

Prepared by the Economic Division in Wellington

Key Points

- Otago contributes 5% of New Zealand's total GDP, employing about 5% of all New Zealand filled jobs.
- Private services, primary food exports, and construction contribute the most to the region's GDP.
- Otago exports \$4.3 billion (18%) of its total gross output and imports \$1.6 billion (11.5%) worth of intermediate inputs; the manufacturing sector is the highest consumer of overseas intermediate goods.
- The countries that are key import sources for intermediate inputs are the EU, Australia, China, USA, and Singapore.

Insights

Otago is New Zealand's sixth largest source of economic activity, contributing \$11.1 billion in GDP and making up 5% of total GDP. Within the region, private services contribute the most to regional GDP (about 40%), followed by retail and wholesale (10%), manufacturing (8%), and then construction (7%).

The Otago region covers the Central Otago District, the Clutha District, Dunedin City, the Queenstown Lakes District, and the Waitaki District. The majority of Otago's GDP contribution comes from Dunedin City and the Queenstown Lakes District, which is also reflective of the higher population and tourism activities in these areas. The same relationship is present for filled jobs.

About 8% of New Zealand's export trade and 0.8% of import trade is via Dunedin port. Exported output from the region can also be shipped from alternative ports in Bluff, Lyttleton, and Timaru.

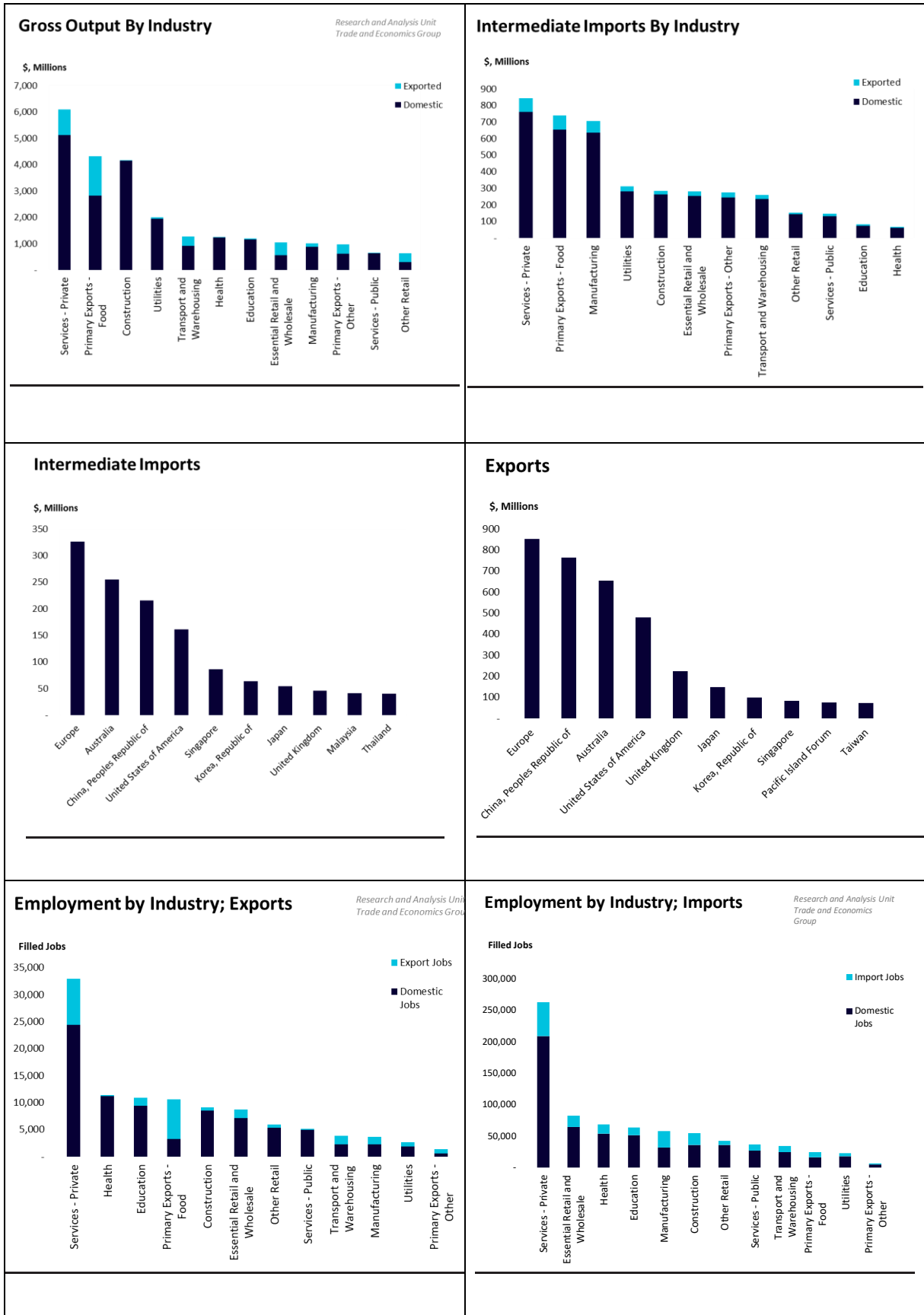
Total employment in Otago accounts for 5% of total national employment at around 106,000. Private services makes up 40% of jobs, followed by retail and wholesale, manufacturing, and construction.

We estimate that \$4.3 billion (18%) of regional gross output is exported. Otago is the 12th largest regional economy in terms of proportional exported output, with a very similar weighting to that of other agricultural hubs such as Canterbury and Auckland. The largest export industries are primary food products and private services (which includes tourism). The largest export market for Otago's food products are China, the US and the EU.

In terms of intermediate inputs into Otago's industries, about \$1.6 billion (12%) is imported. These imports are mainly inputs for primary food exports (such as fertilizer), manufacturing, construction, and for private services.

The countries that are an important source for intermediate inputs into Otago are the EU, Australia, China, USA, and Singapore, which together account for some 67% of Otago's imported intermediate consumption. The main export destinations that are important to Otago are the EU, Australia and China, which take just over half of its exports.

Export related jobs in Otago play an important role in the regional economy, accounting for about 24% of the total (25,000). Otago is the 13th most export dependent economy, similar to that of Nelson and Canterbury. The industries that have the highest proportion of export-related jobs are primary exports for food (69%), other primary exports (60%), transport and warehousing (42%) and manufacturing (39%). However, the industries that employ the most in export jobs are private services and primary food exports. In terms of total regional employment the private services sector account for near a third of total employment (33,000). Import jobs follow a similar pattern to that of export jobs – they are heavily associated with the primary food export sector and the private sector.



Source: Sense Partners, Stats NZ

Note: There is no official trade data by region. In this note we use a novel data set created by Sense Partners for MFAT to link regional gross domestic product by industry to exports. These are our best estimates of exports from the region. Due to data limitations the estimates refer to the year to June 2018. For a non-technical summary of the methodology see [MFAT Analytical Report Industry Exposure to Trade](#).

ANNEX: INDUSTRY AGGREGATIONS

Category	Industry Grouping	Industry
Key Exporters	Primary Exports - Food	AA11. Horticulture and fruit growing
		AA12. Sheep, beef cattle, and grain farming
		AA13. Dairy cattle farming
		AA14. Poultry, deer, and other livestock farming
		AA31. Fishing and aquaculture
		AA32. Agriculture, forestry, and fishing support services and hunting
		CC11. Meat and meat product manufacturing
		CC12. Seafood processing
		CC13. Dairy product manufacturing
		CC14. Fruit, oil, cereal, and other food product manufacturing
		CC15. Beverage and tobacco product manufacturing
	Primary Exports - Other	AA21. Forestry and logging
		BB11. Mining
		CC31. Wood product manufacturing
CC32. Pulp, paper, and converted paper product manufacturing		
Essential Services	Health	QQ11. Health care and social assistance
	Essential Retail and Wholesale	FF11. Wholesale trade
		GH11. Motor-vehicle and motor-vehicle parts and fuel retailing
		GH12. Supermarket, grocery stores, and specialised food retailing
	Transport and Warehousing	II11. Road transport
		II12. Rail, water, air, and other transport
		II13. Postal, courier, transport support, and warehousing services
	Utilities	DD11. Electricity and gas supply
		DD12. Water, sewerage, drainage, and waste services
		JJ11. Information media services
		JJ12. Telecommunications, internet, and library services
	Recovery Phase	Non-Primary Manufacturing
CC41. Printing		
CC51. Petroleum and coal product manufacturing		
CC52. Basic chemical and chemical product manufacturing		
CC53. Polymer product and rubber product manufacturing		
CC61. Non-metallic mineral product manufacturing		
CC71. Primary metal and metal product manufacturing		
CC72. Fabricated metal product manufacturing		
CC81. Transport equipment manufacturing		
CC82. Machinery and other equipment manufacturing		
CC91. Furniture and other manufacturing		
Construction		EE11. Building construction
		EE12. Heavy and civil engineering construction
		EE13. Construction services
Education		PP11. Education and training
Other Retail		GH13. Other store-based retailing and non-store retailing
Services - Private		GH21. Accommodation and food services
		KK11. Finance
		KK12. Insurance and superannuation funds
		KK13. Auxiliary finance and insurance services
		LL11. Rental and hiring services (except real estate)
		LL12. Property operators and real estate services
		MN11. Professional, scientific, and technical services
		MN21. Administrative and support services
		RS11. Arts and recreation services
		RS21. Other services
Services - Public		OO11. Local government administration
		OO21. Central government administration, defence, and public safety

Note: The aggregation of industries into Industry Groupings is solely for analytical purposes.

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