

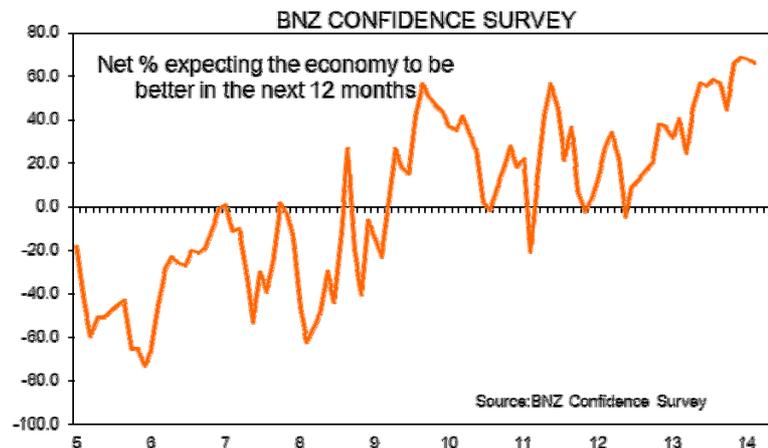
Mission Statement

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 Unwavering

Our monthly survey of BNZ Weekly Overview readers shows confidence about the economy remains at very high levels. A net 66% of the 496 respondents expect the NZ economy to be in a better condition in a year's time than it is now. Last month's outcome was a net 68% and this month only 23 respondents expect things to get worse.



Across almost all sectors conditions are reported to be improving with construction, dairying and the agricultural service sectors particularly strong. The results suggest strong growth beckons for the NZ economy this year which we expect come Thursday morning to prompt the Reserve Bank to start raising the cash rate from 2.5% to 5% come the end of 2015.

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

Accountancy

Much busier, new clients appearing, strong primary sector client base.

Advertising & Marketing, Media

Almost all comments quite positive. Clients lifting their advertising budgets.

Agriculture

Dairy sector extremely good, such strength not exactly mirrored in other sectors.

Agricultural Services

Summed up well by this comment. "General engineering based in a rural area. Normally we get a bit quiet over Christmas/new year, this time... busy. Boss is buying new equipment and building a new building. Employing more staff."

BNZ CONFIDENCE SURVEY

Architecture

Three comments, all indicate very busy conditions.

Civil Construction

More work around.

Construction

Looks very strong with rising costs, increasing delivery times.

Construction related

In the words of one respondent "Kitchen / Cabinet maker (Auckland - 18 staff) - huge demand, turning away work almost daily. Next 5 years are going to be full, and profitable"

Early Childcare

Very mixed experiences, some rise in demand for services from mothers returning to work.

Education

Huge variation in experiences of international education providers.

Engineering

Very strong though not so much for those exposed to Australia.

Food Manufacturing

Exports difficult, more competition in NZ from Australian goods.

Forestry/Timber

Forestry strong on the back of exports to China, but timber milling hit by high log prices.

Horticulture

Good optimism overall.

Hospitality

Very positive comments, good Summer experienced.

Information Technology/Telecommunications

Solid with activity picking up ever further.

Legal

Steady with improvements becoming evident.

Manufacturing

Good for domestically focussed firms but a struggle for those selling into Australia given the high NZ dollar.

Printing and Packaging

Slight easing off in activity recently.

Property Development

Activity levels rising well.

Property Management/Investment

Auckland Christchurch strong, but not so elsewhere.

Real Estate – Non-residential

More competition from tenants, demand for brand new premises rising.

BNZ CONFIDENCE SURVEY

Real Estate – Residential

Listings short in many places, investors active while first home buyers have backed off.

Recruitment

Candidate availability a growing problem.

Retail/Wholesale

Improvement underway but no boom.

Tourism and Travel/Accommodation

Mixed but with some quite positive comments suggesting that the high NZD is not quite the problem one might think for all.

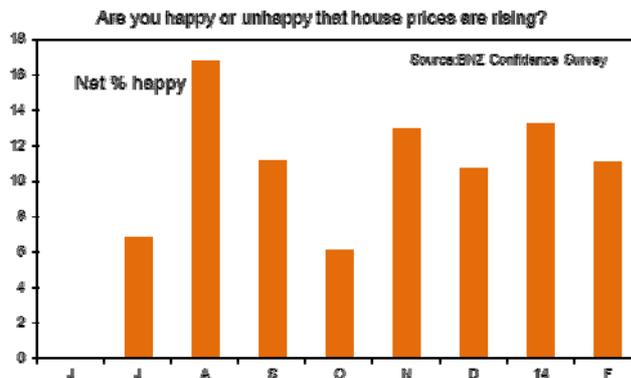
Vehicles/Automotive

Only mild signs of improvement.

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
4 March	70.6	24.8	4.6	65.9	496	391

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

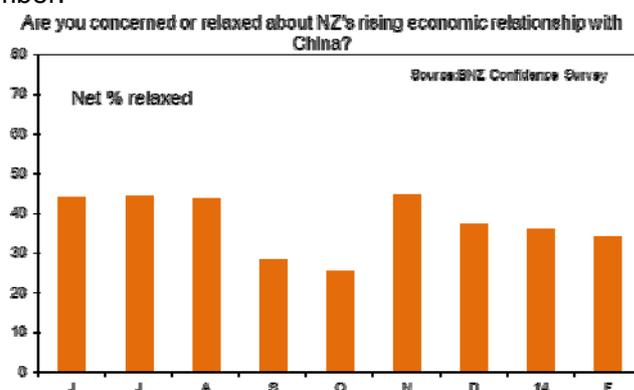
A net 11% of our 496 respondents feel happy that house prices are rising. (Yes, we will need to drop the question when they one day start falling!) This result is in line with those since we introduced this question last June.



BNZ CONFIDENCE SURVEY

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

There is a very mild downward trend underway in the net percent of New Zealanders who feel comfortable with New Zealand's rising economic dependence upon China. This month's result is a net 34% from 36% last month and 45% in November.



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

- Accountancy: clients - better for most, but still tight for some
- Accounting (property) A notable optimism amongst business and property clients. More transactional activity happening
- Chartered Accountant- Very busy with compliance, some clients expanding businesses, money go round seems slow.
- Business services in Christchurch. Still patchy but expecting improvement as the rebuild continues.
- Accountancy: The rural boom is a benefit to the business and all the service industries, so the flow on in a rural town is significant. Farming: Very cognisant of high borrowings and the impending interest rate rises, so a need to reduce debt: equity ratio as much as possible while managing tax liabilities.
- Accountancy - film television and design... busy in our office as financial year end approaches...however it's becoming a refrain to hear clients say that they are busy, but not necessarily on paying or fully paid jobs - people are working more for less....
- Accountancy/ clients are more optimistic and financially secure then three years ago, especially in the Otago region
- Accounting - very busy. A number of clients undertaking transaction work - buying/selling/ownership changes generating a lot of work. Compliance work steady
- Steady – accounting
- Accountancy/Taxation. Favourable.
- Accounting - Accounting advice for different matters other than compliance are surfacing. Also coming in are quite a few requests for tax advice for non-residents becoming residents.
- Accounting clients struggling to make ends meet in Wairarapa but confidence is good. Our debtors are easy 90 days plus!

BNZ CONFIDENCE SURVEY

- Accountancy - lots of activity and new work, people on the move.
- Professional services (accounting, Nelson) - extremely busy; regional economy moving swiftly through the gears; primary sectors all strong and positive sentiments also sweeping through retail and hospitality sectors. Renewed activity in property, construction and business sales (entry, succession and exit, much of which had been deferred during GFC). Increased enquiries from potential migrants and expats considering return to NZ.
- Accountancy (Provincial) - Very busy. A lot of "systems" work with clients moving to cloud based accounting packages. Picking up a new client every other week at the moment. Good prospects for the coming year.
- Accountancy firm - looking solid going forward. Increased advisory work with people looking at new ventures or expanding current business
- Accountancy--gearing up once again for the start of the ""silly season"" as far as the compliance side of our practice is concerned. Clients generally seem more positive with an increase in people buying/selling businesses and real estate--both commercial and residential.
- Public Practice Accounting - Looking up with greater opportunities for growth, especially with technology.

Advertising & Marketing, Media

- Advertising & marketing - business picking up with our service industry clients but with our retail clients it is not the case, many are struggling due to fierce competition and online sales.
- Graphic design agency. Clients are positive about the economy and very busy at moment. A number of clients are slow to pay though which indicates perhaps some are expecting things to be better than what they are.
- Advertising/Marketing/Online. More confidence out there. Still some reluctance to fully commit but all signs point to a steady improvement into the rest of the year. Tourism numbers are helping drive recovery.
- Advertising: I find it quite slow. Companies have not started to spend their money in advertising yet. Positive business confidence is not matching with advertising demand. Companies still analysing the battle field.
- We publish magazines and whilst circulation, especially subscriptions and hence trust in the product, is at an all-time high, display advertising (print) remains a tough ask. Companies have a multitude of promotional options, with many, who once put print at the top, now spread their promotional dollar widely and edge print down the list.
- Marketing and Events - Late client budget increases over summer and at end of FY. General good feeling with clients but still hesitant to commit long term
- Advertising - picking up - the Government are spending again, after a 3 year clamp on spending on advertising - let's face it, it is election year. However there does seem a general air of confidence in the market place.
- Advertising and Marketing, full steam ahead with plenty to do.

Agriculture

- Dairy farming – good
- Dairy Industry: Historical high prices are starting to come off slightly as the Northern Hemisphere sales start to come on line. Pricing coming off is a good thing as you do not want to burn off too much demand or go through the price crash of July 2009. Farmers should budget closer to \$6 next year.
- Agriculture - dairy exceptionally good, sheep and beef good.
- Dairy. Good
- Vegetable seed breeding from a personal perspective is looking particularly good and expanding. Nationally fewer and bigger growers mean competition to supply better quality varieties is strong.
- Sheep and beef - continued price fluctuation, unstable overseas markets, compounding infrastructure issues with the NZ industry. Very difficult 'game' to be in.
- Agriculture - Grain & Seeds - harvest frustrating, but results generally have been good, especially for grain. Strong dairy prices are helping to maintain good demand.

BNZ CONFIDENCE SURVEY

- Very confident Dairy Farming
- Steady to good. Venison industry
- Agriculture - dairy exceptionally good, sheep and beef good.

Agricultural Services

- We are NZ owned manufacturer who supplies front end loaders and implements to farmers. Sales have started to pick up since November 2013 but we still could do better.
- General engineering based in a rural area. We are doing very well at present, probably better than at any time since the GFC in 2009. Normally we get a bit quiet over Christmas/new year, this time... busy. Boss is buying new equipment and building a new building. Employing more staff.
- Electrical work on farms mainly. e.g. Irrigation, stock water, cow sheds, effluent pumping, grain drying etc. We are flat out.
- Dairy Industry - Milking Machinery. Orders are outrunning supply and production - lead times are moving out as our suppliers and our factory struggle to keep up.
- Animal Health - positive in both dairy and drystock. Good to see some rain!
- Excellent in Dairy Farm Consultancy
- Dairy industry - fabulous!!!
- Farm Machinery. Supply is going to be difficult with strong demand making forward purchasing a worry with banks predicting a drop in the payout next season.
- Suppliers of consumables and plant to the dairy industry; farmers are showing a deepening confidence in investing in their business towards better efficiency and return on the working capital
- Looking reasonable. lots of sales leads coming in agricultural Engineering & Supply Post Harvest storage Systems

Architecture

- Very busy (Architecture)
- Architecture-getting busy
- Architecture , busy as hell, about a year's work in front of me

Business Consulting

- New business still pretty tough. Management consulting.
- Management Consulting - things steadily picking up.
- Adult education (corporate). Business is greatly improved. We saw a significant lift in the latter half of last year and it's continuing.
- As a business advisor I am finding that business owners are more confident and the future workflow looks much stronger
- Advisory & Management Consulting. Good business opportunities are there. Clients are becoming quite focused which means much of the riffraff us getting weeded out.
- Business advisory Consultancy -- it's somewhat slow at present

Civil Construction

- Rodney; roading & construction increased activity
- Roading.. public sector. No major changes in last year or so. Is promising
- Christchurch Infrastructure Rebuild – Steady
- Civil Engineering/ Surveying Consultancy Currently here appears to be more work in the industry than people to do it. Most that we deal with are inundated and there is enquiry re more work almost daily and a lot of it is for significant projects. We are dealing with under performance of contractors through their inability to get equipment at times and we struggle to find companies to price projects sensibly. Overall just incredibly busy and unlikely to change.

Construction

- Residential Construction Napier is picking up but not anywhere near the Auckland Christchurch boom.

BNZ CONFIDENCE SURVEY

- Commercial Construction. Still strong levels of inquiry from potential and existing clients. Having to be more selective in the projects we take on and target.
- Construction – Booming
- Construction industry (Christchurch) - we are still waiting for the "rebuild" to fully begin; it is slow and frustrating but with the Justice Precinct earmarked for starting this year and works at Burwood Hospital beginning we are seeing some movement which is great!
- Construction: workloads appear to have stabilised after increasing late last year
- Commercial construction - lower North Island is still very slow with low margins, worse than last year and no sign of improvement. Upper North Island is very busy with increasing new build opportunities.
- Construction. Lots of work coming up
- Construction industry residential housing. Architects and councils are busy and times are being pushed out. Prices are rising mostly around labour rates - this is putting pressure on margin with contracts signed coupled with time delays.
- Building / Construction everyone seems busy and forward orders coming through
- Building Products Industry. The industry has never looked as positive as the current outlook of today.
- Commercial Construction Wellington. The market is still patchy with mainly seismic strengthening work.

Construction Related

- Commercial Painting Things are looking Good but lack of good quality staff to carry out the work. Margins still low.
- Window treatment industry - blinds shutters - performing strongly
- Surveying and Land Development: Better than last year but concerned that measures aimed at cooling housing markets elsewhere are stifling growth in the provinces.
- Kitchen / Cabinet maker (Auckland - 18 staff) - huge demand, turning away work almost daily. Next 5 years are going to be full, and profitable
- Shop fitting - going into a quiet patch, after frantically busy year end. This usually happens at this time of the year, but does not stop you worrying.
- Swimming pool industry--seasonal---well ahead of sales compared to this time last year-
- Powder coating: Still more patchy than we thought it would be. Thought we would be busier, yet to see upturn in construction.
- Things are looking good in the plumbing & gasfitting industry with lots of renovation & new homes scheduled for this year.
- Building wellington - Aluminium Plus Double Glazing work. Very busy but we have our own niche & customer base but lately getting a lot more competition. People want the work done & need it as their house is the most important investment they have but can be hard to get them to spend the money required
- Building Industry - manufacturer / supplier - all signs are positive, work load is still fluctuating a bit, but much better than early last year.
- Construction related in Wellington, activity is picking up, though still patchy. Margins are under increasing pressure with labour costs and some inputs going up but customers still strongly resisting price increases. An increase in interest rates will only be an added pressure on cash flows.
- Plumbing is busy more work than hours and lack of quality staff available.

Early Childcare

- Early Childhood still constrained by government restricted funding and increasing compliance costs.
- Early childhood education.- Over-supply of spaces at the moment, struggling to full the spaces.
- Childcare: High demand for quality centres, mum's going back to work as jobs become available.
- Early childhood. Stable client base, profitable just, no room for further wage increases unless costs are passed on.

Education

- Education sector growing
- Education - slowing as the economy improves

BNZ CONFIDENCE SURVEY

- English Language Schools. Not the sudden rise we were expecting in response to work rights, but buoyant enough
- I'm in the private education sector. Things have been very tight, but are now starting to look up, especially in the international department. Overall I'm hopeful about the future of the business. It's looking good, and already we have had our largest intake ever of international students. Here's hoping for more!
- A bit difficult in the international training area with the high value of the New Zealand dollar.
- In the Tertiary sector there are some significant declines in student numbers (particularly 1st years) at some universities.
- Higher Education: good overall. We see many jobs available for our students graduating (from the business school) - signals that employers are hiring.
- I am in education so it doesn't affect me personally but we are concerned that the high NZ dollar plus other new immigration regulations have reduced our market of students from overseas.
- Education - demand seems to be strengthening as jobs outlook improves, but serious uncertainty around Govt policies and how they may play out post-election.
- Tertiary Education - Expecting to see some growth in people taking up tertiary studies, particularly for individuals who want to change career paths or job prospects when their current sectors are flooded with job applications. The governments restrictions on eligible learners is putting a strain on human resources with increased costs in delivery.

Energy

- Renewable Energy / Clean-Tech - Increasing interest world-wide in capturing and utilising bio-gas rather than letting it vent to the atmosphere.

Engineering

- Engineering consultancy - cannot get enough good staff to deliver the high project demands for our clients.
- Engineering, machining and fabrication, strong growth from all areas, maybe soon we will see some opportunity to increase margins.
- Engineering - enquiry has picked up hugely, a lot of budget pricing and design occurring. Looking positive with a number of infrastructure projects being released for tender.
- Electrical engineering: Investment in new plant and equipment by customers in the Dairy Industry is remaining at the same high levels as 2013. Other industries are showing signs of improvement from low levels last year.
- Engineering - manufacturing in Dunedin, finding the market slow and shrinking and not being helped by the low Australian dollar.

Finance

- Static, as they have been for the past few years. Financial services.
- Mortgage Finance - February saw more people in the market and a busier month in general compared to start of November 2013 - end of January 2014.
- Mortgages - stable, but more investors, less first home buyers
- Financial services. Things moving along slowly still but am getting more inquiries.
- Funds Management: Strong returns and positive cash flow are causing appreciable improvements in cash flow. Costs are fairly stable, although we have increased staff numbers over the last 12 months, with more coming. Across the broader industry, we believe the positive return, positive cash flow mix is benefitting most fund managers.
- Finance- never been busier
- Quite flat - Financial Services
- Finance; Tight competition, slimmed margins.
- Banking. Not sure really. Positives there but competition is fierce
- Things are very positive in rural banking in Mid Canterbury at the moment.
- Good (finance)
- Tough finance

BNZ CONFIDENCE SURVEY

- Banking - things are looking really good, especially in Christchurch where requests for finance for new builds is picking up and surprisingly Auckland where demand for building new properties also seems to be on the up. Worried about highly leveraged buyers though and how they'll fare with increased interest rates.
- Banking - home lending strong, we'll have our biggest month ever for settlements (March 2014). Focus has shifted well and truly to targeting re-finance customers. More customers borrowing to spend again, credit card balance transfers to low rates (for 6 - 12m) now the norm.

Food Manufacturing

- Food Manufacturing: Local NZ market is competitive but opportunities exist. Re exports, I think the high NZD has become the norm to some extent
- Export foodstuffs- market is more than promising with demand from most markets steady. Australian market is tight and protective, Asia is very strong
- Food Manufacture Distributor and Marketer.(Fresh Chilled). Maintaining market share. Local. Export in development stage but \$NZ is hurting. Opportunities exist for better margins on our products that are differentiated by freshness, no additives and giving better value for flavour, taste and colour.
- Food Manufacturing: Slow Christmas period but starting to pick up with school starting.
- Food Processing, Marketing and Distribution. AUD weakness has /encouraged Aussies to export to NZ. Seeing significantly more Aussie product/competition in NZ, leading to heavier discounting and lower profits budgeted for 2014/15 c.f. current year.

Forestry/Timber

- The Timber sawmilling industry is still very tough with high log prices and exchange rate. It is very difficult for sawmilling to remain viable with the above challenges.
- Wood Processing - Forestry going great guns selling logs to China at record prices, volumes and profits. Domestic Wood processing companies however are getting slaughtered by rising input costs (i.e. log price increases). The Sawmilling & secondary processing sector is basically broke in spite of increasing market demand and the NZ-Aus fx Cross rate moving from 80c to 93c very rapidly in recent months may be the final nail for some businesses in the processing sector, evidenced by recent closures and receiverships.
- Sawmilling. Domestic structural - very buoyant. Pruned export - steady

Government

- Government - Labour shortages appearing, lots of hiring now taking place. The opportunity to secure great talent long term has been lost due to a lack of engagement by govt departments with their employees.

Health

- Health - but everyone is slightly nervous about the impact of any change of government may have on the future so as a result are taking a more conservative approach.
- I work in the health sector and of course it's an election year so things are looking up in the short term.
- I am in healthcare. Money at the DHBs is still tight, but the situation is somewhat better than over the past couple of years.
- Continued large volumes both general practice and A&M. Many have problems paying on day
- Healthcare - still lots of change - hard to know exactly where things will be in 12 months!

Horticulture

- Horticultural industry - the NZ\$/A\$ exchange rate is a major concern with no relief likely medium term. Recent poor weather has adversely affected production as our season for key products comes to a close. Overall the year is looking satisfactory but exchange rates have impacted negatively in comparison to previous years.
- Horticulture/ looking up
- Horticulture: Looking like a steady increase for the year.

BNZ CONFIDENCE SURVEY

- Kiwifruit - market prices good for next 12 months
- General optimism still reigns in the fruit growing sector on the back of emerging markets and improved returns.

Hospitality

- Best for a number of years (Hospitality).
- Working in the hospitality industry specifically Hotels we are certainly seeing positive growth in our Occupancy and ADR over previous years - both domestic and international numbers are positive and we believe they will continue to grow in 2014.
- Supplier of catering equipment and kitchenware to Hospitality trade. We have noticed an upturn in confidence levels but there is still a reluctance to part with the dollars
- Nice & busy Summer has been fantastic. Catering & Restaurants.
- Hospitality/Entertainment Christchurch Based. Positive, numbers increasing.

Information Technology/Telecommunications

- IT Recruitment - absolutely on fire - regularly beating "best months on record" - candidate shortage really starting to bite and clients indifferent about hiring immigrants primarily due to how their clients will perceive them.
- The industry IT is looking healthy
- Super busy. IT
- Information Technology : Strong sales pipeline out to end of year; strong dollar is helping with imported product. Concerned most about shortage of both qualified and experienced staff.
- Telecommunications. Companies are looking to spend more on customer services and related software.
- Generally companies are looking to upgrade CPE.
- IT software. Business picking up markedly across both public and private sectors
- IT & Telecommunications industry, service provider. Fair amount of opportunity out there, but they are taking a long time to close, and it's competitive ! Signs of some big projects coming during this year, driven by e.g. strategic platform and systems replacements. Certain resources / skills in very short supply.
- Very buoyant - export Fuel Distribution Software globally and the market potential is huge. Gaining strong traction and sales in Aus/Canada at present with broad interest internationally
- IT - picking up - very positive outlook and backlog of work - but customers are spending on the back of an upturn that has really not yet occurred for them - more on the back of improving confidence.
- IT Contractor - Seems like things are on the up but I am hearing of a cost reduction focus in some areas. Not solid yet but it sounds like it will get better as the year progresses.
- IT consulting - primarily government and NGO clients. We have doubled our staff to 8 in the last 12 months and expect to add a few more this year. There is plenty of work on our books due to current government strategies to consolidate IT systems and services across agencies and to prioritise delivery through "cloud" services in future to reduce costs.

Insurance

- Insurance - positive signs but pressure on top end prices
- Actuary. Need for information increases. More contracts between NZ, China and US.
- Insurance/Fund Management - still a bit quiet as we are operating in Wellington and our work flows off the back of other economic activity. Confident things will be humming by mid/late 2014

Legal

- Law - busy but no more profitable as costs have risen and fees stable
- Legal practice in Christchurch. Still very buoyant with capacity constraints in staffing areas. Expect present levels of activity to continue for at least two more years
- Legal-Only steady-haven't seen any sign of a "rockstar" economy yet.
- Legal (civil litigation). The last 3-4 years have been flat but steady. This year I can literally feel the warm glow of widespread economic recovery beneath my feet.

BNZ CONFIDENCE SURVEY

- Small property law practice in a small lower North Island town-population under 20,000. LVR changes have stuffed the ability for the young to purchase a property. The higher interest rates to come have slowed down the rest of the market. Growth in Auckland and Christchurch is of no relevance locally and only skews the confidence issues. Cannot see things improving in the next little while.
- Legal-family law. Busy. Family Law reforms are a concern in respect of the impact on parties (and children who are the subject of court proceedings).
- Legal - very good, but always with the potential for difficulties!
- Legal: Busy start to the year, up 20% on the equivalent stage in 2013.
- Litigation – good
- Legal - City Fringe Auckland. Steady workflow with indications that clients will be more active this year.
- Provincial Legal Services - still slow. No sign yet of any uplift in economic activity.
- Legal – busy.
- Legal, Canterbury, stagnant

Manufacturing

- Clothing manufacture (merino). Very difficult in NZ. Retail sales have been slow with no summer. Online shopping an issue. Lots of offshore enquiries for NZ made merino garments but hard to do business at a viable price, given the level of the dollar.
- Manufacturing is looking strong
- Manufacturing - Export to Australia, Exchange rate of anything over .9300 NZD/AUD there is no margin, if sustained at these levels will need to review long term strategy. NZ sales are strong.
- Manufacturing Supplier - Have just had best January and February ever. A lot of pick-up of orders in NZ and a solid contract in Australia. Suspect economy has improved but doesn't yet have momentum to sustain 3 strong months in a row as orders for March back to steady
- Paint Manufacturing. Not booming but still good and will only get better.
- Appliance manufacture & supply. Increasingly tough.
- Manufacturing - Now our currency is high against the AUD and USD. Margins are really under pressure!
- The plastics industry has picked up a little but those with new ideas are still cautious about investing in their ventures. Whereas before the crash people were more adventurous.
- Manufacturing - Medical equipment. High USD exchange rate is reducing profits, but sales increasing to partially compensate.
- Paint manufacturer. Things still going nicely, especially in Auckland and Christchurch. Gearing up for even better times next summer and into 2015
- Manufacturing, wholesale and retail. Manufacturing; Costs e.g. printing increasing dramatically even on repeats of the same print run 3 months ago. Wholesale; Some slow payers. Retail; still very hard, foot traffic down.
- We sell small machinery to manufacturing companies. We had very poor sales in February. 2013 sales and margins were also under pressure. It seems that manufacturing (our customers) is not part of the buoyant rest of the NZ economy.
- Exports to Australian hardware down and margin down too due to exchange rate. Local composites industry sales up due to closure of major competitor plus new manufacturing licences negotiated with English company
- Metal products manufacturing for NZ market. Sales have been improving over the last few months, and are now levelling off. I think this will be sustained for the coming year.
- Manufacturing - Current and forward orders are consistent but no rockstar growth evident.

Marine

- Marine & Industrial engineering / Electronic & Electrical. Fallen right off in marine work as most Commercial ships passing through NZ mainly from Asia and do not do much here due to the higher costs.

BNZ CONFIDENCE SURVEY

Miscellaneous

- We are in the design and visual communications industry. We are not seeing the reported confidence transferring through to our company. It is still tight and our forward work pipeline is looking decidedly sick. A bit worrying really.
- Hunting & Fishing. Not good, cost of fuel an impediment to travel to partake in sport.
- Pet Boarding steadily increasing
- FOB Import agent company - February was up on last year but still not what we expected to achieve for the month, March has started with strong sales already equalling last month's sales - putting this down to carryover from last month. Looking forward we are developing new relationships with customers in the US to reduce our reliability on a single major customer in NZ. Signs of success from these efforts already showing so our future outlook is one of cautious positivity.
- Scientific import and distribution = steady as she goes [a majority of our customers rely on government funded budgets]
- Export of raw material for manufacturing vaccines and medicines. Very high demand, high prices and strong future prospects.
- Arts and culture - steady and improving
- Buoyant. A lot of demand for Property and Cabin rental
- Absolutely fantastic summer - massive increases in all measurable indicators. Cleaning Company - Holiday Homes only
- Export consultancy - tough with business' been burnt especially in China recently.
- Town Planning Consultancy There has been a significant amount of work come through in the last 6-9 months and this seems very likely to continue over the next few years with the Unitary Plan opening up many development opportunities. We are looking at recruiting and becoming more than a sole trader style business.
- Wholesale Security Equipment Supplies. Some quiet times since the Christmas break though plenty of signs of more buoyant times to come.

Printing and Packaging

- Commercial Printing. Sales continue to improve month on month, we have good solid forward bookings which is a welcome change from the past 3 years.
- Packaging and equipment for retail industry - sales slightly up on last year but profit down due to rising costs. We are having to cut costs and will potentially lay off staff. Feedback from the majority of our customers is that retail trade is still relatively flat and this is reflected in their orders to us.
- Packaging Printing and Plastic converting supplies. This month Feb not flash things have gone very quiet and slow payers don't help either as money has been tight
- Industrial packaging - hard yakka competing with export log prices.
- Timber Packaging. Quieter in Jan/Feb, but hopeful of returning to pre Xmas buoyancy. Timber availability is an issue, & price increases will be large.

Property Development

- Property development in Auckland suffering from lack of suitable land for development.
- Property Development: Projects starting to get real momentum
- Land development: Very busy with quality enquiries and commissions.
- Property Development: Dunedin is starting to boom with many significant investments in education and commercial sectors that will create spin off elsewhere. A number of property investment opportunities are at marked down prices. Recent activity indicates a number of Chch buyers are showing an increasing interest in Dunedin. Future looks increasingly positive.
- Property development and investment South. Auckland area. Build materials have increased by 10% this month on a number of products. Labour costs ok have seen workers leave for higher wages but can source more at current wage levels. Worried that rates are expected to move up but not able to pass these costs on in rentals. Have had more enquiry for vacant shops but nothing has materialised into deals. Everyone's busyish and confident but the market is full of speculators and worker wages have not increased to allow more spending at the bottom in areas like Papakura.

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Frustrating that prices are being pushed up by those that can do it. Not much volume to added housing supply to speak of.

Property Management/Investment

- Property management - strong demand, top of the business cycle.
- Residential Property Investment Auckland Central Suburbs - rent increases possible, some tenants push back on 2 - 4% but increases of 5 - 6 % certainly possible on re-lets. Concern for investors over rising interest rates where mortgage exposure runs to multiple millions, will look to increase rents where possible. Tax changes over past few years now biting also along with increased insurance costs, rates etc.
- Property Consultancy Industry- commercial. Picking up new jobs as the year progresses but general feeling is that property market will not take off this year - even with general election to be held at end of year. Slow but steady rise in consumer confidence will bring new players both tenants and owners into market coming into 2015 year.
- Financial Planning - clients very interested in property investing recently.
- Property consultancy. Builders and trades people are flat out. Properties that have been done up are being bought in areas like Ponsonby and the new owners are then immediately spending on doing up the property again.
- Property management Tauranga, strong demand for good quality houses with people having difficulty finding a suitable property. Rising rents. Families returning from Australia a common trend.
- Residential Property in Wellington. The market is very subdued in Wellington, with more houses than buyers in February and March so far. Completely different to Auckland and Christchurch. Houses in the sub \$450,000 bracket are slower to sell. There is a marked increase in the number of 4+ bedroom homes coming onto the market in February/March as vendors cash up ahead of settlements on Apartments being completed. The Reserve Bank LVR and now the review of Bank Capital Adequacy Requirements have already and will continue to impact negatively on Residential Property Investors. In particular the 'Income Source' and 'Count Based Element' in determining the boundary between residential mortgage lending and commercial lending."
- Auckland rents back to 2007 levels Business in the provinces rents declining property mgmt.
- Rental property looks good, there are still more tenants than dwellings.
- Property Manager North Shore of Auckland. Rental listings lowest level in last 12 months. We feel rents will soon reflect this over the balance of the year. We are in the process of sending notices out to all tenants about 5% rent increases across all properties.

Real Estate – Non-residential

- Office leasing - big problem of limited new supply which will put the pressure on rent increases ... a catalyst for new development
- Retail leasing - Shopping Centres. Very buoyant with multiple offers and competition on sites.
- Mixed, more positive now but still very cautious. Commercial property
- Commercial Property (Auckland) - Full steam ahead with design builds, spec builds and more developable land being opened up. Higher constructions costs led by the Canterbury rebuild will be the only thing to watch.
- Commercial property - Earthquake strengthening requirements is prompting movement in the market. This is good for redevelopment
- Commercial Real Estate Wellington. Gut feel is that prices have finally bottomed out and purchasers can make money at current prices which are down to 30% of replacement cost in some instances.
- Commercial Property investors Rents firming supply tight
- Commercial property investment in the Auckland area is proofing sound due to strengthening yields and low vacancies.
- Commercial property leasing. still hard to find retail tenants in my urban areas

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Real Estate – Residential

- I am in real estate in Mt Eden and think that things are going along nicely. I think that there may be fewer Chinese buyers out there as their attendance at open homes doesn't seem as high as last year.
- Real estate in AKL. The market is still booming. People are paying top dollars for average houses.
- Wellington real estate. LVR has hurt first home market. Apartments difficult to sell with most having high BC costs and low EQ ratings. Overall market leaning towards buyer's market.
- Valuation: Very positive, the rate of enquiry is higher than it has been in the past 5 years. Resourcing is the major constraint to growth in turnover.
- Real Estate. Investors are active at the moment, solid in some areas of the country.
- Real Estate is good as there are a lack of listings. Property Management is Booming.
- Residential Real Estate Napier still need more listings have lots of buyers!
- Real estate-Valuation. The market was settled after the LVR change in October. Some pick up in values close to the CBD, but flat elsewhere
- Real Estate Lake Taupo region; notwithstanding the rhetoric regarding rock- star like, Pacific Tiger economies, the year thus far has been particularly underwhelming.
- Very good - busy Real estate
- Real Estate in the post LVR era is beginning to show signs of some normality after the Reserve Bank unjustifiably for Provincial Centres brought this restriction in to being. Resolving the Auckland and Christchurch Real Estate situation by a blanket approach was entirely incorrect. Positive economic indicators are our saving grace at present.
- Real Estate. Extremely tight and short supply of homes available; unlikely to change in short to medium term. Competitor activity somewhat short sighted and undermining the market orderliness; expect more to come.
- Real Estate, in my area things are still pretty flat. However the viewing taking place is increasing which is a positive sign. Next 18 months could be interesting.
- Real estate in Wgtn city. The market seems patchy. Generally, the numbers to Open Homes are low except for well-presented properties under \$500,000. These properties are getting strong OH turnout.
- Real Estate in Nelson. No big price increases here, activity is just average. So we are not worried about the real estate hype in other parts of the country
- Real estate - fairly stable but unspectacular in Dunedin.
- Real estate (Eastern BOP) steady, prices not increasing as in some other parts of NZ.
- Real Estate (Nelson) - Buoyant, lots of buyer activity and more sellers than previously.
- Real Estate: Positive outlook but with concern over rise in construction values and its effect on margins.
- Real Estate. People seem to not be rushing into buying and holding back a little.
- Tough to secure listings and vendors price expectations continue to rise out of synch with the market value.
- Most expectations are from the media, not our real situation. the sales in my area (and other business's) are showing how hard every sale is, and the fail rate of conditional sales is massive. Buyers getting remorse very quickly. We lose more sales than make.
- Real Estate - residential. Auckland eastern Suburbs. Buyers have become quite fickle. Have just attended XX auctions and less than 50% under the hammer and many with no bids. Vendors maybe becoming a wee bit optimistic and should face reality rather than moon beams.
- Real Estate, Manukau - the start of the year has been very good with increased sales compared with last year.
- LVR restrictions appear to be having an impact on the lower priced homes in the housing market. This has meant fewer attendees at open homes. This will hopefully come right again once the pre-approved mortgagees are drawn down on and low equity loans are more readily available again.
- Real Estate, South Auckland. Listings hard to get, plenty of buyers.
- Real estate in Rotorua is still slow. Was picking up in October last year but the new regulations put the brakes on before it (market uplift) really began.

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- Things seem to be going along reasonably well in residential real estate in Palmerston North at present.
- Real Estate Nelson - Turning into a buyer's market with turnover of properties slowing down.
- Real Estate. Buyers there for good houses - numbers down a little but up to agents to work the buyers. Listings hard - Agents all over the market trying to pick up listings - my competition are my colleagues!!
- Real estate in Bay of Plenty - looking positive in this area.
- Residential Real Estate Tauranga. Busy with high volumes of buyer enquiry, strong appraisal requests and steady flow of new property coming to the market. High volume inspections first week or two and increased number of multiple offers. Stock levels will be the concern going forward.
- Real-estate. buyers are certainly taking their time. A few more offers than normal are falling over due to Builders and finance
- Property, staying the same demand in Auckland is high.
- Real estate central Auckland. It is currently a full on seller's market and likely to stay that way for some time with very low levels of stock in most central suburbs driving up prices. Highly likely that central Auckland house prices will increase by at least 15% through 2014 - there is simply not enough new housing being built to keep up with demand and we appear to be experiencing a massive net migration boom with most new arrivals heading straight for Auckland. Combine that with very few Kiwis now leaving for Australia and you have a recipe for rampant house price increases even if interest rates rise by 1% or 2% - mind you it's more likely banks will cut their margins to keep rates low even if the OCR increases.
- Real estate: pretty enthusiastic as buyers are plenty for limited good housing and until new properties come on stream the demand for older properties is still very strong especially here in Christchurch
- Real estate, the market is showing reasonable confidence without being over cooked (Tauranga market).
- Real Estate . Steady activity with supply of listings being the biggest issue.
- Real Estate Sales - Very busy currently!
- Real Estate North Rodney. Very positive here, helped by many of our buyers coming out of Auckland. Many properties that have been on the market for some time are now selling or sold and most property selling quicker with more determined serious buyers and sellers prepared to let go. Increase in number of commuters from here to Auckland now for work.
- Real Estate in Christchurch is still buoyant. It is still a supply and demand situation
- Real estate ..ok
- Property valuation-residential slowing down-commercial picking up

Recruitment

- Recruitment. Very busy but a lack of quality candidates.
- Recruitment - missing out on All of Government Recruitment supply panel a huge disappointment. Doing it tough, but keeping head above water.
- Recruitment Industry. Things are looking very positive with movement in the employment market in an upwards direction.
- Recruitment - More and more difficult, combined with a large skill shortage we are fighting competitors to get staff that are looking for work.
- Recruitment and labour hire market is performing well but there is a significant risk for the labour hire market if a new government raises the minimum wage to \$15 and beyond. This means that a large number of staff would be unemployable due to the cost.

Retail/Wholesale

- We supply a wide range of manchester/homewares to large and small retailers throughout New Zealand. While the majority of the larger retailers have been quietly optimistic for the past 9-12 months we are finally seeing a lift in demand from the smaller retailers for the first time in several years. The biggest constraint to our business is the limited population in N.Z.

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- Importer Consumer goods - Competition from private imports from offshore, continues to erode local retail/distributor business. Putting GST on at the border, will not stop this new fashion. Retailers continue to be cautious in their buying, business is steady to improving.
- Department store retailing seems to be seeing a bit of a lift - more people buying full price products online business also experiencing good growth.
- Retail Pharmacy. Prescription income is holding. Over the Counter sales are increasing slightly.
- Retail: Far North, clothing & accessories. This financial year is a very slight improvement on the previous year, however there is still really no incentive to remain in retail. I feel that we are now severely affected by internet trading and can only offer personalised service to obtain discounted sales. Landlords are not yet shouldering their portion of the last 5 yrs pain and all overheads keep going up. Will have to expand our website trading by undercutting all other websites - but even then there comes a breakeven point as we can't all come up on page one of a search engine with all other retailers doing the same thing. The million dollar question - how to exit with most of the capital intact. No one is buying retail businesses because of the 'big box' stores dominance in the discounting game.
- Extremely competitive and cutthroat. Electronics retail.
- Retail flat, wage costs higher
- Grocery Retailing. Steady to good, customers are getting more creative with shopping demands but always looking for better value. Opportunity lies with meeting time poor shoppers.
- Books & Stationery. Steady. Some teens who never read are on occasion purchasing books because they have been introduced to literature via digital mediums.
- Retail giftware - regions. Margins continued to be squeezed by bigger operators making it difficult to gain momentum. Customer average gift purchase seems to be lower than 2 years ago
- Better – retail.
- Watch and Jewellery Importer and Distributor - the majority of our Retailers (of all sizes and locations) have long forgotten Christmas.....February was a shocker of a month!
- Retail - specialist hi-fi and home entertainment: Much improved after a very slow January and February.
- Retail. Still very tight but there does seem to be a little improvement from last year which was terrible.
- Home and commercial audio. All of a sudden there is no-one spending. Very quiet at the moment. Huge competition for what work is out there.
- Wholesale clothing - still a struggle.
- Pet store retail...turnover is gradually improving.
- February one of the best months trading in 6 years. Retail Men's Clothing
- Better than last year but still not crazy. Online tool sales
- Things are slow like most hopping it will pick up (retail and wholesale)
- Starting to pick up slowly (Retail)
- Food retailer - steady,
- Wholesale Distribution in Northland - noticing small but steady incline over the past six months

Signage

- Signage Christchurch The roller coaster ride continues, Feb was a good month with good quality work well planned by clients and cash flow slightly better than normal. Even January which is traditionally a slow month was better than the last 2 years. March has started off so slow with virtually no new work or inquiries, making planning impossible due to uncertainty.

Tourism and Travel/Accommodation

- Accommodation sector BOP. Busy summer. A lot more activity.
- Increased activity in the corporate travel market - international and domestic spend is up.
- Aviation planning/advisory consultancy – positive
- Retail/tourism - best summer trading in 5 years

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- Tourism, yields low and hard work with high NZD. Lots of low yield Asian work around but can't sustain a business on those markets. NZ needs Europe and UK to come back but NZD will keep them away a while yet.
- The situation in our particular industry (Aviation Insurance) is not good as several new players from Australia and London have entered the market with the message don't worry if you have a loss we will reduce your premium's. They will go in time however it takes three or four years to clean up the mess.
- Tourism is well up on previous years - in our experience the best year yet.
- Accommodation sector. Things are stable and comparable with last year but we had anticipated a lift which did not occur other than in our prices that had to go up to recover increasing costs.
- Return of mainland Europe/UK and USA guests very noticeable this year. Augers well for next season. Bring it on.
- International Air Travel. Patchy
- Aviation - continuing to be challenging. Margins are tight and we are entering our off peak winter period. We are hopeful that there is a recovery happening in the South Island tourism part of our business after the downturn following the Christchurch earthquake. However the increasing NZD may offset this
- Motels South Island Positive summer with plenty of bookings from overseas and New Zealand. Guests don't mind paying a bit more for quality accommodation than they did 12 months ago. Feeling is that we should have a better winter this year than we have had for last 3-4 years.
- Tourism/ Hospitality South Westland- Very average tourist season with a few busy periods but mostly down on previous seasons. Travellers very budget conscious and everyone wants Wi-Fi while they are in the bar or eating.
- Outbound travel.....another excellent year with competitive pricing given the airline landscape, a high kiwi dollar and the underlying consumer confidence all driving what will be a record year.

Transport/Logistics and Storage

- Flat (Shipping)
- Transport sector. Still steady as we go with strong competition for what existing/new work is there.
- Transport and Logistics - continues to be positive with good volumes though competition remains strong. Long term outlook strong.
- Shipping: outlook is good; exports to China are booming.
- Logistics - A few speed bumps lately. Focus on reducing inputs.

Vehicles/Automotive

- Automotive industry. Seeing an increase in enquiries and about the same as last year in the number of sales.
- Automotive industry - car sales were fantastic in 2013 but in 2014 sales in the luxury sector have stumbled. We are still optimistic for the year ahead but the first 2 months of the year have raised concern over how much the economy is reportedly rising.
- Motorcycle retailing, servicing. At present the only part of our business that is going well is the servicing, the retailing of motorcycles and equipment is very slow.
- Increasing opportunity in both private and company sales within the motor industry
- Steady and on par with last year.....stronger months are March onwards.....NZ new late model used vehicles
- Car sales are starting to become more consistent but still nowhere near peak
- Automotive servicing. Steady could be an up year
- Truck rental/lease. Very busy. Huge enquiry and rental busy as need to move goods has ramped up quickly. A lot of new trucks on build with overworked body builders so need rental to bridge gap.
- Automotive. The market remains tough.
- Used car dealer HB Jan/Feb great months let's hope it continues-looks good ahead.

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Wine

- Wine - short term slightly challenging; medium/long term very good
- Things are looking great for harvest, well above average yield, and quality has been maintained or improved on from last year. Hopefully we don't have a repeat of 08/09 where we (as an industry) flood the market with cheap poor quality wine, but maintain quality and the correct price point. (wine industry)

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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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