

Overseas Merchandise Trade: October 2016

Embargoed until 10:45am – 25 November 2016

Key facts

For October 2016 compared with October 2015:

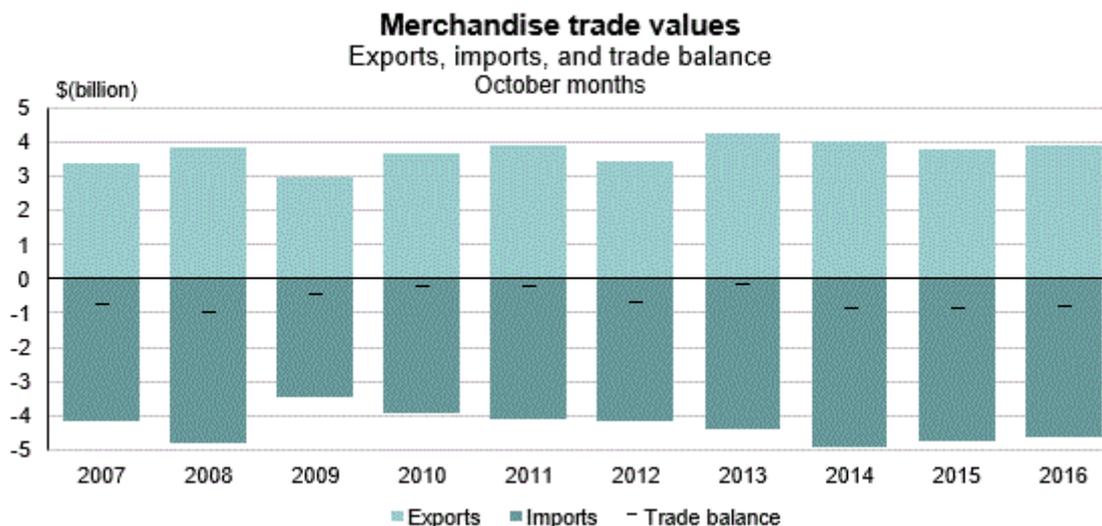
Goods exports rose \$85 million to \$3.9 billion.

- Milk powder, butter, and cheese led the rise, up \$122 million (13 percent).
- Logs, wood, and wood articles rose \$74 million (25 percent), led by untreated logs.
- Fruit rose \$42 million (40 percent), and the quantity rose 66 percent.
- Meat and edible offal fell \$71 million (18 percent), with falls in beef and lamb.
- Of our top export destinations, only China and Japan had rises in value.

Goods imports rose \$27 million to \$4.7 billion.

- Capital goods led the rise in imports, up \$261 million (27 percent).
- Intermediate goods fell \$217 million (11 percent).
- Consumption goods fell \$69 million (5.3 percent).
- Crude oil fell \$41 million (17 percent) in value and 19 percent in quantity.
- Of our top import partners, the EU, the US, and Japan had rises in value.

The monthly trade balance was a deficit of \$846 million (22 percent of exports).
The trade weighted index rose 7.1 percent from October 2015.



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Commentary

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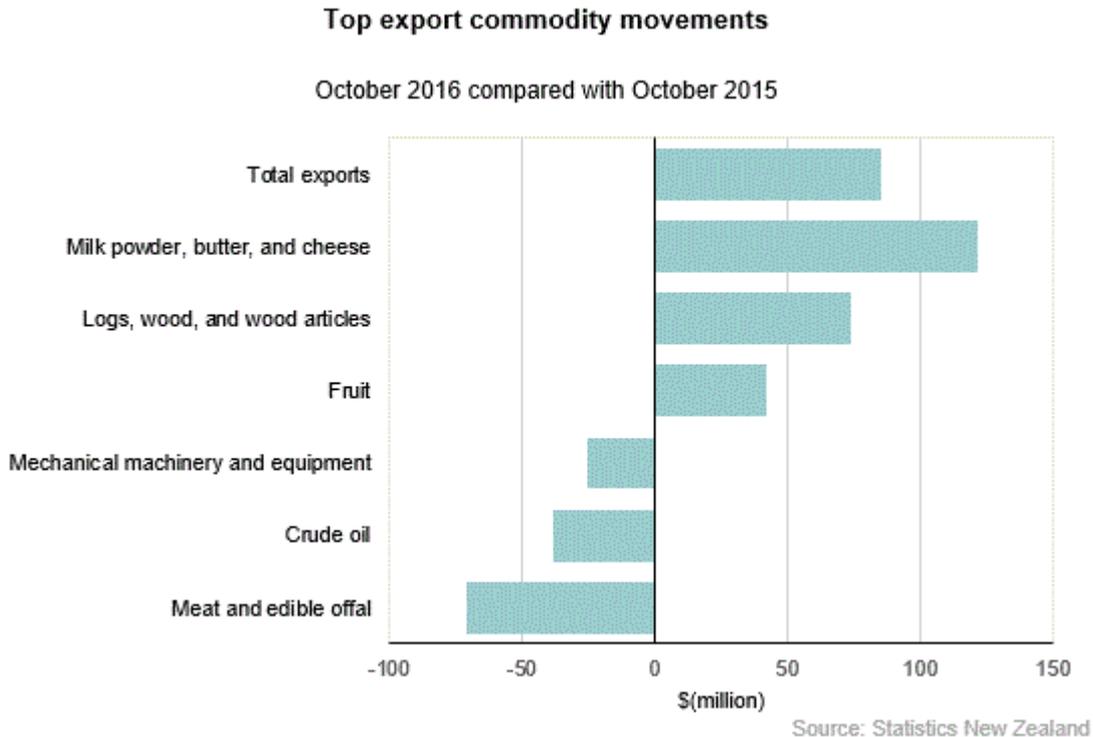
This commentary refers to trade in goods only.

[See Goods and Services Trade by Country: Year ended June 2016](#) for information on trade in goods and services.

All comparisons are between October 2016 and October 2015, unless otherwise stated.

Exports rise 2.2 percent

In October 2016, goods exports were valued at \$3.9 billion, up \$85 million (2.2 percent).



Milk powder, butter, and cheese leads rise in exports

Milk powder, butter, and cheese (our largest annual export commodity group) had the largest rise of any commodity group in October 2016. It was up \$122 million (13 percent).

- Butter (including milk fat) led the rise, up \$61 million (29 percent) in value, and 14 percent in quantity.
- Milk powder rose \$57 million (12 percent) in value, and 15 percent in quantity.
- Milk and cream rose \$10 million (31 percent) in value, and 32 percent in quantity.

Logs, wood, and wood articles (our third-largest annual export commodity group) rose \$74 million (25 percent) in October 2016. The rise was led by rough wood (logs in their natural felled state), up \$80 million (53 percent). Untreated logs rose \$57 million (to \$194 million); treated logs rose \$19 million (to \$28 million).

Fruit (our fourth-largest annual export commodity group) rose \$42 million (40 percent) to \$147 million in October 2016. The quantity was up 66 percent. Kiwifruit led the rise, up \$33 million (41 percent), with quantity up 73 percent. Green kiwifruit was up \$27 million and gold kiwifruit was up \$6.1 million.

Meat and edible offal (our second-largest export commodity group) fell \$71 million (18 percent) in October 2016.

- Beef led the fall (down \$40 million or 23 percent), with quantity also down 13 percent.
- Lamb fell \$30 million (17 percent), with quantity down 14 percent.

The largest falls in beef exports were to China, down \$24 million (53 percent), and Canada, down \$12 million (73 percent). The largest falls in lamb exports were to China, down \$9.3 million (32 percent), and the Netherlands, down \$8.0 million (44 percent).

Other key changes in export commodities were:

- **fish, crustaceans, and molluscs** rose \$23 million (21 percent); quantity up 11 percent
- **preparations of cereals, flours, and starch** rose \$22 million (25 percent); quantity up 32 percent
- **crude oil** fell \$38 million (62 percent); quantity down 61 percent.

Exports to China and Japan rise, while exports to other top destinations fall

Of our top export destinations, China and Japan had rises in value. The monthly movements for our top export destinations (ranked by total annual goods exports) were:

1. **China** – up \$54 million (7.9 percent), led by rises in logs, wood, and wood articles, up \$58 million (50 percent); and milk powder, butter, and cheese, up \$11 million (4.9 percent). These rises were partly offset by falls in meat and edible offal, down \$35 million (45 percent), and wool, down \$12 million (32 percent).
2. **Australia** – down \$49 million (6.5 percent), led by a fall in crude oil, down \$52 million (85 percent). This fall was partly offset by a rise in miscellaneous edible preparations, up \$14 million (36 percent).
3. **United States (US)** – down \$13 million (3.2 percent), led by a fall in milk powder, butter, and cheese, down \$20 million (34 percent) in value and 30 percent in quantity. This fall was partly offset by a rise in beverages, up \$16 million (38 percent).
4. **European Union (EU)** – down \$39 million (9.7 percent), led by a fall in meat and edible offal, down \$22 million (20 percent).
5. **Japan** – up \$28 million (12 percent), led by rises in a range of commodities including fruit, up \$9.8 million (65 percent).

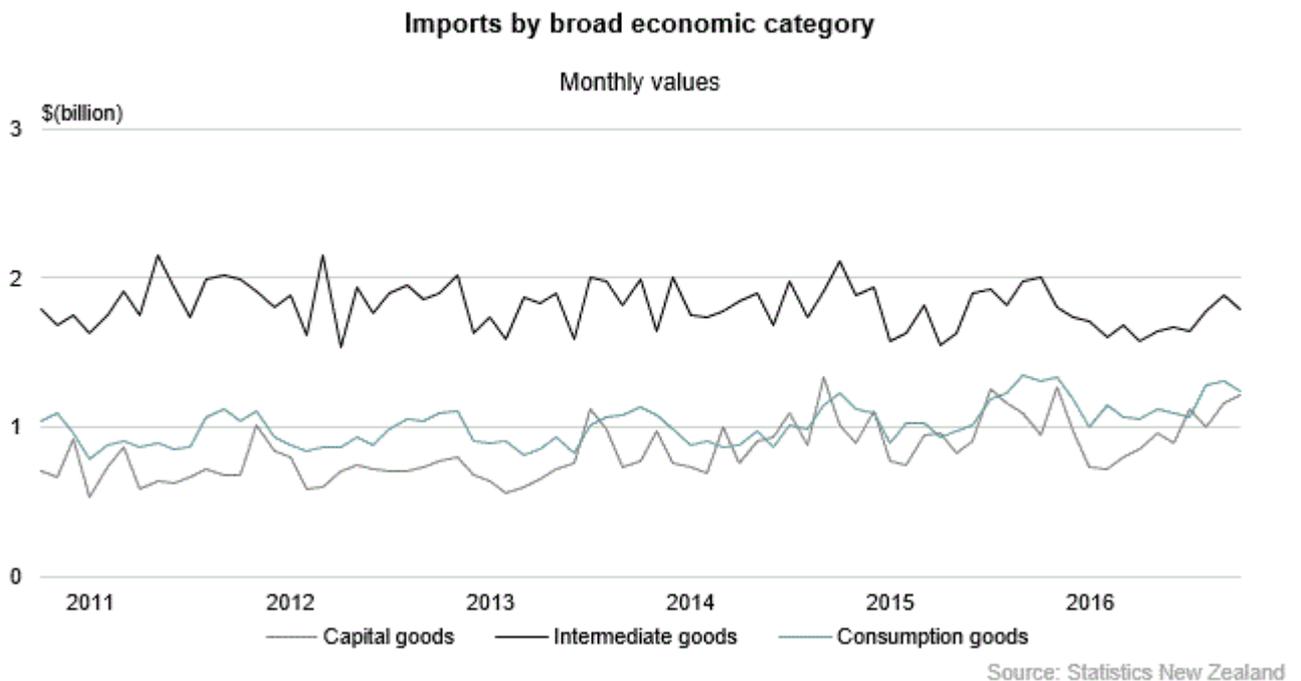
Imports rise 0.6 percent

In October 2016, imported goods were valued at \$4.7 billion, up \$27 million (0.6 percent).

Month-on-month comparisons can be significantly affected by high-value goods imports such as aircraft and parts. When we exclude aircraft goods imports from the above calculations, total imports decreased \$311 million (6.6 percent) to \$4.4 billion.

Capital goods lead rise in imports

Of the main broad economic categories, capital goods rose, while intermediate goods and consumption goods fell in value.



Capital goods rose \$261 million (27 percent).

- Transport equipment was up \$354 million, due to a rise in aircraft and parts, up \$338 million.
- Machinery and plant (such as computers and cellphones) was down \$93 million (12 percent).

Month-on-month comparisons can be significantly affected by high-value goods imports such as aircraft and parts. When we exclude aircraft goods imports from the above calculations, capital goods decreased \$77 million (8.1 percent).

Consumption goods fell \$69 million (5.3 percent).

- Semi-durable goods (such as toys) were down \$31 million (8.6 percent).
- Durable goods (such as pearls and precious stones) were down \$9.7 million (4.2 percent).
- Non-durable goods (such as tobacco) were down \$8.4 million (2.6 percent).

Intermediate goods fell \$217 million (11 percent).

- Processed industrial supplies (such as fertilisers) were down \$101 million (9.4 percent).
- Primary industrial supplies (such as mineral substances) were down \$2.1 million (3.8 percent).
- Crude oil was down \$41 million (17 percent).

In other categories of goods:

- passenger motor cars rose \$54 million (15 percent)
- petrol and avgas rose \$19 million (53 percent).

Rises in imports from three of our five top import partners

The monthly movements for October 2016 for our top import partners (ranked by total annual goods imports) were:

1. **China** – down \$107 million (10 percent), to reach \$944 million.
2. **EU** – up \$11 million (1.4 percent), led by a rise in aircraft and parts (up \$73 million).
3. **Australia** – down \$52 million (8.5 percent), led by falls in petroleum and products other than crude oil (down \$23 million) and sugars and sugar confectionery (down \$13 million).
4. **USA** – up \$216 million (45 percent), led by a rise in aircraft and parts (up \$263 million).
5. **Japan** – up \$47 million (16 percent), led by a rise in vehicles, parts, and accessories (up \$37 million).

United Kingdom's component of trade with European Union

Exports to the UK made up 30 percent of New Zealand's total exports to the EU in October 2016.

If the UK and the rest of the EU are regarded separately, the respective movements in exports for October 2016 were:

- **UK** – down \$24 million (18 percent), led by a fall in lamb (down \$6.2 million).
- **EU** (excluding the UK) – down \$31 million (12 percent), led by a fall in lamb (down \$13 million).

Imports from the UK made up 18 percent of New Zealand's total imports from the EU in October 2016.

The respective movements in imports for October 2016 were:

- **UK** – down \$5.4 million (4.3 percent).
- **EU** (excluding the UK) – down \$2.4 million (0.4 percent), due to falls in a range of commodities including mechanical machinery and equipment (down \$23 million). These falls were partly offset by a rise in aircraft and parts (up \$74 million).

Goods trade deficit in October 2016

In October 2016 there was a goods trade deficit of \$846 million (22 percent of exports). In the five October months before 2016, the average monthly deficit was 15 percent of exports.

Monthly trade deficits can be significantly affected by high-value goods imports such as aircraft. Excluding one-off imports, the monthly trade deficit was \$592 million.

For the year ended October 2016 there was an annual trade deficit of \$3.3 billion.

Seasonally adjusted exports rise 9.3 percent

The seasonally adjusted value of exported goods in October 2016 rose 9.3 percent (\$362 million) from September 2016. This follows a 0.7 percent rise in September 2016 compared with August 2016.

The trend for goods exports has been falling since April 2016, down 1.9 percent.

Contrasting movements in seasonally adjusted export values

The seasonally adjusted movements in October 2016, compared with September 2016, for our main export destinations were:

- **China** – down \$33 million (4.1 percent) to \$771 million. The trend is 30 percent lower than the series peak in December 2013.
- **Australia** – up \$5.0 million (0.8 percent) to \$648 million. The trend is 26 percent lower than the series peak in July 2011.
- **EU** – up \$3.1 million (0.8 percent) to \$417 million. The trend is 20 percent lower than the series peak in December 2008.

Changes in seasonally adjusted export values

Fruit rose 7.5 percent (\$20 million) in October 2016, following a 28 percent increase in September 2016. The seasonally adjusted quantity rose 23 percent.

Meat and edible offal rose 13 percent (\$56 million), following an 11 percent fall in September 2016. The seasonally adjusted quantity rose 11 percent.

Logs, wood, and wood articles fell 0.5 percent (\$2 million), following a 6.4 percent fall in September 2016. The seasonally adjusted quantity rose 4.0 percent.

Milk powder, butter, and cheese rose 9.3 percent (\$83 million), following a 5.9 percent rise in September 2016. The seasonally adjusted quantity rose 1.1 percent.

Trend for meat and edible offal continues to fall

The trend for **meat and edible offal** has been falling since September 2015. The trend is 28 percent lower than the most-recent high in September 2015.

The trend for **milk powder, butter, and cheese** has been rising since May 2016 after falling for almost a year.

Recent trends for values of other leading commodities:

- **Logs, wood, and wood articles** – has been rising for 16 months, since July 2015.
- **Fruit** – has been rising for 10 months, since January 2016.

Seasonally adjusted imports rise 2.1 percent

Seasonally adjusted goods imports in October 2016 rose 2.1 percent (\$93 million) from September 2016. This follows a 5.4 percent rise in September 2016 (compared with August 2016).

Exchange rate movements

The Reserve Bank's trade weighted index showed that the New Zealand dollar was 2.1 percent lower in October 2016 than in September 2016, and 7.1 percent higher than in October 2015.

HS2017 changes

Data for January 2017 onwards will be released using the Harmonised System Classification 2017 (HS2017). We expect the change to aggregates to be small, but more detail will be available.

See [Harmonised Classification 2017](#) for some preliminary analysis.

Data tables and more information

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. (Note: Due to the 14 November earthquake, DataInfo+ may still be unavailable. See [Services currently unavailable](#).)

Related links

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Next release

Overseas Merchandise Trade: November 2016 will be released on 22 December 2016.

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Past releases

[Overseas Merchandise Trade](#) has links to past releases.

[Goods and Services Trade by Country](#) has annual goods and services trade in a single information release. This provides a comprehensive picture of economic trade between New Zealand and our main trading partners, by combining information on commodities and services.

Data quality

Note: Due to the 14 November earthquake, DataInfo+ may still be unavailable.

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Period-specific information

[Overseas Merchandise Trade: October 2016 – DataInfo+](#)

Methodology used for this release and revisions to provisional values published in our previous release.

General information

[Overseas Merchandise Trade – DataInfo+](#)

General methodology used to produce overseas merchandise trade statistics.

[Overseas Merchandise Trade concepts – DataInfo+](#)

Definitions of terms used in this release.

[Principles and protocols for producers of Tier 1 statistics](#)

Statistics in this release have been produced in accordance with the Official Statistics System principles and protocols for producers of Tier 1 statistics for quality. They conform to the Statistics NZ methodological Standard for Reporting of Data Quality.

Related information

Global New Zealand

Comprehensive annual trade statistics.

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Information on changes in the level of prices and volumes of New Zealand's imports and exports.

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Information on the value of New Zealand's transactions with the rest of the world and our international financial assets and liabilities.

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Tables

See [Overseas Merchandise Trade: October 2016 – tables](#) (Excel, 18 sheets, 346kB) for the following tables, which are 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
- 4 Imports by country of origin
- 5 Exports of main commodities
- 6 Imports of main commodities
- 7 Imports by broad economic category (BEC) group
- 8 Exchange rates
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- 11 Exports by top 10 HS categories, values – seasonally adjusted
- 12 Exports by top 10 HS categories, quantities – seasonally adjusted
- 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

Access more data on Infoshare

Infoshare allows you to organise data in the way that best meets your needs. You can view the resulting tables onscreen or download them.

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