
WELLINGTON CITY QUARTERLY ECONOMIC MONITOR FOR DECEMBER 2013

1. Purpose of report

The purpose of this report is to introduce the results from the quarterly economic monitor for Wellington city for the period ending December 2013. The report also explains some of the differences between the major economic indicators of GDP and unemployment reported in the Annual Economic Profile for 2013, and the Quarterly Economic Monitor.

Key differences between the Quarterly Economic Monitor and the Annual Economic Report include:

GDP growth

GDP in Wellington city increased by 1.8% in the year to December 2013 while the Annual Economic Profile reported an increase of 2.6% in the year to March 2013.

GDP growth figures are prone to change as updated input data can result in substantial retrospective revisions. This was the case with the GDP figure reported in the Annual Economic Profile. It was significantly increased late last year from 1.1% to 2.6%. The underlying economic activity in Wellington city continues to improve.

Unemployment Rate

Total annual average unemployment rate in Wellington city was 6.8% in the year to December 2013. This compares to an average annual figure of 7.5% reported in the Annual Economic Profile in the year to March 2013.

The annual average unemployment rate continues to fall as the labour market in Wellington city continues to strengthen. The quarterly unemployment rate for Wellington city in December 2013 was 5.9%.

Key highlights from the Quarterly Economic Monitor

International net migration

Annual permanent and long-term net migration increased by 1,111 persons in the year to December 2013. This compares with 243 a year ago and a 10-year average of 927.

Residential consents

The total annual number of consents in Wellington city increased 24.4% in the year to December 2013. This compares with a national rate which increased by 25.8 percent over the same period.

In the September 2013 quarter residential building consents declined by 20.8% over the same period a year ago.

Non-residential consents

The value of non-residential consents increased 19.4% in the year to December 2013. This compares with a national rate which increased by 5.5% over the same period.

Guest nights

Visitors stayed 538,500 guest nights in Wellington city during the December 2013 quarter. This compares to visitors staying 465,000 guest nights during the September quarter 2013.

Total guest nights in Wellington city increased 3.1% in the year to December 2013 when compared with the same 12 month period a year ago. This compares with a national rate which increased by 3.9% over the same period.

Commercial vehicles

The number of commercial vehicles registered in Wellington city increased by 36.2% in the year to December 2013. Growth was lower in the Wellington region at 32.5% and lower in the national economy at 32.7% over the same period. A total of 1,054 commercial vehicles were registered in Wellington city in the December 2013 quarter.

2. Recommendations

Officers recommend that the Economic Growth and Arts Committee.

- 1 Note that the results from the report are for the year ended December 2013 and are not directly comparable with the results from the Annual Economic Profile which were for the year ended March 2013.*

3. Background

This report is provided on a quarterly basis and provides an overview of economic activity in terms of context and recent history for Wellington city, Wellington region and the national economy.

The economic information - *December 2013 Quarterly Economic Monitor for Wellington City* - is attached as Appendix 1 to this paper.

4. Conclusion

The results from the quarterly economic monitor provide a number of positive messages about the performance of the Wellington economy, particularly the growth in higher value-adding, knowledge based service industries as well as the improving labour market which has resulted in a further fall in the annual average unemployment rate.

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SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

Not applicable

2) LTP/Annual Plan reference and long term financial impact

Nil

3) Treaty of Waitangi considerations

There are no specific Treaty considerations.

4) Decision-making

No decision sought.

5) Consultation

Not applicable

6) Legal implications

Nil anticipated.

7) Consistency with existing policy

Not applicable.