

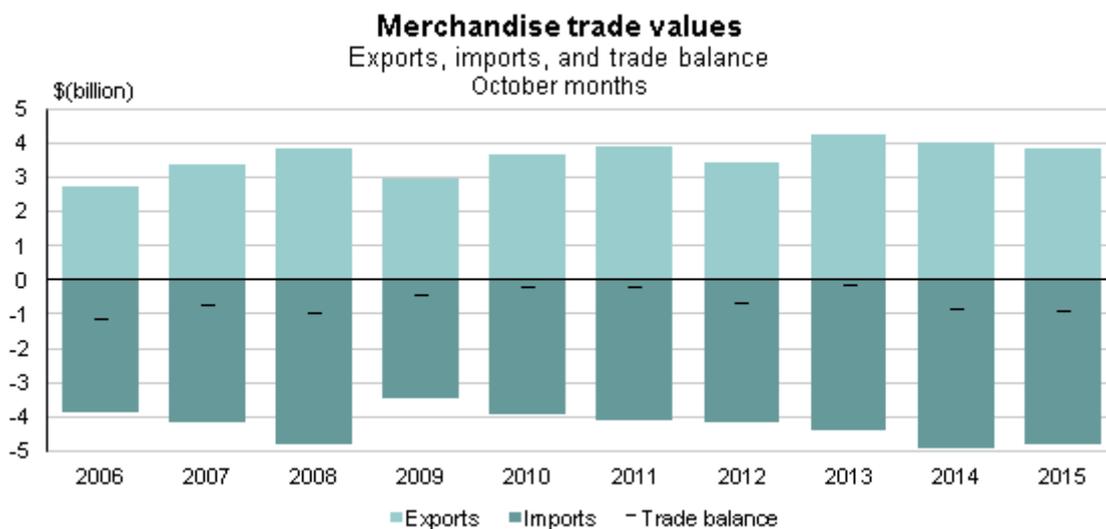
# Overseas Merchandise Trade: October 2015

Embargoed until 10:45am – 26 November 2015

## Key facts

For October 2015 compared with October 2014:

- Goods exports fell \$181 million (4.5 percent) to \$3.8 billion, led by milk powder.
- Goods imports fell \$109 million (2.2 percent) to \$4.8 billion.
- The trade deficit was \$963 million (25 percent of exports).



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## Commentary

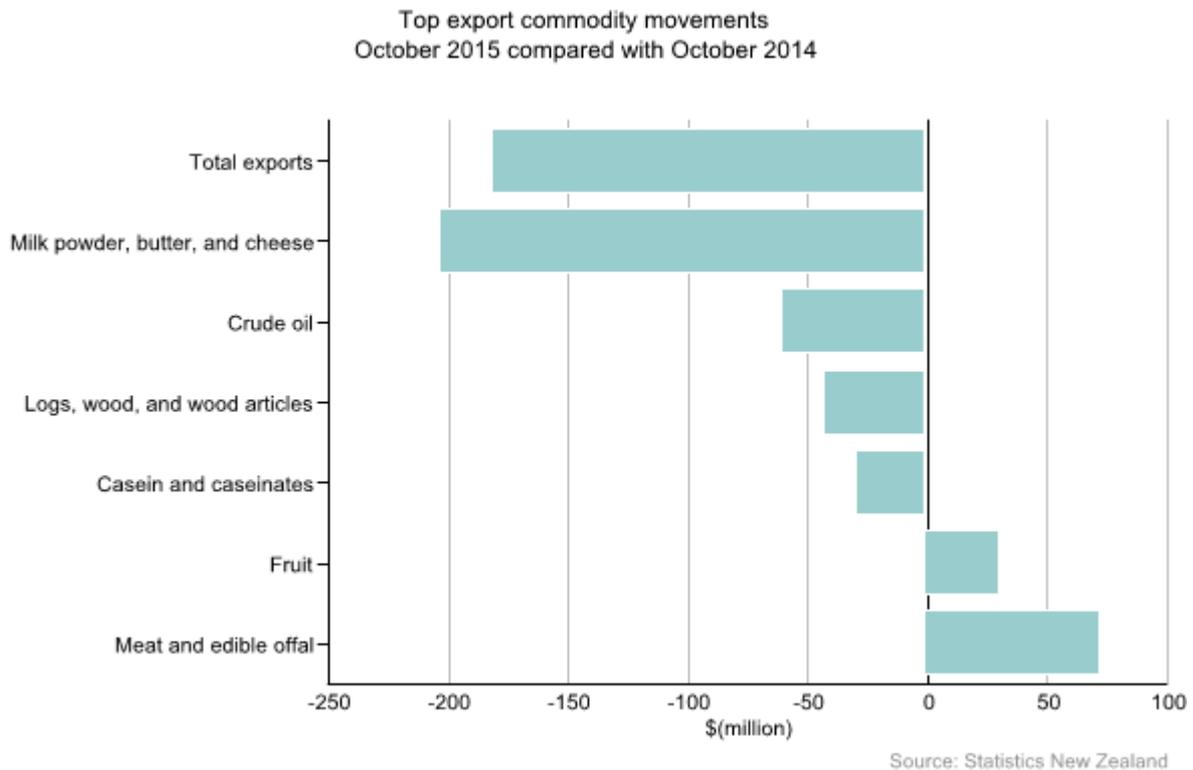
- [Exports fall 4.5 percent](#)
- [Imports fall 2.2 percent](#)
- [Goods trade deficit in October 2015](#)
- [Seasonally adjusted exports fall 0.6 percent](#)
- [Seasonally adjusted imports rise 0.2 percent](#)
- [Exchange rate movements](#)

This commentary refers to trade in goods only.

See [Goods and Services Trade by Country: Year ended June 2015](#) for information on trade in goods and services.

### Exports fall 4.5 percent

In October 2015, goods exports were valued at \$3.8 billion, down \$181 million (4.5 percent) from October 2014.



### Milk powder leads the fall in exports

**Milk powder, butter, and cheese** (New Zealand's largest export commodity group) fell \$202 million (18 percent) in October 2015, to \$935 million. The fall was price driven, with the quantity exported up 1.0 percent from October 2014. Milk powder was down \$189 million (29 percent) to

\$473 million. Cheese rose \$26 million (21 percent) to \$150 million. Milk fats (including butter) fell \$35 million (15 percent) to \$207 million.

**Meat and edible offal** (second-largest export commodity group) had the largest increase, up \$73 million (23 percent) to \$387 million. Beef exports led the rise, up \$49 million (40 percent) to \$170 million, with the quantity up 34 percent. Lamb rose \$20 million (14 percent).

**Fruit** rose \$31 million (42 percent) to \$105 million, with the quantity up 30 percent. The rise in fruit exports in October 2015 was led by kiwifruit, up \$36 million (81 percent). The quantity of kiwifruit exported rose 60 percent, from 15,000 tonnes in October 2014, to 24,000 tonnes for October 2015. Exports of kiwifruit at the peak of their season in May 2015 reached 93,000 tonnes.

Other key changes in commodity export values for October 2015 were:

- **Crude oil** fell \$60 million (49 percent).
- **Logs, wood, and wood articles** fell \$43 million (13 percent).

### **Beef to China leads the rise in exports by country**

The monthly movements for October 2015 for our top export destinations (ranked by total annual exports) were:

1. **China** – up \$57 million (9.2 percent). Commodities with low values in October 2014 contributed to the rise. Beef rose \$39 million to \$45 million, and kiwifruit rose \$18 million to \$25 million. Milk powder, butter, and cheese exports rose (up \$32 million). These rises were partly offset by a fall in wood, down \$37 million.
2. **Australia** – down \$66 million (8.0 percent), led by crude oil (down \$60 million).
3. **United States** – up \$5.8 million (1.5 percent). Increases in a range of commodities (eg wine and food preparations) were largely offset by a fall in frozen beef, down \$17 million.
4. **European Union (EU)** – up \$49 million (14 percent), led by lamb and kiwifruit.
5. **Japan** – down \$34 million (13 percent), led by milk powder, butter, and cheese, down \$25 million (39 percent).

In October 2015, China was again the top goods export destination on an annual basis, as exports to China rose, and fell to Australia. China was the top destination annually between November 2013 and February 2015, with Australia the top destination from March to September 2015. Annual exports to Australia peaked in January 2012, and have been generally falling since, led by a reduction in crude oil exports.

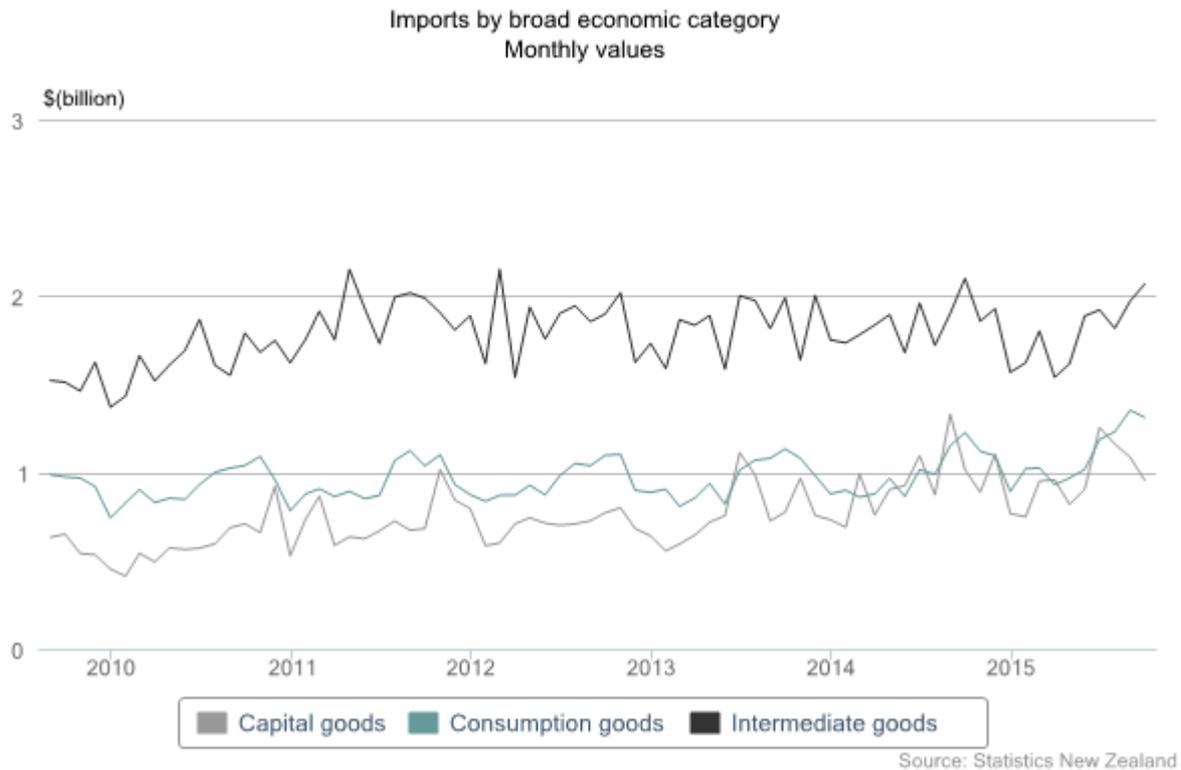


## **Imports fall 2.2 percent**

In October 2015, goods imports were valued at \$4.8 billion, down \$109 million (2.2 percent) from October 2014.

### **Petrol and avgas lead the fall in imports**

The main broad economic categories – capital goods and intermediate goods – decreased in value compared with October 2014, while consumption goods increased in value.



**Capital goods** fell \$61 million (6.0 percent), led by transport equipment (eg helicopters), down \$147 million (49 percent). Machinery and plant (including mobile phones) rose \$68 million (12 percent).

**Intermediate goods** fell \$32 million (1.5 percent), led by processed fuels and lubricants (eg automotive diesel).

**Consumption goods** rose \$85 million (6.9 percent), due to increases in a range of commodities. Non-durable consumer goods (eg toiletries) rose \$41 million, semi-durable consumer goods (eg footwear) rose \$18 million, and durable consumer goods (eg furniture) rose \$18 million.

In other categories of goods:

- **petrol and avgas** fell \$126 million (78 percent), to \$35 million
- **passenger motor cars** fell \$2.3 million (0.6 percent), to \$360 million.

### Three of our top five import partners have increases

The monthly movements for October 2015 for our top import partners (ranked by total annual goods imports) were:

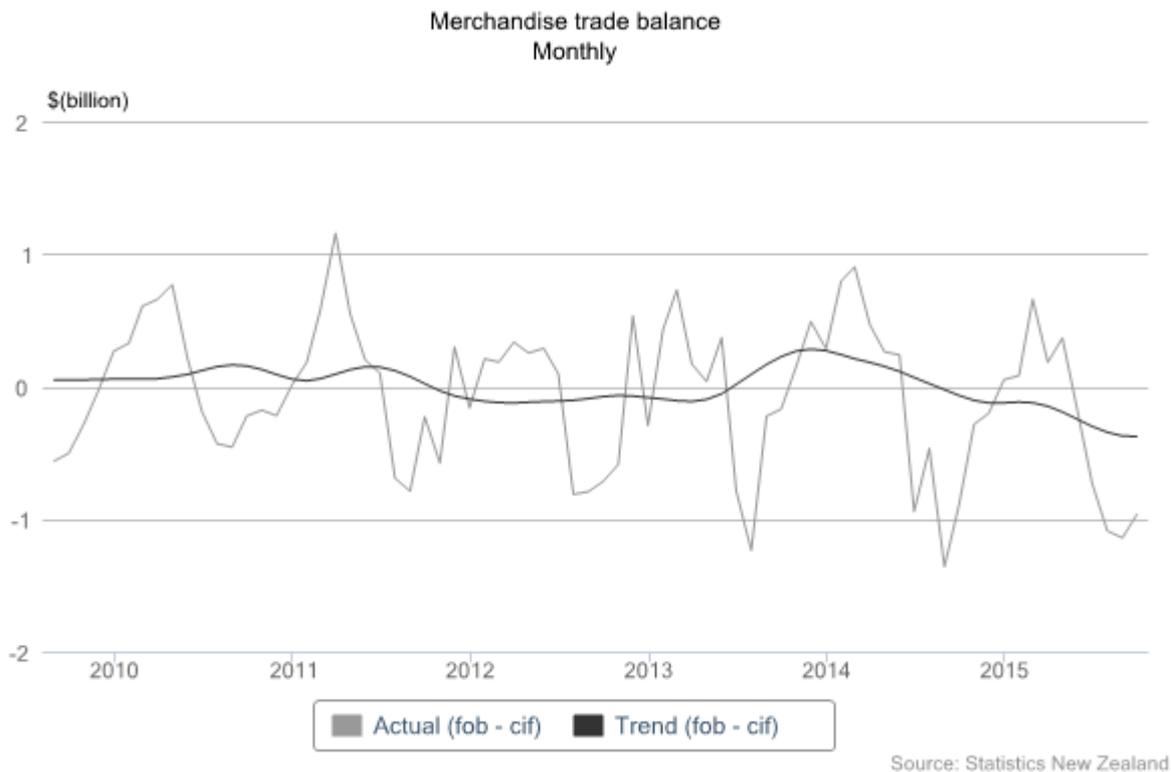
1. **China** – up \$114 million (12 percent), led by electrical machinery and equipment (up \$39 million).
2. **EU** – down \$77 million (9.0 percent). Decreases in aircraft imports (down \$90 million), and vehicles (down \$33 million) led the fall, but were partly offset by machinery (up \$19 million).

3. **Australia** – up \$30 million (5.2 percent), led by crude oil.
4. **United States** – showed little change, up \$1.4 million (0.3 percent). Increases in a range of commodities such as mechanical machinery were partly offset by a reduction in vehicle imports (down \$26 million).
5. **Japan** – down \$36 million (11 percent). There were no diesel imports, compared with \$36 million in October 2014.

The quantities and values of imported petroleum tend to fluctuate depending on where they come from. In October 2015, petroleum influenced other significant country movements. **Korea, Qatar, Russia, and Singapore** had decreases, while **Malaysia** increased.

## Goods trade deficit in October 2015

In October 2015, there was a goods trade deficit of \$963 million (25 percent of exports). For the year ended October 2015, there was an annual trade deficit of \$3.2 billion.



## Seasonally adjusted exports fall 0.6 percent

The seasonally adjusted value of exported goods in October 2015 fell 0.6 percent (\$26 million) from September 2015. This follows a 9.1 percent decrease in September 2015 from August 2015.

The trend for goods exports has been flat in 2015.

## Seasonally adjusted exports to the EU rise

Comparisons are between October 2015 and September 2015.

The seasonally adjusted movements in October 2015 for our main export destinations were:

- **China** – down 1.8 percent (\$13 million) to \$706 million. The trend has risen 19 percent since January 2015 but was 32 percent lower than the series peak in December 2013.
- **Australia** – up 1.1 percent (\$7.3 million) to \$684 million. The trend has appeared flat in recent months. The value is 24 percent lower than the series peak in July 2011.
- **EU** – up 5.1 percent (\$23 million) to \$467 million. The trend has risen 19 percent since December 2014, but is 8.0 percent lower than the series peak in December 2008.

## Changes in seasonally adjusted export values

**Logs, wood, and wood articles** exports fell 9.3 percent (\$28 million), following a 4.1 percent rise in September 2014. The fall in value was price driven, as the seasonally adjusted quantity rose 7.9 percent.

**Milk powder, butter, and cheese** exports fell 3.0 percent (\$27 million), following a 15 percent fall in September 2015. The seasonally adjusted quantity rose 1.9 percent.

**Fruit** exports rose 14 percent (\$26 million), following a 17 percent fall in September 2015. The seasonally adjusted quantity rose 28 percent.

**Meat and edible offal** exports fell 3.5 percent (\$23 million), following a 1.1 percent fall in September 2015. The seasonally adjusted quantity fell 1.5 percent.

**Wine** exports rose 3.0 percent (\$3.8 million), following a 3.2 percent fall in September 2015. The seasonally adjusted quantity rose 9.8 percent.

## Trend for logs, wood, and wood articles is falling

The trend for **logs, wood, and wood articles** has been falling for the last eight consecutive months. It is 3.1 percent lower for October than for February 2015.

**Milk powder, butter, and cheese** exports have fallen for nine of the past 12 months. The commodity rose from April 2015 to June, before falling for four consecutive months to October 2015.

Recent trends for the values of other leading commodity groups show that:

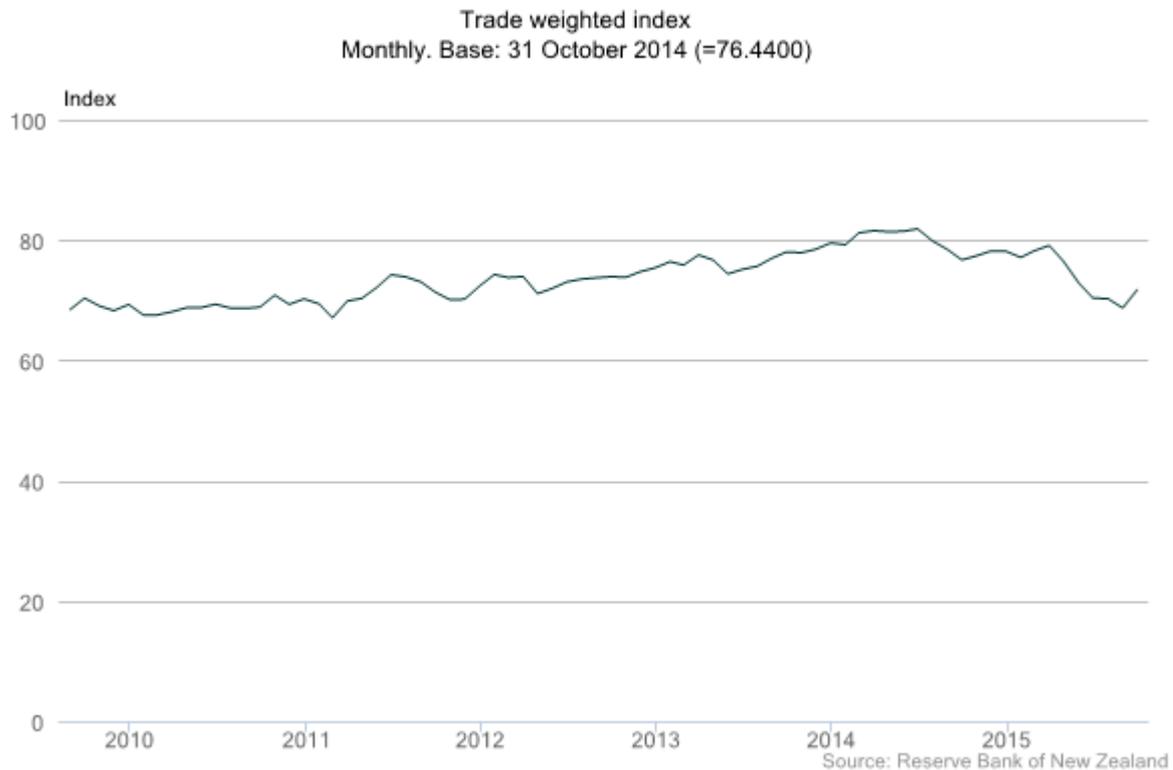
- **meat and edible offal** has been increasing for the last six months.
- **fruit** had been rising since August 2014, but appears to be flattening.

## Seasonally adjusted imports rise 0.2 percent

Seasonally adjusted goods imports rose 0.2 percent (\$7.9 million) from September 2015, to \$4.4 billion in October 2015. This rise follows a 7.0 percent fall in September 2015. Excluding petroleum and products, seasonally adjusted goods imports fell 2.1 percent in October 2015.

## Exchange rate movements

According to the Reserve Bank's trade weighted index (TWI), the New Zealand dollar was 4.4 percent higher in October 2015 than in September 2015, and 6.5 percent lower than in October 2014.



For more detailed data, see the Excel tables in the 'Downloads' box.

See [DataInfo+](#) for information on definitions, data quality, and revisions. These sections were previously included in this release.

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[Overseas Merchandise Trade: October 2015 – data collection methodology](#) details the methodology used for this release and revisions to provisional values published in our previous release.

[Overseas Merchandise Trade – data collection methodology](#) details the general methodology used to produce overseas merchandise trade statistics.

[Overseas Merchandise Trade – concepts](#) provides the definitions of terms used in this release.

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[Economic Survey of Manufacturing](#) provides an economic indicator of how the manufacturing sector is performing.

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## Tables

See [Overseas Merchandise Trade: October 2015 – tables](#) (Excel, 18 sheets, 428kB) for the following tables, which are also available from the ‘Downloads’ box on this page. If you have problems viewing the files, see [opening files and PDFs](#).

- 1.01 Overseas merchandise trade, actual values
- 1.02 Overseas merchandise trade, trade balance – actual values
- 2 Overseas merchandise trade, seasonally adjusted and trend values – monthly
- 3 Exports by destination
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- 13 Imports by selected HS categories, values – seasonally adjusted
- 14 Exports by top 10 HS categories, values – trend
- 15 Exports by top 10 HS categories, quantities – trend
- 16 Imports by selected HS categories, values – trend

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