

Council Workshop

09 April 26



RANGITIKEI
DISTRICT COUNCIL

Rangitīkei Economic Update



RANGITĪKEI
DISTRICT COUNCIL

April 2026

- The domestic economy was showing **signs of recovery** in the late stages of 2025 into early 2026 although it may not yet feel like it.
- Lower interest rates, steady inflation and strong agricultural sector returns **were** pointing towards an improved outlook towards the end of 2026.
- Local economy experiencing the **recovery at differing speeds**. Retail, construction, tourism and manufacturing much more sluggish than agriculture, housing and financial services.
- RBNZ approach now in the **stimulatory** setting however the benefits are taking time to flow through various sectors.
- The **labour market remains weak** and **unemployment remains low** suggesting a shrinking of available labour.
- **Global uncertainty** remains the major narrative with the tariffs of 2025 shifting to a focus on fuel highlighting how easily New Zealand's economy is impacted by global decisions.

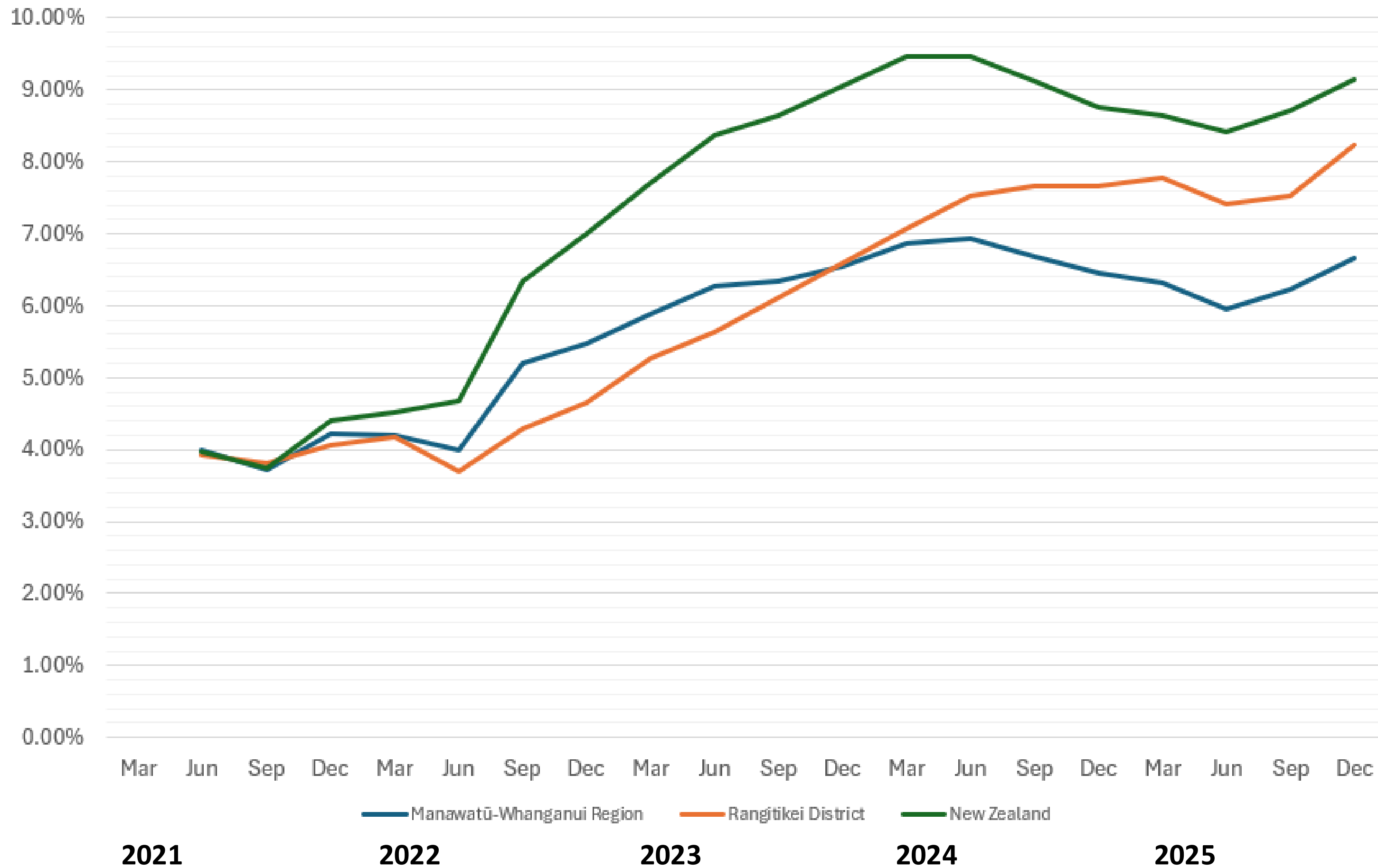
Economic conditions



Rangitikei economy was displaying positive signs heading into Q2

Uncertainty and global events are having the greatest impact on the recovery

Five year GDP growth



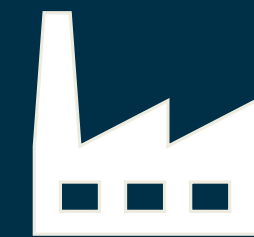
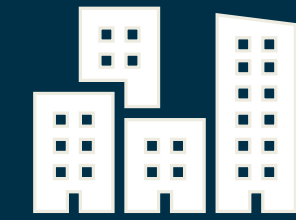
Five year cumulative GDP growth



Local GDP outperforms Manawatu-Whanganui since Dec 2023

Current GDP output is \$856m (current value)
This accounts for 0.2% of national GDP

Industry breakdown



Industry breakdown

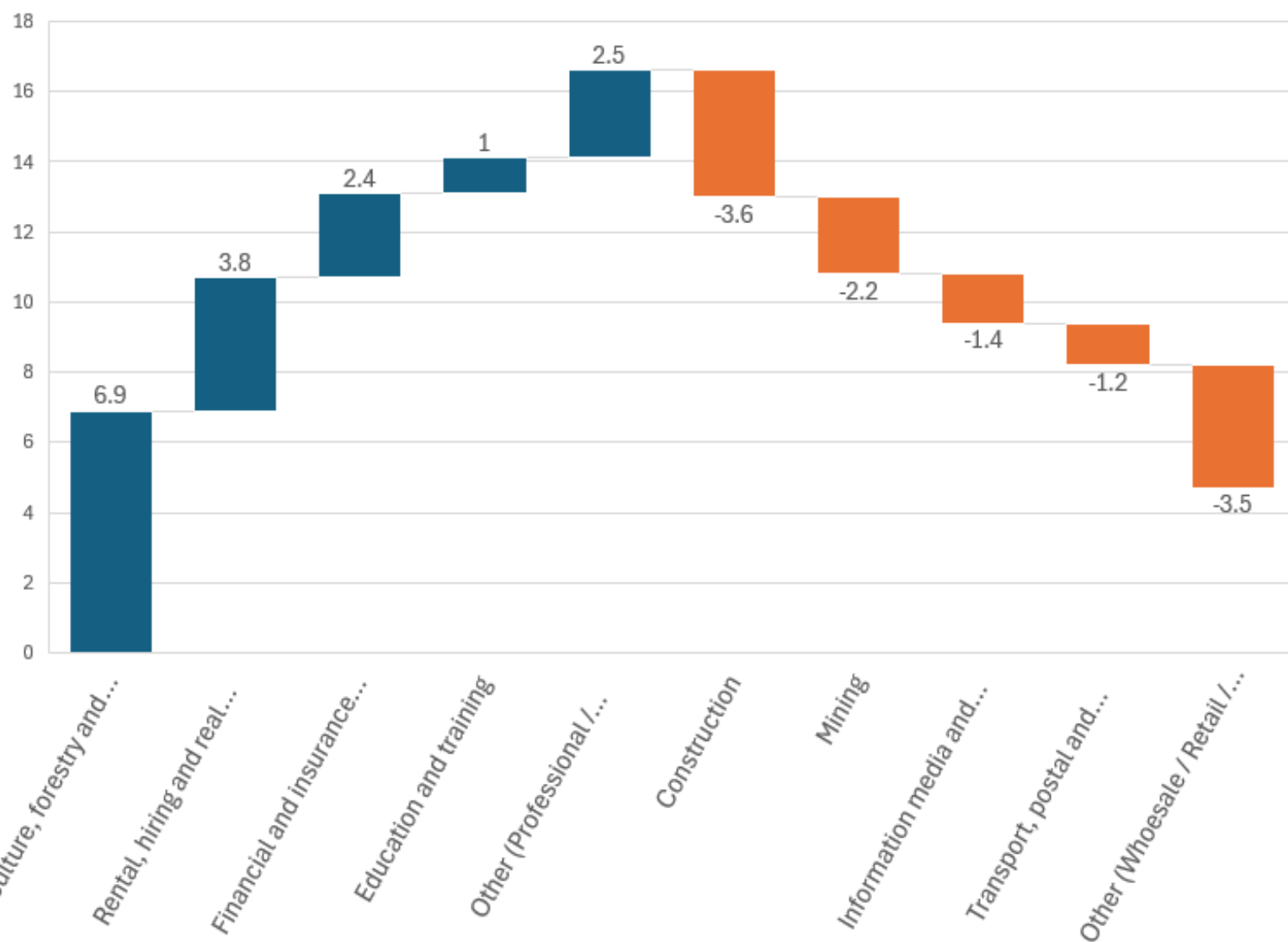


- Agriculture, forestry and fishing
- Manufacturing
- Rental, hiring and real estate services
- Construction
- Education and training
- Retail trade
- All other

- Agriculture, forestry and fishing make up \$260m (30.6% of the district economy)
- Red meat (production and manufacturing) make up \$179m (21% of the district economy)
- Health care is the 3rd largest industry in New Zealand making up 6.8% of the national economy. In Rangitīkei it is 1.8% of the district economy worth \$15.6m

Contributors to growth / decline

■ Increase ■ Decrease ■ Total



- Growth in the agricultural sector at a rate 4.5x faster than the rest of the district economy
- Construction is our 4th largest sector and it contracted by 7.7%.
- While mining only generated \$6.7m in 2024, it contracted by \$2.2m in the 2025 year

	GDP \$m	Annual change %	Business counts	Annual change %	Non-residential consents \$m	Annual change %
Rangitikei	856	0.59%	2146	1.47%	30.1	975%
Ruapehu	828	-1.55%	1798	0.11%	6.3	-64%
Whanganui	2,532	-0.47%	4647	1.15%	80.4	37%
Manawatu	1,724	0.35%	4082	0.44%	18	-43%
Palmerston North	7,069	0.21%	8228	0.53%	127.4	1%
Tararua	1,174	1.21%	2698	-0.04%	17.8	230%
Horowhenua	1,412	1.22%	3071	1.11%	19.4	-35%
Manawatu - Whanganui	15,596	0.21%	26,669	0.56%	299.9	10%
New Zealand	433,761	0.37%	630,655	1.11%	8,874	-4.64%

Key economic indicators (Dec 2025)



Rangitīkei growth is ahead of Regional and National growth rates on each line

Business count growth for the annual period in 3 years

	Residential consents	Annual change%	Consumer spending \$m	Annual change %	Tourism expenditure \$m	Annual change %
Rangitikei	39	-17.02%	173	-2.81%	60	-7.69%
Ruapehu	43	115%	203	1.50%	141	4.44%
Whanganui	136	2.26%	714	-1.11%	199	6.99%
Manawatu	148	-12.94%	286	-0.35%	85	1.19%
Palmerston North	412	-10.04%	1,484	-1.07%	489	-0.20%
Tararua	28	16.67%	194	-1.52%	63	1.61%
Horowhenua	261	-15.81%	447	-2.61%	140	1.41%
Manawatu - Whanganui	1,067	-8.18%	3,500	-1.19%	1,178	1.20%
New Zealand	36,619	8.99%	77,157	-0.96%	31,447	1.06%

Consumer demand (Dec 2025)



Retail spend decline has been trending downward since a peak of \$187m in December 2023

Tourism spend in Rangitīkei is a visible outlier particularly vs our neighbours

	Employment place of residence	Annual change %	Jobseeker benefit recipients	Annual change %	Unemployment rate	Rate change
Rangitikei	7,231	-1.24%	671	1.05%	4.1%	0.1%
Ruapehu	5,376	-2.13%	798	5.70%	5.4%	0.2%
Whanganui	19,409	-1.99%	2,413	3.12%	5.6%	0.1%
Manawatu	21,497	-0.86%	1,082	13.06%	2.8%	0.2%
Palmerston North	35,874	-2.13%	3,656	11.94%	4.5%	0.3%
Tararua	8,849	-1.37%	909	7.70%	4.6%	0.3%
Horowhenua	13,666	-1.44%	2,243	14.32%	6.0%	0.5%
Manawatu - Whanganui	111,902	-1.66%	11,772	9.13%	4.7%	0.3%
New Zealand	2,344,394	-1.23%	216,793	8.05%	5.3%	0.5%

Labour market (Dec 2025)



The employment market across all locations is smaller now than 12 months ago

Jobseekers are up yet unemployment is low suggesting a reduction in available labour

Housing (Dec 2025)



Rangitikei house prices continue to be highly affordable while holding value

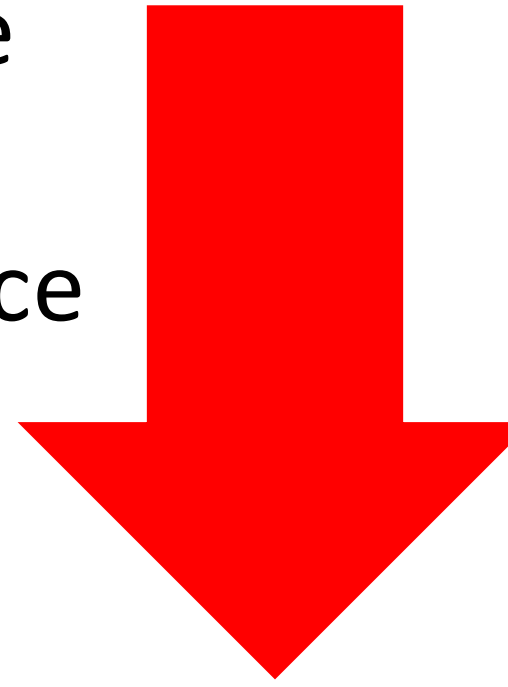
Local rents are still comparatively affordable

	House values	Annual change %	Residential rents (weekly)	Annual change %	Housing affordability (x household income)	Rental affordability (% of household income)
Rangitikei	\$369,000	-0.27%	\$457	-1.08%	3.3	20.9%
Ruapehu	\$305,000	1.25%	\$420	3.96%	3.2	23.2%
Whanganui	\$476,000	1.82%	\$492	3.80%	4.7	25.2%
Manawatu	\$550,000	2.40%	\$512	0.39%	4.3	21.0%
Palmerston North	\$595,000	-0.72%	\$476	-4.61%	4.7	19.5%
Tararua	\$333,000	6.56%	\$448	5.41%	3.0	21.1%
Horowhenua	\$496,000	-1.34%	\$507	-0.59%	4.9	25.7%
Manawatu - Whanganui	\$494,000	0.24%	\$482	-1.23%	4.3	21.9%
New Zealand	\$865,000	-0.95%	\$565	-2.25%	6.3	21.4%

- Input costs
- Unemployment
- Inflation
- Disruption to supply chains



- Business confidence
- New hiring
- Consumer confidence
- Consumer spending
- New investment
- Reduced demand
- Reduced tourism



Our economy is powered by diesel



How long can we go on limited supply?

What will the impacts be in the short, medium and long term?

4.2% inflation (forecast by June)

	Last 3 months	Next 3 months	Next year
Global economy	→	↘	→
NZ economy	↗	↘	↗
Inflation	→	↗	↗

Credits: Westpac Weekly economic commentary

The long tail.....

- How long will it take for oil / fuel reserves to stabilise
- What damage is done to supply chains
- Once infrastructure is lost, it can be difficult to bring it back online
- What learnings and opportunities can we find to build future resilience

MTFJ

As at 31 March 2026

Initial contract
\$280,000 for 30
placements

Variation Feb 2026
Additional \$85,000 for
10 extra placements

Rangitīkei remains the
top performing
programme in New
Zealand

	Total Employment Target	MSD Jobseeker Target	MSD Jobseeker outcomes	Total Employment outcomes
Rangitikei	35+10 = 45	30+10= 40	45	63
New Zealand	869	703	544	839

What now???

- Nobody has a crystal ball and the current situation is unprecedented.
- Prior to the conflict in the middle east, recovery was expected to gain momentum and start flowing through into confidence and investment decisions.
- Any thought of recovery has been placed on pause.
- The tail of the oil crisis is expected to be longer than first anticipated with pressure on supply chains likely to impact inflation and business margins for some time to come.
- Our district is well placed to bounce back with a strong base in primary, manufacturing and services sectors.
- Existing planned developments and investments will continue to drive activity.



Ngā mihi, Thank you



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