## Gross domestic product - overview for the September 2018 quarter

GDP<sup>(1)</sup> was up 0.3 percent in the September 2018 quarter

Activity in the service industries (about 66 percent of GDP) rose 0.5 percent.

Activity in the goods-producing industries (about 19 percent of GDP) dropped 1.0 percent.

Activity in the primary industries (about 7 percent of GDP) rose 2.2 percent.

Rental, hiring, and real estate services grew 0.7 percent. Increased volumes of house sales led to an increase in real estate services.

Business services grew 0.6 percent. This was driven by computer services and advertising, market research, and management services. All other business service industries declined.

Construction was down 0.8 percent. This was caused by the Kaikōura quake repair work winding down.

Manufacturing activity was down 0.8 percent, with many sub-industries cooling down after a strong June quarter.

The two main examples of this were food, beverage, and tobacco manufacturing (down 2.7 percent), and transport equipment, machinery and equipment manufacturing (down 3.9 percent).

Petroleum and chemical manufacturing was up 4.6 percent, a partial bounce back after shutdowns at the Marsden Point oil refinery and Methanex in the June quarter.

Electricity, gas, water, and waste services was down 2.3 percent, after a 4.1 percent increase in the June quarter.

Mining led the way with a growth of 12 percent. Mining has not yet returned to previous levels following a decline of 17 percent in the June quarter.

Agriculture activity was down 0.4 percent, after strong growth in the June quarter.

Forestry and logging activity rose 7.0 percent, building on the 6.4 percent growth in the June quarter.

<sup>1.</sup> 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 0.5 percent in the September 2018 quarter

Spending by households (about 60 percent of GDE) rose 1.0 percent.

Investment in fixed assets fell 0.9 percent.

Exports of goods and services was up 0.3 percent. Imports of goods and services fell 0.2 percent.

Spending on services increased 1.1 percent. This was driven by an increase in housing and utility services.

Spending on durable goods rose 1.8 percent. This was driven by spending on clothing and footwear.

Spending on non-durable goods was up 0.2 percent. Increased spending on fruit and vegetables and petrol was offset by decreased spending on electricity.

Investment in infrastructure construction led the fall with a drop of 4.2 percent this quarter. The fall was due to Kaikōura quake repair work winding down. Infrastructure construction was up 10 percent for the September 2018 year.

Residential and nonresidential building investment rose 1.3 percent and 0.7 percent, respectively.

Plant, machinery and equipment investment was down 1.6 percent. Investment in plant, machinery and equipment is still at high levels with an annual growth of 10 percent.

Investment in transport equipment rose 6.6 percent following a 3.3 percent growth in the June 2018 quarter.

Exports of goods was up 2.2 percent.

Exports of meat products were up 8.8 percent and agriculture and fishing primary products were up 12 percent.

Exports of services was down 4.2 percent following a growth of 4.4 percent in the previous quarter.

Imports of goods was flat, after a growth of 1.2 percent in the previous quarter.

Imports of intermediate goods were up 5.5 percent, driven by primary fuels, offset by decreased imports of processed fuels. This shift reflects the re-opening of the Marsden Point refinery.

Imports of capital goods were down 6.6 percent, driven by decreases in imports of transport equipment.

Imports of services was down 0.9 percent.