

Economic growth eases in December quarter

Embargoed until 10:45am – 16 March 2017

Gross domestic product (GDP) rose 0.4 percent in the December 2016 quarter, following an increase of 0.8 percent (revised) in the September 2016 quarter, Stats NZ said today.

“Growth in service industries was partly offset by weaker activity in primary industries also flowing through into manufacturing,” national accounts senior manager Gary Dunnet said.

“At an industry level, growth was a mixed bag, with only half of our 16 industries rising.”

Service industries continued to grow, increasing 0.7 percent in the December 2016 quarter. The main drivers were business services; arts, recreation, and other services; and health care and residential care.

Agriculture fell 0.6 percent due to lower milk production. This, coupled with falls in forestry and mining, were reflected in lower manufacturing activity and lower primary exports. Manufacturing fell 1.6 percent, driven by falls in food, beverage, and tobacco manufacturing, and in transport equipment, machinery and equipment manufacturing. Exports fell due to lower exports of dairy products; metal products, machinery and equipment; crude oil; and logs and timber.

Household spending growth tapered off this quarter, increasing 0.4 percent after two consecutive quarters of strong growth. While there was a smaller increase in household spending, tourist spending was strong, up 5.1 percent.

GDP per capita fell 0.2 percent this quarter, following increases of 0.3 percent in the June and September quarters.

Annual GDP growth for the year ended December 2016 increased to 3.1 percent.

The size of the economy in current prices was \$261 billion.

Ends

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Authorised by Liz MacPherson, Government Statistician, 16 March 2017