# Fortnightly Economic Update

25 October 2024

TE TAI ŌHANGA
THE TREASURY

- **Inflation eases more than expected amidst soft domestic activity**
- **IMF expects steady but subdued global growth**
- **Special Topic: Slower growth in China and its implications for New Zealand**

Annual inflation has eased back within the Reserve Bank's target range for the first time in three years. Despite interest rates easing, they remain restrictive and continue dampening demand with data this fortnight highlighting ongoing weakness in the housing market, consumer spending and business activity indicating that activity and demand are yet to respond to falling interest rates. While underlying inflationary pressure has a little way to go, markets firmly expect a 50 basis points (bps) cut in November and possibly another 50 bps in February.

The global outlook remained steady in the latest update from the International Monetary Fund (IMF) and inflation concerns subsided.

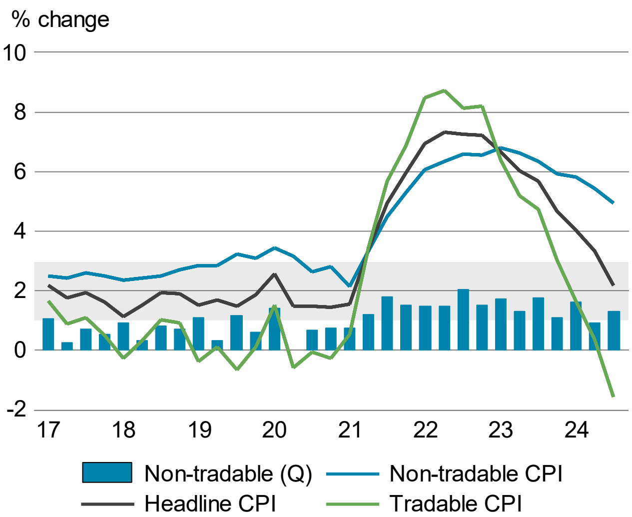
The Special Topic looks at the reasons why China's economic growth is expected to slow over the longer-term, and the implications for New Zealand. It concludes that China's large market will continue to offer opportunities to expand exports, but China also faces challenges from high debt and growing trade protections that could prove disruptive.

### *Easing inflation paves way for rate cuts…*

Annual Consumers Price Index (CPI) inflation eased from 3.3% to 2.2% in the September quarter, nearing the midpoint of the Reserve Bank's 1-3% inflation target band. Quarterly inflation was 0.6%, lower than forecast at the *Budget Update* and slightly lower than the latest market expectations. Tradable inflation fell 0.2% in the quarter and 1.6% in the year, while non-tradable inflation was more persistent at 1.3% in the quarter and eased to 4.9% in the year (Figure 1).

Despite the easing, underlying inflationary pressure may not be as soft as it seems. Several one-off factors underpinned the drop in headline inflation, including removal of the Auckland regional fuel tax, lower global petrol prices and the government's childcare rebate. Further, core measures of inflation – that estimate underlying inflation – slowed by less than the headline number. The Reserve Bank's sectoral factor model estimate eased from an annual rate of 3.6% to 3.4%.

**Figure 1: Underlying dynamics of headline inflation**




Source: Stats NZ

While the Reserve Bank is expected to continue to lowering the official cash rate, it will remain in contractionary territory – above its so-called neutral rate – for a while longer. Markets now expect another 50-bps rate cut in November, with a further 50-bps cut more likely than not for the February decision.

### *…amidst a weak housing market…*

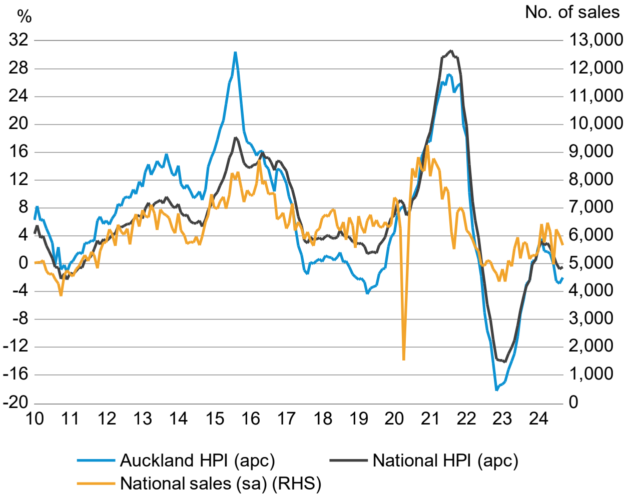
Elevated mortgage rates and easing net migration kept house price growth subdued through the September quarter. According to the Real Estate Institute of New Zealand (REINZ) release, house prices rose 0.2% in the September month but fell nearly 1% in the quarter overall. Meanwhile, broader activity indicators suggest housing market weakness remains with sales falling 5.5% in the month and median days to sell increasing by 1 day to 50 days, just shy of the 51 days high seen in February last year (Figure 2).

While this small lift in prices – the first since April this year – could signal a turning point, it more likely reflects month-to-month volatility. Mortgage rates will need to ease further before demand can really return and lift prices. Meanwhile net migration has eased some way this year, offering little support for prices in the near-term. House prices are lower than forecast at Budget owing to the shift in drivers.



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

**Figure 2: House price index and sales**




Source: REINZ, Treasury calculations

### *...and soft domestic activity*

Retail card spending saw another weak quarter in September off the back of still-pessimistic consumer sentiment and flattening tourist numbers. Electronic card spending in core retail (which excludes fuel and vehicles) was down 0.5% in the September quarter. All industries – durables, non-durables, and services were either falling or flat. There were some positive signs in the September month, with card spending lifting 0.3%, however durable spending was still down as consumers remain pessimistic.

The ANZ-Roy Morgan Consumer Confidence for October softened after a few months of improvement. The overall index fell 4 points to 91.2, with declines in both current and future conditions.

Meanwhile, service sector businesses remain in contraction mode. The BNZ-BusinessNZ Performance of Services Index for September showed some improvement in activity and sales, while the employment index reversed back to its lowest result since February 2022. While lower interest rates will be supportive in time, the sector faces headwinds.

### *The annual trade deficit continues narrowing*

The September overseas merchandise trade data showed flat goods export volumes over the past two quarters, as falling export volumes offset rising prices. In seasonally adjusted terms, goods exports fell 0.5% in the September quarter. Dairy exports values increased 6.1% in the quarter, supported by stronger global dairy prices. Meat export prices have also increased but livestock shortages are weighing on export volumes, with meat export values down 8.2% in the quarter. Imports remain subdued but demand is recovering slowly, with goods import volumes up 2.4% in the quarter.

The annual trade deficit narrowed to $9.1 billion in the September month, from $9.4 billion in August. Continued soft demand is expected to weigh on import values in the coming months which will support the continued narrowing of the annual trade deficit in the coming months.

### *IMF expects steady but subdued global growth*

In the latest update of its World Economic Outlook, the IMF held its forecasts of global growth at 3.2% in 2024 and 2025, unchanged from its April projections (Table 1). However, there were changes at the country level, with increases in US and China forecasts in 2024 and 2025, but cuts in the euro area and Japan, and a small downgrade for Australia in 2024.

The NZ forecast was cut to 0% from 1.1% in April, and the 2025 projection was trimmed to 1.9% from 2.4%. Although this is below the Treasury's forecast, it is broadly in line with more recent Reserve Bank and market predictions.

Uncertainties around the growth outlook include an escalation in regional conflicts, especially in the Middle East, and shifts towards undesirable trade and industrial policies.

**Table 1: IMF growth forecasts**

| | GDP (Ann. avg. % change, years ended December) | | |
|---|---|---|---|
| | Actual | Forecast | |
| | **2023** | **2024** | **2025** |
| World | 3.3 | 3.2 | 3.2 |
| US | 2.9 | 2.8 | 2.2 |
| Euro area | 0.4 | 0.8 | 1.2 |
| China | 5.2 | 4.8 | 4.5 |
| Australia | 2.0 | 1.2 | 2.1 |
| Japan | 1.7 | 0.3 | 1.1 |
| NZ | 0.6 | 0.0 | 1.9 |
| NZ (Treasury, *Budget Update* ) | 0.6 | 0.5 | 2.8 |

Source: IMF

### *Global inflation: converging on 2%*

Declines in inflation led the IMF to conclude that central banks had largely won their battle, assisted by the unwinding of the supply shocks of the past few years and by increased labour supply, partly through immigration.

In many advanced economies headline inflation is now close to 2% (Figure 3), leading the IMF to conclude that central banks had largely won their battle. Alongside policy, the decline in inflation had been aided by supply chain recovery from past disruptions and by increased labour supply, partly through immigration.

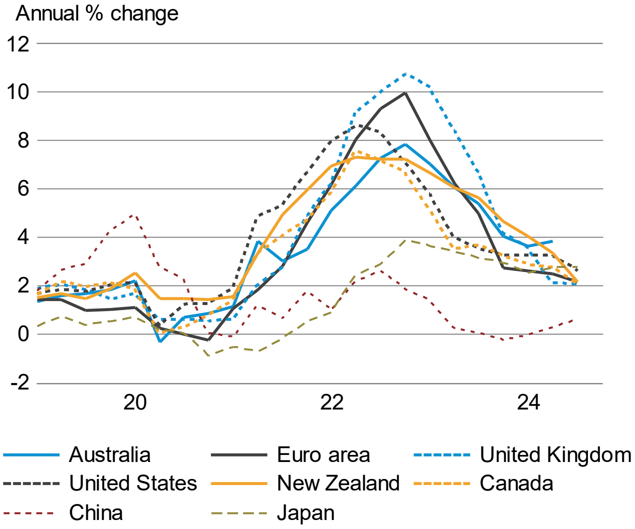
Some countries are facing different inflation challenges. In Japan, inflation has been persistently above the 2% target as the central bank strives to lift inflation expectations and pave the way for higher interest rates.

### *Policy support lifts China forecasts*

Meanwhile, in China the government is seeking to stimulate demand and raise inflation. Earlier this month, the authorities announced a further round of fiscal support measures were in train, but with a focus on risk mitigation rather that stimulus. Nonetheless, the policies will help address downside risk to the government's goal of achieving GDP growth around 5% this year. Partly reflecting recent policy, the IMF's forecasts for China were revised up by 0.2 and 0.4 percentage points in 2024 and 2025 respectively.

There were signs of increased activity in September, with monthly data revealing faster growth across manufacturing, retail, and investment sectors. For the three months ended September, the economy expanded 0.9%, up from 0.5% in the June quarter, but a relatively soft outturn for China. Compared to the same quarter a year ago, real GDP rose 4.6%. Recent policy easing is likely to increase momentum further over the remainder of this year and into 2025.

**Figure 3: Inflation across countries**




Source: Haver

### *Solid employment growth in Australia…*

Inflation has been slower to fall in Australia, partly reflecting relatively less restrictive monetary policy than elsewhere. Analysts expect September quarter inflation, to be around 2.9%, and within the central bank's 2% to 3% target, in next week's release.

Lower interest rate settings may also be a factor in the labour market's resilience. Australia's labour market showed strength across the board in September. Employment rose 0.4% in the month, participation gained one-tenth to a record high 67.2%, and unemployment was steady at 4.1%. The outturn largely extinguished all likelihood financial markets had priced in of an interest rate cut by the central bank this year.

### *…is attracting more New Zealanders*

It also highlighted the opportunities Australia's labour market offers relative to New Zealand's, which is reflected in rising emigration. In the eight months ended August, the net inflow to New Zealand slowed to 25,000 from nearly 100,000 in the same period last year. Stats NZ estimates a net loss of nearly 30,000 people to Australia in the 12 months ended March 2024, similar to annual outflows from 2004 to 2013, but much higher than the annual average of 3000 between 2014 and 2019.

## Coming up:

| Date | Release |
|---|---|
| 29 Oct | Monthly employment indicators (Sep) |
| 31 Oct | ANZ business outlook (Sep) |
| 1 Nov | Building consents (Sep) |
| 6 Nov | Labour market statistics (Sep quarter) |

# Special Topic: Long-run growth trends in China

## *Introduction*

Following decades of rapid economic growth, China became the world's second largest economy and New Zealand's largest trading partner. But, in the years prior to the pandemic, and subsequently, the pace of growth has been notably slower, and the outlook is for further declines. Underlying the slowdown are shifts in the structural drivers of the economy – in particular, population ageing and lower productivity – that are posing challenges for economic policy in China.

This note discusses the impact of China's growth on New Zealand over the past 25 years and considers how the shift to lower trend growth could affect the outlook. On the positive side, population ageing could increase consumption spending and support demand for New Zealand's agricultural exports and tourism. On the other hand, China faces many obstacles including financial fragility and rising barriers to trade that could undermine growth.

## *Context*

China is New Zealand's largest trading partner and is likely to remain so for the foreseeable future. In both values and volumes, trade with China has outstripped that of all other trading partners since the early 2000s. Bilateral trade was initially dominated by exports of primary commodities – dairy, meat, forestry - but has broadened to include tourism and education (Figure 1).

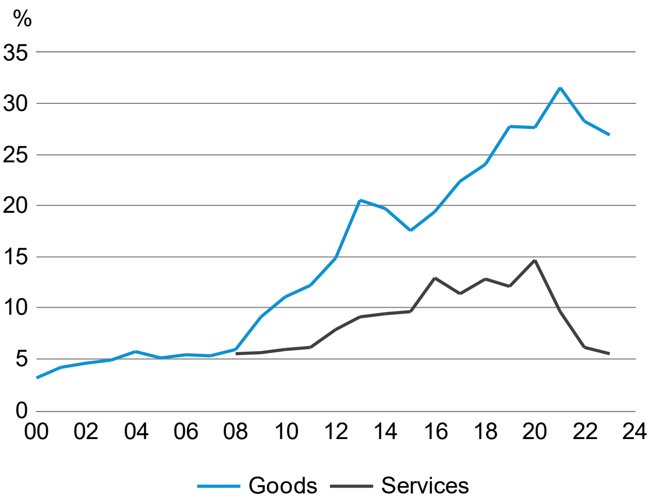
The growth in China's demand for New Zealand's exports reflects China's increasing global trade presence, rising incomes, prices, preferences and government policies.

China's trade with the rest of the world increased rapidly after it joined the World Trade Organization (WTO) in 2001. WTO entry required China to remove many restrictions on exports, imports and foreign investment, which gave exporters greater access to China's economy and underpinned growth in global trade for much of the 2000s.

New Zealand's free trade agreement (FTA) with China led to a further surge in exports after 2008, and in 2016 China overtook Australia as the largest market. Strong growth in prices saw that share continue to climb, although international travel collapsed when the pandemic arrived.

China is also New Zealand's largest source of goods imports, accounting for 23% of all goods imports, compared to 10% from the US, the next largest. Since 2018, the goods trade balance with China has been in surplus, in contrast to the overall deficit on goods trade. The services surplus withered when the pandemic hit and has only partly recovered.

**Figure 1: China's share of New Zealand exports**




Source: Stats NZ, Treasury

The strength of China's demand, coupled with New Zealand's trading advantage, supported national income growth and government tax revenue (for example from higher farm profits). Meanwhile, expansion of China's industrial sector put downward pressure on import prices, further improving the terms of trade – the ratio of export prices to import prices – and real incomes[1]. However, to the extent that these gains arose from the FTA, they are not able to be repeated.

The rise of China had an even more marked impact on the Australian economy. China's demand for basic resources outstripped supply and underpinned large price increases that stimulated massive investment in Australia's mining sector, supporting income growth and the movement of workers into mining and related industries, including many emigrants from New Zealand.

The significance of these linkages means that the potential for China's economy to slow further, either gradually or sharply, is a significant risk factor for the New Zealand economy.

## *China's long-run growth trajectory*

Reforms initiated by the Chinese authorities in late 1978 opened the door to decades of rapid economic development and remarkable gains in living standards. Output increased by over 10% per year, on average, in the thirty-two years to 2011 when China emerged as the world's second largest economy. Despite slowing down subsequently, China's growth still averaged 8% in the decade before the pandemic.

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1 Galt, M (2023) estimates increases in the terms of trade accounted for 20% of New Zealand's real income growth from the late 1990s to 2019, see www.treasury.govt.nz/publications/an/an-23-04

As a result, per capita GDP rose to 15.8% of the US level or US$10,276 from 1.5% or US$156 in 1978, lifting hundreds of millions of people out of poverty.

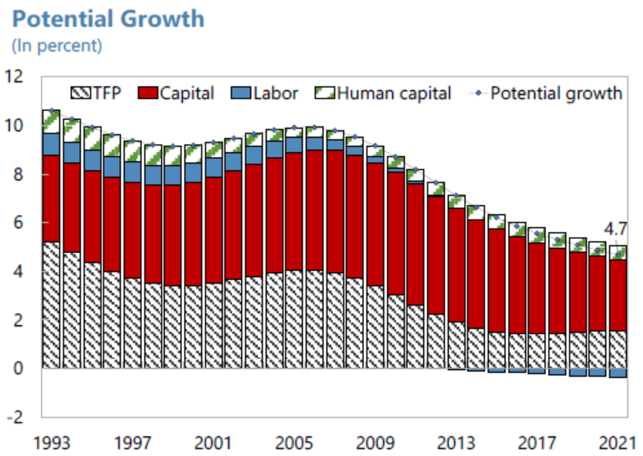
Clearly, there remains considerable scope for China's income to continue to catch up with the US. How quickly it can do so depends heavily on its ability to raise productivity growth. Many of the factors that drove growth in the past have faded, including industrialisation, urbanisation, labour force growth and privatisation.

Politically too, the focus has shifted. Under Xi Jinping's leadership, the country's main development challenge evolved from meeting people's basic needs to improving their quality of life. Policy objectives include reduced reliance on investment as a source of growth and an increasing role for domestic consumption. But the transition has not been smooth, rapid credit growth has led to high debt and financial fragility, global trade has slowed, and some countries have become more concerned at the impacts of China's industrial policies and restrictions on market access, as reflected in trade frictions between China and the US.

## Growth has slowed

One framework for studying long-term growth divides GDP into contributions from labour, capital, and improvements in technology or efficiency, known as total factor productivity. Researchers attribute most of China's slowdown to a decline in total factor productivity, although other forces also contribute (Figure 2).

**Figure 2: Potential growth**




Source: IMF Country Report No.23/81, People's Republic of China, Selected Issues, February 2023

Growth in labour hours worked has stalled, reflecting population ageing, but improvements in labour quality have provided an offset. Capital accumulation has made the largest contribution throughout the period but has fallen from a peak of around 5% to 3%. This decline has occurred despite a relatively steady share of investment spending in GDP, pointing to a decline in the marginal contribution to output from increases in the capital stock. It also reflects the pattern of investment, including the large proportion devoted to the real estate sector, which tends to be relatively less growth enhancing.

Total factor productivity is calculated as the residual, the difference between GDP growth after accounting for capital and labour inputs and has slowed to around 1% from earlier growth of around 4%.

## …and is expected to slow further…

The IMF, World Bank and private sector forecasters expect China's potential growth will continue to slow (Table 1). The demographic dividend of rapid population growth is giving way to a demographic tax, and the impact of policies to support productivity growth are uncertain.

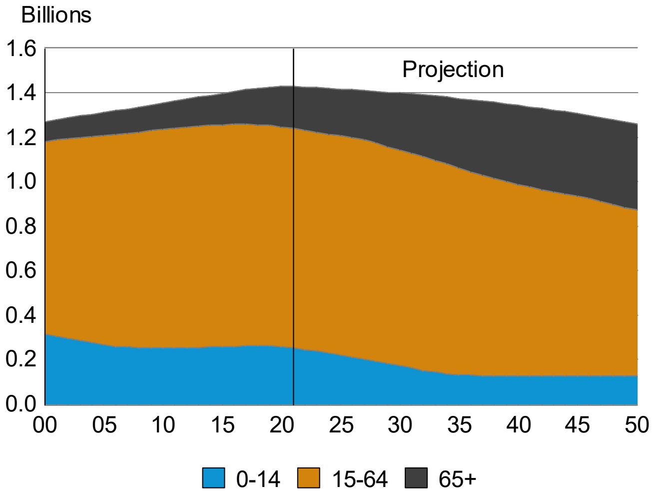
**Table 1: Real GDP growth**

| 10-year averages | | | IMF forecasts | | |
|---|---|---|---|---|---|
| **1992-01** | **2002-11** | **2012-21** | **2026** | **2029** | **2037** |
| 10.4 | 10.6 | 6.4 | 4.1 | 3.3 | 2.4 |

Source: IMF

China's population is ageing rapidly and shrinking, driven by falling birth rates and rising life expectancy. China's population peaked at 1.41 billion in 2021 and has subsequently declined (Figure 3). The population aged 65 and over (the old-age population) reached 216 million in 2023, double the number in 2007, or 15.4% as a share of the total population.

**Figure 3: China's population and UN projections**




Source: UN

The UN's population projections show the old-age share rising to over 25% or 315 million by 2050, while the working-age population (15-65) shrinks by nearly 200 million to 60% of the total. Growth in those aged 80+ increases even more strongly, rising to over 115 million in 2050. There are various sources of uncertainty in population projections, but they are largely based on cohorts already born and these fundamental and profound shifts in the population will create challenges and opportunities for China and its trading partners.

### …but will continue to present opportunities for export growth…

In terms of opportunities, although fertility will likely remain low, and demand for infant nutrition might be static, growth of the old-age demographic will create new opportunities in areas such as food, nutrition, medicines, healthcare products, and leisure including travel and tourism. In addition, government policy may respond with measures to arrest falling birth rates and slow the ageing process, which could boost demand in the early-age sector. Moreover, within market segments, demand is shaped by preferences, including perceptions of quality, that can shift as incomes grow and potentially add to demand. In a market the size of China, small changes could have a large impact on export demand.

Ageing could also lower household savings. China has one of the highest national savings rates in the world, with households the main contributor. Household saving rose through the 2000s, peaking at 42% of disposable income in 2010. Saving then moderated but rose again as the pandemic added to future income uncertainty and remains high. The IMF estimates that demographic shifts, through reduced child-care spending and expectations of less family support in old-age, accounted for around half of the increase in household savings in the 2000s.

The flip-side of lower household saving is higher household consumption. According to the IMF, China has a similar level of GDP per capita to Brazil but only half the consumption per capita, so there is plenty of scope for consumption to increase. Although greater consumption may not prevent a slowdown in GDP growth, it can help shift demand to sectors and products that could benefit exporters, and it will help to ensure that growth is sustainable and reduce financial risks.

### …and technological advances…

In the industrial sector, firms have sought to offset the effects of labour force declines and rising labour costs with investment in labour-saving technology and more capital-intensive production. China has been the world's largest market for industrial robots since 2013, accounting for up to one-third of global installations. Nonetheless, the intensity of robot use is low relative to economies such as Germany or Korea, implying that China will likely remain a leader in robot adoption, which will help maintain its manufacturing competitiveness.

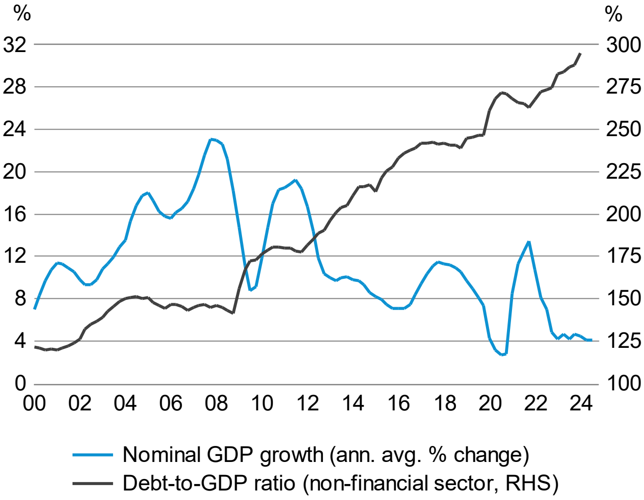
China's demographic transition may also have implications for industrial prices. Shifts in patterns of consumption and declining investment will likely see demand decline in some industries, but increased automation and capital intensity may slow supply-side adjustment, keeping prices low.

In recent years, China's government has implemented several initiatives to boost productivity growth, including investment in future technologies, such as artificial intelligence, and research and development more generally. These efforts will support productivity growth and may also contribute to downward price pressures. However, technology has become a key source of tension between the US and China, which could slow development in some industries. On the other hand, efforts to achieve self-sufficiency in key technologies have intensified.

### …but high debt is a constraint

Slower growth in real GDP also poses challenges for government policy. Strong nominal GDP growth powered government revenue throughout the 2000s and helped to prevent the debt share of GDP from escalating (Figure 4).

**Figure 4: Nominal GDP and debt**




Source: Haver

However, credit driven investment since the GFC, combined with slowing GDP growth, has seen the debt-to-GDP ratio rise sharply, posing risks to financial stability. The quality of debt issued is also a concern. In the property sector, financial fragilities have been exposed, and the IMF continues to warn of the need to mitigate financial risks across the economy. Moreover, slower income growth means that growth in debt must slow to limit further increases in the debt ratio and avoid adding to financial vulnerabilities, which complicates the government's efforts to shift the economy onto its desired trajectory while also supporting overall GDP growth.

### Conclusion

China's emergence as one of the world's largest and fastest growing economies lifted demand for New Zealand's exports and helped to lower the price of imports. The driving forces of China's growth – industrialisation, an expanding labour force, urbanisation and privatisation – have shifted and some have reversed.

China's policy makers are navigating their way through the next phase of development, while managing the risks from high debt levels. Although that path involves a slower pace of growth than in the past, it also opens up new opportunities for China's trading partners. The route China takes, and how other trading partners respond to those developments, will have significant implications for the New Zealand economy in the years ahead.

# Tables

| Quarterly Indicators | | 2023Q2 | 2023Q3 | 2023Q4 | 2024Q1 | 2024Q2 | 2024Q3 |
|---|---|---|---|---|---|---|---|
| Real Production GDP (1) | qpc | 0.8 | -0.4 | 0.0 | 0.1 | -0.2 | ... |
| | aapc | 3.0 | 1.3 | 0.7 | 0.3 | -0.2 | ... |
| Current account balance (annual) | %GDP | -8.1 | -7.8 | -7.1 | -6.7 | -6.7 | ... |
| Merchandise terms of trade | apc | -5.0 | -1.7 | -10.7 | -3.7 | -1.7 | ... |
| CPI inflation | qpc | 1.1 | 1.8 | 0.5 | 0.6 | 0.4 | ... |
| | apc | 6.0 | 5.6 | 4.7 | 4.0 | 3.3 | ... |
| Employment (HLFS) (1) | qpc | 1.1 | 0.0 | 0.5 | -0.3 | 0.4 | ... |
| Unemployment rate (1) | % | 3.6 | 3.9 | 4.0 | 4.4 | 4.6 | ... |
| Participation rate (1) | % | 72.4 | 72.0 | 71.9 | 71.6 | 71.7 | ... |
| LCI salary & wage rates - total (2) | apc | 4.3 | 4.2 | 4.3 | 4.1 | 4.2 | ... |
| QES average hourly earnings - total (2) | apc | 6.9 | 6.7 | 6.9 | 5.2 | 5.0 | ... |
| Core retail sales volume | apc | -5.1 | -3.1 | -3.2 | -1.7 | -2.2 | ... |
| Total retail sales volume | apc | -3.5 | -3.4 | -4.1 | -2.4 | -3.6 | ... |
| WMM - consumer confidence (3) | Index | 83.1 | 80.2 | 88.9 | ... | ... | ... |
| NZIER QSBO - general bus.situation (1,4) | net% | -58.6 | -55.9 | -7.2 | -19.8 | -39.7 | -4.8 |
| NZIER QSBO - own activity outlook (1,4) | net% | -18.3 | -9.7 | 9.6 | -4.4 | -12.9 | -2.4 |

| Monthly Indicators | | Apr 24 | May 24 | Jun 24 | Jul 24 | Aug 24 | Sep 24 |
|---|---|---|---|---|---|---|---|
| Merchandise trade balance (12 month) | NZ$m | -10,224.2 | -10206.3 | -9510.4 | -9351.9 | -9288.3 | ... |
| Dwelling consents - residential | apc | 6.0 | -14.8 | -36.0 | 9.6 | -9.1 | ... |
| REINZ house sales (number) | apc | 32.3 | 11.5 | -16.7 | 18.2 | -0.7 | ... |
| REINZ - house price index | apc | 3.0 | 2.3 | 1.2 | 0.2 | -0.8 | ... |
| Estimated net migration (12 month total) | people | 90,358.0 | 79719.0 | 69617.0 | 65099.0 | 53847.0 | ... |
| ANZ NZ commodity price index | apc | 7.4 | 6.3 | 7.2 | 11.5 | 12.5 | 10.0 |
| ANZ world commodity price index | apc | 3.2 | 3.9 | 7.4 | 8.4 | 14.0 | 14.4 |
| ANZBO - business confidence | net% | 14.9 | 11.2 | 6.1 | 27.1 | 50.6 | 60.9 |
| ANZBO - activity outlook | net% | 14.3 | 11.8 | 12.2 | 16.3 | 37.1 | 45.3 |
| ANZ-Roy Morgan - consumer confidence | net% | 82.1 | 84.9 | 83.2 | 87.9 | 92.2 | 95.1 |

| Daily Indicators | | Thu 3/10/24 | Fri 4/10/24 | Mon 7/10/24 | Tue 8/10/24 | Wed 9/10/24 | Thu 10/10/24 |
|---|---|---|---|---|---|---|---|
| **NZ exchange and interest rates (5)** | | | | | | | |
| NZD/USD | $ | 0.6 | 0.62 | 0.62 | 0.61 | 0.61 | 0.61 |
| NZD/AUD | $ | 0.9 | 0.91 | 0.91 | 0.91 | 0.91 | 0.90 |
| Trade weighted index (TWI) | index | 71.2 | 70.95 | 70.64 | 70.50 | 70.52 | 69.95 |
| Official cash rate (OCR) | % | 5.3 | 5.25 | 5.25 | 5.25 | 5.25 | 4.75 |
| 90 day bank bill rate | % | 4.8 | 4.79 | 4.78 | 4.77 | 4.75 | 4.65 |
| 10 year govt bond rate | % | 4.3 | 4.30 | 4.33 | 4.32 | 4.29 | 4.33 |
| **Share markets (6)** | | | | | | | |
| Dow Jones | index | 42,011.6 | 42352.75 | 41954.24 | 42080.37 | 42512.00 | 42454.12 |
| S&P 500 | index | 5,699.9 | 5751.07 | 5695.94 | 5751.13 | 5792.04 | 5780.05 |
| VIX volatility index | index | 20.5 | 19.21 | 22.64 | 21.42 | 20.86 | 20.93 |
| AU all ords | index | 8,474.3 | 8416.58 | 8479.01 | 8443.71 | 8456.79 | 8498.68 |
| NZX 50 | index | 12,572.7 | 12619.94 | 12596.87 | 12555.99 | 12776.13 | 12754.58 |
| **US interest rates** | | | | | | | |
| 3 month OIS | % | 4.8 | 4.83 | 4.83 | 4.83 | 4.83 | ... |
| 3 month Libor | % | ... | ... | ... | ... | ... | ... |
| 10 year govt bond rate | % | 3.9 | 3.98 | 4.03 | 4.04 | 4.06 | 4.09 |
| **Commodity prices (6)** | | | | | | | |
| WTI oil | US$/barrel | 73.7 | 74.38 | 77.14 | 73.57 | 73.24 | ... |
| Gold | US$/ounce | 2,647.7 | 2650.05 | 2640.95 | 2639.90 | 2610.70 | ... |
| CRB Futures | index | 538.7 | 538.29 | 538.52 | 535.47 | 535.21 | ... |

(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 | | 2023Q4 | Apr 24 | May 24 | Jun 24 | 2024Q1 | Jul 24 | Aug 24 | Sep 24 | 2024Q2 | Oct 24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **United States** | GDP (1) | qpc | 0.8 | | | | 0.4 | | | | 0.7 | |
| | Industrial production (1) | mpc | | -0.1 | 0.7 | 0.1 | | -0.9 | 0.8 | ... | | ... |
| | CPI | apc | | 3.4 | 3.3 | 3.0 | | 2.9 | 2.5 | 2.4 | | ... |
| | Unemployment rate (1) | % | | 3.9 | 4.0 | 4.1 | | 4.3 | 4.2 | 4.1 | | ... |
| | Employment change (1) | 000s | | 108.0 | 216.0 | 118.0 | | 144.0 | 159.0 | 254.0 | | ... |
| | Retail sales value | apc | | 2.8 | 2.6 | 2.0 | | 2.9 | 2.1 | ... | | ... |
| | House prices (2) | apc | | 7.3 | 6.9 | 6.5 | | 5.9 | ... | ... | | ... |
| | PMI manufacturing (1) | index | | 49.2 | 48.7 | 48.5 | | 46.8 | 47.2 | 47.2 | | ... |
| | Consumer confidence (1)(3) | index | | 97.5 | 101.3 | 97.8 | | 101.9 | 105.6 | 98.7 | | ... |
| **Japan** | GDP (1) | qpc | 0.1 | | | | -0.6 | | | | 0.7 | |
| | Industrial production (1) | mpc | | -0.9 | 3.6 | -4.2 | | 3.1 | -3.3 | ... | | ... |
| | CPI | apc | | 2.5 | 2.9 | 2.8 | | 2.7 | 3.1 | ... | | ... |
| | Unemployment rate (1) | % | | 2.6 | 2.6 | 2.5 | | 2.7 | 2.5 | ... | | ... |
| | Retail sales value | apc | | 2.0 | 2.8 | 3.8 | | 2.7 | 2.8 | ... | | ... |
| | PMI manufacturing (1) | index | | 49.6 | 50.4 | 50.0 | | 49.1 | 49.8 | 49.7 | | ... |
| | Consumer confidence (1)(4) | index | | 38.3 | 36.7 | 37.1 | | 37.1 | 36.7 | 37.0 | | ... |
| **Euro area** | GDP (1) | qpc | 0.1 | | | | 0.3 | | | | 0.2 | |
| | Industrial production (1) | mpc | | -0.2 | -0.9 | 0.0 | | -0.3 | ... | ... | | ... |
| | CPI | apc | | 2.4 | 2.6 | 2.5 | | 2.6 | 2.2 | ... | | ... |
| | Unemployment rate (1) | % | | 6.4 | 6.5 | 6.5 | | 6.4 | 6.4 | ... | | ... |
| | Retail sales volume | apc | | 0.8 | 0.5 | -0.3 | | -0.1 | 0.8 | ... | | ... |
| | PMI manufacturing (1) | index | | 45.7 | 47.3 | 45.8 | | 45.8 | 45.8 | 45.0 | | ... |
| | Consumer confidence (5) | index | | -14.7 | -14.3 | -14.0 | | -13.0 | -13.4 | -12.9 | | ... |
| **United Kingdom** | GDP (1) | qpc | -0.3 | | | | 0.7 | | | | 0.5 | |
| | Industrial production (1) | mpc | | -1.1 | 0.3 | 0.7 | | -0.7 | ... | ... | | ... |
| | CPI | apc | | 3.0 | 2.8 | 2.8 | | 3.1 | 3.1 | ... | | ... |
| | Unemployment rate (1) | % | | 4.4 | 4.4 | 4.2 | | 4.1 | ... | ... | | ... |
| | Retail sales volume | apc | | -2.2 | 1.2 | -0.5 | | 1.5 | 2.5 | ... | | ... |
| | House prices (6) | apc | | 0.6 | 1.3 | 1.5 | | 2.1 | 2.4 | 3.2 | | ... |
| | PMI manufacturing (1) | index | | 49.1 | 51.2 | 50.9 | | 52.1 | 52.5 | 51.5 | | ... |
| | Consumer confidence (1)(5) | net % | | -19.0 | -17.0 | -14.0 | | -13.0 | -13.0 | -20.0 | | ... |
| **Australia** | GDP (1) | qpc | 0.2 | | | | 0.2 | | | | 0.2 | |
| | CPI | apc | 4.1 | | | | 3.6 | | | | 3.8 | |
| | Unemployment rate (1) | % | | 4.1 | 4.0 | 4.1 | | 4.2 | 4.2 | ... | | ... |
| | Retail sales value | apc | | 1.2 | 2.1 | 2.1 | | 2.6 | 4.0 | ... | | ... |
| | House Prices (7) | apc | ... | | | | ... | | | | ... | |
| | PMI manufacturing (1) | index | | -13.9 | -31.1 | -26.5 | | -19.5 | -30.8 | -33.6 | | ... |
| | Consumer confidence (8) | index | | 82.4 | 82.2 | 83.6 | | 82.7 | 85.0 | 84.6 | | 89.8 |
| **China** | GDP | apc | 5.2 | | | | 5.3 | | | | 4.7 | |
| | Industrial production | apc | | 6.7 | 5.6 | 5.3 | | 5.1 | 4.5 | ... | | ... |
| | CPI | apc | | 0.3 | 0.3 | 0.2 | | 0.5 | 0.6 | ... | | ... |
| | PMI manufacturing (1) | index | | 50.4 | 49.5 | 49.5 | | 49.4 | 49.1 | 49.8 | | ... |
| **South Korea** | GDP (1) | qpc | 0.5 | | | | 1.3 | | | | -0.2 | |
| | Industrial production (1) | mpc | | 2.6 | -0.7 | 0.7 | | -3.9 | 4.1 | ... | | ... |
| | CPI | apc | | 2.9 | 2.7 | 2.4 | | 2.6 | 2.0 | 1.6 | | ... |

(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