

## Current account deficit \$2 billion

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New Zealand had a seasonally adjusted current account deficit of \$2.0 billion in the June 2011 quarter, Statistics New Zealand said today. This was \$0.5 billion larger than the March 2011 quarter deficit.

The larger deficit came mainly from foreign investors' earnings from their investments in New Zealand – earnings rose \$0.7 billion as foreign-owned insurance companies began to recover from losses in the previous quarter. This contributed to the income deficit increasing to \$2.5 billion in the June 2011 quarter.

New Zealand's surplus on international trade fell slightly, to \$0.7 billion this quarter. A larger goods surplus was offset by a lower balance on services, as spending by overseas visitors to New Zealand fell \$0.1 billion. Visitor numbers were down after the 22 February 2011 Christchurch earthquake and flight disruptions due to the Chilean ash cloud.

Increases to dairy and meat export prices helped raise exports of goods \$0.4 billion in the June 2011 quarter. Meanwhile, imports of goods rose \$0.2 billion, mainly due to petroleum and petroleum products.

For the June 2011 year, the current account deficit was \$7.5 billion (3.7 percent of GDP), compared with a revised \$7.2 billion (3.6 percent of GDP) for the year ended March 2011.

Statistics NZ has introduced improvements to the measurement of New Zealand's international assets this quarter.

"Coverage improvements have added over \$10 billion to the official measure of New Zealand's overseas assets," balance of payments manager John Morris said. "This means that New Zealand's net international liabilities are now lower than we had previously showed."

At 30 June 2011, New Zealand's international liabilities exceeded its assets by \$140.2 billion (70.0 percent of GDP). This compares with revised net international liabilities of \$136.0 billion (68.7 percent of GDP) at 31 March 2011. The previously published 31 March 2011 liability position was \$148.2 billion (75.1 percent of GDP).

New Zealand's international assets at 30 June 2011 included \$12.0 billion of outstanding reinsurance claims from non-residents for the Canterbury earthquakes. This estimate includes \$0.7 billion of claims for the 13 June 2011 earthquake, minus \$0.5 billion of claims from previous earthquakes, which were settled in the June 2011 quarter.

For more information, please see the [Balance of Payments and International Investment Position: June 2011 quarter](#) information release. For related data, please visit [Infoshare](#).

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