

Overview for June 2018 quarter

Balance of payments and international investment position
June 2018 quarter

Balance of payments

International investment position

The seasonally adjusted **current account** balance was a \$2.7 billion deficit (actual current account balance was a deficit of \$1.6 billion).

The **financial account** showed a net outflow of \$1.7 billion.

Net international liabilities were \$157.9 billion (54.6 percent of GDP) at 30 June 2018.

The latest deficit was \$0.5 billion **smaller** than the March 2018 quarter seasonally adjusted deficit.

The seasonally adjusted **goods deficit** fell \$332 million in the latest quarter, down to \$1.4 billion.

The **primary and secondary income deficit** was \$2.8 billion, down \$7 million from the March 2018 quarter.

The **primary income deficit** was down \$118 million. The **secondary income** deficit was up \$112 million from the March 2018 quarter.

New Zealand investment abroad was a \$1.1 billion **net outflow** in the latest quarter. This was due to a rise in reserve assets (\$1.6 billion), mostly in the form of short-term debt securities.

Foreign investment in New Zealand was a \$655 million **net outflow** in the June 2018 quarter. This was driven by a withdrawal of investment of nearly all investment components (\$4.3 billion) with portfolio investment offsetting a \$3.6 billion rise in investment.

The net international liability position **widened** from a revised \$156.2 billion (54.6 percent of GDP) at 31 March 2018.

The change in the net liability position was due to the value of our liabilities rising more than the value of assets held abroad.

New Zealand's international liabilities was \$422.2 billion at 30 June 2018. The rise in the value of financial derivatives and market prices of NZX-listed companies drove the increase from the March 2018 quarter.

New Zealand's international assets was \$264.3 billion. The rise in New Zealand's assets was driven by positive valuation changes and an increase in investment abroad.

New Zealand's **annual current account** balance was a \$9.5 billion deficit (3.3 percent of GDP) for the year ended 30 June 2018 – larger than the \$7.1 billion deficit (2.6 percent of GDP) for the June 2017 year.