

ONLINE RETAILER CALLS FOR END TO PLASTIC MONOPOLY

A successful online business owner says the Commerce Commission's decision to allow a surcharge on credit card users will slow growth in New Zealand's export earnings. Igor Petchorine, who runs Auckland-based business Globalmediapro.com, says governments worldwide need to negotiate with banks to lower the cost of standard wire transfers between countries.

He says New Zealand should follow the European Union's lead with the Single Euro Payments Area (SEPA) and an inexpensive cross-border wire transfer known as basic EU-payment. "The SEPA project created a defined financial zone where regulations allow for the seamless local and cross-border transfer of currency between parties. SEPA brought an end to high processing costs and time delays and provided a model for the secure transfer of funds between consenting parties," he says. Petchorine says the possibility for buyers and sellers within such a single payments area to pay and to be paid inexpensively and unconditionally significantly reduces prices and increases sales. New Zealand would benefit from being a part of the SEPA or a similar global payments area.

He says the current high fees charged by banks to send and receive cross-border payments are costing New Zealand millions in lost export earnings.

"I think we have a number of local businesses who have significant potential to add to New Zealand's export earnings through the online sale of added-value items with low retail prices. But with

high cross-border bank payment fees in place and difficulties opening and operating bank accounts in foreign countries, they are forced to expose themselves to the increased risk and costs associated with credit card payments," says Petchorine. ●



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