Gross Domestic Product: December 2015 quarter – overview

GDP was up 0.9 percent in the December 2015 quarter

Activity in the **primary** industries (about 10 percent of GDP) fell 1.4 percent

Agricultural activity fell 1.7 percent, mainly due to lower sheep and beef production. This fall follows a 1.8 percent decrease in the September 2015 quarter. Despite the falls over the past two quarters, agriculture production is still up 3.7 percent for the year.

Mining activity fell 0.6 percent. Decreases in coal mining and mining support services were partly offset by an increase in oil and gas extraction.

Activity in the **goods-producing** industries (about 20 percent of GDP) rose 0.3 percent.

Construction activity increased 2.5 percent. Residential and non-residential were up, which reflected in an increase in construction services. Heavy and civil engineering construction (such as roading and infrastructure) also increased.

Manufacturing activity fell 0.4 percent. Overall, three of the nine manufacturing industries fell. Large decreases occurred in food, beverage, and tobacco manufacturing activity (down 4.1 percent), due to beverage and tobacco, and also fruit, oil, cereal, and other food manufacturing.

Activity in the **service** industries (about 70 percent of GDP(1)) rose 0.8 percent.

Business services increased 1.5 percent. Overall, six of the eight business service industries were up. Advertising, market research, and management services; and scientific, architectural, and engineering services were the main drivers of the increase.

Retail trade and accommodation activity increased 1.7 percent, with nine of the 11 industries recording increases. The increase was largely due to accommodation; furniture, electrical and hardware retailing; food and beverage services; and department stores.

1. Includes unallocated taxes on production (eg import duties and GST).

GDE was up 1.1 percent in the December 2015 quarter

Spending by households (about 60 percent of GDE) was up 1.1 percent.

Household spending on **services** was up 1.0 percent, with higher spending on restaurant and ready-to-eat meals, accommodation, and international air passenger services.

Spending on **durable goods** was up 0.8 percent. The main drivers were increased spending on clothing and audio-visual equipment. The increases were partly offset by decreased spending on used motor vehicles.

Spending on **non-durable goods** was up 1.1 percent. This was largely due to an increase in household spending on petrol, grocery food, and alcohol.

Investment in fixed assets was down 1.1 percent.

Investment in **transport equipment** was down 11.7 percent. This follows a 29.4 percent increase in the September 2015 quarter, when there were large imports of air transport equipment.

Plant, machinery, and equipment investment fell 5.7 percent, after reaching series-high levels in the September 2015 quarter. The biggest contributor to the fall in the December 2015 quarter was a decrease in investment in computers.

Investment in **residential building**, **non-residential building,** and **other construction** (such as roading and infrastructure) were up, 1.6 percent, 3.1 percent, and 1.9 percent, respectively.

Exports of goods and services rose 0.3 percent and **imports of goods and services** rose 0.7 percent.

Exports of services fell 0.9 percent, after increases in the last four quarters. Exports of **travel services** drove the fall this quarter, but was up 23.8 percent in the December 2015 year.

Exports of goods were up 0.6 percent. The main contributors to the growth were exports of **coal, crude petroleum & ores, mineral & gases** (up 19.1 percent) and exports of **other food, beverages, and tobacco** (up 5.8 percent). Exports of **dairy products** fell 0.7 percent.

Imports of services rose 0.7 percent**.**

Imports of goods increased 0.2 percent. The main driver was imports of **intermediate goods**, which rose 3.5 percent. This was offset by a 6.6 percent fall in imports of **capital goods**, which reflected falls in both imports of **transport equipment**, and imports of **machinery and plant**.

Gross domestic product (GDP) is New Zealand's official measure of economic growth. It is published quarterly and expressed in volume terms (with the effects of price changes removed).

The production measure of GDP measures the volume of goods and services produced in the economy, while the expenditure measure shows how these goods and services were used.

Gross domestic product has more information.