

Media Release
20 July 2015

Hutt Valley business confidence falls in June survey

Hutt Valley business confidence in New Zealand's economy has fallen in the latest Hutt Valley Chamber of Commerce Business Confidence Survey, sponsored by Red Hot Business Coaching.

A net 17.4% of business respondents said they expect the New Zealand business situation to improve over the next 6 months, compared to a net 39.5% in the previous survey in March.

In the survey of members, 33.1% expect the national business situation to improve, compared with 47.2% in March, while 15.7% expect the business situation to deteriorate, compared to 7.7% in March.

Hutt Valley personal business confidence has also dipped slightly. A net 44.9% of business respondents said they expected their own business situation to improve, compared to a net 54% in March.

The survey was conducted in June over a two-week period and attracted 236 respondents.

A net 6.1% of businesses expect to invest more in buildings over the next 12 months, compared to March where little change was expected. A net 10.36% of businesses expect to invest more in buildings, compared to net 8.14% in March.

A net 10.6% of respondents expect to hire more full-time staff, and a net 11% expect to hire more part-time staff. This compares to 6.43% (fulltime) and 12.87% (part-time) in March.

Lack of demand and finance continue to be the most prevalent factors limiting business expansion, with labour and other being lesser impacting factors.

Chief Executive of the Hutt Valley Chamber of Commerce, Mark Futter, believes that while confidence has fallen the data shows that business activity still appeared to be strong.

"While expectations have fallen over the last quarter, we are also seeing businesses commit to continued investment in plant, equipment and hiring new staff.

"Many respondents believe that their own business situation will either improve or remain the same. This shows businesses themselves remain optimistic despite national economic factors.

"We know that Hutt businesses are resilient and there are plenty of opportunities for growth. The Chamber remains confident that growth will remain steady as business responds to changing local market conditions."

ENDS

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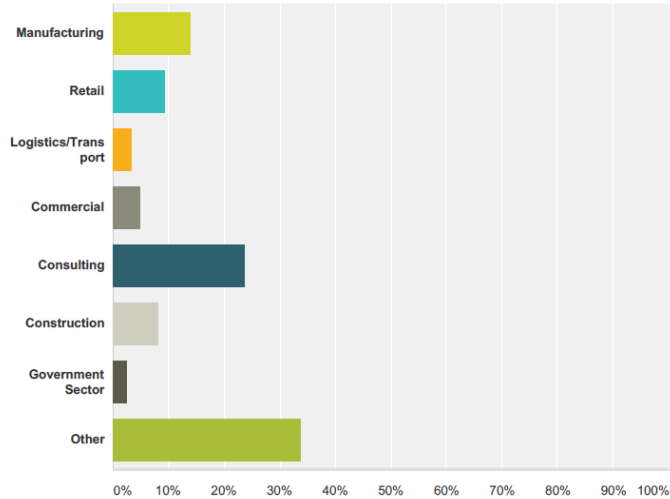
Note to eds – Net percentage is the balance of sentiment, positive minus negative responses.

Hutt Valley Chamber of Commerce

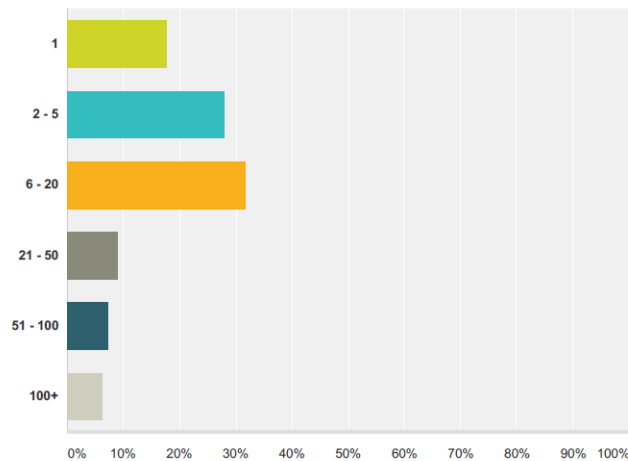
Sponsored by Red Hot Business Coaching
 Business Confidence Survey – June 2015 Report

Business Sector

The chart below gives an indication of the business sectors participants.



Size of business



Do you believe that the general business situation in NEW ZEALAND will improve, remain the same or deteriorate in the next six months?

Improve	Same	Deteriorate	N/A	Total
33.05%	50.85%	15.68%	0.42%	
78	120	37	1	236

June: Net 17.37% improve

Compared to March: Net 39.48% improve

Do you believe that the general business situation in YOUR OWN BUSINESS will improve, remain the same or deteriorate in the next six months?

Improve	Same	Deteriorate	N/A	Total
54.66%	35.59%	9.75%	0.00%	
129	84	23	0	236

Net 44.91% improve

CF: Net 54.07% in March

Personal workload

Do you believe YOUR PERSONAL workload will improve, remain the same or deteriorate in the next 6 months?

Answer Choices	Responses	
Improve	34.32%	81
Same	51.69%	122
Deteriorate	13.98%	33
Total		236

Net 20.35% improve

CF: net 26.61% improve in March

Skilled labour

Businesses were asked about difficulty in finding skilled and unskilled labour, compared to three months ago.

	Easier	Same	Harder	N/A	Total	Weighted Average
Skilled/Specialist	6.55% 15	39.74% 91	24.45% 56	29.26% 67	229	2.25
Unskilled	14.29% 29	35.47% 72	5.91% 12	44.33% 90	203	1.85

Skilled: Net -17.90 difficulty; CF: -30.09% in March

Unskilled: Net 8.38% difficulty CF: .5% net in March

What single factor, if any, is most limiting your ability to expand your activities? Shortage of:

Answer Choices	Responses	
Capacity	14.41%	34
Finance	16.95%	40
Labour	11.44%	27
Demand	29.66%	70
Supplies	0.42%	1
None	15.68%	37
Other (please specify)	11.44%	27
Total		236

Demand; finance; none; capacity; labour; other; supplies

Compared to March:

Answer Choices	Responses	
Capacity	12.02%	28
Finance	19.74%	46
Labour	12.02%	28
Demand	24.03%	56
Supplies	0.86%	2
None	14.59%	34
Other (please specify)	16.74%	39
Total		233

Demand; finance; other; none; labour; capacity; supplies.

Interest rates: Do you expect the interest rates charged on loans during the next twelve months to be greater, the same, or less than those during the past twelve months?

Greater	Same	Less	N/A	Total	Weighted Average
13.14%	35.59%	44.49%	6.78%		
31	84	105	16	236	2.34

Net – 31.35% (decrease)

CF Net 6.43% increase in March.

Do you expect the amount of new investment approved by your firm during the next twelve months to be greater, the same, or less than those during the past twelve months?

	Greater	Same	Less	N/A	Total	Weighted Average
On Buildings	14.78%	35.65%	8.70%	40.87%		
	34	82	20	94	230	1.90
On Plant/Machinery	22.07%	38.29%	11.71%	27.93%		
	49	85	26	62	222	1.86

on buildings Net 6.08% greater investment: CF -.87% (decrease)

on plant/machinery Net 10.36% greater investment CF: 8.14% investment

Q11: Excluding normal seasonal changes, what has been your firm's experience during the PAST THREE MONTHS in respect of:

	Increase	Same	Decrease	N/A	Total	Weighted Average
Number of full-time employees	18.22% 43	61.44% 145	7.63% 18	12.71% 30	236	1.88
Number of part-time employees	16.95% 40	55.93% 132	5.93% 14	21.19% 50	236	1.86
Total hours worked	37.71% 89	49.15% 116	10.17% 24	2.97% 7	236	1.72
Labour turnover	11.44% 27	57.63% 136	3.81% 9	27.12% 64	236	1.90
Average costs	31.78% 75	59.32% 140	3.81% 9	5.08% 12	236	1.71
Average selling prices	21.19% 50	62.71% 148	8.90% 21	7.20% 17	236	1.87
Profitability	26.27% 62	40.68% 96	26.69% 63	6.36% 15	236	2.00

Sales in New Zealand	29.24% 69	42.37% 100	13.14% 31	15.25% 36	236	1.81
Export sales	8.90% 21	16.10% 38	2.12% 5	72.88% 172	236	1.75

Number of full-time employees: net 10.59% CF; net 6.43% in March

Number of part time employees: net 11.02% CF; net 12.87% in March

Total hours worked: net 27.54% CF: net 33.05% in March

Labour turnover: net 7.63% CF: net 9.01% in March

Average costs: net 27.97% CF: net 26.18% in March

Average selling prices: net 12.29% CF: net 8.59% in March

Profitability: net -.42%% CF: net 4.29% in March

Sales in New Zealand: net 16.10% CF: net 19.74% in March

Export sales: net 6.78% CF: net 3.86% in March

Q12: Excluding normal seasonal changes, what do you believe will be your firm's experience during the NEXT THREE MONTHS in respect of:

	Increase	Same	Decrease	N/A	Total	Weighted Average
Number of full-time employees	17.95% 42	65.38% 153	5.56% 13	11.11% 26	234	1.86
Number of part-time employees	16.67% 39	61.11% 143	2.14% 5	20.09% 47	234	1.82
Hours You Personally Spent Working	39.83% 94	53.81% 127	5.08% 12	1.27% 3	236	1.65
Labour turnover	5.96% 14	62.13% 146	5.96% 14	25.96% 61	235	2.00
Average costs	27.23% 64	63.40% 149	6.81% 16	2.55% 6	235	1.79
Average selling price	21.19% 50	66.10% 156	5.93% 14	6.78% 16	236	1.84
Profitability	35.17% 83	44.07% 104	16.10% 38	4.66% 11	236	1.80

Sales in New Zealand	31.78% 75	46.19% 109	7.20% 17	14.83% 35	236	1.71
Export sales	12.61% 29	14.78% 34	2.17% 5	70.43% 162	230	1.65

Next three months

Number of full-time employees: net 12.39% CF: 15.16%

Number of part-time employees: net 14.53% CF: 13.79% in March

Hours you personally spent working: net 34.75% CF: 32.46% net in March – NB question differed. Was previously worded “Total hours worked” but it now worded “hours you personally spent working”.

Labour turnover: net 0% CF: 5.24%

Average costs: net 20.42% CF: 30% net in March

Average selling price: net 15.26% CF: 16.88% net in March

Profitability: net 19.07% net: CF: 29.87% net in March

Sales in New Zealand: net 24.48% CF: 35.77% net in March

Export sales: 10.44% net CF: 6.58% net in March