

Mission Statement

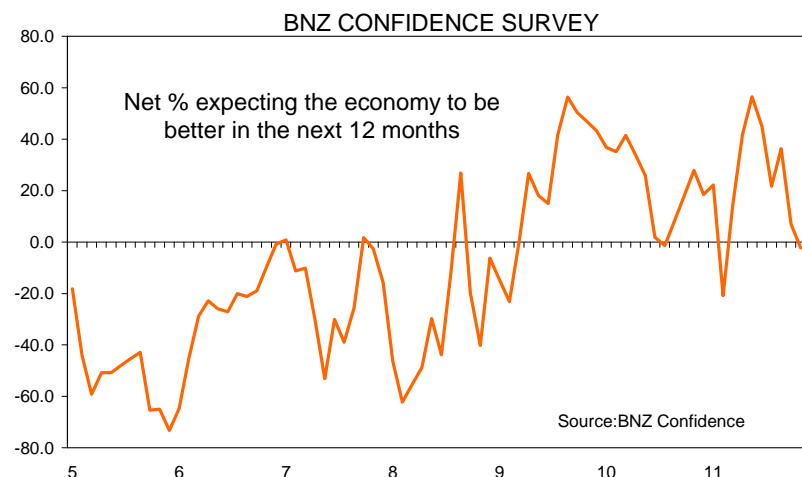
To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy in a language they can understand.

The results here come from a monthly survey of over 25,000 Weekly Overview readers. To receive the Weekly Overview each Thursday night please click here.

http://feedback.bnz.co.nz/forms/Fx-l8plokSGWgjN_7WOAw

Net Pessimism Returns – But Only Just

Our monthly survey of BNZ Weekly Overview readers has found a net 2% expect the economy will be worse in a year's time. This is a decline from a net 7% positive last month and 36% net optimistic two months ago. However confidence remains above the six year average of -9% and considering the seriousness of concerns in Europe either reflects the fact that few respondents feel NZ is at risk from those events – or that euphoria following the Rugby World Cup is continuing!



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

Accountancy

Caution still dominates and appears to be slightly greater than over the past three months.

Advertising & Marketing, Media

Generally flat still.

Agriculture

Generally looking good.

Construction

Still extremely mixed with a tendency toward the negative.

Forestry/Manufacturing/Sawmilling

Mixed results from which one struggles to discern a clear trend.

BNZ CONFIDENCE SURVEY

Horticulture

Good apart from Kiwifruit.

Information Technology/Telecommunications

Steady

Legal

Conditions still appear tough overall. No sign of a widespread improvement.

Manufacturing

One or two comments about orders from offshore improving, but overall conditions still appear challenging.

Property Management

Generally firm.

Real Estate – Non-residential

Overall still very weak conditions.

Real Estate – Residential

Some interruption due to the RWC, no discernable shift in sentiment toward the freshly weak or newly upward.

Retail

Predominantly weak replies but a few more than in recent months are noting some improvement in sales.

Tourism and Travel/Accommodation

Overall challenging but no fresh deterioration evident.

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
8 July	59.3	26.5	14.2	45.0	351	257
4 August	44.6	32.4	23.0	21.7	383	279
5 September	52.5	31.3	16.2	36.3	531	361
6 October	35.0	36.8	28.1	6.9	391	296
5 November	31.6	34.6	33.8	-2.2	272	207

BNZ CONFIDENCE SURVEY

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

- Contract accounting gone quiet again.
- Accounting for SME's and particular farming: Clients are still cautious and remain with a focus on repaying debt which for farmers is huge. The threat of rising interest rates and the direct impact on the bottom line is serious so prudence is called for.
- Accountancy, some clients better, some much worse (seriously considering liquidation), most hanging on
- Chartered Accountant- Plenty of work, but special work has slowed again
- Provincial Chartered Accountancy Firm - still getting new clients, becoming more competitive, noticing accountants promoting & advertising more than in the past
- Chartered Accounting firm – Auckland. We are further ahead in terms of work this year. A bit anxious about the next 6 months. Clients mostly flat compared with prior year.
- Accounting/advisory. Things still ticking along, not spectacular, but far from bad
- I'm involved in a local Chartered Accountancy practice in Christchurch and a separate management consulting practice which has international reach. The local Christchurch economy is faltering with even the smallest levels of enterprise being held back though a dysfunctional insurance market. Good international interest in investing however again insurance often means nothing can move forward. Local demand is cliff diving with more people deciding to move as a result of policies or lack of happening at the micro level. International management consultancy with a focus on governance makes it clear that our main clients are experiencing reduced demand in US and Europe over their summer. However our clients are well planned and placed. Uncertain world however like our clients we win more than our fair share so for us a tiring but good financial year.

Advertising & Marketing, Media

- Sales are not picking up. Commission Sales - Advertising
- Graphic and web design - things are fairly steady
- Marketing Communications & Graphic Design Off-shore work steady, with some signs of a slowdown expected from December onwards. Locally, some renewed interest.
- Advertising. Bleak. Clients all want more for less. Many procurement driven tenders. No value put on relationships anymore. Becoming harder to attract and retain the best people (which is what clients demand) when clients don't want to pay for the service.

Agriculture

- Dairy industry is looking good, it was looking very good but unfortunately the rest of the world has an influence.
- Sheep & Beef farming, Heaps of grass, fair lambing, lots of demand especially for bull beef as well as good lamb prices.
- Pork Production. Domestic production oversupplied and demand low - mainly because of cheap imports, with input costs particularly feed going up, outlook is not good.
- Dairy Farming - payout has dropped following commodity prices dropping but we have come to expect volatility and with GDt prices can rebound quickly if they get too low it can more quickly bring other buyers into the market. But it is a bit worrying about Greece and Europe the way it could impact on credit availability.

BNZ CONFIDENCE SURVEY

- Agriculture (Grain & Seeds) - fairly static situation at present. Coolish spring so far and a noticeable absence of NW winds here in Canterbury has delayed irrigation requirements. Growth of crops has been slow, and a slightly later harvest than normal is likely if current trends continue.
- Fine wool sheep farming, great start to the season in North Canterbury, very attractive lamb and wool contracts available at present. If the weather gods play their part it could be a ripper!
- Biopharmaceutical export (Purified bovine serum for cell culture). International market has rebounded markedly in past 12 months and continues to look strong
- Agriculture has had a few blips in prices but production should be at a high level

Agriculture Servicing

- Rural Consultancy. Growers are carrying out essential work, but not spending on much else.
- Veterinary services and supplies. Companion animal work has dropped off the past few months - people do not have the disposable income they used to. Farming ticks along well in most areas - good grass growth and thus production; low supplies of raw product (store stock for finishers) so there should be lots of hay & silage conserved - depending on the weather! Most farmers have a wary eye on product prices for their wares - they are producing plenty of excellent quality (so managing what they can influence well) product - but the world influence on exchange rate and ability to buy our product is a big worry (which they can't influence). For us it is very much watching expenses very closely and improving our service packages to create more value for our clients.
- Suppliers to the Dairy Industry. Business is good. This is possibly the highest producing spring in years. Rain has made the grass grow and that's been great for production and farmer morale. And that's good for business.

Architecture

- Architecture Wgn, not looking good at all.

Business/Management Consulting and Broking

- Market research - quietish, but normal for this time of the year.

Civil Engineering

- Civil Contracting - Infrastructure and Residential land Development; Plenty to price, Tender prices still too low but will rise as workload is taken up.

Construction

- Residential Construction Auck - confidence still very fragile, however at last we are seeing a few more enquiries for new home builds.
- Reinstatement in Canterbury. good volumes, margins are embarrassingly high, forward work is about 6 months and growing by a month each week. We are in growth mode and have trebled staff in the last month. And the new stuff is only just on the board. Insight into the greed of sellers. One tract of land we have been dealing on has had the price shift by +15% in the last two months for un-consented(resource) and un-serviced (sewer, etc). Those leopards haven't changed their spots, they just found got a new set of victim's.
- Construction industry, things are tight but seems to be light at the end of the tunnel
- Residential Building, very up and down. Last two months have been soft, not sure if the RWC had anything to do with it?
- Construction is still in the doldrums and no sign of improvement
- Still slow in construction with concerns over future work prospects in 2012

Construction Related

- Construction Metal Roofing Waikato. Things can't get worse can they?! Currently Very Very Sad.
- Electrical Industry - hard work at the moment not a lot of enquiry coming in.
- Horrible currently for electricians.
- Electrical Contracting - worse, more competition for same work, cost cutting to win work, margins very tight

BNZ CONFIDENCE SURVEY

- Joinery industry remaining patchy with minimal work loads in the near future. Christmas rush is very slow to appear.
- Ready mix concrete October flat forward work looking good
- Supplier to the Building Industry- Business is soft currently, and we are in need of a kick start in new residential consents plus general confidence to encourage spending on renovations. So in the meantime we are focusing on controlling costs and being ready when the uplift in activity finally arrives.
- Electrical Power Industry - ongoing need to re-furbish/replace old assets - steady workload
- Shop fitting industry. Our financial year so far has been way ahead of last year, with the exception of September which was the worst in history. We are very busy but it is nearly all project work, including export. The underlying routine work is weak and has been all year.
- Building Industry - supplier / manufacturer - just more of the same. No signs of things picking up - very low margins and not enough volume.
- Aluminium Window industry: I can't remember when things were this tight, everyone is operating on little or no margin just to stay in business and I can't see this changing much before Feb next year.
- Electrical Contracting, Work is hard to come by. New construction just about disappeared. But able to keep head above water with repairs and maintenance.
- Specialist timber supply to building/renovation industry. As with all others in the industry we are still down 30% to 40% on 2007 results. Surviving is winning is the common industry theme. Hope springs eternal. After the '87 crash it took 5 years to come right. 1212i s 5 years

Energy

- Energy Industry: Looking good.
- Electricity Distribution Labour market pressure with staff attracted to Australian opportunities.
- Oil exploration and production. Erratic and uncoordinated regulation is reducing investment in NZ and offshore capital will struggle to justify staying in NZ. Govt is making it harder to do business. (Note from me, Tony. Usually I leave comments like this out, but given that this is one of four sectors specifically being targeted by the government for growth one feels the message should be left in.)

Engineering

- Engineering Supplies variable day to day, need for large scale projects to support the localised supplier merchants. There is plenty of opportunity for them to do this given the nature of projects currently in progress throughout New Zealand.
- Slowing down and now getting quiet. engineering company
- it is getting quiet in our niche part of the engineering industry

Finance

- Property lending and investing. Lending still non existent. Good returns given low cost of funds provided you can keep your tenants
- Finance. Deal volume is very low. Quality good. Signs of banks starting to lend again - although very selectively
- Finance lending - quiet but very slowly improving
- Discretionary financial services - people are keeping their money for essentials
- Privately funded finance company, nothing much has changed, pretty quiet, brokers report little activity and same old deals that no one will do still going around, can't see anything out there which will change that outlook.
- Lending market is very competitive, funding is very good (Banking)
- Banking - wholesale markets. Conditions generally worse for the banking industry.

Forestry/Manufacturing/Sawmilling

- Forest industry. Demand & price for export logs falling. Domestic demand soft, price likely to follow export
- Sawmilling : Margins tight , sales OK so far.
- Industry going well. Mining, forestry seem to be quite strong.
- Going very well, Timber Treatment industry

BNZ CONFIDENCE SURVEY

Government

- Public service. Grim. Further belt-tightening; jobs and work-programmes going, and many salaries frozen.

Health and Fitness

- Great. Medicine.
- Acupuncture - Holding steady, better than last two years even after earthquakes.

Horticulture

- Horticulture. Good crops, great growing conditions. Strong domestic demand and ok export prices in Aussie. Strong year so far, fingers crossed for the remainder.
- Horticulture and Landscaping. The horticultural part of the business is very slow with plant sales very sporadic. we have retail and trade customers for mature plants, orders are large in both \$ and quantity but infrequent.
- Kiwifruit. Well we are cutting out our orchard due to PSA. Major restructuring, going from 30 down to 5 permanent staff. The flow on effects through the industry will be massive through Te Puke and N.Z. on a whole
- Horticulture - kiwi fruit - PSA is attacking Hayward .

Hospitality/Entertainment

- RWC gave us a good boost - but core product sales still flat to slightly down - gambling
- Hospitality - short lead times and inconsistent work flows.
- Hospitality. Seeing good growth coming into the Christmas rush
- Hospitality is only as good as the owner involvement. Jobs are being replaced by purchasing franchises. Credit is hard and cash flow tight to grow economy

Information Technology/Telecommunications

- Telecommunications, steady
- In ICT the industry looks to stay the same or get slightly better.
- Software development - Christchurch. Business is good. Demand is reasonably high for quality contractors and permanent staff. The near-future looks fairly solid.
- IT will see some improvement, but hard going
- information Technology - Business remains good and prospects for the next six months are at high levels. Hiring the right staff still remains a challenge.
- Changing, and hopefully for the better after some near-term turmoil (Telecommunications)

Landscaping

- The landscaping side of the business is doing well and expanding but only due to capturing market share, enquiry is very low so our conversion rate to paid contracts and spades in the ground has to be as close to 100% as possible. Many projects we are involved in now have been in process for 8- 12 months. Lead times from enquiry to starting a project are very long. We are involved in the Auckland and the Far North and have a number of commercial projects but not many residential gardens etc. We are also involved with retirement village/ transition construction and developments, these are moving fast and with more stages sold and planned for start shortly. Overall we have had to really adapt as a business over the last two- three years, this is now paying off but overall demand is very low in our industries.

Legal

- Provincial property law practice: bubbling along happily
- Legal - Up and down, boost from work related to Gift duty being removed.
- Legal - slow but more conveyancing
- Provincial Legal. Pattern of the last two years has repeated this year and we expect the same next year; i.e. Slow to steady with the odd dip and peak through the year.

BNZ CONFIDENCE SURVEY

- Very flaky - people struggling to meet their commitments/obligations (Law)
- Legal services in Kapiti - work is steadily trickling in but definitely not pumping. Most property work is from first home buyers so the lower value homes are moving out here.
- Law firm - all lawyers busy here in CHCH
- Quieter than ever! (Provincial law).
- Resource management law. Slow
- Legal - hard for most
- Suburban Legal - Auckland. Bit of an RWC rain shadow so quiet. Hopefully there will be some activity before XMAS

Manufacturing

- Manufacturing. Orders from Australia and NZ backed off a little through Sept and Oct particularly from the larger customers. November has seen a lifting of confidence so we expect steady if not strong demand through til Christmas
- Appliance manufacture; Australian orders have been good, New Zealand sales remain slow in line with low consumer spend on high ticket items and low new house construction.
- Manufacturing in the plastics industry and toolmaking is steady in some areas, shrinking in others . China is still a threat but constraints in developing products will keep people buying our services as we communicate in the same language and we are creative in problem solving.
- Electronics manufacturer - business has been very up and down but forecast is slowly improving, just have to get through the xmas break.
- Slowing down. Fewer jobs to bid on. Clients very slow paying. 60 to 90 days is normal. Metal products manufacturing.
- Manufacturing Christchurch. Very slow at present, we need the insurance money to start flowing so that the rebuild can get started
- Euro and US debt worries are making our customers reduce their orders. Very Nervous. Manufacturing Exporter
- Small manufacturing for the domestic market; business has picked up since around the middle of the year, should continue subject to macro economic factors.

Miscellaneous

- An Auckland Golf Course. Very quite, bookings down, can't reduce prices any more.
- Food exports orders still steady
- Fire Protection Industry more quiet than anticipated during October.
- Graphic Design and Communications Design - in Wellington particularly, very difficult trading conditions. Government, which has been a major contributor to the sustainability of the industry has cut back significantly, and there are too many companies chasing too few jobs. We can't see it getting any better in the short term and with social spending being reprioritised and less social marketing campaigns being undertaken.
- We are a large inner city church. Our main source of income, the congregation, are very positive which flows through into their giving towards projects.
- Slightly better but still very challenging - steel industry
- Wholesale industrial products. Market looking very average with no obvious lights at the end of the horizon.

Property Development

- Construction & property development. We are reasonably busy but not fully committed We have work until at least June next year

Property Management

- Property Management in Hawke's Bay. This is our busy season. Lots of quality properties coming on board with owners doubling their current incomes by moving to Australia for mining jobs in Perth and Northern Queensland. Strong rental demand from tenants with correctly priced quality properties getting snapped up quickly.

BNZ CONFIDENCE SURVEY

- Property Manager North Shore Auckland. Last week enquiry has been weak though holding on to rental increases from earlier, definitely WRC hangover I think with election & Europe freefall, then Christmas we are stuffed till Feb 2012
- Property investment remains as it has been for past few months, pressure remains for rent increases in ChCh as a combination of increased rates and insurance bite.
- Residential property - we have rentals in Invercargill, Wellington and Napier. We have had the most settled time in about 5 years with tenants. Looking at around 4% rental increases in the new year.
- I am in property investment and property management. Our financial situation is strong and growing but many of our tenants are struggling.

Real Estate – Non-residential

- Industrial sales and leasing of property. Very slow, businesses have no confidence in their future, are only looking to take 2 year leases.
- Commercial real estate - slow, very hard to get investors to grab the opportunities out there. Not helped by the risk adverse banking sector.
- Commercial Property Industry = nothing on near horizon that suggests things are getting better in property . No stimulus in economy so more businesses falling over, less market take up of vacant space - still a number of property owners coming under pressure from their funders to quit property
- Commercial real estate in tourism sector inquiries picking up since end of RWC but shortage of good listings
- Commercial Construction. Continuing to be a very tight and competitive market
- Commercial Property - less incentives being offered to office tenants and rising rentals for retail tenants. Spec builds starting to creep back into the market with highly competitive construction tendering
- Commercial Real Estate interest in receiverships and bargains but little else
- Central City Christchurch commercial property. No insurance available for any new builds so there will be very little rebuilding in the CBD until these insurance issues are solved. It will take decades for the rebuild of Christchurch CBD to come back.

Real Estate – Residential

- Residential real estate in Christchurch...as the aftershocks recede confidence grows. People are cautiously moving forward. Appraisals are increasing, listings are on the up and the sales graph is looking a lot more positive. The Banks are doing their best to support sales growth, its just the Insurers that need a good kick in the backside .
- Real Estate Tauranga Visits to Open homes in particular during Rugby World cup were well down marketed improvement last weekend.
- Real Estate agent Motueka - Real estate market in this area is doing really well. Lots of buyer enquiry and sell times for new listing's dramatically decreased. Number of cash buyers in the market.
- Auckland fringe city residential rental investment - steady to strong, Demand expected to increase but no big rent increases expected yet - ability to pay more is still constrained
- Locally the property market has taken a hit with PSA infecting kiwi fruit and Rena affecting local trades , The Kiwifruit workers on the move with the contractors selling their homes puts pressure on the rental market, we are repositioning to other rental markets, taking advantage of the housing markets low prices, and hungry contractors being available and cheaper to upgrade existing holdings. .
- Real Estate, Eastern beaches. Same mud, different bucket; listings hard to come by but good property achieving great to stellar results. Poor presentation/price/marketing punished. Sub \$650k property achieving up to 10% above '07 peaks.
- Real Estate. Hard work.....Our Napier R.V have just come out and the common tread is a drop in land value, but an increase in rates!!! Insurance cost have skyrocketed up. It seems to me the only money maker in real estate is the number of divorce cases we are dealing with.
- Real Estate Auckland City fringe. Good listings and plenty of motivated buyers. Buyers still nervous and easily distracted by any kind of issue. Good "clean" properties are selling quickly for excellent prices. Greece of course is not helping anyone's confidence.
- Real Estate North Shore Auckland - Still very busy with lots of buyers out there - good sales rates. Prices could even be creeping up more - still a sellers market for well priced homes in good condition.

BNZ CONFIDENCE SURVEY

- Real Estate in Gisborne. Still a very low level of sales with listings still hard to find. Many Sellers hanging out for unrealistic prices to fund their proposed buying into the two new Retirement Villages.
- Real Estate - Central North Island. Sales have definitely picked up over the last six weeks and there are plenty of properties being listed as well.
- Real Estate. Property still coming on the market, people still looking for bargains, sellers still not wanting to sell for too much less than they feel it is worth, others taking less so that they can move on to the next stage of their lives. In other words pretty much normal.
- Residential real estate. Central Auckland. Have just (unwillingly) left the industry as have others (in commercial as well). Prices good but just enough volume to support agents who need a full time wage. Many agents who are hanging in there have secondary income or a partner as support.
- Residential Real Estate. Shortage of new listings, existing stock slow moving if priced incorrectly. Lots of buyers, albeit cautious about making a decision.
- Real Estate - home buyer enthusiasm picking up after World Cup distraction. Still difficult to get commitment and urgency from buyers.
- Residential Real estate Napier - very very slow!! Listings down as is buyer enquiry. Very concerning
- Real Estate Johnsonville: Appears to have lifted in sales over the past 4 weeks. Good numbers of buyers and properties coming to market. Sales have picked up noticeably.
- Real Estate - Improving
- Real Estate still struggling to come back to some normality. Rental side of our business remains very strong and growing.
- Real Estate, Invercargill, sales volumes steady, prices still flat.
- Real estate: Discretionary income buyers to the fore buying holiday homes. First home buyers disappeared off the market. Many young people prefer to rent and that could be a lifestyle choice as opposed to an inability to get finance. Interesting times ahead. Good inflow of expats looking for properties in the upper bracket.
- Real Estate - Eastern Beaches. Continues to show a number of buyers wanting to buy, and multiple offers on some well priced properties. No rush being shown from sellers to join the market and predictions are the Christmas market will be active due to the shortage of properties.
- Hamilton Real Estate sales: The expected 'feel good' boom after the world cup has not happened yet - almost the reverse. Most properties are worth more to the owner than any other person. After the advertising hype of 'shortage of stock', the reality is that we are left with even more choice than before. Overall, a strong buyers market. Not much in Santa's sack for the struggling agent, I feel.
- Real Estate - Sales up but any increase in unit sales due to forced sales. Buyers only buying if property is keenly priced. Usual spring increase in listings. Market nothing like is being reported in AKL.

Real Estate – Rural

- Rural Real Estate, I can't see much of an improvement. Horticulture Kiwi fruit is not looking good, will be some forced sales.
- Rural Real Estate still slow but some optimism.

Real Estate Valuation

- Property valuation in Auckland. Steady at best it seems, with potential for less rather than more activity. Residential aside, there is much caution around.
- Property Valuer C & I Auckland, After a few busy months workload is very low through our office.

Recruitment

- Executive recruitment. Steady but is very tough out there.
- Recruitment: Strong hiring continues with NZ clients. Australian employers extremely active recruiting New Zealanders who have citizenship placing additional pressure on candidate shortages.
- Recruitment of professional engineers. In spite of the shortage of suitable candidates, many hiring decisions are presently on hold.
- Recruitment: Very quiet September, but October saw a significant lift in orders and revenue.

BNZ CONFIDENCE SURVEY

Retail

- Outdoor Retail. Very bleak with no benefit from rugby and poor start to ski season.
- Housewares Import and Wholesale - sell in has been okay, not stellar. Retailers saying sell though in October has not been good. They say people focussed on RWC more than durables. However saying November has been better.
- Retail / consumer. Going well but lots of large issues for the country to deal with will have an effect.
- Steady and improving. Furniture wholesale to retail businesses.
- Retail. Last 3 months on par with same period last year. Slight lift in October so hope it augers well for the Nov-Jan (Xmas) flush.
- We are an importer of furniture and our retail clients are still having a tight trading time. Everyone tries to focus on the positives, but it's getting tiring waiting for a rebound in retail conditions.
- Retail Sales and services for electronics, very bleak. All of a sudden there is no-one out there. Even our commercial clients have dried up.
- Retail - still very tight. Consumers post RWC seem to have closed their wallets once again.
- Retail very quiet
- Very buoyant at the moment - turnover up over 40% this year. Business handmade chocolate. Be great if it continues at this level though not overly optimistic.
- Retail apparel Newmarket - the past month has seen a notable improvement. The last few weeks of RWC helped with some good momentum.
- Wholesale Home wares - a little slow because of RWC but looking for a big run into Xmas
- Retail Appliances - business has picked up since the end of the World Cup
- Window furnishing industry is picking up - seasonal.
- Retail Flooring Wellington: Enquiry & pricing activity is high, lookers converting to buyers when solid deals are on offer. Internal confidence is high.

Signage

- Signage - Christchurch Turnover stabilized at 50% of pre quake levels and no indication that it will change in the next 6+ months due to the Christchurch re build having stalled. Cash flow is OK and very little bad debts so it looks like a new normal has arrived.
- Reasonably healthy for companies who have invested in new technology. Signage Industry.

Tourism and Travel/Accommodation

- Passenger transport Tourism. Bookings for the summer are showing signs of being static.
- Accommodation. Currently we have future reservations of groups for Dec/Jan/Feb, and F.I.T is slower - less travellers around for less time and they have a variety of options available to them for pricing and content of rooms etc.
- South Island provincial motel. Came through the winter 12% up on last winter. Forward summer bookings from overseas down at this stage, but hopefully the local market will get us through the summer.
- Rental cars steady, forward bookings up, RWC a non event in the south
- Holiday park, good bookings. This is the year the baby boomers first start to retire, go buy the RV.
- Challenging - Tourism

Transport and Storage

- Road Transport. Freight volumes have noticeably improved over the last month. Due to the lack of capital expenditure over the last three years the resources of the industry are being challenged to meet required service levels.
- Cold storage - currently busy as is usual for this time of the year but rising costs (power insurance and rates) are a negative and the very serious kiwifruit PSA issues will impact negatively in 2012 - not to mention continuing ongoing global turmoil adding to uncertainty

Vehicles & Automotive

- Automotive repairer. Very slow
- Franchised Motor Industry. Little change after RWC. Costs up margins down!!

BNZ CONFIDENCE SURVEY

- 2d Hand car sales under \$5000 Very Very quiet most sales fall over due to clients not qualifying for finance. Car Hire also very dull most enquiries price driven. Hawkes Bay Based.

Wine

- Dry goods to wine industry - showing steady growth trend. now back above peak of 2009 in volume

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

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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