

Overseas Merchandise Trade: June 2016

Embargoed until 10:45am – 26 July 2016

Key facts

June 2016 quarterly values are seasonally adjusted and compared with the March 2016 quarter.

- Goods exports rose 5.8 percent to \$12.7 billion.
- Meat and edible offal led the rise in exports, up 8.3 percent (\$125 million).
- Goods imports rose 0.5 percent to \$12.8 billion.
- Capital goods led the rise in imports, up 15 percent (\$361 million).
- Intermediate goods fell 3.8 percent (\$198 million).
- Quarterly trade deficit was \$173 million (1.4 percent of exports).
- Ninth consecutive quarterly trade deficit since March 2014.

June 2016 monthly values are actual and compared with the June 2015 month.

- Goods exports rose \$109 million to \$4.3 billion.
- Fruit led rise in exports, up \$110 million (30 percent).
- Goods imports fell \$200 million to \$4.1 billion.
- Intermediate goods led the fall in imports, down \$225 million (12 percent).
- Monthly trade surplus was \$127 million (3.0 percent of exports).



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ISSN 1178-0320
26 July 2016

Commentary

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This commentary refers to trade in goods only.

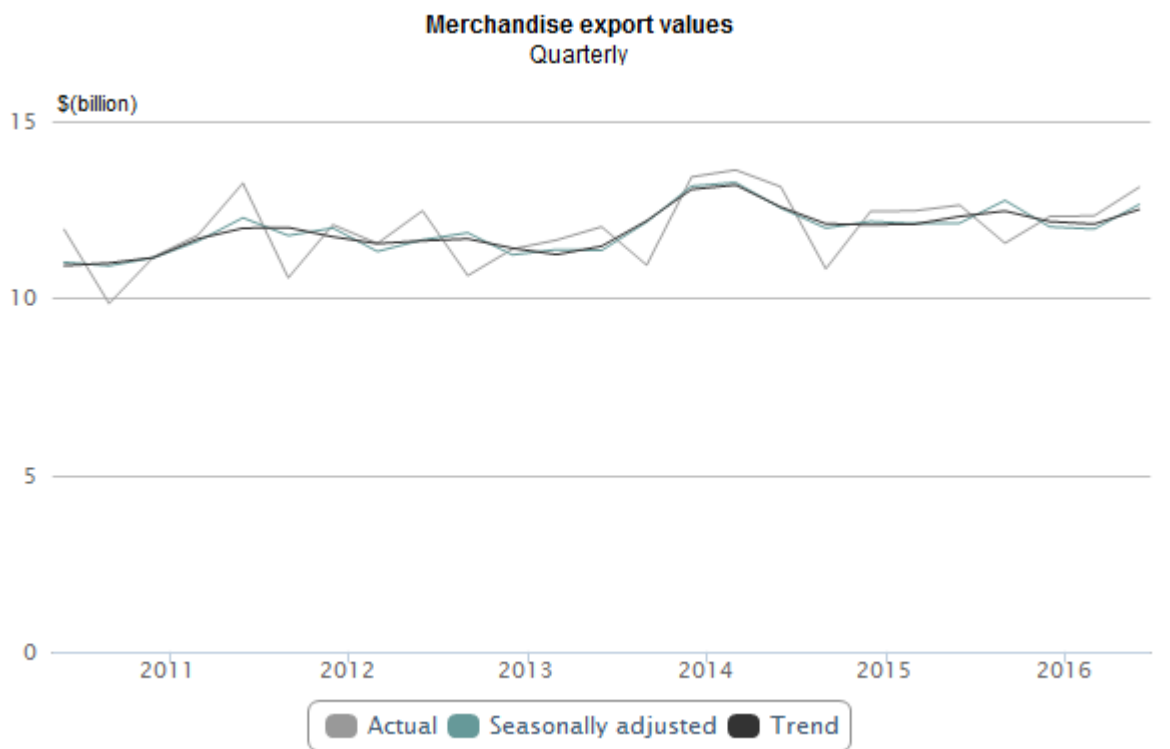
See [Goods and Services Trade by Country: Year ended March 2016](#) for information on trade in goods and services.

Quarterly exports rise 5.8 percent

All comparisons are between the June 2016 quarter and the March 2016 quarter, unless otherwise stated.

The seasonally adjusted value of exported goods rose 5.8 percent (\$693 million), to \$12.7 billion, in the June 2016 quarter. This rise followed a 0.5 percent fall in the March 2016 quarter.

The trend, which reflects the long-term behaviour of export values, rose 3.4 percent in the June 2016 quarter, but has been fluctuating in recent quarters. It is 5.2 percent below its record high in the March 2014 quarter.



Meat and edible offal leads rise in seasonally adjusted exports

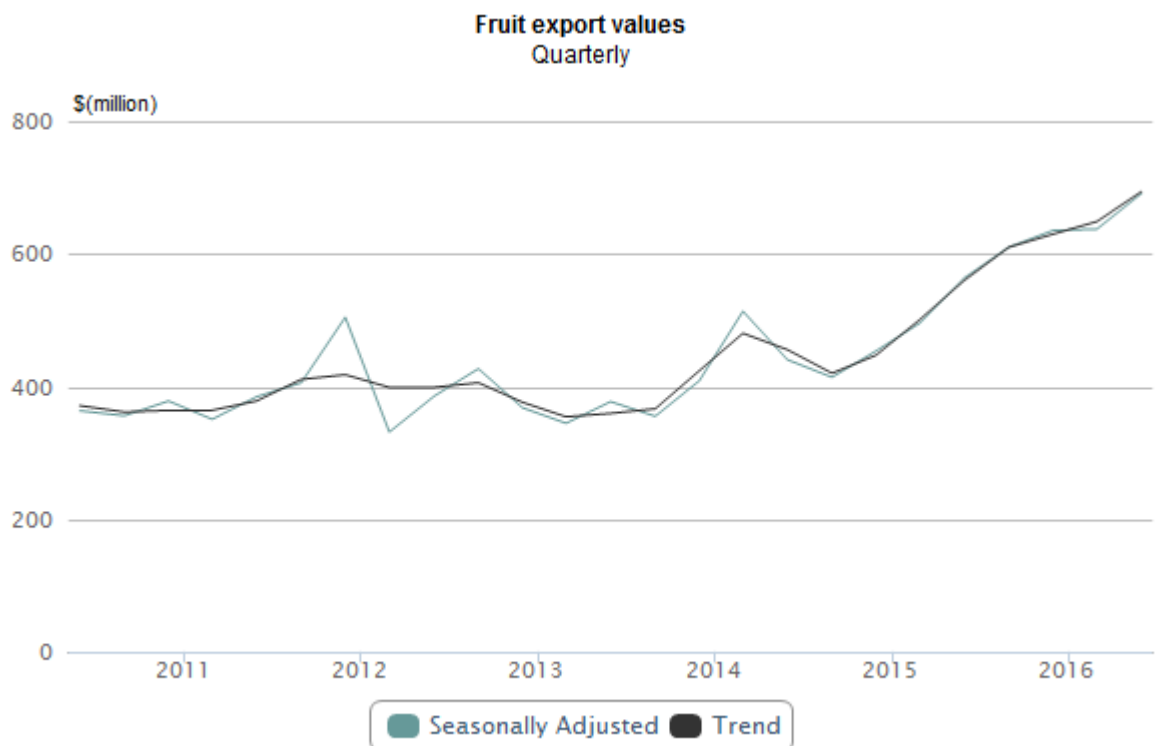
In the June 2016 quarter:

Meat and edible offal (our second-largest export commodity group) led the rise, up 8.3 percent (\$125 million) to \$1.6 billion. This rise followed a 15 percent fall in the March 2016 quarter. The seasonally adjusted quantity of meat and edible offal exports rose 15 percent, following a 16 percent fall in the March 2016 quarter.

Logs, wood, and wood articles rose 5.7 percent (\$54 million) to \$994 million. This rise followed a 3.6 percent rise in the March 2016 quarter. The quantity of logs and wood (excluding wood articles) rose 1.4 percent, after a 4.8 percent rise in the March 2016 quarter.

Fruit rose 8.5 percent (\$54 million), to a new series peak of \$692 million, with quantity up 5.0 percent. The series peak in trend values follows peaks in each of the previous five quarters. The June 2016 peak is 44 percent higher than the earlier series peak in the March 2014 quarter.

Kiwifruit and apples both contributed to the rise in seasonally adjusted fruit values and quantities. The growth in kiwifruit exports has been to all our principal export markets, but in particular to China, and more recently, to Japan. The growth in apple exports to both the United States and Taiwan contributed to the rise in apple exports.



Other key changes in commodity export values for the June 2016 quarter were:

- **Milk powder, butter, and cheese** (our largest export commodity group) rose 1.6 percent (\$44 million) to \$2.7 billion. The quantity exported was up 14 percent.
- **Machinery and mechanical appliances** rose 9.2 percent (\$39 million).
- **Wool** fell 19 percent (\$38 million), with the quantity exported down 19 percent.

China leads rise in quarterly exports

In the June 2016 quarter, movements of seasonally adjusted values to our top export destinations (ranked by total annual exports) were:

1. **China** – up 26 percent (\$531 million) to \$2.6 billion.
2. **Australia** – down 1.3 percent (\$28 million) to \$2.1 billion.
3. **European Union (EU)** – up 2.4 percent (\$31 million) to \$1.3 billion.

The movements in quarterly export values (which are not seasonally adjusted) to our other top export destinations were:

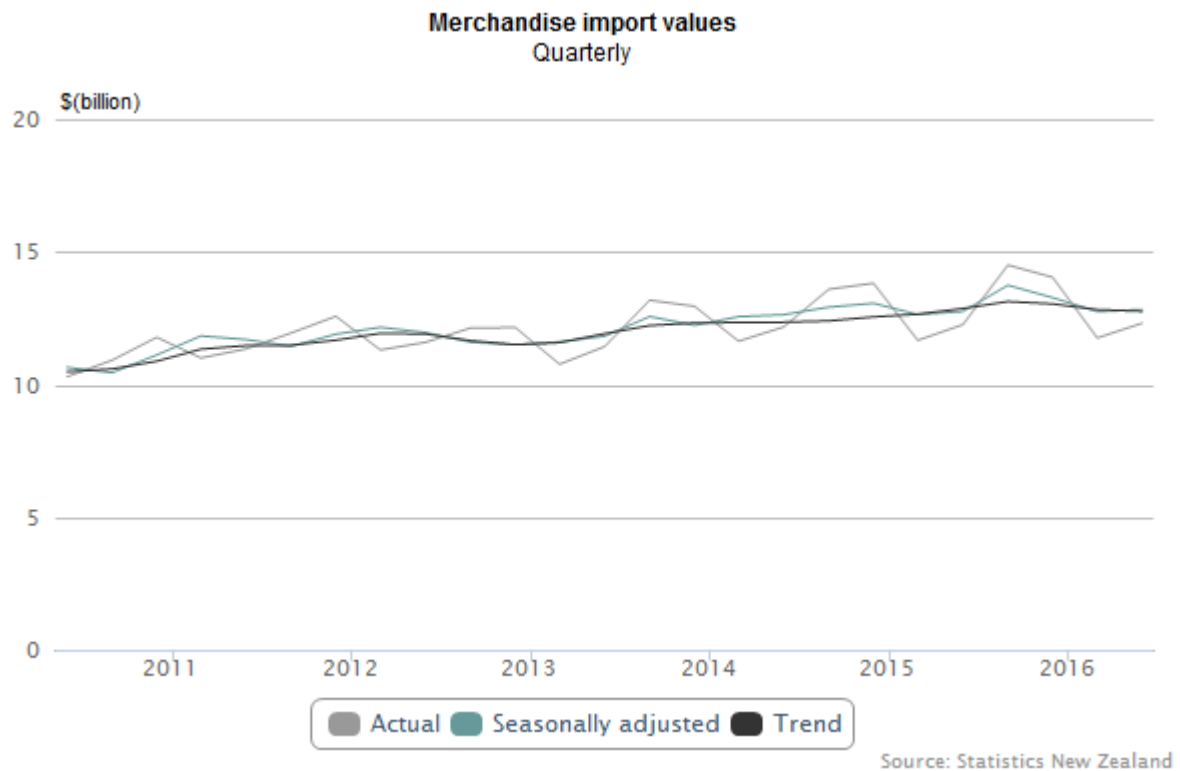
- **United States** – up 13 percent (\$180 million) to \$1.6 billion.
- **Japan** – up 33 percent (\$229 million) to \$915 million.

Quarterly imports rise 0.5 percent

All comparisons are between the June 2016 quarter and the March 2016 quarter, unless otherwise stated.

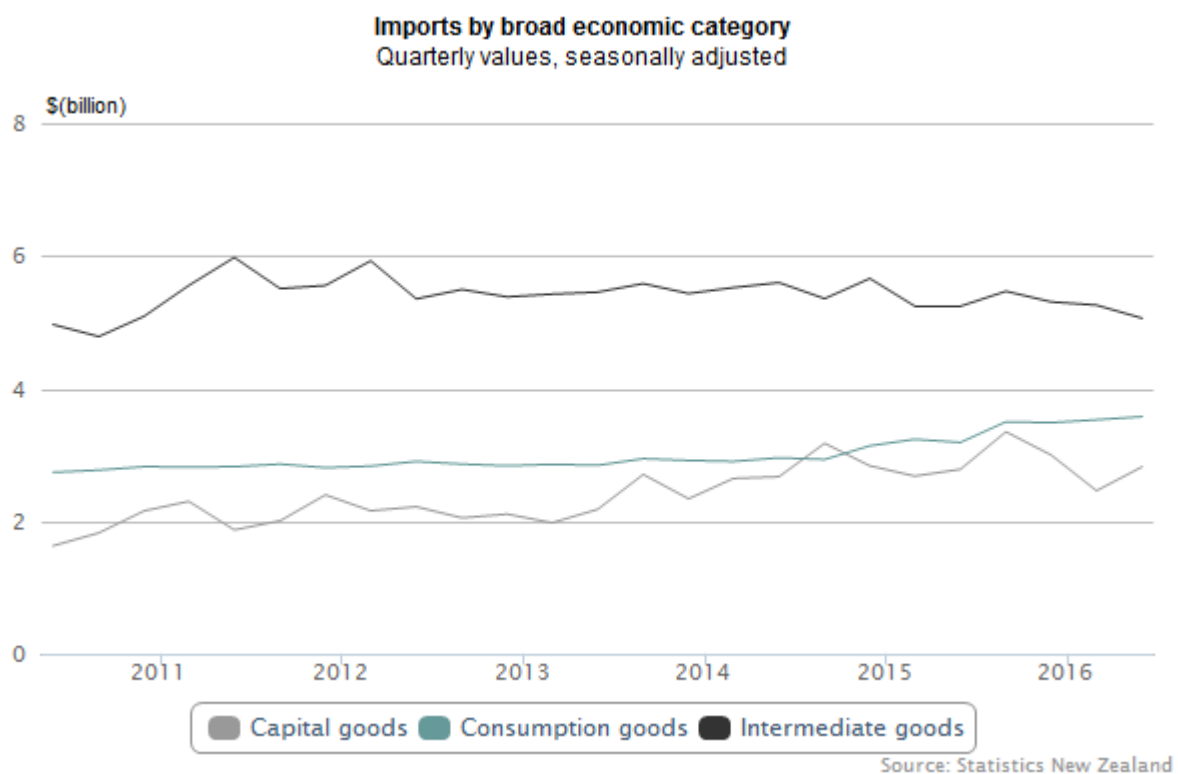
The seasonally adjusted value of imported goods rose 0.5 percent (\$66 million), to \$12.8 billion. This rise followed a 3.9 percent fall in the March 2016 quarter.

The trend for imported goods has now fallen for the third successive quarter, after rising since the December 2012 quarter. The trend calculation excludes large import items.



Capital goods lead rise in seasonally adjusted imports

Of the three main broad economic categories, capital goods and consumption goods increased in value in the June 2016 quarter, while intermediate goods decreased in value.



Capital goods rose 15 percent (\$361 million), following an 18 percent fall in the March 2016 quarter.

- Industrial transport equipment rose 43 percent (\$211 million).
- Machinery and plant rose 7.6 percent (\$150 million).

Consumption goods rose 1.4 percent (\$48 million), following a 1.2 percent rise in the March 2016 quarter.

- Non-durable goods (such as retail medicines) rose 9.3 percent (\$79 million).
- Durable goods (such as furniture) rose 1.8 percent (\$11 million).

Intermediate goods fell 3.8 percent (\$198 million), following a fall of 0.9 percent in the March 2016 quarter. The largest falls were:

- processed industrial supplies, down 4.2 percent (\$114 million)
- processed food and beverages for industry, down 21 percent (\$40 million).

These falls were partly offset by rises in:

- processed fuels and lubricants (other than motor spirit), up 20 percent (\$38 million)
- crude oil, up 6.8 percent (\$38 million). The rise was price driven, as quantity was down 11 percent.

The net movement for intermediate goods, excluding crude oil, was a fall of 3.2 percent (\$148 million).

In other categories of goods:

- Passenger motor cars rose 1.9 percent (\$22 million), following a 3.9 percent rise in the March 2016 quarter.
- Petrol and avgas, which is not seasonally adjusted, fell 19 percent (\$40 million), following a 1.8 percent fall in the March 2016 quarter.

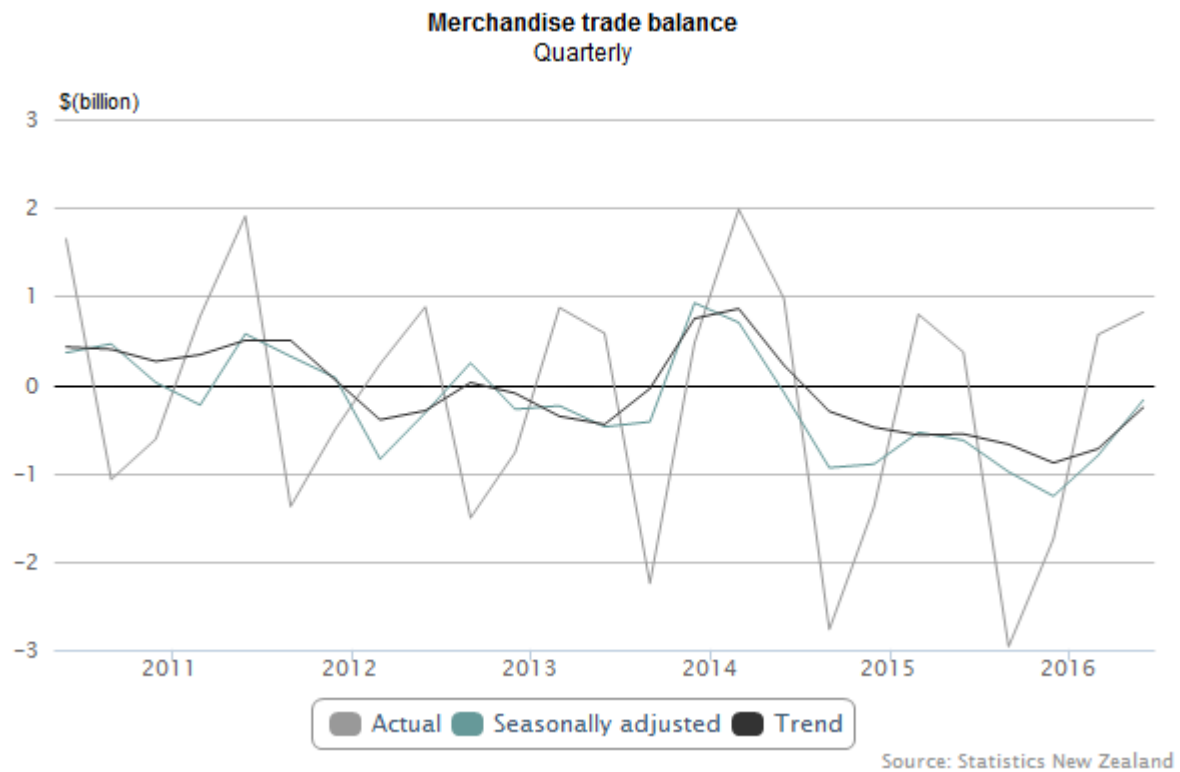
Imports from Australia and China fall; imports from European Union rise

In the June 2016 quarter, compared with the March 2016 quarter, the movements in seasonally adjusted values for our top import sources (ranked by total annual goods imports) were:

- China – down 2.1 percent (\$57 million), following a 0.7 percent rise in the March 2016 quarter
- EU – up 9.6 percent (\$220 million), following a 1.8 percent fall in the March 2016 quarter
- Australia – down 10 percent (\$186 million), following a 15 percent rise in the March 2016 quarter.

Goods trade deficit in June 2016 quarter

In the June 2016 quarter, the seasonally adjusted trade deficit was \$173 million, equivalent to 1.4 percent of exports. In the March 2016 quarter, the deficit was \$800 million. This is the ninth consecutive quarterly trade deficit. The most-recent seasonally adjusted trade surplus was in the March 2014 quarter.

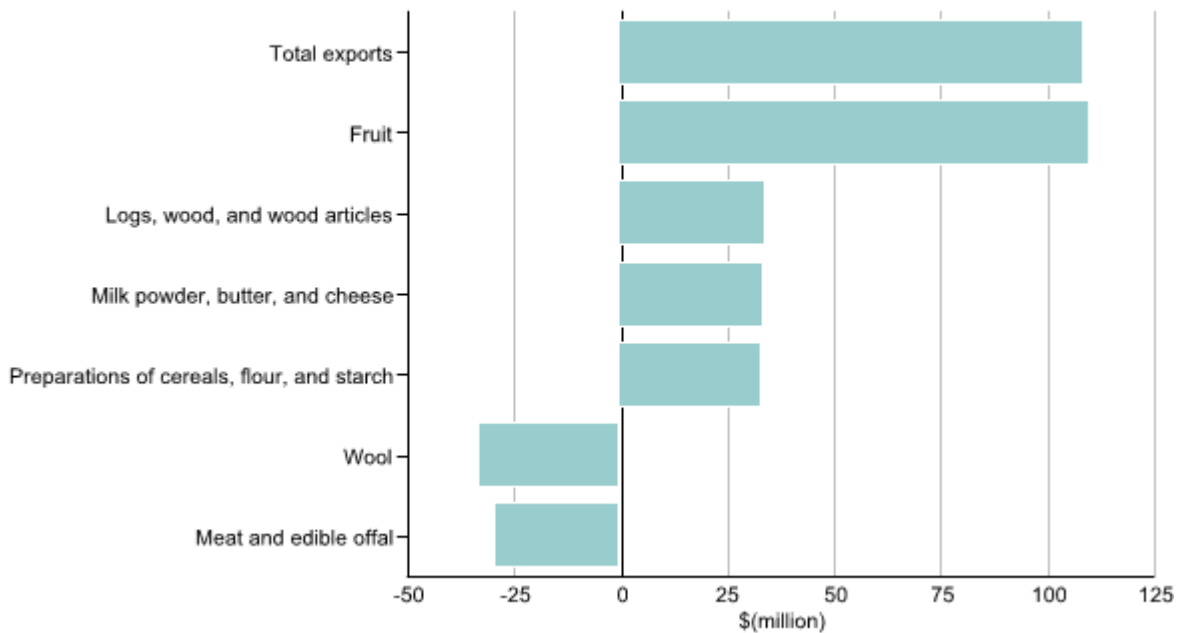


Monthly exports rise 2.6 percent

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

In June 2016, goods exports were valued at \$4.3 billion, up \$109 million (2.6 percent).

Top export commodity movements
June 2016 compared with June 2015



Fruit leads rise in monthly exports

Fruit (our fourth-largest annual export commodity group) had the largest rise of any commodity group in June 2016, up \$110 million (30 percent) from June 2015 to reach \$475 million in June 2016. Kiwifruit led the rise, up \$105 million (47 percent), with quantity up 32 percent.

- Gold kiwifruit was up \$68 million (65 percent) in value, and 49 percent in quantity.
- Green kiwifruit was up \$34 million (28 percent) in value, and 21 percent in quantity.

Kiwifruit exports were up across all top export destinations (by total annual exports). The largest movements for June 2016 were to Japan, up \$55 million (108 percent), and China, up \$39 million (101 percent).

The June 2016 kiwifruit export value (\$331 million), was the second-highest in the series. The highest (\$358 million) was in the previous month, May 2016.

Logs, wood, and wood articles (our third-largest annual export commodity group) rose \$34 million (11 percent) from June 2015 to reach \$333 million in June 2016. Untreated logs led the rise (up \$30 million), followed by treated logs (up \$22 million). The rise in untreated logs was price driven as the quantity was down 11 percent.

Milk powder, butter, and cheese (our largest annual export commodity group) rose \$34 million (4.3 percent) from June 2015 to reach \$830 million in June 2016. The movements included:

- whey and natural milk constituent products up \$32 million (106 percent); quantity up 180 percent
- cheese up \$25 million (22 percent); quantity up 35 percent
- milk fats (including butter) up \$20 million (13 percent); quantity up 25 percent

- milk powder down \$51 million (11 percent). This fall was price driven, as quantity was up 25 percent.

Meat and edible offal fell \$29 million (4.7 percent) from June 2015 to reach \$590 million in June 2016. Lamb led the fall, down \$34 million (14 percent), with quantity down 3.3 percent.

Other key changes in export commodities were:

- **food preparations for infant use**, up \$33 million (51 percent)
- **miscellaneous edible preparations**, up \$19 million (23 percent)
- **casein and caseinates**, down \$14 million (17 percent)
- **crude oil**, down \$18 million (19 percent).

China leads rise in monthly exports

The monthly movements for New Zealand's top export destinations (ranked by total annual exports) for June 2016 compared with June 2015 were:

1. **China** – up \$125 million (18 percent), led by rises in logs, wood, and wood articles (up \$51 million); kiwifruit (up \$39 million); milk powder, butter, and cheese (up \$25 million); and food preparations for infant use (up \$11 million). These rises were partly offset by a fall in wool (down \$31 million).
2. **Australia** – down \$62 million (8.5 percent), led by a fall in crude oil (down \$55 million). This fall and falls across other commodities were partly offset by rises in food preparations for infant use (up \$21 million), aircraft (up \$13 million), and miscellaneous edible preparations (up \$11 million).
3. **United States** – up \$24 million (4.7 percent), led by a rise in whey and natural milk constituent products (up \$25 million).
4. **EU** – down \$9 million (1.9 percent), led by lamb (down \$16 million). This fall was partly offset by rises in commodities that included fish, apples, and plastics.
5. **Japan** – up \$74 million (28 percent), led by a rise in kiwifruit (up \$55 million).

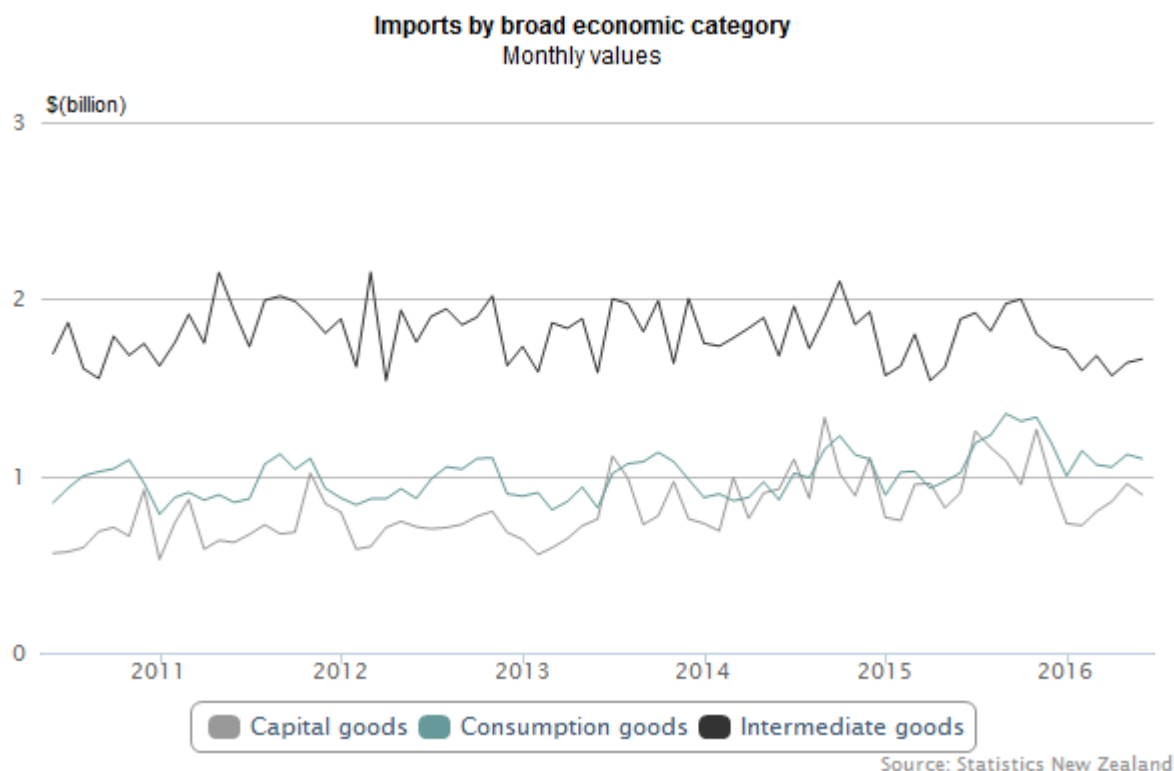
Monthly imports fall 4.6 percent

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

In June 2016, imported goods were valued at \$4.1 billion, down \$200 million (4.6 percent).

Intermediate goods lead fall in imports

Of the three main broad economic categories, intermediate goods and capital goods fell in value, while consumption goods rose when compared with June 2015.



In the June 2016 month:

Intermediate goods decreased \$225 million (12 percent).

- Processed industrial supplies (such as fertiliser, soya bean oil cake, and palm oil cake) were down \$32 million (3.7 percent).
- Primary industrial supplies other than food and beverages (such as calcium phosphates) were down \$23 million (37 percent).
- Crude oil was down \$75 million (24 percent).

Capital goods fell \$12 million (1.3 percent).

- Transport equipment (such as cargo ships, aircraft, and tug boats) was up \$7 million (3.3 percent).
- Machinery and plant (such as computers and cellphones) was down \$18 million (2.6 percent).

Month-on-month comparisons can be significantly affected by high-value goods imports such as aircraft. When we exclude aircraft goods imports from the above calculations, capital goods increased by \$20 million (2.3 percent).

Consumption goods increased \$80 million (7.9 percent).

- Non-durable goods (such as retail medicines) were up \$24 million (9.4 percent).
- Durable goods (such as furniture) were up \$14 million (8.0 percent).
- Semi-durable goods (such as textile articles and clothing) were up \$4.7 million (1.8 percent).

In other categories of goods:

- passenger motor cars rose \$27 million (7.5 percent)
- petrol and avgas fell \$50 million (48 percent).

Imports excluding petroleum products and aircraft

When we exclude the large downward movements in aircraft and aircraft parts (down \$30 million) and petroleum products (down \$206 million) from the calculations, the net movement for all other imported goods between the months of June 2015 and June 2016 showed little change (up 0.2 percent).

Contrasting movements for our top five import partners

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

1. **China** – up \$5.9 million (0.7 percent), with rises across consumption goods such as telephones and cellphones (up \$14 million), and furniture (up \$6.5 million), partly offset by falls in ships and boats (down \$20 million), and fertilisers (down \$13 million).
2. **EU** – up \$21 million (3.1 percent), led by a rise in retail medicines (up \$20 million).
3. **Australia** – up \$29 million (5.6 percent), led by rises in optical, medical, and measuring equipment (up \$9 million), inorganic chemicals (up \$7.7 million), live animals, and food preparations. These rises were partly offset by falls in mechanical machinery and equipment (down \$11 million).
4. **United States** – down \$54 million, led by falls in mechanical machinery and equipment (down \$31 million), aircraft (down \$30 million), and fertilisers (\$22 million).
5. **Japan** – down \$25 million, led by falls in automotive diesel (down \$34 million) partly offset by a rise in vehicles (up \$14 million).

United Kingdom component of trade with European Union

Exports to the United Kingdom comprised 29 percent of New Zealand's total exports to the EU in June 2016.

If the United Kingdom and the rest of the EU are regarded separately, the respective movements in exports for June 2016 were:

- **United Kingdom** – down \$13 million (8.8 percent), led by a fall in lamb (down \$6.9 million).
- **EU** (excluding the United Kingdom) – up \$3.7 million (1.2 percent), led by rises in commodities that included apples, squid, and mussels, partly offset by a fall in lamb.

Imports from the United Kingdom comprised 16 percent of New Zealand's total imports from the EU in June 2016.

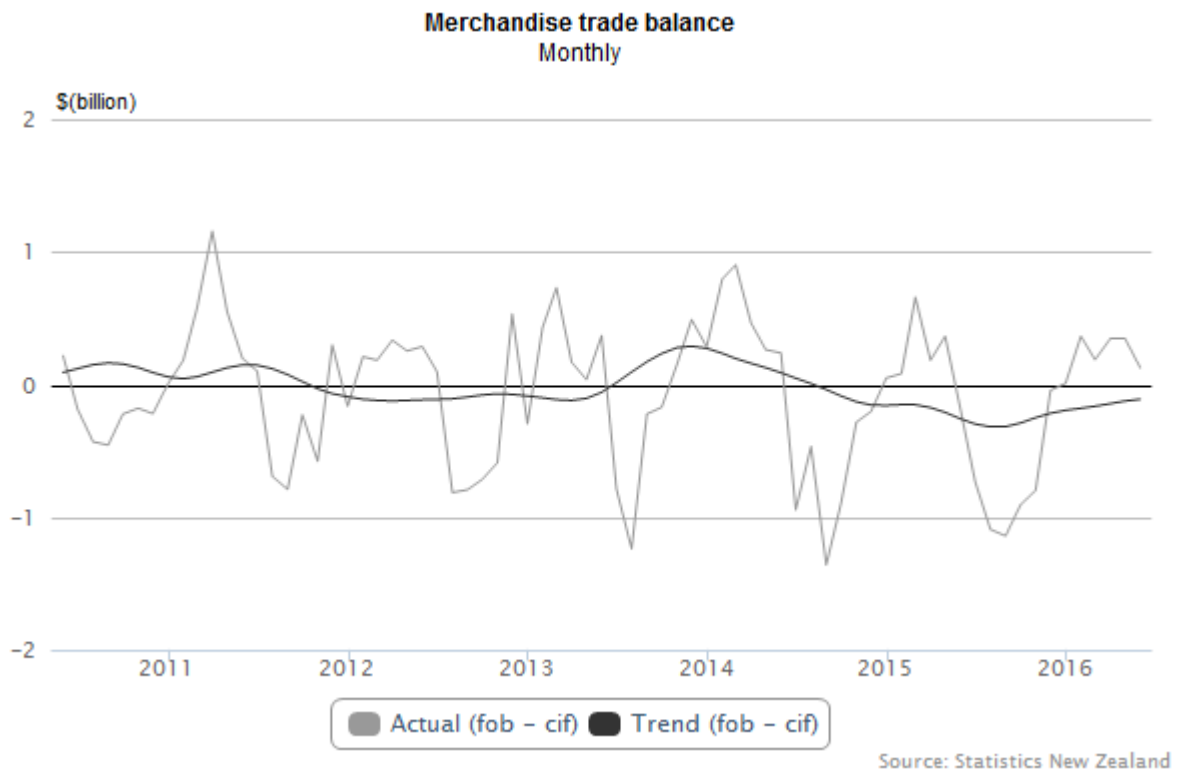
The respective movements in imports for June 2016 were:

- **United Kingdom** – up \$5.6 million (5.1 percent), led by a rise in motor vehicles.
- **EU** (excluding the United Kingdom) – up \$16 million (2.7 percent), led a rise in retail medicines.

Goods trade surplus in June 2016

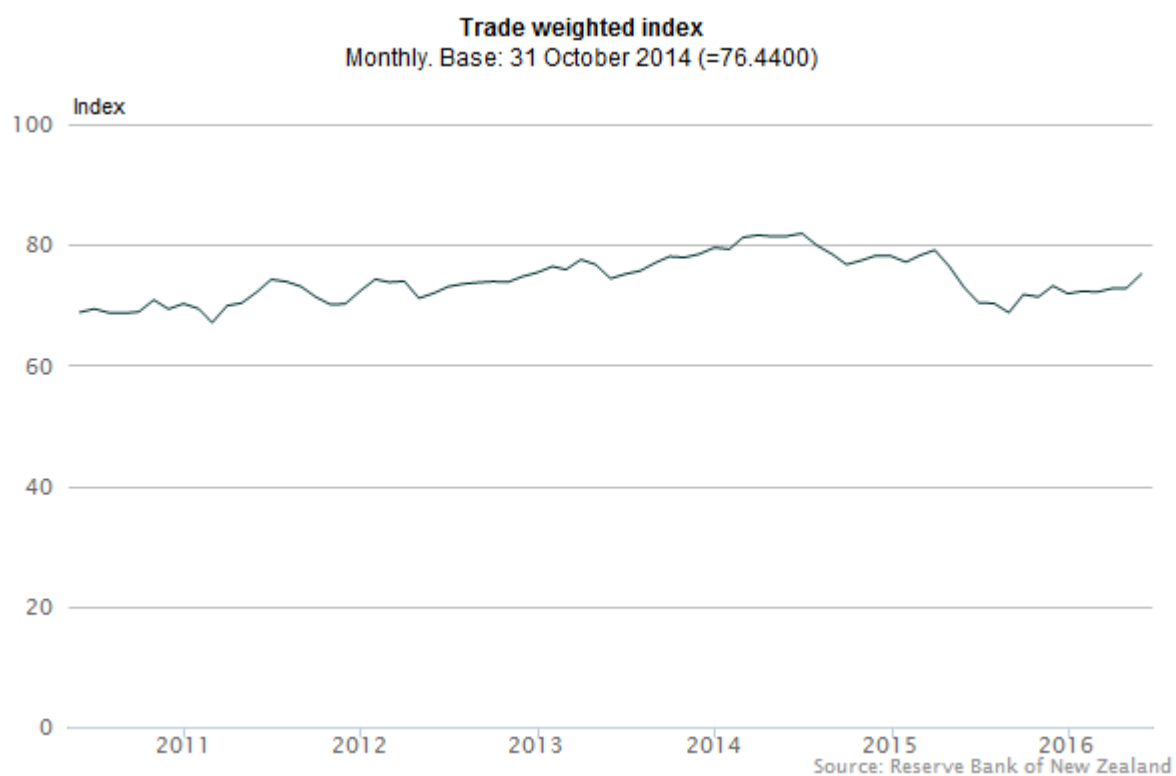
In June 2016, there was a trade surplus of \$127 million (3.0 percent of exports). In June 2015, there was a \$182 million deficit, but in the five June months before 2015, there were surpluses averaging 6.6 percent of exports.

For the year ended June 2016, the annual trade deficit was \$3.3 billion.



Exchange rate movements

The Reserve Bank's trade weighted index showed that the New Zealand dollar was 3.3 percent higher in June 2016 than in May 2016, and 3.1 percent higher than in June 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](#)
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Data quality

Period-specific information

[Overseas Merchandise Trade: June 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](#)

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Comprehensive annual trade statistics.

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Tables

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

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