

WESTPAC : McDERMOTT MILLER CONSUMER CONFIDENCE SURVEY

19 December 2016

“Consumer confidence in New Zealand lifted sharply this December quarter”, announced Richard Miller, Managing Director of McDermott Miller (up 5.2 point to 113.1 on the Westpac McDermott Miller Consumer Confidence index). “This is the biggest lift in New Zealand consumer confidence over the last four years”, he noted. “Significantly all categories of consumers, including those on low household incomes, are now optimistic”, he observed. “Interestingly, the spirit of the “non-Auckland” consumers has lifted highest (up 8.4 index pts higher than Auckland.”

“Strongly increased optimism about New Zealand’s economy over the coming year underpins the rise in consumer confidence”, said Richard Miller, “the reasons cited by respondents differed depending on where they live and work. Effective government economic policies and the prospect of tax cuts are the main reasons cited by Auckland consumers for feeling this way. In contrast, prospects of growth of industries in their regions and a good outlook for farming and horticulture are the reasons most given by non-Aucklanders” he reported.

New Zealand consumers may feel more optimistic now, but this does not necessarily mean they will be spending large this Christmas”, warned Richard Miller. “Only 36% of consumers think now is a good time to buy big ticket items, and most consumers indicate that they would save rather than spend a financial windfall.”

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Index Background

The Consumer Confidence Index is based on a survey of a representative sample of 1554 New Zealand households interviewed during 1-10 December 2016. It analyses answers to five standard questions on personal financial circumstances, expectations for the economy and attitude to buying substantial household items. Index scores measure consumer confidence in the economy, with a score of greater than 100 showing more optimism than pessimism and vice versa for a score below 100.

Acknowledgement

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