

REGIONAL Economic Report

Manawatū-Whanganui Region



June 2017

PREPARED FOR THE MANAWATŪ-WHANGANUI
REGION BY PALMERSTON NORTH CITY COUNCIL



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Executive Summary

The latest Infometrics GDP estimates show further strengthening in economic growth in the Manawatū-Whanganui region in the year ended June 2017. Increased building activity is a key contributor, with a 39% increase in the value of consents for residential building work in the year to June 2017, while net overseas migration was also an important contributor, increasing by 19%. Net overseas migration in the region accelerated in the June 2017 quarter while the rate of growth for New Zealand continues to slow. There are also signs of increased movement of people from other parts of New Zealand but we will need to wait for Census 2018 for any data on the size of the population flow.

Population growth in the region in the year to June 2017 will be the strongest recorded for the previous 26 years for which annual population estimates have been available. Improved overseas migration has been the primary contributor to the increase in population growth. The improving growth trend for the region reflects the impact of stronger economic growth across the region, which is attracting more people from overseas, while the number of people leaving the region to move overseas remains at low levels.

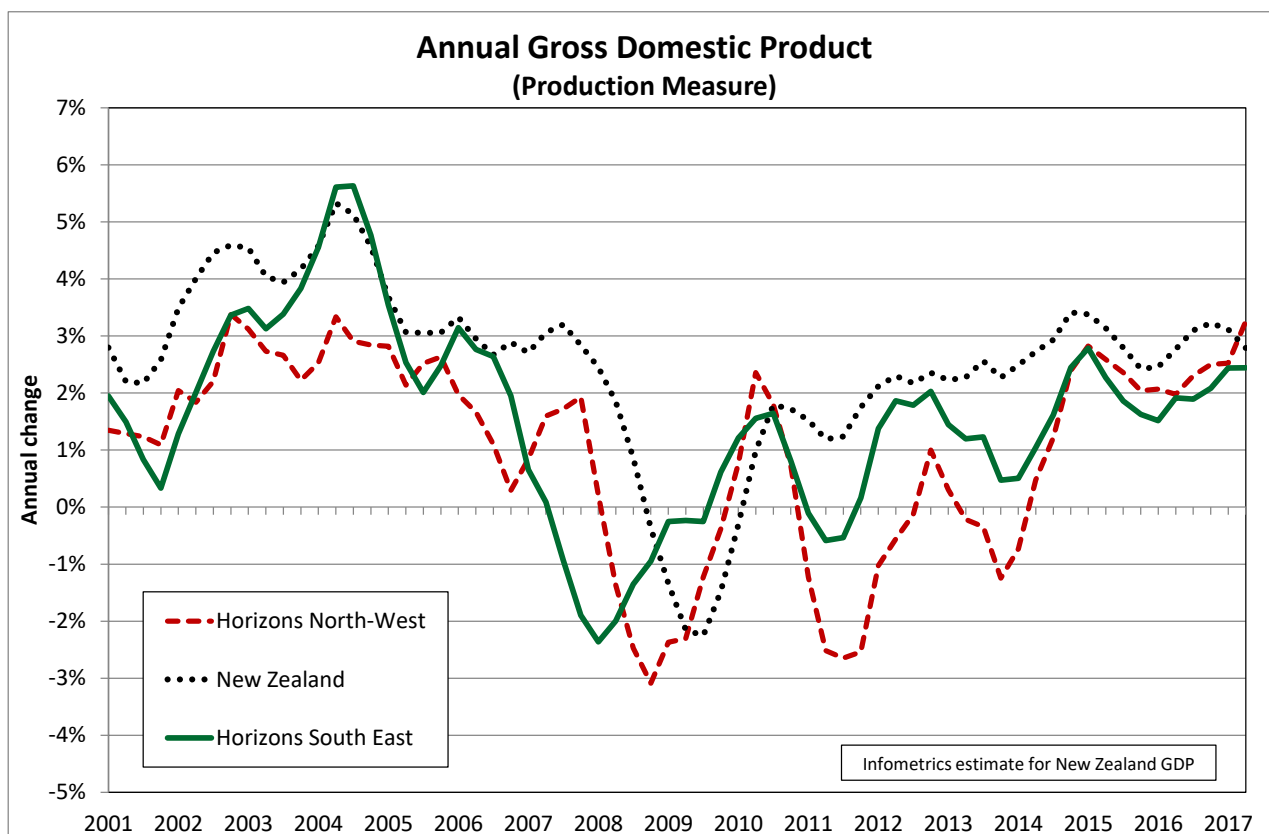
The trend for the number of people leaving the region to move to Australia has declined from 1,629 people a year in the year to June 2000 to 899 people in the year to June 2017. There has been a greater rate of decline in departures to the United Kingdom, which have declined from 700 people in 2000 to 248 people in 2017. There was a 30% decline in the number of people leaving for the UK in the last 12 months.

Annual net overseas migration in Horizons North-West has improved significantly from a net loss of 366 people in the year ended June 2013 to a net gain of 304 people in the year ended June 2017. Horizons South-East experienced an improvement from a net loss of 472 people from the region in 2013 to a net gain of 949 people in the year to June 2017.

Tourism continues to support economic growth in the region, with domestic visitor spending increasing by 6.3% and international visitor spending increasing by 9.5% in the year to June 2017. Domestic visitor spending across New Zealand increased by 3.8% while international visitor spending increased by 8.9%.

The increase in the provisional Fonterra farm-gate payout price to \$6.15 for the 2016/17 season and the forecast price of \$6.75 for the 2017/18 season are welcome improvements from the payout of \$3.90 for the 2015/16 season. There has been strength also in sheep, beef and skins prices, which is also providing strong support for economic growth in the region.

Latest Quarter Economic Trends



Source: Infometrics

GDP growth in the Manawatū-Whanganui region strengthened in the year ended June, with increases of 3.3% and 3.0% respectively recorded in the first two quarters of 2017. Horizons North-West GDP increased by 3.3% in the year ended June 2017, while Horizons South-East GDP increased by 2.4%. National GDP is estimated to have increased by 2.8% in the year ended June 2017.

June 2017 quarter comparisons with the June 2016 quarter are:

- The value of electronic card retail spending increased by 7.9% in Horizons North-West and by 4.1% in Horizons South-East (excluding Horowhenua). National growth was 4.3%.
- Car registrations increased by 13.7% in Horizons North-West and by 18.7% in Horizons South-East. National car registrations increased by 9.0%.
- The number of consents approved for new residential buildings increased by 31% in Horizons North-West and 10% in Horizons South-East. New Zealand consents increased by 2%. Total building consent values increased by 53% in Horizons North-West but declined by 8% in Horizons South-East. New Zealand declined by 3%.
- Ministry of Social Development job seeker benefit numbers were unchanged in Horizons North-West and increased by 1.6% in Horizons South-East. New Zealand job seeker benefit numbers increased by 0.7%.
- Guest nights in commercial accommodation increased by 15.3% in Horizons North-West and by 4.7% in Horizons South-East. New Zealand guest nights increased by 7.0%.

Economic Outlook

International

The OECD composite leading indicators index for July (which anticipates turning points in the business cycle six to nine months before they occur) points to stable economic growth momentum for OECD area as a whole, with the United Kingdom the only major economy with signs of easing economic growth. Growth is expected to gain momentum in India, Brazil and China, while there are signs of easing growth for Russia.

New Zealand

The latest New Zealand Institute of Economic Research (NZIER) Quarterly Predictions suggest that economic growth will improve in the second half of 2017 despite softer economic growth in the first half of the year. A decline in the value of building work in Canterbury has been the main contributor to weaker growth in the construction sector but there is still growth in other regions. The contribution to growth from tourism has also weakened, with annual growth in international tourism spending declining from an increase of 20.1% in the year to June 2016 to 8.9% in the year to June 2017.

The Reserve Bank cut the Official Cash Rate (OCR) to 1.75% in November 2016 but the primary factor affecting the housing market has been new policy measures introduced on 1 October 2016. These restricted loans for residential property investors and owner-occupiers, through increased deposit requirements, and have been effective in slowing the increase in average house prices nationally. Current weakness in inflation means there are no immediate prospects of an increase in the OCR, but banks have been slowly increasing interest rates for new housing loans since October 2016.

Manawatū-Whanganui region

Stronger population growth in the Manawatū-Whanganui region is providing support for economic growth in the region, with a doubling in the number of new houses consented over the last two years. Consents were issued for the construction of 917 new houses in the year to June 2017 compared with 461 in the year to June 2015. Continuing strong growth in house prices and rents will continue to support strong growth in housing construction in the region.

Non-residential consents for the year to June 2017 were weaker than the previous year due the timing of major projects that were consented in the June 2016 quarter. Several major projects will be consented in the second half of this year, providing further impetus to economic growth. The longer-term outlook for the construction sector is even stronger, with work already started and committed for a number of major projects:

- Manawatū-Whanganui region Defence Force \$469 million capital investment
- Powerco \$150 million growth and security projects, and renewal programmes
- MidCentral DHB investment plan spending of \$282 million
- Massey University spending of \$184 million
- Significant national roading investment in the region.

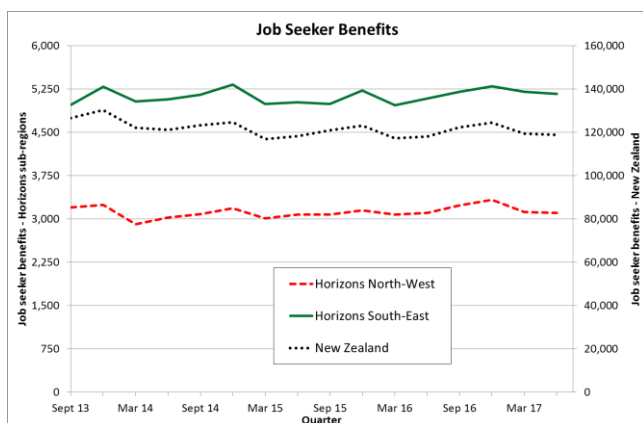
The latest indicative Fonterra farm-gate payout price of \$6.75 per kg of milk solids for the 2017/18 season will provide strong support for spending and investment in the region. The high New Zealand dollar is contributing to some weakness in prices for meat, skins and wool but returns to farmers are still at high levels.

Unemployment

Household Labour Force Survey (HLFS) unemployment data for the Manawatū-Whanganui region is subject to high sample error rates so the best up-to-date indicator of labour force trends is data on the number of people receiving the Ministry of Social Development job seeker benefit.

For example, the HLFS unemployment rate for the Manawatū-Whanganui region declined from 5.6% in June 2016 to 4.7% in June 2017 – but the sample error meant the “true” rate of unemployment in June 2017 could have been anywhere between 3.2% and 6.2%.

The number of people in the Manawatū-Whanganui region registered for the job seeker benefit increased by 1.6% between June 2016 and June 2017, while national job seeker benefit numbers increased by 0.7%. Horizons North-West was unchanged from June 2016 and Horizons South-East increased by 1.6%.

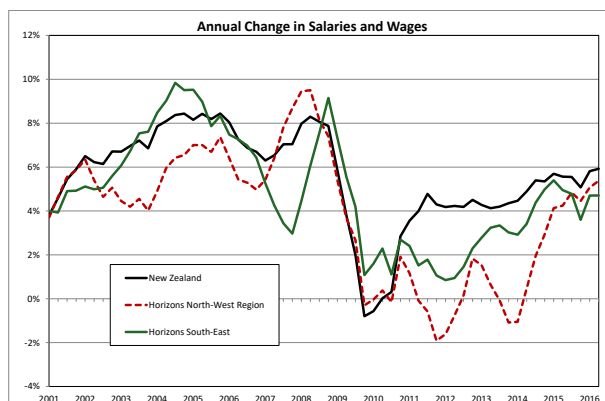


Source: Ministry of Social Development

Whanganui District was the only local authority in the region to record a decline in job seeker numbers in the year to June 2017. All areas experienced a decline in sole parent benefits, which declined by 7.1% across the region. The number of people registered for all MSD benefits in Horizons North-West increased by 1.0% from June 2016, while Horizons South-East was unchanged. Total benefit numbers in New Zealand declined by 1.4%.

Earnings

There is a lag of 14 months in the publication of salary and wage data for the Manawatū-Whanganui region, so the latest data is for the June 2016 quarter. Total salaries and wages paid in Horizons North-West increased by 5.5% in the June 2016 quarter (compared with June 2015), and by 5.4% in the year ended June 2016. Salaries and wages in Horizons South-East increased by 3.5% in the June quarter and by 4.7% in the year ended June 2016. Total salaries and wages in New Zealand increased by 4.1% in the June quarter and by 5.9% in the year ended June 2016.



Source: Statistics New Zealand LEED

Manawatū District and Horowhenua had the strongest increases in total salaries and wages paid in the year ended June 2016, increasing by 6.7% from 2015. It was followed by Ruapehu District (6.2% increase), Whanganui (5.5% increase), Palmerston North (4.6% increase), Rangitīkei (4.1% increase) and Taranaki (0.5% increase).

Horizons North-West recorded a 66.3% increase in earnings (salaries, wages and self-employment income) between 2000 and 2015, and increased by 4.4% in the year ended March 2015. Horizons South-East increased by 88.9% between 2000 and 2015 and by 3.8% in the year ended March 2015. Total earnings in New Zealand increased by 112% between 2000 and 2015 and by 5.2% in the year ended March 2015. Self-employment income in the region decline by 0.8% in the year to March 2015 but this followed an increase of 16.3% in the previous year.

Retail Activity

The rate of growth in electronic card retail spending in the Manawatū-Whanganui region accelerated in the June quarter. Horizons North-West increased by 7.9% and Horizons South-East (excluding Horowhenua) increased by 4.1% compared with an increase of 4.3% for New Zealand. Statistics New Zealand estimates that retail prices increased by 1.2% between the June 2016 and June 2017 quarters. The quarterly growth rate for the region has been higher than the national growth rate since January 2017.

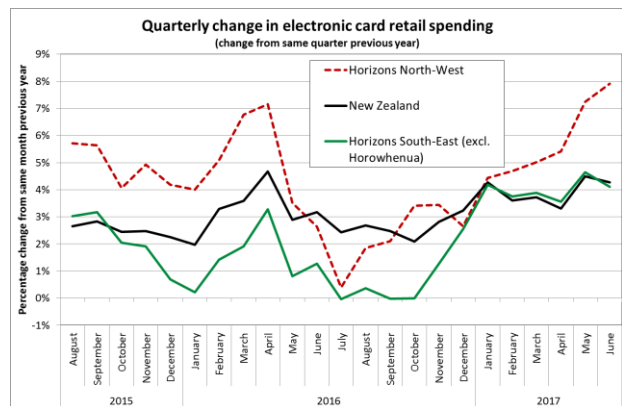
Rangitīkei District is continuing to record the strongest growth in the region, with retail spending boosted by retail developments in Bulls that were completed in early 2016. Increases in fuel, cafes/bars/restaurants, takeaways and food retailing spending account for most of the increase in spending in the District, reflecting increased spending by visitors and local residents. Fuel spending in the District increased by 22% over the 12 months to June, an increase of \$6.5 million.

Manawatū, Rangitīkei and Tararua account for 92% of dairy output in the region, so the increase in the milk payout price is providing support for retail spending in these three local authorities. Growth in Ruapehu has been supported by strength in prices in the sheep and beef sectors.

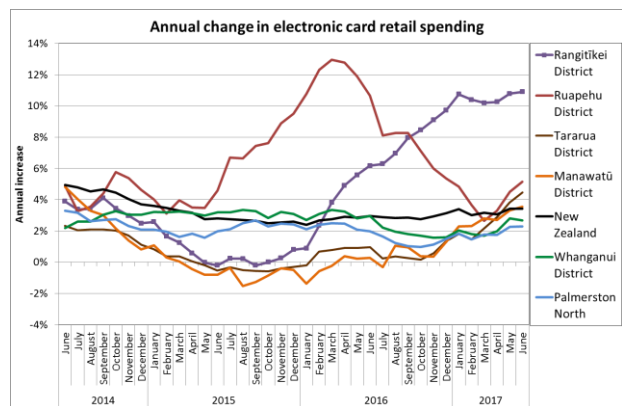
Car registrations in the June quarter increased by 13.7% in Horizons North-West and by 18.7% in Horizons South-East. National car registrations increased by 9.0%. There were 2,391 cars registered in Horizons North-West in the year to June 2017, an increase of 8.6% from the previous year and 6,778 cars in Horizons South East, an increase of 14.6%. Annual car registrations in New Zealand increased by 9.5% from the previous year.

Electronic Card Retail Spending (Marketview) (\$m)			
Annual change in retail spending	Year ended June 2016	Year ended June 2017	% change from 2016
Ruapehu District	138.7	145.8	5.1%
Whanganui District	471.9	481.5	2.0%
Rangitīkei District	104.2	115.6	10.9%
Horizons North-West	714.8	742.9	3.9%
Manawatū District	168.8	174.8	3.6%
Palmerston North	1,051.1	1,075.0	2.3%
Tararua District	121.9	127.3	4.4%
Horizons South-East (excl. Horowhenua)	1,341.8	1,377.1	2.6%
Manawatū-Whanganui (excl. Horowhenua)	2,056.6	2,120.0	3.1%
New Zealand	55,768.3	57,680.9	3.4%

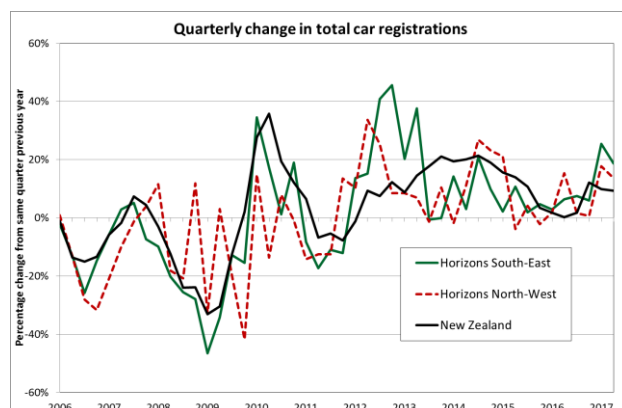
Source: Marketview



Source: Marketview



Source: Marketview



Source: New Zealand Transport Agency

Building Activity

The value of building consents issued in the Manawatū-Whanganui region increased by 0.8% in the June quarter (compared to the June 2016 quarter). Total New Zealand consent values declined by 2.7% in the quarter.

The total value of consents issued in the region for the year to June 2017 was \$453 million, an increase of \$79 million (21.3% increase) from the previous year while New Zealand consents increased by 6.7% in the year ended June.

The value of all consents issued in Horizons North-West increased by 68% in the year ended June 2017 while there was a 11% increase in Horizons South-East.

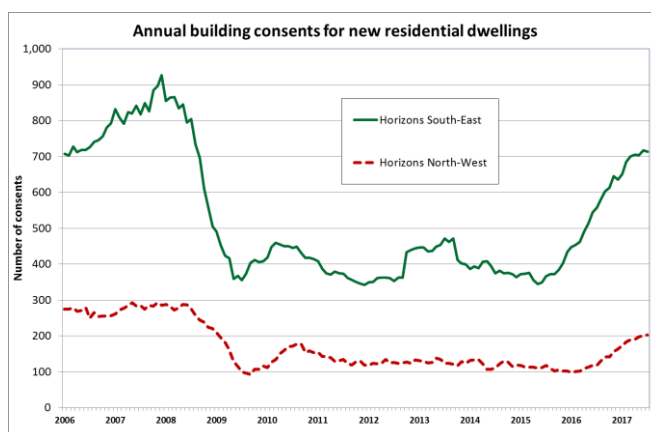
The value of consents for new residential dwellings in the Horizons North-West region increased by 96% in the year ended June 2017, while consents for residential additions and alterations increased by 16%. The value of consents for new dwellings increased by 34% in the Horizons South-East region, while consents for additions and alterations increased by 17%.

The value of non-residential consents approved in the Manawatū-Whanganui region in the year ended June 2017 was \$123 million, a 10% decline from the previous year. Non-residential consents were \$41 million in Horizons North-West - a 64% increase from the previous year - and \$81.9 million in Horizons South-East - a 26% decline from 2016.

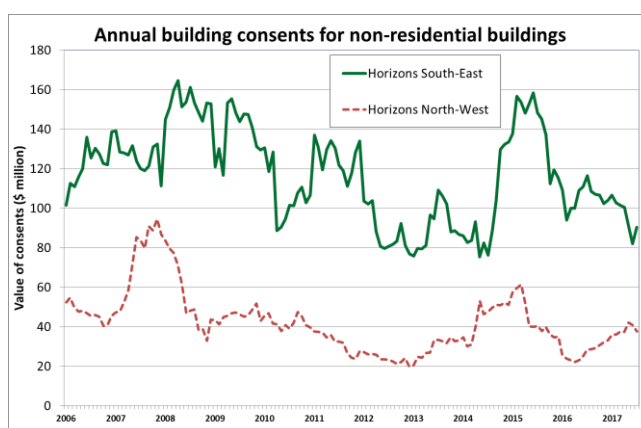
In the 12 months to June 2017, consents for 200 new dwellings were issued in the Horizons North-West region compared with 117 in the previous year, an increase of 71%. In Horizons South-East 717 consents were issued for new dwellings compared to 544 in the previous year, an increase of 32%.

Building consents issued in the Manawatū-Whanganui region			
\$ million	Year ended June 2016	Year ended June 2017	Annual Change
Residential consents (new dwellings, additions, alterations)			
Horizons North-West	44	75	70%
Horizons South-East	194	256	32%
Horizons Region	238	330	39%
New Zealand	11,688	12,779	9%
Non-residential consents (new buildings, additions, alterations)			
Horizons North-West	25	41	64%
Horizons South-East	111	82	-26%
Horizons Region	136	123	-10%
New Zealand	6,141	6,240	2%
Total consents (new buildings, additions, alterations)			
Horizons North-West	69	116	68%
Horizons South-East	305	338	11%
Horizons Region	374	453	21%
New Zealand	17,829	19,019	7%

Source: Statistics New Zealand



Source: Statistics New Zealand



Source: Statistics New Zealand

Tourism Trends

Total visitor spending in Horizons North-West was \$382 million in the year to June 2017, an increase of 8% from 2016. Visitor spending in Horizons South-East was \$569 million, increasing by 6% from the previous year. New Zealand visitor spending increased by 8%.

There was strong growth in international visitor spending in Horizons North-West, which increased by 12% to June 2017 while Horizons South-East increased by 8%. Growth in domestic visitor spending was similar in both parts of the region.

Regional tourism spending indicators (% change in spending from previous year)		
Year ended June 2017	Domestic	International
Rangitikei District	8%	4%
Ruapehu District	3%	15%
Whanganui District	10%	11%
Horizons North-West	7%	12%
Horowhenua District	17%	34%
Manawatū District	11%	-8%
Palmerston North	3%	3%
Tararua District	9%	19%
Horizons South-East	6%	8%
Manawatū-Whanganui	6%	9%
New Zealand	4%	9%

Source: Ministry of Business, Innovation and Employment

Guest nights in commercial accommodation in the Manawatū-Whanganui region increased by 9.5% in the June 2017 quarter, compared with June 2016. Guest nights in the Horizons North-West region increased by 15.3% in the quarter while guest nights in Horizons South-East increased by 4.7%. Guest nights across New Zealand increased by 7.0%.

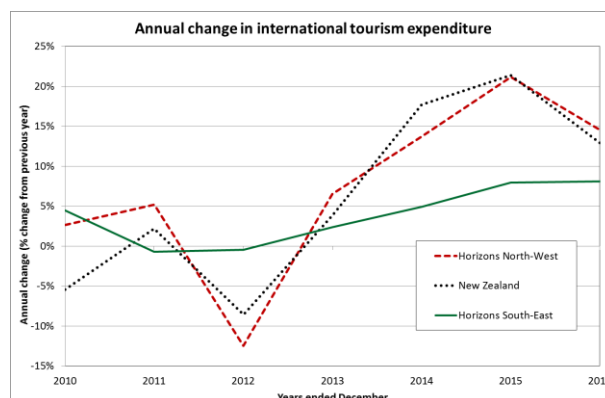
There were 1.3 million guest nights recorded in the Manawatū-Whanganui region during the year to June 2017, a 4.7% increase from 2016. Total New Zealand guest nights increased by 3.7%.

Domestic and international visitor spending			
Visitor spending (\$ million)	Year ended June 2016	Year ended June 2017	Annual Change
Rangitikei District	64	68	7%
Ruapehu District	176	186	6%
Whanganui District	116	128	10%
Horizons North-West	355	382	8%
Horowhenua District	78	93	19%
Manawatū District	42	46	7%
Palmerston North	368	380	3%
Tararua District	46	51	10%
Horizons South-East	534	569	6%
Manawatū-Whanganui	890	951	7%
New Zealand	25,335	26,832	6%

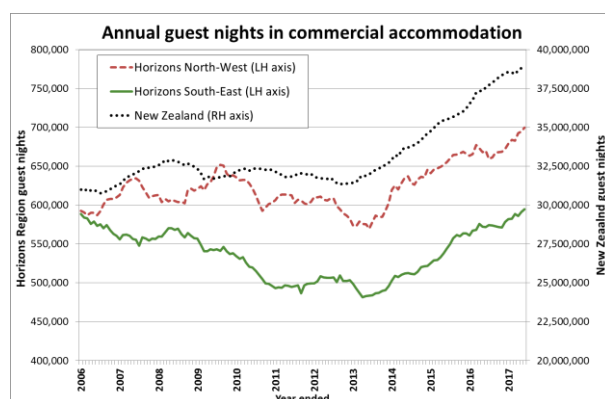
Source: Ministry of Business, Innovation and Employment



Source: Ministry of Business, Innovation and Employment



Source: Ministry of Business, Innovation and Employment



Source: Statistics New Zealand

Local Authorities Summary

Ruapehu



12,500



4,920



\$237 million

Electronic card retail spending was \$145 million in the year ended June 2017, an increase of 5.1% from the previous year.

International visitor spending increased by 14.6% in the year ended June 2017, while domestic visitor spending increased by 3.3%. Total visitor spending in the year ended June 2017 was \$186 million, an increase of 5.9% from 2016.

Commercial accommodation guest nights increased by 20.7% in the June 2017 quarter and by 5.3% in the year ended June 2017.

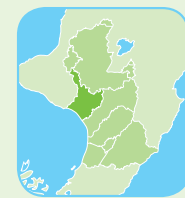
The total value of building consents issued in the year ended June 2017 was \$22 million, an

increase of 82.6% from the previous year. There was a 54.7% increase in the value of residential consents and a 136.6% increase in non-residential consents.

Salaries and wages increased by 7.1% in the June 2016 quarter (from the June 2015 quarter) and by 6.2% in the 12 months ended June 2016 compared with the previous year. Total earnings (salaries, wages and self-employment income) were \$268 million in the year to March 2015, an increase of 7.1% from the previous year.

Total jobs increased from 4,760 in June 2015 to 4,920 jobs in June 2016, an increase of 160 jobs (3.4% increase).

Whanganui



43,800



16,460



\$761 million

Electronic card retail spending was \$484 million in the year ended June 2017, an increase of 2.7% from the previous year.

International visitor spending increased by 10.9% in the year ended June 2017, while domestic visitor spending increased by 10.2%. Total visitor spending in the year ended June 2017 was \$128 million, an increase of 10.4% from 2016.

Commercial accommodation guest nights increased by 8.9% in the June 2017 quarter by 2.5% in the year ended June 2017.

The total value of building consents issued in the year to June 2017 was \$79 million, an

increase of 86.7% from the previous year. There was an 87.8% increase in the value of residential consents and an 84.6% increase in the value of non-residential consents.

Salaries and wages increased by 6.8% in the June 2016 quarter (from the June 2015 quarter) and by 5.5% in the 12 months ended June 2016 compared with the previous year. Total earnings (salaries, wages and self-employment income) were \$854 million in the year to March 2015, an increase of 3.4% from 2014.

Total jobs increased from 16,100 in June 2015 to 16,460 jobs in June 2016, a gain of 360 jobs (2.2% increase).

KEY



Population



Jobs



Salaries & Wages

FOOTNOTES

Population – as at June 2016
Jobs – June 2016 quarter
Salaries and wages – year to June 2016

Local Authorities Summary

Manawatū



29,800



7,950



\$379 million



Electronic card retail spending was \$175 million in the year ended June 2017, an increase of 3.5% from the previous year.

International visitor spending declined by 7.9% in the year ended June 2017, while domestic visitor spending increased by 10.0%. Total visitor spending in the year ended June 2017 was \$46 million, an increase of 7.4% from 2016.

Commercial accommodation guest nights increased by 3.0% in the June 2017 quarter but declined by 2.9% in the year ended June 2017.

The total value of building consents issued in

the year ended June 2017 was \$79 million, an increase of 24.5% from the previous year. There was a 16.1% increase in the value of residential consents and a 61.5% increase in non-residential consents.

Salaries and wages increased by 4.1% in the June 2016 quarter (from the June 2015 quarter) and by 6.7% in the year ended June 2016. Total earnings (salaries, wages and self-employment income) were \$507 million in the year to March 2015, an increase of 5.2%.

Total jobs increased from 7,770 jobs in June 2015 to 7,950 in June 2016, an increase of 180 jobs (2.3% increase).

Palmerston North



86,300



46,160



\$2,372 million



Electronic card retail spending was \$1,075 million in the year ended June 2017, an increase of 2.3% from the previous year.

International visitor spending increased by 3.3% in the year ended June 2017, while domestic visitor spending increased by 3.1%. Total visitor spending in the year ended June 2017 was \$380 million, an increase of 3.1% from 2016.

Guest nights in commercial accommodation declined by 1.9% in the June 2017 quarter but increased by 2.7% in the year ended June 2017.

Total building consent values for the year ended June 2017 were \$148 million, a 4.2% decline from the previous year. There was a

32.5% increase in the value of residential consents and a 44.9% decline in non-residential consents.

Salaries and wages increased by 3.3% in the June 2016 quarter (from the June 2015 quarter) and by 4.6% in the year ended June 2016. Total earnings (salaries, wages and self-employment income) were \$2,536 million in the year to March 2015, an increase of 4.5% from the previous year.

Median salaries and wages for the year to June 2016 were \$48,130, an increase of 3.2% from the previous year.

Total jobs increased from 44,990 in June 2015 to 46,160 in June 2016, an increase of 1,170 jobs (2.6% increase).

KEY



Population



Jobs



Salaries & Wages

FOOTNOTES

Population – as at June 2016

Jobs – June 2016 quarter

Salaries and wages – year to June 2016

Local Authorities Summary

Horowhenua



31,900



8,160



\$355 million



International visitor spending increased by 33.9% in the year ended June 2017, while domestic visitor spending increased by 16.7%. Total visitor spending in the year ended June 2017 was \$93 million, an increase of 19.2% from 2016.

The total value of building consents issued in the year to June 2017 was \$93 million, an increase of 37.0% from the previous year. Residential consent values (new dwellings and additions and alterations) increased by 52.8% but non-residential consents declined by 21.0%.

Commercial accommodation guest nights increased by 47.0% in the June 2017 quarter, and by 21.0% in the year ended June 2017.

The number of people registered for a Ministry of Social Development benefit declined from 3,519 people in June 2016 to 3,422 people in June 2017, a decline of 97 people (2.2% decline).

Salaries and wages increased by 5.5% in the June 2016 quarter and by 6.7% in the year to June 2016. Total earnings (salaries, wages and self-employment income) were \$425 million in the year to March 2015, an increase of 6.4% from the previous year.

Total jobs increased from 7,970 in June 2015 to 8,160 in June 2016, an increase of 190 jobs (2.4% increase).

Tararua



17,600



5,360



\$239 million



Electronic card retail spending was \$127 million in the year ended June 2017, an increase of 4.5% from the previous year.

International visitor spending increased by 19.3% in the year ended June 2017, while domestic visitor spending increased by 8.9%. Total visitor spending in the year ended June 2017 was \$51 million, an increase of 10.4% from 2016.

Commercial accommodation visitor nights increased by 5.6% in the June 2017 quarter but declined by 5.5% in the year ended June 2017.

The total value of building consents issued in

the year to June 2017 was \$18 million, a decline of 6.8% from the previous year; residential consents increased by 4.4% while non-residential consents declined by 19.6%.

Salaries and wages increased by 2.1% in the June 2016 quarter from the June 2015 quarter, and by 0.5% in the 12 months ended June 2016 compared with the previous year. Total earnings (salaries and wages and self-employment income) were \$341 million in the year to March 2015, a decline of 1.3%.

Total jobs in the District declined from 5,370 jobs in June 2015 to 5,360 in June 2016, a decline of 10 jobs (0.2% decline).

KEY



Population



Jobs



Salaries & Wages

FOOTNOTES

Population - as at June 2016

Jobs - June 2016 quarter

Salaries and wages - year to June 2016

Local Authorities Summary

Rangitikei



14,800



4,750



\$216 million



Electronic card retail spending was \$116 million in the year ended June 2017, an increase of 10.9% from the previous year (\$11.4 million increase).

International visitor spending increased by 3.8% in the year ended June 2017, while domestic visitor spending increased by 8.1%. Total visitor spending in the year ended June 2017 was \$68 million, an increase of 7.2% from 2016.

Commercial accommodation guest nights increased by 1.3% in the June 2017 quarter and by 4.0% in the year ending June 2017.

The total value of building consents issued in the June 2017 quarter increased by 20% from the previous year. There was a 43% increase in the value of new residential dwelling consents and a 40% increase in consents for residential additions and alterations. Non-residential consents declined by 20% in value in the quarter.

Total building consent values for the year ended June 2017 were \$42 million, a 0.3% increase from the previous year (total residential consents increased by 27% in value and non-residential consents declined by 39%). Consents for 28 new residential dwellings were approved in the year to June 2017 compared with 20 in the previous year.

Salaries and wages increased by 0.6% in the June 2016 quarter and by 4.1% in the year to June 2016. Total earnings, based on salaries and wages and the incomes of the self-employed, were \$276 million in the year to March 2015, an increase of 5.3% from the previous year.

Total earnings increased by 82% between 2000 and 2015 while total earnings in New Zealand increased by 112%. Salary and wages income in the District increased by 100% between 2000 and 2015 while self-employment income increased by 47%.

Total jobs declined from 4,940 in June 2015 to 4,750 in June 2015, a decline of 190 jobs (3.8% decline).

The number of people registered for a Ministry of Social Development benefit increased from 1,001 people in June 2016 to 1,052 people in June 2017, an increase of 5.1%. Total New Zealand benefit numbers declined by 1.4%.

There was a 5.5% decline in the number of births in the year to June 2017 (compared with June 2016) and an 11.6% decline in deaths. Natural population growth increased from 90 people in the year to June 2016 to 93 people in the year to June 2017.

The District experienced a net gain of 66 people from overseas migration in the year to June 2017 compared with a gain of 45 people in the previous year. The number of people departing from the District declined from 105 people in the year to June 2016, to 96 in the year to June 2017. The number of people arriving in the District increased from 150 in the year to June 2016 to 162 people in the year to June 2017 (8% increase from the previous year).

Property values increased by 21.9% in June 2017 compared to June 2016. The number of houses sold by a real estate agent declined by 21% in the June quarter compared with the same period last year.

KEY



Population



Jobs



Salaries
& Wages

FOOTNOTES

Population – as at June 2016

Jobs – June 2016 quarter

Salaries and wages – year to June 2016

Summary Economic Indicators

Key economic indicators for June 2017	Horizons North-West	Horizons South-East	Manawatū-Wanganui Region	New Zealand
Population (estimate) - June 2016 (number)	71,100	165,550	236,900	4,692,700
Annual Increase	0.5%	1.2%	1.0%	2.1%
Employment (salaries and wages) \$ million (June 2016)	1,214	3,345	4,559	101,757
% annual change from June 2015 (*)	5.4%	4.7%	4.9%	5.9%
Employment (number of jobs) (June 2016)	26,130	67,630	93,780	2,008,720
% annual change from June 2015 (*)	1.3%	2.3%	2.0%	2.7%
Gross Domestic Product (GDP) ⁽¹⁾ (annual)	2,505	6,210	8,715	231,687
March 2016 % change from March 2016	2.5%	2.4%	2.5%	3.1%
June 2016 % change from June 2016	3.3%	2.4%	2.7%	2.8%
Annual new residential dwelling consents (number)	200	717	917	30,357
% change from June 2016 quarter	30.6%	10.5%	14.1%	-2.3%
Year ended % change	70.9%	31.8%	38.7%	4.3%
Annual non-residential building consent values (\$ million)	41	82	123	6,240
% change from June 2016 quarter	45.2%	-47.1%	-34.0%	-13.2%
Year ended % change	63.8%	-26.2%	-9.7%	1.6%
Annual total building consent values (\$ million)	116	338	453	19,019
% change from June 2016 quarter	52.7%	-8.4%	0.8%	-2.7%
Year ended % change	67.6%	10.8%	21.3%	6.7%
Annual Marketview electronic card retail spending (\$ million) ⁽²⁾	746	1,377	2,123	57,681
% change from June 2016 quarter	7.9%	4.1%	5.4%	4.3%
Year ended % change	4.3%	2.6%	3.2%	3.4%
Annual tourism expenditure (\$ million) ⁽³⁾	388	574	962	26,993
Year ended % change	7.6%	6.4%	6.9%	5.9%
Total beneficiary numbers ⁽⁴⁾	7,115	12,515	19,648	276,331
% change from June 2016 quarter	1.0%	0.0%	0.4%	-1.4%
(*) June 2016 is the latest employment data available				
⁽¹⁾ Source: Infometrics (Production GDP estimate)				
⁽²⁾ Source: Marketview (Horizons South-East excludes Horowhenua District, which does not participate in the series)				
⁽³⁾ Source: Ministry of Business, Innovation and Employment				
⁽⁴⁾ Source: Ministry of Social Development				
Source: Statistics New Zealand (except otherwise indicated)				



Local authority planning has traditionally taken into account economic monitoring based on local authority boundaries, rather than looking at the economic areas of interest of the two main urban centres in the Manawatu-Wanganui region. While there are limits in using local authority boundaries to define economic regions, the two distinct economic areas of interest identified for this report are:

- Horizons North-West – comprises Ruapehu, Wanganui and Rangitikei Districts
- Horizons South-East – comprises Palmerston North City and Manawatu, Horowhenua and Taranaki Districts

These sub-regions are already mostly reflected in the boundaries used for a range of economic data, but there are some variations in the regional boundaries for tourism and retail data.

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