

**WESTPAC : McDERMOTT MILLER CONSUMER CONFIDENCE SURVEY
14 March 2014**

Excerpt for Joint Westpac : McDermott Miller MEDIA RELEASE

“The New Zealand Consumer Confidence Index for the March quarter 2014 has consolidated with only a modest gain observed since December,” announced John McDougall, Director of Strategy Planning and Economics Consultancy, McDermott Miller, “Now standing at 121.7, the Index is 1.6 points up on December 2014 and is at its highest level since March 2005.” he observed.

“There has been a strong growth in confidence of consumers in upper-middle income households (in the range \$71-\$100,000). Their Confidence Index stands at 124.4, up 4.1 points from December. This, together with a similar jump in the next income bracket down, indicates the health of the retail sector is supported by a broad foundation of New Zealand households. On this basis alone, the retail sector has good prospects of further growth” , John McDougall noted.

“The lift in consumer confidence is mainly driven by a rise in expectation of good economic times in New Zealand over the next year; a net 35% of New Zealand Consumers now believe this, up from 28% in December”, John McDougall said. “

“The rise in Consumer Confidence over recent quarters is being expressed through strong growth in retail spending. Statistics NZ Retail Trade Survey comparison goods sales in December Quarter 2013 were 6.6% higher than in December Quarter 2012 in real terms, This is in line with the 9 point rise in Consumer Confidence between the two quarters”, John McDougall concluded. “We expect the rise in Consumer Confidence in the March Quarter signals a further boost to consumer spending in seasonally-adjusted terms”.

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Index Background

The Consumer Confidence Index is based on a survey of a representative sample of 1594 New Zealand households interviewed during 1-10 March 2014. 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 (for more information see [Survey Specifications](#)).

Acknowledgement

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