

Balance of payments and international investment position – overview for March 2020 quarter

Balance of payments

International investment position

The seasonally adjusted **current account** deficit was \$1.6 billion (the unadjusted current account surplus was \$1.6 billion).

The **financial account** showed a net outflow of \$7.7 billion.

Net international liabilities were \$182.0 billion (58.0 percent of GDP) at 31 March 2020.

The latest deficit was \$372 million **smaller** than the December 2019 quarter seasonally adjusted current account deficit. The seasonally adjusted **goods deficit** narrowed \$613 million to \$213 million.

The **primary and secondary income deficit** widened \$158 million from the December 2019 quarter to \$2.3 billion.

The **primary income** deficit widened \$117 million from the December 2019 quarter. The **secondary income** deficit widened \$41 million from the December 2019 quarter.

New Zealand investment abroad was a \$10.3 billion **net outflow** in the March 2020 quarter. This was largely due to outflows from other investments of \$12.6 billion and from reserve assets of \$10.5 billion, partly offset by a \$11.8 billion inflow from portfolio investment.

Foreign investment in New Zealand recorded a \$2.5 billion **net inflow** in the March 2020 quarter. This was largely due to inflows from portfolio investment of \$4.7 billion and from other investment of \$1.3 billion, partly offset by a \$4.7 billion settlement of financial derivatives.

The net international liability position **increased** by \$10.1 billion from \$171.9 billion (55.2 percent of GDP) at 31 December 2019. Net market price and financial derivative changes increased our net liability by \$7.3 billion and \$6.9 billion respectively. This was partly offset by net financial account outflows of \$7.7 billion.

Our liabilities increased by more than our assets.

New Zealand's **annual current account** was a \$8.5 billion deficit (2.7 percent of GDP) for the year ended 31 March 2020, smaller than the \$10.8 billion deficit (3.6 percent of GDP) for the year ended 31 March 2019.