

Embargoed until 10:45am – 26 May 2009

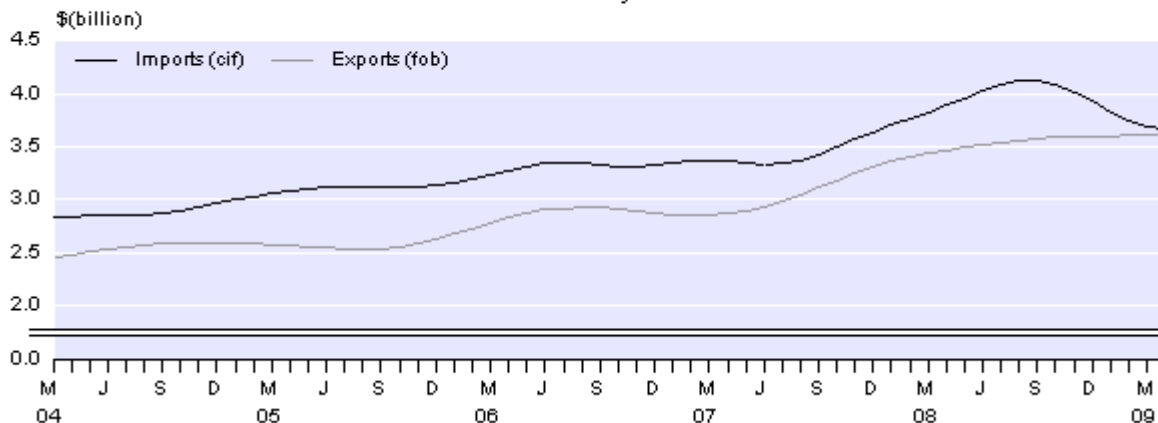
Overseas Merchandise Trade: April 2009

Highlights

For the month of April 2009 compared with April 2008 unless otherwise stated:

- Merchandise exports were valued at \$3.6 billion, down \$176 million (4.6 percent).
- Crude oil led the exports decrease, down \$204 million (61.3 percent).
- Merchandise imports were valued at \$3.4 billion, down \$745 million (18.1 percent).
- Almost two-thirds of the decrease in imports was due to large one-off capital items in April 2008.
- Imports of vehicles, parts, and accessories decreased \$127 million (32.4 percent).
- The trade balance was a surplus of \$276 million, or 7.5 percent of exports.

Merchandise Trend Values
Monthly



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See also [Overseas Merchandise Trade: April 2009 – Media release](#).

Commentary

Information in this release is for the month of April 2009 compared with April 2008 unless otherwise stated.

Exports

The value of merchandise exports for April 2009 was \$3.6 billion, down \$176 million (4.6 percent) from April 2008. This is only the second monthly decrease in exports (compared with the same month of the previous year) since August 2007.

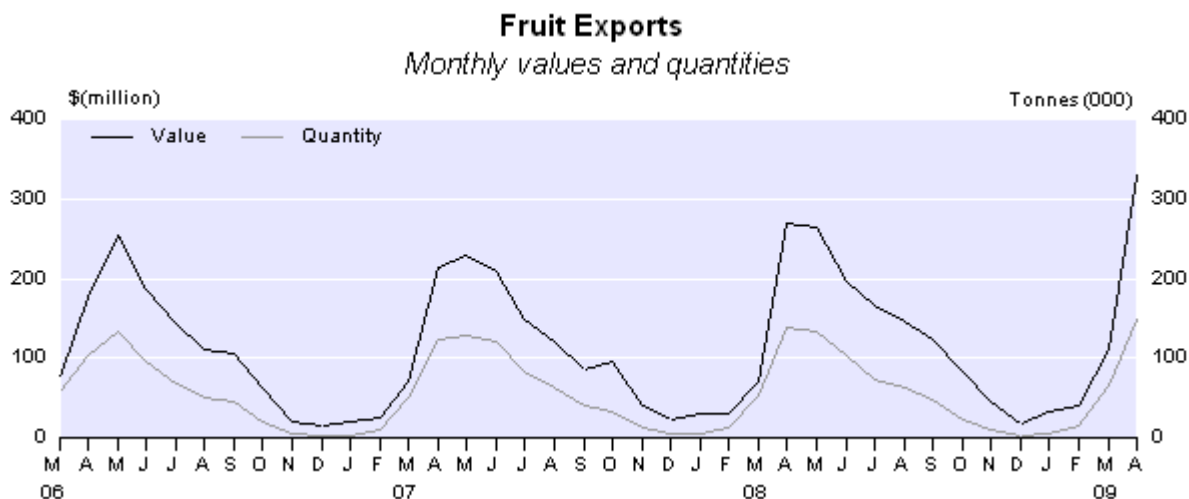
The trend for total merchandise exports has flattened recently, increasing at an average of less than 0.1 percent per month since October 2008. Prior to this, the trend had been rising at an average of 1.2 percent per month since February 2007, the last time it showed a decrease.

This month's decrease in exports was led by falls in crude oil, and aluminium and aluminium articles. The decrease was partly offset by increases in fruit, and meat and edible offal.

Crude oil exports fell \$204 million (61.3 percent) in April 2009 compared with April 2008. This fall was due to decreases in both price and quantity. The decrease in quantity was despite crude oil exports commencing from the Maari oil field in this month.

Aluminium and aluminium articles decreased \$65 million (51.1 percent), led by a drop in the quantity and price of unwrought aluminium exported.

The largest offsetting increase was a \$61 million (22.7 percent) increase in exports of fruit, led by a \$47 million price-driven rise in kiwifruit. This month's increase was despite a \$9 million decrease in kiwifruit exports to Japan, which has traditionally been the largest importer of New Zealand kiwifruit.

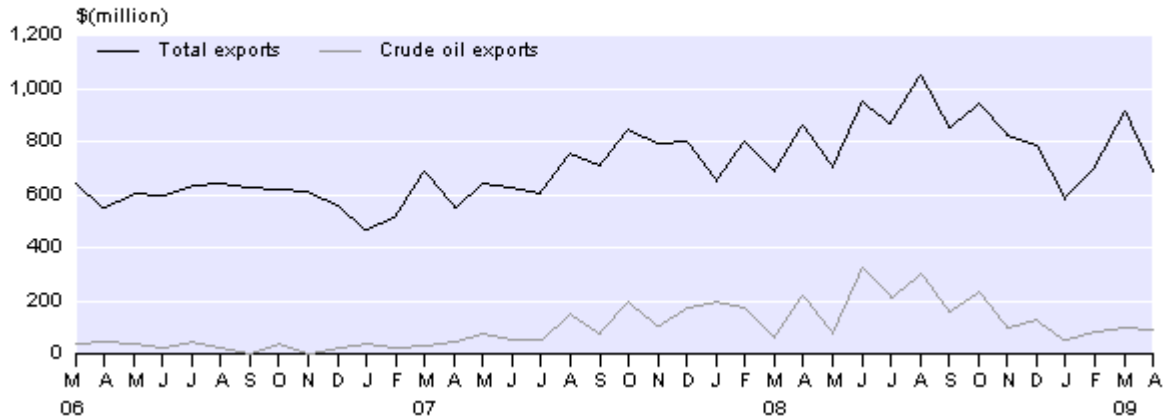


The next largest increase was for meat and edible offal, which was up \$60 million (12.5 percent) compared with April 2008. Sheep meat contributed \$40 million to this rise, largely as the result of higher prices, while frozen boneless beef cuts contributed \$34 million.

By country of destination, the largest decreases were to Australia (down \$179 million, or 20.7 percent), Venezuela (down \$74 million, or 83.7 percent) and Japan (down \$72 million, or 20.8 percent). The fall in exports to Australia was led by a halving in the value of crude oil, while the decreases to Venezuela and Japan were led by whole milk powder and unwrought aluminium, respectively.

Exports to Australia

Monthly values



The largest increase in exports was to the People’s Republic of China, up \$126 million (65.2 percent), led by quantity-driven increases in whole milk powder and logs of pinus radiata.

Imports

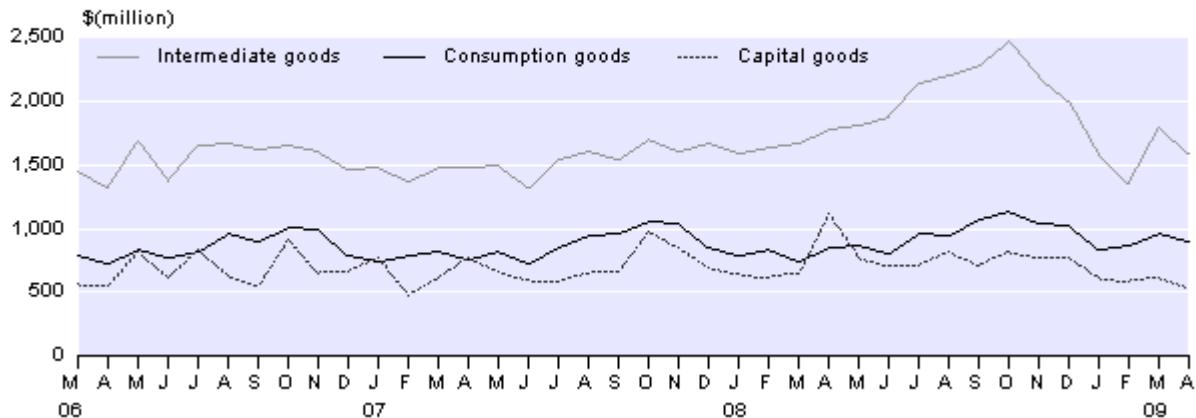
In April 2009, the value of merchandise imports was \$745 million (18.1 percent) lower when compared with April 2008, with a total value of \$3.4 billion for the month. This month’s decrease is the largest since the series began in 1962 (in dollar terms). However, this has been greatly affected by large one-off imports in April 2008. Without these, the movement for this month would be a decrease of \$267 million (7.3 percent).

The trend for the value of merchandise imports has been decreasing since September 2008, down a total of 11.0 percent since then, although the rate of decline appears to be easing. However, initial trend estimates may be revised and should be used with caution until more data points are available.

Of the main broad economic categories, the capital goods category recorded the largest decrease, down \$592 million (52.7 percent), led by decreases in one-off imports of civil engineering machinery and other transport equipment. Intermediate goods were down \$177 million (9.9 percent) due to a variety of sub categories. Crude oil partly offset these decreases with a \$29 million (10.1 percent) increase. Consumption goods increased \$42 million (4.9 percent) over the same period.

Imports by Broad Economic Category

Monthly values



At the more detailed commodity level, the largest imports decrease in April 2009 was from mechanical machinery and equipment which decreased \$386 million (49.9 percent). This decrease was mainly due to an oil platform valued at \$297 million being imported in April 2008.

The next largest decrease was for vehicles, parts, and accessories, which decreased \$127 million (32.4 percent). Passenger motor cars decreased \$59 million (27.0 percent) through decreases in most vehicle categories, with the only notable offsetting exception being new petrol motor vehicles exceeding 1500cc but not exceeding 3000cc. These increased \$25 million (46.4 percent) for the month. Goods transport vehicles decreased \$50 million (57.2 percent), led by decreases in goods transport vehicles not exceeding 3500kg (down \$29 million or 49.7 percent), and goods transport vehicles exceeding 20 tonnes (down \$15 million or 73.8 percent).

The largest offsetting commodities showing increases were: petroleum and products (up \$31 million or 4.8 percent), optical, medical and measuring equipment (up \$24 million or 24.8 percent), and electrical machinery and equipment (up \$20 million or 6.8 percent).

By country of origin, the largest decrease in imports came from Malaysia (down \$333 million or 82.1 percent), mostly due to the import of the oil platform mentioned above. The imports value for Singapore decreased \$237 million (63.9 percent), mostly due to an oil production vessel imported in April 2008.

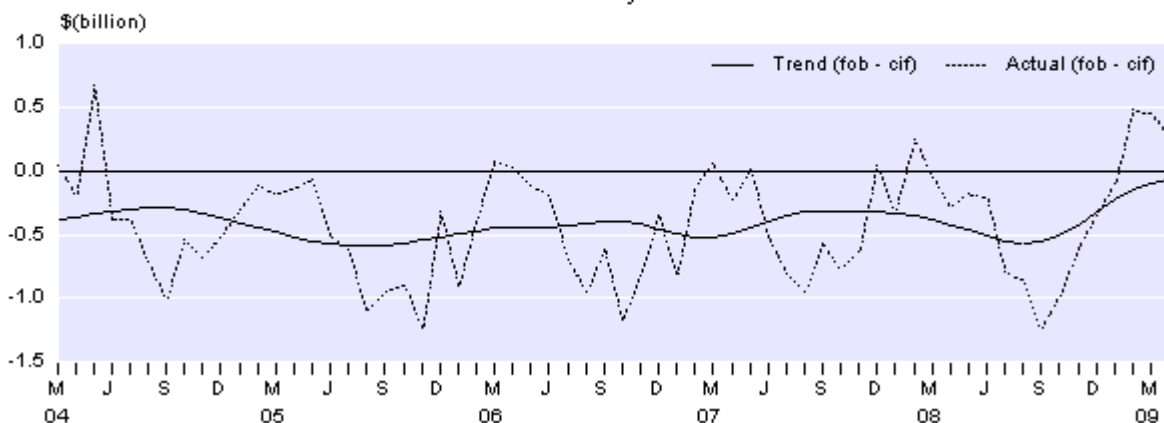
The Republic of Korea had the largest increase in imports, up \$55 million (68.2 percent), led by increases in diesel (up \$29 million) and motor spirit (up \$28 million). Neither of these products were imported from Korea in April 2008.

Trade balance

In April 2009, the trade balance was a surplus of \$276 million or 7.5 percent of the value of exports. This compares with a \$293 million deficit or 7.6 percent of exports in April 2008, and a deficit of \$216 million or 6.8 percent of exports in April 2007.

The trend for the trade balance has risen significantly over the past eight months. While still in deficit, the trade balance trend is at its highest level since April 2002.

Merchandise Trade Balance
Monthly



The annual trade balance for the year ended April 2009 was a deficit of \$4.1 billion (9.5 percent of exports). As a percentage of exports, this is less than the average of 15.7 percent for the preceding five years.

Three months ended April 2009

Exports of merchandise goods for the three months ended April 2009 were valued at \$11.2 billion, an increase of \$198 million, or 1.8 percent compared with the three months ended April 2008.

In the three months ended April 2009, key increases and decreases in exports compared with the three months ended April 2008 were as follows:

By commodity:

- Meat and edible offal had the largest increase, up \$303 million (20.5 percent), led by a \$212 million increase in exports of sheep meat, and an \$80 million increase in frozen, boneless beef cuts.
- Aircraft and parts had the next largest increase, up \$135 million due to the export of large aircraft in March 2009.
- Fruit recorded the third largest increase, rising by \$111 million (29.9 percent) led by a \$67 million (39.3 percent) rise in kiwifruit exports.
- Crude oil led the commodities recording decreases, falling \$308 million (48.5 percent) due to decreases in both price and quantity, including a \$190 million fall in crude oil exports to Australia.
- Milk powder, butter, and cheese, recorded the next biggest decrease, down \$286 million (11.3 percent) as whole milk powder fell \$270 million.

By country:

- The largest increase in exports was to China, up \$408 million (67.1 percent), led by whole milk powder, logs of pinus radiata, and milk-based powdered nutritional formulas.
- The next largest increase was to the United States of America, up \$269 million (26.8 percent), with increases across a number of commodities, including frozen, boneless beef cuts and cheese.
- Venezuela recorded the largest decrease, down \$140 million (61.5 percent), led by a \$137 million quantity-driven fall in whole milk powder.
- The second largest decrease was to Japan, down \$110 million (12.2 percent), led by a \$130 million fall in the value of unwrought aluminium, driven by decreased quantities.

Imports of merchandise goods for the three months ended April 2009 were valued at \$10.0 billion, down 9.9 percent from the same period of the previous year.

In the three months ended April 2009, key increases and decreases in the value of imports compared with the three months ended April 2008 were as follows:

By commodity:

- The vehicles, parts and accessories category had the largest decrease, down 43.4 percent (\$548 million), mainly due to decreases in passenger motor vehicles (down \$371 million or 49.6 percent) and goods transport vehicles (down \$159 million or 57.2 percent).
- Petroleum and products decreased 20.5 percent (\$386 million) – the second largest decrease (due to a \$464 million decrease in crude oil, partly offset by a \$90 million increase in refined and partly refined oils).
- Electrical machinery and equipment recorded the largest increase for the quarter, up 18.3 percent (\$156 million), led by increases in a variety of categories including electric transformers, static converters and inductors; telecommunications transmission equipment; and electric generating sets and rotary converters.

By country of origin:

- Malaysia was the largest decrease, down 67.3 percent (\$495 million), mostly due to the previously mentioned oil platform being imported in April 2008, as well as crude oil not being imported from Malaysia this quarter, resulting in a fall of \$169 million.
- Australia was down 11.9 percent (\$240 million) – the second largest decrease – due to decreases in a variety of items including petroleum and products (down \$92 million), vehicles, parts and accessories (down \$59 million), and aluminium oxide (down \$39 million).
- The largest increase was from China, up 13.4 percent (\$177 million), due to increases in several categories including textile and textile articles, up 22.7 percent (\$65 million); and electrical machinery and equipment, up 19.4 percent (\$45 million).

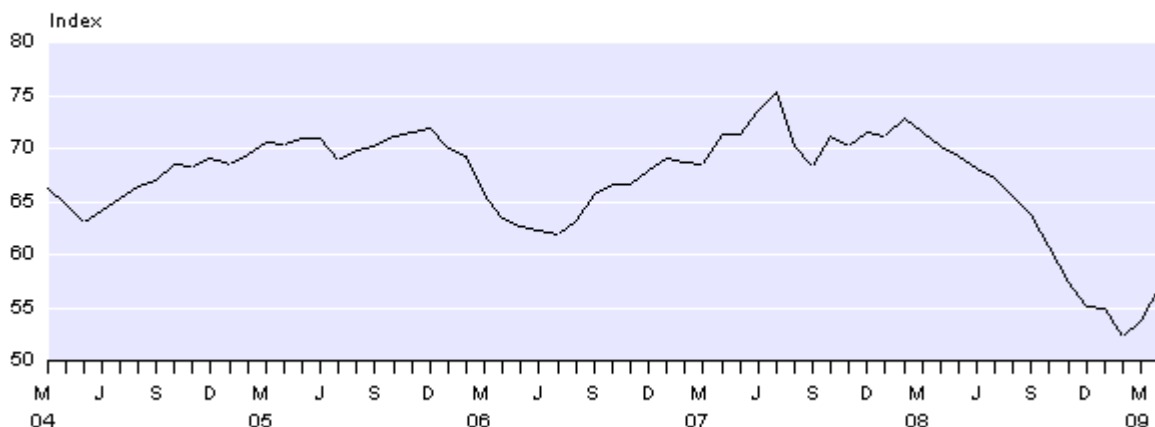
Exchange rate movements

According to the Reserve Bank's Trade Weighted Index, the New Zealand dollar rose 5.6 percent in April 2009 compared with March 2009, and is down 19.1 percent compared with April 2008. This is the largest monthly increase (compared to the previous month) since December 2000.

Trade Weighted Index

Monthly

Base: June 1979 = 100



Source: Reserve Bank of New Zealand

Updates to previous statistics

Provisional values published on 29 April 2009 have been updated. Merchandise trade statistics for the latest three months are provisional to allow for the inclusion of late data and amendments.

	Published on 29 April 2009			Published on 26 May 2009			Change		
	\$(million) ⁽¹⁾			\$(million) ⁽¹⁾			\$(million) ⁽¹⁾		
	Exports (fob)	Imports (cif)	Balance (fob-cif)	Exports (fob)	Imports (cif)	Balance (fob-cif)	Exports (fob)	Imports (cif)	Balance (fob-cif)
Month of:									
Jan 2009 P	3,173	3,276	-103	3,172	3,274	-102	0	-2	1
Feb 2009 P	3,448	2,961	487	3,442	2,960	481	-7	-1	-5
Mar 2009 P	4,039	3,715	324	4,063	3,616	447	24	-99	123
Year ended:									
Jan 2009 P	42,989	48,396	-5,406	42,989	48,394	-5,405	0	-2	1
Feb 2009 P	42,739	47,901	-5,162	42,732	47,898	-5,166	-7	-3	-4
Mar 2009 P	43,346	48,141	-4,796	43,363	48,040	-4,676	17	-102	119

(1) Figures are calculated on unrounded data.

Symbol:

P provisional

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Next release ...

Overseas Merchandise Trade: May 2009 will be released on 29 June 2009.

Technical notes

Definitions

billion	1,000 million.
capital goods	Produced assets used repeatedly or continuously, for longer than one year, in industrial production processes. Examples are machinery, trucks and aircraft.
cif	Cost of goods, including insurance and freight to New Zealand.
consumption goods	Goods used (without further transformation in industrial production processes) by households, government or non-profit institutions serving households.
fob	Free on board (the value of goods at New Zealand ports before export).
Infoshare	Free-of-charge online tool that gives you access to a range of time-series data.
intermediate goods	Goods used up or transformed in industrial production processes.
merchandise trade	Exports or imports of goods that alter the nation's stock of material resources. Includes goods leased for a year or more. Excludes goods for repair.
provisional	Statistics for the latest three months are provisional, to allow for the inclusion of late data and amendments.
re-exports	Merchandise exports that were earlier imported into New Zealand and comprise less than 50 percent New Zealand content by value.
vfd	Value for duty (the value of imports before insurance and freight costs are added).

Data source

Data is obtained from export and import entry documents lodged with the New Zealand Customs Service (NZCS). The data is processed and passed to Statistics NZ for further editing and compilation.

Valuations

Exports (including re-exports) are valued fob (free on board) and are shown in New Zealand dollars. Estimated values are used for goods that are not already sold at the time of export entry lodgement.

Imports are valued at cif (cost including insurance and freight) and are shown in New Zealand dollars.

Trade balance values are calculated by deducting imports (cif) from exports (fob). These two valuations are not entirely comparable, because the cif valuation includes insurance and freight to New Zealand while the fob valuation excludes insurance and freight from New Zealand. However, imports in tables 1 and 2 are also shown at the vfd (value for duty) level, which excludes the insurance and freight component.

Exchange rates

Export values given in foreign currencies are converted by Statistics NZ into New Zealand dollars, using weekly exchange rates when the statistics are compiled. For exports, a rise in the New Zealand dollar has a downward influence on prices, quantities and values.

Import values are converted from foreign currencies when import documents are processed by NZCS. The exchange rates used are set by NZCS each fortnight. These rates are prepared 11 days prior to the start of the fortnight, so have a lag of 11 to 25 days compared with the daily rates published by the Reserve Bank. For imports, a rise in the New Zealand dollar has a downward influence on prices and an upward influence on quantities. The combined influence on values can be either positive or negative.

Time of recording

Exports

From the August 1997 reference month, exports are compiled by date of loading. Previously, exports were generally compiled according to date of clearance by NZCS. This meant that some goods were allocated to the month following their actual month of export. Exports up to July 1997 that were not processed until August 1997 were assigned to the month of August 1997.

From 1 March 2004, NZCS do not allow goods to be loaded for export until an export entry has been lodged and cleared. A study undertaken in 2001/02 indicated that export entries not being lodged might account for between 1 and 3 percent of exports at that time. There is a possibility that the change in NZCS processes may have reduced this undercoverage, although this has not been quantified.

Imports

Imports are generally compiled by date of entry clearance by NZCS. NZCS entries are required from up to five days before, to 20 working days after, arrival of goods into New Zealand. The exception to this rule is for crude oil imports which can have entries lodged later than 20 working days after entry into New Zealand.

Crude oil values for the latest month are estimated using actual quantities and country of origin data (provided by NZCS, based on information from the refinery at Marsden Point), together with estimated prices. These estimates for crude oil are replaced once actual entries are lodged with NZCS.

While all entries are provisional for the latest three months, and have the potential to be changed by the importer/exporter within this period, changes are not common, and generally do not have a material impact on the results. However, New Zealand has only a few ships carrying crude oil arriving each month, and each ship represents a high proportion of the monthly total of imported crude oil. Any variation in the data for crude oil resulting from a later lodgement date can result in a significant revision to the value. Once actual lodgements are received by Statistics NZ from NZCS, the value for crude oil can be regarded as robust.

There were 21 working days in April 2008 and 20 working days in April 2009.

Commodity classification

Commodities are classified according to the New Zealand Harmonised System Classification (NZHSC).

The NZHSC was revised, from the January 2007 reference month, to incorporate changes promulgated by the World Customs Organization. Details can be found in the *Overseas Merchandise Trade: January 2007* Hot Off The Press released on 26 February 2007.

Standard International Trade Classification

The Standard International Trade Classification (SITC) is an output classification (using HS codes at the 6-digit level as building blocks), designed by the United Nations as an analytical tool for economic analysis, which includes some simple implications regarding level of processing. Published figures are at a high level of aggregation; more disaggregated information is available on Infoshare. For customised jobs using the SITC Rev 4 classification, contact customer services at: info@stats.govt.nz.

Broad economic category groups

Broad economic category (BEC) groups are arranged, as far as practicable, to align with the System of National Accounts' three basic classes: capital goods, intermediate goods and consumption goods. Commodities in BEC groups are categorised on the basis of their main end use. This means, for example, that all video recorders are treated as consumption goods even though some are used in business. Similarly, all helicopters are treated as transport equipment even though some are military goods (and are treated as such in the National Accounts).

Trend series

Time series can be split into trend, seasonal and irregular components. Seasonal adjustment removes the seasonal component, while trend estimation removes the seasonal and irregular components. Trend estimates reveal the underlying direction of movement in a series and are used to identify turning points.

The trend series are calculated using X-12-ARIMA, which adjusts for outlying values and uses a centred moving average. The length of the centred moving average is selected automatically and can be 9, 13 or 23 months, depending on the relative variability of the irregular component compared with the trend. A long moving average has the effect of smoothing the trend series but slowing the response to underlying changes in growth rates, while a short moving average produces a trend series that is less smooth but quicker to identify turning points.

To improve estimation of the underlying movement, the imports trend is calculated after removal of individual import items that have cif values of \$100 million or more, such as large aircraft and ships. The trade balance trend is calculated by subtracting the imports trend from the exports trend.

Trend figures are recalculated each month. The use of new monthly data means that previously published trend estimates are subject to revision. These revisions affect mainly the latest months and can be large if a trade value is initially treated as an outlier but is later found to be part of the underlying trend.

Seasonally adjusted series

These are calculated for calendar quarters, using X-12-ARIMA, and published in the March, June, September and December releases.

Seasonal adjustment removes the estimated impact of regular seasonal events, such as pre-Christmas purchasing, from time series. This makes the figures for adjacent periods more comparable. Seasonally adjusted figures are estimates and are subject to revision each quarter, with the largest changes generally occurring in the latest quarters.

Further information is on the [Statistics NZ website](#).

Confidential items

Under Section 37A (d) of the Statistics Act, the Government Statistician may disclose details of external trade, movement of ships, and cargo handled at ports. However, Statistics New Zealand understands that the release of merchandise trade commodity information can, in some cases, place commercially sensitive information in the public domain. Statistics New Zealand is able to provide a limited form of confidential status for commodity items (at the discretion of the Government Statistician), upon application by a company or business.

In practice, all confidential HS codes are aggregated into the code 9809.00.00.00 in order to protect their confidentiality and to maintain total export and import values. Any aggregations of Harmonised System (HS) codes below this level, which encompass confidential 10 digit codes, exclude the confidential value(s) for these codes.

The only aggregates that include the confidential codes are total exports, total imports, and the total exports and imports by country.

Concepts

Overseas Merchandise Trade (OMT) statistics are compiled in close accordance with the United Nations International Merchandise Trade Statistics Concepts and Definitions. OMT data, after adjustment, is used in the Balance of Payments and National Accounts. The adjustments are for coverage, timing, valuation and classification, and are explained in the [*Balance of Payments – Sources and Methods 2004*](#) publication.

Additional information

Other information on overseas trade is available from:

- Statistics NZ home page: www.stats.govt.nz
- Infoshare: www.stats.govt.nz/products-and-services/infoshare/default.htm
- *Key Statistics* – the monthly statistical publication
- *The New Zealand Official Yearbook*.

Related Hot Off The Press releases are:

- *Overseas Cargo Statistics*: ISSN 1178-2838
- *Overseas Trade Indexes – Prices*: ISSN 1178-0339
- *Overseas Trade Indexes – Volumes*: ISSN 1178-0347
- *Balance of Payments (quarterly)*: ISSN 1178-0215
- *Balance of Payments (annual)*: ISSN 1178-0223
- *Economic Survey of Manufacturing*: ISSN 1178-024X.

More information

For more information, follow the [link](#) from the technical notes of this release on the Statistics NZ website.

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Timing

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

Tables

The following tables are printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

1. Overseas merchandise trade, actual values
2. Overseas merchandise trade, 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
9. Related series, livestock, cars, crude oil and petroleum
10. Exports and imports by standard international trade classification (SITC)



[Overseas Merchandise Trade: April 2009 – tables 1–10 \(Excel, 190KB\)](#)