

ANZ New Zealand Business Outlook

Preliminary data for September 2021

13 September 2021



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Contact

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The full-month results for the ANZ *Business Outlook* are scheduled for release on 30 September 2021 at 1pm.

Growth mindset

Key points

- The preliminary September read of the ANZ Business Outlook showed resilience.
- Business confidence rose 7 points to -7.0, while own activity was mostly unchanged, with a net 18% of firms expecting to increase activity.

The preliminary ANZ Business Outlook data for September saw most forward-looking activity indicators hold up well.

Business confidence rose and own activity expectations were relatively flat. Employment and investment intentions slipped slightly but remain at solid levels, while expected profitability dipped more meaningfully, with a net 13% of firms expecting lower profits. This partly reflects the fact that cost pressures remain extreme, with a net 82.7% of firms reporting higher costs (versus 85% last month). Capacity utilisation, which normally correlates pretty well with GDP, was remarkably robust, easing only slightly from 19 to 16%.

Compared to the same month a year ago, lockdown has of course seen reported activity plummet. But while the 36 point fall is large, it's remarkable that only a net 4% of businesses reported lower activity versus a year ago. This series troughed at -63% in the level 4 lockdown last year. Similarly, a net 14% of firms are still reporting higher employment than a year ago, whereas in April last year a net 31% reported having fewer staff (it eventually troughed in June at -37%).

Inflation pressures eased slightly, with inflation expectations dipping just under 3% and pricing intentions easing from 59% to a net 55% of firms expecting to raise their prices in coming months. Cost pressures remain extreme, with a net 83% of firms expecting higher costs.

We examined a split between Auckland and the rest of the country but the differences were very small. We'll keep an eye on that.

Overall, the preliminary ANZ Business Outlook results suggest that firms can see light at the end of the tunnel, even in Auckland. We can do this.

Preliminary Survey Results September 2021

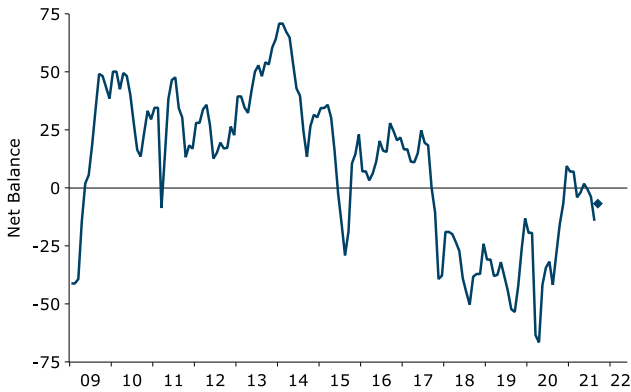
Net Balance	Preliminary Sept	August
Business confidence	-6.8	-14.2
Own activity outlook	18.2	19.2
Export intentions	5.7	7.4
Investment intentions	12.2	14.4
Cost expectations	82.7	85.3
Capacity utilisation	16.3	18.8
Employment intentions	14.7	17.0
Profit expectations	-13.1	-5.5
Pricing intentions	55.4	59.2
Ease of credit	-49.2	-52.6
Inflation expectations	2.97	3.05
Activity vs. same month one year ago	-4.3	31.8
Employment vs. same month one year ago	14.0	20.7

Preliminary results for September cover the period from 1 August to midnight 10 September (approx. 250 respondents). These responses will be incorporated into the official ANZBO results to be released on 30 September.

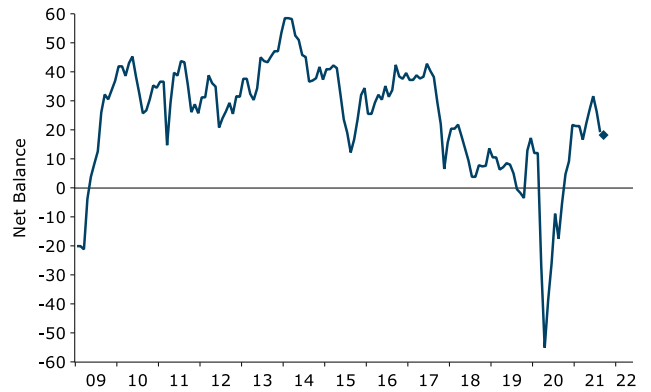


Charts

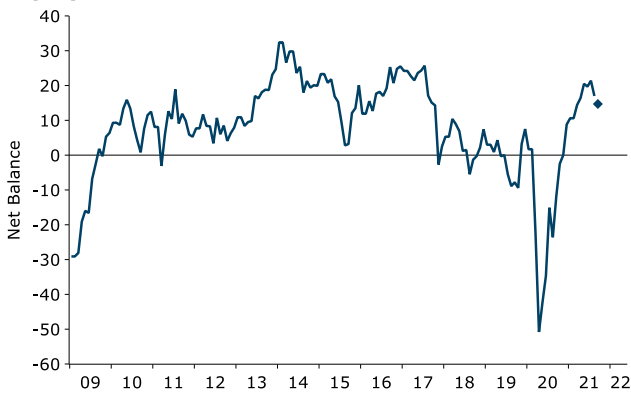
Business confidence



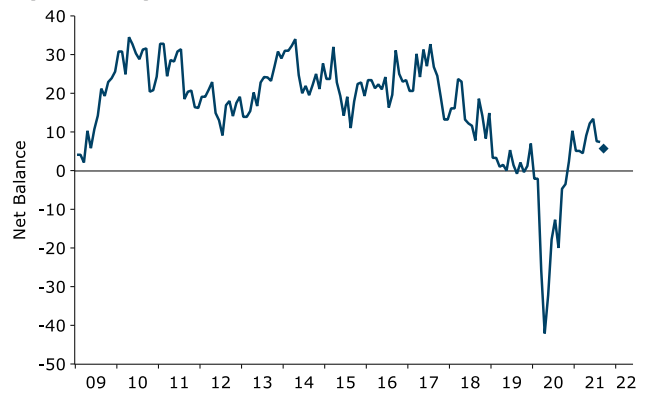
Own activity outlook



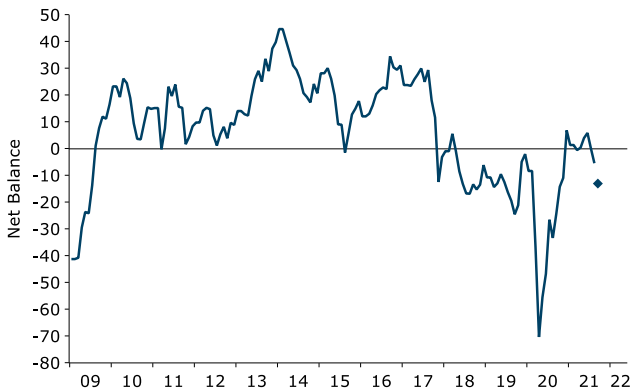
Employment intentions



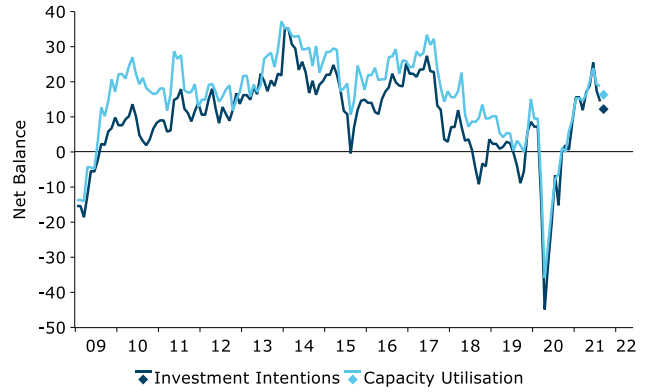
Expected export sales volumes



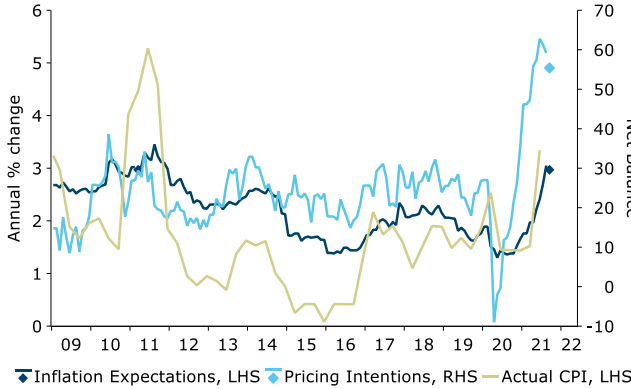
Profit expectations



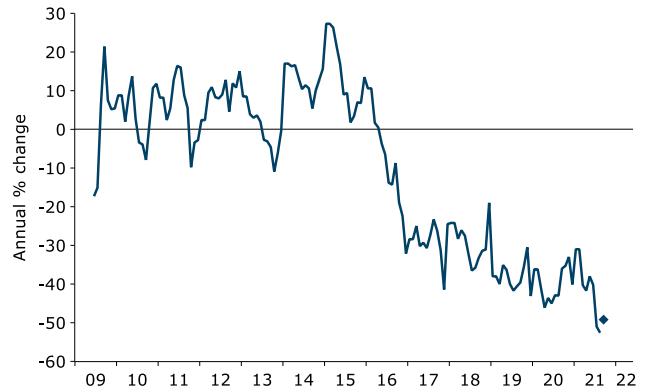
Investment intentions and capacity utilisation



Inflation expectations and pricing intentions



Ease of credit



Source: ANZ, Statistics NZ



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