

# THE NEW ZEALAND ECONOMY — SIX MONTHLY REVIEW

## INTRODUCTION

For the most part 1980 was a period of moderate recession in the domestic economy. Consumption expenditures declined in real terms over most of the year as a result of the effect of fiscal drag on salary and wage incomes, which in pre-tax terms rose faster than inflation, and a real decline in farming income following strong growth in the previous two years. Business income is also expected to have declined in real terms over the year.

The investment picture for 1980 is mixed; residential construction activity continued to decline, but non-residential construction remained steady, the volume of commercial stocks has been falling although investment in the manufacturing sector has picked up and substantial investment in farming has been taking place. (This year should see a large rise in fixed capital expenditure as the major investment projects get underway.)

Although well down on earlier levels, net emigration continued at a high rate over the year. In spite of this, the employment situation worsened considerably, with the total number of unemployed and those on assisted employment almost 30 per cent higher at the end of 1980 than at the end of 1979. The 1980 Budget and more particularly the subsequent November 'mini budget' were aimed at preventing any further decline in activity and employment levels, and in addition to personal income tax cuts, a range of employment related measures were introduced.

The growth rates of the main monetary and credit aggregates slowed down over most of 1980, although later in the year trading bank lending and private sector credit started to accelerate again. This slowdown and the declining level of demand have helped to reduce the rate of increase in prices, but the inflation rate remains high.

The volume of imports declined last year as a result of declining consumption and the rundown in stocks while good climatic conditions and government incentives assured continued growth of export volumes. However these gains were offset by import prices rising faster than export prices and this resulted in a deterioration in the balance of payments position. Although agricultural export prices are likely to pick up somewhat this year the volume of imports is also likely to increase as a result of the increased investment expenditure, and the cuts made in February to personal income tax.

## INTERNAL ECONOMY

### Incomes

Official wage rate statistics indicate that pre-tax salary and wage incomes rose in real terms over 1980. The Nominal Weekly Wage Rates Index, which measures award rates rose by 17.8 per cent over the year, representing an increase of 1.4 per cent in inflation adjusted terms. In addition, actual wage rates (shown by the Prevailing Weekly Wage Rates Index) have recently been rising slightly faster than award rates. For example, the Prevailing Weekly Wage Rates Index rose by 21 per cent in the twelve months to September 1980, while in the

same period the index of award rates rose by 20.7 per cent — real increases of 4 per cent and 3.7 per cent respectively.<sup>1</sup> (The high September year figures for these indices reflect the timing of the 4 per cent general wage increase which was announced in the 1980 Budget). The 0.3 per cent difference in movement between the two indices represents 'wage drift' resulting from increased above-award payments and higher average skill levels.

According to the Labour Department's Quarterly Employment Information Survey for November 1980, average weekly earnings showed much the same rise as the wage indices. In the thirteen months to November 1980<sup>2</sup>, average weekly earnings excluding overtime rose by 20.1 per cent, and earnings including overtime rose by 20.3 per cent. Average ordinary time hours worked per week were unchanged at 37.0, while overtime hours worked were down slightly from 2.1 to 2.0.

Monetary benefits are generally indexed to prices or wages with the result that the value of most benefits has been maintained in real terms during 1980/81. An exception is national superannuation payments which grew more slowly over 1980 (13.3 per cent) as a result of a change in the basis of their determination from pre-tax to after-tax wages (as announced in the 1979 Budget). Total expenditure on benefits increased in real terms as a result of an increase in the number of recipients of benefits, particularly the unemployment benefit.

In its recent report to the Minister of Agriculture, the Agricultural Review Committee estimated that net income for sheep and beef farms for the 1980/81 farming year would be about 16 per cent lower than in 1979/80 while net dairy farm income would be about 20 per cent higher than in 1979/80. (In its March 1981 Quarterly Predictions the New Zealand Institute of Economic Research (NZIER) estimated that total agricultural operating surplus for the 1980/81 March year would decline by 0.5 per cent). For sheep and beef farms, increased production and export levels are expected to just offset product price declines, but large increases in farm input costs as well as in off-farm costs are expected to be only partially offset by a decline in the volume of farm expenditure: hence the sharp drop in net incomes. For dairy farms, gross income is expected to have increased by about 20 per cent mainly because of higher dairy product prices, and a similar increase is expected for farm expenditure (including a small increase in the volume of expenditure). Despite the apparent stronger position of dairy farms, the Review Committee warned that in fact both farm types are facing a cost-price squeeze which could worsen over the next year if the rapid escalation of on-farm and off-farm costs continues.

Based in part on its December 1980 Quarterly Survey of Business Opinion the NZIER expects 'other operating surplus' (mainly non-farm business and company income) for 1980/81 to be 11 per cent higher than last year — an increase well below the rate of inflation or the growth in salary and wage incomes. Profit margins in the manufacturing sector (apart from food processing) are expected to have tightened in 1980, as in the trade sector as a result of real declines in retail and wholesale

1 Movements in both these indices may be revised upwards somewhat because of future backdated wage increases.

2 A thirteen month comparison is necessary here because of the change in the department of labour's survey from a six monthly survey each April and October to a new quarterly survey in February, May, August and November.

turnover. The construction sector — more particularly small-scale and residential construction — has been depressed for some time.

### Consumption

Retail turnover during 1980 was \$7,869 million, a nominal rise of 20.3 per cent over 1979, but a volume increase (after allowing for seasonal fluctuations) of only about 0.5 per cent. The trend in retail sales was downward in the latter part of the year. After a real seasonally adjusted quarterly increase of 3.7 per cent in the March quarter of 1980, the volume of retail sales dropped markedly over the rest of the year so that the volume of sales for the December quarter of 1980 was 1.8 per cent below the corresponding period in 1979.

An exception to the overall picture of declining real consumption was new car registrations, which were 10.6 per cent higher than in 1979. The annual running total was fairly steady at around 78,000 over the last part of 1980, but there have been some indications early in 1981 that the total is rising again. However, the average age of New Zealand's stock of automobiles is high by Western standards so that the high level of new registrations may well reflect the replacement of older cars by newer, more economical ones as a result of rapid increases in petrol prices, and also in maintenance and repair costs.

The value of both motor vehicles and other consumer goods bought on hire-purchase declined in real seasonally adjusted terms in the June and September quarters of 1980, after growing strongly in preceding quarters. This general pattern is consistent with the movements in retail trade, but neither of these is really consistent with the movements in the effective wage rate indices already discussed. In inflation adjusted terms, both the Nominal and Prevailing Wage Rates Indices grew quite strongly in the December quarter 1979, showed little movement in the March quarter of 1980, then dropped by over 2.5 per cent in the June quarter. But both indices rose again in the September quarter, and the index of award rates showed an effective rise of 3.8 per cent in the December quarter. While it is true that farm incomes make up quite a significant proportion of personal incomes and the real decline in these would therefore be part of the reason for the apparent decline in personal consumption over most of 1980, it is fairly clear that fiscal drag has also been a factor, eroding the real value of after-tax salary and wage incomes, in spite of the growth in real pre-tax wage rates.

### Investment

Residential building activity continued to decline over 1980, although at a slower rate than in recent years. Permits issued for the construction of houses and flats numbered 14,663 over the year, which is 5.9 per cent less than 1979, and is the lowest number since at least the early 1950s. Demographic factors, prices, higher debt servicing costs and reduced Government support, have all contributed to the reduction in demand.

The total population has been virtually static for several years and net emigration continues to be substantial. Moreover a relatively large proportion of migrants are in the younger age groups in which the rate of household formation is highest. This, together with the fact that debt servicing costs continue to rise as mortgage interest rates creep up (the average interest rate on new mortgages registered was 13.3 per cent in December 1980, compared to 11.7 per cent in December 1979), has restrained total housing demand. But it seems that the relative prices of new versus existing houses has been

more important in reducing demand for new housing since demand for existing houses has picked up significantly over the last two years. In the second half of 1980, the number of existing house sales was similar to the peak sales volume in the property boom of the early 1970s. Although existing house prices have also accelerated quite strongly over the last year, the rate of increase is still well below the rate of increase in house-building costs (10.25 per cent, according to Valuation Department figures, between the second half of 1979 and the second half of 1980, compared to an increase of 15.3 per cent in the Institute of Valuer's Modal House Cost Index in the year to October 1980). Changes in Housing Corporation lending policies during the year (such as the imposition of income limits on borrowers wishing to build a new house) have also had an effect.

Non-residential building activity was fairly steady during 1980, with permits issued over the year numbering 10,242, which is 0.9 per cent higher than in 1979. The value of permits issued for the largest category of non-residential buildings, 'Office and Administration Buildings' rose by 16.5 per cent, which probably represents a volume decline given the high rate of escalation in building costs (the B.I.A.C. Building Cost Index rose by 21 per cent in the year to June 1980). The value of permits for 'factories, powerhouses, etc.' declined in 1980, indicating a very substantial volume decline, but in contrast the 'Farm Buildings' category rose by 34.5 per cent in value, indicating a significant volume increase.

Taken together with this increase in farm building construction, the expected increase of 2.7 per cent this year in livestock numbers (forecast to reach 107.3 million livestock units by the end of the 1980/81 farming year) indicates that substantial investment in farming took place during 1980.

The situation with respect to investment in plant and machinery is less clear. Surveyed import orders for machinery and electrical equipment levelled out over the last few months of 1980, after a period of decline mid-year. Import orders for transport equipment also showed positive growth after a (more severe) decline earlier in the year, but figures for the last few months of 1980 suggest that growth is slowing down again. The value of actual imports of machinery and electrical equipment in the nine months to September 1980 was well up on the corresponding period of 1979 (an increase of almost 27 per cent), but in contrast wholesale sales of machinery showed only a moderate increase in the same period (13 per cent) and the value of plant and machinery bought on hire-purchase decreased by 29 per cent. With respect to the manufacturing sector, the overall result has been an increase in investment in 1980. The Department of Statistics quarterly manufacturing survey shows that gross capital expenditure in 1980 was 28 per cent higher in nominal terms than in 1979.

Commercial stock levels declined in real terms over 1980. Retail, wholesale and manufacturers' stocks rose in nominal terms by 12.6 per cent, 12.1 per cent and 14.7 per cent respectively between the end of 1979 and the end of 1980, reflecting volume decreases in each case. The nominal increase in retail stocks over 1980 was smaller than the nominal increase in retail sales, so that the retail stocks to sales ratio also declined over 1980. This seems to suggest that the retail sector anticipated the real decline in retail sales which occurred over most of 1980, and acted to prevent an undesired build-up in the stocks to sales ratio as sales fell. In contrast, the increase in wholesale and manufacturers' stocks exceeded the sales increases, and consequently the wholesale and manufacturers' stocks to sales ratios rose over 1980.

### The Government Sector

Government expenditure and receipts budgeted for 1980/81 were \$8.97 billion and \$7.71 billion respectively. The resulting deficit budgeted for, of \$1,260 million, compares with a deficit outcome of \$1,027 million in 1979/80. The nominal increase of 18.2 per cent in budgeted expenditure represents a volume increase, in contrast to the volume decline in 1979/80 when somewhat tighter policy restraints were in operation. Most of the additional expenditure this year occurs in Government consumption (i.e. the provision of Government services), while capital expenditure is still restricted: spending on the works programme and roading, which fell by 6.3 per cent in 1979/80 was budgeted to rise only 4.6 per cent in 1980/81 — another significant fall in real terms.

In the nine months to December 1980, actual Government expenditure was 22.1 per cent higher than in the same period in 1979, actual receipts were 19.6 per cent higher, and the deficit before borrowing was 28.3 per cent higher. As a result of these trends, the measures announced in the 1980 'mini-budget' (of which the main one was personal income tax cuts amounting to an average tax reduction of 5.5 per cent, effective from 1st February 1981), and the recent increase in public servants' pay rates, the actual deficit for 1980/81 is likely to be some \$200 million higher than the budgeted figure.

### The Labour Market

The most worrying feature of the economy over 1980 has been the rapid rise in the level of unemployment. At the end of December 1980, the number of registered unemployed was 49,854, 85 per cent up on the end of 1979. During the same period the total of those in assisted employment schemes dropped from 27,794 at the end of 1979 to 20,618 at the end of 1980. The number in private sector schemes rose 717 to 5,194, but the number in public sector schemes declined from 23,317 to 15,424.

While seasonal factors normally diminish job opportunities in the winter months, they can only provide a partial explanation for the increase in the level of unemployment that occurred in the middle of the year, since this has not yet been reversed. The effects of a depressed level of activity in both investment and sales, already commented on, appear also to have contributed to this upsurge. In the first six months of 1980 total unemployment (i.e. registered unemployment and assisted employment) averaged 50,600, while it averaged almost 58,800 between July and October 1980. Similarly the further jump in unemployment levels over November and December is partially attributable to the normal seasonal influence of school-leavers and students seeking holiday jobs, but again the increase has not yet been offset to any great extent. Total unemployment at the end of February 1981 was 69,683, only 780 less than the figure for the end of December; in contrast total unemployment dropped by almost 5,600 between December 1979 and February 1980. A further indication of the structural and demand-related nature of the unemployment problem is that the proportion of total registered unemployed who have been registered for 13 weeks or more averaged 25.6 per cent in the second half of 1980 (and 28.8 per cent in January and February of this year), compared to only 20.6 per cent in the first half of 1980.

In addition to rising unemployment, growth in numbers employed has slowed. According to Labour Department surveys, total employment, including part-time employees and working proprietors, rose by 0.7 per

cent in the thirteen months to November 1980 to stand at 1.100 million. This compares with growth of 1.7 per cent in the year to October 1979. Over two-thirds of the increase in employment numbers is accounted for by a rise in the number of part-time female employees. A divergence in the growth rate between male and female employees has developed as a result of a rising female participation rate. In recent periods recession and slow growth may have more severely affected occupations and industries in which the proportion of males is relatively high — e.g. construction and some manufacturing activities.

The worsening of the unemployment problem over 1980 occurred despite continuing net emigration, which is still substantial although well down on the levels of twelve to eighteen months ago. Net permanent and long term emigration over 1980 was 23,614 (compared to 41,791 over 1979), while total net emigration (i.e. including short-term) was 10,915 (compared to 27,425). Without these outflows the level of unemployment is likely to have been much higher.

### Monetary Conditions

The main feature in the monetary area over 1980 has been the continued slowdown in the growth rates of the broader monetary and credit aggregates. In particular, the annual rate of growth in M3 (the money supply and selected liquid assets of the public) declined to an estimated 12.8 per cent in the year to December 1980, compared to a growth rate of 19.1 per cent over 1979. Also, the rate of growth of domestic credit (credit extended by the M3 institutions to the private and public sectors) declined from 17.7 per cent in December 1979 to an estimated 12.1 per cent in December 1980.

The annual growth rate in the narrowly defined money supply, M1, has been more erratic. It declined from an annual growth rate of 8.3 per cent in December 1979 to 4.7 per cent in December 1980, but is estimated to have been 11.6 per cent in January 1981. (Factors behind the low December 1980 figure were the timing of trading bank returns and variations in bank holdings of notes over the last few days of December in the two years). Growth in private sector credit (i.e. lending by the major financial institutions to the private sector) also declined over most of 1980, from 23.3 per cent in December 1979 to an estimated 15.0 per cent in the year to October 1980, but has since started to pick up again, reaching 18.5 per cent in December and 18.7 per cent in January 1981. The rather restrictive monetary policy stance of the second half of 1979 and early 1980 had a bearing on the lending slowdown, but the overall decline in economic activity has been the most significant influence on the demand for credit, and has indirectly affected the growth rates of the monetary aggregates as well.

Over half of private sector credit is made up of trading bank lending, and the reacceleration in the private sector credit growth rate is largely a reflection of movements in the latter. The growth in trading bank lending slowed from 23.5 per cent in December 1979 to 13.1 per cent in August 1980, then recovered to 15.1 per cent in December 1980 and 17.3 per cent in February 1981. Over the last half of 1980 growth in trading bank lending has been surpassed by the growth in trading bank credit limits (which increased by 22.1 per cent over 1980), so that credit utilization ratios are now quite low and lending to deposit ratios are also not particularly high. This places banks in a reasonably comfortable position to accommodate further increases in the demand for credit which may occur.

Interest rates — more particularly short-term deposit

rates which tend to reflect conditions in the financial markets — declined over most of 1980 as a result of the 'neutral' monetary policy stance and less competitive marketing of government securities, but started to pick up again later in the year. For example average rates on trading bank transferable certificates of deposit (TCDs) for terms of up to six months were around 15.5 — 16 per cent in December 1979, then declined to around 13 per cent between June and September 1980. Since then they have risen somewhat to rates closer to 14 per cent during February 1981. Some longer term rates (which are usually more influenced by expectations of prices and profits) showed little if any decline over 1980, while lending rates (such as the mortgage rates already mentioned) continued to edge upwards.

### Prices

A number of factors contributed to an easing in the rate of price rises during 1980, although the rates of increase remain disturbingly high. The annual rate of increase in the Consumers Price Index rose from 16.5 per cent in the December quarter of 1979 to 18.4 per cent in March 1980, then declined over the rest of the year to 16.1 per cent in December 1980. The food group has been a major contributor to the overall rate of consumer price inflation, food prices continuing to rise more rapidly than the overall average rate: the annual rate of increase peaked at 25.2 per cent in March 1980 and has since declined to 18.5 per cent in December 1980, and 18.3 per cent in February 1981. Earlier in the year the high food price rises reflected high primary product prices overseas, but these eased somewhat over the year. Transportation costs also rose rapidly (20.9 per cent in the year to December 1980), as did tobacco and alcohol prices (18.1 per cent over 1980) as a result of increased indirect taxes imposed in the 1980 Budget.

The General Price Index of all industry inputs (excluding labour) has shown a trend similar to consumer prices, with the annual rate of increase accelerating from 21.9 per cent in the December quarter of 1979 to 25.3 per cent in March 1980, then declining to 20.6 per cent for December 1980. The three industry groups facing the highest input price rises over 1980 were 'Transport and Storage' (a rise of 34.1 per cent mainly reflecting higher fuel costs), 'Chemicals, Petroleum Products etc.' (a rise of 29.5 per cent reflecting crude oil prices), and 'Communications' (a rise of 27.1 per cent due to increased freight costs).

As these rates of increase amply illustrate, external factors are contributing to our present inflationary problem. But New Zealand is actually less dependent on trade than some O.E.C.D. countries which have had notable success in containing inflation (e.g. West Germany), and in particular it relies relatively less on imported fuels for its total energy requirements than countries such as Japan. Yet New Zealand's inflation rate over the last year has remained above that of most of the countries with which it is often compared (although the trends are similar).

### EXTERNAL SECTOR

#### Overseas Exchange Transactions:

In the twelve months to January 1981 there was a substantial deterioration in the current account deficit, which increased from \$493 million in the year ended January 1980 to \$705 million. The \$213 million increase from the previous year is the result of the combined effects of a slight fall in the trade surplus and a significant

widening of the invisibles deficit.

Export receipts totalled \$5,796 million over the year, showing continued strong growth (an increase of 24 per cent over the previous year). Dairy products and forest products grew particularly strongly with increases of 49 per cent and 42 per cent respectively. Manufactured exports also grew rapidly (up 32 per cent). However, total import payments grew even faster (by 29 per cent) to reach \$5,029 million so that the trade surplus fell from \$777 million to \$767 million. Invisible receipts grew faster than invisible payments over the year (23 per cent compared to 19 per cent) but the invisibles deficit still widened from \$1,269 million to \$1,472 million because of the much higher invisible payments base.

The official capital account (including I.M.F. transactions) showed an inflow of \$453 million for the year ended January 1981, up significantly from the inflow of \$197 million in the previous year. The main factor in this was reduced Government debt repayments (down from \$462 million to \$247 million). The private capital inflow was also up on the previous year (\$98 million compared to \$51 million) giving a total net capital inflow of \$550 million (\$248 million in the previous year). Official overseas reserves fell by \$223 million over the year.

The NZIER estimates that import volumes in the year to March 1981 will be 6 per cent lower than in the previous year as a result of the recession and the rundown in stocks, while export volumes this year are estimated to have increased by around 5.5 per cent. The terms of trade for the June quarter of 1980 were 15 per cent below the peak reached in the June quarter of 1979, and a further deterioration over 1980/81 is forecast by the NZIER as import prices grow faster than export prices.

### CONCLUSION

The November 1980 mini-budget had as its stated intention the maintenance of current levels of activity and employment in the period before the expected impact on the economy of the planned major investment projects. There was concern that the trends in disposable incomes over 1980 could cause the level of activity and employment to slip further.

The main impact of the mini-budget will be felt over 1981/82, with the budget deficit for that year estimated to be over \$450 million higher than what it would otherwise have been. With most of that stimulus coming through the personal tax cuts effective from 1st February, any recovery that results from the mini-budget is likely to be consumption-led. The objective has been to ensure that consumption demand should not fall further before rises in expenditure due to other causes and in particular increased investment expenditure resulting from the major industrial projects provide their stimulus to the economy. (According to NZIER estimates, extra investment spending in 1981/82 due to these projects could be around \$440 million.)

There is some concern that the monetary implications of the fiscal expansion could be harmful to price stability. Private sector credit and trading bank lending have already started to accelerate again and with a budgetary stimulus coming on top of this, the demand for credit could be quite strong. In the absence of offsetting policy moves, this could lead to a reacceleration in the growth rate of the other monetary and credit aggregates which would be likely to lead to greater inflationary pressures and the possibility of a further widening of the balance of payments deficit.

**RESERVE BANK OF NEW ZEALAND**  
**Liabilities and Assets**

(NZ\$ millions)

LIABILITIES							ASSETS									
DEMAND DEPOSITS							O'SEAS ASSETS <sup>4</sup>					ADVANCES IN N.Z.				
Year and Month	Note Issue	State	Mark-eting Organs	<sup>1</sup> Banks	Other	<sup>2</sup> All Other L'ibilities	Gold	SDRs.	<sup>3</sup> Short Term	Invest-ments	Invest-ments in N.Z.	State	Mark-eting Organs	Other Advan. & Disc.	Export Credits	All Other Assets in N.Z.
Weekly Average																
1969	173.9	74.2	4.5	36.3	60.2	40.8	1.0	...	72.0	44.9	69.2	13.2	150.8	24.0	...	14.8
1970	182.9	74.1	4.1	44.7	36.9	59.9	0.8	16.4	57.5	51.5	74.7	7.4	148.3	28.8	0.9	16.3
1971	201.8	80.1	3.4	32.3	15.9	76.4	0.7	20.6	86.2	60.3	65.3	5.7	135.9	11.7	7.4	16.1
1972	223.9	195.8	3.6	38.0	18.8	124.6	0.7	49.7	193.4	121.3	39.6	0.2	156.0	2.0	9.5	32.4
1973 <sup>4</sup>	262.3	276.4	17.9	31.5	63.8	308.9	0.7	52.0	240.1	315.0	82.8	0.2	205.6	3.4	9.2	51.8
1974 <sup>4</sup>	305.8	154.7	21.1	25.0	165.1	328.8	0.7	27.7	72.4	258.4	256.2	54.8	248.1	9.1	10.8	62.3
1975 <sup>4</sup>	343.5	136.3	16.8	26.6	350.3	309.4	0.7	3.0	108.1	139.9	322.0	164.8	340.1	19.7	18.7	66.0
1976 <sup>4</sup>	382.8	145.0	22.4	12.4	466.7	357.5	0.7	9.9	178.8	53.4	583.3	93.9	369.6	13.8	22.7	60.7
1977	414.9	164.9	33.4	11.4	538.1	455.6	0.7	25.8	166.7	55.7	796.9	113.3	377.1	6.2	28.2	47.8
1978 <sup>4</sup>	447.4	198.7	13.8	4.6	507.1	509.0	0.7	51.2	242.9	53.3	496.8	256.5	426.8	94.9	28.5	47.1
1979	492.5	219.6	46.7	2.4	438.3	576.4	0.7	38.3	213.4	9.3	668.4	129.5	525.3	87.9	34.0	68.1
1980	539.0	226.3	71.2	1.0	366.6	760.1	0.7	31.2	163.7	9.6	582.4	308.5	642.3	104.8	46.8	76.3
As At —																
1979																
Jan. 31	477.0	184.2	9.2	--	512.8	559.9	0.7	71.5	296.4	8.3	650.7	49.9	544.0	12.8	29.5	79.3
Feb. 28	475.9	177.7	9.7	--	414.5	552.6	0.7	48.5	184.6	9.2	538.6	159.0	570.6	13.7	28.3	77.2
Mar. 28	477.4	482.0	8.7	--	411.5	561.4	0.7	48.5	222.8	8.9	561.1	17.8	570.0	411.0	28.8	71.3
Apr. 24	492.2	317.8	19.9	--	429.5	566.6	0.7	48.4	252.8	8.9	434.5	102.8	570.3	258.7	30.0	119.1
May 30	480.9	393.5	40.1	0.2	418.8	551.0	0.7	39.8	295.4	8.9	848.4	0.3	579.8	18.7	30.6	61.8
June 27	481.8	167.4	52.8	--	414.7	554.7	0.7	39.8	167.8	8.9	776.5	17.7	549.3	9.0	33.6	68.1
July 25	475.1	193.9	58.8	--	405.2	596.5	0.7	41.9	171.5	9.4	684.3	180.2	526.6	8.6	36.2	70.4
Aug. 29	481.7	175.3	67.0	--	351.0	585.5	0.7	19.0	189.0	9.3	732.2	160.6	459.5	8.6	38.2	43.5
Sept. 26	486.6	176.4	68.4	--	356.1	577.2	0.7	19.0	142.1	9.4	606.6	177.7	467.3	154.9	38.5	48.5
Oct. 31	494.7	110.1	77.5	--	634.1	610.0	0.7	19.4	202.9	9.4	828.4	170.7	495.0	86.9	38.4	74.5
Nov. 28	504.1	133.1	84.8	--	436.5	616.2	0.7	19.4	244.9	9.4	737.0	102.4	535.7	19.5	40.2	65.5
Dec. 26	657.8	196.4	82.1	--	446.0	635.3	0.7	13.1	161.1	9.7	671.9	362.7	635.1	0.6	39.6	123.3
1980																
Jan. 30	514.2	140.6	82.0	--	371.0	662.6	0.7	45.5	131.1	9.6	766.8	28.3	635.1	9.3	37.6	110.2
Feb. 27	514.8	149.1	85.5	0.1	351.7	760.2	0.7	39.1	253.6	9.7	649.5	93.6	650.7	8.7	37.1	118.7
Mar. 26	513.8	629.8	90.8	--	361.5	755.2	0.7	39.2	302.2	9.5	573.9	--	652.7	644.8	38.0	90.2
Apr. 30	523.3	333.4	90.9	--	333.8	804.6	0.7	37.4	176.5	9.7	762.7	5.5	676.8	321.0	43.6	52.3
May 28	522.7	226.1	69.0	--	302.7	718.9	0.7	31.8	143.3	9.7	756.2	33.5	723.0	39.8	48.1	53.3
June 25	513.8	229.1	65.0	--	386.3	721.6	0.7	23.9	67.2	9.4	493.7	486.2	725.1	1.3	49.9	58.2
July 30	511.1	186.7	53.4	3.7	393.9	728.6	0.7	30.4	264.2	9.2	570.7	251.9	640.2	3.0	50.5	56.7
Aug. 27	515.8	176.6	51.3	0.1	375.6	727.7	0.7	25.5	101.0	9.2	468.6	561.7	575.2	2.9	52.7	49.7
Sept. 24	515.7	219.7	60.9	--	423.5	687.7	0.7	25.7	93.5	9.4	536.7	411.5	569.7	138.1	52.0	70.4
Oct. 29	530.3	142.6	59.1	--	395.4	728.9	0.7	32.3	184.9	9.3	502.7	351.0	585.6	82.4	49.4	58.0
Nov. 26	536.0	201.5	56.6	--	395.4	762.5	0.7	28.2	125.0	9.3	411.8	624.3	624.6	9.3	49.7	69.0
Dec. 31	614.5	214.2	49.3	--	227.1	863.9	0.7	0.2	68.0	9.5	459.4	529.6	683.4	19.8	45.0	153.4
1981																
Jan 28	548.4	170.3	46.5	--	236.1	1,033.4	0.7	31.4	196.8	9.5	526.7	438.8	709.9	21.5	37.2	62.3
Feb 25	594.7	201.0	47.2	10.3	209.5	857.4	0.7	37.2	164.9	9.5	378.6	539.7	693.3	4.4	34.9	56.9
Mar 25	565.1	403.6	36.2	--	215.4	797.2	0.7	41.4	228.6	9.9	375.0	0.3	681.1	570.9	37.8	71.1

<sup>1</sup> Includes balances in special fund accounts and wool retention accounts.<sup>2</sup> Includes capital accounts, reserves, miscellaneous liabilities in New Zealand, overseas liabilities, Special Drawing Rights and trading bank time deposits at Reserve Bank.<sup>3</sup> Current account balances and short-term bills.<sup>4</sup> The New Zealand dollar was devalued by 19.45 percent on 21 November 1967 and revalued by 3.25 percent on 9 July 1973. Since that date adjustments to the value of the New Zealand dollar against the basket of overseas currencies have been as follows. — 10th September 1973, revaluation of 10 percent, 25th September 1974, devaluation of 6.2 percent; 10th August 1975, devaluation of 15 percent, 30th November 1976, devaluation of 2.73 percent, 20th December 1976, revaluation of 2 percent; 21st June 1979, devaluation of 5 percent.