

ADVOCATE COLUMN 4th WEEK JANUARY 2014

After several financially difficult years for many New Zealanders it makes a pleasant change to start a new year on a positive note with many commentators predicting our national economy to perform better in 2014 than it has done for many years. While obviously a strong national economy is always going to be good news it will be interesting to see how this plays out across the regions and particularly the comparative economic performance of those parts of the country excluding Auckland and Canterbury.

In a recent news article Paul Bloxham chief economist for Australia and New Zealand at HSBC commented that this performance would be as the result of three key drivers; the Canterbury rebuild, a housing boom fuelled by low interest rates and finally a strong demand for dairy products from countries such as China. While two of these drivers are likely to provide direct benefit to the areas around where this activity is likely to be focussed I would imagine there may still be some indirect benefits to our region from demand for housing in Auckland and the Canterbury rebuild.

In the case of Auckland housing this may offer yet further reason for people to consider relocating themselves and their businesses to locations where they can have a comparatively higher quality of living for the same money while still remaining close to their families or markets. The Canterbury rebuild already provides the opportunity for Northland businesses to export their skills and services and often this may be in the form of remote delivery as opposed to having to physically relocate to that region. On a manufacturing front, with Golden Bay Cement being a significant contributor to our local economy through both employment and GDP, now that the rebuild is gathering momentum this must provide them with a positive forecast after what have been some tough times for suppliers of construction material.

The demand for dairy products from China will signal positive benefits for Northland. Analysts are predicting a strong performance on the commodities market through 2014 as demand continues to outstrip supply of dairy, beef and wool. Given the contribution made by the primary sector to Northland's GDP this is indeed good news. Finally as a consequence of these factors unemployment appears to be trending down and while these figures may still not be where we want them to be, this forecast may offer some hope to those in our community currently seeking employment.