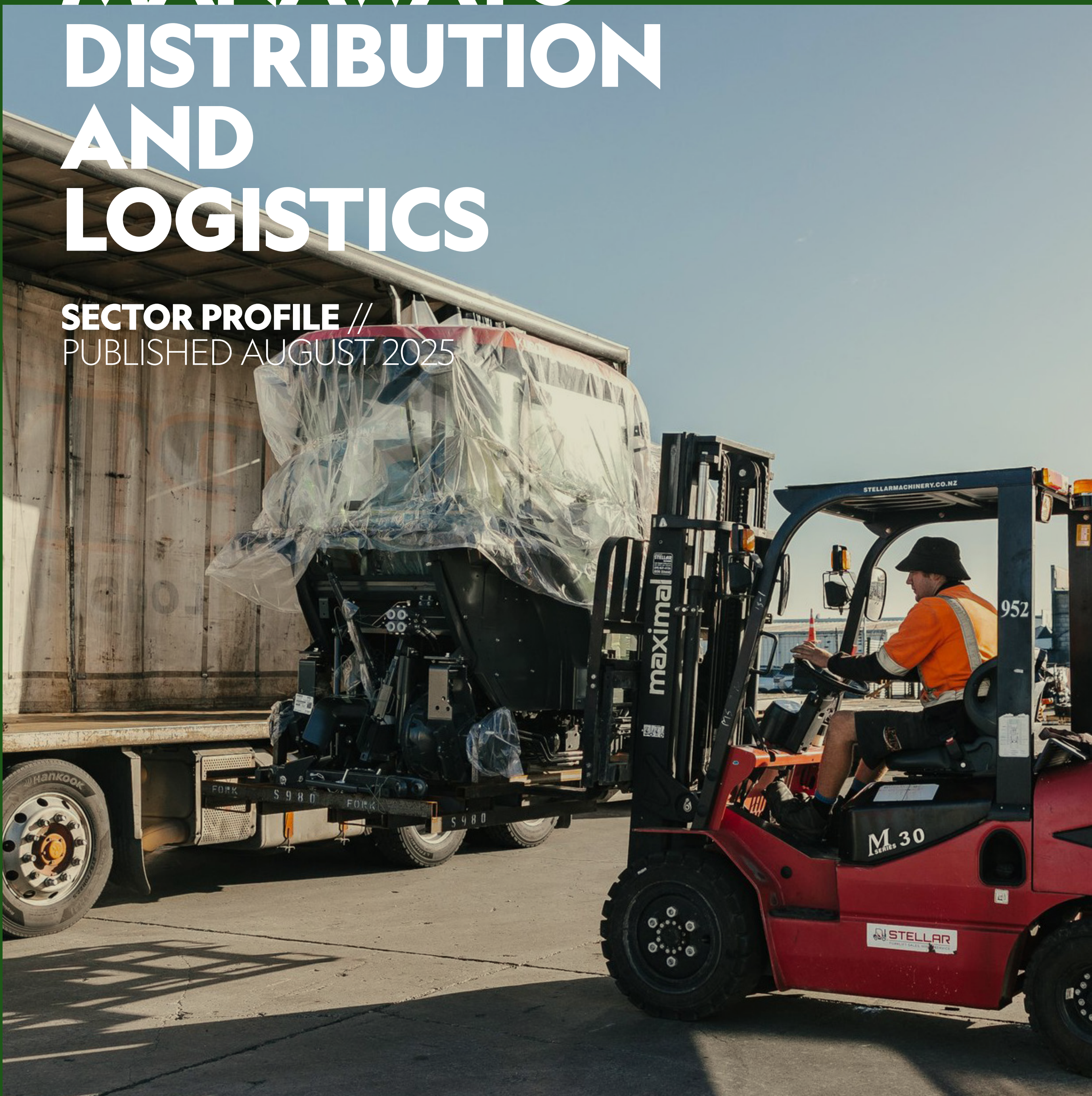
MANAWATŪ REGIONAL
ECONOMIC STRUCTURE

TE MAURI O MANAWATŪ

MANAWATŪ DISTRIBUTION AND LOGISTICS



SECTOR PROFILE //
PUBLISHED AUGUST 2025

CEDA CENTRAL ECONOMIC DEVELOPMENT AGENCY
MANAWATU DISTRICT COUNCIL
PALMY PAPAIOEA PALMERSTON NORTH CITY

"

Doing business in Manawatū has provided stress-free access to adjoining inter-modal freight options of road, air and rail; a great introduction to the New Zealand market. We have also been in a great position to build strong alliances with local businesses in New Zealand to support the wearables contract, as well as connect with exceptional talent.

"

Sarah Pender, Program Director, ADA New Zealand

INTRODUCTION

The Manawatū region is emerging as one of New Zealand's most dynamic and strategically positioned distribution and logistics hubs. Anchored by its central location, intermodal freight infrastructure, and a rapidly growing industrial base, the sector plays a pivotal role in driving regional economic growth, employment, and investment.

As of 2024, the distribution and logistics sector contributed $897.89 million to the regional economy, 12.2% of total regional GDP, significantly above the national average of 10.8%. This sector is not only large but also fast-growing, with GDP expanding by 103.5% since 2000, outpacing national growth. It supports 6,808 jobs, or 9.7% of total regional employment, and generates strong flow-on effects, every $1 of GDP in the sector creates an additional $0.71 across the wider economy.

Manawatū's strength lies in its economic specialisation and infrastructure. The region boasts a location quotient (LQ) of 1.1 for the sector overall, with standout subsectors such as rail transport (LQ 3.6), motor vehicle wholesaling (LQ 2.5), and grocery wholesaling (LQ 2.2). Major firms like Toyota NZ, Foodstuffs, and Primary Connect - Woolworths have established significant operations here, reinforcing the region's role as a national logistics powerhouse.

At the heart of this momentum is Te Utanganui, the Central New Zealand Distribution Hub, a nationally strategic initiative that integrates road, rail, air, and sea via port transport. Te Utanganui offers 24/7 airfreight services, one of only three such hubs in New Zealand, and is supported by major infrastructure investments including KiwiRail's Regional Freight Hub, Palmerston North Airport, and the Manawatū Regional Freight Ring Road. The hub's North East Industrial Zone (NEIZ), Ruapehu Aeropark, and Kawakawa Industrial Precinct provide scalable industrial land and direct access to national and international markets.

With a strong and growing sector, investment opportunities abound, and with Te Utanganui, the sector is actively attracting private capital into warehousing, transport, and value-added logistics services such as packaging and order fulfilment. With industrial land values lower than other regions, reduced development contributions, and a projected population catchment of over $1.23 million by 2048, the region is primed for sustained growth.

As the only location in New Zealand where road, rail, and air transport intersect, Manawatū is a powerhouse for freight, distribution, and business growth. In short, the distribution and logistics sector is not only a cornerstone of the Manawatū economy, it is a catalyst for regional transformation, offering compelling opportunities for investors, businesses, and workers alike.

Manawatū's competitive lifestyle offering, diversity of sectors, and unique centralised location and stress-free connections to major cities and neighbouring regions through road, rail, air and sea via port has attracted some of New Zealand's leading businesses.

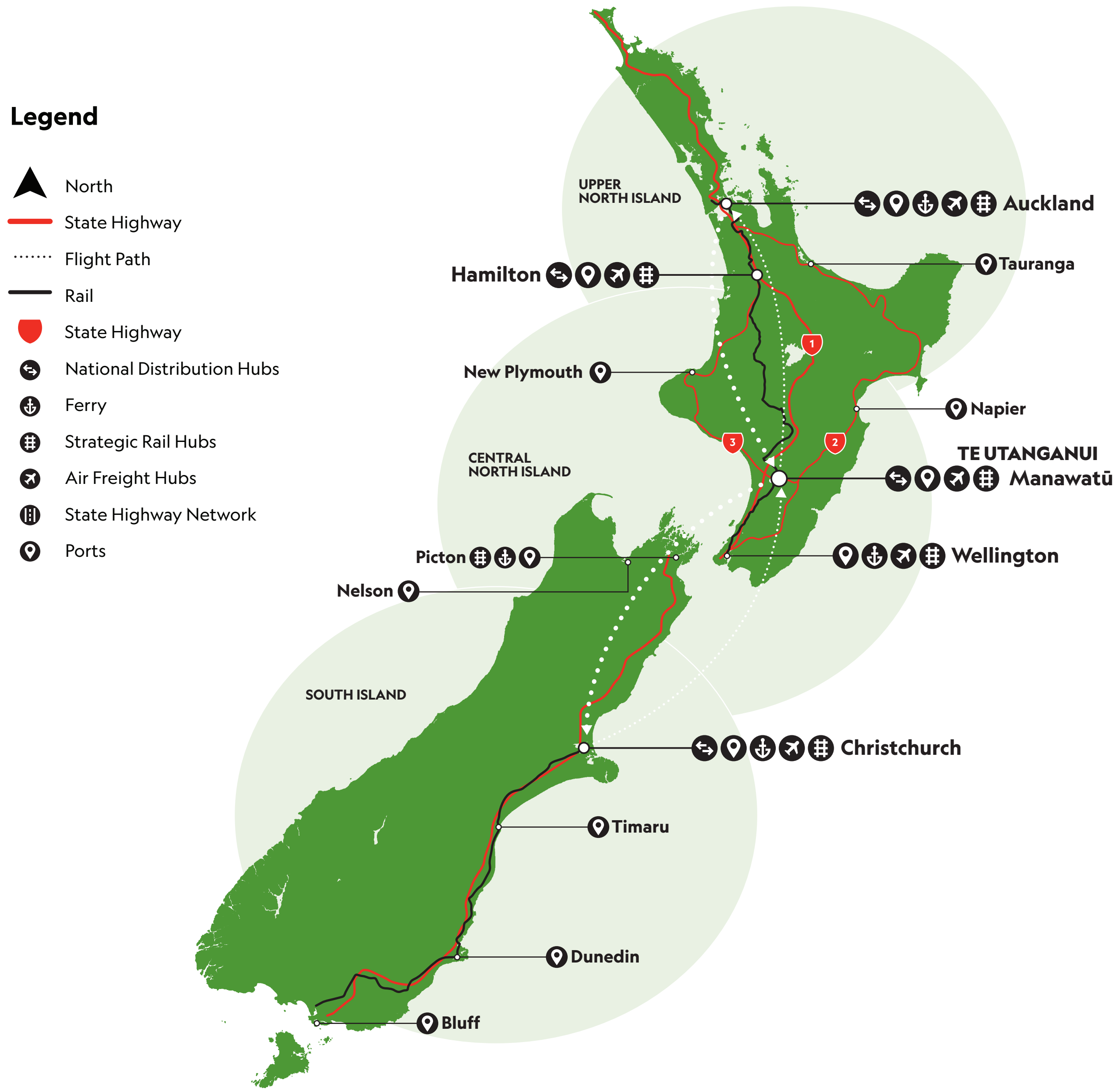
TE UTANGANUI // THE CENTRAL NEW ZEALAND DISTRIBUTION HUB

Te Utanganui is a unique inter modal distribution hub in the lower North Island of New Zealand, consisting of rail, road, air, and sea connections.

Complementing the Golden Triangle (Auckland-Hamilton-Tauranga) and southern Christchurch node, Te Utanganui is one of the three key nodes in New Zealand's national transport and freight network in the heart of the country.

Te Utanganui is accelerating at pace, and we have ample room to grow. Join us as we move to a sustainable and resilient future of distribution and freight, that supports Aotearoa and the world.

FIND OUT MORE //
TeUtanganui.co.nz



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KEY STRENGTHS OF THE SECTOR // AT A GLANCE

ECONOMIC CONTRIBUTION

This sector accounts for 12.2% of regional GDP, compared to 10.8% nationally.

$897.89m
regional GDP contribution in 2024

BUSINESS SCALE

The average business size in the sector by employees outpaces the national average

7.5 Manawatū

5.9 New Zealand

RAPID INVESTMENT GROWTH

Investment in industrial and storage buildings increased 11-fold in our region from 2000 to 2024.

1,119% Growth in Manawatū

532% Growth in New Zealand

This reflects strong confidence and expansion in the sector

HIGH EMPLOYMENT IMPACT

The sectors employment growth rate since the year 2000 outperforms the national average

61.7% Manawatū

34.9% New Zealand

For every 2.6 direct jobs in this sector, 1 additional job is created elsewhere in the local economy.
(Type I employment multiplier)

INTERMODAL TRANSPORT CAPABILITY

The region is home to Te Utanganui, the Central New Zealand Distribution Hub which provides intermodal infrastructure across **road, rail, air, and sea** via port**.** This hub is **one of New Zealand's three key nodes** on the national freight network.

HOUSING + AFFORDABILITY

House price to income ratio

4.6 Manawatū

6.5 New Zealand

Our region's rent affordability sits at 20.2% of income vs 22.1% nationally.

UNIQUE REGIONAL STRENGTH

As the only location in New Zealand where **road, rail, and air** transport intersect, Manawatū is a powerhouse for freight, distribution, and business growth.

LIFESTYLE + LIVEABILITY

High **Quality of life with** short commutes, quality community infrastructure and quality education**.**

$125,525
Average household income in Manawatū

Compared to the national average of $132,873

SECTOR OVERVIEW

The distribution and logistics sector comprises of wholesale trade, and transport, postal, and warehousing activities.

Wholesale trade includes activities engaged with the purchase and on-selling of goods to businesses, rather than to the public. Primary Connect for example, distributes products to Woolworths and SuperValue stores while ToyotaNZ distributes vehicle parts to mechanics and Toyota franchised car retail businesses throughout New Zealand. Logistics activities comprise of transport, postal and warehousing activities dedicated to the movement of goods via road, rail, air and other forms of transport. This includes warehousing and storage services.

Transport, postal and warehousing is a long standing Australia-New Zealand Industry Classification (ANZIC) naming convention. Changing trends such as the declining use of postal services has not yet been reflected in the ANZSIC industry title. Notably, the contribution of postal services to 'Transport, postal and warehousing' employment decreased from 21% in 2000 to just 5% of sector employment in 2024'

ECONOMIC CONTRIBUTION

The distribution and logistics sector proportionally makes up a bigger part of our region's economy than nationally.

The distribution and logistics sector is one of the largest sectors in the region, directly contributing $898 million to the regional economy. This equates to 12.2% of total regional GDP (from employing sectors) as of March 2024. Nationally, the distribution and logistics sector directly contributed 10.8% of total GDP to the NZ economy in the year to March 2024.

The region's ten largest distribution and logistics subsectors by contribution to GDP are identified in figure 1, with grocery wholesaling, machinery and equipment wholesaling, and road transport in the top three.

GDP

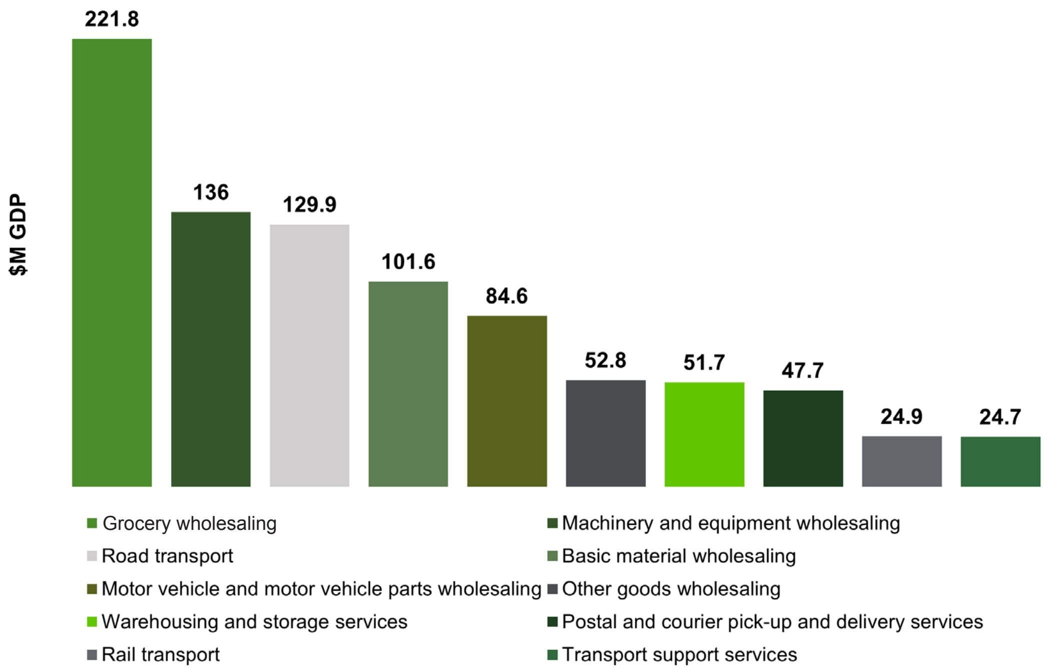
(Year ended March 2024)

$897.89 m

12.2% of total regional GDP
versus 10.8% New Zealand GDP

[1]Infometrics, Regional Economic Profile, 2024

FIGURE 1: 10-LARGEST DISTRIBUTION AND LOGISTICS SUBSECTORS //
Manawatū region 2024



Source: Infometrics Regional Economic Profile Data, 2024

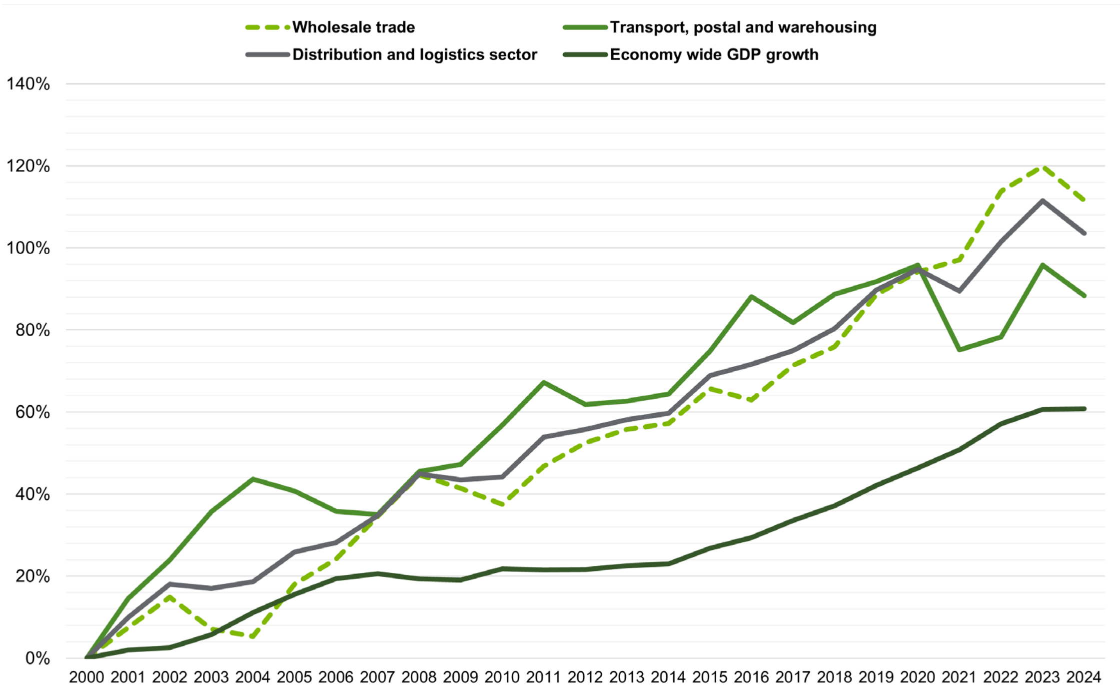
By GDP, the Manawatū region had the sixth largest distribution and logistics sector in the country in March 2024, exceeded only by Auckland, Christchurch, Wellington, Tauranga and Hamilton.

Manawatū's distribution and logistics sector is high growth. From March 2000 to March 2024, GDP from distribution and logistics grew 103.5% in our region, outpacing the national increase of 72.9%.

Wholesale trade saw even stronger growth at 111.5% locally versus 70.7% nationally. Transport, postal, and warehousing GDP growth also surpassed national growth, increasing 88.4% locally, compared to 72.9% nationally.

FIGURE 2: REGIONAL GDP GROWTH //

distribution and logistics, subsectors and economy-wide



Source: Infometrics Regional Economic Profile data, 2000-2024

Table 1 highlights the GDP contribution by distribution and logistics subindustries alongside the change in GDP, identifying areas of accelerated growth across the regional distribution and logistics sector industries.

Table 1 also indicates GDP concentration by sub-industry as a measure of regional economic specialisation. This is calculated as the ratio of the regional sector's share of GDP to its share of national GDP.

TABLE 1: DISTRIBUTION AND LOGISTICS SECTOR GDP //
subsector summary data

	MANAWATŪ REGION				NEW ZEALAND
Wholesale trade	**2024 GDP $ Million**	**2000-2024 Increase $ Million**	**2000-2024 % Change**	**GDP concen-tration 2024**	**2000-2024 % Change**
Basic material wholesaling	101.6	54.2	114.3%	0.97	147.7%
Machinery and equipment wholesaling	136	68.6	101.8%	1.23	50.4%
Motor vehicle and motor vehicle parts wholesaling	84.6	45.2	114.7%	2.63	77.5%
Grocery wholesaling	221.8	141.6	176.6%	2.34	114.6%
Other goods wholesaling	52.8	13.2	33.3%	0.62	16.5%
Commission-based wholesaling	13.5	1	-6.9%	0.86	88.9%
Wholesale trade	610.3	321.8	111.5%	1.38	70.7%
Road transport	129.9	80	160.3%	1.15	81%
Rail transport	24.9	20.1	418.8%	3.74	142%
Water transport	0.3	0.3	100%	0.01	47.2%
Air and space transport	6.7	0.7	11.7%	0.12	131.1%
Other transport	1.6	0.6	60%	0.17	136.2%
Postal and courier pick-up and delivery services	47.7	7.5	-13.6%	1.08	-15.3%
Transport support services	24.7	7.2	41.1%	0.36	110.6%
Warehousing and storage services	51.7	33.5	184.1%	1.29	198.6%
Transport, postal and warehousing	287.5	134.9	88.4%	0.83	75.7%
Total distribution and logistics GDP	**897.8**	**456.7**	**103.5%**	**1.14**	**72.9%**
Total GDP	**7,331.5**	**2,772.5**	**60.8%**		**83.6%**

Source: Infometrics Regional Economic Profile data , 2000-2024

ECONOMIC GROWTH

THE ECONOMIC GROWTH OF THE REGION'S DISTRIBUTION AND LOGISTICS SECTOR

Manawatū's distribution and logistics sector ranked among New Zealand's fastest-growing from 2000 to 2024.

The regions distribution and logistics sector GDP has grown by $457 million since 2000. Regional GDP growth in the sector ranks seventh out of 67 territorial authorities with only Auckland (+$8,238 million), Christchurch (+$1,371 million), Tauranga (+$868 million), Wellington (+$639 million), Whangarei (+$514 million) and Hamilton (+$463 million) ranking higher.

The region ranked sixth in the wholesale trade sector, with GDP growing by $322 million dollars between 2000 and 2024. Regional GDP growth over the period was exceeded only by the big metros of Auckland, Christchurch, Tauranga, Wellington and Hamilton.

The region ranked eighth in GDP growth in the transport, postal and warehousing sector, again only behind New Zealand largest metros and high growth areas of Auckland, Christchurch, Tauranga, Whangarei, Wellington, Queenstown-Lakes, and Dunedin City.

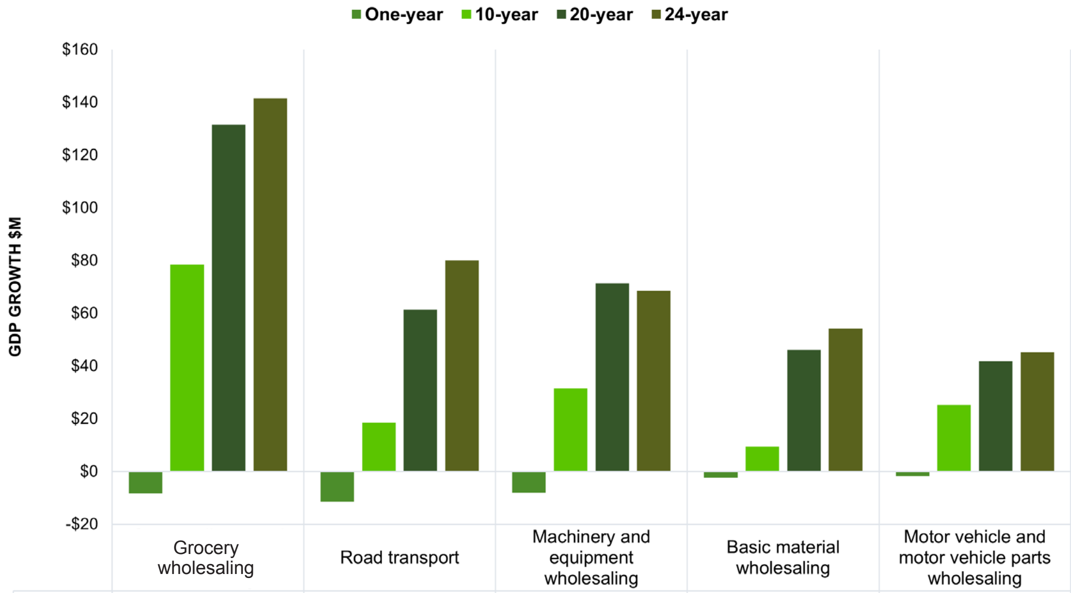
Our largest growth subsector is Grocery Wholesaling

The data highlights key growth subsectors in the region. Grocery is both the largest and fastest-growing subsector, with GDP increasing by 176.6% from 2000 to 2024, driven by significant investment from major firms such as Foodstuffs and Primary Connect - Woolworths. Road transport GDP rose by $80 million (160.3%) to $129.9 million over the same period. Additionally, GDP in basic material wholesaling, machinery and equipment manufacturing, and motor vehicle and parts wholesaling has more than doubled since 2000. Growth in the motor vehicle industry has been supported by the relocation of ToyotaNZ's head office to Palmerston North in the early 2000s.

The region's large growth industries are also our areas of regional economic specialisation with our share of overall economic activity in these subsectors, in some cases, well exceeding national concentration.

Note: The grocery subsector includes liquor and tobacco wholesaling. Note, the contribution from liquor and tobacco wholesaling has fallen from 4.2% of GDP and 4.3% of employment in 2000, to just 0.1% of GDP and employment in 2024.

FIGURE 3: TOP FIVE GROWTH SECTORS 'DISTRIBUTION AND LOGISTICS' //
ranked by growth 2000-2024



	Grocery wholesaling	Road transport	Machinery and equipment wholesaling	Basic material wholesaling	Motor vehicle and motor vehicle parts wholesaling
One-year	-8.3	-11.5	-8.0	-2.3	-1.8
10-year	78.5	18.5	31.5	9.4	25.2
20-year	131.6	61.4	71.4	46.1	41.8
24-year	141.6	80.0	68.6	54.2	45.2

Source: Infometrics Regional Economic Profile data, 2000-2024

The distribution and logistics sector was the second largest contributor to economic growth between 2000-2024, driving 16.5% of total GDP growth in the regional economy.

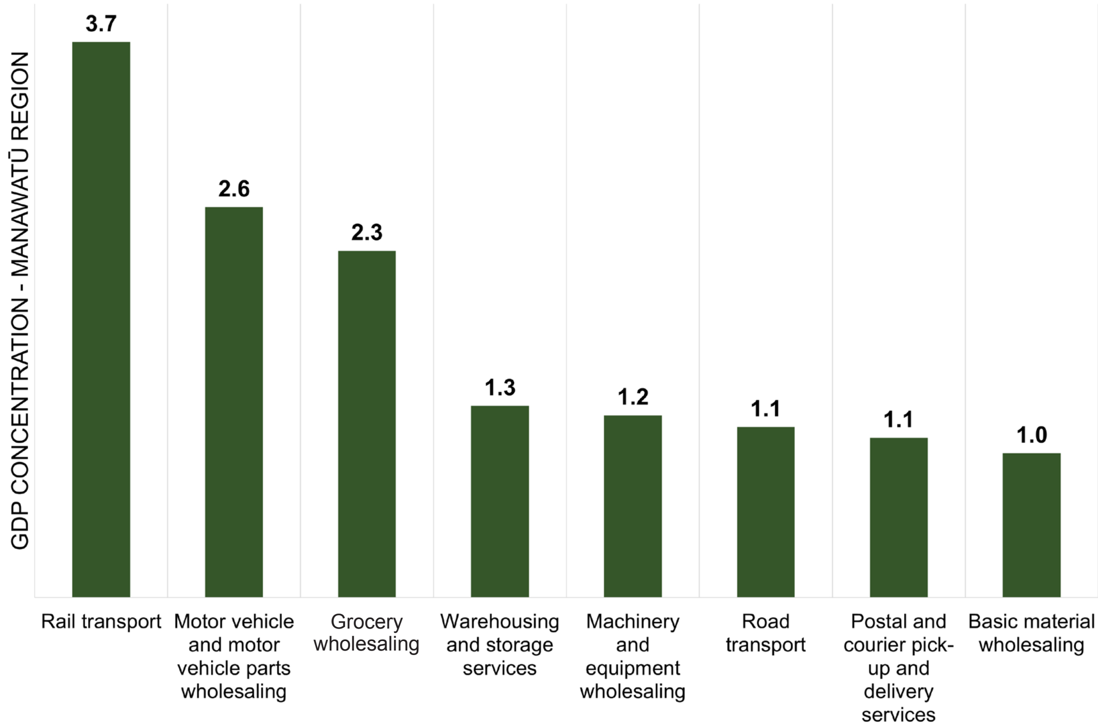
The longer-term trend highlights the accelerated growth of the distribution and logistics sector. Annual GDP figures reflect subdued economic activity in the year to March 2024, driven by recessionary conditions and constrained demand across households, businesses, and the public sector. As the New Zealand economy recovers and investment in distribution and logistics continues, the regional sector is expected to return to its long-term growth trajectory.

The Manawatū region demonstrates economic specialisation in the grocery sector. This sector accounts for a significantly larger share of the city's GDP compared to its national share, indicating a regional focus and comparative advantage. The presence of major firms like Foodstuffs, DKSH and Primary Connect - Woolworths substantial investment in distribution infrastructure have reinforced this specialisation with these companies recognising, and leveraging the benefits of our regional strengths.

Similarly, the motor vehicle industry has grown notably, supported by the relocation of Toyota NZ's head office to the city in the early 2000s. This has led to above-average growth in related sectors such as motor vehicle wholesaling and machinery and equipment manufacturing, further highlighting Palmerston North's concentrated economic activity in these areas.

In addition, rail transport exhibits a high level of GDP concentration in Manawatū, contributing significantly to the region's intermodal freight capability. With a GDP multiplier of 2.74, rail transport not only supports direct economic output but also generates substantial flow-on effects across the wider economy. Its integration with road and air transport infrastructure strengthens the region's role as a critical node in New Zealand's national supply chain.

FIGURE 4: REGIONAL GDP CONCENTRATION //
by distribution and logistics subsector



Source: Infometrics Regional Economic Profile data, 2024

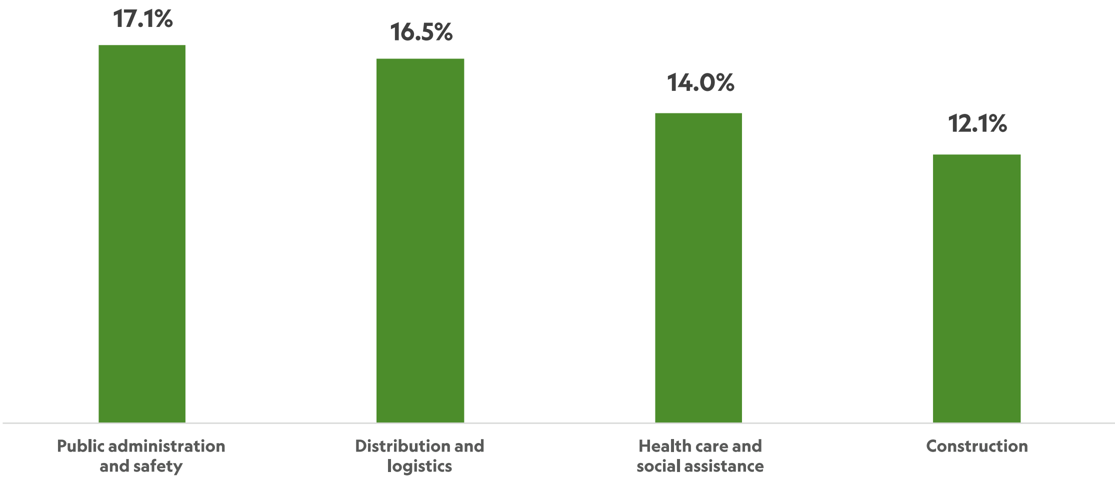
The region's multi-modal transport capability further amplifies these effects:

- >> Rail transport has a Type II GDP multiplier of 2.74, meaning each $1 of direct GDP supports an additional $1.74 in economic activity across other sectors.
- >> Air transport has a multiplier of 1.97, reflecting its strong linkages with high-value and time-sensitive supply chains.
- >> Road transport has a multiplier of 1.7, supporting a wide range of industries through freight and logistics services.

These multipliers underscore the strategic importance of transport infrastructure in Manawatū, where investment not only supports direct sector growth but also drives substantial value across the regional economy through both business linkages and household spending.

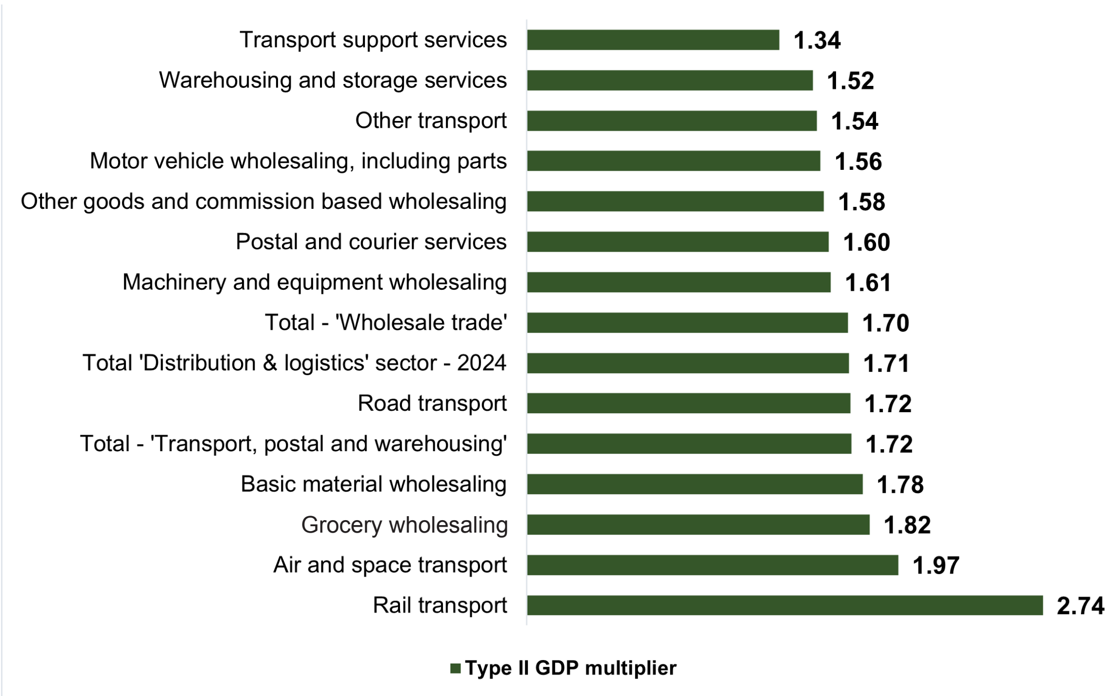
In the Manawatū region, the distribution and logistics sector delivers strong regional benefits. For every $1 of GDP directly generated in the sector, an additional $0.71 is generated through indirect and induced activity - highlighting the sector's deep integration with the wider economy.

FIGURE 5: TOTAL REGIONAL GDP GROWTH //
generated from the distribution and logistics sector



Source: Infometrics regional economic profile data, 2000-2024

FIGURE 6: GDP MULTIPLIERS //
regional distribution and logistics subsectors

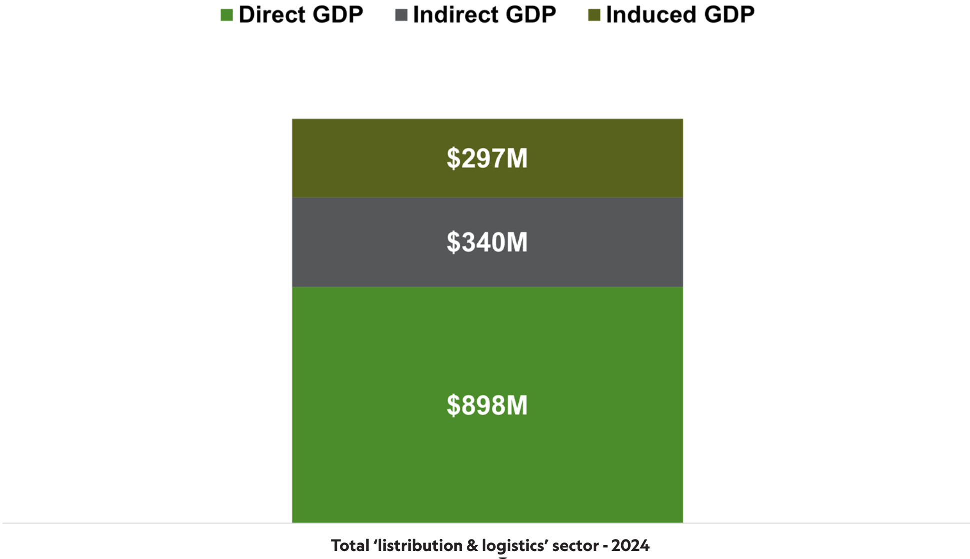


Source: Butcher IO models, Manawatū Region (2019)

The distribution and logistic sector generates significant additional economic activity beyond the GDP generated directly from the industry

Overall, the distribution and logistics sector is estimated to generate $1,535.2 billion in GDP across the regional economy.

FIGURE 7: ESTIMATED TOTAL ECONOMIC IMPACT //
distribution and logistics



Source: Estimated from Infometrics GDP data (2024) and Butcher's IO models

BUSINESS CHARACTERISTICS

The regional distribution and logistics sector is characterised by comparatively larger businesses than nationally, with an average business size of 7.5 employees per business versus 5.9 employees nationally.

There were 810 businesses in the region's distribution and logistics sector in 2024, a decline of 9% (81 fewer businesses) since 2000. Businesses with 50 or more employees accounted for 42% of total jobs in the sector in 2024. A total of 21 businesses in the region employed over 50 workers each. There were 384 business with no employees, accounting for 47% of businesses in the sector.

The local sector is also characterised by a greater proportion of wholesale trade businesses than transport, postal and warehousing businesses. There was a total of 423 wholesale trade businesses in the region in March 2024, with nine of these businesses delivering 1,450 jobs – an average of 161 employees per business.

Our wholesale trade businesses tend to be bigger businesses, with an average of 9.4 employees per business compared with an average of 6.2 employees, nationally. In contrast, transport, postal and warehousing businesses have an average business size of 5.5 employees both here in the region and nationally.

Our largest distribution and logistics subsector – grocery wholesaling – has an estimated average size of 31 employees per business, relative to the average business size of 5.1 employees per business across all regional industries[2]. To put this in context, the average size of grocery wholesaling businesses in the region has increased threefold from an average of 10.4 employees per business in 2000.

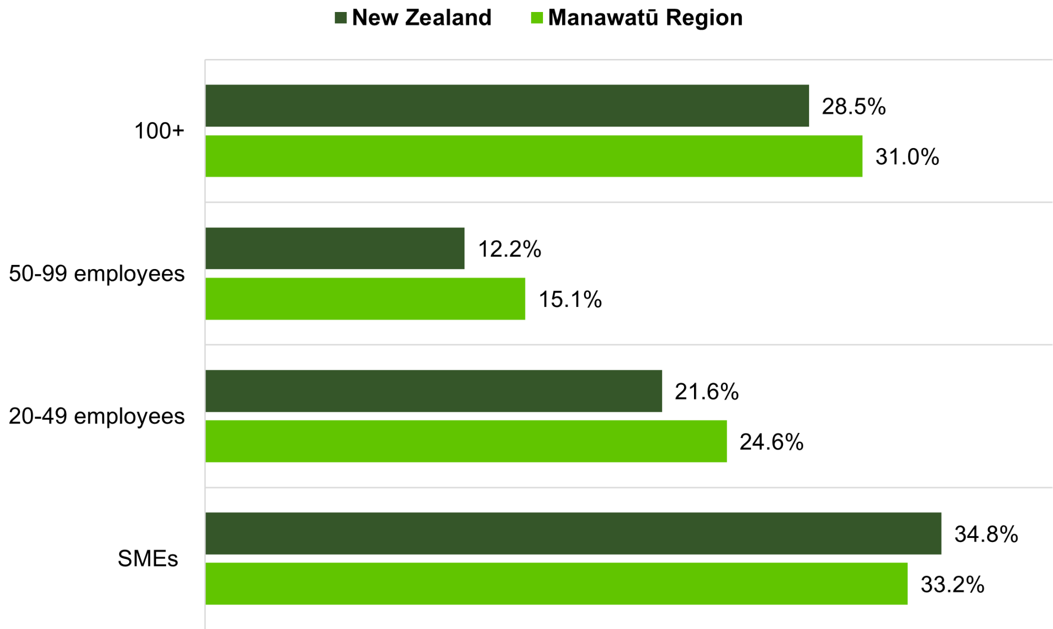
The decline in overall business numbers alongside an increase in average business size is driven by the growth of large businesses outpacing that of small and medium enterprises in the region, compared to the national trend.

[2]The average business size for the 'grocery wholesaling' subsector has been estimated based on the infometrics business units and employee count figures from the Regional Economic Profile 2024.

The average number of employees per distribution and logistics business in the Manawatū region grew from 6.5 in 2016 to 7.5 in 2024. This means local businesses in this sector are generally larger than the national average, which stands at 5.9 employees per business.

EMPLOYMENT AND WORKFORCE

FIGURE 8: PERCENTAGE OF DISTRIBUTION AND LOGISTICS WORKFORCE // by business size



Source: Statistics NZ, business demography 2024

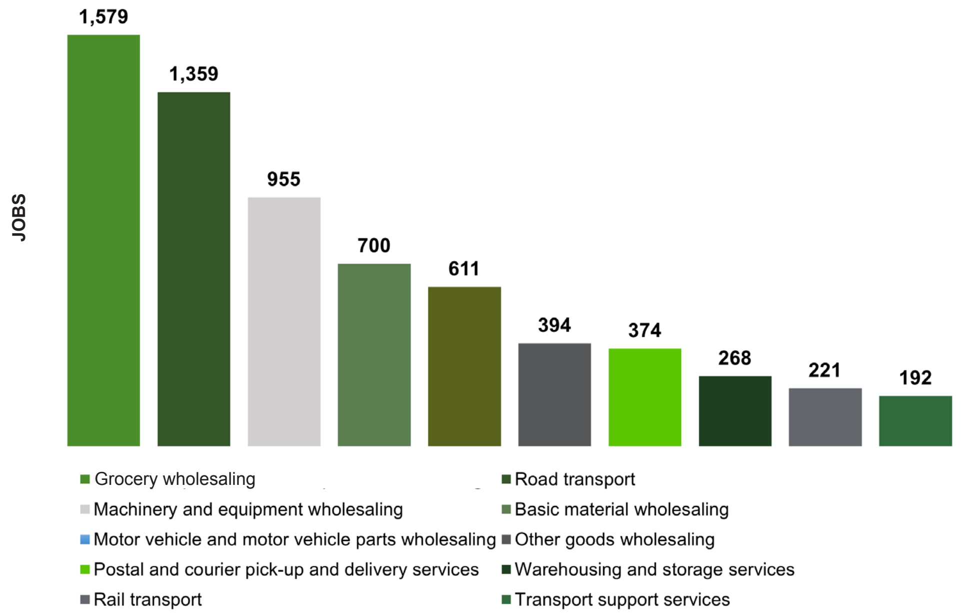
By employment, the Manawatū Region had the 6th largest distribution and logistics workforce in March 2024, exceeded only by Auckland, Christchurch, Wellington, Tauranga and Hamilton.

Distribution and logistics account for a greater share of jobs in our region than nationally, employing over 6,800 people locally.

The distribution and logistics sector is a major employer in the region, providing jobs for 6,808 people. This accounts for 9.7% of total regional employment, which is higher than the national figure of 8.7% as at March 2024 .With a larger share of jobs in this sector compared to the New Zealand average, distribution and logistics play a vital role in the local workforce.

Our ten largest employers in distribution and logistics subsectors by contribution to GDP are identified in figure 8, with grocery wholesaling, road transport, machinery and equipment and retailing among the highest.

FIGURE 9: TOP 10 SUBSECTOR EMPLOYERS // distribution and logistics

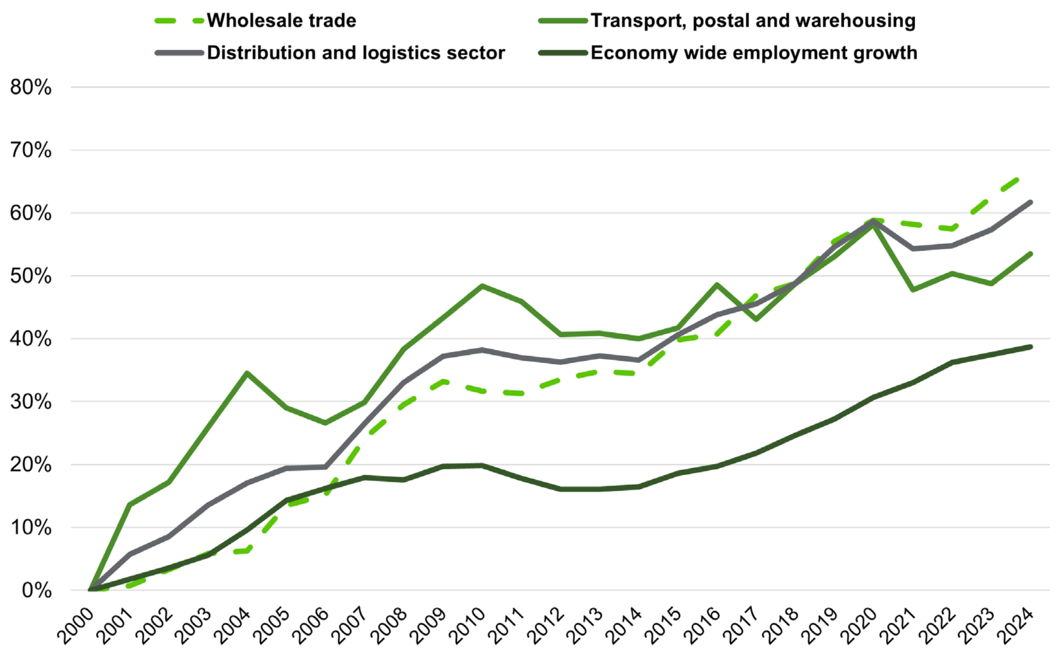


Source: Infometrics Regional Economic Profile data, 2024

Our distribution and logistics sector is high growth, outpacing the national average. From March 2000 to March 2024, the number of people employed in the regional distribution and logistics sector increased by 2,596.

This is an increase in employment of 61.7% in the Manawatū region compared to a 34.9% increase nationally over the same period. Wholesale trade saw even stronger growth at 66.7% locally versus 31.8% nationally. Employment in transport, postal, and warehousing increased by 53.5%, compared to 38.8% nationally.

FIGURE 10: REGIONAL EMPLOYMENT GROWTH //
distribution and logistics subsectors and economy wide



Source: Infometrics Regional Economic Profile data, 2000-2024

Table 2 highlights the employment contribution by sub-industries such as warehousing, freight transport, and supply chain management, identifying areas of accelerated growth across these regional distribution and logistics sector industries. The table also indicates areas of comparative advantage across sub-industries as measured by the location quotient. Location quotients (LQs) measure how concentrated a particular industry or activity is in a region compared to the national average.

An LQ greater than 1 suggests the region has a comparative advantage in that industry, indicating it is more specialised or plays a stronger economic role locally than it does nationally. This can help identify key sectors for regional development and investment.

TABLE 2: DISTRIBUTION AND LOGISTICS WORKFORCE //
by sector

	MANAWATŪ REGION				NEW ZEALAND
Wholesale trade	2000-2024 Change	2000-2024 Increase Number	2000-2024 % Change	2024 Location Quotient	2000-2024 % Growth
Basic material wholesaling	700	281	67.1%	0.99	73.7%
Machinery and equipment wholesaling	955	366	55.3%	1.12	19.8%
Motor vehicle and motor vehicle parts wholesaling	611	220	71.1%	2.46	41.5%
Grocery wholesaling	1,579	767	120.8%	2.17	69.5%
Other goods wholesaling	394	37	7.1%	0.60	-7.3%
Commission-based wholesaling	98	16	-22.8%	0.81	50.2%
Wholesale trade	4,337	1,736	66.7%	1.31	31.8%
Road transport	1,359	688	102.5%	1.12	42.9%
Rail transport	221	164	287.7%	3.65	93.4%
Air and space transport	40	7	-14.9%	0.12	85.3%
Other transport	14	3	27.3%	0.16	90.9%
Postal and courier pick-up and delivery services	374	133	-26.2%	1.07	-25.3%
Transport support services	192	35	22.3%	0.36	82.6%
Warehousing and storage services	268	108	67.5%	1.43	55.8%
Transport, postal and warehousing	2,471	861	53.5%	0.87	38.8%
Total distribution and logistics employment	**6,808**	**2,597**	**61.7%**	**1.11**	**34.9%**
Total Manawatū Regional employment	**70,313**	**19,615**	**38.7%**		

Source: Infometrics Regional Economic Profile data, 2000-2024

EMPLOYMENT GROWTH

Manawatū's distribution and logistics sector employment is ranked among New Zealand's fastest-growing from 2000 to 2024.

Employment growth in the distribution and logistics sector ranks fourth after Auckland (+34,293), Christchurch (+5,632) and Tauranga (+4,195).

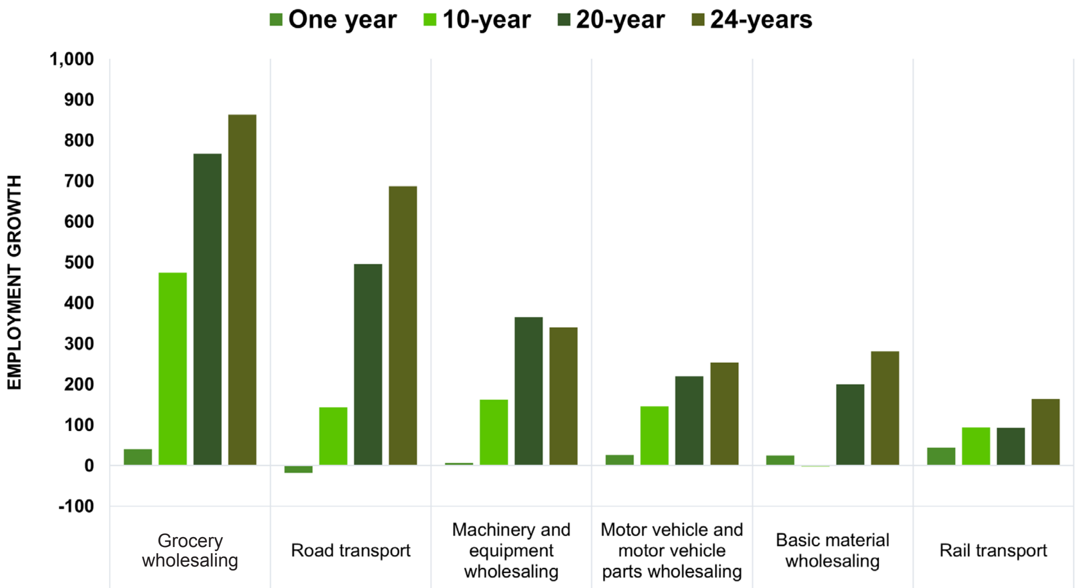
The region also ranks fourth for employment growth in the wholesale trade sector (+1,737), sitting behind Auckland (+16,591), Christchurch (3,950) and Tauranga (1,953). Manawatū ranks fifth in employment growth in transport, postal and warehousing (+859) after Auckland (+17,702), Tauranga (+2,239), Christchurch (+1,692) and Queenstown Lakes District (+1,003).

The region's share of total employment in the distribution and logistics sector has been increasing over time, up from 2.3% of total sectoral employment in the year 2000, to 2.8% in March 2024. This reflects stronger growth in the sector relative to national growth.

Our largest employment growth is in grocery wholesaling.

The data highlights key growth subsectors in the region. Grocery wholesaling is both the largest and fastest-growing subsector, with the number of people employed in the sector increasing by 864 (120.8%) from 2000 to 2024 to a total of 1,579 employees. This growth was driven by significant investment from major firms such as Foodstuffs in the region. Additionally, employment in road transport increased by 688 (102.5%) to 1,359 workers between 2000 to 2024. Significant employment increases were also seen in machinery and equipment manufacturing, motor vehicle and motor vehicle parts wholesaling, and basic material wholesaling which increased between 55% to 77% over the same period, collectively adding a further 875 jobs to the region.

FIGURE 11: TOP FIVE EMPLOYMENT GROWTH SUBSECTORS //
ranked by growth 2000-2024

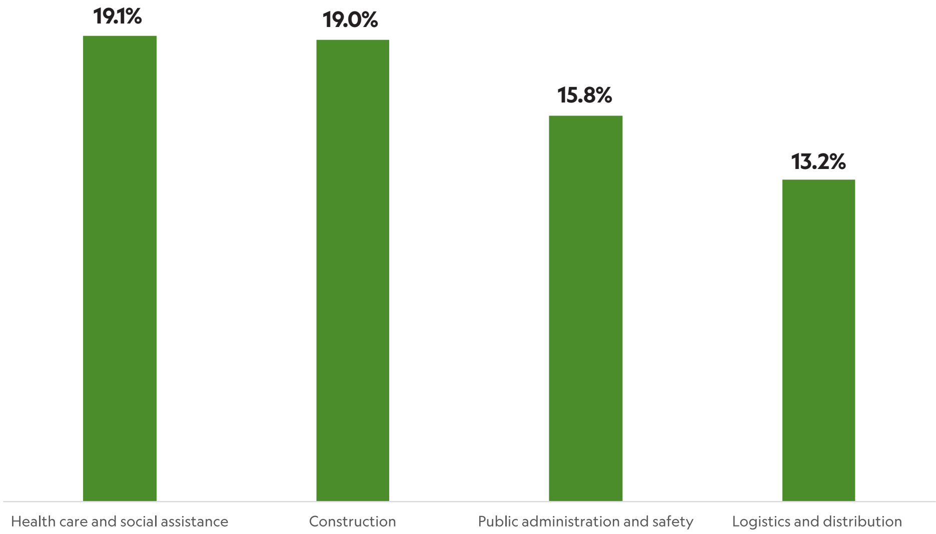


	Grocery wholesaling	Road transport	Machinery and equipment wholesaling	Motor vehicle and motor vehicle parts wholesaling	Basic material wholesaling	Rail transport
One year	41	-18	7	26	25	45
10-year	475	144	162	146	-2	94
20-year	767	496	366	220	200	93
24-years	864	688	340	254	281	164

Source: Infometrics Regional Economic Profile data , 2000-2024

The distribution and logistics sector was one of the largest contributors to employment growth in the region between 2000-2024, generating 13.2% of total growth in jobs between 2000-2024.

FIGURE 12: EMPLOYMENT GROWTH //
generated from the distribution and logistics sector



The region's large growth industries are also our areas of regional economic specialisation with our share of overall economic activity in these subsectors, in some cases, well exceeding national concentration.

ECONOMIC SPECIALISATION

The Manawatū region has a strong comparative advantage in distribution and logistics. This means the region is especially efficient at delivering these services compared to many other parts of New Zealand.

One way to measure this is through location quotients (LQ), which compare the concentration of an industry in a region to the national average. An LQ above 1 indicates a higher regional concentration.

In Manawatū:

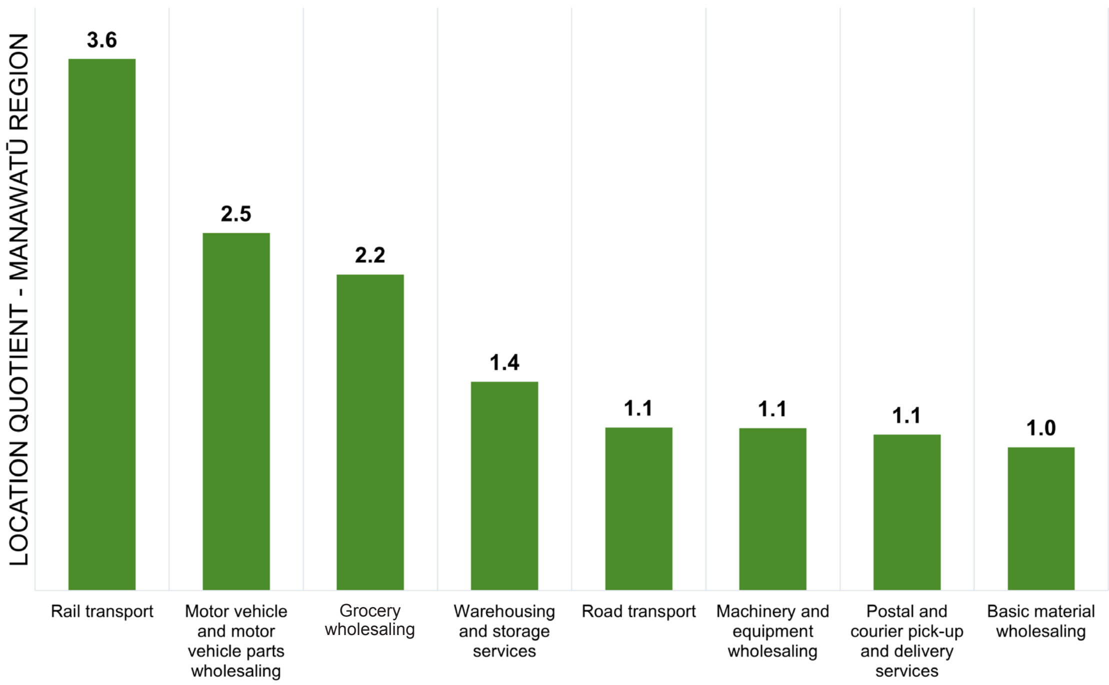
>> The overall distribution and logistics sector has an LQ of 1.1, meaning it's more concentrated than the national average.

>> Wholesale trade has an LQ of 1.3, showing a stronger regional presence.

>> The region's highest comparative advantage is in rail transport, with an LQ of 3.6.

>> Other standout areas include motor vehicle and parts wholesaling (LQ 2.5), grocery wholesaling (LQ 2.2), and warehousing and storage services (LQ 1.4).

FIGURE 13: LOCATION QUOTIENTS //
regional distribution and logistics subsectors



Source: Infometrics Regional Economic Profile data, 2024

The distribution and logistics sector drives employment across other sectors. In 2024, for every 2.6 people directly employed in the sector, 1 additional job was created elsewhere in the local economy.

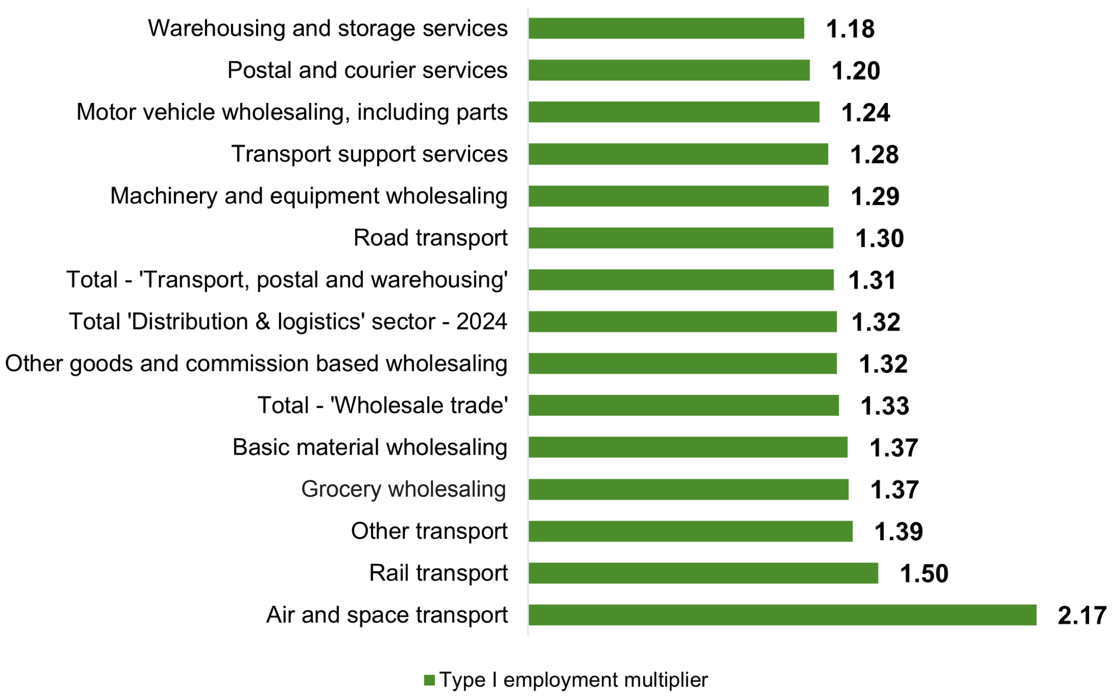
The multi-modal transport network significantly amplifies these effects. For example:

- >> Air transport has a Type I employment multiplier of 2.17, meaning every direct job supports an additional 1.17 jobs in related industries.
- >> Rail transport has a multiplier of 1.5, indicating strong upstream linkages.
- >> Grocery wholesaling, along with basic material wholesaling, have multipliers of 1.37, reflecting considerable supply chain impacts.
- >> Road transport has a multiplier of 1.3, supporting a wide range of industries through freight and logistics services.

The distribution and logistics sector generates significant economic activity beyond their direct employment.

Using Type I multipliers, the distribution and logistics sector is estimated to generate employment for 8,980 workers in the region.

FIGURE 14: EMPLOYMENT MULTIPLIERS// regional distribution and logistics subsectors



Source: Butcher IO models, Manawatū Region - 2019

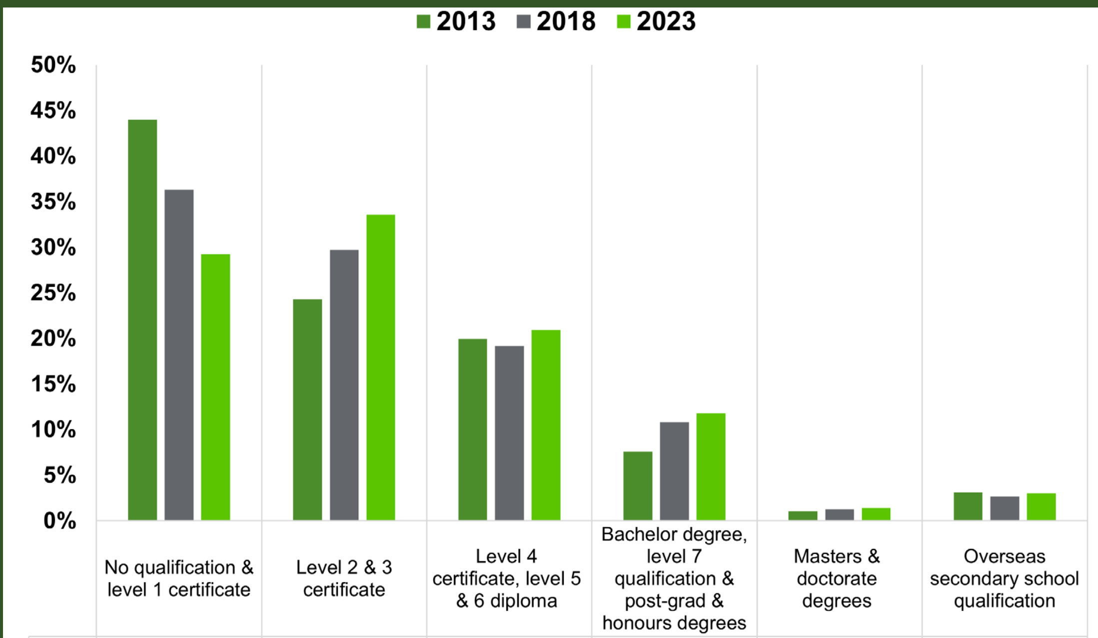
INVESTMENT GROWTH IN THE REGION REFLECTS THE RAPID EXPANSION OF OUR DISTRIBUTION AND LOGISTICS SECTOR

The scale and trajectory of construction investment underscores the region's strong growth prospects in the distribution and logistics sector. This substantial expansion in capital investment not only reflects sectoral confidence but also serves as a key driver of continued economic development.

WORKFORCE CHARACTERISTICS

The distribution and logistics workforce is characterised by increasing levels of educational attainment. In the region, the number of workers with either no qualification or Level 1 NCEA decreased from 44% in 2013 to 29.3% in 2023. In contrast, the percentage of workers with Level 2 NCEA through to Level 5 and 6 diplomas, increased from 44.2% of the workforce to in 2013, to 54.5% in 2023. The percentage of workers with bachelor's degrees through to Master's and Doctorate degrees increased from 8.6% to 13.2% over the same period. The percentage of workers with overseas secondary qualifications remained relatively stable at 3% in 2023.

FIGURE 15: EDUCATIONAL ATTAINMENT //
distribution and logistics sector



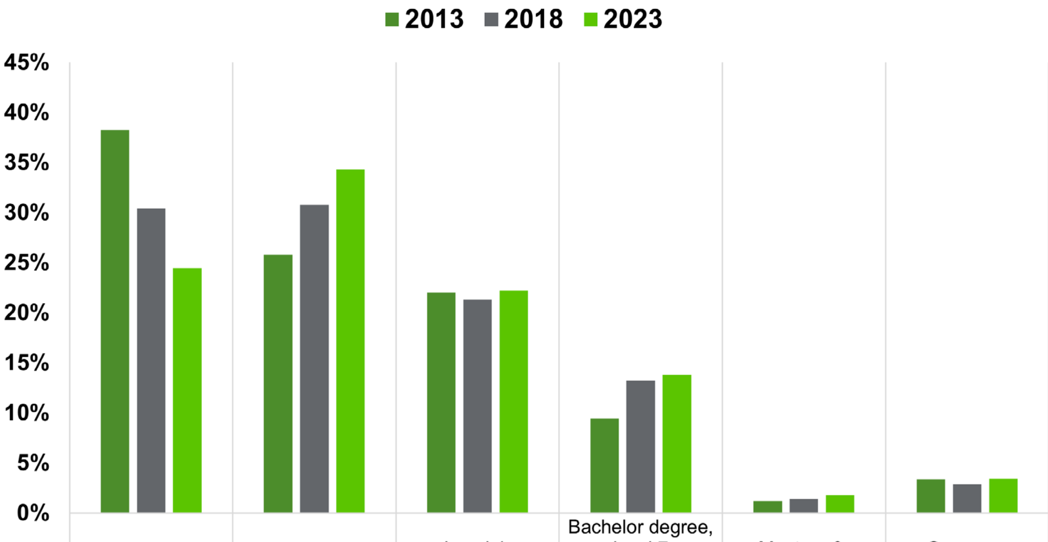
	No qualification & level 1 certificate	Level 2 & 3 certificate	Level 4 certificate, level 5 & 6 diploma	Bachelor degree, level 7 qualification & post-grad & honours degrees	Masters & doctorate degrees	Overseas secondary school qualification
2013	44.0%	24.3%	19.9%	7.6%	1.1%	3.1%
2018	36.3%	29.7%	19.2%	10.8%	1.3%	2.7%
2023	29.3%	33.6%	20.9%	11.8%	1.4%	3.0%

Source: Statistics NZ, Census (2013,2018,2023)

Since 2000, annual investment in factories, industrial, and storage buildings has increased by 1,119%, more than twice the national growth rate of 532%.

Educational attainment in the region’s wholesale trade sector has improved significantly over the past decade. The proportion of workers with no qualification or a Level 1 certificate declined from 38.2% in 2013 to 24.4% in 2023. Over the same period, the share of workers holding Level 2 NCEA to Level 5-6 diplomas rose from 47.8% to 56.6%, while those with Level 7 qualifications through to Master's and Doctorate degrees increased from 10.6% to 15.6%.

FIGURE 16: EDUCATIONAL ATTAINMENT //
wholesale trade

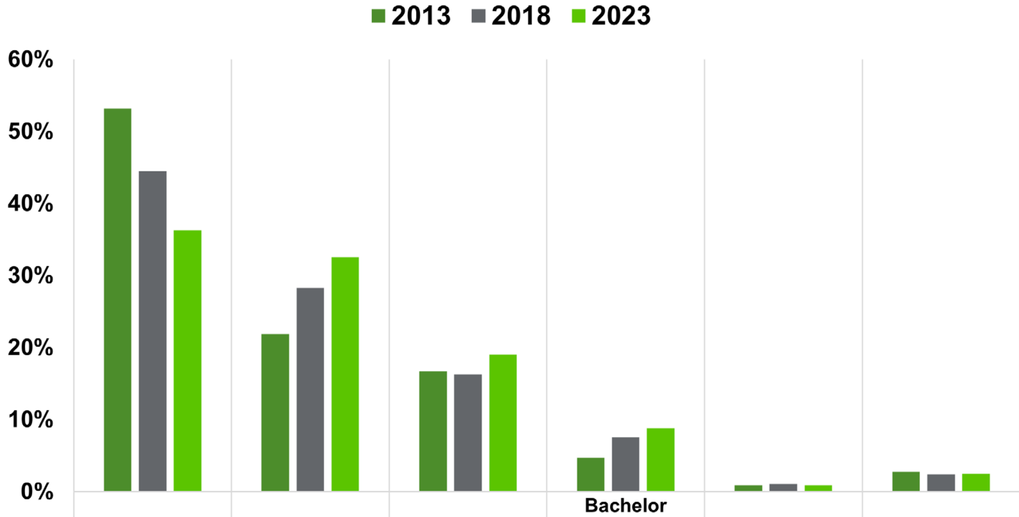


	No qualification & level 1 certificate	Level 2 & 3 certificate	Level 4 certificate, level 5 & 6 diploma	Bachelor degree, level 7 qualification & post-grad & honours degrees	Masters & doctorate degrees	Overseas secondary school qualification
2013	38.2%	25.8%	22.0%	9.4%	1.2%	3.4%
2018	30.4%	30.8%	21.3%	13.2%	1.4%	2.9%
2023	24.4%	34.3%	22.2%	13.8%	1.8%	3.4%

Source: Statistics NZ, Census (2013, 2018, 2023)

Educational characteristics of workers within the transport, postal and warehousing sector reflects a lower level of educational attainment, however skill levels continue to increase. This is reflected in the substantial decline in the percentage of workers with no qualification and Level 1 NCEA from 53.2% in 2013, to 36.3% in 2023. The percentage of workers with Level 2 NCEA through to Level 5 and 6 diplomas increased from 38.6% in 2013 to 51.6% in 2023, with the percentage of workers with Level 7 qualifications through to Master’s and Doctorate degrees increased from 5.5% to 9.7% over the same timeframe.

FIGURE 17: EDUCATIONAL ATTAINMENT //
transport, postal and warehousing



	No qualification & level 1 certificate	Level 2 & 3 certificate	Level 4 certificate, level 5 & 6 diploma	Bachelor degree, level 7 qualification & post-grad & honours degrees	Masters & doctorate degrees	Overseas secondary school qualification
2013	53.2%	21.9%	16.7%	4.6%	0.9%	2.8%
2018	44.5%	28.3%	16.2%	7.5%	1.1%	2.4%
2023	36.3%	32.5%	19.0%	8.8%	0.9%	2.5%

Source: Statistics NZ, Census (2013, 2018 and 2023)

ETHNIC COMPOSITION

In 2024, the distribution and logistics workforce in the Manawatū region was predominantly European New Zealanders. Compared to national figures, the region had higher proportions of European and Māori workers, and lower proportions of Pacific and Asian workers in this sector.

Within the Manawatū region, the distribution and logistics sector had more Māori and Pacific workers than other local industries.[3]

TABLE 3: ETHNICITY OF DISTRIBUTION AND LOGISTICS WORKFORCE // 2023

	European	Māori	Pacific peoples	Asian
New Zealand - all industries	63.4%	13.1%	5.8%	17.7%
New Zealand - distribution and logistics	62.7%	12.6%	8%	16.7%
Manawatū Region - all industries	71.2%	17.9%	3.6%	10.4%
Manawatū Region - distribution and logistics	71.6%	16.9%	3.6%	7.8%

Source: Infometrics Regional Economic Profile data, 2024

GENDER

In 2023, males made up 72% of the distribution and logistics workforce in the region, significantly higher than their 51% share of the overall Manawatū regional workforce. Although the sector remains male-dominated, female representation in the local industry has grown, increasing from 26% in 2018 to 28% in 2023. Nationally, female participation in distribution and logistics was lower, at just 21% in 2023.

AGE PROFILE

In 2023, the age of the distribution and logistics workforce in both New Zealand and the Manawatū shows a strong presence across all working-age groups. In New Zealand, the largest share of workers is aged 45–54 (21%), followed closely by those aged 25–34 and 35–44 (both at 20%). The Manawatū region has a similar pattern, with 21% of workers aged 45–54 and 20% aged 25–34. Notably, the Manawatū region has a higher proportion of younger workers aged 15–24, with 15% compared to the national average of 11%, suggesting stronger youth engagement in the sector locally. Both areas show a smaller share of workers aged 65 and over, 7% regionally and at 8% nationally.

EMPLOYMENT STATUS

Full-time employment in the local distribution and logistics sector sits at 88% and exceeds the broader regional economy, where 79% of roles are full-time.

Full-time employment in the local distribution and logistics sector has also increased, with full-time roles increasing from 86% of the workforce in 2013 to 88% in 2023. This is slightly higher than the national average, which rose from 85% to 86% over the same period. Part-time employment in the region has declined from 14% to 12%, indicating a shift towards more stable, full-time positions. These trends suggest that distribution and logistics in Manawatū is not only expanding but also offering increasingly secure employment opportunities.

3Note: Percentages for ethnicity add up to more than 100% because people identify with more than one ethnic group.

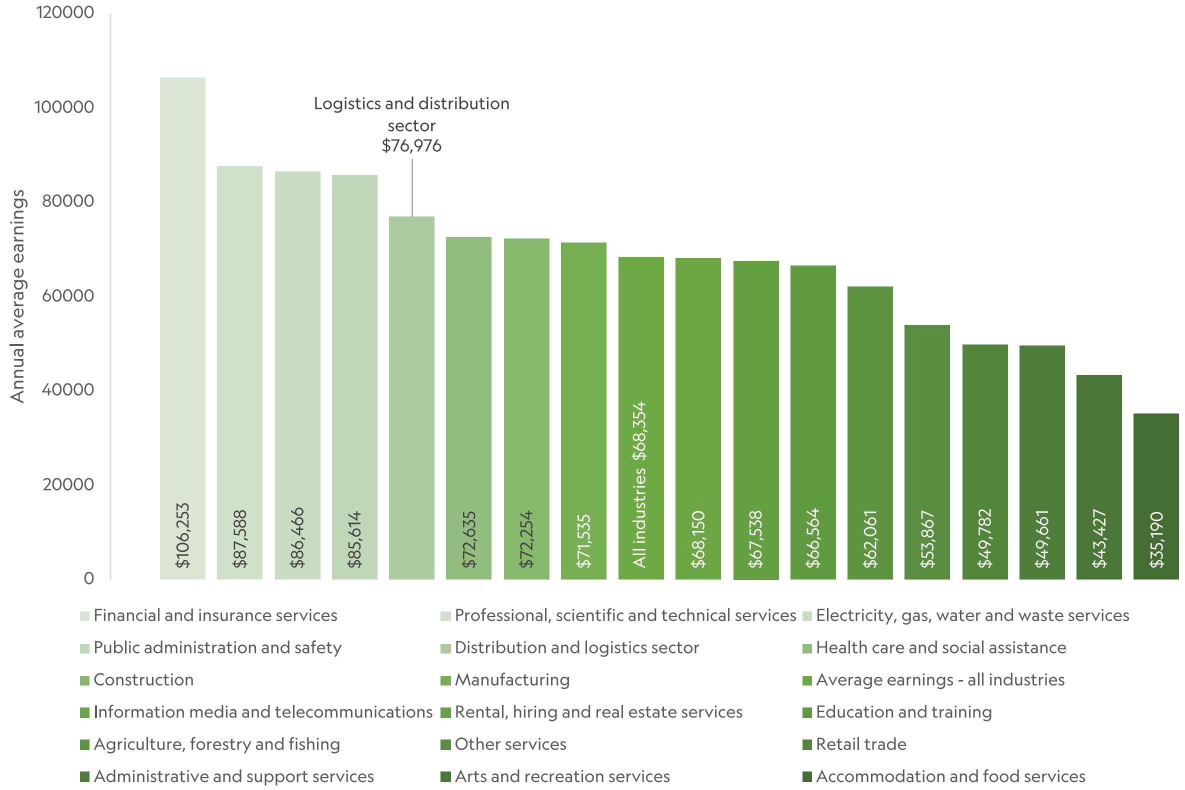
Earnings in Manawatū's distribution and logistics sector reached $505,659,400 for the year ended March 2023, accounting for 10.7% of total regional earnings, outperforming the national average of 9.4%. This robust earnings growth demonstrates the sector's expanding economic significance, as regional gains continue to outpace those seen nationally.

Supported by a higher proportion of fulltime employment, average incomes in the regions distribution and logistics sector compare well with other industries.

EARNINGS - $505,659,400 (YE MARCH 2023)

From March 2000 to March 2023, local earnings in distribution and logistics grew by 260.7%, outpacing the national increase of 181.6%. The local wholesale trade sector saw even stronger earnings growth at 266.4% compared to 168.6% nationally. Transport, postal, and warehousing earnings rose 250.3% locally, versus 201.5% nationally.

FIGURE 18: AVERAGE EARNINGS IN THE REGIONAL DISTRIBUTION AND LOGISTICS SECTOR //
relative to other level 1 industries



Source: Infometrics Regional Economic Profile data 2024, Statistics NZ Manawatū Region earnings by Industry 2000-2023'

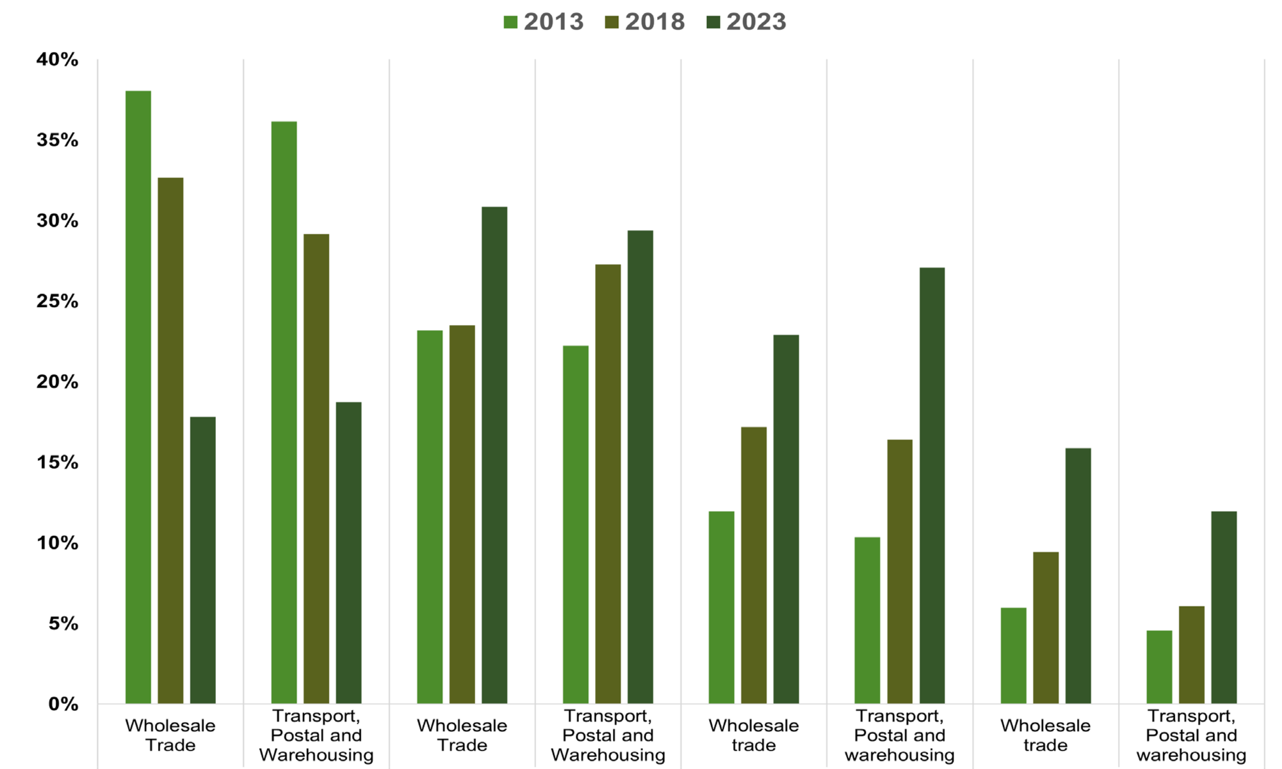
AVERAGE INCOMES CONTINUE TO RISE ACROSS THE SECTOR

Census data for the region reflects growth in incomes in the sector between 2013 and 2023 with the number of workers earning below $50,000 falling rapidly and the number of workers earning over $100,000 more than doubling.

Between 2013 and 2023, average incomes in the regional distribution and logistics sector grew at a faster rate than the national average.

Average incomes in the region increased by 38.7% in the wholesale trade sector in the 10 years to 2023, compared to a 33.2% increase nationally. Median earnings growth was even higher in the transport, postal and warehousing sector in the region, with a 10 year growth of 47% compared with 37.7% nationally.

FIGURE 19: REGIONAL EARNINGS GROWTH // distribution and logistics sector



	$30,001-$50,000		$50,001-$70,000		$70,001-$100,000		$100,001 or more	
	Wholesale Trade	Transport, Postal and Warehousing	Wholesale Trade	Transport, Postal and Warehousing	Wholesale trade	Transport, Postal and warehousing	Wholesale trade	Transport, Postal and warehousing
2013	38%	36%	23%	22%	12%	10%	6%	5%
2018	33%	29%	24%	27%	17%	16%	9%	6%
2023	18%	19%	31%	29%	23%	27%	16%	12%

Source: Statistics New Zealand, Census (2013, 2018,2023)

Footnote: Due to confidentiality, Statistics NZ has suppressed earnings data for the Public Administration and Safety sector in the Manawatū District. Average incomes in the sector have therefore been estimated based on earnings and employment figures for Palmerston North.

SUPPORTING REGIONAL GROWTH

STRATEGIC ALIGNMENT, INFRASTRUCTURE INVESTMENT, WORKFORCE AND HOUSING IN THE MANAWATŪ

The Manawatū region presents a nationally significant opportunity for workforce development and regional investment in the context of the national distribution and logistics network. Its strategic location, affordability, and sectoral diversity position it as a high performing region with strong alignment to Central Government priorities, including infrastructure, defence, housing, and regional economic development.

Major infrastructure projects including the Manawatū Regional Freight Ring Road and Te Utanganui - Central New Zealand Distribution Hub, are catalysing growth across logistics, construction, and associated industries. These developments are strengthening the region's position as a critical node in New Zealand's freight and supply chain network.

The co-location of Linton Military Camp and RNZAF Base at Ohakea further enhances the region's strategic value. Linton is the largest defence base in New Zealand, and together with Ohakea, the region hosts over 25% of the country's Defence Force personnel. Defence related employment is over ten times more concentrated in Manawatū than the national average, contributing more than 8% of regional GDP. The government's 2025 Defence Capability Plan signals over $1 billion in long-term investment across both bases, reinforcing the region's importance to national defence operations and further stimulating local economic activity.

Manawatū's affordability is a key advantage. The average house price is 4.6 times the average income, well below the national ratio of 6.5, making home ownership more attainable, particularly for younger workers and first-home buyers. Rental affordability also exceeds national benchmarks, supporting workforce attraction and retention.

The region offers a high quality of life supported by well-developed community infrastructure. Residents benefit from short commute times, access to quality schools and early childhood education, recreational facilities, and public services. The compact urban form fosters a balanced lifestyle, enhancing wellbeing and productivity with lifestyle options ranging from urban through to lifestyle blocks and beyond, complemented by shorter commutes and lower living costs.

Manawatū is also home to high-quality educational institutions that support workforce development and lifelong learning. Massey University, a globally recognised research university, offers advanced degrees in agriculture, science, logistics, and business. UCOL provides vocational training across trades, healthcare, logistics, and technology, ensuring a steady pipeline of skilled labour aligned with industry needs.

Together, these attributes position Manawatū as a nationally relevant model for regional development, where growth in the distribution and logistics sector is mutually reinforced by strategic defence investment, infrastructure development, educational excellence, and lifestyle advantages. The region presents compelling opportunities for investors, employers, and workers alike.

4 Defence Capability Plan | Ministry of Defence website

TE MAURI O MANAWATŪ

ManawatuNZ.co.nz/invest

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