**[New Zealand in a rare trade surplus](https://www.newsroom.co.nz/pro/business-investing-fri-2)**

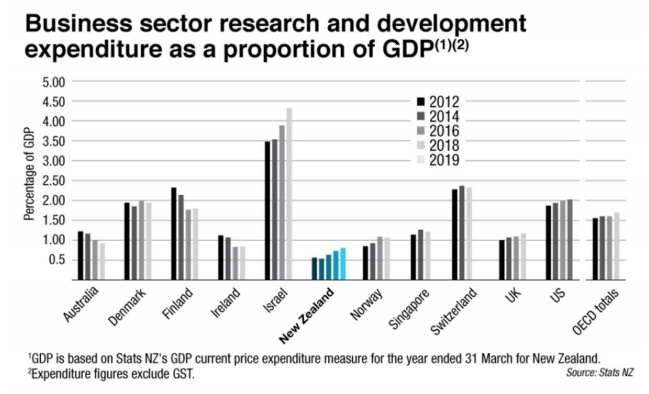
Falling imports as a result of Covid-19 have given NZ its largest annual trade surplus in six years, with imports continuing to decline. In the 12 months ended August, the trade surplus was NZ$1.3 billion, compared with a deficit of NZ$5.6 billion in the prior year. Goods exports totaled NZ$60.7 billion, up NZ$1.6 billion from the previous year, while annual goods imports were NZ$59.4 billion, down NZ$5.3 billion from the previous year. This also comes as the NZ dollar is on track to experience its biggest weekly fall in almost six months, currently down 3.4%. NZ's current debt is at 31% of GDP, with this expecting to peak at 58% in 2024.

[**Impact of recent lockdown on spending**](https://www.newsroom.co.nz/pro/business-investing-tues-4?utm_source=8+Things+Subscribers&utm_campaign=a5418f9d8a-EMAIL_CAMPAIGN_2020_09_22&utm_medium=email&utm_term=0_2412c1d355-a5418f9d8a-140841362)

New data from the Reserve Bank of NZ has shown that total monthly credit card billings fell 5.8% to NZ$3.6 billion in August, as the Covid-19 alert status was raised to Level 3 in Auckland in the middle of the month and Level 2 for the rest of the country. Billings on domestically issues cards decreased 6% to NZ$3.3 billion and billings on overseas-issued cards decreased 11% to NZ$0.25 billion, due to fewer international visitors in NZ. However, overseas billings on NZ-issued credit cards increased 10% to NZ$0.24 billion, indicating that online shopping continues to increase in popularity.

**New Zealand’s businesses still lagging behind OECD when it comes to R&D investments**

There has been on-going investment in science and innovation in New Zealand and in recent years R&D investment has increased, however, it is comparatively low among other developed nations. In New Zealand R&D has been slowly increasing from about 0.6% to 0.8% of GDP, yet the OECD average is above 1.5%.



[**House prices hold strong**](https://www.rnz.co.nz/news/business/427296/property-price-rise-boosted-by-limited-for-sale-listings)

Property values have held firm through the worst of the economic downturn, supported by limited supply, record low interest rates and increased market confidence. Overall, values rose 7.6% over the past year, with Auckland's average house price surpassing NZ$1 million in September. [Housing stock has also hit a record low](https://www.tvnz.co.nz/one-news/new-zealand/residential-property-listings-record-low-auckland-asking-price-hits-more-than-1-million?utm_source=Iterable&utm_medium=email&utm_campaign=morningbriefing) which has affected all but one region in NZ. Northland has been the hardest hit, with a 32.8% drop in housing stock over the past 12 months. Nationally, demand still outweighs supply with the total number of homes available for sale in September down 17% on the same month in 2019.