

# Cities Rankings 2013

## BERL Regional Rankings Series

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## Background

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# 1 Introduction

*The BERL Regional Rankings Series*, and the accompanying reports, provide a comparative measure of the economic performance of New Zealand's 20 cities, 66 local authorities, and 14 regions. The overall rankings of each city, district and region provides information that:

- Local authorities and regions can use to monitor their performance relative to their peers, and identify areas of interest.
- Businesses can use to identify areas of growth and decline.
- The Government can use to inform national economic policies, and identify where activity is occurring.

Economic growth is important for all New Zealanders. Economic growth provides us with the opportunity to increase our standard of living through improvements in income, education, health, and the environment. Higher living standards also positively impact on our social and cultural well-being.

The regional rankings series illustrates at a high-level how cities, local authorities, and regions compare relative to each other. To target regional economic development activity and put in place effective interventions, however, a more detailed level of analysis is required. This type of analysis would consider absolute values and the quantum of change across economic indicators, rather than comparative differences.

Regional, city and district councils are all local authorities. Local authorities were formed in 1989 when a review was undertaken by the Local Government Commission on the roles, responsibilities, powers and accountabilities of local government. At this time, approximately 700 councils and special purpose bodies were amalgamated to create local authorities. There is huge variation in the size, scale and activity of local authorities, which can an impact on their role and responsibilities, and economic performance.

A territorial authority is a city or district council. There are 67 territorial authorities in New Zealand, including 12 cities, 53 districts, Auckland Council, and Chatham Islands territory. Each territorial authority is tasked with encouraging the four well-beings of their community – economic, social, cultural and environmental.

Twenty cities are included in our rankings. These cities differ from the 'official' definition of cities in New Zealand. Statistics New Zealand defines a city as a type of territorial authority area. Territorial authority areas are administrative in nature and governed by their own council, and their boundaries are defined by law. A city is defined as an area with a population of at least 50,000 people that has a mostly urban character and is a major centre of activity within a region. Here, we have focused on what we consider the 20 largest settlements in New Zealand.

## 1.1 Key performance indicators

The economic indicators that are examined include population, employment, Gross Domestic Product (GDP), and business units. Together, these economic indicators are termed key performance indicators. They are calculated in the short and medium-term, which are one and five year snapshots respectively.

The Relative Openness Index is used to measure the trade integration of the 14 regional economies. This measure focuses on the export and import of goods and services from and to a region, and whether a regional economy is balanced or leaning towards more export-focused sectors.

## 1.2 BERL Regional Database

The economic indicators used in the regional rankings series are taken from the BERL Regional Database. This database contains economic indicators at a local authority level broken down by industry sector.<sup>1</sup> The database is built from publicly available data from Statistics New Zealand including the NZ Business Demography statistics, the Household Labour Force Survey, the National Accounts, and the sub-national Population Estimates. The data is for the March 2013 year.

The BERL Regional Database is used by BERL to support businesses, councils and economic development organisations throughout New Zealand. The focus of much of this regional economic development work is in identifying change in economic activity, and measuring the performance of regions.

### 1.2.1 Database revisions

In 2012, revisions were made to the BERL Regional Database to remove the distortion to GDP from the ownership of owner-occupied dwellings. This resulted in less variation in GDP year-on-year, particularly for small districts where a slight shift in employment in property services (the broader grouping within which ownership of owner-occupied dwellings sits) often resulted in significant changes in GDP. In 2013, we have again reviewed and removed the distortion to GDP from the ownership of owner-occupied dwellings.

## 1.3 Caveats

*The BERL Regional Rankings Series* and the accompanying reports are a desk-based exercise. Where possible, BERL has verified the underlying data and where appropriate, overridden the data based on our general knowledge and understanding of an area or region. However, BERL has not verified all changes in economic activity in an area or region nor have we identified why the changes have occurred.

## 1.4 Format of the report

This report is one of four reports in a series entitled, *The BERL Regional Rankings Series*. This report is organised into four chapters, with an explanation of the terms used and how the indicators are used to rank each city, district and region in the appendix. The next three chapters discuss the rankings of cities, the top five cities in 2013, and the macro-economic environment that these rankings have occurred within, with commentary on national and international influences.

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<sup>1</sup> Indicators include population, employment, GDP, Businesses – number and size. These can be used to identify further measures including GDP per capita, labour productivity, and location quotients. Data can be broken down into industry groupings at the ANZSIC 2006 4-digit level (506 industries).

## 2 Cities

A well-functioning city is important for economic growth, and cultural, environmental and social well-being. Cities provide a concentration of population, economic activity and infrastructure. This concentration improves access to markets and customers, deepens the labour market, and encourages innovation and technology transfer through clustering.

Twenty cities are included in our rankings. These cities differ from the 'official' definition of cities in New Zealand. Statistics New Zealand defines a city as a type of territorial authority area. Territorial authority areas are administrative in nature and governed by their own council, and their boundaries are defined by law. A city is defined as an area with a population of at least 50,000 people that has a mostly urban character and is a major centre of activity within a region. Here, we have focused on what we consider the 20 largest settlements in New Zealand.

**Table 2.1 City rankings, 2013**

BERL City Rankings	rank		
	2013	2012	
New Plymouth District	1	1	→
Auckland City	2	3	↑1
Timaru District	3	2	↓1
Palmerston North City	4	18	↑14
Wellington City	5	4	↓1
Porirua City	6	11	↑5
Nelson City	7	8	↑1
Christchurch City	8	19	↑11
Hamilton City	9	5	↓4
Gisborne District	10	10	→
Tauranga City	11	6	↓5
Whangarei District	12	13	↑1
Hastings District	13	12	↓1
Marlborough District	14	7	↓7
Lower Hutt City	15	16	↑1
Rotorua District	16	17	↑1
Dunedin City	17	15	↓2
Napier City	18	14	↓4
Invercargill City	19	9	↓10
Upper Hutt City	20	20	→

source: BERL Regional Database 2013

### 2.1 The 2013 rankings

In 2013, seven out of the top 10 ranking cities were in the North Island, with New Plymouth remaining in the top spot for the second year in a row. Auckland and Timaru maintained their top three rankings in 2013, but swapped places.

Palmerston North entered the top five cities rankings in 2013. This move up 14 places was due to strong GDP growth in the food product manufacturing and wholesale and distribution sectors. Wellington City slipped a place this year from fourth to fifth, but held tight to a place in the top five cities rankings.

Resident population, employment and GDP growth year-on-year assisted Porirua City and Christchurch City to move into the top 10 cities rankings. Hamilton City dropped four places in the rankings in 2013 due to a decline in employment and GDP. Gisborne, in turn, held tightly to its top 10 spot with food product manufacturing, forestry and logging, and the agriculture sectors all increasing their contribution to GDP.

### 2.1.1 Influences on the 2013 rankings

*The BERL Regional Rankings Series* compares the relative performance of sub-national geographic areas. However, it is useful to assess their performance within the context of the national and global economy.

Major factors influencing the 2013 regional rankings results have been:

- Large increases in the amount of GDP generated by the primary industry.
- Employment growth or decline in the manufacturing industry.

Large increases in the amount of GDP generated by the primary industry were due to improved commodity prices and production levels in the year to March 2013. However, the warm, dry conditions experienced at the beginning of 2013 have impacted substantially on the primary and manufacturing industries.

The Ministry of Primary Industries (MPI) in their situation and outlook for the primary industries 2013 noted that, in the short term, farmers would carefully manage their livestock to ensure they maintained condition leading into calving and lambing, and work through pasture recovery issues. However, poor stock condition has impacted on the number and weight of livestock for slaughter throughout 2013, which in turn has impacted on export (manufacturing) sales volumes, and sheep and beef farmers' incomes. These changes are expected to show through in *The BERL Regional Rankings Series 2014*.

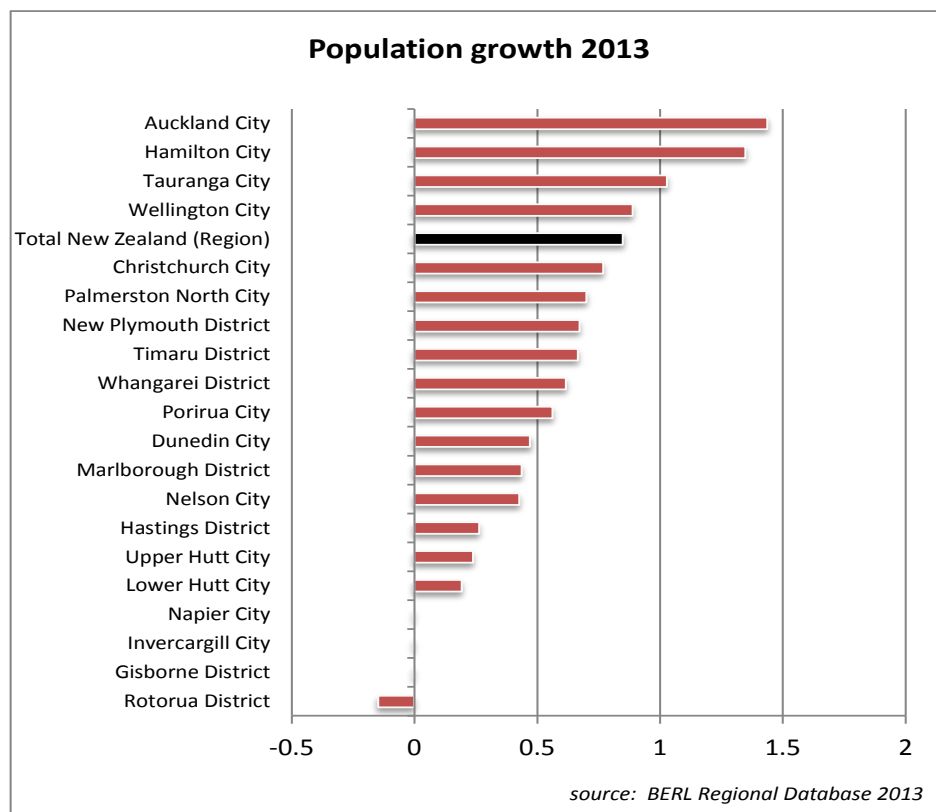
### 2.1.2 Key performance indicators over the short and medium-term

The following figures illustrate how resident population employment, and GDP growth positively influences the position of a city in the rankings. Porirua City for example, had the fastest growth in GDP and employment across the cities while Auckland and Hamilton City experienced strong resident population growth. The number of businesses in Christchurch City has begun to increase again, as shown in Figure 2.4.

As shown by the black bar, the resident population of New Zealand grew by 0.8 percent year-on-year, while GDP grew by 2.9 percent. Employment grew by just 0.2 percent. Over the five years to 2013, employment grew by 0.4 percent per annum while the resident population grew by an average of 0.4 percent per annum. On average, GDP grew by 0.8 percent per annum during this period.



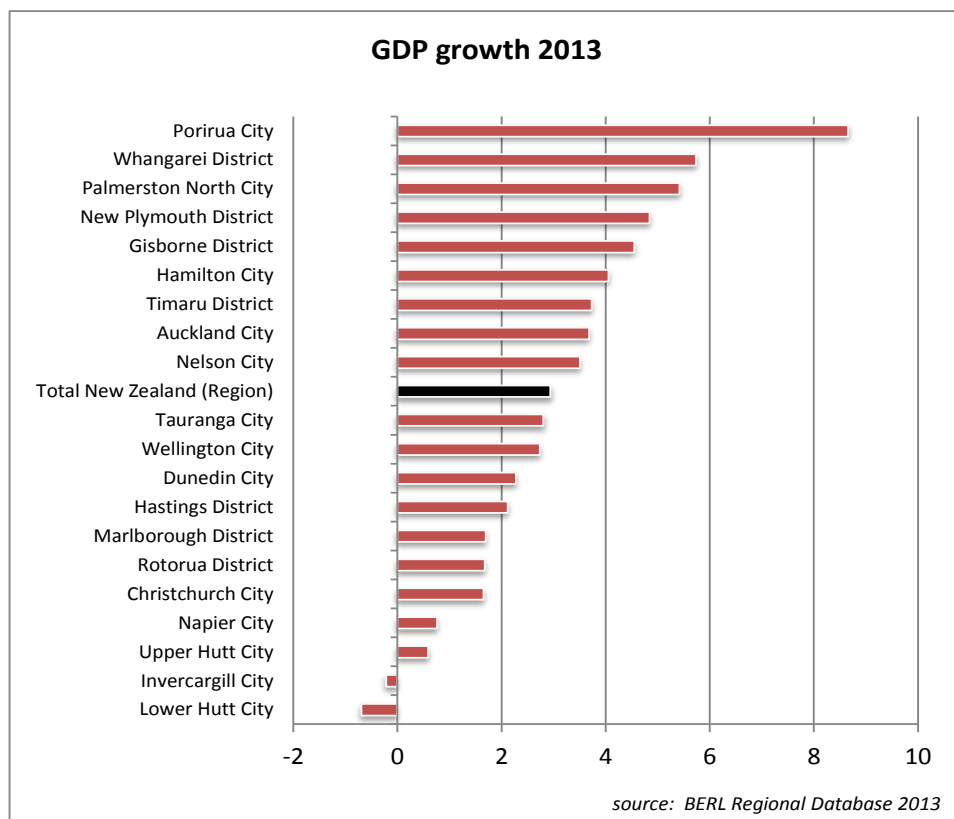
**Figure 2.1 Resident population growth, by area, 2013**



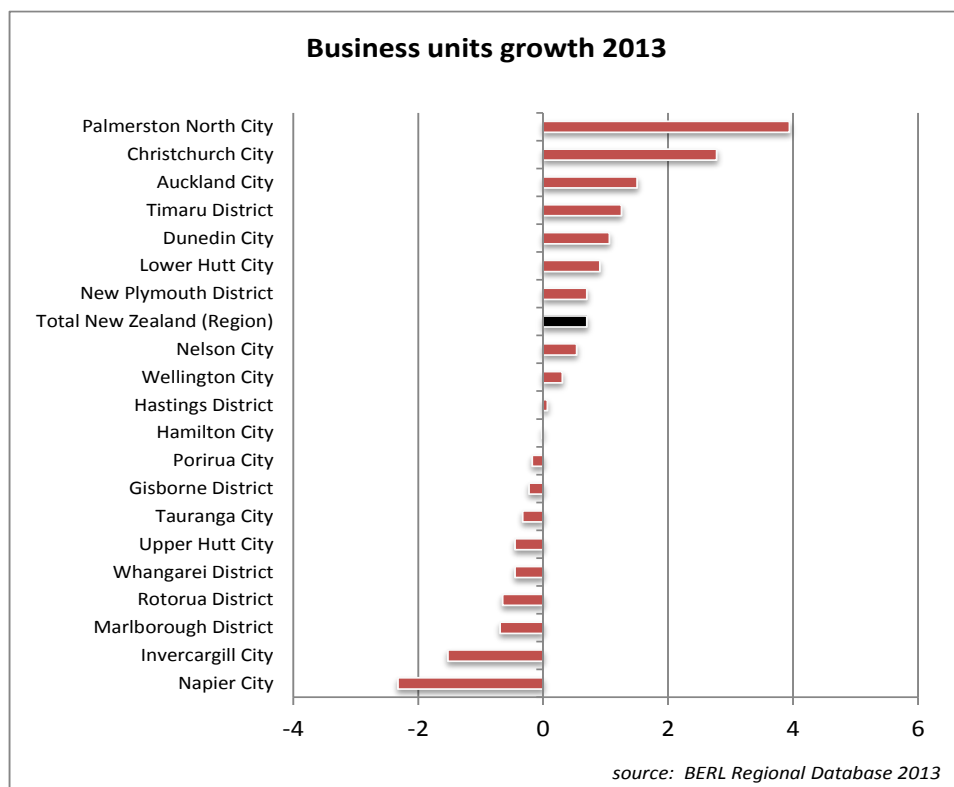
**Figure 2.2 Employment growth, by area, 2013**



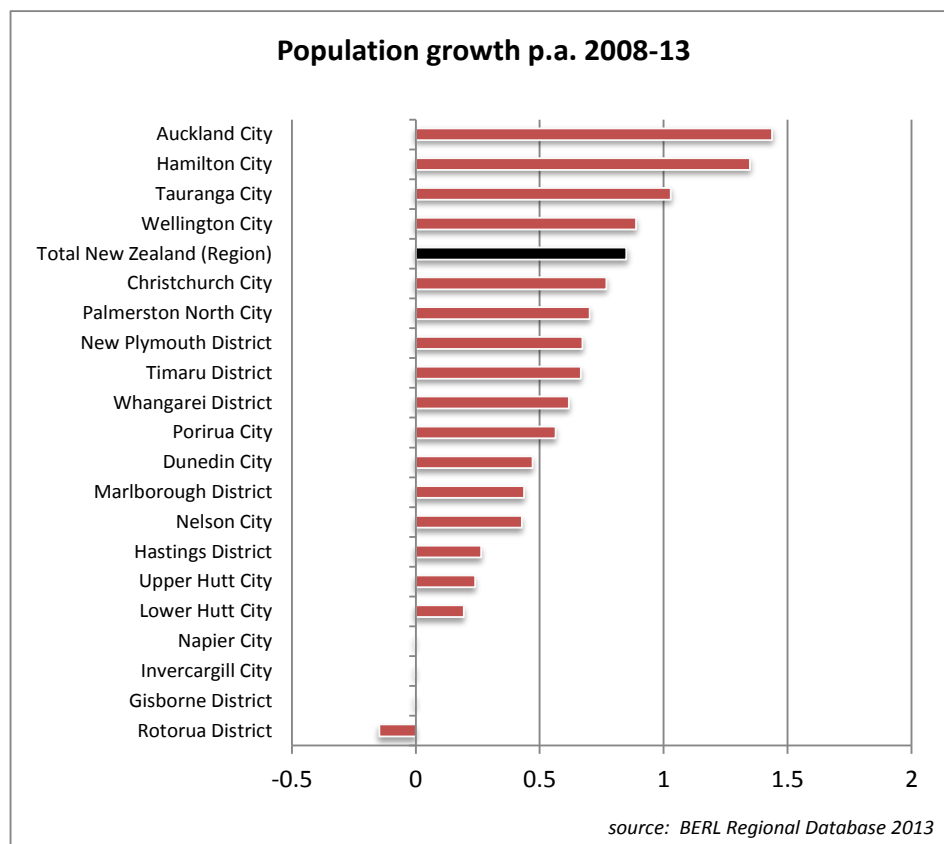
**Figure 2.3 GDP growth, by area, 2013**



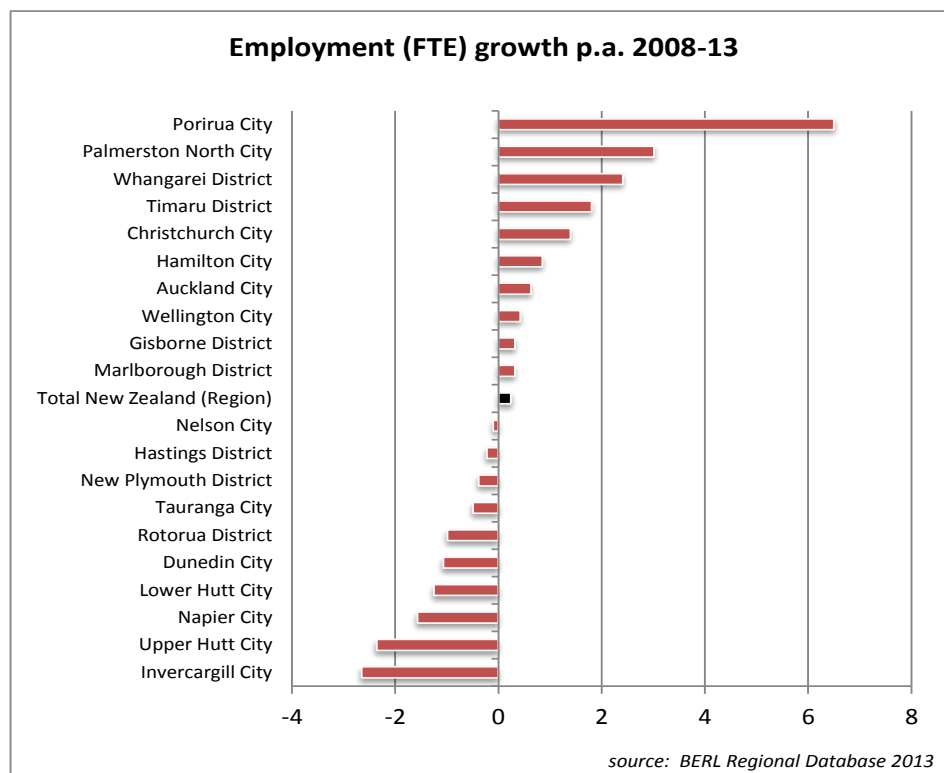
**Figure 2.4 Business unit growth, by area, 2013**



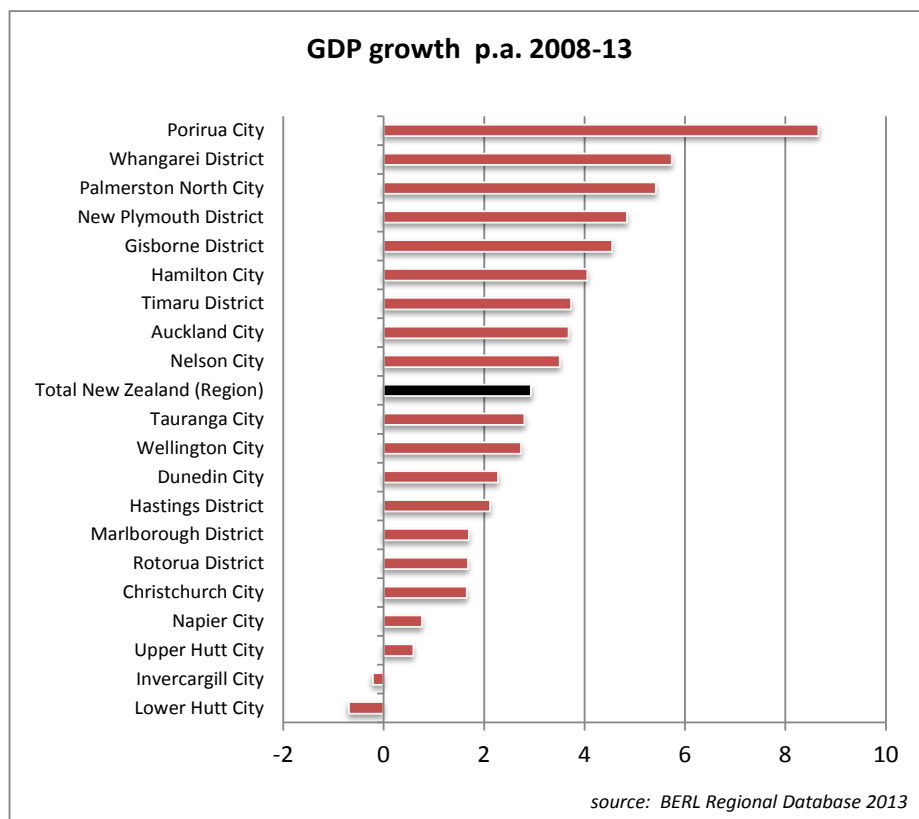
**Figure 2.5 Population growth, per annum, by area, 2008-2013**



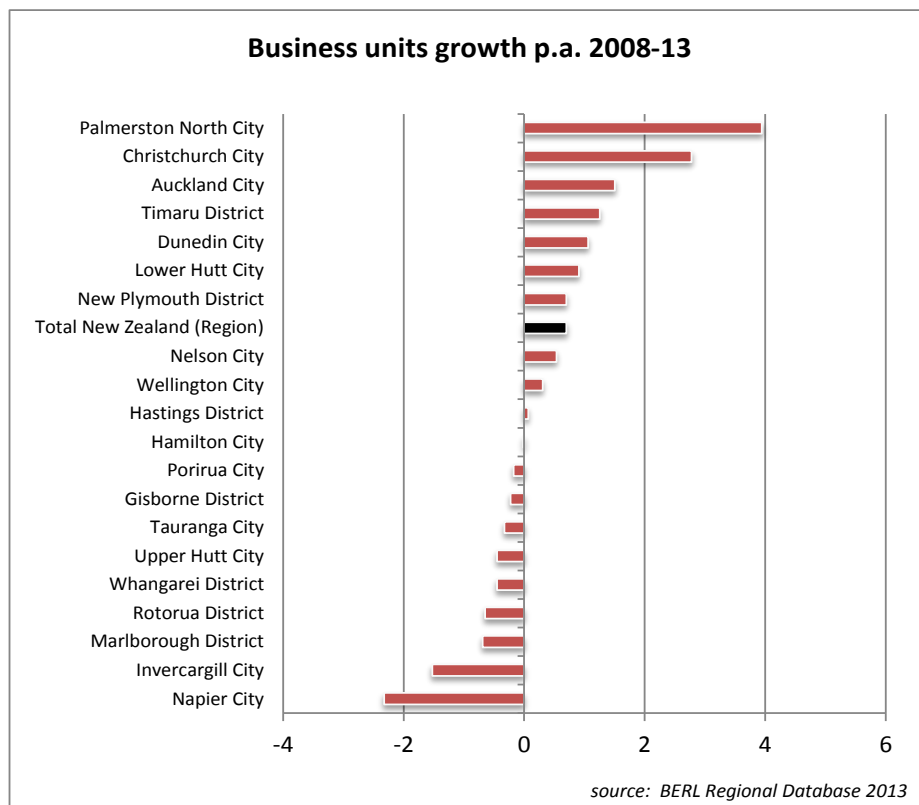
**Figure 2.6 Employment growth, per annum, by area, 2008-2013**



**Figure 2.7 GDP growth, per annum, by area, 2008-2013**



**Figure 2.8 Business unit growth, per annum, by area, 2008-2013**



### 3 The top 5 cities, 2013

#### 3.1 New Plymouth

New Plymouth has remained in the top spot in the 2013 city rankings. New Plymouth has a resident population of approximately 74,190 people. It employs approximately 32,320 FTEs and generated GDP of \$4 billion through 8,900 businesses.

<b>1<sup>st</sup> New Plymouth District</b>		
<b>2013</b>	Resident population grow th	<b>7<sup>th</sup></b>
	Employment (FTE) grow th	<b>13<sup>th</sup></b>
	Real Value Added grow th (GDP)	<b>4<sup>th</sup></b>
	Business units grow th	<b>7<sup>th</sup></b>
	Relative openness index	<b>1<sup>st</sup></b>
<b>2008-2013</b>	Resident population grow th	<b>4<sup>th</sup></b>
	Employment (FTE) grow th	<b>4<sup>th</sup></b>
	Real Value Added grow th (GDP)	<b>3<sup>rd</sup></b>
	Business units grow th	<b>1<sup>st</sup></b>
<i>Previous rank (2012)</i>		<b>1<sup>st</sup></b>

Year-on-year the resident population has grown by 0.7 percent while over the last five years the resident population has grown by 1.2 percent per annum. This is higher than resident population growth in New Zealand during the same period, and higher than the surrounding districts. Stratford and South Taranaki District both experienced a small decline in resident population between 2012 and 2013, and over the medium term their population has grown by less than 0.5 percent per annum.

Employment was down slightly in 2013, by 0.4 percent, but again there has been a strong performance from New Plymouth over the medium-term. In the five years to 2013, employment grew on average by 0.8 percent per annum, while GDP grew by an average of 1.4 percent per annum. During this period GDP per capita and productivity both grew.

GDP grew by 4.8 percent between 2012 and 2013. The largest contributor to GDP from this District is the primary sector, which generated just over \$1 billion in GDP in 2013. Of this, approximately \$800 million in GDP was generated by the oil and gas sector while \$210 million was generated by dairy farming.

New Plymouth provides key services to industries such as oil and gas, dairy farming, and food manufacturing. The city has a strong export focus and this is reflected in the high relative openness index ranking.

#### 3.2 Auckland

Auckland City has moved up a place in the 2013 rankings, from third to second. Auckland City had the fastest resident population growth in 2013, and approximately 1.4 million residents now call Auckland home.

<b>2<sup>nd</sup></b>			<b>Auckland City</b>	
<b>2013</b>	Resident population grow th		<b>1<sup>st</sup></b>	
	Employment (FTE) grow th		<b>7<sup>th</sup></b>	
	Real Value Added grow th (GDP)		<b>8<sup>th</sup></b>	
	Business units grow th		<b>3<sup>rd</sup></b>	
	Relative openness index		<b>7<sup>th</sup></b>	
<b>2008-2013</b>	Resident population grow th		<b>6<sup>th</sup></b>	
	Employment (FTE) grow th		<b>3<sup>rd</sup></b>	
	Real Value Added grow th (GDP)		<b>5<sup>th</sup></b>	
	Business units grow th		<b>3<sup>rd</sup></b>	
<i>Previous rank (2012)</i>			<b>3<sup>rd</sup></b>	

In 2013, approximately 623,370 FTEs were employed in 163,580 businesses in Auckland City. Just over 25 percent of these businesses are part of the business services sector, while 22 percent are part of the social services sector.

Auckland City generated approximately \$34.6 billion in GDP in 2013. The largest contributor to GDP in the City is business services, generating \$17.8 billion in GDP in 2013. This contribution illustrates the large number of corporate offices located in the City and the number of people employed in professional and business services, finance, and telecommunications.

Between 2012 and 2013, the resident population grew by 1.4 percent while employment grew by 0.6 percent. During this period GDP grew by 3.7 percent and the number of businesses in the City increased by 1.5 percent.

In the five years to 2013, the resident population of Auckland City has grown on average by 0.7 percent while employment has grown by approximately 0.9 percent. GDP has grown on average by 1.3 percent per annum, which is higher than the New Zealand average of 0.8 percent per annum. Over the medium-term, Auckland City has had a strong performance across the key indicators, allowing it to be ranked third, fifth and sixth against the other 19 cities.

### 3.3 Timaru

Approximately 43,930 people live in Timaru and the resident population grew by 0.7 percent year-on-year. This is higher than the medium-term average where the resident population has grown by 0.3 percent per annum.

Between 2012 and 2013, employment in the District has grown by 1.8 percent, which is higher than the New Zealand average. Over the medium-term, employment in the Timaru District grew by approximately 1.3 percent per annum. This is again higher than the New Zealand average. Timaru has performed well in the key performance indicators over the medium-term. This can be seen by the number one ranking in employment and GDP growth across the cities rankings.

Approximately 21,400 FTEs are employed in the Timaru District and the largest area of employment is the manufacturing sector. This sector employs approximately 4,320 FTEs or 20 percent of total employment in the Timaru District. Within the manufacturing sector, food product manufacturing is the largest area of employment with approximately 2,870 FTEs.

The primary sector is another large area of employment, with agriculture, fishing, and businesses that provide services to agriculture being the largest area of employment.

<b>3<sup>rd</sup> Timaru District</b>		
<b>2013</b>	Resident population grow th	<b>8<sup>th</sup></b>
	Employment (FTE) grow th	<b>4<sup>th</sup></b>
	Real Value Added grow th (GDP)	<b>7<sup>th</sup></b>
	Business units grow th	<b>4<sup>th</sup></b>
	Relative openness index	<b>4<sup>th</sup></b>
<b>2008-2013</b>	Resident population grow th	<b>12<sup>th</sup></b>
	Employment (FTE) grow th	<b>1<sup>st</sup></b>
	Real Value Added grow th (GDP)	<b>1<sup>st</sup></b>
	Business units grow th	<b>8<sup>th</sup></b>
<i>Previous rank (2012)</i>		<b>2<sup>nd</sup></b>

In 2013 GDP grew by 3.7 percent year-on-year, and over the medium-term GDP grew on average by 2.3 percent per annum. In 2013, Timaru generated just over \$2 billion in GDP through approximately 5,330 businesses. The largest contributors were the manufacturing sector with \$580 million and the business services sector with \$340 million. Within the manufacturing sector, food product manufacturing contributed approximately \$390 million.

### 3.4 Palmerston North

In 2013, the resident population of Palmerston North was 80,080 people and an estimated 44,000 FTEs were employed across 7,500 businesses.

<b>4<sup>th</sup> Palmerston North City</b>		
<b>2013</b>	Resident population grow th	<b>6<sup>th</sup></b>
	Employment (FTE) grow th	<b>2<sup>nd</sup></b>
	Real Value Added grow th (GDP)	<b>3<sup>rd</sup></b>
	Business units grow th	<b>1<sup>st</sup></b>
	Relative openness index	<b>19<sup>th</sup></b>
<b>2008-2013</b>	Resident population grow th	<b>13<sup>th</sup></b>
	Employment (FTE) grow th	<b>6<sup>th</sup></b>
	Real Value Added grow th (GDP)	<b>7<sup>th</sup></b>
	Business units grow th	<b>4<sup>th</sup></b>
<i>Previous rank (2012)</i>		<b>18<sup>th</sup></b>

The GDP contribution of Palmerston North was \$3.7 billion. This was 5.4 percent higher than the previous year and was driven by growth in the wholesale trade and distribution sector and the food product manufacturing sectors. The food product manufacturing sector contributed an additional \$39 million to the economy of the City in 2013, while the wholesale trade and distribution sector increased its contribution to GDP by an additional \$53 million.

The social services sector employs the largest number of FTEs, with just over 16,000 in 2013. This is due to the situation of Massey University, Palmerston North hospital, and members of the New Zealand Defence Forces in the area.

Year-on-year, the resident population of Palmerston North grew by 0.7 percent while employment grew by 3.0 percent. This is substantially higher than the medium-term performance of the City. In the five years to 2013, the resident population grew by 0.3 percent while employment grew by 0.4 percent.

### 3.5 Wellington

The coolest little capital moved from fourth to fifth place in the cities rankings in 2013. Approximately 190,960 people live in Wellington City, with a further 239,240 people living in Lower Hutt, Upper Hutt and Porirua Cities, and the Kapiti Coast District.

<div> <div>5<sup>th</sup></div> <div>Wellington City</div> </div>		
2013	Resident population grow th	4 <sup>th</sup>
	Employment (FTE) grow th	8 <sup>th</sup>
	Real Value Added grow th (GDP)	11 <sup>th</sup>
	Business units grow th	9 <sup>th</sup>
	Relative openness index	8 <sup>th</sup>
2008-2013	Resident population grow th	7 <sup>th</sup>
	Employment (FTE) grow th	2 <sup>nd</sup>
	Real Value Added grow th (GDP)	6 <sup>th</sup>
	Business units grow th	7 <sup>th</sup>
	<i>Previous rank (2012)</i>	4 <sup>th</sup>

Year-on-year the resident population grew by 0.9 percent and employment grew by 0.4 percent. This growth placed Wellington City at fourth and eighth place respectively in the cities rankings for these indicators.

In 2013, approximately 134,850 FTEs were employed in 25,160 businesses in Wellington City. The largest areas of employment in Wellington City are the social services and business services sectors. Together these sectors employ approximately 70 percent of all FTEs in the City. These sectors include local and central government, finance and insurance, education, defence, and hospitals.

Wellington City generated approximately \$15 billion in GDP in 2013. The largest contributor to this was the business services sector, which generated \$7.6 billion in 2013 or 51 percent the City's GDP. The social services sector generated \$3.6 billion in GDP through 2,040 businesses. In 2013, GDP grew by 2.7 percent while GDP per capita grew by 1.8 percent.

In the five years to 2013, the resident population grew by an average of 0.7 percent per annum while employment grew on average by 1.0 percent per annum. GDP growth over the medium-term has been lower, growing on average by 0.9 percent per annum.



## 4 Economic context

### 4.1 National

Longer term growth in the agricultural sector will depend on the dairy sector, which accounts for more than a quarter of our total exports. The expectation is that export earnings from dairy will rise from NZ\$12.9 billion this year, to NZ\$17.7 billion by 2017.

A growing demand for New Zealand dairy products from Chinese consumers is pushing milk solid prices to historically high levels. However, this growth may fall sharply with a change in consumer preferences and/or demand, and a fall in commodity prices. New Zealand commodity prices and the export sector more generally, are already affected by the high New Zealand dollar, which is currently sitting at around US\$ 0.82. In addition, the trade weighted index is sitting at around 76 percent.

The real effect of the drought in the first half of 2013 will be reflected in the 2014 earnings from agriculture, and in turn our regional rankings. The drought led to a faster slaughter schedule as farmers shed their stock, this means a drop in stock numbers will be felt throughout 2014-15. This is an issue given our high external debt, parts of the rural sector being highly indebted, and households continuing to have a high debt-to-income ratio.

High external debt and current account deficit also makes the New Zealand economy very vulnerable to any changes in international financial markets. Since the Global Financial Crisis (GFC), private sector saving has increased and investment has declined. This has been partly offset by a reduction in public sector saving and some increased government spending. Overall, the Government remains committed to returning to surplus by 2014/15. This should reduce its overall domestic and offshore borrowing requirements.

Looking ahead, the Reserve Bank of New Zealand (RBNZ) argues that the main risk to financial stability in New Zealand is growing imbalances in the housing market. Building construction in the Auckland Region has been low for a number of years due to land use restrictions, while the housing stock in Canterbury has been depleted through the 2010 and 2011 earthquakes. These factors have led to a constrained supply. Low mortgage rates, an easing in bank lending standards, and more recently an increase in net inward migration, have in turn all increased the demand for housing.

To restrain the demand for housing, the RBNZ has responded by requiring banks to hold more capital against high loan-to-value ratio (LVR) housing loans, and restricting the proportion of new high LVR housing loans.

LVR may limit the number of first home buyers and investors, as these people usually require home loans of more than 80 percent of the property's value, but it is too early to determine the influence of this intervention on behaviour. Further, this intervention will only restrain growth in housing credit in the short to medium-term. There still needs to be an intervention that addresses supply issues.

**Table 4.1 Key Performance Indicators, New Zealand**

Key Performance Indicators	2013	5-yr ave	10-yr ave
	%pa		
Resident population grow th	0.8	0.6	0.9
GDP grow th	2.7	0.4	2.1
GDP per capita grow th	1.8	0.8	1.2
Employment Grow th (FTEs)	0.2	0.3	1.5
Labour productivity grow th	2.7	0.5	0.7
Business units grow th	0.7	-0.2	1.8
Business size grow th	-0.5	0.6	-0.3

source: BERL Regional Database 2013

**Employment growth** for the year ending March 2013 was 0.2 percent which is similar to the five year average of 0.3 percent but well below the long term average of 1.5 percent. Unemployment is currently sitting around 6.2 percent (September 2013 quarter). In March 2013, where this data relates to, the unemployment rate was higher at 6.5 percent.

**GDP growth** was 2.7 percent for the year ending March 2013. This is higher than the medium and long-term average. This growth was driven by an increase in output from the primary and associated manufacturing sectors.

**Population growth** was 0.8 percent for the year ending March 2013. Population growth has averaged 0.6 percent per annum over the last five years and 0.9 percent over the last 10. In 2012 and 2013, outward migration was higher than inward migration. The majority of outward migration was to Australia. However, latest data indicates that this tide is turning and that net inward migration is growing as more New Zealanders return from Australia, and greater numbers of people choose to live in New Zealand.

## 4.2 International

As a small island nation that relies heavily on trade, New Zealand is vulnerable to the situation and prospects of its trading partners, and the broader global economy. The world economy underperformed across almost all regions in 2013 due to the lingering effects of the GFC, and the challenges many countries continue to face in regards to monetary and fiscal policy action.

The United Nations *World Economic Situation and Prospects 2014* argues that the global economy is expected to grow 3.0 percent in 2014, and 3.3 percent in 2015. This compares with an estimated growth of 2.1 percent throughout 2013. This forecast is based on the Euro area emerging from recession, the economies of the United States and the United Kingdom strengthening, and ongoing growth in developing economies such as India and China.

The risks to this forecast include the US Federal Reserve exiting from their quantitative easing programmes, and the potential impact this may have globally on long-term interest rates, and the flow of capital in and out of equity markets. In the Euro area, risks remain about the fragility of the banking system and the real economy.

Unemployment remains at historically high levels, and the subsequent political unrest this may cause in some countries remains a concern.

Unemployment in Greece and Spain, for example, is approximately 27 percent and youth unemployment is twice this rate. There is also ongoing uncertainty as to how much of this unemployment is structural as opposed to cyclical unemployment.

International trade has been sluggish in 2012 and 2013, and the ratio between the growth of world trade and the growth of global outputs has been low. However, this pattern varies between developed and developing economies. The demand for imports is low in developed economies, for example, as they are experiencing a downturn in consumer spending and confidence.

## Appendix A What are the economic indicators?

*Table 4.2: Definition of economic indicators*

Economic indicator	Definition
<b>Resident population</b>	The resident population is the number of people living within a designated area. These areas are based on the boundaries of Statistics New Zealand Census Area Units.
<b>Gross Domestic Product (GDP)</b>	Gross Domestic Product (GDP) measures the total value contributed to the economy by the activities of all businesses and organisations within a defined area. In theory, it is equal to the value of the output of businesses (i.e. sales and turnover) less the purchases of goods and services from other businesses. In practise, GDP is akin to the sum of wages, salaries, profits and operating surplus arising from all economic activity within a defined area.
<b>Business unit</b>	A business unit is a single unit operating in one, or predominantly one, kind of economic activity from a single physical location.
<b>Full-Time Equivalent (FTE)</b>	Full-Time Equivalent (FTE) employment measures the number of people in employment for 30 hours or more per week. Two people who are employed part-time are measured as one full-time person.
<b>Relative Openness Index</b>	<p>The BERL Relative Openness Index reflects the composition of economic activity in a city, district or region. It measures the proportion of GDP that is accounted for in an area by sectors that are open to competition from abroad, compared to that proportion nationally.</p> <p>Sectors in the index include all of the primary industry and manufacturing sectors, accommodation, transport, communications, and business services.</p> <p>A higher rank on this measure indicates an area where the economy is more orientated towards internationally competitive activities, relative to other areas with a domestic market focus.</p>

Each indicator reflects the economic performance of a geographic area. In particular, they reflect the attractiveness of a place to live (population), its ability to sustain its population (GDP, business units and employment), and the size of non-population based activity (Relative Openness Index).



