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Confidence Falls to Record Low; MANUFACTURING

Thursday, November 06, 2008 1:56 PM _____

(Source: Press, The; Christchurch, New Zealand)By WOOD Alan

South Island exporting manufacturers have sunk into gloom, with the Manufacturers and Exporters' Association calling for action from the next government to "knock that depression out of people".

Net confidence amongst respondents to the association's September survey, completed last month, fell to a record low. Association chief executive John Walley said yesterday the -91 confidence level was the worst- ever result and down from the -22 reported in August.

Future surveys (which also include some North Island manufacturers) were unlikely to get much worse, but strong political leadership was needed.

Whether a National or Labour-led government won Saturday's election, New Zealand required economic reform rather than work on social or environmental fronts, he said. "I think it will get better from here. I think after the elections we'll see some shakeout," Walley said.

"I think there will be some expectation that whoever does win . . . is going to have to behave differently.

"They're going to have to show some leadership on the economy."

Banks also had to bring a responsible position on reducing interest rates quickly particularly as they had been backed by a Government deposit guarantee system, he said.

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