

**2010**

**annual economic profile**

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# **Hawke's Bay**



**INFOMETRICS**

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## Executive Summary

### Economy

- GDP in Hawke's Bay measured \$4,369m in 2010, down 1.6% from a year earlier.
- The region's growth of -1.6% ranked it number 12 among the 16 regions for rate of GDP growth.

Figure 1. GDP growth (year to March 2010)

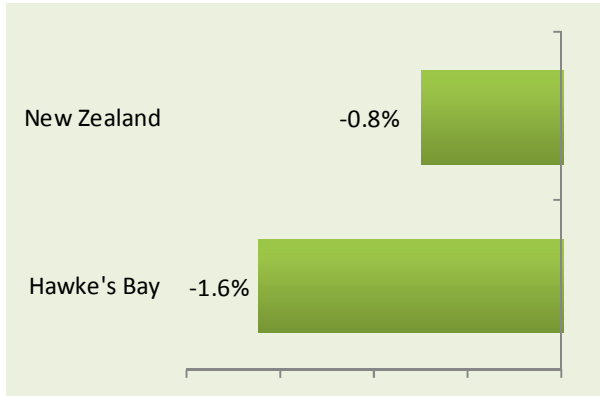
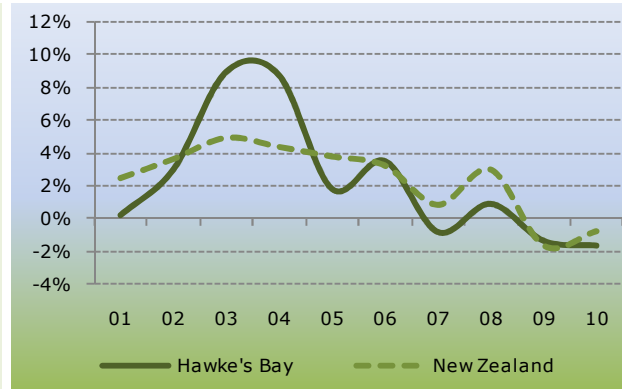
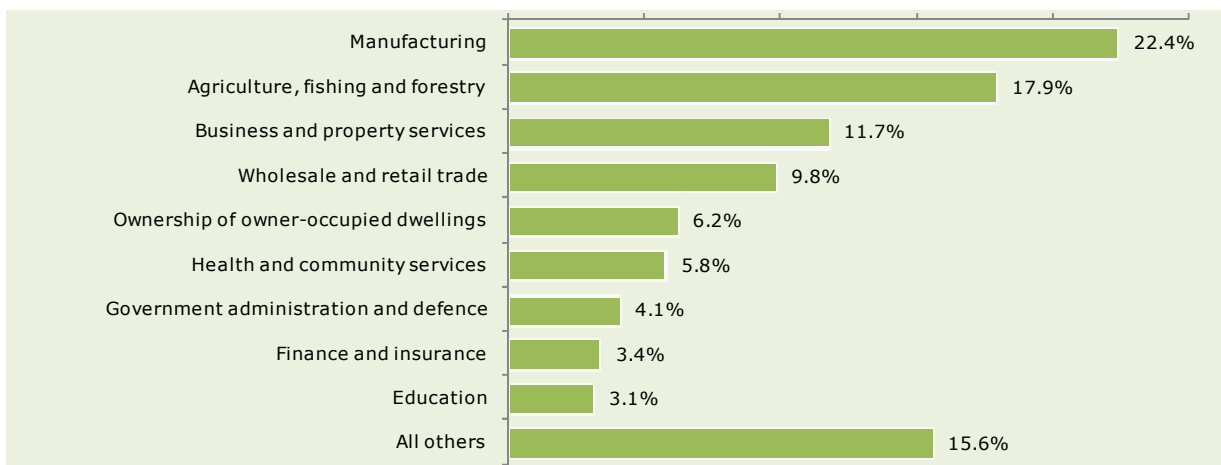


Figure 2. Annual average GDP growth (2000-2010)



- Manufacturing was the largest industry in Hawke's Bay in 2010 accounting for 22.4% of total GDP.
- The second largest industry was agriculture, fishing and forestry (17.9%) followed by business and property services (11.7%).
- The industries in which Hawke's Bay has the largest comparative advantages are forestry and logging, food, beverage and tobacco manufacturing, and agriculture.
- Hawke's Bay had the eighth most diverse economy among New Zealand's 16 regions, as measured by the Tress index.

Figure 3. Industry contribution to total GDP in Hawke's Bay (2010)

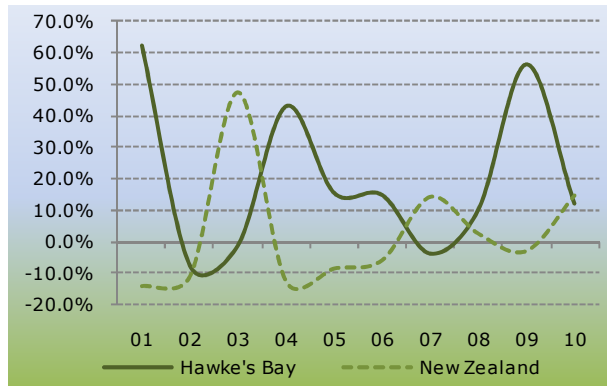


Performance of key sectors

Forestry

- Hawke's Bay's forestry sector contributed 0.5% to the region's economy in 2010, up from 0.1% ten years ago.
- Output in the sector grew by 11.9% in 2010 compared with growth of 14.9% in the sector nationally.
- The sector employed 69 persons in Hawke's Bay in 2010 which was down from 70 in 2009.

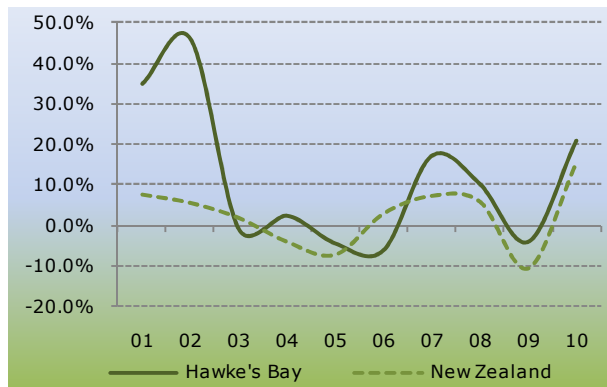
Figure 4. Forestry output growth



Logging

- Hawke's Bay's logging sector contributed 1.7% to the region's economy in 2010, up from 0.8% ten years ago.
- Output in the sector grew by 21% in 2010 compared with growth of 15.4% in the sector nationally.
- The sector employed 245 persons in Hawke's Bay in 2010 which was up from 230 in 2009.

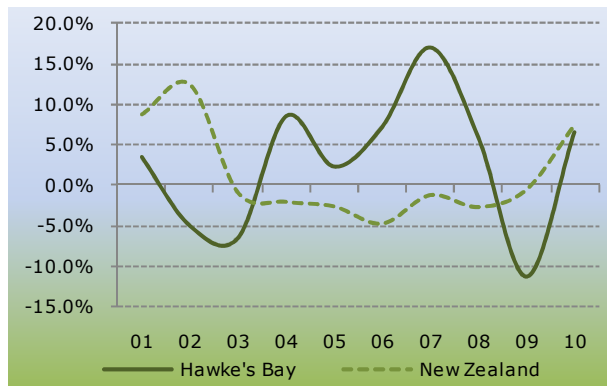
Figure 5. Logging output growth



Services to forestry

- Hawke's Bay's services to forestry sector contributed 1.7% to the region's economy in 2010, up from 1.7% ten years ago.
- Output in the sector grew by 6.6% in 2010 compared with growth of 7.5% in the sector nationally.
- The sector employed 251 persons in Hawke's Bay in 2010 which was down from 267 in 2009.

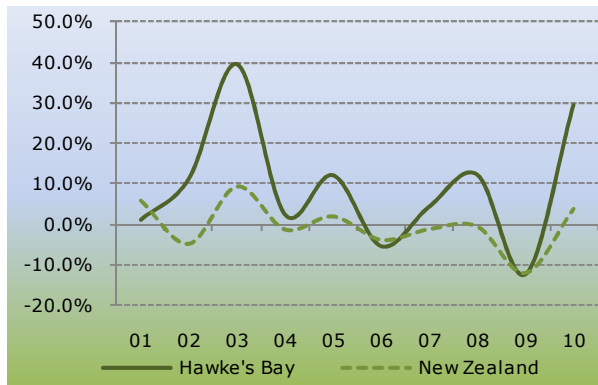
Figure 6. Services to forestry output growth



**Log sawmilling**

- Hawke's Bay's log sawmilling sector contributed 0.5% to the region's economy in 2010, up from 0.3% ten years ago.
- Output in the sector grew by 29.3% in 2010 compared with growth of 3.8% in the sector nationally.
- The sector employed 160 persons in Hawke's Bay in 2010 which was up from 139 in 2009.

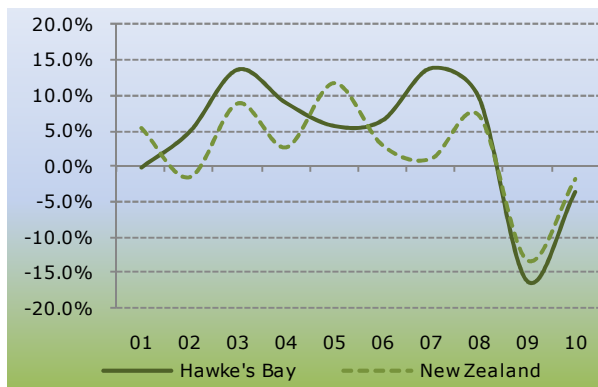
Figure 7. Log sawmilling output growth



**Wood manufacturing**

- Hawke's Bay's wood manufacturing sector contributed 1.3% to the region's economy in 2010, up from 1.1% ten years ago.
- Output in the sector declined by 3.6% in 2010 compared with a decline of 1.8% in the sector nationally.
- The sector employed 415 persons in Hawke's Bay in 2010 which was down from 486 in 2009.

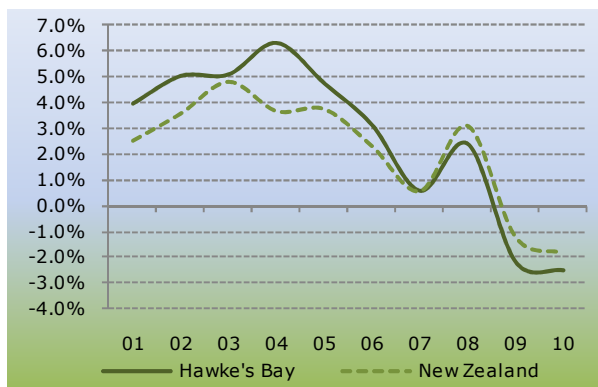
Figure 8. Wood manufacturing output growth



**Tourism**

- Hawke's Bay's tourism sector contributed 4% to the region's economy in 2010, up from 3.9% ten years ago.
- Output in the sector declined by 2.5% in 2010 compared with a decline of 1.9% in the sector in the national economy.
- The sector employed 4,746 persons in Hawke's Bay in 2010 which was down from 4,870 in 2009.

Figure 9. Tourism output growth



Employment

- Total employment in Hawke's Bay was 74,868 in 2010, down 3.1% from a year earlier.
- The region's growth of -3.1% ranked it 12 among the 16 regions for rate of employment growth.

Figure 10. Employment growth (year to March 2010)

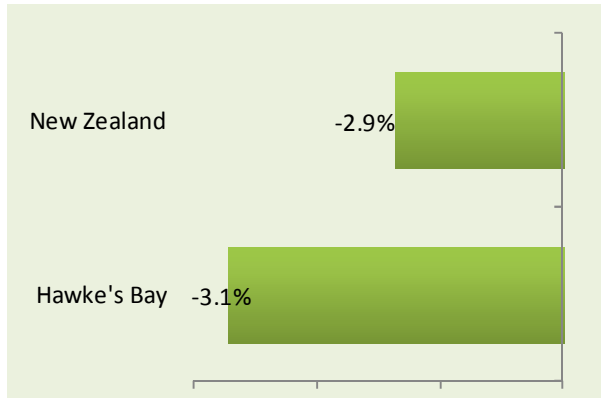
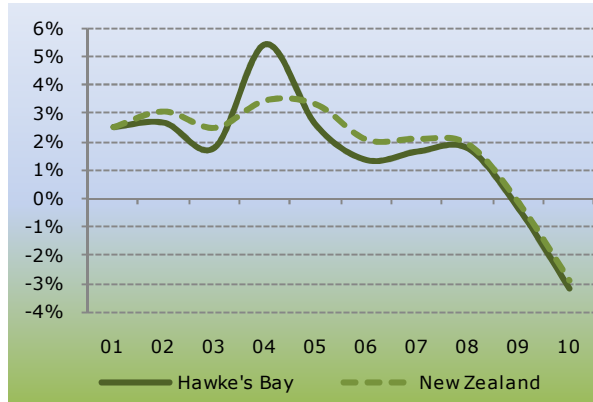
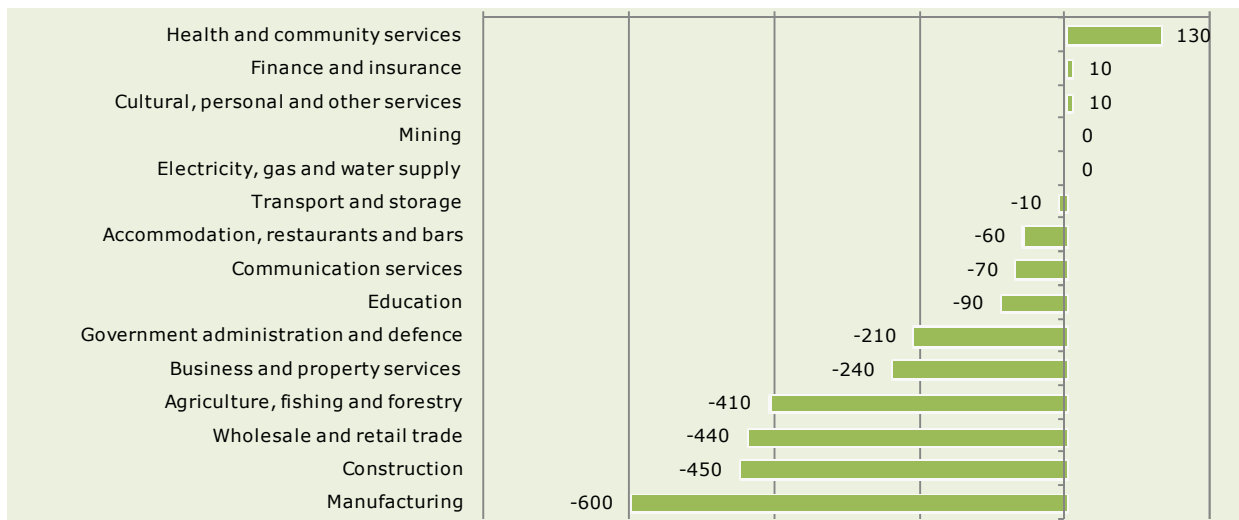


Figure 11. Annual average employment growth (2000-2010)



- Among broad industries wholesale and retail trade was the largest employer in Hawke's Bay region in 2010 accounting for 16.4% of total employment, followed by agriculture, fishing and forestry (14.4%) and manufacturing (13.3%).
- Services to Agriculture nec was the largest employer in Hawke's Bay in 2010, employing 2,590 persons and accounting for 3.5% of total employment in the region.
- Health and community services made the largest contribution to employment growth in Hawke's Bay between 2009 and 2010 with the industry adding 130 jobs. The largest detractor from growth over the year was manufacturing in which employment declined by 600.

Figure 12. Jobs created by broad industry in Hawke's Bay (2009 -2010)



Population

- Hawke's Bay's population reached 154,800 in 2010, up 0.9% from a year earlier.
- Hawke's Bay's growth of 0.9% between 2009 and 2010 ranked it number 11 among the 16 regions of New Zealand for rate of population growth.

Figure 13. Population growth (year to June 2010)

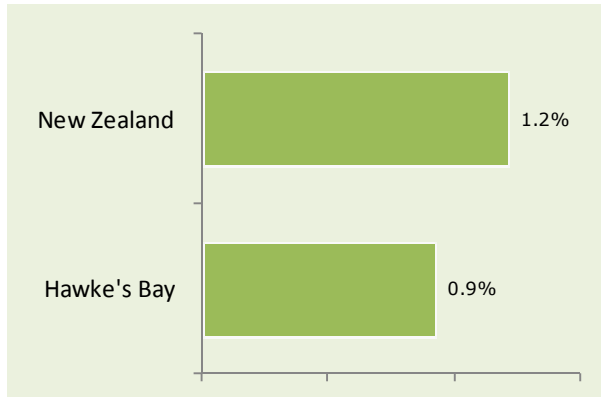
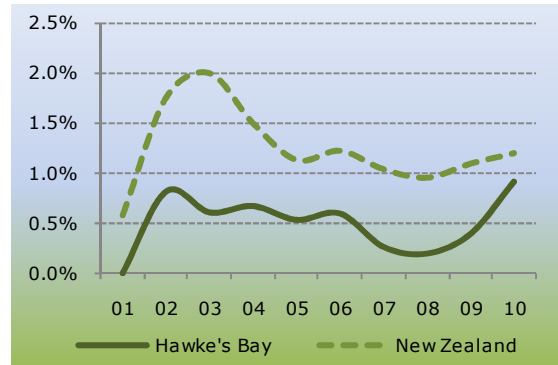


Figure 14. Annual population growth (June years)



Business Demography

- A total of 18,160 business units were recorded in Hawke's Bay in 2010, down 1.6% from a year earlier. The number of business units in New Zealand declined by 1.7% over the same period.

Figure 15. Business unit growth (year to March 2010)

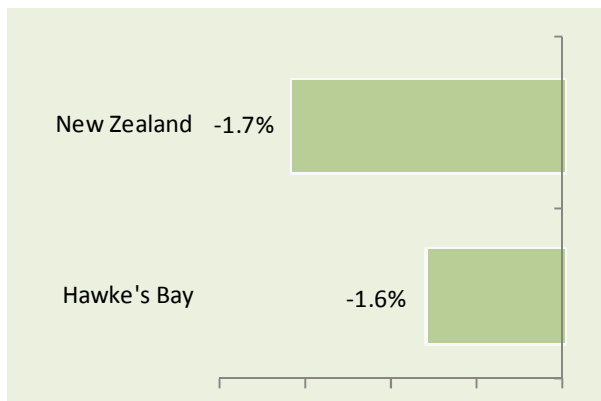
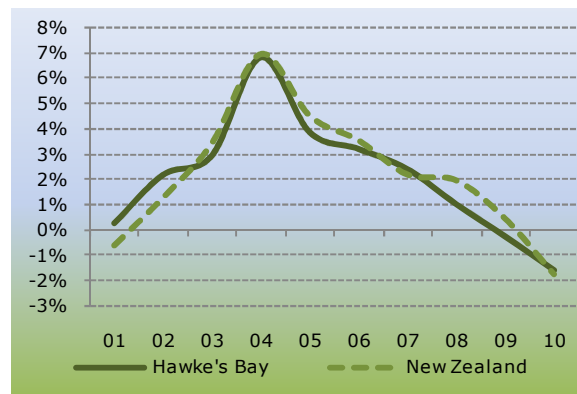


Figure 16. Annual average business unit growth



## Main Report

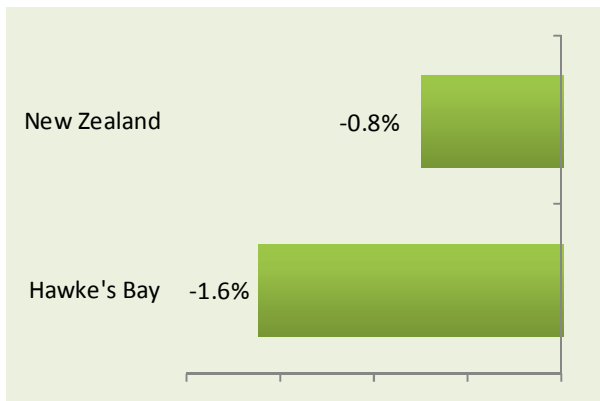
### Economy

#### How fast has Hawke's Bay's economy grown?

The year to March 2010 was a difficult year for most regions in New Zealand as the economy tentatively recovered from the deep recession. Economic output in the national economy declined by 0.4% compared with the previous year. Strength in the Australian and Chinese economies helped to shore up the New Zealand economy, even as demand

from the rest of the world remained weak. However rising unemployment and consumer caution following the recession held back the rate of recovery in the domestic economy during this period. This section measures Hawke's Bay's economic performance during the year to March 2010 and previous years.

Figure 17. GDP growth (year to March 2010)



- GDP in Hawke's Bay measured \$4,369m in 2010, down 1.6% from a year earlier.
- Economic growth in Hawke's Bay averaged 2.3%pa between 2000 and 2010 compared with an average of 2.4%pa in the national economy.
- Growth in Hawke's Bay reached a maximum of 8.9% in 2003 and a minimum of -1.6% in 2010.

Figure 18. Annual average GDP growth (2000-2010)

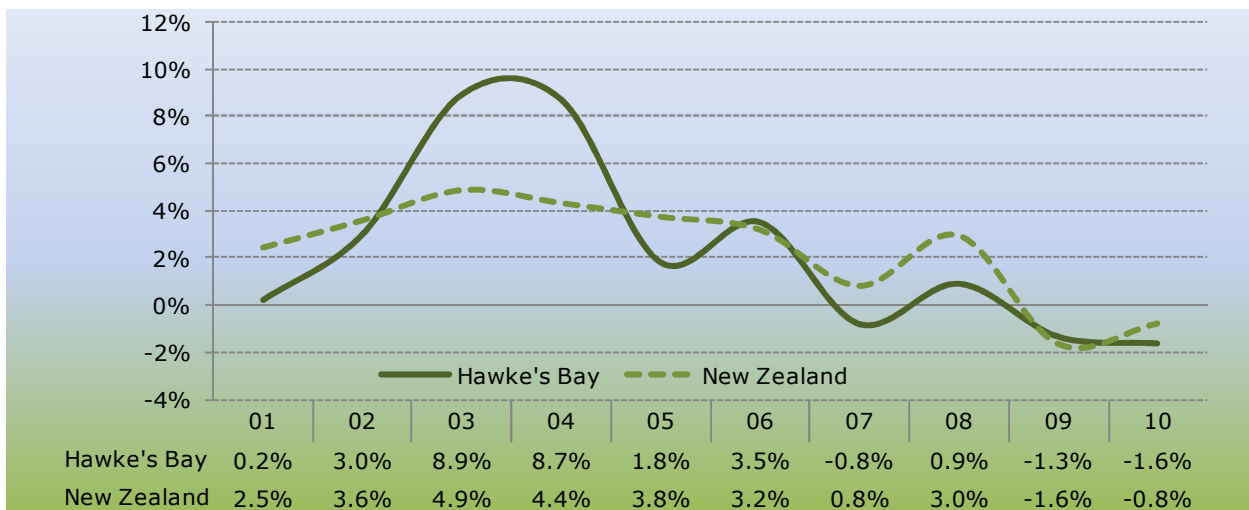
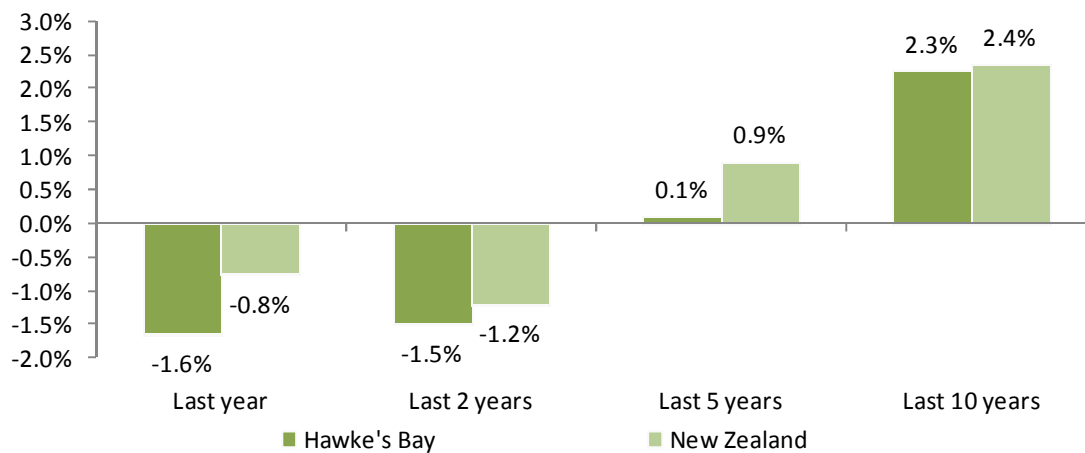


Figure 19 shows how Hawke's Bay's GDP growth compares with the country as a whole over the last one, two, five and ten year periods.



Figure 19. GDP growth last 1, 2, 5 and 10 years



- Hawke's Bay's economic growth of -1.6% in the year to March 2010 ranked it number 12 among the 16 regions for rate of growth.
- Over the last two years Hawke's Bay ranked number 9 for rate of growth with GDP declining by an average of -1.5% between 2008 and 2010.
- Hawke's Bay ranked number 15 for rate of growth over the last five years, with output increasing by an average of 0.1% between 2005 and 2010.
- Over a ten year period Hawke's Bay ranked number 9 for rate of growth with GDP increasing by an average of 2.3%.

Table 1 below shows Hawke's Bay's GDP growth ranking over the past year, two years, five years and ten years.

Table 1. Hawke's Bay's GDP ranking: last 1, 2, 5 and 10 years

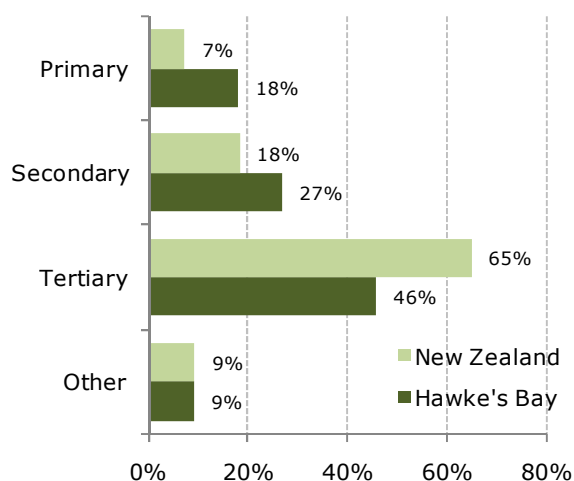
Rank	2009 to 2010	2008 to 2010	2005 to 2010	2000 to 2010
1				
2				
3				
4				
5				
6				
7				
8				
9		Hawke's Bay		Hawke's Bay
10				
11				
12	Hawke's Bay			
13				
14				
15			Hawke's Bay	
16				

## What is the industrial structure of the economy?

This section describes the structure of the economy in terms of the primary, secondary

and tertiary categories and the industries that fall within these categories.

Figure 20. Share of total GDP (2010)



- Tertiary industries accounted for the largest proportion of GDP (46%) in Hawke's Bay, which is lower than in the national economy (65%).
- Secondary industries accounted for 27% of GDP which was higher than for New Zealand as a whole (18%).
- Primary industries accounted for the smallest proportion in Hawke's Bay: 18% compared with 7% in the national economy.

Table 2. GDP by broad industry (2010)

	GDP (m, 95/96 prices)		% of total	
	Hawke's Bay	New Zealand	Hawke's Bay	New Zealand
Agriculture, Forestry and Fishing	783	8,343	17.9%	6.3%
Mining	8	1,482	0.2%	1.1%
<b>Total primary industries</b>	<b>791</b>	<b>9,824</b>	<b>18.1%</b>	<b>7.4%</b>
Manufacturing	978	16,370	22.4%	12.3%
Electricity, Gas and Water Supply	64	2,626	1.5%	2.0%
Construction	133	5,505	3.0%	4.1%
<b>Total secondary industries</b>	<b>1,175</b>	<b>24,501</b>	<b>26.9%</b>	<b>18.4%</b>
Wholesale and retail trade	429	17,298	9.8%	13.0%
Accommodation, restaurants and bars	46	1,968	1.1%	1.5%
Transport and storage	126	5,912	2.9%	4.4%
Communication services	96	8,652	2.2%	6.5%
Finance and insurance	147	9,845	3.4%	7.4%
Property services	291	8,584	6.7%	6.4%
Business services	222	11,514	5.1%	8.6%
Government Administration and Defence	178	6,743	4.1%	5.1%
Education	137	4,368	3.1%	3.3%
Health and community services	252	7,593	5.8%	5.7%
Cultural, recreational & personal services	78	4,197	1.8%	3.1%
<b>Total tertiary industries</b>	<b>2,002</b>	<b>86,675</b>	<b>45.8%</b>	<b>64.9%</b>
Ownership of owner-occupied dwellings	271	9,048	6.2%	6.8%
Unallocated	130	3,433	3.0%	2.6%
<b>Other</b>	<b>400</b>	<b>12,480</b>	<b>9.2%</b>	<b>9.4%</b>
<b>Total</b>	<b>4,369</b>	<b>133,481</b>	<b>100.0%</b>	<b>100.0%</b>

Table 3. GDP by detailed industry (2010)

Industry	GDP (m)		Share of total	
	Hawke's Bay	New Zealand	Hawke's Bay	New Zealand
Agriculture	608	6,583	13.9%	4.9%
Fishing	4	188	0.1%	0.1%
Forestry and logging	171	1,572	3.9%	12%
Mining	8	1,482	0.2%	1.1%
<b>Total primary industries</b>	<b>791</b>	<b>9,824</b>	<b>18.1%</b>	<b>7.4%</b>
Food, beverage and tobacco manufacturing	569	5,808	13.0%	4.4%
Textile and apparel manufacturing	52	614	1.2%	0.5%
Wood and paper product manufacturing	142	2,230	3.3%	1.7%
Printing, publishing and recorded media	21	1,194	0.5%	0.9%
Petroleum, chemical, plastic, rubber manu	29	1,539	0.7%	1.2%
Non-metallic mineral products manufacturing	26	714	0.6%	0.5%
Metal product manufacturing	46	1,602	1.0%	1.2%
Machinery and equipment manufacturing	73	2,243	1.7%	1.7%
Furniture and other manufacturing	20	427	0.4%	0.3%
Electricity, gas and water supply	64	2,626	1.5%	2.0%
Construction	133	5,505	3.0%	4.1%
<b>Total secondary industries</b>	<b>1,175</b>	<b>24,501</b>	<b>26.9%</b>	<b>18.4%</b>
Wholesale trade	173	9,349	4.0%	7.0%
Retail trade	255	7,949	5.8%	6.0%
Accommodation, restaurants and bars	46	1,968	1.1%	1.5%
Transport and storage	126	5,912	2.9%	4.4%
Communication services	96	8,652	2.2%	6.5%
Finance and insurance	147	9,845	3.4%	7.4%
Property services	291	8,584	6.7%	6.4%
Business services	222	11,514	5.1%	8.6%
Central government admin and defence	96	4,930	2.2%	3.7%
Local government administration	82	1,813	1.9%	1.4%
Education	137	4,368	3.1%	3.3%
Health and community services	252	7,593	5.8%	5.7%
Cultural and recreational services	25	2,309	0.6%	1.7%
Personal and other community services	53	1,888	6.2%	1.4%
<b>Total tertiary industries</b>	<b>2,002</b>	<b>86,675</b>	<b>45.8%</b>	<b>64.9%</b>
Ownership of owner-occupied dwellings	271	9,048	6.2%	6.8%
Unallocated	130	3,433	3.0%	2.6%
<b>Other</b>	<b>400</b>	<b>12,480</b>	<b>9.2%</b>	<b>9.4%</b>
<b>Total</b>	<b>4,369</b>	<b>133,481</b>	<b>100.0%</b>	<b>100.0%</b>

### Which industries make the largest contribution to Hawke's Bay's economy?

This section describes the structure of the economy in terms of two levels of industry classification. Table 4 shows a ranking of

broad industries by total contribution to GDP while Table 5 shows a ranking of detailed industries.

- Manufacturing was the largest industry in Hawke's Bay in 2010 accounting for 22.4% of total GDP.
- The second largest industry was agriculture, fishing and forestry (17.9%) followed by business and property services (11.7%).
- The industry most overrepresented in Hawke's Bay relative to the national economy is agriculture, fishing and forestry. This industry contributes 17.9% to the region's economy compared with 6.3% to the national economy.
- The next most overrepresented industries are ownership of owner-occupied dwellings (9.3% and 6.8 percentage points) and manufacturing (14.3% and 12.4 percentage points).

Table 4. Broad industries ranked by contribution to GDP (2010)

Rank		Hawke's Bay		New Zealand Share of total
		GDP (\$m)	% of total	
1	Manufacturing	978	22.4%	12.3%
2	Agriculture, fishing and forestry	783	17.9%	6.3%
3	Business and property services	513	11.7%	15.1%
4	Wholesale and retail trade	429	9.8%	13.0%
5	Ownership of owner-occupied dwellings	271	6.2%	6.8%
6	Health and community services	252	5.8%	5.7%
7	Government administration and defence	178	4.1%	5.1%
8	Finance and insurance	147	3.4%	7.4%
9	Education	137	3.1%	3.3%
10	Construction	133	3.0%	4.1%
11	Unallocated	130	3.0%	2.6%
12	Transport and storage	126	2.9%	4.4%
13	Communication services	96	2.2%	6.5%
14	Cultural, personal and other services	78	1.8%	3.1%
15	Electricity, gas and water supply	64	1.5%	2.0%
16	Accommodation, restaurants and bars	46	1.1%	1.5%
17	Mining	8	0.2%	1.1%
<b>Total</b>		<b>4,369</b>	<b>100%</b>	<b>100%</b>

Figure 21. Industry contribution to total GDP in Hawke's Bay (2010)

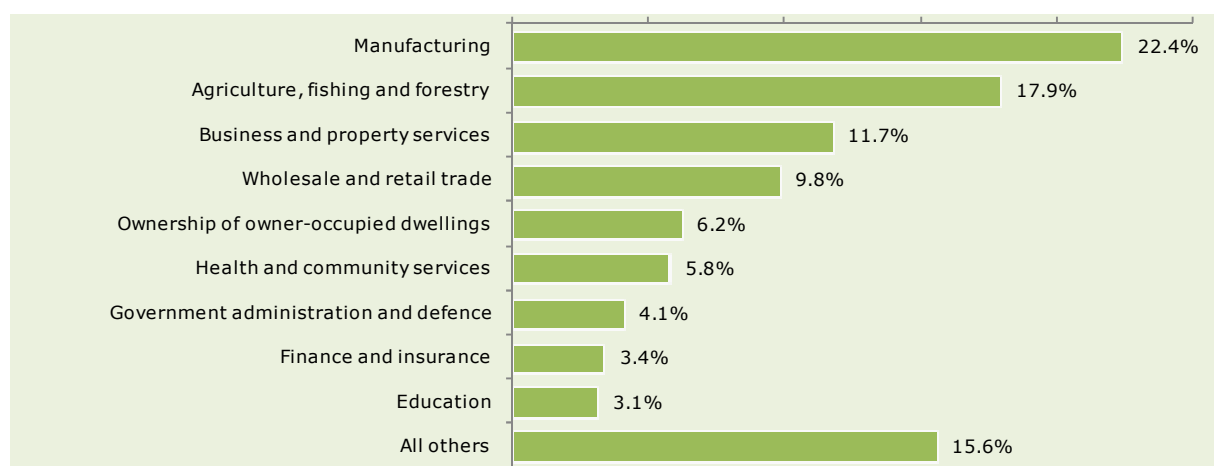


Table 5. Detailed industries ranked by contribution to GDP (2010)

Rank		Hawke's Bay		New Zealand
		GDP (\$m)	% of total	% of total
1	Agriculture	608	13.9%	4.9%
2	Food, beverage and tobacco manufacturing	569	13.0%	4.4%
3	Property services	291	6.7%	6.4%
4	Ownership of owner-occupied dwellings	271	6.2%	6.8%
5	Retail trade	255	5.8%	6.0%
6	Health and community services	252	5.8%	5.7%
7	Business services	222	5.1%	8.6%
8	Wholesale trade	173	4.0%	7.0%
9	Forestry and logging	171	3.9%	12%
10	Finance and insurance	147	3.4%	7.4%
11	Wood and paper product manufacturing	142	3.3%	1.7%
12	Education	137	3.1%	3.3%
13	Construction	133	3.0%	4.1%
14	Unallocated	130	3.0%	2.6%
15	Transport and storage	126	2.9%	4.4%
16	Central government admin and defence	96	2.2%	3.7%
17	Communication services	96	2.2%	6.5%
18	Local government administration	82	1.9%	1.4%
19	Machinery and equipment manufacturing	73	1.7%	1.7%
20	Electricity, gas and water supply	64	1.5%	2.0%
21	Personal and other community services	53	1.2%	1.4%
22	Textile and apparel manufacturing	52	1.2%	0.5%
23	Accommodation, restaurants and bars	46	1.1%	1.5%
24	Metal product manufacturing	46	1.0%	1.2%
25	Petroleum, chemical, plastic, rubber manu	29	0.7%	1.2%
26	Non-metallic mineral products manufacturing	26	0.6%	0.5%
27	Cultural and recreational services	25	0.6%	1.7%
28	Printing, publishing and recorded media	21	0.5%	0.9%
29	Furniture and other manufacturing	20	0.4%	0.3%
30	Mining	8	0.2%	1.1%
31	Fishing	4	0.1%	0.1%
<b>Total</b>		<b>4,369</b>	<b>100%</b>	<b>100%</b>

### Which are the fastest growing broad industries?

This section describes the broad industries that have experienced the fastest rate of growth over the past year and earlier years. Industry growth can provide an indication of relative industry competitiveness in Hawke's

Bay. However, high rates of growth do not necessarily indicate competitive industries if the base from which they are growing is small.

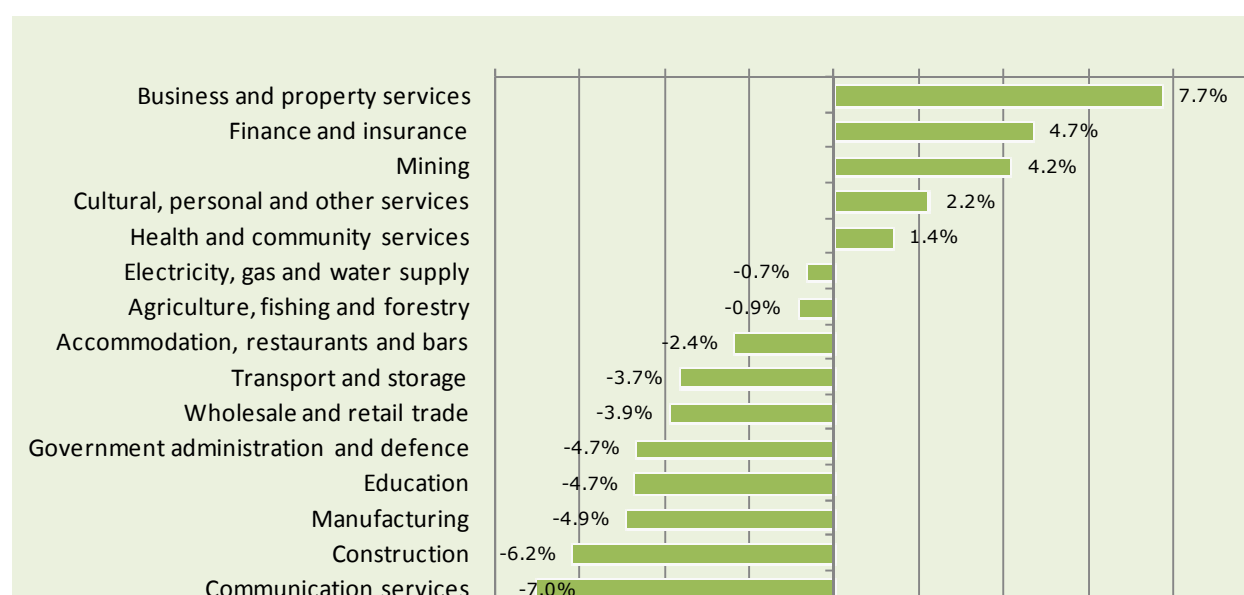
- The business and property services industry was the fastest growing industry in Hawke's Bay between 2009 and 2010 with output expanding by 7.7%.
- This industry grew faster in Hawke's Bay than in New Zealand (5.4%).
- The next fastest growing industries were finance and insurance (4.7%) and mining (4.2%).
- The weakest performing industries were communication services (-7%) and construction (-6.2%).

Table 6. Hawke's Bay industries ranked by rate of growth (2009 to 2010)

Rank	Industry	Hawke's Bay	New Zealand
1	Business and property services	7.7%	5.4%
2	Finance and insurance	4.7%	2.5%
3	Mining	4.2%	0.5%
4	Cultural, personal and other services	2.2%	2.5%
5	Health and community services	1.4%	4.2%
6	Electricity, gas and water supply	-0.7%	4.0%
7	Agriculture, fishing and forestry	-0.9%	0.6%
8	Accommodation, restaurants and bars	-2.4%	-1.6%
9	Transport and storage	-3.7%	-6.3%
10	Wholesale and retail trade	-3.9%	-3.9%
11	Government administration and defence	-4.7%	1.1%
12	Education	-4.7%	-1.1%
13	Manufacturing	-4.9%	-6.6%
14	Construction	-6.2%	-7.7%
15	Communication services	-7.0%	1.2%
<b>Total</b>		<b>-1.6%</b>	<b>-0.8%</b>

Figure 22 graphically displays growth by industry during the past year and Table 7 shows growth by industry in Hawke's Bay over the past one, two, five and ten years.

Figure 22. Hawke's Bay industries ranked by rate of growth (2009 to 2010)



- Over the past 10 years the fastest growing industries in Hawke's Bay were business and property services (6%), communication services (5.3%), and finance and insurance (5.2%).
- The slowest growing industries were mining (-7.4%), electricity, gas and water supply (-0.6%), and manufacturing (-0.2%).

Table 7. GDP growth broad industries: last 1, 2, 5 and 10 years

Industry	Last year 09 to 10	Last 2 years 08 to 10	Last 5 years 05 to 10	Last 10 years 00 to 10
Agriculture, fishing and forestry	-0.9%	-0.1%	2.3%	4.7%
Mining	4.2%	-6.0%	-2.0%	-7.4%
Manufacturing	-4.9%	-4.2%	-4.0%	-0.2%
Electricity, gas and water supply	-0.7%	-3.0%	4.1%	-0.6%
Construction	-6.2%	-9.5%	-3.4%	14%
Wholesale and retail trade	-3.9%	-4.9%	-12%	2.0%
Accommodation, restaurants and bars	-2.4%	-5.3%	-0.9%	0.4%
Transport and storage	-3.7%	-1.7%	-0.1%	16%
Communication services	-7.0%	2.0%	7.1%	5.3%
Finance and insurance	4.7%	8.6%	5.9%	5.2%
Business and property services	7.7%	3.6%	3.7%	6.0%
Government administration and defence	-4.7%	-0.9%	3.9%	3.8%
Education	-4.7%	-12%	-10%	1.1%
Health and community services	14%	3.0%	3.7%	2.7%
Cultural, personal and other services	2.2%	3.2%	16%	3.7%
Ownership of owner-occupied dwellings	-0.1%	0.8%	0.5%	0.8%
Unallocated	-5.8%	-10.7%	-3.2%	0.3%
<b>Total</b>	<b>-1.6%</b>	<b>-1.5%</b>	<b>0.1%</b>	<b>2.3%</b>

### Which are the fastest growing detailed industries in Hawke's Bay?

This section provides more detail than the last by breaking some of the broad industry categories into smaller categories. It provides rankings of the 29 smaller

categories by rate of growth over the past year and earlier years. Some caution should be exercised in interpreting these data as high rates of growth can be from low bases.

- The forestry and logging industry was the fastest growing industry in Hawke's Bay in the year to March 2010 with output expanding by 13.1%.
- The next fastest growing industries were cultural and recreational services (8.9%) and business services (8.6%).
- The weakest performing industries were non-metallic mineral products manufacturing (-17.2%) and furniture and other manufacturing (-14.5%).

Table 8. Hawke's Bay detailed industries ranked by rate of growth (2009 to 2010)

Rank	Industry	Hawke's Bay	New Zealand
1	Forestry and logging	13.1%	12.3%
2	Cultural and recreational services	8.9%	5.6%
3	Business services	8.6%	5.4%
4	Wood and paper product manufacturing	7.9%	14%
5	Property services	7.0%	5.3%
6	Finance and insurance	4.7%	2.5%
7	Mining	4.2%	0.5%
8	Petroleum, chemical, plastic, rubber manu	3.9%	3.3%
9	Local government administration	2.6%	3.4%
10	Health and community services	1.4%	4.2%
11	Personal and other community services	-0.6%	-1.1%
12	Electricity, gas and water supply	-0.7%	4.0%
13	Retail trade	-1.5%	-12%
14	Accommodation, restaurants and bars	-2.4%	-16%
15	Transport and storage	-3.7%	-6.3%
16	Agriculture	-4.1%	-16%
17	Textile and apparel manufacturing	-4.3%	-6.7%
18	Education	-4.7%	-1.1%
19	Food, beverage and tobacco manufacturing	-5.9%	-3.9%
20	Construction	-6.2%	-7.7%
21	Communication services	-7.0%	12%
22	Wholesale trade	-7.2%	-6.0%
23	Machinery and equipment manufacturing	-8.5%	-16.5%
24	Central government admin and defence	-10.1%	0.2%
25	Metal product manufacturing	-10.2%	-14.3%
26	Fishing	-10.6%	-5.4%
27	Printing, publishing and recorded media	-14.4%	-6.1%
28	Furniture and other manufacturing	-14.5%	-8.1%
29	Non-metallic mineral products manufacturing	-17.2%	-14.9%
<b>Total</b>		<b>-1.6%</b>	<b>-0.8%</b>



- Over the past 10 years the fastest growing industries in Hawke's Bay were property services (6.7%), forestry and logging (6.5%), and communication services (5.3%).
- The weakest performing industries were fishing (-10.2%), mining (-7.4%), and printing, publishing and recorded media (-5.6%).

Table 9. GDP growth by detailed industries: last 1, 2, 5 and 10 years

Industry	Last year 09 to 10	Last 2 years 08 to 10	Last 5 years 05 to 10	Last 10 years 00 to 10
Agriculture	-4.1%	-13%	15%	4.4%
Fishing	-10.6%	2.8%	-21.5%	-10.2%
Forestry and logging	13.1%	4.6%	6.8%	6.5%
Mining	4.2%	-6.0%	-2.0%	-7.4%
Food, beverage and tobacco manufacturing	-5.9%	-3.0%	-5.8%	-0.2%
Textile and apparel manufacturing	-4.3%	-3.8%	-0.1%	-2.2%
Wood and paper product manufacturing	7.9%	-0.8%	2.9%	2.3%
Printing, publishing and recorded media	-14.4%	-15.5%	-9.9%	-5.6%
Petroleum, chemical, plastic, rubber manu	3.9%	-15%	-5.6%	-2.9%
Non-metallic mineral products manufacturing	-17.2%	-8.0%	-0.4%	-0.1%
Metal product manufacturing	-10.2%	-8.1%	-3.2%	0.5%
Machinery and equipment manufacturing	-8.5%	-5.5%	-3.1%	0.3%
Furniture and other manufacturing	-14.5%	-23.6%	1.1%	-10%
Electricity, gas and water supply	-0.7%	-3.0%	4.1%	-0.6%
Construction	-6.2%	-9.5%	-3.4%	14%
Wholesale trade	-7.2%	-7.5%	-3.9%	0.8%
Retail trade	-15%	-2.9%	10%	3.0%
Accommodation, restaurants and bars	-2.4%	-5.3%	-0.9%	0.4%
Transport and storage	-3.7%	-1.7%	-0.1%	16%
Communication services	-7.0%	2.0%	7.1%	5.3%
Finance and insurance	4.7%	8.6%	5.9%	5.2%
Property services	7.0%	2.5%	3.4%	6.7%
Business services	8.6%	5.0%	4.1%	5.1%
Central government admin and defence	-10.1%	-4.9%	4.7%	4.7%
Local government administration	2.6%	4.6%	3.0%	2.9%
Education	-4.7%	-12%	-10%	1.1%
Health and community services	14%	3.0%	3.7%	2.7%
Cultural and recreational services	8.9%	7.6%	0.4%	3.7%
Personal and other community services	-0.6%	14%	2.1%	3.7%
Ownership of owner-occupied dwellings	-0.1%	0.8%	0.5%	0.8%
Unallocated	-5.8%	-10.7%	-3.2%	0.3%
Total	-1.6%	-1.5%	0.1%	2.3%

### Which broad industries made the largest contribution to economic growth?

Although an industry may be growing rapidly, if it is small relative to a region's total economy its contribution to overall GDP growth may also be small. This section

therefore investigates which broad industries made the largest contribution to the overall growth of Hawke's Bay's economy taking into account their relative sizes.

- Business and property services made the largest contribution to overall growth in Hawke's Bay in the year to March 2010. The industry grew by 7.7% over the year and contributed 0.8 percentage points to the region's total growth of -1.6%.
- The next largest contributor was finance and insurance (0.1 percentage points) followed by health and community services (0.1 percentage points).
- The largest detractor from growth over the year was manufacturing which declined by 4.9% and contributed -1.1 percentage points to the total growth of -1.6%.
- Wholesale and retail trade (-0.4 percentage points) and construction (-0.2 percentage points) were the next largest detractors.

Table 10. Broad industries ranked by % point contribution to GDP growth (2009 -2010)

Rank	Industry	GDP		% point contribution to growth	Annual % growth
		2009	2010		
1	Business and property services	477	513	0.8%	7.7%
2	Finance and insurance	141	147	0.1%	4.7%
3	Health and community services	249	252	0.1%	1.4%
4	Cultural, personal and other services	76	78	0.0%	2.2%
5	Mining	8	8	0.0%	4.2%
6	Ownership of owner-occupied dwellings	271	271	0.0%	-0.1%
7	Electricity, gas and water supply	64	64	0.0%	-0.7%
8	Accommodation, restaurants and bars	47	46	0.0%	-2.4%
9	Transport and storage	130	126	-0.1%	-3.7%
10	Education	143	137	-0.2%	-4.7%
11	Agriculture, fishing and forestry	790	783	-0.2%	-0.9%
12	Communication services	103	96	-0.2%	-7.0%
13	Unallocated	137	130	-0.2%	-5.8%
14	Government administration and defence	187	178	-0.2%	-4.7%
15	Construction	142	133	-0.2%	-6.2%
16	Wholesale and retail trade	446	429	-0.4%	-3.9%
17	Manufacturing	1029	978	-1.1%	-4.9%
<b>Total</b>		<b>4441</b>	<b>4369</b>	<b>-1.6%</b>	<b>-1.6%</b>

- Over the past 10 years the broad industries making the largest contribution to GDP growth in Hawke's Bay were agriculture, fishing and forestry (0.7 percentage points), business and property services (0.6 percentage points), and wholesale and retail trade (0.2 percentage points).
- The broad industries making the smallest contributions were manufacturing (0 percentage points), mining (0 percentage points), and electricity, gas and water supply (0 percentage points).

Table 11. Broad industries contribution to growth: last 1, 2, 5 and 10 years

Industry	Last year 09 to 10	Last 2 years 08 to 10	Last 5 years 05 to 10	Last 10 years 00 to 10
Agriculture, fishing and forestry	-0.2%	0.0%	0.4%	0.7%
Mining	0.0%	0.0%	0.0%	0.0%
Manufacturing	-1.1%	-1.0%	-1.0%	0.0%
Electricity, gas and water supply	0.0%	0.0%	0.1%	0.0%
Construction	-0.2%	-0.3%	-0.1%	0.0%
Wholesale and retail trade	-0.4%	-0.5%	-0.1%	0.2%
Accommodation, restaurants and bars	0.0%	-0.1%	0.0%	0.0%
Transport and storage	-0.1%	0.0%	0.0%	0.0%
Communication services	-0.2%	0.0%	0.1%	0.1%
Finance and insurance	0.1%	0.3%	0.2%	0.2%
Business and property services	0.8%	0.4%	0.4%	0.6%
Government administration and defence	-0.2%	0.0%	0.1%	0.1%
Education	-0.2%	0.0%	0.0%	0.0%
Health and community services	0.1%	0.2%	0.2%	0.2%
Cultural, personal and other services	0.0%	0.1%	0.0%	0.1%
Ownership of owner-occupied dwellings	0.0%	0.0%	0.0%	0.1%
Unallocated	-0.2%	-0.4%	-0.1%	0.0%
<b>Total</b>	<b>-1.6%</b>	<b>-1.5%</b>	<b>0.1%</b>	<b>2.3%</b>

### Which detailed industries made the largest contribution to economic growth?

- Forestry and logging made the largest contribution to growth in Hawke's Bay between 2009 and 2010. The industry grew by 13.1% over the year and contributed 0.4 percentage points to the region's total growth of -1.6%.
- The next largest contributor was property services which contributed 0.4 percentage points followed by business services (0.4 percentage points).
- The largest detractor from growth over the year was food, beverage and tobacco manufacturing which declined by 5.9% and contributed -0.8 percentage points to the total growth of -1.6%.
- The largest detractor from growth over the year was agriculture which declined by 2.5% and contributed -0.6 percentage points to the total growth of -1.5%.

Table 12. Broad industries ranked by % point contribution to GDP growth (2009 -2010)

Rank	Industry	GDP		% point contribution to growth	Annual % growth
		2009	2010		
1	Business and property services	477	513	0.8%	7.7%
2	Finance and insurance	141	147	0.1%	4.7%
3	Health and community services	249	252	0.1%	1.4%
4	Cultural, personal and other services	76	78	0.0%	2.2%
5	Mining	8	8	0.0%	4.2%
6	Ownership of owner-occupied dwellings	271	271	0.0%	-0.1%
7	Electricity, gas and water supply	64	64	0.0%	-0.7%
8	Accommodation, restaurants and bars	47	46	0.0%	-2.4%
9	Transport and storage	130	126	-0.1%	-3.7%
10	Education	143	137	-0.2%	-4.7%
11	Agriculture, fishing and forestry	790	783	-0.2%	-0.9%
12	Communication services	103	96	-0.2%	-7.0%
13	Unallocated	137	130	-0.2%	-5.8%
14	Government administration and defence	187	178	-0.2%	-4.7%
15	Construction	142	133	-0.2%	-6.2%
16	Wholesale and retail trade	446	429	-0.4%	-3.9%
17	Manufacturing	1029	978	-1.1%	-4.9%
<b>Total</b>		<b>4441</b>	<b>4369</b>	<b>-1.6%</b>	<b>-1.6%</b>

- Over the past 10 years the industries making the largest contribution to GDP growth in Hawke's Bay were agriculture (0.6 percentage points), property services (0.4 percentage points), and business services (0.2 percentage points).
- The industries making the smallest contributions were printing, publishing and recorded media (0 percentage points), textile and apparel manufacturing (0 percentage points), and petroleum, chemical, plastic, rubber manu (0 percentage points).

Table 13. Detailed industries percentage point contribution to growth: last 1, 2, 5 and 10 years

Industry	Last year 09 to 10	Last 2 years 08 to 10	Last 5 years 05 to 10	Last 10 years 00 to 10
Agriculture	-0.6%	-0.2%	0.2%	0.6%
Fishing	0.0%	0.0%	0.0%	0.0%
Forestry and logging	0.4%	0.2%	0.2%	0.2%
Mining	0.0%	0.0%	0.0%	0.0%
Food, beverage and tobacco manufacturing	-0.8%	-0.4%	-0.9%	0.0%
Textile and apparel manufacturing	-0.1%	0.0%	0.0%	0.0%
Wood and paper product manufacturing	0.2%	0.0%	0.1%	0.1%
Printing, publishing and recorded media	-0.1%	-0.1%	-0.1%	0.0%
Petroleum, chemical, plastic, rubber manu	0.0%	0.0%	0.0%	0.0%
Non-metallic mineral products manufacturing	-0.1%	-0.1%	0.0%	0.0%
Metal product manufacturing	-0.1%	-0.1%	0.0%	0.0%
Machinery and equipment manufacturing	-0.2%	-0.1%	-0.1%	0.0%
Furniture and other manufacturing	-0.1%	-0.2%	0.0%	0.0%
Electricity, gas and water supply	0.0%	0.0%	0.1%	0.0%
Construction	-0.2%	-0.3%	-0.1%	0.0%
Wholesale trade	-0.3%	-0.3%	-0.2%	0.0%
Retail trade	-0.1%	-0.2%	0.1%	0.2%
Accommodation, restaurants and bars	0.0%	-0.1%	0.0%	0.0%
Transport and storage	-0.1%	0.0%	0.0%	0.0%
Communication services	-0.2%	0.0%	0.1%	0.1%
Finance and insurance	0.1%	0.3%	0.2%	0.2%
Property services	0.4%	0.2%	0.2%	0.4%
Business services	0.4%	0.2%	0.2%	0.2%
Central government admin and defence	-0.2%	-0.1%	0.1%	0.1%
Local government administration	0.0%	0.1%	0.1%	0.1%
Education	-0.2%	0.0%	0.0%	0.0%
Health and community services	0.1%	0.2%	0.2%	0.2%
Cultural and recreational services	0.0%	0.0%	0.0%	0.0%
Personal and other community services	0.0%	0.0%	0.0%	0.0%
Ownership of owner-occupied dwellings	0.0%	0.0%	0.0%	0.1%
Unallocated	-0.2%	-0.4%	-0.1%	0.0%
<b>Total</b>	<b>-1.6%</b>	<b>-1.5%</b>	<b>0.1%</b>	<b>2.3%</b>

### In which industries does Hawke's Bay have a comparative advantage?

A high concentration of certain industries in a region may be indicative of that region having a comparative advantage in those industries. This may be due to its natural endowments, location, skills of its labour force or other reasons. The location quotient indicates in which industries a region has

comparative advantage. A region has a location quotient larger (smaller) than one when the share of that industry in the regional economy is greater (less) than the share of the same industry in the national economy.

- The industries in which Hawke's Bay has the largest comparative advantages are forestry and logging (location quotient = 3.3), food, beverage and tobacco manufacturing (3), and agriculture (2.8).

Table 14. Location quotient

Rank	Industry	Location Quotient	Share of total GDP	
			Hawke's Bay	New Zealand
1	Forestry and logging	3.3	3.9%	1.2%
2	Food, beverage and tobacco manufacturing	3.0	13.0%	4.4%
3	Agriculture	2.8	13.9%	4.9%
4	Textile and apparel manufacturing	2.6	1.2%	0.5%
5	Wood and paper product manufacturing	1.9	3.3%	1.7%
6	Furniture and other manufacturing	1.4	0.4%	0.3%
7	Local government administration	1.4	1.9%	1.4%
8	Non-metallic mineral products manufacturing	1.1	0.6%	0.5%
9	Property services	1.0	6.7%	6.4%
10	Health and community services	1.0	5.8%	5.7%
11	Machinery and equipment manufacturing	1.0	1.7%	1.7%
12	Retail trade	1.0	5.8%	6.0%
13	Education	1.0	3.1%	3.3%
14	Metal product manufacturing	0.9	1.0%	1.2%
15	Personal and other community services	0.9	1.2%	1.4%
16	Electricity, gas and water supply	0.7	1.5%	2.0%
17	Construction	0.7	3.0%	4.1%
18	Accommodation, restaurants and bars	0.7	1.1%	1.5%
19	Transport and storage	0.6	2.9%	4.4%
20	Central government admin and defence	0.6	2.2%	3.7%
21	Business services	0.6	5.1%	8.6%
22	Fishing	0.6	0.1%	0.1%
23	Petroleum, chemical, plastic, rubber manu	0.6	0.7%	1.2%
24	Wholesale trade	0.6	4.0%	7.0%
25	Printing, publishing and recorded media	0.5	0.5%	0.9%
26	Finance and insurance	0.5	3.4%	7.4%
27	Communication services	0.3	2.2%	6.5%
28	Cultural and recreational services	0.3	0.6%	1.7%
29	Mining	0.2	0.2%	1.1%
	Ownership of owner-occupied dwellings		6.2%	6.8%
	Unallocated		3.0%	2.6%
	<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>

**How diversified is Hawke's Bay's economy?**

The more concentrated a region's economy is in a few industries the more vulnerable it is to adverse events such as climatic conditions and commodity price fluctuations. This section presents the Tress index which measures the level of diversification of

Hawke's Bay economy. An index of zero represents a diversified economy with economic activity evenly spread across all industries. The higher the index (closer to 100), the more concentrated economic activity is in a few industries.

- Hawke's Bay had a Tress index of 75.6 in 2010 which ranks it number 8 among the 16 regions ranked from most to least diverse.
- Since 2000 Hawke's Bay's Tress index has increased from 74.3 indicating a decrease in diversity.
- During the same period the national economy has become less diversified with the Tress index increasing from 69.8 to 72.

Figure 23. Tress index

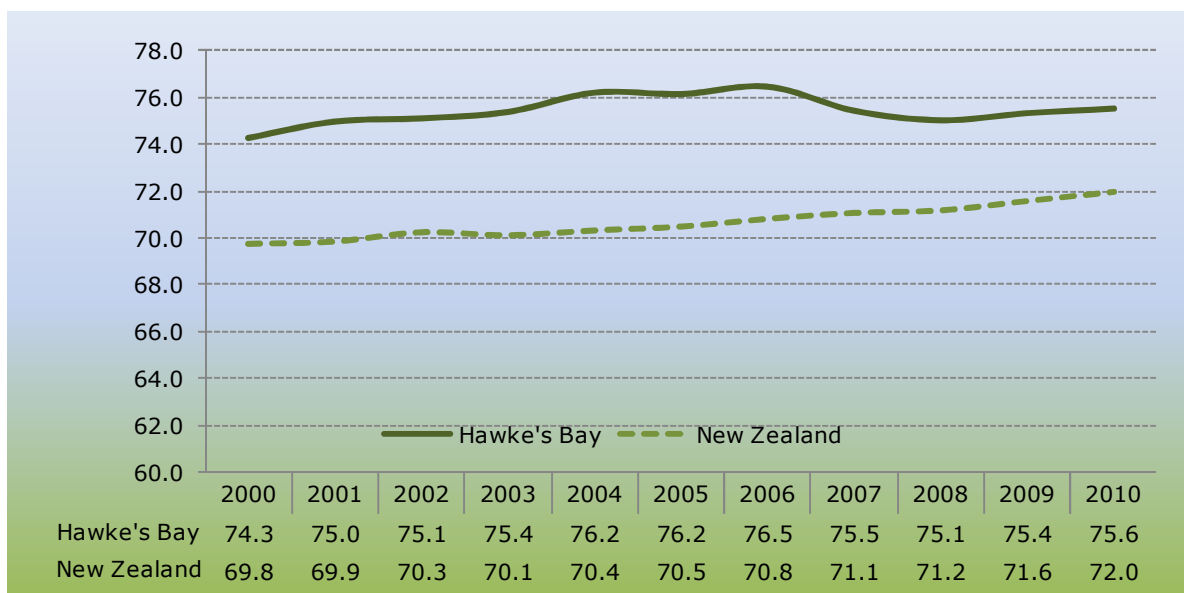


Table 15 on the following page shows all 16 regions in New Zealand ranked by the Tress index.

Table 15. Regions ranked by the value of the Tress index

Rank	Region	Tress Index
1	Northland	71.9
2	Waikato	72.5
3	Otago	72.9
4	Canterbury	73.0
5	Bay of Plenty	74.1
6	Manawatu-Wanganui	74.6
7	Nelson	75.3
8	Hawke's Bay	75.6
9	Marlborough	76.0
10	Auckland	76.6
11	Gisborne	76.7
12	West Coast	76.9
13	Southland	77.5
14	Tasman	78.6
15	Wellington	80.2
16	Taranaki	80.5



Performance of key sectors

How well has the forestry sector performed in Hawke's Bay?

The section describes the performance of the first key sector in Hawke's Bay: forestry. It compares how the sector has performed

relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 16. Economic indicators for forestry

Indicator	2010	% of region total	% of national sector	Growth (2009 to 2010)	
				Hawke's Bay	New Zealand
GDP (\$ million)	\$21	0.5%	9.3%	11.9%	14.9%
Employment	69	0.1%	6.1%	-1.3%	1.5%
Business Units	239	1.3%	5.3%	-1.2%	0.1%

Economic Output

- The forestry sector generated \$21 million in economic output in Hawke's Bay in 2010.
- The sector contributed 0.5% to the region's economy in 2010, up from 0.1% ten years ago.
- Hawke's Bay's forestry sector grew by 11.9% in 2010 compared with growth of 14.9% in the sector nationally.
- Growth in the sector in Hawke's Bay has averaged 17.8%pa over the last ten years, varying from a low of -7.9% in 2002 to a high of 62.2% in 2001.

Table 17. Output growth in the forestry sector

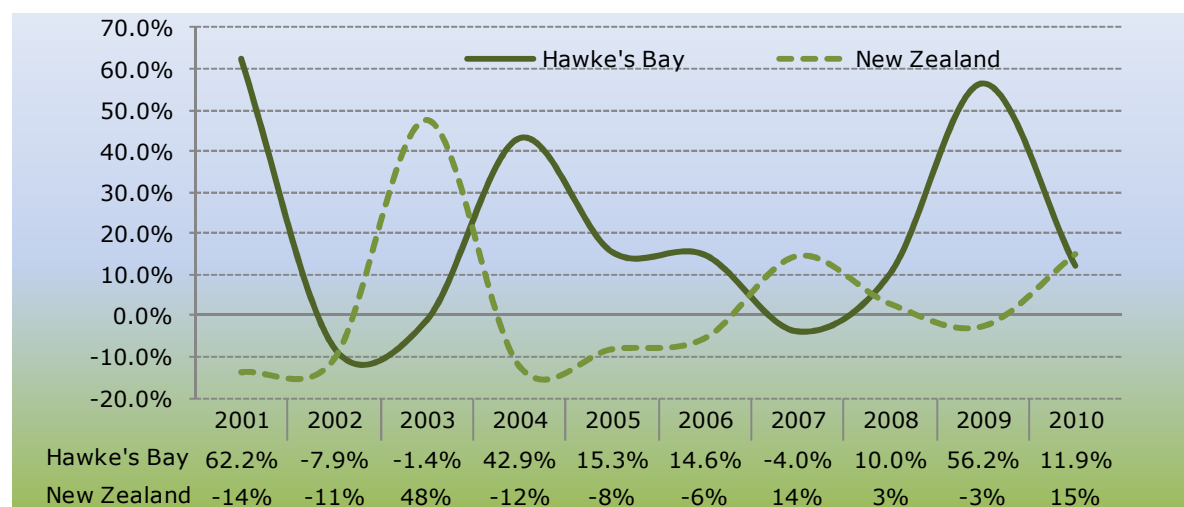
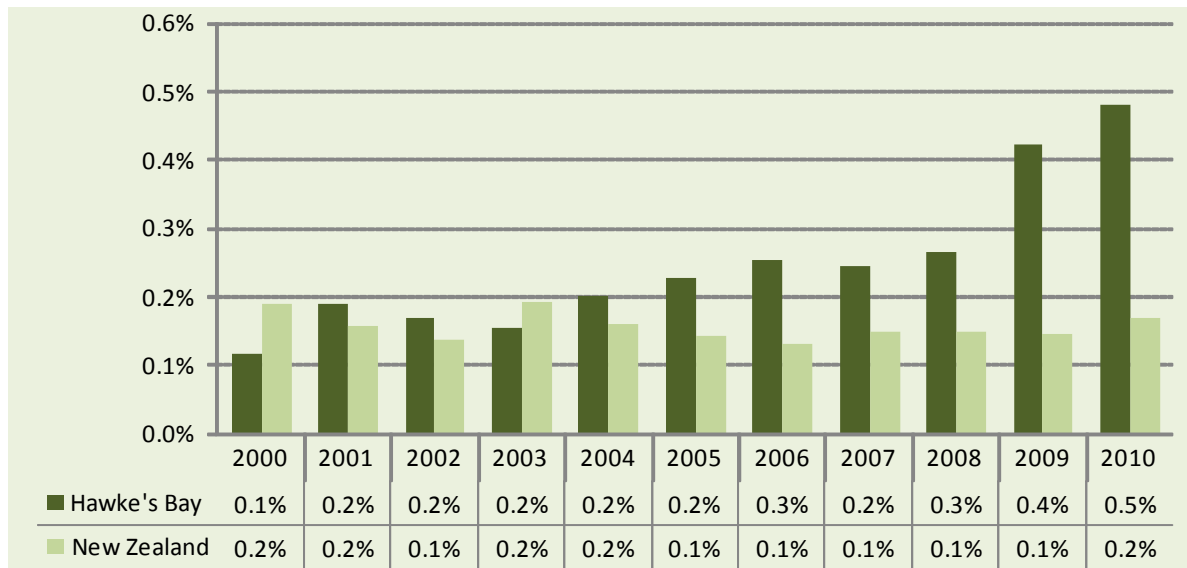


Figure 24. Forestry's share of total economic output



### Employment

- The forestry sector employed 69 persons in Hawke's Bay in 2010 which was down from 70 in 2009.
- Employment growth in the sector averaged 15.6% over the past ten years compared with total employment growth in the region of 1.6%.
- Growth in the sector peaked at 91.9% in 2001.

### Business units

- Approximately 240 business units were in operation in the forestry sector in Hawke's Bay in 2010, which was down from 242 in 2009.
- The number of business units peaked at 271 in 2006.

**How well has the logging sector performed in Hawke's Bay?**

The section describes the performance of the second key sector in Hawke's Bay: logging. It compares how the sector has performed

relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 18. Economic indicators for the logging sector

Indicator	2010	% of region total	% of national sector	Growth (2009 to 2010)	
				Hawke's Bay	New Zealand
GDP (\$ million)	\$74	1.7%	9.7%	21.0%	15.4%
Employment	245	0.3%	6.3%	6.6%	1.9%
Business Units	20	0.1%	0.4%	-16.7%	0.1%

**Economic Output**

- The logging sector generated \$74 million in economic output in Hawke's Bay in 2010.
- The sector contributed 1.7% to the region's economy in 2010, up from 0.8% ten years ago.
- Hawke's Bay's logging sector grew by 21% in 2010 compared with growth of 15.4% in the sector nationally.
- Growth in the sector in Hawke's Bay has averaged 10.4%pa over the last ten years, varying from a low of -6.1% in 2006 to a high of 46.1% in 2002.

Table 19. Output growth in the logging sector

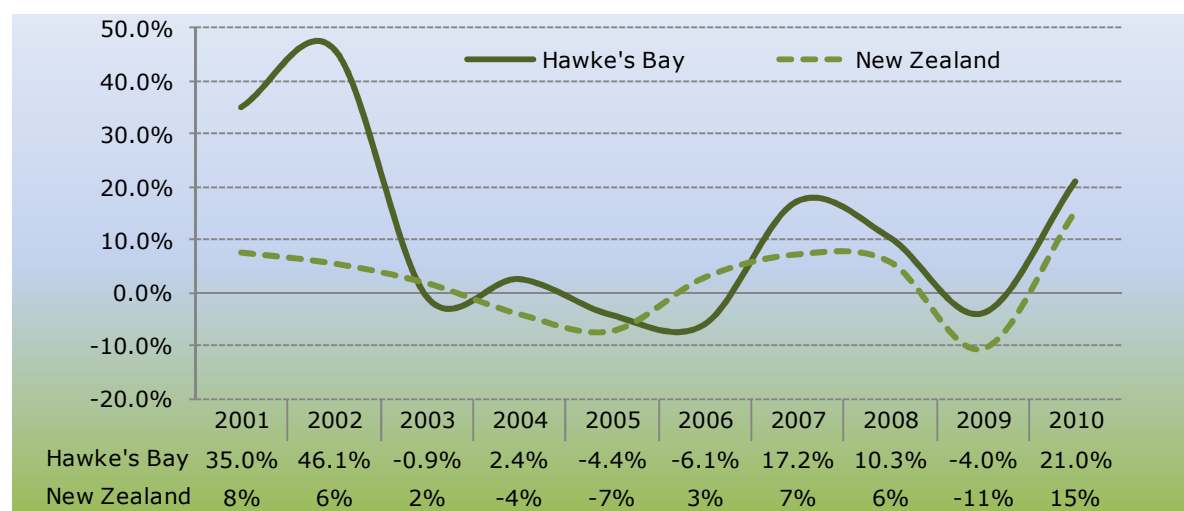
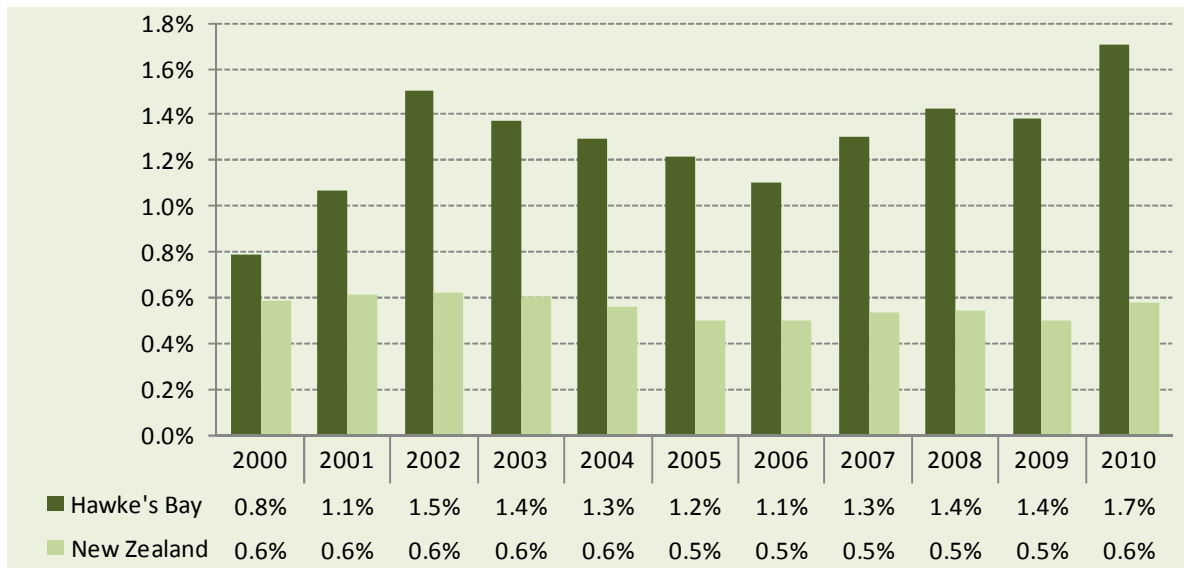


Figure 25. Logging's share of total economic output



### Employment

- The logging sector employed 245 persons in Hawke's Bay in 2010 which was up from 230 in 2009.
- Employment growth in the sector averaged 8.4% over the past ten years compared with total employment growth in the region of 1.6%.
- Growth in the sector peaked at 59.7% in 2001.

### Business units

- Approximately 20 business units were in operation in the logging sector in Hawke's Bay in 2010, which was down from 24 in 2009.
- The number of business units peaked at 29 in 2000.

**How well has the services to forestry sector performed in Hawke's Bay?**

The section describes the performance of the third key sector in Hawke's Bay: services to forestry. It compares how the sector has

performed relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 20. Economic indicators for the services to forestry sector

Indicator	2010	% of region total	% of national sector	Growth (2009 to 2010)	
				Hawke's Bay	New Zealand
GDP (\$ million)	\$76	1.7%	13.2%	6.6%	7.5%
Employment	251	0.3%	8.7%	-6.0%	-5.0%
Business Units	34	0.2%	0.8%	-12.8%	0.1%

**Economic Output**

- The services to forestry sector generated \$76 million in economic output in Hawke's Bay in 2010.
- The sector contributed 1.7% to the region's economy in 2010, up from 1.7% ten years ago.
- Hawke's Bay's services to forestry sector grew by 6.6% in 2010 compared with growth of 7.5% in the sector nationally.
- Growth in the sector in Hawke's Bay has averaged 2.5%pa over the last ten years, varying from a low of -11.4% in 2009 to a high of 17.1% in 2007.

Table 21. Output growth in the services to forestry sector

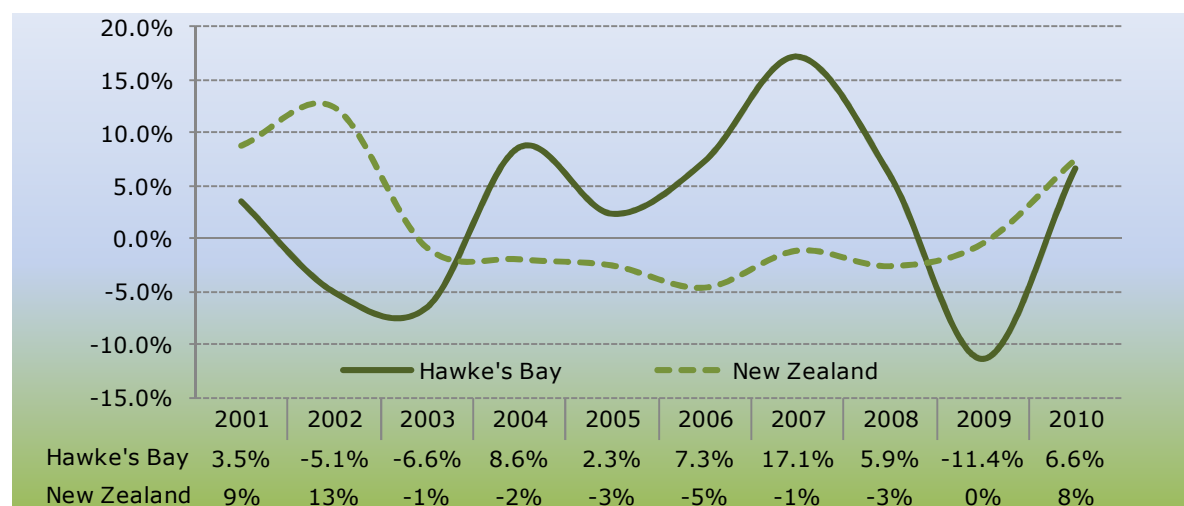
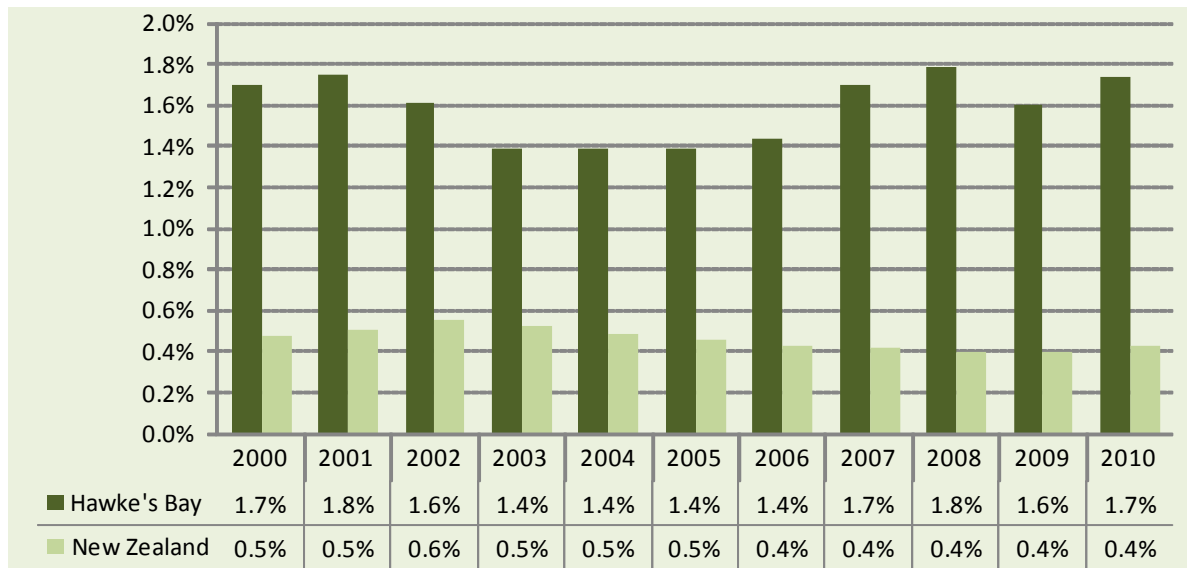


Figure 26. Services to forestry's share of total economic output



**Employment**

- The services to forestry sector employed 251 persons in Hawke's Bay in 2010 which was down from 267 in 2009.
- Employment growth in the sector averaged 0.6% over the past ten years compared with total employment growth in the region of 1.6%.
- Growth in the sector peaked at 22.4% in 2001.

**Business units**

- Approximately 30 business units were in operation in the services to forestry sector in Hawke's Bay in 2010, which was down from 39 in 2009.
- The number of business units peaked at 55 in 2005.

**How well has the log sawmilling sector performed in Hawke's Bay?**

The section describes the performance of the fourth key sector in Hawke's Bay: log sawmilling. It compares how the sector has

performed relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 22. Economic indicators for the log sawmilling sector

Indicator	2010	% of region total	% of national sector	Growth (2009 to 2010)	
				Hawke's Bay	New Zealand
GDP (\$ million)	\$22	0.5%	3.9%	29.3%	3.8%
Employment	160	0.2%	3.0%	14.7%	-7.8%
Business Units	17	0.1%	0.4%	-5.6%	0.1%

**Economic Output**

- The log sawmilling sector generated \$22 million in economic output in Hawke's Bay in 2010.
- The sector contributed 0.5% to the region's economy in 2010, up from 0.3% ten years ago.
- Hawke's Bay's log sawmilling sector grew by 29.3% in 2010 compared with growth of 3.8% in the sector nationally.
- Growth in the sector in Hawke's Bay has averaged 8.6%pa over the last ten years, varying from a low of -12.2% in 2009 to a high of 39.4% in 2003.

Table 23. Output growth in the log sawmilling sector

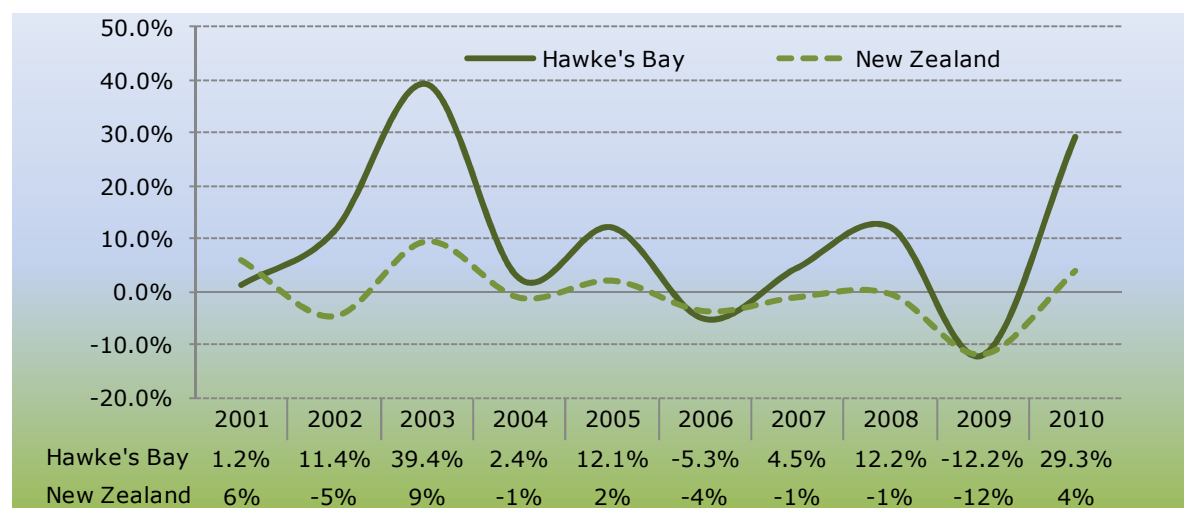


Figure 27. Log sawmilling's share of total economic output



### Employment

- The log sawmilling sector employed 160 persons in Hawke's Bay in 2010 which was up from 139 in 2009.
- Employment growth in the sector averaged 6.9% over the past ten years compared with total employment growth in the region of 1.6%.
- Growth in the sector peaked at 27.5% in 2003.

### Business units

- Approximately 20 business units were in operation in the log sawmilling sector in Hawke's Bay in 2010, which was down from 18 in 2009.
- The number of business units peaked at 24 in 2004.



### How well has the Wood manufacturing sector performed in Hawke's Bay?

The section describes the performance of the fifth key sector in Hawke's Bay: wood manufacturing. It compares how the sector has performed relative to the rest of the

region's economy in terms of economic output, employment and business unit growth.

Table 24. Economic indicators for the wood manufacturing sector

Indicator	2010	% of region total	% of national sector	Growth (2009 to 2010)	
				Hawke's Bay	New Zealand
GDP (\$ million)	\$57	1.3%	4.7%	-3.6%	-1.8%
Employment	415	0.6%	3.5%	-14.5%	-12.8%
Business Units	64	0.4%	1.4%	-3.0%	0.1%

### Economic Output

- The wood manufacturing sector generated \$57 million in economic output in Hawke's Bay in 2010.
- The sector contributed 1.3% to the region's economy in 2010, up from 1.1% ten years ago.
- Hawke's Bay's wood manufacturing sector declined by 3.6% in 2010 compared with a decline of 1.8% in the sector nationally.
- Growth in the sector in Hawke's Bay has averaged 3.9%pa over the last ten years, varying from a low of -16.1% in 2009 to a high of 13.7% in 2007.

Table 25. Output growth in the wood manufacturing sector

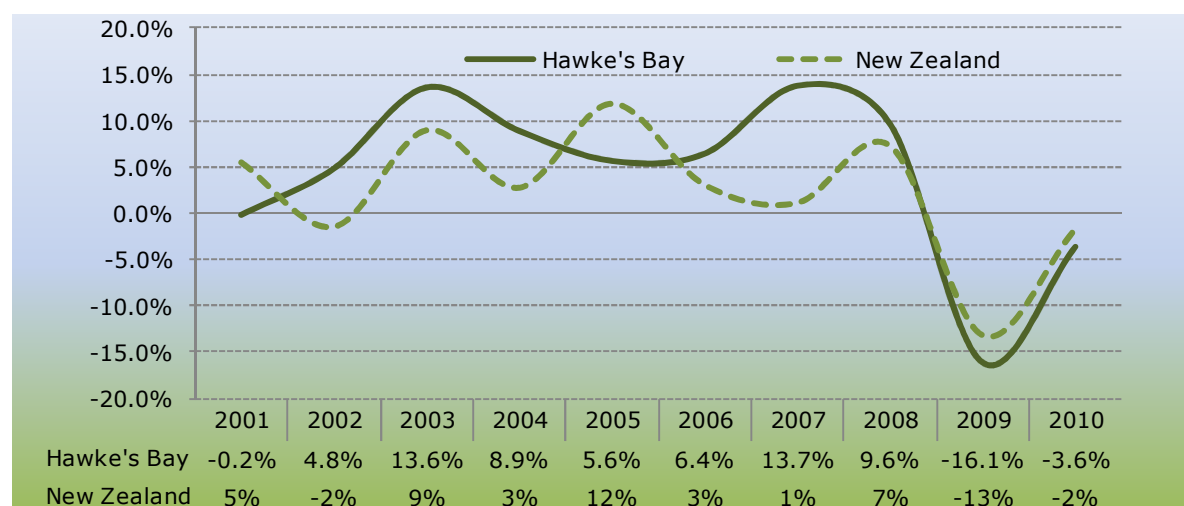
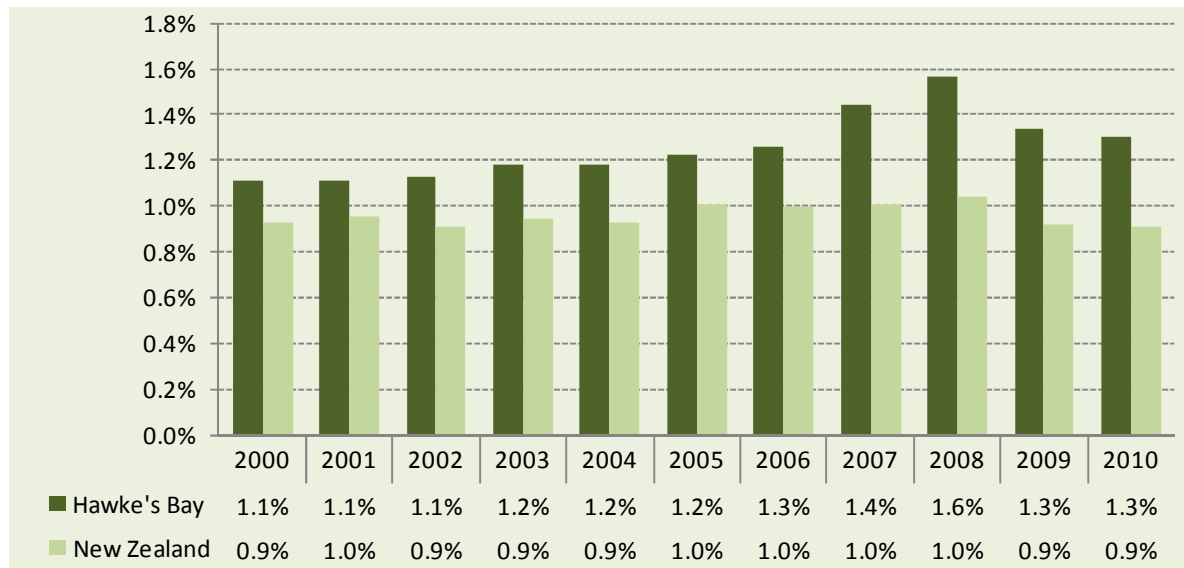


Figure 28. Wood manufacturing sector's share of total economic output



### Employment

- The wood manufacturing sector employed 415 persons in Hawke's Bay in 2010 which was down from 486 in 2009.
- Employment growth in the sector averaged 2.3% over the past ten years compared with total employment growth in the region of 1.6%.
- Growth in the sector peaked at 12.1% in 2002.

### Business units

- Approximately 60 business units were in operation in the wood manufacturing sector in Hawke's Bay in 2010, which was down from 66 in 2009.
- The number of business units peaked at 73 in 2006.

**What is tourism's contribution to Hawke's Bay's economy?**

Tourism has grown rapidly in New Zealand with the number of overseas tourist arrivals doubling since 1992. It is the second largest foreign exchange earner after the dairy industry. The section describes the

performance of the tourism sector in Hawke's Bay. It compares how the sector has performed relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 26. Economic indicators for tourism

Indicator	2010	% of region total	% of national sector	Growth (2009 to 2010)	
				Hawke's Bay	New Zealand
GDP (\$ million)	\$175.0	4.0%	2.7%	-2.5%	-1.9%
Employment	4746	6.3%	5.0%	-2.5%	-0.6%

**Economic Output**

- The tourism sector generated \$175 million in economic output in Hawke's Bay in 2010.
- The sector contributed 4% to the region's economy in 2010, up from 3.9% ten years ago.
- Hawke's Bay's tourism sector declined by 2.5% in 2010 compared with a decline of 1.9% in the sector in the national economy.
- Growth in tourism in Hawke's Bay has averaged 2.6%pa over the last ten years, varying from a low of -2.5% in 2010 to a high of 6.3% in 2004. Tourism growth averaged 2.1% in the national economy over the ten year period.

Table 27. Output growth in the tourism sector

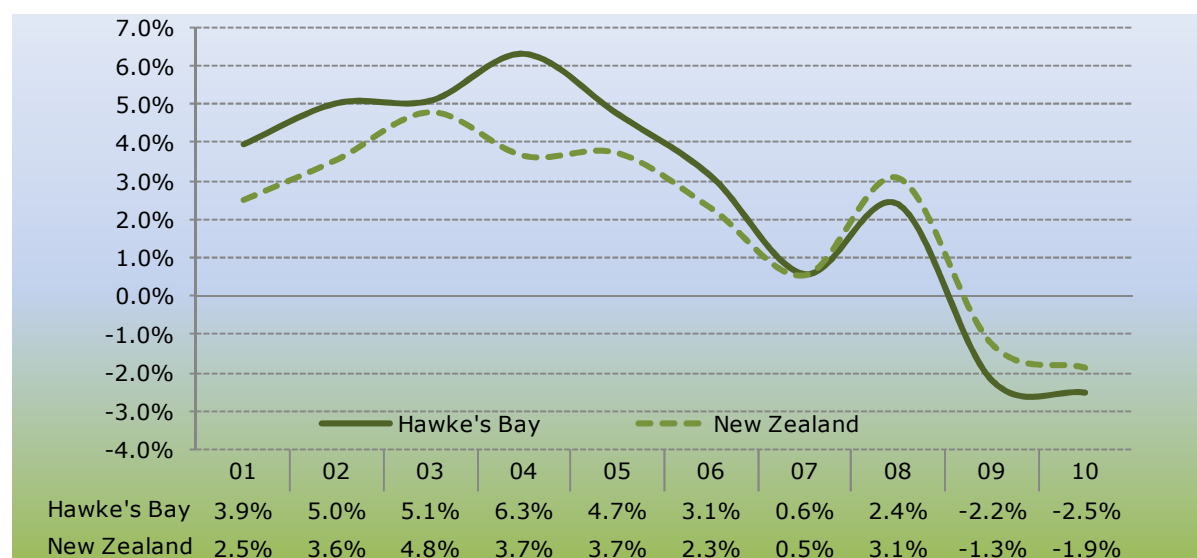
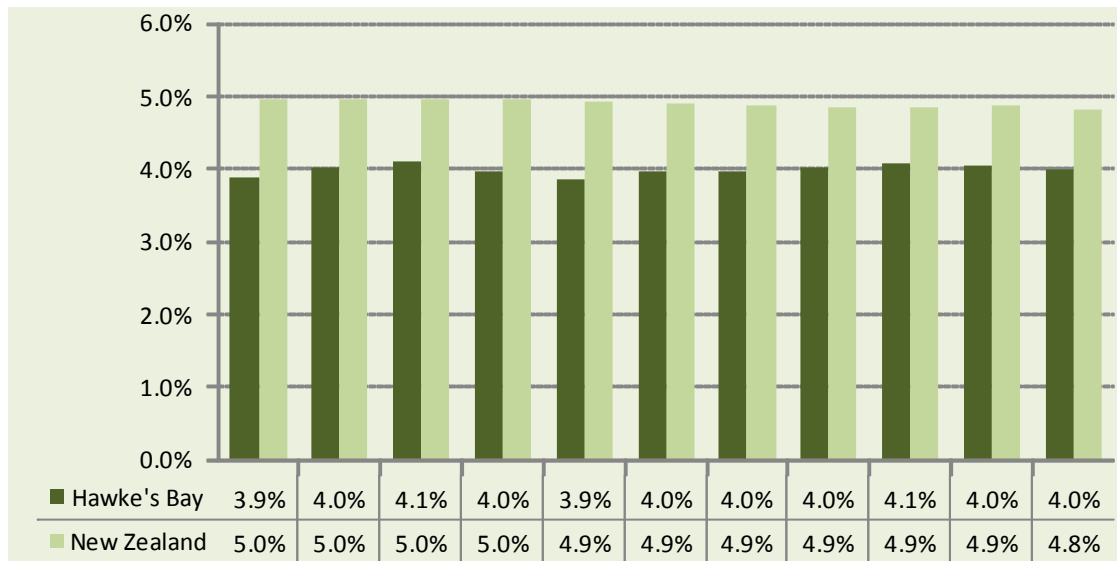


Figure 29. Tourism's share of total economic output



**Employment**

- The tourism sector employed 4746 persons in Hawke's Bay in 2010 which was down from 4870 in 2009.
- Employment growth in the sector averaged 2% over the past ten years compared with total employment growth in the region of 1.6%.

**Business units**

- Approximately 940 business units were in operating in tourism in Hawke's Bay in 2010, which was down from 953 in 2009.
- The number of business units peaked at 953 in 2009.

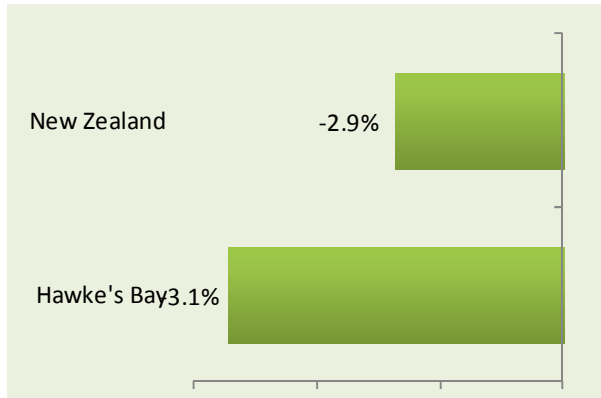
Employment

How fast has employment grown in Hawke's Bay?

Employment growth provides new opportunities for the region's population to earn income and contribute to the region's

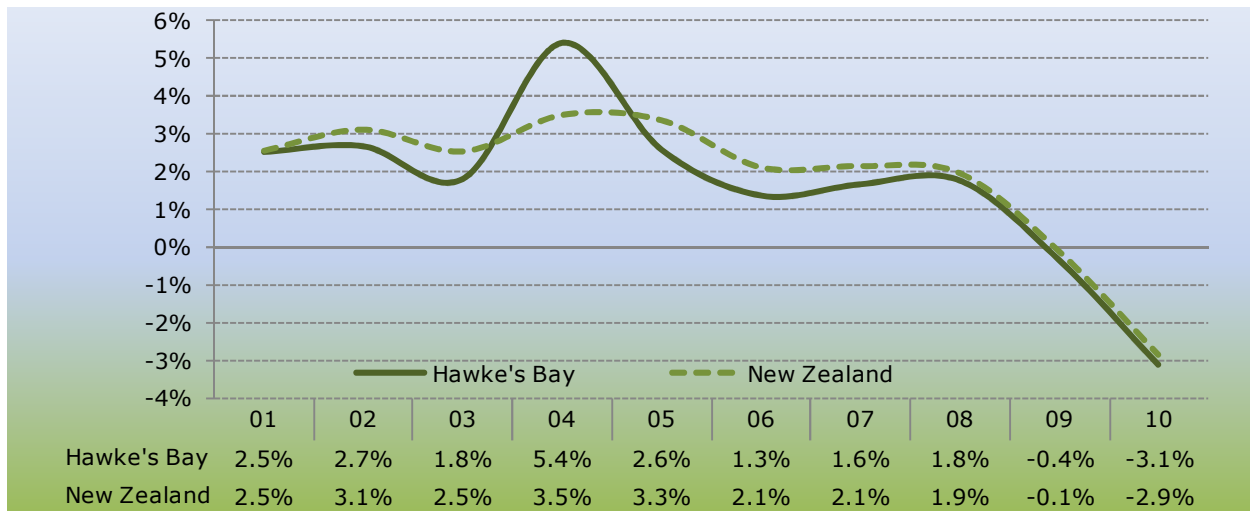
economy. This section contrasts Hawke's Bay's recent performance in creating jobs with other regions in the country.

Figure 30. Employment growth (year to March 2010)



- Total employment in Hawke's Bay was 74,868 in 2010, down 3.1% from a year earlier. Employment in New Zealand declined by 2.9% over the same period.
- Employment growth in Hawke's Bay averaged 1.6%pa between 2000 and 2010 compared with 1.8%pa in the national economy.
- Growth in Hawke's Bay reached a high of 5.4% in 2004 and a low of -3.1% in 2010.

Figure 31. Annual average employment growth (2000-2010)



- Over the last year Hawke's Bay ranked 12 among the 16 regions for rate of employment growth.

Table 28. Hawke's Bay's employment growth ranking: last 1, 2, 5 and 10 years

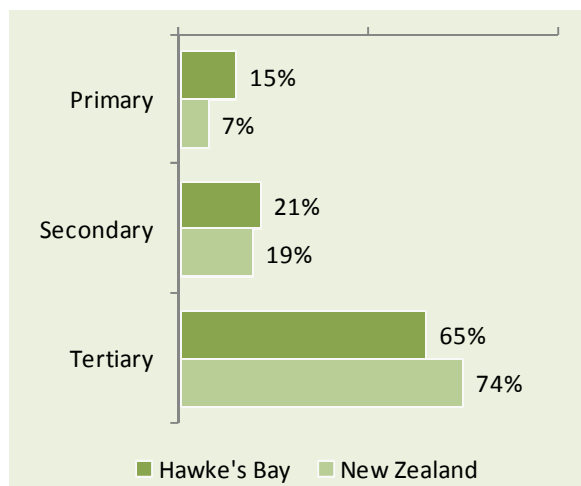
Rank	2009 to 2010	2008 to 2010	2005 to 2010	2000 to 2010
1				
2				
3				
4				
5				
6				
7				
8				
9		Hawke's Bay		Hawke's Bay
10				
11				
12	Hawke's Bay			
13				
14				
15			Hawke's Bay	
16				

**What is the industrial structure of employment in Hawke's Bay?**

This section describes the structure of the labour market in terms of the primary,

secondary and tertiary categories and the industries that fall within these categories.

Figure 32. Employment by broad sector (2010)



- Tertiary industries accounted for the largest proportion of employment (65%) in Hawke's Bay, which is lower than in the national economy (74%).
- Secondary industries accounted for 21% of GDP which was higher than in New Zealand (19%)
- Primary accounted for only 15% in Hawke's Bay compared with 7% in the national economy.

Table 29. Employment by broad industry (2010)

	Employment		% of total	
	Hawke's Bay	New Zealand	Hawke's Bay	New Zealand
Agriculture, Forestry and Fishing	10,793	141,242	14.4%	6.7%
Mining	90	5,482	0.1%	0.3%
<b>Total primary industries</b>	<b>10,883</b>	<b>146,724</b>	<b>14.5%</b>	<b>6.9%</b>
Manufacturing	9,933	231,887	13.3%	11.0%
Electricity, Gas and Water Supply	258	7,133	0.3%	0.3%
Construction	5,443	158,797	7.3%	7.5%
<b>Total secondary industries</b>	<b>15,634</b>	<b>397,817</b>	<b>20.9%</b>	<b>18.8%</b>
Wholesale and retail trade	12,279	375,075	16.4%	17.7%
Accommodation, restaurants and bars	3,329	112,238	4.4%	5.3%
Transport and storage	2,623	84,706	3.5%	4.0%
Communication services	449	25,479	0.6%	1.2%
Finance and insurance	1,364	57,524	1.8%	2.7%
Business and property services	7,579	310,921	10.1%	14.7%
Government Administration and Defence	1,602	75,924	2.1%	3.6%
Education	6,260	168,486	8.4%	8.0%
Health and community services	8,460	216,467	11.3%	10.2%
Cultural, recreational & personal services	4,406	144,440	5.9%	6.8%
<b>Total tertiary industries</b>	<b>48,351</b>	<b>1,571,260</b>	<b>64.6%</b>	<b>74.3%</b>
<b>Total</b>	<b>74,868</b>	<b>2,115,801</b>	<b>100.0%</b>	<b>100.0%</b>

### Which are the largest employing industries in Hawke's Bay?

This section identifies the broad industries that make the largest contribution to employment in Hawke's Bay.

- Among broad industries wholesale and retail trade was the largest employer in the Hawke's Bay region in 2010, accounting for 16.4% of total employment.
- The second largest employer was agriculture, fishing and forestry (14.4%) followed by manufacturing (13.3%).
- The industry most overrepresented in the Hawke's Bay region relative to the national economy is agriculture, fishing and forestry. This industry accounts for 14.4% of the region's employment compared with 6.7% for the national economy.
- The next most overrepresented industries are manufacturing (13.3% compared to 11% nationally) and health and community services (11.3% and 10.2% nationally).

Table 30. Broad industries ranked by size of employment (2010)

Rank		Hawke's Bay		New Zealand
		Employment	% of total	% of total
1	Who lesale and retail trade	12,279	16.4%	17.7%
2	Agriculture, fishing and forestry	10,793	14.4%	6.7%
3	Manufacturing	9,933	13.3%	11.0%
4	Health and community services	8,460	11.3%	10.2%
5	Business and property services	7,579	10.1%	14.7%
6	Education	6,260	8.4%	8.0%
7	Construction	5,443	7.3%	7.5%
8	Cultural, personal and other services	4,406	5.9%	6.8%
9	Accommodation, restaurants and bars	3,329	4.4%	5.3%
10	Transport and storage	2,623	3.5%	4.0%
11	Government administration and defence	1,602	2.1%	3.6%
12	Finance and insurance	1,364	1.8%	2.7%
13	Communication services	449	0.6%	1.2%
14	Electricity, gas and water supply	258	0.3%	0.3%
15	Mining	90	0.1%	0.3%
	<b>Total</b>	<b>74,868</b>	<b>100%</b>	<b>100%</b>

Table 31 shows the 50 detailed industries (7-digit ANZSIC) that employ the highest number of people in Hawke's Bay.

- Services to Agriculture nec was the largest employer in Hawke's Bay in 2010, employing 2,590 persons and accounting for 3.5% of total employment in the region. By contrast this industry accounted for 1.2% of total employment in the national economy.
- The second largest employing industries were apple & pear growing (2,392) followed by hospitals (except psychiatric hospitals) (2,285).



Table 31. Detailed industries ranked by size of employment (2010)

Rank		Hawke's Bay		New Zealand
		Jobs	% of total	% of total
1	Services to Agriculture nec	2,590	3.5%	12%
2	Apple & Pear Growing	2,392	3.2%	0.2%
3	Hospitals (except Psychiatric Hospitals)	2,285	3.1%	2.9%
4	Meat Processing	2,269	3.0%	0.9%
5	Supermarkets	2,181	2.9%	2.2%
6	Primary Education	1,979	2.6%	2.2%
7	Secondary Education	1,733	2.3%	1.7%
8	Fruit & Vegetable Processing	1,687	2.3%	0.2%
9	Cafes & Restaurants	1,676	2.2%	3.0%
10	Preschool Education	1,344	1.8%	1.0%
11	Accommodation for the Aged	1,230	1.6%	1.3%
12	Sheep Farming	1,229	1.6%	0.6%
13	Residential Care Services nec	1,021	1.4%	0.6%
14	House Construction	987	1.3%	1.3%
15	Road Freight Transport	932	1.2%	1.3%
16	Business Management Services	858	1.1%	1.6%
17	General Practice Medical Services	830	1.1%	0.7%
18	Non-Residential Care Services nec	788	1.1%	1.0%
19	Local Government Administration	773	1.0%	0.9%
20	Health Services nec	702	0.9%	1.6%
21	Accounting Services	700	0.9%	1.1%
22	Real Estate Agents	673	0.9%	1.0%
23	Beef Cattle Farming	672	0.9%	0.4%
24	Sheep-Beef Cattle Farming	670	0.9%	0.2%
25	Automotive Repair & Services nec	624	0.8%	0.8%
26	Road & Bridge Construction	598	0.8%	0.6%
27	Contract Staff Services	591	0.8%	1.0%
28	Electrical Services	588	0.8%	0.8%
29	Central Government Administration	571	0.8%	1.9%
30	Child Care Services	562	0.8%	0.5%
31	Industrial Machinery & Equipment Manufacturing nec	558	0.7%	0.6%
32	Business Administrative Services	553	0.7%	1.4%
33	Commercial Property Operators & Developers nec	540	0.7%	0.6%
34	Clothing Retailing	532	0.7%	0.8%
35	Corrective Centres	530	0.7%	0.3%
36	Wine Manufacturing	510	0.7%	0.2%
37	Higher Education	506	0.7%	1.7%
38	Pubs, Taverns & Bars	472	0.6%	0.7%
39	Cleaning Services	465	0.6%	1.0%
40	Other Education	459	0.6%	0.8%
41	Pharmaceutical, Cosmetic & Toiletry Retailing	455	0.6%	0.5%
42	Consultant Engineering Services	449	0.6%	0.9%
43	Grape Growing	447	0.6%	0.2%
44	Department Stores	443	0.6%	0.7%
45	Hairdressing & Beauty Salons	439	0.6%	0.6%
46	Legal Services	437	0.6%	0.8%
47	Banks	436	0.6%	1.1%
48	Building Supplies Wholesaling nec	429	0.6%	0.7%
49	Police Services	416	0.6%	0.6%
50	Business Services nec	409	0.5%	0.9%

### Which industries have created the most jobs?

This section investigates which industries have created and lost the most number of jobs in Hawke's Bay. The employment numbers differ from those published in

Business Demography by Statistics New Zealand. The reasons for these differences are explained in the technical note at the end of this report.

- Health and community services made the largest contribution to employment growth in Hawke's Bay between 2009 and 2010 with the industry adding 130 jobs.
- The next largest contributor was finance and insurance (10 jobs) followed by cultural, personal and other services (10 jobs).
- The largest detractor from growth over the year was manufacturing in which employment declined by 600.

Table 32. Broad industries ranked by number of jobs created (2009 -2010)

Rank		Employment		Jobs created	Annual % growth
		2009	2010		
1	Health and community services	8,330	8,460	130	16%
2	Finance and insurance	1,350	1,360	10	0.7%
3	Cultural, personal and other services	4,400	4,410	10	0.2%
4	Mining	90	90	0	0.0%
5	Electricity, gas and water supply	260	260	0	0.0%
6	Transport and storage	2,630	2,620	-10	-0.4%
7	Accommodation, restaurants and bars	3,390	3,330	-60	-1.8%
8	Communication services	520	450	-70	-13.5%
9	Education	6,350	6,260	-90	-1.4%
10	Government administration and defence	1,810	1,600	-210	-11.6%
11	Business and property services	7,820	7,580	-240	-3.1%
12	Agriculture, fishing and forestry	11,200	10,790	-410	-3.7%
13	Wholesale and retail trade	12,720	12,280	-440	-3.5%
14	Construction	5,890	5,440	-450	-7.6%
15	Manufacturing	10,530	9,930	-600	-5.7%
<b>Total</b>		<b>77,290</b>	<b>74,860</b>	<b>-2,430</b>	<b>-3.1%</b>

- Over the past 10 years the broad industries making the largest contribution to employment growth in Hawke's Bay were health and community services (1,940 jobs), construction (1,760 jobs), and business and property services (1,490 jobs).
- The industries making the lowest contribution to employment growth in Hawke's Bay were communication services (-100 jobs), electricity, gas and water supply (-10 jobs), and mining ( jobs).

Table 33. Job creation by broad industries: last 1, 2, 5 and 10 years

Industry	Last year 09 to 10	Last 2 years 08 to 10	Last 5 years 05 to 10	Last 10 years 00 to 10
Agriculture, fishing and forestry	-410	-570	-370	590
Mining	0	10	20	0
Manufacturing	-600	-860	-1,400	460
Electricity, gas and water supply	0	0	70	-10
Construction	-450	-810	50	1,760
Wholesale and retail trade	-440	-830	-580	1,200
Accommodation, restaurants and bars	-60	-290	-40	480
Transport and storage	-10	60	160	290
Communication services	-70	-20	40	-100
Finance and insurance	20	130	230	400
Business and property services	-240	-290	280	1,490
Government administration and defence	-210	-110	90	160
Education	-90	160	350	1,170
Health and community services	130	500	1,370	1,940
Cultural, personal and other services	10	200	580	1,140
<b>Total</b>	<b>-2,420</b>	<b>-2,720</b>	<b>850</b>	<b>10,970</b>

Table 34 shows the 50 detailed industries (out of a total of approximately 480 seven digit industries) that created the most jobs over the past year. Table 35 shows the 50 detailed industries that made the lowest contribution to job creation over the same period.

- Non-Residential Care Services nec was the largest creator of jobs in Hawke's Bay between 2009 and 2010, among the 480 detailed industries of the ANZSIC classification, generating an additional 157 positions. This was followed by financial asset investors (+78 jobs) and fruit & vegetable retailing (+73 jobs).
- Services to Agriculture nec was the industry that lost the greatest number of positions (-299 jobs) followed by meat processing (-168 jobs) and beef cattle farming (-151 jobs).

Table 34. Detailed industries ranked by number of jobs created (2010 - 2009)

Rank	Industry	Jobs		New jobs
		2009	2010	
1	Non-Residential Care Services nec	631	788	157
2	Financial Asset Investors	156	233	78
3	Fruit & Vegetable Retailing	75	147	73
4	Wine Manufacturing	438	510	72
5	Sheep-Beef Cattle Farming	601	670	70
6	Apple & Pear Growing	2,323	2,392	69
7	Child Care Services	509	562	52
8	Taxi & Other Road Passenger Transport	115	167	52
9	Electronic Equipment Manufacturing nec	82	133	51
10	Construction Services nec	212	262	50
11	Beekeeping	30	77	46
12	Courier Services	111	154	44
13	Hospitals (except Psychiatric Hospitals)	2,243	2,285	43
14	Higher Education	470	506	36
15	Racing Clubs & Track Operation	65	95	30
16	Employment Placement Services	47	77	30
17	Scientific Research	97	126	29
18	Corrective Centres	502	530	29
19	Farm Produce & Supplies Wholesaling nec	343	372	28
20	Storage nec	329	358	28
21	Road & Bridge Construction	572	598	26
22	Residential Property Operators nec	127	152	26
23	Supermarkets	2,158	2,181	23
24	Combined Primary & Secondary Education	95	118	23
25	Berry Fruit Growing	209	231	22
26	Local Government Administration	751	773	22
27	Liquor Wholesaling	68	89	21
28	Structural Steel Fabricating	215	235	21
29	Log Sawmilling	139	160	21
30	Pulp, Paper & Paperboard Manufacturing	310	330	20
31	Police Services	396	416	20
32	Accommodation for the Aged	1,211	1,230	19
33	Watch & Jewellery Retailing	69	86	17
34	Life Insurance	6	23	17
35	Performing Arts Venues	14	30	16
36	Short Distance Bus Transport (including Tramway)	254	270	16
37	Shearing Services	305	321	16
38	Logging	230	245	15
39	Sports Grounds & Facilities nec	331	346	15
40	Hotels (Accommodation)	137	151	15
41	Preschool Education	1,330	1,344	14
42	Primary Education	1,965	1,979	14
43	Water Supply	21	34	13
44	Fire & Security System Services	136	149	13
45	Security & Investigative Services (except Police)	141	153	12
46	Bread Manufacturing	28	39	11
47	Dental Services	190	200	10
48	General Practice Medical Services	820	830	10
49	Glazing Services	38	48	10
50	Data Processing Services	8	17	10

Table 35. Detailed industries ranked by number of jobs lost (2010 - 2009)

Rank	Industry	Jobs		New jobs
		2009	2010	
1	Services to Agriculture nec	2,889	2,590	-299
2	Meat Processing	2,437	2,269	-168
3	Beef Cattle Farming	823	672	-151
4	Fruit & Vegetable Processing	1,818	1,687	-131
5	Other Education	575	459	-116
6	House Construction	1,097	987	-110
7	Defence	240	133	-107
8	Postal Services	346	250	-97
9	Grape Growing	541	447	-93
10	Painting & Decorating Services	489	400	-88
11	Road Freight Transport	1,012	932	-80
12	Health Services nec	782	702	-80
13	Business Administrative Services	629	553	-76
14	Residential Care Services nec	1,094	1,021	-73
15	Car Retailing	440	367	-73
16	Central Government Administration	644	571	-73
17	Special School Education	191	121	-70
18	Pubs, Taverns & Bars	531	472	-59
19	Fruit & Vegetable Wholesaling	180	125	-55
20	Wool Scouring	126	73	-54
21	Justice	178	125	-53
22	Wooden Structural Component Manufacturing	188	135	-53
23	Newspaper Printing or Publishing	169	119	-50
24	Non-Residential Building Construction	371	321	-50
25	Plant Nurseries	237	192	-45
26	Real Estate Agents	716	673	-44
27	Contract Staff Services	635	591	-43
28	Farm & Construction Machinery Wholesaling	263	221	-43
29	Liquor Retailing	178	137	-41
30	Plumbing Services	431	391	-40
31	Wooden Furniture & Upholstered Seat Manufacturing	211	171	-40
32	Business Management Services	898	858	-39
33	Retailing nec	363	325	-39
34	Consultant Engineering Services	487	449	-39
35	Business Services nec	446	409	-37
36	Manufacturing nec	181	145	-36
37	Automotive Fuel Retailing	431	397	-34
38	Non-Building Construction nec	421	388	-32
39	Clothing Retailing	562	532	-30
40	Site Preparation Services	383	355	-28
41	Plastering & Ceiling Services	181	153	-28
42	Bread & Cake Retailing	378	352	-27
43	Landscape Services	88	61	-27
44	Museums	37	11	-26
45	Fish & Chips, Hamburger, Ethnic Food Takeaways	268	243	-25
46	Dairy Cattle Farming	356	332	-25
47	Plant Hiring or Leasing	156	133	-24
48	Services to Finance & Investment nec	194	171	-23
49	Banks	458	436	-23
50	Gardening Services	169	146	-23

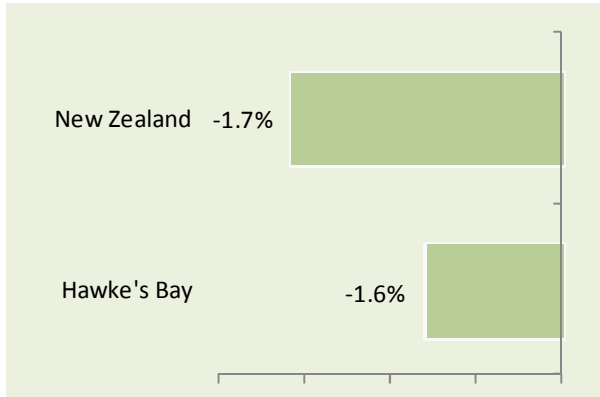
Business unit growth

How fast did the number of business units grow in Hawke's Bay?

Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to

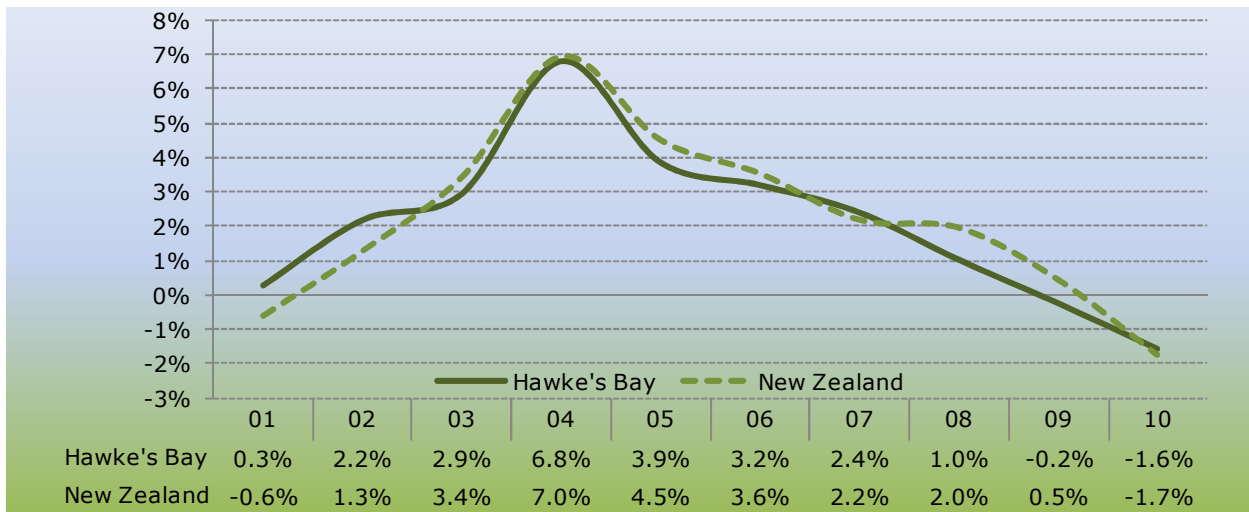
start new ventures. This section contrasts Hawke's Bay's recent performance in business unit growth with other regions in the country.

Figure 33. Employment growth (year to March 2010)



- A total of 18,160 business units were recorded in Hawke's Bay in 2010, down 1.6% from a year earlier.
- The number of business units in New Zealand declined by 1.7% over the same period.
- Growth in the number of business units in Hawke's Bay averaged 2.1%pa between 2000 and 2010 compared with 2.2%pa in the national economy.
- Growth in Hawke's Bay reached a high of 6.8% in 2004 and a low of -1.6% in 2010.

Figure 34. Annual average growth in number of business units



**Population**

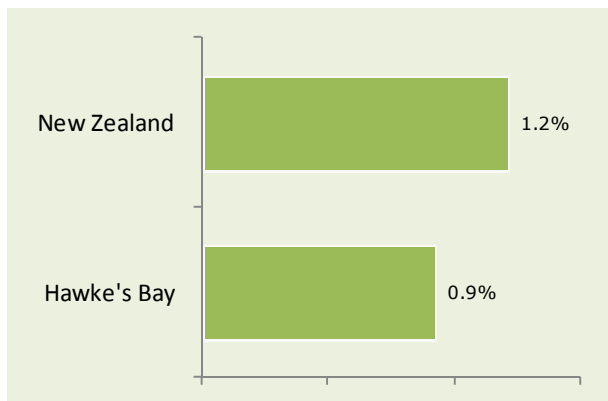
**How fast has Hawke's Bay's population grown?**

New Zealand's population reached 4.32 million in June 2010, an increase of 1.1% on the previous year. Growth was slightly higher than the previous years due to higher net inward migration.

strong regional economy with plentiful job opportunities will help a region retain its population and attract new residents from other regions and abroad. This section contrasts Hawke's Bay's recent population growth with other districts and the country as a whole.

Population growth is an indicator of a region's attractiveness as a place to live and work. A

Figure 35. Population growth (year to June 2010)



- Hawke's Bay's population reached 154,800 in 2010, up 0.9% from a year earlier. New Zealand's total population grew by 0.9% over the same period.
- Population growth in Hawke's Bay averaged 0.5%pa between 2000 and 2010 compared with 1.2%pa in the national economy.
- Growth in Hawke's Bay varied from a high of 0.9% in 2010 to a low of 0%pa in 2001.

Figure 36. Annual population growth (June years)

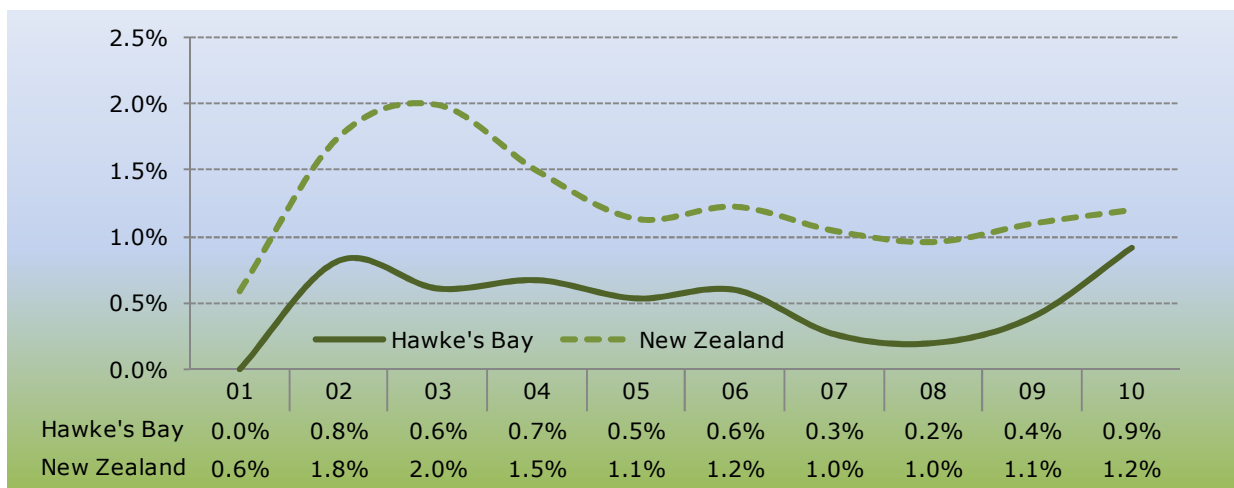


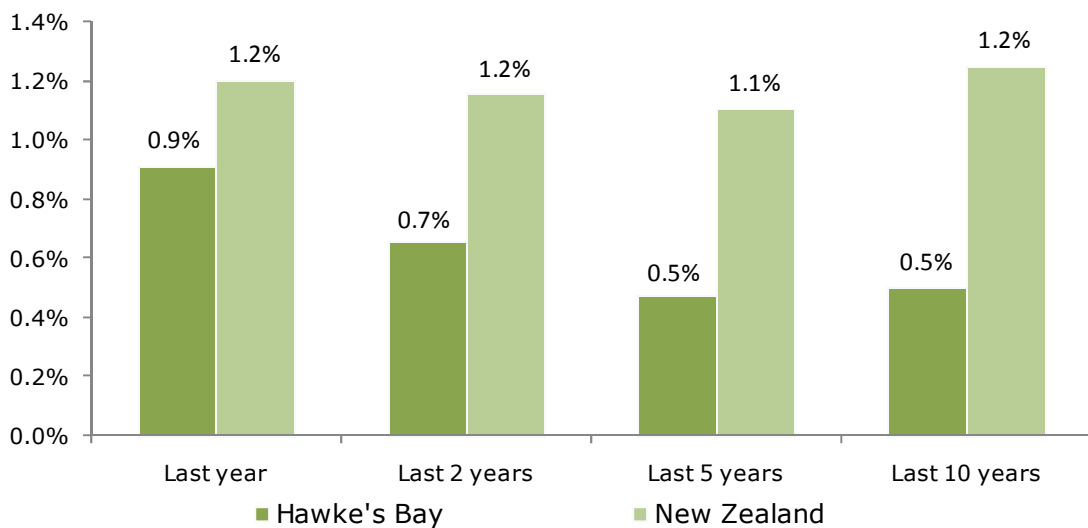
Table 36 shows how Hawke's Bay's population growth compares with other regions in New Zealand.

Table 36. Regions ranked by population growth: last 1, 2, 5 and 10 years

Rank	2009 to 2010		2008 to 2010		2005 to 2010		2000 to 2010	
1	Auckland	1.6%	Auckland	1.6%	Auckland	1.6%	Auckland	2.0%
2	Waikato	1.2%	Canterbury	1.2%	Canterbury	1.2%	Canterbury	1.4%
3	Canterbury	1.2%	Waikato	1.1%	Waikato	1.0%	Tasman	1.3%
4	Nelson	1.1%	Wellington	1.0%	Marlborough	1.0%	Bay of Plenty	1.2%
5	Tasman	1.1%	Otago	1.0%	Bay of Plenty	1.0%	Marlborough	1.1%
6	Bay of Plenty	1.0%	Bay of Plenty	0.9%	Otago	1.0%	Waikato	1.1%
7	Otago	1.0%	Marlborough	0.9%	Wellington	0.9%	Wellington	1.0%
8	Northland	1.0%	Nelson	0.9%	Northland	0.8%	Otago	1.0%
9	Wellington	1.0%	Tasman	0.9%	Tasman	0.8%	Northland	0.9%
10	Taranaki	0.9%	Northland	0.8%	Nelson	0.7%	Nelson	0.7%
11	Hawke's Bay	0.9%	Taranaki	0.7%	West Coast	0.6%	Hawke's Bay	0.5%
12	Gisborne	0.9%	Hawke's Bay	0.7%	Hawke's Bay	0.5%	West Coast	0.4%
13	Southland	0.7%	Gisborne	0.7%	Taranaki	0.4%	Taranaki	0.2%
14	Marlborough	0.7%	Southland	0.6%	Gisborne	0.3%	Southland	0.1%
15	Manawatu-Wanganui	0.6%	Manawatu-Wanganui	0.5%	Manawatu-Wanganui	0.2%	Gisborne	0.1%
16	West Coast	0.3%	West Coast	0.5%	Southland	0.1%	Manawatu-Wanganui	0.1%
	New Zealand	1.2%	New Zealand	1.2%	New Zealand	1.1%	New Zealand	1.2%

- Hawke's Bay's growth of 0.9% between 2009 and 2010 ranked it number 11 among the 16 regions of New Zealand for rate of population growth.
- Over the last two years Hawke's Bay ranked number 12 for rate of population growth with total population increasing by 0.7%pa between 2008 and 2010.
- Hawke's Bay ranked number 12 for rate of population growth over the last five years, with its population increasing by 0.5%pa between 2005 and 2010.
- Over the last ten years (2000 to 2010) Hawke's Bay ranked 11.

Figure 37. Population growth last 1, 2, 5 and 10 years





**Technical notes****Time period**

For the most part this annual profile reports on March years (eg 2010 refers to the 12 months to March 2010. Population statistics are presented for the year to June).

**Gross Domestic Product**

Gross Domestic Product for each region and district is estimated by Infometrics. It is measured in 1995/96 prices. A top down approach breaks national production-based GDP (published by Statistics New Zealand) down to TA level by applying TA shares to the national total. Each TA's share of industry output is based on the number of people employed and their productivity (approximated by output per employee). Further details of this methodology can be obtained from Infometrics.

**Employment**

Regional employment is estimated by Infometrics' Regional Industry Employment Model (RIEM). The model draws heavily on quarterly and annual Linked Employer Employee Data (LEED) and Business Demography (BD) series published by Statistics New Zealand. RIEM differs from BD in that it is a quarterly series (BD is annual) and it includes both employees and self employed whereas BD only includes employees. Further details of this methodology can be obtained from Infometrics.

Employment in this report is measured as an average of the four quarters making up each year.

**Business Units**

Data on the number of business units is sourced from the Business Demography statistics from Statistics New Zealand.

**Population**

Demographic statistics are sourced from Statistics New Zealand.