



## Media Release

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### Small business confidence soars to 11-year high – ANZ Business Micro Scope

– Wellington builds on emerging status as nation's confidence Capital –

Confidence among small businesses has surged to an 11-year-high with Wellington extending its lead as the nation's most upbeat region, according to ANZ's quarterly Business Micro Scope survey of small firms.

Profit expectations in the September quarter reached levels not seen for more than 12 years as small firms prepare to take on more staff and lift investment for an expected uplift in business activity.

Fred Ohlsson, ANZ's Managing Director, Retail and Business Banking, said: "A rising tide of confidence is driving new activity as prospects improve for small businesses.

"Sentiment is strong across New Zealand, with a particularly large jump in Auckland. However, Wellington has held on to its ranking as the confidence Capital and we're now seeing that confidence broadening and strengthening. Not even the earthquakes in July and August were able to shake this growing self-belief.

"Construction remains the most upbeat sector nationally and this optimism looks set to continue as the rebuild in Canterbury gears up.

"These findings mirror what we're hearing from customers: the improving economy and rising confidence mean many now believe the time is right to grow their businesses. That's great for business, great for employment and very promising for the New Zealand economy," Mr Ohlsson said.

#### Highlights from the Sept 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 +26%, up from +22% in June) is the most optimistic region, followed by **Canterbury** and the rest of the South Island. **Auckland** lifted to +19%, from +14%.
- **Own activity** and **profit** expectations rose to 11-year and 12-year highs respectively. **Hiring** intentions rose to their highest in over eight years, reaching record levels among intermediate-sized firms (with 6-20 staff). **Investment** intentions also hit an eight-year high, with micro-sized firms (up to 5 staff) leading the way with a new record high.
- **Construction** is the most upbeat sector for the fourth quarter in a row, with **Services** making the largest gain (from +18% to a record high of +22%) in the latest quarter. **Retail** recorded its fourth consecutive lift in confidence.

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## **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 September 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.