

NEW ZEALAND ECONOMIC CHRONOLOGY 1982

January 11 Government Expenditure

It was announced that Government Departments would have to prune 3 per cent from their budgets for the 1982/83 financial year.

January 18 Air Fare Rises

It was announced that air fares between New Zealand and Australia, the USA, South America and Canada would go up by 5 per cent from 1 February.

January 26 Mutton Sale

The first major mutton sale of the season — worth upwards of NZ\$30 million — was negotiated with the USSR.

January 28 Benefit Payments Rise

Social security benefits and war pensions were increased by \$9.36 a week for married couples and \$5.62 a week for single people.

January 29 National Superannuation

It was announced that National Superannuation rates would rise by 5.9 per cent on 23 March.

Freight Rates

Traditional conference line meat shippers from New Zealand and Australia reduced their rates by 10 per cent to bring them down to the level of new competitors in the market.

February 3 Forest Product Investment Incentives

It was announced that eligibility for 'high priority' status of certain forest products would be withdrawn.

February 5 Inflation Bonds

The Right Hon. R.D. Muldoon announced that the more liberal repayment provisions which apply to inflation bonds issued since late last year would be extended to those issued in the first series from 1977.

February 9 Reserve Bank Governors' Appointments Announced

Mr D.L. Wilks and Dr R.S. Deane were appointed Governor and Deputy Governor respectively of the Reserve Bank of New Zealand.

Motonui Synthetic Fuel Plant Contract

The American-based Mobil Company decided to sign the contract for the Motonui synthetic petrol plant.

February 10 OECD Report

The OECD annual report on New Zealand was published. Its major predictions were:

- a 16 per cent rise in consumer prices during 1982;
- an increase in household incomes of 20 per cent;
- some growth in both domestic demand and GDP; and
- a static level of unemployment.

February 15 Small Business Loans

The Government announced that it was broadening the scope of its loan guarantee scheme for small businesses so that all small businesses engaged in manufacturing, processing, tourism, and servicing industries which directly earned or saved overseas funds would be eligible for the Small Business Agency loan guarantee scheme.

February 17 Petrol Price Rise

The Minister of Energy, the Hon. W.E. Birch announced that the price of petrol would rise by 3c a litre to 64c a litre for premium grade.

February 22 Milk Exports

The Dairy Board won a fresh order worth NZ\$30 million from Peru to supply milk for the recombining trade.

March 3 Financial Services Regulations

Suppliers of finance proposing to institute new specified financial services became required to give the Reserve Bank notice in writing of the price they propose to charge.

March 12 Meat Board Loan

The Government approved a NZ\$15 million Reserve Bank loan to the Meat Board to help fund mutton purchases.

March 22 Forestry

CSR-Baigent announced a halt to letting of major contracts for the NZ\$150 million Eves Valley pulp mill, citing a slump in the world price of wood pulp and dissatisfaction with the negotiated electricity price as the reasons for the delay.

March 23 Overseas Loan

The Minister of Finance, the Right Hon. R.D. Muldoon, announced that the current United States dollar floating note issue would be increased from US \$250 million to US \$350 million.

March 29 Transport Fees

Various increases in transport fees were announced. The major movement was the increase of \$19 in the private motorists' registration fee.

March 30 Air New Zealand

The Government announced that it would lend Air New Zealand NZ\$50 million.

Local Authority Finance

The Right Hon. R.D. Muldoon announced increases in the local authority security ratios on life insurance companies, private superannuation funds and building societies, to help meet the essential needs of local authorities for loan finance.

April 1 Government Charges

Increased charges for postage, telephone rentals, state coal, bulk electricity and road user charges were announced.

April 7 Financial Services Regulations

The Reserve Bank moved to close some of the loopholes in the Financial Services Regulations in a letter to institutions asking them to follow the regulations 'both in law and intent'.

April 14 Taxation Task Force

The New Zealand Task Force on Tax Reform published its report. Its major recommendations were that present income tax should be reduced, families should get greater tax support and wholesale sales tax should be extended and rationalised.

Post Office Interest Rates

The Post Office Savings Bank increased its interest rates on deposits.

April 19 Aluminium

Comalco reached agreement on the long-term supply of substantial quantities of primary aluminium to the large Japanese concern Showa Denko.

April 21 Meat Board

The New Zealand Meat Board obtained a US\$125 million short-term credit as a hedge against fluctuations in meat prices.

April 23 Money Market

The Governor of the Reserve Bank, Mr D.L. Wilks, announced that the Bank would step up its purchases of short-term private sector securities.

April 28 Overseas Loan

The Minister of Finance, the Right Hon. R.D. Muldoon, announced that the Government had signed an agreement to borrow 15 billion yen (NZ \$82 million).

May 4 Aluminium

The Government reapproached Comalco about the possibility of a fourth and fifth aluminium potline at Tiwai Point.

May 10 Meat Producers Board

The New Zealand Meat Producers Board announced that it was borrowing US\$125 million to finance its intervention in the export trade.

May 21 Liquor Price Controls

The Government removed price controls on liquor.

Air New Zealand

Air New Zealand sealed a contract to lease two of its six DC10's to a Chilean airline.

May 26 Overseas Loan

The Minister of Finance, the Right Hon. R.D. Muldoon, announced that a loan of 100 million Swiss francs (NZ \$68 million) had been obtained by the Government.

June 3 Air New Zealand

Air New Zealand announced that it would cut almost 1000 people from its payroll by early next year as the first stage of a redundancy programme aimed at increasing efficiency.

June 6 Government Revenue and Expenditure

The Minister of Finance, the Right Hon. R.D. Muldoon, released the Public Accounts summary for the year to 31 March 1982. This showed that the deficit before borrowing was NZ\$1,879 million, \$271.7 million less than was budgeted for.

CER

The final draft agreement on Closer Economic Relations was released. This contained a large number of trade liberalisation measures with the ultimate objective of no trade restrictions by 1995.

August 20**Price Freeze Regulations**

The Minister of Trade and Industry, the Hon. H.C. Templeton, announced moves which would allow traders to pass on certain wage costs into prices as well as moves to provide greater flexibility in other areas of the price freeze regulations.

September 1**CER Import Licences**

The Government announced that half of the licences for exclusive imports of Australian goods under Closer Economic Relations would be put up for tender.

September 3**Government Loan**

A NZ\$465 million Government loan raised in Britain was confirmed by the Acting Minister of Finance, the Hon. J.H. Falloon.

October 1**Westpac**

The new Westpac Banking Corporation, the result of the merger of the Bank of New South Wales and the Commercial Bank of Australia, was officially launched.

October 5**Shellfish Exports**

A new market for New Zealand shellfish was opened by the signing of a Government agreement with Canada.

October 16**Refining Company Loan**

A US\$750 million syndicated loan for the New Zealand Refining Company's Marsden Point expansion was signed in London.

October 20**EEC Butter Quota**

Agriculture ministers of the European Economic Community agreed in principle to a quota of 87,000 tonnes of butter from New Zealand for 1983.

October 26**New Power Station**

The Government approved the construction of a geothermal power station at Ohaaki and the development of the Broadlands geothermal field near Wairakei.

Fletcher Challenge

Fletcher Challenge Ltd announced it had bought a major Canadian forest products company, Crown Zellerbach Canada Ltd for almost NZ\$400 million.

November 1**Overseas Loan Increase**

The Minister of Finance, the Right Hon. R.D.

Muldoon, announced that a syndicated note facility arranged with Citicorp International Group and other banks would be increased from US\$500 million to US\$750 million.

November 3**Petrol Plant Loans**

Japanese loans totalling NZ\$325 million for the Motonui synthetic petrol plant were finalised by the New Zealand Synthetic Fuels Corporation.

November 9**CER**

The Australian Government approved the Closer Economic Relations agreement with New Zealand, paving the way for trade liberalisation between the two countries.

November 15**Overseas Loan**

The Government signed an agreement for a Japanese yen syndicated bank loan worth 15 billion yen (about NZ \$78 million).

November 30**Overseas Loan**

The Minister of Finance, the Right Hon. R.D. Muldoon, announced that the Government would borrow a further NZ\$65 million on the Swiss market.

December 6**Timber Processing Plant**

H. Baigent and Sons Ltd, Nelson, announced that Shell (NZ) and the Todd Group would join it in a NZ\$30 million timber processing plant in Nelson.

December 7**Overseas Loan**

The Minister of Finance, the Right Hon. R.D. Muldoon, announced that the Government would borrow a further NZ\$82 million from West Germany.

EEC Quota

New Zealand failed to gain final European Economic Community approval for its 1983 butter quota at a meeting of EEC Agricultural Ministers in Brussels.

December 12**Lamb sale**

The Meat Board confirmed that it had sold 100,000 tonnes of lamb to Iran.

December 14**CER**

The Closer Economic Relations agreement between New Zealand and Australia was formally signed.

**RESERVE BANK OF NEW ZEALAND
LIABILITIES**

(\$NZ millions)

As at	Overseas Liabilities				State		Deposits					
	Denominated in Overseas Currency ¹				Public A/c	Other	Market Org.	Stabil. A/cs	Trading Banks	Other Deposits	Note Issue	All Other Liabilities
	Short- Term	Long- Term	Allocation of SDRs	Denominated in NZ Currency								
1982												
9 June	157.3	1,210.3	208.2	33.4	156.3	229.4	42.7	49.4	---	22.9	637.5	252.4
16 June	157.3	1,190.4	208.2	33.4	---	262.9	33.2	49.2	---	22.8	626.4	254.4
23 June	157.3	1,190.4	208.2	33.4	---	240.5	32.0	48.8	4.6	32.7	621.7	217.1
30 June	311.1	1,125.8	207.2	29.1	---	238.1	34.9	48.6	---	39.1	627.7	171.7
7 July	284.1	1,125.8	207.2	29.0	74.1	291.1	36.8	47.9	---	30.8	616.0	144.1
14 July	257.0	1,230.4	207.2	29.0	---	311.6	36.4	46.6	---	49.4	622.6	145.5
21 July	268.0	1,230.4	207.9	29.0	---	265.8	37.1	45.5	---	41.2	612.3	125.3
28 July	214.2	1,230.2	207.9	29.0	---	294.2	37.0	44.8	---	34.4	618.0	122.7
4 Aug.	220.8	1,290.3	207.9	29.0	---	315.9	39.7	44.4	---	28.9	609.0	124.4
11 Aug.	220.8	1,296.3	207.9	21.7	---	334.8	37.3	44.0	---	27.6	609.9	121.6
18 Aug.	220.0	1,293.3	207.9	21.4	---	317.4	38.1	43.8	---	20.4	605.0	125.0
25 Aug.	222.1	1,293.2	211.1	21.4	---	298.6	36.9	43.6	---	23.6	613.6	78.6
1 Sep.	214.5	1,268.6	211.1	21.4	---	275.8	32.5	43.4	---	34.2	607.7	72.2
8 Sep.	248.7	1,248.0	211.1	21.4	---	352.1	30.7	43.4	---	26.5	608.5	72.4
15 Sep.	329.7	1,269.3	213.9	21.4	101.6	307.2	30.5	43.3	---	196.1	601.2	222.1
22 Sep.	297.2	1,280.3	215.3	21.4	---	319.8	34.2	43.2	10.0	25.3	608.1	248.9
29 Sep.	279.8	1,287.8	210.6	17.0	---	308.6	29.2	43.2	---	37.7	597.5	241.7
6 Oct.	419.4	1,287.8	210.6	17.0	---	330.8	33.7	43.6	---	24.4	602.5	250.3
13 Oct.	280.7	1,287.8	210.6	17.0	113.6	278.7	33.1	43.7	---	30.0	596.9	235.8
20 Oct.	246.0	1,364.1	210.6	17.0	129.6	336.0	29.6	43.6	19.3	17.1	610.3	234.1
27 Oct.	246.5	1,374.5	211.7	17.0	271.4	308.1	30.2	43.4	---	36.7	611.9	219.0
3 Nov.	218.3	1,374.4	211.7	17.0	182.3	309.0	30.2	43.6	---	23.1	602.7	228.0
10 Nov.	77.1	1,361.9	211.7	13.9	211.3	302.7	31.5	44.0	---	17.4	597.8	231.4
17 Nov.	77.1	1,361.9	211.7	13.9	---	305.0	38.6	44.3	---	104.5	601.7	238.7
24 Nov.	78.1	1,361.9	211.7	13.9	127.1	374.2	32.6	44.6	0.1	29.6	598.3	240.0

ASSETS

(NZ\$ millions)

As at	Overseas Assets					Advances and Discounts						Investments in NZ ²			
	Denominated in Overseas Currency ^{1,2}					State		Trading Banks				NZ Government Securities		All Other Assets	
	Gold	Short- Term	Long- Term	Holdings of SDRs	Denominated in NZ Currency	Public A/c	Other	Market- ing Org.	Stabil- isation A/c's	Comp. Dep.	Other	Other	Other		
9 June	0.7	47.7	14.0	3.9	3.3	---	259.9	734.7	202.5	---	47.0	6.5	1,367.4	47.1	265.0
16 June	0.7	59.2	14.0	3.9	3.3	134.1	2.0	703.1	211.2	---	47.5	1.2	1,338.4	42.7	276.8
23 June	0.7	80.3	14.0	3.9	3.3	274.3	1.1	775.1	219.4	---	47.2	1.5	1,043.3	48.1	274.4
30 June	0.7	29.3	14.0	3.9	3.3	36.2	6.4	731.6	224.5	---	45.5	1.3	1,291.3	43.2	402.0
7 July	0.7	255.0	14.0	3.9	3.3	---	2.2	705.0	232.7	---	49.9	0.5	1,301.8	32.7	285.6
14 July	0.7	304.5	12.1	3.9	3.3	73.2	18.1	672.5	238.0	---	48.0	0.4	1,229.7	21.5	309.9
21 July	0.7	260.1	12.1	3.9	3.3	166.1	32.2	662.3	243.8	---	47.5	---	1,124.9	29.8	275.7
28 July	0.7	121.7	12.1	3.9	3.3	129.4	25.6	667.6	247.0	---	49.7	3.2	1,275.5	31.5	261.3
4 Aug.	0.7	225.0	12.1	3.9	3.3	112.2	1.3	636.4	199.3	---	52.2	6.4	1,341.3	35.0	281.2
11 Aug.	0.7	146.2	12.1	3.3	3.3	273.8	3.1	614.9	202.0	---	52.9	0.2	1,316.4	31.0	262.1
18 Aug.	0.7	260.3	12.1	3.3	3.3	186.7	6.5	600.8	203.6	---	53.8	0.1	1,267.9	26.4	266.8
25 Aug.	0.7	191.8	12.1	3.3	3.3	284.4	3.0	584.4	205.3	---	55.1	3.6	1,216.2	22.7	256.6
1 Sep.	0.7	134.3	12.1	3.3	3.3	144.3	44.2	565.1	210.3	---	52.7	7.2	1,295.6	27.8	280.5
8 Sep.	0.7	116.3	12.1	3.3	3.3	317.2	5.4	551.1	214.2	---	54.1	1.8	1,280.6	35.2	267.4
15 Sep.	0.7	90.0	12.8	3.4	3.3	---	430.4	533.9	218.4	209.4	56.2	2.1	1,329.2	39.5	407.1
22 Sep.	0.7	139.9	13.0	3.4	3.3	127.6	77.9	561.1	219.3	257.7	51.6	---	1,166.7	36.0	445.6
29 Sep.	0.7	111.6	13.0	2.8	3.3	13.2	0.1	541.3	221.6	230.7	55.8	10.3	1,355.0	40.6	453.0
6 Oct.	0.7	123.1	13.0	2.8	3.3	135.3	0.5	527.7	226.8	203.8	58.5	2.7	1,415.8	41.7	464.5
13 Oct.	0.7	219.3	13.0	2.8	3.3	---	4.2	493.5	229.7	176.8	61.1	0.2	1,419.1	36.4	458.7
20 Oct.	0.7	455.0	13.0	2.8	3.3	---	6.3	593.0	234.0	149.9	60.5	---	1,251.0	27.8	459.9
27 Oct.	0.7	448.8	13.2	2.8	3.3	---	2.0	594.4	234.9	128.3	62.5	6.8	1,381.8	27.6	463.0
3 Nov.	0.7	339.0	13.2	2.8	3.3	---	7.3	591.7	242.3	101.4	63.9	0.2	1,394.2	27.7	452.6
10 Nov.	0.7	261.9	13.2	2.5	3.3	---	0.7	572.4	244.8	74.4	63.4	2.8	1,374.8	23.7	462.0
17 Nov.	0.7	256.1	13.2	2.5	3.3	83.0	2.7	559.7	250.8	47.5	61.1	---	1,233.4	13.4	470.2
24 Nov.	0.7	254.7	13.2	2.5	3.3	---	6.1	727.9	258.8	20.5	60.4	---	1,278.0	9.6	476.3

1 Foreign Currency Conversions

Overseas assets and liabilities are expressed in NZ\$. Adjustments to those items denominated in foreign currency on account of exchange rate movements are made monthly.

2 Valuation of Investments

Overseas assets are shown in the balance sheet at cost (subject to exchange rate adjustments). A market value is not readily available for the majority of overseas investments held. New Zealand investments are shown at the lower of cost or market value; adjustments to market value (where necessary) being made monthly.