

Gross Domestic Product: September 2017 quarter – overview

GDP⁽¹⁾ was up 0.6 percent in the September 2017 quarter

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

Health care and residential care rose 2.1 percent – the largest increase since March 2016. Both public and private health care were up.

Business services increased 0.9 percent. The growth was mainly driven by advertising, market research and management services; and legal and accounting services.

Arts, recreation, and other services rose 2.4 percent, driven by increased activity in repair and maintenance services.

Transport, postal, and warehousing activity was up 1.4 percent. Road transport had the largest rise, while air transport and rail transport activities fell.

Rental, hiring, and real estate services fell 0.3 percent – the first fall since September 2016. The decrease was mainly driven by real estate services, reflecting lower number of house sales over the quarter.

Activity in the **goods-producing** industries (about 20 percent of GDP) rose 1.3 percent.

Construction activity grew 3.6 percent, after falls in the previous two quarters. Residential and non-residential building activities both grew, which was also reflected in an increase in construction trade services. Heavy and civil engineering construction (such as rail infrastructure and roading) also rose.

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

Transport equipment, machinery and equipment manufacturing had the largest rise, up 6.4 percent.

Electricity, gas, water, and waste services fell 1.6 percent. The warm winter saw lower demand for and generation of electricity. This decrease was the largest quarterly decline since March and June 2013, when the country experienced a drought.

Activity in the **primary** industries (about 5 percent of GDP) fell 0.4 percent.

Overall, **agriculture, forestry, and fishing** activity fell 1.0 percent.

Agriculture activity was flat. Cattle and sheep farming were up this quarter. Lower milk production provided a partial offset as wet weather over the September quarter dampened dairy production at the start of the milking season.

Mining activity increased 3.2 percent, following falls in the previous two quarters. The growth was largely due to higher oil exploration and mining support services, as well as more oil and gas extraction activities.

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 0.9 percent in the September 2017 quarter

Spending by households (about 60 percent of GDE) was up 0.9 percent.

Spending on **durable goods** was up 2.3 percent. Households spent more on audio-visual equipment (such as televisions and consumer electronics), clothing, furniture and furnishings, and used motor vehicles.

Household spending on **services** was up 0.8 percent, with households spending more on recreation and sports services, gambling, and hospital services.

Spending on **non-durable goods** was flat this quarter. Household spending on fruits and vegetables, and alcoholic beverages was up. Spending on electricity and tobacco was down.

Investment in fixed assets grew 1.6 percent.

Investment in **other construction** (such as rail infrastructure and roading) increased 9.6 percent – the highest quarterly growth since June 2007.

Residential building investment grew 3.3 percent after two quarters of decline. **Non-residential building** investment was up 1.3 percent.

Investment in **intangible fixed assets** increased 4.0 percent, led by higher software investment.

Plant, machinery, and equipment investment was up 0.3 percent this quarter, but annually it was up 6.8 percent.

Investment in **transport equipment** fell 1.4 percent, due to lower investment in ships.

Exports of goods and services increased 0.8 percent. **Imports of goods and services** rose 2.1 percent.

Exports of goods increased 1.5 percent.

Positive contributors include:

- exports of **other food, beverages and tobacco** (up 8.1 percent)
- exports of **coal, crude petroleum & ores, gases** (up 18 percent).

Offsetting contributors include:

- exports of **dairy products** (down 5.2 percent)
- exports of **meat products** (down 5.0 percent)

Exports of services was down 1.2 percent, driven by lower international tourist spending.

Imports of goods was up 0.7 percent.

Imports of services grew 4.0 percent – the largest quarterly rise since December 2010, driven by more New Zealanders 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 shows how these goods and services were used.

[Gross domestic product](#) has more information.