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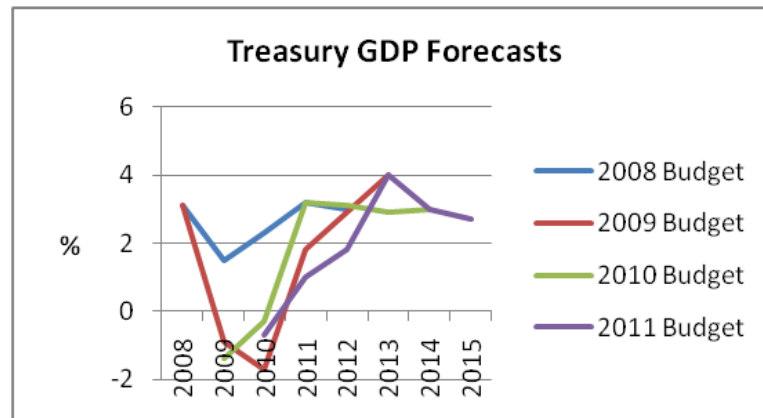
MEActive - August 2011

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 - Global Problems Further Discredit Our Policy Framework.

Further instability overseas is making the debt path proposed in the Budget look increasingly optimistic. After the Budget we were left with the feeling that the Government had underestimated the extent of New Zealand's debt problem - there was little done to further limit debt expansion or rebalance the economy to grow export earnings.



This chart shows that relying on Treasury forecasts is a dangerous practice. The new debt concerns in Europe and the difficulties raising the debt ceiling in the United States have simply reinforced the fact that a more realistic view of the world needs to be taken for the next few years.

Bill English made this comment last week:

"I think we're going to have to get used to outbreaks of market volatility and loss of confidence. This could go on for years."

I totally agree.

Those exact conditions mean that there needs to be a debt buffer so that we do not risk problems when there are further crises. This means considering the realignment of the entitlement to national superannuation, welfare packages, tax rates and the overall shape and fairness of the tax system.

It is important that we have economic policy settings that allow exporters to earn when there are upturns. We recently witnessed a brief increase in sales but then margins were erased by the high dollar; the loss in sales momentum due to world worries saw the dollar fall but too late to help the real economy. Urgent action on the currency is justified, the rest of world are manipulating their currencies - New Zealand stands aside from this for political reasons. We have even seen some action lately from Japan that has taken some of the sting out of their problems; this is not about an intervention or not, it is about a broad fiscal and monetary framework that deals with debt in the domestic economy without upwards pressure on the exchange rate. The existing policy framework is broken it is time to fix it.

MEDIA COVERAGE

Where the NZMEA was reported during July.

5 July	Voxy.co.nz	NZMEA Survey: Sales Improve Off Low Base. <i>Internet.</i>
5 July	Scoop.co.nz	Sales Improve Off Low Base - 5 July. <i>Internet.</i>
5 July	Shanghai Daily	New Zealand Exporters See Rise in Sales, But Uncertain Future: Survey. <i>Newspaper.</i>
5 July	Radio NZ	Firms Upbeat About Business Conditions. <i>Radio.</i>
6 July	NZ Herald	High Dollar Sours Sales Increase for Exporters. <i>Newspaper.</i>
6 July	People's Daily	New Zealand Exporters See Rise in Sales But Uncertain Future. <i>Internet.</i>
7 July	Scoop.co.nz	Capital Gains Tax Will Help Rebalancing. <i>Internet.</i>
7 July	Voxy.co.nz	Capital Gains Tax Will Help Rebalancing. <i>Internet.</i>
8 July	Otago Daily Times	Capital Gains Tax Long Been a Green Policy. <i>Newspaper.</i>
8 July	Manufacturing	New Zealand Manufacturers and Exporters Association. <i>Internet.</i>

	Digital	Internet.
11 July	NZ Herald	Capital Gains Tax a No Brainer for New Zealand. <i>Newspaper.</i>
12 July	Engineering News	Commodities Killing Exports. <i>Magazine.</i>
21 July	The Press	Logo to Promote Christchurch Businesses. <i>Newspaper.</i>
21 July	CTV	Interview on CGT for Rob's Country. <i>TV.</i>
22 July	Dominion Post	High Dollar the New Norm. <i>Newspaper.</i>
22 July	Scoop.co.nz	Government Procurement Policy Must Consider Total Economic Cost. <i>Internet.</i>
22 July	Voxy.co.nz	Public Money Must be Spent Carefully - NZMEA. <i>Internet.</i>
23 July	The Press	Canterbury Firms Carrying On. <i>Newspaper.</i>
23 July	Stuff.co.nz	This Week in Politics. <i>Internet.</i>
24 July	Sunday Star Times	Dollar's Heat Burns Traders. <i>Newspaper.</i>
27 July	Scoop.co.nz	John Walley – Fresh Ideas for a Productive Economy. <i>Internet.</i>
27 July	Newstalk ZB	Brightside for Exporters. <i>Radio.</i>
27 July	3News.co.nz	New Zealand Dollar Headed for Parity With US. <i>Internet.</i>
27 July	TVNZ.co.nz	New Zealand Dollar Becoming Safe Haven – Bill English. <i>Internet.</i>
28 July	Scoop.co.nz	No Rebalance Likely While Exchange Rate Constrains Inflation. <i>Internet.</i>
29 July	The Press	Rebuild to Face Higher Interest. <i>Newspaper.</i>

MEDIA RELEASES

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

7 July	Capital Gains Tax Will Help Rebalancing.
22 July	Government Procurement Policy Must Consider Total Economic Cost.

UPCOMING EVENTS

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

24 August	Forum: Protect Your Crown Jewels: Your Trade Secrets - Christchurch.
31 August	Forum: Leader Standard Work for Lean Manufacturing - Auckland.
13 September	Workshop: Proactive Selling - Christchurch.
13 September	Forum: Virtual Darwinism: Where Social Media Meets Employment Law - Christchurch.
14 September	Workshop: Implement a Continuous Improvement System in Competitive Manufacturing - Christchurch.
14 September	Forum: Keeping up with the Changes - Auckland.
19 September	132nd Annual General Meeting - Notice of Meeting - Christchurch.
21 September	Workshop: Customer Service - Auckland.

Please note: To assist our Christchurch members during this difficult time Forums will be free to attend for the rest of August and September 2011.

Updates: Print, email links, [RSS](#) and [Twitter](#) feeds are now on all our sites, we also have two blog sites: [realeconomy](#) and [johnwalley](#). Using the feeds you can receive updates and news in your email or browser as they are loaded to our websites. You can switch between the sites easily; the blogs make it easy to comment. We look forward to your contributions.