

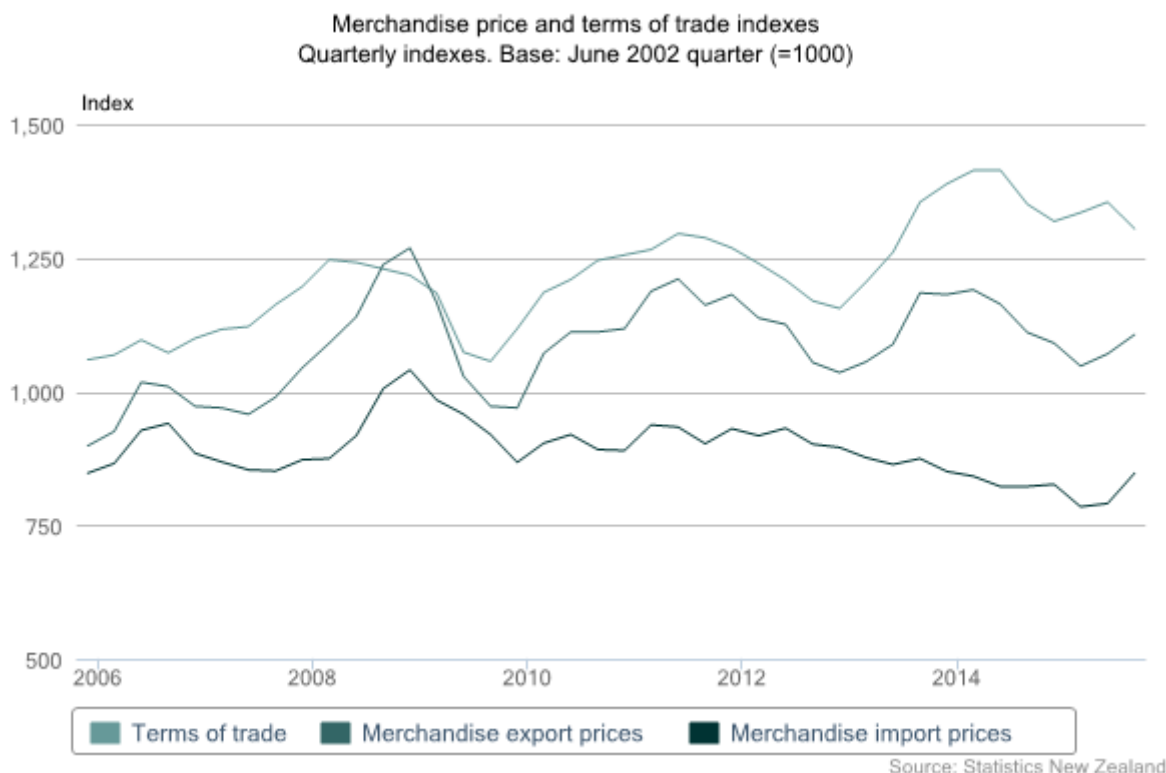
# Overseas Trade Indexes (Prices and Volumes): September 2015 quarter (provisional)

Embargoed until 10:45am – 01 December 2015

## Key facts

The following movements occurred in the September 2015 quarter, compared with the June 2015 quarter.

- The **merchandise** (goods) terms of trade fell 3.7 percent.
- Export prices for goods rose 3.4 percent, while import prices for goods rose 7.3 percent. The depreciating New Zealand dollar had an upwards impact on both import and export prices.
- Seasonally adjusted goods export volumes rose 3.7 percent, while goods import volumes rose 0.7 percent.
- Seasonally adjusted goods export values rose 6.5 percent (to \$12.3 billion), while goods import values rose 7.2 percent (to \$13.0 billion).



- The **services** terms of trade fell 5.4 percent.
- Services export prices rose 1.6 percent, while services import prices rose 7.3 percent.

Liz MacPherson, Government Statistician  
ISSN 2423-0006  
1 December 2015

## Commentary

- [Overview for the September 2015 quarter](#)
- [Export prices and volumes both rise for goods](#)
- [Import prices and volumes both rise for goods](#)
- [Import prices and volumes by broad economic categories](#)
- [Looking at selected trading partners](#)
- [Prices rise for services exports and imports](#)
- [Exchange-rate information](#)

All comparisons are between the June 2015 and September 2015 quarters, and all volumes and values are seasonally adjusted, unless otherwise stated. All prices are unadjusted.

### Overview for the September 2015 quarter

The **merchandise terms of trade** fell 3.7 percent in the September 2015 quarter, due to goods import prices rising more than goods export prices. This fall in the terms of trade follows a 1.5 percent rise last quarter.

In the September 2015 quarter:

- export prices for goods rose 3.4 percent, while import prices rose 7.3 percent
- seasonally adjusted export volumes rose 3.7 percent, while import volumes rose 0.7 percent
- the seasonally adjusted value of exports was up 6.5 percent (to \$12.3 billion), while the import value was up 7.2 percent (to \$13.0 billion).

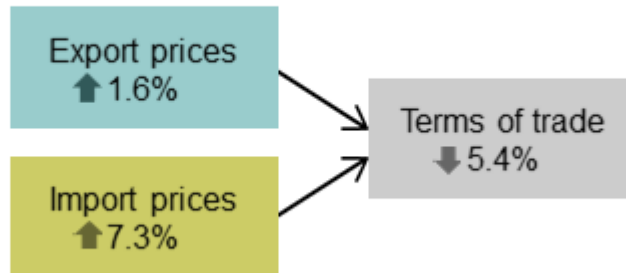
Terms of trade is a measure of the purchasing power of New Zealand's exports abroad. The latest fall means 3.7 percent less goods imports could be funded by a fixed quantity of goods exports than in the June 2015 quarter.



Source: Statistics New Zealand

The **services terms of trade** fell 5.4 percent in the September 2015 quarter, due to export prices rising 1.6 percent and import prices rising 7.3 percent.

**Services imports and exports prices**  
September 2015 quarter compared with the June 2015 quarter



Source: Statistics New Zealand

See [definitions](#) for more information on services.

### **Export prices and volumes both rise for goods**

Prices for exported goods rose 3.4 percent in the September 2015 quarter, while volumes rose 3.7 percent. The total value of exports was up 6.5 percent in the September 2015 quarter, to \$12.3 billion.

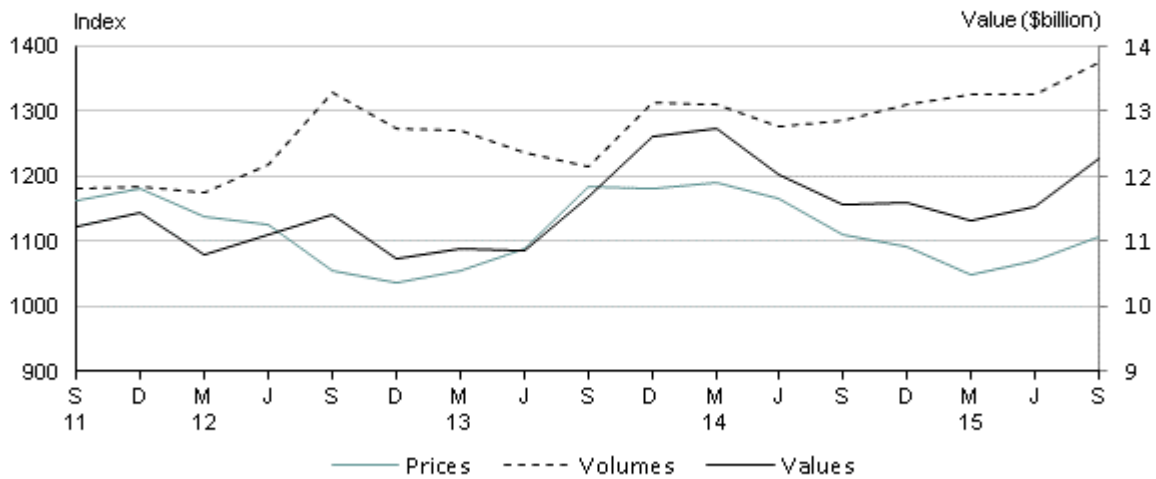
Meat contributed the most to the rise in total export prices. The price increases were widespread across exports, although dairy products had a small fall. Excluding dairy, export prices rose about 4.6 percent.

Dairy and meat contributed the most to the rise in volumes. Forestry volumes fell.

The Reserve Bank trade weighted index (TWI) fell 8.4 percent in the September 2015 quarter. A falling New Zealand dollar has an upward effect on export and import prices and New Zealand dollar values. The New Zealand dollar fell against all major currencies.

See [Exchange-rate information](#).

**Exports price and volume indexes, and values**  
 Quarterly (volumes and values are seasonally adjusted)  
 Prices base: June 2002 quarter (=1000)



Source: Statistics New Zealand

**Meat prices and volumes both rise**

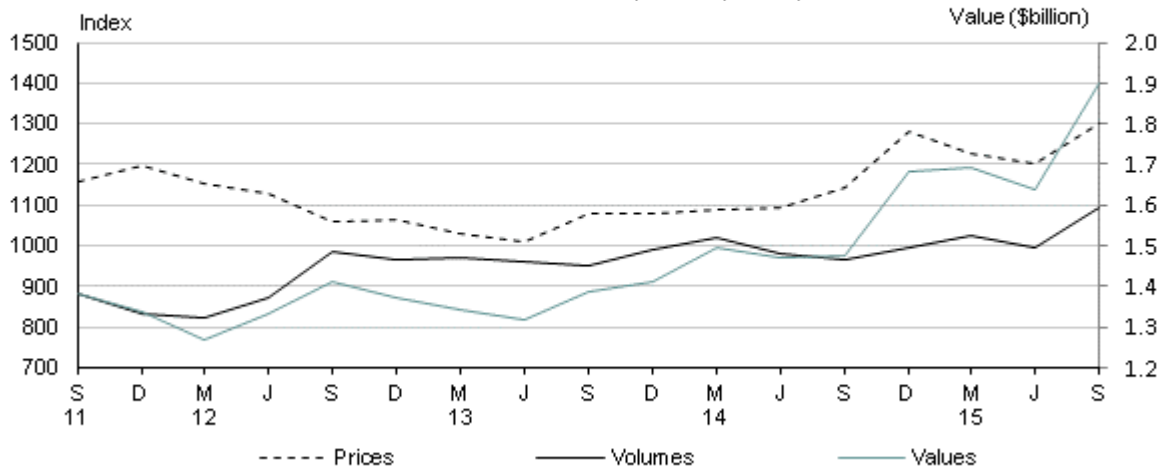
Meat export prices rose 8.1 percent in the September 2015 quarter, while volumes rose 9.8 percent and their value rose 16 percent, to \$1.9 billion. Meat prices have reached an all-time high, 1.4 percent above the previous high in the December 2014 quarter. The 2014/15 beef export season (October to September) ended on a new high of \$3.2 billion, up \$922 million (41 percent), compared with the 2013/14 season.

See the [Overseas Merchandise Trade: September 2015](#).

The rises in meat prices and volumes were both led by beef, up 10 percent and 12 percent, respectively. The value for beef was up 23 percent, to \$0.9 billion in the September 2015 quarter. Prices, values, and volumes for beef all reached new highs in the latest quarter. The New Zealand-dollar depreciation against the US dollar (down 11 percent) helped prices and values for beef reach their new highs. Over half New Zealand's beef exports went to the United States of America in the 2014/15 season.

Lamb also contributed to the price and volume rises, up 6.4 percent and up 8.5 percent, respectively. Lamb values were up 13 percent, to \$0.7 billion in the September 2015 quarter.

**Meat export price and volume indexes, and values**  
 Quarterly (volumes and values are seasonally adjusted)  
 Prices base: June 2002 quarter (=1000)



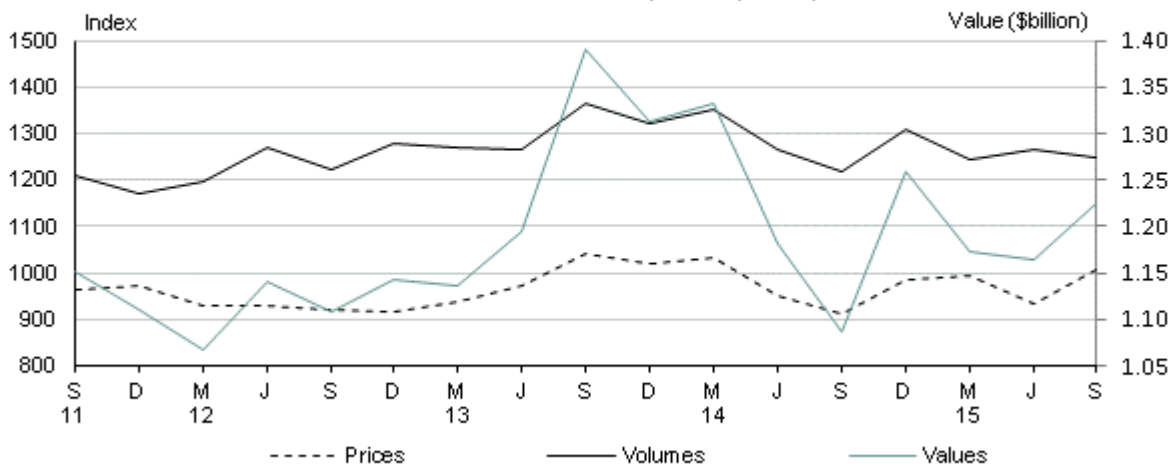
Source: Statistics New Zealand

**Forestry product prices and values rise while volumes fall**

Forestry product export prices rose 7.5 percent in the September 2015 quarter. While volumes fell 1.2 percent, their value rose 5.2 percent.

Wood (up 6.8 percent) was the main influence on the rise in forestry product prices, due to a larger value than for other forestry product exports, although paper and paper products (up 10 percent) had a larger increase.

**Forestry export price and volume indexes, and values**  
 Quarterly (volumes and values are seasonally adjusted)  
 Prices base: June 2002 quarter (=1000)



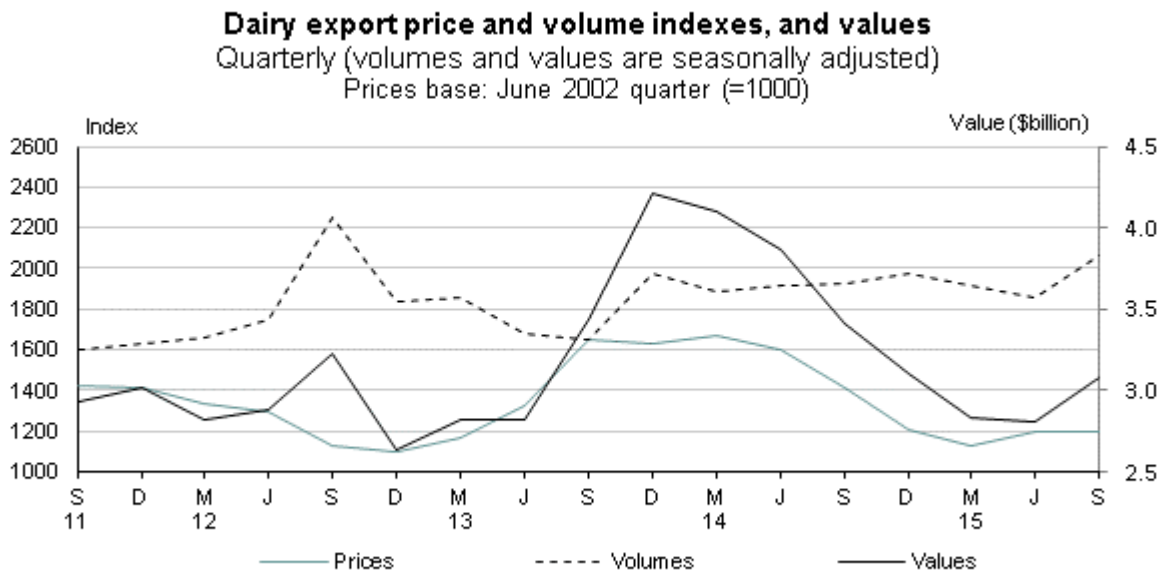
Source: Statistics New Zealand

## Dairy prices fall while volumes rise

Dairy export prices fell 0.1 percent in the September 2015 quarter. The dairy volume rose 11 percent and the value rose 9.7 percent (to \$3.1 billion) in the latest quarter.

Butter and milk powder both fell in price, down 6.5 percent and 1.9 percent, respectively, while cheese prices rose 8.6 percent. The rise in dairy volumes was led by milk powder (up 11 percent) and butter (up 30 percent to an all-time high, 5.3 percent above the previous high in the June 2014 quarter). In contrast, the cheese volume fell (down 11 percent).

Prices for dairy exports can be set in overseas currencies, such as US dollars, by contracts formed some time before the goods leave the country. The global dairy trade (GDT) price index (traded in US dollars), had significant falls in July and the first half of August, before regaining some ground from mid-August to the beginning of October. In the most-recent trading events in mid-October and November, the GDT price index has fallen.



Source: Statistics New Zealand

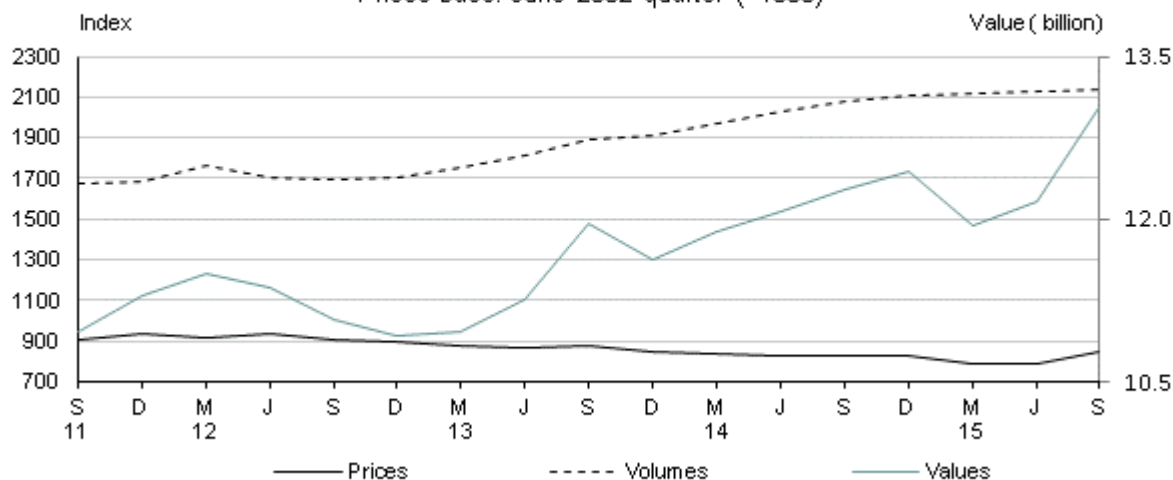
## Import prices and volumes both rise for goods

Prices for imported goods rose 7.3 percent in the September 2015 quarter (the largest quarterly rise since a 9.6 percent increase in the September 2008 quarter), while volumes rose 0.7 percent. The total import price index is at a similar level to the December 2013 quarter, while total import volumes have been increasing since the December 2012 quarter. The total import value rose 7.2 percent in the September 2015 quarter, to \$13.0 billion.

Petroleum and petroleum products, and machinery and plant contributed the most to the total price rise. Capital goods and consumption goods led the rise in volumes, while the petrol and avgas volume fell.

Excluding petroleum products, import prices rose 6.5 percent in the latest quarter and volumes rose 1.0 percent.

**Imports price and volume indexes, and values**  
 Quarterly (volumes and values are seasonally adjusted)  
 Prices base: June 2002 quarter (=1000)



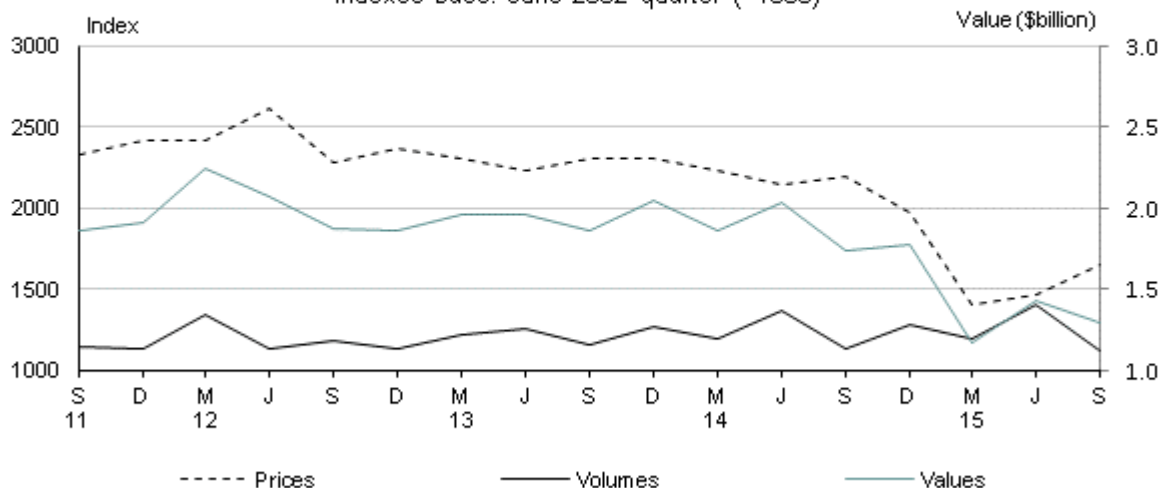
Source: Statistics New Zealand

**Petroleum and petroleum product import prices rise while volumes fall**

Petroleum and petroleum product prices, volumes, and values are not seasonally adjusted. Their prices rose 13 percent in the September 2015 quarter, while volumes fell 21 percent. A routine maintenance shutdown at the Marsden Point refinery in May explains the large rise in petroleum and petroleum product volumes in the June 2015 quarter, and the large falls in the current quarter. Despite higher prices, these were still 25 percent lower than in the September 2014 quarter. Volumes were at their lowest level since the September 2010 quarter. Petroleum and petroleum products values fell 10 percent in the September 2015 quarter.

**Petroleum and petroleum products import price and volume indexes, and values**

Quarterly, not seasonally adjusted  
 Indexes base: June 2002 quarter (=1000)



Source: Statistics New Zealand

## **Import prices and volumes by broad economic categories**

### **Capital goods**

Capital goods prices rose 7.9 percent – with both machinery and plant, and transport equipment rising 7.9 percent. The volume rose 21 percent – mainly due to rises in transport equipment (up 45 percent) that were influenced by aircraft imports this quarter. Machinery and plant volumes rose 1.5 percent in the September 2015 quarter. Total capital goods, and transport equipment volumes, are not seasonally adjusted.

### **Consumption goods**

Consumption goods prices (up 7.0 percent) and volumes (up 3.8 percent) both rose in the September 2015 quarter. Volumes for total consumption goods were at their highest levels since the series began. Semi-durable consumer goods (goods to be consumed within a year) led the rise in prices (up 11 percent), while processed food and beverages for household consumption led the rise in volumes (up 5.4 percent).

### **Intermediate goods**

Intermediate goods prices rose 7.1 percent – mainly due to rises in processed industrial supplies (up 6.2 percent), processed fuels and lubricants (up 16 percent), and primary fuels and lubricants (up 9.4 percent), especially crude oil. The volume rose 1.1 percent – led by primary fuels and lubricants (up 12 percent), and processed food and beverages (up 27 percent). Falls in processed fuels and lubricants (down 68 percent) partly offset the rises. The Marsden Point routine shutdown explains the larger rise in volumes of processed fuels and lubricants in the June 2015 quarter and the large falls in the current quarter.

### **Other goods**

The volume for cars rose 1.0 percent in the September 2015 quarter and prices rose 1.8 percent. Petrol and avgas volumes fell 41 percent, which were also affected by the Marsden Point shutdown, while prices rose 25 percent.

## **Looking at selected trading partners**

The volumes and values in the following section are unadjusted, and compare the September 2015 quarter with the June 2015 quarter.

### **China**

The terms of trade fell 6.6 percent.

- Export prices rose 1.6 percent, led by logs.
- Import prices rose 8.8 percent.
- Export volume fell 10 percent and value fell 8.9 percent.
- Import volume rose 19 percent and value rose 29 percent.

### **Australia**

The terms of trade fell 2.3 percent.



- Export prices rose 1.1 percent, with widespread increases.
- Import prices rose 3.4 percent, with widespread increases.
- Export volume rose 3.8 percent and values rose 4.9 percent.
- Import volume rose 11 percent and value rose 15 percent.

## **United States**

The terms of trade fell 0.4 percent.

- Export prices rose 8.3 percent, led by meat.
- Import prices rose 8.7 percent, influenced by the weaker New Zealand dollar against the US dollar.
- Export volume fell 26 percent and value fell 19 percent.
- Import volume rose 23 percent and value rose 34 percent.

## **Japan**

The terms of trade rose 3.3 percent.

- Export prices rose 4.7 percent.
- Import prices rose 1.3 percent, led by motor cars.
- Export volume fell 14 percent and value fell 9.9 percent.
- Import volume fell 0.5 percent and value rose 0.9 percent.

## **European Union (EU)**

The terms of trade rose 3.3 percent.

- Export prices rose 9.2 percent, led by wool.
- Import prices rose 5.7 percent, led by vegetable oils.
- Export volume fell 21 percent and value fell 13 percent.
- Import volume rose 19 percent and value rose 27 percent.

## **Rest of the world**

The rest of the world includes all countries other than the four above and EU countries.

The terms of trade fell 7.3 percent.

- Export prices rose 1.6 percent, led by logs.
- Import prices rose 9.6 percent, led by crude oil
- Export volume fell 11 percent and value fell 9.4 percent.
- Import volume rose 1.1 percent and value rose 11 percent.

We will publish *Goods and Services Trade by Country: Year ended September 2015* on 2 December 2015 and provide additional information about the value of economic trade with our main trading partners.

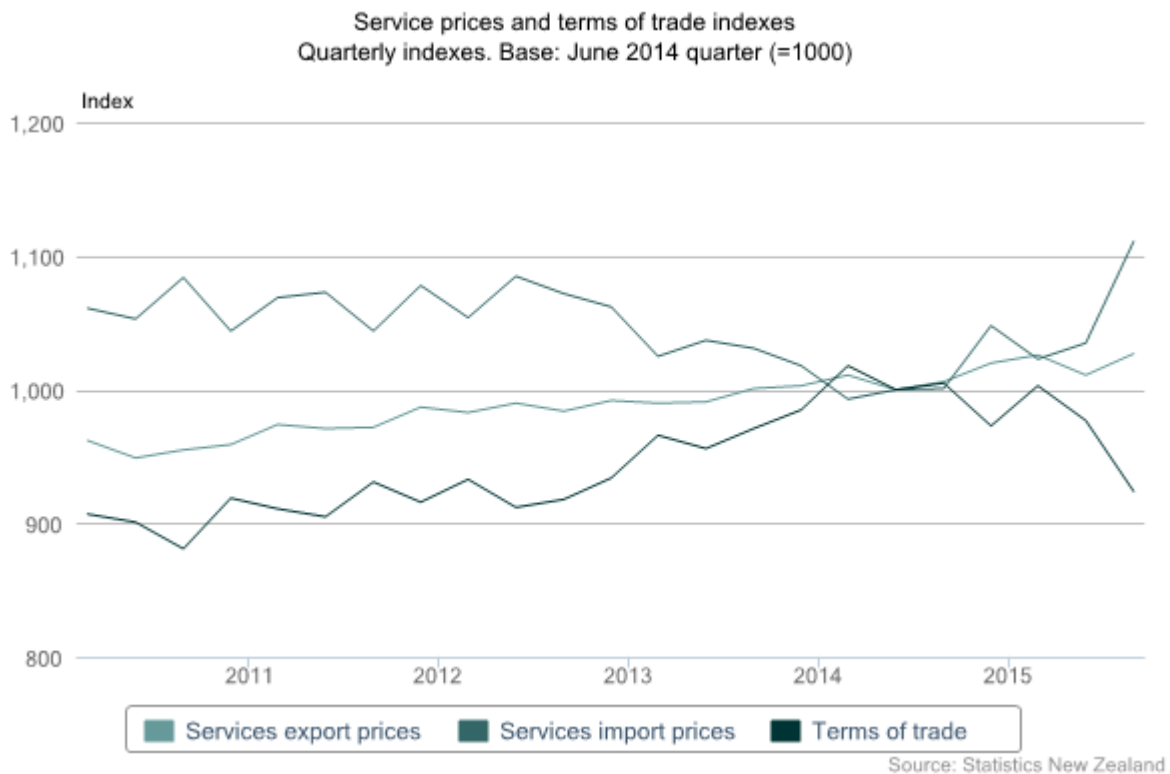
## Prices rise for services exports and imports

The **services terms of trade** fell 5.4 percent in the September 2015 quarter, due to import prices rising more than export prices. This is the largest fall in the services terms of trade since a 7.3 percent fall in the December 2008 quarter.

Prices for **services exports** (ie services to non-residents) rose 1.6 percent in the latest quarter. This rise was mainly influenced by transportation services (up 5.6 percent, following a 6.9 percent fall in the June 2015 quarter).

Prices for **services imports** (ie services provided by non-residents) rose 7.3 percent, influenced by travel services (up 9.6 percent, due to the lower New Zealand dollar). The September 2015 rise is the largest since an 11 percent rise in the December 2008 quarter.

Imports of travel services measures changes in the prices New Zealand consumers and businesses pay when travelling overseas.



## Exchange-rate information

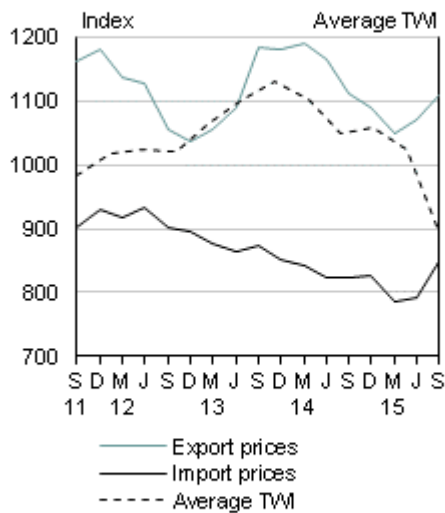
The Reserve Bank of New Zealand's trade weighted index (TWI) fell 8.4 percent in the September 2015 quarter, the largest fall since a 10 percent fall for the December 2008 quarter. The Reserve Bank's TWI is now the lowest it has been since the December 2010 quarter. A falling New Zealand dollar has an upward influence on both export and import prices. The Reserve Bank's TWI is based on 17 countries.

Import values are converted to New Zealand dollars by the New Zealand Customs Service (NZCS) using their exchange rates. These exchange rates can lag by 11 to 25 days compared with the Reserve Bank rates. The TWI we calculate using NZCS rates fell 9.9 percent in the September 2015 quarter, the largest fall since the series began in 1997.

See Basis of valuation – merchandise trade in [data collection methodology](#) for more information on exchange rates.

The following graphs and tables give more information about exchange-rate movements over the September 2015 quarter.

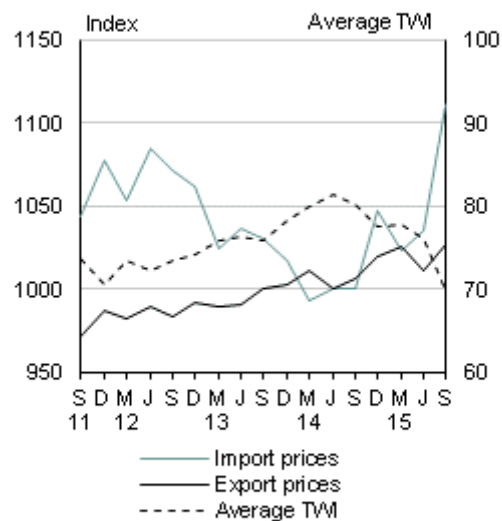
**Merchandise trade indexes<sup>(1)</sup> and average trade weighted index<sup>(2)</sup>**  
Quarterly



1. Base: June 2002 quarter (=1000).  
2. Base: June 1979 month (=100).

Source: Statistics New Zealand and Reserve Bank

**Services trade indexes<sup>(1)</sup> and average trade weighted index<sup>(2)</sup>**  
Quarterly



1. Base: June 2014 quarter (=1000).  
2. Base: June 1979 month (=100).

Source: Statistics New Zealand and Reserve Bank

**Exchange rates for September 2015 quarter**  
Reserve Bank of New Zealand

	USA (NZ\$:US\$)	UK (NZ\$:pound)	Australia (NZ\$:A\$)	Japan (NZ\$:yen)	Euro (NZ\$:euro)	TWI
Change from June 2015 quarter (%)	-11.1	-12.2	-4.7	-10.4	-11.7	-8.4

**Exchange rates for September 2015 quarter**  
New Zealand Customs Service

	USA (NZ\$:US\$)	UK (NZ\$:pound)	Australia (NZ\$:A\$)	Japan (NZ\$:yen)	Euro (NZ\$:euro)	TWI
Change from June 2015 quarter (%)	-10.9	-12.3	-5.8	-9.2	-12.3	-9.9

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

## Definitions

### About the overseas trade indexes

The overseas trade indexes measure changes in the prices, values, and volumes of imports and exports of goods and services over time. This gives an indication of how New Zealand's economy is performing.

- The **overseas merchandise trade indexes** measure changes in the price and volume levels of imports and exports of merchandise trade to and from New Zealand.
- The **overseas services trade price indexes** measure changes in price levels of imports and exports of services to and from New Zealand on a quarterly basis.
- The **overseas terms of trade index** measures the changing volume of merchandise imports that can be funded by a fixed volume of New Zealand's merchandise exports.

It is the change between two index numbers that is important. An individual index number has no meaning.

[See DataInfo+ for more definitions.](#)

## **Related links**

### **Next release**

*Overseas Trade Indexes (Prices and Volumes): December 2015 quarter (provisional)* will be released on 1 March 2016.

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### **Past releases**

[Overseas Trade Indexes](#) has links to past releases.

### **Related information**

[Overseas merchandise trade](#) has information on the importing and exporting of merchandise goods between New Zealand and other countries. These statistics are published monthly.

[Balance of payments and international investment position](#) measures the value of New Zealand's transactions with the rest of the world, and provides a snapshot of our country's international financial assets and liabilities.

[National accounts](#) measure the values of economic aggregates such as gross domestic product, capital formation, and government and private consumption. They are published annually.

[Economic Survey of Manufacturing](#) provides a quarterly economic indicator of how our manufacturing sector is performing.

## Data quality

### Period-specific information

This section contains information that has changed since the last release.

- [Timing of published data](#)
- [Imputation for the September 2015 quarter](#)
- [Exchange-rate changes](#)

### General information

See [DataInfo+](#) for information that is not specific to this quarter's release.

- [Release of latest results](#)
- [More information](#)

## Period-specific information

### Timing of published data

We calculate the merchandise price indexes in this release from the same data we used in the [Overseas Merchandise Trade: October 2015](#) monthly release (published 26 November 2015). We do not include updates published after this date.

Because OMT statistics are provisional for the three most-recent months, we may amend them in the three months after initial publication.

Merchandise price indexes are also provisional for one quarter, to allow us to include late data and amendments to the source data. Consequently, merchandise values in this OTI release that relate to the June 2015 quarter are based on later data than that originally published (1 September 2015).

We will update the provisional import volumes and values with *Overseas Trade Indexes (Prices and Volumes): December 2015 quarter (provisional)*, released on 1 March 2016. These will include more-recent information that may affect the petroleum and petroleum products import prices, volumes, values, and total import prices, volumes, and values for the September 2015 quarter. We expect the effect to be small.

The services price indexes are final figures. We may revise these indexes when lagged prices are used in new indexes and are later replaced by current prices. However, they are usually revised only for significant errors.

Revised numbers are identified by an R in the tables that accompany this release.

### Imputation for the September 2015 quarter

For the September 2015 quarter, our base annual imputation rates were 19.0 percent for exports and 39.9 percent for imports.

See [Imputation](#) (DataInfo+) for more information.

## **Exchange-rate changes**

A depreciating New Zealand dollar has an upward influence on both import and export prices in New Zealand dollars. The impact on the terms of trade depends on the relative mix of exports and imports for each currency.

The Reserve Bank's trade weighted index (TWI) fell 8.4 percent in the September 2015 quarter.

The TWI that Statistics NZ calculates using New Zealand Customs Service (NZCS) exchange rates, which are used to value merchandise imports, fell 9.9 percent in the September 2015 quarter.

These NZCS exchange rates differ from the weekly exchange rates used to calculate merchandise export values. We convert import values from foreign currencies, using the rates the NZCS sets every two weeks. These exchange rates are prepared 11 days before the effective date (when the item was imported) and are then applied for two weeks. Therefore, there is a lag of 11 to 25 days between the NZCS exchange rates and those the Reserve Bank publishes. This means the NZCS exchange rate, and therefore the import prices, will be slower to show the effect of exchange-rate changes than the Reserve Bank rates and the export prices.

## **General information**

### **Release of latest results**

Merchandise trade provisional indexes are available within nine weeks of the end of the reference quarter. We release final indexes within 22 weeks of the end of the reference quarter.

We only release final data for the services indexes. This data is available at the same time as the provisional merchandise trade indexes.

### **More information**

See [Overseas trade indexes](#) for more information.

Statistics in this release have been produced in accordance with the [Official Statistics System principles and protocols for producers of Tier 1 statistics](#) for quality. They conform to the Statistics NZ Methodological Standard for Reporting of Data Quality.

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### **Timing**

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## Revisions

### Updates to previously published material

The overseas trade indexes are provisional for one quarter to allow us to receive and edit late and amended trade documentation. The following table shows updates to index numbers.

<b>June 2015 quarter merchandise overseas trade indexes – prices, values, and volumes (unadjusted)</b>							
	Prices			Volumes		Values: \$(million)	
	Exports	Imports	Terms of trade	Exports	Imports	Exports	Imports
Infoshare series	OTPQ. SEO1E95	OTPQ. SIO1I95	OTPQ. STTZZ5	OTVQ. SEA2E91	OTVQ. SIA2I91	OTVQ. SEA3E91	OTVQ. SIA3I91
Provisional Jun 2015 qtr Published 1 Sep 2015	1070	791	1353	1389	2052	12,059	11,647
Final Jun 2015 qtr Published 1 Dec 2015	1071	791	1355	1387	2052	12,062	11,646

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Email: [info@stats.govt.nz](mailto:info@stats.govt.nz)

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## Tables

See the following Excel tables in the 'Downloads' box on this page. If you have problems viewing the files, see [opening files and PDFs](#).

### Prices tables

- 1.01 Overseas trade price and terms of trade indexes
- 1.02 Overseas merchandise trade price and terms of trade indexes
- 2 Merchandise export price indexes
- 3 Merchandise import price indexes
- 4.01 Merchandise imports by broad economic category, price indexes
- 4.02 Merchandise imports by broad economic category, price index percentage change from previous period
- 5 Overseas trade in services price indexes
- 6 Exchange rates, Reserve Bank of New Zealand

### Volumes and values tables

- 1.01 Overseas merchandise trade, seasonally adjusted volumes and values
- 1.02 Merchandise exports and imports, values, price indexes, and volume indexes
- 2.01 Merchandise export volume indexes and values
- 2.02 Seasonally adjusted merchandise export volume indexes
- 2.03 Seasonally adjusted merchandise export values
- 3.01 Merchandise import volume indexes and values
- 3.02 Seasonally adjusted merchandise import volume indexes
- 3.03 Seasonally adjusted merchandise import values
- 4.01 Merchandise imports by broad economic category, volume indexes
- 4.02 Seasonally adjusted merchandise imports by broad economic category, volume indexes
- 4.03 Seasonally adjusted merchandise imports by broad economic category, volume index percentage change from preceding period
- 5.01 Related series, quantities

### Access more data on Infoshare

#### Infoshare

Select the following categories from the Infoshare homepage for time series data for this release:

Subject category: **Imports and exports**

Group: **Overseas Trade Indexes – Prices**

Group: **Overseas Trade Indexes – Volumes and Values – OTV**

More detailed explanatory notes and a full list of available indexes and related dollar-value series are available on request.

### Next release

*Overseas Trade Indexes (Prices and Volumes): December 2015 quarter (provisional)* will be released on 1 March 2016.