

# Taking New Zealand's state sector solutions to the world



**The Challenge:** How to manage and protect your cashflow during a services project

**The Solution:** The Treasury's New Zealand Export Credit provided trade credit insurance to support staged payments throughout the contract

**The Benefit:** G2G could undertake the transaction with confidence that they could pay their supplier

New Zealand is internationally well known for its transparency and ease of doing business and this is something that other countries are looking to replicate. As a result, New Zealand is now commercialising some of its intellectual property overseas, via NZ G2G Partnerships (G2G).

In 2018, the Papua New Guinea Government contacted G2G asking them to undertake a review of its judiciary information management practices. A branch of New Zealand Trade & Enterprise, G2G connects foreign governments with teams of experts from the New Zealand public and private sectors to help improve their state-sector performance, by applying learnings from New Zealand.

Typically, G2G play a coordination rather than a delivery role. "Our role is to act as a hub which brings the various experts together. It's the exporters themselves that enter into the contract for services. However, the Papua New Guinea Government indicated a strong preference to enter into contract directly with G2G. That is why we made an exception for this case" says Melany Tedja, G2G Channel Partner Manager.

Since entering into an export contract directly with a foreign government was outside of G2G's normal practice, G2G enlisted the help of New Zealand Export Credit. "We advised G2G to negotiate an advanced payment, followed by payments upon the delivery of project milestones", says Peter Rowe, Head of Business Origination at New Zealand Export Credit. "This ensured G2G had the funds to pay the New Zealand supplier who was undertaking the work".

For G2G to have the peace of mind that it could pay its supplier throughout the project, G2G sought trade credit insurance. Because G2G was only looking to insure a single buyer, the private sector referred G2G to the New Zealand Export Credit's trade credit insurance solution.

“Carrying trade credit insurance was a very practical solution. It let us deliver on the deal but without the payment risk,” says Melany.

For more information on NZ G2G Partnerships or New Zealand Trade and Enterprise please visit:

<https://www.g2g.govt.nz/>

<https://www.nzte.govt.nz/>

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### **NZEC contact:**

If you want to understand more about how our Short Term Trade Credit may benefit your exports then [click here](#) or get in touch:

**Call us: 04 917 6060**

**Email:** [exportcredit@treasury.govt.nz](mailto:exportcredit@treasury.govt.nz)

**Website:** [www.exportcredit.treasury.govt.nz](http://www.exportcredit.treasury.govt.nz)



**Peter Rowe**  
**Head of Business Origination**