

Growth in the number of businesses

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- Among the eight cities, the overall growth rate in numbers of business enterprises since 1998 has been highest in North Shore at 29.3%.

WHAT THIS IS ABOUT

Growth in the number of businesses is a leading indicator of current and future employment and economic activity. Vigorous business growth is a sign of a healthy local economy.

This indicator measures the number of economically significant enterprises that were in existence in February of each year. The data is taken from Statistics New Zealand's Business Frame Survey, which identifies an 'economically significant enterprise' as one that is GST registered and has a turnover of \$30,000 per annum or more.⁴⁵ The data presented here shows net growth in the number of business, i.e. business 'births' minus business 'deaths'.

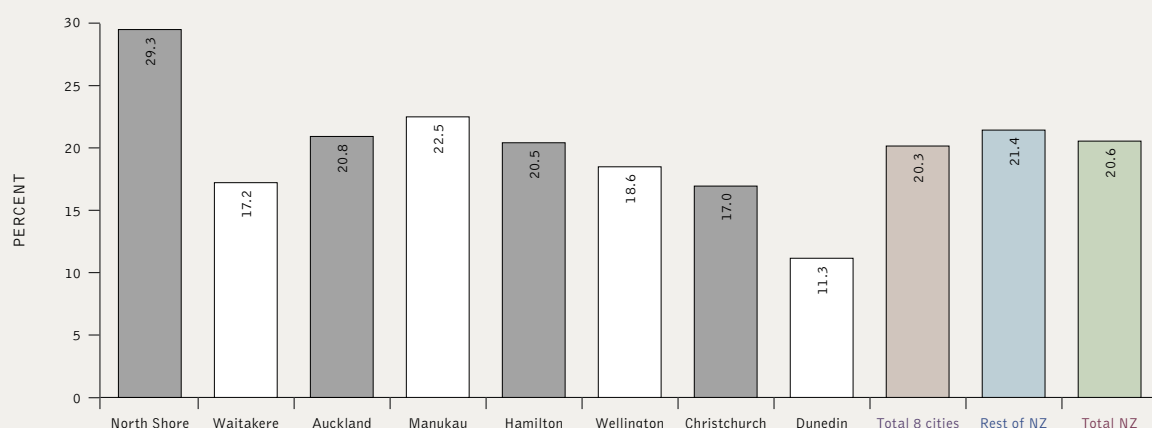
WHAT DID WE FIND?

From 1998 to 2002, the overall growth rate of businesses among the eight cities was 20.3%. This was similar to the rate for the rest of New Zealand (21.4%).

Among the eight cities, the overall growth rate in numbers of business enterprises since 1998 has been highest in North Shore at 29.3% - higher than the national growth rate over the same period. This is linked to growth of the Albany industrial and residential areas during that time. Although the growth rate has been relatively high in all four Auckland region cities, the actual numbers of enterprises was highest in Auckland City (48,559 in 2002). Dunedin had the slowest rate of new business growth between 1998 and 2002 (11.3%).

PERCENTAGE GROWTH IN NUMBERS OF ECONOMICALLY VIABLE BUSINESS ENTERPRISES (1998 TO 2002)

Data source: Statistics New Zealand, Business Frame Survey



⁴⁵ The data cannot indicate how viable the new businesses are - most business failures occur within two years of their start up.