**[Unemployment rate drops to 4.7%](https://www.rnz.co.nz/news/business/441856/unemployment-rate-drops-slightly-to-4-point-7-percent)**

NZ's unemployment rate has fallen, with more jobs created in the first three months of the year. Stats NZ figures show the unemployment rate fell from 4.9% to 4.7% in the March quarter – with 15,000 more people in work. But the underutilisation rate, which is a measure of slack in the labour market, increased to 12.2% from 11.9%. Unemployment is defined as those actively seeking work, while underutilisation are people wanting to work more hours or who could work but are not actively seeking a job. The numbers are better than expected, with Treasury forecasting an unemployment rate of 6.5% for the quarter.

[**New Zealand's trade and economy highly exposed to China**](https://www.abc.net.au/news/2021-04-24/new-zealand-china-trade-difference-australia-/100090878)

In 2020, the value of all New Zealand exports to China was nearly $19 billion and dairy accounted for more than $5 billion of that. Head of research at Rabobank Australia and New Zealand Tim Hunt said New Zealand was "significantly exposed" to China. "New Zealand does export the vast majority of what it produces," he said. "And around a third of New Zealand's exports, in terms of agriculture, head off to China." Associate Professor of politics and international relations at Auckland University Stephen Hoadley said New Zealand had just as much to lose. As a small nation, and one of China's smallest trading partners, he said New Zealand "would be easiest to dispense with". Without mineral reserves, New Zealand is even more vulnerable than Australia when it comes to upsetting China. Tourism, education, dairy, fruit, wine, wood and seafood exports are particularly exposed to Chinese demand. "So there is this sense of vulnerability in the New Zealand Ministry of Foreign Affairs and that's why New Zealand is fairly courteous in its relationship with China" – Stephen Hoadley added.

[**Budget situation: interim financial statements for the nine months ended 31 March 2021**](https://www.treasury.govt.nz/news-and-events/news/interim-financial-statements-government-new-zealand-nine-months-ended-31-march-2021)

With three months left from the 2020/21 budget year, the latest interim report shows that NZ’s budget is in a better shape than earlier predicted. Revenues in the first 9 months of the budget year (from 1 July 2020 until 31 March 2021) exceeded the forecast by NZ$4.1 billion, whereas expenses were only NZ$260 million higher. Nevertheless, the COVID recovery measures have taken their toll in terms of Government debt. Compared to the same date (31 March) in 2020, the net debt as a percentage of GDP rose from 21.4% in 2020 (NZ$66.4 bn) to 33.3% in 2021 (NZ$105.3 bn). The upcoming budget for 2021/22 will most likely show an added increase to debt as compared to GDP, as COVID recovery is slowly underway and the government takes an initiative to inject economic stimulus into the economy.