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New Zealand's Economy – the Government's View

The Ministry of Business, Innovation and Employment has released the final two reports in the New Zealand Sectors Report Series. The series aims to provide information on the key sectors that make up the New Zealand economy to enable a more informed debate on New Zealand's economic development.

The New Zealand Sectors Report 2014: Main Report

This report provides a comprehensive overview of the economic performance of all sectors making up the New Zealand economy. The report identifies strong economic growth across all sectors, with the exception of the wood and paper sector. The petroleum & minerals and health and utility sectors have shown the fastest growth in the last 10 years. The petroleum & minerals sector is also reported to have the highest labour productivity of all sectors. The majority of jobs were within the labour intensive services sector.

A key theme of the report is change. New Zealand is part of a constantly evolving global economy, driven by changes in global markets and by technological advances. These forces are driving change in the New Zealand economy at the sector level. While traditional export markets such as dairy, meat and forestry remain important drivers of growth, New Zealand exports are becoming increasingly more diverse with processed food and information technology service exports showing strong growth. The report has also identified a fundamental shift in the last 40 years with New Zealand now predominantly exporting to Asia instead of northern hemisphere markets such as the United Kingdom. Australia and Europe remain our key markets for manufactured goods and information technology service exports.

The Knowledge Intensive Services Report

The Knowledge Intensive Services sector covers a broad range of knowledge services including firms providing telecommunications, finance, insurance, computer system design, professional, scientific and technical services. This sector is a strong driver of New Zealand economic growth, generating approximately one fifth of New Zealand's annual GDP and producing 62% of commercial service exports from New Zealand. While this sector experienced a down turn during the global financial crisis employment levels are almost back to the 2008 level. 54% Of firms within this sector reported innovating in 2011, above the New Zealand average of 46% across all sectors.

The professional, scientific and technical services sub-sector makes up 40% of the Knowledge Intensive Services sector. Firms within this sub-sector are concentrated within the Auckland, Wellington and Hamilton regions. This sector has an important role in the Christchurch rebuild, as shown by a 65% increase in Engineering and Consulting firms in Christchurch between 2010 and 2013.

Further information:

The Sectors Reports can be found at: http://www.mbie.govt.nz/what-we-do/business-growth-agenda/sectors-reports-series/pdf-document-library/nz-sectors-report.pdf

The Knowledge Intensive Services Report can be found at: http://www.mbie.govt.nz/what-we-do/business-growth-agenda/sectors-reports-series/pdf-document-library/knowledge-services-sector-report.pdf

If you require further information please contact one of our partners with expert knowledge in this area: Mark Christensen, David Goodman, Bryan Henderson, Anne McLeod or Sarah Simmers.