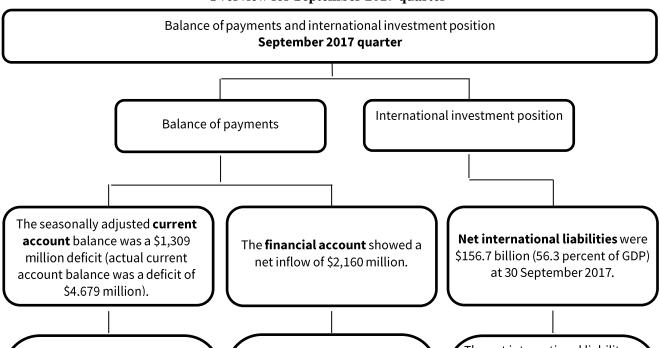
Overview for September 2017 quarter



The latest deficit was \$183 million **smaller** than the June 2017 quarter seasonally adjusted deficit.

Despite a surplus of \$1,160 million in the goods and services balance, the deficit of \$2,469 million in the primary and secondary income balance means that the current account remains in deficit.

The **goods deficit** decreased by \$411 million in the current quarter to reach \$26 million.
This can be attributed to lower imports of goods while exports were stable.

Secondary income net outflows decreased \$175 million in the latest quarter. This is due to lower outflows of foreign aid.

There was a \$2.2 billion **net inflow** of investment in the September 2017 quarter.

Foreign investment in New Zealand was a \$257 million net inflow this quarter. This increase in liabilities was driven by changes in portfolio investment, which was partly offset by other investment. Banks issued debt securities this quarter, which increased liabilities and the New Zealand Super Fund decreased its accounts payable.

New Zealand investment abroad was a \$1.9 billion net inflow this quarter. This decrease in assets was primarily due to a \$1.5 billion settlement of financial derivative assets held abroad.

The net international liability position **narrowed** from the revised 57.4 percent of GDP at 30 June 2017.

The net liability position change was driven by net market price changes and financial derivative valuation changes.

This was due to the performance of major stock overseas indices, and a decrease in valuation of financial derivative assets and liabilities.

Foreign investment in New Zealand was \$401.8 billion at 30 September, driven by the decreases in valuation for financial derivatives.

New Zealand's investment abroad in the September quarter was \$245.1 billion, driven by the decreases in valuation for financial derivatives.

New Zealand's **annual current account** was a deficit of \$7.1 billion (2.6 percent of GDP) for the year ended September 2017, the same as the \$7.1 billion deficit (2.7 percent of GDP) for the year ended September 2016.