

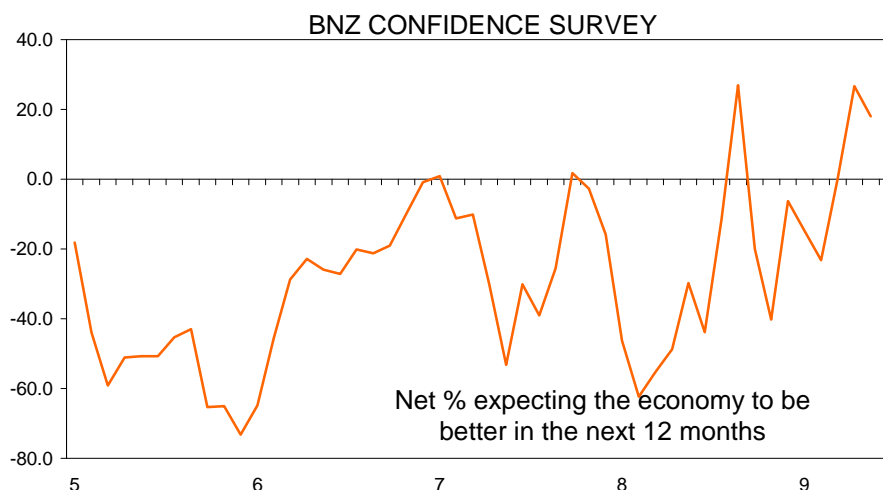
Mission Statement

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 Remains Positive

Our monthly survey of BNZ Weekly Overview readers has revealed a small decrease in sentiment regarding the economy over the coming year to a net 18% positive from 27% in early May. This result is not surprising considering that we attribute the surge in confidence to a record level in May as largely reflecting a "sigh of relief" that the Depression scenario was off the table rather than widespread expectations of bountiful growth just ahead.



Some of the key results contained in the comments respondents submitted include some signs of life in the recruitment sector, continuing shortages of residential real estate listings, and new understandable worries in the dairying sector.

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

Accounting

Generally reporting high activity levels.

Advertising & Marketing

Still very tight with fine pricing needed.

Agriculture

Fresh wave of concerns in the dairy sector, including worries about the firm NZD/USD exchange rate.

Architects

Some signs of improvement.

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Construction

Some signs of residential improving, but pricing very tight and activity levels currently quite low.

Forestry/Manufacturing/Sawmilling

Good demand offshore but new worries about the firm NZD.

Human Resources

Increasing interest from employers in taking advantage of the better field of candidates.

Information Technology/Telecommunications

Quite mixed still.

Legal

Always busy it seems.

Manufacturing

Highly mixed, but with a few positive signs though worries about the NZD.

Real Estate – Non-residential

Some increasing interest from investors, businesses rejigging their locations. Not dire by any means.

Real Estate – Residential

Good buyer interest with listings shortages, but little evidence of prices rising.

Retail

No firm sign of depressed conditions ending as yet.

Tourism and Travel

Looking quite challenged.

Transport and Storage

Slow overall.

Vehicles & Automotive

New vehicles still weak.

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

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

Accountancy

- Accounting - extremely busy with compliance work. Clients have got their records in early as they are chasing their refunds.
- Accounting - Lower Hutt - very busy, with most clients still hanging in there with reasonable amounts of work and forward work. Some clients experiencing difficulty, but things have not worsened in the past month. Think things really will start to pick up later in the year.
- Accountancy/Consulting No change in work levels from previous years although was very quiet Dec-March. Clients with money are now buying up.
- Chartered accountant: A flood of 2009 records in early for processing. Clients want to know their tax position asap and collect tax refunds where poss. Cartage contractors and customs agents have hit a wall.
- Tax Consultancy - things have improved in relation to workload, although transactional work is still light.
- Chartered Accounting - mixed bag. Some liquidations or business shutting up shop due to becoming uneconomic. Some with available resources taking advantage of some bargains on offer
- Accounting - busy with compliance work, pressure to keep fees static.
- Accountancy - little impact at this stage.
- Accountancy. Excellent. Very busy and growing.
- Accountancy - very busy with turnaround work, still short of qualified staff.
- Chartered Accounting is fine with demand up as clients want to know how bad there situation is, however clients are taking longer to pay. The full effects of the recession are starting to show and I expect things to get worse as the economy continues to contract.
- Accounting, Tax and Business consulting.(Auckland) Very busy. Sales are picking up for many clients, even around Construction, Contracting, Real Estate, Sheep & Farming. Generally a more positive sentiment

Advertising & Marketing

- Marketing Research Consultants - Good
- At present fairly tough, but outlook is better. (radio advertising)
- About to close a shift. Newspaper Printing industry.
- Media, Advertising is flat, which is not bad as it is normally slow in winter.
- Paper publishing. Very slow and dull.
- Advertising/Sponsorship - My company asks businesses to advertise so that we can give 70,000 Child Safety Handbooks away each year to 12 year olds. They are still saying yes but sales are down 25% from last year. People are still willing to help a good cause.
- Brand Promotional Screen Printing and Embroidery; Well on road to recovery from trough last year as FMCG and brand leaders put effort into market share. However, these brand managers' focus on costs is intense, and thus they are dealing "direct" so vertical operators seem to be prospering at the expense of middle-man "promo agency" operators. Same is reported in the offset printing field.

Agriculture

- Dairy & beef farming. Not good, just focussing on survival. After crash everything edging up except income.
- Dairying. This season is looking grim. All unnecessary spending is to be stopped. Debt levels are high so have to service this first. Long term dairying is a great industry investment.
- Commercial Grower Strong signs of demand improving and prices returning to sustainable levels. Outlook very positive.

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- Suppliers to the dairy industry. With constant media negativity about the state and future prospects of the dairy industry, farmers are despondent and lack confidence in their farms being able to turn a profit this season. They are only buying necessities. Because this industry plays such a large role in New Zealand the flow on effects to the wider economy will be profound.
- Sheep & Beef breeding & fattening. Lamb at the moment is very good. Wool is bad. We passed wool at the sale yesterday. Beef probably not that good.
- Dairying With the cold winter low grass growth and low advance farmers are in shock
- Dairy Industry. Falling payout is going to hurt!
- Sheep and beef/ We are fine for the moment but a huge amount of uncertainty as no fundamentals have changed, just good luck to have a good season and lamb prices together. trading margins still short and cash flow tight.
- Ag industry. Dairy payout and strong dollar, not looking good for rest of the year.

Agriculture Servicing

- Rural Real Estate Cambridge, Enquiry level moderate but very difficult to convert to a sale. Purchasers finding it hard to get finance approved by the banks. Vendors are now prepared to meet the market, but not with-out a bit of kicking and fighting.
- Rural Chartered accountant - tough down at the farm.
- Agricultural Support/ Veterinary. Predominantly dairy based so in shock at present!. Most recent indicator Dry Cow treatment down almost 20% a real shock and hopefully not an indication of spending for this season coming.
- Ag equipment sector. Fonterra announcement has already had a negative impact in what had been a very steady market. Our dealers will forecast turnover reductions for the coming rolling 12 as a result of this forecast payout.
- Electrical Contracting Rural. Business is slow and money hard to get

Architects

- Architectural Draughting. Busy, busy, busy! Things have really picked up since I last did this survey. I have plenty of work! Positivity goes a long way.
- Residential Architectural Design; no change in work levels (low at this point) looking forward to improvement as it can only get better.
- Plans across my desk have increased for pricing and there is a shortage of houses for sale which is fuelling this trend. things are much more positive
- Architecture, Christchurch - still a bit patchy but looking more positive.
- Architecture;. We had a couple of encouraging months and have forward work but it's gone quiet again....?????.
work is stalling at the final documentation and build stage
- Architecture: We see signs of improvement in the commercial market. We have leads on a number of projects and are seeing signs of optimism out there. If one or two of these projects gets the green light we will be looking at hiring staff.
- Architectural Design - we are as busy as ever - no sign of a contraction for us!

Business/Management Consulting

- Business Advisory-There is an increasing number of potential clients who want advice on their business initiatives. In the upturn any fool can do it, in a downturn good advice is a good investment.
- I am in financial coaching, sell to B2B market as employee benefit. things are ticking along ok, people take longer to make decisions and lots of HR budget restrictions and issues for time out for staff to attend
- Business services - flat but not going down
- Business broker Nelson . Enquiry for businesses has become quite strong . time will tell if it comes to anything . Banks need to loosen up a bit on Business lending .
- Management Consulting - stable with work flow increasing.

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Civil Construction

- A diversified group of companies mostly related to infrastructure. Things are looking worse right now, but should improve over the next 12 months as new projects come on stream.

Construction

- Building - High End - Very busy lots of work and lots in the pipeline. Those with money seem to still be spending it.
- Construction/land development. this industry has slowed right down with private developers reluctant to start or continue with projects. possibly due to finance issues.
- Construction - things are still tough, lack of work and stiff competition. Expect to see more companies go under in the next 12 months
- Commercial Construction. Good response from clients looking to work with a reliable, reputable company. Referrals and proven ability to complete a project more important than ever.
- Christchurch residential house-building (leading national brand): a distinct improvement over the last few weeks in terms of sales enquiries and actual contracts, combined with the demise of several of our competitors, is beginning to give us cautious optimism that the light at the end of the tunnel is not an oncoming train! Survival of the fittest, a healthy cull, means that the best is yet to come for the winners. 'Twas ever so.
- Domestic Construction - Turnover is well down on last year - Quoting is good but no one wants to commit. You can only trim costs so far without effecting your ability to recover quickly once demand returns.
- Residential construction. There has definitely been an increase in interested clients. Work is steady with follow on happening again.
- Construction - It appears to be getting tighter. We are working on jobs that were priced and negotiated late 08 or early 09. We aren't pricing a lot of work at the moment and there isn't as much enquiry. The last quarter of this year and onward is looking grim.
- Building industry Customer interest stronger however pricing very competitive.
- In commercial construction Auckland. If conditions remain just the same as now for 12-18 months then there will be subcontractor closures, or retrenchments at best, because capacity is way over demand and many are pricing at just partial overhead recovery i.e. negative profit. Banks and suppliers will have bad debts.
- We're builders on the central Plateau specialising in 2nd homes/Holiday Homes ion the middle to upper end of the market. Little has changed in the last 2 months. Enquiry is well down but those that are there are well qualified and progressing through the sales pipeline. The winter quarter could be "cold" but come spring I think we'll see a steady growth.

Construction Related

- Ready mixed concrete is going well for us as we have a good infrastructure position. The overall market is down due to housing and light commercial almost stopped for now with possible slowdowns in larger commercial projects creating a second slowdown later. We just love motorways.
- Joinery trade, Invercargill. things seem to be stable at there new level, but I think its going to be tough year competition wise.
- Aggregates - steady enough, but unlikely to pick up in the near future, as any big jobs that come along will only be replacing the subdivision type work that we have been supply over the last few years.
- Building merchant - improvement in building activity, but poor performance in account payments. Rural trends unclear but appear to be in decline.
- Residential Joinery. Winter slow down this year has turned into a winter stop! Expecting a recovery but believe NZer's in general still have their head in the sand.
- Communication for Building & Development Industries - definite increase in activity, new small players emerging, even some of the wiseheads are at least talking about opportunities. Keep that immigration up!
- (Hardware Wholesale) Things are still quiet and major groups are putting more pressure on pricing to try and entice consumers with the lowest cost - resulting in more suppliers facing cash and liquidity issues and ultimately forcing some to the wall.
- Ready Mix Concrete: In the BOP forward work and pricing picking up looking at hiring more staff

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- The market in NZ for our German concrete pumps is fairly flat so far this year. We do have lots of enquiries and I remain positive about the coming 12 months more so I expect this year to be flat and expect things to pick up next year
- Hydraulic supplies and maintenance. Supply to OEM is still slow. We look forward to Fielddays to see how the farmers react to payout info. Repairs and replacement market still OK.
- We have a lot of trades people without work - a combination of the slowdown in construction and the wintry weather
- Electrical Wholesaling showing weak domestic sales and slight improvement in industrial.
- Difficult in commercial glazing - traditional big lead times mean tough times only starting to kick in.
- Equipment supplier, forestry/housing/joinery. No change. Still bad.
- High quality building products - It is a very good time for clients to build or renovate so we are busy with sales and quotes for upcoming projects.
- Painting Industry. We have 6months work ahead fully booked. People are spending their money differently. They are tackling small renovations rather than doing the entire house at once.

Education

- Export Education: Holding steady. Recent rise in Kiwi\$ and swine flu still a concern.
- The uncertain economic times are impacting on education (my area of involvement)in both positive and negative ways. For example, increased domestic interest in education and training but insufficient funding to support increased enrolments.
- Education: income is stable but government will not allow us to train more students (due to interest-free student loans)but is easier to get staff now. We are expecting rent costs to decrease.
- Tertiary Education - demand still strong from domestic students, and good news in the Crowns Budget for 2009/10, but 2011 is not looking good.

Energy

- Energy. Companies across the board are looking to cut costs, reduce, reconsolidate staff numbers. Low wholesale electricity prices likely for the rest of this year.
- Oil and Gas exploration and production industry is Ok for existing producers. Some exploration programs are being cut back. Exxon Mobil have to make their drilling commitment in the Great South Basin by the end of August - and could drill this summer if all goes well. Raising money offshore for local exploration is hard, but expectations are high for a good response to the existing offshore tender rounds which the Government is currently promoting.

Engineering

- OK but slowing, Electrical Engineering
- Engineering Consultancy. Work is still slow to come through the door however there are small signs that land is starting to move which creates a demand for new sections.
- Engineering consultancy, forward workload has not improved, we are currently reviewing this against staffing levels preparing for our third round of redundancies. Over the past six months we have reduced staffing levels company wide by 6% - at current levels of forward workload we should be looking at a further 15 % reduction (approximately 600 staff) primarily across NZ and Australia.
- (Engineering manufacturing) Manufacturing for us is still very quiet but power transmission sales are reasonably steady.
- Civil Engineering approval of resource consents. Applications for development has continued to 'dry up'. Very little work happening albeit the off season for construction.
- Workloads have there ups and downs but the next 12 months is looking positive. Long term is hard to assess.(surveying/planning/civil engineering)
- Structural engineering Lots of projects priced very few have gone ahead . If we can tuff it out I'm sure there will be a very busy workload . There will be a few more engineering companies going to the wall before the years out
- Recessionary impacts are now widely evident across many areas of activity and lay-offs are more widespread. Many projects have been deferred or cancelled. Engineering professional services.

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- Consulting engineer in the commercial building sector. Increasing demand noticeable but off a low base, and more from businesses building themselves, rather than developers.

Finance

- Finance - more lending activity over the past few months, both mortgage and personal lending.
- Consumer finance - still soft business volumes but signs of gradual improvement.
- Second tier finance. Some activity with all applications for finance carefully examined.
- Banking. Real mixture of sentiment amongst those in this industry at the moment. Certainly opportunities are out there which has given risen to some cautious optimism but this is heavily constrained by fears around liquidity & overall market volatility. Asset growth unlikely to be seen to any great extent given focus now on the competitive liability market. Client's more willing to accept the inevitable increases in their funding costs which has made many businesses (& bankers alike) focus more on the fundamentals of cost vs. return (rather than just volume growth). A good trend that I hope continues & is not distorted by public sector intervention.

Financial Planning and Investments

- Fund management - bottoming out KiwiSaver aside, outflows have declined, inflows are creeping up as some investors buy into the green shoots. Cash is gradually moving across to bonds and equities. No resurgence of listed property visible yet though.
- Investment Adviser. Business is improving slowly now that bank deposit rates are so low those on 'fixed incomes' need to find alternatives
- Wealth Advisory - Low Interest rates are prompting people to look at other options, but there is still a lot of fear, uncertainty and doubt about.

Fishing

- Not looking great in the fishing industry with the high dollar, and decreased demand for product
- Prices being paid to rock lobster fishermen in the north of the South Island, are very good even though there are some fluctuations. Prime reason for the higher prices are that our main competitor for the Chinese markets, are Western and South Australia and Tasmania, and all three Australian States are having a poor season with much reduced catches of lobsters.

Food

- Food Manufacturing, Things are tough. Continuing increase in input costs, ability to increase prices constrained by decline in demand.
- Honey Producer. Export slow. Price of sugar is the highest ever.
- Handmade chocolate manufacturing. We supply our own stores and wholesale throughout NZ. The stores are holding up well, even recording small growth. Our wholesale customers in the hospitality industry (hotels and restaurants) are buying smaller amounts.

Forestry/Manufacturing/Sawmilling

- Forestry - The little 'boom' we have been enjoying from export logs to China is looking a little threatened now as the \$NZ climbs and ocean freight rates climb as well.
- Forest industry is being hit particularly hard by low house starts in NZ & Aussie, plus the exchange and sea freight volatility for export sales. The expectation is worse in the short to medium term before some form of recovery in Q1 2010.
- Exporter of wood products. Some pick up as customers restock. Key is, is consumer demand improving in the final user markets? Highly doubtful on present information available.
- We operate in the aviation industry but primarily our work and income comes from the forestry and timber industry of NZ. The climbing NZD/USD is a double edged sword for us as it makes the aircraft slightly cheaper to operate as most parts and insurances are USD based but our clients are primarily exporters and are beginning to struggle hence decreasing volumes, etc. Timber as a commodity seems to be holding its own but I think with increasing USD and freight costs as oil increases and the northern hemisphere producing for the same markets the out look is not positive.

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- Forestry - log exports: The rise and rise of the NZD/USD is a killer combined with Ocean freight again on the upward surge - demand is good, USD prices rising slowly but our NZD returns are going backwards. USD prices can only rise so far and our Russian friends will be back in full swing again. ETS delay also stifling new investment.
- Forestry Northland: Domestic Log Sales steady, demand from export markets (China, India, Korea, Middle East) is still strong but the strength of \$NZ and the increase in bulk shipping rates is putting real pressure on wharf gate \$NZ prices.

Health and Fitness

- Health care: Remains very busy as there is increasing numbers of people in the aging population developing disease and illness.
- Acupuncture - quietening off but sometimes does this in winter with less people getting sports injuries as they prefer summer sports.
- Optometry - forward bookings are well down, average sale is down, overheads are up

Horticulture

- Kiwifruit. Prices are looking really good for Zespri Gold Kiwifruit off shore but Zespri Green is struggling to hold the prices they got last year
- The horticulture industry was looking pretty sound over the last quarter, but with the US exchange rate deteriorating from an export viewpoint, some of the gloss is going to be blunted. Settlements in Yen, Euro and GBP should be OK, but a large proportion of our exports are expressed in USD. Let us hope Australia stays favourable. If things go pear shaped in Forex, the export led recovery will be blunted.

Human Resources

- The legal recruitment industry. Firms are indicating mostly that they have just enough work and would like more. After a flurry in the first quarter of increased legal recruitment of in house solicitor positions this has slowed down. The scattered and isolated redundancies in the legal sector in the first quarter has slowed at present. It feels like the legal market is near to the bottom and sitting there. Not good for the recruitment industry - it is a struggle to generate sufficient revenue!
- Recruitment - starting to see a rise in temp / contracting activity. Employers are still cautious on the hiring permanently although some would be moving from hiring freeze to hiring chill.
- Employment Communications is still very flat. HR functions that are taking this as an opportunity to fine tune systems and processes are far and few between.
- In recruitment it has become a little more rosy in the last couple of months. Granted, that wasn't difficult when we were getting 100-200 applicants for every job we were advertising and very few jobs to work on. May-June has been looking brighter though, we have more work flowing in, particularly temp work which always spikes before perm as there is not enough long-term sustained confidence to start hiring permanently again yet. The number of applicants has reduced notably for roles which is an indicator that there are less people chasing fewer roles and we are seeing people secure employment - although not their preferred choice. It is not great by any means and will be a long time (if ever) before we get back to where we were 18 months ago but having spoken to a lot of people in the industry in the last 2-3 weeks the general consensus is we are probably through the worst of it in terms of the employment market. Touch wood.
- National recruitment within the social sector. I am borderline to busy and have thought about taking on a staff member to keep up.
- Recruitment - still patchy but things are picking up, roles are coming through that we are recruiting for, but still very specific roles
- Still very tight - we are in recruitment, a lot more candidates, not all good quality. Competitors discounting, I think this is the wrong strategy in this market.
- Recruitment, has its good weeks and bad, more positives starting to appear. For those with a job there is no recession, for those without a job they have the recession.
- Recruitment - starting to see a pick up in contractors which are the first signs of the turnaround. Fear of everything falling to pieces seems to be disappearing

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Information Technology/Telecommunications

- Information Technology. Revenue levels are lower than last year with most customers/clients looking at reducing costs - hardware sales are very flat with management delaying refreshing product
- IT - Business Software. Things are picking up, some projects still delayed but more businesses are starting to look at upgrading or replacing their financials.
- IT Business Services: Delays in approving contracts but pipeline still building. Focus on meeting shorter term objectives and payback periods. Value propositions focused on productivity, efficiency etc.
- IT Services - still buoyant despite negative press every day. Forecasting becoming more difficult as businesses hold off committing to new projects while they assess their environment. Steady flow of business remains however.
- IT support is doing well with consistent revenue for the past six months. We are picking up new clients from other companies who haven't figured out that you need to provide better service during recession times to stop your clients from looking elsewhere.
- IT sales. I think if you are selling anything at the moment, it is extremely difficult. Our sales are down considerably, and my income down 30% on last year.
- IT Wellington - appears to be fewer projects in the pipeline than usual. Straw in the wind: used to be 14 or more Bus Analyst jobs (perm and contract) on Seek each week. Now only 2-3 at max. Point here is that usually with projects BAs come on board before the bulk of the team (developers, testers etc) and lack of demand for BAs signals lack of demand for other IT skills down the track.
- IT Consultancy - Things look good for my small company as government departments move away from major (big company) projects and undertake smaller low-risk projects.
- Health IT - same as last month. Companies continue to watch the pennies, but no panic on the horizon.
- IT industry - there are fewer jobs being advertised but, as always, good staff are hard to find.

Insurance

- Customers noticing any small increases in premiums and some thinking twice about insuring Contents. Looking for best deals and ways to save on insurance. Definite increases in thefts and burglary claims. Concerns about possible increases in exaggerated/fraudulent claims. More competitive pricing for claim settlements and easier to find tradespeople to do the work. Lots of people wanting jobs.
- Insurance - We are doing well. Consumers protect their belongings a lot more in a recession and less likely to take that financial risk of being uninsured.

Legal

- Legal - ok - people are still doing stuff.
- Legal. Good variety of work Property has been busy for a few months. Trust work steady. Business work down a bit. Relationship property/matrimonial up
- Law. Big upsurge in litigation
- Legal .provincial. A bit more residential conveyancing as some vendors have to meet the market .Rural sales in limbo with few signs to encourage any change
- Law - picking up but still patchy
- Legal - Chch - residential conveyancing has really slowed down over the last 3 months. Not sure if it just us or the effect of the higher long term interest rates. Commercial work has remained busy with small business clients deciding the economy is not going to get much worse nor improve dramatically in the short term so doing deals that make sense in the current environment.

Local Government

- Local authority: Our budgets have been cut back where possible, but infrastructure has to continue, so little effect on these

Manufacturing

- Manufacturing - Low forward orders make staff layoffs more likely. So far we have managed to avoid this but there are now very real possibilities that we will have to reduce staff numbers. For a small firm the percentage of staff laid off from quite small numbers can be high and that impacts on potential to quickly reverse trends if the opportunity arises

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- Defence industry exports (electronic/tech). Biggest order ever will keep us busy till end 09.
- Order levels continue to hold at about 20% below last year. Some signs that customers inventory is running low which should generate more activity. Manufacturer
- Aluminium joinery manfg ; has been reasonable to date this year, though winter not looking good. Quoting strong, but more due to end user getting more quotes. Expect levels of business for rest of year to remain flat, and 2010 to be on a par with 2009. Money very hard to collect also.
- Electronics manufacture. Overseas revenue at risk due to exchange rate. Sales volume down slightly on a year ago, but better than it could be.
- As a supplier to the furniture industry we hear of many of our customers beginning to feel positive. Perhaps we have reached the bottom of the trough and can look forward to an eventual up-swing later this year.
- Contract Furniture Satisfactory level of continuing orders
- Manufacturing, slowing, volume decline continues
- Manufacturing - Christchurch. Despite a far from ideal trading environment the outlook for us is looking good with strong enquiry and good sized orders coming our way
- Manufacturing Exporter, Orders still higher than the first quarter but still down on a year ago.
- Orders are good, payments coming in; can't ask for much more (manufacturing leather fashion accessories and bespoke leather finishing for interior designers and fitouts)
- Manufacturing - The last 2 months we have seen increased demand as Retail distributors restock shelves as opposed to buying in for sold orders only. There appears to be cautious optimism in our sector.
- Margin pressure is increasing with large suppliers (in dominant market positions) pushing through cost increases and customers seeking cost reductions. (Manufacturing)
- Apparel Manufacturing, this industry has taken a hit in the past couple of months. However we are continually looking for new markets & developing new products for our customers, which keeps us busy.
- Our organisation has laid off 13 staff at all levels in April. Our manufacturing is still down 20% compared to last 2008.

Marine

- Marine service company (turbocharger servicing and supply of parts). Over the last 2 weeks the work started to drop off.
- Patchy is the best way to describe the Marine Industry but a lot of our boat building customers report the local and overseas boat shows better results than expected

Miscellaneous

- I operate a business in the sex industry in Auckland. We are as busy as ever, although men are reluctant to pay prices of a few years ago. Prices were 50-60 dollars, now start at 40 dollars.
- Business Services - A number of client business are still experiencing high growth. Those in domestic economy focussed businesses are hurting. Time will tell if the agricultural sector in Canterbury will continue to hold up - if it doesn't we expect to see a sharp increase in business failure and redundancies across a number of industry sectors.
- Home services. Gardening, lawn mowing, handyman. Still plenty of work around, but clients tending to try to negotiate cheaper deals. Some clients taking longer to pay than they used to.
- Equipment Hire - detecting a level of positivity amongst customers (not huge but noticeable) - things tend to quieten when winter sets in and this year is no different, but people definitely seem to be expecting the spring to be much better than last year.
- Lawn care and property maintenance Wanaka Plenty of work on ,some weather constraints this Autumn, more quote work than usual
- Landscape supply/trade....Don't know, but I think people are sick of the recession and are getting on with it. Winter traditionally slower, but many trade clients are booked up weeks and month in advance and there seems to be more pricing of work going on right now than in the last few months
- Steady - Waste & Recycling...but not 'better' - we began experiencing noticeable drop off over past 18 months (with builders waste being the exception), still now...clients that were once per month...have been no empties at all for 2 months...so until productivity increases waste will remain static.
- Aviation Consultant - work is slowly beginning to increase

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- Import Distribution: We supply the likes of (various hardware stores – ed.) a range of Garden , Camping and hand tools. Currently one retailer in particular is running stock down to unsustainable levels which is impacting on sales. The same issue occurred last sept/oct which resulted in lost sales and opportunities. The retail public came out to buy and one group completely optimised their turnover because they had stock and the other lost out. From a importers point of view we believe sales in the coming 6 months will be similar to last year with the pattern above repeating itself.
- I'm in the public service - researcher in Stats Dept - things are pretty stable here. Contractors are finding it hard to get work but employees are comfortable
- Home Maintenance domestic work dried up Commercial cleaning going well
- Government - Budgets are being cut and we are on a replacement only policy for people and all projects are being closely reviewed. We are just lucky the recession is making people less likely to move around.
- Looking good with continuous demand for coaching services - Triathlon (swim, bike , run)there has been increasing numbers at events fuelling this.
- Continue to trend slowly downward. Equipment rentals,
- Improving - electronic security
- Have never been busier, in our 37 years in the helicopter industry. servicing farmers, govt, and construction.
- Immigration: temporary work permit applications in Auckland region down 29% on last May & decline rates up from 8% to 23% on last May. Residency applications numbers and invitations for skilled migrants to apply same as last year.

Printing and Publishing

- Digital. Margins tight, lead-times shorter; however, reasonably busy.
- Sales improving print media
- Printing. Not so good. Less advertising in magazines means less pages to print e.g.
- Printing - some signs of stability in the outlook from customers. Reduced input costs and the strengthening dollar helping alleviate some of the margin squeeze but still expect tough trading conditions though to mid 2010.

Property Development

- Property development. genuine interest and unconditional sales in bare land sections at realistic prices. YAY!
- Property development, Nelson. Agents have cleared away old stock but new spec houses languish on the market. Some have given up trying to sell and have rented them out, while others will sell at a loss. You would have to be very brave or very stupid to start a spec house in this market.
- Property projects still largely stalled thought ongoing planning delays (RMA reforms should help here) and lack of confidence generally

Property Management

- Rental Housing. Holding rent levels but see cost increases for maintenance. Local body rates still high in Central regions.
- Rental properties, Wanganui. All houses tenanted at steady rent. Looking to buy another property.
- Property Manager North Shore of Auckland rents have softened marginally of last month which is a surprise given immigration stats, I suspect that this will swing around over next quarter. All Real Estate agents saying sales good and no listings. This will lead to price stabilisation and shortage of rental stock to growing rent increases just a matter of time. Student market for rentals the strongest it has been for 4 years.
- Christchurch Residential Property Management is going well. we continue to get strong enquiries to manage properties from Property Owners. In fact, some of this is because these landlords are struggling to find tenants for their properties based on market rents of 12 months previous. Once the property rents are adjusted to the market rate they tend to rent more easily. We have seen an increase in the number of tenants being laid off from work, however rent arrears and defaults are not rising as yet. All in all still a positive market but slow growth only.

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- Residential Property Management Nelson. We are swamped with houses to let and enquiry level is very low. Nelson has about 300 too many rentals on the market. The drop of building consents close to 200 less this year will save the day.

Real Estate – Non-residential

- Industrial & Commercial Real Estate. Increasing vacant premises in both Warehousing and Office space. But good investor enquiry for tenanted property in all categories. Still some Owner/occupier enquiry for industrial Warehousing
- Pretty good. Commercial retail property. Average rent increases agreed to during the last six months = 10%
- Commercial Real Estate South Island still very little movement lots of vacancies very few lessees lots of investors but nothing to buy
- I am involved in the comm/ind property area, the response I am receiving from small to medium business owners, is they have a confident outlook and in many cases their order books are looking good. I must add I am not talking retail, more the engineers and service sector.
- Commercial property...seems to have gone into hibernation. little on the market and those that are very optimistically priced.
- Commercial property; surprisingly strong investor demand from high net worth NZ investors as they reposition from bank deposits to commercial property. Downward pressure on rentals will offset any positive investor sentiment however and values still under pressure.
- Commercial Real Estate Better levels of inquiry for businesses and freehold properties with long term tenancies. More leasing activity also - people staring to make decisions again.
- Commercial Property and construction. For what it is worth I believe that there is still a lot of fallout from over gearing secondary property which the secondary finance companies held. The private sector spending has nearly ceased for commercial projects so constructors will get squeezed when big jobs finish and are not replaced. The continued job losses will put pressure on the government spending which is supporting this industry. I reckon it is a really hard call for the government. The crunch will be 2010. The saviour in this market may be a slow down in imports and a correction in the dollar but things still seem out of whack.
- Commercial Office Leasing in Auckland. Increased stock due to development lag and sublease space. Majority of businesses we talk to ticking along other than Finance, Property, Recruitment and Advertising who are suffering. Harder to do deals as tenants not prepared to spend on Capex for fit out or relocation costs
- Activity being generated at the top end of the scale by the deleveraging of wholesale and retail property funds. Across the board there is good demand for trophy bankable assets. A General feeling that we are near the bottom of the easing cycle. (Major Commercial Real Estate Sales)
- Commercial/Industrial property, decision making slow, limited leasing prospects, sound investment property in very limited supply, investors exceed the number of vendors of sound investments
- Commercial Property Valuer - Very busy at the moment, increasing vacancies and falling rents are affecting capital values

Real Estate – Residential

- Real Estate South Auckland. June has started off well. Hard to find good listings. Residential market busy, rural/lifestyle slow. There is also a demand for good rental properties.
- Real Estate - Beach - Coromandel area. Buying activity is good - and enquiry is genuine. Vendors seem to be accepting that prices have softened. Price right and you will sell.
- Real Estate. A good April and May but in reality, these two good months were only playing catch-up for the preceding months which were a disaster. I guess we will have a reasonable year in 2009, so on that basis I am happy. We are in for the long haul as these market conditions could last for five years or more. We better get used to it now!
- Retail Trade is very Flat, even we feel the pinch in The \$2 Shop Business.
- Our field of high end residential real estate continues to show a small but steady increase in the number of sales compared with last year. The level of interest in the \$5m+ range is significantly stronger and the

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seasonal reduction in listings is tilting the market away from buyers to sellers, stabilising prices and creating growth in values. Offshore interest in high end residential properties continues to be strong.

- Real Estate: buyers are out purchasing again and investors are also back into the market. Vendors wanting to sell are now willing to meet the market
- Residential Real Estate Gisborne - an increase in volume of sales. Auction clearance rates up. Best trading month for over 12 months. Listings beginning to tighten.
- Loads of activity, especially if you compare to this time last year- Real Estate
- Real Estate - lots of activity at the low end of the market. High end properties hard to sell despite lots of buyer enquiry. Buyers nervous about purchasing at the moment. Lack of listings in the 200-350K bracket as all the cheap houses are selling.
- Coastal Real Estate.(leisure Properties.) Demand to purchase is still low. Prices have come back on any sales about 25%.If they don't reduce they don't sell. Volume well down
- Real Estate , Eastern Beaches. Good solid month, some excellent prices and good to see some higher end sales . Properties new to the market and priced half-way well are selling quickly often with multiple offers . Canny purchasers are monitoring the internet and moving fast . Of course, I understand, this is no revival, no cause for optimism and not the end of the road but it sure feels better than the other ****
- Residential Real Estate- Wellington - Very high volumes of sales, seeing multiple offers on properties again, prices beginning to rise, investors very active, top end a little sluggish
- Real Estate We are back in a normal real estate market with sales volumes a the mid point between the last ten year high and low point for the past two months. In the NW of Christchurch there are more buyers than sellers resulting in higher prices being achieved when buyers are competing for a property.
- Acquire.co.nz - professional property investment solutions. We source property for busy professionals - so our target market is both here and expats in London, New York. Big turn around compared to last year. 500% increase in activity for us.
- Real estate residential North Shore - after 3 strong months sales halved in May and slow start to June. We have seen good prices obtained with new listings selling quickly, many under multi offer. Listing volume equal to selling volume indicating continuing shortage of listings.
- Real Estate Johnsonville. Very quiet due to a lack of properties coming to the market. Most companies have limited numbers of properties available. Some are not selling because of pricing. Good numbers of buyers looking so when a new property comes to the market the pool of buyers all run over to that property and create a multiple buyer situation and so it carries on.
- Real Estate(ChCh) Very busy with more buyers than suitable properties.
- Looking favourable with more buyers than sellers. Vendors have lowered price expectations so properties are selling again now.
- Real Estate. Shortage of stock and excess of buyers. Anywhere from 1-26 offers on a single property. Even though volumes are low and future looks grim (because of the stock shortage) incomes are back up.
- Real-estate, Auckland. Volume of sales continues to be much stronger than last year. Prices are steady.
- Trying to buy a property... not an easy task, very few listings, property guide getting thinner and thinner! Whangarei
- Real Estate - Central City. Enquiry numbers are still lower than last year but continue to increase from the previous month and sales are doing the same with a continuation of multiple buyers. The use of Open Homes and web sites are where most buyers are coming from. Prices still showing a need for some adjustment, but it is less than a month ago.
- Real Estate Sales (Whakatane). We are currently very busy - mostly lifestyle type activity.
- I invest in residential property. Things are tighter because the funding criteria is so tough, even with great earnings and high equity. I have to provide so much more information to the lender, fair enough. Still, I am not finding there is that much competition in the market place with other buyers once it comes to actual offer stage so I am fairing well.
- So many buyers for residential properties but no stock! Good prices being achieved
- Real estate- has been busy but slowing up again
- Poor in terms of capital values but strong in rental demand. Industry- Property investment

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- Real Estate, North Taranaki: Bottom end of the market selling well (residential up to \$300k) Few buyers at top end (\$700k +). Rural market flat with very few sales of dairy and dry stock units. Lifestyle market slower than last year with vendor's expectations too high.
- Shortage of stock, surplus of buyers, means prices seem to be holding and in some cases rising, but that is because I work in a very desirable local - inner city Auckland.
- Real Estate Sales. Fantastic! more cash buyer than we have seen in 4 years. Many properties selling in the first 2 weeks of marketing with multiple offers on them. Great market! Recession? What recession?

Retail

- Cafe & hospitality. Fairly steady, though anticipating a decline with the colder weather now upon us. Only a medium downward trend so far, slightly less daily sales than last year, though definitely less daily customers.
- Beans sales are a bit slower, but espresso are the same.(Coffee)
- Small Restaurant. Down 20% turnover in the last 8 months. However in the last month takings are up slightly from the previous months. Have concentrated on low cost marketing (local flyers) and reducing costs to are bare minimum. No discretionary spending at all. This has helped cash flow and we are keeping debt to a minimum.
- Hardware industry. Our industry is currently running around 25% behind last year. The trade arena is even lower.
- Kitchen retailing is looking good for those in the refurbishment end of the market.
- Retail Services: Hearing stores are starting to employ new staff. Obviously a number of retails have run their staff to very low levels.
- We are in retail it is extremely difficult at this time
- We are in the business of manufacture, distribution and retailing of paint and paint accessories. The total market has dropped 17% in volume for March quarter 09 as compared to previous year. We see further weakness over the next 12 months
- Retail- things feel a little more positive
- Bookseller (rural) - Sales up 12.5% on last year. We were affected by rising petrol costs last year not by the recession. Farmers stopped spending when petrol hit \$2.
- Coffee roasting is going strong, especially with the colder weather :)
- We are in the grocery industry and continue to perform well
- Bike Industry - Sales are down at the moment It is like someone turned off the switch the last 2 weeks, but we are a seasonal industry. Even trades on trade me have slowed considerably.
- Retail food still hard work discounts still not driving huge traffic
- wet fish and takeaways. After a very good period of trading over the previous few months there has been a slowing down of trade recently
- Retail bakery Remuera Auckland - things still very quiet, all suppliers report things are quiet, customers seem to be heading in a more positive frame of mind but job security is still very weak so they still spend less.
- Internet retail sales. Sales are steady. Have not noticed any decline and, in fact, are trending up slightly.

Signage

- Signage - Whilst May turnover was very similar to last year and cash flow is still good the feedback I get from customers is that more work is being tendered and decisions are taking longer.

Tourism and Travel

- This week very quiet, however there are sufficient signs to show that business is improving in the accommodation sector
- Accommodation sector, visitor numbers and guest nights down on last year (current month compared to same month previous year) which was down on the previous year, reflecting a lack of regional promotional targeted at the domestic market.
- 20 to 25% down on last year, but starting to see some increase in customer enquiry- leisure industry
- Tourism - challenging.

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- Tourism. The outlook for the tourism industry remains extremely uncertain. The ski season is expected to hold up with an increase in Australian skiers. Next summer is the main concern with our long haul source markets in financial meltdown. It is a matter of riding out the recession and positioning for the upturn in time.
- Major Hotel - Revenues down in hotel rates due to strategic offers in down times, but occupancy excellent. In cost recovery mode by reducing overheads. Conference business picking up - late booking patterns - we are unbundling the product to suit clients.
- Tourism Transport- The next 4 months will be very competitive with operators competing strongly for market share during a short term decline and impact of swine flu. Forecast for summer is very patchy .Recovery 16 months away.
- Tourism - uncertain with the coming summer months likely to see further declines in inbound travellers

Transport and Storage

- Freight volumes starting to slow how even that is about right for this time of the year
- More confidence out there that the bottom has passed, transport engineering
- Road Transport Industry - Activity has reduced more than the normal seasonal decline heading into winter. Consumers lack of spending is having a flow on effect, with less freight being moved. However, industry is still holding its own and work remains steady but slower.
- Freight: Volumes are holding steady and even up a little bit on last year for May. expecting minimal growth over the coming 12 months, but improving from then on.
- Logistics: significant drop in volumes, customers looking for ways in which to minimise the need to send items.
- Strong (record)first five months, (Seasonal) now beginning to taper off. Shipping Industry
- I'm in the tyre industry, things have been slowing down especially with transport firms (trucking)
- We are finding things slow last 2 months. Not sure weather this is due to the end of the financial year looming and clients reducing stock. We are in the pallet and road transport industries

Vehicles & Automotive

- Automotive aftermarket spare parts and accessories. Business is good slightly ahead of last year.
- Used Japanese Vehicles Importer. Business is tough, however managing inventory, working closer with dealers to get good turnover of stock means we are ahead of the same time last year.
- New vehicle franchise. There are definite signs of the market starting to lift. Although new vehicle business is still very slow there is more enquiry. Used vehicle sales have kept us going along with strong workshop and parts business.
- Spare part industry are getting slow and will go worse and people are very careful on how they should spend money
- Involved in the used vehicle industry. Trading so far this year has seen an improvement on last year. However June has been very slow to kick off. Suspect the rest of winter may be slow.
- Things are really up and down. While this month I had the most new sign ups and also had the most terminations of any month this year. I do see some shops busy and others in trouble. (automotive service sector)
- New and Used Vehicles - New continues to be shocking, Used not so bad and picked up in May.
- I am a franchised motor vehicle dealer in the Eastern BOP. We have made a concerted effort to build our workshop business, because sales were uncertain. All departments are going well and May was our best month on paper for 10 months
- Automotive repair rural mid Canterbury we are up on turn over by 15% on last year but the dairy pay out lower grain contract prices higher fuel and firt prices and the \$ rising are of concern
- May was a poor month in sales, thank goodness we realigned our business to the current market. Its not looking good for the next few months. Automotive luxury Dealer.

Wine

- Viticulture Grim as now cheaper to purchase vineyard than develop new one
- Winery consultancy. Expenditure very tight.
- Winemaking - intense competition & falling export markets

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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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