

Overview for March 2019 quarter

Balance of payments and international investment position

March 2019 quarter

Balance of payments

International investment position

The seasonally adjusted **current account** balance was a \$2.6 billion deficit (actual current account balance was a surplus of \$675 million).

The **financial account** showed a net inflow of \$726 million.

Net international liabilities were \$164.4 billion (55.5 percent of GDP) at 31 March 2019.

The latest deficit was \$60 million **smaller** than the December 2018 quarter seasonally adjusted deficit.

The seasonally adjusted **goods deficit** narrowed \$93 million in the latest quarter, to \$1.1 billion.

The **primary and secondary income deficit** narrowed \$88 million from the December 2018 quarter to \$2.5 billion.

The **primary income** deficit narrowed \$203 million. The **secondary income** deficit widened \$117 million from the December 2018 quarter.

New Zealand investment abroad was a \$1.0 billion **net inflow** in the latest quarter. This was largely due to a \$2.4 billion settlement of **financial derivative assets** held abroad.

Foreign investment in New Zealand was a \$277 million **net outflow** in the March 2019 quarter. The decrease was driven by a combined **settlement** in other investment, financial derivatives, and direct investment liabilities (\$2.0 billion). This was mostly **offset** by an increase in portfolio investment (\$1.7 billion).

The net international liability position **narrowed** from the revised \$168.4 billion (57.4 percent of GDP) at 31 December 2018.

This narrowing was mainly due to valuation changes from net financial derivatives and net other valuation changes.

The level of **foreign investment in New Zealand** was up \$6.0 billion, to **\$433.6 billion** at 31 March 2019. This was mainly driven by market price changes due to the upturn in the NZX over the quarter.

The level of **New Zealand's investment abroad** was **\$269.2 billion**. The increase in New Zealand's assets was mainly due to financial derivative valuation changes, the upturn of global stock markets in the quarter and other valuation changes.

New Zealand's **annual current account** was a \$10.6 billion deficit (3.6 percent of GDP) for the year ended 31 March 2019, larger than the \$8.5 billion deficit (3.0 percent of GDP) for the year ended 31 March 2018