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New strategy needed to deliver on new goals

The New Zealand Manufacturers and Exporters Association (NZMEA) are calling on the Government to shift their focus towards job creation rather than crisis mitigation. Statistics New Zealand's quarterly figures released today reported that unemployment has reached five percent, but there have also been signs that the global economic climate is starting to turn around. The emphasis from the Government needs to be on supporting productive firms that will create jobs as international demand improves.

NZMEA Chief Executive John Walley says, "Unfortunately employment growth during the boom years was concentrated in domestic services such as retail and construction, with high export level industries such as manufacturing, agriculture, forestry and fishing actually reducing staff numbers between 2001 and 2007. There will need to be a realignment in the labour market towards these jobs in the real economy as New Zealanders look to reduce their debt levels."

"As the New Zealand Institute of Economic Research has pointed out, job saving schemes have little impact on economy wide unemployment, so the focus must shift to encouraging exporting firms to invest in their businesses."

So far we have seen the Government put their energy into schemes to dampen the affects of the recession but little effort has been put into lasting changes to the economic framework that will deliver long term solutions. Firms in the tradeable sector need a more stable exchange rate, incentives to invest in new technology and a more balanced tax system to become more internationally competitive."

"It is time the Government put our money behind a clear strategy to deliver on their stated goals of productivity and export sector growth."