



The New Zealand Economy: Ten Years at a Glance

(Annual percentage change, unless specified otherwise)

March years	Actuals		Projections		
	2000	2001	2002	2003	2004
Price measures					
CPI	1.7	3.1	2 ¹ / ₂	1 ¹ / ₂	1 ¹ / ₂
Wages	1.9	3.1	4	3 ¹ / ₂	3
Import prices	11.2	7.9	-2	-2	0
Export prices	9.6	20.0	-7 ¹ / ₂	-1	1 ¹ / ₂
Monetary conditions					
TWI (year average)	56.1	50.4	50	52	54
90-day bank bill rate (year average)	5.2	6.6	5 ³ / ₄	6	6 ¹ / ₄
Output					
Output gap (% of potential GDP, year average)	0.3	0.2	0	1 ¹ / ₂	0
Real GDP (production, annual average % change)	4.6	2.5	2 ¹ / ₂	3	2 ¹ / ₂
Key balances					
Government operating balance (% of GDP, year to June)	1.4	1 ¹ / ₂	1 ¹ / ₂	2	2 ¹ / ₂
Current account balance (% of GDP, year to March)	-7.1	-4.8	-3 ¹ / ₂	-4	-3 ¹ / ₂
Terms of trade (annual average % change)	-0.1	3.5	3	-4	1 ¹ / ₂
Unemployment rate (March quarter, s.a.)	6.4	5.4	5 ¹ / ₂	5	5
Household savings rate (% of disposable income, year to March)	-4.2	-3 ¹ / ₂	-2 ¹ / ₂	-3	-2
World economy					
World GDP (annual average % change)	4.5	3.7	2	3 ¹ / ₂	3 ¹ / ₂
World CPI inflation	1.9	2.9	2	1 ¹ / ₂	2
Real expenditures on GDP (Annual average percentage change)					
Final consumption expenditure					
Private	3.3	1.3	3	3	2
Public authority	4.4	-2.5	1 ¹ / ₂	2 ¹ / ₂	4
Total	3.6	0.4	2 ¹ / ₂	2 ¹ / ₂	2 ¹ / ₂
Gross fixed capital formation					
Market sector					
Residential	21.8	-15.9	-3 ¹ / ₂	14	5 ¹ / ₂
Business	0.4	7.6	3	7 ¹ / ₂	4
Non-market government sector	6.8	-5.2	5 ¹ / ₂	2 ¹ / ₂	2
Total	6.1	-0.1	1 ¹ / ₂	8 ¹ / ₂	4
Final domestic expenditure					
Stockbuilding	4.1	0.3	2 ¹ / ₂	4	2 ¹ / ₂
Stockbuilding	1.3	-0.3	0	0	0
Gross national expenditure					
Exports of goods and services	5.4	0.0	2	4	3
Imports of goods and services	6.8	6.8	5 ¹ / ₂	4	3 ¹ / ₂
Imports of goods and services	11.2	0.3	2 ¹ / ₂	5	4 ¹ / ₂
GDP (expenditure)					
	4.1	2.0	3	3 ¹ / ₂	2 ¹ / ₂
GDP (production)					
	4.6	2.5	2 ¹ / ₂	3	2 ¹ / ₂

Output gap

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

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	1995	1996	1997	1998	1999
Price measures					
CPI	1.9	2.1	2.0	1.7	1.0
Wages	2.1	3.6	4.0	2.6	2.7
Import prices	1.1	-1.3	-4.6	2.9	2.7
Export prices	1.2	-3.5	-6.3	4.8	-1.1
Monetary conditions					
TWI (year average)	58.0	62.2	66.4	64.4	57.3
90-day bank bill rate (year average)	7.8	8.8	9.0	8.0	6.2
Output					
Output gap (% of potential GDP, year average)	1.8	1.9	1.4	0.4	-1.7
GDP (production, annual average % change)	5.3	4.1	3.0	1.9	0.4
Key balances					
Government operating balance (% of GDP, year to June)	3.0	3.5	1.9	2.5	1.8
Current account balance (% of GDP, year to March)	-4.7	-5.4	-6.2	-5.6	-4.4
Terms of trade (annual average % change)	-0.3	-2.2	-0.8	-0.6	-0.5
Unemployment rate (March quarter, s.a.)	6.6	6.2	6.5	7.2	7.2
Household savings rate (% of disposable income, year to March)	-3.4	-3.1	-2.2	-4.5	-4.1
World economy					
World GDP (annual average % change)	4.5	4.0	4.0	3.5	2.0
World CPI inflation	2.4	2.6	2.2	2.4	0.9
Real expenditures on GDP (Annual average percentage change)					
Final consumption expenditure					
Private	6.2	3.6	3.8	2.1	1.8
Public authority	0.9	4.9	1.7	7.9	-1.1
Total	5.0	3.9	3.3	3.4	1.1
Gross fixed capital formation					
Market sector					
Residential	12.5	0.8	6.1	2.1	-15.1
Business	16.1	15.9	4.2	-3.6	2.8
Non-market government sector					
Total	15.8	10.9	6.8	-0.9	-3.9
Final domestic expenditure	7.0	5.3	4.1	2.4	0.0
Stockbuilding	-0.1	-0.1	-0.4	0.0	-0.6
Gross national expenditure					
Exports of goods and services	6.8	5.1	3.6	2.4	-0.5
Imports of goods and services	8.5	2.3	4.7	3.5	2.5
	14.4	6.9	6.6	2.8	2.2
GDP (expenditure)					
	5.1	3.7	3.1	2.6	-0.4
GDP (production)					
	5.3	4.1	3.0	1.9	0.4

CPI

This series is the Bank's target measure, ie: 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).

Import prices

Overseas Trade Indexes (domestic currency).

Export prices

Overseas Trade Indexes (domestic currency).

Wages

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

Exchange rate (TWI)

Reserve Bank of New Zealand.

90-day bank bill rate

Reserve Bank of New Zealand.