TE TAI ŌHANGA
THE TREASURY

Fortnightly Economic Update

17 March 2023

- **GDP data suggests slowdown in economic momentum underway as production declines across most industries, with spending and investment weakening**
- **Potential signs of weather events emerging in consumption, production, and price data**
- **Globally, financial stability concerns have roiled markets**

The Upper-North Island floods and Cyclone Gabrielle have caused devastation to local communities and regional economies across the North Island. These extreme weather events will have a significant economic impact to the economies of the regions affected and to some extent economic activity at the national level. In this update we provide an analysis of the economic impact in the near term and longer.

In the near-term economic impacts from the flooding and cyclones will include price pressure, which we expect will be transitory, and losses to production, consumption and incomes which will be significant. Some of these production losses will be sustained as it will take time to re-establish lost businesses, horticultural and agricultural land. The damage to land and capital, including property and infrastructure will take longer to be assessed, and the repair and replacement, will add to activity over several years.

Inflationary pressure in the near-term

The experiences of other countries have shown inflationary impacts from flooding events to be transitory and largely diminish over six months. The temporary inflationary impacts result from disrupted business activity, destruction of fruit and vegetable crops, and a reallocation of resources away from planned activity in a capacity-constrained economy. Prices are likely to increase for fresh food and fuel, as freight is redirected through longer routes away from damaged road and rail. The locations and the complexity of the required repairing and remedial work on homes, roads and bridges could put pressure on construction costs, while rents in affected areas may also increase.

Primary sector already struggling with low prices and poor growing season

Production losses are concentrated in the primary sector and will be significant for the current season, in part due to poor growing conditions over the past year. Estimates of losses across the primary sector, including horticulture, forestry, and lost tourism activity are still being assessed, but will be in the hundreds of millions of dollars this season. Ongoing production losses are expected next season and beyond as orchards, wineries and pastures are re-established.

Replacement of items may boost consumer spending

Higher frequency regional spending data highlights sharp declines in consumption immediately after flooding and cyclone events, which has subsequently bounced back. There may be subsequent business losses associated with lost income from interruptions to business operations, access for customers, and the provision of utilities. Concerns regarding delays in the processing of claims have been flagged by participants in our Business Talks, which is included this week as a Special Topic. However, as the rebuild gets underway and insurance claims for household items are paid out there will be increased demand for goods and services. In addition, reduced mobility in the immediate aftermath of the weather events may have deferred consumer activity to later in the year and may also help to offset lost income.

New Zealand's experiences with the recovery from previous natural disasters points to an extended time frame to complete the repair and replacement of capital stock and infrastructure assets. We continue to assess estimates of the damage, which suggest the overall cost will be larger than the Kaikōura earthquakes (about $6.3 billion in today's construction costs), but considerably lower than the damage caused by the Christchurch earthquakes (about $65 billion in today's construction costs).

Damage to land and capital across the primary sector is considerable and in some cases will have a lasting impact. Cyclone Gabrielle has left many regions, that rely on arable land for food production and livestock pasture, with large amounts of sediment and silt. Clean-up costs and the work required for this land to ultimately return to productivity will vary between regions and the production sectors affected, whether for fruit trees, planted crops, or pasture.

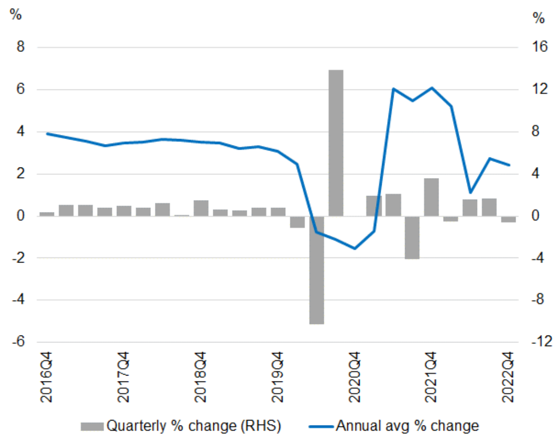
Prepared by the Treasury and released at https://www.treasury.govt.nz/publications/research-and-commentary/fortnightly-economic-updates

As assessments continue there could be additional costs to businesses from the damage to key freight routes, shortages of food, and interrupted supplies of fuel and fresh water supplies in rural and remote communities resulting in higher prices. The recovery and rebuild will be a lengthy process, and will also be reflected in the near term as lower output from lost production. Over time, the activity generated from the rebuild and repair of infrastructure will be supportive of GDP and the productive capacity of the economy over the long term.

GDP falls across most industries in the December quarter…

The economy contracted 0.6% after particularly strong growth in the September quarter. The contraction was spread across the Primary sector, Goods-producing, and Service industries. While the quarterly result is weaker than our HYEFU forecast, which predicted growth of 0.6%, the average annual growth rate of 2.4% (down from 2.7%) came in only slightly lower than our forecast of 2.6% (Figure 1).

Figure 1: GDP Production



Sources: Stats NZ, the Treasury

Primary production challenges impact exports

Consistent with signals from partial data, production in the Agriculture, forestry and fishing sector fell 1.6% This was largely expected as primary production has been constrained by poor weather, labour shortages, rising costs and weaker export prices. This also contributed to lower meat product exports (down 15.6%) and dairy product exports (down 19.4%).

Construction sector growth slows and Manufacturing drops further

Unexpected growth in the Construction sector contributed 0.1 percentage points to GDP but slowed from 5.3% in the September quarter, to 1.6% in the December quarter. This slowdown in construction is consistent with partial indicators, including building consents, residential building work put in place, sentiment surveys and in our Business Talks. Meanwhile, residential investment fell 2.2%. The Manufacturing sector recorded its fourth consecutive quarter of decline, falling 1.9%, in part due to lower manufacture of transport equipment.

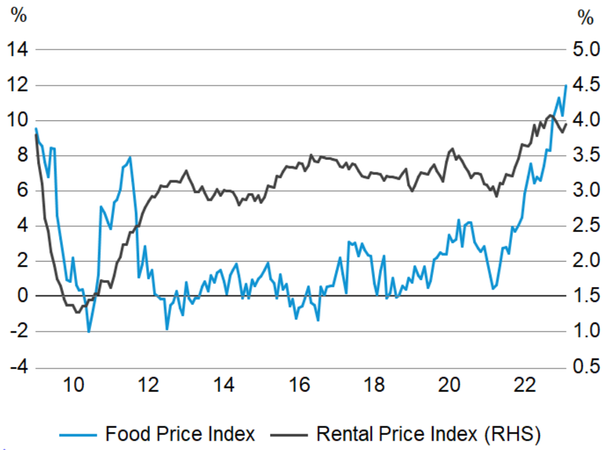
Retail trade and consumption slow

Activity in the Retail Trade sector fell 1% as partial indicators have been suggesting. Private spending was flat in the December quarter consistent as lower house prices, higher interest rates, and inflation have curb spending particularly on durables, which fell for the third consecutive quarter, by 1.7%.

…as food and rent prices stay elevated

While this year's adverse weather events have affected data collection in Auckland and Hawke's Bay, fruit and vegetables prices were still the largest contributor to the monthly movement in the Food Price Index. In February, food prices nation-wide rose 1.5% and fruit and vegetable prices were up 5.6%. On an annual basis, food price inflation reached its highest rate in 33 years, up 12% on February 2022 (Figure 2). Increases in annual prices were recorded across all major groups including fruit and vegetables (up 23%), grocery food (up 12%), meat, poultry, and fish (up 9.8%), and restaurant and ready-to-eat food prices (up 8.4%).

Figure 2: Food and Rental Price Indexes



Source: Stats NZ

Rents also increased in the month. The stock measure, which includes rent price changes for both new and current tenancies increased 0.4% in February and 3.9% compared with February 2022. Annual rent growth has exceed 3.5% for over a year (Figure 2). Weather impacts may have contributed to an increase in rents for new tenancies (the flow measure) across the North Island excluding Auckland and Wellington (up 3.5%), while Auckland rents rose 0.9% but fell nationwide 1.3%.

…as card spending flattens

Signs of interruption from adverse weather were reflected in electronic card data for February. Nominal retail spending was flat at $6.6 billion on a seasonally adjusted basis compared with January, suggesting that real spending may have eased in the month as consumer price inflation remains elevated. Spending on consumables continues to climb (up 1.2%), as well as fuel (up 2.3%).

House prices and construction to continue easing

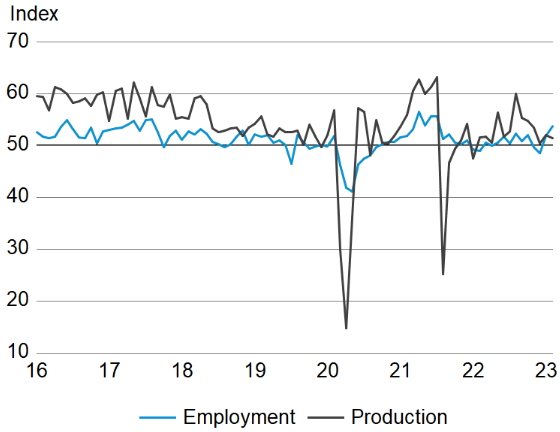
House prices have continued declining as mortgages refix at higher rates. The Real Estate Institute of New Zealand (REINZ) House Price Index fell 1.5% in February, down 14.2% on a year ago and is now 16.8% lower than its November 2021 peak. High mortgage rates remain the key driver with half of all mortgage sets to refix in the year ahead. The recent flooding and cyclone events have caused disruption, impacting sale volumes and days on the market. However, the events are likely to have a minimal impact on house prices at the national level given the localisation of damage.

Production weak but employment sentiment improves as net migration recovers

Businesses across most sectors are still facing headwinds with uneven production levels. The BNZ-Business NZ Performance Composite index (PCI), which combines the Manufacturing index (PMI) and the Services index, shows production move from expansion towards neutral levels over the second half of 2022 (Figure 3). However, labour constraints may be easing, as the employment component improved a cumulative 5.2 points in January and February to reach 53.8, the highest reading since July 2021.

Figure 3: BNZ-Business NZ Performance of Composite Index

(Over 50 indicates expansion)



Source: Haver

This comes on the back of continued gains in net migration as the number of migrants arriving on resident visas now exceed pre-COVID levels. Annual arrivals of resident visa holders to January were 15,620, compared with 14,900 in the year to February 2020. Those arriving on work visas are about 60% of pre-COVID levels at 25,790, with 3,760 arriving in January, slightly down from a post-COVID monthly peak of 5,090 in November 2022. While migration data is volatile, it is currently unclear when migration patterns will normalise.

Activity at the border grew as visitor arrivals in January were 265,400, about two-thirds of January 2020 levels. This is down slightly on 359,860 from December 2022 which in part may be due to seasonal patterns as well as disruptions to the Auckland airport caused by the January floods.

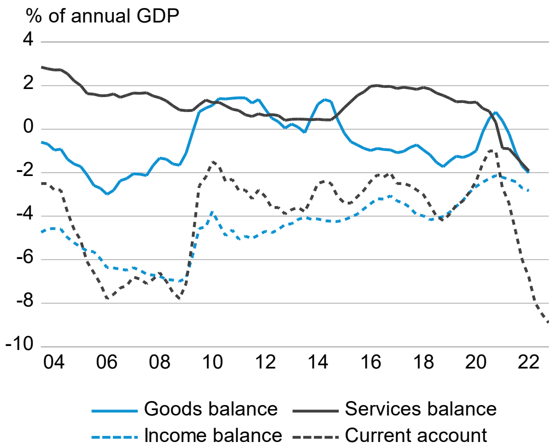
The current account deficit widened…

The annual current account deficit widened to 8.9% of GDP, the largest deficit since quarterly data began in 1988 (Figure 4). The annual goods deficit widened to $12.5 billion as goods export values contracted owing to weak primary production, labour shortages, supply-chain disruption, and falling commodity prices. The annual services deficit narrowed to $9.0 billion, driven by the ongoing recovery in international tourism. The annual income deficit widened to $11.9 billion as foreign-held NZ investments outperformed NZ-held foreign investments.

The annual deficit was larger than the Treasury expected (8.4% of GDP), although this largely reflected historical revisions to the data. Rating agency Standard & Poors noted that if the current account deficit does not narrow in the next 12 to 18 months, New Zealand's credit ratings would come under pressure.

Large and persistent current account deficits increase the economy's vulnerability to external shocks; however, December's result largely reflects transitory pandemic-related impacts. The current account deficit is expected to return to a more sustainable level as weaker domestic activity reduces demand for imports and as the recovery in international tourism continues. However, there is a risk the current account deficit takes longer to narrow, due to constraints on export revenue from adverse weather, and a wider income deficit from higher debt-servicing costs.

Figure 4: Current account balances



Source: Stats NZ

Financial stability concerns hit global markets

Over the weekend, US authorities took actions to provide liquidity and prevent contagion from the collapse of Silicon Valley Bank (SVB) spreading through the US banking system. In Europe, Swiss authorities moved to provide a liquidity backstop to bank Credit Suisse as a loss of investor confidence saw its share price slump. The flare up in financial market stress led to a sharp sell-off in global equity markets, concentrated in banking share prices, and shifted financial market expectations of central bank policy across developed economies.

The direct implications of the SVB collapse for New Zealand are limited. New Zealand does not have any registered banks with a business model like SVB's and take on comparatively little interest rate risk. In addition, the Reserve Bank's prudential framework, including liquidity mismatch ratios and core funding ratios, limits banks' vulnerability to rising interest rates and deposit outflows. Nonetheless, broader contagion risks and the tightening in financial conditions that would bring could impact on domestic banks. The Reserve Bank and market analysts will be watching developments closely over coming weeks.

US authorities shore up financial system…

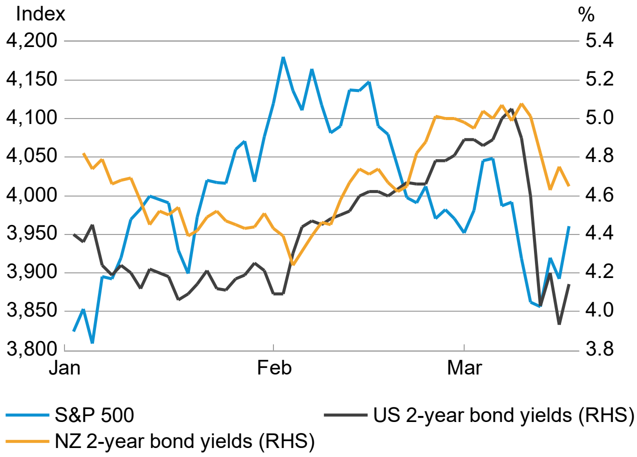
Financial conditions tightened significantly as authorities took control of two regional US banks, Silicon Valley Bank (SVB) and Signature Bank, and implemented two measures to preclude a wider crisis. First, the US Federal Reserve, Treasury and Federal Deposit Insurance Corporation announced that all depositors would be protected from losses. Second, a new facility was created – the Bank Term Funding Program – to provide additional liquidity to stressed banks.

The actions of the US authorities appeared to instil confidence in financial markets. US bank stocks recovered from their initial losses, which underpinned a broader stock market recovery. Credit Suisse's troubles ignited further market turmoil but a guarantee of liquidity from the Swiss authorities, and their confirmation that the bank was meeting its prudential and liquidity requirements, calmed markets. At the close of markets on 16 March, the S&P500 had recovered all of the losses that occurred since SVB hit the headlines late last week, but Europe's Stoxx 600 was down around 4% from a week ago (Figure 5).

To a large extent, the bank failures appear to be driven by factors related to their particular business models, but the wider concern is that it is an early sign of broader challenges arising from the rapid tightening of policy over the past year. In this environment, further monetary policy tightening risks aggravating stresses and undermining the authorities' efforts to stabilise the market. Moreover, with banks needing to lift rates to attract deposits and adopt more cautious positions on the asset side of their business, financial conditions are already tighter and the need for additional monetary policy action is lower.

Global sovereign bond yields fell sharply as investors sought the safety of government bonds and reconsidered the prospects of further central bank tightening. At the close on 16 March, US 10-year bond yields were at 3.6%, down around 40bps from a week ago, while 2-year rates, which are closely tied to market expectations of monetary policy, were nearly 80bps lower at 4.1% (Figure 5). Brent crude oil prices were sharply lower too, down to US$75/bbl from $US82/bbl a week ago, weighed down by strong supply and fears of weaker demand.

Figure 5: Financial markets



Source: Haver

In New Zealand, these developments, alongside the GDP release, led markets to reprice the peak in the Official Cash Rate to between 5.0% and 5.25% from 5.5% a week ago, while 2-year bond rates were 40bps lower at 4.7% (Figure 5). The OCR is currently at 4.75% and is next reviewed on 5 April. In currency markets, the NZD is slightly stronger against the USD, and on a TWI basis, over the past week.

…as inflation strength continues

Meanwhile, the recent strength in inflation is keeping pressure on the Fed to raise interest rates. The interruption to the downward trend in inflation evident in January continued in February with monthly headline CPI inflation of 0.4% and core inflation, which excludes food and energy, of 0.5%. This was the largest monthly rise in core inflation since September. Within the core, goods inflation was flat in the month, and services inflation was 0.6%, underpinned by a persistent upward trend in shelter costs. Compared to the same month a year ago, headline inflation eased to 6.0% and core inflation was steady at 5.5%.

Retail sales fell 0.4% in February, which was expected following January's 3.2% rise. The control group, which is used in GDP estimates, rose 0.5% in the month, highlighting underlying strength in consumer spending.

Market pricing for the Fed's 22 March meeting is now split between a pause, as the Fed takes time to observe the impact of its stabilisation measures, and a 25bps hike as it seeks to reduce inflation. Fed funds rate cuts are priced by the end of the year, a sharp reversal from the 100bps of rises priced earlier this month, although that may shift if financial stresses are resolved. The policy interest rate is currently at 4.5%-4.75%.

ECB tightens, UK outlook improves

The European Central Bank (ECB) raised rates 50bps to 3.00%, in line with previous guidance and despite financial stability concerns. The ECB noted the uncertainty in financial markets made it impossible to determine the future path for interest rates. Markets are currently pricing just under 50 bps of further tightening this year.

In the UK's Spring Budget, Chancellor Hunt extended cost of living support, encouraged labour force participation with childcare and pension measures, increased the defence budget, and provided investment incentives. The cost of these measures (around GBP 21bn) was met from improvements in the underlying economic outlook. The Office of Budget Responsibility upgraded its near-term growth outlook, revising away its forecast of a 'technical recession' and a 1.4% drop in GDP this year to a fall of 0.2%, and 2% growth thereafter. The outlook for inflation was lowered by about 1.2%-points on average in 2023 but is higher from 2024-26, falling to 0% rather than -2% previously, before rising to 2%.

China activity data confirms recovery

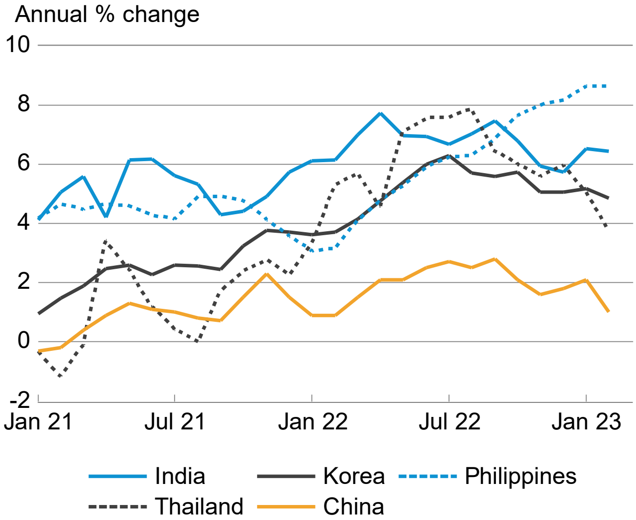
The first activity data released for the 2023 year showed China's economy is rebounding strongly from the constraints of the zero-covid policy. Solid gains were recorded across all the key sectors in the January-February months, which the NBS combines because of the shifting Chinese New Year. Retail sales rose 3.5% compared to the same period a year ago, led by services spending. Signs of property sector stabilisation and a greater policy focus on infrastructure were evident in data for fixed asset investment, which rose 5.5% from a year ago. The push for infrastructure investment helped lift industrial production, although manufacturing gains were more subdued, possibly reflecting ebbing internal and external demand for goods.

The strength of activity evident in the January-February data underscored analysts view that the 2023 growth target of "around 5%" announced earlier at China's National People's Congress was conservative. Other key targets include the 2023 fiscal deficit at 3.0% of GDP, credit growth in line with nominal GDP, unemployment around 5.5%, and CPI inflation around 3%.

February's CPI report showed annual CPI inflation of 1.0% in February, its slowest pace since February 2022, suggesting that overall spending remains subdued despite China's reopening (Figure 6).

Across Asia, there is a wide variation in headline inflation (Figure 6). In the Philippines, food prices have been the key driver of inflation, but the breadth of price pressures has been increasing amid pent-up demand for services and labour shortages. In Thailand, inflation has dropped sharply and across a broad base. In Korea, food and energy prices are driving lower inflation, while core inflation is easing more slowly. Core inflation is proving to be sticky in India, easing only slightly in February compared to the prior five months, and headline inflation is easing only gradually.

Figure 6: Headline inflation in Asia



Source: Haver

No change in Japan's monetary policy

The Bank of Japan (BoJ) maintained its policy stance at its March meeting, Governor Kuroda's last. The task of how to wind down the yield curve control (YCC) policy is left to new leaders Governor Ueda, and Deputy Governor's Uchida and Himino. The BoJ's economic assessment was unchanged – growth is expected to be above potential and inflation to ease later this year as energy prices fall.

Australia's labour market remains solid

The Reserve Bank of Australia (RBA) hiked its cash rate 25bps to 3.6% and continued to expect higher rates would be required to lower inflation. The RBA noted that the timing and extent of future rises would depend on data developments.

February's labour market report was one of the key releases ahead of the RBA's April meeting. It showed a solid rise in employment, up 0.5% in the month, that more than reversed falls seen in the previous two months. This was not a surprise as earlier reports had highlighted issues relating to the timing of holidays and the data collection. The unemployment rate fell back to 3.5%, having risen in January, even as the participation rate increased.

Population statistics released alongside the labour market data showed annual net migration in the year ended September 2022 of 303,700, just below the record high set in 2008. Population growth of 1.6% was higher than before the pandemic and took the total population to 26.1 million.

Date	Release
21 Mar	Merchandise Trade (Feb)
28 Mar	Employment Indicators (Feb)
30 Mar	Building Consents (Feb)
30 Mar	ANZ Business Outlook (Mar)

Special Topic: Business Talks

Between 20 February and 8 March, officials from the Treasury met with a range of businesses and organisations to discuss the outlook for the economy.

Most businesses indicated that demand was holding up, while the outlook for the economy over the medium-term was a lot more uncertain. Regardless, firms believe that the economy is headed for a gradual economic slowdown set off by lower consumer spending, continued house price weakness and a general cooling in the labour market. Further, there were concerns about the state of the global economy and how this will impact demand for New Zealand-based good and services.

The impact of the floods will become more apparent over time

While the economic impacts of the floods are very localised at the moment, the impacts could spread to other regions in time to come. The impact on the horticulture sector will be felt via damaged infrastructure, poor harvest quality (partly due to labour constraints) and reduced export volumes and prices. Concerns were also raised regarding potential lags in insurance pay-outs and long lead times to get the necessary building and other materials.

Although demand is holding up, there are signs of a slowdown…

Demand for most goods and services have been elevated ever since the easing of COVID-19 related restrictions. However, most participants feel that demand growth over the medium term will flatten out, or possibly even turn negative.

Some of the early warning signs participants are attuned to are broadly consistent with those revealed in business sentiment surveys. These include: a prolonged slowdown in consumption, company credit defaults in the residential construction sector, banks being more risk averse and restricting lending to existing clients, continued labour market pressures and shortages in certain sectors, the high interest rate environment, that in turn lowers household incomes.

The tourism industry is booming again, with visitor numbers on the up…

The tourism industry is back at pre-COVID-19 levels, with prices up considerably. The upper end of the market is seemingly unaffected by price sensitivity, which has resulted in high yields, helping firms to catch up on COVID-19 related losses. Although mostly comprising local and Australian tourists over the last year, the arrival of the Asian market later in the year will improve trading conditions further (assuming more relaxed travel restrictions in these regions). This will be partly offset by more New Zealand residents travelling abroad.

Construction activity is showing signs of slowing

The construction sector reports slowing house prices and higher interest rates are affecting residential construction, however commercial construction remains relatively robust. Some participants highlighted that increasing attention is being given to credit defaults and lending criteria. Although this is not uncommon in the construction sector, further downward pressure on house prices, increasing input costs and staff availability could exacerbate this.

The need for skilled and unskilled labour remains high

The local labour market remains tight, with firms finding it hard to fill most specialised vacancies. The anticipated softening in economic conditions over the coming months could also ease some of the labour market pressure in sectors that employ less skilled and more temporary workers, eg, retail and other consumer-facing sectors.

Wage demands are still elevated due to the high cost of living and a constrained labour market. In the past year, firms were able to attract workers from competing firms via higher wages. However, there seems to be less appetite for this going forward. Similarly, firms indicated that double-digit wage increases will be restricted to highly-skilled labour going forward.

In general, firms reported that immigration policy has moved in the right direction, but express some frustration regarding the time to process applications. In some regions, the lack of housing and housing affordability hampers firms when it comes to attracting and retaining staff.

Tables

Quarterly Indicators		2021Q3	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4
Real Production GDP (1)	qpc	-4.1	3.5	-0.5	1.6	1.7	-0.6
	aapc	5.4	6.0	5.2	1.1	2.7	2.4
Current account balance (annual)	%GDP	-4.7	-6.0	-6.8	-8.0	-8.5	-8.9
Merchandise terms of trade	apc	5.2	2.8	3.3	-2.2	-6.4	-3.9
CPI inflation	qpc	2.2	1.4	1.8	1.7	2.2	1.4
	apc	4.9	5.9	6.9	7.3	7.2	7.2
Employment (HLFS) (1)	qpc	1.5	0.0	-0.0	-0.1	1.3	0.1
Unemployment rate (1)	%	3.3	3.2	3.2	3.3	3.3	3.4
Participation rate (1)	%	71.1	71.0	70.9	70.9	71.7	71.7
LCI salary & wage rates - total (2)	apc	2.4	2.6	3.0	3.4	3.7	4.1
QES average hourly earnings - total (2)	apc	3.5	3.8	4.8	6.4	7.4	7.2
Core retail sales volume	apc	-3.2	5.1	3.2	-1.8	5.0	-3.7
Total retail sales volume	apc	-5.1	4.4	2.3	-3.7	4.9	-4.0
WMM - consumer confidence (3)	Index	102.7	99.1	92.1	78.7	87.6	...
QSBO - general business situation (1,4)	net%	-11.6	-32.4	-35.4	-64.7	-42.6	-72.9
QSBO - own activity outlook (1,4)	net%	7.1	10.3	8.3	-15.8	-17.6	-32.9

Monthly Indicators		Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23
Merchandise trade balance (12 month)	NZ$m	-12,857.6	-13890.5	-14984.2	-14630.3	-15477.3	...
Dwelling consents - residential	apc	1.7	-11.9	-0.9	-16.3	-2.0	...
House sales - dwellings	apc	-6.7	-30.5	-33.8	-36.5	-25.3	-31.1
REINZ - house price index	apc	-8.0	-10.9	-13.7	-13.9	-14.0	-14.3
Estimated net migration (12 month total)	people	-5,022.0	44.0	12070.0	24580.0	33158.0	...
ANZ NZ commodity price index	apc	14.5	12.8	-0.5	-7.1	-9.9	-12.3
ANZ world commodity price index	apc	0.2	-5.2	-11.5	-11.4	-13.1	-15.2
ANZBO - business confidence	net%	-36.7	-42.7	-57.1	-70.2	-52.0	-43.3
ANZBO - activity outlook	net%	-1.8	-2.5	-13.7	-25.6	-15.8	-9.2
ANZ-Roy Morgan - consumer confidence	net%	85.4	85.4	80.7	73.8	83.4	79.8
NZAC	apc	5.2	...	...	...	...	...

Daily Indicators		Fri 10/3/23	Mon 13/3/23	Tue 14/3/23	Wed 15/3/23	Thu 16/3/23	Fri 17/3/23
NZ exchange and interest rates (5)							
NZD/USD	$	0.6106	0.6150	0.6215	0.6230	0.6175	...
NZD/AUD	$	0.9272	0.9301	0.9346	0.9329	0.9303	...
Trade weighted index (TWI)	index	70.50	70.77	71.13	71.20	70.82	...
Official cash rate (OCR)	%	4.75	4.75	4.75	4.75	4.75	...
90 day bank bill rate	%	5.22	5.19	5.01	5.09	5.01	...
10 year govt bond rate	%	4.50	4.32	4.23	4.36	4.28	...
Share markets (6)							
Dow Jones	index	31,910	31819	32155	31875	32247	...
S&P 500	index	3,862	3856	3919	3892	3960	...
VIX volatility index	index	24.8	26.5	23.7	26.1	23.0	...
AU all ords	index	7,348	7311	7201	7263	7153	...
NZX 50	index	11,727	11673	11595	11617	11699	...
US interest rates							
3 month OIS	%	4.57	4.58	4.58	4.58	...	...
3 month Libor	%	5.14	4.87	4.94	4.91	...	...
10 year govt bond rate	%	3.70	3.55	3.64	3.51	3.56	...
Commodity prices (6)							
WTI oil	US$/barrel	76.55	74.68	71.18	67.61	...	...
Gold	US$/ounce	1,861.25	1911.30	1907.55	1923.40	...	...
CRB Futures	index	542.68	542.93	542.22	539.43	...	...

(1) Seasonally adjusted
(2) Ordinary time, all sectors
(3) Westpac McDermott Miller
(4) Quarterly Survey of Business Opinion
(5) Reserve Bank (11am)
(6) Daily close

Data in italic font are provisional
... Not available

Country	Indicator		Aug 22	Sep 22	2022Q3	Oct 22	Nov 22	Dec 22	2022Q4	Jan 23	Feb 23	Mar 23
	GDP (1)	qpc			**0.8**				**0.7**			
United States	Industrial production (1)	mpc	-0.1	0.2		0.0	-0.6	-1.0		0.0	...	...
	CPI	apc	8.3	8.2		7.7	7.1	6.5		6.4	6.0	...
	Unemployment rate (1)	%	3.7	3.5		3.7	3.6	3.5		3.4	3.6	...
	Employment change (1)	000s	352.0	350.0		324.0	290.0	239.0		504.0	311.0	...
	Retail sales value	apc	9.7	8.4		8.0	5.9	6.2		7.7	5.4	...
	House prices (2)	apc	13.0	10.4		8.6	6.8	4.6		...	...	...
	PMI manufacturing (1)	index	52.9	51.0		50.0	49.0	48.4		47.4	47.7	...
	Consumer confidence (1)(3)	index	103.6	107.8		102.2	101.4	109.0		106.0	102.9	...
	GDP (1)	qpc			**-0.3**				**0.0**			
	Industrial production (1)	mpc	3.4	-1.7		-3.2	0.2	0.3		-5.3	...	...
Japan	CPI	apc	3.0	3.0		3.8	3.8	4.0		4.4	...	...
	Unemployment rate (1)	%	2.5	2.6		2.6	2.5	2.5		2.4	...	...
	Retail sales value	apc	4.1	4.8		4.4	2.5	3.8		5.0	...	...
	PMI manufacturing (1)	index	51.5	50.8		50.7	49.0	48.9		48.9	47.7	...
	Consumer confidence (1)(4)	index	32.0	31.2		30.8	29.6	30.9		31.0	30.9	...
	GDP (1)	qpc			**0.4**				**-0.0**			
	Industrial production (1)	mpc	2.4	0.4		-1.8	1.4	-1.3		0.7	...	...
Euro area	CPI	apc	9.2	9.9		10.6	10.1	9.2		8.7	...	...
	Unemployment rate (1)	%	6.7	6.7		6.6	6.7	6.7		6.6	...	...
	Retail sales volume	apc	-1.3	0.1		-2.5	-2.5	-2.8		-2.3	...	...
	PMI manufacturing (1)	index	49.6	48.4		46.4	47.1	47.8		48.8	48.5	...
	Consumer confidence (5)	index	-25.0	-28.7		-27.4	-23.7	-22.0		-20.7	-19.0	...
	GDP (1)	qpc			**-0.2**				**0.0**			
	Industrial production (1)	mpc	-1.5	-0.1		0.2	0.1	0.3		-0.3	...	...
United Kingdom	CPI	apc	8.6	8.8		9.6	9.3	9.2		8.8	...	...
	Unemployment rate (1)	%	3.5	3.6		3.7	3.7	3.7		3.7	...	...
	Retail sales volume	apc	-5.4	-6.7		-5.5	-5.7	-6.0		-5.0	...	...
	House prices (6)	apc	10.0	9.5		7.2	4.4	2.8		1.1	-1.1	...
	PMI manufacturing (1)	index	47.3	48.4		46.2	46.5	45.3		47.0	49.3	...
	Consumer confidence (1)(5)	net %	-44.0	-49.0		-47.0	-44.0	-42.0		-45.0	-38.0	...
	GDP (1)	qpc			**0.7**				**0.5**			
	CPI	apc			**7.3**				**7.8**			
Australia	Unemployment rate (1)	%	3.5	3.6		3.4	3.5	3.5		3.7	3.5	...
	Retail sales value	apc	19.4	18.6		12.0	7.7	7.9		7.7	...	...
	House Prices (7)	apc			**...**				**...**			
	PMI manufacturing (1)	index	-3.9	0.2		2.2	-7.1	-17.1		-17.1	-6.4	...
	Consumer confidence (8)	index	81.2	84.4		83.7	78.0	80.3		84.3	78.5	78.5
	GDP	apc			**3.9**				**2.9**			
China	Industrial production	apc	4.2	6.3		5.0	2.2	1.3		2.4	2.4	...
	CPI	apc	2.5	2.8		2.1	1.6	1.8		2.1	1.0	...
	PMI manufacturing (1)	index	49.4	50.1		49.2	48.0	47.0		50.1	52.6	...
South Korea	GDP (1)	qpc			**0.3**				**-0.4**			
	Industrial production (1)	mpc	-2.2	-1.2		-3.7	-0.4	-3.1		2.9	...	...
	CPI	apc	5.7	5.6		5.7	5.0	5.0		5.2	4.8	...

(1) Seasonally adjusted
(2) Case-Shiller Home Price Index 20 city
(3) The Conference Board Consumer Confidence Index
(4) Cabinet Office Japan
(5) European Commission
(6) Nationwide House Price Index
(7) Australian Bureau of Statistics
(8) Melbourne/Westpac Consumer Sentiment Index