

Overseas Merchandise Trade: February 2013

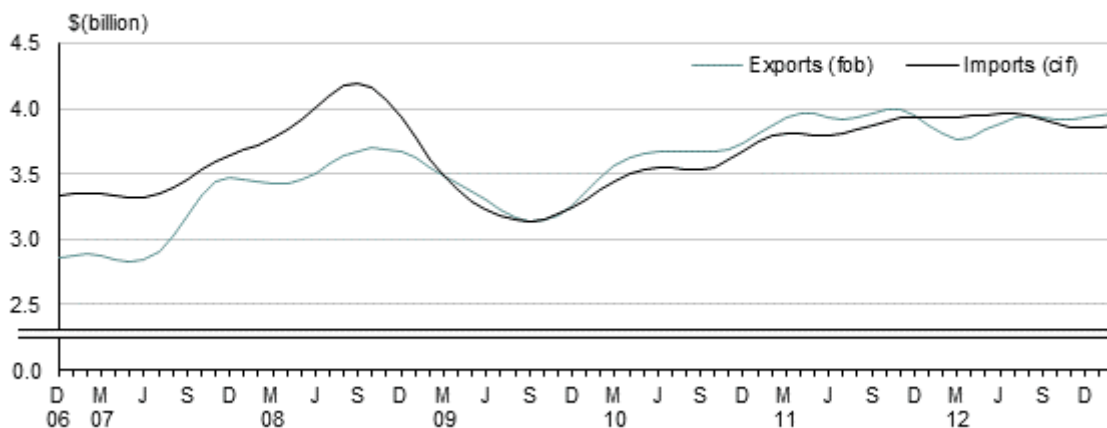
Embargoed until 10:45am – 26 March 2013

Key facts

For February 2013 compared with February 2012:

- Exports rose \$290 million (8.0 percent) to \$3.9 billion.
- Milk powder, butter, and cheese exports increased the most.
- Imports rose \$86 million (2.5 percent) to \$3.5 billion.
- There was a trade surplus of \$414 million (11 percent of exports).
- The trend for exports is 0.7 percent lower than its highest point, of November 2011.

Merchandise trend values
Monthly



Source: Statistics New Zealand

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Commentary

- Exports rise 8.0 percent
- Imports rise 2.5 percent
- Trade surplus in February 2013
- Seasonally adjusted exports increase 16 percent
- Seasonally adjusted imports increase 3.9 percent
- Exchange rate movements

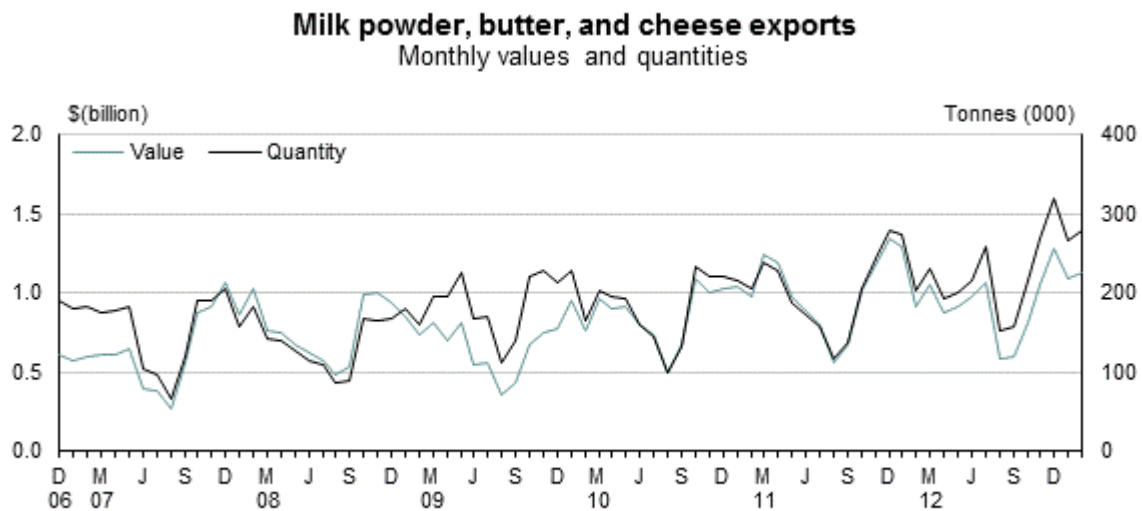
All comparisons are between February 2013 and February 2012, unless otherwise stated.

Exports rise 8.0 percent

In February 2013, merchandise exports were valued at \$3.9 billion, up \$290 million (8.0 percent) from February 2012.

Rise in exports led by whole milk powder

Milk powder, butter, and cheese exports increased \$220 million (24 percent). This was led by a rise in exports of whole milk powder, up \$162 million (40 percent) in value and 58 percent in quantity. Cheese also contributed to the increase, up \$20 million (19 percent).



Source: Statistics New Zealand

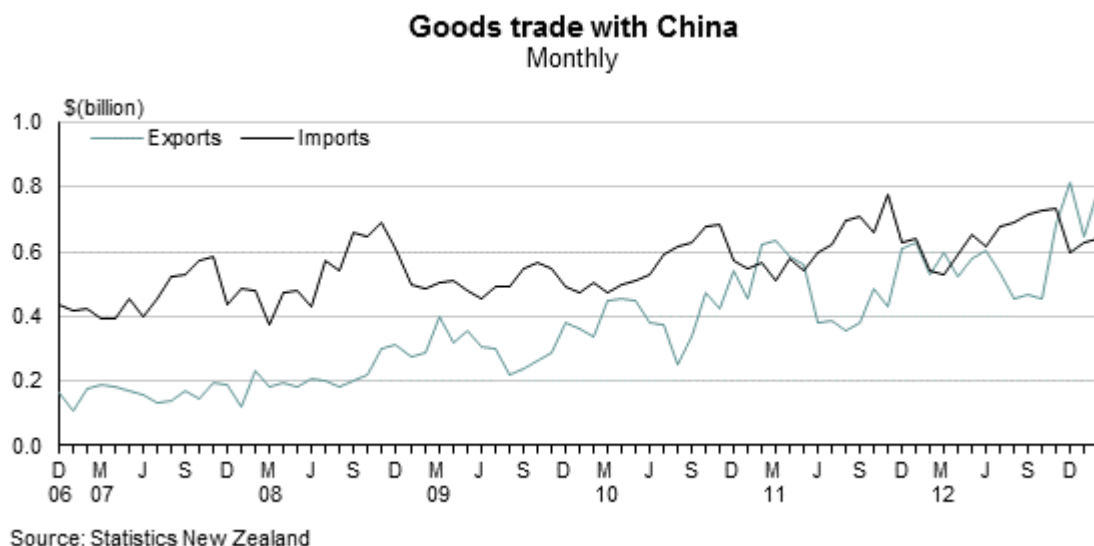
Other key changes in commodity group export values, for February 2013:

- **Casein and caseinates** rose \$54 million, led by casein acid and rennet, due to an increase in quantities exported.
- **Logs, wood, and wood articles** rose \$29 million (12 percent), with quantities up 22 percent. The main commodity contributing to the increase in value was pinus radiata logs.
- **Precious metals, jewellery, and coins** rose \$26 million (55 percent), due to unwrought silver.

Mechanical machinery and equipment had the largest offsetting decrease, down \$28 million (21 percent).

Exports to China increase the most

Exports to China had the largest increase, up \$259 million (49 percent) in February 2013. The increase was led by whole milk powder, up \$106 million (80 percent), with quantities up 99 percent. Pinus radiata logs, up \$43 million, and sheep meat, up \$38 million, also contributed to the increase.



In February 2013, the value also rose for exports to:

- **United States of America** – up \$47 million (13 percent), led by casein and caseinates
- **Singapore** – up \$41 million (70 percent), led by crude oil and partly refined petroleum
- **Japan** – up \$21 million (12 percent), led by wood pulp and cheese
- **Korea** – up \$20 million (19 percent), over a range of commodities.

In February 2013, the value fell for exports to:

- **Australia** – down \$73 million (9.2 percent), led by crude oil and mechanical machinery
- **France** – down \$28 million (42 percent), led by motor boats
- **India** – down \$23 million (35 percent), over a range of commodities
- **United Kingdom** – down \$20 million (14 percent), led by sheep meat.

Imports rise 2.5 percent

In the February 2013 month, imported goods were valued at \$3.5 billion, up \$86 million (2.5 percent) from February 2012.

Consumption goods show the largest increase

For the three main economic categories, the value of consumption goods rose and capital goods and intermediate goods fell.

Imports by broad economic category

Monthly values



Source: Statistics New Zealand

Consumption goods rose \$90 million (11 percent), led by semi-durable consumer goods (such as clothing and footwear), up \$43 million (17 percent), and durable consumer goods (such as furniture), up \$30 million (23 percent).

Capital goods fell \$29 million (5.0 percent). Machinery and plant fell \$27 million (5.3 percent), led by boring and sinking machinery, down \$19 million.

Intermediate goods fell \$15 million (0.9 percent), led by processed industrial supplies (such as fertilisers), down \$27 million, and parts and accessories of capital goods, down \$20 million. This was partly offset by processed fuels and lubricants, up \$44 million.

In **other categories** of goods:

- **Passenger motor cars** rose \$37 million (15 percent), led by new diesel motor cars with an engine capacity exceeding 2500cc and used petrol motor cars with an engine capacity of 1500–3000cc.
- **Petrol and avgas** rose \$1.5 million (1.3 percent), led by premium motor spirit.

Key movements in commodity import values

By commodity group, the value of imports rose for:

- **petroleum and products** – up \$61 million (11 percent), led by automotive diesel and crude oil
- **vehicles, parts, and accessories** – up \$48 million (13 percent), led by new diesel motor cars with an engine capacity exceeding 2500cc and used petrol motor cars with an engine capacity of 1500–3000cc
- **textiles and textile articles** – up \$38 million (21 percent).

Mechanical machinery and equipment fell \$61 million (13 percent), led by boring and sinking machinery.

Imports of petroleum and products lead country-of-origin changes

Import shipments of petroleum and products tend to fluctuate depending on where they come from, which causes large changes in quantities and values. In February 2013, compared with February 2012, petroleum and products influenced the value of imports from:

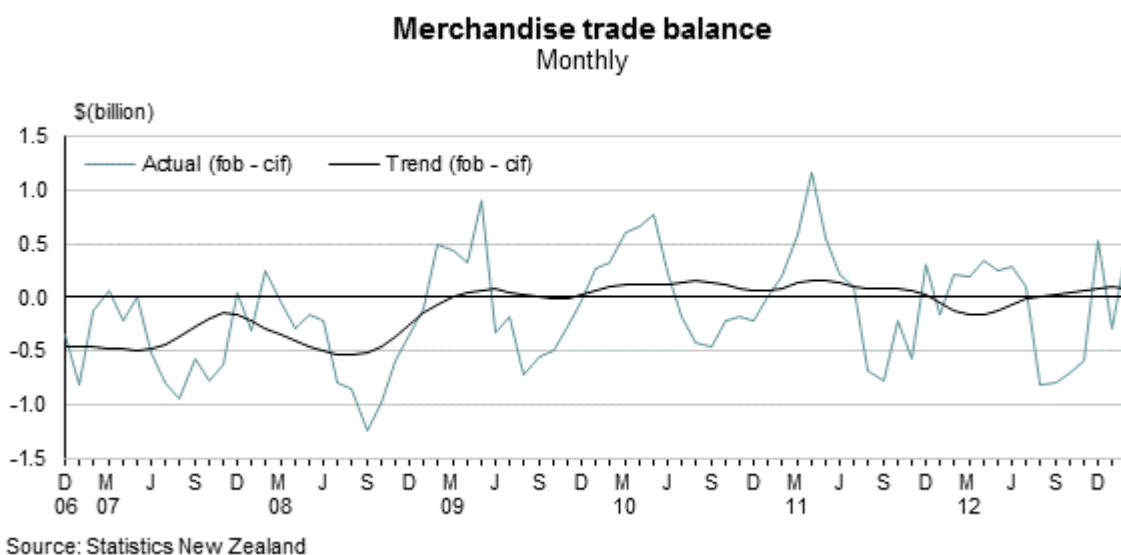
- **Qatar**, up \$165 million, and **Malaysia**, up \$115 million, both due to crude oil
- **Korea**, up \$85 million (98 percent), led by regular motor spirit and automotive diesel
- **Russia**, down \$106 million, **Oman**, down \$106 million, and **Saudi Arabia**, down \$88 million, all due to crude oil.

Other significant import movements were seen for:

- **China**, New Zealand's main import partner – up \$104 million (19 percent), over a range of commodities (including clothing and furniture)
- **Thailand** – up \$31 million, led by goods transport vehicles and passenger motor cars
- **Australia** – down \$88 million (15 percent), led by sugars and sugar confectionery.

Trade surplus in February 2013

In February 2013, there was a trade surplus of \$414 million (11 percent of exports). This compares with an average surplus of 8.2 percent of exports over the previous five February months. February months have been in surplus since 2007.

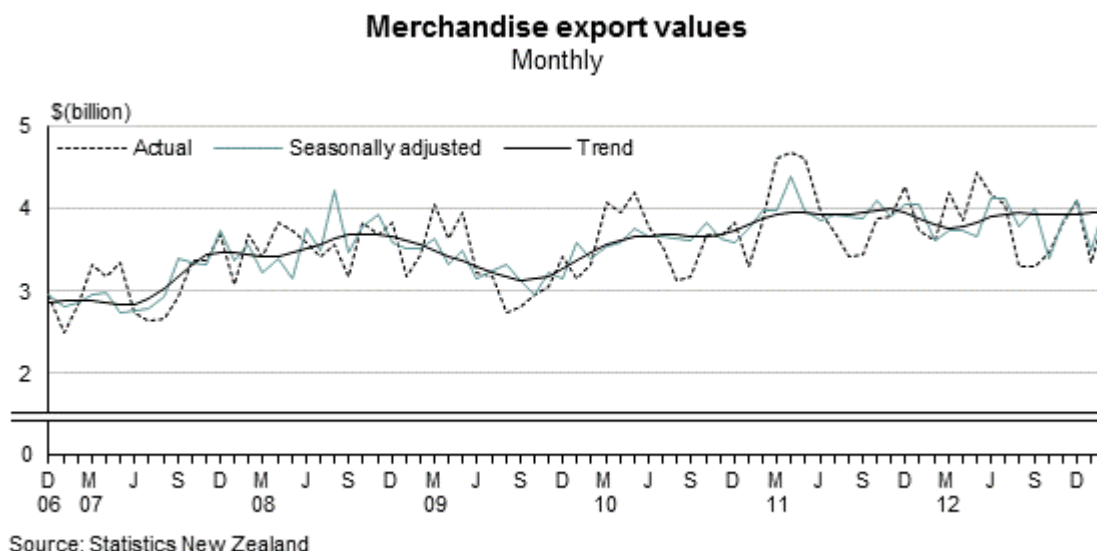


For the year ended February 2013, there was an annual trade deficit of \$1.1 billion (2.4 percent of exports). Eight of the last 10 February years have had trade deficits, but there were surpluses in the February 2011 and February 2012 years.

Seasonally adjusted exports increase 16 percent

After adjusting for seasonal effects, the value of exported goods in February 2013 increased 16 percent (\$544 million), compared with January 2013. This follows a 15 percent decrease in January 2013.

The trend value for merchandise exports is 0.7 percent below the highest-ever peak, of November 2011.



Milk powder, butter, and cheese leads the rise in seasonally adjusted exports

In February 2013, **milk powder, butter, and cheese** increased the most of all seasonally adjusted exports, up 22 percent (\$198 million), following a 12 percent fall in the January month. The seasonally adjusted quantities for milk powder, butter, and cheese exports rose 21 percent.

The value of seasonally adjusted **fruit** exports rose 24 percent (\$24 million) in February 2013, compared with the January month (up 33 percent). The seasonally adjusted quantities for fruit rose 11 percent, compared with a 17 percent rise in January.

Seasonally adjusted **meat and edible offal exports** had the largest offsetting decrease, with values down 3.0 percent (\$13 million), while quantities rose 2.2 percent.

Trend for exports of logs, wood, and wood articles on the rise

The trend for exports of **logs, wood, and wood articles** has been increasing for almost a year, and is now 17 percent higher than its most recent low point, of March 2012.

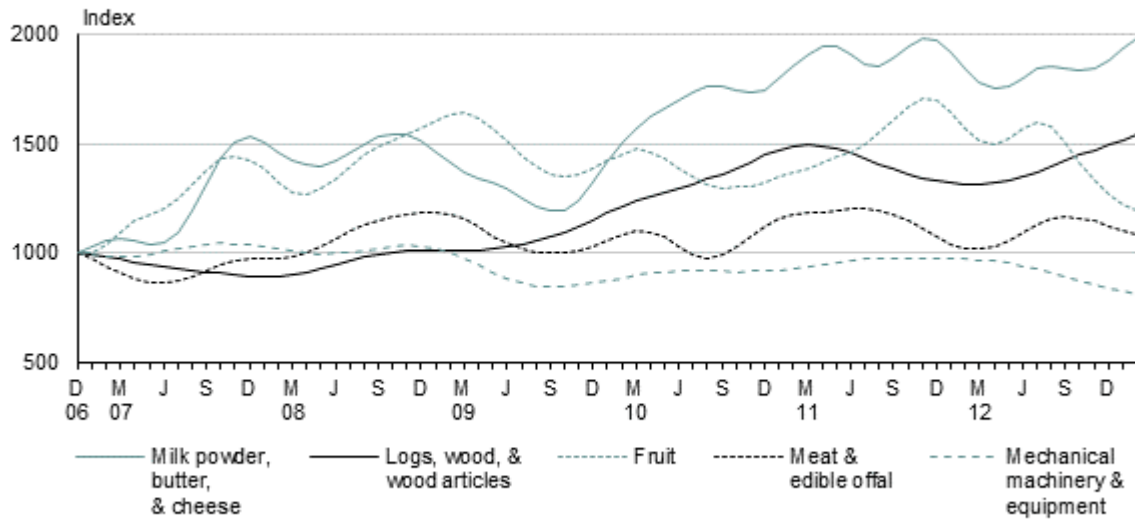
Recent trends for the values of other leading commodity groups:

- **Milk powder, butter, and cheese** is 13 percent higher than its most recent low point, of April 2012, and has been increasing in recent months.
- **Meat and edible offal** is 6.4 percent higher than its most recent low point, of March 2012, but is still 10 percent lower than its record high, of July 2011.
- **Fruit** has reached its lowest trend value in the last five years. It is 30 percent lower than the most recent high, of November 2011.

Indexed export trend values by leading commodity groupings

Monthly

Base: December 2006 (=1000)



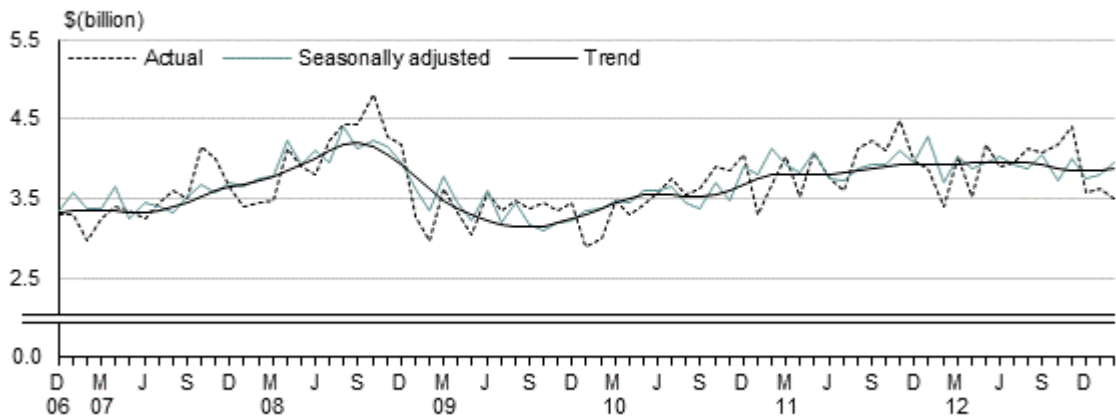
Source: Statistics New Zealand

Seasonally adjusted imports increase 3.9 percent

Seasonally adjusted imports rose 3.9 percent (\$149 million) to \$3.9 billion for the month of February 2013, compared with January 2013. This follows a 1.4 percent (\$52 million) increase in January 2013. Excluding petroleum and products, seasonally adjusted imports rose 1.4 percent in February 2013.

The trend for import values (excluding one-off imports) has shown little change in the last two years.

Merchandise import values Monthly



Source: Statistics New Zealand

Exchange rate movements

According to the Reserve Bank’s trade weighted index, the New Zealand dollar was 1.3 percent higher in February 2013 than in January 2013, and 4.1 percent higher than in February 2012.

Trade weighted index Monthly Base: June 1979 (=100)



Source: Reserve Bank of New Zealand

For more detailed data, see the Excel tables in the ‘Downloads’ box.

Definitions

About the overseas merchandise trade statistics

Overseas merchandise trade statistics provide statistical information on the importing and exporting of merchandise goods between New Zealand and other countries.

Data is obtained from export and import entry documents lodged with the New Zealand Customs Service. The data is processed and passed to Statistics NZ for further editing and compilation.

More definitions

Billion: is 1,000 million.

Capital goods: are produced assets that are used repeatedly or continuously, for longer than one year, in industrial production processes. Examples are machinery, trucks, and aircraft.

cif: is the cost of goods, including insurance and freight to New Zealand.

Consumption goods: are goods used (without further transformation in industrial production processes) by households, government, or non-profit institutions serving households.

Exports (including re-exports): are goods of domestic origin exported from New Zealand to another country. Exports in this release are valued fob and are shown in New Zealand dollars. Estimated values may be used for goods that are not already sold at the time of export entry lodgement.

fob: is free on board (the value of goods at New Zealand ports before export).

Imports: are goods imported into New Zealand. Imports in this release are valued at cif and are shown in New Zealand dollars. However, imports in table 1 are also shown at the vfd level, which excludes the insurance and freight component.

Infoshare: is Statistics NZ's free online tool that gives you access to a range of time-series data.

Intermediate goods: are goods used up, or transformed in, industrial production processes.

Merchandise trade: covers exports or imports of goods that alter the nation's stock of material resources. It includes goods leased for a year or more and excludes goods for repair.

Provisional: statistics for the latest three months are provisional, to allow late data and amendments to be included.

Re-exports: are merchandise exports that were earlier imported into New Zealand and have less than 50 percent New Zealand content by value.

Seasonal adjustment: removes the estimated impact of regular seasonal events, such as pre-Christmas purchasing, from time series. This makes the figures for adjacent periods more comparable.

Trade balance: is calculated by deducting imports (cif) from exports (fob). These two valuations are not entirely comparable, because the cif valuation includes insurance and freight to New Zealand while the fob valuation excludes insurance and freight from New Zealand.

Trade deficit: occurs when the value of imports is more than the value of exports.

Trade surplus: occurs when the value of exports is more than the value of imports.

Trend: estimates reveal the underlying direction of movement in a series and are used to identify turning points.

vfd: is value for duty (the value of imports before insurance and freight costs are added).

Related links

Upcoming releases

Overseas Merchandise Trade: March 2013 will be released on 26 April 2013.

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Past releases

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[Balance of Payments and International Investment Position](#) measures the value of New Zealand's transactions with the rest of the world, and provides a snapshot of the country's international financial assets and liabilities.

[National Accounts](#) measure the values of a range of economic aggregates such as gross domestic product, capital formation, and government and private consumption.

[Economic Survey of Manufacturing](#) provides an economic indicator of how the manufacturing sector is performing.

[New Zealand Customs Service](#) is the government agency that ensures the security of our borders.

[Ministry of Foreign Affairs and Trade](#) is the Government's principal adviser and negotiator on foreign and trade policy issues.

Data quality

Period-specific information

This section contains data information that has changed since the last release.

- [Time of recording – number of working days](#)
- [Foreign currency conversions](#)

General information

This section contains information that does not change between releases.

- [Merchandise trade – data source](#)
- [Crude oil imports – effects of timing of recording](#)
- [Exports – timing of recording and undercoverage](#)
- [Seasonally adjusted series](#)
- [Trend series](#)
- [Broad economic category groups](#)
- [New Zealand Harmonised System Classification](#)
- [Standard International Trade Classification](#)
- [Confidential items](#)
- [More information](#)

Period-specific information

Time of recording – number of working days

There were 20 working days in February 2013, compared with 21 working days in February 2012.

Foreign currency conversions

Import values are converted from foreign currencies when import documents are processed by New Zealand Customs Service (NZCS).

Export values given in foreign currencies are converted by Statistics NZ into New Zealand dollars, using weekly exchange rates when the statistics are compiled.

Currency	Number of exports	Value in foreign currency \$(million)	Value in NZD \$(million)	Average exchange rate
USD	39,264	2,036	2,434	0.8362
AUD	19,356	226	279	0.8107
EUR	4,944	127	203	0.6249
GBP	3,732	54	101	0.5341
JPY	1,094	3,231	42	77.55
Other currencies	1,893	...	47	...
Total in foreign currency	70,283	...	3,106	...
NZD	60,499	...	802	...
Total	130,782	...	3,908	...
Symbol: ... not applicable				

In February 2013, 70,283 export line entries worth \$3.1 billion were converted into New Zealand dollars.

For more information on the use of exchange rates, see the [Merchandise trade – data source](#) section.

General information

Merchandise trade – data source

Data is obtained from export and import entry documents lodged with NZCS. The data is processed and passed to Statistics NZ for further editing and compilation.

Export values given in foreign currencies are converted by Statistics NZ into New Zealand dollars, using weekly exchange rates when the statistics are compiled. For exports, a rise in the New Zealand dollar has a downward influence on prices and, as a consequence, quantities and values reduce.

Import values are converted from foreign currencies when import documents are processed by NZCS. The exchange rates used are set by NZCS each fortnight. These rates are prepared 11 days before the start of the fortnight, so have a lag of 11 to 25 days compared with the daily rates published by the Reserve Bank. For imports, a rise in the New Zealand dollar has a downward influence on prices and an upward influence on quantities. The combined influence on values can be either positive or negative.

Crude oil imports – effects of timing of recording

Imports are generally compiled by date-of-entry clearance by NZCS. NZCS entries are required from up to five days before, to 20 working days after, arrival of goods into New Zealand. The exception to this rule is for crude oil imports, which can have entries lodged later than 20 working days after entry into New Zealand.

Crude oil values for the latest month are estimated using actual quantities and country-of-origin data (provided by NZCS, based on information from the refinery at Marsden Point), together with estimated prices. These estimates for crude oil are replaced once actual entries are lodged with NZCS.

While all entries are provisional for the latest three months, and have the potential to be changed by the importer/exporter within this period, changes are not common, and generally do not have a material impact on the results. However, New Zealand has only a few ships carrying crude oil arriving each month, and each ship represents a high proportion of the monthly total of imported crude oil. Any variation in the data for crude oil resulting from a later lodgement date can result in a significant revision to the value. Once actual lodgements are received by Statistics NZ from NZCS, the value for crude oil can be regarded as robust.

Exports – timing of recording and undercoverage

From the August 1997 reference month, exports are compiled by date of export. Previously, exports were generally compiled according to date of clearance by NZCS. This meant that some goods were allocated to the month following their actual month of export. Exports up to July 1997 that were not processed until August 1997 were assigned to the month of August 1997.

From 1 March 2004, NZCS has not allowed goods to be loaded for export until an export entry has been lodged and cleared. A study undertaken in 2001/02 indicated that export entries not being lodged might account for between 1 and 3 percent of exports at that time. There is a possibility that the change in NZCS processes may have reduced this undercoverage, although this has not been quantified.

Seasonally adjusted series

Seasonally adjusted series are calculated monthly and for calendar quarters using X-12-ARIMA, which adjusts for outlying values and uses a centred moving average.

Seasonal adjustment removes the estimated impact of regular seasonal events, such as pre-Christmas purchasing, from time series. This makes the figures for adjacent periods more comparable. Seasonally adjusted figures are estimates and are subject to revision each period, with the largest changes generally occurring in the latest periods.

See [Seasonal adjustment in Statistics New Zealand](#) for more information.

Trend series

Time series can be split into trend, seasonal, and irregular components. Seasonal adjustment removes the seasonal component, while trend estimation removes the seasonal and irregular components. Trend estimates reveal the underlying direction of movement in a series and are used to identify turning points.

The trend series are calculated using X-12-ARIMA. The length of the centred moving average is selected automatically and can be 9, 13, or 23 months, depending on the relative variability of the irregular component compared with the trend. A long moving average has the effect of smoothing the trend series but slowing the response to underlying changes in growth rates. A short moving average produces a trend series that is less smooth but quicker to identify turning points.

To improve estimation of the underlying movement, the imports trend is calculated after removal of individual import items that have cif values of \$100 million or more, such as large aircraft and ships. The trade balance trend is calculated by subtracting the imports trend from the exports trend.

Trend figures are recalculated each month. Using new monthly data means that previously published trend estimates are revised. These revisions mainly affect the latest months and can be large if a trade value is initially treated as an outlier but is later found to be part of the underlying trend.

Broad economic category groups

Broad economic category (BEC) groups are arranged, as far as practicable, to align with the System of National Accounts' three basic classes: capital goods, intermediate goods, and consumption goods. Commodities in BEC groups are categorised on the basis of their main end use. This means, for example, that all video recorders are treated as consumption goods even though some are used in business. Similarly, all helicopters are treated as transport equipment even though some are military goods (and are treated as such in the national accounts).

New Zealand Harmonised System Classification

From January 2012, overseas merchandise trade data is compiled using the Harmonised System classification (HS2012). Before January 2012, HS2007 applies.

See the Excel supplementary table in the 'Downloads' box for a summary of the impact of this change on the overseas merchandise trade data.

The classification change means data users need to take care when analysing time-series data, although changes from this review are not as significant as when HS2007 was introduced. The supplementary table uses the HS2012 classification to estimate January 2011 values for comparison. Some assumptions had to be made to do this, so the results are not perfect, but the process removes most of the effect of the classification change from the data.

We will use HS2012 within overseas merchandise trade statistics until the next five-yearly review in 2017. Minor amendments may still occur on a quarterly basis.

Although the classification change potentially affects the published seasonally adjusted and trend series, our investigations so far show a negligible effect. We will communicate any effects we find when conducting our normal seasonal adjustment or trend series review processes.

Implementing HS2012 will also affect the overseas trade indexes (OTI). However, due to the way the OTI is calculated, the full effect of the change will not be seen until the September 2013 quarter.

For more information on how HS2012 has affected overseas merchandise trade data, see [Harmonised System 2012 and trade statistics](#).

For information about the HS2012 classification, see [Harmonised System 2012](#).

Standard International Trade Classification

The Standard International Trade Classification (SITC) is an output classification, which uses Harmonised System (HS) codes at the six-digit level as building blocks. It was designed by the United Nations as an analytical tool for economic analysis, which includes some simple implications regarding level of processing. Published figures are at a high level of aggregation; more disaggregated information is available on [Infoshare](#). For customised jobs using the SITC Rev 4 classification, contact customer services at: info@stats.govt.nz.

Overseas merchandise trade (OMT) statistics are compiled in close accordance with the United Nations' International Merchandise Trade Statistics Concepts and Definitions. OMT data, after adjustment, is used in the balance of payments and national accounts. The adjustments are for coverage, timing, valuation, and classification, and are explained in [Balance of Payments – Sources and Methods 2004](#).

Confidential items

Under Section 37A (d) of the Statistics Act, the Government Statistician may disclose details of external trade, movement of ships, and cargo handled at ports. However, Statistics NZ understands that the release of merchandise trade commodity information can, in some cases, place commercially sensitive information in the public domain. Statistics NZ is able to provide a limited form of confidential status for commodity items (at the discretion of the Government Statistician), upon application by a company or business.

In practice, all confidential HS codes are aggregated into the code 9809.00.00.00 in order to protect their confidentiality and to maintain total export and import values. Any aggregations of HS codes below this level, which encompass confidential 10-digit codes, exclude the confidential value(s) for these codes.

The only aggregates that include the confidential codes are total exports, total imports, and the total exports and imports by country.

More information

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Revisions

Provisional values published on 27 February 2013 were updated. Merchandise trade statistics for the latest three months are provisional to allow for the inclusion of late data and amendments.

Trade data can be revised for many reasons. For more information see:

[Why overseas merchandise trade data can change](#)

[Investigating how overseas merchandise trade data can change after publication](#)

Updates to overseas merchandise trade statistics

	Published on 27 February 2013			Published on 26 March 2013			Change		
	\$(million) ⁽¹⁾								
	Exports (fob)	Imports (cif)	Balance (fob-cif)	Exports (fob)	Imports (cif)	Balance (fob-cif)	Exports (fob)	Imports (cif)	Balance (fob-cif)
Month:									
Nov 2012	3,827 P	4,415 P	-588 P	3,828 F	4,415 F	-587 F	0	0	0
Dec 2012	4,103 P	3,569 P	534 P	4,099 P	3,568 P	530 P	-4	0	-4
Jan 2013	3,349 P	3,654 P	-305 P	3,348 P	3,635 P	-287 P	-1	-18	17
Year ended:									
Nov 2012	46,244 P	47,634 P	-1,390 P	46,245 F	47,634 F	-1,389 F	0	0	0
Dec 2012	46,065 P	47,220 P	-1,156 P	46,061 P	47,220 P	-1,159 P	-4	0	-4
Jan 2012	45,687 P	46,986 P	-1,299 P	45,682 P	46,968 P	-1,286 P	-5	-19	14
1. Figures are calculated on unrounded data.									
Symbols:									
F final									
P provisional									
Source: Statistics New Zealand									

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Tables

The following tables are available in Excel format from the 'Downloads' box. If you have problems viewing the files, see [opening files and PDFs](#).

1. Overseas merchandise trade, actual values
2. Overseas merchandise trade, seasonally adjusted and trend values – monthly
3. Exports by destination
4. Imports by country of origin
5. Exports of main commodities
6. Imports of main commodities
7. Imports by broad economic category (BEC) group
8. Exchange rates
9. Related series, livestock, cars, and crude oil
10. Exports and imports by Standard International Trade Classification (SITC)
11. Exports by top 10 HS categories, values – seasonally adjusted
12. Exports by top 10 HS categories, quantities – seasonally adjusted
13. Imports by selected HS categories, values – seasonally adjusted
14. Exports by top 10 HS categories, values – trend
15. Exports by top 10 HS categories, quantities – trend
16. Imports by selected HS categories, values – trend

Access more data on Infoshare

Use [Infoshare](#) to access time-series data specific to your needs. For this release, select the following category from the Infoshare home page:

Subject category: **Imports and Exports**