

Press release

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Steady as she goes – businesses on economy

Business and industry conditions are expected to remain the same over the first half of 2012, according to Taranaki's businesses polled in the latest Venture Taranaki Business Survey.

More than half of the region's businesses expect nationwide conditions to keep to their current course, and this consistency is expected to continue across into their own industries.

This surge in the status quo comes at the expense of those expecting change - between June and December last year the number of businesses expecting a brighter outlook dropped markedly – from 55% to 41% at national level, and 48% to 35% at industry level. Optimism is now back to December 2010 levels, the change from the June 2011 survey likely a reflection of buoyed hopes ahead of the Rugby World Cup 2011.

There has also been a corresponding rise in predictions of deteriorating conditions over the coming year. More pronounced at industry than nationwide level it indicates that our businesses are still feeling the pressure of the global credit situation.

"The survey predates the spectacular partnership announcement between Todd Energy and Methanex, which will have injected a significant dose of optimism into both the short and long term outlook of many local companies," says Venture Taranaki Chief Executive Stuart Trundle.

"This will, though, continue to be balanced by uncertainty in key northern hemisphere economies, and a continually strong New Zealand dollar."

Businesses are also anticipating stability when it comes to sales in the next six months – 47% expect similar levels of sales while 42% forecast growth and 11% anticipate declining sales figures.

Fuel and electricity remain top of the list when it comes to the concerns of our region's businesses, with declining market conditions being identified as the third biggest concern. Wage and material costs are of less concern to businesses than they were in mid 2011, as exchange and interest rates.

Eleven percent of the region's businesses are expecting to grow staff numbers in the next six months, though an overwhelming majority expect to retain similar staff levels.

The survey has also identified a growing trend in local businesses slight increase in the number of the region's businesses experiencing difficulties in hiring new staff - up to 18 percent.

Special topic: Rugby World Cup 2011

An economic impact report by Venture Taranaki revealed that the Rugby World Cup 2011 brought a total of \$16.24 million to the Taranaki region, resulting in a \$6.74 million boost to regional GDP, and attracted more than 30,595 visitors from outside the region.

The tournament was also the focus of Venture Taranaki's 6-monthly Business Survey, which found that an emphatic 94% believed RWC 2011 was positive for Taranaki, while 89% saw hosting the event as a positive initiative for New Zealand as a whole.

Refreshingly, 87% of businesses claim they would not change this opinion if the All Blacks had lost the final match.

While 47% of the region's business owners and managers attended at least one match in Taranaki, and 15 percent attended matches in other parts of New Zealand, 12 percent utilised the event for corporate hosting and 20% leveraged the event in their marketing and communications, further emphasizing its legacy value.

The biggest benefits to Taranaki from the tournament were seen as the attraction of international visitors, the showcasing of Taranaki's friendliness, and the positive exposure media exposure the event's success generated for Taranaki.

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