



MEDIA RELEASE

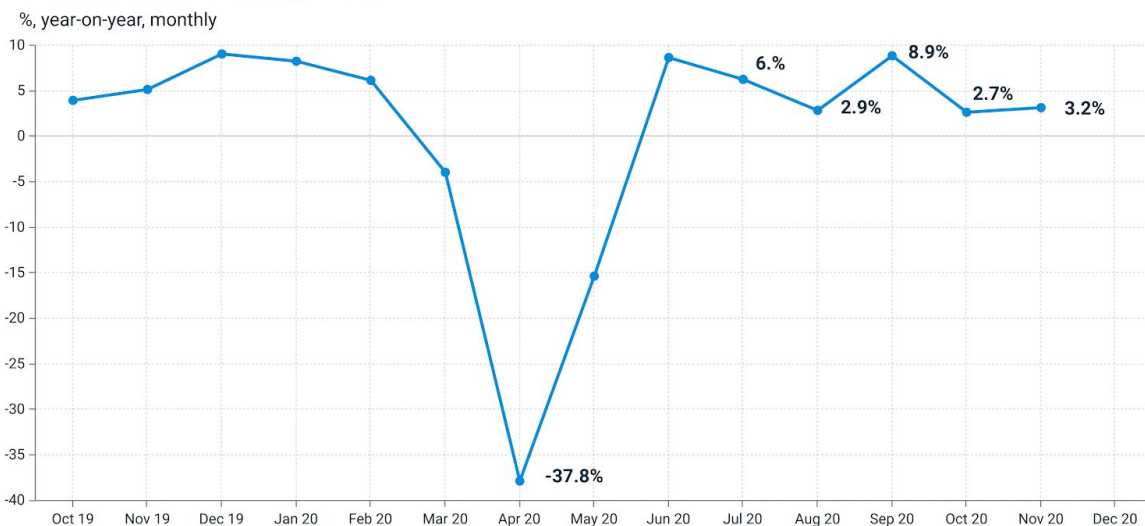
November data reveals six straight months of year-on-year revenue growth for Kiwi small businesses

Small business jobs exceed pre crisis levels, fuelled by seasonal demand

Wellington, New Zealand — December 17, 2020 — [Xero](#), the global small business platform, today released its Small Business Insights (XSBI) for November, which shows an uplift of 3.2% year-on-year with strong performances across most industries and regions.

Similarly, small business jobs rose in November with the expected seasonality boost seeing a 2.4% climb over the month, with small business employment now 3.2% above the pre-crisis level in March.

Small business revenue growth



Source: Xero Small Business Insights, AlphaBeta

Xero’s managing director for New Zealand & Pacific Islands, Craig Hudson, says the consistent year-on-year growth in revenue for six months in a row tells an encouraging story of much of Aotearoa’s small business sector returning to relative normality.

“It’s a testament to Kiwis banding together and embracing their local small businesses to help the economy recover in the wake of an unprecedented global crisis,” says Hudson.

“It’s also proof of how hard small business owners and employees have worked. They’ve hustled to revive their businesses in the face of tough economic conditions.

“While the rate of growth is slower than pre-COVID, the fact we’re ending 2020 with six months of positive revenue growth shows our resilience, and is something we should celebrate and be proud of.

November data shows our Australian counterparts seeing similar success with revenue 1.7% above the levels they were last year while the UK continues to struggle with revenue down 7.9% year-on-year.

Across the board, all industries in New Zealand, except for hospitality, saw an increase in revenue in November.

Revenues for hospitality small businesses were 8% lower than a year ago while most other industries saw positive growth, led by rental, hiring, and real estate (9.6%), manufacturing (8.6%), construction (7.7%) and retail (4.3%).

Regionally, Northland saw the strongest year-on-year revenue growth in November, up by 9.9% - followed by Hawke's Bay (7.8%) and Canterbury (6.5%).

The average payment time for small business invoices was 1.1 days faster in November than pre-crisis. Hudson says this shows businesses are working hard to keep money flowing through the economy.

Employment figures rise in line with revenue

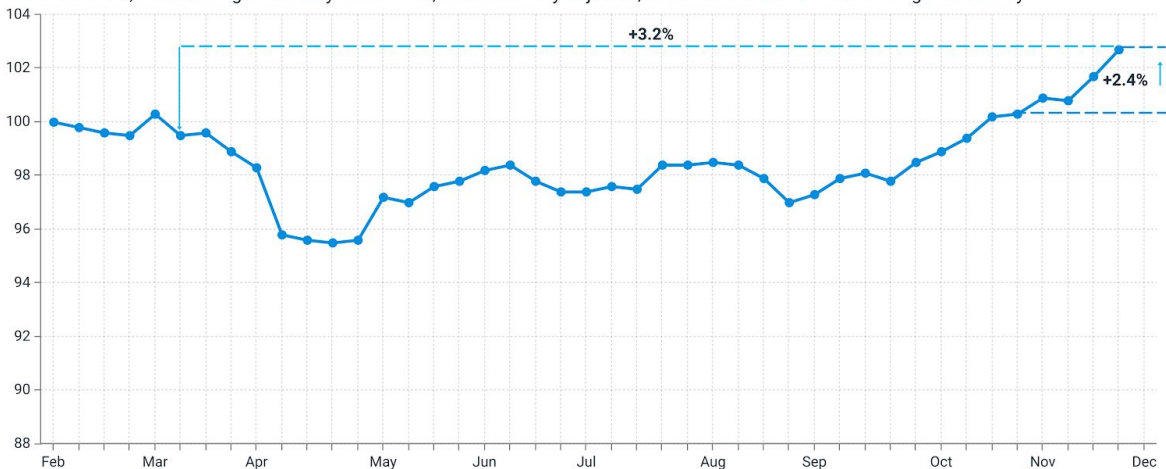
In November, small business jobs rose 2.4% and are now 3.2% above pre-crisis levels. The upswing can be attributed to seasonal trends, such as extra retail staff for the Christmas rush and increased work in the agricultural sector.

Manufacturing leads the way with jobs now 10% above pre-crisis levels, followed by real estate (6.7%), retail (6.7%), construction (5.0%) and professional services (2.7%).

Wellington leads job recovery, with 8.8% more jobs compared to pre-crisis, followed by Hawke's Bay (8.2%) and Canterbury (8.1%).

Number of jobs in small businesses

Indexed levels, week ending 2 February 2020 = 100; not seasonally adjusted; observations are for week ending that Sunday



Source: Xero Small Business Insights, AlphaBeta

Hospitality jobs remained flat in November and is the only industry that has not experienced a meaningful recovery of jobs from those lost at the height of lockdown in April. Jobs in hospitality small businesses are 8.5% lower than pre-crisis.

Internationally, Australia has seen jobs continue to climb back towards pre-crisis levels in November, while the United Kingdom continues to struggle, down 4.2% on pre-crisis levels.

“Hospitality remains the hardest hit small business industry and the impact of lockdown is still being felt eight months later. Uncertainty around community transmission and the potential threat of further lockdowns are making hospitality owners hesitant to hire additional staff,” says Hudson.

“Overall though, the employment numbers across the board tell a great story of resilience and recovery for small businesses in Aotearoa. If we continue to buy local and support community businesses, it looks like the small business economy will be in relatively good shape to kick off 2021.”

For further information on the Xero Small Business Insights November metrics please refer to the **XSBI Update for New Zealand**.

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About Xero

[Xero](#) is a cloud-based accounting software platform for small businesses with 2.45 million subscribers globally. Through Xero, small business owners and their advisors have access to real-time financial data any time, anywhere and on any device. Xero offers an ecosystem of over 800 third-party apps and 200 plus connections to banks and other financial partners. In 2020, Xero was included in the Bloomberg Gender-Equality Index and recognised by [IDC MarketScape](#) as a leader in its worldwide SaaS and cloud-enabled small business finance and accounting applications vendor assessment.

About Xero Small Business Insights

The Xero Small Business Insights (XSBI) program provides analysis of the sector’s health, with metrics based on anonymised, aggregated data drawn from hundreds of thousands of subscribers in partnership with AlphaBeta Australia (part of Accenture). The result is a picture of business conditions that’s more accurate than most private surveys, which have a far smaller sample size, and more frequently updated than other New Zealand data on small business. Xero is currently producing a series of specialised monthly metrics which analyse the impact of COVID-19 on the small business sector.

About AlphaBeta Australia (part of Accenture)

AlphaBeta Australia (part of Accenture) supports Xero in the production of the Xero Small Business Insights. It is a research firm with offices in Sydney, Canberra and Melbourne which specialises in combining advanced analytical techniques and innovative data to generate new insights and fresh perspectives on the challenges facing business and government.

Note to the editor

Previous iterations of the XSBI data have listed snapshots of data from the time it was captured. Some of these historical data points change as bookkeepers and accountants finalise their clients' accounts, which can impact the specifics of the percentages.