



PALMERSTON NORTH CITY COUNCIL

AGENDA

MINUTES ATTACHMENTS ECONOMIC GROWTH COMMITTEE

1:00 PM, WEDNESDAY 11 JUNE 2025

COUNCIL CHAMBER, FIRST FLOOR
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

ECONOMIC GROWTH COMMITTEE MEETING

11 June 2025

10 Manawatū Regional Economic Structure Report 2024

1. Manawatū Regional Economic Structure Report 2024

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PALMERSTON
NORTH
CITY

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Manawatū Region

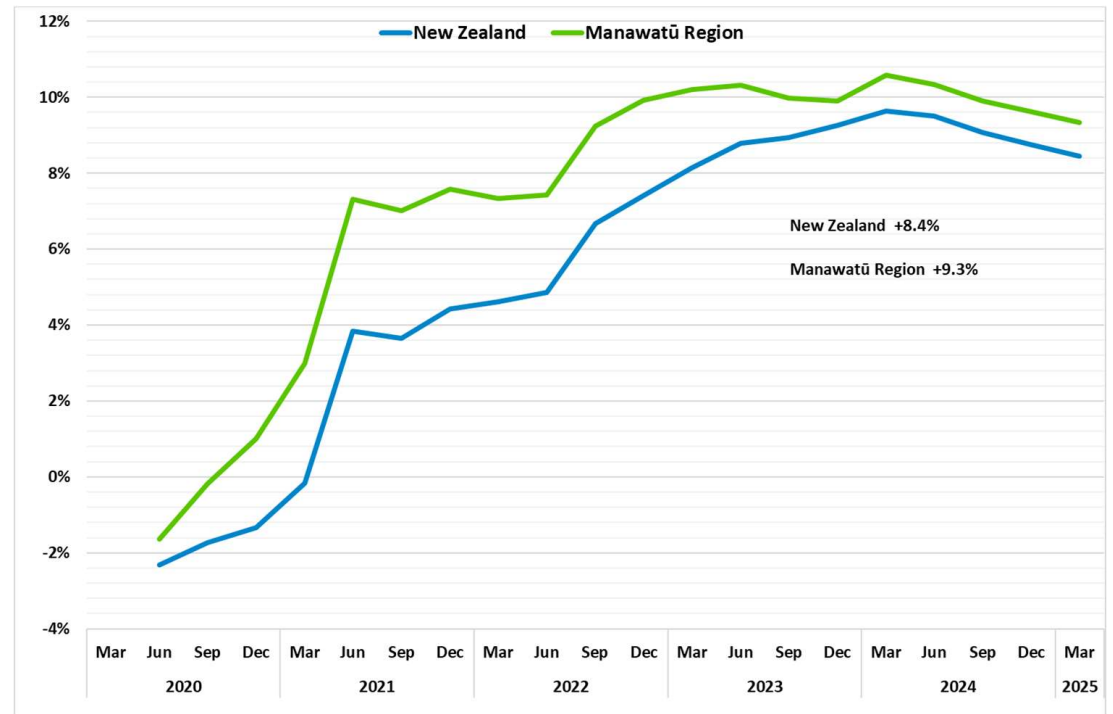


Economic Structure Report 2024

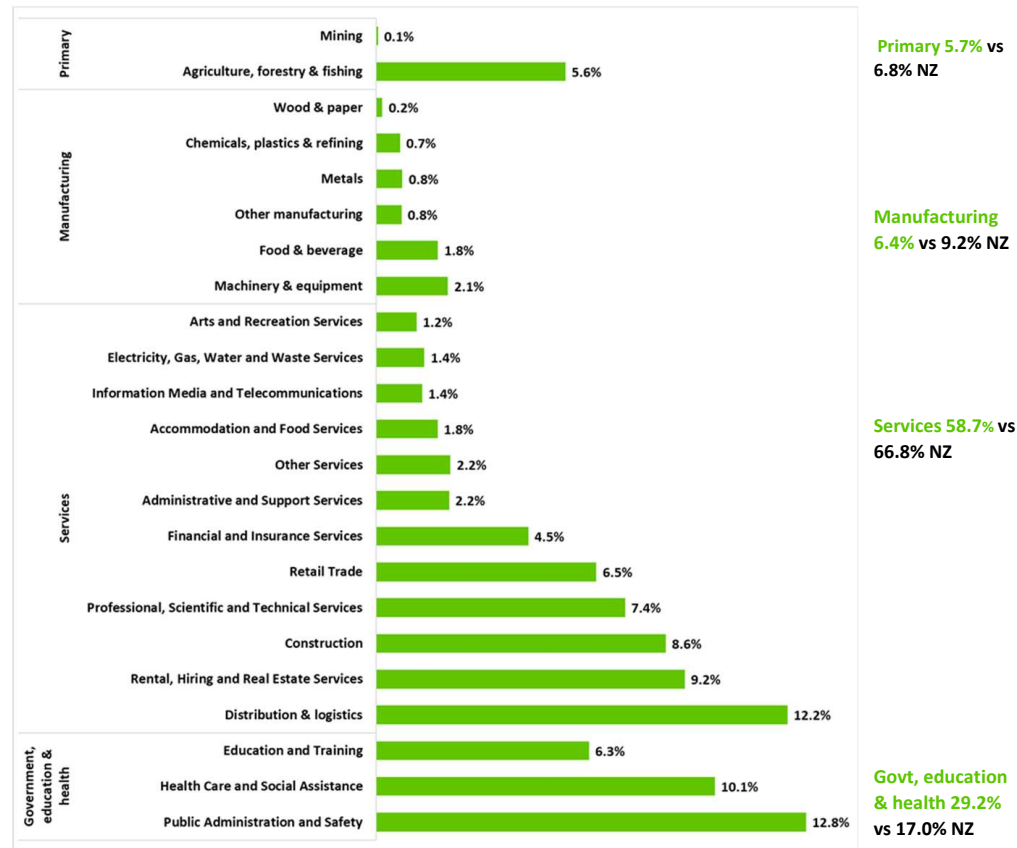
- Diverse mix of **public** and **private** sector activity and our **large stable sectors** support **regional economic resilience**
- Five-year growth continues to **exceed** national growth
- Industry sectors exposed to **weak consumer demand** from stretched household budgets **most affected** in the year to March 2024
- **Rural exports** supporting regional economic activity
- **Diverse** and **skilled workforce** should support economic recovery
- Falling **interest rates** will **boost demand** for goods and services across the economy, supporting businesses most affected by weaker economic conditions
- There are opportunities – High value **food** production, quality **international education, defence force** consolidation, **infrastructure** investment, **logistics** capability & capacity to grow

The economic structure of the region has supported economic activity

CUMULATIVE GDP GROWTH (March 2020 – March 2025)



ECONOMIC STRUCTURE BY GDP (YE MAR 2024)



Diverse economic base

Largest 20-yr growth sectors

Public administration & safety +\$410.6M

Healthcare & social assistance +\$309.9M

Wholesale trade +\$306.6M

Our large stable
sectors are also
growth sectors

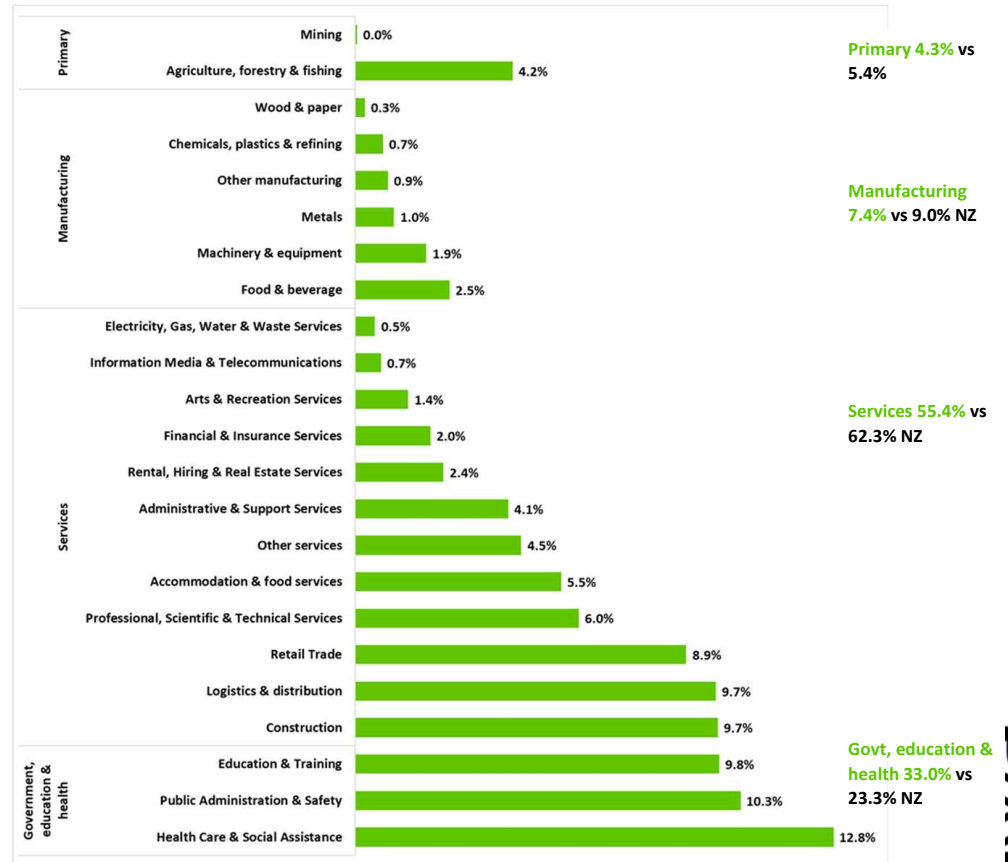
Largest 20-yr growth
sectors

Construction +3,167

Healthcare & social
assistance +2,684

Public admin & safety
+2,638

ECONOMIC STRUCTURE BY EMPLOYMENT (YE MAR 2024)



OUR BUSINESSES

- 12,651 businesses +66 (+0.5%) vs +0.9% NZ
- Higher proportion of large businesses than the national average
 - Average business size 5.6 employees vs 4.3 NZ
 - 38.8% of workforce employed in businesses > 100 employees
 - 20.7% of businesses 1-5 employees vs 17.6% NZ
 - SMEs = 95.3% of total businesses vs 96.3% NZ businesses
- 57.5% of businesses in operation in Feb 2021 continued to operate in Feb 2024 vs 61.2% of NZ businesses
- 3-year survival rates differ across industries
 - 'Electricity, gas, water, waste services' and 'public administration and safety' = 100%
 - The lowest survival rates are in industries more exposed to higher interest rates and economic recession

MANAWATŪ REGION BUSINESS CHARACTERISTICS

MARCH 2024



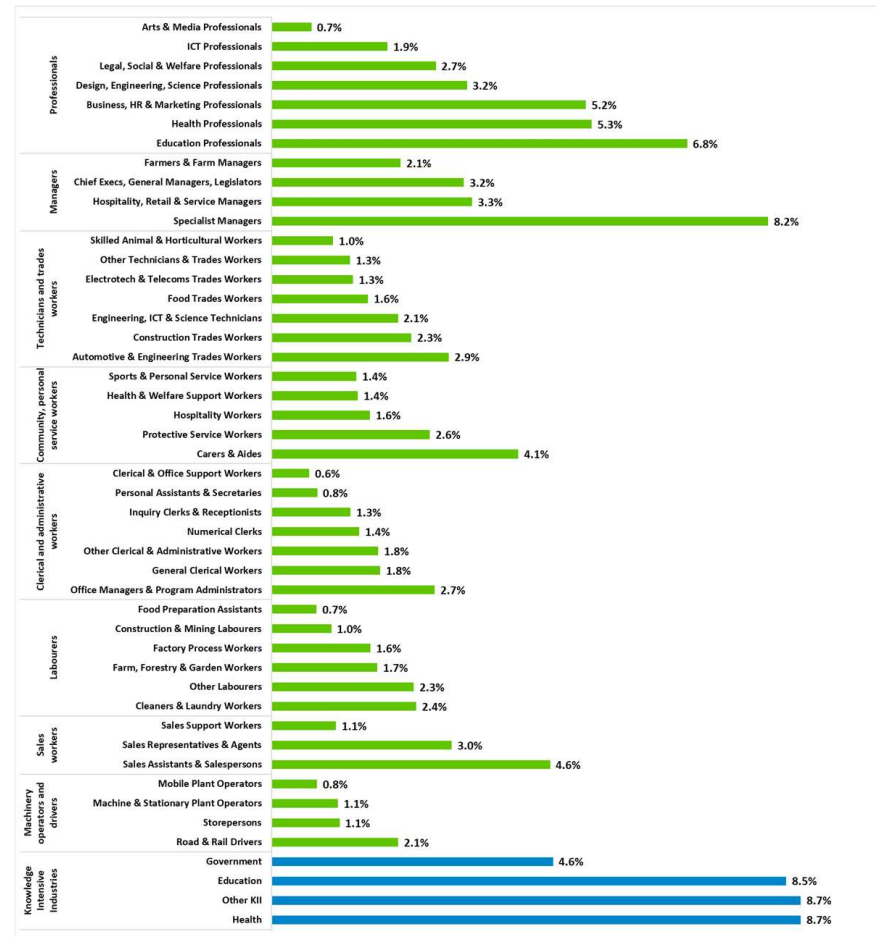
Skilled workforce

Largest 20-yr growth occupations

Professionals +6,060

Managers +2,510

Community & personal service workers +2,037



Professionals 25.8% vs 25.1% NZ

Managers 16.8% vs 17.8% NZ

Technicians and trades 12.8% vs 12.6% NZ

Community, personal services 11.1% vs 9.4% NZ

Clerical & admin 10.4% vs 10.7% NZ

Labourers 9.8% vs 10.6% NZ

Sales 8.6% vs 8.7% NZ

Machinery operators & drivers 5.0% vs 5.2% NZ

KII 30.5% vs 33.0%

Export strength supports regional economic activity

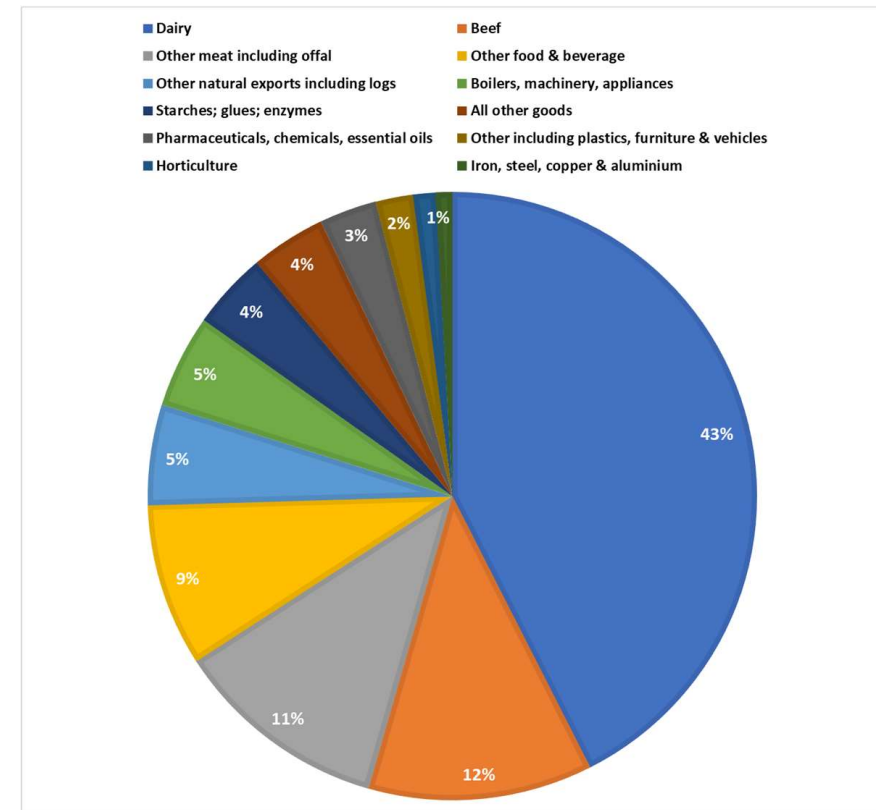
REGIONAL EXPORTS

\$1.51 BILLION

\$1.18 billion in **GOODS**

\$334 million in **SERVICES**

MANAWATŪ REGION GOODS EXPORTS



Public admin & safety

- Defence = largest subsector (LQ 11.7) and the 2nd highest growth sector behind Central Government administration (LQ 1.3)

Health care and social assistance

- Hospitals = largest subsector and growth sector (LQ 1.3)

Construction

- Heavy & civil engineering = largest subsector & 2nd largest growth sector (LQ 1.1)

Retail sector

- Supermarkets & grocery stores = largest subsector and largest growth sector

Manufacturing

- Food product manufacturing = largest subsector and largest growth sector by employment

Education and training

- Higher Education = largest subsector (LQ 2.8); preschool education = largest growth subsector

Key sectors snapshot



Manawatū Region



Economic Outlook

- Weaker short-term economic conditions evident in annual data
- Longer term analysis highlights industry strengths and opportunities for recovery
- Large stable sectors play a key economic role in the region
- Industry sectors most exposed to weak economic conditions will be supported by an increase in spending enabled by lower interest rates and stable inflation
- The outlook for the rural economy remains positive
- As recovery progresses, confidence to invest and employ should get a boost
- At this moment in time 😊 economic growth is expected to have turned positive in this quarter with national GDP projected to grow by 2.2% over the year to March 2026...

Questions ?