

MANAWATŪ REGIONAL ECONOMIC STRUCTURE

REPORT //
PUBLISHED JUNE 2025

INTRODUCTION

The Manawatū Regional economy is bolstered by the diverse mix of public and private sector activities and employment across the economy. This includes our large, stable sectors such as 'health care and social assistance', 'public administration and safety', primary and value-added food production including food research and innovation, 'construction', and a large and growing 'distribution and logistics' sector. Our substantial export sector has also boosted the economic fortunes of the region.

While our industry strengths have done a lot to support economic activity in our region during the recent challenges, over the year to March 2024 the uneven fortunes for sectors across the regional economy is evident. Industries exposed to waning business and household confidence and a sharp downturn of spending and investment across the domestic economy, have borne the brunt of the economic downturn.

Substantial parts of the regional economy have also continued to do well. Our large 'public administration and safety' and 'healthcare and social assistance' sectors grew in both contribution to GDP and employment over the March 2024 year. The strength of our rural sector has also taken some of the pressure off the regional economy, with record commodity prices and strong demand for products grown here, adding to revenues for our farmers.

Our workforce also continues to be highly skilled adding to opportunities for growth as economic conditions improve, and added resources are needed to boost economic activity and productivity.

These strengths of the regional economy will continue to support activity until falling interest rates ease pressure on household budgets, confidence among households and businesses improves, and renewed demand supports recovery in the sectors most adversely affected.

There are growing opportunities from our industry strengths. Central government investment in defence capability is set to boost personnel and investment in capital in the region. This follows \$520 million of defence investment across the wider region between 2017 to 2024. After a tough few years, our international education sector is showing signs of recovery. With a reputation for quality education and as a safe place to study, international education in the region is expected to be bolstered further. Newly completed and signalled investment in infrastructure projects will serve as an enabler of further investment and economic efficiency across our region.

The *Manawatū Regional Economic Structure Report* provides a detailed analysis of the structure, performance and characteristics of the regional economy. The information included in the report is sourced from the Infometrics regional economic profile and the annual release of the Linked Employer-Employee Datasets (LEED) from Statistics New Zealand. The information published in this report is the latest data available for the regional economy.

This report has been published by the Palmerston North City Council and was written by City Economist, Stacey Andrews, and supported by Kian Lee, Data Analyst.



MANAWATŪ // COMPRISES THE TWO COUNCILS OF PALMERSTON NORTH CITY AND MANAWATŪ DISTRICT

TAUPŌ

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REPORT STRUCTURE

The report includes the following sections:

- 1. Economic performance**
- 2. Economic structure**
- 3. Gross Domestic Product (GDP)**
- 4. Business structure and size**
- 5. Three-year business survival rates**
- 6. Employment**
- 7. Skill level and occupation**
- 8. Export sector**
- 9. Summary**

Appendix A.1 provides summary statistics for all sectors across the regional economy. This includes GDP, employment, GDP per worker, annual industry earnings and average earnings per worker over one-year, 10-year and 20-year timeframes. Summaries for the combined industries of distribution and logistics ('wholesale trade' and 'transport, postal and warehousing') and the retail sector ('retail trade' and 'accommodation and food services') are also included.

Key sectors 'healthcare and social assistance', 'public administration and safety', 'construction', the retail sector¹, 'manufacturing' and 'education and training' and are profiled within Appendix B.1 – B.6 of this report. More detailed sector profiles for 'distribution and logistics', 'agrifood' and 'tourism' are updated three yearly with the 'distribution and logistics' sector profile due for completion in 2025.

¹ The retail sector includes the combined sectors of 'retail trade' and 'accommodation and food services.'

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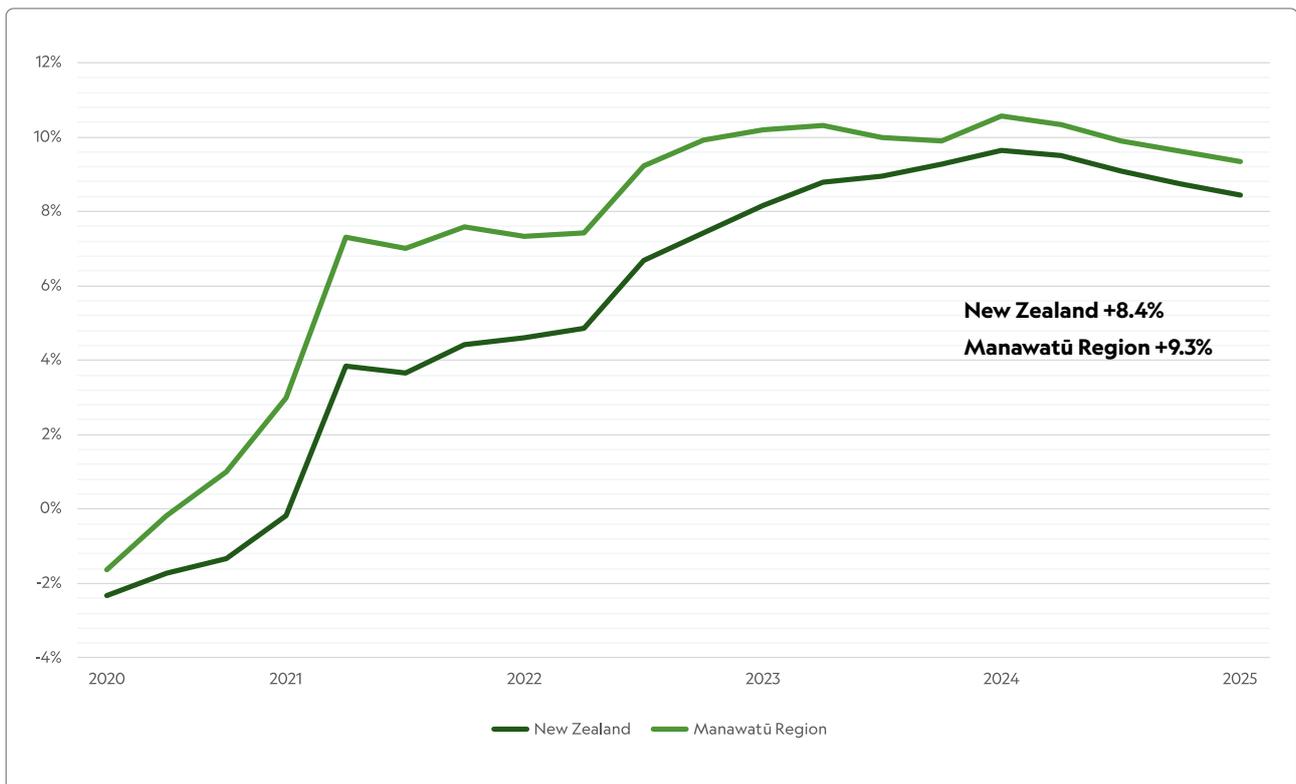
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ECONOMIC PERFORMANCE

The Manawatū regional economy has grown by 9.3%² over the five-years to March 2025. This compares with 8.4% growth nationally.

The performance of the regional economy over the 5-year timeframe has been boosted by the diverse mix of public and private sector activities and employment across the economy. This includes our large, stable sectors such as 'health care and social assistance', 'public administration and safety', primary and value-added food production including food research and innovation, 'construction', and a large and growing 'distribution and logistics' sector. Our export sector has also boosted the economic fortunes of the regional economy. This mix of industries has buffered the region from the more severe impacts observed in areas of the country with greater exposure to lockdown restrictions during COVID-19 and falling consumer demand due to cost of living pressures.

Figure 1: Cumulative GDP growth March 2020 to March 2025 – NZ and Manawatū Region



Manawatū Regional GDP was estimated at \$8.65 billion for the year ended March 2025 contracting -1.1% (-\$176m) from the year ended March 2023. Reflecting the current economic challenges, national GDP also fell by -1.1% over the same timeframe. Although, the outlook for regional economies has been stronger in more recent times due to the booming export sector and the dominance of the regions in the production of food exports, the most recent figures reflect the ongoing challenges to the wider economy.

² GDP is measured by calculating the net value of final goods and services produced in an economy over a specific period. GDP is not the same thing as revenue. GDP measures the value added to intermediate goods and services used to produce final goods and services, including salaries and wages paid to households.



ECONOMIC STRUCTURE

GDP is made up of employing sectors across the economy, as well as contributions from non-employing sectors such as owner-occupied property operation³ and GDP generated from taxes, duties and levies across sectors.

This report focuses on the performance of the employing sectors in the Manawatū Regional economy, over March years using the detailed industry data released by Statistics New Zealand and Infometrics. The latest data is for the year ended March 2024.

The employing sectors of the economy are primary production, manufacturing, services, and government, education and health. These sectors added \$7.33 billion (83.9% of total GDP) to the regional economy in the year to March 2024, growing by 0.1% (+\$9.2 million) compared with the year ended March 2023. A further 8.6% of GDP in the region was generated from owner-occupied property operation and 7.6% from taxes and duties in 2024.

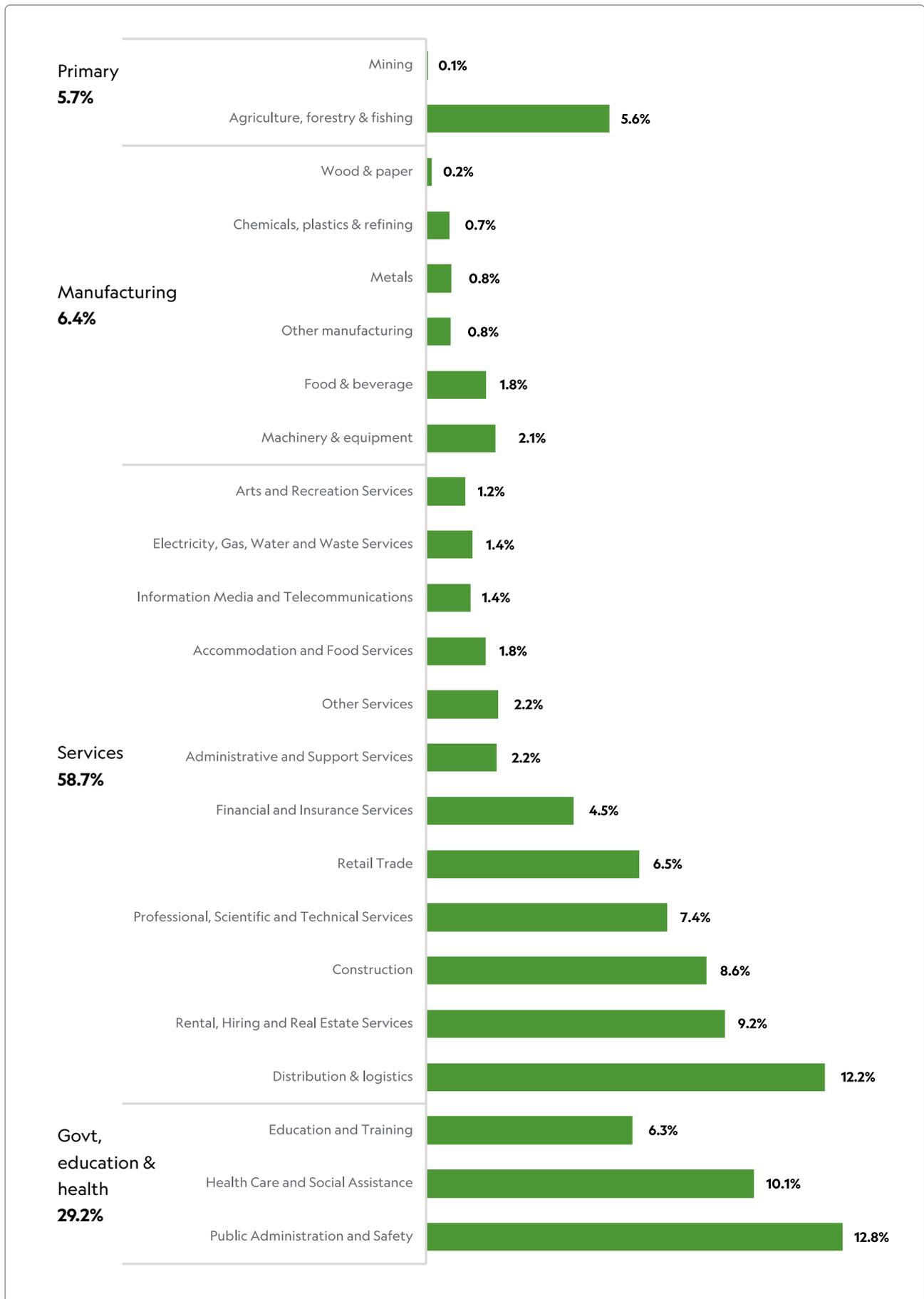
GDP BY SECTOR

The economy is dominated by service sector activity, which contributed 58.7% of GDP in 2024. This is typical of advanced economies, but lower than for New Zealand, where 66.8% of national GDP was generated from the service sector in the March 2024 year.

The Manawatū Region also has a large government, education and health sector contributing 29.2% of regional GDP. This compares with 17.0% of total New Zealand GDP.

³ Owner-occupied property operation is the value that households create from the provision of housing to themselves.

Figure 2: Manawatū Regional economic structure by GDP (year ended March 2024)



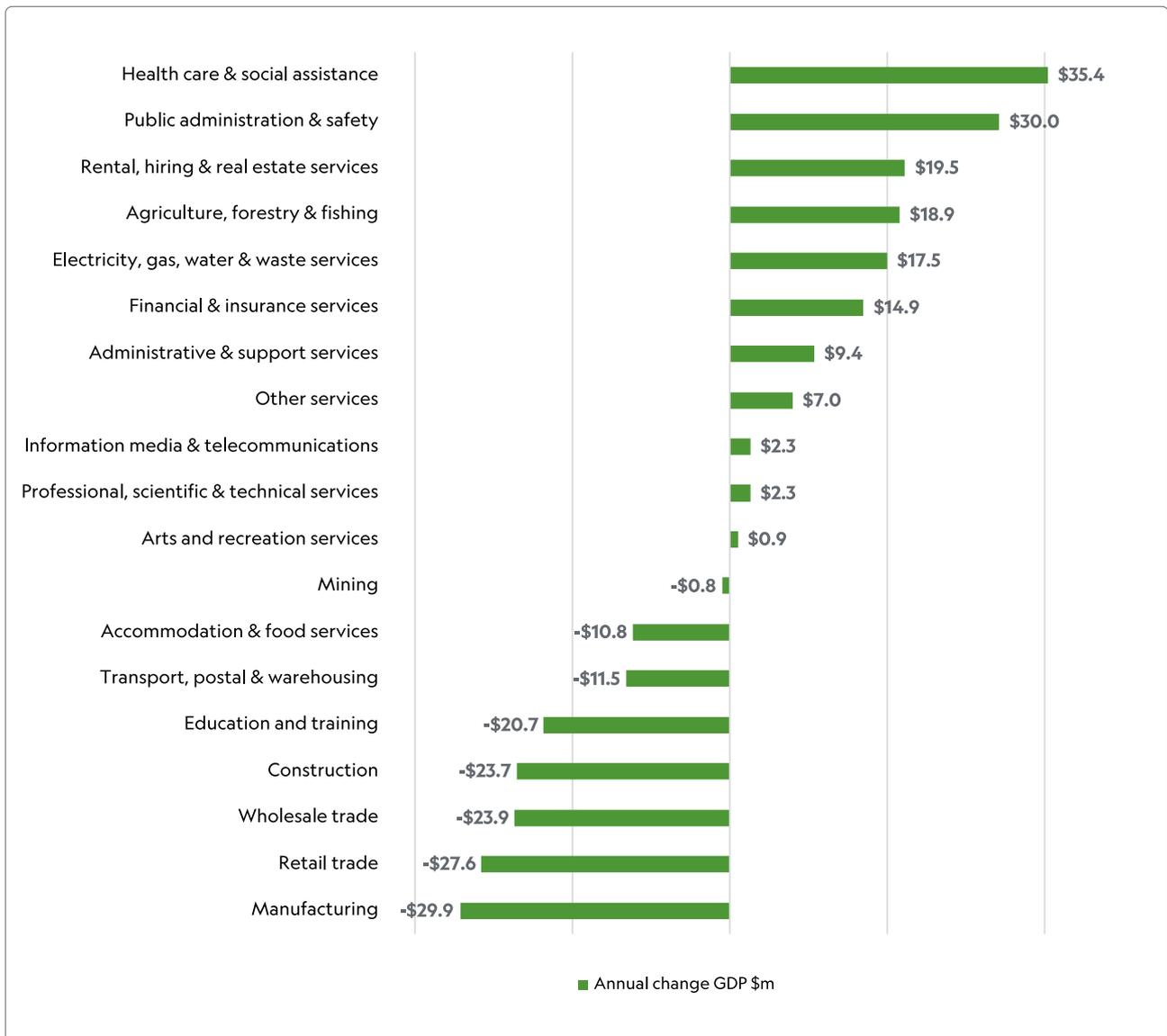
GROWTH INDUSTRIES

The Manawatū Regional economy grew by \$9.2m (+0.1%) over the year to March 2024.

The year to March 2024 saw growth in 11 out of 19 sectors in the region. ‘Health care and social assistance’ and ‘public administration and safety’ were the highest growth sectors in the region, with GDP increasing by \$35.4m and \$30.0m respectively over the year. ‘Agriculture, forestry and fishing’ GDP also increased over year, influenced by strong global demand for New Zealand agricultural products and high commodity prices.

On the other side of the equation, ‘manufacturing’, ‘retail trade’, ‘wholesale trade’ and ‘construction’ contracted annually due to the exposure of these industries to economic recession and weaker domestic consumer demand.

Figure 3: Industry sector contribution to GDP growth (year ended March 2024)

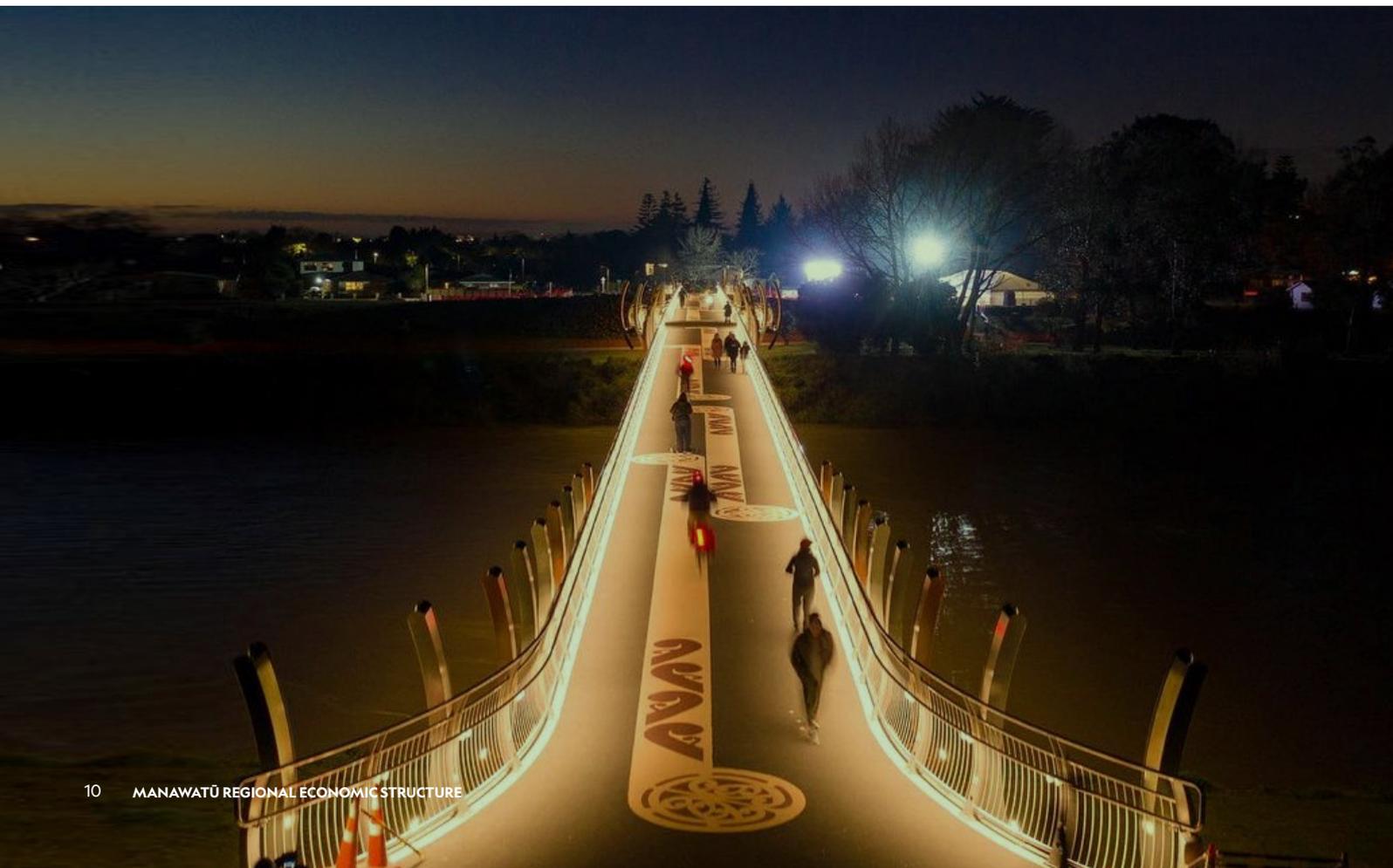


The following table summarises growth across sectors that contributed the most to GDP growth in the region. Industries are ranked by GDP growth over the year to March 2024. The table also summarises growth in GDP over the ten-years and twenty-years to March 2024. The combined industries of 'distribution and logistics' and 'retail sector' are also included.

Table 1: Top 5 growth industries and combined industries – GDP

	Industry	One-year growth	10-year growth	20-year growth
1	Health care and social assistance	+\$35.4m +5.0%	+\$188.9m +34.4%	+\$309.9m +72.3%
	'Health care and social assistance' contributed \$738.6m to the regional economy in the March year 2024. 'Hospitals' were the highest growth subsector, increasing by \$16.5m (+7.7%) annually and \$108.6m (+89.0%) over the 20-years to 2024.			
2	Public Administration and safety	+\$30.0m +3.3%	+\$230.7m +32.6%	+\$410.6m +77.9%
	The 'public administration and safety' sector contributed \$937.7m to the regional economy in the year to March 2024. 'Defence' was the largest subsector, contributing \$439.9m to the regional economy over the year to March 2024. Defence was also the highest growth subsector over the 20-years to March 2024, increasing in value by \$138.0m (45.7%). Annually, 'public order and safety services' was the highest growth subsector adding \$17.9m (+10.8%) over the year, with growth of \$82.2m (+80.6%) over the 20-years to March 2024.			
3	Rental, hiring and real estate services	+\$19.5m +3.0%	+\$201.2m +42.6%	+\$273.8m +68.6%
	'Rental, hiring and real estate services' generated \$673.0m in GDP for the region in 2024. 'Real estate services' was both the largest and highest growth subsector, adding \$370.8m in GDP to the regional economy over the year, up \$15.6m (+4.4%) from the previous year. 'Real estate services' the highest growth subsector, increasing by \$15.3m (4.9%) over the year. GDP from 'Real estate services' increased in value by \$199m over the 20-years to March 2024, an increase of 115.8% compared with the year to March 2004.			
4	Agriculture, forestry and fishing	+\$18.9m +4.8%	+\$62.3m +17.8%	+\$27.9m +7.2%
	The 'agriculture, forestry and fishing' sector contributed \$412.9m in GDP to the regional economy over the year to March 2024. 'Dairy cattle farming' continues to be both the largest sector and the largest growth subsector, with GDP increasing by \$16.0m (+10.3%) over the year to a value of \$170.6m. Sheep and beef farming continue to be a growth industry in the region, generating \$122m in GDP and increasing in value by \$10.3m (9.2%) over the year.			
5	Electricity, gas, water and waste services	+\$17.5m +20.0%	+\$36.6m +53.7%	-\$28.5m -21.4%
	'Electricity, gas, water and waste services' contributed \$104.8m to the regional economy over the year to March 2024. 'Electricity transmission' was the largest subsector contributing \$25.7m to regional GDP. 'Gas supply' was the largest growth subsector, increasing in value by \$6.4m (+142.2%) in the year to March 2024. 'Gas supply' was also the highest growth sector over the 20-years, increasing from zero GDP in 2004, to \$10.9m in GDP in 2024.			

Industry	One-year growth	10-year growth	20-year growth
Key combined sectors			
Logistics and distribution	-\$35.4m -3.8%	+\$193.2m +27.4%	+\$374.8m +71.7%
<p>The 'logistics and distribution' sector combines the 'wholesale trade' and 'transport, postal and warehousing' sectors to reflect the total logistics and distribution capacity in the region. 'Logistics and distribution' contributed \$898.8m to the regional economy over the year to March 2024. While the sector has had a rough year due to economic downturn and an easing in demand for consumer products, longer term growth reflects exponential growth in subsectors such as 'Grocery, liquor and tobacco product wholesaling'. This sector increased in value by \$131.6m over the 20-years to March 2024 to reach total GDP of \$221.8m. This substantial increase in value is consistent with elevated levels of investment in grocery warehousing, with further growth anticipated due to ongoing investment and multi-modal freight capability in the region.</p>			
Retail sector	-\$38.4m -5.9%	+\$114m +22.9%	+216.0m +54.2%
<p>The 'retail sector' combines the 'retail trade' and 'accommodation and food services' sectors. Collectively, retail contributed \$614.4m to the regional economy in the year to March 2024. The 'retail sector' is heavily exposed to a downturn in economic activity and consumer confidence. The impact of the current economic slowdown is reflected in the annual decline in retail GDP over the year. Over the longer term, 'retail trade' has experienced solid growth increasing in value by 54.2% over the past 20-years. 'Supermarket and grocery stores' posted the highest growth, rising in value by \$45.6m (+72.8%). 'Hardware, building and garden supplies' was the second largest growth sector increasing \$37.5m over the 20-years (+200.5%), followed by 'cafes, restaurants and takeaway food services', with GDP increasing \$37m (+54.1%) over the 20-year period.</p>			



EMPLOYMENT BY SECTOR

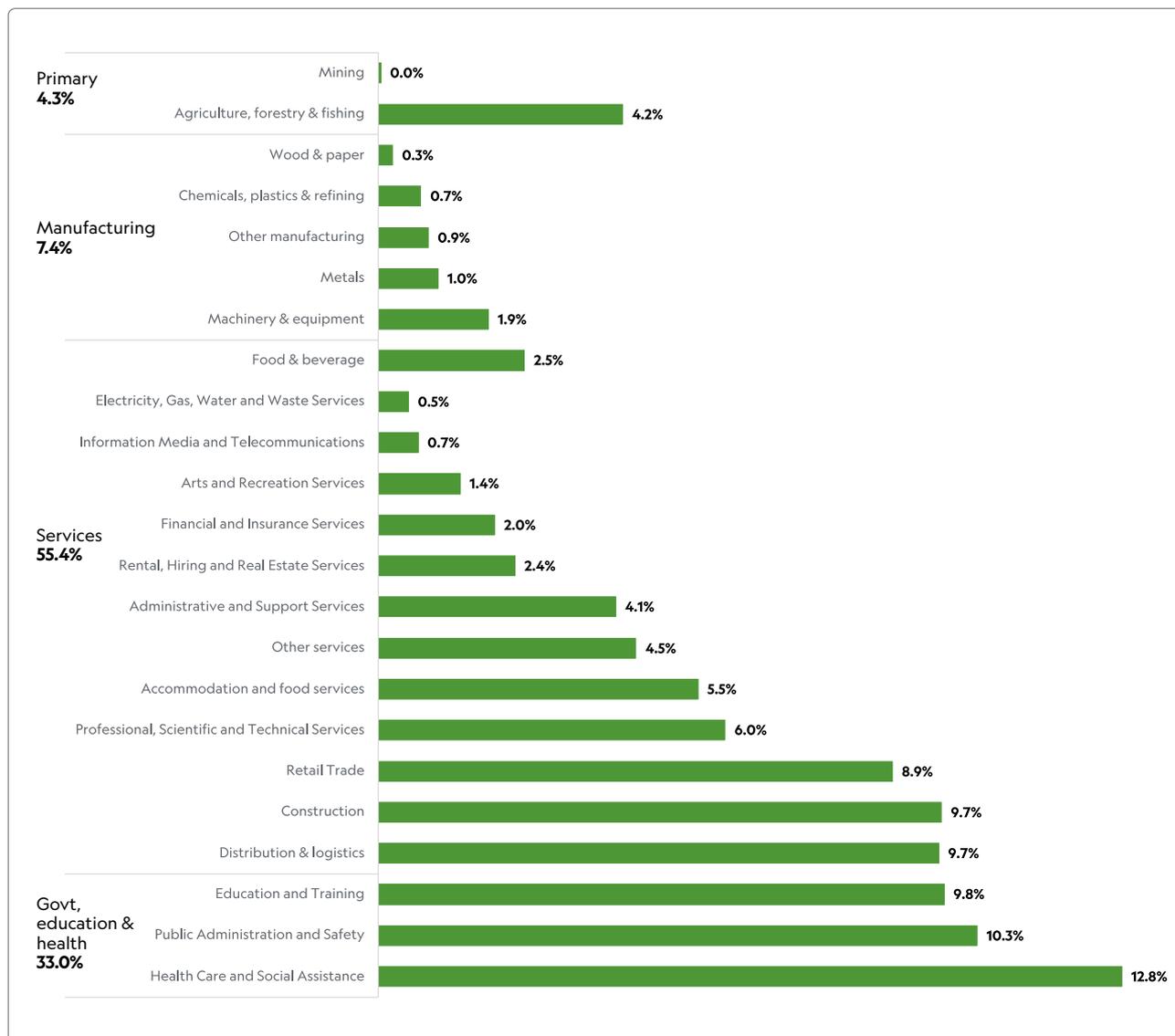
There were 70,304 people employed in the Manawatū region in March 2024.

At the higher level, the employment structure across the region is largely consistent with GDP structure. Service sector employment is less than at the national level where 62.3% of workers are employed in the service sector compared with 55.4% in the region.

The significance of the government, education and health sectors in the Manawatū Region is reflected, with 33.0% of jobs generated within these sectors, compared with 23.3% of employment across the country.

The logistics and distribution sector also employs a greater proportion of the total workforce in the region, with 9.7% of workers employed in the sector relative to 8.8% nationally.

Figure 4: Regional employment structure by sector (year ended March 2024)



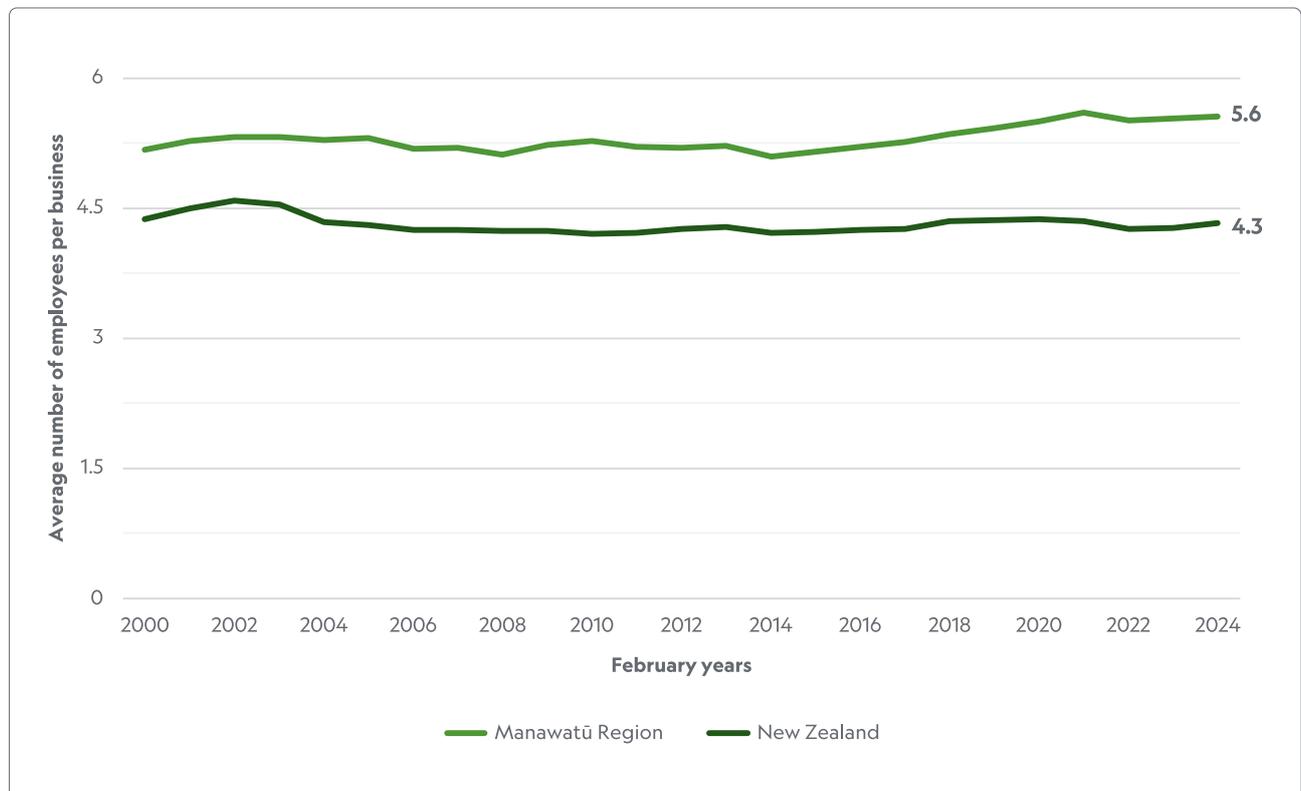
BUSINESS STRUCTURE AND SIZE

There was a total of 12,651 businesses⁴ in the Manawatū region in March 2024.

The number of businesses across the region increased over the year to March 2024, with an additional 66 firms (+0.5%) registered in the region compared with the year ended March 2023. This compares with a 0.9% increase in registered businesses, nationally.

The average size of businesses in the region was 5.6 employees, compared with 4.3 employees nationally. This indicates that the region typically has a greater proportion of workers employed within large businesses, relative to the national average.

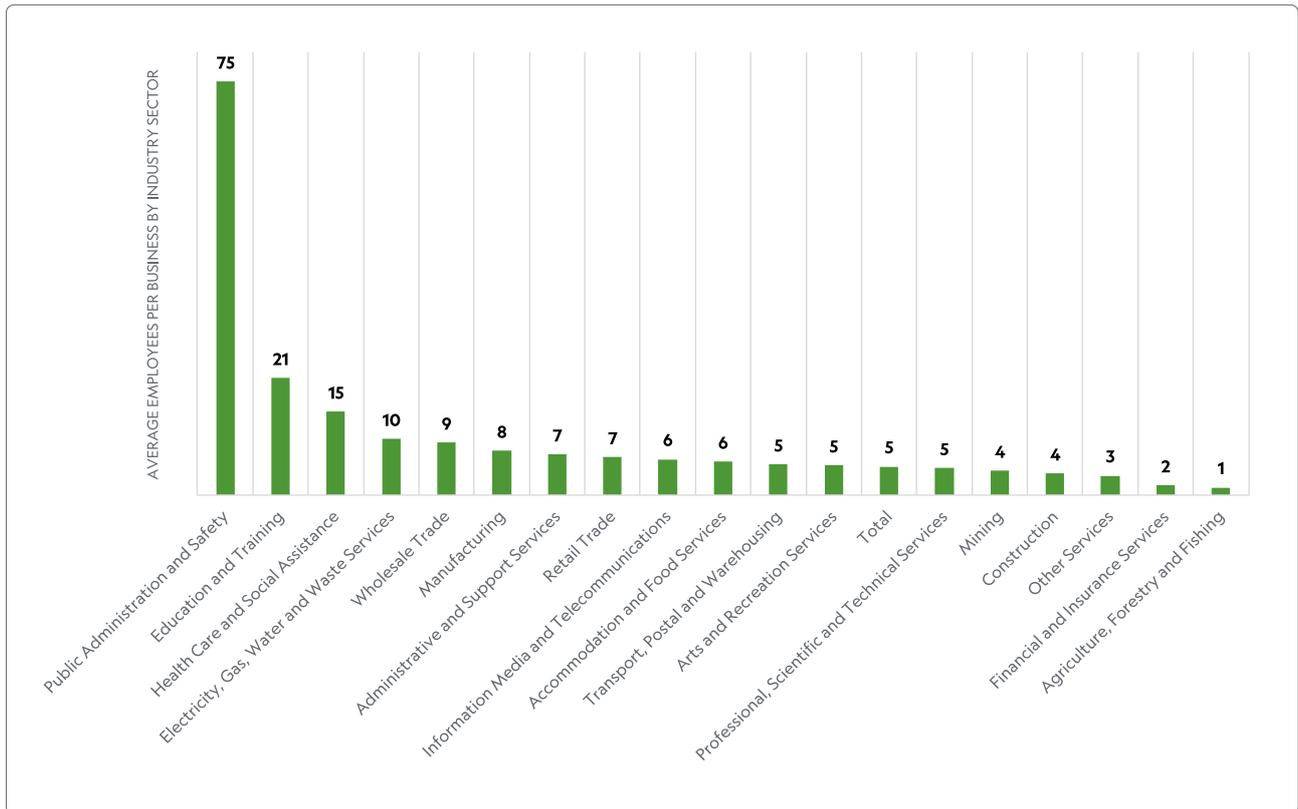
Figure 5: Manawatū Region – average employment per business (average business size). Source: Infometrics, REP, 2024



Specifically, 38.8% of the regional workforce is employed in businesses with 100 or more employees. This is indicated in sectors such as the 'public administration and safety sector' where the average business size (average workers per business) is 75 compared to the average across all businesses of 5.6. Note, the 'rental, hiring and real estate' industry has an average business size of below one due to the high level of self-employment. This is explained by the proportion of landlords in the sector. The variance of business size across industries in the region is reflected in the following graph.

⁴ Businesses are defined as legal entities established for the purpose of generating a profit.

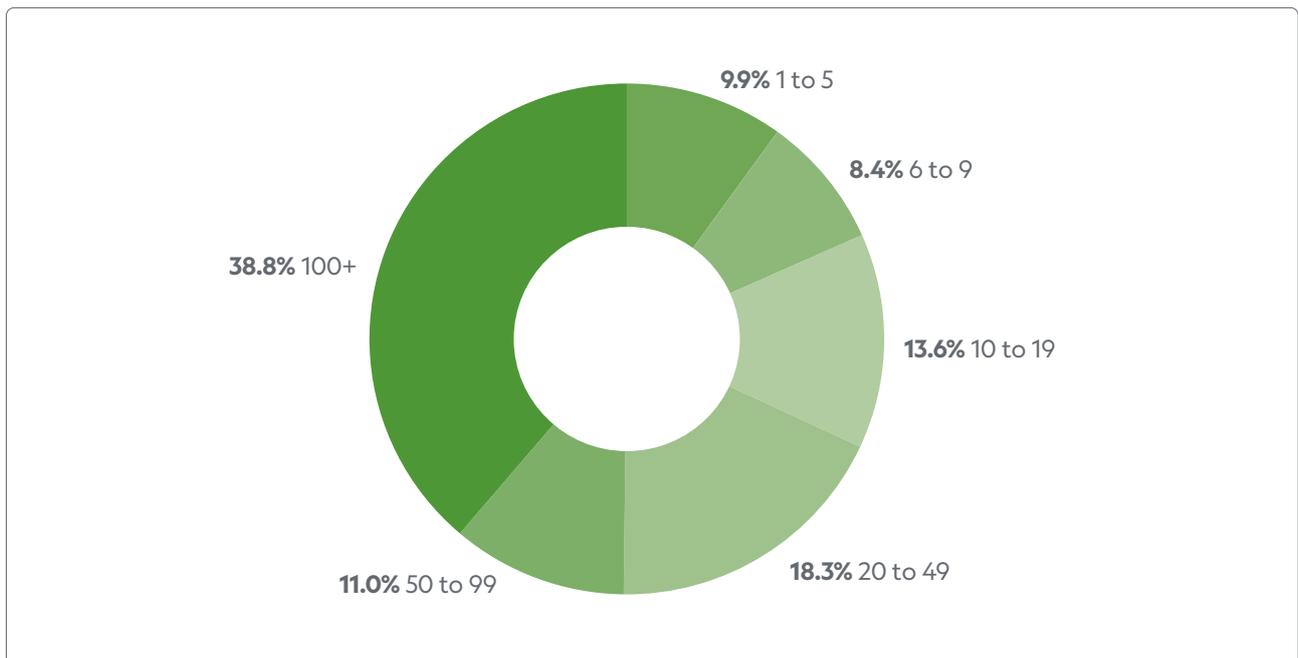
Figure 6: Average business size by industry sector



The region also has a higher proportion of smaller businesses with 20.7% of total businesses in the region having between 1 and 5 employees, compared with 17.6% nationally.

Our small to medium enterprises (businesses with <20 employees) continue to be extremely important to the regional economy, making up over 95.3% of total businesses. This compares with 96.3% of businesses, nationally.

Figure 7: Percentage of filled jobs by business size. Source: Business demography, Statistics NZ, 2024

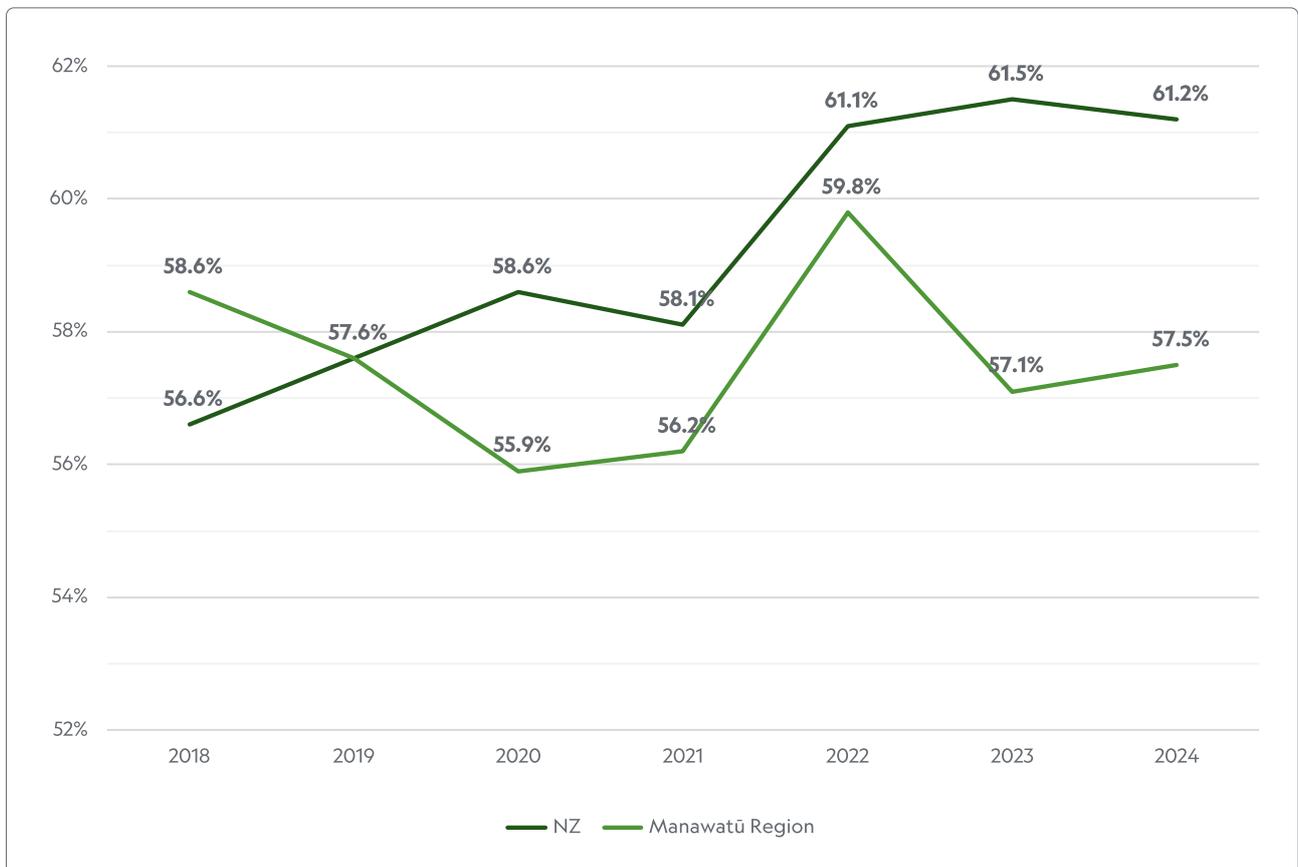




THREE-YEAR BUSINESS SURVIVAL RATE

The three-year business survival rate expresses the percentage of businesses in the region in February 2021 that continued to operate in February 2024. The business survival rate for the region over this three-year period was 57.5%. This compares with 61.6% nationally. Business survival rates for the region fluctuated between 55.9% and 59.8% over the period 2018-2023.

Figure 8: Three-year business survival rates (Manawatū Region and New Zealand). Source: Statistics NZ, customised business survival data

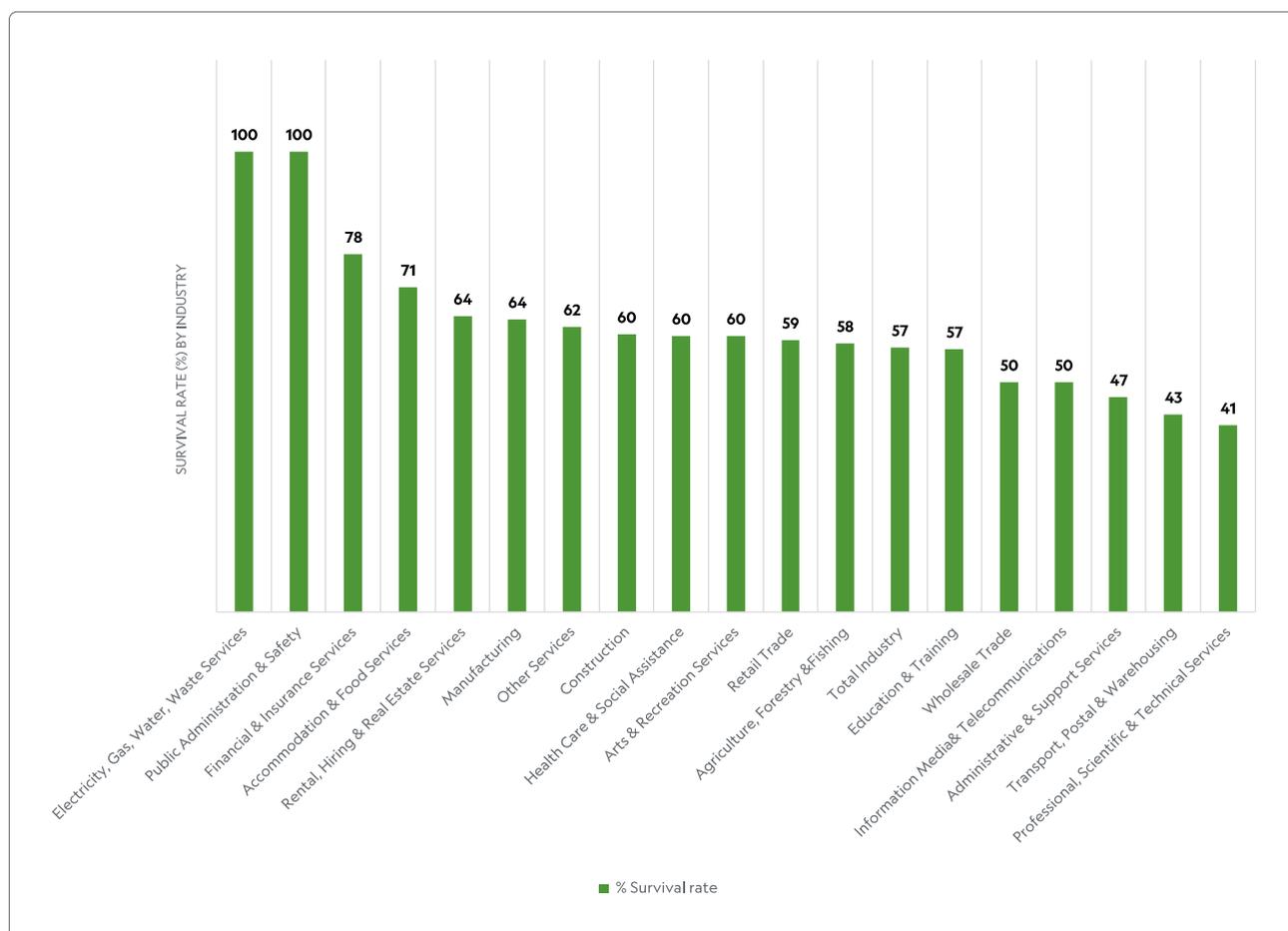


The three-year business survival rate differs across industries with 'professional, scientific and technical services', 'transport, postal and warehousing' and 'administrative and support services' posting the lowest business survival rates over the three-years to February 2024. There is a variety of reasons for this including weakening economic conditions that prevailed in the year to February 2024 and sole trader businesses being established due to continued uncertainty from COVID-19 in 2021. The period 2020-2024 was a volatile time with new business registrations up in 2020 and 2021 due to a greater number of start-ups being established as an alternative to traditional employment due to the impacts of COVID-19.

Business structure is another reason why business numbers may fall alongside an increase in GDP by industry, with more efficient businesses expanding to increase the supply of goods and services to the market while less efficient businesses shutdown. Landlords are often set up as individual businesses and therefore fluctuate as providers exit and enter the market. The agricultural sector is also subject to changes in business structures that do not correlate with profitability or employment.

Characteristics of three-year business survival over the coming few years will provide further insight into the impacts of the economic slowdown on specific industries in the region and nationally.

Figure 9: Three-year business survival rates by industry (Manawatū Region). Source: Statistics NZ, customised business survival data

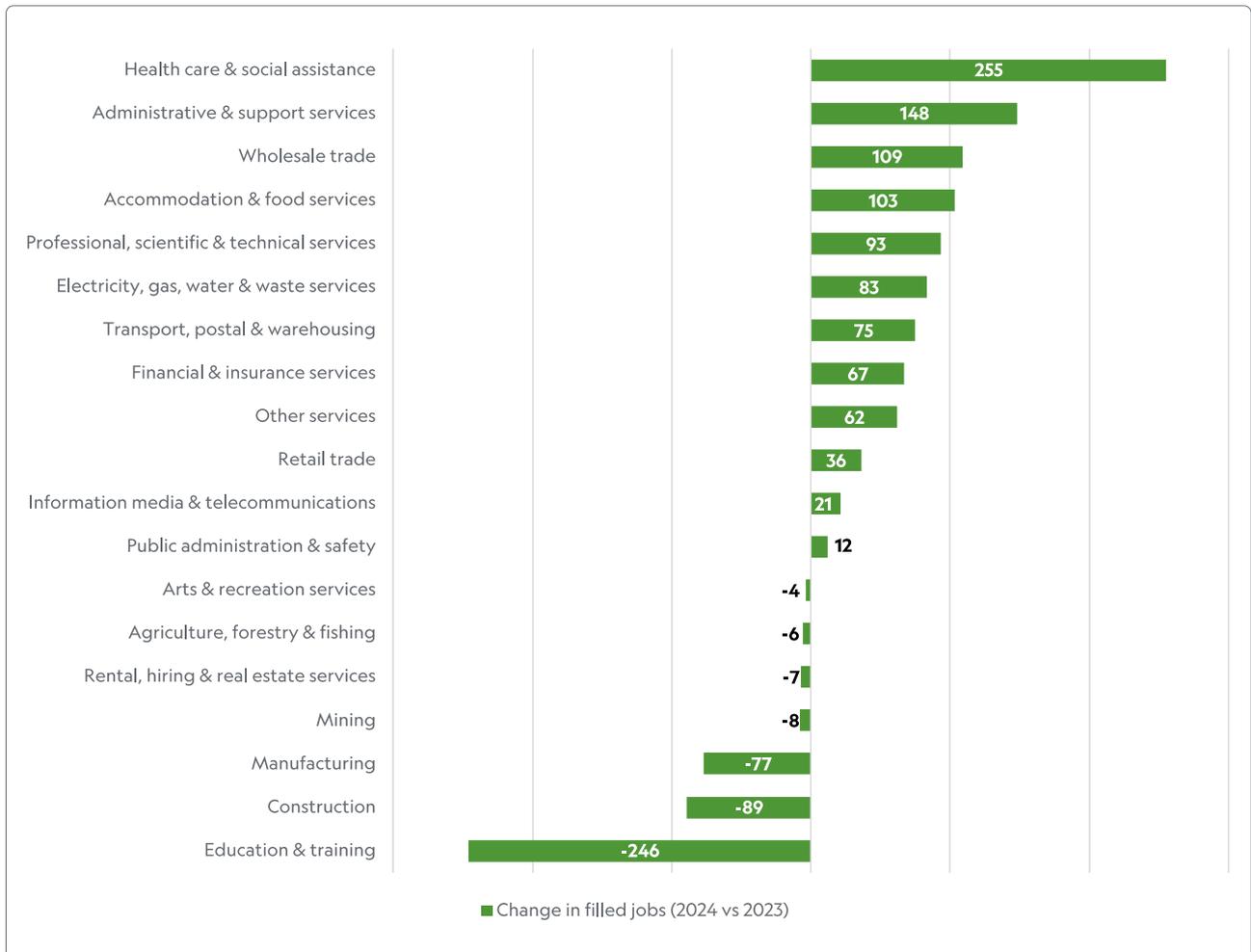


EMPLOYMENT GROWTH BY INDUSTRY SECTOR

The number of people employed in the region increased by 627 over the year to March 2024, an increase of 0.9% compared with the previous year. This compares with annual growth of 2.2% nationally with labour intensive industries such as tourism, ramping up to cater for the recovery in international tourism.

Most sectors posted strong jobs growth, with just five out of 24 industries shedding a total of 248 jobs over the year. The remaining industries created an additional 1,077 jobs across the regional economy.

Figure 10: Contribution to employment growth by sector (year ended March 2024)



The following table summarises the five sectors in the Manawatū region that created the most jobs over the year to March 2024, with industries ranked by annual employment growth. The table also summarises growth in GDP over the ten-years and twenty-years to March 2024. Data for the combined industries of 'distribution and logistics' and the 'retail sector' is also included.

Table 2: Top five growth industries and combined industries - Employment

	Industry	One-year growth	10-year growth	20-year growth
1	Health care and social assistance	+255 jobs +2.9%	+1,403 jobs +18.4%	+2,681 +42.2%
	The 'health care and social assistance' sector is the region's largest employer, generating a total of 9,028 jobs in March 2024. 'Hospitals' were the highest growth subsector, adding 167 jobs (+6.3%) over the year, and 1,027 (+56.7%) jobs over the 20-years to March 2024. A total of 2,839 people were employed in the 'hospital' sector in the region in March 2024, with a further 1,888 people employed in 'residential care services' and 1,847 people employed in 'allied health services.'			
2	Administrative and support services	+148 jobs +5.4%	+194 +7.2%	+490 +20.5%
	The 'administrative and support services' sector employed 2,885 people in the region in March 2024. The 'labour supply services' subsector had the highest employment growth, adding 57 jobs over the year (+6.1%) and 655 additional jobs over the 20-years to March 2024 (+196.1%). 'Labour supply services' was also the largest subsector, employing 989 workers in March 2024, followed by 'building and other industrial cleaning services' with 971 people employed in the subsector.			
3	Wholesale trade	+109 jobs +2.6%	+840 jobs +24.0%	+1,573 jobs +56.9%
	The 'wholesale trade' sector employed a total of 4,336 people in 2024. 'Grocery wholesaling' is both the largest subsector, and the highest growth subsector in the region. There were 1,579 workers employed in 'grocery wholesaling' in the region in March 2024, an increase of 41 (+2.7%) from the previous year, and an increase of 767 (+94.5%) over the 20-years to March 2024.			
4	Accommodation and food services	+103 jobs +2.7%	+574 jobs +17.3%	+586 jobs +17.8%
	The 'accommodation and food services' sector employed a total of 3,887 workers in the region in March 2024. 'Cafes and restaurants' were our largest subsector, employing 1,695 people in March 2024. 'Catering services' were the highest growth subsector, adding 75 new jobs over the year (+22.8%) and 274 new jobs over the 20-years to March 2024 (+210.8%).			
5	Professional, scientific and technical services	+93 jobs +2.3%	+624 jobs +17.4%	+955 jobs +29.3%
	The 'professional, scientific and technical services' sector employed a total of 4,271 people in the region in March 2024. 'Scientific research services' was our largest subsector, employing 999 workers. 'Scientific research services' are also our third largest growth sector, adding 22 jobs over the year (+2.3%) and 120 extra jobs over the 20-years to March 2024 (+13.7%). In the year to March 2024, 'advertising services' was the largest growth subsector adding 31 new jobs (+54.4%), followed by 'computer system design and related services' with 23 new jobs added (+4.7%). 'Computer system design and related services' was also the largest growth sector over the 20-years to March 2024, with 234 jobs added (+84.5%).			

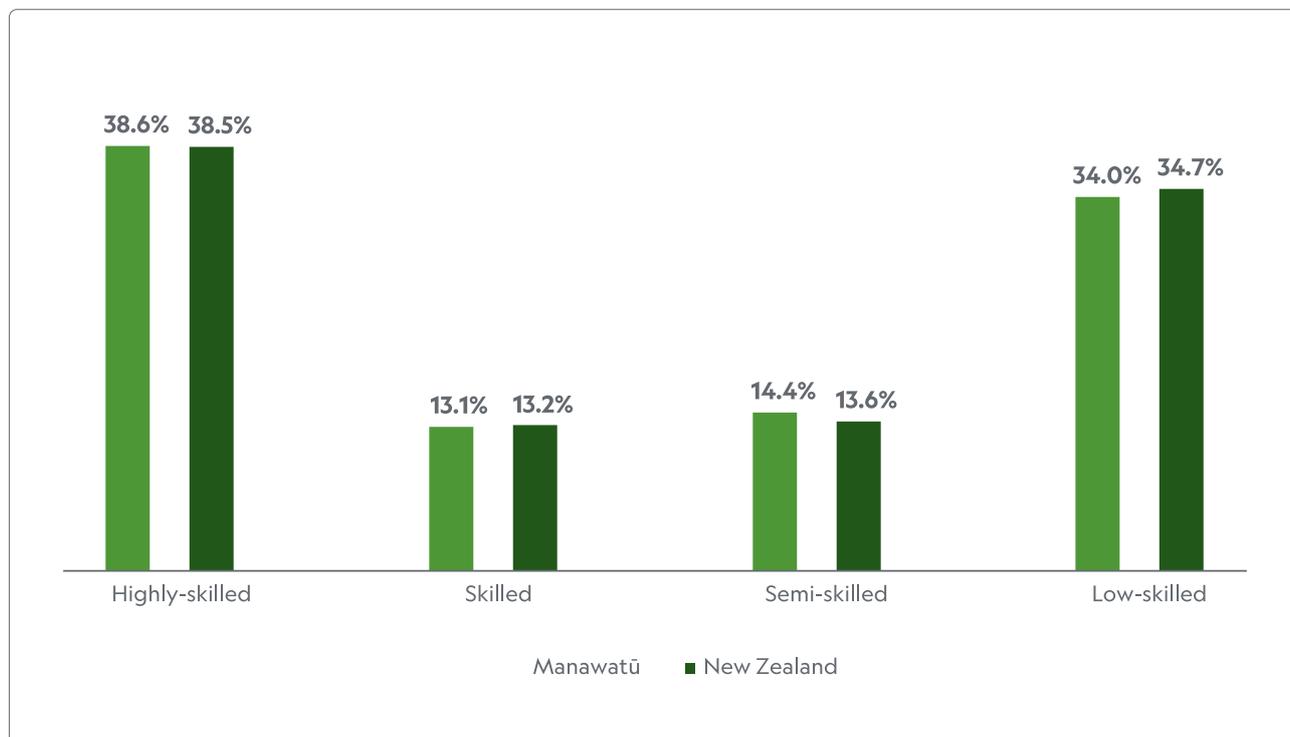
Industry	One-year growth	10-year growth	20-year growth
Key combined sectors			
Logistics and distribution	+184 +2.8%	+1,055 +18.3%	+1,878 +38.1%
<p>The regions 'logistics and distribution' sector employed a total of 6,805 workers in March 2024. As discussed under 'wholesale trade', the 'grocery, liquor and tobacco wholesaling' subsector has almost doubled its employees over the 20-years to March 2024 (+94.5%). Employment in road and rail freight transport has also grown strongly over the past 20-years with 490 new jobs added (+57.2%) to reach a total of 1,358 in March 2024. 'Agricultural and construction machinery wholesaling' and 'other agricultural product wholesaling' have also expanded, adding 381 jobs (+194%) over the 20-years to March 2024, to reach 577. This substantial increase in employment in the sector is consistent with elevated levels of investment in warehousing and multi-modal freight capability in the region.</p>			
Retail sector	+139 +1.4%	+795 +8.5%	+1,115 +12.4%
<p>Retail trade is a labour intensive industry employing a total of 10,132 workers in the region as at March 2024. This equates to 14.4% of the total regional workforce. Employment in the 'café, restaurants and takeaway food services' sector increased the most over the 20-years to March 2024, adding 877 roles (+41.7%). The second highest growth was in 'non-store retailing', adding 378 new jobs (+619.7%), followed by 370 roles added in the 'hardware, building and garden supplies retail' sector over the 20-years to March 2024.</p>			



SKILL LEVEL

In 2024, 51.7% of the Manawatū regional workforce were employed in highly skilled and skilled roles. This is equal to the national proportion of workers in highly skilled and skilled employment.

Figure 11: Employment by skill level



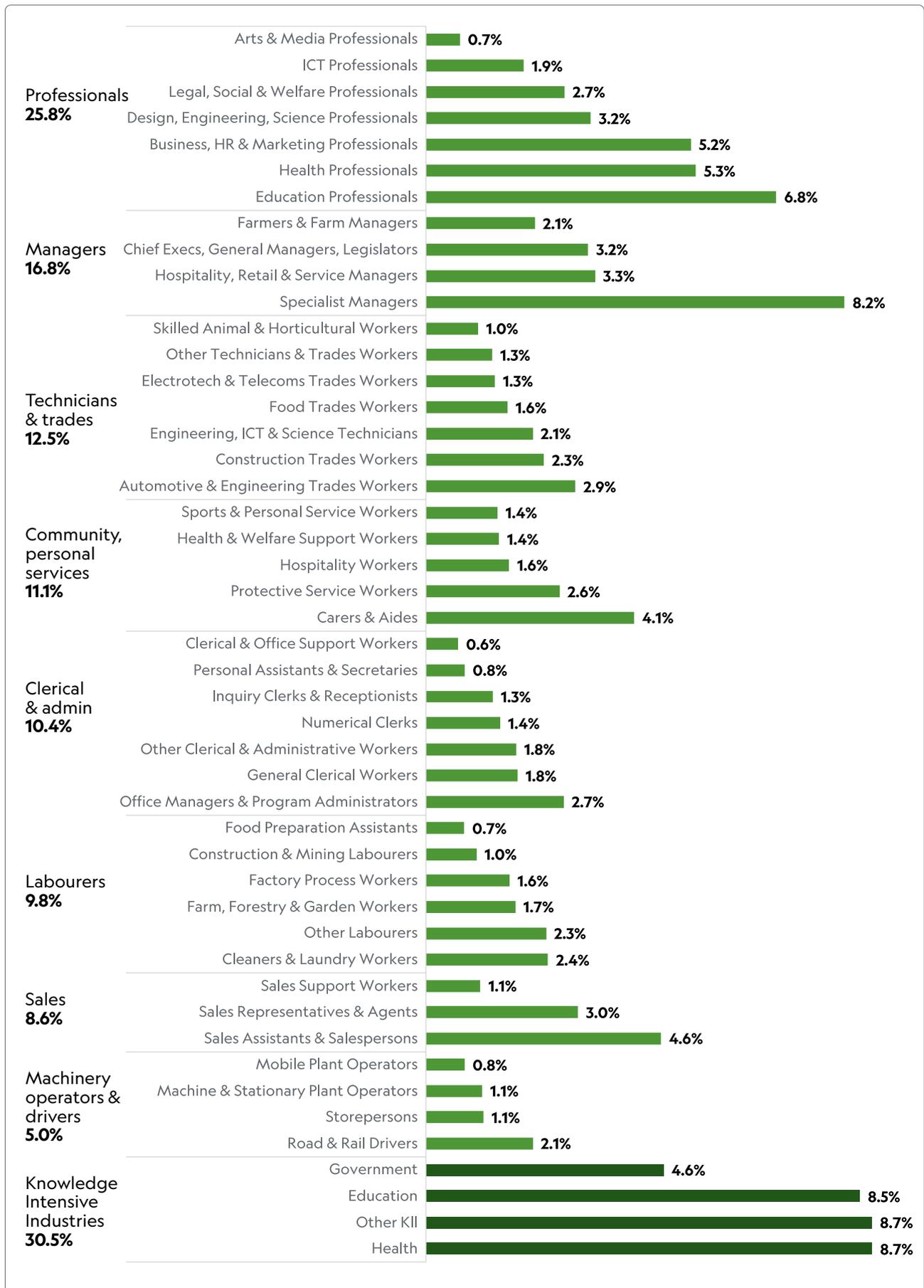
EMPLOYMENT BY OCCUPATION

Figure 12 provides a breakdown of employment across occupations in the region in 2024. Professionals were the largest group with 25.8% of the regional workforce employed in professional occupations and a further 16.8% in management roles.

Across the region, 21,461 people were employed in Knowledge Intensive Industry (KII) occupations.⁵ This is equal to 30.5% of the total regional workforce. This is slightly below the proportion of workers employed in Knowledge Intensive Industries nationally (33.0%).

⁵ KIIs include education, specialised health care, professional, scientific and technical services, government administration, financial and banking services, electricity and engineering services, pharmaceutical and technological manufacturing, information, media and telecommunications services.

Figure 12: Manawatū regional employment by occupation



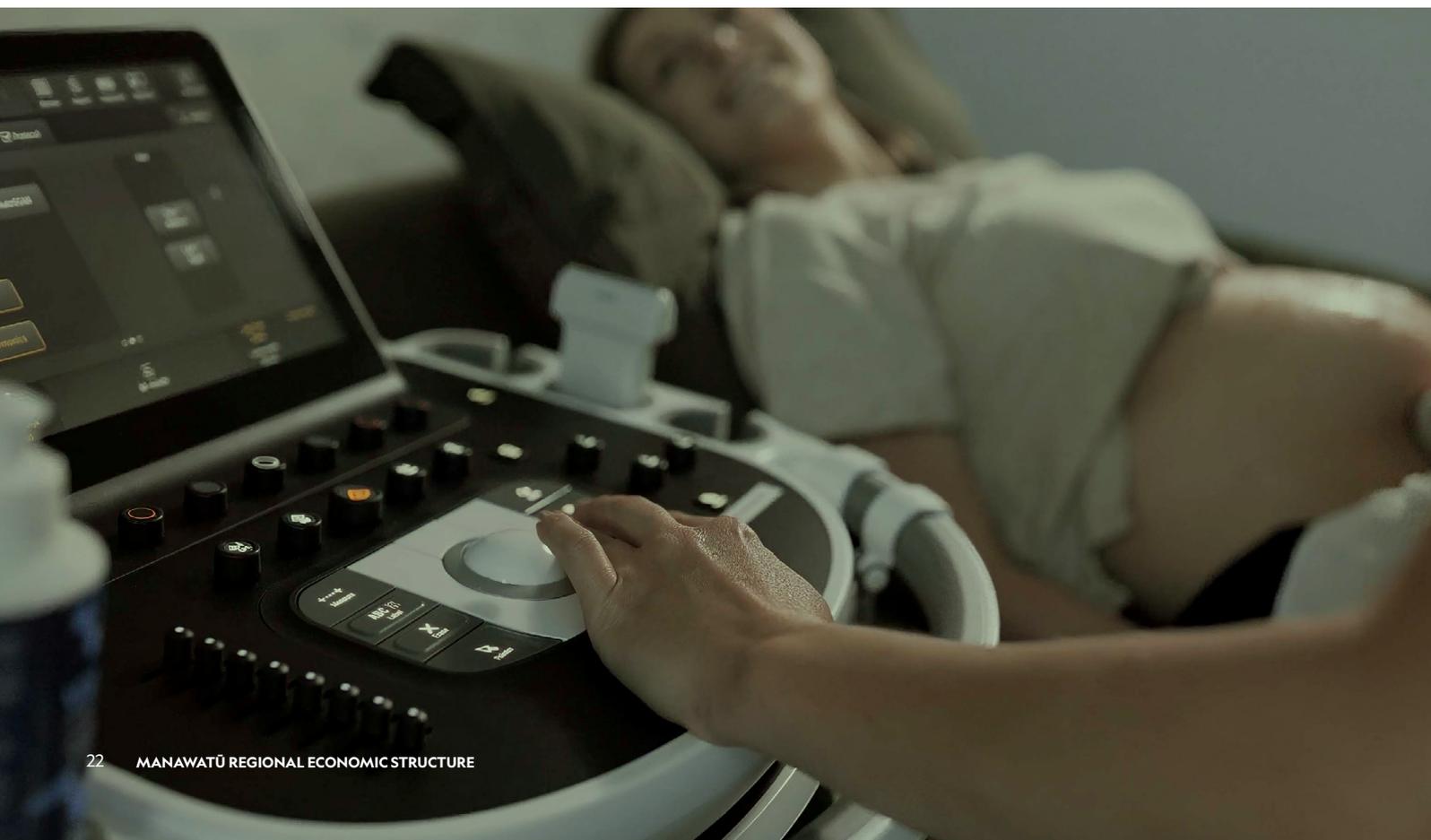
GROWTH ACROSS OCCUPATIONS

There was a total of 634 additional jobs created in the region over the year to March 2024. The following table summarises employment growth across occupations, ranked by growth over the March 2024 year. The table also summarises growth in occupations over ten-year and twenty-year timeframes.

Table 3: Growth in employment by occupation

	Industry	One-year growth	10-year growth	20-year growth
1	Professionals	+234 jobs +1.3%	+3,580 +24.6%	+6,060 +50.3%
	There were 18,114 people employed in professional roles in the region in March 2024. 'Education professionals' were the largest sub-occupation, with 4,810 professionals employed across the region. 'Health professionals' and 'business, HR & marketing professionals' were the second and third largest sub-occupations in the region, with 3,705 and 3,636 roles respectively. 'Health professionals' added the most roles over the year to March 2024 (+123). 'Health professionals' were also the largest growth occupation over the 5-years to March 2024, adding 549 roles. 'Business, HR & marketing professionals' were the largest growth occupation over the 10-years and 20-years to March 2024, with 909 and 1,409 roles added respectively, across the region.			
2	Community & personal service workers	+127 jobs +1.7%	+1,215 +18.4%	+2,037 +35.3%
	There were 7,808 community & personal service workers employed in the region in 2024. 'Carers & aides' were the highest growth occupation across all time frames, adding 67 new roles over the year, 471 new roles in the 10-years to March 2024, and 848 roles in the 20-years to March 2024. 'Sports and personal service workers' also grew strongly in the region over the 20-years to March 2024, adding 390 roles (+66.1%).			
3	Labourers	+116 jobs +1.7%	+990 +16.7%	+982 +16.6%
	There were 6,902 labourers employed across the region in March 2024. 'Factory process workers' were the largest growth occupation adding 54 jobs over the year and 231 jobs over the 10-years to March 2024. Despite increasing by just 5 annually, the number of 'construction labourers' almost doubled (+98.3%) over the 20-years to March 2024, adding 343 roles across the region.			
4	Sales workers	+61 +1.0%	+672 +12.5%	+750 +14.1%
	There were 6,054 people in sales worker occupations across the region in March 2024. 'Sales representatives and agents' were the largest growth occupation adding 33 roles over the year and 731 additional roles over the 20-years to March 2024.			
5	Machinery operators & drivers	+40 +1.1%	+590 +19.9%	+581 +19.6%
	Reflective of the region's growing capability in logistics and distribution, 'storepersons' and 'road and rail driver' occupations were the largest growth sub-occupations over the 20-years to March 2024. Specifically, the number of people employed as 'storepersons' across the region increased by 232 (+41.7%) while persons employed in 'road and rail driver' occupations increased by 353 (+31.7%).			

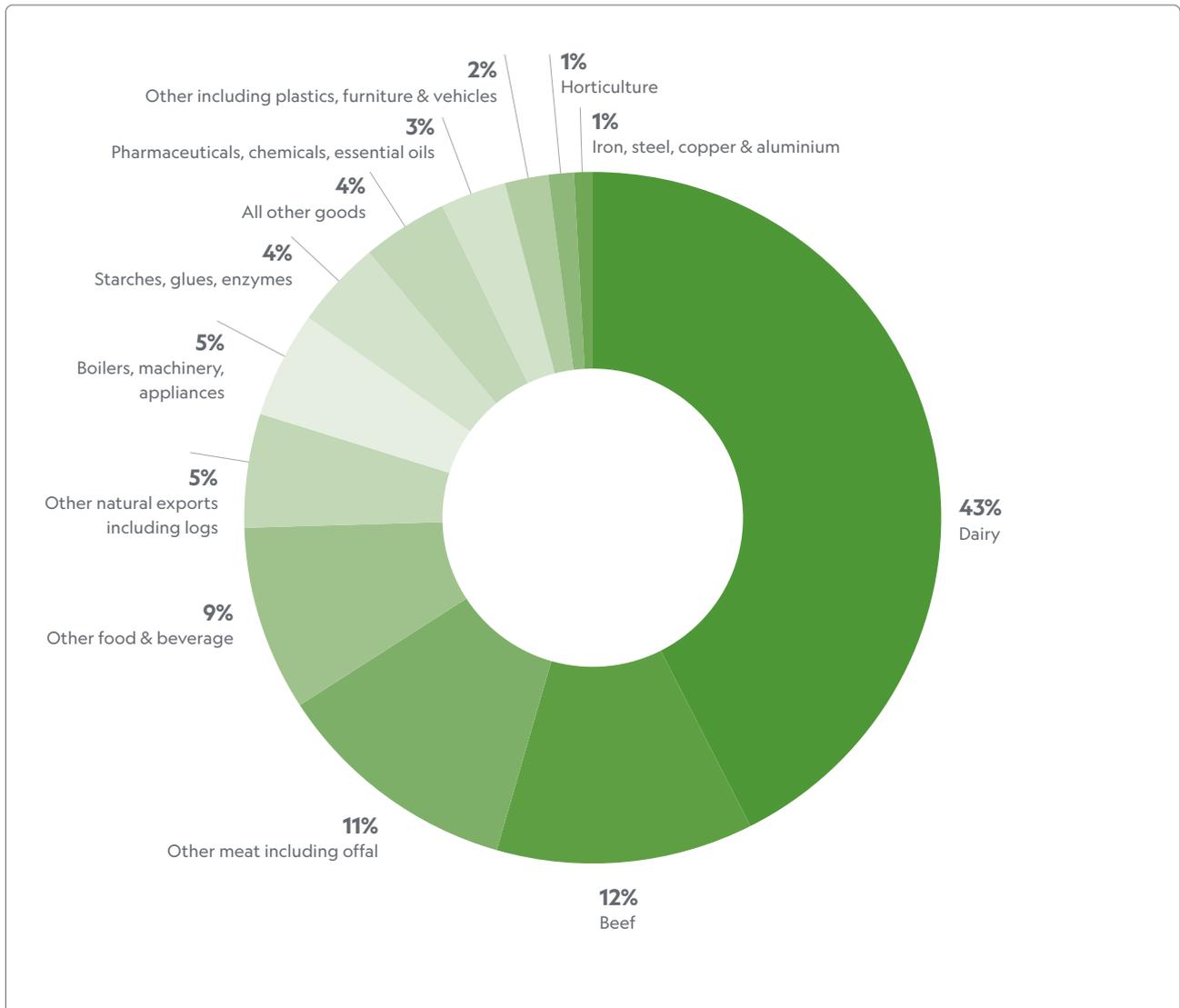
	Industry	One-year growth	10-year growth	20-year growth
6	Managers	+30 +0.3%	+1,771 +17.7%	+2,510 +27.1%
	There were 11,787 managers employed across the region in March 2024. Remaining reflective of the gradual recovery from COVID-19, 'hospitality, retail & service managers' was the highest growth sub-occupation over the year to March 2024, with 30 roles added across the region. Over the 20-years to March 2024, 'Specialist manager' roles were the largest growth occupation, increasing by 2,078 (+56.6%).			
7	Clerical & administration workers	+18 +0.2%	+707 +10.8%	+24 +0.3%
	There were 7,278 people employed in 'clerical & administration' occupations across the region in March 2024. 'Clerical & administrative' occupations have been affected by substitution to technology with more recent growth reflective of these trends. The number of 'office managers & 'program administrator' roles have consistently increased, rising 1,013 (+115.6%) over the 20 years to March 2024.			
8	Technicians & trade workers	+8 +0.1%	+1,763 +25.0%	+1,788 +25.4%
	There were 8,815 people employed in 'technician and trade' occupations in the region in March 2024. Reflective of current economic conditions, growth in the trades has been elevated over the longer time frames but has contracted across some sub-sectors over the year to March 2024. Specifically, the number of 'construction trades workers' has declined by 26 over the year to March 2024. In contrast, growth in 'construction trades workers' posted the strongest growth over 5-year growth, 10-year growth, and 20-year growth statistics for the region. Cyclical change is expected to return prospects to the long-term growth trajectory.			



EXPORT SECTOR

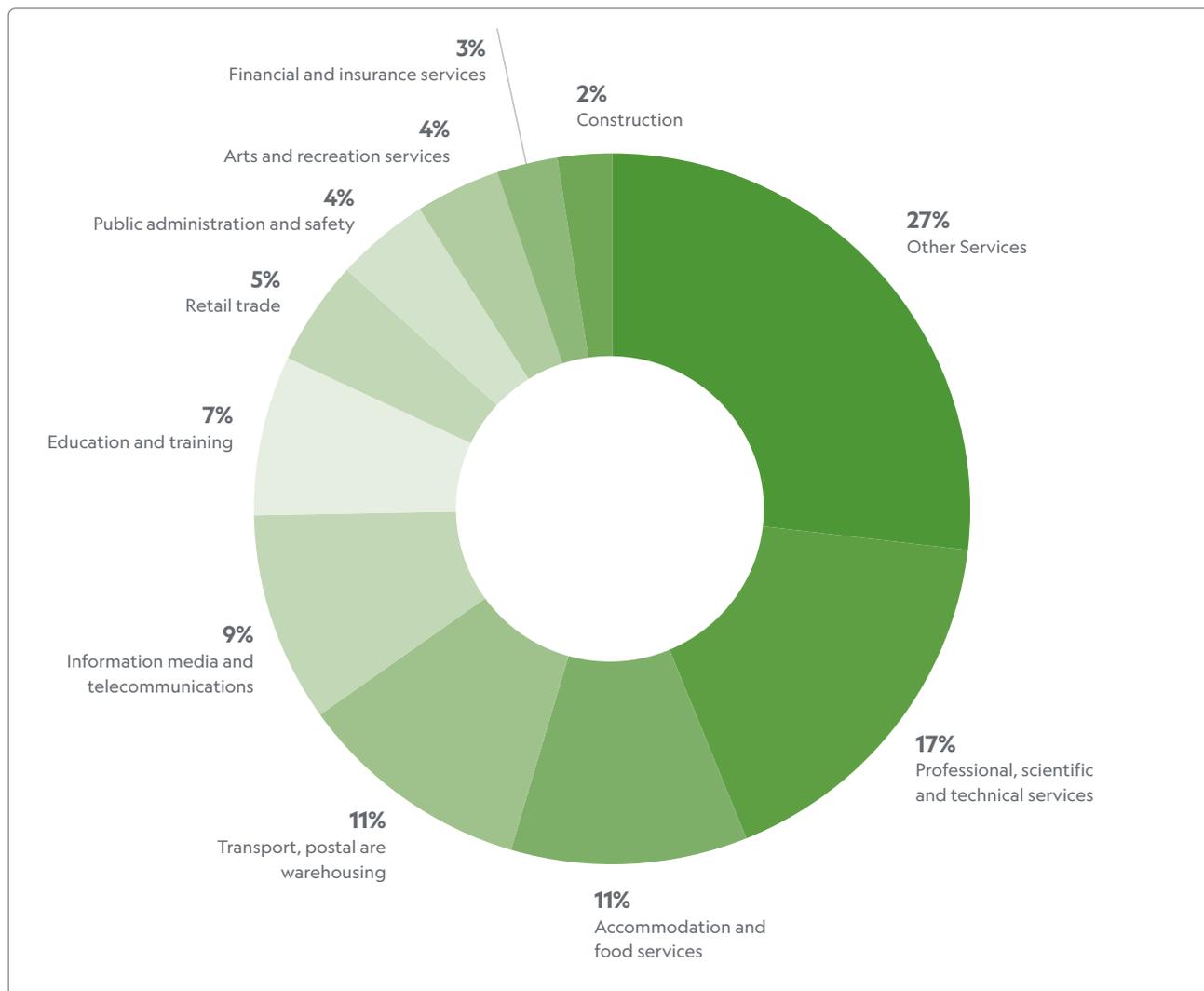
The Manawātū region exported \$1.514 billion in goods and services to the rest of the world in the year to March 2024. This comprises of \$1.18 billion in goods and \$334 million in services. The region has particular strength in beef and dairy exports as illustrated in figure 13 below. Lesser known strengths include the export of goods such as machinery and appliances, pharmaceuticals and high-end pet foods for international markets.

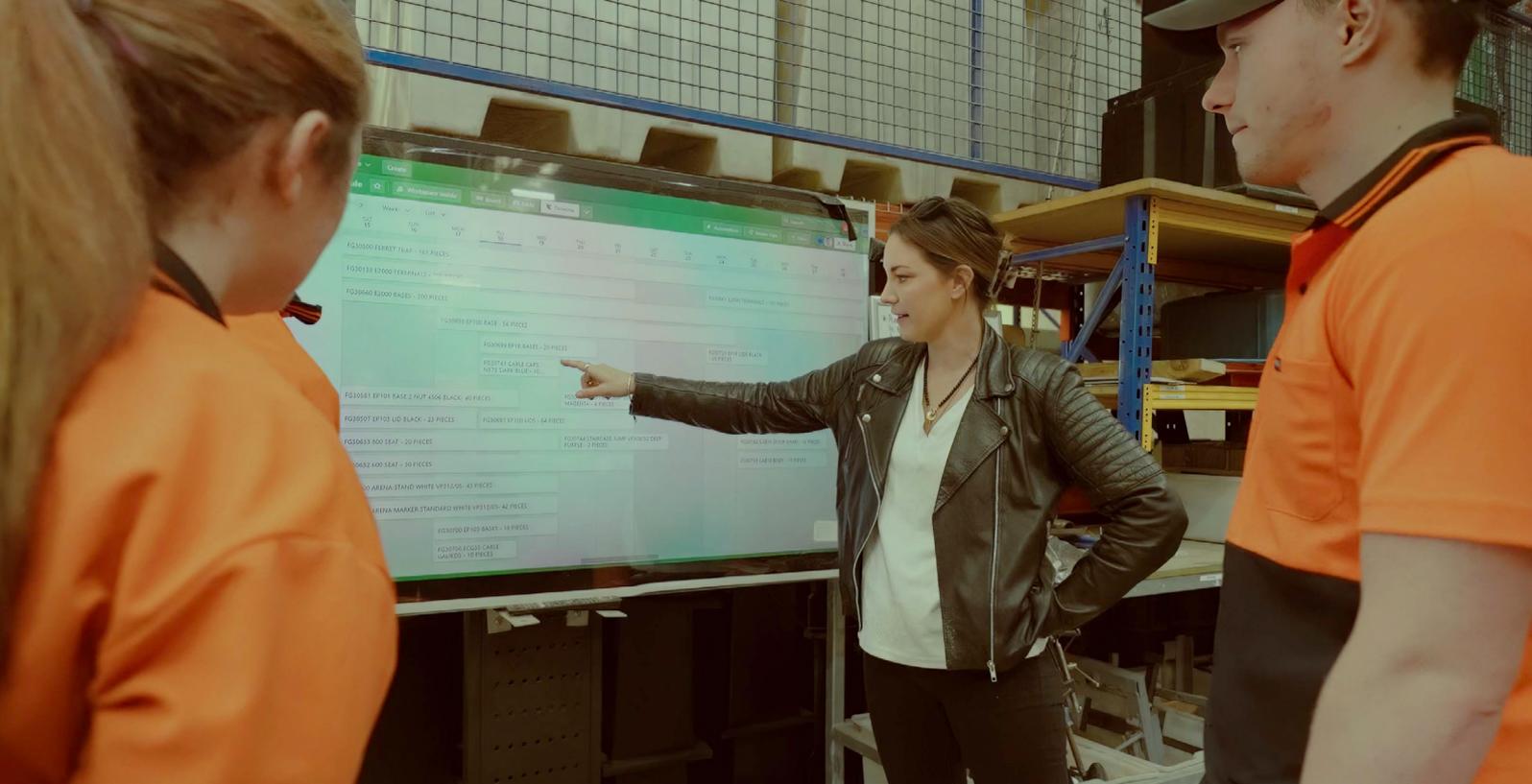
Figure 13: Manawātū regional goods exports (Year ended March 2024)



The region's service sector exports are dominated by 'other services' contributing \$89.9 million (26.8%) to the total. This is followed by 'professional, scientific and technical services' with \$57 million in regional exports (17%) and 'accommodation and food services' selling \$35.7 million in services (10.7%) to the rest of the world over the year.

Figure 14: Manawatū regional services exports (Year ended March 2024)





SUMMARY

The weaker short-term economic outlook has become evident over the year to March 2024. Regional data for the period reflects this weakness across sectors of the economy most vulnerable to the sharp contraction of spending across the domestic economy. The analysis also reflects the relative strength of the regional economy due to our industry structure including the clustering of critical public sector activities in the region. These large public sector activities located in the region, are less exposed to domestic economic cycles. The dominance of the Manawatū region in the production of quality food products for export, has also supported regional economic activity with global demand for quality New Zealand food holding up. These factors alongside continued investment in infrastructure, have combined to cushion the impact of wider economic conditions on the regional economy.

The pressure on sectors most exposed to weak consumer and business demand and a downturn in private and public investment will begin to recover as interest rates fall and households and government feel confident to increase spending once more. The Reserve Bank of New Zealand (RBNZ) expects national GDP to rebound 3.0% in the year to September 2026, with growth reaching 2.2% over the year to March 2026.⁶ This is projected alongside an increase in private consumption, and business and residential investment. This implies the New Zealand economy is in the early stages of recovery in the second quarter of 2025. As confidence grows, the increase in spending across the economy will lead to more jobs and a broad based recovery in the New Zealand economy. The RBNZ projects 60,000 more jobs will be generated across the domestic economy over the year to June 2026.

The economic outlook for the domestic economy is improving with growth expected to turn positive from the second quarter of 2025. Signs of recovery to date have been gradual and uneven, but it is anticipated that the recovery will gather pace providing relief for sectors most impacted by the recent weakness in economic activity. Combined with the contribution of the region's large stable sectors, the regional economy is expected to return to growth in late 2025.

6 RBNZ Monetary Policy Statement May 2025

APPENDIX A //

MANAWATŪ REGIONAL ECONOMY SUMMARY STATISTICS

Table A1: Summary statistics by 1-digit industry and combined industry level – Manawatū region

	Industry	One-year growth	10-year growth	20-year growth
Public administration and safety services ⁷	GDP \$937.7m	+\$30.0m +3.3%	+\$230.7m +32.6%	+\$410.6m +77.9%
	Employment 7,273	+12 +0.2%	+1,614 +28.5%	+2,368 +56.9%
	GDP per worker \$128,929	+\$3,919 +3.1%	+\$3,995 +3.2%	+\$15,207 13.4%
	Earnings (2023) \$517,452,600	+\$9,370,600 +1.8%	+\$243,920,400 +81.5%	+\$367,149,600 +222.1%
	Average earnings per worker \$85,614	+\$1,759 +2.1%	+\$23,035 +35.1%	+\$44,424 +103.7%
Health care and social assistance	GDP \$738.6m	+\$35.4m +5.0%	+\$188.9m +34.4%	+\$309.9m +72.3%
	Employment 9,028	+255 +2.9%	+1,403 +18.4%	+2,681 +42.2%
	GDP per worker \$81,812	+\$1,657 +2.1%	+\$9,720 +13.5%	+\$14,628 +21.1%
	Earnings (2023) \$637,226,500	+\$54,623,000 +8.6%	+\$269,443,500 +71.2%	+\$465,609,900 +250.1%
	Average earnings per worker \$72,635	+\$5,600 +7.7%	+\$24,108 +48.6%	+\$43,826 +149.4%

⁷ The earnings information provided, is based on data for Palmerston North due to the suppression of data for the Manawatū district. The employment data used to derive 'Average earnings per worker' has been amended to only include Palmerston North.

	Industry	One-year growth	10-year growth	20-year growth
Rental, hiring and real estate services	GDP \$673.0m	+\$19.5m +3.0%	+\$201.2m +42.6%	+\$273.8m +68.6%
	Employment 1,655	-7 -0.4%	+534 +47.2%	+509 +44.0%
	GDP per worker \$404,204	+13,355 +3.4%	-\$12,949 -3.1%	+58,875 +17.0%
	Earnings (2023) \$112,923,300	+\$105,100 +0.1%	+60,024,500 +113.6%	\$71,822,600 +166.0%
	Average earnings per worker \$67,538	-\$5,389 -8.0%	+\$20,776 +44.5%	+\$34,631 +92.5%
Construction	GDP \$631.5m	-\$23.7m -3.6%	+\$229.0m +56.9%	+\$288.8m +84.3%
	Employment 6,841	-89 -1.3%	+2,453 +55.9%	+3,167 +86.2%
	GDP per worker \$92,311	-\$2,234 -2.4%	+\$584 +0.6%	-\$966 -1.0%
	Earnings (2023) \$500,716,800	+\$44,812,900 +5.9%	+\$304,293,900 +163.5%	+396,130,200 +342%
	Average earnings per worker \$72,254	+\$4,076 +5.2%	+\$29,216 +68.9%	+\$42,243 +134.0%
Wholesale trade	GDP \$610.4m	-\$23.9m -3.8%	+\$156.8m +34.6%	+\$306.6m +100.9%
	Employment 4,227	+109 +2.6%	+840 +24.0%	+1,573 +56.9%
	GDP per worker \$140,775	-\$9,284 -6.2%	-\$11,027 +8.5%	+\$30,822 +28.0%
	Earnings (2023) \$334,482,600	+\$45,723,100 +13.7%	+140,358,000 +69.4%	+\$230,402,200 +211.7%
	Average earnings per worker \$79,130	+\$8,598 -2.0%	+\$23,777 +41.1%	+\$41,310 +104.9%

	Industry	One-year growth	10-year growth	20-year growth
Professional, scientific and technical services	GDP \$543.0m	+\$2.3m +0.4%	+\$170.0m +45.6%	+\$200.8m +58.7%
	Employment 4,217	+93 +2.3%	+624 +17.4%	+955 +29.3%
	GDP per worker \$128,765	-\$2,346 -1.8%	+\$24,952 +24.0%	+\$23,860 +22.7%
	Earnings (2023) \$361,213,500	+\$32,826,700 +9.1%	+\$131,464,900 +54.3%	+\$223,021,200 +140.7%
	Average earnings per worker \$87,588	+\$4,072 +4.6%	+\$23,052 +34.2%	+\$42,040 +86.5%
Retail trade	GDP \$480.2m	-\$27.6m -5.4%	+\$91.1m +23.4%	+\$186.0m +63.2%
	Employment 6,245	+36 +0.6%	+221 -3.7%	+529 +9.3%
	GDP per worker \$76,894	-\$4,891 -6.0%	+\$12,302 +19.0%	+\$25,424 +49.4%
	Earnings (2023) \$309,093,500	+\$19,166,500 +6.2%	+\$98,897,400 +46.0%	+\$177,851,100 +127.5%
	Average earnings per worker \$49,782	+\$2,010 +4.0%	+\$15,486 +43.4%	+\$26,370 +108.1%
Manufacturing	GDP \$468.4m	-\$29.9m -6.0%	+\$63.5m +15.7%	+\$1.9m +0.4%
	Employment 5,169	-77 -1.5%	+827 +19.0%	-107 -2.0%
	GDP per worker \$90,617	-\$4,370 -4.6%	-\$2,635 -2.8%	+\$2,198 +2.5%
	Earnings (2023) \$375,273,900	+\$22,417,600 +6.0%	+\$160,208,200 +70.9%	+\$183,234,400 +93.7%
	Average earnings per worker \$71,535	+\$3,416 +4.8%	+\$21,855 +42.0%	+\$35,640 +96.2%

	Industry	One-year growth	10-year growth	20-year growth
Education & training	GDP \$464.3m	-\$20.7m -4.3%	-\$22.0m +4.5%	-\$95.0m -17.0%
	Employment 6,872	-246 +3.5%	+337 +5.2%	+245 +3.7%
	GDP per worker \$67,564	-\$573 -0.8%	-\$6,851 +11.3%	-\$16,833 -19.9%
	Earnings (2023) \$473,805,600	+\$4,584,000 +12.8%	+\$126,225,000 +35.7%	+\$243,483,000 +92.9%
	Average earnings per worker \$66,564	+\$1,250 +1.9%	+\$12,867 +23.8%	+\$28,912 +73.1%
Agriculture, forestry, fishing & mining	GDP \$416.7m	+\$18.1m +4.5%	+\$62.2m +17.5%	+\$27.6m +7.1%
	Employment 3,005	-14 -0.5%	-5 -0.2%	-437 -12.7%
	GDP per worker \$247,595	+\$8,226 +3.4%	+\$56 0.0%	-\$80,669 -24.6%
	Earnings (2023) \$184,692,200	-\$16,536,800 -9.0%	+\$75,319,800 +52.8%	+\$100,490,500 +117.7%
	Average earnings per worker \$62,061	-\$5,173 -8.3%	+\$25,073 +52.4%	+\$38,903 +155.9%
Financial and insurance services	GDP \$332.0m	+\$14.9m +4.7%	+\$119.7m +56.4%	+\$132.2m +66.2%
	Employment 1,419	+67 +5.0%	+428 +43.2%	+482 +51.4%
	GDP per worker \$233,968	-\$574 -0.2%	+\$19,740 +9.2%	+\$20,734 +9.7%
	Earnings (2023) \$143,654,400	+\$19,253,400 +13.4%	+\$78,573,300 +114.1%	+\$103,034,000 +243.2%
	Average earnings per worker \$106,253	+\$8,223 +7.7%	+\$40,181 +57.8%	+\$60,918 +134.7%

	Industry	One-year growth	10-year growth	20-year growth
Transport, postal & warehousing	GDP \$287.4m	-\$11.5m -3.8%	+\$36.4m +14.5%	+\$68.2m +31.1%
	Employment 2,469	+75 +3.1%	+215 +9.5%	+305 +14.1%
	GDP per worker \$116,403	-\$8,450 -6.8%	+\$5,046 +4.5%	+\$15,110 +14.9%
	Earnings (2023) \$175,176,800	+\$659,500 +0.4%	+\$65,815,200 +60.4%	+\$106,301,400 +143.6%
	Average earnings per worker \$73,173	+\$1,088 +1.5%	+\$24,996 +51.7%	+\$39,178 +114.6%
Other services	GDP \$162.1m	+\$7.0m +4.5%	+\$51.6m +46.7%	+\$52.8m +48.3%
	Employment 3,081	+62 +2.1%	+764 +33.0%	+942 +20.5%
	GDP per worker \$52,613	+\$1,238 +2.4%	+\$4,922 +10.3%	+\$1,514 +3.0%
	Earnings (2023) \$162,625,800	+\$8,958,500 +5.5%	+\$76,931,100 +87.2%	+\$108,909,800 +186.7%
	Average earnings per worker \$53,867	+\$2,577 +4.8%	+\$17,371 +45.6%	+\$27,943 +102.5%
Administrative & support services	GDP \$159.1m	+\$9.4m +6.3%	+\$40.4m +34.0%	+\$46.6m +41.4%
	Employment 2,885	+148 +5.4%	+194 +7.2%	+490 +20.5%
	GDP per worker \$55,147	+\$452 +0.8%	+\$11,037 +25.0%	+\$8,174 +17.4%
	Earnings (2023) \$135,922,900	+\$13,172,400 +9.7%	+\$64,204,700 +80.7%	+\$88,002,700 +162.5%
	Average earnings per worker \$49,661	+\$4,764 +9.6%	+\$20,543 +69.4%	+\$27,548 +121.8%

	Industry	One-year growth	10-year growth	20-year growth
Accommodation & food services	GDP \$134.2m	-\$10.8m -7.4%	+\$23.5m +21.2%	-\$30.0m +28.8%
	Employment 3,387	+103 2.7%	+574 +17.3%	+586 +17.8%
	GDP per worker \$34,525	-\$3,794 -9.9%	+\$1,112 +3.3%	-\$2,959 +9.4%
	Earnings (2023) \$133,159,800	-\$12,106,500 -9.1%	+\$55,978,600 +70.3%	+\$84,778,300 +161.6%
	Average earnings per worker \$35,190	-\$353 -1.0%	+\$11,929 +49.6%	+\$19,703 +124.0%
Electricity, gas, water & waste services	GDP \$104.8m	+\$17.5m 20.0%	+\$36.6m +53.7%	-\$28.5m -21.4%
	Employment 371	+83 +28.8%	+180 +94.2%	+150 +679%
	GDP per worker \$282,480	-\$20,645 -6.8%	-\$74,588 -20.9%	-\$320,688 -53.2%
	Earnings (2023) \$24,902,100	+\$206,300 +0.8%	-\$10,718,700 +71.0%	+\$15,693,500 +147.8%
	Average earnings per worker \$86,466	+\$117 +0.1%	+\$23,147 +29.3%	+\$42,194 +87.6%
Information, media & telecommunications	GDP +100.0m	+\$2.3m +2.4%	+\$24.2m +31.9%	+\$46.0m +85.2%
	Employment 489	+21 +4.5%	-37 -7.0%	-155 -24.1%
	GDP per worker \$204,499	-\$4,262 -2.0%	+\$60,393 +41.9%	+\$120,648 +143.9%
	Earnings (2023) \$31,894,200	-\$1,782,900 -5.6%	-\$1,097,600 -4.1%	+\$14,193,900 +77.0%
	Average earnings per worker \$68,150	\$1,594 +2.3%	+\$17,158 +33.3%	+\$39,228 +137.0%

	Industry	One-year growth	10-year growth	20-year growth
Arts & recreation services	GDP +88.1m	+\$0.9m +1.0%	+\$22.3m +33.9%	+\$6.4m +7.8%
	Employment 1,052	-4 -0.4%	+116 +12.4%	+942 +20.5%
	GDP per worker \$83,745	+\$1,169 +1.4%	+\$13,446 +19.1%	-\$9,840 -10.5%
	Earnings (2023) \$45,585,800	+\$1,281,800 +2.8%	+\$18,919,500 +65.5%	+\$30,279,600 +172.9%
	Average earnings per worker \$43,427	\$2,075 +4.8%	+\$14,240 +46.1%	+\$24,990 +124.5%
Total	GDP⁸ \$7,331.5m	+9.2m +0.1%	+\$1,726.1m +30.8%	+\$2,264.7m +44.7%
	Employment 70,304	+627 +0.9%	+11,282 +19.1%	+14,732 +26.5%
	GDP per worker \$104,283	-\$806 -0.8%	+\$9,311 +9.8%	+\$13,107 +14.4%
	Earnings (2023) \$4,762,676,600	+\$247,930,800 +5.2%	+\$1,972,756,100 +67.9%	+\$3,056,021,600 +165.0%
	Average earnings per worker \$68,354	+\$2,977 +4.4%	+\$20,940 +42.5%	+\$36,468 +109.4%
Combined sectors				
Logistics and distribution ⁹	GDP \$897.7m	+\$44.8m +5.3%	+\$229.3m +34.3%	+\$356.5m +65.9%
	Employment 6,805	+184 +2.8%	+1,055 +18.3%	+1,878 +38.1%
	GDP per worker \$131,918	+\$3,100 +2.4%	+\$15,674 +13.5%	+\$22,074 +20.1%
	Earnings (2023) \$509,659,400	+\$46,382,600 +9.1%	+\$206,173,200 +66.2%	+\$336,703,600 +184.1%
	Average earnings per worker \$76,976	+\$5,867 +7.6%	+\$24,443 +45.2%	+\$40,778 +109.9%

8 GDP from non-employed sectors are excluded. Total GDP including owner-occupied property operation and unallocated is \$8,741.6m.

9 The logistics and distribution sector includes 'wholesale trade' and 'transport, postal and warehousing services'.

	Industry	One-year growth	10-year growth	20-year growth
Retail sector ¹⁰	GDP \$631.1m	+\$3.2m +0.5%	+\$192.3m +43.8%	+\$207.2m +48.9%
	Employment 10,132	+139 +1.4%	+795 +8.5%	+1,115 +12.4%
	GDP per worker \$62,288	-\$546 -0.9%	+\$15,292 +32.5%	+\$15,277 +32.5%
	Earnings (2023) \$442,253,300	+\$7,060,000 +1.6%	+\$154,876,000 +52.6%	+\$262,629,400 +136.8%
	Average earnings per worker \$44,256	+\$1,405 +3.2%	+\$13,836 +43.8%	+\$23,681 +111.2%

10 The retail sector includes 'retail trade', and 'accommodation and food services'.



APPENDIX B //

KEY SECTOR PROFILES

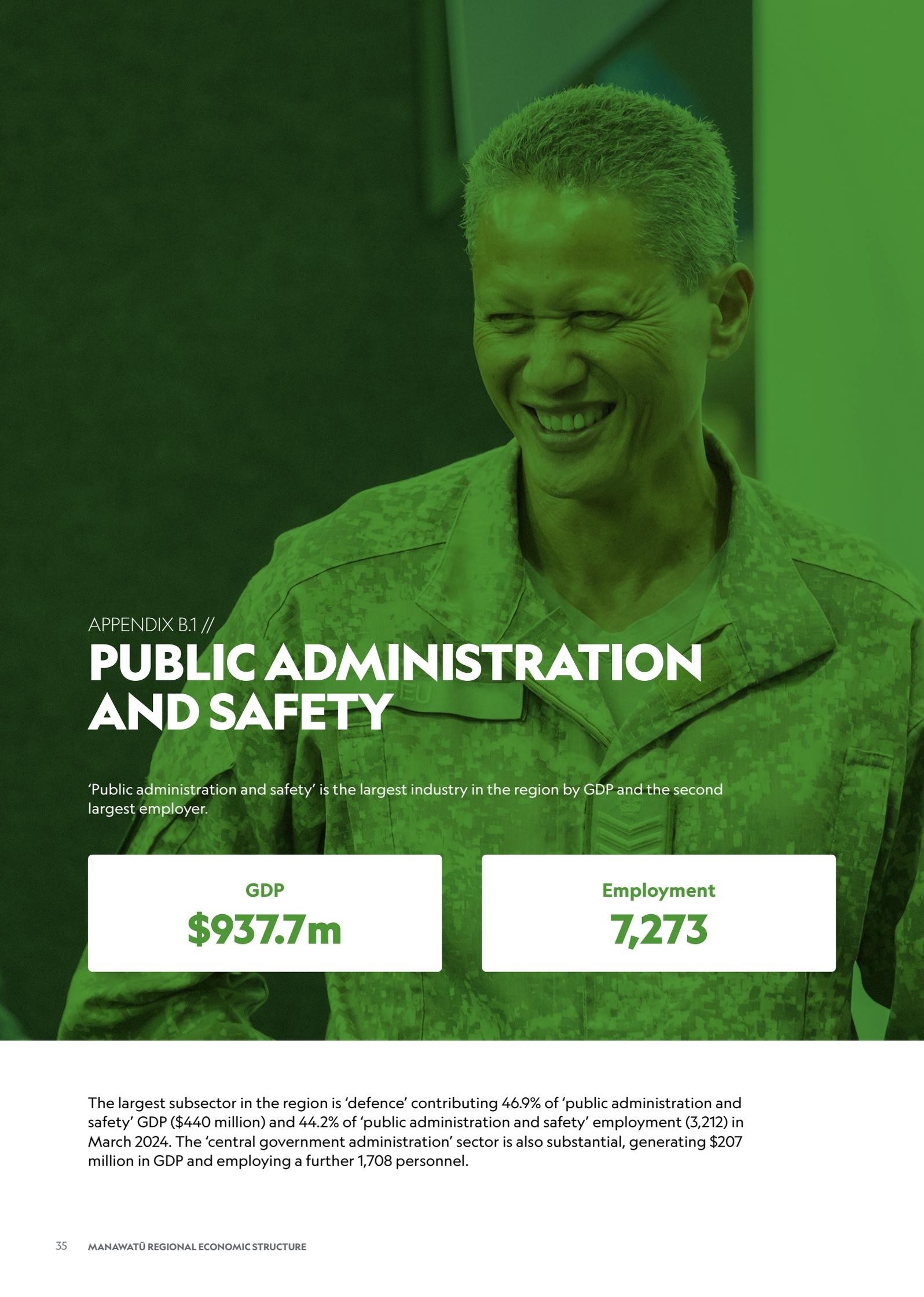
Appendix B profiles the following key sectors in the region.

- **Appendix B.1.** **Public administration and safety**
- **Appendix B.2.** **Healthcare and social assistance**
- **Appendix B.3.** **Construction**
- **Appendix B.4.** **Retail sector**
- **Appendix B.5.** **Manufacturing**
- **Appendix B.6.** **Education and training**

These key sectors make both a significant contribution to regional GDP and are also large scale employers. Please note, individual sector profiles are developed for the regional logistics, agrifood, and tourism sectors therefore are not included in the following profiles. The 'professional, scientific and technical services' sector is also a significant contributor to the Manawatū regional economy. A cross-sector research, science, and innovation sector profile is under consideration.

The profiles are designed to be picked up and utilised as a resource by individual sectors, therefore explanations of particular indicators are repeated within each profile.





APPENDIX B.1 //

PUBLIC ADMINISTRATION AND SAFETY

'Public administration and safety' is the largest industry in the region by GDP and the second largest employer.

GDP

\$937.7m

Employment

7,273

The largest subsector in the region is 'defence' contributing 46.9% of 'public administration and safety' GDP (\$440 million) and 44.2% of 'public administration and safety' employment (3,212) in March 2024. The 'central government administration' sector is also substantial, generating \$207 million in GDP and employing a further 1,708 personnel.

Figure B.1.1.: GDP by 'public administration and safety' subsector - March 2024 (top 10 subsectors)

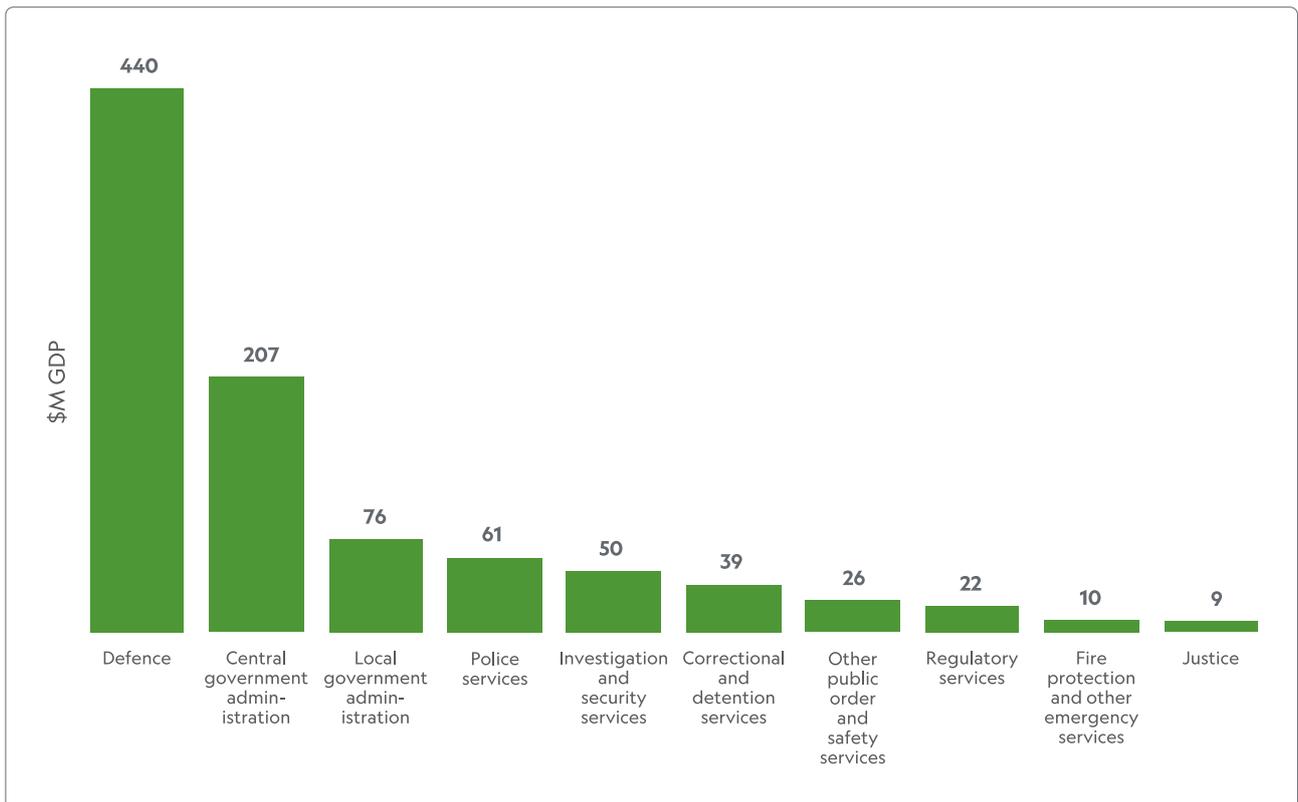


Figure B.1.2: Employment by 'public and administration' subsector - March 2024 (top 10 subsectors)

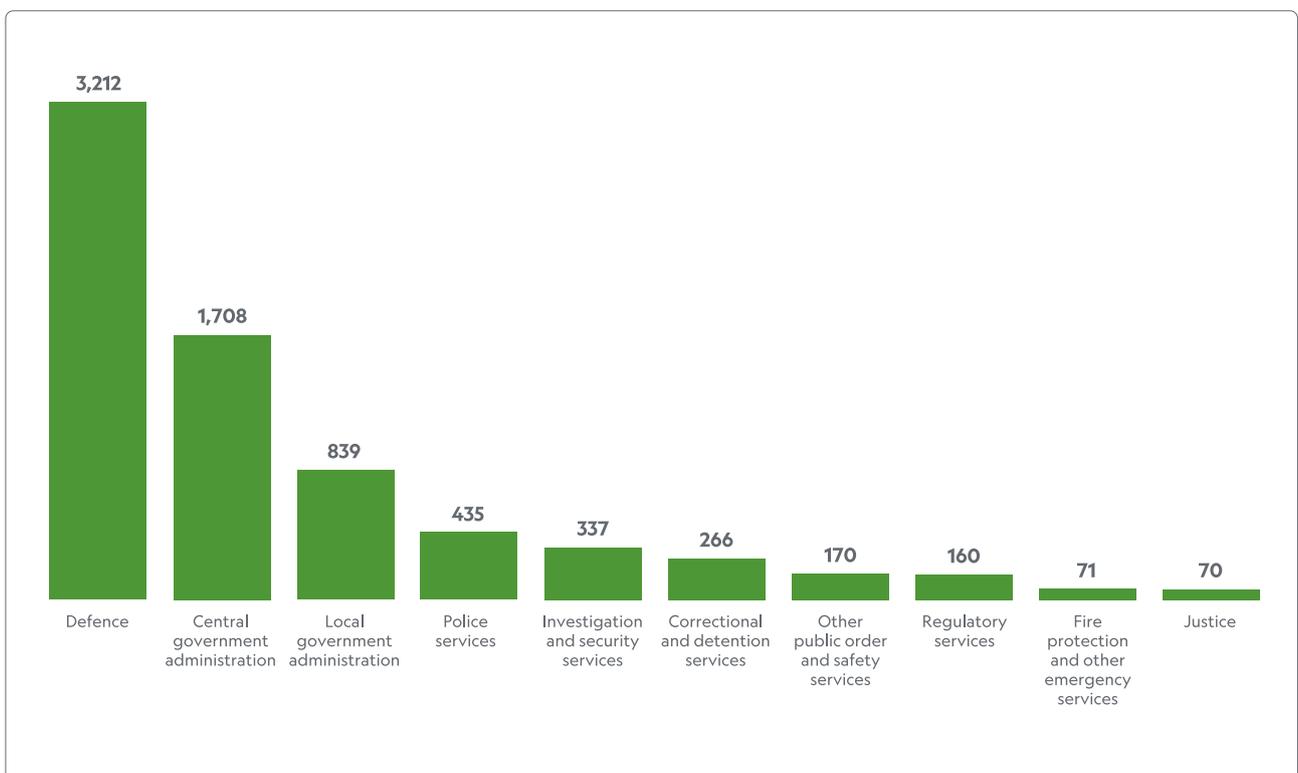


Figure B.1.3: Growth subsectors GDP – ‘public administration and safety’ (top 7 subsectors)

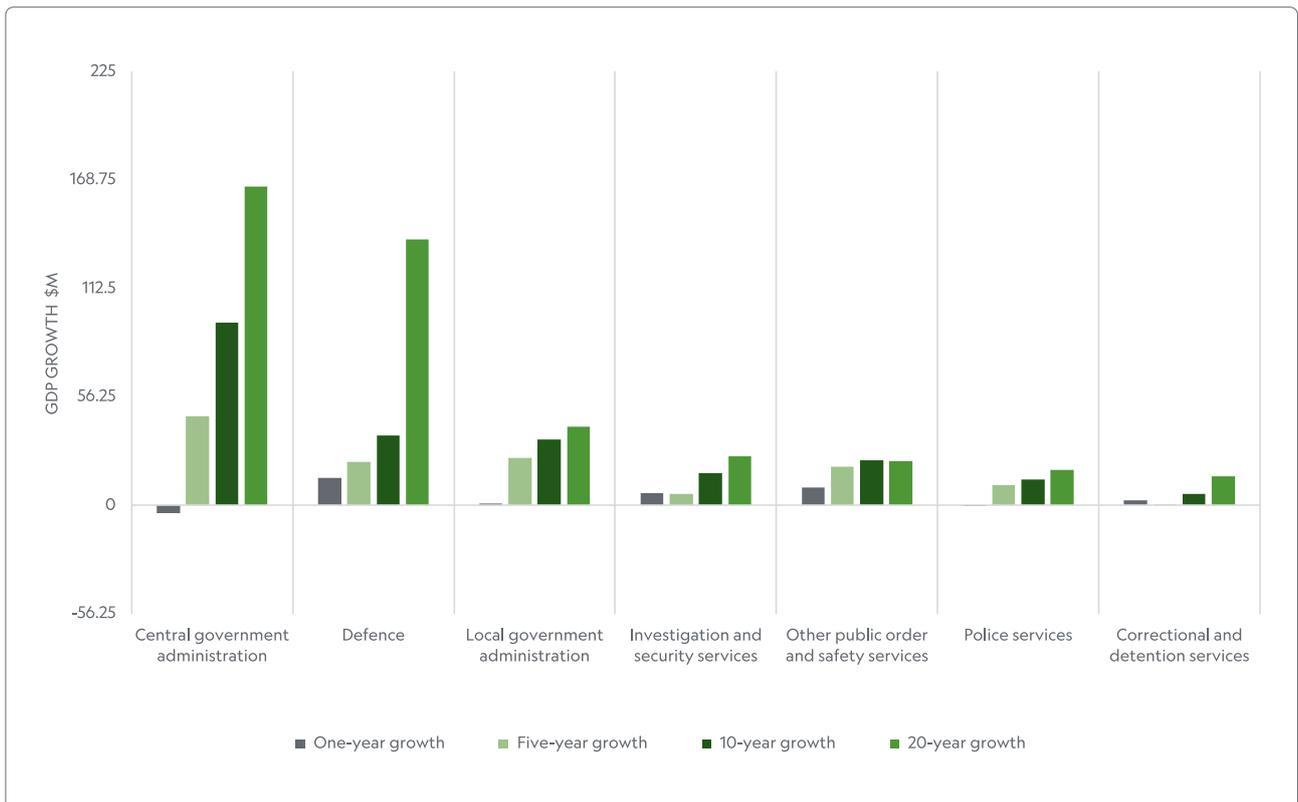
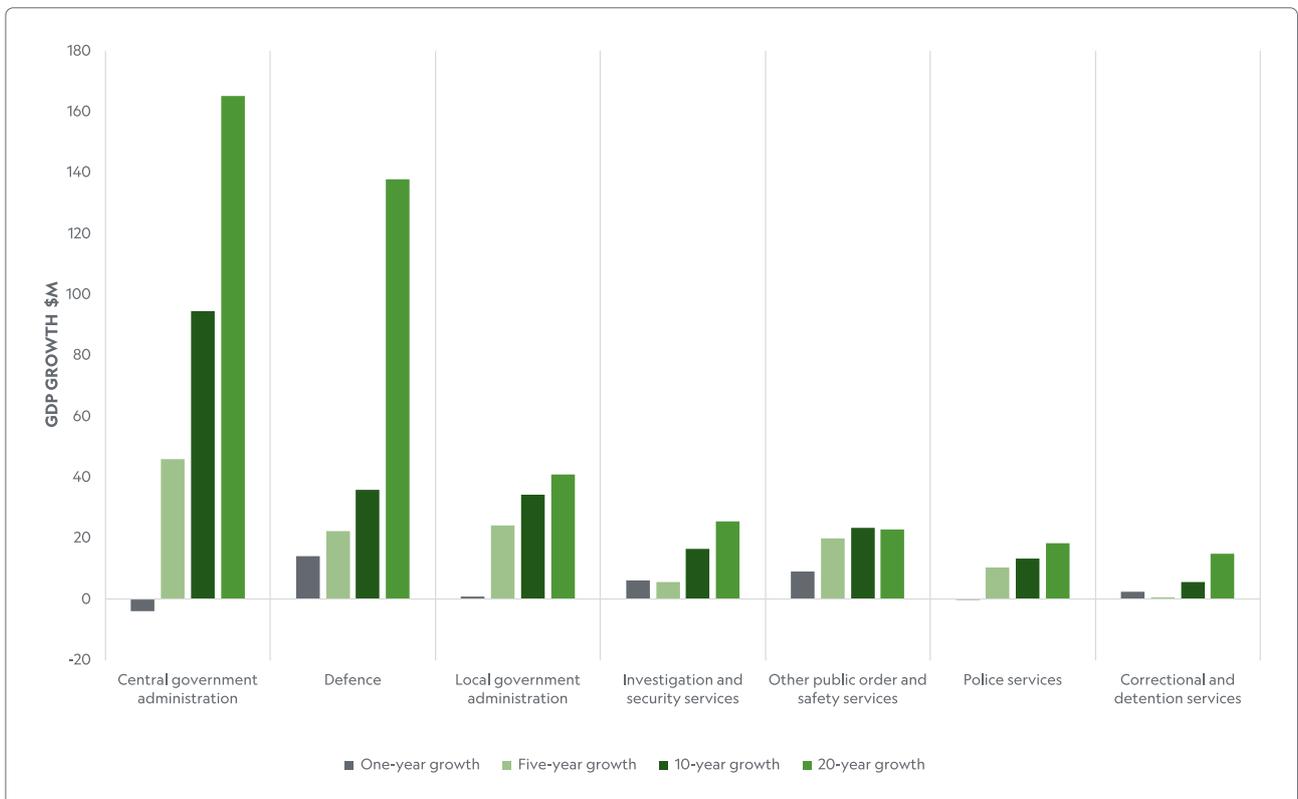


Figure B.1.4: Growth subsectors employment – ‘public administration and safety’ (top 7 subsectors)

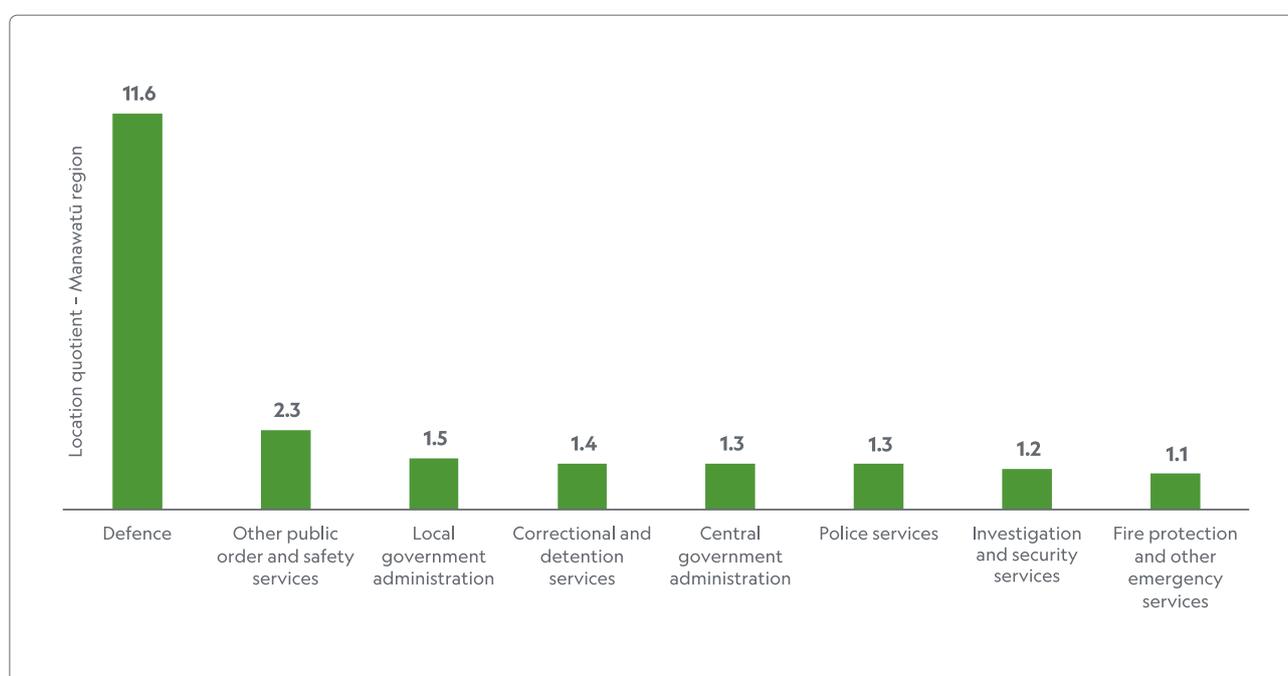


REGIONAL COMPARATIVE ADVANTAGE

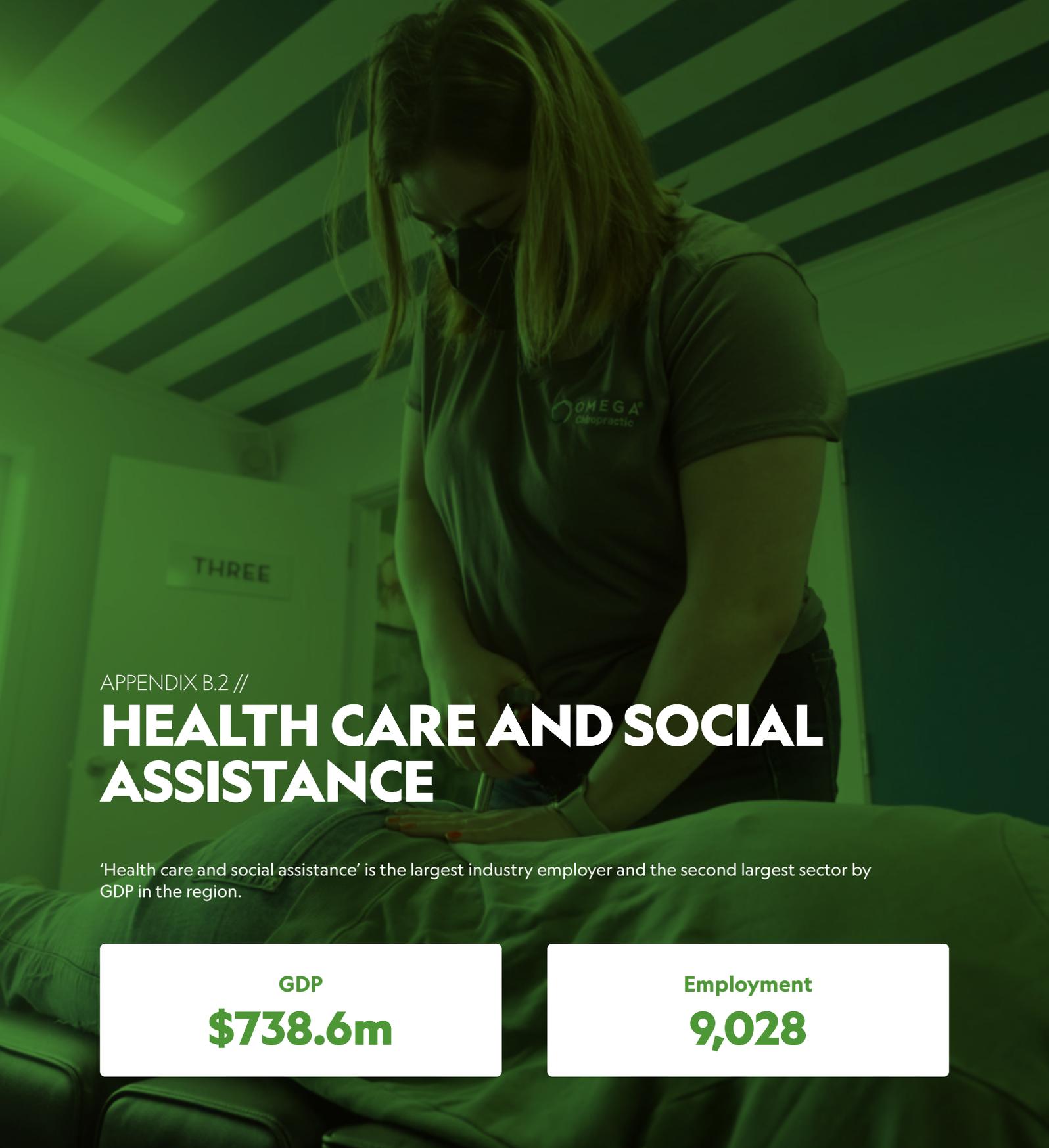
The Location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This measure is often used as an indicator of comparative advantage.¹¹ Where the percentage of the local workforce employed in that sector exceeds the national percentage, the LQ ratio is > 1. A LQ of >1 implies a comparative advantage in the production of that particular good or service.

The region's strength in 'public administration and safety' reflects the efficiency of delivery of public services in the region. This is reflected in the LQ for the region, with 1.9 times the total workforce employed in the 'public administration and safety' sector relative to the national average. A comparative advantage implies greater efficiency in the production of particular goods and services, relative to the national economy. Having a comparative advantage means an area is more likely to attract further investment and clustering of businesses required to produce that good or service. The graph below reflects the comparative advantage of the region in the 'public administration and safety' subsectors.

Figure B.1.5: Comparative advantage of the Manawatū region in the delivery of 'public administration and safety' services



¹¹ The Location Quotient (LQ) is used as a proxy for comparative advantage by sector and location. LQ is calculated by dividing the proportion of labour employed in a sector by area, with the proportion of labour employed in that sector at the national level. Specifically, where a region has a higher proportion of the total workforce employed in a particular sector, it implies that region has an advantage in delivering these particular goods or services.



APPENDIX B.2 //

HEALTH CARE AND SOCIAL ASSISTANCE

'Health care and social assistance' is the largest industry employer and the second largest sector by GDP in the region.

GDP
\$738.6m

Employment
9,028

The largest subsector in the region is 'hospitals' contributing 31.2% of 'health care and social assistance' GDP (\$230.6 million) and 31.4% of 'health care and social assistance' employment (2,839) in March 2024. 'Health care' services make up 64.1% of total GDP from the region's 'health care and social assistance' sector and 64.4% of employment. 'Social assistance' generates 35.9% of total 'health care and social assistance' GDP and 35.6% of total employment.

Figure B.2.1: GDP by 'healthcare and social assistance' subsector - March 2024

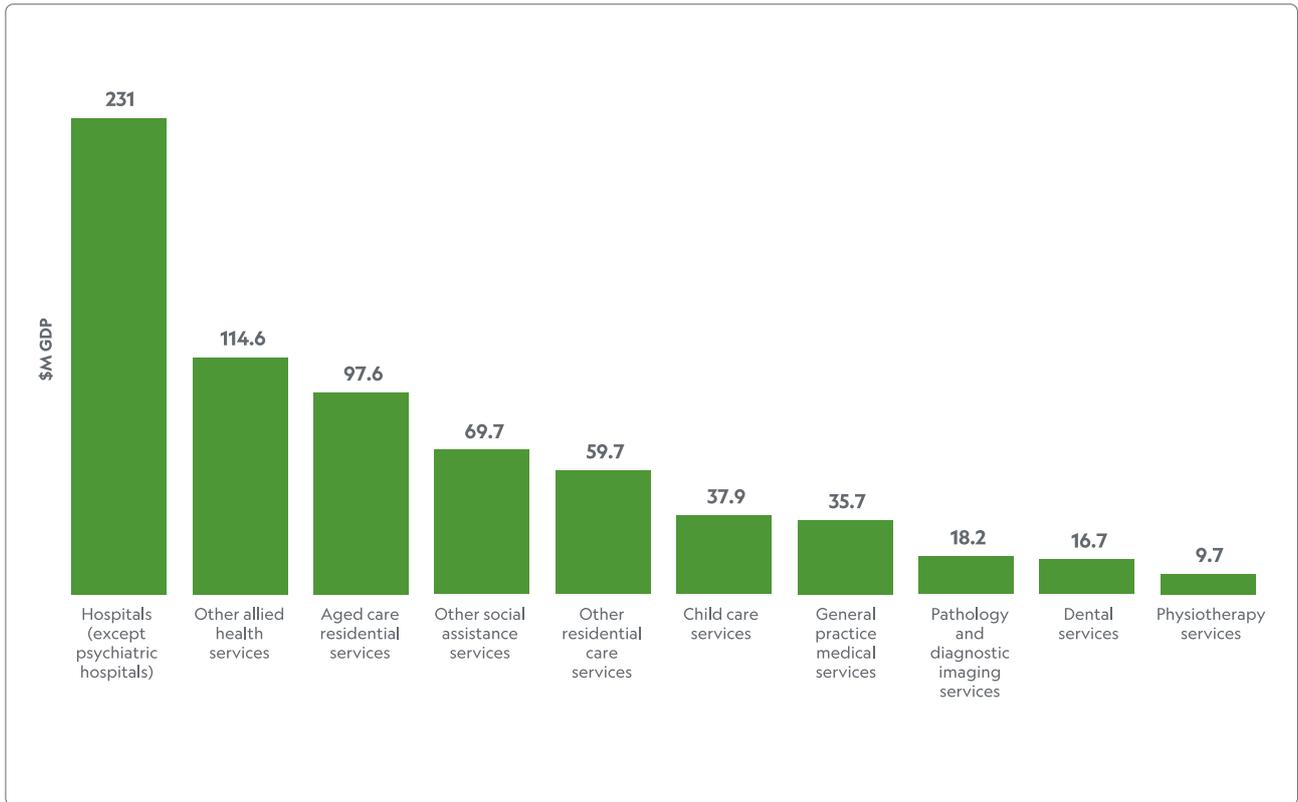


Figure B.2.2: Employment by 'health care and social assistance' subsector - March 2024

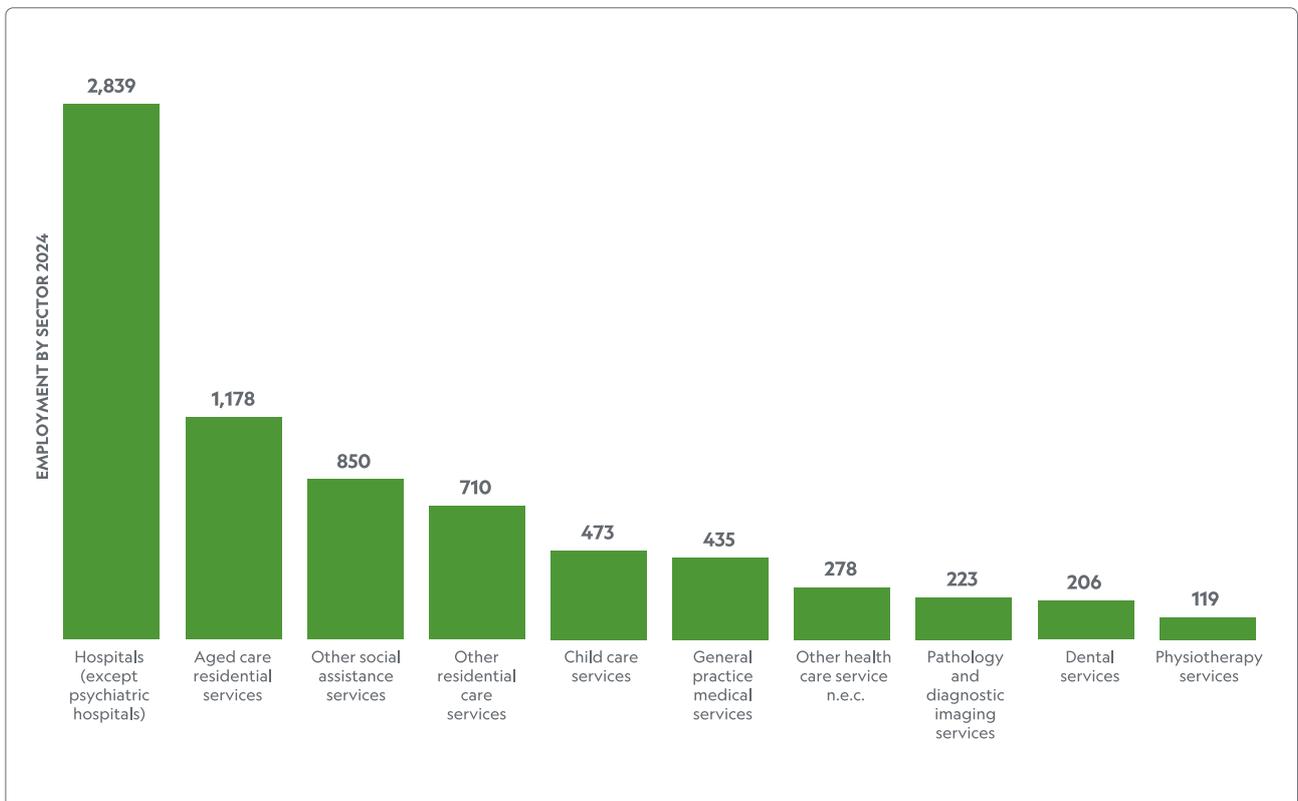


Figure B.2.3: Growth subsectors GDP (top 6 subsectors)

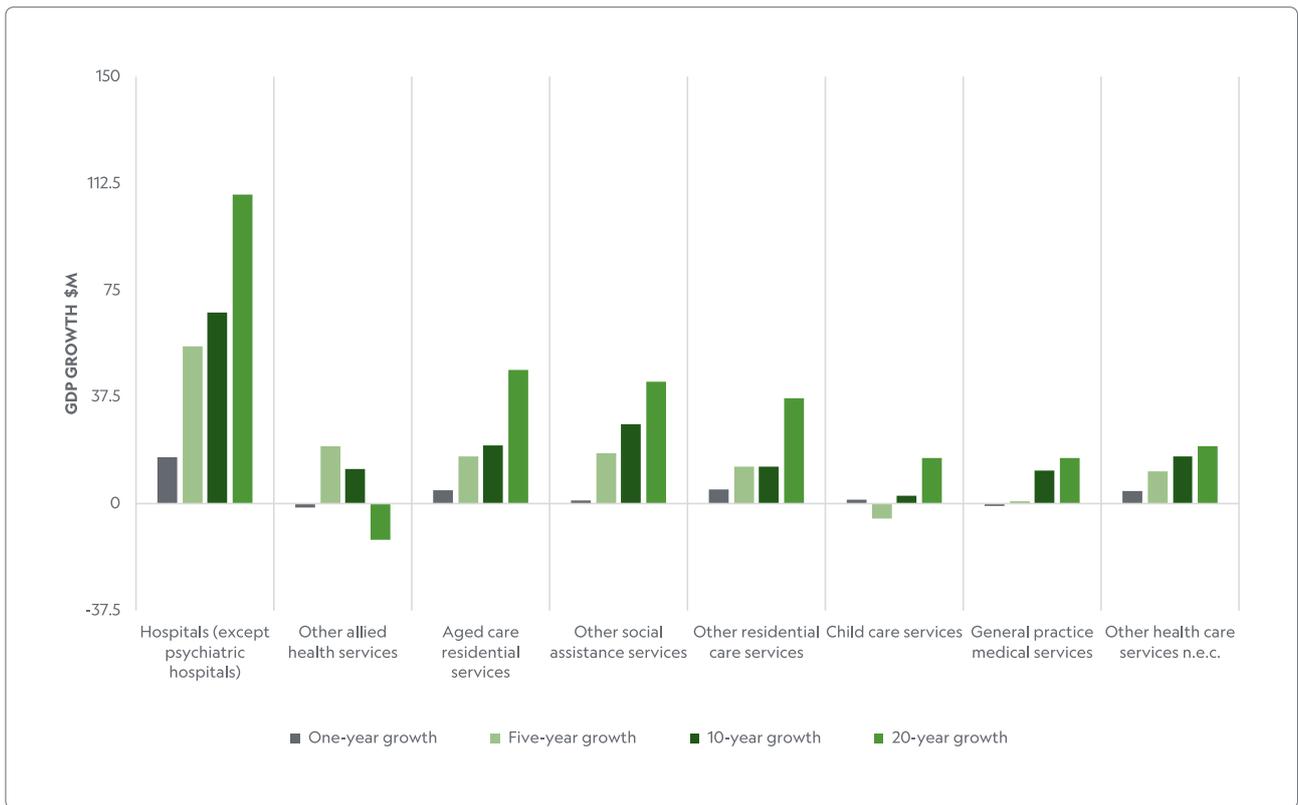
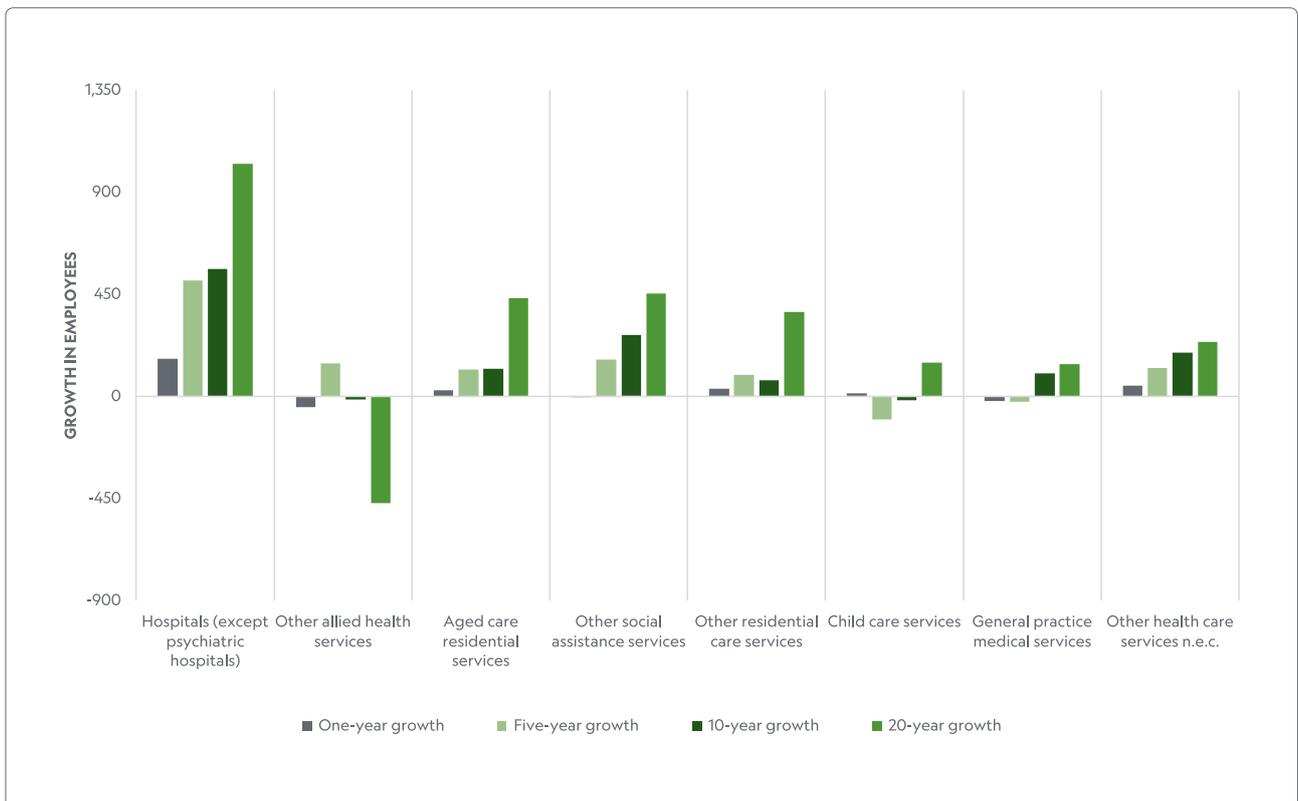


Figure B.2.4: Growth subsectors employment (top 8 subsectors)

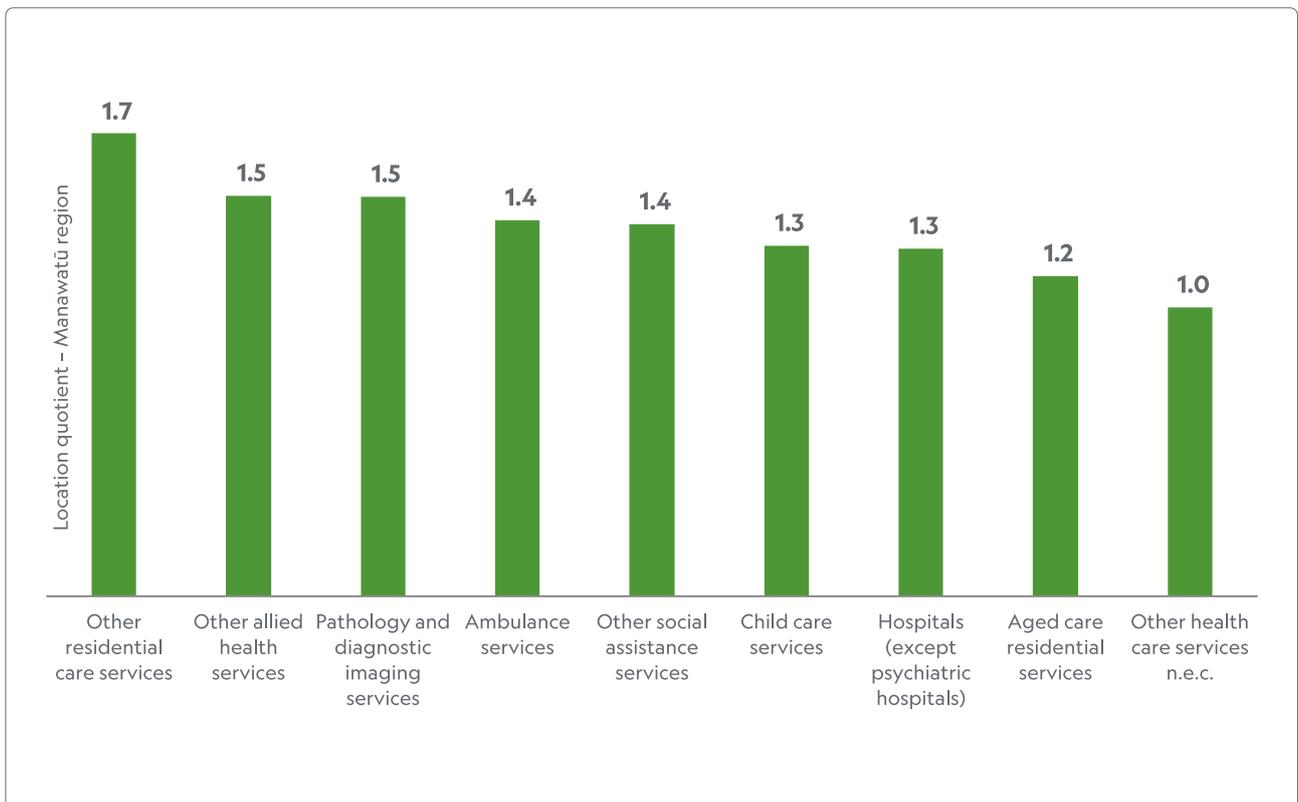


REGIONAL COMPARATIVE ADVANTAGE

The Location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This measure is often used as an indicator of comparative advantage. Where the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1 , implying a comparative advantage in the production of that particular good or service.

The scale and size of the 'health care and social assistance' sector indicates the region's strength in the delivery of healthcare and social services. This is reflected in the LQ for the region, with 1.24 times the total workforce employed in the 'healthcare and social assistance' sector relative to the national average. A comparative advantage implies greater efficiency in the production of particular goods and services, relative to the national economy. Having a comparative advantage means an area is more likely to attract further investment and clustering of businesses required to produce that good or service. The graph below reflects the comparative advantage of the region in the 'public administration and safety' subsectors.

Figure B.2.5: Comparative advantage of the Manawatū region in the delivery of 'healthcare and social assistance' services.





APPENDIX B.3 //

CONSTRUCTION

'Construction' is the fourth largest industry in the region by GDP and the fourth largest regional employer.

GDP
\$631.5m

Employment
6,841

'Heavy and civil engineering construction' is the largest subsector in the region by GDP contributing 31.4% of 'construction' GDP (\$198.5 million). The subsector is the third largest employer, making up 17.9% of total construction sector employment (1,226). 'Building installation services' is the second highest contributor to GDP adding 26.4% of 'construction' sector GDP (\$166.5 million) and the largest employer, with 29.8% of the construction sector workforce employed in the sector (2,036). The 'residential building construction' subsector is also a significant employer, making up 18.7% of total construction sector employment in the region.

Figure B.3.1: GDP by 'construction' subsector – March 2024

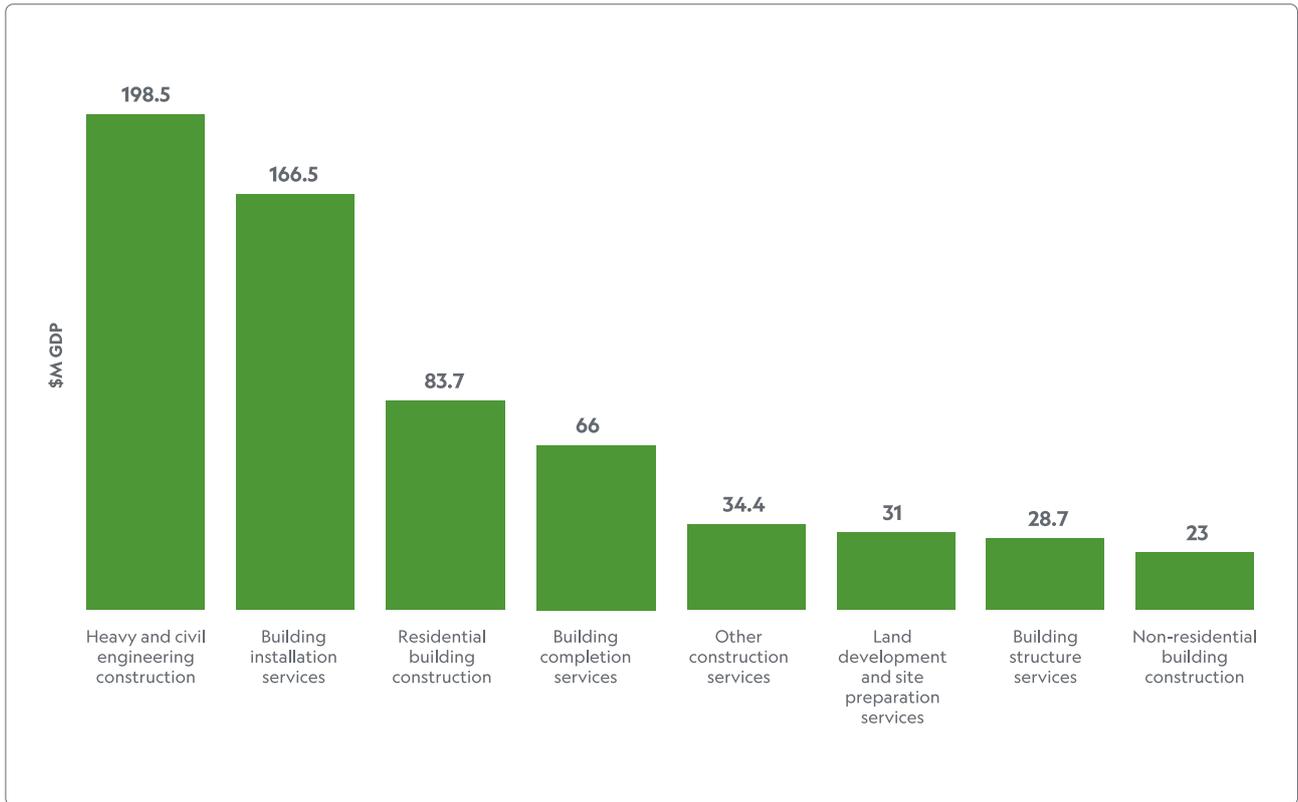


Figure B.3.2: Employment by 'construction' subsector – March 2024

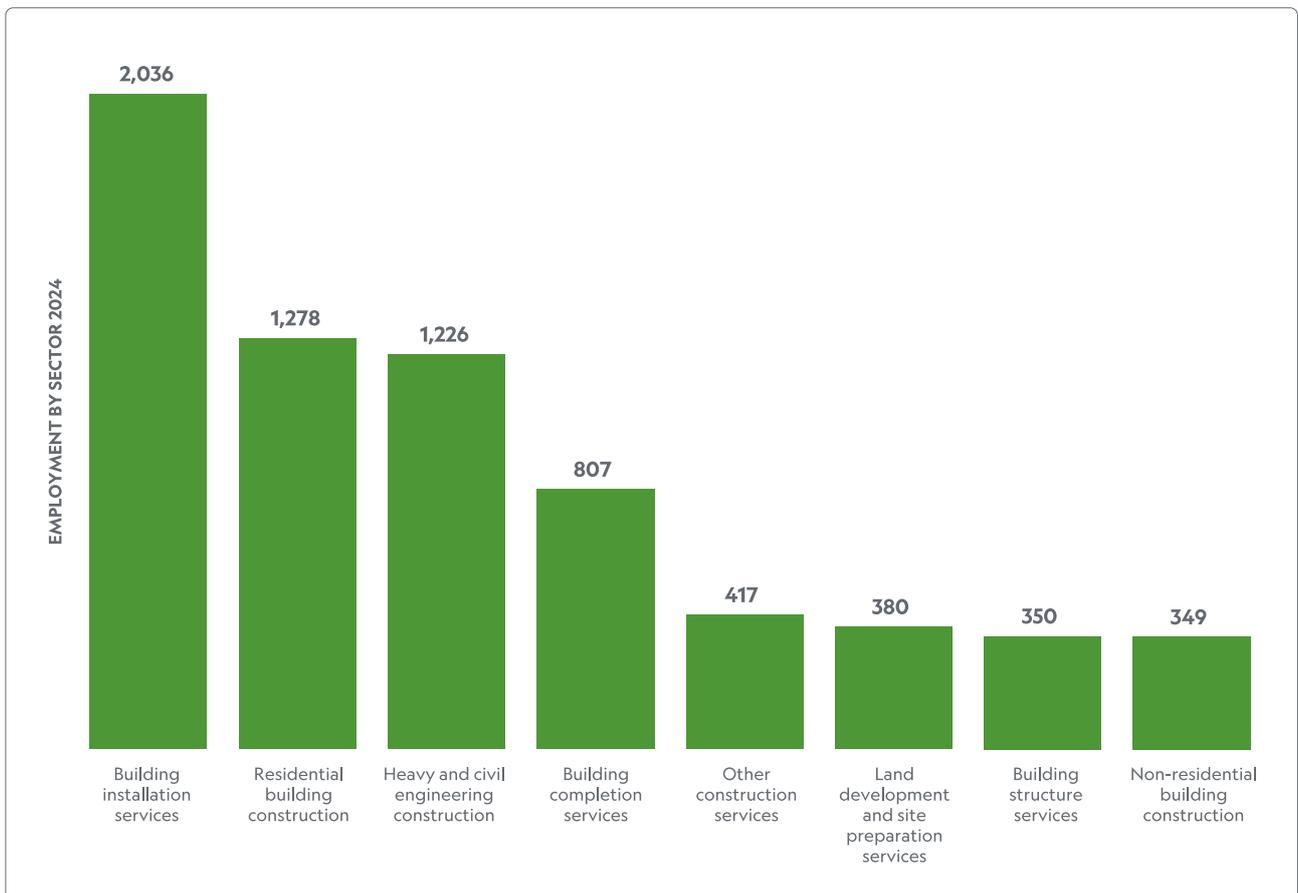


Figure B.3.3: Growth subsectors GDP - construction (all subsectors)

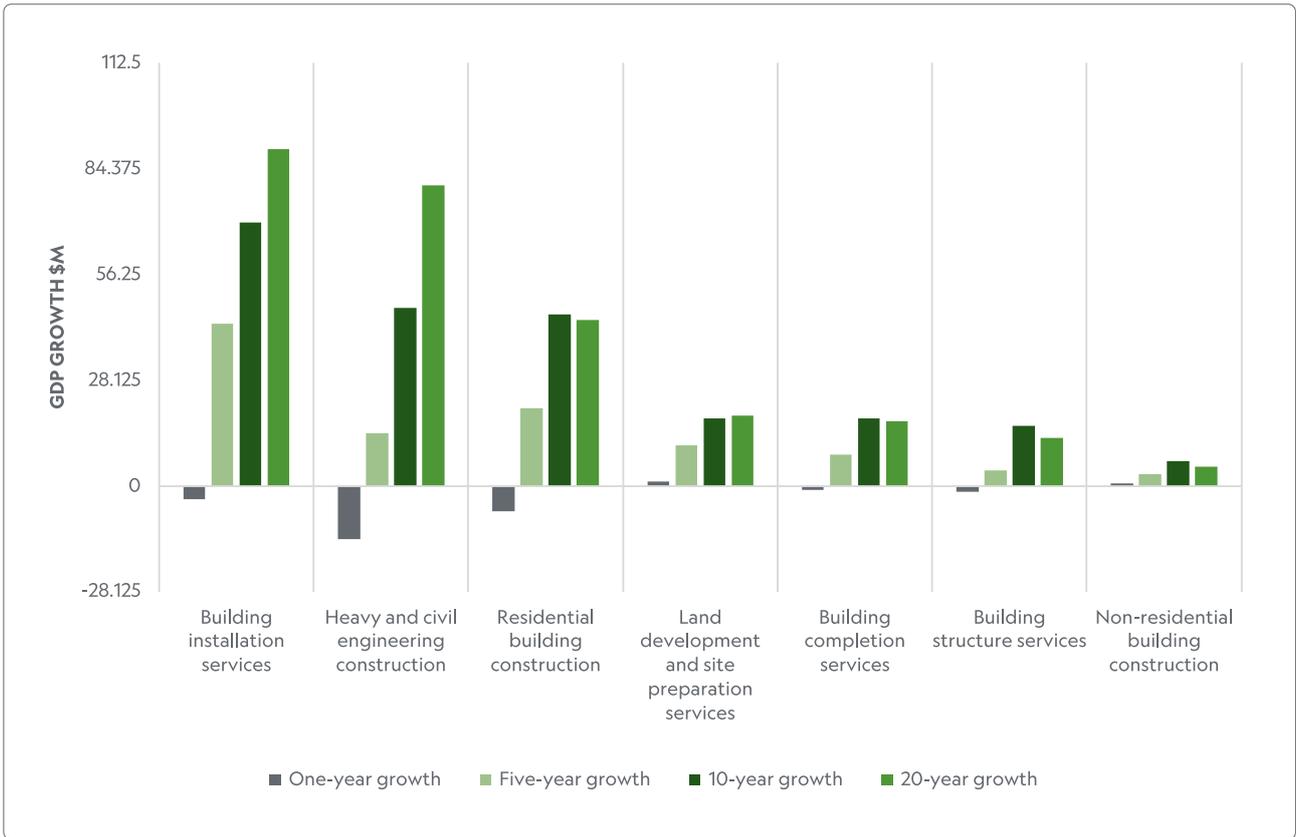
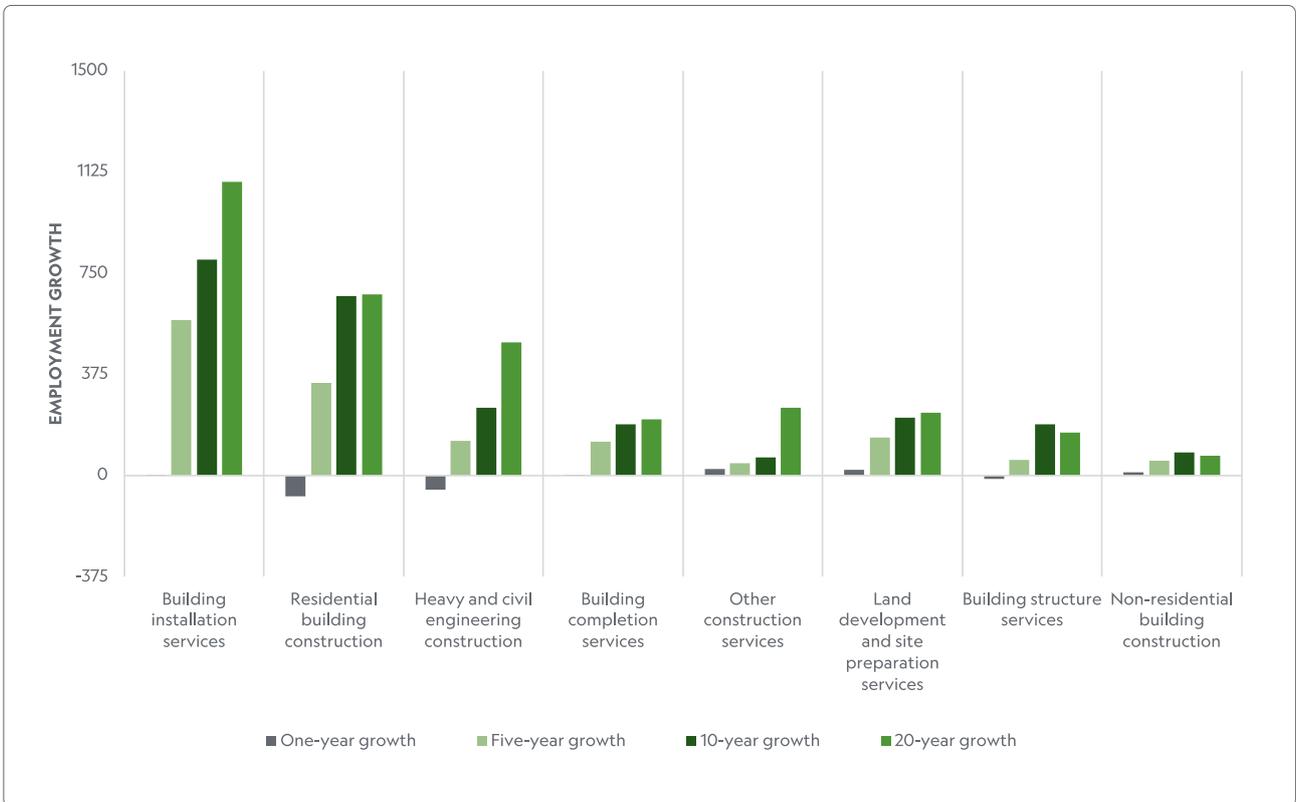


Figure B.3.4: Growth subsectors employment – 'construction' (all subsectors)



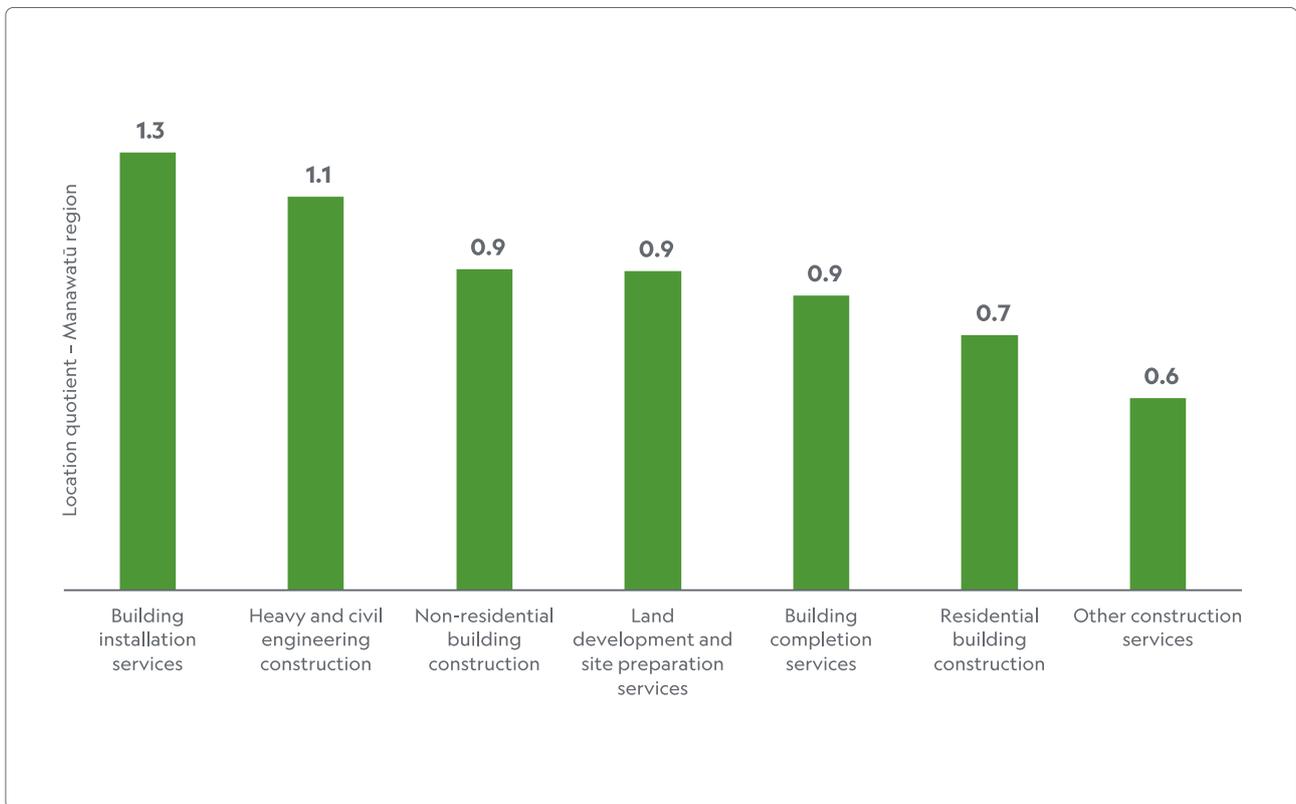
REGIONAL COMPARATIVE ADVANTAGE

The Location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This measure is often used as an indicator of comparative advantage.

The LQ is calculated by dividing the percentage of workers employed in a particular sector within a location, with the national percentage of workers employed in that sector. Where the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1 , implying a comparative advantage in the production of that particular good or service.

The 'construction' sector has an overall LQ of 0.93. Across the 8 subsectors, the region has a comparative advantage in 'building installation services' and 'heavy and civil engineering construction'. The graph below reflects the LQ of the region across the 'construction' subsectors.

Figure B.3.5: Comparative advantage of the Manawatū region in the delivery of 'construction' services'





APPENDIX B.4 //

RETAIL SECTOR

The 'retail sector' combines 'retail trade' and 'accommodation and food' services to reflect the overall contribution of retail activities to the regional economy.

GDP
\$631.1m

Employment
10,132

'Supermarkets and grocery stores' are the largest subsector in the region by GDP, contributing 17.6% of 'retail sector' GDP (\$108.2 million) and 31.4% of 'retail sector' employment (2,839) in March 2024. 'Cafes, restaurants and takeaway services' comes a close second, adding 17.2% of 'retail sector' GDP (\$105.4 million) and 29.4% of employment in the sector (2,978).

Figure B.4.1: GDP by 'retail sector' subsector – March 2024 (top 10 subsectors)

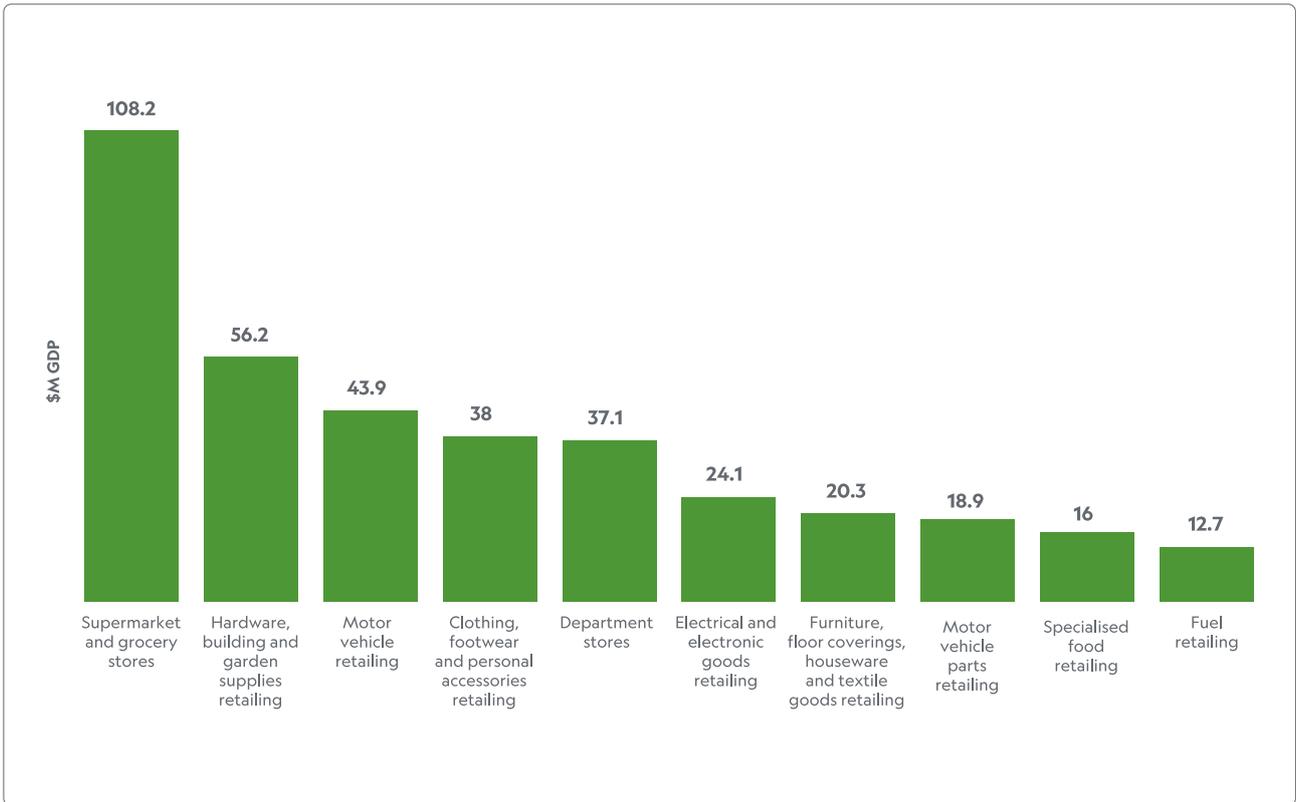


Figure B.4.2: Employment by 'retail sector' subsector – March 2024 (top 10 subsectors)

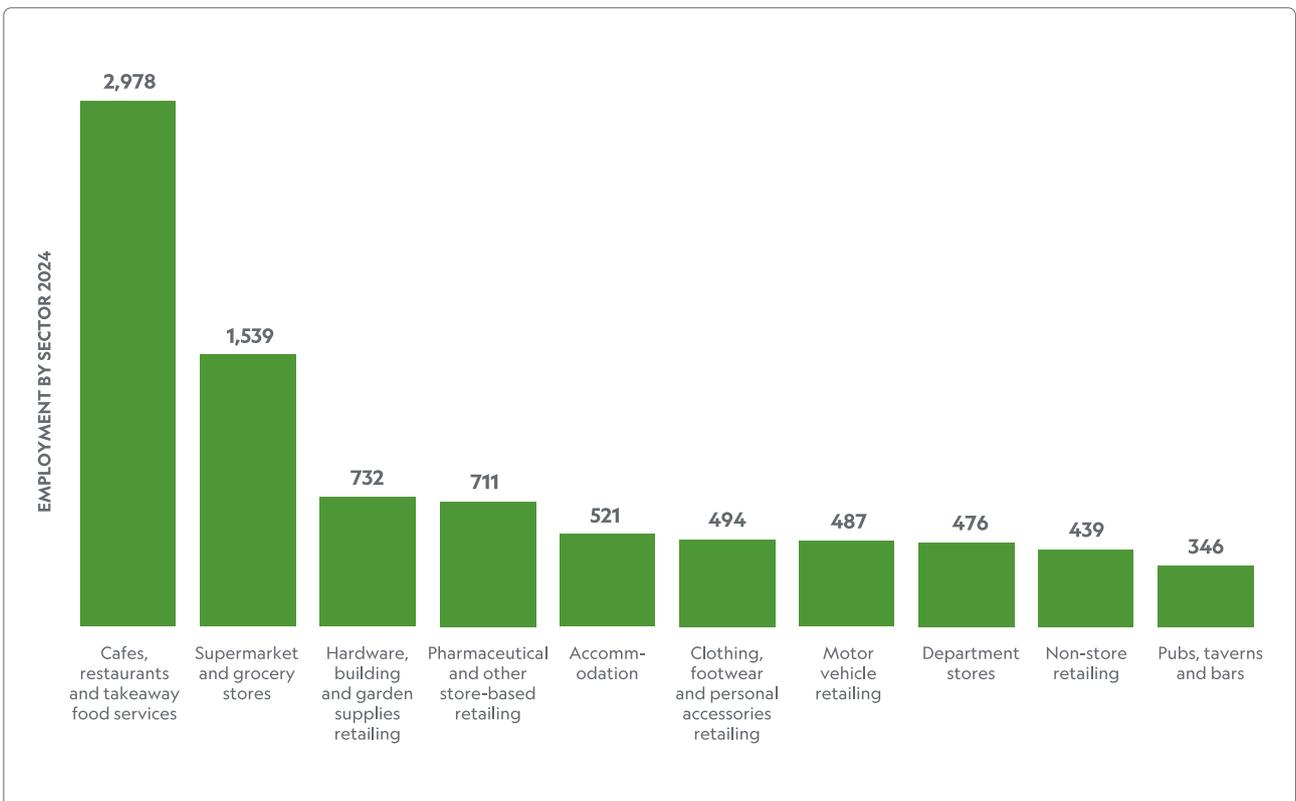


Figure B.4.3: Growth subsectors GDP – ‘retail sector’ (top 8 subsectors)

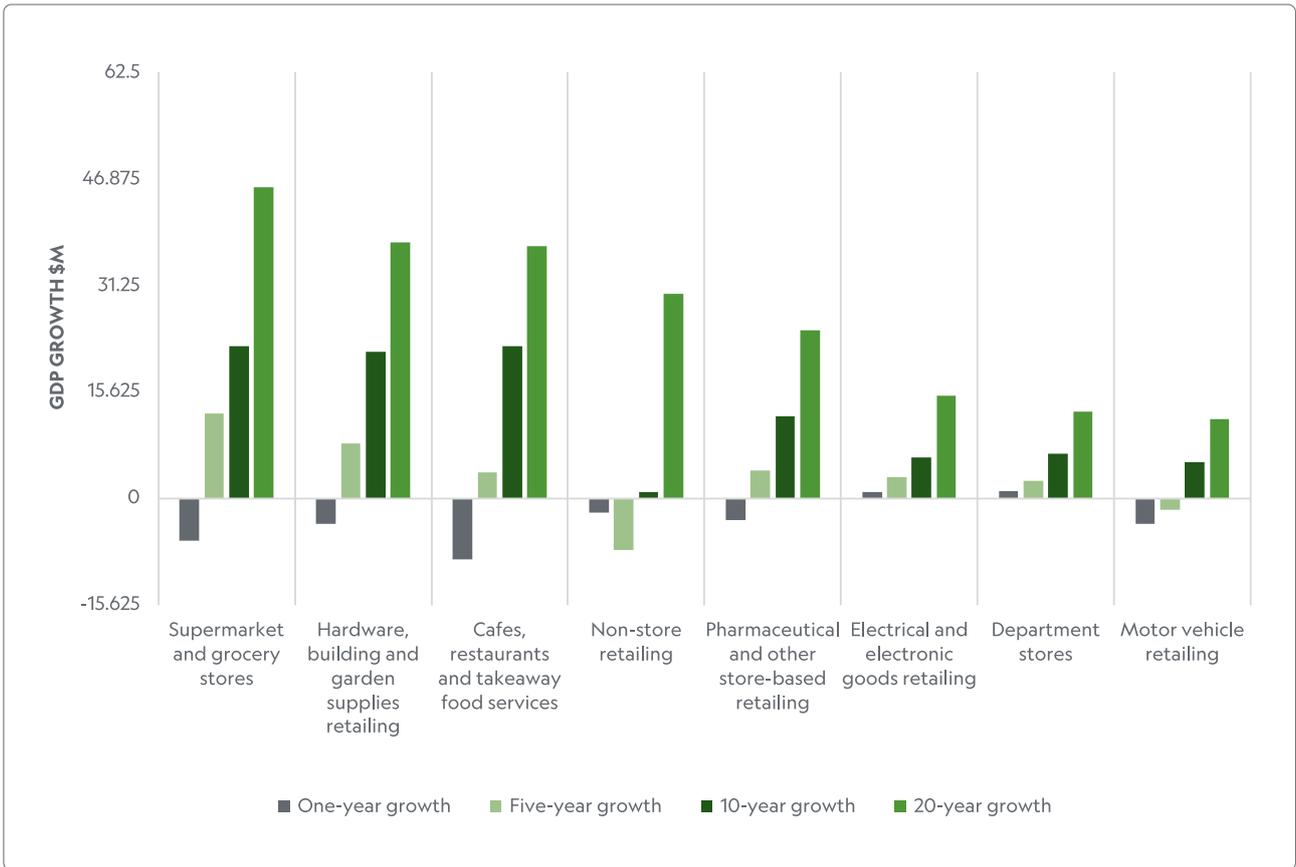
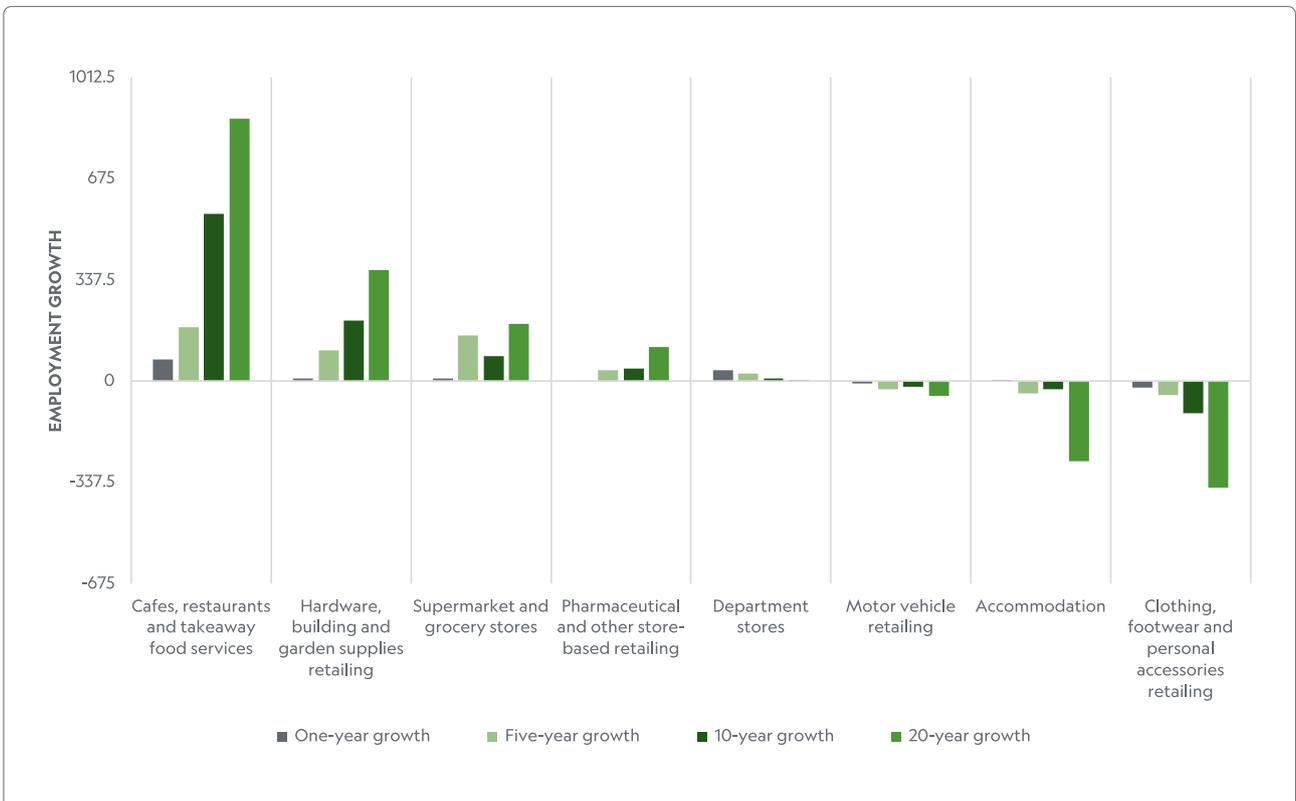


Figure B.4.4: Growth subsectors employment – ‘retail sector’ (top 8 subsectors)



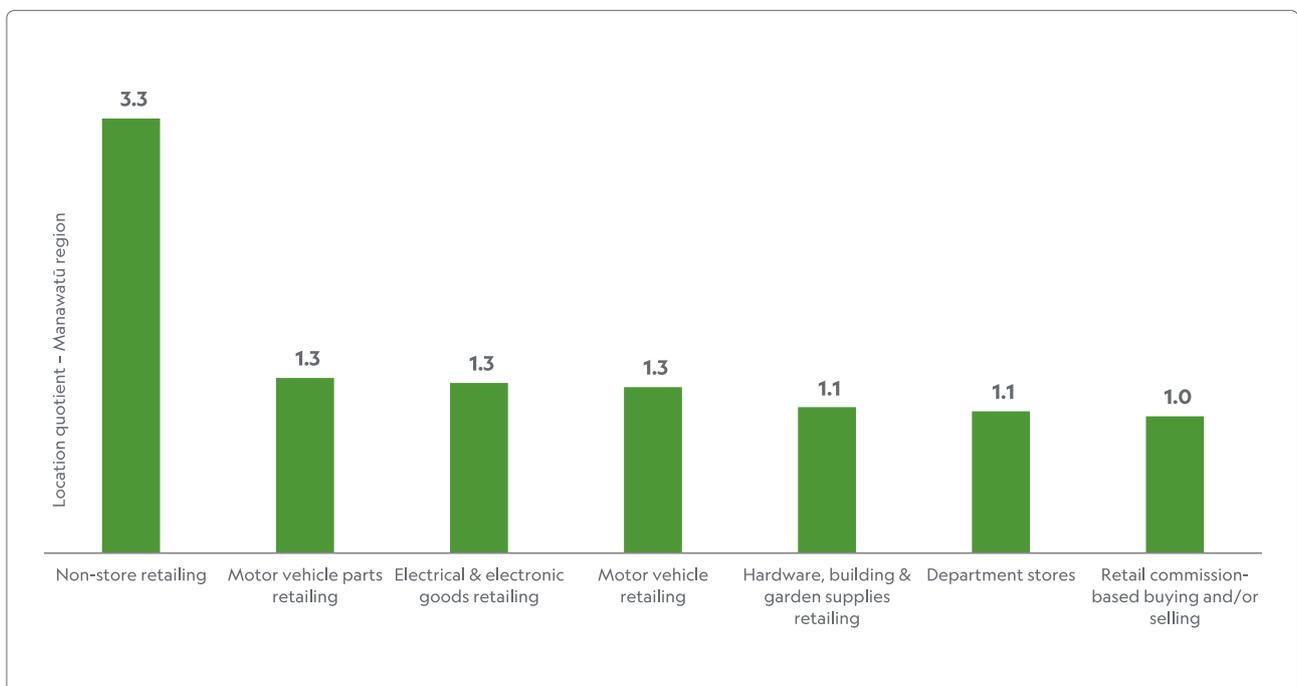
REGIONAL COMPARATIVE ADVANTAGE

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The LQ is calculated by dividing the percentage of workers employed in a particular sector within a location, with the national percentage of workers employed in that sector. Where the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1 , implying a comparative advantage in the production of that particular good or service.

The region has a large and diverse retail sector which provides for the diverse needs of the local community and visitors to the region. The LQ for the region is 0.95, therefore the percentage of people employed in the retail sector is below the level of employment nationally. This is partly explained by the much higher percentage of regional employment, clustered in the public sector than in other parts of the region. There are areas of the regional retail sector that have a greater level of resourcing than at the national level. The graph below reflects the comparative advantage of the region in the 'retail sector' subsectors.

Figure B.4.5: Comparative advantage of the Manawatū region in the delivery of 'retail' services'



APPENDIX B.5 //

MANUFACTURING

'Manufacturing' is the eighth largest industry in the region by GDP and the seventh largest regional employer.

GDP

\$468.4m

Employment

5,169

'Food product manufacturing' is the largest subsector in the region by GDP contributing 28.6% of total 'manufacturing' GDP (\$134 million). The subsector is the third largest employer, making up 17.9% of total construction sector employment (1,226). 'Machinery and equipment manufacturing' are the second highest contributor to GDP adding 24.9% of total 'manufacturing' GDP (\$116.8 million) and the largest employer, with 29.8% of the construction sector workforce employed in the sector (2,036). The 'residential building construction' subsector is also a significant employer, making up 18.7% of total construction sector employment in the region (1,278).

Figure B.5.1: GDP by 'manufacturing' subsector – March 2024 (top 8 subsectors)

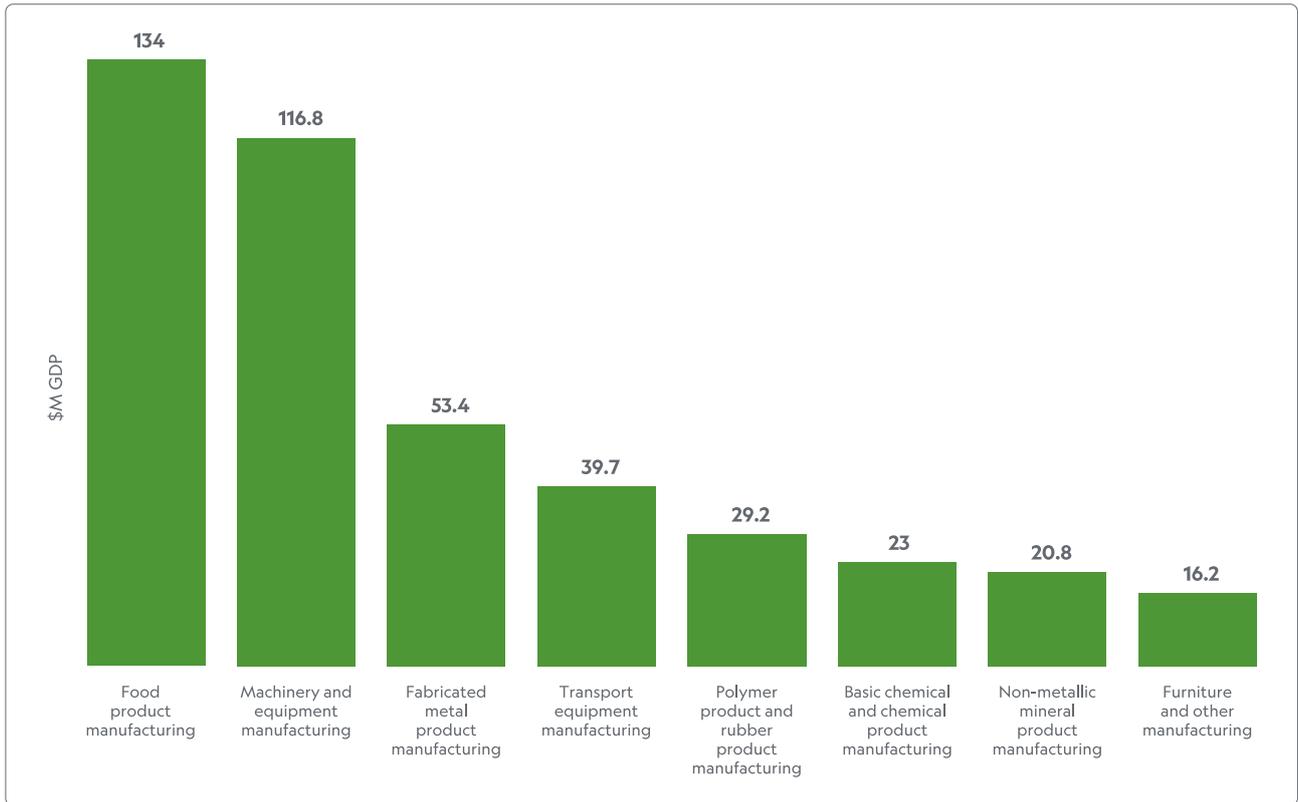


Figure B.5.2: Employment by 'manufacturing' subsector – March 2024

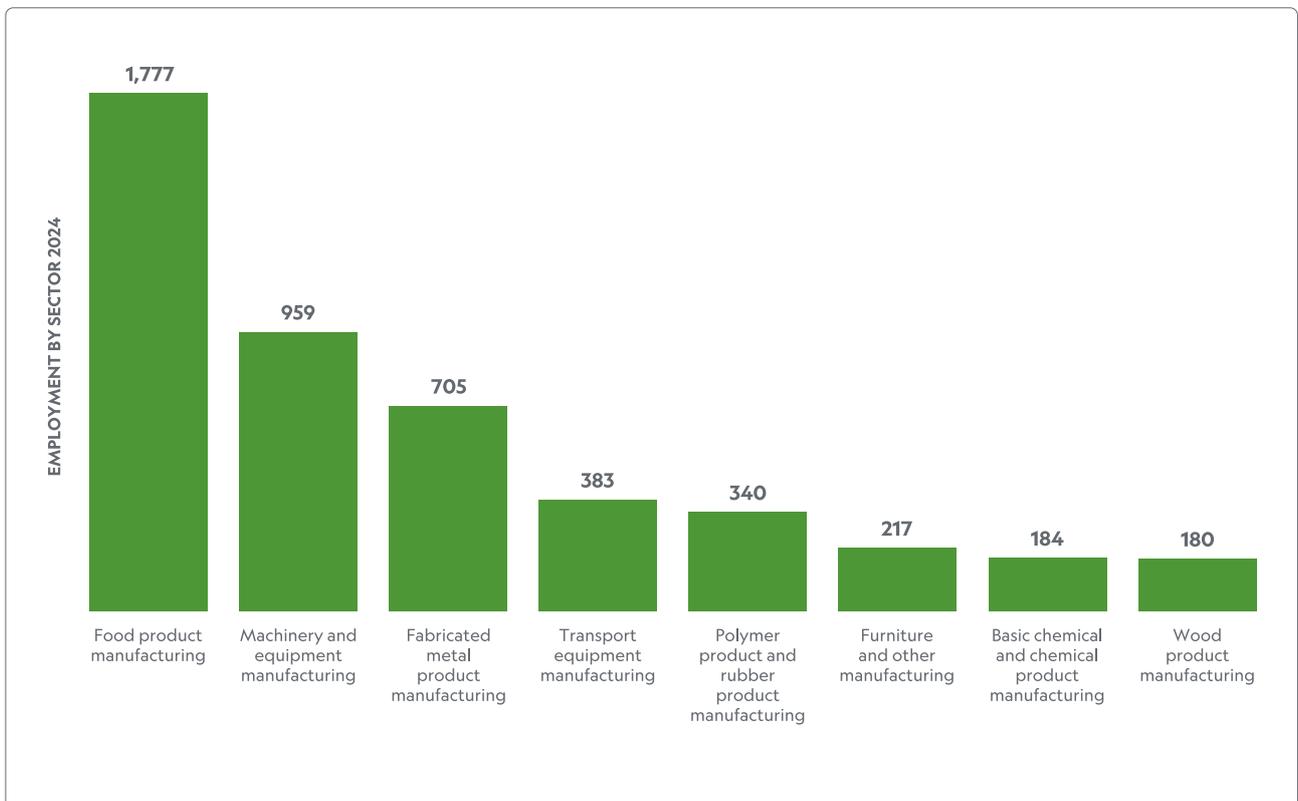


Figure B.5.3: Growth subsectors GDP - 'manufacturing' (all subsectors)

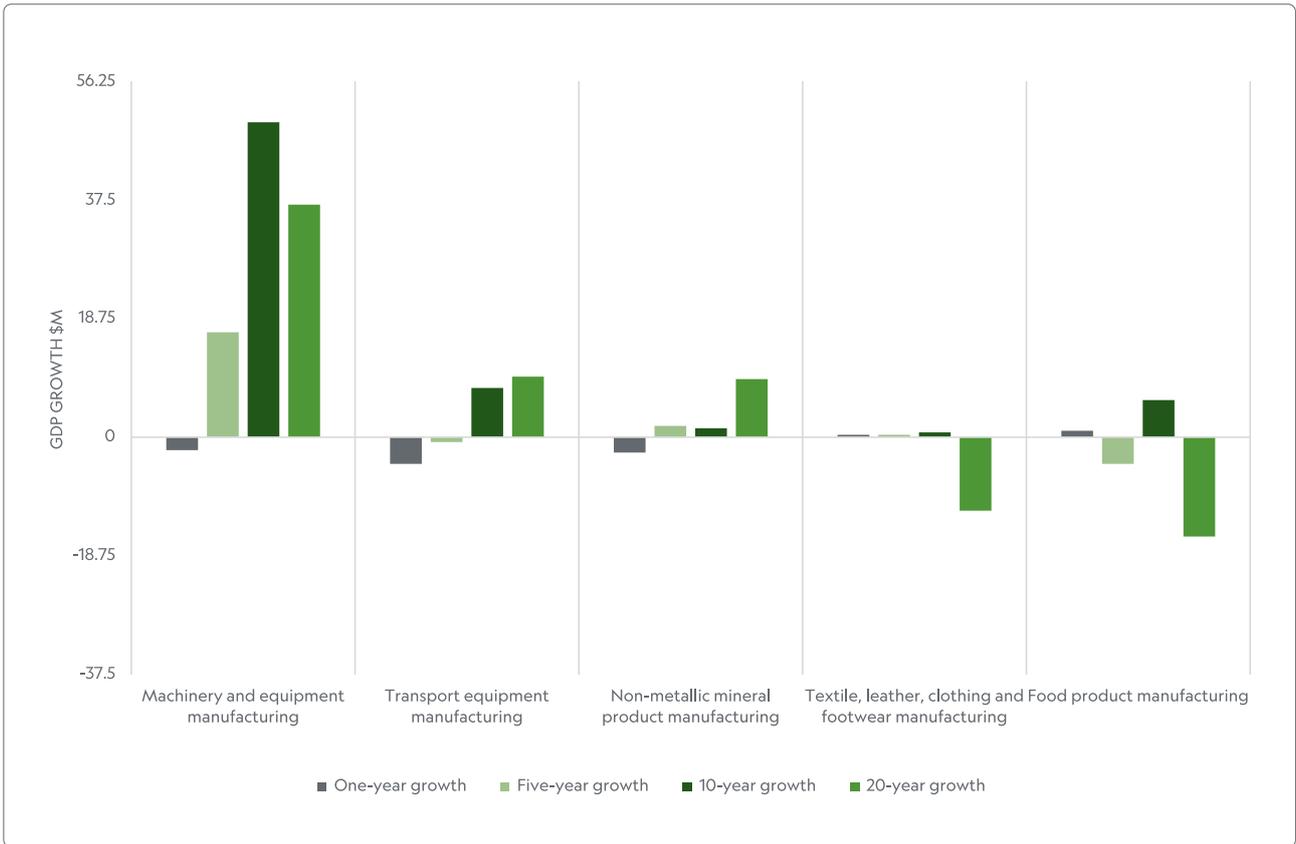
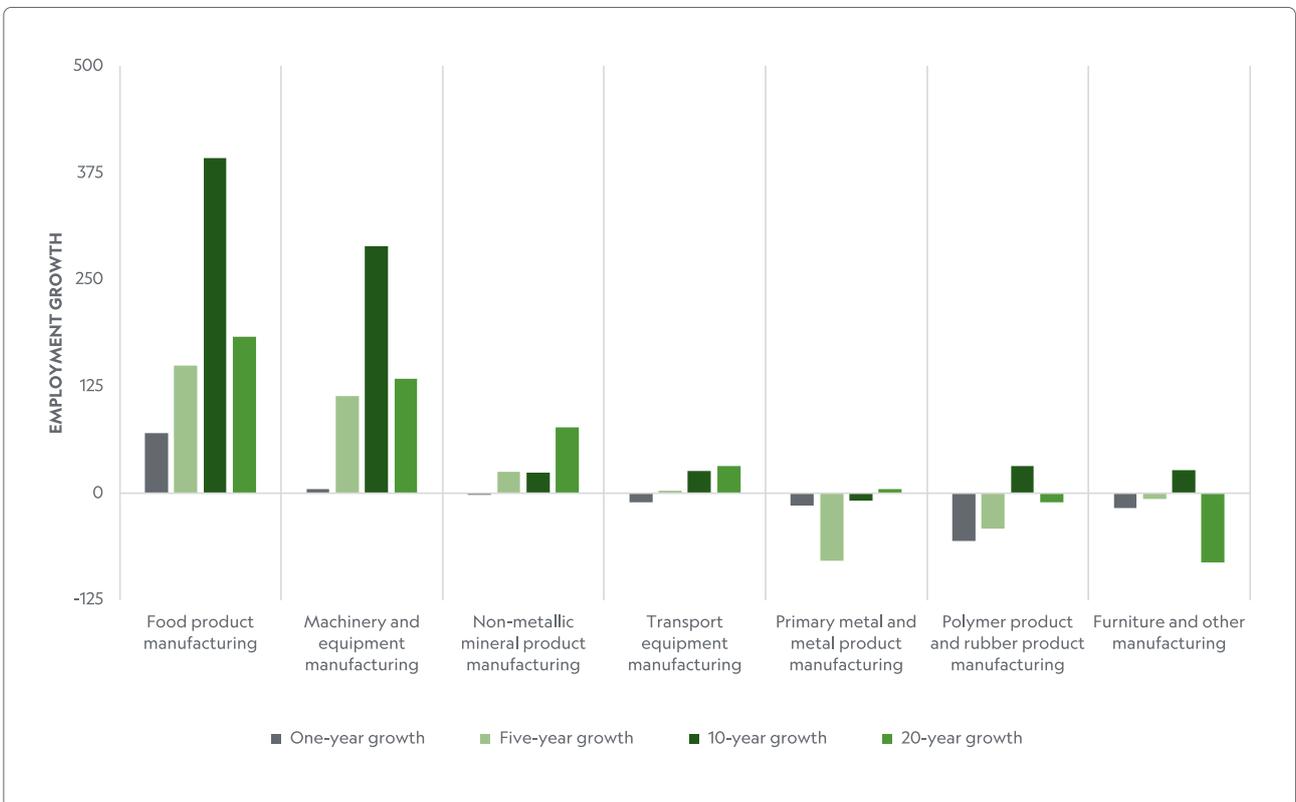


Figure B.5.4: Growth subsectors employment - 'manufacturing'



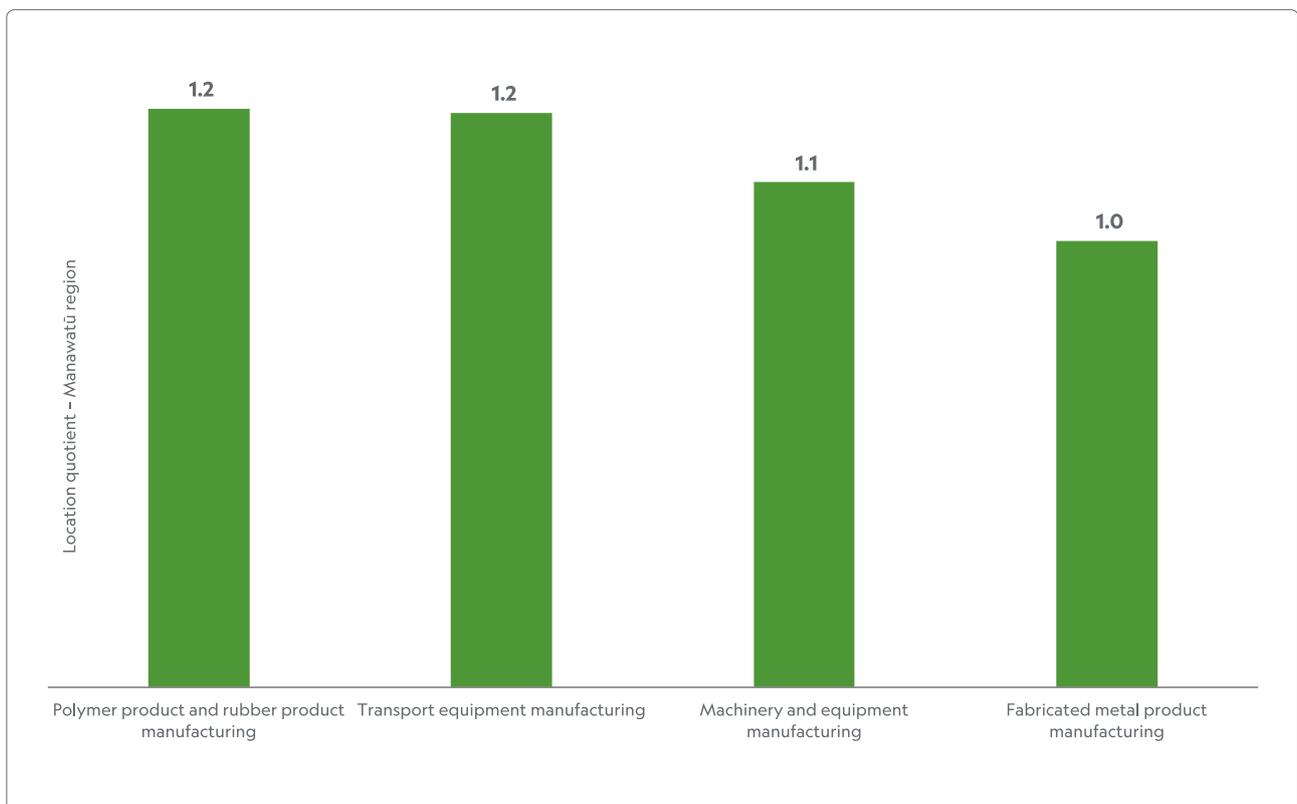
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The LQ is calculated by dividing the percentage of workers employed in a particular sector within a location, with the national percentage of workers employed in that sector. Where the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1 , implying a comparative advantage in the production of that particular good or service.

The region's 'manufacturing' sector has an overall LQ of 0.82 but holds a comparative advantage across a range of subsectors. The graph below reflects the comparative advantage of particular manufacturing activities in the region.

Figure B.5.5: Comparative advantage of the Manawatū region in 'manufacturing'





APPENDIX B.6 //

EDUCATION AND TRAINING

'Education and training' is the ninth largest industry in the region by GDP and the fourth largest employer.

GDP
\$464.3m

Employment
6,872

'Higher education is the largest subsector in the region by GDP contributing 35.4% of total 'education and training' GDP (\$164.1 million). The subsector is also the largest employer, making up 36.5% of total 'education and training' sector employment (2,508). 'Primary education' is the second highest contributor to GDP and employer in the sector, contributing 23.1% of total 'education and training' GDP (\$107.2 million) and 22.6% of total sector employment (1,556). 'Secondary education' is also a significant subsector for the region, making up 16.9% of 'education and training' GDP (\$78.4 million) and employing 16.6% of 'education and training' workers in the region (1,139).

Figure B.6.1: GDP by 'education and training' subsectors – March 2024

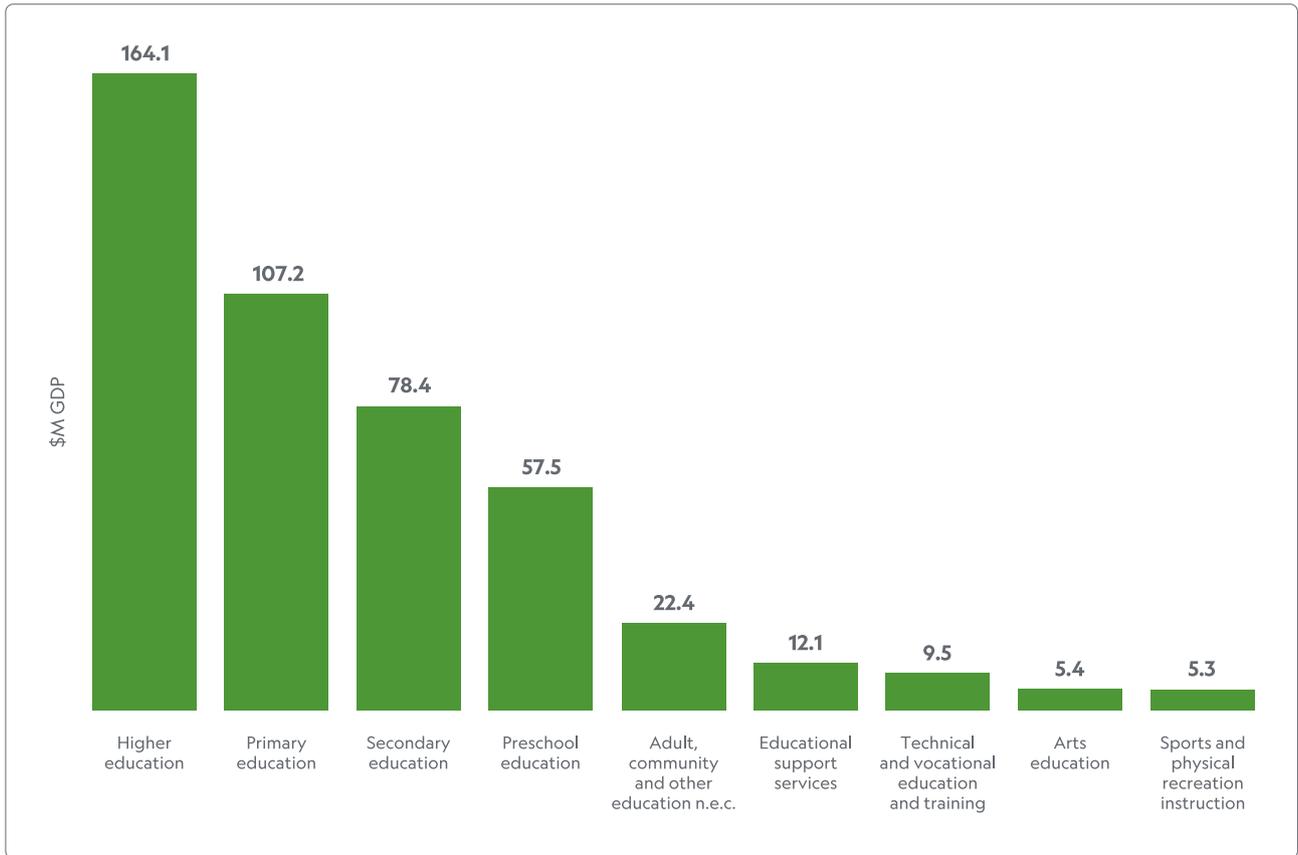


Figure B.6.2: Employment by 'education and training' subsector – March 2024

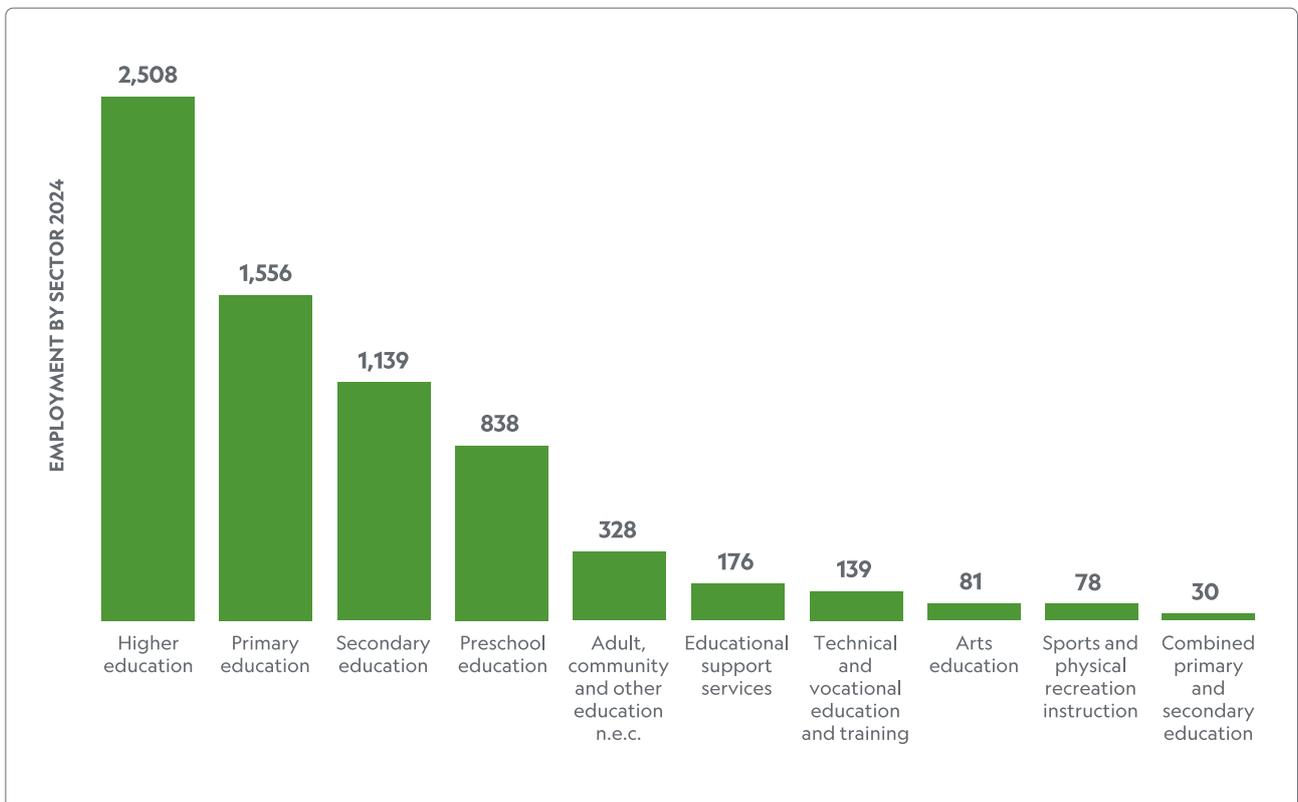


Figure B.6.3: Growth subsectors GDP - 'education and training' (all subsectors)

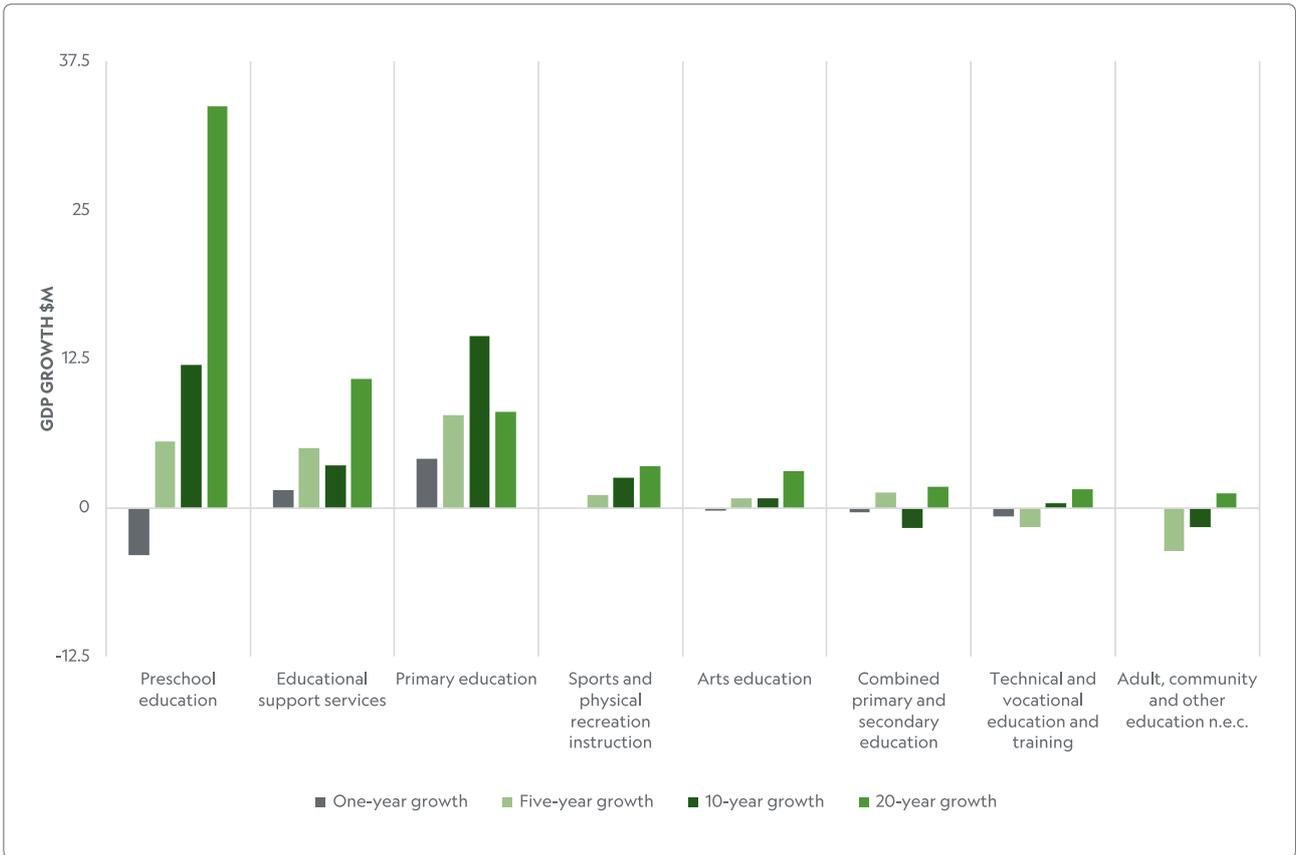
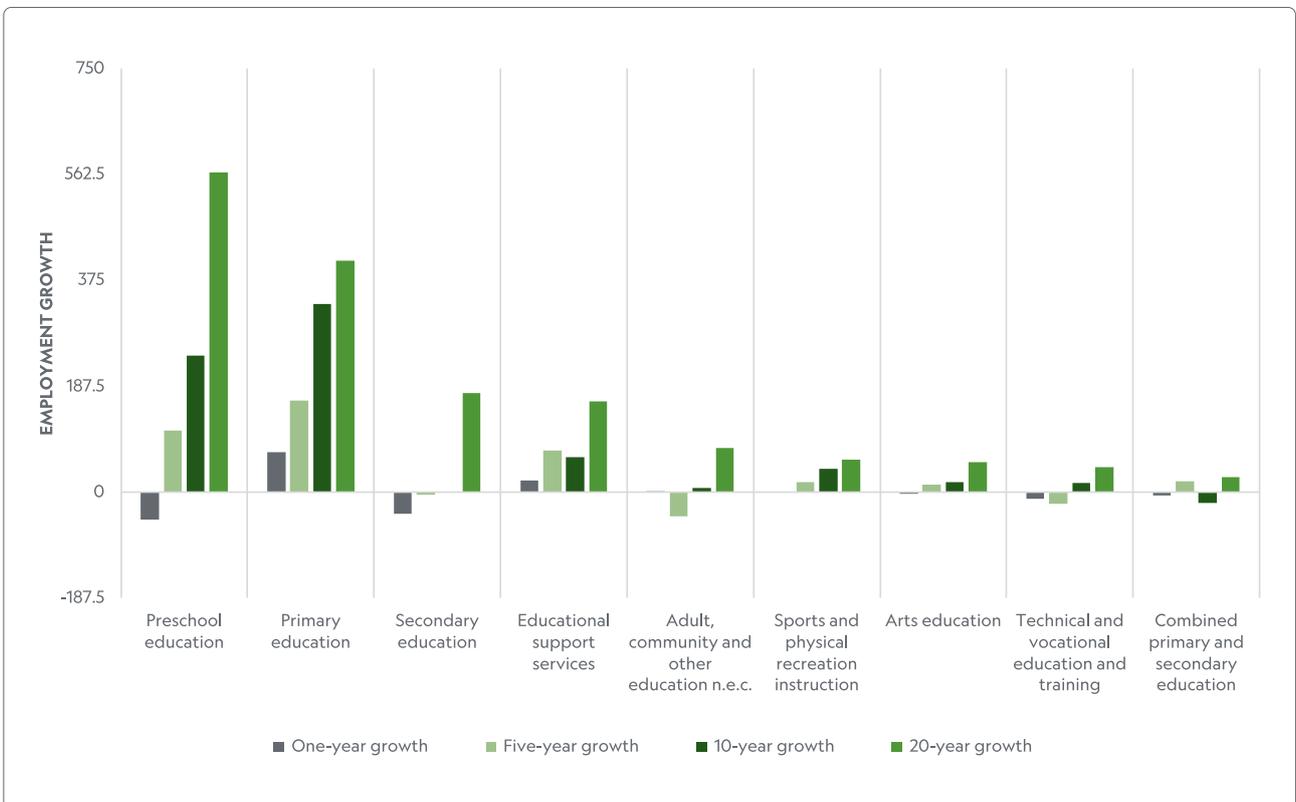


Figure B.6.4: Growth subsectors employment - 'education and training' (all subsectors)



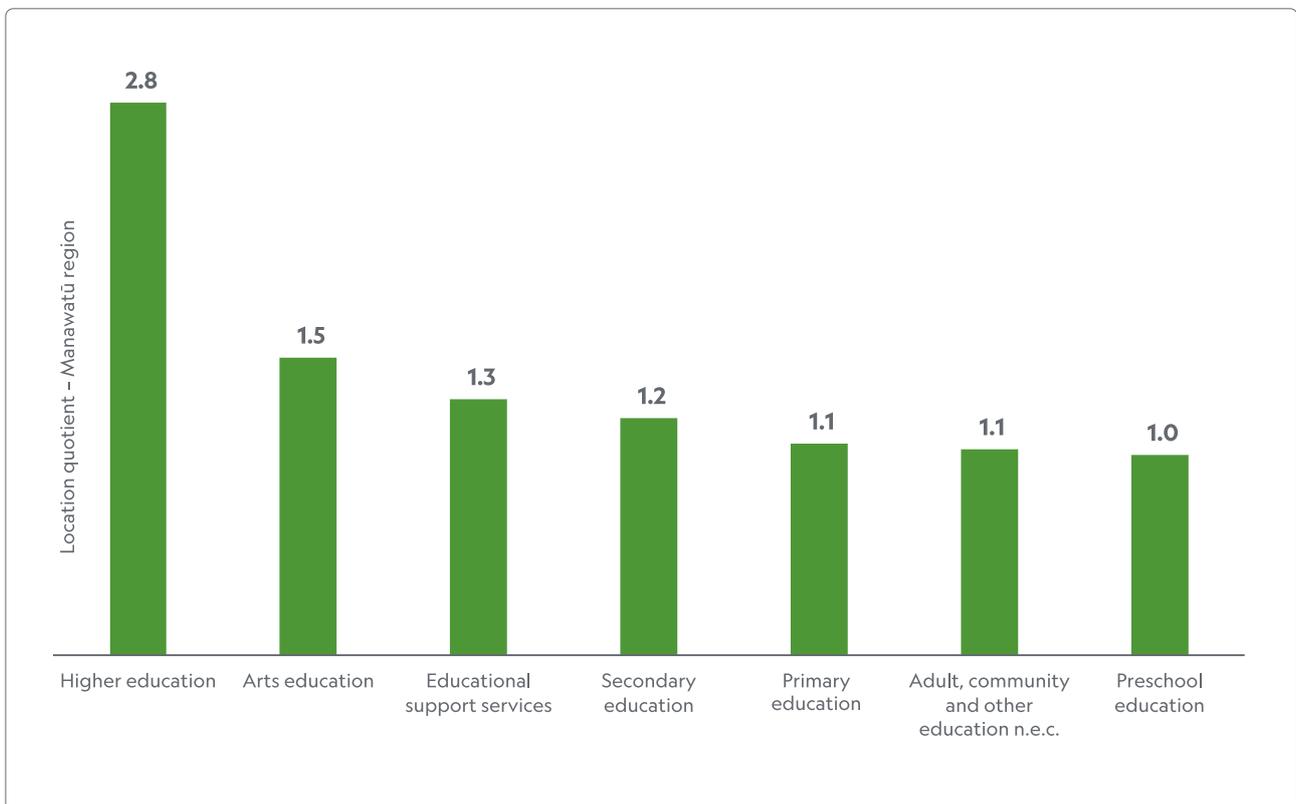
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The region's 'education and training' sector has an overall LQ of 1.3, reflecting the strength of the region in the delivery of quality education and training services. This comparative advantage is predominately driven by 'higher education', with 'arts education', 'educational support services', school education and 'adult, community, and other education' services also benefiting from a greater proportion of resources invested in these services in the region. The quality and diverse education sector serves as a significant enabler across all sectors of the regional economy.

Figure B.6.5: Comparative advantage of the Manawatū Region in 'Education and training'





 ManawatuNZ.co.nz/invest

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