

Report structure

This report provides a summary of the structure of the Palmerston North economy based on the Infometrics economic profile and the annual release of the Linked Employer-Employee Datasets (LEED) from Statistics New Zealand¹.

The report includes a summary of:

1. Economic performance – five years
2. Economic structure - Gross Domestic Product (GDP)
3. GDP by sector
4. Growth industries
5. Economic structure - Employment
6. Three-year business survival rates
7. Carbon intensity of the city economy
8. Employment growth by industry sector
9. Skill level
10. Employment by occupation
11. Growth across occupations
12. Economic outlook

Appendix 1 provides industry summaries that include 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 Logistics and distribution ('Wholesale trade' and 'Transport, postal and warehousing', and the Retail sector ('Retail trade' and 'Accommodation and food services') are also included here.

Economic performance – five years

The Palmerston North City economy has grown by 13.4%² over the five years to December 2023. This compares with 11.2% growth nationally.

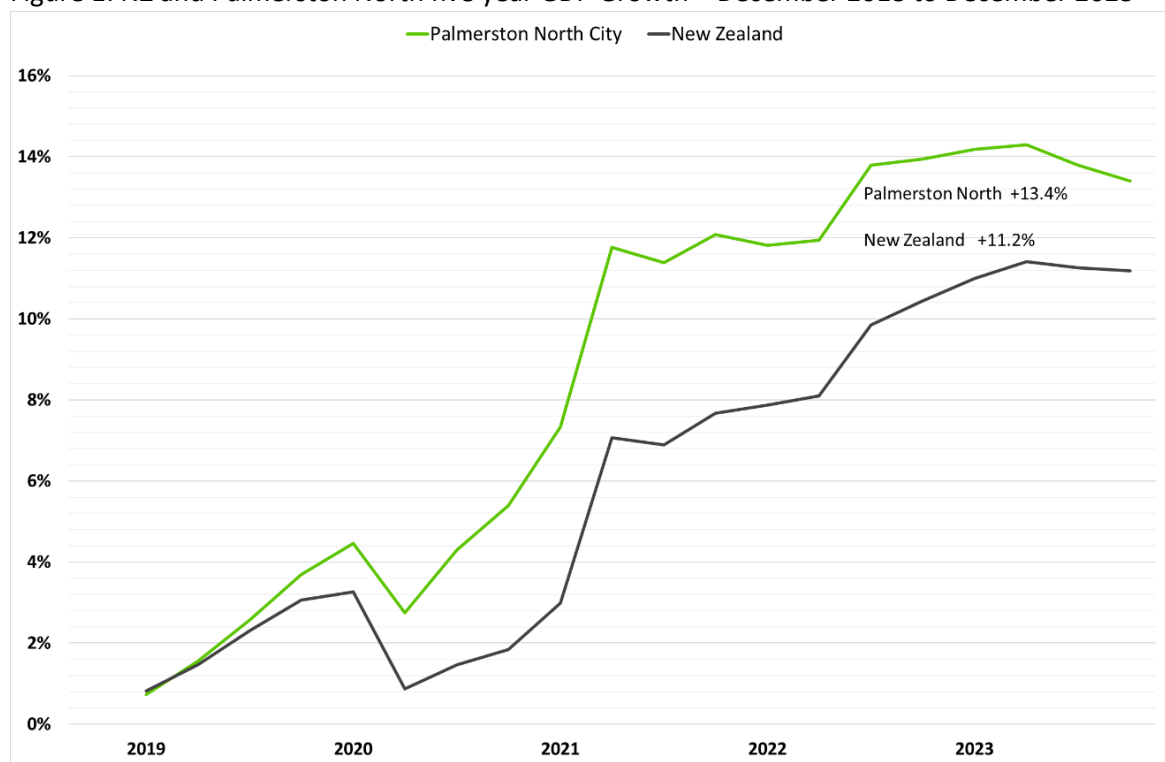
The Palmerston North economy benefits from the diverse mix of public and private sector activity and a larger proportion of big businesses in the city than at the national level. This industry structure has supported the resilience of the city economy, with the impact of wider economic shocks tending to be less extreme than in many other parts of the country. This relative resilience was observed over the COVID-19 period, where the mix of industries that make up the city economy buffered the city from the worst impacts of COVID-19 restrictions. This is not to say that the city does not have vulnerabilities in terms of the current economic conditions, but rather that peaks and troughs seem to be less pronounced than many other parts of the country.

Discussion of wider economic conditions and the impact on the city economy is discussed throughout the report, alongside a summary of the economic outlook for Palmerston North.

¹ LEED data is sourced via Infometrics. Employment by business size is sourced directly from Statistics NZ.

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.

Figure 1: NZ and Palmerston North five year GDP Growth – December 2018 to December 2023



Source: Infometrics, QEM

Economic structure – Gross Domestic Product (GDP)³

Palmerston North GDP was estimated at \$6.4b for the year ended March 2023. This is growth of 2.1% (+\$132.2m) from the previous year ended March 2022.

GDP is made up of employing sectors across the economy, as well as contributions from non-employing sectors such as owner-occupied property operation⁴ and GDP generated from taxes, duties and levies across sectors.

This report focuses on the employing sectors of the Palmerston North economy.

The employing sectors of the economy are ‘primary production’, ‘manufacturing’, ‘services’, and ‘government, education and health’. These sectors contributed \$5,381.4 million (84.1% of total GDP) to the Palmerston North economy in 2023, growing by 1.7% (+\$88 million) compared with the year ended March 2022. A further 8.3% of GDP in the city was generated from owner-occupied property operation and 7.6% from taxes and duties in 2023.

GDP by sector

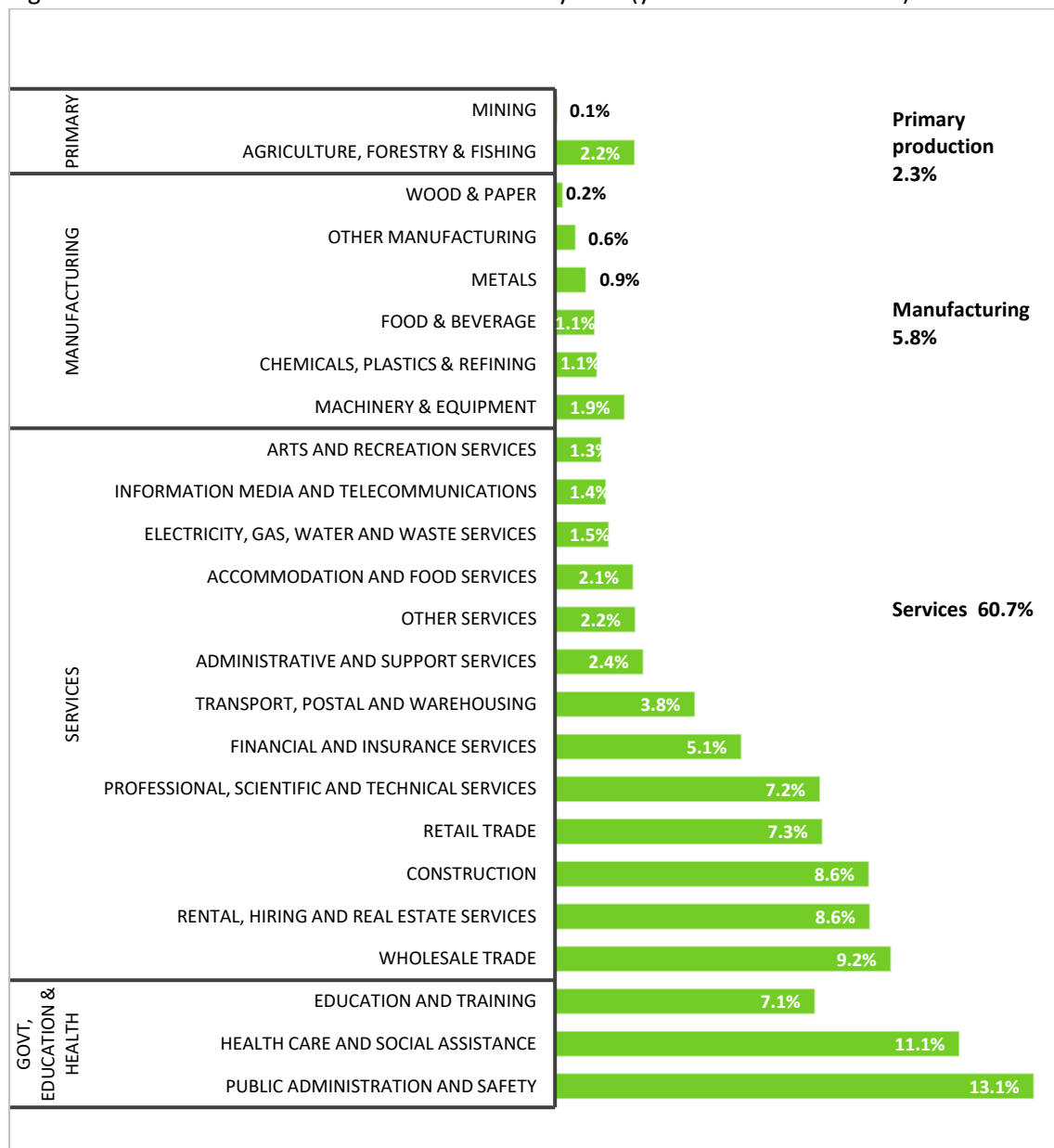
The Palmerston North economy is dominated by service sector activity, which contributed 60.7% of GDP in 2023. This is typical of most advanced economies, but lower than for New Zealand, where 66.5% of national GDP was generated from the service sector in the March 2023 year.

³ The detailed analysis of the economic structure of the city economy is as at March 2023 to align with the detailed data by industry included within this report.

⁴ Owner-occupied property operation is the value that households create from the provision of housing to themselves.

Palmerston North also has a large and diverse government, education and health sector, contributing 31.2% to city GDP. This compares with 17.1% of total New Zealand GDP.

Figure 2: Palmerston North economic structure by GDP (year ended March 2023)



Source: Infometrics, REP

Growth industries

The Palmerston North economy grew by \$132.2m (+2.1%) over the year to March 2023. Employing industries contributed \$88.0m of this annual growth to GDP, while non-employing industries contributed \$44.2m.

Over the March 2023 year, the minor contraction of some of our key sectors was observed as economic conditions impacted on levels of demand and profitability across these sectors. The largest falls were in retail trade, and education and training, where GDP decreased by \$18.1m (-4.4%) and \$12.9m (-3.3%), respectively.

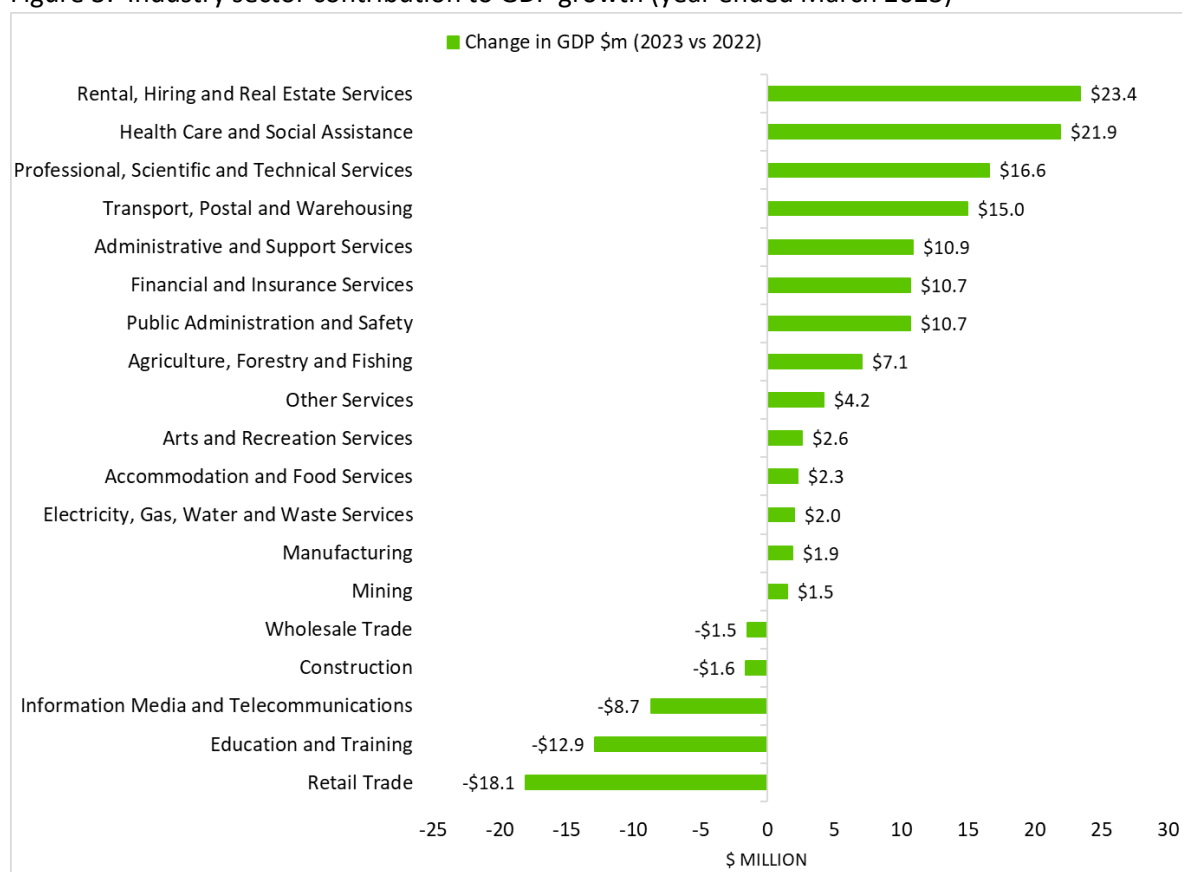
Retail and wholesale trade and construction sector GDP fell as business and consumer demand contracted due to higher interest rates and falling disposable incomes. Easing construction sector activity was observed across the country, as the building boom of 2021 and 2022 came to an end due to tougher lending conditions, lower capital values, and higher living costs.

More recently, construction sector activity in the city has been supported by substantial public and commercial and industrial development flowing through to consenting. More recent impacts on the sector are discussed in the quarterly economic update (April 2024). Looking forward, fiscal constraints could put construction sector activity under further pressure as the Government looks to reprioritise spending across the country in response to tight budgetary conditions.

Education and training have been impacted by reduced demand from strong labour markets and central government immigration policy settings, alongside financial constraints in the sector.

The information, media and telecommunications sector has been impacted over time by non-media alternatives and increasing technology inputs relative to labour. More recently, a downturn in advertising revenue is impacting on the sector as economic conditions limit non-essential expenditure. While demand for advertising is likely to recover from current levels, trends suggest the industry will continue to face pressure from technology advances and alternative media.

Figure 3: Industry sector contribution to GDP growth (year ended March 2023)



Source: Infometrics, REP

Rental, hiring and real estate services was the largest growth sector, expanding by \$23.4m (+5.3%) over the year to March 2023, largely driven by returns to the real estate sector and recovering tourism activity. Health care and social assistance GDP increased by \$21.9m as access to workers

was restored due to easing at the borders. Professional, scientific and technical services GDP continued its strong growth trajectory.

The following table summarises the five largest growth sectors. Industries are ranked by GDP growth over the year to March 2023. The table also summarises growth in GDP over the ten-years and twenty-years to March 2023, as well as the percentage of total growth by sector.

Table 1: Palmerston North GDP by industry – Five largest growth sectors ranked by year

	Industry	One-year growth	10-year growth	20-year growth
1	Rental, hiring and real estate services \$463.2m	+\$23.4m +5.3%	+\$129.8m +38.9%	+\$139.2m +43.0%
	Percentage of total growth	26.6%	10.7%	8.3%
	Real estate services were the largest growth sub-sector adding +\$16.8m (+6.5%) in GDP over the year. Passenger car rental and hiring, and other goods and equipment rental and hiring, also grew strongly, adding \$8.7m (+17.3%) in GDP to the city economy. The profitability of real estate services will have fallen in the latter part of 2023 with both sales volumes and prices coming under pressure due to tough lending conditions. This implies growth in the sector would have eased throughout 2023. Activity over the March 2023 year was well supported by the opening of borders, the recovery of supply conditions relative to the March 2022 year, and the continuation of elevated house prices in 2022.			
2	Health care and social assistance \$594.8m	+\$21.9m +3.8%	+\$134.9m +29.3%	+\$261.7m +78.6%
	Percentage of total growth	24.9%	13.2%	15.6%
	Health care and social assistance contributed \$594.8m in GDP to the city economy in the March 2023 year. Hospitals ⁵ were the largest sub-sector and the largest growth sub-sector for the year, adding \$10.9m in GDP to reach a total value of \$198.6m. Aged care residential services were the second highest growth sub-sector, increasing by \$4.6m (+8.2%) to reach a value of \$60.8m.			
3	Professional, scientific and technical services \$389.8m	+\$16.6m +4.4%	+\$103.4m +36.1%	+\$116.5m +42.6%
	Percentage of total growth	18.9%	8.5%	+7.0%
	Professional, scientific and technical services generated \$389.8m in GDP for the city in 2023. Scientific research services were the largest growth sub-sector with GDP growing by \$10.2m (+10.6%) over the year. GDP generated from the Management advice and other consulting services, and Computer systems design and related services sub-sectors, collectively increased by \$5m (+5.3%) in the March 2023 year.			
4	Transport, postal and warehousing \$206.1m	+\$15.0m +7.8%	+\$17.7m +9.4%	+\$46.9m +29.5%
	Percentage of total growth	17.0%	1.5%	2.8%

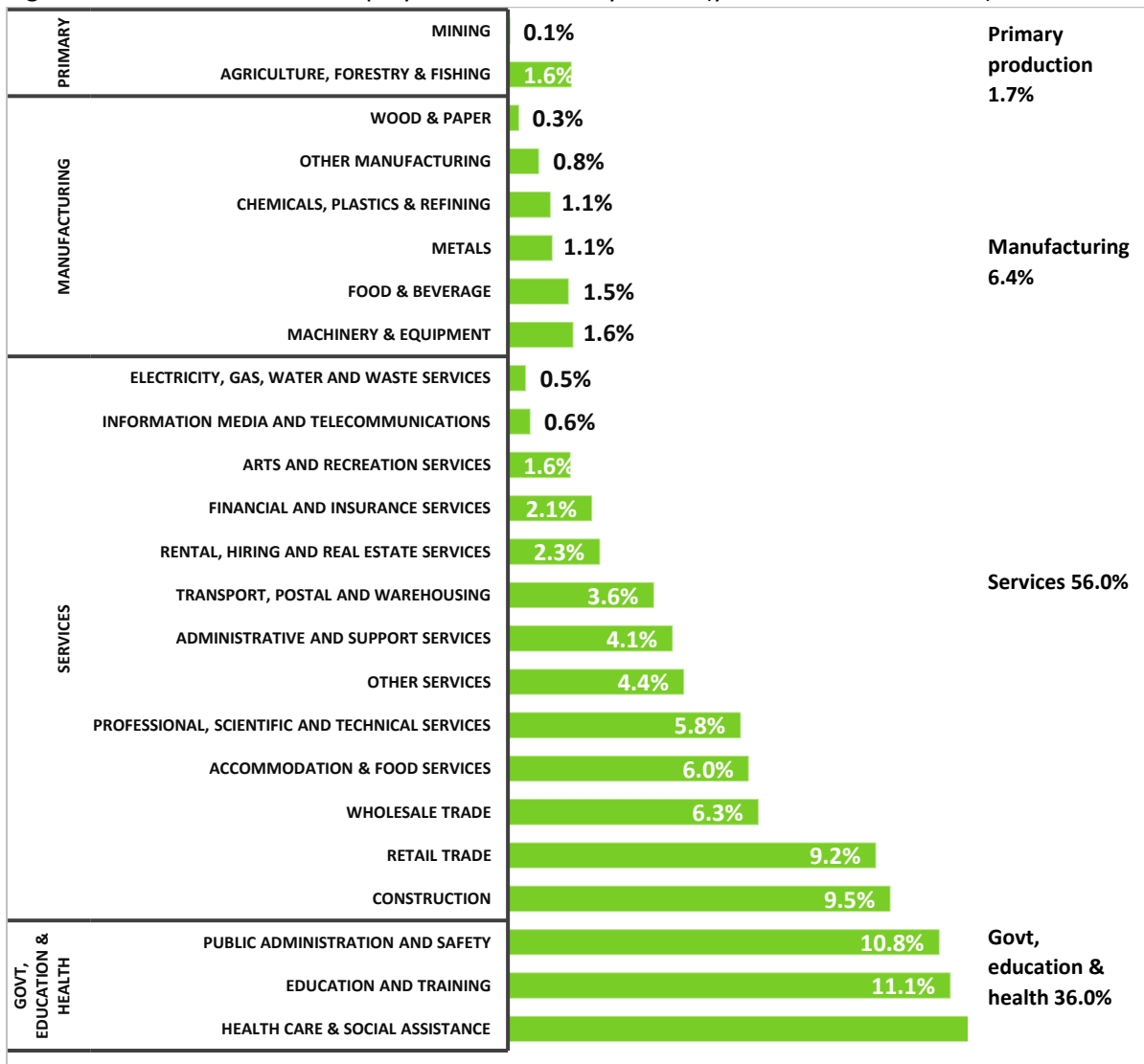
⁵ The Hospital sub-sector excludes psychiatric hospitals.

	Industry	One-year growth	10-year growth	20-year growth
	The Transport, postal and warehousing sector contributed \$206.1m to the Palmerston North economy in the March 2023 year. Other warehousing and storage services was the largest sub-sector with GDP increasing by \$12.4m (+79.0%) over the year.			
5	Administrative and support services \$129.9m	+10.9m +9.2%	+32.6m +33.5%	+\$34.6m +36.3%
	Percentage of total growth	12.4%	2.7%	2.1%
	Administrative and support services contributed \$129.9m in the March year 2023. Buildings cleaning services was the largest growth sub-sector, up \$4.6m (+11.3%) from the previous year, followed by Travel agency and tour arrangement services, increasing \$4.1m (+83.7%) and labour supply services, rising \$2.6m (+5.5%) over the year.			

Economic structure - Employment

There were 56,665 people employed in the Palmerston North economy in March 2023.

Figure 4: Palmerston North employment structure by sector (year ended March 2023)



Source: Infometrics, REP, 2023

The employment structure across the city is largely consistent with GDP structure. Service sector employment is less than at the national level, where 62.2% of workers are employed in the service sector compared with 56.0% in Palmerston North.

The combined scale of the government, education and health sectors is clear with 36.0% of jobs in Palmerston North generated from these sectors, compared with 23.1 % of employment across the country.

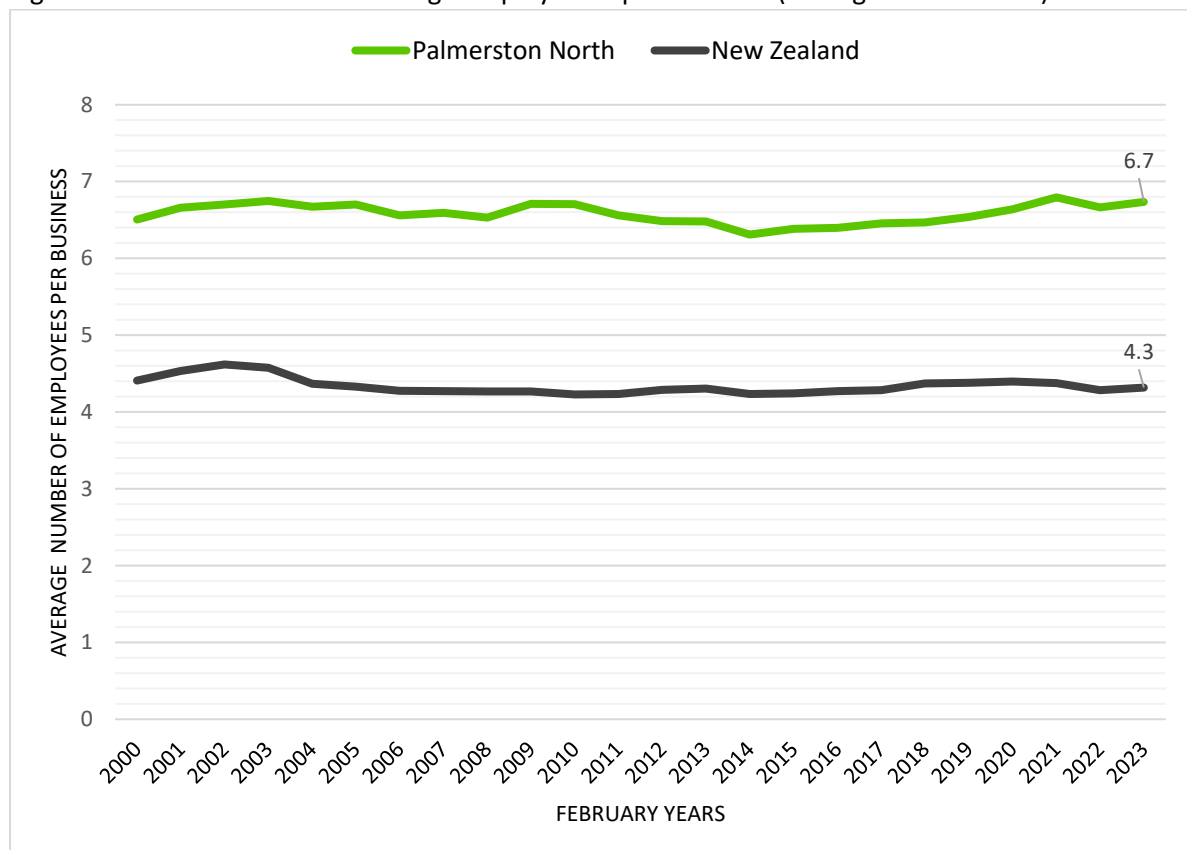
Business structure

There were 8,412 businesses in Palmerston North in February 2023; a slight increase of three firms from the previous year. Businesses are defined as legal entities established for the purpose of generating a profit.

Business growth has been flat over the year. However, in the year to February 2022, the number of businesses in the city increased by 4.1% as economic activity was bolstered by the post-pandemic economic recovery.

Another characteristic of our businesses is that they tend to be larger with an average size of 6.7 employees per business in the city relative to an average size of 4.3 employees per business nationally.

Figure 5: Palmerston North – average employment per business (average business size)



Source: Infometrics, REP, 2023

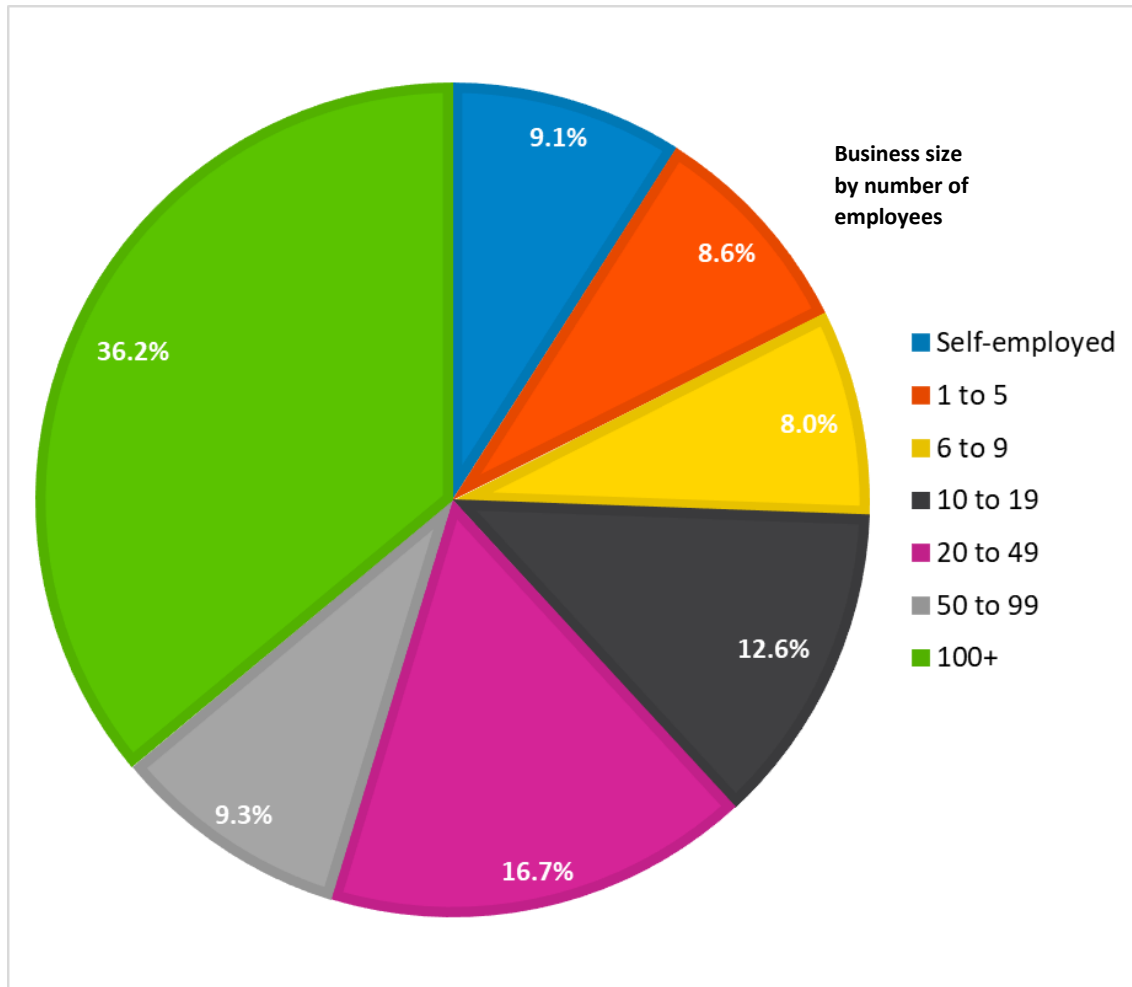
The city has a higher proportion of businesses employing over 50 employees, relative to the national average, with 2.1% of our businesses employing over 50 employees compared with 1.2% of New Zealand businesses.

Contributing to the relative resilience of the Palmerston North economy, the city also has a greater proportion of workers employed within large businesses. Specifically, 36.2% of the city workforce is employed in businesses with 100 or more employees.

The city also has a higher proportion of smaller businesses with 21.3% of total businesses in the city having between one and five employees, compared with 18.0% nationally.

Our Small to Medium Enterprises (SMEs - businesses with <20 employees) continue to be extremely important to the city economy, making up over 94.0% of total businesses and creating 38.6% of total jobs.

Figure 6: Percentage of filled jobs by business size

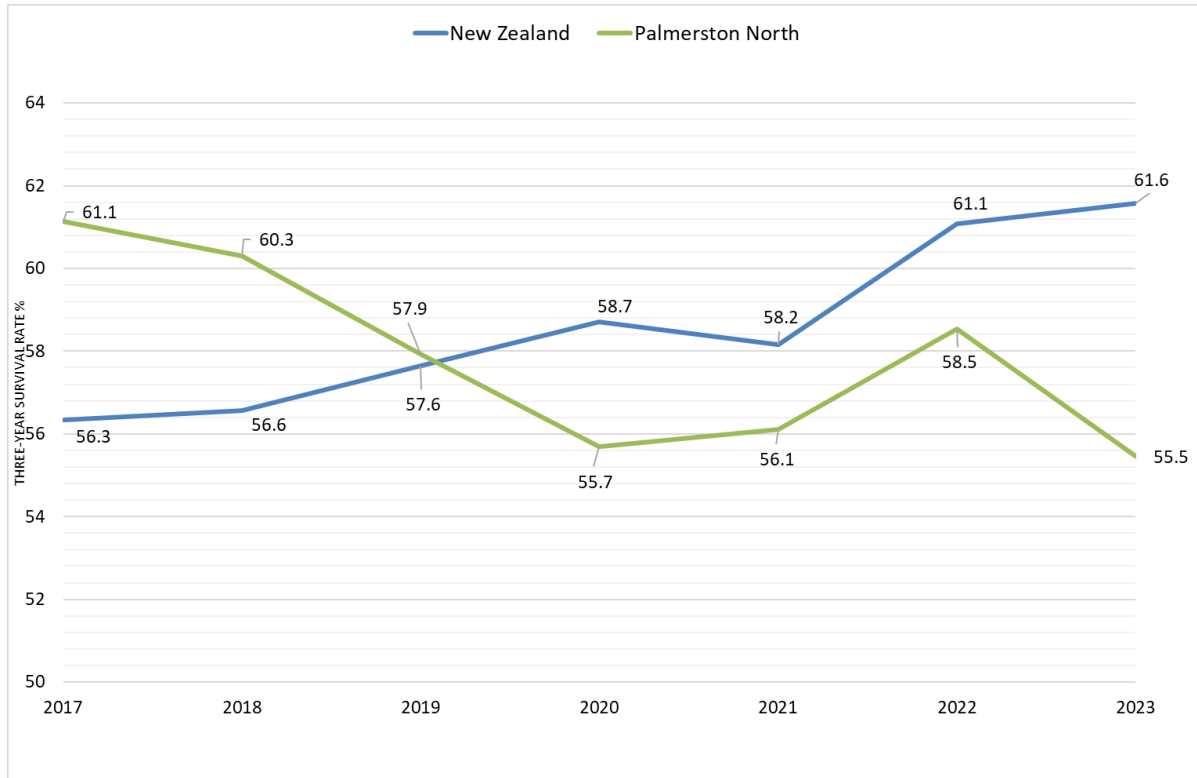


Source: Business demography, Statistics NZ, 2023

Three-year business survival rate

The three-year business survival rate expresses the percentage of new businesses in Palmerston North in February 2020 that continued to operate in February 2023. The business survival rate for the city over this three-year period was 55.5%. This compares with 61.6% nationally. Business survival rates for the city have fluctuated between 61.1% and 55.5% over the period 2017-2023.

Figure 7: Three-year business survival rates (Palmerston North and New Zealand)



Source: Statistics NZ, customised business survival data

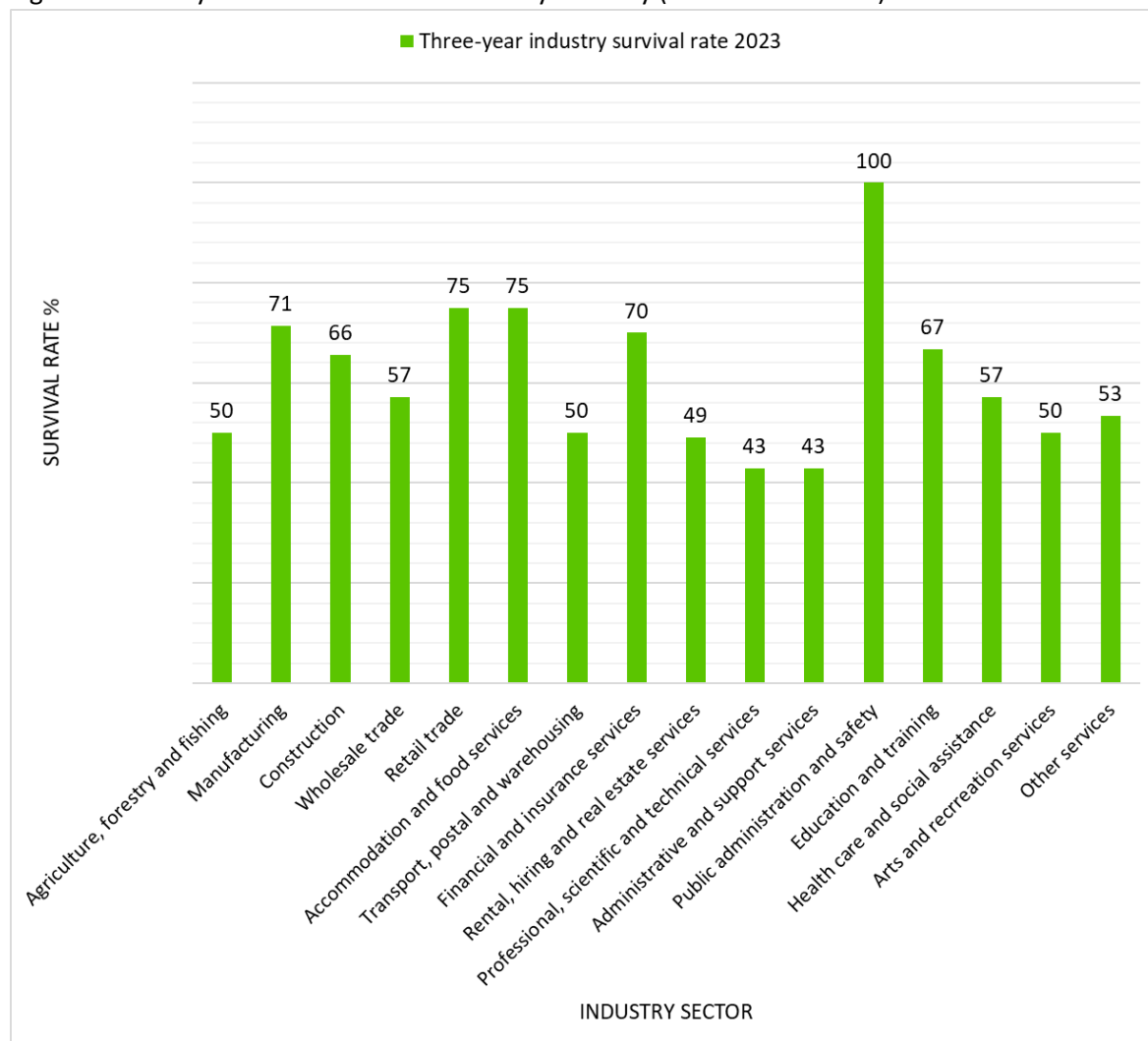
The three-year business survival rate differs across industries with ‘professional, scientific and technical services’ and ‘administrative and support services’ posting the lowest business survival rates over the three-years to March 2023. There is a variety of reasons for this including sole trader businesses being established as a short term solution to the restrictions on employment from COVID-19 in 2020.

Business structure is another reason why business numbers may fall alongside an increase in GDP by industry. More efficient businesses expand to increase the supply of goods and services to the market, replacing businesses that have ceased to operate. 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 structure that does not correlate with profitability or employment in the sector.

The period 2020-2023 was also 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.

Characteristics of three-year business survival in the city and nationally over the coming few years will provide further insight into the impacts of COVID-19 and economic volatility on businesses over the period 2020-2023.

Figure 8: Three-year business survival rates by industry (Palmerston North)



Source: Statistics NZ, business demography customised data

Carbon intensity of the city economy

The carbon intensity of the Palmerston North economy, explained as the level of carbon emissions generated per \$1 million in GDP, has been declining since 2018. This declining trend is demonstrated in Figure 9 of this report.

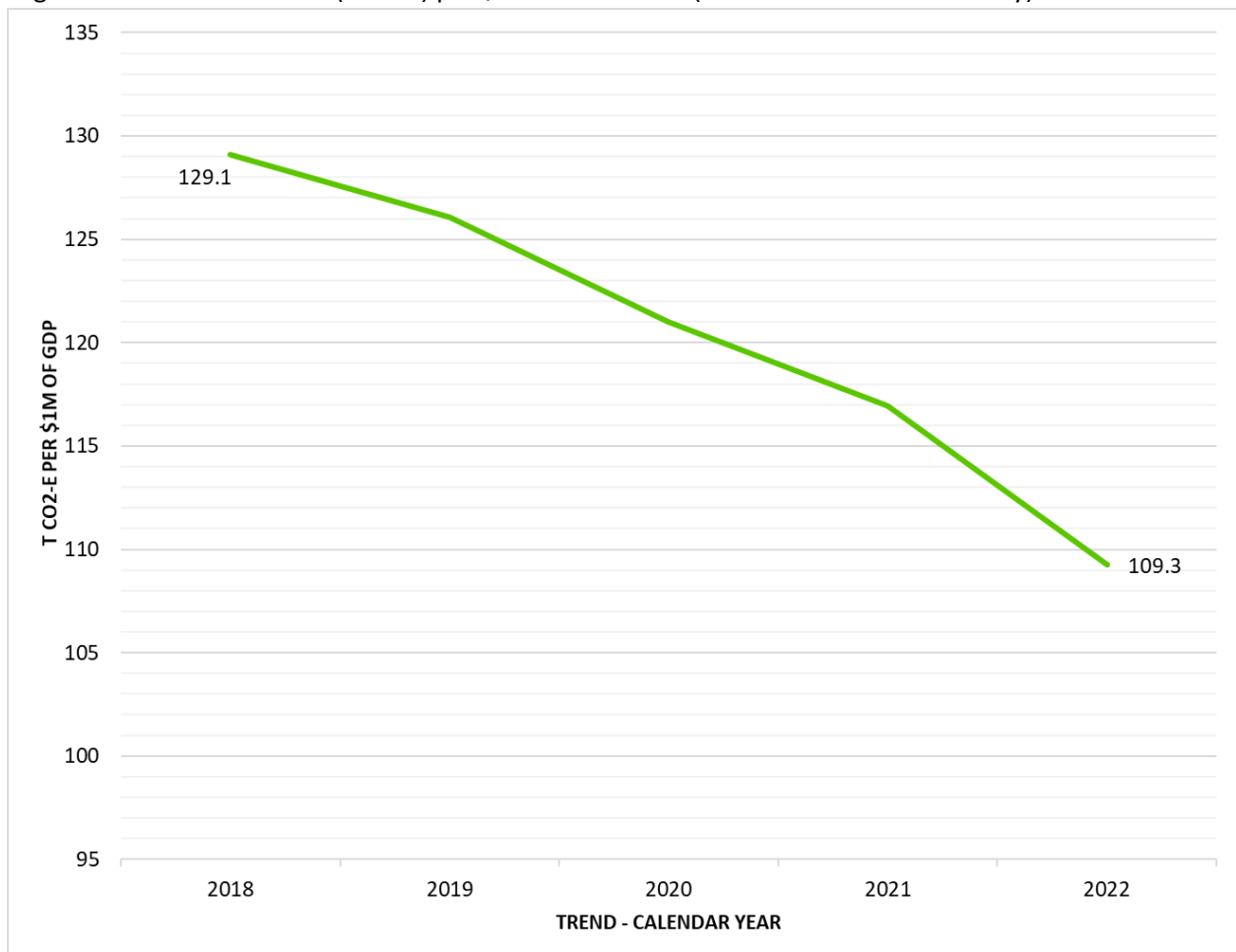
Total gross emissions (excluding forestry) fell 5.0% over the 2022 calendar year, with total net emissions down 4.2% over the year.

The main driver of this reduction in emissions, both in the city and nationally, was a 41.1% fall in electricity-related emissions between 2021 and 2022. This was predominantly driven by an increase in hydro-generation resulting in a substantial reduction in coal generation over the year. Decisions regarding the source of generation of our national grid is determined at the national level rather than at the local level, highlighting the influence of national policy decisions on electricity generation across industry sectors.

Other factors that contributed to the declining trend were a fall in natural gas, LPG and petrol and diesel emissions over the year, and a decrease in emissions from solid waste and wastewater disposal and industry (IPPU).

Further analysis of how the city compares with other parts of New Zealand is underway and will be presented as information becomes available. Future updates will also provide details on how the actions of the city are contributing to carbon emissions reductions in Palmerston North.

Figure 9: Carbon emissions (tCO₂-e) per \$1 million of GDP (Palmerston North economy)



Source: Infometrics, QEM, and Citywide emissions inventory 2022, PNCC

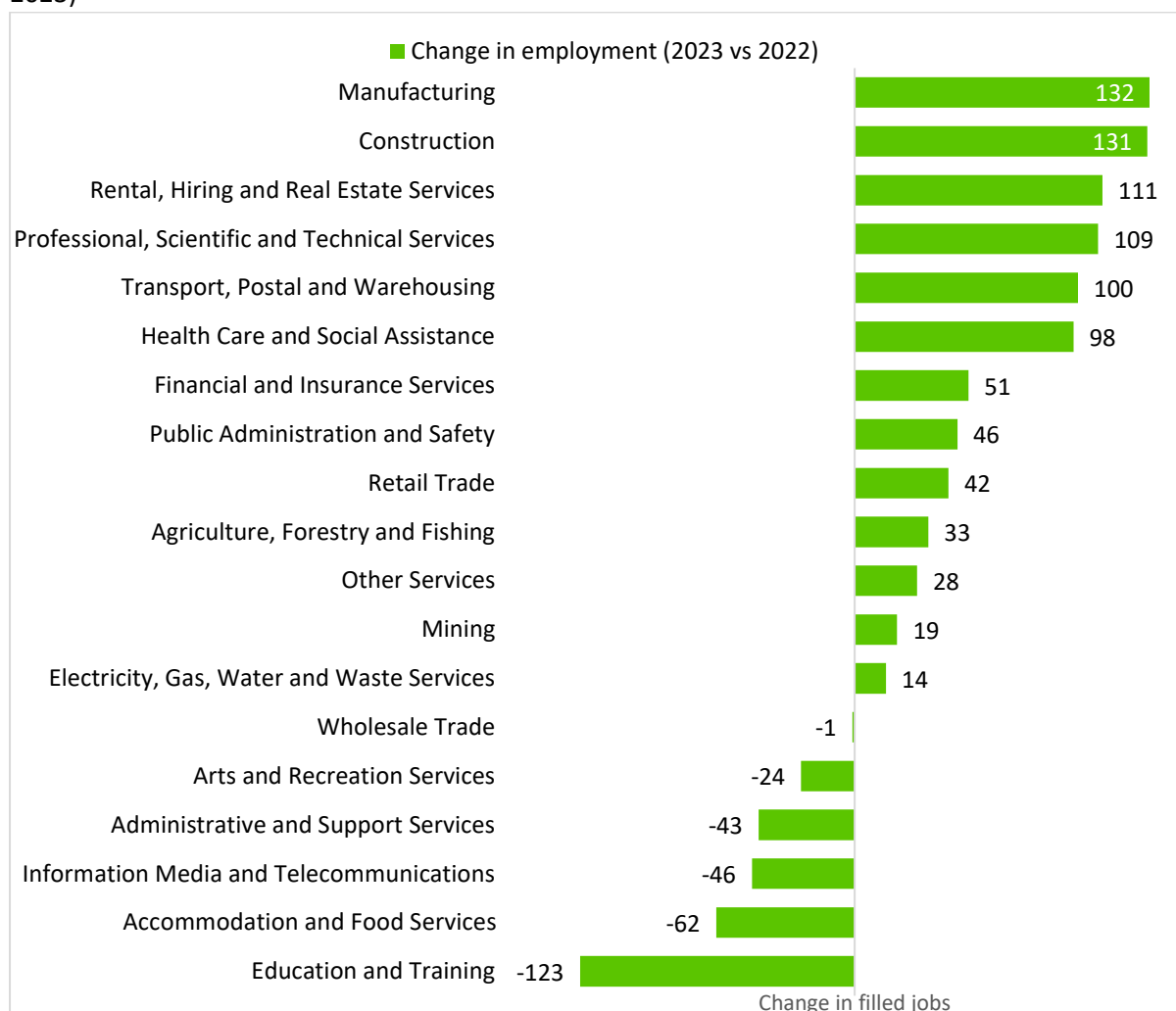
Employment growth by industry sector

The number of people employed in the city increased by 615 over the year to March 2023, up 1.1% compared with the previous year.

Jobs growth was more muted over the year to March 2023, as constrained labour supply made it difficult to fill roles. Five industries shed a total of 298 jobs over the year. The remaining industries created an additional 913 jobs across the city economy.

Since the March 2023 year, jobs growth is expected to have increased with workers being added to the local economy due to record net international migration and an increase in the number of employees and skills available to employers. Industries such as manufacturing, food production and construction also came under additional pressure as global and domestic demand weakened further into 2023. Returns to real estate are also expected to have weakened as the housing market continued to fall after the March 2023 year. These sectors are particularly exposed to both domestic and international economic demand and supply conditions.

Figure 10: Contribution to employment growth by sector in Palmerston North (year ended March 2023)



Source: Infometrics, REM, 2023

The following table summarises the five sectors in Palmerston North that created the most jobs over the year to March 2023. Industries are ranked by annual employment growth. The table also summarises employment growth over the ten-years and twenty-years to March 2023, as well as the percentage of growth generated from the specific industry sector.

Table 2: Top-five growth industries – Employment

	Industry	One-year growth	10-year growth	20-year growth
1	Manufacturing 3,631	+132 jobs +3.8%	+562 jobs +18.3%	-454 -11.1%
	Percentage of total growth	21.5%	7.1%	-3.9%
	The largest growth subsectors were machinery and other equipment manufacturing (+49 jobs), dairy product manufacturing (+38 jobs) and non-metallic mineral product manufacturing (+28 jobs). Transport equipment manufacturing also added 21 new jobs over the year. The average earnings of people employed in the manufacturing sector was \$68,922 in the February 2022 year alongside GDP per worker of \$85,541 (March 2023).			

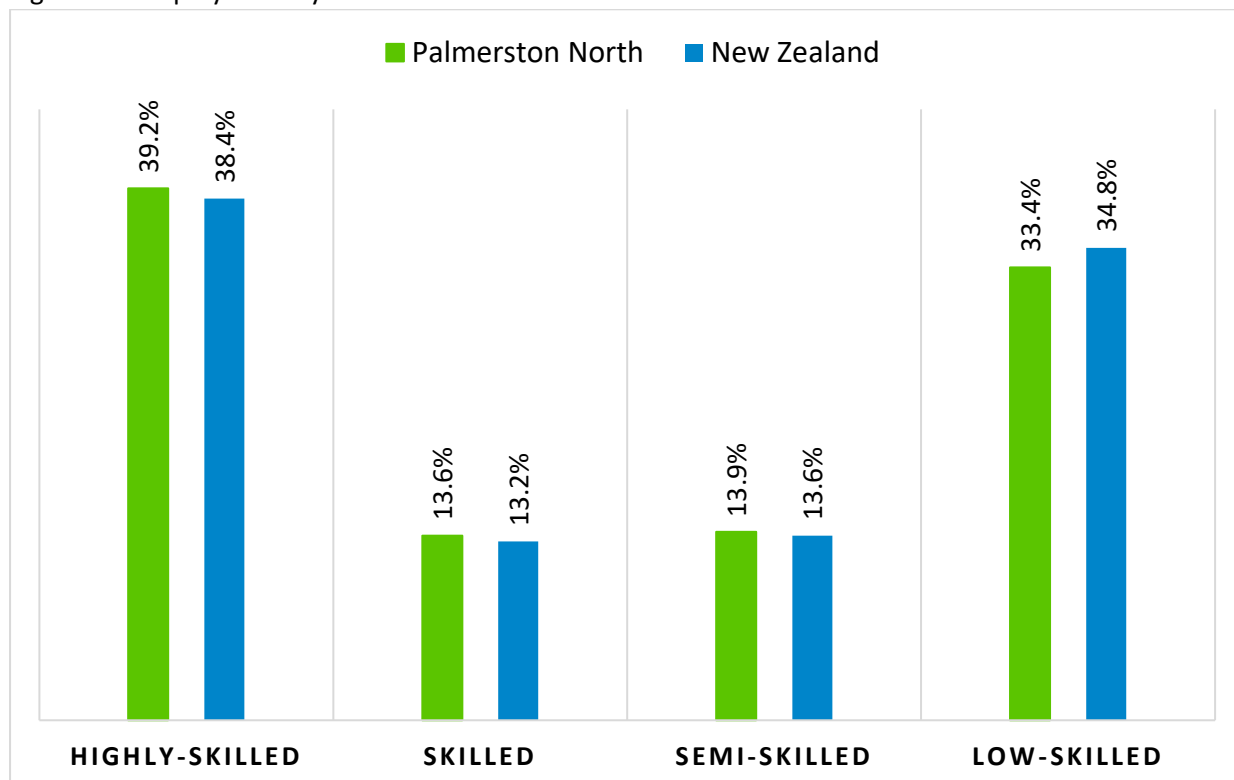
	Industry	One-year growth	10-year growth	20-year growth
2	Construction 5,409	+131 jobs +2.5%	+1,631 +43.2%	+2,441 +82.2%
	Percentage of total growth	21.3%	20.7%	20.8%
	The construction sector added 131 jobs to the city workforce over the March 2023 year. Other heavy and civil engineering construction added the most jobs (+ 66), followed by house construction (+32) and electrical services (+31). The average earnings of people employed in the construction sector in the city was \$69,287 in the February 2022 year alongside GDP per worker of \$85,397 (March 2023).			
3	Rental, hiring and real estate 1,305	+111 jobs +9.3%	+428 jobs +48.8%	+286 jobs +28.1%
	Percentage of total growth	18.0%	5.4%	2.4%
	Real estate services were bolstered by the relative strength of the property market in 2022, adding 56 jobs to the city economy. Passenger car rental and hiring jobs increased by 25 in response to recovering tourism activity, with other goods and equipment rental and hiring jobs increasing by 21 over the year. Overall, the average earnings of people employed in the sector was \$71,282 in the March 2022 year. GDP per worker was \$354,943 (March 2023) per employee. The high GDP per worker versus earnings is due to low levels of labour in the sector relative to capital. Hence, the value-add was predominantly generated from capital gains rather than labour. This is consistent with elevated GDP growth in the real estate services sub-sector over the year.			
4	Professional, scientific and technical services 3,294	+109 jobs +3.4%	+223 jobs +7.3%	+570 jobs +20.9%
	Percentage of total growth	17.7%	2.8%	4.9%
	The scientific research services sub-sector made up 72.5% of total growth, adding 79 jobs over the year. Scientific research services are also by far the largest subsector in the city, employing a total of 908 employees in March 2023. Computer systems and design is the next biggest sub-sector employing 424 employees and adding 15 new jobs over the year. Management advice and consulting also added 19 new jobs, employing a total of 419 workers. The average earnings of city employees working in the sector was \$84,835 in the March 2022 year, with GDP per worker of \$118,336 (March 2023).			
5	Transport, postal and warehousing 2,066	+100 jobs +5.1%	+102 jobs +5.2%	+304 jobs +17.3%
	Percentage of total growth	16.3%	1.3%	2.6%
	Road freight transport was the biggest growth subsector, adding 57 jobs over the year followed by other warehousing and storage services (+40) and air and space transport (+39). Growth in employment was driven by high levels of investment in logistics and distribution in the city over the year. The average earnings of people employed in the sector was \$73,095 in the March 2022 year alongside GDP per worker of \$99,758 in the March 2023 year.			

Skill level⁶

Palmerston North has a higher proportion of the workforce employed in highly skilled and skilled roles.

In 2023, 52.8% of the Palmerston North workforce were employed in highly skilled and skilled roles. This compares with 51.6% of the New Zealand workforce.

Figure 11: Employment by skill level



Source: Infometrics, REM

Employment by occupation

Figure 12 provides a breakdown of employment across occupations in the city in 2023.

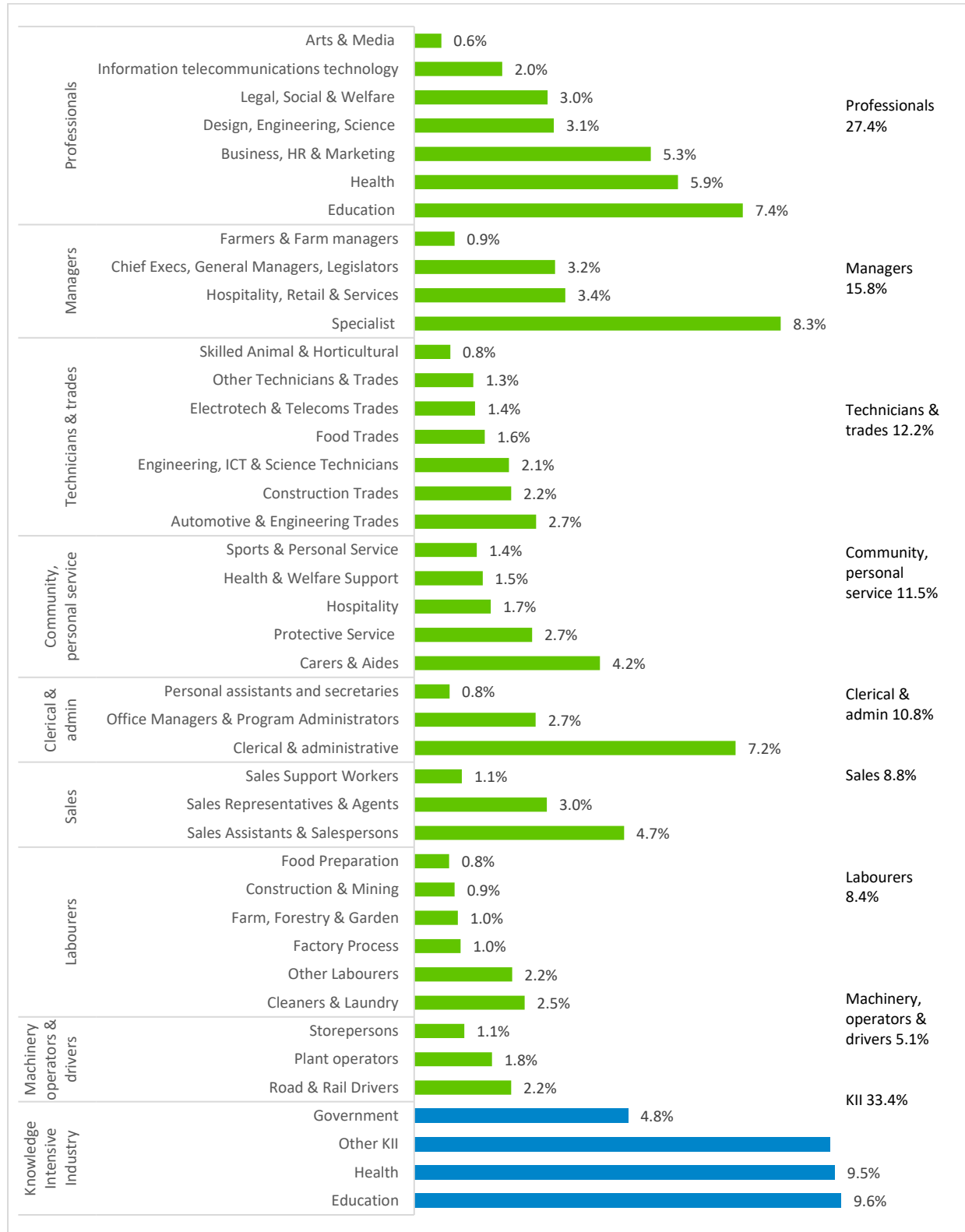
Professionals were the largest group, with 27.4% of the Palmerston North workforce employed in professional occupations and a further 15.8% in management roles.

Across the city, 18,928 people were employed in Knowledge Intensive Industry (KII) occupations⁷. This is equal to 33.4% of the total Palmerston North workforce and slightly above the national proportion of 32.7%.

⁶ Skill categories are consistent with skill level one of the Australia New Zealand Standard Classification of Occupations (ANZSCO)

⁷ KII's 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: Palmerston North employment by occupation (March 2023)



Source: Infometrics, REP

Growth across occupations

There was a total of 615 jobs created in the city over the year to March 2023. Table 3 summarises employment growth across occupations, ranked by growth over the March 2023 year. The table also summarises growth in occupations over ten-year and twenty-year timeframes.

Table 3: Growth in employment by occupation – Palmerston North City

	Occupation	One-year growth	10-year growth	20-year growth
1	Professionals 15,553	+168 jobs +1.1%	+2,843 +22.2%	+5,544 +55.4%
	Percentage of total growth	27.3%	36.0%	47.4%
	Midwifery and nursing professionals were the biggest growth occupation in the city over the year to March 2023, increasing by 62. The number of information and organisation professionals also grew strongly, up 53 over the year, with engineering professionals increasing by 29. Professionals employed in the education, media, legal and human resource and training occupations collectively fell by 102 over the year.			
2	Machinery operators and drivers 2,875	+104 jobs +3.8%	+334 +13.1%	+455 +18.8%
	Percentage of total growth	16.9%	4.2%	3.9%
	Truck drivers were the largest growth occupation, increasing by 27 in the city over the year. Truck driving was followed by growth in the number of storepersons (+20) and mobile plant operators (+17). All sub-sector occupation numbers increased over the year in response to elevated demand and investment in the sector.			
3=	Managers 8,929	+78 jobs +0.9%	+1,255 +16.4%	+2,038 +29.6%
	Percentage of total growth	12.7%	15.9%	17.4%
	Business administration managers were the largest growth occupation over the year, increasing by 22. Construction, distribution and production managers also continued to grow after a very strong 2022 year, up 20 over the year. Employment in accommodation and hospitality, farming, defence and education management contracted by 22 over the year with all other occupations increasing.			
3=	Labourers 4,775	+78 jobs +1.7%	+478 +11.1%	+326 +7.3%
	Percentage of total growth	12.7%	6.1%	2.8%
	The number of people employed in cleaner and laundry worker occupations increased by 30 over the year, followed by construction labourers (+17). Employment across all labouring occupations increased over the year, reflecting the strong demand for workers across unskilled and semi-skilled occupations in the city and the wider New Zealand economy.			
4	Sales workers 4,986	+75 +1.5%	+317 +6.8%	+534 +12.0%
	Percentage of total growth	12.2%	4.0%	4.6%

	Occupation	One-year growth	10-year growth	20-year growth
	Real estate sales agents were the highest growth occupation, adding 36 over the March year 2023. Employment across all sales occupations increased over the year, with businesses recruiting in response to limited supply of workers and strong demand across the sector over the year to March 2023.			
5	Technicians and trade workers 6,904	+65 +1.0%	+1,227 +21.6%	+1,092 +18.8%
	Percentage of total growth	10.6%	15.5%	9.3%
	Electricians were the highest growth occupation in the city, adding 25 over the year. After a very strong year to March 2022, demand for most trades continued to increase, except for food trade workers (-13), hairdressers (-12) with other trades down 21.			
6	Community, personal service workers 6,533	+31 +0.5%	+1,044 +19.0%	+1,804 +38.1%
	Percentage of total growth	5.0%	13.2%	15.4%
	Personal carers and assistants, and health and welfare support workers, were the largest growth occupation in the city, up 49 collectively over the year. They were followed by people employed in security and prison officer occupations (+20). Childcare, education aides, hospitality and defence (other ranks) came under pressure, with numbers employed in these occupations falling by 60 over the year.			
7	Clerical & administration workers	+16 +0.3%	+400 +7.0%	-86 -1.4%
	Percentage of total growth	2.6%	5.1%	-0.7%
	Office managers, and programme administrators were the largest growth occupation, adding 31 jobs over the year. Growth was weaker across other sub-occupations with numbers employed as personal assistants and secretaries, general clerical workers, inquiry clerks and receptionists and clerical and office support workers collectively falling by 38 over the year.			

Economic outlook

The Palmerston North economy has benefited from a range of factors over the last five-years. The large and diverse public sector in the city has supported economic activity over a period of significant disruption, while big businesses in the city and less exposure to international tourism has buffered the economy against the worst impacts of COVID-19. Elevated investment in the city and the surrounding region, alongside high global demand for agriculture produced in our region, has also helped to minimise the impacts of wider economic challenges on the local economy since 2020.

Economic conditions changed in late 2021, with persistent inflationary pressures driving the Reserve Bank of New Zealand (RBNZ) to the Official Cash Rate (OCR) from a record low of 0.25% in September 2021 to a peak of 5.5% in May 2023. The OCR has remained at 5.5% since.

While a 5.5% OCR is not particularly high by historical standards, average house prices in the city and across the country increased substantially between January 2020 and the peak in late 2021, pushing up levels of borrowing by households. The increase in interest rates took time to roll through to households and business activity, with consumer demand remaining elevated throughout 2022 and the first half of 2023. The full impact of interest rate increases is now being felt, with home ownership costs skyrocketing and households shutting their wallets to ride out the high interest rate

environment. Our businesses are now feeling the pressure, with demand weakening, and costs remaining high despite falling inflation.

There is light at the end of the tunnel for households and businesses with interest rates widely anticipated to start to come down before the end of the year. This will take pressure off households and support businesses, enabling spending on a greater range of goods and services across the economy.

There are other factors that are disrupting particular industries such as the 'information, media and telecommunications' sector. Consumer demand is changing, which is likely to reduce the demand for traditional media over time. Other industries, such as the 'retail' and 'wholesale trade sectors', and 'construction', are likely to rebound once household cost pressures subside and financial conditions improve. Some of our big growth sectors such as 'logistics and distribution' will be impacted by the economic downturn over the short term but are set to continue to expand over the longer term with elevated investment and improving economic conditions forecast to boost demand.

Changes in the economic structure of the city economy over the year to March 2024, as well as longer term growth trends, will be reported in the first half of 2025.

Appendix 1

Appendix 1 provides a summary of all industry sectors in the city as well as the combined sectors of 'logistics and distribution'⁸ and the 'retail sector'⁹. The appendix is ranked by GDP contribution to the city economy and includes employment, GDP per worker, industry earnings and average earnings per worker. One-year, 10-year and 20-year data and growth rates by industry are also included.

The latest earnings and average earnings per worker data are the latest available and are for the September 2022 year. Mining is included in the agriculture, forestry and fishing sector data due to earnings data only being available at the combined industry level. For context, mining contributes 0.1% of GDP and employment to the city economy and has a negligible influence on conclusions drawn from the data.

An elevated GDP per worker generally indicates a high level of capital, knowledge and/or technology is employed in that industry. This is noticeable in the 'rental, hiring and real estate services' industry and the 'electricity, gas, water and waste services sector'. Elevated GDP per worker is also observed in sectors with low employment that are heavily influenced by external factors such as risk. This explains the high GDP per worker in the financial and insurance services sector, alongside relatively high inputs of digital technology.

Please note that the elevated wage price pressure of 2023 is not yet captured in the earnings data included in Table A1. Earnings data for the city at the industry level for the March 2024 year will provide insight into the earnings increases by industry sector. This information is due to be released in late 2025.

Table A1: Summary statistics by 1-digit industry and combined industry level – Palmerston North

	Industry	One-year growth	10-year growth	20-year growth
Public administration and safety services	GDP \$704.4m	+\$10.7m +1.5%	+\$210.3m +42.6%	+\$337.7m +92.1%
	Employment 6,105	+46 +0.8%	+1,734 +39.7%	+2,456 +67.3%
	GDP per worker \$115,381	+\$890 +0.8%	+\$2,340 +2.1% (+0.2% p.a.)	+\$14,888 14.8% (+0.7% p.a.)
	Earnings \$508,090,200	-\$20,849,400 -3.9%	+\$230,947,800 +83.3%	+\$366,826,700 +259.7%
	Average earnings per worker \$83,857	-\$530 -0.6%	+\$22,256 +36.1% (+3.6% p.a.)	+\$44,176 +111.3% (+5.6%)
Health care and social assistance	GDP \$594.8m	+\$21.9m +3.8%	+\$134.9m +29.3%	+\$261.7m +78.6%
	Employment 8,008	+98 +1.2%	+1,009 +14.4%	+2,442 +43.9%

⁸The logistics and distribution sector include the 'wholesale trade' and 'transport, postal and warehousing' sectors.

⁹ The retail sector includes the 'retail trade' and 'accommodation and food services' sectors.

	Industry	One-year growth	10-year growth	20-year growth
	GDP per worker \$74,276	+\$1,848 +2.6%	+\$8,566 +13.0% (+1.3% p.a.)	+\$14,430 +24.1% (+1.2% p.a.)
	Earnings (2022) \$543,106,500	+\$55,146,900 +11.3%	+\$214,999,800 +65.5%	+\$393,798,800 +263.7%
	Average earnings per worker \$68,661	+\$4,201 +6.5%	+\$20,396 +42.3% (+4.2% p.a.)	+\$40,080 +140.2% (+7.0% p.a.)
Wholesale trade	GDP \$494.4m	-\$1.5m -0.3%	+\$131.0m +36.0%	+\$241.7m +95.6%
	Employment 3,548	-1 -0.0%	+492 +16.1%	+1,125 +46.4%
	GDP per worker \$139,346	-\$383 -0.3%	+\$20,432 +17.2% (+1.7% p.a.)	+35,054 +33.6% (+1.7% p.a.)
	Earnings (2022) \$247,001,500	-\$10,372,600 -4.0%	+84,398,200 +51.9%	\$161,577,700 +189.1%
	Average earnings per worker \$69,597	-\$2,923 -4.0%	+\$16,039 +29.9% (+3.0% p.a.)	+\$33,355 +92.0% (+4.6% p.a.)
Rental, hiring and real estate services	GDP \$463.2m	+\$23.4m +5.3%	+\$129.8m +38.9%	+\$139.2m +43.0%
	Employment 1,305	+111 +9.3%	+428 +48.8%	+286 +28.1%
	GDP per worker \$354,963	-\$13,399 -3.6%	-\$25,217 -6.6% (-0.7% p.a.)	+\$36,984 +11.6% (+0.6% p.a.)
	Earnings (2022) \$85,110,500	+\$4,746,600 +5.9%	+\$45,835,000 +116.7%	+\$52,539,800 +161.3%
	Average earnings per worker \$71,282	+\$3,521 +5.2%	+\$25,771 +56.6% (+5.7% p.a.)	+\$37,283 +109.7% (+5.5% p.a.)
Construction	GDP \$462.0m	-\$1.6m -0.3%	+\$127.2m +38.0%	+\$203.8m +78.9%
	Employment 5,410	+131 +2.5%	+1,631 +43.2%	+2,441 +82.2%
	GDP per worker \$85,397	-\$2,422 -2.8%	-\$3,197 -3.6% (-0.4% p.a.)	-\$1,568 -1.8% (-0.1%)
	Earnings (2022) \$365,768,300	+\$21,912,600 +6.4%	+178,742,300 +95.6%	+\$271,304,200 +287.2%
	Average earnings per worker \$69,287	-\$1,436 -2.0%	+\$18,479 +36.4% (+3.6% p.a.)	+\$35,646 +106.0% (+5.3% p.a.)
Retail trade	GDP \$393.3m	-\$18.1m -4.4%	+\$89.0m +29.2%	+\$174.3m +79.6%

	Industry	One-year growth	10-year growth	20-year growth
	Employment 5,207	+42 +0.8%	-94 -1.8%	+469 +9.9%
	GDP per worker \$75,533	-\$4,119 -5.2%	+\$18,129 +31.6% (+3.2% p.a.)	+\$29,311 +63.4% (+3.2% p.a.)
	Earnings (2022) \$243,939,400	+\$19,524,300 +8.7%	+\$68,041,200 +38.7%	+\$137,591,200 +129.4%
	Average earnings per worker \$47,229	+\$3,252 +7.4%	+\$13,468 +39.9% (+4.0%)	+\$24,349 +106.4% (+5.3% p.a.)
Professional, scientific and technical services	GDP \$389.8m	+\$16.6m +4.4%	+\$103.4m +36.1%	+\$116.5m +42.6%
	Employment 3,294	+109 +3.4%	+223 +7.3%	+570 +20.9%
	GDP per worker \$118,336	+\$1,162 +1.0%	+\$25,077 +26.9% (+2.7% p.a.)	+\$18,006 +17.9% (+0.9% p.a.)
	Earnings (2022) \$270,198,800	+\$26,304,200 +10.8%	+\$83,494,200 +44.7%	+\$152,330,200 +129.2%
	Average earnings per worker \$84,835	+\$6,286 +8.0%	+\$23,700 +38.8% (+3.9% p.a.)	+\$40,289 +90.4% (+4.5% p.a.)
Education and training	GDP \$382.5m	-\$12.9m -3.3%	-\$20.5m -5.1%	-\$34.3m -8.2%
	Employment 6,263	-123 -1.9%	+485 +8.4%	+747 +13.5%
	GDP per worker \$61,073	-\$844 -1.4%	-\$8,674 -12.4% (-1.2% p.a.)	-\$14,489 -19.2% (1.0% p.a.)
	Earnings (2022) \$420,077,500	+\$7,012,300 +1.7%	+\$114,196,700 +37.3%	+\$221,645,300 +111.7%
	Average earnings per worker \$65,781	\$1,680 +2.6%	+\$12,492 +23.4% (+2.3% p.a.)	+\$28,932 +78.5% (+3.9% p.a.)
Manufacturing	GDP \$310.6m	+\$1.9m +0.6%	+\$57.2m +22.6%	-\$19.1m -5.8%
	Employment 3,631	+132 +3.8%	+562 +18.3%	-454 -11.1%
	GDP per worker \$85,541	-\$2,684 -3.0%	+\$2,974 +3.6% (+0.4% p.a.)	+\$4,831 +6.0% (+0.3% p.a.)
	Earnings (2022) \$241,157,800	+\$8,217,100 +3.5%	+\$85,128,100 +54.6%	+\$116,128,200 +92.9%
	Average earnings per worker \$68,922	+\$1,462 +2.2%	+\$20,586 +42.6% (+4.3% p.a.)	+\$38,471 +126.3% (+6.3% p.a.)
Financial and insurance services	GDP \$274.1m	+\$10.7m +4.1%	+\$92.6m +51.0%	+\$115.4m +72.7%
	Employment	+51	+314	+388

	Industry	One-year growth	10-year growth	20-year growth
	1,193	+4.5%	+35.7%	+48.2%
	GDP per worker \$229,757	-\$891 -0.4%	+\$23,272 +11.3% (+1.1% p.a.)	+\$32,614 +16.5% (+0.8% p.a.)
	Earnings (2022) \$108,304,700	+\$12,289,900 +12.8%	+\$53,131,800 +96.3%	+\$70,782,500 +188.6%
	Average earnings per worker \$94,838	+\$4,683 +5.2%	+\$31,493 +49.7% (+5.0% p.a.)	+\$49,685 +110.0% (+5.5% p.a.)
Transport, postal and warehousing	GDP \$206.1m	+\$15.0m +7.8%	+\$17.7m +9.4%	+\$46.9m +29.5%
	Employment 2,066	+100 +5.1%	+102 +5.2%	+304 +17.3%
	GDP per worker \$99,758	+\$2,556 +2.6%	+\$3,831 +4.0% (+0.4% p.a.)	+\$9,406 +10.4% (+0.5% p.a.)
	Earnings (2022) \$143,704,300	+\$17,748,700 +14.1%	+\$53,052,500 +58.5%	+\$93,735,000 +187.6%
	Average earnings per worker \$73,095	+\$7,833 +12.0%	+\$27,008 +58.6% (+5.9% p.a.)	+\$41,883 +134.2% (+6.7% p.a.)
Administrative and support services	GDP \$129.9m	+\$10.9m +9.2%	+\$32.6m +33.5%	+\$34.6m +36.3%
	Employment 2,334	-43 -1.8%	+105 +4.7%	+298 +14.6%
	GDP per worker \$55,656	+\$5,592 +11.2%	+\$12,004 +27.5% (+2.7% p.a.)	+\$8,848 +18.9% (+0.9% p.a.)
	Earnings (2002) \$100,942,200	+\$1,434,400 +1.4%	+\$34,833,200 +52.7%	+\$65,648,400 +186.0%
	Average earnings per worker \$42,466	-\$760 -1.8%	+\$14,736 +53.1% (+5.3% p.a.)	+\$23,802 +127.5% (+6.4% p.a.)
Agriculture, forestry and fishing and mining	GDP \$120.5m	+\$8.6m +7.7%	+\$17.1m +16.5%	-\$22.4m -15.7%
	Employment 936	+52 +5.8%	-54 -5.5%	-678 -42.0%
	GDP per worker \$128,739	+\$2,156 +1.7%	+\$24,295 +23.3% (+2.3% p.a.)	+\$40,202 +45.4% (+2.3% p.a.)
	Earnings (2022) \$60,130,399	+\$22,511,700 +59.8%	+\$16,574,600 +38.1%	-\$3,344,300 -5.3%
	Average earnings per worker \$68,021	+\$25,989 +61.8%	+\$26,380 +63.4% (+6.3% p.a.)	+\$30,573 +81.6% (+4.1%)
Other services	GDP \$118.1m	+\$4.2m +3.7%	+\$32.3m +37.6m	+\$33.4m +39.4%
	Employment 2,493	+28 +1.1%	+519 +26.3%	+697 +38.8%
	GDP per worker	+\$1,166	+\$3,908	+\$212

	Industry	One-year growth	10-year growth	20-year growth
	\$47,373	+2.5%	+9.0% (+0.9% p.a.)	0.5% (+0.0% p.a.)
	Earnings \$124,771,900	+\$12,745,600 +11.4%	+\$53,651,000 +75.4%	+\$80,308,000 +180.6%
	Average earnings per worker \$50,617	+\$2,784 +5.8%	+\$14,515 +40.2% (+4.0% p.a.)	+\$25,049 +98.0% +4.9%
Accommodation and food services	GDP \$115.3m	+\$2.3m +2.0%	+\$31.9m +38.2%	+\$36.2m +45.8%
	Employment 3,410	-62 -1.8%	+536 +18.6%	+660 +24.0%
	GDP per worker \$33,812	+\$1,266 +3.9%	+\$4,794 +16.5% (+1.7% p.a.)	+\$5,049 +17.6% (+0.9% p.a.)
	Earnings (2022) \$123,232,600	+\$12,218,800 +11.0%	+\$59,099,000 +92.1%	+\$84,409,100 +217.4%
	Average earnings per worker \$35,493	+\$1,904 +5.7%	+\$13,664 +62.6% (+6.3% p.a.)	+\$20,865 +142.6% (+7.1% p.a.)
Electricity, gas, water and waste services	GDP \$79.2m	+\$2.0m +2.6%	+\$11.2m +16.5%	-\$31.5m -28.5%
	Employment 256	+14 5.8%	+45 +21.3%	+60 +30.6%
	GDP per worker \$309,375	-\$9,633 -3.0%	-\$12,900 -4.0% (-0.4% p.a.)	-\$255,421 -45.2% (-2.3% p.a.)
	Earnings (2022) \$22,620,900	+\$152,500 +0.7%	+\$9,329,700 +70.2%	+\$13,985,600 +162.0%
	Average earnings per worker \$93,475	-\$3,372 -3.5%	+\$36,185 +63.2% (+6.3% p.a.)	+\$51,145 +120.8% (+6.0% p.a.)
Information media and telecommunications	GDP \$74.8m	-\$8.7m -10.4%	+\$2.1m +2.9%	+\$35.5m +90.3%
	Employment 319	-46 -12.6%	-254 -44.3%	-232 -42.1%
	GDP per worker \$234,483	+\$5,716 +2.5%	+\$107,607 +84.8% (+8.5% p.a.)	+\$163,158 +228.8% (+11.4% p.a.)
	Earnings (2022) \$26,764,200	+\$2,325,000 +9.5%	-\$6,096,900 -18.6%	+\$8,922,600 +50.0%
	Average earnings per worker \$73,327	+\$4,484 +6.5%	+\$16,077 +28.1% (+2.8% p.a.)	+\$42,189 +135.5% (+6.8% p.a.)
Arts and recreation services	GDP +\$68.4m	+\$2.6m +4.0%	+\$15.2m +28.6%	+\$3.4m +5.2%
	Employment 889	-24 -2.6%	+113 +14.6%	+129 +17.0%
	GDP per worker \$76,940	+\$4.870 +6.8%	+\$8,384 +12.2% (+1.2% p.a.)	-\$8,586 -10.0% (-0.5% p.a.)

	Industry	One-year growth	10-year growth	20-year growth
	Earnings (2022) \$36,356,700	+\$1,013,200 +2.9%	+\$14,246,100 +64.4%	+\$22,261,400 +157.9%
	Average earnings per worker \$39,821	\$1,694 +4.4%	+\$11,691 +41.6% (+4.2% p.a.)	+\$21,516 +117.5% (+5.9% p.a.)
Total	GDP¹⁰ \$5,381.4m	+88.0m +1.7%	+\$1,215.0m +29.2%	+\$1,673m +45.1%
	Employment 56,667	+615 +1.1%	+7,896 +16.2%	+11,708 +26.0%
	GDP per worker \$129,207	-\$397 -0.3%	+\$11,979 +10.2% (+1.0% p.a.)	+\$7,385 +6.1% (+0.3% p.a.)
	Earnings (2022) \$3,680,905,600	+\$170,311,300 +4.9%	+\$1,397,421,700 +61.2%	+\$2,314,561,500 +169.4%
	Average earnings per worker \$66,700	+\$3,375 +5.3%	+\$20,274 +43.7% (+4.4% p.a.)	+\$34,960 +110.1% (+5.5% p.a.)
Combined sectors				
Logistics and distribution ¹¹	GDP \$700.5m	+\$13.5m +2.0%	+\$148.7m +26.9%	+\$288.6m +70.1%
	Employment 5,614	+99 +1.8%	+594 +11.8%	+1,429 +34.1%
	GDP per worker \$124,777	+\$208 +0.2%	+\$14,857 +13.5% (+1.4% p.a.)	+\$26,354 +26.8% (+1.3% p.a.)
	Earnings \$390,705,800	+\$7,376,100 +1.9%	+\$137,450,700 +54.3%	+\$255,312,700 +188.6%
	Average earnings per worker \$70,844	+\$881 +1.3%	+\$20,224 +40.0% (+4.0% p.a.)	+\$36,637 +107.1% (+5.4% p.a.)
Retail sector ¹²	GDP \$508.6	-\$15.8m -3.0%	+\$120.9m +31.2%	+\$210.5m +70.6%
	Employment 8,617	-20 -0.2%	+442 +5.4%	+1,129 +15.1%
	GDP per worker \$59,023	-\$1,693 -2.8%	+\$11,598 +24.5% (+2.4% p.a.)	+\$19,212 +48.3% (+2.4% p.a.)
	Earnings (2022) \$367,172,000	+\$31,743,100 +9.5%	+\$127,140,200 +53.0%	+\$222,000,300 +152.9%
	Average earnings per worker \$42,512	+\$2,618 +6.6%	+\$13,053 +44.3% (+4.4% p.a.)	+\$22,630 +113.8% (+5.7% p.a.)

¹⁰ GDP from non-employed sectors are excluded. Total GDP including owner-occupied property operation and unallocated is \$6,399.6m.

¹¹ Logistics and distribution include wholesale trade and transport, postal and warehousing services.

¹² The retail sector includes retail trade, and accommodation and food services.