

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

(Annual average % change, March years)	2003	2004	2005	2006	2007	2008
	Actual	Estimate	Forecast	Forecast	Forecast	Forecast
Private consumption	4.4	5.4	3.3	2.3	2.6	2.7
Public consumption <sup>2</sup>	2.3	3.9	6.7	3.1	5.0	2.9
<b>Total Consumption</b>	<b>3.9</b>	<b>5.0</b>	<b>4.1</b>	<b>2.5</b>	<b>3.1</b>	<b>2.7</b>
Residential investment	23.4	15.7	7.4	-8.9	-6.9	0.5
Central Government investment	1.4	9.0	-0.2	6.3	3.1	2.8
Other investment	5.6	12.9	8.5	3.4	2.8	4.2
<b>Total Investment</b>	<b>9.6</b>	<b>13.3</b>	<b>7.5</b>	<b>0.4</b>	<b>0.5</b>	<b>3.3</b>
Stock change <sup>3</sup>	-0.3	0.3	-0.2	0.0	0.0	0.0
<b>Gross National Expenditure</b>	<b>4.6</b>	<b>7.0</b>	<b>4.7</b>	<b>2.0</b>	<b>2.5</b>	<b>2.8</b>
Exports	7.0	0.3	5.4	4.7	6.0	4.0
Imports	9.4	11.8	9.8	2.9	3.3	3.2
<b>GDP (Production Measure)</b>	<b>4.4</b>	<b>3.3</b>	<b>2.8</b>	<b>2.5</b>	<b>3.4</b>	<b>3.0</b>
- annual % change	4.3	3.3	2.3	3.0	3.2	3.0
Real GDP per capita	2.8	1.6	1.6	1.5	2.6	2.2
Nominal GDP (expenditure basis)	3.8	6.1	5.7	4.3	5.0	5.3
GDP deflator	-0.1	2.9	2.8	1.7	1.6	2.1
Employment <sup>4</sup>	2.6	2.8	1.4	0.7	1.6	1.4
Unemployment <sup>5</sup>	4.9	4.6	4.7	5.0	4.9	4.8
Wages <sup>6</sup>	2.9	3.6	4.2	3.9	3.6	3.6
CPI inflation	2.5	1.5	2.6	2.4	2.2	2.0
Export prices <sup>7</sup>	-13.3	-8.6	0.6	0.9	3.6	1.9
Import prices <sup>7</sup>	-8.2	-11.5	0.1	2.8	4.0	1.0
Current account balance						
- \$ million	-5,035	-6,433	-8,415	-8,770	-8,405	-8,265
- % of GDP	-3.9	-4.8	-5.9	-5.9	-5.4	-5.0
TWI <sup>8</sup>	60.6	66.9	63.3	60.5	58.3	57.5
90-day bank bill rate <sup>8</sup>	5.8	5.5	5.8	5.8	5.8	5.8
10-year bond rate <sup>8</sup>	6.0	5.8	6.4	6.0	6.0	6.0

Sources: Statistics New Zealand, Datastream, The Treasury

- NOTES: 1 Forecasts finalised 27 April 2004. Text finalised 20 May 2004.  
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.  
7 Overseas Trade Index basis, annual average percentage change, March quarter.  
8 Average for the March quarter.