RESERVE BANK
OF NEW ZEALAND

New Zealand's Economic Outlook

Presentation to Australian Business Economists

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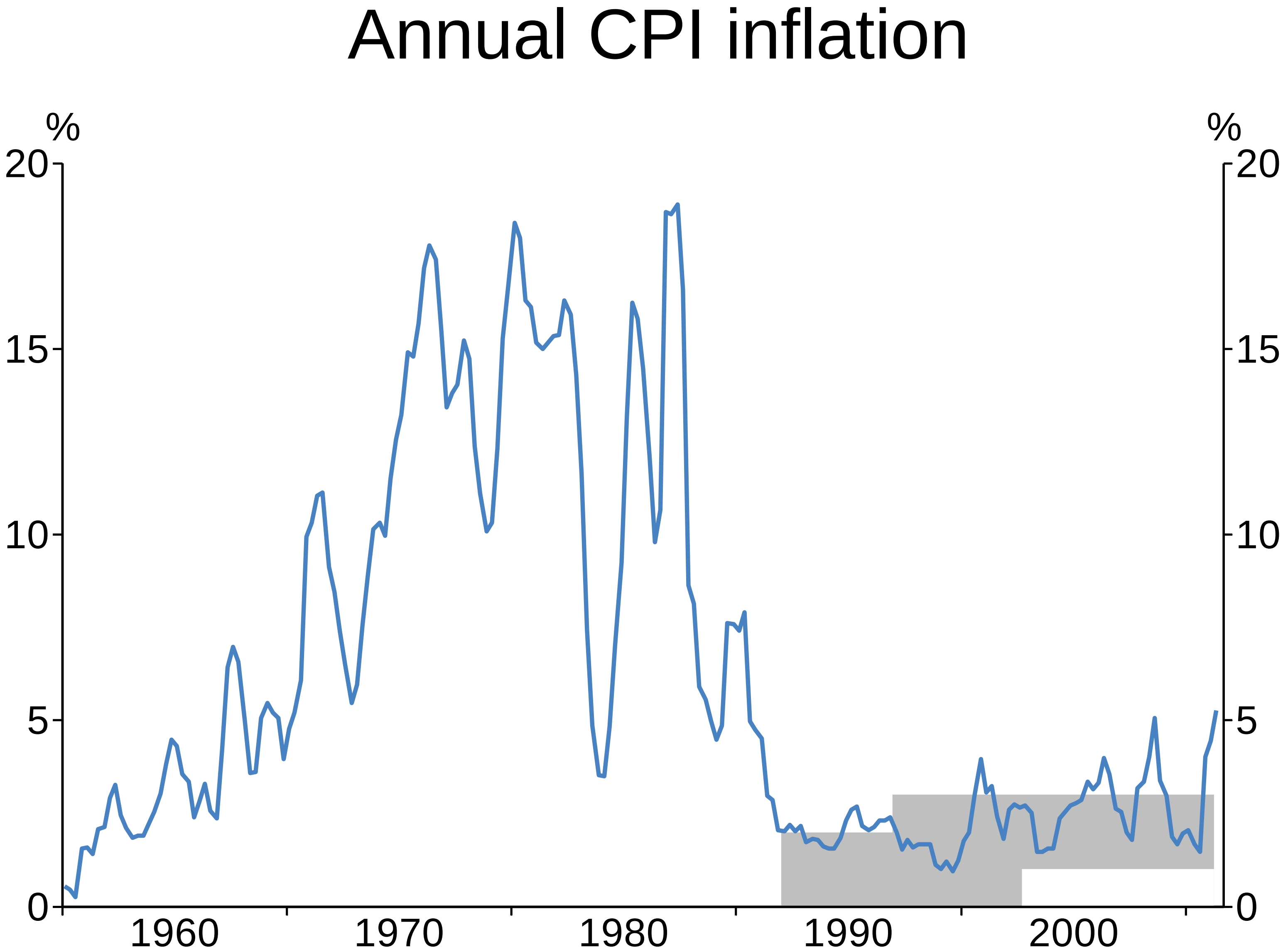
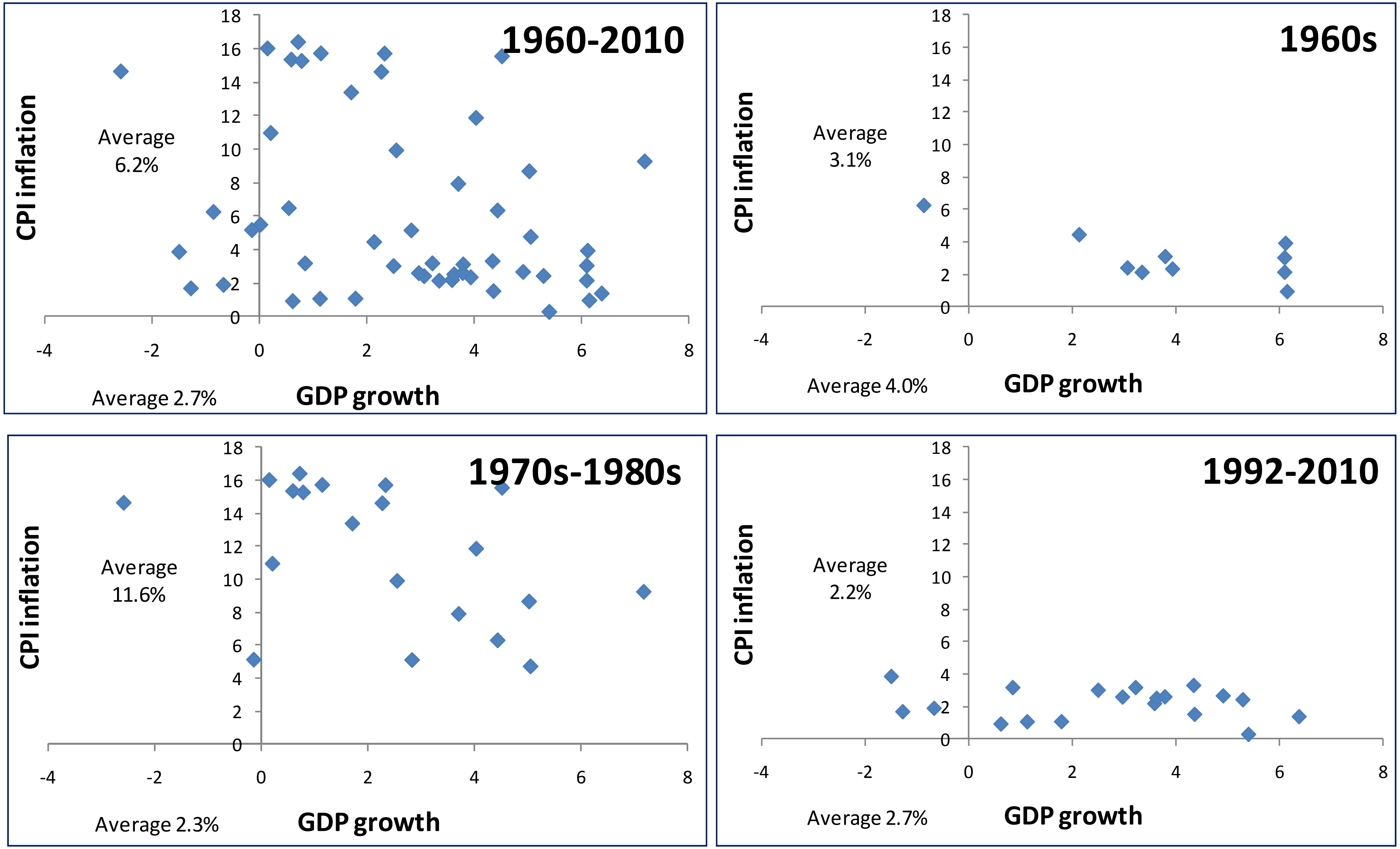
Reserve Bank of New Zealand
August 2011

CPI inflation contained

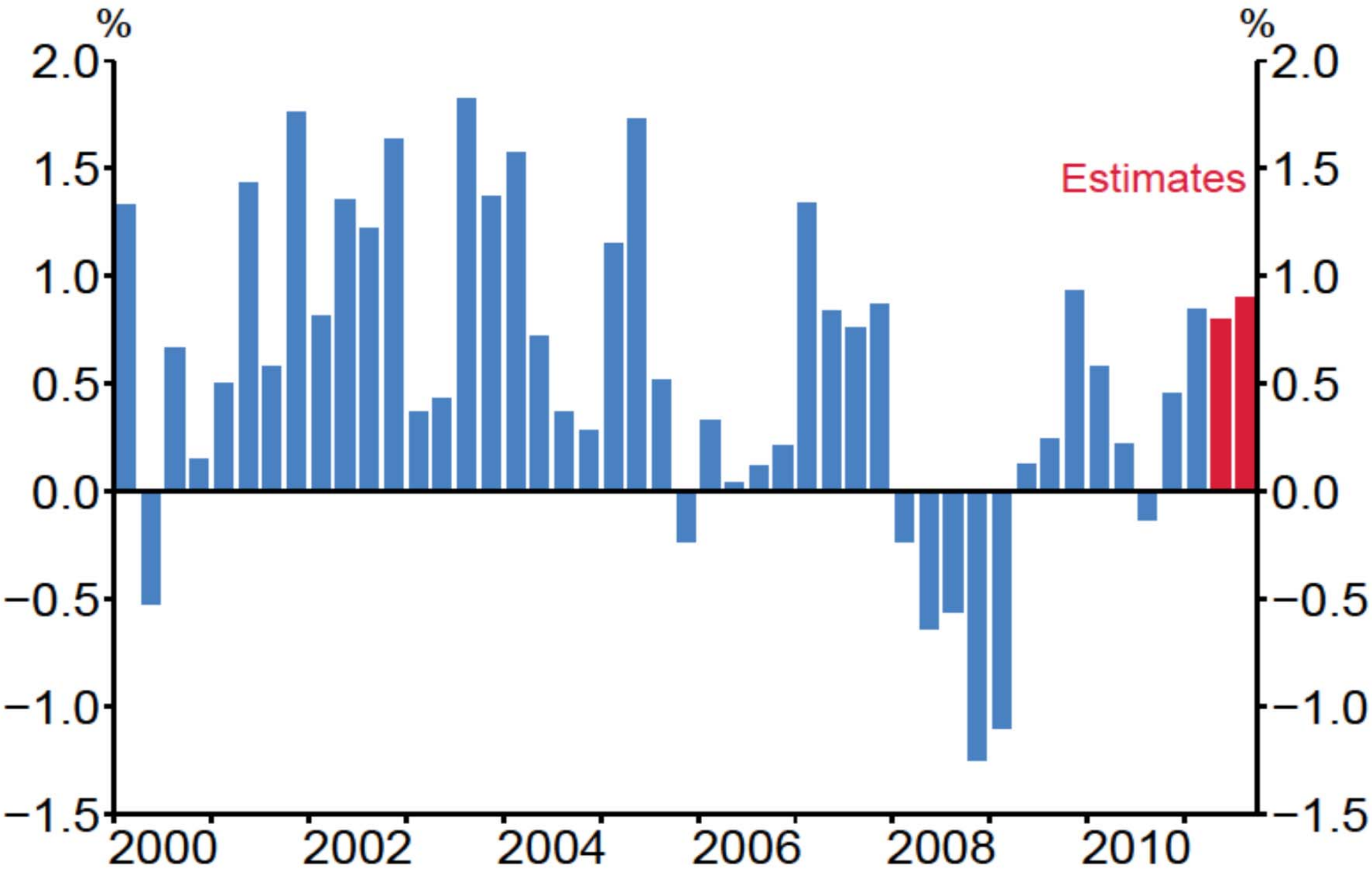


CPI inflation contained



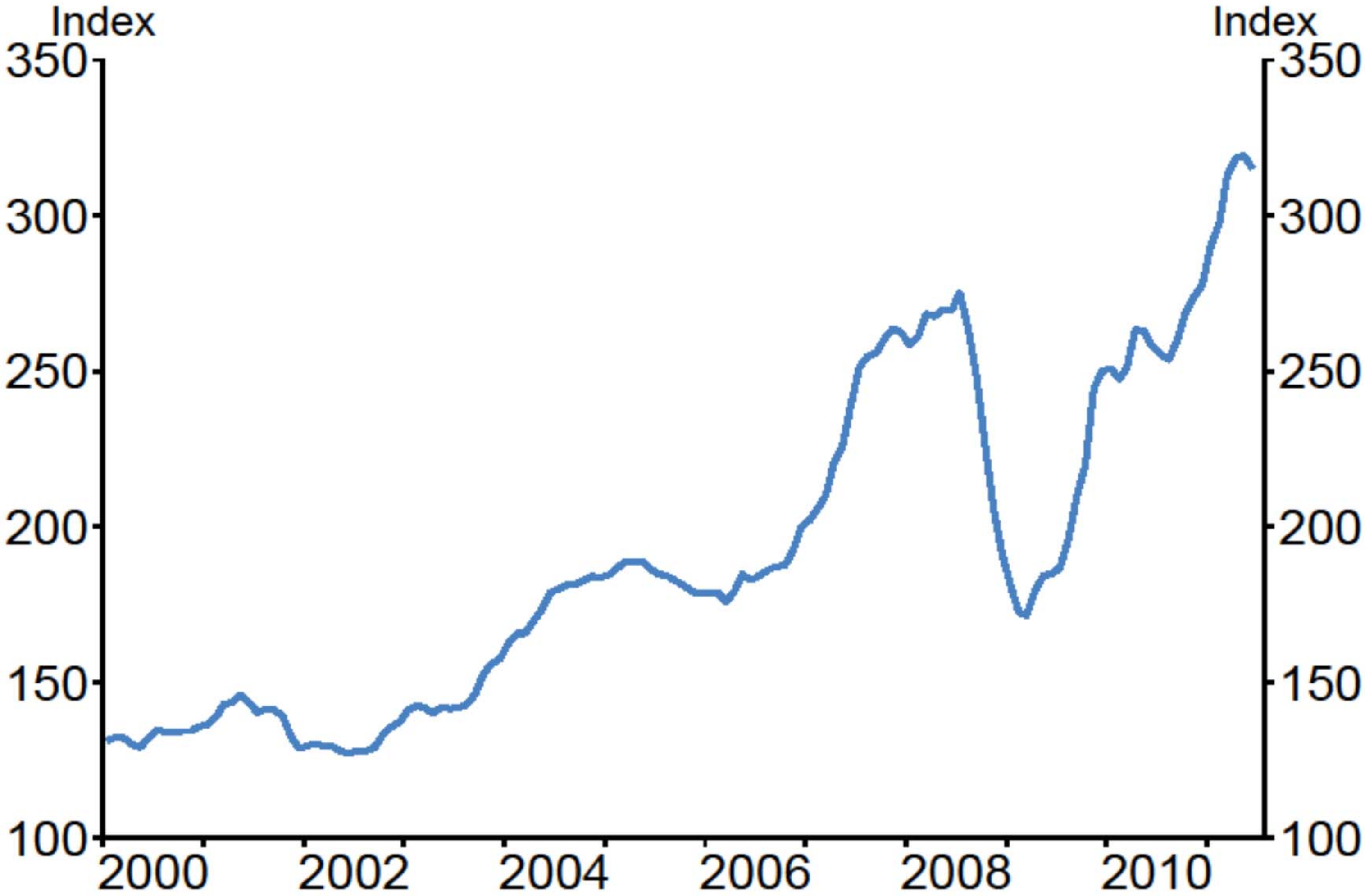
Activity has continued to recover

Quarterly GDP growth



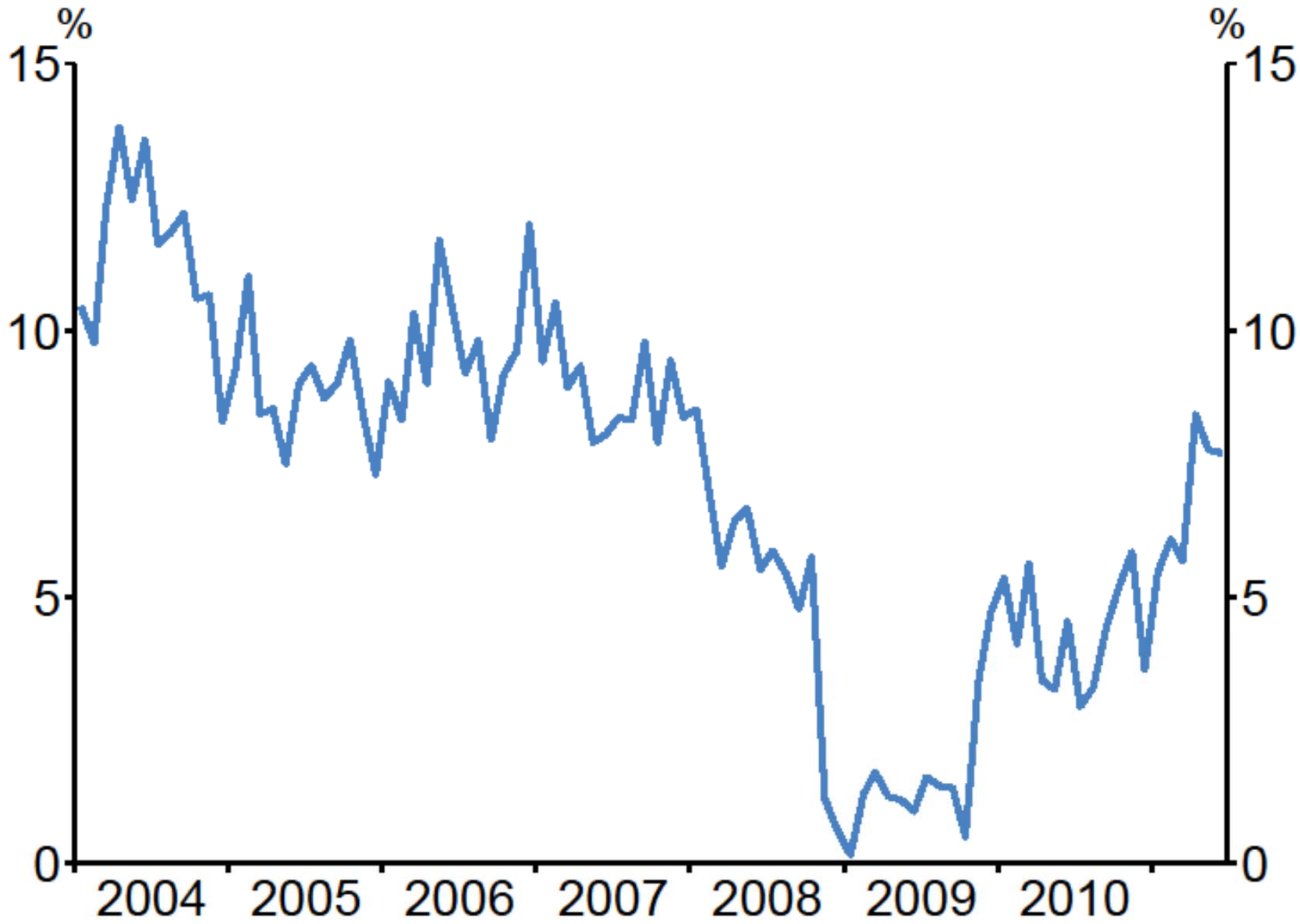
Support from export commodity prices

ANZ commodity price index (SDR terms)



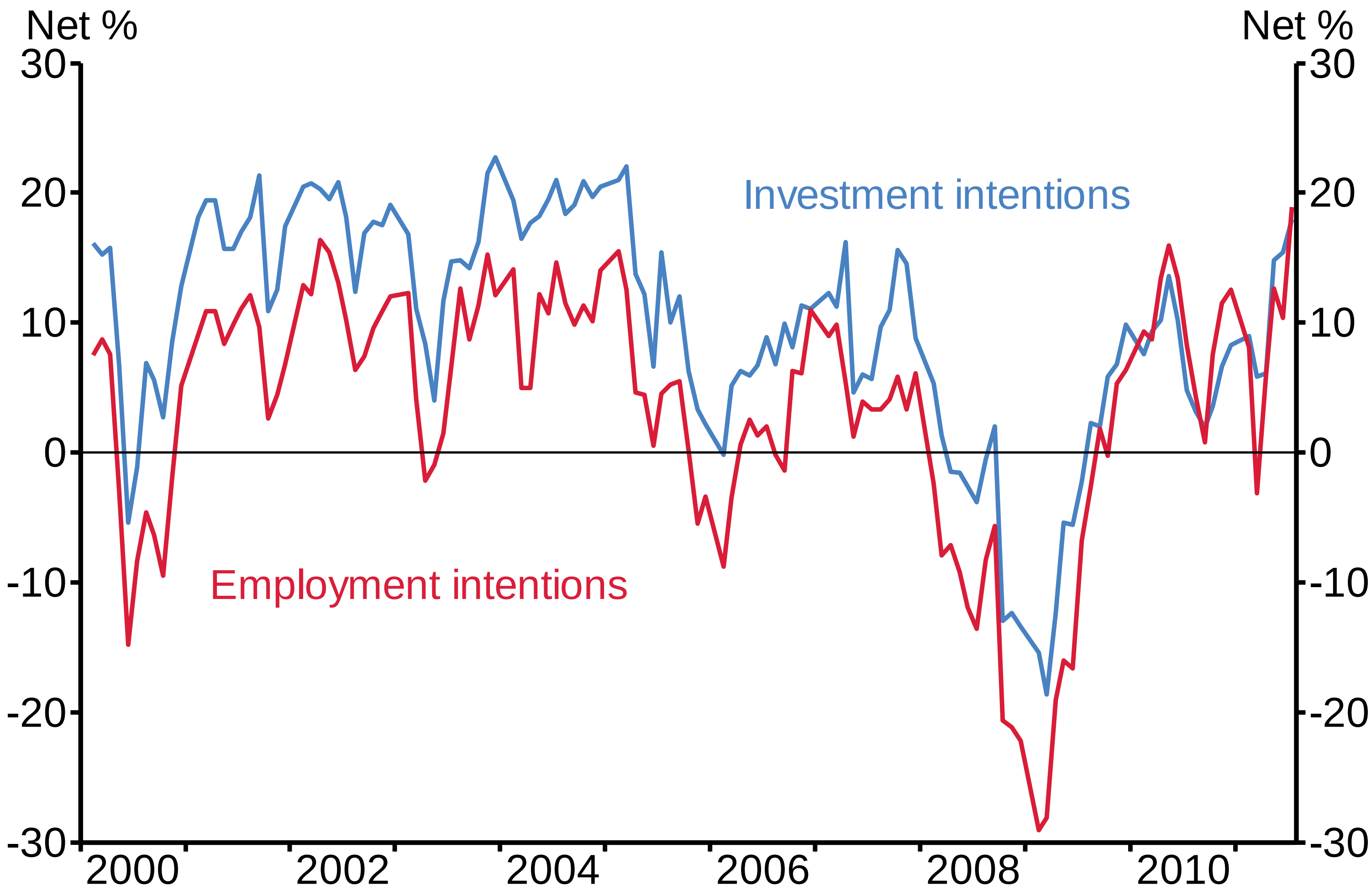
Retail spending is improving

Annual growth in electronic card transactions

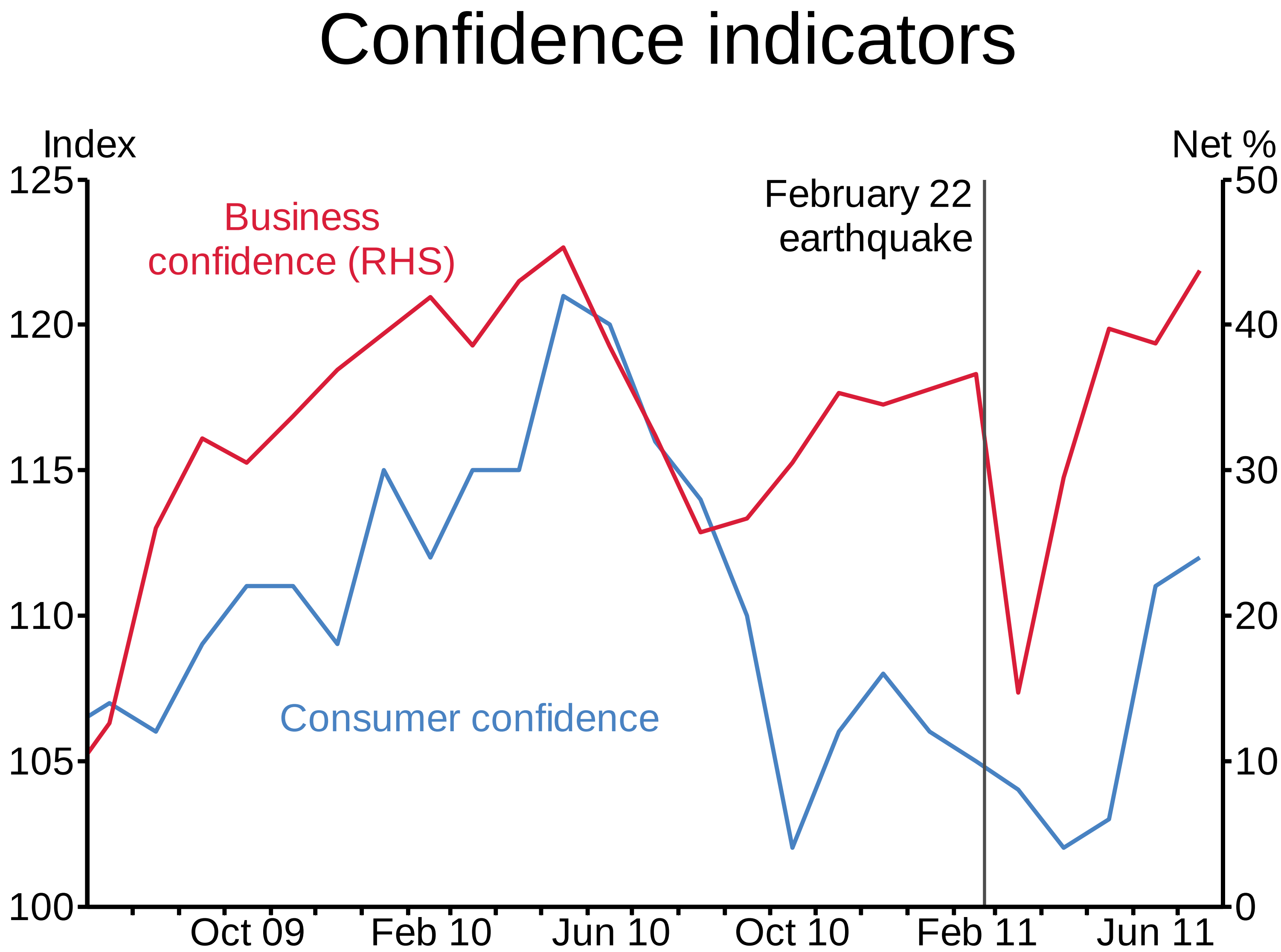


Business sentiment recovering

Employment and investment intentions

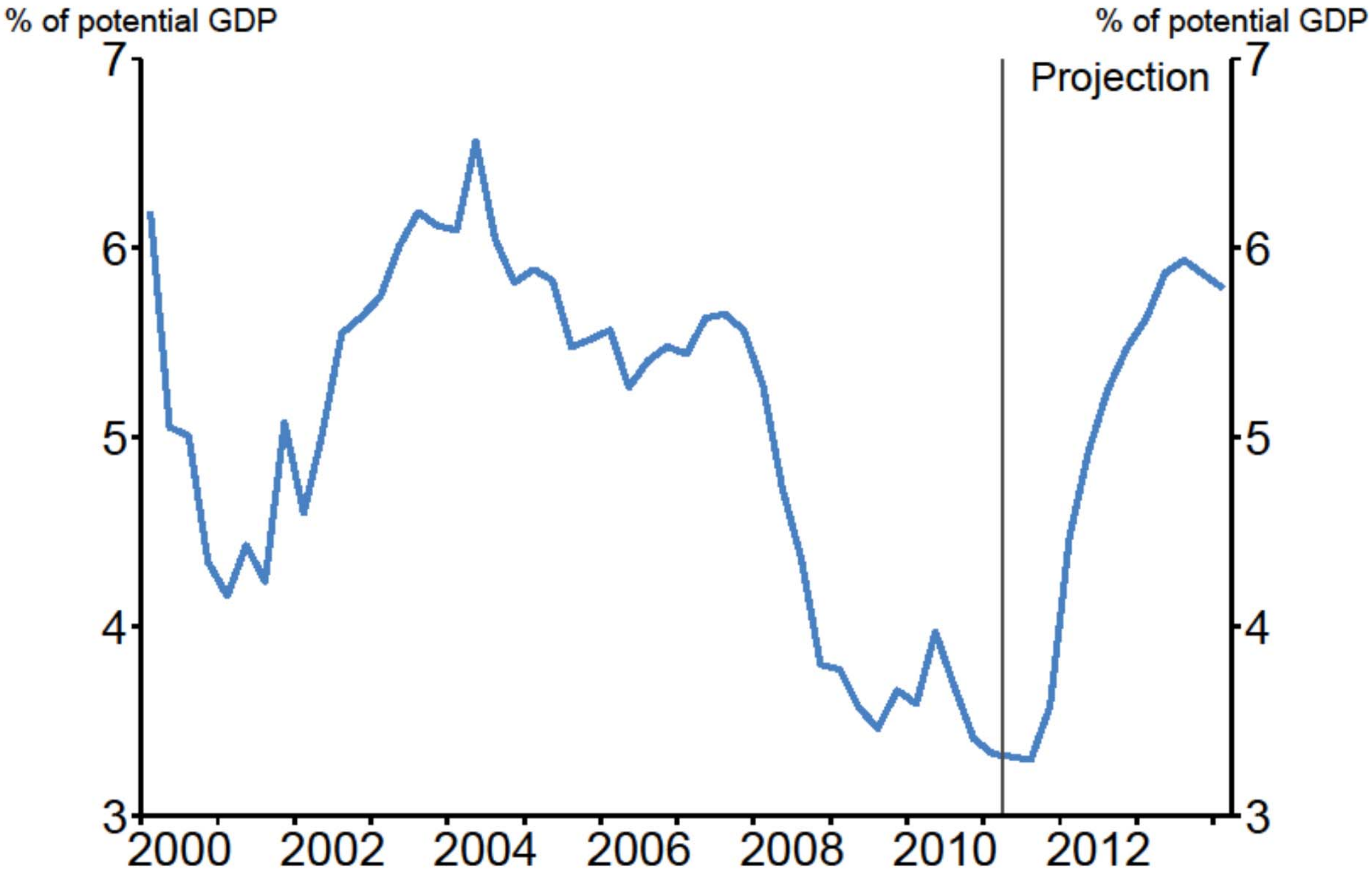


Nationwide quake disruptions temporary?



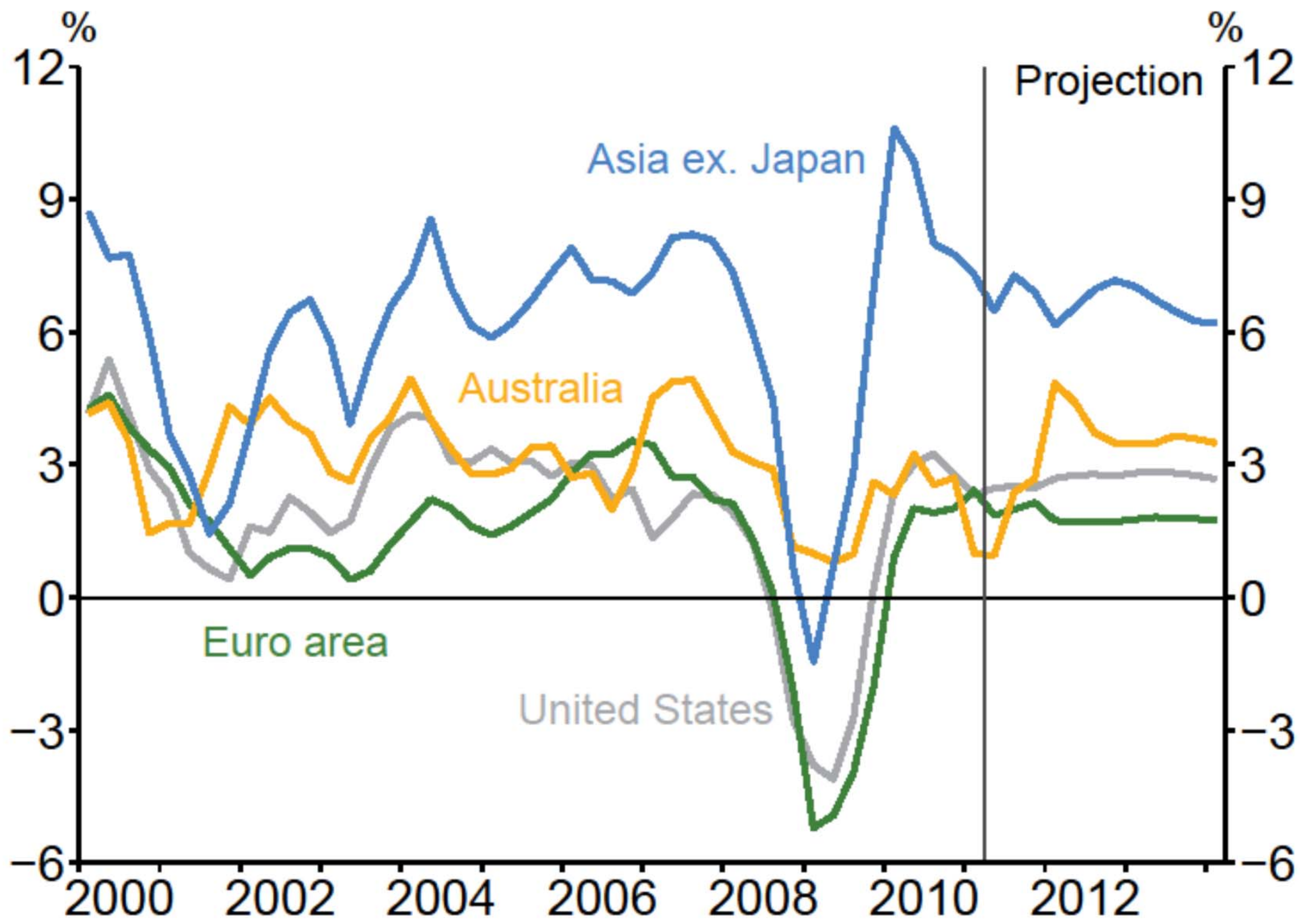
Reconstruction boost from early 2012

Residential investment



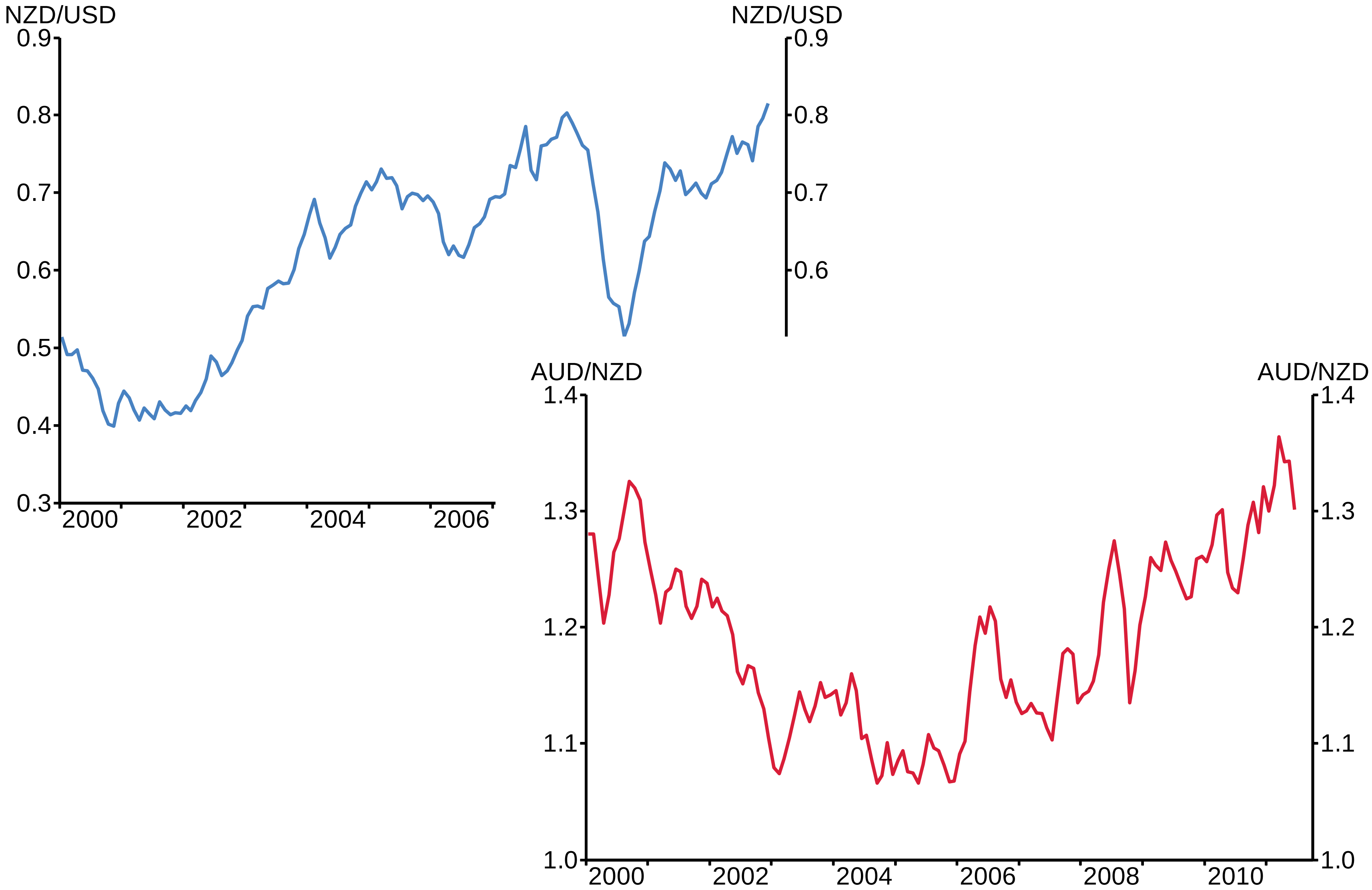
Trading partner growth remains strong

Annual GDP growth, major trading partners

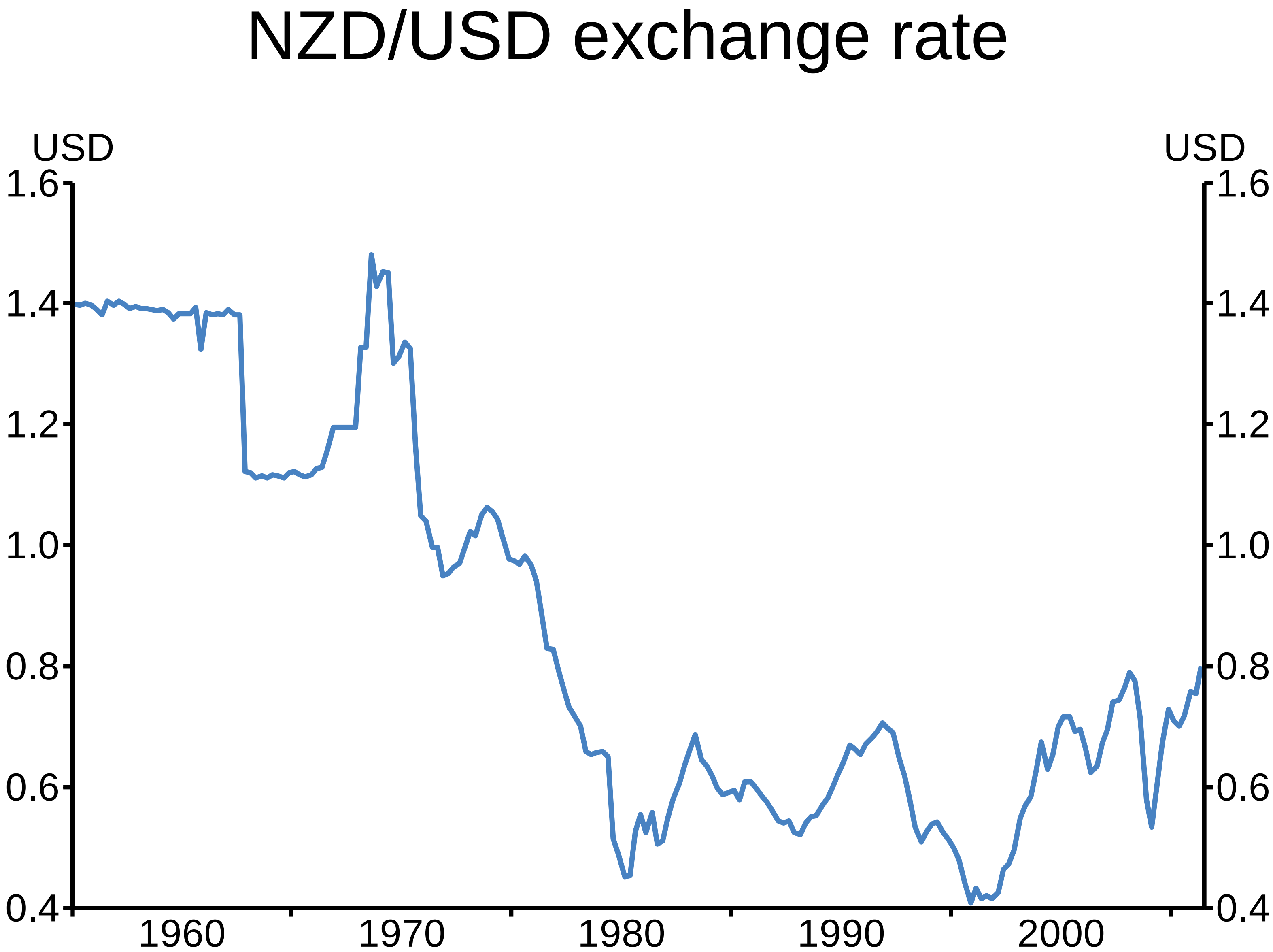


Strong NZ dollar – challenges and benefits

Exchange rates

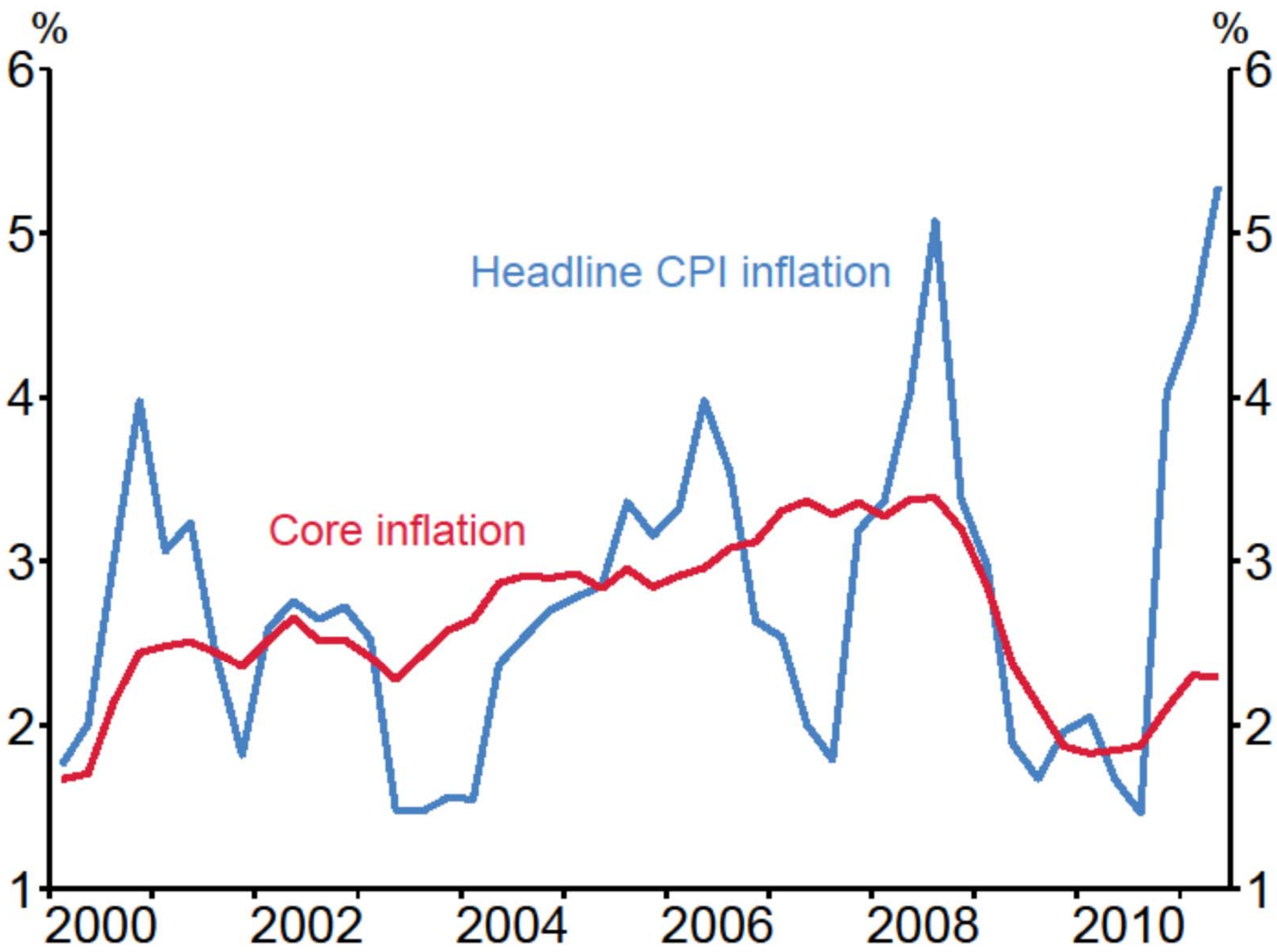


Strong NZ dollar – challenges and benefits



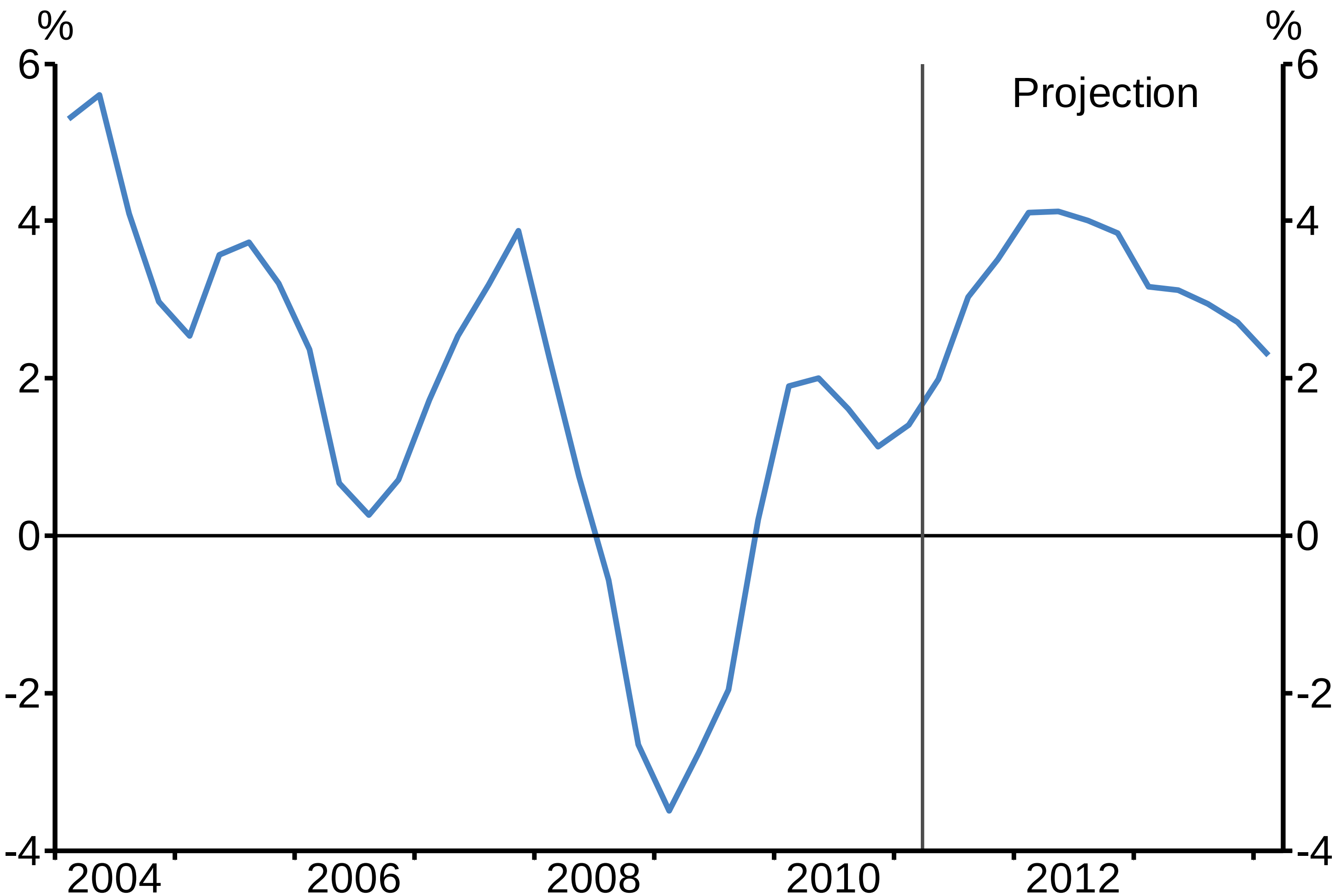
Core inflation is contained

Annual headline and core inflation



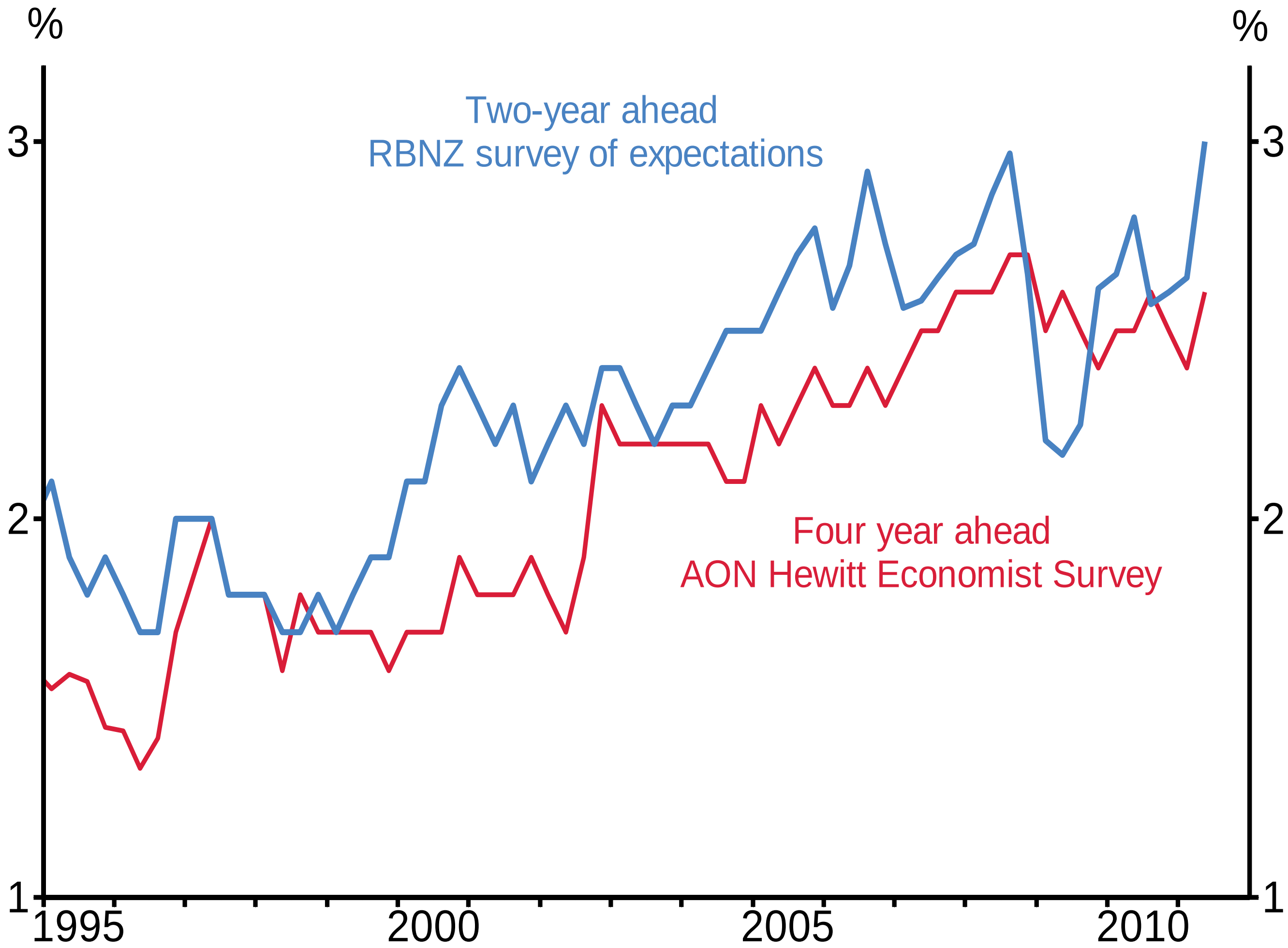
GDP growth to increase

Annual GDP growth

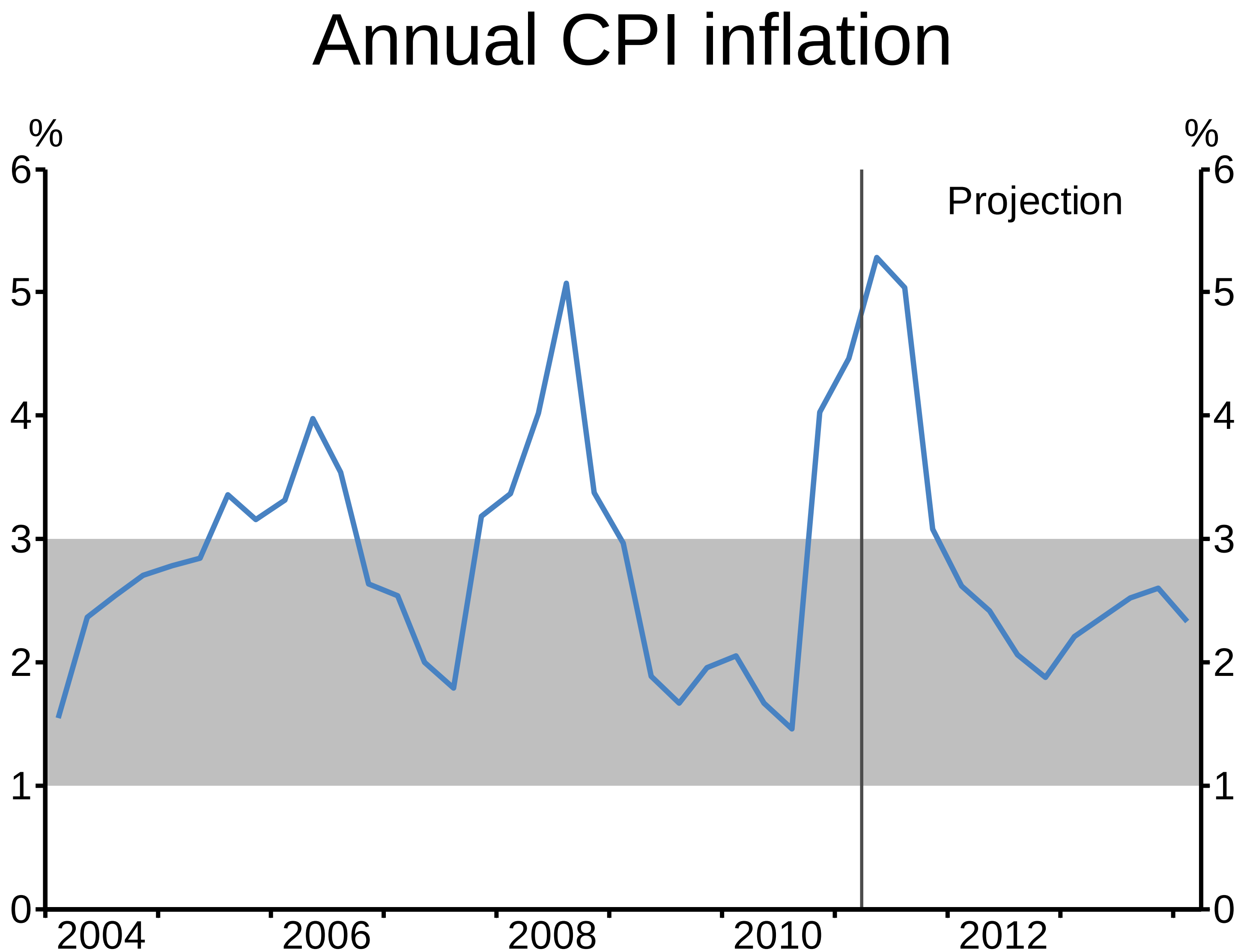


Some pick-up in inflation expectations

Surveyed inflation expectations

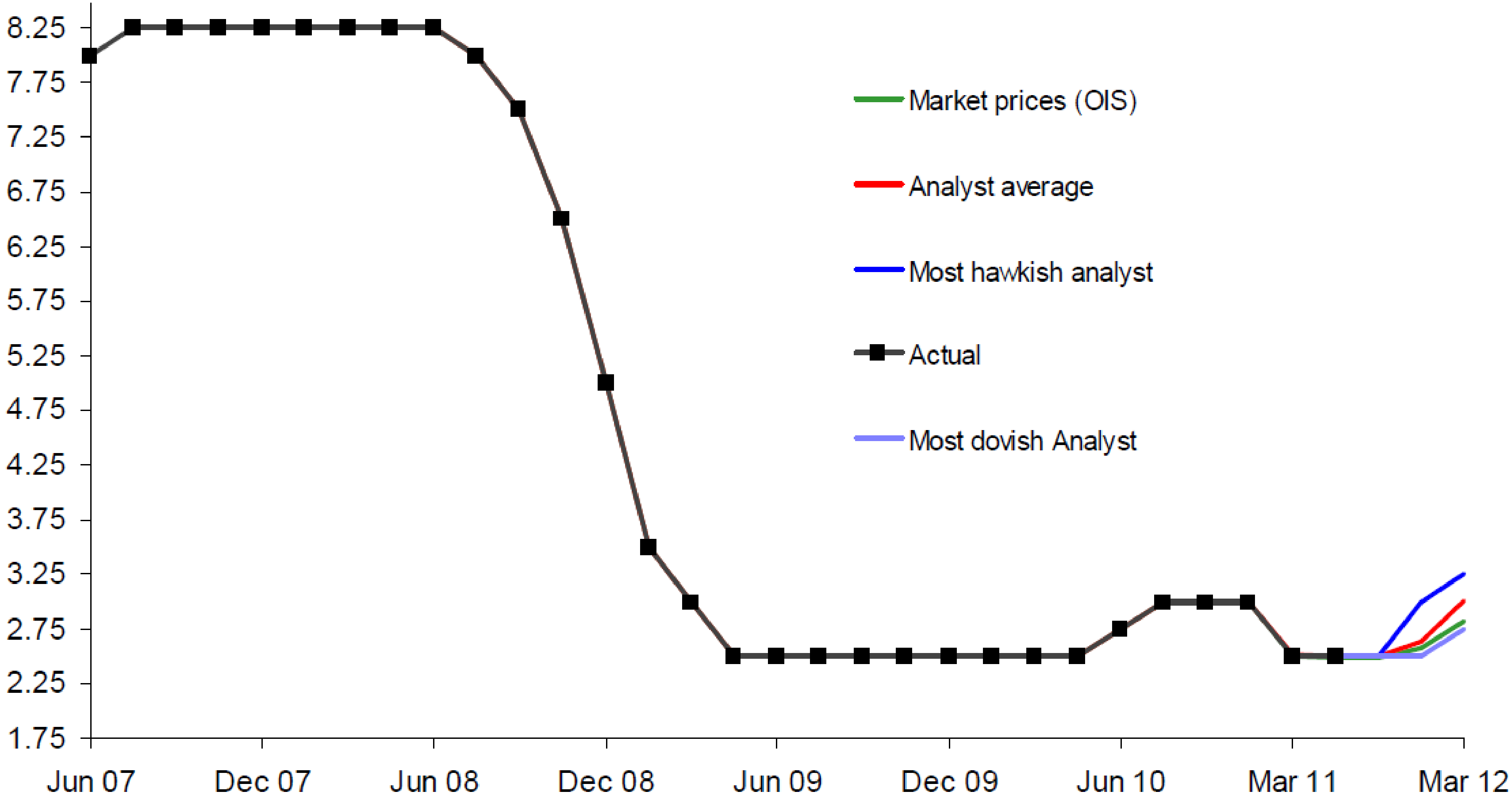


CPI inflation contained



OCR expectations – the range of views

13 July 2011 Reuters Survey of Analysts and current market pricing



End of presentation