Eastern Bay of Plenty Region

Economic Update to December 2014

February 2015

Report Prepared by
Sean Bevin, Consulting Economic Analyst
Economic Solutions Ltd, Napier
Email: sean.bevin@economicsolutions.co.nz

Contents

Summary

- This report provides an analysis of key economic trends during the last calendar year within the Eastern Bay of Plenty (EBOP) region and its constituent local authority districts.

- The main population trends in the region include slight population growth over the past year, continuing although lower levels of net population migration loss, continued significant 65+ population growth and further Maori population increase.

- The year to November 2014 saw significant gains in the value of consented new rural building and total non-building activity in the region. The value of commercial-industrial building consents fell back to more normal levels following a high 2013 year which included major projects such as Tarawera High School and completion of Whakatane Hospital. The combined value of consented new social and community building in the region amounted to approximately $26 million during the latest year, compared to $4 million for 2013. The value of consented new farm building was $2 million (up a little on the previous year) and new non-building related construction activity also $2 million. The total value of all building alterations was $19m.

- Significant recent/impending new project developments in the region to note include Kawerau District: ('end of life' tyre conversion, new geothermal distribution pipeline, Sequal Lumber export sawmill geothermal drying kiln capacity, 'bark to briquette' operation); Opotiki District: ($15 million expansion of kiwifruit packhouse facilities and associated development of servicing utilities, installation of initial 30 production lines as part of the new sea farm development, further development work at the major Motu Trails cycleways and preparation of a business case for the proposed Opotiki Harbour redevelopment project); and Whakatane District: (further section sales at the new Ohope 'Seascape' residential development, new Tuhoe Iwi headquarters building in Taneatua, new motel and proposed 'accommodation village', and CBD developments). The impending closure in April this year of Air NZ services to Whakatane is a negative for the Eastern Bay but the District Council is concluding arrangements for a replacement service.

- The Government's latest update on the current situation and outlook this coming year for the national rural production sector forecasts increased export receipts for the meat/wool, horticultural (kiwifruit +17%) and seafood industries but lower returns for the forestry (although there is currently strong demand for EBOP sawmill production) and dairy industries (24% fall in export receipts). However, returns are expected to recover in 2016 for all main export commodity groups.

- Positive local economic indicator movements in the EBOP region over the past year in addition to the new building consents referred to earlier include increased commercial visitor arrivals and nights, international visitor spending, house and retail sales (although limited growth), new motor vehicle registrations and business numbers. The main employment results for the EBOP region for the latest (September 2014) year include an estimated 3.1% gain in total employment, 1.2% fall in unemployment, 2.7% fall in the number of people receiving the Government's Jobseeker Support benefit and an unemployment rate of 10% (compared to 10.4% for the September 2013 year).

- Overall economic growth of an estimated 1% for the March 2014 year and a forecast of 1.5% for the March 2015 year.

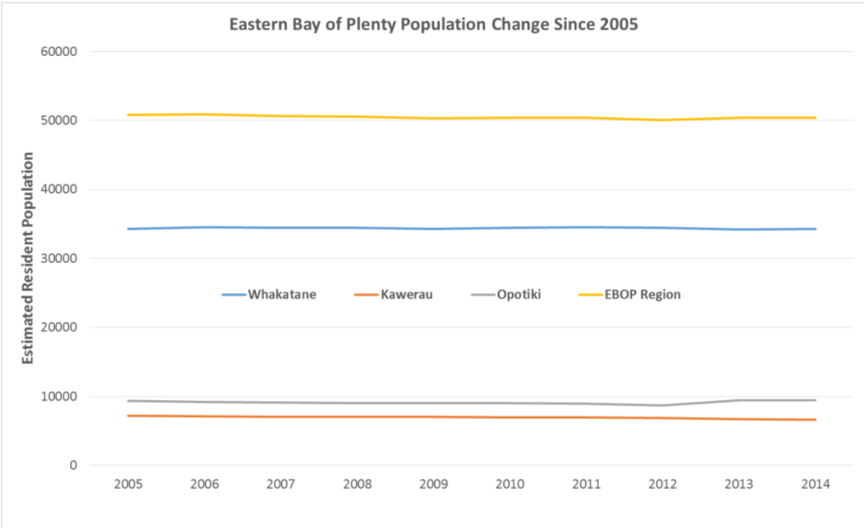
1- Introduction

This report provides an updated analysis of economic trends within the Eastern Bay of Plenty (EBOP) region during the year ending December 2014. The region comprises the local authority districts of Whakatane, Opotiki and Kawerau. Trend information at both region-wide and district levels is included in the analysis. Comparative long-term economic trends since 2005 are also included where appropriate in the analysis. The information sources used for the analysis include Statistics New Zealand, NZ Institute of Economic Research (NZIER), Government agencies and trading bank economic reports.

2- Demographic Trends

Figure 1 indicates the trend in the EBOP region and local authority district estimated resident populations since 2005. The base data is sourced from Statistics New Zealand.

Figure 1:



***Source:** Statistics New Zealand Population Estimates*

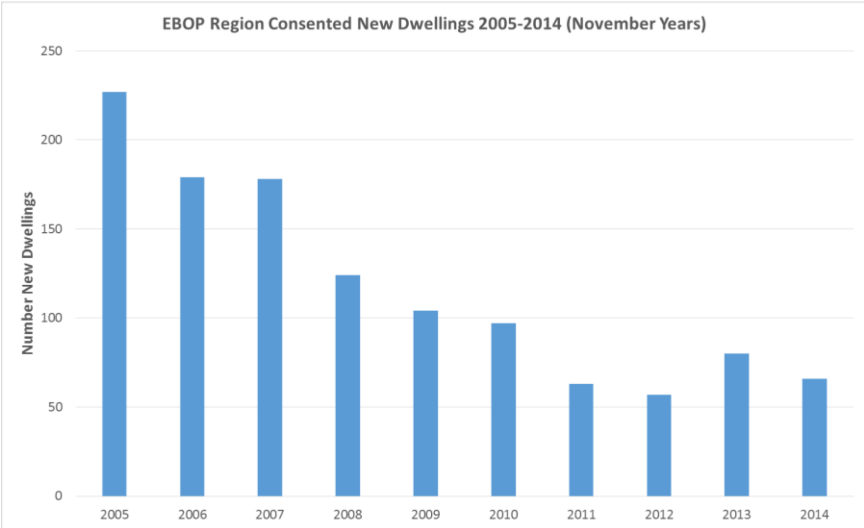
Whakatane District has recorded an overall relatively stable population during the 10-year period; however, its population rose by 0.3% last year and this was the first annual population gain since 2010. Kawerau District's population has fallen fairly steadily since 2005 and overall by 600 or 8.3% since that year. The population of Opotiki District has also been falling since 2005 and overall by 550 or 5.9% through to 2013; however, last year it recovered a little by 50 or 0.6%. The total EBOP regional population has fallen overall by 1,100 or 2.2% during the past decade. Meanwhile, the population of the full Bay of Plenty region has risen by in excess of 7.5% and nationally by around 9%. The current population estimates for the region are Whakatane 34,300; Kawerau 6,600; Opotiki 8,830 and the total EBOP region 49,730.

Since 2005, the EBOP region has recorded a total net migration loss of population from the area of 4,164, comprising an external/overseas net migration loss of 2,947 and an internal net migration loss to other parts of New Zealand of 1,217. However, net migration loss overseas from the region last year was considerably below the totals for the previous three years.

Recently released Statistics NZ population projections, based on the 2013 Census results, indicate that over the subsequent ten-year period to 2023, the population of the EBOP region is currently projected to fall further by approximately 1,240 or 2.5% under the Statistics NZ 'medium' or 'middle of the road' projection scenario (this is the current population growth track for the region's population). At the same time, the 0-14 age-group population is projected to fall by around 11%, with the 15-64 (working-age) population falling by 8% and the 65+ population increasing by 33%.

Figure 2 indicates the trend over the past decade in annual consented new residential building in the EBOP region. The number of new dwellings fell steadily over 2005-2012, recovered by 40% over the 2012/13 year but then fell again (by 18%) during the latest November year-end. During the period, Whakatane district accounted for 80% of total new regional dwellings consented, Opotiki 15% and Kawerau district 5%. The total region-wide value of consented new dwellings over the decade was some $278 million in present dollar terms. The 2014 November year recorded a 17% decline in the total value of new dwellings consented, compared to the previous year.

Figure 2:



Source: *Statistics NZ Building Consent Results*

The total number of occupied private dwellings in the EBOP region at the March 2013 Census was recorded at 17,859, comprising Whakatane 12,195, Kawerau 2,385 and Opotiki 3,279. At the same time, the total number of households in occupied private dwellings stood at 12,048 for Whakatane, 2,379 for Kawerau, 3,219 for Opotiki, and 17,646 for the full EBOP region. The average household occupancy figure last year stood at 2.82 persons per household.

Some additional demographic results to note for the EBOP area from the 2013 Census are as follows:

- Persons of Maori ethnicity accounted for almost half of the total number of people responding to the Census question concerning this matter.
- Over the 2006-2013 period, the total number of single-person households increased 12.4%. These households accounted for 25% of all households in the area in 2013.
- The total number of families fell 4.2% over the period.

- Dwellings either owned (to some degree) or held in a family trust accounted for 62% of all households in 2013, compared to 66% at the 2006 Census. The comparable national figure in 2013 was 65%.

3- Economic Indicators

This section indicates the trends in a range of local economic indicators for the EBOP region and its constituent local authority districts, for the past six years. The trends are indicated in **Table 1** below. The base data is sourced from Statistics New Zealand with the reference periods being building consents (years ended November), employment (February month) and visitor-nights (years ended November).

Table 1: Eastern Bay of Plenty Economic Indicator Results 2009-2014

Indicator	2009	2010	2011	2012	2013	2014
Consented New Dwellings $M:						
Whakatane	20.6	18.6	13.6	12.5	19.0	13.6
Opotiki	4.3	4.5	1.4	1.9	3.4	4.0
Kawerau	0.02	0.4	0.5	0.2	0.1	1.1
TOTAL[1]	***24.9***	***23.5***	***15.5***	***14.6***	***22.5***	***18.7***
Consented New Commercial/Indust'l Buildings $M:						
Whakatane	2.2	2.2	5.2	0.6	11.5	5.5
Opotiki	0.8	0.8	1.1	2.3	0.04	0.09
Kawerau	0.2	0.2	0.005	1.0	15.0	1.2
TOTAL	***3.2***	***3.2***	***6.3***	***3.9***	***26.5***	***6.8***
Consented New Farm Buildings $M						
Whakatane	1.1	1.3	1.2	3.1	1.2	1.6
Opotiki	0.6	0.2	0.6	0.3	0.7	0.3
Kawerau	0.0	0.0	0.0	0.0	0.0	0.05
TOTAL	***1.7***	***1.5***	***1.8***	***3.4***	***1.9***	***2.0***
Total Primary Process & Manufacturing Sector Employment:						
Whakatane	2592	2572	2865	2640	2990	2845
Opotiki	920	920	990	955	995	1000
Kawerau	1530	1510	1475	1350	1145	999
TOTAL	***5042***	***5002***	***5330***	***4945***	***5130***	***4844***
Commercial Visitor Nights:						
Whakatane } ***Kawerau***	260,576	220,705	213,263	176,748	205,094	223,972
Opotiki	105,431	105,409	87,586	72,521	90,846	96,162
TOTAL	***366,007***	***326,114***	***300,849***	***249,269***	***295,940***	***320,134***

Note: All totals in the table are the sum of the individual district results.

The total value of consented new house building fell significantly over the latest year at the wider regional level, due to the decline in activity in Whakatane District. The value of commercial-industrial building consents fell back to more normal levels following a high 2013 year which included major projects such as Tarawera High School and completion of Whakatane Hospital. Over the six-year period, Whakatane district accounted for 55% of the total consented new commercial/industrial building activity in EBOP and Kawerau 35%. Consented new farm building increased in value terms last year by 5.3% over the 2013 year. Although not noted in the above table, the combined value of consented new social and community building in the region amounted to approximately $26 million over the latest year, compared to $4 million for 2013. At the same, total consented building alterations were valued at $19 million last year, compared to $14 million for the previous year. The total value of consented new non-buildings related construction was $2 million for the 2014 year and $1.8 million for the 2013 year.

Total employment in the region for the combined primary production/processing/manufacturing sectors (the direct wealth-creating production activities) has fluctuated within the range approximately 4,900-5,400 during the period, with the peak level occurring in 2011. Year 2014 saw an approximate 6% fall in total employment in the region for these sectors as a whole. Over the full period, Whakatane accounted for an average 54% of total EBOP employment for the three sectors, Opotiki 19% and Kawerau the balance of 27%. Whakatane employment amongst the three sectors has increased overall since 2009 by 10% and Opotiki by 9% whilst the Kawerau employment tally has fallen by approximately 35%. Total EBOP employment for the three sectors has fallen overall by 4% since 2009.

Commercial visitor-nights in the EBOP region fell steadily over 2009-2012, however, they have since recovered considerably and overall by almost 71,000 or around 28%. The increase over the latest November year was 8.2%. The comparable district figures were Whakatane/Kawerau combined 9.2% and Opotiki district 5.9%. Whakatane-Kawerau currently accounts for 70% of the regional commercial accommodation related visitor-nights total and Opotiki the balance of 30%. Over the November 2014 year, total commercial visitor arrivals in the EBOP region were 136,538, representing a 14.4% gain on the previous year. At the total Bay of Plenty (BOP) region level, commercial visitor-nights for the November 2014 year were up 7% on the previous year whilst visitor arrivals were up 2.8%. Ministry of Business Innovation and Employment (MBIE) figures indicate that total direct visitor spending in the EBOP region rose by approximately 13% over the 2014 March year and was at its highest annual level during the last six-year period. Combined regional visitor accommodation and food services employment has recovered by some 7% since 2011.

Other local economic indicator changes in the EBOP region last year include as follows:

- *Real Estate Sector* – Average residential capital values in Whakatane District rose 3% last year and 2% in Kawerau District, whilst they fell 3% in Opotiki District. The median house rental in Kawerau rose 2.7%, fell 2.6% in Opotiki and increased 1.8% in Whakatane. Whakatane house prices fell 0.7% overall, and rose 5.6% in Kawerau and 1.9% in Opotiki. The median house sale price during the last quarter of 2014 was recorded at $315,000 in Whakatane and $270,000 in Opotiki. The volume of house sales in the EBOP area in December 2014 was up 14% on the December 2013 result.

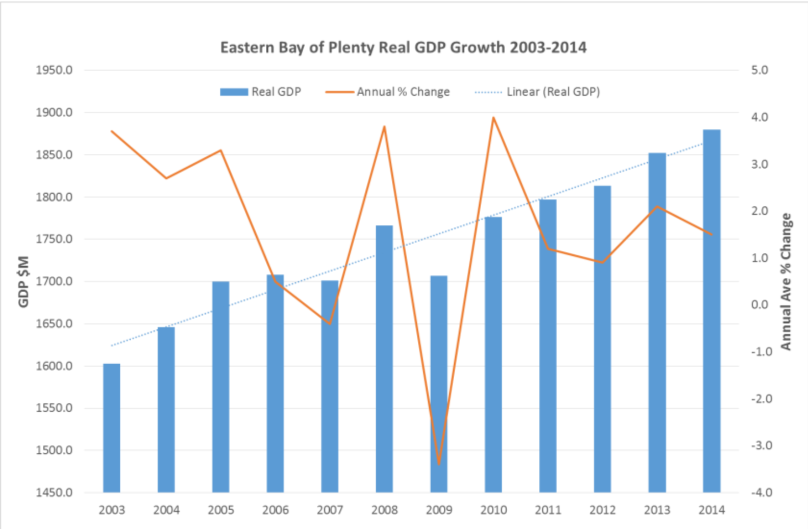
- *Retailing* – Total EBOP retail sector employment in February 2014 was 2% down on the February 2013 level; however, Opotiki retailing employment was up 3.7%. The total number of retailing enterprises across the region increased slightly last year compared to the previous year. Paymark recorded retail spending rose 7% last year for the full BOP area. The volume of EBOP new motor vehicle registrations rose 12.4% last year.

- *Total Business Numbers* – For the full EBOP region in February 2014 were 1.7% higher than in February 2013. Over the year ended February 2014, a total of 411 new business entities were recorded for the EBOP area, along with 351 business 'closures'.

4- Overall Economic Growth

Figure 3 indicates the trend in overall economic growth/real GDP in the EBOP region, since March 2003. The base data used for preparing the growth estimates include relevant Statistics New Zealand regional GDP, population, employment and GDP deflator statistics for the period.

Figure 3:



Source: *Statistics New Zealand Economic Indicator Results*

The graph indicates a fluctuating trend of annualised GDP growth in the region over the period, with positive growth (where the graph line lies above the horizontal x-axis) being recorded for the March years 2003-2006, 2008 and 2010-2014. Economic decline (where the graph lies below the x-axis) was recorded in the region in the March years 2007 and 2009. Peak growth was recorded for the March years 2003, 2008 and again in 2010. Over the latest 2014 March year, overall GDP growth of 1% was recorded for the total EBOP area. The comparative full Bay of Plenty and national growth rates for the year were 2.2% and 2.9% respectively. ESL's growth estimate for the EBOP region for the year ending March 2015 is 1.5%. This compares with the NZIER December 2014 'Consensus Forecasts' figure for the country as a whole of 3.3%.

Figure 3 also indicates that total EBOP Gross Domestic Product (GDP) has steadily increased in real terms over the monitoring period, with the overall gain since 2003 being in the order of 17%. At March 2014, real inflation adjusted GDP for the region stood at approximately $1.87 billion.

5- Current Industry Profile

Table 2 below presents the industry-based GDP and employment profile for the EBOP region, for the year ending March 2014. Industry employment levels for the three districts in the region are also provided. The GDP results in the table are expressed in nominal/ current dollar terms.

Table 2: Eastern Bay of Plenty Area Industry GDP and Employment Levels March 2014 Year

Industry	EBOP Region		Employment		
	GDP $M	Employment	Whakatane	Opotiki	Kawerau
Rural Production	532	2,625	1,665	950	10
Manufacturing	243	2,220	1,180	50	990
Utilities & Construction	163	1,400	950	200	250
Wholesaling/Retailing Hospitality/Services	135	3,075	2,380	455	240
Transport/Storage/Coms	74	655	500	90	65
Business Services	242	1,695	1,210	410	75
Health & Community Services	128	2,200	1,820	230	150
Government Admin	71	965	740	95	130
Education/Training	109	2,210	1,580	410	220
Other Industries	69	965	665	110	190
Owner Occupied Dwellings[2]	136	-[3]	-[3]	-[3]	-[3]
GST	153	-[3]	-[3]	-[3]	-[3]
TOTAL	**2,055**	**18,010**	**12,690**	**3,000**	**2,320**

Notes:

1. Base data sourced from Statistics NZ.
2. Part of the national accounts/GDP reporting system.
3. No employment attached to this factor.

The largest EBOP sectors are, in order, rural production, manufacturing, professional/business services, utilities and construction, trade and hospitality services and health/community services. The largest employing industries are trade and hospitality services, rural production, manufacturing, education and training, and health/community services.

At the district level, Whakatane presently accounts for 70% of total regional employment, Opotiki 17% and Kawerau the balance of 13%. Within Whakatane district, the largest employing industries are, in order, trade and hospitality services, health/community services, rural production, education/training and business services. Within Opotiki district, the leading employers are rural production (32% of total district employment), trade and hospitality services, business services and education/training services. In Kawerau district, the leading employers are manufacturing (43% of total district employment), utilities and construction, trade and hospitality services, and education/training.

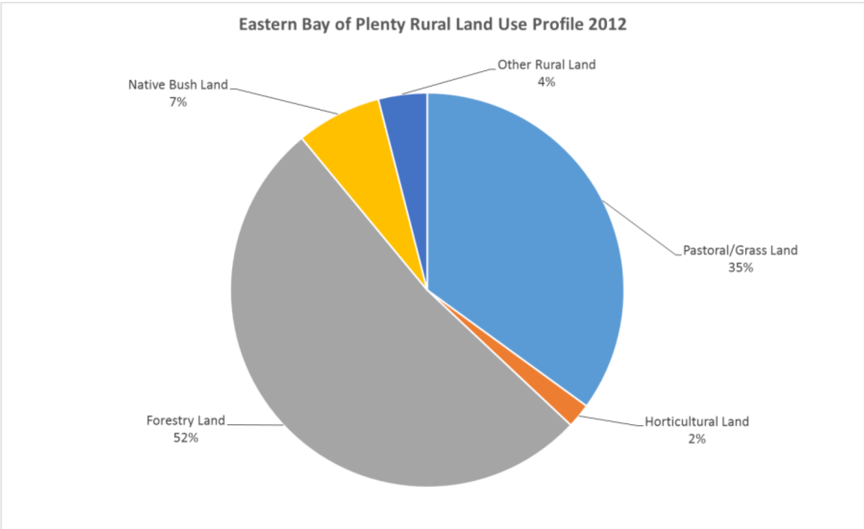
As the employment figures in the above table indicate, Whakatane and Opotiki are the main rural production localities in the EBOP region. Whakatane and Kawerau are the main manufacturing localities. Whakatane is the main base for the remainder of the region's industry portfolio.

The rural production industry accounts for 26% of total EBOP Gross Domestic Product and 15% of total regional employment. In terms of employment, the leading rural industries in Whakatane district are dairying, fruit growing (mainly kiwifruit and berry fruit), agricultural support services, forestry/logging and sheep/beef farming. In Opotiki, they are fruit-growing (mainly kiwifruit), agricultural support services, dairying and forestry/ logging.

The following results are sourced from the 2007 and 2012 Statistics NZ Agricultural Census surveys:

- The total rural land area of the EBOP region was recorded at 250,000 hectares in 2012, compared to 239,000 hectares in 2007, that is, a gain over the period of 4.6%. The 2012 figure represents 45% of the wider Bay of Plenty region total. EBOP presently accounts for a third of total BOP area pasture land, 30% of its horticultural land and over 60% of the area's forestry land.
- **Figure 4** below indicates the composition of land-use in EBOP in 2012. The leading land-uses were forestry and pastoral land. Since 2007, the land area in pasture has increased by some 6,863 hectares or almost 9%; the horticultural/cropping land area has fallen by 741 hectares or 11%; whilst the total forestry area has fallen by 8,090 hectares or 6%.

Figure 4:



Source: *Statistics New Zealand Rural Sector Census Results*

- The leading farming activities in EBOP in 2012 were, in order, dairying, specialised beef farming, kiwifruit growing, cropping, forestry and mixed sheep-beef farming. Dairying accounted for almost 60% of total regional livestock numbers, sheep 27% and beef cattle the balance of 13%.

The manufacturing sector accounts for 12% of total EBOP Gross Domestic Product and employment. The main manufacturing activities in Whakatane are dairy product processing, pulp, paper and paperboard manufacturing, and metal product and transport equipment/machinery manufacturing. Opotiki has a very small manufacturing base. Kawerau's main manufacturing activities are wood product manufacturing, pulp/paper/paperboard manufacturing and machinery/equipment manufacturing.

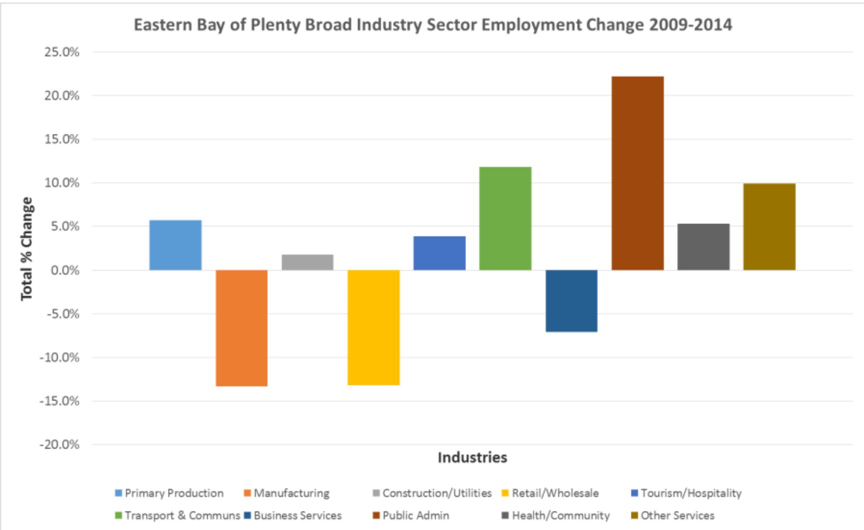
The leading service industries in EBOP in GDP terms are business services, utilities and construction, trade/hospitality services and health/community services. The leading regional industries in employment terms are trade and hospitality services, health and community services, education and training services, business services and utilities/construction services.

GDP per capita is a formal measure of the average economic standard of living in a particular geographical area. The current annual figure for EBOP is $41,000; this compares to $43,000 for the full BOP region and $51,230 for the country as a whole. GDP per employee is a formal measure of average labour productivity. *The current annual figure for EBOP is $113,215; this compares to $107,960 for the full BOP region and $115,790 for the country as a whole. EBOP's higher figure relative to the wider Bay of Plenty region can be traced to its particular mix of rural and manufacturing industries compared to the mix for the wider region.*

6- Industry Change

Figure 5 indicates the trend over the 2009-2014 period in industry employment for the full EBOP region. The broad industry groupings which have grown their employment numbers over the period are, in order, public administration and safety services, transport and communications, primary production, health and community services, tourism and hospitality services, and construction and utility services. The industries recording employment declines are manufacturing, retailing and wholesaling and business services.

Figure 5:



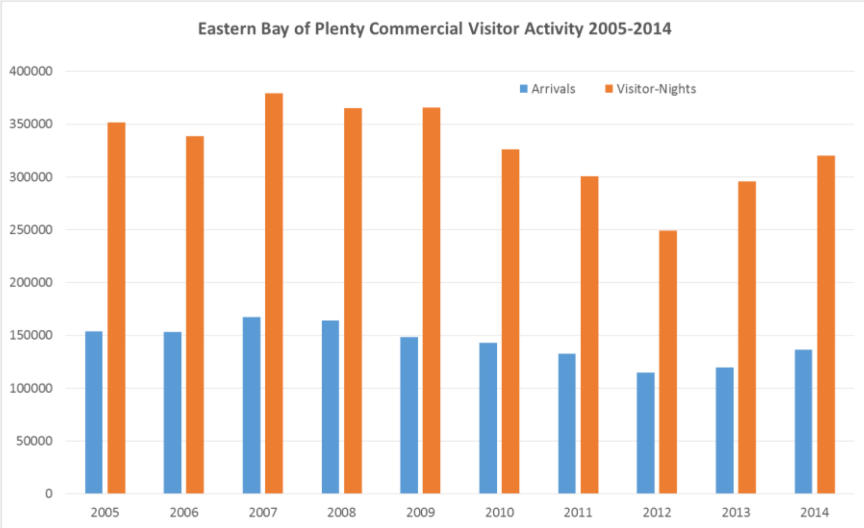
Source: *Statistics New Zealand Business Demography Survey Results*

At the wider Bay of Plenty region level, the industries that have recorded significant overall GDP growth in nominal value terms since 2007 include, in order, rural production; health care and social assistance services; transport and storage; professional, scientific, technical, administrative and support services; public administration, defence and safety services; hospitality/tourism services; education and training; and financial/insurance services.

Figure 6 shows the trend over the past decade in total commercial accommodation visitor arrival numbers and night-stays, for the EBOP region. Visitor arrivals increased overall during 2006 to 2008 then fell steadily from then until 2012. Since then, the number of visitor arrivals has picked up significantly overall (+19%). Visitor-nights have exhibited a similar trend with the latest growth phase (2012-2014) resulting in a 28% gain for this indicator.

The average visitor 'length of stay' for the latest November year (2014) was 2.34 days, compared to ten-year low of 2.17 days in 2012. The' length of stay' for the past November year is the third highest level for the past decade. Last year, total EBOP employment in the visitor accommodation and food services industry rose slightly and in fact has increased overall since 2011 by 34 or 3.8%.

Figure 6:



Source: *Statistics NZ Commercial Accommodation Monitor Results*

7- Labour-force

The 2013 Census results indicated that 30% of the EBOP working-age population had no formal educational qualifications, compared to 35% at the 2006 Census. The national Census figure was 21%. *56% of the region's population held a Certificate or Diploma qualification, compared with 52% nationally*. 11% held a University degree qualification, compared to 8% in 2006 and the national figure last year of 20%.

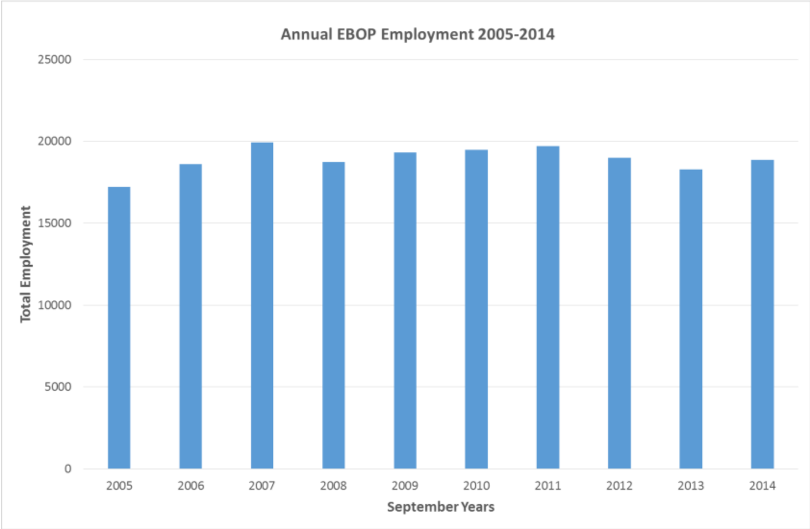
The Census results also indicated that the leading occupational categories in EBOP were, in order, managers, professionals, general labouring, clerical and administration, and community and personal service work. The categories that recorded increased employment numbers between 2006 and 2013 were professional work and community/personal service work. The categories that recorded the largest decline in employment over the period were technicians and trades, sales work and machinery operators and drivers.

The employment status of the EBOP workforce at the time of the 2013 Census was paid employees (77% of the total workforce), employers (8%), self-employed (11%) and unpaid family workers (4%). All these categories recorded reduced numbers between 2006 and 2013, in particular employers and unpaid family workers.

Figure 7a presents the trend in employment in the EBOP region, since the 2005 September year. Statistics New Zealand 2006/2013 Census and annualised Household Labour-force Survey results for the BOP area have been combined to prepare the base estimates for the graph.

Employment in the region increased steadily over 2005-2007. It then fell the following year. However, employment gradually increased again over 2008-2011 but then fell over 2011-2013. Last year, employment increased by some 579 or 3.2%. Alternative Statistics New Zealand annual 'business demography' results for the region indicate an overall gain in employment since 2012. The level of employment in the region in 2014 was 1,654 or 10% above the Year 2005 figure.

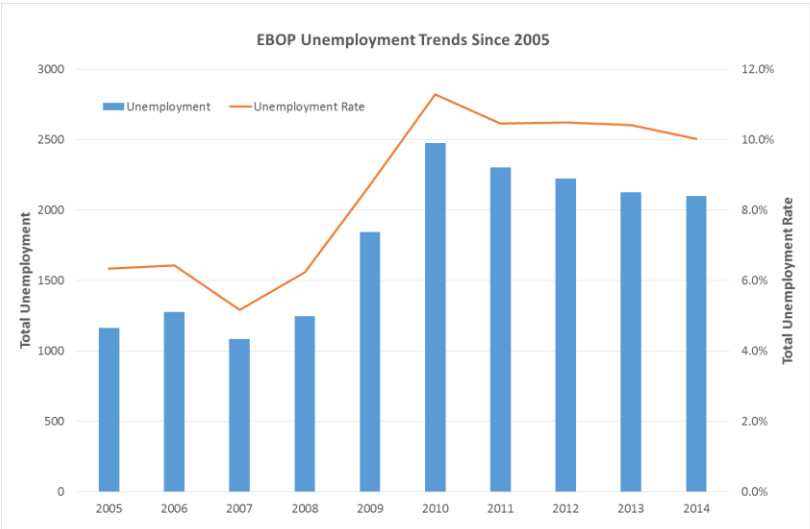
Figure 7a:



Source: *Statistics NZ Census and Labour-Market Survey Results*

Figure 7b indicates the trends in unemployment in the EBOP region since 2005. Unemployment remained around the 1500 mark over 2005-2008. It then increased sharply over the next two years. *Since its peak in 2010 at close to the 2,500 mark, unemployment in EBOP has gradually fallen, down to an annual level of approximately 2,100 in September 2014.* The annual rate of unemployment in the region is estimated at 10% for this period, compared to 10.4% for the September 2013 year and the peak figure of 11.3% for the year ended September 2010. The comparative annual rates of unemployment in September 2014 for the wider BOP area and nationally were 7.2% and 5.7% respectively. The total number of people in the EBOP area receiving the Government's jobseeker support benefit stood at 2,566 in September last year, compared to 2,636 in September 2013.

Figure 7b:

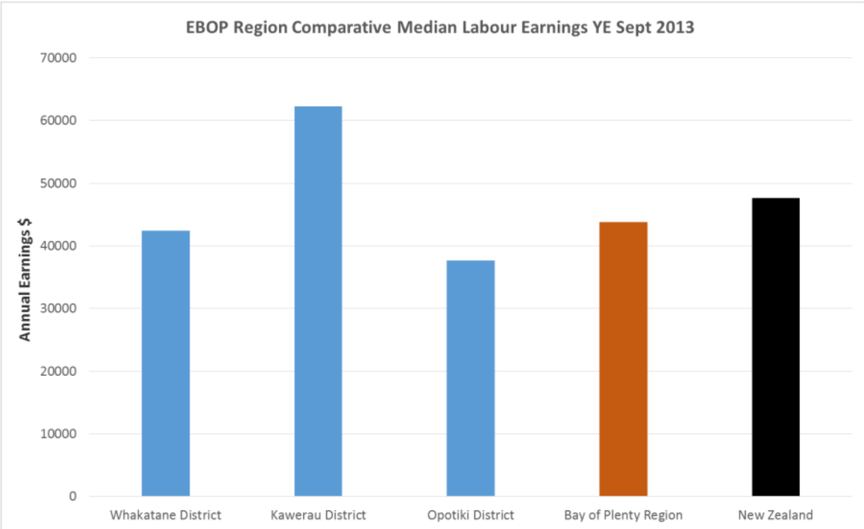


Source: *Statistics NZ Census and Labour-Market Survey Results*

At the March 2013 Census, the rates of unemployment for the different age-groups in the EBOP region were 15-19 years 35.1%, 20-24 years 26%, 25-29 years 21.3%, 30-34 years 15.3%, 35-39 years 11.7%, 40-44 years 11%, 45-49 years 8.6%, 50-54 years 7.7%, 55-59 years 6.8% and 60-64 years 6.4%.

Over the year ended September 2013, median annual earnings for continuing jobs in the Whakatane district were $41,880, Kawerau district $63,570 and Opotiki district $37,680. The comparable figures for the BOP region and New Zealand were $43,330 and $47,100 respectively. These results are shown in **Figure 7c** below.

Figure 7c:



Source: *Statistics New Zealand LEED Results*

8- Economic Outlook

In terms of the economic outlook for the EBOP region over the coming year, the following points are pertinent:

- The Reserve Bank's March 2014 Monetary Policy Statement indicates that annual average GDP growth amongst New Zealand's main overseas trading partners is forecast to strengthen a little to around the 4% mark over the next two years, compared to 3.7% for the March 2015 year. An increasing share of the country's exports is going to fast growing Asian economies. Annual growth in China of around 7% is forecast. Economic growth in Australia is expected to ease over the coming year. Growth in major developed economies is expected to remain mixed.

- The ANZ Bank's international commodity price index expressed in $NZ terms fell by 2.6% last year, following the 15% gain in 2013. Sheep/beef sector prices rose 16.4%, horticultural (pip-fruit and kiwifruit) prices 1% and seafood commodity prices 5.8%. Dairy and forestry prices fell 15.5% and almost 1% respectively. In December last year, Fonterra announced that it had cut its farm-gate milk price forecast for the current production season to $4.70 per kg of milk solids; this compares to the figure of $8.40 for the 2013-14 season.

- The Ministry of Primary Industries December 2014 primary industries economic performance update report (SOPI) indicates that New Zealand's total primary sector export receipts are forecast to fall by 9.5% this year, with positive growth occurring for meat/wool, seafood and horticulture, and growth declines occurring for forestry and dairying (-23.5%). Total export receipts are currently forecast to recover by 4.3% in 2016, with positive gains occurring in all main sectors. The forecast gains in horticulture are due to the improving export outlook for kiwifruit (17% lift in export receipts for 2014/15) and wine (+7.6%). The MPI report comments in respect of 'gold' kiwifruit that it "… is recovering from Psa at better than expected rates…"
- The latest (December 2014) Consensus Forecasts from NZ Institute of Economic Research indicate an expectation of 3.3% economic growth in New Zealand over the year ending March 2015 compared to 3.2% for the year ending March 2014, hence only a slight improvement lift in the country's overall economic growth performance for the latest year.
- EBOP region is an important component of the wider Bay of Plenty area, presently accounting for 18% of its population, 17% of its total GDP and 16% of its employment base. The region's ongoing economic performance is therefore significantly influenced by that of the BOP area. The latter's annual rate of real economic growth has consistently been within the 2-2.5% range since 2011. This provides a solid platform for continued significant growth at the regional level over the medium-term, underpinned by projected further significant population, Port of Tauranga, industrial and tourism sector growth and development in the future. This should, in turn, generate flow-on economic gains throughout the BOP region and particularly so if increased transport and other connectivity between growth centres and other parts of the region is achieved. Strongest industry growth over the next few years is forecast for the BOP rural production, tourism/hospitality services, transport/storage, business services and health/community services sectors.

The general upshot of the above trends is that the broad economic 'environment' facing the EBOP area over the shorter-term is a generally favourable one, which should assist in seeing positive albeit relatively limited economic growth occurring during the period.