



PH: 0800 353 2540  
Fax: 03 353 2549

Physical:  
253 Cambridge Terrace  
Christchurch 8013  
New Zealand

Christchurch Postal:  
PO Box 13152  
Armagh  
Christchurch 8141  
New Zealand

Auckland Postal:  
PO Box 76134  
Manukau City  
Auckland 2104



## MEActive - September 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: What Impact Will the European Crisis Have?

The potential for European countries and their banks to default on debt raises the question of what impact these defaults would have on the global economy.

- What impact will the European crisis have on the rest of the world?
- What has been learnt from the 2008 financial problems?

If the economic crisis in 2008 did not demonstrate some serious financial problems the recurrence of the problems this year certainly does. The reaction from Governments to the first round of financial institution failures was to prop up the current system, but this has not fixed the underlying issues. This time around the reaction must be more strategic.

The Vickers Commission has recommended that retail banking be 'ringfenced' from other functions of the bank to ensure that the Government is not forced to bail out investment banking sections of banks in the United Kingdom again. John Kay noted in a recent article for the Financial Times that lending to businesses and farms accounts for only three percent of total bank assets and liabilities in the United Kingdom. He notes:

*"We need to get back to banking as usual: not banking as it was in 2007, but banking focused on the needs of depositors for a haven for their cash and on the needs of business for funding productive investment."* – my emphasis.

Our Government needs to take its own measures to ensure that it does not back financial practises that cause our economy harm. In New Zealand, retail funding makes up approximately two thirds of bank business, but the key is only to support productive economic behaviour.

The same philosophy must be used to change economic policy. An overvalued currency, capital imbalances, and a bias towards housing and land have been bemoaned by the Government and its officials but so far little has been done.

Thursday's Monetary Policy Statement from the Reserve Bank was a typical example. There was some talk about Swiss intervention to reduce their currency, whether non-tradable inflation would be a better target for the Reserve Bank and on additional tools that could be used. Unfortunately there was no action.

The first crisis saw the same policy decisions that led to the crisis reinforced. We must not waste a second crisis.

### MEDIA COVERAGE

Where the NZMEA was reported during August.

<a href="#">8 August</a>	<a href="#">Voxy.co.nz</a>	Sales Fall and Currency Continues to Impact Confidence. <i>Internet.</i>
<a href="#">8 August</a>	<a href="#">Scoop.co.nz</a>	Sales Fall and Currency Continues to Impact Confidence. <i>Internet.</i>
<a href="#">8 August</a>	<a href="#">NBR.co.nz</a>	Exporters Feel the Pinch From High Dollar. <i>Internet.</i>
<a href="#">9 August</a>	<a href="#">Newstalk ZB</a>	Kiwi Exporters Keeping a Close Eye on Europe and US. <i>Radio.</i>
<a href="#">10 August</a>	<a href="#">NZ Herald</a>	Broadsides: NZ Dollar Intervention. <i>Newspaper.</i>
<a href="#">12 August</a>	<a href="#">Engineering News</a>	Tax on Capital Gains Long Overdue. <i>Magazine.</i>
<a href="#">19 August</a>	<a href="#">Yahoo.com</a>	Discontent Over Earthquake Insurance. <i>Internet.</i>
<a href="#">19 August</a>	<a href="#">Voxy.co.nz</a>	Discontent Over Earthquake Insurance. <i>Internet.</i>
<a href="#">19 August</a>	<a href="#">Scoop.co.nz</a>	Discontent Over Earthquake Insurance. <i>Internet.</i>
<a href="#">19 August</a>	<a href="#">Radiolive</a>	Comments on Insurance Survey. <i>Radio.</i>
<a href="#">20 August</a>	<a href="#">The Press</a>	Dismay Over Insurers' Efforts. <i>Newspaper.</i>
<a href="#">22 August</a>	<a href="#">NZ Manufacturer</a>	Discontent Over Earthquake Insurance. <i>Internet.</i>
<a href="#">22 August</a>	<a href="#">Interest.co.nz</a>	Monday Top 10 at 10. <i>Internet.</i>
<a href="#">23 August</a>	<a href="#">Voxy.co.nz</a>	Exporting Raw Materials the Path to Poverty. <i>Internet.</i>
<a href="#">23 August</a>	<a href="#">Scoop.co.nz</a>	Exporting Raw Materials the Path to Poverty. <i>Internet.</i>

### MEDIA RELEASES

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

<a href="#">19 August</a>	Discontent Over Earthquake Insurance.
---------------------------	---------------------------------------

### UPCOMING EVENTS

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

<a href="#">29 September</a>	Forum: "The Goal" How to Ramp Your Business in 2011 - Christchurch.
<a href="#">4 October</a>	Programme: CPIM - Strategic Management of Resources - Christchurch.
<a href="#">5 October</a>	Forum: Holidays - Demystifying the Employment Issues - Auckland.
<a href="#">5 October</a>	Workshop: HSNO Approved Handler Training - Christchurch.
<a href="#">6 October</a>	Workshop: Value Added Negotiation - Christchurch.
<a href="#">6 October</a>	Forum: Using Open Source Software and Staying Out of Court - Christchurch.
<a href="#">11 October</a>	Forum: Health and Safety in the Workplace: Why Does it Matter? - Auckland.
<a href="#">13 October</a>	Forum: Developing Products to Deliver Value Using Robust Design Processes - Christchurch.
<a href="#">13 October</a>	Workshop: Proactive Selling - Christchurch.
<a href="#">17 October</a>	Programme: CPIM - Detailed Scheduling and Planning - Christchurch.
<a href="#">19 October</a>	Workshop: Proactive Selling - Auckland.
<a href="#">21 October</a>	Breakfast Meeting with National - Christchurch.
<a href="#">27 October</a>	Programme: CPIM - Basics in Supply Chain Management - Christchurch.

**Welding Supervisor Qualification Now Well-established in NZ**

HERA's welding supervisor course leading to the AS 2214 Certification of Welding Supervisors - Structural Steel Welding has now been successfully running for three years. This is the course for those who need to be competent in all aspects of the key role of welding supervision in structural steel fabrication. The qualification compliments the existing IIW International Welding Specialist and CBIP Certified Welding Inspector schemes. For more information [click here](#).

**Networking:** Probably the key activity of the NZMEA, your participation in any NZMEA event will build your network with people who have similar experiences or problems and some will have solutions.