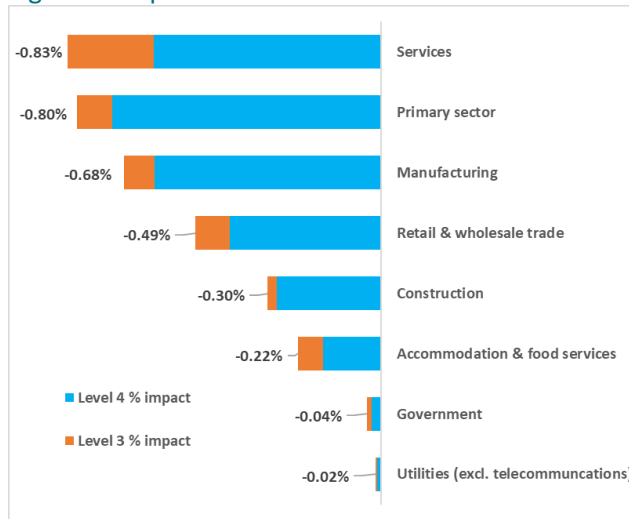


Rangitikei District summary

The Rangitikei District economy is estimated to contract by 3.4% (↓\$21.6m) over 2020 as a direct result of level 3 and level 4 restrictions imposed in response to COVID-19¹, compared to the national average of 3.7%. Overall, for levels 1 to 4, the district is estimated to contract by 6.1% over the remainder of 2020, compared to 6.4% across New Zealand. Figure 1 illustrates the impacts of level 3 and level 4 restrictions by broad industry.

Estimated impact on total annual Gross Domestic Product (GDP)

Figure 1: Impact of level 3 and level 4 restrictions



Source: Reserve Bank of New Zealand industry economic impacts applied to the Rangitikei District

This assessment estimates the direct impacts of COVID-19 on the Rangitikei District economy, and identifies industry strengths and vulnerabilities that will influence economic recovery over 2020.

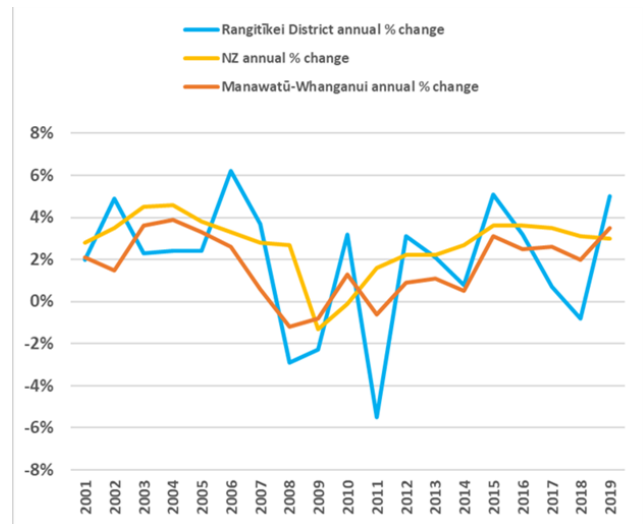
Economic projections are subject to considerable uncertainty about how the impacts of COVID-19 will play out across different parts of New Zealand. The magnitude of the impact relative to projections will be influenced by a range of factors including whether we remain in alert level 1, any partial reopening of barriers to support industry and enable skilled workers to enter the country, industry mix by place, and the pace and scale of the global recovery from COVID-19. Another factor that will have a considerable influence on economic recovery is the impact of uncertainty on business and household activity. Limiting uncertainty will support economic activity and add pace to the local economic recovery. The objective of this reporting series is to reduce the economic impacts of uncertainty on local businesses and households by providing up-to-date information and insights, and

¹ Estimates based on the 'Reserve Bank of New Zealand Economic impacts of COVID-19 containment measures' (May 2020). Industry

guidance on support services, to sustain local economic activity and protect local jobs.

Annual GDP growth

Figure 2: Annual average percentage change



Source: Infometrics

The Rangitikei District economy was experiencing particularly strong growth prior to COVID-19. The district's economy grew by 5.0% to a total of \$640m to the year ended March 2019. This exceeds both regional and national growth of 3.5% and 3.0% respectively over the same period. The district's strength in agri-food production will strongly support the local economic recovery post lockdown. However, there are industries within the district that are vulnerable to the impacts of COVID-19. These local strengths and vulnerabilities are discussed in detail in this report.

Key findings

- The district economy is estimated to contract by 3.4% (↓\$21.6m) over 2020 as a direct result of COVID-19 level 3 and level 4 restrictions. This compares with an estimated 3.7% contraction in the New Zealand economy.
- The additional impacts of level 1 and level 2 restrictions are estimated to contract the district economy a further 2.7%. This is an estimated decline in GDP of \$17.5m over 2020. The total impact of COVID-19 restrictions on the district is estimated at -6.1%.
- Primary and agri-food sector production in the district is strong and, based on the assumption of continued global demand, will add significant support to the local economic recovery.

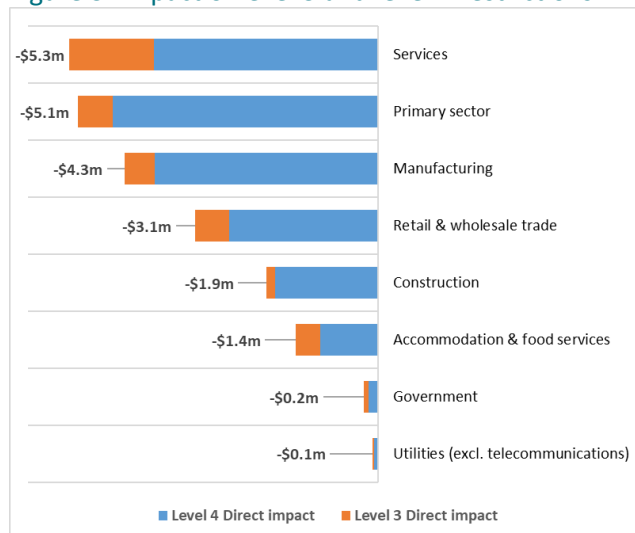
impacts for level 3 and level 4 restrictions have been applied to the Rangitikei District economy to estimate specific local impacts.

- The location of Ohakea Air Force Base adjacent to the township of Bulls will support the local economic recovery. The base is currently being upgraded, with an estimated 280 personnel moving from Whenuapai to the area in 2023. Significant defence force employment in addition to agri-food employment will support household incomes and help to maintain jobs within the local service sector.
- The construction sector experienced significant disruption as a result of the lockdown period; however, the strong pipeline of work coming through in addition to infrastructure projects across the region supports the outlook for the local and regional sector over 2020. Maintaining and then expanding construction sector capacity will be crucial to the local recovery.
- The retail sector, accommodation and food services sector and the wider services sector are most vulnerable to the economic disruption. Industry strengths such as primary production, agri-food manufacturing, school education and a strong domestic tourism sector will support employment and income levels, and help to maintain levels of demand for the more vulnerable service industries.

Impact of lockdown by sub-industries

Estimated impact \$m by industry

Figure 3: Impact of level 3 and level 4 restrictions



As summarised, the lockdown period affected industries differently across the district. Identifying the impacts on each industry is important for understanding the vulnerabilities that exist within the Rangitikei District economy. Figure 3 illustrates the estimated impact of level 3 and level 4 restrictions by industry across the district.

The service industries were most affected, with accommodation and food services GDP falling an estimated 11.1% of annual GDP (↓\$1.4m).

The percentage impact on service industries apart from accommodation and food services was smaller at 3.8%, but due to the size of the sector the impact on GDP is estimated at \$5.3m. Evidence shows a significant rebound in demand for both groups of services post lockdown; however, the losses sustained over the lockdown period continue to make the industry vulnerable.

The impact on retail and wholesale trade is estimated at 6.6% of industry GDP. This estimates annual losses of \$3.1m for the sector. The effects were felt differently within the sector. Supermarket and grocery shopping expenditure increased substantially over the lockdown period while expenditure on non-essential items fell sharply. While evidence indicates a considerable rebound in demand for non-essential goods, the impacts on the sector of the lockdown period and any future softening of business and household spending render the sector vulnerable. Current indicators confirm a strong recovery in consumer spending which will support the economic recovery of these sectors.

The manufacturing and construction sectors are estimated to have lost \$4.3m and \$1.9m respectively from the lockdown period. This is an estimated 5.2% decline in manufacturing GDP and a 7.7% decline in construction sector GDP. In the construction sector, losses may impact on the sustainability of individual businesses; however, building consent data indicates the continuation of investment intentions in the district. Strong levels of development across neighbouring districts will also support the local construction services sector. Although the outlook for the manufacturing sector overall is less certain, the concentration of agri-food production in the district supports the economic outlook for the Rangitikei over 2020. A close eye on international demand conditions, commodity prices, and jobs data by industry will help to understand the impacts on the local manufacturing sector throughout the recovery period. Economic monitoring of key export commodity prices and supply and demand conditions will provide information to the sector during the recovery period.

The government and utilities sectors (excluding the telecommunications sector) are also assumed to be affected by the lockdown period, with GDP estimated to fall a modest \$0.2m and \$0.1m respectively. This assumes a 1.3% fall in government GDP over the year and a 2.3% fall in GDP generated from utilities. While some councils may opt to defer spending on 'nice-to-have' projects, both sectors are assumed to recover, with government spending increasing significantly due to infrastructure spending, an increase in support services, and transfer payments to businesses and households (such as wage subsidies and winter energy payments).

The local education sector is considered relatively resilient to the impacts of COVID-19, however, some vulnerability exists due to the strong presence of private education in the district.

Table 1 provides a broad industry summary of the Rangitikei District economy. The industries are ranked based on the level of contribution to district GDP.

Table 1: Broad industry summary

Industry sector	GDP \$m	Jobs	Impact summary
Agriculture, forestry & fishing	\$207.2	1,961	The sector makes up 32.4% of district GDP and 30.0% of total employment. Sheep, beef cattle and grain farming is the largest primary industry, contributing 52.8% (\$109.5m) to total agricultural GDP and 54.9% (1,076) of total jobs in the sector. The current strength in export demand for red meat adds significant resilience to the Rangitikei economy. Drought, the volatility of global economic conditions and the collapse of wool prices present some ongoing risk to the sector. Data to support local action and advocacy to central government to support key industries in the district will help to support economic activity and levels of employment.
Manufacturing	\$83.9	1,112	Manufacturing contributes 13.1% of total district GDP and 17.0% of total employment. Agri-food production contributes 69.7% (\$58.5m) of local manufacturing GDP and 76.1% (846) of manufacturing jobs. This concentration in agri-food production adds significant support to the resilience of the Rangitikei economy. The district is also a manufacturer of machinery and equipment. The wider manufacturing sector remains vulnerable to supply chain disruptions and global and domestic demand factors.
Education and training	\$34.3	573	The education and training sector contributes 5.4% of total district GDP and 8.8% of total employment. Within the sector, school education contributes 78.7% (\$27.0m) of GDP and 78.9% (452) of total employment. The sector is resilient to the impacts of COVID-19 due to the concentration in school education. It will be important to liaise with education providers to monitor the impacts of current conditions.
Retail trade	\$32.8	536	The retail sector contributes 5.1% of total district GDP and 8.2% of total employment. The sector was heavily exposed to the impacts of the lockdown period and continues to be vulnerable to domestic demand conditions and supply chain disruptions. Protecting these businesses and jobs will rely on maintaining levels of business and household income and spending. The maintenance of incomes in the agri-food sector will provide some support to retail demand in the district.
Rental, hiring and real estate services	\$32.0	94	The rental, hiring and real estate services sector contributes 5.0% of total district GDP and 1.4% of total employment. The sector is vulnerable to the impacts of reduced business and household demand; however, data to May indicates the sector is continuing to perform well. A strong primary and agri-food manufacturing sector will provide some support to the sector over 2020.
Construction	\$24.9	387	The construction sector contributes 3.9% of total district GDP and 5.9% of total employment. Within the local sector construction services is particularly strong, contributing 54.9% (\$16.8m) to total industry GDP and 70.3% (272) to industry employment. The sector includes trade services, land development, subdivision services, landscaping etc. Relatively strong construction investment in the district (by historical standards) and opportunities across the wider region will support the recovery of the local construction sector.
Public administration and safety	\$19.0	218	The public administration and safety sector contributes 3.0% of total district GDP and 3.3% of total employment. Although not reflected in these figures, the Rangitikei District does benefit from the location of the Ohakea Air Force Base just to the south of Bulls. The expenditure generated from the Base, including the upgrade and the relocation of the Number Five Squadron in 2023, will support levels of demand and service sector employment in the district.
Professional, scientific and technical services	\$19.0	201	The professional, scientific and technical services sector contributed 3.0% to total district GDP and 3.1% to total employment. The district has particular strength in veterinary and other professional services and legal and accounting services. Impacts of the lockdown period imply some business level vulnerabilities, although the strengths of the sector in the Rangitikei also implies a significant proportion of services were able to continue over the lockdown period.
Health care and social assistance	\$15.5	258	The healthcare and social assistance sector contributes 2.4% of total district GDP and 3.9% of total employment. The district is particularly strong in the delivery of medical and other health care services, which contributes 58.7% (\$8.8m) to industry GDP and 57.0% (147) to industry employment. General practice came under pressure during the lockdown period. Central government support is likely to be essential to support some general practices at the business level. Additionally, local engagement with primary health care providers will be important to understand their needs and provide advocacy and support where possible.

Transport, postal and warehousing	\$15.0	164	The transport, postal and warehousing sector contributes 2.3% of total GDP and 2.5% of total employment. Distribution is a crucial support sector to the local, regional and national economy. While the sector was impacted by the lockdown period, the outlook is improving and investment in the distribution hub in Palmerston North will support activity across the region. The local economy is also less exposed to the halt in international tourism than many other parts of NZ. However, areas along State Highway 1 such as Taihape are vulnerable to a reduction in spending from international tourists. The recommencement of domestic tourism will support the retail and accommodation and food services sectors.
Wholesale trade	\$14.9	136	The wholesale trade sector contributes 2.3% of total GDP and 2.4% of total employment. Basic material wholesaling makes up 69.8% (\$10.4m) of industry GDP and 67.6% (92) of industry employment. Wholesale trade was heavily exposed to the impacts of the lockdown period and continues to be vulnerable to domestic demand conditions and supply chain disruptions. Due to the minimal concentration of wholesale trade activity in the district and the positive outlook for rural production, impacts on the district economy are likely to be minimal.
Accommodation & food services	\$12.7	388	The accommodation and food services sector contributes 2.0% to total GDP and 5.9% of total employment. The sector was most affected by the lockdown period with an estimated annual reduction in GDP of 11.1% (\$1.4m). Accommodation and food services remain vulnerable to the downturn in international and domestic tourism expenditure and the impacts of reduced business and household expenditure.
Financial & insurance services	\$9.2	50	The financial & insurance service sector contributes 1.4% to total GDP and 0.8% of total employment. The New Zealand financial system is well positioned to support the recovery ² and there is little risk currently to the stability of New Zealand's financial institutions. Across the finance and insurance sector, some vulnerability exists from tightening financial conditions of some businesses and households.
Other services ³	\$7.1	195	The other services sector contributes 1.1% to total GDP and 3.0% of total employment. The service sector was most affected by the level 3 and level 4 lockdown period. While demand is recovering, the sector remains vulnerable to changes in business and household demand.
Mining	\$5.2	50	The mining sector contributes 0.8% of total GDP and 0.8% of jobs to the local economy. Local industry in the sector is limited to metal ore and non-metallic mineral mining and quarrying. The sector is dependent on domestic demand conditions, which are expected to remain strong.
Information, media & telecommunications	\$5.0	31	The information, media and telecommunications sector contributes 0.8% of total GDP and 1.3% of total employment. The local sector is not particularly exposed to the impacts of COVID-19. Over time, cash flows of businesses may influence the demand for media services.
Arts & recreation services	\$4.7	83	The arts and recreation sector contributes 0.7% to total local GDP and 0.5% of total employment. Sports and recreation is the largest contributor to this sector, making up 93.6% (\$4.4m) of industry GDP and 92.8% (77) of industry employment. Local concentration in the sector is low; however, business activity and employment continues to be vulnerable to border restrictions. Recovery of domestic tourism will drive some recovery in the sector.
Electricity, gas, water and waste services	\$4.2	34	The utilities sector contributes 0.7% to local GDP and 0.5% of total employment. Sectoral activity is dominated by waste collection, treatment and disposal services. While services were restricted over the lockdown period, the sector is relatively resilient due to strong government-level participation and procurement.
Administrative & support services	\$3.0	71	The administrative and support services sector contributes 0.5% to total GDP and 1.4% of local employment. Tourism-related administrative and support service industries, such as travel agency and tour arrangement services, are particularly exposed to the downturn in tourism and the risk of business closures and job losses. Travel agency and tour arrangement services contributes \$0.13m to the district economy and employs fewer than 6 people in the district.
Total	\$640.4 ⁴	6,542	

² Reserve Bank of New Zealand Financial Stability Report, May 2020.

³ Other services includes Repair and Maintenance, Personal and Other Services, and Private Households Employing Staff. Note, this sector is a sub-set of Services included in the assessment of economic impacts.

⁴ The totals include industries with fewer than 6 employees and unallocated GDP, and therefore exceed the sum of industry sector GDP and job numbers.

The tourism sector makes up 5.0% of total GDP and 7.3% of employment across the district. For context, this compares with 55.6% of GDP and 63.5% of total employment in the Queenstown-Lakes District. To the year ended January 2020, 16.1% of tourism expenditure in the Rangitikei District was generated from international tourism and therefore 83.9% from domestic tourism. The structure of the local tourism sector in addition to the resurgence in domestic tourism will minimise the economic impacts of the lockdown period and border closures.

Estimating the exact impact on the tourism sector is complex due to tourism being made up of a proportion of several industry sectors. Table 2 specifies these industry sectors in addition to the proportion of total industry spending contributed from tourism⁵. The greater the reliance on tourism as a proportion of total expenditure, the greater the vulnerability of that industry to the impacts of COVID-19.

Table 2: Tourism related industries and expenditure

Industry sector	Estimated proportion contributed from tourism
Accommodation	0.69
Food & beverage services	0.40
Road, rail & water transport	0.09
Air & space transport	0.87
Other transport, transport support & travel & tour services	0.22
Rental & hiring services	0.31
Arts & recreation services	0.17
Retail trade	0.14
Education & trade	0.08
All non-tourism related industries	0.02

From Table 2, accommodation and food and beverage services will bear the brunt of the impact. However, the other tourism industries (in addition to non-tourism related industries) will also be affected by the cessation of international tourism and the shutdown of all domestic tourism over the period 26 March to 13 May. Minimal reliance on international tourism supports the local economic outlook relative to parts of New Zealand dependent on international tourism.

Level 1 and level 2 impacts

The economic impact in the Rangitikei District is softer than national averages. Annual GDP estimates the value of all goods and services produced within an area over that year. Applying the Reserve Bank of New Zealand economic impacts by industry to the Rangitikei District industry structure, the district's GDP is estimated to decline by 3.8% as a result of level 1 restrictions and 8.8% as a result of level 2 restrictions. Overlaying the length of time New Zealand spent in level 2 (14 May to 9 June), local GDP in 2020 is estimated to decline by \$4.0m (↓0.6%). Assuming New Zealand remains under alert level 1 for the remainder of 2020, local GDP is estimated to fall a further \$13.5m (↓2.1%) over the year.

The combined impact of level 1 to level 4 restrictions on Rangitikei District GDP is estimated at 6.1% (↓\$39.1m) from the previous year. This compares with an estimated decline in New Zealand GDP of 6.4% over 2020 as a result of COVID-19 restrictions.

The following section provides a detailed analysis of the structure, strengths and vulnerabilities of the Rangitikei District economy. Appendix one provides ranked GDP and employment figures for 106 industries in the district.

Rangitikei District economic structure⁶

The Rangitikei District is a substantial producer of primary products and value-added agri-food manufacturing. Education and training GDP and employment in the district also exceeds the proportion of contribution to GDP and employment at the national level. While not the largest contributor to GDP, the retail sector and accommodation and food services sector are also significant employers across the district.

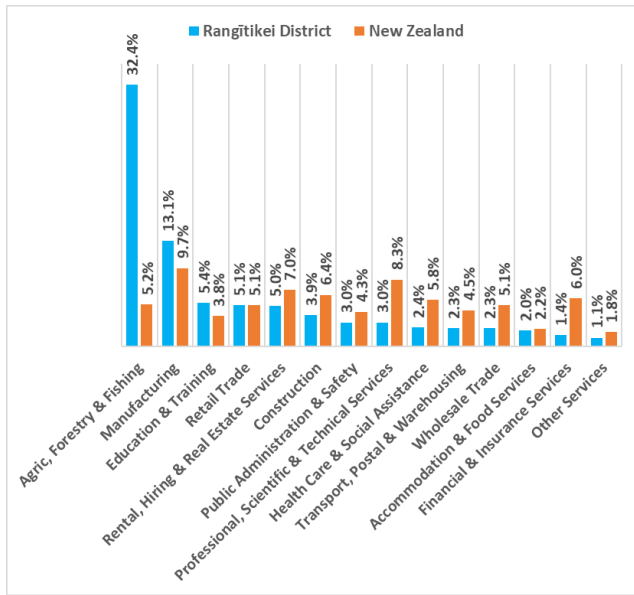
Figure 4 and Figure 5 illustrate the proportion of GDP and employment generated by broad industry level in the Rangitikei District. Figure 4 is based on the 14 largest industry contributors to GDP, while Figure 5 illustrates the proportion of jobs generated from the 14 largest industry employer groups.

⁵ The proportion of each sector contributed from tourism is from the Statistics New Zealand Tourism Satellite Accounts from 2017.

⁶ Industry data is for the Rangitikei District is sourced through Infometrics, year to March 2019.

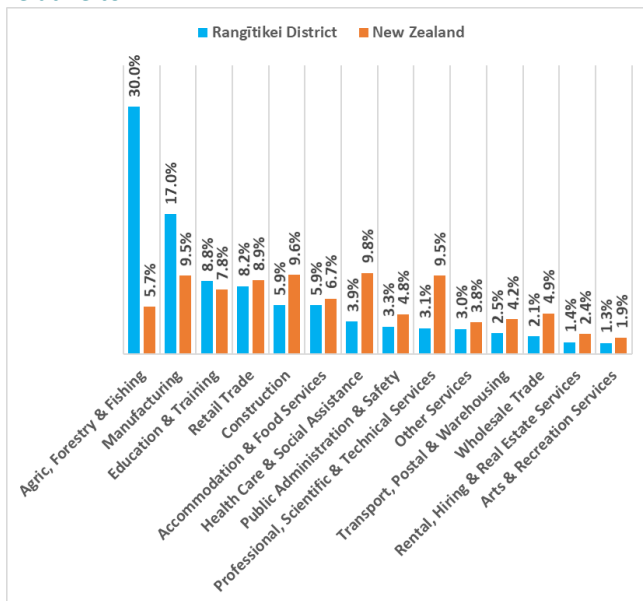
Industry structure

Figure 4: Rangitikei District industry GDP relative to NZ



Employment structure

Figure 5: Rangitikei District industry employment relative to NZ



The following section details industry breakdown, GDP, employment and status of the following key local industry sectors (based on these sectors' combined contribution to GDP and employment):

1. Agriculture, forestry and fishing;
2. Manufacturing;
3. Education and training;
4. Retail trade;
5. Construction; and
6. Accommodation and food services.

Agriculture, forestry & fishing

The primary sector and support services industry is the largest contributor to the local economy, contributing

⁷ Where totals differ from the sum of the individual industry groups, this may reflect that some industries with fewer than 6 jobs have been removed, or rounding has occurred.

\$207.2m to GDP and creating 1,961 jobs. The Rangitikei District is particularly strong in the production of sheep, beef cattle and grain farming, with a considerable dairy industry as well. As indicated in Figure 6, global and domestic demand for agri-food products has remained strong despite the economic slowdown. Local strength in sheep, beef and cattle farming and dairy strongly supports the economic outlook for the district. Any emerging vulnerabilities from international demand conditions will be monitored closely.

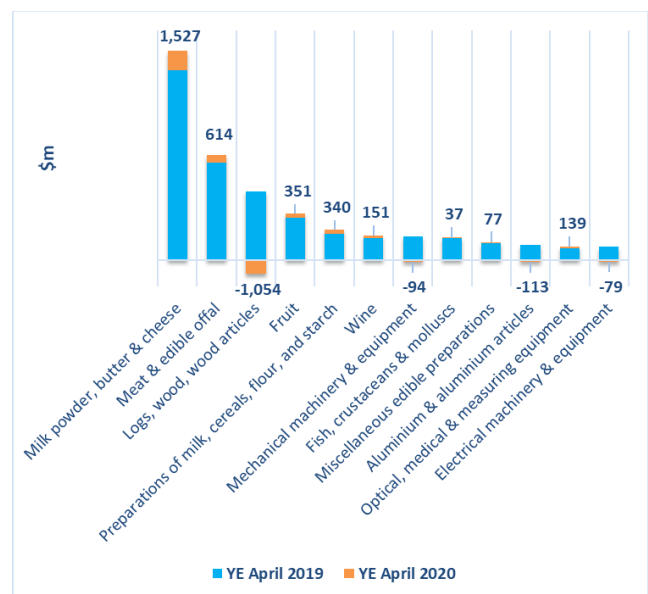
Table 3: The agriculture, forestry & fishing sector

Sub-industry	GDP	Jobs
Sheep, beef cattle & grain farming	\$109.5m	1,076
Dairy cattle farming	\$43.6m	330
Agriculture, forestry & fishing support services	\$23.8m	365
Forestry and logging	\$23.6m	60
Horticulture and fruit growing	\$1.5m	32
Poultry, deer, and other livestock farming	\$4.8m	94
Total⁷	\$207.2m	1,961

As indicated in Figure 6, export trade for the two largest primary goods produced in the Rangitikei District have held up well despite global economic conditions. While forestry suffered a downturn in late 2019 and early 2020, recent data indicates some recovery within the sector.

Trade values and commodity prices of goods produced in the district over the coming months will reveal the longer-term outlook for the sector and identify any emerging vulnerabilities.

Figure 6: Export trade data to the year ended April 2020



Manufacturing

The manufacturing sector contributes \$83.9m and 1,112 jobs to the district economy. Agri-food production makes up 69.7% of total manufacturing GDP and 76.1% of total manufacturing jobs. This concentration in agri-food production significantly boosts the economic outlook for the Rangitikei District under current economic conditions. However, the sector overall is vulnerable to global demand conditions and the impacts of recession amongst our trading partners. While the expectation is that food demand will remain strong relative to durables manufacturing, international economic conditions and trade statistics will be watched closely to identify opportunities and vulnerabilities. Local manufacturing business decisions could impact on the resilience of the local sector and the local economy.

Table 4: The manufacturing sector

Sub-industry	GDP	Jobs
Meat and meat product manufacturing	\$44.6m	649
Electronic and electrical equipment manufacturing	\$12.0m	116
Fruit, oil, cereal, and other food manufacturing	\$9.1m	125
Wood product manufacturing	\$4.3m	61
Fabricated metal product manufacturing	\$2.9m	44
Polymer product and rubber product manufacturing	\$1.5m	14
Non-metallic mineral product manufacturing	\$1.3m	11
Transport equipment manufacturing	\$0.8m	9
Printing	\$0.5m	8
Clothing, knitted products, and footwear manufacturing	\$0.4m	8
Furniture manufacturing	\$0.4m	7
Total	\$83.9m	1,112

Education and training

Education and training contributes \$34.3m and 573 jobs to the district economy. School education is by far the largest sector, followed by pre-school education. Strength in school education delivery as a proportion of GDP will support household incomes in the district. These jobs are less dependent upon economic conditions, however, private education providers in the district have some exposure to border closures and domestic demand conditions. Increased funding for education and training will further support the district economy.

Table 5: Education and training sector

Sub-industry	GDP	Jobs
School education	\$27.0m	452
Pre-school education	\$5.4m	90
Adult, community, and other education	\$1.3m	21
Tertiary education	\$0.6m	11
Total	\$34.3m	573

Retail trade

The retail sector contributes \$32.8m and 536 jobs to the local economy. Alongside wholesale trade, retail trade was particularly exposed to the impacts of the lockdown period with an estimated decline in GDP of 6.6% over 2020. The sector continues to be vulnerable to domestic demand conditions and supply chain disruptions. As expected over the lockdown period, levels of retail spending fell sharply. Weekly data since level 3 lockdown ended indicates a strong recovery in retail spending; however, cumulatively expenditure is still down on the same period in 2019. On a positive note, the district has significant concentration of employment in the supermarket sector where revenues were bolstered as a result of the level 3 and level 4 lockdown. Overall, the level of employment in the retail sector highlights the importance of protecting business and household incomes to maintain spending in the local economy, to protect retail sector jobs.

Table 6: The retail trade sector

Sub-industry	GDP	Jobs
Supermarket and grocery stores	\$13.2m	233
Other store based retailing; non-store and commission based retailing	\$6.0m	97
Furniture, electrical, and hardware retailing	\$4.4m	71
Fuel retailing	\$3.8m	51
Motor vehicle and motor vehicle parts retailing	\$2.6m	35
Recreational, clothing, footwear, and personal accessory retailing	\$2.2m	37
Specialised food retailing	\$0.6m	12
Total	\$32.8m	536

Construction

The construction sector contributes \$24.9m in GDP and 387 jobs to the local economy. The local sector is particularly strong in the delivery of construction services, which includes land development and subdivision, site preparation, trade services, roofing and bricklaying, painting and decorating, and landscaping. The sector was impacted by the lockdown period with annual GDP estimated to fall by 7.7% over 2020. There is a strong pipeline of construction work coming through the building consent process across the district and there are concerns that capacity constraints in the local construction sector will hold-up the pace of development. On this basis, the outlook for the sector across the district looks strong; however, the lockdown period is likely to have placed pressure on the bottom line of individual businesses. Providing support services and resources to maintain and then grow capacity in the sector is crucial to the Rangitikei and wider regional economic recovery.

Table 7: The construction sector

Sub-industry	GDP	Jobs
Construction services	\$16.8m	272
Residential building construction	\$4.2m	80
Heavy and civil engineering construction	\$3.5m	28
Non-residential building construction	\$0.4m	8
Total	\$24.9m	387

Accommodation and Food Services

The accommodation and food services sector contributes \$15.2m in GDP and 593 jobs to the local economy. The sector was most affected by the level 3 and level 4 lockdown, and is estimated to contract by 11.1% over the 2020 year. The accommodation and food services sector is not one of the largest contributors to district GDP but it is a significant employer across the Rangitikei District. This contribution to employment, in addition to providing employment and income for younger and less skilled workers, highlights the sector's importance to the local economy and to social wellbeing. The local sector is predominantly reliant on domestic spending and therefore less vulnerable to the halt in international tourism. While the resumption of domestic tourism will support the recovery of the sector over 2020, the sector does remain vulnerable to changes in demand conditions from tightening domestic business and household incomes.

Table 10: Accommodation and food services sector

Sub-industry	GDP contribution	Jobs
Food and beverage services	\$11.2m	337
Accommodation	\$1.5m	52
Total	\$15.2m	593

Conclusion

The concentration of agri-food production significantly boosts the economic outlook for the Rangitikei District.

The industry structure of the Rangitikei District insulates the local economy from the worst impacts of COVID-19. In particular, the concentration of economic activity and employment in primary production and agri-food manufacturing means the outlook for the local economy is better than for many parts of New Zealand. The local economy is also far less vulnerable to the impact of border closures on service sector activity relative to most other parts of New Zealand.

While the industry mix of the district will support the economic recovery, there are sectors that continue to be vulnerable to the impacts of COVID-19. Service sectors continue to be particularly exposed, as are retail and wholesale trade. There are risks to the manufacturing and construction sectors due to the impacts of the lockdown period on the sustainability of individual businesses and uncertainty surrounding global demand and supply conditions.

Despite ongoing favourable conditions and performance, primary production and agri-food manufacturing remain vulnerable to changes in global demand and supply dynamics, made more volatile by current global economic conditions. While we continue to see strong growth in house prices in the district, household wealth is vulnerable to the impacts of economic recession and the potential for softening house prices. We are not seeing any indication of these effects as yet.

Industry risk profiles and uncertainty of the impacts of COVID-19 highlight the importance of monitoring and reporting at the local level to identify vulnerabilities and opportunities to support economic recovery.

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Appendix One: Data for 106 industries, ranked by contribution to Rangitikei District GDP compared to NZ⁸

	<i>Rangitikei GDP \$m</i>	<i>Rangitikei % of total GDP</i>	<i>NZ % of total GDP</i>	<i>Rangitikei employment</i>	<i>Rangitikei % of total employment</i>	<i>NZ % of total employment</i>
<i>Sheep, beef cattle, and grain farming</i>	109.5	17.1%	1.1%	1076	16.4%	1.2%
<i>Meat and meat product manufacturing</i>	44.6	7.0%	0.7%	649	9.9%	1.0%
<i>Dairy cattle farming</i>	43.6	6.8%	2.0%	330	5.0%	1.4%
<i>School education</i>	27	4.2%	2.0%	452	6.9%	4.0%
<i>Agriculture, forestry, and fishing support services</i>	23.8	3.7%	0.7%	365	5.6%	1.2%
<i>Forestry and logging</i>	23.6	3.7%	0.6%	60	0.9%	0.3%
<i>Non-residential property operation</i>	22.9	3.6%	1.8%	63	1.0%	0.5%
<i>Construction services</i>	16.8	2.6%	3.3%	272	4.2%	5.5%
<i>Supermarket and grocery stores</i>	13.2	2.1%	1.2%	233	3.6%	2.4%
<i>Electronic and electrical equipment manufacturing</i>	11.97	1.9%	0.6%	116	1.8%	0.5%
<i>Food and beverage services</i>	11.2	1.7%	1.7%	337	5.2%	5.3%
<i>Road transport</i>	10.6	1.7%	1.6%	128	2.0%	1.9%
<i>Basic material wholesaling</i>	10.4	1.6%	1.0%	92	1.4%	1.0%
<i>Fruit, oil, cereal, and other food product manufacturing</i>	9.1	1.4%	0.8%	125	1.9%	1.1%
<i>Central government administration services</i>	8.86	1.4%	1.6%	90	1.4%	1.6%
<i>Medical and other health care services</i>	8.82	1.4%	2.1%	147	2.2%	3.5%
<i>Veterinary and other professional services</i>	7.21	1.1%	0.4%	74	1.1%	0.5%
<i>Banking and financing; financial asset investing</i>	6.84	1.1%	4.0%	30	0.5%	1.5%
<i>Residential care services and social assistance</i>	6.66	1.0%	2.0%	111	1.7%	3.4%
<i>Real estate services</i>	6.29	1.0%	3.2%	18	0.3%	1.0%
<i>Legal and accounting services</i>	6.04	0.9%	1.5%	64	1.0%	1.7%
<i>Other store based retailing; non-store and commission based retailing</i>	5.95	0.9%	0.8%	97	1.5%	1.4%
<i>Preschool education</i>	5.37	0.8%	0.6%	90	1.4%	1.1%
<i>Metal ore and non-metallic mineral mining and quarrying</i>	5.17	0.8%	0.4%	50	0.8%	0.1%

⁸ Industries where employment is less than 6 have been removed, to maintain confidentiality.

<i>Public order, safety, and regulatory services</i>	5.11	0.8%	1.8%	48	0.7%	1.8%
<i>Machinery manufacturing</i>	5.08	0.8%	0.8%	51	0.8%	0.7%
<i>Local government administration services</i>	5.03	0.8%	0.5%	80	1.2%	0.9%
<i>Poultry, deer, and other livestock farming</i>	4.8	0.7%	0.2%	94	1.4%	0.3%
<i>Furniture, electrical, and hardware retailing</i>	4.39	0.7%	1.0%	71	1.1%	1.7%
<i>Sport and recreation services</i>	4.37	0.7%	0.8%	77	1.2%	1.1%
<i>Wood product manufacturing</i>	4.27	0.7%	0.6%	61	0.9%	0.7%
<i>Residential building construction</i>	4.18	0.7%	1.1%	80	1.2%	2.1%
<i>Fuel retailing</i>	3.82	0.6%	0.2%	51	0.8%	0.3%
<i>Library and other information services - internet*</i>	3.76	0.6%	0.6%	15	0.2%	0.2%
<i>Other goods and commission based wholesaling</i>	3.7	0.6%	1.3%	36	0.6%	1.2%
<i>Repair and maintenance</i>	3.59	0.6%	0.7%	97	1.5%	1.6%
<i>Postal and courier services</i>	3.5	0.5%	0.7%	28	0.4%	0.5%
<i>Heavy and civil engineering construction</i>	3.46	0.5%	1.8%	28	0.4%	1.5%
<i>Advertising, market research, and management services</i>	3.4	0.5%	2.7%	37	0.6%	3.1%
<i>Fabricated metal product manufacturing</i>	2.86	0.4%	0.9%	44	0.7%	1.1%
<i>Waste collection, treatment, and disposal services</i>	2.83	0.4%	0.4%	23	0.4%	0.3%
<i>Motor vehicle and motor vehicle parts retailing</i>	2.59	0.4%	0.5%	35	0.5%	0.8%
<i>Auxiliary finance and insurance services</i>	2.38	0.4%	1.0%	21	0.3%	0.8%
<i>Rental and hiring services (except real estate); non-financial asset leasing</i>	2.36	0.4%	1.2%	12	0.2%	0.6%
<i>Recreational, clothing, footwear, and personal accessory retailing</i>	2.23	0.3%	0.7%	37	0.6%	1.3%
<i>Personal services; domestic household staff</i>	2.18	0.3%	0.6%	61	0.9%	1.2%
<i>Scientific, architectural, and engineering services</i>	1.85	0.3%	2.2%	20	0.3%	2.5%
<i>Building cleaning, pest control, and other support services</i>	1.5	0.2%	0.7%	35	0.5%	1.8%
<i>Horticulture and fruit growing</i>	1.5	0.2%	0.5%	32	0.5%	1.1%

<i>Accommodation</i>	1.47	0.2%	0.5%	52	0.8%	1.4%
<i>Polymer product and rubber product manufacturing</i>	1.45	0.2%	0.5%	14	0.2%	0.5%
<i>Employment and other administrative services</i>	1.41	0.2%	1.2%	33	0.5%	2.9%
<i>Non-metallic mineral product manufacturing</i>	1.28	0.2%	0.5%	11	0.2%	0.4%
<i>Adult, community, and other education</i>	1.26	0.2%	0.4%	21	0.3%	0.9%
<i>Religious services; civil, professional, and other interest groups</i>	1.14	0.2%	0.5%	33	0.5%	1.1%
<i>Pharmaceutical, cleaning, and other chemical manufacturing</i>	1.13	0.2%	0.4%	7	0.1%	0.2%
<i>Publishing (except internet and music publishing)</i>	1.08	0.2%	0.3%	14	0.2%	0.3%
<i>Water supply</i>	0.79	0.1%	0.1%	6	0.1%	0.1%
<i>Transport equipment manufacturing</i>	0.76	0.1%	0.6%	9	0.1%	0.6%
<i>Specialised food retailing</i>	0.64	0.1%	0.3%	12	0.2%	0.5%
<i>Tertiary education</i>	0.62	0.1%	0.9%	11	0.2%	1.8%
<i>Computer system design and related services</i>	0.54	0.1%	1.6%	6	0.1%	1.8%
<i>Printing</i>	0.46	0.1%	0.2%	8	0.1%	0.3%
<i>Non-residential building construction</i>	0.39	0.1%	0.3%	8	0.1%	0.6%
<i>Clothing, knitted products, and footwear manufacturing</i>	0.39	0.1%	0.1%	8	0.1%	0.0%
<i>Furniture manufacturing</i>	0.38	0.1%	0.2%	7	0.1%	0.3%
<i>Heritage and artistic activities</i>	0.33	0.1%	0.4%	6	0.1%	0.6%

Source: Infometrics