

THE WAIKATO ECONOMY

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).

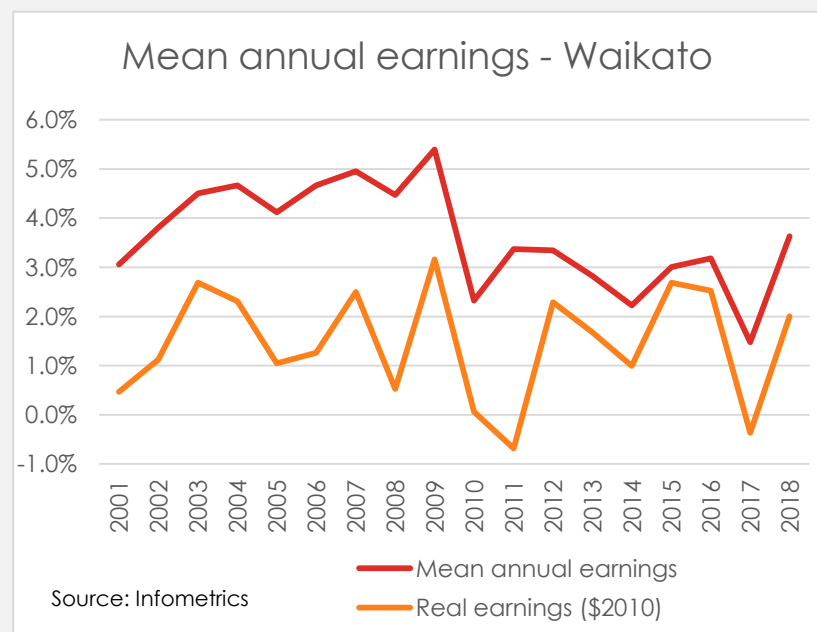
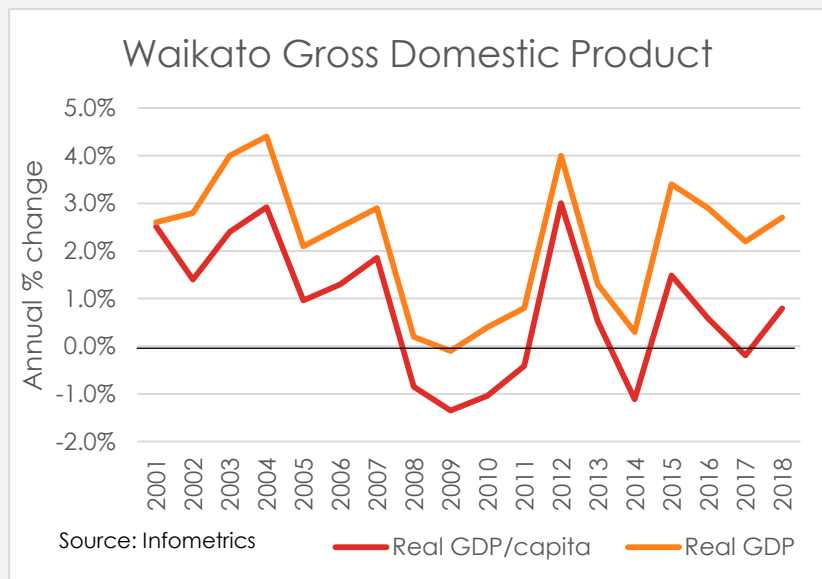
On a per capita basis, GDP per capita has only grown 2 percent *in total* over the same period – although this does take in the period following the global financial crisis, which saw four consecutive years in which GDP per capita fell.

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 3.6 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.



	Latest quarter	Previous quarter	One year ago	Five year average	Latest quarter - all NZ
<u>Employment</u>					
Annual % 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%
<i>(Stats NZ: Household Labour Force Survey)</i>					
<u>Construction</u>					
Annual % change in the value of residential building consents	17.3%	19.5%	5.2%	16.5%	16.3%
Annual % change in the value of non-residential building consents	7.1%	28.4%	36.1%	10.9%	10.9%
<i>(Stats NZ: Building Consents)</i>					
Annual % change in sale of ready mixed concrete	4.9%	-11.9%	-3.6%	8.5%	5.5%
<i>(Stats NZ: Secondary Production)</i>					
<u>Tourism</u>					
Annual % change in domestic guest nights	6.7%	4.0%	-1.4%	4.5%	0.4%
Annual % 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%
<i>(Stats NZ: Accommodation Survey)</i>					
<u>Retail trade</u>					
Annual % change in retail sales (current dollars)	6.4%	6.9%	2.6%	5.6%	3.8%
<i>(Stats NZ: Retail Trade)</i>					

Report prepared by Blair Keenan, Principal Economist, Waikato Regional Council for Te Waka