

TABLE 15.—DIRECTION OF IMPORT TRADE: PERCENTAGES

Year.	United Kingdom.	Europe.	U.S.A.	Canada.	Australia.	Far East.	Other.	Total.
1938 ..	47.9	4.3	12.4	8.8	12.9	6.8	6.9	100
1939 ..	46.8	3.5	11.4	8.9	13.0	9.1	7.3	100
1946 ..	47.7	1.8	16.5	6.5	14.5	5.2	7.8	100
1947 ..	42.8	5.3	18.1	9.0	11.6	5.8	7.4	100
1948 ..	52.3	4.6	10.8	5.4	11.1	6.6	9.2	100

To the traditional reasons that have made the United Kingdom New Zealand's main source for imported goods, must be added the favoured position she has enjoyed under New Zealand's import-licensing policy and the increasing substitution of United Kingdom goods for those of hard-currency origin. These resulted in the United Kingdom obtaining in 1948 an increased share of the New Zealand import trade both absolutely and relatively. That New Zealand has given practical demonstration of the sterling area's endeavours to curtail dollar expenditure is evidenced by the drop both in values and percentages of her imports from the United States and Canada in 1948 compared with 1947 and previous years.

The rapid return of Europe as a supplier of New Zealand's imports in 1947 was assisted by the more liberal import policy adopted in that year, allied to the post-war economic recovery of European countries.

The main items imported from Australia are wheat, machinery, iron and steel, textiles and yarns, hardwoods, sugar, dried fruits, egg-pulp, wines and spirits, and a range of other manufactured goods. The value of imports from Australia in 1948 was almost double the value in 1938. This increase came about largely through higher prices of foodstuffs and raw materials. The quantity of wheat imported from Australia over these years was doubled, whereas the cost increased five-fold.

The value of imports of manufactured goods from Australia also increased substantially, the value of 1948 purchases being about 85 per cent. above the 1938 figure. Increases were recorded in such items as electrical, agricultural, and metal-working machinery, artificers tools, manufactured metals, woollen piece-goods, and printed books. A number of Australian industries, particularly in metal-working and engineering, are now able to compete effectively on the New Zealand market with former suppliers such as the United Kingdom, Germany, Sweden, and the United States.

Australia's ability to compete has been hampered in recent years by coal and iron supply difficulties. There is reason to believe, however, that, as these difficulties are overcome, the volume of New Zealand's imports from Australia will increase beyond the present level.

Between 1938-39 and 1948 the value of New Zealand's import trade with the Far East was more than doubled. The individual countries contributing to this increase were India, Pakistan, Ceylon, and Malaya. Before the war the Dutch East Indies (now Indonesia) was the major participant in this trade, supplying over half of New Zealand's imported motor-spirit. The recovery of Indonesia's export trade has been long delayed by internal dissension, but she is potentially a valuable source of dollar-saving goods, and imports from that source will probably increase when normal trading is resumed.

(3) NEW ZEALAND'S EXPORT TRADE

The value of exports in 1948 was £147,823,000, compared with £58,376,000 in 1938. In a period of changing price-levels, the currency value of a country's trade does not give a correct indication of changes in the volume of trade. The index numbers in Table 13 show, however, that the volume of goods shipped from New Zealand has increased progressively in recent years.