

February 2011

Executive Summary

- **The February earthquake has had a large cost in human and economic terms**
- **The outlook for the New Zealand economy was weaker even before the earthquake as domestic demand was soft despite income gains from high commodity prices**
- **The earthquake will have a negative impact on economic activity in 2011, but a positive impact from 2012 as the rebuilding gets underway**
- **Domestic developments are occurring against an international backdrop of political unrest, high commodity prices and rising inflation**

This month's Economic Indicators presents our latest forecasts for the New Zealand economy, including our initial assessment of the impact of the February earthquake. This assessment is tentative as there are many uncertainties about the economic impact of the earthquake. These forecasts will be reviewed before the 2011 Budget.

Even before the February earthquake, it was apparent that the economy was weaker in the second half of 2010 and early 2011 than we had expected in last year's Half Year Update. Growth in the second half of 2010 was weaker than previously expected and the recovery from the September earthquake was slower than we assumed, reflecting the extent of the damage, ongoing aftershocks and the complexity of the repairs and rebuilding.

This weakness extended into early 2011 as businesses and households exercised caution despite the income gains experienced by commodity exporters from high world prices. New Zealand's terms of trade stood at their highest level since the early 1970s in the December quarter 2010, but firms (especially farmers) are consolidating and not spending their additional income. Labour demand was weak in the December quarter and private consumption appears to have fallen slightly.

It is against this background of a weaker performance of the economy in the recent past and a weaker outlook for the near term that the impacts of the February earthquake must be considered. The earthquake will have a negative impact on activity in the near term through its direct effect on activity, ongoing confidence effects and a further delay in the reconstruction from the September earthquake. However, it will have a positive impact on economic activity once the recovery phase gets into full swing in 2012.

We estimate that GDP growth will be around 1.5% points lower in the 2011 calendar year solely as a result of the February earthquake. From 2012, the recovery will bring a sizeable boost to residential, commercial and infrastructure investment, placing upward pressure on prices depending on the rate of rebuilding.

Domestic events have been unfolding against a background of solid global growth, but one fraught with risks associated with political instability, high commodity prices and rising inflation.

Earthquake derails subdued recovery ...

This issue of *Economic Indicators* has been brought forward to give our preliminary assessment of the impact of the 22 February Christchurch earthquake on the economy. The assessment is tentative as there are many uncertainties and our analysis will be reviewed prior to the 2011 Budget. The earthquake has had a large cost in both human and economic terms and this report considers only the latter.

The economy was much weaker in 2010 than we had previously expected and – as we began to prepare our 2011 Budget forecasts prior to the 22 February earthquake – it was our view that the outlook for 2011 was also weaker than in the Half Year Update. The earthquake has now set the recovery back further.

... as economy was already looking weaker

In the January *Indicators* we detailed the surprise contraction in economic activity in the September quarter 2010 and said we expected that weakness to continue into the final quarter of the year. It is now apparent from data released in the past month that activity in the final quarter of 2010 was probably weaker than we expected a month ago. That weakness is concentrated in domestic demand and is in contrast with the stimulus being received by the primary sector from high world prices for commodities. However, this income does not appear to be flowing through to business and household spending as farmers reduce debt.

High commodity prices lift business confidence before the earthquake

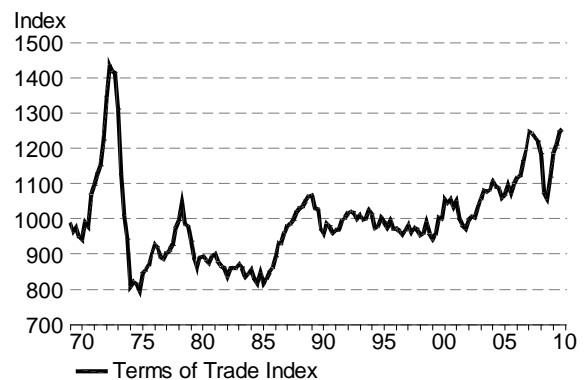
In the February *National Bank Business Outlook*, which predated the earthquake, there was a lift in general confidence and in firms' assessment of their own activity. In both cases the lift was chiefly the result of a brighter outlook for agriculture.

While the recovery from the early-season La Nina drought contributed to the lift in sentiment, higher global prices for agricultural and other export commodities were also a major factor. In the final quarter of 2010, New Zealand's terms of trade (the ratio of goods export prices to import prices) passed their 2008 peak and rose to their highest level since the early 1970s (Figure 1).

Export commodity prices continued to increase in early 2011 with the ANZ world price index lifting 2.7% in February, its sixth consecutive increase

and up 26% from a year ago. Dairy auction prices have increased 33% since November in US dollars. In recognition of the higher price level, Fonterra revised its forecast payout for the current season from \$7.30-7.40/kg of milk solids to \$7.90-8.00/kg.

Figure 1 – Overseas merchandise terms of trade



Source: Statistics NZ

Higher commodity prices are already flowing through to other parts of the economy with producer prices and retail food prices starting to increase at a faster pace, putting pressure on both businesses' and households' expenditure.

Firms not expanding employment ...

Despite the strength in commodity prices, firms showed limited expansion in labour inputs in the December quarter. According to the *Quarterly Employment Survey* (which excludes agriculture), total weekly paid hours fell 0.2% in the December quarter, but were still up 2.0% from a year ago following two large increases earlier in the year.

These results were reinforced by the *Household Labour Force Survey* which showed that the total number of people employed in the December quarter was down 0.5% from September. However, the fall was concentrated in part-time employment (-2.8%), with a slight increase in full-time employment (+0.3%). As a result, total actual hours worked in the quarter increased slightly (+0.2%) as those in employment worked slightly longer hours.

... but wage growth starting to turn up

Some of the weakness in the demand for labour was offset by a slight pick-up in wage growth. The quality-adjusted Labour Cost Index ticked up from a 1.6% annual increase in September to 1.7% in December, with the public sector showing

relative restraint at 1.4%. Growth in average hourly earnings in the Quarterly Employment Survey rose from 1.3% in September to 1.9% in December. Higher wage growth and longer working weeks offset the decline in employment so that total gross earnings were up 0.6% in the December quarter and 4.0% for the year. Source deductions for the six months to December were slightly above our Half Year Update forecast.

Household demand still soft

Despite the offsetting impact of higher wage growth and lower employment, households remain cautious in their spending. Core retail sales volumes (excluding vehicles and fuel) were flat for the second quarter in a row in December; total sales volumes (including vehicles and fuel) declined 0.4% for the second successive quarter. Sales were weak even allowing for a fall in vehicle and durables sales following the increase in GST at the start of the quarter. Our initial analysis points to slightly negative real private consumption in the December quarter and higher food and fuel prices will constrain household demand in the current quarter. The February earthquake occurred against this background of weaker than expected domestic demand.

The earthquake caused substantial damage ...

It is still too early to estimate with confidence the financial cost of the damage caused by the February earthquake, but it is likely to be 2 to 3 times the estimated NZ\$5 billion cost of the September event. Allowing for some double counting for cases where prior damage has been compounded, we estimate the combined financial cost of the two earthquakes at around NZ\$15 billion. There is considerable uncertainty associated with this estimate (and its components) which is best described as a working assumption rounded to the nearest \$5 billion.

Table 1: Estimate of financial costs of earthquakes

NZ\$ bn	Residential	Commercial	Infrastructure	Total
Sep-10	3.25	0.75	1.0	5.0
Feb-11	6.0	3.0	3.0	12.0
Total*	9.0	3.0	3.0	15.0

* Totals do not sum to avoid double counting of damage

Source: Treasury estimates

... and has had a large economic impact

The financial costs of the earthquake are largely covered by insurance or central and local government, but the extent of the damage is an important factor influencing the economic impact of the earthquake. To estimate that, we distinguished the following phases: the negative

impact of the earthquake on economic activity in the Canterbury region (which accounts for about 15% of the New Zealand economy); the delay in the previously planned rebuild from the September earthquake; and the positive impact as the rebuilding phase gets underway to replace buildings and belongings destroyed in the earthquake. There are also considerations of longer-term impacts, such as reduced productive capacity in the economy as a result of the loss of capital.

September earthquake recovery delayed

Before the 22 February earthquake, the boost to economic activity stemming from the recovery associated with the September earthquake was looking slower than we incorporated in the Half Year Update, which showed some pick-up in activity in the December quarter followed by a further boost in the March quarter. Much of this was related to demolition activity, although some rebuilding work was anticipated in the March quarter. In reality, substantial rebuilding work was not scheduled to occur until late March and so the earliest significant boost was likely to come in the June quarter. Consequently, we were already revising down our growth estimate for the March 2011 quarter.

Greater caution by households and firms

In addition, households and firms appear to be exhibiting greater caution in their spending and investment decisions. Taken together, this meant that our view on growth at the end of 2010 and first half of 2011 was already looking considerably weaker than incorporated in the Half Year Update prior to the February earthquake. This is reflected in our view that it is a line call whether December quarter real GDP contracted. Our estimate is for no change in real GDP in the December quarter (down from 0.9% growth in the Half Year Update). This result would leave real GDP in the December 2010 quarter just 0.5% higher than the same quarter a year earlier.

In terms of the bigger picture, whether growth in the December quarter was slightly negative or flat is only significant for the near-term economic outlook to the extent that negative data releases can weigh on confidence. The more important story is that 2010 was fairly weak as a result of increased household saving, negative events such as September's earthquake and storms, two droughts that bookended the calendar year, and a further hit to confidence from sovereign debt concerns overseas.

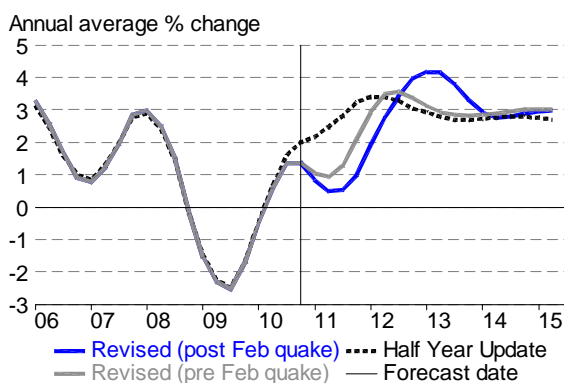
However, as discussed above, there were tentative signs of recovery taking hold in early 2011 prior to the February earthquake, with growth also expected to be boosted by rebuilding after the September earthquake and the hosting of the Rugby World Cup. As a result, we were expecting real GDP in the December 2011 quarter to be around 3.5% higher than a year earlier prior to the recent earthquake.

February quake to reduce growth in 2011

We now expect that the February earthquake will reduce economic activity by around 1.5% in 2011. This means that real GDP in the December 2011 quarter is now expected to be around 2% higher than a year earlier. This reduction in growth will be concentrated in the first half of 2011 as firms and households face a large degree of disruption in the aftermath of the earthquake. The main impact is assumed to be on the goods-producing and service sectors – including construction, manufacturing, retail trade and hospitality – as consumer spending, investment and service exports (especially tourism and international education) are likely to be lower. How much of this impact will be recorded in official statistics is subject to some uncertainty, especially given disruption to data collection in Canterbury.

Obviously, the rebuilding we expected to occur after the September earthquake will now be delayed even further. This removes a key positive influence for 2011 that we had expected in the Half Year Update. We now envisage a small contraction in real GDP in the March 2011 quarter, whereas prior to the February earthquake we were expecting growth of around 0.5%. We expect disruption to continue into the June quarter, but because this disruption is likely to be less than in the March quarter we anticipate a return to positive growth (around 0.8%).

Figure 2 – Treasury real production GDP forecasts



Source: The Treasury

However, it is important to note that the level of real GDP in the June 2011 quarter would still have been around 1% lower than in the absence of the February earthquake. We also assume a further small impact in the second half of the year through the earthquake's impact on general confidence levels in the economy, although this will dissipate as the rebuild gets underway.

Rebuilding will then boost growth in 2012 ...

The earthquake-related recovery provides a large boost to investment. The damage estimate is \$15 billion across the two main earthquakes but it is unlikely that all this work will be completed within our four-year forecast period. Except for important infrastructure, this recovery will mainly occur from 2012 onwards because of the planning required and the extent of the damage.

The levels of nominal GDP are likely to be lower than in the Half Year Update because of weaker real GDP initially, owing to a soft domestic economy and disruption from the earthquake, and lower prices domestically. Over the 2011 to 2015 March years, nominal GDP is expected to be a cumulative \$15 billion lower than in the Half Year Update (around 1.5% of nominal GDP over the whole period). This is mostly related to the weaker outlook we were seeing prior to the February earthquake, which accounts for \$10 billion of this change.

Table 2: Summary of preliminary Budget forecasts
(%pt change from Half Year Update in brackets)

March year	2011	2012	2013	2014	2015
Real GDP growth (aapc)	0.8 (-1.3)	1.9 (-1.5)	4.2 (1.3)	2.9 (0.2)	3.0 (0.2)
Consumer price inflation (apc)	4.6 (0.1)	2.7 (-0.2)	2.4 (-0.2)	2.5 (0.3)	2.5 (0.5)
Unemployment rate (%)	6.6 (0.5)	5.6 (0.4)	4.8 (-0.1)	4.6 (0.0)	4.4 (-0.1)
Current account balance (%)	0.8 (2.7)	-4.4 (0.4)	-5.2 (1.5)	-6.5 (0.0)	-6.2 (-0.4)

Source: The Treasury

In contrast to the September earthquake, which was expected to boost nominal GDP over the forecast period, our initial estimate is that the additional impact of the February earthquake is likely to be slightly negative within the forecast period because of the delay in the September rebuild. This reflects the initial negative impacts on growth, followed by the judgement that capacity constraints in the building industry will limit the speed at which buildings can be replaced. While we see capacity constraints as a potential

issue, we are still forecasting the volume of residential activity to exceed its 2004 peak levels by around 15%.

The sheer scale of reconstruction work means that we expect rebuilding to continue after the end of the forecasts (2015). This is likely to mean that activity levels in the economy, and hence taxes, will also remain high for a period after 2015 because of the bigger size of the rebuild required.

... and lower unemployment later

The latest earthquake means that the unemployment rate is unlikely to fall significantly over the next six months, although over the longer term additional employment related to post-earthquake recovery may eventually support a slightly lower unemployment rate. Labour market outcomes can be influenced by changes in migration. We have not revised the outlook for net overseas migration in the light of the February earthquake, but it does pose risks.

Short-term inflation forecasts are weaker than in the Half Year Update reflecting weaker demand due to the earthquake, which more than offsets higher fuel and food prices. Thereafter, earthquake rebuilding adds to inflation pressures.

Financial markets reacted to the earthquake with 90-day rates falling below 3.0%, indicating a probability of a reduction in the cash rate, and expectations of rate rises were pushed back. The New Zealand dollar fell 3 US cents in the week following the earthquake on the weaker outlook and expectation of lower interest rates.

Current account to record surplus

An annual current account surplus is expected at March 2011 for the first time since 1973. The temporary surplus reflects a higher current transfers balance in the September 2010 and March 2011 quarters owing to reinsurance payments related to the Canterbury earthquakes. (We assume the September quarter's figures will be revised to reflect higher estimates of the first earthquake's damage than were incorporated in the initial release of the September Balance of Payments figures and that March figures may also be adjusted subsequently as payments are recorded.) The current account deficit would then return in 2012 as underlying factors reassert themselves, primarily investment income outflows on New Zealand's large stock of external debt and rising global interest rates.

Global backdrop positive ...

Weakness in domestic demand and the impact of the earthquake have been unfolding against a backdrop of a more positive international economic outlook, but one fraught with risks. Global growth forecasts have continued to be upgraded. In particular, US data releases have pointed to a more robust recovery with annualised GDP growth of 2.8% in the December quarter, and confidence indicators and production data supporting this view, despite still-weak housing and labour markets.

Apart from the recent flood impacts, Australian data have continued to impress, albeit slowing slightly. China is still showing strong growth, but there are risks to this with the People's Bank of China tightening monetary conditions and the government lowering its growth target slightly to 7.0% for the next 5-year planning period. After a weaker-than-expected December quarter GDP figure for the UK, data releases have started to show a rebound with house prices and retail sales both increasing. The Euro area manufacturing sector also appears to be recovering.

... but significant risks threaten growth ...

However, there are some factors that may upset this improved global outlook. Adverse weather continues to impact the world. After severe storms disrupted much of Europe last month, the US was also affected, with snow storms as far south as Texas. China has been suffering from drought in its northern areas, threatening large areas of grain crops. As China is the largest producer of grain worldwide, this could have a significant effect on already-high prices. While higher commodity prices are generally beneficial for New Zealand, if they rise too far and too fast they may derail the global recovery with negative implications for New Zealand.

The civil unrest in the Middle East has also had significant effects on both commodity prices and equity markets. The Egyptian protests caused oil prices to increase on supply concerns. More recently, the violent conflict in Libya has not only increased oil prices substantially, it has also dominated the US and European equity markets, with the Dow Jones losing 300 points in one week. Although oil prices have decreased from recent highs after Saudi Arabia announced it would plug any supply disruptions, there is a risk of prolonged higher oil prices which could slow the global recovery.

... and growing inflation concerns

Linked to the stronger growth, weather impacts and civil unrest are rising inflation pressures. High commodity prices, especially for food, have led to inflationary pressures in many economies; emerging economies are particularly impacted by higher food prices as food makes up a larger proportion of consumer expenditure. The recent Middle East unrest was at least partially triggered by higher food prices. Core inflation in the US, while still at a low level, was above expectations in January, leading many analysts to bring forward their rate hike expectations. This is especially the case for the UK where inflation is taking a front seat and for the Euro area. Australia has held its cash rate, looking through the effects of the recent floods and cyclone, but recent releases, particularly for wage growth and commodity prices, show increasing inflation pressures. These growing global inflation concerns and the added pressure on central banks to tighten monetary policy earlier could temper the global growth outlook.

Considerable uncertainty remains

Overall, there is considerable uncertainty surrounding any set of predictions for the economy made at present. This uncertainty relates to the amount of damage caused by the latest earthquake, and the feasible pace of rebuilding activity. At the same time, underlying drivers such as the extent to which households adapt their saving behaviour will continue to influence the economy. Tensions associated with the global economy also remain.

The forecasts discussed above are based on working assumptions concerning the disruption to the economy in 2011 from the earthquake, the

total amount of damage, and the capacity available in the New Zealand economy to rebuild Christchurch once work gets underway. There is considerable uncertainty associated with these assumptions. In particular, damage from the two main earthquakes could total more (or less) than \$15 billion estimate and the rebuild could differ in pace from that assumed. For example, a faster rebuild would result in a higher and more sustained level of investment and faster economic growth than in the forecasts presented here, but also increased pressure on resources and prices in the economy. The speed of the rebuild could also be influenced by policy responses to increase capacity and improve co-ordination around the rebuilding process.

Uncertainty associated with the economic outlook will translate into uncertainty associated with the fiscal outlook.

Tax revenue lower, but uncertain by how much

Tax revenue is likely to be lower than previously forecast. Based on early analysis, the full amount of the fall in nominal GDP may not flow through to lower tax revenue as it has not shown signs of weakness to date, despite a softer macro picture, and is supported by compositional shifts in the economy towards labour income, which generates more tax. However, considerable uncertainty surrounds these figures at present. Government expenditure is clearly going to be higher over the near term, but how much higher depends on the assumptions made above and the decisions taken leading up to Budget 2011. The Budget will contain a full set of forecasts and projections of both macroeconomic and fiscal variables.

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

2 March 2011

Quarterly Indicators

		2009Q2	2009Q3	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg ¹	0.1	0.2	0.9	0.6	0.1	-0.2	...
	ann ave % chg	-2.3	-2.5	-1.7	-0.5	0.6	1.4	...
Real private consumption	qtr % chg ¹	0.2	0.8	1.0	0.5	0.2	0.5	...
	ann ave % chg	-1.5	-1.3	-0.7	0.4	1.4	1.9	...
Real public consumption	qtr % chg ¹	-1.3	0.3	0.6	1.6	0.5	-0.7	...
	ann ave % chg	2.7	1.9	0.6	0.2	1.1	1.5	...
Real residential investment	qtr % chg ¹	-4.6	-3.3	4.4	0.3	11.4	-7.4	...
	ann ave % chg	-25.0	-24.8	-18.1	-13.0	-4.3	3.5	...
Real non-residential investment	qtr % chg ¹	1.7	-4.1	-1.6	0.2	4.6	0.0	...
	ann ave % chg	-2.8	-4.9	-7.5	-8.5	-7.8	-4.8	...
Export volumes	qtr % chg ¹	4.4	0.8	-0.5	1.3	0.6	-1.1	...
	ann ave % chg	-3.3	-1.7	1.7	4.6	4.7	3.7	...
Import volumes	qtr % chg ¹	-2.6	0.9	5.8	1.8	0.3	3.0	...
	ann ave % chg	-12.0	-16.1	-14.6	-9.4	-1.8	5.6	...
Nominal GDP - expenditure basis	ann ave % chg	1.1	0.9	0.7	1.2	1.9	2.8	...
Real GDP per capita	ann ave % chg	-3.2	-3.5	-2.8	-1.6	-0.7	0.1	...
Real Gross National Disposable Income	ann ave % chg	-1.6	-1.5	-1.2	0.7	0.9	1.6	...
External Trade								
Current account balance (annual)	NZ\$ millions	-10522	-5946	-5204	-4458	-5707	-5930	...
	% of GDP	-5.7	-3.2	-2.8	-2.4	-3.0	-3.1	...
Investment income balance (annual)	NZ\$ millions	-10794	-8059	-7930	-7627	-9026	-10593	...
Merchandise terms of trade	qtr % chg	-9.4	-1.6	5.8	6.1	2.0	3.0	0.6
	ann % chg	-13.5	-14.1	-8.2	0.1	12.7	17.9	12.2
Prices								
CPI inflation	qtr % chg	0.6	1.3	-0.2	0.4	0.2	1.1	2.3
	ann % chg	1.9	1.7	2.0	2.0	1.7	1.5	4.0
Tradable inflation	ann % chg	0.2	-0.1	1.5	2.0	1.0	0.3	3.3
Non-tradable inflation	ann % chg	3.3	3.0	2.3	2.1	2.2	2.5	4.6
GDP deflator	ann % chg	2.0	0.8	-1.4	0.3	1.6	2.1	...
Consumption deflator	ann % chg	2.8	1.8	1.1	0.8	0.7	1.1	...
Labour Market								
Employment (HLFS)	qtr % chg ¹	-0.3	-0.8	0.1	1.0	-0.3	1.1	-0.5
	ann % chg ¹	-0.9	-1.8	-2.4	-0.1	0.0	1.9	1.3
Unemployment rate	% ¹	6.0	6.5	7.0	6.0	6.9	6.4	6.8
Participation rate	% ¹	68.4	68.0	68.1	68.1	68.1	68.3	67.9
LCI salary & wage rates - total (adjusted) ⁵	qtr % chg	0.3	0.5	0.4	0.3	0.4	0.5	0.5
	ann % chg	2.9	2.1	1.8	1.5	1.6	1.6	1.7
LCI salary & wage rates - total (unadjusted) ⁵	qtr % chg	0.6	0.9	0.5	0.5	1.0	1.1	1.0
	ann % chg	4.6	3.8	2.9	2.5	2.9	3.1	3.6
OES average hourly earnings - total ⁵	qtr % chg	0.7	0.9	-0.2	-0.4	0.7	1.0	0.5
	ann % chg	4.7	4.0	2.8	1.0	1.0	1.1	1.8
Labour productivity ⁶	ann ave % chg	-1.5	-0.9	0.4	2.3	2.1	1.3	...
Confidence Indicators/Surveys								
WMM - consumer confidence ³	Index	106	120	117	115	119	114	108
OSBO - general business situation ⁴	net %	-24.8	35.6	30.7	21.9	17.5	6.4	8.1
OSBO - own activity outlook ⁴	net %	-13.1	23.0	10.8	14.5	11.3	9.5	11.4

Monthly Indicators

		2010M 8	2010M 9	2010M10	2010M11	2010M12	2011M 1	2011M 2
External Sector								
Merchandise trade - exports	mtl % chg ¹	-2.4	-2.1	4.2	1.0	-2.4	1.1	...
	ann % chg ¹	14.4	13.0	24.3	19.5	11.2	4.0	...
Merchandise trade - imports	mtl % chg ¹	-6.4	2.5	0.1	4.4	5.9	-1.7	...
	ann % chg ¹	3.0	6.7	13.3	15.2	17.1	14.9	...
Merchandise trade balance (12 month total)	NZ\$ million	871	978	1259	1363	1125	865	...
Visitor arrivals	number ¹	213520	212330	210050	211390	214250	...	...
Visitor departures	number ¹	214450	210310	212320	208390	209650	...	...
Housing								
Dwelling consents - residential	mtl % chg ¹	-17.8	0.8	-2.2	7.9	-18.6	...	...
	ann % chg ¹	-3.1	-9.3	-17.4	-9.2	-26.4	...	...
House sales - dwellings	mtl % chg ¹	-1.7	-5.8	-9.8	19.7	3.9	-6.7	...
	ann % chg ¹	-27.1	-33.3	-36.0	-14.8	-11.4	-9.9	...
REINZ - house price index	mtl % chg	0.3	-0.3	-0.9	1.9	-0.6	-2.6	...
	ann % chg	0.9	-1.3	-3.5	-1.9	-1.6	-2.6	...
Private Consumption								
Core retail sales	mtl % chg ¹	0.1	1.6	-1.3	-0.4	-1.2	...	...
	ann % chg ¹	0.8	2.7	1.4	0.5	0.0	...	...
Total retail sales	mtl % chg ¹	0.1	1.8	-2.1	1.2	-1.1	...	...
	ann % chg ¹	2.2	4.1	1.6	2.1	0.8	...	...
New car registrations	mtl % chg ¹	0.0	2.6	-3.7	13.5	-8.4	0.9	...
	ann % chg	19.0	19.2	9.4	23.5	6.4	6.8	...
Electronic card transactions - total retail	mtl % chg ¹	-0.7	2.3	0.9	1.0	-0.8	2.4	...
	ann % chg	1.7	5.0	4.8	6.3	4.4	5.7	...
Migration								
Permanent & long-term arrivals	number ¹	7000	7200	7210	7010	6900	...	...
Permanent & long-term departures	number ¹	6130	6190	6690	6390	6150	...	...
Net PLT migration (12 month total)	number	14507	13914	12610	11519	10451	...	...
Commodity Prices								
Brent oil price	US\$/Barrel	76.89	77.94	83.34	85.80	91.96	96.95	104.20
WTI oil price	US\$/Barrel	76.62	75.27	81.90	84.15	89.37	89.52	89.41
ANZ NZ commodity price index	mtl % chg	-1.5	1.1	0.8	1.3	4.5	2.3	2.9
	ann % chg	29.0	26.9	28.2	15.7	16.1	20.4	15.3
ANZ world commodity price index	mtl % chg	-1.4	2.8	3.5	4.5	2.0	3.8	2.7
	ann % chg	38.6	32.9	31.4	23.7	23.0	27.2	25.9
Financial Markets								
NZD/USD	\$ ²	0.7154	0.7259	0.7501	0.7727	0.7504	0.7653	0.7623
NZD/AUD	\$ ²	0.7944	0.7766	0.7647	0.7805	0.7573	0.7692	0.7565
Trade weighted index (TMI)	June 1979 = 100 ²	66.60	66.80	66.70	68.90	67.80	68.70	67.80
Official cash rate (OCR)	%	3.00	3.00	3.00	3.00	3.00	3.00	3.00
90 day bank bill rate	% ²	3.25	3.18	3.18	3.17	3.17	3.19	3.13
10 year govt bond rate	% ²	5.24	5.28	5.09	5.49	5.82	5.61	5.56
Confidence Indicators/Surveys								
National Bank - business confidence	net %	16.4	13.5	23.7	33.2	29.5	...	34.5
National Bank - activity outlook	net %	25.7	26.7	30.5	35.3	34.5	...	36.6
ANZ-Roy Morgan - consumer confidence	net %	116.3	116.4	113.6	114.5	112.2	117.1	108.1
qtr % chg	quarterly percent change			¹				Seasonally adjusted
mtl % 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				Ordinary time
				⁶				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