

Overview for March 2018 quarter

Gross domestic product

GDP⁽¹⁾ was up 0.5 percent in the March 2018 quarter

Activity in the service industries (about 66 percent of GDP) rose 0.6 percent.

Business services increased 1.0 percent. The growth was driven by architectural and engineering services, legal and accounting services, and administrative and support services.

Information media and telecommunications was up 2.3 percent due to telecommunications and internet services. This is the biggest quarterly increase since June 2015.

Rental, hiring, and real estate services was up 0.4 percent, due to higher house sales.

Activity in the goods-producing industries (about 20 percent of GDP) was flat.

Manufacturing activity was up 0.7 percent, with five of the nine sub-industries up this quarter.

Transport equipment, machinery and equipment led the increase, up 6.8 percent.

Petroleum, chemical, plastic, and rubber manufacturing, and textile and apparel manufacturing both had falls this quarter.

Construction fell 1.0 percent. All construction sub-industries fell, including residential and non-residential building construction, and infrastructure construction.

Activity in the primary industries (about 5 percent of GDP) rose 0.6 percent.

Agriculture activity was up 0.4 percent, following a 2.8 percent fall last quarter. Increased milk production was partly offset by falling livestock and wool production.

Agriculture's increase was largely offset by falls in other primary industries.

Forestry and logging activity fell 8.4 percent in the quarter, following four consecutive increases. Forestry activity is up 6.7 percent for the year.

1. The percentage contributions do not sum to 100 percent as GDP also includes unallocated taxes on production (eg import duties and GST), which is about 9 percent of GDP.

GDE was up 0.3 percent in the March 2018 quarter

Spending by households (about 60 percent of GDE) was flat this quarter.

Spending on non-durable goods was down 0.5 percent. Increased spending on groceries was offset by falls in electricity and petrol.

Spending on durable goods fell 0.8 percent. Increased spending on audio-visual equipment and appliances was offset by decreased spending on new and used motor vehicles, clothing, and books.

Spending on services was up 0.2 percent due to increased spending on telecommunication services, and education services. This was partly offset by falls in recreational services and restaurants and ready-to-eat meals.

New Zealand resident household spending overseas was up 2.9 percent.

Investment in fixed assets grew 0.7 percent.

Plant, machinery, and equipment investment was up 2.1 percent this quarter, and up 13 percent over the year.

Residential building investment fell 0.2 percent, following a 0.5 percent increase in the December 2017 quarter.

Non-residential building investment fell 1.4 percent, following a strong 4.8 percent increase in the December 2017 quarter.

Investment in transport equipment fell 16 percent, due to lower investment in aircraft.

Investment in other construction fell 4.9 percent this quarter, due to road and rail infrastructure. The fall comes off a 1.1 percent increase in December 2017, and a 9.1 percent increase in September 2017.

Exports of goods and services was down 0.1 percent. Imports of goods and services rose 1.2 percent.

Exports of goods was down 1.5 percent.

Exports of meat products were down 8.9 percent, following a 12 percent increase in December 2017. Exports of dairy were down 1.0 percent, while exports of chemicals were down 6.7 percent.

Exports of services were up 1.6 percent.

Imports of goods was flat.

Imports of capital goods were up 6.4 percent, due to imports of ships, and machinery and plant equipment.

Imports of consumption goods were up 0.6 percent, with increases in processed food and beverages.

Imports of services were up 3.8 percent, due to travel services.