

Media release 23 July

Business survey shows that local businesses are optimistic about the future, albeit cautious

The 2010 Annual Regional Business Survey of Kapiti Horowhenua businesses conducted in June indicates a core level of confidence in the local economy within the business community. The survey of 166 respondents shows they are marginally more confident in the stability of the regional economy than the national economy. But they expect the national economy to improve significantly more compared to expectations last year.

This positive mood comes on the back of the recently released two-year analysis of the Kapiti Horowhenua economy by Business and Economic Research Ltd (BERL) which says Nature Coast has weathered the global recession relatively well.

This core level of local confidence, however, comes with a dash of realism with respondents showing they have their feet firmly planted on the ground – 64% said they do not plan any major investments in the next 12 months. The same cautiousness is reflected in their staff employment levels with roughly half saying its been stable the last six months and expect to remain so for the next six.

Compared to the results of a similar survey last year the confidence level in both the local and national economies shows an increase. In the local economy there was a 6% increase in those believing it had been stable in the previous six months and a 1% increase for the projected next six months.

Their view of the stability of the national economy sees the biggest change. In 2009, 81% believed the economy had declined in the previous six months and 41% expected a decline in the following six. In the June 2010, survey 43% believed the previous six months to be stable with 36% saying it declined. For the next six months 45% expect stability with 39% expecting improvement and only 13% think it will decline.

The survey data also reflects BERL's observation on the growing strength of the regional business services sector. This June survey showed Nature Coast Enterprise scoring high on a range of indexes including awareness, use of its services, and ability to facilitate networking. A high 93% of respondents expressed satisfaction with the performance of Nature Coast.

On perceived barriers to business expansion the four top issues were cash flow (49%), access to capital funding (26%), Central Government policy and regulations (22%), and competition (20%).

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