



Media Release

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Economic Profile of Central Otago Released

The Central Otago District Council has released the latest district economic profile from Business and Economic Research Limited (BERL).

The first regional profile has been prepared. This came about through the cooperative approach of the regional economic development agency, 'Otago Forward, which includes the mayors of all five districts within Otago as well as the Otago Regional Council. Previously Central Otago commissioned a stand alone profile for the district.

There are two major points of interest; it is now possible to look at the overall Otago economy and still have the full detail on the Central Otago economy that is usually reported.

While the information in the report is the most up to date available, much of it is for the year ending March 2009. It is worth while remembering that the recession started in September - October 2008, so it reflects the state of the economy six months into the slow down. Also, information covering up to 10 years on such things as productivity and employment are included, so the recent downturn is only part of the picture.

Highlights for the Central Otago economy include:

- While agriculture (including horticulture and viticulture) remains the largest industry sector in the district in terms of employment and business units, business services (which includes such things as accountancy firms, planners, and law firms) is the largest contributor to GDP.
- Our residential population growth continues to be positive, increasing at a greater rate than both wider Otago and New Zealand as a whole. Over the last 10 years the population of Otago has increased at twice the overall rate of Otago (which includes Queenstown).
- Central Otago has also grown considerably faster than average in terms of GDP growth and employment growth. Last year Central Otago's GDP increased by 6% while employment increased by 6.9%, compared to the New Zealand average of -1.1% and 0.7% respectively.
- Central Otago also saw more business start ups (a 1.7% increase) in the year ended March 31 2009 than either Otago region or New Zealand.
- Businesses also got larger – increasing in size by 5.1% in the year, which goes against the long term national trend of businesses getting smaller in size.
- The only negative performance indicator was labour productivity, which decreased by 1%. Central Otago continues to lag both Otago and New Zealand in this measure. To put it in plain language; we are a high employment but relatively low wage economy.

In a regional context, Central Otago represents approximately 10% of the Otago economy in terms of output and employment. Most of our sectors have grown at faster than the average national and regional rate over the last 10 years.

Jonathan Gadd, Business Development Manager says “While there is some uncertainty about the future, it is possible to reflect on a decade of growth that has transformed the district. Based on this and the early responses of the district to the recession we can be confident that Central Otago will continue to be a desirable place to live and work”.

Copies of the report can be obtained from the enterprise section of www.centralotagoz.com

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