

April 2009

Executive Summary

- **GDP expected to fall around 1% in the March quarter;**
- **Inflation continues to ease**
- **Signs of stabilisation in the international economy**

Information over the past month indicates that demand and output contracted further in the March 2009 quarter. Household spending, business investment and exports are all likely to have been cut back further in the quarter. Overall, we estimate that real GDP fell by around 1% in the March quarter.

Falling demand and output have led to further declines in capacity utilisation and the demand for labour has weakened. Inflation in the year to March 2009 eased to 3.0%, and is expected to continue to decline over the medium term.

Internationally, the economic data released over the past month indicates that the sharp decline in output recorded in many countries in the December 2008 quarter has probably been repeated in the March quarter. The IMF and other international agencies revised down their forecasts of world economic growth over 2009 and 2010, reflecting their view that financial stabilisation will take longer than previously expected. Output in New Zealand's major trading partners, weighted by their share of exports, is forecast to contract around 2½% in 2009.

There is now considerable economic stimulus in place in most countries, which has given market participants some confidence that the risks of either another financial meltdown, or a further precipitous drop in activity around the world, are being reduced. Trading partner growth is expected to return in 2010, but at 2% or less, will be well below what could be considered the normal rate.

Our estimates of trading partner growth are now well below those in our December *Economic and Fiscal Update*, which will feed through to a much weaker outlook for the New Zealand economy in this month's Budget *Economic and Fiscal Update*.

Global equities and commodities have recovered strongly over the past six weeks or so, and various macroeconomic indicators have begun to stabilise. Nonetheless, these signs of recovery are tentative and in the short term the fall in world economic activity will lead to a further deterioration in bank balance sheets as asset values continue to degrade. Until banks' balance sheets have been repaired through some combination of restructuring and recapitalisation, risks remain that banks' problems will continue to exert downward pressure on economic activity. The prospects for global recovery are therefore dependent on the rate of progress towards returning the financial sector to health.

In our Special Topic we take a look at the largest component of the current account deficit, the deficit on investment income, and its likely evolution over the next few years.

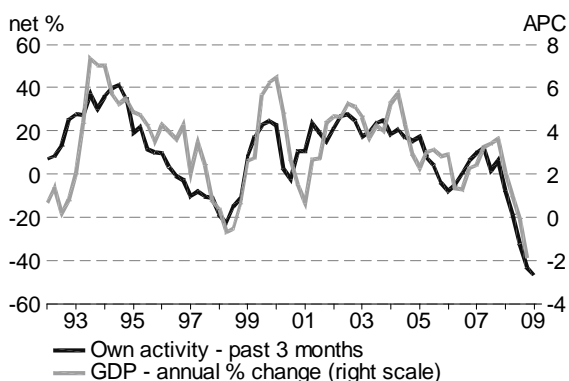
Commentary

Information over the past month indicates that demand and output contracted further in the March 2009 quarter. Household spending, business investment and exports are all likely to have fallen further in the quarter. Overall, we estimate that real GDP fell by around 1% in the March quarter.

Business opinion points to further weakness

Real production GDP declined 0.9% in the December 2008 quarter, and the March *Quarterly Survey of Business Opinion* (QSBO) suggests that a similar decline occurred in the March quarter (*Figure 1*). On the key measure of activity experienced in the quarter, a net 47% of firms reported a fall in output, down from 44% in the December survey.

Figure 1 – Real GDP and QSBO own activity



Source: Statistics NZ and NZIER

The fall in business activity was reflected in a drop in capacity utilisation to levels last seen during the turbulent 1988 – 1992 period. Firms have responded to this drop in activity by trimming their expenses, including labour and capital input costs. A net 34% of firms reported a reduction in staff over the quarter, a marked fall from 22% in the December quarter.

To date, economy-wide employment has continued to rise even as hours worked have fallen and unemployment has risen. However, we think that the employment cycle has now turned and that March labour market data (due for release on 7 May) will show a fall in employment and a rise in the unemployment rate to above 5.0%.

Investment intentions for the next 12 months fell to their lowest recorded levels since the survey series began in 1975, for both building and plant and machinery. Business investment fell a

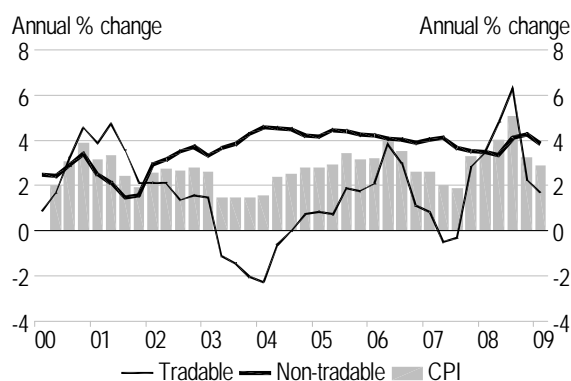
modest 1.8% in the December quarter, but the QSBO suggests much steeper declines can be expected in the future. In our December *Update* we forecast investment to decline 15% in the year to March 2010, and by 25% in our downside scenario, of which the latter is more in-line with the QSBO readout.

April's *National Bank Business Outlook* reported a significant recovery in business confidence, although it remained in negative territory. Should business confidence continue to improve in coming months a return to positive growth by the end of the year seems likely. However, given the QSBO's report of a net 38% of firms expecting a drop in their own activity in the June quarter, the recession is likely to extend to at least the current quarter.

Inflation eases

The Consumers Price Index (CPI) increased 0.3% in the March quarter, taking the annual inflation rate to 3.0% from 3.4% in December (*Figure 2*). Food prices continued to make a significant contribution to headline inflation, rising 1.2% in the quarter. Over the year to March food prices rose by 8.8% and accounted for about half of the rise in the overall CPI over the year.

Figure 2 – Inflation



Source: Statistics NZ

Falling transport costs, mainly international airfares, helped push internationally traded goods and services prices down 0.4% in the quarter, although they remain 1.7% higher than a year ago. While the falling exchange rate has pushed the price of many imported goods higher, the impact on final prices has been offset by strong competition among retailers, with the prices of many goods discounted to encourage sales in a weak market.

Non-tradables inflation continued to rise relatively strongly, up 0.7% in the quarter and 3.8% in the year. However, prices in the housing group, including construction costs and rents, have moderated on the back of housing market weakness, rising 0.3% in the quarter - the smallest increase since 2001.

Weak demand, combined with the elimination of large increases in the June and September 2008 quarters from the annual calculation, is expected to see annual inflation fall to around 1% in the September quarter.

Consumption spending expected to fall in the quarter

Total retail sales rose 0.2% in February, following a 1.2% fall in January, largely a reflection of higher petrol prices in the month, although petrol prices were down for the quarter as a whole. Motor vehicle sales and new registrations remained weak, the latter falling around 20% in quarter. Core retail sales, which exclude vehicle related categories, fell 0.1% in the month, following a 0.2% rise in January. Early indicators do not suggest a strong pick-up in March retail sales and, with the expected weakening in the labour market, private consumption is expected to fall in the March quarter and to remain weak throughout the year.

Tourist arrivals down

Short-term visitor arrivals fell 0.5% in March, after rising 2.9% in February, to be 3.6% lower in the year ended March 2009 than in the preceding March year. Business and holiday arrivals were down around 7% in the year ended March, while arrivals to visit relatives rose 1%. The emergence of the swine flu virus poses a risk to international travel and, given the very weak state of most of our trading partners, arrivals will probably continue to head lower.

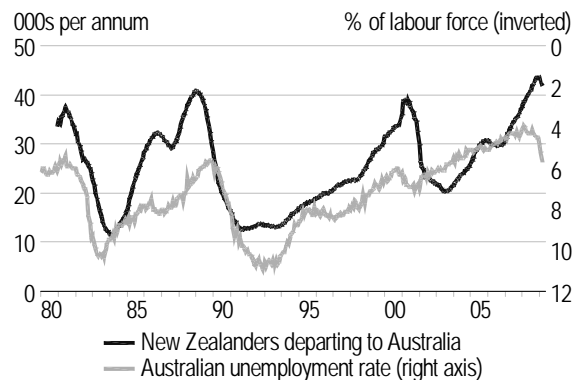
Net inward migration rises

Net permanent and long-term (PLT) migration inflows rose to 1720 in March, up from 1600 in February, taking the 12-month running total to 7500 from 3800 in December.

The marked rise in long-term migrant inflows is largely a consequence of fewer New Zealanders choosing to leave. Departures to Australia were 20% lower than in March 2008 and, with Australian unemployment up sharply to 5.7% in March from 4.5% in December 2008, we expect departures to continue to ease (Figure 3). Deep recession and rising unemployment in New

Zealand's other major migrant destinations suggest that not only might departures continue to fall but we may also see some rise in New Zealanders returning.

Figure 3 – Departures from NZ and Australian unemployment



Source: Statistics NZ, ABS

The rapid rise in inwards migration suggests the Treasury's forecast of a net inflow of around 10,000 over the coming year may be a bit light. It will however help to limit the extent of falls in residential construction activity and provide some support to consumption.

Housing market slightly stronger in March

The REINZ reported that sales volumes were up 6.5% and that the median price rose 1.5% compared to February. Their median-days-to-sell measure fell to 48 days from 55 days. We think that it is too early to say that the housing market has turned the corner. Anecdotally, the rise in activity has been attributed to a return of investors to the market, as well as some degree of churn among existing home-owners, as buyers seek to take advantage of the lower prices and the lower mortgage interest rates on offer. First homebuyers however have yet to re-enter the market. March building consents fell, pointing to ongoing weakness in residential activity.

Net exports stronger

March export receipts were 18% higher than a year ago and imports were 8% higher, reducing the 12-month trade deficit to \$4.8 billion from \$5.2 in February. For the March quarter as a whole, export receipts were 4% lower than December whilst imports decreased 13%. Net exports seem likely to have made a sizeable positive contribution to growth in Q1, offsetting some of the weakness seen in domestic demand.

International Developments

Internationally, the economic data released over the past month indicates that the sharp decline in output recorded in many countries in the December 2008 quarter has probably been repeated in the March quarter. However, incoming data over the past month have become “less bad”, suggesting the bottom of the cycle may be near.

Forecasts of world economic growth were further revised down in the month. The IMF’s *World Economic Outlook (WEO)* projected world output to decline 1.3% in 2009 as a whole, the weakest performance by far of the post-war period. Growth would return only gradually in 2010, with output growing by 1.9%. Global GDP is estimated to have fallen by an unprecedented 6% at an annual rate during the fourth quarter of 2008 and is expected to have fallen almost as fast in the first quarter of 2009. Whether through a decrease in exports or through a decrease in internal demand, now nearly all the countries of the world are experiencing the dynamic effects of the enormous shock caused by the financial crisis and ensuing collapse in confidence.

Consensus Forecasts for growth were also lowered further in the month. Our estimates of trading partner growth are now well below those in our December *Economic and Fiscal Update* (Table 1). This much weaker picture of the world economy, combined with historical evidence that recovery from the current recession may be slower than in other recessions, will feed through to a much weaker outlook for the New Zealand economy in this month’s Budget *Economic and Fiscal Update*.

Table 1 – Forecast Trading Partner Growth

Forecast Trading Partner Growth (calendar years, aapc)	2009	2010
Treasury <i>DEFU</i> downside	0.4%	1.6%
IMF April <i>WEO</i>	-2.8%	0.8%
April <i>Consensus Forecasts</i>	-2.2%	2.0%

Over the past month signs of stabilisation in activity have become more evident. Surveys of manufacturing performance and key indicators of production and exports remain at contractionary levels but are no longer falling as rapidly as they were. Global financial markets have also shown some signs of stabilisation in response to the massive injections of liquidity and capital by central banks and governments. The reluctance of banks to lend short-term funds to each other has eased, but remains high by historical

standards. Severe constraints on securing medium-term funding remain and, as a result, many businesses are finding their access to loans restricted and their cost of funds much higher.

Overall, market confidence remains fragile and, according to the IMF, governments will need further determined policy actions to help restore confidence in the financial system and to normalise conditions in credit markets. In its *Global Financial Stability Report*, the IMF estimated the write-down on US originated assets to be \$2.7 trillion, and up to \$4 trillion if other market-originated assets are included, about two-thirds of which will be incurred by banks. The IMF sees a real risk that governments will be reluctant to allocate enough resources to solve the problems but until banks balance sheets are repaired, the risk remains that the banking sector will continue to exert downward pressure on the economic activity.

Turning to individual economies, the advance estimate of US GDP showed a greater than expected decline of 6.1% (seasonally adjusted annual rate) in the March quarter. Markets, however, responded positively to signs that inventories were being cleared and to the rise in private consumption in the quarter. Labour market conditions remained very weak, with a further large fall in non-farm payrolls in March and a rise in the unemployment rate to a 25-year high of 8.5%. House prices have continued to fall, albeit at a slower rate, while data on new home sales and inventories have been mixed.

In Asia, the news from Japan remained poor. Japan’s central bank downgraded its forecast of GDP growth to -3.3% for the 2009 year and Japan’s trade balance recorded a deficit in the year to March 2009 - its first annual trade deficit in 30 years. However, there were signs that the worst may be over with the overall trade balance improving in the March month and exports to the US and China falling by less than in February

China registered its lowest growth rate in almost a decade with GDP rising 6.1% in the March 2009 quarter compared to March 2008. The pace of growth appears to be picking up, with rises in industrial production, investment and exports in the March month. Elsewhere in east Asia, rising imports of electrical and mechanical goods from China have helped to lift industrial production and exports from the lows experienced over January and February.

Eurozone data continued to deteriorate, with steep falls in industrial production and orders, construction and exports recorded for the February month. Retail sales were also down, and unemployment rose to 8.7% - Spanish unemployment rising to over 17%. In the last week or so rises in business confidence and other activity indicators offer some hope that conditions are improving.

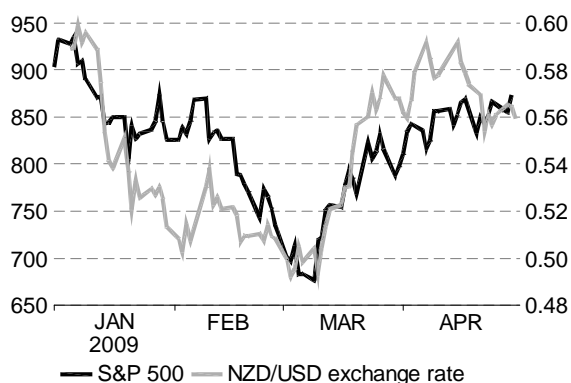
UK data showed some signs of stabilisation: leading manufacturing and services indicators fell at a slower rate; and new unemployment benefit claimants rose less rapidly. Retail sales improved in March, as did some indicators of house prices.

In Australia, inflation was weaker than expected, rising just 0.1% in the March quarter and 2.5% in the year.

Financial Markets

Sentiment in global financial markets improved early in the month on announcements of further details to restore bank balance sheets, but then ebbed as concerns about the global outlook and bank balance sheets were renewed. As a result of the improvement in sentiment, equity prices continued to post gains over the month. At the time of writing, markets were largely looking through swine flu concerns, even as the risk of a pandemic rose and the virus spread.

Figure 4 – US equities and NZD/USD

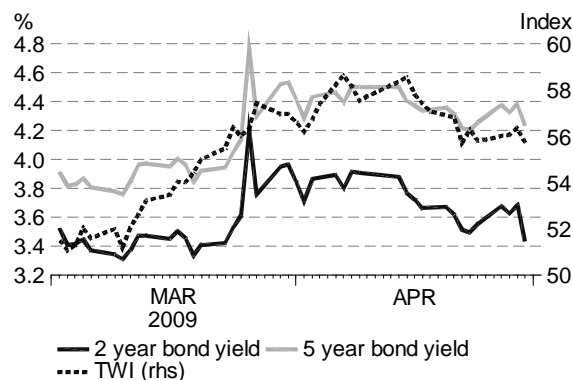


Sources: RBNZ and Datastream

Improved sentiment in international markets led to increased demand for the New Zealand dollar. The currency appreciated against the USD early in the month, but ended the month much where it began (Figure 4). The TWI followed a similar pattern, ending the month a little weaker than it began. Longer-term interest rates began the month at a level the Reserve Bank considered inconsistent with the monetary policy outlook.

The “unwarranted” tightening in monetary conditions was a key factor in the Reserve Bank’s decision to cut the OCR by 50bps on 30 April. The statement from the Bank that rates would not move higher for some considerable time saw longer-term rates, and the currency, move down (Figure 5).

Figure 5 – Monetary conditions



Source: RBNZ

Central banks in Australia, Canada and Sweden also lowered their monetary policy rates in the month to 3.0%, 0.25% and 0.5% respectively.

In commodity markets, oil prices held onto the gains they made in March, ending the month close to where they began. Dairy prices continued to move higher over the month allowing Fonterra to announce a 10c increase in the payout forecast for this season to \$5.20 per kg of milk solid. While positive, the forecast is still down by around a quarter on the \$7 payout forecast at the start of the season. Earlier in the month Fonterra announced the export of 160,000 tonnes of milk powder to China, helping clear out inventories that had accumulated over the past few months. Sheep and beef prices also continued to firm over the month.

Looking ahead

The major domestic releases include labour market reports in the first week of May, and the government’s Budget later in the month (including the latest Treasury economic forecasts). Internationally, the results of stress tests of major US banks early in the month will be keenly watched by markets. Early reports are that at least six of the 19 major US banks will require additional capital.

Special Topic: Current account adjustment

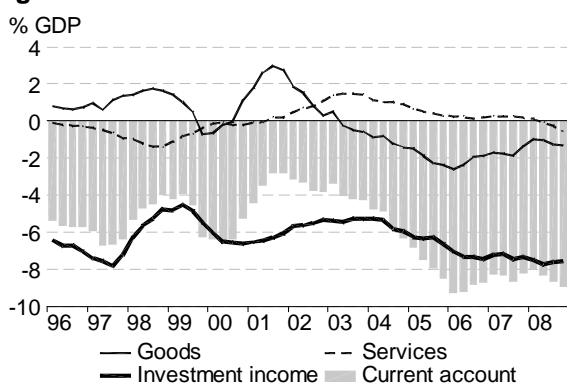
The net outflow of investment income is the major component of New Zealand's current account deficit and has accounted for around half of the growth in the deficit over the past five years. This special topic examines the main drivers of the investment income balance and the outlook for this component of the current account.

Investment income a major component of the current account deficit

The investment income section of the current account includes all income from New Zealand investment abroad and income from overseas investment in New Zealand, whether that income is actually repatriated or merely accrued to its owners. Since investment in New Zealand far exceeds our investment overseas, the outflow of earnings on investment in New Zealand exceeds the inflow of earnings on our investment overseas.

The net outflow of investment income in the year to December 2008 was \$13.6 billion, with a gross outflow of \$16.5 billion and a gross inflow of \$2.9 billion. The deficit on investment income was equivalent to 7.6% of nominal GDP in the year to December 2008 and accounted for 85% of the total current account deficit of \$16.1 billion (8.9% of GDP). The deficit on investment income has increased from \$7.25 billion (5.3% of GDP) in 2003, while the total current account deficit has increased from \$5.8 billion (4.3% of GDP) over the same period (*Figure 6*).

Figure 6 – Annual current account balance



Source: Statistics NZ

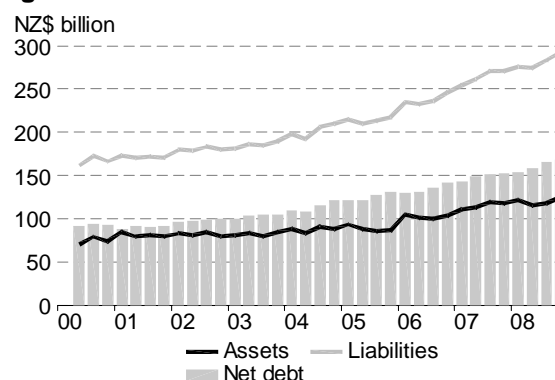
The increase in the deficit on investment income in this period accounts for more than half of the increase in the total current account deficit over this period. The rest of the increase is accounted for by an increase in the goods deficit (which fell from a surplus of \$0.4 billion in 2003 to a deficit of \$2.4 billion of GDP in 2008) and a fall in the

services balance from a surplus of \$1.4 billion in 2003 to a deficit of \$1.0 billion in 2008, offset by a slight increase in the transfers surplus from \$0.15 billion to \$0.9 billion.

Growth in net liabilities the major determinant of net investment income outflow ...

The major determinants of the investment income balance are growth in the stock of investments and changes in the earnings on those investments. New Zealand investment abroad increased from \$70.5 billion at 30 June 2000 to \$125.5 billion at 31 December 2008, while foreign investment in New Zealand increased from \$161.6 billion in mid 2000 to \$293.2 billion at the end of 2008. This resulted in a net international debtor position of \$91.2 billion in 2000 increasing to \$167.7 billion in 2008, equivalent to 93% of GDP in the year to December 2008 (*Figure 7*).

Figure 7 – International investments



Source: Statistics NZ

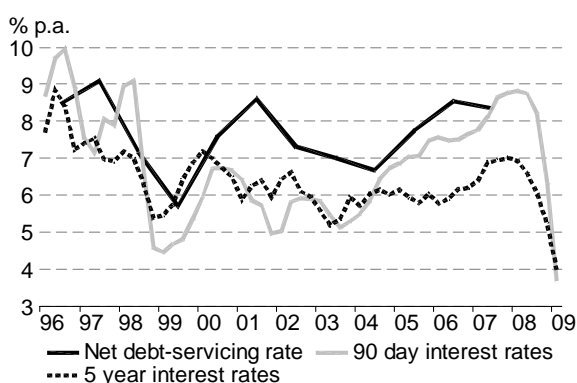
... along with the earnings on investments

Investment income flows are also influenced by the return on the underlying investments. In the case of equity investment this is the return on capital and in the case of financial assets and liabilities it is the interest payable. Historically, the return on foreign investments in New Zealand has been higher than the return on New Zealand investments overseas; this may be because of the different composition of investment in each case (more direct equity investment in New Zealand versus more portfolio investment overseas) or it may be due to measurement issues. The higher implicit rate of return on foreign investment in New Zealand compounds the deficit on investment income (even for a zero net debt position, the outflow would be larger than the inflow).

Debt-servicing cost reflects interest rates ...

The cost of servicing New Zealand's net external liabilities shows a broad similarity to New Zealand interest rates. Ninety-three percent of total net liabilities are debt (not equity) and of those net financial liabilities one third had a residual maturity of less than 90 days at 31 December 2008 and slightly more than half had a residual maturity of greater than 2 years. The net cost of debt-servicing shows a relationship with New Zealand interest rates, especially with 90-day rates recently (*Figure 8*), but longer-term interest rates are also relevant because of the maturity profile of the net liabilities.

Figure 8 – Debt-servicing and interest rates



Sources: Statistics NZ, Reserve Bank of NZ

We expect the net cost of servicing New Zealand's external debt to decline following the fall in domestic (and international) interest rates. The fall is not expected to occur immediately as the transmission will depend on the residual maturity of the borrowings and rate reset dates. In addition, borrowing costs may not fall as much as local rates because of spreads and higher charges for offshore borrowing. There was a marked narrowing of the investment income deficit during the previous recession in the New Zealand economy in 1998-1999 when interest rates also fell sharply (*Figure 8*).

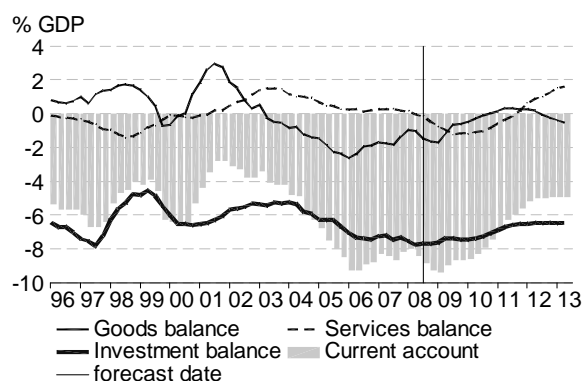
... and profits

Profits on equity investments are also an important determinant of the investment income flows. As with financial assets and liabilities, equity investments in New Zealand exceed our investments overseas and so there is an outflow of net profits. Profits are likely to fall in a recession and so the investment income deficit is likely to narrow for this reason as well.

Narrowing of deficit expected

Even allowing for a partial transmission of falls in interest rates to investment income flows, we expect a narrowing in the investment income deficit to be more rapid than in our December *Economic Forecasts* (*Figure 9*).

Figure 9 – Current account forecasts (Dec 08)



Sources: Statistics NZ, Treasury *December 2008 Forecasts*

In addition, we expect a narrowing of the goods deficit as the greater weakness in domestic demand and fall in the value of the New Zealand dollar lead to lower imports, but some offset is likely from lower exports (especially tourism) as a result of the weaker world economy. On the basis of the March quarter merchandise trade data, we now expect the current account deficit to narrow from 8.9% of GDP in December 2008 to 8.6% in March 2009, less than our forecast of 9.4% in December 2008.

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

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New Zealand Key Economic Data

1 May 2009

Quarterly Indicators

		2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg ¹	0.6	0.9	-0.3	-0.2	-0.5	-0.9	...
	ann ave % chg	2.8	3.2	3.1	2.5	1.7	0.2	...
Real private consumption	qtr % chg ¹	0.6	0.5	-0.5	-0.2	-0.1	0.0	...
	ann ave % chg	3.9	4.0	3.2	2.3	1.2	0.1	...
Real public consumption	qtr % chg ¹	1.8	0.2	1.5	0.4	0.7	1.7	...
	ann ave % chg	3.9	3.9	4.3	4.3	3.9	4.0	...
Real residential investment	qtr % chg ¹	0.1	-1.8	-5.1	-8.0	-8.1	-14.0	...
	ann ave % chg	4.2	5.1	4.3	-2.0	-9.7	-18.6	...
Real non-residential investment	qtr % chg ¹	0.8	3.3	-0.2	4.4	-8.1	-1.8	...
	ann ave % chg	3.2	4.9	4.2	4.5	3.3	0.3	...
Export volumes	qtr % chg ¹	0.2	4.6	-2.3	-0.3	-3.1	-3.3	...
	ann ave % chg	2.4	3.8	2.9	2.7	2.3	-1.7	...
Import volumes	qtr % chg ¹	1.0	4.2	0.9	3.3	-6.7	-6.1	...
	ann ave % chg	5.3	8.6	9.6	9.7	7.7	2.2	...
Nominal GDP - expenditure basis	ann ave % chg	7.0	7.3	7.4	6.0	4.6	2.6	...
Real GDP per capita	ann ave % chg	1.7	2.1	2.1	1.5	0.7	-0.7	...
Real Gross National Disposable Income	ann ave % chg	3.3	4.7	5.1	4.7	4.5	1.9	...
External Trade								
Current account balance (annual)	NZ\$ millions	-14892	-14372	-14211	-14982	-15528	-16073	...
	% of GDP	-8.7	-8.2	-8.0	-8.4	-8.6	-8.9	...
Investment income balance (annual)	NZ\$ millions	-12796	-12837	-13388	-13861	-13672	-13582	...
Merchandise terms of trade	qtr % chg	3.7	2.9	4.2	-0.4	-1	-0.9	...
	ann % chg	8.4	8.8	11.6	10.7	5.8	1.8	...
Prices								
CPI inflation	qtr % chg	0.5	1.2	0.7	1.6	1.5	-0.5	0.3
	ann % chg	1.8	3.2	3.4	4.0	5.1	3.4	3.0
Tradable inflation	ann % chg	-0.3	2.8	3.4	4.8	6.3	2.3	1.7
Non-tradable inflation	ann % chg	3.7	3.5	3.5	3.4	4.1	4.3	3.8
GDP deflator	ann % chg	3.2	5.9	6.2	3.7	2.3	2.6	...
Consumption deflator	ann % chg	1.2	2.0	2.5	3.2	4.0	3.7	...
Labour Market								
Employment (HLFS)	qtr % chg ¹	0.0	1.0	-1.3	1.2	0.2	0.9	...
	ann % chg ¹	1.6	2.4	-0.2	0.8	1.1	1.0	...
Unemployment rate	% ¹	3.6	3.5	3.8	4.0	4.3	4.7	...
Participation rate	% ¹	68.2	68.5	67.6	68.5	68.6	69.2	...
LCI salary & wage rates - total (adjusted) ⁶	qtr % chg	1.0	1.0	0.8	0.7	1.2	0.7	...
	ann % chg	3.1	3.3	3.4	3.5	3.6	3.3	...
LCI salary & wage rates - total (unadjusted) ⁶	qtr % chg	1.7	1.4	1.2	1.1	1.5	1.5	...
	ann % chg	4.8	5.0	5.4	5.5	5.3	5.4	...
QES average hourly earnings - total ⁶	qtr % chg	1.3	1.0	1.5	1.4	1.5	0.9	...
	ann % chg	4.0	4.2	4.6	5.3	5.5	5.4	...
Labour productivity ⁷	ann ave % chg	1.8	2.5	3.1	2.5	1.6	0.7	...
Confidence Indicators/Surveys								
WMM - consumer confidence ³	Index	114	110	97	82	105	101	96
QSBO - general business situation ⁴	net %	-27.3	-26.4	-64.1	-63.7	-19.3	-64.4	-64.6
QSBO - own activity outlook ⁴	net %	15.4	13.9	-9.7	-22.9	-8.3	-40.9	-38.7

Monthly Indicators

		2008M10	2008M11	2008M12	2009M 1	2009M 2	2009M 3	2009M 4
External Sector								
Merchandise trade - exports	mt h % chg ¹	13.9	-3.1	-1.2	-0.9	-2.9	-0.2	...
	ann % chg ¹	13.2	9.5	3.7	2.7	-6.4	17.5	...
Merchandise trade - imports	mt h % chg ¹	-1.7	-5.8	6.6	-16.7	-4.8	18.9	...
	ann % chg ¹	15.2	7.4	14.9	-3.5	-14.0	7.4	...
Merchandise trade balance (12 month total)	NZ\$ million	-5269	-5234	-5614	-5406	-5162	-4796	...
Visitor arrivals	number ¹	194990	196700	210550	194960	200520	199570	...
Visitor departures	number ¹	196070	200530	202610	202720	199680	200330	...
Housing								
Dwelling consents - residential	mt h % chg ¹	-19.4	3.8	-7.0	-12.9	11.6	-4.6	...
	ann % chg ¹	-42.8	-39.7	-41.4	-51.7	-40.0	-34.5	...
House sales - dwellings	mt h % chg ¹	-3.1	-14.6	24.0	-5.5	11.7	6.5	...
	ann % chg ¹	-34.9	-45.4	-23.5	-28.7	-17.5	30.1	...
REINZ - median dwelling price	mt h % chg	0.3	-0.1	-0.8	0.3	0.8	-0.7	...
	ann % chg	-4.4	-4.1	-4.8	-4.3	-2.1	-4.0	...
Private Consumption								
Core retail sales	mt h % chg ¹	1.0	0.1	-0.5	0.2	-0.1
	ann % chg ¹	3.0	2.3	1.0	1.4	1.2
Total retail sales	mt h % chg ¹	-1.3	0.0	-0.6	-1.2	0.2
	ann % chg ¹	-0.2	-1.7	-2.8	-4.0	-3.0
New car registrations	mt h % chg ¹	-0.9	-19.9	12.9	-13.9	-15.2	6.9	...
	ann % chg	-19.9	-34.4	-23.7	-36.5	-44.6	-32.9	...
Electronic card transactions - total retail	mt h % chg ¹	0.8	-2.6	-0.5	-0.6	0.7	0.2	...
	ann % chg	6.6	0.2	0.1	1.2	-3.5	-0.3	...
Migration								
Permanent & long-term arrivals	number ¹	7400	7050	7030	7410	7550	7500	...
Permanent & long-term departures	number ¹	7380	7350	6710	6600	5950	5780	...
Net PLT migration (12 month total)	number	4329	3569	3814	4538	6160	7482	...
Commodity Prices								
Brent oil price	US\$/Barrel	71.96	52.71	40.51	43.17	42.91	46.58	50.5
WTI oil price	US\$/Barrel	76.28	56.97	40.64	41.63	39.08	47.98	49.9
ANZ NZ commodity price index	mt h % chg	0.4	-1.5	-6.1	-4.3	1.9	-3.4	...
	ann % chg	7.9	5.4	-0.1	-2.6	1.5	-4.0	...
ANZ world commodity price index	mt h % chg	-7.6	-7.4	-7.4	-4.3	-4.6	1.0	...
	ann % chg	-11.1	-18.3	-24.3	-26.5	-30.7	-31.4	...
Financial Markets								
NZD/USD	\$ ²	0.6137	0.5651	0.5569	0.5526	0.5151	0.5308	...
NZD/AUD	\$ ²	0.8809	0.8600	0.8320	0.8154	0.7938	0.7979	...
Trade weighted index (TWI)	June 1979 = 100 ²	60.74	57.41	55.11	54.86	52.31	53.84	...
Official cash rate (OCR)	%	6.50	6.50	5.00	3.50	3.50	3.00	2.50
90 day bank bill rate	% ²	7.43	6.25	5.23	4.38	3.40	3.24	...
10 year govt bond rate	% ²	5.86	5.73	4.88	4.49	4.53	4.77	...
Confidence Indicators/Surveys								
National Bank - business confidence	net %	-42.3	-43.0	-35.0	-36.5	-41.2	-39.3	-14.5
National Bank - activity outlook	net %	-11.4	-14.1	-21.5	-22.3	-20.1	-21.2	-3.8
One News ⁵ - consumer confidence	net %	-5	5	0.3	-4.3	-9	3	...
qtr % chg	quarterly percent change	1			Seasonally adjusted			
mt h % chg	monthly percent change	2			Average (11am)			
ann % chg	annual percent change	3			Westpac McDermott Miller			
ann ave % chg	annual average percent change	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