

Overseas Trade Indexes (Prices and Volumes): March 2016 quarter (provisional)

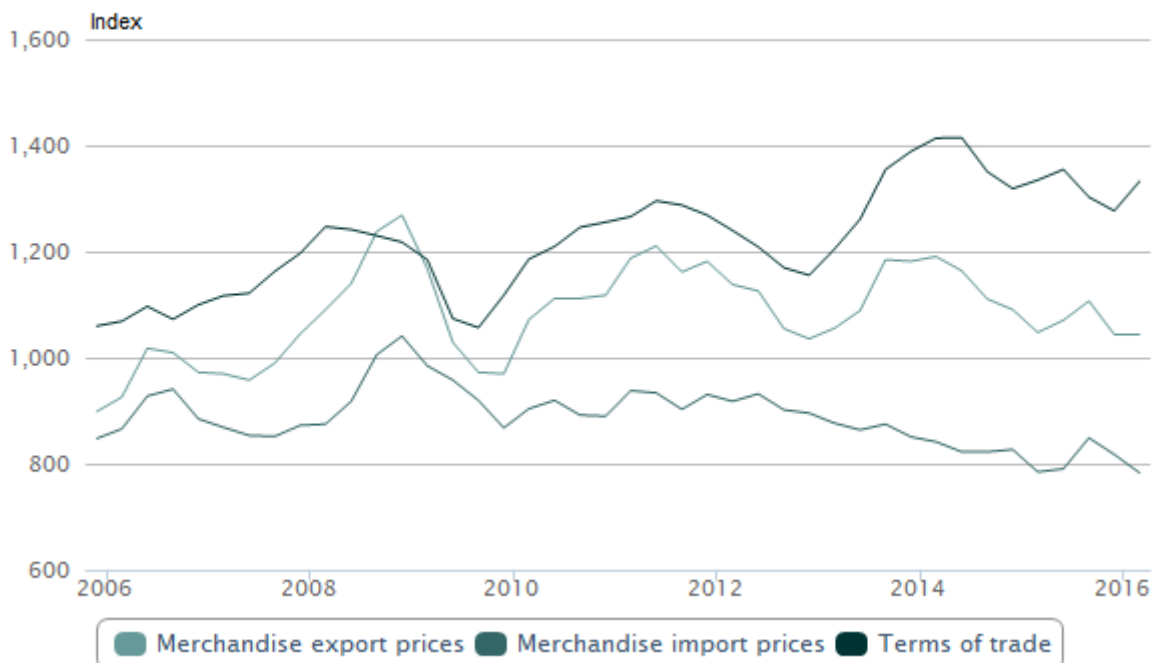
Embargoed until 10:45am – 01 June 2016

Key facts

The following movements occurred in the March 2016 quarter, compared with the December 2015 quarter.

- The **merchandise** (goods) terms of trade rose 4.4 percent.
- Export prices for goods were unchanged, while import prices for goods fell 4.3 percent.
- Seasonally adjusted goods export volumes fell 2.7 percent, and goods import volumes fell 0.7 percent.
- Seasonally adjusted goods export values fell 2.8 percent (to \$11.1 billion), and goods import values fell 3.3 percent (to \$12.2 billion).

Merchandise prices and terms of trade indexes
Quarterly indexes. Base: June 2002 quarter (=1000)



Source: Statistics New Zealand

- The **services** terms of trade rose 3.6 percent.
- Services export prices rose 1.5 percent, while services import prices fell 2.0 percent.

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Commentary

- [Overview for the March 2016 quarter](#)
- [Export values and volumes down](#)
- [Import prices and volumes fall for goods](#)
- [Looking at selected trading partners](#)
- [Prices rise for services exports and fall for imports](#)
- [Exchange-rate information](#)

All comparisons are between the December 2015 and March 2016 quarters, and all volumes and values are seasonally adjusted, unless otherwise stated. All prices are unadjusted.

Overview for the March 2016 quarter

The **merchandise terms of trade** rose 4.4 percent in the March 2016 quarter, due to goods export prices remaining steady and goods import prices falling. This follows two consecutive quarterly falls and results in the merchandise terms of trade returning to its March 2015 level.

In the March 2016 quarter:

- Total export prices for goods were unchanged, while import prices fell 4.3 percent.
- Seasonally adjusted export volumes fell 2.7 percent, and import volumes fell 0.7 percent.
- The seasonally adjusted value of exports fell 2.8 percent (to \$11.1 billion), and the import value was down 3.3 percent (to \$12.2 billion).

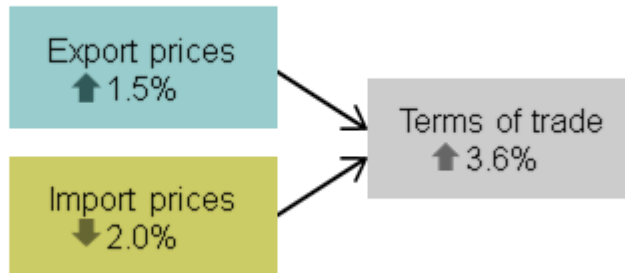
Terms of trade is a measure of the purchasing power of New Zealand's exports abroad. The latest increase means 4.4 percent more goods imports could be funded by a fixed quantity of goods exports than in the December 2015 quarter.



Source: Statistics New Zealand

The **services terms of trade** rose 3.6 percent in the March 2016 quarter, due to export prices rising 1.5 percent and import prices falling 2.0 percent.

Services imports and exports prices March 2016 quarter compared with the December 2015 quarter



Source: Statistics New Zealand

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

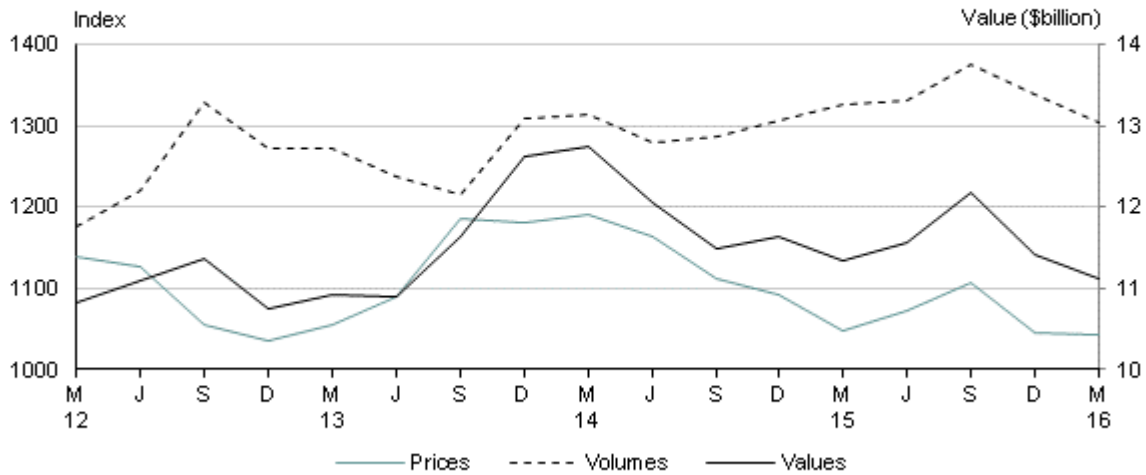
Export values and volumes down

Seasonally adjusted export values were down 2.8 percent in the March 2016 quarter, following a 6.2 percent fall in the December 2015 quarter. Lower volumes contributed to the fall this quarter.

A mixture of price increases and decreases resulted in no overall change in export prices. Dairy and forestry products had increases, up 5.1 and 4.8 percent, respectively. Meat and petroleum products had decreases, down 6.2 and 24 percent, respectively.

Seasonally adjusted export volumes fell 2.7 percent, following a 2.6 percent decrease in the December 2015 quarter. This was largely due to falls in dairy and meat export volumes, with milk powder down 12 percent, butter down 13 percent, beef down 21 percent, and lamb down 5.5 percent.

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



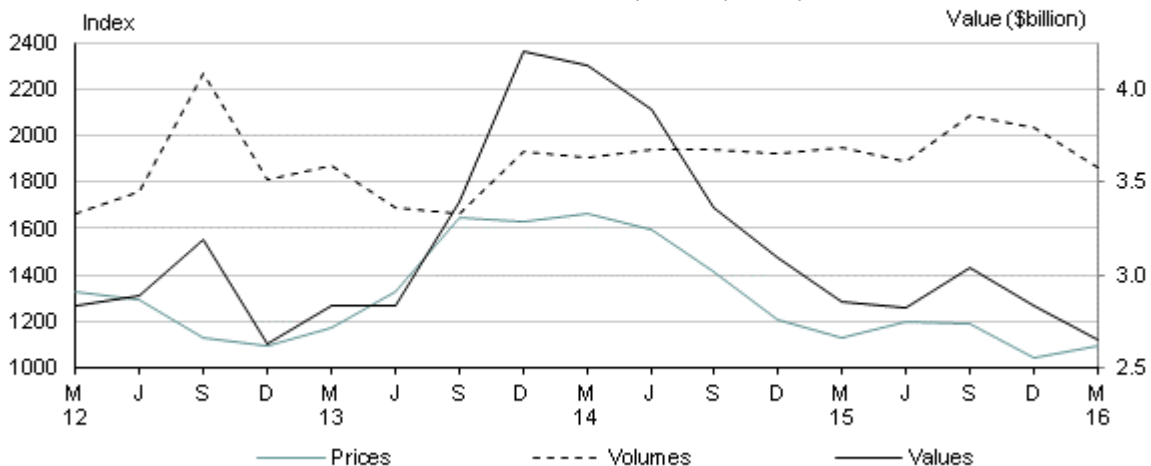
Source: Statistics New Zealand

Dairy prices rise and volumes fall

Dairy export prices rose 5.1 percent in the March 2016 quarter, influenced by milk powder (up 4.2 percent). The dairy volume fell 8.4 percent and the value fell 6.4 percent (to \$2.7 billion).

When compared with the December 2013 quarter, which had the highest recorded values, dairy product values are 37 percent lower, prices are 33 percent lower, and volumes are 3.5 percent lower.

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

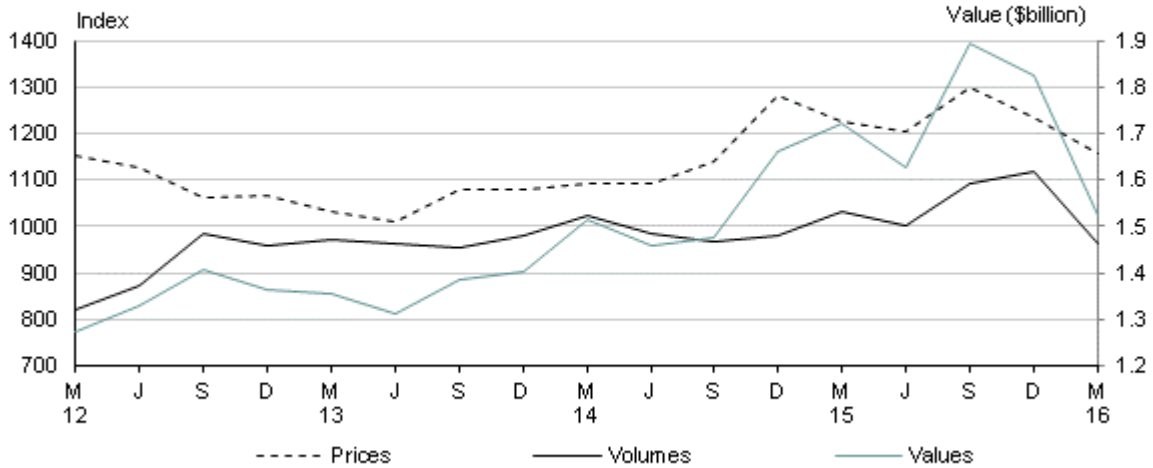


Source: Statistics New Zealand

Meat values, prices, and volumes fall

Seasonally adjusted meat values fell 16.4 percent, following a fall of 3.8 percent in the December 2015 quarter. The falls follow an all-time high for meat values in the September 2015 quarter. The March 2016 quarter fall was influenced by lower prices and volumes for beef and lamb. Meat export prices fell 6.2 percent, and volumes fell 13.6 percent.

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

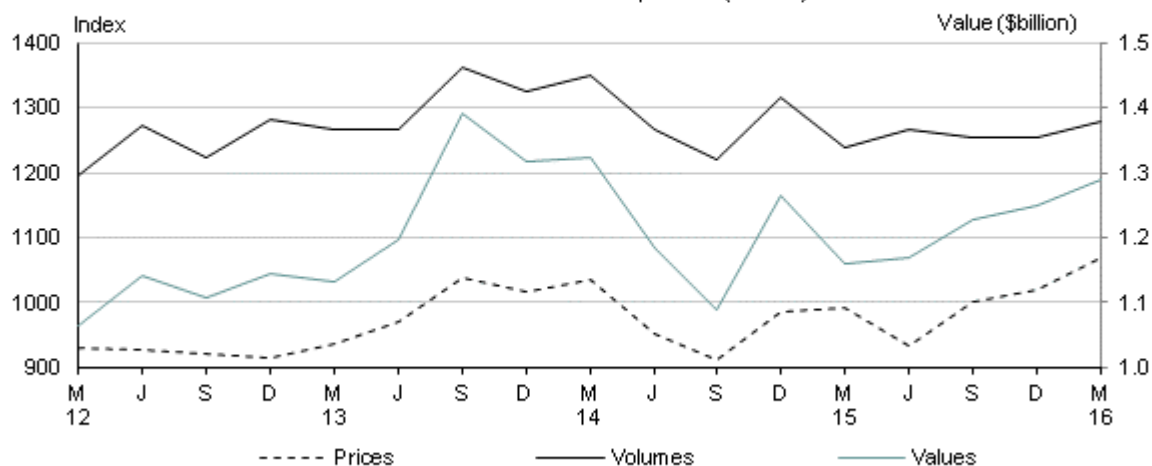
Forestry values rise

Seasonally adjusted forestry export values rose 3.1 percent, following a rise of 1.9 percent in the December 2015 quarter. This is the fourth consecutive rise in value for forestry exports. The rise was due to a rise in volumes and prices, up 1.9 and 4.8 percent, respectively. The rise in price is the third consecutive rise, and the rise in seasonally adjusted volumes is the second consecutive.

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

Other notable export movements

- Fruit volumes rose 7.0 percent.
- Wool volumes rose 27 percent. The December 2015 quarter had the lowest wool volumes since the series began in 1990.

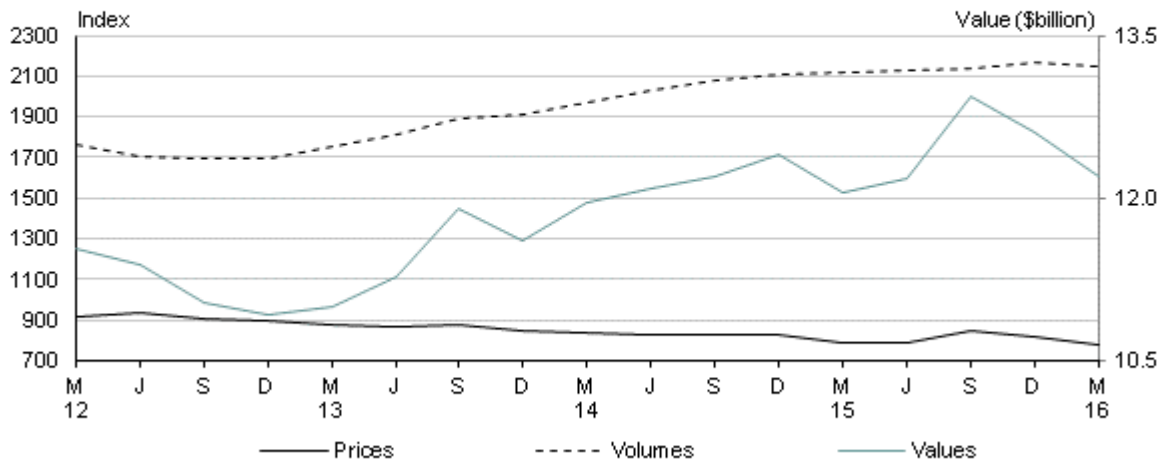
Import prices and volumes fall for goods

Prices for imported goods fell 4.3 percent in the March 2016 quarter (following a 3.7 percent decrease in the December 2015 quarter). Volumes fell 0.7 percent. The total import value fell 3.3 percent in the March 2016 quarter, to \$12.2 billion. Import prices are at their lowest levels since the September 1988 quarter.

Price falls were widespread across imports, although petroleum and petroleum products contributed the most to the total price fall. Transport equipment led the fall in volumes, while petroleum and petroleum product volumes rose.

Excluding petroleum products, import prices fell 1.4 percent and volumes fell 2.3 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

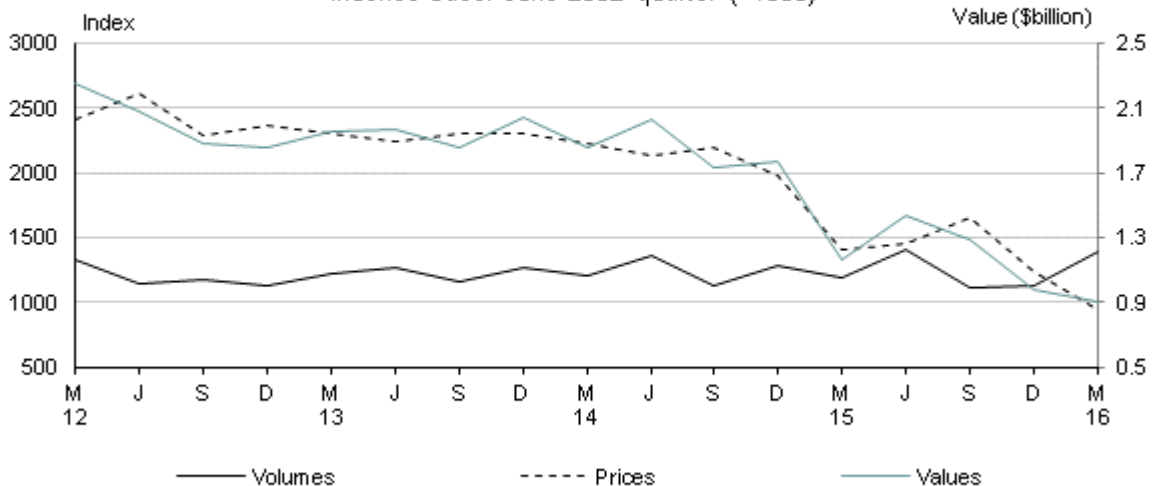
Petroleum and petroleum product import prices and values fall

The price for petroleum and petroleum products fell 24 percent in the March 2016 quarter. This follows a fall of 25 percent in the December 2015 quarter. Prices for petroleum and petroleum products are the lowest they have been since the March quarter 2004.

The value of imported petroleum and petroleum products fell 6.8 percent, reaching its lowest level since 2005 March quarter. Volumes increased 23 percent in the March 2016 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

Lower prices for intermediate goods

Prices for imported intermediate goods fell 8.6 percent in the March 2016 quarter. The largest contributor to this fall was primary fuels and lubricants, which fell 28 percent this quarter. The volume of imported intermediate goods increased 5.3 percent this quarter, largely due to an increase in fuels and lubricants. Primary fuels and lubricants rose 13 percent, and processed fuels and lubricants rose 65 percent.

Looking at selected trading partners

The volumes and values in the following section are unadjusted, and compare the March 2016 quarter with the December 2015 quarter.

China

The terms of trade rose 2.3 percent.

- Export prices rose 1.7 percent, led by logs. Lamb prices fell.
- Import prices fell 0.6 percent.
- Export volume fell 13 percent and value fell 12 percent.
- Import volume fell 16 percent and value fell 16 percent.

Australia

The terms of trade fell 2.7 percent.

- Export prices fell 2.3 percent, led by food preparations and crude oil. Gold prices rose.
- Import prices rose 0.4 percent.
- Export volume fell 9.6 percent and value fell 12 percent.
- Import volume fell 7.0 percent and value fell 6.6 percent.

United States

The terms of trade fell 0.4 percent.

- Export prices fell 1.5 percent, led by beef.
- Import prices fell 1.0 percent.
- Export volume rose 8.4 percent and value rose 6.9 percent.
- Import volume fell 30 percent and value fell 31 percent, due to fewer aircraft imports.

Japan

The terms of trade fell 2.3 percent.

- Export prices fell 0.7 percent.
- Import prices rose 1.6 percent.
- Export volume rose 1.5 percent and value rose 0.8 percent.
- Import volume fell 11 percent and value fell 10 percent.

European Union (EU)

The terms of trade rose 0.2 percent.

- Export prices fell 3.4 percent, led by lamb and wine.
- Import prices fell 3.6 percent.
- Export volume rose 19 percent and value rose 15 percent.
- Import volume fell 9.0 percent and value fell 12 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 rose 20 percent. The rise was due to a lower import crude oil price.

- Export prices rose 2.4 percent, led by milk powder.
- Import prices fell 15 percent, led by crude oil.
- Export volume fell 1.6 percent and value rose 0.7 percent.
- Import volume fell 1.7 percent and value fell 16 percent.

We will publish *Goods and Services Trade by Country: Year ended March 2016* on 2 June 2016 and provide additional information about the value of economic trade with our main trading partners.

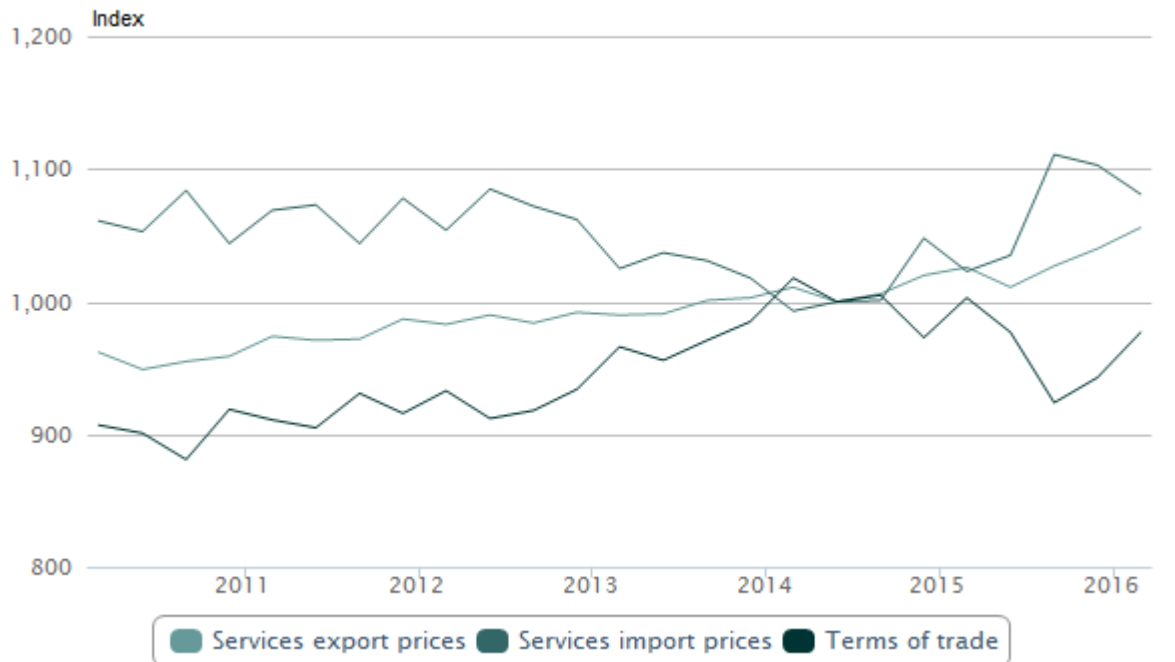
Prices rise for services exports and fall for imports

The services terms of trade rose 3.6 percent in the March 2016 quarter, due to a rise in the price of exports and a fall in the price of imports.

Prices for services exports rose 1.5 percent, led by rises in travel (up 1.6 percent) and other services (up 2.0 percent). Prices for exports of government services were up 16.3 percent, influenced by immigration visa fees. Government services represent a small proportion of the total value of services exported.

Prices for services imports fell 2.0 percent, influenced by transportation (down 6.9 percent), travel (down 0.9 percent), and government services (down 1.1 percent).

Service prices and terms of trade indexes
Quarterly indexes. Base: June 2014 quarter (=1000)



Exchange-rate information

See [Datainfo+](#) for exchange-rate information.

For more detailed data about overseas trade indexes 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): June 2016 quarter (provisional) will be released on 1 September 2016.

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The [release calendar](#) lists all information releases by date of release.

Past releases

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

Related information

[Overseas Trade Index: March 2016 – data collection methodology – DataInfo+](#) details the methodology used for this release and revisions to provisional values published in our previous release.

[Overseas Trade Index – data collection methodology – DataInfo+](#) details the general methodology used to produce Business Price Index statistics.

[Overseas Trade Index: concepts – DataInfo+](#) provides the definitions of terms used in this release.

[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 March 2016 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: April 2016](#) monthly release (published 25 May 2016). 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 December 2015 quarter are based on later data than that originally published (1 March 2016).

We will update the provisional import volumes and values with *Overseas Trade Indexes (Prices and Volumes): June 2016 quarter (provisional)*, released on 1 September 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 March 2016 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 March 2016 quarter

For the March 2016 quarter, our base annual imputation rates were 21.3 percent for exports and 39.7 percent for imports.

See the 'Imputation' subsection in [Overseas Trade Indexes \(Prices and Volumes\) \(DataInfo+\)](#) for more information.

Exchange-rate changes

An appreciating New Zealand dollar has a downward 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) was flat (0.0 percent movement) in the March 2016 quarter.

The TWI that Statistics NZ calculates using New Zealand Customs Service (NZCS) exchange rates, which are used to value merchandise imports, rose 2.2 percent in the March 2016 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.

December 2015 quarter merchandise overseas trade indexes – prices, values, and volumes (unadjusted)							
	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 Dec 2015 qtr Published 1 Mar 2016	1044	817	1277	1384	2264	11,727	13,354
Final Dec 2015 qtr Published 1 Jun 2016	1044	818	1277	1383	2275	11,717	13,353

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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 – OTP**

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

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