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Mission Statement

To assist Kiwi SMEs in planning for their likely upcoming operating environment by discussing the economy and its implications in a language they can understand.

Half to Two-Thirds OF NZ Economic Growth To Come From Auckland

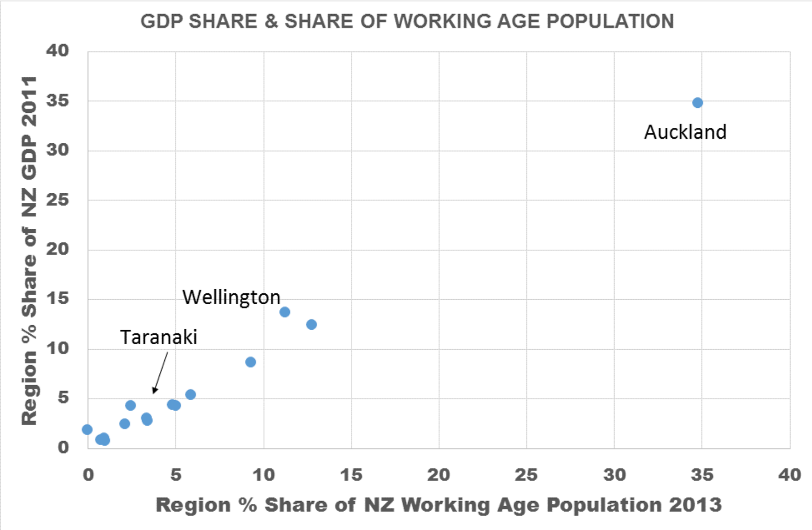
SUMMARY

- In three years time when the migration cycle will have turned, the Christchurch rebuild will be petering out, the phase of hefty fixed asset investment in dairying passes, temporary boosts to growth from a structural decline in interest rates and petrol pass, and manufacturing offshoring continues, where will NZ growth come from?
- Business growth globally is coming less and less from incremental productivity gains and more and more from good innovation processes. Innovation is driven by talent, talent tends to be attracted to big cities, Auckland (and to a lesser extent Christchurch) are our only big cities (tiny by world standards), thus we will need a well performing Auckland to help drive our growth.
- In fact, even leaving aside ending of the temporary forces noted above, demographic changes suggest that in the next three decades up to two-thirds of New Zealand's economic growth will come out of Auckland.
- This substantially reflects projections that Auckland will account for 94% of New Zealand's working age population growth in the next three decades.
- Outside of Auckland and Christchurch regions will need to strengthen their economic development strategies, focussing on businesses which are "sticky" such as tourism, primary production, and agritech.
- Regions need to give thought to long term trends such as the aging population and people living longer. Lifestyle choices for a more extended period of retirement may be exploitable by regions.
- Just as Auckland has representatives in London, San Francisco and Melbourne, regions should consider how they effectively connect with Auckland and Christchurch and feed off their growth and superior global connectivity.
- Auckland's ability to attract some 50% of migrants coming into New Zealand is important. Between 1991 and 2014 NZ enjoyed a net inflow of 100,000 young people aged 15 – 29. Without Auckland this would have been a loss of 21,000. Auckland helps keep young people in New Zealand.
- At some stage possibly before mid-year, the anticipation of tightening monetary policy in the United States will place upward pressure on NZ fixed borrowing costs. Borrowers may want to consider fixing before then, taking advantage of the strong and increasing competition between lenders for mortgage business.
- The NZ dollar is easing against a US dollar boosted by an improving US economic outlook, and further NZD depreciation is likely. However economic conditions remain problematic in Japan and Europe, to a lesser extent in Australia, and to a much lesser extent in the United Kingdom. Thus the NZD risks staying highish against currencies of those economies until 2017.

Where Will Growth Happen?

Lets say you want to start very slowly moving your people and premises locations around the country to better position yourself for where general economic growth is going to occur over the next three decades. Where do you start buying land? Where do you look to sell if someone makes you a good offer? Where do you encourage your suppliers to move to? Where do you put more effort into your brand? Where do you want to get things in place before your competitors do?

Consider the following graph. It shows that the share which a region has of the country's Gross Domestic Product correlates almost exactly with the region's share of the nation's working age population. Taranaki has an excess GDP contribution because of energy extraction. Wellington also has a relatively high GDP share with many high paid occupations. Auckland has 35% of GDP and 35% of the working age population.



Thus, if you want to forecast regional GDP growth one should start with projections of regional working age populations. On February 19 Statistics New Zealand released updated regional population growth projections and they are shown in the third column of the table below. Auckland's working age population (WAP) is projected to grow by 41.2% between 2013 and 2043. Canterbury 15.3%, Waikato 9.1%. In all other regions growth is either minimal, zero, or negative. (But not so at the local authority level – Central Otago Lakes for instance).

	2011 GDP $mn	**2013 GDP Share**	**Projected WAP change 2013-43**	**Projected GDP with 0.7% p.a. productivity rise**	**2043 GDP Share**
Auckland	64005	34.8%	41.2%	111130	42.6%
Canterbury	22859	12.4	15.3	32409	12.4
Waikato	15839	8.6	9.1	21253	8.1
Bay of Plenty	9786	5.3	3.3	12431	4.8
Taranaki	7906	4.3	0.8	9806	3.8
Otago	7924	4.3	0.1	9760	3.7
Wellington	25169	13.7	0.1	30986	11.9
Northland	5060	2.7	-6.9	5792	2.2
Gisborne	1395	0.8	-9.0	1561	0.6
Tasman/Nelson	3304	1.8	-11.1	3613	1.4
Manawatu-Wanganui	7801	4.2	-11.3	8509	3.3
Southland	4378	2.4	-11.9	4744	1.8
Hawke's Bay	5491	3.0	-13.2	5865	2.2
Marlborough	1796	1.0	-14.2	1896	0.7
West Coast	1447	0.8	-16.9	1479	0.6

In the fourth column we project the first column's real GDP measure to 2043 (ignoring the inconsequential two year difference between 2011 and 2013 bases) and make the assumption that 0.7% productivity growth in NZ achieved from 1997 to 2013 will continue across all regions. This then gives us GDP shares in 2043 in the final column.

This tells us that come 2043 it is currently reasonable to expect that Auckland's contribution to GDP will have risen from 35% to 43%, Canterbury will hold steady near 12%, and everywhere else shrinks in relative importance.

What proportion of New Zealand's GDP growth from 2013 to 2043 will be accounted for by Auckland? We have done the calculations and present the results in the table here.

	Share of 2013-43 NZ GDP growth	**Share with 1% and 0.5% productivity growth rates**	**Share of 2013-43 Working age Population Growth**
Auckland	61	66	94%
Canterbury	12	15	13
Wellington	7	5	0
Waikato	3	9	6
Bay of Plenty	2	2	1
Taranaki	2	2	0
Otago	8	1	0
Manawatu-Wanganui	1	0	-4
Northland	0	0	-2
Hawke's Bay	0	0	-3
Southland	1	0	-2
Tasman/Nelson	0	0	-1
Marlborough	0	0	-1
Gisborne	0	0	-1
West Coast	0	0	-1

Over the next three decades at least half the growth in New Zealand's economy will come from Auckland. We say at least half because agglomeration theory tells us that as cities get bigger (and the infrastructure keeps up) productivity grows faster than in slower growing, and certainly shrinking, locations. Thus it is highly likely that Auckland's productivity growth will exceed our assumed rate of 0.7%, as will Christchurch's and Hamilton's. But in all the locations expected to have shrinking working age populations productivity growth will be less than 0.7% per annum.

In fact, if we assume 1% per annum productivity growth in Auckland, Christchurch and Hamilton but 0.5% elsewhere say, we get GDP growth contributions as shown in the second column above. They are likely to be closer to the true outcome than numbers in the first column. **In the next three decades probably two-thirds of New Zealand's economic growth is going to come from Auckland and around 15% from Canterbury.** Another 9% may come from Waikato. Very little contribution will come from other parts of the country. To expect otherwise would be to expect relatively high productivity growth from regions projected to have minimal or negative labour force growth – and that would be unrealistic. Having said that, were primary product prices to soar anew then primary-dependent GDPs would receive an extra boost, as happened in recent years due to soaring dairy prices and productivity-boosting investment in the dairy sector.

If all that matters to you is labour availability over the long term then the third column is what you need to look at. It shows that between 2013 and 2043 94% of the projected 444,000 growth in New Zealand's working age population will occur in Auckland, 13% in Canterbury, with all other regions essentially flat or with shrinking labour forces. In fact such labour force shrinkage is already happening in Marlborough, Manawatu-Wanganui, Gisborne, Hawkes Bay, and West Coast, then by 2023 also in Southland, Otago, Nelson, Tasman, and Taranaki.

What does this outlook mean for your long term positioning strategy?

GDP will grow everywhere because of productivity growth, especially as lack of labour in some locations will spur greater capital investment. But in your world of limited business resources you need to be thinking in terms of increasing your presence in Auckland and to a lesser extent Christchurch plus Hamilton. At a minimum you must think in terms of where your future workforce will come from and where potential employees are likely to gravitate to maximise their prospects for growth in income. But to think in terms only of moving to Auckland would be wrong – which leads us to….

Regional Development

The challenge for the regions is how to maintain a strong economic base. And sitting in Taupo's Wairakei Resort typing this up one can see that challenge becomes especially strong when transport operators with limited resources reduce links to the regions. Air New Zealand are soon to cut their flights between Wellington and Taupo and this is already having an impact on planned conference activity.

People might currently think that regional economic development is only a matter of moment in Auckland and Christchurch because of pressing housing and infrastructure issues. But it is of high importance elsewhere in the country as regions battle to keep businesses and people from relocating. If you are looking for a personal challenge as an economic development planner, it is in the regions that you should be placing your stake in the ground. And if you take up that challenge you can't think in terms of replicating the structure and successes of Auckland. You'd focus on perhaps these following things and many more.

First, areas in which your region has a comparative advantage which it would be hard to replicate elsewhere. Tourism locations, people who won't shift (Peter Jackson), special appellations (wine), lifestyle offerings (retired people, lifestylers, sea lovers, mountain lovers), farm servicing, energy extraction... Treasure all such "sticky" areas of economic activity and minimise barriers to their expanding while pursuing industries which service them and feed off them – the downstream and upstream linkages.

Second, pursue effective linking of your region into larger more strongly growing locations. Have a representative office in Auckland. (Auckland has representatives in London, San Francisco and Melbourne for example.) Regularly meet with planners and business group representatives in Christchurch. Foreign students bemoan lack of exposure to NZ culture. Try linking with Auckland foreign education providers seeking opportunities for brief hosting of foreign student groups for a unique "NZ experience" Auckland might not offer them.

Third, think about emerging long-term trends and how you might position your region to take advantage of them. For instance, retiring Baby Boomers will probably engage in more domestic tourism, as Grey Nomads in campervans, as week-long excursionists. How to get them to stop in your location? People expect to live longer and with interest rate expectations falling, demand for more remote holiday homes will rise. In fact as your working age population stagnates or falls low house prices will prove attractive to longer living older people seeking a holiday home. Maybe your region offers a cheap property monitoring service for such people so they know if a storm comes through someone will check their windows etc. for damage.

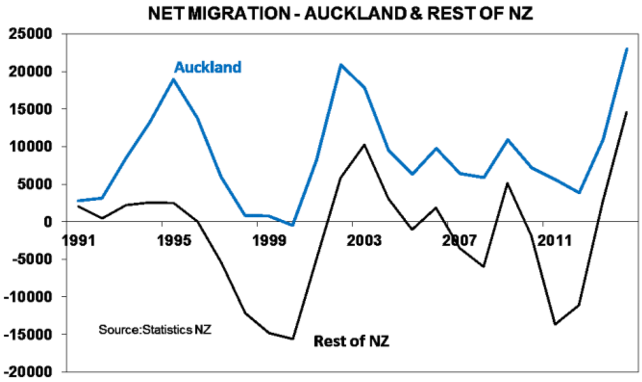
Fourth, as the labour market tightens up and your working age population perhaps flattens or starts declining, think about how you might attract migrants to your location. Do you have any mechanism in place to get your area in front of migrant streams as a viable location alternative?

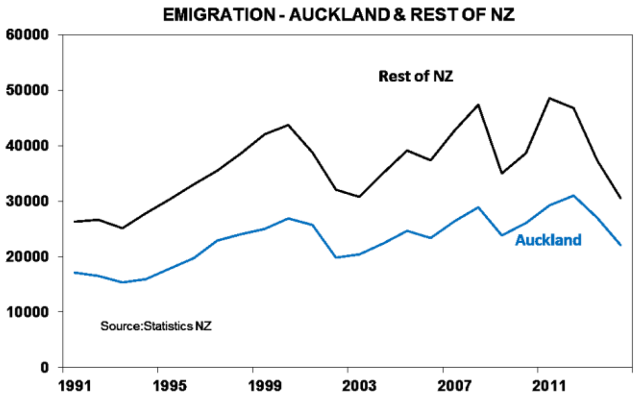
Note that one of your biggest challenges is going to be trying to halt the next wave of business closures to be associated with the next big recession in New Zealand – the timing of which we cannot accurately forecast. This "ratcheting down" effect can be devastating for smaller locations because new businesses may be more inclined to start up in a bigger agglomeration. Recessions overwhelm business stickiness.

Businesses will naturally give thought to where they might best locate in Auckland and Christchurch. So talk with the city planners regarding where they are looking at opening up new industrial and commercial zones, where new infrastructure is planned to go, where transport links will best be improved. That of course is something you should also be doing in other locations undergoing significant infrastructure changes even if growth will pale into insignificance beside our two Londons. One thinks here especially of the wider Wellington region and the transport corridor from Levin to Wellington airport. Also of the ongoing highway upgrades between Auckland and Hamilton, Tauranga, Whangarei.

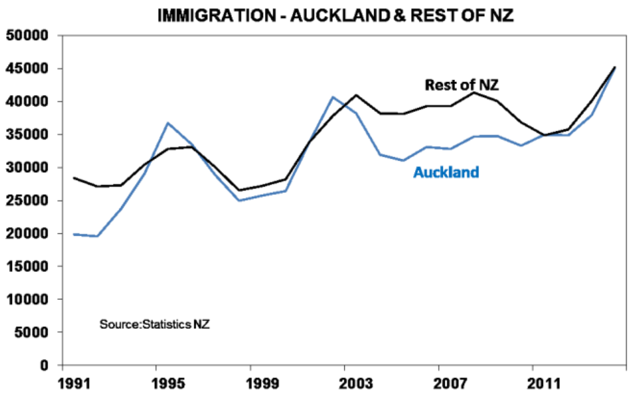
Migration Flows

Some people might wrongly be thinking that Auckland is a drain on the NZ economy, not realising that the world moved on a long-time ago from growth based simply on expanding manufacturing and agriculture. But just in case you are not convinced take yourself through this following piece of analysis. The first graph here shows net migration into New Zealand for just Auckland and for the rest of New Zealand excluding Auckland. We have removed from the data people who do not specify where they are going. Net flows into Auckland from overseas rarely turn negative whereas for the rest of the country they often do. Why?





Is it because fewer people head overseas from Auckland than from the rest of the country? In terms of numbers the answer is yes, as shown in the second graph above. However given that Auckland accounts for 34% of NZ population yet contributed 42% of outflows in the past year one could not say that. Instead we find the difference lies on the inflows. Auckland receives 50% of inflows for just 34% of the population and that more than offsets the extra loss. The Auckland population churns a lot but inflows almost always exceed outflows.



What is the implication of this analysis? The greater the share of our population accounted for by Auckland over time, the higher the average net migration gain for NZ is likely to be. Auckland prevents the rate of population and working age population growth in New Zealand from declining as rapidly as would otherwise be the case.

In fact, it is interesting to note that between 1991 and 2014 NZ enjoyed a net inflow of 100,000 young people aged 15 – 29. Without Auckland this would have been a loss of 21,000. Auckland helps keep young people in New Zealand.

Enough on Auckland, lets now look at interest rates, the NZD, and housing in the past month.

Borrowing Costs

The key determinant of what you pay for your floating rate credit is the 90-day bank bill rate which reflects largely the current level of the Reserve Bank's official cash rate and where the markets think the cash rate will go in the coming year. At the moment the 90-day bank bill yield is just below 3.7% and it has been there since July last year when the Reserve Bank completed a series of increases in the official cash rate taking it from 2.5% to 3.5%. The cash rate is likely to remain at 3.5% all this year thus your floating rate borrowing costs won't change.

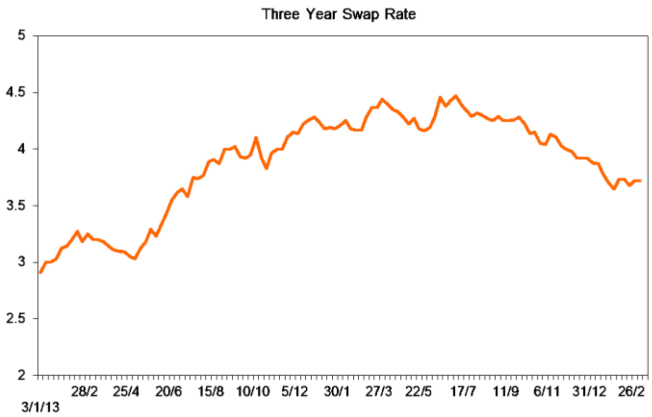
Next year is a bit different. We suspect that the RB will move the cash rate up from 3.5% to 4.00%. But the risk well worth backing is that they do absolutely nothing so you might see no change in your short-term borrowing costs both this year and next. If that turns out to be the case then borrowing costs might decrease over 2017, or remain unchanged again. That is simply too far out with far too many uncertain factors in play to make any big call.

What about fixed rate borrowing costs? The key point you need to note about them is this. The longer the fixed term the less relevant the stance of monetary policy (official cash rate level) in New Zealand and the more relevant the expectations for monetary policy in the United States and the level of fixed rates over there.

In October last year the US Federal Reserve felt that the US economy was gaining enough momentum that they did not need to print any more money. So they stopped. They have since signalled that they are looking at when best to start taking away their extraordinarily low cash rate (funds rate) of 0% - 0.25%. The common pick is the middle of this year. But from week to week we see changes in this expectation and the most recent changes have been that tightening is more certain because the pace of employment growth in February was revealed to be quite robust, then that tightening is less certain because retail spending growth has been poor

The key US ten year government bond yield has moved up to sit near 2.1% from about 2% a month ago and 1.8% two months ago. A year ago this rate was 2.8% and its fall helped push NZ fixed rate borrowing costs down against all our expectations last year.

The chances are that US monetary policy will be tightened mid-year and that the financial markets will price in further rises. That means further lifts in US fixed term borrowing costs and that means upward pressure developing on NZ fixed borrowing costs. If we take as our benchmark the three year swap rate which forms the base cost to banks of borrowing fixed rate money for lending three years fixed then we see that this rate sits currently near 3.7%, unchanged from a month ago, but down from 4.4% a year ago.



The interesting thing to note here is that our swap rate has not risen this past month in tandem with rising US rates. Why? Largely because of falling inflationary pressures in New Zealand with inflation at just 0.8% and expected to fall close to 0% when the next annual number comes out in the middle of April.

Eventually the expected rises in US rates will feed through here. That suggests that before the middle of this year we are likely to see something resembling a cyclical rise starting for fixed rate borrowing costs in New Zealand. Can we predict the speed with which our and therefore your fixed borrowing costs increase? Not at all. Apart from our forecasts of a 1% rise in the official cash rate last year essentially all other interest rate forecasts made here and overseas since 2007 have been wrong.

The message then is that for SMEs contemplating their debt costs, the incentive is to lock in some of one's core debt at a fixed rate before the middle of the year, but not all for one term. It is best to explicitly allow for the continuing low predictability of interest rates by taking a range of fixed rates from one out to perhaps five years.

If I Were A Mortgage Borrower What Would I Do?

As previously noted, competition between banks for mortgage lending is strong and getting stronger and while the focus of that competition has been on the short fixed terms it would eventually move further out. That is now happening. There are still discounted rates being offered for two year fixed lending, but some lenders are now either highlighting the availability of a ten year fixed rate, or dropping their five year rate. Given that historically we Kiwis have rarely fixed longer than three years it is not likely that many people will lock into a ten year rate. And as most people now believe that interest rates are not going to rise again this cycle, even fixing beyond three years will be a big ask unless the rate being offered is unusually low.

Were I borrowing at the moment I would keep an eye out for what appear to be more time-constrained offers of low rates than has been the case in the past. Something in the 5% - 5.5% area would be attractive to me and I would be looking in the two to five year at most time period.

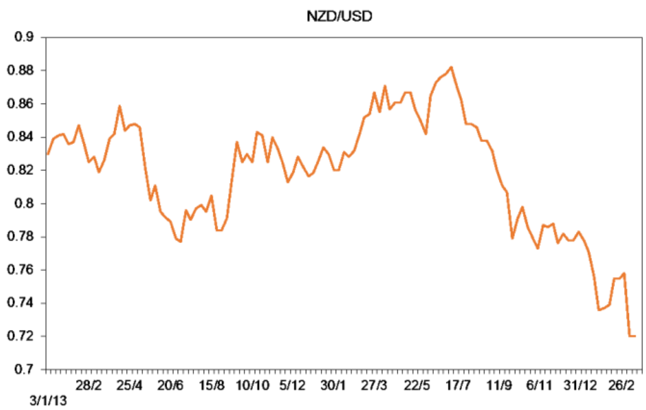
NZ Dollar

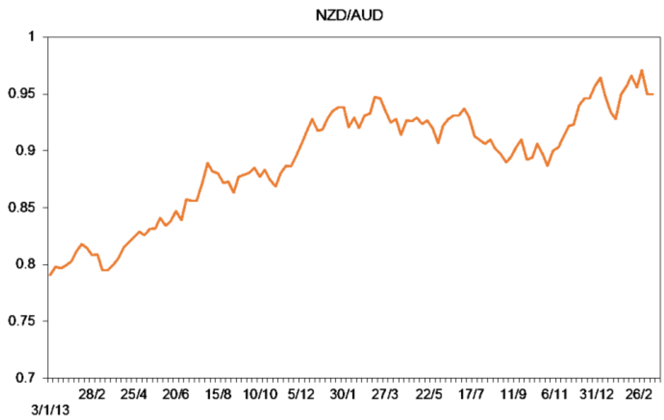
There is good underlying support for our currency from

- the good state of the NZ economy in comparison with other countries,
- some recent upward movement in international dairy prices,
- falls in oil prices,
- money printing in Japan and Europe, and
- a greater chance of NZ interest rates rising in the coming year than for most other countries barring the United States.

It is for that latter reason largely that we have seen the NZ dollar lose ground against the USD in recent months and why we expect further depreciation. However the path will not be straight, mainly because data in the United States, while generally positive, now and then go through weak phases. In particular there are some emerging concerns about the combined effects of weaker exports due to the high greenback, plus falling investment in the energy sector courtesy of the halving in international oil prices. Wages growth has yet to accelerate in spite of strong jobs growth, and weak readings for retail spending show that consumers – the drivers of two-thirds of economic activity – remain hesitant to buy into the upturn story.

Thus while we see further NZD depreciation against the USD following the fall from 88 cents in July last year to near 74 cents currently, importers are likely to be presented with opportunities for boosting their hedging.

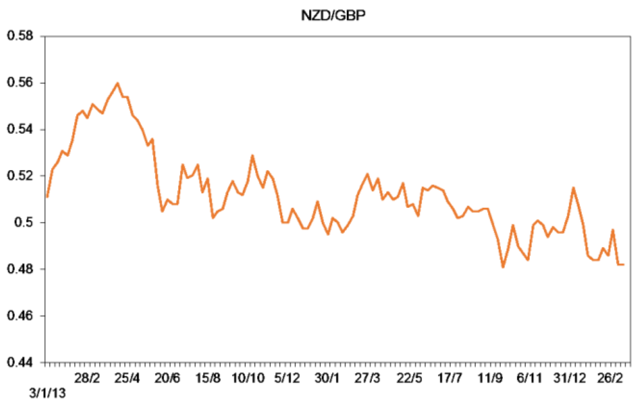


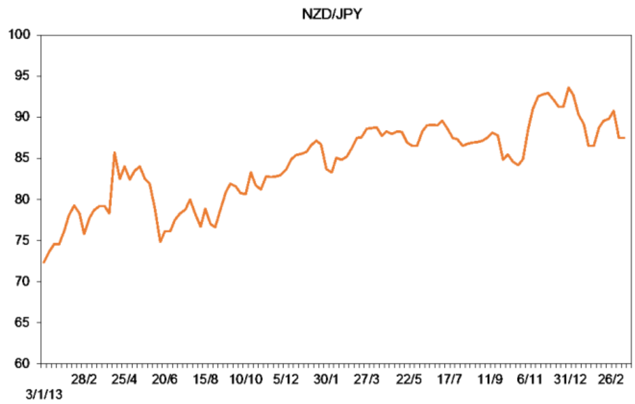


Taking October last year as our starting point the NZD has risen from just below 89 Australian cents to nearly 96.5 now. This rise largely reflects weakness in the AUD caused by the RBA easing monetary policy with at least one further 0.25% cut in the cash rate to come, weak economic data, continuing falls in iron ore prices (in contrast to recently rising dairy prices), and dysfunctional Federal politics preventing implementation of measures to cut the budget deficit and address the need for economic reform.

As noted last month, it is a 50:50 call as to whether or not the NZD will reach parity against the AUD. If we do then when eventually our economy loses the boost from dairy sector investment, a migration boom, and the Christchurch rebuilding, yet Australia gets past this current bout of chooks coming home to roost, this 37 year high for the cross rate will look simply surreal.

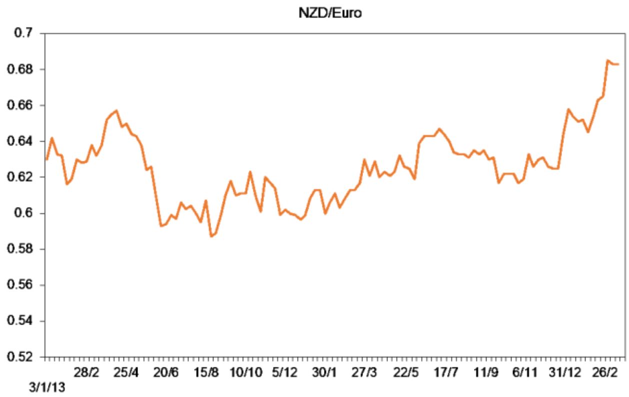
Against the British Pound the NZD has depreciated very slightly over the past month to sit just above 48 pence. Data for the UK economy have generally been good. But a general election is approaching in May and the outcome could be a coalition government which may nor may not work toward an economically uncertain referendum on EU membership by the end of 2017. The trend in the NZD against the pound has been downward since early-2013, but the pace is slow and vulnerable to reversing unless the Bank of England tightens monetary policy in the coming year or China slows abruptly.

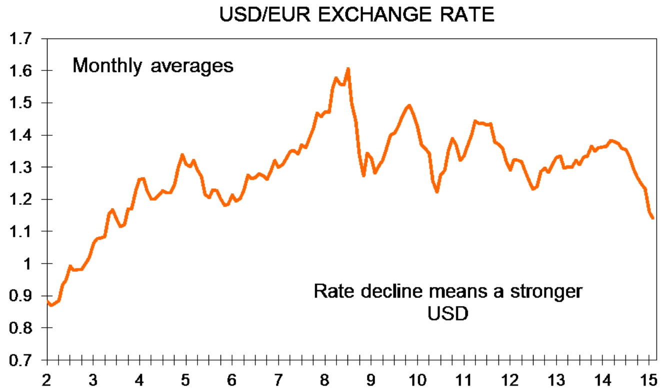




Against the Japanese Yen the NZD has been trending nowhere since May last year. However with money printing continuing at pace in Japan, deflation worries growing, and economic reforms proving minimal, the NZD could easily jump up again before the end of this year.

The European Central Bank has started printing money. Enhanced supply of Euros means a lower price, thus the Euro has weakened and sits near an 11 year low against the US dollar, as shown in the second graph below. Further weakness is highly likely and that means the NZD could easily rise further against the European currency.





All up, while the NZD is strong in it's own right, there is increased buffeting on the cross rates as other countries engage in actions which might or might not be interpreted as aimed at causing their currency to depreciate. This de facto currency war by stealth is likely to last a number of years longer and that makes the always difficult task of currency forecasting even more difficult. Thus exporters and importers should as always concentrate their attention on talking with a professional and developing an appropriate FX risk management strategy which does not place more than a glancing reliance upon any particular set of exchange rate forecasts.

Housing

There is more to being a good house builder than wielding a mighty hammer. One needs good governance, good financial management skills, willingness to pay an accountant to do the accounts properly and in a timely manner, effective use of invoice and stock financing, and knowing when to avoid over-trading. That is, being quick enough to realise that just because there is a lot of business coming through the door does not mean one should try to service it all.

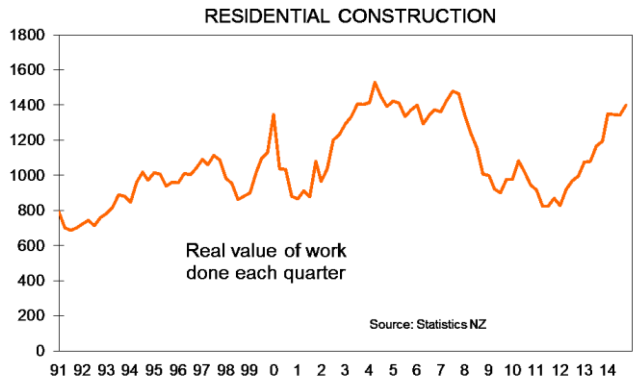
We mention this at the start of our monthly housing section because it is in the residential construction sector that we have been hearing stories for some months now of businesses failing in Christchurch and elsewhere, and in some quarters word circulates of the problems deepening. Businesses have grown strongly but without enough capital in some instances, and as the labour market tightens up we expect a new problem to be inability to deliver promised output because of inability to find not just appropriate tradespeople, but also truck drivers.

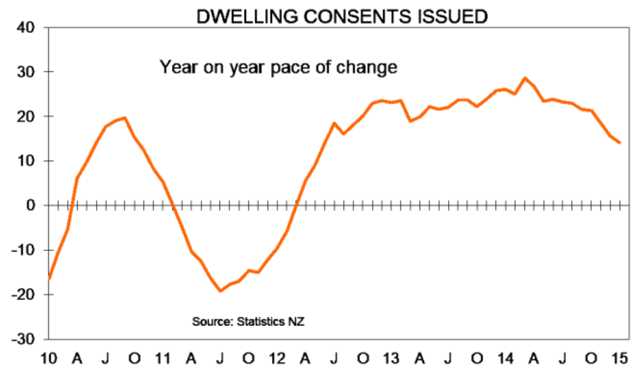
Thus a rising tide does not necessarily lift all boats – or at least allow all to stay afloat. Be careful in any booming sector to make sure you can handle the growth, and be prepared to turn away some work else as an owner you may find yourself picking up the work you cannot find staff to do, and when that happens financial management risks going completely out the window. Keep in contact with your banker as these days banks have very good tools for helping you be aware of how your finances are tracking and delivering early warnings if things are looking stretched.

Construction

We have two main measures for growth in house construction. One captures work which has already been undertaken and that is the quarterly Building Work in Place release from Statistics NZ. The other is the monthly Building Consents release, also from SNZ.

During the December quarter of last year house building activity was ahead 4.3% from the September quarter and 17.3% from a year earlier. The level of construction, in volume terms, was almost back to the levels of 2007. There is little sign of the pace of increase slowing down, though that is why we look at the monthly building consent numbers.

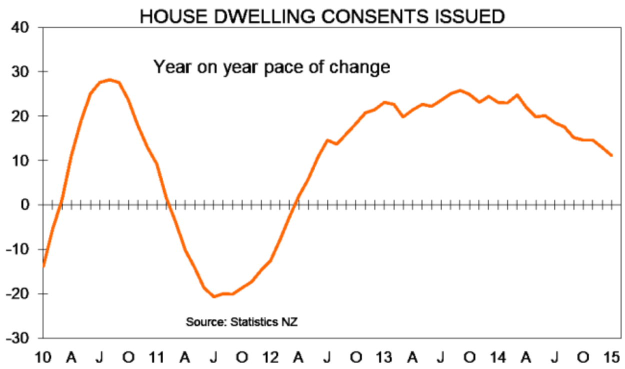


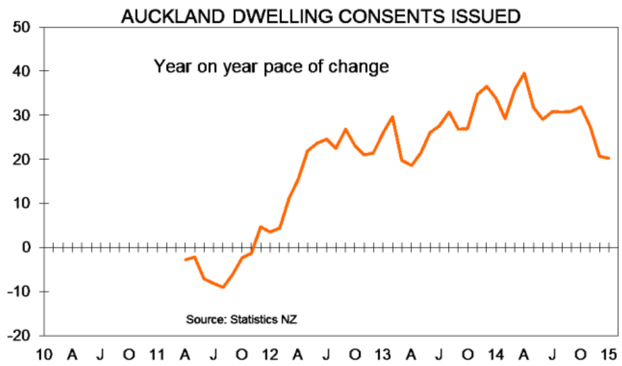


Doing that we see in seasonally adjusted terms consent numbers in the three months to January were ahead 9.3% from the three months to October. This is a strong pace of growth. However it followed a 4.4% fall in the three months to October, monthly changes were negative in January and December, and compared with a year ago the pace of growth was only 6.4%. This is the slowest annual pace of increase in consent numbers since the end of 2011, hence some media commentary two weeks ago regarding house building easing off. We have chosen to illustrate this slowing in the pace of growth using 12 month versus 12 month comparisons shown in the second graph above.

What is driving the slowdown in consent growth?

Is it a pullback in the volatile apartments category? No. The first graph below excludes apartments and the slowing growth trend remains.

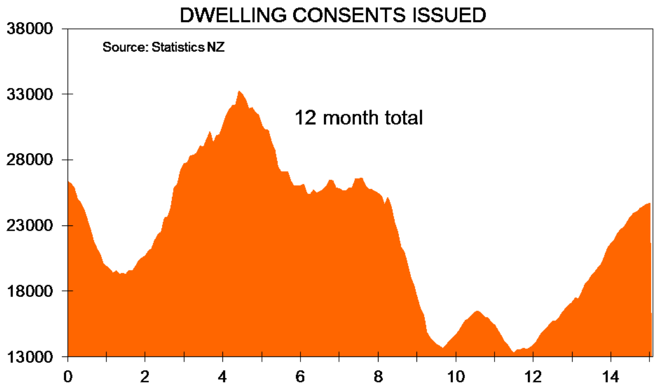


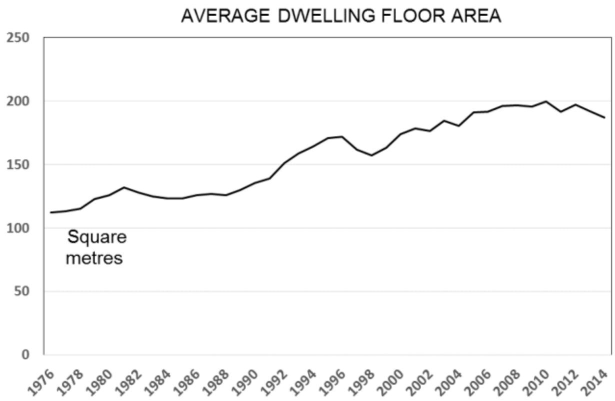


Is it concentrated geographically?
No. The downward trend occurs in Auckland, Canterbury, and the rest of the country excluding these two strong areas. This is then an interesting development. We have annual consent numbers flattening out after three years of growth from late-2011. This three year peaking also happened from the upturn which started in mid-2001. But back then the starting level was 19,000 and the peak near 75% higher at 33,000. This time the starting level was near 13,000 with a peak perhaps of 25,000 which is near 90% higher.

Is it possible that capacity in the NZ residential construction sector has structurally declined, perhaps as a result of years of low apprenticeship numbers, preference of young people for other jobs, loss of people overseas? Hopefully not. But the fact that builders are already experiencing difficulties finding staff and having to recruit offshore suggests that a structural shift in the sector of some sort has happened. That implies that scope for a strong housing supply response to current shortages will be limited and perhaps that Auckland's shortage will not be able to be seriously attacked until the Christchurch rebuild is largely complete and resources can be reallocated up north.

Note that a sharp lift in the average floor area of new houses being built does not explain the topping out of consent numbers at a low level this cycle. The second graph below shows that after rising steadily from when the data series starts in 1976, average floor area for new dwellings peaked at 200 square metres in 2010. The 2014 average was 187, the 2004 average was 180. That is only a minor rise.

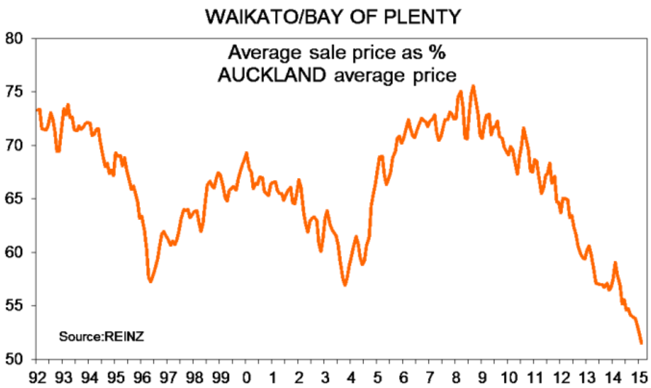


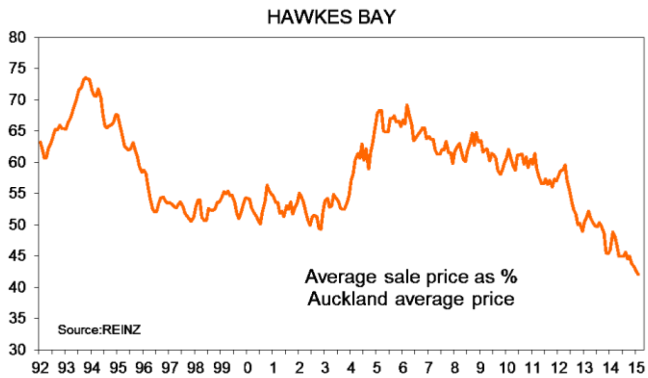


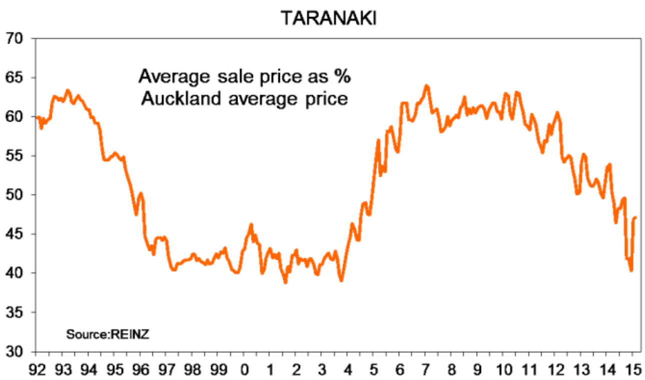
House Prices

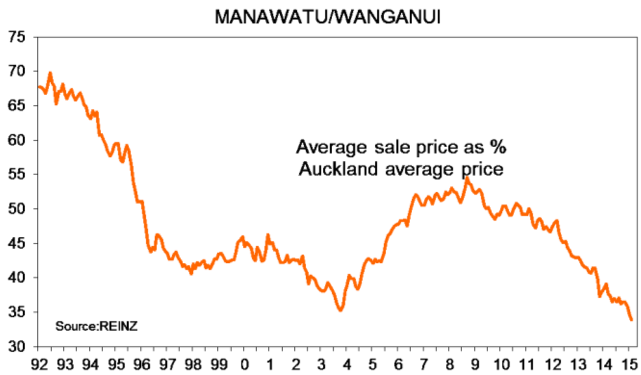
Plenty of media attention – especially in Auckland – is given to house price rises so there is little we can add here beyond some of the data and a few comments. First, in the three months to February average house sales prices in Auckland were ahead by 15.4% from a year ago, Wellington 0%, Christchurch 6.1%, and everywhere else on average near 3.5%. Compared with 2009 Auckland prices are ahead 67%, Wellington 11%, Christchurch 44%, everywhere else around 15%.

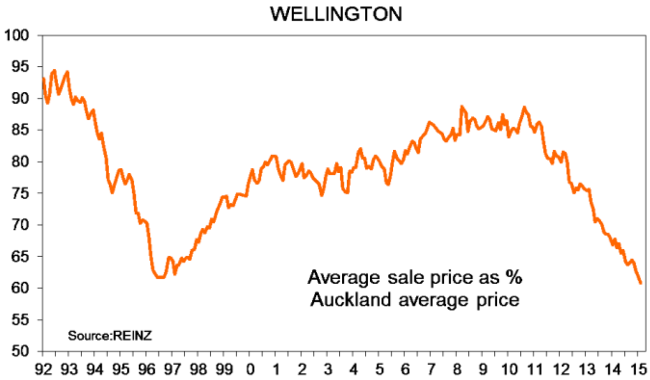
There is evidence of investors looking outside Auckland for yield. But this will only go so far. The way the world is changing toward economic activity concentrated in agglomerations (big cities) it does not seem reasonable this cycle that regions outside Auckland undertake the catch-ups which they did in the 2000s. This is the cycle when the Auckland hill runner went around the bend in the track and was lost from sight to those following. Nonetheless, a small catch-up will occur as relative price attractiveness of residences outside Auckland attracts investors, some young buyers, and cashing-up retiring people.

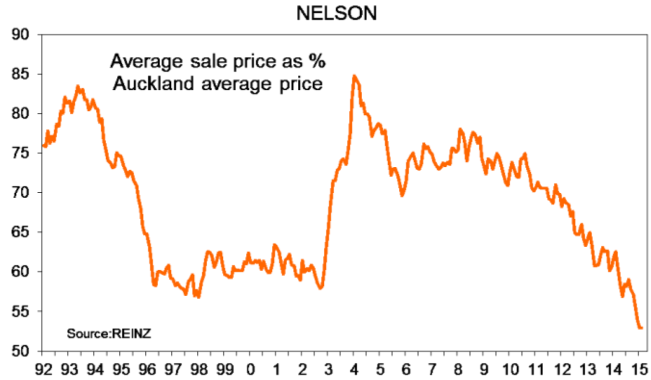


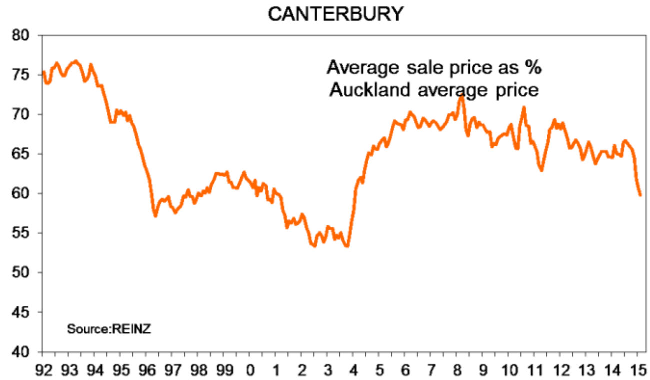


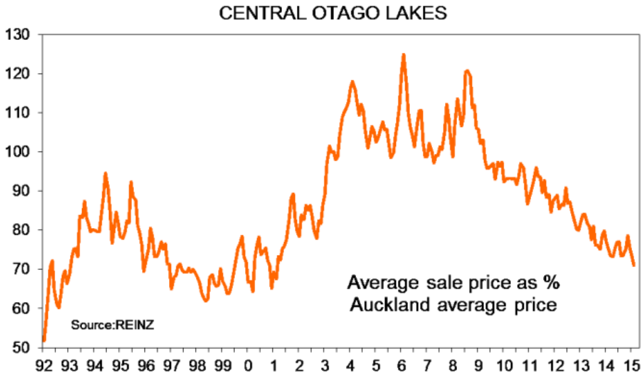


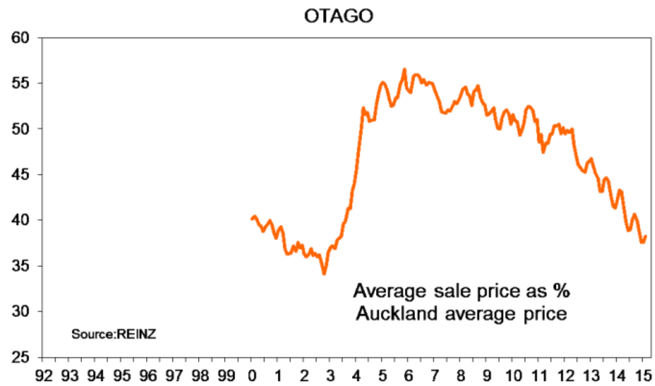


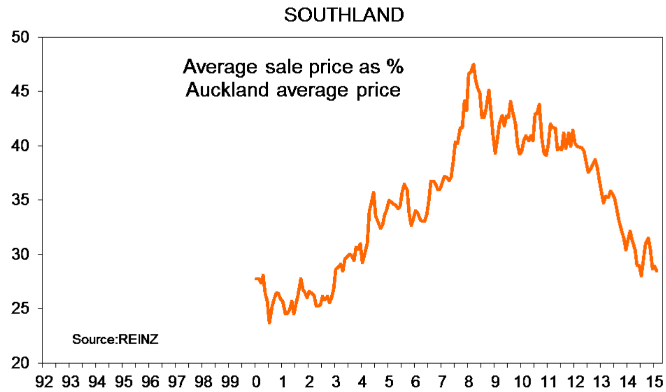












Key Forecasts

Calendar Years	**2012**	**2013**	**2014**	**2015**	**2016**
GDP % an. av cng	2.4	2.2	3.2	2.8	1.8
Inflation Qtr on yr ago %	0.9	1.6	0.8	0.6	2.3
Employment Growth " "	0.4	3.0	3.5	2.7	1.3
Unemployment Rate Year end	6.8	6.0	5.7	5.7	6.3
NZD/USD	0.83	0.82	0.78	0.70	0.66
NZD/AUD	0.79	0.92	0.94	0.95	0.88
NZD/GBP	0.52	0.50	0.50	0.49	0.47
NZD/EUR	0.63	0.60	0.63	0.65	0.61
NZD/JPY	69.5	89.1	92.6	86.1	82.5
90-day bank bill rate	2.6	2.7	3.7	3.7	4.2

Resources
Business Mentors NZ
Well respected mentoring service for NZ SMEs.
http://www.businessmentors.org.nz

The Icehouse
Provider of business growth workshops and programmes
https://www.theicehouse.co.nz/

NZ Business Demography Statistics
Detailed annual data on NZ businesses by industry, employment etc.
http://www.stats.govt.nz/browse_for_stats/businesses/business_characteristics/BusinessDemographyStatistics_HOTPFeb14.aspx

The Small Business Sector Report 2014
Detailed analysis of firms with fewer than 20 employees, so doesn't really capture medium-sized enterprises of up to 100 employees.
www.mbie.govt.nz/.../the-small-business-sector-report-2014.pdf

NZ SME Business Network
"The goal is provide support to SME Business owners and give them a voice to influence national policies that directly impact them."
https://www.facebook.com/pages/New-Zealand-SME-Business-Network/193512437408817
https://www.linkedin.com/groups/New-Zealand-SME-Business-Network-4202444/about

Small Enterprise Association of Australia & New Zealand
Academic research group operational since 1987.
http://www.seaanz.org

MYOB Business Monitor
"It's a nationwide survey of over a thousand business owners of sole trading, micro, small and medium sized businesses from across all industry groups."
http://myob.co.nz/myob/backing-kiwi-business/myob-business-monitor-1257829565839

Asia-Pacific Small Business Survey
Run annually by CPA Australia, latest from November 2014.
http://www.cpaaustralia.com.au/professional-resources/business-management/small-business/asia-pacific-small-business-survey

Small Business Voice
"The Small Business Voice is an incorporated Charitable Trust set up to support and represent SMEs throughout New Zealand, formerly the Independent Business Foundation."
http://www.smallbusinessvoice.co.nz/

SME Research Hub
Nothing here for business operators as such, instead a still very undeveloped website for researchers into SMEs.
https://www.gen.org.nz/tiki-index.php?page=Welcome+to+the+SME+Research+Hub

Growing New Zealand Businesses
"Growing New Zealand Businesses (GNZB) is an ambitious research programme that seeks to systematically explore growth and innovation issues in New Zealand small and medium enterprises (SMEs)."
University of Auckland Business School
http://www.business.auckland.ac.nz/en/about/our-research/bs-research-groups/growing-new-zealand-businesses-gnzb/our-research-group-3.html

The NZ Observer is written by Tony Alexander, Chief Economist at the Bank of New Zealand. The views expressed are my own and do not purport to represent the views of the BNZ. To receive The NZ Observer each Thursday night please sign up at www.tonyalexander.co.nz
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