

Press release

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Glimmer of hope in business outlook

While a general mood of caution remains in the region's business outlook, there has been a slight rebound in optimism over the last six months, Venture Taranaki's latest Taranaki Business Survey has found.

Businesses expecting the national economy to improve over the coming year rose 4 percent to 28 percent, outweighing those anticipating worse economic conditions, down to 16 percent.

At industry and sector level, those expecting improvement rose from 26 percent in June to 29 percent at year's end, while those expecting things to get worse almost halved from 22 percent to 13 percent.

Sales projections over the coming six months also grew strongly, from 36 percent anticipating growth in June to 46 percent in November.

"This is a positive progression from mid-year, and emphasises the need to innovate and diversify," says Venture Taranaki Chief Executive Stuart Trundle.

"Caution is still strongly evident, however, and uncertainty around the price of oil and dairy products will exacerbate this, as it continues to challenge a number of long-term business plans across all of our industries and supply chains."

A declining market remained the biggest concern of the local business community, through along with interest rates and fuel prices was seen as considerably less worrying than in June. Competition, electricity and material costs were the other greatest concerns.

Uncertainty of contract work and keeping good staff were seen as other key factors impacting on business, and the number of regional businesses experiencing skill shortages fell to 19 percent.

"Venture Taranaki undertakes the Business Survey as another tool to help our businesses benchmark against the regional economy, assist business planning, and identify overarching trends within the province," Stuart says.

"While commodity prices are conspiring to subdue the outlook for 2016, particularly in the wake of a strong few years, our research is pointing to stronger activity in 2017 and beyond. This is echoed in the feedback from our business community and will make retaining staff the big issue for the New Year."

The survey is sent to a cross-section of 1,500 Taranaki businesses, across all industry sectors, sizes and locations throughout the region. It has been conducted every six months since 1999.