Business Survey 04

Overview of Results from October 2022

NELSON TASMAN insights PANEL

NELSON TASMAN CHAMBER OF COMMERCE | NBS | NELSON REGIONAL DEVELOPMENT AGENCY

In Summary

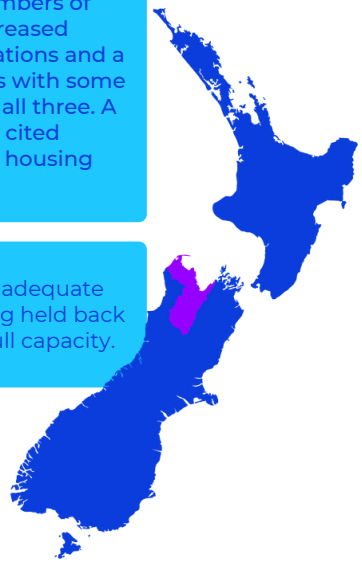
Overall the survey showed that Nelson Tasman is doing relatively despite national issues such as high interest rates and inflation, but that many businesses are still battling reduced income and significant labour/skills challenges.

Economic confidence has picked up for the country as a whole and has increased again for Nelson Tasman, for industry sector and for own business.

Expectations for the next six months are that rising costs of materials, overheads and transport plus labour/skills shortages will be the main challenges.

Recruitment challenges over the last 6 months were primarily low numbers of applicants, increased salary/wage expectations and a lack of relevant skills with some respondents citing all three. A small number cited immigration and housing issues.

Businesses with inadequate digital skills are being held back from operating at full capacity.



Key theme for this quarter: Innovation

80% of respondents said they were interested in introducing or expanding innovation in their business. 70% said they were already investing in/undertaking innovation activities, and a further 23% planned to do so within the next 12 months.

Of those who were already working on innovation, areas were:

52% in house processes

45% staff training/ development in new areas

27% buying new technology

25% developing new technology in house

17% other ranging from product development, becoming more sustainable, to improving marketing

Cont.

Key theme for this quarter: Innovation

Plans for innovation activity over the next 12 months were in these areas:

57% in house processes

46% staff training/ development in new areas

34% buying new technology

28% developing new technology in house

13% other with a similar range as above

oOf those who were already working on innovation, two thirds were investing less than 5% of their turnover. A quarter were investing 5% to 10%, and a small number were investing more than 10%.

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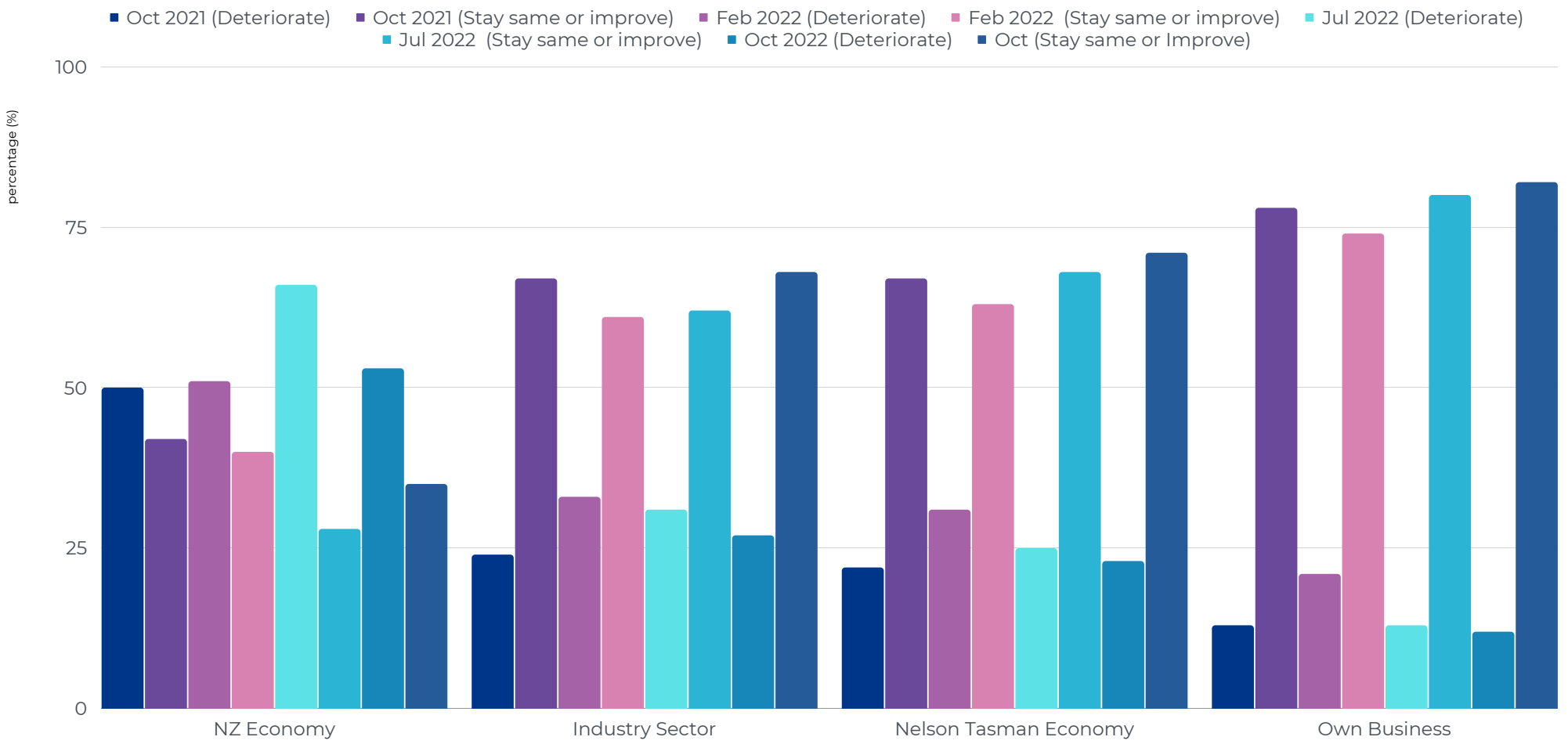
Key Issues

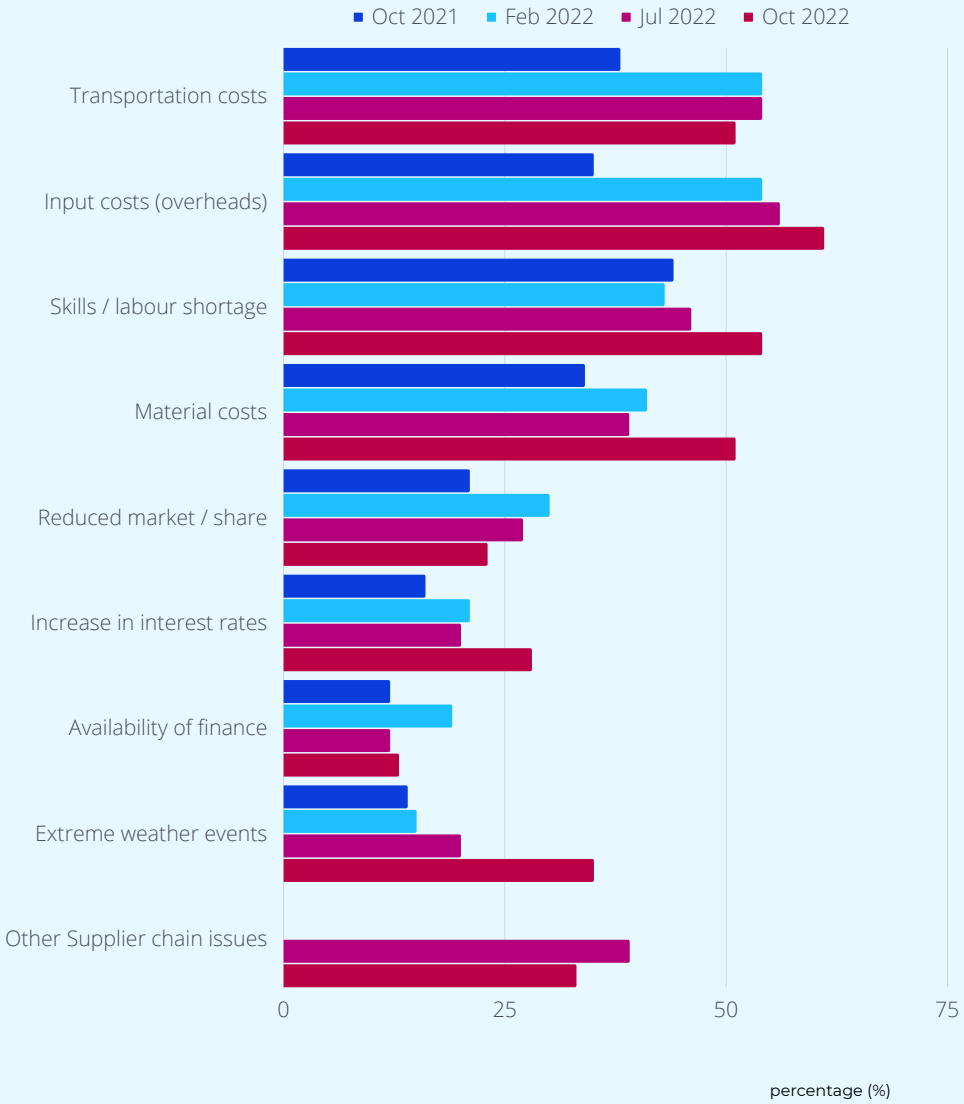
Confidence in NZ Economy:

Confidence has turned a corner this quarter. Pessimism about New Zealand for the next six months is still fairly strong but is softening. Optimism about the regional economy, industry sectors and local businesses has improved.



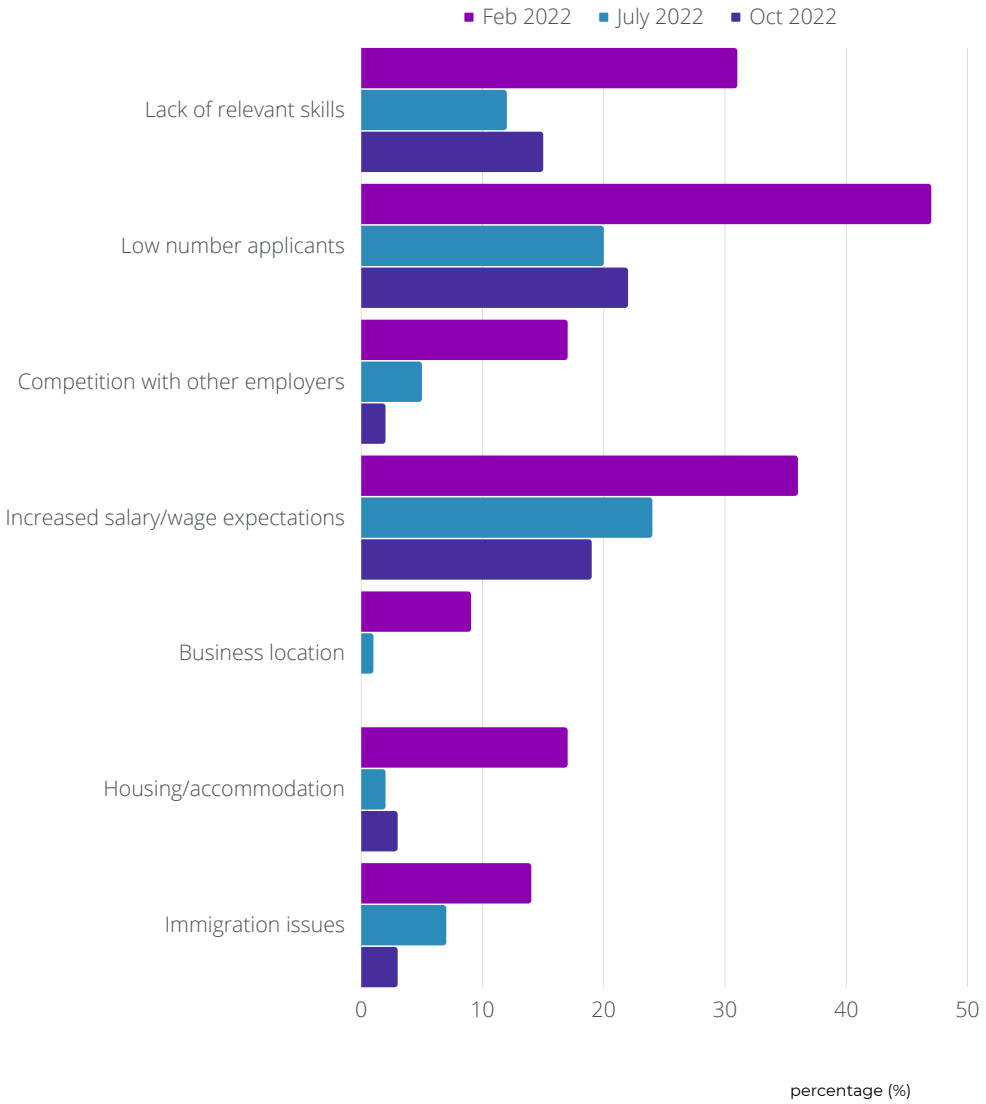
Business Concerns Next 6 Months:

Material transport and overhead costs are the biggest issues and are growing. The August flood event has brought extreme weather events to greater notice.



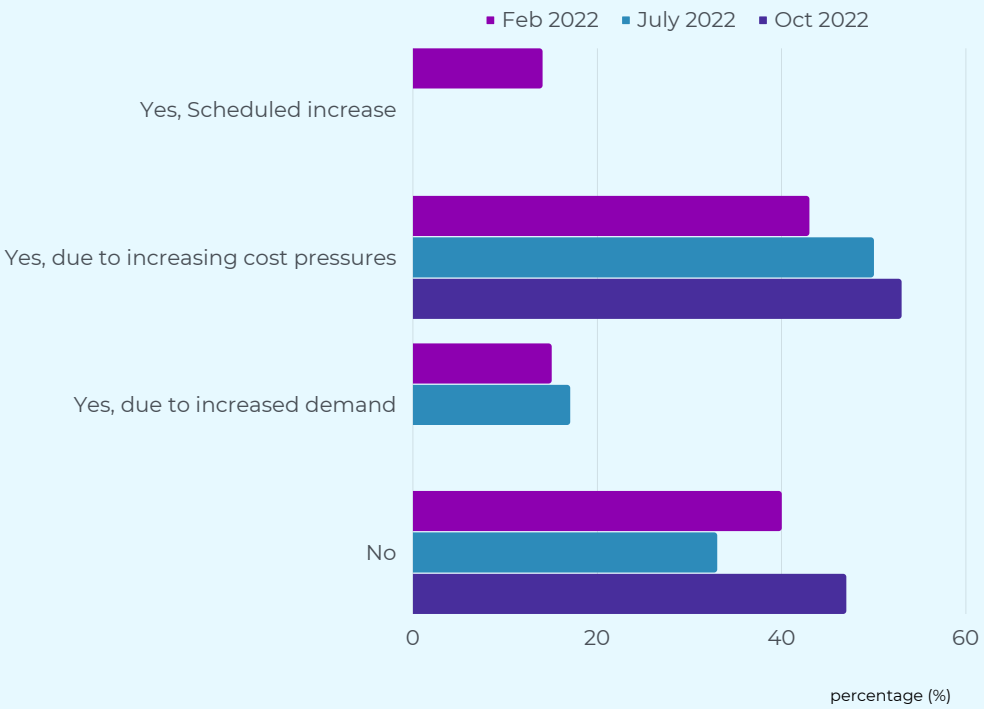
Recruitment Challenges last 6 Months:

The biggest challenges were once again increased salary/wage expectations and low numbers of applicants, plus a lack of relevant skills

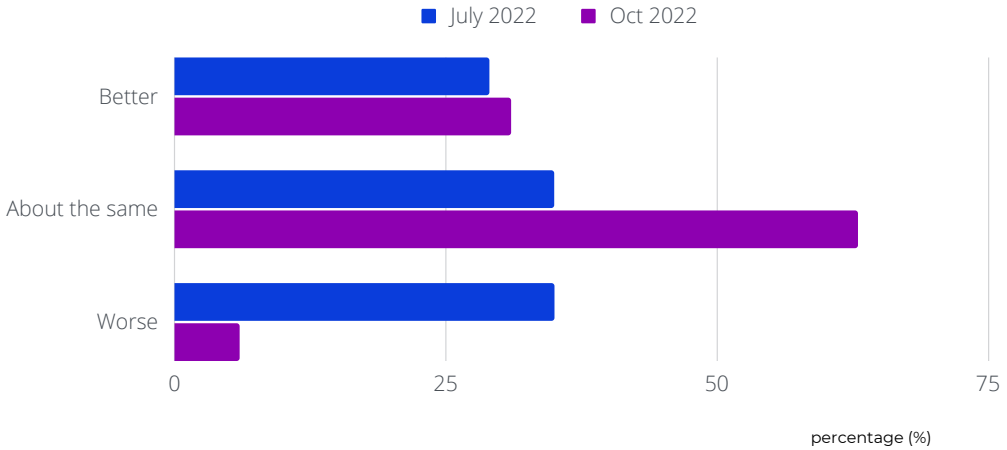


Anticipating increase in prices next 6 Months:

Only 17 respondents answered this question. Of those who responded, just over half were planning to increase their prices and all said this was due to increasing cost pressures.



percentage (%)

Sales performance/revenue over last 6 Months:

The majority of businesses reported sales performance/revenue was either better or about the same as the previous period. Only a small number said that performance was worse.