Gross Domestic Product: June 2017 quarter - overview

GDP was up 0.8 percent in the June 2017 quarter

Activity in the **service** industries (about 70 percent of GDP) rose 1.0 percent.

Activity in the **goods-producing** industries (about 20 percent of GDP) rose 0.6 percent.

Activity in the **primary** industries (about 10 percent of GDP⁽¹⁾) fell 0.8 percent.

Retail trade and accommodation was up 2.8 percent, largely driven by higher activity in food and beverage services and accommodation.

Transport, postal, and warehousing activity was up
3.5 percent, following a 1.6
percent fall in the March 2017
quarter. Road transport had the
largest positive contribution,
while rail transport remained at
a low level of activity.

Business services was up 1.1 percent. The growth was mainly driven by scientific, architectural, and engineering services, and computer system design and related services.

Arts, recreation, and other services was down 0.5 percent, following a 1.2 percent fall in the March 2017 quarter.

Manufacturing activity was up 1.8 percent. Four of the nine sub-industries had higher activity.

Food, beverage and tobacco product manufacturing was up 5.7 percent – the largest quarterly growth since March 2012. Meat manufacturing and dairy product manufacturing were both up.

Transport equipment, machinery and equipment manufacturing was down 4.2 percent, following a 6.9 percent rise in the previous quarter.

Construction activity fell 1.1 percent, with all construction sub-components decreasing. This is the second quarterly fall following the peak level in the December 2016 quarter.

Forestry and logging rose 8.1 percent – the highest quarterly growth since December 2012. The increase reflected strong forestry products exports.

Agricultural activity fell 1.2 percent, following 3.9 percent growth in the March quarter.
Lower cattle and lamb farming drove the fall. Higher dairy production partly offset the fall.

Mining activity fell 5.2 percent – the third consecutive quarter of fall. Lower oil and gas extraction was partly offset by increases in coal mining, oil exploration, and mining support services.

 Includes unallocated taxes on production (eg. Import duties and GST). **GDE** was up 1.1 percent in the June 2017 quarter

Spending by households

(about 60 percent of GDE) rose 0.9 percent.

Investment in fixed assets fell 0.8 percent.

Exports of goods and services rose 5.2 percent and imports of goods and services rose 0.6 percent.

Household spending on services was up 0.8 percent. Spending on restaurant meals and ready-to-eat meals, and on telecommunication services was higher.

Spending on **durable goods** was up 1.8 percent, with households spending more on audio-visual equipment, clothing, and telecommunication equipment.

Spending on **non-durable goods** was up 0.6 percent, with households spending more on alcohol, electricity, grocery food, and non-alcoholic beverages.

Residential building

investment was down 1.0 percent and **non-residential building** investment was down 2.1 percent.

Investment in **other construction** (such as telecommunications infrastructure and roading) fell 3.0 percent.

Plant, machinery, and equipment investment fell 0.9
percent, following a 12 percent
rise in the March 2017 quarter.

Investment in **intangible fixed assets** fell 1.3 percent, led by lower software investment.

Investment in **transport equipment** was up 9.1
percent, due to higher
investment in ships and road
vehicles.

Exports of goods rose 6.3 percent. Exports of **dairy products** (up 19 percent) made the largest positive contribution.

Other contributors include:

- exports of forestry primary products (up 25 percent)
- exports of other food,
 beverages, and tobacco
 (up 5.6 percent)
- exports of coal, crude petroleum & ores, gases (up 25 percent).

Exports of services were up 5.4 percent, driven by higher tourist spending.

Imports of goods were up 2.2 percent.

Imports of services were down 1.9 percent, due to New Zealanders spending less when travelling overseas.

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 change 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.