ABS data released today has recorded a 0.8% decline in Gross State Product (GSP) for the Northern Territory in 2002-03, but a significant strengthening of State Final Demand (SFD) which is the major indicator of growth in the Territory economy.

Treasurer Syd Stirling said the decrease in GSP was largely due to a drop-off in offshore oil production and exports associated with the Laminaria-Corallina oilfields.

"However, the figures show the Territory’s onshore economy continues to strengthen, with State Final Demand for 2002-03 increasing by 6.4%," Mr Stirling said.

"Consumption, which makes up around 75% of SFD, rose by 5.8%, supported by stronger defence-related expenditures, solid income growth and low interest rates.

"Dwellings investment was up by 11% after a number of years of very weak growth, which is a further positive sign for the onshore economy.

"Meanwhile, business investment growth increased by 22.9% as work on Bayu-Undan Stage One continued and work started on Stage Two.

"Stronger consumption and investment expenditure indicates that the Territory economy is continuing to gather momentum and will grow further as major projects come on line over the next five years."

Mr Stirling said the figures also showed that the mining industry continues to dominate the NT economy, representing 23% of total income, compared to 5.2% nationally.

Other major Territory industries include property and business services (9%), government administration and defence (7.4%) and construction (7.4%).