



**Business
Canterbury**
Our Chamber of Commerce

Quarterly Canterbury Business Survey

March 2024 | In field: 1 March - 11 March

This edition of our Canterbury Quarterly Business Survey highlights generally positive business confidence, but also some potential headwinds coming as the effects of rising costs and dwindling consumer demand bed in.

Despite a drop from last quarter, 51% of businesses are still positive about their financial prospects for the next year, exceeding the long-term average. Similarly, 47% anticipate a stronger Canterbury economy, also well above the long-term average of 30%.

Key concerns identified include inflationary pressures, consumer demand, productivity, compliance costs, and labour market constraints.

With further cost increases expected by 71% of businesses, and concern about consumer confidence and demand rising, we are seeing more of a focus on cost management over investment and hiring. Only 63% of businesses plan to invest in the next year, down from previous levels, and hiring intentions also dipped just under 10%.

However, there are positives: businesses' confidence in handling disruption has risen, and for the first time in our survey's history, there is positive sentiment towards Government economic management. Continued growth in the tourism sector was again identified by businesses as adding strength and optimism in the economy.

47%

Expect the Canterbury economy to be stronger in 12 months.

71%

Expect costs to continue rising over the next 12 months.

52%

Identified consumer confidence and demand is a top three concern for their business.

Top Issues

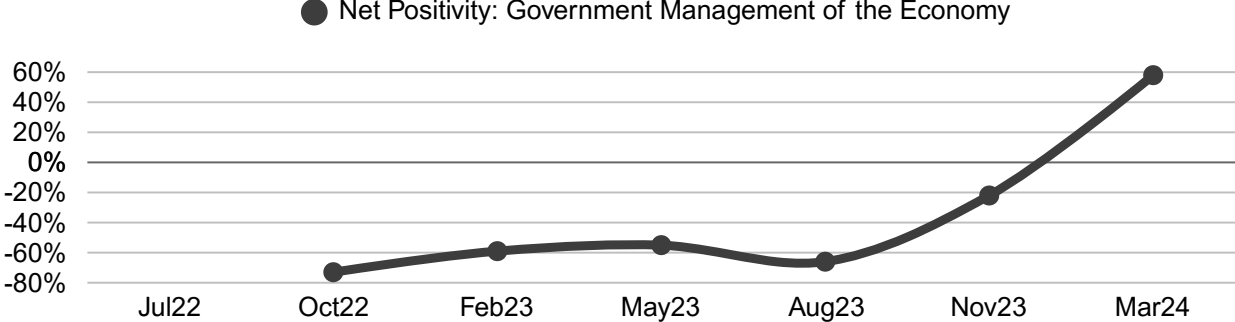
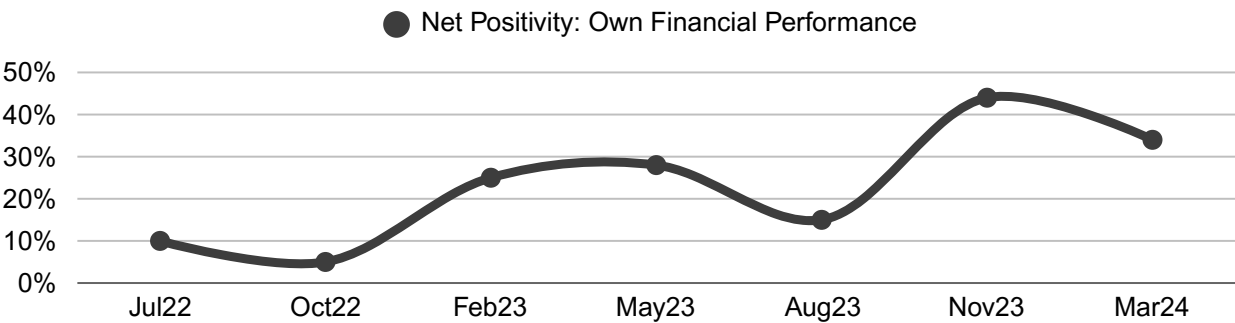
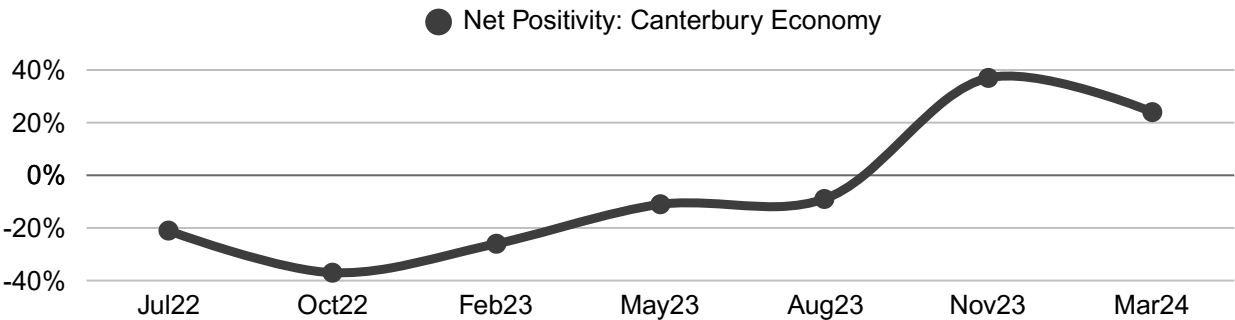
51%

Expect stronger financial performance over the next 12 months.

1. Inflationary pressure and rising interest rates
2. Consumer confidence and demand
3. Productivity and growth
4. Increased compliance costs
5. Labour market constraints

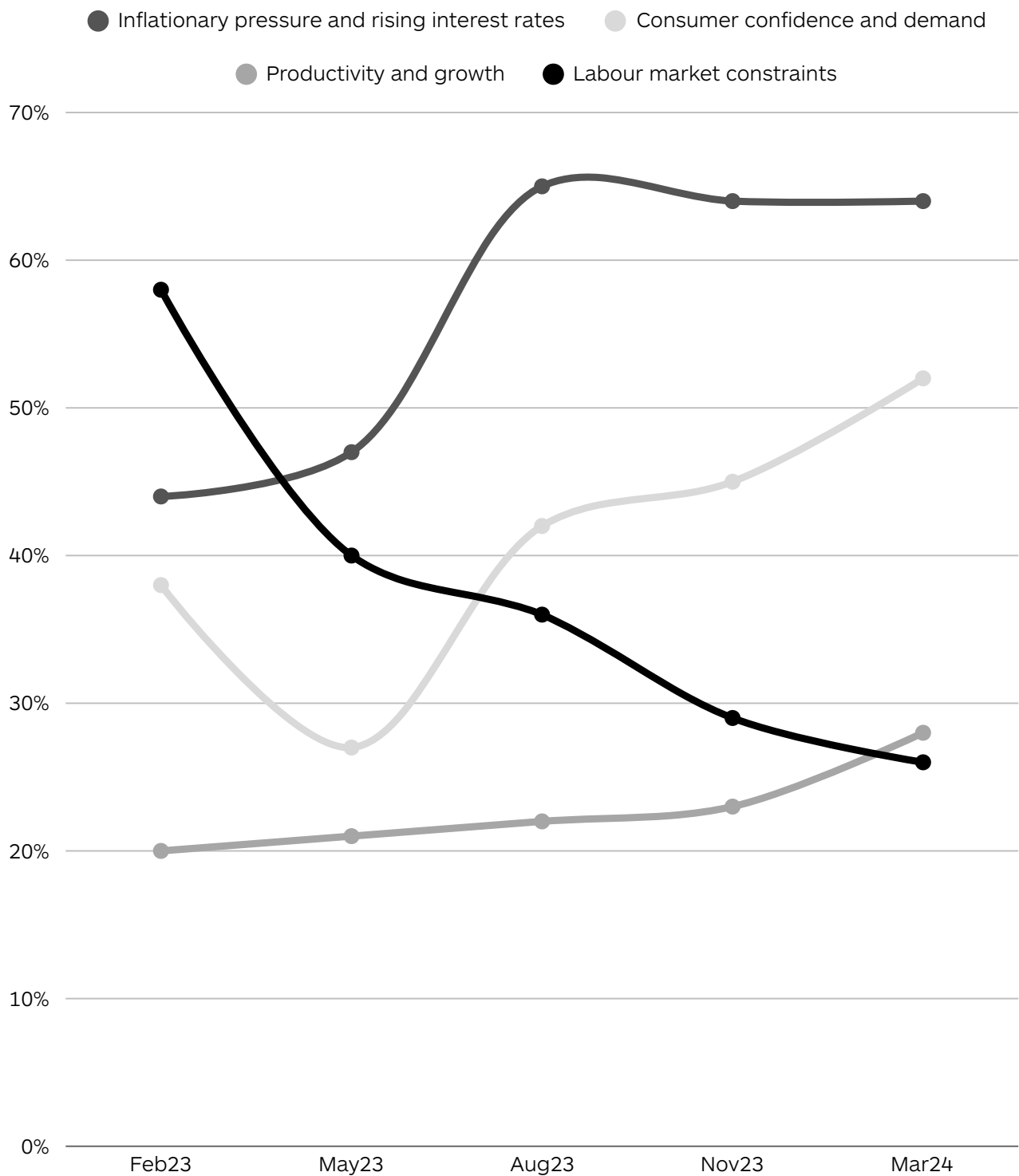
Business confidence: net positivity scores

To calculate a net positivity score, we subtract the percentage of negative responses from the percentage of positive responses. A higher net positivity score indicates a more positive overall sentiment, while a lower score suggests a more negative sentiment.



Top issues

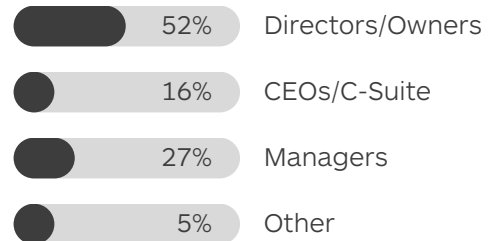
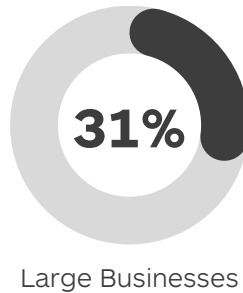
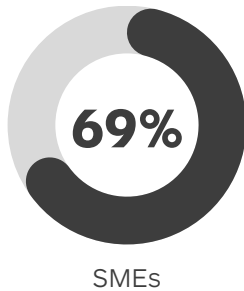
In every survey, we ask respondents to select the three biggest concerns for them. The graph below shows the proportion of respondents who listed one of the following four issues among their top three concerns.



Manufacturing Snapshot



Respondents



Top issues

1. Inflationary pressure and rising interest rates
2. Consumer confidence and demand
3. Productivity and growth
4. Increased compliance costs
5. Labour market constraints

34%

Expect the Canterbury economy to be stronger in 12 months.

71%

Expect to invest in property, plant, and equipment within the next 12 months.

63%

Expect to hire new staff within the next 12 months.

53%

Expect stronger earnings over the next 12 months.

45%

Are experiencing significant impacts from rising costs.

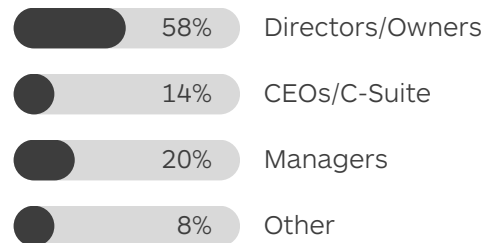
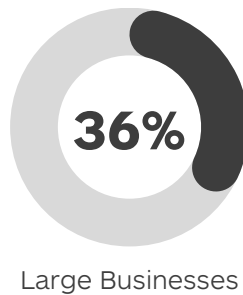
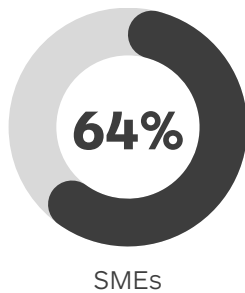
74%

Are confident in their ability to deal with disruption.

Civil and Construction Snapshot



Respondents



Top issues

1. Consumer confidence and demand
2. Inflationary pressure and rising interest rates
3. Increased compliance costs
4. Labour market constraints
5. Productivity and growth

53%

Expect the Canterbury economy to be stronger in 12 months.

71%

Expect to invest in property, plant, and equipment within the next 12 months.

69%

Expect to hire new staff within the next 12 months.

43%

Expect stronger earnings over the next 12 months.

29%

Are experiencing significant impacts from rising costs.

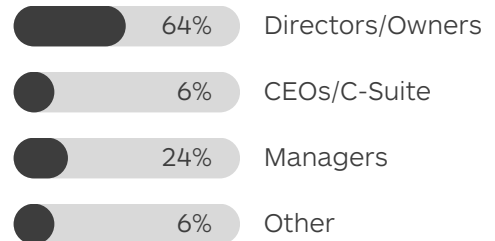
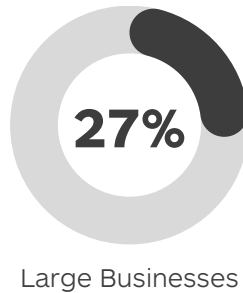
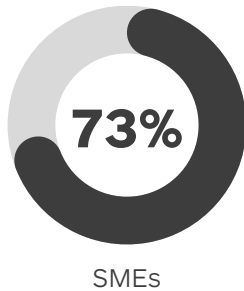
73%

Are confident in their ability to deal with disruption.

Professional Services Snapshot



Respondents



Top issues

1. Inflationary pressure and rising interest rates
2. Consumer confidence and demand
3. Productivity and growth
4. Labour market constraints
5. Cashflow and accounts receivable

53%

Expect the Canterbury economy to be stronger in 12 months.

45%

Expect to invest in property, plant, and equipment within the next 12 months.

58%

Expect to hire new staff within the next 12 months.

48%

Expect stronger earnings over the next 12 months.

22%

Are experiencing significant impacts from rising costs.

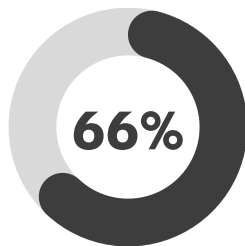
85%

Are confident in their ability to deal with disruption.

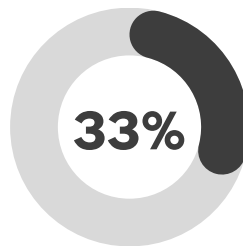
Primary Industries Snapshot



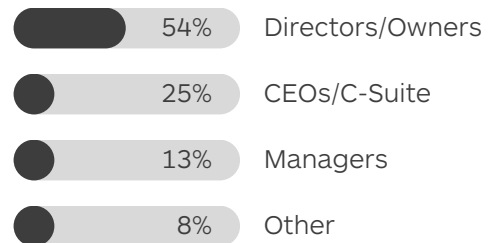
Respondents



SMEs



Large Businesses



Top issues

1. Inflationary pressure and rising interest rates
2. Consumer confidence and demand
3. Increased compliance costs
4. International trade and geopolitical risks
5. Labour market constraints

46%

Expect the Canterbury economy to be stronger in 12 months.

71%

Expect to invest in property, plant, and equipment within the next 12 months.

71%

Expect to hire new staff within the next 12 months.

54%

Expect stronger earnings over the next 12 months.

42%

Are experiencing significant impacts from rising costs.

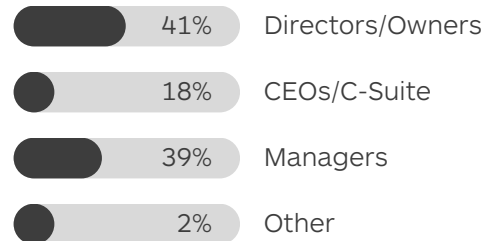
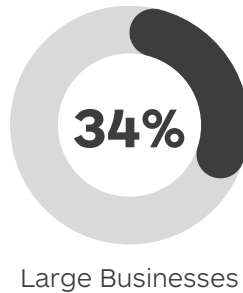
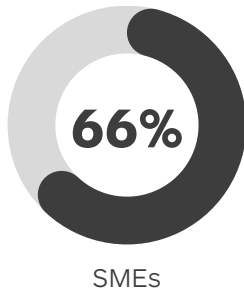
88%

Are confident in their ability to deal with disruption.

Retail, Tourism and Hospitality Snapshot



Respondents



Top issues

1. Inflationary pressure and rising interest rates
2. Consumer confidence and demand
3. Labour market constraints
4. Cashflow and accounts receivable
5. Increased compliance costs

55%

Expect the Canterbury economy to be stronger in 12 months.

67%

Expect to invest in property, plant, and equipment within the next 12 months.

43%

Expect to hire new staff within the next 12 months.

57%

Expect stronger earnings over the next 12 months.

34%

Are experiencing significant impacts from rising costs.

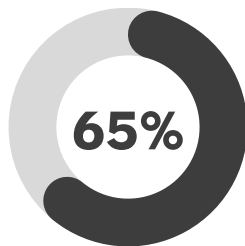
85%

Are confident in their ability to deal with disruption.

Software and Technology Snapshot



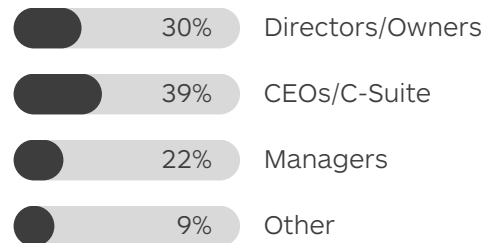
Respondents



SMEs



Large Businesses



Top issues

1. Inflationary pressure and rising interest rates
2. Consumer confidence and demand
3. Access to capital
4. Labour market constraints
5. International trade and geopolitical risks

27%

Expect the Canterbury economy to be stronger in 12 months.

64%

Expect to invest in property, plant, and equipment within the next 12 months.

73%

Expect to hire new staff within the next 12 months.

73%

Expect stronger earnings over the next 12 months.

14%

Are experiencing significant impacts from rising costs.

82%

Are confident in their ability to deal with disruption.