

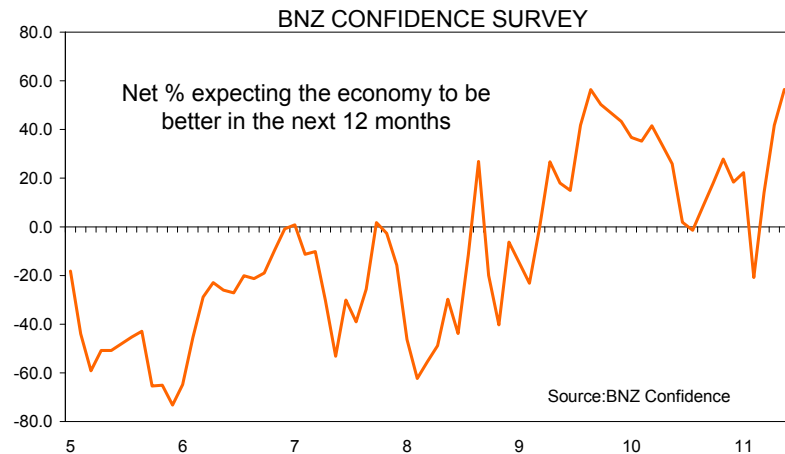
Mission Statement

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 25,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please email tony.alexander@bnz.co.nz with 'Subscribe' in the Subject line.

Confidence Reaches A Record

Our monthly BNZ Confidence Survey has found that a very strong net 57% of respondents expect that the economy will be better in a year's time. This is well up from May's net 42% positive and the third month in a row of improvement. In fact in the five and a half years during which we have been running the survey sentiment has never before been this high.



One theme coming through in a number of comments is expectations of stronger activity related to the rebuilding of Christchurch. Another is some hope regarding the boost to come from the Rugby World Cup, along with positive sentiment regarding agriculture and agricultural sector servicing. There is also a noticeable improvement in comments about current conditions submitted by those in the accounting profession while in residential real estate comments are generally positive though with still a fair smattering of negative sentiment expressed as well.

Non-residential real estate has taken on a rather positive tone but in horticulture there are worries about the level of the exchange rate and PSA vine disease affecting Kiwifruit in particular.

The survey results suggest it remains reasonable for businesspeople in new Zealand to plan (generally) for better times ahead. But as we will discuss in the Weekly Overview this week, soaring optimism is not a sufficient condition for strong growth. After all, the strong lift in early September 2008 came right before the global financial crisis, and last year's firm confidence up until June did not correlate with the fact that during that quarter the economy almost shrank.

For individual industries responses can be broadly be summarised as follows.

Accountancy

Most positive number of comments in a long time – though still with underlying caution.

BNZ CONFIDENCE SURVEY

Advertising & Marketing, Media

Very mixed, mainly negative at the margin.

Agriculture

Very positive comments.

Agriculture Servicing

Still no overwhelming indication that farmers are shifting from debt repayment to spending.

Civil Engineering

Order books starting to get more full.

Construction

Starting to improve from low levels though margins remain very tight.

Engineering

Improvement underway with lots of new work anticipated.

Finance

Consumer debt demand low but business borrowing interest is rising.

Forestry/Manufacturing/Sawmilling

Overall buoyant.

Horticulture

Exchange rate worries and deep concern regarding the PSA Kiwifruit vine disease.

Legal

Still overall low levels of activity. No clear signs of improvement yet.

Manufacturing

Rising costs, generally positive sentiment especially regarding exports to Australia.

Property Management

Stagnant overall – that is little interest from investors.

Real Estate – Non-residential

More positive comments than for quite some time.

Real Estate – Residential

More comments about listings shortages and buyers appearing, along with vendors being more realistic about prices.

Recruitment

Upswing underway.

Retail

Almost all comments either neutral or negative – not at all consistent with the strength shown by monthly Electronic Card Transaction data.

Tourism and Travel

Comments largely negative. Hopes regarding the Rugby World Cup but also fears it may be a fizzer and worries about the high NZ dollar.

BNZ CONFIDENCE SURVEY

Survey Date	Better %	Same %	Worse %	Net %	# of respondents	# of comments
4 February 2010	53.5	29.7	16.8	36.8	555	344
5 March	49.7	35.8	14.5	35.2	523	347
26 March	55.3	31.0	13.8	41.5	436	263
7 May	50.9	31.9	17.2	33.7	501	329
11 June	44.4	37.0	18.6	25.9	549	394
8 July	32.7	36.5	30.8	1.8	542	405
5 August	31.2	36.3	32.6	-1.4	565	398
7 October	42.0	33.8	24.2	17.8	607	421
5 November	47.5	32.8	19.7	27.8	467	318
2 December	42.0	34.4	23.6	18.4	521	339
3 February 2011	43.3	35.6	21.1	22.2	540	401
3 March	22.4	34.4	43.2	-20.8	456	349
7 April	44.3	25.6	30.1	14.1	418	321
5 May	57.3	27.1	15.6	41.7	314	240
3 June	65.2	26.1	8.7	56.5	379	300

Full historical data at <http://tonyalexander.co.nz/bnz-confidence-survey/>

INDUSTRY COMMENTS SUBMITTED BY RESPONDENTS

NOTE: THESE ARE NOT OUR COMMENTS BUT THOSE SUBMITTED BY RESPONDENTS TO OUR MONTHLY SURVEY.

We exclude comments which don't say anything about current business conditions in an industry and are instead mainly rants and raves. Also those with comments that are chopped off or indecipherable, contain appalling grammar or are in capital letters are left out.

Accountancy

- Just left mining industry in Australia which was looking very positive but has taken longer than hoped to find work back in NZ (chartered accountant in wellington), job market very slow unless I'm happy to settle for a job I'm over qualified for.
- Professional services are looking average
- Small Chartered Accountant Auckland - Upsurge in new clients - like pre-recession. Plenty of compliance work, with a little cashflow advice work.
- Accounting - job wise looking promising.
- Chartered Accounting - busy with annual accounts and compliance work. Trades clients involved with Chch EQ work busy and much happier than this time last year in terms of where their business is going.
- Chartered Accountant - plenty of work on, new clients joining the practice at 1-2 per week since April 2011.
- Chartered Accountant (rural Otago) - Perception is that people might be raising their heads a bit and looking for opportunities (rather than just heads down and surviving). Having said that our debtors have been very slow in paying so people not exactly awash in cash as yet.
- Accountancy. Some slower than usual payers. One builder commented today that a lot of builders are working for nothing.
- Accounting and advisory - things are continuing to improve. Still not the volume of transactions that we saw in the pre-bubble days
- Chartered accountancy , have been busy on one off projects with an increase in corporate acquisitions. Also companies looking to raise capital through new floats could see an increase in activity in that area over the next 12-18 months. Local manufacturers are still slow, but those exposed to export sector are generating good business.
- Accountancy for film and television. Busy here in the office. Have just seen a flurry of first time house buying by some clients in the central suburbs. Hear that many overseas commercials being produced here at present. Spartacus and The Hobbit employing many of my clients.

BNZ CONFIDENCE SURVEY

- Professional services, very tough for the past 3 years but picking up steadily

Advertising & Marketing, Media

- TV - we need increased ad spend to improve significantly, otherwise it has flat lined.
- Advertising/Marketing. Picking up reasonably well, don't know if that's the whole industry, it could be just us.
- Toughening (marketing)
- Marketing - still tough as marketing seen by many as a dispensable commodity, so budget allocated to more 'pragmatic' uses.
- Advertising budgets still not there.
- Advertising - we are seeing some encouraging forward bookings for the second half of the year.

Agriculture

- Agriculture looks good but exchange rate will again shift investment away from productive sector
- Improving. Farming
- Dairy Farming - things are looking very positive but farmers are still focussed on reducing debt
- Sheep and Beef. Very positive, just pray that it continues as we need it to make up for many years of low returns/losses
- Dairy - strong prospects even if next years payout will probably be down on this years high levels.
- Good although Strengthening NZ dollar a concern - dairy farmers
- Mohair is looking excellent, with prices having risen over the last few years to record levels and still climbing.
- Very strong - dairy industry.
- Farming = better.
- Good (dairy)

Agriculture Servicing

- Veterinary Services & Supplies. As you have been predicting, it is getting harder to recruit suitable qualified people - due not just to NZ situation, but actually a world-wide shortage of experienced and skilled people in our industry. The agriculture sector remains positive in all areas - perhaps an indication of more spending trickling into the rural areas from farmers apart from retirement of debt. In the companion animal sector, people are remaining very conscious of their expenditure and limitations.
- Rural Engineering Consultancy. The rural section (especially the wine industry) still have their cheque books deep in their inside pockets.
- Rural Banking: Buoyant all round apart from kiwifruit as no good news re Psa. Dairy farmers good capacity to repay debt.
- Agricultural Contracting - With rising commodity prices, all farming sectors seem to be positive. Our inputs are rising in price, but with the improvement in farm gate prices, we should be able to past these increases on.
- Agricultural supplies: Seeing some more interest in replacing well worn lower value (<\$2k) items but other wise farmers only spending what they need to on Day to Day items. Veterinary, definitely seeing a shift to investing in animal health for gains next season vs. last year.
- Animal Health - looking good as confidence is up as stock prices remain high. Long may this last.

Architects

- Architecture – construction. It has been patchy for the last 6 months, however sentiment is rising and larger projects which have been in planning phases for the last few years are starting to get ticked off for the next phase including consents and some tenders.

Business/Management Consulting and Broking

- Things in the Business Sales sector are definitely improving. Over the last two years the gap between buyers offers and vendors of good businesses expectations has been difficult to bridge. This gap has narrowed significantly with buyers now willing to pay fair prices and not so focussed on bargain hunting meaning we are managing to pull deals together that would not have been possible even 6 months ago

BNZ CONFIDENCE SURVEY

- Business Adviser - People are starting to be more settled after the earthquake and getting back to business as (the new) normal.
- Business broking - much better but still very few higher value (\$1mil plus) businesses around for sale
- Management Consulting - market is fairly unpredictable, but is strengthening as confidence returns
- Business research and evaluation services. Need to 'knock on doors' to find work rather than expect others to find me but looking more promising over the next 12 months. Other potential greenfields business opportunities currently at the beginning of a 3-4 year long pipeline with optimism but no guarantees of results.
- Market Research - Provincial City. Have been flat-out the past 2 months with work from mainly o'seas clients, and now have got work booked up for June/July from NZ clients. Suddenly, things have gone busy here, which is great, as Jan-Mar were dead-as.
- Coaching Management & Company Sales Workshops - very good as many have cut costs and recession is ongoing. They realise they have to grow sales and margins and grow their own 'green shoots'. Staff engagement and manager motivation a big issue for many companies.

Civil Engineering

- Wellington Construction related - Roothing work (incl minor pavements etc) is already slowing down prior to the Rugby World Cup when no work is permitted around the town centre and many of our customers have moved to Christchurch or Australia. I am picking a very hard six months.
- Civil Construction Westland - low demand and minimal tender opportunities at the entry into the off peak winter season. EQ recovery work in Christchurch will over time assist the local industry providing more workload opportunities.
- Infrastructure and Commercial Drainage, in Auckland. Definitely more tender requests, more tenders being won.
- Pricing still needs to be very competitive, and clients still getting very good value for money in this market.
- Civil Construction Canterbury - extremely busy with some EQ repair work but a growing order book of good business as usual projects. Margins have lifted significantly. Skilled staff very difficult to find
- Civil contracting sector. Adequate number of local & government contracts to price, but the successful tenders are well below tender budget.
- Civil construction and roading, More interest for pricing from the private market. Workload still busy heading into winter which is positive.
- Civil Construction. Currently still tough going but there are indications of increased workload ahead.
- Transportation infrastructure. Impact of major Waterview project clouding the overall position. Very competitive in the ongoing network management. Purchasing policy heading towards strong duopolies in construction and consulting.

Construction

- Numbers consistent over last three months but still struggle to lift margins. Otago garage door company
- Building Industry continues to receive price increase on materials. Timber up 10% steel up 12%, windows up 10 %.
- Construction - seems to have picked up over the last 3 months. More enquiry and more sales.
- Construction Industry (Plumbing) - Hawkes Bay. Very flat, no margins, future workload minimal
- Construction -Very quiet at present but we are seeing movement in work to price. Also seeing work priced 2-3 years ago resurfacing. Being South Island based it is becoming evident the huge amount of work building up from Christchurch. It is a frightening scenario.
- Building industry-Rodney - more work going into winter compared to last year
- Construction Industry. When its at the bottom it can't (in theory) get any worse. We are seeing a lift in the amount of quoting within the provincial areas. It is generally thought that now is the time to get the best bargains in regards to pricing.
- Residential Housing Construction Slow. Plenty of activity but when it comes to sign up for a build it still takes a big commitment. Competition is tough!
- Light steel construction, Wellington. Secured some very good contracts plus quoting more. Looking for more staff shortly.

BNZ CONFIDENCE SURVEY

- Construction - and presently our order book is full.
- Building Construction - South Island. Market still a bit depressed. Low or no margin. In a weird situation at the moment. Everyone thinks the construction industry is about to boom but nothing filtering through yet
- Commercial Construction. Very competitive, slim margins. There will be quite a lag before Christchurch reconstruction work kicks into gear.
- Tough going Tight margins Construction (structural steel & metalwork)

Construction Related

- Timber, Hardware and Building Materials Trade supply industry. Generally very average at present. Small pockets where things are above average and others less than. But definitely expecting our industry to improve over the next 12 months.
- Ready mix concrete BOP. tracking well up on last year looking good later in 2011 although winter may be a bit slow.
- Double Glazing Wellington - Busy with already booked in work but phones have gone quiet and people are not spending money unless they have to.
- Construction. Little bit outside the normal area of construction as we are part of the governments home insulation subsidy scheme, what is surprising is that a lot of quotations we did last year and where our clients didn't want to proceed are now in stalling insulation this year
- Timber building products: A slow start to the year when compared to 2H 2010 but we expect the second half of the year to show growth.
- Repairs and maintenance in the building line picking up now there is no gaps between jobs
- Residential aluminium joinery. Market is even tighter than last year and margins have been squeezed even further. Many factories fighting for survival while others in niche markets still OK. With winter setting in expect a very lean time ahead and we are all hoping the summer will start the building activity.
- I am a painter in Christchurch so things are clearly looking good going forward as long as EQC manage to pay my bills, still have accounts outstanding from January which is hitting cashflow.

Education

- Tertiary Education sector is still under funding pressure but the impact is increasingly uneven across the sector.
- Tertiary Education. We will achieve our investment plan targets, no real surprises in the May budget, lack of CPI adjustment will make 2012 interesting.
- Corporate Training - I have noticed in Christchurch opportunities are picking up post quake.
- Custom training - strong demand, specific more to individual companies than a broad pattern.
- Education - enquires for future study are steady.

Engineering

- Consulting engineer, Christchurch. Biggest challenge is planning sustainable growth to meet an enormous potential workload.
- Engineering, fabrication and machining. Constant improvement month by month but seem to be still working harder than ever to maintain the bottom line.

Finance

- Finance. Good, seems like lots of new people being hired
- Corporate Finance: high activity levels but recovery rates still low.
- Financial services. Good, clients upbeat and confident about the future.
- Financial Industry. Things feel they are getting better and customers are peeking their heads out of hiding and investing again.
- Bank - lending is very quiet, funding is good
- Financial Service - Poor, low level of interest with lack of new client prospects.
- Finance, still slow but gradual improvement. Only bullish part is business borrowing. Consumers still have no appetite for debt from us anyway and banks generally seem to be moving into our traditional market to achieve their lending targets.

BNZ CONFIDENCE SURVEY

Forestry/Manufacturing/Sawmilling

- Sawmilling ..local market Christchurch... very busy..
- Turbulent. Logs prices are now in freefall so overseas customers are waiting for stability to order again. That's the risk of basing log prices on one market (China).(Sawmilling)
- Forestry/Logs We are still enjoying buoyant log prices but there are some dark clouds on the horizon suggesting the prices may have peaked for now as stocks build up in China.
- Very rosy (timber)

Health and Fitness

- My company sells equipment to hospitals. We aren't reliant on seasons or trends so much as commodity items but we have noticed an increase in usage of our product. However we are having to work much harder to get a similar or slightly better return
- Private Medical Care - increasing activity.

Horticulture

- Horticulture, kiwifruit - strong dollar will challenge returns. PSA a big worry for next year.
- Horticulture Citrus& Avocados. Avocado prices were good this year due to low national volumes. Citrus prices are poor. Over supply of mandarins on the market and winter lemon prices outside of export are poor.
- Horticulture - Pipfruit, Receiving reasonable prices offshore but exchange rate creating real problems
- Exchange rate is really killing us! (Pipfruit Export).
- In Horticulture, garden market going into the slow season but the CHCH earthquake will impact on sales
- Horticultural export. Kiwifruit may struggle a little with its problems, although the outlook for next season should be better than the outcome for the current one. Avocado will have a large crop, which would normally mean exporting to more destinations than the past year. However, if the exchange rate stays where it is, or rises, some of those markets may prove uneconomic and this could affect the overall returns to growers. Rise in exchange rate against Australia is rather unwelcome, even at the present lower than average levels.
- Kiwifruit...PSA...a very large elephant in a very small room. This disease has the potential to destroy most Gold fruit and a significant percentage of Green.
- Kiwifruit- Psa concerns are causing quite some stress amongst growers mainly because we feel helpless with the uncertainty. Otherwise the crop just picked was of good size and quality which was great. Here's hoping the science people come up with a management tool for Psa.

Hospitality

- Hospitality-catering business. The future looks continuingly bleak!
- Hospitality better than last year by margins.
- (Christchurch Hospitality) Slow after earthquake - no signs of business tourism returning to the city. Infrastructure badly affected.

Information Technology/Telecommunications

- Telecommunications-steady increase with consumer's spending more on products & having all services with one provider. Increased interest in homeline internet & smartphone services.
- IT, Business Software. Starting to pick up on the North Island.
- I work in an IT consulting company and we are now busier than ever.
- IT Wellington - Steady demand for at the moment. Once Treasury revise their forecast downwards, public sector spending will come under pressure post November, which will negatively impact IT demand in Wellington.
- IT industry - Software. Business still deteriorating in Wellington but improving steadily in Auckland

Insurance

- General insurance broker, mostly deal with businesses where there's a managing director. Clients no longer need convincing.

BNZ CONFIDENCE SURVEY

Legal

- Legal services on Kapiti Coast - still patchy at the moment, but chugging along. All signs there in this particular region for business and infrastructure growth during the next year, which should have flow on into demand for legal services
- Law firm Christchurch. Still relatively busy but also wary of the future for 2011
- Steady, possible picking up (suburban general law firm)
- International Lawyer - signs of strengthening locally, with some longer term inquiries from offshore.
- Legal - sluggish and unpredictable
- Suburban Auckland. Conveyancing volume down, which is not a surprise as there is a shortage of sellers. Other work is steady with some strategic commercial work making a welcome reappearance.
- Legal - a little busier but very quiet 1st June.

Machinery – Including Hire

- Equipment Rental, A steady improvement in sales throughout the country over the last 3-4 months. However the bad debtors list is on the up again and the cashflow circle is broken.

Manufacturing

- Demand still muted but showing slight signs of improvement. Paint manufacturing
- The aluminium window outlook has started to improve as new builds are starting to come on in various parts of Auckland. Land (land banks) that has been sitting for a very long time, now have developers turning it into subdivisions, but this is a steady process, there is no speed to this, money is still tight, despite the desperate need for new housing. But there is a renewed confidence in the housing market in general, more people are buying and good well priced properties are not sitting for long. I believe that it will be at least another 6-12mths before any real growth will show up - but its coming.
- Food Processing. Tough, costs rising and demand is flat.
- Dairy Industry. UHT Milk Export orders are coming in at a fast rate especially for white milk. Definitely a large increase from the previous three years.
- Gas appliance manufacture / retail - Still very slow but there are signs of small improvement going forward. There is more quoting activity and more being specified on plans but finalising orders and getting deposits take a lot of work.
- Manufacturing - Confidence in NZ appears to be returning with orders back up to pre earthquake levels. Australian exports continue strongly
- Custom build Industrial Fans - currently very busy
- Engineering – Toolmaking. Market has dropped off significantly in the last two/three months following a buoyant Nov, Dec, Jan, Feb period.
- Manufacturing - Export growth to Australia strong but tight margins, NZ flat with costs starting to rise.

Marine

- Marine. Lots of talking it up but from a low base. May was better than April but mainly at a trade level, i.e. people have a job on - not lots, and are finally ordering in advance not at the last minute. Cash is still tight. Debtors have to be chased and deposits on order are the new norm Exports to Australia continue. The talk at a retail / discretionary level is very negative. It was a relief to see their economic figures finally match what the word on the street has been.
- Marine service company. We actually are very busy as we are not only relying on NZ but receive a lot of work from overseas. From NZ itself there is very little as companies struggle to survive.

Miscellaneous

- Environment - No work, seeking projects in Australia.
- I am in the Wellness and Greeting Card industries where I am doing well in the Wellness industry but not doing so well in the Greeting Card industry as I am unable to sell greeting cards because of 2 reasons 1 rejection and 2 unable to arrange to sell greeting cards but things may be better in during next 4 weeks.
- Auckland Golf Industry. Very tough trading, no margin growth but costs increase

BNZ CONFIDENCE SURVEY

- Slowly picking up - electronic security
- State services - staff reductions and redundancies - likely to lose employment in next 6 mths
- Refrigeration / HVAC / Electrical / Safety - all sectors are experiencing good sales and have done so over the last 3 years.
- Outdoor recreation. Bad - ChCh earthquake, petrol cost and increased cost of living have kept people at home.
- Electrical appliance repairs - Busy, but no profit in it
- Importing / Distribution. A lot of price gouging at the low end. High end is Ok.
- Ok - graphic and web design
- We are in high tech industry with revenue mainly from exports. NZD is making a big dent on our results.

Packaging

- Difficult and very competitive as general printers try to move in to packaging, aggressively undercutting pricing as they desperately try and stay in business. We are a packaging company.
- Just starting to see a pick up in activity, and we see it continuing for this year. World cup will encourage this. Timber packaging industry

Printing

- Commercial printing, busy at present but changes from week to week.

Property Development

- Dunedin. Activity is perking up, contractors are busier but caution abounds

Property Management

- Property Management - Wellington. Market is still flat, but top end properties are letting easily. Mid range and lower range rents are still sliding, under-supply of tenants, over-supply of vacant properties.
- Property Manager North Shore of Auckland, rents have been rising all year but have slowed in May which is normal for this time of year. Have achieved 5%-10% increases last 12 months. I am waiting to see the effect of the removal of tax incentives to see if this means owners will exit the industry. Expecting further rental increases over next 12 months much the same as previous.
- Property investment and medical. Growth is static. No change.
- Residential Property Management in Chch is going through an unusual period of peaks and troughs. It is expected that the Quake has effected things but the recovery is lumpy and as such we have had rises and falls in rental property availability (just coming off a high now). We need the EQC purse strings loosened to speed up the work to be done. Residential Sales are there but very slow and prices are being impacted now with reduced listing prices and reduced sales prices being accepted.
- Property consultancy and valuation: steady but also a bit fluky month to month.
- Property Investment, things look to be pretty stagnant in the property sector here in Christchurch for the foreseeable future.

Real Estate – Non-residential

- Commercial property Christchurch - very interesting with a lot of leasing activity following Feb 22 but no sales due to the shock of the EQ, however over the last month we have seen a number of multi million dollar deals completed and some good interest coming into the market with quality properties still in demand. There are still a good number of people with the glass half full attitude, long may it continue.
- Commercial Property - hard to be generalist given there are markets within markets but signs of optimism.
- Commercial Real-estate Agent, finding the market very slow, quality listings but lack of buyers. Experienced landlords are very proactive and showing more interest in their tenants' business. Don't want to lose a tenant.
- Commercial Property Christchurch. Things look decidedly uncertain.
- Commercial buildings investment. Leasing. A lot of buildings unleased. No takers.

BNZ CONFIDENCE SURVEY

- Commercial Real Estate. Interest in property stronger. Buyers & tenant prospects playing "hard-ball" as perceive owners need a sale or occupier. Owners in many cases strong enough to withstand the "strain". In other words matching the two is no change it's just a matter of who wins the game!
- Commercial Real Estate - agency, valuation, management, research and consulting. Market patchy, bigger firms doing OK leading to activity in CBD office leasing and large industrial property transactions. Very busy in consulting, valuation and research but outside Auckland, market variable. SME's, in particular some retailers, still struggling.
- Commercial/Industrial rental. Industrial rental enterprises doing very well. Commercial steady..
- Commercial Property - Recover is underway but only showing very slow signs of improvement.
- Property - retail, still tough but signs of light as more retailers switch to looking at opportunities including a few from Australia.
- Commercial Real estate is showing signs of life in top of south island. More leasing and investor enquiry

Real Estate – Residential

- Real Estate Kerikeri. Steady, driven by the Auckland market and slowly running low on stock.
- Real Estate; Cambridge. All agents report a record months sales in May & this has continued into June. New listings are shortening up but that is to be expected. It seems that most important word "confidence" has returned and realistic sellers are selling and purchasing well on the same market i.e. Today's Market- not 4 years ago!!
- Real Estate - Eastern Beaches. Supply is drying up fast but buyers are not feeling over-pressured to purchase yet. Reasonably stable market.
- Real Estate - Pukekohe - Auckland but fringe. Buyer activity is up but debt minimisation and confidence as to future earnings dominate buying decisions. Until economic activity is more even things are likely to remain patchy. The inevitable collision between the under supply of new homes and the ability to pay the price required will be interesting.
- Real estate in Christchurch difficult to generalise - volume obviously low compared to previous years - prices of nearly new townhouses in NW preferred suburbs driven higher by wealthy displaced buyers. General market activity subdued - seasonal factors - expecting activity to pick up in waves as insurance payouts filter through. Inevitably prices squeeze up of newer houses due to lack of supply.
- Real-estate Auckland, better than last year
- Residential Real Estate, Hawkes Bay. Marginal improvement.
- Real Estate: Being in the lifestyle area of Kumeu, we are still finding it a challenging market with any sales being made at lower than CV prices. Buyers still very much in command.
- Real Estate - sales are still happening, but are taking more time and more effort on our behalf. It's never been more important to sell with an experienced, hard working agent!
- Real Estate Johnsonville: Market appears to be a little more lively with better numbers of purchaser enquiries and more appraisals. Prices are flat selling around RV.
- Real Estate North Shore Auckland. It is steady as she goes on the shore. Good numbers through open homes converting to sales and most of them are going unconditional. It is not booming but certainly it is steady.
- Real Estate (Auckland) - quite good.
- Residential real estate - Central Auckland. Market has tightened up with a shortage of listings across all agencies. Buyers frustrated at lack of choice in the market at the moment.
- Real Estate - Still very hard out there, but at least the vendors are more educated now about the state of the market and are not so shocked at the low prices being offered on their properties. That has made our job somewhat easier. Some buyers though are being ruthless with their offers in their quest to find that vulnerable seller.
- Real Estate Auckland, good buyer inquiry however desperately short of good stock.
- Real Estate - gloomy.
- I'm in the Real Estate industry and things are very slow especially due to the fact that I have only been in it for approximately three months, a new face and have not had a sale. No income makes this industry very tough and if things don't improve can see larger numbers of salespeople exiting.
- Real Estate Eastern suburbs. Sales good, 22 for month, listings tight. it is winter !

BNZ CONFIDENCE SURVEY

- Real Estate, Central North Island. While the industry is still a bit stop start - there is definitely a more positive attitude with both buyers and sellers. Sellers who have been well informed are considering offers on their properties seriously. Buyers are starting to move a little quicker.
- Real Estate is slowly but surely recovering from the severe shock of the last 3 years.
- Real Estate - Hawkes Bay (Havelock North / Hastings District) Significant improvement in the past 2-3 weeks with activity and sales levels up, and a growing shortage of good "well-priced" housing stock. Hopefully this is a sign that at last things are improving. This follows a very slow start so far in 2011 - where we have already experienced two of the lowest volume sales months since records began. I am taking a "glass half-full" attitude.
- Real Estate- good demand, record low listings (Ponsonby, Auckland).
- We are in real estate in Mt Eden and the market is strong, there is a real shortage of listings and prices are strong.
- Improved activity. Shortage of stock to satisfy customers (real estate)
- Residential real estate Hamilton. Very positive signs. Strong buyer activity. Office deals well over the same month last year, but still a bit away from business as usual. Listings have slowed and well priced new property selling quickly. Auctions are getting great results.

Real Estate – Rural

- Rural Valuation - Rural sales activity has backed off slightly since the frenetic levels of April. Many agents still reporting successful deals, but at the same time a lack of new listings to follow-up on as all the older listings are sold off. Valuation enquiry level steady but appear to be slowing as winter draws in.

Recruitment

- Gains and momentum are starting to be seen, however further progress is being slowed due to inability to recruit quality staff members. There also seems to be a general feeling that employees are starting to become more active within the recruitment market looking around for other opportunities as confidence and further recruitment grows from employers
- Recruitment (provincial) have really noticed an upswing in the last 6-8 weeks. Usually we are experiencing a seasonal downturn. While clients are still laying off staff in some areas they are recognising skill shortages in others and prepared to take the plunge and recruit for the missing skills.
- Executive recruitment. flat out. We have added 30% extra staff to our own business since November.
- Recruitment - Strong hiring intentions from clients; also starting to see upwards movement / pressure on fees as talent gets scarcer and companies are cycling back into needing the services of recruitment organisations.
- Recruitment: We are now firmly trading over the previous two years, still short of pre-recession levels. Evidence of a "price-war" for certain skilled candidates in Christchurch.

Retail

- Wet fish takeaways holding firm at comparable levels to this time last year.
- Retail electronics and service. Has been very slow, down another staff member. Starting to quote a few more jobs but pickings still very slim.
- Retail Flooring Wellington - very buoyant showroom and residential sales, and commercial is tracking very well also. The pendulum is on the up !
- Eftpos supply and rental. Upgrades have been completed. Still a lot of businesses closing but also new start-ups.
- Online retail- bit busier in last few months, but buyers really sharp on getting discounts.
- Spasmodic. No pattern to trading. Lots of small change being used instead of gold. (We are a vending operation). In growth mode because many operators are getting out & we are picking up some of their old customers.
- Pharmacy - retail very patchy, script trade very uncertain with government initiatives being introduced into a new contract.
- Meat wholesale and Retail. Steady trade. Customer discretionary spend still tight.
- Wholesale Distribution- Improving market

BNZ CONFIDENCE SURVEY

- Bike Retailing - Bad, Shops shutting doors all over N.Z as we can't compete with people importing direct and ratbags selling products cheap on xx without overheads
- import/wholesale stationery. Retailers still very cautious in preordering seemingly to keep stock levels very low. Come Christmas many will be short stocked if the economy continues like this. We are considering manufacturing a little bit more to cater for this
- We are a florist and we have just close our second studio to concentrate on our larger business.
- Online Retail - Wooden Thomas the Tank Engine reseller. People are still buying but where we would get a lot of \$500 to \$1000 orders they now seem to be around the \$100 to \$250 for the higher amounts. People are only spending when they have to and look for the best deal
- Same (mobile telephone retailing)
- Wholesale Trade - still very lumpy.
- Pharmaceutical Wholesaling - still flat lining in non-medical products but volume increasing in medicines.
- (Wholesale Distribution) Still very slow at retail but retailers themselves are beginning to buy in slightly larger quantities indicating that their confidence is starting to return.
- The business has been growing 20% each year over the last 3 years. Beauty Therapy
- Retail Appliances - Very challenging, lots of discounting below cost and we expect to see competitors go to the wall.
- Remuera Bakery. Another month of good day, average day. Raw ingredient prices have moved up again this month eating into profit margins.
- Gaming Software is selling well through retail

Signage

- Signage Christchurch - trade has settled at a steady 50% of pre quake level and there is a sense of a new normal until the rebuild commences.

Tourism and Travel

- Rental cars, May a disaster, world cup could be a fizzer for our industry
- Tourism (high end overseas visitors). Forward bookings are reasonably strong but erratic so we proceed with apprehension. Suspect its survival of the fittest.
- West Coast Tourism. A pretty gloomy outlook for the next few months, also not too sure how the RWC will scare off the usual tourists, what displacement will there be?
- Tourism - obviously looking toward world rugby cup - but possibly with more guarded optimism as high kiwi dollar may affect visitor spending. China continues to grow in importance as a market, but really would wish to see a stronger US and UK recovery.
- Tourism , very poor excluding RWC.
- Group Tourism... grim.
- Motel industry. Steady
- Aviation - slow to flat.
- Challenging. Tourism.
- Tourism South Island. The perfect storm - GWR, Christchurch and Japanese disasters, High NZ Dollar has hit the tourism industry hard. Roll on the ski season and RWC, hopefully we will see an uplift and start of recovery. This May has seen many operators numbers drop 15 - 30% with overall numbers this past summer down on average 20%.

Transport and Storage

- Transport. Due to the earthquake the transport business in Canterbury is out of recession.
- Warehousing & Distribution - stable with some potential for growth but not great.
- Road Transport Better volumes and a stabilised fuel price helping.
- Better prospect (Freight Forwarding)
- Log Cartage. buoyant. Prices for cartage are not lifting but there are severe capacity constraints. 2nd hand log trucks are fetching very high prices.
- Transport - high fuel big concern.

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Vehicles & Automotive

- Car dealer Hawkes Bay. People appear very cautious and taking time to make buying decisions. Very flat.
- Automotive parts wholesaling - sales flat.
- Retail Franchised Motor Industry. No real sign of a sustained improvement yet over last year. Profit margins continue to be under pressure.
- Automotive Parts. Its a battle out there. Workshops are not busy.
- Automotive Repairs Patchy work load but meeting budget

Wine

- Wine Industry - production, equipment & wines sales; surprisingly upbeat regardless of recent difficulties with the industry, in over-capitalised production facilities in particular. Some concerns of where NZ wines will settle in terms of value in the export market. Premium sector appears healthy. best sector of the market for return and promotion is high value premium.

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The BNZ Confidence Survey is run on the first Thursday of each month. In the Weekly Overview email sent to the 25,000 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 over the weekend and released on the following Monday in this publication to media and WO readers.

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