

**Table 1.1** – Economic outlook: central forecast<sup>1</sup>

(Annual average % change, March years)	2002 Actual	2003 Estimate/ Actual	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast
Private consumption	2.8	3.8	2.6	2.5	3.0	3.0
Public consumption <sup>2</sup>	3.8	5.1	3.9	1.2	1.2	3.5
<b>Total Consumption</b>	<b>3.0</b>	<b>4.1</b>	<b>2.9</b>	<b>2.2</b>	<b>2.6</b>	<b>3.1</b>
Residential investment	3.3	24.5	10.7	-6.3	-1.0	2.2
Market investment	5.3	5.5	6.0	8.3	3.6	3.3
Non-Market investment	3.7	-4.7	1.8	7.3	2.9	2.8
<b>Total Investment</b>	<b>4.7</b>	<b>9.4</b>	<b>7.3</b>	<b>4.3</b>	<b>2.5</b>	<b>3.0</b>
Stock change <sup>3</sup>	0.1	-0.1	0.0	0.0	0.0	0.0
<b>Gross National Expenditure</b>	<b>3.4</b>	<b>4.8</b>	<b>3.8</b>	<b>2.7</b>	<b>2.5</b>	<b>3.1</b>
Exports	2.0	9.0	3.3	6.0	5.2	3.6
Imports	2.1	10.4	8.5	4.4	3.7	4.2
<b>GDP (Production Measure)</b>	<b>3.5</b>	<b>4.4</b>	<b>2.2</b>	<b>3.2</b>	<b>3.1</b>	<b>2.8</b>
- annual % change	4.2	4.1	1.9	3.8	2.6	2.9
Nominal GDP (expenditure basis)	7.4	3.6	4.5	4.9	5.1	4.8
GDP deflator	3.9	-0.9	2.3	1.6	2.0	1.9
Employment <sup>4</sup>	2.5	2.5	1.1	1.1	1.9	1.4
Unemployment <sup>5</sup>	5.3	5.1	5.6	5.6	5.3	5.2
Wages <sup>6</sup>	3.5	3.1	3.7	3.3	3.2	3.5
CPI inflation <sup>7</sup>	2.6	2.6	1.6	1.9	2.3	2.0
Export prices <sup>8</sup>	3.1	-13.7	-6.6	3.3	3.6	0.8
Import prices <sup>8</sup>	-0.9	-7.5	-7.3	2.7	3.1	0.1
Current account balance						
- \$ million	-2,591	-5,032	-6,568	-6,206	-6,368	-6,701
- % of GDP	-2.1	-4.0	-5.0	-4.5	-4.4	-4.4
TWI <sup>9</sup>	51.6	60.6	60.0	58.0	56.5	56.5
90-day bank bill rate <sup>9</sup>	5.0	5.8	5.1	6.0	6.0	6.0
10-year bond rate <sup>9</sup>	6.7	6.0	6.0	6.2	6.2	6.2

Sources: Statistics New Zealand, Reserve Bank of New Zealand, The Treasury

- NOTES:
- 1 Forecasts finalised 3 April 2003. Text finalised 6 May 2003. Additional tables are available on the Internet at [www.treasury.govt.nz/forecasts/befu/2003](http://www.treasury.govt.nz/forecasts/befu/2003).
  - 2 The forecast profile for public consumption is influenced by government defence spending.
  - 3 Contribution to GDP growth.
  - 4 Household Labour Force Survey, full-time equivalent employment.
  - 5 Household Labour Force Survey, percentage of the labour force, March quarter, seasonally adjusted.
  - 6 Quarterly Employment Survey, average hourly ordinary time earnings. Actual for the March 2003 quarter was 2.9%.
  - 7 Actual annual CPI inflation for the March 2003 quarter was 2.5%.
  - 8 Overseas Trade Index basis, annual average percentage change, March quarter.
  - 9 Average for the March quarter.

**Table 2.7 – 2003 Budget Update fiscal indicators**

Fiscal Indicators (\$ million)	2002 Actual	2003 Forecast	2004 Forecast	2005 Forecast	2006 Forecast	2007 Forecast
<b>Revenue</b>						
Total revenue	51,225	55,847	58,798	61,627	64,530	67,370
Total core Crown revenue	39,911	42,612	44,469	46,449	48,842	51,270
<b>Expenses</b>						
Total expenses	48,834	54,486	55,037	57,153	59,241	61,189
Total core Crown expenses	37,970	41,234	41,738	43,292	45,031	46,594
Operating balance - Core Crown	1,941	1,378	2,731	3,157	3,811	4,676
Operating balance - Crown entities	338	(531)	705	853	936	1,013
Operating balance - SOEs	513	720	623	723	825	904
Dividend elimination	(401)	(206)	(298)	(259)	(283)	(412)
Total operating balance	2,391	1,361	3,761	4,474	5,289	6,181
OBERAC	2,751	4,041	3,761	4,474	5,289	6,181
<b>Debt Indicators</b>						
Gross sovereign-issued debt	36,202	35,015	34,459	35,066	35,515	35,559
Total Crown debt	36,747	37,886	36,564	37,181	37,053	36,008
Net core Crown debt	17,771	17,922	18,435	18,352	17,822	16,629
Net worth	18,726	20,197	23,958	28,432	33,721	39,902
Domestic bond programme	3,721	2,531	3,234	3,471	3,028	2,775
Nominal GDP	123,629	128,389	134,034	141,021	147,911	154,906
<b>Fiscal Indicators as a % of GDP</b>						
<b>Revenue</b>						
Total Crown revenue	41.4%	43.5%	43.9%	43.7%	43.6%	43.5%
Total core Crown revenue	32.3%	33.2%	33.2%	32.9%	33.0%	33.1%
<b>Expenses</b>						
Total Crown expenses	39.5%	42.4%	41.1%	40.5%	40.1%	39.5%
Total core Crown expenses	30.7%	32.1%	31.1%	30.7%	30.4%	30.1%
Operating balance	1.9%	1.1%	2.8%	3.2%	3.6%	4.0%
OBERAC	2.2%	3.1%	2.8%	3.2%	3.6%	4.0%
<b>Debt Indicators</b>						
Gross sovereign-issued debt	29.3%	27.3%	25.7%	24.9%	24.0%	23.0%
Total Crown debt	29.7%	29.5%	27.3%	26.4%	25.1%	23.2%
Net core Crown debt	14.4%	14.0%	13.8%	13.0%	12.0%	10.7%
Net core Crown debt plus assets of NZS Fund	13.9%	12.5%	10.8%	8.5%	5.8%	2.7%
Net worth	15.1%	15.7%	17.9%	20.2%	22.8%	25.8%
<b>New Zealand Superannuation Fund</b>						
Fund asset returns (after tax)	15	69	187	347	525	726
Fund assets (year end)	615	1,884	3,950	6,411	9,235	12,394
% of GDP	0.5%	1.5%	2.9%	4.5%	6.2%	8.0%

Source: The Treasury