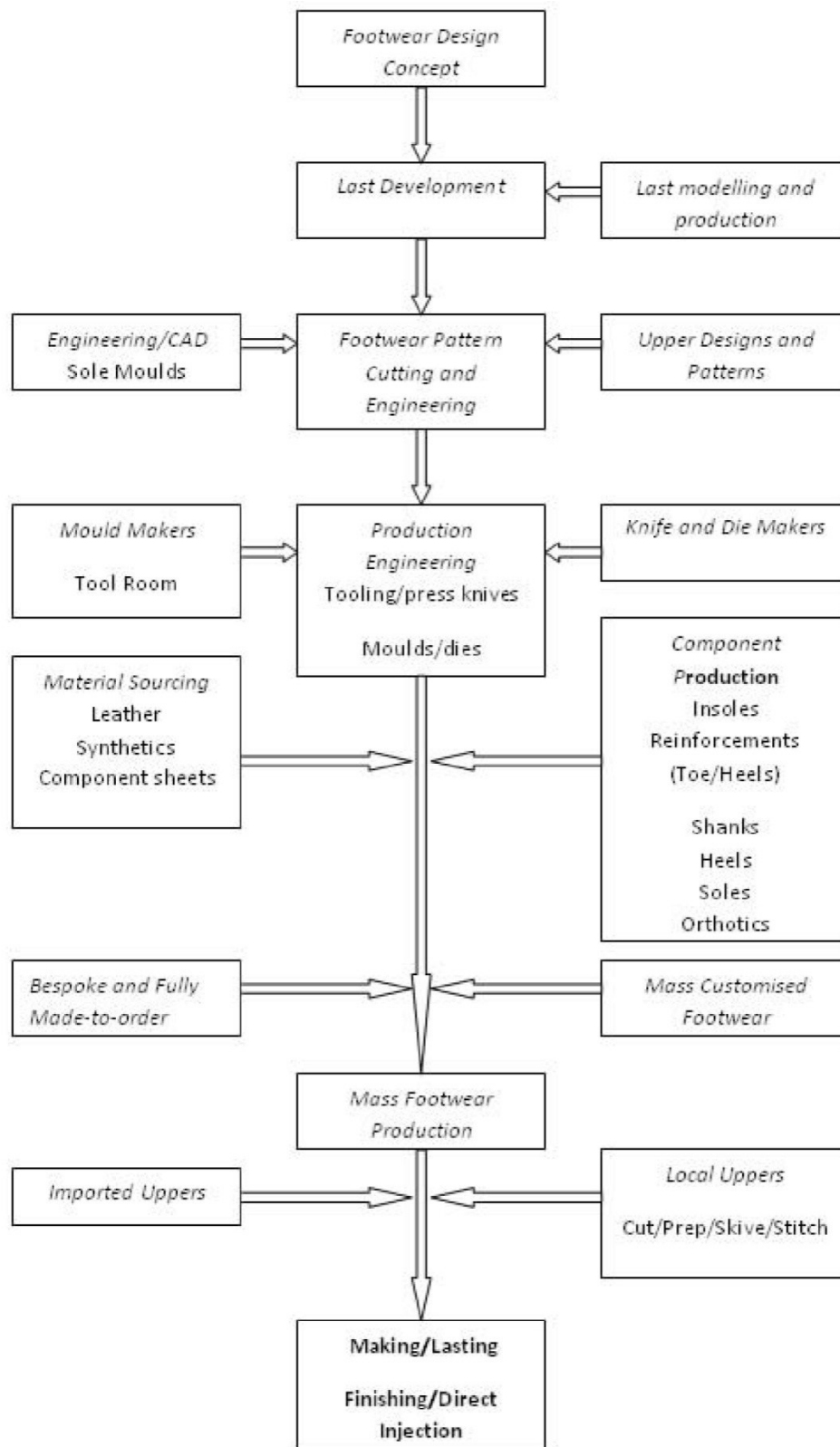
The products and Brands which Evergreen are going to export in New Zealand are as follows:

- **Products:**

The main products of the Evergreen are as follows:

- Men's footwear
- Women's footwear
- Child footwear
- Sports footwear

Footwear Manufacturing Map - Design to Finished Product



Stocking

stocking mainly means storing of raw materials as per the requirement of the customer which mainly consists of leather and the sole material. But in case of soles the soles are in the form of thick sheets of rubber or any other sole material (as per customer requirements) which requires a specific type of machine called as the sole cutting machine.

Designing

Designing is mainly done as per the designs given by the designers. Designing means designing the leather which covers the entire upper feet. Designing is mainly done by cutting the leather into certain designs it also includes stitching of the leather in specific designs. This process does not include the making of sole. After this a particular lining is applied to make the leather soft and give it strength.

Cutting

Cutting mainly consists of two types i.e. leather cutting and sole cutting.

Leather cutting is done manually with the help of hands using a specific type of a sharp knife, whereas sole cutting is done by machines. This is mainly because leather sheets are thin and in order to give it a specific shape and design it has to be done manually wherein the material is cut into knives.

Sticking

After designing comes sticking. This mainly means sticking the upper part i.e. the leather part of the shoe to the sole of the shoe. This is done using adhesives.

Pressing

After lasting, the shoe containing the mould is then subjected to the pressing process wherein the pair of shoes is placed in a machine which presses the shoe i.e. presses the upper part of the shoe to the sole to ensure proper adhesion

Lasting

Further, in the lasting process plastic moulds are taken which are in the shape of the foot, and then the upper portion of the shoe and the insole are stuck together using adhesives and then the mould is removed.

Finishing

after the pressing the shoes are allowed to dry for a specific time and after that the moulds are removed and finishing is done. Finishing basically means brushing the shoe, polishing it using waxes, polish and lacre

stamping

the shoe is then stamped in the name of the customer or the company name the shumaker is catering. The stamping is mainly done using ink and foil paper.

Packaging

in packaging the shoe is graded according to the different sizes, packed in boxes, the boxes are labeled using barcodes and dispatched to the customer.

OPPORTUNITIES OF FOOTWEAR PRODUCT IN NEW ZEALAND

- The main opportunity for the Evergreen is that in New Zealand there is a high labor cost, so imports of footwear in New Zealand are expected to grow.
- The other major opportunity to cover maximum market is that in New Zealand there are around 1500 retailers of footwear products and the 60 to 70% of the total import is covered by the chain owner.
- people are more conscious about the quality of footwear and they are likely to wear eco fashion footwear in the new Zealand. For that Evergreen will export the best qualitative footwear.
- There is an opportunity for the plastic shoes or leather made shoes with plastic sole, rain shoes.
- Soft leather made shoes with thick and heavy plastic soles, and male and female leather made ankle boots or boot sandals with a platform heel.
- Colourful thick canvas female shoes with thick and strong soles. Strong children's shoes with multi-colours.

LEGAL REQUIREMENTS FOR EXPORTING FOOTWEAR IN NEW ZEALAND

For exporting the footwear of Evergreen in New Zealand there are some rules and regulations described by the European countries. The necessary steps for exporting in New Zealand are as follows:

1. Declaration of Conformity
2. Technical Construction File (TCF)
3. CE (European candidate) User Manual
4. Documentation

1. Declaration conformity

The declaration of conformity should include the following information:

- Identification of product
- The EU directives complied
- Standard necessary for the verification of compliance with the directives
- If the directive requires , name of notified Body
- Be signed by or on behalf of the exporter or the authorized representative and identify that signatory
- Name and address of the Exporter

2. Technical Construction File (TCF):

There is an obligation for the manufacturer or the authorized representative to provide a technical file which includes the technical basis for the conformity of the product as per requirement of the directive. This TCF file is important or essential for the purpose of national surveillance authorities. This file must be kept at the disposal of national surveillance authorities for the inspection and control purposes and it is available for the at least 10 years, Starting from the production date of the final product.

The main elements of the TCF files are,

- Declaration of conformity
- A general description for the product
- Design, diagrams and production drawings
- Detailed technical data for essential aspect of the product
- List of standards and solutions applied for that
- Calculation reports and tests that have been carried out
- Certificate and inspection reports

3. CE User Manual

Generally the directives have a direct relation with the user safety. For reducing safety risks or avoiding risks information provided to the users are play an important role. So the user manual is considered as an essential requirement for safety. If CE user manual is not available in-house then it is advisable to seek technical and legal assistance in combining the CE user manual. A user manual should contain all the information required for the correct and safe use of a product and it should be include the following:

- Information for the risk
- Identification for the hazardous applications
- Instructions for the safe use of product
- Set out the authorized persons to perform the certain actions
- Identification for taking the some safety precautions.
- The CE user manual must be drawn up in the language of the country in which product is imported.

4. Documentation

There is no requirement of the import licenses for the exporter from the different countries to export the footwear and related products into the market which also includes New Zealand.

When importing order to obtain preferential customs treatment, it has to be documented that the product originates from which country, which enjoys the preferential agreement with. In addition, as a general rule the goods have to be sent directly from the country of origin to the New Zealand.

(Source: OECD Development Assistance Committee, www.oecd.org)

Business operation:

There are opportunities for the Evergreen to gain through exporting the footwear to the New Zealand. For that Evergreen are decided to export the footwear products to the retail chain owners of the New Zealand. As in New Zealand the retail chain owners made sales through imports from develop country and these chain owners covers 60 -70% of the total import.

Marketing Plan

- **Competitors:**

In New Zealand, The major competitors for Evergreen footwear are,

- Addidas
- Reebok
- BATA
- Chinese supplier

- **Marketing Strategy:**

Evergreen will develop the new marketing strategy as per the requirement of the footwear's market of New Zealand which are as follows:

- **Develop the Marketing strategy:**

- **Mass Marketing strategy:**

- Various kind of the Evergreen footwear product export in New Zealand country and having a single market segments for selling in footwear market.
- Large number of footwear product produce with the low cost per pair and export charges also small.

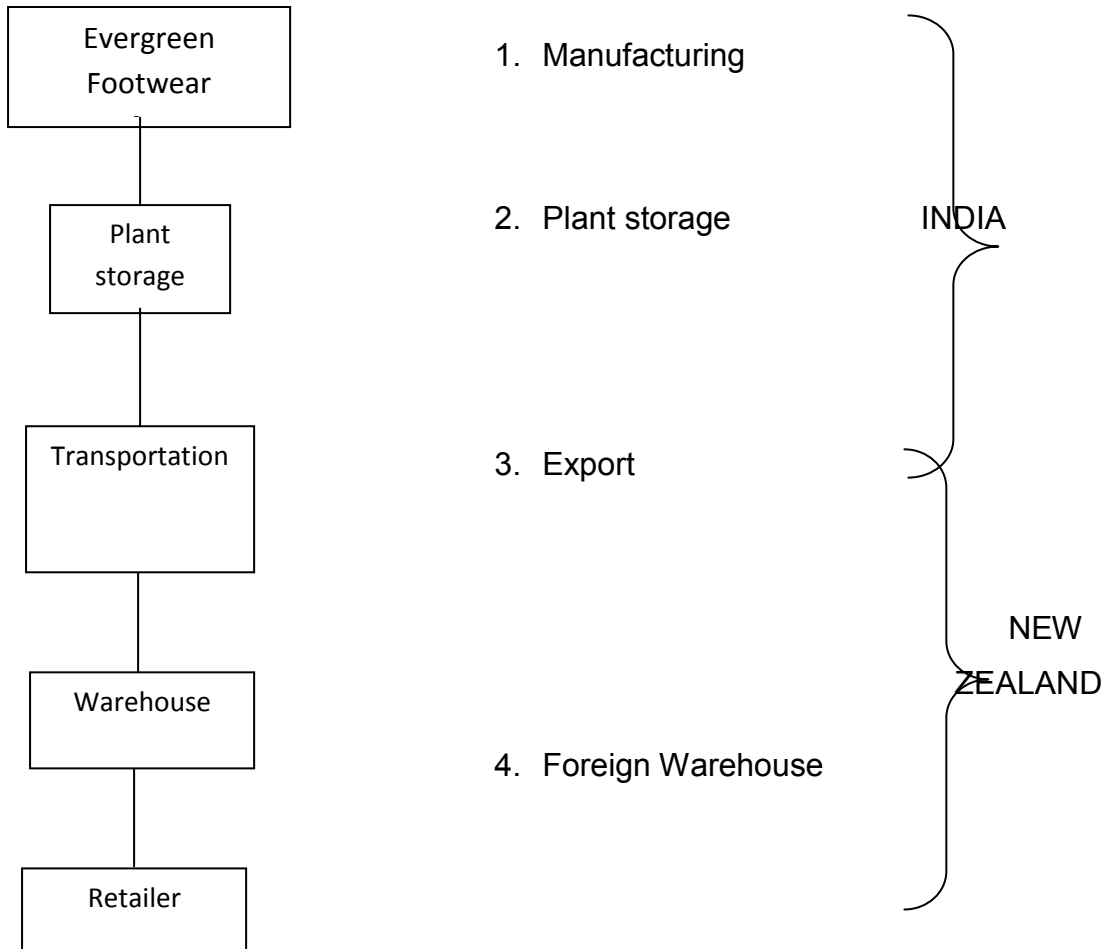
- **Low price strategy:**

- Evergreen footwear tries to produce with the low cost product. So, price will be the low charge on the Export the footwear product.
- Effectively manage of Export supply chain distribution of Evergreen footwear product with low rate of export expenses way are selection for Export. Lower expenses are generate then price also low charge on Evergreen footwear

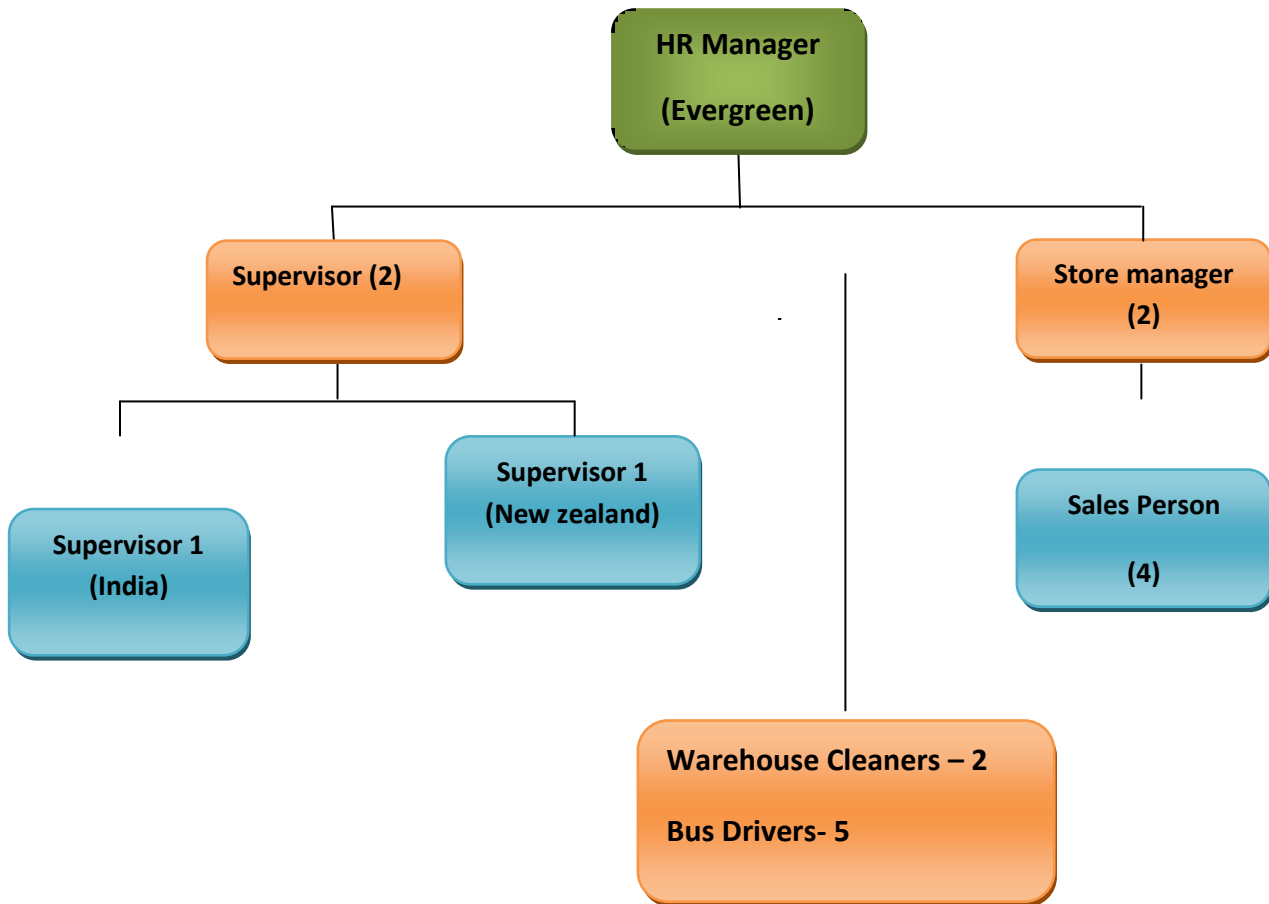
- **Advertisement:**

- Evergreen will use the TV media and print media for the advertisement. In print media we will include magazine and local news paper.

Distribution Channel



Human Resource Management



Financial Plan

Cost-sheet for the Evergreen footwear for one year (No of footwear: 100000pairs)

Particular	Total Cost	Per unit cost
Direct Material:		
Men's footwear 35000 pairs	7000000	200
Women's footwear 45000 pairs	9000000	200
Children's footwear 20000 pairs	3000000	150
Direct Labour (20persons*60rsp.h*10hrs*12)	144000	1.44
Direct expenses	75000	0.75
PRIMECOST	1,92,19,000	192.19
<u>Factory overheads</u>		
Warehouse electricity bills (15000*12)		
Stationary	180000	-
warehouse cleaning(4000*12)	2,000	-
Water supply	48000	-
warehouse insurance(600*12)	20,000	-
Warehouse Cleaner's salary (8000*2*12)	7200	-
Bus Drivers Salary(7000*5*12)	192000	
	420000	
WORK COST	869200	8.69
<u>Administrative overheads</u>		
Lease Rent & Taxes (30000*12)		
Legal expenses	360000	-
	20000	-
OFFICE COST		3.8
	380000	

<u>Selling & Distribution Overheads</u>		
		-
Bad debts	20000	-
Advertisement (DKK 8.96* 4000)	35840	-
Supervisor's Salary (25000*2*12)	600000	-
Store manager's salary (30000*2*12)	720000	-
Transportation cost:	125000	
Airline: 50000		
Bus:(\$26.20*Rs.50*DKK8.96) 11737.6	61737.6	
Excise Duty:(12%*100000*235)	2820000	
SELLING COST	4382577.6	43.82
TOTAL COST	24850777.6	248.51

Estimated Profit And Loss account for the 1st year

Expenses	Amount	Income	Amount
Material:		Sales (Export):	
Men's footwear (200rs per Unit*35000Unit)	7000000	<u>Unit sold</u>	
Women's footwear (200Rs per unit*45000unit)	9000000	Men's footwear (34000*400)	13600000
Children's footwear (150per unit*20000per unit)	3000000	Women's footwear(44000*400)	17600000
Labour:	144000	Children's footwear(18500*350)	6475000
Direct labour	75000		
Direct Expenses	180000	Closing Stock:	400000
Electricity Bill	2000	Men's footwear (1000*400)	400000
stationary	48000	Women's footwear (1000*400)	525000
warehouse Cleaning (4000*12)		Children's footwear (1500*350)	
Water supply:	20000		
warehouse Insurance (600*12)	7200		
Rent (30,000*12)			
Legal Expenses	360000		
Bad debts	20,000		
Transportation cost:	20000		
Airline:	125000		
50000			
Bus:			
(\$26.20*Rs.50*DKK8.96)	61737.6		
11737.6	35840		
Advertisement			
Supervisor's salary	600000		
Store manager's salary	720000		

Warehouse Cleaner's salary	192000		
(8000*2*12)	420000		
Bus Drivers Salary(7000*5*12)			
	2820000		
Excise duty:			
	14149222.4		
Profit			
	39000000		39000000

CONCLUSION

From the analysis of every aspects of exporting the Evergreen footwear in New Zealand we come to know that this business will be successful if Evergreen footwear will export in New Zealand. And the Evergreen footwear gets enough profit from the investment. The rules & regulation of the New Zealand are also favorable for Evergreen footwear export business in New Zealand.

From this business plan one can easily get information about the investment in footwear industry in New Zealand.

Chapter – 12

Business Plan of Apparel shop tie up of **Arvind Mill**

Introduction of Garments Industry of New Zealand

The textiles sector comprises about 2,000 businesses which employ over 15,000 workers, and supports an indirect industry and workforce of many more thousands of people.

The sector exports about \$500 million of product annually, being textiles, carpet, footwear and apparel.

The apparel industry is the largest employer of the textiles sector.

In February 2008 the apparel sector employed approx 6,130 people in over 900 enterprises.

Apparel businesses tend to employ small numbers of staff, generally five or less.

In terms of location, most apparel manufacturers are located in Auckland, Canterbury, Manawa-Horowhenua-Wanganui and also Wellington.

The apparel industry earned around \$150m (\$FOB) in export receipts in 2008.

SWOT Analysis of Textile Industry:

STRENGTH

- New Zealand is the world's largest producer and exporter of crossbred wool and enjoys a reputation for producing some of the finest quality wool in the world
- Brand New Zealand
- International company brands, some better known than others – Icebreaker, Pumpkin Patch, Karen Walker, Kate Sylvester, Jane Daniels, Ashley Fogel, Trelise Cooper, World, Cavalier Bremworth, Godfrey Hirst, Sallee, Dilana Rugs, Ascend, Perino, Koru, Lothlorian, Native World, McDonald and Macrino, Snowy Peak and Untouched World, Possum down, Merino/Possum, Waimate
- Natural fibres
- Established industry of spinners, weavers and knitters
- Good industry knowledge
- Skilled workforce
- Good R&D
- Great designers

WEAKNESS

- Perception as a sunset industry
- Fragmented industry
- Lack of vertical integration
- Lack of working capital
- Product presentation
- Low level marketing skills.
- Lack of high technology skills
- Lack of certification to international quality standards.
- Many small firms.

OPPORTUNITIES

- Natural fibres
- World demand for sustainable products
- Niche up-market opportunities

- Ability to produce quality luxury products
- World leadership in natural fibre product design and innovation
- Design and R&D solutions using natural fibres
- Delivery of a vertically integrated supply chain model for the sale of natural fibres

THREATS

- Industry at tipping point
- Continual loss of New Zealand control of the natural fibre value chains, resulting in increased commoditisation
- Loss of processors, affecting the value chain

PESTEL Analysis for Textile Industry

For this PEST analysis we will be analyzing the apparel manufacturing industry within the New Zealand. In particular We will be going in-depth on the New Zealand industry comprised of establishments primarily engaged in manufacturing of men's, women, boys' and girl's jeans, other separate trousers, jean jackets, and shorts from purchased fabric.

Political Factor:



- Political factors can affect the routine business operations. The decisions which are made by the government are affected our routine life regularly.
- Because of free market economy, co-operations and other private firms make vast majority of microeconomic decisions so that the government prefer to play a minimum role in domestic economy. So that the New Zealand has small social safety net and the business firms which faces significantly less regulations than firms in many other nations in to the New Zealand.
- new Zealand have very weak laws for the employees for their less wages , over time, benefits, and health and safety regulations as well as smallest amount and eventually pay the employees are given to benefit plans.
- The employee retirement income security act Which is called ERISA, sets even standards to guarantee that employee benefit plans are well known and maintained in a just and economically sound manner .so that the ERISA 's main aim is to provide pensions and well fair plans (DOL)for the employers benefits.

- There is also regulation of health and safety OSHA which is work for these types of regulations which is works for maintaining employee's safety standards in all type of industries of New Zealand. Workers in the clothing manufacturers are showing too many harmful chemicals and noises which include yarn dirt, dyes and machine noise. OSHA wants annual safety training for employees and the ventilation and the noise regulations (BLS) for fight with the major ill health problem that is predominating in this industry is musculoskeletal worry from repetitive movement and sitting.

Economic Factor:



- It is the common things that the business is generally affected with the economic factors in some way of national level and some way of global level. There are a both type's effects in to the every economy one is strong economy which presents positive results for business and consumers, and the other one is weak economy which presents opposite results. For the clothing industry of New Zealand's the future does not shows potential. Wage and salary service in to the clothing industry is normally decline 69% during 2012, compared with an increase of 16% for all mutual industries.
- In to the comparison of 2004 the real GDP is increased 3.5% to 4.1 %in 2005.The Raise was contributed to an increase in private use expenditures, tools and software, exports, and housing fixed investment (BEA). in to the comparison of 2000 the value added by the clothing manufacturing industry contributing to the GDP product is down to the 18.9 billion to 25.1 billion in 2004.The unemployment rate is fell to 4.7%, and nonfarm payroll employment increased by 193000 in January 2009.The unemployment rate had ranged from 4.9 to 5.1% during mainly of 2007.The regular hourly income is up from 16.16 in august of 2005 to 16.41 in January of 2006 (BLS).

- Still the consumer price index is also up 0.7%, but it can be counted to uneven high power prices. Force from price rises is also causing attention to go up, the federal service has raised its goal funds rate 14 direct times by a quarter percentage points each time to 4.5% in order to expand control on inflation (Isadora).
- The main components of expenditure food, shelter , clothing and services , shipping, healthcare, activity, and individual insurance and pensions account for about 90% of whole expenditures, with of these , merely the change in clothing and services was statically important in 2007, falling by 6.2% .Generally consumer expenditure was up in the ending sector of 2010.expenditure by households , which financial records for approximately two thirds of GDP, rise by 0.7% in the three months of December. This is the major quarter on quarter raise since autumn 2007 – similar physically powerful in trade sales at the end of last year – and is a sign of consumer expenditure grew after a slow start to 2010.

Social Factors:



- Demographic is really people characteristics .it is the information on persons in a country terms of age, gender, married, income, society and other individual attributes that may find out exchange patterns .from the following data about the population may help a firm establish whether or not it's good or services will demand to customers and how many possible customers for these goods or services may have.
- The total population of new Zealand is increased by 13% from 1990 to 2000.75.1 % of the nation's 284.1 million persons are white compared to 12.5% Hispanic or Latino , and 12.3% black and African American . Learning ability of the population 25 years

and more for the New Zealand is up. In 1990 75% had earned high school diploma or more, and 20.3 % had earned a bachelor's degree or more. in 2000 , persons stats improved to 80.4% , At the present they have high school diploma or more , and 24.4 % have a bachelor's degree or more .of the 284.1 million persons , 143.4 million be female and 138.1 million male (Census).

Technological Factors:



- As time goes on rapid change in technology is increase day by day.
- Lack of high technology skills arise when people are totally unknown about new technology.
- Good R&D department is needed for garments industry as it includes new trends of fashion garments.

Ecological Factors:



- New Zealand is highly business friendly culture that welcomes foreign investment.
- Bahrain country has policy of the entering the any multi business company policy is very liberal.

Legal Factors:



- **IMPORT TARIFF:** Duties on goods imported into New Zealand are usually assessed on ad valorem basis i.e., as a % of FOB (free on Board). All goods imported into New Zealand are liable for a goods and Service Tax (GST).
- **Import RESTRICTIONS:** Unsafe goods notices and product safety standards are in place under the Fair Trading Act, 1986.
- **STANDARDS:** The Fair Trading Act covers many activities including consumer information standards and product safety standards. Children's nightwear is the only product safety standard under the Fair Trading Act that affects the apparel and textile sector.
- **LABELLING:** New Zealand's Commerce Commission is an independent Government agency that involves consumer information and product safety standards.
- **INTELLECTUAL PROPERTY RIGHTS:** Patent applications are filed with the Intellectual Property Office of New Zealand – IPONZ, based in the Ministry of Economic Development, IPONZ grants patents, and registers trademarks and design.

Business Plan For Apparel Shop:



Introduction

New Zealand has developed a leading-edge apparel industry through the development of children's clothing, sportswear and active wear.

Many of New Zealand's leading apparel manufacturers have responded to their natural environment by using home-grown fine wool or other natural fibres in their garments.

The apparel industry includes cutting, making and trimming operations that produce finished garments using fabrics supplied to them. It also includes industrial knitting products and footwear manufacturing.

Global brands such as Bandon, Icebreaker, Macpac, Orca, Pumpkin Patch, Snowy Peak/Untouched World, Swannndri and Swazi are well known and highly sought-after among their niche markets.

While some of these brands are now manufactured overseas, New Zealand's combined fashion and apparel exports were worth \$326 million in 2007. They grew by over \$10 million in each of the previous three years.

Why we have selected apparel industry?

We have examined the New Zealand market and found that people of New Zealand are fashionable. They adapt latest change in apparel.

New Zealand companies are renowned for their use of fine New Zealand merino wool and other natural fibres such as possum, cashmere and silk. Increasingly, advanced applications of wool as a technical fibre are being developed.

New Zealand is recognised as a leader in sports and outdoor-wear, and baby and children's clothing. For example, in 1994 Icebreaker was the first company in the world to develop a merino wool layering system for the outdoors. It was also the first outdoor apparel company in the world to source merino direct from growers, a system it began in 1997. There are now 10 distinct pure merino fabrics in the Icebreaker system, covering underwear, mid layer, and outerwear.

Numerous new innovative solutions are being designed in the apparel industry, in response to international customers' requirements for sustainable, ecological, and recyclable products.

Mission:

“We provide what others have only dreamed”

We provide you with cutting edge clothing and Garments for active lifestyles. Everything we do revolve around the customer-you are the heart of our company.

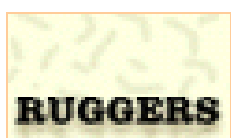
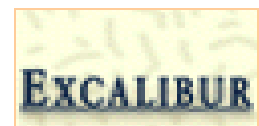
Vision:

To be an international brand & mirror with quality and reliability for generations to come.

Marketing Analysis:

Product:

Available in different colours and unique designs, our enchanting ranges of Garments collection are designed to add a new dimension to your personality. All the Garments are designed keeping in mind the latest fashion and fads. Superior quality fabric have been use to make these Garments thus making the wearer feel comfortable and stylish.



Place:

We are going to hire Garment store in Wellington, New Zealand having Tie-up with Arvind Mill, India.

Price:

Price of each garments will be differ according to material and stitches.

Starting price of garments available in store will be Rs.599 in Indian currency.

Promotion:

We will advertise our garments through hoardings, website, and banners.

This promotion will help our company's garments to be introduced in New Zealand market.

As Arvind mill's garments are not so aware in New Zealand market so it is necessary to promote it in positive way.

Segmentation:

Our main focus is on middle and upper class people of New Zealand who are willing to buy fashionable and branded clothes as the trend changes. In our store children wear are also available.

Distribution Channel:

A distribution channel involves group of people involved in the transfer of ownership of the product to the ultimate customer.

Distribution channel is intermediaries between producer and customers.



Human Resource Analysis

- We will appoint employees from New Zealand only because it is beneficial for us, because it help to reduce cost.
- We need Two Manager, One accountant, two supervisor and three workers at Indian warehouse as well as New Zealand warehouse.

	Designation	No. of person	Education Qualification	Skills Required	Salary (INR Per Month)
1.	Store Manager	2	MBA	2 years of experience in garment store. <input type="checkbox"/> An inspirational and engaging leadership style. <input type="checkbox"/> Ability to manage a varied and busy work load. <input type="checkbox"/> Excellent communication and influencing skills. Strong organizational skills. <input type="checkbox"/> A passion for customer service excellence.	20,000
2.	Sales Representative	6		<input type="checkbox"/> Knowledge of the products or services they are selling.	8,000+Incentives
2.	Cashier come accountant	1	Commerce graduate. Additional computer course like Tally.	<input type="checkbox"/> Knowledge of computer and accounting.	10,000
3.	Supervisor	2	Graduate	<input type="checkbox"/> Cash-handling and basic maths skills <input type="checkbox"/> Knowledge of their employer's policies and regulations concerning operation and sales <input type="checkbox"/> Ability to display stock.	8,000
5.	Security Guard	4	Secondary education/ Certificate of Approval issued by the Ministry of Justice	<input type="checkbox"/> Healthy and fit	6,000

Financial Analysis:

The financial plan shall be essential if we are to meet our objectives. The intention is to finance growth through cash flow and equity.

One of the most important factors will be the payment terms as agreed between the client and customer. We can't push our customers hard on collection days, because they are extremely sensitive and will normally judge us on our terms. Therefore there is need to develop a permanent system of receivables financing systems mutually agreed between both parties. Hence in the financial plan we intend to have the following: A fundamental respect for giving our customers value, and for maintaining a healthy and congenial workplace.

1. Cash flow as first priority, growth second,
2. Profits third. Respect for realistic forecasts, and conservative cash flow and financial management.

Important Assumptions:

The financial plan depends on important assumptions. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions.

Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume amongst other things a 60-day average collection period, sales entirely on invoice basis except for individuals who come directly to us, expenses mainly on a net 30 day basis, 30 days on average for payment of invoices, and present-day interest rates.

General Assumptions

	Year1	Year2	Year 3	Year 4	Year 5
Cost of Capital	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%

Five Years Pro Forma Profit and Loss Account for the year Ended

Particular	2014 Amt. RS	2015 Amt. RS	2016 Amt. RS	2017 Amt. RS	2018 Amt. RS
Sales	20929550	21530000	27556380	27780000	28036438
Excise duty	3000	3500	4000	4500	5000
Net Sales	20926550	21526500	27552380	27775550	28031438
Cogs-	9500000	9700000	9800000	9600000	9000000
Stock					
Wages					
Manu. Expenses					
Materials Cost	9878000	8000000	8500000	9980000	7400000
Gross Profit	1548550	3826500	9252380	8195500	11631438
Employee Remuneration	80000	120000	180000	200000	250000
Selling Expenses	200000	25557000	4775000	490000	875875
Depreciation	4989250	575875	690000	725000	1066380
Operating Profit	770300	2874925	7904880	6780500	9439183
(Add.)					
Non-Operating Income	56000	64738	---	53380	---
Profit before interest and tax	826300	2939663	7904880	6833880	9439183
Interest and Financial Charges	165260	587933	1580976	1366776	1887837
Profit before tax	661040	2351730	6323904	5467104	7551346
Tax (30%)	198312	705519	1897171	1640131	2265404
Profit after tax	462728	1646211	4426733	3826973	5285942
Dividends	273800	1023000	3203250	3080365	3483652
Retained earnings	188928	623211	1223483	746608	1802290

Five years Cash Flows for the “INDIAN FASHIONISTA” Project

	0	1 Year	2 Year	3 Year	4 Year	5Year
1.Revenue		20926550	21526500	27552380	27775500	28031438
2.Raw material cost		9878000	8000000	8500000	9980000	7400000
3.Labour cost		80000	120000	180000	200000	250000
4.Other maintenance cost &expenses		9700000	9955700	10277500	10090000	9875875
5.Depreciation		498250	575875	690000	725000	1066380
6.Interest &financial charges		165260	587933	1580976	1366776	1887837
7.(add) Non-						
operating income		56000	64738	--	53380	--
8.Profit before tax		661040	2351730	6323904	5467104	7551346
9.Tax		198312	705519	1897171	1640131	2265404
10.Profit after tax		462728	1646211	4426733	3826973	5285942
11.Initial Investment	13000000					
12.Cash flow		960978	2222086	5116733	4551973	6352322
13. 10% Discount rate		0.909	0.826	0.751	0.683	0.621
14.Present value cash flow (12*13)		873529	1835443	3842666	3108998	3944792

1. NPV

- 5 Year Net Present Value = Inflow-outflow
= 13605428-13000000

= **605428**

2. IRR (Internal rate of return)

Year	Cash flow
0	-13000000
1	960978
2	2222086
3	5116733
4	4551973
5	6352322

- Try a discount rate of 10 percent. The NPV at 10 percent discount rate is 605428. Try a discount rate of 12 percent. The NPV at 12 percent discount rate is - Rs 236472. Hence the IRR is:

$$=10\% + \frac{605428}{841850} * 2\%$$

$$=11.44\%$$

- This PROJECT is Accepted because of IRR is greater than the cost of capital.

/

3. Payback Period

year	Cash flow	Cumulative cash flow
0	-13000000	-13000000
1	960978	960978
2	2222086	3183064
3	5116733	8299797
4	4551973	12851770
5	6352322	19204092

$$\text{PBP} = 4 + \frac{19204092 - 13000000}{19204092 - 12851770}$$

$$= 4 + \frac{6204092}{6352322}$$

$$= 4.97 \text{ Year}$$

➤ The Payback Period is 5 years.

Conclusion

From the above study we can conclude that "GARMENT" business which we have started in New Zealand is fruitful business. So our business of "APPERAL" can acquire huge market in New Zealand.

Because NZ people are addicted to live luxurious life and their standers of living is very high. Even its easy for us because of popular brand like Lee, Arrow etc. are using raw material of "Arvind mill" and also have direct tie-up with all brand.

Thus we can say that our idea behind garments store in New Zealand is feasible and acceptable.

Chapter - 13

Business Plan of Electric Jacket

INDIAN TEXTILE INDUSTRY AND ITS SWOT ANALYSIS

- Until the economic liberalization of Indian economy, the textiles industry is largely unorganized industry. The opening up of Indian economy post 1990's lead to a fantastic growth of this industry.
- Indian textiles industry is one of the leading textiles industries in the world. Today, Indian market is mostly dependent on textiles developed and exports. India earns approximately 27% of the foreign switch over from send abroad of textiles. Additional, Indian textiles industry give on 14% of the total industrial manufacture of India. In addition, its giving to the gross family product of India is approximately 3 percentage and the numbers are increasingly growing. Indian textile industry involve approximately 35 million workers honestly and it financial records used for 21 per, of total employment making in the economy.
- The Indian textiles industry is one of the leading textiles in the world. Though it is used to come under unrecognized sector few years back, the situation changed significantly after the economic liberalization of the Indian economy. Liberalization gives the much-needed pull to the textile industry, which has now productively become one of the biggest in the world. As per the last statics available from the yearly report 2009-10 of the department of textiles, "the Indian textile industry contribute about 14% to industrial production, 4% to the country's gross domestic product (GDP) and 17% to the country's sell abroad earnings. Additionally it provides direct employment to over 35 million people and is the second largest provider of employment after agriculture.

SWOT ANALYSIS OF INDIAN TEXTILE INDUSTRY

❖ STRENGTH

- Huge textile production capacity
- capable multi-fiber raw material developed capacity
- huge pool of skilled and low-priced work force
- industrial skills
- Huge export prospective
- huge domestic market
- Very low import content
- Flexible textile developed system

❖ **WEAKNESS**

- Increased global competition in the past 2005 trade regime under WTO
- Imports of cheap textiles from other Asian Neighbors
- Use of outdated manufacturing technology
- Poor supply chain management
- Huge unorganized and decentralized sector
- High manufacture price through value to other Asian competitor.

❖ **OPPORTUNITIES**

- The western countries are now location up their manufacturing units in India which single handedly opens up a broad collection of possibilities for all the stakeholders within the textiles industry.
- Experts consider that the golden era of Chinese textiles and clothing exports is over and the production base of global textiles is regularly shifting from china to India, Pakistan and other low cost destinations.

❖ **THREAT**

- Still though experts claim that China is past its glorious days, still one cannot have enough money to take China evenly and has to keep in mind the ability of Chinese Exports to supply quality products at cheap prices. Indian textile exporters cannot afford satisfaction and require to be on their toes for any changes within the global trade group of people.

NEW ZEALAND TEXTILES INDUSTRIES AND SWOT ANALYSIS

- The textiles zone comprise about 2,000 businesses which employ over 15,000 workers, and supports an indirect industry and personnel of many more thousands of group.
- The division exports about \$500 million of product annually, being textiles, carpet, footwear and apparel.
- The apparel industry is the major employer of the textiles sector.
- In February 2008 the apparel sector employed approx 6,130 people in over 900 enterprises.
- Apparel businesses tend to employ small numbers of staff, generally five or less.
- In terms of location, most apparel manufacturer are situated in Auckland, Canterbury, Manawatu-Horowhenua-Wanganui and also Wellington.
- The apparel industry earn around \$150m (\$FOB) in export take in 2008.

SWOT ANALYSIS OF NEW ZEALAND TEXTILES INDUSTRY

❖ STRENGTH

New Zealand is the world's largest producer and exporter of crossbred wool and enjoys a reputation for producing some of the finest quality wool in the world.

- Natural fibres
- Established industry of spinners, weavers and knitters
- Good industry knowledge
- Skilled workforce
- Good R&D
- Great designers

❖ WEAKNESS

- uneven industry
- Lack of vertical integration
- Lack of working capital
- Product presentation
- Low level marketing skills.
- Lack of high technology skills
- Lack of certification to international quality standards.
- Many small firms.

❖ **OPPORTUNITIES**

- World demand for sustainable products.
- Niche market opportunities.
- Ability to produce quality luxury products.
- World leadership in natural fibre product design and innovation.
- Delivery of a vertically integrated supply chain model for the sale of natural fibres.

❖ **THREATS**

- Industry at tipping point.
- Continual loss of New Zealand control of the natural fibre resulting in increased commoditisation.

PESTEL ANALYSIS FOR TEXTILE INDUSTRY

For this PEST analysis we will be analyzing the apparel manufacturing industry within the New Zealand. In particular We will be going in-depth on the New Zealand industry comprise of establishments primarily unavailable in manufacturing of men's, women, boys' and girl's jeans, other divide trousers, Electric Jacket, jean jackets, and shorts from purchased fabric.

Political Factor :-

Political factors can comprise a direct contact on the way business operate Decisions made by the government change our everyday live and can come in the form of policy or legislation.

In this capitalistic, free market-oriented economy, corporation and other personal firms make the huge mass of microeconomic decisions, and governments favor to take a smallest role in the household economy. As a result, the NEW ZEALAND has a small social safety net, and business firms in the NEW ZEALAND face considerably less rule than firms in many other nations.

Employee human rights in the New Zealand have a considerable result on business. With the wear industry person labour-intensive, the effect employees laws have are important. Employee laws to believe are smallest amount wage, more than time, benefits and health and safety system As well as least amount wage and ultimately pay, employees are given the right to benefit plans.

Which is the Employee leaving Income Security Act, sets uniform minimum standards to make sure that employee benefit plans are recognized and maintain in a fair and economically sound manner. In adding, employers have a responsibility to provide promise benefits and satisfy necessities for organization and administer private pension and welfare plans .

In calculation to pay system there are also health and safety regulations. , which stand for job-related Safety and Health management helps regulate employee safety principles in all industries of the New Zealand's. Workers in the apparel manufacturers are exposed to many injurious chemicals and noises which include cotton dust, dyes, and mechanism noise. Also a major ill-health problem that is predominating in this industry is musculoskeletal discomfort from repetitive movement and sitting. requires annual safety training for employees, as well as ventilation and noise regulations . To work in this industry it is vital to comply with these standards.

Economic Factor :-

- All businesses are affected by reasonable factors nationally and globally. A strong financial system indicates constructive results for businesses and consumers, and a weak economy points out fairly the opposite. For the wool industry in New Zealand, the future does not look skilled. Wage and salary service in the woolen industry is expected to reject 69 percent through 2012, compare with an increase of 16 percent for all industry joint.
- Real GDP enhanced 3.5 percent in 2005, compare to an increase of 4.1 in 2004. The increase was contributed to an increase in personal use expenditures, tools and software, exports, and housing fixed investment (BEA).
- Nonfarm payroll employment increased by 193,000 in January of 2009, and the job loss rate fell to 4.7 percent. The employment rate had ranged from 4.9 to 5.1 percent during most of 2007. The normal hourly earnings is up from 16.16 in August of 2005 to 16.41 in January of 2006 (BLS).
- However, the consumer price index is also up 0.7 percent, but this can be contributed to unstable and high energy prices. Force from inflation is also causing interest to rise, the central Reserve has raised its target funds rate 14 straight times by a quarter-percentage point each time to 4.5 percent, in order to gain control on inflation (Isidore).
- The major works of spending food, accommodation, apparel and services, transport, healthcare, entertainment, and personal insurance and pension account for about 90 percent of total expenditures, and of these, only the change in apparel and services was statistically important in 2007, decreasing by 6.2 percent. Overall, consumer expenditure was up in the final quarter of 2010. Expenses by households, which accounts for almost two-thirds of GDP, raised by 0.7 per cent in the three months to December. This is the biggest quarter-on-quarter enhance since autumn 2007 - matching a strong rise in retail sales at the end of last year - and is a sign that consumer expenses grew after a slow start to 2010.

Social Factors :-

- Demographics are basically population individuality. It is the information on individuals in a area in terms of age, sex, married status, income, society, and other personal quality that may create retail patterns. Understanding this basic information about a population can help a firm find out whether or not its products or service will appeal to customers and how many possible customers for these products or services capacity have ?

- From 1990 to 2000 the people improved by 13 percent in the New Zealand. 75.1 percent of the nation's 284.1 million people are White contrast to 12.5 percent Hispanic or Latino, and 12.3 percent Black or African American. Education ability of the people 25 years and over for the New Zealand is up. In 1990, 75 percent had earned a high school diploma or more, and 20.3 percent had earned a bachelor's degree or more. In 2000, those stats increased to 80.4 percent, now have a high school certificate or more, and 24.4 percent have a bachelor's degree or more. Of the 284.1 million people, 143.4 million were female and 138.1 million male (Census).

Technological Factors :-

- As time goes on rapid change in technology is increase day by day.
- Lack of high technology skills arise when people are totally unknown about new technology.
- Good R&D department is needed for garments industry as it includes new trends of fashion garments.

Ecological Factors :-

- New Zealand is highly business friendly culture that welcomes foreign investment.
- Bahrain country has policy of the entering the any multi business company policy is very liberal.

Legal Factors :-

- **Import Tariff:** Duties on goods imported into New Zealand are usually assessed on ad valorem basis i.e, as a % of FOB (free on Board). All goods imported into New Zealand are liable for a goods and Service Tax (GST).
- **Import Documentation/ Procedures**
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- **Intellectual Property Rights:** Patent applications are filed with the Intellectual Property Office of New Zealand – IPONZ, base in the Ministry of Economic growth, IPONZ grant patents, and registers trademark and plan

COMPANY PROFILE

COMPANY NAME	PATEL EXPORT PVT.LTD.
NATURE OF BUSINESS	Exporter
ADDRESS	Patel export pvt.ltd , Sai industrial Estate, Bari Brahmans Jammu, Jammu and Kashmir- 181133 (India)
PRODUCT	Electronic jackets.

SWOT ANALYSIS FOR ELECTRIC JACKET IN NEW-ZEALAND

❖ STRENGTH :-

- Our product is very innovative and flexible for use we have a very good technology. Design of our product is very attractive and it is a very comfortable also it includes all the segments. We have also electronic jacket for baby also.
- And the electronic heater jacket should give the customer a warm feeling and protect the winter.

❖ WEAKNESS :-

- An electric jacket won't work if the battery is low.

❖ OPPORTUNITY :-

- India is the developing country with largest exports of home textiles to New-zealand and is ranked as number three among all countries in the world exporting home textiles to New-Zealand.

❖ THREAT :-

- Due to the increasing use of the Internet, Danish home textile importers receive many offers on a daily basis from foreign suppliers who wish to do business in Newzealand.
- Therefore, a foreign home textile exporter must be aware that a Danish importer can pick and choose among many uninvited offers from qualified suppliers. The new supplier will often have to replace an already existing relationship with competent suppliers, and therefore, the first impression and the first contact are of great importance to the subsequent success of entry into the Danish market.

Description of Business Proposal

PATEL EXPORT PVT.LTD Now we are going to export our products in New-Zealand.

Objective of the business :-

- Establish an export business in the city of Auckland and willing tone.
- Provide quality products and customer service at a reasonable price
- Achieve the largest market share in the city for imported products
- Increase average length of customer relationships and decrease customer Turnover.
- Provide innovative and new product in New Zealand People.
- Available selling Jacket on mostly New Zealand Online Web Sites.

Opportunity for exporting products in New-Zealand

India is the developing country with largest exports of home textiles to New Zealand and is ranked as number FIFTH among all countries in the world exporting home textiles to New-Zealand.

India exports close to all types of home textiles, incl. blankets, bed-linen, table-linen, toilet linen, curtains, electronic jackets etc. India applies a large range of materials in their home textile production, including wool, cotton, synthetic fibers, chemo fibers, flax etc. so there is a good opportunity for our company in New-Zealand.

- **Time Period :-** we are planning to export our products during Snow typically appears during the months of June to October, although cold spells can occur outside these months. As in New-Zealand mainly it found winter during these months.

- **Outlet location :- Auckland**

➤ **Product :- (Electronic Jacket)**



- Subdued on the outside, wired and heated on the inside.
- Charge your iPod — or any electronics device — when its battery goes kaput.
- Designed to be worn as a separate jacket or under a shield, the men's version is available in neutral colors like black, "otter" (brownish) and blue. The women's Radiance comes in black or white.
- The pre-wired guts are prepared to make the heat and device-charging magic happen. But before you can say "abracadabra," you'll hear "cash or credit" one more time.
- It has surrounded heat modules to keep you warm and plug-ins found in inside pockets for charging electronics on the go. All this is powered by a battery pack from Ardica.
- These jackets are not the lightest in their class. But on-demand heat translates to carrying and wearing fewer layers. And for those of you who want to go from first chair to last chair with the tunes going all day, it's nice to have the backup of the battery charger.

➤ **Business operations for exporting heated jackets:-**

- ❖ Our export business will have unique items Manufactured in India and exported directly into New Zealand.
- ❖ We currently lease a warehouse located at Auckland. The building is approximately 285 square meters and contains an employee restroom, store fixtures and counters.
- ❖ The outlet will be open in the month of June.
- ❖ The outlet will be open from 8:00 AM to 8:00 PM Monday to Friday and on Sunday 9:30 AM to 4:00 PM.

The following are our operation policies and will be posted throughout the store:

- ❖ Cash refunds (Condition apply)
- ❖ Accepting credit cards: Visa, Discover, and American Express etc.
- ❖ Deliver products to the Customer within 1 Week.

a. **LEGAL PROCESS FOR EXPORTING ELECTRIC JACKETS IN NEW-ZEALAND**

❖ **Administrative procedures :-**

- At Virk.nz investor can place up a business and find all the forms you will need to make the essential declaration on behalf of the company. For example, you can submit VAT and other tax declarations here, as well as changing your company information.
- **Virk.nz** (Virk.nz is a business internet portal monitored by the public sector in New Zealand.)

❖ **Business registration :-**

- To start a business, PATEL EXPORT Pvt.Ltd. Need to record honestly via the internet portal WebReg.nz, or contact the New Zealand business and Companies Agency, which will send us a registration form.
 - ✓ WebReg.nz
 - ✓ New Zealand Commerce and Companies Agency

❖ **Customs Duty and Import Regulations in New-Zealand :-**

For starting Export business in New-Zealand we have to follow Rules & Regulations which are as Follow:

➤ **Documentation requirement**

- ✓ It is very important for us to have settled all documents, as prior to importation of the product the Community Customs administration will verify that the goods satisfy the rules of origin.
- ✓ Product which is originated in our country (INDIA) need to be agreed under NZ terms.
- ✓ In order to get certification of origin (Form A), it should be signed and stamped by the authorities in the exporting country (INDIA), must accompany the products.
- ✓ The certificate is valid for 10 months. It is important that the foreign exporter means PATEL EXPORT to ensures that these requirements are met as it is the Danish importer who in the end will be juridical responsible to the customs authorities.

➤ **Import laws and licensing in New-Zealand**

PATEL EXPORT is aware of the many international laws that can affect our export activities. Five of the most prominent laws and agreements that have influenced our decisions and actions in business with New-Zealand are:

- ✓ Stop Counterfeiting in Manufactured Goods Act
- ✓ Innovative Design Protection and Piracy Prevention Act
- ✓ Design Piracy Prohibition Act
- ✓ Design Law in the European Fashion Sector
- ✓ AAFA - Anti-Counterfeiting and IPR Issues
- ✓ Environmental Protection Act
- ✓ Planning Act
- ✓ Protection of Nature Act

MARKET ANALYSIS

➤ Market needs :-

Electric Jackets are at the stage of in the increase or growth period of the product life cycle. The product like Electric Jackets is new technology and useful for the day to day use in wintry season and also easy for sustain so demand is high by the people.

➤ Main competitors :-

Our main competitors are Chinese export companies of electric Jackets. And also the Japanese company.

➤ Target Market Segment Strategy :-

In the export of our product the main target market is the Wellington capital of New-Zealand & largest City Auckland. Our company will open one outlet there.

➤ Reason for Opening outlet :-

- ✓ **Population gain:** the population of which has more than other state of New-Zealand
- ✓ **Availability of airport:** gain in infrastructure transportation facility as low cost compare to other state.
- ✓ **Ecological gain:** Atmosphere is wintry more than 150 days in year.
- ✓ **Legal gain:** Easy for enter in the market by uncomplicated registration process of legal requirement.

➤ **Marketing Strategy :-**

Our company will implement different strategies which are following:

✓ **Product differentiation strategy**

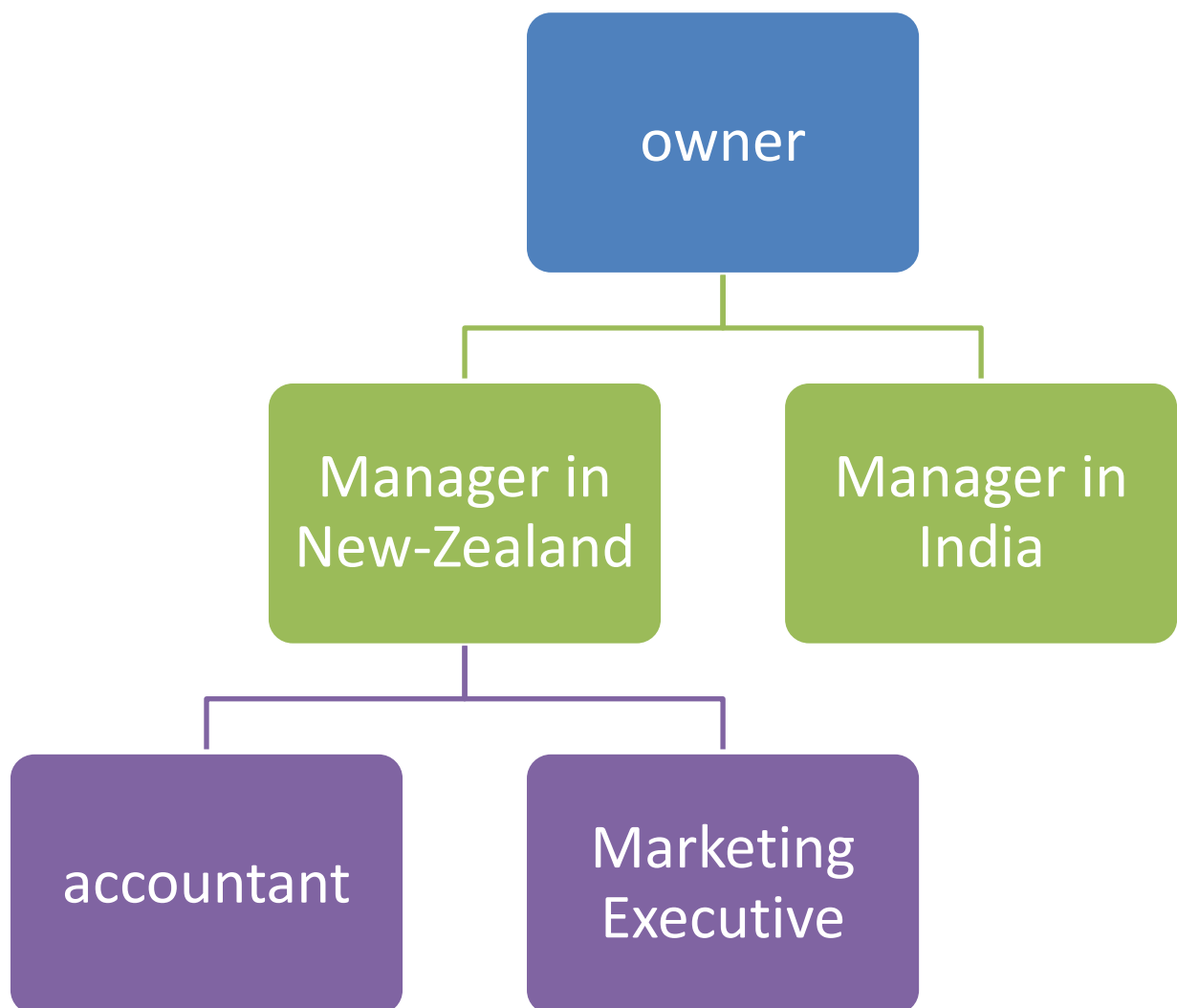
The main risks that can be associated with electric jackets are electric shock or fire. But in our product advance technology is used so there will reduce the risk of fire or shock up to 98%. By the help of the bedside control pod and power cord are made of a combination of high grade plastic and metal materials to enhance durability and usability.

✓ **Sale Promotion Strategy**

Our company will give advertisement in the local news paper to attract consumer by giving information about different product and give them 5% discount on MRP.

ORGANIZATIONAL STRUCTURE

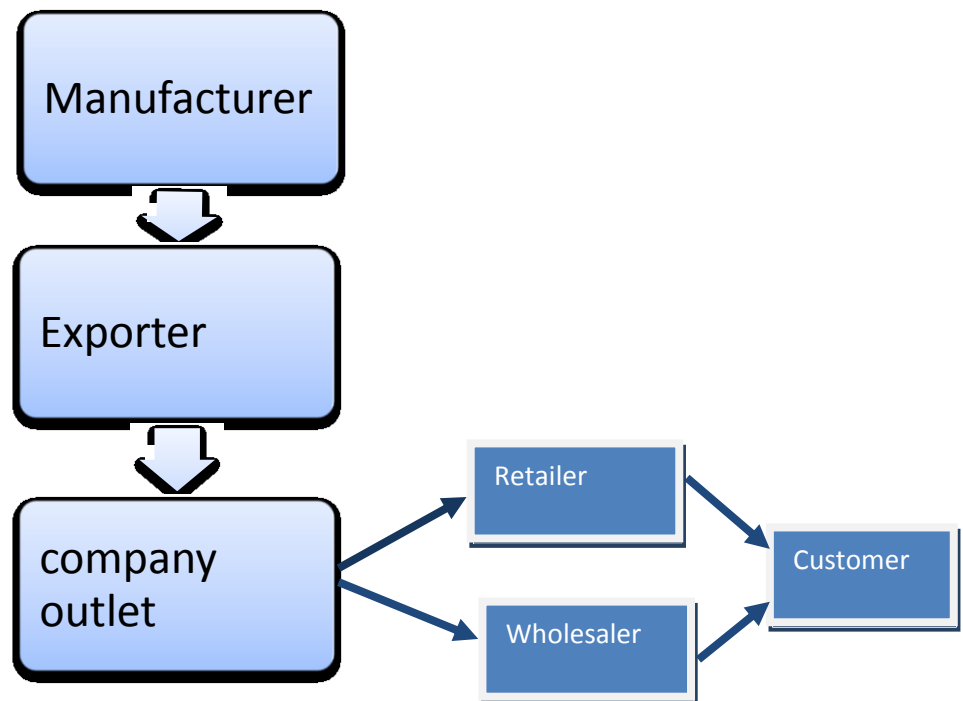
PATEL export is split by both location and functionality. The production division is located Jammu where the factory is, and run by owner. The sales and marketing, and finance and administration divisions are also for the Indian market as well as for the New-Zealand. Another one outlet is located in New-Zealand and is run by general manager of the company



DISTRIBUTION CHANNEL

Patel export manufactured the Electric jacket in India at Jammu than from Jammu it exports the electric Jackets to New-Zealand at Auckland through Air transportation.

From company outlet we will sale it to wholesalers and retailers and they finally sale to the customers



Contacting the Wholesaler

Our first step is to send a business offer containing a precise product description along with brochures or photographs.

We will try that our price should also be introduced as close to the best price possible.

Delivery

Once our business deal has been settled, it is important that the actual delivery time and the condition of the products correspond to that agreed with the importer. It is therefore necessary for us that to states the realistic delivery time right from the very beginning of a new co-operation. The tolerance towards delay and products, which do not live up tom agreements, is very limited and may lead to orders being cancelled so we should be careful.

Wholesalers

Wholesalers import ready-made home textiles as well as Electric jacket wholesaler usually operating with a mark up between 40 – 70 percent. Some importers work as wholesalers and agents at the same time

Retailers

Some retailers mainly purchase Electric Jacket based on own design specifications, whereas others also import ready-made. The Electric Jacket purchasing preferences highly depend on the retailer's line of business.

FINANCIAL ANALYSIS

Here is the cost sheet of the product for three year at the time of export. It shows the cost which we have to pay for particular product when we export that in New-Zealand.

ESTIMATED COST SHEET FOR THE 1ST YEAR

Particular	Total Cost(In R.S)	Per unit cost(In R.S)
Direct Material	3,00,000	600
Direct Labour (12person*50rsp.h*10hrs*90days)	5,40,000	1080
Direct Expenses	30,000	60
PRIME COST	8,70,000	1740
<u>Factory overheads</u>		
Electricity Bill	50,000	100
Factory stationary	2,000	4
Factory cleaning	15,000	-
Water supply	20,000	40
Factory insurance	1,800	-
WORK COST	88,800	177.6
<u>Administrative overheads</u>		
Office stationary	2,000	4
Rent	90,000	-
Office insurance	1,500	-
Legal expenses	400	0.8
Office manager salary	2,40,000	-
OFFICE COST	3,33,900	667.8
<u>Selling & Distribution Overheads</u>		
Advertisement expenses	26,880	-
Sales persons salary	1,80,000	-
Packing Charges	1,22,300	-
Transportation cost		
Airline	46,856	
Bus	11,737	
Excise Duty	1,41,000	
SELLING COST	5,28,773	1,057.55
TOTAL COST	18,21,473.6	3,642.95

ESTIMATED COST SHEET FOR THE 2ND YEAR

Particular	Total Cost(In R.S)	Per unit cost(In R.S)
Direct Material	3,71,000	530
Direct Labour (12person*50rsp.h*10hrs*90days)	5,40,000	771.43
Direct Expenses	53,900	77
PRIME COST	9,64,900	1378.43
<u>Factory overheads</u>		
Electricity Bill	70,000	100
Factory stationary	2,800	4
Factory cleaning	17,500	-
Water supply	28,000	40
Factory insurance	2,100	-
WORK COST	1,20,400	172
<u>Administrative overheads</u>		
Office stationary	2,800	4
Rent	90,000	-
Office insurance	2,100	-
Legal expenses	770	1.1
Office manager salary	3,00,000	-
OFFICE COST	3,95,670	565.24
<u>Selling & Distribution Overheads</u>		
Advertisement expenses	78,000	-
Sales persons salary	2,40,000	-
Packing Charges	1,71,220	-
Transportation cost		
Airline	96,856	
Bus	29,737	
Excise Duty	1,97,400	
SELLING COST	8,13,213	1161.73
TOTAL COST	22,94,183	3,277.4

ESTIMATED COST SHEET FOR THE 3RD YEAR

Particular	Total Cost(In R.S)	Per unit cost(In R.S)
Direct Material	3,56,800	446
Direct Labour (12person*50rsp.h*10hrs*90days)	5,40,000	675
Direct Expenses	25,200	31.5
PRIME COST	9,22,000	1,152.5
<u>Factory overheads</u>		
Electricity Bill	56,000	70
Factory stationary	1,600	2
Factory cleaning	17,200	-
Water supply	18,400	23
Factory insurance	2,250	-
WORK COST	95,450	119.31
<u>Administrative overheads</u>		
Office stationary	2,400	3
Rent	90,000	-
Office insurance	2,100	-
Legal expenses	720	0.9
Office manager salary	3,60,000	-
OFFICE COST	4,55,220	569.03
<u>Selling & Distribution Overheads</u>		
Advertisement expenses	46,200	-
Sales persons salary	2,60,000	-
Packing Charges	1,24,800	-
Transportation cost		
Airline	69,250	
Bus	31,023	
Excise Duty	2,25,600	
SELLING COST	7,56,873	946.09
TOTAL COST	22,29,543	2,786.93

ESTIMATED PROFIT AND LOSS ACCOUNT FOR 3 YEARS

Particular	1 st year (In. RS)	2 nd year (In. RS)	3 rd year (In Rs)
Sales	27,50,000	38,50,000	46,80,000
Total Costs	18,21,473	22,94,183	22,29,543
Prime cost	8,70,000	9,64,900	9,22,000
Work cost	88,800	1,20,400	95,450
Office cost	3,33,900	3,95,670	4,55,220
Selling cost	5,28,773	8,13,213	7,56,873
Gross Profit	9,28,527	15,55,817	24,50,457
Depreciation	1,50,000	1,50,000	1,50,000
Net Profit Before interest and tax	7,78,527	14,05,817	23,00,457
Interest	1,35,000	1,85,800	2,05,200
Net profit before tax	6,43,527	12,20,017	20,95,257
Tax @ 30.90 %	1,98,850	3,76,985	6,47,434
Net profit after tax	4,44,677	8,43,032	14,47,823

ESTIMATED SELLING PRICE PER JACKET

PARTICULAR	1 ST YEAR	2 ND YEAR	3 RD YEAR
In INDIA	5500	5500	5850
In NZ			

CONCLUSION

Indian Textile business is one of the biggest textile industries in the world. Today, Indian economy is mainly self-governing on textile industrial and exports.

"The current domestic market of textile in India is expected to boost up to US\$ 60 billion by 2012 from the current US\$ 34.6 billion. The share of exports is also likely to increase from 4% to 7% within 2012."(Source - article by Amit. S, Web Marketing and Social Media Analyst, http://ezinearticles.com/?expert=Amit_S)

India is the developing country with largest exports of home textiles to New-Zealand and is ranked as number three among all countries in the world exporting home textiles to New-Zealand. Electric Jackets are at the stage of in the increase or growth period of the product life cycle. The product like Electric Jackets is new technology and useful for the day to day use in wintry season and also easy for sustain so it is gainful to do business of exporting of textile products in New-Zealand.

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