

Competitive horizons

Late payment concern for small businesses in New Zealand

Research conducted by software firm Xero has found that small companies in New Zealand are currently paid over eight days late on average. The report, as published by www.newzealandherald.co.nz, points out that late payment is prevalent regardless of what payment terms are in place. Significant impact on vital cash flows is the main effect of a problem that is nothing new for the country's small- and medium-sized enterprises (SMEs). According to Xero, there can be grave consequences for a small operation even if payment of just one invoice is overdue by eight days. Business performance benefits if delays are reduced, and figures indicate a slight improvement on 2017. However, much more is needed to help the cash flow of businesses that are responsible for 97 per cent of jobs and thus key to New Zealand's economy. Lack of progress might force the country to go down the same government intervention route as Australia and the UK, where late payment of invoices is an even greater challenge.

Industries driving strong economic growth in India

Increased consumption across a diverse range of sectors is a key factor in India currently posting the fastest growth among the world's major economies. A report published by www.bloomberg.com notes strong performance by the automobile industry is attributable in part to greater demand for tractors and two-wheeled vehicles from rural areas in India. In addition, the country's burgeoning middle classes are fueling sales growth across the entire auto sector. The oil and gas industry is also benefiting as a result. Government drive toward the use of cooking gas to help lower air pollution is cited as another plus for the industry. One potential cloud is heavy reliance on imports. Any sustained rise in oil prices would thus have a detrimental effect. Similar risks apply to aviation, where significant increase in passenger numbers and fleet expansion is the current norm. Higher pay for state employees and hopes of a pick-up in farming are among the reasons why fast-moving consumer goods remain a major contributor to GDP. The steel sector is another plus with consumption at its highest for several years. However, vulnerability surrounds exports due to protectionist policies adopted in several of India's overseas markets. Higher costs are impacting on profits within the cement industry, although this should be offset by government building plans for housing and infrastructure.

Demand for mushrooms set to rise by 8.2 per cent over next few years

According to a report published by www.foodnavigator.com, the mushroom market is predicted to be worth \$69.3bn by 2024. In 2015, the sector was valued at \$34.1bn. Mounting belief in the health and medicinal benefits of food is considered a major factor in the significant rise in demand. Sector firms report increased business-to-business (B2B) activities as companies seek to use mushrooms in the manufacture of their own products. For others, growth is driven mainly by consumer perception that natural food supplements can enhance their well-being. Moves to increase customer awareness of the potential benefits of mushrooms could boost demand even further, the report claims. For instance, certain varieties are ideal for providing sports nutrition, whereas others can positively impact on beauty or ageing. Problems facing companies include the short shelf-life of the fungi and limited storage options. But some are managing to overcome such challenges through a dehydration process that enables powdered forms of mushroom which can be preserved for several years.

Russia plans to enhance textiles R&D

The textile industry in Russia is expected to benefit from the creation of a new government center for research and development (R&D) activities. Considerable emphasis will be placed on innovative materials in a project based on the already established Russian Innovation Research and Production Center for Textile and Light Industry (RIRPCTLI). Testing of smart textiles and other novel materials is high on an agenda that also includes the creation of new testing techniques and quality standards. Particular attention will be given to the design of green textiles, fabrics able to react to environmental change, and those with antibacterial or water-resistant qualities. As reported by www.innovationintextiles.com, developments will serve a variety of markets and help enhance the reputation of an industry that is already recognized as one of the most sophisticated in the world.