

OVERSEAS EXCHANGE TRANSACTIONS

YEAR ENDED DECEMBER 1984

This article is a summary of OET developments in the calendar year 1984. Following an overview section which outlines key features in the external sector accounts, the article presents details on the current account and then discusses individual developments in the visible trade, invisible transactions and capital accounts.

It should be noted that the OET statistics are recorded using a procedure significantly different from that employed by the Department of Statistics in generating Balance of Payments (BOP) figures. The OET figures are a measure of New Zealand's cash transactions with the rest of the world arising from imports and exports of goods and services plus those private and official overseas borrowings and investment activities which involve a cash remittance or receipt. The BOP figures, on the other hand, measure the value of goods and services exchanged between New Zealand and the rest of the world, and movements in New Zealand's claims and liabilities with foreigners, irrespective of whether or not a cash transaction is involved. The difference is further compounded by variability in valuation methods and in the timing of recording procedures used by the two measures.

The OET records use exchange rates applying on the day each currency transaction occurs. Consequently, exchange rate fluctuations will contribute to the changes in receipts figures occurring from year to year. On 18 July 1984 the New Zealand dollar was devalued by 20 per cent against a trade weighted basket of currencies. Apart from this policy change the New Zealand dollar remained fixed against the basket, although significant movements against individual currencies occurred as the relative strengths of these currencies on international foreign exchange markets fluctuated. The magnitude of these changes against significant individual currencies is indicated in the 'Exchange Rates' table G3 to be found elsewhere in this *Bulletin*.

OVERVIEW

There was a large deterioration in the current account balance in 1984, with the deficit rising from \$894 million in the year ended December 1983 to \$2,146 million. The major factor underlying the increase was high growth in import payments, particularly during the first half of the year. The current account deficit during the six months ended June 1984 was \$821 million, a sharp turnaround from the \$42 million current account surplus recorded during the same period in 1983. During the latter half of 1984, the current account deficit was \$1,325 million, which reflected a more modest rise from the \$936 million current account deficit recorded in the six months ended December 1983. A contributing factor to the increase in the current account deficit that occurred during the latter half of 1984 was the July devaluation, which in the short-term (without making any allowance for quantity adjustments) effectively scaled up the deficit by 25 per cent.

The growth in import payments during 1984 was largely the result of an expansion in domestic demand associated with a large fiscal deficit and relatively easy monetary conditions over the latter half of 1983 and early 1984. Despite virtually static real personal disposable incomes and falling real after tax salary and wage incomes, consumption expenditure was particularly buoyant in 1984. Underpinning this credit financed growth in consumption were expectations that price rises would occur after the price freeze, the devaluation and the 1984 Budget. As a result, the retailing and manufacturing sectors continued to purchase imports to replenish stock levels which had started at historically low levels.

During 1984 the performance of the international economy improved markedly with both output and world trade volume growth being the highest since 1976. In spite of the strength of this international economic

Table 1
OVERSEAS EXCHANGE TRANSACTIONS

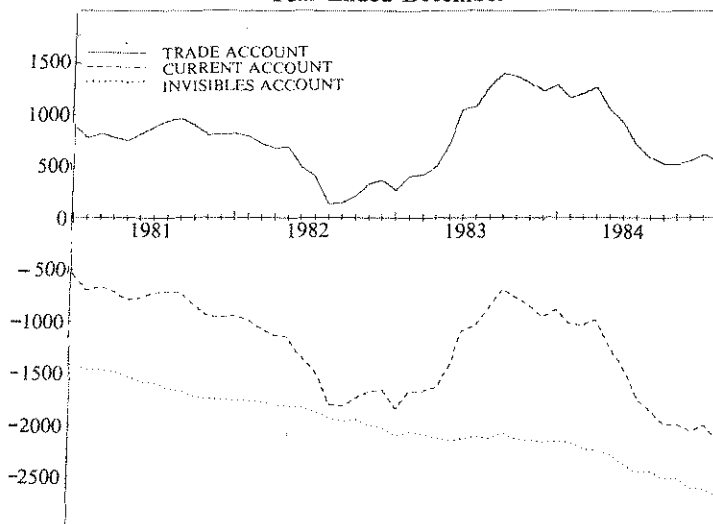
(NZ\$ million)

Calendar Year	Visible Trade	Invisible Transactions	Current Account	Official Capital Account Balance	Private Capital Account Balance	I.M.F. Transactions	Change in Official Overseas Reserves
1975	- 599.8	- 385.6	- 985.4	+ 461.6	+ 202.5	+ 161.1	- 63.4
1976	- 9.5	- 613.6	- 623.1	+ 109.1	+ 256.2	+ 170.8	+ 121.7
1977	+ 221.1	- 824.5	- 603.4	+ 247.9	+ 224.5	—	- 120.1
1978	+ 606.6	- 998.9	- 392.4	+ 432.9	+ 26.3	- 34.9	+ 48.2
1979	+ 710.6	- 1,247.3	- 536.8	+ 574.9	+ 84.4	- 87.6	+ 184.6
1980	+ 884.6	- 1,433.9	- 549.3	+ 466.0	+ 54.3	- 149.4	- 182.3
1981	+ 811.6	- 1,765.3	- 953.7	+ 1,672.2	+ 38.2	- 104.5	+ 437.9
1982	+ 262.7	- 2,107.7	- 1,845.0	+ 1,028.1	+ 867.9	- 45.1	+ 86.4
1983	+ 1,276.8	- 2,170.6	- 893.9	+ 319.4	+ 913.7	- 4.8	+ 303.4
1984	+ 548.8	- 2,695.2	- 2,146.4	+ 2,040.9	+ 2,048.2	—	+ 2,458.3

recovery, total New Zealand export receipts have not increased as rapidly as in past recoveries. Difficulties encountered in marketing pastoral products, especially dairy products, have depressed growth in New Zealand's total export receipts. Some other export sectors have, however, performed well during this recovery; growth in the manufacturing, other primary products and forestry export categories has been particularly high.

Private capital account flows differed substantially during the first and second halves of 1984. Prior to July the net inflow was relatively small, at \$218 million as expansionary monetary policy, interest rate controls and perceptions of an overvalued exchange rate combined to discourage offshore borrowing. After the mid-year election a range of Government policies (particularly devaluation and the decontrol of interest rates) made offshore borrowing and foreign investment in New Zealand more attractive. In response to these measures, private capital inflows were much higher during the latter half of 1984. The net private capital account inflow for the 1984 year was \$2,048 million. A high level of net official overseas borrowing (\$2,041 million) was also undertaken in 1984, largely to increase official overseas reserves to more satisfactory levels.

Overseas Exchange Transactions
Year Ended December



CURRENT ACCOUNT

As can be seen from table 1, the current account deficit improved dramatically in 1983 to \$894 million. An increase of over \$1,000 million in the visible trade surplus more than offset the slight deterioration in the invisibles transactions deficit.

The invisibles deficit continued to deteriorate during 1984 while the previous year's trade surplus was more than halved, resulting in a current account deficit of \$2,146 million.

The 1984 current account deficit represents 5.6 per cent of estimated year ended March 1985 GDP, which is significantly higher than the average 4.3 per cent current account deficit/GDP ratio recorded over the last decade. Developments in the various components of the current account during 1984 are now discussed in more detail.

EXPORT RECEIPTS

Export receipts increased by 17 per cent to \$8,895 million in the 1984 year (see table 2). This growth rate was similar to the average export receipts growth rate for the previous five calendar years. To a large extent the overall growth in receipts reflected the impact of the July devaluation on prices in domestic currency terms; total export volume growth was only moderate despite the strong international economic recovery. Performance differed markedly amongst export industries in 1984 (see table 10). Strong growth in export receipts was recorded in the forestry, other primary and manufacturing sectors but dairy receipts declined. Meat receipts increased significantly over the year, due mainly to the sale of overseas stocks and the unusual timing of foreign exchange flows. The wool and other animal products sectors recorded only modest growth rates.

The July devaluation accounts for about one third of the 27 per cent growth in *meat* receipts from \$1,693 million in 1983 to \$2,152 million in 1984. The remaining growth is due to the unusual timing of foreign exchange flows and improved marketing conditions for lamb in the United Kingdom and Iran; some meat receipts that would normally have been received in 1983 were delayed until 1984. Meat receipts from the United States were depressed by the lower export volumes of beef associated with increased stock retention by New Zealand producers to re-build their herds.

Recent market developments which will impact upon 1985 OET meat receipts include: the announced arrangements with Bernard Mathews PLC, a British meat processing and retailing organisation, for the Meat Board to supply up to 20,000 tonnes of boneless lamb roasts each year for the next twelve years; a barter deal with Poland to trade lamb for mining equipment; and, more significantly, a lamb-for-oil barter deal with Iran worth between \$300 and \$400 million.

Export receipts from *wool* increased by only 10 per cent to \$1,220 million during 1984, despite the boost provided by the devaluation, and a buoyant international economy. Underlying this low growth in wool receipts was a lower level of sales from Wool Board stockpiles than in 1983. Wool Board stockpiles have fallen from 182,000 bales in December 1983 to 38,000 bales a year later. Favourable growing conditions during 1984 have resulted in an estimated 7 per cent increase in production for the 1984/85 season.

Over the second half of 1984 (the first half of the 1984/85 wool season) auction prices rose above the 376 cents/kg mark, indicating a price improvement over and above that expected following the devaluation. The season's average price to date for wool sold at auction was 382.5 cents/kilogram by the end of 1984, an increase of 29 per cent over the 1983/84 season average. The market firmed slightly during the first sales of 1985 with principal support coming from China, Europe, Eastern Europe and the Far East.

A decline of 5 per cent in *dairy* receipts occurred in 1984. The fall in receipts from \$1,659 million in 1983 to \$1,574 million in 1984 mainly reflects the impact of extremely difficult marketing conditions which depressed average dairy prices substantially during 1984. The announced disposal of 200,000 tonnes of butter by the EEC to the USSR at below the GATT minimum price exacerbated the weakening impact on prices that increasing international stocks of major dairy products were having. Adjustments in world stocks and any prospect of world price improvements are expected to depend heavily on production control measures instituted in the United States and the EEC. Although milk output is estimated to fall in both countries during 1985 product availability is predicted to again be far greater than effective demand, making any short-term recovery in the market unlikely.

Forestry receipts continued their strong growth, increasing by 19 per cent to \$752 million in 1984. World markets for most forestry products have improved during 1984 following two years of depressed activity. Further domestic processing of the timber resource (in the form of sawn timbers, woodpulp and reconstituted boards) and improved world prices for these products accounts for the growth in forestry receipts.

Substantial growth in the *other primary products* category occurred with exports rising by 51 per cent to \$797 million in 1984. Factors underlying this spectacular growth were the combined impact of increased world demand for fishery products, a 30 per cent increase in the number of kiwifruit trays produced for export, a doubling of the export barley crop, and the successful marketing of a range of horticultural crops.

A significant increase of 23 per cent to \$1,769 million in *manufactured* export receipts was recorded in 1984 as a result of both the improved competitiveness of New Zealand's manufactured exports and a recovery of economic activity in our three major markets for manufactured goods — Australia, the United States and Japan.

New Zealand's reliance upon its traditional pastoral products — meat, wool, dairy and other animal products — for export earnings has diminished over the last decade. Diversification of export products has reduced the percentage of New Zealand's foreign exchange earnings derived from pastoral production from 60 per cent in 1974 to 47 per cent in 1984.

Table 2
RECEIPTS FROM EXPORTS

(NZ\$ million)	1981	1982	1983	1984
January	437.9	497.4	551.4	536.0
February	501.5	568.9	602.2	760.3
March	585.8	647.9	677.9	820.7
April	515.9	539.9	732.9	625.2
May	622.7	568.9	760.1	794.0
June	625.6	678.0	601.1	620.6
First half	3289.3	3501.0	3925.6	4156.8
July	663.7	533.8	688.8	789.7
August	567.9	651.9	743.4	778.6
September	508.7	541.8	590.8	778.7
October	458.9	508.3	554.7	833.1
November	488.9	626.5	550.6	797.1
December	541.2	492.3	559.1	761.3
Second half	3229.3	3354.6	3687.4	4738.5
TOTAL	6518.6	6855.7	7613.0	8895.4

IMPORT PAYMENTS

Import payments increased by 32 per cent to \$8,347 million in 1984, a dramatic turnaround from the 4 per cent decline recorded in the previous year. This increase was mainly attributable to an expansion of domestic demand from late 1983. The main factor underpinning the rise in domestic demand was comparatively loose monetary conditions during the latter half of 1983 and early 1984; M3 and private sector credit increased by 15 and 21 per cent respectively in the year to June 1984. Other factors impacting on import payments were the scaling up effect on import prices of the July devaluation, and the advancement of expenditure to avoid the price rises expected to follow the end of the price freeze and the devaluation.

The monthly profile of private import payments over 1984, given in table 3, clearly shows the impact of devaluation speculation during June and July — with private imports significantly larger during these months than in those on either side.

Table 3
PAYMENT FOR IMPORTS

(NZ\$ million)	1981	1982	1983	1984
January	430.2	518.9	438.1	547.6
February	369.9	507.7	522.5	633.6
March	488.6	594.7	551.9	633.5
April	467.7	489.0	457.2	564.3
May	485.9	616.6	475.7	629.9
June	442.6	586.9	488.9	727.1
First half	2684.9	3313.8	2933.6	3736.0
July	476.9	614.6	569.7	791.4
August	532.7	600.7	572.0	667.9
September	510.4	480.5	549.2	743.2
October	534.1	465.0	574.4	820.1
November	464.5	568.5	584.6	766.4
December	503.4	549.7	552.7	821.4
Second half	3022.1	3279.1	3402.6	4610.6
TOTAL	5707.0	6592.9	6336.3	8346.6

INVISIBLE (NON-MERCHANDISE) TRANSACTIONS

The invisibles transactions deficit totalled \$2,695 million in 1984, a 24 per cent increase over the previous year. The high growth rate of the deficit in 1984 mainly reflects rising overseas debt servicing costs and the scaling up effect of the July devaluation.

Invisible receipts increased by 27 per cent to \$2,729 million in 1984, the highest rate of growth since 1980 (see table 4). Travel receipts increased markedly (54 per cent), whilst the remaining two major classifications — gross international airfare and personal receipts — increased by 21 and 28 per cent respectively.

The main private sector categories responsible for the 26 per cent increase in invisible payments to \$5,426 million were overseas expenses of New Zealand firms and payments for freight on exports, in which increases of 54 and 43 per cent were recorded (see table 5). Increases in both these categories mainly reflect the additional expenses involved in exporting higher volumes of forestry, other primary and manufactured goods.

Interest on official debt increased by 48 per cent to \$1,016 million reflecting the large increase in the net official capital inflow during 1984.

Table 4
CURRENT ACCOUNT INVISIBLE RECEIPTS

(NZ\$ million)	Year ended December			
	1981	1982	1983	1984
Transport	435.9	495.8	693.9	840.2
Insurance	38.9	59.1	39.3	43.9
Travel, Private and Business (excl. fares) ..	290.3	299.1	353.2	545.3
Interest and Investment Income	128.2	163.1	220.0	214.5
Foreign Government Expenditure (n.e.i.) ..	29.3	30.7	30.0	25.5
New Zealand Government Receipts (n.e.i.) ..	35.2	43.3	66.4	63.1
New Zealand Expenses of Overseas Firms ..	123.9	185.5	229.3	344.1
Personal Receipts	294.0	364.3	401.8	515.3
Immigrants' Transfers ..	71.3	86.4	88.7	87.2
Miscellaneous	28.9	27.3	28.0	50.0
TOTAL	1,475.9	1,754.6	2,151.1	2,729.1

Table 5
CURRENT ACCOUNT INVISIBLE PAYMENTS

(NZ\$ million)	Years ended December			
	1981	1982	1983	1984
Private:				
Freight on Exports ..	350.1	379.6	451.4	644.3
Fares	252.8	271.4	326.4	356.2
Other Transport	283.1	395.0	427.2	460.4
Insurance	47.5	67.0	84.9	89.8
Travel	631.7	664.9	674.5	826.2
Interest & Investment Income	345.7	387.8	585.6	611.1
Overseas Expenses of New Zealand Firms ..	388.8	625.2	560.2	862.9
Personal Remittances ..	151.2	116.2	158.6	143.5
Emigrants' Transfer ..	154.5	89.4	82.8	93.6
Transfers by Temporary Residents				
Leaving NZ	11.8	13.3	13.6	15.3
Miscellaneous	4.5	8.7	3.8	1.2
Total Private Invisible Payments	2,621.6	3,018.5	3,369.0	4,104.5
Official:				
Debt Interest	430.9	629.0	687.7	1015.8
Miscellaneous Payments	191.5	215.6	266.5	305.5
Total Official: Invisible Payments ..	622.3	844.7	954.2	1321.3
TOTAL CURRENT INVISIBLE PAYMENTS	3243.9	3863.1	4323.2	5425.8

CAPITAL ACCOUNT

During the first half of 1984 the net private capital inflow was only \$218 million compared with \$819 million recorded for the same period in 1983. This reduction reflected a marked easing in monetary

conditions, more stringent interest rate controls, the removal of the income tax exemption on overseas interest payments, lower private financing requirements for major project investment and a substantial reduction in the Meat Board's external borrowing. The lower net private capital inflow, together with current account developments (especially during June and July, when devaluation speculation sharply increased the OET current account deficit) resulted in a substantial increase in the external deficit on private sector transactions. This deficit was financed by running down official foreign exchange reserves and, especially after April, by increased official overseas borrowing. During the first half of 1984 there was a net official capital inflow of \$1,127 million, compared with an outflow of \$601 million over the same period in 1983.

Since the election in July 1984 the implementation of a range of Government policies has made offshore borrowing and foreign investment in New Zealand relatively more attractive. Removal of interest rate controls and adoption of a firm monetary policy stance have increased domestic interest rates while the devaluation has altered perceptions of the downward exchange rate risk associated with the New Zealand dollar. In addition, a more liberal policy concerning early repayment of overseas loans has enhanced the attractiveness of offshore borrowing. During the second half of 1984 the net private capital inflow increased to \$1,830 million, giving a total private capital inflow of \$2,048 million for the 1984 year (see table 6).

Net official borrowing of \$2,041 million for the 1984 year, combined with the relatively large net private capital inflow, provided a level of official overseas reserves of \$3,698 million as at the end of December 1984. This level of official reserves is roughly equivalent to three months current payments. Table 7 indicates the ratio of net official capital inflow to GDP which has risen from 0.9 per cent in 1983 to equal the 1975 record of 5.3 per cent in 1984.

The Government's large borrowing programme during 1984 accounts for the substantial increase in the debt servicing ratios in table 8. The table shows that the ratios of official debt interest to export receipts and current receipts were 11.4 and 8.7 per cent respectively in 1984, compared with 9 and 7 per cent respectively in the previous year.

Total official overseas debt (table 9) is estimated to have increased by 51 per cent to \$14,395 million in the year ended December 1984. Approximately \$2,500 million of the total \$4,839 million increase in the debt arises from an accounting entry which scales up the existing debt to reflect the reduced value of the New Zealand dollar following the July devaluation.

CONCLUSION

The key feature of 1984 has been the implementation of a package of Government policies designed to serve the long-term objectives of improved external balance, and therefore more satisfactory external debt ratios. Signs of an improvement in the current account deficit are yet to appear. This is not unexpected as it will take some time for real resource transfers to occur. In this respect devaluation is no panacea for the problems that have been experienced in the external accounts. For it to be successful there must be a transfer of domestic resources into the efficient trade sector. To facilitate

this the Government has already undertaken various deregulatory measures in the financial sector, abolished exchange controls and relaxed restrictions on imports. Lower and more uniform protection levels are also likely to result from the reduced emphasis on import licensing. The Government has also announced its intentions to undertake other changes such as major reform of the tax system. Moreover it has placed considerable importance on the appropriate setting of monetary and fiscal policies and domestic price flexibility. It is this group of measures which are required if the resource shifts that are necessary for economic growth and external balance are to occur.

Table 6
CAPITAL ACCOUNT TRANSACTIONS
Year ended December 1984

(NZ\$ million)	
Official Overseas Borrowing:	
United Kingdom Loans	538.0
U.S.A. Loans	1,034.6
Dutch Loans	49.3
Deutschmark Loans	393.1
Lloyds Revolving Credit	80.9
Swiss Loans	36.1
Citicorp Note Facility	78.0
Middle East Loans	62.7
Japanese Bonds	1,701.3
Standby Facilities	635.4
Other Official Receipts	0.1
Total Official Receipts	4,609.5
Repayments:	
United Kingdom Loans	90.7
U.S.A. Loans	231.8
Standby Facilities	822.3
Deutschmark Loans	313.9
Lloyds Revolving Credit	973.0
Swiss Loans	12.8
Dutch Loan	37.9
French Credits	1.4
Japanese Bonds	40.6
Middle East Loans	30.4
Canadian Credits	5.9
Other Official Repayments	7.9
Total Official Payments	2,568.6
Net Official Capital Inflow	+ 2,040.9
Private Capital Receipts:	
Disposal of New Zealand-owned Overseas Assets	339.1
Overseas Investment in New Zealand ¹	3,105.7
Total Private Receipts	3,444.8
Private Capital Payments:	
New Zealand Investment Overseas	34.6
Repayment of Overseas Investment in New Zealand	1,362.0
Total Private Payments	1,396.6
Net Private Capital Inflow	+ 2,048.2
TOTAL NET CAPITAL INFLOW	+ 4,089.1

Table 7
RATIO OF NET OFFICIAL CAPITAL INFLOW TO G.D.P.

(NZ\$ million)			
Year Ended December	Net Official Capital Inflow	Gross Domestic Product (Year ended March)	Net Inflow ¹ as Percentage of G.D.P.
1975	+ 622.8	11,669	5.3
1976	+ 360.9	14,105	2.6
1977	+ 247.9	15,424	1.6
1978	+ 398.0	17,510	2.3
1979	+ 487.3	21,092	2.3
1980	+ 316.6	24,461	1.3
1981	+ 1,567.6	29,296	5.4
1982	+ 983.1	32,092	3.1
1983	+ 314.7	34,435	0.9
1984	+ 2,040.9	38,440*	5.3

* N.Z.I.E.R. estimate.

Table 8
**RATIO OF OFFICIAL DEBT INTEREST PAYMENTS
TO EXPORT RECEIPTS**

(NZ\$ million)			
Year Ended December	Official Debt Interest Payments	Debt Interest as Percentage of:	
		Export Receipts	Current Receipts
1975	89.6	5.0	3.8
1976	156.9	5.4	4.4
1977	196.1	5.8	4.8
1978	217.8	5.9	4.9
1979	268.9	5.9	4.9
1980	332.8	5.7	4.8
1981	430.9	6.6	5.4
1982	629.0	9.2	7.3
1983	687.7	9.0	7.0
1984	1,015.8	11.4	8.7

Table 9
NEW ZEALAND'S OVERSEAS DEBT

(NZ\$ million)						
	Government ¹	Reserve Bank	Total	% of GDP	Government Corporations	% GDP
1981						
Mar.	4,236.1	572.9	4,809.0	19.7		
1982						
Mar.	5,460.0	1,227.5	6,687.5	22.8	1,114.1	3.8
June	5,715.7	1,181.5	6,897.2			
Sept.	6,303.6	1,303.8	7,607.4			
Dec.	6,758.3	1,371.3	8,129.6		1,958.4	
1983						
Mar.	7,690.7	1,486.9	9,177.6	28.5	2,218.0	6.9
June	7,213.0	1,386.8	8,599.8		2,491.5	
Sept.	7,646.5	1,237.7	8,884.2		2,525.8	
Dec.	8,383.1	1,172.7	9,555.8		2,605.2	
1984						
Mar.	8,174.9	1,161.6	9,336.5	27.5	2,804.8	8.3
June	8,633.0	1,242.2 ²	9,875.2		2,927.2	
Sept.	11,791.4	1,646.9 ³	13,438.3		3,931.1	
Dec.	12,769.1	1,625.8	14,394.9			

¹ From March 1982 the audited Government debt figures have been adjusted to exclude railways loans that were outstanding to the Crown when the Railways Department became a corporation. The amounts involved are \$89.4 million (March 1982), \$84.0 million (June 1982), \$81.3 million (September 1982), \$74.4 million (December 1982), \$74.0 million (March 1983), \$72.6 million (June 1983), \$68.1 million (September 1983), \$61.9 million (December 1983), \$51.5 million (March 1984), \$46.9 million (June 1984), \$54.9 million (Sept. 1984) and \$49.0 million (December 1984).

² Not included in the total are short-term liabilities (stand-bys) totalling \$542.5 million.

³ Not included in the total are short-term liabilities (stand-bys) totalling \$400.4 million.

Table 10
NEW ZEALAND'S OVERSEAS EXCHANGE TRANSACTIONS
Receipts and Payments, Year Ended December

<i>(NZ\$ millions)</i>	<i>1981</i>	<i>1982</i>	<i>1983</i>	<i>1984</i>
RECEIPTS:				
Exports:				
Meat	1,713.2	1,610.9	1,692.5	2,151.7
Wool	979.5	951.1	1,105.9	1,220.5
Dairy Products	1,315.7	1,454.5	1,658.9	1,574.2
Other Animal Products	397.9	440.4	492.9	543.5
Forest Products	590.3	599.3	631.4	751.9
Other Primary Products	353.0	438.0	528.2	797.1
Manufactured Exports	1,124.3	1,312.6	1,434.1	1,769.3
Miscellaneous	44.6	48.8	69.3	87.2
Total Exports	6,518.6	6,855.7	7,613.0	8,895.4
Other Current Receipts	1,478.7	1,755.4	2,152.6	2,730.6
Total Current Receipts	7,997.3	8,611.1	9,765.6	11,626.0
Capital Receipts:				
Government Borrowing	1,190.0	1,115.8	1,827.4	3,757.0
Other Official Receipts	743.7	862.5	1.9	852.5
Private	564.7	1,509.7	1,818.9	3,444.8
Total Capital Receipts	2,498.4	3,488.0	3,648.2	8,054.3
I.M.F.:				
Drawings	—	—	—	—
Allocation of SDRs	31.2	—	—	—
TOTAL RECEIPTS	10,526.9	12,099.1	13,413.9	19,680.3
PAYMENTS:				
Imports:				
Government	255.7	315.7	337.4	350.4
Private	5,451.3	6,277.3	5,998.8	7,996.2
Total Imports	5,707.0	6,592.9	6,336.3	8,346.6
Other Current Payments:				
Government	622.3	844.7	954.2	1,321.3
Private	2,621.6	3,018.5	3,369.0	4,104.5
Total Other Current Payments	3,243.9	3,863.1	4,323.3	5,425.8
Total Current Payments	8,951.0	10,456.1	10,659.5	13,772.4
Capital Payments:				
Government Debt Repayments	203.2	743.7	1,225.6	1,648.0
Other Official Payments	58.3	206.5	284.2	920.6
Private	526.5	641.8	905.2	1,396.6
Total Capital Payments	788.0	1,592.0	2,415.1	3,965.2
I.M.F. Repurchases	135.7	45.1	4.8	—
TOTAL PAYMENTS	9,874.7	12,093.1	13,079.4	17,737.6
Balance on Trade Transactions	+ 811.6	+ 262.7	+ 1,276.8	+ 548.8
Balance on Invisible Transactions	- 1,765.3	- 2,107.7	- 2,170.8	- 2,695.2
Current Account Balance	- 953.7	- 1,845.0	- 893.9	- 2,146.4
Official Capital Account Balance	+ 1,672.2	+ 1,028.1	+ 319.4	+ 2,040.9
Private Capital Account Balance	+ 38.2	+ 867.9	+ 913.7	+ 2,048.2
I.M.F. Transactions (including SDRs)	- 104.5	- 45.1	- 4.8	—
Change in Official Overseas Reserves	+ 437.9	+ 86.4	+ 303.4	+ 2,458.3
Official Overseas Reserves at End of Period	850.3	936.7	1,240.1	3,698.4

Table 11
NEW ZEALAND'S OVERSEAS EXCHANGE TRANSACTIONS
Analysis of Receipts By Country year ended December 1984.

(NZ\$ thousands)	United Kingdom	Australia	U.S.A.	Canada	Japan	E.E.C. (excl. U.K.)	Other OECD	Asia-Oceania	Latin America-Caribbean	Others	Total
CURRENT TRANSACTIONS:											
Export Receipts:											
Meat	518,347	14,751	512,604	94,643	109,262	128,755	14,581	160,822	24,283	573,612	2,151,660
Wool	135,786	50,407	94,285	7,193	178,293	346,597	20,911	219,377	1,967	165,649	1,220,465
Dairy Products	309,788	39,772	244,799	11,521	190,716	76,820	3,328	318,641	171,498	207,362	1,574,245
Other Animal Products	55,975	37,784	52,801	10,989	42,678	175,710	21,785	130,333	5,672	9,762	543,489
Forest Products	289	317,773	20,872	223	160,802	5,286	1,784	240,081	276	4,470	751,856
Other Primary Products	88,702	115,308	194,730	5,092	192,651	60,402	15,103	92,885	9,900	22,308	797,081
Manufactured Goods	31,847	659,416	148,806	15,782	425,364	40,480	6,646	395,295	5,729	39,954	1,769,319
Miscellaneous	6,288	21,159	4,366	38	38,811	645	19	15,850	—	45	87,221
Total Exports	1,147,022	1,256,370	1,273,263	145,481	1,338,577	834,695	84,157	1,573,284	219,325	1,023,162	8,895,336
OTHER CURRENT TRANSACTIONS											
Cook Islands Export Receipts	230	204	867	4	71	70	4	9	—	2	1,461
Transport	264,387	211,766	209,556	20,985	63,448	4,557	3,486	55,023	13	6,975	840,196
Insurance:											
Premiums	2,649	6,111	337	260	16	165	23	4,042	18	89	13,710
Claims	18,665	5,322	2,984	112	1,444	276	330	918	90	57	30,198
Private and Business Travel	53,091	221,978	183,368	21,833	23,209	10,011	4,401	25,912	167	1,342	545,312
International Investment											
Income	28,984	30,615	71,885	891	16,910	8,153	20,838	9,707	24,522	2,011	214,516
Miscellaneous Current Transactions:											
Foreign Government Expenditure N.E.I.	809	11,064	5,507	1,137	880	1,931	174	2,347	60	1,582	25,491
N.Z. Government Receipts N.E.I.	39,614	5,351	13,024	146	535	1,152	53	1,871	—	1,371	63,117
New Zealand Expenses of Overseas Firms	39,189	118,521	63,102	2,560	53,317	22,579	5,123	37,895	455	1,359	344,100
Personal Receipts	135,317	153,922	90,363	14,643	8,113	32,259	10,729	61,179	667	8,073	515,265
Immigrants' Transfers	25,119	31,426	9,282	3,545	918	5,498	2,602	7,639	14	1,183	87,226
Repatriation of Surplus Travel Funds	9,305	16,190	20,320	1,390	769	601	189	1,117	4	145	50,030
Total Other Current Transactions	617,359	812,470	670,595	67,506	169,630	87,252	47,952	207,659	26,010	24,189	2,730,622
Total Current Transactions	1,764,381	2,068,840	1,943,858	212,987	1,508,207	921,947	132,109	1,780,943	245,335	1,047,351	11,625,958
CAPITAL TRANSACTIONS:											
Private Capital Receipts:											
Reducing Assets	37,570	119,044	101,165	4,760	28,924	12,216	4,174	29,001	264	2,027	339,145
Increasing Liabilities	472,269	716,061	719,991	5,292	510,133	33,140	149,565	215,149	236	112	2,821,948
Official Capital Receipts:											
Government Borrowing	562,257	—	1,015,022	—	1,701,318	442,349	36,085	—	—	—	3,757,031
Reserve Bank Borrowing	—	—	154,258	—	123,136	—	465,118	47,140	—	62,748	852,400
Miscellaneous Government Capital Receipts	—	—	—	—	—	—	—	—	108	—	108
Government Corporation Borrowings	33,966	5,522	217,214	4,194	706	5,167	2,544	14,417	—	—	283,730
Total Capital Receipts	1,106,062	840,627	2,207,650	14,246	2,364,217	492,872	657,486	305,707	608	64,887	8,054,362
I.M.F. Transactions:											
Drawings	—	—	—	—	—	—	—	—	—	—	—
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—
TOTAL RECEIPTS	2,870,443	2,909,467	4,151,508	227,233	3,872,424	1,414,819	789,595	2,086,650	245,943	1,112,238	19,680,320

Table 12
NEW ZEALAND'S OVERSEAS EXCHANGE TRANSACTIONS
Analysis of Payments by Country — Year Ended December, 1984

<i>(NZ\$ thousands)</i>	<i>United Kingdom</i>	<i>Australia</i>	<i>U.S.A.</i>	<i>Canada</i>	<i>Japan</i>	<i>E.E.C. (excl. U.K.)</i>	<i>Other OECD</i>	<i>Asia-Oceania</i>	<i>Latin America-Caribbean</i>	<i>Others</i>	<i>Total</i>
CURRENT TRANSACTION:											
Import Payments:											
Private	945,100	1,569,720	2,211,575	183,447	1,434,784	640,884	240,151	671,968	45,271	53,310	7,996,174
Government	105,334	68,480	95,893	9,120	68,542	—	—	3,026	—	—	350,395
Total Import Payments'	1,050,434	1,638,200	2,307,468	192,567	1,503,290	640,884	240,151	674,994	45,271	53,310	8,346,569
OTHER CURRENT TRANSACTIONS											
Cook Island Import Payments	—	—	—	—	—	—	—	—	—	—	—
Transport	504,538	183,496	413,991	2,177	147,193	117,035	24,220	66,347	196	3,343	1,462,536
Insurance:											
Premiums	61,426	9,711	6,798	67	425	397	265	173	1,800	29	81,091
Claims	2,286	1,638	1,038	84	332	325	67	2,679	112	157	8,718
Travel:											
Private & Business Travel	140,223	352,576	192,427	9,954	18,466	23,051	9,060	90,626	1,117	5,478	842,978
International Investment Income:											
Private and Local Bodies ..	106,979	41,413	224,886	14,280	48,487	17,498	14,890	36,114	27	593	505,167
Government Interest	352,662	583	107,985	2,685	136,363	101,471	107,058	37	—	—	808,844
Government Corporation ..	20,285	1,798	53,543	308	14,475	2,290	12,494	70	—	—	105,963
Reserve Bank	42,773	—	76,898	—	506	1	21,743	5,105	—	59,935	206,961
Miscellaneous Current Transactions:											
N.Z. Government Expenses N.E.I.	69,326	32,516	57,350	5,341	3,554	14,673	5,659	78,703	1,353	5,182	273,837
Overseas Expenses of N.Z. Firms	159,193	222,120	287,338	15,836	36,917	38,962	19,740	69,585	3,294	9,925	862,910
Personal Remittances	32,811	47,278	26,394	3,296	1,786	8,848	2,934	20,554	557	12,399	156,857
Emigrants' Transfers	24,152	53,076	4,598	2,127	521	3,329	393	1,708	2,801	847	93,552
Transfers by Temporary Residents Leaving N.Z. ..	4,168	4,971	2,342	573	114	406	880	1,274	15	555	15,298
Foreign Government Remittances	30	448	291	—	5	104	2	235	5	49	1,169
Total Other Current Transactions	1,520,852	951,624	1,456,059	56,728	409,144	329,090	219,405	373,210	11,277	98,492	54,258,881
Total Current Payments	2,571,286	2,589,824	3,763,527	249,295	1,912,434	969,974	459,556	1,048,204	56,548	151,802	13,772,450
CAPITAL TRANSACTIONS:											
Private											
Increasing Assets	14,551	5,487	1,398	27	292	905	249	11,559	—	125	34,593
Reducing Liabilities	233,859	315,088	461,571	15,709	43,838	14,631	10,318	126,471	961	878	1,223,324
Official:											
Government Debt Repayments	1,018,569	1,678	313,269	5,942	40,577	255,115	12,777	75	—	—	1,648,002
Other Official Repayments ..	—	—	—	—	—	—	—	—	—	—	—
Reserve Bank Debt Repayments	20,169	—	141,747	—	—	—	616,515	111,745	—	30,392	920,568
Government Corporation Repayments	19,577	2,805	101,576	701	12,898	—	—	1,077	—	—	138,634
Total Capital Transactions	1,306,725	325,058	1,019,561	22,379	97,605	270,651	639,859	250,927	961	31,395	3,965,121
I.M.F. Transactions											
Total I.M.F. Transactions	—	—	—	—	—	—	—	—	—	—	—
TOTAL PAYMENTS	3,878,011	2,914,882	4,783,088	271,674	2,010,039	1,240,625	1,099,415	1,299,131	57,509	183,197	17,737,571

Table 13
NEW ZEALAND'S OVERSEAS EXCHANGE TRANSACTIONS
Balance with Countries. Year Ended December 1984

(NZ\$ thousands)	Exports	Imports	Other Current Receipts	Other Current Payments	Current Account Balance	Capital Account Balance
United Kingdom	1,147,022	863,721	617,359	1,520,850	- 620,190	- 200,663
Australia	1,256,369	1,839,736	812,470	951,625	- 722,522	+ 515,569
United States of America	1,273,262	1,644,477	670,593	1,456,060	- 1,156,682	+ 1,188,090
Canada	145,482	195,498	67,505	56,725	- 39,236	- 8,132
Japan	1,338,577	1,556,630	169,630	409,144	- 457,567	+ 2,266,613
E.E.C. Countries (excluding U.K.):						
Belgium (inc. EEC orgs)	99,993	38,545	9,546	35,044	+ 35,950	+ 790
Denmark	15,866	26,453	3,792	15,224	- 22,019	- 399
Eire	7,754	15,823	1,889	2,581	- 8,761	- 179
France	159,464	81,866	6,059	25,700	+ 57,957	+ 2,967
West Germany	220,870	297,771	31,080	144,909	- 190,730	+ 206,152
Italy	178,590	108,126	1,842	11,561	+ 60,745	+ 100
Luxembourg	—	2,954	145	1,266	- 4,075	- 1,117
Netherlands	93,432	108,176	32,252	84,980	- 67,472	+ 13,975
Greece	58,724	1,720	648	7,826	+ 49,826	- 68
Sub-Total	834,693	681,434	87,253	329,091	- 88,579	+ 222,221
Other O.E.C.D. Countries						
Spain	26,572	20,979	519	1,218	+ 4,894	+ 29
Sweden	11,007	98,195	5,083	28,918	- 111,023	+ 2,003
Switzerland (inc. B.I.S.)	15,259	78,973	39,249	171,831	- 196,296	+ 14,384
Other OECD Countries	31,320	41,363	3,101	17,436	- 24,378	+ 1,209
Sub-Total	84,158	239,510	47,952	219,403	- 326,803	+ 17,625
Sub-Total All O.E.C.D. Members	6,079,563	7,021,006	2,472,762	4,942,898	- 3,411,579	+ 4,001,323
Asia-Oceania:						
India	37,243	27,480	406	4,505	+ 5,664	- 135
Pakistan	19,859	7,079	392	539	+ 12,633	+ 20
Indonesia	104,263	249,855	5,051	5,876	- 146,417	+ 258
Malaysia	136,300	28,747	12,671	8,830	+ 111,394	+ 1,750
Philippines	54,770	19,052	962	3,715	+ 32,965	- 13
Singapore	163,116	231,565	48,014	120,584	- 141,019	- 39,333
Thailand	53,702	13,728	1,071	3,895	+ 37,150	- 334
China	184,919	48,323	4,320	4,586	+ 136,330	—
Hong Kong	157,282	170,254	38,870	91,004	- 65,106	+ 79,007
South Korea	191,341	50,594	5,803	11,466	+ 135,084	- 262
Taiwan	130,750	97,318	3,354	2,603	+ 34,183	+ 877
Other Asian Countries	12,596	11,084	1,019	2,042	+ 489	+ 48
Fiji	107,105	10,644	25,136	57,559	+ 64,038	+ 4,290
Western Samoa	20,963	5,769	7,670	16,618	+ 6,246	+ 254
Papua New Guinea	88,303	12,760	18,909	5,921	+ 88,531	+ 4,826
Other Pacific Islands	110,771	41,502	34,011	33,468	+ 69,812	+ 3,530
Sub-Total	1,523,283	1,025,754	207,659	373,211	+ 381,977	+ 54,783
Latin America-Caribbean:	219,325	80,053	26,012	11,278	+ 154,006	- 354
Other Countries:						
U.S.S.R.	204,343	11,619	7,803	6,787	+ 193,740	—
Other Eastern Europe (n.e.i.)	47,154	10,226	576	2,764	+ 34,740	—
Iran	445,162	342	1,312	881	+ 445,251	- 4
Kuwait	29,914	120	238	181	+ 29,851	+ 10
Other Middle East Countries	226,202	177,239	7,281	43,310	+ 12,934	+ 33,018
South Africa	30,364	15,228	5,144	4,922	+ 15,358	+ 334
Other African Countries	16,304	4,620	561	1,453	+ 28,992	+ 13
Other Countries (n.e.i.)	23,716	360	58	385	+ 4,829	+ 124
International Organisations	—	—	1,221	37,809	- 36,588	—
Sub-Total	1,023,159	219,754	24,194	98,492	+ 729,107	+ 33,495
Grand Total	8,895,330	8,346,567	2,730,627	5,425,879	- 2,146,489	+ 4,089,247

1 Import payments are shown on a consignment basis — i.e., according to country from which goods are purchased. Refer to table 4 for statistics by country of settlement.