Location Quotient Data

What does Industry Location Quotient data tell us?

Industry LQ is a way of quantifying how concentrated an industry is a region compared to a larger geographic area, such as a state or nation.
The basic applications of industry LQs include to:

- determine which industries make the regional economy unique.
- identify the “export orientation” of an industry and identify the most export-oriented industries in the region.
- identify emerging export industries beginning to bring money into the region.

Industry LQs are calculated by comparing the industry’s share of regional employment with its share of national employment.

Industries with high LQ are typically (but not always) export-oriented industries, which are importantbecause they bring money into the region, rather than simply circulating money that is already in the region (as most retail stores and restaurants do). Industries which have both high LQ and relatively high total job numbers typically form a region’s economic base. Economic developers and government officials need to pay particular attention to these industries not only for the jobs they provide, but also for their multiplier effect—the jobs they create in other dependent industries like retail trade and food services.

A location quotient generally between the values of 0.85 and 1.20 potentially indicates the community is self-sufficient in that industry. A location quotient less than 1 suggests the community is not self sufficient and may be able to supply locally what it previously imported.

There were an estimated 429 more jobs available in Blayney in 2011 compared to those forecast for 2010

Table 16.0 Jobs available within the Blayney LGA by Industry Sector, 2010 - 2011

INDP - 1 Digit Level	2011	2010*	Change 2010 - 2011
Mining	446	18	428
Agriculture, Forestry and Fishing	346	326	20
Manufacturing	294	244	50
Education and Training	179	181	-2
Construction	172	172	0
Retail Trade	137	139	-2