Mint Business Insights

with Tony Alexander



“Business caution remains”

November 2026

ISSN 3021-3916

Business caution remains

My Aim

To help Kiwis make better decisions for their businesses, investments, home purchases, and people by writing about the economy in an easy-to-understand manner.

Each month I send an invitation to people on my Tony's View subscribers list inviting recipients to give insights into what is happening in their business sectors at the moment. 218 people replied from a wide variety of sectors this month. The aim is to gain real time insights into what is happening in various sectors with respondents choosing whether to focus on customer flows, pricing and cost pressures, expansion plans, and so on – whatever they consider to be the most important developments.

Key results from this month's survey include the following:

- Worries about politics have eased off following the general election, as have interest rate concerns following the recent Reserve Bank decision not to tighten monetary policy further for now.
- Businesses don't feel the time is right to start raising inventories in anticipation of higher sales but plans for investing in new machinery remain in positive territory.
- Pricing pressures for now remain contained.

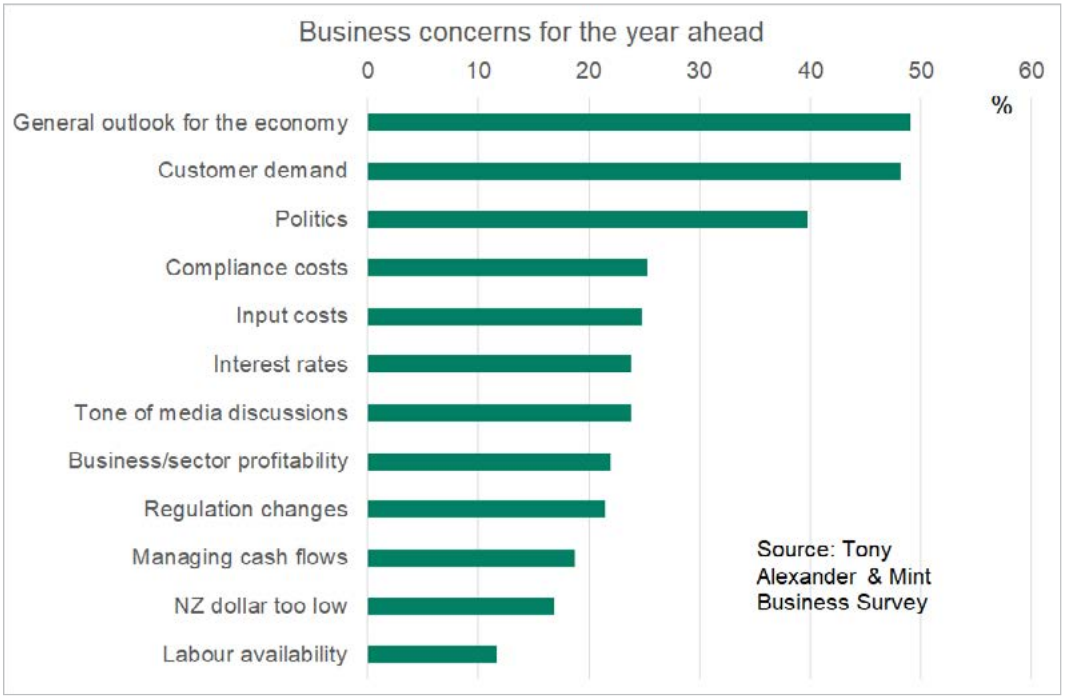


Tony Alexander
Independent Economist

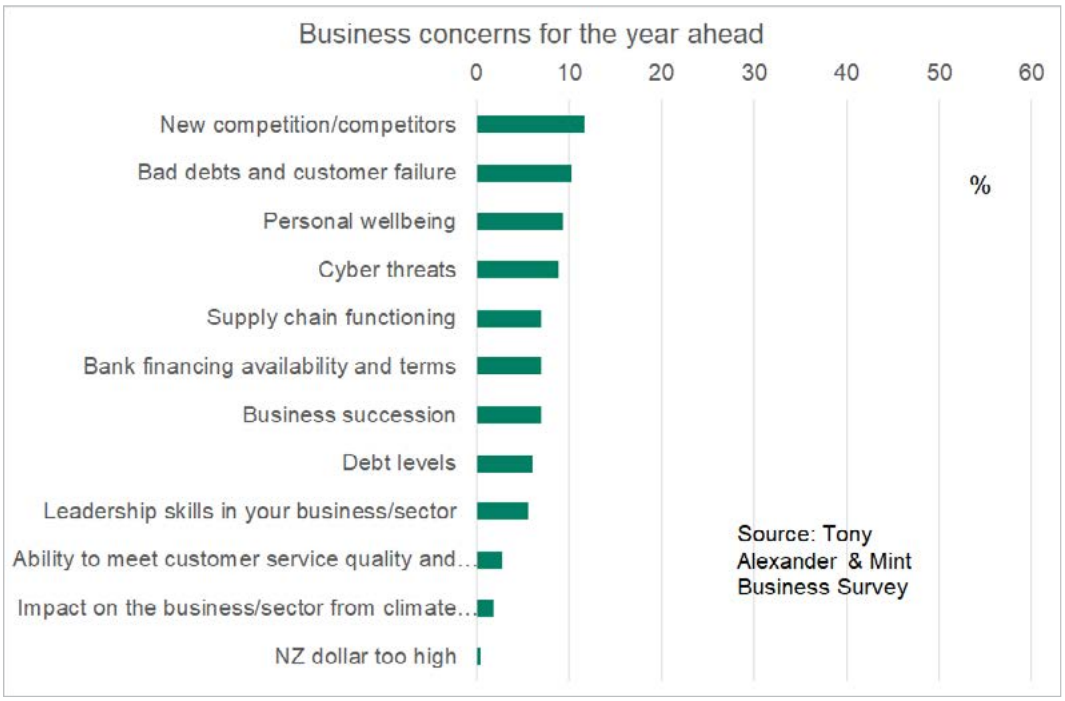
What concerns you most for the year ahead?

We ask businesses to choose the things which concern them most about the year ahead. They can choose more than one area of concern. The following two graphs show the most common and then least common areas of concern cited by business in this month's survey.

Now that the first part of the election is over (final results still pending) businesses have eased back slightly on their concern about politics to focus again on areas like customer demand and the state of the economy.

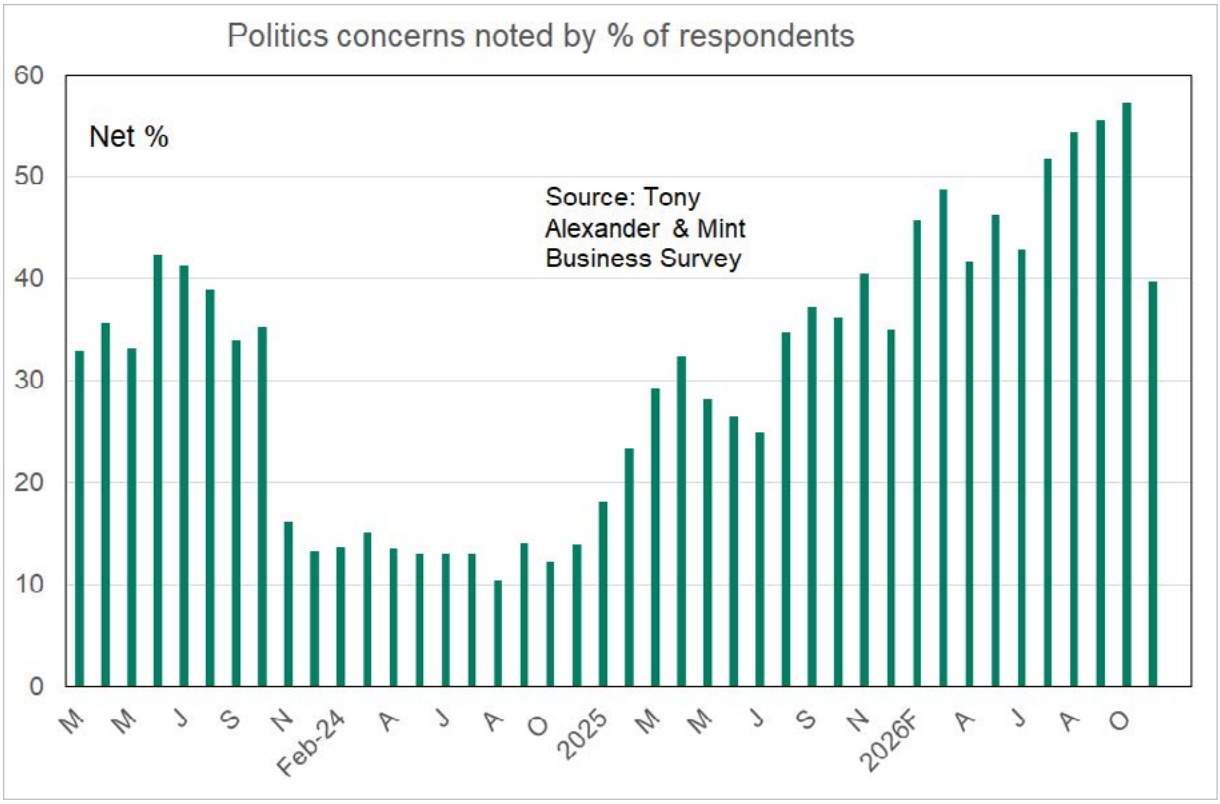


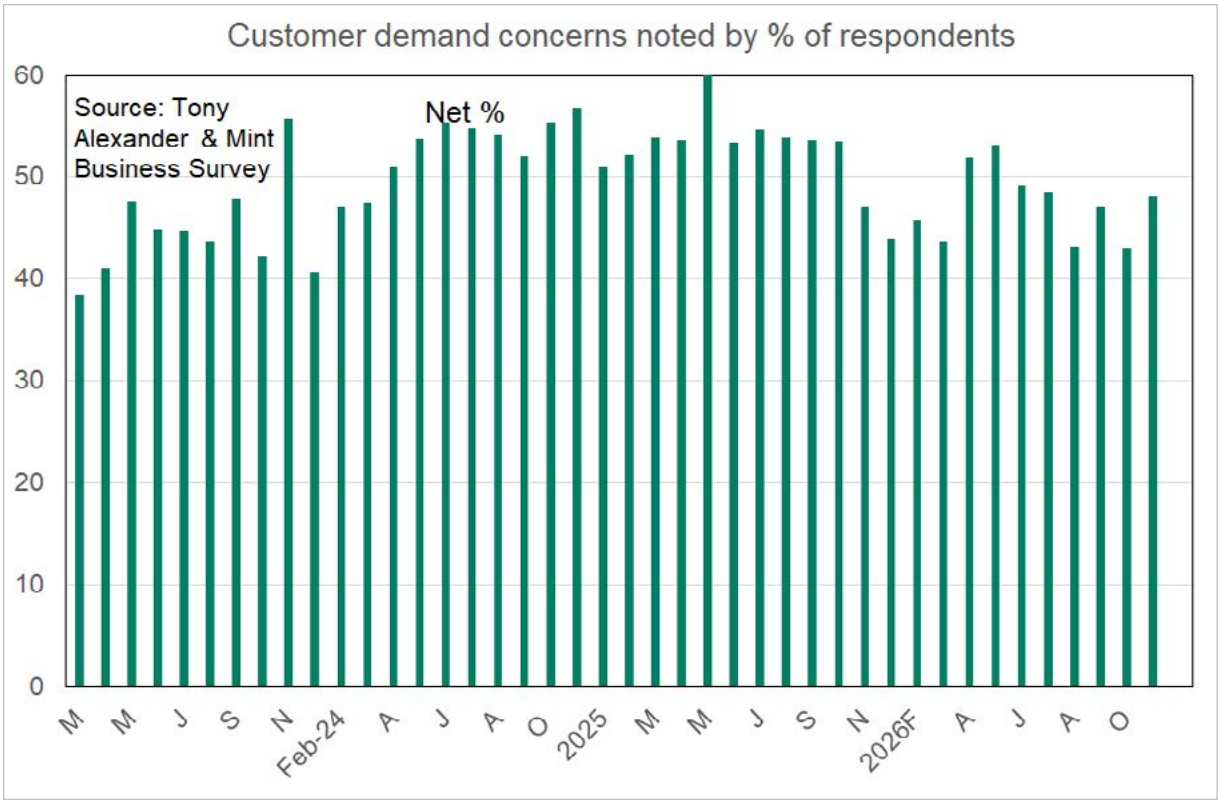
This graph shows the lesser ranked concerns.



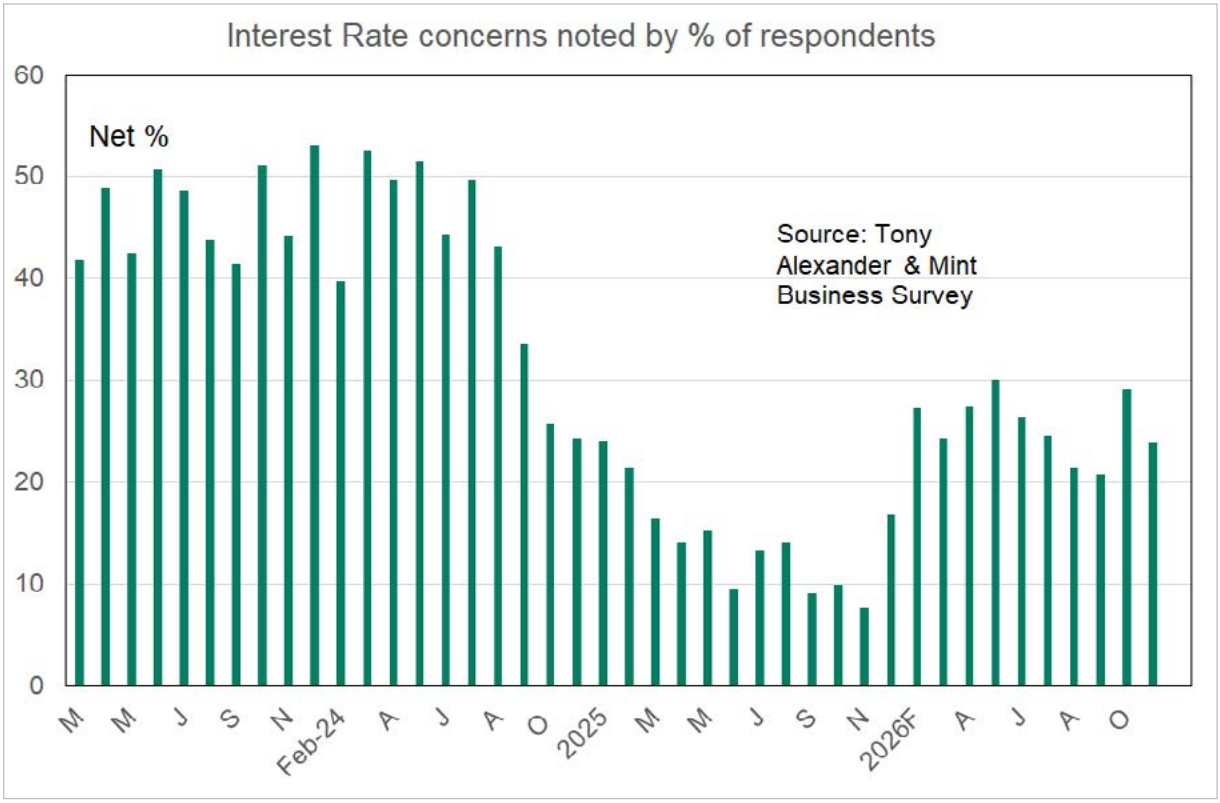
These next graphs look at changes in a selection of areas of concern for businesses since our survey started in March 2023.

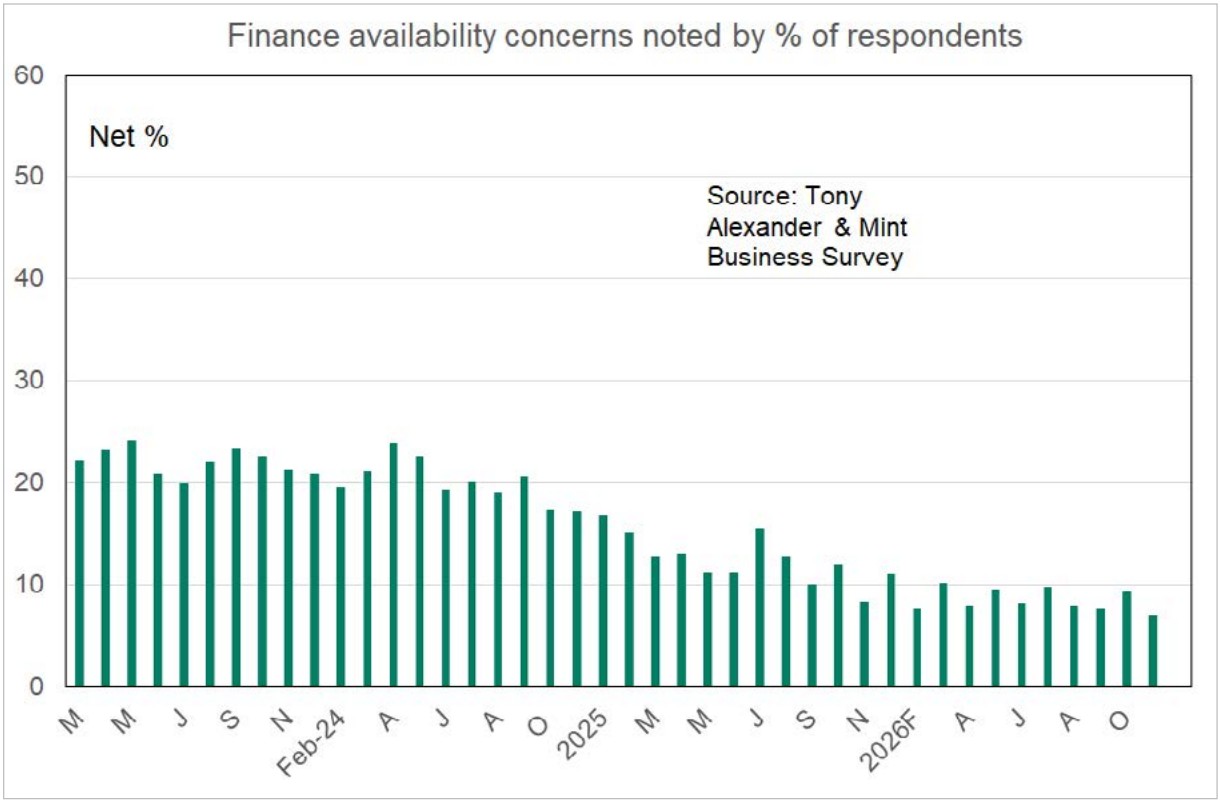
Concerns about politics have eased off even though worries have grown regarding a key aspect of the MMP system amidst calls for reform. But worries about the strength of customer demand remain as elevated as ever.



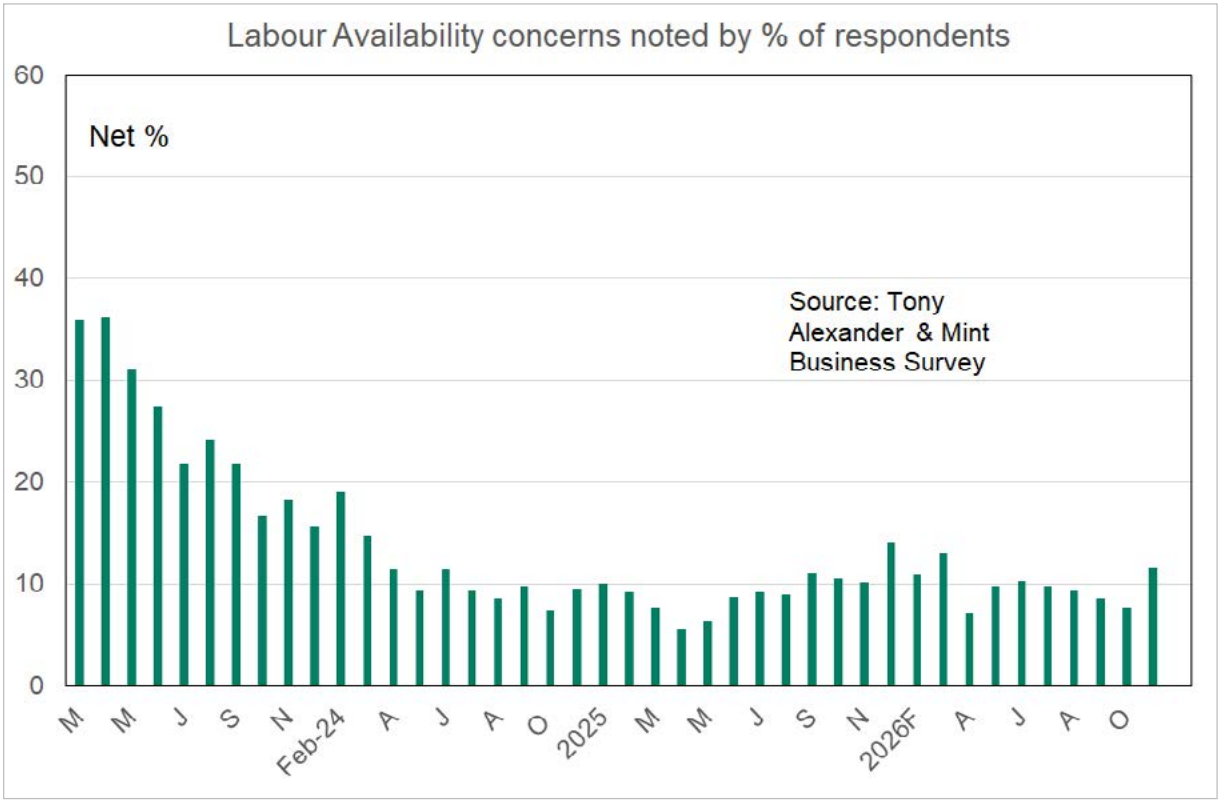


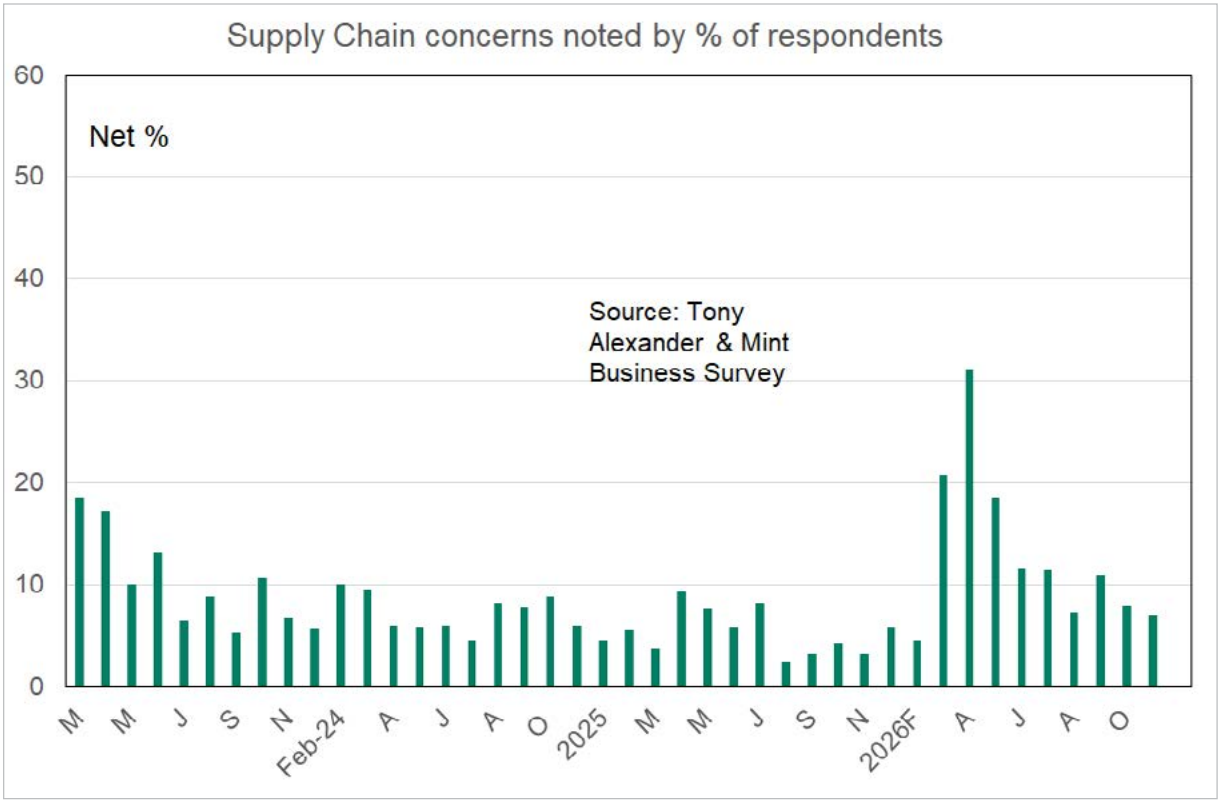
Following the Reserve Bank's recent decision not to raise the official cash rate concerns about interest rates have eased. But by the standards of the past two years, they remain relatively high. Availability of finance for NZ businesses continues to be rated as less and less of an issue.



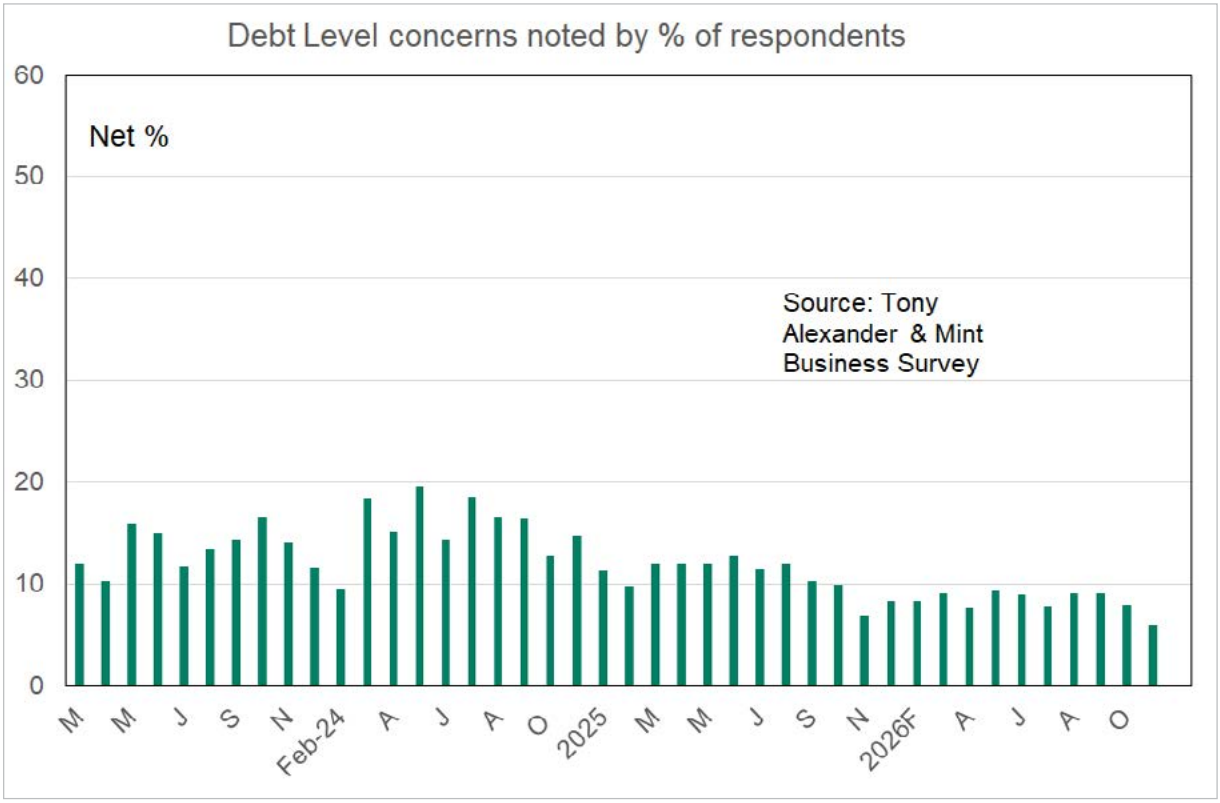


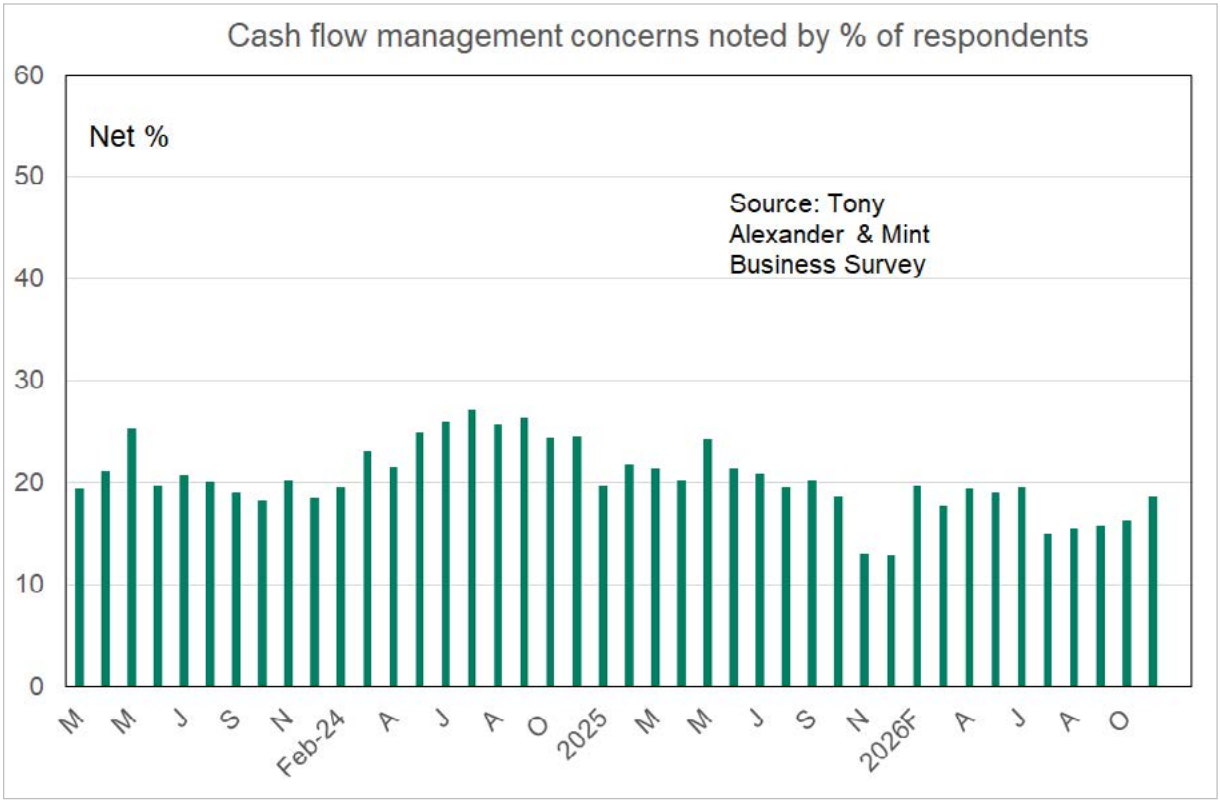
Labour availability on the other hand is beginning to occupy the minds of some businesses though not to a worrying degree when we consider this issue again further on in this report. Concerns about supply chain functioning have almost retreated back to normal levels after soaring earlier this year following the onset of war.



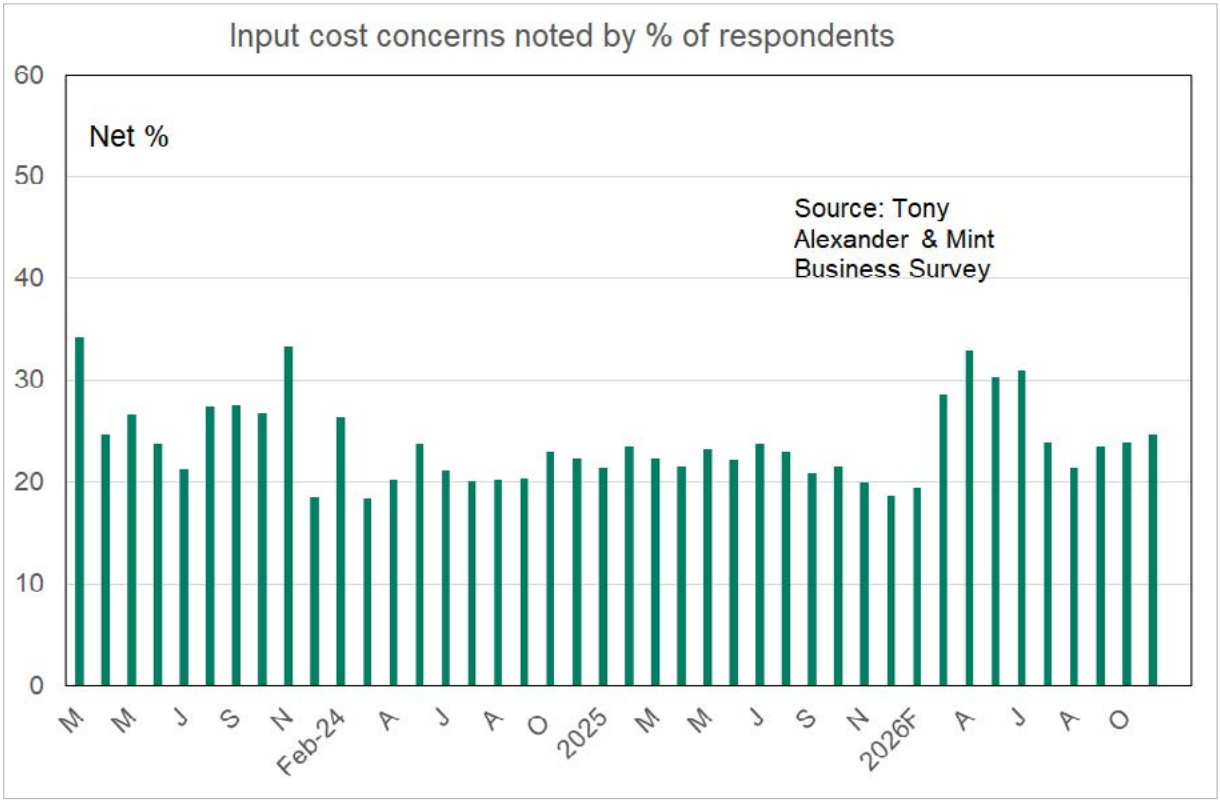


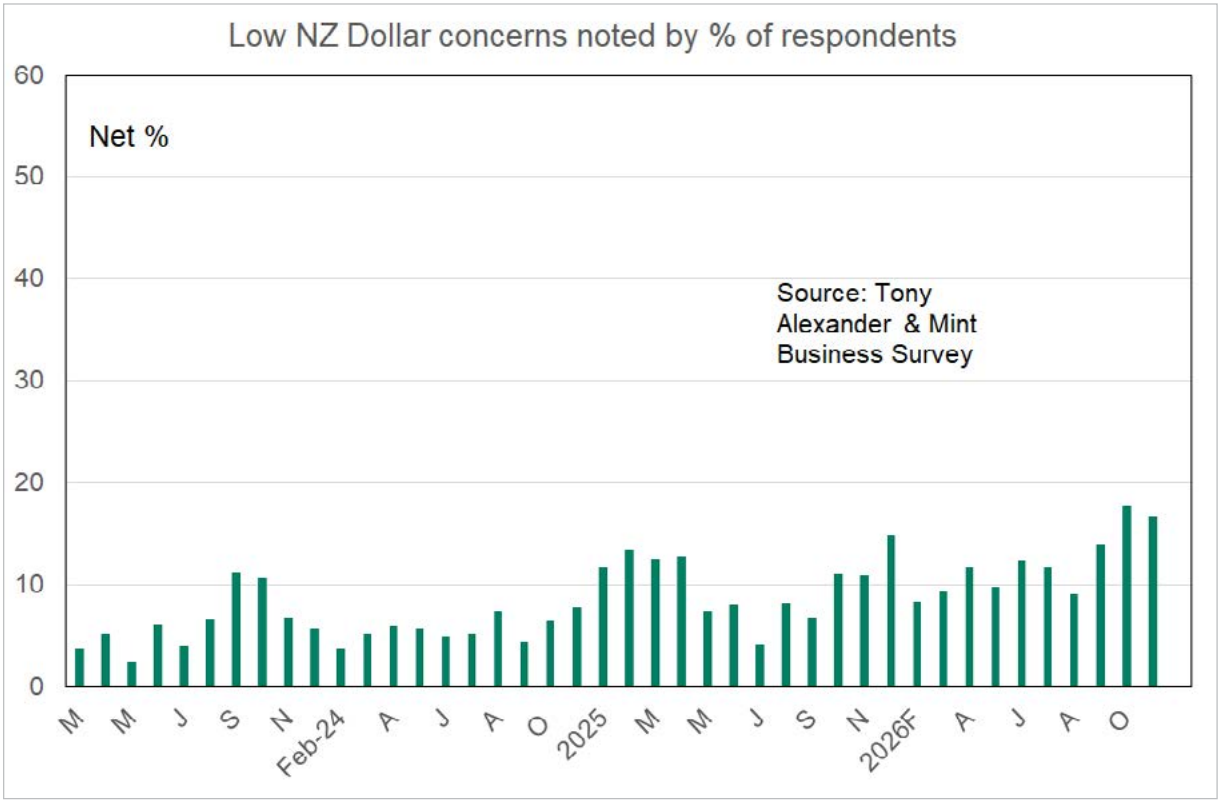
Few businesses are worried about their debt levels. And despite recording a small rise this month worries about cash flows are not elevated.



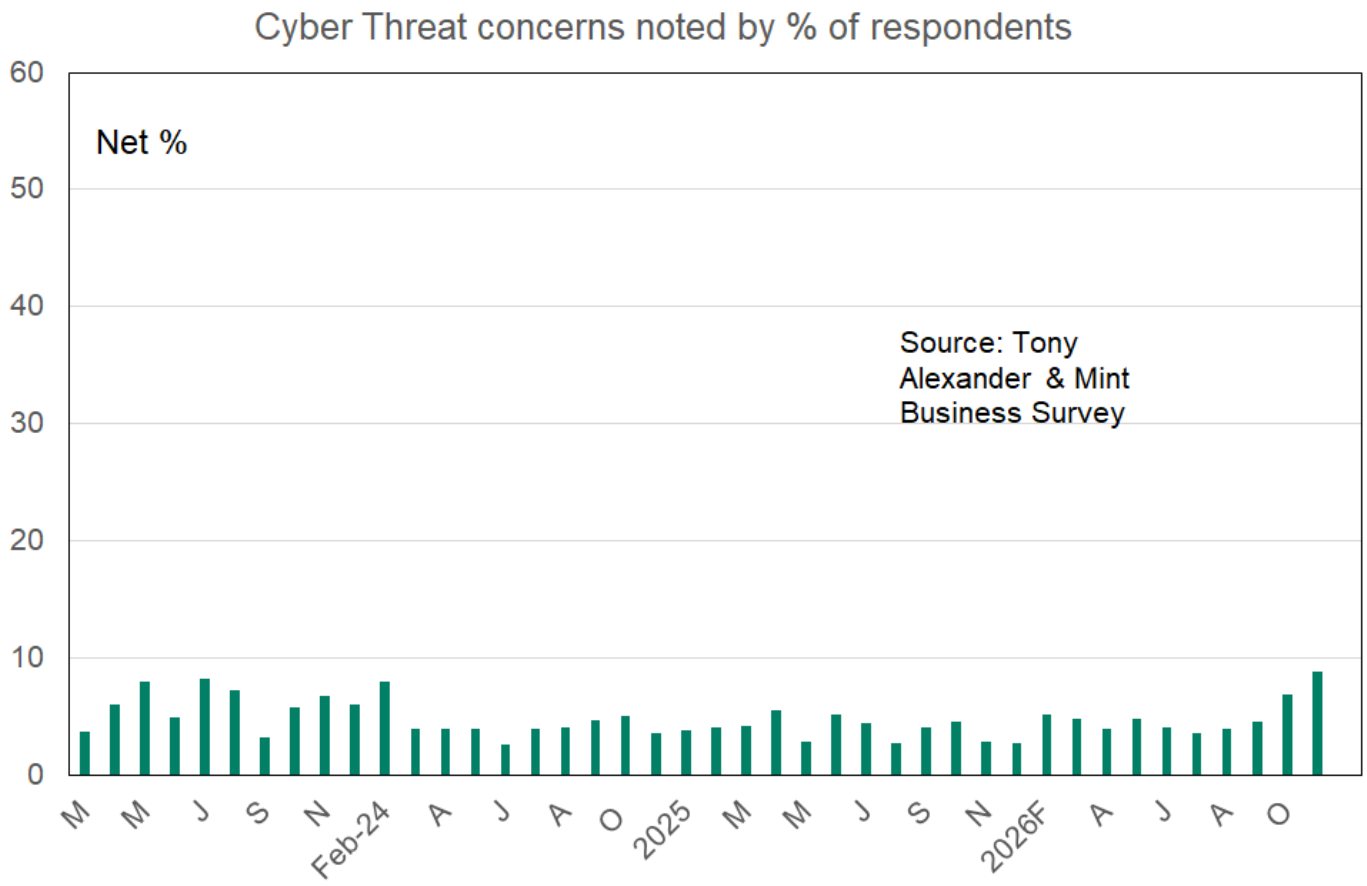


Input cost concerns are tracking slowly back upward again, possibly because of expectations of higher prices flowing through from the weakening of the Kiwi dollar.



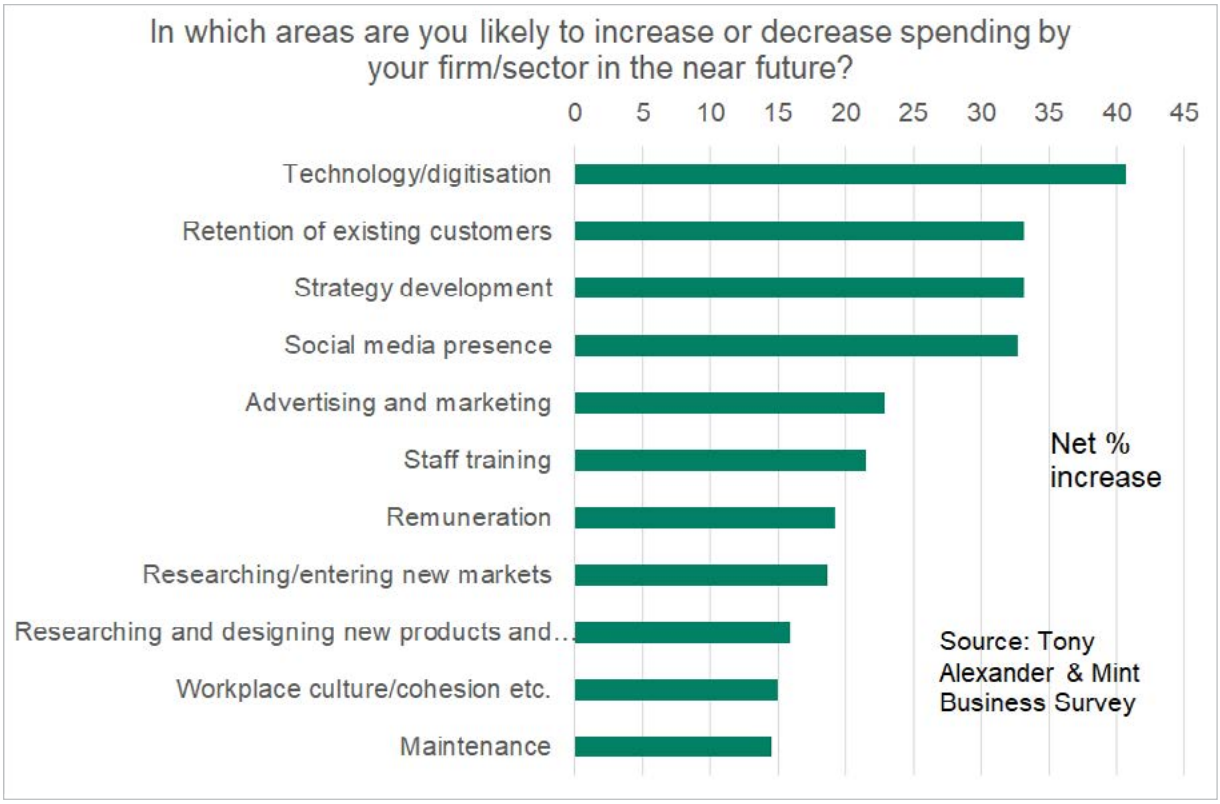


After an extended period of low concern business worries about cyber security are going up, probably in response to recent events offshore.

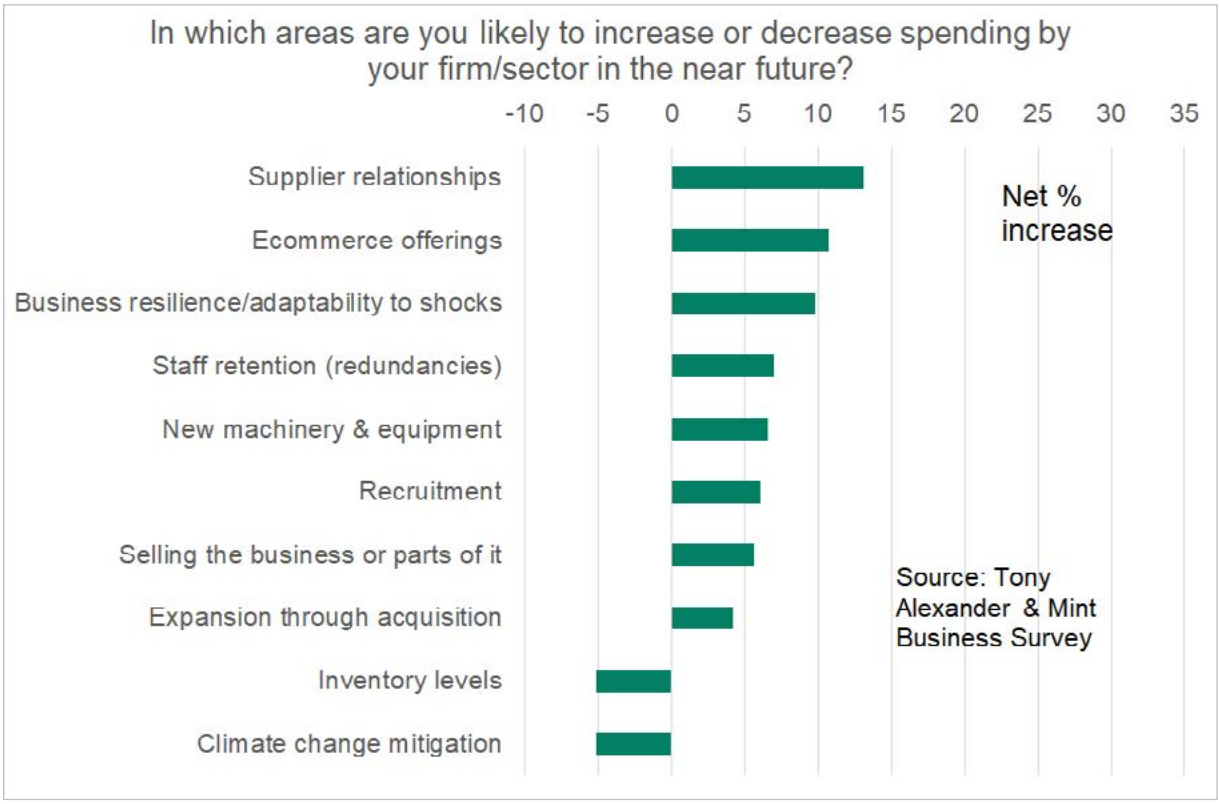


In which areas are you likely to increase or decrease spending by your firm/sector in the near future?

Our second main question is addressed at identifying where businesses are going to allocate their scarce funds in the coming year. Technology still ranks highest followed again by customer retention.

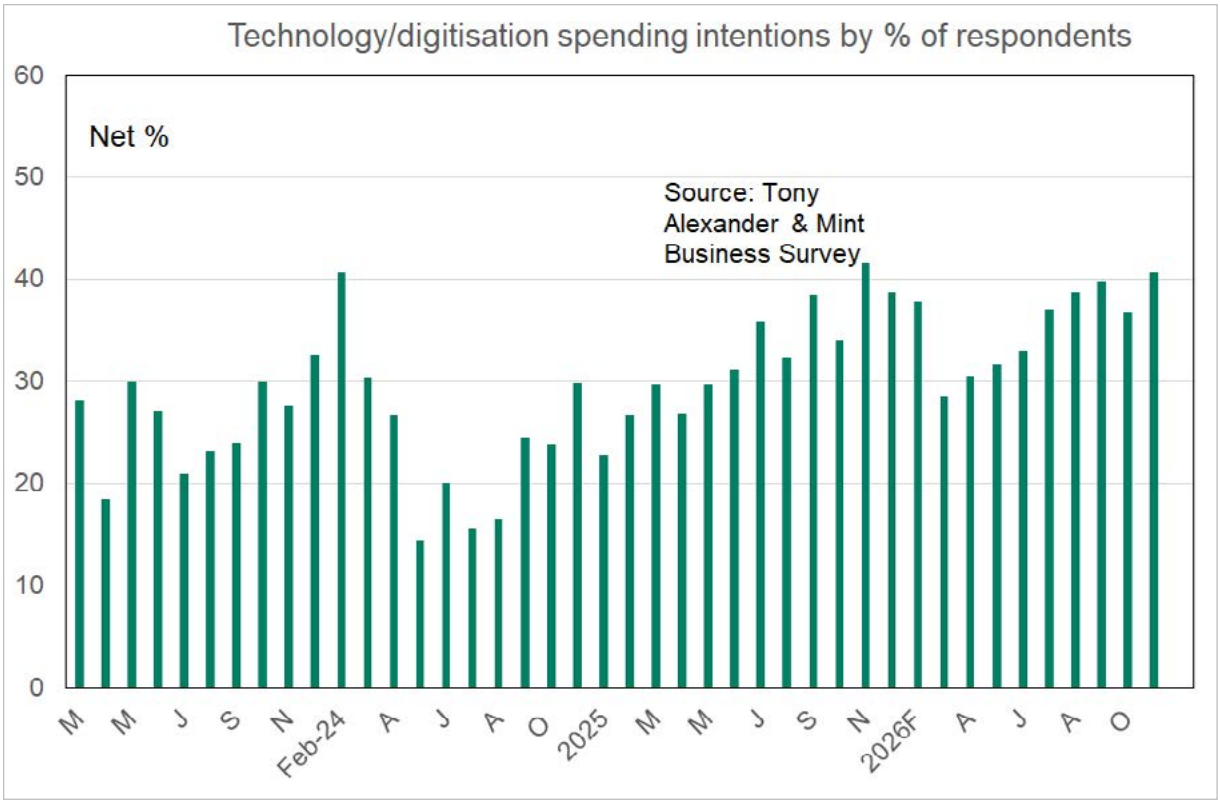


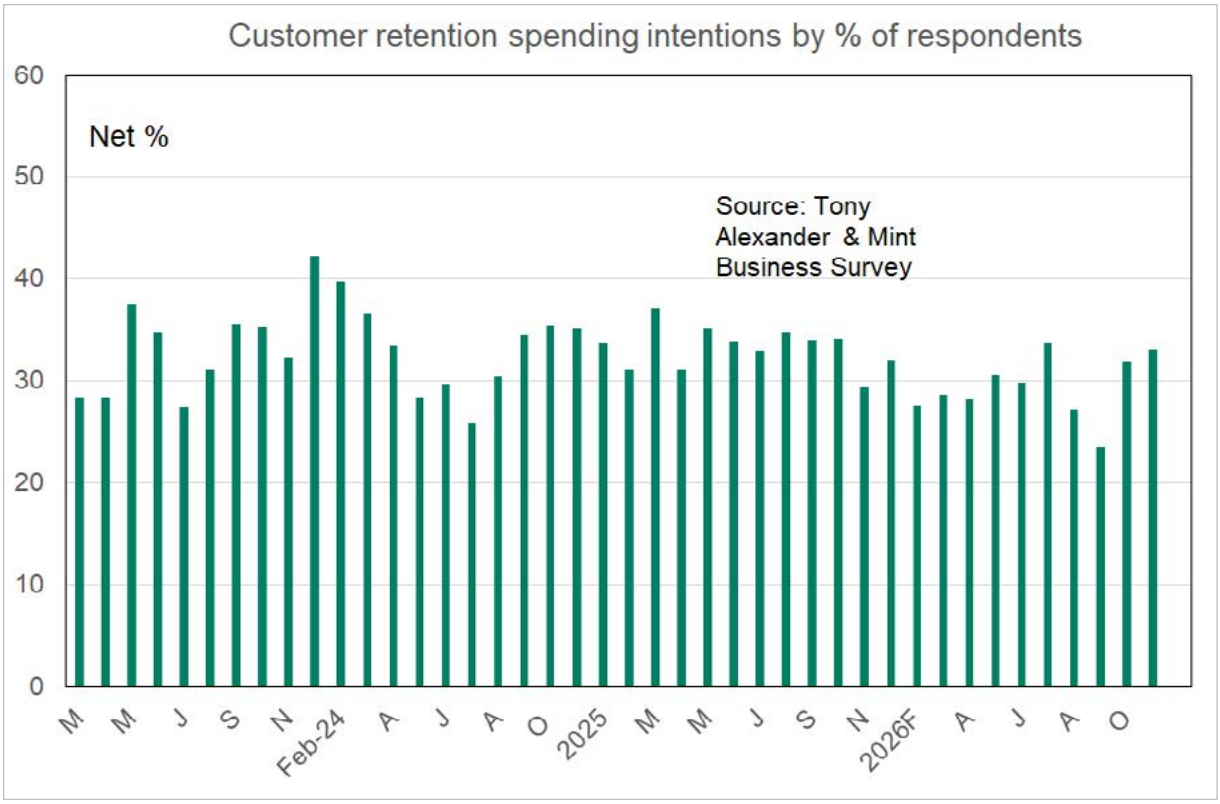
Climate change mitigation ranks as the least important intended area of spending activity for the coming year.



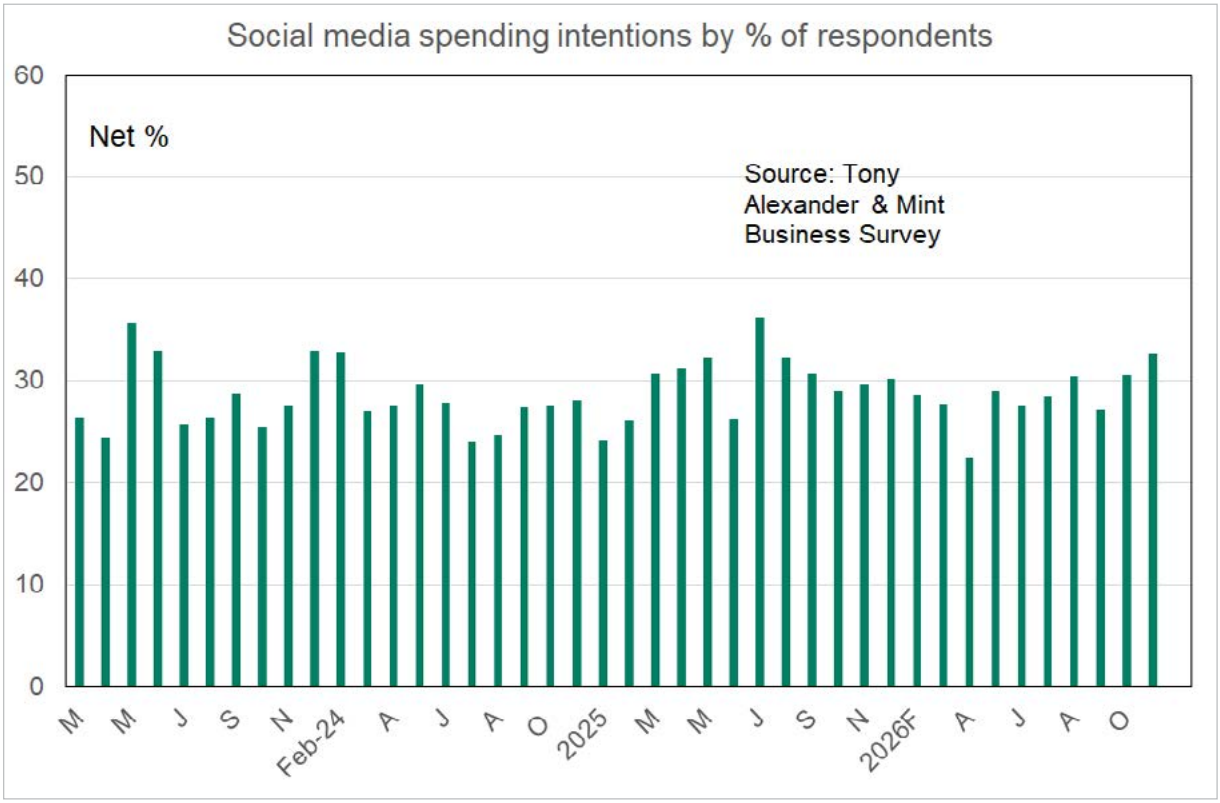
These next graphs look at how planned areas of spending change have been tracking since our survey started in March 2023.

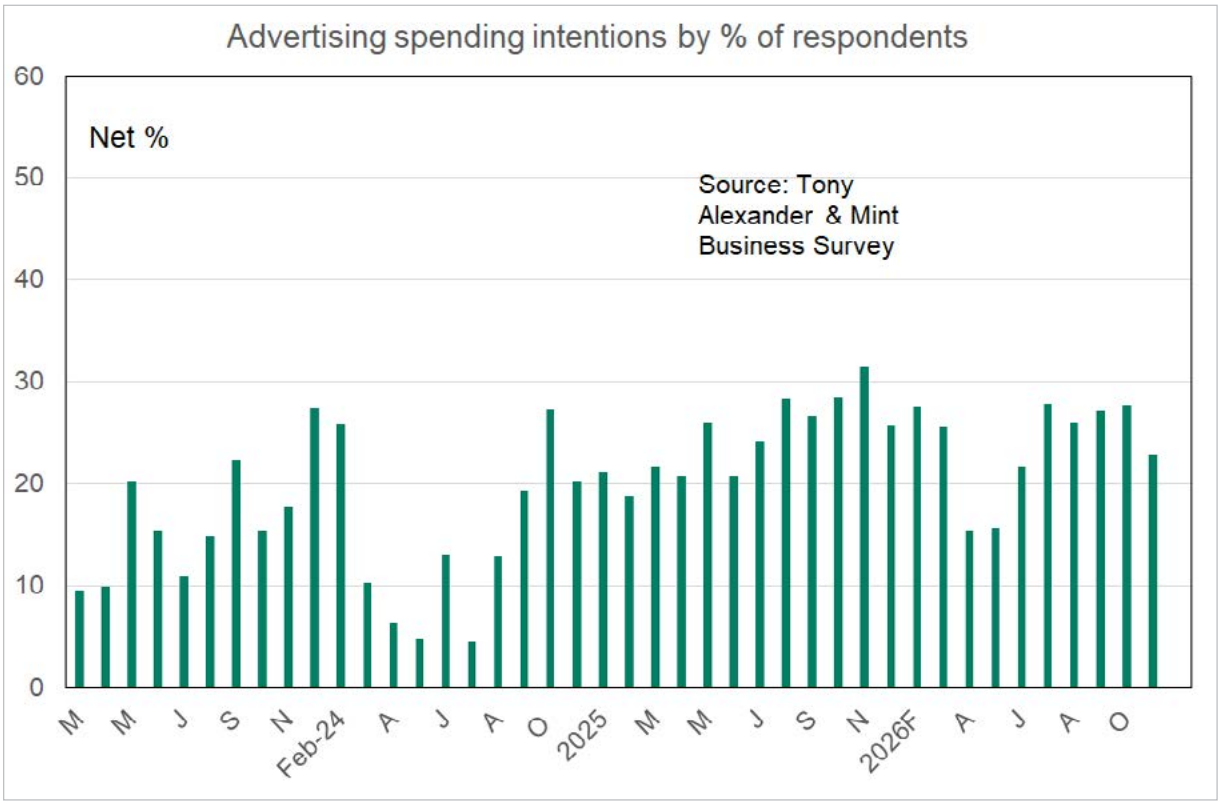
After a dip early this year with the late-February onset of war, business plans to spend on technology have now returned to previous elevated levels. Retaining customers has also regained high focus.



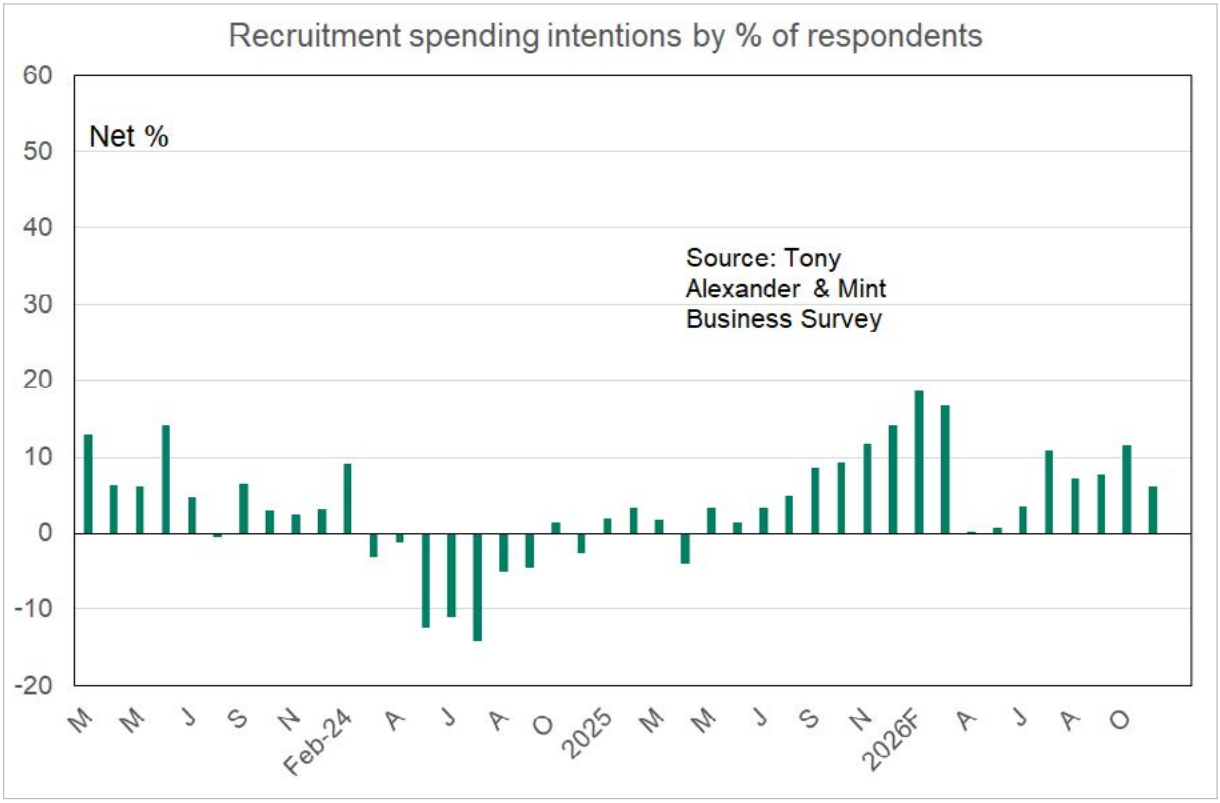


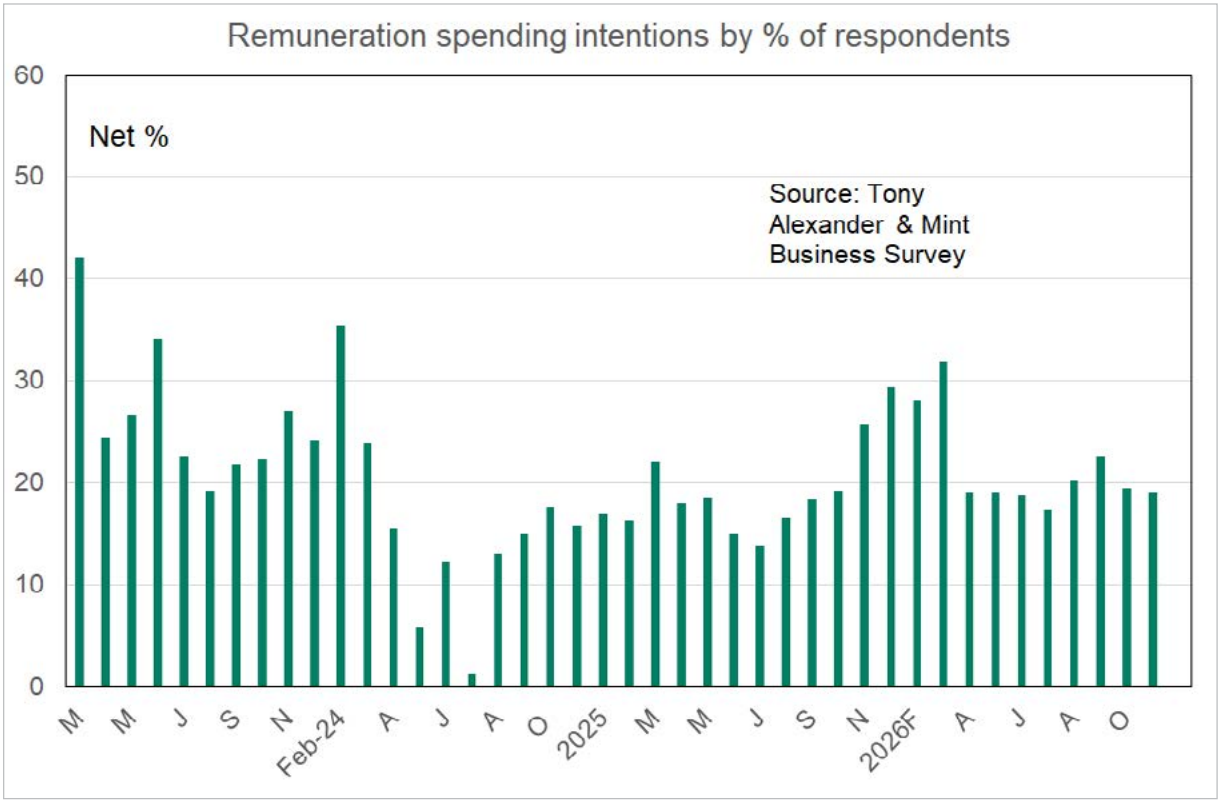
Social media spending intentions have recovered again. But for traditional media the business plans for advertising have pulled back.



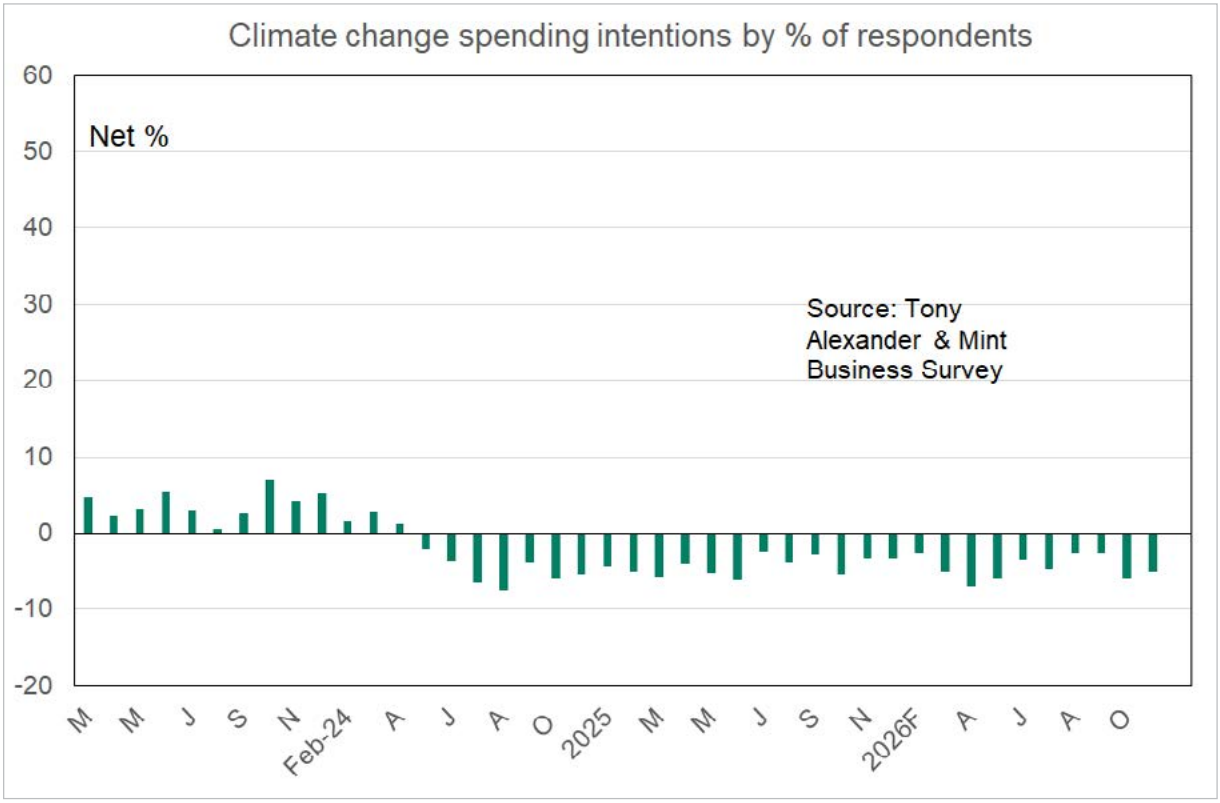


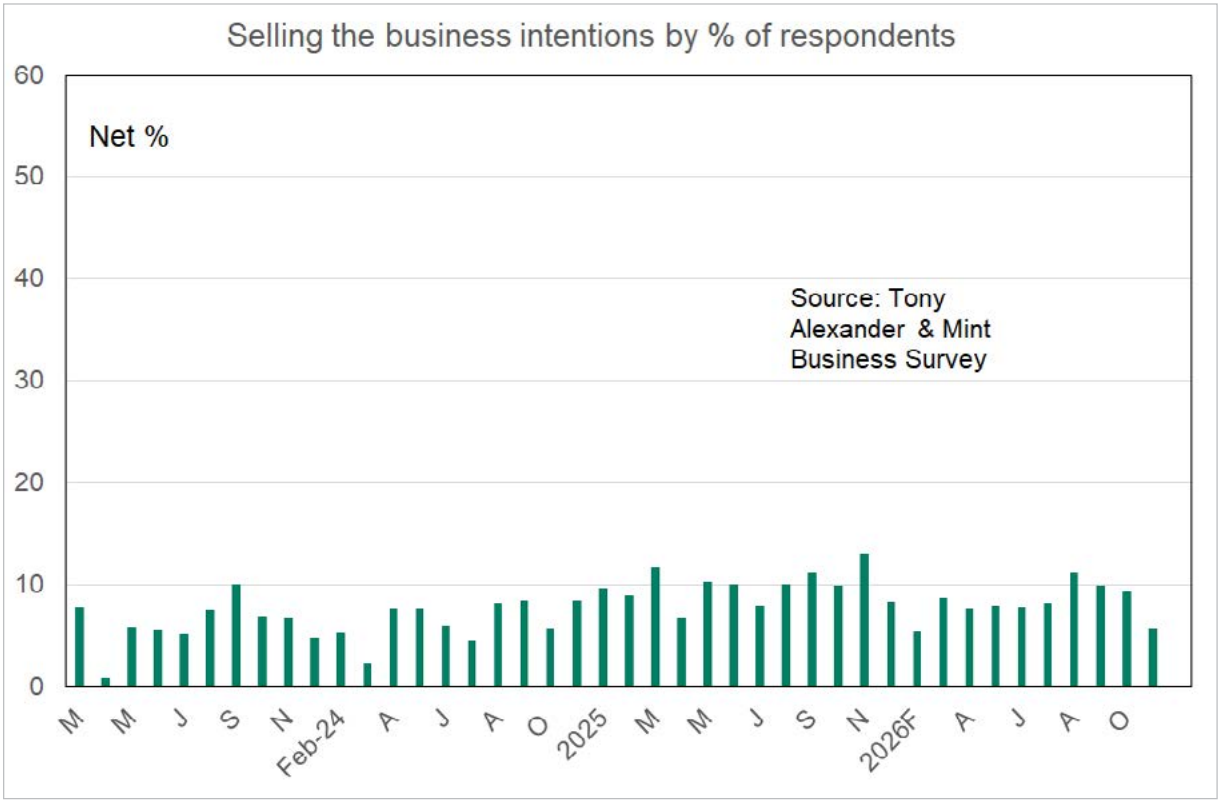
There is no evidence from our recruitment measure of any lift in hiring plans following the general election. Plans to boost spending on remuneration remain contained.



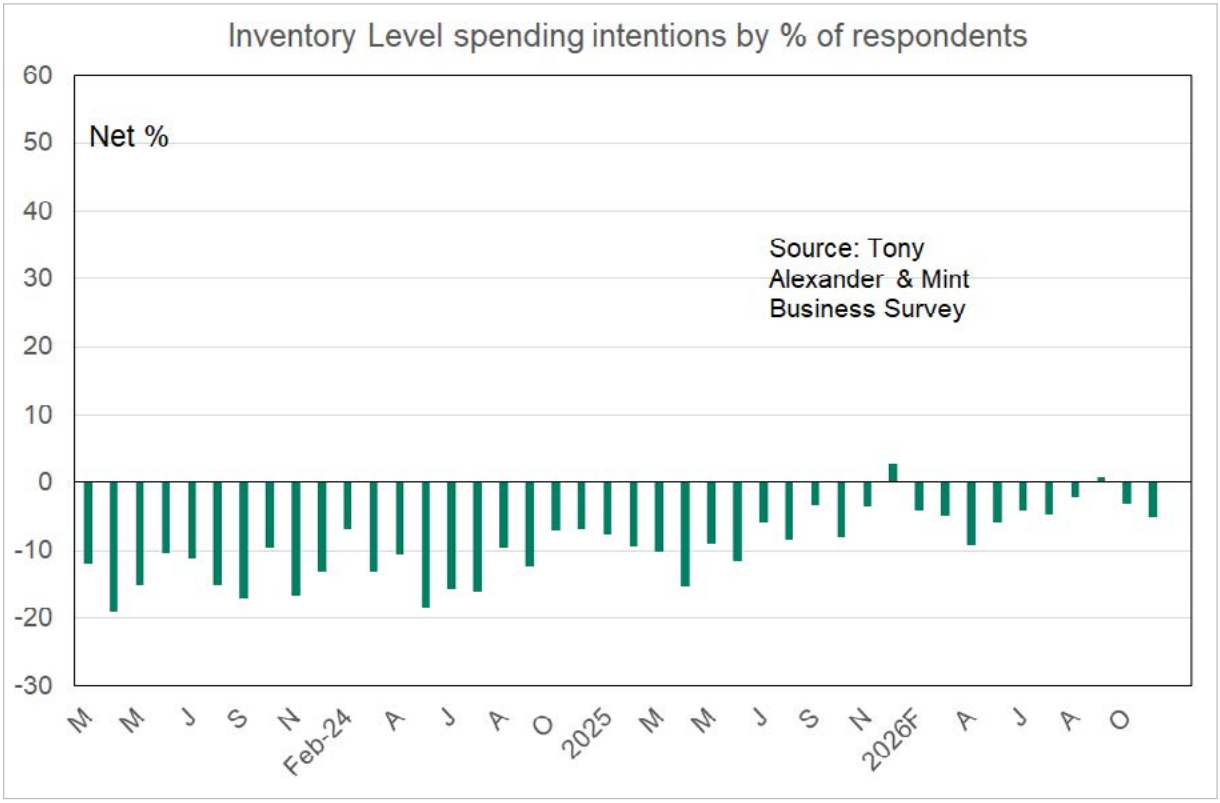


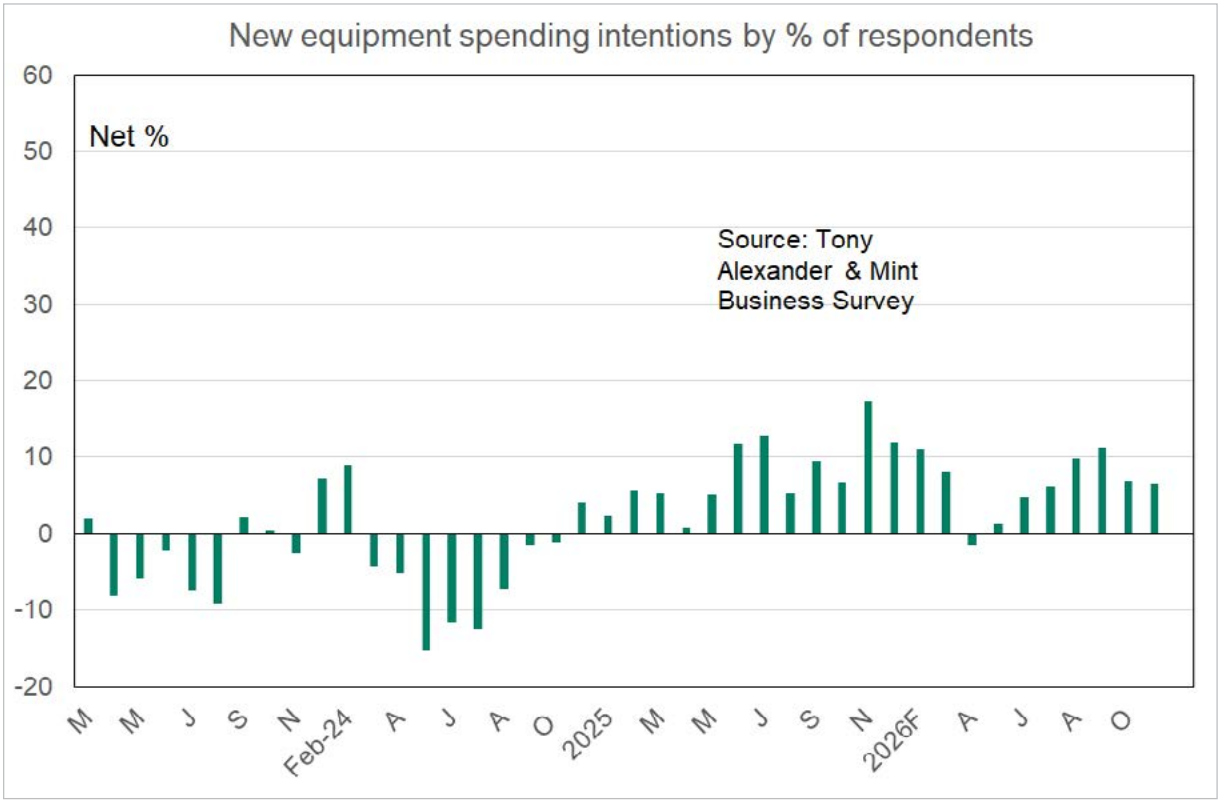
Of relevance to the recent climate conference overseas, businesses are indicating no increase in plans for spending on mitigation measures. Thoughts of selling one's business have edged lower this month.





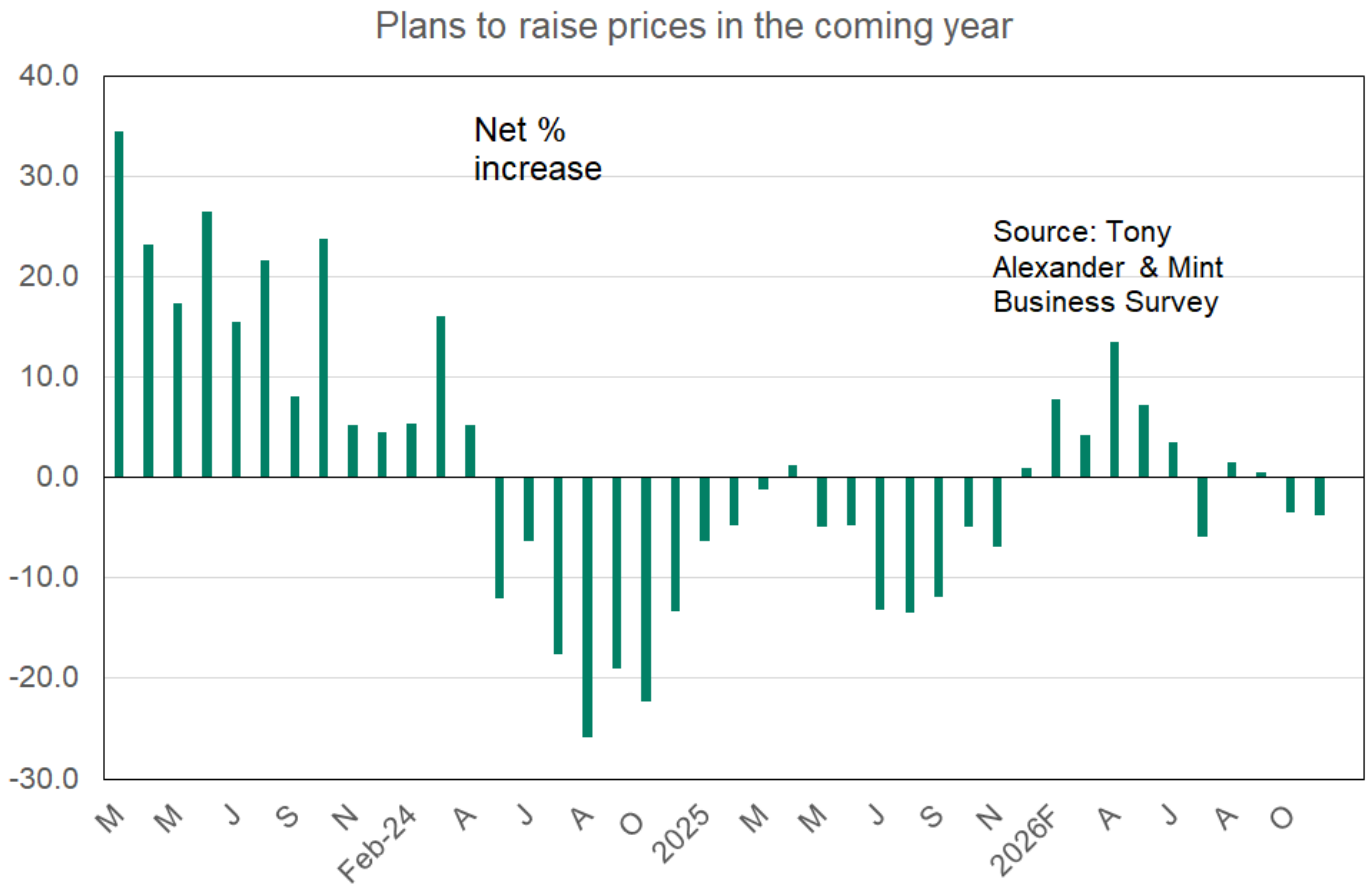
Plans for inventory levels remain negative. But thankfully thoughts about investing in machinery etc. remain positive.





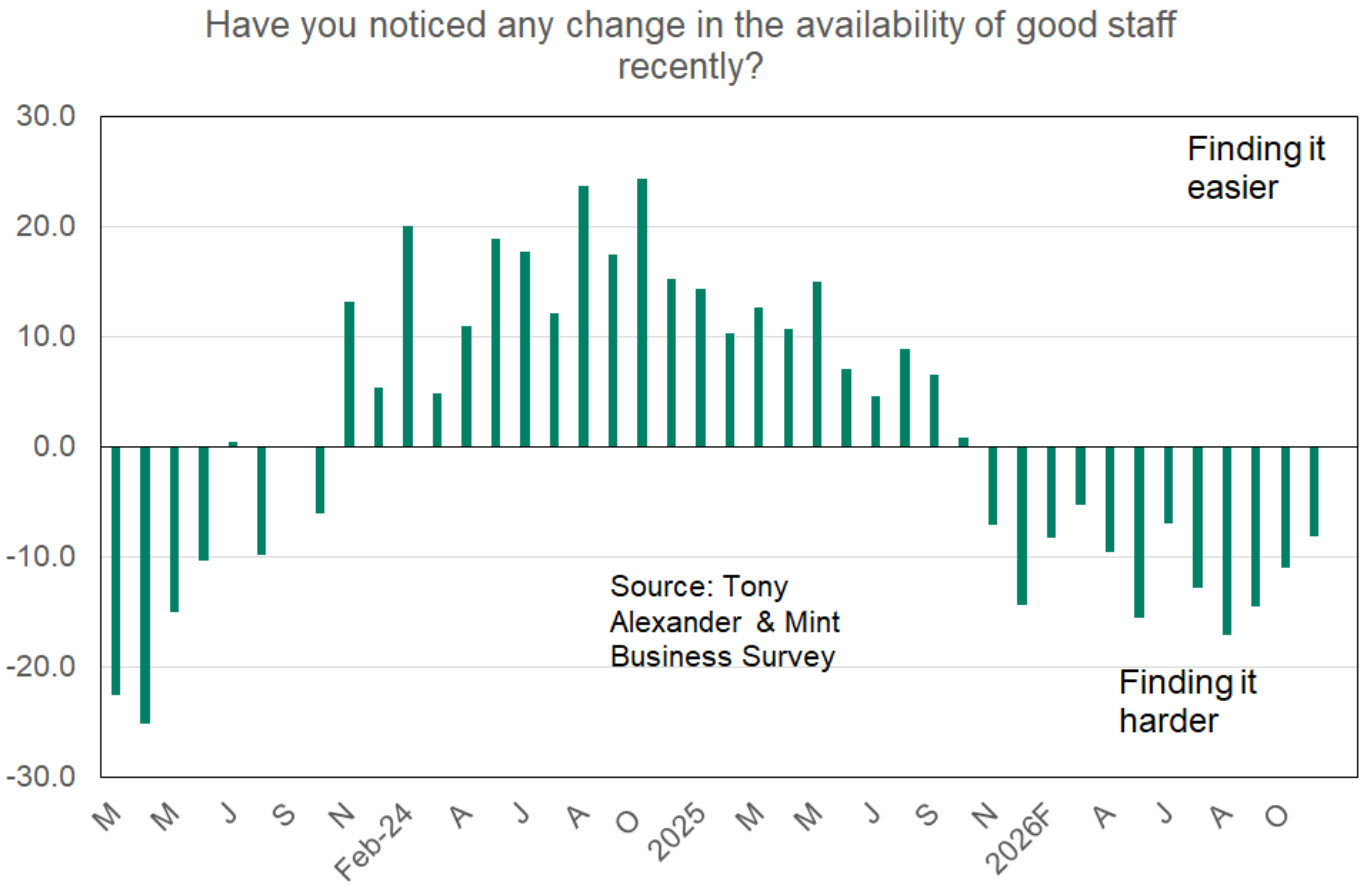
Are you planning on increasing your prices for any of your products or services this year?

Businesses continue to report that current operating conditions are tight and although improvement is anticipated their plans to raise prices remain contained. A net 4% of our respondents have indicated they plan to cut prices this coming year.



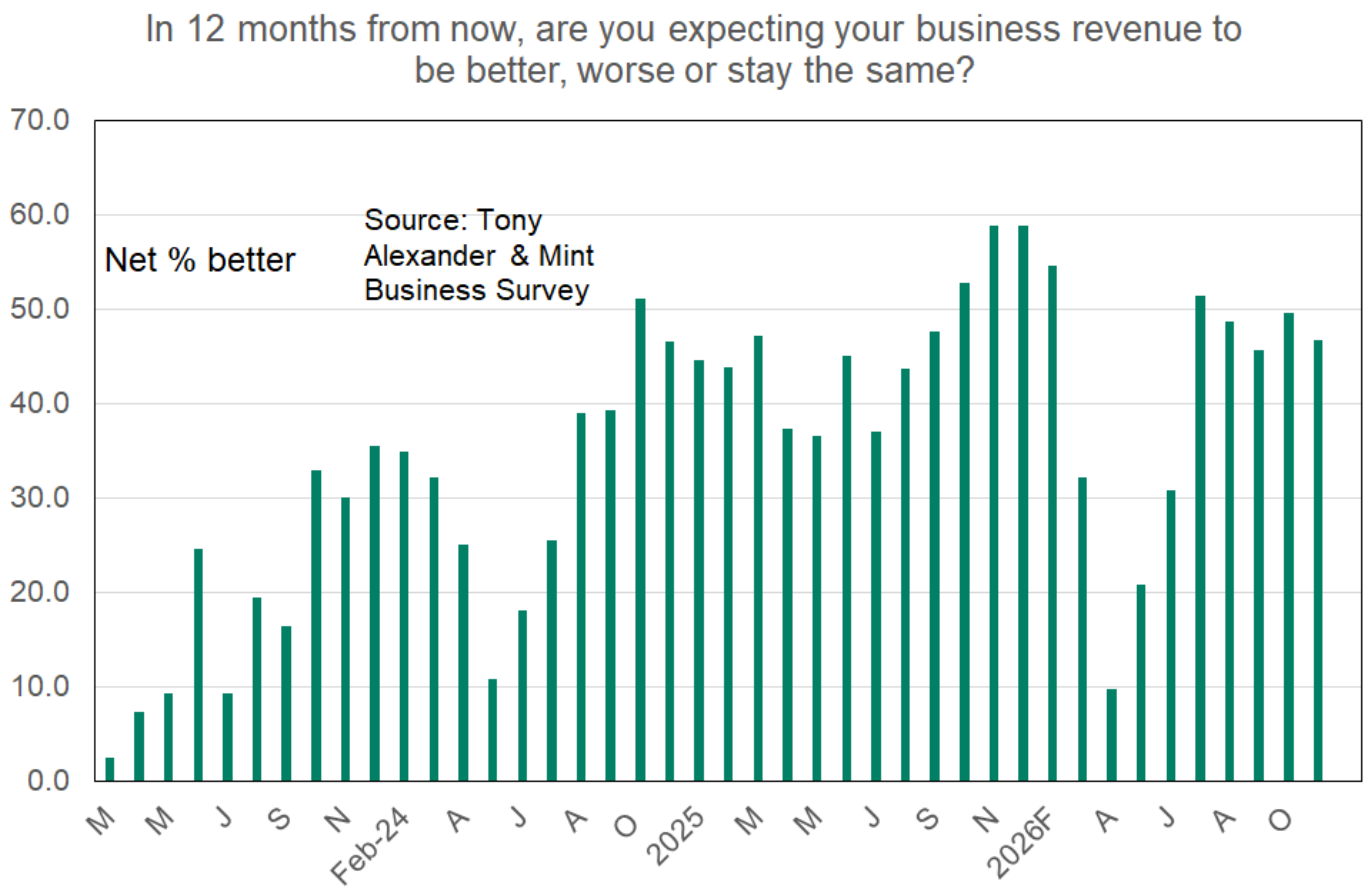
Have you noticed any change in the availability of good staff recently?

Over the past three months there have been small improvements reported in the degree of difficulty which businesses have sourcing the labour they want. However, it remains the case that a net 8% still say that finding staff is hard. This is despite the 5.7% unemployment rate and suggests that once the pace of growth in the economy picks up businesses may quickly run into some hard labour constraints on their operations.



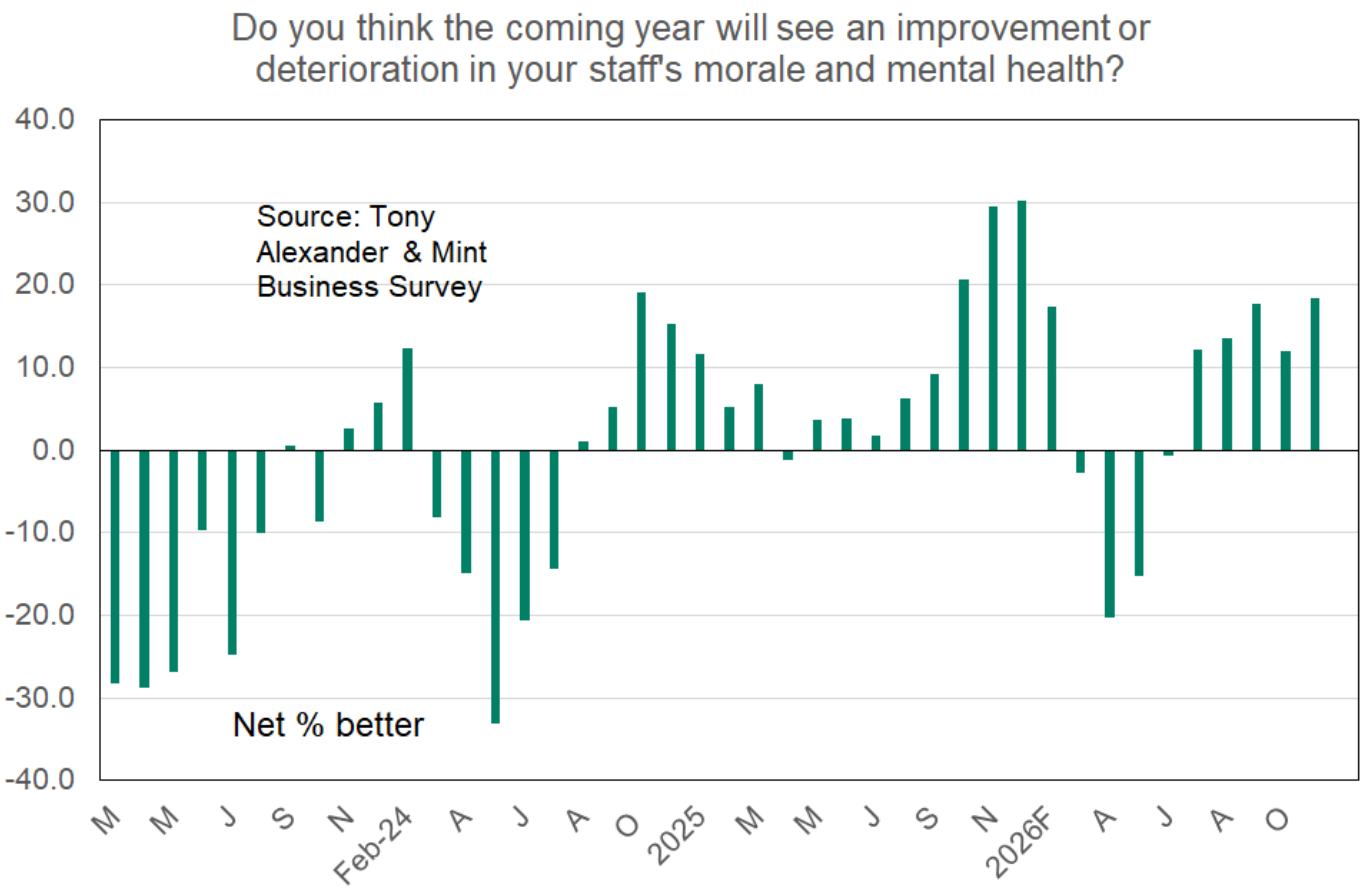
In 12 months from now, are you expecting your business revenue to be better, worse or stay the same?

A still strong net 47% of businesses expect that their receipts will improve in the coming year. Optimism about what lies ahead has been strong since the middle of 2023 bar an easing off early in 2024 as worries deepened about interest rate rises, then again early this year following commencement of the latest Middle East war.



Do you think the coming year will see an improvement or deterioration in your staff's morale and mental health?

Businesses are of the opinion that as the economy and their revenues improve staff morale will also turn upward.



Respondent Insights

Following are most of the comments submitted by survey respondents, grouped by the industry they allocated themselves to from a list of over 30 sectors. These are the tidied-up comments of the respondents.

Main points which we are able to glean from these responses include the following.

- There remain considerable concerns about the eventual election outcome although evidence also of businesses just getting on with their activities.
- General operating conditions for the moment still appear to be on the soft side.
- Recruitment firms report weak activity levels.

Accounting & business advisory services incl. business broking

- Slow growth in sales with customers delaying or not proceeding with plans
- Capacity is my business's principal constraint. There is more than adequate new business availability
- IRD firm stance and putting businesses into liquidation. Clients entering into payment plans for their tax and supplier commitments
- Slower compliance with paying the IRD
- Hesitancy in making investment decisions and competitors from outside the region offering at cost or below cost pricing.
- The election outcome will have a major influence on how businesses position themselves.
- Political uncertainty creates massive problems
- There's good buyer demand for purchasing a business, but vendor enquiry/commitment to selling has been soft in recent months - hopefully just due to election. The irony is that it's a great time to sell if you are a business owner with a well-performing business as we are getting very good results.
- Overall, a little quieter than usual for this time of year.

Advertising and marketing

- There was a big pause during the election campaign, and the new year could see a new govt move to eliminate my major client. This is concerning, as the client is a group of private companies! Next year will bring a focus on securing another two or three major clients, as other workstreams have been drying up too.
- Difficult to find good, reliable staff.

Banking and Finance

- Businesses are starting to "get on with it" - tired of waiting for certainty.

Cafes, bars, and restaurants

- Last month in the cafe business. Landlord let us out of the lease, and we are out of here. Business is typically erratic so we're happy with our decision. Time to get our secondary business off the ground!

Civil construction

- There's not enough work and some contractors are pricing a cost to retain staff
- Still no mid to long term nationwide approach to managing major development e.g. 5,10,15 year plan.

Commercial construction

- Architecture- Commercial architect. Redundancies this close to Christmas have become unavoidable. Lower staff morale. Essentially in survival mode until 2027 and all digits crossed for a better year ahead if the world can settle a little from Midterms result. Client confidence is incredibly low, and it feels like most have shut up for Christmas already. We expect very little encouragement from our Dear Leaders.
- People are waiting for the sign it is going to be ok - then I think spending by business and consumers will pick up
- Tight market with low margins and lots of competition that entered in the Covid boom and now racing to the bottom.
- In my area of commercial construction services, we're seeing a general collapse of clients willing to mitigate risk through the adoption of technologies that reduce time and final cost. There is a trend towards throwing people at the problem and accepting the lower margin that generates. It also has the effect of reduced accuracy, which passes those issues downstream and on to the next tradie or consultant to resolve later and at cost, with rework and delay. Consultant's report their budgets are squeezed, limiting their involvement and design accuracy from the outset. Problems are increasingly being left in the design.
- We're busy in our Architectural business however commercial real estate sales/leasing continues to be very subdued.
- Commercial and Residential construction remains very competitive - almost to the point as a subcontractor if you win a tender what mistake was made in the pricing of it. Despite all the talk about H&S, and looking after environment - still comes down to who is cheapest.

Commercial real estate

- Tough economic time impacting so many businesses
- Confusion, uncertainty
- Lack of public confidence to try something new
- Waiting for certainty from Government.
- Uncertainty about what is ahead
- Some services seem to be becoming a bit desperate for income
- We, together with our clients are very much just getting on with doing business and ignoring all the distracting noise.
- Rising interest rates, continued negative sentiment (residential), oversupply of apartments and difficulty raising new capital. Competitive buying of new commercial assets and offshore capital coming to NZ.
- Struggling to get retail tenants in the Wellington region.

Education and training

- We have seen an improvement in the number of inquiries in the last few weeks.
- Clients & customers are reticent about increasing spending or investing. Unstable political environment and fuel prices are not helping

Engineering

- Stock is still an issue with shipping delays, war, fuel and container issues. Seems to be across the industry.

Farming & farming services

- Things are still pretty tight, sales are sluggish and freight and supply costs just seem to keep rising.
- October was a tough trading month.

Financial advice/wealth management

- Lack of experience and understanding of the proposed lending from the banks' lending assessment teams

Health

- Staff morale hitting all-time lows in public service. Micromanagement. Constant criticism

Horticulture

- Consumer confidence increase is key to consumer spend increase - good to see it heading slowly but steadily upwards. As a nation, I think we're doing well but most people are too cautious to admit it. If Coalition Govt gets another term, watch things fly!
- Our sector is doing well but can see pressure will come from competitors offshore over the next few years.

Information technology

- Waiting on new government to be announced.
- In IT it's the impact of AI across the industry, from replacing development jobs to opening up new opportunities.
- A shortage of AI skills in New Zealand and lack of government initiatives to encourage the development of these skills leading to the need to sponsor overseas candidates.

Insurance

- Insurance is in a soft cycle, which was expected to be over now. But it seems to be continuing longer than expected and now expected to last well into 2027. This is causing premiums to drop, which is good for clients but not good for profitability
- Resistance to increased medical insurance premiums
- Very soft market continues with plenty of competition in the commercial property market
- Commercial property insurance market is more competitive since 2025, prices reducing, retail house insurance for public stable pricing

Legal

- Cyber threat is top of mind all the time with regular staff training; a second source of authentication is being introduced across most systems; we deal with computer programming misfiring or failure which slows the pace of work. We are trying to do more work with the same labour resources and tools we have. Trying to include AI and get used to this for better efficiency and another resource.
- Very uncertain business environment, leading to stop start workflows and difficulty with forward work planning. Staff engagement and morale.
- In the legal industry, there is always change in the pipeline, and that generates a need for our services.

Manufacturing (all categories)

- Input costs are going up fast. Some customers are no longer commercially viable to service anymore. Structural changes within the business taking place to ensure productivity and profitability improve.
- Redundancies are happening now. We find what is happening in our organization via Stuff. We are being ignored as living beings by corporate. To them we are just a liability to be minimised.
- Demand for manufactured truck bodies has fallen off a cliff both for the heavy truck chassis sales and also the demand for new truck body builds. It was poor in 2024 terrible in 2025 and has not improved in 2026. The average age of the heavy fleet across the whole of NZ is getting older and older and people are not renewing their fleet. (truck mechanics are very busy!) At some point it will not be economic to keep the old girls going and there will be a move to refresh the NZ fleet. At that point it may switch to FOMO and high demand for limited chassis supplies out of Japan and Europe
- Companies are talking a bit more positively about their future plans. Seeing more enquiries coming through
- Seeing reasonable growth which started in Q3 and has continued into Q4.

Miscellaneous

- Asset valuation- plant and machinery - Strong clients are expanding weak clients are just hanging on banks are supportive but need to suck it up a bit to help clients manage through
- B2B commercial kitchen product sales and project design - Decrease in volume, increased competition on project tenders and price fighting online competitors.
- Charitable - In the charitable sector there is downward pressure on donations but increasing need. A stronger economy should help this.
- Energy - More competition in the solar and renewable markets of supplier and cheap alternatives and less support from those dealers
- Entertainment - International Screen Industry. - Finally getting some traction on demand as a result of the changes to the settings on the New Zealand Screen Production Rebate. Multiple projects are eying New Zealand as a production base.
- Event Management Agency - There is more activity in the sector, but they aren't outsourcing.
- Home services franchise sales and support - People are holding back, holding back on getting services even though they are needed, and very risk averse about buying a franchise business
- Immigration Advice - The immigration sector is beset with a number of problems, the most significant of which are 1. How government internally tweaks (unofficially) tolerance towards approval or decline of applications. 2 Politicians on both sides having absolutely no idea of what good immigration settings are. 3. The general public's lack of understanding of the part the inefficient bureaucracy plays in shaping immigration policy.
- Hardware Stores in the Waikato, trade supply to the residential and commercial construction industry. Lack of confidence due to low demand and the election
- Mineral exploration - The resource cycle is entering a more mature phase, with market-sourced funding for exploration and growth beginning to slow. Despite this, the domestic industry remains buoyant, with optimism underpinned by expectations of a stable government and a more predictable operating environment.
- Printing & packaging - A lack of confidence by customers. Business is only transacted at a necessary level
- Residential House Painting - signs of life but work patchy
- Skincare and injectables - Business is slower, there is more competition, and supplier prices keep rising.
- Wholesaler - The economy is still painfully slow. As an importer, the dollar has significantly impacted my business profitability with no signs of it changing.

Motor vehicle sales/parts

- Customers appear to be more optimistic and positive about the future.
- Getting quality staff particularly with the arrival of multiple Chinese brands recruiting people

Property valuation

- Economic stability
- Clients are particularly price sensitive at the moment.

Recruitment

- Election stalemate has caused a slowdown. Typically, November can be quite busy for new hires starting in new year, but the majority of my engineering clients are waiting to see how the government shapes up as many projects have been paused. 3 year government are no good for the economy and the construction industry.
- The recruitment market is pretty dead at the moment but hoping for a post-election lift.
- Demand, especially in Wellington has been skinny during the run up to the election. We've had a pickup in the week since. Overall, I'm feeling positive about what next year will bring.
- After 3 really strong months in a row last quarter, we've seen demand drop back to Q2 levels again in October, with demand also softer in November. The election seems to have taken the shine off our first true signs of recovery so really hoping this distraction passes quickly and we get another uptick by Christmas rather than everyone waiting until 2027.

Residential construction incl. section development

- Architecture - The market is very flat with no new projects coming online
- Developer - Manawatu region has an underlying feeling of confidence building, not yet fully shown in data. Just a feeling but has that Christmas undertone every day at the moment.
- Input cost acceleration
- Big increase in demand for new homes but see labour and subcontractor availability issues coming next year.
- Canterbury still busy but unsure what next year looks like
- For a year that I thought was going to be quiet has been rather busy, lots of renovation work with the odd new house thrown into the mix. Next year doesn't look any different at this stage
- House demand stopped in September and with election result up in the air until late November, demand unlikely to return this calendar year. Unlikely to have any sales Q3
- Continued demand within low development contribution areas and long road frontage sites harder to find.

Residential real estate

- There are many looking to purchase their new home, although finance is harder to get.
- Excessive compliance
- Market is very slow
- Too many real estate companies charging low commissions yet don't back it up with products and professional services. Vendors going for cheap commission deals and not understanding that paying peanuts usually results in monkeys being involved

- In our part of the North Island, real estate activity is positive because people are still coming to the area and buying and owners are selling
- Buyers job security
- Real estate listings on the market have continued to grow and sales are flat or slightly down. Looking forward to 2027 with the election behind us and the market starting to activate again.
- Steady with signs prices are starting to reduce
- We are residential subdivision providers. Market uncertainty and declining house prices. People not listing homes so buying sections and building new is affected
- Listings are increasing. More buyers interest.
- Gradual improvement in the economy and the confidence levels of prospective buyers looking to purchase residential real estate in our area. Investors for the long-term are very quiet, but we do see a change in this during 2027, depending on confidence levels, and if we start to see some capital gain re-entering the market, which is anticipated. FaceTime buyers will continue to be a strong buyer segment in 2027, particularly if interest rates move upwards, as indicated by leading economists. There will also be an increased volume of property for sale, as families look to upgrade or expand into a larger home in our area. This will be a very positive market change.
- Uncertainty due to potential govt change
- Across the AI and technology sector in New Zealand right now, we will see a rapid transition from simple experimentation to practical deployment, with businesses aggressively adopting AI tools and investing in local data infrastructure to boost productivity. At the same time, broader economic headwinds such as elevated fuel costs, sticky inflation, and rising interest rates are forcing local companies to be much more disciplined with their capital

Residential rentals/Investment

- There is still a lack of confidence in the residential property market.
- Cost of living is still a major factor for my clients
- The house price is limiting rental property as a sound investment strategy.
- Intense competition from new builds
- When everything goes on sale they all run away - Warren Buffett. Not long ago they were going mad pushing property to extraordinary prices. Now everything's on sale, where are they?
- Brutal market
- If left gets into power, expect change in strategy
- Long term investors are selling up even though the real estate market isn't great. They need to liquidate their rental property assets for other priorities, especially health concerns and retirement activities.

Retailing

- Low value of NZ dollar (impacting pricing and disposable consumer income), world events, and NZ politics have all combined into lower demand. Hopefully things settle down in Dec and lift sales into Dec and Jan (and beyond)
- More customers purchasing online rather than instore.
- Our summer business is retail and tourist activity focused. Weather plays a huge part in this as does the economy - people need money to spend on "would likes" rather than "must haves". Four very tough years in our remote area. A good weather summer and cheaper fuel prices so people feel able to travel here is critical - and so they spend money while they are here.
- Starting to see an improvement in revenue, but difficult to determine whether this is driven by the summer seasonality or an actual recovery of the past 24 month decline.
- Opportunity to grow

Shipping, transport, storage & distribution

- Domestic and International fuel costs are really hurting. Noticeable reduction in international freight enquiries even with the benefit of the exchange rate drop.
- Increasing AI integration and automation of tasks
- Increased competition with Australian company buying an NZ distributor and then opening retail stores.

Tourism & accommodation

- Tourism is up.
- Still depressed domestic demand for accommodation.

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This publication is written by Tony Alexander, independent economist.
You can contact me at tony@tonyalexander.nz.

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