



The New Zealand Economy: Ten Years at a Glance

(Annual percentage change, unless specified otherwise)

March years	Actuals	Projections			
	1999	2000	2001	2002	2003
Price measures					
CPI	1.0	1.7	1.5	1.6	1.7
Wages	2.7	2.3	2.8	2.9	3.0
Import prices	2.7	4.0	-3.3	-1.3	0.4
Export prices	-1.1	8.5	-4.5	-0.9	2.2
Monetary conditions					
Real MCI (year average)	25	-200	-125	125	200
Nominal MCI (year average)	-50	-275	-150	100	175
TWI (year average)	57.3	56.0	55.9	58.0	58.8
90-day rate (year average)	6.2	5.2	6.6	7.2	7.2
Output					
Output gap (% of potential GDP, year average)	-1.8	-0.8	0.2	0.6	0.8
Real GDP (production, annual average % change)	-0.1	3.5	3.6	3.4	3.4
Key balances					
Government operating balance (% of GDP)	1.8	0.4	0.7	1.4	2.1
Current account balance (% of GDP)	-5.8	-7.9	-5.8	-5.5	-4.8
Terms of trade (annual average percent change)	-0.5	2.0	-0.1	0.0	1.5
Unemployment rate (March quarter, s.a.)	7.2	6.1	5.8	5.5	5.2
Household savings rate (% of disposable income)	-1.5	-1.6	-1.7	-0.4	0.2
World economy					
World GDP (annual average % change)	1.0	3.8	3.6	3.3	3.2
World CPI inflation	0.9	1.9	1.8	1.8	1.8
Real expenditures on GDP (Annual average percentage change)					
Final consumption expenditure					
Private	1.5	3.1	2.6	2.1	3.0
Public authority	0.0	7.0	-3.6	-1.1	1.0
Total	1.2	3.9	1.3	1.5	2.7
Gross fixed capital formation					
Market sector					
Residential	-15.1	15.6	-5.4	5.5	5.7
Business	4.5	9.3	5.7	7.6	5.2
Non-market government sector					
Total	-1.2	9.8	3.8	7.0	5.3
Final domestic expenditure					
Stockbuilding	0.6	5.1	1.9	2.8	3.3
Gross national expenditure	-0.4	6.6	1.5	2.8	3.3
Exports of goods and services	2.3	4.4	7.5	5.7	5.1
Imports of goods and services	3.1	11.9	-0.1	3.6	4.7
GDP (expenditure)	-0.7	3.9	4.1	3.5	3.4
GDP (production)	-0.1	3.5	3.6	3.4	3.4

Output gap

Defined as the year average percentage difference between real GDP (production s.a.) and potential GDP.

Potential GDP

Reserve Bank definition and estimate.

Government operating balance

Percentage of nominal GDP (expenditure), June year.

Current account balance

Percentage of nominal GDP (production).

Terms of trade

Domestic-currency export and import prices, *Overseas Trade Indexes*.

Unemployment rate

Household Labour Force Survey.

World GDP

RBNZ definition. Projections based on Consensus Forecasts. s.a.

World CPI inflation

RBNZ definition and estimate. TWI trading partners' CPI inflation, using TWI weights. Projections based on *Consensus Forecast*.

Stockbuilding

Percentage point contribution to growth in GDP.

Annual percentage change

$(Q/Q_{-1}) \times 100$

Source: Unless specified otherwise, Statistics New Zealand definitions, not seasonally adjusted.

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(Annual percentage change, unless specified otherwise)

March years	1994	1995	1996	1997	1998
Price measures					
CPI	1.6	2.6	2.1	2.0	1.7
Wages	1.3	2.1	3.6	4.0	2.6
Import prices	-6.0	1.1	-1.3	-4.6	2.9
Export prices	-6.5	1.2	-3.5	-6.3	4.8
Monetary conditions					
Real MCI (year average)	-250	175	625	975	775
Nominal MCI (year average)	-275	175	600	950	700
TWI (year average)	55.5	58.0	62.2	66.4	64.4
90-day rate (year average)	5.7	7.8	8.8	9.0	8.0
Output					
Output gap (% of potential GDP, year average)	0.3	2.0	2.0	1.4	0.7
GDP (production, annual average % change)	6.3	5.4	3.8	2.6	2.0
Key balances					
Government operating balance (% of GDP)	0.9	3.1	3.6	2.0	2.6
Current account balance (% of GDP)	-2.3	-4.7	-5.5	-6.3	-5.6
Terms of trade (annual average percent change)	1.5	-0.3	-2.2	-0.8	-0.6
Unemployment rate (March quarter, s.a.)	9.1	6.6	6.2	6.5	7.2
Household savings rate (% of disposable income)	3.3	0.4	0.6	0.6	-0.7
World economy					
World GDP (annual average % change)	3.4	4.4	4.2	4.4	3.2
World CPI inflation	1.7	2.4	2.6	2.3	2.4

Real expenditures on GDP (Annual average percentage change)

Final consumption expenditure					
Private	3.4	6.0	4.1	3.7	3.0
Public authority	-1.1	-0.7	3.3	2.5	5.3
Total	2.4	4.6	3.9	3.5	3.4
Gross fixed capital formation					
Market sector					
Residential	17.1	12.2	-0.1	4.0	1.8
Business	22.5	17.6	14.3	4.6	0.8
Non-market government sector					
Total	-3.9	28.4	2.2	32.4	12.9
Total	18.2	17.2	9.6	7.0	2.4
Final domestic expenditure					
Stockbuilding	5.1	7.0	5.1	4.3	3.2
Total	1.1	0.0	-0.7	-0.3	0.1
Gross national expenditure					
Exports of goods and services	6.2	6.9	4.3	3.9	3.3
Imports of goods and services	7.9	8.4	2.6	3.7	3.9
Total	8.0	14.3	7.4	7.2	4.8
GDP (expenditure)					
Total	6.2	5.3	2.9	2.7	3.0
GDP (production)					
Total	6.3	5.4	3.8	2.6	2.0

CPI

Up to and including the June 1999 quarter, the series is the annual percent change in CPIX. From June 2000, the series is the annual percent change in the new CPI. For September 1999 to March 2000, the series is calculated by adding the quarterly increases in the new CPI to quarterly increases in the old CPI excluding interest rates and section prices.

CPIX

Consumers Price Index excluding credit services.

Import prices

Overseas Trade Indexes (domestic currency).

Export prices

Overseas Trade Indexes (domestic currency).

Wages

Private sector average ordinary hourly earnings, *Quarterly Employment Survey.*

Real MCI

Reserve Bank of New Zealand.

Nominal MCI

Reserve Bank of New Zealand.

Exchange rate (TWI)

Reserve Bank of New Zealand.

90-day bank bill yield

Reserve Bank of New Zealand.