External Sector

External Trade

External trade is of fundamental importance to New Zealand. Primary sector-based exports and commodities remain important sources of the country's export receipts, while exports of services and manufactured products also provide a significant contribution. This, together with a reliance on imports of raw materials and capital equipment for industry, makes New Zealand strongly trade-oriented.

Merchandise Trade

After a record merchandise trade deficit of $7.3 billion in early 2006, strong growth in the terms of trade helped reduce the deficit to $5.0 billion in the year to September 2008. Weak domestic demand, uncertainty surrounding the global economic environment and a sharp depreciation in the New Zealand dollar produced a large drop in imported goods at the beginning of 2009. Import values remained low as of December 2009, more than offsetting the recent decline in exports and driving the annual merchandise trade deficit to a seven-year low of $0.5 billion.

The following table records the total value of exports and imports of goods since 2005.

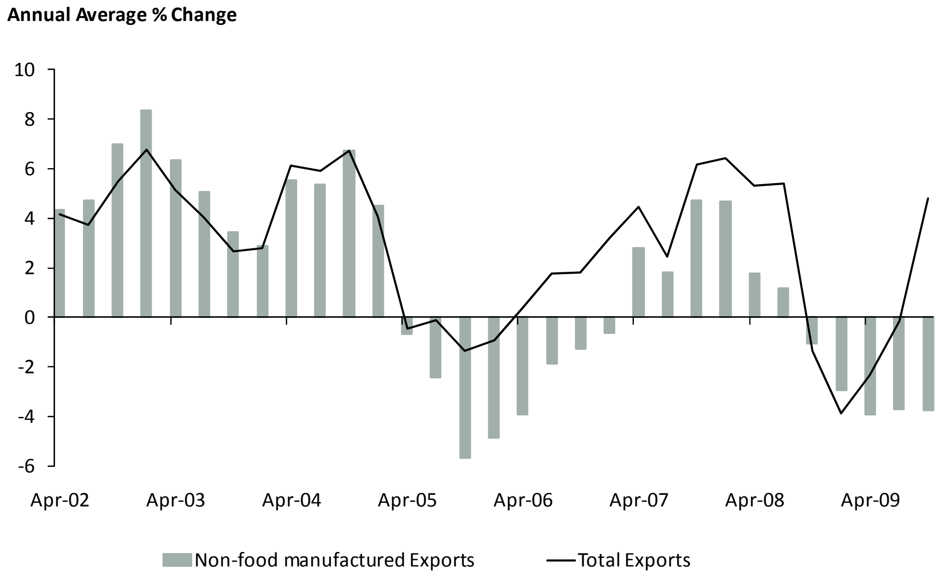
Balance of External Merchandise Trade(1)

Year to December	Exports	Imports	Balance of Trade	Exports as % of Imports
		(dollar amounts in millions)		
2005	30,817	37,279	(6,462)	82.7
2006	34,634	40,716	(6,082)	85.1
2007	36,557	41,869	(5,312)	87.3
2008	42,900	48,514	(5,614)	88.4
2009	39,672	40,188	(517)	98.7

(1) Includes re-exports.

Index of Export Volumes

Source: Statistics New Zealand



Trade in Services

Trade in services is dominated by tourist flows. The annual level of services export volumes has been in decline since 2005, with the high New Zealand dollar having an adverse impact on visitor arrivals and their average expenditure. In annual average terms, real services exports fell 9.0% in the year to September 2009.

The services balance recorded in the Balance of Payments peaked at a surplus of $2,010 million in the year to March 2003. Since then, a slowdown in inbound tourism and strong growth in the number of New Zealanders travelling overseas has seen the services balance fall to a deficit of $640 million in the year to September 2009. On a quarterly basis, services imports have fallen more than services exports recently, resulting in easing quarterly deficits over the first three quarters of 2009, reflecting previous falls in the New Zealand dollar.

The services deficit is expected to increase from the middle of 2010, as tourism flows respond with a lag to the recent appreciation in the New Zealand dollar. From mid-2011, the effects of both steadily increasing global growth and the 2011 Rugby World Cup are expected to provide further support to inbound tourism, helping to narrow the services deficit in the medium term.

Terms of Trade

The terms of trade reached a 33-year high in March 2008 and remained elevated throughout the remainder of the year, owing to previously record-high commodity prices continuing to be reflected in export prices, particularly for dairy products, the supply of which had been sharply reduced due to a drought over the summer of 2007/08. The terms of trade fell over the first half of 2009, as significantly lower prices for dairy products more than offset lower import prices, particularly for oil. As of the September quarter 2009, the terms of trade were 13.7% lower than the previous year. The terms of trade are forecast to increase from the end of 2009, reflecting commodity price increases, particularly for dairy, as the global economy continues to strengthen.

		Export Price Index(1)		Import Price Index(1)		Terms of Trade Index(1)	
2005	March	894	4.9	810	0.5	1,105	4.5
	June	899	(1.6)	824	(2.6)	1,091	1.0
	September	916	1.4	843	0.5	1,087	0.9
	December	899	0.8	848	2.7	1,060	(1.9)
2006	March	926	3.6	866	6.9	1,069	(3.3)
	June	1,018	13.2	928	12.6	1,097	0.5
	September	1,010	10.3	941	11.6	1,073	(1.3)
	December	973	8.2	885	4.4	1,100	3.8
2007	March	970	4.8	869	0.3	1,117	4.5
	June	958	(5.9)	854	(8.0)	1,122	2.3
	September	990	(2.0)	852	(9.5)	1,163	8.4
	December	1,045	7.4	873	(1.4)	1,197	8.8
2008	March	1,091	12.5	875	0.7	1,247	11.6
	June	1,140	19.0	918	7.5	1,242	10.7
	September	1,238	25.1	1,006	18.1	1,230	5.8
	December	1,269	21.4	1,041	19.2	1,218	1.8
2009	March	1,168	7.1	985	12.6	1,185	(5.0)
	June	1,029	(9.7)	958	4.4	1,074	(13.5)
	September	976	(21.2)	920	(8.5)	1,061	(13.7)
	December	N/A	N/A	N/A	N/A	N/A	N/A

(1) Base: June 2002 = 1,000.

Composition of Merchandise Exports and Imports

The agricultural sector is highly efficient and has steadily increased the value-added component in agricultural exports. Agricultural exports are an important source of export income for the New Zealand economy. Meat and dairy products are the most important agricultural exports – together they accounted for around 33% of total merchandise export values in the year ended 31 December 2009.

The manufacturing sector has been a major source of export growth and diversification over the past two decades. The Closer Economic Relations agreement with Australia has contributed to a successful expansion by manufacturers into that market. A focus on design, reliability and cost is also seeing manufacturers make inroads into other markets, particularly Asia and the United States. Despite New Zealand's geographical position, it now exports a range of manufactured goods, including plastic goods, carpets and textiles, wines and high-tech computer equipment to countries throughout the world.

As New Zealand has become more internationally oriented, imports have played a larger role in the economy. In real terms, merchandise imports increased from 23% of GDP to 27% over the ten years to September 2009.

The following tables show the dollar amounts and percentage distribution of New Zealand's major exports and imports.

Composition of Principal Merchandise Exports

	Year ended 31 December					
	2005	2006	2007	2008	2009	2009
	(dollar amounts in millions)					% of Total
Dairy Produce etc	5,155	6,206	7,495	9,206	8,016	20.2%
Meat and edible meat offal	4,655	4,668	4,346	5,145	5,142	13.0%
Wood and articles of wood	1,910	2,132	2,084	2,181	2,314	5.8%
Mineral fuels	743	919	1,597	2,928	1,891	4.8%
Fruit	1,166	1,200	1,283	1,443	1,597	4.0%
Mechanical machinery	1,434	1,579	1,569	1,544	1,294	3.3%
Fish, crustaceans and molluscs	1,124	1,186	1,084	1,203	1,249	3.1%
Aluminium and articles thereof	1,082	1,480	1,513	1,424	880	2.2%
Casein and caseinate	657	748	842	977	839	2.1%
Electrical machinery	887	967	904	932	826	2.1%
Iron and steel	712	805	874	1,008	796	2.0%
Precious stones, metals & jewellery	306	367	345	600	764	1.9%
Wood pulp	490	625	665	649	610	1.5%
Wool and other animal fibres	652	692	635	581	531	1.3%
Paper and paper product	534	476	506	541	526	1.3%
Vegetables	357	378	432	423	405	1.0%
Plastics and articles thereof	441	430	429	438	401	1.0%
Raw hides and skins	438	464	458	508	373	0.9%
All other commodities	6,729	7,396	7,969	9,437	9,317	23.5%
TOTAL NEW ZEALAND PRODUCE	29,472	32,718	35,030	41,168	37,771	95.2%
Re-exports	1,346	1,916	1,527	1,732	1,900	4.8%
Total Merchandise Exports F.O.B.	30,817	34,634	36,557	42,900	39,671	100.0%

Composition of Principal Merchandise Imports

	Year ended 31 December					
	2005	2006	2007	2008	2009	2009
	(dollar amounts in millions)					% of Total
Mineral fuels	4,183	5,608	5,704	8,125	5,494	14.4%
Mechanical Machinery	4,829	4,913	5,126	5,932	4,819	12.7%
Electrical machinery	3,171	3,428	3,591	3,861	3,837	10.1%
Vehicles	4,989	4,427	4,769	4,731	2,997	7.9%
Aircraft	1,224	1,686	852	859	1,508	4.0%
Plastic and articles thereof	1,302	1,433	1,458	1,615	1,395	3.7%
Optical, photographic, etc	1,066	1,175	1,097	1,253	1,329	3.5%
Pharmaceutical products	931	931	1,000	1,081	1,142	3.0%
Paper and paperboard	871	910	914	970	888	2.3%
Iron or steel articles	648	695	757	900	711	1.9%
Knitted and crocheted fabrics and articles thereof	457	535	556	606	630	1.7%
Rubber and articles thereof	400	431	442	506	481	1.3%
Chemical products n.e.s.	393	445	422	499	452	1.2%
Toys, games and sports requisites	359	372	410	443	434	1.1%
Printed books, newspapers, etc	361	399	411	411	397	1.0%
Iron and steel	580	595	644	726	335	0.9%
Organic chemicals	314	304	301	390	288	0.8%
Inorganic chemicals	189	196	187	261	189	0.5%
Ships and boats	256	174	792	376	137	0.4%
All other commodities	7,691	8,781	9,244	11,301	9,807	25.8%
TOTAL MERCHANDISE IMPORTS VFD	34,861	38,160	39,413	45,629	38,043	100.0%
C.I.F. Value	37,279	40,716	41,869	48,514	40,188	

Geographic Distribution of External Trade

New Zealand's trading relationships are becoming increasingly based around Pacific Rim countries. New Zealand's three largest export markets – Australia, China and the United States – accounted for 42% of New Zealand's merchandise exports and 45% of merchandise imports in the year ended 31 December 2009. Japan remains an important trading partner, both as a destination for exports and a source of imports.

Geographic Distribution of Exports(1)

	Year ended 31 December					
	2005	2006	2007	2008	2009	2009
	(dollar amounts in millions)					% of Total
Australia	6,589	7,076	8,023	9,995	9,134	23.0%
United States	4,373	4,540	4,211	4,382	3,953	10.0%
China, Peoples Republic of	1,566	1,875	1,953	2,534	3,625	9.1%
Japan	3,260	3,556	3,364	3,613	2,821	7.1%
United Kingdom	1,432	1,694	1,640	1,672	1,699	4.3%
Korea, Republic of	1,081	1,358	1,328	1,358	1,240	3.1%
Singapore	428	540	687	863	1,100	2.8%
Indonesia	465	613	777	1,006	963	2.4%
Hong Kong	524	560	584	700	794	2.0%
Germany	789	882	754	895	765	1.9%
Taiwan	773	768	772	752	756	1.9%
Malaysia	468	497	651	949	705	1.8%
Philippines	504	512	667	734	570	1.4%
France	387	387	406	502	508	1.3%
Canada	524	553	537	511	501	1.3%
Belgium	515	627	538	507	490	1.2%
Thailand	338	438	567	826	453	1.1%
Italy	446	513	462	471	404	1.0%
Other Countries	6,355	7,645	8,636	10,630	9,190	23.2%
TOTAL	30,817	34,634	36,557	42,900	39,671	100.0%

(1) Free on Board value. Including re-exports.

Geographic Distribution of Imports(1)

	Year ended 31 December					
	2005	2006	2007	2008	2009	2009
	(dollar amounts in millions)					% of Total
Australia	7,286	7,850	8,197	8,299	7,032	18.5%
China, Peoples republic of	3,752	4,630	5,244	6,060	5,779	15.2%
United States	3,837	4,512	3,850	4,336	4,098	10.8%
Japan	3,724	3,414	3,637	3,695	2,773	7.3%
Germany	1,704	1,699	1,852	1,964	1,599	4.2%
Singapore	1,160	1,737	2,050	2,143	1,542	4.1%
France	969	740	634	767	1,299	3.4%
Korea, republic of	960	1,121	1,128	1,241	1,277	3.4%
Malaysia	884	1,127	1,067	1,856	1,030	2.7%
Thailand	890	965	1,063	1,240	1,009	2.7%
United Kingdom	1,125	1,047	1,023	1,019	888	2.3%
Italy	822	780	906	921	688	1.8%
Indonesia	527	598	667	1,055	652	1.7%
Taiwan	830	692	874	928	578	1.5%
Canada	440	641	545	681	506	1.3%
Switzerland	265	241	275	333	349	0.9%
Belgium	293	277	270	321	248	0.7%
Saudi Arabia	327	477	544	498	238	0.6%
Sweden	348	325	321	358	214	0.6%
Hong Kong	181	187	200	193	152	0.4%
Other countries	4,537	5,100	5,066	7,721	6,092	16.0%
TOTAL	34,861	38,160	39,413	45,629	38,043	100.0%

(1) Value for Duty.

Principal Trading Partners

Australia: Australia is New Zealand's largest trading partner. In the year ended December 2009, two-way merchandise trade amounted to $NZ16.2 billion, with Australia taking 23% of New Zealand's exports and supplying 19% of imports. Australia is New Zealand's top destination for overseas investment and New Zealand's largest source of foreign investment. In March 2009, New Zealand had $35.6 billion invested in Australia, while Australia had $96.2 billion invested in New Zealand.

Trade with Australia has flourished under Closer Economic Relations (CER). CER is a series of agreements and arrangements governing bilateral trade and economic relations, built on the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) which took effect on 1 January 1983. Full free trade in goods was achieved on 1 July 1990, five years ahead of schedule. CER was extended to cover trade in almost all services from 1 January 1989. CER creates a market of more than 24 million people. It increases the effective size of New Zealand's domestic market six-fold, and provides Australia with access to another market the size of Queensland. New Zealand's main exports to Australia include light crude oil, gold, wine, cheese and timber, as well as a wide range of manufactured items, while New Zealand's main imports from Australia include heavier crude oils, petroleum oils, motor vehicles and aluminium oxide.

The original ANZCERTA has been extended and added to as the relationship has developed. Other key aspects of CER now include: mutual recognition of goods and occupations, under which most goods legally sold in one country can be legally sold in the other, and persons who are registered to practice an occupation in one country can register to practise an equivalent occupation in the other country; a free labour market, which allows New Zealand citizens and Australian residents to enter, live and work freely in each other's country; and joint agencies in certain regulatory areas.

Building on CER, successive New Zealand and Australian governments have committed to the long term goal of establishing a seamless trans-Tasman business environment – the Single Economic Market (SEM). The SEM builds on the freer trans-Tasman trading environment created by CER by addressing 'behind the border' barriers to flows of goods, services, capital and people through a broad range of initiatives. Ongoing work to co-ordinate Australian and New Zealand business law takes place within a Memorandum of Understanding. Both sides also co-ordinate on banking regulation and supervision through the Trans-Tasman Council on Banking Supervision.

Other initiatives currently in progress include: negotiation of a CER investment protocol; harmonisation of accounting standards; and reducing barriers for people at the border. Recently completed or near-completed initiatives include; renegotiation of the Australia/New Zealand Double Taxation Agreement; implementation of portability of retirement savings; and mutual recognition of bans placed on company directors.

China: China overtook the United States at the end of 2008 to become New Zealand's second largest trading partner, with bilateral trade amounting to $9.4 billion in the year ended December 2009. A Free Trade Agreement between New Zealand and China entered into force on 1 October 2008 as New Zealand became the first developed country to negotiate such an agreement with China. In the year to December 2009, exports to China comprised 9.1% of New Zealand's total exports, with the major categories being milk powder, logs, wool, malt extract and a wide range of other primary products. China supplied 15.2% of total imports, with the major categories being computers, telecommunications equipment, apparel and toys.

United States: The United States is New Zealand's third largest single trading partner with bilateral trade amounting to $8.7 billion in the year ended December 2009. Exports to the United States comprised 10.0% of New Zealand's total exports, up over one percentage point on the previous year, and the United States supplied 10.8% of New Zealand's total imports, the major categories being aircraft and parts, medical and veterinary instruments, motor vehicles and computers. New Zealand's major exports to the United States are beef, casein, timber, lamb, cheese and a growing range of manufactured goods. The development of trade in dairy products has been constrained by long-standing quotas on these items.

Japan: Japan is New Zealand's fourth largest single trading partner, with bilateral trade amounting to $6.1 billion in the year ended December 2009. Japan took around 7.1% of total merchandise exports including aluminium, wood, dairy products, fish, kiwifruit, meat, vegetables and other fruits.

Japan is also a major supplier of New Zealand's imports, providing 7.3% of total imports in the year to December 2009. Imports from Japan are dominated by motor vehicles, petroleum products and a vast range of technology intensive appliances.

European Union: Trade with the members of the European Union, although still very important, is declining. Together, the Union members took 14% of exports (in value terms) and provided 17% of imports in the year to December 2009. Bilateral trade with the European Union amounted to $13.2 billion or around 16% of total exports and imports.

Other Asian Economies: The economies of the Republic of Korea, Taiwan, Hong Kong, Malaysia, Indonesia, Singapore, Thailand and the Philippines are increasingly important trading partners for New Zealand. These economies are all in the top 20 largest export markets for New Zealand and accounted for around 16% of merchandise exports in 2009.

Foreign Investment Policy

New Zealand welcomes the positive contribution of foreign investment to the economic and social well-being of New Zealanders. New Zealand's regulations governing foreign investment are liberal by international standards as New Zealand maintains targeted foreign investment restrictions in only a few areas of critical interest.

Overseas investments in New Zealand assets are screened only if they are defined as sensitive within the Overseas Investment Act 2005 (the Act). Three broad classes of asset are currently defined as sensitive within the Act: acquisition of a 25% or greater ownership interest in business assets valued at over $100 million, all fishing quota investments, and investment in sensitive land as defined in Schedule 1 of the Act. Examples of sensitive land include rural land over five hectares or land bordering or containing foreshore, seabed, river, or the bed of a lake. Most urban land is not screened unless defined as sensitive for other reasons. A full list of sensitive assets is defined in the Act.

Investors must pass an investor test that considers character, business acumen and level of financial commitment. Overseas investors wishing to purchase sensitive land must either intend to reside permanently in New Zealand or demonstrate that the investment will benefit New Zealand. The criteria for assessing this benefit are set out in the Act and the Overseas Investment Regulations 2005.

There are no restrictions on the movement of funds into or out of New Zealand, or on repatriation of profits. No additional performance measures are imposed on foreign-owned enterprises.

The Overseas Investment Act 2005 is administered by the Overseas Investment Office – a dedicated unit located within Land Information New Zealand. More information on New Zealand's foreign investment screening regime is available on the Overseas Investment Office's website: www.linz.govt.nz/overseasinvestment.

Foreign Investment Inflows(1)(2)

	Year ended 31 March				
	2005	2006	2007	2008	2009
	(dollar amounts in millions)				
Foreign Direct Investment	3,878	2,459	8,843	4,037	6,149
Foreign Portfolio Investment	4,264	2,905	4,622	14,443	(14,673)

(1) Financial account completed according to principles set out by IMF in 5th edition of the Balance of Payments Manual.

(2) Prior years' data revised.

Foreign investment flows vary from year to year as they reflect changes in a small number of relatively large individual investments.

The stock of foreign direct investment in New Zealand stood at $92.8 billion as of 31 March 2009. Australia and the United States are the largest contributors to total foreign direct investment in New Zealand, with investments worth $46.1 billion and $11.5 billion respectively. The Netherlands is the next largest investor at $4.6 billion, while the United Kingdom and Japan follow closely behind at $3.2 billion each.

In contrast, the stock of direct investment abroad by New Zealand was $23.9 billion as at June 2009.

Balance of Payments

The current account deficit stood at 3.1% of GDP for the twelve months to September 2009 but had fluctuated in a range of 4.8% to 9.3% of GDP over the previous five years. A key feature of New Zealand's current account deficit is the large deficit on investment income, reflecting New Zealand's net foreign liability position.

The investment income deficit increased between June 2004 and June 2008, resulting in a widening current account deficit over the same period. Since late 2008, the investment income deficit has narrowed markedly, driven by lower profits accruing to overseas-owned firms operating in New Zealand as a result of weak domestic trading conditions.

The goods and services balance has varied due to the effects of drought, commodity price fluctuations, including oil price changes, some large one-off imports and currency movements, as well as New Zealand's demand for imports and international demand for New Zealand exports. The impact of the stronger currency on export earnings and strong domestic growth on import demand, together with an increase in the investment income deficit due to strong profits of foreign-owned firms, led to the current account deficit reaching 9.3% of nominal GDP in the year to 30 September 2006.

More recently, however, the combination of narrowing goods and services deficits and, in particular, a shrinking investment income deficit, led to the current account deficit falling from 8.7% of GDP in December 2008 to 3.1% of GDP in September 2009.

The annual deficit is expected to have narrowed to 2.8% by the end of 2009, reflecting a further shrinking of the investment income deficit and exports growing stronger than imports. From 2010, the current account deficit is expected to widen as the pick-up in domestic demand flows through to stronger imports, while increased earnings for overseas-owned firms result in a deteriorating investment income deficit.

Balance of payments statistics are compiled by the Government following principles set out by the IMF in the 5th edition of the Balance of Payments Manual.

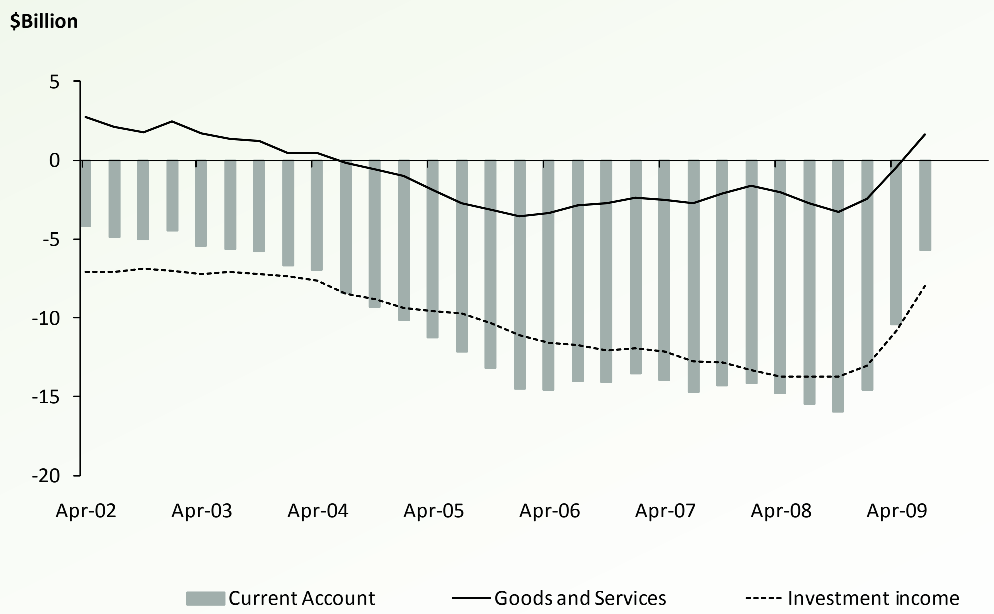
Balance of Payments

	Year ended 31 March				
	2005	**2006**	**2007**	**2008(1)**	**2009(1)**
	(dollar amounts in millions)				
Current account					
Export receipts	31,114	31,581	35,636	38,720	44,259
Import receipts	33,343	35,685	38,464	40,515	45,594
Merchandise balance	(2,228)	(4,104)	(2,828)	(1,796)	(1,337)
Services balance	1,200	522	433	184	(1,119)
Investment income balance	(9,384)	(11,065)	(11,906)	(13,343)	(13,035)
Transfers balance	293	144	774	828	919
Current account balance	(10,120)	(14,504)	(13,527)	(14,128)	(14,568)
Deficit as % of GDP	(6.7%)	(9.0%)	(8.0%)	(7.8%)	(7.9%)
Financial Account (net)					
Foreign investment in NZ	13,870	10,421	23,370	26,795	(8,853)
NZ investment abroad	3,222	(3,790)	11,120	12,500	(16,122)
Reserves	(914)	4,850	6,744	5,763	(9,947)
Financial account balance	10,648	14,211	12,250	14,295	7,269
Capital Account					
Balance of Capital Account	108	(326)	(457)	(773)	(579)

(1) Provisional.

Balance of Payments

Source: Statistics New Zealand



Foreign-Exchange Rates and Overseas Reserves

The New Zealand dollar has floated freely since March 1985. There are no exchange controls on foreign-exchange transactions undertaken in New Zealand, either by New Zealand residents or non-residents. Since the float, the Reserve Bank has held foreign reserves for the purpose of intervention in a crisis situation, when there may be no 'market makers' in the New Zealand dollar.

In 2004, after consultation with the Minister of Finance, the Reserve Bank gained the capacity to intervene in the foreign-exchange market to influence the level of the exchange rate for monetary policy purposes. The Bank has noted that such intervention may occur when the exchange rate is exceptional and unjustified on the basis of economic fundamentals and when doing so is consistent with the Policy Targets Agreement. The Bank confirmed that it had intervened for this purpose on 11 June 2007 but does not generally comment publicly on such activity.

The Reserve Bank announced further changes to its financing and management of New Zealand's foreign-currency reserves in July 2007. Since the float in 1985, the Bank's foreign-currency assets had been fully matched by foreign-currency liabilities. Under new arrangements, the Bank holds some portion of its foreign reserves on an un-hedged basis – known as an "open FX" position. This means that part of the foreign reserves portfolio will be funded in New Zealand dollars rather than in foreign currencies.

The Bank's guidelines for operating in the foreign-exchange market have also been modified. Overt intervention intended to affect the exchange rate directly can still occur. In addition, the Bank is able to more gradually accumulate or reduce its foreign-exchange position when the exchange rate is at extreme levels and unjustified by medium-term economic fundamentals. The Bank's more passive foreign-exchange transactions will not necessarily be expected to directly affect the exchange rate.

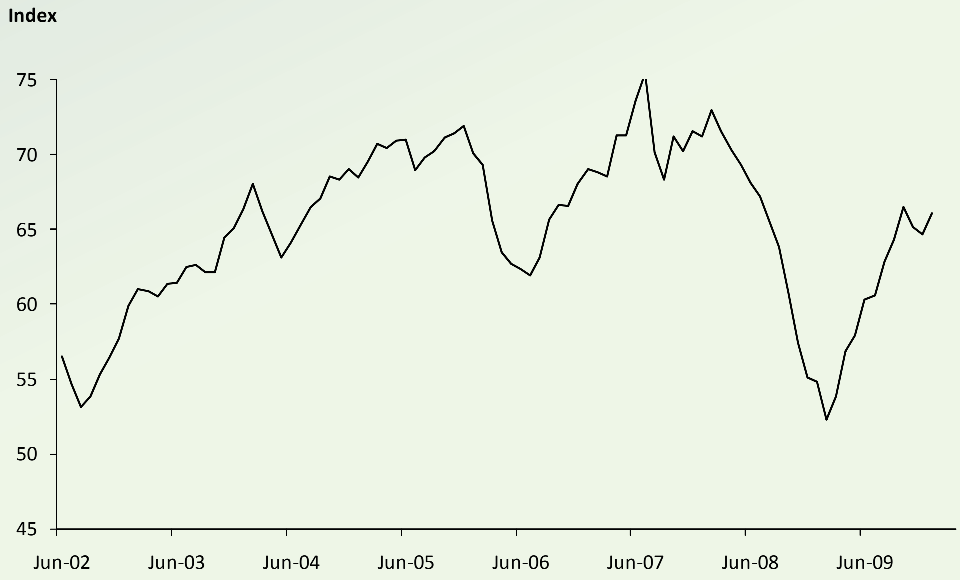
Foreign-Exchange Rates

Monthly Average		U.S.A. Mid-rate US$ per NZ$	Japan Mid-rate Yen per NZ$	Trade-Weighted Exchange Rate Index(1)
June 2005		0.7085	77.01	71.0
June 2006		0.6190	70.99	62.3
June 2007		0.7559	88.43	73.6
June 2008		0.7607	81.32	68.1
June 2009		0.6374	61.63	60.3
2009	July	0.6437	60.82	60.6
	August	0.6754	64.14	62.9
	September	0.7024	64.29	64.3
	October	0.7383	66.58	66.5
	November	0.7309	65.26	65.2
	December	0.7162	64.15	64.7
2010	January	0.7277	66.38	66.1

(1) The Trade-Weighted Exchange Rate Index is calculated on the basis of representative market rates for a basket of currencies representing New Zealand's major trading partners. On 30 June 1979, the basket equalled 100.

Trade-Weighted Exchange-Rate Index

Source: Statistics New Zealand



Overseas Reserves

New Zealand's official external reserves, as shown in the following table, include the net overseas assets of the Reserve Bank, overseas domiciled securities held by the government and the reserve position at the International Monetary Fund (IMF). New Zealand's quota at the IMF was Special Drawing Rights (SDR) of 895 million as of 30 June 2009 (approximately $2,126 million).

Last Balance Day in June	Reserve Bank Overseas Reserves(1)	Treasury Overseas Reserves	Reserve Position at IMF(2)	Special Drawing Rights	Total Official Reserves
		(dollar amounts in millions)			
2005	4,731.3	5,142.4	512.8	48.6	10,399.1
2006	9,877.2	6,344.5	250.7	48.6	16,264.8
2007	15,502.8	5,297.6	107.9	40.1	20,948.4
2008	19,936.7	5,510.6	142.1	34.8	25,624.1
2009	17,031.0	2,822.8	413.1	33.9	20,300.8

(1) Comprises foreign-exchange reserves and overseas investments of the Reserve Bank of New Zealand.

(2) Equal to New Zealand's quota, less its New Zealand currency subscriptions and any reserve tranche drawings.

The town of Wanaka, situated in Central Otago at the southern end of Lake Wanaka and surrounded by the peaks of Mount Aspiring National Park, is a spectacular setting for the biennial international “Warbirds Over Wanaka” Air Show. Pictured clockwise from top left: a vintage WWI Tiger Moth; a WWI German Fokker Triplane; WWII Pilot George Rawstron and wife Hilary with a Corsair fighter of the type he flew in the war; two Russian fighters, a Lavochkin La-9 (left) and a Yak 3; German Wing-walker Peggy Kranz on the wing of a Boeing Stearman; a 1909 Bleriot; a WWII Harvard taking part in a mock battle; the Harvard team fly past.

Photos courtesy of The Press