



**economics**

Report to:

**Nature Coast Enterprise**

**ECONOMIC PROFILE OF THE  
NATURE COAST:  
KAPITI & HOROWHENUA IN 2008**

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# Economic Profile of the Nature Coast in 2008<sup>1</sup>

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<sup>1</sup> This summary is based on data generated from the BERL Regional Database.

Note that revisions to previous official data series have been incorporated into the BERL Regional Database, which has now been expanded to incorporate a full set of annual data for the whole 1994-2008 period for each of New Zealand's 73 Local Authorities (LAs). The data has also been re-based to constant-priced 2008\$s consistent with official *Statistic New Zealand* National Accounts data. Consequently, data for past years may differ from that contained in earlier BERL reports and data files.

All references to value added growth refer to increases in volume or real terms – i.e. in constant price terms or after removal of the effects of price inflation. All references to employment relate to FTEs (i.e. Full-Time Equivalents). Years refer to years ended 31 March (except for population counts, which are estimates as at 30 June).

Please refer to section 8 for more detailed information relating to the methodology and terminology.

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# 1 Executive summary

This report has been prepared for Nature Coast Enterprise. It provides an overview of the Nature Coast region over the last year and decade, and compares this performance with that of New Zealand as a whole. The Nature Coast is made up of the Kapiti Coast and Horowhenua districts.

The Kapiti and Horowhenua districts fall within the Wellington and Manawatu-Wanganui regions respectively and do not often feature in regional statistics. This report focuses on the Nature Coast as an area with a growing population and an increasingly diverse economic base.

## **Nature Coast**

The Nature Coast had a population in 2008 of close to 77,000. There were 21,200 full-time equivalent (FTE) jobs in 7,740 businesses, which contributed \$1.86 billion to regional GDP.

The Nature Coast region performed well in 2008 across most Key Performance Indicators (KPIs). Exceptionally high growth was achieved in GDP, GDP per capita, and employment relative to national performance.

In 2008, regional GDP increased by 4.7 percent, compared to 3.2 percent GDP growth nationally. GDP per capita increased by 4.0 percent over the year, compared to the national average of 2.2 percent.

Employment in the Nature Coast region grew by 3.1 percent in 2008, significantly above the national average of 0.8 percent. The number of business units grew by 0.5 percent, which resulted in the average employment size of businesses increasing by 2.5 percent. Social services was the major driver of growth in 2008, with a 19.5 percent increase in employment within the sector, mainly in health and education.

The region has a relatively balanced economy, which has two main drivers – population, and primary and processing. As a result, the region has a large retail and distribution sector, which accounts for 28 percent of employment. Social services accounts for 17 percent of employment reflecting the growing population base, as does the 13 percent of the economy employed in construction. The region also has around 22 percent of its population employed in primary and manufacturing.

Tourism continues to grow, although off a small base. There are 1,266 FTEs directly employed due to tourism in the region. Manufacturing is going through structural changes, with declining employment numbers. However, the food processing sector continues to grow, adding a

further 86 FTEs in 2008. Within the primary sector, employment continues to ease, although this is more a reflection of productivity gains rather than industry decline.

Recent economic indicators suggest that the region is facing difficulties along with the rest of the country. Car registrations, building consents and migration are all down. The declines are greater in the Nature Coast than nationally, however, this could be largely stochastic, as the region is relatively small.

### **Kapiti Coast**

The Kapiti Coast had a resident population of 47,000 in 2008. It employed 12,400 FTEs in 4,800 businesses, generating \$1,040 million in regional GDP.

The Kapiti Coast generally performed better than nationally across the KPIs.

The strongest result for the Kapiti Coast was employment growth of 4.5 percent compared to 0.8 percent for the Wellington region. The growth was driven by social services (up 25.2 percent) and business services (up 7.3 percent). Conversely, retail and distribution, the largest employer in the district, lost 1.9 percent of its FTEs in 2008.

Kapiti Coast's GDP performance over the year was also impressive, up 5.8 percent. This was higher than the 2.6 percent recorded in the Wellington region and the 3.2 percent recorded nationally. Social services and business services contributed the most to the positive outcome in 2008.

### **Horowhenua**

In 2008, the Horowhenua district had a population of 29,900. The district had 8,810 FTEs, generating a total of \$825 million in regional GDP through almost 2,930 business units. GDP, GDP per capita, employment, and business size all enjoyed above-average growth.

Three sectors, construction, business services, and social services, were the driving forces of this high growth. These three outperformed the rest of the sectors, achieving positive results in all of the three KPIs – employment, GDP, and business units growth.

## 2 Nature Coast: Kapiti & Horowhenua Districts

This section presents the performance of the Nature Coast region as calculated by BERL.

### 2.1 2008 indicators

In 2008 the Nature Coast region stood out from the rest of New Zealand with four out of seven KPIs well above the national averages. Table 2.1 presents the Nature Coast's latest annual KPIs and compares these to New Zealand.

**Table 2.1 Nature Coast's performance for 2008 year**

	%pa for 2008 year	
	Nature Coast	New Zealand
Resident population growth	0.6	1.0
Real Value Added (GDP) growth	4.7	3.2
GDP per capita growth	4.0	2.2
Employment growth	3.1	0.8
Productivity growth	1.7	2.5
Business units growth	0.5	1.4
Business size growth	2.5	-0.6

*source: BERL Regional Database, Statistics NZ*

In 2008, GDP growth managed an impressive 4.7 percent compared to 3.2 percent growth in New Zealand. This impacted on GDP per capita growth, resulting in a 4.0 percent increase over the year, compared to 2.2 percent nationally.

Employment grew at the rate of 3.1 percent in 2008, significantly above the national average of 0.8 percent. The difference in growth rates of GDP (4.7 percent) and employment (3.1 percent) resulted in productivity growth of 1.7 percent in the Nature Coast, below the national average of 2.5 percent.

Population growth in the Nature Coast region has been growing since 1997. However, the rate of growth has not been as strong as nationally. In 2008, it achieved a 0.6 percent increase, which slightly better than last year's performance, but still below the New Zealand average of 1.0 percent.

## 2.2 Long-term performance

The Nature Coast region performed well in the last decade, with all the KPIs comparable to the national averages. Importantly, apart from business size growth all the indicators were positive.

Table 2.2 provides figures for a longer-term perspective on the Nature Coast's performance. The longer-term trends are illustrated in the appendix contained in section 8.

**Table 2.2 Nature Coast's longer-term performance**

	%pa for 1998-2008	
	<b>Nature Coast</b>	New Zealand
Resident population growth	<b>1.1</b>	1.2
Real Value Added (GDP) growth	<b>3.1</b>	3.3
GDP per capita growth	<b>2.0</b>	2.0
Employment growth	<b>1.8</b>	2.4
Productivity growth	<b>1.4</b>	1.0
Business units growth	<b>2.7</b>	3.0
Business size growth	<b>-0.9</b>	-0.6

*source: BERL Regional Database, Statistics NZ*

Nature Coast's population grew at an annual rate of 1.1 percent compared to 1.2 per cent per annum nationally.

Over the last 10 years, GDP growth averaged 3.1 percent per annum, with faster growth over the 2001 to 2006 period. This was consistent with the growth trend at the national level.

Combining the population and GDP changes, GDP per capita grew by 2.0 percent annually from 1998 to 2008, which was the same rate as nationally.

The Nature Coast has performed better than nationally on productivity growth over the last ten years, achieving 1.4 percent per annum.

## 2.3 Sectors

This section provides a more detailed look at growth across sectors. The seven sectors discussed in the next few chapters are made up of the following industries.

**Table 2.3 Industries within each sector**

<b>Primary</b>	<b>Manufacturing</b>
Agriculture	Food, Beverage and Tobacco
Services to Agriculture; Hunting and Trapping	Textile, Clothing, Footwear & Leather Mfg
Forestry and Logging	Wood and Paper Product Manufacturing
Commercial Fishing	Printing, Publishing and Recorded Media
Coal Mining	Petroleum, Coal, Chemical & Assoc Prod Mfg
Oil and Gas Exploration	Non-Metallic Mineral Product Manufacturing
Metal Ore Mining	Metal Product Manufacturing
Other Mining	Machinery and Equipment Manufacturing
Services to Mining	Other Manufacturing
<b>Building</b>	<b>Retail and Distribution</b>
General Construction	Basic Material Wholesaling
Construction Trade Services	Machinery and Motor Vehicle Wholesaling
	Personal and Household Good Wholesaling
	Food Retailing
	Personal and Household Good Retailing
	Motor Vehicle Retailing and Services
	Accommodation, Cafes and Restaurants
	Road Transport
	Rail Transport
	Water Transport
	Air and Space Transport
	Other Transport
	Services to Transport
	Storage
<b>Business Services</b>	<b>Recreation Services</b>
Electricity and Gas Supply	Motion Picture, Radio and Television Services
Water Supply, Sewerage and Drainage Services	Libraries, Museums and the Arts
Communication Services	Sport and Recreation
Finance	Personal Services
Insurance	Other Services
Services to Finance and Insurance	Private Households Employing Staff
Property Services	
Business Services	
<b>Social Services</b>	
Government Administration	
Defence	
Education	
Health Services	
Community Services	

The analysis looks at three key measures (FTEs, GDP, and business units) across seven broad industry sectors. The data are presented in Table 2.4.

**Table 2.4 Composition of 2008 Nature Coast's economy**

<b>Sectors</b>	<b>FTEs</b>	<b>%</b>	<b>GDP</b>		<b>Business units</b>	
			<b>(2008\$m)</b>	<b>%</b>		<b>%</b>
Primary	2,194	10.4%	167	9.0%	1,112	14.4%
Manufacturing	2,272	10.7%	229	12.3%	436	5.6%
Construction	2,757	13.0%	146	7.9%	1,170	15.1%
Retail and distribution	5,568	26.3%	355	19.1%	1,458	18.8%
Business services	2,982	14.1%	661	35.5%	2,566	33.2%
Recreation services	1,128	5.3%	56	3.0%	539	7.0%
Social services	4,276	20.2%	248	13.3%	456	5.9%
<b>Totals</b>	<b>21,176</b>	<b>100.0%</b>	<b>1,862</b>	<b>100.00%</b>	<b>7,737</b>	<b>100.0%</b>

source:BERL Regional Database, Statistics NZ

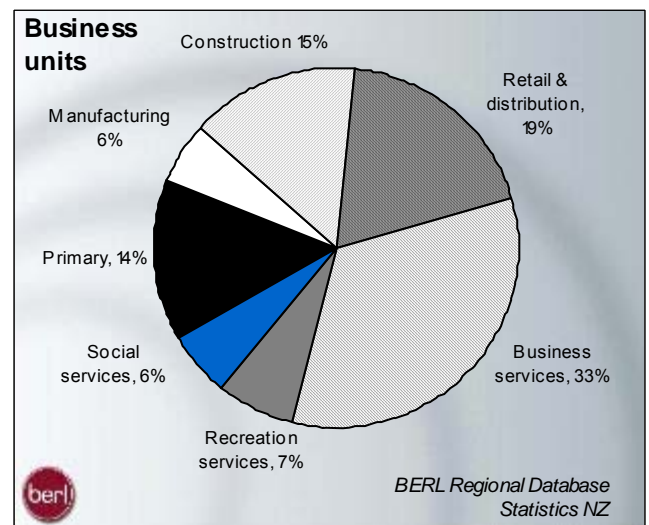
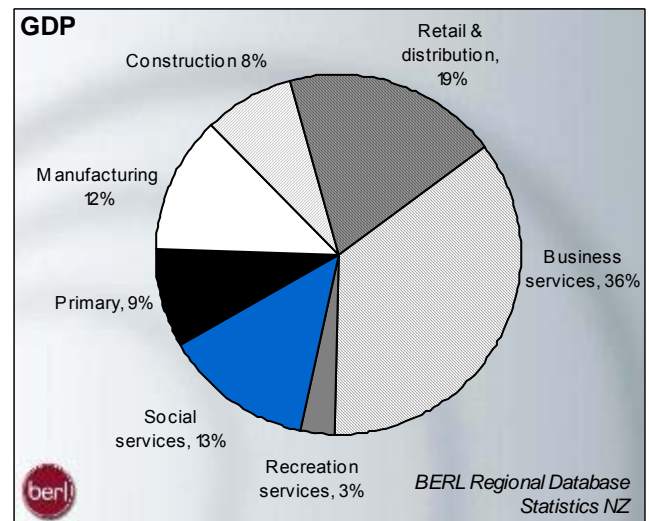
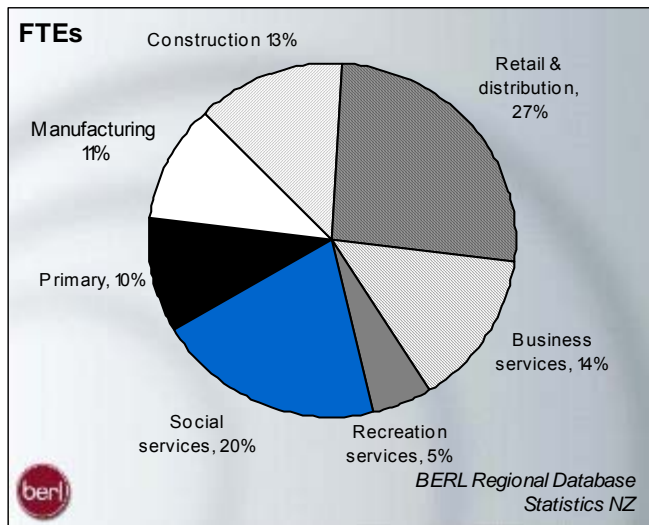
In 2008, the Nature Coast had 21,176 FTEs in 7,737 businesses contributing \$1,862 million to GDP. The Nature Coast accounted for 1.1 percent of New Zealand's FTE numbers, 1.5 percent of businesses, and 1.1 percent of GDP.

The retail and distribution sector is the largest employer in the region with 5,568 FTEs in 2008. This sector generated \$355 million GDP in 2008, the second largest in the region. In 2008, the number of business units in this sector totalled 1,458, with 16 new businesses added over a year.

The social services sector is the next largest employer with 20.2 percent of FTEs. The sector generated \$248 million in GDP through 456 business units in 2008. Rapid growth in both education and health services was the key to the growth of this sector in 2008.

The business services sector was the third largest employer in 2008 with 2,815 FTEs (13.3 percent of total). However, this sector generated \$661 million in GDP in 2008, well ahead of the next largest GDP contributor, retail and distribution, which generated \$355 million in 2008. The business services sector also had the largest number of businesses, with 2,566

**Figure 2.1 Nature Coast sector contributions**



units (33.2 percent).

The construction sector with 12.8 percent of total FTEs in the Nature Coast generated \$146 million in 2008, almost 8.0 percent of the regional GDP.

The manufacturing sector was the fourth largest GDP contributor, adding almost \$230 million to the local economy in 2008, although there were only 436 businesses in this sector in 2008, the smallest in the region in terms of business units number.

The primary sector employed 10.4 percent of total FTEs in this region and added \$167 million to the regional economy. This sector was the fourth largest in terms of business unit numbers (14.4 percent).

Recreation services only accounted for 3.0 percent of total GDP in 2008. However, it hired 1,219 FTEs, 5.8 percent of total FTEs and had 7.0 percent of total business units in the Nature Coast.



### 3 Employment

This section looks at the change in FTE employment in the Nature Coast region compared to New Zealand. Nature Coast data is broken down into the seven broad industry sectors.

Table 3.1 shows employment numbers for the seven sectors in the Nature Coast for 1998 and the last three periods. It also shows the total employment change over the same period for New Zealand.

**Table 3.1 Nature Coast employment summary**

Sectors	Employment Number FTEs				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	2,203	2,264	2,188	2,194	-3.4	0.3	0.0
Manufacturing	2,781	2,601	2,348	2,272	-9.7	-3.2	-2.0
Construction	1,540	2,604	2,720	2,757	4.4	1.4	6.0
Retail and distribution	4,816	5,445	5,678	5,568	4.3	-1.9	1.5
Business services	2,105	2,915	2,815	2,982	-3.4	5.9	3.5
Recreation services	848	1,163	1,219	1,128	4.8	-7.5	2.9
Social services	3,370	3,616	3,577	4,276	-1.1	19.5	2.4
<b>Nature Coast</b>	<b>17,663</b>	<b>20,609</b>	<b>20,546</b>	<b>21,176</b>	<b>-0.3</b>	<b>3.1</b>	<b>1.8</b>
<b>New Zealand</b>	<b>1,470,642</b>	<b>1,808,605</b>	<b>1,845,434</b>	<b>1,860,120</b>	<b>2.0</b>	<b>0.8</b>	<b>2.4</b>

*source:BERL Regional Database, Statistics NZ*

Employment in the Nature Coast grew by 3.1 percent in 2008, after a 0.3 percent decline in 2007. The growth was significantly higher than the national average, which grew by only 0.8 percent in 2008. Over the last 10 years, employment growth averaged 1.8 percent per annum.

In 2008, employment in the Nature Coast increased by 630 FTEs. At this aggregated level, the social services and business services sectors gained 866 FTEs over the year. There were reductions in the retail and distribution, and recreation services sectors, shedding 110 FTEs and 91 FTEs respectively in 2008.

The social services sector experienced a remarkable employment growth of 19.5 percent (almost 700 FTEs) in 2008, following a slight fall in 2007. There were 379 additional FTEs added to education and 264 FTEs added to health services. Community services also gained 44 FTEs over the year.

Business services performed well in 2008, gaining 167 FTEs. This was driven by the business services industry, which created an additional 96 FTE positions and communication services, which added 32 FTEs in 2008. Property services lost 42 FTEs.

Employment in the construction sector has been growing considerably at the rate of 6.0 percent per annum since 1998. Employment growth in this sector is easing but still positive. The

number of FTEs in this sector grew by 1.4 percent in 2008, following a 4.4 percent increase in 2007. Both industries in the construction sector, general construction and construction trade services, gained FTEs in 2008.

The most significant decline in employment occurred in the retail and distribution sector, losing 110 FTEs. The motor vehicle retailing and services, and accommodation, cafes and restaurants industries shed 78 FTEs each over the year; followed by personal and household good retailing (-38 FTEs) and machinery and motor vehicle wholesaling (-33 FTEs).

Recreation services lost around 90 FTEs in 2008, a decrease of 7.5 percent. Over the period 1998-2008, this sector experienced annual growth of 2.9 percent.

Manufacturing sector employment dropped by 3.2 percent in 2008. Wood and paper product manufacturing lost over 50 FTEs, while metal product manufacturing shed 32 FTEs. However, this was partly balanced by the significant increase of 86 FTEs in food, beverage and tobacco, one of the only two manufacturing industries that gained FTEs in 2008.

The primary sector had a mixed story – the loss of 17 FTEs in forestry and logging was balanced by the gain of 17 FTEs in other mining.

Table 3.2 shows the ten largest industries in the Nature Coast region in terms of employment. The calculation is done at the 53 ANZSIC industry detail.

**Table 3.2 Top ten industries by FTE size**

Rank by FTE size	Industry	Employment (FTEs)	
		2008	% of total
1	Agriculture	1,905	9.0
2	Education	1,652	7.8
3	Construction Trade Services	1,637	7.7
4	Business Services	1,519	7.2
5	Personal and Household Good Retailing	1,285	6.1
6	Food Retailing	1,152	5.4
7	General Construction	1,120	5.3
8	Accommodation, Cafes and Restaurants	1,114	5.3
9	Health Services	1,112	5.3
10	Community Services	1,106	5.2

*source:BERL Regional Database, Statistics NZ*

The top ten largest industries suggest a relatively balanced economy with a combination of industries representing the seven broad industry sectors.

The agriculture industry employed the largest number of FTEs in 2008, 9.0 percent of total regional employment. It is followed by education with 1,652 FTEs, representing 7.8 percent of

total FTEs. The rest of the top five industries are made up of construction trade services (7.7 percent), business services (7.2 percent), and personal and household good retailing (6.1 percent). The top five industries account for 37.8 percent of total employment.

Positions six to ten consist of food retailing (5.4 percent), general construction (5.3 percent), accommodation, cafes and restaurants (5.3 percent), health services (5.3 percent), and community services (5.2 percent). The top ten industries account for 64.2 percent of total employment in the Nature Coast.

Note that while the manufacturing sector in itself was a major employer, the individual manufacturing industries were all outside the top 10 in terms of the number of FTEs. Textiles, clothing and footwear was the 14<sup>th</sup> largest industry with 457 FTEs, while food, beverage and tobacco was the 15<sup>th</sup> largest industry with 439 FTEs. Wood and paper product manufacturing, other manufacturing, metal product manufacturing and machinery and equipment manufacturing all had between 280 and 200 FTEs and were between the 15<sup>th</sup> and 26<sup>th</sup> largest industries by FTE.

### 3.1 Value added

This section looks at value added, or GDP, for the Nature Coast and New Zealand. It also breaks it down by the seven broad industry sectors for the Nature Coast.

**Table 3.3 Nature Coast value added summary**

Sectors	Value Added or GDP (2008\$m)				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	145	167	169	167	1.2	-1.4	1.4
Manufacturing	230	241	224	229	-7.1	2.1	-0.1
Construction	90	148	144	146	-2.6	1.4	5.0
Retail and distribution	263	329	341	355	3.6	4.1	3.1
Business services	417	659	628	661	-4.7	5.2	4.7
Recreation services	44	57	61	56	6.9	-8.4	2.5
Social services	187	222	210	248	-5.4	17.8	2.8
<b>Nature Coast</b>	<b>1,376</b>	<b>1,825</b>	<b>1,779</b>	<b>1,862</b>	<b>-2.5</b>	<b>4.7</b>	<b>3.1</b>
<b>New Zealand</b>	<b>128,787</b>	<b>168,920</b>	<b>172,017</b>	<b>177,472</b>	<b>1.8</b>	<b>3.2</b>	<b>3.3</b>

source:BERL Regional Database, Statistics NZ

GDP in the Nature Coast in 2008 grew by 4.7 percent, or \$83 million, following a fall of 2.5 percent in 2007. The national rate of growth over the same time achieved 3.2 percent. Performance in the long term (1998-2008) remains positive at the rate of 3.1 percent annually, which is comparable to the national average of 3.3 percent per annum.

Declines in GDP occurred in two sectors in 2008 – the recreation services (-8.4 percent) and primary (-1.4 percent) sectors. However, due to the size of these sectors, the impact on the local economy was marginal.

On the bright side, the social services sector, the third largest GDP contributor in the Nature Coast, added \$248 million over the year, an increase of 17.8 percent from the previous year. Health services and education were the driving forces of this increase, adding \$161 million in total to the regional GDP.

Business services contributed an extra \$33 million to GDP in 2008, thanks largely to the contributions from the communication services and finance industries.

There was good news from retail and distribution, growing by 4.1 percent in 2008. This sector also managed a healthy rate of growth of 3.1 percent per annum over the last ten years.

Table 3.4 shows the ten largest industries in the Nature Coast region in terms of GDP size.

**Table 3.4 Top ten industries by GDP size**

Rank by GDP size	Industry	GDP (2008\$m)	
		2008	% of total
1	Property Services	332	18.7
2	Agriculture	130	7.3
3	Business Services	104	5.8
4	Health Services	82	4.6
5	Construction Trade Services	81	4.6
6	Education	79	4.5
7	Communication Services	75	4.2
8	Finance	74	4.2
9	Personal and Household Good Retailing	67	3.8
10	General Construction	65	3.7

*source:BERL Regional Database, Statistics NZ*

The top ten industries by GDP size were spread across a range of sectors. The top three were property services, agriculture, and business services, together contributing \$566 million, or nearly 32 percent of the total for Nature Coast. The top ten together account for 61.2 percent of the region's total.

### **3.2 Business units**

This section looks at the number of business units in the Nature Coast and New Zealand. Nature Coast business units are also broken down into the seven sectors.

The Nature Coast added 42 new businesses in 2008, representing a 0.5 percent increase. The regional growth in business units dropped below the national average of 1.4 percent in 2008. The regional ten-year average growth was 2.7 percent per annum, while nationally, the increase was 3.0 percent per annum.

**Table 3.5 Nature Coast business units summary**

Sectors	Business Units (number)				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	1,436	1,258	1,214	1,112	-3.5	-8.4	-2.5
Manufacturing	386	428	437	436	2.1	-0.2	1.2
Construction	721	1,086	1,130	1,170	4.1	3.5	5.0
Retail and distribution	1,283	1,411	1,444	1,458	2.3	1.0	1.3
Business services	1,258	2,344	2,477	2,566	5.7	3.6	7.4
Recreation services	426	530	549	539	3.6	-1.8	2.4
Social services	400	438	444	456	1.4	2.7	1.3
<b>Nature Coast</b>	<b>5,910</b>	<b>7,495</b>	<b>7,695</b>	<b>7,737</b>	<b>2.7</b>	<b>0.5</b>	<b>2.7</b>
<b>New Zealand</b>	<b>376,513</b>	<b>490,474</b>	<b>500,728</b>	<b>507,790</b>	<b>2.1</b>	<b>1.4</b>	<b>3.0</b>

*source:BERL Regional Database, Statistics NZ*

The most impressive gain has been in business services, which added an extra 89 business units in 2008, an increase of 3.6 percent. Moreover, growth in this sector has averaged an annual rate of 7.4 percent over the last decade.

The second largest business unit increase happened in construction, with 39 new businesses in 2008. This was in spite of only moderate employment growth of 1.4 percent.

The primary sector was the worst performing of all sectors, losing 102 businesses in 2008 year. In particular, there were 84 closures in agriculture and 17 closures in forestry and logging.

## 4 Kapiti Coast District

This section presents the performance of the Kapiti Coast district as calculated by BERL. The Kapiti Coast district covers the area from Paekakariki in the south to Otaki in the north. Its two main towns are Paraparaumu and Waikanae. This section shows the latest 2008 results as well as the longer term, ten-year result. It also presents data for employment, GDP, and the number of business units across the seven broad sectors.

### 4.1 2008 indicators

The Kapiti Coast district has achieved strong results on employment and growth in the number of business units in 2008. Table 4.1 presents the Kapiti Coast's latest annual KPIs and compares these to the Wellington region and New Zealand.

**Table 4.1 Kapiti Coast performance for 2008 year**

	%pa for 2008 year		
	<b>Kapiti Coast District</b>	Wellington Region	New Zealand
Resident population growth	<b>0.8</b>	0.7	1.0
Real Value Added (GDP) growth	<b>5.8</b>	2.6	3.2
GDP per capita growth	<b>4.9</b>	1.8	2.2
Employment growth	<b>4.5</b>	0.8	0.8
Productivity growth	<b>1.4</b>	1.9	2.5
Business units growth	<b>1.5</b>	1.6	1.4
Business size growth	<b>2.9</b>	-0.8	-0.6

*source: BERL Regional Database, Statistics NZ*

The Kapiti Coast economy performed strongly in 2008 with impressive results in GDP, GDP per capita, employment, and business size growth.

Population growth in the Kapiti District increased by 0.8 percent compared to the 0.7 percent in the Wellington region and the 1.1 percent in New Zealand.

Rapid growth in GDP in Kapiti Coast (5.8 percent) in 2008 resulted in a 4.9 percent growth in GDP per capita. This is compared to only 1.8 percent GDP per capita growth in the Wellington region and 2.2 percent in New Zealand.

Kapiti Coast has been experiencing strong employment growth in the last few years. In 2008 it achieved 4.5 percent, while the Wellington region and New Zealand only managed 0.8 percent over the year.

The impact of much faster employment growth relative to GDP growth saw productivity (GDP per FTE) grow by 1.4 percent in 2008 compared to 1.9 percent in the Wellington region and 2.5 percent nationally.

The number of businesses on the Kapiti Coast grew by 1.5 percent in 2008. As employment has been growing more rapidly than business units, the average business expanded their sizes at the rate of 2.9 percent over the year. Both regional and national figures show a reduction in business size.

#### 4.2 2008 regional ranking

Regional rankings look at how the Kapiti Coast district fared relative to the other 72 Local Authorities (LAs) in New Zealand in 2008. The overall ranking reflects the performance of each LA across four of the seven KPIs - population, GDP, employment, and business units.

Overall, the Kapiti Coast District improved its regional performance ranking, from 19<sup>th</sup> in 2007 to 8<sup>th</sup> in 2008, as shown in Table 4.2.

**Table 4.2 Kapiti Coast rankings<sup>2</sup>**

<b>Kapiti Coast District</b>	<b>2007</b>	<b>2008</b>	<b>change</b>
Overall Rank	19	8	▲
Resident population growth	21	24	▼
Employment (FTE) growth	16	4	▲
Real Value Added growth (GDP)	45	12	▲
GDP per capita growth	51	14	▲
Productivity growth	64	50	▲
Business units growth	12	28	▼
Business size growth	37	5	▲

<sup>2</sup> Note that falls in rankings do not necessarily mean decreases in growth, but rather that other LAs performed at a higher level. Note also that overall rank is based on only four of the seven indicators (resident population, employment growth, real value added growth, and business unit growth). This is because business size growth is not necessarily a positive indicator of economic performance, while both the GDP per capita and productivity indicators are derived from other indicators.

Compared to the previous year's rankings, the Kapiti Coast has improved on GDP per capita (from 51<sup>st</sup> to 14<sup>th</sup>), GDP growth (45<sup>th</sup> to 12<sup>th</sup>), business size growth (37<sup>th</sup> to 5<sup>th</sup>), productivity growth (from 64<sup>th</sup> to 50<sup>th</sup>), and employment growth (from 16<sup>th</sup> to 4<sup>th</sup>).

### 4.3 Long-term performance

Over the last 10 years, the Kapiti Coast economy continues to outperform both the regional and national economies, driven by its faster resident population and employment growth

Table 4.3 provides a longer-term perspective on the Kapiti Coast's economic performance.

**Table 4.3 Kapiti Coast longer-term performance**

	%pa for 1998-2008		
	<b>Kapiti Coast District</b>	Wellington Region	New Zealand
Resident population growth	<b>1.8</b>	1.0	1.2
Real Value Added (GDP) growth	<b>3.6</b>	2.9	3.3
GDP per capita growth	<b>1.8</b>	1.9	2.0
Employment growth	<b>3.1</b>	1.9	2.4
Productivity growth	<b>0.7</b>	1.2	1.0
Business units growth	<b>3.8</b>	2.9	3.0
Business size growth	<b>-0.6</b>	-1.0	-0.6

*source: BERL Regional Database, Statistics NZ*

Four of the seven indicators were above both the regional and national averages. In particular, GDP growth has averaged 3.6 percent per annum over the last ten years compared to 2.9 percent per annum regionally and 3.3 percent per annum nationally.

Moreover, employment growth has averaged 3.1 percent per annum compared to 1.9 percent per annum for the Wellington region and 2.4 percent per annum for New Zealand.

### 4.4 Employment

This section looks at the change in employment in the Kapiti Coast district compared to the Wellington region and New Zealand. The Kapiti Coast data are broken down into the seven broad industry sectors.

Table 4.4 shows employment numbers for the seven sectors in the Kapiti Coast for the last three periods. It also shows the total employment change over the same period for the Wellington region and New Zealand.

**Table 4.4 Kapiti Coast employment summary**

Sectors	Employment Number FTEs				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	676	666	599	544	-10.1	-9.2	-2.1
Manufacturing	1,074	970	919	894	-5.3	-2.6	-1.8
Construction	1,146	1,965	2,040	2,059	3.8	0.9	6.0
Retail and distribution	2,702	3,326	3,449	3,383	3.7	-1.9	2.3
Business services	1,374	1,912	1,911	2,051	-0.1	7.3	4.1
Recreation services	479	715	774	745	8.2	-3.7	4.5
Social services	1,653	1,922	2,146	2,687	11.6	25.2	5.0
<b>Kapiti Coast District</b>	<b>9,104</b>	<b>11,478</b>	<b>11,838</b>	<b>12,365</b>	<b>3.1</b>	<b>4.5</b>	<b>3.1</b>
<b>Wellington Region</b>	<b>184,466</b>	<b>215,041</b>	<b>220,279</b>	<b>221,974</b>	<b>2.4</b>	<b>0.8</b>	<b>1.9</b>
<b>New Zealand</b>	<b>1,470,642</b>	<b>1,808,605</b>	<b>1,845,434</b>	<b>1,860,120</b>	<b>2.0</b>	<b>0.8</b>	<b>2.4</b>

source:BERL Regional Database, Statistics NZ

Employment increased in the Kapiti Coast by 4.5 percent in 2008 after a 3.1 percent rise in 2007. National and regional growth was 0.8 percent over the same period.

The Kapiti Coast added a net 527 FTEs in 2008, following a net increase of 360 FTEs a year earlier. The social services sector alone added around 542 FTEs, while the business services sector added 140 FTEs and the construction sector added 19 FTEs. There were declines in employment in the retail and distribution, primary, recreation services, and manufacturing sectors, where a net 173 FTE jobs were lost in 2008.

Employment growth in the Kapiti Coast between 1998 and 2008, at 3.1 percent per annum, has been above both the regional (1.9 percent per annum) and national (2.4 percent per annum) averages. Four of the seven sectors – construction (6.0 percent per annum), social services (5.0 percent per annum), recreation services (4.5 percent per annum), and business services (4.1 percent per annum) have averaged more than 4.0 percent per annum over the last 10 years. Primary and manufacturing are the only sectors to record a contraction in employment over the last ten years, averaging -2.1 percent and -1.8 percent per annum,

#### 4.5 Value added

This section looks at value added, or GDP, for the Kapiti Coast, Wellington region, and New Zealand. It also breaks it down by the seven broad industry sectors for the Kapiti Coast.

Table 4.5 shows the GDP contribution for the seven sectors in the Kapiti Coast for the last three periods. It also shows the total GDP change over the same period for the Wellington region and New Zealand.

GDP in the Kapiti Coast experienced a solid growth rate of 5.8 percent in 2008. This follows rather moderate growth of 0.2 percent a year before. This compares to regional GDP growth of 2.6 percent and national growth of 3.2 percent.

GDP growth occurred across all sectors except primary (-9.8 percent) and recreation services (-3.7 percent). Considerable gains in the social services (23.8 percent) and business services (7.3 percent) sectors offset the declines.

**Table 4.5 Kapiti Coast value added summary**

Sectors	Value Added or GDP (2008\$m)				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	47	53	54	48	0.4	-9.8	0.2
Manufacturing	101	102	96	97	-5.9	1.2	-0.4
Construction	67	112	108	109	-3.0	0.8	5.0
Retail and distribution	147	198	204	210	2.7	3.0	3.6
Business services	251	358	354	379	-1.2	7.3	4.2
Recreation services	25	37	40	39	9.1	-3.7	4.5
Social services	89	118	125	155	5.7	23.8	5.7
<b>Kapiti Coast District</b>	<b>726</b>	<b>978</b>	<b>980</b>	<b>1,037</b>	<b>0.2</b>	<b>5.8</b>	<b>3.6</b>
<b>Wellington Region</b>	<b>17,194</b>	<b>21,495</b>	<b>22,265</b>	<b>22,833</b>	<b>3.6</b>	<b>2.6</b>	<b>2.9</b>
<b>New Zealand</b>	<b>128,787</b>	<b>168,920</b>	<b>172,017</b>	<b>177,472</b>	<b>1.8</b>	<b>3.2</b>	<b>3.3</b>

source:BERL Regional Database, Statistics NZ

Looking at long term GDP growth, the Kapiti Coast achieved 3.6 percent per annum in the last ten years, whereas the Wellington region had 2.9 percent per annum and New Zealand 3.3 percent per annum.

Six out of the seven sectors experienced GDP growth from 1998 to 2008. Manufacturing was the only sector where GDP declined over the ten-year period, averaging a 0.4 percent per annum fall.

#### 4.6 Business units

This section looks at the number of business units in the Kapiti Coast, Wellington region, and New Zealand. The Kapiti Coast business units are also broken down into the seven sectors.

Table 4.6 shows the business units for the seven sectors in the Kapiti Coast for 1998 and the last three years. It also shows the total business units change over the same period for the Wellington region and New Zealand.

The Kapiti Coast added 73 business units in 2008 (1.5 percent), following an impressive 3.2 percent increase in 2007. The growth was slightly above the national average, which grew by 1.4 percent, while the Wellington region had growth of 1.6 percent in 2008.

Growth in the number of business units in the Kapiti Coast averaged 3.8 percent per annum over the ten-year period, considerably higher than the regional average of 2.9 percent per annum and the national average of 3.0 percent per annum.

**Table 4.6 Kapiti Coast business units summary**

Sectors	Business Units (number)				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	463	406	396	364	-2.5	-8.1	-2.4
Manufacturing	209	234	236	242	0.9	2.5	1.5
Construction	533	787	812	845	3.2	4.1	4.7
Retail and distribution	752	887	910	920	2.6	1.1	2.0
Business services	871	1,661	1,741	1,792	4.8	2.9	7.5
Recreation services	253	337	352	351	4.5	-0.3	3.3
Social services	238	276	289	295	4.7	2.1	2.2
<b>Kapiti Coast District</b>	<b>3,319</b>	<b>4,588</b>	<b>4,736</b>	<b>4,809</b>	<b>3.2</b>	<b>1.5</b>	<b>3.8</b>
<b>Wellington Region</b>	<b>38,644</b>	<b>49,614</b>	<b>50,726</b>	<b>51,518</b>	<b>2.2</b>	<b>1.6</b>	<b>2.9</b>
<b>New Zealand</b>	<b>376,513</b>	<b>490,474</b>	<b>500,728</b>	<b>507,790</b>	<b>2.1</b>	<b>1.4</b>	<b>3.0</b>

source:BERL Regional Database, Statistics NZ

Growth in the business services sector, the Kapiti Coast's largest sector in terms of business units, has been strong in the last 10 years, averaging 7.5 percent per annum growth. However, it appears that business unit growth in this sector has been easing, with an increase of 2.9 percent in 2008, following an increase of 4.8 percent over the previous year.

Also growing strongly was the construction sector, the third largest sector in terms of business units, managing a 4.1 percent increase in 2008. Over the last ten years, it expanded at an annual rate of 4.7 percent, the second fastest growing sector in the Kapiti Coast.

In terms of business units, the only sector in decline over the last 10 years was the primary sector. The total number of business units of this sector fell by 8.1 percent in 2008, whereas it dropped by 2.5 percent a year earlier. Over the ten year period, it has averaged a 2.4 percent per annum decline.

## 5 The Horowhenua district profile

The Horowhenua district is north of Wellington and Kapiti. It stretches from slightly north of the town of Otaki in the south to just south of Himatangi in the north, and from the coast to the summit of the Tararua Ranges.

The main town and seat of the district council is Levin. Other towns in the district include Foxton, Shannon, and Tokomaru. The district has a population of 29,870.<sup>3</sup>

### 5.1 2008 indicators

This section presents the KPIs as calculated by BERL. It shows the latest 2008 results and rankings relative to other LAs, as well as the longer term, ten-year, results. It also presents employment, value added/GDP, and business units data across the seven broad sectors. In order to put the district's results into context with the surrounding area, the results for Horowhenua District have been compared to the wider Manawatu-Wanganui region (comprising the districts of Horowhenua, Palmerston North, Manawatu, Tararua, Wanganui, Ruapehu, and Rangitikei) as well as to the New Zealand total.

Table 5.1 presents Horowhenua's latest annual KPIs and compares these to the latest KPIs for the Manawatu-Wanganui region and New Zealand for 2008.

**Table 5.1 Horowhenua district performance for 2008 year**

	%pa for 2008 year		
	Horowhenua District	Manawatu Wanganui Region	New Zealand
Resident population growth	<b>0.3</b>	0.1	1.0
Real Value Added (GDP) growth	<b>3.3</b>	2.1	3.2
GDP per capita growth	<b>3.0</b>	2.0	2.2
Employment growth	<b>1.2</b>	-1.3	0.8
Productivity growth	<b>2.2</b>	3.6	2.5
Business units growth	<b>-1.0</b>	0.2	1.4
Business size growth	<b>2.3</b>	-1.5	-0.6

*source: BERL Regional Database, Statistics NZ*

<sup>3</sup> As at June 2008 – BERL estimate.

In 2008, Horowhenua's GDP growth of 3.3 percent was above the Manawatu-Wanganui (2.1 percent) and national average (3.2 percent) and was well up from the -5.7 percent of the previous year. GDP per capita growth achieved an increase of 3.0 percent over the year.

Employment in Horowhenua grew by 1.2 percent in 2008, whereas regionally there was a contraction of 1.3 percent. Nationally, employment growth was below one percent.

Horowhenua district's population grew 0.3 percent in 2008, compared to the smaller growth of 0.1 percent for the Manawatu-Wanganui region. On the contrary, New Zealand's population grew by 1.0 percent over the same period.

## 5.2 2008 regional rankings

Table 5.2 presents the rankings of Horowhenua district compared to the 72 LAs across seven key indicators, as shown. An overall ranking is assigned, which is a summation of four key indicators: population, employment, GDP, and productivity.

The district's ranking against the other LAs climbed up from 62<sup>nd</sup> to 44<sup>th</sup>, as shown in Table 5.2.

**Table 5.2 Horowhenua rankings**

Horowhenua District	2007	2008	change
Overall Rank	62	44	▲
Resident population growth	57	41	▲
Employment (FTE) growth	70	29	▲
Real Value Added growth (GDP)	68	26	▲
GDP per capita growth	68	22	▲
Productivity growth	48	27	▲
Business units growth	36	66	▼
Business size growth	70	11	▲

Relative performance for six of the seven KPIs in the Horowhenua district improved their positions in 2008. Growth in the number of business units was the only indicator which fell in the LA rankings in 2008, from 36<sup>th</sup> to 66<sup>th</sup>.

The most substantial improvements in Table 5.2 include business size growth (from 70<sup>th</sup> to 11<sup>th</sup>), GDP per capita growth (from 68<sup>th</sup> to 22<sup>nd</sup>), GDP growth (from 68<sup>th</sup> to 26<sup>th</sup>), and employment growth (from 70<sup>th</sup> to 29<sup>th</sup>).

## 5.3 Long-term performance

The long-term performance of the Horowhenua district shows areas where it has performed well and other areas where improvements would be welcomed. As shown in Table 5.3, the district's resident population has been stagnant, showing zero movement since 1997 on

average. By comparison, the New Zealand resident population has been growing by 1.2 percent annually since 1997. However, the Horowhenua district has performed relatively well within the region.

**Table 5.3 Horowhenua district longer-term performance**

	%pa for 1998-2008		
	<b>Horowhenua District</b>	Manawatu Wanganui	New Zealand
Resident population growth	<b>0.0</b>	-0.1	1.2
Real Value Added (GDP) growth	<b>2.4</b>	1.9	3.3
GDP per capita growth	<b>2.4</b>	2.0	2.0
Employment growth	<b>0.3</b>	1.1	2.4
Productivity growth	<b>2.3</b>	1.0	1.0
Business units growth	<b>1.2</b>	1.5	3.0
Business size growth	<b>-0.9</b>	-0.5	-0.6

*source: BERL Regional Database, Statistics NZ*

The long-term Horowhenua GDP and GDP per capita picture is also more positive - GDP growth was an impressive 2.4 percent per annum over the last ten years, higher than the regional average of 1.9 percent per annum. However, nationally GDP has been growing at the rate of 3.3 percent annually.

Stronger GDP growth compared to population growth led to a high percentage change in GDP per capita. From 1998 to 2008, GDP per capita in Horowhenua (2.4 percent per annum) was higher than the regional or national average at 2.0 percent.

Employment growth has lagged behind both the region and New Zealand as a whole, managing 0.3 percent per annum. This compares to annual growth in the region and across the nation of 1.1 percent per annum and 2.4 percent per annum respectively since 1998.

However, Horowhenua district has recorded a strong performance in terms of labour productivity growth, averaging 2.3 percent per annum since 1998. The regional and national averages only managed one percent per annum each.

In terms of business units growth, the Horowhenua district achieved 1.2 percent per annum, which was below the regional average of 1.5 percent per annum. Nationally an annual growth rate of 3.0 percent was recorded. The combination of low employment growth and relatively higher growth in the number of business units in Horowhenua saw average business size shrink by 0.9 percent yearly.

## 5.4 Employment

This section looks at the recent changes in FTE employment in the Horowhenua district compared to the Manawatu-Wanganui region and New Zealand. Horowhenua district data are broken down into the seven broad sectors, as shown in Table 5.4. It also shows the change over the same period for the Manawatu-Wanganui region and New Zealand.

As discussed above, employment growth in Horowhenua has lagged far behind that of New Zealand and the Manawatu-Wanganui region over the last ten years, although the latest year results are encouraging.

**Table 5.4 Horowhenua district employment summary**

Sectors	Employment Number FTEs				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	1,528	1,598	1,589	1,650	-0.6	3.8	0.8
Manufacturing	1,707	1,631	1,429	1,378	-12.4	-3.6	-2.1
Construction	394	639	679	697	6.3	2.7	5.9
Retail and distribution	2,114	2,119	2,229	2,184	5.2	-2.0	0.3
Business services	731	1,002	904	931	-9.8	3.0	2.4
Recreation services	369	448	445	383	-0.6	-14.1	0.4
Social services	1,717	1,694	1,432	1,588	-15.5	11.0	-0.8
<b>Horowhenua District</b>	<b>8,560</b>	<b>9,131</b>	<b>8,708</b>	<b>8,811</b>	<b>-4.6</b>	<b>1.2</b>	<b>0.3</b>
<b>Manawatu-Wanganui Region</b>	<b>83,035</b>	<b>93,103</b>	<b>93,537</b>	<b>92,317</b>	<b>0.5</b>	<b>-1.3</b>	<b>1.1</b>
<b>New Zealand</b>	<b>1,470,642</b>	<b>1,808,605</b>	<b>1,845,434</b>	<b>1,860,120</b>	<b>2.0</b>	<b>0.8</b>	<b>2.4</b>

source:BERL Regional Database, Statistics NZ

The retail and distribution sector was the largest sector in terms of employment in 2008, with 2,184 FTEs. However, it lost 45 FTEs in 2008. Falls in employment also occurred in accommodation, cafes and restaurants (-44 FTEs), motor vehicle retailing and services (-30 FTEs), and machinery and motor vehicle wholesaling (-19 FTEs). Over the same period, personal and household good wholesaling, services to transport, and basic material wholesaling hired an extra 95 FTEs.

The primary sector employed 1,650 FTEs (up 3.8 percent) in 2008. The long-term growth has been moderate at the rate of 0.8 percent per annum. Driving this growth was the agriculture, and services to agriculture, hunting and trapping industries.

The social services sector gained an additional 157 FTEs (11.0 percent) in 2008, thanks to growth in health, education, and government administration.

Manufacturing is a significant sector in the Horowhenua district that is going through a period of structural change. In 2008, employment in the manufacturing sector declined by 51 FTEs, 49 of which were from wood and paper product manufacturing. Textile, clothing, footwear and

leather manufacturing, and metal product manufacturing lost another 49 FTEs in total. However, balancing the losses, food, beverage and tobacco manufacturing gained 75 FTEs.

The rest of the sectors enjoyed steady growth both in 2008 and over the 1998-2008 period. The business services sector gained 3.0 percent of its FTEs in 2008; and 2.4 percent per annum from 1998 to 2008. For construction, the gain was 2.7 percent for 2008 and a more notable 5.9 percent per annum for the period 1998-2008.

## 5.5 Value added

This section presents the recent changes in GDP in the Horowhenua district compared to the Manawatu-Wanganui region and New Zealand. The district data are broken down by the seven broad sectors in Table 5.5, and the totals are shown for the Manawatu-Wanganui region and New Zealand.

The Horowhenua district GDP was \$825 million in 2008, up 3.3 percent from the year earlier. The district was well above the Manawatu-Wanganui region, with an increase of 2.1 percent; and comparable to New Zealand, with 3.2 percent growth.

Over the longer term, Horowhenua has consistently outperformed the wider region, with average growth of 2.4 percent per annum, compared to the region's average of 1.9 percent per annum.

**Table 5.5 Horowhenua district GDP summary**

Sectors	Value Added or GDP (2008\$m)				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	98	114	116	119	1.6	2.5	2.0
Manufacturing	129	139	128	132	-8.1	2.8	0.2
Construction	23	37	36	37	-1.2	3.0	5.0
Retail and distribution	116	131	137	145	5.1	5.8	2.3
Business services	167	301	275	282	-8.8	2.5	5.4
Recreation services	19	20	21	17	2.8	-17.5	-1.0
Social services	98	104	85	93	-18.0	9.0	-0.6
<b>Horowhenua District</b>	<b>650</b>	<b>846</b>	<b>798</b>	<b>825</b>	<b>-5.7</b>	<b>3.3</b>	<b>2.4</b>
<b>Manawatu-Wanganui Region</b>	<b>6,604</b>	<b>7,853</b>	<b>7,795</b>	<b>7,957</b>	<b>-0.7</b>	<b>2.1</b>	<b>1.9</b>
<b>New Zealand</b>	<b>128,787</b>	<b>168,920</b>	<b>172,017</b>	<b>177,472</b>	<b>1.8</b>	<b>3.2</b>	<b>3.3</b>

source: BERL Regional Database, Statistics NZ

In 2008, the largest gain in GDP was in the retail and distribution sector, the second largest earning sector, up 5.8 percent from the year earlier. This sector maintained 2.3 percent per annum growth over the last ten years.

The largest sector in terms of GDP in 2008 was business services, which earned \$282 million for the Horowhenua district, up by 2.5 percent from the previous year. Property services, the

largest industry within this sector in Horowhenua, contributed \$156 million in a year, up by 3.5 percent.

Manufacturing, the third largest earning sector in the Horowhenua district in 2008, has been losing FTEs over the last 10 years. However, GDP in the manufacturing sector managed to grow at an impressive rate of 2.8 percent in 2008, after an 8.1 percent reduction the previous year. The ten-year growth average was slightly above zero. The food, beverage and tobacco industry, the largest GDP earner within this sector in 2008, enjoyed 43.2 percent growth, while other industries in the sector contracted.

Social services also managed to expand in 2008, supported by strong employment growth in education and health services. However, over the longer term, this sector's contribution to GDP has been contracting at the rate of -0.6 percent per year.

The recreation services sector was the only sector where GDP shrank in 2008. Nonetheless, the impact was small due to the size of the sector in Horowhenua. GDP in this sector has been declining over the last ten years by 1.0 percent per year.

## 5.6 Business units

This section presents the recent changes in the number of business units in the Horowhenua district compared to the Manawatu-Wanganui region and New Zealand. The district data are broken down by the seven broad sectors in Table 5.6, and totals are given for the wider region and New Zealand.

The Horowhenua district had 2,928 business units in 2008, 30 units less than the year earlier.

**Table 5.6 Horowhenua district business units summary**

Sectors	Business Units (number)				%pa change		
	1998	2006	2007	2008	2007	2008	1998 to 2008
Primary	973	852	818	748	-4.0	-8.6	-2.6
Manufacturing	177	194	201	194	3.6	-3.5	0.9
Construction	188	299	318	325	6.4	2.2	5.6
Retail and distribution	531	524	534	538	1.9	0.7	0.1
Business services	387	683	736	774	7.8	5.2	7.2
Recreation services	173	193	197	188	2.1	-4.6	0.8
Social services	162	162	155	161	-4.3	3.9	-0.1
<b>Horowhenua District</b>	<b>2,591</b>	<b>2,907</b>	<b>2,959</b>	<b>2,928</b>	<b>1.8</b>	<b>-1.0</b>	<b>1.2</b>
<b>Manawatu-Wanganui Region</b>	<b>22,260</b>	<b>25,603</b>	<b>25,848</b>	<b>25,904</b>	<b>1.0</b>	<b>0.2</b>	<b>1.5</b>
<b>New Zealand</b>	<b>376,513</b>	<b>490,474</b>	<b>500,728</b>	<b>507,790</b>	<b>2.1</b>	<b>1.4</b>	<b>3.0</b>

source:BERL Regional Database, Statistics NZ

In 2008, business services (774 units), replaced the primary sector (748 units), as having the largest number of business units, averaging 7.2 percent per annum over the longer term.

There were fewer primary sector businesses in 2008, with a further 8.6 percent of businesses closing down in 2008. Agriculture alone lost 58 businesses over the year, while another 12 businesses closed down in the forestry and logging industry.

The construction sector has been adding new businesses since 1998. It achieved an annual increase of 5.6 percent from 1998 to 2008. Growth eased to 2.2 percent in 2008, with the growth coming from general construction.

## 6 Sector activity

This chapter summarises the performance of three sectors in the Nature Coast region. The performance of each sector is assessed in terms of changes in employment and value added, as well as the sector's direct contribution to overall activity in the region.

### 6.1 Tourism industries

The Nature Coast's tourism sector is assessed using two different methods both of which have their advantages and disadvantages.

The first method uses data and information from the Tourism Satellite Account (TSA) published by Statistics New Zealand. The TSA estimates the contribution of tourism to each 'tourism-related' industry by apportioning a certain share of activity (FTE employment and value added) within the industry to the tourism sector. Although the share for each tourism-related industry is estimated at a national level, they nonetheless provide a broad basis for measuring the general contribution of tourism to the Nature Coast. The benefit of this approach is that it aims to identify the proportion of each industry's output that is directly related to tourist expenditure.

The second method looks at the total activity of the tourism characteristic industries. This is all industries where there is a relatively significant tourist spend. A problem with this approach is that it doesn't differentiate between tourist and domestic spend. For example, a large proportion of food retailing expenditure is likely to be by the local community. The benefit of this approach is that it identifies changes in those industries that are likely to reflect tourism spend.

Our preference is the TSA approach as it considers domestic/local expenditure in tourism characteristic industries as well as tourism expenditure in non-tourism characteristic industries. However, we include both as we accept that the second method also provides useful information for policy makers.

We also look at data from the Commercial Accommodation Monitor, which provides information on tourism activity through accommodation establishments in the region.

#### 6.1.1 TSA approach

Table 6.1 provides an overview of tourism in the Nature Coast economy in terms of its contribution to employment, GDP, and business units, and compares this to the national situation.

**Table 6.1 Tourism summary 2008**

Tourism	FTEs		GDP (\$2008m)		Business units	
		%		%		%
Tourism-characteristic industries	627	3.0%	29.2	1.6%	174	2.2%
Tourism-related industries	310	1.5%	16.7	0.9%	81	1.0%
All non-tourism-related industries	329	1.6%	37.2	2.0%	128	1.7%
<b>Nature Coast</b>	<b>1,266</b>	<b>6.0%</b>	<b>83.1</b>	<b>4.5%</b>	<b>383</b>	<b>4.9%</b>
<b>New Zealand</b>	<b>115,499</b>	<b>6.2%</b>	<b>9,205</b>	<b>5.2%</b>	<b>25,409</b>	<b>5.0%</b>

source:BERL Regional Database, Statistics NZ, Tourism Satellite Account

In total, almost 1,230 FTEs were directly employed as a result of tourism in Nature Coast in 2008. Tourism-characteristic industries employed almost 627 direct FTEs in 2008. A further 310 FTEs were added in tourism-related industries, such as the retail sector. All non-tourism-related industries together accounted for another 329 FTEs.

In terms of GDP, it is interesting to note that non-tourism-related industries contributed most to direct tourism. This is because although the share of non-tourism-related industries directly involved in tourism is small, the sheer size of these industries means that their small contributions to tourism GDP are substantial when combined. It suggests that the tourism-characteristic industries are not as developed or prominent as in many tourism dependent regions.

Nature Coast's tourism sector contributed \$83.1 million GDP to the local economy, almost half of which was from non-tourism-related industries. It is followed by tourism-characteristic industries (\$29.2 million GDP) and tourism-related industries (\$16.7 million).

If you added up the proportions of businesses in the region that are affected by tourism, then around 383 businesses exist in the Nature Coast as a result of tourism.

Table 6.2 shows the recent performance of the tourism sector in Nature Coast and New Zealand.

**Table 6.2 Tourism performance, 1998 to 2008**

Tourism	1998	2006	2007	2008	%pa change		
					2007	2008	1998 to 2008
<b>Employment (FTEs)</b>							
Nature Coast	1,012	1,234	1,278	1,266	3.6	-1.0	2.3
New Zealand	90,763	113,345	115,478	115,499	1.9	0.0	2.4
<b>Value added or GDP (\$2008m)</b>							
Nature Coast	62.1	78.7	79.3	83.1	0.7	4.8	3.0
New Zealand	6,690	8,805	8,949	9,205	1.6	2.9	3.2
<b>Business units</b>							
Nature Coast	294	367	381	383	3.8	0.4	2.7
New Zealand	18,753	24,908	25,120	25,409	0.8	1.2	3.1

source:BERL Regional Database, Statistics NZ, Tourism Satellite Account

Over the ten years to 2008, Nature Coast enjoyed rapid growth in tourism, with over 254 FTEs added, representing average growth of 2.3 percent a year.

GDP directly attributable to tourism increased strongly, up 4.8 percent in 2008 compared to the 2.9 percent growth seen in New Zealand. Over the long term, GDP due to tourism grew by 3.0 percent a year, slightly below the national average of 3.2 percent per annum.

The number of businesses directly attributable to tourism rose by 0.4 percent a year, or around two businesses in 2008. The ten-year growth was far more impressive, achieving 2.7 percent per annum.

Table 6.3 shows which industries employed the most FTEs as a direct result of tourism.

**Table 6.3 Tourism employment: largest sub-groups, 2008**

<b>Tourism employment by contributing industry</b>	<b>2008</b>
Cafes and Restaurants	295
Supermarkets	67
Motels and Motor Inns	48
Hotels (Accommodation)	34
Accommodation nec	33
Pubs, Taverns and Bars	33
Clubs (Hospitality)	27
Non-Scheduled Air and Space Transport	22
Automotive Repair and Services nec	18
Clothing Retailing	18

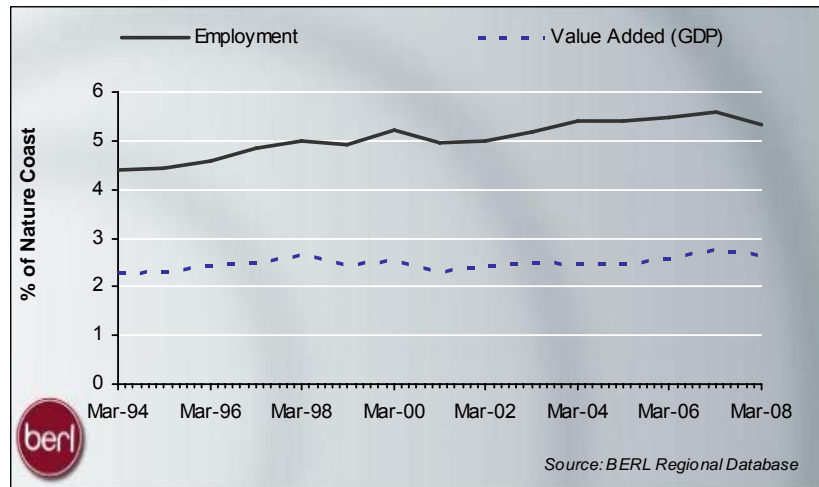
*source:BERL, Statistics NZ, Tourism Satellite Account*

The list is dominated by industries from the retail sector. Cafés and restaurants topped the list with almost 300 FTEs, with supermarkets a distant second with 67 FTEs. The rest of top five largest employers in this region include motels and motor inns (48 FTEs), hotels (34 FTEs), and accommodation nec<sup>4</sup> (33 FTEs).

Figure 6.1 shows the broad contribution that tourism is estimated to have made to the Nature Coast between 1994 and 2008, with the general trend being upward. The latest estimates indicate that the tourism sector accounts for about 5.3 percent of total FTE employment and about 2.7 percent of total value added in the region. The sector's contribution to the Nature Coast has ranged over time from between 4.4 percent to 5.6 percent of FTE employment and 2.3 percent to 2.9 percent of value added, with 2007 the peak year.

<sup>4</sup> Nec – not elsewhere classified.

**Figure 6.1 The contribution of tourism to the Nature Coast**



**6.1.2 Tourism characteristic industries**

Table 6.4 shows the pattern of FTE employment in the major industries associated with tourism, with the 2008 estimates indicating that there were 1,132 FTEs working in tourism related industries. This was a decrease of 19 FTEs or 1.7 percent on the year before.

**Table 6.4 FTE employment in the Nature Coast’s tourism sector**

Tourism Employment (FTEs)	Years ended March			2007-2008		1998-2008	
	1998	2007	2008	change	%pa	Change	%pa
Food Retailing	117	183	186	3	1.7	69	4.7
Personal and Household Good Retailing	40	38	41	3	7.5	2	0.4
Motor Vehicle Retailing and Services	171	151	134	-17	-11.4	-37	-2.4
Accommodation, Cafes and Restaurants	354	602	570	-31	-5.2	216	4.9
Road transport	77	74	80	6	8.7	3	0.4
Other transport and services to transport	101	65	86	21	32.2	-14	-1.5
Property Services	7	17	15	-2	-13.8	8	7.9
Libraries, Museums and the Arts	4	7	8	1	8.9	5	8.7
Sport and Recreation	9	14	11	-2	-17.6	2	2.4
<b>Tourism sector</b>	<b>879</b>	<b>1,152</b>	<b>1,132</b>	<b>-19</b>	<b>-1.7</b>	<b>253</b>	<b>2.6</b>
Total FTEs (all industries)	17,663	20,546	21,176	631	3.1	3,513	1.8

source: BERL Regional Database, Statistics NZ

Looking at the industries within this sector, the biggest fall in 2008 occurred in accommodation, cafes, and restaurants, the largest employer in the tourism sector in Nature Coast, losing 31 FTEs in a year (down 5.2 percent). However, it maintains a long-term growth of 4.9 percent per annum over the period 1998-2008, one of the fastest growing industries in Nature Coast. In addition, motor vehicle retailing and services shed 17 FTEs in 2008, representing 11.4 percent of its FTEs in 2008.

The major gain in employment was in other transport and services to transport, which hired an additional 21 FTEs in 2008, up 32.2 percent, although the long-term growth figure shows a slight fall over the ten year period.

Over the past ten years, FTE numbers in the tourism sector managed to grow at a rate of 2.6 percent per annum, gaining 253 FTEs in total.

**Table 6.5 Real value added in Nature Coast's tourism sector**

Value Added (\$Mn, 2008 prices)	Years ended March			2007-2008		1998-2008	
	1998	2007	2008	change	%pa	Change	%pa
Food Retailing	3.4	6.6	6.5	-0.1	-1.6	3.1	6.7
Personal and Household Good Retailing	1.3	2.0	1.9	-0.1	-7.0	0.6	3.8
Motor Vehicle Retailing and Services	5.6	7.5	8.4	1.0	12.9	2.8	4.2
Accommodation, Cafes and Restaurants	9.7	17.7	18.6	1.0	5.5	9.0	6.8
Road transport	4.1	6.2	5.7	-0.5	-8.0	1.6	3.4
Other transport and services to transport	11.1	8.0	6.1	-2.0	-24.3	-5.0	-5.8
Property Services	0.4	0.9	1.1	0.1	16.0	0.7	10.9
Libraries, Museums and the Arts	0.1	0.2	0.2	0.0	-8.2	0.1	8.6
Sport and Recreation	0.5	0.3	0.4	0.1	21.3	-0.1	-2.8
<b>Tourism sector</b>	<b>36.2</b>	<b>49.6</b>	<b>49.0</b>	<b>-0.6</b>	<b>-1.2</b>	<b>12.8</b>	<b>3.1</b>
Total Value Added (all industries)	1,376	1,779	1,862	83	4.7	486	3.1

source: BERL Regional Database, Statistics NZ

Table 6.5 shows the pattern of real value added in the Nature Coast's tourism sector, with the 2008 estimates indicating that tourism generated \$49.0 million in GDP. This was a drop of \$0.6 million (or 1.2 percent) on the year before.

The value added generated by the tourism sector increased by \$12.8 million since 1998, representing an annual growth of 3.1 percent per annum. The largest absolute change of \$9.0 million occurred in accommodation, cafés and restaurants. This was followed by food retailing, and motor vehicle retailing and services, adding an extra \$3 million each over the past 10 years. Other transport and services to transport was the only industry that showed a declining trend in GDP contribution.

### 6.1.3 Commercial Accommodation Monitor (CAM)

Table 6.6 presents key indicators of tourism activity in Nature Coast and in New Zealand taken from Statistics New Zealand.

In the Nature Coast region, the number of accommodation establishments totalled over 670 to the year ended December 2008, up 1.1 percent from 2007.

Looking at accommodation capacity, a 1.7 percent increase was achieved from December 2007 to December 2008, following a 3.4 percent decline from the previous year.

The number of guest nights enjoyed consistent growth with a rise of 2.1 percent in 2008. Guest nights in New Zealand declined marginally in the December year 2008.

Occupancy levels have stayed the same, with a 19.2 percent occupancy rate in the December 2008 year compared to the 19.1 percent rate in the December 2007 year. While this is a better performance than nationally, the level of occupancy (19.2 percent) is significantly lower than nationally (37.4 percent).

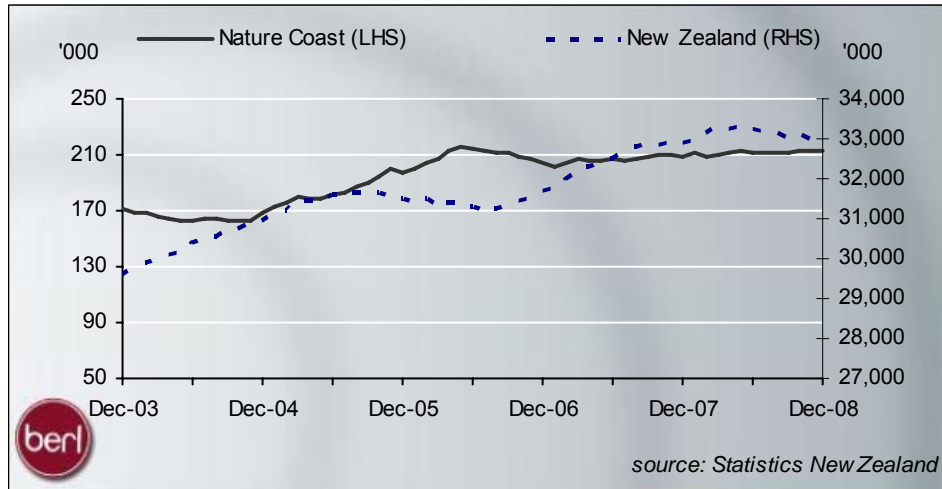
**Table 6.6 Tourism indicators**

Tourism	Year ending			% change		
	Dec-06	Dec-07	Dec-08	Dec-06 to Dec-07	Dec-07 to Dec-08	Dec-06 to Dec-08
<b>Nature Coast</b>						
Establishments	661	665	672	0.6%	1.1%	1.7%
Capacity ('000)	676	653	664	-3.4%	1.7%	-1.8%
Guest nights ('000)	205	208	213	1.7%	2.1%	3.9%
Stay nights ('000)	121	125	128	3.1%	2.4%	5.6%
Length of stay	1.69	1.67	1.67			
Occupancy rate	17.9	19.1	19.2	6.7%	0.8%	7.5%
<b>New Zealand</b>						
Establishments	3,852	3,970	3,971	3.1%	0.0%	3.1%
Capacity ('000)	49,530	50,039	51,312	1.0%	2.5%	3.6%
Guest nights ('000)	31,705	32,914	32,899	3.8%	0.0%	3.8%
Stay nights ('000)	18,338	19,000	19,166	3.6%	0.9%	4.5%
Length of stay	1.73	1.73	1.72			
Occupancy rate	37.0	38.0	37.4	2.6%	-1.6%	0.9%

source: Statistics New Zealand

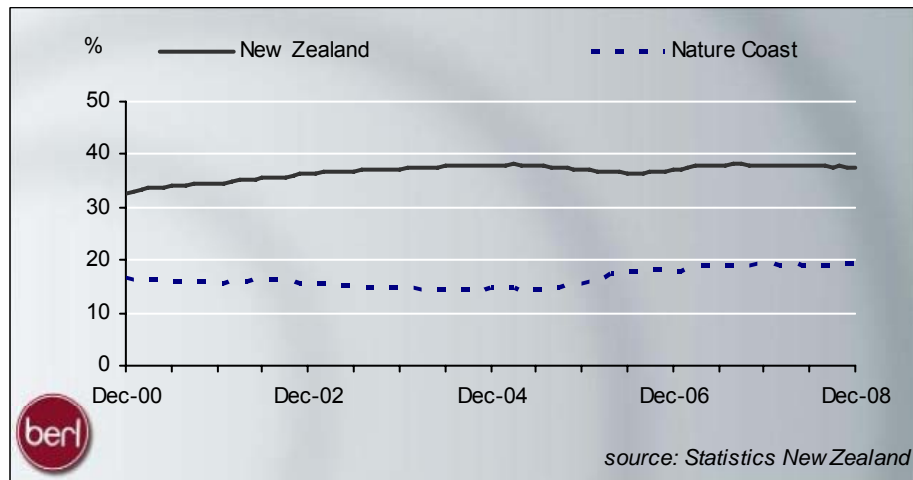
Figure 6.2 shows the annual guest nights for Nature Coast and New Zealand total from December 2003 to December 2008.

**Figure 6.2 Annual guest nights**



Nature coast saw a large increase in guest nights between 2004 and 2006 before easing off slightly. Annual guest night number for Nature Coast enjoyed steady but small growth since dec-2006. The region has not noticed the decline felt nationally since December 2007.

**Figure 6.3 Annual occupancy rate**



Similarly, the annual occupancy rate on the Nature Coast has been showing slight growth over the past few quarters, approaching 20 percent compared to an easing nationally. However, this probably is a reflection of the lower annual occupancy rate in general.

## 6.2 Manufacturing sector

The Nature Coast's manufacturing sector comprises those industries that fit within the ANZSIC industry division "C - Manufacturing". This section focuses on the contribution and performance of the manufacturing sector in the Nature Coast.

Figure 6.4 shows the contribution that manufacturing has made to the Nature Coast between 1994 and 2008. The latest estimates indicate that the manufacturing sector accounts for 10.7 percent of total FTE employment and 12.3 percent of GDP in the region. The sector's contribution to the Nature Coast economy has ranged over time from between 10.7 percent to 17.6 percent of FTE employment and 11.6 percent to 18.0 percent of GDP. The latest statistics shows a generally falling contribution since a high in 1995. The declining trend is obvious in this sector despite some small recoveries in 2000 and 2007.

**Figure 6.4 The contribution of manufacturing to the Nature Coast**

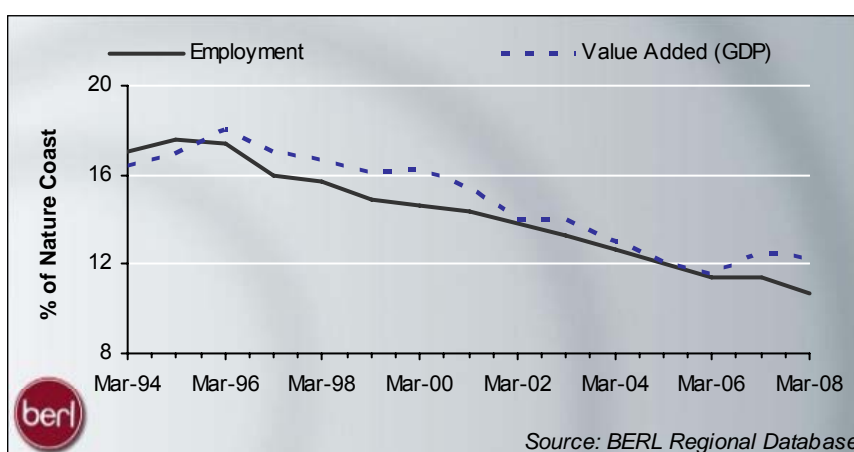


Table 6.7 shows the pattern of FTE employment (at the 53 industry level) in the Nature Coast's manufacturing sector.

**Table 6.7 FTE employment in the Nature Coast's manufacturing sector**

Manufacturing Employment (FTEs)	Years ended March			2007-2008		1998-2008	
	1998	2007	2008	change	%pa	Change	%pa
Food, Beverage and Tobacco	395	354	439	86	24.2	44	1.1
Textile, Clothing, Footwear & Leather Mfg	782	478	457	-21	-4.4	-325	-5.2
Wood and Paper Product Manufacturing	378	328	277	-52	-15.8	-101	-3.1
Printing, Publishing and Recorded Media	198	131	106	-24	-18.7	-92	-6.0
Petroleum, Coal, Chemical & Assoc Prod Mfg	127	132	129	-4	-2.8	2	0.1
Non-Metallic Mineral Product Manufacturing	178	140	140	0	-0.1	-38	-2.4
Metal Product Manufacturing	210	290	258	-32	-10.9	48	2.1
Machinery and Equipment Manufacturing	238	221	203	-17	-7.7	-35	-1.6
Other Manufacturing	275	274	263	-11	-4.1	-12	-0.4
<b>Total Manufacturing</b>	<b>2,781</b>	<b>2,348</b>	<b>2,272</b>	<b>-76</b>	<b>-3.2</b>	<b>-509</b>	<b>-2.0</b>
Total FTEs (all industries)	17,663	20,546	21,176	631	3.1	3,513	1.8

source: BERL Regional Database, Statistics NZ

Manufacturing had a difficult year in 2008 – eight out of nine industries suffered reductions in employment. There were 2,272 FTEs employed in this sector, a decline of 3.2 percent from the previous year. The manufacturing sector has lost 509 FTEs since 1998, which represents an annual average decline of 2.0 percent per annum.

Wood and paper product manufacturing, and metal product manufacturing suffered the most in terms of employment, losing 52 and 32 FTEs respectively. This is followed by the reductions in printing, publishing and recorded media (24 FTEs) and textile, clothing, footwear and leather manufacturing (21 FTEs). Food, beverage and tobacco was the only industry that gained FTEs over 2008, which was, in fact, a significant expansion of 86 FTEs.

Our data also show continuous declines over the past ten years in several industries in this sector. The largest change has occurred in textile, clothing, footwear and leather manufacturing, which has lost 325 FTEs since 1998. The other large decline was in the wood and paper product manufacturing, and printing, publishing and recorded media, which lost almost 200 FTEs in total since 1998.

Table 6.8 shows employment in selected sub-sectors of the manufacturing industries at a finer level of detail. The sub-sectors shown in this table are those that record more than 50 FTEs.

**Table 6.8 Selected manufacturing sub-sector employment on the Nature Coast**

Manufacturing Employment (FTEs) industries with > 50 FTEs	Years ended March			2007-2008		1998-2008	
	1998	2007	2008	change	%pa	Change	%pa
Meat Processing	145	76	145	68	89.4	0	0.0
Dairy Product Manufacturing nec	15	82	96	14	16.8	81	n/a
Textile Finishing	65	68	67	-1	-1.6	2	0.3
Clothing Manufacturing	290	144	142	-2	-1.6	-148	-6.3
Leather Tanning and Fur Dressing	110	117	110	-7	-5.8	0	0.0
Wooden Structural Component Manufacturing	115	139	156	17	11.9	41	2.8
Structural Steel Fabricating	54	55	62	7	13.1	8	1.3
Architectural Aluminium Product Manufacturing	54	105	103	-1	-1.3	49	6.1
Industrial Machinery and Equipment Manufacturing nec	120	135	124	-11	-8.3	4	0.3
Wooden Furniture and Upholstered Seat Manufacturing	130	98	94	-4	-3.9	-36	-2.9
Manufacturing nec	115	141	136	-5	-3.9	21	1.5
<b>Total selected manufacturing industries</b>	<b>1213</b>	<b>1,160</b>	<b>1,234</b>	<b>74</b>	<b>6.4</b>	<b>21</b>	<b>0.2</b>
<b>Total Manufacturing</b>	<b>2,781</b>	<b>2,348</b>	<b>2,272</b>	<b>-76</b>	<b>-3.2</b>	<b>-509</b>	<b>-1.8</b>

source: BERL Regional Database, Statistics NZ

There were 11 out of 82 manufacturing industries (at the 440 industry level) with more than 50 FTEs. This is compared to 14 industries with 50 or more FTEs in the previous year.

Over the ten-year period between 1998 and 2008 there have been some substantial contractions in manufacturing, especially in clothing manufacturing. It fell from the peak of 403 FTEs in 1995 to 142 FTEs in 2008, averaging a 6.3 decline in employment each year.

The other sizeable decline over the ten-year period was from wooden furniture and upholstered seat manufacturing (-36 FTEs).

On the bright side, several industries have recorded increases in FTEs over the last ten years. The largest increase was in the architectural aluminium product manufacturing (+49 FTEs) and wood structural component manufacturing (+41 FTEs).

Table 6.9 shows the pattern of real value added in the Nature Coast's manufacturing sector in 2008, totalling \$229 million in GDP, up from \$224 million in 2007.

**Table 6.9 Real value added in Nature Coast's manufacturing sector**

Value Added (\$2008m)	Years ended March			2007-2008		1998-2008	
	1998	2007	2008	change	%pa	Change	%pa
Food, Beverage and Tobacco	45	48	60	12	25.6	16	3.1
Textile, Clothing, Footwear & Leather Mfg	46	30	31	1	2.5	-15	-4.0
Wood and Paper Product Manufacturing	39	40	37	-3	-7.6	-2	-0.6
Printing, Publishing and Recorded Media	17	11	10	-1	-12.9	-7	-5.2
Petroleum, Coal, Chemical & Assoc Prod Mfg	14	15	16	0	1.3	1	0.9
Non-Metallic Mineral Product Manufacturing	22	21	20	0	-1.8	-2	-1.0
Metal Product Manufacturing	17	27	24	-3	-9.9	7	3.5
Machinery and Equipment Manufacturing	16	17	16	-1	-3.7	0	-0.1
Other Manufacturing	13	15	14	0	-2.5	1	1.1
<b>Total Manufacturing</b>	<b>230</b>	<b>224</b>	<b>229</b>	<b>5</b>	<b>2.1</b>	<b>-1</b>	<b>-0.1</b>
Total Value Added (all industries)	1,376	1,779	1,862	83	4.7	486	3.1

source: BERL Regional Database, Statistics NZ

The level of value added generated by the manufacturing sector has decreased by \$1 million since 1998, representing an annual decline of 0.3 percent. The decline of \$15 million in the textile, clothing, footwear and leather manufacturing industry over the last ten years contributed most to the reduction in GDP of the entire manufacturing sector.

However, the rises in food, beverage and tobacco, and metal product manufacturing balanced the declines, contributing an increase of \$23 million in total from 1998 to 2008.

### 6.3 Primary sector

The Nature Coast's primary sector comprises the agricultural and services to agriculture industries. This section focuses on the contribution and performance of the primary sector in the Nature Coast.

Figure 6.5 shows the broad contribution that the primary sector has made to the Nature Coast between 1994 and 2008. The latest estimates indicate that the primary sector accounts for 9.8 percent of total FTE employment and 7.6 percent of total GDP in the region. The sector's contribution to the Nature Coast has ranged over time from between 9.8 percent to 13.2 percent of FTE employment and 5.6 percent to 7.9 percent of value added. The contribution to value added locally has remained relatively stable.

**Figure 6.5 The contribution of the primary sector to the Nature Coast**

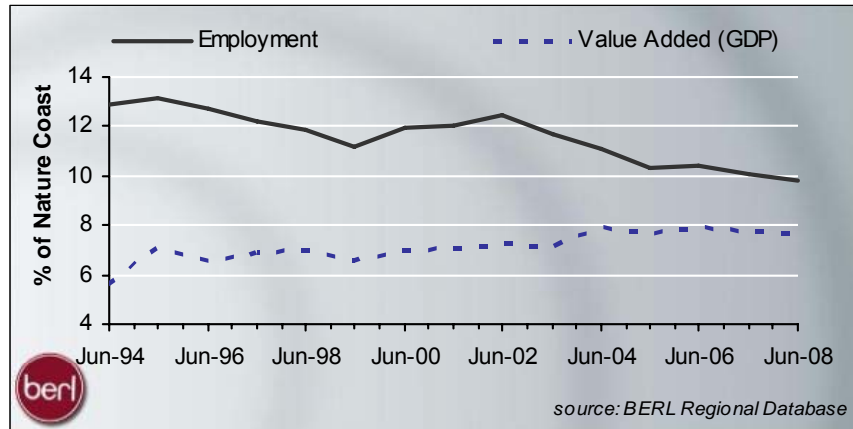


Table 6.10 presents the number of FTEs by sub-industry within the agriculture industry in 2008. Overall, the agriculture industry, the largest employer within the primary sector in Nature Coast, lost around four FTEs in 2008, the equivalent of a 0.2 percent fall in employment.

The reasons are mixed with gains of 24 FTEs in grain, sheep and beef cattle farming (10 FTEs), other live stock farming (8 FTEs), and dairy cattle farming (6 FTEs); and loss of 30 FTEs in poultry farming.

Horticulture and fruit growing, the largest sub-industry in agriculture in Nature Coast in terms of employment, grew at a moderate rate of 0.3 percent in 2008 with an additional three FTEs. Within this sub-industry, vegetable growing gained another 46 FTEs over 2008, almost 10 percent its total FTEs in 2007. Employment in berry fruit growing increased by 8.3 percent in 2008. However, plant nurseries lost around 41 FTEs and cut flower and flower seed growing lost another 11 FTEs.

Poultry farming is the second largest sub-industry within the agriculture industry in Nature Coast. The loss of 30 FTEs in 2008 had a significant impact on the agriculture industry. Both of the sub-industries, poultry farming (meat) and poultry farming (egg) lost staff in 2008.

**Table 6.10 Estimated agriculture employment by sub-industry**

Agriculture industry FTEs	Years ended March		2007-2008	
	2007	2008	change	%pa
Plant Nurseries	217	175	-41	-19.2
Cut Flower and Flower Seed Growing	54	43	-11	-21.0
Vegetable Growing	470	516	46	9.7
Grape Growing	0	3	3	na
Apple and Pear Growing	6	3	-3	-50.4
Stone Fruit Growing	0	0	0	na
Kiwi Fruit Growing	7	6	-1	-12.1
Citrus Growing	0	0	0	na
Berry Fruit Growing	163	176	13	8.3
Other Fruit Growing nec	20	17	-3	-13.9
<i>Horticulture and Fruit Growing</i>	<i>937</i>	<i>939</i>	<i>3</i>	<i>0.3</i>
Grain Growing	0	3	3	na
Grain-Sheep and Grain-Beef Cattle Farming	20	20	0	-0.8
Sheep-Beef Cattle Farming	15	15	0	-0.8
Sheep Farming	45	54	10	21.4
Beef Cattle Farming	55	52	-2	-4.5
<i>Grain, Sheep and Beef Cattle Farming</i>	<i>134</i>	<i>144</i>	<i>10</i>	<i>7.3</i>
<i>Dairy Cattle Farming</i>	<i>433</i>	<i>440</i>	<i>6</i>	<i>1.4</i>
Poultry Farming (Meat)	77	49	-28	-36.9
Poultry Farming (Eggs)	235	233	-2	-0.8
<i>Poultry Farming</i>	<i>312</i>	<i>282</i>	<i>-30</i>	<i>-9.7</i>
Pig Farming	31	31	0	-0.8
Horse Farming	10	10	0	-0.8
Deer Farming	4	10	6	160.2
Mixed Livestock	4	4	0	-0.8
Beekeeping	11	14	3	26.0
Livestock Farming nec	18	18	0	-0.8
<i>Other Livestock Farming</i>	<i>78</i>	<i>86</i>	<i>8</i>	<i>10.6</i>
Tobacco and Hops Growing	0	0	0	na
Cultivated Mushroom Growing	0	0	0	na
Crop and Plant Growing nec	14	14	0	-0.8
<i>Other Crop Growing</i>	<i>14</i>	<i>14</i>	<i>0</i>	<i>-0.8</i>
<b>Total Agriculture FTEs</b>	<b>1,908</b>	<b>1,905</b>	<b>-4</b>	<b>-0.2</b>

source: BERL Regional Database, Statistics NZ

As shown in Table 6.11, the total number of businesses in agriculture fell by 84 units or 8.6 percent in 2008. This is compared to the loss of 29 units or 2.9 percent in 2007. All sub-industries in agriculture suffered from business closures over the year.

A significant fall in business units happened in grain, sheep and beef cattle farming, the largest employer in agriculture - the closures of 33 businesses in beef cattle farming and three businesses in sheep farming. Sheep-beef cattle farming managed to gain four businesses in a year.

Dairy cattle farming, gained six FTEs in 2008 with 21 fewer businesses.

Horticulture and fruit growing, lost 18 businesses during the same time – seven units in plant nurseries, six units in vegetable growing, and two units each in stone fruit growing and berry fruit growing.

**Table 6.11 Estimated agriculture business units by sub-industry**

Agriculture industry AUTs	Years ended March		2007-2008	
	2007	2008	change	%pa
Plant Nurseries	33	26	-7	-21.2
Cut Flower and Flower Seed Growing	27	26	-1	-3.7
Vegetable Growing	104	98	-6	-5.8
Grape Growing	5	5	0	0.0
Apple and Pear Growing	17	19	2	11.8
Stone Fruit Growing	5	3	-2	-40.0
Kiwi Fruit Growing	6	6	0	0.0
Citrus Growing	2	1	-1	-50.0
Berry Fruit Growing	17	15	-2	-11.8
Other Fruit Growing nec	33	32	-1	-3.0
<i>Horticulture and Fruit Growing</i>	<i>249</i>	<i>231</i>	<i>-18</i>	<i>-7.2</i>
Grain Growing	5	6	1	20.0
Grain-Sheep and Grain-Beef Cattle Farming	4	3	-1	-25.0
Sheep-Beef Cattle Farming	34	38	4	11.8
Sheep Farming	56	53	-3	-5.4
Beef Cattle Farming	255	222	-33	-12.9
<i>Grain, Sheep and Beef Cattle Farming</i>	<i>354</i>	<i>322</i>	<i>-32</i>	<i>-9.0</i>
<i>Dairy Cattle Farming</i>	<i>225</i>	<i>204</i>	<i>-21</i>	<i>-9.3</i>
Poultry Farming (Meat)	10	7	-3	-30.0
Poultry Farming (Eggs)	15	12	-3	-20.0
<i>Poultry Farming</i>	<i>25</i>	<i>19</i>	<i>-6</i>	<i>-24.0</i>
Pig Farming	7	7	0	0.0
Horse Farming	34	34	0	0.0
Deer Farming	18	19	1	5.6
Mixed Livestock	28	21	-7	-25.0
Beekeeping	6	5	-1	-16.7
Livestock Farming nec	25	24	-1	-4.0
<i>Other Livestock Farming</i>	<i>118</i>	<i>110</i>	<i>-8</i>	<i>-6.8</i>
Tobacco and Hops Growing	0	0	0	na
Cultivated Mushroom Growing	0	0	0	na
Crop and Plant Growing nec	2	3	1	50.0
<i>Other Crop Growing</i>	<i>2</i>	<i>3</i>	<i>1</i>	<i>50.0</i>
<b>Total Agriculture AUTs</b>	<b>973</b>	<b>889</b>	<b>-84</b>	<b>-8.6</b>

source: BERL Regional Database, Statistics NZ

## 7 Other indicators

This section looks at some other indicators of economic activity in the Nature Coast region, namely car registrations, building consents and external migration. Changes in activity in these indicators are often leading indicators of the level of confidence in a region.

### 7.1 Car registrations

Table 7.1 shows the number of car registrations from December 2006 to December 2008 in the Nature Coast region and for New Zealand. The 2,010 car registrations in the year to December 2008 in the Nature Coast region was a 23.5 percent decline compared to the previous year. During the same period, the New Zealand car registration average dropped by 17.1 percent.

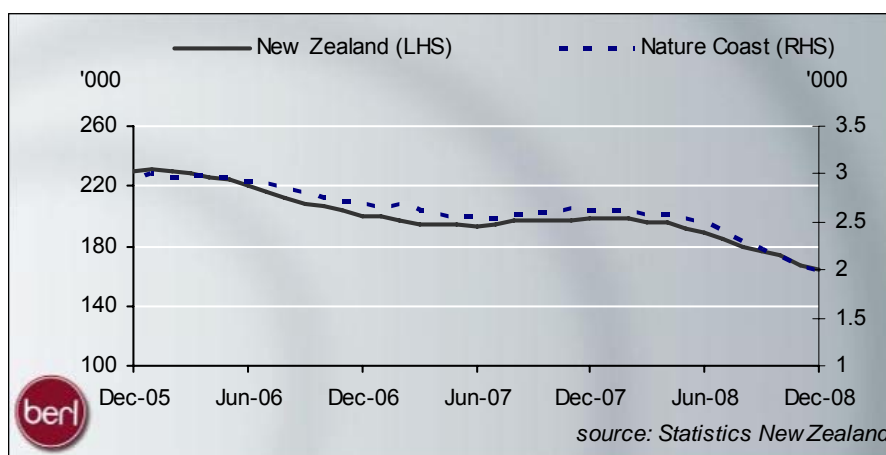
**Table 7.1 Car registration numbers**

Car Registrations	Year ending			% change		
	Dec-06	Dec-07	Dec-08	Dec-06 to Dec-07	Dec-07 to Dec-08	Dec-06 to Dec-08
Nature Coast	2,685	2,626	2,010	-2.2%	-23.5%	-25.1%
New Zealand	200,194	197,836	163,946	-1.2%	-17.1%	-18.1%

source: Statistics New Zealand (Dec years)

Consistent with the sharp decline nationally, the number of new car registrations in the region went down. A significant decline was seen in 2008, as shown in Figure 4.1.

**Figure 7.1 Car registration numbers, December 2006-2008**



### 7.2 External Migration

The Nature Coast region continued its trend of falling net migration after a mild recovery in 2007. Increases in the number of departures have been accompanied by a reduction in the

number of arrivals. Table 7.2 compares the external migration figures for the Nature Coast region with those for New Zealand.

In the year ended December 2008, the number of arrivals totalled 818 for Nature Coast, a decrease of 2.0 percent from 2007. Nationally, the number of arrivals maintained positive, with an increase of 5.9 percent.

Total departures from the region rose in the December 2008 year by 3.4 percent. Departures from the region are now at their highest December year since 2001, totalling 1,103 in the year to December 2008. This increase in departures from Nature Coast was less than half the national trend of 8.5 percent.

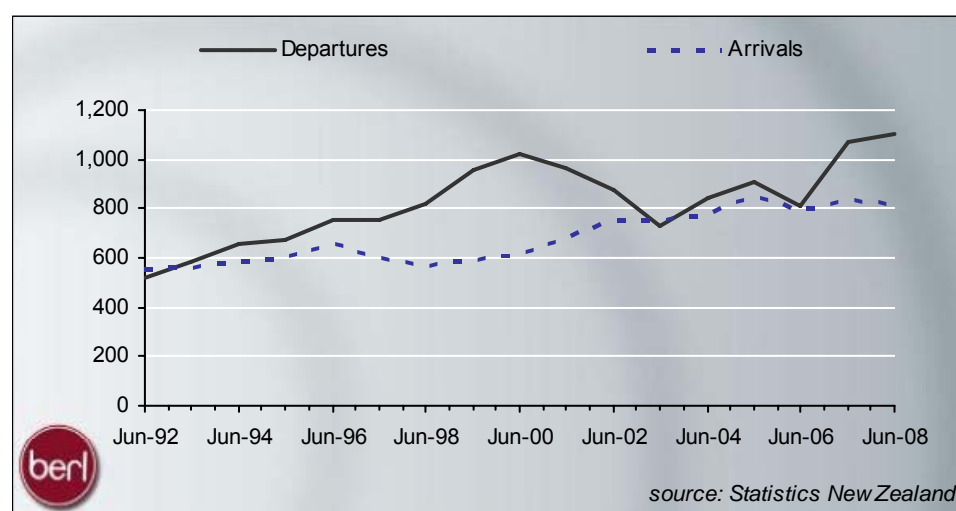
**Table 7.2 External migration**

Permanent and long-term migration	Year ending			% change		
	Dec-06	Dec-07	Dec-08	Dec-06 to Dec-07	Dec-07 to Dec-08	Dec-06 to Dec-08
<b>Nature Coast</b>						
Arrivals	793	835	818	5.3%	-2.0%	3.2%
Departures	810	1,067	1,103	31.7%	3.4%	36.2%
Net Migration	-17	-232	-285	n/a	n/a	n/a
<b>New Zealand</b>						
Arrivals	82,732	82,572	87,463	-0.2%	5.9%	5.7%
Departures	68,123	77,081	83,649	13.1%	8.5%	22.8%
Net Migration	14,609	5,491	3,814	n/a	n/a	n/a

source: Statistics New Zealand

Figure 7.2 shows the difference between permanent or long-term departures and arrivals in the Nature Coast region.

**Figure 7.2 Departures & arrivals in the Nature Coast region, March 1992-2008**



source: Statistics New Zealand

Departures out of Nature Coast outpaced arrivals between 1994 and 2001, with almost twice as many departures as arrivals in 2000. Thereafter, net migration went close to zero around 2003/04 and 2006. There was another surge in departures in 2007 before levelling off in 2008. However, since around 2002, there has been a steady, if slight, increasing trend in arrivals.

### 7.3 Building consents

#### Residential

As shown in Table 7.3, the number of residential building consents in the Nature Coast region fell by 51.1 percent from the year end December 2007 to 2008. This is almost twice the rate of decline nationally, where building consents fell by 27.9 percent.

**Table 7.3 Residential building consent numbers and values**

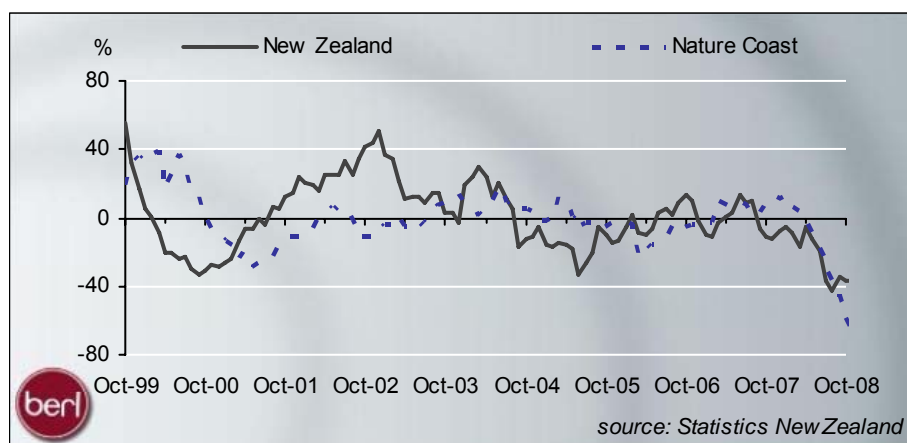
Residential building consents	Year ending			% change		
	Dec-06	Dec-07	Dec-08	Dec-06 to Dec-07	Dec-07 to Dec-08	Dec-06 to Dec-08
<b>Nature Coast</b>						
Number	546	610	298	11.7%	-51.1%	-45.4%
Value (\$million)	126	131	77	3.6%	-40.8%	-38.7%
<b>New Zealand</b>						
Number	25,952	25,590	18,456	-1.4%	-27.9%	-28.9%
Value (\$million)	5,968	6,424	4,896	7.6%	-23.8%	-18.0%

source: Statistics New Zealand

The value of building consents fell by 40.8 percent in the Nature Coast region in 2008, compared to a fall of 23.8 percent nationally.

Figure 7.3 illustrates the percentage change in residential consent numbers for the region and New Zealand.

**Figure 7.3 Residential building consent numbers, year-end % change**



Over the last two years the national market has been falling significantly. Nature Coast appears to have overshoot the national decline, and has recovered slightly in the latest quarter. However, residential building consents in the Nature Coast are still declining at a faster rate than nationally.

### Non-residential building consents

As for the non-residential buildings sector, the number of consents recovered 21.5 percent in the year ending December 2008 from a 15 percent fall in the year ending December 2007. This was similar to the national pattern, although the national number of non-residential building consents is still below the level of two years ago.

**Table 7.4 Non-residential building consents**

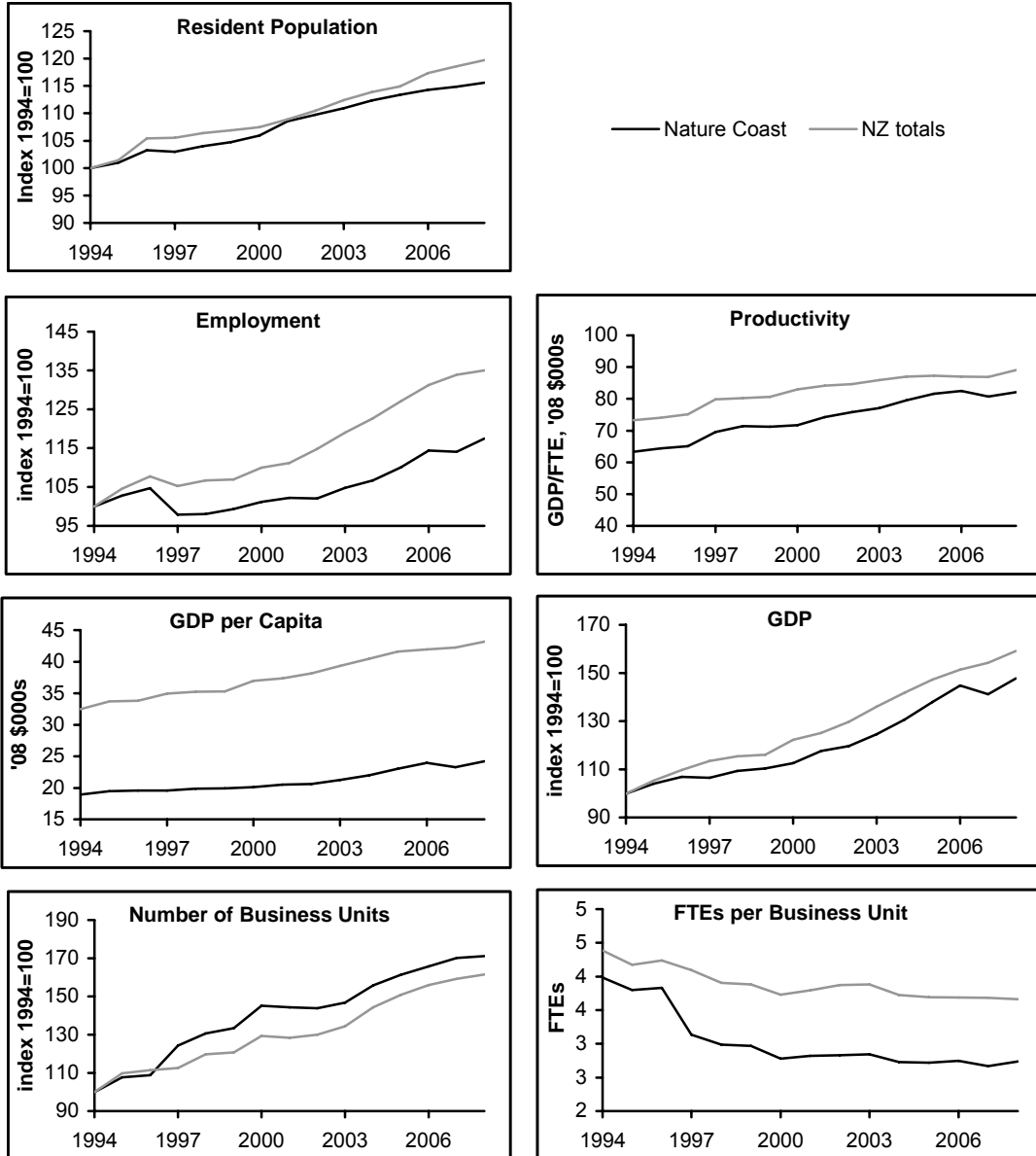
Non-residential building consents	Year ending			% change		
	Dec-06	Dec-07	Dec-08	Dec-06 to Dec-07	Dec-07 to Dec-08	Dec-06 to Dec-08
<b>Nature Coast</b>						
Number	153	130	158	-15.0%	21.5%	3.3%
Value (\$million)	28	23	32	-18.6%	39.8%	13.8%
<b>New Zealand</b>						
Number	17,118	16,837	16,983	-1.6%	0.9%	-0.8%
Value (\$million)	3,927	4,202	4,524	7.0%	7.7%	15.2%

*source: Statistics New Zealand*

In the December 2008 year, the number of consents increased 21.5 percent, while the value rose by almost 40 percent. The strong surge in both the number and value of consents over the year to December 2008 follows a drop of in the previous year. Over the two year period, growth in the number of consents was a more subdued 3.3 percent. However, the value of non-residential building consents has increased by 13.8 percent over the two-year period.

## 8 Data appendices

Figure 8.1 KPI Graphs



**Table 8.1 Kapiti Coast employment 2007-2008**

Employment for Kapiti Coast District	2007	2008	change 2007-08	
			Number	%
Agriculture	478	446	-32	-6.7
Services to Agriculture; Hunting and Trapping	52	36	-16	-31.1
Forestry and Logging	57	41	-16	-28.1
Commercial Fishing	5	5	0	3.2
Coal Mining	0	0	0	na
Oil and Gas Exploration	0	0	0	na
Metal Ore Mining	0	0	0	na
Other Mining	8	16	8	107.7
Services to Mining	0	0	0	na
<i>Primary</i>	<i>599</i>	<i>544</i>	<i>-55</i>	<i>-9.2</i>
Food, Beverage and Tobacco	172	182	10	5.8
Textile, Clothing, Footwear & Leather Mfg	42	46	3	8.2
Wood and Paper Product Manufacturing	83	80	-2	-2.9
Printing, Publishing and Recorded Media	66	56	-10	-15.2
Petroleum, Coal, Chemical & Assoc Prod Mfg	118	114	-4	-3.3
Non-Metallic Mineral Product Manufacturing	94	96	2	2.4
Metal Product Manufacturing	156	149	-8	-4.9
Machinery and Equipment Manufacturing	80	73	-7	-9.1
Other Manufacturing	107	98	-9	-8.0
<i>Manufacturing</i>	<i>919</i>	<i>894</i>	<i>-24</i>	<i>-2.6</i>
General Construction	823	809	-14	-1.7
Construction Trade Services	1,217	1,250	33	2.7
<i>Building</i>	<i>2,040</i>	<i>2,059</i>	<i>19</i>	<i>0.9</i>
Basic Material Wholesaling	197	185	-12	-6.0
Machinery and Motor Vehicle Wholesaling	121	106	-14	-11.7
Personal and Household Good Wholesaling	143	138	-5	-3.2
Food Retailing	658	676	17	2.6
Personal and Household Good Retailing	909	905	-4	-0.5
Motor Vehicle Retailing and Services	407	358	-48	-11.9
Accommodation, Cafes and Restaurants	753	719	-34	-4.5
Road Transport	167	197	30	18.1
Rail Transport	19	24	5	24.3
Water Transport	6	6	0	-0.6
Air and Space Transport	19	24	4	21.4
Other Transport	13	0	-13	-100.0
Services to Transport	31	43	11	35.9
Storage	5	2	-3	-55.1
<i>Retail and Distribution</i>	<i>3,449</i>	<i>3,383</i>	<i>-65</i>	<i>-1.9</i>
Electricity and Gas Supply	0	0	0	na
Water Supply, Sewerage and Drainage Services	33	42	9	28.9
Communication Services	95	145	50	52.7
Finance	140	170	31	21.8
Insurance	0	3	3	2,025.7
Services to Finance and Insurance	46	47	2	3.4
Property Services	451	386	-65	-14.4
Business Services	1,147	1,257	110	9.6
<i>Business Services</i>	<i>1,911</i>	<i>2,051</i>	<i>140</i>	<i>7.3</i>
Motion Picture, Radio and Television Services	48	51	3	7.2
Libraries, Museums and the Arts	119	126	7	6.0
Sport and Recreation	170	156	-13	-7.9
Personal Services	271	263	-8	-2.9
Other Services	167	149	-18	-10.7
Private Households Employing Staff	0	0	0	na
<i>Recreation Services</i>	<i>774</i>	<i>745</i>	<i>-29</i>	<i>-3.7</i>
Government Administration	219	221	2	1.0
Defence	5	2	-3	-54.7
Education	802	1,111	310	38.6
Health Services	515	691	176	34.3
Community Services	605	661	56	9.3
<i>Social Services</i>	<i>2,146</i>	<i>2,687</i>	<i>542</i>	<i>25.2</i>
<b>TOTAL ALL INDUSTRIES</b>	<b>11,838</b>	<b>12,365</b>	<b>527</b>	<b>4.5</b>

**Table 8.2 Kapiti Coast GDP growth 2007-2008**

Real GDP in 2008\$m for Kapiti Coast District	2007	2008	change 2007-08	
			\$2008m	%
Agriculture	33	30	-3	-8.6
Services to Agriculture; Hunting and Trapping	2	1	-1	-30.5
Forestry and Logging	17	13	-4	-25.6
Commercial Fishing	0	0	0	-6.1
Coal Mining	0	0	0	na
Oil and Gas Exploration	0	0	0	na
Metal Ore Mining	0	0	0	na
Other Mining	1	4	2	189.8
Services to Mining	0	0	0	na
<i>Primary</i>	<b>54</b>	<b>48</b>	<b>-5</b>	<b>-9.8</b>
Food, Beverage and Tobacco	23	25	2	7.0
Textile, Clothing, Footwear & Leather Mfg	3	3	0	16.0
Wood and Paper Product Manufacturing	10	11	1	6.4
Printing, Publishing and Recorded Media	6	5	-1	-9.1
Petroleum, Coal, Chemical & Assoc Prod Mfg	14	14	0	0.8
Non-Metallic Mineral Product Manufacturing	14	14	0	0.6
Metal Product Manufacturing	15	14	-1	-3.8
Machinery and Equipment Manufacturing	6	6	0	-5.1
Other Manufacturing	6	5	0	-6.5
<i>Manufacturing</i>	<b>96</b>	<b>97</b>	<b>1</b>	<b>1.2</b>
General Construction	49	47	-1	-2.9
Construction Trade Services	60	62	2	3.8
<i>Building</i>	<b>108</b>	<b>109</b>	<b>1</b>	<b>0.8</b>
Basic Material Wholesaling	20	19	-1	-4.7
Machinery and Motor Vehicle Wholesaling	14	12	-1	-8.6
Personal and Household Good Wholesaling	16	16	0	-1.1
Food Retailing	33	35	2	7.0
Personal and Household Good Retailing	46	47	1	2.8
Motor Vehicle Retailing and Services	23	22	-1	-5.9
Accommodation, Cafes and Restaurants	24	23	-1	-3.0
Road Transport	13	17	3	23.5
Rail Transport	6	7	1	25.8
Water Transport	1	1	0	5.8
Air and Space Transport	3	4	1	25.8
Other Transport	0	0	0	-100.0
Services to Transport	4	6	2	40.4
Storage	0	0	0	-57.2
<i>Retail and Distribution</i>	<b>204</b>	<b>210</b>	<b>6</b>	<b>3.0</b>
Electricity and Gas Supply	0	0	0	na
Water Supply, Sewerage and Drainage Services	6	6	0	4.5
Communication Services	39	58	20	50.9
Finance	36	47	12	32.8
Insurance	0	1	1	2,162.5
Services to Finance and Insurance	4	4	0	7.5
Property Services	195	177	-18	-9.3
Business Services	75	86	11	14.8
<i>Business Services</i>	<b>354</b>	<b>379</b>	<b>26</b>	<b>7.3</b>
Motion Picture, Radio and Television Services	5	6	0	8.9
Libraries, Museums and the Arts	4	4	0	2.7
Sport and Recreation	11	10	-1	-11.3
Personal Services	15	15	0	-1.6
Other Services	5	4	-1	-11.9
Private Households Employing Staff	0	0	0	na
<i>Recreation Services</i>	<b>40</b>	<b>39</b>	<b>-1</b>	<b>-3.7</b>
Government Administration	28	29	1	3.4
Defence	0	0	0	-53.7
Education	42	55	13	31.1
Health Services	37	51	14	37.0
Community Services	18	20	2	13.4
<i>Social Services</i>	<b>125</b>	<b>155</b>	<b>30</b>	<b>23.8</b>
<b>TOTAL ALL INDUSTRIES</b>	<b>980</b>	<b>1,037</b>	<b>57</b>	<b>5.8</b>

**Table 8.3 Kapiti Coast business unit growth 2007-2008**

Business units for Kapiti Coast District	2007	2008	change 2007-08	
			Number	%
Agriculture	284	258	-26	-9.2
Services to Agriculture; Hunting and Trapping	32	33	1	3.1
Forestry and Logging	63	58	-5	-7.9
Commercial Fishing	8	7	-1	-12.5
Coal Mining	0	0	0	na
Oil and Gas Exploration	0	0	0	na
Metal Ore Mining	1	1	0	0.0
Other Mining	6	5	-1	-16.7
Services to Mining	2	2	0	0.0
<i>Primary</i>	<b>396</b>	<b>364</b>	<b>-32</b>	<b>-8.1</b>
Food, Beverage and Tobacco	13	13	0	0.0
Textile, Clothing, Footwear & Leather Mfg	16	20	4	25.0
Wood and Paper Product Manufacturing	26	25	-1	-3.8
Printing, Publishing and Recorded Media	29	31	2	6.9
Petroleum, Coal, Chemical & Assoc Prod Mfg	22	23	1	4.5
Non-Metallic Mineral Product Manufacturing	23	22	-1	-4.3
Metal Product Manufacturing	32	29	-3	-9.4
Machinery and Equipment Manufacturing	40	45	5	12.5
Other Manufacturing	35	34	-1	-2.9
<i>Manufacturing</i>	<b>236</b>	<b>242</b>	<b>6</b>	<b>2.5</b>
General Construction	334	342	8	2.4
Construction Trade Services	478	503	25	5.2
<i>Building</i>	<b>812</b>	<b>845</b>	<b>33</b>	<b>4.1</b>
Basic Material Wholesaling	35	38	3	8.6
Machinery and Motor Vehicle Wholesaling	50	41	-9	-18.0
Personal and Household Good Wholesaling	79	70	-9	-11.4
Food Retailing	98	98	0	0.0
Personal and Household Good Retailing	274	288	14	5.1
Motor Vehicle Retailing and Services	110	113	3	2.7
Accommodation, Cafes and Restaurants	153	152	-1	-0.7
Road Transport	71	79	8	11.3
Rail Transport	2	2	0	0.0
Water Transport	4	2	-2	-50.0
Air and Space Transport	4	4	0	0.0
Other Transport	4	3	-1	-25.0
Services to Transport	19	22	3	15.8
Storage	7	8	1	14.3
<i>Retail and Distribution</i>	<b>910</b>	<b>920</b>	<b>10</b>	<b>1.1</b>
Electricity and Gas Supply	1	1	0	0.0
Water Supply, Sewerage and Drainage Services	3	3	0	0.0
Communication Services	32	29	-3	-9.4
Finance	119	116	-3	-2.5
Insurance	2	2	0	0.0
Services to Finance and Insurance	54	61	7	13.0
Property Services	814	858	44	5.4
Business Services	716	722	6	0.8
<i>Business Services</i>	<b>1,741</b>	<b>1,792</b>	<b>51</b>	<b>2.9</b>
Motion Picture, Radio and Television Services	35	29	-6	-17.1
Libraries, Museums and the Arts	57	58	1	1.8
Sport and Recreation	67	71	4	6.0
Personal Services	135	133	-2	-1.5
Other Services	58	60	2	3.4
Private Households Employing Staff	0	0	0	na
<i>Recreation Services</i>	<b>352</b>	<b>351</b>	<b>-1</b>	<b>-0.3</b>
Government Administration	11	10	-1	-9.1
Defence	1	1	0	0.0
Education	91	88	-3	-3.3
Health Services	134	143	9	6.7
Community Services	52	53	1	1.9
<i>Social Services</i>	<b>289</b>	<b>295</b>	<b>6</b>	<b>2.1</b>
<b>TOTAL ALL INDUSTRIES</b>	<b>4,736</b>	<b>4,809</b>	<b>73</b>	<b>1.5</b>

**Table 8.4 Horowhenua district employment 2007-2008**

Employment for Horowhenua District	2007	2008	change 2007-08	
			Number	%
Agriculture	1,430	1,459	28	2.0
Services to Agriculture; Hunting and Trapping	116	142	25	21.9
Forestry and Logging	42	40	-1	-3.2
Commercial Fishing	0	0	0	3.2
Coal Mining	0	0	0	na
Oil and Gas Exploration	0	0	0	na
Metal Ore Mining	0	0	0	na
Other Mining	0	9	9	na
Services to Mining	0	0	0	na
<i>Primary</i>	<i>1,589</i>	<i>1,650</i>	<i>61</i>	<i>3.8</i>
Food, Beverage and Tobacco	181	257	75	41.6
Textile, Clothing, Footwear & Leather Mfg	435	411	-25	-5.6
Wood and Paper Product Manufacturing	246	196	-49	-20.1
Printing, Publishing and Recorded Media	64	50	-14	-22.4
Petroleum, Coal, Chemical & Assoc Prod Mfg	14	15	0	1.0
Non-Metallic Mineral Product Manufacturing	47	44	-2	-5.0
Metal Product Manufacturing	134	110	-24	-18.0
Machinery and Equipment Manufacturing	140	130	-10	-7.0
Other Manufacturing	168	165	-3	-1.5
<i>Manufacturing</i>	<i>1,429</i>	<i>1,378</i>	<i>-51</i>	<i>-3.6</i>
General Construction	288	310	23	7.9
Construction Trade Services	391	387	-5	-1.2
<i>Building</i>	<i>679</i>	<i>697</i>	<i>18</i>	<i>2.7</i>
Basic Material Wholesaling	251	278	28	11.2
Machinery and Motor Vehicle Wholesaling	94	75	-19	-20.0
Personal and Household Good Wholesaling	129	167	38	29.9
Food Retailing	475	477	2	0.4
Personal and Household Good Retailing	413	379	-33	-8.1
Motor Vehicle Retailing and Services	279	250	-30	-10.6
Accommodation, Cafes and Restaurants	439	395	-44	-10.0
Road Transport	132	116	-17	-12.7
Rail Transport	0	0	0	na
Water Transport	0	0	0	na
Air and Space Transport	0	3	3	na
Other Transport	0	0	0	na
Services to Transport	8	37	29	362.9
Storage	9	6	-3	-29.8
<i>Retail and Distribution</i>	<i>2,229</i>	<i>2,184</i>	<i>-45</i>	<i>-2.0</i>
Electricity and Gas Supply	110	121	11	9.7
Water Supply, Sewerage and Drainage Services	7	5	-2	-31.3
Communication Services	41	41	-1	-1.3
Finance	96	97	1	1.0
Insurance	9	12	3	36.2
Services to Finance and Insurance	27	33	6	20.8
Property Services	337	360	23	6.8
Business Services	276	262	-14	-5.1
<i>Business Services</i>	<i>904</i>	<i>931</i>	<i>27</i>	<i>3.0</i>
Motion Picture, Radio and Television Services	13	9	-3	-26.8
Libraries, Museums and the Arts	42	48	6	14.1
Sport and Recreation	104	69	-35	-33.4
Personal Services	101	99	-2	-2.2
Other Services	185	157	-28	-15.2
Private Households Employing Staff	0	0	0	na
<i>Recreation Services</i>	<i>445</i>	<i>383</i>	<i>-63</i>	<i>-14.1</i>
Government Administration	167	179	13	7.7
Defence	3	3	0	2.2
Education	471	541	69	14.7
Health Services	334	421	87	26.2
Community Services	457	445	-13	-2.7
<i>Social Services</i>	<i>1,432</i>	<i>1,588</i>	<i>157</i>	<i>11.0</i>
<b>TOTAL ALL INDUSTRIES</b>	<b>8,708</b>	<b>8,811</b>	<b>104</b>	<b>1.2</b>

**Table 8.5 Horowhenua district GDP 2007-2008**

Real GDP in 2008\$m for Horowhenua District	2007	2008	change 2007-08	
			\$2008m	%
Agriculture	99	99	0	-0.1
Services to Agriculture; Hunting and Trapping	4	5	1	23.1
Forestry and Logging	12	12	0	0.2
Commercial Fishing	0	0	0	-6.1
Coal Mining	0	0	0	na
Oil and Gas Exploration	0	0	0	na
Metal Ore Mining	0	0	0	na
Other Mining	0	2	2	na
Services to Mining	0	0	0	na
<i>Primary</i>	<b>116</b>	<b>119</b>	<b>3</b>	<b>2.5</b>
Food, Beverage and Tobacco	25	35	11	43.2
Textile, Clothing, Footwear & Leather Mfg	27	28	0	1.2
Wood and Paper Product Manufacturing	30	26	-4	-12.4
Printing, Publishing and Recorded Media	6	5	-1	-16.8
Petroleum, Coal, Chemical & Assoc Prod Mfg	2	2	0	5.3
Non-Metallic Mineral Product Manufacturing	7	6	0	-6.6
Metal Product Manufacturing	12	10	-2	-17.0
Machinery and Equipment Manufacturing	11	10	0	-2.9
Other Manufacturing	9	9	0	0.1
<i>Manufacturing</i>	<b>128</b>	<b>132</b>	<b>4</b>	<b>2.8</b>
General Construction	17	18	1	6.6
Construction Trade Services	19	19	0	-0.2
<i>Building</i>	<b>36</b>	<b>37</b>	<b>1</b>	<b>3.0</b>
Basic Material Wholesaling	25	28	3	12.7
Machinery and Motor Vehicle Wholesaling	11	9	-2	-17.2
Personal and Household Good Wholesaling	15	19	5	32.7
Food Retailing	24	25	1	4.6
Personal and Household Good Retailing	21	20	-1	-5.1
Motor Vehicle Retailing and Services	16	15	-1	-4.5
Accommodation, Cafes and Restaurants	14	13	-1	-8.6
Road Transport	11	10	-1	-8.7
Rail Transport	0	0	0	na
Water Transport	0	0	0	na
Air and Space Transport	0	0	0	na
Other Transport	0	0	0	na
Services to Transport	1	6	4	378.2
Storage	1	0	0	-33.2
<i>Retail and Distribution</i>	<b>137</b>	<b>145</b>	<b>8</b>	<b>5.8</b>
Electricity and Gas Supply	60	58	-1	-2.1
Water Supply, Sewerage and Drainage Services	1	1	-1	-44.3
Communication Services	17	16	0	-2.5
Finance	25	27	2	10.2
Insurance	2	3	1	44.9
Services to Finance and Insurance	2	3	1	25.7
Property Services	150	156	5	3.5
Business Services	18	18	0	-0.5
<i>Business Services</i>	<b>275</b>	<b>282</b>	<b>7</b>	<b>2.5</b>
Motion Picture, Radio and Television Services	1	1	0	-25.7
Libraries, Museums and the Arts	1	2	0	10.6
Sport and Recreation	7	4	-2	-35.9
Personal Services	6	6	0	-0.8
Other Services	5	4	-1	-16.3
Private Households Employing Staff	0	0	0	na
<i>Recreation Services</i>	<b>21</b>	<b>17</b>	<b>-4</b>	<b>-17.5</b>
Government Administration	21	23	2	10.2
Defence	0	0	0	4.4
Education	26	25	-2	-5.9
Health Services	24	31	7	28.7
Community Services	13	14	0	0.9
<i>Social Services</i>	<b>85</b>	<b>93</b>	<b>8</b>	<b>9.0</b>
<b>TOTAL ALL INDUSTRIES</b>	<b>798</b>	<b>825</b>	<b>26</b>	<b>3.3</b>

**Table 8.6 Horowhenua district business units 2007-2008**

Business units for Horowhenua District	2007	2008	change 2007-08	
			Number	%
Agriculture	689	631	-58	-8.4
Services to Agriculture; Hunting and Trapping	56	57	1	1.8
Forestry and Logging	67	55	-12	-17.9
Commercial Fishing	4	3	-1	-25.0
Coal Mining	0	0	0	na
Oil and Gas Exploration	0	0	0	na
Metal Ore Mining	0	0	0	na
Other Mining	2	2	0	0.0
Services to Mining	0	0	0	na
<i>Primary</i>	<b>818</b>	<b>748</b>	<b>-70</b>	<b>-8.6</b>
Food, Beverage and Tobacco	12	11	-1	-8.3
Textile, Clothing, Footwear & Leather Mfg	32	33	1	3.1
Wood and Paper Product Manufacturing	24	24	0	0.0
Printing, Publishing and Recorded Media	10	10	0	0.0
Petroleum, Coal, Chemical & Assoc Prod Mfg	11	9	-2	-18.2
Non-Metallic Mineral Product Manufacturing	17	17	0	0.0
Metal Product Manufacturing	18	22	4	22.2
Machinery and Equipment Manufacturing	45	39	-6	-13.3
Other Manufacturing	32	29	-3	-9.4
<i>Manufacturing</i>	<b>201</b>	<b>194</b>	<b>-7</b>	<b>-3.5</b>
General Construction	133	145	12	9.0
Construction Trade Services	185	180	-5	-2.7
<i>Building</i>	<b>318</b>	<b>325</b>	<b>7</b>	<b>2.2</b>
Basic Material Wholesaling	28	27	-1	-3.6
Machinery and Motor Vehicle Wholesaling	21	23	2	9.5
Personal and Household Good Wholesaling	39	40	1	2.6
Food Retailing	77	79	2	2.6
Personal and Household Good Retailing	135	128	-7	-5.2
Motor Vehicle Retailing and Services	81	86	5	6.2
Accommodation, Cafes and Restaurants	81	82	1	1.2
Road Transport	59	62	3	5.1
Rail Transport	0	0	0	na
Water Transport	0	0	0	na
Air and Space Transport	0	1	1	na
Other Transport	1	0	-1	-100.0
Services to Transport	8	7	-1	-12.5
Storage	4	3	-1	-25.0
<i>Retail and Distribution</i>	<b>534</b>	<b>538</b>	<b>4</b>	<b>0.7</b>
Electricity and Gas Supply	2	2	0	0.0
Water Supply, Sewerage and Drainage Services	2	2	0	0.0
Communication Services	19	15	-4	-21.1
Finance	62	64	2	3.2
Insurance	2	2	0	0.0
Services to Finance and Insurance	21	22	1	4.8
Property Services	484	518	34	7.0
Business Services	144	149	5	3.5
<i>Business Services</i>	<b>736</b>	<b>774</b>	<b>38</b>	<b>5.2</b>
Motion Picture, Radio and Television Services	4	4	0	0.0
Libraries, Museums and the Arts	17	16	-1	-5.9
Sport and Recreation	53	47	-6	-11.3
Personal Services	65	63	-2	-3.1
Other Services	58	58	0	0.0
Private Households Employing Staff	0	0	0	na
<i>Recreation Services</i>	<b>197</b>	<b>188</b>	<b>-9</b>	<b>-4.6</b>
Government Administration	14	14	0	0.0
Defence	1	1	0	0.0
Education	58	55	-3	-5.2
Health Services	56	63	7	12.5
Community Services	26	28	2	7.7
<i>Social Services</i>	<b>155</b>	<b>161</b>	<b>6</b>	<b>3.9</b>
<b>TOTAL ALL INDUSTRIES</b>	<b>2,959</b>	<b>2,928</b>	<b>-31</b>	<b>-1.0</b>

Table 8.7 Summary Indicators 1996-2008

BERL Database of TLA ANZSIC Employment, GDP and Business Units													
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<i>Resident population</i>													
<b>Kapiti Coast District</b>	38,583	38,747	39,429	40,110	40,792	42,447	43,185	43,963	44,936	45,714	46,200	46,690	47,081
<b>Horowhenua District</b>	30,150	29,823	29,823	29,628	29,726	29,823	29,868	29,868	29,868	29,770	29,868	29,773	29,871
<b>Nature Coast</b>	68,733	68,570	69,252	69,738	70,518	72,270	73,053	73,831	74,804	75,484	76,068	76,463	76,952
<i>Real Value Added GDP (2008\$m)</i>													
<b>Kapiti Coast District</b>	701	699	726	750	784	801	799	847	896	949	978	980	1,037
<b>Horowhenua District</b>	645	643	650	639	634	681	707	721	749	789	846	798	825
<b>Nature Coast</b>	1,346	1,341	1,376	1,389	1,418	1,481	1,507	1,568	1,645	1,738	1,825	1,779	1,862
<i>GDP per capita 2008\$</i>													
<b>Kapiti Coast District</b>	18,176	18,031	18,422	18,697	19,209	18,859	18,507	19,267	19,937	20,755	21,174	20,998	22,030
<b>Horowhenua District</b>	21,396	21,548	21,791	21,583	21,342	22,823	23,685	24,149	25,090	26,501	28,337	26,812	27,607
<b>Nature Coast</b>	19,588	19,561	19,873	19,923	20,108	20,495	20,624	21,242	21,995	23,022	23,986	23,262	24,195
<i>Employment (FTEs)</i>													
<b>Kapiti Coast District</b>	9,416	8,894	9,104	9,492	9,857	9,889	9,955	10,279	10,563	11,026	11,478	11,840	12,365
<b>Horowhenua District</b>	9,455	8,741	8,560	8,412	8,366	8,532	8,437	8,606	8,657	8,804	9,131	8,709	8,811
<b>Nature Coast</b>	18,871	17,635	17,663	17,904	18,223	18,421	18,392	18,885	19,220	19,830	20,609	20,549	21,176
<i>Productivity (GDP per FTE employed 2008\$) #</i>													
<b>Kapiti Coast District</b>	67,906	71,842	73,125	72,464	73,304	74,785	74,342	76,492	78,845	80,112	79,413	77,182	78,273
<b>Horowhenua District</b>	21,396	21,548	21,791	21,583	21,342	22,823	23,685	24,149	25,090	26,501	28,337	26,812	27,607
<b>Nature Coast</b>	65,052	69,560	71,406	71,177	71,756	74,283	75,854	77,085	79,579	81,584	82,491	80,680	82,042
<i>Business units (number)</i>													
<b>Kapiti Coast District</b>	2,606	3,120	3,319	3,437	3,839	3,797	3,803	3,923	4,230	4,423	4,588	4,734	4,809
<b>Horowhenua District</b>	2,319	2,501	2,591	2,593	2,719	2,729	2,699	2,713	2,816	2,873	2,907	2,968	2,928
<b>Nature Coast</b>	4,925	5,621	5,910	6,030	6,558	6,526	6,502	6,636	7,046	7,296	7,495	7,702	7,737
<i>Business size (FTEs per business unit)</i>													
<b>Kapiti Coast District</b>	3.6	2.9	2.7	2.8	2.6	2.6	2.6	2.6	2.5	2.5	2.5	2.5	2.6
<b>Horowhenua District</b>	4.1	3.5	3.3	3.2	3.1	3.1	3.1	3.2	3.1	3.1	3.1	2.9	3.6
<b>Nature Coast</b>	3.8	3.1	3.0	3.0	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7

# excluded owner-occupied dwellings sector

**Table 8.8 Employment 1996-2008**

<b>Employment (FTEs)</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Kapiti Coast District</b>													
Primary	793	705	676	649	764	741	786	691	727	650	666	599	544
Manufacturing	1,247	1,046	1,074	1,121	986	877	857	839	860	955	970	919	894
Construction	1,131	1,096	1,146	1,197	1,343	1,361	1,462	1,533	1,570	1,793	1,965	2,040	2,059
Retail and Distribution	2,863	2,801	2,702	2,849	2,962	2,932	2,875	3,059	3,130	3,050	3,326	3,449	3,383
Business Services	1,194	1,228	1,374	1,396	1,460	1,498	1,563	1,647	1,793	1,910	1,912	1,911	2,051
Recreation Services	485	479	479	534	581	643	700	659	659	684	715	774	745
Social Services	1,703	1,539	1,653	1,746	1,761	1,837	1,712	1,851	1,824	1,984	1,922	2,146	2,687
<b>TOTAL</b>	<b>9,416</b>	<b>8,894</b>	<b>9,104</b>	<b>9,492</b>	<b>9,857</b>	<b>9,889</b>	<b>9,955</b>	<b>10,279</b>	<b>10,563</b>	<b>11,026</b>	<b>11,478</b>	<b>11,838</b>	<b>12,365</b>
<b>Horowhenua District</b>													
Primary	1,723	1,571	1,528	1,446	1,536	1,606	1,619	1,639	1,533	1,498	1,598	1,589	1,650
Manufacturing	2,034	1,765	1,707	1,550	1,675	1,770	1,693	1,673	1,572	1,675	1,631	1,429	1,378
Construction	450	403	394	485	501	510	503	524	584	615	639	679	697
Retail and Distribution	2,203	2,059	2,114	2,080	2,026	2,015	2,008	2,065	2,101	2,035	2,119	2,229	2,184
Business Services	761	749	731	685	575	595	692	689	721	845	1,002	904	931
Recreation Services	413	397	369	357	362	378	347	377	417	470	448	445	383
Social Services	1,871	1,797	1,717	1,809	1,691	1,658	1,575	1,639	1,729	1,666	1,694	1,432	1,588
<b>TOTAL</b>	<b>9,455</b>	<b>8,741</b>	<b>8,560</b>	<b>8,412</b>	<b>8,366</b>	<b>8,532</b>	<b>8,437</b>	<b>8,606</b>	<b>8,657</b>	<b>8,804</b>	<b>9,131</b>	<b>8,708</b>	<b>8,811</b>
<b>Nature Coast</b>													
Primary	2,515	2,276	2,203	2,095	2,300	2,347	2,405	2,330	2,260	2,148	2,264	2,188	2,194
Manufacturing	3,281	2,811	2,781	2,671	2,661	2,647	2,550	2,512	2,432	2,629	2,601	2,348	2,272
Construction	1,582	1,499	1,540	1,682	1,844	1,871	1,965	2,057	2,154	2,409	2,604	2,720	2,757
Retail and Distribution	5,066	4,860	4,816	4,929	4,988	4,947	4,883	5,124	5,231	5,085	5,445	5,678	5,568
Business Services	1,955	1,977	2,105	2,081	2,035	2,093	2,255	2,336	2,514	2,756	2,915	2,815	2,982
Recreation Services	898	876	848	891	943	1,021	1,047	1,036	1,076	1,154	1,163	1,219	1,128
Social Services	3,574	3,336	3,370	3,555	3,452	3,495	3,287	3,490	3,553	3,650	3,616	3,577	4,276
<b>TOTAL</b>	<b>18,871</b>	<b>17,635</b>	<b>17,663</b>	<b>17,904</b>	<b>18,223</b>	<b>18,421</b>	<b>18,392</b>	<b>18,885</b>	<b>19,220</b>	<b>19,830</b>	<b>20,609</b>	<b>20,546</b>	<b>21,176</b>

**Table 8.9 GDP 1996-2008**

<b>GDP (2008\$m)</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Kapiti Coast District</b>													
Primary	43	46	47	44	51	49	48	46	53	49	53	54	48
Manufacturing	105	97	101	105	95	84	78	81	85	99	102	96	97
Construction	59	64	67	62	76	73	80	90	95	104	112	108	109
Retail and Distribution	151	149	147	157	165	166	169	179	183	189	198	204	210
Business Services	217	233	251	258	266	285	287	307	335	351	358	354	379
Recreation Services	23	24	25	28	31	34	37	36	34	36	37	40	39
Social Services	104	85	89	96	100	109	100	107	111	122	118	125	155
<b>TOTAL</b>	<b>701</b>	<b>699</b>	<b>726</b>	<b>750</b>	<b>784</b>	<b>801</b>	<b>799</b>	<b>847</b>	<b>896</b>	<b>949</b>	<b>978</b>	<b>980</b>	<b>1,037</b>
<b>Horowhenua District</b>													
Primary	90	97	98	91	96	100	101	104	111	109	114	116	119
Manufacturing	138	131	129	119	136	144	133	138	129	144	139	128	132
Construction	23	23	23	26	29	28	27	31	36	36	37	36	37
Retail and Distribution	115	111	116	115	120	117	123	120	125	121	131	137	145
Business Services	150	154	167	163	137	175	212	211	224	261	301	275	282
Recreation Services	18	19	19	17	18	20	18	20	20	22	20	21	17
Social Services	111	106	98	109	99	97	93	97	105	97	104	85	93
<b>TOTAL</b>	<b>645</b>	<b>643</b>	<b>650</b>	<b>639</b>	<b>634</b>	<b>681</b>	<b>707</b>	<b>721</b>	<b>749</b>	<b>789</b>	<b>846</b>	<b>798</b>	<b>825</b>
<b>Nature Coast</b>													
Primary	133	144	145	134	147	149	149	150	164	158	167	169	167
Construction	242	229	230	224	230	228	211	219	214	242	241	224	229
Retail and Distribution	82	87	90	88	105	100	107	121	130	140	148	144	146
Retail and Distribution	266	260	263	273	285	283	292	300	308	309	329	341	355
Business Services	366	388	417	421	403	460	499	518	559	611	659	628	661
Recreation Services	41	43	44	45	49	54	55	56	55	57	57	61	56
Social Services	215	191	187	205	199	207	194	204	216	220	222	210	248
<b>TOTAL</b>	<b>1,346</b>	<b>1,341</b>	<b>1,376</b>	<b>1,389</b>	<b>1,418</b>	<b>1,481</b>	<b>1,507</b>	<b>1,568</b>	<b>1,645</b>	<b>1,738</b>	<b>1,825</b>	<b>1,779</b>	<b>1,862</b>

**Table 8.10 Business Units 1996-2008**

<b>Business units (number)</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Kapiti Coast District</b>													
Primary	426	449	463	474	510	500	477	469	450	424	406	396	364
Manufacturing	149	200	209	207	241	220	215	216	229	240	234	236	242
Construction	459	490	533	576	648	653	657	682	718	754	787	812	845
Retail and Distribution	661	747	752	772	801	782	777	801	841	860	887	910	920
Business Services	531	771	871	920	1,079	1,089	1,126	1,192	1,395	1,527	1,661	1,741	1,792
Recreation Services	209	240	253	256	301	305	305	303	323	340	337	352	351
Social Services	171	223	238	232	259	248	246	260	274	278	276	289	295
<b>TOTAL</b>	<b>2,606</b>	<b>3,120</b>	<b>3,319</b>	<b>3,437</b>	<b>3,839</b>	<b>3,797</b>	<b>3,803</b>	<b>3,923</b>	<b>4,230</b>	<b>4,423</b>	<b>4,588</b>	<b>4,736</b>	<b>4,809</b>
<b>Horowhenua District</b>													
Primary	954	968	973	971	983	976	963	887	884	876	852	818	748
Manufacturing	147	164	177	166	184	192	190	194	189	181	194	201	194
Construction	170	186	188	199	222	231	217	232	259	271	299	318	325
Retail and Distribution	498	494	531	523	530	519	506	509	532	535	524	534	538
Business Services	242	369	387	403	466	479	490	549	589	647	683	736	774
Recreation Services	151	166	173	170	176	181	180	178	197	198	193	197	188
Social Services	157	154	162	161	158	151	153	164	166	165	162	155	161
<b>TOTAL</b>	<b>2,319</b>	<b>2,501</b>	<b>2,591</b>	<b>2,593</b>	<b>2,719</b>	<b>2,729</b>	<b>2,699</b>	<b>2,713</b>	<b>2,816</b>	<b>2,873</b>	<b>2,907</b>	<b>2,959</b>	<b>2,928</b>
<b>Nature Coast</b>													
Primary	1,380	1,417	1,436	1,445	1,493	1,476	1,440	1,356	1,334	1,300	1,258	1,214	1,112
Manufacturing	296	364	386	373	425	412	405	410	418	421	428	437	436
Construction	629	676	721	775	870	884	874	914	977	1,025	1,086	1,130	1,170
Retail and Distribution	1,159	1,241	1,283	1,295	1,331	1,301	1,283	1,310	1,373	1,395	1,411	1,444	1,458
Business Services	773	1,140	1,258	1,323	1,545	1,568	1,616	1,741	1,984	2,174	2,344	2,477	2,566
Recreation Services	360	406	426	426	477	486	485	481	520	538	530	549	539
Social Services	328	377	400	393	417	399	399	424	440	443	438	444	456
<b>TOTAL</b>	<b>4,925</b>	<b>5,621</b>	<b>5,910</b>	<b>6,030</b>	<b>6,558</b>	<b>6,526</b>	<b>6,502</b>	<b>6,636</b>	<b>7,046</b>	<b>7,296</b>	<b>7,495</b>	<b>7,695</b>	<b>7,737</b>

## 9 Technical Appendices

### 9.1 Methodology and terminology

This profile uses official statistics of employment and activity units from Statistics New Zealand's Business Demographics Statistics (BDS) database, and an associated database developed by BERL to provide a measure of value added (or GDP) on a district council basis across New Zealand.

These databases organise the statistics according to the Australian and New Zealand Standard Industrial Classification (ANZSIC). However, data relating to agriculture is not released in the BDS publication and therefore, BERL provides estimates of employment and activity units in this industry. These estimates are based on the 1996 and 2001 censuses as well as additional information during the inter-census periods.

*Full-Time Equivalent (FTE) employment:* This is a measure of the volume of labour used in production, and is calculated as the number of full-time jobs plus half the number of part-time jobs. Note that jobs include the self-employed with no employees, self-employed employers and employees.

*Value Added:* This is a measure of the total value of output contributed by the activities of organisations in an industry (including profits and the wages or salaries of employees). It is measured by deducting the purchases of goods and services used in production from the industry's output.<sup>5</sup>

The sum of value added for all industries in a council area is the equivalent of the district councils *Gross Domestic Product (GDP)*, and is conceptually comparable to official estimates of New Zealand's GDP.

The value added data measure is derived from BERL's proprietary Regional Database, and is based on trends in labour productivity at the national level and changes in local FTE employment. Real value added is measured in constant 1996 price levels, removing the effect of inflation.

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<sup>5</sup> The reason for using this measure is that it eliminates double counting of outputs of businesses, which are used as inputs by others. For example, the total value added incorporated in a loaf of bread is the sum of the sales of wheat farms, millers, bakeries and supermarkets *less* their purchases from each other (and other businesses). For this reason, value added is considered a more accurate measure of the economic impact of combined activities than, say, total sales.

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