

Press release

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Business confidence continues record levels

Venture Taranaki's latest survey of over 1,000 Taranaki businesses has found that optimism in the prospects of the national economy has risen again, to the highest level since the survey began in 1999, while the outlook for their own industry has dropped only slightly over the past six months.

Taranaki's businesses are seeing New Zealand's economy as offering the brightest prospects in over a decade, with 63 percent seeing a brighter year ahead, up from 57.4 percent in June. At industry level, optimism has softened slightly from 53 percent in June to 52 percent of businesses.

Businesses also saw the next six months as being tougher on their own sales, with outlook less optimistic than the June 2013 and December 2012 results, though at 55 percent improving sales outlook is still well above a negative forecast, which ranks just 6 percent.

Increasing competition and a declining market, rising interest and electricity costs, and overly strong demand have all risen as concerns for the region's businesses over the last six months.

"Overall, this is an incredibly strong result for our region's business outlook, and stresses that the momentum Taranaki has been experiencing in many sectors of the economy is expected to continue well into 2014," says Venture Taranaki Chief Executive Stuart Trundle.

"The slight curbing in sales and industry optimism is likely a combination of uncertainty about New Year interest rate rises, changes in the makeup and habits of the market, and the ability to respond effectively to increased demand."

Employee numbers in 32 percent of the region's businesses are expected to grow over the next six months – down slightly since the record peak in June - while a similar level of businesses are having trouble finding the staff they need.

"Reflecting the impacts of the Christchurch rebuild and buoyant oil and gas sector, Taranaki businesses need more smart and experienced tradespeople, engineers. Technicians and managers, and to support these roles, everything from chefs to health sector and accounting and finance workers," Stuart says.

“Our region’s rural economy is also in a strong position, indicating recovery from the impacts of last summer’s drought and reflecting the mild winter and strong pricing forecasts.”

“The outlook for Taranaki remains strong, though with the caveat that our businesses need skilled people to continue to grow. As the region’s development agency that will continue to drive our work over the coming year, and the results of this survey will provide a boost for the planning and resolutions for Taranaki businesses going into the New Year.”