

Overseas Merchandise Trade: April 2017

Embargoed until 10:45am – 24 May 2017

Key facts

For April 2017 compared with April 2016:

Goods exports rose \$423 million (9.8 percent) to \$4.8 billion, a new high for an April month.

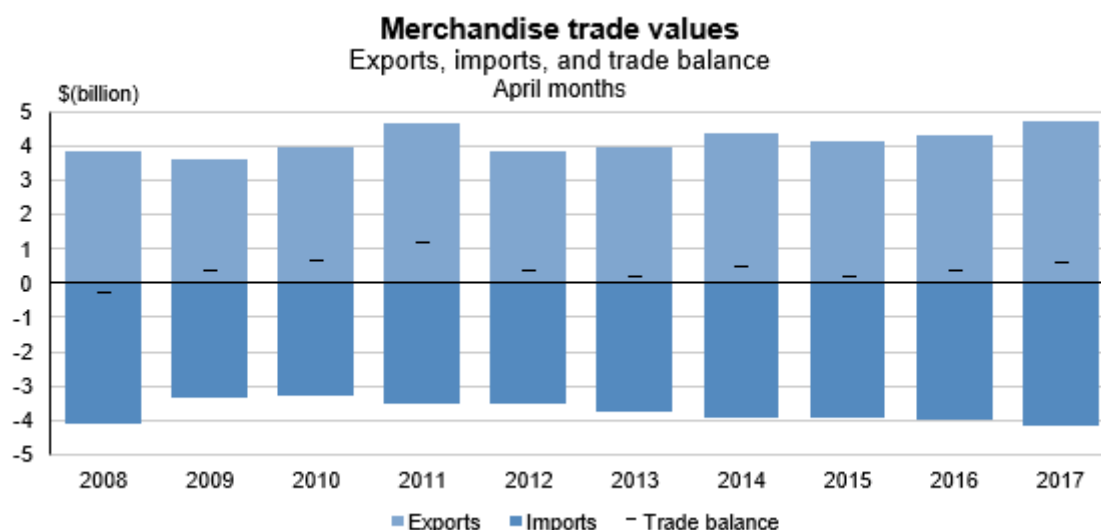
- Milk powder, butter, and cheese **rose** \$289 million (35 percent).
- Logs, wood, and wood articles **rose** \$61 million (18 percent).
- Goods exports to China **rose** \$182 million (22 percent).

Goods imports rose \$195 million (4.9 percent) to \$4.2 billion, also a new high for an April month.

- Intermediate goods **rose** \$127 million (8.1 percent).
- Capital goods **rose** \$45 million (5.3 percent).
- Consumption goods **fell** \$27 million (2.5 percent).
- Goods imports from China **rose** \$60 million (7.9 percent).

The monthly trade balance was a surplus of \$578 million (12 percent of exports). The annual trade surplus reduced to \$3.5 billion from \$3.7 billion last month.

The trade weighted index rose 4.4 percent from April 2016.



Liz MacPherson, Government Statistician
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Commentary

- [Exports rise 9.8 percent](#)
- [Imports rise 4.9 percent](#)
- [Goods trade surplus in April 2017](#)
- [Annual goods trade with China remains over \\$20 billion](#)
- [Exchange rate movements](#)
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This commentary refers to trade in goods only.

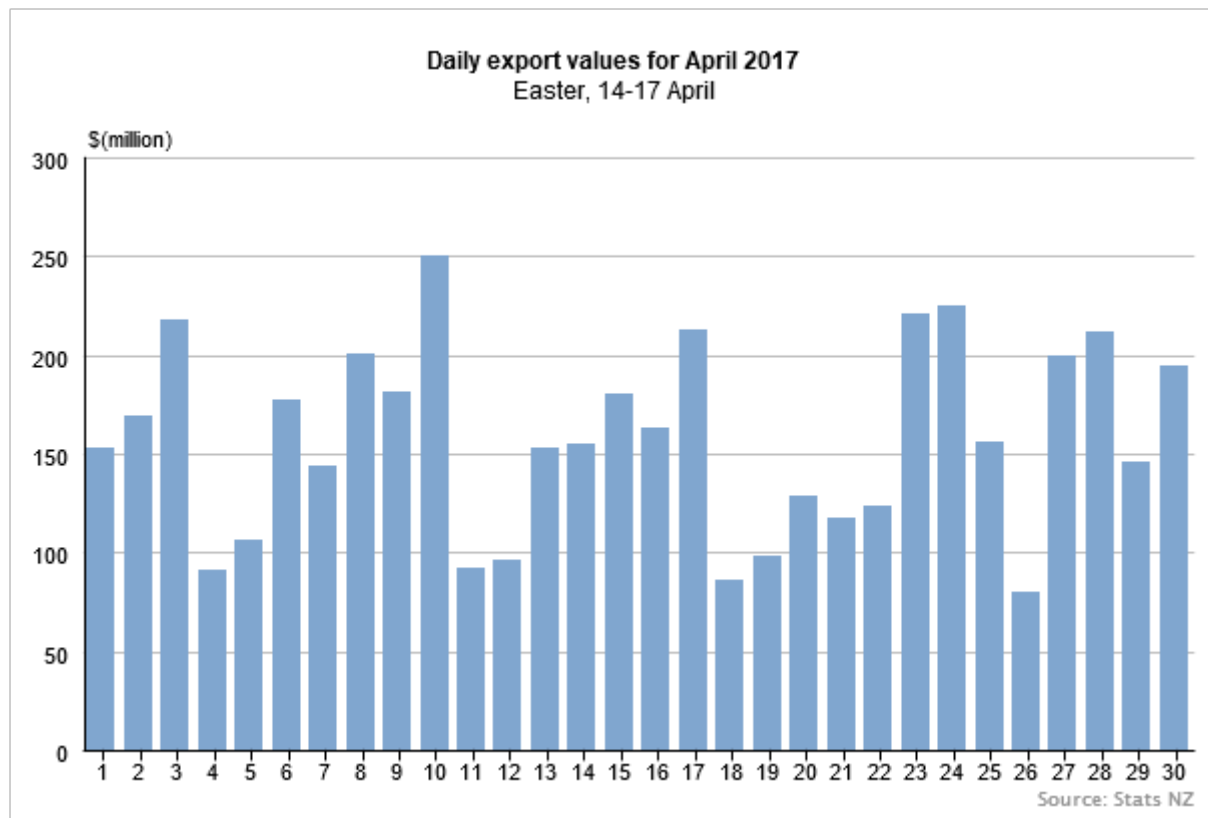
[Goods and Services Trade by Country: Year ended December 2016](#) has more information on trade in goods and services.

All comparisons are between April 2017 and April 2016, unless otherwise stated.

Exports rise 9.8 percent

In April 2017, goods exports were valued at \$4.8 billion, up \$423 million (9.8 percent). This is the third largest value of monthly goods exports and a new high for an April month.

The two months with higher values were March 2014 (\$5.0 billion) and March 2015 (\$4.9 billion). March has one more day than April, but in both those years, Easter fell in April. This Easter appeared to have had little impact on exports. The only exception could be Thursday (20th) and Friday (21st) the following week, which were lower than other Thursdays and Fridays this month.

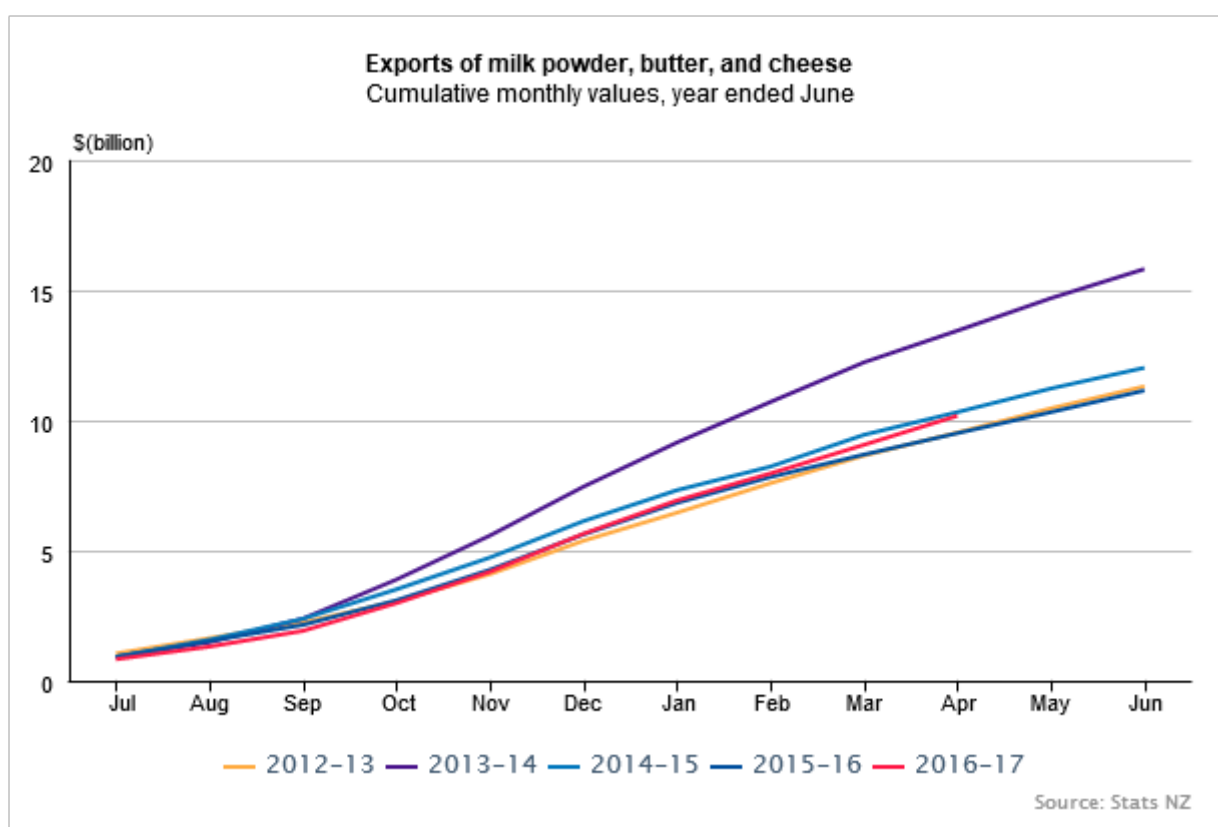


Milk powder, butter, and cheese exports continue to rise

Milk powder, butter, and cheese (our largest export commodity group) rose \$289 million (35 percent) in April 2017. This is the seventh-consecutive monthly rise compared with the same month the previous year, and the second in a row over \$200 million.

The value trend, which removes seasonal effects and irregular movements, increased 26 percent from the most recent low point in May last year. This compares with the quantity trend, which is 12 percent lower from the same period. This implies higher prices are the cause of the increase in values.

Of the last five years, the 2016–17 season (July to June) started the slowest in value terms. However, as prices have increased, the season is closing in on the 2014–15 season values, but are 24 percent lower than the 2013–14 season, which featured high prices.



Milk fats rose \$86 million (55 percent) in value, with quantity up 4.6 percent. Butter contributed the most, up \$54 million (65 percent), while anhydrous milk fat (clarified butter) rose \$30 million (42 percent). The largest increases in both types of milk fats were to China. Butter rose \$20 million and anhydrous milk fat rose \$11 million.

Milk powder export values rise as quantity falls

Milk powder values rose \$117 million (27 percent) compared with April 2016, but the quantity exported fell 11 percent.

The top five destinations for milk powder in April 2017 were:

1. China, \$150 million (up \$41 million)
2. United Arab Emirates, \$37 million (up \$13 million)
3. Sri Lanka, \$37 million (up \$16 million)
4. Algeria, \$28 million (down \$41 million)
5. Nigeria, \$27 million (up \$17 million).

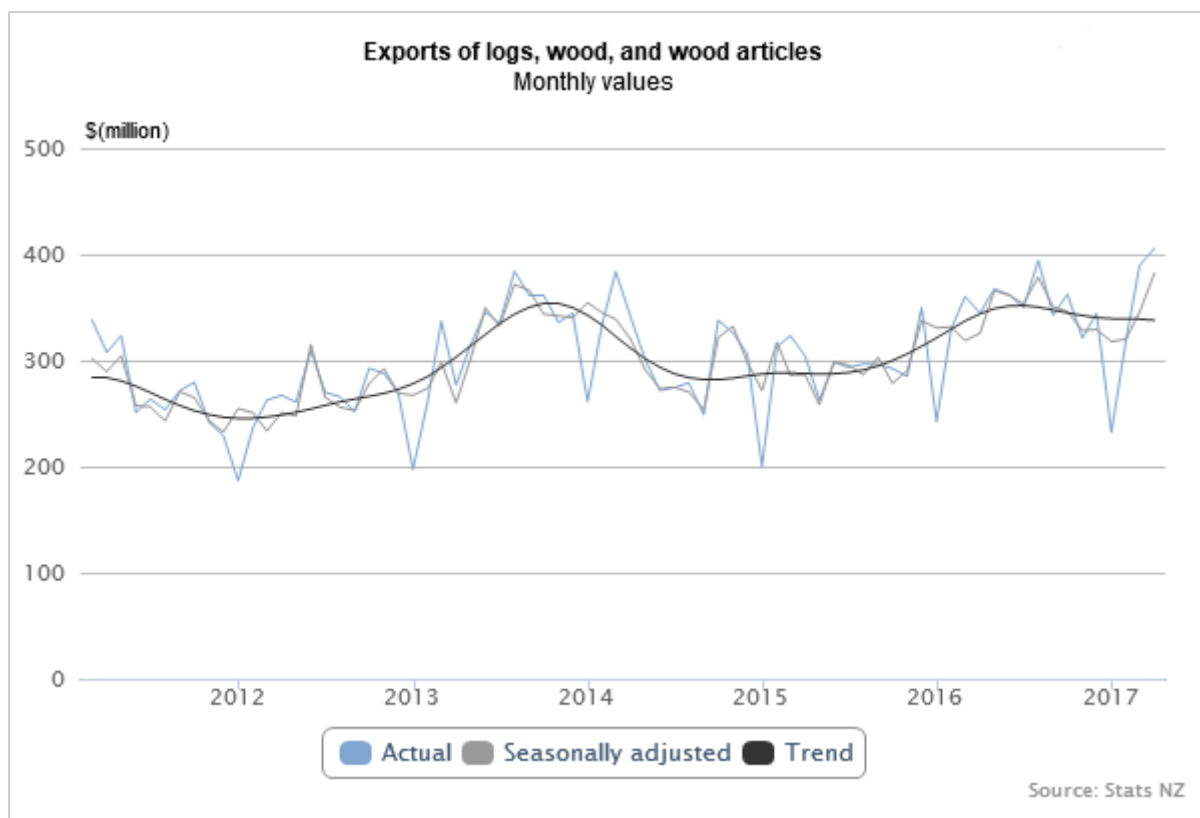
Over the last 12 months, milk powder made up \$649 million out of \$735 million of exports to Algeria. In contrast, over that period we imported only \$178,000 worth of goods from Algeria. Dates made up \$100,000 of those imports.

Venezuela was once a key destination for milk powder, with two months in 2011 exceeding \$90 million. However, we have had no shipment of milk powder to Venezuela since August last year as the Venezuelan economy declines.

Logs record new high, but trend is still flat

Logs, wood, and wood articles rose \$61 million (18 percent) to a new high of \$406 million. The increase was mostly due to rough logs, up \$52 million. The previous high for logs, wood, and wood articles was \$395 million in August 2016, which had the largest quantity exported.

The trend for values has been on a slow decline from July 2016 (down 4.0 percent), but decreased only 0.4 percent (\$1.5 million) in the past four months.

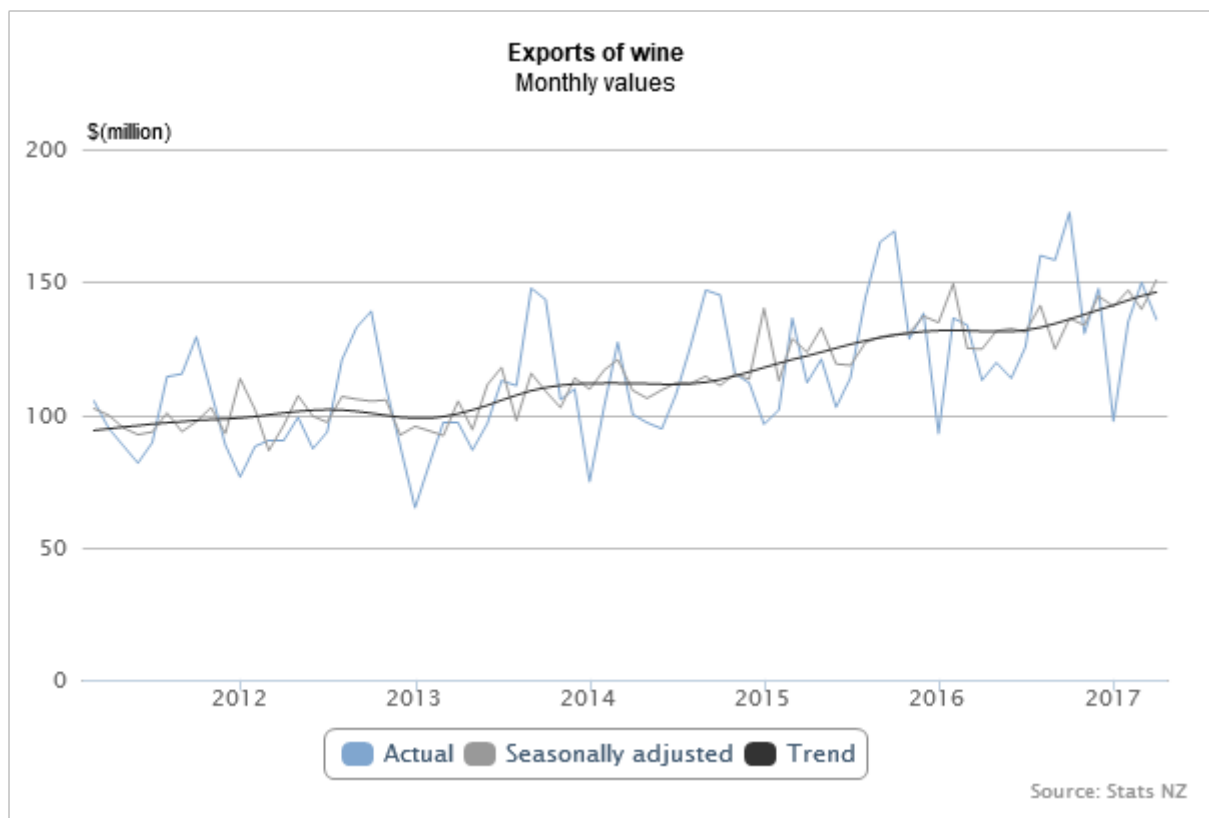


Wine export values up 20 percent

Wine values rose 23 million (20 percent) in April 2017 to \$136 million. The quantity rose 40 percent as exports of bulk wine (containers greater than 10 litres) increased. While the value of bulk still wine was low in April 2016 (\$9.2 million), it was back to its regular range this month (\$30 million). Still wine in bottles two litres or less was valued at \$105 million, 2.1 percent higher than April last year.

The United States received the largest value of wine exports in April 2017 (\$52 million). Of these exports, bottled still wine made up \$38 million, and bulk still wine \$14 million.

The trend for wine has been increasing for almost a year. The largest months for wine exports are between August to October.

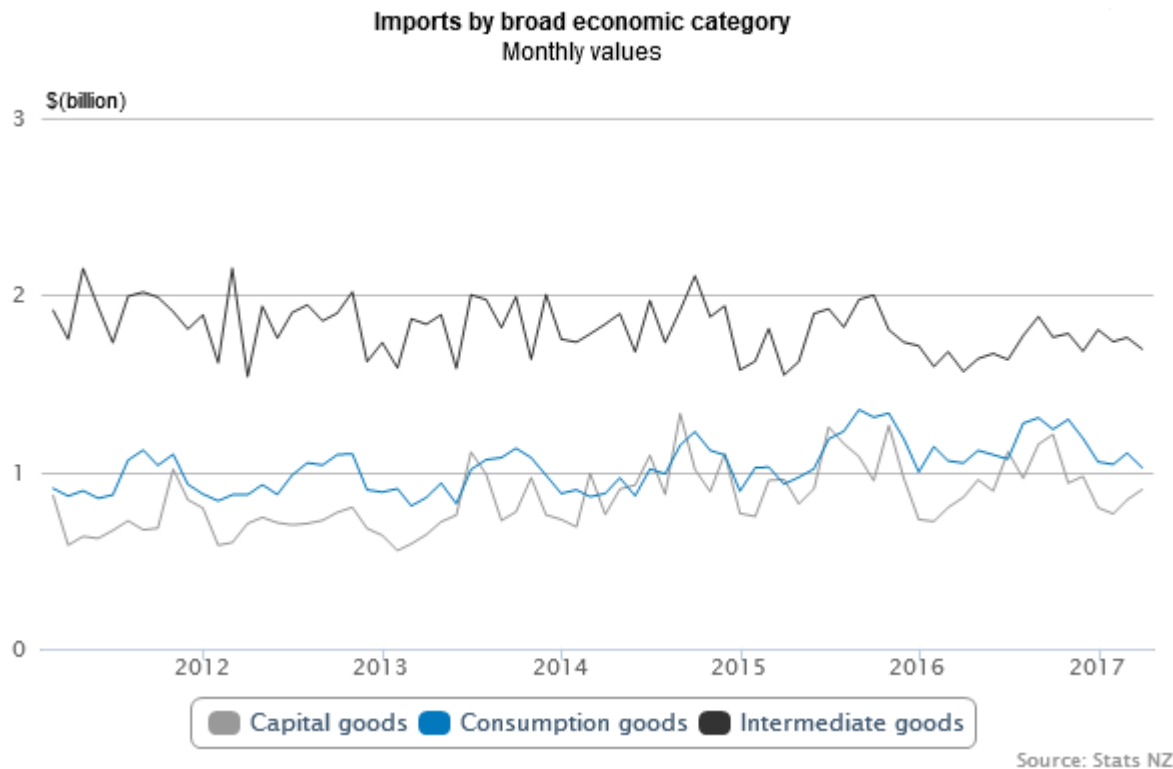


Imports rise 4.9 percent

In April 2017, imported goods were valued at \$4.2 billion, up \$195 million (4.9 percent) from April 2016. This was the largest value for an April month, surpassing that for April 2008 (\$4.1 billion), which was inflated due to imports of oil platform and an oil production vessel.

Intermediate goods lead rise in imports

Of the three main broad economic categories, intermediate goods and capital goods rose in value, and consumption goods fell in value when compared with April 2016.



Intermediate goods rose \$127 million (8.1 percent) to \$1.7 billion. Crude oil rose \$74 million (45 percent). The quantity imported was 11 percent higher with the rest of the difference due to higher prices. Food and beverages mainly for industry rose \$38 million (115 percent). The largest contributor was cane sugar, up \$20 million.

Capital goods rose \$45 million (5.3 percent) to \$903 million. Mobile phones rose \$35 million, portable computers (including tablets) rose \$17 million and tractors rose \$13 million. Computers and mobile phones were designated capital goods back in 1988 when the New Zealand Broad Economic Categories classification was created.

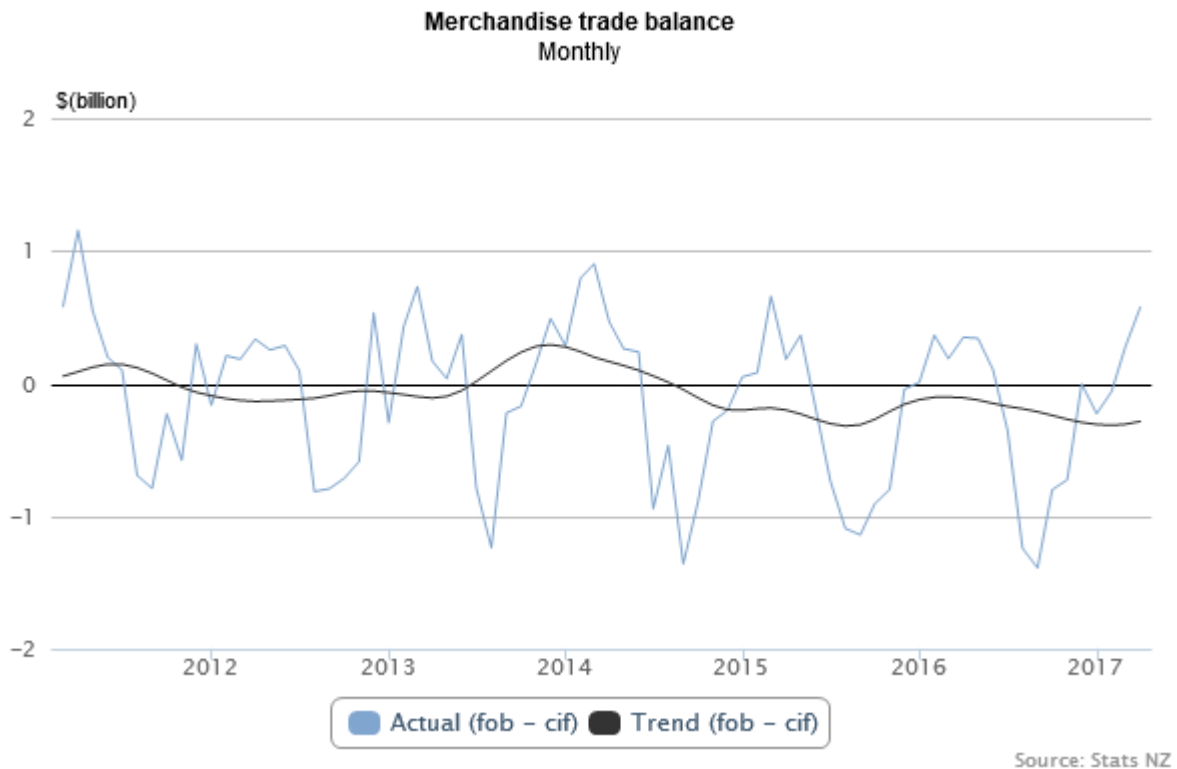
Consumption goods fell \$27 million (2.5 percent) to \$1.0 billion. The largest fall was non-durable consumption goods, down \$18 million (7.0 percent). Pharmaceutical products and tobacco had the largest decreases.

Passenger motor cars rose \$19 million (4.4 percent), led by new petrol cars.

Petrol and avgas was up \$19 million (40 percent).

Goods trade surplus in April 2017

The goods trade surplus was \$578 million (12 percent of exports) in April 2017. This is the largest surplus since March 2015 (\$661 million) and the largest April surplus since April 2011 (\$1.2 billion). Export values were slightly lower in April 2011 (\$4.7 billion), but imports were much lower (\$3.6 billion).



The annual trade deficit reduced to \$3.5 billion from \$3.7 billion last month. It reached \$3.8 billion in February 2017, the largest annual trade deficit in almost eight years.

Annual goods trade with China remains over \$20 billion

Two-way annual goods trade with China reached a new high of \$20.5 billion in April 2017, after exceeding \$20 billion in March. The last time it was over \$20 billion was in June 2014.

Annual exports for April were worth \$10.1 billion while imports were worth \$10.4 billion. For the June 2014 year, exports were worth \$11.6 billion and imports worth \$8.5 billion.

For the 12 months ended April 2017, China was the largest export destination for:

- milk powder, butter, and cheese, \$2.9 billion of \$11.8 billion exported to all countries
- logs, wood, and wood articles, \$2.0 billion of \$4.2 billion
- fish, crustaceans, and molluscs, \$531 million of \$1.6 billion.

China was the second largest destination for meat and edible offal following the United States; and for fruit, behind the European Union.

For the 12 months ended April 2017, China was the largest source country of:

- electrical machinery and equipment, \$2.0 billion of \$4.3 billion imported from all countries
- mechanical machinery and equipment, \$1.7 billion of \$7.1 billion
- textiles and textile articles, \$1.5 billion of \$2.5 billion

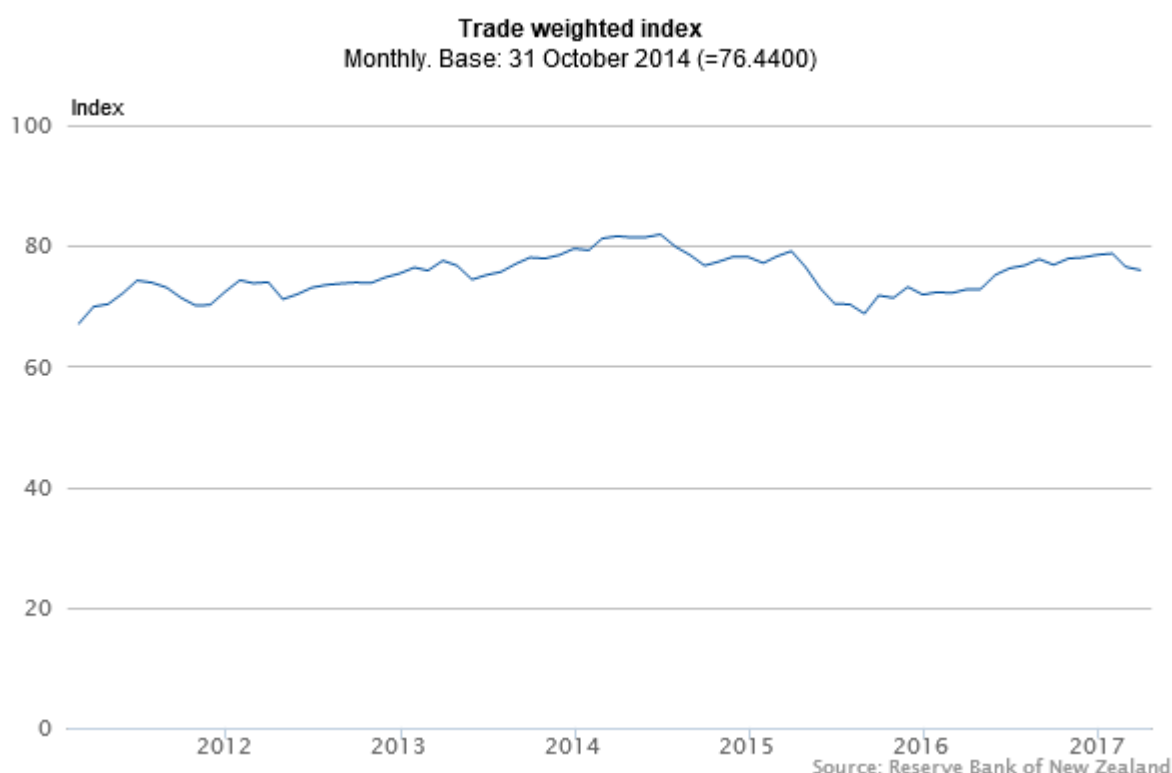
- furniture, furnishings, and light fittings, \$693 million of \$1.1 billion
- plastic and plastic articles, \$466 million of \$2.0 billion.

For information on combined goods and services trade with China, see [Goods and Services Trade by Country: Year ended December 2016](#).

Exchange rate movements

The Reserve Bank's trade weighted index (TWI) showed the New Zealand dollar was 0.7 percent lower in April 2017 than in March 2017, and 4.4 percent higher than in April 2016.

The Reserve Bank of New Zealand noted in the [Monetary Policy Statement for May 2017](#) that the TWI has fallen around 5 percent since February, "partly in response to global developments and reduced interest rate differentials". A higher New Zealand dollar means imports purchased in foreign currency will cost less in New Zealand dollars, but exports sold in foreign currency will earn fewer New Zealand dollars.



Data tables and more information

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

See [DataInfo+](#) for information on definitions, data quality, and revisions. These sections were previously included in this release.

Related links

- [Next release](#)
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Next release

Overseas Merchandise Trade: May 2017 will be released on 27 June 2017.

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Past releases

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

[Goods and Services Trade by Country](#) has annual goods and services trade in a single information release. This provides a comprehensive picture of economic trade between New Zealand and our main trading partners, by combining information on commodities and services.

Data quality

Period-specific information

We have updated provisional values published on 28 April 2017. Merchandise trade statistics for the latest three months are provisional so we can include late data and amendments.

| | Published on 28 April 2017 | | | Published on 24 May 2017 | | | Change | | |
|--|----------------------------|------------------|----------------------|--------------------------|------------------|----------------------|------------------|------------------|----------------------|
| | \$(million) ⁽¹⁾ | | | | | | | | |
| | Exports (fob) | Imports (cif) | Balance (fob-cif) | Exports (fob) | Imports (cif) | Balance (fob-cif) | Exports (fob) | Imports (cif) | Balance (fob-cif) |
| Month: | | | | | | | | | |
| Jan 2017 | 3,912 P | 4,162 P | -250 P | 3,936 F | 4,162 F | -227 F | 23 | 0 | 24 |
| Feb 2017 | 4,007 P | 4,057 P | -50 P | 3,999 P | 4,057 P | -58 P | -8 | 0 | -8 |
| Mar 2017 | 4,646 P | 4,315 P | 332 P | 4,605 P | 4,328 P | 277 P | -41 | 13 | -54 |
| Year ended: | | | | | | | | | |
| Jan 2017 | 48,504 P | 51,901 P | -3,397 P | 48,528 F | 51,901 F | -3,373 F | 23 | 0 | 24 |
| Feb 2017 | 48,274 P | 52,087 P | -3,813 P | 48,290 P | 52,088 P | -3,798 P | 15 | 0 | 15 |
| Mar 2017 | 48,720 P | 52,391 P | -3,671 P | 48,695 P | 52,404 P | -3,710 P | -26 | 13 | -39 |
| 1. Figures are calculated on unrounded data. | | | | | | | | | |
| Symbols: | | | | | | | | | |
| F final | | | | | | | | | |
| P provisional | | | | | | | | | |
| Source: Stats NZ | | | | | | | | | |

General information

Overseas Merchandise Trade – DataInfo+

General methodology used to produce overseas merchandise trade statistics.

Overseas Merchandise Trade concepts – DataInfo+

Definitions of terms used in this release.

Principles and protocols for producers of Tier 1 statistics

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.

Related information

Global New Zealand

Comprehensive annual trade statistics.

Overseas Trade Indexes – information releases

Information on changes in the level of prices and volumes of New Zealand's imports and exports.

Balance of Payments and International Investment Position – information releases

Information on the value of New Zealand's transactions with the rest of the world and our international financial assets and liabilities.

Gross Domestic Product – information releases

Three-monthly snapshots represent the country's income earned from production in New Zealand.

Economic Survey of Manufacturing – information releases

Economic indicators of how the manufacturing sector is performing.

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Tables

See [Overseas Merchandise Trade: April 2017 – tables](#) (Excel, 18 sheets, 340kB) for the following tables, which are available from the ‘Downloads’ box on this page. If you have problems viewing the files, see [opening files and PDFs](#).

- 1.01 Overseas merchandise trade, actual values
- 1.02 Overseas merchandise trade, trade balance – actual values
- 2 Overseas merchandise trade, seasonally adjusted and trend values – monthly
- 3 Exports by destination
- 4 Imports by country of origin
- 5 Exports by main commodities
- 6 Imports of main commodities
- 7 Imports by broad economic category (BEC) group
- 8 Exchange rates
- 9 Related series, livestock, cars, and crude oil
- 10 Exports and imports by Standard International Trade Classification (SITC)
- 11 Exports by top 10 HS categories, values – seasonally adjusted
- 12 Exports by top 10 HS categories, quantities – seasonally adjusted
- 13 Imports by selected HS categories, values – seasonally adjusted
- 14 Exports by top 10 HS categories, values – trend
- 15 Exports by top 10 HS categories, quantities – trend
- 16 Imports by selected HS categories, values – trend

Access more data on Infoshare

Infoshare allows you to organise data in the way that best meets your needs. You can view the resulting tables onscreen or download them.

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For this release, select the following categories from the Infoshare homepage:
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Next release

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