Mint

Business Insights

with Tony Alexander

Rising revenue expectations

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Rising revenue expectations

My Aim

To help Kiwis make better decisions for their businesses, investments, home purchases, and people by writing about the economy in an easy-to-understand manner.

Each month I send an invitation to people on my Tony's View subscribers list inviting recipients to give insights into what is happening in their business sectors at the moment. 291 people replied from a wide variety of sectors this month. The aim is to gain real time insights into what is happening in various sectors with respondents choosing whether to focus on customer flows, pricing and cost pressures, expansion plans, and so on – whatever they consider to be the most important developments.

Key results from this month's survey include the following:

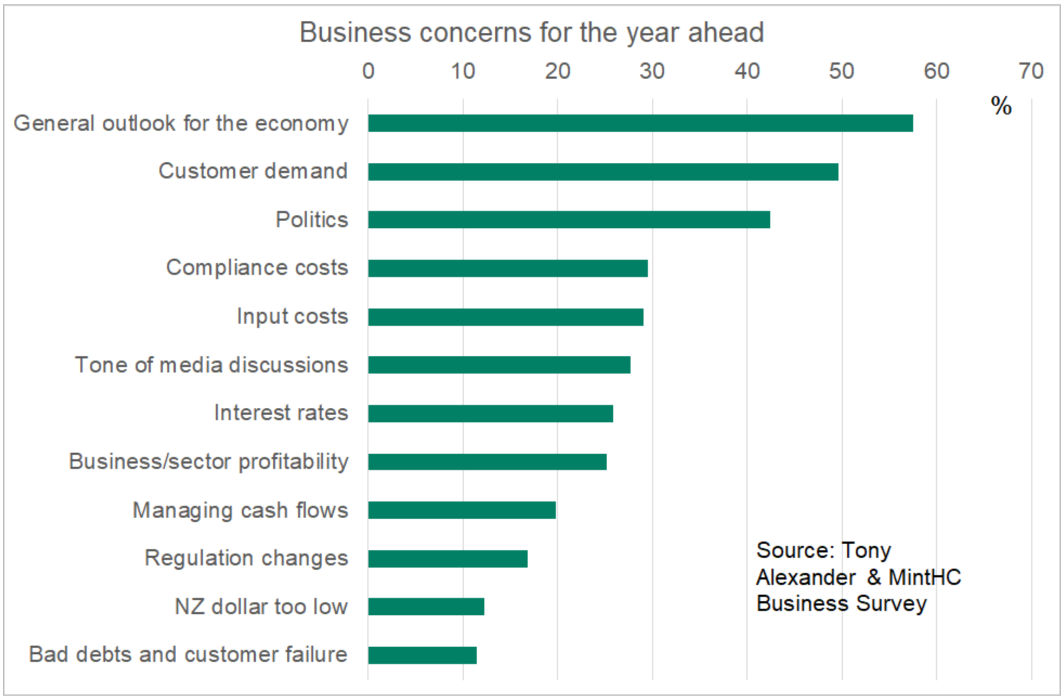
- A number of measures have improved for the second month in a row as businesses adjust to the new uncertain global environment created by the US attacks of February 28. But revenue expectations still remain below levels seen before the outbreak of war.
- Perhaps because of the highly uncertain environment there is still only mild evidence of business plans for extra selling price rises even though expectations for further cost increases are strong.
- For the second month in a row there has been an improvement recorded in business plans for spending on new equipment, and plans for advertising have also taken a move upward.

Tony Alexander
Independent Economist

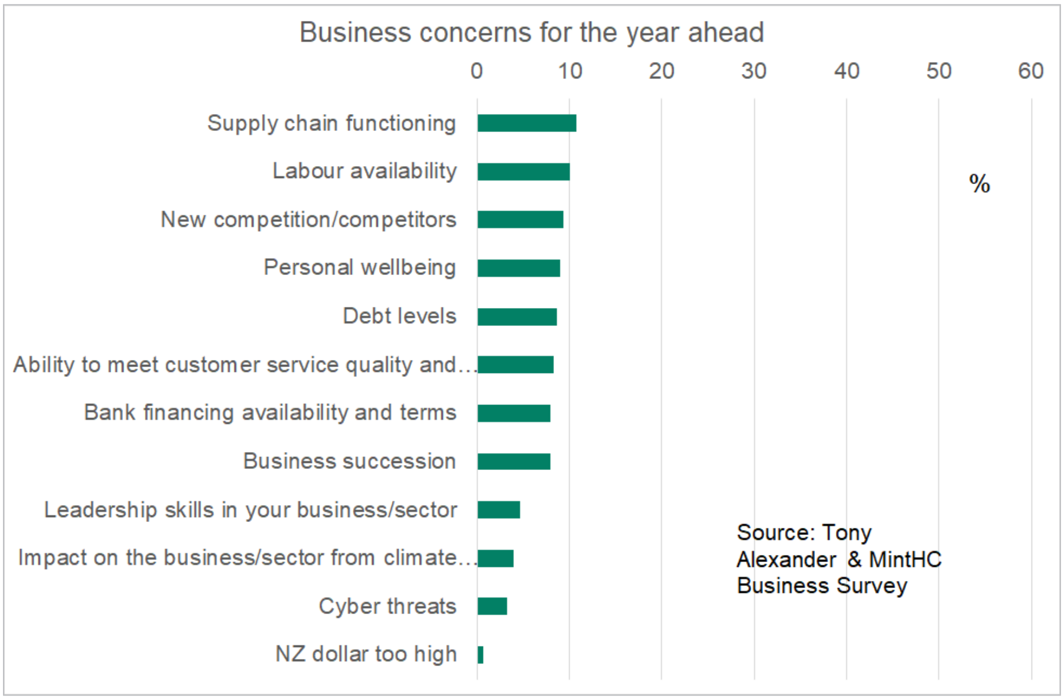
What concerns you most for the year ahead?

We ask businesses to choose the things which concern them most about the year ahead. They can choose more than one area of concern. The following two graphs show the most common and then least common areas of concern cited by business in this month's survey.

The three top ranking areas of concern for Kiwi businesses are yet again the general outlook for the economy, customer demand, and politics. Few concerns again are held about the NZ dollar being too high or cyber threats.

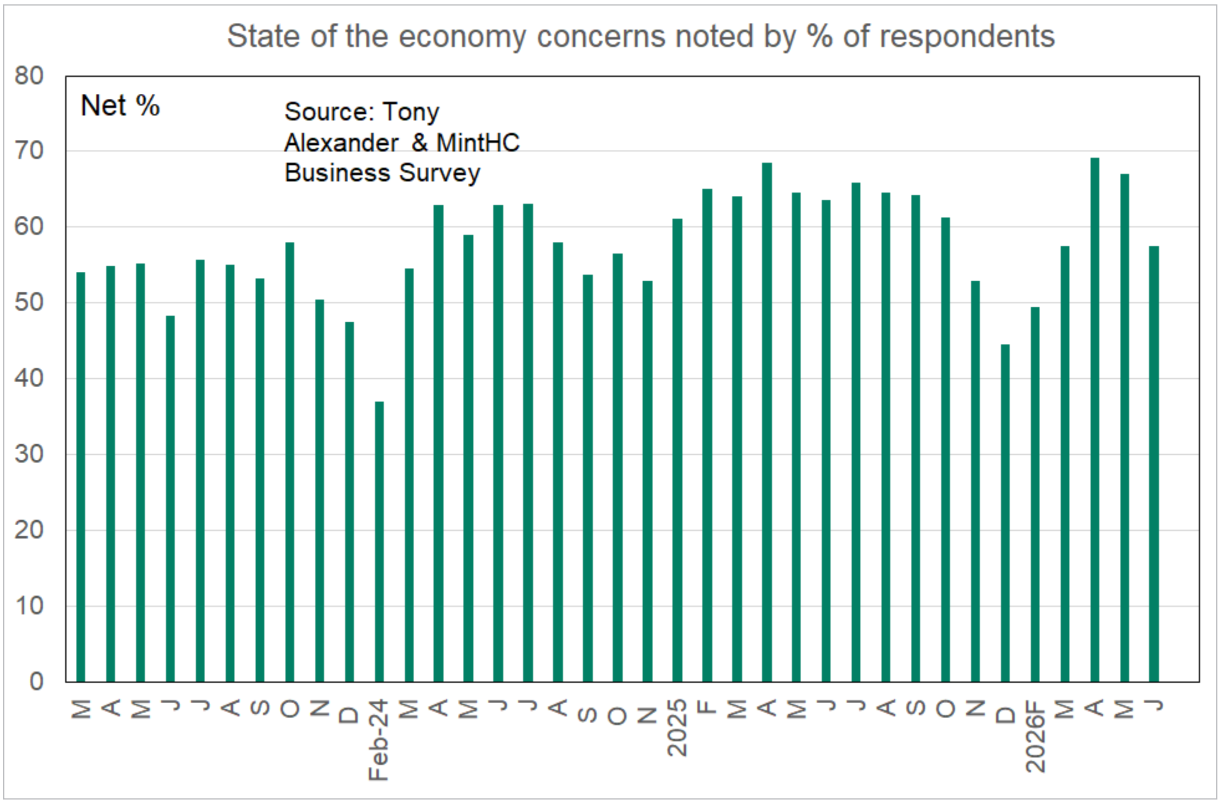


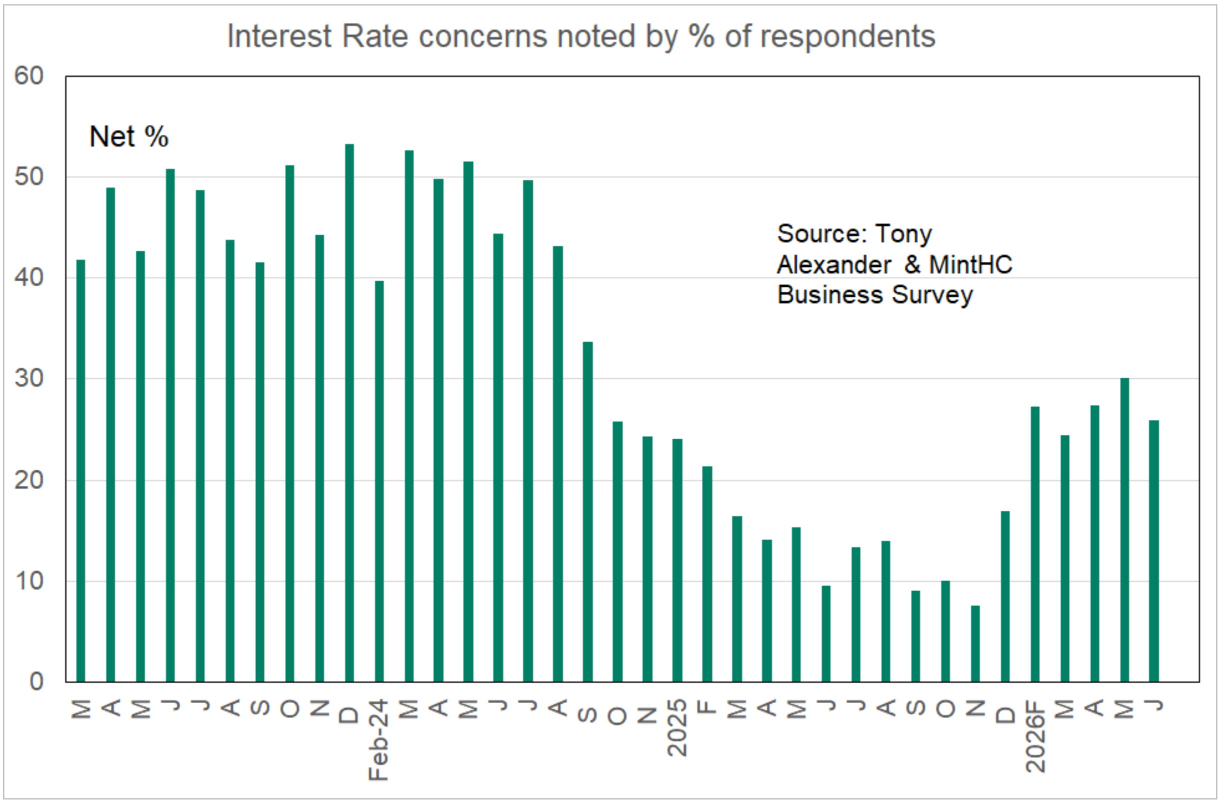
This graph shows the lesser ranked concerns.



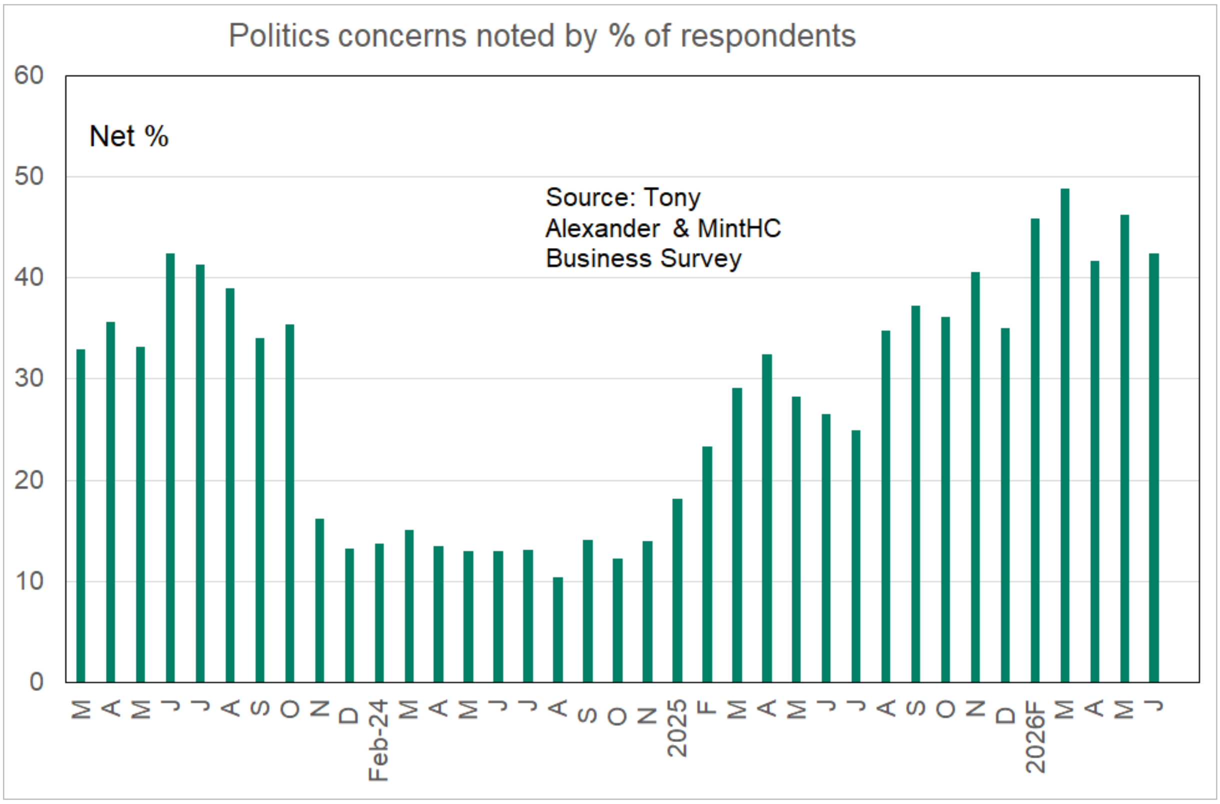
These next graphs look at changes in a selection of areas of concern for businesses since our survey started in March 2023.

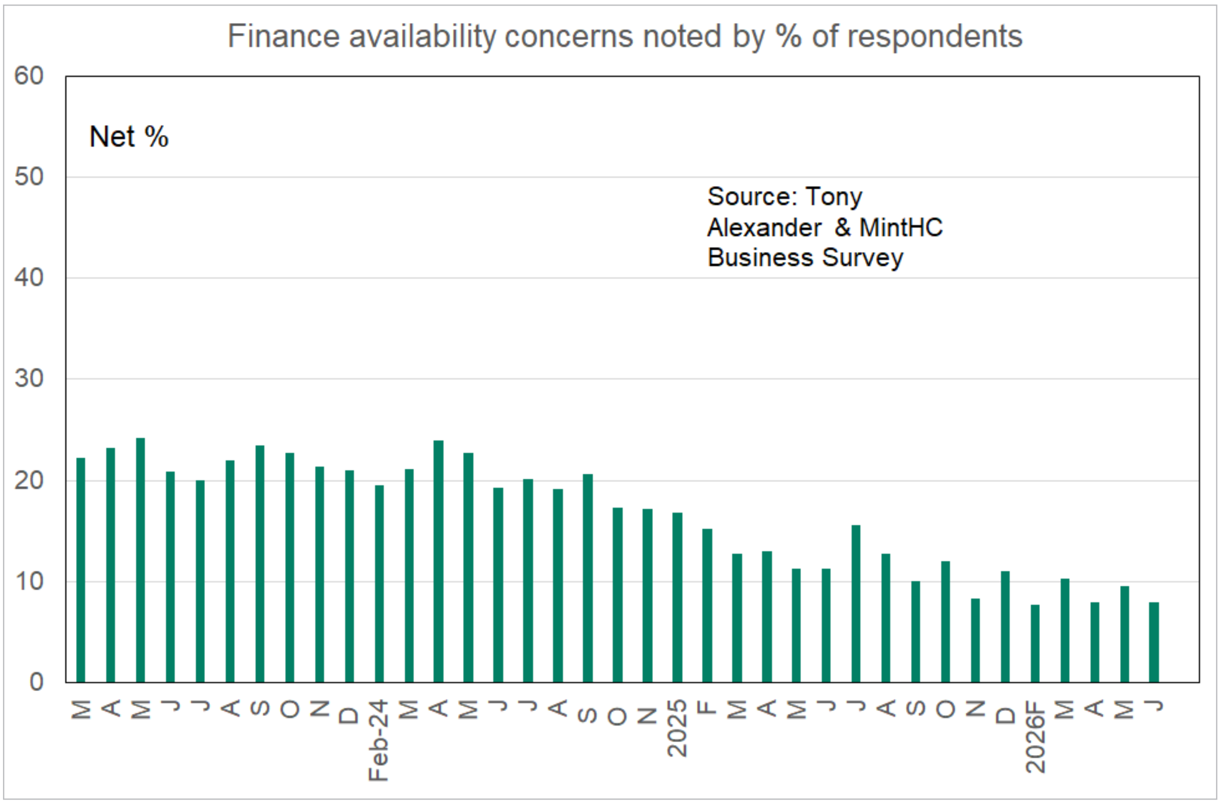
Concerns about the state of the economy have eased slightly over the past month. But interest rate concerns remain at the elevated levels they shifted up to early this year in response to rises in wholesale borrowing costs underway from October. The Middle East war has interestingly not necessarily added to the interest rate concerns which were already there.



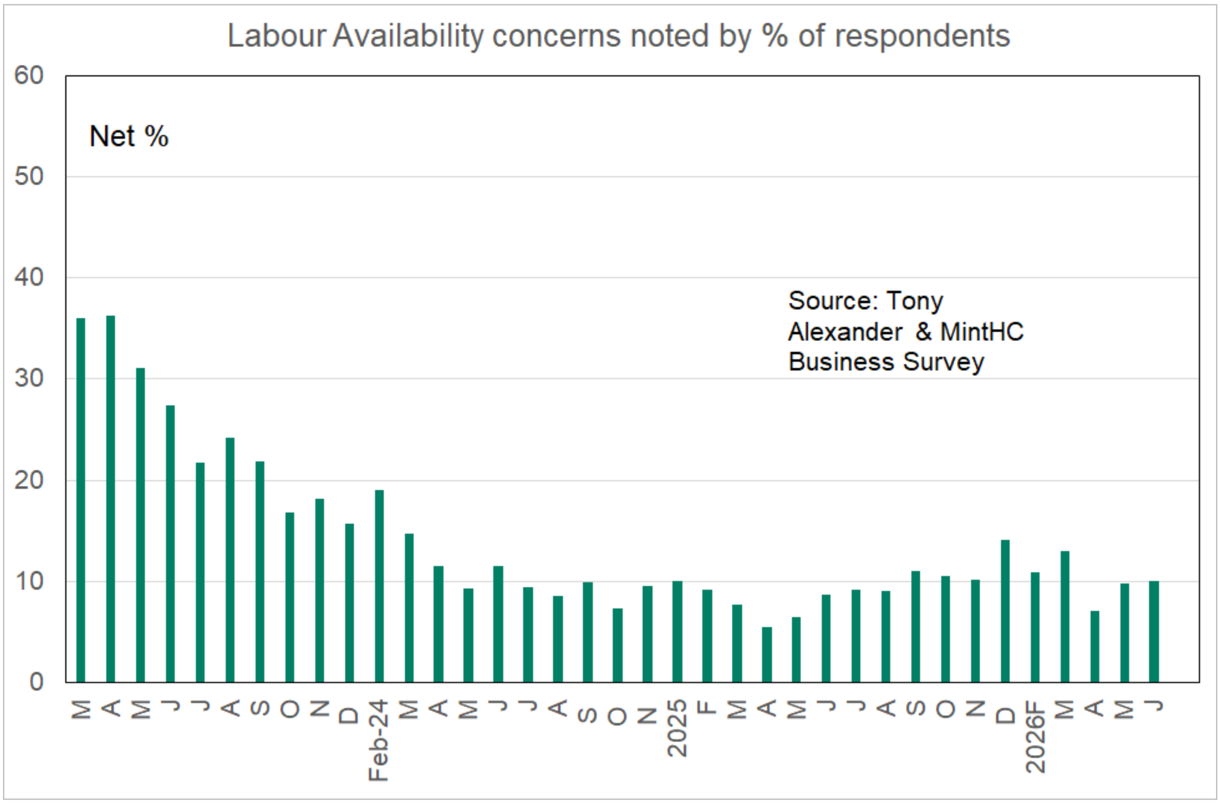


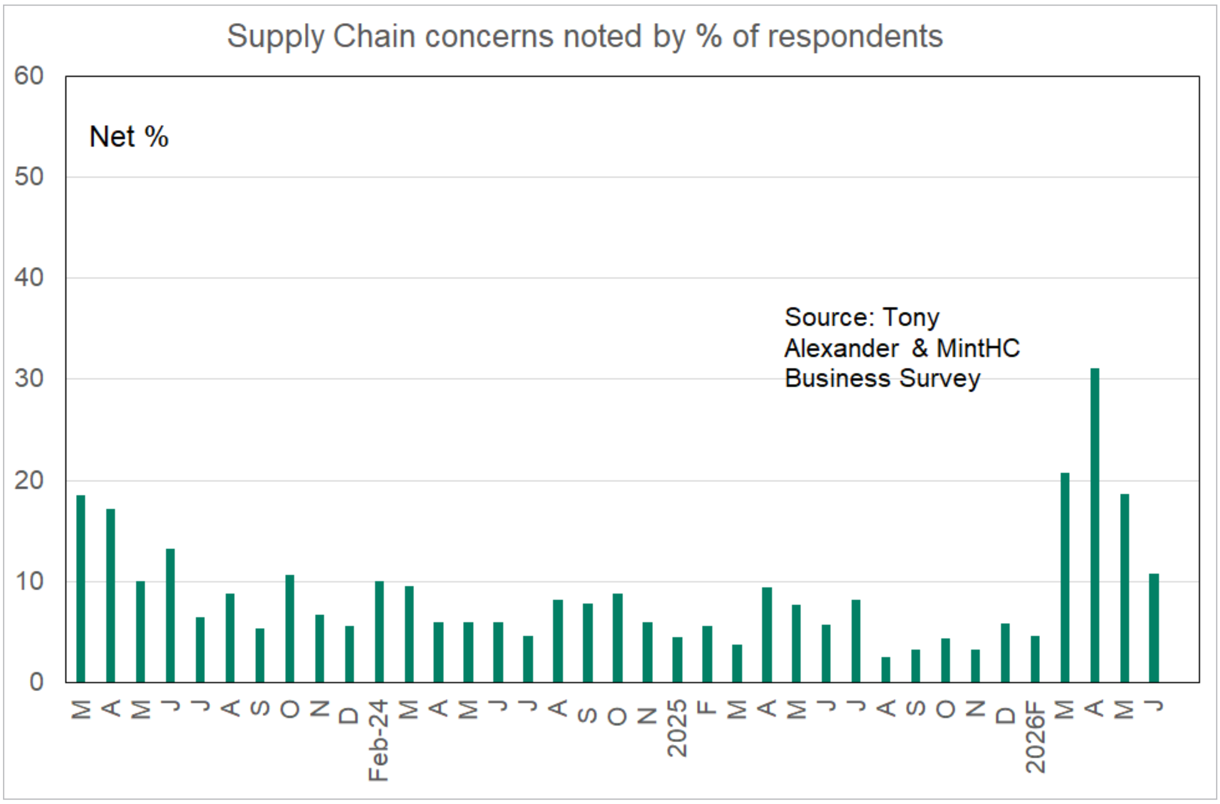
From the peak in concerns observed in March there has been a small decline in the net proportion of businesses worried about the political environment in New Zealand. However, in their written comments many respondents outlined in sometimes strong terms their concerns about the potential outcome of this year's election and how it may influence their decisions. Concerns about the availability of finance have not ranked highly for a considerable period of time and remain low.



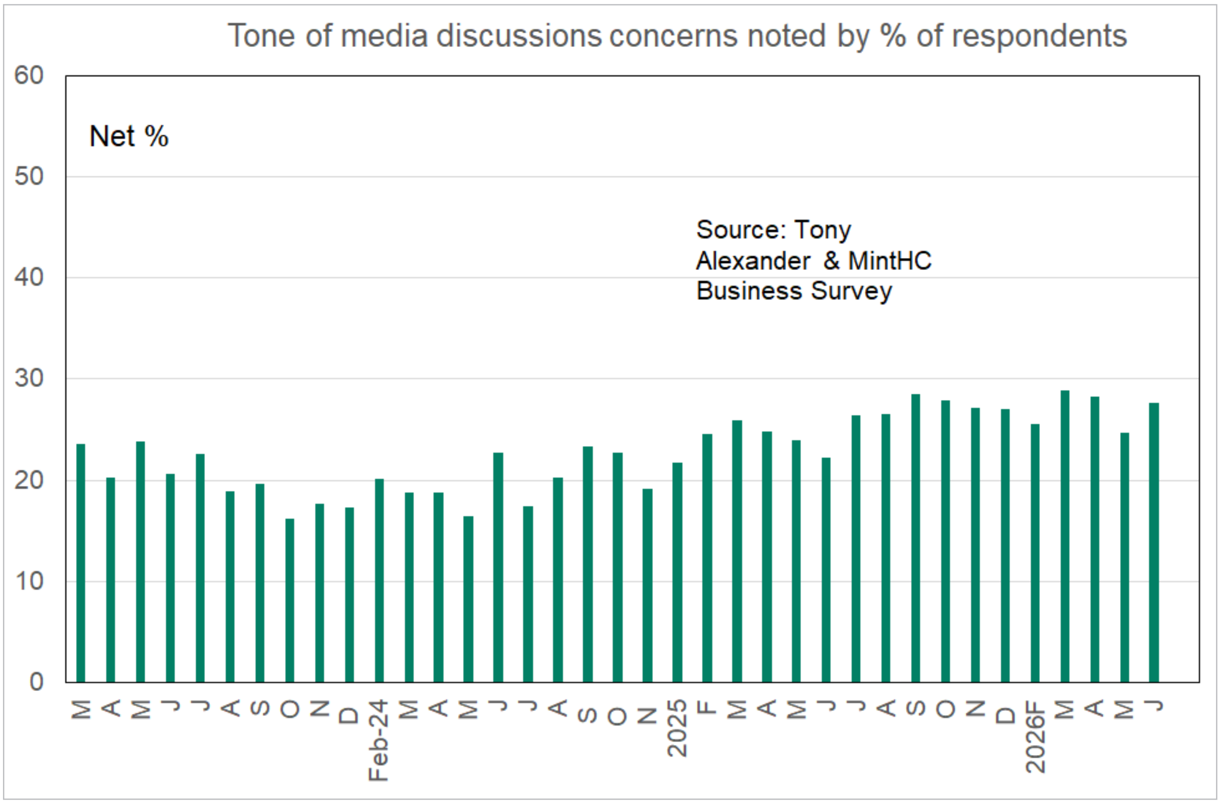


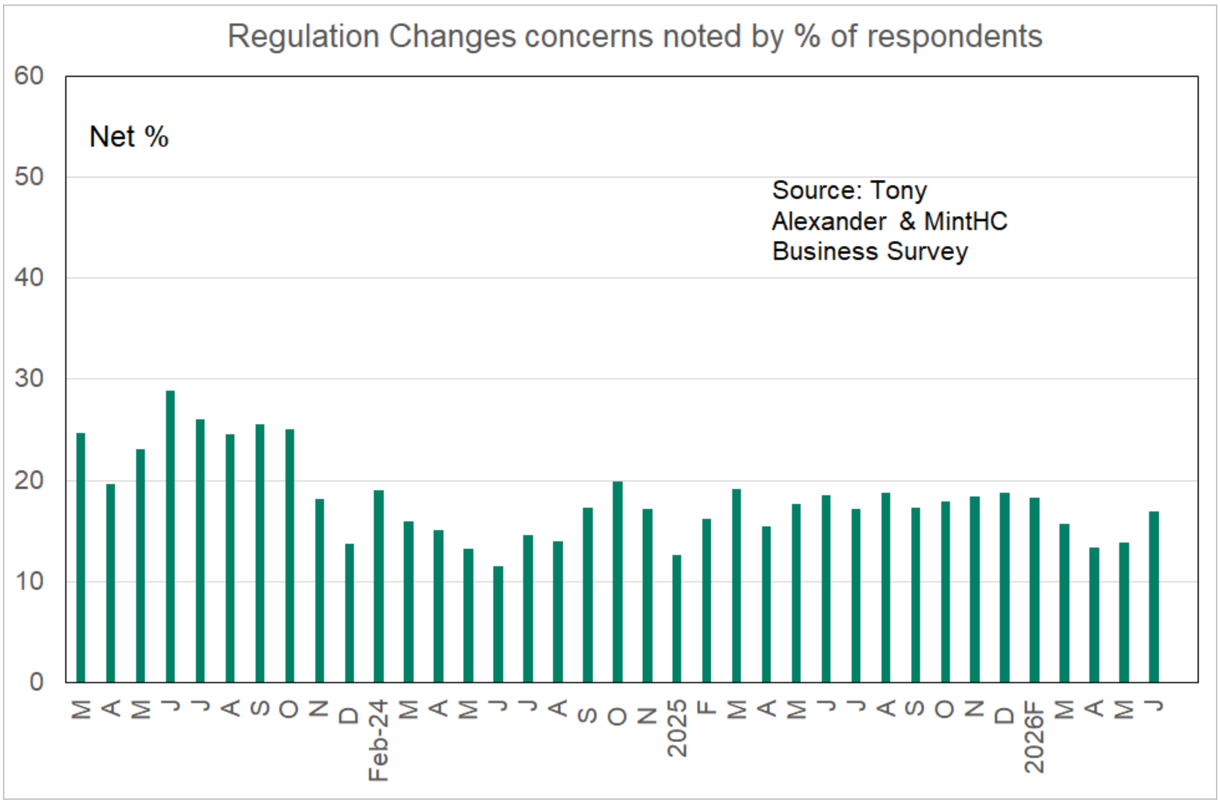
There is no particular new trend in concerns about labour availability. But worries about what might be happening with supply chains have substantially eased over the past couple of months as businesses have focussed on adapting to the altered global environment.



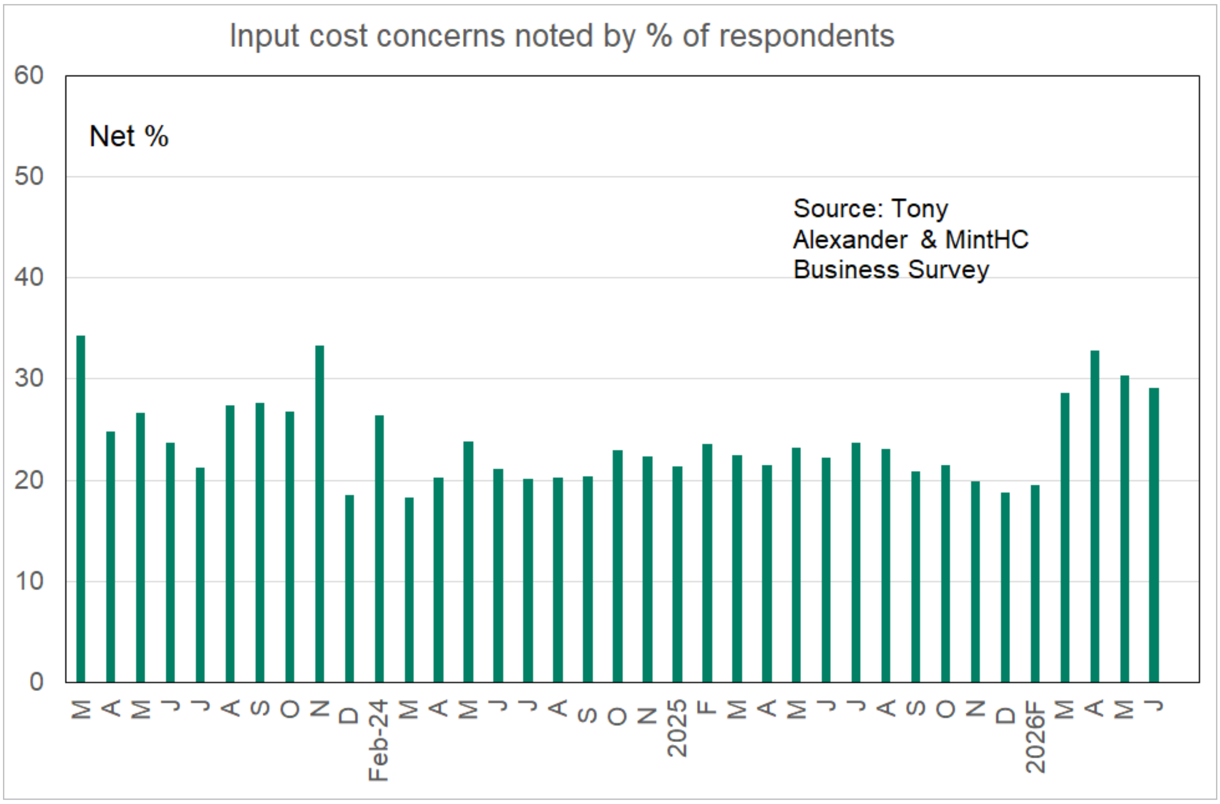


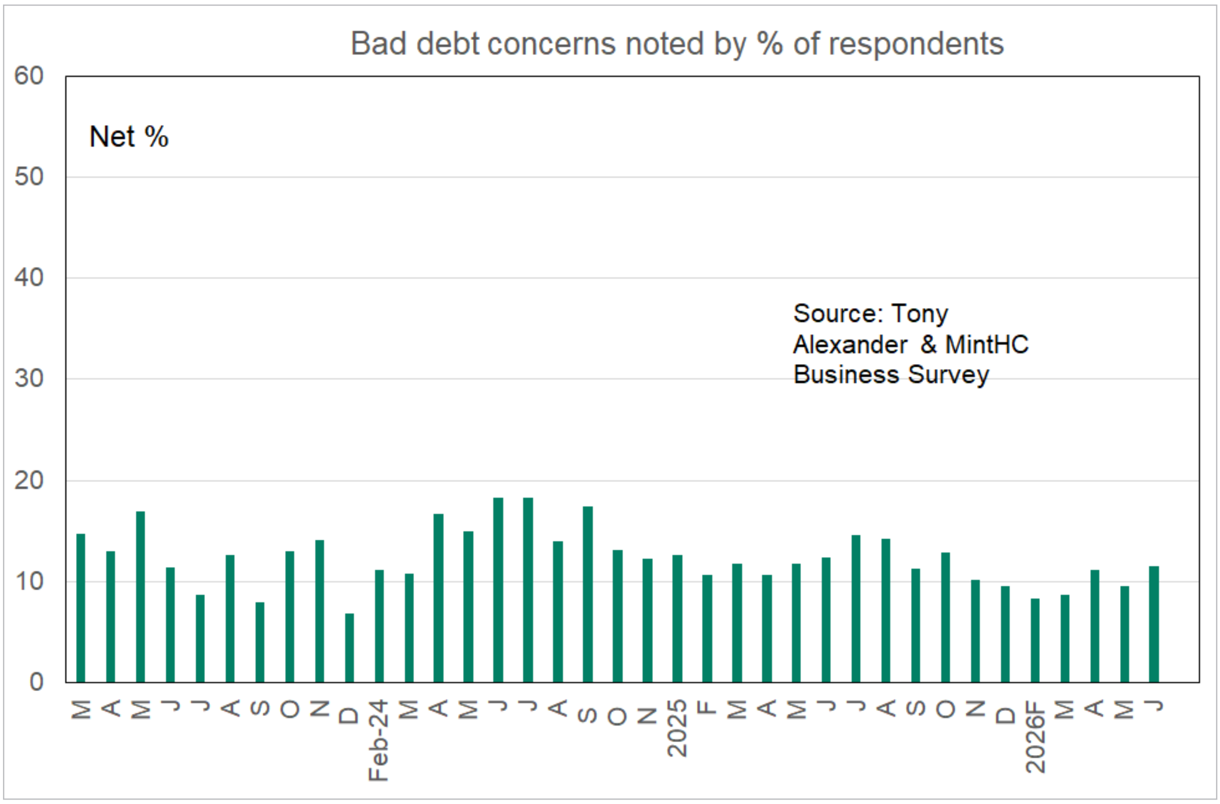
There is no obvious change underway in the level of concern about the tone of media discussion in New Zealand. In their written comments many businesses bemoaned the perceived negative focus of NZ media. Interestingly, there has been a lift this month in concerns about regulations. This may be just a statistical blip however.





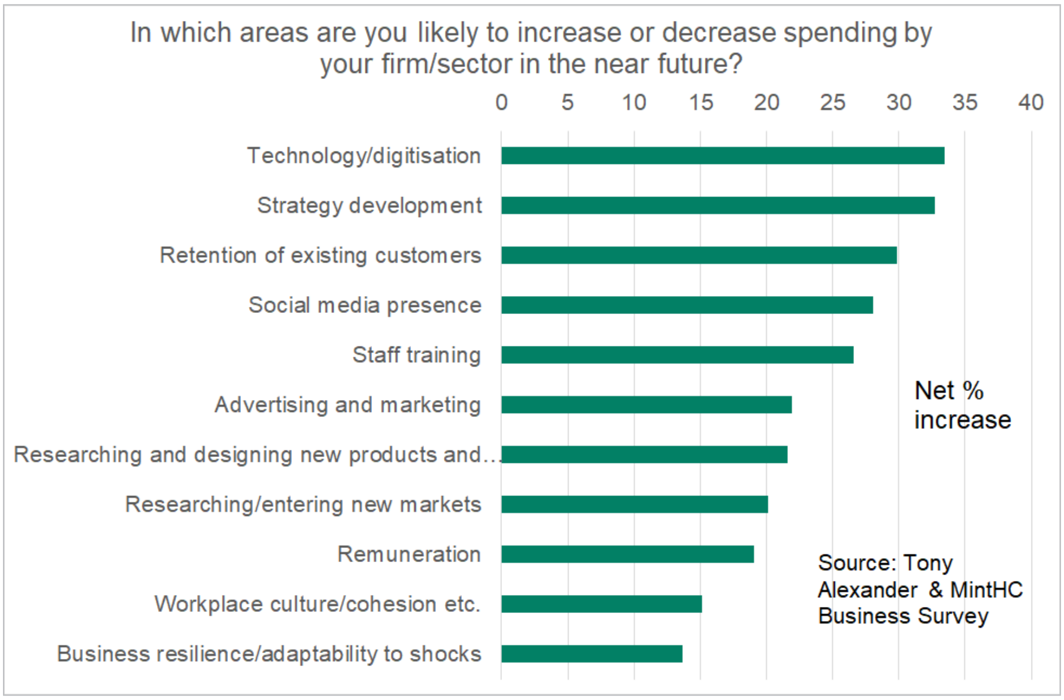
Concerns about input costs remain elevated compared with where they were before the US military action in the Middle East. Worries about bad debts remain contained.



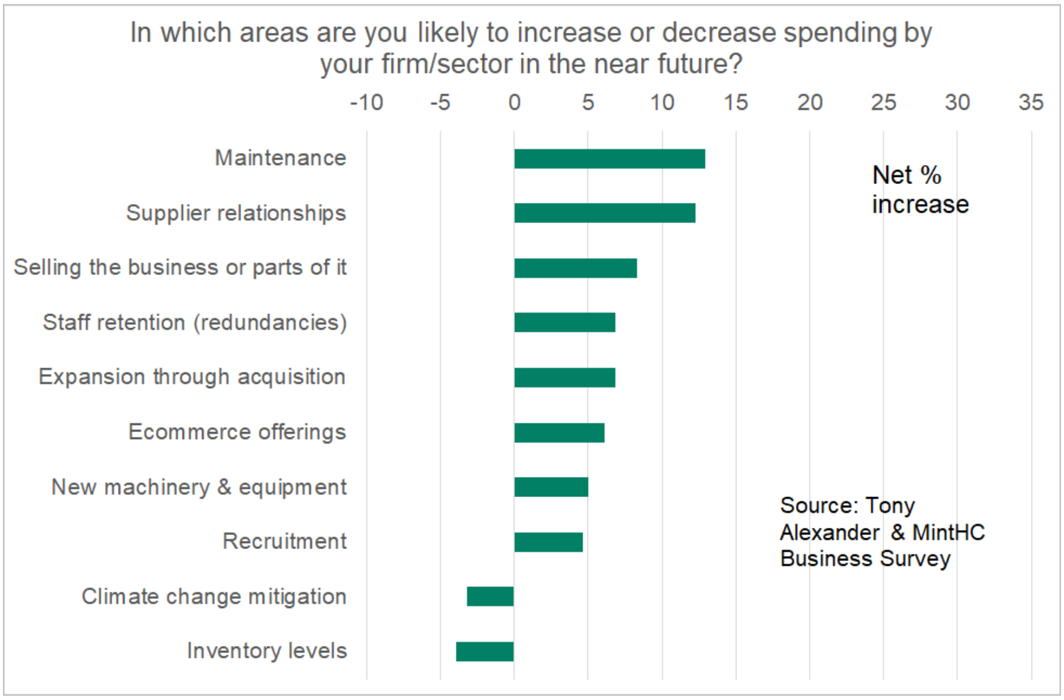


In which areas are you likely to increase or decrease spending by your firm/sector in the near future?

Our second main question is addressed at identifying where businesses are going to allocate their scarce funds in the coming year. Strategy development and technology/digitisation continue to trade first and second places in spending importance. Inventories are still targeted for decrease and climate change spending is well off the radar.

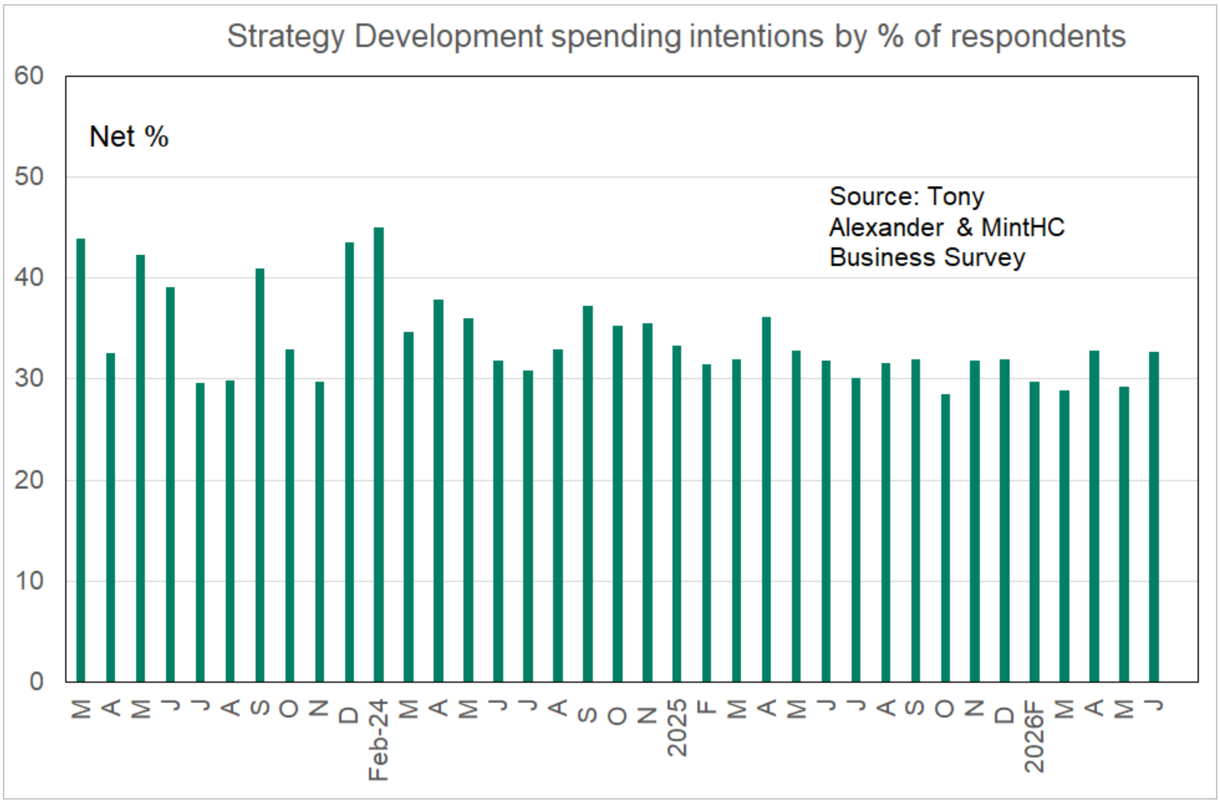


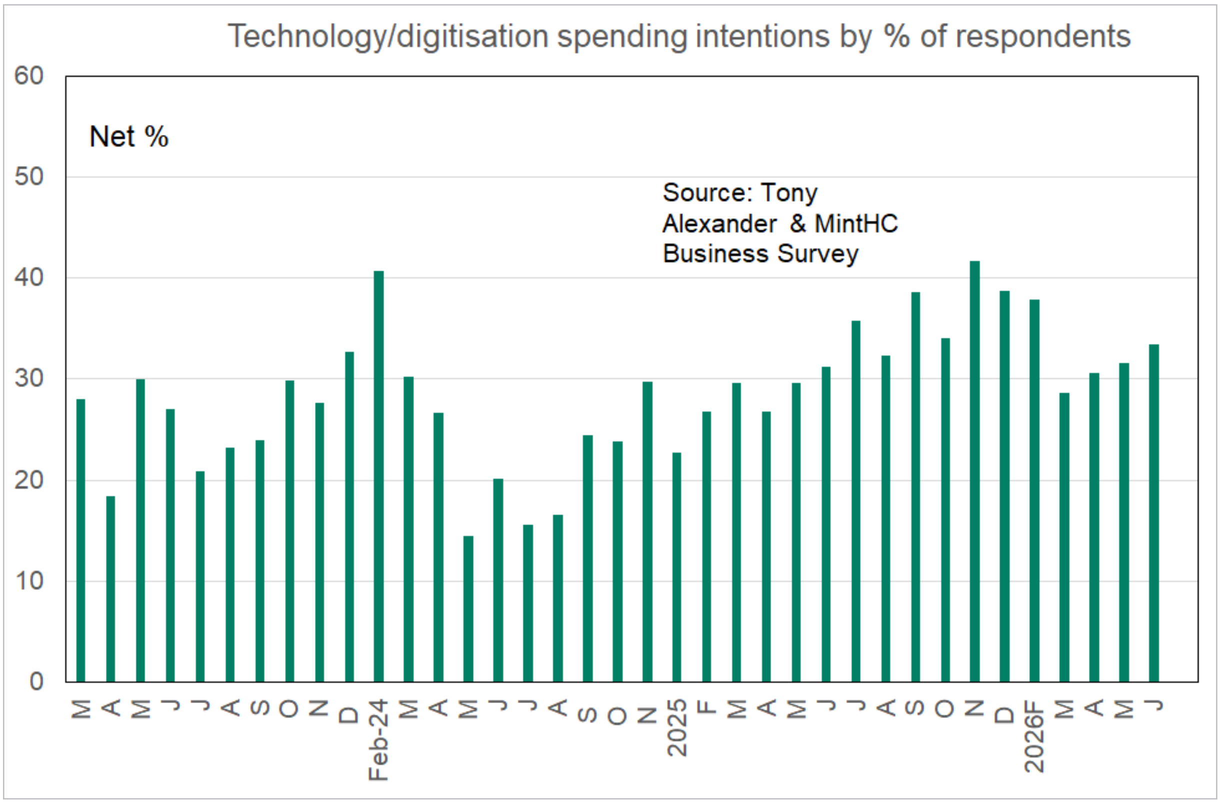
Decreased spending is planned on climate change and inventory levels.



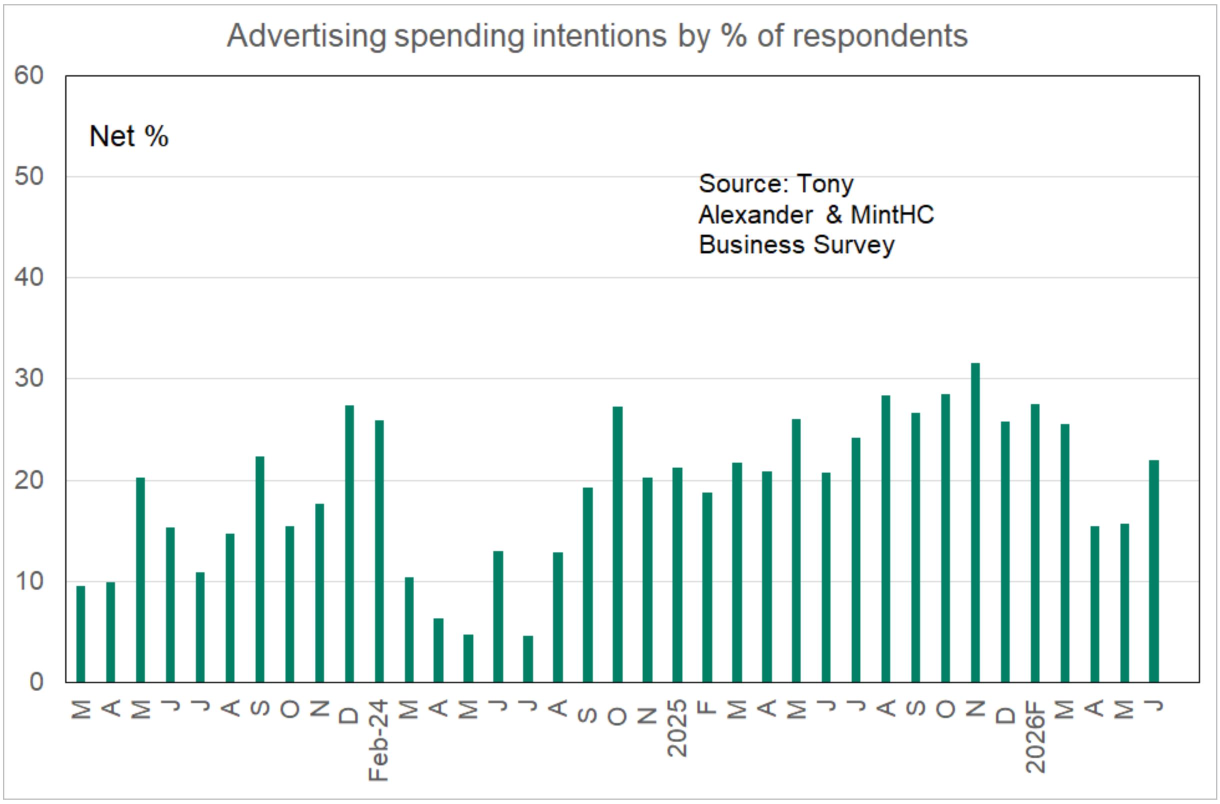
These next graphs look at how planned areas of spending change have been tracking since our survey started in March 2023.

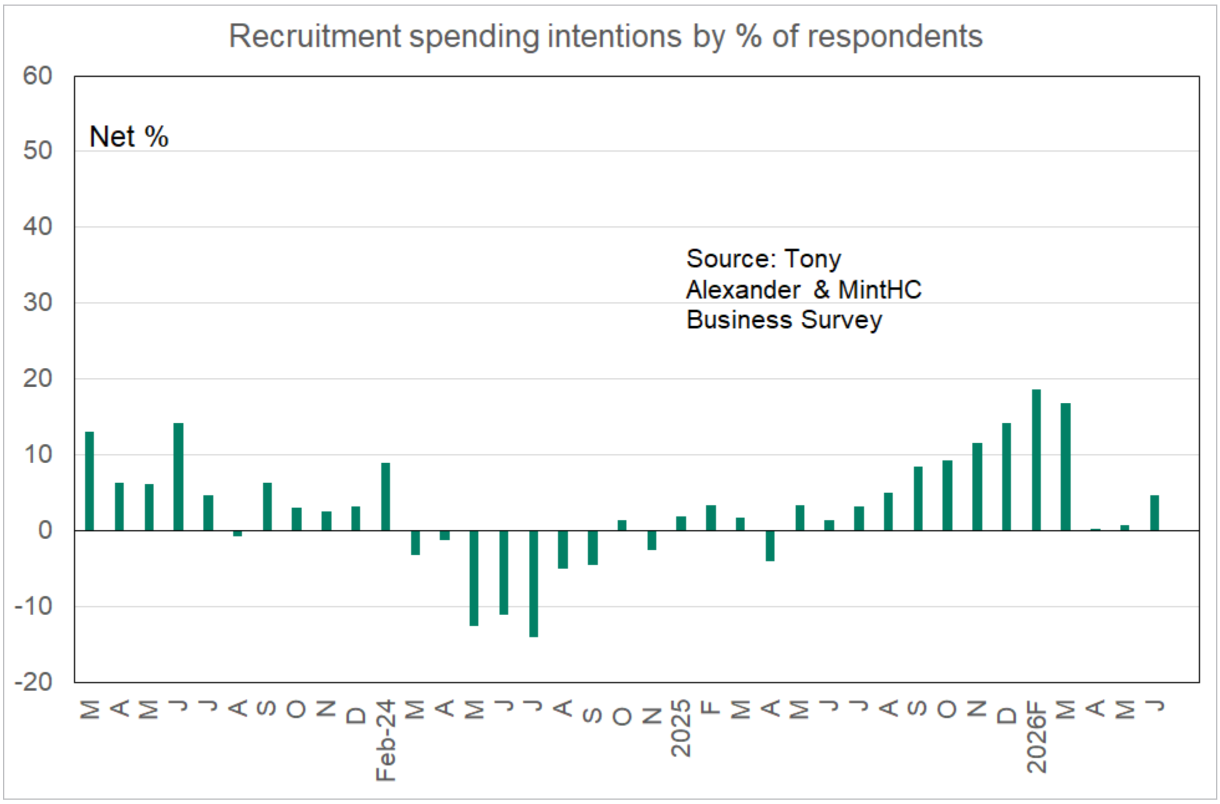
Developing one's business strategy has always rated as a high priority for businesses – as opposed to coasting along doing what one has always done. The focus on digitisation and technology which fell away slightly after the US attacks of late-February is coming back to the fore again.



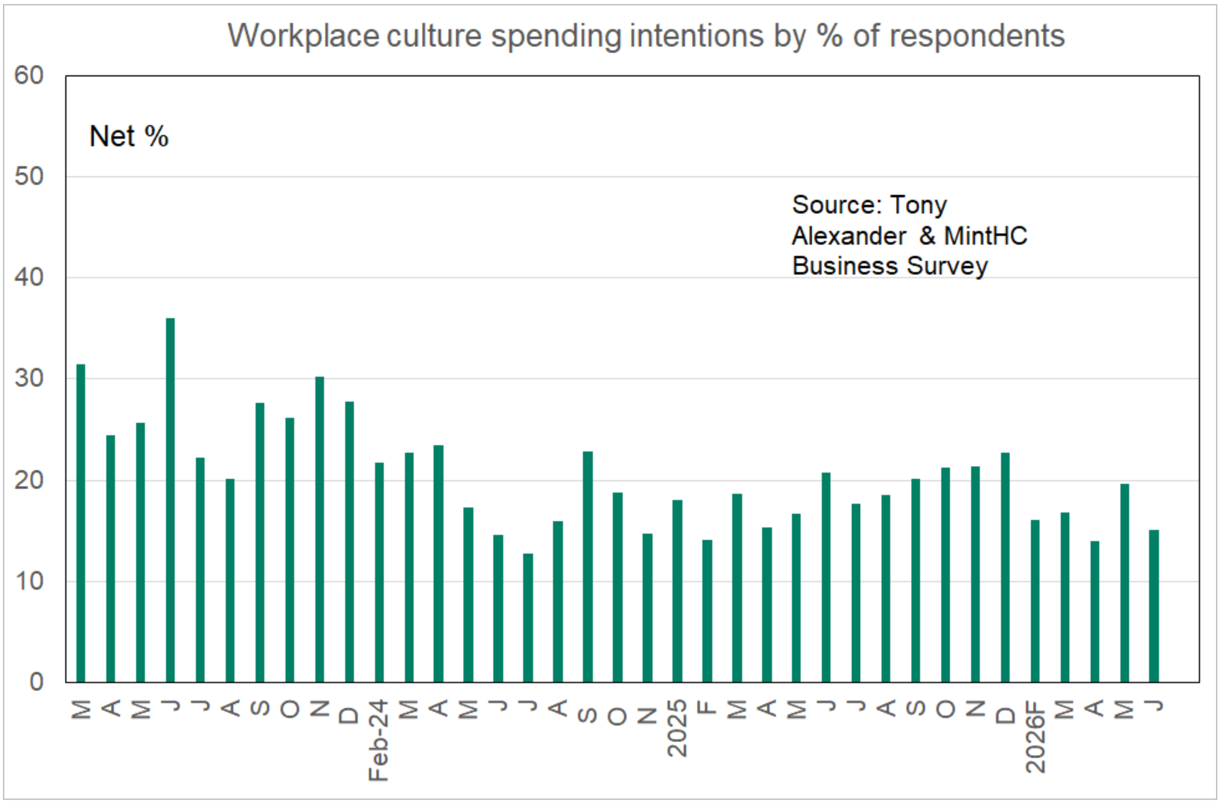


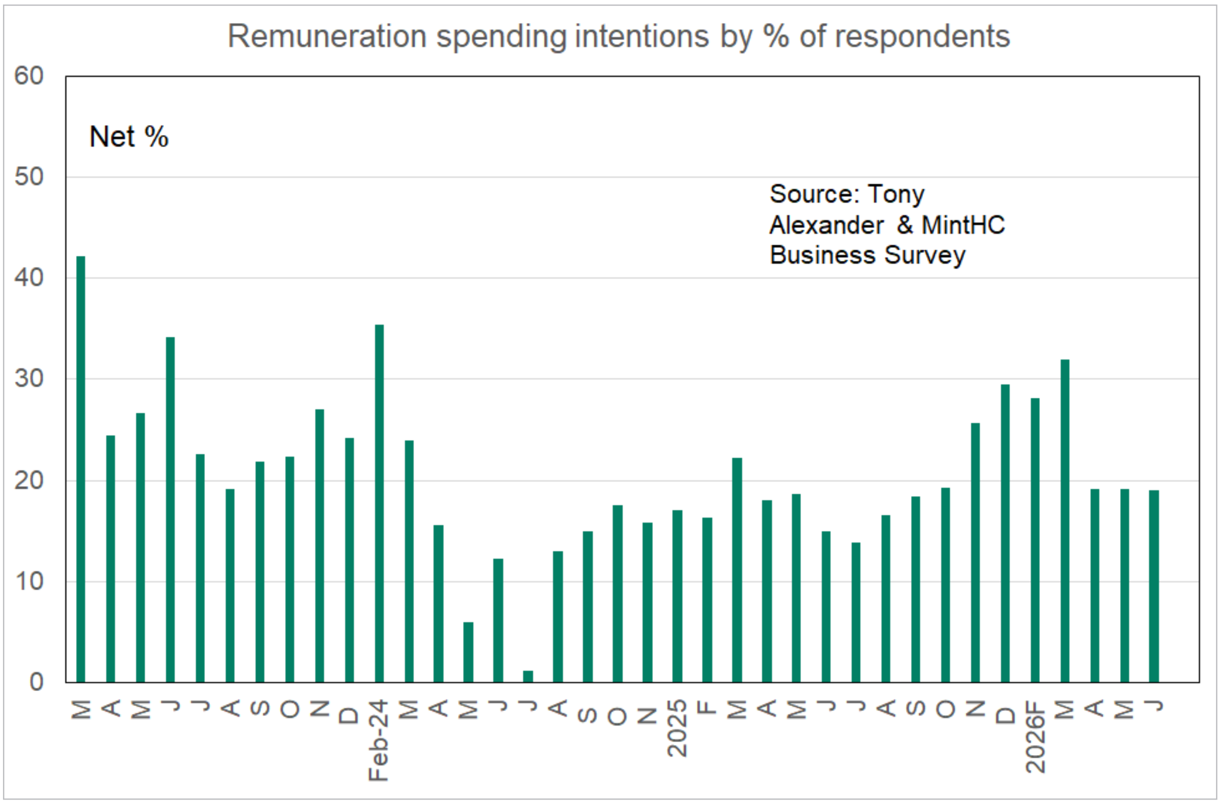
Perhaps one of the most positive underlying indications from this month's survey is a firm lift in the net proportion of businesses looking at spending more on advertising. Recruitment spending plans also seem to be slightly on an improving trend.



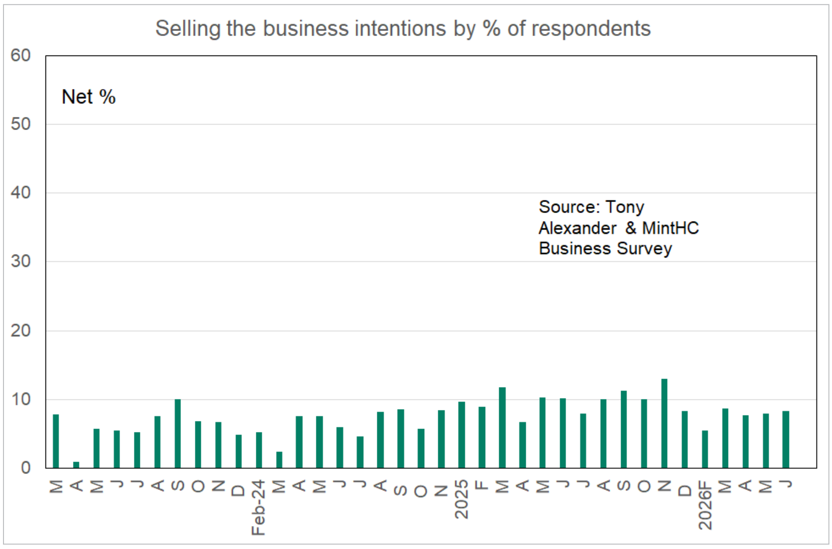


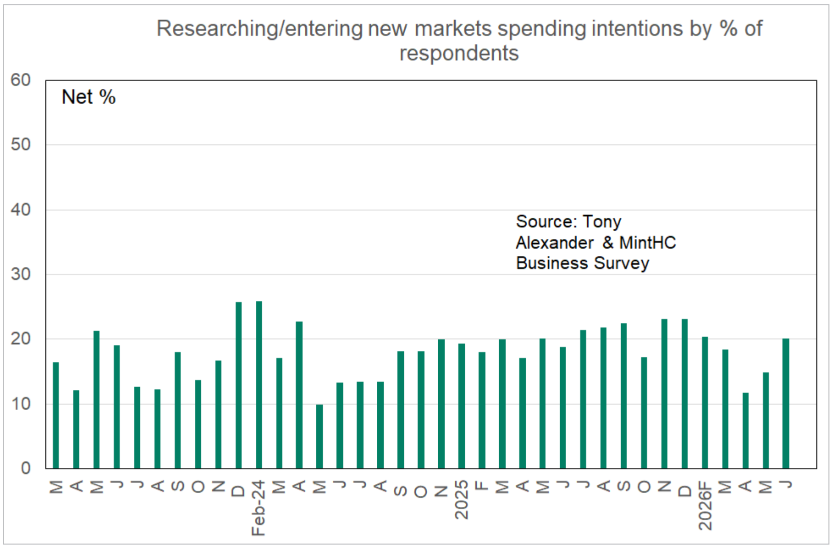
Spending on workplace culture is not a particular focus for the moment. Remuneration spending plans remain constrained compared with where they were late last year as the economy gained some growth momentum ahead of February 28.

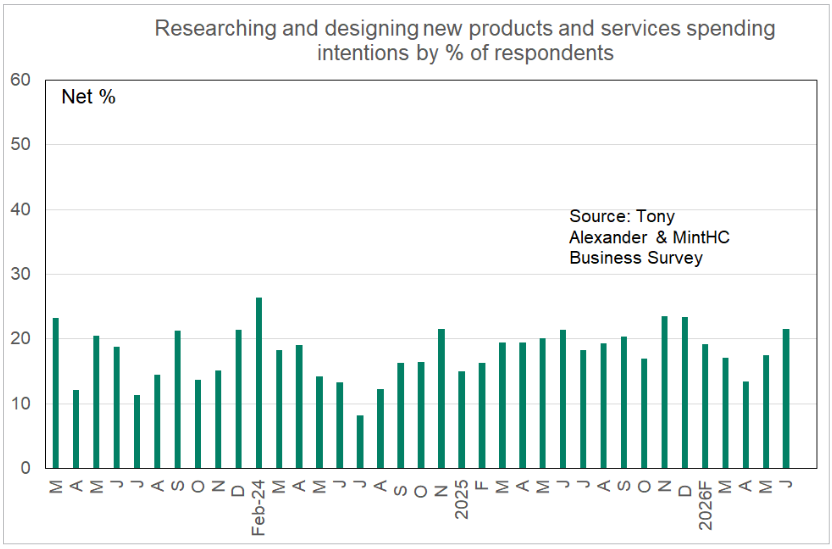




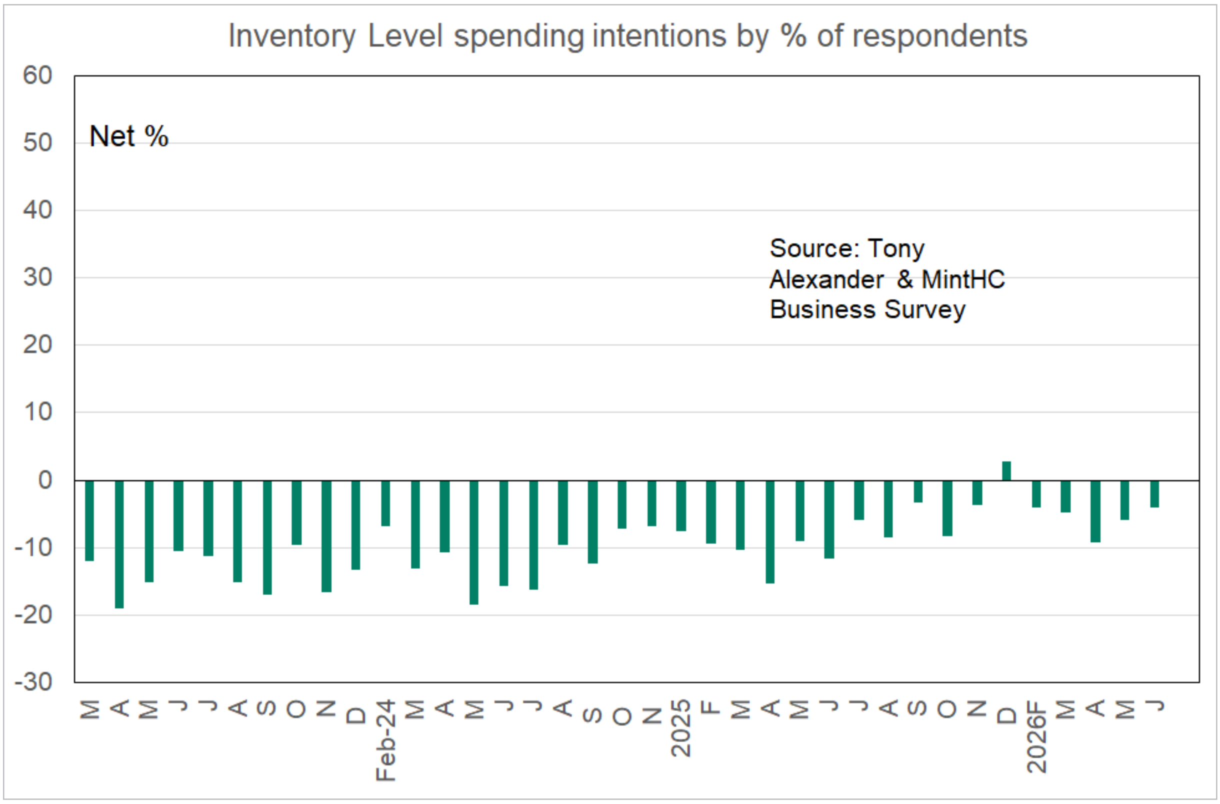
Plans for spending in the area of climate change fell away early in 2024 and remain weak. Despite many businesses bemoaning the state of the environment they are operating in there is no solid evidence of a lift in plans to quit one's activity by selling the business. In fact, the increase over the past two months in expectations for revenue growth have been associated with some gains in plans to enter new markets and develop new products.

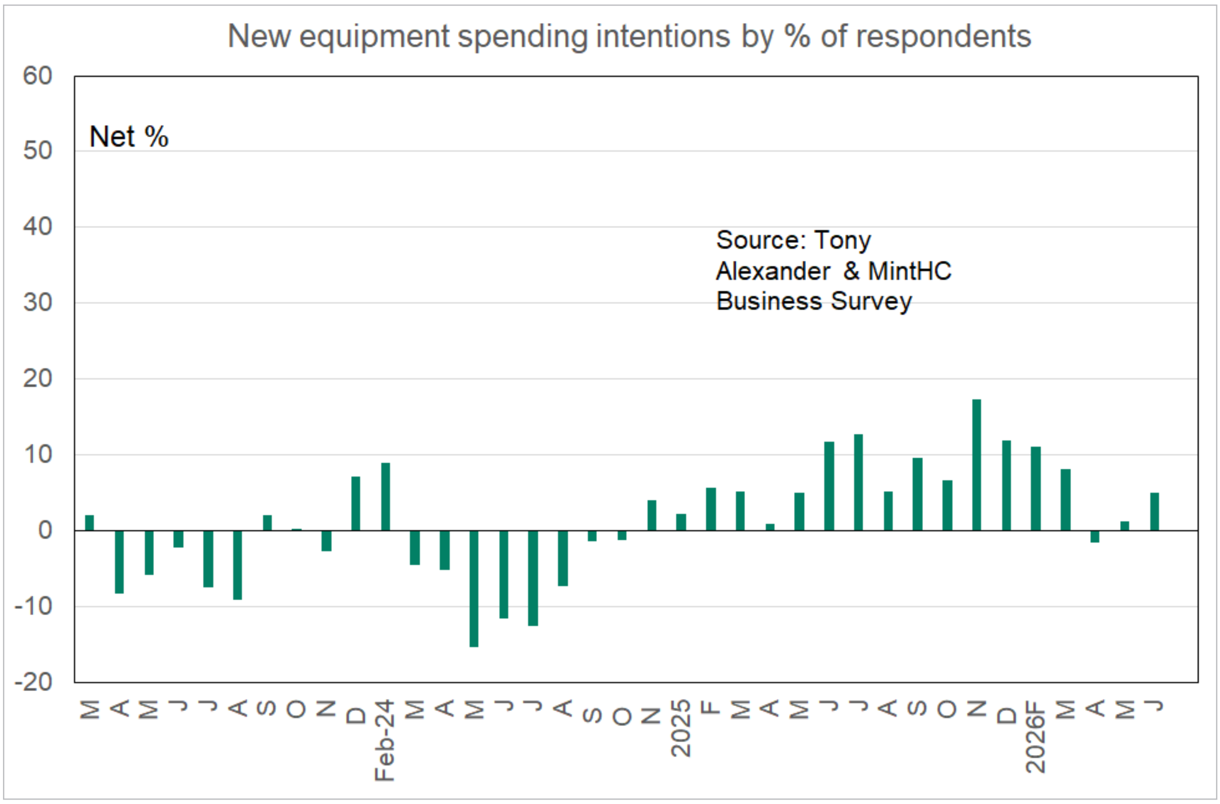






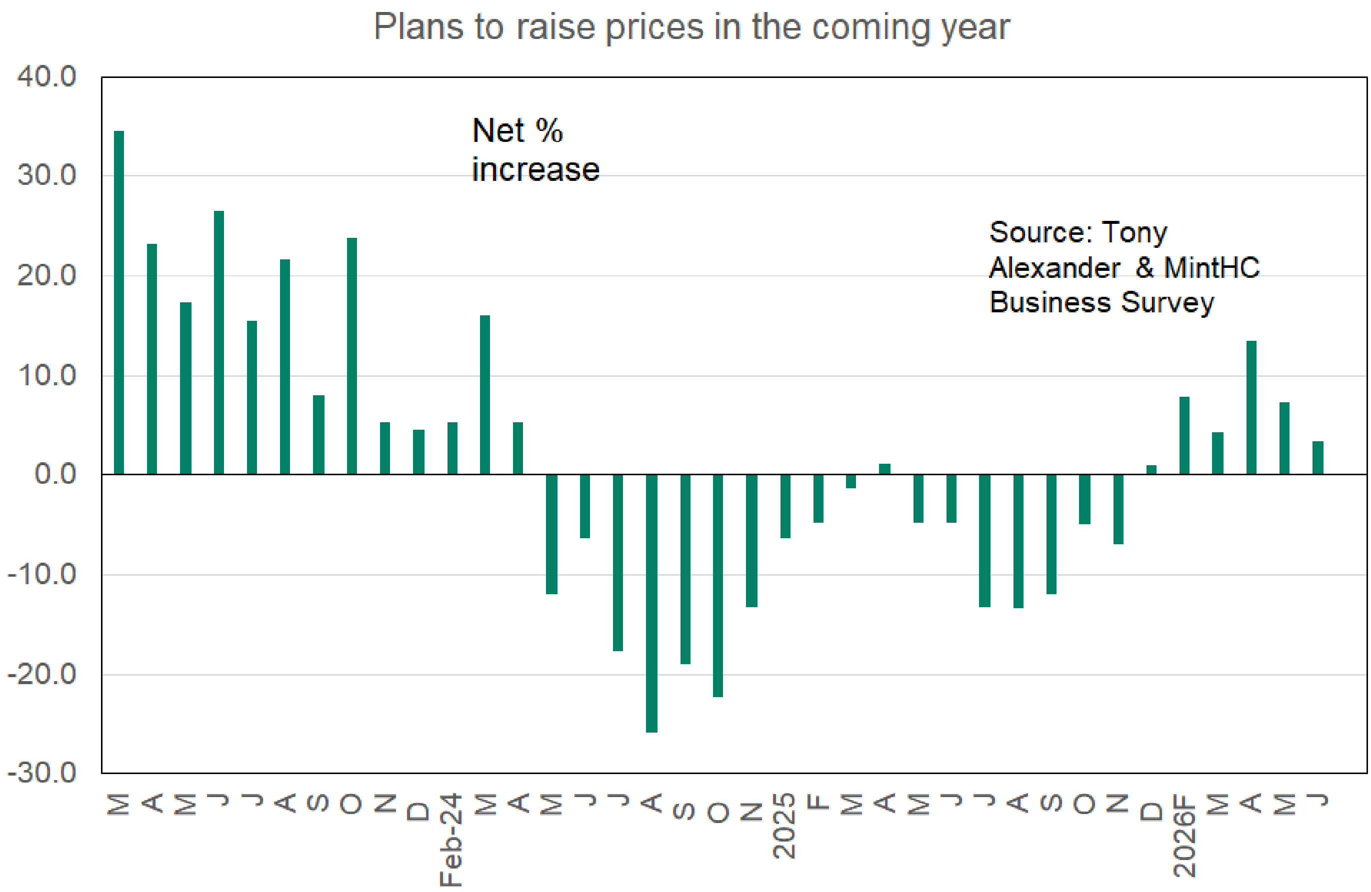
As (almost) ever, plans for inventory levels remain negative. But for the second month in a row there has been a welcome recovery in plans on average for spending on new equipment.





Are you planning on increasing your prices for any of your products or services this year?

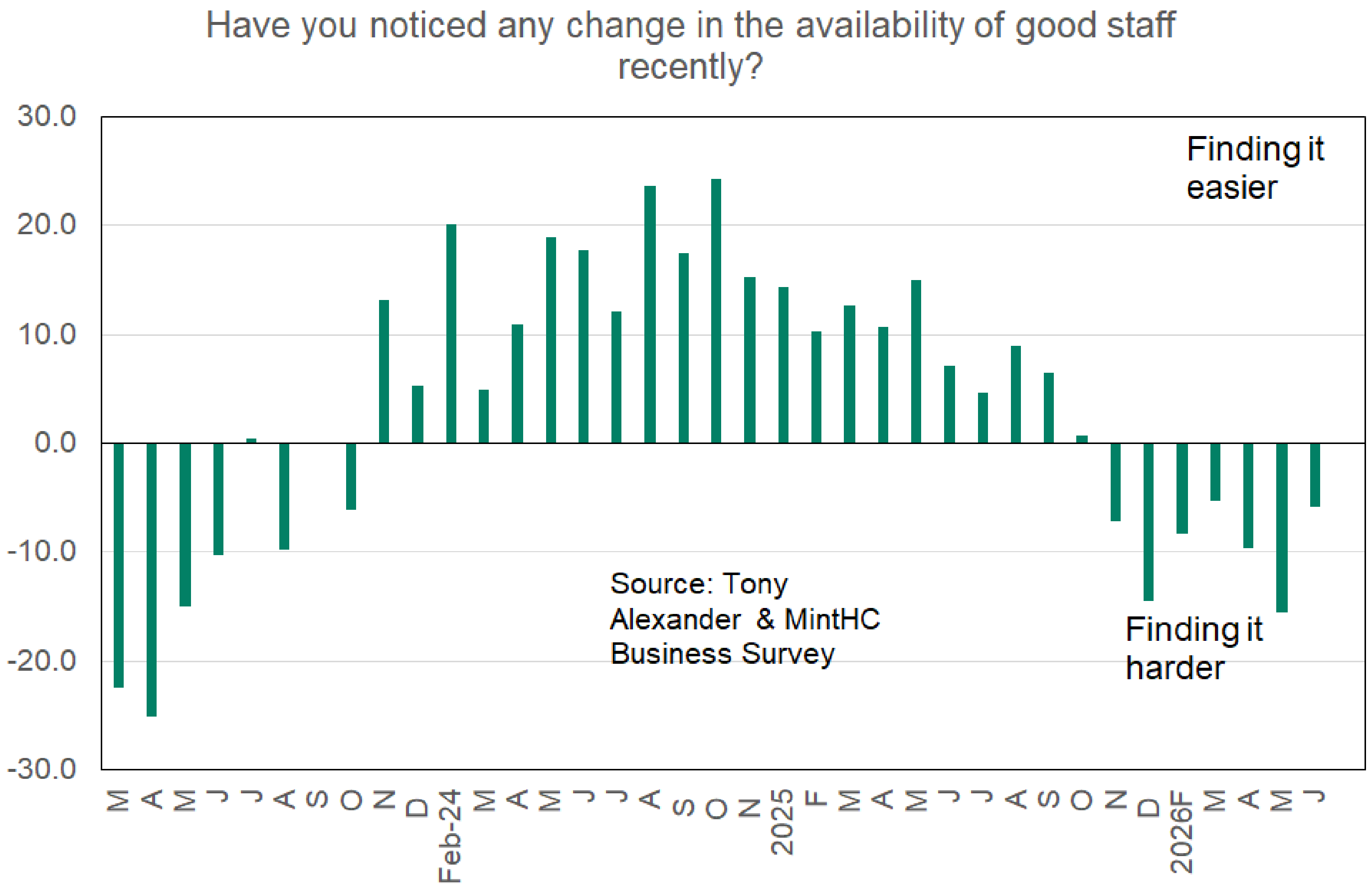
The planned pass-through by businesses of higher costs from the Iran War and pressures generally is still on the low side – perhaps because perceptions of strength in the NZ economy remain poor. Only a net 3% of businesses this month have reported that they plan raising their selling prices over the coming 12 months, down from a net 7% last month.



Have you noticed any change in the availability of good staff recently?

Despite the high levels of uncertainty regarding the upcoming economic environment including the general election outcome, businesses on average are still reporting that they are having some difficulties finding the labour they want.

A net 6% of our survey respondents have indicated that labour is hard to find, only slightly improved from a net 16% last month.



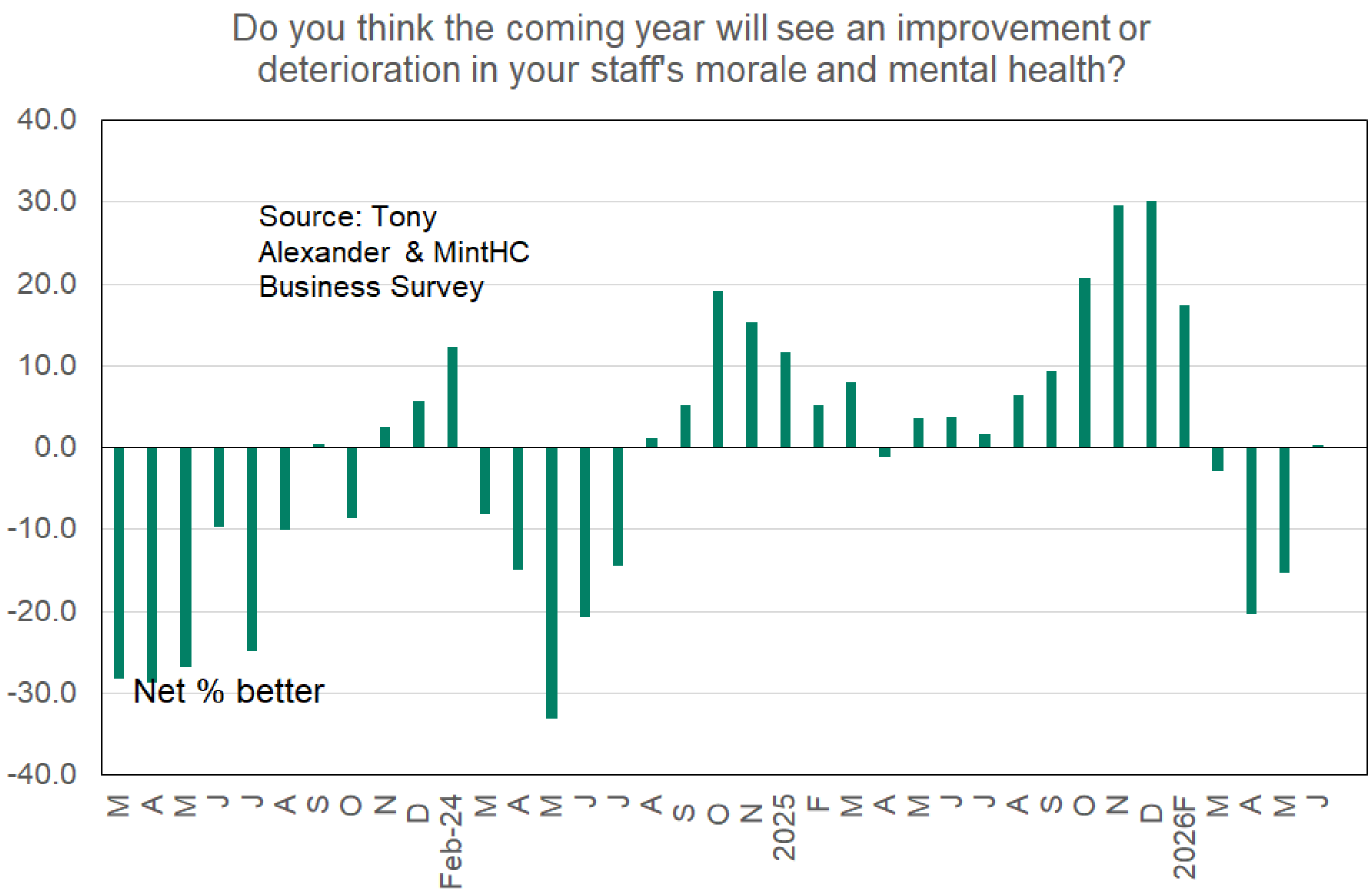
In 12 months from now, are you expecting your business revenue to be better, worse or stay the same?

Despite widespread deep concerns about the state of the NZ economy, developments offshore, and the November general election, a strong net 31% of our business respondents say that they expect their revenues to improve over the coming year. This is up from 21% last month and 10% early in April.

The reading before the US attacks of February 28 was a net 55% positive expectations for revenue growth so things have not yet returned to where they were. But this measure is backing up increasing commentary about some businesses adapting to the new environment.

Do you think the coming year will see an improvement or deterioration in your staff's morale and mental health?

As many businesses expect their staff morale to get better as feel it will get worse over the coming year. This is the best result since the net 17% positive reading in February before the US attacks in the Middle East.



Respondent Insights

Following are most of the comments submitted by survey respondents, grouped by the industry they allocated themselves to from a list of over 30 sectors. These are the tidied up comments of the respondents.

Main points which we are able to glean from these responses include the following:

- Hospitality remains as tough as ever.
- Still a lot of pessimism and hesitancy about capital expenditure, but increasing evidence of some businesses deciding they have waited long enough and choosing to push ahead with developments regardless of the continuing global uncertainty and upcoming NZ general election.
- Conditions are especially depressed in residential real estate.

Accounting & business advisory services incl. business broking

- We are busy meeting demand from existing & new clients
- Clients working harder for less.
- Getting tough out there... work slow to be committed to
- Increasing costs and reducing margins
- Lack of staff with the right skill set and experience
- Uncertainty on local government amalgamation, water infrastructure delivery and post election continuity.
- Doing enterprise AI implementation work. The smart leaders are increasing the drive to use it well, use it consistently, and evidence its value properly, because they expect the hype to dissipate and the real world to reassert itself. There are massive gains to be made, but not by fiddling and playing with AI - instead bold, thought-through choices need to be made on how we best target its benefits and don't rack up pointless (AI) costs and (human) mental fatigue.
- Good business managers are showing resilience in coping with the difficult economic conditions. Businesses which have been slow to adapt are looking more likely to fail after such a long period of suppressed demand. Business failures will continue to occur at a reasonable pace for the rest of this year.
- The recession in terms of making decisions is over. However, things are still very tough.
- The challenge of AI. Slower payments from clients.
- Hospitality businesses mostly struggling. General businesses doing well
- Some clients are challenging our fees which seems to be a new behaviour and seems to be driven by hard times and review of expenses.
- A lack of confidence to take risks and the failure of those that have.
- Sluggish economy is having an impact, but locally in Queenstown Lakes, still very busy. Lot of attention from Australia.
- Most businesses went backwards last year. Some seen a pickup in the last two months which is encouraging. Productivity an ongoing issue as need the capital to invest.
- Too many people claiming to be accountants/bookkeepers, but have either a lack of experience or lack the knowledge required to deal with business owners' extremely difficult trading circumstances. Also, being rural based, the number of good quality clients is becoming harder and harder to find.
- Pessimism, retail is hopeless, empty buildings

Advertising & marketing

- Real estate sales agents struggling right now and companies (agencies) are more interested in their KPI's rather than their staffs' well being
- There's life emerging in the marketing demands of clients, less on fancy and expensive advertising for new customers, more on getting existing customers to return
- The on-set of winter and general lack of consumer spending is suppressing confidence in the marketplace.
- Margins are squeezed. Competition is rampant (but what they deliver is often crap). Lot's of newbies offering generic services delivered via boilerplate AI templates to unsuspecting clients.

Banking and Finance

- Businesses are still reluctant to make decisions - anything that can be delayed is delayed.

Cafes, bars, and restaurants

- Freight charges are on the increase due to the Iranian crisis and are adding up with every purchase.
- In hospitality, you don't hear the venues who focus on their guests and experience and do that well complaining. It's the over leveraged, under delivering spaces that [don't do well].
- Auckland hospitality, the never ending road accident.
- This is it! The new normal is already here and those who learn to work with it the fastest will succeed.
- One year ago our COGs were 27%, 6 months ago 31%, last quarter 38%. We put all our prices up. Everything is going up, milk up 50 cents per litre this year, central government fees up 100%, power has doubled in the last 6 years (despite being more energy efficient and using less power). Lost a couple of customers. We're now down to not paying ourselves in an effort to keep the business going. It's tough.

Civil construction/infrastructure

- Instability due to the election
- April and May continued to trade well but many job starts seeming to be paused with the current global and NZ economic uncertainties.
- Everything is very expensive, our staff are quite well paid relative to similar jobs in the industry but they are mostly struggling financially to really get on top of things.
- Lots of uncertainty driven by international events. Sector seems to be normalising this and pressing forward. Still a lot of buyer hesitation or market testing then pulling back from purchase.

Commercial construction

- More competition for smaller projects delivering greater value for customers which is not a bad thing. Modest expectations around financial performance for the year ahead still holds. Varying activity levels across our market sectors. Shorter pipelines that we have been used to but still some fun to be had
- After a very quiet last year, the last two months have been very busy with new projects being won and multiple others tendered for. Back hiring after previously downsizing. Hard to manage the business rollercoaster.
- Strong export markets provide our exporters the comfort to invest in their facilities
- Election results will play a huge factor in if we decide to continue or shutdown.
- Electrical Contractor: Forward work steady, some signs of projects getting held back for various reasons, a lot of political / election chat amongst our clients.

Commercial real estate

- Acquisition of good commercial real estate is becoming more competitive with entry into the market by former residential investors.
- Generally speaking: Little potential for growth in a prolonged flat-line economy. Relentless input cost increases cannot be offset by increased sell cost. Hence, diminished returns on investment. Poor reward for risk. Overcapacity & increasing vacancy are a concern - as too are the continuing weekly dose of significant business failures / insolvencies. Now looking to what 2029 - 2030 might look like .
- International issues impacting our country.
- Demand is restrained by global issues causing economic downturn-Iran Straits Oil etc.
- Lack of confidence across all facets of business. This just permeates everything
- We've been sitting in limbo on the sidelines for too long, despite the election uncertainty, the itchy feet on the sideline are starting to return to the playing field.

Education and training

- Education - business is picking up from a few months ago.
- General economy affects the community need for our services
- Regulatory changes and reduced govt funding impacting on strategic deliverables; impacting equitable access to education.

Engineering

- Clients not proceeding with new projects. Clients cutting budgets, waiting for existing stock (developers with houses) to sell.
- A little brightness but it could change if this war continues
- Low margins, highly competitive for work, lack of business buyers
- Inflationary pressure against decreased customer demand, means lower margins and break even profitability at best.
- We are at the point of structural changes. Not enough work in the market. Clients delaying projects until economic conditions improve.

Farming & farming services

- Increased costs (the same for everyone). Political uncertainty.
- The dairy sector I work in as a consultant now has all the stars aligned currently. Good for everyone. Has caused lift in asset values but still seeing 10% return on capital in well run dairy businesses in Southland
- The salary expectations of applicants applying for roles has increased significantly over the past 6-months. The domestic economy remains sluggish. Farming in general remains upbeat, which is great to see.
- Increasing costs
- Cost of fuel, feed, contractors, labour, electricity and most essential products to run a business
- Very strong orders coming from Dairy Farm sector on back of confidence in future payouts. Running costs have increased which will need to recover. Hard to find the skilled staff to cope with increased orders.
- Positivity with the Fonterra payout but a changing environment especially if there is a change of government
- Ag servicing going well. Challenging supply chain with Hormuz closed but makes you adapt and find new markets. End users are in good position to purchase and pay making it a good time to be in rural servicing and supply. Always looking to horizon for issues unforeseen to stop this bull run in red meat and dairy.
- This is the most profitable period I have seen the ag sector across the board except for arable farming

- We are kiwifruit growers. Right now we are seeing very strong sector sentiment, linked to strong offshore consumer demand and strong pricing on shelf
- Steady as she goes with belts and braces for farming, with focus on execution on further developments
- Significant upturn in farmer spending on maintenance and capital improvements but equally competitors mean this work is hard fort.
- Horticulture - Gold kiwifruit, labour choosing other employment (trend).World situation impacting export returns which are supported by low NZ dollar for now. Election worries.
- Horticulture - Continued high levels of caution.

Financial advice/wealth management

- Large drop in inquiries
- Concerns regarding interest rates/inflation and the upcoming election. War in Iran, geopolitics and potentially El Nino also important.
- AML Compliance is a burden on cost to clients. Money laundering exists but the Govt is looking in the wrong places.
- It's tough out there
- Uncertainty
- Lack of new customers, increasing competitor actions
- Funds Management - General uncertainty around the economy, politics and the global picture is having a dampening effect on investor appetite.

Forestry

- Expectation on the employer to meet the increasing challenges of workers in an environment where the business is facing similar cost pressures
- Forestry sector is having a tough time with high fuel prices and export log prices affected by global unrest

Information technology

- AI continues to help us make major efficiency gains.
- Clients are waiting on some big decisions, General Election Outcome, Iran War. Impacting sign off on new projects.
- Indirect impacts of fuel prices on my customers' cost structures reducing demand for my services.
- Busier. Clients are kicking off more large digital transformation work. PE is active driving modernisation mergers and separation work. Lots of candidates, quality is low. Pay is being bumped but losing a lot of staff to competition for those pissed off and not looked after during previous two years.

Insurance

- Conditions are tight and it comes back to one thing: uncertainty. Business owners are sitting on their hands instead of committing, and that hits spending and hiring. The election's a big part of it. No one makes long-term calls when they don't know the rules in twelve months. The real worry is a swing back to the left.
- Subdued activity and growth in most industries we service
- Customers not buying new assets
- People are looking for more than what they are entitled for, & getting quite frustrated when it isn't given to them. Not quite fraudulent but definitely ignorance.

Legal

- Property downturn flowing through to other work areas
- Time and costs for compliance increasing; finding experienced staff in the legal industry is a chronic problem; AI increasingly being considered in day to day work; cyber threats top of mind with continual training for staff to be aware of potential threats.

Manufacturing (all categories)

- Our B2B customers are not optimistic and not busy enough. Retail is steady but we expect it to be hit as things get worse.
- The economy. Impact of war, fuel prices, election uncertainty leading to poor customer demand. Competitor cutting prices to rock bottom to keep employees.
- Depressed customer demand, rising input costs, and a soft economy.
- We sell to the ag sector in AU and NZ, earlier this year the AU sales wobbled a bit, now picking up, now the NZ sales are a bit more wobbly when we expected them to go up a lot because of the dairy payout.
- From the people I talk to everything seems to be the same with not much to look forward too and [Donald Trump] is making business harder.
- Christchurch has been pumping lately!
- It's tough going. Customers feeling the pressure and clearly looking to see how and where they can make savings
- Still a lot of uncertainty in the market but hopeful economic conditions will improve. Seen an improvement in sales in the last 2 months.
- Escalation of raw material pricing by 200%, Oil based raw materials are skyrocketing and availability and high prices is a real concern.
- Much of our sales come off the back of infrastructure investment by govt and councils. We often sell products and services to the main civil contractors and water utilities. With a few exceptions, big new projects are taking longer to be tendered and awarded. Our revenue is down 40% year on year after 3 years of high sales. This is clearly from govt and councils pulling back on spending. However it is looking like with "Local Water Done Well" being rolled out and funding models actually established, the next 12 months look stronger for us.

- We manufacture to sell to retail. Retail is in the doldrums. The consumer needs to return to the "market". We do think though that what we are seeing economically in NZ is the new normal.
- 2026 is starting to drag. Strong demand due to horticulture, dairy and meat but imported input costs are very high with surcharges (from middle east conflict effects) being added to most supplier invoices. Some of these are well in excess of real freight cost increases and there is a concern that they will eventually be built into prices. Surcharge costs will need to be passed on to customers quickly.
- Strong consistent sales while farmers are doing well.

Miscellaneous

- Business broker - Vendors are reluctant to list their businesses for sale. They feel the timing is not right for a buyer. More of a concern is profitability has been down over the last year (at least) and the business won't be worth as much. Some vendors are unrealistic as to the value of their business. More businesses have an asset value higher than what the profitability / earnings value supports.
- Landscaping and grounds maintenance - Applied a fuel surcharge to vehicle and machinery which most customers accepted. Watching spending carefully
- Plant and machinery supply install. - Sheer lack of demand. Wallets are shut apart from some government work. Our whole sector is half the staff numbers of 2 years ago
- Portable cabin rental - More and more competition hitting the market each month, buying business creating a race to the bottom
- Residential House painting - No customer demand.
- Entertainment We are struggling to survive - the economy may have green shoots but we aren't seeing any. Increased costs, increased competition and reduced foot traffic are all killing us. We may not be around a year from now unless something changes.

Mortgage broking/advisory

- Slower market....patchy really

Motor vehicle sales/parts

- Performance Vehicle specialist - Lack of customer enquiry mainly due re the economic situation in NZ with businesses & private sector which is both deteriorating in the vehicle & our industry.
- With a high percentage of global manufacturers & storage of Gas to Liquid oil being upstream of Hormuz we are seeing a shortfall in engine oil supply. Will affect NZ in a month or so and will involve some engine oils no longer being available in our market. Australia is strangling oil supply to NZ for many resellers which is also impacting engine oil availability. Oil companies have flicked the switch to focus on deriving fuel from oil to capitalise on current margins. For NZ vehicle owners this will mean stretching service intervals and an increase in oil costs. This may serve to give another boost, albeit small, to the EV market. We are seeing a solid but slow & slight rebound in Customers maintaining vehicles however, Oil still lubricates the world... We're still doing good numbers and are slightly more upbeat but I feel, even though there will be more Automotive Workshop closures to come, that other Sectors will suffer more than us due to oil costs & availabilities

Recruitment

- Gradual uplift in demand for specialist technical and engineering skills across water and transport infrastructure. Many people are talking about semi-skilled and skilled labour being an issue from late this year.
- Recruitment demand is increasing albeit slowly.
- After a positive 1st quarter 2Q is a lot quieter

Residential construction incl. section development

- Property Development – The market as a whole has stopped dead in its tracks. There is nothing positive to say in the development world. Contractors that I deal with are needing severe manicures now as they are just holding on by their fingernails. If this carries on much longer then stand back and watch the tidal wave of liquidations and try not to get too much of the blood on the floor on your shoes. Not good!
- Economic outlook is not improving, election year has a tendency to slow up our sector
- Clients have no confidence to commit to developments, councils are extremely difficult to get consents through, clients have plenty of projects but are not starting until the election result is clear, i.e. they don't want a labour lead government back in.
- We continue to be extremely busy, turning work away, while also fielding calls from NI practices desperate for work. They all, unfortunately, use a different program to us.
- NZ consenting environment is a nightmare and handbrake on NZ economy, adding risk and cost. Until this is addressed it's difficult to see how our economy can ever be productive and recover. New build costs vs existing homes reflects the costs we have driven into the housing supply chain. Politicians are too slow to address or don't understand how bad this has become
- Lucky to be based in Wanaka which is bucking national trends. However cognitive of flow on effects of global and NZ economy pressures
- Uncertainty about the economy is our biggest challenge
- There appears to be a lack of understanding in the main media over how our market has changed.
- Forget about capital gains at historic levels. With changes in the last 3 yrs to land availability, Fast Tracking, Increased density levels in our larger cities, Immigration slowing but culturally those that have arrived in the past 10 to 12 years are happy with less land, Multi Unit developments (over supply in ChCh could be an issue), Current lower migration numbers plus many other factors are playing out.

- The Supply/Demand equation now & in the future looks a lot more balanced.
- Very busy in Christchurch
- Residential Land Development – Residential section sales were affected as soon as the Iran War started and to-date not showing any sign of improvement.

Residential real estate

- Real estate transacting is tough
- Total lack of confidence in the economy and high inflation
- Election year will start to impact the volume of action in terms of commercial commitments to leasing, residential land sales / builds. This is unfortunately on the back of a rocky global situation which will make any real progress feel slow.
- The political environment is hard to decipher and so causes the markets/buyers to pull back and sit on their hands. It happens every election but it does feel like the mood is shifting earlier than other election cycles to want to sit back and wait. Additionally, buyers are very picky and selective and overall do not want to have to deal with maintenance costs on poor housing stock. Tough time coming up.
- Sales happening but taking longer many potential clients waiting to see how activity is later in the year
- Job security
- Slow market due to uncertainty - political and geo political, concern about house prices falling, interest rate increases
- International conflict is affecting buyer confidence and the real estate market in general
- Pessimism
- Very slow
- Glum and depressing
- Lack of confidence and difficult to decide
- Can only see things improving after all the upheaval of the past 6 months in supply Chain and fuel costs. People are just getting on with things now instead of complaining about this.
- Still finding that vendors will not listen to what the buyers are wanting to pay for their homes. Even after 3/4 offers all around the same price, vendors find it hard to accept that price that is obviously a market level at this time but they won't accept it.
- Buyers anxious about spending too much money are offering even lower than the expected range from vendor expectations. Vendors are still sure that "the real estate market just goes up and up… doesn't it?"
- Vendors lacking confidence in listing their properties and purchasers taking a long time to decide on making offers

Residential rentals/Investment

- Election year makes property investors nervous. We might see our property owners decide to sell if Labour gets in. That said, we are acquiring a number of new managements from property owners who can't sell their properties at the moment so are deciding to rent them out instead.
- Tenants marginally easier to find. Stock is reducing due to aging landlords disposing of their nest egg.
- In our region residential rental property demand has softened but properties still rent well. Business growth is steady, and a sense of confidence remains.
- I'm seeing a small but steady improvement in mood .
- I'm seeing a turndown in property development, building. A lot of builders and tradies are a lot slacker in terms of the amount of business they have lined up. Think it's all to do with the global economics/war/fuel price and people's reluctance to expand, hunkering down in their comfort space.
- Customers are poorer
- Prime campus student rental locations continue to perform well, as student are prepared to pay a premium to live within a short walk to campus, amongst like-minded people.
- Reducing values and rents, increasing costs and political risks that are undermining the viability of residential rentals as a worthwhile endeavour.

Retailing

- Increasing transport rates, due to fuel volatility, which we have to pass on to clients. With fuel prices dropping at the pump, we aren't seeing transport rates following suit.
- Demand has improved since the ME conflict started. However some people are still worried about travelling overseas so holding off, or now booking Asia/AUS/PI destinations. An improved exchange rate for Australia, and other destinations, may also support improved demand.
- Food retail transactions seems to be holding, despite the geo-political issues and all of the local media gloominess.
- Customers being cautious with spending (due to uncertainty about the war).
- Customers are waiting longer in between spends. They are making their product last longer before upgrading. Customers are also more price conscious and waiting for a bargain.

Shipping, transport, storage & distribution

- Our business grows in line with Fonterra's growth.
- Demand for alternative and hybrid fuel use for cars/utes/ vans - BEV, PHEV
- Delays in supply chains mean additional stock on hand and earlier planning requirements. Rising costs have to be passed on without firm end user commitments. A shot in the dark instead of strategic expectations.
- Pressure on pricing.

Tourism & accommodation

- Airline - Fuel costs and supply chain issues are killing the airline at the moment it is making a large loss, hopefully things will improve if the [Strait of Hormuz] opens again.
- Domestic consumer demand has tanked. Kiwi's are being very careful and the appetite for discretionary spending, on non essentials, seems very weak.
- We're tourism operators in the Southern Lakes - we expect things to improve in the next few months w NZ dollar so low tourists will find it cheaper to visit here, and NZ is considered isolated and therefore safe. The government is doing everything it can to try and ease pressures - we will get there!
- Spending power in local population appears low - noticeable for second year in winter season.

Wholesale

- Flower Wholesaling - I feel like we have hit the bottom of the cycle now and will slowly climb out of it. People have got used to the fuel crisis and are spending again.
- Food import and distribution - Competing brands imitating our packaging design.
- Trade Merchant - Low turnover
- Wholesale Trade - Markets remain stable but activity is still at lower end of the cycle.

Disclaimer

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