



Media Release

For release: 4 July 2013

Businesses preparing for take off – ANZ Business Micro Scope

– Wellington leads country as bullish small firms double their profit expectations –

Wellington is leading the way as small firms across the country prepare for take off with a step change in business optimism, according to ANZ's quarterly Business Micro Scope survey of small firms.

Profit expectations have doubled in the three months to June as small firms across the country gear up for greater activity with a sharp lift in investment and hiring intentions.

Expectations for the unemployment rate have hit the lowest level among small firms since survey data was first collected in 1999.

"Small firms are preparing for take off," said Fred Ohlsson, Managing Director of ANZ Business Banking.

"Small business customers in Wellington, in particular, tell us they see much better times ahead. They have weathered the storm, come through fitter and stronger, and are now ready to take their business to the next level.

"Leading the charge in the Capital are successful firms in technology and other smart industries, but the lift in optimism is clear across many sectors. We've recently taken on four more Business Banking staff in the Capital to handle the growth. This is a great sign for Wellington, and we're seeing a similar lift in mood emerging in other regions.

"As the Canterbury rebuild gears up, small firms are eyeing the growth potential with optimism in that region now at its highest since the 2010 earthquake. We expect this to keep improving as reconstruction gets into full swing," Mr Ohlsson said.

Highlights from the June 2013 ANZ Business Micro Scope survey of small firms:

[Net percentages reflect the balance of sentiment – i.e. positive minus negative responses]

- Business sentiment stepped up sharply across the board, with more firms planning to up **activity, hiring, investment** and **profitability** in the next year.
- **Wellington** (at +22%, up from +17% in March) is the most optimistic region, closely followed by **Canterbury** and the rest of the South Island. **Auckland** lifted to +14%, from +11%.
- **Own activity** and **hiring** intentions are at their highest since September 2011. **Profit** expectations more than doubled, hitting a 12-year high among intermediate-sized firms (with 6-20 staff). **Investment** intentions have hit a seven-year high.
- **Construction** is still the most upbeat sector nationally. **Services** joined construction in recording record-high sentiment. **Agriculture** bounced back from drought with the biggest sector improvement, from -2% to +10%.

ANZ BUSINESS MICRO SCOPE: TECHNICAL NOTES

The ANZ Business Micro Scope is a quarterly indicator which focuses on the prospects of small businesses across New Zealand. The survey was launched in March 2012 to address a lack of ongoing research specific to the small business sector. The Micro Scope covers a range of key business intentions and views on prospects for both respondents' own businesses and the wider economy. Figures released today cover the quarter to 30 June 2013.

The survey takes in responses from 250 firms, comprising *micro* (up to 5 staff) and *intermediate* sized businesses (6 to 20 staff). The sample is taken from the ANZ Business Outlook survey, which covers micro up to large businesses. Comparisons from before March 2012 are calculated by extracting corresponding data on small businesses from that survey, which goes back to December 1999.

For media enquiries contact:

Pete Barnao

Communications Manager, Media

Tel: +64-9-252 6623 or +64-27-277 3139

Email: Pete.Barnao@anz.com