

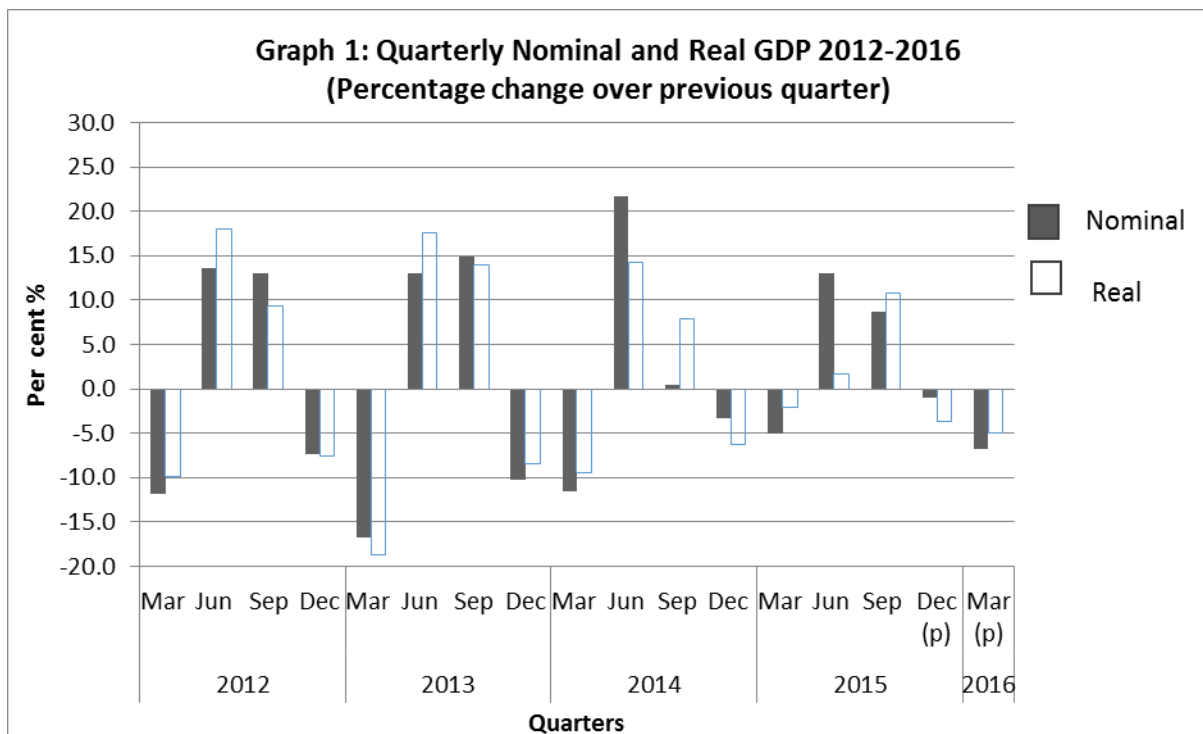
MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT
GOVERNMENT OF THE COOK ISLANDS
COOK ISLANDS
STATISTICAL BULLETIN

GROSS DOMESTIC PRODUCT
March Quarter 2016

Gross Domestic Product (GDP) for March Quarter 2016 at current market prices was \$104.8 million recording a growth rate of 13.4 per cent when compared to March quarter 2015. When compared to December quarter 2015, value added had decreased by 5.7 per cent.

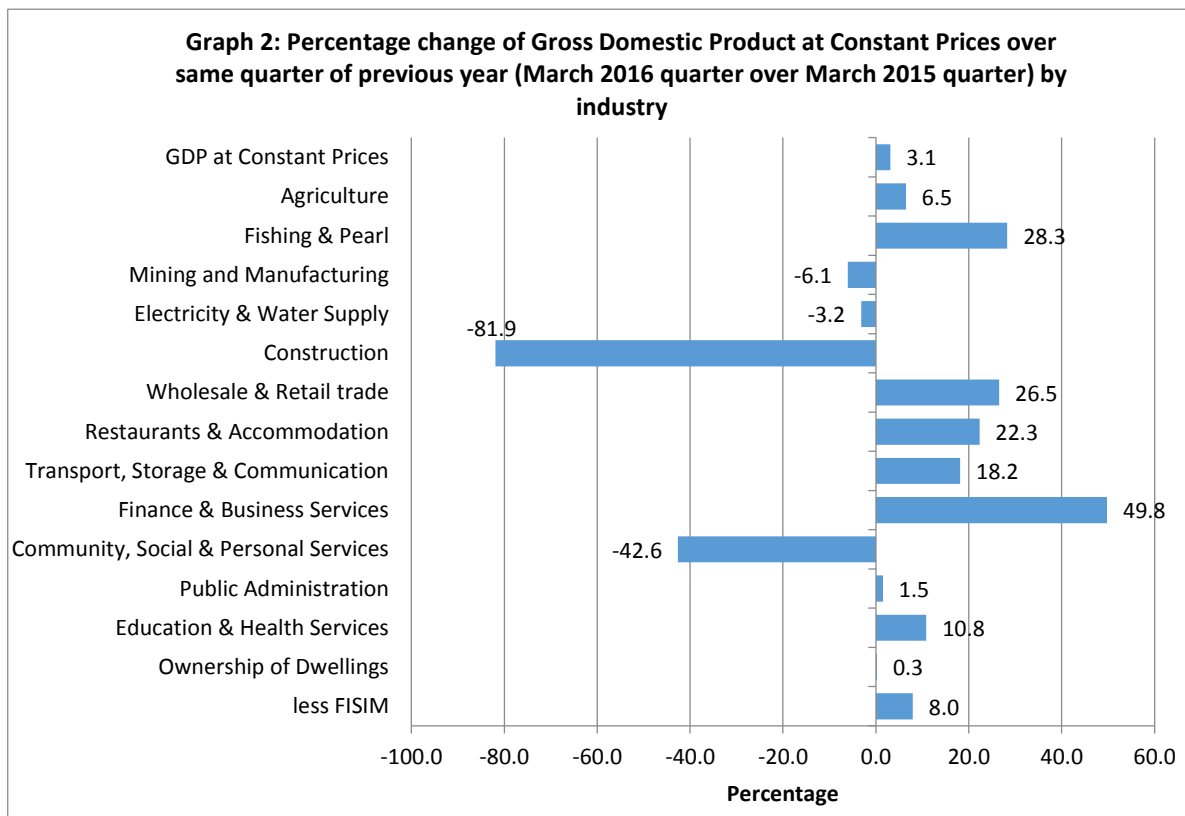
At constant 2006 prices, GDP for March quarter 2016 was \$77.8 million recording a growth rate of 3.0 per cent in economic activity over the March quarter 2015. In value terms, a decrease of \$4.1 million, was experienced when compared to the December Quarter 2015, which meant that economic activity over the previous quarter had declined by 5.3 per cent.

Graph 1 below shows the percentage change over previous quarter of GDP at nominal and real prices.



Graph 2 below shows the percentage change of GDP at constant prices by industry over the same quarter of previous year. The main movements by industry as shown in the graph were in the Finance and Business Services (up 49.8 per cent), Fishing and Pearl Industry (up 28.3 per cent), Wholesale and Retail Industry (up 26.5 per cent), Restaurant and Accommodation (up 22.3 per cent), Transport Storage and Communications Industry (up 18.2 per cent), Education and Health (up 10.8 per cent), with other minor upward increases experienced in Financial Intermediation Services Indirectly Measured - *FISIM* (up 8.0 per cent), Agriculture (up 6.5 per cent), Public Administration (1.5 per cent) and Ownership of Dwellings (up 0.3 per cent).

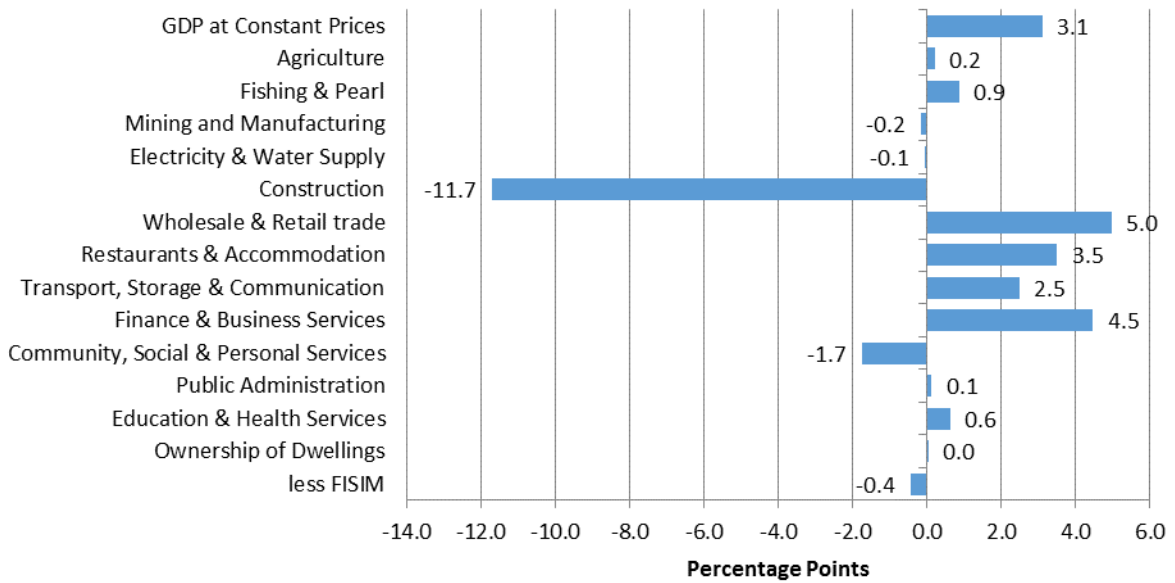
Offsetting the increases were Construction (down 81.9 per cent), Community, Social and Personal Services (down 42.6 per cent), Mining and Manufacturing (down 6.1 per cent) and Electricity and Water Supply (down 3.2 per cent).



Graph 3 below shows the percentage point contribution to growth in GDP at constant prices by industry. The main contributors to growth were Wholesale and Retail (5.0 per cent); Finance and Business Services (4.5 per cent); Restaurant and Accommodation (3.5 per cent); Transport Storage and Communication (2.5 per cent); Fishing and Pearl (0.9 per cent); Education and Health (0.6 per cent); Agriculture (0.2 per cent) followed with minor percentage point contribution from Public Administration and Ownership of Dwellings.

Offsetting the growth was the decline in Construction (11.7 per cent), Community, Social and Personal Services (1.7 per cent), Financial Intermediation Services Indirectly Measured - *FISIM* (0.4 per cent), Mining and Manufacturing (0.2 per cent) and Electricity and Water Supply (0.1 per cent).

Graph 3: Percentage point contributions to growth (change) in GDP at Constant Prices by industry for March Quarter 2016



Further information about this release can be obtained from the Cook Islands Statistics Office.

Taggy Tangimetua
 Government Statistician
June 2016

Explanatory Notes

Gross Domestic Product (GDP) is the measure of economic growth in the Cook Islands.

GDP Compilation Approaches

There are three different approaches taken to calculate GDP - the production approach, the expenditure approach, and the income approach.

The production approach (GDP (P)) is being used to calculate the Cook Islands GDP on a quarterly basis. This approach measures the total value of goods produced in the Cook Islands, after deducting the cost of goods and services used in the production process. Generally the GDP in this approach is calculated as, the total Gross Output (GO) less Intermediate Consumption (IC).

Scope and Coverage of the GDP

GDP is calculated for all economic activities in the Cook Islands. These activities include Agriculture and Fishing; Mining and Manufacturing; Electricity, Gas and Water; Construction; Retail and Wholesale Trade; Restaurants and Accommodation; Transport, Storage and Communication; Financial Intermediation; Real Estate, Renting and Business Services; Education, Health and Public Administration; Other Services; and Owner Occupied Dwellings.

International Standard Industrial Classifications (ISIC Rev 4) – is used to classify the principal economic activity (industry) of establishments and enterprises. At the broader industry groupings:

- Primary industries include agriculture, fishing and pearl
- Secondary industries include mining and manufacturing; electricity and water supply; and construction.
- Tertiary or service industries include wholesale and retail trade; restaurants and accommodation; transport, storage, cartage and communication services; Finance and Business Services; Community and Personal Services; Public Administration; Education and Health Services; Ownership of Owner-Occupied Dwellings.

General information

Data Source

VAT data is the main data source in the compilation of GDP. Other data sources and methods are found in the table for the methodology of compiling the Cook Islands quarterly GDP on request.

System of National Accounts

The conceptual framework used to compile the Cook Islands GDP is based on the System of National Accounts 1993.

GDP Implicit Price Deflators

Implicit price deflators (IPDs) for expenditure on GDP provide a broad measure of price change for total economic activity. They provide an estimate of price change between the base period and any other period, using the quantity weights in the latter period. Because weights change from period to period, a change in an IPD between any two periods reflects changes in both actual prices and weights or compositional changes. It is calculated as GDP at current prices divided by GDP at constant prices and multiply by 100.

Per capita measures

A per capita measure is the annual GDP (at current or average prices) divided by the corresponding projected population of the Cook Islands. We use the average estimated resident population of the Cook Islands.

Base period for the GDP

The base period is the calendar year ending 31 December 2006.

Revisions policy

We may revise previously published series each quarter. The frequency and cause of these revisions are listed below.

Quarterly – more data becoming available for the latest quarters, which is used to replace existing estimates.

Annual – introduction of annual data after the release of the latest annual national accounts.

Irregular – for example, methodological changes.

Publication Schedule

Compilation and release of calendar year GDP data is within six to nine months after reference year.

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