

CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY

ManawatuNZ.co.nz

Manawatu Business survey – Summary

CEDA

February 2020

UMR

Summary of main movements since 2016

- **Increased confidence in local economy:**
 - More are now confident *'about the growth of the Manawatu economy over the next one to two years'* (up 18% to 63%).
- **'Construction' (up 9% to 70%) increased the most, out of top five perceived sectors for growth.**
 - *'Agriculture and related support services'* decreased the most (down 8% to 61%) but remains in top five.
 - *'Defence'* increased (up 8% to 54%) and remains outside the top five.
- **Increase in need to improve transport via road - but less so for air freight:**
 - Via road for people (up 15% to 63%) and freight (up 13% to 62%)
 - Need to improve air freight (down 8% to 33%).
- **Finding the right staff remains a main barrier for growth:**
 - *'Finding skilled or specialist staff'* (up 8% to 57%).
- **Significant decreases in the following two barriers:**
 - *'The perception that the rest of New Zealand has of the Manawatu'* (down 16% to 24%), and
 - *'Lack of a unified growth strategy for the region'* (down 11% to 18%).
- **Increase in regional pride:**
 - *'I am proud to tell people that I live in Manawatu'* (up 7% to 83%).

Executive summary – Economic confidence and sectors for growth

Confidence in economic growth increases across the board

- This year business were much more confident about the growth of the Manawatu economy than they were three years ago; however, they are only slightly more confident in prospects for their own businesses than they were in the 2016 benchmark.
- Sixty-three percent were confident in the growth of the Manawatu economy in the short term, an 18% increase in confidence level reported in 2016.
- Three-fifths (62%, up 4% from 2016) of businesses were confident about the growth prospects for their business in the short term.
- Despite this, the intended level of investment in their business over the next 12 months is like that reported in 2016 (35%, up 1%).

Top five sectors for growth remain steady; largest positive movement comes for construction

- The main sectors identified for potential economic growth in the Manawatu remain reasonably steady between 2016 and 2019. The largest positive movements came for:
 - *Construction* (up 9% to 70%), followed by *defence* (up 8% to 54%) (despite this increase defence still sits just outside the top five sectors identified as having potential for growth).
 - Including construction, the other sectors that were thought to have the most economic potential included: *logistics and transport* (up 4% to 71%), *education and training* (up 1% to 68%), *scientific research and innovation* (down 6% to 62%) and *agriculture and related support services* (down 8% to 61%).

Executive summary – Transport and barriers to economic growth

Across transportation modes, the need for improving the ways people and freight move via road increased the most

- This increased (up 15% to 63% needing improvement) for people and (up 13% to 62%) for freight via roads.
- The results for improving rail transport were steady (down 5% to 52% needing improvement) for people and unchanged on 46% for freight.
- The perceived need for improvement of freight via air has dropped this year. A third of businesses still felt that this form of transport for freight has room for improvement (down 8%), however for moving people by air the need to improve this activity increased 4% to 52%.

The main barrier to growth remains finding the right staff, however, the strength of all other barriers have eased

- On a positive note, across the board there have been decreases in the percentages of businesses who declared the topics tested to be barriers. The main negative, however, is that the prevalence of the main barrier identified in 2016 has increased. A majority of 57% (up 8%) identified, *'finding skilled or specialist staff'* as a barrier.
- While not as strong a barrier there was an increase of 6% to 32% of businesses who declared that, *'Finding unskilled or semi-skilled staff'* was a barrier.
- The strength of most other barriers decreased, with the two largest downward movements reported for: *'The perception that the rest of New Zealand has of the Manawatu'* (down 16% to 24%) and *'Lack of a unified growth strategy for the region'* (down 11% to 18%).

Executive summary – CEDA Strategy

Strong support for a unified voice driving economic growth remains

- There was strong agreement that the Manawatu needs a unified voice for driving economic growth right across the region (77% agreed, down 2%). Sixty-two percent agreed that, *'We need better ways to connect businesses together'* (up 4%).
- Three out of five businesses (57%, up 6%) agreed with the statement, *'In the past, politics has got in the way of economic development'*.

Among local businesses, strong pride in Manawatu remains and increases slightly

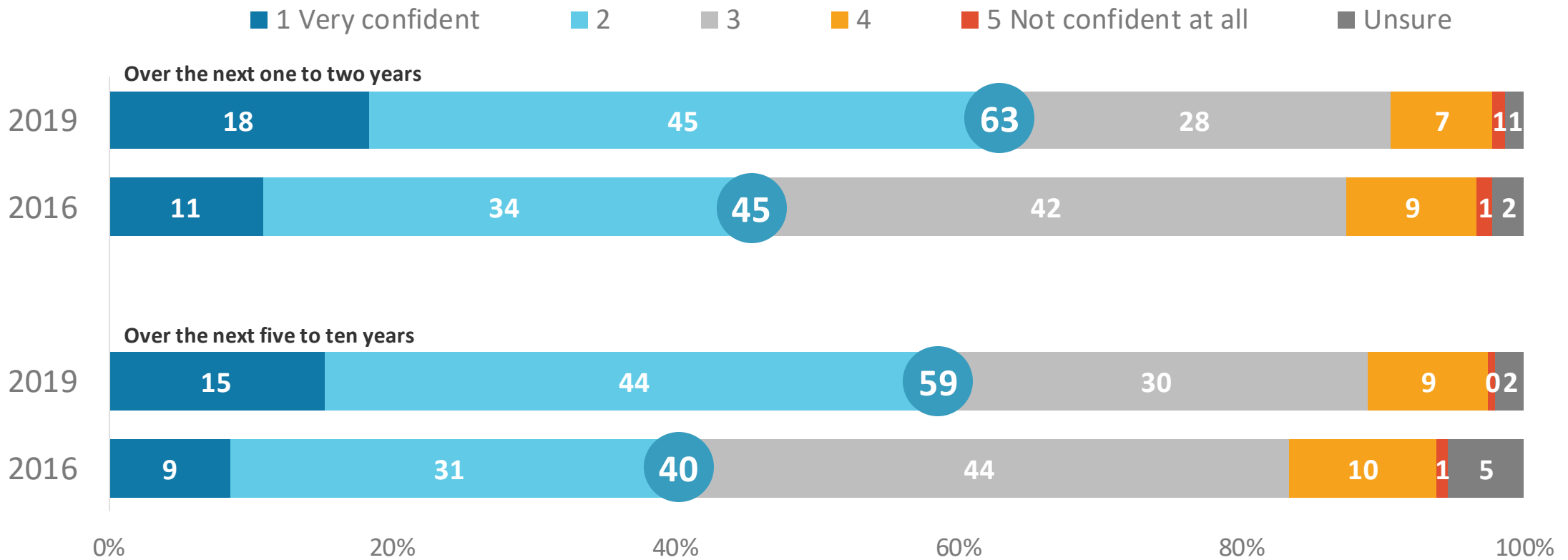
- Overwhelmingly, 93% (up 2%) agreed, *'Manawatu is a great place to bring up a family'*, and
- The vast majority agreed (83%, up 7%) that, *'I am proud to tell people that I live in Manawatu'*.

Some progress but work remains for creating both extra interesting activities for people and a clear Manawatu identity

- A solid majority of 70% (unchanged) agreed that, *'We need more interesting activities for people to do in Manawatu'* and,
- A majority 58% (down 6%) agreed that, *'There is no one defining feature of what the Manawatu is known for'*.

Businesses declare a strong increase in confidence for growth in the Manawatu economy

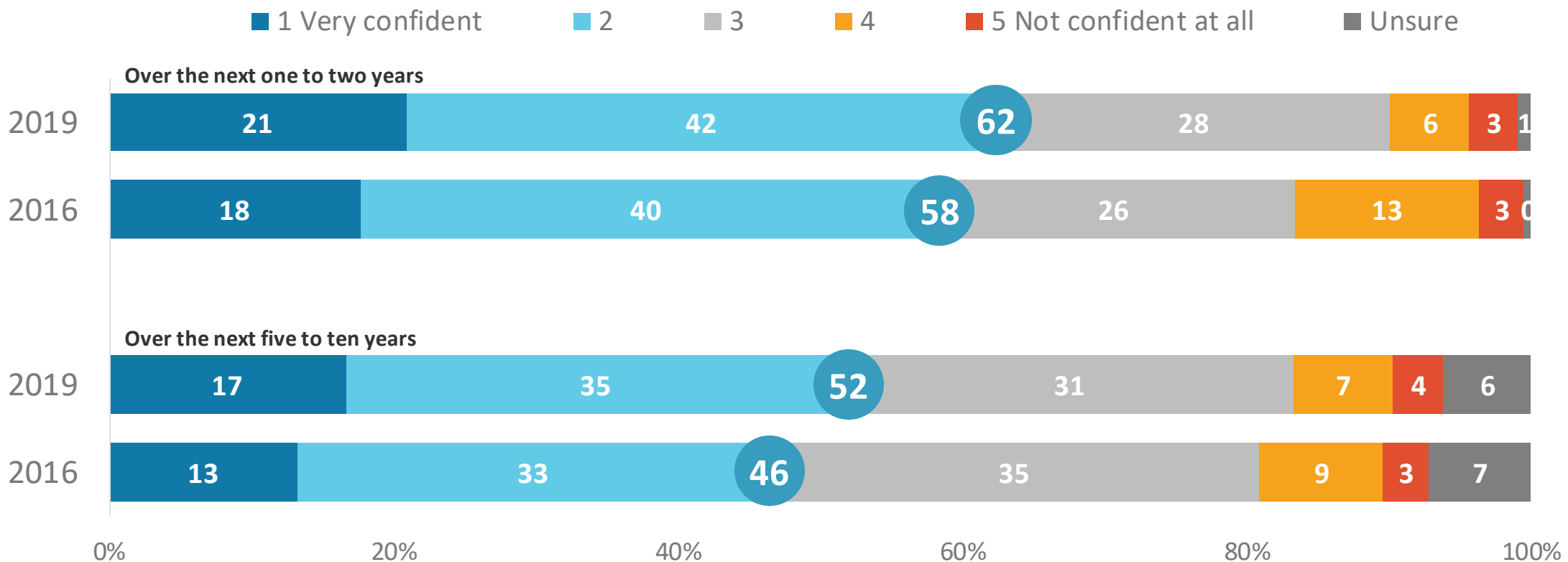
Q On a 1 to 5 scale where 1 means you are very confident and 5 means you are not confident at all, how confident are you about the growth of the Manawatu economy...



Base: All businesses (n=350)


Businesses declare Increased confidence in their growth prospects

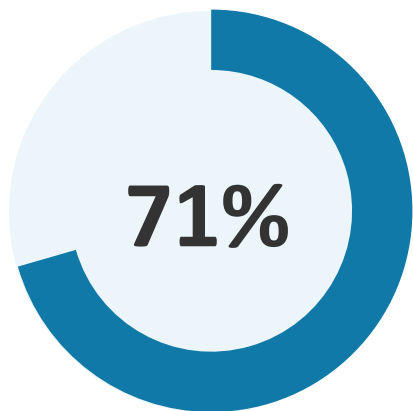
Q On a 1 to 5 scale where 1 means you are very confident and 5 means you are not confident at all, how confident are you about the growth prospects for your business...



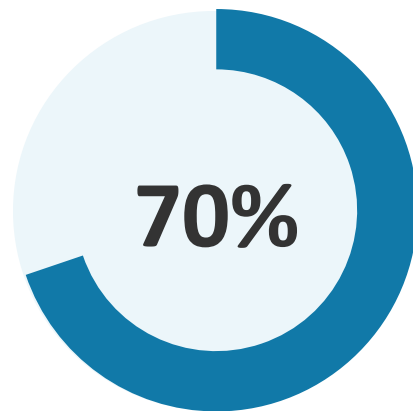
Base: All businesses (n=350)

Main perceived sectors for growth (Top 5 areas)

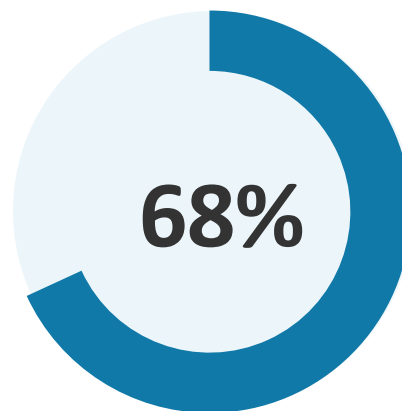
 Using a 1 to 5 scale where 1 means a lot of potential and 5 means no potential at all, how much potential do you think the following sectors have for increasing economic growth in the Manawatu? **Total potential %**



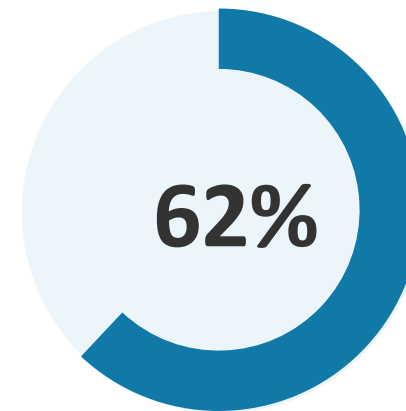
Logistics and transport
(↑4%)



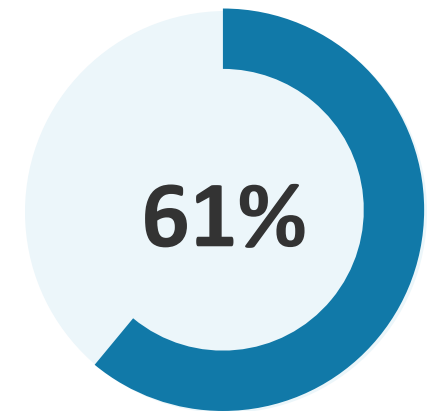
Construction
(↑9%)



Education and training
(↑1%)




Scientific research and innovation
(↓6%)

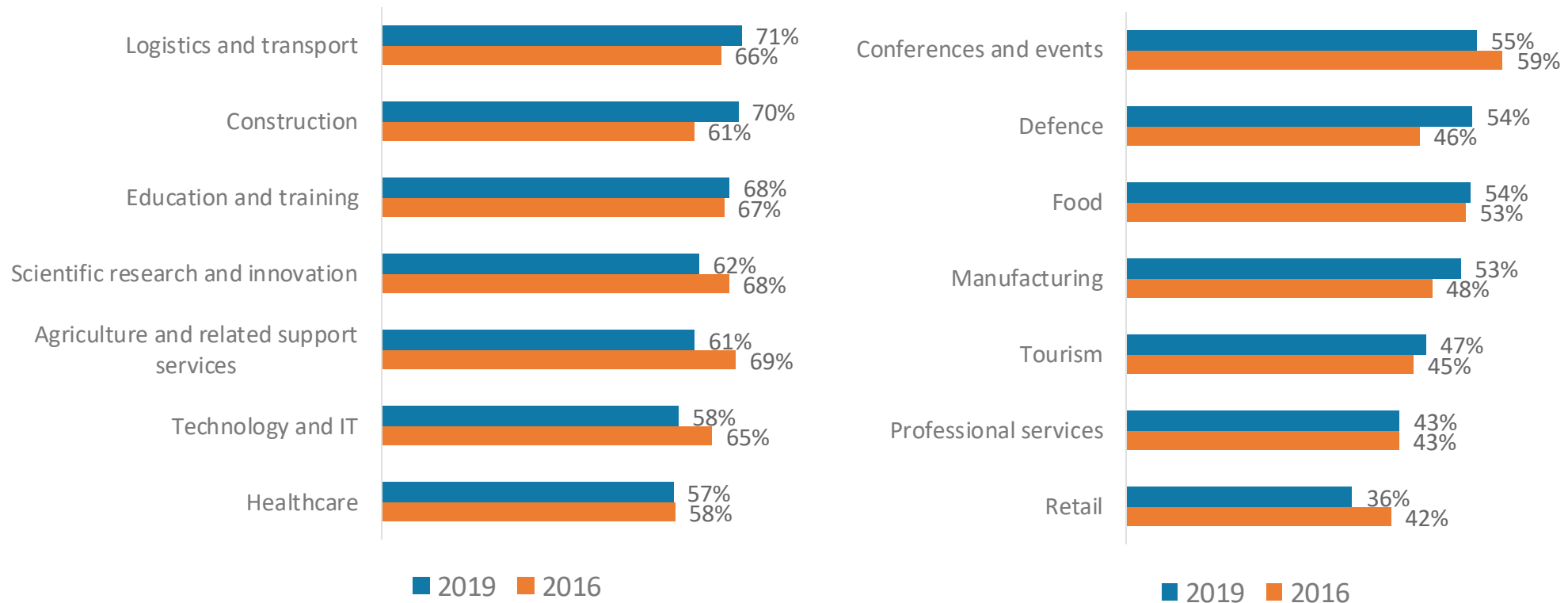


Agriculture and related support services
(↓8%)

Base: All businesses (n=350)

Manawatu sectors for growth – summary

 Using a 1 to 5 scale where 1 means a lot of potential and 5 means no potential at all, how much potential do you think the following sectors have for increasing economic growth in the Manawatu? **Total potential %**



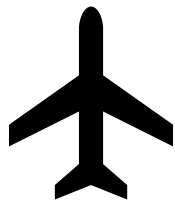
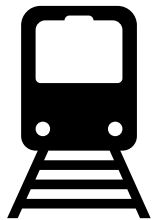
Base: All businesses (n=350)

Improvements to transport – Summary

Improving the way people travel

How strongly do you agree or disagree that there is room for improving the way people travel via [Road/ Rail/ Air] in and out of the Manawatu?

Total agree %



Improving transportation of freight


How strongly do you agree or disagree that there is room for improving the transportation of freight via [Road/ Rail/ Air] in and out of the Manawatu?

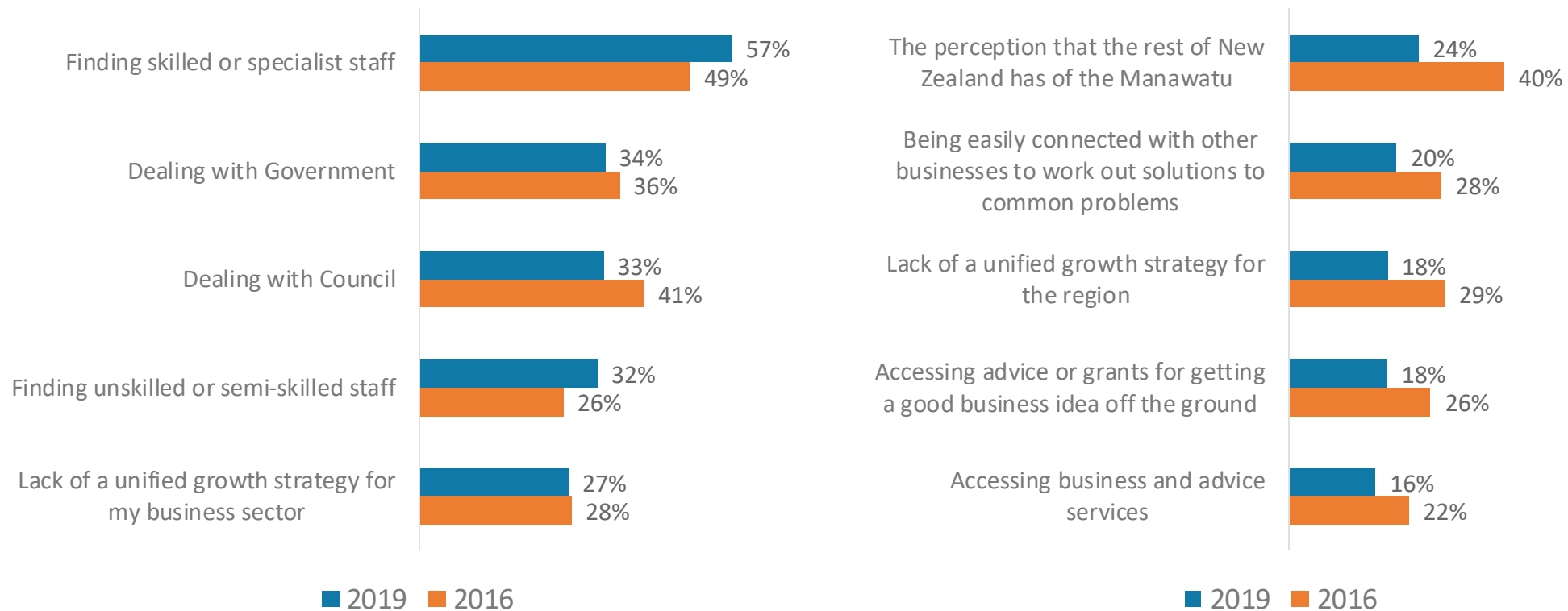
Total agree %



Base: All businesses (n=350)


Barriers to doing business in the Manawatu region – Summary

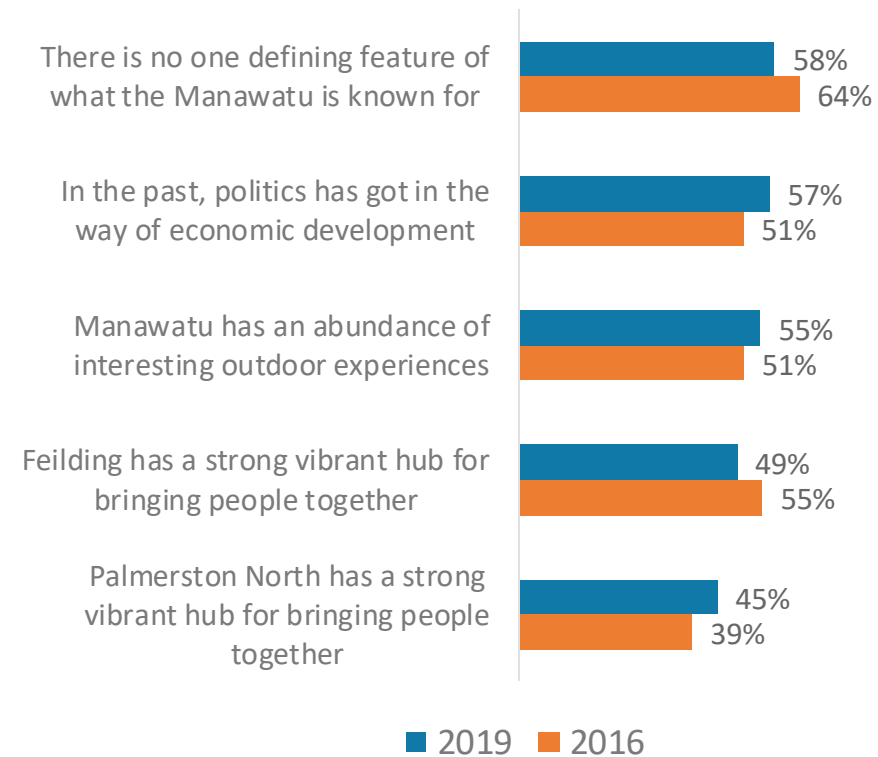
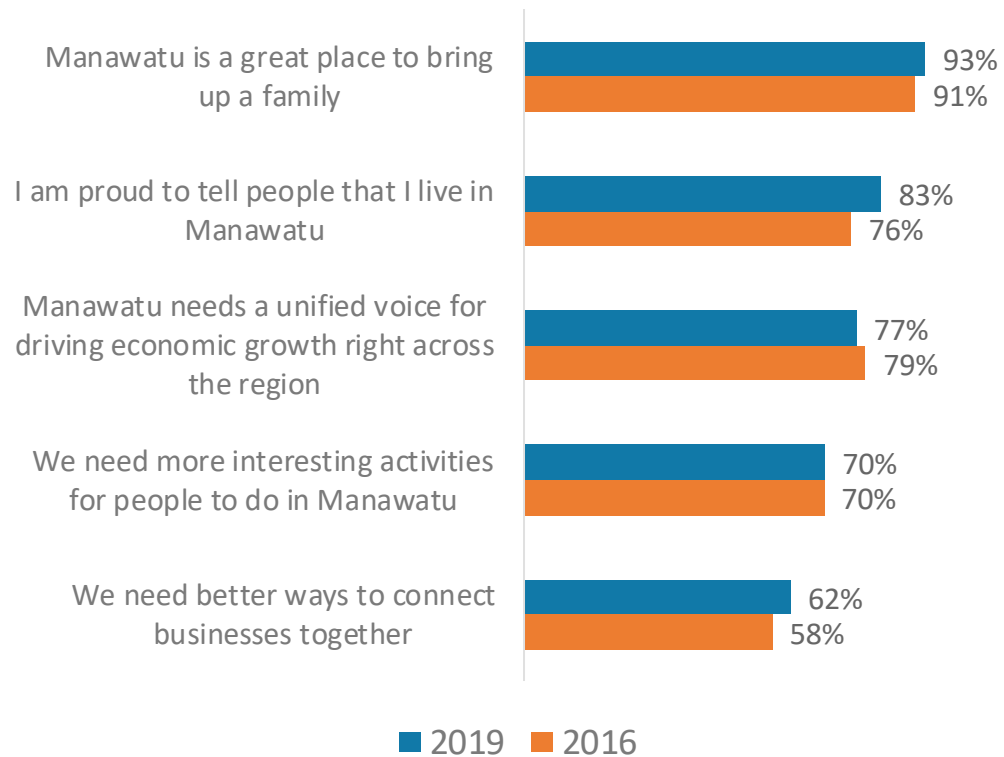
 Generally, when doing business in Manawatu on a 1 to 5 scale where 1 means it is a very significant barrier and 5 means it is not a barrier at all, how much of a barrier would you say each of the following are for doing business in this region?
Total barrier %



Base: All businesses (n=350)

CEDA Strategy – Summary

 Using a 1 to 5 scale where 1 means you strongly agree and 5 means you strongly disagree, how strongly do you agree or disagree with each of the following statements? **Total agree %**



Base: All businesses (n=350)

Conclusions

- It is positive that businesses declared increased confidence in growth prospects for both their own enterprises and the wider Manawatu region. This may be the start of a trend towards an even more optimistic local business community.
- The main sectors for CEDA to focus on remain steady and these are: *‘Logistics and transport’, ‘Construction’, ‘Education and training’, ‘Scientific research and innovation’, and ‘Agriculture and support services’*.
 - However, important to note that this year there was a strong increase in a need to focus on construction and a drop off for Agriculture and support services.
- Reinforcing the importance of logistics and transport, there appears to be a need for more work to improve the transportation of people and freight in and around the Manawatu, particularly in the area of roading.
- Finding skilled or specialist staff remains a challenge for the region – while this is the main barrier identified to businesses this is not an issue unique to the Manawatu, nevertheless, continued effort is required.
- There is and remains strong pride among Manawatu businesses about their local area.
- However, there is still a need to create more interesting activities for locals and visitors to enjoy and to clearly define what the Manawatu stands for.