

Trends

TARANAKI FACTS AND FIGURES

2017 Q2/Q3



WELCOME

Promoting Taranaki's food production sector presents an opportunity for enhancing economic growth, as well as increasing the profile of Taranaki on the national consciousness as a prime hub for food production.

From dairy product and cheese manufacturing, to meat processing, speciality goods production, poultry, bread and baked products, honey, vegetables, nuts, fresh fish, craft beers, and great coffee, it's all made here and has links to our history and farming heritage, fertile landscape and entrepreneurial people.

Food production contributes \$340 million to our regional GDP, is responsible for more than 4,300 jobs, and it comprises over half of Taranaki's manufacturing base. We are home to a number of the nation's major food production facilities as well as a base for locally grown successful businesses. Taranaki punches above its weight with over 6% of New Zealand's GDP and jobs in food production, 18% of the nation's dairy and cheese production workforce, and supply links to major outlets here and around the world.

Opportunities for our food sector are strong, both in terms of developing enterprise and tourism around our products, and in growing our regional brand and global markets.

But any such growth must necessarily be supported by a skilled and talented workforce, conducive business climate and sustainable rural communities. Statistics NZ suggests in its latest population projections that rural populations risk decline on the back of an ageing demographic and sprawling Auckland hub. Taranaki's population is forecast to grow by over 17,200 people by 2043. New Plymouth District is anticipated to be the focus of this growth while our rural communities may face a more challenging outlook. But projections are not predictions, and while market forces will be influential, Taranaki can also shape its destiny through leadership decisions that reaffirm the importance of regional economies and our businesses, rural sector and communities around the mountain.

Hopefully this edition of Trends provides plenty of "food for thought".



Dr Anne Probert

General Manager, Economy & Sector Development
Venture Taranaki

Q2 / Q3 2017: This edition of Taranaki Trends is published in April 2017 and remains current until October 2017

- Cover Photo: Courtesy of Yarrows The Bakers (2011) Limited, Manaia, Taranaki, NZ.

Economic Summary



CONFIDENCE IN THE ECONOMIC OUTLOOK BY TARANAKI BUSINESSES

concerning the next 12 months.



POPULATION PROJECTIONS FOR TARANAKI

(15.1% more people living in Taranaki by 2043).



NET MIGRATION GAIN FROM MORE PEOPLE ARRIVING AND PERMANENTLY LOCATING IN TARANAKI FROM OVERSEAS THAN INTERNATIONAL DEPARTURES

year ending December 2016 relative to previous 12 months.



VALUE OF CONSTRUCTION CONSENTS FOR YEAR ENDING DECEMBER 2016

relative to the previous 12 month period.



AVERAGE HOUSE VALUATIONS FOR DECEMBER 2016 RELATIVE TO DECEMBER 2015

in the New Plymouth, Stratford and South Taranaki Districts.



RETAIL SALES FOR THE SIX MONTHS ENDING DECEMBER 2016

relative to the same period in 2015.



NUMBER OF GUEST NIGHTS BY VISITORS STAYING IN COMMERCIAL ACCOMMODATION OUTLETS WITHIN TARANAKI FOR YEAR ENDING DECEMBER 2016

relative to 2015.



TARANAKI'S UNEMPLOYMENT RATE DECEMBER 2016 QUARTER

compared with same period 2015.



HOME AFFORDABILITY WITHIN TARANAKI

relative to same period 12 months prior.



AVERAGE WEEKLY RENTALS IN NEW PLYMOUTH (OCTOBER 2016)

relative to same time 12 months ago.



TARANAKI EMPLOYEE COUNT, AS AT FEBRUARY 2016

relative to same time in 2015 (-0.4%).



NUMBER OF BUSINESSES IN TARANAKI AS AT FEBRUARY 2016

relative to same time in 2015 (-0.6%).



EXPORT TONNAGE FROM PORT TARANAKI FOR 2015/2016 YEAR

relative to previous 12 month period.

Gross Domestic Product

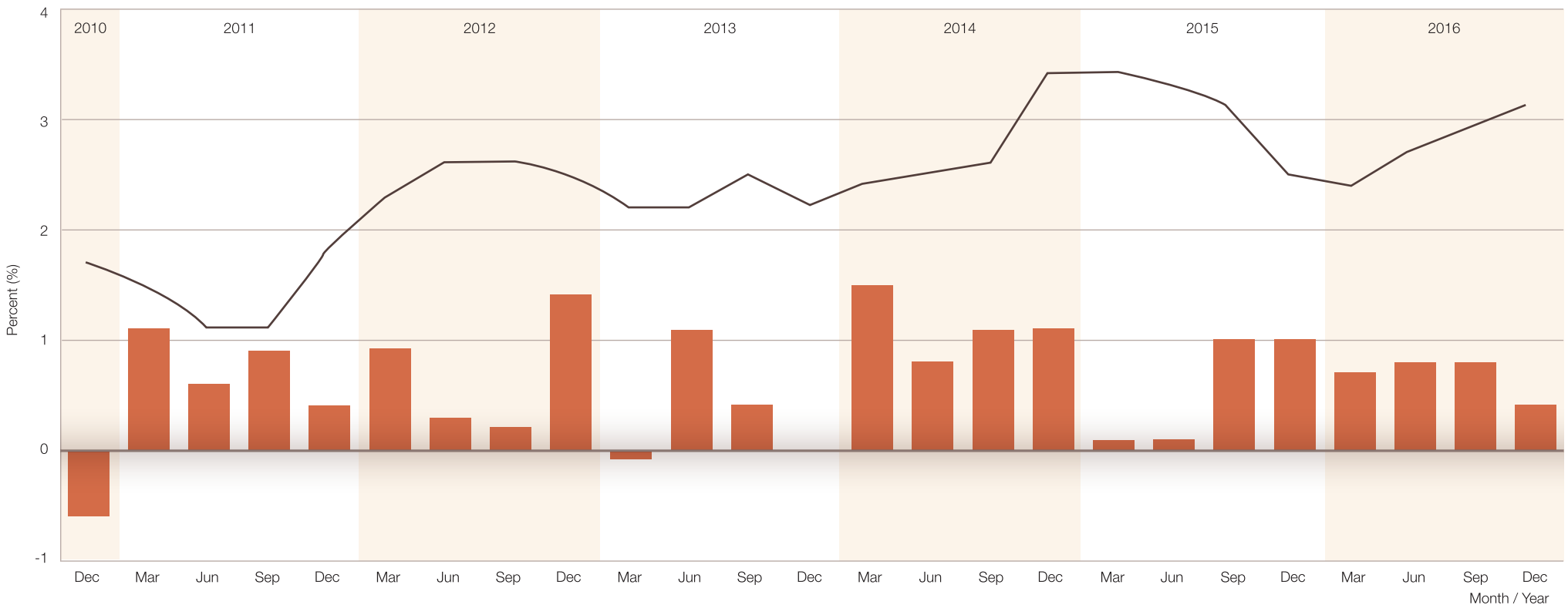
GROSS DOMESTIC PRODUCT (GDP) – NEW ZEALAND



GROWTH FOR THE YEAR ENDED DECEMBER 2016 WAS 3.1%, UP FROM 2.9% FOR THE YEAR ENDED SEPTEMBER 2016. AGRICULTURE RECORDED A DECLINE OF 0.6% IN THE DECEMBER 2016 QUARTER, PREDOMINANTLY DUE TO LOWER THAN USUAL MILK PRODUCTION FOR THIS TIME OF YEAR.

GROSS DOMESTIC PRODUCT ⁽¹⁾ QUARTERLY GROWTH AND ANNUAL GROWTH

— Annual Growth ■ Quarterly Growth 1. Seasonally adjusted chain-volume series expressed in 2009/10 prices. Source: Stats NZ



Consumer Price Index

CONSUMER PRICE INDEX (CPI) – NEW ZEALAND

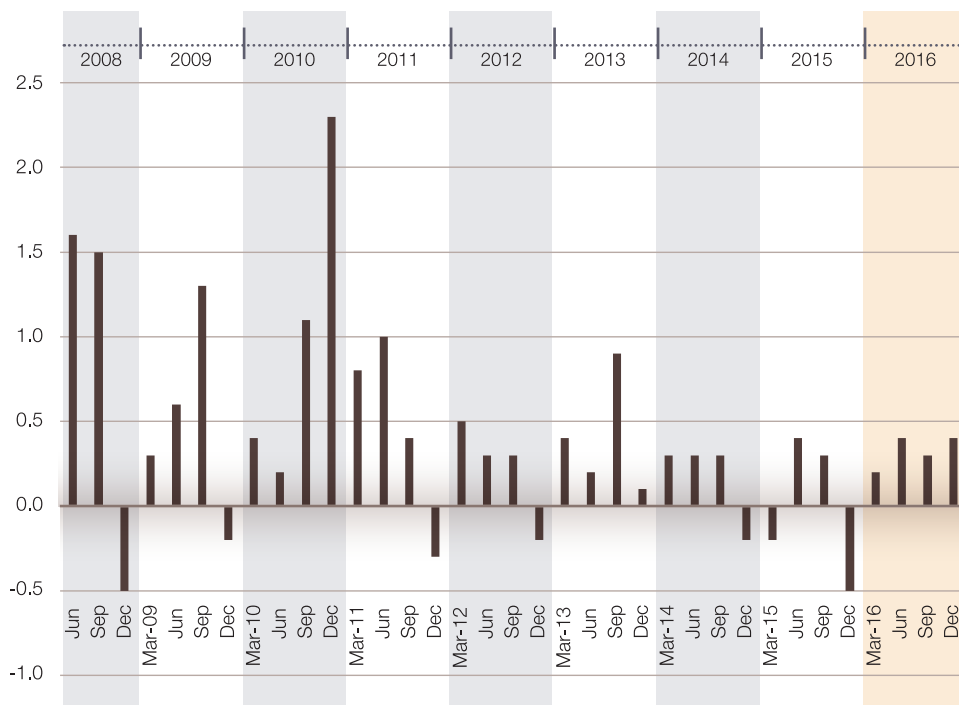
DECEMBER 2016 QUARTER

0.4%

ANNUAL CHANGE

1.3%

QUARTERLY CHANGE IN CPI DECEMBER 2016 QUARTER



PRICE INCREASES OCCURRED

IN TRANSPORT (UP 3.7%), INFLUENCED BY HIGHER PETROL AND AIR TRANSPORT PRICES.

HOUSING-RELATED PRICES ALSO INCREASED

WITH THE PURCHASE OF NEW HOUSING, EXCLUDING LAND, UP 1.4%.

VEGETABLE PRICES DECLINED 15%.

THE AVERAGE PRICE OF 1 LITRE OF 91 OCTANE PETROL WAS \$1.82 IN THE DECEMBER 2016 QUARTER,

UP FROM \$1.75
IN THE SEPTEMBER 2016 QUARTER.

EXPORTS FROM NEW ZEALAND

TOTALLED \$48 BILLION

FOR THE YEAR ENDING DECEMBER 2016.

TOP THREE EXPORT EARNERS WERE:

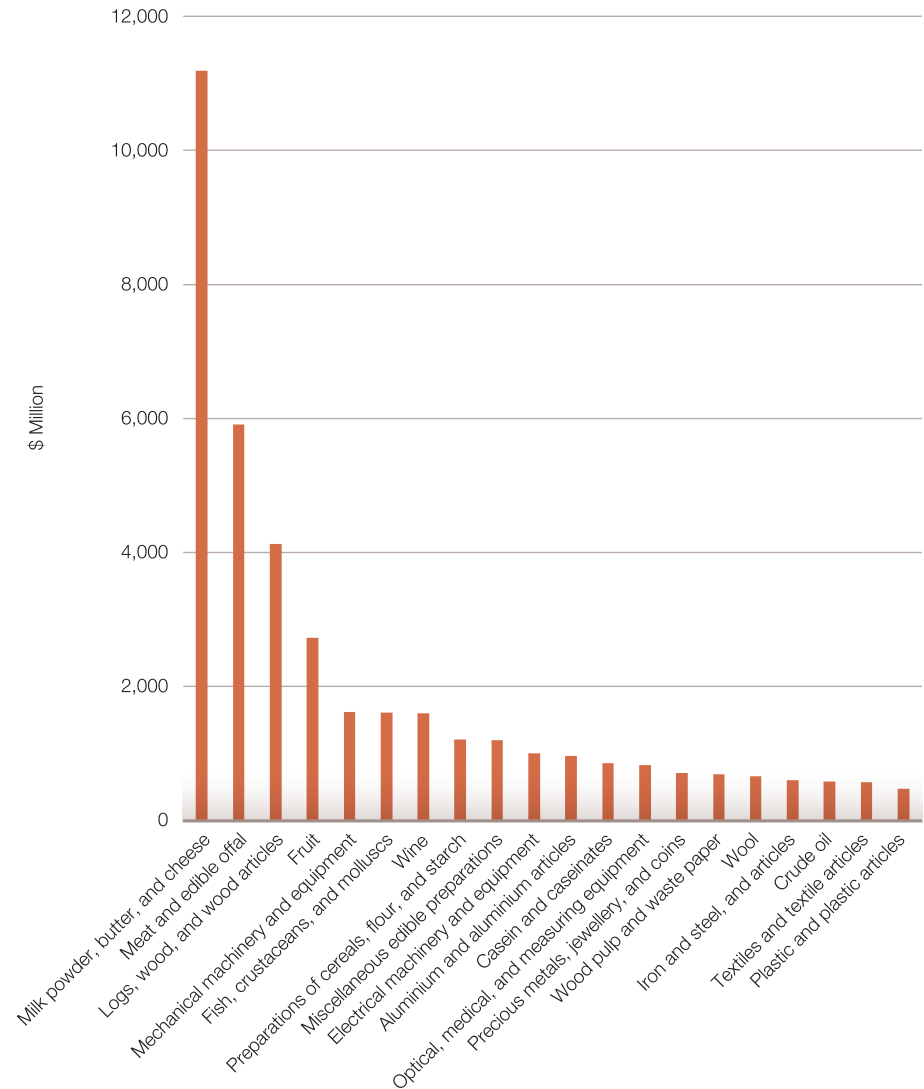
1. MILK POWDER, BUTTER, CHEESE
2. MEAT
3. LOGS & WOOD

KEY CHANGES IN PRODUCT EXPORT LEVELS (%) FOR THE YEAR RELATIVE TO PREVIOUS 12 MONTHS:

- MEAT DECLINED 3%
- MILK POWDER, BUTTER AND CHEESE FELL 2.9%
- FRUIT INCREASED 19%, LED BY GOLD KIWIFRUIT (UP 54%)
- LOG, WOOD AND WOOD ARTICLES INCREASED 17%
- CRUDE OIL FELL 19%, WITH QUANTITIES EXPORTED DOWN 1.5%.

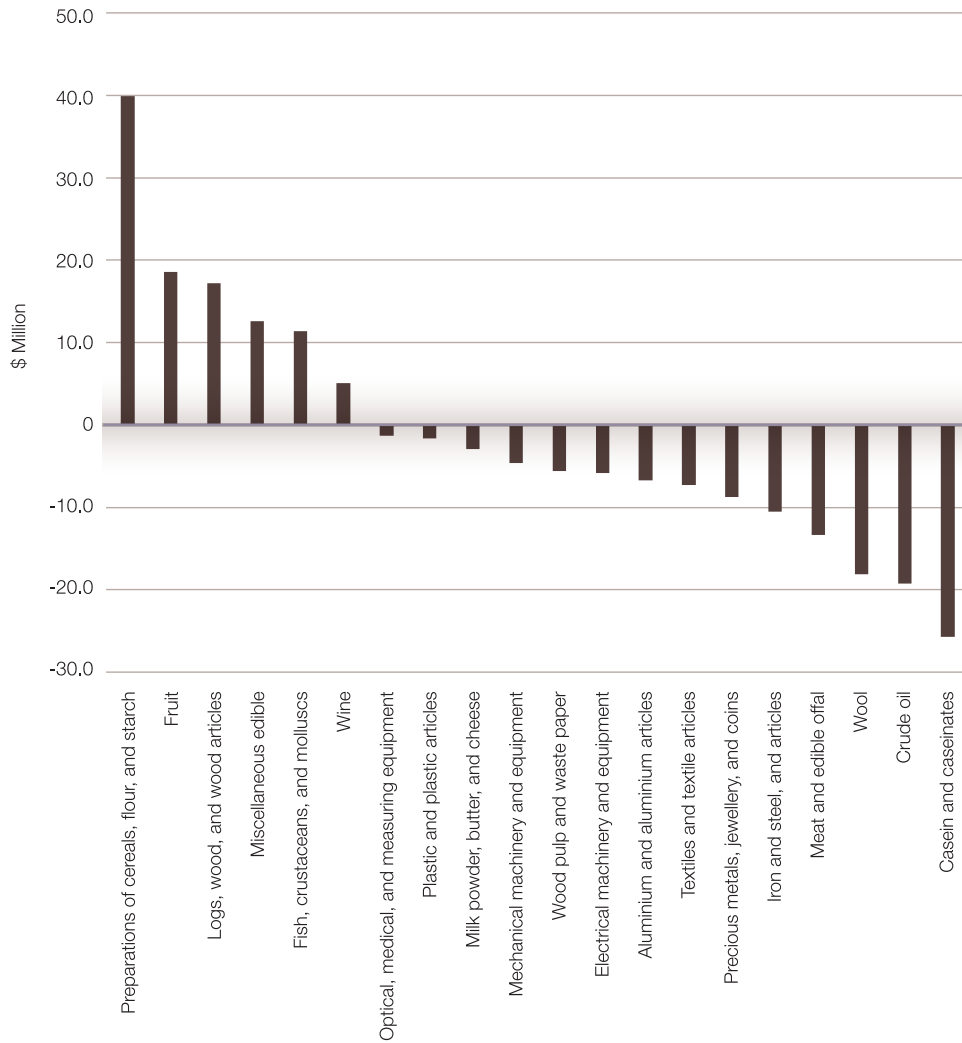
Export commodities and categories as defined by Statistics NZ

VALUE OF EXPORTS - YEAR TO DECEMBER 2016, NEW ZEALAND TOP 20 (\$ MILLION)



Export Commodity

**PERCENTAGE CHANGE IN VALUE OF EXPORTS
12 MONTHS TO DECEMBER 2016 RELATIVE TO PREVIOUS 12 MONTHS**

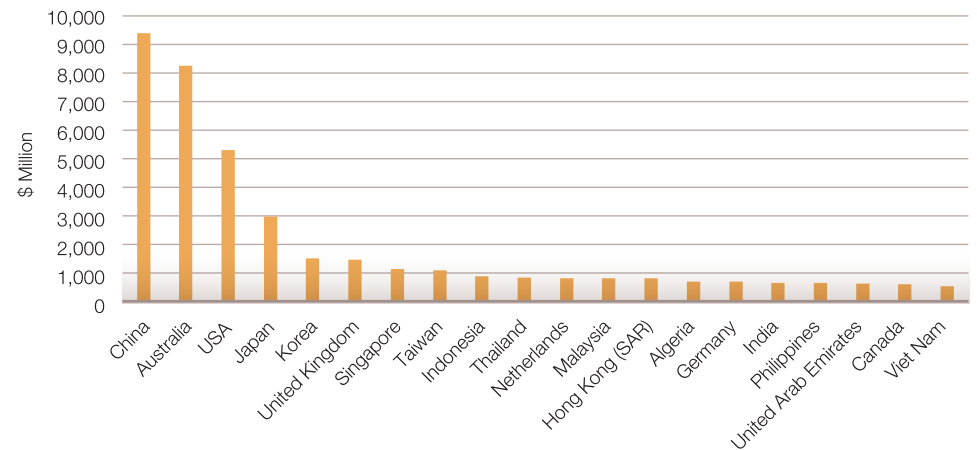


Export Commodity Top 20

ANNUAL PERCENTAGE CHANGE IN VALUE OF EXPORTS PERTAINING TO NEW ZEALAND'S TOP SIX EXPORT DESTINATIONS:

- ▲ **CHINA – UP 9.1%**
- ▼ **AUSTRALIA – DOWN 0.9%**
- ▼ **UNITED STATES – DOWN 8%**
- ▼ **EU – DOWN 4%**
- ▲ **JAPAN – UP 0.8%**
- ▼ **KOREA: DOWN 4.6%**

EXPORT DESTINATION – TOP 20 COUNTRIES BY \$ MILLION



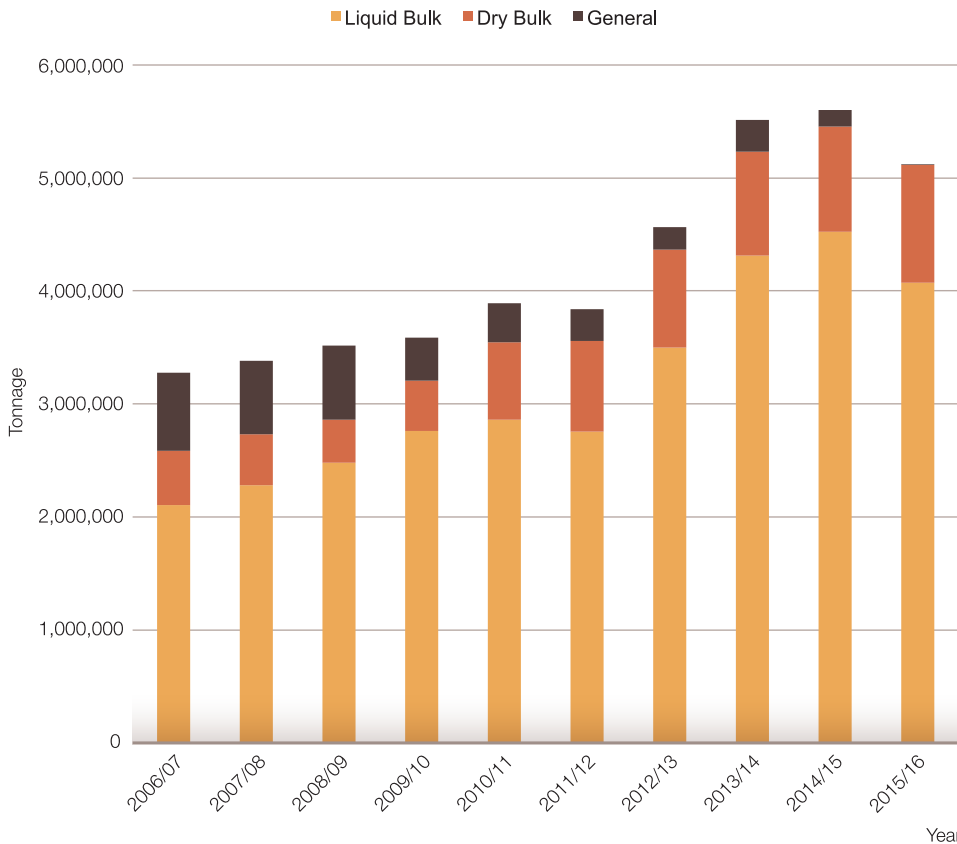
Countries

Exports & Imports - Port Taranaki

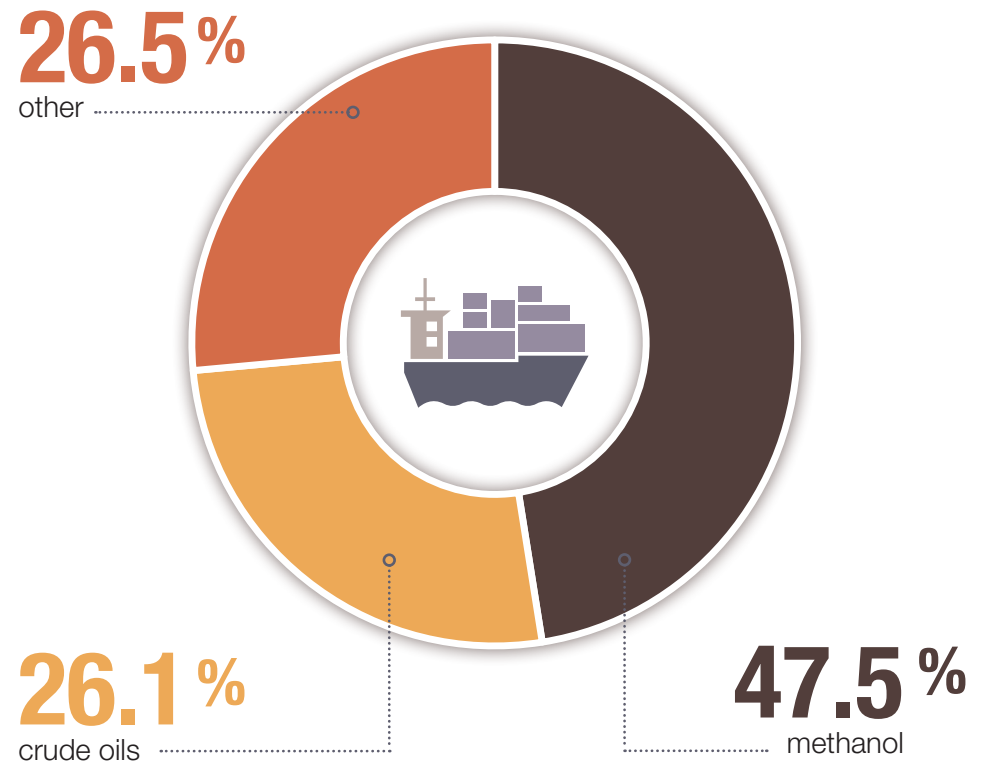
A TOTAL OF **5.1 MILLION** FREIGHT TONNES CROSSED PORT TARANAKI DURING 2015/2016. THIS ACTIVITY IS INCLUSIVE OF IMPORTS, EXPORTS AND COASTAL TRADE. METHANOL, CRUDE OILS, GRAINS AND LOGS WERE AMONGST THE DOMINANT PRODUCTS.

TOTAL FREIGHT TONNAGE WAS **8.6% LESS** IN 2015/2016 THAN THE YEAR PRIOR WITH MANY CATEGORIES REFLECTING A DECLINE IN TRADE WITH THE EXCEPTION OF LOG VOLUMES WHICH INCREASED 71.2%.

PORT TARANAKI TONNAGE – BY PRODUCT CATEGORY

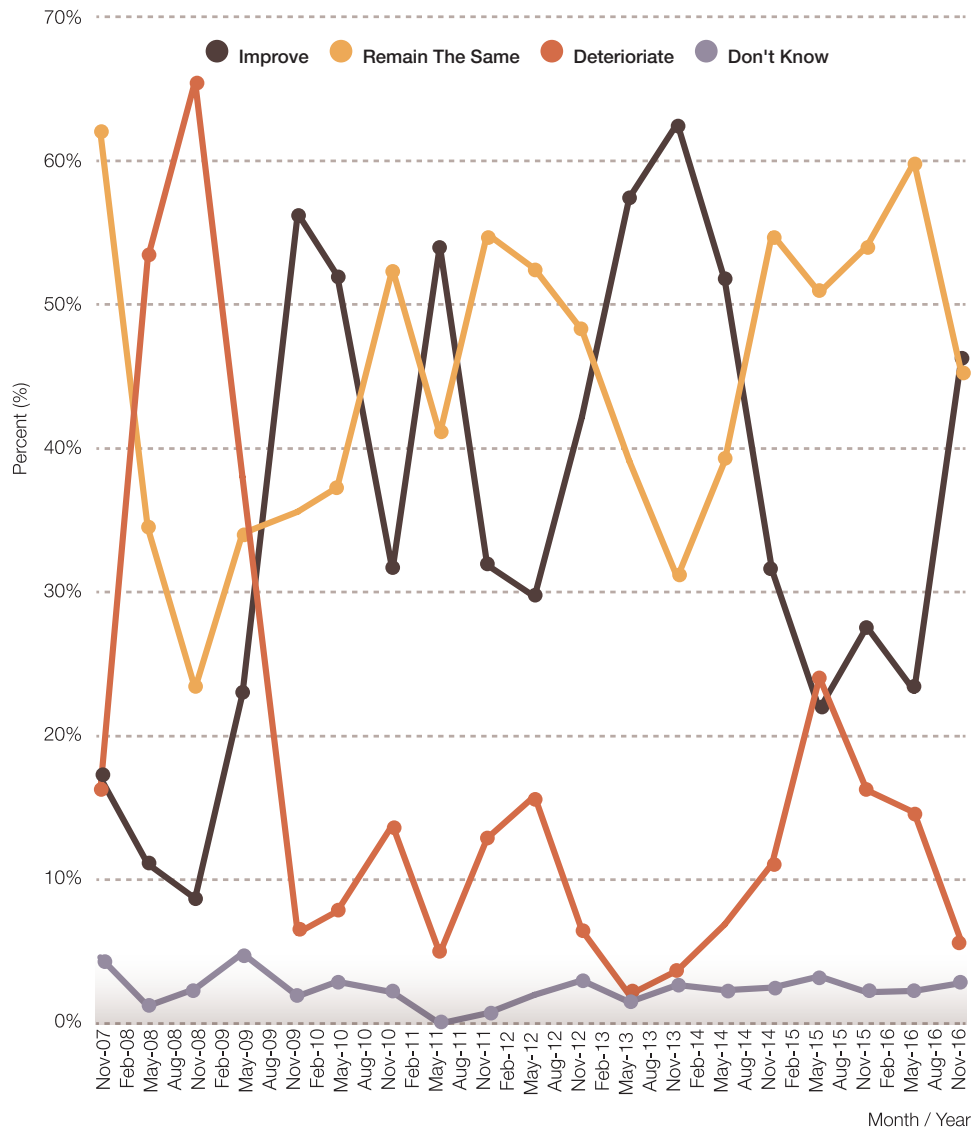


2015/2016 % COMPOSITION OF TOTAL FREIGHT TONNAGE



Taranaki Economic Outlook

NZ BUSINESS CONDITIONS - NEXT 12 MONTHS



OVER 1,000 TARANAKI BUSINESSES WERE SURVEYED IN NOVEMBER 2016 REGARDING THE STATE OF THE NEW ZEALAND ECONOMY AND TRADING CONDITIONS FOR THE NEXT 12 MONTHS.

46% ANTICIPATED IMPROVEMENT
(UP FROM 23%)

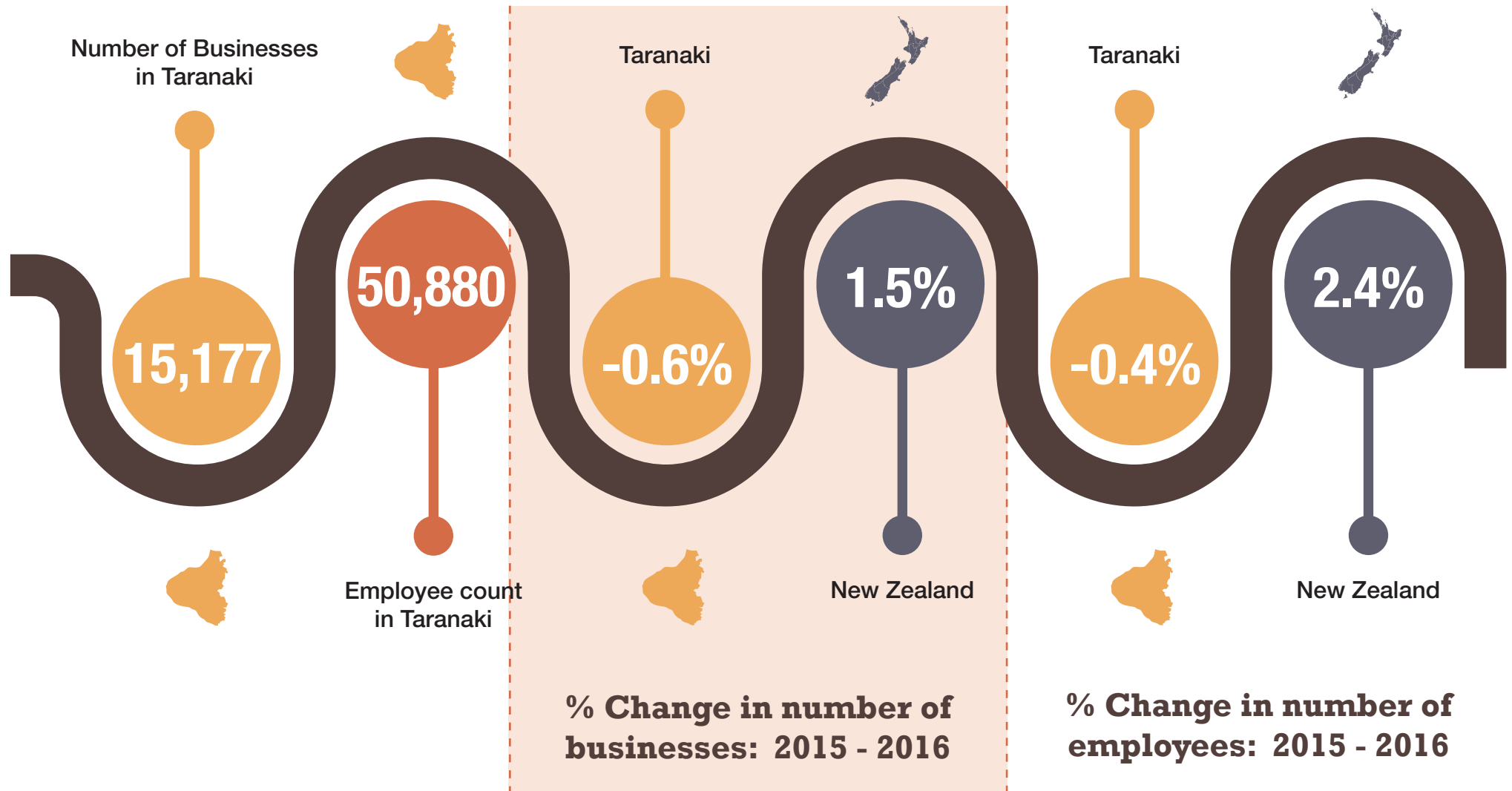
45% ANTICIPATED THE STATUS QUO WILL PREVAIL
(DOWN FROM 60%)

6% PREDICTED DETERIORATION
(DOWN FROM 15%)

3% WERE UNSURE

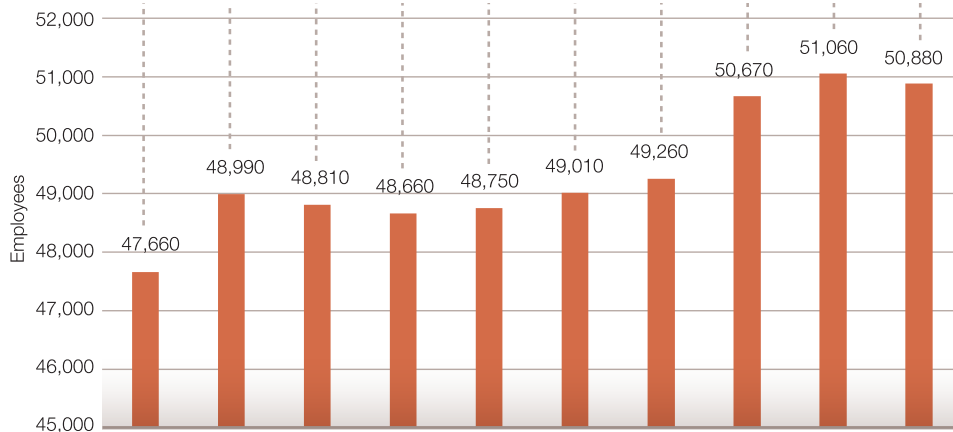
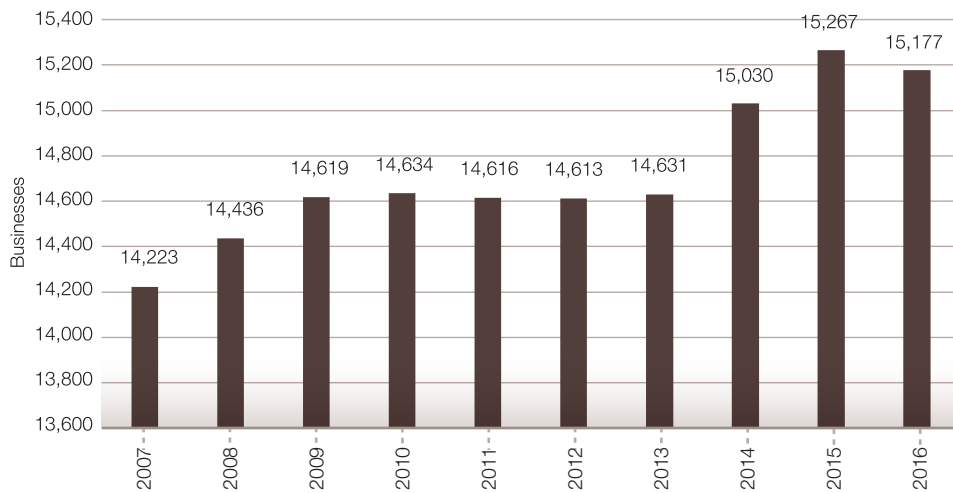
Taranaki – Businesses and Employment

THE DETAILED REGIONAL BUSINESS DATA COLLECTED ANNUALLY BY STATISTICS NZ, WAS NOT ANALYSED TO THE SAME EXTENT THIS YEAR, DUE TO THE EARTHQUAKE IN LATE 2016, WHICH IMPACTED THE STATISTICS NZ BUILDING IN WELLINGTON AND THEIR WORK PROGRAMME. THE FOLLOWING (LIMITED) REGIONAL INFORMATION HAS NOW BEEN RELEASED, AND RELATES TO DATA COLLECTED IN FEBRUARY 2016.



TARANAKI EXPERIENCED A SMALL CONTRACTION IN BOTH THE NUMBER OF BUSINESSES AND EMPLOYEES IN 2016, RELATIVE TO 2015, ALTHOUGH LEVELS REMAIN HIGHER THAN 2014.

TARANAKI: NUMBER OF BUSINESSES 2007- 2016



TARANAKI: EMPLOYEE COUNT 2007 - 2016

REGIONAL DATA SHOWED THAT BETWEEN FEBRUARY 2015 AND FEBRUARY 2016:

- THE AUCKLAND AND BAY OF PLENTY REGIONS HAD THE **HIGHEST PERCENTAGE INCREASES** IN THE NUMBER OF BUSINESS (3.3% AND 2.4%, RESPECTIVELY).
- THE NUMBER OF BUSINESS IN ALL OTHER REGIONS **EXCEPT THE WEST COAST** HAD COMPARATIVELY SMALLER CHANGES (1.0% OR LESS).
- ALL REGIONS EXCEPT TARANAKI AND THE WEST COAST **HAD MORE EMPLOYEES** AT FEBRUARY 2016 THAN AT FEBRUARY 2015.

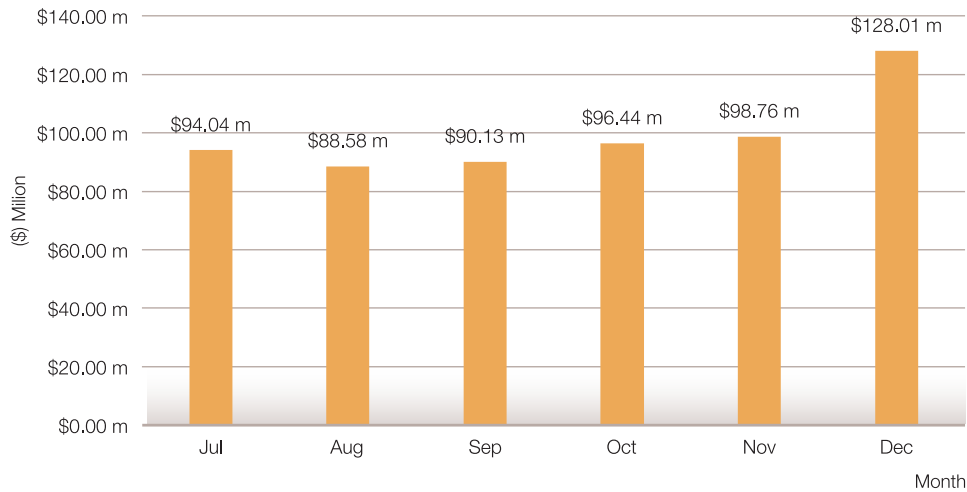
ON A NATIONAL BASIS, THE NUMBER OF BUSINESSES

INCREASED 1.5%
AND PAID EMPLOYEES
INCREASED 2.4%.

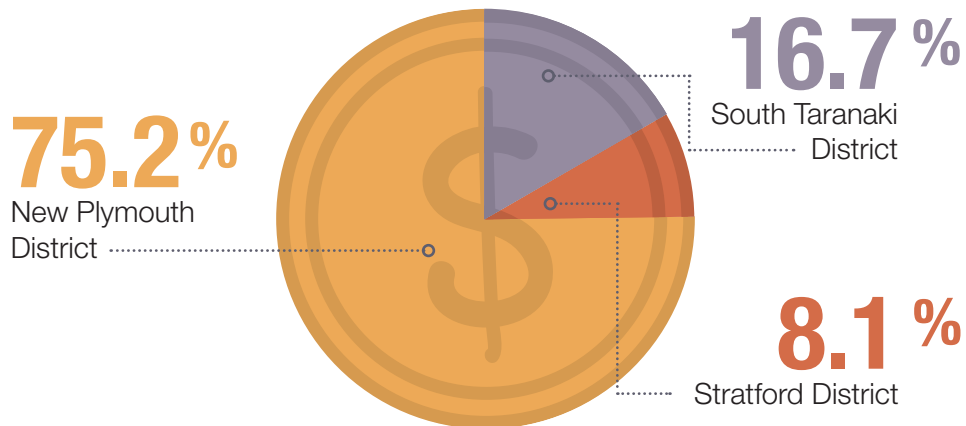
Retail Sales

FOR THE HALF-YEAR ENDING DECEMBER 2016, \$596 MILLION WAS SPENT AT RETAIL MERCHANTS IN TARANAKI.

VALUE OF MONTHLY SPEND IN TARANAKI: JULY – DECEMBER 2016

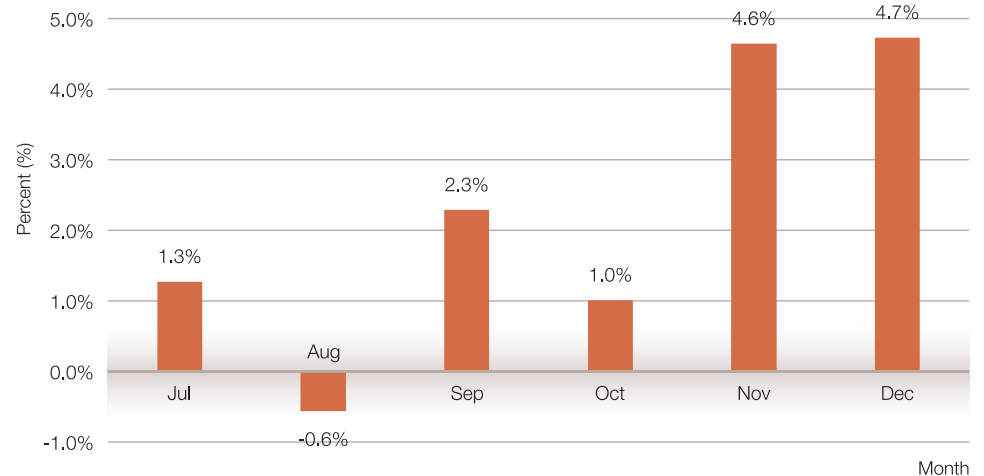


RETAIL SPEND IN TARANAKI – DISTRICT % SHARE 6 MONTHS ENDING DECEMBER 2016

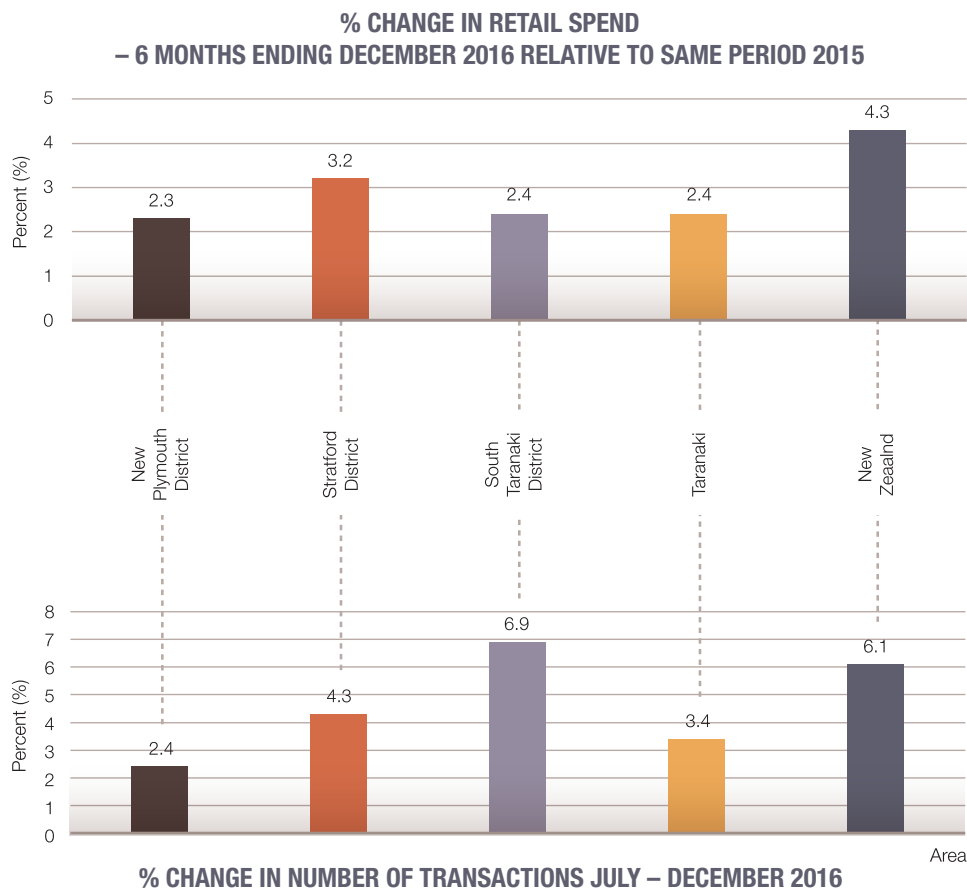


SPENDING WITHIN
TARANAKI WAS UP 2.4%
 FOR THE HALF-YEAR TO DECEMBER 2016,
 RELATIVE TO THE SAME PERIOD IN 2015,
 ALTHOUGH IT WAS LESS THAN THE NEW ZEALAND
 AVERAGE OF 4.3% GROWTH. MUCH OF THE
 INCREASE IN TARANAKI WAS DUE TO
**HEIGHTENED SPEND DURING
 NOVEMBER AND DECEMBER.**

TARANAKI- MONTHLY % CHANGE IN SPEND OVER SAME TIME LAST YEAR



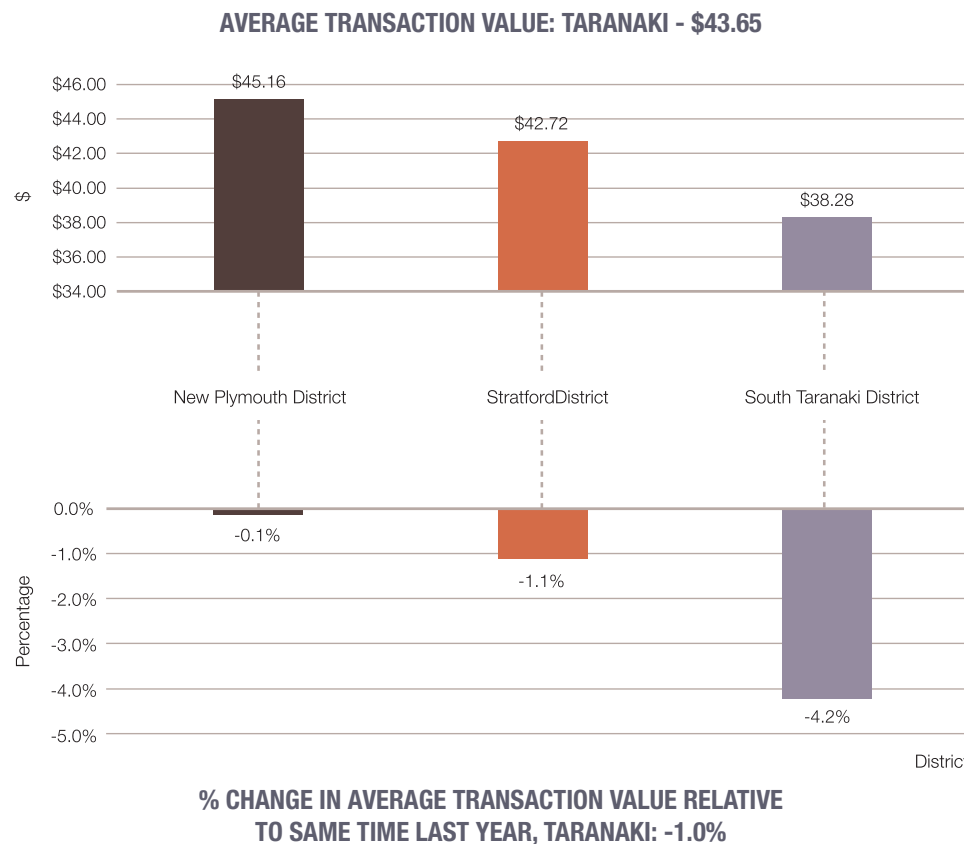
THE STRONGEST RETAIL GROWTH WAS RECORDED IN THE STRATFORD DISTRICT WITH A 3.2% GAIN.



THE BIGGEST INCREASE IN THE NUMBER OF RETAIL TRANSACTIONS WAS RECORDED IN THE SOUTH TARANAKI DISTRICT WITH 6.9% INCREASE OVER THE PAST YEAR.

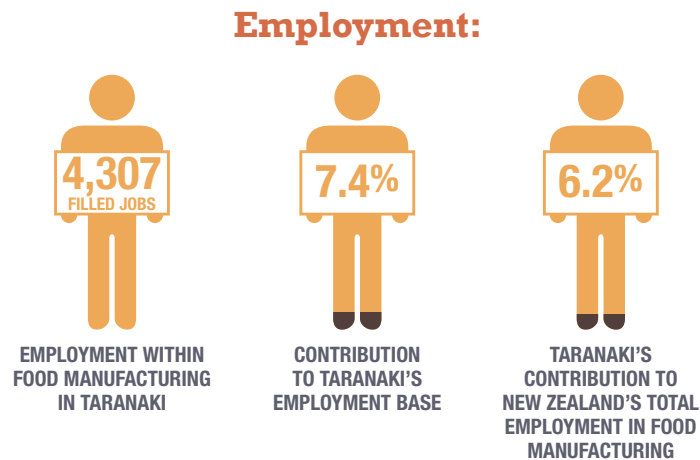
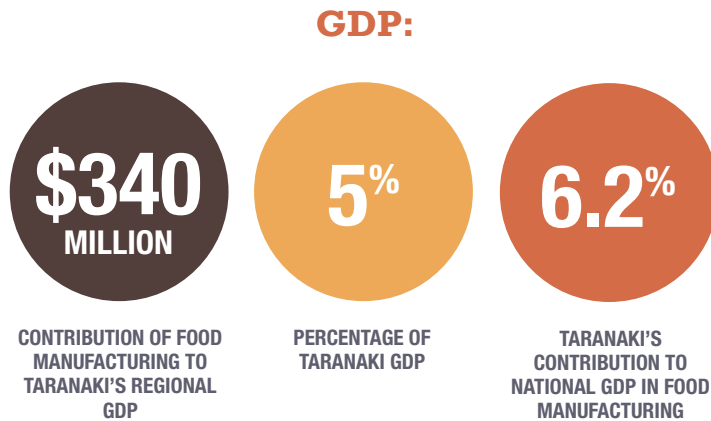
PEOPLE SPENT LESS PER TRANSACTION IN 2016.

NEW PLYMOUTH DISTRICT ATTRACTED THE HIGHEST AVERAGE TRANSACTION VALUE WITHIN TARANAKI AT \$45.16. SOUTH TARANAKI RECORDED THE BIGGEST DECLINE IN TRANSACTION VALUE OF THE THREE DISTRICTS (-4.2%).

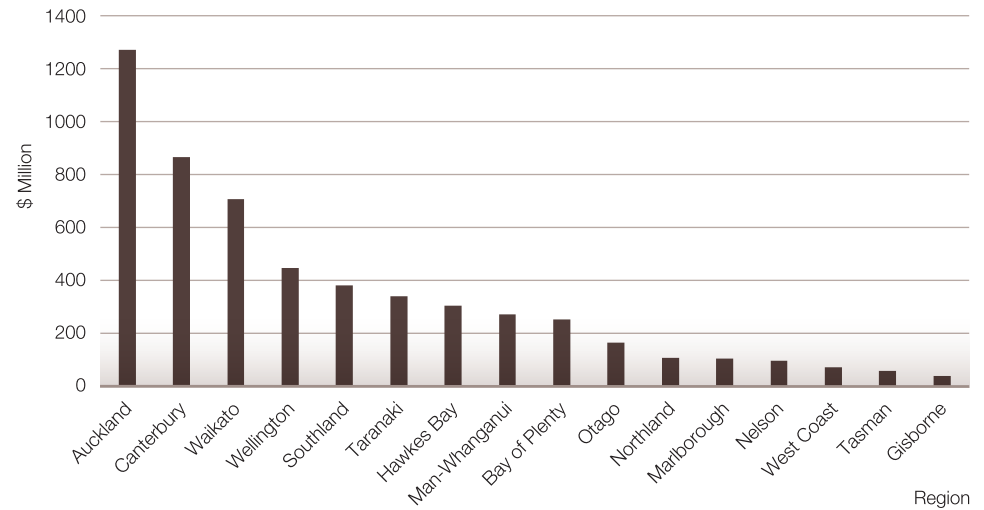


Food Manufacturing

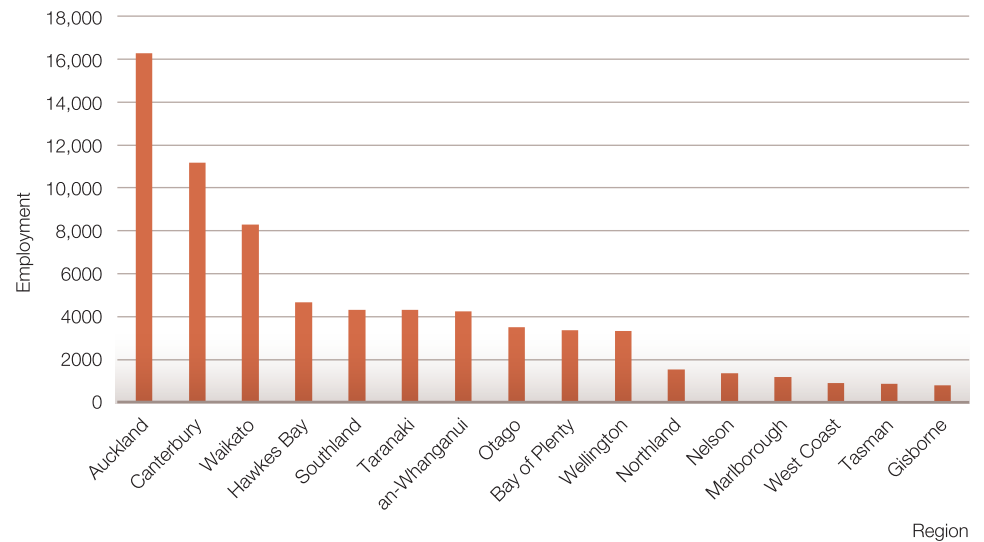
FOOD MANUFACTURING AND PRODUCTION IS AN IMPORTANT COMPONENT OF THE TARANAKI ECONOMY. ON A NATIONAL LEVEL TARANAKI MAKES A SIGNIFICANT CONTRIBUTION TO NEW ZEALAND'S FOOD PRODUCTION, ESPECIALLY IN RELATION TO DAIRY AND CHEESE PRODUCTION, AS WELL AS MEAT AND POULTRY PROCESSING.



REGIONAL GDP RANK – FOOD PRODUCTION \$ MILLION

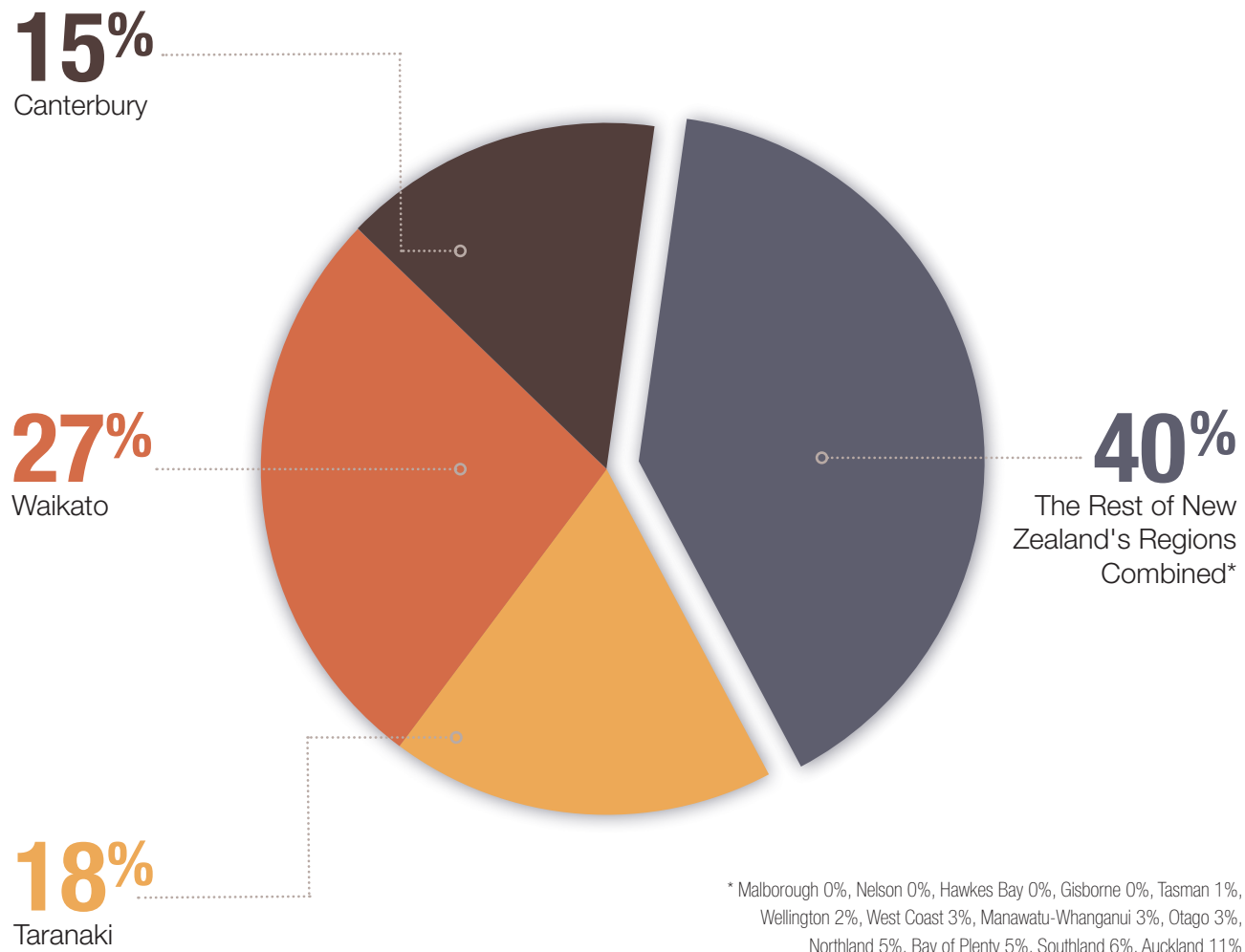


REGIONAL EMPLOYMENT RANK – FOOD PRODUCTION



DAIRY PRODUCT AND CHEESE MANUFACTURING IN NEW ZEALAND, % OF NZ TOTAL EMPLOYED BY REGION, N= 10,995

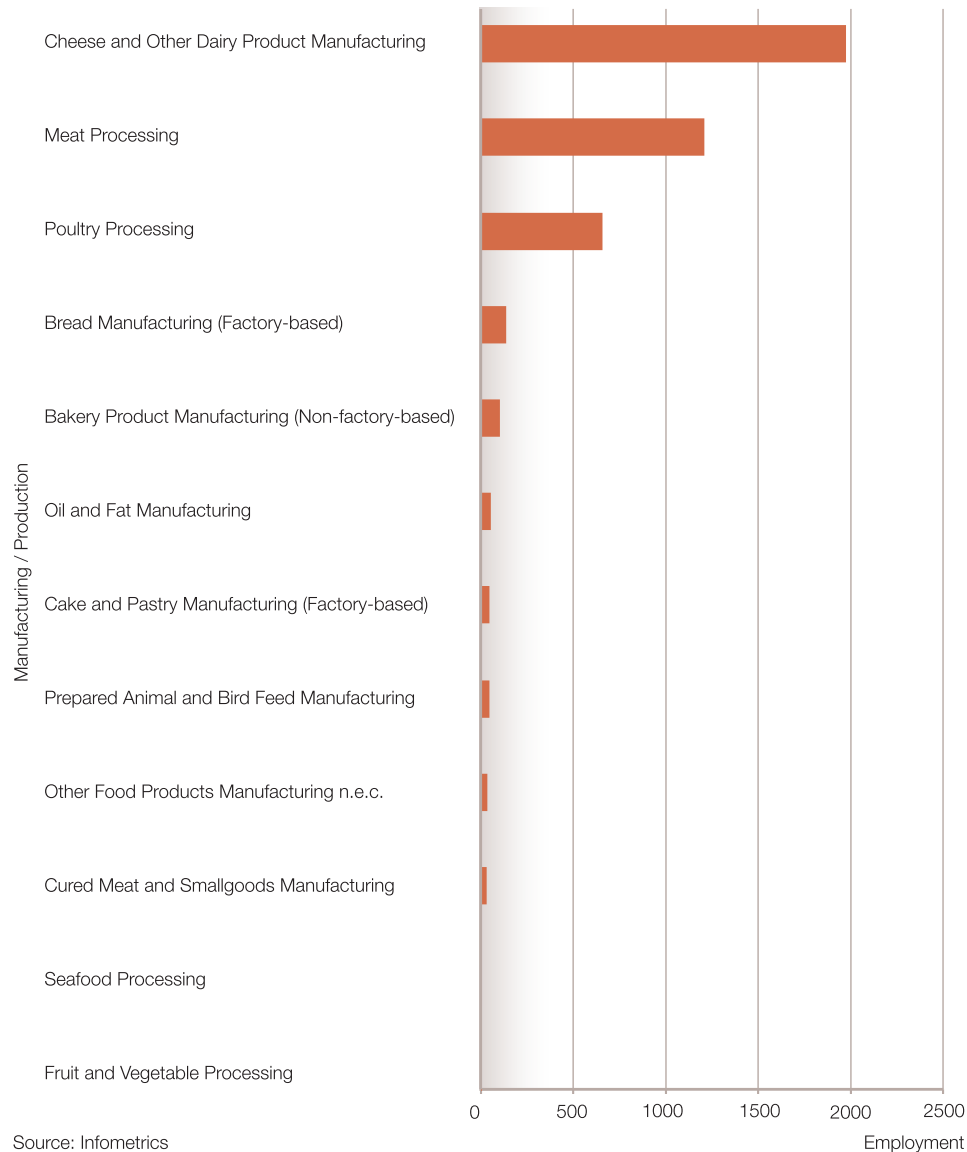
Source: Infometrics



TARANAKI EMPLOYS 18% OF NEW ZEALAND'S TOTAL WORKFORCE INVOLVED IN DAIRY PRODUCT AND CHEESE MANUFACTURING – THE SECOND HIGHEST CONTRIBUTOR BY REGION.

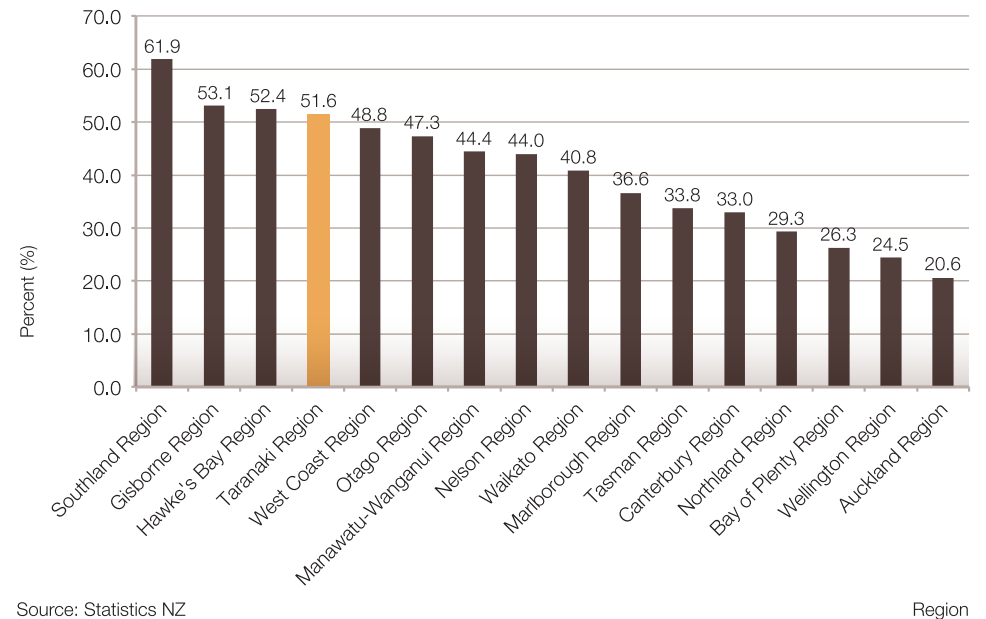
Food Manufacturing - Continued

TARANAKI - EMPLOYMENT WITHIN FOOD MANUFACTURING / PRODUCTION



**FOOD PRODUCTION
COMPRISES OVER 50% OF
TARANAKI'S EMPLOYMENT
IN MANUFACTURING –
THE FOURTH HIGHEST
PROPORTION BY REGION.**

FOOD MANUFACTURING AS A % OF TOTAL EMPLOYMENT IN MANUFACTURING

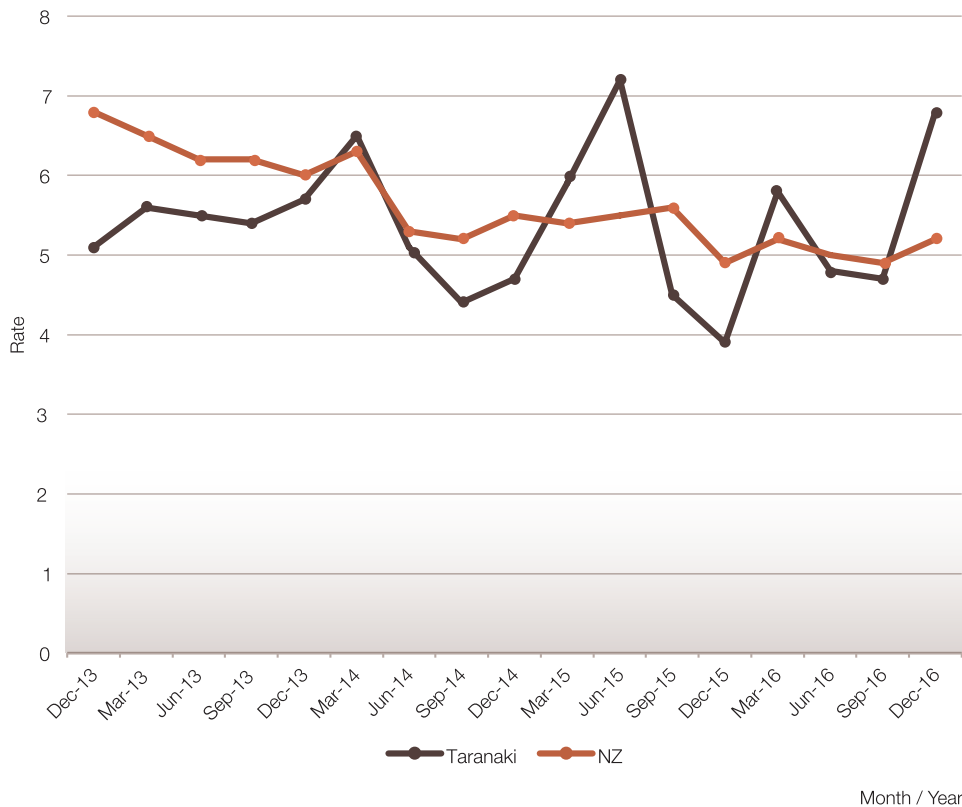


Labour Force

DECEMBER QUARTER 2016 UNEMPLOYMENT RATE

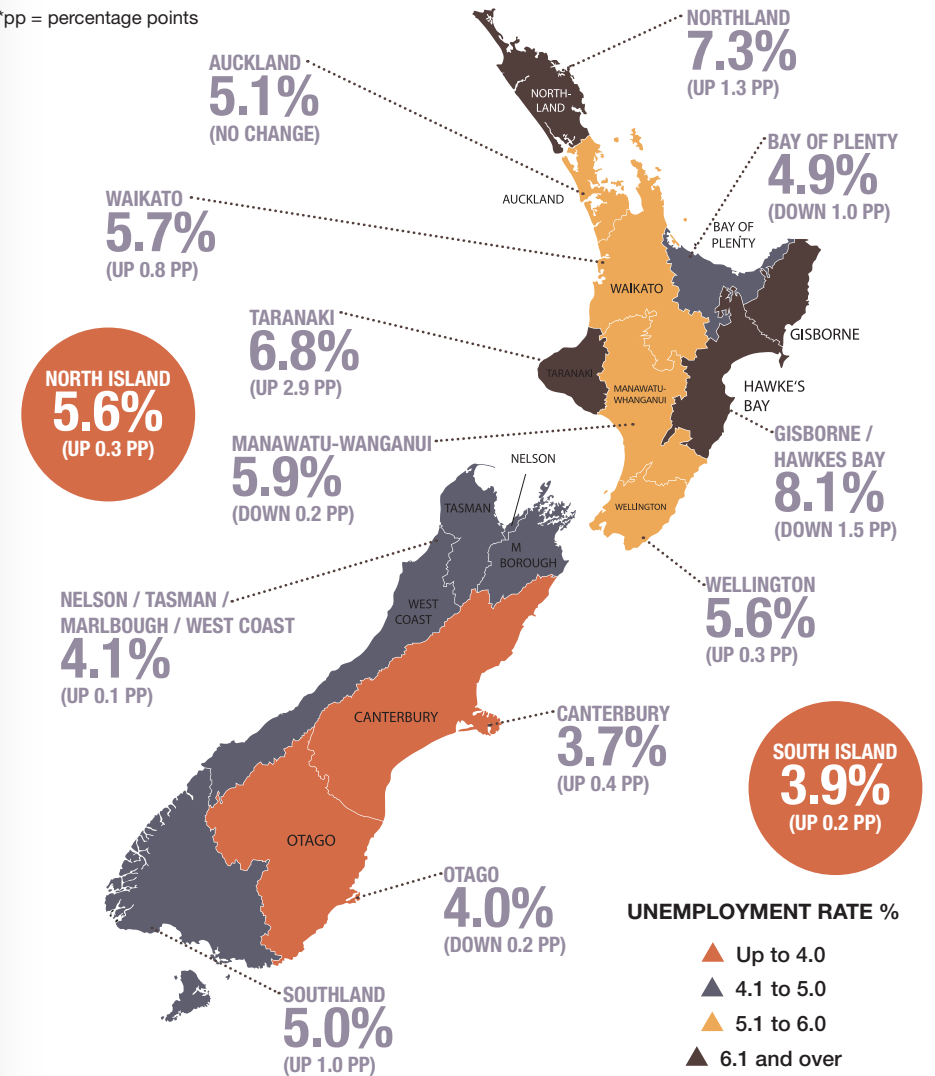


UNEMPLOYMENT RATE



Unemployment Rates by Regional Council Area December 2016 quarter (compared with December 2015 quarter)

*pp = percentage points



Population Projections

THE LATEST POPULATION PROJECTIONS HAVE BEEN RELEASED BY STATISTICS NEW ZEALAND. THESE PROJECTIONS ARE NOT PREDICTIONS. THEY PROVIDE AN INDICATION OF THE OVERALL TREND AND ARE UPDATED EVERY TWO-THREE YEARS TO INCLUDE NEW INFORMATION ABOUT POPULATION MOVEMENTS AND DEMOGRAPHIC CHANGES. THEY INCLUDE HIGH, MEDIUM AND LOW GROWTH PROJECTIONS BASED ON DIFFERING ASSUMPTIONS CONCERNING FERTILITY, MORTALITY AND MIGRATION.

Key Outcomes:

THE RATE OF POPULATION GROWTH FOR NEW ZEALAND IS ANTICIPATED TO SLOW

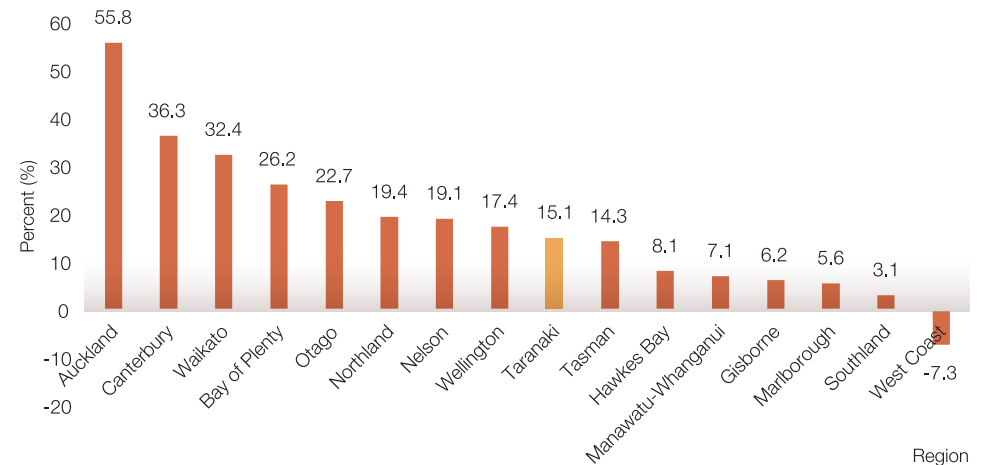
ALL REGIONS WILL BE HOME TO MORE PEOPLE AGED 65+

DEATHS WILL INCREASE RELATIVE TO BIRTHS IN ALMOST ALL AREAS AS THE POPULATION AGES.

The medium population projection indicates:

1. FIFTEEN OF NEW ZEALAND'S SIXTEEN REGIONS WILL HAVE MORE PEOPLE
2. MORE THAN HALF OF NEW ZEALAND'S POPULATION GROWTH BETWEEN 2013 AND 2043 WILL OCCUR IN AUCKLAND
3. AUCKLAND'S POPULATION WILL REACH 2 MILLION BY 2033
4. TARANAKI'S POPULATION WILL BE 15.1% HIGHER IN 2043 THAN ITS CURRENT LEVEL
5. WAITEMATA WILL BE THE CITY/DISTRICT WITH THE HIGHEST GROWTH IN POPULATION WITH 117.3% POPULATION CHANGE BY 2043
6. RUAPEHU WILL BE THE LOWEST WITH A PROJECTED 27.9% POPULATION DECLINE BY 2043.

% CHANGE IN POPULATION PROJECTED TO OCCUR FROM 2013 TO 2043



Population Projections Continued

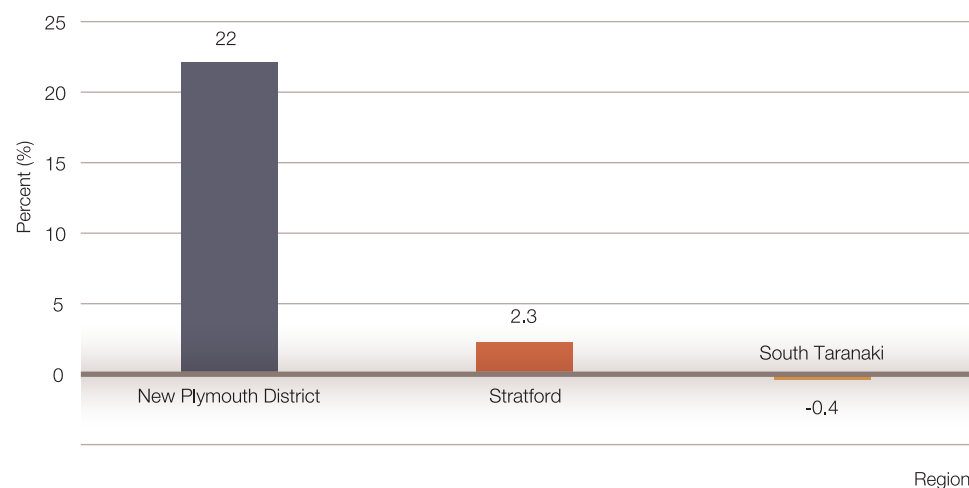
TARANAKI IS PROJECTED TO HAVE 17,200 MORE PEOPLE BY 2043.

AUCKLAND	2013-2043 CHANGE IN POPULATION	%
AUCKLAND	833,000	55.8
CANTERBURY	204,400	36.3
WAIKATO	137,500	32.4
BAY OF PLENTY	73,400	26.2
OTAGO	47,300	22.7
NORTHLAND	32,000	19.4
NELSON	9,300	19.1
WELLINGTON	84,600	17.4
TARANAKI	17,200	15.1
TASMAN	7,000	14.3
HAWKES BAY	12,800	8.1
MANAWATU-WHANGANUI	16,400	7.1
GISBORNE	2,900	6.2
MARLBOROUGH	2,500	5.6
SOUTHLAND	3,000	3.1
WEST COAST	-2,400	-7.3
NEW ZEALAND	1,481,000	33.3

Projected changes in population by 2043 by Taranaki District (medium projection):

- **NEW PLYMOUTH DISTRICT: 17,000 MORE PEOPLE**
- **STRATFORD DISTRICT: 210 MORE PEOPLE**
- **SOUTH TARANAKI: LOSS OF 100 PEOPLE**

% CHANGE IN POPULATION PROJECTED TO OCCUR BETWEEN 2013 AND 2043

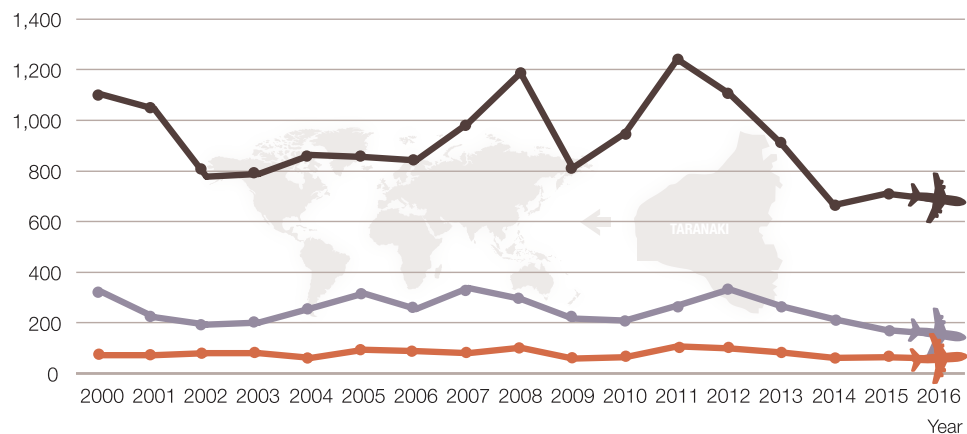
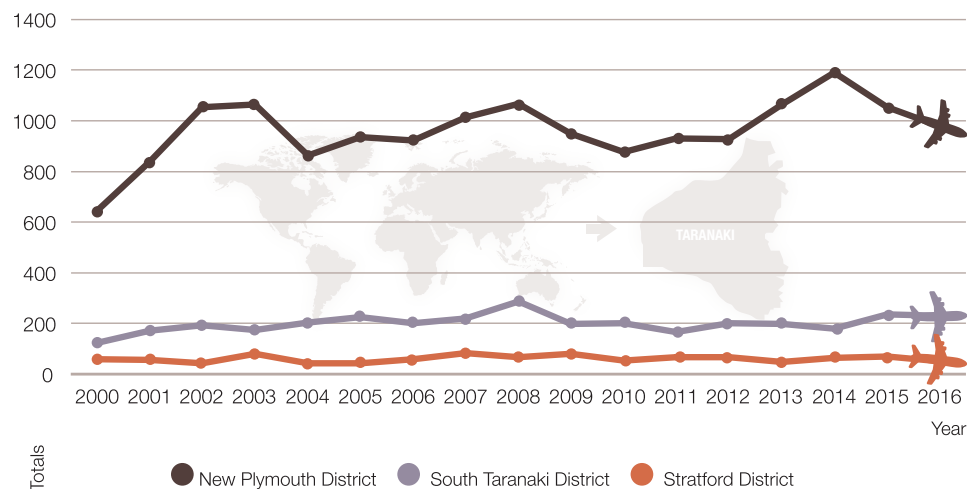


A DECLINE IN NET MIGRATION IS THE KEY FACTOR LEADING TO THE PROJECTED POPULATION LOSS OR LIMITED GROWTH. NET MIGRATION INCLUDES SHIFTS IN LOCATION WITHIN NEW ZEALAND AND ALSO TO/FROM OVERSEAS TO THE RESPECTIVE AREAS.

Migration

Long term international arrivals and departures to/from the Taranaki region.

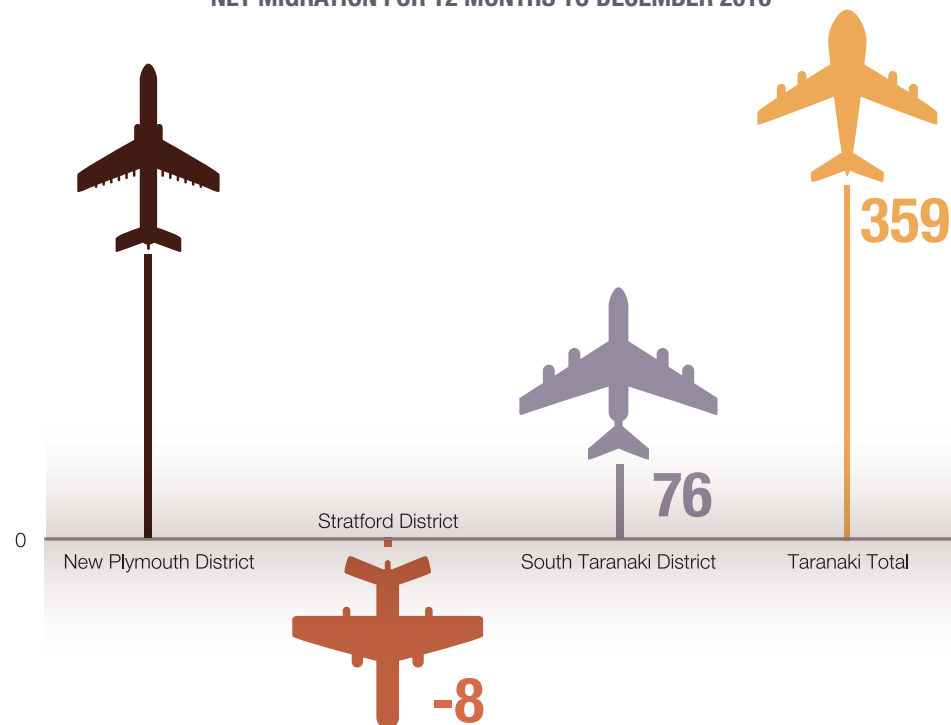
INTERNATIONAL LONG TERM ARRIVALS, ANNUAL TO DECEMBER



INTERNATIONAL LONG TERM DEPARTURES, ANNUAL TO DECEMBER

THERE WAS A NET GAIN OF **359 PEOPLE FOR TARANAKI** DURING THE 12 MONTHS TO DECEMBER, DUE TO INTERNATIONAL ARRIVALS TO THE REGION **EXCEEDING INTERNATIONAL DEPARTURES** IN NEW PLYMOUTH DISTRICT AND SOUTH TARANAKI. STRATFORD EXPERIENCED A SMALL NET LOSS OF 8 PEOPLE.

NET MIGRATION FOR 12 MONTHS TO DECEMBER 2016



Migration Continued

SINCE 2013 TARANAKI'S POPULATION HAS INCREASED PREDOMINANTLY DUE TO **POSITIVE GAINS** FROM INTERNATIONAL MIGRATION, REVERSING THE NET LOSS EXPERIENCED IN PRIOR YEARS.

GAINS WERE MADE

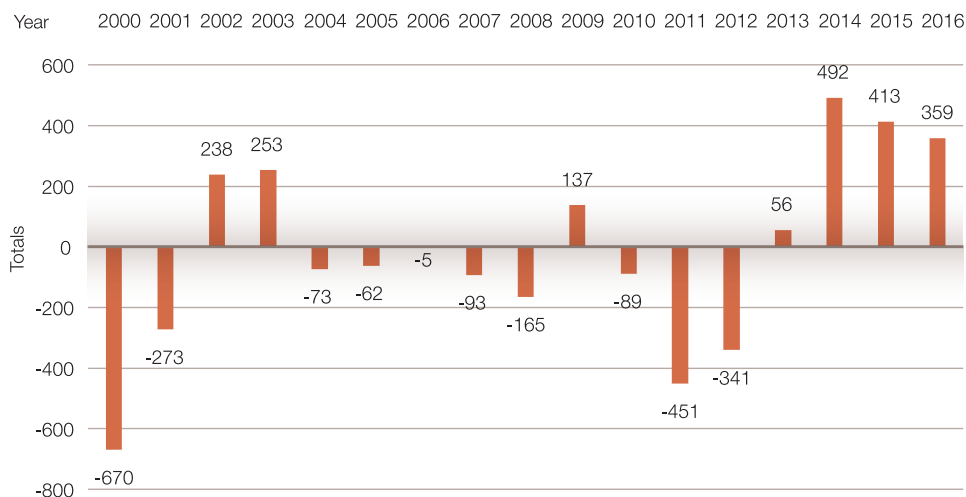
IN ALL AGE GROUPS DURING 2016 WITH THE EXCEPTION OF THE 20-24 YEAR AGE BRACKET WHERE THERE WAS A NET LOSS OF PEOPLE IN THE 12 MONTHS TO DECEMBER 2016.

BIGGEST GAINS

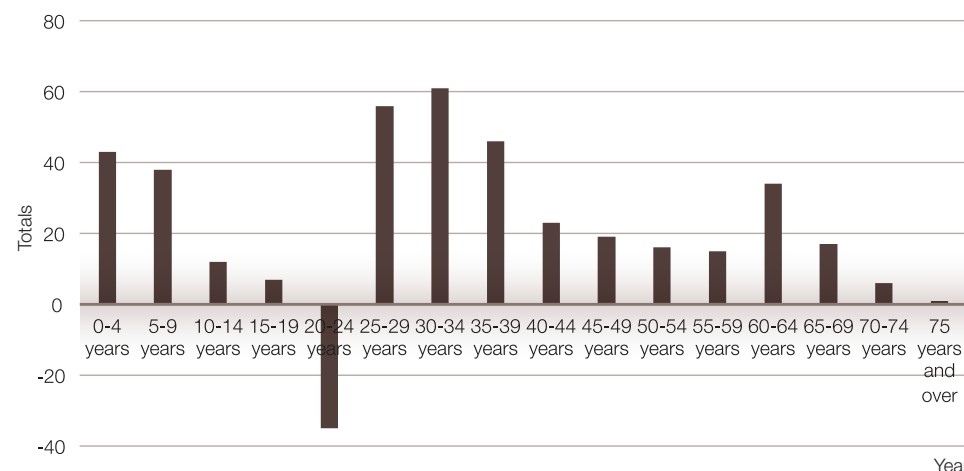
WERE PEOPLE AGED 25 YEARS – 39 YEARS AS WELL AS YOUNG CHILDREN (0-9 YEARS).



TARANAKI NET MIGRATION 2000-2016 (YEAR ENDING DECEMBER)



NET MIGRATION BY AGE (YEAR TO DECEMBER 2016)



Visitor Industry - Commercial Accommodation

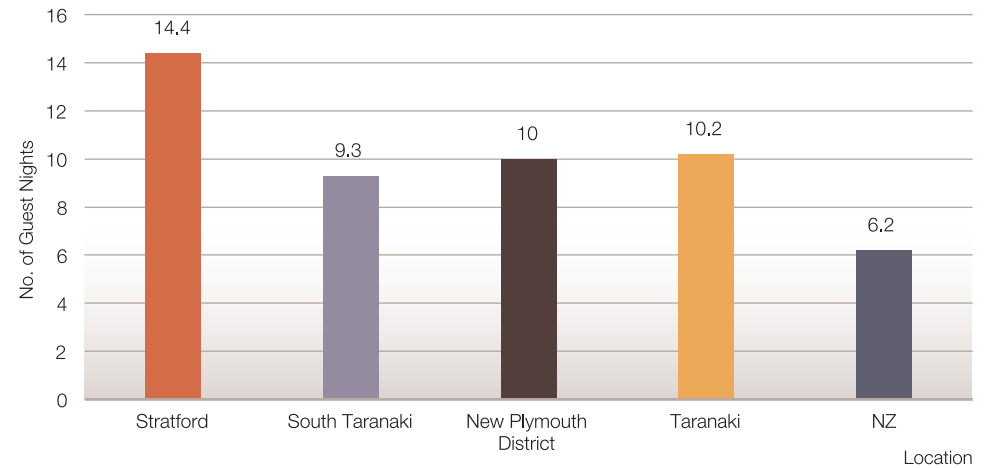
% CHANGE IN COMMERCIAL GUEST NIGHTS YEAR ENDING DECEMBER 2016



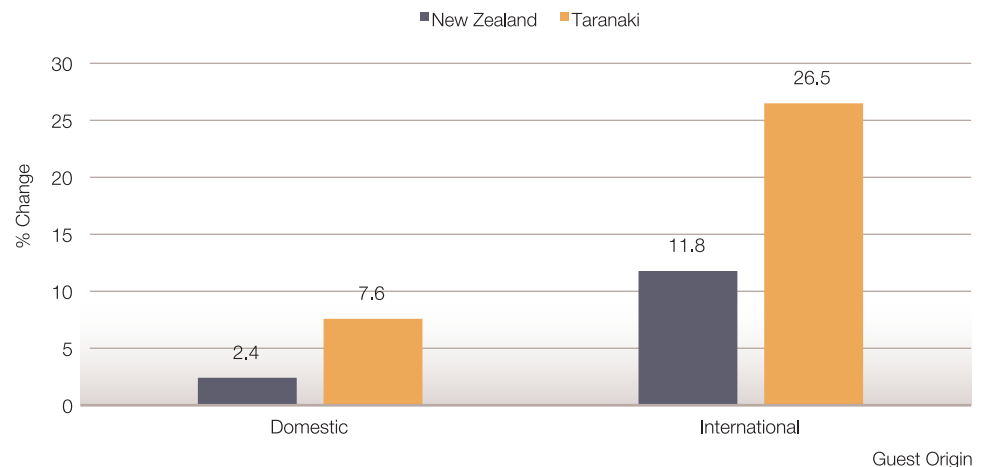
TARANAKI COMMERCIAL ACCOMMODATION RESULTS FOR THE 12 MONTHS TO DECEMBER 2016 COMPARED WITH THE PREVIOUS YEAR:

- ↑ TOTAL GUEST NIGHTS ROSE 10.2 PERCENT TO 625,623
- ↑ INTERNATIONAL GUEST NIGHTS INCREASED 26.5 PERCENT TO 97,342
- ↑ DOMESTIC GUEST NIGHTS ROSE 7.6 PERCENT TO 528,281
- ↑ THE AVERAGE LENGTH OF STAY INCREASED FROM 2.07 NIGHTS TO 2.12 NIGHTS
- ↑ THE OVERALL OCCUPANCY RATE ROSE FROM 32.9 TO 35.4 PERCENT
- ↑ THE OCCUPANCY RATE, EXCLUDING HOLIDAY PARKS, WAS 46.4 PERCENT

COMMERCIAL ACCOMMODATION GUEST NIGHTS - % CHANGE - YEAR ENDING DECEMBER 2016



% CHANGE IN GUEST NIGHTS FROM PREVIOUS YEAR - YEAR ENDING DECEMBER 2016

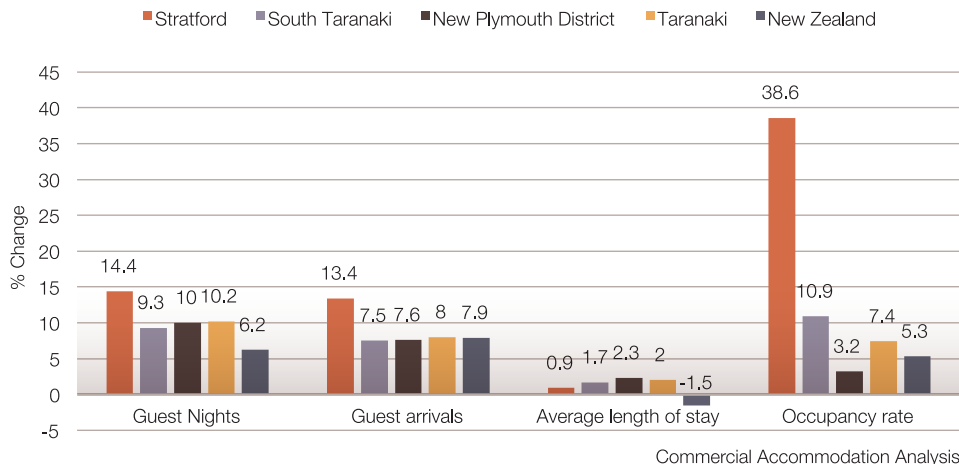


Visitor Industry - Continued

ALL THE DISTRICTS IN TARANAKI HAVE PERFORMED WELL IN RELATION TO THE VISITOR MARKET, RELATIVE TO THE NEW ZEALAND AVERAGE.

GUEST ARRIVALS, GUEST NIGHTS AND THE LENGTH OF STAY REFLECTED IMPROVEMENT IN TARANAKI IN 2016. STRATFORD, IN PARTICULAR, EXPERIENCED A SIGNIFICANT INCREASE IN COMMERCIAL ACCOMMODATION OCCUPANCY RATE.

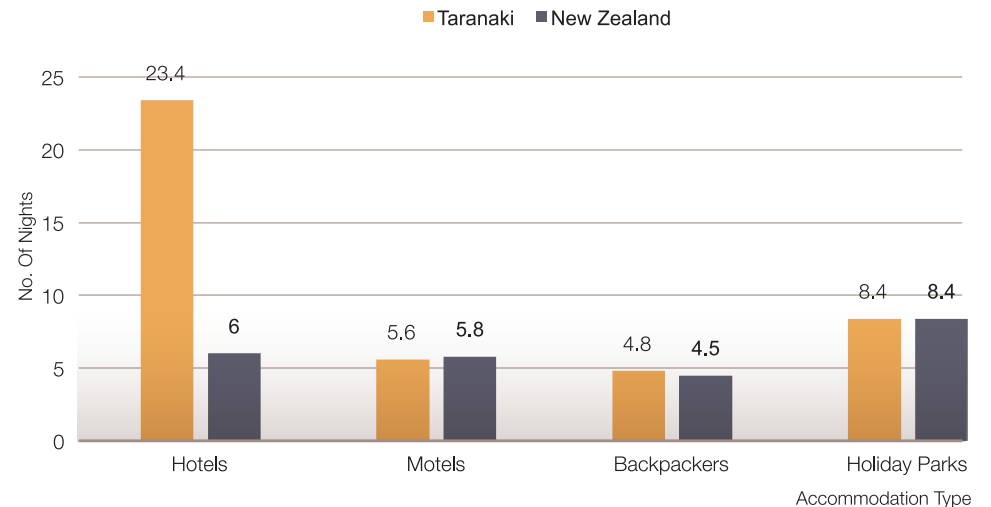
YEAR ENDING DECEMBER 2016 (% CHANGE OVER PREVIOUS 12 MONTHS)



Performance by Accommodation Type

ALL COMMERCIAL ACCOMMODATION TYPES IN TARANAKI REFLECTED AN IMPROVEMENT IN GUEST NIGHTS, WITH HOTELS REFLECTING THE STRONGEST GROWTH.

GROWTH/DECLINE IN GUEST NIGHTS BY ACCOMMODATION TYPE (YEAR ENDING DECEMBER 2016)

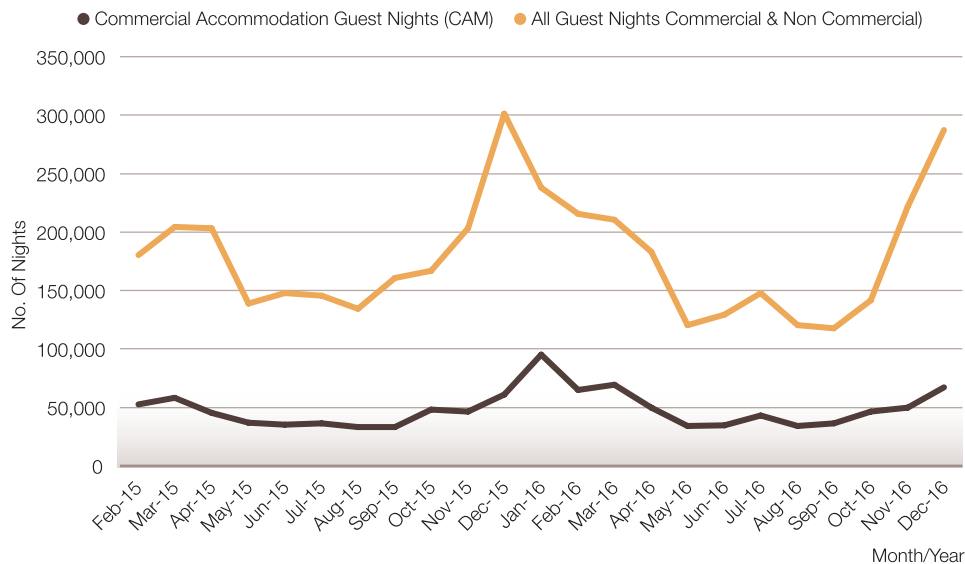


Visitor Industry - Total Visitors

VENTURE TARANAKI COMMISSIONS QRIOUS, A SUBSIDIARY OF SPARK NZ LTD. TO PROVIDE ADDITIONAL VISITOR INFORMATION CONCERNING THE TARANAKI REGION. QRIOUS COMBINES AGGREGATED AND ANONYMISED MOBILE LOCATION DATA FROM SPARK, WITH TOURISM STATISTICS FROM MBIE AND STATISTICS NZ, TO ASSESS TOTAL VISITORS TO THE REGION INCLUDING THOSE STAYING WITH FRIENDS AND FAMILY AS WELL AS DAY TRIPPERS.

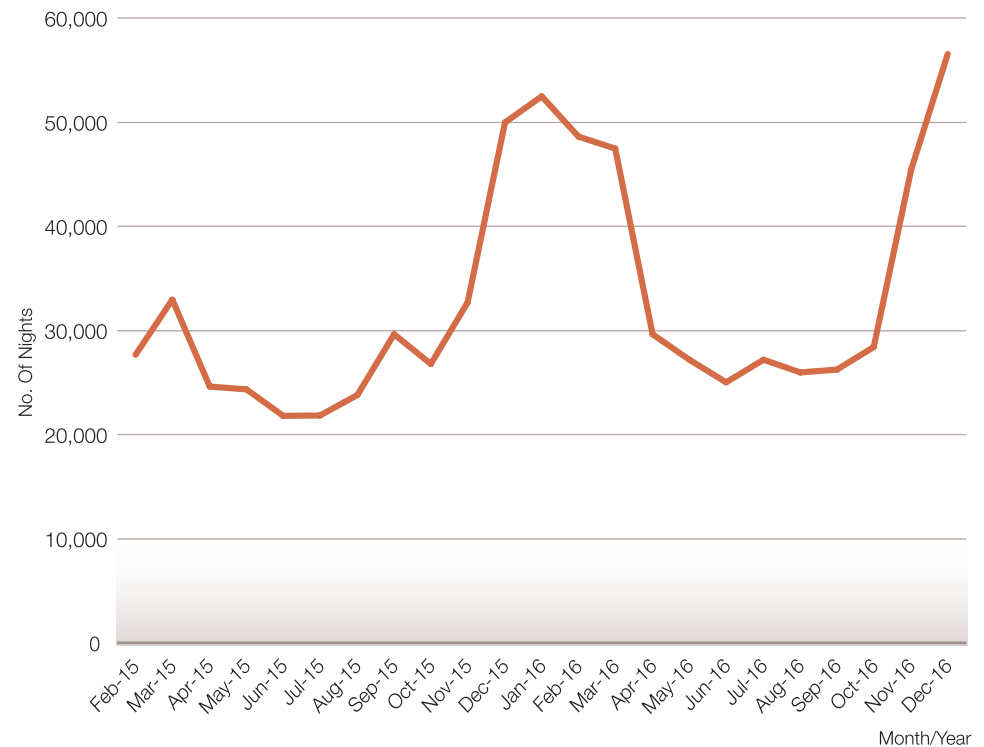
The Qrious data highlighted that visitors who stayed with friends and relatives or other non-commercial accommodation outlets contributed a further 1,508,432 guest nights to the region for the year to December 2016 resulting in an overall total of 2,134,056 guest nights.

VISITOR GUEST NIGHTS IN THE TARANAKI REGION



THERE WERE 440,110 DAY VISITS MADE BY VISITORS TO THE REGION FOR THE YEAR ENDING DECEMBER 2016.

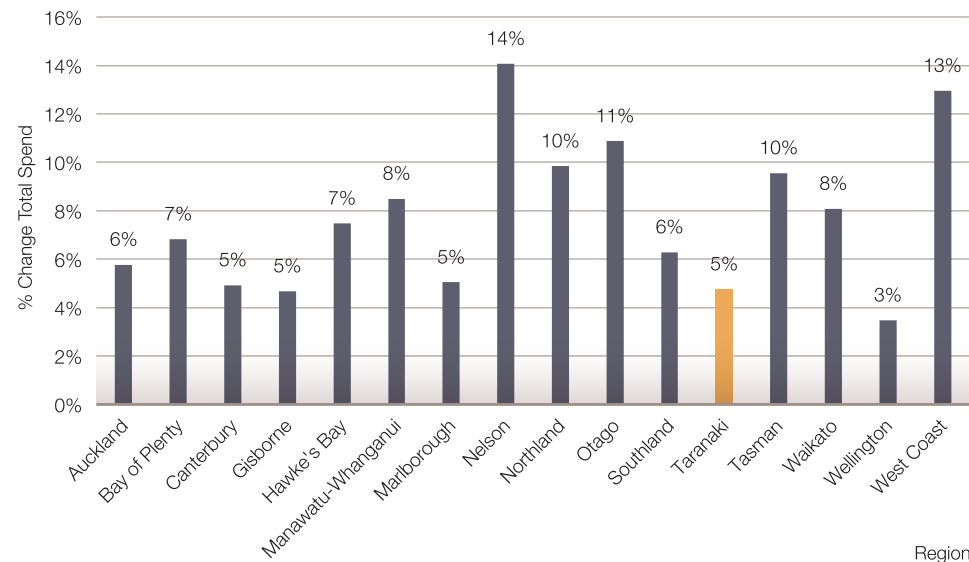
VISITOR DAY TRIPS TO THE TARANAKI REGION



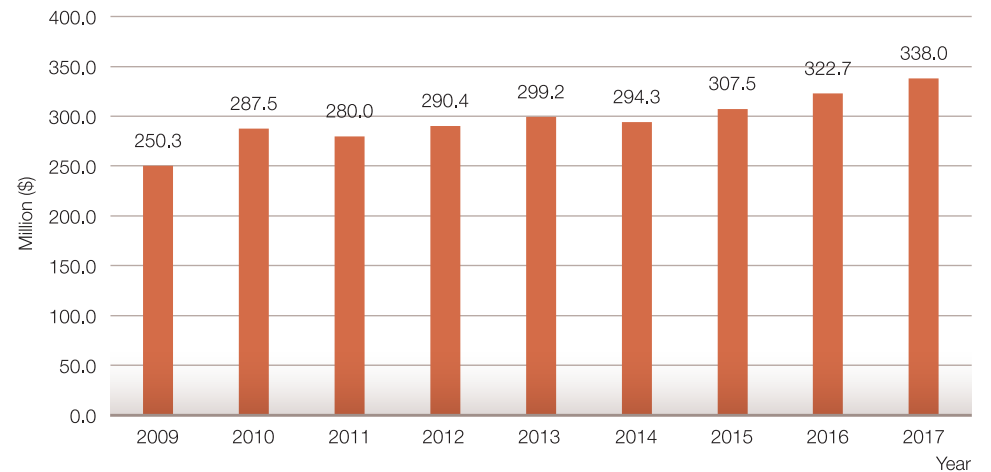
Visitor Industry - Spending

VISITOR EXPENDITURE FOR THE 12 MONTHS TO JANUARY 2017 WAS AN ESTIMATED \$338 MILLION FOR THE TARANAKI REGION, AN INCREASE OF 5% OVER THE PREVIOUS YEAR. ALTHOUGH ACCOMMODATION ACCOUNTED FOR AN ESTIMATED \$45 MILLION OF THIS SPEND, THE MAJORITY WAS SPENT ON RETAIL PRODUCT AS WELL AS FOOD AND BEVERAGE.

% CHANGE IN TOTAL SPEND: 12 MONTHS ENDING JANUARY 2017 V 12 MONTHS ENDING JANUARY 2016

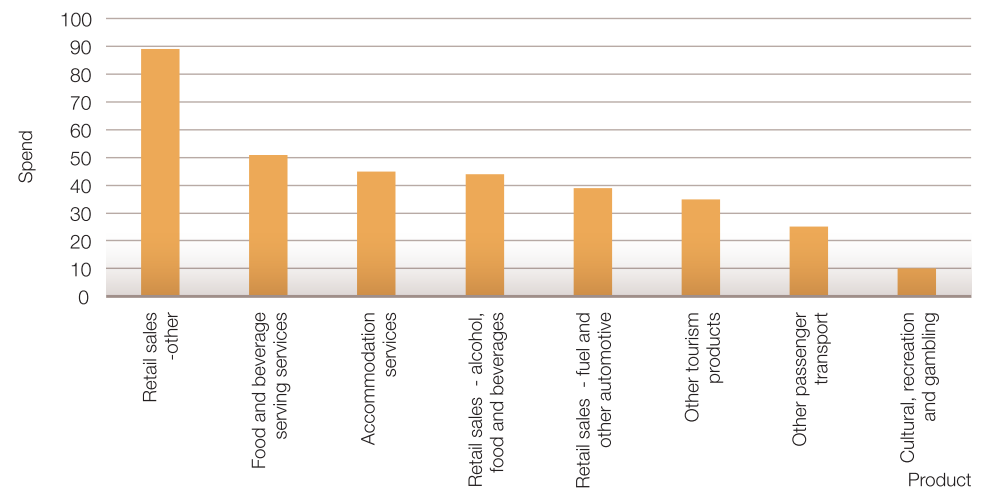


ANNUAL TOURISM SPEND IN TARANAKI \$ MILLION (12 MONTHS TO JANUARY 2017)



THE ECONOMIC GAINS FROM TOURISM HAVE BEEN INCREASING OVER THE YEARS AS TARANAKI EVOLVES PROFILE AS AN ATTRACTIVE VISITOR DESTINATION.

VISITOR SPEND BY PRODUCT CATEGORY IN TARANAKI - \$ MILLION (12 MONTHS ENDING JANUARY 2017)

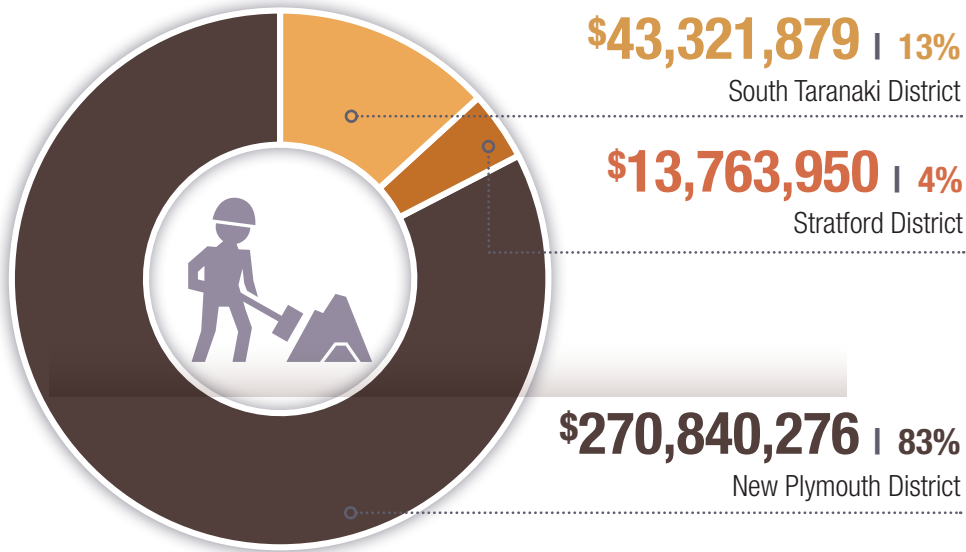


Construction Activity

FOR THE 12 MONTHS ENDING DECEMBER 2016
IN TARANAKI THERE WERE

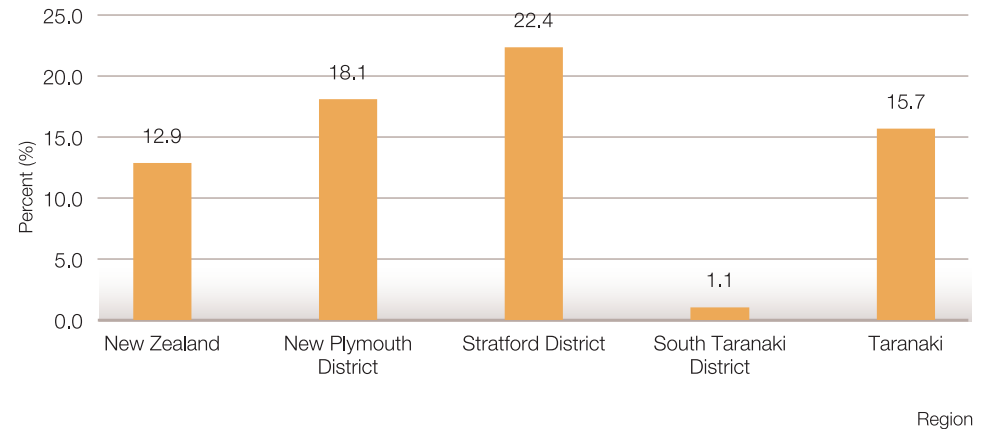
\$327.9 MILLION
OF BUILDING CONSENTS APPROVED.

TARANAKI DISTRICTS: TOTAL VALUE OF BUILDING CONSENTS (NEW AND ALTERED) FOR THE 12 MONTHS ENDING DECEMBER 2016

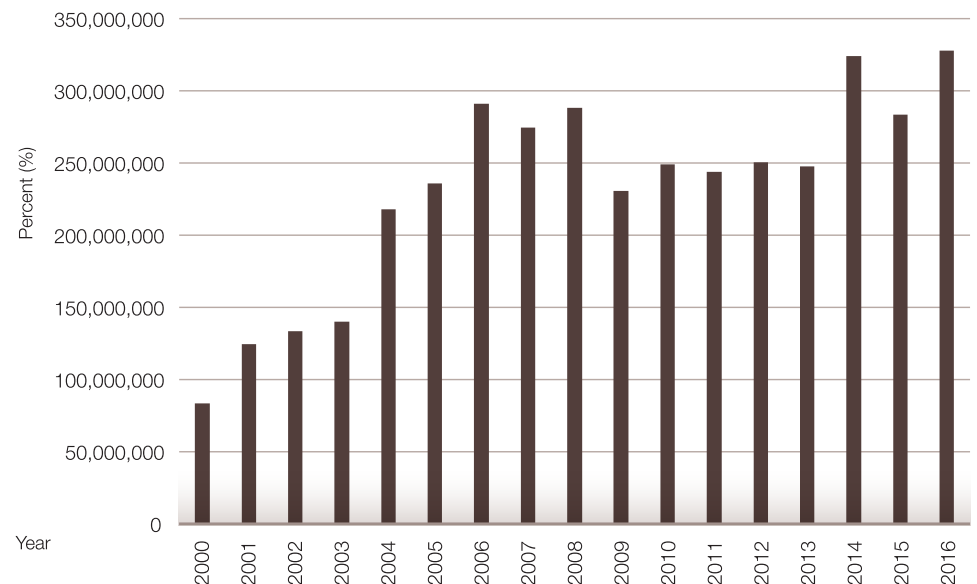


THE VALUE OF BUILDING CONSENTS INCREASED BY 15.7% IN TARANAKI IN 2016 RELATIVE TO THE 12 MONTHS ENDING DECEMBER, WITH GROWTH EXPERIENCED IN ALL THE TARANAKI DISTRICTS. RESIDENTIAL CONSTRUCTION REMAINED STRONG, WITH THE REGIONAL RESULT SURPASSING THE NEW ZEALAND OUTCOME AND ALSO ACCOUNTING FOR THE SIGNIFICANT INCREASE IN CONSENTS IN STRATFORD.

% CHANGE IN VALUE OF TOTAL BUILDING CONSENTS, YEAR ENDING DECEMBER 2016 RELATIVE TO 2015



TARANAKI REGION: VALUE OF BUILDING CONSENTS (\$) – YEAR ENDING DECEMBER



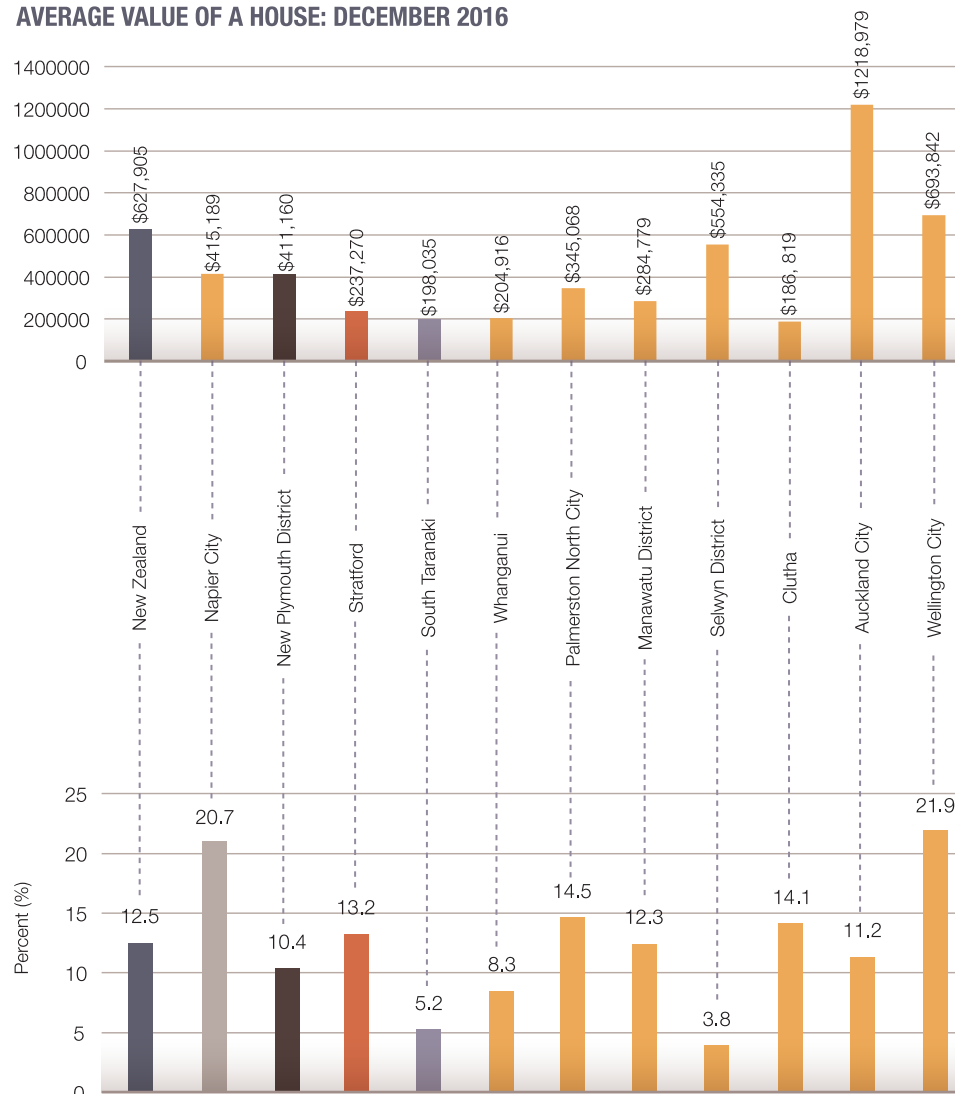
Average Value of a House

HOUSE VALUATIONS HAVE CONTINUED TO INCREASE IN THE TARANAKI REGION, PARTICULARLY WITHIN STRATFORD AND THE NEW PLYMOUTH DISTRICT (UP 13.2% AND 10.4% RESPECTIVELY FROM A YEAR PRIOR).

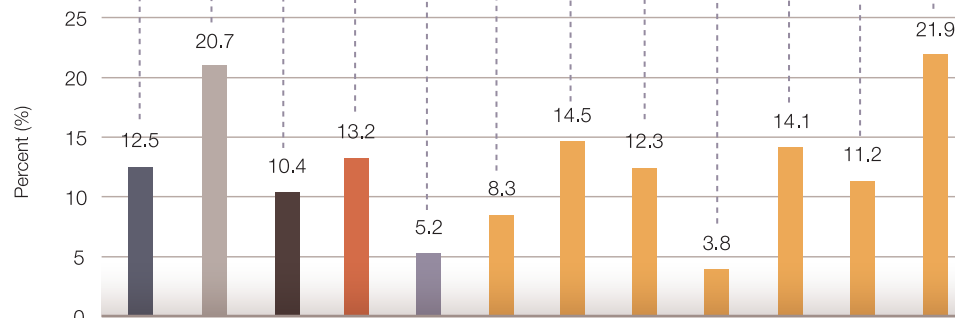
AVERAGE HOUSE PRICES IN AUCKLAND CITY ARE NOW OVER \$1.2 MILLION, AND SIGNIFICANTLY MORE THAN THE AVERAGE HOUSE VALUATION IN WELLINGTON CITY WHICH RESIDES AT JUST UNDER \$700,000. THE RATE OF INCREASE IN WELLINGTON, HOWEVER, HAS INCREASED 22% IN THE PAST YEAR.

RESIDENTIAL HOUSE PRICES IN QUEENSTOWN LAKES AT AN AVERAGE OF \$1,022,214, ARE ALMOST AS HIGH AS THE AUCKLAND PRICES, AND HAVE INCREASED ALMOST 32% FROM DECEMBER 2015.

AVERAGE VALUE OF A HOUSE: DECEMBER 2016



HOUSE VALUES: % CHANGE IN VALUE BETWEEN MONTHS OF DECEMBER 2015 AND DECEMBER 2016



Home Affordability



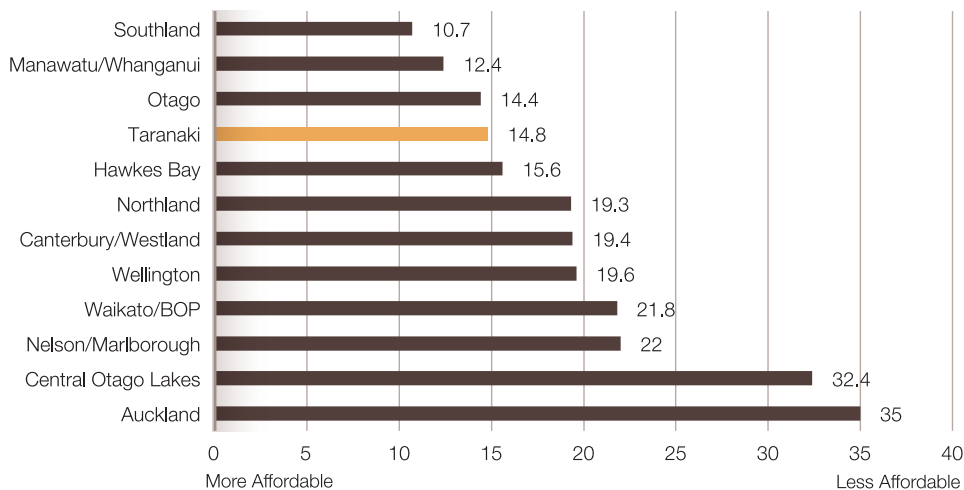
TARANAKI IS THE FOURTH MOST ATTRACTIVE REGION IN THE COUNTRY IN TERMS OF HOME AFFORDABILITY.

PERCENTAGE CHANGE IN HOME AFFORDABILITY IN LAST 12 MONTHS

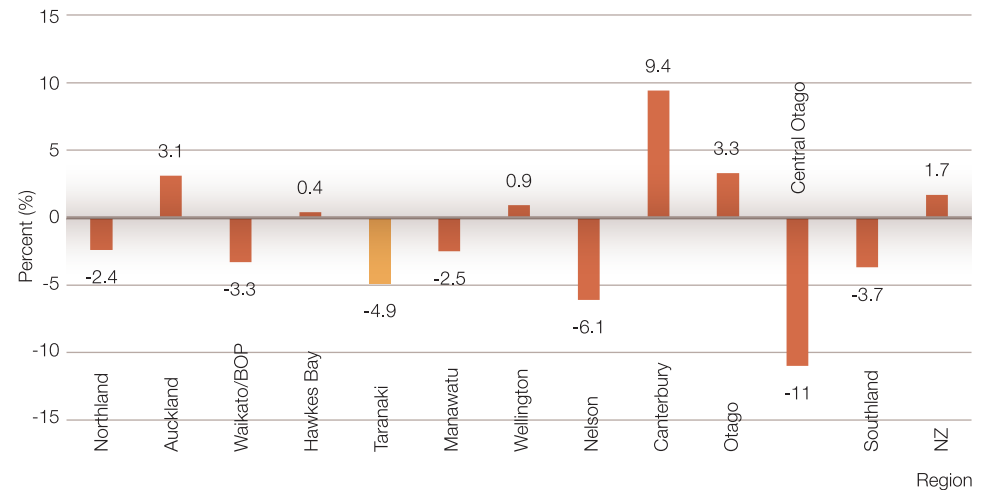


IN THE LAST 12 MONTHS TARANAKI'S HOME AFFORDABILITY HAS DECLINED BY 4.9%. THIS IS DUE TO **INCREASING HOUSE PRICES** IN TARANAKI WHICH HAS OCCURRED AT A RATE HIGHER THAN SOME OTHER REGIONS IN NEW ZEALAND. AUCKLAND AND CENTRAL OTAGO LAKES REMAIN THE LEAST AFFORDABLE REGIONS IN THE COUNTRY.

HOME AFFORDABILITY REGIONAL RANKING



% CHANGE IN HOME AFFORDABILITY IN THE LAST 12 MONTHS, NOVEMBER 2016



Rentals



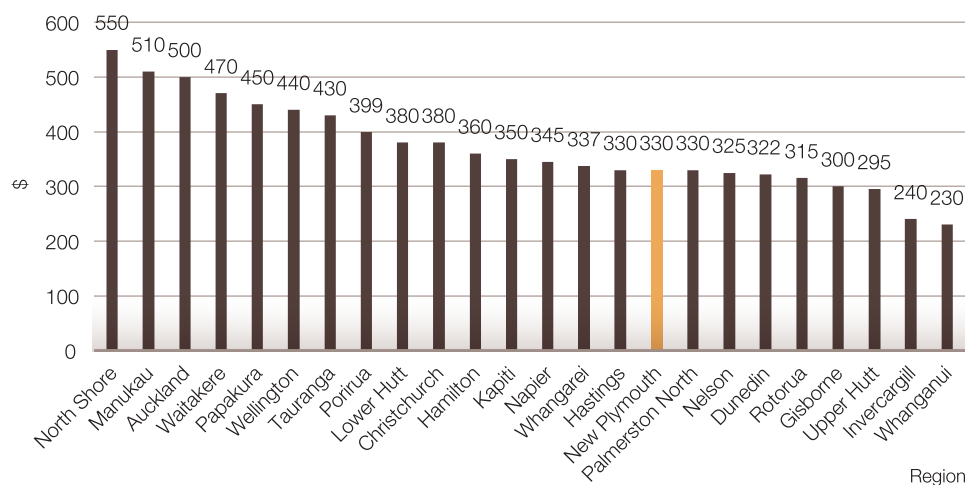
**NEW PLYMOUTH'S
AVERAGE WEEKLY RENTAL IS
\$330 PER WEEK
WHICH IS LESS THAN THE
NEW ZEALAND
AVERAGE OF
\$400 PER WEEK.**

RENTALS HAVE REMAINED STABLE (OR EVEN DECLINED) IN NEW PLYMOUTH IN THE PAST YEAR (-4.3%) CONTRARY TO THE NEW ZEALAND AVERAGE WHICH HAS INCREASED 11%. ACCORDING TO SURVEY AUTHORS, MASSEY UNIVERSITY, THIS INCREASE HAS NOT BEEN PREDOMINANTLY DRIVEN BY AUCKLAND RENTS AS THE LARGEST PERCENTAGE INCREASES HAVE BEEN IN AREAS SUCH AS TAURANGA, ROTORUA, WHANGANUI, PALMERSTON NORTH AND LOWER HUTT.

ANNUAL CHANGE IN RENT



MEDIAN WEEKLY RENTAL (\$) OCTOBER 2016



MEDIAN WEEKLY RENTAL (\$), OCTOBER 2016



Technical Details

Consumer Price Index (CPI): Statistics NZ. The CPI measures the rate of price change of goods and services purchased by New Zealand households. Statistics NZ visits 3,000 shops around New Zealand to collect prices for the CPI and check product sizes and features.

Gross Domestic Product (GDP): Statistic NZ.

Economic Activity: ANZ Regional Trends. Note: this information is not GDP data but a composition of specific indicators selected by the ANZ e.g. retail sales, employment data, house sales, guest nights, car sales etc. The report tracks the overall summation of changes on a regional basis annually and quarterly.

Economic Outlook: Venture Taranaki. This reflects the results of VT's Six-monthly business survey of Taranaki businesses. The survey involved a cross-section of 1000 businesses. The survey is undertaken in June and November of each year.

Employee Count: Statistics NZ Business demography. Business demographic statistics give an annual snapshot (as at February); limited to economically significant individual, private-sector and public-sector enterprises that are engaged in the production of goods and services in New Zealand; generally includes all employing units and those enterprises with GST turnover greater than \$30,000 per year. Employee count is a head-count of all salary and wage earners for the February reference month. NB: thus may not include self-employed or those within the business that are not classified as employees.

Unemployment rate and Participation Rate: Statistics NZ Household Labour Force survey.

Employment Outlook: Taranaki: Venture Taranaki. Six-monthly business survey of Taranaki businesses.

Skill shortage monitor: Venture Taranaki. Six-monthly business survey of Taranaki businesses, undertaken May and November each year.

Business numbers: Statistics NZ Business demography, undertaken February each year.

Population count: Statistic NZ. Census.

Natural Population Increase: Statistics NZ: Births and Deaths.

Migration: Statistics NZ. Permanent Long-term departures and Arrivals. Permanent and long-term arrivals include overseas migrants who arrive in New Zealand intending to stay for a period of 12 months or more (or permanently), plus New Zealand residents returning after an absence of 12 months or more. Permanent and long-term departures include New Zealand residents departing for an intended period of 12 months or more (or permanently), plus overseas visitors departing New Zealand after a stay of 12 months or more.

Average weekly earnings: Statistics NZ: Total usual weekly earnings from self-employment and wage and salary jobs (earnings from paid employment), divided by the number of people receiving earnings from a self-employment or wage and salary job (number of people in paid employment).

Average household weekly income: Statistics NZ: Weekly household income is the sum of weekly income of all people in the household from all sources. Average weekly household income is total weekly household income, divided by the number of households.

House values and average value of a house: Source: QV.co.nz: QV.co.nz is powered by PropertyIQ, a joint venture between CoreLogic and Quotable Value. Note: these are house valuations, not house sales.

House Sales: Real Estate Institute of NZ. Note: These are house sales, and the data only includes those sales undertaken by members of the REINZ. Does not include e.g. private sales.

Home Affordability: Massey University Home Affordability Report.

Rental Market: Massey University Rental market report.

Building consents: Statistics NZ.

Agriculture: Statistics NZ. Annual Agriculture Production Survey.

Farm Capital Improvements/Farm building consents: Statistics NZ.

Farm Sales: Real Estate Institute of NZ. Note: Only includes sales undertaken by members of the REINZ. Does not include private or other means of selling farms.

Retail Statistics: Market View customized research for Venture Taranaki utilizing EFTPOS sales and BNZ credit cards.

Commercial accommodation statistics: Statistics NZ.

Visitors including day visitors: Venture Taranaki commissioned Qrious, a subsidiary of Spark NZ Ltd. to provide additional visitor analysis via mobile phone location data.

International Trade: Statistics NZ data. Note: this data may not include coastal trade and the methodology utilised by Statistics NZ may not reflect the totality of trade activity which occurs across each NZ Port as part of the overall port transportation process. Export commodities are those defined by Statistics NZ overseas merchandise trade data, collected by customs. This analysis also excludes tourism.

Total Port Taranaki data and activity: Provided by Port Taranaki. This data includes coastal trade and the summation of all exports and imports crossing the port.

New Plymouth Airport passenger movements – provided by New Plymouth District Council.

About Venture Taranaki

As Taranaki's Regional Development Agency, Venture Taranaki is committed to helping Taranaki grow.

That's why we're interested in helping to make your business a success.

If you need advice and assistance or access to information and knowledge to support your business aspiration, we offer a single point of contact to provide the help you require.

If you are:

- Thinking of starting up a business
- Considering relocating or investing in Taranaki
- Trying to grow your business, or if your business is going through changes

We have a range of products and services to meet your business needs, and best of all, most of them are free!

Information is available on-line at www.business.taranaki.info or call us:

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Web: www.taranaki.info

An initiative of  Te Kaunihera-ā-Rohe o Ngāmotu
NEW PLYMOUTH DISTRICT COUNCIL
newplymouthnz.com

Disclaimer:

Venture Taranaki's services and opinions are of a general nature and should be used as a guide only. They are not a substitute for commercial judgment or independent professional advice which should be obtained prior to any business matter. While every effort has been made to ensure that the information, opinions and forecasts provided are accurate and reliable, Venture Taranaki shall not be liable for any adverse consequences of decisions made in reliance of any report provided in this publication.

Taranaki's Regional Development Agency

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