



In our latest quarterly insolvency data, a deceptive calm prevails.

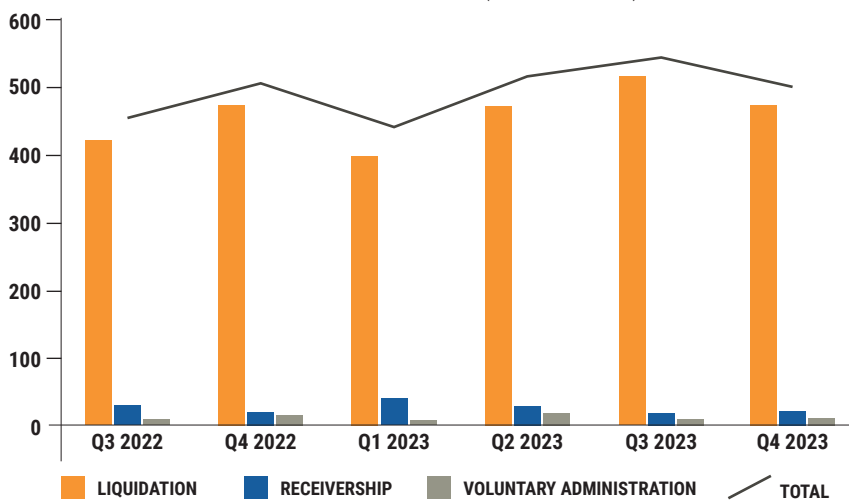
The holiday period is traditionally a quiet season for insolvencies, and the levelling out of insolvency figures for Q4 2023 reflects this. Whether we should take this as a sign of stability, or as a calm before challenging times ahead remains to be seen when the next round of data is released for Q1 2024.

There has been a flatlining of overall insolvencies for the period October 1st to December 31st 2023. Compared to Q3 2023, insolvencies have decreased by 7% and compared to the same period last year have decreased by 1%. While these statistics look promising on paper, they should not be taken as an indication of a settling of the market. It is more likely a reflection of business owners sitting on their hands during December with the hope that the holiday season brings an influx of funds - particularly in the retail and food and beverage sectors, always popular over the holidays.

Diving deeper into the data shows that the construction industry continues to navigate turbulent waters, with insolvency figures remaining high.

This quarter there were 131 insolvencies within the construction sector, a slight increase from 130 in the previous quarter and up from 123 in the corresponding period last year, underscoring the persistent challenges this sector faces.

Insolvencies in New Zealand (BY QUARTER)

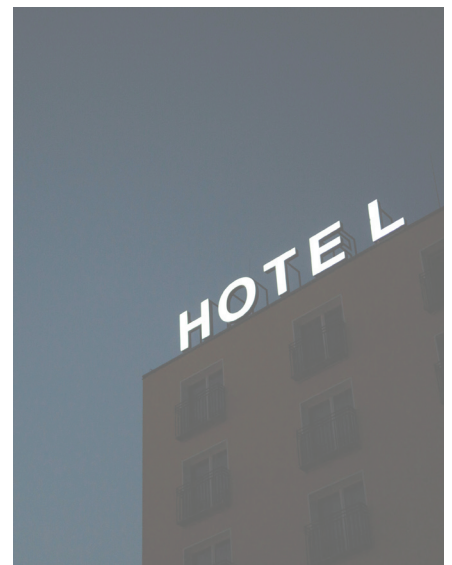


Good news for tourism

On a brighter note, the accommodation and tourism sectors are looking more optimistic as New Zealand welcomes back healthy tourism numbers.

The accommodation sector saw a notable decrease to just two insolvencies this quarter, a drop from seven in the preceding period, while the tourism sector experienced a marginal increase to three, from just two in the last quarter.

These figures highlight a cautiously optimistic outlook for these sectors, suggesting that while the construction industry grapples with its ongoing trials, accommodation and tourism might be beginning to find their foothold in a post-pandemic recovery.



COMPANY RESTRUCTURING IN NEW ZEALAND

A potential alternative to insolvency

Often, business owners who address financial pressures promptly can explore other avenues before the finality of liquidation. Company Restructuring involves making significant changes to the structure, operations, and financial aspects of a company to address fiscal difficulties and ensure long-term viability. This option is particularly helpful amidst rapidly changing business environments and market demands.

Read our guide on **Company Restructuring in New Zealand** [here](#).



INSOLVENCIES BY INDUSTRY

YEAR-ON-YEAR



INDUSTRY SPOTLIGHT

TOURISM & ACCOMMODATION

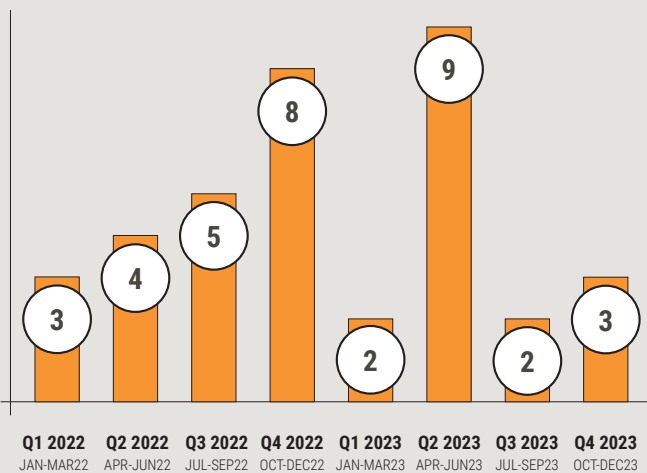
This quarter has seen a decline in insolvencies among businesses operating under the accommodation umbrella, both quarterly and year-on-year. This sector encompasses an array of business types that provide lodging, from hotels and B&Bs to boarding houses, caravan parks, and ski lodges.

It is promising to see this drop, which hopefully marks a turnaround for a sector that has been beleaguered by the dual impacts of diminished tourism and constrained consumer spending.

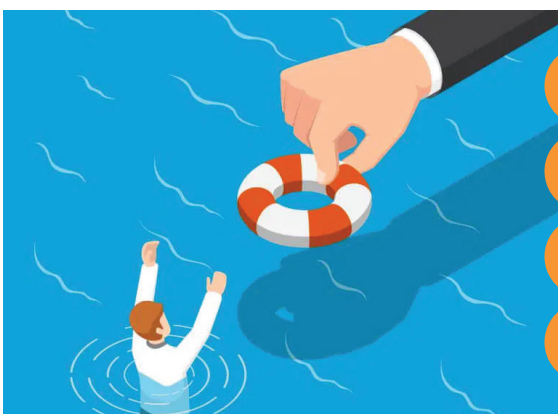
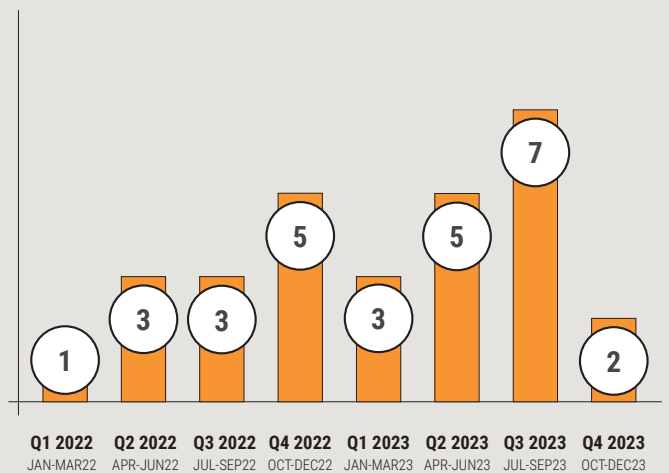
On the tourism front, some stabilisation seems to have occurred. There has been only one additional insolvent circumstance in Q4 compared to Q3. This contrasts with five more insolvencies in Q4 2022, signalling cautious optimism for the tourism industry.

INDUSTRY	Q4 2022	Q4 2023	+ / -
ACCOMMODATION	5	2	-60%
CONSTRUCTION	123	131	7%
FOOD & BEVERAGE	42	46	10%
FINANCE & INSURANCE	38	27	-29%
RETAIL	26	33	27%
TOURISM	8	3	-63%

Tourism Insolvencies (BY QUARTER)



Accommodation Insolvencies (BY QUARTER)



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- We're approachable, caring and down-to-earth.** This is what our clients say they like about us.
- We work with businesses of all shapes and sizes** anywhere in NZ.

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Insolvency Market Report: Q4 2023
www.bwainsolvency.co.nz

The information in this document is collated from our own internal investigations. This activity builds upon the core statistical information made available by the Registrar of Companies. The objective of this report is to provide colour to past events and to predict a reasoned outlook.