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## **NZIER confirms vital contribution public market makes to New Zealand**

An NZIER report has confirmed the vital contribution New Zealand's public market makes to the broader economy, and the active role the local exchange plays in supporting market health and participation.

NZX commissioned specialist consulting firm, NZIER, to undertake an independent assessment of the exchange's direct and indirect value to New Zealand as part of the delivery of its recent strategy.

The report highlighted that the economic and employment footprint of the public market was significant, with combined revenue of S&P/NZX 50 companies totalling more than \$61 billion. These companies generated \$24.6 billion of Gross Domestic Product – some 10% of the entire New Zealand economy – and produced \$2.5 billion in tax annually used to fund Government initiatives.

Companies in the S&P/NZX 50 employed close to 100,000 New Zealanders, and created over 38,800 jobs for brokers, accountants, lawyers and media in the closely related financial sector.

NZIER analysis and market feedback found that the New Zealand economy benefited considerably from the market's presence, supporting growth in Gross Domestic Product, employment, household spending, investment and productivity. This is in addition to the fundamental role it played in helping companies to raise capital.

NZX Chief Executive Mark Peterson commented: "A strongly performing public market contributes significant value to New Zealand. The NZIER report highlights the importance of having a healthy public market, and the direct contribution this makes to the prosperity of our broader economy, creating jobs and improving productivity."

"The report reinforced NZX's strategic decision to refocus on its core markets business and deliver initiatives to widen participation, grow investable product, deepen liquidity and expand the market's global presence."

The report detailed the reach of the exchange which extends to most sectors of the economy including energy, tourism and infrastructure, banking, telecommunications, construction, healthcare and retail. The dairy industry was cited as a sector which benefited considerably from NZX after the exchange developed a series of tools to support New Zealand farmers better manage their risk.

NZX provides several other services to New Zealanders. It is the operator of the country's energy market, which supports the buying and selling of electricity between generators and retailers. This includes firms such as Meridian Energy, Contact Energy, Trustpower, Flick Electric, Powershop who supply power directly to New Zealanders.



It also provides a low-cost entry point to invest via its Smartshares exchange traded funds business – a product which now being used by other financial technology companies to reach a great number of retail investors starting to build their investment portfolios.

The report notes that the exchange plays a critical role in making the New Zealand economy function efficiently and effectively while supporting wider participation in financial markets by thousands of New Zealanders who may not otherwise be able to do so.

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