

Economy Development Monthly Update

Update No. 2: New Jobs in Napier

The local economy has improved steadily over the last three years with an increase in new jobs created and a relative decline in the unemployment statistics. The local unemployment rate has declined from 6.8% in 2014 to 6.2% in March 2017 (it was 7.3% in 2013). Employment has increased from 25,856 in 2014 to 26,273 in March 2016. Regional GDP has increased 15% between 2011 and 2016. The upswing in the local economy is reflected in the increased number of building permits issued, new car registrations, increased house prices and retail spending.

A number of new businesses opening, relocating to the city and expanding in Napier has boosted the improved economy. One Pure Water has started production at its Awatoto facility. One Pure will employ 18 initially, which will generate significant job multipliers in the logistics and its supply chain. Other well-known examples are Xero and Now Communications. These two companies are located in the new Wallace Tech Hub in Ahuriri.

Xero has opened its first Hawke's Bay facility with over 40 anticipated new jobs for the accounting software giant. NOW, local Napier-based phone and broadband provider, has really made its mark in our region and has continued to grow and expand experiencing around 50% customer growth over the past two years, with a total customer base of over 12,000 and employing around 70 staff. NOW's continued growth has resulted in 15 new appointments to the NOW team over the last year in its Napier, Wellington & Rotorua offices. The majority of the staff are based in the Napier Head office.

Council is in the process of developing a Napier specific economic development (ED) strategy. This new strategy will align with the Matariki REDS. One of the goals of the forthcoming Napier ED strategy is to create an entrepreneurial ecosystem in the city with an innovation precinct in Ahuriri. The proposed precinct has been developing naturally with the Business Hub and is now accelerating with the opening of the new tech hub. As part of Council's desire to create a true ecosystem for entrepreneurial activities, it will also continue to support activities, such as the Chamber of Commerce's - Hawke's Bay Young Entrepreneurs initiative and its Dragon's Den competition.

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This is the second in a series of periodic reports on the Napier economy and economic development initiatives. Napier City Council is undertaking the development of a Napier specific economic development strategy that will align with Matariki REDS. The new strategy will build upon the existing strengths of the city such as tourism, the port and airport, logistics and the emerging technology sector. The strategy will promote the establishment of an entrepreneurial ecosystem that encourages innovative new business opportunities and job creation.