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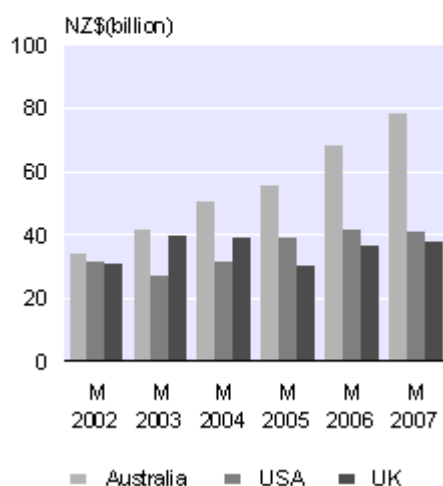
Balance of Payments and International Investment Position: Year ended 31 March 2007

Highlights

- At 31 March 2007, Australia was the source of \$79.0 billion of foreign investment in New Zealand and the destination of \$30.1 billion of New Zealand's investment abroad.
- The finance and insurance industries continue to dominate holdings of New Zealand's international assets and liabilities.
- The level of foreign investment in New Zealand was \$254.1 billion at 31 March 2007, an increase of \$19.4 billion from 31 March 2006.
- The level of New Zealand investment abroad was \$111.0 billion at 31 March 2007, an increase of \$6.4 billion from 31 March 2006.

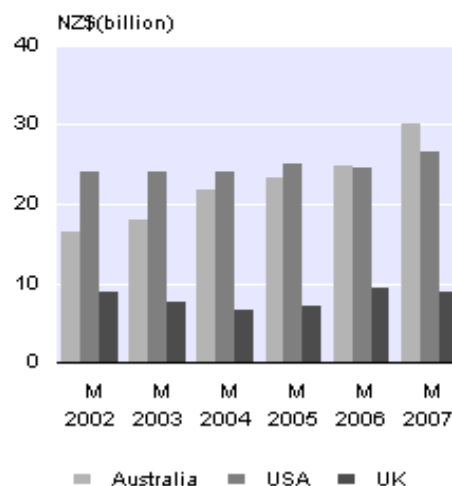
Stock of Total Foreign Investment in New Zealand

Three main countries
Year ended March



Stock of Total New Zealand Investment Abroad

Three main countries
Year ended March



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There is a companion Media Release published – [Balance of Payments and International Investment Position: Year ended 31 March 2007.](#)

Commentary

Overview

Introduction

This release brings together previously released quarterly statistics into year ended March totals. Also included are some additional tables, which have not previously been published.

Included in this release:

- additional information on financial account flows and international investment position (IIP) stocks, disaggregated by country (tables 3 to 10)
- New Zealand's total international assets and liabilities disaggregated by industry (table 11)
- New Zealand's imports and exports of services by type (tables 12 and 13)
- hedging of New Zealand's foreign currency denominated overseas debt (tables 14 to 16)
- the ratio of the current account deficit to Gross Domestic Product (GDP) (table 17).

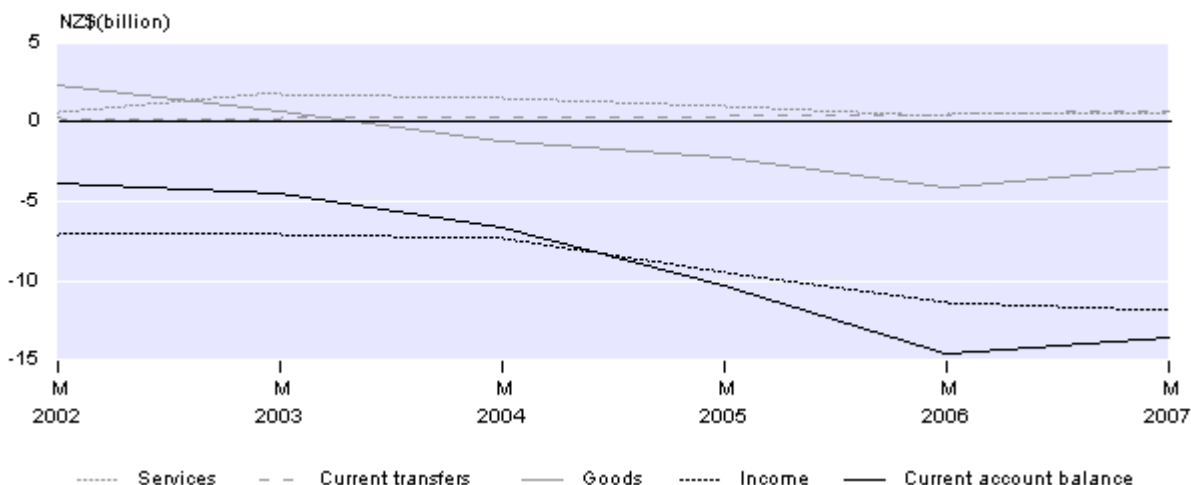
Review: the year ended March 2007

The current account deficit for the year ended March 2007 was \$13.5 billion (8.3 percent of GDP), compared with a year ended March 2006 deficit of \$14.5 billion (9.3 percent of GDP). The \$1.0 billion narrowing of the deficit was mainly due to increased exports of goods. Exports of goods increased \$4.1 billion in the March 2007 year, with increased prices and volumes of dairy products the main contributors to the rise. Imports of goods increased \$2.8 billion over the same period, with the biggest contributor being petroleum and petroleum products.

The smaller goods deficit was partly offset by a wider investment income deficit. Income earned by foreign investors from their New Zealand investments was \$14.5 billion in the year to March 2007, an increase of \$1.6 billion from the March 2006 year. The increase in income earned by foreign investors is attributable to increased interest received by foreign lenders, reflecting a higher level of overseas debt at March 2007 compared with March 2006.

Income earned by New Zealand investors from their investments abroad was \$2.6 billion in the year to March 2007, \$1.0 billion higher than in the March 2006 year. This increase was driven by higher profits earned from the overseas subsidiaries of New Zealand corporates, higher dividends and interest earned by New Zealand fund managers from overseas investments, and more interest earned from a rising level of overseas reserve assets.

Current Account Annual Component Balances
Year ended March



Over the March 2007 year, the current account deficit was financed by a net capital inflow of \$12.9 billion. This was made up of a \$23.8 billion inflow of foreign investment into New Zealand (increasing liabilities), which was partly offset by a \$10.9 billion outflow of New Zealand investment abroad (increasing overseas assets).

The \$23.8 billion inflow of foreign investment in the year to March 2007 was more than twice the \$10.6 billion inflow in the March 2006 year. Direct investment of \$12.5 billion accounted for 52.3 percent of the total inflow of foreign investment to New Zealand, reflecting the merger and acquisition activity that occurred during the year. The \$10.9 billion outflow of New Zealand investment abroad in the year to March 2007 (increasing overseas assets) contrasts sharply with the March 2006 year transactions, which divested \$4.1 billion of New Zealand assets from abroad (reducing assets).

In the year to March 2007, the New Zealand Treasury and the Reserve Bank of New Zealand invested \$6.7 billion of reserve assets abroad, accounting for 61 percent of the \$10.9 billion total outflows of New Zealand investment abroad. In addition, there was \$3.8 billion of portfolio investment abroad over the year, which was mainly due to New Zealand fund managers investing abroad. The \$1.9 billion of direct investment abroad in overseas companies in the year to March 2007 compares with disinvestment of \$4.1 billion in the year to March 2006.

At 31 March 2007, New Zealand had a net debtor position with the rest of the world (an excess of liabilities over assets) of \$143.1 billion, an increase of \$12.9 billion from 31 March 2006. The level of foreign investment in New Zealand was \$254.1 billion, up \$19.4 billion from the level at 31 March 2006. The level of New Zealand investment abroad was \$111.0 billion, up \$6.4 billion from 31 March 2006.

The increase in New Zealand's net debtor position from the March 2006 year was made up of a \$9.6 billion increase in net international debt and a \$3.2 billion increase in net equity liabilities. The banking sector's share of New Zealand's net overseas liabilities continues to grow, while the corporate sector share has remained stable at around 30 percent. The increases in liabilities held by these sectors contrasts with the official sector (Reserve Bank of New Zealand (RBNZ) and general government), which had net overseas lending (assets) of \$8.0 billion at 31 March 2007. This reflects growth in reserve assets and lower foreign holdings of government bonds.

Review: the years since March 2002

The current account deficit of \$13.5 billion (8.3 percent of GDP) in the March 2007 year is smaller than the \$14.5 billion (9.3 percent of GDP) March 2006 deficit, but is still significantly larger than the deficits recorded in 2002 and 2003, which were around 3–4 percent of GDP. The growth in the deficit was due to the goods balance moving from a surplus to a deficit, the services surplus falling significantly, and the deficit on investment income increasing steeply after 2004.

The goods balance shifted from a surplus of \$2.3 billion in the year to March 2002 to a deficit of \$4.1 billion in the March 2006 year, and a deficit of \$2.8 billion in the March 2007 year. The main reason for this reversal was the strong growth in imports of goods from 2005, while exports remained relatively stable. Imports grew from a level of around \$30 billion per year over the 2002–2004 March years, to \$35.7 billion in 2006 and \$38.5 billion in 2007. Meanwhile, annual exports ranged around \$29 billion to \$32 billion from the 2002–2006 March years, before a large increase to \$35.6 billion in 2007.

The services surplus balance has ranged around \$400 million to \$500 million over the 2006 and 2007 years, compared with surpluses ranging around \$1.0 billion to \$1.8 billion over the years from 2003 to 2005. The smaller services surpluses reflected an increase in imports, driven by higher expenditure by New Zealanders travelling abroad. Spending by foreign tourists in New Zealand has been relatively stable over this period.

The deficit on investment income has grown from \$7.3 billion in the March 2004 year to \$11.9 billion in the March 2007 year, a shift of \$4.5 billion dollars. The income deficit is now 7.3 percent of GDP, compared with 5.2 percent in 2004. Most of the growth in the income deficit has come from rising interest payments on a higher level of net overseas debt. Net overseas debt has been steadily accumulating, as successive current account deficits have mainly been financed by borrowing from abroad.

Trade in services

New Zealand's trade in services with the rest of the world is a major component of the current account. Services are collected by type, with the main services types being transportation services and travel services. Exports of services occur when a New Zealand resident provides a service to a non-resident. Imports of services occur when New Zealand residents receive services from non-residents.

The balance on services was a surplus of \$501 million for the year ended March 2007. This compares with a surplus of \$447 million for the year ended March 2006. The increase in the services balance surplus is the result of exports of services increasing by more than imports of services over this period.

The \$359 million increase in the value of exports of services between 2006 and 2007 is mainly due to a rise in transportation services, which includes New Zealand resident airlines sales of international airfares to non-residents, and expenses incurred by non-resident carriers while in New Zealand. Also contributing to the rise in exports of services between the March 2006 and March 2007 years were travel services and miscellaneous business services. Exports of travel services measure spending by overseas visitors to New Zealand.

Total imports of services increased by \$305 million, from \$11,759 million in the year ended March 2006 to \$12,064 million in the year ended March 2007. Imports of miscellaneous business services, transportation services, and travel services were the main services categories contributing to the increase. A rise in the value of imports of architectural, engineering, and technical services was behind the increase in imports of miscellaneous business services.

Investment by country

When interpreting country statistics, please note that the country of investment is the country where the immediate counterparty resides, rather than the ultimate source or destination of the investment. This is further discussed in the technical notes section of this release.

Australia continues to be New Zealand's predominant investment partner, both as a destination for New Zealand investment abroad, and as a source for foreign investment into New Zealand. As a result, the economic groupings APEC and OECD, of which Australia is a member, continue to be New Zealand's primary investment partners.

At 31 March 2007, the stock of New Zealand investment abroad was \$111.0 billion and the stock of foreign investment in New Zealand was \$254.1 billion. Australia accounted for \$30 billion (27.1 percent) of New Zealand's total investment abroad, and \$79 billion (31.1 percent) of total foreign investment in New Zealand. Australia's significance as an investment partner has increased over recent years. At 31 March 2002, Australia was the destination for 19.8 percent of New Zealand's total level of investment abroad, and was the source of 19.3 percent of the total level of foreign investment in New Zealand.

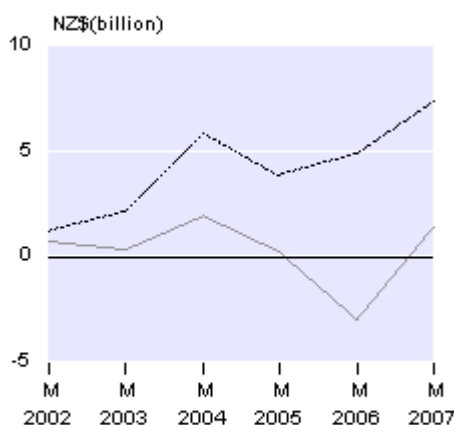
New Zealand's other main investment partners continue to be the USA and the UK. At 31 March 2007, these two countries, together with Australia, were the destination for 59.1 percent of the level of New Zealand investment abroad, and the source of 62.5 percent of the level of foreign investment in New Zealand.

Australian investment into New Zealand is predominantly in the form of direct investment. At 31 March 2007, 59.9 percent of Australian investment in New Zealand was in the form of direct investment through the ownership of New Zealand businesses. In contrast, investment in New Zealand from the UK is primarily in the form of portfolio (41.9 percent) and other investment (43.7 percent). A feature of this is the use of UK financial markets as a funding source for the New Zealand banking sector.

During the year ended March 2007, inflows of foreign investment into New Zealand were \$23.8 billion. Of this, the largest contribution of \$9.7 billion (41.0 percent of the total) was sourced from Australia. The main form of this Australian investment into New Zealand was direct investment of \$7.3 billion, reflecting Australian direct investors' involvement in a significant level of merger and acquisition activity over the year. In contrast, most investment inflows into New Zealand from the UK were in the form of other investment (such as loans from non-related parties).

Foreign Direct Investment Flows

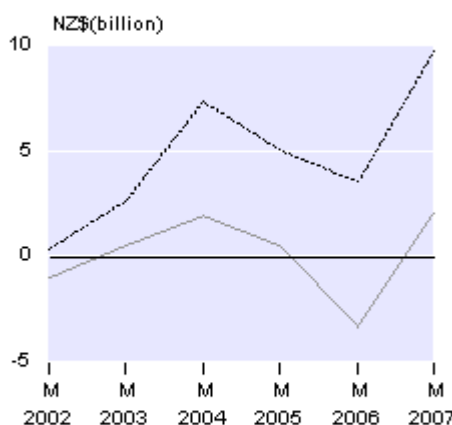
With Australia
Year ended March



----- Foreign direct investment in New Zealand
 _____ New Zealand's direct investment abroad

Foreign Direct Investment Flows

With APEC countries
Year ended March



----- Foreign direct investment in New Zealand
 _____ New Zealand's direct investment abroad

At 31 March 2007, the main destinations of New Zealand investment abroad continue to be Australia, the USA, and the UK. Australia is the most significant destination, at 27.1 percent of New Zealand's total level of investment abroad, with the USA the next most important destination at 23.9 percent, and the UK third at 8.1 percent. Of the New Zealand investment in Australia, 36.3 percent is direct investment by the New Zealand corporate sector in the ownership of Australian businesses. Portfolio investment is the most significant form of New Zealand investment in the USA and the UK. Investment abroad by New Zealand fund managers and the official sector were significant contributors to these investment levels.

Investment by industry

Table 11 presents the stock of New Zealand's total international assets and liabilities by industry. The statistics are presented on a balance sheet basis, as opposed to an international investment position basis – refer to the technical notes of this release for further information. The industry classification used is the Australian and New Zealand Standard Industry Classification (ANZSIC) 1996. Surveyed enterprises are assigned to the industry that best represents the overall activity of their group. This activity can change from year to year. For further discussion refer to the technical notes.

Three industries hold the bulk of New Zealand's international assets and liabilities; the manufacturing, finance and insurance, and government and defence industries. At 31 March 2007, these three industries combined held 88.7 percent of New Zealand's assets abroad (86.7 percent at March 2006), and carried 74.1 percent of New Zealand's international liabilities (67.1 percent at March 2006).

As in past years, the finance and insurance industry held the largest single proportion of New Zealand's international assets and liabilities. At 31 March 2007, the finance and insurance industry held \$81.1 billion (67.9 percent) of New Zealand's overseas assets and \$151.1 billion (57.6 percent) of New Zealand's overseas liabilities (compared with 65.2 percent of assets and 56.8 percent of liabilities at 31 March 2006). The growth in assets mainly reflects investing abroad by fund managers, and increased holdings of reserve assets by the Reserve Bank of New Zealand. The growth in liabilities mainly reflects banks funding from abroad, in their role as financial intermediaries.

At March 2007, foreign investment in the New Zealand manufacturing industry was \$26.7 billion (10.2 percent of total level of foreign investment in New Zealand), up from \$23.4 billion (9.6 percent) at 31 March 2006. The level of assets held abroad by the New Zealand manufacturing industry was lower at March 2007, compared with March 2006 and March 2005. The March 2007 level of \$13.8 billion (11.6 percent of total investment abroad) compares with \$14.3 billion (12.4 percent) at March 2006, and \$16.5 billion (15.6 percent) at March 2005.

The government, administration and defence industry's share of New Zealand's overseas assets has been rising over the past three years, while their share of international liabilities has been falling. The industry's share of New Zealand's overseas assets was 9.2 percent at March 2007, compared with 7.3 percent at March 2005. The industry's share of total overseas liabilities at March 2007 was 5.6 percent, compared with 7.1 percent at March 2005. Rising levels of New Zealand Treasury overseas reserves are a feature of the industry's rising level of assets abroad, while lower levels of New Zealand government-issued debt securities held by foreign investors is driving the fall in the level of the industry's overseas liabilities.

Hedging

At 31 March 2007, 92.3 percent of New Zealand's total foreign currency denominated external debt was hedged, compared with 92.8 percent at 31 March 2006.

New Zealand's total foreign currency denominated external debt was \$85.5 billion at March 2007, of which \$78.9 billion was hedged and \$6.6 billion was unhedged.

Of the \$78.9 billion hedged debt, hedging by financial derivative contracts accounted for 90.8 percent (\$71.6 billion), while natural hedges against foreign currency balance sheet assets and expected foreign currency receipts accounted for 9.2 percent (\$7.3 billion).

At 31 March 2007, the banking sector hedged 99.3 percent of its total foreign currency denominated external debt. The 'other' sector (comprising non-bank corporates and the official sector) hedged 72.8 percent of its total foreign currency denominated external debt.

Of New Zealand's \$85.5 billion foreign currency external debt at 31 March 2007, US dollar denominated external debt was \$46.7 billion (54.7 percent) and Australian dollar denominated external debt was \$13.8 billion (16.2 percent).

External debt in both these currencies was extensively hedged at 31 March 2007. Of the 93.9 percent (\$43.9 billion) of the US dollar debt that was hedged, 92.3 percent was hedged using financial derivative contracts, and 7.7 percent was hedged using natural hedges (balance sheet assets or expected foreign currency receipts). Of the 80.4 percent (\$11.1 billion) Australian dollar debt that was hedged, 80.5 percent was hedged by derivative contracts, and 19.5 percent was hedged by natural hedge.

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Technical notes

Introduction

The conceptual framework used in New Zealand's Balance of Payments (BoP) and International Investment Position (IIP) statistics is based on the fifth edition of the International Monetary Fund's Balance of Payments Manual (BPM5). Descriptions of the underlying concepts, data sources and methods used in compiling the estimates are presented in the *Balance of Payments Sources and Methods* report, available on the Statistics New Zealand website. A printed copy can be obtained from Statistics NZ by phoning (64) 04 931 4600, faxing (64) 04 932 2026, emailing: publications@stats.govt.nz, or online at www.stats.govt.nz/analytical-reports/bop-sources-and-methods-2004-ref-report.htm.

Balance of Payments

New Zealand's BoP statement is a record of the value of New Zealand's transactions in goods, services, income and transfers with the rest of the world, and the changes in New Zealand's financial claims on (assets) and liabilities to the rest of the world. New Zealand's BoP statement comprises the current and capital accounts (which record the value of New Zealand's transactions in goods, services, income and transfers with non-residents) and the financial account (which records financial transactions involving New Zealand's transactions with non-residents).

Current account

The credit side of this account shows the export of goods and services, investment income earned and, under current transfers, the offsetting entries to resources received by residents without payment required.

The debit side shows the import of goods and services, investment income paid and, under current transfers, the offsetting entries to resources supplied to foreign residents without payment required.

To aid analysis, flows of goods, services, income and current transfers are categorised into major types of transactions. In addition, certain balances are calculated. A 'balance' is the credits less debits for a particular item or group of items. A negative number represents a deficit, while a positive number represents a surplus.

Balances are usually in surplus or deficit – zero balances are unusual. The balances are:

- Balance on goods. This is goods exports (credits) less goods imports (debits).
- Balance on services. This is services exports (credits) less services imports (debits).
- Balance on income. This is income receipts (credits) less income payments (debits).
- Balance on current transfers. This is current transfer inflows (credits) less current transfer outflows (debits).
- Balance on goods and services. This is goods and services exports (credits) less goods and services imports (debits).
- Balance on income and current transfers. This is income and current transfer inflows (credits) less income and current transfer outflows (debits).
- Balance on current account. This is the sum of the balance on goods and services and the balance on income and current transfers.

Capital account

This account comprises two components: capital transfers and the acquisition or disposal of non-produced, non-financial assets. Capital transfers involve the transfer of ownership of fixed assets or the transfer of funds linked to them, without any counterpart transaction. Migrants' transfers are an example of a capital transfer. The capital account is presented in the tables as the net balance amount. This is due to the amounts of the breakdowns being small.

Financial account

This account records financial transactions involving New Zealand claims on (assets) and liabilities to non-residents. The financial account is classified into assets and liabilities, which are broken down by type of investment (direct, portfolio, other investment and reserve assets) and instrument of investment.

Financial account inflows reflect either increases in New Zealand liabilities or decreases in international financial assets. Correspondingly, outflows reflect either increases in New Zealand's international financial assets, or decreases in its international financial liabilities.

Note that the income generated/paid from holding asset/liability is recorded in the BoP current account component as international investment income.

Net errors and omissions (residual)

BoP statements are compiled using the double-entry bookkeeping system to ensure that the accounts balance in the accounting sense. For example, exports of goods are recorded as credits while payments in exchange for the goods are recorded as debits, denoting either increases in financial assets or decreases in financial liabilities. When goods are supplied as aid to foreign countries with no payment in return, then the goods are included as exports (credits) and an offsetting entry for the value of the goods is made under current transfers (debits).

In practice, the BoP statement does not always balance. In compiling the BoP statement a variety of data sources are used; therefore, some transactions may not be captured and there is a possibility of reporting or compilation errors. To balance the accounts, a balancing item called the 'net errors and omissions' or 'residual' is used. The residual is always entered on the credit side of the account.

The residual can be calculated by one of two means: (1) the sum of all current, capital and financial account credits (inflows), less the sum of all the debits (outflows); or (2) the current account balance, plus the net flow of the capital and financial accounts. A positive entry means that the sum of the debits is greater than the sum of the credits.

Persistent large residuals in one direction (negative or positive) may be taken as an indication of serious and systemic errors. However, a small figure does not necessarily mean that only small errors and omissions have occurred, since large positive and negative errors may be offsetting. Offsetting errors may either be related or unrelated, resulting from a measurement problem affecting both sides or only one side of a transaction. Timing differences in data reported by the different sources used to estimate the credit and debit sides of a transaction may result in positive and negative errors and omissions offsetting each other in successive periods.

The following areas of known financial account undercoverage may contribute to the residual:

- The primary data sources for the financial account and IIP are sample surveys. While a new estimate is made for the non-sampled IIP stock positions each year, no estimate is made for financial account transactions, nor for the associated current account investment income flows.
- Transactions related to managed funds that are not surveyed each quarter. Note that neither the financial account transactions nor current account income are estimated for this item.
- Equity shareholding in overseas companies directly held by New Zealand individuals was estimated at \$4.5 billion at 31 December 2005. Neither financial account transactions nor current account income are estimated for this item.

It is also possible that in any quarter there may be financial account transactions that, for a number of reasons, are not included in the accounts. Reasons for such undercoverage may include: transactions undertaken by entities that are not in the BoP survey frame; transactions not reported by existing survey respondents; and errors in data reporting and compilation.

The data quality is safeguarded by undertaking regular assurance checks including:

- comparing Reserve Bank of New Zealand (RBNZ) and IIP banking sector data
- monitoring investment activity approved by the Overseas Investment Office
- reconciling changes in stock position of inwards and outwards investment against financial account transactions, reported changes due to exchange rate movements, changes in the valuation of assets and liabilities, and other changes such as reclassification between components
- monitoring media reports of business activities relevant to the BoP and IIP
- annually reviewing the survey populations, with additions made at any time during the year where warranted
- editing and validating data received from survey respondents. This process often involves consulting survey respondents, particularly in respect of large and complex transactions.

Balance of Payments quality plan

Work is continuing on issues identified in the 2004 BoP Quality Plan document. The plan was developed in response to potential weaknesses in BoP data sources, methods and processes. A number of BoP data quality improvement projects were undertaken and late last year the outcomes from these projects were incorporated into the quarterly BoP and IIP statistics.

The current BoP data quality projects underway include:

- coverage and collection of BoP data as a result of offshoring activities of New Zealand companies
- update to the methodology for the individual holdings of assets abroad
- a census of the Annual International Investment Survey (AIIS).

Offshoring activity

Statistics NZ has started a project to investigate the coverage and collection of BoP data on the offshoring activities of New Zealand companies. This is a three-stage project. The initial stage is almost complete. It involves producing an information paper on the knowledge gained on the offshoring activity to date. The second stage involves investigating data coverage and collection issues and making recommendations for improvements. The final stage will involve implementing the recommendations identified in stage two.

Individual holdings of assets abroad

The tasks completed to date included:

- discussing the project outcomes with other government and non-government organisations that have an interest in this project
- identifying the various paths chosen by individuals in New Zealand to invest abroad and the mechanisms currently in place to collect data on these investments
- identifying a number of options for collecting data where no current collection mechanisms exist.
- This project is progressing more slowly than expected, as staff have been concentrating on the production of quarterly statistics. Issues identified in this project link with work that Statistics NZ and the RBNZ are doing to improve the coverage and quality of foreign issues and holdings of securities data.

Annual International Investment Survey

A review of the population methodology for international investment surveys and the development of a longer-term population strategy have been delayed due to resource constraints.

International Investment Position

The International Investment Position (IIP) measures the stock (or level) of New Zealand's financial assets and liabilities with the rest of the world at a particular point in time. It comprises New Zealand's net international debt (lending to non-residents less borrowing from non-residents) and net international equity investment (investment in shares abroad less foreign investment in New Zealand company shares). A net international debtor position means that international liabilities exceed international assets.

The BoP and IIP statistics are closely related, with the former measuring transaction flows and the latter measuring stock positions. The difference in the level of international financial assets and liabilities between two points in time is due to: (1) the BoP financial account transactions; and (2) the other (non-transactional) changes that occurred during the period. Examples of the latter are revaluations, changes in market prices and other changes such as write-offs.

There are two ways of presenting IIP statistics: the BoP presentation and the balance sheet presentation. While total assets and liabilities differ in each presentation, the net IIP result is identical, regardless of the presentation method used.

Balance of Payments presentation

The BoP presentation of New Zealand's IIP classifies investment by the relationship between the investor and the investment enterprise. This approach presents New Zealand's investment abroad (assets) by direct investment, portfolio investment, other investment, financial derivatives and reserve assets. Foreign investment in New Zealand (liabilities) is classified in the same way, except for reserve assets, which are not applicable. The BoP approach is the one recommended by the International Monetary Fund.

Balance sheet presentation

This approach uses a balance sheet format to present New Zealand's international assets and liabilities. The use of the balance sheet format enables presentation of assets and liabilities disaggregated by industry (table 11).

The relationship between the two presentations

Although there are differences in the classification of some transactions between the balance sheet and the BoP presentation, it is still possible to reconcile some items. The equity positions in the BoP presentation for New Zealand investment abroad sum to the equity figure under international assets in the balance sheet presentation. Similarly, the equity positions in the BoP presentation for foreign investment in New Zealand sum to the equity figure under international liabilities in the balance sheet presentation. Reserve assets are treated the same way in both presentations.

Lending and borrowing in the balance sheet and BoP presentations are treated differently and will not reconcile. All lending in the balance sheet presentation is treated as an asset and all borrowing treated as a liability. In the BoP presentation, for New Zealand investment abroad, net lending by New Zealand enterprises is reported, and for foreign investment in New Zealand, net borrowing by New Zealand subsidiaries is reported.

In the BoP presentation, net lending refers to the total lending by New Zealand parent enterprises to their overseas subsidiaries, less any borrowing by New Zealand parent enterprises from their overseas subsidiaries. Net borrowing refers to the total borrowing by New Zealand subsidiaries from their overseas parent enterprise, less any lending by New Zealand subsidiaries to their overseas parent.

As the BoP presentation treats some borrowing as negative lending and some lending as negative borrowing, the values of lending and borrowing reported in the BoP presentation will not reconcile with those in the balance sheet presentation. For example, prepaid inter-company accounts with overseas parent enterprises are viewed as lending using the balance sheet presentation, but as negative borrowing using the BoP presentation.

Country breakdowns

The disaggregations by country made available with this release are for the BoP financial account and IIP components direct, portfolio and other, with a country disaggregation of total investment. Financial derivatives and reserve assets are not disaggregated by component by country in this release. The data for these two components is, however, included in the tables of total investment by country: financial derivatives (table 6) and reserve assets (tables 6 and 10). For example, the sum of each component in tables 3 (direct investment), 4 (portfolio investment) and 5 (other investment) does not add to total investment in table 6, the difference being the value of reserves and financial derivatives included in table 6.

The country allocation represents the country in which the immediate non-resident counter-party is resident. This provides the first level source or destination in all cases, but will not necessarily describe the ultimate source or destination of the transaction or investment.

This attribution of country of the non-resident counter-party in the BoP and IIP statistics is consistent with IMF BPM5 standards. For example, if an investor from the United States acquires the majority ownership in a New Zealand company via a regional head office in Australia, then this direct investment would be classified to Australia. Similarly for New Zealand investment overseas, the country classification is the country in which the immediate non-resident investee is located. There are cases where New Zealand companies own subsidiaries overseas, which in turn raise funds in international capital markets and lend to the New Zealand parent companies. The liabilities of the New Zealand direct investor is classified to the country in which the overseas subsidiary is located.

For portfolio assets that are under the management of New Zealand fund managers, a common practice is for the New Zealand fund managers to place these funds under the management of overseas fund managers, who then invest in a worldwide portfolio. These assets are classified to the country of the first-level destination, ie the country in which the first-level overseas fund manager is resident.

The primary source of financial account and IIP data is the Quarterly International Investment Survey (QIIS), a sample survey. Each March year-end, the AIIS is directed at a selection of the enterprises that are not in the regular quarterly sample (refer to "Undercoverage estimate for the International Investment Position (IIP)" below). These results are used to update the non-sampled estimate that has been in use since the previous census. Because the AIIS results are not allocated to countries, in tables 3 to 6 of this release the data is reflected at the aggregate levels only; and in table 11 the results form part of the item 'unallocated to industry'.

Industry classifications

The Australian Bureau of Statistics and Statistics New Zealand jointly developed the Australian and New Zealand Standard Industrial Classification (ANZSIC) for use in the compilation and analysis of industry statistics in Australia and New Zealand, to enhance the comparability of industry statistics between the two countries and the rest of the world.

The industry assigned to New Zealand's overseas assets is the industry classification of the New Zealand firm making the investment abroad. The data does not represent the overseas industry in which the New Zealand investment is held. Foreign investment into New Zealand is recorded as being held in the industry in which the New Zealand resident recipient firms are classified.

In the data collection process, the survey target is typically the top New Zealand enterprise of the group of enterprises linked by common ownership. Typically, the New Zealand group top enterprise will have an ANZSIC of K6240 (financial asset investing). This outcome is not very meaningful for analysis, as this classification tells us little about the main activity of the enterprises of the group as a whole. Therefore, in compiling these industry statistics, the following procedures have been instituted to provide more meaningful industry statistics for analysis:

- All New Zealand resident activity units of the New Zealand group have their ANZSIC code truncated to four characters
- The activity units are grouped at this ANZSIC classification
- The New Zealand group top enterprise has its ANZSIC assigned to the grouping with the highest employee count (EC).

In summary, the classification to industry has been made at the four character ANZSIC code using EC as the primary weighting factor. For example, where an enterprise group comprises several subsidiaries with activity units engaged in retail trade or manufacturing, and in aggregate the highest number of employees (at the four character ANZSIC code) in that group are classified to the retail trade industry, then the whole group will be classified to the retail trade. This BoP and IIP release uses the EC measure of employment to determine the ANZSIC classification instead of the full-time equivalent (FTE) count. The FTE measure of employment has been discontinued. Investigations to determine the effects of the new employment measure on the classification of companies to industries found these effects to be insignificant.

Economic regions

The countries that are allocated to the European Union (EU), Organisation for Economic Co-operation and Development (OECD), Association of South-East Asian Nations (ASEAN) and the Asia Pacific Economic Co-operation (APEC) economic regions are presented below.

EU* United Kingdom, Ireland, Austria, Belgium, France, Germany, Luxembourg, Netherlands, Denmark, Finland, Sweden, Italy, Portugal, Spain, Greece.

OECD Australia, New Zealand, United Kingdom, Ireland, Austria, Belgium, France, Germany, Luxembourg, Netherlands, Switzerland, Denmark, Finland, Iceland, Norway, Sweden, Italy, Portugal, Spain, Greece, Czech Republic, Hungary, Poland, Slovakia, Turkey, Japan, Republic of Korea, Canada, United States of America, Mexico.

ASEAN Myanmar, Cambodia, Laos, Thailand, Viet Nam, Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore.

APEC Australia, New Zealand, Papua New Guinea, Russia, Thailand, Viet Nam, Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, People's Republic of China, Hong Kong (Special Administrative Region), Japan, Korea, Republic of Taiwan, Canada, United States of America, Chile, Peru, Mexico.

*Ten countries that joined the EU on 1 May 2004 [Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia] are included in statistics published as at March 2005. Two additional countries [Bulgaria and Romania] joined the EU on 1 January 2007 and these are included in the March 2007 statistics.

Data confidentiality

Where data within a table in this release discloses information about an individual respondent, or would allow close estimation of such information, data has been published only after obtaining the consent of those respondents (ie published under section 37(4)(a) of the Statistics Act 1975). Where affected respondents have not provided their consent, data remains confidential. Confidential data is indicated by a 'C' in the tables.

Data sources

The source data and information for BoP and IIP statistics that are collected and processed each quarter include:

- Surveys of New Zealand resident enterprises conducted by Statistics NZ. These surveys operate with the approval of the Minister of Statistics and their completion is therefore a compulsory requirement as set out in the Statistics Act 1975. These surveys are directed at New Zealand resident enterprises that have been identified as being relevant to BoP and IIP statistics.
- Surveys conducted by other entities. Some of the data used is purchased by Statistics NZ from other organisations that operate an appropriate survey. Statistics NZ has input into the design of these surveys. One example is the International Visitors Survey operated by a marketing company for the Ministry of Tourism (which supplies quarterly data used in the measure of exports of travel services in the current account). Another example is the Quarterly Managed Funds Survey (QMFS). This is a joint RBNZ and Statistics NZ operation, which supplies data for the current account component of income (credit), and the financial account and IIP components of portfolio investment, financial derivatives and other investment (assets).
- Administrative data, for example non-resident withholding tax data from Inland Revenue and New Zealand Customs Service records of imports and exports, published by Statistics NZ each month as Overseas Merchandise Trade statistics.
- Financial market information, including interest and exchange rates and share prices. Much of this information is taken from publicly available information sites.

Hedging

The hedging survey collects information measuring the extent of hedging of New Zealand's external debt liabilities denominated in foreign currencies. This supplements the IIP statistics by providing indicative information on risk management practice of New Zealand enterprises in respect of their overseas financial liabilities denominated in foreign currencies. The hedging (risk management) measured in the survey is by way of financial derivative contract and natural hedge (balance sheet assets or expected foreign currency revenues).

At 31 March each year, a selection of New Zealand enterprises is surveyed to obtain information covering the extent to which their overseas liabilities denominated in foreign currencies are hedged, and by what means. The first such statistics were collected for 31 March 1998. Users need to be aware that the methodology used since the 2003 survey differs from that used in the 2002 and previous surveys, therefore the data series are not directly comparable.

Up to and including the 2002 survey, the survey encompassed resident New Zealand enterprises which collectively accounted for about 80 percent of New Zealand's overseas debt liabilities denominated in foreign currencies. In 2003 a new stratified sampling methodology was implemented so that all foreign currency liabilities could be accounted for. The objective of this methodology was to estimate the extent of hedging by small enterprises which were previously excluded. The basis for the new sampling methodology is: (1) full coverage for major banks and non-bank enterprises (including official sector); and (2) a stratified sample of the remaining enterprises known to have overseas financial liabilities denominated in foreign currencies. The sample continues to be drawn from the population for the QIIS.

In table 14:

- The 2006 to 2007 figures for total foreign currency denominated external debt represent New Zealand overseas debt denominated in foreign currencies excluding financial derivatives in a net liability position. For comparability purposes, previous published figures in the series for 2001 and 2002 for total foreign currency denominated overseas debt were revised to exclude financial derivatives in a net liability position.
- The data series reflect the statistics as they were first published and do not incorporate any subsequent revisions.
- The figure for 'encompassed by the supplement' is the total foreign currency debt of the enterprises included in the hedging sample survey.

The 2007 survey covered a sample population of 75 enterprises, that encompassed 91 percent of New Zealand's overseas liabilities denominated in foreign currencies, and achieved a 93.3 percent response rate. This compares with the 2006 survey, which covered a sample population of 83 enterprises, encompassed 91 percent of New Zealand's overseas liabilities denominated in foreign currencies and achieved a 100 percent response rate.

The adjusted data (when 100 percent response rates were not achieved was used to produce the 2003 to 2007 series), whereas the statistics for the 31 March 2002 period or earlier used raw survey data.

Undercoverage estimate for the International Investment Position

The data sources for BoP financial account and IIP statistics comprise a set of surveys. The main survey is the QIIS. Other sources include: The Treasury and RBNZ, surveyed directly each quarter; a quarterly survey of New Zealand resident nominees; and the QMFS, which is a joint RBNZ/Statistics NZ collection. For further information about the BoP financial account and IIP data sources refer to chapter 11 of the Balance of Payments Sources and Methods, available on www.stats.govt.nz.

The QIIS, Quarterly Nominees and QMFS are all sample surveys. Estimates for non-surveyed enterprises (undercoverage estimates) are determined each year for the QIIS and incorporated into the published accounts. No estimate is made for survey undercoverage in respect of the Quarterly Nominees Survey (which supplies data on foreign portfolio equity investment in New Zealand via resident nominees). Information available from the equities market indicates that the level of survey undercoverage is negligible. The QMFS is a sample of principal New Zealand fund managers. No estimate for QMFS undercoverage is currently included in the published tables. However, smaller fund managers are surveyed annually, and estimates of their funds under management are presented in the footnotes to the tables covering international assets and liabilities.

The QIIS is a quarterly sample of approximately 500 enterprises. The sample is intended to capture approximately 95 percent of the stock levels of the main IIP components.

The amount by which the quarterly sample survey is estimated to undercover the population is derived from the AIIIS. The AIIIS survey collects data as at 31 March each year from a population of enterprises identified as being relevant to the BoP financial account and the IIP, but not surveyed in the QIIS. AIIIS is intended to be a census survey every three years and sample surveys in the interim years. The results of the AIIIS are used to:

(i) provide IIP (table 2) positions to supplement the regular quarterly sample survey (QIIS). This estimate is known as the non-sampled estimate (NSE) and is added to the results of each quarter's QIIS results and included in the published accounts. The QIIS and NSE estimates of investment positions comprise New Zealand's measured international investment positions.

(ii) update the sample used in the regular quarterly sample survey (QIIS). To reduce the compliance load faced by the smaller businesses that typically comprise the AIIIS population, the AIIIS questionnaire is an abbreviated form of the QIIS questionnaire.

Note that in respect of NSE investment positions, the associated current account investment income flows, and financial account transactions, are neither collected nor estimated.

Level shift in measurement of non-residents' holdings of New Zealand wholesale debt securities

The RBNZ provides Statistics NZ with results from their Survey of Non-residents' Holdings of New Zealand Wholesale Debt Securities. The data provided contributes to the IIP statistics, and the financial account of the BoP.

The RBNZ reviewed the methodology for this survey in 2005. This resulted in estimates of offshore holdings of New Zealand-issued debt securities being restated at a lower level as at 30 September 2005. The main impact was on the estimates of foreign investor holdings of New Zealand government debt securities.

The impact of the new survey methodology was a downward level shift of approximately \$1.5 billion in the stocks of the IIP (ie a lower level of liabilities in government and private sector securities), affecting the comparison of the September and December 2005 positions. Note that the measurement of quarterly transactions and positions from the December 2005 quarter onwards is compiled on the basis of the new source of data.

In the BoP and IIP accounts, the level shift is treated as a type of valuation change; therefore it is not accounted for as a financial account transaction. Examples of other non-transaction changes include revaluations of assets and liabilities, changes in the value of assets and liabilities due to market price and foreign exchange changes, and other changes such as write-offs.

Changes to Reserve Bank of New Zealand reserve assets

On 18 June 2007, the Reserve Bank of New Zealand (RBNZ) published revised values for New Zealand's reserve assets. These changes were effective from September 2005. For more information about the changes, see the RBNZ website: <http://www.rbnz.govt.nz/statistics/extfin/e1/specialnote.html>.

More information

For more information, follow the links from the Technical notes of this release on the Statistics NZ website.

[Quarterly Balance of Payments](#)
[International Trade in Services Survey](#)
[International Transportation](#)
[International Visitors Survey](#)
[International Insurance](#)
[New Zealand Travellers Expenditure Model](#)
[Quarterly International Investment](#)
[Government Services](#)
[Government Transfers](#)
[Migrants Transfers](#)
[Transfers](#)
[Quarterly Nominees](#)
[Managed Funds](#)

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Timing

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Next release ...

Balance of Payments and International Investment Position (Additional Information on International Investment): Year ended 31 March 2008 is expected to be released in September 2008.

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Tables

The following tables can be downloaded from the Statistics New Zealand website in Excel 97 format. If you do not have access to Excel 97 or higher, you may use the Excel file viewer to view, print and export the contents of the file.

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Table 1

Balance of Payments Major Components⁽¹⁾⁽²⁾
 Year ended March
 NZ\$(million)

	Series ref: BOPA	Annual					
		2002	2003	2004	2005	2006	2007
New Zealand's current account summary							
Balance on goods	S5AC3A1	2,334	667	-1,192	-2,230 R	-4,105 R	-2,831
Exports (FOB)	S5AC1A1	32,867	30,648	29,054	31,114	31,580 R	35,633
Imports (FOB)	S5AD1A1	30,533	29,982	30,246	33,344 R	35,685 R	38,464
Balance on services	S5AC3A2	582 R	1,804 R	1,595 R	1,071 R	447 R	501
Exports of services	S5AC1A2	10,827 R	11,917 R	11,604 R	12,240 R	12,206 R	12,565
Imports of services	S5AD1A2	10,245	10,113	10,009	11,169 R	11,759 R	12,064
Balance on income	S5AC3B1	-7,083 R	-7,046 R	-7,328 R	-9,466 R	-11,256 R	-11,863
Income from investment abroad	S5AC1B2	2,042	2,279 R	2,406	2,513	1,657 R	2,607
Income from foreign investment in New Zealand	S5AD1B2	9,125 R	9,325 R	9,734 R	11,979 R	12,913 R	14,470
Balance on current transfers	S5AC3B2	246	113	237 R	318 R	373 R	671
Inflow of current transfers	S5AC1C	1,332	1,376	1,431	1,555	1,664 R	1,956
Outflow of current transfers	S5AD1C	1,086	1,263	1,194 R	1,237 R	1,292 R	1,285
Current account balance	S5AC3	-3,922 R	-4,462 R	-6,688 R	-10,307 R	-14,542 R	-13,521
New Zealand's capital account summary							
Balance on capital account	S5AC4A	1,516	1,585	723	108	-327	-462
Inflow of capital account	S5AC2A	2,287	2,384	1,774	1,354	998	958
Outflow of capital account	S5AD2A	772	799	1,051	1,246	1,325	1,420
New Zealand's financial account summary							
New Zealand investment abroad	S5AD2B	7,228	4,699 R	8,371 R	3,057 R	-4,090 R	10,912
Direct investment	S5AD2B1	-2,451	255 R	2,442 R	230 R	-4,070 R	1,907
Portfolio investment	S5AD2B2	3,565	1,319	2,979 R	1,425	-377 R	3,808
Other investment	S5AD2B3	6,199	529 R	623 R	2,315 R	-4,494 R	-1,548
Reserve assets	S5AD2B5	-85	2,596	2,327	-913	4,851 R	6,744
Foreign investment in New Zealand	S5AC2B	10,848 R	6,352 R	13,781 R	13,841 R	10,584 R	23,781
Direct investment	S5AC2B1	-2,712 R	3,322 R	4,018 R	3,826 R	2,683 R	12,449
Portfolio investment	S5AC2B2	4,084	6,659	7,414	3,839	2,843 R	3,839
Other investment	S5AC2B3	9,476	-3,629 R	2,349 R	6,176 R	5,059 R	7,492
Net errors and omissions	S5AC4B6	-1,214	1,224 R	555 R	-585 R	195 R	1,114

(1) These tables are presented in general accordance with principles laid down by the International Monetary Fund, in the fifth edition of the balance of payments manual.

(2) Data may not sum to stated totals due to rounding.

Symbol:

R revised

Table 2

International Investment Position⁽¹⁾⁽²⁾
At 31 March
 NZ\$(million)

	Series ref: IIPA	At 31 March					
		2002	2003	2004	2005	2006	2007
New Zealand investment abroad							
Direct investment abroad	S5AAA1	17,402	17,747 R	18,389 R	20,134 R	17,960 R	18,635
Equity capital	S5AAA11	14,556	15,970	16,362	16,420	15,331 R	16,366
Other capital	S5AAA12	2,846	1,778 R	2,027 R	3,714 R	2,629 R	2,269
Portfolio investment abroad	S5AAA2	28,844	24,289	31,771 R	33,596 R	42,072 R	44,223
Equity securities ⁽³⁾	S5AAA21	17,419	13,637	22,570 R	24,566 R	33,217 R	33,876
Debt securities	S5AAA22	11,425	10,652	9,201	9,031	8,854	10,347
Other investment abroad	S5AAA3	22,702	22,875 R	22,206 R	25,373 R	22,458 R	21,355
Trade credits	S5AAA31	2,865	2,934 R	.. C	.. C	2,974 R	3,755
Loans	S5AAA32	17,169	16,378 R	17,080 R	19,502 R	10,685 R	10,767
Currency and deposits	S5AAA33	2,135	2,964 R	2,533 R	3,065 R	7,241 R	5,710
Other instruments	S5AAA34	533	599	.. C	.. C	1,559 R	1,122
Financial derivatives	S5AAA4	6,074	6,781	6,081	5,347	7,486 R	6,411
Reserve assets	S5AAA5	7,723	9,115	10,093	8,828	14,596 R	20,381
Total New Zealand investment abroad	S5AAA	82,745	80,808 R	88,540 R	93,278 R	104,572 R	111,005
Foreign investment in New Zealand							
Direct investment in New Zealand	S5ALA1	56,041 R	58,347 R	68,898 R	73,571 R	78,265 R	90,691
Equity capital	S5ALA11	39,054 R	39,854 R	45,529 R	46,991 R	47,707 R	53,051
Other capital	S5ALA12	16,987	18,493 R	23,369 R	26,580 R	30,558 R	37,640
Portfolio investment in New Zealand	S5ALA2	62,201	65,177	73,226	77,495	83,117	83,564
Equity securities	S5ALA21	9,675	11,251	14,700	16,631	17,435	17,033
Debt securities	S5ALA22	52,525	53,926	58,526	60,864	65,682	66,531
Other investment in New Zealand	S5ALA3	55,367	49,115 R	47,592 R	57,048 R	65,834 R	72,590
Trade credits	S5ALA31	2,559	2,388 R	2,193 R	1,832 R	2,085 R	1,740
Loans	S5ALA32	40,997	33,604	30,481 R	38,178 R	43,382 R	47,363
Currency and deposits	S5ALA33	11,232	12,715 R	14,568 R	16,490 R	19,291 R	22,051
Other instruments	S5ALA34	579	407	350	547	1,077	1,436
Financial derivatives	S5ALA4	6,111	8,774	8,544 R	6,089 R	7,503 R	7,235
Total foreign investment in New Zealand	S5ALA	179,719 R	181,414 R	198,260 R	214,203 R	234,720 R	254,080
Net international investment position	S5AAB	-96,974 R	-100,606 R	-109,720 R	-120,925 R	-130,148 R	-143,075

(1) Data may not sum to stated totals due to rounding.

Symbols:

C confidential
 R revised
 .. data not available

Table 3

Stock of Direct Investment by Country⁽¹⁾⁽²⁾
 At 31 March
 NZ\$(million)

	Series ref: IIPA	At 31 March					
		2002	2003	2004	2005	2006	2007
New Zealand's direct investment abroad							
APEC	S5AAA10009	13,414 R	13,805 R	14,271 R	16,728 R	14,443 R	16,302
ASEAN	S5AAA10008	497 R	879 R	564 R	594 R	493 R	316
EU	S5AAA10006	642	420 R	565 R	278 R	1,969 R	2,085
OECD	S5AAA10007	10,362 R	10,212 R	11,456 R	13,138 R	12,776 R	14,982
Australia	S5AAA11101	8,396	8,960 R	9,825 R	11,321 R	9,468 R	10,915
Bermuda	S5AAA18101	190	610	.. C	758	98	.. C
Canada	S5AAA18102	.. C	.. C	.. C	38	72	73
Germany	S5AAA12304	.. C	.. C	.. C	.. C	.. C	.. C
Hong Kong	S5AAA16102	443	347	34	.. C	102	267
Japan	S5AAA16103	84	71	.. C	.. C	.. C	.. C
Netherlands	S5AAA12308	.. C	.. C	.. C	.. C	.. C	.. C
Singapore	S5AAA15205	140	495 R	209 R	.. C	.. C	.. C
United Kingdom	S5AAA12100	584	555 R	885 R	.. C	918 R	897
United States of America	S5AAA18104	1,116	686 R	954 R	1,348 R	1,174 R	1,778
Direct investment abroad	S5AAA1	17,402	17,747 R	18,389 R	20,134 R	17,960 R	18,635
Foreign direct investment in New Zealand							
APEC	S5ALA10009	29,212 R	34,034 R	44,780 R	51,722 R	56,075 R	66,801
ASEAN	S5ALA10008	1,227	961	1,082	1,087 R	1,082 R	1,514
EU	S5ALA10006	11,227 R	11,637 R	10,483 R	11,627 R	11,160 R	11,161
OECD	S5ALA10007	40,273 R	41,765 R	51,082 R	58,941 R	62,864 R	73,040
Australia	S5ALA11101	17,816	21,189	29,438 R	34,274 R	39,467 R	47,358
Bermuda	S5ALA18101	.. C	.. C	.. C	.. C	.. C	.. C
Canada	S5ALA18102	458	.. C	889	1,100	1,000 R	1,282
Germany	S5ALA12304	.. C	.. C	.. C	.. C	605 R	440
Hong Kong	S5ALA16102	738	772	757	778	585	724
Japan	S5ALA16103	1,191	1,292	1,532	1,700	1,652	1,819
Netherlands	S5ALA12308	3,898 R	3,632 R	3,453 R	4,230 R	4,216 R	4,918
Singapore	S5ALA15205	1,225	986	1,226	1,176 R	1,194 R	1,636
Switzerland	S5ALA12311	174	190	161	114	52	75
United Kingdom	S5ALA12100	5,891 R	6,370 R	5,032 R	4,439	4,864 R	3,974
United States of America	S5ALA18104	8,873	5,967	7,837 R	9,397 R	8,844 R	10,492
Direct investment in New Zealand	S5ALA1	56,041 R	58,347 R	68,898 R	73,571 R	78,265 R	90,691

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbols:

C confidential

R revised

.. data not available

Table 4

Stock of Portfolio Investment by Country⁽¹⁾⁽²⁾
 At 31 March
 NZ\$(million)

	Series ref: IIPA	At 31 March					
		2002	2003	2004	2005	2006	2007
New Zealand's portfolio investment abroad							
Australia	S5AAA21101	3,612	2,755	5,503 R	5,485 R	7,855 R	9,639
Hong Kong	S5AAA26102	7	6	66	78	122	134
Japan	S5AAA26103	1,290	1,338	2,194	2,154	3,244	2,942
United Kingdom	S5AAA22100	3,972	3,264	2,619	3,004	3,924	3,601
United States of America	S5AAA28104	10,950	11,925	13,704	14,420	16,096	16,177
Portfolio investment abroad	S5AAA2	28,844	24,289	31,771 R	33,596 R	42,072 R	44,223
Foreign portfolio investment in New Zealand							
Australia	S5ALA21101	3,610	6,467	8,541	8,573	9,425	8,506
Hong Kong	S5ALA26102	6,525	49	.. C	.. C	.. C	.. C
Japan	S5ALA26103	1,815	1,915	2,149	2,025	.. C	.. C
United Kingdom	S5ALA22100	17,416 R	26,510 R	28,527	18,509	.. C	16,067
United States of America	S5ALA28104	13,044	10,897	12,380	19,475	20,217	18,806
Portfolio investment in New Zealand	S5ALA2	62,201	65,177	73,226	77,495	83,117	83,564

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbols:

C confidential

R revised

.. data not available

Table 5

Stock of Other Investment by Country⁽¹⁾⁽²⁾
At 31 March
 NZ\$(million)

	Series ref: IIPA	At 31 March					
		2002	2003	2004	2005	2006	2007
New Zealand's other investment abroad							
Australia	S5AAA31101	1,856	2,714 R	2,842 R	3,659 R	3,917 R	5,077
China, People's Republic of	S5AAA36101	93	116	90	136	90	117
Germany	S5AAA32304	.. C	4,593 R	.. C	7,835 R	718 R	692
Hong Kong	S5AAA36102	154	.. C	101	79	840	936
Italy	S5AAA33104	5	5 R	8 R	6 R	5 R	.. C
Japan	S5AAA36103	186	129	185	188	203 R	229
Singapore	S5AAA35205	.. C	.. C	1,146 R	493 R	4,139	2,906
Taiwan	S5AAA36108	16	24	13	17	24	36
United Kingdom	S5AAA32100	2,253	1,835 R	1,452 R	1,360 R	2,958 R	1,858
United States of America	S5AAA38104	8,193	7,290 R	6,889 R	6,915 R	4,090 R	4,020
Other investment abroad	S5AAA3	22,702	22,875 R	22,206 R	25,373 R	22,458 R	21,355
Foreign other investment in New Zealand							
Australia	S5ALA31101	11,383	11,152	10,021	10,795 R	16,745 R	20,641
China, People's Republic of	S5ALA36101	935	1,460	1,609	1,431	1,590	1,374
Germany	S5ALA32304	.. C	256	940	657	512	414
Hong Kong	S5ALA36102	4,614	3,438	2,996 R	2,765 R	2,432 R	2,198
Italy	S5ALA33104	2,432	1,902	3,051	.. C	.. C	21
Japan	S5ALA36103	1,658	1,207 R	1,020 R	1,283 R	1,357 R	2,003
Singapore	S5ALA35205	9,165	5,691	.. C	.. C	.. C	6,033
Taiwan	S5ALA36108	1,757	1,992	1,923	2,104	.. C	2,342
United Kingdom	S5ALA32100	6,974 R	5,702 R	4,298 R	6,126 R	.. C	.. C
United States of America	S5ALA38104	8,165	8,278	8,929	9,216 R	11,316 R	10,548
Other investment in New Zealand	S5ALA3	55,367	49,115 R	47,592 R	57,048 R	65,834 R	72,590

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbols:

- C confidential
- R revised
- .. data not available

Table 6

Stock of Total Investment by Country⁽¹⁾⁽²⁾
At 31 March
 NZ\$(million)

	Series ref: IIPA	As at 31 March					
		2002	2003	2004	2005	2006	2007
New Zealand's total investment abroad							
Australia	S5AAA1101	16,418	17,988	21,661 R	23,383 R	24,793 R	30,053
Germany	S5AAA2304	7,144	7,452	8,657	10,342	3,342 R	3,937
Hong Kong	S5AAA6102	653	876	353	364	1,128	1,351
Italy	S5AAA3104	13	10	487	161	214	371
Japan	S5AAA6103	2,077	1,810	2,484	2,550	3,771 R	3,639
Netherlands	S5AAA2308	1,505	-415 R	-414 R	-303 R	1,530 R	2,416
Singapore	S5AAA5205	1,008	1,902	1,590	1,352	4,910 R	3,510
Switzerland	S5AAA2311	393	1,325	2,980	1,653	6,431 R	2,824
United Kingdom	S5AAA2100	8,819	7,642	6,573	7,063 R	9,324 R	9,037
United States of America	S5AAA8104	24,097	24,102	23,988	25,115 R	24,414 R	26,519
Total investment abroad	S5AAA	82,745	80,808 R	88,540 R	93,278 R	104,572 R	111,005
Total foreign investment in New Zealand							
Australia	S5ALA1101	34,714	41,966	51,021 R	55,696 R	68,559 R	79,003
Germany	S5ALA2304	2,933	1,841	2,915	2,683	1,653 R	1,440
Hong Kong	S5ALA6102	11,991	4,349	3,840 R	3,595 R	3,068 R	3,045
Italy	S5ALA3104	2,432	1,902	3,051	4,524	20	98
Japan	S5ALA6103	5,008	4,683 R	4,820 R	5,129 R	5,818 R	7,620
Netherlands	S5ALA2308	4,060 R	4,327 R	3,716 R	4,725 R	4,492 R	5,237
Singapore	S5ALA5205	11,558	8,439	9,284 R	11,262 R	9,784 R	7,831
Switzerland	S5ALA2311	1,355	966	1,225	1,534	2,174 R	2,232
United Kingdom	S5ALA2100	31,042 R	40,072 R	39,211 R	30,478 R	36,915 R	38,326
United States of America	S5ALA8104	31,933	27,758	31,851 R	39,700 R	42,057 R	41,509
Total investment in New Zealand	S5ALA	179,719 R	181,414 R	198,260 R	214,203 R	234,720 R	254,080

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbol:

R revised

Table 7

Flow of Direct Investment by Country⁽¹⁾⁽²⁾
 Year ended 31 March
 NZ\$(million)

	Series ref: BOPA	Annual					
		2002	2003	2004	2005	2006	2007
New Zealand's direct investment abroad							
APEC	S5AD2B10009	-1,025	476 R	1,951 R	483 R	-3,355 R	2,036
ASEAN	S5AD2B10008	-102	331	-271 R	138 R	-152 R	3
EU	S5AD2B10006	-315	-212 R	-4 R	-250 R	1,651 R	559
OECD	S5AD2B10007	-1,658	141 R	2,291 R	-1 R	-1,436 R	2,615
Australia	S5AD2B11101	664	373 R	1,942 R	233 R	-3,006 R	1,381
Bermuda	S5AD2B18101	.. C	-221	.. C	.. C	.. C	.. C
Canada	S5AD2B18102	-1,170	1	.. C	.. C	11	5
Germany	S5AD2B12304	.. C	.. C	.. C	.. C	.. C	.. C
Hong Kong	S5AD2B16102	.. C	.. C	-94	.. C	.. C	.. C
Japan	S5AD2B16103	71	-31	.. C	.. C	.. C	.. C
Netherlands	S5AD2B12308	.. C	.. C	.. C	.. C	.. C	.. C
Singapore	S5AD2B15205	-177	.. C	.. C	.. C	.. C	.. C
United Kingdom	S5AD2B12100	.. C	-35 R	.. C	-56 R	3 R	-61
United States of America	S5AD2B18104	-974	49 R	402 R	-72	.. C	630
Direct investment abroad	S5AD2B1	-2,451	255 R	2,442 R	230 R	-4,070 R	1,907
Foreign direct investment in New Zealand							
APEC	S5AC2B10009	360	2,554 R	7,337 R	5,073 R	3,495 R	9,640
ASEAN	S5AC2B10008	195	39	-110	144 R	-- R	18
EU	S5AC2B10006	-2,807 R	2,089 R	-4,747 R	19 R	-727 R	1,462
OECD	S5AC2B10007	-2,950 R	4,479 R	2,544 R	4,781 R	2,871 R	11,118
Australia	S5AC2B11101	1,193	2,093	5,765 R	3,831 R	4,881 R	7,329
Bermuda	S5AC2B18101	.. C	.. C	-109 R	-12 R	.. C	30
Canada	S5AC2B18102	.. C	.. C	157	115	-265 R	36
Germany	S5AC2B12304	199 R	.. C	200	.. C	193	-30
Hong Kong	S5AC2B16102	-293	.. C	.. C	-70	.. C	.. C
Japan	S5AC2B16103	374	48	.. C	165	.. C	.. C
Netherlands	S5AC2B12308	-2,965	-48 R	-445 R	386 R	.. C	618
Singapore	S5AC2B15205	202	79	28	151 R	16 R	14
Switzerland	S5AC2B12311	-40	11	-63	-38	-73	.. C
United Kingdom	S5AC2B12100	-187 R	555	-4,386	-1,110 R	.. C	753
United States of America	S5AC2B18104	-1,376	-250	1,337 R	674 R	-842 R	1,991
Direct investment in New Zealand	S5AC2B1	-2,712 R	3,322 R	4,018 R	3,826 R	2,683 R	12,449

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbols:

C confidential

R revised

.. data not available

-- data too small to be expressed

Table 8

Flow of Portfolio Investment by Country⁽¹⁾⁽²⁾
 Year ended 31 March
 NZ\$(million)

	Series ref: BOPA	Annual					
		2002	2003	2004	2005	2006	2007
New Zealand's portfolio investment abroad							
Australia	S5AD2B21101	462	-476	1,382 R	-303	734 R	1,073
Hong Kong	S5AD2B26102	5	-1	15	28	14	18
Japan	S5AD2B26103	9	23	405	102	101	95
United Kingdom	S5AD2B22100	542	-78	-1,207	153	39	-343
United States of America	S5AD2B28104	1,843	4,069	909	726	-1,486	2,387
Portfolio investment abroad	S5AD2B2	3,565	1,319	2,979 R	1,425	-377 R	3,808
Foreign portfolio investment in New Zealand							
Australia	S5AC2B21101	740	1,306	490	424	1,155	-522
Hong Kong	S5AC2B26102	-213	-6,615	.. C	.. C	.. C	.. C
Japan	S5AC2B26103	-472	18	.. C	-261	.. C	.. C
United Kingdom	S5AC2B22100	-2,176	11,964	3,266	568	.. C	-1,954
United States of America	S5AC2B28104	3,156	355	1,765	413	373	.. C
Portfolio investment in New Zealand	S5AC2B2	4,084	6,659	7,414	3,839	2,843 R	3,839

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors

Symbols:

C confidential

R revised

.. data not available

Table 9

Flow of Other Investment by Country⁽¹⁾⁽²⁾
 Year ended 31 March
 NZ\$(million)

	Series ref: BOPA	Annual					
		2002	2003	2004	2005	2006	2007
New Zealand's other investment abroad							
Australia	S5AD2B31101	-1,082	846 R	-41 R	886 R	114 R	959
China, People's Republic of	S5AD2B36101	4	23	-26	.. C	-52	24
Germany	S5AD2B32304	1,610	12 R	1,061	816 R	-7,222 R	.. C
Hong Kong	S5AD2B36102	.. C	.. C	.. C	.. C	.. C	175
Italy	S5AD2B33104	.. C	-- R	2 R	-- R	-1	15
Japan	S5AD2B36103	33	-51	.. C	.. C	.. C	72
Singapore	S5AD2B35205	563	700 R	1 R	.. C	3,636 R	-1,172
Taiwan	S5AD2B36108	2	8	-10	5	4	14
United Kingdom	S5AD2B32100	-454	-447 R	-439 R	-130 R	1,406 R	-900
United States of America	S5AD2B38104	4,035	-109	339 R	.. C	.. C	-180
Other investment abroad	S5AD2B3	6,199	529 R	623 R	2,315 R	-4,494 R	-1,548
Foreign other investment in New Zealand							
Australia	S5AC2B31101	4,392	217	615	-3,423 R	5,004 R	2,939
China, People's Republic of	S5AC2B36101	600	525	122	-66	109	-205
Germany	S5AC2B32304	.. C	.. C	673	-210	-188	-133
Hong Kong	S5AC2B36102	1,048	-1,149	.. C	-230 R	-337 R	123
Italy	S5AC2B33104	1,384	-529	.. C	1,472	-4,504	6
Japan	S5AC2B36103	198	-147 R	-82 R	198 R	-48 R	633
Singapore	S5AC2B35205	-1,304	-3,217	1,050	2,861	-1,128	-2,158
Taiwan	S5AC2B36108	399	236	-93	.. C	126	113
United Kingdom	S5AC2B32100	608	-1,096 R	-339 R	1,787 R	6,355 R	4,279
United States of America	S5AC2B38104	205	1,413	879	598 R	1,067 R	.. C
Other investment in New Zealand	S5AC2B3	9,476	-3,629 R	2,349 R	6,176 R	5,059 R	7,492

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbols:

C confidential

R revised

.. data not available

-- data too small to be expressed

Table 10

Flow of Total Investment by Country⁽¹⁾⁽²⁾
 Year ended 31 March
 NZ\$(million)

	Series ref: BOPA	Annual					
		2002	2003	2004	2005	2006	2007
New Zealand's total investment abroad							
Australia	S5AD2B1101	45	746	3,282 R	834 R	-2,172 R	3,368
Germany	S5AD2B2304	1,838	171	1,791	594	.. C	169
Hong Kong	S5AD2B6102	163	.. C	-460	-208	660	.. C
Italy	S5AD2B3104	-4	-1	70	54	.. C	165
Japan	S5AD2B6103	296	-193	384	166	66 R	155
Netherlands	S5AD2B2308	-1,267	-1,681 R	-70	-181 R	1,245 R	140
Singapore	S5AD2B5205	390	1,054	-216	-26	3,430	-1,129
Switzerland	S5AD2B2311	138	1,054	2,013	-1,254	3,897 R	-3,108
United Kingdom	S5AD2B2100	576	-861	-1,679	-33 R	1,448 R	-1,311
United States of America	S5AD2B8104	5,141	4,876	983	492 R	-4,639 R	4,069
Total investment abroad	S5AD2B	7,228	4,699 R	8,371 R	3,057 R	-4,090 R	10,912
Total foreign investment in New Zealand							
Australia	S5AC2B1101	6,325	3,616	6,870 R	832 R	11,040 R	9,746
Germany	S5AC2B2304	1,806 R	-124	873	-5 R	5	-127
Hong Kong	S5AC2B6102	542	.. C	-291 R	-286 R	-642 R	211
Italy	S5AC2B3104	1,384	-529	1,141	.. C	-4,504	.. C
Japan	S5AC2B6103	100	-81 R	-425 R	101 R	-399 R	861
Netherlands	S5AC2B2308	-3,005	481 R	-926 R	692 R	-317 R	653
Singapore	S5AC2B5205	-686	-2,406	647	2,721 R	-1,393 R	-2,176
Switzerland	S5AC2B2311	-83	-286	252	353	.. C	339
United Kingdom	S5AC2B2100	-1,778 R	11,424	-1,490 R	1,245 R	5,542 R	3,078
United States of America	S5AC2B8104	1,984	1,518	3,981 R	1,686 R	599 R	4,032
Total investment in New Zealand	S5AC2B	10,848 R	6,352 R	13,781 R	13,841 R	10,584 R	23,781

(1) Only a limited country breakdown is shown in this table, therefore data does not sum to stated totals.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbols:

C confidential

R revised

.. data not available

Table 11

International Assets and Liabilities by Industry⁽¹⁾⁽²⁾
 At 31 March
 NZ\$(million)

	Series ref. IIPA	At 31 March					
		2002	2003	2004	2005	2006	2007
New Zealand's international assets							
Agriculture, forestry and fishing	S5IA1A	.. C	.. C	.. C	.. C	.. C	.. C
Mining	S5IA1B	.. C	.. C	3,570 R	.. C	.. C	.. C
Manufacturing	S5IA1C	11,533 R	13,744 R	13,816 R	16,456 R	14,287 R	13,798
Electricity, gas and water supply	S5IA1D	.. C	.. C	.. C	.. C	.. C	.. C
Construction	S5IA1E	79 R	55 R	.. C	166	213	201
Wholesale trade	S5IA1F	2,621 R	2,679 R	3,251 R	4,341 R	4,511 R	3,797
Retail trade	S5IA1G	.. C	.. C	274 R	400 R	618 R	953
Accommodation, cafes and restaurants	S5IA1H	.. C	.. C	.. C	.. C	.. C	.. C
Transport and storage	S5IA1I	.. C	.. C	.. C	82 R	144 R	.. C
Communication services	S5IA1J	.. C	.. C	.. C	.. C	.. C	.. C
Finance and insurance	S5IA1K	56,254 R	52,389 R	60,683 R	63,694 R	75,054 R	81,135
Property and business services	S5IA1L	308 R	267 R	381 R	664 R	714 R	854
Government administration and defence	S5IA1M	5,373 R	5,752 R	6,645 R	7,641 R	10,336 R	11,003
Education	S5IA1N	--	--	.. C	.. C	--	--
Health and community services	S5IA1O	--	--	--	--	--	--
Cultural and recreational services	S5IA1P	.. C	.. C	241 R	.. C	.. C	.. C
Personal and other services	S5IA1Q	.. C	.. C	.. C	.. C	.. C	.. C
Unallocated to industry	S5IA1R	3,908	5,471	4,211	2,731	3,099	2,245
Total international assets	S5AA1	93,419	92,972 R	99,385 R	105,571 R	116,192 R	119,809
New Zealand's international liabilities							
Agriculture, forestry and fishing	S5IL1A	1,524 R	1,362 R	2,587 R	2,923 R	3,354 R	4,744
Mining	S5IL1B	.. C	.. C	.. C	.. C	.. C	2,414
Manufacturing	S5IL1C	22,949 R	23,309 R	22,039 R	22,410 R	23,449 R	26,728
Electricity, gas and water	S5IL1D	3,110 R	3,046 R	2,387 R	4,996 R	4,871 R	4,158
Construction	S5IL1E	345 R	274 R	424 R	575 R	669 R	702
Wholesale trade	S5IL1F	4,270 R	5,189 R	7,647 R	9,888 R	10,868 R	10,998
Retail trade	S5IL1G	4,178 R	4,524 R	3,284 R	3,668 R	6,886 R	6,130
Accommodation, cafes and restaurants	S5IL1H	695 R	859 R	822 R	924 R	934 R	872
Transport and storage	S5IL1I	1,855 R	1,696 R	2,428 R	2,816 R	3,520 R	4,614
Communication services	S5IL1J	.. C	.. C	.. C	.. C	.. C	.. C
Finance and insurance	S5IL1K	92,757 R	97,091 R	108,805 R	124,812 R	139,323 R	151,133
Property and business services	S5IL1L	2,808 R	3,606 R	4,488 R	3,260 R	3,602 R	6,854
Government administration and defence	S5IL1M	18,877	16,866 R	17,587 R	15,998 R	15,637 R	14,716
Education	S5IL1N	.. C	.. C	.. C	.. C	.. C	--
Health and community services	S5IL1O	.. C	.. C	.. C	.. C	.. C	657
Cultural and recreational services	S5IL1P	1,468 R	1,512 R	2,657 R	3,511 R	4,478 R	3,943
Personal and other services	S5IL1Q	.. C	.. C	.. C	.. C	.. C	.. C
Unallocated to industry	S5IL1R	16,434 R	15,824 R	13,612 R	10,125 R	10,838 R	10,226
Total international liabilities	S5AL1	190,393 R	193,578 R	209,105 R	226,495 R	246,340 R	262,884

(1) These tables are prepared on a balance sheet basis.

(2) Published under section 37(4)(a) of the Statistics Act 1975 with the consent of all significant contributors.

Symbols:

C confidential

R revised

.. data not available

-- data too small to be expressed

Table 12

Imports of Services⁽¹⁾
 Year ended 31 March
 NZ\$(million)

	Series ref: BOPA	Annual					
		2001	2002	2003	2004	2005	2006
Transportation	S5AD1A201	3,231	3,479	3,516	3,470	3,926 R	3,933
Travel	S5AD1A202	3,215	2,956	2,892	2,900	3,479	3,818
Communication	S5AD1A203	470	471	417	319 R	.. C	417
Construction	S5AD1A204	8	15	11	7	.. C	.. C
Insurance	S5AD1A205	227	245	285	316	339 R	342
Financial	S5AD1A206	85	71	131	99 R	158 R	.. C
Computer and information	S5AD1A207	235	247	258	231 R	324 R	381
Royalties and licence fees	S5AD1A208	730	748	774	807 R	790 R	778
Other business services	S5AD1A209	1,796	1,762	1,547	1,565 R	1,571 R	1,661
Merchanting and other trade related services	S5AD1A2091	133	.. C	109	90 R	113 R	127
Operational leasing services	S5AD1A2092	810	.. C	563	504 R	388 R	329
Miscellaneous services	S5AD1A2093	853	838	875	971 R	1,070 R	1,205
Legal, accounting, management consultancy	S5AD1A20931	216	197	201	253 R	244 R	260
Advertising, market research	S5AD1A20932	146	131	144	158 R	188 R	179
Research and development	S5AD1A20933	39	38	36	34 R	58 R	.. C
Architectural, engineering and other technical	S5AD1A20934	97	91	.. C	137	138 R	236
Agricultural, mining and on-site processing	S5AD1A20935	9	3	.. C	4	4	.. C
Other services	S5AD1A20936	346	378	372	386 R	437 R	468
Personal, cultural and recreational	S5AD1A210	78	99	128	135 R	66 R	57
Government services nie	S5AD1A211	137	152	155	159	143	149
Total imports of services	S5AD1A2	10,211	10,245	10,113	10,009 R	11,168 R	11,732

(1) Data may not sum to stated totals due to rounding.

Note:

nie not included elsewhere

Symbols:

C confidential
 R revised
 .. data not available

Table 13

Exports of Services⁽¹⁾
 Year ended 31 March
 NZ\$(million)

	Series ref: BOPA	Annual					
		2001	2002	2003	2004	2005	2006
Transportation	S5AC1A201	2,821	2,589	2,470	2,234	2,231	2,382
Travel	S5AC1A202	5,078	5,928	6,849	6,867 R	7,092 R	6,871
Business travel	S5AC1A2021	570	666	737	660	704	721
Personal travel	S5AC1A2022	4,508	5,262	6,112	6,206 R	6,389 R	6,150
Communication	S5AC1A203	444	516	465	328 R	331 R	361
Construction	S5AC1A204	25	34	52	54 R	87	63
Insurance	S5AC1A205	31	34	38	43	44 R	39
Financial	S5AC1A206	63	48	38	60 R	108 R	123
Computer and information	S5AC1A207	197	214	256	221 R	265 R	269
Royalties and licence fees	S5AC1A208	123	120	181	191 R	146 R	153
Other business services	S5AC1A209	855	925	970	914 R	1,090 R	1,162
Merchandising and other trade related services	S5AC1A2091	154	.. C	.. C	.. C	.. C	271
Operational leasing services	S5AC1A2092	21	.. C	.. C	.. C	.. C	2
Miscellaneous services	S5AC1A2093	681	704	768	654 R	770 R	889
Legal, accounting, management consultancy	S5AC1A20931	302	319	321	247 R	280 R	277
Advertising, market research	S5AC1A20932	77	58	54	43 R	83 R	81
Research and development	S5AC1A20933	85	103	99	65 R	74 R	.. C
Architectural, engineering and other technical	S5AC1A20934	109	126	116	111 R	111 R	99
Agricultural, mining and on-site processing	S5AC1A20935	10	11	3	4 R	6 R	.. C
Other services	S5AC1A20936	98	87	175	185 R	216 R	336
Personal, cultural and recreational	S5AC1A210	336	284	234	252 R	310 R	235
Government services nie	S5AC1A211	114	135	139	129	142	149
Total exports of services	S5AC1A2	10,085	10,827	11,690	11,293 R	11,847 R	11,805

(1) Data may not sum to stated totals due to rounding.

Note:

nie not included elsewhere

Symbols:

C confidential
 R revised
 .. data not available

Table 14

Hedging: Scope of the Supplement⁽¹⁾

At 31 March

NZ\$(million)

	Series ref: IIPA	At 31 March	
		2006	2007
Total foreign currency denominated external debt ⁽²⁾	S5HLZZ	83,246 R	85,459
Encompassed by the supplement ⁽³⁾	S5HLAA	75,909	77,583
Supplement as a percent of total		91	91

(1) Excludes unallocated estimate.

(2) Total foreign denominated external debt is total debt less New Zealand dollar debt less financial derivatives in a net liability position denominated in foreign currencies.

(3) Encompassed by the supplement is data captured by the hedging survey. Refer to the technical notes for more information.

Table 15

Hedging of New Zealand's Foreign Currency Denominated External Debt⁽¹⁾

At 31 March
NZ\$(million)

	Series ref: IIPA	At 31 March	
		2006	2007
Foreign currency denominated external debt	S5HLAZ	83,246	85,459
Banks	S5HLA1	60,659	62,904
Other sectors	S5HLA2	22,587	22,555
Hedged using financial derivatives	S5HL2A	65,574	71,628
Banks	S5HL21	55,370	61,105
Other sectors	S5HL22	10,203	10,523
Naturally hedged against assets or other receipts	S5HL3A	11,713	7,257
Banks	S5HL31	.. C	1,357
Other sectors	S5HL32	.. C	5,900
Not hedged	S5HL4A	5,960 R	6,575
Banks	S5HL41	.. C	442
Other sectors	S5HL42	.. C	6,133

(1) Due to rounding, individual figures may not sum to stated totals

Symbols:

C confidential
.. data not available

Table 16

Hedging by Currency of Denomination⁽¹⁾⁽²⁾

At 31 March
NZ\$(million)

	Series ref: IIPA	At 31 March	
		2006	2007
Foreign currency denominated external debt	<i>S5HLAZ</i>	83,246	85,459
United States dollar	<i>S5HLAAUSD</i>	52,623 R	46,709
Australian dollar	<i>S5HLAAAUD</i>	11,186 R	13,847
European Union euro	<i>S5HLAAEUR</i>	7,571 R	9,433
Japanese yen	<i>S5HLAAJPY</i>	2,316 R	2,506
Hedging using financial derivatives	<i>S5HL2A</i>	65,574	71,628
United States dollar	<i>S5HL2AUSD</i>	44,431 R	40,498
Australian dollar	<i>S5HL2AAUD</i>	5,631 R	8,955
European Union euro	<i>S5HL2AEUR</i>	6,492 R	8,891
Japanese Yen	<i>S5HL2AJPY</i>	1,612 R	2,210
Naturally hedged against assets or other receipts	<i>S5HL3A</i>	11,713	7,256
United States dollar	<i>S5HL3AUSD</i>	5,764 R	3,371
Australian dollar	<i>S5HL3AAUD</i>	3,216 R	2,174
European Union euro	<i>S5HL3AEUR</i>	.. C	.. C
Japanese yen	<i>S5HL3AJPY</i>	.. C	.. C
Not hedged	<i>S5HL4A</i>	5,960 R	6,575
United States dollar	<i>S5HL4AUSD</i>	2,427 R	2,840
Australian dollar	<i>S5HL4AAUD</i>	2,339	2,719
European Union euro	<i>S5HL4AEUR</i>	.. C	.. C
Japanese yen	<i>S5HL4AJPY</i>	.. C	.. C

(1) Excludes unallocated estimate.

(2) Only a limited currency profile is shown in this table, therefore data does not sum to stated totals.

Symbols:

C confidential

.. data not available

Table 17

Balance of Payments Ratios
Year ended in quarter

		Current account balance	Current account balance to GDP ⁽¹⁾	Net investment income to goods & services credits ⁽²⁾	Debt service to exports of goods & services ⁽³⁾	Goods & services credits to GDP ⁽⁴⁾	Goods & services debits to GNE ⁽⁵⁾
		NZ\$(million)	Percent				
Series ref: BOPQ		S5Y8	S5R01	S5R04	S5R12	S5R05	S5R06
Year ended in quarter							
1997	Jun	-6,672	-6.7 R	-27.2	16.8	27.7	27.7 R
	Sep	-6,693	-6.7 R	-28.3	17.2	27.6	27.2 R
	Dec	-6,422	-6.4 R	-26.0	17.2	27.8	27.5 R
1998	Mar	-5,416	-5.3 R	-22.4	17.1	28.1	27.8 R
	Jun	-4,805	-4.7 R	-20.1	18.0	28.2 R	27.9 R
	Sep	-4,559	-4.5 R	-18.3	18.3	28.8 R	28.5 R
	Dec	-4,067	-4.0 R	-16.4	18.3	29.1 R	28.9 R
1999	Mar	-4,377	-4.2 R	-16.4	17.9	29.4 R	29.2 R
	Jun	-4,121	-3.9 R	-15.4	16.3	29.5 R	29.3 R
	Sep	-4,847	-4.6 R	-16.5	15.7	29.5 R	29.6 R
	Dec	-6,770	-6.3 R	-18.4	15.4	29.8 R	30.6 R
2000	Mar	-7,022	-6.4 R	-19.7	15.7	30.6 R	31.1 R
	Jun	-7,129 R	-6.4 R	-20.5 R	14.8 R	31.7 R	31.9 R
	Sep	-7,193 R	-6.4 R	-20.0 R	13.9 R	32.7 R	32.9 R
	Dec	-6,020 R	-5.3 R	-19.2 R	14.8 R	34.3 R	33.7 R
2001	Mar	-5,145 R	-4.4 R	-18.4 R	13.8 R	35.5 R	34.4
	Jun	-4,151 R	-3.5 R	-17.8 R	12.9 R	36.3 R	34.6 R
	Sep	-3,398 R	-2.8 R	-17.2 R	12.1 R	36.6 R	34.5 R
	Dec	-3,430 R	-2.8 R	-17.0 R	11.6 R	35.6 R	33.6
2002	Mar	-3,922 R	-3.1 R	-16.2 R	10.9 R	35.1 R	33.5
	Jun	-4,159 R	-3.3 R	-16.3 R	10.7 R	34.6 R	33.1 R
	Sep	-4,835 R	-3.8 R	-16.4 R	10.6 R	33.7 R	32.6 R
	Dec	-4,973 R	-3.8 R	-16.1 R	10.3 R	33.2 R	32.3 R
2003	Mar	-4,462 R	-3.4 R	-16.6 R	10.3 R	32.5 R	31.2 R
	Jun	-5,408 R	-4.1 R	-17.3 R	10.2 R	31.4 R	30.5 R
	Sep	-5,664 R	-4.2 R	-17.3 R	10.0 R	30.5 R	29.8 R
	Dec	-5,817 R	-4.2 R	-17.8 R	10.0 R	29.7 R	29.1 R
2004	Mar	-6,688 R	-4.8 R	-18.0 R	10.0 R	29.1 R	28.9 R
	Jun	-7,014 R	-4.9 R	-18.3 R	9.7 R	29.4 R	29.2 R
	Sep	-8,467 R	-5.8 R	-20.0 R	10.4 R	29.2 R	29.3 R
	Dec	-9,465 R	-6.4 R	-20.6 R	11.0 R	29.2 R	29.6 R
2005	Mar	-10,307 R	-6.9 R	-21.8 R	11.7 R	29.1 R	29.6 R
	Jun	-11,413 R	-7.6 R	-22.6 R	12.4 R	28.5 R	29.4 R
	Sep	-12,351 R	-8.1 R	-22.9 R	12.4 R	28.3 R	29.6 R
	Dec	-13,270 R	-8.6 R	-24.3 R	12.6 R	28.1 R	29.6 R
2006	Mar	-14,542 R	-9.3 R	-25.7 R	13.1 R	28.0 R	29.7 R
	Jun	-14,603 R	-9.3 R	-26.1 R	13.9 R	28.6 R	30.1 R
	Sep	-14,030 R	-8.8 R	-25.5 R	14.3 R	29.3 R	30.5 R
	Dec	-14,003 R	-8.7 R	-25.6 R	15.0 R	29.3 R	30.5 R
2007	Mar	-13,521 R	-8.3 R	-24.6 R	15.3 R	29.5 R	30.5 R
	Jun	-13,596	-8.2	-24.6	15.7	28.9	29.9

(1) This ratio uses year ended in quarter current account balance divided by year ended in quarter expenditure on GDP at current prices.

(2) This ratio uses year ended in quarter net investment income divided by year ended in quarter goods and services credits.

(3) This ratio uses year ended in quarter total gross interest flows divided by year ended in quarter goods and services credits.

(4) This ratio uses year ended in quarter goods and services credits divided by year ended in quarter expenditure on GDP at current prices.

(5) This ratio uses year ended in quarter goods and services debits divided by year ended in quarter gross national expenditure at current prices.

Symbol:

R revised