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News release

**IANZ PLAYS CRUCIAL ROLE IN THE KIWI ECONOMY, SAYS NZIER**  
***Supports industries producing \$35.8 billion of GDP***

An independent investigation by the New Zealand Institute of Economic Research has clearly demonstrated the crucial role accreditation plays in supporting the New Zealand economy.

The NZIER report, which was completed in June this year, says if International Accreditation NZ (IANZ) didn't exist the value of the country's exports could fall by \$2.36 billion. Not only that, GDP would fall by 0.63% (\$1.65 billion) and wages by 1.6%.

John Ballingall, NZIER deputy chief executive who co-authored the report, says IANZ plays a significant role in facilitating trade, employment and GDP.

“Drawing on overseas experience, our economic modelling demonstrates IANZ secures a \$4.5 billion export premium for accredited exporters. It also supports production in sectors that employ over 357,700 workers – up from 305,800 in 2000. These workers account for 17% of all employment in New Zealand.” \*

IANZ chief executive Dr Llew Richards says the report confirms the vital role IANZ plays in the economy, with the organisation now supporting industries accounting for \$35.8 billion of the country's GDP.

“Most of these industries are export-driven, with IANZ facilitating \$27.6 billion of New Zealand's goods exports – almost 60% of the total. Given the challenges of exporting from New Zealand, such as a lack of scale and distance to markets, Kiwi firms need to do all they can to ‘control the controllable’.

“That's where IANZ comes in. One thing exporters can control is the quality of their products. IANZ accreditation provides them the ‘seal of approval’, which reduces transaction costs and risks, and supports ongoing efforts by Government and business to increase the added value of our exports.”

Dr Richards says IANZ provides “an external badge of competence”, helping businesses reduce their costs while giving consumers confidence in the products they buy.

The NZIER report summarises the benefits of accreditation as:

- Increased market access
- Avoidance of product failure and recalls
- Accuracy of measurement
- Risk management
- Support for product claims
- Impartial advice
- Demonstration of due diligence

Its report also outlines examples of accreditation in practice, including:

- New Zealand's wool exporters are able to sell their wool via auctions approved by the International Wool Textile Organisation. To participate, countries must have their wool tested in accredited labs and IANZ provides this service in New Zealand, giving buyers confidence in the quality of the product they purchase.

Cases where IANZ accreditation could have prevented problems also feature, such as:

- A steel company was investigated by the Commerce Commission in 2016 because it labelled thousands of sheets of steel mesh products as meeting a standard, which it did not, and produced test certificates with the logo of an IANZ-accredited testing laboratory when, in the fact, the sheets had been tested at an in-house lab with no IANZ accreditation. This had an immediate negative impact on the company's share price, wiping millions of its value in the short term. All its steel mesh is now tested in IANZ-accredited labs.

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*\* UK firms report accreditation delivers them an average 8% price premium over products that are not accredited. Report by Frenz M and R Lambert (2013) *The economics of accreditation*, for the UK Department for Business, Innovation and Skills*

**About IANZ:** IANZ is New Zealand's national authority for the accreditation of laboratories, inspection bodies and radiology practices. It accredits laboratories in all sectors, including medical testing, dairy testing, meat testing, drinking water testing, as well as mechanical and physical testing. It also accredits inspection bodies for engineering safety, food safety, and fire protection activities, as well as Building Consent Authority accreditation.

