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Niue

**NIUE IMMIGRATION**



# Statistical Release

## National Accounts Estimates of Niue

Niue Gross Domestic Product: 2012



## Introduction

Fakaalofa lahi atu.

Statistics Niue is again very happy to put out this statistical release of the National Accounts of Niue which highlights the Gross Domestic Product (GDP) of Niue for the period from 2006 to 2012. This compilation was made possible with the SPC National Accounts Statistics mission conducted by Alick Nyasulu (Economic Statistician) of the Statistics for Development Programme of the SPC, of which Statistics Niue is most grateful. Fakaauue lahi.

This release or report reflects new updates to the Niue national accounts up to 2012. Some audited government accounts were available and have been greatly used in the national accounts. This has led to some changes in the national accounts that were previously published up to 2011. National accounts are continuously revised as new data becomes available, as well as methods and classifications evolve, particularly in the light of the System of National Accounts 2008 (SNA 2008).

The reporting of GDP of Niue was usually in current or nominal prices, however in the light of these developments, changes and usefulness of the statistics we have decided to also report the GDP of Niue in constant or real prices.

Please if you have any questions regarding this statistical release please do let us know.

Kia monuina e totouaga. Fakaauue lahi.

KimRay Vaha

Government Statistician

## 1. Overview.

The value of economic activity in the Niue economy in 2012 was 4.7% higher compared to 2011. Aggregate GDP in real terms amounted to \$24.469 million, from \$23.361 million in 2011. This performance was consistent with the development efforts put forward by the government, business community and individuals to maintain growth to the economy.

## 2. The Niue GDP figures in 2009 prices: 2006- 2012

Reference Period/Year: 2012

Base Period/Year: 2009

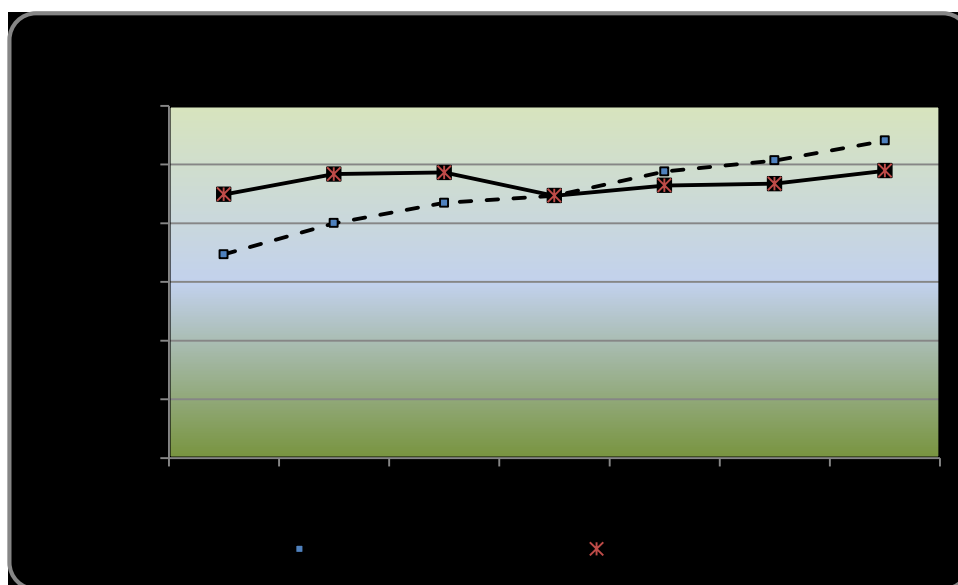


Chart 1 : The Niue GDP figures in Constant and Current Prices : 2006 - 2012

### 2.1 Real Gross Domestic Product by Sector

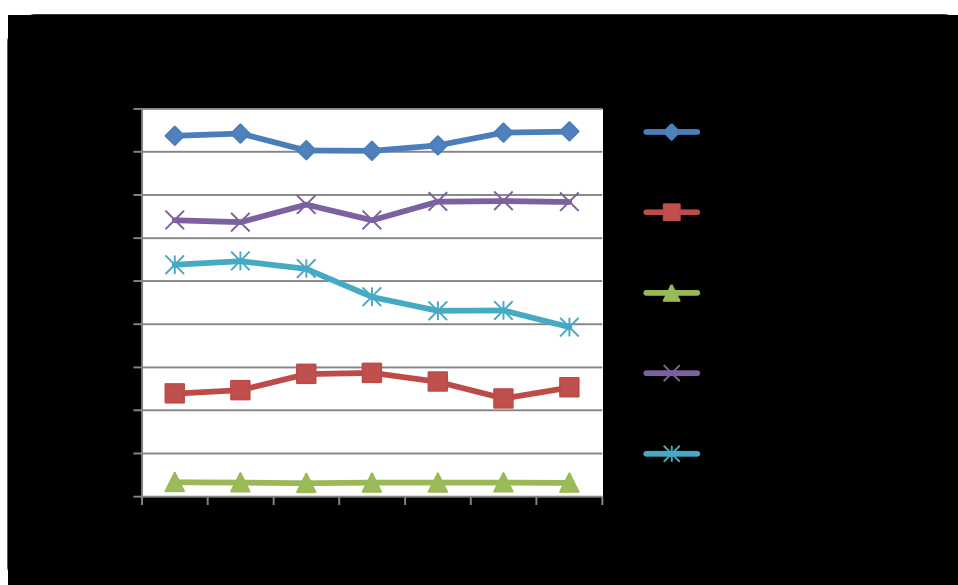
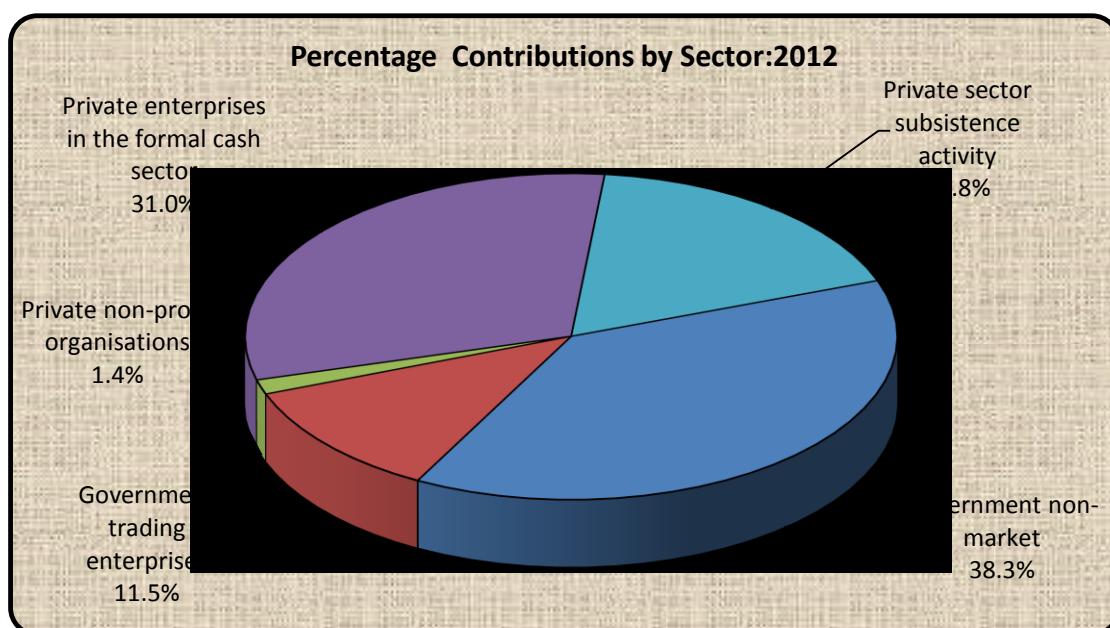


Chart 2: The Niue GDP in 2009 Constant Prices by Sector: 2006 - 2012



*Chart 2: Contributions to Real GDP by Sectors-2012*

The Government Non-market sector remains to be the dominant contributor to the GDP in 2012 with 38.3% followed by 31.0% from the Private Enterprises in the formal sector and are both likely to increase in the coming years. This is further followed by 17.8% from the Private sector subsistence activity. This sector seemed to be decreasing its contributions since 2007. Government trading enterprises sector contributed 11.5% and it's likely to increase in the future when the transformation of Government become fully operational. Private non-profit organisation contributions remain to lag behind with a 1.4% contribution and this has been so since 2006.

## 2.2 Real Gross Domestic Product by Industry

Notwithstanding the huge contribution to the GDP from the General Government non-market operations or industry there were also contributions from the other ten industries to a lesser extent. Indirect taxes have made some significant contributions to the GDP throughout the years but the biggest increase to date was seen in 2012.

Levels of contributions from various industries have been varying since 2006 with increases and decreases from year to year. However, one noticeable pattern highlighted in chart 3 below was the continuous decreasing trend of the contributions from the primary industry of agriculture, hunting, fishing and forestry. This revelation is consistent with the picture seen in the GDP measure by sectors where there is a matching trend in the private sector subsistence, decreasing from year to year. This is very true if we are to consider the situation from merchandise trade for exports earnings of primary products of Niue.

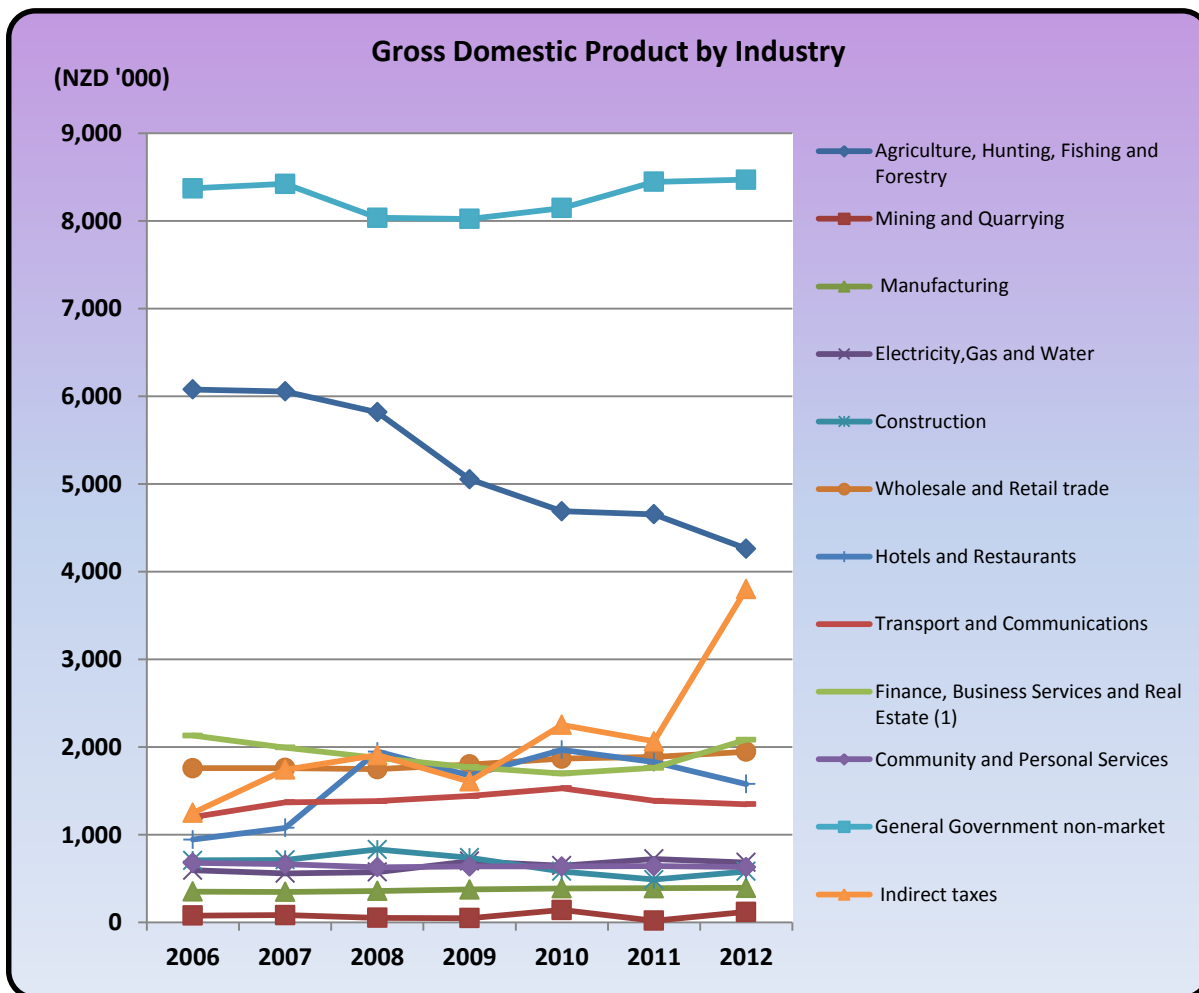
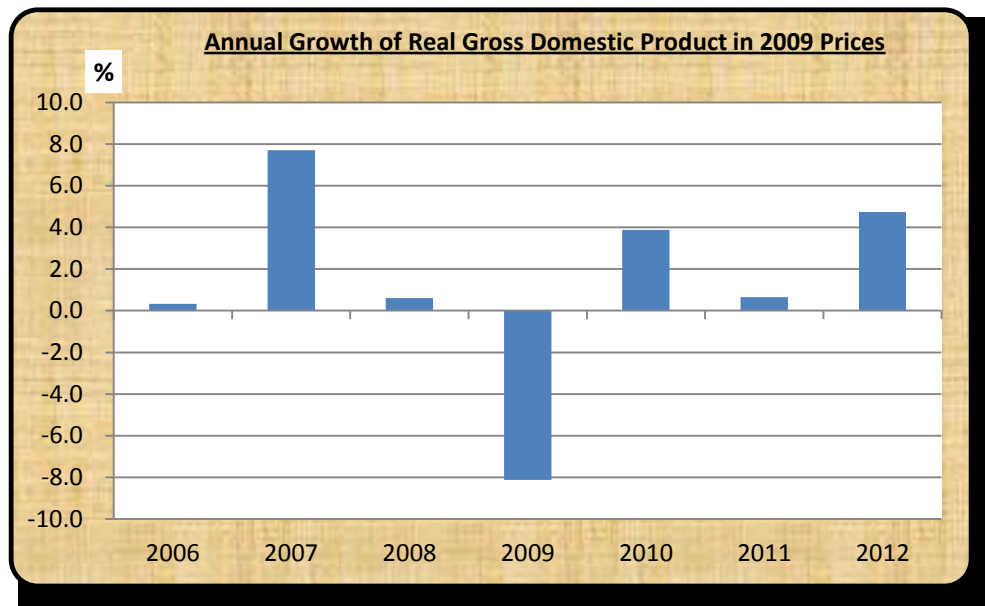


Chart 3: The Niue GDP figures in 2009 Constant Prices by industries: 2006 - 2012

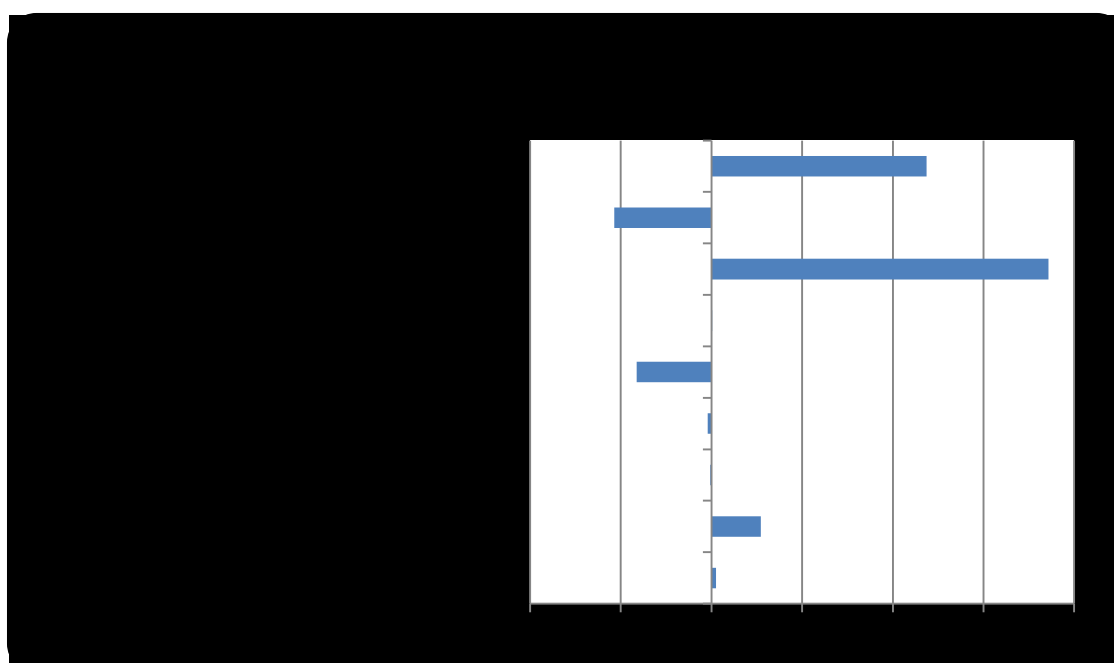
## 2.3 Gross Domestic Product Growth and Highlights

Table1: Real GDP Growth in 2009 Prices: 2006 - 2012

Ownership Group	2006	2007	2008	2009	2010	2011	2012
Government non-market	-1.7	0.2	-1.6	-0.1	0.6	1.3	0.1
Government trading enterprises	-0.2	0.3	1.6	0.1	-0.9	-1.7	1.1
Private non-profit organisations	0.0	-0.0	-0.1	0.0	0.0	0.0	-0.0
Private enterprises in the formal cash sector	3.5	-0.2	1.7	-1.5	1.9	0.1	-0.1
Private sector subsistence activity	-0.1	0.4	-0.7	-2.7	-1.4	0.0	-1.6
Less Imputed bank service charge	-0.4	0.1	0.1	0.1	0.1	0.0	0.0
Plus Indirect taxes	-0.7	2.2	0.7	-1.2	2.9	-0.8	7.4
Less Subsidies	-0.1	4.7	-1.1	-2.9	0.8	1.7	-2.1
<b>Gross Domestic Product in 2009 Prices</b>	<b>0.3</b>	<b>7.7</b>	<b>0.6</b>	<b>-8.1</b>	<b>3.9</b>	<b>0.7</b>	<b>4.7</b>

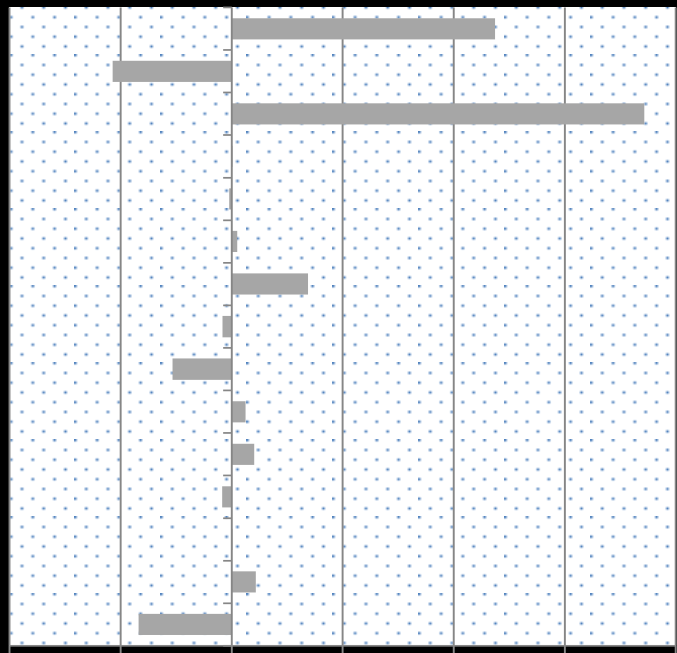


*Chart 4: The Niue GDP Annual Growth in Constant Prices : 2006 – 2012*



*Chart 5: The Niue GDP by Sector. Contributions to Annual Growth in Constant Prices : 2012*

The estimates for growth are made from 2006 to 2012 with a 2009 base year. Real GDP (Constant Prices) grew by an average of 1.4% between 2006 and 2012 with a 7.7% growth registered in 2007 which accounts for the completion of the recovery projects post Cyclone Heta in 2004 to a low of -8.1% in 2009 and this is the impacts from the introduction of the Niue consumption Tax (NCT). Between 2010 and 2012, GDP in real terms grew by an average of 2.9% with the main source of growth being government non-market services. In 2012 there was a growth of 4.7% of the economy. Over the last few years, growth in GDP has been generally fuelled by government non-trading sector activities and private sector enterprises particularly finance real estate and business services but this year the significant growth was seen in the indirect taxes and Government trading enterprises with 7.4% and 1.1% respectively.



*Chart 6: The Niue GDP by Industry. Contributions to Annual Growth in Constant Prices : 2012*

### **Nominal Gross Domestic Product**

In nominal terms, GDP grew by an average of 7.0% between 2006 and 2012. It registered a growth of 6.7% in 2012. During the same period, inflation as measured by the consumer price index averaged 4.9%.

Tables in section 3 below will provide the data and details of the GDP in constant prices and current prices from 2006 to 2012.

### 3. TABLES

**Table 1a: Real Gross Domestic Product (GDP) by Industry in 2009 Prices (NZD'000)**

Industry / Year Ended June	2006	2007	2008	2009	2010	2011	2012
Agriculture, Hunting, Fishing and Forestry	6,077	6,055	5,819	5,053	4,689	4,654	4,262
Mining and Quarrying	77	82	52	47	140	19	120
Manufacturing	350	348	359	376	388	390	392
Electricity, Gas and Water	594	560	574	698	647	722	683
Construction	707	712	830	737	580	487	581
Wholesale and Retail trade	1,759	1,760	1,747	1,800	1,868	1,888	1,946
Hotels and Restaurants	945	1,078	1,948	1,676	1,967	1,828	1,578
Transport and Communications	1,199	1,368	1,383	1,440	1,529	1,385	1,347
Finance, Business Services and Real Estate (1)	2,130	1,993	1,876	1,770	1,698	1,762	2,082
Community and Personal Services	679	664	629	637	638	641	630
General Government non-market	8,371	8,423	8,035	8,022	8,147	8,447	8,470
Less Imputed bank service charge	-435	-411	-379	-344	-331	-324	-320
Indirect taxes	1,249	1,741	1,908	1,607	2,252	2,064	3,801
Less Subsidies	-1,258	-202	-461	-1,174	-1,004	-603	-1,103
<b>Gross Domestic Product in 2009 Prices</b>	<b>22,443</b>	<b>24,172</b>	<b>24,320</b>	<b>22,345</b>	<b>23,210</b>	<b>23,361</b>	<b>24,469</b>

**Table 1b: Growth of Real DP by Industry in 2009 Prices (%)**

Industry Group / Year Ended June	2006	2007	2008	2009	2010	2011	2012
Agriculture, Hunting, Fishing and Forestry	1.7	-0.1	-1.0	-3.1	-1.6	-0.2	-1.7
Mining and Quarrying	0.0	0.0	-0.1	0.0	0.4	-0.5	0.4
Manufacturing	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Electricity, Gas and Water	0.1	-0.2	0.1	0.5	-0.2	0.3	-0.2
Construction	0.4	0.0	0.5	-0.4	-0.7	-0.4	0.4
Wholesale and Retail trade	0.2	0.0	-0.1	0.2	0.3	0.1	0.2
Hotels and Restaurants	0.0	0.6	3.6	-1.1	1.3	-0.6	-1.1
Transport and Communications	-0.7	0.8	0.1	0.2	0.4	-0.6	-0.2
Finance, Business Services and Real Estate (1)	1.5	-0.6	-0.5	-0.4	-0.3	0.3	1.4
General Government non-market	-1.7	0.2	-1.6	-0.1	0.6	1.3	0.1
Community and Personal Services	0.1	-0.1	-0.1	0.0	0.0	0.0	0.0
Less Imputed bank service charge	-0.4	0.1	0.1	0.1	0.1	0.0	0.0
Plus Indirect taxes	-0.7	2.2	0.7	-1.2	2.9	-0.8	7.4
Less Subsidies	-0.1	4.7	-1.1	-2.9	0.8	1.7	-2.1
<b>Gross Domestic Product in 2009 Prices</b>	<b>0.3</b>	<b>7.7</b>	<b>0.6</b>	<b>-8.1</b>	<b>3.9</b>	<b>0.7</b>	<b>4.7</b>



**Table 2a: Real GDP by Sector in 2009 Prices (NZD'000)**

<b>Sector / Year ended June</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Government non-market	8,371	8,423	8,035	8,022	8,147	8,447	8,470
Government trading enterprises	2,388	2,466	2,841	2,869	2,666	2,276	2,531
Private non-profit organisations	334	324	311	321	323	325	319
Private enterprises in the formal cash sector	6,414	6,367	6,777	6,413	6,845	6,859	6,839
Private sector subsistence activity	5,379	5,463	5,287	4,631	4,311	4,317	3,932
Less Imputed bank service charge	-435	-411	-379	-344	-331	-324	-320
Plus Indirect taxes	1,249	1,741	1,908	1,607	2,252	2,064	3,801
Less Subsidies	-1,258	-202	-461	-1,174	-1,004	-603	-1,103
<b>Gross Domestic Product in constant prices</b>	<b>22,443</b>	<b>24,172</b>	<b>24,320</b>	<b>22,345</b>	<b>23,210</b>	<b>23,361</b>	<b>24,469</b>

**Table 2b: Growth of Real GDP by Sector in 2009 prices (%)**

<b>Ownership Group / Year ended June</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Government non-market	-1.7	0.2	-1.6	-0.1	0.6	1.3	0.1
Government trading enterprises	-0.2	0.3	1.6	0.1	-0.9	-1.7	1.1
Private non-profit organisations	0.0	-0.0	-0.1	0.0	0.0	0.0	-0.0
Private enterprises in the formal cash sector	3.5	-0.2	1.7	-1.5	1.9	0.1	-0.1
Private sector subsistence activity	-0.1	0.4	-0.7	-2.7	-1.4	0.0	-1.6
Less Imputed bank service charge	-0.4	0.1	0.1	0.1	0.1	0.0	0.0
Plus Indirect taxes	-0.7	2.2	0.7	-1.2	2.9	-0.8	7.4
Less Subsidies	-0.1	4.7	-1.1	-2.9	0.8	1.7	-2.1
<b>Gross Domestic Product in 2009 Prices</b>	<b>0.3</b>	<b>7.7</b>	<b>0.6</b>	<b>-8.1</b>	<b>3.9</b>	<b>0.7</b>	<b>4.7</b>
Estimated population	1,538	1,552	1,565	1,579	1,593	1,607	1,621
GDP per head in constant prices \$NZ	14,593	15,579	15,538	14,151	14,570	14,537	15,093

**Table 3a: Contributions of Sectors to Real GDP in 2009 Prices (%)**

Sector	2006	2007	2008	2009	2010	2011	2012
Government non-market	37.3%	34.8%	33.0%	35.9%	35.1%	36.2%	34.6%
Government trading enterprises	10.6%	10.2%	11.7%	12.8%	11.5%	9.7%	10.3%
Private non-profit organisations	1.5%	1.3%	1.3%	1.4%	1.4%	1.4%	1.3%
Private enterprises in the formal cash sector	28.6%	26.3%	27.9%	28.7%	29.5%	29.4%	28.0%
Private sector subsistence activity	24.0%	22.6%	21.7%	20.7%	18.6%	18.5%	16.1%
Less Imputed bank service charge	-1.9%	-1.7%	-1.6%	-1.5%	-1.4%	-1.4%	-1.3%
Plus Indirect taxes	5.6%	7.2%	7.8%	7.2%	9.7%	8.8%	15.5%
Less Subsidies	-5.6%	-0.8%	-1.9%	-5.3%	-4.3%	-2.6%	-4.5%
<b>Gross Domestic Product in 2009 Prices</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Table 3b: Contributions of Industries to Real GDP in 2009 Prices (%)**

Industry Group	2006	2007	2008	2009	2010	2011	2012
Agriculture, Hunting, Fishing and Forestry	27.1%	25.1%	23.9%	22.6%	20.2%	19.9%	17.4%
Mining and Quarrying	0.3%	0.3%	0.2%	0.2%	0.6%	0.1%	0.5%
Manufacturing	1.6%	1.4%	1.5%	1.7%	1.7%	1.7%	1.6%
Electricity, Gas and Water	2.6%	2.3%	2.4%	3.1%	2.8%	3.1%	2.8%
Construction	3.1%	2.9%	3.4%	3.3%	2.5%	2.1%	2.4%
Wholesale and Retail trade	7.8%	7.3%	7.2%	8.1%	8.0%	8.1%	8.0%
Hotels and Restaurants	4.2%	4.5%	8.0%	7.5%	8.5%	7.8%	6.4%
Transport and Communications	5.3%	5.7%	5.7%	6.4%	6.6%	5.9%	5.5%
Finance, Business Services and Real Estate (1)	9.5%	8.2%	7.7%	7.9%	7.3%	7.5%	8.5%
General Government non-market	37.3%	34.8%	33.0%	35.9%	35.1%	36.2%	34.6%
Community and Personal Services	3.0%	2.7%	2.6%	2.8%	2.7%	2.7%	2.6%
Less Imputed bank service charge	-1.9%	-1.7%	-1.6%	-1.5%	-1.4%	-1.4%	-1.3%
Plus Indirect taxes	5.6%	7.2%	7.8%	7.2%	9.7%	8.8%	15.5%
Less Subsidies	-5.6%	-0.8%	-1.9%	-5.3%	-4.3%	-2.6%	-4.5%
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Gross Domestic Product in 2009 Prices</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Acknowledgements

Statistics Niue of the EPDS, Premiers Department would like to acknowledge the technical assistance from SPC through Alick Nyasulu, the staff of Treasury Department and managers of Government Corporations for providing the information for the compilation of the national accounts estimates of Niue. Our sincere hope that the information contained herein is relevant and useful to all users and stakeholders.

Our pledge, in order for us to improve the usefulness of this statistical release we appreciate your comments. Please write to the Government Statistician, Statistics Niue, Treasury Department, Government of Niue, Alofi, NIUE; or send an e mail to email address:

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Fakaave lahi.

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## **Appendix**

### **Technical Notes**

#### **The Scope of Niue National Accounts**

Niue's main economic activities generally revolve around operations of government through public administration, and public corporations in retail, real estate, hotels, telecommunications, mining and utilities given the small size of the economy. It is difficult to have large privately owned enterprises as the population is small. Economies of scale cannot be enjoyed, and remoteness to main markets entails huge transport costs. Exports are quite small and predominantly agricultural products.

Previous estimates since the 1990's have tended to compute an implicit subsidy as part of overall contribution to GDP. The implicit subsidy has essentially been a negative operating surplus for government owned entities, which play a major part in economic activities. To be in line with the SNA 2008, the trading enterprises owned by government have now been classified as non-market producers even though they occasionally make a profit. The trend is quite clear in the audited financial statements.

Niue national accounts are calculated and presented in both institutional sector and industry.

#### **Government**

Government activities are divided into two categories. The first category is Government-Non Market activities mainly public administration activities. This constitutes all traditional non-market activities such as public administration, education, security, justice, health, foreign affairs, agriculture, environment etc. Output is calculated on the basis of cost of providing such services i.e. operational costs (intermediate consumption) and personnel costs. A sum of compensation of employees and the consumption of fixed capital measure value added. The second category refers to the trading operations and corporations of Government. While these entities provide services such as retail, real estate, electricity and telecommunications, they are generally loss making operations. Calculating their value added on the basis of market production leads to erratic changes in value added. They have now been reclassified as non- market producers. These are state owned corporations. While they might charge prices closer to market realities, they are loss making and only operate simply because they are part and parcel of the government budget every year. Previously they had been classified as market producers, but it led to huge variations in value added, and GDP all together. Their operating surplus (OS) is for most years negative, and the few years that they do post positive OS; it leads to huge swings in GDP.

#### **Private Formal Enterprises**

This category constitutes private entities that operate with a profit motive and for their services, charge prices that are significant on the market. They are all registered and have their accounts audited, and pay corporate taxes to government.

### **Private Sector Subsistence Activities**

The private sector subsistence activities constitute household related activities such as livestock, fishing, farming etc. These are estimated from the Agriculture Census, Population and Housing Census and the Household Income and Expenditure Survey.

### **Private Non-Profit Institutions**

The Non-profit institutions constitute all community and social service entities that serve households and communities. Their bases of estimates are old and are very crude estimates. It is expected to include churches in this category in the future estimates considering the role it plays in the social lives of households beside the large sums that individuals donate to church events.

### **Current Prices**

Current prices are updated for all industries up to 2013. A major revision was made to the Government non-market sector following availability of actual budget figures from Treasury. This has reduced the current price GDP levels to reflect reality.

Niue's main economic activities generally revolve around the operations of government through public administration, and public corporations in retail, real estate, hotels, telecommunications, mining and utilities. In the current updates, there has been a change in method in how their value added is computed. Since the 1990's an implicit subsidy has been compiled as part of overall contribution to GDP. The implicit subsidy has essentially been a negative operating surplus, reflecting the non-market nature of the activities concerned. To be in line with the SNA 2008, the trading enterprises owned by government have now been classified as non-market producers and the implicit subsidy removed in the calculation of value added. While some of these government corporations make some profits, it is usually very small. Overtime, it is clear that the operating surplus is negative and treating them as market producers leads to huge changes in GDP between years since operating surplus can swing from a large negative to some positive number.

### **Constant Prices**

The constant price national accounts have a 2009 base year with the Agriculture Census being the main determining factor for the benchmark year. Single deflation methods are used and the calculations are presented in the "Summary Constant Prices worksheet" of the workbook. The consumer price index (CPI) is used as a deflator, and referenced to a 2009 base. Various industries and sectors are deflated by components of CPI relevant to specific activities. Niue CPI weights are based on the 2002 Household Income and Expenditure Survey (HIES). The CPI is in a worksheet denoted "CPI". It will need to be constantly updated once new national accounts are compiled. The CPI is the only index currently available, but

nonetheless convenient to use to make any constant price estimates, despite its shortcomings as an effective deflator for GDP.

### ***Reviews and developments***

Revisions of the GDP estimates are on-going as more updated figures were received from various source data.

New developments will include compilation of the GDP Estimates using the Expenditure approach. This is envisaged for the end of this year or next year compilations.