

# Economic Impact Study – Ōpōtiki Wharf and Harbour Development



## **What we were asked to do**

Our clients required a detailed picture of economic impacts, both inside and outside the Eastern Bay of Plenty, using a bespoke input-output analysis. The analysis needed to demonstrate a thorough understanding of the aquaculture industry, in particular the sales potential for the farmed products and the factors of production. Perhaps more importantly, our clients required an articulate description of the opportunity presented to the district from greater development of aquaculture.

## **How we approached the project**

The study looked at the potential economic impacts of a partially Council-funded wharf and harbour development. The development would provide the necessary infrastructure to service a large offshore marine farm of over 3,800 hectares. The marine farm would support production of 16,000 tonnes of mussels and would prompt the development of an automated seafood processing plant and a hatchery rearing mussel spat, both in or near Ōpōtiki township.

The global aquaculture industry is one of the world's fastest growing primary industries, and there is considerable potential for growth in aquaculture exports from New Zealand provided producers can continue to provide quality products to global markets.

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**sapere**  
research group

<p><b>How we approached the project</b></p>	<p>An economic impact assessment traces spending through an economy and measures the overall effect of that spending on the local economy. Economic impact assessment recognises that one form of economic activity almost always leads to others. For example, if the demand for products and services consumed by the aquaculture industry increases significantly, the supplying sectors (when unconstrained) will respond to this demand, by increasing production.</p> <p>This requires an increase in the inputs to those sectors—for example there may be more demand for plastics to manufacture buoys. It may also require an increasing capacity in ancillary downstream industries such as supplies of packaging. Also, if the increased production leads to higher profits and income, this will be saved, reinvested into the business or spent on consumer goods. The total impact is expressed in terms of Output, Value Added (GDP), Gross Household Incomes, and employment.</p>
<p><b>Our findings</b></p>	<p>We found that the combination of activities associated with the marine farm, processing, hatchery and associated services would be expected to generate 236-323 new Full-Time Equivalent (FTE) jobs and \$10.7-\$14.1 million of additional gross household income for the Ōpōtiki and Whakatāne districts. Of these, around 44 FTEs would be created indirectly through flow-on activities in the regional economy.</p>
<p><b>Read the final report</b></p>	<p><a href="http://publications.srgexpert.com">publications.srgexpert.com</a></p>