



Goods and Services Trade

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Goods and Services Trade

Abstract

Goods and services trade by country statistics bring together imports and exports of both goods and services by country to present a comprehensive view of economic trade between New Zealand and our main trading partners.

Purpose

The Goods and Services Trade by Country release brings together imports and exports of goods and services, broken down by country, on a year ended in quarter basis. It presents a comprehensive view of economic trade between New Zealand and our main trading partners.

The release brings together goods trade data from Overseas Merchandise Trade (OMT) and services trade data from the Balance of Payments (BoP). Potential uses of the data include trade negotiations (MFAT), weighting for the Trade-Weighted Index (TWI) by RBNZ and forecasting for the BoP and GDP releases by commercial banks, Treasury and RBNZ.

Population

Balance of Payments and International Investment Position Statistics Population

Balance of Payments and International Investment Position Statistics Population

Business enterprises involved in international trade and investment

Goods and Services Methodology

Methodology

#####General Information

This section contains information that does not change between releases.

- Caveats
- Classification for imports of goods
- Methodology for estimating travel, transportation, insurance, and government services
- Updates to previously published figures
- More information

Caveats

Combining services data with overseas merchandise trade information provides a picture of New Zealand's total international trade. Note that combining services data with merchandise trade data will not equal international trade as measured in our balance of payments releases. This is because we make adjustments (such as for changes of ownership) to merchandise trade data when it is included in the balance of payments.

Trade in services includes transactions where no physical product changes hands, for example a New Zealand lawyer who provides advice to a client overseas or an overseas head office charging a management fee to its New Zealand branch.

Classification for imports of goods

Imports of goods are published on a value for duty (vfd) basis in the goods and services trade release, rather than on a cost, insurance, and freight (cif) basis. This is because insurance and freight is included as part of imports of services data, and we would be double-counting these items if we combined cif imports with services information.

Imports of goods are published on a vfd basis in Overseas Trade Index statistics. In Overseas Merchandise Trade both cif and vfd are available but the headline values are on a cif basis.

Methodology for estimating travel, transportation, insurance, and government services

The International Trade in Services and Royalties Survey collects detailed country information for exports and imports of around 55 different service types.

However, it does not collect data for travel, transportation, insurance, and government services, so we estimated country data for these services types.

Here is a brief explanation of the methodology we use for these estimations.

Exports of personal travel services are estimated using a combination of International Visitors Survey data, and visitor arrival figures.

Exports of education travel services are estimated using student numbers by country data from the Ministry of Education's Export Education Levy.

Imports of travel services are estimated using a combination of data from the 2004 Survey of Returned Travellers, and short-term resident departure figures.

Exports of transportation services are estimated by adding together data from passenger, freight, and other transportation services.

- Passenger transportation services data is provided by airlines based in countries where tickets were sold.
- Freight services are estimated using merchandise trade data – the importer pays the freight on goods ordered, so freight is proportionally assigned to countries importing goods from New Zealand.
- Other transportation service exports are based on data from non-resident airlines and shopping companies that incur expenses (such as landing rights or port fees) while in New Zealand. This data is collected through our quarterly transportation surveys.

Imports of transportation services are estimated in a similar way to exports, by adding separately estimated data from passenger, freight, and other transportation services.

- Passenger transportation services are estimated based on the country where the airline transporting passengers is a resident. For example, any tickets purchased for Qantas flights by New Zealand residents are considered imports of passenger transportation services from Australia.
- Freight services are estimated using merchandise trade data – freight expenditure is proportionally allocated based on the country that goods are imported from.
- Other transportation services imports come from quarterly transportation surveys of resident airlines and shipping companies.

Insurance services are estimated in two parts – freight insurance and regular non-life insurance.

- Freight insurance is estimated in a similar way to freight transportation services. The importer of a good will pay the freight and insurance costs associated with that good, so freight insurance services by country are allocated according to proportions of imports/exports by country from merchandise trade data.
- Non-life insurance is collected by country in our quarterly insurance surveys, and is combined with freight data for a total picture of insurance by country.

Government services by country is estimated using foreign embassy locations, as well as long-term migration figures.

- Any expenses that a New Zealand embassy incurs abroad are treated as imports of government services, while expenses incurred by foreign embassies in New Zealand are treated as exports of government services.
- Immigration fees received by the government were allocated to countries based on the number of long-term migrants arriving from each country.

Updates to previously published figures

The figures in this release are subject to revision when new data becomes available, and when methodology is improved to ensure the accuracy of our statistics. This year, we made revisions to include both new data, and improvements for the methodology used to produce the country breakdown of the services data.

More information

Statistics in this release have been produced in accordance with the Official Statistics System principles and protocols for producers of Tier 1 statistics for quality. They conform to the Statistics NZ Methodological Standard for Reporting of Data Quality.

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Goods and Services June 2018 Revisions

Methodology

Goods and services trade by country: Year ended June 2018 – Updates to previously published figures

The figures in this release are subject to revision when new data becomes available, and when methodology is improved to ensure the accuracy of our statistics.

For Goods and services trade by country: Year ended June 2018, we made revisions to include both new and updated data.

June 2018 annual revisions to services data

Services data is revised in line with the balance of payments revisions cycle. This means that on a quarterly basis, we revise the previous quarter's published data.

On an annual basis (in the June quarter each year), we introduce and publish revisions to multiple quarters. There is no specified time period for how far back revisions will apply. We assess each revision on a case-by-case basis to identify the magnitude and number of periods affected. Services data was revised as far back as the June 2013 quarter in the June 2018 revision cycle.

For the year ended June 2018 release we made the following revisions, which affected previously published year-ended-in-quarter figures:

- Updates to estimates for spending by international students. These revisions were applied from the June 2013 quarter – March 2018 quarter and were based on updated ratios of international students' tuition fees to living costs derived from Education New Zealand's Economic impact of export education report 2017/18.
- Inclusion of additional cruise ship expenditure data. Cruise ship expenditure data (the money spent by cruise ship passengers visiting New Zealand) was first released by Stats NZ in December 2017 in [Tourism satellite account: 2017](#). We have now updated Balance of Payments services data to reflect this new data and allow it to flow through the macro-economic accounts. These revisions were applied from the December 2014 quarter – March 18 quarter.

Revisions to Personal travel exports
Year ended June
NZ\$(million)
2014
2015
2016
2017

- Updated data collected from the International Trade in Services and Royalties Survey, quarterly transport surveys, and the Quarterly International Investment Survey insurance data.

Impact of the International Visitor Survey (IVS) Review 2018

Following the recent review; [Changes recommended for International Visitor Survey](#), undertaken by Stats NZ, a number of changes were recommended to the IVS methodology.

Two of the recommendations were introduced from the March 2018 quarter to improve the sample allocation and to reset the outlier detection level. As part of the Review a series of other recommendations were also made.

The need for revisions will be assessed after the recommended improvements have been undertaken, when their combined effect is evident.

Goods and Services June 2019 Revisions

Methodology

Goods and services trade by country: Year ended June 2019 – updates to previously published figures.

The goods and services trade by country releases are subject to revision when new data becomes available, and when methodology is improved to ensure the accuracy of our statistics.

For the year ended June 2019 release, we made revisions to include both new and updated data.

June 2019 annual revisions to services data

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On an annual basis (in the June quarter each year), we introduce and publish revisions to multiple quarters. There is no specified time period for how far back revisions will apply. We assess each revision on a case-by-case basis to identify the magnitude and number of periods affected.

The following sections outline the revisions we made for the year ended June 2019 release. These revisions affected previously published year-ended-in-quarter figures.

Revisions to spending by international students in New Zealand

We update estimates for spending by international students annually, based on tuition fee data from the Ministry of Education. Tuition fee data is only available for the latest December year, so we calculate estimates for the following year, and replace them with actual data when it becomes available.

Improved trade data

We included improvements in trade data, particularly exports, due to new or updated information becoming available.

Significant changes are:

- increases in film exports, due to incorporating new data from the [2017/18 screen industry survey](#), affects the June 2017 to March 2018 quarters 'personal, cultural and recreational services'
- increases in IT exports, due to incorporating new data from the [ICT supply survey 2017](#) and the [annual enterprise surveys](#) for the three years from 2016 to 2018. This affects the June 2015 to March 2019 quarters 'telecommunications, computer, and information services' and 'charges for use of intellectual property.'

Cruise ship expenditure

We incorporated the latest cruise ship expenditure data from the cruise ship traveller and expenditure statistics for the September 2018 quarter to the June 2019 quarter. We also incorporated revisions to the cruise ship data from the December 2014 and June 2018 quarters.

Significant events impacting this study series

The first goods and services release was on June 3rd 2015.

Frequency

3 Quarterly

Main users of the data

MFAT, RBNZ, Treasury, Commercial Banks.

Related Materials

Other

- [Goods and Services Trade by Country: Year ended September 2015](#)
- [Goods and Services Trade by Country: Year ended June 2015](#)
- [Goods and Services Trade by Country: Year ended March 2015](#)
- [Goods and Services Trade by Country: Year ended December 2015](#)

Variables

Concepts

Goods and Services Concept Set

Name	Description
CIF	CIF The cost of goods, including insurance and freight to New Zealand. Imports of goods in this release are compiled on a vfd basis.

Exports (including re-exports)	<p>Exports (including re-exports) 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.</p>
Exports of travel services	<p>Exports of travel services Covers all expenditure on both goods and services by overseas visitors to New Zealand. This includes holidaymakers, business travellers, and international students. Excludes international airfares.</p>
FOB	<p>FOB Free on board (the value of goods at New Zealand ports before export).</p>
Goods	<p>Goods Physical, produced items over which ownership rights can be established and whose ownership can be passed from one person to another through transactions.</p>
Goods trade balance	<p>Goods trade balance In this release is calculated by deducting goods imports (vfd) from goods exports (fob).</p>
Imports	<p>Imports Goods imported into New Zealand. Imports of goods in this release are valued at vfd and are shown in New Zealand dollars.</p>
Imports of travel services	<p>Imports of travel services covers all expenditure on both goods and services by New Zealand-resident travellers while overseas. Excludes international airfares.</p>
Re-exports	<p>Re-exports Merchandise exports that were earlier imported in to New Zealand and have less than 50 percent New Zealand content by value. Re-exports are included in goods exports in this release.</p>
Services	<p>Services Products other than tangible goods. Services result from production activity that changes the conditions of the consuming units, or makes the exchange of products or financial assets possible.</p>
Total Exports	<p>Total Exports Calculated by adding goods exports and services exports.</p>
Total Imports	<p>Total Imports Calculated by adding goods imports and services imports.</p>
Total Two-Way Trade	<p>Total Two-Way Trade Calculated by adding total exports and total imports.</p>
VFD	<p>VFD Value for duty (the value of imports before insurance and freight costs are added).</p>