

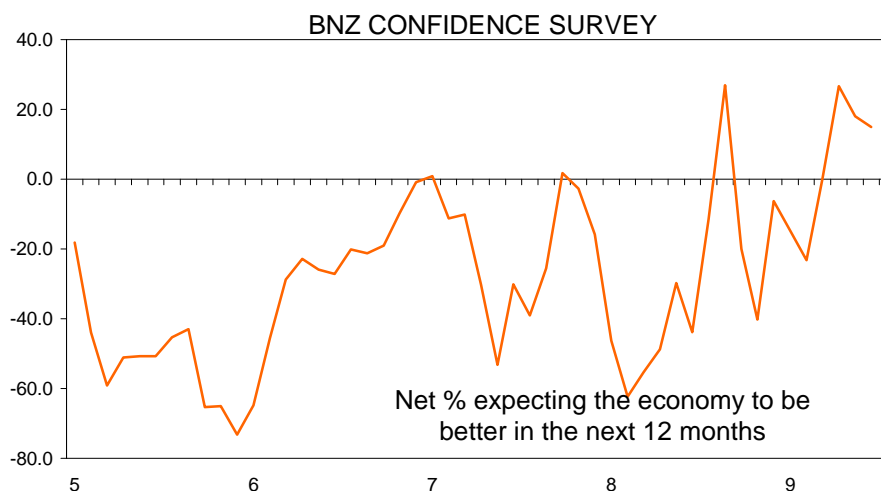
Mission Statement

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 18,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please email tony.alexander@bnz.co.nz with 'Subscribe' in the Subject line.

Sentiment Still Positive

Our monthly survey of BNZ Weekly Overview readers last Friday reveals that a net 15% expect the NZ economy will improve over the coming year. This is down slightly from a net 18% positive in June and record 27% in May but the minor pullback is consistent with our interpretation of recent results being a "sigh of relief" at the avoidance of an especially deep recession scenario.



Here are the main points we have gleaned from respondents across a range of industries.

Accountancy

Very busy with lots of cash flow forecasting and advisory work for clients needing to adjust to a tougher business environment.

Advertising & Marketing

Clients mainly still cutting back though one or two in better position starting to think about re-engaging with the marketplace.

Agriculture

Overwhelmingly concerning comments regarding dairy and the feed-through to rural centres and suppliers.

Architects

Some signs of things stabilising.

BNZ CONFIDENCE SURVEY

Construction

Very competitive but definite signs of improvement in residential activity.

Engineering

Interestingly very mixed reports.

Forestry

Increased interest from China but the NZD of concern.

Hospitality and Entertainment

Spending levels lowish but signs of things bottoming out.

Human Resources

Still generally weak with only slight positive signs.

Information Technology/Telecommunications

Extremely diverse experiences reported.

Insurance

Clients looking to cut costs but some increasing coverage for fear of inability to withstand an income shock.

Manufacturing

Still weak overall but some slight rise in orders noted by a few.

Property Development

Some signs of improvement evident.

Real Estate – Non-residential

Shortage of tenants, rising vacancies and yields on offer along with falling prices.

Real Estate – Residential

Shortage of listings continuing, little evidence of prices rising, strong buyer demand at lower price points.

Retail

Signs of the worst being over but no strength as such.

Tourism and Travel

Comments not as bad as one might have expected, but still pessimistic overall.

Transport and Storage

Food shipping holding up but rest generally weak.

Vehicles & Automotive

Still overwhelmingly weak.

Wine

Worries about a demand/supply imbalance at current prices.

BNZ CONFIDENCE SURVEY

Survey Date	Better %	Same %	Worse %	Net %	# of respondents	# of comments
4 April	10.9	22.9	66.2	-55.3	385	258
1 May	12.7	25.7	61.5	-48.8	338	231
29 May	22.3	25.6	52.1	-29.8	309	200
3 July	16.3	23.5	60.2	-43.9	374	200
5 August	29.6	29.3	41.1	-11.5	338	241
4 September	51.5	23.9	24.6	26.9	264	181
2 October	27.7	24.7	47.6	-19.9	376	248
7 November	22.1	15.5	62.4	-40.3	375	279
4 December	35.9	21.9	42.2	-6.3	479	330
6 March	26.5	23.8	49.7	-23.2	867	642
2 April	35.8	28.5	35.8	0.0	741	529
8 May 2009	50.2	26.4	23.5	26.7	618	428
5 June	43.3	31.4	25.3	18.0	566	409
3 July	41.7	31.6	26.7	15.0	621	443

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 some comments are chopped off or indecipherable and those in capital letters are also left out.

Accountancy

- In accounting and at the moment it's debtors - they're getting longer like the days are now - must think we're friendly bankers.
- Chartered Accountancy and Business Growth Advice. Clients in general are becoming more positive about their business prospects.. Many clients still looking at cost cutting and therefore more fee sensitive than 12 months ago.
- Increasing workload. This is common in the Accountancy field when times are tough. Clients become aware of reduced incomes and look for assistance with reducing costs
- In Financial Services Auckland...having a year of record sales/growth, but needing to help many clients who are struggling to cope with cash outflows. Business clients are reporting that many customers are not paying them and they are needing to chase payments...business mentors can help with this common problem in recession times.
- Chartered Accounting- very busy, most clients running a more ship shape business.
- Accountancy - still shortage of skilled staff, very busy with forecasting and periodic reporting.
- Accounting - compliance up, delayed payments up
- Taxation Consultancy - a slight increase in transactional work; expecting to see an increase in bargain hunters.
- Chartered Accountant: Have never had such a backlog of work. Looking at six months worth of client files waiting to get started! Issue will be whether the clients have sufficient cash flow to pay when the work is done. Clients in the building and associated sectors/transport industry under extreme cash flow pressure.
- Chartered Accountant - many tracking as they have for last ten months - some dairy clients under real stress especially recent conversions
- Chartered accountancy. we are busier than ever.
- Accountancy. I noticed things had been more difficult for many people when preparing the last round of GST returns. Also one or two saying please don't prepare my accounts yet I simply can't afford to pay you. Still more new clients coming on board with me though.
- Accounting, strong demand for services from those who have well positioned themselves in advance. Lots of change means opportunity for work.

BNZ CONFIDENCE SURVEY

- Mid sized Accountants and business advisors. Majority of business with lower profitability and voluntary liquidations increasing. However top twenty percent of clients showing increased returns with many opportunities in their respective markets. Our Debtors ledger is still turning over. Year to date suggest a record year.

Advertising & Marketing

- Advertising: Pretty woeful! clients still cutting back, quite rightly. Agencies and the ad business as a whole need to restructure urgently yet still seem to be sitting it out.
- Advertising - market is very short. Not many clients making very long term decisions. Client budgets have been cut significantly.
- Incentive Marketing - looking quite strong with a string of new contracts signed over the last six weeks
- Advertising - flat
- Advertising: Still seeing budget cuts, not looking too flash
- Advertising, marketing communications agencies: clients marketing spend now planned in short term bursts (3 months or less) rather than annual budgets. More tactical than strategic. Harder for us to plan our resources. We have reduced staff by 10% and will not be hiring during the rest of this year.
- Advertising/Publishing - sales are starting to pick up slowly.
- Government corporate communications. Very little work around. We have to think outside the square currently.
- Marketing and advertising industry supplying digital marketing software. Business is slightly ahead of last year, pressure on pricing, but larger companies showing interest in improving productivity of marketing dollar. Seeing some early signs of positiveness from companies with 30 June balance date as new budgets emerge, but too early to say if there is a trend.

Agriculture

- Sheep farming looking up but usual story prices are only up when we don't have any to sell.
- Dairying. Things really tight. Being forced to pay for shares has hurt. Next 6 months are very important. Outlook next 6 months are not looking good.
- Dairy Farming The unknown of banking policy for financing and where they will jump. Unknown quantity of industries problem as land prices, cow prices and costing settling-out stage. Fear dairy price will drop away more as costs still rising.
- Short term is unsustainable but long term prospects will improve(dairy farming)
- Sheep and beef. Wee bit nervous that lamb prices might not hold at this years levels into next season. Unbelievably there may be some light at the end of the tunnel for strong wool if rumours of new contracts come through.
- Dairy - prospects with the dollar where it is and seems to be heading, the low international demand and other countries subsidised product, things are looking decidedly average. That's even without factoring in higher costs!
- Dairy farming. Cash flow is extremely tight, but most of us retain faith that things will improve next year.
- Dairy farming - Extremely tough, with reduced payout. Prudent budgeting required to meet costs. A real struggle.
- Agriculture Sheep & Beef - Worst winter for a while with lack of any feed. Rural economy will have to bunker down as service industry to Ag has gone extremely quiet with no demand for services.
- Dairy industry is not very promising. The dollar is still too high and our predicted payout is very low. No encouragement to grow our business or employ extra staff. Just do what is necessary to survive and keep the industry viable.
- Arable farming Not that great as we rely on the dairy industry for both grazing and feed. Input prices will still be rising when we will be having to reduce the price of our product. Firms have issued contracts for grass sown in March to have final payment in April 2011! Mills are importing grain for \$300 per tonne more than we would sell to them - why? I don't think rural towns (or cities) understand the impact that the downturn in agriculture will effect them - it is only now starting to flow through.

BNZ CONFIDENCE SURVEY

Agriculture Servicing

- Fertiliser -- worst year since 1980's
- Veterinary services. We work with a number of dairy clients at the 'whole farm' level - some are going to be very tight financially this coming year. 40% equity in a 300 cow herd with average production leaves no dollars after interest and operational costs. Their answer is to increase production efficiently which alters the bottom line positively. On the other hand, sheep farmers are looking forward to, and expecting a better outcome this year. They are overdue for it! Their product (exception is wool) is finally turning a profit - enough to look at reducing debt. On the whole, farming people are positive and getting on with the job.
- Manufacturing for rural sector. Farmers in a state of flux. Some more successful companies looking for opportunities - we see potential for consolidation and change in dynamics for distribution of rural merchandise products
- Ag Aviation. Still bad. Outlook bad. No improvement before Feb 2010 unless there is a dramatic change in exchange rate. America and Europe going into subsidy mode bad news. This downturn could get ugly between now and Christmas.
- Livestock Sales. There are many extremely worried dairy farmers currently and this again has seen their confidence to make meaningful decisions implode. The recent behaviour of the NZD also has farmer clients across all sectors nervous enough. The mood of farmers toward spending suggests that servicing towns and down stream businesses will have some pain to endure certainly in the next 18 months.
- Retrenchment in Farming industry, particularly dairying. Wallets largely closed other than absolutely essential R&M.
- Agricultural Contracting (Mid Canterbury) The erosion of equity (dairy livestock and most farming land) as well as the lower returns in the dairy sector is also affecting other farming sectors that act as support to the dairying industry. This is causing a general nervousness throughout the farming sector resulting in a "bare minimum" mentality leading to a pull back on all spending. I believe this will continue to happen across a wide variety of industry's over at least the next 12 months.
- Agricultural Consultancy. Farm costs the main issue Dairying under cash flow pressure, may lead to lower production if farmers destock to save wintering costs. Sheep farmers more optimistic
- Livestock handling products sheep and beef. If lamb prices stay stable we might see this sector picking up - all the signs are there

Architects

- Architecture, Christchurch - still ok amount of enquiry coming in, we're steady but could be busier. Feedback in industry is mixed - some are flat out, some are patchy.
- Architecture - The freefall has stabilised and projects going ahead although margins are tight.
- Architectural Design - no reduction in the workload - projects still coming in steadily. Clients happy to pay their accounts.
- I am in architecture and presently things are looking very positive for me personally with easily enough work to keep me working 75/80+ hours per week. Things don't look like slowing down with plenty of work in the pipeline!

Business/Management Consulting

- I am a Business Broker. We seem to have roughly the same level of enquiry, the same number of contract as usual, but Purchasers are still struggling to arrange suitable finance from mainstream banks. This means our conversion rate from conditional to unconditional agreements is still below acceptable (normal) rates.
- Learning solutions development - booming as client organisations look for real value in their training spend
- Consulting Business providing help to SME's. Very busy at present.
- International and domestic consulting. At last, some real opportunities are opening up, but converting them into contracts is still a challenge, and the majority are short term.
- Consulting in Business Services - I'm working as hard as this time last year but for lesser reward - still busy but with smaller value jobs.

BNZ CONFIDENCE SURVEY

Civil Construction

- Roading and Civil Construction, Lower South Island. Workload still steady, we have been lucky to pick up a few skilled workers to add to our workforce. We can see the effects of some mild confidence from the market that things will improve, numerous queries for larger projects, so we will continue to wave at the recession as it goes by and maintain our present course
- Civil contracting in South Canterbury - have had an adequate workload to date however activity tends to slow up over the winter period so the next few months will be challenging.
- Hotly contended tenders in the commercial building game but a definite increase in the request for tenders work. Clients now sourcing new subbies as the recession bites into those who have fallen. Infrastructure, a bit out for tender and some interesting jobs but still looks like some councils are playing wait and see with their budgets.
- Civil - Roading Construction - Due to tightening of the civil market and subsequent increase in the number of contractors chasing the same work with little, no or even negative margin, staff redundancies are now a reality.

Construction

- Industrial construction, banks being ever more negative in lending to business owners, forget speculative construction
- Residential Construction - Fallen into a GRIM hole! Enquiry no's ok but no-one signing up to build new homes. No "green shoots" anywhere here, nor for any of our suppliers, subbies or competitors. Very difficult to create any urgency for clients who also have concerns over job security and rising interest rates. Roll on springtime!
- Commercial construction. The small to medium projects are coming up for tender. There is more competition for these projects.
- Construction Industry - Work is still available but other players in the market are (taking big price cuts) to get the work, unsustainable thinking longer term
- Actual business slow at the moment due to poor orders over last 6 months. Enquiry looking brighter???
- (home building franchise)
- Residential home building - A sustained surge in activity now, only being held back by over cautious banks.
- Residential Building. Our core business is residential investment which is going quite well. Good enquiry with contracts being written. Owner occupied sales coming on, expect this to increase during 2009 with shortage of housing stock coming into play.
- Residential Construction. Currently there is a big increase in work load. People are choosing to build new rather than purchase old homes and this is a real bonus for the building industry
- Construction - Hawkes Bay More opportunities for work, still stiff competition but it looks like the "buying of jobs" might have eased. Clients still largely concerned with price over performance
- Building trade Gisborne definitely starting to bite now very slow, tho customers that are about turn into a job. I think things are on the turn tho. Just need to make it to the finish post!
- We are a Volume residential building company based in the Franklin Area. We have already this financial year sold in dollar value the same as the whole of last year. The enquiry is crazy!. We are heading for a record year, may long it continue.
- Lower end housing - first or second home buyers, still lots of buyers out there at this level.
- Residential construction has been steady and plentiful for my team of 3 builders for the last 16 years and continues to do so luckily.

Construction Related

- We are a small painting & decorating business in the Waikato, employing one employee. Things have been very slow all year, no new housing hardly any residential work and only the established farmers doing any sort of maintenance or spending.
- Construction - supplier of fastenings Very difficult currently. Demand is limited and competition fierce due to the restricted demand. Working capital is extremely stretched. Staff have been made redundant in the past six months.

BNZ CONFIDENCE SURVEY

- Construction materials and heavy engineering -- very flat and likely to continue bumping along the seabed for 12 -18 months
- Building Supplies (esp to Kitchen Manufacturers & Joiners). Pockets of surprising activity but also many customers in a bad state. Next two months will make or break multiple operators.
- More renovation enquiry also more people seriously considering building in the next 6 months as they realise this is a good time to get tradespeople
- 3D Media & web for Building Industry - growing each month. Well managed businesses are still marketing to build share & awareness
- Aggregate and Quarrying - will pick up eventually with Government infrastructure investment but right now, very very quiet. There have been significant numbers of redundancies in this industry.
- We are involved with the servicing of swimming pools etc and as you would be aware it is a seasonal industry. Talking to Pool Builders in the industry the level of inquiries have been slow and pricing among builders is very competitive. Our growth has been affected by this and we are concentrating on customer retention. We have had a staff member leave and will not be replacing him until closer to our summer period.
- Abrasive blasting and Industrial Painting. Our customers are mainly structural steel engineers and they are experiencing a very quiet period. We are also finding our rates have had to drop by an average of 20% to be competitive and we still miss out on tenders. We have not seen this sort of market since the late 90's. Our focus for the coming year is just to survive and be ready when the market lifts again.
- Building Industry - Supplier - there are some glimmers of hope on the horizon but as businesses try and pick up the extra work there is serious downwards pressure on the margins.
- Plumbing and gas fitting, Much relief to see the plans rolling across my desk for new homes. the maintenance side of our business is booming, we're back to not enough hours in the day. We will have to employ staff if this continues
- Carpenter/Joiner, clients not keen on spending too much, often getting quotes from those just out of industry training. Not competing with them, so go with 4 day week-ends, slow and easy.
- I have been building mostly new homes and additions for the past 30 years but have been pretty busy in the last 18 months renovating bathrooms, kitchens and building decks for clients who intend staying put.
- Residential renovations/property improvements-The phone does not ring very often, but most of enquiries are very genuine, we are booked for 4 weeks ahead. Things are looking much better than in June ?July last year.
- Timber & Building Materials - 95% trade sales. June sales were 3% above May, and May was a 1 or 2% above April as was April over March. A very little but steady increase. With some promotional initiatives we are getting more exposure in our local market and continuing sales as mentioned above. However we need About 30% increase to be where we should be.
- Supplier to the hardware industry - just be laid off along with five other people. Staff has been systematically cut from 28 at the start of the year to 16. Am optimistic about the future but the reality is a lack of sales this year to sustain overheads.
- I work in the resource management industry (ecological, planning and project management services). Our small company (11 staff) are very busy and have work out beyond six months. However we hear of bigger companies being less busy. Those individuals who are valued in the industry and have a good track record are as busy as ever. Those businesses who have expanded rapidly on the back of increased development over the past 5-8 years are finding it more difficult.
- Residential Joinery. Hand to mouth. Struggling to run the factory at 40hrs/wk plus business model requires one more production member.
- I am a town planner, my profession is linked to the development and construction industry, not surprisingly in the last 12 months we have seen a turnaround whereby you couldn't find someone to fulfil a job now you cannot find a job....many people have been laid off and Government jobs have proved the most secure with governments putting a stop on new advertisements for new employees until further notice.

Education

- Childcare - parents are cutting back on some hours to save costs but no withdrawing totally. Those on subsidies now reckon they can't even afford \$20 per weeks top up fees?? for full time care. Interesting times.

BNZ CONFIDENCE SURVEY

- In the higher education sector there is growing concern amongst providers about their ability to meet the increased demand for education and training without greater funding support from government.
- Very good (tertiary education), but that's always been the case in a down-turn. People who are made redundant or have low skills pick this time to re-train. Shame the govt funding cuts doesn't support our increased student numbers.
- ITO Although funding per trainee is not being inflation adjusted for 2010, there is an expectation that customers in the industry will increase commitment to training as economy picks up which should result in an increase of revenue in 2010.
- Private education - things are picking up - more calls in the last couple of weeks.

Engineering

- We are manufacturing engineers in Dunedin and finding workload high mainly because of 2 larger contracts with local companies.
- Manufacturing (Engineering) Volumes are still down on same time LY. Seeing some larger, well established and seemingly strong businesses closing their doors.
- Engineering Supplies Market has up and downs with predictions for the year being slightly under previous years trading.
- Engineering consultancy ? Round 3 of redundancies are upon us ? what more can I say!
- Precision Engineering - Plastics Industry 2 strong months in succession although dollar movement again impacting international competitiveness
- Engineering Consultancy: Work load picked up a little, but still well down on normal. Rural sector still have their cheque book in their pockets.
- Engineering - We have work for the next few months ahead
- Infrastructure/ Professional engineering services. Conditions are improving with clients gaining confidence and major infrastructure projects gaining momentum. Reduced Council spending a major issue for viability of small to medium contractors and engineers
- Engineering. I hope we have a recession like this every year. We have had to take on two more staff and looking for a 3rd.

Finance

- Banking, Housing slowing down.
- Things aren't that great but think that spending will gradually return when the economy starts picking up. We are seeing an increase in our loss provisions as the books age. (Industry: Financial Services (Credit Card/Travel Provider))
- Corporate Finance - pipeline of transactions starting to emerge, but this will take time. Unlike the previous cycle, these transactions relate to existing shareholders who are sorting out funding and succession issues between themselves, given the absence of private equity and overseas buyers. Overseas owners of non core subsidiaries initiating MBO's, and mergers between industry participants (for reasons of efficiency).
- I am in the finance business (small private finance company). We have noticed a significant drop in enquiries from personal borrowers but business applications have continued reasonably strong. Much care needed to weed out the weak proposals as we are getting all and sundry! (Including those refused by their banks!) But business has been profitable for us, with our March YE being a record result in spite of increased write-off for bad debt last year. We are quietly confident things will improve, we need people to emphasise the fact that 94% of people ARE working!

Financial Planning and Investments

- Money parked in banks is cautiously being moved out and invested into funds again due to low rates.
- We are retired from farming and investing our funds with the bank at this point, not over confident with other options at the moment.

Food

- Meat retail & wholesale. Restaurant trade suffering winter & recession blues, but retail holding up. Strong demand for less costly cuts. Costs more stable.

BNZ CONFIDENCE SURVEY

- Food Manufacturing: Local market still sluggish, export outside of Aus likewise for obvious reasons. Think things will start to pick up early next year

Forestry/Manufacturing/Sawmilling

- Log export industry. Involved in exports mainly to CHINA. Busy
- Export Demand for logs is good particularly out of China, of concern is the exchange rate
- Sawmilling: Just holding at 60% of last years sales.

Government

- Government - focus on cost saving and innovation to accommodate budget and salary/performance freeze/reductions.
- Government: Has settled down and with the new FY starting recruitment seems to be occurring again. Single year funding still affecting longer term decisions, projects and staff security.

Health and Fitness

- Medical Supply Industry very buoyant both in private and public sector
- In my area of physiotherapy we are about to experience a reduction of between 30-40% in income. This will have a very negative impact on the industry as there are about 400 small businesses.
- Private Health Not much change in patient volumes but not expected until numbers maintaining health insurance is impacted. One area effected is cosmetic surgery.
- Mental Health (Public hospital)increase in patient admissions
- Health. The work in private orthopaedic surgery remains fundamentally unchanged. There may be constraints in the future as I see ACC are withdrawing some of the physio fee charges. This may also have a flow on effect into specialist consulting fees, which is fully covered by ACC fees.
- Medical importer and distributor - its hard work to get each order, but there is plenty of business out there - its actually quite a fun time if you like challenges!!
- Care of intellectually handicapped- taxpayer funded; no retrenchments likely; no new hiring planned.

Horticulture

- Kiwifruit industry is looking good. Market returns are holding for Green and up for Gold which is excellent considering the World economy. Growers do well except those affect by the hail storms.
- Low temperatures and frosts will have some effect on the Bay of Plenty avocado production this year and next, but Whangarei area looks set for a better season. Now if only the US dollar would drop a bit.....
- Horticulture - avocados - brighter outlook. Better markets. FX in NZ favour. Processing coming on stream.

Hospitality and Entertainment

- Clear signs of bottoming out in customer spend decline (gambling)
- I am a worker in the sex industry. Work is slower for us now. Not so many customer to serve and all wanting only low price. Too low. We have less worker now because less money to make.
- TV Production The networks are only commissioning shows they know will rate well and are risk-averse when it comes to untested formats. The industry is looking to NZ On Air to keep it afloat and the bigger production companies are treading water.
- Entertainment industry - has been a very difficult June with very cold weather, swine flu, spend on big Wednesday lottery jackpot, and recession all contributing to a perfect storm.
- Media - very slow, we are now feeling the result of the budget cuts made earlier in the year.
- National Sporting Organisation - Football (Soccer). Things are looking very positive in our game at the moment. The movement downwards in the USD/NZD cross-rate has benefitted NZ Football due to some of our revenue streams being in USD. Gaming income is spiralling downwards, however.
- Film Industry - things are looking better than they have done for a while
- Average, we seem to have come through the decline in turnover and are now stabilising, no upturn yet but hopefully late 2009-early 2010. Hospitality industry.
- Hospitality Not booming but not the end of the world yet.

BNZ CONFIDENCE SURVEY

Human Resources

- Recruitment- More candidates, fewer jobs. Noticed a slight improvement towards latter part of June and continuing into July.
- In the employment field I am finding that many Eastern Bay of Plenty business operators are starting to feel a bit more confident that they can see the light. Whether this is because we are part way through Winter now or they have seen an increase in business I cannot clarify at this stage. On visiting builders in the area some are experiencing an increase in interest as far as home building are concerned while others are now deciding to get projects underway which had been put on hold late last year/early this year.
- IT Recruitment. The general consensus within the industry seems to be that it is very tough out there. For us May was the bottom of the barrel and June has rebounded strongly across a broad spread of client industry segments with contract and permanent placements occurring.
- Recruitment (temporary / contract and permanent) Unfortunately there has not been much of a change. Clients still not taking the plunge or investing in recruitment as much as LY YTD.
- Executive search. V busy. Lots of change equals lots of work

Information Technology/Telecommunications

- IT finance projects still slowing as spending dries up further.
- Telecommunications, slow
- IT Contracting - this has improved with more job offers
- Telecommunications. Business is good. Very busy as competition is heating up, and customers are getting more savvy about various products, therefore, shopping around for the best deal. In this economic environment key customer retention is vital.
- Information Technology There seems to be opportunities in the market place but there is continuing pressure on the price you quote. Service work is strong but hardware sales are protracted. Our suppliers are offering buying encouragements and their pricing is very competitive. I believe if we can maintain current optimum levels of income and manage expenditure over the next three months will see many of the systems and economies we have put in place provide a stable platform in the future. It's been a hard 6 months
- IT Consulting - Projects on hold and being delayed, but general fix break work continues unabated.
- IT Service (corporates) - modest health which we think reflects clients focus on getting more efficient IT operations and support services, a needed change from several years of rolling out new systems and upgrades. Getting orders confirmed is painfully slow, clearly everything above \$100 is monitored.
- IT is not busy in Wellington - few jobs available
- I.T - Thing are looking ok, new business is harder to attract but existing business is sticking around.
- Telecommunications - Slow however many businesses keen to reduce costs and requesting proposals Cautionary Expenditure from businesses very evident
- Information Technology: Many businesses working on their IT strategy or implementing it now that they can some breathing space and this is turning into additional business
- Telecommunications consulting. After last month being quiet for the first time in a couple of years, the order book is again full for the foreseeable future.
- IT industry - I sell to government accounts - end of govt year very busy slowing down decisions but still selling

Insurance

- I work in Life Insurance Industry, sales specifically. The uptake of insurance products has been stagnant and there is more demand for specific insurance policy like redundancy cover risk. Existing insurance cover is being relooked at by clients to try and cut down the premium they are paying. More fear of job loss and slowing down of economy is predicted. NZ for some reason seems to be catching up now only with global scenario.
- Insurance industry, affected mainly by poor u/w results and impact of lower interest rates makes for interesting times and will continue to place pressure on customers both business and domestic with continuing rate increases.
- Insurance - rates are hardening along with increased claims activity on back of recession and lack of adequate financial regulation in this country

BNZ CONFIDENCE SURVEY

- I am in the insurance and investment sector and we have a small brokerage in Christchurch. We are finding that there is still strong interest in personal risk products but investments are a lot tougher. People seem to be very aware of risk at the moment and this is making them look at things like life and income insurance and getting the appropriate policies and structures in place.
- Insurance - we are looking to maintain our position as people in a recession become more risk averse and will look to pass that risk onto a third party
- General Insurance. Size of book deteriorating, not making any money, further price increases need to go through and take hold.
- Insurance Broking. A continuation of slower payment of premiums. Monthly payment facility increasing. Clients are resisting increasing covers in order to contain costs; sadly underinsurance or non insurance carries very heavy penalties at claim time. Awareness and annoyance of increased fire service levies which are included in overall premium charges for various classes of insurance. There is a growing client annoyance as the levy only increases the total insurance bill and encourages under/non insurance.
- Insurance domestic is very busy but extremely price sensitive. More claims than usual but no real pattern emerging
- General fire and liability Insurance. It chugs along. Customers VERY careful with their spend but careful to remain insured. Some moved from replacement to indemnity for plant and stock.

Landscaping

- Landscaping. Work drying up in the corporate sector as building projects in housing and industrial sites are on hold. Redundancies in August.

Legal

- Legal - litigation booming, signs of recovery in commercial area, commercial property bargain hunters starting to move in - good sign.
- Quiet but not hopeless - legal
- Legal - revenue still up to budget but seems a bit quieter lately re new work coming in, as is typical at this time of year
- Legal Taranaki. we have plenty to do but would expect profit to be down by up to 40%
- Legal M&A - few more deals in the pipeline.
- Legal - property and finance - outlook is steady but no real opportunities other than an increase in mortgagee sales
- Legal – provincial. residential conveyance moderate -a catch up from 2008 .Rural conveyance moribund !
- A slow return to optimism. As the year unfolds, there is a feeling that the picture is less grim than anticipated
- Legal - Steady but slow. Normal for June for us (Queenstown) Always picks up with skiers in July buying property etc.
- I have NEVER been busier! I've increased my hourly rate to drop off a few clients, but it hasn't worked. I am in fraud investigation, litigation and preparation of cases for court. In these troubled times, everyone seems to be having a go.

Manufacturing

- Paper Industry. Customer consumption levels of newsprint appear to have plateaued after significant drops of over 20% that started ~May 08 off the back of very poor advertising demand. Cautious optimism that we are thru the worst
- Manufacturing; fashion accessories and bespoke leather finishing for interior fit outs. Orders continue to flow in although many retail customers reluctant to make commitment for indent orders for 2 months out. Same as I am on equipment purchases.
- Manufacturing exporter. Sales still up on the beginning of the year. Still very fragile with a small upward trend.
- Manufacturer/exporter: Timber building solutions. Winter months are likely to show further decline in NZ. Export markets off their lows, for now at least. Overall outlook is flat for 12 months. Customers expecting greater value for the same price or lower.
- Clothing manufacturing, down sizing

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- Still sitting at 20% below last year. Not many green shoots yet but not getting any worse. Australian customers similarly quiet. Industrial Manufacturing
- Clothing Manufacturing, we are busy, but the industry has taken some major hits recently. The scary part is the lost of infrastructure and knowledge, as all these companies fall over.
- Export Food Marketing - redundancies likely - a requirement following bank instructions to cut costs.

Miscellaneous

- We had our busiest month ever in June, invoicing out 120K instead of average 80K. We are a hydraulic service & repair business
- Sales and servicing capital equipment for Manufacturing, Mining and Construction. In terms of demand: still a good level of activity driven by production development, factory relocation and improved efficiency (energy) but more and more difficulties in getting the Capex approved by management (lack of confidence in the coming times, lack of credit?)
- Electronic security - we have a sense that projects are picking up again.
- I guess I am in the membership and events industry - and I think it will get harder to make people pay membership fees and it is also getting harder to make people come to events due to austerity and cost discipline (however when the chips are down, networking is more important than ever)
- Catering Services have had a increase in sales for the Central and East Auckland Areas for Medium Sized Corporate events
- Pharmaceutical Wholesaling. Costs have been pruned to the bone but volume turnover remains steady so we appear to be at the bottom of this cycle. Slow growth ahead now seems likely.
- Hi Tony I'm the boat builder who offered you a fishing trip while you were at Stewart Is earlier this year. Well I had no work then and it's much the same now. I look after the private sector. The commercial sector is steady as usual. I also run a storage company, which is getting busier. Couples parting their ways, young ones going home to mum and dad. People unable to afford the rent and downsizing their accommodation. There are less leaving the country though. I believe Southland is only just starting to feel the affects. We have two more years at least to feel the effects of this down turn. The over capitalised Dairy farmer hasn't tumbled yet and when he does He will hurt the banks big time. That won't help the small guy in business or Joe Bloggs who is struggling to borrow for a home. I believe it's a good time to develop small to medium commercial property now.5 mill to 10 million. If you can secure strong tenants. The investors will look closely for better returns, the labour will be easier to find at a better price and the tenders will be more sharply priced. There is always opportunity.
- Machinery rentals and sales. The cold blast of winter adding to the slowdown. Some competitors rates dropping to well below cost in chasing cash flow. For the first time ever our bottom line is in the negative and cannot see any improvement for 4-5 months. Now looking at 4 day weeks to retain staff rather than lay-offs.
- Safety Industry We are importers and suppliers to resellers in the Safety Industry. Last financial year we grew by 4%. We are continuing with that currently in this financial year. When more of the Infrastructure spending kicks in I assume we will pick up further.
- The industrial coatings industry is in its worst slump in a decade with no positive short term outlook on the horizon. Lay offs are occurring in all sectors of the industry
- Whakatane Secure Storage Centre. We have had about 20% more enquiries lately. May being our best month for 10 months.
- Hi tech defence exports still plenty going on for us. Some manufacturing moved offshore but we are still overloading all our subcontractors. Hired a 20 something native NZ engineer recently back from UK; one of the best hires in last 5 years.

Printing and Publishing

- Printing industry-things very tight. Sales well down. Customers complaining that their O.D. facilities at their banks being reduced. Lack of credit generally is a major concern.
- Print packaging. Stable but still uncertain
- PRINT: Offset ? crazy quotations being offered, if a client plays the field she/he'll pick up some bargain rates.

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- Poor. Newspaper and printing industry. Advertising volumes have dropped, mostly national retail based advertising and situations vacant and real estate.
- Label Printing - Improvement over the last few weeks as overall business confidence improves and new wine vintage comes on track. Everyone seems to have cash flow problems. Next 3 months looking ok but concerned about the last 3 months of 2009 and early 2010
- Printing, advertising, very bad
- Printing; this year has been good exports are what is keeping us busy but servicing local and overseas clients well from a sales /customer internal sales /and print performance on time and producing to the high standard that our area of expertise demands
- Flexible Packaging - Noticing more market interest although margins remain very tight

Property Development

- Property Development - Improving sales activity but still very weak interest (even at heavy discounts). We put through a large number (17) consents in June to avoid a 100% increase in development contributions on 1 July - I expect others may have done the same - so watch out for a spike in the numbers (depending how many others councils had large increases too).
- Property development and investment; more activity with some new players surfacing.
- More enquiry regarding large scale residential developments, but still early in planning stages. Tertiary Education sector planning large scale projects over next 5 years
- Property Development, Nelson. Sluggish sales have forced land developers to reduce asking prices by up to 15%, we will now see if sales pick up. New spec homes still very difficult to move, one sold this week at a loss to developer. Market dead over 500000k.
- Property development: Residential - definite signs of improvement, Commercial - sucks, Lifestyles - sucks even more. Overall definite signs of improvement, Contractors keen to quote.
- Land development - Still very slow but certainly signs of movement. Expectations that things will improve over the summer although it will be summer 2010 before movement takes off.

Property Management

- Property Manager North Shore Auckland. Rentals this month have improved considerably over previous months, we are also experiencing some rental growth first time for over 12 months. There is also evidence of new tenants having sold deferring purchase till economy recovers. Student numbers holding up for 2nd semester occupancy best for several years. Sales evidence from agents is strong for under \$500k with multiple offer situation for any thing that meets market, interesting to see whether this is catch-up for last year.
- Property Project Management Consultants. Both our offices - Auckland & Christchurch - think the market is at or near the bottom of this particular 'dip'.

Real Estate – Non-residential

- Things are tight in the industrial property sector. Our tenants are reading their leases closely. But, they still keep paying the rent. They just whinge about it more.
- O.K. But some tenants are struggling. Commercial Property leasing.
- Commercial Leasing - substantial vacancy along with increasing sublease space putting negative pressure on rentals and increasing rent free incentives to 12 months on a six year lease term.
- Commercial and Industrial Realty Broker; On the streets tenants or the lack of them are quickly re-establishing their lofty status as building vacancies continue to increase. As the vacancies continue to hit tenant incentives to both stay and move from prospective landlords have increased. We move a tenant and fill one space to empty another, generally at a reduced rate/yield/and property value.
- Commercial real estate. Has been very quiet can only get better, some real bargains, but few have the courage to invest in uncertain times.
- Some signs of encouragement and more activity commercial property
- Commercial Real Estate. Noticeably more low value leasing happening, good inquiry levels for businesses and plenty of purchasers wanting for well tenanted buildings to come on the market. Unfortunately there is a shortage of the latter and the majority of small businesses for sale are unrealistic with their asking prices.

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- Commercial Real Estate. Confidence is coming back into the market. Supply and demand is dictating that yields on investment property are holding up. Shortage of good stock with loads of good buyers looking.
- Commercial Real Estate. Retailers in general hurting from food to fancy goods. Leasing difficult as some landlords can't understand some income is better than none. What is the Cap' Rate on nil income? New entrants know it's tough out there and asking for "goodies" from owners as they are perceived to be needing a tenant.
- We are in the commercial construction and project management industry. We have seen a slow but steady increase in prospective work and an increase in confidence.
- Commercial Property Investment I specialise in Commercial property Investment sales and first half of the year has been good with interest rates being low and banks were easy to deal. It looks it is changing in the second half as long term interest rates are keeping going upwards and banks are getting very choosy with the properties they will lend to.
- Industrial Leasing of property and there are not many tenants out there
- Commercial & Industrial real estate is still slow with lots of vacancies and few buyers
- Real Estate – Govt Still patchy by sector and office in particular expected to worsen as vacancies rise upon lease expiries.
- Commercial Property - rents are falling and are expected to keep falling over the next year. Valuations may still fall another 10%-20% driven by a triple whammy of falling capitalisation rates, increase vacancy allowance and falling rents.
- I specialise in Commercial property Investment sales and first half of the year has been good with interest rates being low and banks were easy to deal. It looks it is changing in the second half as long term interest rates are keeping going upwards and banks are getting very choosy with the properties they will lend to. In my opinion investors with cash will be able to secure good investment properties but sales will go down.
- NZ Commercial Real-estate - Feel that we are not too far from the bottom but our investments will feel the pain for another year. Tenants surviving but rent reductions common. We live in Dubai and don't believe the hype - things are tough.
- Seems to be more and more commercial space available in Nelson. Quite a few retailers closing up. Even the \$2 shop has closed.

Real Estate – Residential

- I own two Real Estate Offices in South Auckland. April/May was good for us with an increase in volume of sales in both offices. However June was terrible again and we were back to very low number of sales. It's very hard at the moment in the industry as it is so up and down and very hard to budget and forecast profit and losses. I hope that the next 12 months gets better but I think it will be much of the same.
- Property Investors - Mum and Dad property investors seeing potential good buys popping up, and now the property market is returning, able to at least consider releasing one off the portfolio, so that more lucrative returns can be searched for elsewhere, still within the property sector - but looking at section plus house as construction workers will (we hope) focus on the project at hand given the downturn in the building industry, and land bankers are low on interest and rent payments i.e. zero returns on land bank less holding costs... The mid end (if such a place) of the market is returning, and more than 9 dead cat bounces is still holding firm, so must be stable and upward if anywhere... although time (and perhaps lots of it) will tell... Great news today that a neighbouring rental sold for same price last week as it did at the peak ending 2007, and one other again on April 2008. All within \$500 of \$314,500.00. CPI wise price down, price dollar wise stable, holding firm... Monkeys in place, all rather quiet at the moment, new tenants 2 weeks back, same rent, no discounting.
- Residential Real Estate Auckland - Most listings selling easily for what seems like similar prices to 2007.
- Real Estate, Pt Chevalier/Westmere Auckland. Very much a balanced market, stock levels at an all time low, multiple offers on over 70% of the homes we have sold this year and prices have recovered about half of the drop that happened in 2008. Most homes taking less than 3 weeks to sell. Sellers much happier and buyers seem to be too as interest rates are still low and many happy to risk floating for a year or two.
- Property Valuation. Mixed work flows mostly stimulated by buyers of property rather than refinancing as the bank criteria are now so strict.
- Property Investment/Mentoring = Very Promising, sales increasing, expanding business/offices

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- Real Estate , Auckland Eastern Beaches. Hard work , no listings but prices holding well and sales take place in short order . Still no real activity in new homes but land has recently started to sell again . A good solid foundation exists now that was not evident last year , Armageddon slipped by without touching down .
- Professional property investment Sourcing. Strong demand from clients. Offshore buyers aplenty. Those that can buy seem to be getting on with it.
- I am in Real Estate and I am selling houses first weekend on the market often. (3 last month) Multiple offers are becoming more common again it is quite robust currently out there with lots of buyers attending open homes. Real estate - both buyers and sellers have now adjusted to the new market level and so volumes have increased compared with the same period 12 months ago. Sellers are showing the traditional reluctance to take their property to the market over the winter months.
- Real Estate (Residential) Gisborne - 2nd quarter finished ahead of 1st quarter in volume of sales. Seems to be slowing now. Prices stable, buyers moving a little more cautiously. Borrowing money seems challenging for some buyers.
- Property valuation - residential focus. Sentiment of clients improving, people making sensible buying decisions based on facts and actually listening to advice. People appear to be consolidating their positions, no longer over-exposing themselves. Values are stabilising and providing greater confidence. Job security concerns of clients still tempering activity, or changing patterns in this market.
- Property Valuation, Hamilton. Value levels appear to have reached bottom. Well presented owner occupier property is seeing some improvement. Vendors can now see what price they will get. Vacant sections now selling again. Past 6 weeks saw more building starts than in past 6 months. Despite official figures showing reducing consents. Maybe already issued consents now being acted on ?
- Residential & lifestyle real estate - lots of activity at the moment and some good sale prices being achieved. Some buyers are feeling frustrated and starting make strong offers to secure good properties. More activity in the market than seen for some time. Listings in short supply.
- Real Estate Whangarei..Believe market will continue gradual improvement as media catches up that the market has bottomed out. Listings in short supply and rental properties in oversupply. We expect this to reverse by the end of 2010 as the public realise they can now sell their surplus properties, and list them for sale, rather than rent them. This will be putting upward pressure on rents by years end.
- Residential Real Estate Howick/Pakuranga - Very low stock of properties available for sale, possibly half of normal, a few buyers around (not plenty), and absolutely ruthless about not looking at anything 'over-priced'. Result - anything in lower price ranges offered at fair price usually gets multiple interest within days; if price is too high it goes on to just sit on the market without much action. In these circumstances one would expect prices to rise, but they don't seem to be rising, possibly due to buyers feeling that we're not through all the bad stuff yet. Qualifying criteria with banks etc also stopping a few sales. Not much activity in higher price ranges.
- Enquiry is returning from Mum & Dad property investors and seminar numbers have improved dramatically. We have stepped up our sales program and expect better results from the increased enquiry.
- Work is steady, with strong upturn in lower priced house sales. (provincial legal)
- Real-estate, Auckland, Sales volume much stronger than last year, lots of buyers, but the usual winter slow down is now upon us.
- Real Estate Whangarei. Market still strong with buyer enquiry regular. Listings still there with real estate companies offering various incentives to secure listings by way of free auction programmes or incentives to individuals to find listings.
- Real Estate Johnsonville. Very good numbers of buyers ready to purchase. Shortage of listings. Number of sales per month only dictated by number of listings. More positivity about the economy in general and with the shortest day of daylight hours past and heading into spring there should be renewed enthusiasm to put properties on the market.
- I am in the Real Estate industry and while listings are hard to obtain, many of the older listings are selling - maybe the vendors have decided to meet the market?
- Property Investing - short of properties in Wellington, and the ones I've been missing are selling for low cash flow returns around 6%. The competition has noticeably picked up.
- Residential Property Investment: We have had a fantastic year (in fact many months have broken records for us; this seems to have come about largely due to the lower interest rates. We have however noticed in

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the last couple of weeks that things have slowed a little - this is rather typical in Winter but we are picking a very busy spring.

- Valuation - high work load with requirements from lenders & clients. No valuation assignment is straight forward at present. Residential work is a lot quieter.
- I am with Real Estate in Mt Eden, Auckland. We cannot get enough property to sell but achieving fantastic prices with multiple bidding on properties with an auction campaign wrapped around them.
- Residential Property Investment Auckland - A few months ago I rented a four bedroom property in Blockhouse Bay within 36 hours after massive enquiry. One month ago I advertised a four bedroom property (very similar) a mile away in Mount Roskill and really struggled. Had to drop rent a little to move it. Had a call last night from investor with a property in Avondale that he is also struggling to move. These are very tidy properties, one with a brand-new kitchen. Probably just the winter blues I expect with most prospective tenants in hibernation?
- Real estate BOP sales not improving, listings declining
- Real Estate - We have experienced the usual winter downturn, due largely to sellers not placing homes on the market. There is a shortage of homes for sale and good properties are in demand. Buyers however will not go beyond their price point so that demand has not translated into price increases. I expect that this situation will remain until spring.
- We are a Real Agency in a small North Island town, business is much better than last year with lifestyle properties selling much better than last year if priced correctly. The activity overall is much better than last year but by no means back to a normal market it is still patchy and we have to fight for every business dollar.
- Real Estate - Central Auckland. A mix of good and bad in both sellers and buyers! More low offers appearing and more sellers pulling back and refusing to change than last month. The sales are happening with those who accept the "reasonability" of each other's situation and agree to something they are both happy with. Some people who bought an "investment" high and are facing difficulty should be the ones who are adjusting.
- Property investment BOP. Not many listings; activity fairly quiet but expected to increase.
- I am involved in Real-estate working from an office in a small country town in Northland and handling sales of pretty much everything from farms to lifestyle property, sections and residential housing. Enquiry has definitely picked up and I have a number of contracts on the go. Unfortunately most of these are conditional on selling other property so one has to be patient. The trick is to match buyers to the "other property" to keep the chain going.
- Residential Real Estate Chch - Buyers have been very active but now with listing stock dried up the remaining buyers have little to choose from. Until Spring when we expect more listings I believe any good listing will be snapped up by patient buyers.
- Auckland Eastern Suburbs. Every month this year has been better than the previous month for the value of settled sales and up 30 to 50% on the same period last year. This does not mean it is boom times but volumes are at more respectable levels. Prices are static and certainly not rising. The \$1M + market has shown some signs of increased activity. There is a shortage of good listings across most price ranges and this is a fairly typical trend mid year. We continue to have multiple buyers bidding at auction and our success rate this year is 80%. We expect listing activity to improve as we approach spring and sales volumes should increase also. Buyers are still being pretty prudent so we don't expect any massive price increases for some time.
- Real Estate. business owner. the bubble has burst, and the buyers are hard to close again -especially high end - over \$3m. the past few weeks has been a noticeable difference. the only help is that some activity is happening with an extreme shortage of owners selling right now, that the buyers out number the listings so demand is good under \$1m in Auckland.
- Marginally better, Real Estate.

Retail

- We are a wholesaler in the bicycle industry. New bike sales have been dropping for over a year, but bike workshops are busier than ever, so many more people are repairing or reconditioning their bikes instead of replacing. Accessory sales are steady. Keeping cash flow positive is our biggest challenge this year, and we believe a number of retail shops will not survive this recession.

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- Retail Fixture Design - We have noticed in the last 3 months some of the larger players are taking advantage of sites becoming available, design and sign off of new designs due to lower margins by suppliers and roll out plans now being signed off by CFO's etc.
- Retail - looking slightly better
- As a medium-sized importer/distributor to the furniture trade we are seeing "green shoots" with perhaps part of this being due to more retailers being forced to support local supply channels.
- Less sales, but not too significant (coffee)
- (Hardware Imports -Paint) Very slow month in June with sales 40 % below a year ago. Tough times with a cold winter ahead
- Shutters and blinds - retail renovation market holding with some suggestion the punters are returning to market as confidence returns. Architects are busy in most centre though there are too many for the market.
- Very good 7% growth - liquor
- Supermarkets - still strong - no noticeable drop off in overall sales
- Beverage Industry. Sales down by about 1/4
- Office furniture. Holding well
- Home improvement sector ...very very quiet. I never thought it could get so bad. No one is spending apart from urgent repairs.
- Beauty Supply industry - we are finding that small (e.g. consumables) items are still selling well, but there is a definite reluctance to buy larger capital items. There does seem to be a slight improvement recently however.
- Domestic, Commercial, Industrial, Farm, Electrical installations and repairs. As well as Heat pump sales and installations and home appliance service. Domestic installations (new houses) 75% down Commercial Installations: About the same, but expected to drop, Industrial Installations about 50% down Farming Installations about 75% down (e.g. new milking sheds, irrigation pumps) Servicing of existing installations above is about the same. Installation of heat pumps is about 75% up (probably because this side of our operation has expanded and its cold) Home appliance repairs is about 25% up (probably due to people patching up their old appliances rather than buying new).
- Retail bakery Auckland sales last month were quiet but stable, customers and suppliers all in more positive frame of mind but not predicting recession is over just yet. Small reduction in some raw materials last month which was long overdue.
- Wet fish and takeaways. Trading at present is very good, well up on previous year
- Very busy, people need to eat, groceries sales are up
- Firewood supply in Wellington, lots of transactions with a low dollar value. People afraid to turn on the heater but cold so spending \$10 on a bag of wood.
- Paper crafting, retail, fairly quiet
- Furnishing textiles - some evidence of a firming market and more optimism around.
- Rural Retail. Slowing dramatically with Dairy Farmers with limited cash flow until October
- RV, Motor home and Caravans - Resilient but tough. The weak are falling behind and the strong holding their own. Our customers tend to be savers rather than borrowers, but the threat of worsening unemployment trends is adversely affecting the number of new entrants to the market. Things could be much worse.

Tourism and Travel

- Tourism and Travel Volumes and yields are down quite significantly. Forward order book is behind the position that existed 12 months ago.
- Accommodation Sector. The last two months have been very extreme with occupancy. One week you believe that the road has been closed and the next seems very buoyant.
- Tourism - forward bookings are slowing down still...
- July and August will be worse than we anticipated - Major Hotel Wellington
- Winter trading levels so far have well exceeded expectations, visitor numbers strong with plenty of forward bookings. Tourism adventure activity, South Island.
- Hotel- It is not looking very flash at the moment, although the winter months in Chch generally quiet. It is the pick up that is going to be important(i.e. short lead bookings).

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- Corporate accommodation. The phones have ceased their silent treatment and are ringing at the same level as a year ago now.
- Summer is looking in line with last year. Major changes in distribution channels and consumer purchasing behaviour occurring. Material rises in direct and online sales, falls in trade sales.
- Motel accommodation Invercargill Seasonally slow no overseas tourists as per normal for the winter. Business reps are fewer and staying shorter times. Some overseas bookings for summer but cannot predict yet what the next 6 months will hold.
- Very tough, luxury travel product
- Very slow in the corporate transport sector. Many businesses are cutting back on travel so fewer city/airport transfers.
- Tourism - There's a slight drop but not too bad.
- Luxury Accommodation and Vineyard. Not good with cancelled bookings and wine sales down. Very few bookings from the international market which has been the main source of income. Nothing from Australia even though NZ Tourism has been making a big push in the market. Usual wine sales are down with buyers trying to get rid of stock already held before reordering.

Transport and Storage

- Transport Road. Volumes of goods being presented for carriage are significantly reduced in all commodity types apart from food lines. People seemingly still have sufficient funds to buy foodstuffs. This present recession has no signs yet of lifting in the transport industry.
- Ship's Captain, Shipping is very sluggish currently, possibly down 15 - 20%, a number of us are unemployed.
- Freight/logistics industry: more positive than negative comments from import and export clients, even seen some manufacturing machinery ordered and imported of late which is always a good sign.
- Freight: volumes still at quite low levels compared with last year, forecast to slowly improve.
- Passenger transport ticking along nicely
- Cold storage industry, reducing inventories, normal for this time of the year, but volumes still high compared with previous year, generally industry wide shortage of space, significant new building Fonterra 55,000 pallet space in Hamilton, outlook changing.

Vehicles & Automotive

- Very slow, new truck sales down by 45%. Money not so much an issue but lack of confidence in the coming work load. Parts and service slow, maintenance and repairs are only being done where necessary. Very little preventative maintenance being carried out.
- New and Used Vehicles - Trading continues to be very difficult
- Franchised Motor Vehicle Dealer Vehicle Sales new and used about 60% of 2007 levels. After sales steady.
- Motorcycle sales and servicing. Motorcycle sales are dead. But servicing is steady and shop sale steady but not great.
- Vehicle retail still slow
- Towbar retail, sales are down 50% in line with decline in vehicle sales
- Automotive Parts Still holding our own but margins are being eroded as the sector battles to maintain market share
- Down 10% but stable - motor services
- tyre industry - we are down 35% on last year but we seem to be levelling out.
- Automotive Parts Supply Good Steady business ,but some delays in orders being placed.
- Most automotive repairers are finding work very patchy. Car dealers are still very quiet

Wine

- The grape business is over supplied, concurrently global demand for wine is soft and producers are discounting to below cost. Consumers are enjoying a wine Bonanza of low prices high quality wines from a large number of producers

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- Wine industry. Domestic selling prices low due to overplanting = overproduction especially in Marlborough, and dumping by the large international producers in NZ as well as from Australia. Exports holding up quite well.
- Wine industry. Uncertainty looking forward with the impact of bulk wine exports yet to show impact in the market place overseas. Watching carefully the exchange rates.

For further information contact Tony Alexander, Chief Economist, 04 474-6744, tony.alexander@bnz.co.nz

The BNZ Confidence Survey is run (usually) on the first Thursday of each month. In the Weekly Overview email sent to the 19,000 non-BNZ 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 on Monday or Tuesday and released that day in this publication to media and WO readers.

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