



**Business
South**

Quarterly Business Survey

Q3 2024 | In field: 19 - 27 August

Southern business confidence has picked up this quarter, coupled with the recent fall in interest rates and anticipated improvements in individual financial performance and eased labour market constraints. These changes fostered more optimism for business, but challenges for businesses remain.

The Southern region expectations of strength of the economy has come back up this quarter with a positive net positivity score the highest it has been this year at 20%, an improvement from 11% in the last quarter, and 32% six months ago.

Consumer confidence and demand is the top issue and has taken over top spot from inflationary pressures and rising interest rates for 54% of businesses, up from 49% last quarter. Cashflow and accounts payable/receivable is becoming a more prevalent concern, up 5% in the previous quarter and 9% six months ago.

Productivity and growth has held steady at 28% this quarter, which is the highest it's been since the survey began – suggesting despite the improved outlook they are not ready to commit to growth. Although to make any real impact for businesses reducing red tape and compliance costs will be key for government to make a difference here, even getting some quick wins from 'low-hanging fruit' will help SMEs.

The improved outlook saw 44% expecting stronger financial performance in the next 12 months, up 8% in the last quarter. Despite the improved outlook, 65% still expect costs to rise over the next 12 months. Labour market constraints are continuing to decline to 16%, the lowest since the survey began of 43% in May 2023.

Please contact us via advocacy@business-south.org.nz if there are sectors you would like to know more about.

45%

Expect the Southern economy to be stronger in 12 months.

65%

Expect costs to continue rising over the next 12 months.

54%

Identified consumer confidence and demand as a top three concern for their business.

Top Issues

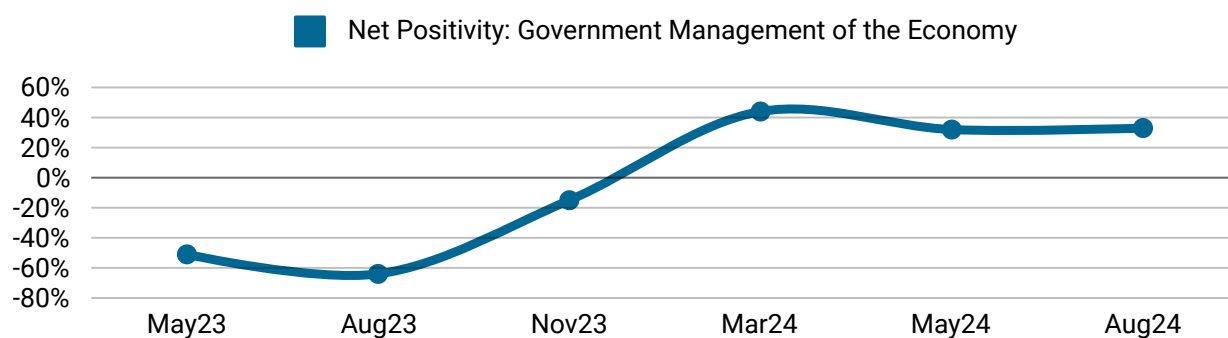
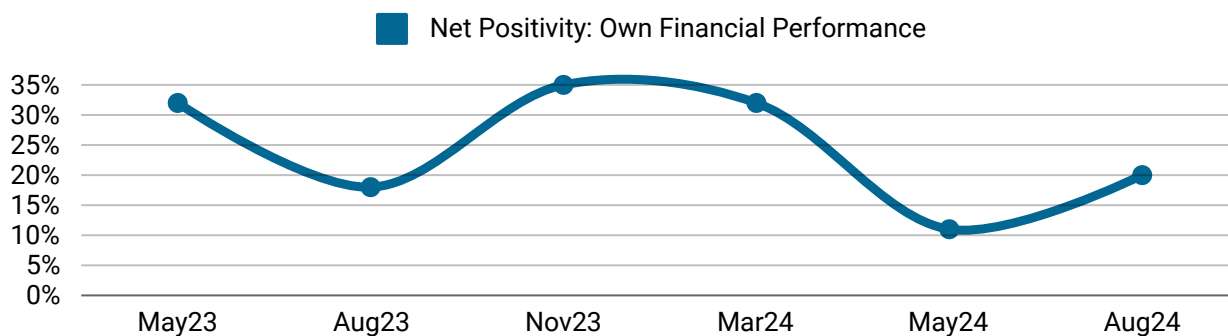
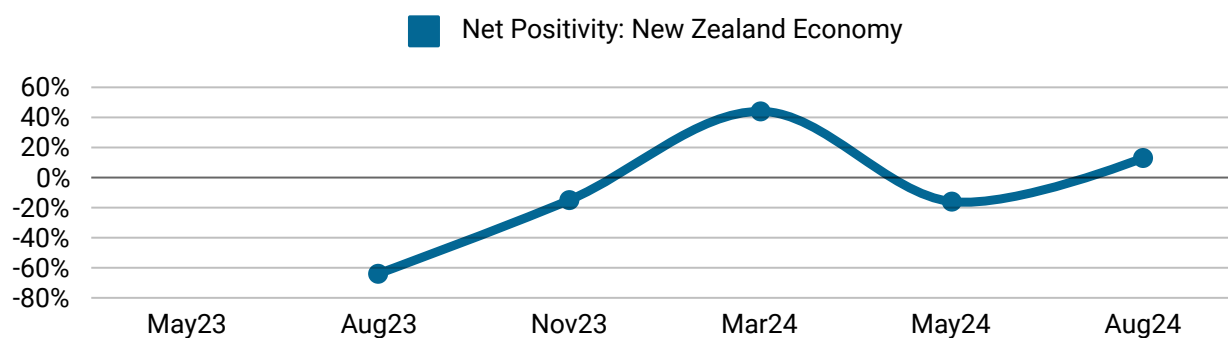
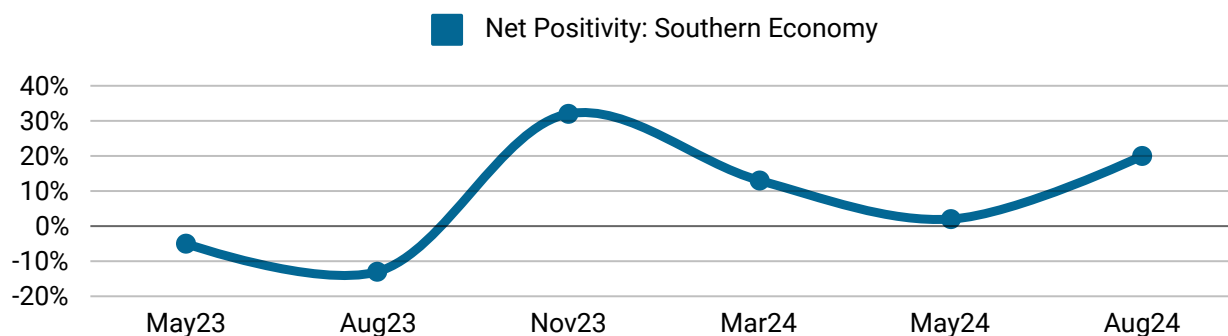
44%

Expect stronger financial performance over the next 12 months.

1. Consumer confidence and demand
2. Inflationary pressure and rising interest rates
3. Increased compliance costs
4. Productivity and growth
5. Cashflow and accounts receivable/payable

Business confidence: net positivity scores

To calculate a net positivity score, we subtract the percentage of negative responses from the percentage of positive responses. A higher net positivity score indicates a more positive overall sentiment, while a lower score suggests a more negative sentiment.



Top issues

In every survey, we ask respondents to select the three biggest concerns for them. The graph below shows the proportion of respondents who listed one of the following four issues among their top three concerns.

