Hot Off The Press

Latest statistics from Statistics New Zealand

Statistics New Zealand
TATAURANGA AOTEAROA

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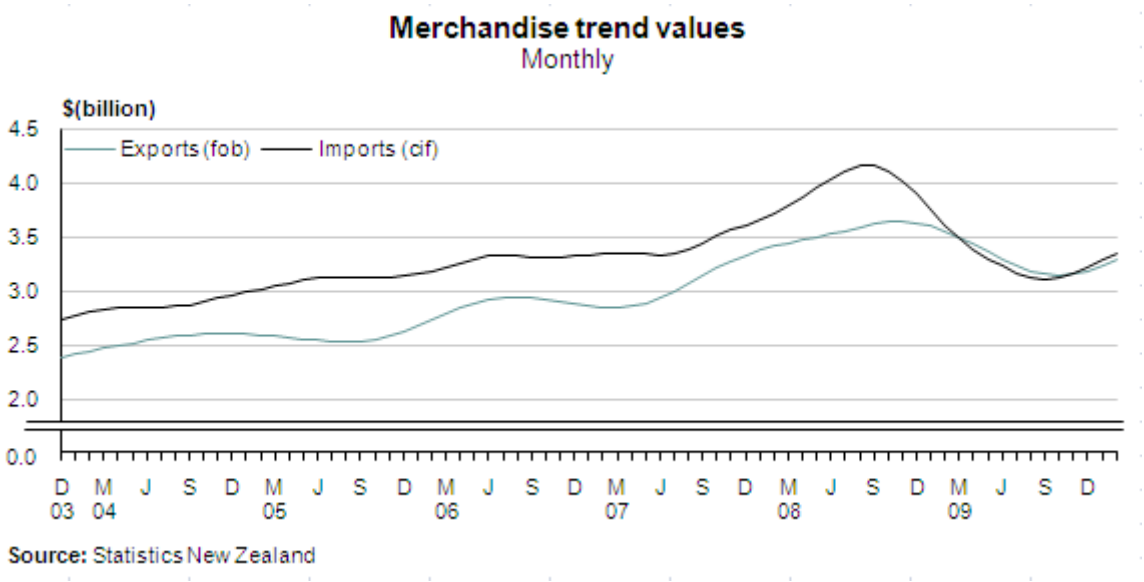
Overseas Merchandise Trade: February 2010

Highlights

For the month of February 2010 compared with February 2009 unless otherwise stated:

- Merchandise imports were up 1.3 percent ($37 million) to $3.0 billion.
- Crude oil led the increase in imports.
- Excluding crude oil, imports were down 6.1 percent ($173 million).
- Imports of electrical machinery and equipment, aircraft and parts, and mechanical machinery and equipment were notable downward contributors.
- The level of the imports trend has increased 7.9 percent since September 2009, but is still 19.6 percent lower than its peak in September 2008.
- Merchandise exports were down 3.6 percent ($124 million) to $3.3 billion.
- Meat and edible offal, casein and caseinates, and mechanical machinery and equipment led the fall in exports.
- The level of the exports trend appears to have been rising in recent months, although more data points are required to confirm the direction.
- The trade balance was a surplus of $321 million (9.7 percent of exports).



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Commentary

Information in this release is for the month of February 2010 compared with February 2009 unless otherwise stated.

Exports

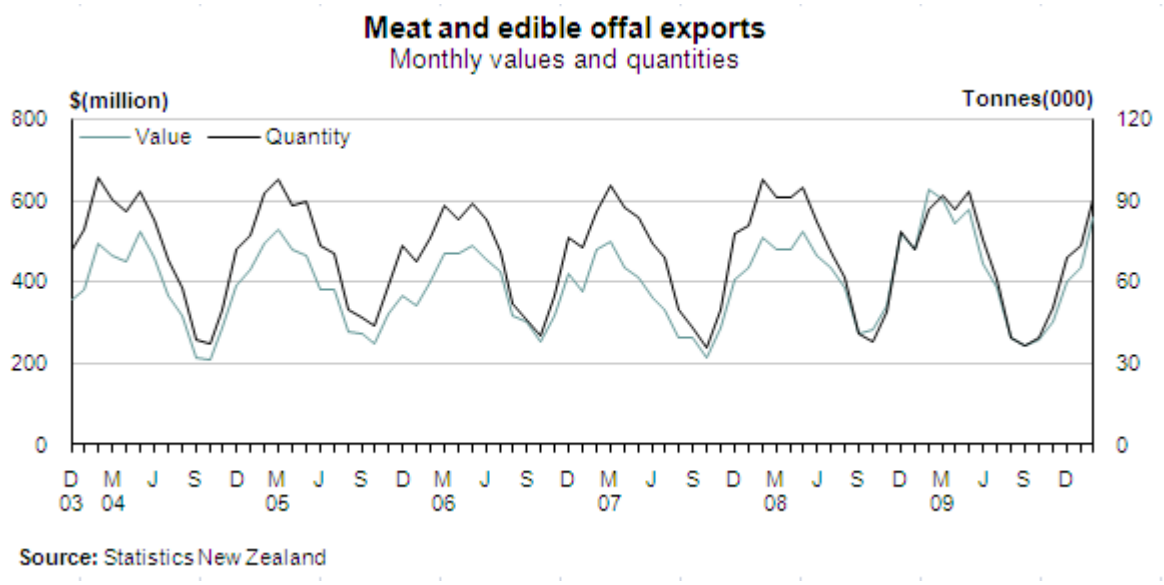
The value of merchandise exports for the month of February 2010 was $3.3 billion, down $124 million (3.6 percent) from February 2009. This is the ninth consecutive monthly fall in export values compared with the same month of the previous year.

The trend indicates that total merchandise exports appear to have been rising in recent months, although more data points are required to confirm the direction. The level of the trend has risen 4.4 percent since the low in October 2009, but is still 9.8 percent lower than the peak in November 2008.

The top commodity categories recorded mixed results, with the majority recording decreases in February 2010 compared with February 2009. Key decreases and increases in exports by commodity and by country of destination were as follows:

By commodity:

- Meat and edible offal recorded the largest decrease, down $72 million (11.4 percent), led by falls in lamb (with a decline in both frozen and fresh lamb cuts with bone in) and frozen venison.

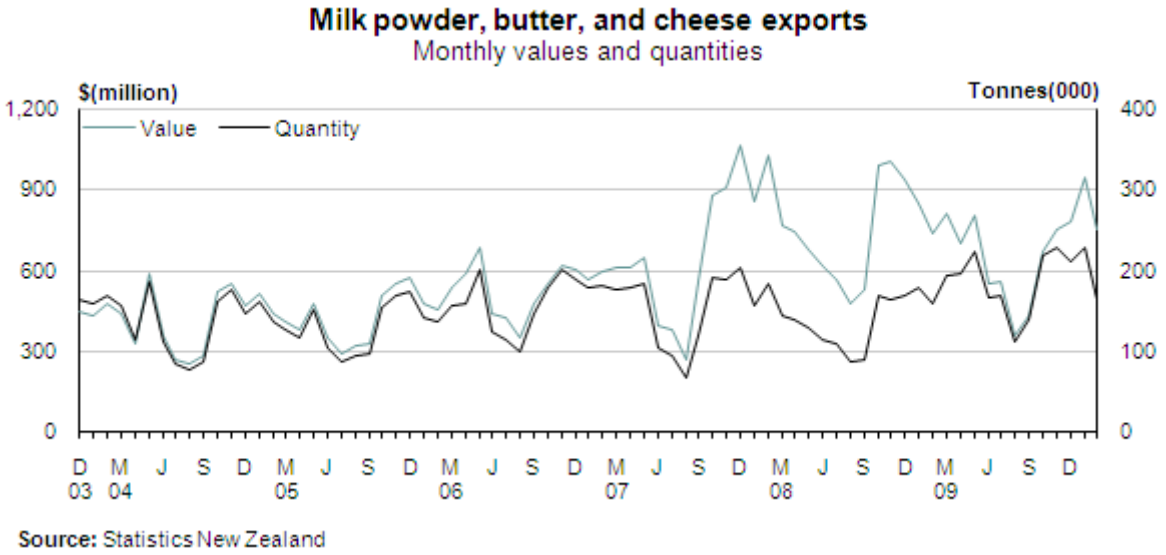


Source: Statistics New Zealand

- Casein and caseinates recorded the second largest decrease, down $36 million (39.6 percent), led by falls in caseinates, with price and quantity both down.
- Mechanical machinery and equipment fell $26 million (17.4 percent); recording falls across a variety of commodities, with dishwashers and earth moving machinery the most notable contributors to the decline.
- Logs, wood, and wood articles recorded the largest increase, up $46 million (31.1 percent), driven by a rise in pinus radiata logs.
- Aluminium and aluminium articles recorded the second largest increase, up $26 million (40.4 percent), driven by unwrought aluminium. This is the second consecutive monthly

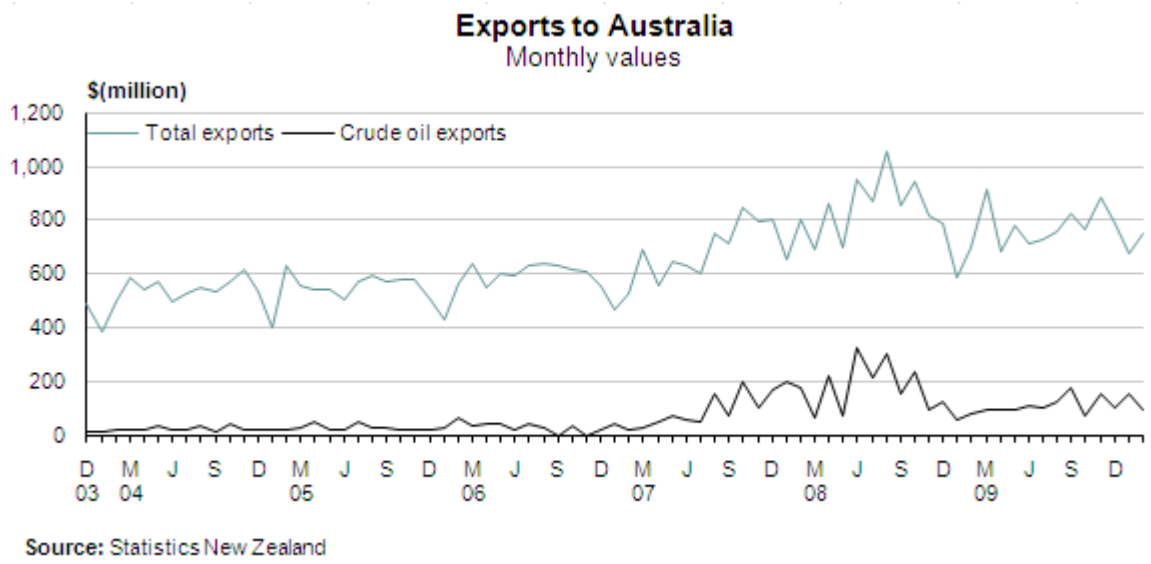
increase (compared to the same month of the previous year) following 14 months of falls. Aluminium exports recorded during February 2010 are still more than 20 percent lower (in both value and quantity terms) than aluminium exports recorded during February 2008.

- Live animals recorded the third largest increase, up $21 million (125 percent). This increase was largely driven by increases in exports of thoroughbred colts and fillies for racing.
- Milk powder, butter, and cheese recorded the next largest increase, up $18 million (2.5 percent), with increases in anhydrous milk fat, unsalted butter, and unsweetened whole milk powder partially offset by a decline in natural milk constituents.



By country of destination:

- The United States recorded the largest decrease, down $136 million (31.0 percent). Notable contributors to the decline included milk powder, butter, and cheese (led by falls in natural milk constituents and cheese); casein and caseinates; and food residues, wastes, and fodder.
- Germany recorded the second largest decrease, down $46 million (40.8 percent); led by a fall in meat and edible offal (driven by a decline in lamb and venison), with fish, crustaceans, and molluscs (driven by a fall in fish fillet blocks) also down.
- Venezuela recorded the third largest decrease, down $43 million (93.0 percent); solely driven by a fall in milk powder, butter, and cheese, with unsweetened whole milk powder and cheddar cheese both down. Exports to Venezuela tend to be comprised almost entirely of milk powder, butter, and cheese exports.
- Australia recorded the largest increase, up $49 million (7.0 percent); with rises in milk powder, butter, and cheese (led by cheese); live animals (led by thoroughbred colts and fillies for racing); and crude oil.



Source: Statistics New Zealand

- The People's Republic of China recorded the second largest increase, up $46 million (15.8 percent), with rises in logs, wood, and wood articles (led by pinus radiata logs); milk powder, butter, and cheese (led by unsweetened whole milk powder and skimmed milk powder); and wool.

Imports

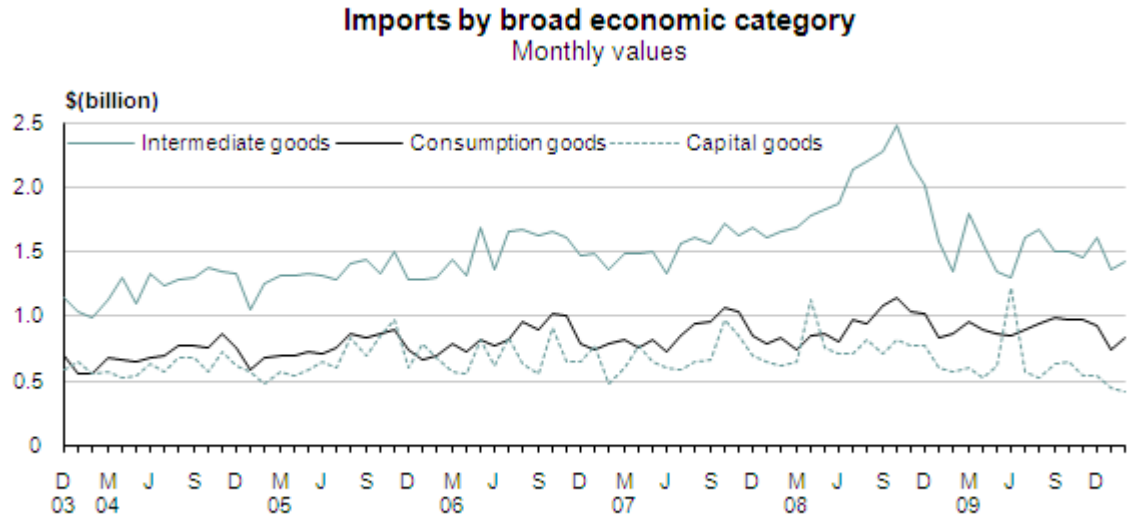
The total value of merchandise imports for February 2010 was $3.0 billion, up $37 million (1.3 percent) from February 2009. This month's rise is the first increase following ten consecutive monthly decreases (when compared with the same month of the previous year). Crude oil was the main contributor to this rise. Excluding crude oil, imports value fell 6.1 percent in February 2010 compared with February 2009.

The trend for total merchandise imports reached a turning point in September 2009, and has increased 7.9 percent since then. The trend is still 19.6 percent lower than its peak in September 2008.

Of the broad economic categories, intermediate goods, passenger motor cars, petrol and avgas, and military and other goods all rose in February 2010 compared with February 2009, while capital and consumption goods fell.

- Passenger motor cars recorded the largest increase, up $98 million (103 percent), compared with February 2009, when the lowest February value since 1993 was recorded. Imports of new petrol cars with a cylinder capacity exceeding 3000cc (up $24 million) led the increase.
- The intermediate goods category recorded the second largest increase, up $77 million (5.7 percent), the first rise following ten consecutive monthly falls when compared with the same month of the previous year. Crude oil rose $211 million while other intermediate goods fell $134 million. Crude oil import shipments can be irregular, which gives rise to large fluctuations in quantities and values.
- Petrol and avgas rose $55 million (97.1 percent), due to an increase in imports of regular petrol (up $39 million).
- Capital goods recorded the largest decrease, down $163 million (28.4 percent), due to falls in both machinery and plant (down $95 million), and transport equipment (down $69 million).

- Consumption goods also declined, down $31 million (3.6 percent), and have fallen for the past eight months compared with the same month of the previous year. Non-durable goods (down $17 million) led the fall.

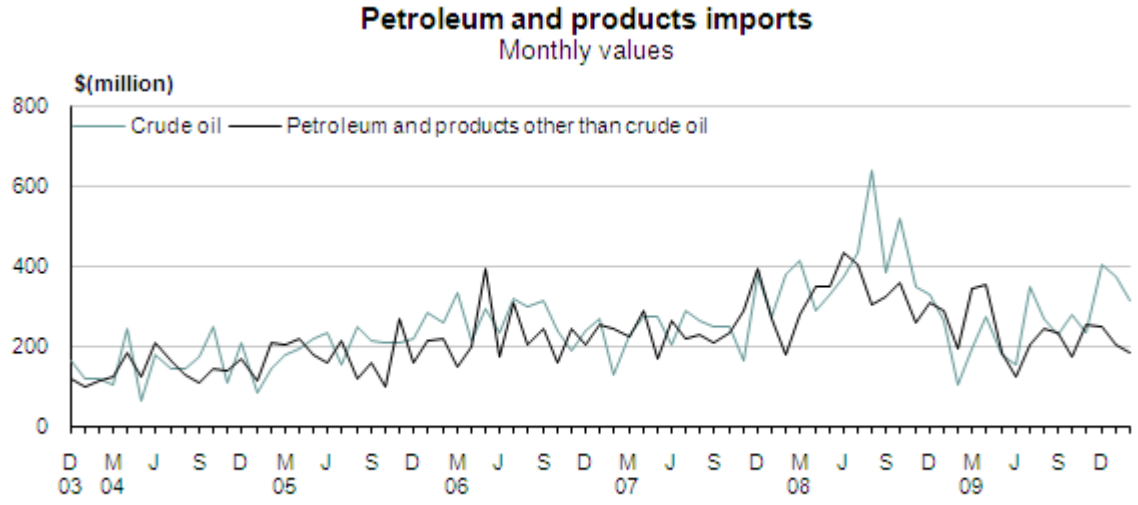


Source: Statistics New Zealand

The top commodity categories recorded mixed results, with just over half recording increases in February 2010 compared with February 2009. Key increases and decreases in imports by commodity and by country of origin were as follows:

By commodity:

- Petroleum and products was the largest increase, up $204 million (69.0 percent), led by a rise in crude oil, up $211 million (205 percent). Crude oil quantities rose over 150 percent compared with February 2009, which was the lowest February quantity since the series began in 1988. Partly offsetting the rise in crude oil was a fall of $51 million in partly refined petroleum. Crude oil import shipments can be irregular, which gives rise to large fluctuations in quantities and values.



Source: Statistics New Zealand

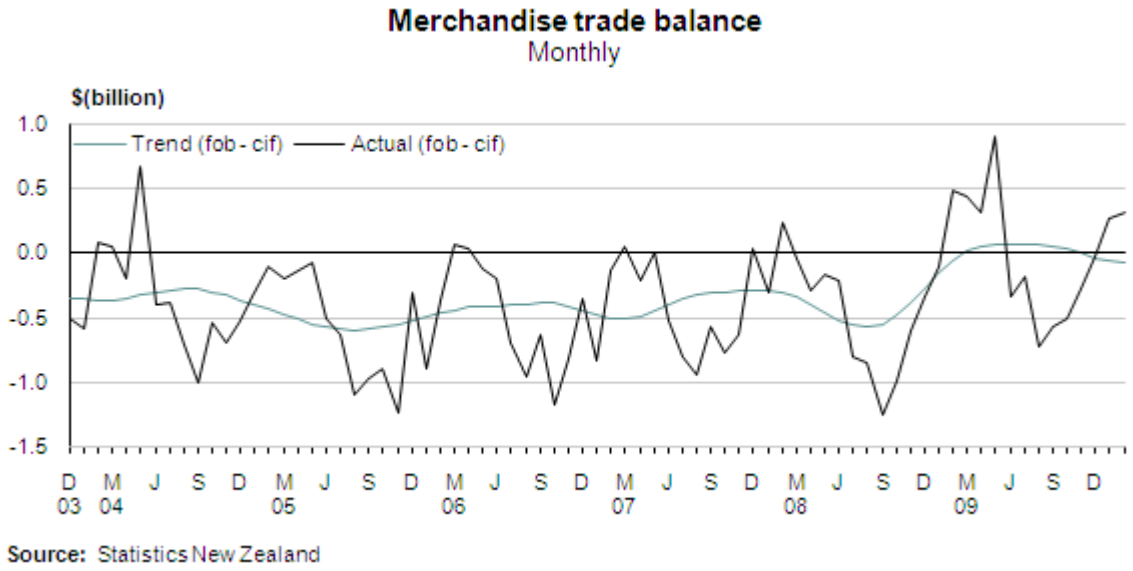
- Vehicles, parts, and accessories was the second largest increase, up $65 million (31.8 percent). New petrol cars with a cylinder capacity exceeding 3000cc led the increase.
- Sugars and sugar confectionery also recorded an increase, up $22 million (242 percent), mainly due to imports of raw cane sugar (up $20 million).
- Electrical machinery and equipment recorded the largest decrease, down $87 million (27.4 percent), led by falls in parts of electrical static converters, and in wind turbine generators.
- Aircraft and parts fell $54 million (65.8 percent) mainly due to a fall in larger aircraft.
- Mechanical machinery and equipment also fell $54 million (13.8 percent). The fall was spread over a number of commodities, led by engine parts.

By country of origin:

- Brunei Darussalam (Brunei) recorded the largest increase, up $146 million, due to an increase in crude oil. There was no crude oil imported from Brunei in February 2009. Crude oil import shipments can be irregular, which gives rise to large fluctuations in quantities and values, especially by country of origin.
- Australia was the second largest increase, up $64 million (11.9 percent), led by an increase in sugar and sugar confectionery, up $22 million, mainly due to an increase in raw cane sugar (up $20 million). There was no raw cane sugar imported from Australia in February 2009.
- Oman and the Republic of Korea (Korea) recorded the next largest increases, up $55 million and $40 million (59.4 percent), respectively. Oman's increase was driven by a rise in crude oil, and Korea's increase was driven by a rise in automotive diesel. In February 2009 there were no crude oil imports from Oman and no automotive diesel imports from Korea.
- The United States recorded the largest decrease in imports, down $120 million (34.1 percent), led by aircraft, down $52 million.
- Denmark was the second largest fall, down $63 million (83.5 percent), with a $42 million fall in electrical machinery and equipment, led by wind turbine generators and parts of electrical static converters, and a $19 million fall in mechanical machinery and equipment, due to engine parts.
- Indonesia was the next largest decrease, down $46 million (54.8 percent), led by a $33 million fall in crude oil. There was no crude oil imported from Indonesia in February 2010.

Trade balance

In February 2010, the trade balance was a surplus of $321 million or 9.7 percent of the value of exports, following surpluses of 14.0 percent and 6.6 percent of exports in the February 2009 and February 2008 months. This compares with an average February trade surplus of 2.9 percent of exports for the previous ten years, with a mix of surpluses and deficits recorded during this period.



Source: Statistics New Zealand

The annual trade balance for the year ended February 2010 was a deficit of $347 million (0.9 percent of exports). As a percentage of exports this is much lower than the average deficit of 11.0 percent of exports for the preceding ten February years.

Three months ended February 2010

Exports of merchandise goods for the three months ended February 2010 were valued at $9.9 billion, a fall of $574 million (5.5 percent) from the same period of the previous year.

In the three months ended February 2010, key decreases and increases in exports compared with the three months ended February 2009 were as follows:

By commodity:

- Meat and edible offal recorded the largest decrease, down $232 million (14.2 percent), with price-led falls in lamb, beef, and venison exports.
- Casein and caseinates recorded the second largest decrease, down $218 million (57.5 percent), driven by lower prices and quantities.
- Aircraft and parts recorded the next largest decrease, down $150 million (88.0 percent), largely due to a one-off export of large aircraft in December 2008.
- Crude oil recorded the largest increase, up $193 million (68.4 percent), with an increase in price and quantity.
- Ships, boats, and floating structures recorded the second largest increase, up $133 million (365 percent), driven by the one-off export of an oil rig in December 2009.
- Logs, wood, and wood articles recorded the next largest increase, up $105 million (23.1 percent), driven by an increase in pinus radiata logs.

By country of destination:

- The United States recorded the largest decrease, down $548 million (39.8 percent), led by falls in milk powder, butter, and cheese (mainly natural milk constituents and cheese); casein and caseinates; and meat and edible offal (with lower frozen beef prices and quantities).
- Algeria recorded the second largest decrease, down $128 million (66.8 percent), driven by a fall in unsweetened whole milk powder. For the three month period ended February 2009 exports to Algeria were the highest recorded over any three month period since the series began in 1988. Exports to Algeria tend to be comprised almost entirely of milk powder, butter, and cheese exports.
- Japan recorded the third largest decrease, down $126 million (15.5 percent), led by falls in meat and edible offal (mainly frozen beef cuts and beef offal); miscellaneous edible preparations; and crude oil. These were partially offset by an increase in aluminium exports.
- Singapore recorded the largest increase, up $279 million (171 percent). This rise was driven by an increase in ships, boats, and floating structures (due to the one-off export of an oil rig in December 2009); and an increase in crude oil exports. Smaller increases in milk powder, butter, and cheese (led by unsweetened whole milk powder), and in meat and fish preparations (mainly paua preparations) also contributed to the rise.
- China recorded the second largest increase, up $196 million (22.4 percent), driven by increases in milk powder, butter, and cheese (mainly unsweetened whole milk powder); and in logs, wood, and wood articles (led by pinus radiata logs).
- Australia recorded the next largest increase, up $137 million (6.6 percent), driven by a price-led increase in crude oil exports (with quantity almost flat). A quantity-led rise in cheese exports also contributed to the increase.

Imports of merchandise goods for the three months ended February 2010 were valued at $9.3 billion, down 10.5 percent from the same period of the previous year.

For the three months ended February 2010, key increases and decreases in the value of imports compared with the three months ended February 2009 were:

By commodity:

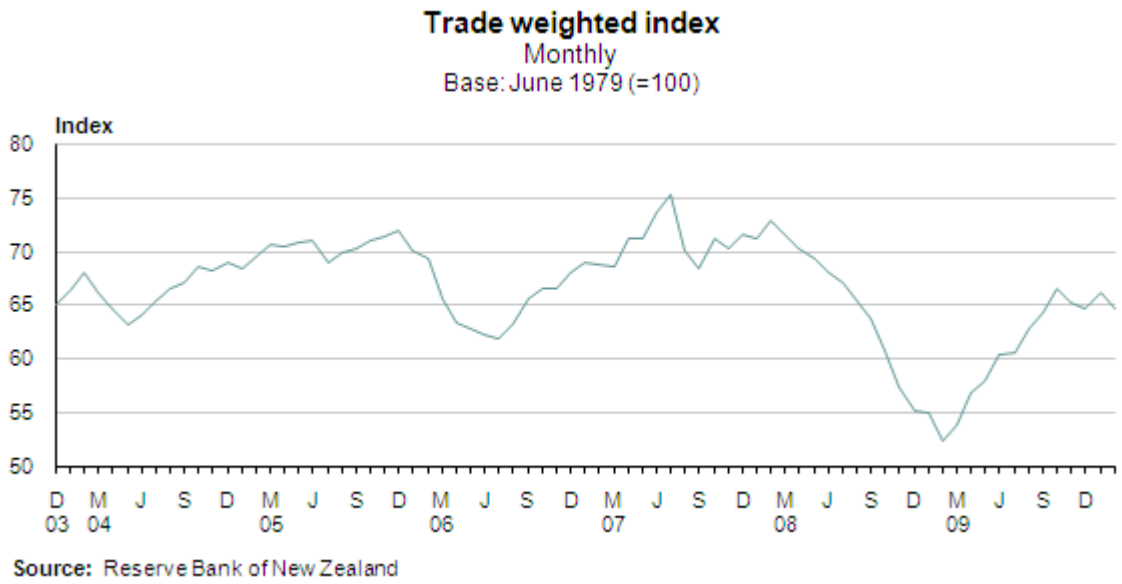
- Mechanical machinery and equipment recorded the largest decrease, down $332 million (23.7 percent), with falls across a wide range of commodities. Engine parts led the falls.
- Electrical machinery and equipment had the second largest fall, down $238 million (24.5 percent), and was spread across several commodities. Wind turbine generators, and telecommunications base stations led this fall.
- Iron and steel, and articles were the next largest fall, down $115 million (31.8 percent), and were spread across several commodities led by transmission tower components.
- Petroleum and products was the largest increase, up $241 million (16.2 percent), due to crude oil (up $393 million) and regular petrol (up $66 million). Automotive diesel, jet fuel, and partly refined petroleum, combined, were down $174 million.
- Sugar and sugar confectionery was the second largest increase, up $39 million (87.2 percent) – mainly due to a $27 million increase in raw cane sugar.

By country of origin:

- The United States recorded the largest decrease, down $243 million (22.5 percent), led by falls of $86 million for mechanical machinery and equipment, and $64 million for aircraft and parts.
- Japan was the second largest decrease, down $210 million (25.7 percent), led by a $138 million fall in petroleum and products.
- Singapore was the next largest decrease, down $208 million (37.0 percent) – due to a $189 million fall in petroleum and products.
- The United Arab Emirates recorded the largest increase, up $154 million (202 percent) due to crude oil. Crude oil imports shipments can be irregular, which gives rise to large fluctuations in quantities and values, especially by country of origin.
- Brunei was the second largest increase, up $141 million (101 percent), due to crude oil.
- Korea was the next largest increase, up $104 million (36.5 percent) due to a $150 million increase in petroleum and products. Iron and steel, and articles (down $43 million) partly offset this increase.

Exchange rate movements

According to the Reserve Bank's Trade Weighted Index (TWI), the New Zealand dollar was 2.3 percent lower in February 2010 compared with January 2010, and 23.5 percent higher compared with February 2009.



Updates to previous statistics

Provisional values published on 26 February 2010 have been updated. Merchandise trade statistics for the latest three months are provisional to allow for the inclusion of late data and amendments.

	Published on 26 February 2010 $(million)[1]			Published on 26 March 2010 $(million)[1]			Change $(million)[1]		
	Exports (fob)	Imports (cif)	Balance (fob-cif)	Exports (fob)	Imports (cif)	Balance (fob-cif)	Exports (fob)	Imports (cif)	Balance (fob-cif)
Month of:									
Nov 2009 P	3,067	3,343	-275	3,061	3,341	-280	-6	-1	-5
Dec 2009 P	3,412	3,444	-32	3,412	3,441	-28	0	-4	4
Jan 2010 P	3,153	2,884	269	3,149	2,886	263	-4	2	-6
Year ended:									
Nov 2009 P	40,104	40,963	-858	40,098	40,961	-863	-6	-1	-5
Dec 2009 P	39,678	40,227	-549	39,671	40,222	-551	-6	-5	-1
Jan 2010 P	39,659	39,837	-178	39,648	39,834	-186	-10	-3	-7

(1) Figures are calculated on unrounded data.

Symbol:

P provisional

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Email: overseastrade@stats.govt.nz.

Next release...

Overseas Merchandise Trade: March 2010 will be released on 29 April 2010.

Technical notes

Definitions

billion	1,000 million.
capital goods	Produced assets used repeatedly or continuously, for longer than one year, in industrial production processes. Examples are machinery, trucks and aircraft.
cif	Cost of goods, including insurance and freight to New Zealand.
consumption goods	Goods used (without further transformation in industrial production processes) by households, government or non-profit institutions serving households.
fob	Free on board (the value of goods at New Zealand ports before export).
Infoshare	Free-of-charge online tool that gives you access to a range of time-series data.
intermediate goods	Goods used up or transformed in industrial production processes.
merchandise trade	Exports or imports of goods that alter the nation's stock of material resources. Includes goods leased for a year or more. Excludes goods for repair.
provisional	Statistics for the latest three months are provisional, to allow for the inclusion of late data and amendments.
re-exports	Merchandise exports that were earlier imported into New Zealand and comprise less than 50 percent New Zealand content by value.
vfd	Value for duty (the value of imports before insurance and freight costs are added).

Data source

Data is obtained from export and import entry documents lodged with the New Zealand Customs Service (NZCS). The data is processed and passed to Statistics NZ for further editing and compilation.

Valuations

Exports (including re-exports) are valued fob (free on board) and are shown in New Zealand dollars. Estimated values are used for goods that are not already sold at the time of export entry lodgement.

Imports are valued at cif (cost including insurance and freight) and are shown in New Zealand dollars.

Trade balance values are calculated by deducting imports (cif) from exports (fob). These two valuations are not entirely comparable, because the cif valuation includes insurance and freight to New Zealand while the fob valuation excludes insurance and freight from New Zealand. However, imports in tables 1 and 2 are also shown at the vfd (value for duty) level, which excludes the insurance and freight component.

Exchange rates

Export values given in foreign currencies are converted by Statistics NZ into New Zealand dollars, using weekly exchange rates when the statistics are compiled. For exports, a rise in the New Zealand dollar has a downward influence on prices, quantities, and values.

Import values are converted from foreign currencies when import documents are processed by NZCS. The exchange rates used are set by NZCS each fortnight. These rates are prepared 11 days prior to the start of the fortnight, so have a lag of 11 to 25 days compared with the daily rates published by the Reserve Bank. For imports, a rise in the New Zealand dollar has a downward influence on prices and an upward influence on quantities. The combined influence on values can be either positive or negative.

Time of recording

Exports

From the August 1997 reference month, exports are compiled by date of export. Previously, exports were generally compiled according to date of clearance by NZCS. This meant that some goods were allocated to the month following their actual month of export. Exports up to July 1997 that were not processed until August 1997 were assigned to the month of August 1997.

From 1 March 2004, NZCS do not allow goods to be loaded for export until an export entry has been lodged and cleared. A study undertaken in 2001/02 indicated that export entries not being lodged might account for between 1 and 3 percent of exports at that time. There is a possibility that the change in NZCS processes may have reduced this undercoverage, although this has not been quantified.

Imports

Imports are generally compiled by date of entry clearance by NZCS. NZCS entries are required from up to five days before, to 20 working days after, arrival of goods into New Zealand. The exception to this rule is for crude oil imports, which can have entries lodged later than 20 working days after entry into New Zealand.

Crude oil values for the latest month are estimated using actual quantities and country of origin data (provided by NZCS, based on information from the refinery at Marsden Point), together with estimated prices. These estimates for crude oil are replaced once actual entries are lodged with NZCS.

While all entries are provisional for the latest three months, and have the potential to be changed by the importer/exporter within this period, changes are not common, and generally do not have a material impact on the results. However, New Zealand has only a few ships carrying crude oil arriving each month, and each ship represents a high proportion of the monthly total of imported crude oil. Any variation in the data for crude oil resulting from a later lodgement date can result in a significant revision to the value. Once actual lodgements are received by Statistics NZ from NZCS, the value for crude oil can be regarded as robust.

There were 20 working days in February 2010, compared with 19 in February 2009.

Commodity classification

Commodities are classified according to the New Zealand Harmonised System Classification (NZHSC).

The NZHSC was revised from the January 2007 reference month, to incorporate changes promulgated by the World Customs Organization. Details can be found in the *Overseas Merchandise Trade: January 2007* Hot Off the Press released on 26 February 2007.

Standard International Trade Classification

The Standard International Trade Classification (SITC) is an output classification (using Harmonised System (HS) codes at the 6-digit level as building blocks), designed by the United Nations as an analytical tool for economic analysis, which includes some simple implications regarding level of processing. Published figures are at a high level of aggregation; more disaggregated information is available on Infoshare. For customised jobs using the SITC Rev 4 classification, contact customer services at: info@stats.govt.nz.

Broad economic category groups

Broad economic category (BEC) groups are arranged, as far as practicable, to align with the System of National Accounts' three basic classes: capital goods, intermediate goods, and consumption goods. Commodities in BEC groups are categorised on the basis of their main end use. This means, for example, that all video recorders are treated as consumption goods even though some are used in business. Similarly, all helicopters are treated as transport equipment even though some are military goods (and are treated as such in the National Accounts).

Trend series

Time series can be split into trend, seasonal, and irregular components. Seasonal adjustment removes the seasonal component, while trend estimation removes the seasonal and irregular components. Trend estimates reveal the underlying direction of movement in a series and are used to identify turning points.

The trend series are calculated using X-12-ARIMA, which adjusts for outlying values and uses a centred moving average. The length of the centred moving average is selected automatically and can be 9, 13, or 23 months, depending on the relative variability of the irregular component compared with the trend. A long moving average has the effect of smoothing the trend series but slowing the response to underlying changes in growth rates, while a short moving average produces a trend series that is less smooth but quicker to identify turning points.

To improve estimation of the underlying movement, the imports trend is calculated after removal of individual import items that have cif values of $100 million or more, such as large aircraft and ships. The trade balance trend is calculated by subtracting the imports trend from the exports trend.

Trend figures are recalculated each month. The use of new monthly data means that previously published trend estimates are subject to revision. These revisions mainly affect the latest months, and can be large if a trade value is initially treated as an outlier but is later found to be part of the underlying trend.

Seasonally adjusted series

These are calculated for calendar quarters, using X-12-ARIMA, and published in the March, June, September, and December releases.

Seasonal adjustment removes the estimated impact of regular seasonal events, such as pre-Christmas purchasing, from time series. This makes the figures for adjacent periods more comparable. Seasonally adjusted figures are estimates and are subject to revision each quarter, with the largest changes generally occurring in the latest quarters.

Further information is on the Statistics NZ website.

Confidential items

Under Section 37A (d) of the Statistics Act, the Government Statistician may disclose details of external trade, movement of ships, and cargo handled at ports. However, Statistics New Zealand understands that the release of merchandise trade commodity information can, in some cases, place commercially sensitive information in the public domain. Statistics New Zealand is able to provide a limited form of confidential status for commodity items (at the discretion of the Government Statistician), upon application by a company or business.

In practice, all confidential HS codes are aggregated into the code 9809.00.00.00 in order to protect their confidentiality and to maintain total export and import values. Any aggregations of HS codes below this level, which encompass confidential 10-digit codes, exclude the confidential value(s) for these codes.

The only aggregates that include the confidential codes are total exports, total imports, and the total exports and imports by country.

Concepts

Overseas Merchandise Trade (OMT) statistics are compiled in close accordance with the United Nations' International Merchandise Trade Statistics Concepts and Definitions. OMT data, after adjustment, is used in the Balance of Payments and National Accounts. The adjustments are for coverage, timing, valuation, and classification, and are explained in the Balance of Payments – Sources and Methods 2004 publication.

Additional information

Other information on overseas trade is available from:

- Statistics NZ website: www.stats.govt.nz
- Infoshare
- *Key Statistics* – the quarterly statistical publication
- *The New Zealand Official Yearbook*.

Related Hot Off the Press releases are:

- *Overseas Cargo Statistics:* ISSN 1178-2838
- *Overseas Trade Indexes – Prices:* ISSN 1178-0339
- *Overseas Trade Indexes – Volumes:* ISSN 1178-0347
- *Balance of Payments (quarterly):* ISSN 1178-0215
- *Balance of Payments (annual):* ISSN 1178-0223
- *Economic Survey of Manufacturing:* ISSN 1178-024X.

More information

For more information, follow the link from the Technical notes of this release on the Statistics NZ website.

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Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

Tables

The following tables are printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the Excel file viewer to view, print and export the contents of the file.

1. Overseas merchandise trade, actual values
2. Overseas merchandise trade, 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)