



MEActive - January 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.



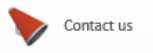
- [CEO Comment](#).
- [Media Coverage](#) - Where we have been reported over the past month.
- [Media Releases](#) - Circulated to all media by the NZMEA.
- [Upcoming Events](#).
- [NZMEA Survey of Business Conditions](#).



CEO Comment: Change for 2011?



With an election looming at the end of the year, 2011 needs to be a turning point for New Zealand's economy. 2010 demonstrated that the problems brought out by the recession have not been resolved and the same imbalances that existed in the era of economic growth have persisted in the downturn.



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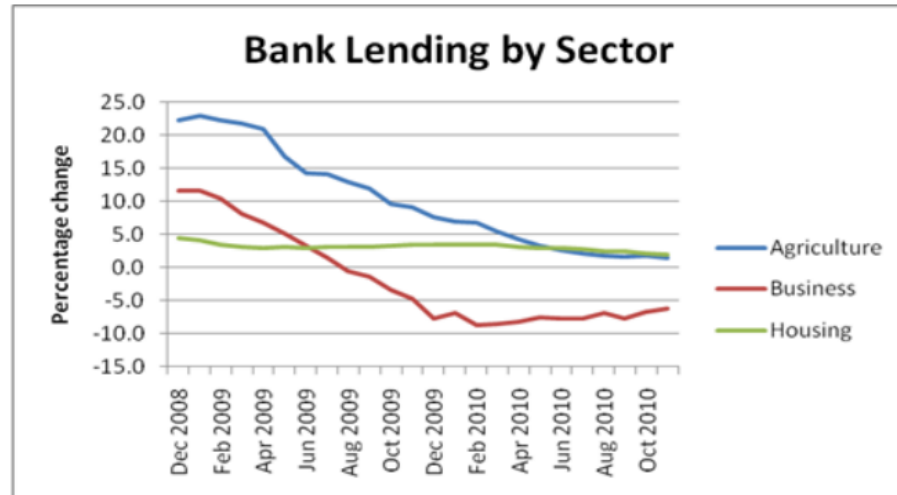
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Economists expect the figures to show that the economy grew in the last quarter of 2010, meaning that a double dip recession will be avoided, but regardless of the exact growth numbers it is clear that we still have a problem. The graph below shows that any talk of rebalancing is wrong. Lending to business and agriculture has declined rapidly while lending on non-productive housing is holding up.



RBNZ

Here are five key policies needed to turn the economy around in 2011:

1. Capital controls to curb offshore debt growth alongside lower interest rates – a new focus on currency stability.
2. A balanced tax system.
3. R&D support that matches or betters our trading competitors.
4. Productive investment incentives, early stage business, plant and patent write offs.
5. Compulsory savings.

These five policies are key to turning New Zealand from a debt reliant importer of goods into a productive export focused economy.

Attention to currency volatility is important so that exporters are encouraged to invest in their businesses without the fear that random exchange rate changes will trash their profitability. A balanced tax system including taxation on property is needed so that capital is used to invest in revenue and job generating businesses rather than assets.

Investment and savings incentives are needed to ensure that there is an adequate level of local capital available to firms and that there are the right signals to invest this money in the real economy.

2010 was largely a wasted opportunity to rebalance New Zealand's economy; 2011 must see some more coherent, effective and significant changes.

Media Coverage

Where the NZMEA was reported during December.

3 December	Scoop.co.nz	Sales Growth Starts to Stall. <i>Internet.</i>
4 December	NZ Herald	October Export Sales Down. <i>Newspaper.</i>
6 December	Voxy.co.nz	OCR Cut Still Justified. <i>Internet.</i>
9 December	Scoop.co.nz	RBNZ: Right Message But No Action. <i>Internet.</i>

2 December	Scoop.co.nz	RBNZ: Right Message But No Action. <i>Internet.</i>
9 December	NZ Manufacturer	RBNZ: Right Message But No Action. <i>Internet.</i>
10 December	The Shed	Skills Hammered Again. <i>Magazine.</i>
19 December	NZ Herald	Comments on the Needs of Small Exporters. <i>Newspaper.</i>
22 December	M&C.com	New Zealand Economy Declines in September Quarter. <i>Internet.</i>
23 December	Scoop.co.nz	Double Dip Gets More Likely. <i>Internet.</i>
24 December	The Press	Boyce Seeks Action on Dollar. <i>Newspaper.</i>

Media Releases

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

6 December	OCR Cut Still Justified.
9 December	RBNZ: Right Message But No Action.

Upcoming Events

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

9 February	Workshop: HSNO Approved Handler Training - Christchurch.
15 February	Programme: CPIM - Basics of Supply Chain Management - Christchurch.
16 February	Invitation to Meet the Governor of the RBNZ - Auckland.
16 February	Programme: CPIM - Detailed Scheduling and Planning - Christchurch.
17 February	Workshop: Customer Service - Christchurch.
22 February	Forum: Intellectual Property Perspectives - Auckland.
24 February	Forum: Legally Using Open Source Software - Christchurch.
24 February	Programme: CPIM - Strategic Management of Resources - Christchurch.