



Created by KPB

Economic Development in Rana

An Analysis of the Business Community in
Rana Municipality and Mo Industrial Park



Photo: Mo Industripark



Funded by:





About KPB

KBP is an innovation and analysis company that offers a wide range of services to both public and private clients.

We assist our clients in gathering, structuring, and transforming data, followed by analysis and visualization. Our objective is to turn data into actionable knowledge, thereby creating value.

With 20 years of experience in data-driven insights, we stand among the leading companies in Norway in terms of economic monitoring, market analysis, ripple effect studies, and thematic analyses. Our clients are spread across Norway and include prominent names such as Equinor, Norges Bank, and Sparebank 1 Nord-Norge.

Additionally, KPB boasts a robust development environment that facilitates growth for existing businesses and startups. We extend our gratitude to Rana Utvikling for the opportunity to collaborate on this project.



Employment and the labour market

Photo: Mo Industripark



Employment

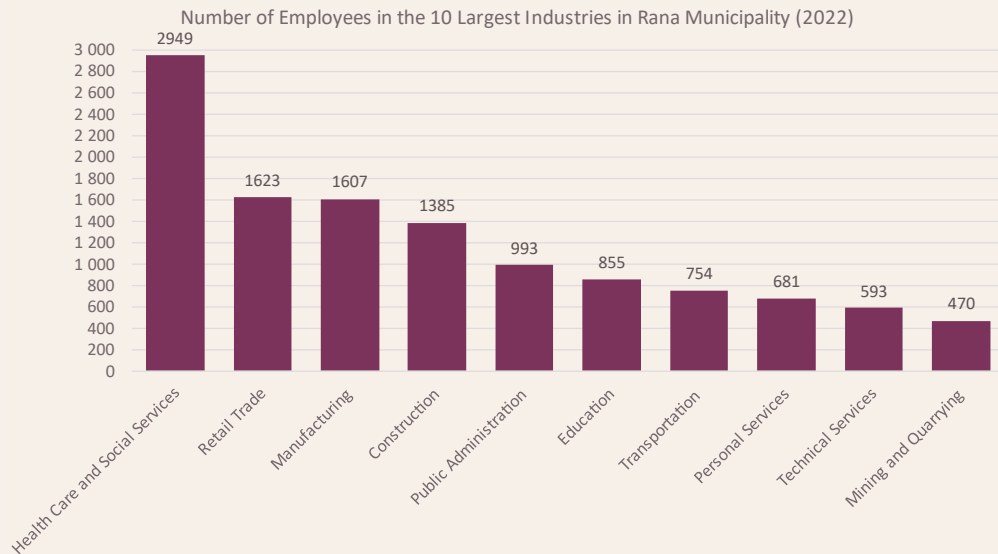
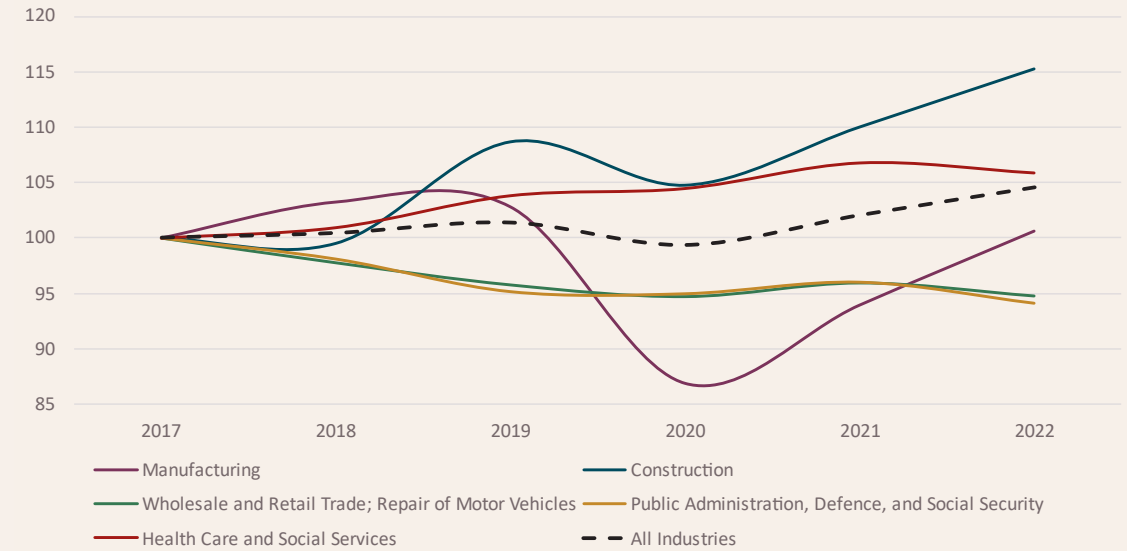
21 percent of the employed population in Rana municipality work in health and social services, similar to the national share and slightly lower than the 24 percent that this group constitutes at the county level.

Among the five largest industries (measured by the number of employed) from 2017 to 2022, there has been employment growth in health and social services, as well as in construction and civil engineering. The latter has experienced the strongest growth, with just over 15 percent throughout the period.

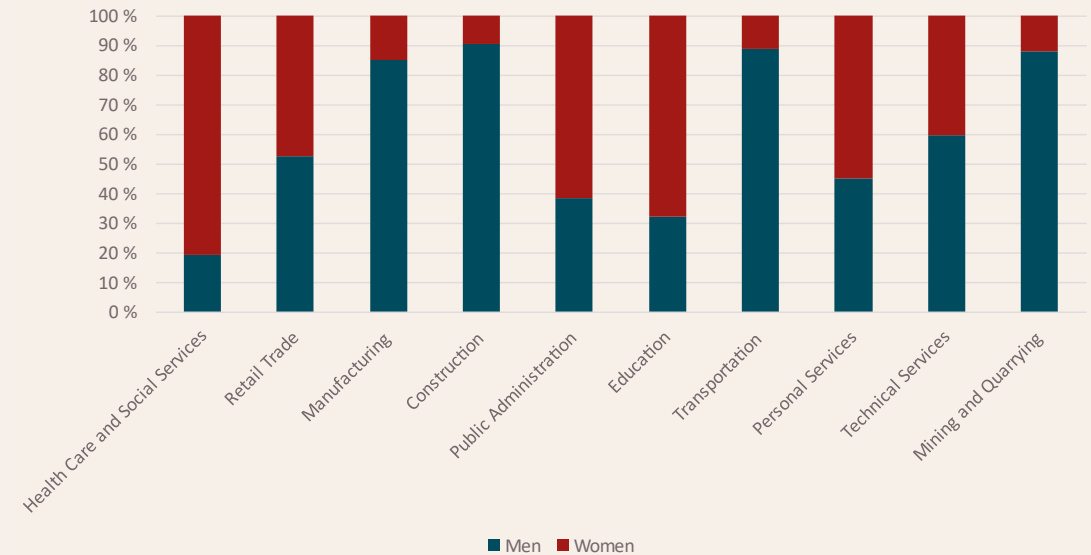
Employment has remained relatively unchanged in the industry sector, while there has been a decline in public administration and the retail trade. The industry in Rana generates significant ripple effects in terms of employment in other sectors through the purchase of goods and services.

Male-dominated industries in Rana include manufacturing, construction and civil engineering, transportation, and mining. In all these sectors, 85-90 percent of the employed are men, constituting a third of Rana's workforce.

Employment Development in the 5 Largest Industries in Rana Municipality (Index, 2017 = 100)



Gender Distribution in the 10 Largest Industries in Rana Municipality (2022)



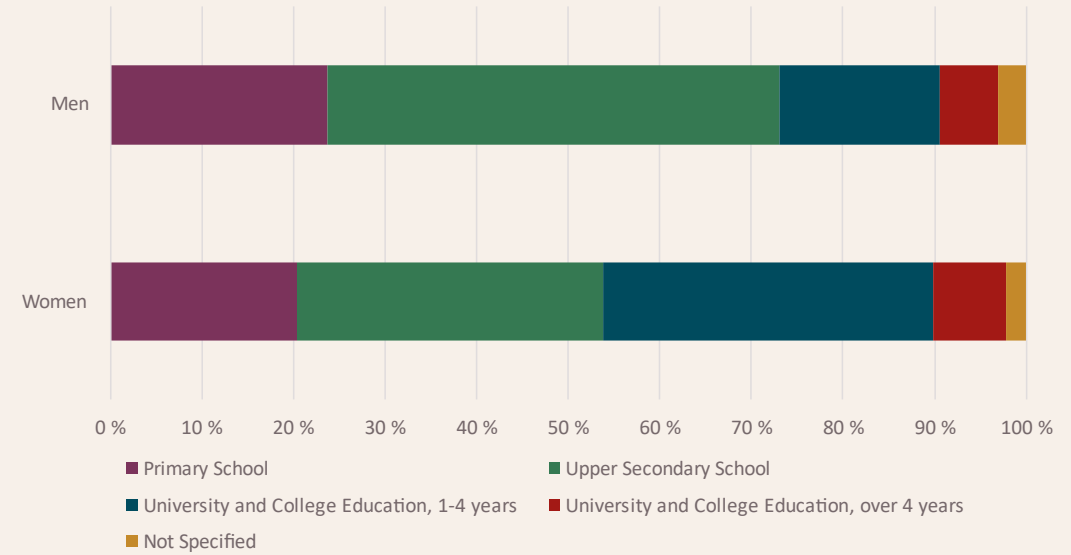


Employment Educational Attainment

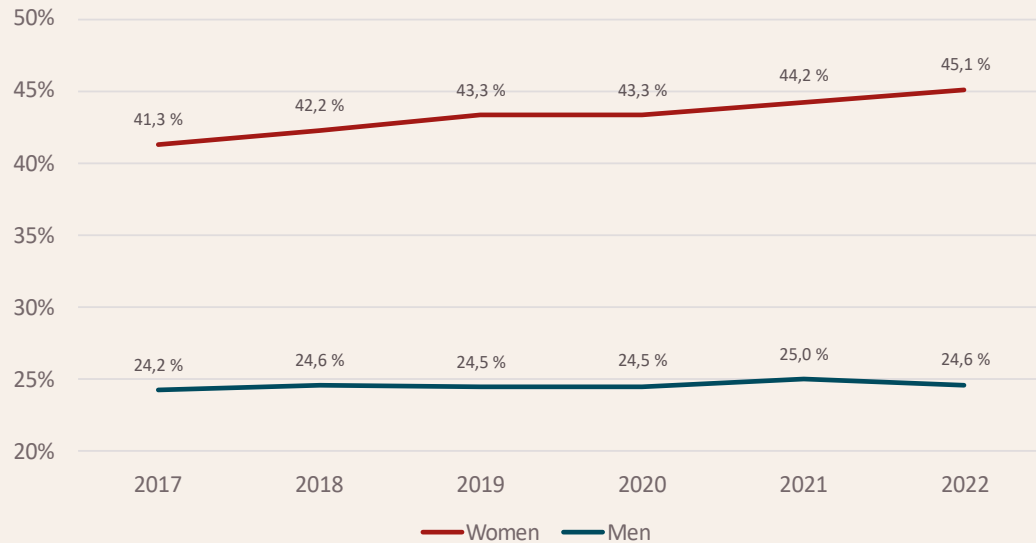
In 2022, 44 per cent of women working in Rana had a higher education, while the corresponding share for men was only 24 per cent.

Part of the explanation for the larger proportion of women with a higher education is that women constitute more than four out of five employees in health and social services. 38 per cent of employed women in Rana work in this industry.

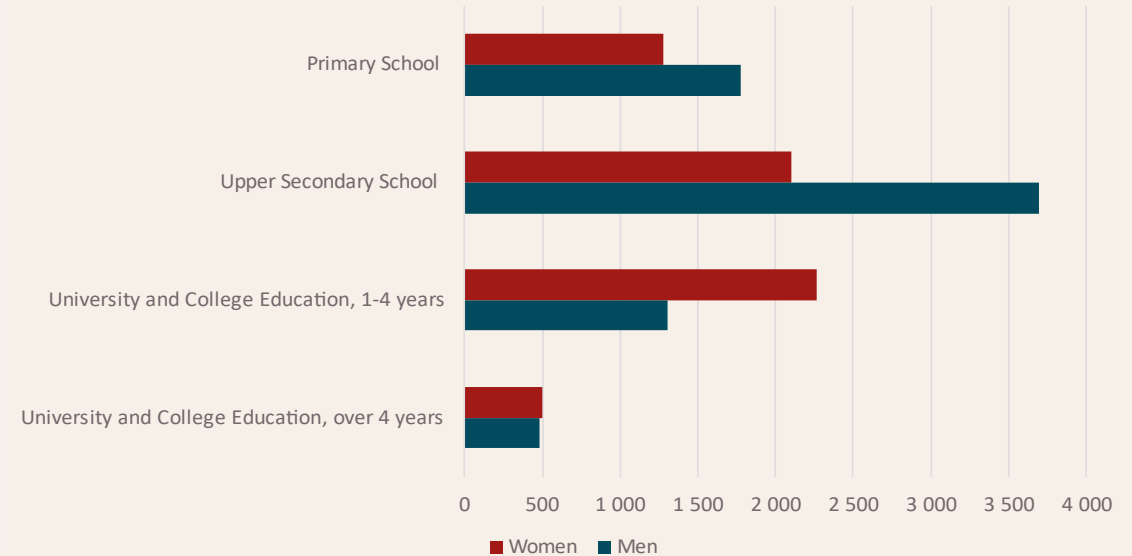
Educational Attainment (2022)



Share of Population with Advanced Degrees by Gender (2022)



Educational Attainment by Gender (2022)

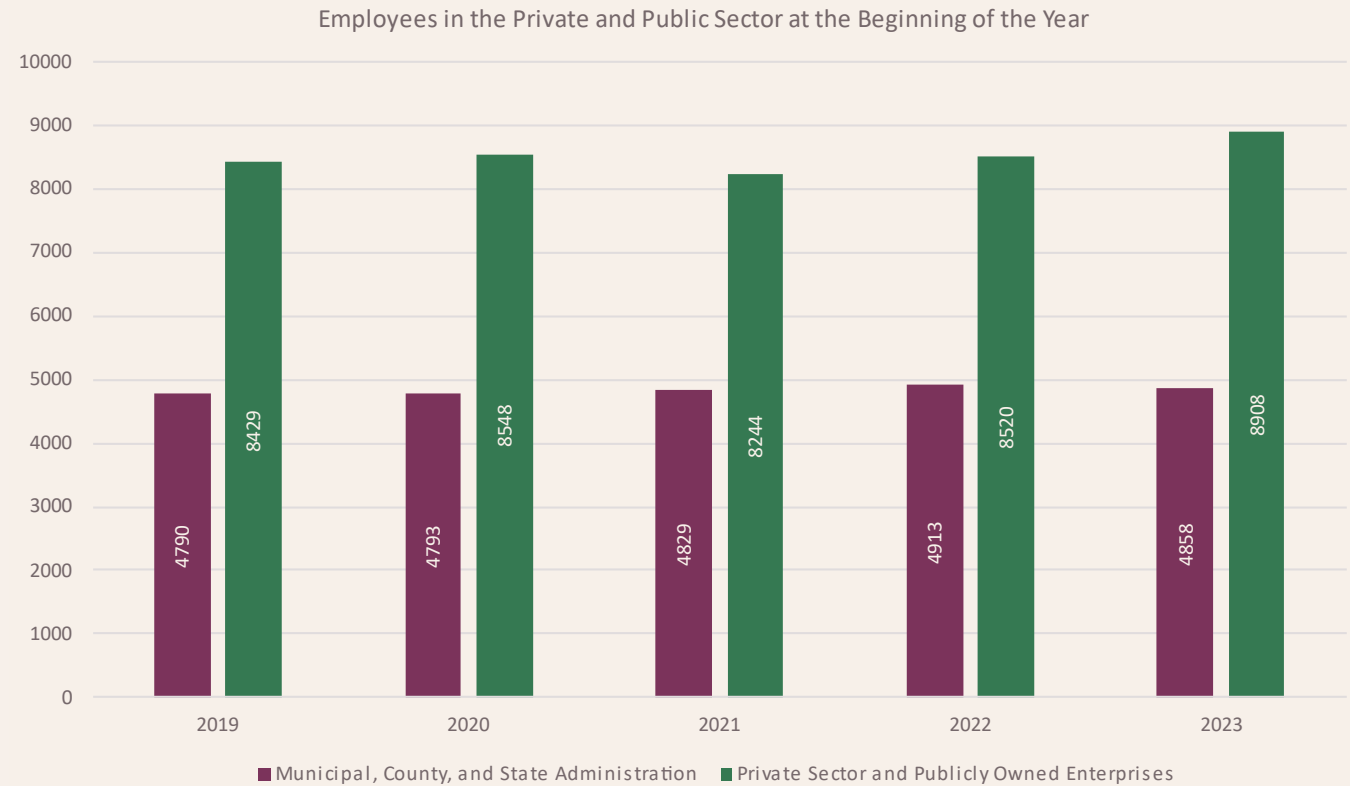




Private and Public Sector Employment

65 percent of the employed individuals with their workplace in Rana municipality were employed in the private sector at the beginning of 2023. This percentage has seen a slight increase in recent years, reaching 63.8 percent in 2019. A significant portion of employment growth occurred in the private sector, with an increase of 479 employees from 2019 to 2023.

Within the public sector, employment growth was most pronounced in State Administration, with an increase of 82 employees during the period. Employment in municipal administration increased by 8, while it declined by 22 in county administration.





The Share of Employment in Municipal, County, and State Administration

Out of all employed individuals in Rana, 35 percent worked in the public sector in 2022. This percentage has slightly decreased in recent years. The share in Rana is lower than both Nordland and Helgeland as a whole.

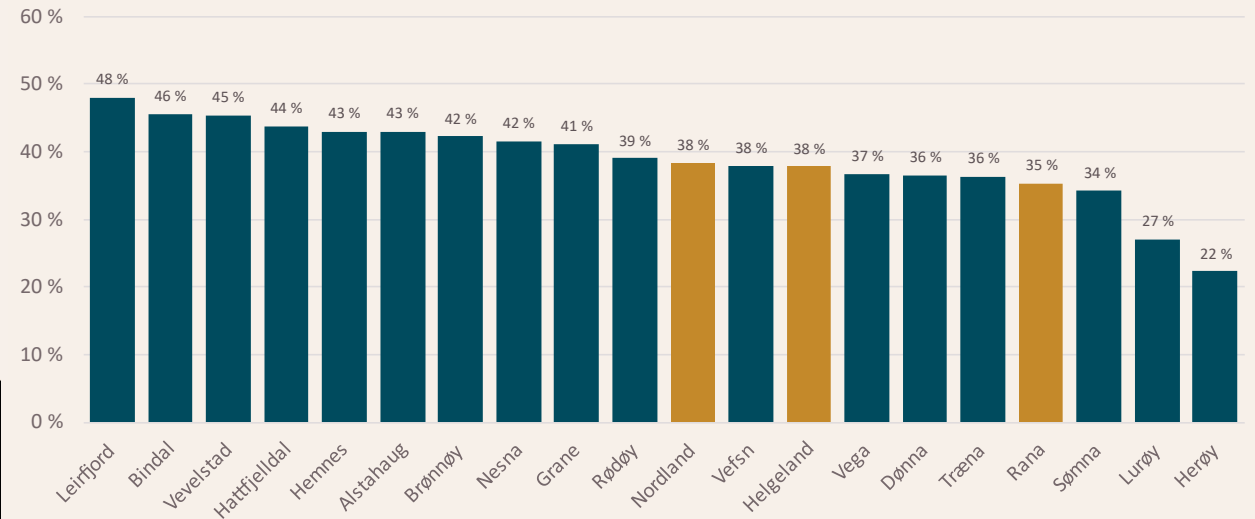
State administration encompasses state and social security administration, including health enterprises. Municipal and county administration includes municipal and county administration, consisting of non-business-oriented activities such as roads, schools, culture, etc.

Employed individuals not part of municipal, county, or state administration work in private business enterprises or publicly controlled enterprises. The private sector includes entities not involved in state or municipal administration, i.e., private business enterprises excluding publicly controlled enterprises.

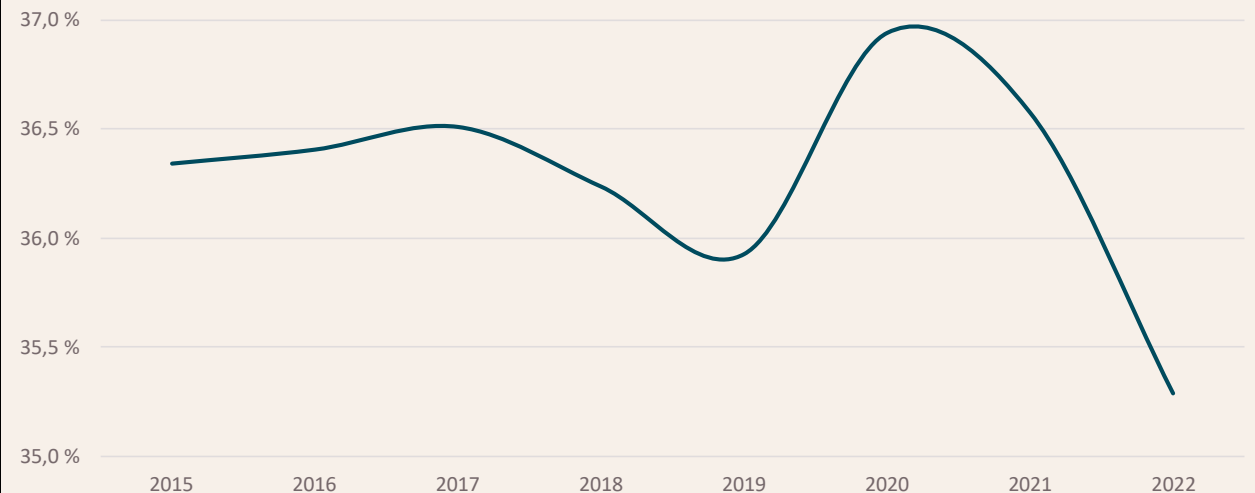
Publicly controlled enterprises include entities not involved in state or municipal administration but are publicly controlled enterprises. This includes state business operations and enterprises where the public controls more than 50 percent of the share capital.

Number of Employees in Municipal, County, and State Administration (2022)	
Nordland	45 349
Helgeland	14 255
Rana	4 858
Vefsn	2 652
Alstahaug	1 677
Brønnøy	1 623
Hemnes	658
Nesna	328
Leirfjord	298
Lurøy	282
Sømna	279
Hattfjelldal	251
Grane	220
Bindal	215
Dønna	208
Herøy	198
Rødøy	198
Vega	164
Træna	78
Vevelstad	68

Share of Employment in Municipal, County, and State Administration(2022)



Development in the Share of Employment in Municipal, County, and State Administration in Rana Municipality





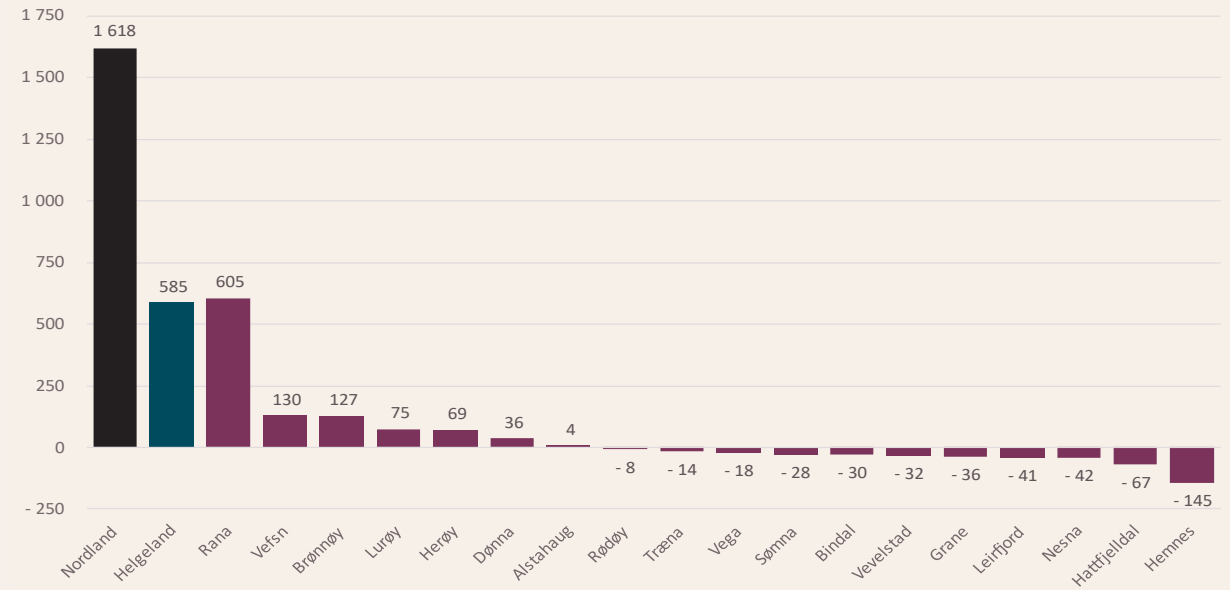
Job Creation (2018-2022)

Over the past five years, there has been an increase of 605 employed individuals with their workplace in Rana municipality. This corresponds to an employment growth of nearly 5 percent. The rest of the municipalities in Helgeland collectively experienced a negative net job creation of -20 employed individuals over the same period.

Looking specifically at the last year, job growth has been most significant in the industry sector (+109), followed by mining and extraction (+84), and construction and civil engineering (+62). The decline in 2022 was most pronounced in health/social services and the retail trade (-24).

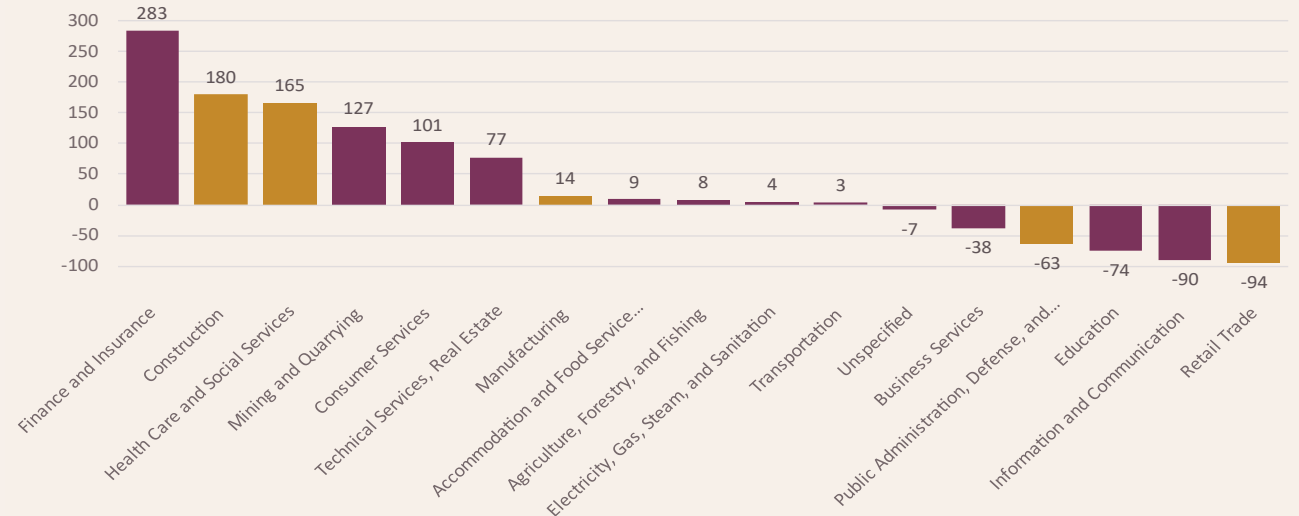
Evry Card Services was reclassified from 'Industry' to 'Finance and Insurance' in the statistics from 2019 to 2020, hence the high figure for the latter sector. In the period from 2019 to 2020 alone, there has been a recorded employment growth of 274 in 'Finance and Insurance,' and a corresponding decline of -254 in 'Industry.'"

Net Job Creation in Helgeland (2018-2022)



Net Job Creation in Rana Municipality in the Period 2018-2022

(Yellow: The 5 Industries with the Most Employees)





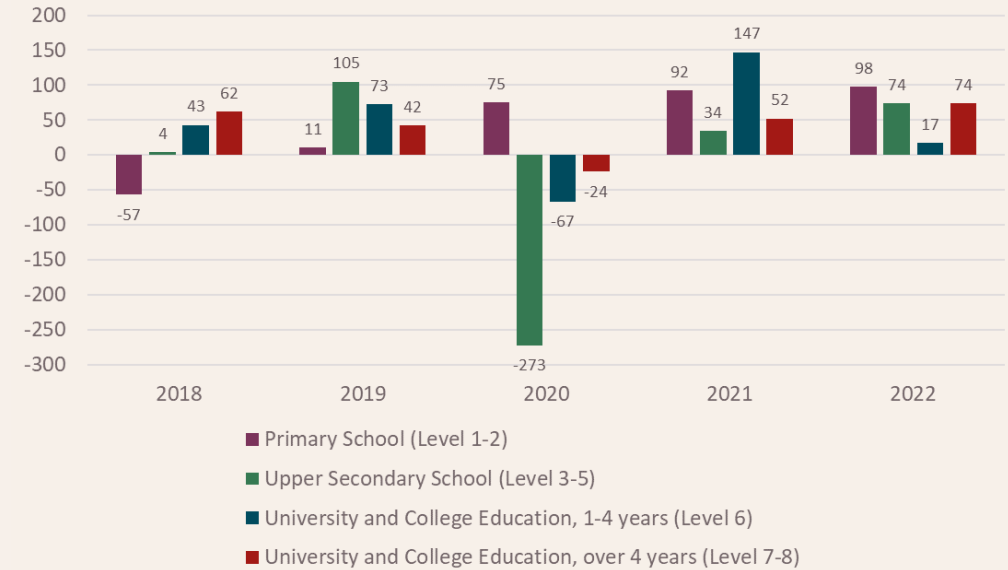
Job Creation by Education Level and Gender

Over the last 5 years, there has been a creation of 419 more jobs for individuals with higher education. The growth is distributed with 276 more jobs for women and 143 more employed men with higher education.

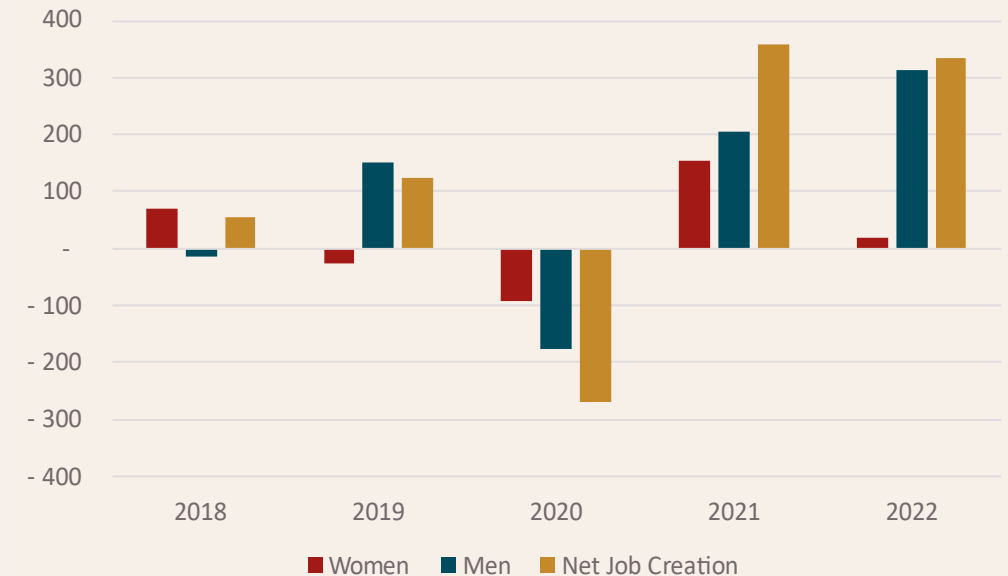
Simultaneously, there was a net increase of 163 jobs for those with primary and secondary education as their highest qualification. There was a decrease among women by -173, but an increase among men by 336.

Throughout the period, employment among women has increased by 123, regardless of education level. At the same time, employed men have increased by 476. (Including employment growth with unspecified education level; 20 for women and -3 for men).

Job Creation by Educational Attainment in Rana Municipality (2018-2022)



Job Creation by Gender in Rana Municipality





Commuting To and From Rana

There is significant commuting activity associated with Hemnes, Vefsn, Bodø, and Trondheim when summing up commuting in both directions. Commuting is most common to Oslo (89), Trondheim (64), Bodø (62), and Tromsø (43). Additionally, there are individuals residing in Rana who work offshore (21).

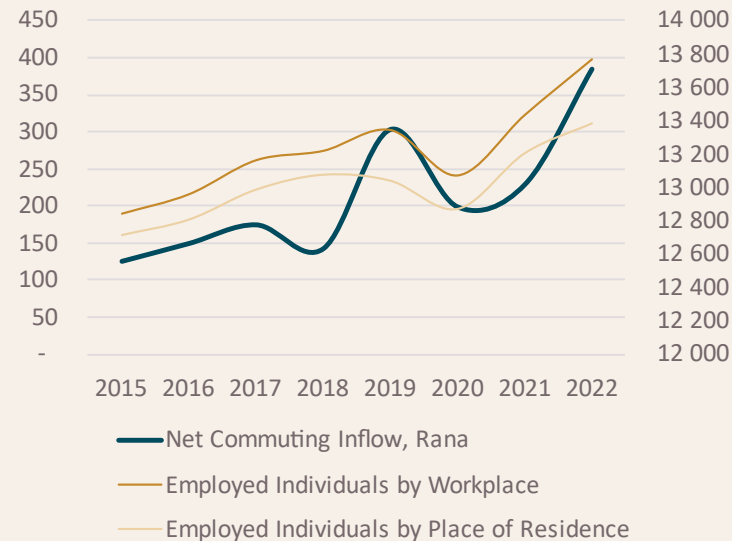
The net inbound commuting to Rana in 2022 is primarily from Hemnes (451). There is also some net inbound commuting from Vefsn (38), Brønnøy (37), Nesna (25), Hadsel, Fauske, Leirfjord (15), and Rødøy (14). Hemnes is closely integrated with Rana as a labour market, as reflected in the commuting figures.

The highest outbound commuting from Rana is for jobs in primary industries (58) and accommodation and food service activities (19). Those commuting into the municipality work in the industry (153), retail trade (54), construction and civil engineering (54), and private services (25).

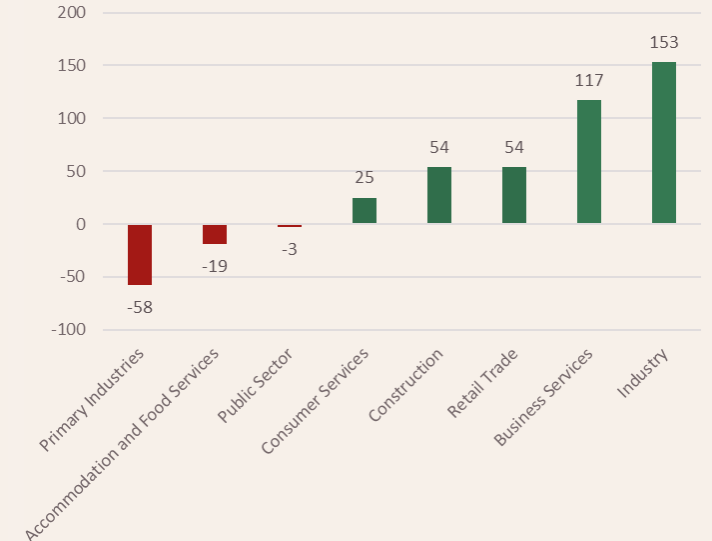
Net Commuting Inflow, Rana (2022)



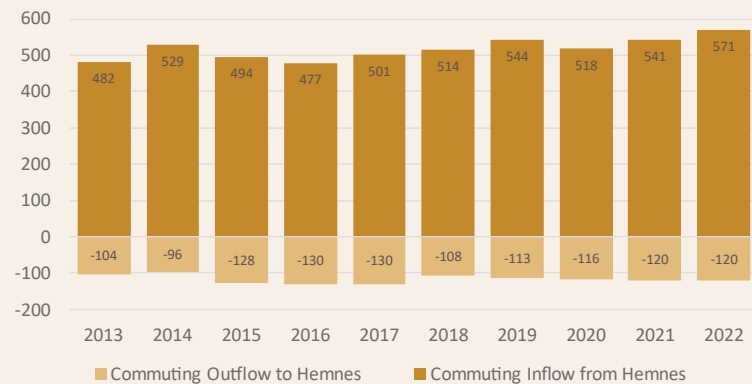
Commuting Trends for Rana



Commuting by Business Sector, Rana (2022)



Commuting Between Rana and Hemnes

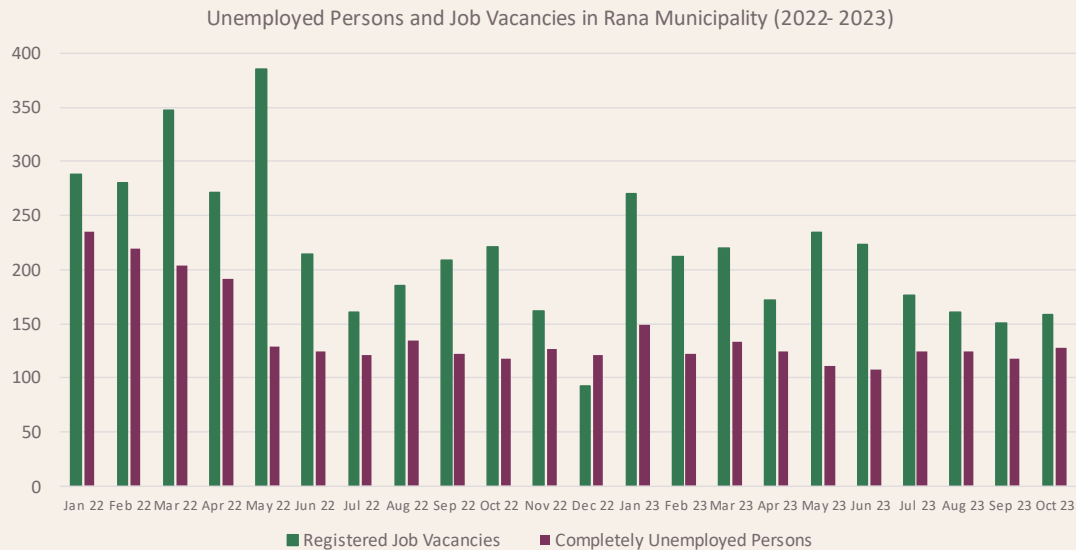




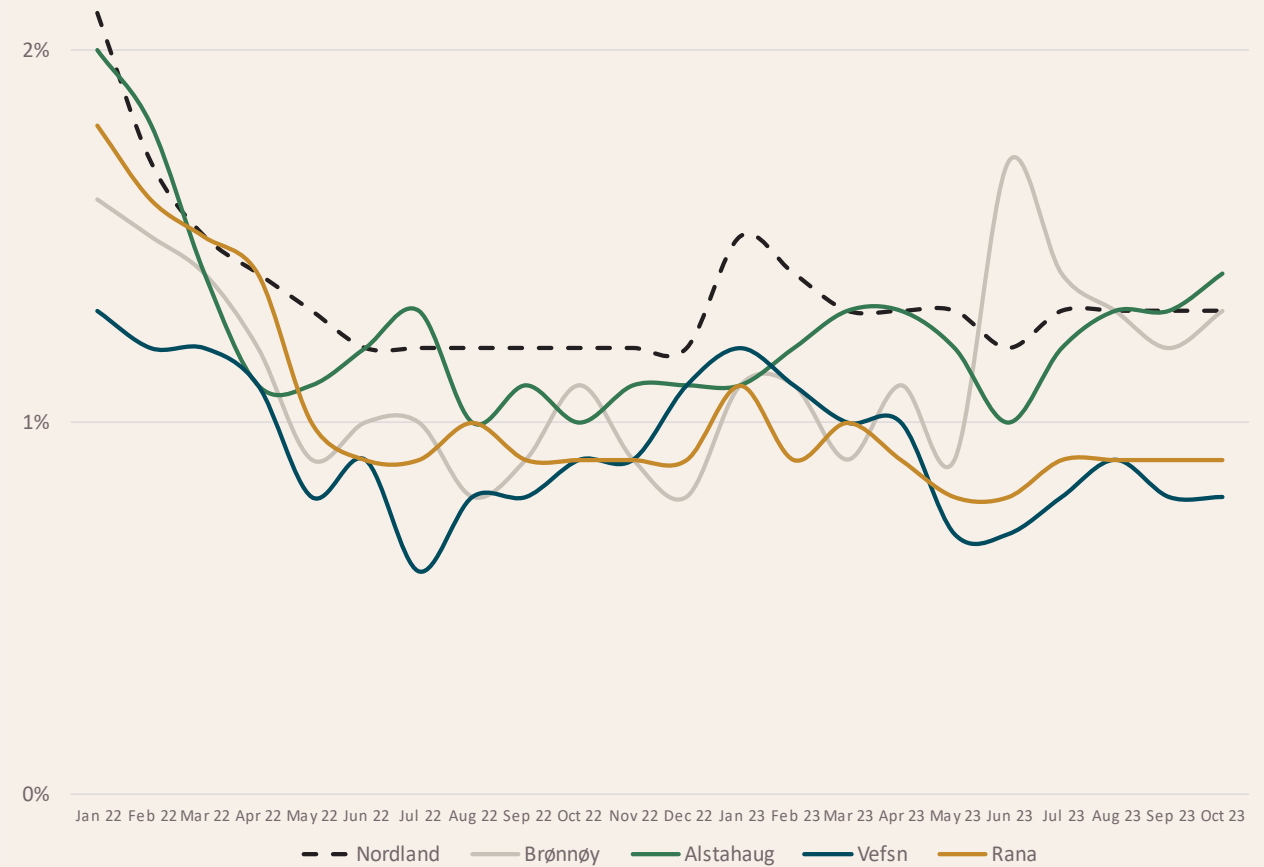
Unemployment

In Rana municipality, the year 2022 concluded with a halving of the unemployment rate, decreasing from 1.8 percent to 0.9 percent. This trend has mirrored the overall development in the county. Unemployment has remained between 0.8-1.1 percent throughout 2023. In October 2023, the unemployment rate in Rana is 0.9 percent, compared to 1.3 percent in Nordland.

While natural seasonal fluctuations occur, unemployment is historically low. This will contribute to ongoing pressure in the job market. The availability of job vacancies has consistently been higher than the unemployment rate for the past two years, except for December of last year.



Completely Unemployed Persons, Percentage of the Workforce for the Largest Municipalities in Helgeland. Development 2022-2023





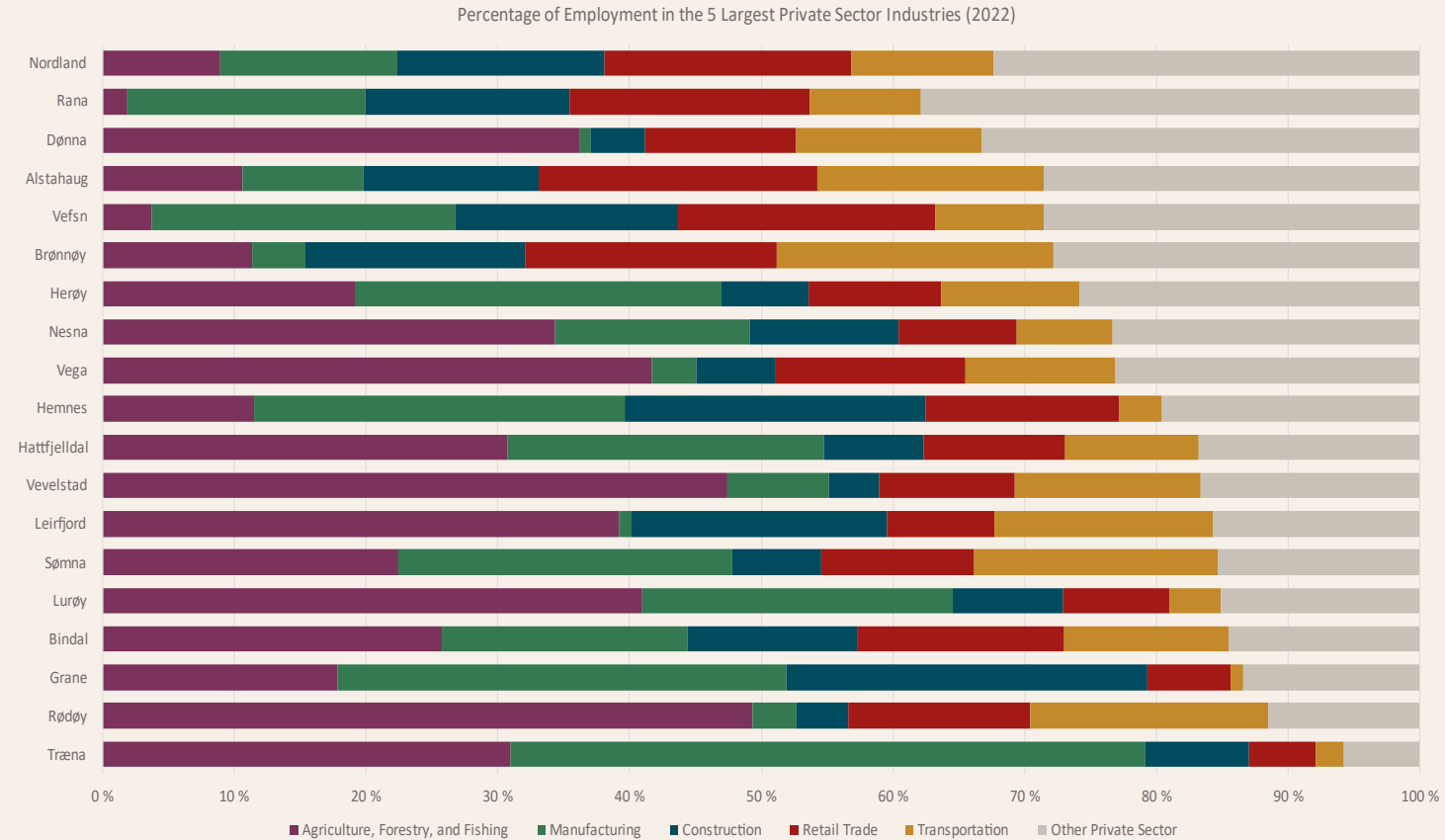
Industrial Structure and Business Establishment/Survival



Industrial Structure

In the private sectors, retail trade, construction, and industry have the highest share of employed individuals in both Nordland and Rana. Compared to many other municipalities in Helgeland, Rana has a larger presence of private and business services, and mining and electricity production employ large numbers of people.

Many of the surrounding municipalities have a significant presence of employment in primary industries, as well as seafood-based food industry.

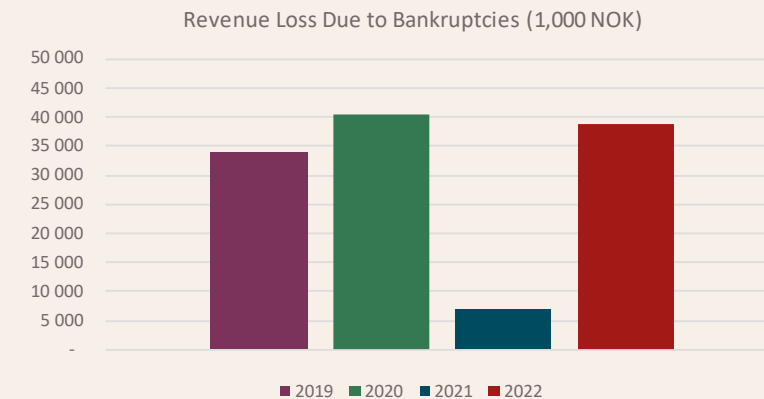
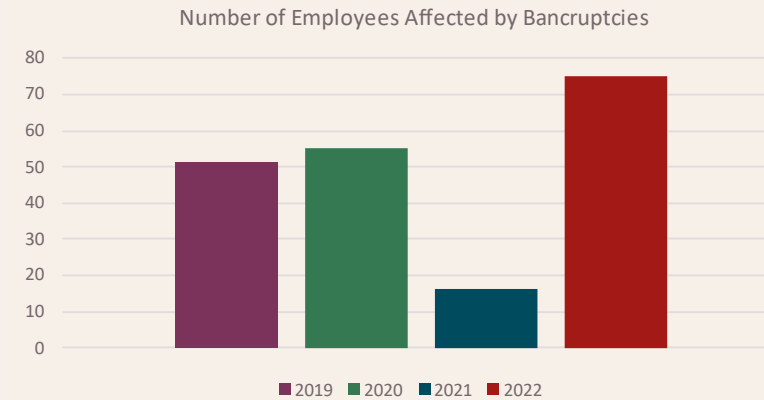
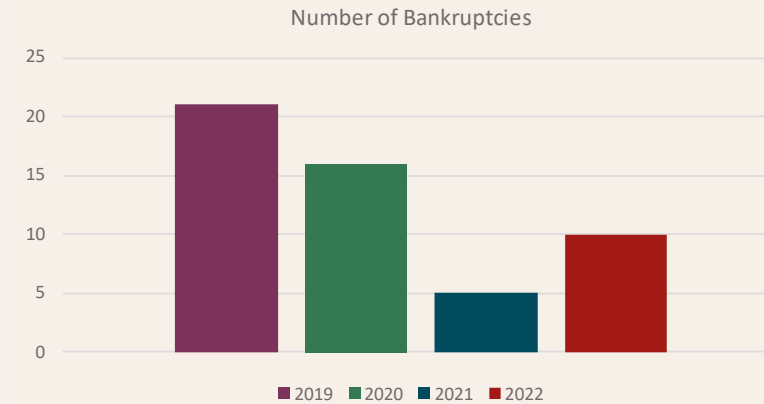




Business Survival and Bankruptcies

In recent years, Rana has been minimally affected by bankruptcies. In 2022, there were 10 bankruptcies, doubling the level from 2021 but still significantly lower than in 2019 and 2020. Seventy-five people lost their jobs in 2022, compared to 16 in 2021. In 2019 and 2020, the levels were 51 and 55, respectively.

The lost revenue due to bankruptcies was close to 40 million kroner in 2022, roughly on par with 2019 and 2020. In 2021, the level was 7 million kroner.





Economic Development

All economic indicators in this section of the presentation are stated in current prices.

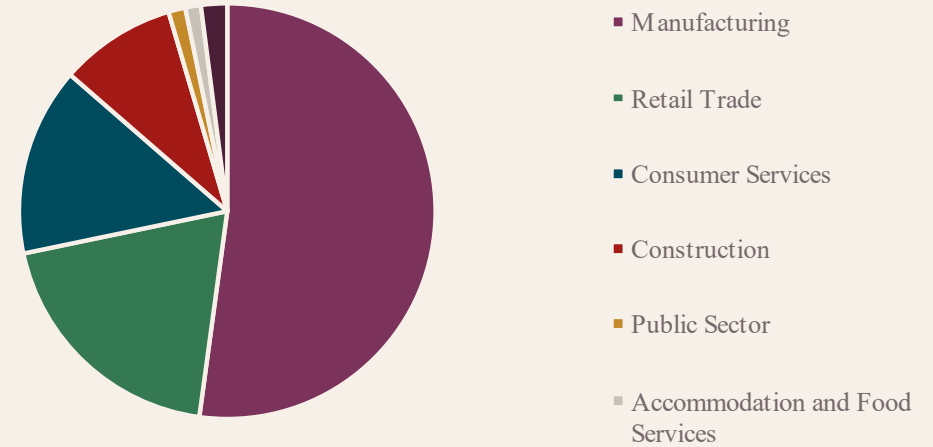


Turnover

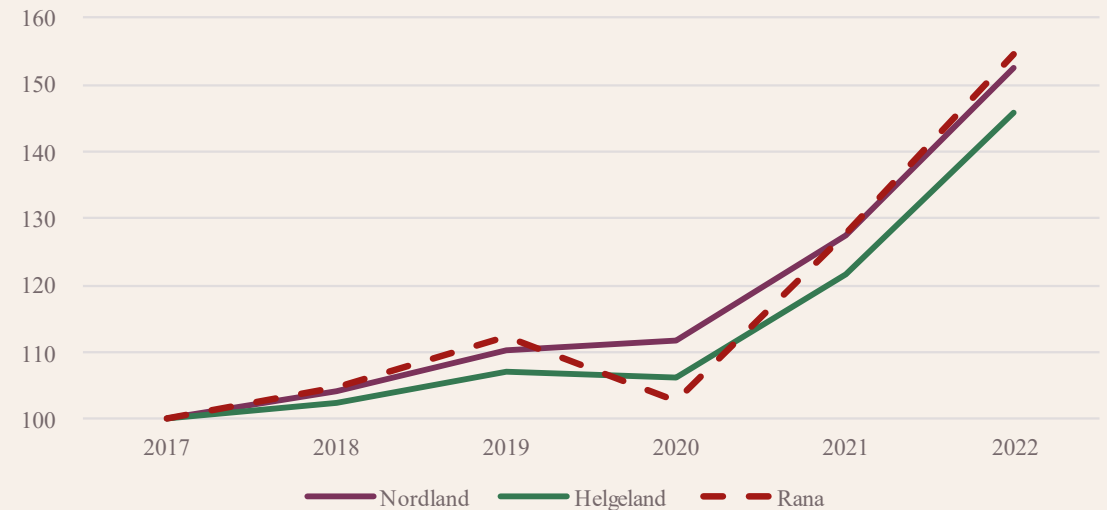
The turnover in Rana was just under 31 billion NOK in 2022, an increase of 20 percent from the previous year. The industry sector accounted for over half of the total turnover (16.1 billion NOK), followed by retail trade (6 billion NOK) and services to businesses (4.5 billion NOK).

Since 2017, Rana's growth has been in line with the growth in Nordland, with slightly over 50 percent growth during the period. Rana experienced a larger decline in 2020 but recovered from it in 2021. The overall growth on Helgeland has been somewhat lower, at 45 percent.

Distribution of Turnover in Rana Municipality(2022)



Indexed Turnover Development by Region (2017=100)

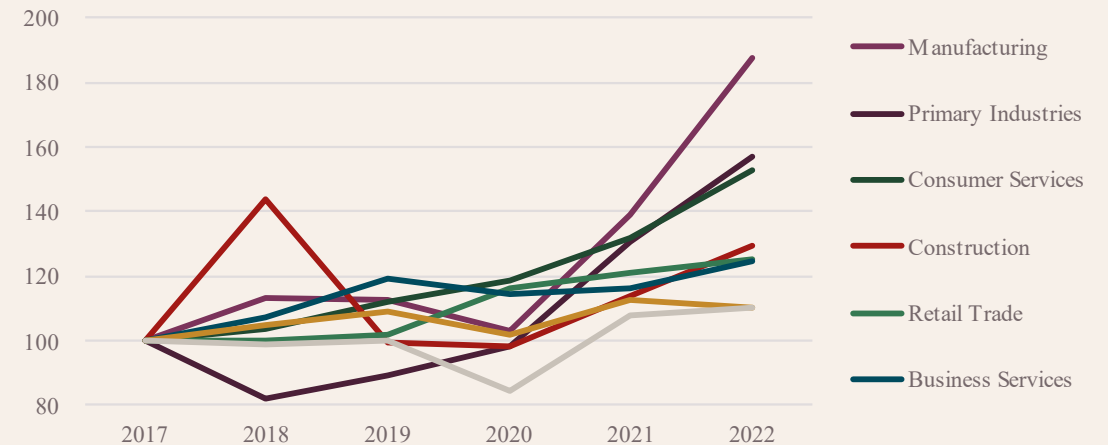




Development of Turnover by Industries

The manufacturing sector has experienced the strongest turnover growth during the period, increasing from 8.6 to 16.1 billion NOK. This corresponds to a percentage growth of 87 percent. The public sector and accommodation and food services had the weakest development, with a growth of 10 percent during the period.

Indexed Turnover Development in Rana Municipality
(2017=100)





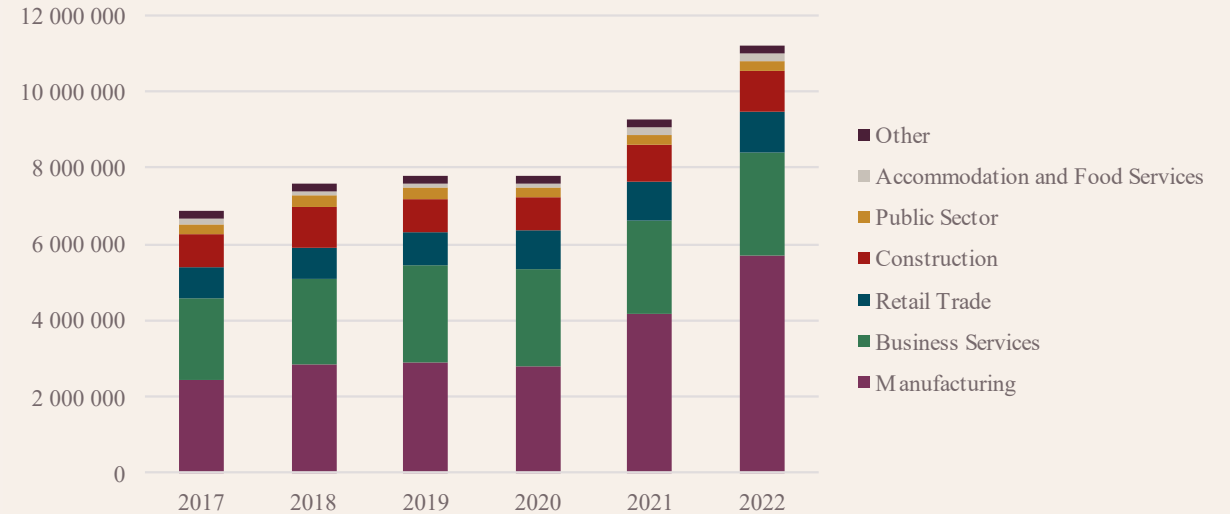
Value Creation and Development

Value creation is measured as operating profit before depreciation (EBITDA) + labour costs. This represents the return on capital and the return on labour.

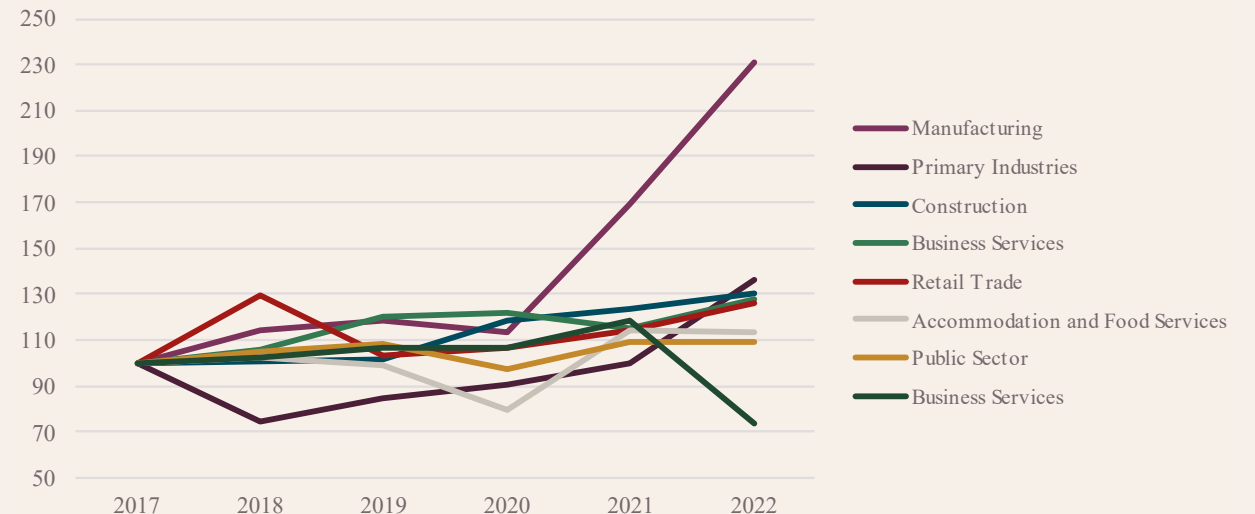
Overall, the value creation in Rana was 11.2 billion NOK in 2022, an increase of 21 percent from 2021. The manufacturing sector accounted for the largest share of value creation while also experiencing the highest growth in the period 2017-2022. In 2022, the value creation was 5.7 billion NOK, compared to 2.5 billion NOK in 2017, representing a growth of 131 percent.

On average, the growth in value creation for all industries was just under 63 percent during the period.

Value Creation in Rana Municipality (1,000 NOK)



Indexed Development of Value Creation (2017=100)





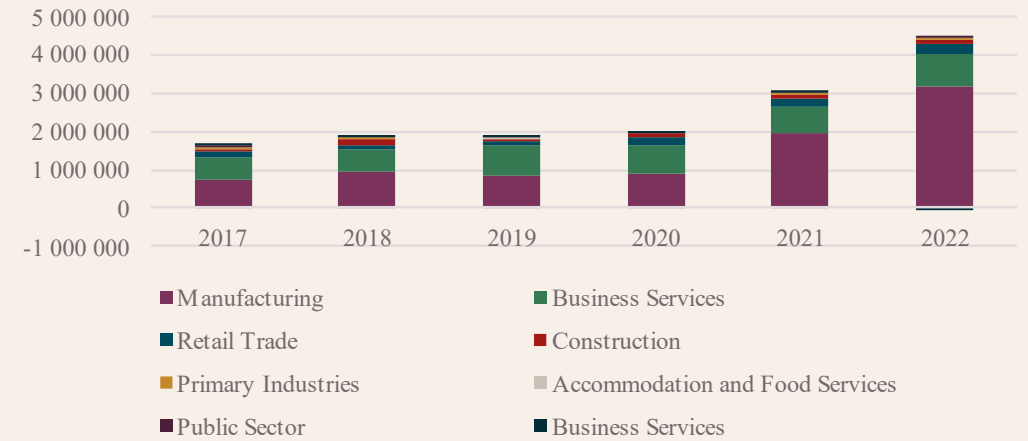
Profitability

The total operating profit in Rana was 4.4 billion NOK in 2022. By comparison, the operating profit was 3.0 billion NOK in 2021 and 1.9 billion NOK in 2020.

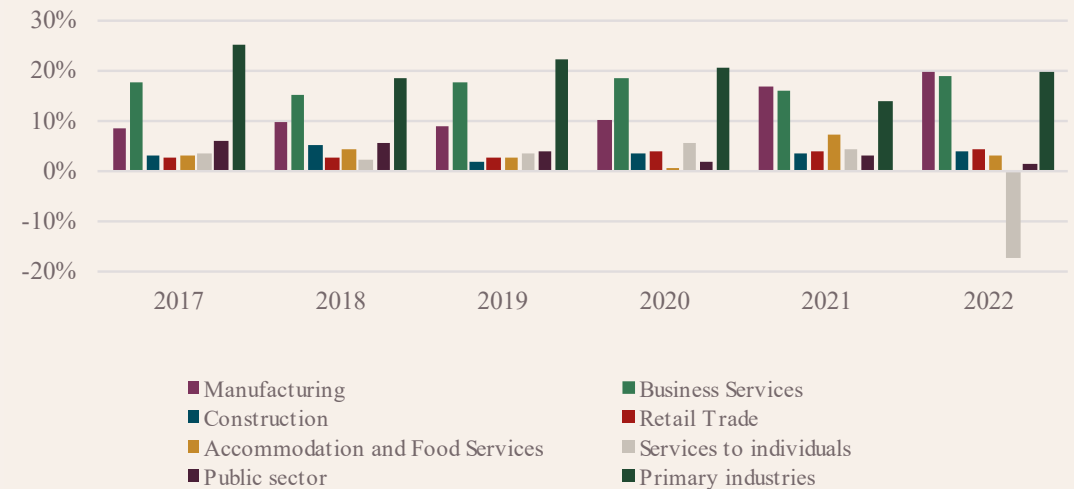
The operating margin was 14.3 percent in 2022, showing a steady increase from 8.0 percent in 2017. Particularly, the strong operating margin within the manufacturing industry and businesses services has contributed to this development.

The significant impact on the operating margin for the sector 'Services to Individuals' in 2022 is due to a negative operating result for Sparebankstiftelsen Helgeland.

Operating Result by Industry in Rana Municipality
(1000 NOK)



Operating Margin by Industry in Rana Municipality



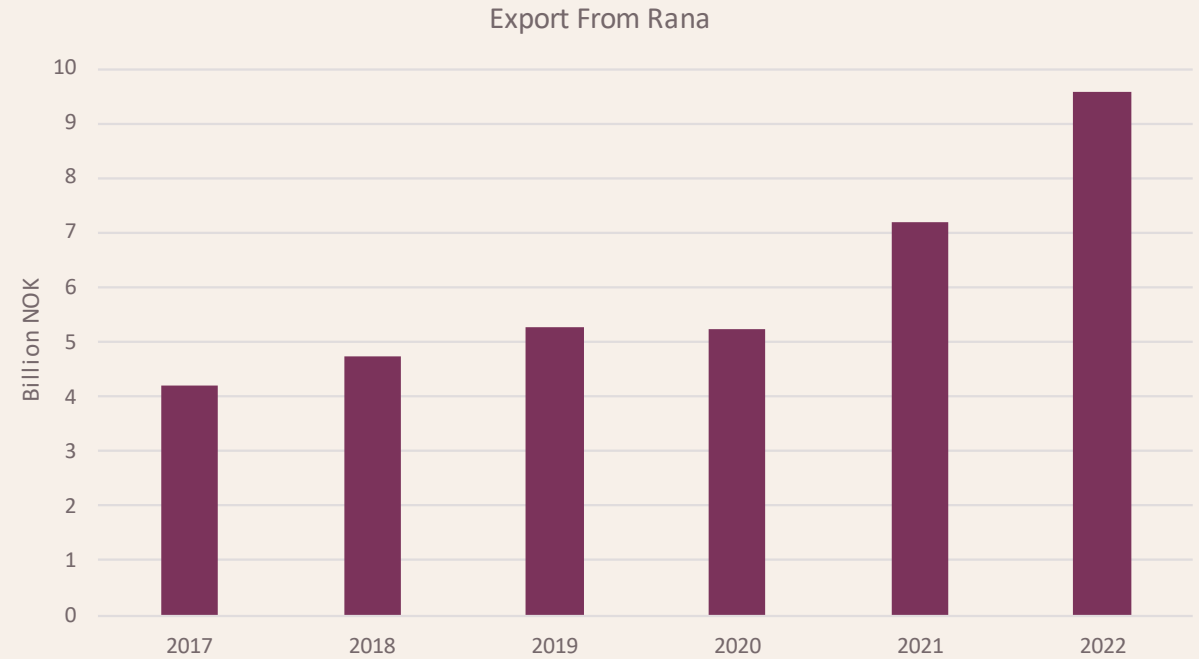


Export

Businesses in Rana exported for 9.6 billion kroner in 2022. Almost all the exports came from companies in Mo Industrial Park.

Rana is the largest municipality in Northern Norway measured by mainland exports. The export has more than doubled in the last 5 years.

Among the largest exporters are Celsa Armeringsstål, Elkem Rana, Rana Gruber, and Ferroglobe Mangan Norway.





Mo Industripark

All economic indicators in this section of the presentation are stated in current prices.

Photo: Mo Industripark



Employment

The companies associated with Mo Industrial Park employed just under 2,900 in 2022. This was an increase of almost 600 employees, or 25 per cent, since 2017.

Employment associated with Mo Industrial Park accounted for 32 per cent of employment in the private sector in Rana municipality, and 21 per cent of total employment in the municipality.



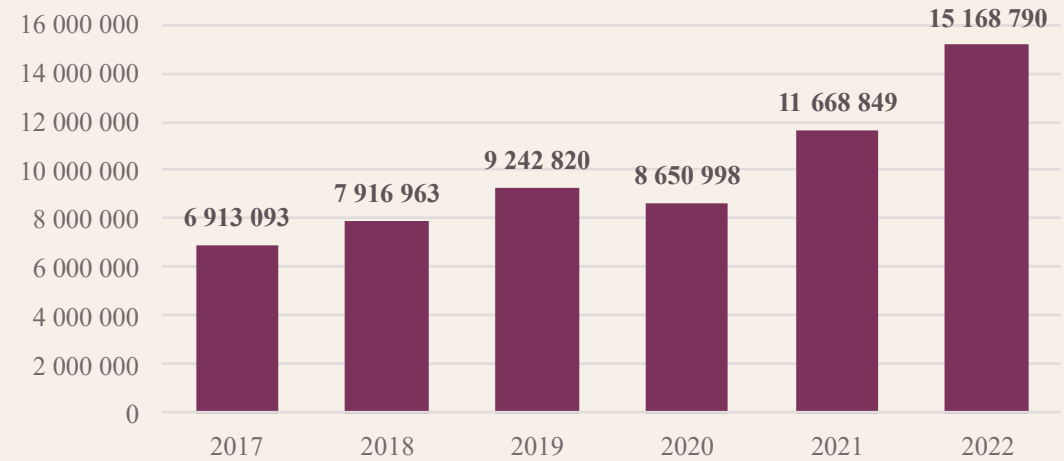


Turnover

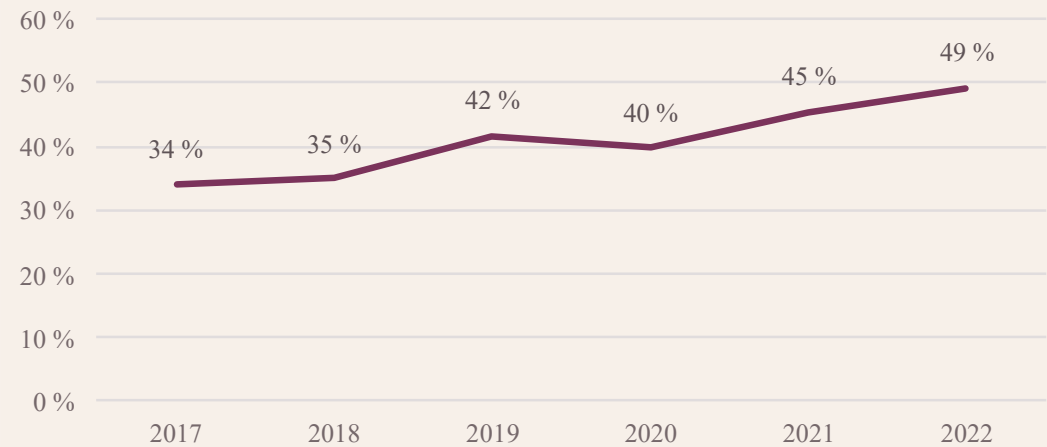
In 2022, the companies associated with Mo Industrial Park had a total turnover of 15.2 billion NOK. This was an increase of 30 per cent from the previous year, and 119 per cent since 2017.

Turnover at Mo Industrial Park accounted for 49 per cent of the total turnover in Rana municipality. This proportion has increased steadily since 2017.

Revenue Development at Companies Associated with Mo Industrial Park (1,000 NOK)



Revenue at Mo Industrial Park as a Percentage of Total Revenue in Rana Municipality





Value Creation

Value creation is measured as operating profit before depreciation (EBITDA) + labour costs. This represents the return on capital and the return on labour.

The value creation at Mo Industrial Park was 5.4 billion NOK in 2022. Like the turnover, this accounted for approximately 50 percent of the value creation in Rana municipality.

From 2021 to 2022, the value creation increased by just over 1.2 billion NOK, or 27 percent, while the growth from 2017 to 2022 was 137 percent.

Development in Value Creation at Mo Industrial Park





Export

The companies in Mo Industrial Park, including Rana Gruber, exported 9.4 billion NOK in 2022.

Exports have more than doubled in the last 5 years.

Among the largest exporters are Celsa Armeringsstål, Elkem Rana, Rana Gruber and Ferrogløbe Manganese Norway.





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