



MEActive - January 2012



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.



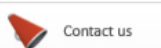
- [CEO Comment](#).
- [MEAlert](#) - Industry updates.
- [Upcoming Events](#).
- [Media Releases](#) - Circulated to all media by the NZMEA.
- [Media Coverage](#) - Where we have been reported over the past month.
- [NZMEA Survey of Business Conditions](#).



CEO COMMENT



Accountability needed on poor economic performance



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Over the past couple of years our apparent resilience to the financial crisis and optimistic forecasts of economic growth have been used to justify the Government's status quo approach. Record high commodity prices have meant that primary industries have grown somewhat despite a high exchange rate decimating returns. In addition, consistently unrealistic economic forecasts from Treasury have presented the downturn as an aberration which is on the verge of turning around - in reality we have been 'on the verge' for a few years now and we are no closer to an actual rebound. It is worth noting in a recent article from the Bank of England the comment was that economic forecasts exist to make astrologers look good.

Essentially, the factors beyond our control have gone comparatively well while an indifferent approach to growth in the [real economy](#) from the Government and its officials has meant that New Zealand has missed out on growth opportunities.

For the traded sector to grow the Government needs to provide a stable trading environment and encourage innovation to a level at least on par with other jurisdictions.



A look at this Trade Weighted Index graph shows that there has not been a stable trading environment. The tradable economy's interests have once again been ignored in the past year when setting monetary policy.

The Grant Thornton International Business Report conducted in December showed that four percent fewer firms intended to invest in research and development than in December 2010. With little confidence in future earnings and no incentive to invest the money is that really a surprise?

In fact investment in non-productive assets classes are still incentivised by the Government - where other Governments offer R&D tax credits, grants for international marketing and fast depreciation allowances, New Zealand instead promotes land and buildings.

2012 needs to see a change in focus. Reducing debt cannot be the only focus - we also need to find a way to earn more through exports. What needs to be done? Well for a start target non-tradeable inflation:

- Use [Loan to Value Ratios](#) to control credit volumes; and
- Specify the amount of savings (deposits) banks are required to raise in New Zealand to [limit off-shore exposure](#).

Had this been done 10 or 20 years ago debt levels and debt servicing costs would have been lower even if average interest had been higher: overall the New Zealand economy would now be better balanced, with higher wages, more jobs, more savings and better housing affordability.

Exports of New Zealand Lobsters to China - Tariff Classification

A number of companies have been in contact with New Zealand Customs advising that Customs officials in Shanghai required a Chinese importer to classify consignments of live New Zealand Lobster under Tariff Item 0306.2290 instead of 0306.2190 as a result of a change in tariff classification. This allegedly came into effect on 01 January 2012.

The 2012 update of the international tariff structure, on which the China Customs tariff is based, did not affect 0306.21 (Rock lobster and other sea crawfish (*Palinurus* spp., *Panulirus* spp., *Jasus* spp.)) or 0306.22 (Lobsters (*Homarus* spp.)). Accordingly, this matter has been raised by New Zealand Customs with the General Administration of Customs of the People's Republic of China in Beijing who are assisting in resolving this matter.

The General Administration of Customs of the People's Republic of China (GACC) has verbally confirmed that no changes were made in its working tariff document on 0306.21 or 0306.22. New Zealand industry has confirmed from that lobster exports from New Zealand is of the *Jasus* species variety, correctly classified in 0306.21

Recommended actions for exporters / certifiers of New Zealand origin

Until this issue of misclassification is resolved, it is suggested that the product description on documentation supporting the export (and the import declaration) explicitly refers to the species of lobster being traded e.g. – instead of 'LIVE LOBSTER', as has been the case on some stopped consignments, the import declaration and supporting documents show 'LIVE NZ LOBSTER (JASUS SPECIES)'. Note that only the certificate of origin requires the tariff classification to be present, and this should continue to be the correct classification at export from NZ (0306.21 – 'Rock lobster and other sea crawfish (*Palinurus* spp., *Panulirus* spp., *Jasus* spp.)).

This solution is temporary to cover particularly the period over Chinese New Year during which increased export volumes are expected. New Zealand Customs is in contact with Chinese counterparts in terms of tracking longer term correction of the problem.

UPCOMING EVENTS

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

North Island	
1 February	Workshop: Customer Service - Auckland.
7 February	Workshop: Maximising a Company Sale Outcome - Auckland.
Starts 9 February	Programme: Diploma in Competitive Manufacturing - Auckland.
Starts 9 February	Workshop: Lean Implementation / Manufacturing Excellence - Auckland.
15 February	NZMEA Meeting with RBNZ Governor, Dr Alan Bollard - Auckland.
Starts 22 February	Programme: Diploma in Competitive Manufacturing - Tauranga.
Starts 22 February	Workshop: Lean Implementation / Manufacturing Excellence - Tauranga.

South Island - Christchurch

Starts 8 February	Programme: Diploma in Competitive Manufacturing.
Starts 8 February	Workshop: Lean Implementation / Manufacturing Excellence.
16 February	Forum: Introduction to Lean Manufacturing.
Starts 20 February	Programme: CPIM - Basics in Supply Chain Management.
Starts 23 February	Programme: CPIM - Master Planning of Resources.
Starts 28 February	Programme: CPIM - Execution and Control of Operations.
29 February	Forum: Succession for Business Owners.
29 February	Workshop: Customer Service.
21 March	Workshop: Proactive Selling.
28 March	Forum: Advisory Boards for Manufacturers
29 March	Workshop: Telephone Sales.

MEDIA RELEASES

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

2 December	Cut OCR to match northern economies.
2 December	Risks outweigh opportunities for manufacturers.
8 December	RBNZ remains reluctant to act.
16 December	Port strike hits supply chains hard.
21 December	Slow insurance action heads raft of earthquake issues.

MEDIA COVERAGE

Where the NZMEA was reported during December.

2 December	Scoop.co.nz	Risks outweigh opportunities for manufacturers. <i>Internet.</i>
2 December	Stuff.co.nz	Grim time for exporters. <i>Internet.</i>
2 December	Scoop.co.nz	Cut Official Cash Rate to match northern economies. <i>Internet.</i>
2 December	Voxy.co.nz	Cut OCR to match northern economies. <i>Internet.</i>
2 December	TVNZ.co.nz	Tough times say exporters. <i>Internet.</i>
2 December	Radio NZ	Fewer pessimists in latest business confidence survey. <i>Radio.</i>
3 December	The Press	Europe a cloud over exporters. <i>Newspaper.</i>
5 December	Dominion Post	Rate hold likely for 12 months. <i>Newspaper.</i>
5 December	ShanghaiDaily.com	New Zealand manufacturers, exporters call for interest rate cut. <i>Internet.</i>

<u>December</u>		
5 December	YahooNews	Traders stop betting on NZ rate cut; no hike to OCR seen. <i>Internet.</i>
5 December	TVNZ.co.nz	Bets stop on interest rate cut. <i>Internet.</i>
5 December	ODT	Exporters in push for cut to cash rate. <i>Internet.</i>
8 December	Voxy.co.nz	RBNZ remains reluctant to act. <i>Internet.</i>
8 December	Scoop.co.nz	RBNZ remains reluctant to act. <i>Internet.</i>
15 December	Engineering News	What happens when the (tea) party is over? <i>Magazine.</i>
16 December	Voxy.co.nz	Port strike hits supply chains hard. <i>Internet.</i>
16 December	Scoop.co.nz	Port strike hits supply chains hard. <i>Internet.</i>
21 December	Voxy.co.nz	Slow insurance action heads raft of earthquake issues. <i>Internet.</i>
21 December	Scoop.co.nz	Slow insurance action heads raft of earthquake issues. <i>Internet.</i>
21 December	Sharechat.co.nz	Insurance woes top Christchurch manufacturers' concerns this Christmas. <i>Internet.</i>
21 December	YahooNews	Insurance woes top Chch manufacturers' Xmas concerns. <i>Internet.</i>
21 December	MSN.co.nz	Insurance 'weasel out of paying claims'. <i>Internet.</i>
22 December	Scoop.co.nz	A better but uncertain end to the year. <i>Internet.</i>
22 December	Voxy.co.nz	A better but uncertain end to the year. <i>Internet.</i>
22 December	RadioLive	Comments on the NZMEA business survey. <i>Radio.</i>
23 December	The Press	Firms fear further fallout in Europe. <i>Newspaper.</i>

Certificates of Origin: Contact the NZMEA if you need a Certificate of Origin. We are now also authorised issuers under the China and ASEAN Free Trade Agreements, at no charge to NZMEA members.