

WESTPAC : McDERMOTT MILLER CONSUMER CONFIDENCE SURVEY

22 March 2013

Excerpt for Joint Westpac : McDermott Miller MEDIA RELEASE

"Consumer confidence in New Zealand dipped slightly in the March quarter, but remains firmly optimistic, at least in the short term" announced Richard Miller, Managing Director of Strategy Planning and Economics Consultancy, McDermott Miller. The Westpac: McDermott Miller March 2013 Consumer Confidence Index stands at 110.8, down 0.3 points on the December 2012 quarter result)

"The most obvious drag on the Index in the March 2013 quarter has been Wellington Urban Area (down 12.4 points from 117.5 in December 2012 to 105.1 in March 2013). Consumers in Wellington are more gloomy about the future prospects for the New Zealand economy and their own future expectations than are consumers in other parts of the country. This shift reflects continuing pressure through job losses in the public sector during the quarter as well as a reversal of previously strongly positive growth in sentiment over the June and December 2012 quarters" he said.

"The sentiment of consumers in the private and public sectors moved in opposite directions for the first time since the June 2012 quarter" observed Richard Miller (private sector consumer confidence lifted 0.7 points over the December quarter to 115.5, while public sector consumer sentiment fell 1.4 points to 111.5). "Public sector consumers are becoming less optimistic about the future of the economy and their own financial positions than are private sector consumers, but both sectors remain strongly optimistic" stated Richard Miller.

"The general level of consumer confidence remains high, particularly in the Auckland and Christchurch metropolitan areas, and is well above the level of March 2012 (102.4 compared to 110.8 in March 2013)", observed Richard Miller, "but volatility of the global economy and continuing anxiety about costs rising more than household income have shaken consumer sentiment. Consumer confidence could yet experience more swings before long-term stability is re-established", suggested Richard Miller.

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Index Background

The Consumer Confidence Index is based on a survey of a representative sample of 1582 New Zealand households interviewed during 1-10 March 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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