



## The New Zealand Economy: Ten Years at a Glance

(Annual percentage change, unless specified otherwise)

March years	Actuals		Projections		
	1999	2000e	2001	2002	2003
<b>Price measures</b>					
CPI	1.0	1.7	2.7	1.4	1.7
Wages	2.7	1.5	3.3	3.8	3.0
Import prices	2.7	11.2	-0.6	-3.6	-1.7
Export prices	-1.1	9.7	0.6	-3.3	-1.5
<b>Monetary conditions</b>					
Real MCI (year average)	25	-200	-425	-100	50
Nominal MCI (year average)	-50	-275	-425	-150	0
TWI (year average)	57.3	56.1	52.7	55.3	57.0
90-day rate (year average)	6.2	5.2	6.8	7.1	7.1
<b>Output</b>					
Output gap (% of potential GDP, year average)	-1.9	-0.1	0.3	1.0	0.8
Real GDP (production, annual average % change)	0.0	4.4	3.1	3.4	2.9
<b>Key balances</b>					
Government operating balance (% of GDP, year to June)	1.8	0.8	0.9	1.7	2.4
Current account balance (% of GDP, year to March)	-5.8	-8.2	-6.1	-5.6	-6.0
Terms of trade (annual average percent change)	-0.5	-0.1	-1.8	0.6	0.4
Unemployment rate (March quarter, s.a.)	7.2	6.4	6.1	5.7	5.7
Household savings rate (% of disposable income, year to March)	-1.4	-0.7	-1.2	-1.1	-1.1
<b>World economy</b>					
World GDP (annual average % change)	1.1	4.1	4.0	3.4	3.5
World CPI inflation	0.9	2.0	1.8	1.9	2.0
<b>Real expenditures on GDP (Annual average percentage change)</b>					
Final consumption expenditure					
Private	1.4	2.8	1.7	3.0	3.3
Public authority	0.1	7.2	0.4	0.7	1.1
Total	1.1	3.7	1.4	2.5	2.9
Gross fixed capital formation					
Market sector					
Residential	-15.1	22.0	-5.6	-2.2	4.7
Business	4.4	6.7	4.5	12.7	7.1
Non-market government sector					
Total	-1.1	10.1	1.7	8.7	6.8
Final domestic expenditure					
Stockbuilding	-0.9	1.4	-0.5	0.0	0.1
<b>Gross national expenditure</b>					
Exports of goods and services	2.2	6.2	8.8	5.3	4.2
Imports of goods and services	3.3	11.1	1.2	5.9	6.6
<b>GDP (expenditure)</b>					
	-0.7	4.8	3.6	3.7	2.9
<b>GDP (production)</b>					
	0.0	4.4	3.1	3.4	2.9

e = estimate

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 (expenditure)

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

$(Q/Q_{-1}) * 100$

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
<b>Price measures</b>					
CPI	1.1	1.9	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
<b>Monetary conditions</b>					
Real MCI (year average)	-250	175	625	975	750
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
<b>Output</b>					
Output gap (% of potential GDP, year average)	0.3	2.0	2.0	1.4	0.6
GDP (production, annual average % change)	6.3	5.4	3.8	2.7	1.9
<b>Key balances</b>					
Government operating balance (% of GDP, year to June)	0.9	3.1	3.6	2.0	2.6
Current account balance (% of GDP, year to March)	-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, year to March)	3.3	0.3	0.6	0.6	-0.7
<b>World economy</b>					
World GDP (annual average % change)	3.5	4.4	4.2	4.4	3.1
World CPI inflation	1.7	2.4	2.7	2.3	2.4
<b>Real expenditures on GDP (Annual average percentage change)</b>					
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	17.0	12.3	-0.1	4.0	1.8
Business	22.5	17.6	14.2	4.6	0.8
Non-market government sector					
Total	-3.8	27.9	2.4	32.5	12.8
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
<b>Gross national expenditure</b>					
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
<b>GDP (expenditure)</b>					
Total	6.2	5.3	2.9	2.7	3.0
<b>GDP (production)</b>					
Total	6.3	5.4	3.8	2.7	1.9

CPI

The target measure shown is annual underlying inflation until the September quarter 1997, annual CPIX inflation from the December 1997 quarter until the June 1999 quarter, and annual CPI inflation thereafter (adjusted by SNZ to exclude interest and section prices from the September 1999 quarter to the June 2000 quarter)

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.