

Economic Survey of Manufacturing: March 2016 quarter

Embargoed until 10:45am – 08 June 2016

Key facts

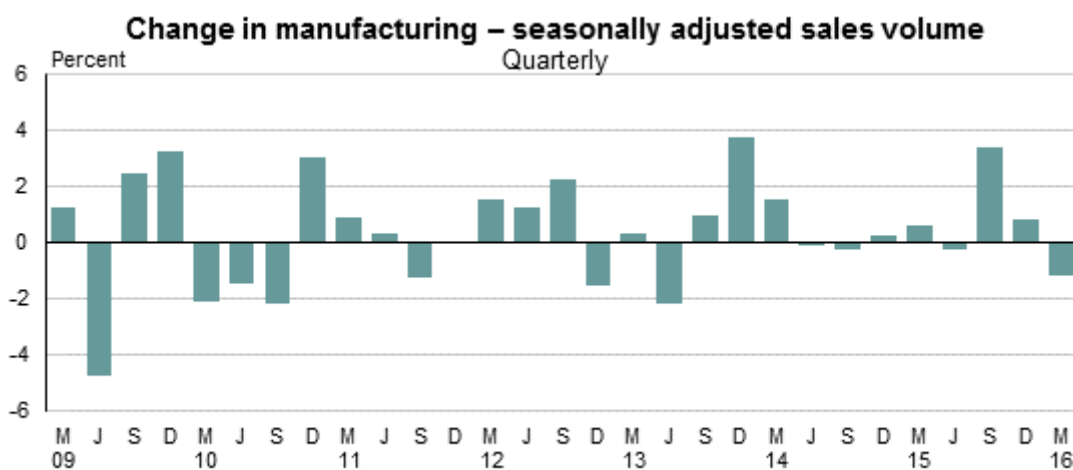
Sales (seasonally adjusted) for the March 2016 quarter compared with the December 2015 quarter:

Volumes

- Total manufacturing **fell** 1.2 percent.
- Excluding meat and dairy product manufacturing, sales **rose** 0.7 percent.
- Meat and dairy product manufacturing **fell** 7.8 percent.

Values

- Total manufacturing **fell** 2.6 percent.
- Excluding meat and dairy product manufacturing, sales **fell** 1.5 percent.
- Meat and dairy product manufacturing **fell** 6.1 percent.



Source: Statistics New Zealand

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Commentary

- Manufacturing sales volume falls
- Excluding meat and dairy, sales volume rises
- Meat and dairy products sales volume falls
- Petroleum and coal product manufacturing sales rise on lower prices
- Chemical, polymer, and rubber product manufacturing sales fall

All references to sales movements are seasonally adjusted against the previous quarter, unless otherwise stated.

See [DataInfo+](#) for more information about seasonal adjustment.

Manufacturing sales volume falls

The **volume of manufacturing sales** fell 1.2 percent in the March 2016 quarter, after rises in the previous two quarters. This quarter's fall was led by a fall in meat and dairy product manufacturing sales. Of the 13 manufacturing industries, eight rose and five fell in the March 2016 quarter.

The main movements this quarter were in:

- meat and dairy product manufacturing, **down** 7.8 percent
- petroleum and coal product manufacturing, **up** 5.4 percent (not seasonally adjusted)
- chemical, polymer, and rubber product manufacturing, **down** 4.2 percent.

The **trend** for the manufacturing sales volume, which gives a longer-term picture of movements, appears to be flattening after recent rises.

Volumes are calculated by removing the effect of price changes from sales values.



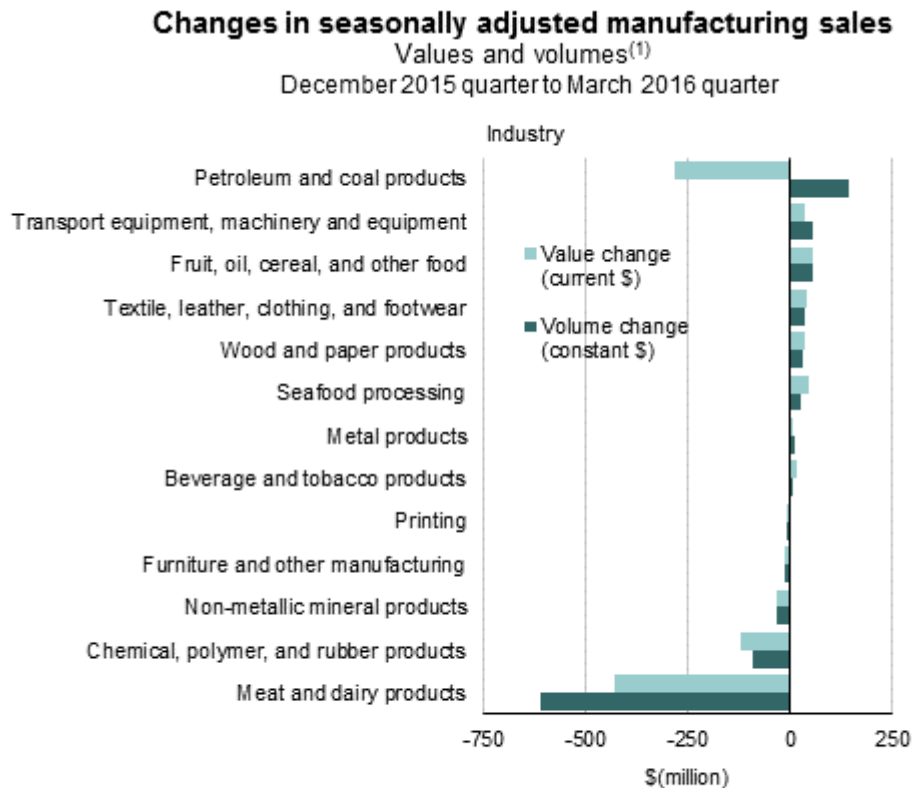
1. Volumes (constant dollar series) are at September 2010 quarter prices.

Source: Statistics New Zealand

In current prices, the **value of manufacturing sales** fell 2.6 percent (\$635 million) in the March 2016 quarter, after a 2.3 percent (\$586 million) fall in the December 2015 quarter.

The main value movements this quarter were in:

- meat and dairy product manufacturing, **down** 6.1 percent (\$432 million)
- petroleum and coal product manufacturing, **down** 14 percent (\$282 million)
- chemical, polymer, and rubber product manufacturing, **down** 5.3 percent (\$120 million).



1. Volumes (constant dollar series) are at September 2010 quarter prices.

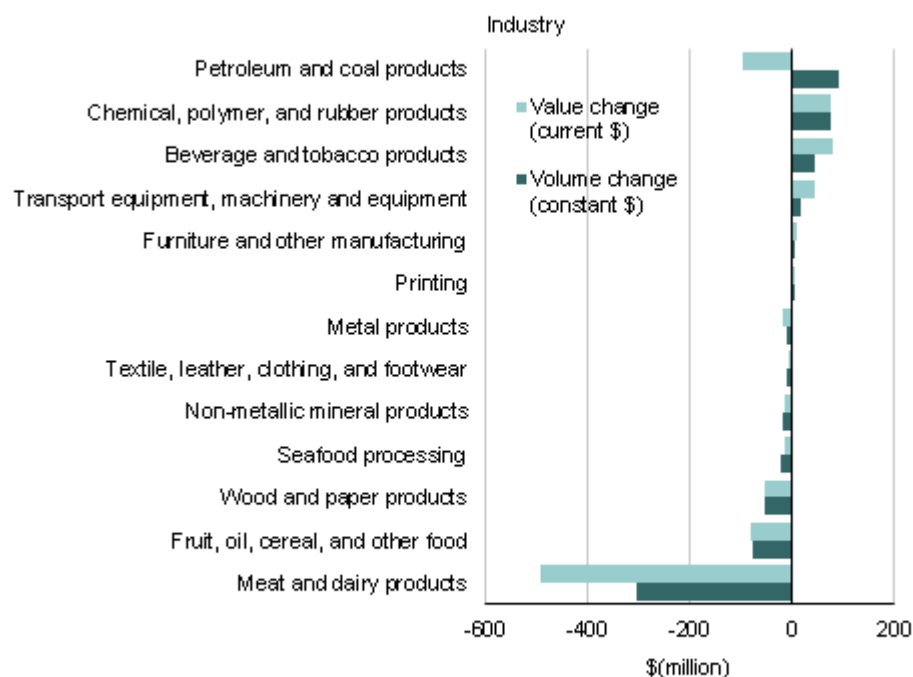
Source: Statistics New Zealand

The **volume of finished goods stocks** (which is not seasonally adjusted) was 2.5 percent lower than in the March 2015 quarter. This fall was mainly due to a fall in meat and dairy product manufacturing stocks.

Changes in manufacturing stocks⁽¹⁾

Values and volumes⁽²⁾

March 2015 quarter to March 2016 quarter



1. Closing stocks of finished goods.

2. Volumes (constant dollar series) are at September 2010 quarter prices.

Source: Statistics New Zealand

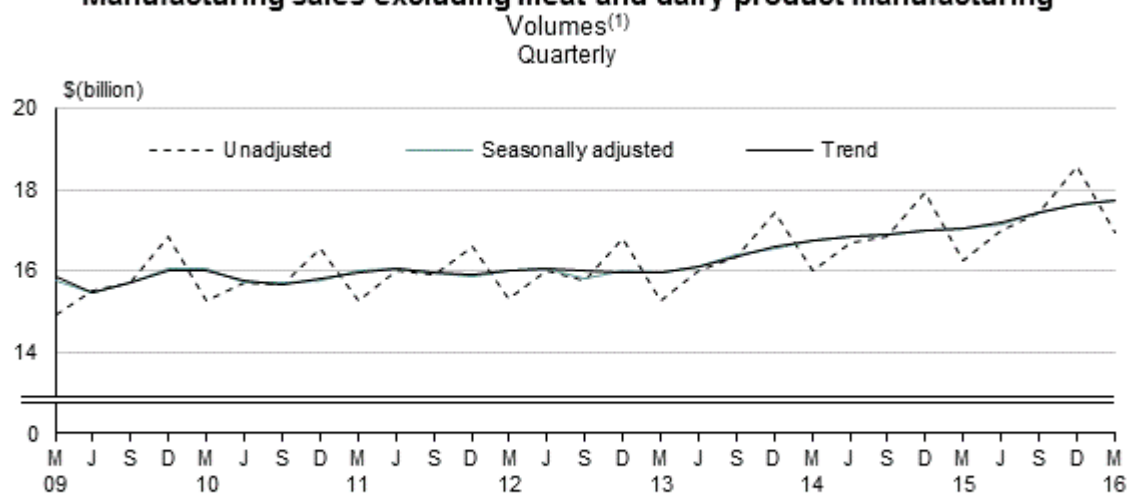
Excluding meat and dairy, sales volume rises

The **volume of manufacturing sales**, excluding meat and dairy products, rose 0.7 percent in the March 2016 quarter. This followed a rise of 0.9 percent in the December 2015 quarter.

Eight of the 12 industries in this group had higher sales in the March 2016 quarter, with petroleum and coal product manufacturing (up 5.4 percent) leading the increases.

The **trend** for the **sales volume** has been rising for three years.

Manufacturing sales excluding meat and dairy product manufacturing



1. Volumes (constant dollar series) are at September 2010 quarter prices.

Source: Statistics New Zealand

In current prices, the **sales value** fell 1.5 percent (\$262 million) in the March 2016 quarter when meat and dairy products are excluded. Seven of the 12 industries had rises, but large falls in petroleum and coal product manufacturing, and chemical, polymer, and rubber product manufacturing outweighed any increases.

The **volume of finished goods stocks** (which is not seasonally adjusted) was 0.8 percent higher than in the March 2015 quarter.

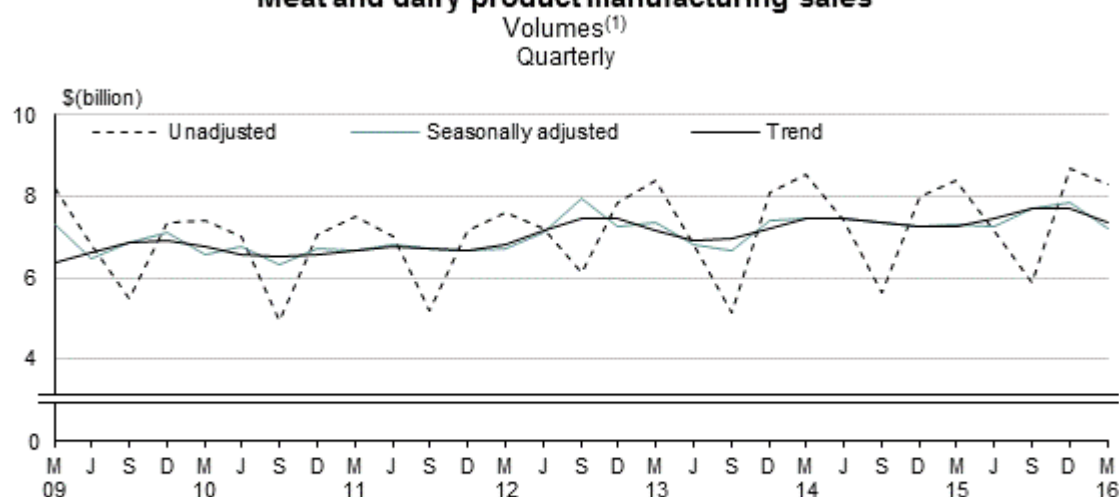
Meat and dairy products sales volume falls

The **volume of sales** for the meat and dairy product manufacturing industry fell 7.8 percent in the March 2016 quarter. This follows a 1.4 percent increase in the December 2015 quarter.

Overseas Trade Indexes (Prices and Volumes): March 2016 quarter (provisional) reported a 13.6 percent decrease in meat export volumes and an 8.4 percent decrease in dairy export volumes.

The **trend** for the volume of meat and dairy product manufacturing sales now appears to be falling after rising in recent quarters.

Meat and dairy product manufacturing sales



1. Volumes (constant dollar series) are at September 2010 quarter prices.

Source: Statistics New Zealand

In current prices, the **sales value** for meat and dairy products fell 6.1 percent (\$432 million). This follows a 5.1 percent (\$381 million) decrease in the December 2015 quarter.

Business Price Indexes: March 2016 quarter reported a 3.4 percent increase in dairy product manufacturing output prices. Prices reported for meat product manufacturing outputs fell 4.6 percent.

The **volume of finished goods stocks** (which is not seasonally adjusted) was 6.2 percent lower than in the March 2015 quarter.

Petroleum and coal product manufacturing sales rise on lower prices

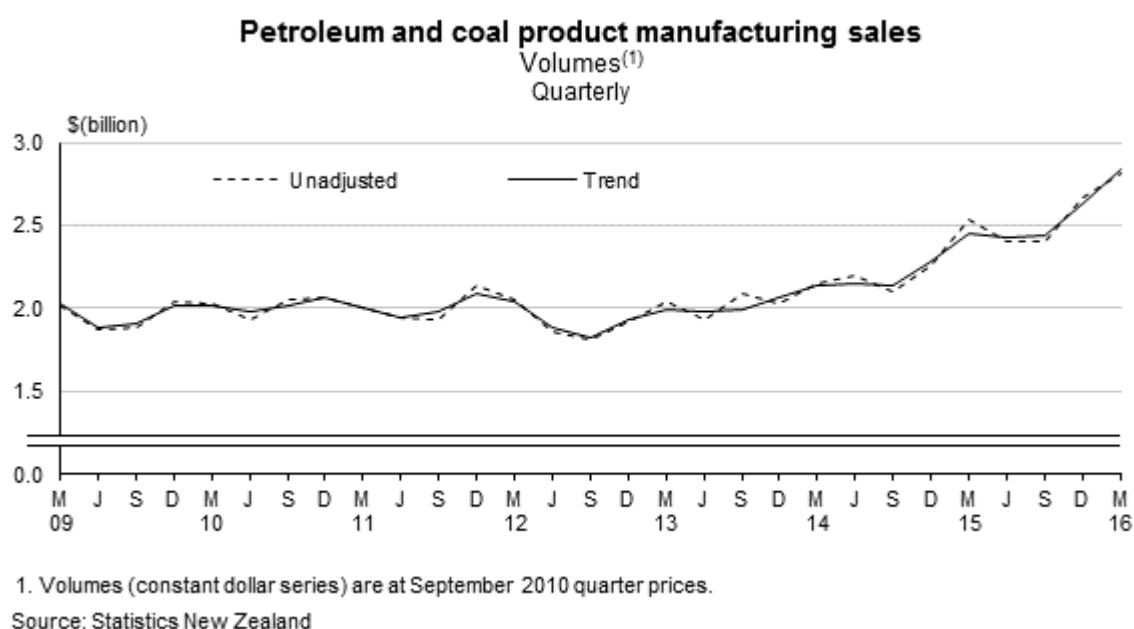
The **volume of sales** for the petroleum and coal product manufacturing industry rose 5.4 percent in the March 2016 quarter. This follows a large rise in the December 2015 quarter.

The series is not seasonally adjusted as it does not have a stable seasonal pattern. It is not unusual for this industry to show large movements from quarter to quarter.

In contrast, the **sales value** fell sharply, down 14 percent (\$282 million), which coincided with significant falls in fuel prices during the quarter. The sales value has dropped to levels not seen since mid-2009.

Business Price Indexes: March 2016 quarter reported an 18 percent decrease in prices for petroleum and coal product manufacturing outputs. This followed a 10 percent fall in the December 2015 quarter.

The **trend** for the sales volume is rising.



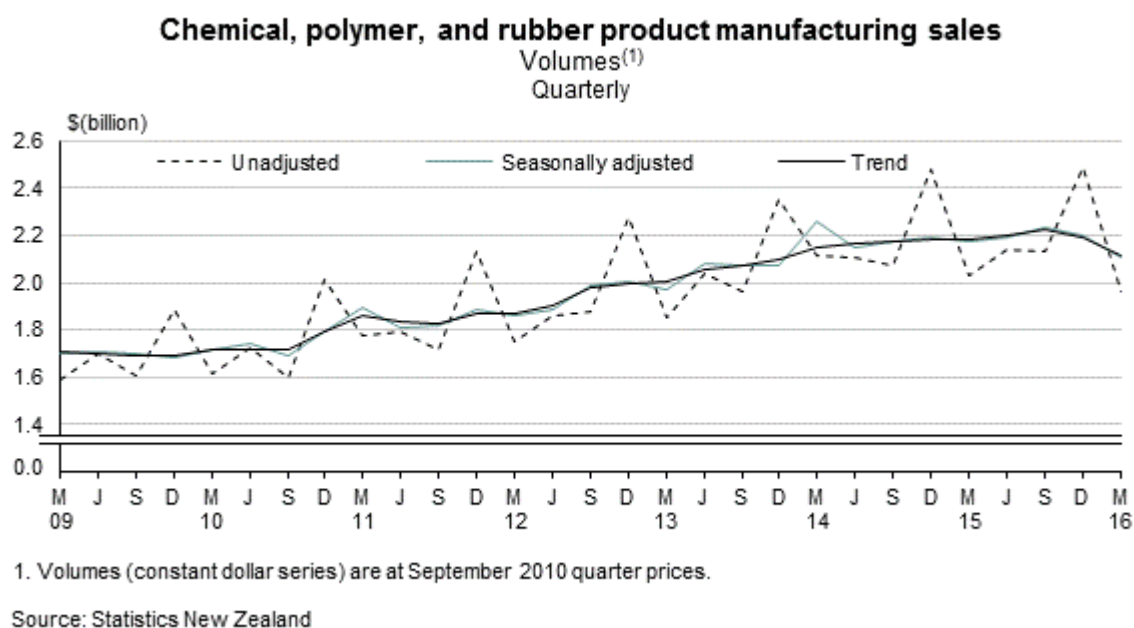
The **volume of finished goods stocks** (which is not seasonally adjusted) was 12 percent higher than in the March 2015 quarter.

Chemical, polymer, and rubber product manufacturing sales fall

The **volume of sales** for the chemical, polymer, and rubber product manufacturing industry fell 4.2 percent in the March 2016 quarter. This follows a 1.7 percent fall in the December 2015 quarter.

The **sales value** also fell, down 5.3 percent (\$120 million).

The **trend** for the sales volume is falling, after mainly rising over the previous four years.



The **volume of finished goods stocks** (which is not seasonally adjusted) was 9.6 percent higher than in the March 2015 quarter.

For more detailed data see the Excel tables in the 'Downloads' box.

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Revisions

These revisions were the result of updated information from respondents. They cover the following two industries for the December 2015 quarter.

- Fruit, oil, cereal, and other food manufacturing
- Transport equipment, machinery and other equipment manufacturing

These revisions also affected the aggregate and volume series.

Industry	Variable	Series MFGQ	Period (quarter)	Published	
				8 March 2016	8 June 2016
				\$(million)	
Fruit, oil, cereal, and other food manufacturing	Purchases	SFC2CA	December 2015	1,521	1,552
Fruit, oil, cereal, and other food manufacturing	Finished goods	SFC5CA	December 2015	490	527
Transport equipment, machinery and other equipment manufacturing	Raw materials	SFL4CA	December 2015	714	681
Transport equipment, machinery and other equipment manufacturing	Finished goods	SFL5CA	December 2015	836	826

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Tables

The following tables are available in Excel format from the 'Downloads' box. If you have problems viewing the files, see [opening files and PDFs](#).

1. All manufacturing
2. All manufacturing excluding meat and dairy
3. Meat and dairy product manufacturing
4. Seafood processing
5. Fruit, oil, cereal, and other food manufacturing
6. Beverage and tobacco product manufacturing
7. Textile, leather, clothing, and footwear manufacturing
8. Wood and paper product manufacturing
9. Printing
10. Petroleum and coal product manufacturing
11. Chemical, polymer, and rubber product manufacturing
12. Non-metallic mineral product manufacturing
13. Metal product manufacturing
14. Transport equipment, machinery and equipment manufacturing
15. Furniture and other manufacturing
16. Purchases and operating expenditure

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