

Quarterly Canterbury Business Survey

NOVEMBER 2023

In field: 15 November - 24 November



This edition of our Canterbury Quarterly Business Survey shows a welcome bounce back in confidence following uncertainty leading up to the election.

Key metrics like financial performance expectations and outlook on the NZ economy have rebounded to the highest levels seen in months. This reflects optimism that the new Government can deliver policies enabling productivity, innovation and sustainable growth.

However, concerns still linger around inflation, interest rates, consumer confidence, labour shortages, and compliance costs. While investment appetite and hiring intentions remain muted, we may see an easing as Christchurch's migration boom continues.

The influx of new skills and experience from both within New Zealand and from across the globe could relieve wage cost pressure and labour shortages currently constraining growth.

The survey also showed our recovering tourism sector driving wider benefits, and infrastructure delivery and roading improvements standing out as a priority for local government spending.

With confidence and tourism rebounding, Canterbury businesses are well placed to make the most of our region's ongoing growth and success. We'll watch eagerly to see if the new government can deliver the policy settings needed to enable this.'

85%

Expect the Canterbury economy to be the same or stronger in 12 months.

43%

Say that wage costs are their biggest cost driver.

76%

Are confident or very confident in their ability to deal with disruption.

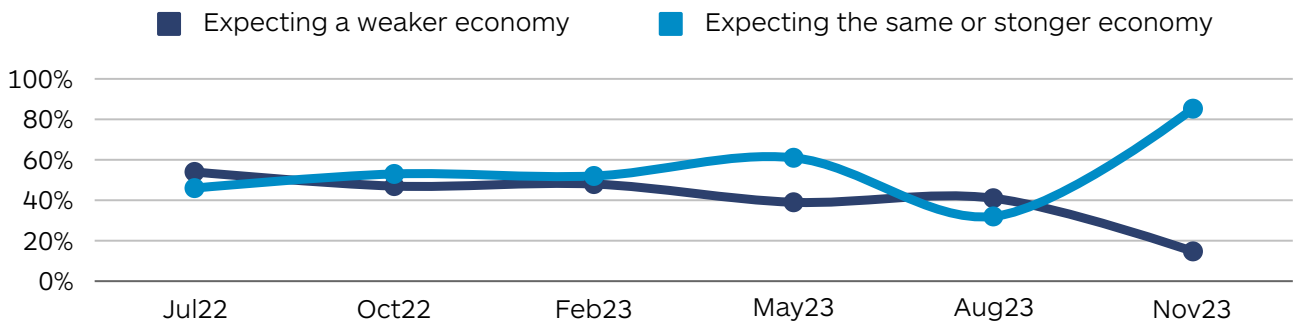
Top Issues

85%

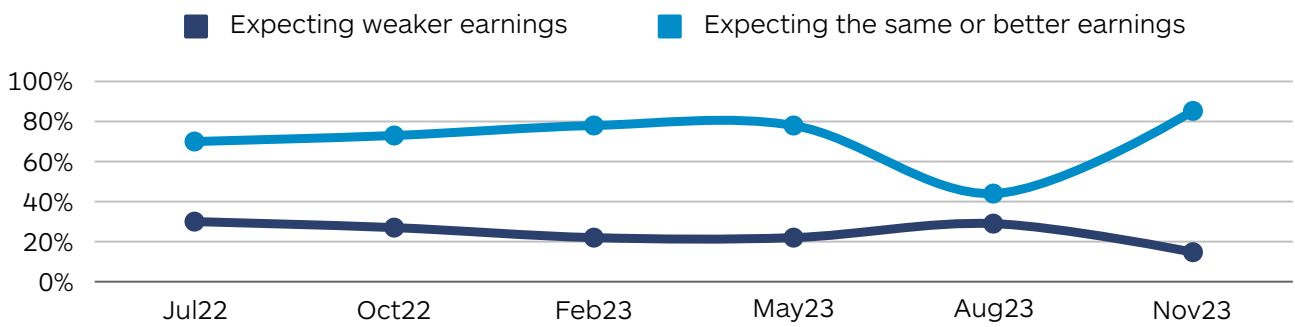
Expect the same or stronger earnings over the next 12 months.

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

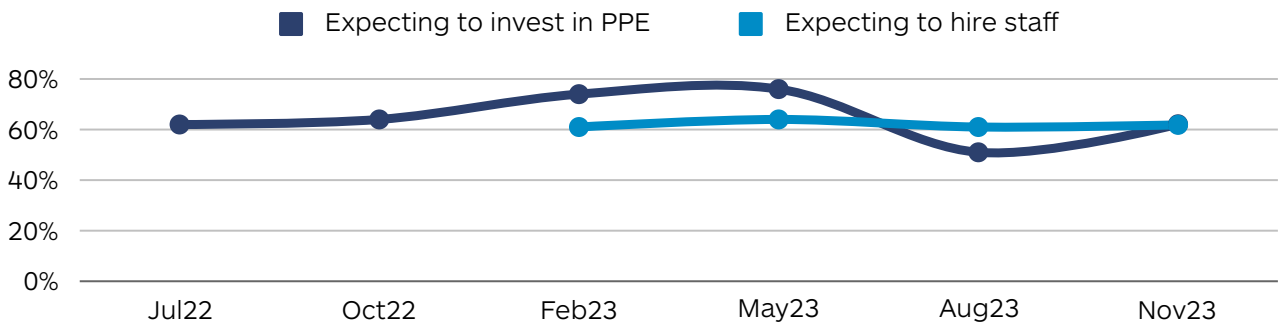
Expectations of the Canterbury economy in 12 months



Expectations of own earnings in 12 months



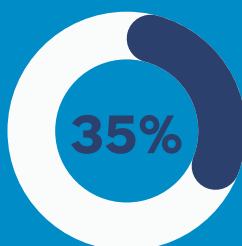
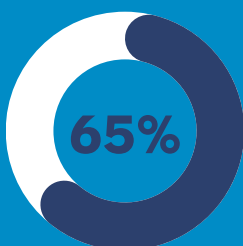
Expectations of investment over the next 12 months



Respondent snapshot

SMEs

Large Businesses



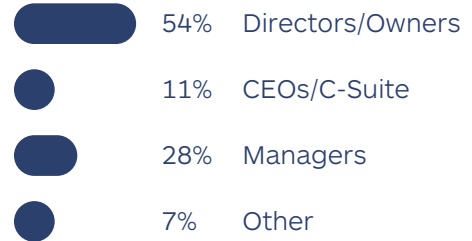
- 50% Directors/Owners
- 13% CEOs/C-Suite
- 27% Managers
- 10% Other

MANUFACTURING SNAPSHOT

Respondent snapshot

SMEs (<50 FTEs)

Large Businesses (>50 FTEs)



Top issues

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

84%

Expect the Canterbury economy to be the same or stronger in 12 months.

68%

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

58%

Expect to hire new staff within the next 12 months.

78%

Expect the same or stronger earnings over the next 12 months.

41%

Are experiencing significant impacts from rising costs.

69%

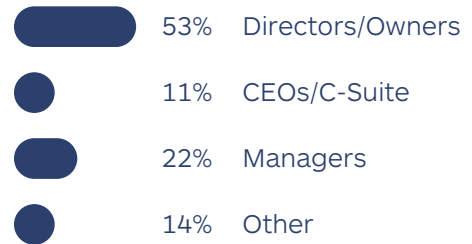
Are confident in their ability to deal with disruption.

CIVIL & CONSTRUCTION SNAPSHOT

Respondent snapshot

SMEs (<50 FTEs)

Large Businesses (>50 FTEs)



Top issues

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

76%

Expect the Canterbury economy to be the same or stronger in 12 months.

65%

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

71%

Expect to hire new staff within the next 12 months.

82%

Expect the same or stronger earnings over the next 12 months.

45%

Are experiencing significant impacts from rising costs.

79%

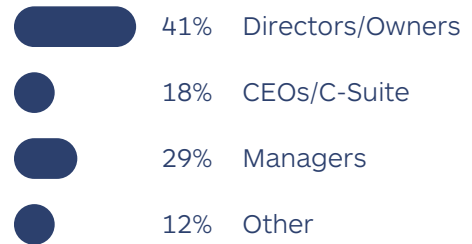
Are confident in their ability to deal with disruption.

RETAIL & HOSPITALITY SNAPSHOT

Respondent snapshot

SMEs (<50 FTEs)

Large Businesses (>50 FTEs)



Top issues

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

91%

Expect the Canterbury economy to be the same or stronger in 12 months.

63%

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

56%

Expect to hire new staff within the next 12 months.

81%

Expect the same or stronger earnings over the next 12 months.

48%

Are experiencing significant impacts from rising costs.

58%

Are confident in their ability to deal with disruption.

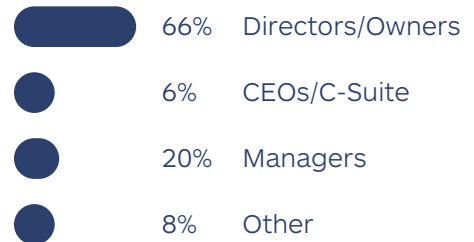
PROFESSIONAL SERVICES SNAPSHOT

Respondent snapshot

SMEs (<50 FTEs)



Large Businesses (>50 FTEs)



Top issues

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

87%

Expect the Canterbury economy to be the same or stronger in 12 months.

48%

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

64%

Expect to hire new staff within the next 12 months.

91%

Expect the same or stronger earnings over the next 12 months.

19%

Are experiencing significant impacts from rising costs.

82%

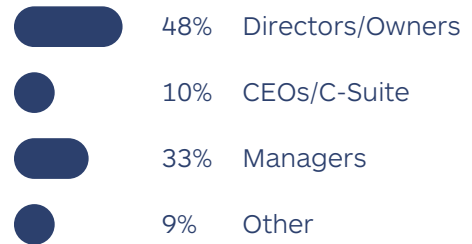
Are confident in their ability to deal with disruption.

PRIMARY INDUSTRIES SNAPSHOT

Respondent snapshot

SMEs (<50 FTEs)

Large Businesses (>50 FTEs)



Top issues

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

81%

Expect the Canterbury economy to be the same or stronger in 12 months.

71%

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

62%

Expect to hire new staff within the next 12 months.

95%

Expect the same or stronger earnings over the next 12 months.

30%

Are experiencing significant impacts from rising costs.

85%

Are confident in their ability to deal with disruption.