

## Balance of payments and international investment position – overview for June 2019 quarter

### Balance of payments

### International investment position

The seasonally adjusted current account balance was a \$2.4 billion deficit (unadjusted current account balance was a deficit of \$1.1 billion).

The financial account showed a net inflow of \$2 million.

Net international liabilities were \$165.9 billion (55.3 percent of GDP) at 30 June 2019.

The latest deficit was \$140 million smaller than the March 2019 quarter seasonally adjusted deficit.

The seasonally adjusted goods deficit narrowed \$285 million, to \$759 million.

The primary and secondary income deficit widened \$105 million from the March 2019 quarter to \$2.6 billion.

The primary income remained steady at \$2.4 billion. The secondary income deficit widened \$137 million from the March 2019 quarter.

New Zealand investment abroad was a \$2.2 billion net inflow in the latest quarter. This was largely due to a \$1.5 billion net inflow of direct investment, a \$1.5 billion net inflow of other investment, and a \$1.2 billion settlement of financial derivative assets held abroad. This was partly offset by net outflows in portfolio investment and reserve assets (\$2.1 billion)

Foreign investment in New Zealand was a \$2.2 billion net outflow in the June 2019 quarter. The net outflow was driven by a net outflow in portfolio investment and settlements of financial derivatives liabilities (\$7.7 billion). This was partly offset by a net inflow in direct investment (\$5.0 billion).

The net international liability position widened from the \$163.9 billion (55.2 percent of GDP) at 31 March 2019.

This widening was mainly due to valuation changes from net financial derivatives and net market price changes.

The level of foreign investment in New Zealand was up \$8.8 billion, to \$446.7 billion at 30 June 2019. This was mainly driven by market price changes, financial derivative valuation changes, and exchange rate movements.

The level of **New Zealand's** investment abroad was \$280.8 billion. The increase in New Zealand's assets was mainly due to other valuation changes, exchange rate movements, and financial derivative valuation changes.

**New Zealand's** annual current account was a \$10.2 billion deficit (3.4 percent of GDP) for the year ended 30 June 2019, larger than the \$9.3 billion deficit (3.2 percent of GDP) for the year ended 30 June 2018.