

Minutes of the 28th Annual General Meeting **Thursday 2 August 2012**

The 28th Annual General Meeting of the New Zealand German Business Association commenced at 4:40 pm.

NZGBA President Erich Bachmann welcomed all members and confirmed that a quorum was present and declared the meeting open.

1. Apologies

Mr. Erich Bachmann advised that apologies from members were made available to attendees on arrival. Additional apologies were recorded for Dr Phillipp Wahl, Gary Hampson and Stephen Diver. The apologies were accepted.

2. Minutes of the 28th Annual General Meeting

Mr Erich Bachmann advised that the minutes of the 27th Annual General Meeting held on the 2nd August 2011 were approved by the Executive Committee as a true and accurate record and were distributed to members. These minutes were uploaded to the NZGBA website (www.germantrade.co.nz) under events, for all members to read. There were no matters arising from these minutes.

3. President's Annual Report

Mr. Erich Bachmann presented the following report to the meeting which was also given to the attendees as a hand-out upon registration:

German Economy in 2011

The German economy performed very well in the 2011 calendar year despite the well-known difficulties within the Euro zone. For the first time in three years Germany adhered to the Stability & Growth Pact adopted in 1997 which requires an annual budget deficit no higher than 3% of the GDP. Germany had a budget deficit of 1% of the GDP in 2011. Imports (+13%) and exports (+11%) both increased considerably in comparison to 2010, reaching values of EURO 902 billion, EURO 1,060 billion respectively. Main trading partners in 2011 for imports were Holland, China, France and the USA, with New Zealand ranking 72. Top 4 export partners in 2011 were France, the USA, Holland and the UK, with New Zealand coming in at position 67.

Commodity prices continued to show an upward trend throughout the year as did petrol prices which increased by more than 13% and crude oil per barrel by 34%. Since the start of 2010 despite all these price increases there is one positive statistic to be noted in Germany's labour market. The unemployment rate stood at 7.1% at the end of December 2011 which compares favourably with 7.7 % at the end of 2010. The unemployment rate has continued to drop and as at May 2012 stood at 5.2%. Whilst this appears to have bottomed out for the time being, experts still predict a shortage of 2.7 million workers by 2025 caused largely by an ageing population.

Over the past two to three years the Euro has been steadily declining against major currencies and the New Zealand dollar. This has been very helpful to German exporters and hence the German economy. Developments in 2012, according to a recent survey conducted by the German DIHK show the performance trend of the German economy has been pointing upwards. However, it remains to be seen whether this will continue in light of on-going adverse developments and speculation on the fate of the Euro and the European economy in general. Especially the manufacturing industry and services sector are potential areas of growth with the construction trade being a close third. Even if the demand from weakening surrounding European markets has a slight impact on the economic performance, the overall development is positive as the effect from European countries is offset by a stable development of other export markets, particularly the ones in Asia, here especially China, and the strong domestic economy from which Germany as a heavily export-oriented economy benefits.

As recently as May 2012 the registered foreign trade surplus in Germany was EUR 15.3 billion (NZD 23.6 billion). Exports increased by 3.9% in comparison to

April 2012 and imports by 6.3%. Exports to countries outside the European Union increased by 3.4% in comparison to April 2011, however imports slightly decreased by 1.2% in comparison to April 2011. Goods to the value of EUR 38.9 billion (NZD 60.1 billion) were exported to countries outside the European Union in May 2012, and imports from those countries reached EUR 27.7 billion (NZD 42.8 billion) during that month. The seasonally adjusted trade surplus reached EUR 9 billion (NZD 13.9 billion) which is up by EUR 1.6 billion in comparison to April 2011.

German - New Zealand Relations

Relationships between Germany and New Zealand continue to be positive and wide ranging, from cultural cooperation to scientific collaboration.

Bilateral trade between the two countries remained stable with a trade balance of NZD 2.6 Billion (NZD 742 million in exports to Germany and NZD 1.87 billion in imports from Germany).

In the scientific field the emphasis is on partnership programmes covering the wide area of geo sciences, marine projects and Antarctica related research. Dr David Lowe has been appointed to the role of Coordinator for the New Zealand-Germany Science and Innovation relationship by the NZ Ministry of Science and innovation.

In The cultural involvement in 2011/2012 is mainly focused on New Zealand's role as Guest of Honour at the Frankfurt Book Fair in October 2012 which is organised by the Ministry of Culture and Heritage in cooperation with the NZGBA.

New Zealand German Business Association

But what has happened at the New Zealand German Business Association in 2011 and what can be expected from 2012?

Higher salary and travel costs as well as general office expenditure being slightly over budget contributed to a loss of \$7,700. However at the same time the overall income and membership numbers

have increased, in what can only be described as difficult times.

In terms of **membership numbers**, the Association welcomed 35 new members. This compares with 38 new members in 2010. With resignations at only 27 for the 2011 year we are pleased to report membership is on the increase and the Association continues to have the strongest membership base amongst the EU organizations here in New Zealand with over 200 members.

As always members have been kept informed throughout the year via our electronic newsletters and have also received the annual publication "Double the Vision".

Last year was packed with **events**, for both members and clients.

The NZGBA ran several workshops, held in Auckland, Wellington and Christchurch. Topics included optimisation of export business strategies, negotiating with Germans and the Art of Action, of course always followed by networking gatherings.

In May this year, i.e. 2012, the NZGBA successfully organised a German Pavilion at the New Zealand Engineering & Machinery trade fair, Emex. 6 companies were profiled on the Pavilion along with a networking event attracting close to 100 guests and featuring Ms Silke Roefer, the second in command at the German Embassy, as our guest speaker (pictured below).

Due to the Rugby World Cup the NZGBA decided against the usual Oktoberfest and decided to do something different - a Winterfest. This featured a typical German Christmas market atmosphere; Carols sung by the Bach Musica Choir, some traditional Christmas goodies such as gingerbread and mulled wine. Feedback was great and the risk of changing from the Oktoberfest to a July event paid off – however not nearly enough good German beer was consumed!

I take this opportunity to thank all our sponsors for their generous support of the NZGBA's events throughout the year. None of these events could have taken place without our sponsors. Your on-going assistance and active participation is certainly very much appreciated.

I would also like to thank my fellow colleagues on the Executive Committee for their time commitment over the past year, with a special thanks to Robert Knox for his constructive input as Treasurer.

Finally, I would like to extend a big thank to all members of the NZGBA team, ably led by our CEO, Monique Surges, for their dedication and hard work throughout 2011 and beyond.

Mr. Gregory Thwaite queried what the main reasons for membership resignations were. Monique Surges responded that the main reasons were the disestablishment of a German agency or the closing or refocusing of a business on other markets. The President's report was moved by Mr Robert Knox, seconded by Gregory Thwaite.

4. Adoption of the annual accounts

The financial statements for the year ended 31 December 2011 have been made available prior to the AGM via a hyperlink on the invitation and on the website itself. Copies were also made available during the event, upon request.

NZGBA Treasurer, Mr. Robert Knox, elaborated on the accounts pointing out that although a loss is showing of \$7700, when depreciation is added back there is a cash surplus. He then continued by remarking that it is a hard business to generate income in, requiring at least one major project per year to generate the necessary income to break even. Membership subscriptions make up only about 10% of the income and significant funding from the German ministry was required to cover the "hungry overheads" such as salaries. That said Monique Surges and her team should be commended for their tremendous efforts and hard work to create new sources of income generation. Mr. Knox made one final point that the balance sheet showed high cash levels – this being the prepayment of services towards the book fair project.

One question relating to the accounts was raised by Mr. Simon Fawkes. He enquired what impact the exchange rate was having on operations at present. Monique Surges informed the meeting that an estimated NZD 10,000 "loss" was to be expected on the funding being received from Germany.

There being no further questions Mr. Robert Knox moved that the financial accounts for the year ended 31 December 2011 be adopted. This was seconded by Mr. John Robinson and carried by all.

5. Appointment of auditor

The Treasurer moved that WHK Gosling Chapman be appointed as auditors for the year 2012. This motion was seconded by Mr. Andreas Bodenstern and carried by all.

6. Membership Subscriptions

Mr. Erich Bachmann informed members that the NZGBA executive committee had considered a 2% increase versus a 5% upwards adjustment as per the members request for gradual increases rather than one-off large increases. It was agreed, in the present climate, a 2% increase was more appropriate. The proposed membership subscriptions on renewal are:

Individuals:	\$294 to \$300
1-30 employees:	\$399 to \$407
Over 30 employees:	\$546 to \$557
EURO based members:	€210 to €214

The proposed subscription rates were accepted by all; no discussion followed. This decision to increase membership subscriptions was seconded by Robert Knox and carried by all.

7. Election of Committee and Officers

The chair was passed to the Chief Executive Officer, Mrs. Monique Surges, to conduct this section of the meeting.

Mrs. Monique Surges advised that in accordance with the rules of the New Zealand German Business Association, a number of nominations were received in writing.

Before reading these out Monique Surges formally thanked the committee for the fantastic job they did, giving their time and support over the past year.

She also informed those present that the entire Executive Committee indicated a willingness to stand again. One new nomination had been received this year for Mr. Geoff Hipkins, CEO of Turners & Growers, which German company BayWa AG had recently acquired just over a 70% holding in.

All nominations were accepted and the 2012/2013 Executive Committee was confirmed as follows:

Erich Bachmann, Hesketh Henry, as President
Robert Knox, BDO Spicers, as Treasurer
Grant Bevin, Business World Travel, as Vice President
Dean Sheed, Audi - European Motors
Jim Bibby, Stihl NZ Ltd
Joanne Hand, Realtech NZ Ltd
John Robinson, Wallenius Wilhelmsen Lines
Andy Follows, BMW NZ Ltd
Oliver Boehm, Schenker NZ Ltd
 → Due to his departure from New Zealand
 Ms. Inesa Ragele will act as a proxy until a
 new successor is appointed
Paul Ravlich, Siemens NZ Ltd
Stephen Diver, SDR Ltd
Geoff Hipkins, Turners & Growers
Monique Surges, as Executive Director

The first meeting of the new executive committee is scheduled for the 29th August 2012

8. General Business

The NZGBA received no notice of any general business for consideration at the meeting.

Mr. Bachmann suggested those present be given an update on the Book Fair activities by Monique Surges. Ms. Surges pointed out that the project has been very challenging due to a lack of understanding, here in New Zealand, of the significance of the Book Fair and in fact the immensity of taking on a country of honour role. In addition the short preparation time has made it difficult securing sponsors and planning additional cultural activities in Germany. The preparation time for the role as Guest of Honour is generally three years, however New Zealand has only had one year to prepare. Nonetheless, Hamburg Sued & Oceanbridge have been secured as sponsors for all shipments to Germany.

Ms. Surges explained the uniqueness of the Book Fair is not the product "book" itself but the topics/content covered in books, i.e. scientific, educational, cooking, children's books, landscapes

etc – this is what the 10 000 international journalists are in fact reporting on.

Other than assisting in securing sponsors, the NZGBA has supported the New Zealand Ministry of Culture and Heritage by having Oliver Rube re-located to Germany to organize amongst other things the so called *Museumsuperfest* - a festival taking place one month prior to the opening of the book fair. Traditionally the country of honour at the book fair is also the country of honour at this festival which welcomes over 3 million people in 3 days. New Zealand will cover a 100m long area of the Main riverfront with 17 stall holders and a large stage area for continuous cultural and modern NZ music groups. Visitors will enjoy the showcase of New Zealand's bounty of treasures, such as wines, venison, lamb meat, honey, artworks,...

For the NZGBA it was important to ensure all German members distributing NZ product were included in this fantastic platform.

The NZGBA is also leveraging off the press that these events will create with a Business Delegation connecting New Zealand businesses with German potential contacts. The delegation will be from 8-12 October moving through the cities of Hamburg, Dusseldorf, Cologne, Frankfurt, Stuttgart and Munich.

This update was well received and appreciated by all attendees.

Mr. Bachmann then declared the 28th Annual General Meeting closed at 5:16pm.