

**The Westpac : McDermott Miller NZ Consumer Confidence Index for December
2017 is 107.4**

**WESTPAC : McDERMOTT MILLER
CONSUMER CONFIDENCE SURVEY**

19 December 2017

**Excerpt for Joint Westpac: McDermott Miller
MEDIA RELEASE**

“Consumer confidence in New Zealand fell sharply this December quarter, (down 5.0 points to 107.4 on the Westpac McDermott Miller Consumer Confidence index)” announced Richard Miller, Managing Director of McDermott Miller Limited. “The country remains optimistic, but consumers seem to have been shaken by the election, and are more cautious about the immediate economic future”.

“Uncertainty expressed by consumers in the September quarter, immediately prior to the general election, appears to have translated this December quarter into concern about the short and medium term economic outlook for the country and its consequences for personal and household income” stated Richard Miller. “This applies across almost all consumer groups” he noted. “When probed about the reasons why they thought they would be worse off in a year’s time, the main reason expressed was definite concerns over inflation and rising cost of living amongst consumers, but change of government was also top of mind:

- Main reason for NZ having mainly GOOD economic times over next 12 months: 36% consumers gave ‘effective government policies’ and 39% ‘results of election’;
- Main reason for NZ having mainly BAD economic times over the next 12 months: 35% ‘wrong government economic policies’ and 31% ‘results of election’.”

“The usual geographical contrast in confidence between relatively optimistic Auckland consumers and less optimistic consumers in the rest of New Zealand has also been shaken this quarter” said. Richard Miller “ Auckland’s CC Index is down 9.3 points to 107.5 and the rest of New Zealand down only 4.1 points to 107.3.”

“Another unexpected contrast in consumer sentiment to emerge this quarter is that Auckland, the major commercial centre in Auckland, is less optimistic than Wellington” noted Richard Miller, “CC Indexes are down respectively 9.3 to 107.5 and 2.4 to 109.8.”

“The immediate upshot of these changes in sentiment is that consumers will be cautious about spending with just 29% of them in the December survey believing ‘now is a good time to buy major household goods’ “stated Richard Miller. “Christmas shopping this year may be somewhat muted, with consumers choosing to “bank it rather than spend it” he concluded.

ENDS

20 September 2017

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Index Background

The Consumer Confidence Index is based on a survey of a representative sample of 1555 New Zealand households interviewed during 1-10 December 2017. 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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