

Regional Economic Activity

What this is about...

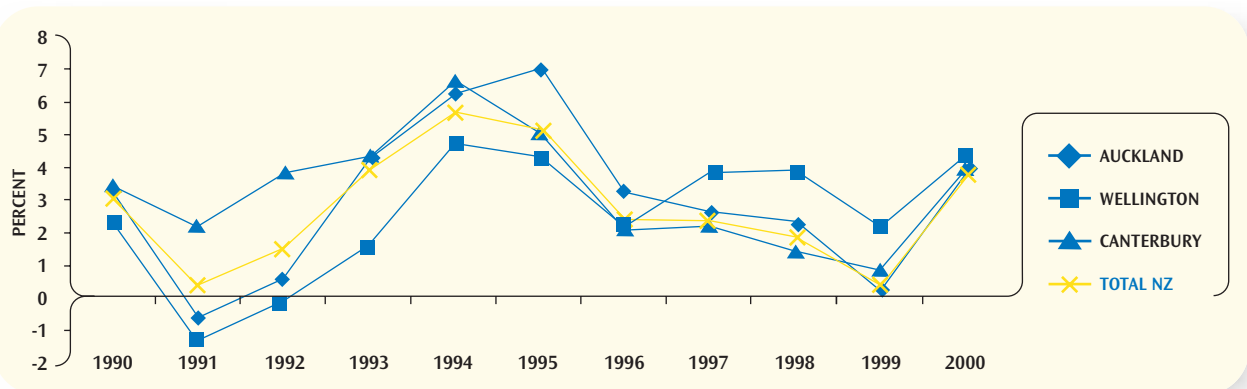
Economic activity generates regional growth and prosperity. High levels of activity contribute to business and enterprise development, and ongoing growth. Higher levels of economic activity contribute to employment levels and through this to income levels and quality of life.

This indicator discusses shifts in economic activity, which are measured through percentage changes in an index of regional economic activity.¹³⁵

What did we find ?

- Trends for Auckland, Wellington and Canterbury Regions have broadly followed the national pattern, but have fluctuated around the national rate. Constraining factors on growth have been rising interest rates, high levels of household debt and a flat housing market. Through the mid-1990s growth rates in Auckland and Canterbury Regions were higher than the national rate but have dropped back recently, while since 1997 the Wellington Region has grown more strongly.
- Regional economic activity grew at the highest rates in 1994 and 1995, declining in the late 1990s in the wake of the Asian economic crisis, but recovering in March 2000. Contributing to this were international factors such as strong economic growth in New Zealand's major trading partners and low exchange rates.¹³⁶ Unemployment has decreased as economic activity has strengthened. However, more recently the impact of rapid rises in oil prices and the decline in the value of the New Zealand dollar has contributed to a slow-down in economic activity.

ANNUAL AVERAGE GROWTH RATE IN ECONOMIC ACTIVITY, BY REGION (1990 TO 2000)



Data Source: National Bank of New Zealand

135 Compiled by the National Bank of New Zealand.

The overall regional index is based on other indicators of economic activity, including:

- Short term interest rates
- Exchange rate
- Commodity prices
- Retail sales
- Dwelling approvals
- Commercial building permits
- Employment
- Unemployment rate
- Private and commercial motor vehicle registrations.

136 Auckland Region Business and Economy, June 2000.