

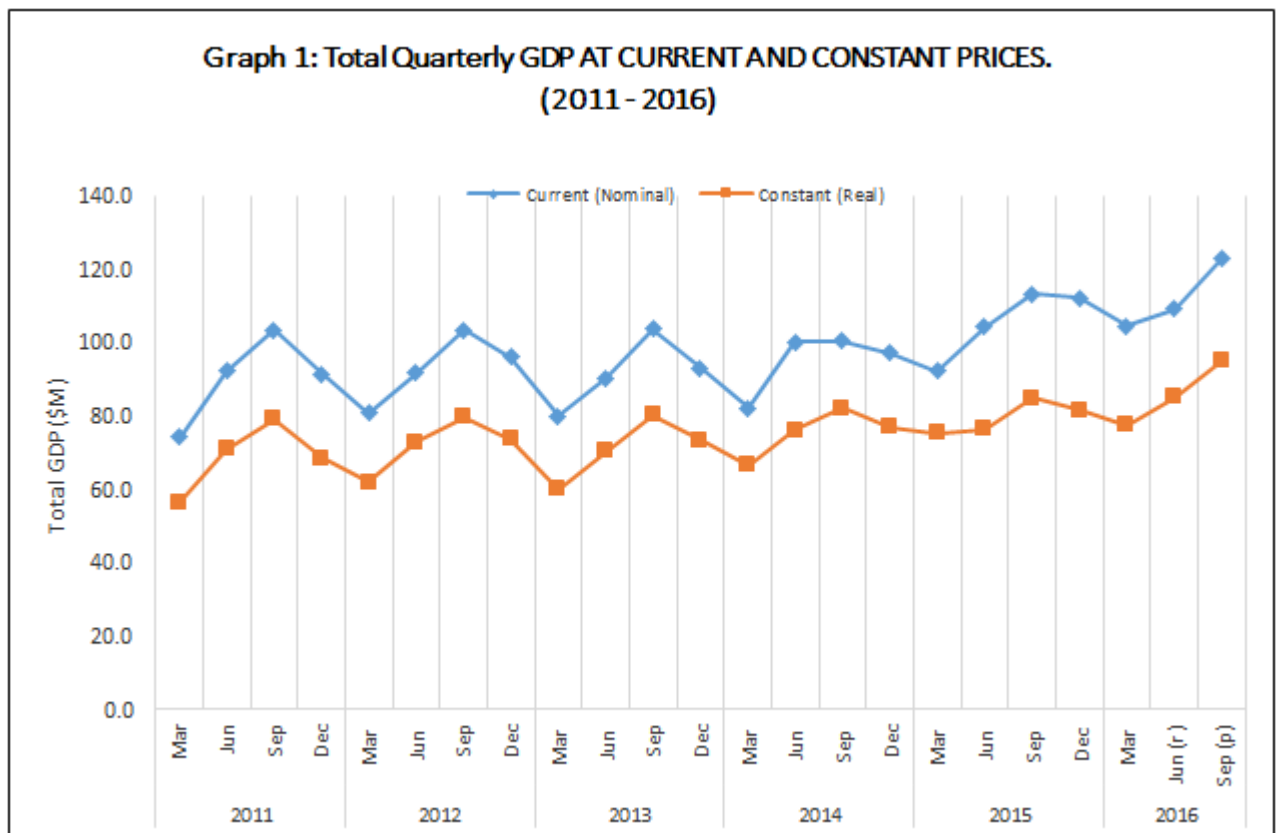
MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT
GOVERNMENT OF THE COOK ISLANDS
COOK ISLANDS
STATISTICAL BULLETIN

GROSS DOMESTIC PRODUCT
September Quarter 2016

Gross Domestic Product (GDP) for September Quarter 2016 at current market prices was \$123.2 million recording a growth rate of 11.9 per cent when compared to June quarter 2016. When compared to September quarter 2015, value added had increased by 8.5 per cent.

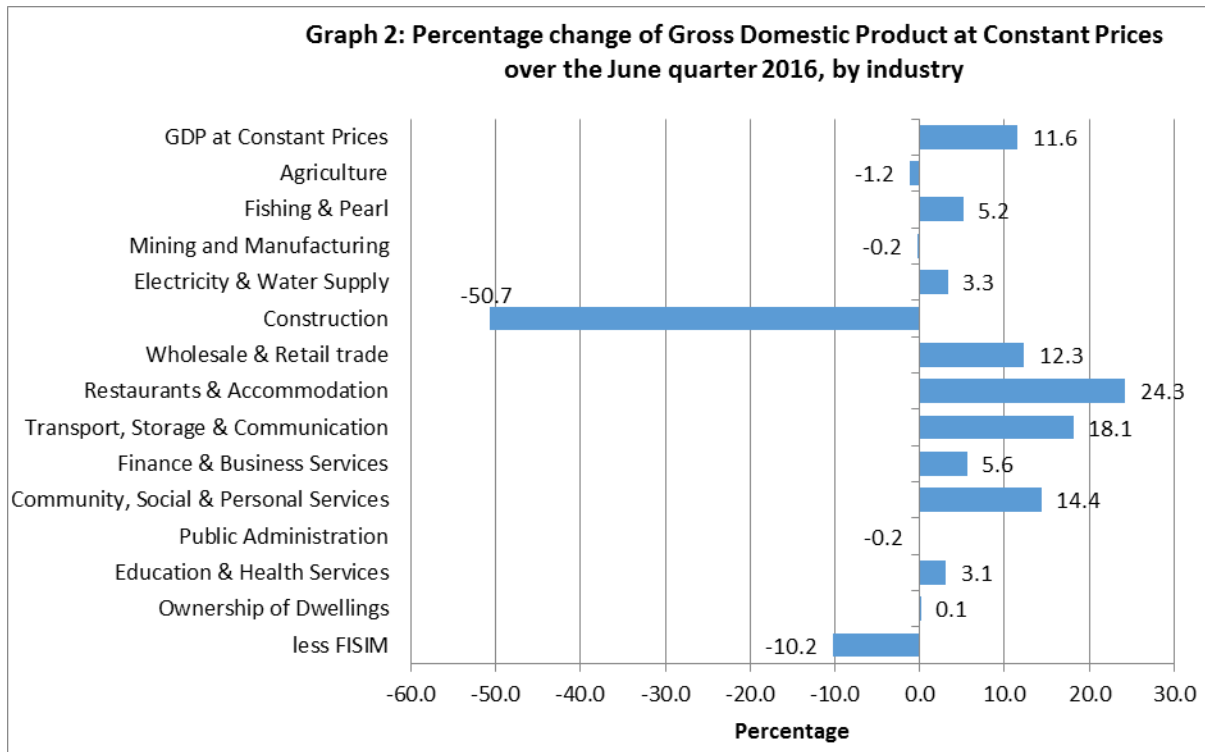
At constant 2006 prices, September quarter 2016 recorded a value of \$95.2 million. This resulted in a growth rate of 12.0 per cent in economic activity when compared to September quarter 2015. A further increase of 11.6 per cent in economic activity was experienced when compared to June Quarter 2016.

Graph 1 below shows total quarterly GDP at Current and Constant Prices.



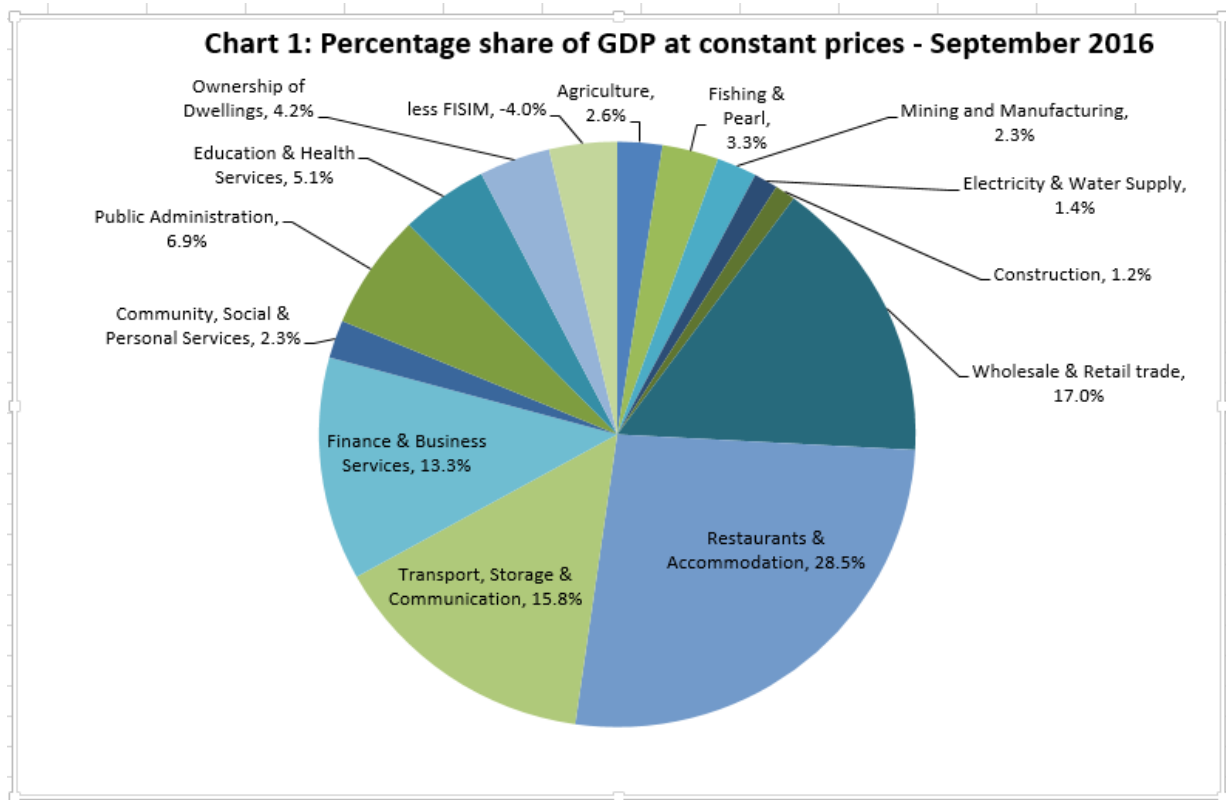
According to graph 1, seasonal fluctuations show that September quarters are always at its peak in each year. September 2016 was recorded the highest over the five year period as a result of positive growth recorded in most industries. The main contributor to the growth in GDP was the Restaurant and Accommodation industry due to the large number of visitors into the country during this period.

Graph 2 below shows the percentage change of GDP at constant prices by industry over the previous quarter. According to the graph, ten out of fifteen industries illustrated a positive growth with restaurants and accommodation representing the highest percentage change of 24.3 per cent when compared to the June quarter of 2016. Other positive changes were from the Transport, Storage and Communications industry (up 18.1%), Community, Social and Personal Services (up 14.4%), Wholesale and Retail trade (up 12.3%), Finance and Business services (up 5.6%), Fishing and Pearls (up 5.2%) with other minor increases from Electricity and Water supply (up 3.3%), Education and Health (up 3.1%) and Ownership and Dwellings (up 0.1%).



The construction industry depicted the largest decrease dropping by 50.7 per cent when compared to June quarter 2016. The renewable energy project, which contributed most to the increase in construction in the previous quarter, has currently slowed down its operations hence, the major drop. Other minor decreases were Financial Intermediation Services Indirectly Measured (FISIM) (down 10.2%), Agriculture (down 1.2%), Public Administration, Mining and Manufacturing (both down by 0.2%).

Chart 1 below shows the percentage share of GDP at real prices. The composition of GDP at constant prices indicated the Tertiary Sector as the largest sector with a share of 93.1 per cent of total GDP. The Restaurant and Accommodation industry remained the highest contributor with a share of 28.5 percent. The Primary sector contributed the second largest percentage share of 5.9 per cent of total GDP, with a slight decrease from September quarter 2015 which was 6.0 per cent. The Secondary Sector's share (5.0 per cent) contributed the least share of total GDP, it decreased by 2.3 per cent when compared to the same quarter of the previous year; this was largely affected by the negative growth in the construction industry.



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

Taggy Tangimetua
 Government Statistician
 February 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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