

Richard Gee

From: Global News [replyglobal@chamber.co.nz]
Sent: Thursday, 26 July 2007 4:10 p.m.
To: richard@geewiz.co.nz
Subject: Global News - July 2007



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Dear Richard

Reserve Bank raises OCR - "consequences are unacceptable"

The Reserve Bank action to keep forcing up interest rates is leading to a steady crippling of the productive sector of the economy, says Michael Barnett, chief executive of the Auckland Chamber of Commerce.

It is misleading for the Reserve Bank to claim that New Zealand is recording big increases in commodity prices.

Other than dairying, other sectors are reporting lower returns and prospects now on a knife edge. Returns for sheep farmers are down \$500 million, which converts to a loss of around \$2 billion to the domestic economy.

Wine, seafood, meat and many manufactured goods exporters are trading at a loss with many staying in the market in the 'hope' that the New Zealand dollar will fall before they go under.

I don't agree with the Bank's assessment of the

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**Do you
need an
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hands?**

New Zealand economy "It is NOT running strong, we are NOT recording big increases in export prices in around 80% of commodity areas, and many exporters are NOT enjoying a strong demand for their products. Instead they are a step further to being crippled by the combination of the higher interest rates the Bank is encouraging and the strengthening NZ dollar driven by US dollar weakness."

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Export advice
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It is incorrect of the Reserve Bank to claim that the higher interest rates give a strong incentive to New Zealanders to save. "What can they save with when mortgages are going up, as well as the price of food and other items?"

The Reserve Bank statement claims that the continued tight labour market along with other factors all point to sustained inflationary pressures. "Doesn't the Bank understand that the skills shortage has existed for the past 5 years and will continue for at least the next 5 years?"

If lifting interest rates was going to help reduce the skills shortages, the Bank's actions of four successive OCR increases would have shown some signs of helping - but they haven't.

The only winners will be offshore investors who will take advantage of our rising interest rates while contributing nothing to the economy, and some importers who will be compelled to reduce prices for goods and so encourage retailers to spend up and contribute to inflation.

Kind regards,

Michael Barnett
Auckland Chamber of Commerce

INTERNATIONAL TRADE NEWS

2007 APEC Forum Update - Business Summit

Sydney will host the two-day Asia-Pacific

Economic Cooperation (APEC) Business Summit in September this year. The Business Summit, formerly the CEO Summit, has been held each year since 1996 and was developed to enable business leaders to interact with APEC leaders during Leaders Week.

The Summit will bring together business leaders, policy makers and economic leaders under the 2007 theme of 'Strengthening our community, building a sustainable future,' to reinforce bonds within the APEC region and build on cooperation between business and governments within the Asia-Pacific.

A range of issues will be discussed, including trade, market and structural issues, energy, education, demographics and innovation.

[Click here](#) to read the full article.

Business is booming

As part of Export Year a second series of the Business is Booming television programme will begin on TV3 at 8am this Saturday - July 28 with subsequent episodes screening weekly on the same day and time.

Business is Booming explores the experiences and issues that many business operators face in the early stages of setting up and developing a business. It will cover issues of interest to exporters with each of the 12 episodes examining the journey and various encounters of an export-ready business. One episode will also look at the various stages in the export process, including expert advice and experiences across a range of companies.

For more information on the series please [click here](#) to visit NZTE's website.

Education for Exporters

Education and training for international traders can play a vital role in their success overseas. With the spotlight firmly focused on exporting this year, new and improved courses are on offer for New Zealand's potential and existing exporters. Three current sources of specialist training and education are:

- [Exporter Education training workshops.](#)
- [Internationally accredited Certificate and Diploma in International Trade.](#)
- [ICE Global Retreat.](#)

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INTERNATIONAL FINANCE

Terms of Trade - payment options

Trading internationally exposes your business to certain risks. For exporters the main risk is non-payment by a customer. For importers it can be difficult to be sure the goods you have ordered will be as specified, or that they will arrive at the time and place agreed with your supplier.

Many of these risks can be insured against, or reduced by, the payment method you use. However, reducing your own risks may transfer both risk and cost to your trading partner, which will impact upon your competitiveness. The method of payment that you and your trading partner should choose depends on a number of factors and each of these payment methods will affect your security differently.

[Click here](#) to read more about the different payment methods.

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INTERNATIONAL TRAVEL AND TRANSPORT

Auckland Airport - to sell or not to sell

The debate currently taking place in Auckland is whether we embrace or reject the thought of a foreign investor owning the majority of Auckland Airport.

Given that historically much of New Zealand business was founded on foreign ownership and investment, why now are we afraid to work within this same rationale? Foreign ownership from an active investor like Dubai Aerospace would mean Auckland Airport could benefit from this multi-national's vast experience and resources.

However, will foreign ownership mean heightened security risks for New Zealand and are we selling ourselves short in terms of the present purchase price?

We're seeking feedback on this important issue from Auckland businesses. Please let us know your thoughts and views by [clicking here](#).

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INTERNATIONAL MARKETS

ASEAN market ripe for New Zealand exporters

Despite the huge opportunities and growth in South and South East Asia (ASEAN) for exporters, many New Zealand companies are cautious about doing business in the region.

"It's the complexity and diversity of the area, combined with a fear of the unknown," says New Zealand Trade and Enterprise's (NZTE) Regional Director South / South-East Asia, Grant McPherson, who believes strongly in the region's economic opportunities.

With GDP growth rates of at least 5% per annum in every ASEAN country, rapidly developing economies and increasing numbers of young people with disposable income, New Zealand businesses are in the perfect position to supply the region's growing consumer demand.

For more information, contact NZTE's Business Services Advisers, Felix.Bradley@nzte.govt.nz or

Michael.Sharpe@nzte.govt.nz

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INTERNATIONAL TRADE EVENTS

For details of upcoming international events being organised by the Chamber please [click here](#).

NZTE & New Zealand/Middle East Business Council Iranian Investment Delegation

On the 6th of September an Iranian delegation headed by Mr Asgar Oladi, chairman of the Iran Chamber of Commerce and Industry, will attend a half day seminar in New Zealand. The purpose of the seminar is to explore opportunities to increase business co-operation between Iran and New Zealand and share ideas for development and investment.

The seminar will be a good opportunity for businesses trading or wishing to trade with Iran to discuss issues they may be facing, and network delegates and others trading in the region.

Date: Monday 6th August
Time: 8.30am - 12.00pm
Venue: Langham Hotel, Auckland
Tickets: Complimentary

Please [click here](#) for more details and registration.

New Zealand Taiwanese Business Council Cocktail Evening

The New Zealand Taiwanese Business Council (NZTBC) will be hosting a cocktail event on Thursday 15th August. The panel led discussion will focus on how New Zealand companies can do business in Taiwan. An open invitation has been extended to those businesses or individuals wishing to attend.

Date: Thursday 15th August
Time: 6.00pm onwards
Venue: Crowne Plaza, Auckland City
Tickets: TBA

Please [click here](#) for more details and registration.

The New Zealand Papua New Guinea Business Council AGM Luncheon

The New Zealand Papua New Guinea Business Council (NZPNGBC) is holding its Annual General Meeting on Friday 24th August. Following the meeting there will be a luncheon with a guest speaker.

Date: Friday 24th August
Time: 12.30pm - 2.00pm
Venue: Crowne Plaza, Auckland
Luncheon Tickets:
NZPNGBC Member \$40.00 incl GST,
Non-member \$50.00 incl GST

Please [click here](#) for more details and registration.

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