



mea.org.nz



Events



Media



The Real Economy



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MEActive - July 2010

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](#).
- [NZMEA Alert](#) - Call for comments on submissions or discussion documents.
- [Media Coverage](#) - Where we have been reported over the past month.
- [Media Releases](#) - Circulated to all media by the NZMEA.
- [Upcoming Events](#).
- [NZMEA Survey of Business Conditions](#).

CEO Comment: Monetary Policy Debate Starts to Stir

Announcements from Labour that they are prepared to widen requirements in the Reserve Bank Act to include growth, employment and currency stability has stirred further debate from the Government and the media. Many still cling to the 'international best practice argument' but comments from a number of authorities suggest 'best practice' might be more an act of faith than evidence based.

Phil Goff made a speech to Federated Farmers and David Parker gave a more detailed explanation of the changes being considered to this Association. Just how much difference these changes would make is debatable as the application of the new targets would be as important as their existence on the Policy Targets Agreement, but a requirement that growth, employment and currency stability be considered will demand a more nuanced response from the Reserve Bank – something more than changes in interest rates. As such those impacted by currency volatility can expect some consideration.

John Key's response to the issue was that "Playing around with a few words in the Reserve Bank Act is not going to fix our problems." This approach ignores the impact of setting a target. The target determines the action that should be taken to achieve it. The Government's own 2025 income equality with Australia target is meaningless in itself, but ideas designed to meet this target can help to grow the economy. Similarly a new Reserve Bank target will drive the Reserve Bank to develop and use new tools and modify the way existing tools are used.

Key claimed that the bloated Government sector was to blame for an unbalanced economy. This is certainly one of the reasons as Government spending fuels non-tradeable inflation, forcing interest rates up, but a fluctuating dollar has been a persistent problem through a number of Governments since the Reserve Bank Act was introduced. This suggests the problem is far wider

than some fiscal recklessness. In any case, if a bloated Government sector is solely to blame, surely some action should be taken to correct this. There is a complete lack of urgency on this issue.

MEAlert

Wood Dust Exposure Standard Consideration Paper

The Department of Labour has released their Consideration Paper on proposed changes to the Workplace Exposure Standard for softwood dust. [Click here](#) to view.

The NZMEA welcomes comments from manufacturers on this topic and close off for inclusion in the Association's submission closes Monday 27 September.

Media Coverage

Where the NZMEA was reported during June.

1 June	Radio NZ	New 'Heartland' Bank Proposed. <i>Radio.</i>
2 June	NZ Herald	Exporters Welcome Russian Trade Talks. <i>Newspaper.</i>
3 June	Hera.co.nz	2010 Budget and Its Influence on Your Company's Innovation Potential. <i>Internet.</i>
3 June	Engineering News	Budget – Opportunities Missed. <i>Magazine.</i>
3 June	Voxy.co.nz	MEA: RBNZ Must Wait Until September, At Least. <i>Internet.</i>
3 June	Scoop.co.nz	RBNZ Must Wait Until September, At Least. <i>Internet.</i>
3 June	Interest.co.nz	Exporters Call on Reserve Bank to Delay OCR Hike Until September 16. <i>Internet.</i>
4 June	Scoop.co.nz	Export Led Recovery: Not Yet. <i>Internet.</i>
4 June	Voxy.co.nz	Export Led Recovery: Not Yet. <i>Internet.</i>
4 June	NZHerald.co.nz	Pressure on Bollard to Hold Rates Steady. <i>Internet.</i>
4 June	ODT	NZ Interest Rate Rise Likely, But Still a Close Call. <i>Newspaper.</i>
8 June	The Press	Domestic Sales Up 19pc. <i>Newspaper.</i>
8 June	ODT	Some Risks Seen in Raised OCR. <i>Newspaper.</i>
8 June	Scoop.co.nz	Weakness Persists. <i>Internet.</i>
8 June	Voxy.co.nz	Weakness Persists In Manufacturing Sector – Statistics NZ. <i>Internet.</i>
9 June	Stuff.co.nz	Rate Rise May Be 'Jumping the Gun. <i>Internet.</i>
9 June	The Press	Rate Rise 'Too Soon'. <i>Newspaper.</i>
10 June	Voxy.co.nz	NZMEA: OCR Hike Reckless. <i>Internet.</i>

10 June	Scoop.co.nz	OCR Hike Reckless. <i>Internet.</i>
10 June	Mode FM	Comments on the OCR. <i>Radio.</i>
10 June	Interest.co.nz	RBNZ Lifts OCR as Expected, But Says Future Rate Hikes to be Less Extensive. <i>Internet.</i>
10 June	Radio NZ	Alan Bollard Explains Reasons. <i>Radio.</i>
11 June	TVNZ.co.nz	Rate Hike Labeled Reckless. <i>Internet.</i>
11 June	Radio NZ	OCR Seen as Expensive by Exporters. <i>Radio.</i>
24 June	Voxy.co.nz	Labour Will Clarify Reserve Bank's Authority. <i>Internet.</i>
25 June	CTV	Comments on Rob's Country. <i>TV.</i>

Media Releases

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

4 June	RBNZ Must Wait Until September, At Least.
8 June	Weakness Persists.
10 June	OCR Hike Reckless.
24 June	Monetary Policy Reform Needed to Rebalance Our Economy.

Upcoming Events

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

29 July	Forum: Communication and Motivation - Christchurch.
2 August	Programme: First Line Management - Christchurch.
12 August	Programme: First Line Management - Auckland.
18 August	Forum: Customs Duty - Don't Pay Too Much - Auckland.
19 August	Forum: Coping with the Unexpected - Christchurch.
19 August	Forum: Developing Products to Deliver Value - Auckland.

Productivity Improvement Event - Wednesday 28 July

Skills4Work are providing an opportunity to hear from leaders of local companies who have started on the productivity improvement journey. Rod Oram and John Cook will discuss productivity and the New Zealand economy. This event focuses on the value and importance of workplace productivity programmes; vital in today's competitive and economic environment. You are also invited to attend the Skills4Work AGM prior to this event, and meet the Board Chairman, Grant Arnold of Carter Holt Harvey. Please [email](#) Skills4Work for more information.

Business Assessment

On behalf of the New Zealand Business Excellence Foundation and the Engineering Master Programme at the University of Canterbury, we would like to offer members the opportunity to participate in a Quality Management Module, as part of the student's requirement for the programme.

If you are interested in participating please contact Mike Watson, CEO of the New Zealand Business Excellence Foundation via email at mike.watson@nzbef.org.nz, or phone 09 489 8793.