

Balance of payments and international investment position - overview for December 2019 quarter

Balance of payments

International investment position

The seasonally adjusted **current account** deficit was \$1.9 billion (the unadjusted current account deficit was \$2.7 billion).

The **financial account** showed a net inflow of \$1.1 billion.

Net international liabilities were \$170.9 billion (54.9 percent of GDP) at 31 December 2019.

The latest deficit was \$645 million **smaller** than the September 2019 quarter seasonally adjusted current account deficit. The seasonally adjusted **goods deficit** narrowed \$415 million to \$845 million.

The primary and secondary income deficit narrowed \$168 million from the September 2019 quarter to \$2.1 billion.

The **primary income** deficit narrowed \$70 million from the September 2019 quarter. The **secondary income** deficit narrowed \$98 million from the September 2019 quarter.

New Zealand investment abroad was a \$2.9 billion **net inflow** in the December 2019 quarter.

This was largely due to inflows from financial derivatives of \$2.6 billion and other investments of \$2.0 billion, partly offset by a \$2.8 billion net outflow from portfolio investment.

Foreign investment in New Zealand recorded a \$1.8 billion net outflow in the December 2019 quarter. This was largely due to outflows from portfolio investment of \$1.8 billion and financial derivatives of \$1.3 billion, partly offset by a \$1.8 billion net inflow from direct investment.

The net international liability position **narrowed** by \$309 million from \$171.2 billion (55.8 percent of GDP) at 30 September 2019. Valuation changes decreased our net liability position by \$1.4 billion, mostly offset by net financial account inflows of \$1.1 billion.

Our liabilities decreased by more than our assets.

Exchange rate changes had the largest impact on assets and liabilities. These changes largely offset each other resulting in a \$409 million narrowing in the net liability position.

New Zealand's **annual current account** was a \$9.2 billion deficit (3.0 percent of GDP) for the year ended 31 December 2019, smaller than the \$11.4 billion deficit (3.8 percent of GDP) for the year ended 31 December 2018.

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