

Optimism Continues to Improve: WRCC Survey Shows



Optimism has continued to improve considerably amongst Wellington businesses over the last three months according to the latest **Wellington Regional Chamber of Commerce** business confidence survey.

The survey shows that an impressive net 76% of respondents expect the national economy to improve over the next six months. This is a significant increase over the net 45% last time the survey was undertaken three months ago and a dramatic change from the beginning of 2009 when a net 52% of respondents expected the national economy to deteriorate.

When asked specifically about the Wellington economy, last quarter's trend of Wellington businesses being more pessimistic about the local economy than the wider national economy continued. However, there

was still a dramatic overall increase in confidence from last quarter with a net 65% of respondents expecting the Wellington economy to improve in the next six months compared to the net 35% recorded in July.

This optimism was also seen in respondents' confidence in their own businesses. A net 66% expect their business situations to improve over the next six months compared to a net 55% three months ago. This lift in confidence was also reflected in expectations of higher investment by businesses in the Wellington region. 32.6% of respondents are expecting to make a major investment in plant or equipment over the next 12 months – up from the 19.6% who were expecting to make such an investment last quarter.

Employment intentions are also positive, a net 12% of respondents expect to take on more full-time

employees over the next three months (with 21% planning to increase and 9% planning to decrease staff numbers) up from the net 7% recorded last quarter. The majority of respondents, 70%, expect to make no changes to their full time staff levels in the next three months.

A considerable number of respondents cited problems such as staff retention, skills shortages and finding suitably qualified staff as key issues they would face over the next six months. However, there was an overall increase in the proportion of businesses finding staff easier to find than they were three months ago.

The mood amongst exporters is also promising with a net 48.4% expecting their earnings to improve over the next 12 months up slightly from the net 44% recorded last quarter. ■