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Survey confirms challenging times

The latest Taranaki Business Survey reflects the peak and trough nature of our commodity-driven economy and the challenging environment facing the region's businesses, though the outlook remains more buoyant than the last dip during the Global Financial Crisis.

Businesses expecting the national economy to improve over the coming year dropped to 21.9 percent, while those anticipating deterioration rose 11.1 to 24 percent. At an industry level, a quarter of businesses expect improvement, through the mood overall is very subdued.

While sales projections over the coming six months are more positive, there has been a noticeable softening, with optimists dropping 6.7 percent to 35.9 percent.

"All economies experience highs and lows, and this is particularly the case for a regional economy heavily linked to global commodity markets and export revenue," says Venture Taranaki Chief Executive Stuart Trundle.

"While Venture Taranaki foreshadowed the slowdown of major project work in the region, the falls in global oil and dairy prices are global events caused by global conditions which have compounded the effects for many local businesses."

Market changes have emerged as business's greatest concern, up sharply since December, while perennial issues of fuel and electricity prices, competition and material and staff costs also rate highly. Lack of finance, telecommunications and the exchange rate are also of greater concern than they were in December.

"The Business Survey is one of the tools Venture Taranaki provides to help business in their planning and decision making," Stuart says.

"I encourage businesses to use the survey results as a regional benchmark. If they're experiencing a different results in their own operations or outlook, then they should be looking into why, and taking steps to manage that difference."

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

Ultrafast Broadband understanding and uptake

This edition of the Taranaki Business Survey took a closer look at understanding and attitudes around the rollout of ultrafast broadband (UFB) in Taranaki. The questions were asked by Venture Taranaki to provide independent research to inform registrations of

interest for the second round of government funding for UFB, rural broadband and mobile black spot coverage on New Zealand's state highways.

When it comes to knowing what ultrafast broadband actually is – almost 60 percent of respondents admit to having a limited knowledge, with a similar level of understanding around the speed difference between broadband and UFB and the rollout of UFB in the region.

When it comes to accessing the internet from their workplaces, 47 percent log on via copper wire – by either ADSL or VDSL, 24 percent via UFB, and 19 percent by wireless connection.

Taranaki businesses with UFB applauded the 'significantly faster' speed of document and data transfer and better communications with customers and overseas offices. Some found the speed lower than they were expecting, and occasional connection issues.

Almost half of the region's businesses are yet to consider whether they will make the jump to UFB, while 15 percent expect to do so this year, 16 percent next year, and 12 percent in the next 3-5 years. Almost 54 percent are unsure whether or not they can connect to UFB, though 56 percent know who to contact to find out.

Those not on UFB expect it would bring faster speeds, shorter wait times for up- and downloads, greater productivity and improved customer satisfaction.

Improved cell phone coverage for regional highways

In response to potential Government investment for improving cell phone coverage along the state highway network, we asked businesses about their experiences with mobile coverage around Taranaki. The results will be used to support the business case for greater investment in the region.

More than 80 percent of businesses have experienced difficulties with cell phone coverage on state highways in Taranaki, the survey found. Better coverage on main routes would help 76 percent of local businesses deliver improved customer communications, 56 percent improve staff communications, and better health and safety for 37 percent.

State Highway 3 north of Taranaki – between Uruti and Mt Messenger was seen as the highest priority for coverage improvement, while Awakino to Piopio was second and south between Hawera and Whanganui third priority. The Surf Highway and Forgotten World Highway were seen as less critical to growth.