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Economic growth led by manufacturing, wholesale

Activity in the New Zealand economy, as measured by gross domestic product (GDP), grew 0.6 percent in the March 2010 quarter, Statistics New Zealand said today. This latest increase follows growth of 0.9 percent in the December 2009 quarter.

By industry, the largest movements in the March 2010 quarter were:

- manufacturing activity, up 1.6 percent, led by machinery and equipment, and metal products
- wholesale trade, up 1.4 percent, following a 2.7 percent increase in the December 2009 quarter
- forestry and logging, up 5.3 percent, related to overseas demand for New Zealand logs
- communication services, down 2.0 percent, due to fewer phone call minutes.

Economic activity in the March 2010 quarter was up 1.9 percent compared with the March 2009 quarter. This contrasts with a 3.1 percent contraction in economic activity between the March 2008 and March 2009 quarters.

"The economy has grown in all four quarters to the end of March 2010," said Acting National Accounts Manager Jason Attewell. "However, economic activity is still below the level seen before the recession, particularly for manufacturing and construction."

The expenditure measure of GDP also increased 0.6 percent in the March 2010 quarter. The production measure of GDP shows the volume of goods and services produced in the economy, while the expenditure measure shows how those goods and services were used.

Household consumption expenditure, which measures the volume of goods and services purchased by New Zealand households, was up 0.2 percent this quarter. An increase in the volume of durable goods purchased by households (furniture and major appliances, used cars, and clothing) was partly offset by lower volumes of non-durable goods (food and petrol), and services this quarter.

Central government expenditure was up 1.9 percent in the March 2010 quarter. During the March 2010 quarter the government accepted delivery of the \$93 million offshore patrol vessel *HMNZS Otago*. Without the purchase of this ship, central government expenditure would have been up 0.8 percent.

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