

Down-payments required from Indian local government triggers alarm

Export Guarantee Office Needed for Asian Markets Diversification says Napier Engineering's Ken Evans

NAPIER, HAWKES BAY, NEW ZEALAND, March 15, 2016 /EINPresswire.com/ -- The return of a standalone Export Guarantee Office such as the one installed during the opening era of government incentives for manufacturers should become an official priority urges the managing director of one of New Zealand's leading production engineers.

Ken Evans managing director of [Napier Engineering](#) and Contracting which exports its [Niven](#) range of meat processing equipment around the world has flagged an accelerating – rather than diminishing – problem in receiving payments from customers in these non China Asian markets.

The problem was brought home to him he

said during some recent negotiations over the supply of an abattoir to the Pondicherry Municipality in India.

India, he noted, was an established market for the Niven range of abattoir equipment.

Yet in this recent negotiation, and after submitting detailed and priced specifications, he had received a formal request for several down- payments.. These were scheduled to be remitted to the municipality prior to the contract being formalised. They represent cash advances against the possibility of remuneration.

The episode, said Mr Evans, was indicative of payment problems now being encountered in this region by New Zealand exporting manufacturers.

With the international development banks whose presence facilitated the first concerted New Zealand manufacturing export drive into Asia now diminishing in importance, this type of ambivalence was likely to get worse, he noted.

Mr Evans acknowledged the presence of the New Zealand Export Credit Office, part of the Treasury,



Ken Evans

in its role in acting as an intermediary between banks and exporters.

Given however the government-encouraged drive into Asian markets outside the beaten path of China, then the situation called for the return of the powers of the EXGO.

Policy-makers Mr Evans said had allowed themselves to become diverted into instead transferring the emphasis away from the provision of export credit and onto domestic support for start ups and “winners” and sometimes ones ultimately owned outside New Zealand.

Mr Evans acknowledged that the picking-winners disbursements were designed to stimulate employment in new product spheres.

He emphasised though that in regard to established product lines in food processing equipment in which New Zealand carried a built-in source-brand pre-eminence, then policy-makers should now focus on the payment problem.

Noting that India after the United States remains the world’s major milk producing nation, he said that a re-invigorated export guarantee regime was essential for dairy equipment exporters.

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