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ILLAWARRA BUSINESSES DOWNBEAT ABOUT NEAR TERM OUTLOOK

The end of 2022 is shaping up as a difficult period for local businesses grappling with concerns over energy prices, interest rates and cyber security in the lead up to the Christmas trading season.

These are the findings of the latest Business Conditions Survey undertaken by Business NSW, the parent organisation of Business Illawarra, across the state between 27 October and 7 November.

The survey report, titled [‘Bracing for Turbulence’](#) indicates that Illawarra-based businesses expect a difficult December Quarter, with the ‘next quarter’ Business Confidence Index trending lower (-64.5) for Illawarra businesses than the headline ‘current quarter’ index (-54.8). This reverses a trend of forward-looking confidence being stronger than ‘current’ readings since the COVID pandemic struck in early 2020.

However, Illawarra businesses also reported cost pressures, sales, profit, investment and jobs measures improved overall from July to November on the back of earlier confidence and recent trading outcomes.

“Despite current conditions showing improvement recently, it is very concerning that local businesses here in the Illawarra are bracing themselves for a challenging December Quarter, with business conditions expected to deteriorate,” said Business Illawarra Executive Director, Adam Zarth.

“It is also not a good sign that this reverses a trend of local businesses generally being optimistic about the days ahead as our economy has moved out of the pandemic downturn.”

“Businesses don’t think things will get better during the Christmas period – they think conditions will get worse, which is quite unusual for this time of the year when optimism usually builds in a visitor region like ours.”

“This pessimism for the future clearly demonstrates the collective impact of the cost-of living crunch that is sweeping the nation due to rising interest rates, cyber security risks and interruptions and energy cost increases of up to 20 percent with another 30 percent forecasted for next year.”

“It is important from here that governments, federal and state, press on with skills and tax reforms, look at ways of providing additional support to business during energy transition and provide more investment in innovation and a coordinated state-federal productivity agenda”, said Mr Zarth.

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About Business Illawarra

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region’s peak business organisation, and the regional office of Business NSW responsible for the south-east of the state, including the Southern Highlands.