

North Canterbury Business Confidence – A Snapshot

Recently ENC sought the views of a range of North Canterbury's larger businesses on the effects of and their response to the current economic situation. The views expressed by 26 of the region's largest employers accounting for around 1000 jobs may be seen as indicative rather than fully representative, as would be captured in a statistical survey across all business.

Key points to emerge were:

- Most respondents were negative rather than positive about the effects of the economic situation on their business over the next twelve months, **however:**
- **Little net employment change expected** - two thirds of employers expected no change in employment as a result while the balance were divided among those who expected a decline and those looking to increase staff - overall no significant net change up or down as a result;
- **Job losses small** - Among the small proportion of firms likely to shed staff, expected losses were generally minor;
- **"Right sized" - at least for now** - 80% felt they had the right number of staff for now , but around half felt this situation could change;
- **Redundancy not a preferred response** - Among the 20% of businesses that are overstaffed at present, preferred responses before considering redundancy are reductions in overtime and attrition as employees leave;
- **Skill shortages** – the majority of businesses did not have skill shortages, and those that did (one third) listed the occupations required;
- **Turnover** – the majority of businesses saw turnover in the next year being within $\pm 10\%$ of last year;
- **Business constraints persist** - around two thirds of firms reported market demand and also compliance costs/regulatory issues as constraining their businesses.

We conclude that the larger businesses in North Canterbury appear to be in reasonable heart, but are weighed down by the more general economic climate.