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Better-Management Newsletter 2 October

Syria and Washington's propaganda, North Korean threats, a world of finite resources, Deutsche Bank fiasco, a trail of bank malfeasance, Property bubbles, the 'yellow peril', a shooting war in the South China Sea? Higher productivity means more population.

<http://thecrux.com/33252/>

Even if we listen to conflicting accounts, who do we believe? Brexit,

Korea...North versus South is starting to get testy...just as starvation bites in the North...many will not make it through winter...

<http://www.aljazeera.com/news/2016/10/south-park-geun-hye-appeals-north-koreans-161001145728177.html>

Will the border fences come down like the Berlin wall or will North Korea attack?

Economy

When will they learn? In reality and despite the hype, Globalisation relies more on oil than on communications technology. In a world of finite resources, continued economic growth is an oxymoron. So it isn't protectionism that will destroy globalisation or growth, it is the reality of resource depletion, now that we have picked most of the "low hanging fruit". But growth is essential for paying down both interest and debt. Our masters will therefore fight to the death to preserve either growth or the illusion of growth and keep the public happy.

<https://www.theguardian.com/business/2016/oct/01/imf-annual-meeting-agenda-economics-growth-brexit>

The Telegraph reports that Theresa May will announce the commencement programme for BREXIT at this weekend's Conservative Party conference while all eyes are on Deutsche Bank.

<http://www.telegraph.co.uk/news/2016/10/01/brexit-begins-theresa-may-takes-axe-to-eu-laws/>

Deutsche Bank will probably be saved, but this time around, is the European banking industry going to get its act together or just limp from crisis to crisis until the big bang happens?

<http://www.telegraph.co.uk/business/2016/10/01/its-not-just-deutsche-european-banking-is-utterly-broken/>

There can be no doubt that it was the greed and malfeasance of the TBTF banks that caused the GFC in 2008. Before that time you could see it coming and afterwards we have this sorry trail of bank settlements for malfeasance ... with the justice officials...it just goes on and on and there is plenty more in the pipeline...

<http://www.bloomberg.com/news/articles/2016-10-01/deutsche-bank-paschi-nomura-staff-charged-over-false-accounts-itr5z2ku>

You have to wonder how the hell the TBTF banks' alumni became our central bank heads and prime ministers? Are we stupid sheeple – or what?

One problem on its own may not collapse the economy, but in each of the EU and China there are half a dozen major debt related worries and even in the USA things are not all they seem as this article on debt points out...

http://seekingalpha.com/article/4009425-devil-debt?source=email_macro_view_mar_out_1_8&ifp=0

Property bubbles are a problem in several countries... and perhaps even an integral part of looming WW3

Auckland has a much bigger problem proportional to its size than London, Vancouver, Sydney or Melbourne, but they all have one thing in common – an Asian invasion - and governments that want immigrants and their money in order to goose GDP statistics higher. Before Auckland takes on far more debt than it can ever service (pursuant to our disastrous new Unitary Plan), perhaps its mayor should follow Sadiq Khan's lead and study the demand issues first?

<https://www.theguardian.com/cities/2016/sep/29/london-mayor-sadiq-khan-inquiry-foreign-property-ownership>

In today's Daily Reckoning, there is a good article about the use of GDP statistics to mask the true state of the economy. Just add more money by whatever means and you get higher GDP. The GDP accounts are a section of Government accounting that is designed to persuade people that current policies are both successful and beneficial to the common citizen – when they often are neither.

Let's fly a kite? If you were a "smiling tiger" (like Xi Jinping is proving to be) wouldn't you want to export a hundred million of your people to NZ, Australia, Canada and Britain, together with a spare couple of trillion US dollars, to destroy their property markets and complete your takeover of the world? You get a majority in every ally of the USA? This doesn't particularly bother me at this point...just that this was what our grandparents and parents were once very afraid of, if you recall....

Nah, couldn't possibly happen? Perhaps, perhaps not. But the CCP is planning 12 years ahead remember.

Just thinking outside the box.... and suggest you think what could happen to our economy if China and USA start a shooting war in the South China Sea?

Meanwhile, the Government's immigration policy settings have deliberately ramped up demand for housing.... and thereby house prices. If anyone is genuinely upset at the damage this has done and is doing to Auckland society, then vote them out.

<http://www.interest.co.nz/business/83855/gabriel-makhlouf-relaxed-about-ministers-disregarding-treasurys-advice-make-political>

Having spent four years writing to Government ministers that the immigration demand is the main cause of house price increases, they continue with denial and blame local government administrations' supply processes - they cannot fight back. I will keep calling Government out until they face reality and carefully adjust their policy settings.

Meanwhile LVR rule tightening directly disadvantages first home buyers by preventing access to finance...

<http://www.interest.co.nz/property/83868/new-lvr-rules-expected-slow-housing-debt-which-growing-its-fastest-pace-more-eight>

I have to acknowledge that this LVR tightening means there will be fewer casualties when the bubble eventually pops. So how is the score going?

In 35 years, my own neighbourhood has gone from 12% recent immigrant to over 60% as per the article I penned for NZ Herald. I moved in to this house in 1981. The use of incentives, such as for every foreign child who studies here, they get automatic citizenship; and for every parent of single child in that category, they get access to our entire welfare and superannuation benefits after a short qualifying period; and this situation then ramped up in the mid to late 1990s when the policies became widely known, first in China and Fiji and then in India and elsewhere.

Are these comments protectionist and xenophobic? I don't know. But the impact of policies is clear. The people living on the streets and in cars are not new immigrants. The people living in atrocious conditions are not new immigrants. Auckland has no hope of funding the borrowing that is necessary to escalate the provision of new infrastructure.

So my issue is simply that Government denials and the inability of the Labour party to openly debate the issue (probably because Helen Clark was first to ramp this up?), mean that the torrent of immigrants will continue as a flood. If it affects you, I simply suggest that you decide whether you think that is good or bad and vote accordingly.

Here is my article from the Weekend Herald ...

“ Crocodile Tears

As more of our retired friends move out of Auckland and our neighbourhood becomes more than 60% recent immigrants, I cast my mind back to 1981, when, as Divisional GM of a major company I was responsible for corporate business planning. We worked out the only way our productivity could compete with our Australian competitors was if NZ had a population of 5 million or more.

I have no doubt the biggest advocate of the active immigration regime since then, has been big business. In 35 years successive governments have driven immigration of both people and their money to goose NZ's GDP and grow the consumer base.

Truthfully, the CEO's want house building ramped up for precisely the same reason. Yet every single CEO or PM worth their salt knows that commodity prices, including house prices, are set at the margins and net positive migration for Auckland always boosts housing demand ahead of supply. In 35 years it almost always has.

Now the CEOs have a conscience over Auckland first home buyers? Yeah right.

Just like Boris the crocodile can only be a crocodile, business people will always advocate what is best for their business. Expect nothing else."

The moral of the story is that we want wealth and full employment but that comes at a cost and as Gabriel says in his interview, Government sets the policy framework and immigration settings are complicated.

Energy

In many countries oil reserves are a state secret and many of the stats – even produced by EIA and IEA are really just best guesstimates....so is China stealing a march on the USA?...if this information below is right, then their SPR will last them twice as long as America's...but then China doesn't have 11 carrier battle groups to defend access to oil...

<http://www.newsweek.com/china-satellite-imaging-secret-oil-stockpiles-opec-prices-winter-504821>

An oil company's oil and gas reserves are what can be produced from known, mapped reservoirs at current prices and with current technology. The Majors have a problem with their reserves this year as a result of both low prices and a failure to find more oil fields to replace natural depletion...

<https://www.bloomberg.com/gadfly/articles/2016-09-30/big-oil-reserve-replacement-price-gains-won-t-help-much>

It remains to be seen whether oil prices will leap higher based on OPEC's latest agreement to restrict supply – given Kashagan is going to soon come on stream with 350,000 bbls/day (if their problems can be kept at bay), the low usage season is coming up, and whether the rivalries between OPEC members can be kept in check...

<http://www.aljazeera.com/programmes/countingthecost/2016/10/opec-stagnant-price-oil-161001084546193.html>