

HUGO Group: Economics Briefing

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BNZ Markets

Outline

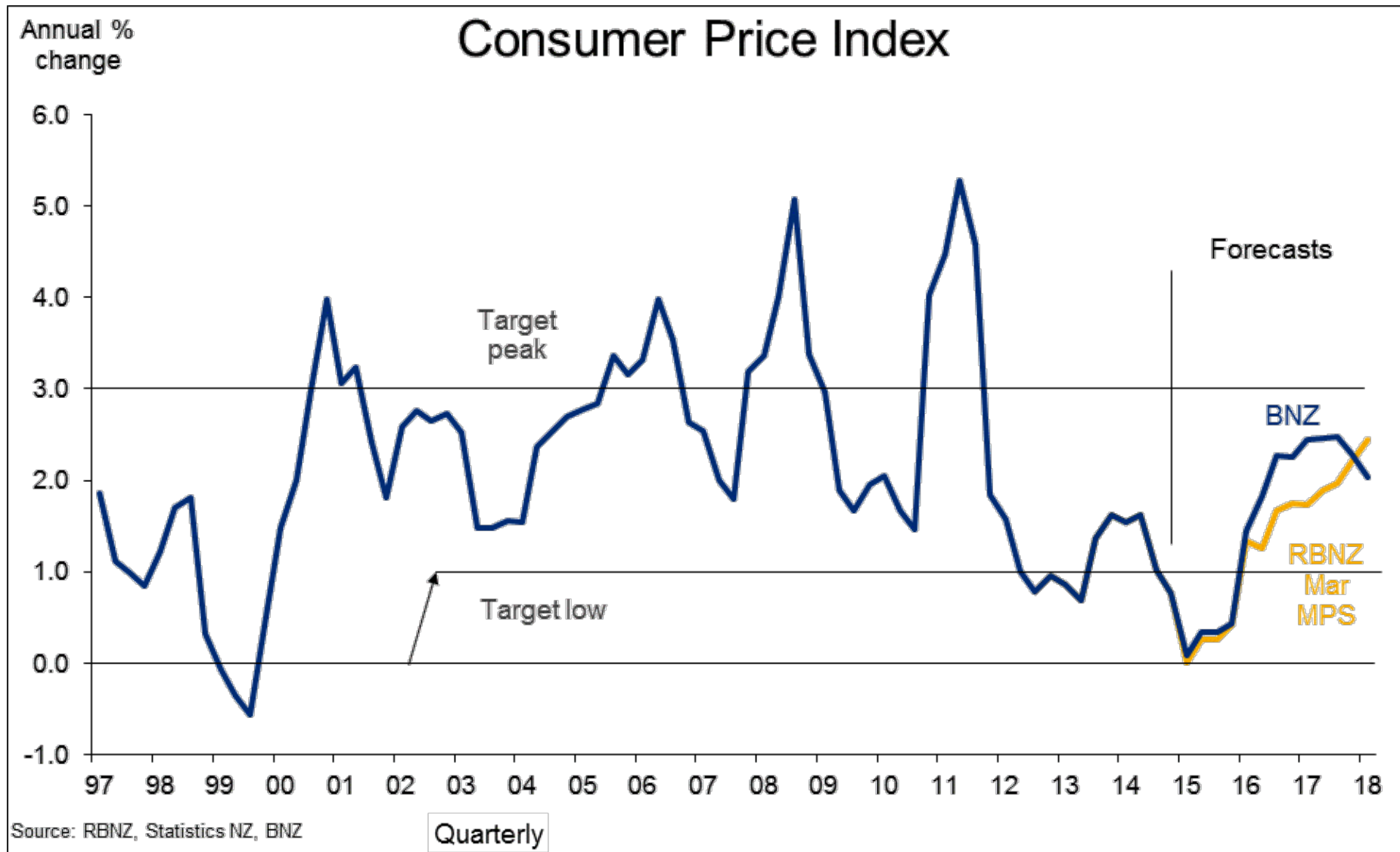
1. Inflation Targets

2. Tourism Boom

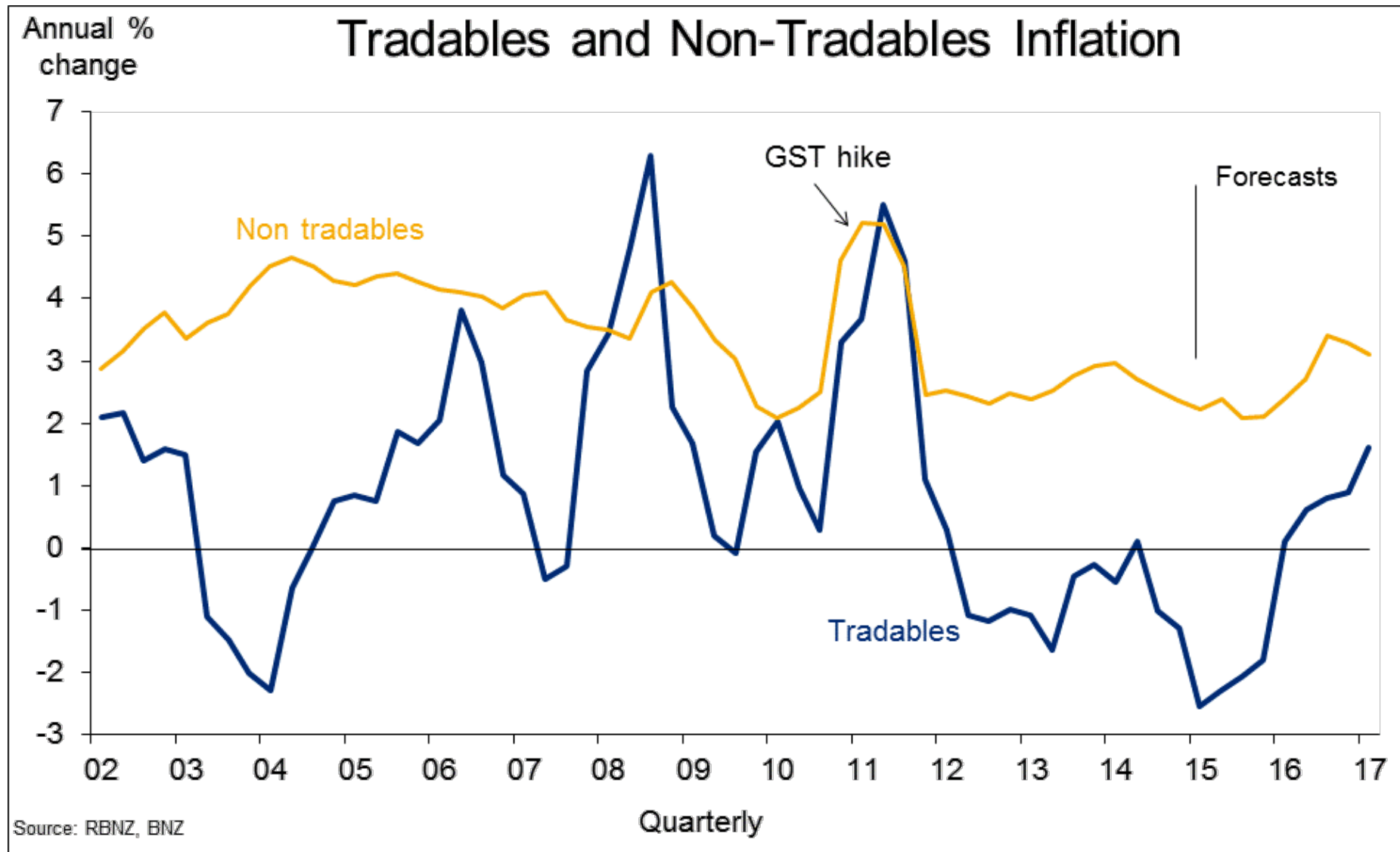
Inflation Targets

- 1. Why 2%, exactly?***
- 2. Appropriate?***
- 3. Credible?***
- 4. Structural Disinflation (Globalisation)***
- 5. Also, cyclically weak global inflation***
- 6. Policy implications?***

What Are We Aiming For?



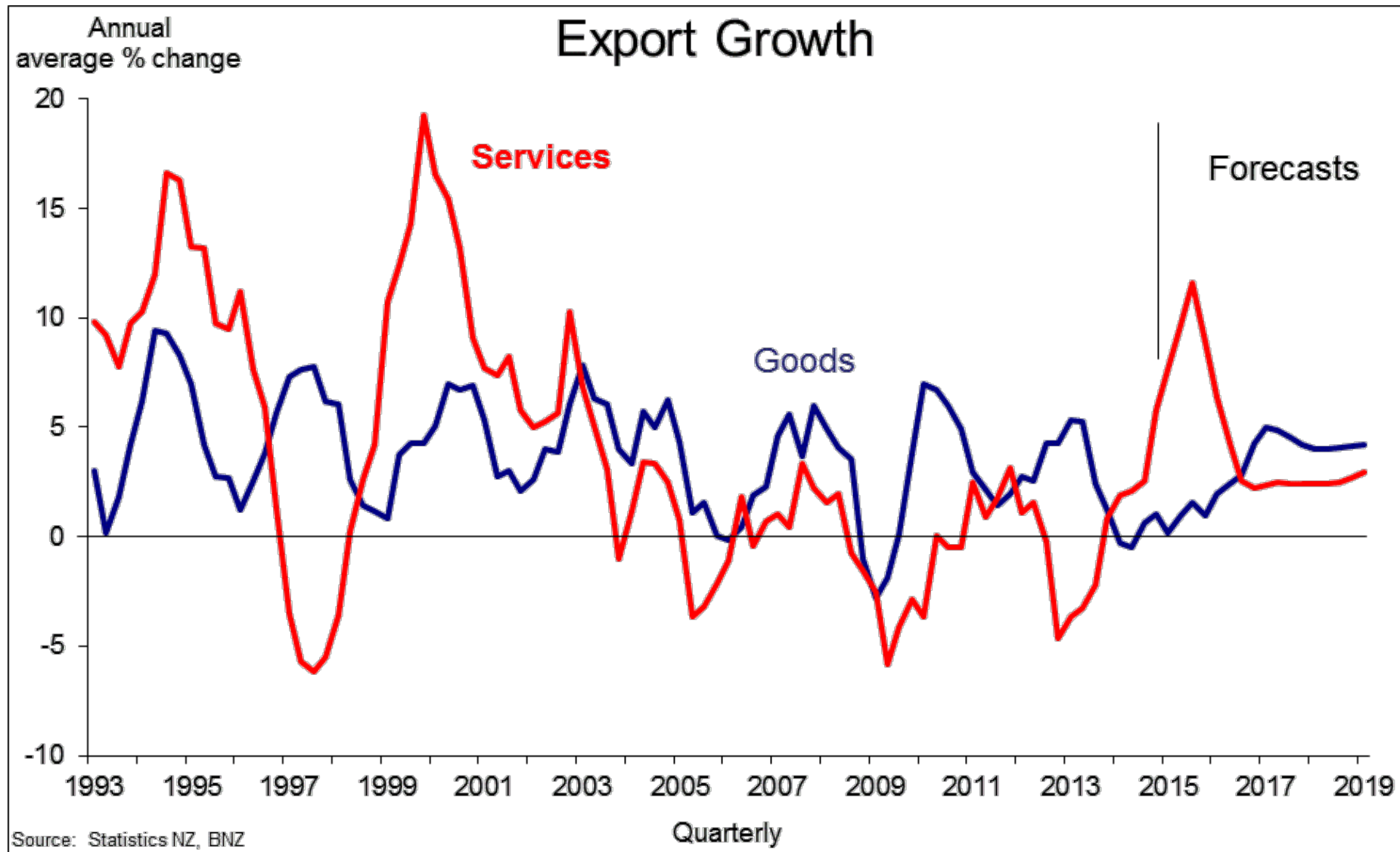
What Are We Aiming For?



Tourism Boom

- 1. Stand-out in Q4 GDP***
- 2. Despite strong exchange rate***
- 3. China arrivals surging***
- 4. Flight capacity/connections***

Booming Tourism



Booming Tourism



Tourist Arrivals										
	Annual	% of total	Ann %	Feb Qtr/Qtr %	Ann avg %	Growth Outlook				
						2013	2014	2015	2016	2017
Australia	1,259,248	43.3	1.6	3.4	1.8	2.1	2.7	2.7	3.1	2.7
China	287,888	9.9	96.4	39.3	21.3	7.7	7.4	7.0	6.9	7.3
United States	226,608	7.8	15.9	9.2	10.3	2.2	2.4	3.2	2.9	2.7
United Kingdom	195,984	6.7	1.8	1.8	-0.2	1.7	2.6	2.7	2.5	2.4
Japan	81,712	2.8	0.2	5.0	10.0	1.6	0.2	1.3	1.6	1.2
Germany	79,888	2.7	5.4	7.3	8.3	0.2	1.6	1.8	1.9	1.6
Korea	58,144	2.0	11.6	20.4	10.1	3.0	3.3	3.4	3.7	3.4
Canada	49,376	1.7	9.6	3.6	2.1	2.0	2.5	2.1	2.2	2.3
Singapore	47,296	1.6	24.3	8.2	10.5	3.9	2.9	3.0	3.4	3.3
India	39,168	1.3	36.0	23.4	24.6	4.7	5.6	6.4	6.7	5.9
Other	581,136	20.0								
Total	2,906,448	100.0	14.2	7.5	5.2	3.0	2.9	3.5	3.3	3.3

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