

Mission Statement

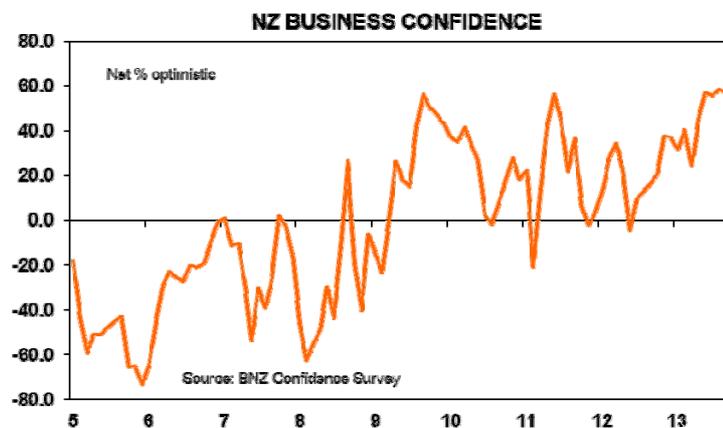
To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy in a language they can understand.

The results here come from a monthly survey of over 28,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please click [here](#).

Less Relaxed About China

Our feelings of ease about New Zealand's growing economic dependence upon China have taken a battering this month following the milk powder scare. Whereas for the previous three months a net 44% of respondents to our survey have each month said that they are happy about our economic relationship with China, this month that proportion has dropped to a net 28%. This is still a firmly positive result but the decline provides us with the only evidence of how our thinking as opposed to the thoughts of Chinese may have changed as a result of the poison milk worries.

Nevertheless, even though we are less sanguine about our relationship with China and parts of the country have been disturbed by earthquakes, our optimism about where the economy will be in a year's time remains strong. A net 57% of our 582 respondents are optimistic compared with 59% last month and 56% in July. Confidence is therefore steady at a very high level.



With regard to specific sectors the following broad comments can be made.

Accountancy

Mild improvement in client base activity on average.

Advertising & Marketing, Media

A slight upturn evident.

Agriculture

Dairying looking very good.

Construction

Moving upward especially in Christchurch

BNZ CONFIDENCE SURVEY

Education

Comments from this group are generally negative but a few positives are showing through this month.

Engineering

Very busy

Finance

Mild improvement in credit demand.

Forestry/Timber

Good prices, some issues with the high NZD.

Horticulture

Good so far.

Hospitality

Picking up.

Information Technology/Telecommunications

Seems quite positive overall.

Legal

Busy but no rush.

Manufacturing

More positive reports than seen for a long time.

Real Estate – Non-residential

Extremely mixed.

Real Estate – Residential

Prices rising, buyers out in force, listings in short supply.

Recruitment

Very strong demand for candidates.

Retail/Wholesale

Still struggling in many quarters.

Tourism and Travel/Accommodation

Reasonable growth in overseas visitors.

Transport/Logistics and Storage

Hard to summarise.

BNZ CONFIDENCE SURVEY

Survey Date	Better %	Same %	Worse %	Net %	# of respondents	# of comments
3 August	38.6	35.5	25.9	12.7	324	214
6 September	43.0	30.5	26.5	16.6	302	206
5 October	42.7	34.9	22.4	20.3	241	168
2 November	52.3	33.3	14.4	37.8	333	207
7 December	51.9	33.0	15.0	36.9	233	174
7 February 2013	51.2	29.1	19.7	31.5	203	150
7 March	53.9	32.8	13.3	40.6	180	144
28 March	45.0	34.6	20.4	24.6	211	135
26 April	56.7	32.0	11.3	45.3	203	128
31 May	66.7	23.7	9.7	57.0	93	70
26 June	64.6	26.3	9.0	55.6	642	345
29 July	65.7	27.1	7.2	58.5	763	551
26 August	64.4	28.0	7.6	56.9	582	430

Do you personally feel happy or unhappy that house prices are rising?

The net percent of people feeling happy that house prices are rising has decreased this month to 11% from 17% in July. But the result is above the average for the past four months of 9% and suggests that support for measures which might strongly suppress the currently strong housing market may not attract a huge degree of public support.

%	August	July	June	May
Happy	38	42	36	29
Indifferent	34	34	35	42
Unhappy	27	24	29	29
Net % Happy	11	17	7	0

Are you relaxed or concerned about New Zealand's rising economic relationship with China?

This is the fourth month we have asked this question and for the first three months the outcome was the same with a net 44% of respondents happy about our economic relationship with China. But this month, perhaps (undoubtedly) because of the issues involving potential contamination of milk products and the need for suppliers to rush to China to assure authorities and customers about our products, worries about China have grown. This month just a net 28% of people feel good about our economic relationship with China. This is still well into positive territory but it provides the only statistical gauge of how the milk powder issues may have influenced how we think here in New Zealand rather than how we perceive people's thinking to have changed offshore.

%	August	July	June	May
Relaxed	56	64	64	66
Indifferent	16	15	16	13
Concerned	28	21	20	21
Net % Relaxed	28	44	44	44

BNZ CONFIDENCE SURVEY

Are you thinking about borrowing more money for your business in the next three months?

A gross 25% of respondents this month say they are thinking about borrowing more money. This is up from 21% last month but not out of line with the results for June and July. There is no clear trend change as yet underway in this rough measure of credit demand from the business sector.

%	August	July	June	May
Yes	28	27	21	25
No	72	73	79	75

INDUSTRY COMMENTS SUBMITTED BY RESPONDENTS

NOTE: THESE ARE NOT OUR COMMENTS BUT THOSE SUBMITTED BY RESPONDENTS TO OUR MONTHLY SURVEY.

We exclude comments which don't say anything about current business conditions in an industry and are instead mainly rants and raves. Also those with comments that are chopped off or indecipherable, contain appalling grammar or are in capital letters are left out.

Accountancy

- Accounting and Tax Returns. We are very busy, but getting paid is a bit slower
- Accountancy: not as good as last year. Range of successful and unsuccessful clients
- Accounting - Our clients seem to be struggling across the board.
- Legal, Taranaki. Quiet time in farming but more on the go generally.
- Accounting services. No change
- Accounting – steady
- Accountancy, Auckland. Busy as always. A few slow payers. When preparing provisional tax reminders noticed many incomes down on last year - though reflects my specific film and television client base, who are having very quiet time this past eighteen months...
- Accounting, very nervous about the future of small business in Canterbury. We are seeing more retirements largely because the owners are wanting to take the stress out of their lives
- Chartered Accountant - generally quite busy with clients still bringing in work for us to do. Clients mostly positive about the future.
- Accountancy, very busy, things are really starting to move again.
- Accounting - same as past few years - signs of gradual recovery
- Financial and accounting services. About the same as the last 3 months. No significant change anticipated prior to year end.
- Accounting/Business Services - general improvement, no real boom being seen in Christchurch for most. Now not expected, just a longer uptick in economic activity.
- Accountancy - still challenging while confidence slowly starts to increase
- Accountancy - positive, increased profits for clients takes the pressure off.
- Accountancy and Advisory. Challenging with tight wallets and minimal development and transactions. Also challenge with dynamic market in way people now expect and use technology to process financial statements.
- Accounting services. Generally clients (all SME) not looking to expand their business or borrow money. Cash flow remains reasonably good. Tax take is looking to be increasing slightly over the client base.

Advertising & Marketing, Media

- Marketing - tough but getting better

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- Marketing and Events - still pretty stagnant, however seen more consistent budgets this year than last
- Advertising - TV... stable
- Advertising - August has been incredibly soft with September not looking much better
- Advertising, Magazine activity getting good growth Y/Y and forward activity looking strong.

Agriculture

- Agriculture looking quite positive
- Outlook is good for the dairy sector with the meat industry still on unsteady ground
- Dairy Farming. With a warm dry July and August and a \$7.50 payout and \$5.50 advance it could not be better.
- Farming...Dairying is still looking good in regards to returns. Markets playing up which cannot be good for us. Honey issue latest distraction.
- Dairy manufacturing/export - bit bumpy at the present but will bounce back
- NZ market is pretty saturated and with very poor net margins. The opportunities for us are in export. Dairy industry. Milk powder products on hold for a while but we have opportunities arising from development of other dairy products for export. Powder products will return as long as there are no more high profile problems.
- Dairying Looking excellent due to climate and payout
- Dairy Farming. Feeling quietly confident however just a little concerned for obvious reasons. I do think the payout will still be better than last season.

Agricultural Services

- Sheep and Beef Consultancy - After a devastating drought, farmers are revelling in a mild winter which has meant higher pasture growth and better lamb survival. Farmers are beginning to get more confident and more open to evaluating their farm systems.
- Rural sector that I mainly work in is steady with rural property values stable and volumes increasing
- Animal Feed manufacturing. Farmers are still holding back at this point waiting till milk income starts flowing. Optimism may be there but cash flow isn't.
- Dairy support . Outlook is good, season off to good start weather wise. Compliance costs keep rising eroding profits and an over reliance on Chinese market a worry.
- Suppliers to the dairy industry; buoyant
- Rural real estate is ok with demand for dairy support land, arable & milking platforms very high. Prices have increased over all property types with older listings having sold in the past few months.
- Dairy product Manufacturing. Despite media reports the new milk production season has started well and looks to be a similar year in volume terms to last year. Demand is still strong in the market place and lessons learnt from recent incidents will stand the industry in good stead for the future
- Rural Consultancy Industry. More confidence, but still concerned with expenditure.
- Tractor and machine dealer. Season starting good with increased confidence and good weather conditions
- Agriculture - Grain & Seeds: Very good early spring weather has resulted in excellent conditions for sowing of crops. Conditions are proving to ensure a very warm start to the growing season - good news all round.

Business Consulting

- Market research - has been quiet for the past 2 months after a hectic first half.
- Business consulting: Our clients remain cautious in their discretionary spending, preferring to manage the status quo rather than invest in consulting advice.
- Quite good (market research / data analytics)
- Tax Debt Negotiation & Business Advisor - never seen as much work as now, simply can't get enough adequate staff to deal with the workload, or things to drop off in the next 5-10 years.
- Very positive outlook for the governance consulting industry
- I am a management consultant and continue to receive enquiries and work offers for assistance in spite of turning 71 in a few weeks and not having marketed myself for over ten years.

BNZ CONFIDENCE SURVEY

Civil Construction

- Sales of aggregates are similar to last year. A few large NZTA supported projects could create direct and indirect opportunities for higher sales this year.
- Civil engineering consultancy is hard with Auckland Transport and NZ Transport Agency having pressure on budgets
- Busy. Christchurch rebuild (Horizontal Infrastructure)

Construction

- Property industry -challenges in housing affordability are difficult to overcome - confidence gradually returning to other areas outside Auckland - employees getting harder to find in this industry.
- More positive outlook, but sales still patchy. Construction Industry
- Construction - Better volumes of work should mean increased (better) margins, consistency is still not there at present. Jobs slow to get off the ground from time of award.
- Better outlook and increased activity Building & Civil Construction
- Building Industry. The most positive outlook, that has been experienced in the history of NZ and it will continue for the next 3-4 years.
- Residential Builders - Lull in incoming work and notable amount of projects on hold.
- Building - Wellington. good but not as good as this time last year when sales were happening faster. Costs up on last year.
- Construction Sector, earthquake retrofit, the trough remains protracted in the Waikato district. Unwillingness to commit prevalent.
- Commercial construction Wellington plenty of seismic work around. Resources stretched. Contracts are short term high risk
- Optimistic in construction industry
- Construction Industry. Activity showing promise of increasing.
- Construction Industry - looking up in Ak & Chch, steady elsewhere
- Residential Building- Improving.
- I am with building industry, and the outlook is looking fantastic. However there are some segments where the import pressure is reasonably significant affecting our margins
- New homes industry in Christchurch. Things are looking better than ever. I'm very confident the next few years will be some of the busiest of my life.
- Much more positive outlook in residential construction
- Construction related - much better
- Construction. steady and solid with a good strong workload
- Increasingly improving in the construction industry in Christchurch
- Building industry. There is plenty of work out there for those who are keen to get it.

Construction Related

- Looking good. Never been busier. Electrical industry
- Building Industry - supplier / manufacturer - definitely more positive than it has been, still needing a bit more consistency and more stable pricing.
- Steady in Construction related Industry in Nelson. Not enjoying any significant increase in work even though area is apparently now the fastest growing in NZ !
- Safety and HSNO compliance: Very buoyant as the CHCH rebuild gets underway Plus Men's Prison and Waterview Tunnel
- Powder coating - this is our quiet period and we are extremely busy. Concerned about coping when we do get to the busy period if this uplift continues
- Kitchen manufacture. it has been our best year so far for almost three years
- Architecture - very busy, turning away work
- Building Supplies all looking good at the moment & going forward we are based in a Rural Dairying area & they are very positive as well.

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- We are still not seeing any real growth. A few of our customers supply into the mining sector in Australia and this business has basically dried up at this point. Also nothing really out of Christchurch yet.
- Design & construction. No noticeable increase - we have been steadily gaining jobs for a number of months now.
- Looking positive in the short term. Skilled or even productive labour is hard to find though, this really limits output. Manufacturing components for the building sector.
- Major commercial construction industry (Electrical). Work is picking up compared to this time last year, margins are picking up finally after four tough years.
- Construction/Height Safety. Many confirmed contracts for new builds coming through. The earliest of these requires us on site around Nov this year so for now things remain sporadic.
- High end architectural. Better looking than anything in past 3 years...revenues are up, and employing more staff.
- Provincial NZ - Sub-Contractor. Minimal work being priced. Sending people home. Not a lot coming up. Waiting for spring "rush".
- Very good - insulation
- Building supply...bathroom fixtures. Gradual but steady monthly increase.
- (Flooring Wholesaler) The market is buoyant, but not consistent.
- Building Supplies. Trade continues to boom ahead with Christchurch and Auckland leading the way. DIY retail remains sluggish - home projects don't seem to be on the homeowners agenda at the moment
- Electrician, Everything is moving along, no great changes and still competitive
- Building industry - Aluminium + Double Glazing Wellington area. Very busy and brought on more staff. Very tough though as lots of competition but lucky we have a low cost base so efficient pricing which is what is keeping us busy
- Building, steady
- Painting. Work has come in this week which will take about 3 weeks.
- Steady to growing. Electrical safety testing.

Education

- Early Childhood. Very difficult times, over supply of centres, lack of government funding, increased government compliance costs e.g. National numbers required for all preschool children. Low numbers / hours booked due to parents not having or having reduced employment.
- Aircraft pilot training is slow.
- Education - we are in a capped environment so as long as we meet the Government's targets we are fine.
- Training. Slowly improving
- Education. Lots of work on. We offer alternative to what's available now so lots of call for us.
- Education: international PhD applications seem few and far between.
- Early childhood Sector. Reduced funding is now really biting. cutting back on support, no free lunches, tighter control on Sal & wages. Staff will have to contribute to training costs.
- Tertiary Training. Indifferent. In spite of a dire need for training to meet a deficiency in the construction / engineering industries, we don't see any increase in numbers.
- University education - tough-ish! I work for University of XX. We are currently undergoing a series of job reviews that we fear will lead to redundancies.
- Early Child Care.. Financially tight, there has been no increase in funding for over two years and there is no increase forecast in the near future.
- Training, OD Consulting - picking up
- Private training establishment - excellent. Have increased staffing by 3; 1 more to go. In for a very busy year...
- Education - (integrated Primary/Secondary) continued demand for special character education in general and for places in the west of Christchurch creates opportunities for further growth.
- Education - PTE sector. More has to be done to earn the funds we are allocated, costs are rising and things are getting a bit tight. Numbers of students are down; there's more work around, the cost of

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education is a big consideration for many, young people are staying at home longer, staying at school longer, and looking for training in the workplace. No pay rises in recent years for most in our organisation.

Energy

- Renewable energy - increased interest with slight increase in sales
- Geothermal development. We seem to have plateaued as most of the recent developments are about to or have come on stream. Most of the immediate future will be based offshore.
- Energy utilities - steady, although regulation is posing some challenges.

Engineering

- Engineering and Facilities Maintenance - revenue up and down, more tender work, decisions happening a little quicker.
- Consulting engineering - market continues to be tight.
- Engineering, Fabrication and machining, very busy but hard to plan for the unrealistic delivery demands of customers.
- Civil Engineering and Surveying Consultancy. We have never been busier. Are starting to have trouble finding contractors to price construction works as they have full order books. Council report consent applications doubled last month confirming the amount of work that seems to be around. Work is in the private sector with those exposed to the public sector quieter.
- Structural Engineering - very busy outlook ahead

Finance

- Finance - Strong interest
- Home Loan Finance - July - August 2013 has been a rather flat period for home loans in Wellington region with shortage of listings and multiple offers common with many missing out.
- Positive growth from April to Aug. Retail Finance.
- Steadily improving - Financial Planning
- Finance - very slow
- Banking- Good, could always be better though
- First home buyers are tripping over each other to get their pre-approvals done prior to the 1st of October and they know they have to purchase a property with in the 6 month approval period. Second tier mortgage lenders whom are not governed by the NZ reserve bank regulations are already looking at 95% lending products and top up second mortgages so although being more expensive there should still be options for low deposit borrowers.
- Investments - challenging time with low returns on cash & weakening prospects for bonds. Equities best hope but a stubbornly high NZD making gains difficult.
- Banking - Slightly nervous about reducing LVR restrictions from the RB.
- Financial Services - everyone needs an accountant so things looking good in our industry
- Banking - Busyish in terms of lending - probably due to the knock-on effect of the drought
- Banking: Doing very well.
- Financial services - generally pretty good. A focus on cost cutting as we come to year end, though during the year I haven't noticed as much emphasis on this as I've heard in other organisations in the industry.
- Financial Services - tracking very well year to date. Core business activities are doing well and expenses are tracking below budget. Strong equity returns have also boosted the balance sheet.
- Finance- High demand for borrowings so for me business looks promising again this year.
- Financial markets - more buoyant with greater depth allowing companies to raise money more easily. These developments are very positive for the economy in general.
- Funds Management Industry. Our business is fine.
- Professional Trustee and Financial Services - There is still some uncertainty in the industry with Law Commission Review yet to be finalised. Use of Family Trusts are declining.

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Fishing

- Seafood Processing - Continued difficult trading conditions, increasing costs, limited ability to raise prices

Forestry/Timber

- Forest grower and log seller. Prices have been reasonably stable over the past 2 months and outlook is largely dependent on China's construction sector's on-going activity level. Generally market mood hovers between slightly uncertain to mildly optimistic.
Forestry, still really busy and expect it to continue
- Sawmilling industry struggling with high log prices and high dollar.
- Logging Contractor in Canterbury- Things are ticking along nicely for us with room for growth.
- Sawmilling. Looks to be improving, but still very cautious
- Looking positive over the next 12 months (Sawmilling Industry)
- Forestry; good. Sustained high prices, strongly rising carbon prices in ETS.
- Forestry - overall stable outlook with improving domestic industry
- Sawmilling. Need to be always improving to compete with all the overseas tariffs and barriers. Unfortunately same barriers don't apply to logs.
- Timber Industry Canterbury region, conditions are very buoyant
- Forestry is doing well, with good prospects I'd say
- Timber Processing - Not particularly good. Volumes are steady year on year, profits are down.

Food Manufacturing

- Food Manufacturer, Distributor and marketer of fresh chilled products. Maintaining sales and margins. Developing export opportunities.
- Fruit exports - hoping for greater access into countries such as China and India. Sales are as strong as they have been for several years although these are being filtered back due to high cross dollar rate for US, pound and Euro.
- Food Manufacturing - Quietish. Not much upside. Sales Price pressure from Imported goods in FMCG sector. Otherwise improved internal operating efficiencies paying dividends.
- Food Manufacturing: local market is tough, export has been affected by Fonterra and Westland issues (not just dairy by the looks of it) meaning there's a lot of ground to make up.

Health

- Fitness and Health Industry remains highly competitive but we remain confident of steady growth over the next 12 months.
- Busy medical
- It is definitely tighter and there is a good deal of pressure on lowering prices – healthcare
- Optometry – steady
- Healthcare-very steady, flu season hitting the A&M population
- Aged Care - we are concerned about the ruling in the Terra Nova case which could have far reaching consequences for the industry which is primarily funded by DHB contracts. This could put a number of operators out of business if forced to increase wages without an increase in funding, which will in turn bring hardship to the ageing and their families.

Horticulture

- Fruit growing in Hawkes Bay is emerging from one of the best seasons in many years across all sectors.
- New markets are opening up and tariffs being removed in existing markets which looks good for the future.
- In our segment of the Horticulture industry we are relaxed about current trading conditions. Much will depend on sunlight levels and temperatures over the next 6 months, and Australian climatic conditions; not something that we have much control over! The exchange rate is still a concern given that the NZ\$ is considerably higher than a year ago against the A\$ and JPY, but our exposure is manageable.

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- Horticulture. Vineyard optimistic at this stage unless we get overcropping again. Peonies a bit tentative because the winter might not have been cold enough.
- Fruit/berry fruit in particular. Increasing growth in line with emerging awareness that berry fruit consumption has definite health benefits.
- Kiwifruit steady as she goes

Hospitality

- Hospo - Canterbury - Bookings erratic with short notice. Budget pressures apparent with clients often squeezing back from original intentions.
- Winter has been better than expected & summer is looking fantastic. Catering & restaurants
- Hospitality/entertainment in Christchurch. Picking up, seeing more out of town visitors and international tourists.
- On a par with last year - Hospitality industry
- Hospitality. looking ok but vulnerable to world events
- Kitchen and Catering Equipment Supplier to Hospitality Industry. We are experiencing a measurable upturn in capital equipment sales and improved optimism overall.
- Steady, business is better than last 3 years but not in a boom. - suppliers to the Hospitality Industry
- Hospitality - Country Hotel South Westland- Still very quiet on road for Tourists- Dairy Farmers hard out calving and Spring certainly seems early this year. I don't know why but I have a good feeling regarding the upcoming season and the prospects for our business over this summer.

Information Technology/Telecommunications

- Telecommunications: massive Project underway (FTTP), but staff all pretty much working long hours to get the work done. Very minimal overtime apart from a few Service Company staff. Everyone else on salary and work until the work is done. Unfortunately very miserly pay increases year after year as we all need to remember the shareholder returns come first and foremost!
- Software Development. We're doing fine. See others in the industry a bit short of work.
- Technology Solutions Provider. Business growth and stability looks very good and has done for the last 8 months - good projects on the go with confidence from the marketplace to invest in new equipment and services - the balance now is it the right time to employ more staff or just work the present team longer - we will review again in the next few months and if it continues to look like continuing growth then we will invest in more staff. Stable government, good economic indicators and business confidence are keys to business in the next 6 months.
- Custom Software - "steady as she goes", still not enough consistent forward momentum to enable solid investment in growing the team/business.
- IT - More happening - but long sales cycles with very slow decision making. Middle management protecting themselves and their decisions with reports and reviews.
- IT contracting is very quiet in Auckland....
- IT Services - going well for us, both in NZ and Australia. Budgets seem to be reasonably locked down, however customers are electing to get more value from their dollar.
- I work in the Technology space in Mining, predominately looking at where efficiency in process can be gained. All of our vendors are rushed off their feet with work, we're the same. Having reduced capex is becoming an issue. More pressure on business cases being 100% sound.
- ICT – good
- Information Technology: Strong pipeline but quiet. Could be the aftermath of the earthquakes in Wellington which has delayed some decisions but Auckland ticking over.
- IT Wellington - The significant Government market has slowed again. We're being told that it's lack of people-resource that is constraining progress, not any lack of money/budget. There also appears to be additional bureaucracy and procurement due diligence creeping in on the back of the Novopay issue.
- Telecommunications services - booming, employing more staff, growing customers.
- Seem solid in the IT sector.
- Small IT consulting business. Will have doubled staff by end of this year due to increased government agency focus on security issues. We may increase that growth when several ideas for

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additional services get off the ground if uptake is faster than we expect. There is some demand growth in the NGO and private sector as well so feeling confident.

- IT - looking up. Clients willing to invest more

Insurance

- Insurance sector - market becoming more aggressive but plenty of construction occurring both commercial but more so domestic so plenty of additional business coming on stream.
- Insurance, Mortgages and Investments – Steady
- Insurance - improving. Things are good and looking up.
- Insurance industry is very competitive, but barring any major natural disasters the financial outlook is positive.
- General insurance is getting tougher & typically many insurers lack total integrity. Bigger profits will continue to be made on further increasing profits & less claims. Claimants will be screwed down in many instances. Watch for the problems coming out of Chch & underinsurance on houses will now become prolific.

Landscaping

- We are a landscaping business in Auckland .We are experiencing good flow of projects mainly from home owners investing in their properties to add value and improve lifestyle.

Legal

- Slower than they have been (legal)
- Lawyers - same cycles as always
- Legal, Taranaki. Quiet time in farming but more on the go generally.
- Law firm Christchurch - still busy with good prospects for this year
- Steady if unspectacular (legal services)
- Busy but I wonder if it will continue (legal)
- Legal Northland -low to medium priced properties are moving even in winter. Rest of work is spasmodic busy one week quiet the next. Everyone is price conscious.
- Legal- steady
- Steady with more confidence showing (Legal)
- Litigation - law – prosperous
- Legal - continuing to see steady activity in property and asset protection work
- Legal - commercial. Looking good for next 12 months but there is still pressure on prices!
- Legal-increasing property work as advised by colleagues. Family legal work increasing but concern re Ministry of Justice funding cuts

Machinery Rental

- Equipment Hire - a slow but steady improvement is underway - roll on summer.

Manufacturing

- Manufacturing Definite lift in activity. This month we have the best orders for 12 months. There is an increase in quoting activity. Australia is a bit quieter even their regular customers are still placing orders.
- Safety helmet manufacturing. Currently very busy, but demand from some markets such as Europe, UK are very quiet. The weak Aussie dollar is a concern, but stronger USD offsets that to some extent.
- Paint manufacturing. Improved margins and revenues across NZ.
- Metal Product Manufacturing We've had a busy month - the best for several. However, customers have been reducing stocks and are now paying the price for having no buffer in inventory, and making it the manufacturers issue. Planning is difficult as the demand is all over the place. Hoping for a good, busy run in to Christmas, god knows we need it! Customers also looking for cost downs as the extended high dollar starts to bite. Good news for them is imported materials have dropped in value too!

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- Plastics industry: Steady as she goes, had one client looking at going offshore to get his product made but decided we were still the best people to get the quality required. still a lot of pressure in a shrinking industry but quality still accounts for much of the repeat orders.
- Manufacturing - improvement slowly coming
- Manufacturing industry. We are challenged due to the market shrinking in the recent past. The building optimism is helping us going forward.
- Electronic Manufacturing and Software Development for the Building Security Market (e.g. motion detectors, alarms systems, cctv etc.) Things are good, but we do depend a lot of on overseas markets (exports).
- Manufacturing: We are being slaughtered by the exchange rate.
- Furniture Manufacturing quite patchy
- Metal products manufacturing for domestic market. Things are only moderately good. Two or three months ok, then a bad month to cancel any gain. Turnover is just not adequate/ margins are too tight for the available turnover.
- Steel fabrication is looking good. Some nice jobs coming through.
- Pulp & Paper - significant headwind with strong NZD, slow uptake in demand for Chinese products in US/Europe and conflicting Chinese performance. Numbers out of China often not reflecting issues (e.g. Credit, Housing) that we see on the ground.
- Still tight in the engineering manufacturing in Otago. In fact reasonably tight in engineering full stop. However does look like a slight rise in quoting but not to say the project will go ahead as capex spending is still very tight.

Marine

- Marine Repair. Confident but concerned about possible worsening worldwide downturn.

Miscellaneous

- Commercial Cleaning - definitely more activity, clients expanding
- Actuary. More demand for data and trend research. More long term projects. Exciting times for number crunchers!
- Our business is more than 90% export and generally things seem to be improving in USA, Europe and Asia.
- Performing Arts continues to ebb and flow, more ebbing at the moment, but a strong schedule going into the summer.
- Excellent. Winter workload continues to be huge and lots of forward bookings coming in for summer. Cleaning Company - Holiday Homes only
- Security Industry. Occasional patches of brilliance interspersed with quiet times.
- Medical Research. It is a very competitive industry with very little funding. Most people are moving overseas to find employment.
- Good. We are business consultants for Companies in China.
- Aged Health Care - Stable at the moment
- Employee. Security industry. Specialised. Very secure and well paid.
- Waste industry is starting to show signs of grow as the construction industry starts to increase.

Printing and Packaging

- Commercial printing, average
- Timber Packaging. Slowly improving as construction business picks up.
- Copiers/Printers Christchurch. Business steady. Town a bit livelier, but money from rebuild not really making much difference to us as yet.
- Packaging - There has been a trend over the last few years of large scale customers cutting back on expenses wanting more for less and getting multiple quotes before proceeding which is impacting on margins. Lots of new business from small to medium size businesses.
- Flexible Packaging demand is strong but margins remain tight
- Newspaper publishing seeing slight improvement in advertising levels, drop in resubscriptions

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Property Development

- Property development seems more positive.

Property Management/Investment

- Property Management. The rental market in the Queenstown/ Arrowtown area is currently experiencing very high occupancy and this should continue for the next period. There may be a softening as winter visitors vacate but with the projections for increased development in the Frankton area any slack will be short-lived. Prices are holding and good quality homes are receiving a premium.
- Property investor Wellington. Good properties attract good tenants and rents.
- Rental Property - things are slow in Palmerston North at the moment.
- Residential property investment in Wellington: good tenant demand. Have recently raised rents by 10%. Tenants for mid-level properties in the central city are mostly from overseas (India, China, Philippines, UK, Ireland). Many are young-ish professionals working in IT. Increases in insurance premiums are still a major concern - not as bad as previous years, but still high.
- Property (Project Management) - very busy - good although there is still pressure on fees.
- Property Investment. Flat. Tenants tight, some still struggling. Higher interest rates will keep it flat as confidence and activity increases, so too will property overheads.
- Property Management - steady and improving
- Property Manager North Shore rental listings on Trademe are now starting to fall from historic highs so the market can expect some rental pressure going into spring. This is a nice change from the last 6 months where there has been flat enquiry rents. With the sharp turn around with immigration and returning Kiwi's from Australia I can see rental shortages emerging in the next 6 months.
- Rental property and sales. Fully tenanted but sales slack.
- Property Management - Looking promising with more local investment both private and public. Will make a significant difference long term.
- Medium Size Residential Property Investment (Wellington). We are enjoying the lower interest rates locked in and potentially growth in the value of the properties on the back of Auckland and CHCH.

Real Estate – Non-residential

- Commercial Property: Outlook for leasing premises is OK. Sale of investment properties highly dependent on lease and seismic quality.
- Commercial Property (Lower NI & Wellington consultancy/advisory/valuation): Pessimistic outlook as a consequence of seismic issues, uncertainty around government occupancy, virtually non-existent manufacturing sector and logistics centralising to Palmerston North. Capital flows are avoiding Wellington in favour of Canterbury or Auckland. JK wasn't far off the money and there some major challenges that the regional economy will need to overcome in the near term. Amalgamation may help, but it won't be a panacea.
- Property Sector - we have no vacancy, values are increasing, and generally all is well in our world (despite a few earth quakes and leaky buildings).
- Commercial Real Estate Christchurch. There is concern about the lack of progress in the heart of the CBD but lots of new development is underway everywhere else. Widely held prediction of at least 10 years with annual growth of between 5 and 10% for the region underpin confidence.
- Commercial Property Wellington. More of the same this year as last year. Hopefully we will start to pull ourselves out of the doldrums. Good buy opportunities though.
- Commercial leasing - steady progress with a sign of speculative development reappearing
- Property Consultancy Industry- Wellington. Things have slowed down since end of last year with Govt Departments contracting in their requirement for use of outside consultants.
- Commercial Property Management. (mostly retail). Retailers are mostly hurting, so there is no possibility of increasing returns on rentals. Landlords are faced with changing trends in retail areas, so can't always protect their investment. i.e. City/town shopping areas move as larger retail brands build in new areas, forcing smaller shops to close or change direction. No rental increases have been applied to any of our buildings in the past 2 years.

BNZ CONFIDENCE SURVEY

Real Estate – Residential

- Real Estate----Bright
- Real Estate: its busy, winter has been mild and people have continued to be active in the market. We are starting to see the beginnings of our usual spring listings uplift so there will soon be more options for buyers. Perhaps fear, lack of understand, a little bit of panic about the upcoming changes to LVR is filling open homes. There seems to be quite a lot of misunderstanding about what these changes mean.
- Property Valuation in Auckland is busy, no one should accept their insurance companies idea of replacement value and should get professional advice. The online calculators do not provide an accurate basis of assessment if there is a total loss situation .
- Residential real estate - Hawkes Bay. Steady
- Property industry. Industry is positive at present.
- Real Estate - low stock levels but doing well
- Real Estate - Has been a shortage of listings
- Residential Real Estate Hamilton. we still have only 50% of the stock on the market we need to. Big competition for well-presented houses in good areas. A lot of First homebuyers need to relook at their expectations on a limited budget and get back to looking for properties that they can "Add Value" to, rather than fully done up. Excellent investor interest also & more coming down from Auckland making it even harder for first buyers to compete. The majority of property coming to the market using an auction strategy as buyers are happy to accept market value in such a transparent forum. Appraisals are increasing as sellers start thinking about the "Spring" market, but doubt we will see anywhere enough stock come on the market prior to xmas to quell the rising interest and demand.
- Real Estate Sector Hamilton: More houses are selling but as yet no appreciable rise in value. Fewer choice properties available so vendors are reluctant to accept low prices. Expect that as more homes sell there will be a demand led recovery.
- Real Estate : Johnsonville. Has been slow in new listings coming to the market but appears to be freeing up a bit more. Good numbers of buyers in the market. Tenders have been getting multiple offers.
- Residential Real Estate Tauranga continues to be very steady with lower stock numbers remaining but good number of potential sellers preparing for sale. Some concern around Reserve Bank speed bumps affecting the wrong people.
- Real Estate. Buoyant. Lack of listings.
- Real Estate is looking very positive.
- Real Estate - Tasman Region. Been a fantastic winter and spring looking even better. Plenty of buyers about.
- Real estate- buoyant, looking promising, but shortage of stock until the spring and warmer weather kicks in.
- Property Valuer Auckland - Our office is very busy with both C & I properties and residential valuations, the latter being more for insurance requirements with a slowdown in requests for finance valuations on residential properties due to changes to lending requirements.
- Real estate.. Good momentum, variety of ethnicity of clients, strong demand and remaining shortage of stock level.
- Real Estate. More buoyant than in the last 5 years with increased sales. However, after the artificial highs pre GFC, house and land prices are not increasing like they are in Auckland. We dream of this for our Vendors!!! The positive pricing in Auckland is encouraging purchasers who are doing well with their house values to invest in a Bach or a retirement plan, an hour or so to the north!! We love that!!!
- Strong interest in good quality well located properties tempered with a high degree of caution. Demand stronger than supply. Commercial real estate
- Real Estate.. Very positive in our area, Mount Maunganui and Papamoa. More buyers but not so many listings, improving though.
- Real Estate Sales, North Shore. A very good result for July and August looks great. More listings coming on and upward pressure on prices. School zones becoming important.

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- Real Estate South Auckland. Very hard to get listings yet plenty of buyers wanting to buy.
- Residential Real Estate. Still very positive
- Buyers are now committing to purchasing houses and apartments off the plans which helps with bank funding of the construction
- Real estate Mt Maunganui. Things picking up and prices starting to firm short of listings.
- Wellington real estate: Slow going. Hopefully spring will un-stick the housing market here.
- Real Estate. Properties are selling very fast but mostly to Chinese buyers.
- Property. Unduly positive.
- Real Estate - Nelson. Increase in activity, multiple offers on many listings. Listings volumes slightly better than last month. Confidence high from both sellers and buyers.
- Real estate industry - still lack of listing that is driving prices up. Buyers becoming jaded from missing out at auctions.
- Real Estate, is looking good, although there is a shortage of listing.
- Real Estate - Hastings District - Hawkes Bay. Stock levels remain critically low. Buyer activity is high. Multi-offers are now common. Sales volumes are increasing. At last we are seeing the "green shoots" of recovery!
- Real Estate sales. Based in Havelock North. Market in a state of inertia due lack of listings and therefore lack of choice for buyers. No shortage of buyers and most are happy to wait for what they consider to be the right property.
- Good- real estate

Recruitment

- Recruitment - very good across the country
- Recruitment still a bit lumpy, but the landscape looks predictable for the rest of the year barring some major offshore financial downturn. Haven't been able to say that for a while. Contract recruitment up in Wellington, but slower in Auckland. Permanent hires in Auckland quite strong. Seeing a lot more activity in IT recruitment recently in Auckland.
- Our best year ever but as the recruitment market warms up the skills shortages have potential to impact.
- Executive recruitment- booming.
- Recruitment – positive
- Recruitment - going off!
- Recruitment (executive) - As a business we had a great year last year (June). This year it is steady but not spectacular - contract recruitment is up and down and very unpredictable (IT very strong, Accounting slow) but Permanent recruitment seems to be holding its ground - more senior roles than previously in the market. Our July was better than expected so it sets us up for a better year ahead.

Retail/Wholesale

- Grocery retail - we are fortunate to be in a 'steady' industry. In spite of this we are seeing incremental growth.
- Things are looking good and sales are above last year. Furniture retailing industry.
- Pet Industry. Haven't seen a recession
- Steadily improving but still slightly patchy. (Furnishing textile importer)
- FOB Importer agent (Buying & Selling Agent) for consumer products. Sales for this financial year have been strong with more positivity showing. We have had more enquiries from outside NZ for the products we represent from Australian companies. Expecting an overall increase in sales and profitability for the 2013-2014 year. At a guess we are on target to achieve 10% growth.
- Importer to consumer electronic. Retailers trade in a very competitive market, margins are too small, off shore internet buying by consumers is rising rapidly, which also maintains low margins, as retailers try to compete. Expecting slight improvement in business.
- Wholesale gift Trade mostly Children's gifts. Business has never been worse in the months of June, July and August. Our retailers are not buying and reports show that this is bad and areas South of

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Auckland to Wellington. Christchurch is the strongest area in our Trade. We have a large Trade Fair in Auckland this coming weekend and hope the retailers will buy for Christmas.

- Sales flat (wholesale/distribution)
- Importing from China for big chain stores- good forward orders for the next Winter season. Hopefully the NZD does not drop to much further.
- Swimming pool and spa pool service. New work is very good. Growth over 10% so far this year. Trouble finding decent staff to train. Will be our biggest challenge.
- Retail, gloomy
- Petrol Stations. Gets tougher all the time. Margins decrease, shop sales reliant on the price of fuel. More competition from discount stores. Maintenance costs higher.
- Retail audio/visual specialist, things have been slowly picking up but more for commercial customers. Still have to work hard for the jobs, can't sit back and wait for the work to come in.
- Retail giftware. Margins are restrained and we have noticed a significant drop in sales since the Fonterra situation developed. As we are in a regional area heavily dependent on farming we can only assume this is a lack of confidence in the general populace. Fall off has been so bad we have had to look at reducing staff hours
- Starting to improve as consumer confidence returns and spending increases - Toy Industry
- Retail industry selling to agriculture looking positive provided Fonterra sorts out the milk issues quickly, and of course the summer weather ahead will have a bearing.
- FMCG. Grocery is very flat with increasing price competition. Petrol price is putting pressure on impulse sales.
- Retail-There appears to be more money out there,
- Retail Bedding and Furniture: - sales are challenging. Consumers are still reserved with spending
- FMCG: Very subdued
- Very slow, no real improvement in garden centre industry, traditionally house buyers would take a larger mortgage, landscape the garden, new kitchen, have a holiday, the loans appear to be tailored to the cost of buying the house!
- Consumer Goods - while we have seen low single digit growth over the last 2 years, consumers are still spending discretionary income on impulse items (soft drinks, confectionery etc.)
- Hardware Industry - Still very sluggish. Need more building jobs for things to look up
- Slow but steady - bicycle accessories
- Confectionery: Still slow. People appear to have forgotten that Father's Day is this Sunday
- Servicing Pools + Spas--Seasonal but looking good for this summer + in to next year
- Retail garden centres are picking up with the Spring season approaching and the indications are that the economy is also picking up judging by our increase in sales.
- Vending. Toughest three months on record. Ever since the petrol/tax increase. More & more people losing jobs, fewer business' still operating. There seems to be no end to the battering the middle class keep taking with Insurances & other essential costs rising in Auckland.
- Retail...poor sales at present
- Window Treatments industry - sales positive outlook - sales still lifting each month.

Signage

- Signage Christchurch - No real change - no improvement from alleged Christchurch Rebuild despite media spin so turnover static with cash flow consolidating to being reliable. Slight increase in quotes and more being accepted with less delay but pressure on prices still evident whilst non tradeable costs continue to increase so inflation is likely to occur at some point in the future.

Tourism and Travel/Accommodation

- Pretty constant bookings and interest in our four wheel drive tours with an older retired / semi-retired demographic but slower bookings and interest generally in our motorcycle tours where the customers tend to be slightly younger and more engaged in the workforce. Much more interest and bookings than at the same time in the last few years.
- Outdoor recreation. Not good - fuel costs curtailing activity.

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- Tourism. Starting to see a slight pick-up in high-end tourist traffic from long haul markets in Europe and UK after three years of being very slow from those markets. Still a long way to go to recover to volumes of the mid 2000's if it ever gets that good again.
- Aviation. The high value of NZ dollar against the US dollar continues to dampen export sales.
- Aviation- Looking reasonable for overseas growth.
- Hotel Accommodation sector: Advance bookings are tracking well compared to last year. We are seeing renewed enquiries in the Conference and Events sector as well.
- Adventure Tourism - some products up on last year but some still down but it feels like we are starting to turn the corner. Having said that, still a big disparity between reported arrival number increases and what we see on the streets and on our products. A view shared by other operators.
- International airport sector. Very good. More international airline capacity coming on stream. Healthy competition in domestic market. National tourism sector becoming more coordinated with increased government funding to develop high growth markets. Property market strengthening. Strong passenger growth underpinning retail growth.
- Tourism - Generally the industry is looking strong for this coming high season, although the new laws in China around shopping tours still stand to have an unknown effect. UK continues to struggle under the weight of an under-performing economy.
- Aviation industry continues to be difficult. Some operators taking short term view of cutting rates to maintain cash flow.
- The Travel Insurance industry is looking steady right now but a decline in the USD has the potential to impact travel plans, and in turn average policy prices.
- Low cost family camp accommodation: demand is stable.
- We are in the accommodation industry located in Taranaki. Drilling activity and corporate travel is providing us with good consistent business, although forward bookings are not that great. This is not that unusual for our business.
- Tough, but Steady. (Aviation)
- Outbound Travel - still growing and high NZD v AUD will assist going into 2014.
- Tourism industry will pick up as dollar falls. My product does not cater to Chinese so I feel money spent on that market is wasted. Would rather spend more to traditional American, European, Australian markets. Especially cash in on Americas Cup.
- Accommodation/Tourism -- Good rate of advance bookings from overseas tourists (Europe, UK, US), but personally concerned about the 'clean/green, 100% pure' campaigns when I see the poor treatment of air and water quality by farmers around me.
- Aviation – A lot of recruitment for pilots going on
- Tourist accommodation ok during week but very soft Friday, Saturday & Sunday
- Overseas travel. Steady

Transport/Logistics and Storage

- International Freight Forwarding / Logistics. We are having growth in both in job numbers and profitability.
- Transport. Harder to get reasonable rates from customers as there are still others out there giving low rates to get the work even if it is not economic to do so.
- Storage - increased enquiries to use space in main centres - regional areas are a little more subdued
- Taxis: We are tracking about the same. Some marked increases in some areas but balanced out with pull back in others. Business is more competitive.
- Logistics. Hard times, Multi nationals slashing pricing to maintain their 'market share' and making times uncomfortable for independents
- Cold Store Warehousing excellent storage utilization. Some export products have slowed going to market in recent weeks but don't see this as long term.
- (Transport/Freight) Flat
- Road Transport. Trading remains difficult. Put simply supply is exceeding demand. Some delayed capital replacements are being programmed into budgets perhaps two to three years behind when the replacement should have been attended to.

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Vehicles/Automotive

- Franchised Motor vehicle industry, Bay of Plenty. Things are still trucking along ok, we are working hard at it, but are getting the results, no signs appearing to be anything other than positive and gear up for growth
- Automotive wholesale: Improving overall, but highly competitive and margins are tight.
- Independent Tyre Retailer - just had 3 bad months. Sure sales tend to be low at this time of year, but this is worse than normal. I expect sales recover during spring.
- Engine reconditioning things still a bit quite
- The auto industry seems to be holding up well with car sales maintaining their recent increase in numbers. The industry appears to be buoyant
- Automotive Panel beating/ Administration. Our sector has been stable all year and to date we have not seen a reduce in work coming through in fact if anything it has increased.
- Automotive. It isn't easy. We are working much harder just to keep hold of our share.
- Vehicles, too many cheap Japanese Used Cars coming in with the exchange rate the way it is, hard to compete

Wine

- Wine Industry looking positive, some development happening again, sufficient demand

For further information contact Tony Alexander, Chief Economist, tony.alexander@bnz.co.nz

The BNZ Confidence Survey is run on the last Thursday (was first up to March 2013) of each month. In the Weekly Overview email sent to the over 28,000 email addresses on our database respondents are asked to click on a URL which takes them to a survey site. Respondents are asked if they feel the economy will get Better, Worse or Stay the Same over the next 12 months. Respondents may also make comments on their own industry if they wish. Results are collated over the weekend and released on the following Monday or Tuesday (depending on how busy I am) in this publication to media and WO readers.

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