

Welcome to the May/June edition of Strictly Business

In this edition we welcome Grant Kilby, our General Manager who has joined the Destination Rotorua Economic Development team from the private sector, we wish Grant well in his new role.

On the business front a high inflation rate in the prices of non-tradable goods combined with high New Zealand exchange rate will provide strong challenges for local firms over the rest of 2007. Overall, the level of business activity in Rotorua has been increasing over the past few months.

LOCAL BUSINESSMAN APPOINTED TO HEAD DESTINATION ROTORUA ECONOMIC DEVELOPMENT



Rotorua District Council has appointed Grant Kilby to head its economic development unit.

Grant became general manager of Destination Rotorua Economic Development when he took up his new job with the council on 23 May.

Mr Kilby is a well known Rotorua businessman having been co-owner and director of local business Star 100% Rotorua for four years [also known as Star Appliances] and has held management positions with Vodafone and Melco NZ Ltd. More recently he has been contracted to LV Martin & Son as regional manager since the national chain purchased Star Appliances last year from Mr Kilby and his partners.

RDC environmental services director, Nigel Wharton, said he was delighted the council had been able to recruit someone with Mr Kilby's credentials to fill the big shoes left by former economic development head Mark Rawson, who recently moved to a private sector position.

"Grant has an enviable record as a successful businessman in our city, and as such he not only understands the complexities of business growth and development but he also has a sound knowledge of Rotorua, its markets and its economy. He brings with him considerable entrepreneurial experience and has excellent networks in the business community."

BrightEconomy Advisory Board chairman, Bryce Heard, is equally upbeat about the appointment.

"Grant Kilby is passionate about business and he's passionate about Rotorua. I'm certainly looking forward to our board working closely with him as I believe he has the essential attributes to play an important role in optimising the economic development opportunities that exist here. We have every confidence Grant will help us take this city to new levels of economic growth in the future," said Mr Heard.

Mountain biking is one of Grant's main hobbies, especially through the Whakarewarewa forest. He concurs with the local mountain bike club, changes could permanently alter the character and beauty of the forest, making it less attractive to riders and event organisers. Grant feels a decade ago, few people would have guessed the forest to be a recreational asset, worth so much to Rotorua's economy.

"It was a shame not more was done to protect the forest," he said. "But we didn't have a crystal ball 10 years ago and we're looking ahead now. Recreation is not a fad."

Grant Kilby

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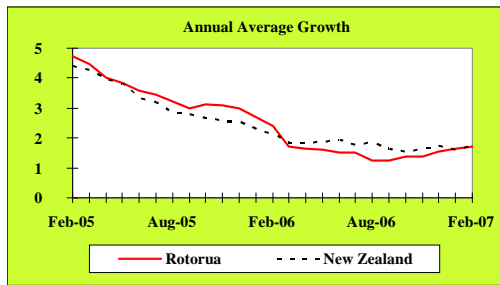
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Economic Growth



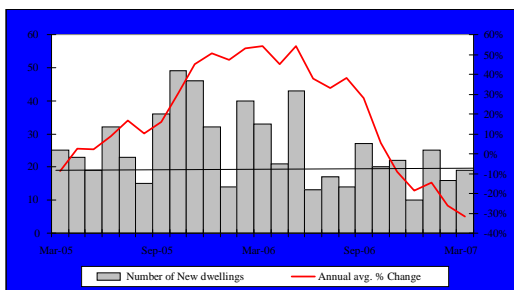
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index for the year ended February 2007 implies that the level of business activity in Rotorua has increased over the past few months.

Key Indicator Trends

This section of "Strictly Business" examines trends in key indicators of Rotorua's economic activity.

Building Consents

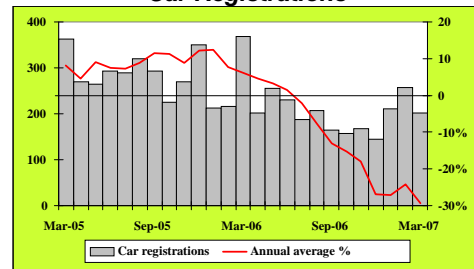


Source: Rotorua District Council

A total of 19 consents were issued for new dwellings during March 2007, worth around \$4.7 million. While this was marginally greater than the 16 consents issued in February 2007, the figure for March 2007 was less than the 33 consents issued in March 2006. The annual average growth rate in the number of new building consents issued in Rotorua was negative 31.8% for the year ended March 2007.

Source: Application Status Report, Rotorua District Council

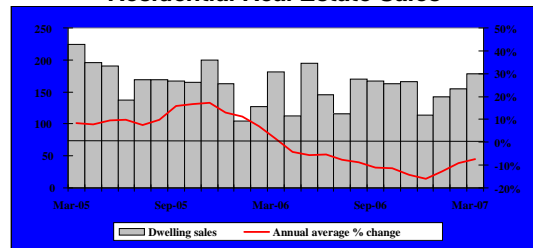
Car Registrations



Source: Land Transport Safety Authority

Including both new and ex-overseas car types, the number of cars registered in Rotorua totalled 202 during March 2007. This represented a decrease from the 257 cars registered in February 2007 but was greater than the 367 cars registered in March 2006. The annual average growth rate in the number of cars registered in Rotorua was negative 29.3% for the year ended March 2007.

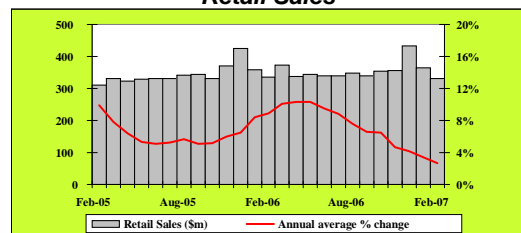
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

The level of activity in the local real estate sector increased in March 2007, in line with the national trend. There was a total of 178 houses sold during the month, with the median sale price standing at \$246,750. The volume of sales was the highest recorded over the past ten months, while the median price was very close to the historical high of \$249,000 recorded in December 2006. The annual average growth rate in the number of houses sold in Rotorua was negative 7.4% for the year ended March 2007.

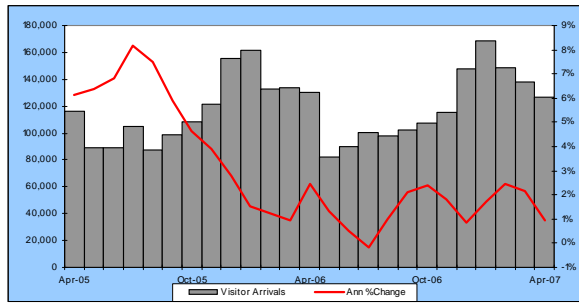
Retail Sales



Source: Statistics New Zealand

The value of Bay of Plenty retail sales decreased in February 2007, largely caused by weak activity in food and vehicle retailing. With a total of \$331.1 million of sales recorded, the value of sales decreased by \$32.7 million compared to the value recorded for January 2007. February 2007's figure was also slightly less than the \$334.9 million of sales recorded in February 2006. The annual average growth rate in the value of sales recorded in the Bay of Plenty region has slowed from 3.4% for the year ended January 2007 to 2.7% for the year ended February 2007.

Rotorua Visitor Arrivals



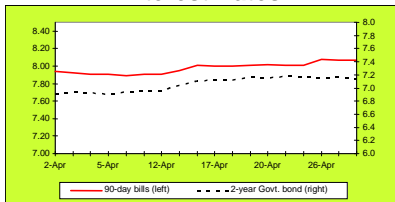
Source: Statistics New Zealand – Commercial Accommodation Monitor, and APR Consultants – Rotorua Private Accommodation Monitor

There were 127,102 overnight visitor arrivals to Rotorua's commercial and private accommodation during the month of April 2007 – a 2.4% decrease over April 2006. For the year ending April 2007 there were 1.4 million overnight visitor arrivals to Rotorua - a 0.9% increase over the previous year.

Full report available at:
http://www.rotoruaNZ.com/information/research_statistics/rotorua-tourism.asp

National Monitor

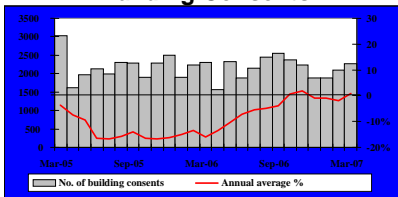
Interest Rates



Source: Reserve Bank of New Zealand

New Zealand's wholesale interest rates increased over April 2007 due to the increase in the OCR. By the end of the month, the 90-day bill rate was 8.07%.

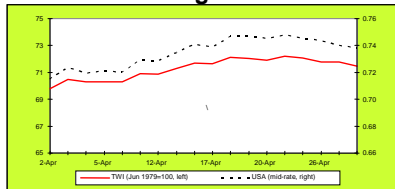
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

A total of 2,269 consents were issued for new dwellings in New Zealand during March 2007. These were worth around \$588.0 million.

Exchange Rates



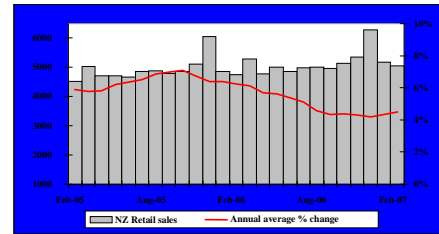
Source: Reserve Bank of New Zealand

Rising interest rates and a weak US dollar worked together to push the Kiwi dollar to a post float high in April 2007.

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National Monitor

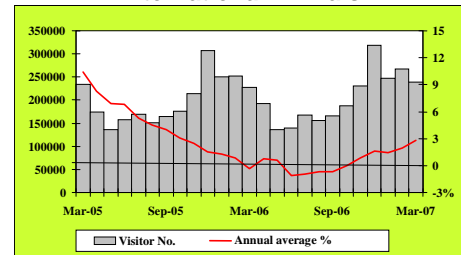
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

The value of New Zealand's retail sales recorded in February 2007 represented a decrease of \$31.4 million compared to the \$5,185 million of retail sales recorded in January 2007. Retail sales recorded in February 2006 stood at \$4,748.9 million. The annual average growth rate in the value of New Zealand's retail sales was 4.5% for the year ended February 2007.

International Arrivals



Source: Statistics New Zealand

There was a total of 239,203 international to New Zealand during March 2007. This represented a decrease compared to the 367,569 visitor arrivals recorded in the February 2007. March 2007's visitor arrivals represented an increase of 5.4% compared to the number of visitors arrivals recorded in March 2006. The annual average growth rate in the number of visitor arrivals to New Zealand was 2.8% for the year ended March 2007.

Summary

The New Zealand exchange rate recorded a high of NZ\$0.75 (against the US dollar) in April 2007. This in turn, triggered a debate on whether we need a shared currency with Australia. A (UMR) poll revealed that 49% of New Zealanders favour a common currency. Supporters listed the benefits, including lower transaction costs and the removal of currency uncertainty between New Zealand and its main trading partner. However, opponents noted that a common currency would mean the end of an independent monetary policy, loss of economic sovereignty and more economic volatility caused by external shocks (from Australia).

According to the latest Quarterly Survey of Business Opinion (QSBO) published by the NZIER, business confidence (about the New Zealand economy over the next six months) declined from a net 3% as at the December 2006 quarter to a net negative 15% as at the March 2007 quarter. Firms' intentions with respect to future price increases increased from a net 28% to a net 40%, indicating that more firms intend to pass on increased operating costs due to fuel and interest rates. The April 2007 edition of the National Bank's Survey of Business Confidence showed that a net 19% of firms expect overall business conditions to worsen in 12 months' time. This result represented a decrease from a net 13% of firms who felt pessimistic in the March 2007 survey. However, firms were optimistic about their own level of business activity (by volume) with a net 23% expecting to increase their level of activity in 12 months' time.

Rotorua-style shopping in Nanjing, China



Chinese shoppers will soon be able to enjoy a kiwi-style shopping experience in one their own cities. In October 2007, the "Rotorua Town" project, an elegant new 2000-lot subdivision under construction in the Jiangning District of Nanjing City, will open a 'Rotorua / New Zealand' themed retail centre. The centre will specialise in retailing consumer products from Rotorua, the Bay of Plenty and other New Zealand regions.

The retail centre is supported by regional and city governments of Nanjing. The store will be marketed both as a niche shopping experience for Chinese tourists visiting Nanjing, and also to the 6.5million and growing young wealthy Chinese citizens working in the region.

The third target market includes the projected 5000 residents of Nanjing "Rotorua Town", together with their friends families and neighbours.

The new retail centre is being designed to give Chinese shoppers a New Zealand experience, as they move firstly through a New Zealand expo-style pavilion, then into specialized retail spaces beyond. It will retail a range of New Zealand consumer products, such as beauty, spa, health, wellness, wool and sheepskin, food and beverages, Rotorua and NZ art and crafts, including cultural, designer NZ homeware, designer NZ apparel and any other high quality uniquely authentic designer Rotorua or NZ products. All products sold through the store will be authentically of New Zealand origin.

A dedicated export wholesale company, NZ China Direct Ltd, has recently been established in Rotorua with exclusive rights to source stock from New Zealand businesses for export to the Nanjing retail centre. The company is a subsidiary of EROS Capital Ltd, which is partnering with the developer of the Nanjing development, with the blessing of Rotorua District Council. The focus of NZ China Direct Ltd is to establish long-term relationships with New Zealand suppliers, facilitating them to leverage the public and private sector relationships established through this project.

Phil Verry, Executive Chairman of EROS and the new company says "This is a great opportunity for suitable New Zealand businesses to gain access to the fast growing China market at very lower risk and entry cost.

NZ businesses are encouraged to register their interest as suppliers online at, www.nzchinadirect.com."

Rotorua Mayor, Kevin Winters, who helped formulate the retail project, recently hosted the first two official groups of residents from Nanjing's 'Rotorua Town', at official receptions in Rotorua. Every new resident of Nanjing's 'Rotorua Town' receives a free trip to Rotorua including, a tour of local attractions and private homes, when they take possession of their own new home. Mr Winters says the retail project is a superb and unique opportunity for Rotorua businesses to market their services and products directly to a market of more than 6.5 million people in Nanjing "The Chinese are very attracted to our high quality products, especially those that are seen as reflecting Rotorua's natural values, and they see Rotorua as a world class and highly desirable brand.



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TRENZ a huge success for Rotorua



'Feel the Spirit – Manaakitanga' at TRENZ 2007 held for the first time in New Zealand's original visitor destination, Rotorua!

This year was the first time TRENZ was held outside Auckland or Christchurch, and feedback from attending delegates, media and tourism industry staff has been extremely positive.

Everyone involved in the event went the extra mile to showcase Rotorua, and the 1400 delegates attending were all impressed with the city's performance. Various official functions, such as the Rotorua Regional Rendezvous – A Town Built on Tourism, hosted by Destination Rotorua Tourism Marketing, exceeded expectations.

"Rotorua has really demonstrated its true manaakitanga this week and everyone who attended Trenz commented on the warmth and hospitality of the people of Rotorua," DRTM general manager Don Gunn says.

"Taxi drivers, hotel, bar and restaurant staff have all been praised for their friendliness and helpfulness. It has been a fantastic week and both TRENZ exhibitors and buyers have expressed how much they would love to come back to Rotorua."

The Energy Events Centre, the reason Rotorua was chosen as this year's host destination, proved its worth as a top venue.

"I've had so many positive comments from exhibitors, buyers and media alike," Energy Events Centre manager Elsa Bradbury says.

Around 50 international and domestic journalists attended TRENZ, and they also had positive comments about the venue. Many of them participated in a media activities afternoon on Thursday, which took in Zorb Rotorua, Agroventures and Waimangu Volcanic Valley. They highly enjoyed the attractions and were astounded by Rotorua's diversity.

A media dinner, held at Rotorua Museum, was a huge success, with those attending wowed by the venue, food and wine courtesy of the Millennium Hotel, Charles Royal and Tohu Wines, and a speech by historian Don Stafford.

The event was also a success for local tourism operators. They would all like to see TRENZ back in Rotorua in future years.



Rotorua Business SWAP Kikstart Breakfast-



Breakfast with : Winston Marsh



Friday 13 July 2007
Royal Lakeside Novotel
6.50am for a 7am - 9am
\$22.00 members
\$33 non members
Enquiries: Raewyn
telephone: 07 348 0234
[Registration@businesswap.biz](mailto:Registration@businessswap.biz)

What do you call a man who can spit out 5 moneymaking ideas for any business in as many minutes?

A man who shows businesses large and small how to attract customers and clients like a magnet, suck money out of their pockets and purses like a vacuum cleaner and have them stick like glue?

Well thousands of business owners and managers call Winston Marsh "The Marketing Guru". When you attend one of his presentations or hear one of his audio programs, you will realise why. As well as being a marketing genius, Winston is a motivator and a talented, electrifying communicator. Although his strategies are breathtakingly brilliant, many are so incredibly simple you can implement them in your business the next day.

A list of Winston's clients reads like a who's who of Australian business. These include BHP, Coles Myer, Kraft Foods, Yellow Pages, National Australia Bank, Australia Post, BP, AXA, Yamaha, Diabetes Association, Sportsco, Apple Computers, Nissan Motor Co, Law Institute, State Insurance Office and hundreds more of Australia's leading companies.

Based in Melbourne, Australia, Winston is a fellow of the Marketing Association of Australia and New Zealand, Life member and Past President of National Speakers Association of Australia, Senator of Junior Chamber International, Past and inspiration to grow their business and their profits.

Winston has been awarded CSP (Certified Speaking Professional) designation, the highest award granted by National Speaker Association of Australia in recognition of his service and professionalism as a conference and business speaker.

The secret of Winston's appeal is simple; he knows what works and he knows how to communicate it. You don't get corporate doublespeak. You don't get complicated formulas. You don't get lectures laced with jargon. What you do get is practical advice and solutions clearly expressed in a powerful and entertaining performance from an international speaker. The confidence that you can go out there and do it, renewed enthusiasm and commitment to solutions that will lift your business to even greater heights.

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Business after Five

- 10 July > Aquatic Centre and Golds Gym
- 24 July > Bryce Dudfield Print
- 14 August > The Lakesider
- 28 August > Credit Union Lakeland
- 9 October > Ministry of Social Development
- 30 October > Graeme Barker Developments
- 13 November > SBS Computers
- 27 November > Waiariki Institute of Technology
- 12 December > Mayor Kevin Winters

For More information

Email: Info@RotChamber.co.nz

Web: www.RotChamber.co.nz

Address: The Business Hub
1209 Hinemaru St
Rotorua



Breakfast with : Winston Marsh



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Royal Lakeside Novotel
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Feedback

If you have anything to contribute please let us have your news, views or stories, as well as any business events you have coming up by contacting us:.

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