

Embargoed until 10:45am – 27 May 2010

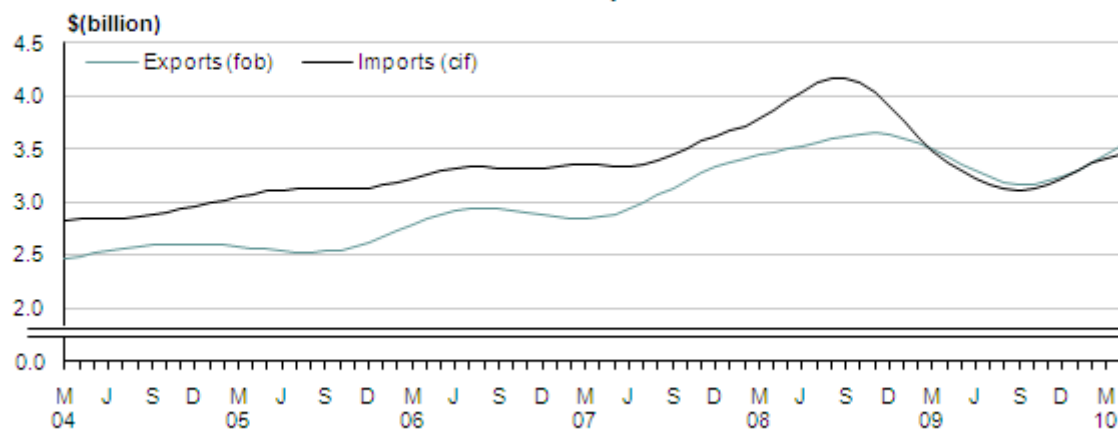
Overseas Merchandise Trade: April 2010

Highlights

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

- Merchandise exports were up \$329 million (9.0 percent) to \$4.0 billion.
- Milk powder, butter, and cheese led the increase in export commodities, followed by wood and wood products, and meat and edible offal.
- Merchandise imports were down \$5 million (0.2 percent) to \$3.3 billion.
- Decreases in petroleum and products and electrical machinery were mostly offset by the importation of the HMNZS Otago, and increases in vehicles, parts, and accessories.
- The trade balance was a surplus of \$656 million or 16.5 percent of the value of exports.
- The annual trade balance for the year ended April 2010 was a surplus of \$161 million, the first annual trade surplus recorded since July 2002.

Merchandise trend values
Monthly



Source: Statistics New Zealand

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Commentary

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

Exports

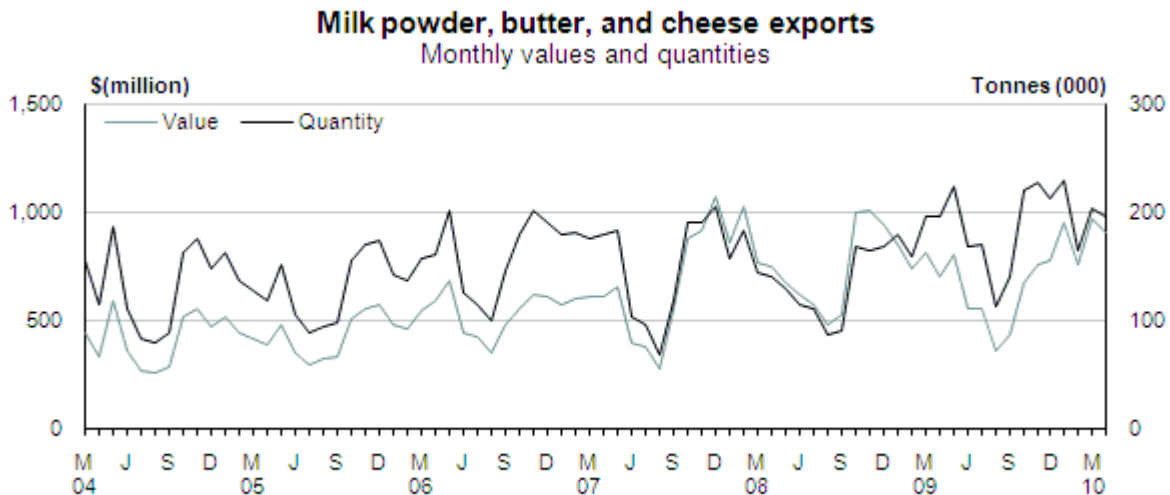
The value of merchandise exports for the month of April 2010 was \$4.0 billion, up \$329 million (9.0 percent) from April 2009.

The trend in export values has been rising strongly since September 2009 (up 10.9 percent), following a 10-month decline. The trend is 3.6 percent below its peak in November 2008.

Key increases and decreases in exports by commodity grouping and by country of destination were as follows:

By commodity:

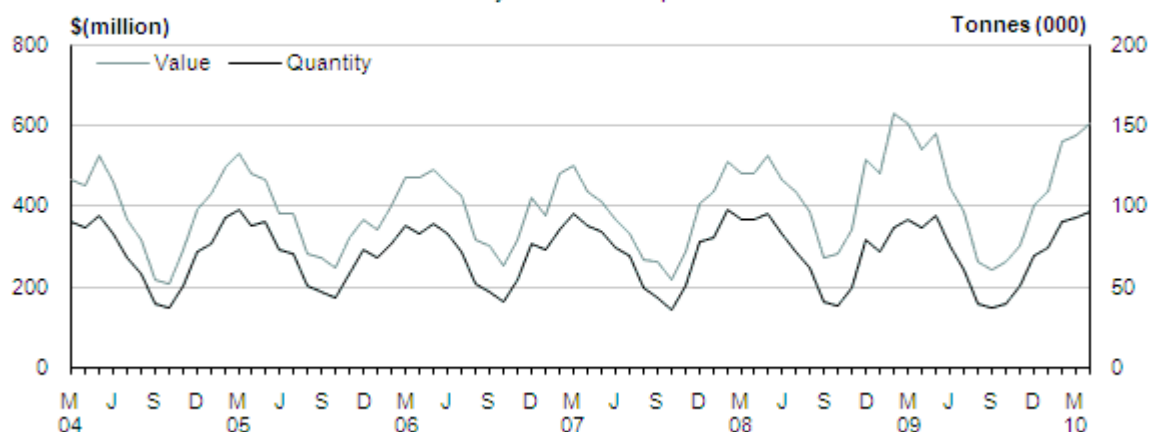
- Milk powder, butter, and cheese led the increase in export commodities, up \$202 million (28.9 percent), mainly due to an increase in unsweetened whole milk powder, up \$140 million, with quantity and price both higher. Anhydrous milk fat, unsalted butter, and sweetened skimmed milk powder also recorded significant increases, while cheddar cheese showed the largest decrease.



- Logs, wood, and wood articles recorded the second largest increase, up \$68 million (34.0 percent), led by an increase in untreated pinus radiata logs, with quantities and prices both higher.
- Meat and edible offal recorded the next largest increase, up \$63 million (11.6 percent), led by frozen lamb cuts (with bone in) and frozen boneless beef cuts. This is the first increase in meat and edible offal (compared with the same month of the previous year), following 10 months of falls.

Meat and edible offal exports

Monthly values and quantities



Source: Statistics New Zealand

- Aluminium and aluminium articles were up \$33 million (53.9 percent), driven by unwrought aluminium. This is the fourth consecutive monthly increase (compared to the same month of the previous year) following 14 months of falls.
- Fruit recorded the largest decrease, down \$38 million (11.5 percent), led by falls in fresh braeburn apples and kiwifruit.
- Casein and caseinates were the next largest decrease, down \$15 million (23.1 percent).

By country of destination:

- The People's Republic of China recorded the largest increase, up \$141 million (44.4 percent). This increase was dominated by milk powder, butter, and cheese, up \$89 million (mainly due to a rise in unsweetened whole milk powder), with logs, wood, and wood articles (untreated pinus radiata logs) also having a significant increase (up \$30 million).
- India recorded the second largest increase, up \$82 million (112 percent), led by milk powder, butter, and cheese up \$53 million (led by unsweetened whole milk powder, skim milk powder and anhydrous milk fat) – the largest ever monthly export of milk powder, butter, and cheese to India.
- Australia recorded the next largest increase, up \$61 million (8.9 percent), led by crude oil.
- Germany recorded the largest decrease, down \$18 million (22.3 percent), led by a fall in meat and edible offal.
- Indonesia was down \$16 million (16.0 percent) and the United Kingdom was down \$12 million (6.5 percent), recording the next largest decreases.

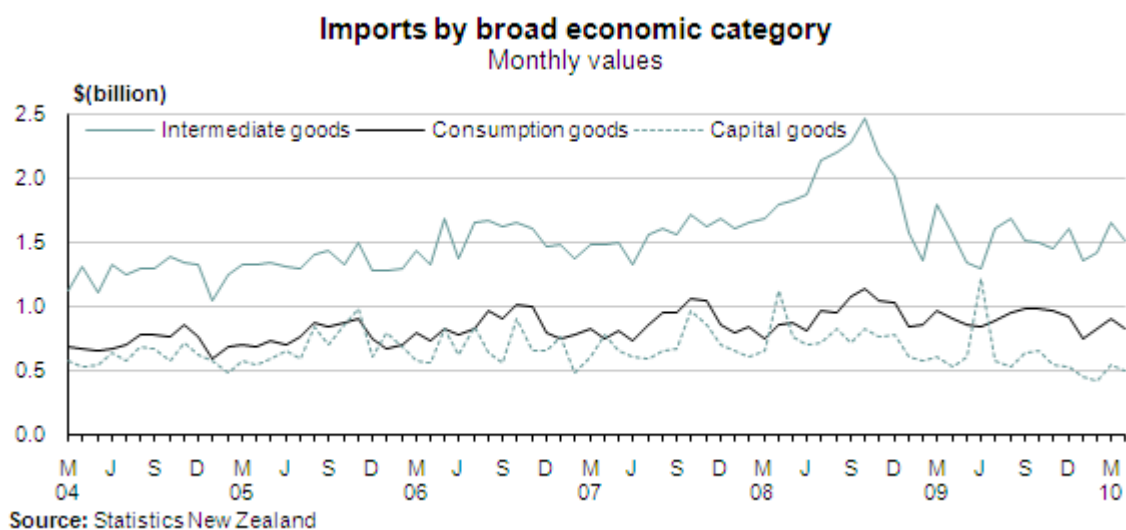
Imports

The total value of merchandise imports for April 2010 was \$3.3 billion, down \$5 million (0.2 percent) from April 2009.

The trend for total merchandise imports reached a turning point in September 2009, and has risen 10.7 percent since then. The trend is still 17.5 percent lower than its peak in September 2008.

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

- Military and other goods showed the largest increase, up \$95 million, largely due to the import of the HMNZS Otago offshore patrol vessel.
- Passenger motor cars recorded the second largest increase, up \$84 million (55.4 percent), compared with April 2009, when the lowest April value since 1998 was recorded. Imports of new diesel cars, used petrol cars, and new petrol cars with a cylinder capacity exceeding 3000cc were the significant contributors to the increase.
- Consumption goods recorded the largest fall, down \$65 million (7.3 percent). Within this category, semi-durable goods recorded the largest fall, led by a decline in textiles and textile articles. Durable goods (led by mechanical machinery and equipment) and non-durable goods (led by pharmaceuticals) also fell.
- Petrol and avgas also fell, down \$46 million (28.1 percent).
- Intermediate goods recorded the third largest decrease, down \$37 million (2.4 percent). Intermediate goods other than crude oil fell \$106 million (8.3 percent) led by a decline in petroleum and products (other than crude oil), but this fall was partly offset by a rise in crude oil, up \$68 million (24.9 percent). Crude oil import shipments can be irregular, which gives rise to large fluctuations in quantities and values.
- Capital goods also declined, down \$34 million (6.5 percent), with falls in machinery and plant, down \$44 million (9.0 percent), partly offset by a rise in transport equipment, up \$9 million, (20.2 percent).

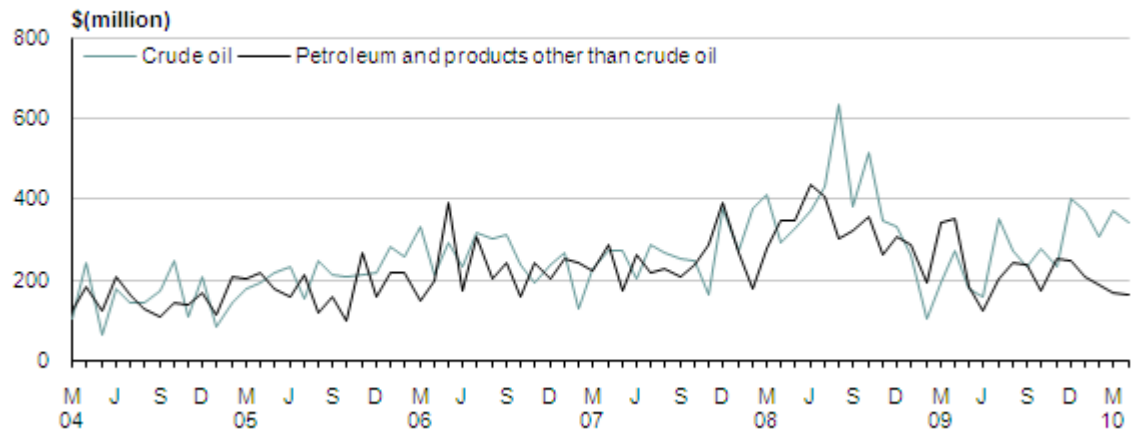


Key increases and decreases in imports by commodity grouping, and by country of origin were as follows:

By commodity:

- Petroleum and products recorded the largest decrease, down \$121 million (19.4 percent). Petroleum and products (other than crude oil) declined \$190 million, led by a quantity driven fall in automotive diesel imports. Crude oil imports increased \$68 million (due to prices being over one-third higher), partly offsetting the decline in the rest of the category. Crude oil import shipments can be irregular, which gives rise to large fluctuations in quantities and values.

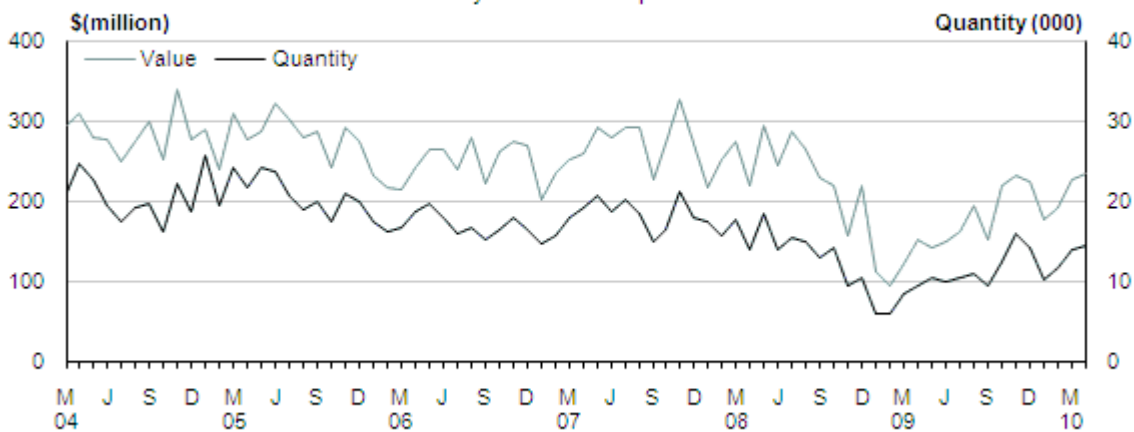
Petroleum and products imports Monthly values



Source: Statistics New Zealand

- Electrical machinery and equipment recorded the second largest decrease, down \$49 million (15.7 percent), led by mobile telephones. Insulated electric conductors and computer projectors were other notable contributors to the decline.
- Optical, medical, and measuring equipment, down \$20 million (16.4 percent), was the third largest decrease.
- Ships, boats and floating structures recorded the largest increase, up \$90 million, due to the import of the HMNZS Otago offshore patrol vessel.
- Vehicles, parts, and accessories was the second largest increase, up \$67 million (26.2 percent), driven by an increase in passenger motor vehicles. Used petrol cars with a cylinder capacity between 1500–3000cc, new diesel cars with a cylinder capacity 1500–2500cc, and new petrol cars with a cylinder capacity exceeding 3000cc led the increase.

Passenger motor vehicles imports Monthly values and quantities



Source: Statistics New Zealand

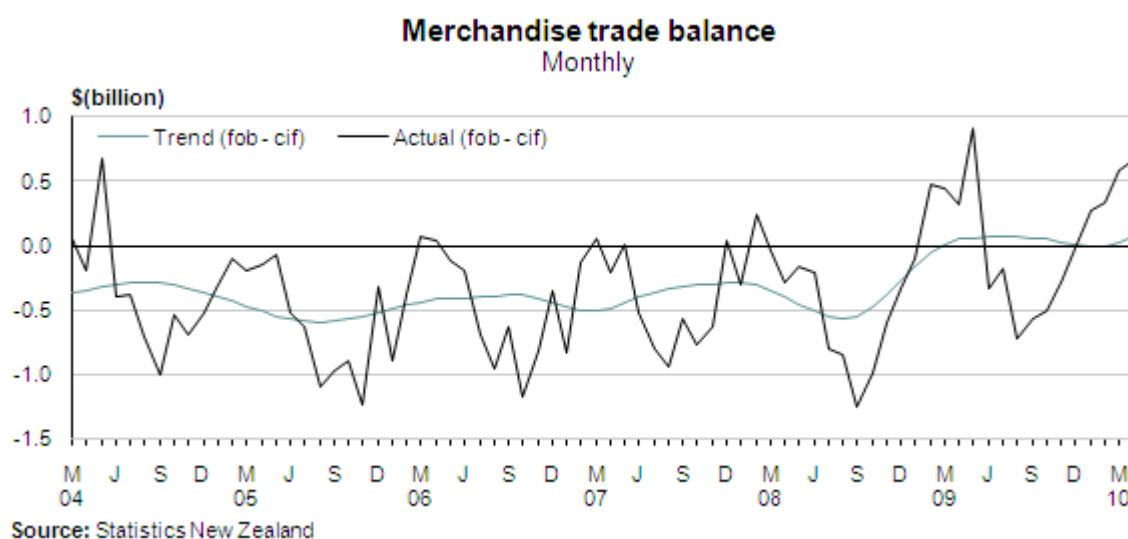
- Salt, earths, stone, lime, and cement was the next largest increase, up \$24 million, driven by an increase in natural calcium phosphates (with none imported in April 2009).

By country of origin:

- Singapore showed the largest fall, down \$64 million (48.0 percent). This decrease was driven by a decline in petroleum and products, with falls recorded in motor spirit, jet fuel, and automotive diesel.
- Brunei Darussalam (Brunei) recorded the second largest decrease, down \$58 million (nearly 100 percent), this decrease was solely driven by a decline in crude oil, with no crude oil imported from Brunei in April 2010. Crude oil import shipments can be irregular, which gives rise to large fluctuations in quantities and values, especially by country of origin.
- The United Arab Emirates had the largest increase, up \$92 million (267 percent), driven by an increase in both the quantity and price of crude oil imports.
- Russia recorded the second largest increase, up \$88 million. Once again this movement was solely driven by an increase in crude oil imports, with no crude oil imported from this country in April 2009.
- Australia had the third largest increase, up \$44 million (6.9 percent). A rise in ships, boats, and floating structures (up \$89 million due to the import of the HMNZS Otago offshore patrol vessel mentioned earlier) led the upward movement, and offset a decline in petroleum and products (down \$76 million).

Trade balance

In April 2010, the trade balance was a surplus of \$656 million or 16.5 percent of the value of exports, following a surplus of 8.8 percent of exports in the April 2009 month and a deficit of 7.6 percent of exports in the April 2008 month. This compares with an average April trade deficit of 0.6 percent of exports for the previous 10 years, with a mix of surpluses and deficits recorded during this period.



The annual trade balance for the year ended April 2010 was a surplus of \$161 million (0.4 percent of exports), compared with the average deficit of 10.8 percent of exports for the previous 10 April years. This is the first annual trade surplus recorded since July 2002, when an annual trade surplus was recorded across 14 consecutive months.

Three months ended April 2010

Exports of merchandise goods for the three months ended April 2010 were valued at \$11.4 billion, a rise of \$221 million (2.0 percent) from the same period of the previous year.

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

By commodity:

- Milk powder, butter, and cheese recorded the largest increase, up \$380 million (16.9 percent), led by unsweetened whole milk powder, anhydrous milk fat and salted butter.
- Logs, wood, and wood articles recorded the second largest increase, up \$172 million (31.1 percent), mainly due to untreated pinus radiata logs, with prices and quantities of these higher.
- Crude oil recorded the next largest increase, up \$132 million (40.2 percent), with an increase in price and quantity.
- Aluminium increased \$83 million (41.7 percent), due to unwrought aluminium.
- Aircraft and parts recorded the largest fall, down \$124 million (69.5 percent) due to the higher value of large aircraft exported in the same three month period last year.
- Casein and caseinates recorded the second largest fall, down \$87 million, (34.2 percent).

By country of destination:

- China recorded the largest increase, up \$230 million (22.9 percent), dominated by increases in milk powder, butter, and cheese (mainly unsweetened whole milk powder) with a significant increase in logs, wood, and wood articles (led by untreated pinus radiata logs) and to a lesser extent, wool.
- Australia recorded the second largest increase, up \$138 million (6.0 percent). This rise was driven by an increase in crude oil and milk powder, butter, and cheese partly offset by a fall in exports of large aircraft.
- Japan recorded the next largest increase, up \$81 million (10.2 percent), driven by an increase in aluminium and aluminium articles.
- The United States recorded the largest decrease, down \$201 million (15.8 percent), with decreases across several categories – milk powder, butter, and cheese being the largest (led by cheese).
- The United Kingdom recorded the second largest decrease, down \$83 million (14.4 percent), led by a fall in meat and edible offal – mainly frozen lamb cuts (with bone in).
- Germany recorded the third largest decrease, down \$82 million (29.5 percent), led by a fall in meat and edible offal (mainly frozen, boneless, sheep cuts and venison).

Imports of merchandise goods for the three months ended April 2010 were valued at \$9.8 billion, down \$116 million (1.2 percent) from the same period of the previous year.

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

By commodity:

- Electrical machinery and equipment recorded the largest decrease, down \$247 million (24.6 percent), led by telephone sets, wind powered electric generating sets, and parts for electrical static converters.
- Mechanical machinery and equipment had the second largest fall, down \$145 million (11.1 percent), with falls across a wide range of commodities. Falls in engine parts and turbines led the decline, partly offset by a rise in computers (led by laptop computers).
- Aircraft and parts recorded the next largest fall, down \$64 million (41.5 percent), mainly due to no large aircraft being imported in the last three months.

- Vehicles, parts, and accessories were the largest increase, up \$234 million (33.1 percent) driven by an increase in passenger motor vehicles (led by new diesel and new and used petrol cars with a cylinder capacity exceeding 1500cc).
- Ships, boats, and floating structures recorded the second largest increase, up \$91 million (586 percent), mainly corresponding to the import of the HMNZS Otago mentioned earlier.
- Petroleum and products had the next largest increase, up \$82 million (5.6 percent), driven by crude oil (up \$450 million), with a rise in both quantity and price. The rise in crude oil was partly offset by falls in automotive diesel, partly refined petroleum, and jet fuel.

By country of origin:

- Japan recorded the largest decrease, down \$198 million (22.0 percent), largely driven by a fall in automotive diesel imports, with mechanical and electrical machinery and equipment also declining. A rise in imports of vehicles, parts, and accessories provided an upward contribution.
- Singapore showed the second largest decrease, down \$174 million (37.0 percent), driven by a decline in petroleum and products (other than crude oil).
- Denmark had the third largest decrease, down \$142 million (77.5 percent), driven by falls in electrical and mechanical machinery and equipment.
- The United States recorded the next largest fall, down \$119 million (11.4 percent), led by a fall in aircraft and parts. Other notable contributors to the decline included electrical machinery and equipment, optical, medical, and measuring equipment, and fertilisers.
- The United Arab Emirates recorded the largest increase, up \$235 million (344 percent) due to an increase in crude oil. Shipments of crude oil can be irregular, which gives rise to large fluctuations in quantities and values, especially by country of origin.
- Australia had the second largest increase, up \$161 million (9.0 percent). The largest increase came from ships, boats, and floating structures (mainly corresponding to the import of the HMNZS Otago mentioned earlier).
- Malaysia, up \$130 million (54.2 percent), Russia, up \$88 million, and Qatar, up \$85 million (41.9 percent) were the next largest increases, and were all driven by increases in crude oil.

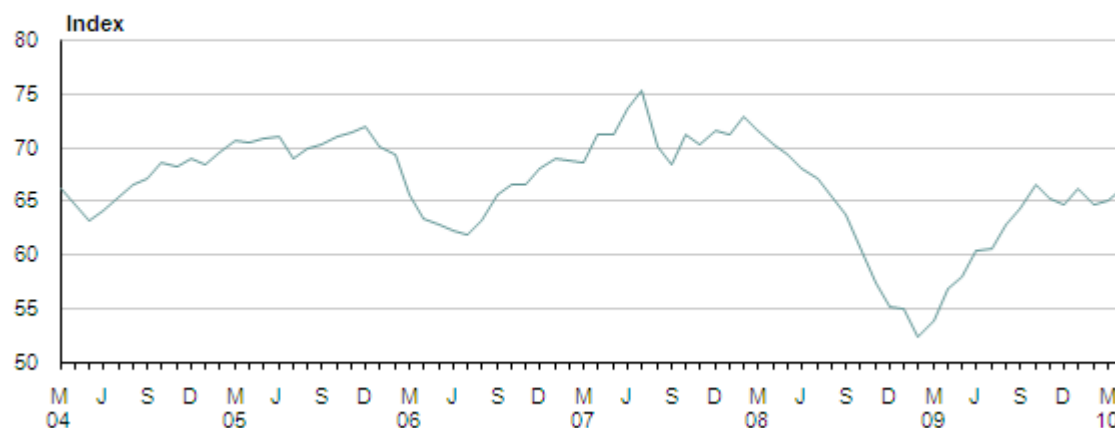
Exchange rate movements

According to the Reserve Bank's Trade Weighted Index (TWI), the New Zealand dollar was 1.5 percent higher in April 2010, compared with March 2010, and 16.2 percent higher compared with April 2009.

Trade weighted index

Monthly

Base: June 1979 (=100)



Source: Reserve Bank of New Zealand

Updates to previous statistics

Provisional values published on 29 April 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 29 April 2010			Published on 27 May 2010			Change			
	\$ (million) ⁽¹⁾			\$ (million) ⁽¹⁾			\$ (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:										
Jan 2010	P	3,158	2,887	271	3,157	2,886	271	0	0	0
Feb 2010	P	3,327	2,992	335	3,326	2,993	334	0	1	-1
Mar 2010	P	4,056	3,489	567	4,060	3,470	590	4	-19	23
Year ended:										
Jan 2010	P	39,658	39,833	-176	39,657	39,833	-176	0	0	0
Feb 2010	P	39,543	39,866	-324	39,542	39,867	-324	-1	0	-1
Mar 2010	P	39,546	39,740	-194	39,549	39,722	-172	3	-19	22

(1) Figures are calculated on unrounded data.

Symbol:

P provisional

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Next release...

Overseas Merchandise Trade: May 2010 will be released on 25 June 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 April 2010, compared with 20 in April 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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Timing

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)