

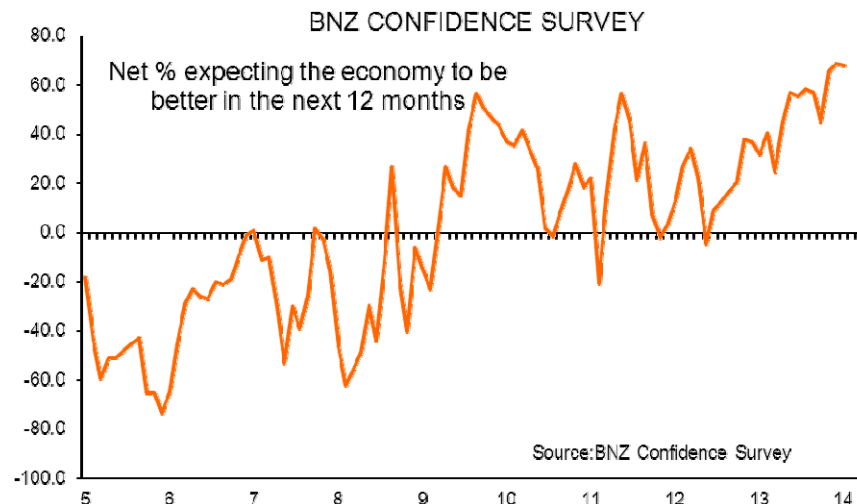
Mission Statement

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](#).

Confidence Stays Elevated

Our first BNZ Confidence Survey for 2014 has found the same very high level of confidence about the economy as our last survey for 2013. A net 68% of the 543 respondents expect the economy to be in better shape in a year's time. A year ago this result was a net 32% positive. In fact in this survey only 33 people think the economy will deteriorate in the coming year. 402 see improvement and 108 feel things will remain unchanged.



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

Accountancy

Busy with rising activity levels, clients more profitable and more prevalent.

Advertising & Marketing, Media

Strong increase in spending underway.

Agricultural Services

Spending rising on capital equipment.

Architecture

Getting much busier with some staffing issues appearing.

Construction

Boom anticipated and starting, but still some tentativeness in the regions plus Christchurch CBD issues.

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Engineering

Getting busier but the high NZD hitting those with an offshore focus.

Forestry/Timber

Strong growth underway with no obvious exchange rate concerns expressed.

Hospitality

Some improvement evident, but no surge as such.

Information Technology/Telecommunications

Overwhelmingly strong comments. Very positive sector.

Insurance

Activity improving.

Legal

Improving but comments not as positive as for accountants.

Manufacturing

Getting busier but exporters worried about the high NZD.

Property Development

Picking up.

Property Management/Investment

Good tenant demand.

Real Estate – Non-residential

Things are improving, but this sector is extremely diverse.

Real Estate – Residential

Listing numbers rising, but still plenty of comments that stock is not high enough. Market difficult in Northland, strong in many other places.

Recruitment

Demands for staff rising but good people proving hard to find.

Retail/Wholesale

Amazingly mixed. One could not conclude that a generalised surge is underway.

Tourism and Travel/Accommodation

Quite positive comments.

Transport/Logistics and Storage

Tight margins but volumes rising.

Vehicles/Automotive

Looking a lot more positive.

Wine

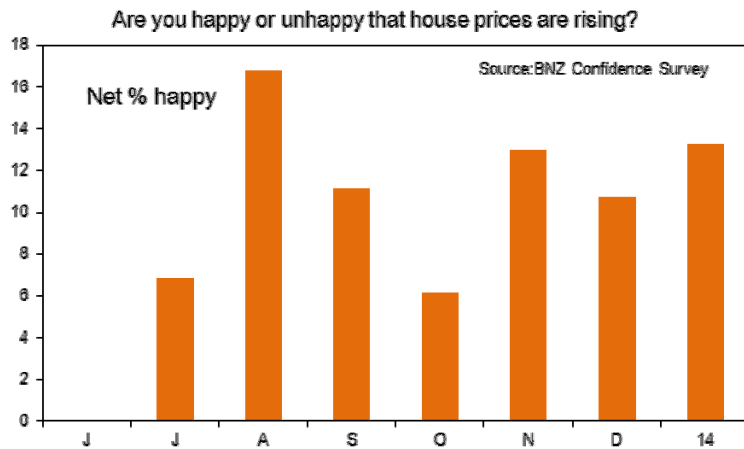
Positive comments by and large but some exchange rate wariness.

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
25 September	55.5	34.1	10.5	45.0	458	350
4 November	71.4	22.8	5.8	65.7	469	355
26 November	74.9	18.9	6.2	68.6	577	432
28 January 2014	74.0	19.9	6.1	68.0	543	361

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

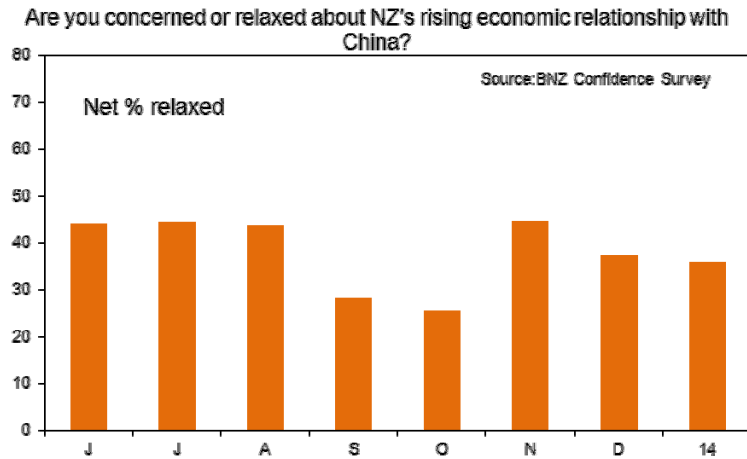
The net proportion of people feeling happy that house prices are rising has risen to 13.3% from 10.7% two months ago. This result is in line with results since this question was added to our survey in July last year with no obvious trend as yet.



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

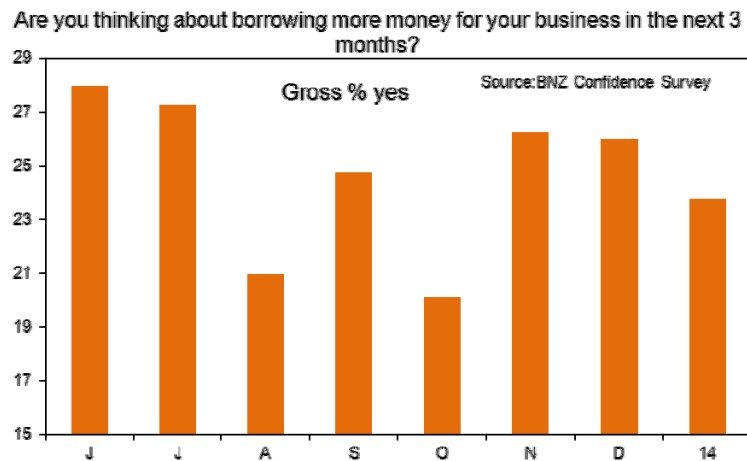
With no major news with regard to the China-NZ relationship in the past two months it is not surprising that the net percent of respondents happy with the relationship has held near steady at 35.9% this month from 37.3% two months ago.

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

There remains no up or down trend in intentions of borrowing money for business expansion.



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

- Chartered Accountants in Northland. Our clients are more optimistic, which flows into more quality work for us.
- Accountant tax specialist - very busy
- Accountancy/Finance/Tax. The outlook for the 2014/15 year looks promising although an economic upturn takes a further 12 months to come through.
- Chartered Accountant - rural Otago. Not really any change from the previous couple of years - people still being cautious, with some doing well and some struggling.
- Steady. Accounting/Business Advisory

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- Accountancy Practice Small Steady but cash flow tight at this time following large outflows by clients to IRD
- Chartered Accountant - Auckland. Very busy still on compliance. Seems some pick up by clients investing in business and property.
- Accountancy. some slow payers. Some clients may liquidate, others doing much better, most holding their own
- Accounting - pretty solid
- Provincial Accountants - Traditionally a quiet time of year for us. A number of our larger clients are reporting improved profitability for the year to date. Generally our clients seem more confident - which means more consulting work for our firm. We are confident about the coming year.
- Accounting services. Stable with a reasonable level of growth but not spectacular.
- Accountancy - film and television - and design! Every second new client for us here in Auckland City, is working in design. Film and television still struggling as an industry. People are managing their financial commitments, but are cautious about the year ahead and vulnerable to shocks. Exciting business opportunities out there for some due to technological change.
- (Business Consulting / Tax Practice) - quiet mostly;
- Accounting. Things are looking positive with lots of work. Capacity could be an issue in a rural market environment.
- Accountancy--we are seeing and anticipating a continued increase in activity and are gearing up appropriately. There seems to be a freeing up in the CA employment market as well.
- Things are looking up in the senior end of the accounting contracting market as well is in permanent roles.
- Accounting - things have remained consistent. Clients still looking to set up new businesses and investments.
- Accounting and financial services. Very stable
- Financial Management Services, good, clients comfortable with returns over last five years. New client inquiry above previous years.

Advertising & Marketing, Media

- Business marketing budgets appear to be stronger compared to prior years in my industry. Businesses are looking to spend more on promoting and marketing their products.
- Magazine advertising - looking positive for 2014
- Marketing Radio feeling a lot more positive
- Advertising - there's a marked increase in activity - digital advertising in particular due to relative affordability and detailed analysis available of a campaign's performance.
- In Marketing/Communications area and already off to a positive start. Normally this industry is a good barometer of the economy and national mood being buoyant.
- Online advertising is steady. Although have seen a marked increase in agency spend which has been a bonus. Smaller clients have decreased however.
- Marketing. Things are tight and competitive, but clients starting to spend more in some sectors such as IT and financial services.
- More settled, but weak participants still need weeding out to create opportunities for more sustainable new models (media).
- Promotional Apparel & Merchandise, budgets increasing, more activity. Fewer buying decisions being made on differences of cents between prices.
- Creative, Media and Online. We are based in Queenstown and the town certainly feels like it has its mojo back. Bookings are up, our clients are dreaming up new ideas and business owners generally seem optimistic.
- Media – good
- Media/Advertising Looking positive for 2014 in TV and Digital.

Agriculture

- Agriculture.. Pretty Positive. Good returns, climate is favourable.

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- Dairy - Wholemilk Powder - looking very promising. We don't see any significant reduction in prices over the next months.
- Sheep and beef. Returns have improved on last year, there will be an increase in inputs, reduction of debt, and cautious optimism for the future.
- Very good Dairy industry
- Dairying in Northland. We are again in the grip of a drought except it is tracking 2 months sooner than last year. If it wasn't for the good advance payout (\$5.80) to pay for the feed we need to buy for our animals the situation would be a whole lot different! It is not looking rosy for us for the next 6 - 9 months, especially when there is only \$2.50 a kg MS to get us through the winter at this stage.
- Drystock Farming / Oil & Gas - Both very positive

Agricultural Services

- Rural Engineering Consultancy. Rural Sector is looking at carrying out delayed and essential projects.
- Supplier to the dairy industry: buoyant
- Agri Advertising - things are looking very good.
- Farm machinery sales and service. Good levels of enquiry. Dairy farmers very confident.
- Animal health, signs are looking cautiously positive. No reason not to be.
- Reasonably good for Capital Equipment with the growth in Dairy industry .
- Importing ag equipment from USA. Looking stable for the next 12 Months.
- Dairy support farm.. We are content at the moment, but do have concern over high exchange rate and will it affect dairy payout and then what the dairy farmer will pay us for grazing and supplement supplies. Overall though we are in a pretty good place at the moment.
- Rural Real Estate Northland, an extremely busy spring, a lift of 10% on 2012 Dairy land prices, new listings light with a large buyer group waiting to purchase. Dairy farms with good Location and infrastructure in large demand, Strong inquiry from farmers south of the Auckland Harbour bridge.
- Dairy processing. All positive here.
- Dairy Industry - Milking Machinery. Very strong outlook - local and export orders. Next challenge will be access to good quality staff.
- Rural Real Estate, Interest in Kiwi fruit orchards are showing a marked increase. Prices have increased as the returns have increased.

Architecture

- Architectural design (construction industry) after returning to NZ from the UK 2009/2010 (GFC reasons) forced into contracting work initially here also because of GFC and set up a business - which has been gradually getting busier every year - currently have work through to mid-2014 things looking very good - lots of enquiries.
- We are architects in Christchurch. We are not sure! Given that there is much work, there appears to be more competition too. Will there be enough for everyone to be busy or will everyone just be undercutting each other and providing a poorer service as a result!
- Architecture, very busy forward workload, staffing a real problem.
- Residential Architecture, working 7 days per week 8 hours per day and have about 5 months work ahead of me. have done no work hunting or advertising, can see no end to this at the moment.

Business Consulting

- Market research - a good start to 2014.

Civil Construction

- Industry=Civil construction Christchurch. Sentiment=outlook over next 2 years is extremely positive.
- Public Infrastructure - very busy.
- Civil Construction Auckland. Margins are still tight. It is not looking like it will be getting busy until the second half of 2014.
- Civil Construction: There are plenty of opportunities at present. Tendered prices will need to increase, however, to cater the focus placed on health and safety requirements. It will be interesting

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to monitor how clients will receive the added cost of compliance and whether the industry is ready to totally embrace the cost of maintaining the level of H&S required.

Construction

- Construction Industry - we are gearing up for a busy period that we think will exceed anything in 2005 - 2007 and maybe even pre 1987.
- Slow in the construction industry in Hawkes Bay
- Commercial construction: Good levels of enquiry continuing. Seismic strengthening work ongoing.
- Southland building industry showing slight improvement still competitive hope for a better next 12 months
- Commercial construction in Canterbury suffering from delays around consenting and investors concerned on rising build costs v securing tenants at affordable rents. Have turned focus away from CBD rebuild as the pace is glacial and can see no return on sums invested in plans to date
- Construction - booming.
- Construction - Interior fit outs – Refurbishments. Things have been mixed residential build market is still strong but clients need to have a better feel for costs as always end up looking for savings to get the budget back to what they want. Commercial - things are feeling a bit better still lack of stock in market place, margins are still tight for main contractors, subs pricing is starting to creep up, delays with councils, funding, etc. are still the biggest problem. Clients starting to listen to contractors regarding timelines.
- Property - busy in residential construction, quieter in commercial investment and development.
- Commercial Property Christchurch. the year has started with a surge in activity and intention for more investment both local & national investors and businesses. Full steam ahead !
- Construction industry - local government - work is starting to increase
- Construction Industry is very positive, looking forward over the next few years.
- We are struggling with finding trades people to work on properties. Prices are jumping up because no one can do the work.. so the opportunists are doing well.
- Looking up. Building in Auckland.
- Home builder Activity increasing.
- Construction Looking rosy
- Building Ind Things on the Improve with forward work coming through
- Construction: new work seems to be steadily following in
- Construction, Wellington. Steady improvement in housing & Apartments. Commercial still slow apart from Supermarkets.

Construction Related

- Supplier to residential building industry. A strong start to the year - looking good throughout 2014.
- Construction related in Wellington. Any recovery here appears only to be based on seismic strengthening and ultra-fast broadband. The roading work in the pipeline has everyone excited but I think more firms will close down before things become stronger across the board. The looming interest rate increases appear to have spooked many already.
- Building Supplies all looking good with very heavy workloads in Frames & Trusses for New Residential Housing
- They are good in the construction and surveying industry
- Plumbing. Reasonably buoyant and busy.
- Building industry - Aluminium plus double glazing work in wellington. Very busy at the moment but there is lots of competition out there. We get the work that comes to us but concerned as to what some people get charged by others out there
- Insulation. Slow this time of year but looking excellent for the rest of the year

Education

- Education - things are very busy.
- Education Private Schools Sector. Student numbers strengthening a little.
- Private Independent School - Great, our roll is full!

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- Aviation Flight Training. Looking very good for supply of overseas cadets but poor for NZ cadets. we were training about 200 pilots per year and now will be lifting to 250-280 per year.
- Preschool Education. Things getting tight, don't think political parties have any idea about funding. Optional charge policy is ludicrous. Staff will possibly have to work harder for same or perhaps less
- Education - not sure yet but we depend on International students to study here.
- Early childhood education still suffering the effects of reduced funding over the past three years. No real commitment from any parties in election year to making any positive changes.
- Education. Things are looking up when the PPTA has to admit that a national policy is a very good one. Teachers feel a bit excited at the moment. That a government is trying to improve how people see the profession.
- In the Private training establishment (PTE) education industry there has been an increase in the student numbers, but the challenges that they face are in securing part time jobs. More awareness of the quality education industry providers in the International students scene, but still heavily challenged with the commission charged by agents. 2014 outlook may improve
- Education. Flat

Energy

- Geothermal development has reached a plateau in NZ for the short term future. However, the expertise that NZ has in this sector is well valued overseas and that is where we are aiming for the next few years.
- Offshore Oil & Gas - Service Company. Very buoyant. Rising revenues. Will be hiring 30% more staff in Q1 2014.

Engineering

- Consulting Engineering - Buildings (mainly). We are definitely at the busy end of the business cycle with massive demand and limited capacity. On top of earthquakes and business growth, increasing Government regulation and the seemingly endless desire of regulators for change continues to generate significantly more work for us but less real productivity and higher costs for our clients and communities.
- We have just experienced the worst 6 months in business for the past 5 years. We are in the Engineering game and the high dollar continues to hamper international competitiveness. Very challenging to compete against European pricing and of course pricing into the US market is a waste of time. Domestically sales have been slow although enquiry levels are up however long lead times are the norm in our game so the work is some way off as yet.
- Engineering. A little slow to start 2014 but it's coming.
- Engineering consulting in the transportation sector is tough with Auckland Transport doing more in-house and many of the big contracts for NZTA already let.
- Engineering/Architecture/Planning Consulting. Looking increasingly positive
- Outlook for incoming projects is solid. (engineering consulting)
- Civil engineering contracting is very buoyant in the residential land development sector.
- Busy. consulting engineering
- Science/engineering consulting - steady work
- Positive outlook and skilled labour shortage. Engineering industry
- Professional Engineering/IT Services - Steady to slow growth.

Finance

- Finance, fine.
- Things are looking tricky in the investment consulting business
- Mortgage broker:. Very busy at the moment and over Xmas, with people buying houses and not having to obtain pre approvals and bidding at auction. That makes a nice change.
- Financial services - focus on NZ very much particularly vis-a-vis comparatives with how Aus is going. Savings is the key particularly KiwiSaver and if contribution levels are on the political agenda this year it would be very positive for the NZ economy and our sector.
- Commercial Finance. Good levels of optimism and inquiry - especially in Forestry

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- Financial planning debt pay-down ability increasing- job security increasing- property investment maintaining focus.
- Mortgage Finance - Wellington - Looking forward to a better 2014 after slow last 4-5 months in 2013.
- Finance industry - With more clients paying tax this will be positive.
- Finance. Debt collection. Clients are more able to settle or enter into term arrangements.
- Looks good in banking with more customers coming to borrow to spend
- Looking really good in the Wealth management area. We have already achieved our YTD targets with 6 months to go!! It will be a bumper year
- Seems OK, no surprises. In financial industry.
- Banking - increasing competition amongst banks to retain and grow home loan business in a market without new home buyers.

Food Manufacturing

- Food Manufacturing: currency is biggest concern right now, particularly against the A\$. Asia will continue to increase in importance.
- Food and Beverage - China demand growth is driving an exceptional boom that doesn't look like easing anytime soon. We are well placed to ride the wave.

Forestry/Timber

- Forestry log selling for export: Current prices are historically very strong and sentiment is for continuing high (and probably higher) prices as inventory levels in China are low. Internal NZ harvesting and infrastructure costs however also increasing because of capacity constraints.
- Timber Industry is forging ahead strongly especially with the Christchurch rebuild slowly beginning to pick up a head of steam. After 5 years the economy is looking better thanks to prudent management from top down
- Timber products industry. We see good growth in the next 12 months.

Health

- Busy (medical services)
- Optometry - things appear to be picking up with customers appearing happier to spend money on new solutions (changing frames etc.) when in the past 3 years they would try and make do with the status quo
- Physiotherapy is a growing area as is most of health.
- Healthcare = lots of change - waiting to see what changes Pharmac/HBL bring to the industry
- Healthcare-changing model of care to try to accommodate more patients to be seen on the day. Good demand
- Health Sector - Aged Care. Business at present is unchanged - hopefully election year will see some funding increases
- Health products slow at the moment

Horticulture

- Export Horticulture. In our sector (fresh onions) demand is looking quite strong.
- Avocado Grower - Probably largest ever crop nationally. prices to grower will depend on skill of exporters to avoid price competition with each other in key export markets. Local market price likely to plunge late this year as big crop hits the market. Fruit fly, if a breeding female found in Whangarei, could add major costs in prevention/control.
- Horticulture Big pressure on Export sales with high dollar. Local market sales are more buoyant though as local buyers spend more.

Hospitality

- Hospitality Canterbury - levels strong but margins tight
- Hospitality... Wage increases, but turnover static
- Hospitality - Trading is slightly ahead of same period last year.

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- Hospitality.. Summer influx of tourists noticeable, vehicle access difficult due to on-going road works in Christchurch within the 4 Avenues.
- Catering Equipment and Kitchenware supplier to Hospitality Industry. Our customer base appears more confident and are committing to capital equipment purchases
- Customers price conscious, hard work Restaurant trade
- Looking positive within the event industry

Information Technology/Telecommunications

- Information services.. Opportunities are continuing to present themselves. We are in a good growth phase and I don't see any negative issues on the horizon.
- Communications. Optimistic
- 'In the cloud' Software - very good, strong growth across the globe.
- Information Technology - very strong sales last two quarters and we have a strong pipeline this quarter and next driven by a larger number of projects. We are still seeing significant investment in "in-a-Service" models.
- IT/Software. Picking up pace in Government sector now after a sluggish past 12 months. Government sector growth now faster than in private/commercial sector.
- IT CRM software solutions Business is growing steadily
- The IT industry is bullish. There are new technologies to match the improved confidence and consequent investment in business.
- IT: continuing to get better
- We are an exporter of database and software services to the US, UK, Europe and South America operating for the last 23 years and employing close to 200 people. We used to be a highly profitable business. The current value of the NZ\$ against the US and GBP makes our business close to breakeven so it is strangling our ability to grow our overseas markets from our profits.
- Software for financial service companies - increasing wave of activity.
- Software Development - we are seeing a lot of new hires at the moment.
- IT - Software & Services. Very good start to the calendar year, more new opportunities in the last 3 weeks than in the last 3 months, FY YTD is above target as well.
- IT. Busy. Lots of hiring.

Insurance

- Personal & Business Owners life insurance (and related products): Buoyant sales.
- Actuarial services! We're thriving! Branching out beyond NZ and Australia to Singapore and Malaysia. Indonesia is next in third quarter of 2014.
- Insurance. Looking up but have to keep an eye on long term risk factors to make sure that prices are correct for risk. Especially when trying to maximise economies of scale without limiting customer options.
- Insurance - very positive signs, good margins, strong volumes
- Insurance. Settling down after a lengthy period of disruption following Christchurch earthquakes and many changes to the industry as a result.

Legal

- Provincial Legal Services - same as ; no sign of any economic uplift filtering through as yet.
- Legal – slow
- Legal. Not booming but steady is apt. Much better than 2-3 years ago.
- Buoyant and promising for 2014 - law firm Christchurch
- Legal (Regional) - better but still patchy.
- Legal: Increasing corporate activity
- Legal, quiet at present (ChCh)
- Law - Busy but no more profitable - holding our own which I guess is successful
- Law (property) - Wellington based - could be busier but signs of increased activity, and some developers getting back into the market.

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- Suburban Legal - Auckland. Steady to start with, but good new work coming in the door.
- Legal - good spread of transactions at a steady rate
- Taranaki legal. Many more farm transactions than for some time. Other general work steady. Residential conveyancing in the province the quietest in decades
- Legal Busy start to new year increased activity
- Busy but slowing - Legal Services
- Legal. Wellington area. Consultant to a number of firms. Vary from small to medium in size. General view activity has not picked up with nothing on horizon to indicate improvement. Those in family law looking at reduction in work with new regime starting in March.
- Litigation – busy

Machinery

- Starting to see more enquiries for capital equipment, and sales are up MTD & YTD.
- Biogas Processing Equipment - Worldwide it seems as if governments are recovering enough to have some funds available to support installations. There is growing recognition of the benefits of capturing and using biogases.
- Capital equipment importer. Positive start to year. Good potential seen for 2014. Margins still very tight however.

Manufacturing

- More opportunities arising, generally positive. Industrial/Agricultural equipment.
- Metal Fabrication is getting busier still very price sensitive and short lead times with customers unwilling to carry stock.
- Paint Manufacturing. Forward orders look good but export concerns with appreciating NZD against AUD.
- Building materials manufacturer. Very bullish, we have just automated our production and budgeted to do three times current level of sales over next 12 months.
- Manufacturing supplier. Year has started with very strong orders after Flat December quarter so maybe finally the growth is coming. Many of our customers are exporters so we hope they are not spooked by strength of NZD.
- Manufacturing - our business had a record year 2013 - revenue and profit. Hoping and planning for more of the same this year - another record year 2014
- Manufacturing. Local demand is strong, but the strong dollar is hurting exports.
- Service manufacturing sector. Early days, but we have been invited to tender for jobs of a value we have not seen in the market since the mid-90s which is encouraging, gut feel says we can look forward to better times, most of our suppliers are busy.
- Manufacturing engineering in Dunedin - very tight market with high dollar especially to Australia killing the margin
- Furniture manufacturing, slowly improving but mainly on the commercial side but high dollar makes it difficult to sell into retail
- Electronics manufacturing... a strengthening economy has to be good overall for NZ... but the ever-strengthening \$Kiwi makes survival very difficult as an exporter in this very competitive industry.
- The plastic manufacturing business is being affected by the economic downturn in Australia which is our primary export market. General the NZ marketplace remains competitive with growth being small except in segments where we own some Intellectual Property
- Manufacturing for the domestic market. We are having an obvious and noticeable improvement in demand and enquiries. I expect to increase turnover and profit significantly this year, though I would not be surprised to see significant interest rate increases sooner rather than later. I think there is quite a wave of price increases coming as many businesses seek to repair their margins.
- Sock Manufacturing for NZ market, FY14 finishing better than budget, FY15 looking ok on the back of general public view of positive economy forecasts. Wage and inflation pressure will make it harder to compete with low value imported product.

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Marine

- Marine electronics is not the best performing at present but will get better.

Miscellaneous

- We are toolmakers and Plastics engineers. we are finding it hard to find new work the country has stopped developing new products as the cost/risk factors in the new uncertain world economic environment. On the other hand high tech plastic components are still preferred to come from those that know what they are doing and have good quality control systems
- Better this year than last (Commercial/Industrial Refrigeration)
- Laundry, linen & apparel rental. Minimal growth, significant pressure on prices and margins.
- Importing and distribution Safety Products up 18% on last year which was 18% up on previous year
- Things continue to be busy. Commercial water treatment installation and maintenance.
- Window Film. Two sectors. Auto is very much undervalued due to cheap imports and less than satisfactory people installing film. Housing/Commercial property. Very much disposable income and one that is very immature and lacks market penetration. Added value is not always seen
- Utilities, expect staff numbers to reduce, still minimal pay increases. Customer retention will continue to be a strong driver to maintain falling customer number, reduced margins. Do not see share price returning favourable anytime soon
- Leisure Entertainment - there was a pick up from mid-December 2013. Expect a strong year.
- Beginning to ramp up, 2015 should be a corker. (Native plant grower)
- Export based business. Prices are under severe pressure and finding it difficult to secure new contracts against competitors from other supply options (USA and EU are now very competitive) Hard to continue to find cost savings or reduce input costs in NZ without having to pay less for raw materials or energy. Labour could be neutral with more automation considered.
- Scientific import and distribution, and export Conditions and demand are a bit lumpy High dollar better for imports, worse for exports
- Sector military - Things are going relatively well however Manning and retention is still an issue.
- Local Government consultation: This is the busy time of the cycle for me, Local Govt roll out their big projects now and keep me busy.
- Insolvency There is plenty of work still around. You just have to focus on getting results for the creditors

Printing and Packaging

- January quiet as usual - commercial printing.
- Flexible Packaging is still tough with competitive sales but volumes are increasing and local production recovering slowly. Developments happening.
- Commercial Printing. Huge improvement Sales have increased GP has improved month on month for 6 months and forward orders are looking solid

Property Development

- Property development - improving.
- Marketing Property, (busy but still instability underneath and a lack of trust in government and RBNZ intervention)
- Property Consultancy industry- Govt still tight with consultancy work - still very competitive. Property Dev in Wellington- not too much happening construction wise although leasing market particularly for A grade quality office space is very tight - few options for tenants. Lower grade space still a large number of options available to lease
- The outlook in my industry, which is Property Development looks very good for the next 12 months.
- Residential property development, lots of enquiry, feeling positive
- Property development - slowly picking up in Otago. The 7 year cycle has turned and is on the up
- Development projects - more or less the same.
- Subdivision Development; Section sales picking up after long dry spell.

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Property Management/Investment

- Property Manager North Shore of Auckland, listings have dropped significantly since late last year as I believe the immigration effect is now starting to have an impact on demand, with this in mind I feel that we are going to see rent increases this year which will be welcome relief to Landlords with rising interest rates looming
- Property Investor / Trader. LVR changes have had a huge impact on market liquidity, you can see it in the timbre of real estate blurbs if you read enough TradeMe adds like I do, plus you can see it in the prices and how many houses are going to auction, how long the "Shock Value" of what the RBNZ and the trading banks have done (as banks completely stopped 80+ loans as they had too much in the pipeline) lasts, is the big question.
- Positive - body corporate management
- Residential property management Christchurch.. Still some good buying for investors who think outside the square. Tenants are behaving better as they don't want to lose their home during a housing shortage. Student rentals are in high demand as rebuild workers also fancy them.
- Real-estate property consultant very buoyant , humming along.
- Real Estate Consultancy. Builders are getting back to pre GFC levels of work albeit that the margins are based on them pricing for those jobs up to a year or so ago so expected margins on completed work in the next year are small.
- Property Management here in CHCH is stable but need more properties to manage
- Short term furnished accommodation- I am enjoying an increased demand for my accommodation. Very happy
- Property Investment Auckland - room to increase rents in central and nearby suburbs egg Mt Roskill, Blockhouse Bay. Increases of around 6 - 8% have been achieved on turnover to new tenants but one existing tenant pushed back this week on a 3.7% below market annual increase referencing the fact they hadn't had a pay increase in at least two years. Fair enough. But unfortunately landlords are facing ongoing additional costs i.e. new fixed water rate increase to \$190 per annum, insurance costs doubling in the past two years, increasing across average buildings by \$300 to \$400 per annum and council rates increases on this particular property of 26% over the past 3 years, so \$20 annual increases on weekly rents of \$535 are just covering increased costs. nowhere near enough to cover projected interest rate increases coming but then we've had a great run on interest rates for a number of years now and capital gains have once again turned positive. Any moves from any political parties to further impact property investors will unfortunately have to be met by the tenant where possible who continues to enjoy relatively low housing costs when compared to the cost of ownership.
- Property management. - Still slow but positive signs.
- Rental Management Tauranga. Strong tenant demand, rising prices, owners returning from Australia
- Property Management Lower North Island: Starting to see a lot of activity throughout the region. January is traditionally very busy but this year even more so. Lots of rental appraisals and lots of houses being rented. Predicting a steady increase in rents over 2014 especially in higher population areas.
- Residential rentals in Chch still booming, not a lot of quality stock, insurance costs and rates still increasing. Sadly the quality of a lot of tenants who are struggling to get good places is not high- so time spent managing rentals goes up. Instance of rental arrears the worst it has been in 5 years- some people are struggling for sure.

Real Estate – Non-residential

- Retail Leasing, very positive, retailers especially food retailers looking to expand.
- Commercial property investment. Good yields in Wellington so they are attractive but outlook for growth is flat. In Auckland the yields are low but growth looks attractive.
- Commercial real estate. Dunedin Still very sludgy. Leasehold, IEP< 30% fatal. Leasing retail slow, industrial ok, office extinct. Hard to close deals. That all said it seems more inquiry over past month than over past few years. It feels provincial NZ still trying to get up any steam.

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- Commercial Property - very positive. Low tenant arrears, positive development pipeline, both for speculative and design builds in the office, industrial and hotel markets. Construction costs will likely increase primarily due to Christchurch's demand.
- Real Estate (Commercial Lease) They are improving.
- Commercial real estate, things seem to be becoming busier, more enquiry and serious buyers
- Commercial Real Estate - The market is very positive with both demand for investment stock and demand from tenants for "larger" accommodation units. Given low supply over last few years and this increased demand there will be pressure on rents, due to increased construction and land costs

Real Estate – Residential

- Too soon to tell how things are going in Real Estate. Things slowed down Nov/Dec 2013 and am not yet sure if we will get off to a slow start or if things will fire up again. With the banks softening their lending criteria and talk of interest rates going up - not sure. We will have a better idea in the next 2 weeks I believe.
- Real Estate sales - strong activity which we expect to continue
- Residential real estate - certainly took off with a hiss and a roar last week. Lots of beautiful big family homes going for sale. People seem to have regained confidence in the market
- Residential real estate - East Auckland. Year started well with many new listings and buyers making decisions. Open homes busy
- Real Estate - Auckland. There was no drop in demand over the holiday period, in fact for real estate it was almost as if there wasn't a holiday period with our offices completing sales on the afternoon of Christmas Eve, between Boxing Day and New Year's Day and large numbers through our first weekend of open homes for 2014 on the 11th/12th January. The LVR rules have simply pushed buyers out one or two suburbs and have had little effect, however changes in the ways banks pre-approve have seen a significant drop in the number of homes selling under the hammer at auction. It looks like selling By Negotiation or with an asking price will be the best option in 2014. Banks now seem to want to see a contract on a property before approving finance.
- Real Estate (Whangaparaoa) We have had almost a year of well-priced property selling in 30-35 days. Lack of well-priced listings are proving to be cause for concern in our area. Some agents are overpricing property to get the listing. Some owners still fall for it and some houses still remain unsold after 3 months.
- Real Estate Residential Napier - Still need more listings but the buyer enquiry is running hot
- Real Estate Auckland, listings starting to come out now, Vendors have had long break..Pre-auction offers on new listings due to scarcity of stock. Anticipate 2014 will carry on where 2013 left off
- Much more activity in the local Real Estate market, good buyer inquiry, yet to convert to sales. More listings coming on the market. (Queenstown Lakes)
- Listings are tight still. Seems that sellers expectations are well above market levels based on reporting that the economy is growing, that Auckland is brilliant, and they think their homes should sell for 20% above buyer's market. The agents getting the business are pitching high to secure the sellers confidence. Not helpful...
- Real Estate is particularly buoyant at present
- Real Estate. Still tough in the far North! Plenty of good stock, no buyers.
- Real Estate - Manukau City - a steady start to the New Year with reasonable sales.
- Residential Real Estate Auckland City Fringe. A slow start to the year. Low stock, plenty of buyers but hindered by lack of choice so slow to decide and often disappointed. Good level of appraisal so expect volume to pick up over medium term.
- Auckland Real Estate: Things are positive with busy open homes, especially in the sub \$1.5m properties, and plenty of interest. Still a shortage of stock.
- Real estate going ok. house prices not really rising where we are.
- Real Estate: Increased activity - very limited stock
- Real Estate Far North. The market is still depressed. More mortgagee sales are in the pipeline which doesn't help prices. Auckland's busy market isn't flowing North.
- Real estate. One of my best years even though regional sales numbers have taken a dip since the LVR restrictions.

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- Real estate West Auckland - still a shortage of property available, good buyer activity. Auctions under \$500,000 still limited inquiry due to LVR restrictions on first home buyers.
- Real estate, Life style, very good, Many New Zealander selling big in the city and buy lifestyle, while Asians trying to get it for a low price as well.
- Residential Property, Hamilton. Steady as she goes at present, the demand/supply balance seems about right. Wondering what interest rates will do to our market , and uncertainty about the election outcome.
- Real Estate Havelock North. Significant lift in interest which has translated to sales this month. No idea of what is driving this or if it will continue.
- Real estate agent - Nelson. High media coverage of interest rate hikes is starting to make buyers nervous and focus on debt levels, which in turn will flow through to lower offer prices. The Nelson housing market has remained relatively stable in since 2008, but I feel as soon as rates start to move upward demand and prices will be impacted more than initially anticipated.
- Real Estate - Central Auckland. Busy start to new year, sold all our old stock and now trying to get more - but the rush of new listings not as big as hoped for, so last year's story of high demand low supply continues.
- Real Estate - Hawkes Bay. Residential activity quite busy post Xmas- shortage of good saleable listings.
- Rural lifestyle also quite busy - shortage of larger farms, vineyard and horticultural blocks to sell.
- Rural & Residential Real Estate. North east coast, one and a half hours from Auckland. Residential positive and a reflection of positivity in Auckland as 60% of our buyers are from there. Lifestyle bare land still a bit slow and prices still low, however, Lifestyle homes are starting to gain more interest at the moment although prices have not increased from 2007 prices.
- Real Estate Hastings district Hawke's Bay. Busy with Open Homes, Appraisals & Listings right now. Contract Sales are proving more challenging! Things are looking more promising, but still early days. Sales volumes still need to rise (from present low levels) and prices in this region are still only rising very slowly.
- Real Estate - Seeing signs of steady growth although property listings getting tight which will lift lid off prices and turn to a seller's market perhaps. We are experiencing a move of Buyers from Auckland selling up and buying in the Bay of Plenty with extra money in the Bank. Investors are picking up low price stock.
- Coastal Real Estate - More buoyant than have seen for many years. Multiple offers being presented to Vendors. New listings slowing. The strong demand seems more solid than just a high season blip.
- Real estate. Busy, people appear to want to be buying now as interest rates are expected to go up soon.
- Real estate, business volume down as less listings, however know it will improve in time.
- I am a real estate salesperson and there appears to be plenty of activity despite the LVR restrictions. Good numbers through open homes and continuing buyer enquiry.
- Real Estate. Things are looking positive in the Real Estate industry despite concerns over the impact of rising interest rates and construction costs.
- Real Estate - Increased demand in the higher priced residential property sector with much of the demand from out of town buyers.
- Residential real estate Hawkes Bay. Listings very low - good buyer numbers at open homes
- Real Estate - Things are looking good for the coming year - more properties on the market, more people thinking of listing and more interest at open homes.
- Housing market is still solid so my RE photography business is too

Recruitment

- Very positive nationally - we are in recruitment business
- Recruitment - very busy but lack of quality candidates
- Picking up (Executive Search)
- IT Recruitment industry - very buoyant, a faster start to the year than usual
- Signs of freeing up of budgets resulting in growth in contracting and temporary staffing - however the translation of positivity to newly created roles, not happening.

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- Recruitment - vibrant market with a huge increase in available jobs. Employers are still not understanding the importance of 'in-house' training vs. waiting for schools/polytech training and/or government assistance.
- Recruitment Christchurch - EQC work seemed to close down over Xmas which significantly impacted on continuity of work for building industry clients thus hampering cash flow and causing some lay off of temporary workers.
- Recruitment market is active in some areas and slow in others. Supply of talent particularly in the IT sector will be challenging. We're expecting stronger top line activity this year given the economic forecasts for the year.

Retail/Wholesale

- Wholesaler of household textiles to larger retailers in particular. Discounting continues to drive the consumer to purchase, people will hold back and wait until the next sale to buy at the right price. Good Christmas sales and a positive pattern has continued into 2014.
- Retail - Florist Auckland CBD. Getting busier by the month, more sales to business and individuals
- Retail. Finding major retailers not bring stock levels up to acceptable level
- Retail - Flat to improving.
- Housewares and Giftware Importer. Sound final quarter of the year with big box retailers and small independent retailers all ordering well during the lead into Christmas. Typical quiet start to the year as customers consolidate stock and plan for the months ahead. Indications would seem that there is a positive note within the retail community that hopefully will be sustained through the year.
- Import Indent agent for major retailer - we are finding trading conditions for Dec & Jan steady but certainly not rocketing ahead. We would say cautious is still very much our approach for 2014. We working hard at diversity so we aren't reliant on the retail trade to support our business.
- Xmas period was good - strong run into Jan. Interest rate hike news doesn't seem to have stopped purchasing. Retail (food).
- Wholesale clothing. Seem to be divided into a 50-50 split of optimists and pessimists.
- Retail Flooring Tauranga - Very confident start to this new year. Consensus is a few clicks have come off the handbrake....
- Retail (Jewellery) - mixed results lately and expect more of the same this year.
- Bicycle accessories wholesale – promising
- Pet store retail...slowly improving....
- Entertainment wholesale: DVD and Gaming. Sales decreasing , Price erosion and market shifting . Decrease in sales.
- Books & Stationery : Not seeing the pressure on books that we have been led to believe is the case. But there is a huge difference between being a bookseller and a seller of books. Knowledge is the key and the difference. In stationery customers seem to be moving away from 'down to a price' towards 'up to a standard"
- Retail. still very quiet
- Carpet and flooring. Picking up
- Retail is starting to drag its feet again and sales are flat.
- Window dressing industry - very strong last quarter and year.
- Supplier to MRO distributors - more positive signs that now appear to be a trend rather than huge spikes and troughs as previously encountered in the first half of 2013. Supplier to Retail, Hardware channel - momentum in home improvement DIY market sees good growth and continued increase in activity.
- Soft sales (FMCG)
- Our industry Wholesale Hardware Distribution is very difficult in recent years with now only 2 main customers in the industry.
- Supply Hardware Stores - sales are improving with rising consumer confidence and spending more on deferred maintenance and renovation

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Signage

- Signage.. Christchurch based. After 3 very tough years, things are finally starting to move upward. very positive.
- Christchurch Signage. 2014 Has got off to a better start (more orders) than I expected and there is a noticeable upbeat in peoples demeanour. Cash flow has been better than in past holiday periods. Altogether a more positive outlook than for many years.

Tourism and Travel/Accommodation

- Outbound Travel - shaping up to be a great year. Numbers to Australia will be a record. Confidence in NZ Inc. is coming through in numbers of customers already booking overseas holidays in 2014. Can see business travel also picking up.
- Tourism ok good. I feel winter is our busy time getting caught by fly by night transport operators delivering services below cost they don't take a wage for themselves or get a ROI
- Tourism – unsure
- Holiday Apartment & Campervan Park - Bay of Islands Solid to good - steady flow of tourists from all over the World - they love New Zealand and are spending
- Low priced camp accommodation. Summer bookings strong, expect usual winter slow down but some new market segments look promising due to people reducing costs and seeking lower priced accommodation.
- Tourism Australian bookings definitely down but Asia and USA strong levels of interest
- Tourism - is on the upsurge as the world economy improves.
- Improving (Aviation)
- Accommodation/Holiday home. Very busy with more interest from the US. Aucklanders visiting the Matakana Coast area still continuing to grow.
- Travel Agent. Now done on the Internet so travel agencies are going out of business,
- Tourism - more positive signs, strong growth in the Chinese market.

Transport/Logistics and Storage

- Transport. A lot of early year activity and requests for quotes, but not yet translating to increases in volume.
- International Freight Forwarding. Volumes are increasing over the last few months but margins are still tight & are too low.
- Marine Transport – ferries. Pretty buoyant and stable
- Transport/storage still very competitive with others in the industry still cutting margins to get the business.
- 60/ 40 - Freight Forwarding Industry as the dollar is way too strong for the exporter
- We are in the local cartage business, volumes have come back very quickly for this time of the year, a good sign from our point of view and would appear generally that consumers are fairly relaxed with their spending at the moment, on the industrial side, we have been carting more new equipment than usual also for refurbishments. Our hesitation re financing more trucks is because of election year, will wait for the result and revisit at that point depending on the result.
- Storage Distribution. Steady.
- International Freight Forwarding. An unusually slow start to the year for new orders & payment terms still need improving.
- Transport Storage - More signs of recovery but still cautious. Been called wrong before so not totally convinced. Improvement over last year is not significant but at least not going backwards.
- Transport - picking up, new developments and products
- Transport and Logistics - outlook remains strong albeit currently experiencing seasonal low
- Road Transport....clearly there are now signs of economic growth. Utilisation of capital equipment has improved and satisfactory returns on investment should reappear before the end of calendar year 2014.

Vehicles/Automotive

- The motor industry is looking good

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- Automotive. looking bright with increased activity
- Automotive: Overall demand should remain strong.
- Automotive Volume buoyant but margins squeezed
- Used vehicle sales: Looking good currently - expected seasonal upturn. Cautiously optimistic re next 6mths
- Motor Industry Having great month on month growth
- The motor industry is returned to high sales of new vehicles (which are loss losers) and have seen a drop off in servicing (the profitable part of the business) of vehicles
- Vehicle: Worried that raising interest rates will slow sales rates
- Automotive Industry(workshops) Very Busy December/January. Feb looking Promising too

Wine

- Wine - increasing concern over fall in \$Australia re \$NZ. Overall positive about opportunities in the year ahead.
- Great !! wine industry Marlborough
- Wine Industry - positive but potentially to run into same oversupply situation as in 2008 where quantity has the threat to overtake quality. Need to keep in mind the premium product status that NZ Wine has and protect that, not produce loads of average wine.
- Due to good NZ vintage we are Ok for 2014 as a beverage logistic specialist for NZ wineries

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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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