



Taranaki Regional Spotlight

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August 2025

Introduction



Sharon Zollner - ANZ New Zealand Chief Economist

With a population of around 130,000, the Taranaki region has a strong and vibrant local economy, delivering it one of the highest GDP per capita figures in New Zealand.

The region earned \$3.6 billion in exports in 2024 – largely from dairy, oil and gas, and meat products – but in recent years there has been a significant shift in where its export earnings come from.

In 2008, oil and gas exports earned the region twice as much as dairy, but in 2024 that has reversed, with dairy now earning three times as much as oil and gas.

Amid these changes, we've seen the value of the region's strong manufacturing base and its longstanding agricultural backbone. This diversity helps the region navigate the ups and downs of economic, commodity and policy cycles.

In this report, the first in a series from the team at data and insights company Dot Loves Data and ANZ, we aim to provide an insightful deep dive into some of the areas that make the region tick.

Having a greater understanding of the social and economic makeup of our regional economies, and any changes that are underway, allows us to identify where opportunities for economic growth lie, and what can be done to realise them.

We know that investment in innovation and new technology has the power to add value, increase productivity, open up new global markets and increasing export earnings.

This report provides a timely spotlight on the contribution Taranaki makes, not only to economic activity in New Zealand as a whole, but also how we pay our way in the world.



Lorraine Mapu - ANZ New Zealand, Managing Director of Business and Agri

Taranaki's economy is undergoing a transformation, with manufacturing emerging as a key driver of future growth and resilience.

As a bank deeply embedded in regional New Zealand, we see firsthand the ambition and capability of businesses in Taranaki.

Manufacturing companies – including New Plymouth-based engineered timber producer Taranakipine (profiled in this report) – are investing heavily in innovation and new technology.

This has boosted productivity, given these companies a competitive edge in the global market, and primed them for growth.

Productivity gains and record-high prices have also enabled dairy farmers to make a substantial and growing contribution in recent years.

By diversifying product offerings and markets, with a focus on developing high-value exports, these producers and manufacturers have played a key role in supporting our economy.

But to fully realise the potential of Taranaki's transitioning economy, coordinated action at pace is needed across industry, government, and the financial sector.

The region's strong manufacturing base, skilled workforce, ability to think differently and appetite for land use diversification offer a powerful platform for growth.

With the right support, these businesses can lead the way in building a more diverse, resilient and globally-connected economy.





In the Spotlight

Taranaki's economy is underpinned by a strong export base, with dairy, oil and gas, and meat products driving over \$2.9 billion in export earnings in 2024. As New Zealand's largest oil and gas exporter and third-largest dairy region, Taranaki consistently delivers one of the highest GDP per capita figures in New Zealand.

This economy features a high per capita business ratio, stable house prices (\$585,000 median) and moderate rent levels (\$534 weekly), supporting housing affordability across Taranaki. Jobseeker Support rates have remained lower than many comparable regions, despite increases across the country, highlighting Taranaki's labour market resilience, supported by its export-led dairy, meat, energy resources and chemicals economy.

In 2024 Taranaki earned

\$3.6b in exports
\$2.9b from dairy, oil & gas and meat

\$85,362
GDP per capita (3rd highest in NZ)

15-20%
Of Taranaki's GDP came from
manufacturing

\$585,000
Median house price (April 2025)



1. Exports

Taranaki's economy remains anchored by energy and farming, but the balance is shifting. In the year to March 2024, Taranaki's GDP per capita was \$85,362, the 3rd-highest in NZ.

Within the regional GDP by industry, the broad *Forestry, Fishing, Mining, Electricity/Gas* category, which is dominated by oil and gas extraction, was \$2.1b, far above Agriculture at \$848m as of March 2024. This reflects that oil and gas extraction has historically contributed more to output than dairy farming. However, export values tell a different story: by 2024 dairy products became the top earner (\$1.8b) with oil and gas next (\$610m), reversing earlier patterns when oil and gas were larger. In summary, oil and gas has long driven Taranaki's high GDP, but dairy's export growth in recent years has raised its share, due largely to an appreciating milk solids price. (Source: Dot)

Largest export

\$1.8b

Dairy products

3rd biggest

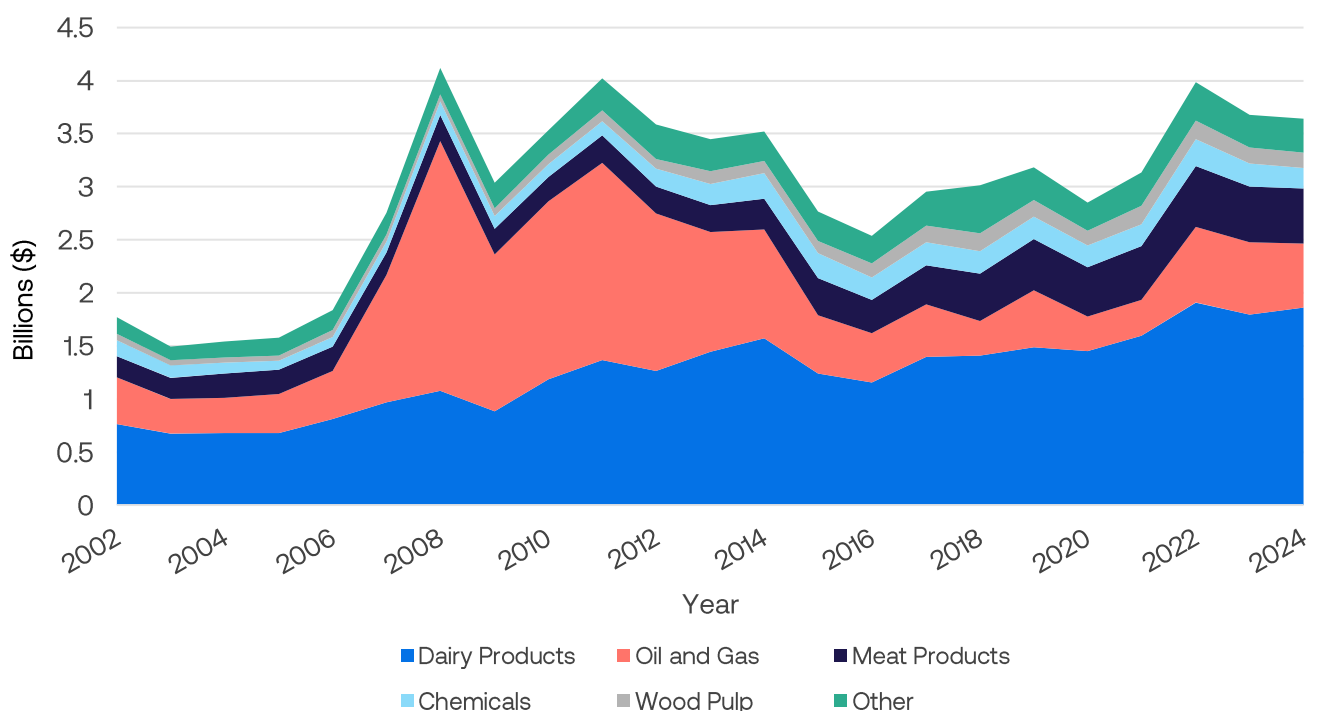
dairy exporter nationwide

New Zealand's largest

Oil and gas

exporter – by far

Taranaki Exports





The trends of crude petroleum volumes are noteworthy. Crude petroleum experienced strong growth in 2007 and 2008, due to new production from the Maari oilfield, before falling back to more traditional export quantities by June 2016. This was due to Maari's volumes not being able to be sustained as anticipated and, equally, declining volumes from Pohokura. Based on its current trajectory, oil and crude production is expected to decrease, particularly for natural gas.

MANUFACTURING

Manufacturing remains a major contributor to the Taranaki economy, contributing on average 15–20% of regional GDP. In 2024 manufacturing output was \$1.7b. Benefiting from the highly-skilled segments of Taranaki's workforce, key sub-sectors include wood processing, including timber panels, plywood and joinery, and food product manufacturing, especially dairy-based foods; and machinery fabrication.

Taranaki experienced mixed trends in 2023–24. For example, wood and paper product manufacturing

held up relatively well due to strong overseas markets, and some growth occurred in food processing, whereas heavy machinery and chemical manufacturing saw weaker demand. Overall, manufacturing GDP was essentially flat or slightly down in 2023–24, in line with national trends.

New Zealand exported \$5.8b of forestry products in 2023–24, with over half of this value coming from raw logs and poles (\$3.2b). China was by far the largest market, taking 57% of total forestry exports. Bay of Plenty and Gisborne are New Zealand's largest log and timber exporters; while Taranaki's forestry output is much smaller and focuses on value-added products. (Source: Stats NZ Export)

Taranaki's exports drive a robust GDP output. Per capita, GDP is stronger than most regions and the New Zealand benchmark (\$78,233). Taranaki's GDP per capita sits third highest in the country at \$85,362, behind only the urban centres of Wellington and Auckland, and well above similar-sized regions Manawatū-Whanganui (\$59,834) and Hawke's Bay (\$69,935). (Sources: Stats NZ, Headway, Dot, DDI)



Case study: From the 'Naki to the world



One local company making the most of export opportunities is Taranakipine, which specialises in engineered timber products – particularly laminated structural components used in outdoor construction.

“If you think of a pergola or a carport,” explains Tom Boon, CEO of Taranakipine, “they’re structural, they’re outdoor – so they need to be durable and they need to be strong.”

Taranakipine’s focus on high-value output is especially critical in the export market, which accounts for 70 per cent of the company’s business.

With more than 30 years’ worth of experience exporting to Australia, 20 years to the US and a decade to Europe, Taranakipine has a strong international presence. But staying competitive and growing in global markets requires more than just quality products – it also demands continuous innovation.

Taranakipine’s fire-rated Bodyguard Wood Products are a prime example of innovation tailored to market needs, exported to areas such as fire-prone Southern California, where building codes demand fire-rated materials.

Taranakipine’s programme of innovation and upgrades are part of a deliberate strategy to prepare for future demand.

“Our goal was to invest during the slower period that we’ve had, so we’d have more capacity and more technology ready to go for the next up cycle,” he said.

Watch this video about Taranakipine
<https://vimeo.com/anzmedia/taranakipine>



2. Business growth

Business growth in Taranaki has broadly tracked national trends with approximately 1% annual growth in the number of enterprises over the past 20 years. The sectors experiencing the most significant job creation between 2002 and 2022 were construction (3574) and healthcare (2007).

By contrast, the dairy sector is mature, with little growth in new farm businesses.

Taranaki has 15,983 businesses in operation as of December 2024. These are overwhelmingly small firms, with approximately 64% being sole traders or self-employed businesses. Another 28% have 1–19 employees, which means that 92% of Taranaki's firms have fewer than 20 staff. This is comparable with provincial regions in New Zealand and it is estimated that up to 90% of these businesses have an annual turnover of less than \$5m.

Businesses are also geographically concentrated in New Plymouth. For example, in construction, the largest employment sector, 5170 of the total 6658 workers were employed in New Plymouth, compared with only 345 in Stratford District. (Source: NZ Companies Office)

15,983

Taranaki businesses

92%

Have fewer than 20 staff

Leading in job creation

Construction

The region's largest employment sector

Annual Growth

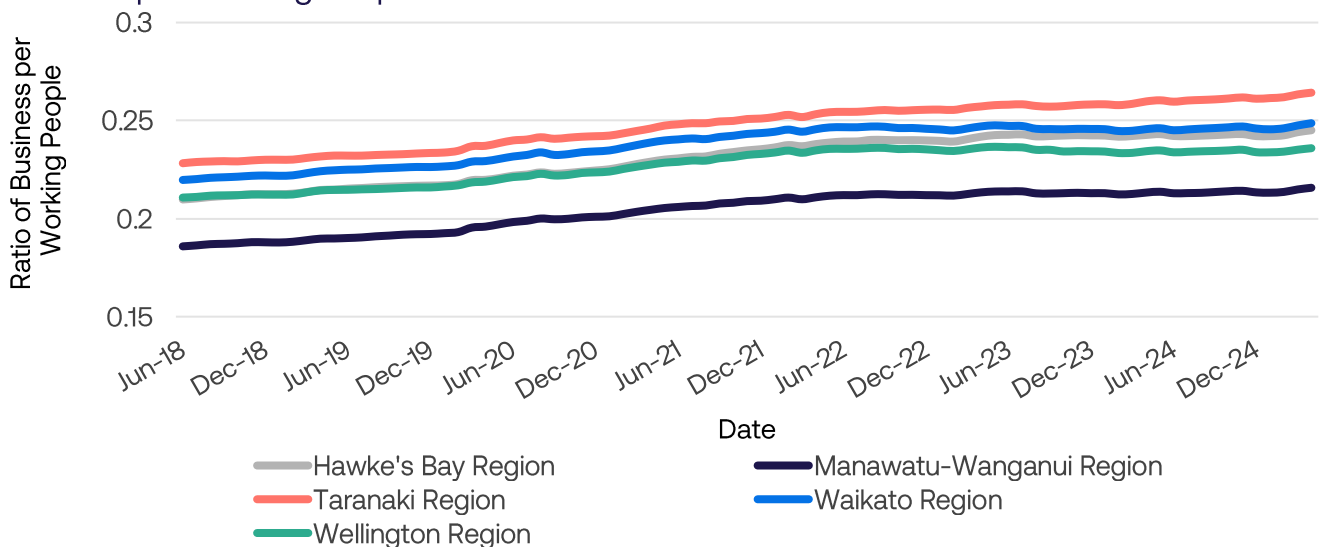
1%

Over the past 20 years

More

businesses per worker
than similar regions

Business per Working People



3. Standard of living

Despite high GDP per capita, living standards in Taranaki are mixed. The average household disposable income in 2024 was \$92,300, which is broadly comparable with mid-range regions such as Bay of Plenty at \$97,000, but well below Auckland (\$120,515) or Wellington (\$117,589). Of some concern, Taranaki was the only region in New Zealand to experience a drop in disposable household income between 2023 and 2024, down 2%. All other regions increased. (Source: Stats NZ Household Income)

This decrease is reflected in the deprivation score* of Taranaki, which has trended steadily upwards since 2013 for all parts of the region. New Plymouth has a deprivation index ranking of 5, while Stratford's is 7 and South Taranaki's is 8, meaning that each of these communities is on par with or below the New Zealand average socio-economically. The trend upwards, relative to other parts of the country, should sound a cautionary note. (Source: Dot, DDI)

Retail spending per person is moderate, with ANZ Transactions data showing annual retail card transactions of \$1.8b per year, at \$16,000 per capita, similar to New Zealand's per-capita average. (Source: Dot, ANZ Spend)

Taranaki experienced a noticeable spike in jobseeker recipients during 2020 (COVID-19 period), mirroring national trends, and peaking in December 2020 at 5,316 recipients. Post-COVID, recipient numbers declined steadily, indicating a recovering labour market until March 2023, before slowly creeping upwards again in line with national trends. (Source: Stats NZ Labour Market)

\$92,300

Average disposable income

Annual retail spend

\$1.8b

Or \$16,000 per person

Jobseeker recipients

4,518

That's 5.9% of the working age population

As of March 2025, Taranaki's Jobseeker Support recipient numbers, 4,518 recipients or 5.9% of the working age population, are higher than Otago (5,364 or 3.35%), which shares similar population and economic characteristics, and lower than Hawke's Bay (6,423 or 6.2%) and Manawatū-Wanganui (11,262 or 7.2%). (Source: MSD)

Within the Taranaki region, New Plymouth has the lowest Jobseeker Support rate at 5.8%, compared with 6.8% for Stratford and 7.3% for South Taranaki. These levels may have reached their peaks and are currently trending down. Overall, trends in Taranaki reflect macroeconomic resilience relative to other regions, primarily due to Taranaki's rural and export-sector exposure. (Source: MSD)

***The Dot Dynamic Deprivation Index (DDI) is a measure of socioeconomic deprivation in New Zealand, developed by Dot Loves Data. It aims to provide a more holistic and up-to-date view of deprivation compared to traditional indices like NZDep by incorporating social and behavioural data alongside census information. An index of 1 represents the least deprived areas and an index of 10 represents the most deprived.**



Case study: Osflo innovating



Osflo Fertiliser has evolved from a small local operation into a key contributor to Taranaki's agricultural economy.

The company's flagship product is a sustainable organic composted poultry litter fertiliser. Osflo supplies bedding to Tegel's poultry farms, collects the used litter, and processes it into organic fertiliser, producing over 50,000 tonnes annually.

CEO Rob Facer leads a team of about 65 across their group operations, and in order to retain skilled and experienced staff, Osflo offers year-round employment despite seasonal demand fluctuations.

Facer acknowledges both the strengths and challenges facing Taranaki's economy. Its fertile soils, favourable climate, and deep-rooted farming traditions, particularly in dairy, has fostered a strong sense of community and consistency – and while fertilising pasture has been Osflo's bread and butter, he also sees this as a potential risk – akin to putting all your eggs in one basket.

"I'm not predicting a downturn in dairy - but if local farmers were impacted by a significant biosecurity event, and we were entirely dependent on one sector, we'd be in trouble," Facer says. "Having a vibrant horticultural industry - some alternative cropping, different production - that's a form of risk mitigation - it's about being open to new ideas and thinking a bit more broadly about what the land can do."

Osflo's own growth strategy reflects this. While most of its fertiliser is sold in Taranaki and Waikato, the company is eyeing expansion into other regions and sectors, as well as broadening its product portfolio to include more options for horticulture and viticulture.

As Osflo approaches 60 years in business, the company stands as a testament to enduring relationships, environmental responsibility, innovation, and regional resilience.



4. House prices and rents

Taranaki's house prices grew strongly between 2019 and 2023, peaking in 2022 before a muted correction the following year. Compared with Auckland and Wellington, Taranaki's house prices have been more stable and not prone to the boom/bust cycle seen in those two cities.

Taranaki's current median house price (\$585,000) sits lower than Hawke's Bay (\$638,500) and above Manawatu-Wanganui (\$541,000). While the Taranaki median house price remains below the national median, the national median price is skewed by Auckland and Wellington. Within Taranaki, the highest median house price in April 2025 is in New Plymouth at (\$622,000), compared with South Taranaki (\$410,000), Stratford (\$430,000).

Median weekly rent (April 2025)

\$534

Up from \$344 in 2020

\$41

Below NZ median weekly rent

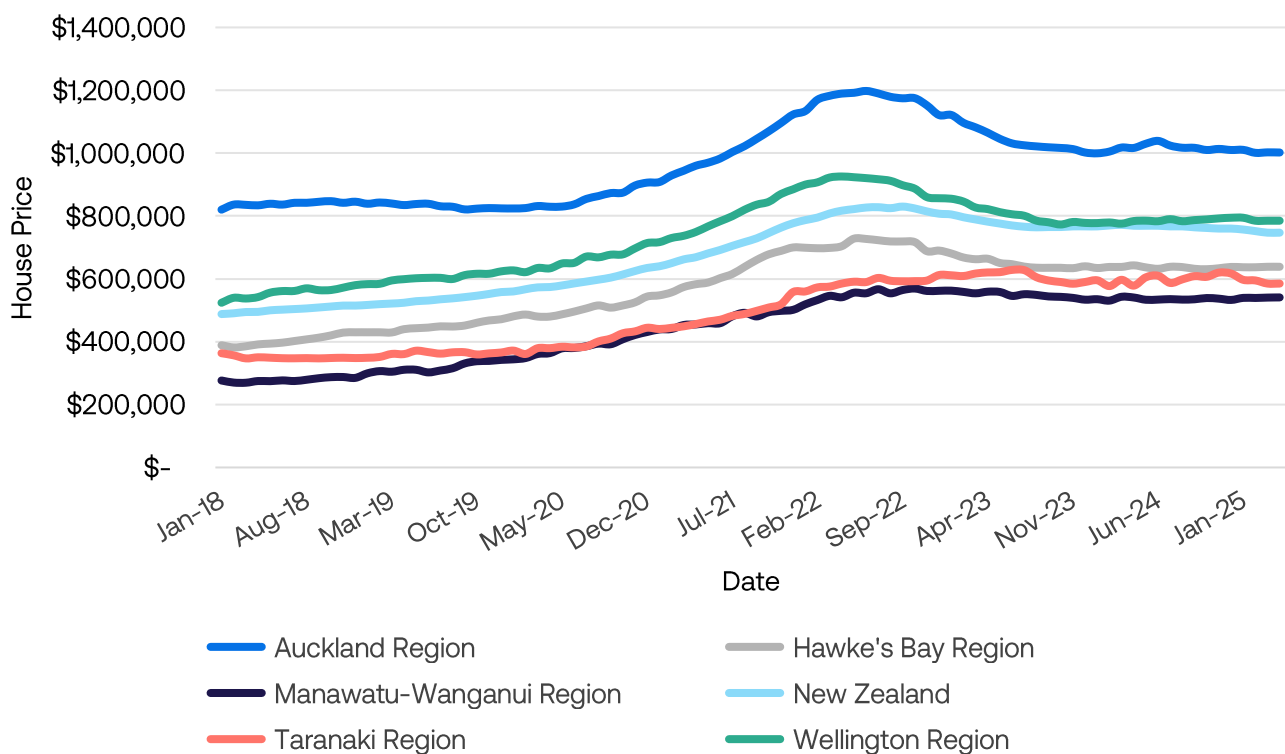
Percent of income spent on rent

31.6%

Up from 25% in July 2020

The recent house price plateauing and early signs of growth reflects confidence in local Taranaki housing, likely tied to the strong export-led economy, investment in local infrastructure and regional migration trends. (Source: Headway)

Median House Sale Prices

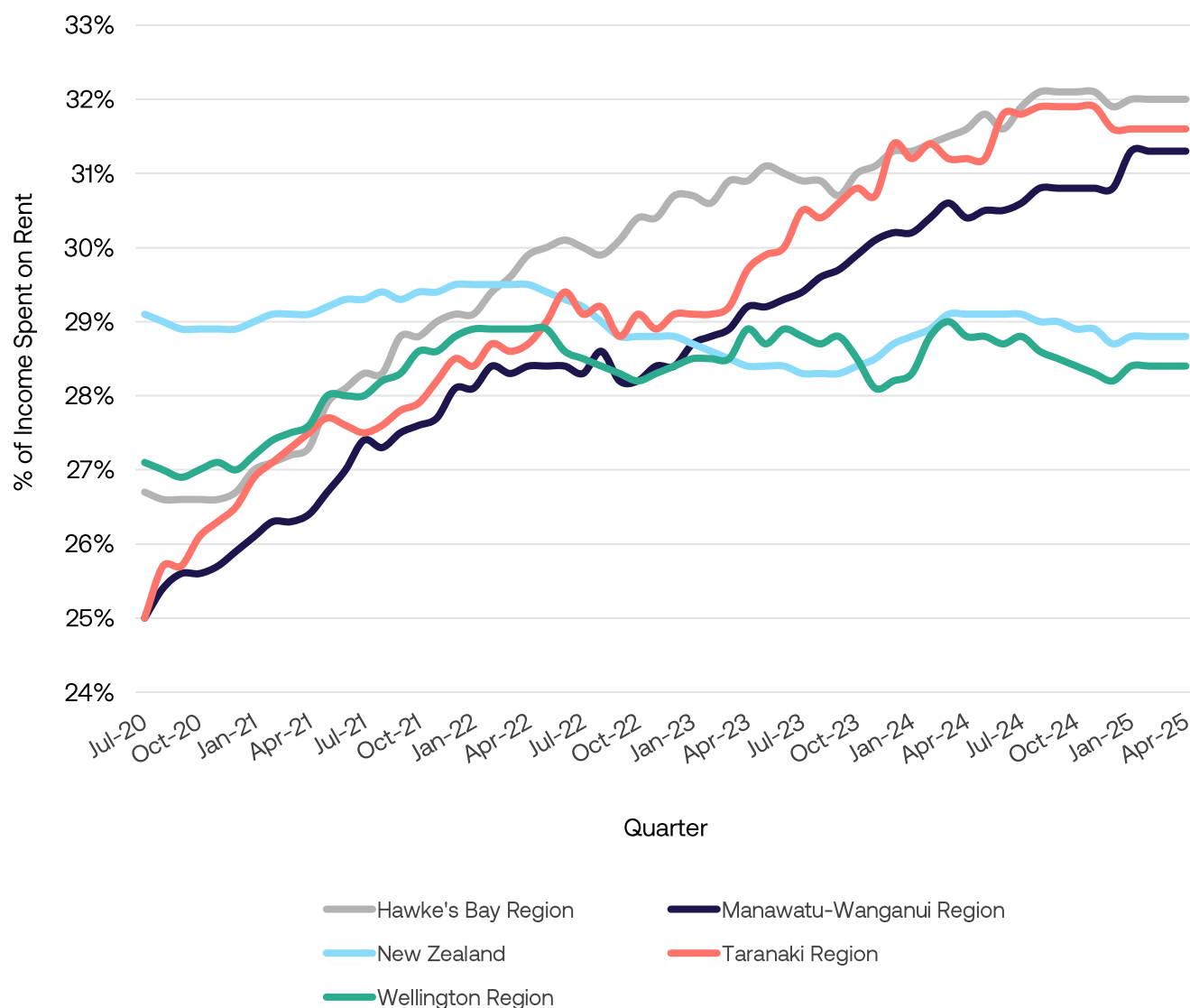


Taranaki's median weekly rent has gradually increased since March 2020 from \$344 per week to \$534 in January 2025. While it sits below the current national median rent price of \$575, the gap has closed, though less sharply than Gisborne and Hawke's Bay, which are now more expensive than both the New Zealand median and Taranaki.

Compared to similar regions, Taranaki's rents are mid-range, below Gisborne, Hawke's Bay and Waikato, but above Manawatū-Whanganui.

Taranaki's rental price growth has been higher than Waikato, Hawke's Bay and Manawatū-Whanganui, meaning that rental affordability has declined significantly in the last five years. This has seen in the percentage of household income spent on rent increasing from 25% to 31.6% between July 2020 and April 2025, which we have outlined in the rental affordability chart below. (Source: MBIE)

% of Income Spent on Rent



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