



WHAT IS NAPIER'S AND HAWKE'S BAY COMPETITIVE ECONOMIC ADVANTAGE

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THE IMPORTANCE OF ECONOMIC IMPACT ASSESSMENT

**WHEN DETERMINING COMPETITIVE
ADVANTAGE**



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NEW ZEALAND



HAWKE'S BAY



WHAT IS COMPETITIVE ADVANTAGE?

In Business – why is your product better, less expensive or both?

What's special about your town, area or region?

What do we do better than other towns or regions?

Why are most products made in China?

Why doesn't New Zealand produce cars or most manufactured goods?



WHAT IS NEW ZEALAND'S COMPETITIVE ADVANTAGE?

- ???

DO WE HAVE A REGIONAL STRATEGY?

**How was it determined and what
was it based on???**

MATARIKI REGIONAL ECONOMIC DEVELOPMENT STRATEGY



ECONOMIC IMPACT ASSESSMENT

- **Tourism, National Aquarium and an All Blacks
How do we measure economic impact?**
- **Example- Tourism, the National Aquarium or an
All Blacks game in Napier?**

NAPIER TOURISM



TOURISM INVESTMENT

- **Why do we invest so much in tourism when it is only a small percentage of GDP?**
- **Visitor spend \$608m in 2017**

NAPIER



THE KEY QUESTION?

- 1) Why would anyone invest or locate a new business in this community?**
- 2) (Assuming that you are very rich or owned a company in Auckland) – Would your recommend that your family invest or create jobs in Napier?**
- 3) Why would anyone move to Napier or Hastings?**

THE LINK BETWEEN COMPETITIVE ADVANTAGE AND STRATEGIC BUSINESS PLANNING

“All competitors who persist over time must maintain a unique advantage by differentiation over all others. Managing that differentiation is the essence of long-term business strategy” (Deimler and Stern, 2006).

WHAT IS NAPIER'S COMPETITIVE ADVANTAGE?

- **What businesses are already here? And why?**
- **What type of new businesses would consider relocating to Napier?**
- **What are some of Napier's advantages?**
 - 1) Less expensive land and housing than Auckland**
 - 2) Growing economy**
 - 3) Great climate and lifestyle**
 - 3) Great schools**

THE LINK BETWEEN STRATEGY AND COMPETITIVE ADVANTAGE

“Strategy attempts to achieve sustainable competitive advantage by preserving what is distinctive about the company. It means performing different activities from rivals or performing similar activities in different ways” (Porter, 2011).

A decorative graphic in the top-left corner features a vertical stack of five red blocks with the letters 'G', 'O', 'A', 'L', and 'S' from top to bottom. To the right of this stack is a horizontal row of eight light blue blocks with the letters 'S', 'T', 'R', 'A', 'T', 'E', 'G', and 'Y' from left to right. A small yellow cartoon figure is standing on the 'A' block of the 'STRATEGY' row.

WHAT DO YOU NEED THE KNOW IN ORDER TO DETERMINE TOKOROA'S COMPETITIVE ADVANTAGE

For a community to create or to determine what its competitive advantage is, it must first ascertain what it produces, where does it fit in the regional supply chain and why would anyone invest or relocate there by considering the distance to inputs and markets, the local cost and productivity of factors of production, access to natural resources and amenities (Luger, 2009, p. 113). The geography, regional science and economics literatures have long discussed comparative/ competitive advantage, typically without regard to political boundaries.

COMPETITIVENESS



I argue that the economy may be a useful indicator of its competitiveness, but is fundamentally flawed as an indicator or criterion for assessing the effectiveness of an economic development strategy. According to Malecki (2002; 2004), the competitiveness of places (localities, regions and nations) refers to the ability of the local economy and society to provide an increasing standard of living for its inhabitants. The preoccupation with competitiveness and the predilection for its measurement is premised on certain pervasive beliefs; most notable that globalisation has created a world of intense competition between regions (Raco, 2002).

GLOBALISATION



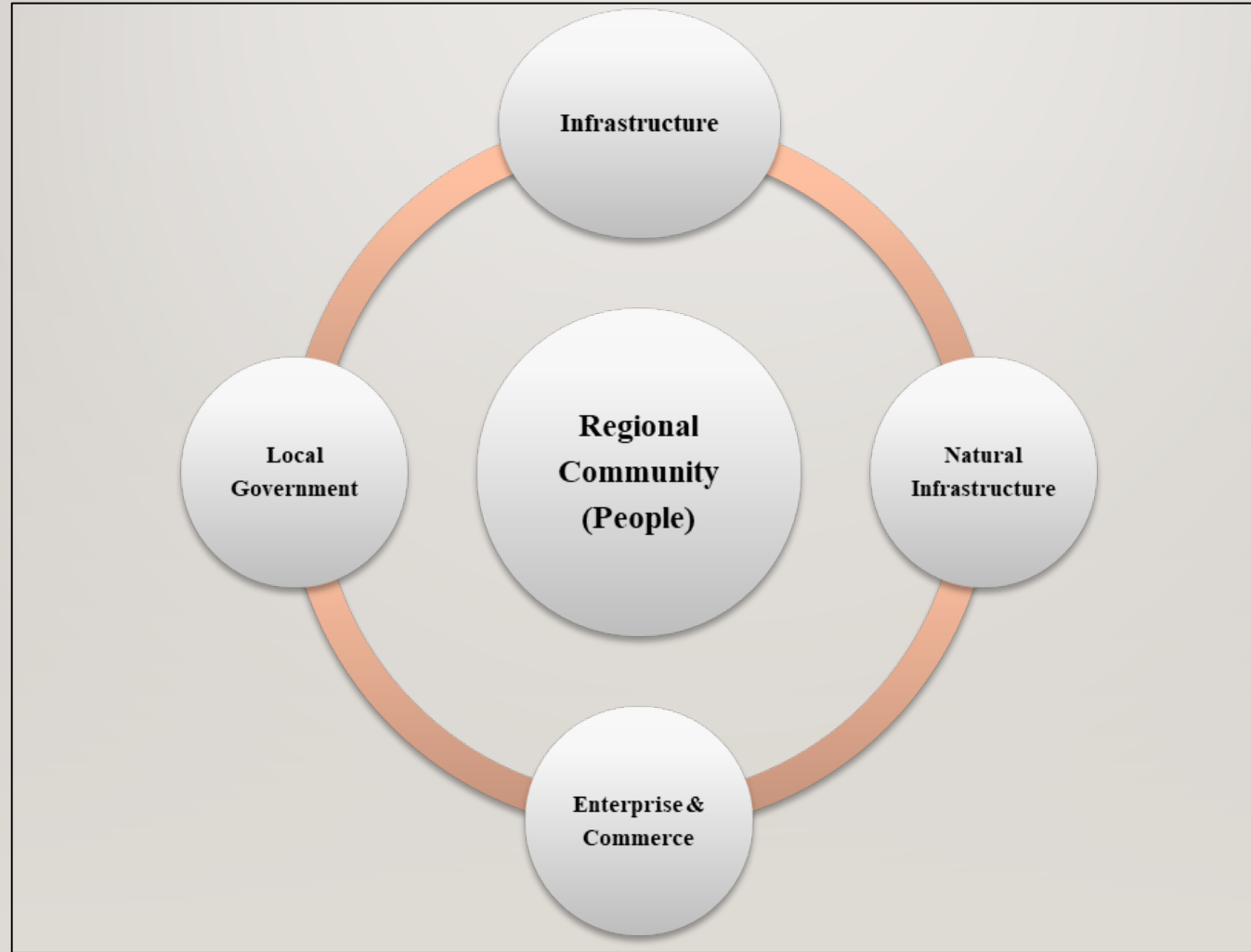
Globalisation is the involvement, at a day-to-day level, of firms, people, and communities with the rest of the world through global networks or a web of connections (O'Conner et al., 2001). It can be defined as the rapid proliferation of crossborder production, trade, and activities, spearheaded by global corporations and international investment financial institutions that facilitate the emergence of an increasingly integrated and interdependent world economy seeking to maximise financial returns (Yeung, 2002, p. 289 Globalisation is associated with increasingly complex circuits of capital and an increasing flexibility in the response to changes in its state of equilibrium.

GLOBAL CITIES



The terms *world cities* or *global cities* have come to denote upwards of thirty urban centres which are connected in a network that spans the globe as the skeleton of the globalised economy (Beaverstock *et al.*, 2000). Such world cities are places where this newly globalised economic world has a tangible, concrete reality (Carroll, 2007). This implies that an aspiring global city such as Auckland has to be connected to other major cities, such as Sydney and Melbourne, via air and sea transportation, telecommunications, etc. and more importantly be a financial and business centre, competing with and complimentary to, the other centres as a precondition to joining the ranks of global cities (Rowe, 2006).

CLUSTERS SURROUNDING A REGIONAL COMMUNITY

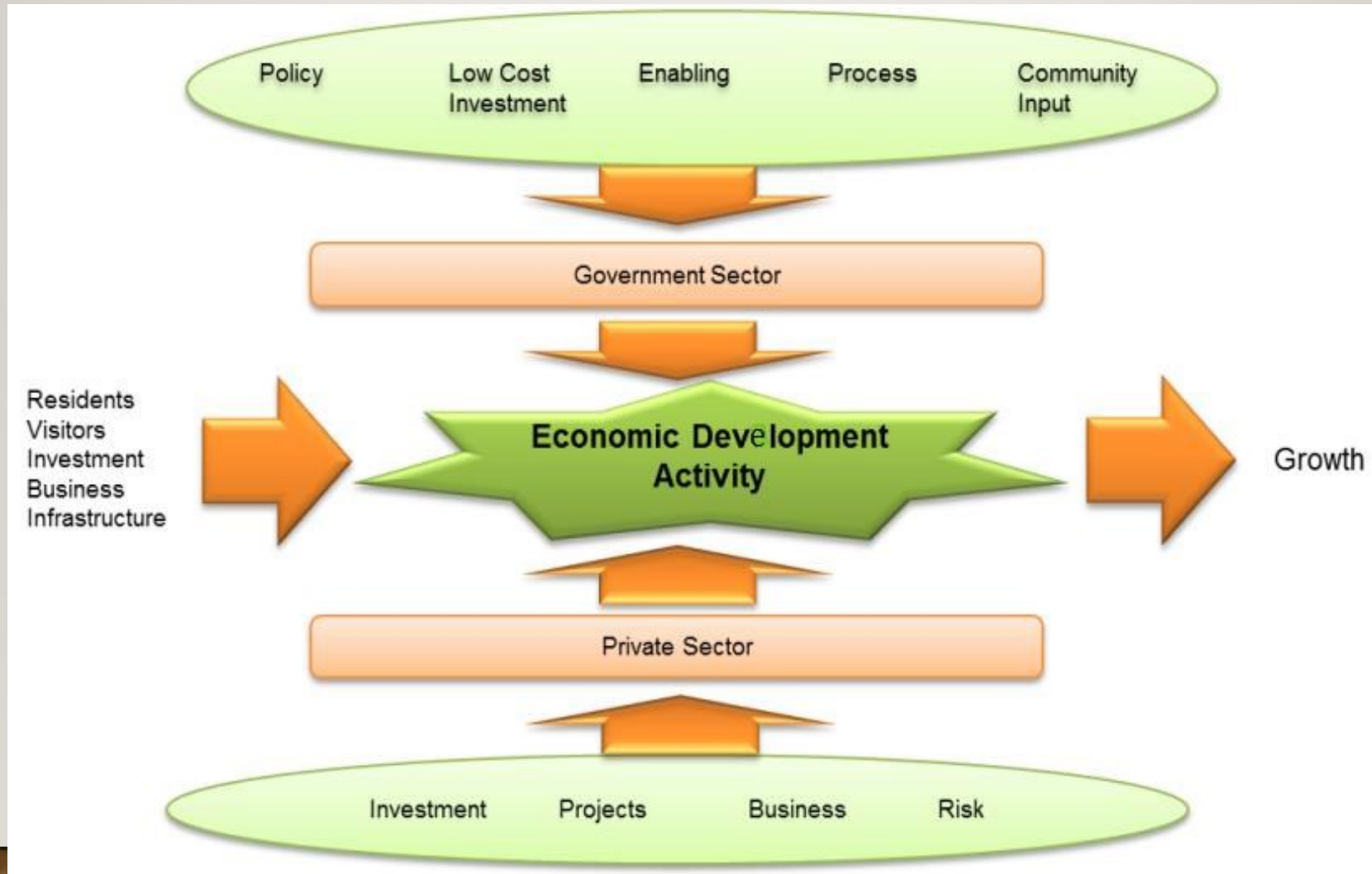




STRATEGIC PLANNING FOR A COMPETITIVE ADVANTAGE

**How to develop an effective economic
development strategy that the local
community will support that has realistic
goals and objectives?**

FACTORS INFLUENCING ECONOMIC DEVELOPMENT ACTIVITIES





The process of strategic planning in a community or regional economic development context is not a precise science or a best guess creative masterpiece, this type of planning requires in-depth analysis of the surrounding environment and the economic players in the region. The final economic development strategy must contain enough vision and innovative content to inspire all of the stakeholders that dwell in the various nations and worlds that surround the region or community

CONCLUSIONS

A region is *competitive*, by definition, in economic development terms when it has the conditions to enable it to raise its standard of living at a greater rate than the ‘average’ region that it competes with or when it has developed the ability to sustain ‘winning’ outcomes. These conditions are perceived to include a mixture of Porterian competitive advantage for firms and the attractiveness of the regional environment for business, as well as the volume and rate at which the region’s human capital is employed (Bristow, 2005, p. 289).

— WE HAVE A —
**STRATEGIC
PLAN**

IT'S CALLED
★ **DOING** ★
THINGS.

QUESTIONS

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