

Overseas Merchandise Trade: July 2016

Embargoed until 10:45am – 24 August 2016

Key facts

For July 2016 compared with July 2015:

Goods exports fell \$205 million to \$4.0 billion.

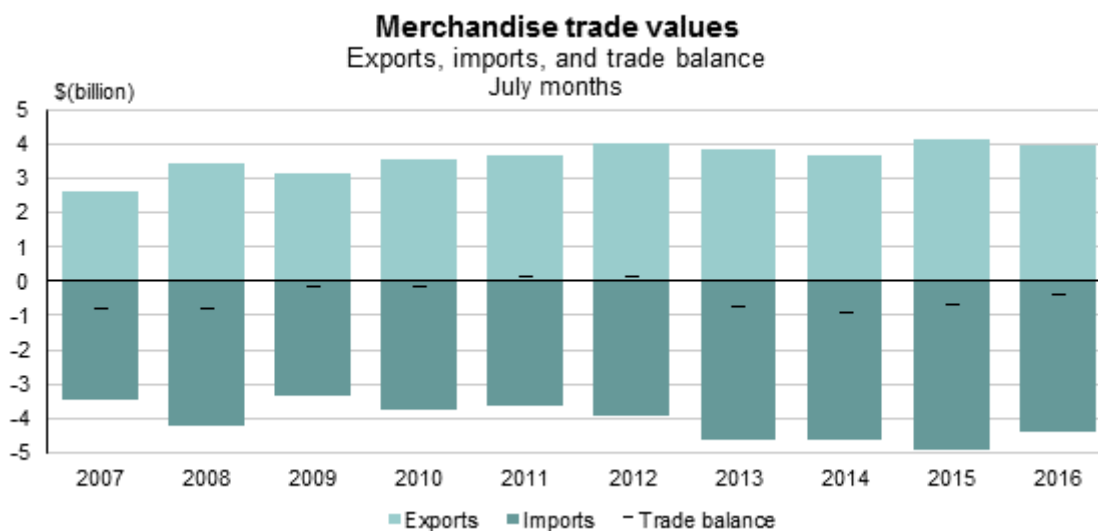
- Meat and edible offal led the fall in exports, down \$97 million (19 percent).
- Milk powder fell \$118 million (23 percent) while the quantity rose 0.9 percent.
- Fruit fell \$17 million (5.7 percent) while the quantity rose 3.9 percent.
- Australia was the only top export destination to rise in value, up \$37 million.

Goods imports fell \$503 million to \$4.4 billion.

- Intermediate goods led the fall in imports, down \$296 million (15 percent) due to crude oil.
- Consumption goods fell in value for the first time in 23 months, down \$114 million (9.6 percent).
- The only top import partner to rise in value was the United States, up \$83 million.

The monthly trade balance was a deficit of \$433 million (11 percent of exports).

The trade weighted index rose 8.4 percent from July 2015.



Liz MacPherson, Government Statistician

ISSN 1178-0320

24 August 2016

Commentary

- Exports fall 4.9 percent
- Imports fall 10 percent
- United Kingdom's component of trade with European Union
- Goods trade has deficit in July 2016
- Seasonally adjusted exports rise 2.2 percent
- Seasonally adjusted imports rise 5.6 percent
- Exchange rate movements

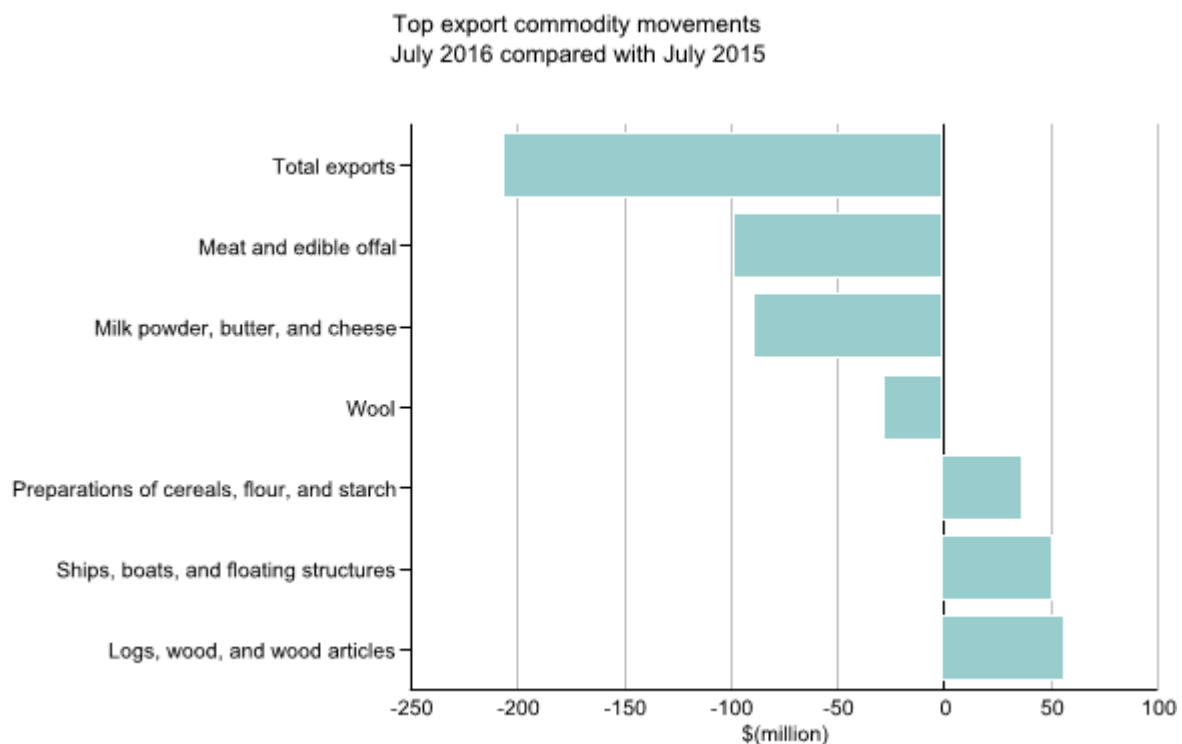
This commentary refers to trade in goods only.

See Goods and Services Trade by Country: Year ended March 2016 for information on trade in goods and services.

All comparisons are between July 2016 and July 2015, unless otherwise stated.

Exports fall 4.9 percent

In July 2016, goods exports were valued at \$4.0 billion, down \$205 million (4.9 percent).



Meat and edible offal lead fall in exports

Meat and edible offal (New Zealand's second-largest export commodity group) had the largest fall in July 2016, down \$97 million (19 percent). Lamb led the fall (down \$65 million or 29 percent) – quantity was down 25 percent. Beef fell \$33 million (15 percent) – quantity exported was down 2.8 percent.

The top destination (ranked by annual exports) for New Zealand beef is the United States of America, while the top destination for lamb is the European Union. Beef exports to the USA fell \$25 million (23 percent) in July 2016 – the quantity was down 11 percent. Lamb to the EU fell \$16 million (19 percent) – the quantity exported was down 7.1 percent.

Meat and edible offal values were at a record high in early 2015, with July 2015 being 31 percent higher in value than the average of the previous five July months.

Milk powder, butter, and cheese (the largest export commodity group) fell \$88 million (9.5 percent) in July 2016. The movements within this commodity group included:

- milk powder, which fell \$118 million (23 percent). The fall was price driven as the quantity exported rose 0.9 percent.
- milk fats (including butter), which rose \$13 million (7.2 percent). The quantity exported rose 28 percent.
- natural milk consistent products, which rose \$8.1 million (14 percent). The quantity exported was up 64 percent.
- cheese and curd, which rose \$1.9 million (1.4 percent). The quantity exported was up 20 percent.

The large fall in milk powder exports this month was led by a fall in value to Algeria, down \$49 million (55 percent). The quantity exported to Algeria was down 45 percent. Algeria is our third-largest destination for milk powder exports (ranked by annual exports) behind China (the largest) and the United Arab Emirates.

Logs, wood, and wood articles had the largest rise in July 2016, up \$57 million (19 percent). The rise was led by rough wood (logs in their natural felled state). Treated logs rose \$23 million (to \$30 million) and untreated logs rose \$25 million (to \$178 million). In July 2016, log exports made up 59 percent of the total export value of the wider logs, wood, and wood articles commodity group.

Other key changes in export commodities were:

- **ships, boats, and floating structures**, up \$52 million to \$60 million, due to the export of a tanker and a sailboat
- **preparations of cereals, flours, and starch**, up \$37 million (47 percent), led by food preparations for infant use
- **wool**, down \$27 million (40 percent) with quantity exported down 33 percent
- **crude oil**, down \$27 million (34 percent) with quantity exported down 6.5 percent
- **fruit**, down \$17 million (5.7 percent) with quantity exported up 3.9 percent.

Exports to Australia rise while exports to other top destinations fall

Of our top export destinations, Australia was the only one with a rise in value in July 2016. The actual movements for July 2016, for our top export destinations (ranked by total annual goods exports), were:

1. **China** – down \$30 million (4.3 percent), led by falls in meat and edible offal (down \$32 million), milk powder (down \$24 million), and wool (down \$23 million). Logs, wood, and wood articles rose \$38 million (34 percent). A rise in rough wood (up \$41 million) was partly offset by a fall in sawn wood (down \$3.5 million).
2. **Australia** – up \$37 million (5.2 percent), led by rises in food preparations for infant use (up \$24 million); ships, boats, and floating structures (up \$19 million); and aircraft and

parts thereof (up \$16 million). Exports of precious metals, jewellery, and coins fell \$17 million (24 percent).

3. **USA** – down \$42 million (8.7 percent). The fall was led by a fall in beef exports, down \$25 million (23 percent) in value and 11 percent in quantity. Milk albumin (milk protein) fell \$10 million (64 percent) and iron and steel articles fell \$9.8 million. The largest rise was wine, up \$5.8 million (17 percent) in value and 34 percent in quantity.
4. **EU** – down \$43 million (9.8 percent), led by a falls in meat and edible offal (down \$22 million) and green kiwifruit (down \$18 million). Casein and caseinates fell \$9.2 million (67 percent). The largest rise was pharmaceutical products, up \$5.4 million (60 percent).
5. **Japan** – down \$26 million (9.3 percent), led by a fall in kiwifruit, down \$15 million (37 percent) in value and 37 percent in quantity. Wood pulp and waste paper fell \$12 million (98 percent), while logs, wood, and wood articles rose \$6.6 million.

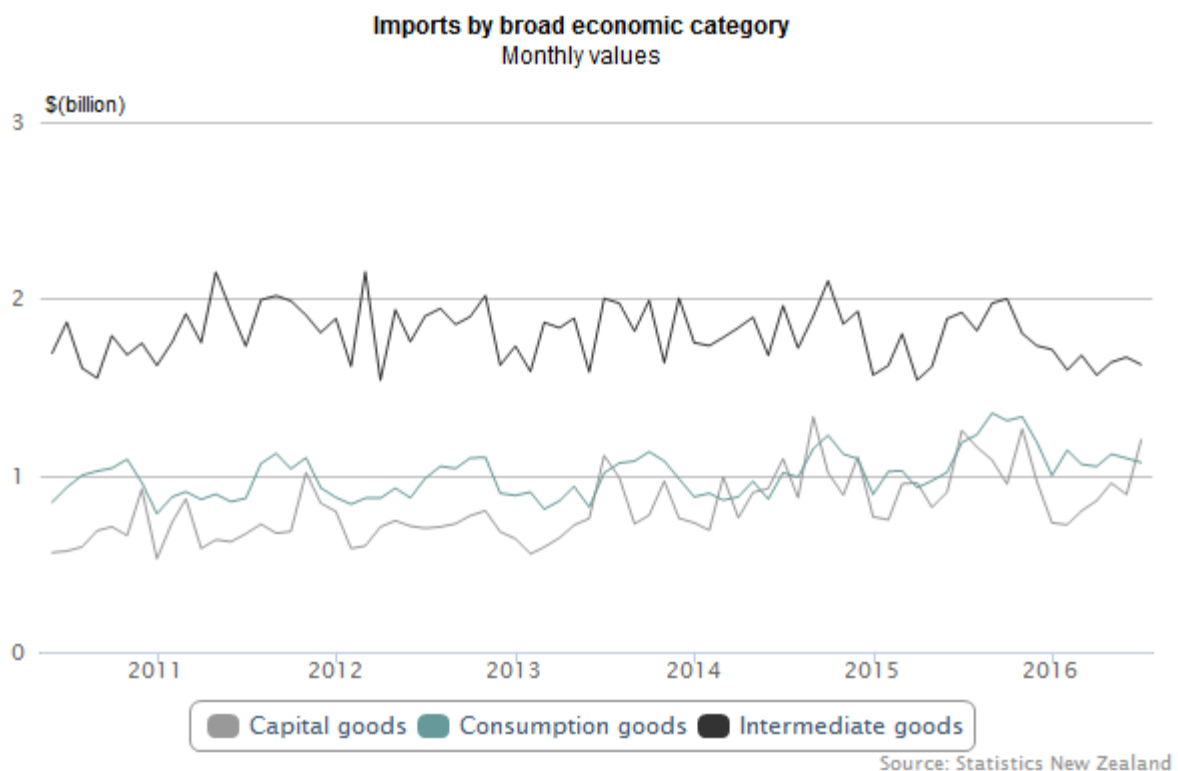
Imports fall 10 percent

In July 2016, imported goods were valued at \$4.4 billion, down \$503 million (10 percent).

When we exclude petroleum products (such as crude oil) from the total import value for July 2016, the net movement for all other imported goods was a \$300 million fall (down 6.9 percent).

Intermediate goods lead fall in imports

All three main broad economic categories fell in value.



Intermediate goods fell \$296 million (15 percent) with falls in:

- crude oil, down \$181 million (48 percent)
- processed industrial supplies (eg chemicals and metal scraps), down \$83 million (8.8 percent)
- primary industrial supplies (other than food or beverages), down \$30 million (40 percent)
- parts and accessories of capital plant (eg electrical and specialised machinery), down \$24 million (10 percent).

Excluding crude oil, the net movement of intermediate goods in July 2016 was a \$115 million fall (7.4 percent).

Consumption goods fell \$114 million (9.6 percent) led by:

- semi-durable goods (eg clothing and toys), down \$41 million (13 percent)
- durable goods (eg household appliances), down \$16 million (7.7 percent)
- non-durable goods (eg clothing and chemical sprays), down \$11 million (3.8 percent).

When compared with the same period of the previous year, monthly values of consumption goods imports have been rising since August 2014. The fall in the value of consumption goods in July 2016 marks the end of a 22-month long rise in values.

Capital goods fell \$52 million (4.1 percent) led by:

- machinery and plant (e.g. electrical and office machinery), down \$87 million (12 percent)
- transport equipment (e.g. road vehicles), up \$36 million (7.1 percent).

In other categories of goods:

- petrol and avgas fell \$43 million (34 percent)
- passenger motor cars fell \$4.9 million (1.3 percent).

Imports fall from four of our five top import partners

The monthly movements for July 2016 for our top import partners (ranked by total annual goods imports) were:

1. **China** – down \$83 million (9.3 percent), led by a fall in clothing (down \$23 million), computers (down \$20 million), and electrical machinery (down \$8.9 million). Imports of fertilisers from China were up \$15 million.
2. **EU** – down \$191 million (21 percent), led by a fall in aircraft and aircraft parts (down \$118 million), railway coaches (down \$22 million), and mechanical machinery (down \$15 million). Potassium fertilisers rose \$12 million.
3. **Australia** – down \$33 million (6.2 percent), led by falls in aluminium oxide (down \$15 million) and pharmaceutical products (down \$7.1 million). The largest rise was vegetable oils (up \$4.3 million).
4. **USA** – up \$83 million (13 percent), led by a rise in the value of aircraft and aircraft parts (up \$129 million). The rise was partly offset by falls in commodities such as electrical machinery (down \$9.2 million).
5. **Japan** – down \$4.3 million (1.4 percent), led by televisions (down \$14 million) but partly offset by a rise in aircraft (up \$6.5 million).

Due to the timing of large petroleum shipments, the values of petroleum imports fluctuate for specific countries. In July 2016, petroleum influenced the large movements in the value of imports from: **United Arab Emirates**, **Saudi Arabia**, and **Malaysia** which had large decreases; **Indonesia** and **Russia** had large increases.

United Kingdom's component of trade with European Union

Exports to the UK were 25 percent of New Zealand's total exports to the EU in July 2016.

If the UK and the rest of the EU are regarded separately, the respective movements in exports for July 2016 were:

- **UK** – down \$15 million (13 percent) led by a fall in lamb (down \$7.5 million)
- **EU** (excluding the UK) – down \$28 million (8.6 percent) led by kiwifruit (down \$20 million) and lamb (down \$8.8 million).

Imports from the UK were 14 percent of New Zealand's total imports from the EU in July 2016.

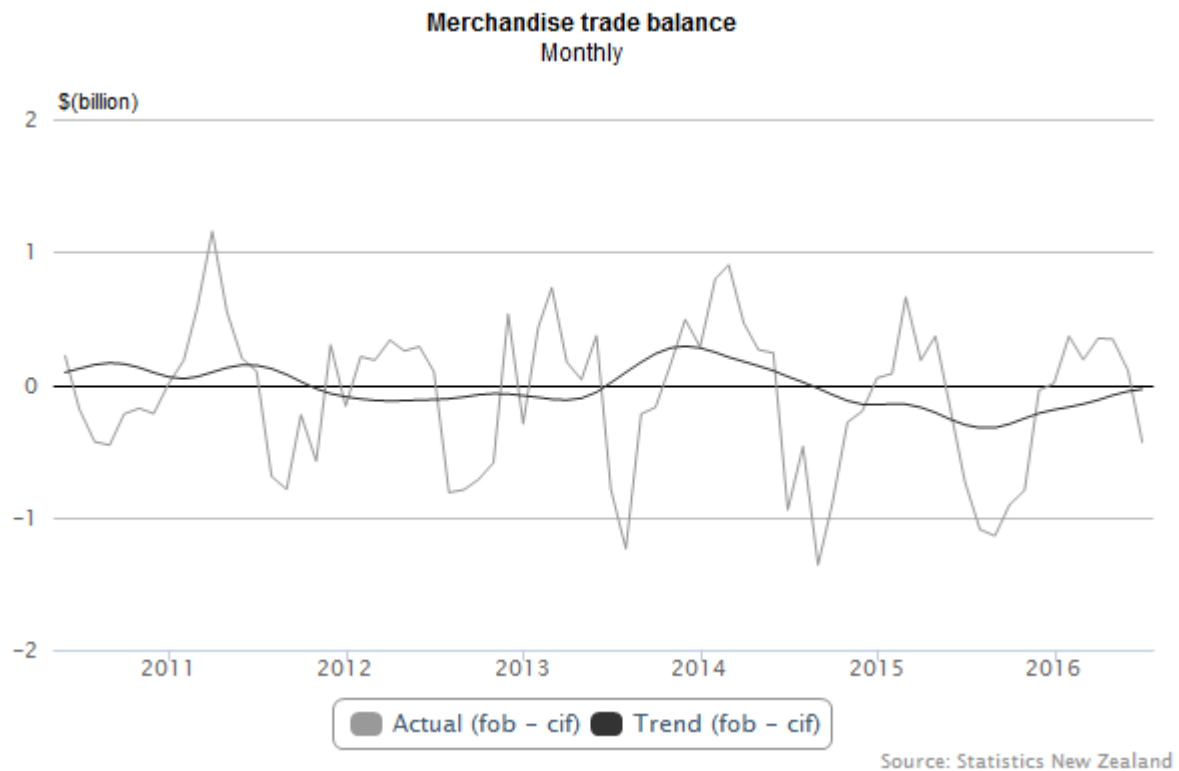
The respective movements in imports for July 2016 were:

- **UK** – down \$14 million (12 percent) due to falls over commodities such as chemical and pharmaceutical products
- **EU** (excluding the UK) – down \$177 million (22 percent) due to aircraft (down \$117 million).

Goods trade has deficit in July 2016

In July 2016 there was a goods trade deficit of \$433 million (11 percent of exports). This compares with an average deficit of 12 percent of exports for the previous five June months.

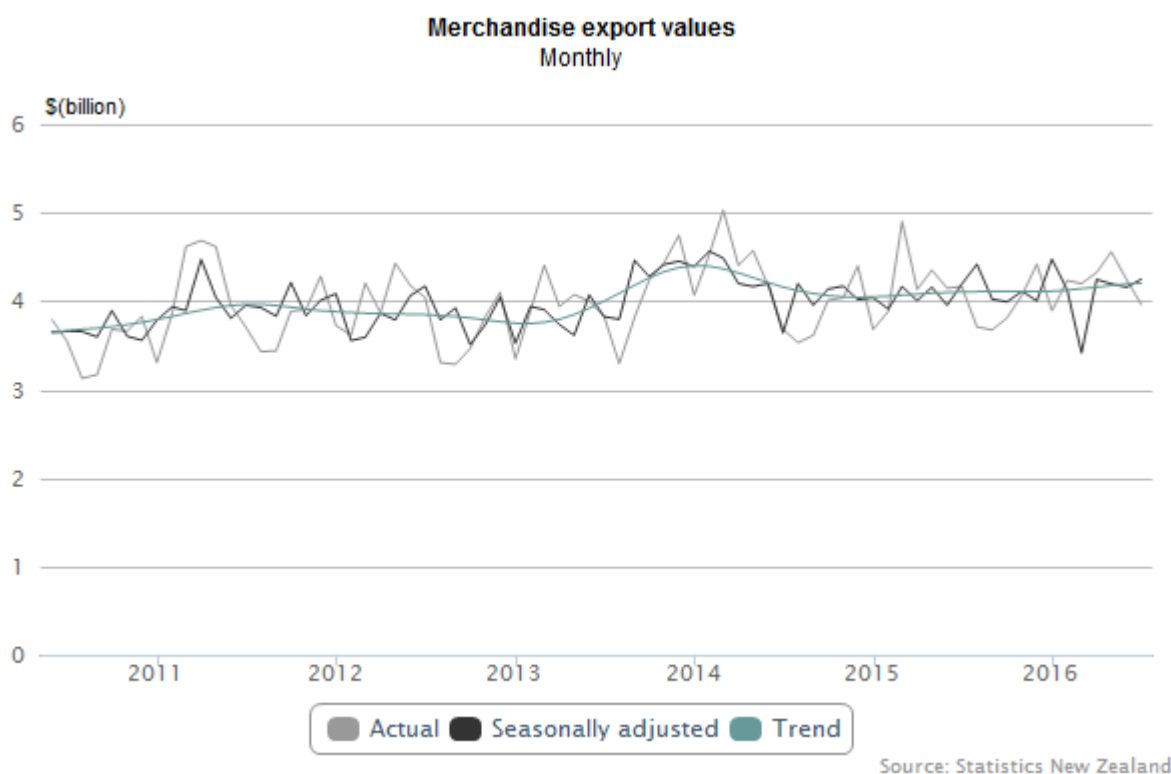
For the year ended July 2016 there was an annual trade deficit of \$3.0 billion.



Seasonally adjusted exports rise 2.2 percent

The seasonally adjusted value of exported goods in July 2016 rose 2.2 percent (\$90 million) from June 2016. This follows a 0.9 percent fall in June 2016 compared with May 2016.

The trend for goods exports has been generally increasing since January 2015, and was 3.9 percent higher in July 2016 than at the most-recent low point in December 2014.



Contrasting movements in seasonally adjusted exports

The seasonally adjusted movements in July 2016, compared with June 2016, for our main export destinations were:

- **China** – down \$87 million (9.7 percent) to \$814 million. The trend is 22 percent lower than the series peak in December 2013.
- **Australia** – up \$77 million (12 percent) to \$742 million. The trend is 22 percent lower than the series peak in July 2011.
- **EU** – down \$17 million (4.0 percent) to \$418 million. The trend is 17 percent lower than the series peak in December 2008.

Changes in seasonally adjusted export values

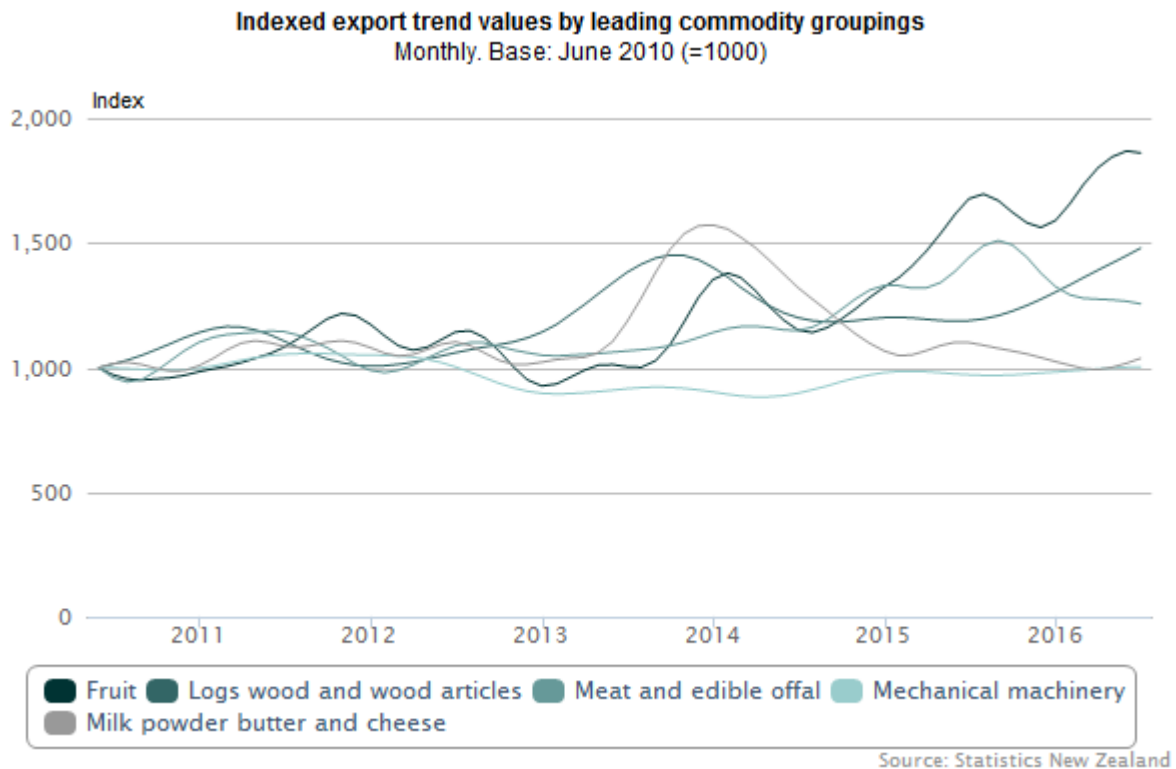
Fruit fell 16 percent (\$39 million) in July 2016, following a 6.6 percent increase in June 2016. The seasonally adjusted quantity fell 3.3 percent.

Meat and edible offal fell 9.3 percent (\$50 million), following a 4.9 percent fall in June 2016. The seasonally adjusted quantity fell 8.4 percent.

Logs, wood, and wood articles fell 1.5 percent (\$5.5 million), following a 1.0 percent fall in June 2016. The quantity for logs, wood, and wood articles is not seasonally adjusted.

Milk powder, butter, and cheese rose 0.6 percent (\$5.4 million), following a 10 percent rise in June 2016. The seasonally adjusted quantity rose 1.3 percent.

Trend for meat and edible offal continues to fall



The trend for **meat and edible offal** has been falling since October 2015. The trend is 17 percent lower than the most-recent high in September 2015.

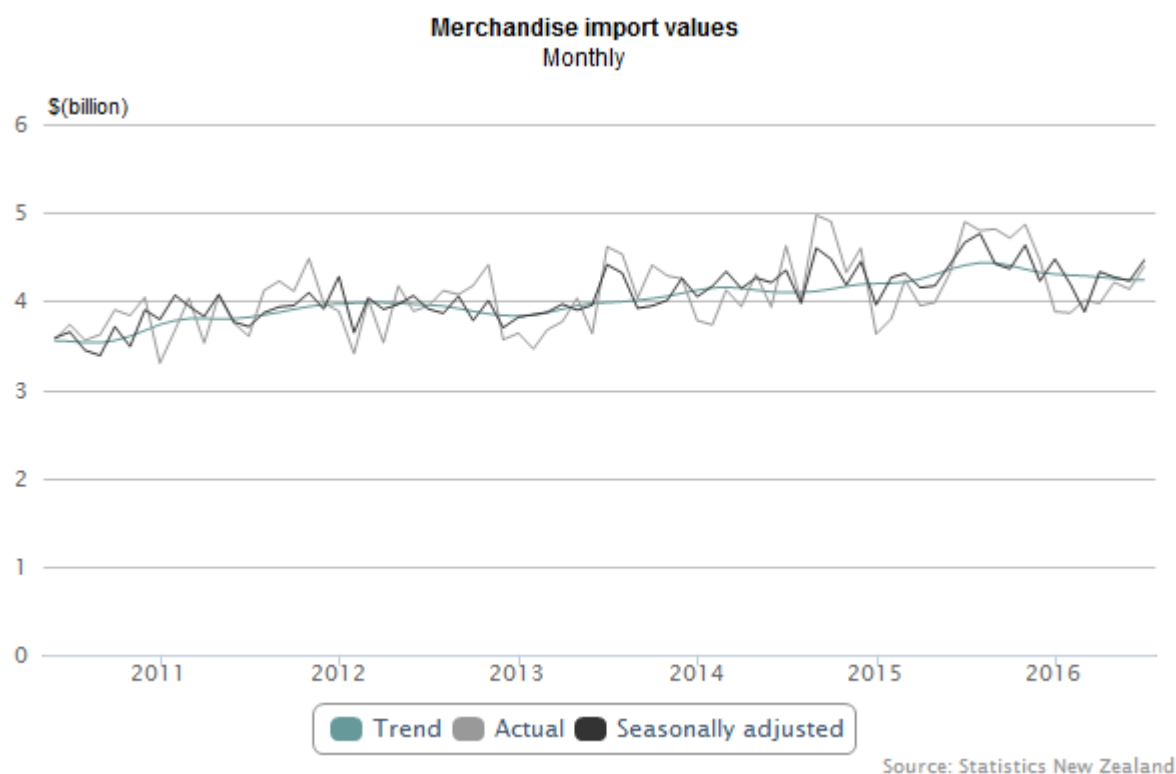
Milk powder, butter, and cheese has risen for the third month in a row. Before the rise in May 2016, this commodity had fallen for 10 consecutive months.

Recent trends for values of other leading commodities:

- **Logs, wood, and wood articles** – has been rising for 13 months.
- **Fruit** – fell in July 2016 after rising for six consecutive months.

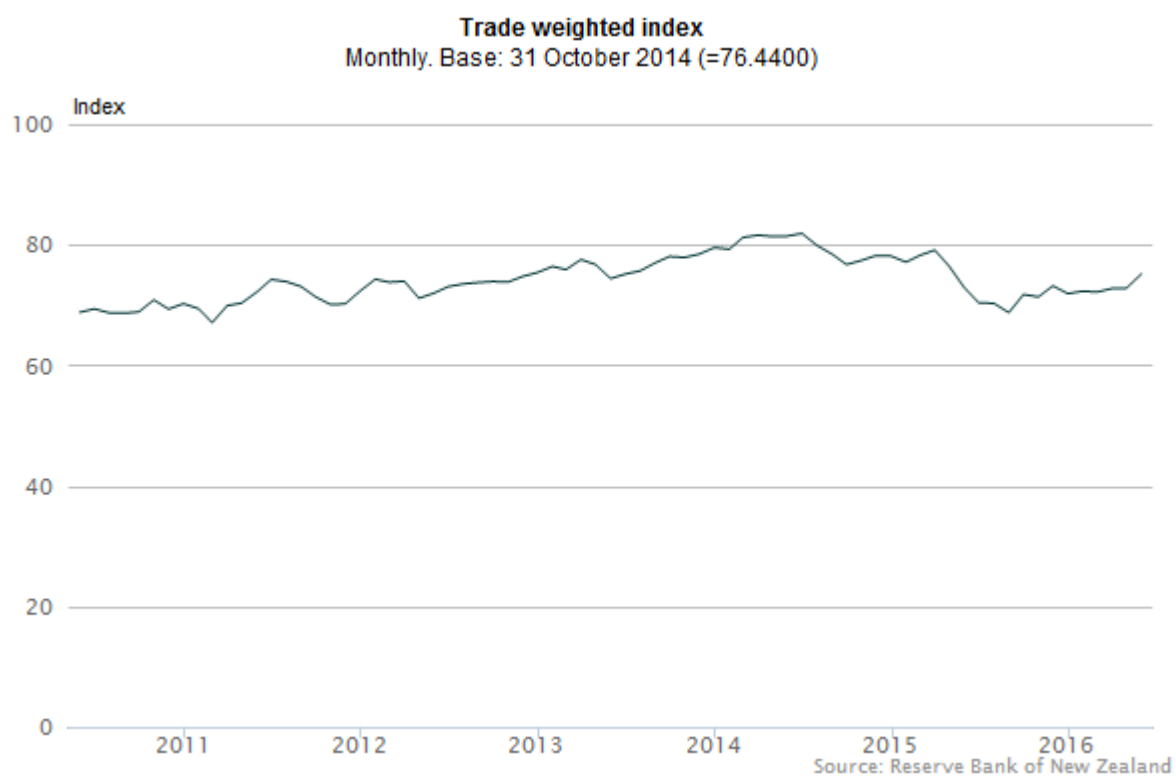
Seasonally adjusted imports rise 5.6 percent

Seasonally adjusted goods imports in July 2016 rose 5.6 percent (\$235 million) from June 2016. This fall follows a 1.0 percent fall in June 2016 (compared with May 2016). Excluding petroleum and products, seasonally adjusted imports rose 6.3 percent in July 2016 from June 2016.



Exchange rate movements

The Reserve Bank's trade weighted index showed that the New Zealand dollar was 1.4 percent higher in July 2016 than in June 2016, and 8.4 percent higher than in July 2015.



For more detailed data, see the Excel tables in the 'Downloads' box.

See DataInfo+ for information on definitions, data quality, and revisions. These sections were previously included in this release.

Related links

- [Next release](#)
- [Past releases](#)
- [Data quality](#)
- [Related information](#)

Next release

Overseas Merchandise Trade: August 2016 will be released on 26 September 2016.

[Subscribe to information releases](#), including this one, by completing the online subscription form.

[The release calendar](#) lists all information releases by date of release.

Past releases

[Overseas Merchandise Trade](#) has links to past releases.

[Goods and Services Trade by Country](#) has annual goods and services trade in a single information release. This provides a comprehensive picture of economic trade between New Zealand and our main trading partners, by combining information on commodities and services.

Data quality

Period-specific information

[Overseas Merchandise Trade: July 2016 – DataInfo+](#)

Methodology used for this release and revisions to provisional values published in our previous release.

General information

[Overseas Merchandise Trade – DataInfo+](#)

General methodology used to produce overseas merchandise trade statistics.

[Overseas Merchandise Trade concepts – DataInfo+](#)

Definitions of terms used in this release.

[Principles and protocols for producers of Tier 1 statistics](#)

Statistics in this release have been produced in accordance with the Official Statistics System principles and protocols for producers of Tier 1 statistics for quality. They conform to the Statistics NZ methodological Standard for Reporting of Data Quality.

Related information

[Global New Zealand](#)

Comprehensive annual trade statistics.

Overseas Trade Indexes – information releases

Information on changes in the level of prices and volumes of New Zealand's imports and exports.

Balance of Payments and International Investment Position – information releases

Information on the value of New Zealand's transactions with the rest of the world and our international financial assets and liabilities.

Gross Domestic Product – information releases

Three-monthly snapshots represent the country's income earned from production in New Zealand.

Economic Survey of Manufacturing – information releases

Economic indicators of how the manufacturing sector is performing.

Copyright and terms of use

Includes our copyright, attribution, and liability statements.

Contacts

For media enquiries contact:

Stuart Jones

Christchurch 03 964 8821

Email: info@stats.govt.nz

For technical information contact:

Josh Fairless

Christchurch 03 964 8814

Email: info@stats.govt.nz

For general enquiries contact our Information Centre:

Phone: 0508 525 525 (toll-free in New Zealand)

+64 4 931 4600 (outside New Zealand)

Email: info@stats.govt.nz

Subscription service:

Subscribe to information releases, including this one, by completing the online subscription form.

Correction notifications:

Subscribe to receive an email if a correction notice is published for Overseas Merchandise Trade.

Unsubscribe to correction notifications for Overseas Merchandise Trade.

Subscribe to all to receive an email if a correction notice is published for any of our information releases.

Unsubscribe to all if you change your mind.

Tables

See Overseas Merchandise Trade: July 2016 – tables (Excel, 18 sheets, 437kB) for the following tables, which are available from the ‘Downloads’ box on this page. If you have problems viewing the files, see [opening files and PDFs](#).

- 1.01 Overseas merchandise trade, actual values
- 1.02 Overseas merchandise trade, trade balance – actual values
- 2 Overseas merchandise trade, seasonally adjusted and trend values – monthly
- 3 Exports by destination
- 4 Imports by country of origin
- 5 Exports of main commodities
- 6 Imports of main commodities
- 7 Imports by broad economic category (BEC) group
- 8 Exchange rates
- 9 Related series, livestock, cars, and crude oil
- 10 Exports and imports by Standard International Trade Classification (SITC)
- 11 Exports by top 10 HS categories, values – seasonally adjusted
- 12 Exports by top 10 HS categories, quantities – seasonally adjusted
- 13 Imports by selected HS categories, values – seasonally adjusted
- 14 Exports by top 10 HS categories, values – trend
- 15 Exports by top 10 HS categories, quantities – trend
- 16 Imports by selected HS categories, values – trend

Access more data on Infoshare

Infoshare allows you to organise data in the way that best meets your needs. You can view the resulting tables onscreen or download them.

Use Infoshare

For this release, select the following categories from the Infoshare homepage:

Subject category: **Imports and Exports**

Next release

Overseas Merchandise Trade: August 2016 will be released on 26 September 2016.