



**Business
Canterbury**
Our Chamber of Commerce

Quarterly Canterbury Business Survey

May 2024 | In field: 20 May - 24 May

The latest Quarterly Canterbury Business Survey shows rapidly declining confidence among local businesses.

Cost pressures are taking a heavy toll, with 40% reporting major impacts from rising costs and over two-thirds expecting more increases ahead. On a net basis, only 19 per cent of businesses are positive about future financial performance—a significant decline from 34 per cent in the previous quarter and 44 per cent six months ago

But it's not all doom and gloom. 72% of Canterbury businesses remain confident in their ability to manage disruption, buoyed by an influx of migration and students at the University of Canterbury, a promising winter tourism season, and a resilient primary sector.

Budget 2024 is a chance to turn business confidence around. To do that, the focus must be on delivering a clear roadmap away from inflationary conditions, balanced with targeted funding in critical areas that support sustainable economic growth.

According to businesses, infrastructure should be top priority, followed by health, law and order and education. Tax relief, while important, was only the fifth priority for the 400 plus businesses surveyed.

With 65% confident the Budget can positively impact the economy, the decisions ahead will be vital. We'll be watching closely and providing commentary after the Budget is released.

26%

Expect the Canterbury economy to be stronger in 12 months.

69%

Expect costs to continue rising over the next 12 months.

59%

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

Top Issues

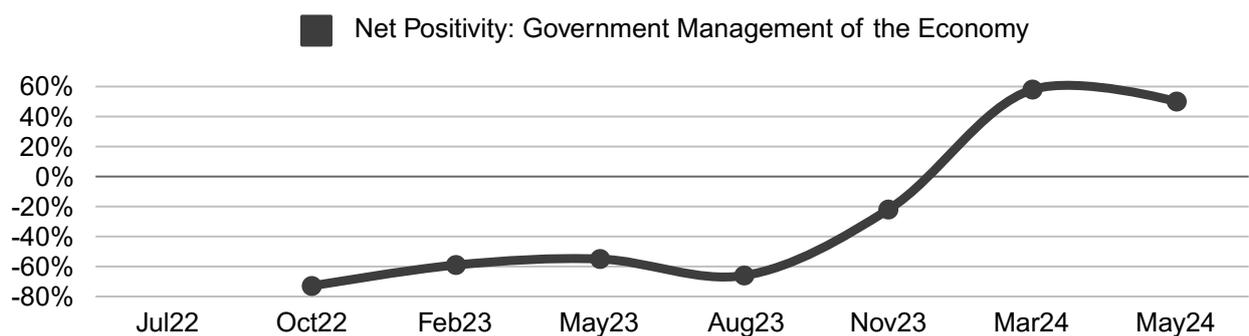
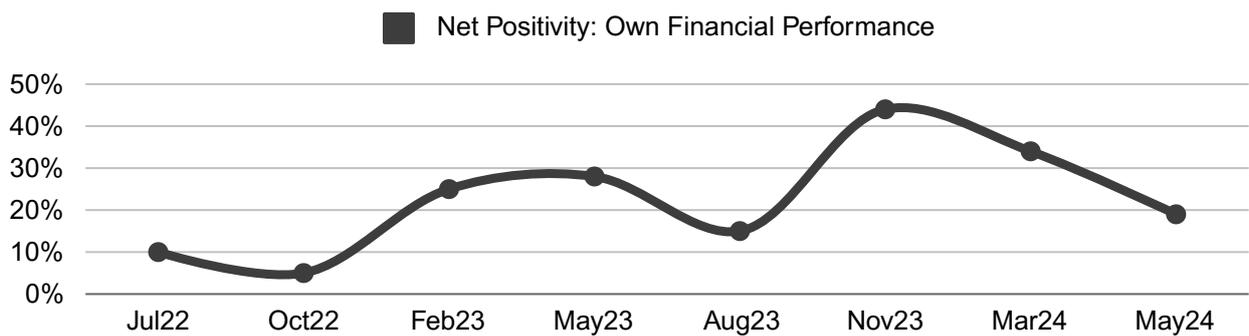
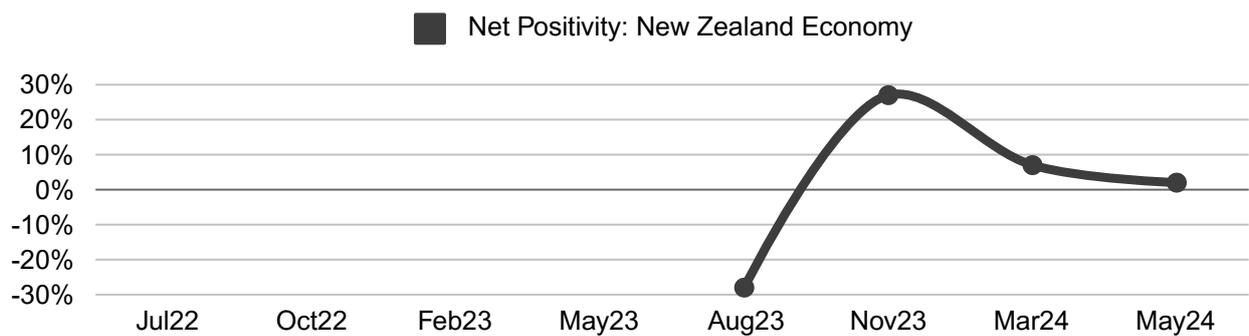
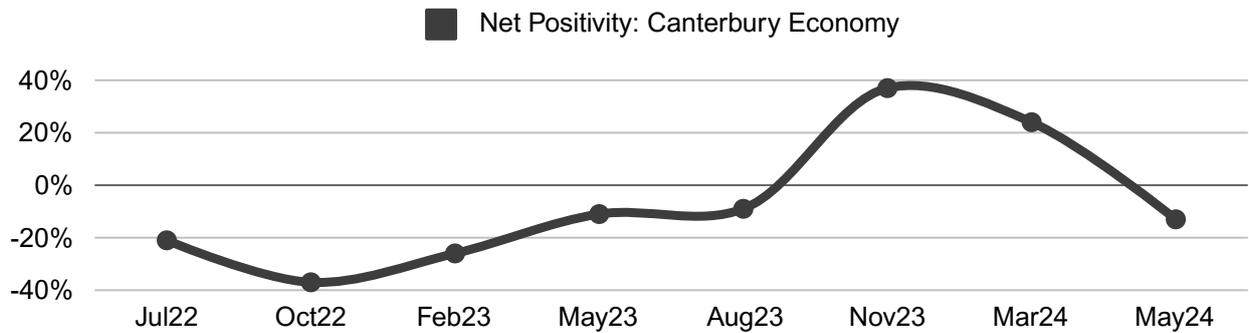
44%

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. Cashflow and accounts receivable/payable

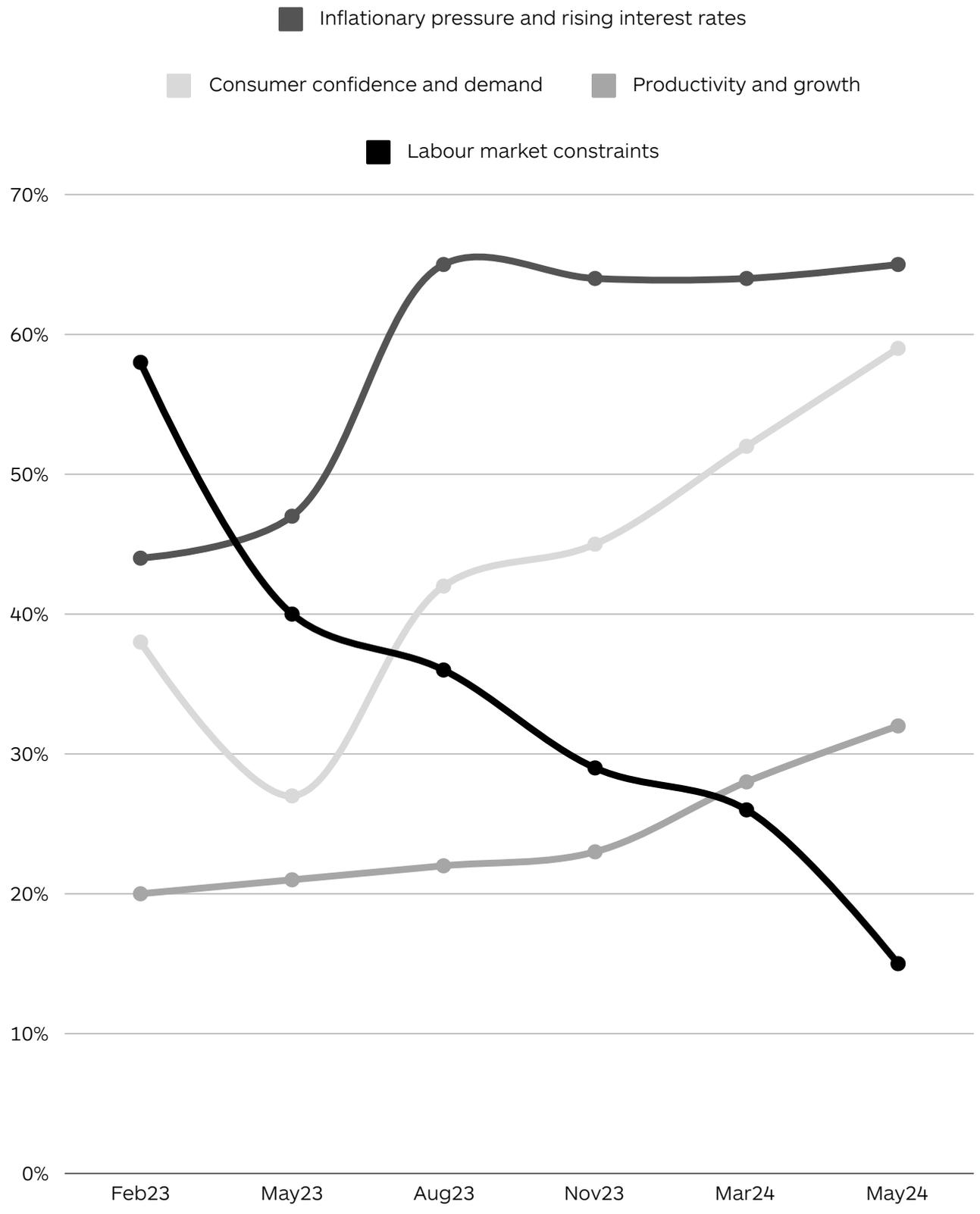
Business confidence: net positivity scores

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

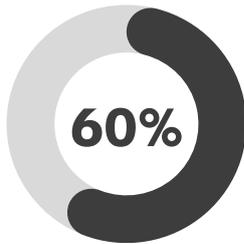
In every survey, we ask respondents to select the three biggest concerns for them. The graph below shows the proportion of respondents who listed one of the following four issues among their top three concerns.



Mid Canterbury Snapshot



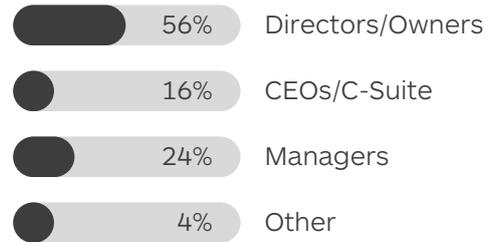
Respondents



SMEs



Large Businesses



Top issues

1. Consumer confidence and demand
2. Inflation and interest rates
3. Compliance costs
4. Cashflow
5. Productivity and growth

Industries

1. Primary industries and agriculture
2. Manufacturing
3. Construction and civil
4. Retail
5. Professional services

31%

Expect the Canterbury economy to be stronger in 12 months.

53%

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

60%

Expect to hire new staff within the next 12 months.

47%

Expect stronger financial performance over the next 12 months.

43%

Are experiencing significant impacts from rising costs.

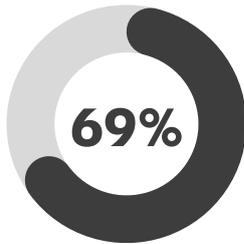
68%

Are confident in their ability to deal with disruption.

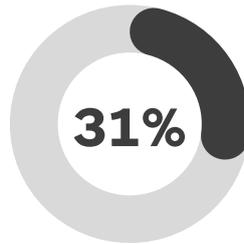
Selwyn Snapshot



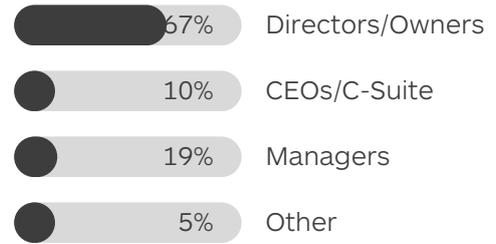
Respondents



SMEs



Large Businesses



Top issues

1. Inflation and interest rates
2. Consumer confidence and demand
3. Productivity and growth
4. Compliance costs
5. Cashflow

Industries

1. Primary industries and agriculture
2. Manufacturing
3. Construction and civil
4. Professional services
5. Freight and logistics

33%

Expect the Canterbury economy to be stronger in 12 months.

63%

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

48%

Expect to hire new staff within the next 12 months.

38%

Expect stronger financial performance over the next 12 months.

32%

Are experiencing significant impacts from rising costs.

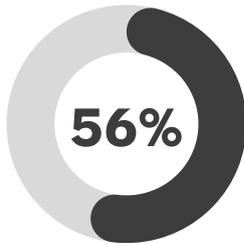
78%

Are confident in their ability to deal with disruption.

North Canterbury Snapshot



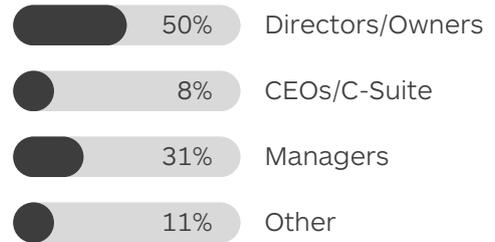
Respondents



SMEs



Large Businesses



Top issues

1. Consumer confidence and demand
2. Inflation and interest rates
3. Compliance costs
4. Productivity and growth
5. International trade and geopolitical risk

Industries

1. Manufacturing
2. Primary industries and agriculture
3. Professional services
4. Construction and civil
5. Software and technology

21%

Expect the Canterbury economy to be stronger in 12 months.

71%

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

68%

Expect to hire new staff within the next 12 months.

38%

Expect stronger financial performance over the next 12 months.

52%

Are experiencing significant impacts from rising costs.

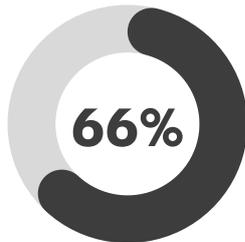
81%

Are confident in their ability to deal with disruption.

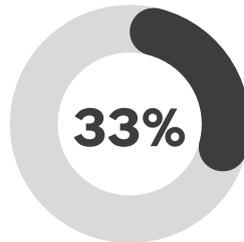
Christchurch Snapshot



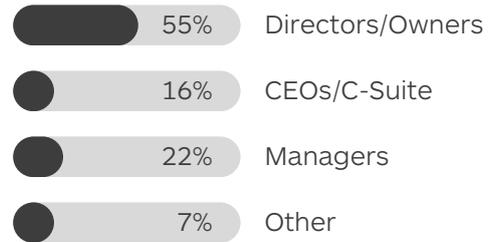
Respondents



SMEs



Large Businesses



Top issues

1. Consumer confidence and demand
2. Inflation and interest rates
3. Compliance costs
4. Cashflow
5. Productivity and growth

Industries

1. Manufacturing
2. Professional services
3. Construction and civil
4. Software and technology
5. Retail, accommodation and hospitality

27%

Expect the Canterbury economy to be stronger in 12 months.

57%

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

60%

Expect to hire new staff within the next 12 months.

46%

Expect stronger financial performance over the next 12 months.

37%

Are experiencing significant impacts from rising costs.

74%

Are confident in their ability to deal with disruption.

Manufacturing Snapshot



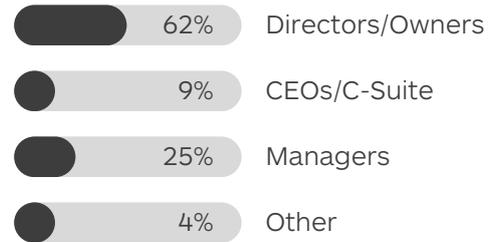
Respondents



SMEs



Large Businesses



Top issues

1. Consumer confidence and demand
2. Inflationary pressure and rising interest rates
3. Productivity and growth
4. Cashflow
5. Compliance costs

28%

Expect the Canterbury economy to be stronger in 12 months.

66%

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

60%

Expect to hire new staff within the next 12 months.

56%

Expect stronger financial performance over the next 12 months.

45%

Are experiencing significant impacts from rising costs.

70%

Are confident in their ability to deal with disruption.

Civil and Construction Snapshot



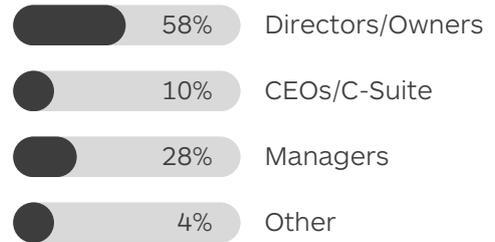
Respondents



SMEs



Large Businesses



Top issues

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

30%

Expect the Canterbury economy to be stronger in 12 months.

65%

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

58%

Expect to hire new staff within the next 12 months.

35%

Expect stronger financial performance over the next 12 months.

40%

Are experiencing significant impacts from rising costs.

63%

Are confident in their ability to deal with disruption.

Professional Services Snapshot



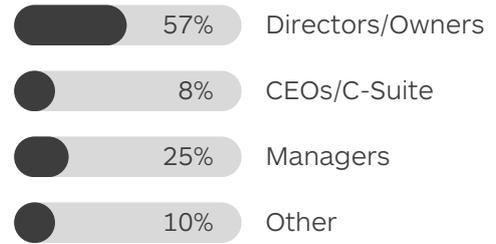
Respondents



SMEs



Large Businesses



Top issues

1. Inflation and interest rates

2. Consumer confidence and demand

3. Productivity and growth

4. Compliance costs

5. Mental health and fatigue

27%

Expect the Canterbury economy to be stronger in 12 months.

40%

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

52%

Expect to hire new staff within the next 12 months.

39%

Expect stronger financial performance over the next 12 months.

24%

Are experiencing significant impacts from rising costs.

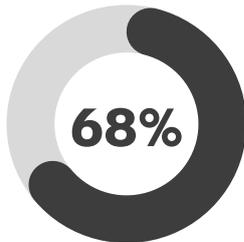
81%

Are confident in their ability to deal with disruption.

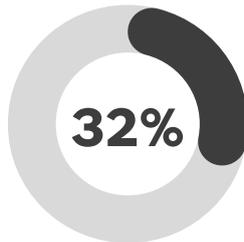
Primary Industries Snapshot



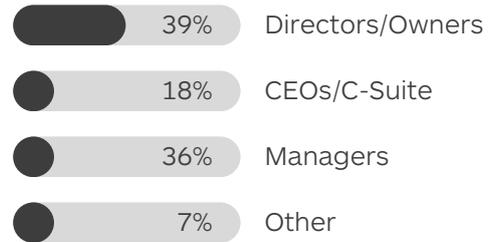
Respondents



SMEs



Large Businesses



Top issues

1. Inflation and interest rates

2. Consumer confidence and demand

3. Compliance costs

4. Cashflow

5. International trade and geopolitical risk

11%

Expect the Canterbury economy to be stronger in 12 months.

44%

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

41%

Expect to hire new staff within the next 12 months.

30%

Expect stronger financial performance over the next 12 months.

44%

Are experiencing significant impacts from rising costs.

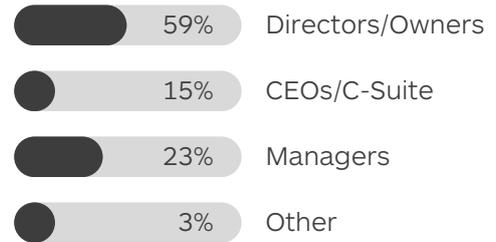
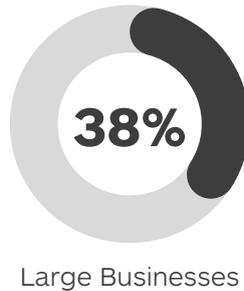
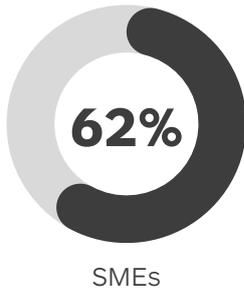
76%

Are confident in their ability to deal with disruption.

Retail, Tourism and Hospitality Snapshot



Respondents



Top issues

1. Consumer confidence and demand

2. Inflation and interest rates

3. Compliance costs

4. Productivity and growth

5. Cashflow

36%

Expect the Canterbury economy to be stronger in 12 months.

51%

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

59%

Expect to hire new staff within the next 12 months.

49%

Expect stronger financial performance over the next 12 months.

43%

Are experiencing significant impacts from rising costs.

66%

Are confident in their ability to deal with disruption.

Software and Technology Snapshot



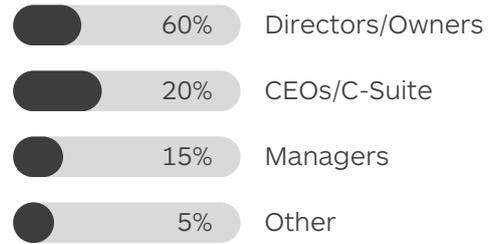
Respondents



SMEs



Large Businesses



Top issues

1. Inflation and interest rates
2. Consumer confidence and demand
3. Productivity and growth
4. International trade and geopolitical risks
5. Access to capital

42%

Expect the Canterbury economy to be stronger in 12 months.

68%

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

84%

Expect to hire new staff within the next 12 months.

68%

Expect stronger financial performance over the next 12 months.

26%

Are experiencing significant impacts from rising costs.

89%

Are confident in their ability to deal with disruption.