Monthly Economic Indicators

THE TREASURY
Kaitohutohu Kaupapa Rawa

March 2012

Executive Summary

- **The economic recovery continued in the year ending December 2011**
- **Major economic drivers over the year included the Rugby World Cup and agricultural production with offsets from natural disasters and government debt crises overseas**
- **The theme of stabilisation in the global economy continues, but risks remain**

The economy grew 1.4% in the year ending December 2011, the fastest pace in over three years. The Rugby World Cup (RWC), exceptional pastoral growth and high export prices provided a powerful antidote to the disruptions caused by natural disasters at home and abroad and by government debt woes overseas. The RWC lifted private consumption spending and tourism numbers; however natural disasters in New Zealand and Japan, combined with economic weakness in Europe and the United Sates, provided an offset. The result was a moderate increase in total tourist numbers and spending.

Increased activity in the property and business services industry, likely reflecting activity related to both the RWC and the Canterbury earthquakes, accounted for half of the rise in total GDP over 2011. Exceptional pastoral production also contributed to growth and helped lift dairy export volumes to record levels in the December quarter. As a consequence New Zealand’s trade surplus reached its highest level in a decade and helped limit the current account deficit to 4% of GDP.

Good pastoral farming conditions have continued into 2012, providing a firm base for activity to build on over 2012. Our March round of business talks, which is featured in our Special Topic, suggested growth in early 2012 will be maintained at a similar pace to that over 2011. Other indicators of business activity point to a rising pace of growth later in the year. However, as indicated in last month’s report, the outlook for the 2012 calendar year appears weaker than in February’s Budget Policy Statement (BPS).

The stabilisation seen in the global outlook in February continued in March, with the Greek debt restructuring completed and a continued positive tone in US data. *Consensus* forecasts for New Zealand’s main trading partners remained at 3.5% for 2012 and 4.0% for 2013, similar to the assumptions underlying the Budget Policy Statement forecasts. While the risks of severe global disruption arising from the euro debt crisis have been significantly reduced in the near term, risks remain to the downside and may have just been pushed out in time.

Analysis

The economy grew 1.4% in the year ending December 2011, the fastest pace in over three years. The Rugby World Cup (RWC), exceptional pastoral growth and high export prices provided an effective antidote to the disruptions caused by natural disasters at home and abroad and by government debt woes overseas.

The RWC lifted private consumption spending and tourism numbers; however natural disasters in New Zealand and Japan, combined with economic weakness in Europe and the United States, meant tourist spending was lower than it might have been. The result was a moderate increase in total tourist numbers and spending.

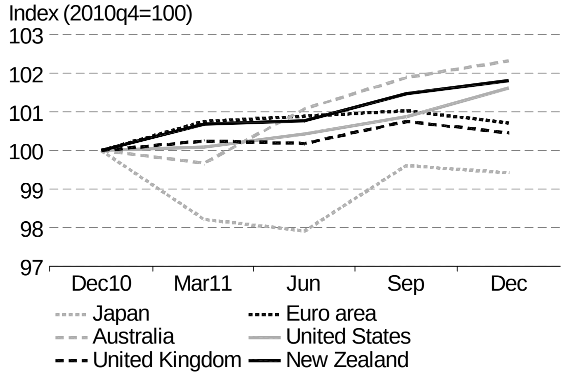
Increased activity in the property and business services industry, likely reflecting activity related to both the RWC and the Canterbury earthquakes, accounted for half of the rise in total GDP. Exceptional pastoral growth helped lift dairy export volumes to record levels in the December quarter. As a consequence New Zealand's trade surplus reached its highest level in a decade and helped limit the current account deficit to 4% of GDP.

Good pastoral farming conditions have continued into 2012, providing a firm base for activity to build on over 2012. Our March round of business talks suggested growth in early 2012 will be maintained at a similar pace to that over 2011. Other indicators of business activity point to a rise in the pace of growth later in the year. However, as indicated in last month's report, the growth outlook for the 2012 calendar year appears weaker than the 2½% forecast in February's Budget Policy Statement (BPS).

Economic recovery continues...

Real production GDP rose 0.3% in the December quarter, weaker than the Treasury and the market expectations of 0.7% and 0.6% respectively. However, it should be seen in the context of a difficult global situation (Figure 1). In the December 2011 quarter GDP fell 0.3% in the euro area and in the UK, fell 0.2% in Japan and rose only 0.1% across the OECD area as a whole. Both Australia and Canada were soft with 0.4% growth.

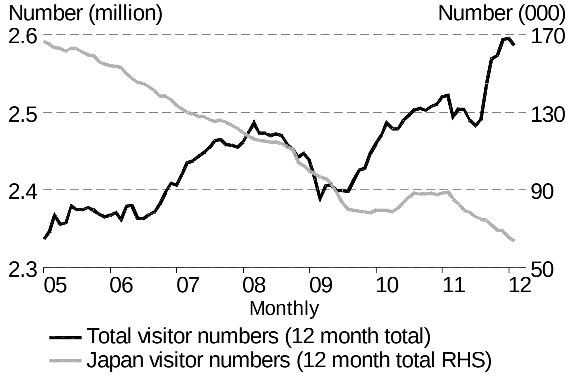
Figure 1 – Economic growth over 2011



Source: Statistics NZ, Datastream

Relative to the Treasury's forecast, the impact of the RWC on services exports was small. This reflects, at least in part, the negative impacts of natural disasters in New Zealand and Japan, as well as the high NZ dollar and economic turmoil in other key tourism markets. Not only do these factors tend to reduce the number of people visiting but also the amount of spending while here. These effects were most clearly evident in the data on visitors from Japan. The trend decline in the number of visitors from Japan reasserted itself and numbers fell 21% in the year ending December 2011 (Figure 2), the lowest level since 1994, and total spending fell 36% in the year. A rise in visitors from other countries, particularly China and Australia, more than filled the gap left by reduced numbers of visitors from Japan, Korea, USA, UK and Germany, and total visitor numbers rose 3% in the year. This led to a 3% rise in travel spending for the year, but when the 5% rise in travel prices is factored in, the real value of spending fell 2%. In effect, while the 133,200 RWC visitor number was higher than expected, overall tourist spending fell short of expectations.

Figure 2 – Visitor numbers



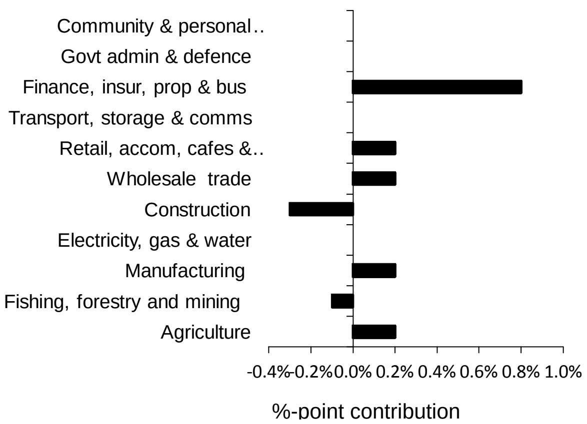
Source: Statistics NZ, Treasury

The distinction between visitor numbers and visitor spending was evident in our business talks. Businesses that were directly exposed to the RWC, for example though merchandise or hospitality services, tended to report a significant impact on sales. On the other hand, businesses with a more general exposure to tourism noted the limited impact on sales.

...driven by growth in services industries

The mixed impact of the RWC on industries can be seen in Figure 3. The RWC clearly benefited the wholesale and retail industries and the finance, insurance, property and business services industry. Most of the growth in the latter grouping came from property and business services, up 4.7% in the year and accounting for half of all GDP growth. Activity in this group includes business types that would have benefited from: the rise in house sales over the year; the RWC, such as advertising, and vehicle hires; and the Canterbury earthquakes, such as engineering and surveying. In contrast, activity in community and personal services, which includes sport and recreation, and transport, storage and communication, showed no rise in the year.

Figure 3: Contribution to GDP growth in 2011



Source: Statistics NZ

Output in agriculture grew 4.4% over 2011 as dairy production increased off the back of exceptional pastoral growth. Dairy production has remained strong throughout the March quarter and appears headed to end the season around 10% higher than in the last season.

Manufacturing output rose 1.5%, although with the exceptions of the food and beverages and petroleum and chemicals groups, there was little growth. Inventories increased sharply in September and their subsequent run-down in December resulted in a fall in output. Only two of the nine sub-industries managed to increase production. Government administration and defence posted a 2.2% fall in the December quarter, offsetting earthquake related rises earlier in the year.

Real expenditure GDP rose 1.3% in the year ending December, led by growth in private consumption expenditure, up 2.5% in the year. Residential investment declined 12% in the year, while non-residential investment grew 5.3%, helped by a 14% rise in plant and machinery investment. Net exports fell in the year as imports strengthened, up 6%, and overshadowed the 2.4% rise in export volumes. Despite the fall in tourism spending, exports of other services rose and total services export increased 0.6% over the year.

Nominal GDP subdued by weak prices

Expenditure on GDP in current prices fell 0.5% in the December quarter, its first fall since mid-2009. Contributors to this fall include lower consumer goods prices, in line with the fall in the CPI, and a rise in import prices as the exchange rate fell. As a consequence the level of GDP in current prices was $1.5 billion below the forecast in the *Pre-election Update*. This is consistent with tax being well below forecast so far this fiscal year.

The national accounts measure of the terms of trade fell 2.5%, the first decline since mid-2009. Our BPS forecasts include a sharp fall in the terms of trade in 2012 but with additional weakness in dairy prices now appearing, a larger fall is likely. The additional weakness in dairy prices seems to be driven largely by increased supply in the major producer markets. It is not just New Zealand that is experiencing favourable conditions for dairy production; the US, Australia and Europe are as well.

Turning to the March quarter, the BPS forecast 0.5% real growth in the March 2012 quarter as activity slowed in the wake of the RWC. This forecast still looks reasonable, although after December's result the explanation changes to one of a pick-up in activity. For example, primary food manufacturing can be expected to increase - there was some support for this in this February's 15% rise in meat export volumes. There have also been supportive signs of growth in the BusinessNZ-BNZ Performance of Manufacturing and Service Indexes.

Business confidence rose in March, according to the National Bank Business Outlook (NBBO), pointing to faster growth later in the year. The net balance of firms expecting improvement rose

6 percentage points to 34%, likely a reflection of reduced risks to the global outlook. Expectations of a rise in construction and investment activity associated with the Canterbury rebuild are also supporting confidence. The more reliable indicator of forward GDP – firms' own activity assessment – also rose, and is now at a level that in the past would have been consistent with GDP growth in the 3.5% to 4.5% range. Our forecast is for growth of 2% to 2.5% over the 2012 calendar year. Households do not yet appear to have the strength of conviction in future income growth to undertake the consumption spending required to lift GDP growth rates to a much higher level in 2012. However, we do expect consumption to rise to around 3% per year in 2013 as the Canterbury rebuild gets underway and economic activity in the rest of the country gathers momentum.

New data could lead to revisions

The December GDP release will be the final one under the ANZSIC 1996 industry classification. The 2006 version and other updates from 27 April 2012 will likely result in changes to historical data, including the potential for some reduction in the 4.5% gap between the expenditure and production measures of real GDP. These changes could have implications for our forecasts of the economy, post-Budget.

Current account deficit narrows

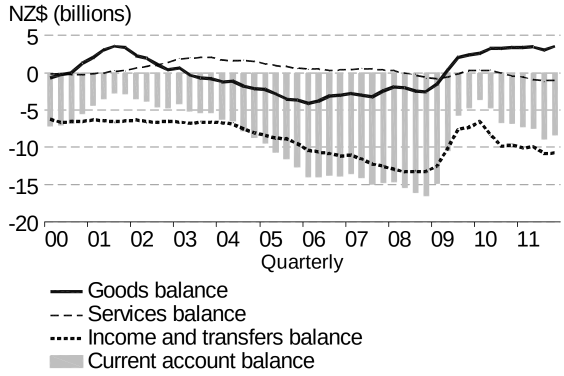
Record dairy volumes in the December quarter contributed to a $0.5 billion increase in the annual goods surplus to $3.6 billion, the highest in a decade (Figure 3). The annual current account deficit was reduced by a similar amount, to $8.3 billion (4% of GDP), indicating that movements in the services and income balances had little impact this quarter.

The impact of the Rugby World Cup on the services balance was weaker than we had expected – services exports rose just $38 million (seasonally adjusted) in the quarter. The annual income deficit narrowed slightly, down $0.1 billion to $10.4 billion. The net international liability position was stable at 72% of GDP.

The industrial dispute at the Ports of Auckland seems to be impacting on the trade data, with February export values down 6.9% and imports down 6.6% on February 2011. These movements saw the annual trade surplus narrow to $621 million from $765 million in the year ending February 2011. Delays in loading and unloading vessels will also impact on March's trade data.

The Treasury is forecasting the current account deficit to remain around the 4% mark over 2012. Export values are expected to stay high, although rising imports means the trade balance narrows. Subdued profit growth by foreign-owned companies in New Zealand and a static debt stock are expected to see the income deficit remain around the $10 billion mark over the year. Beyond 2012, a return to average pastoral conditions combined with weak export services growth, strengthening import demand from the residential investment recovery, and rising domestic profitability contribute to a current account deficit forecast of 6% of GDP by December 2013.

Figure 4 – Current account balances



Source: Statistics NZ

Labour productivity falls

Labour productivity in the measured sector of the economy, which excludes public health and education, decreased 0.1% in the year ending March 2011. That is, labour inputs increased faster than firms' outputs. While this is beneficial for employment, it limits the scope for increases in real wages. Productivity growth typically rises during the expansionary phase of the business cycle and we estimate economy-wide productivity to have increased 0.6% over 2011. A further increase in labour productivity over the next few years is vital to help alleviate capacity pressures, most obviously those looming in the construction industry.

Global growth stabilisation theme continues…

The stabilisation seen in the global outlook in February continued in March, with the Greek debt restructuring completed and a continued positive tone in US data. *Consensus* forecasts for New Zealand's main trading partners remained at 3.5% for 2012 and 4.0% for 2013, similar to the assumptions underlying the Budget Policy

Statement forecasts. While the risks of severe global disruption arising from the euro debt crisis have been significantly reduced in the near term, risks remain to the downside and may have just been pushed out in time.

…with completion of Greek debt restructuring…

After some initial concern over the participation rate for the Greek private sector involvement (PSI), the final result was seen as successful. There was 86% (€152b) participation for bonds under Greek law; as it was less than 90%, collective action clauses were activated, bringing total participation to 95.7% (€197bn). This resulted in the activation of CDS contracts, but this was seen as positive, as it shows that the CDS market is actually functioning (despite low overall payouts), which should help bond issuances by other countries. The bailout for Greece was later ratified by EU members, with €28bn to be provided by the IMF.

Equity markets rose in response to the Greek debt restructuring and reduction in tail risks. Having said this, many consider that a further debt restructuring will be necessary; the new Greek bonds are already trading at a discount. Another factor tempering market sentiment is the prospect of a debt restructuring program for Portugal, although there have been no official announcements. Spain is also of concern, with fiscal targets being changed, and larger-than-expected deficits. Spanish bond yields have begun rising as a result, but remain much lower than for the countries that required bailouts.

…and continuing US strengthening

Non-farm payrolls increased an above-expectation 227,000 in February, with 61,000 in upwards revisions signalling further strength. The unemployment rate remained steady at 8.3%. Regional manufacturing PMIs were largely positive in the month, albeit with declines in Richmond and Dallas; they do, however, remain in expansionary territory. Industrial production in February was flat, although upward revisions to January helped the level. Retail sales grew strongly in line with the improving labour market, despite an easing in consumer confidence. Some forecasters have started upgrading growth forecasts for the United States; we remain cautious given the upcoming fiscal consolidation and downside risks to global growth.

But growth concerns remain for China…

With the near-term resolution of the Greek crisis, there was renewed focus on China's growth and its sustainability. While the consensus view remains for a soft landing (growth between 7-8%), there are increasing concerns of a hard landing (growth around 5%). February export data was weak, industrial production growth eased more than expected to 11.4% (apc) and retail sales growth fell to 14.5% (apc) in comparison to the 17% seen in much 2011.

House prices also fell in most of the regions surveyed, while the HSBC manufacturing PMI unexpectedly fell 1.6 points to 48.1. Offsetting some of the concern is that the authorities have ample room to ease monetary policy (and expand fiscal policy), especially given the inflation rate fell back to 3.2% in February. Analysts are cautious over reading too much into Chinese data in January and February owing to the disruption caused by the Chinese New Year holiday.

…while Australian growth was weaker than expected…

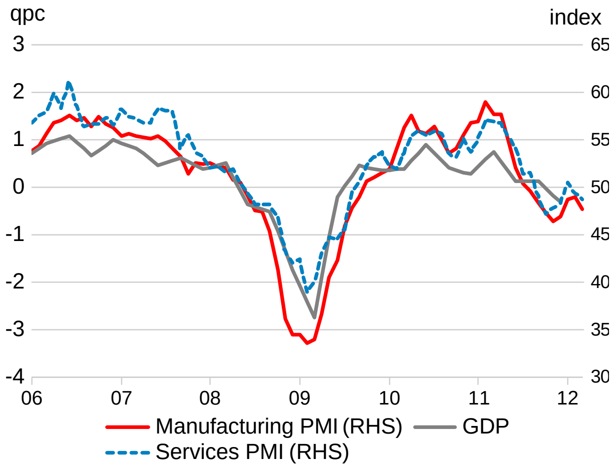
Australian GDP grew 0.4% in the December 2011 quarter, much lower than the market expectation of 0.8%. The annual increase of 2.3% was close to expectations owing to upwards revisions to past growth. Growth in the quarter came from public consumption, net exports, inventories and below-trend consumption growth. Investment subtracted from GDP after a strong September quarter. The growth outlook has also been under scrutiny as the concerns around China's growth have resurfaced. Owing to Australia's significant exports to China and large investment intentions dependent on Asian demand, a hard landing in China would have big implications for Australia. This would flow on to New Zealand as well, with China and Australia our top trading partners.

The unemployment rate rose in line with expectations from 5.1% to 5.2%, but employment fell 15,400; a small increase had been expected. The RBA announced before the GDP release that its policy rate would remain unchanged at 4.25%, saying that GDP was near-trend and inflation within the target range. Overall, analysts are split over the RBA's next move given the weaker-than-expected GDP outturn.

… and European growth outlook still bleak

The euro area manufacturing PMI took an unexpected fall in March, falling 1.3 points to 47.7 (Figure 5); Germany's PMI was the main driver, falling 2.1. The euro area services PMI also fell, now sitting at 48.7. The implications of these moves are that a mild recession is widely expected for the first half of 2012. The growth fundamentals further out are also bleak, with significant rebalancing required to make the monetary union sustainable. It should be noted however, that this rebalancing is necessary, and if successful, should help prevent crises of this nature in the future.

Figure 5: Euro area PMIs and GDP



Source: Haver

Markets rise on improved sentiment

The improved tenor of US data and near-term resolution of the Greek debt crisis led to a re-evaluation of financial assets. US bond yields rose and the USD strengthened mid-month, giving a glimpse of what might happen when a solid recovery takes hold. However, US 10-year bond yields pared gains, finishing around 15-20 basis points higher at 2.20%. Equity markets were higher for the month, but increases remain tentative given the downside risks that still remain. Commodity prices were broadly stable; oil prices remained at high levels. Both the NZD and USD depreciated slightly against the USD, at odds with the typical "risk-on" appreciation seen in recent years, but more consistent with a sustained recovery in US activity.

Special Topic: March 2012 Business Talks

In preparation for the Budget economic and fiscal forecasts, Treasury staff conducted around 40 interviews with businesses and business organisations in Auckland, Wellington and Christchurch in mid March to gain an insight into current and prospective economic conditions. The following is a summary of the opinions of the people whom Treasury officials visited.

General business conditions "flat"

Activity was most commonly described as being "flat". Sometimes, this term was used to indicate that that there was little or no growth in business activity, which was bumbling along at a relatively low level. At other times, it was used to mean that business was growing but the rate of growth was low and/or the same as last year.

Variable sector performance

There was a great deal of variability across different sectors of the economy and even across different firms operating within the same sector. Retail is a good example of the latter phenomenon. Some retailers described business as being slow, with the 2011 Rugby World Cup (RWC) being cited as a negative influence on retail. Other retailers said that business was booming and that the RWC has been good for both sales and profits.

There were also conflicting reports from the travel/tourism sector. Some operators enjoyed a boost to business through the RWC period, which has continued on afterwards. Others have experienced declining sales over the past 9 to 12 months. On balance, the RWC was perhaps not as much of a boon for tourism as had been hoped, despite the higher-than-expected visitor numbers.

Construction is doing it tough. Housing construction was very weak in 2011 and commercial construction is "flat". However, prospects are good for the construction industry with the rebuilding effort in Christchurch starting to gain some momentum.

Residential property is very much a 2-speed market at the moment: Auckland has picked up but the rest of the country is … "flat". Even within Auckland, activity is concentrated more towards the central city rather than more outlying areas.

Firms exposed to the agriculture sector were not well represented in these talks. From the few comments that were received, on-farm production has been good, boosted by favourable weather conditions, and prices are relatively high, even though Fonterra's dairy payout forecast has eased back a little lately. Prospects for the future are still positive.

There were few comments on manufacturing and exporting. Log and dairy exports are continuing apace, but other manufacturers are struggling, with the high NZD causing some concern.

Profits also "flat"

In line with business conditions, profits were also described as being flat. Input costs are up, especially fuel, insurance and, to a lesser extent, wages. Sales prices are static. As a result, margins are under pressure. There were exceptions to this, with some firms reporting record profits recently.

"Flat" employment and investment intentions

While some firms reported that they planned to undertake significant capital projects in the near future, these were the exception rather than the rule. Most were maintaining capital expenditure at depreciation levels or less. Any business investment that has been going on has been concentrated in the IT area. There were many reports of increased M&A activity over the past six to twelve months.

On employment, most firms are looking to maintain staff numbers at current levels. There has been some shuffling around of the workforce, e.g. from head office to more-productive parts of the business. Planned wage increases are in the 0-5% range.

Earthquake impact and recovery

The residential rebuild in Christchurch is expected to begin in earnest in the second half of 2012. This is unchanged from the last round of business talks in September, despite the December aftershocks. While there has been some rebuilding activity in the CBD, the bulk of the commercial rebuild is still at least a year and a half away and will be a 15-20 year job. Availability of labour and the slow pace of insurance claim settlement are both constraining activity to some extent. The impact of the Christchurch earthquakes has been felt across the whole country. Not least of the effects is a fundamental change to the insurance market. The most immediate and obvious effect is the cost increase, with the increased price of reinsurance being passed directly through to customers. Perhaps more significantly, excesses have increased with some customers now having to carry more of the risk themselves.

The views of the businesses were consistent with our view in the forecasts underlying the Budget Policy Statement that growth would be weak in the first half of 2012 following the temporary boost from the RWC and before the Christchurch rebuild gets fully underway in the second half of the year.

However, they were less positive than recent business surveys which have indicated some pick-up in activity. The National Bank Business Outlook survey recorded a lift in firms' activity outlook over the next year from an average of 26.9 in the December quarter to 31.2 in February and 38.8 in March. The largest increase was in the construction industry. The Business NZ-BNZ Performance of Manufacturing and Services Indices also rose in February, indicating stronger growth. The March Quarterly Survey of Business Opinion is due for release in early April.

Monthly Economic Indicators is a regular report prepared by the Forecasting and Monitoring team of the Treasury.

Contact for enquiries:
The Treasury
PO Box 3724
Wellington
NEW ZEALAND

information@treasury.govt.nz
Tel: +64 4 472 2733
Fax: +64 4 473 0982

New Zealand Key Economic Data

30 March 2012

Quarterly Indicators

		2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg[1]	-0.1	0.3	0.7	0.1	0.7	0.3	...
	ann ave % chg	1.0	1.2	1.2	1.0	1.2	1.4	...
Real private consumption	qtr % chg[1]	0.4	0.5	0.5	0.3	1.6	0.8	...
	ann ave % chg	2.0	2.2	2.0	1.8	2.0	2.5	...
Real public consumption	qtr % chg[1]	0.1	1.2	0.4	0.1	0.5	-0.7	...
	ann ave % chg	2.2	3.4	3.7	3.2	2.8	1.8	...
Real residential investment	qtr % chg[1]	-6.4	-6.9	-2.2	-7.0	-0.5	4.2	...
	ann ave % chg	4.7	4.6	4.4	-4.9	-11.3	-12.0	...
Real non-residential investment	qtr % chg[1]	1.0	8.6	-0.8	0.9	-2.4	1.1	...
	ann ave % chg	-4.8	1.9	7.5	10.5	10.8	6.9	...
Export volumes	qtr % chg[1]	-1.0	1.8	0.8	-0.5	0.7	2.8	...
	ann ave % chg	3.8	2.9	1.9	1.5	2.1	2.4	...
Import volumes	qtr % chg[1]	2.4	6.9	-2.5	2.2	2.6	-2.9	...
	ann ave % chg	5.7	10.3	10.5	10.4	9.9	6.0	...
Nominal GDP - expenditure basis	ann ave % chg	3.2	5.1	5.9	6.0	6.2	4.8	...
Real GDP per capita	ann ave % chg	-0.2	0.0	0.0	0.0	0.2	0.6	...
Real Gross National Disposable Income	ann ave % chg	0.5	2.3	1.7	2.4	2.6	1.9	...
External Trade								
Current account balance (annual)	NZ$ millions	-6621	-6787	-7196	-7396	-8827	-8268	...
	% of GDP	-3.5	-3.5	-3.6	-3.7	-4.3	-4.0	...
Investment income balance (annual)	NZ$ millions	-9750	-9538	-9649	-9501	-10363	-10311	...
Merchandise terms of trade	qtr % chg	3.0	0.8	0.8	2.4	-0.6	-1.4	...
	ann % chg	17.9	12.3	6.7	7.1	3.4	1.1	...
Prices								
CPI inflation	qtr % chg	1.1	2.3	0.8	1.0	0.4	-0.3	...
	ann % chg	1.5	4.0	4.5	5.3	4.6	1.8	...
Tradable inflation	ann % chg	0.3	3.3	3.7	5.5	4.6	1.1	...
Non-tradable inflation	ann % chg	2.5	4.6	5.2	5.2	4.5	2.5	...
GDP deflator	ann % chg	2.9	6.0	4.5	4.3	4.4	0.4	...
Consumption deflator	ann % chg	0.9	2.8	3.2	4.0	3.3	1.5	...
Labour Market								
Employment (HLFS)	qtr % chg[1]	1.1	-0.3	1.1	0.1	0.2	0.2	...
	ann % chg[1]	1.8	1.3	1.7	2.0	1.1	1.6	...
Unemployment rate	%[1]	6.4	6.7	6.6	6.6	6.6	6.3	...
Participation rate	%[1]	68.2	68.0	68.6	68.3	68.4	68.2	...
LCI salary & wage rates - total (adjusted)[5]	qtr % chg	0.5	0.5	0.4	0.5	0.6	0.6	...
	ann % chg	1.6	1.7	1.8	1.9	2.0	2.0	...
QES average hourly earnings - total[5]	qtr % chg	1.0	0.5	0.4	1.1	1.2	0.1	...
	ann % chg	1.1	1.8	2.6	3.0	3.2	2.8	...
Labour productivity[6]	ann ave % chg	0.9	-0.2	-0.9	-1.0	-0.8	0.0	...
Retail Sales								
Core retail sales volume	qtr % chg[1]	-0.3	0.0	1.0	1.1	2.6	2.9	...
	ann % chg	1.5	0.3	1.4	1.9	4.5	7.5	...
Total retail sales volume	qtr % chg[1]	-0.5	-0.4	1.1	1.0	2.3	2.2	...
	ann % chg	1.9	-0.1	0.8	1.1	3.9	6.6	...
Confidence Indicators/Surveys								
WMM - consumer confidence[3]	Index	114	108	98	112	112	101	102
QSBO - general business situation[4]	net %	6.4	8.1	-26.8	26.6	24.6	0.2	...
QSBO - own activity outlook[4]	net %	9.5	11.4	-1.6	18.5	30.0	9.9	...

Monthly Indicators

		2011M 9	2011M10	2011M11	2011M12	2012M 1	2012M 2	2012M 3
External Sector								
Merchandise trade - exports	mth % chg[1]	-1.0	1.3	1.4	2.6	1.0	-12.3	...
	ann % chg[1]	9.0	6.0	7.0	12.3	12.7	-7.1	...
Merchandise trade - imports	mth % chg[1]	2.2	-5.5	10.0	-9.8	17.2	-12.4	...
	ann % chg[1]	16.4	6.3	17.1	-1.9	18.1	-6.7	...
Merchandise trade balance (12 month total)	NZ$ million	694	688	288	812	644	621	...
Visitor arrivals	number[1]	263280	242270	215480	220980	213720	203340	...
Visitor departures	number[1]	238970	280230	216760	221460	219720	215090	...
Housing								
Dwelling consents - residential	mth % chg[1]	-18.4	11.4	-5.8	2.6	8.2	...	...
	ann % chg[1]	-4.0	11.7	-4.9	18.4	19.6	...	...
House sales - dwellings	mth % chg[1]	-3.4	-0.8	7.2	4.9	1.5	8.0	...
	ann % chg[1]	21.1	28.8	17.7	20.5	26.8	37.4	...
REINZ - house price index	mth % chg	1.7	-0.3	1.1	-0.1	-1.4	0.8	...
	ann % chg	2.7	3.4	2.6	3.1	4.3	2.7	...
Private Consumption								
Electronic card transactions - total retail	mth % chg[1]	0.6	1.4	-0.6	-0.2	1.1	-0.7	...
	ann % chg	7.5	7.4	6.0	7.2	4.7	8.2	...
New car registrations	mth % chg[1]	-11.8	1.3	7.8	4.6	2.2	-1.4	...
	ann % chg	-12.2	-8.8	-7.9	4.2	4.5	2.3	...
Migration								
Permanent & long-term arrivals	number[1]	6930	6690	7080	6710	6600	7160	...
Permanent & long-term departures	number[1]	7610	7300	7190	7220	7230	7600	...
Net PLT migration (12 month total)	number	773	-103	-568	-1855	-3134	-4068	...
Commodity Prices								
Brent oil price	US$/Barrel	111.96	110.43	111.16	108.35	111.41	119.17	*124.86*
WTI oil price	US$/Barrel	85.65	86.41	97.11	98.57	100.10	102.30	*106.57*
ANZ NZ commodity price index	mth % chg	0.2	-0.7	1.1	-0.6	-2.9	-4.0	...
	ann % chg	4.9	3.8	5.9	1.2	-4.4	-10.8	...
ANZ world commodity price index	mth % chg	-2.0	-3.6	-1.1	-0.8	1.2	0.0	...
	ann % chg	16.5	9.0	5.5	3.1	0.1	-2.5	...
Financial Markets								
NZD/USD	$[2]	0.8143	0.7879	0.7728	0.7697	0.8007	0.8343	*0.8209*
NZD/AUD	$[2]	0.7943	0.7799	0.7635	0.7603	0.7691	0.7780	*0.7775*
Trade weighted index (TWI)	June 1979 = 100[2]	71.20	69.30	68.20	68.60	71.20	73.30	*73.00*
Official cash rate (OCR)	%	2.50	2.50	2.50	2.50	2.50	2.50	2.50
90 day bank bill rate	%[2]	2.88	2.76	2.69	2.69	2.74	2.75	*2.74*
10 year govt bond rate	%[2]	4.41	4.54	4.14	3.91	3.86	3.98	*4.18*
Confidence Indicators/Surveys								
National Bank - business confidence	net %	30.3	13.2	18.3	16.9	...	28.0	33.8
National Bank - activity outlook	net %	35.4	26.1	28.8	25.7	...	31.2	38.8
ANZ-Roy Morgan - consumer confidence	net %	112.6	112.2	109	108.4	116.1	113.3	110.2

qtr % chg	quarterly percent change
mth % chg	monthly percent change
ann % chg	annual percent change
ann ave % chg	annual average percent change

1	Seasonally adjusted
2	Average (11am)
3	Westpac McDermott Miller
4	Quarterly Survey of Business Opinion
5	One News Colmar Brunton
6	Ordinary time
7	Production GDP divided by HLFS hours worked

Sources: Statistics New Zealand, Reserve Bank of New Zealand, National Bank of New Zealand, NZIER, ANZ, Datastream, Westpac McDermott Miller, One News Colmar Brunton