

WESTPAC : McDERMOTT MILLER CONSUMER CONFIDENCE SURVEY
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Excerpt for Joint Westpac : McDermott Miller MEDIA RELEASE

"Consumers throughout New Zealand have become firmly optimistic" announced Richard Miller, Managing Director of Strategy Planning and Economics Consultancy, McDermott Miller. The Westpac : McDermott Miller Consumer Confidence Index in June 2013 lifted 5.8 points to 116.6. It is over three years since consumer sentiment was so positive (December 2009 Consumer Confidence Index was 116.9).

"A high level of national consumer optimism has been sustained for three consecutive quarters" he observed. "Now it is widely based with almost all demographic and income categories of Consumers. Even confidence among lower income and unemployed consumers, who usually are relatively pessimistic, has lifted sharply and is close to being optimistic" he said.

"The lift in the Consumer Confidence Index has been caused mainly by a larger proportion of consumers expecting good economic times in New Zealand over the next year (up 10 points to 39%, with more expecting bad times falling around 10 points to 26%)" stated Richard Miller. "The main reason for expecting a better outlook for the New Zealand economy is a perception that global economic conditions are improving".

"Consumers were ambivalent about being financially better-off in the year ahead. The main reason given was "improvement in their household's financial commitments", but at the same time, many believe their household costs are rising faster than income" Richard said.

"Rising consumer optimism, coupled to growing confidence that household finances are more secure, points to a resurgence of consumer spending in the second half of 2013", suggested Richard Miller. "Widespread awareness that retailers are offering attractive sales, and that the high Kiwi dollar ensures low prices, should spur consumer spending in the months ahead".

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Index Background

The Consumer Confidence Index is based on a survey of a representative sample of 1568 New Zealand households interviewed during 1-10 June 2013. 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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