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## MEActive - December 2011

Welcome to the New Zealand Manufacturers and Exporters Association's monthly e-news, giving a series of updates on what we have been working on to make things better for manufacturers and exporters.

- CEO Comment.
- [MEAlert](#) - Industry updates.
- [Upcoming Events](#).
- [Media Releases](#) - Circulated to all media by the NZMEA.
- [Media Coverage](#) - Where we have been reported over the past month.
- [NZMEA Survey of Business Conditions](#).

### CEO COMMENT:

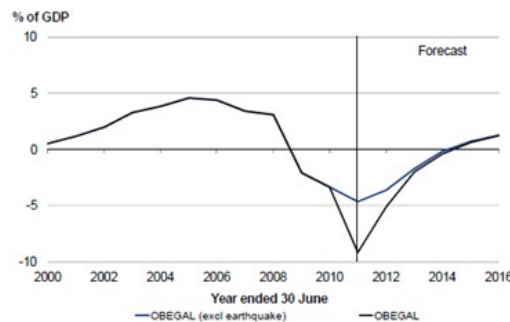
#### Escaping the Debt Trap

Numbers were a big issue leading up to the election. There was debate on the level of spending, net debt versus gross debt and the time it will take a particular policy framework to deliver a surplus to the Government current account. Out turns of our national accounts depend on our ability to earn as much as our propensity, or otherwise, to spend.

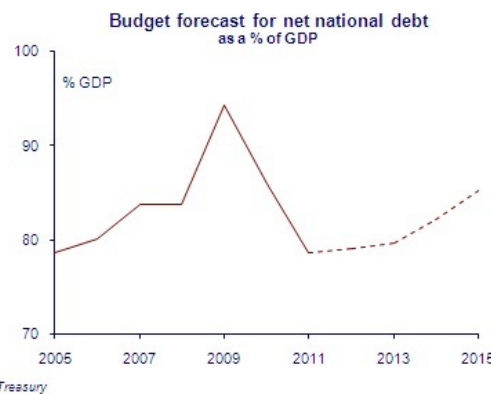
Boosting earnings now needs more than lip service in regard to rebalancing our economy. Treasury forecasts show the Government's current account in surplus during 2015 based on what we have always seen as optimistic growth forecasts - bring these back to even historical averages and the surplus might prove to be elusive. Add to that the softening world forecasts and a surplus during 2015, on a business as usual basis, is not going to happen. The forecasts for growth in private debt will also see the total national debt expand rapidly.

The following tables demonstrate the split between Government and overall national debt. The first is from the Treasury's pre-election update and the second is from this years' Budget.

**Figure 2.5 – Total Crown operating balance before gains and losses**



Source: The Treasury



This debt problem means that offshore borrowing will continue to prop up the New Zealand dollar. In addition to increased debt servicing, our borrowings are killing our ability to earn and invest – we are in a debt trap and business as usual will not save us.

Both major political parties have had a change in their leadership group and a change in economic strategy could accompany the new faces. Steven Joyce has been promoted to create jobs and growth, and an increased focus on the tradable economy is the only way of achieving this. David Shearer must also consider the tradable economy when deciding on his economic team. All parties must look to build on some promising new ideas tabled in this

electoral cycle.

Policies to increase foreign earnings, reduce foreign borrowings, and to encourage domestic saving are needed to escape the debt trap we are in. Reform of Monetary Policy must be at the top of this list. Fiscal responsibility is important, but earning more through growth in the real economy must be the top priority if we are to solve the debt problem.

## MEALERT

### Certificates of Origin - Free Trade Agreements

The NZMEA are authorised issuers under the China and ASEAN Free Trade Agreements (AANZFTA). This service is available at no charge to NZMEA Members.

From 10 January 2012 Indonesia will be included in the list of nations under the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA). As an approved issuer, the NZMEA can assist you with your certificates of origin for goods that will be imported into Indonesia from this date.

## UPCOMING EVENTS

[Click here](#) for information and to register for our upcoming events in 2012.

### North Island

<a href="#">7 February</a>	Workshop: Maximising a Company Sale Outcome - Auckland.
<a href="#">Starts 9 February</a>	Programme: Diploma in Competitive Manufacturing - Auckland.
<a href="#">Starts 9 February</a>	Workshop: Lean Implementation / Manufacturing Excellence - Auckland.
<a href="#">15 February</a>	NZMEA Meeting with RBNZ Governor, Dr Alan Bollard - Auckland.
<a href="#">Starts 22 February</a>	Workshop: Lean Implementation / Manufacturing Excellence - Tauranga.
<a href="#">Starts 22 February</a>	Programme: Diploma in Competitive Manufacturing - Tauranga.

### South Island

<a href="#">27 January</a>	NZMEA Meeting with RBNZ Governor, Dr Alan Bollard - Christchurch.
<a href="#">Starts 8 February</a>	Programme: Diploma in Competitive Manufacturing - Christchurch.
<a href="#">Starts 8 February</a>	Workshop: Lean Implementation / Manufacturing Excellence - Christchurch.
<a href="#">Starts 20 February</a>	Programme: CPIM - Basics in Supply Chain Management - Christchurch.
<a href="#">Starts 23 February</a>	Programme: CPIM - Master Planning of Resources - Christchurch.
<a href="#">Starts 28 February</a>	Programme: CPIM - Execution and Control of Operations - Christchurch.
<a href="#">29 February</a>	Forum: Succession for Business Owners - Christchurch.

## MEDIA RELEASES

Media releases submitted by the NZMEA during November. [Click here](#) to read the latest media releases.

<a href="#">4 November</a>	Sales volatility mirrors economic uncertainty.
<a href="#">9 November</a>	ChangeNZ launched to voice the needs of the tradable sector.
<a href="#">16 November</a>	NZ Dollar costs exporters \$6.6 billion.
<a href="#">17 November</a>	RBNZ must explicitly target non-traded inflation.
<a href="#">18 November</a>	Monetary and fiscal policy headline Labour's economic package.
<a href="#">22 November</a>	Economic reform needed to improve expectations.
<a href="#">25 November</a>	Same old same old won't fix the economy.

## MEDIA COVERAGE

Where the NZMEA was reported during November.

<a href="#">1 November</a>	NZ Herald	Scott Yates: Radical change needed to back NZ's exporters. <i>Newspaper.</i>
<a href="#">3 November</a>	Interest.co.nz	Opinion: Scott Yates shows how we can encourage growth in high productive industries. Your view? <i>Internet.</i>
<a href="#">4 November</a>	Voxy.co.nz	Sales volatility mirrors economic uncertainty - MEA. <i>Internet.</i>
<a href="#">4 November</a>	Scoop.co.nz	Sales volatility mirrors economic uncertainty - <i>Internet.</i>
<a href="#">5 November</a>	The Press	Labour's proposals get business ticks, crosses. <i>Newspaper.</i>
<a href="#">9 November</a>	Voxy.co.nz	ChangeNZ 'to voice the needs of the tradable sector'. <i>Internet.</i>
<a href="#">16 November</a>	The Press	Currency stability and compliance keys to export stability. <i>Newspaper.</i>
<a href="#">16 November</a>	Voxy.co.nz	High dollar costs exporters \$6.6 billion. <i>Internet.</i>
<a href="#">16 November</a>	Scoop.co.nz	NZ Dollar costs exporters \$6.6 billion. <i>Internet.</i>
<a href="#">16 November</a>	Voxy.co.nz	Reducing Govt spending crucial for exporters - ACT. <i>Internet.</i>
<a href="#">16 November</a>	Scoop.co.nz	Reducing Govt spending crucial for exporters. <i>Internet.</i>
<a href="#">16 November</a>	Yahoo News	Reducing Govt spending crucial for exporters - ACT. <i>Internet.</i>
<a href="#">17 November</a>	NZ News UK	Reducing Govty spending crucial for exporters. <i>Internet.</i>
<a href="#">17 November</a>	ODT	Exporters affected by volatility of New Zealand dollar. <i>Newspaper.</i>
<a href="#">17 November</a>	CTV	Rob's Country interview on economic policy in the election. <i>TV.</i>
<a href="#">17 November</a>	Scoop.co.nz	RBNZ must explicitly target non-traded inflation. <i>Internet.</i>
<a href="#">17 November</a>	Voxy.co.nz	RBNZ must target non-traded inflation. <i>Internet.</i>

<a href="#">17 November</a>	NZ Manufacturer	NZ Dollar costs exporters \$6.6 billion. <i>Internet.</i>
<a href="#">18 November</a>	Yahoo news	Monetary and fiscal policy headline Labour's economic package. <i>Internet.</i>
<a href="#">18 November</a>	Voxy.co.nz	Monetary and fiscal policy headline Labour's economic package. <i>Internet.</i>
<a href="#">18 November</a>	TVNZ.co.nz	Nadine Chalmers-Ross: Our flighty kiwi. <i>Internet.</i>
<a href="#">22 November</a>	Yahoo news	Economic reform needed to improve expectations - MEA. <i>Internet.</i>
<a href="#">22 November</a>	Voxy.co.nz	Economic reform needed to improve expectations - MEA. <i>Internet.</i>
<a href="#">23 November</a>	Scoop.co.nz	Economic reform needed to improve expectations. <i>Internet.</i>
<a href="#">23 November</a>	NZHerald.co.nz	Latest election updates. <i>Internet.</i>
<a href="#">23 November</a>	TVNZ.co.nz	Election 2011: live updates. <i>Internet.</i>
<a href="#">25 November</a>	NZ Herald	Election 2011: uncertainty the big fear. <i>Newspaper.</i>
<a href="#">25 November</a>	Voxy.co.nz	Same old same old won't fix the economy - MEA. <i>Internet.</i>
<a href="#">25 November</a>	NBR.co.nz	Conflicting opinions halt economic policy reforms. <i>Internet.</i>
<a href="#">25 November</a>	Scoop.co.nz	Same old same old won't fix the economy. <i>Internet.</i>
<a href="#">25 November</a>	NZ Manufacturer	Same old same old won't fix the economy. <i>Internet.</i>
<a href="#">26 November</a>	Radio NZ	Second lockout notice over Ports of Auckland strike. <i>Radio.</i>
<a href="#">28 November</a>	NZ Exporter	Time to earn more. <i>Magazine.</i>

**Awareness:** The opportunity to attend member only, no charge events, with leading speakers on issues of interest to manufacturers and exporters.