

The Waikato Economy



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Blair Keenan has an undergraduate degree from the University of Otago. Keenan worked at ANZ as a macro-economist and industry analyst for five years before heading overseas as a researcher for Japan's External Trade Organisation in the UK. While in the UK, he also received his Master's degree in applied environmental economics from the University of London and was an economist at the National Farmers Union of England and Wales.

Back in New Zealand, he held several policy roles at Landcare Research, Department of Internal Affairs and Housing New Zealand before his current role as principal economist at Waikato Regional Council. He also continues to collaborate on projects with the University of Waikato, CRIs, central and local government, and a variety of industry groups.

June 2019

GDP GROWTH

Waikato real Gross Domestic Product (GDP) grew by 2.7 percent in 2018, slightly less than the 3.2 percent recorded nationally. However, much of this has been driven by increasing inputs – specifically strong growth in the labour force (the region's population has increased by more than 65,000 over the last 10 years).

On a per capita basis, GDP per capita has only grown 2 percent in total over the same period – although this does take in the period following the global financial crisis, which saw four consecutive years in which GDP per capita fell.

By comparison, GDP per capita for the whole of New Zealand has increased by around 7 percent over the last 10 years.

EARNINGS

Mean annual earnings for employees in the Waikato region grew by 3.5 percent in the year to 2018. Changes in mean annual earnings in the Waikato have closely matched those for New Zealand as a whole, both increasing by around 26 percent since 2010. Indeed, since that time, annual earnings in the Waikato region have been steady at 94 percent of the New Zealand level. This has, at least been enough to keep ahead of inflation, with real earnings increasing by 12 percent since 2010.

Figure 1

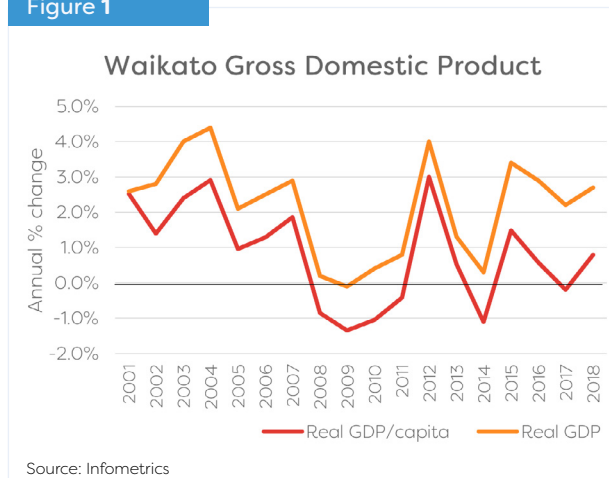
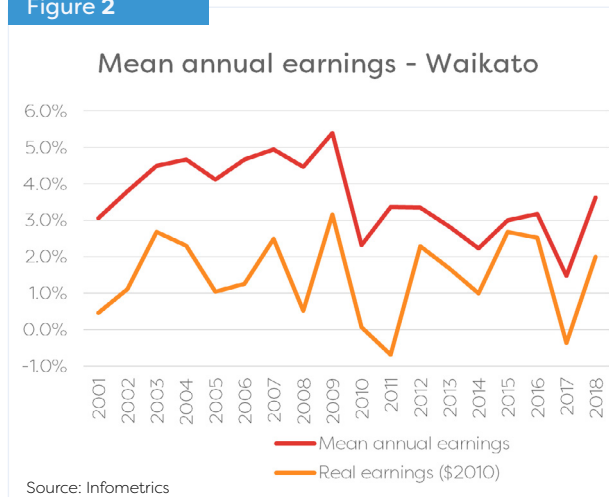


Figure 2



	Latest quarter	Previous quarter	One year ago	Five year average	Latest quarter – all NZ
Employment					
Annual percent change in employment	0.9%	2.4%	3.8%	4.1%	1.5%
Unemployment rate	4.2%	3.4%	4.8%	4.9%	4.4%
15-19 year olds not in employment, education or training	12.4%	11.6%	10.8%	9.2%	11.3%
20-24 year olds not in employment, education or training	13.5%	13.6%	13.7%	16.6%	16.3%
Stats NZ: Household Labour Force Survey					
Construction					
Annual percent change in the value of residential building consents	17.3%	19.5%	5.2%	16.5%	16.3%
Annual percent change in the value of non-residential building consents	7.1%	28.4%	36.1%	10.9%	10.9%
Stats NZ: Building Consents					
Annual percent change in sale of ready mixed concrete	4.9%	-11.9%	-3.6%	8.5%	5.5%
Stats NZ: Secondary Production					
Tourism					
Annual percent change in domestic guest nights	6.7%	4.0%	-1.4%	4.5%	0.4%
Annual percent change in international guest nights	-7.4%	-6.1%	11.1%	5.5%	-3.4%
Occupancy rate	48.2%	39.0%	48.3%	35.1%	55.5%
Occupancy rate – excluding holiday parks	63.1%	54.8%	63.5%	50.1%	68.5%
Stats NZ: Accommodation Survey					
Retail trade					
Annual % change in retail sales – current dollars	6.4%	6.9%	2.6%	5.6%	3.8%
Stats NZ: Retail Trade					

