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

Balance of payments

International investment position

The seasonally adjusted current account balance was a \$2.7 billion deficit (unadjusted current account balance was a deficit of \$6.4 billion).

The financial account showed a net inflow of \$5.8 billion.

Net international liabilities were \$172.8 billion (56.3 percent of GDP) at 30 September 2019.

The latest deficit was \$339 million larger than the June 2019 quarter seasonally adjusted deficit. The seasonally adjusted goods deficit widened \$532 million, to \$1.3 billion.

The primary and secondary income deficit narrowed \$261 million from the June 2019 quarter to \$2.4 billion.

The primary income deficit narrowed \$159 million from the June 2019 quarter. The secondary income deficit narrowed \$102 million from the June 2019 quarter.

New Zealand investment abroad was a \$1.6 billion net inflow in the latest quarter. This was largely due to inflows of \$1.2 billion from reserve assets, and \$1.0 billion from settlements of financial derivative assets. This was partly offset by a \$1.7 billion net outflow of portfolio investment.

Foreign investment in New Zealand recorded a \$4.3 billion net inflow in the September 2019 quarter. This was mainly driven by an inflow of portfolio investment (\$7.2 billion), which was partly offset by an outflow from other investment and financial derivatives (\$3.9 billion).

The net international liability position widened by \$6.1 billion from \$166.7 billion (54.9 percent of GDP) at 30 June 2019.

Our liabilities increased by more than our assets.

The widening was mainly due to the net inflow of \$5.8 billion in the financial account.

Valuation changes had the largest impact on assets and liabilities. These changes largely offset each other resulting in a \$243 million widening in the net liability position

New Zealand's annual current account was a \$10.3 billion deficit (3.3 percent of GDP) for the year ended 30 September 2019, smaller than the \$10.6 billion deficit (3.6 percent of GDP) for the year ended 30 September 2018.