

## Economy grows 0.8 percent

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Gross domestic product (GDP) rose 0.8 percent in the June 2017 quarter, following a revised 0.6 percent rise in the March quarter, Stats NZ said today.

“Strong export and domestic demand underpinned growth this quarter,” national accounts senior manager Gary Dunnet said. “Demand for exports has resulted in strong production growth in manufacturing and service industries.”

Exports rose 5.2 percent, with exports of goods posting its biggest quarterly increase in nearly 20 years. This was driven by exports of dairy and forestry products. Robust demand for dairy exports was reflected in increased dairy production and dairy product manufacturing, while dairy inventories ran down from their build-ups in recent quarters.

“Eleven of 16 industries increased in the latest quarter, with retail trade and accommodation having the biggest rise,” Mr Dunnet said.

Construction eased again this quarter, falling from its recent peak in December 2016. Construction activity fell 1.1 percent, following the 2.1 percent fall in the March quarter. The latest fall reflected lower construction-related investment, including investment in non-residential and residential buildings, and infrastructure.

Service industries continued to grow this quarter, increasing 1.0 percent. This was driven by retail trade and accommodation, transport, and business services.

“The World Masters Games and Lions' rugby tour increased tourist spending on accommodation, food, and beverages – boosting a usually quieter time of year,” Mr Dunnet said.

GDP per capita rose 0.3 percent this quarter. This follows a flat result in the March 2017 quarter.

Annual GDP growth for the year ended June 2017 was 2.7 percent while the size of the economy in current prices was \$268 billion.

### Ends

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Authorised by Liz MacPherson, Government Statistician, 21 September 2017