

ANZ New Zealand Business Outlook

Preliminary data for November 2021

10 November 2021



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Contact

Sharon Zollner for more details.

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

Want to have your say? Email nzeconomics@anz.com if you'd be willing to join the Business Outlook survey.

Warier

Key points

- All forward-looking activity indicators except employment intentions fell in the preliminary November Business Outlook survey.
- Inflation expectations soared to 4.33% following the strong CPI print.

The preliminary ANZ Business Outlook data for November saw nearly all forward-looking activity indicators ease.

Business confidence fell 5 points and own activity expectations were down 6 points. Investment intentions fell 2 points, while employment intentions bucked the trend and rose 5 points. Expected profitability fell 3 points with a net 9% of firms expecting lower profits ahead. That is likely related to extreme cost pressures, with a net 89% of firms reporting higher costs, up 2, while only a net 65% are intending to raise their prices (which, while a lot smaller than the proportion of firms experiencing higher costs, is historically exceptionally high). Capacity utilisation – the single best GDP indicator in the survey – fell 6 points to 15%. A net 10% of Auckland/Waikato businesses reported lower activity than a year ago, while a net 14% outside of these areas reported higher activity. A net 10% of firms are reporting higher employment than a year ago (2% in Auckland/Waikato, 15% elsewhere).

Auckland/Waikato firms had lower own activity expectations, capacity utilisation and export intentions than elsewhere, but higher (though still net negative) business confidence and profit expectations, and employment intentions continue to hold up well. As previously noted, the [questions](#) about expectation are in change terms, ie comparing to today, and Auckland/Waikato firms are looking forward to easing restrictions while most of the rest of the country is waiting for the COVID hammer to fall. The baseline is therefore not the same, and the numbers aren't really comparable in an absolute sense.

Overall, the survey shows an understandable wariness as we move into a COVID-endemic world. The one certainty is that costs are through the roof.

Preliminary Survey Results November 2021

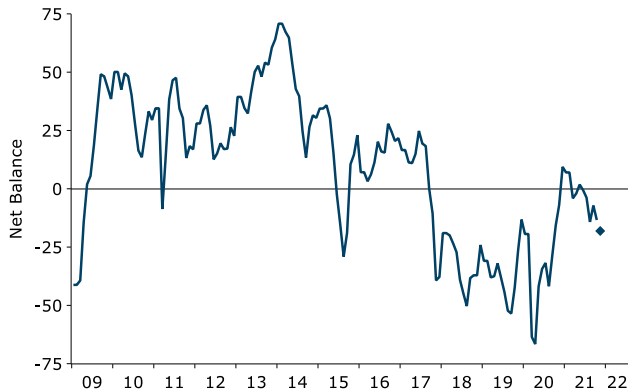
Net Balance	Prelim Nov	Akld-Waikato	Elsewhere	October
Business confidence	-18.1	-15.3	-20.1	-13.4
Own activity outlook	15.6	13.1	17.4	21.7
Export intentions	8.0	4.7	10.5	8.6
Investment intentions	11.6	11.2	11.9	13.8
Cost expectations	89.0	88.9	89.1	87.2
Capacity utilisation	14.6	11.5	16.9	20.6
Employment intentions	16.1	15.2	16.8	10.9
Profit expectations	-8.9	-7.1	-10.2	-6.2
Pricing intentions	64.6	67.7	62.3	65.5
Ease of credit	-64.6	-65.7	-63.8	-57.1
Inflation expectations	4.33%	4.19	4.43	3.45%
Activity vs. one year ago	3.8	-10.1	13.9	-0.3
Employment vs. one year ago	9.7	2.0	15.2	11.4

Preliminary results for November cover the period from 1 November to midnight 7 November (approx. 240 respondents, of whom ~42% are in Auckland/Waikato). These responses will be incorporated into the official ANZBO results to be released on 30 November.

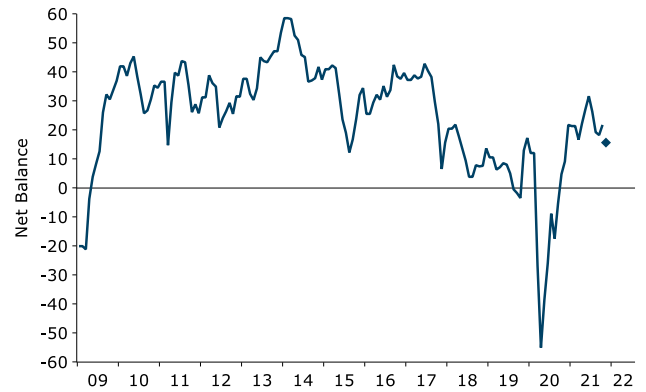


Charts

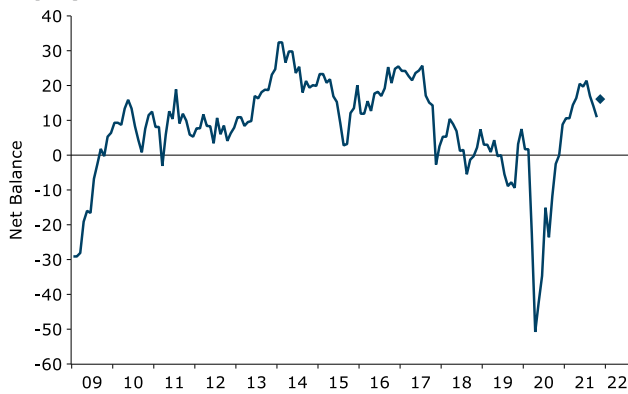
Business confidence



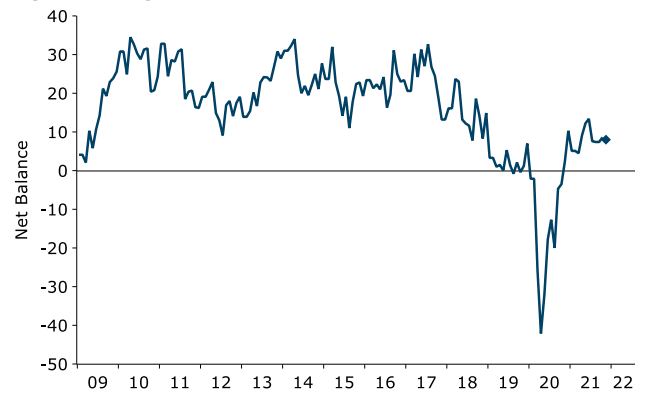
Own activity outlook



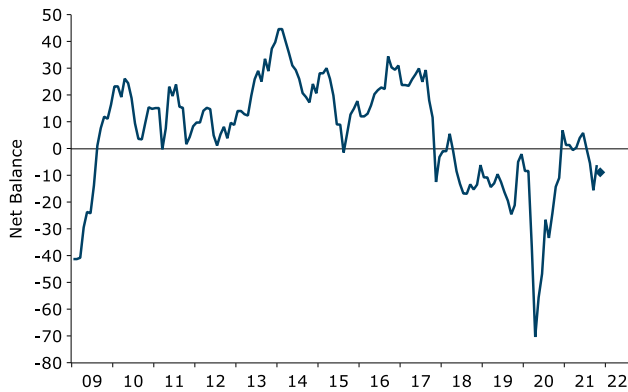
Employment intentions



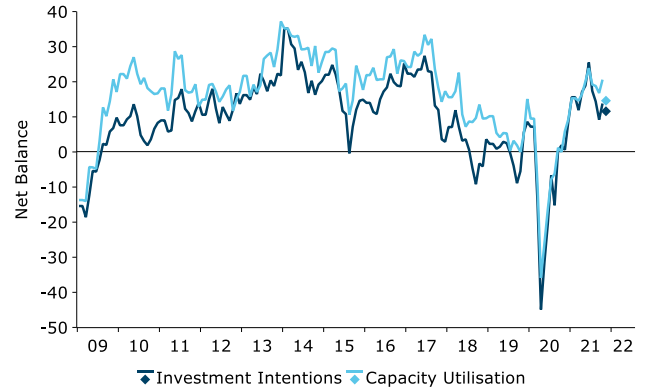
Expected export sales volumes



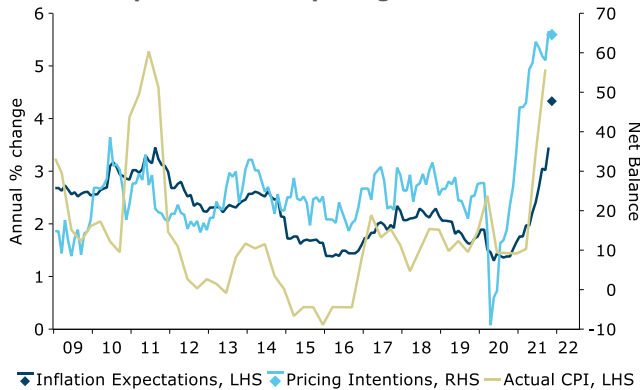
Profit expectations



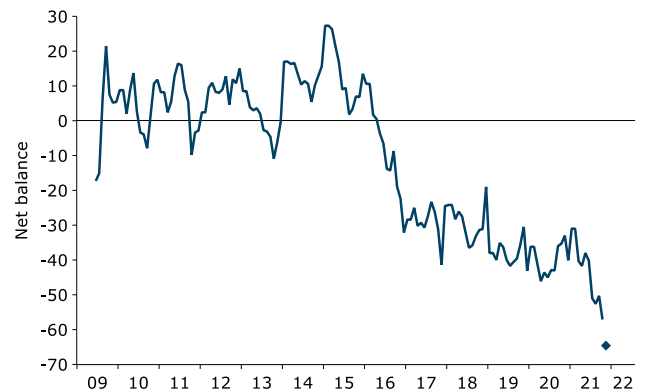
Investment intentions and capacity utilisation



Inflation expectations and pricing intentions



Ease of credit



Source: ANZ, Statistics NZ



Contact us

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