

Top of South Island - Identifying competitive advantages using location quotient analysis



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Executive summary

This report uses desktop analysis to identify industries where the Top of the South Island (Nelson-Tasman-Marlborough, henceforth: NTM) may have a competitive advantage. Desktop techniques provide an objective and efficient process for sorting through large amounts of detailed industry data.

The analysis in this report is a starting point to identify industries of competitive advantage. These findings should then be cross-referenced against other work that asks questions such as 'why' the advantage may exist, 'how' it might evolve in the future, 'which' connections/opportunities might exist between or adjacent to existing industries, and 'what' actions can be taken to support future growth. Checks against other considerations, such as environmental and social wellbeing should also be done.

Industries of potential competitive advantage

The analysis in this report suggests that the following industries in NTM have a competitive advantage:

- **Ocean economy**, particularly aquaculture, but also other parts of fishing and seafood processing, as well as boatbuilding and repairs, and scientific research.
- **Food and beverage**, both production and processing, across a range of horticultural products (both fruit and vegetables), as well as along the wine and beer supply chains.
- **Forestry**, and wood product manufacturing, not just general forestry and logging, but also niche elements of processing (i.e. laminations and engineered wood products).
- **Tourism** is not just about earning money from visitors, but it can complement other key sectors. For example, food tourism experiences can influence consumption choices when visitors return home. Many factors that draw visitors can also enhance residents' lifestyles.

Within the broader NTM region, there are subtle differences in the focus of each of the overarching themes between the sub-regions of Nelson-Tasman and Marlborough. The data shows:

- **Ocean economy** – Marlborough is more focussed on aquaculture, while Nelson-Tasman is more focussed on fishing, servicing those vessels, and scientific processes.
- **Food and beverage** – Nelson-Tasman focusses on growing and processing apples/pears, kiwifruit, berries, and vegetables, while Marlborough predominantly focusses on viticulture and winemaking, with niches in olives and nuts. Nelson-Tasman also has a specialisation in beer manufacturing and supporting crops, such as hops.
- **Forestry** - Nelson-Tasman has a high concentration of specialist processing, particularly in laminated/structural wood products, while general forestry and sawmilling happens all over.
- **Tourism** – Nelson-Tasman has a higher concentration of nature reserves and cafes, while Marlborough tends towards sightseeing tours, museum operations, and pubs/taverns.

In addition to complementing the overarching themes, the data also highlights that each sub-region has its own specialisations. For example, Nelson-Tasman has specialisations across creative industries (including ceramics and textiles) attractive to visitors and those seeking lifestyle, as well as in scientific industries. Marlborough's specialisations include salt works, freight and passenger transport, wine tank fabrication, agricultural and food processing equipment repairs, as well as aviation repairs.

When identifying priorities, the focus should not only be on existing industries of competitive advantage. Up and coming industries are also worth considering, as are opportunities adjacent to existing industries of strength, and in enabling industries which can unlock growth in other specialisations (eg. education).

Methodology

This section outlines the methodology used to identify competitive advantages.

Introducing location quotient and analysis

The primary method of desktop analysis used in this report to identify competitive advantages was to calculate location quotients for each industry in NTM. A location quotient is a simple calculation of an industry's share of total employment in NTM divided by that industry's share of employment across New Zealand¹. A location quotient greater than one signals that a higher proportion of employment resources have become concentrated in that industry in NTM compared to elsewhere in the country. Economic theory suggests that this higher concentration of employment in an industry has probably occurred because NTM has access to resources or experience that give it a competitive advantage in that industry.

A location quotient of two or more is considered to be an industry with a heightened level of competitive advantage. Such a location quotient means the industry has at least twice the concentration of resources in NTM than nationally. Industries below this level, particularly those that are emerging or closely related to industries with high location quotients, have also been discussed.

To further validate potential industries of competitive advantage, the location quotient calculations were initially done using 2020 data and then cross-checked against the following five momentum criteria:

1. Has the location quotient increased from two years ago?
2. Has the location quotient increased from 10 years ago?
3. Has employment in that industry grown over the past two years?
4. Has employment in that industry grown over the past 10 years?
5. Is the industry's size of a large enough size to warrant a specific focus?

The first four of these criteria help show whether the apparent competitive advantage has momentum. The final criteria addresses the size of the industry with an eye to thinking about the need to focus scarce economic development resources – for the purposes of this report a threshold of <0.5% of employment has been used for scoring that criteria².

To summarise the five criteria in a quantitative fashion, a '1' was assigned each time an industry could answer "yes" to one of the criteria, while a "no" was assigned a '0'. These scores were summed together to form a 'momentum score', with the maximum score being a '5' and a minimum score being a '0'. A '5' indicates an industry that is large and gathering resources both over recent and longer-term history – in other words, its competitive advantage is intensifying. A three or higher is an above average score.

A further cross-check of each industry's competitive advantage was to see how the industry's location quotient in NTM measured up against that industry's location quotient in other regions across New Zealand.

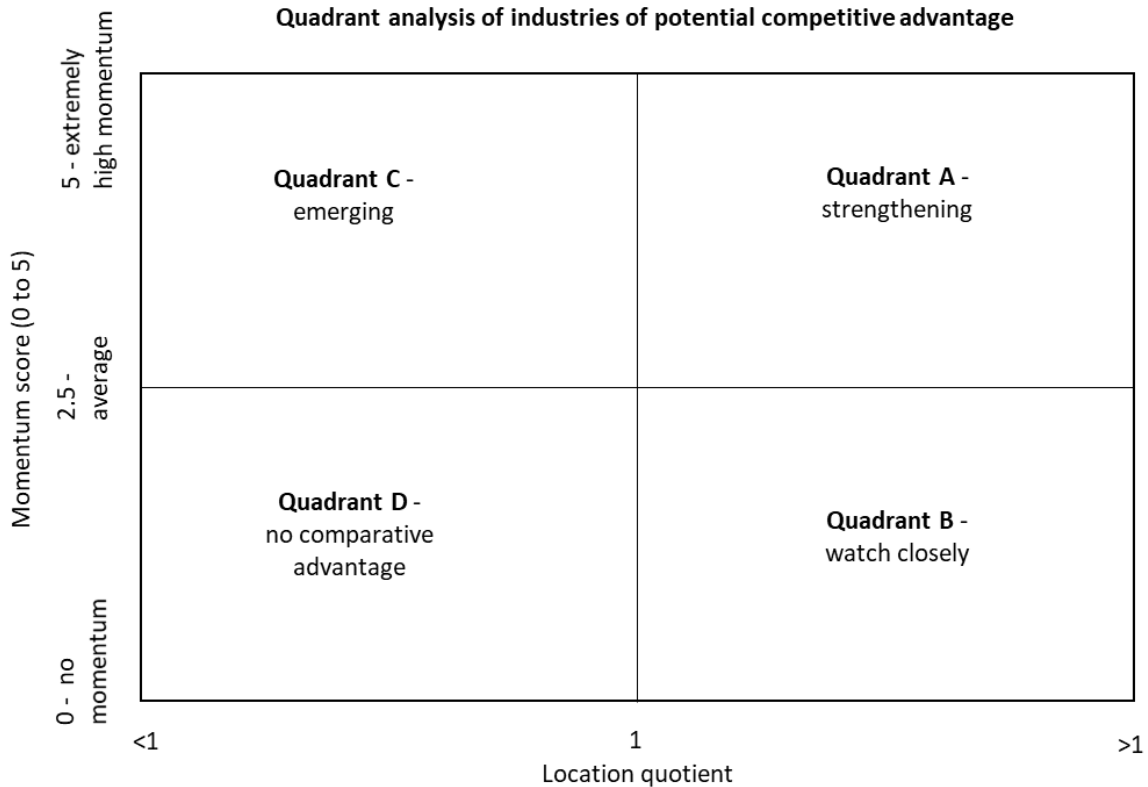
¹ Employment data used for these calculations was taken from Statistics New Zealand's Business Demography. This report primarily investigates industries using ANZSIC Level 3 definitions, although cross-checks were performed at a ANZSIC Level 4 disaggregation to formulate more detailed understandings as to which sub-industries were underpinning results. ANZSIC is a hierarchical system of classifying industries, with close to 200 industries listed at Level 3 and 500 at Level 4.

² For context, 0.5% of employment across NTM equates to about 375 jobs (NTM had 75,500 total jobs in 2020 according to Business Demography). In Marlborough, 0.5% of employment is about 125 jobs (Marlborough had 24,700 total jobs in 2020), while in Nelson-Tasman 0.5% of employment is about 250 jobs (Nelson-Tasman had 50,800 total jobs in 2020).

Mapping location quotients and momentum scores into quadrants

To quickly identify patterns within the data, industries were then mapped into quadrants according to their location quotient and momentum score. The quadrants are summarised in the following diagram.

Figure 1 – Diagram showing mapping of location quotients and momentum scores into quadrants



Each quadrant can be interpreted as follows:

- **Quadrant A (strengthening):** This quadrant represents industries where there is an existing competitive advantage, and there is also a high level of momentum. Industries in Quadrant A are performing strongly and strategic interventions against industries in this group are about safeguarding what is already happening or encouraging development in support industries or opportunities for further value add along the supply chain.
- **Quadrant B (watch closely):** This quadrant represents industries where there is an existing competitive advantage, but that momentum is lower. Industries here are important and so it is worth investigating reasons for lower momentum to establish if intervention is justified. Any relevant strategic interventions would be about turning around the lower momentum by encouraging rejuvenating investment or removing the obstacles/barriers (if possible).
- **Quadrant C (emerging):** This quadrant represents industries that have a lot of momentum and no competitive advantage as yet, but one may eventually emerge. Strategic intervention for this group should aim to support and enable this growth via mechanisms such as encouraging investment and identifying markets for further expansion.
- **Quadrant D (no comparative advantage):** This quadrant represents industries where the region has neither a current competitive advantage, nor any momentum. At face value, industries in this area may not seem like a priority, but there can be industries here which justify support because they can be used to enable growth in other industries that are emerging or are existing industries of competitive advantage.

Potential industries of competitive advantage across Nelson-Tasman-Marlborough

Table 1 on the next page shows Quadrant A (strengthening) industries in NTM. This quadrant represents industries where there is an existing competitive advantage, and there is also a high level of momentum³. A full table of all industries across Quadrants A, B, C, and D can be found in the appendices (see Table 4).

Nelson-Tasman-Marlborough's key competitive advantages

Highlights of key industries of competitive advantage across NTM include:

- **Ocean economy:** This is demonstrated by high location quotients in fishing and aquaculture, as well as seafood processing. These location quotients were all the highest compared to New Zealand's other regions, and showed high levels of momentum. Other industries which support the ocean economy, such as fishing support services, water freight and transport, scientific research and boatbuilding are also industries with high location quotients and relatively high rankings compared to other regions. Drilling further within industries, also highlights other specialisms linked to the ocean economy, such as textiles (ropes) and pharmaceuticals (nutraceuticals, eg. from mussels), and oils and fats (includes fish oils).
- **Food and beverage,** both growing and processing, particularly that related to horticulture. NTM has New Zealand's highest concentration of resources in viticulture and winemaking, the second highest concentration in apples/pears, and the third highest concentration in kiwifruit and berries. These main crops all had high levels of momentum. NTM is also a key vegetable growing part of New Zealand, and in some specialty crops such as olives and hops. NTM ranks highly in the processing of these fruit and vegetables, and in other associated industries that support the supply chain, such as packaging and labelling, nurseries, machinery and equipment maintenance, and metal container manufacturing (wine tanks).
- **Forestry** and wood product manufacturing. The region is ranked third to fourth for forestry and logging, sawmilling and forestry support services. However, the region also has a sub-niche in higher value add offerings within reconstituted wood product manufacturing, which includes manufacturing of laminations and other engineered wood products. NTM has the highest share of employment in New Zealand in this sub-industry by far.
- **Tourism** – NTM performs strongly across a range of tourism-related industries, such as accommodation, sightseeing tours, and water transport. These experiences do not only derive value for NTM from the transaction value when the visitor is in the region, they can also connect that visitor long-term to NTM's other key products (eg. food and beverage provenance) that they consume when they return home. Alongside, specifically tourism-focussed offerings, there are also creatives (eg. ceramics, textiles) and nature-orientated industries (parks and gardens operations) that attract visitors and improves residents' lifestyles (which can support the recruitment and retention of workers for key sectors).

³ Recall, an industry's momentum score varies from 0 to 5 (>3 is above average) depending on whether:

1. Its location quotient has risen over the past two years
2. Its location quotient has risen over the past 10 years
3. It has recorded positive employment growth over the past two years
4. It has recorded positive employment growth over the past 10 years
5. At least 0.5% of employment across the region is in that industry.

Table 1 – ANZSIC Level 3 industries in Nelson-Tasman-Marlborough that are in Quadrant A – location quotient >1 and above average momentum (3+)

Table of key industries of competitive advantage in Quadrant A in Nelson-Tasman-Marlborough – location quotient >1 and above average momentum (3+) <i>Calculations using ANZSIC Level 3 industry employment data from Statistics New Zealand's Business Demography</i>				
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 14th)	Notes (including more detailed industry comment where possible/relevant)
Fishing	16.8	5	1	Specialisation particularly in “Fish Trawling, Seining and Netting”.
Aquaculture	13.2	4	1	Momentum score higher in “longline and rack (offshore) aquaculture” than “caged (offshore) aquaculture”.
Seafood Processing	10.7	3	1	Employment growth has recently picked up again.
Beverage Manufacturing	6.3	3	1	Wine has the highest location quotient (11.9), although beer also has a relatively high location quotient (1.8).
Fruit and Tree Nut Growing	6.2	3	2	Grapes have highest location quotient (13.4), followed by apples/pears (8.0), kiwifruit (3.9), berries (2.3) and olives (1.3). Grapes and kiwifruit have 5 for momentum score, berries have 4. Within the region, grapes and olives are predominantly in Marlborough, while apples/pears, kiwifruit and berries are predominantly in Nelson-Tasman.
Fruit and Vegetable Processing	4.7	5	3	
Water Freight Transport	3.5	4	2	Primarily because of the Cook Strait ferries and Port Nelson.
Log Sawmilling and Timber Dressing	3.2	4	4	
Forestry and Logging	3.2	3	3	
Packaging and Labelling Services	2.8	3	4	
Mushroom and Vegetable Growing	2.7	5	2	Seems to be concentrated on outdoor vegetable growing – mushroom growing itself has a very low location quotient (0).
Forestry Support Services	2.5	3	4	
Water Transport Support Services	2.3	3	4	Primarily because of the Cook Strait ferries and Port Nelson.
Parks and Gardens Operations	2.3	4	2	Mainly “Nature Reserves and Conservation Parks Operation”.
Other Wood Product Manufacturing	1.9	4	2	Reconstituted Wood Product Manufacturing under this Level 3 industry – it has an 11.2 location quotient, is first ranked in NZ, but only has a 2 for momentum score.
Deer Farming	1.8	4	6	
Scenic and Sightseeing Transport	1.7	4	6	Note includes water-based sightseeing and sightseeing buses.
Waste Collection Services	1.7	4	2	Likely influenced by agricultural and aquaculture processing waste.
Machinery and Equipment Repair and Maintenance	1.7	4	2	Includes agricultural, farm and food/beverage processing equipment.

Accommodation	1.7	5	3	
Oil and Fat Manufacturing	1.6	4	4	Includes animal, fish, vegetable, and olive oils.
Textile Product Manufacturing	1.5	3	2	Within this industry, the sub-industries with the highest focus are rope, cordage and twine and cut/sewn textile products.
Ceramic Product Manufacturing	1.5	4	2	
Pharmaceutical and Medicinal Product Manufacturing	1.5	4	2	Primarily human (location quotient = 2.2) rather than veterinary product (0.1), and includes clinical drugs, as well as the manufacturing of nutraceuticals and herbal medicines. Some nutraceuticals utilise food waste, eg. from fish and mussels.
Metal Container Manufacturing	1.5	4	4	Includes fabrication of metal tanks that are used in the wine industry.
Scientific Research Services	1.4	5	3	
Hardware, Building and Garden Supplies Retailing	1.4	3	1	
Other Health Care Services	1.4	3	2	
Motor Vehicle and Transport Equipment Rental and Hiring	1.4	3	4	
Motor Vehicle Parts Retailing	1.4	4	5	
Supermarket and Grocery Stores	1.3	3	4	
Clubs (Hospitality)	1.3	4	7	
Specialised Food Retailing	1.2	5	2	
Automotive Repair and Maintenance	1.2	3	4	
Retail Commission-Based Buying and/or Selling	1.2	3	5	
Road Freight Transport	1.2	5	8	
Department Stores	1.2	5	3	
Heavy and Civil Engineering Construction	1.2	5	5	
Residential Care Services	1.1	5	6	
Other Personal Services	1.1	4	4	
Building Cleaning, Pest Control and Gardening Services	1.1	5	3	
Allied Health Services	1.1	4	6	
Pharmaceutical and Other Store-Based Retailing	1.1	3	2	
Defence	1.1	3	3	
Other Food Product Manufacturing	1.1	4	4	
Preschool Education	1.1	4	7	

* Momentum score considers 5 criteria (has location quotient risen over 2 & 10 years, have jobs grown over 2 & 10 years, does industry have >0.5% of all jobs). A score of 3+ is above average.

Other industries in Nelson-Tasman-Marlborough to take note

Alongside the key industries of comparative advantage in NTM that were in Quadrant A (strengthening), it is also worth scanning through all other industries that were in Quadrants B, C, and D⁴. Some of these industries are easily linked as being adjacent or complimentary to already identified industries.

Selected Quadrant B (watch closely)⁵ industries worth noting include:

- **Other livestock farming** - primarily driven by the sub-industry, beekeeping. NTM has the second highest concentration of beekeeping resources in the country. Beekeeping plays an important role in pollination within the horticulture sector.
- **Nursery and floriculture production** – concentrated on both nursery and floriculture in an outdoor setting. Nurseries are important to produce trees and seedlings for use in NTM’s broader horticultural sector. NTM is ranked third in New Zealand for nursery and floriculture.
- **Basic polymer manufacturing** – concentrated on synthetic resin and synthetic rubber manufacturing, NTM is ranked number one in New Zealand. This industry includes the production of glues used in the manufacture of laminated wood products.
- **Other transport equipment manufacturing** – this category is primarily driven by shipbuilding. NTM is the second highest ranked in New Zealand for this, while for boatbuilding it is fourth ranked.

Selected Quadrant C (emerging)⁶ industries worth noting include:

- **Tertiary education** – training opportunities are limited across NTM, despite recent fast growth. Further growth in education would enable key sectors to flourish productively, while helping to building and retain the talent pipeline, instead of solely focussing on talent attraction.
- **Various professional services** – a range of professional, scientific and technical services have high levels of momentum. Some of these services support NTM’s key industries of competitive advantage, but professional services are also a growth opportunity themselves. Professional services are a ‘weightless’ export that can be sold to other parts of New Zealand and internationally. NTM’s lifestyle proposition is attractive to people in these industries and further growth can be supported with enabling infrastructure (such as telecommunications).
- **Sport and physical recreation activities** – sport and recreational pursuits build on the attractiveness of a place for people to live and work.

Selected Quadrant D (no comparative advantage)⁷ industries worth noting include:

- **Manufacturing of professional, scientific, and specialised machinery and equipment** – these industries are currently small and do not have much momentum. But there are opportunities for these industries to solve problems in key priority areas (such as ocean economy, horticulture, and forestry). Any agri-tech and other innovative solutions in these key priority areas can be tested locally and, if successful, could have export potential and reduce imports.
- **Telecommunications services** – for NTM’s key priority industries to thrive, particularly those in rural areas, access to high quality telecommunications is essential. The reality is that many productivity-boosting agri-tech solutions require connectivity. High quality telecommunications can also help enable further growth in professional, scientific, and technical services.

⁴ Industries across all these quadrants can be explored in detail in Table 4 in the appendix.

⁵ Quadrant B represents industries with an existing competitive advantage, but low momentum.

⁶ Quadrant C industries have momentum, but no competitive advantage as yet (one may eventually emerge).

⁷ Quadrant D represents industries with no current competitive advantage, nor any momentum.

Competitive advantages within Nelson-Tasman

This section considers Nelson-Tasman separately from the broader Nelson-Tasman-Marlborough region covered in the analysis to date. The idea is to explore how Nelson-Tasman's competitive advantages may look, to see the extent to which they line up with the broader region or have their own sub-focusses.

Table 2 on the following page shows Quadrant A (strengthening) industries in Nelson-Tasman. This quadrant represents industries where there is an existing competitive advantage, and there is also a high level of momentum. A full table of Quadrants A, B, C, and D can be found in the appendices (Table 5).

The data in Table 2 and Table 5 reinforce the four themes (Ocean economy, food and beverage, forestry, and tourism) that emerged across the broader region. There are some specific characteristics regarding these themes in the Nelson-Tasman area worth noting:

- **Ocean Economy** – Nelson-Tasman is more heavily focussed on fishing and processing, with aquaculture more focussed towards Marlborough. Scientific research, and the development of nutraceuticals from waste streams is concentrated in Nelson-Tasman.
- **Food and beverage** – Nelson-Tasman is most heavily focussed on growing and processing apples/pears, kiwifruit, berries, and vegetables. Beer manufacturing and supporting crops, such as hops, are the focus of beverages, with wine predominantly being in Marlborough. Nursery production of trees for the horticulture sector is predominantly in Nelson-Tasman.
- **Forestry** – Nelson-Tasman has a high concentration of specialist processing, particularly in laminated and structural wood products, and glues used in these production processes. This sits alongside a high level of general forestry and sawmilling activity.
- **Tourism** – Nelson-Tasman has a high concentration of resources on nature reserves and conservation parks operations. This category represents protection of one of Nelson-Tasman's strategic assets – its beautiful natural environment. This advantage attracts both visitors, and improves residents' lifestyles, which can support the recruitment and retention of workers in key industries.

Alongside these overarching themes that persisted across NTM, there are also a few other competitive advantages that are more specifically focussed on Nelson-Tasman. These include:

- **Ceramic product manufacturing** – Nelson-Tasman is ranked number 1 of all regions in New Zealand. This category is one part of Nelson-Tasman's vibrant creative sector.
- **Textile product manufacturing** – Nelson-Tasman has a focus on two parts of this industry: rope, cordage, and twine manufacturing, as well as cut/sewn textile products. The first of these is more focussed towards servicing business and industry demand, while the second is more related to the area's creative niche.
- **Scientific research services** - These resources can be used to develop valuable research that benefits not only local industries of competitive advantage, but intellectual property can also be exported.

Table 2 – ANZSIC Level 3 industries in Nelson-Tasman that are in Quadrant A – location quotient >1 and above average momentum (3+)

Table of key industries of competitive advantage in Quadrant A in Nelson-Tasman – location quotient >1 and above average momentum (3+)				
<i>Calculations using ANZSIC Level 3 industry employment data from Statistics New Zealand's Business Demography</i>				
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)	Notes (especially those that distinguish Nelson-Tasman from rest of Nelson-Tasman-Marlborough)
Fishing	23.5	5	1	Specialisation particularly in “Fish Trawling, Seining and Netting”.
Seafood Processing	10.7	3	2	
Forestry and Logging	3.9	4	3	
Log Sawmilling and Timber Dressing	3.8	3	2	
Mushroom and Vegetable Growing	3.5	3	2	Particularly outdoor vegetable growing.
Packaging and Labelling Services	2.8	3	5	
Water Transport Support Services	2.7	3	2	
Other Wood Product Manufacturing	2.6	3	1	Mainly “Reconstituted Wood Product Manufacturing” (location quotient of 16.7). This category captures laminated and structural wood products. Note the manufacture of glues used in this process falls under ‘basic polymer manufacturing’ which is a Quadrant B industry.
Parks and Gardens Operations	2.6	5	2	Predominantly nature reserves and conservation parks operation.
Oil and Fat Manufacturing	2.4	4	4	Includes animal, fish, vegetable, and olive oils.
Ceramic Product Manufacturing	2.3	4	1	
Pharmaceutical and Medicinal Product Manufacturing	2.3	4	1	Primarily human rather than veterinary.
Textile Product Manufacturing	2.2	4	1	Within this industry, the sub-industries with the highest focus are rope, cordage and twine (location quotient 8.7), and cut/sewn textile products (3.3). Both are number 1 ranked against the rest of NZ.
Scientific Research Services	2.0	5	2	
Beverage Manufacturing	2.0	5	3	Location quotient is highest for beer (2.5), which ranks Nelson-Tasman first against regions outside of NTM. Note growing of hops falls under ‘other crop growing’ which is a Quadrant B industry.
Other Livestock Farming	1.9	4	4	Primarily driven by the sub-industry, beekeeping. Nelson-Tasman is ranked number one region in New Zealand for beekeeping.
Deer Farming	1.8	4	6	
Other Transport Equipment Manufacturing	1.7	3	3	Driven by shipbuilding and repairs, and boatbuilding.
Accommodation	1.6	5	4	
Other Health Care Services	1.6	3	2	

Other Personal Services	1.5	5	1	
Motor Vehicle Parts Retailing	1.5	4	2	
Hardware, Building and Garden Supplies Retailing	1.4	3	1	
Automotive Repair and Maintenance	1.3	5	2	
Supermarket and Grocery Stores	1.3	4	4	
Allied Health Services	1.3	4	4	
Other Machinery and Equipment Manufacturing	1.3	3	6	Includes a range of machinery, with some related to marine engines and ports equipment, but some manufacturing of various processing equipment in a variety of sectors.
Machinery and Equipment Repair and Maintenance	1.2	4	5	Includes agricultural, farm and food/beverage processing equipment.
Non-Store Retailing	1.2	4	3	
Building Cleaning, Pest Control and Gardening Services	1.2	5	2	
Motor Vehicle and Transport Equipment Rental and Hiring	1.2	4	5	
Road Freight Transport	1.2	5	7	
Heavy and Civil Engineering Construction	1.2	5	5	
Specialised Food Retailing	1.1	5	4	
Pharmaceutical and Other Store-Based Retailing	1.1	3	1	
Preschool Education	1.1	4	6	
Residential Care Services	1.1	5	6	
Timber and Hardware Goods Wholesaling	1.1	3	2	
Department Stores	1.1	3	4	
Motor Vehicle Retailing	1.1	5	6	
Libraries and Archives	1.1	4	5	
Grocery, Liquor and Tobacco Product Wholesaling	1.1	3	4	

* Momentum score considers 5 criteria (has location quotient risen over 2 & 10 years, have jobs grown over 2 & 10 years, does industry have >0.5% of all jobs). A score of 3+ is above average.

Competitive advantages within Marlborough

This section considers Marlborough separately from the broader Nelson-Tasman-Marlborough region covered in the analysis to date. The idea is to explore how Marlborough's competitive advantages may look, to see the extent to which they line up with the broader region or have their own sub-focusses.

Table 3 on the following page shows Quadrant A (strengthening) industries in Marlborough. This quadrant represents industries where there is an existing competitive advantage, and there is also a high level of momentum. A full table of Quadrants A, B, C, and D can be found in the appendices (Table 6).

The data in Table 3 and Table 6 reinforce the four themes (Ocean economy, food and beverage, forestry, and tourism) that emerged across the broader region. There are some specific characteristics regarding these themes in Marlborough worth noting:

- **Ocean Economy** – Marlborough is much more heavily focussed towards aquaculture, while fishing is more prominent in Nelson-Tasman.
- **Food and beverage** – Marlborough is most heavily focussed on viticulture and winemaking. There are also subniches in nuts and olives.
- **Forestry** – Marlborough has a high level of general forestry and sawmilling activity, but not the specialist processing of laminate and structure wood products that Nelson-Tasman has.
- **Tourism** – Marlborough has a higher proportion of scenic and sightseeing tours (includes water-based sightseeing) within its tourism sector compared to Nelson-Tasman. There is also a higher degree of specialisation in heritage (museum operation) and pubs and taverns in Marlborough, while Nelson-Tasman has more of a focus on cafes and restaurants, alongside a slightly higher concentration on nature reserves and conservation parks.

Alongside these four overarching themes that persisted across NTM, there are also a few competitive advantages that are particularly prominent within Marlborough. These include:

- **Other non-metallic mineral mining and quarrying** – Marlborough has New Zealand's only salt works. This industry is capital intensive, but employs few people.
- **Water freight and passenger services, rail freight** – The Cook Strait ferries and associated infrastructure have created a logistical specialisation in moving people and freight between the islands. These logistical services enable efficient movement of Marlborough's key export goods and connects visitors to the area.
- **Metal container manufacturing** – The strong growth in Marlborough's wine industry has created a niche in fabrication of wine tanks and other metal containers. Marlborough is ranked second to Hawke's Bay in this sector.
- **Machinery and equipment repair and maintenance** – Marlborough's vibrant agricultural and forestry sector, as well as its high level of food and beverage processing place large demands on maintenance of equipment and machinery. Marlborough has the highest location quotient in New Zealand.
- **Aviation repairs and maintenance** – Marlborough has a high location quotient for aircraft repairs and maintenance. This is higher than any other region. The presence of the defence force in Marlborough also places specialist demands on this sector.
- **Clubs (hospitality)** – Marlborough has a relatively high location quotient in this category, which includes sports clubs and the RSA. This apparent advantage is influenced by Marlborough's older demographic and appeal as a lifestyle and retirement area.

Table 3 – ANZSIC Level 3 industries in Marlborough that are in Quadrant A – location quotient >1 and above average momentum (3+)

Table of key industries of competitive advantage in Quadrant A in Marlborough – location quotient >1 and above average momentum (3+)				
<i>Calculations using ANZSIC Level 3 industry employment data from Statistics New Zealand's Business Demography</i>				
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)	Notes (especially those that distinguish Marlborough from rest of Nelson-Tasman-Marlborough)
Aquaculture	31.3	5	1	Primarily offshore.
Beverage Manufacturing	15.2	3	1	Primarily driven by winemaking (location quotient of 31.7).
Fruit and Vegetable Processing	11.1	5	2	Captures all fruit/vegetables, also grape crushing (so wine related too).
Seafood Processing	10.8	3	1	
Water Freight Transport	8.6	4	1	Primarily because of the Cook Strait ferries.
Fruit and Tree Nut Growing	7.4	5	2	Virtually all grapes (location quotient of 38.6 and ranked 1st), though also olives (4.0) and nuts (1.2). Ranked 2 nd for olives against rest of NZ.
Metal Container Manufacturing	4.5	4	2	Wine tanks are captured in this category.
Waste Collection Services	3.8	4	1	Likely influenced by agricultural and aquaculture processing waste.
Scenic and Sightseeing Transport	3.7	4	3	Note includes water-based sightseeing and sightseeing buses.
Other Transport Equipment Manufacturing	3.3	3	1	Higher location quotient for aircraft repairs (4.9), but boatbuilding is also relevant (2.5). Aircraft repair ranking is the country's highest.
Defence	3.3	3	2	Defence spending also influences activity for aircraft repair firms.
Packaging and Labelling Services	2.9	3	4	
Machinery and Equipment Repair and Maintenance	2.6	5	1	Includes agricultural, farm and food/beverage processing equipment.
Forestry Support Services	2.3	4	5	
Other Non-Metallic Mineral Product Manufacturing	2.3	3	1	Accounts for <0.1% of employment so not relevant.
Log Sawmilling and Timber Dressing	2.2	4	6	
Clubs (Hospitality)	2.0	4	2	
Accommodation	1.8	3	3	Includes sports clubs and the RSA – influenced by older demographics.
Pubs, Taverns and Bars	1.8	3	2	
Agricultural Product Wholesaling	1.6	4	5	
Water Transport Support Services	1.6	4	7	
Specialised Food Retailing	1.4	4	1	
Hardware, Building and Garden Supplies Retailing	1.4	4	2	
Department Stores	1.3	5	1	

Other Food Product Manufacturing	1.3	4	2	
Museum Operation	1.3	4	5	
Recreational Goods Retailing	1.2	5	4	
Motor Vehicle Parts Retailing	1.1	3	10	
Residential Care Services	1.1	3	7	
Local Government Administration	1.1	3	8	
Travel Agency Services	1.1	4	4	
Road Freight Transport	1.1	5	11	
Other Professional, Scientific and Technical Services	1.1	4	4	

* Momentum score considers 5 criteria (has location quotient risen over 2 & 10 years, have jobs grown over 2 & 10 years, does industry have >0.5% of all jobs). A score of 3+ is above average.

Appendices – Detailed tables

These appendices give detailed tables of all industries across Quadrants A, B, C, and D. Tables are given for Nelson-Tasman-Marlborough as a combined region, as well as separately for Nelson-Tasman and for Marlborough.

Recall that the quadrant an industry falls into is determined by whether it has an existing comparative advantage (location quotient above 1) or no comparative advantage (location quotient of 1 or less), and whether the industry has above average momentum (score of 3+) or below average momentum (score <3)⁸.

Each quadrant can be interpreted as follows⁹:

- **Quadrant A (strengthening):** This quadrant represents industries where there is an existing competitive advantage, and there is also a high level of momentum. Industries in Quadrant A are performing strongly and strategic interventions against industries in this group are about safeguarding what is already happening or encouraging development in support industries or opportunities for further value add along the supply chain.
- **Quadrant B (watch closely):** This quadrant represents industries where there is an existing competitive advantage, but that momentum is lower. Industries here are important and so it is worth investigating reasons for lower momentum to establish if intervention is justified. Any relevant strategic interventions would be about turning around the lower momentum by encouraging rejuvenating investment or removing the obstacles/barriers (if possible).
- **Quadrant C (emerging):** This quadrant represents industries that have a lot of momentum and no competitive advantage as yet, but one may eventually emerge. Strategic intervention for this group should aim to support and enable this growth via mechanisms such as encouraging investment and identifying markets for further expansion.
- **Quadrant D (no comparative advantage):** This quadrant represents industries where the region has neither a current competitive advantage, nor any momentum. At face value, industries in this area may not seem like a priority, but there can be industries here which justify support because they can be used as enablers to fuel growth in emerging and existing industries of competitive advantage

⁸ Recall, an industry's momentum score varies from 0 to 5, depending on whether:

1. Its location quotient has risen over the past two years
2. Its location quotient has risen over the past 10 years
3. It has recorded positive employment growth over the past two years
4. It has recorded positive employment growth over the past 10 years
5. At least 0.5% of employment across the region is in that industry.

⁹ A visual depiction of these quadrants is in Figure 1 on page 5 of this report.

Appendix – Detailed table across Nelson-Tasman-Marlborough

The following table provides a detailed breakdown of all ANZSIC Level 3 industries across NTM sorted by whether the industry falls in Quadrant A, B, C or D.

Table 4 – ANZSIC Level 3 industries in Nelson-Tasman-Marlborough sorted into Quadrant A, B, C, and D

Table sorting industries in Nelson-Tasman-Marlborough into Quadrants A, B, C, and D			
<i>Calculations using ANZSIC Level 3 industry employment data from Statistics NZ's Business Demography</i>			
Quadrant A (strengthening) - industries where there is an existing competitive advantage (location quotient >1), and there is also a high level of momentum (3+)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 14th)
Fishing	16.8	5	1
Aquaculture	13.2	4	1
Seafood Processing	10.7	3	1
Beverage Manufacturing	6.3	3	1
Fruit and Tree Nut Growing	6.2	3	2
Fruit and Vegetable Processing	4.7	5	3
Water Freight Transport	3.5	4	2
Log Sawmilling and Timber Dressing	3.2	4	4
Forestry and Logging	3.2	3	3
Packaging and Labelling Services	2.8	3	4
Mushroom and Vegetable Growing	2.7	5	2
Forestry Support Services	2.5	3	4
Water Transport Support Services	2.3	3	4
Parks and Gardens Operations	2.3	4	2
Other Wood Product Manufacturing	1.9	4	2
Deer Farming	1.8	4	6
Scenic and Sightseeing Transport	1.7	4	6
Waste Collection Services	1.7	4	2
Machinery and Equipment Repair and Maintenance	1.7	4	2
Accommodation	1.7	5	3
Oil and Fat Manufacturing	1.6	4	4
Textile Product Manufacturing	1.5	3	2
Ceramic Product Manufacturing	1.5	4	2
Pharmaceutical and Medicinal Product Manufacturing	1.5	4	2
Metal Container Manufacturing	1.5	4	4
Scientific Research Services	1.4	5	3
Hardware, Building and Garden Supplies Retailing	1.4	3	1
Other Health Care Services	1.4	3	2
Motor Vehicle and Transport Equipment Rental and Hiring	1.4	3	4
Motor Vehicle Parts Retailing	1.4	4	5
Supermarket and Grocery Stores	1.3	3	4
Clubs (Hospitality)	1.3	4	7
Specialised Food Retailing	1.2	5	2
Automotive Repair and Maintenance	1.2	3	4
Retail Commission-Based Buying and/or Selling	1.2	3	5
Road Freight Transport	1.2	5	8

Department Stores	1.2	5	3
Heavy and Civil Engineering Construction	1.2	5	5
Residential Care Services	1.1	5	6
Other Personal Services	1.1	4	4
Building Cleaning, Pest Control and Gardening Services	1.1	5	3
Allied Health Services	1.1	4	6
Pharmaceutical and Other Store-Based Retailing	1.1	3	2
Defence	1.1	3	3
Other Food Product Manufacturing	1.1	4	4
Preschool Education	1.1	4	7

Quadrant B (watch closely) - industries with an existing competitive advantage (location quotient >1), but low momentum (<3)

	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 14th)
Other Non-Metallic Mineral Mining and Quarrying	11.2	0	1
Other Crop Growing	2.5	1	3
Basic Polymer Manufacturing	2.5	2	1
Agriculture and Fishing Support Services	2.5	2	5
Nursery and Floriculture Production	2.4	1	3
Other Transport Equipment Manufacturing	2.3	1	1
Water Passenger Transport	1.6	1	2
Other Livestock Farming	1.6	2	5
Electricity Distribution	1.3	2	6
Amusement and Other Recreation Activities	1.3	2	5
Pubs, Taverns and Bars	1.3	1	5
Funeral, Crematorium and Cemetery Services	1.2	0	7
Property Operators	1.2	2	5
Natural Rubber Product Manufacturing	1.2	2	3
Rail Freight Transport	1.1	2	5
Recreational Goods Retailing	1.1	1	5
Internet Publishing and Broadcasting	1.1	2	4

Quadrant C (emerging) – industries that have a lot of momentum (3+), but no competitive advantage (location quotient of 1 or less) as yet (one may eventually emerge)

	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 14th)
Agricultural Product Wholesaling	1.0	4	11
Other Manufacturing	1.0	4	5
Libraries and Archives	1.0	4	6
Medical Services	1.0	4	7
Motor Vehicle Retailing	1.0	4	8
School Education	1.0	4	10
Land Development and Site Preparation Services	0.9	3	9
Residential Building Construction	0.9	3	8
Museum Operation	0.9	3	7
Cafes, Restaurants and Takeaway Food Services	0.9	3	7
Local Government Administration	0.9	3	12
Furniture, Floor Coverings, Houseware and Textile Goods Retailing	0.9	3	8

Bakery Product Manufacturing	0.9	4	6
Other Construction Services	0.9	5	9
Hospitals	0.9	5	13
Building Completion Services	0.9	4	10
Travel Agency Services	0.9	3	7
Grocery, Liquor and Tobacco Product Wholesaling	0.9	3	4
Non-Store Retailing	0.8	4	3
Building Installation Services	0.8	4	13
Sport and Physical Recreation Activities	0.8	5	12
Employment Services	0.8	3	7
Legal and Accounting Services	0.8	3	10
Furniture Manufacturing	0.8	4	7
Waste Treatment, Disposal and Remediation Services	0.8	3	8
Regulatory Services	0.8	4	7
Other Social Assistance Services	0.8	3	13
Other Non-Metallic Mineral Product Manufacturing	0.8	4	8
Creative and Performing Arts Activities	0.8	4	5
Civic, Professional and Other Interest Group Services	0.7	4	9
Mineral, Metal and Chemical Wholesaling	0.7	4	10
Other Fabricated Metal Product Manufacturing	0.6	3	10
Motor Vehicle and Motor Vehicle Parts Wholesaling	0.6	3	8
Management and Related Consulting Services	0.6	5	6
Building Structure Services	0.6	3	13
Architectural, Engineering and Technical Services	0.6	4	10
Other Machinery and Equipment Wholesaling	0.6	4	6
Other Administrative Services	0.5	4	10
Other Professional, Scientific and Technical Services	0.5	3	7
Other Transport Support Services	0.5	4	6
Meat and Meat Product Manufacturing	0.5	5	11
Public Order and Safety Services	0.5	4	13
Depository Financial Intermediation	0.4	3	12
Central Government Administration	0.4	4	13
Financial Asset Investing	0.4	4	10
Textile, Clothing and Footwear Wholesaling	0.4	4	8
Tertiary Education	0.3	5	13
Water Supply, Sewerage and Drainage Services	0.3	4	13
Motor Vehicle and Motor Vehicle Part Manufacturing	0.2	4	10
Computer and Electronic Equipment Manufacturing	0.2	4	9
Glass and Glass Product Manufacturing	0.2	4	10
Metal Ore Mining	0.2	3	5
Pharmaceutical and Toiletry Goods Wholesaling	0.1	4	10
Quadrant D – industries with no current competitive advantage (location quotient of 1 or less), nor any momentum (<3)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 14th)
Veterinary Services	1.0	2	9
Other Machinery and Equipment Manufacturing	1.0	2	9
Timber and Hardware Goods Wholesaling	1.0	2	3
Religious Services	0.9	2	5

Specialised Industrial Machinery and Equipment Wholesaling	0.9	2	10
Sheep, Beef Cattle and Grain Farming	0.9	2	10
Fuel Retailing	0.9	0	10
Structural Metal Product Manufacturing	0.9	2	10
Non-Residential Building Construction	0.9	2	6
Electrical and Electronic Goods Retailing	0.9	0	6
Adult, Community and Other Education	0.8	2	10
Personal Care Services	0.8	1	10
Real Estate Services	0.8	1	10
Postal and Courier Pick-up and Delivery Services	0.7	0	13
Radio Broadcasting	0.7	1	9
Other Goods and Equipment Rental and Hiring	0.7	2	9
Air and Space Transport	0.7	0	4
Cement, Lime, Plaster and Concrete Product Manufacturing	0.7	1	9
Poultry Farming	0.7	2	7
Clothing, Footwear and Personal Accessories Retailing	0.7	1	10
Construction Material Mining	0.7	2	12
Auxiliary Insurance Services	0.7	1	11
Road Passenger Transport	0.6	2	14
Newspaper, Periodical, Book and Directory Publishing	0.6	0	10
Warehousing and Storage Services	0.6	2	6
Sound Recording and Music Publishing	0.6	2	3
Farm Animal and Bloodstock Leasing	0.6	1	9
Pathology and Diagnostic Imaging Services	0.6	2	11
Software Publishing	0.6	2	5
Cleaning Compound and Toiletry Preparation Manufacturing	0.5	2	8
Dairy Cattle Farming	0.5	1	10
Other Repair and Maintenance	0.4	0	10
Furniture, Floor Coverings and Other Goods Wholesaling	0.4	1	11
Motion Picture and Video Activities	0.4	0	12
Air Transport Support Services	0.4	1	9
Internet Service Providers and Web Search Portals	0.4	2	11
Clothing and Footwear Manufacturing	0.4	1	9
Printing	0.4	2	13
Auxiliary Finance and Investment Services	0.4	1	7
Justice	0.4	2	12
Polymer Product Manufacturing	0.3	2	10
Child Care Services	0.3	0	14
Sugar and Confectionery Manufacturing	0.3	0	8
Petroleum Refining and Petroleum and Coal Product Manufacturing	0.3	0	9
Other Basic Chemical Product Manufacturing	0.3	1	7
Dairy Product Manufacturing	0.3	1	12
Computer System Design and Related Services	0.2	1	8
Pump, Compressor, Heating and Ventilation Equipment Manufacturing	0.2	1	8
Health and General Insurance	0.2	1	7
Specialised Machinery and Equipment Manufacturing	0.2	2	14
Educational Support Services	0.2	0	14

Gas Supply	0.2	1	11
Fertiliser and Pesticide Manufacturing	0.1	0	13
Commission-Based Wholesaling	0.1	0	13
Electricity Transmission	0.1	1	6
Non-Financial Intangible Assets (Except Copyrights) Leasing	0.1	1	11
Other Sheet Metal Product Manufacturing	0.1	0	13
Electrical Equipment Manufacturing	0.1	2	13
Professional and Scientific Equipment Manufacturing	0.1	2	12
Non-Depository Financing	0.1	2	12
Horse and Dog Racing Activities	0.1	2	12
Advertising Services	0.1	0	13
Basic Ferrous Metal Manufacturing	0.1	1	10
Telecommunications Services	0.1	0	8
Electricity Generation	0.1	0	13
Television Broadcasting	0.0	1	7
Hunting and Trapping	0.0	0	14
Coal Mining	0.0	0	14
Oil and Gas Extraction	0.0	0	14
Exploration	0.0	0	14
Other Mining Support Services	0.0	0	14
Grain Mill and Cereal Product Manufacturing	0.0	0	14
Cigarette and Tobacco Product Manufacturing	0.0	0	14
Textile Fibre, Yarn and Woven Fabric Manufacturing	0.0	0	14
Leather Tanning and Fur Dressing	0.0	0	14
Knitted Product Manufacturing	0.0	0	14
Pulp, Paper and Paperboard Manufacturing	0.0	0	14
Converted Paper Product Manufacturing	0.0	0	14
Reproduction of Recorded Media	0.0	0	14
Chemical Manufacturing	0.0	0	14
Basic Ferrous Metal Product Manufacturing	0.0	0	14
Basic Non-Ferrous Metal Manufacturing	0.0	0	14
Basic Non-Ferrous Metal Product Manufacturing	0.0	0	14
Iron and Steel Forging	0.0	0	14
Domestic Appliance Manufacturing	0.0	0	14
On Selling Electricity and Electricity Market Operation	0.0	0	14
Rail Passenger Transport	0.0	0	14
Pipeline and Other Transport	0.0	0	14
Data Processing, Web Hosting and Electronic Information Storage Services	0.0	0	14
Other Information Services	0.0	0	14
Central Banking	0.0	0	14
Life Insurance	0.0	0	14
Superannuation Funds	0.0	0	14
Market Research and Statistical Services	0.0	0	14
Gambling Activities	0.0	0	14

* Momentum score considers 5 criteria (has location quotient risen over 2 & 10 years, have jobs grown over 2 & 10 years, does industry have >0.5% of all jobs). A score of 3+ is above average.

Appendix – Detailed table in Nelson-Tasman

The following table provides a detailed breakdown of all ANZSIC Level 3 industries across Nelson-Tasman sorted by whether the industry falls in Quadrant A, B, C or D.

Table 5 – ANZSIC Level 3 industries in Nelson-Tasman sorted into Quadrant A, B, C, and D

Table sorting industries in Nelson-Tasman into Quadrants A, B, C, and D			
<i>Calculations using ANZSIC Level 3 industry employment data from Statistics NZ's Business Demography</i>			
Quadrant A (strengthening) - industries where there is an existing competitive advantage (location quotient >1), and there is also a high level of momentum (3+)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)
Fishing	23.5	5	1
Seafood Processing	10.7	3	2
Forestry and Logging	3.9	4	3
Log Sawmilling and Timber Dressing	3.8	3	2
Mushroom and Vegetable Growing	3.5	3	2
Packaging and Labelling Services	2.8	3	5
Water Transport Support Services	2.7	3	2
Other Wood Product Manufacturing	2.6	3	1
Parks and Gardens Operations	2.6	5	2
Oil and Fat Manufacturing	2.4	4	4
Ceramic Product Manufacturing	2.3	4	1
Pharmaceutical and Medicinal Product Manufacturing	2.3	4	1
Textile Product Manufacturing	2.2	4	1
Scientific Research Services	2.0	5	2
Beverage Manufacturing	2.0	5	3
Other Livestock Farming	1.9	4	4
Deer Farming	1.8	4	6
Other Transport Equipment Manufacturing	1.7	3	3
Accommodation	1.6	5	4
Other Health Care Services	1.6	3	2
Other Personal Services	1.5	5	1
Motor Vehicle Parts Retailing	1.5	4	2
Hardware, Building and Garden Supplies Retailing	1.4	3	1
Automotive Repair and Maintenance	1.3	5	2
Supermarket and Grocery Stores	1.3	4	4
Allied Health Services	1.3	4	4
Other Machinery and Equipment Manufacturing	1.3	3	6
Machinery and Equipment Repair and Maintenance	1.2	4	5
Non-Store Retailing	1.2	4	3
Building Cleaning, Pest Control and Gardening Services	1.2	5	2
Motor Vehicle and Transport Equipment Rental and Hiring	1.2	4	5
Road Freight Transport	1.2	5	7
Heavy and Civil Engineering Construction	1.2	5	5
Specialised Food Retailing	1.1	5	4
Pharmaceutical and Other Store-Based Retailing	1.1	3	1
Preschool Education	1.1	4	6
Residential Care Services	1.1	5	6

Timber and Hardware Goods Wholesaling	1.1	3	2
Department Stores	1.1	3	4
Motor Vehicle Retailing	1.1	5	6
Libraries and Archives	1.1	4	5
Grocery, Liquor and Tobacco Product Wholesaling	1.1	3	4
Quadrant B (watch closely) - industries with an existing competitive advantage (location quotient >1), but low momentum (<3)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)
Fruit and Tree Nut Growing	5.6	2	3
Aquaculture	4.4	2	2
Other Crop Growing	3.5	1	3
Nursery and Floriculture Production	3.4	2	2
Basic Polymer Manufacturing	3.3	2	1
Forestry Support Services	2.6	2	4
Amusement and Other Recreation Activities	1.7	2	4
Fruit and Vegetable Processing	1.5	2	5
Religious Services	1.3	2	2
Property Operators	1.2	2	3
Natural Rubber Product Manufacturing	1.1	1	4
Funeral, Crematorium and Cemetery Services	1.1	0	9
Water Passenger Transport	1.1	2	3
Veterinary Services	1.1	2	9
Recreational Goods Retailing	1.1	1	6
Quadrant C (emerging) – industries that have a lot of momentum (3+), but no competitive advantage (location quotient of 1 or less) as yet (one may eventually emerge)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)
School Education	1.0	4	9
Structural Metal Product Manufacturing	1.0	3	8
Other Construction Services	1.0	5	7
Waste Treatment, Disposal and Remediation Services	1.0	3	7
Other Food Product Manufacturing	1.0	4	5
Cafes, Restaurants and Takeaway Food Services	1.0	3	4
Residential Building Construction	1.0	4	8
Furniture Manufacturing	1.0	4	7
Mineral, Metal and Chemical Wholesaling	1.0	4	5
Hospitals	1.0	4	8
Specialised Industrial Machinery and Equipment Wholesaling	1.0	3	10
Regulatory Services	0.9	4	4
Sport and Physical Recreation Activities	0.9	5	10
Clubs (Hospitality)	0.9	4	12
Adult, Community and Other Education	0.9	4	7
Building Completion Services	0.9	4	10
Other Social Assistance Services	0.9	3	10
Building Installation Services	0.9	4	11

Furniture, Floor Coverings, Houseware and Textile Goods Retailing	0.9	3	8
Creative and Performing Arts Activities	0.9	4	4
Legal and Accounting Services	0.8	4	10
Local Government Administration	0.8	3	15
Scenic and Sightseeing Transport	0.8	4	8
Management and Related Consulting Services	0.8	4	4
Sheep, Beef Cattle and Grain Farming	0.8	3	11
Non-Residential Building Construction	0.8	3	8
Employment Services	0.8	5	9
Land Development and Site Preparation Services	0.8	3	12
Waste Collection Services	0.7	3	9
Motor Vehicle and Motor Vehicle Parts Wholesaling	0.7	3	7
Agricultural Product Wholesaling	0.7	4	13
Other Machinery and Equipment Wholesaling	0.7	5	4
Architectural, Engineering and Technical Services	0.7	4	9
Road Passenger Transport	0.7	3	13
Building Structure Services	0.7	3	12
Agriculture and Fishing Support Services	0.6	3	13
Textile, Clothing and Footwear Wholesaling	0.6	4	4
Central Government Administration	0.5	3	9
Other Transport Support Services	0.5	4	7
Depository Financial Intermediation	0.5	3	10
Printing	0.5	3	10
Public Order and Safety Services	0.5	3	14
Meat and Meat Product Manufacturing	0.4	5	12
Electricity Distribution	0.4	3	13
Tertiary Education	0.4	5	12
Water Supply, Sewerage and Drainage Services	0.3	4	13
Computer and Electronic Equipment Manufacturing	0.3	4	7
Glass and Glass Product Manufacturing	0.3	4	9
Metal Ore Mining	0.2	3	4
Pharmaceutical and Toiletry Goods Wholesaling	0.2	4	9
Electrical Equipment Manufacturing	0.2	3	12
Commission-Based Wholesaling	0.1	3	13
Quadrant D – industries with no current competitive advantage (location quotient of 1 or less), nor any momentum (<3)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)
Water Freight Transport	1.0	2	3
Pubs, Taverns and Bars	1.0	1	7
Electrical and Electronic Goods Retailing	1.0	2	3
Medical Services	1.0	2	9
Bakery Product Manufacturing	0.9	2	6
Air and Space Transport	0.9	0	4
Retail Commission-Based Buying and/or Selling	0.9	2	6
Poultry Farming	0.9	2	7
Fuel Retailing	0.9	0	12
Personal Care Services	0.9	0	10
Sound Recording and Music Publishing	0.9	2	3

Farm Animal and Bloodstock Leasing	0.9	1	9
Civic, Professional and Other Interest Group Services	0.8	2	7
Software Publishing	0.8	2	3
Real Estate Services	0.8	2	10
Postal and Courier Pick-up and Delivery Services	0.8	0	12
Pathology and Diagnostic Imaging Services	0.8	2	10
Museum Operation	0.8	0	9
Clothing, Footwear and Personal Accessories Retailing	0.8	1	7
Travel Agency Services	0.8	0	8
Other Manufacturing	0.7	2	11
Cement, Lime, Plaster and Concrete Product Manufacturing	0.7	1	9
Radio Broadcasting	0.7	1	10
Warehousing and Storage Services	0.6	2	6
Auxiliary Insurance Services	0.6	1	13
Construction Material Mining	0.6	2	13
Newspaper, Periodical, Book and Directory Publishing	0.5	0	12
Dairy Cattle Farming	0.5	1	10
Furniture, Floor Coverings and Other Goods Wholesaling	0.5	1	11
Air Transport Support Services	0.5	2	9
Other Goods and Equipment Rental and Hiring	0.5	2	14
Motion Picture and Video Activities	0.5	2	12
Internet Service Providers and Web Search Portals	0.4	0	11
Petroleum Refining and Petroleum and Coal Product Manufacturing	0.4	2	6
Other Basic Chemical Product Manufacturing	0.4	1	7
Other Fabricated Metal Product Manufacturing	0.4	2	12
Dairy Product Manufacturing	0.4	1	11
Justice	0.4	2	12
Clothing and Footwear Manufacturing	0.4	1	11
Other Administrative Services	0.3	1	13
Other Repair and Maintenance	0.3	0	12
Pump, Compressor, Heating and Ventilation Equipment Manufacturing	0.3	0	7
Auxiliary Finance and Investment Services	0.3	1	8
Child Care Services	0.3	0	15
Computer System Design and Related Services	0.3	1	7
Cleaning Compound and Toiletry Preparation Manufacturing	0.3	0	10
Financial Asset Investing	0.3	2	15
Other Professional, Scientific and Technical Services	0.3	0	12
Health and General Insurance	0.2	0	7
Polymer Product Manufacturing	0.2	2	12
Gas Supply	0.2	1	10
Specialised Machinery and Equipment Manufacturing	0.2	2	13
Motor Vehicle and Motor Vehicle Part Manufacturing	0.2	2	11
Other Sheet Metal Product Manufacturing	0.2	0	12
Educational Support Services	0.2	0	15
Non-Depository Financing	0.1	2	11
Sugar and Confectionery Manufacturing	0.1	2	11
Advertising Services	0.1	0	13
Basic Ferrous Metal Manufacturing	0.1	1	7

Telecommunications Services	0.1	0	8
Fertiliser and Pesticide Manufacturing	0.1	0	14
Electricity Generation	0.1	0	13
Horse and Dog Racing Activities	0.1	2	13
Professional and Scientific Equipment Manufacturing	0.1	2	13
Television Broadcasting	0.1	1	4
Defence	0.0	1	11
Other Non-Metallic Mineral Mining and Quarrying	0.0	0	15
Metal Container Manufacturing	0.0	0	15
Rail Freight Transport	0.0	0	15
Internet Publishing and Broadcasting	0.0	0	15
Other Non-Metallic Mineral Product Manufacturing	0.0	0	15
Electricity Transmission	0.0	0	15
Non-Financial Intangible Assets (Except Copyrights) Leasing	0.0	0	15
Hunting and Trapping	0.0	0	14
Coal Mining	0.0	0	14
Oil and Gas Extraction	0.0	0	14
Exploration	0.0	0	14
Other Mining Support Services	0.0	0	14
Grain Mill and Cereal Product Manufacturing	0.0	0	14
Cigarette and Tobacco Product Manufacturing	0.0	0	14
Textile Fibre, Yarn and Woven Fabric Manufacturing	0.0	0	14
Leather Tanning and Fur Dressing	0.0	0	14
Knitted Product Manufacturing	0.0	0	14
Pulp, Paper and Paperboard Manufacturing	0.0	0	14
Converted Paper Product Manufacturing	0.0	0	14
Reproduction of Recorded Media	0.0	0	14
Chemical Manufacturing	0.0	0	14
Basic Ferrous Metal Product Manufacturing	0.0	0	14
Basic Non-Ferrous Metal Manufacturing	0.0	0	14
Basic Non-Ferrous Metal Product Manufacturing	0.0	0	14
Iron and Steel Forging	0.0	0	14
Domestic Appliance Manufacturing	0.0	0	14
On Selling Electricity and Electricity Market Operation	0.0	0	14
Rail Passenger Transport	0.0	0	14
Pipeline and Other Transport	0.0	0	14
Data Processing, Web Hosting and Electronic Information Storage Services	0.0	0	14
Other Information Services	0.0	0	14
Central Banking	0.0	0	14
Life Insurance	0.0	0	14
Superannuation Funds	0.0	0	14
Market Research and Statistical Services	0.0	0	14
Gambling Activities	0.0	0	14

* Momentum score considers 5 criteria (has location quotient risen over 2 & 10 years, have jobs grown over 2 & 10 years, does industry have >0.5% of all jobs). A score of 3+ is above average.

Appendix – Detailed table in Marlborough

The following table provides a detailed breakdown of all ANZSIC Level 3 industries in Marlborough sorted by whether the industry falls in Quadrant A, B, C or D.

Table 6 – ANZSIC Level 3 industries in Marlborough sorted into Quadrant A, B, C, and D

Table sorting industries in Marlborough into Quadrants A, B, C, and D			
<i>Calculations using ANZSIC Level 3 industry employment data from Statistics NZ's Business Demography</i>			
Quadrant A (strengthening) - industries where there is an existing competitive advantage (location quotient >1), and there is also a high level of momentum (3+)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)
Aquaculture	31.3	5	1
Beverage Manufacturing	15.2	3	1
Fruit and Vegetable Processing	11.1	5	2
Seafood Processing	10.8	3	1
Water Freight Transport	8.6	4	1
Fruit and Tree Nut Growing	7.4	5	2
Metal Container Manufacturing	4.5	4	2
Waste Collection Services	3.8	4	1
Scenic and Sightseeing Transport	3.7	4	3
Other Transport Equipment Manufacturing	3.3	3	1
Defence	3.3	3	2
Packaging and Labelling Services	2.9	3	4
Machinery and Equipment Repair and Maintenance	2.6	5	1
Forestry Support Services	2.3	4	5
Other Non-Metallic Mineral Product Manufacturing	2.3	3	1
Log Sawmilling and Timber Dressing	2.2	4	6
Clubs (Hospitality)	2.0	4	2
Accommodation	1.8	3	3
Pubs, Taverns and Bars	1.8	3	2
Agricultural Product Wholesaling	1.6	4	5
Water Transport Support Services	1.6	4	7
Specialised Food Retailing	1.4	4	1
Hardware, Building and Garden Supplies Retailing	1.4	4	2
Department Stores	1.3	5	1
Other Food Product Manufacturing	1.3	4	2
Museum Operation	1.3	4	5
Recreational Goods Retailing	1.2	5	4
Motor Vehicle Parts Retailing	1.1	3	10
Residential Care Services	1.1	3	7
Local Government Administration	1.1	3	8
Travel Agency Services	1.1	4	4
Road Freight Transport	1.1	5	11
Other Professional, Scientific and Technical Services	1.1	4	4

Quadrant B (watch closely) - industries with an existing competitive advantage (location quotient >1), but low momentum (<3)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)
Other Non-Metallic Mineral Mining and Quarrying	34.1	0	1
Agriculture and Fishing Support Services	6.3	2	1
Rail Freight Transport	3.5	2	2
Internet Publishing and Broadcasting	3.3	2	1
Electricity Distribution	3.2	1	3
Fishing	3.0	1	2
Water Passenger Transport	2.8	0	2
Retail Commission-Based Buying and/or Selling	1.9	1	3
Deer Farming	1.8	2	7
Motor Vehicle and Transport Equipment Rental and Hiring	1.7	2	1
Forestry and Logging	1.6	2	8
Parks and Gardens Operations	1.6	2	6
Other Manufacturing	1.5	2	3
Funeral, Crematorium and Cemetery Services	1.4	1	5
Land Development and Site Preparation Services	1.3	1	5
Supermarket and Grocery Stores	1.3	1	6
Sheep, Beef Cattle and Grain Farming	1.2	2	7
Other Goods and Equipment Rental and Hiring	1.2	2	3
Natural Rubber Product Manufacturing	1.2	2	3
Heavy and Civil Engineering Construction	1.1	2	7
Other Fabricated Metal Product Manufacturing	1.1	1	4
Non-Residential Building Construction	1.1	1	5
Quadrant C (emerging) – industries that have a lot of momentum (3+), but no competitive advantage (location quotient of 1 or less) as yet (one may eventually emerge)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)
Mushroom and Vegetable Growing	1.0	4	8
Medical Services	1.0	5	7
Automotive Repair and Maintenance	1.0	3	11
Other Health Care Services	1.0	3	6
Pharmaceutical and Other Store-Based Retailing	1.0	3	10
Residential Building Construction	0.9	3	12
Employment Services	0.9	3	5
Furniture, Floor Coverings, Houseware and Textile Goods Retailing	0.9	4	9
Other Administrative Services	0.9	5	4
Preschool Education	0.9	4	12
Construction Material Mining	0.9	4	10
Building Cleaning, Pest Control and Gardening Services	0.8	3	11
Libraries and Archives	0.8	3	10
School Education	0.8	5	15
Radio Broadcasting	0.8	3	8
Cafes, Restaurants and Takeaway Food Services	0.8	4	13
Bakery Product Manufacturing	0.8	4	11
Auxiliary Insurance Services	0.8	3	10

Legal and Accounting Services	0.7	3	14
Building Installation Services	0.7	5	14
Timber and Hardware Goods Wholesaling	0.7	4	8
Financial Asset Investing	0.7	4	6
Hospitals	0.7	3	15
Other Repair and Maintenance	0.7	3	8
Sport and Physical Recreation Activities	0.7	4	15
Meat and Meat Product Manufacturing	0.6	5	10
Other Construction Services	0.6	3	13
Other Transport Support Services	0.5	4	5
Civic, Professional and Other Interest Group Services	0.5	4	15
Public Order and Safety Services	0.5	4	13
Motor Vehicle and Motor Vehicle Parts Wholesaling	0.4	4	13
Dairy Cattle Farming	0.4	3	11
Architectural, Engineering and Technical Services	0.4	5	13
Central Government Administration	0.2	3	15
Motor Vehicle and Motor Vehicle Part Manufacturing	0.2	3	10
Tertiary Education	0.1	4	15
Quadrant D – industries with no current competitive advantage (location quotient of 1 or less), nor any momentum (<3)			
	Location quotient (2020)	Momentum score (5 high, 0 low)*	Rank against other regions (1st to 15th)
Property Operators	1.0	2	9
Other Livestock Farming	1.0	1	12
Fuel Retailing	0.9	0	10
Basic Polymer Manufacturing	0.9	2	5
Veterinary Services	0.9	2	12
Cleaning Compound and Toiletry Preparation Manufacturing	0.9	2	6
Specialised Industrial Machinery and Equipment Wholesaling	0.9	0	12
Building Completion Services	0.8	2	12
Real Estate Services	0.8	2	11
Personal Care Services	0.7	2	14
Motor Vehicle Retailing	0.7	1	14
Newspaper, Periodical, Book and Directory Publishing	0.7	0	8
Sugar and Confectionery Manufacturing	0.7	1	6
Cement, Lime, Plaster and Concrete Product Manufacturing	0.7	2	10
Adult, Community and Other Education	0.7	1	12
Allied Health Services	0.6	1	15
Structural Metal Product Manufacturing	0.6	0	13
Electrical and Electronic Goods Retailing	0.6	0	14
Other Crop Growing	0.6	0	11
Postal and Courier Pick-up and Delivery Services	0.6	2	15
Road Passenger Transport	0.5	2	15
Other Social Assistance Services	0.5	0	15
Clothing, Footwear and Personal Accessories Retailing	0.5	0	13
Creative and Performing Arts Activities	0.5	2	10
Warehousing and Storage Services	0.5	2	8

Furniture Manufacturing	0.5	2	13
Clothing and Footwear Manufacturing	0.5	1	6
Polymer Product Manufacturing	0.5	2	8
Building Structure Services	0.5	1	14
Auxiliary Finance and Investment Services	0.5	2	6
Other Wood Product Manufacturing	0.5	2	15
Regulatory Services	0.4	1	13
Other Machinery and Equipment Manufacturing	0.4	2	15
Grocery, Liquor and Tobacco Product Wholesaling	0.4	0	14
Amusement and Other Recreation Activities	0.4	2	11
Electricity Transmission	0.4	1	5
Non-Financial Intangible Assets (Except Copyrights) Leasing	0.4	2	9
Depository Financial Intermediation	0.4	1	14
Motion Picture and Video Activities	0.4	0	15
Waste Treatment, Disposal and Remediation Services	0.3	2	15
Justice	0.3	2	13
Child Care Services	0.3	1	14
Nursery and Floriculture Production	0.3	0	13
Other Machinery and Equipment Wholesaling	0.3	2	12
Furniture, Floor Coverings and Other Goods Wholesaling	0.3	2	13
Internet Service Providers and Web Search Portals	0.3	2	12
Air Transport Support Services	0.3	0	11
Other Personal Services	0.3	0	15
Religious Services	0.3	2	14
Air and Space Transport	0.3	0	8
Educational Support Services	0.2	0	14
Management and Related Consulting Services	0.2	2	14
Poultry Farming	0.2	2	13
Mineral, Metal and Chemical Wholesaling	0.2	0	15
Professional and Scientific Equipment Manufacturing	0.2	2	8
Printing	0.2	0	15
Scientific Research Services	0.2	0	10
Fertiliser and Pesticide Manufacturing	0.2	0	13
Specialised Machinery and Equipment Manufacturing	0.2	2	15
Textile Product Manufacturing	0.2	0	15
Health and General Insurance	0.1	1	12
Water Supply, Sewerage and Drainage Services	0.1	2	14
Horse and Dog Racing Activities	0.1	1	12
Pathology and Diagnostic Imaging Services	0.1	0	14
Computer System Design and Related Services	0.1	1	14
Commission-Based Wholesaling	0.1	0	14
Dairy Product Manufacturing	0.0	1	15
Oil and Fat Manufacturing	0.0	0	15
Ceramic Product Manufacturing	0.0	0	15
Pharmaceutical and Medicinal Product Manufacturing	0.0	0	15
Non-Store Retailing	0.0	0	15
Textile, Clothing and Footwear Wholesaling	0.0	0	15
Computer and Electronic Equipment Manufacturing	0.0	0	15
Glass and Glass Product Manufacturing	0.0	0	15
Metal Ore Mining	0.0	0	15
Pharmaceutical and Toiletry Goods Wholesaling	0.0	0	15

Electrical Equipment Manufacturing	0.0	0	15
Sound Recording and Music Publishing	0.0	0	15
Farm Animal and Bloodstock Leasing	0.0	0	15
Software Publishing	0.0	0	15
Petroleum Refining and Petroleum and Coal Product Manufacturing	0.0	0	15
Other Basic Chemical Product Manufacturing	0.0	0	15
Pump, Compressor, Heating and Ventilation Equipment Manufacturing	0.0	0	15
Gas Supply	0.0	0	15
Other Sheet Metal Product Manufacturing	0.0	0	15
Non-Depository Financing	0.0	0	15
Advertising Services	0.0	0	15
Basic Ferrous Metal Manufacturing	0.0	0	15
Telecommunications Services	0.0	0	15
Electricity Generation	0.0	0	15
Television Broadcasting	0.0	0	15
Hunting and Trapping	0.0	0	14
Coal Mining	0.0	0	14
Oil and Gas Extraction	0.0	0	14
Exploration	0.0	0	14
Other Mining Support Services	0.0	0	14
Grain Mill and Cereal Product Manufacturing	0.0	0	14
Cigarette and Tobacco Product Manufacturing	0.0	0	14
Textile Fibre, Yarn and Woven Fabric Manufacturing	0.0	0	14
Leather Tanning and Fur Dressing	0.0	0	14
Knitted Product Manufacturing	0.0	0	14
Pulp, Paper and Paperboard Manufacturing	0.0	0	14
Converted Paper Product Manufacturing	0.0	0	14
Reproduction of Recorded Media	0.0	0	14
Chemical Manufacturing	0.0	0	14
Basic Ferrous Metal Product Manufacturing	0.0	0	14
Basic Non-Ferrous Metal Manufacturing	0.0	0	14
Basic Non-Ferrous Metal Product Manufacturing	0.0	0	14
Iron and Steel Forging	0.0	0	14
Domestic Appliance Manufacturing	0.0	0	14
On Selling Electricity and Electricity Market Operation	0.0	0	14
Rail Passenger Transport	0.0	0	14
Pipeline and Other Transport	0.0	0	14
Data Processing, Web Hosting and Electronic Information Storage Services	0.0	0	14
Other Information Services	0.0	0	14
Central Banking	0.0	0	14
Life Insurance	0.0	0	14
Superannuation Funds	0.0	0	14
Market Research and Statistical Services	0.0	0	14
Gambling Activities	0.0	0	14

* Momentum score considers 5 criteria (has location quotient risen over 2 & 10 years, have jobs grown over 2 & 10 years, does industry have >0.5% of all jobs). A score of 3+ is above average.