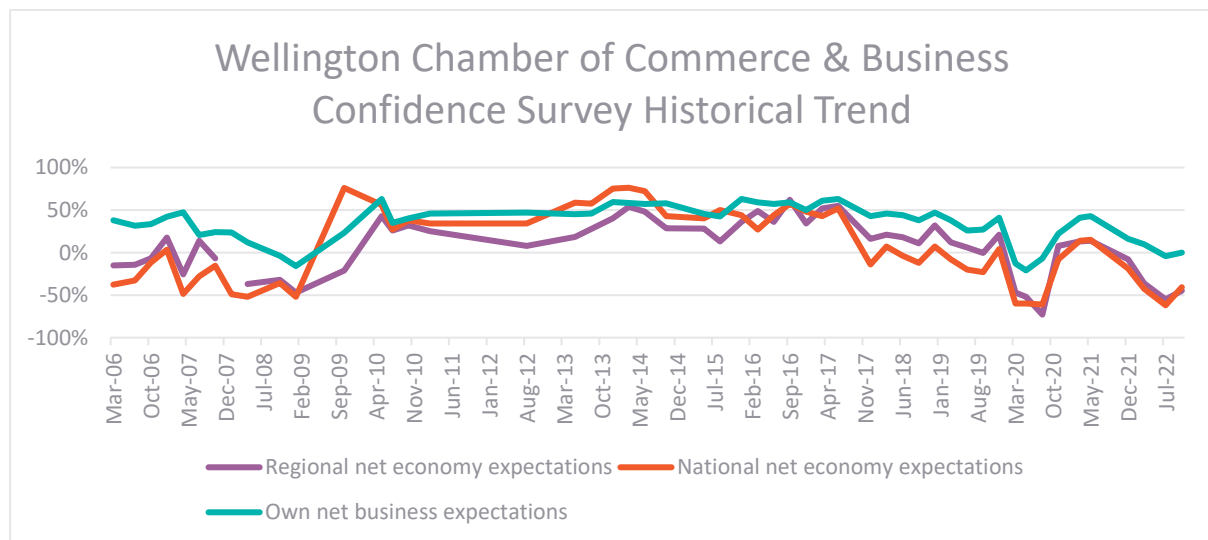
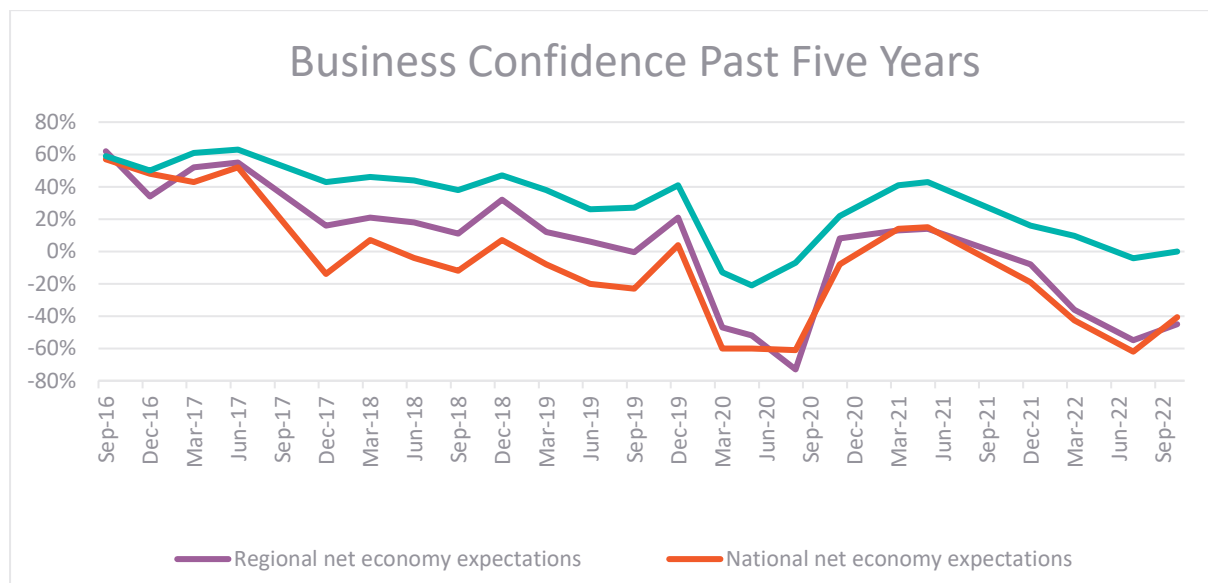


CENTRAL NEW ZEALAND BUSINESS CONFIDENCE SURVEY: October 2022 Report

From the Wellington Chamber of Commerce & Business Central

HEADLINE FIGURES: BUSINESS CONFIDENCE HITS RECORD LOWS



BUSINESS DEMOGRAPHY

BUSINESS SECTOR

| | |
|--|--------|
| <i>Manufacturing</i> | 26.37% |
| <i>Professional, Scientific and Technical Services</i> | 14.84% |
| <i>Wholesale Trade</i> | 7.69% |
| <i>Retail Trade</i> | 6.04% |
| <i>Agriculture, Forestry and Fishing</i> | 3.85% |
| <i>Electricity, Gas, Water and Waste Services</i> | 3.85% |
| <i>Construction</i> | 3.30% |
| <i>Information and Communications Technology</i> | 3.30% |
| <i>Not for Profit</i> | 2.75% |
| <i>Rental, Hiring and Real Estate Services</i> | 2.75% |
| <i>Education and Training</i> | 2.75% |
| <i>Health Care and Social Assistance</i> | 2.75% |
| <i>Transport, Postal and Warehousing</i> | 2.20% |
| <i>Financial and Insurance Services</i> | 2.20% |
| <i>Public Administration and Safety</i> | 2.20% |
| <i>Accommodation and Food Services</i> | 1.65% |
| <i>Arts and Recreation Services</i> | 1.65% |
| <i>Information Media and Telecommunications</i> | 1.10% |
| <i>Administrative and Support Services</i> | 1.10% |
| <i>Other</i> | 7.69% |

BUSINESS LOCATION

| | |
|------------------------|--------|
| <i>Wellington City</i> | 47.45% |
| <i>Lower Hutt</i> | 16.84% |
| <i>Porirua</i> | 13.27% |
| <i>Manawatu</i> | 11.22% |
| <i>Wairarapa</i> | 10.71% |
| <i>Hawke's Bay</i> | 9.18% |
| <i>Kapiti Coast</i> | 6.12% |
| <i>Upper Hutt</i> | 4.59% |
| <i>Horowhenua</i> | 4.59% |
| <i>Whanganui</i> | 4.59% |
| <i>Gisborne</i> | 4.08% |
| <i>Nelson/Tasman</i> | 3.06% |
| <i>Taranaki</i> | 2.04% |
| <i>Other</i> | 5.10% |

BUSINESS SIZE

| | |
|--------------------|--------|
| Sole trader | 1.80% |
| 2-9 | 27.54% |
| 10-19 | 13.77% |
| 20-49 | 19.16% |
| 50-99 | 15.57% |
| 100-199 | 10.78% |
| 200+ | 11.38% |

ECONOMIC AND BUSINESS OUTLOOK

Q: What are your expectations of the New Zealand economy in 12 months' time?

Will it be:

| | |
|-----------------------------|--------|
| Substantially better | 3.37% |
| Moderately better | 17.42% |
| Same | 12.92% |
| Moderately worse | 44.38% |
| Substantially worse | 21.91% |

October 2022: net negative -45.50

July 2022: net negative -61.90

March 2022: net negative -42.6

December 2021: net negative -18.7

May 2021: net positive 14.8

Q: What are your expectations of the regional economy in 12 months' time? Will it be:

| | |
|-----------------------------|--------|
| Substantially better | 3.95% |
| Moderately better | 14.69% |
| Same | 22.03% |
| Moderately worse | 45.20% |
| Substantially worse | 14.12% |

October 2022: net negative -40.68

July 2022: net negative -55.4

March 2022: net negative: -36.1

December 2021: net negative -8.4

May 2021: net positive 14.5

Q: In 12 months' time, do you expect your own business or organisation's situation to be:

| | |
|------------------------------------|---------------|
| <i>Substantially better</i> | 3.98% |
| <i>Moderately better</i> | 31.25% |
| <i>Same</i> | 29.55% |
| <i>Moderately worse</i> | 26.14% |
| <i>Substantially worse</i> | 9.09% |

October 2022: neutral +/- 0
July 2022: net negative -11.0
March 2022: net positive 9.6
December 2021: net positive 16.4
May 2021: net positive 42.9

Q: In 12 months' time, do you expect your business or organisation's earnings to be:

| | |
|------------------------------------|---------------|
| <i>Substantially better</i> | 3.95% |
| <i>Moderately better</i> | 31.64% |
| <i>Same</i> | 26.55% |
| <i>Moderately worse</i> | 28.81% |
| <i>Substantially worse</i> | 8.47% |

October 2022: net negative -1.69
July 2022: net negative -13.7
March 2022: net positive 12.2
December 2021: net positive 14.2
May 2021: net positive 38.4

Q: Are you expecting investment in your business or organisation's equipment over the next 12 months to be:

| | |
|--------------------|---------------|
| <i>More</i> | 24.16% |
| <i>Same</i> | 42.70% |
| <i>Less</i> | 25.28% |

October 2022: net negative -1.12
July 2022: net negative -4.3
March 2022: net positive 18.5
December 2021: net positive 8.4
May 2021: net positive 14.8

Q: What barriers or issues, if any, is your business or organisation currently facing?

| | |
|-------------------------------------|--------|
| Labour/Skills Shortage | 55.70% |
| Supply Chain | 20.25% |
| Inflation | 19.62% |
| Central Government Policy | 15.82% |
| Lack of Customer Demand | 12.66% |
| NZ Dollar | 6.33% |
| Access to Financing/Capital | 5.06% |
| General Uncertainty | 3.80% |
| Taxes | 3.80% |
| Lack of Parking | 2.53% |
| Earthquake Repairs/Insurance | 1.90% |
| Housing | 1.27% |
| Other | 8.86% |

Top Three:

Labour & Skills Shortage: 56% (62% in July)

Supply Chain Issues: 20% (21%)

Inflation: 20% (25%)

Q: In your opinion, what barriers or issues, if any, are holding back the regional economy?

| | |
|------------------------------------|--------|
| Labour/Skills Shortage | 46.05% |
| Transport/Infrastructure | 19.74% |
| Local Govt Policy | 17.76% |
| Inflation | 15.79% |
| Central Govt Policy | 15.13% |
| Supply Chain | 9.21% |
| General Uncertainty | 3.95% |
| Lack of Customer Demand | 3.95% |
| Access to Financing/Capital | 3.29% |
| Housing | 3.29% |

Top Three:

Labour & Skills Shortage: 46 (44%)

Transport/Infrastructure: 21% (19%)

Central Government Policy: 19% (19%)

EMPLOYMENT & SKILLS SHORTAGES

Q: Do you find that getting the staff you want is easier, the same or harder than it was 12 pre-pandemic?

| | Easier | Same | Harder |
|---|--------|--------|--------|
| Skilled/specialist employees | 1.84% | 16.56% | 81.60% |
| Unskilled to low-skilled employees | 4.58% | 29.41% | 66.01% |

Q: Have you experienced heightened pressure on wages in the past year?

| | |
|------------|--------|
| Yes | 90.24% |
| No | 9.15% |

Q: Have you had to raise your prices in the past 12 Months?

| | |
|------------|--------|
| Yes | 81.10% |
| No | 9.15% |

Q: Do you expect you will need to raise prices in the next 12 months?

| | |
|-----------------|--------|
| Yes | 78.79% |
| No | 7.88% |
| Not Sure | 13.33% |

Q: Do you expect cost pressures on your business to get better or worse in the next 12 months?

| | |
|------------------------|--------|
| Much better | 0.61% |
| Somewhat better | 3.05% |
| About the same | 15.85% |
| Somewhat worse | 52.44% |
| Much worse | 28.05% |