AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 5301.0 NOON 12 SEPTEMBER 1978

BALANCE OF PAYMENTS, AUGUST 1978

INQUIRIES *If you want to know more about these statistics ring Mr Alun James on Canberra 525519 or our State office, or write to Information Services, ABS, P.O. Box 10, Belconnen A.C.T. 2616*
For copies of this publication contact Information Services, Canberra 526627 or State offices.

MAIN FEATURES

- **An overall deficit of $106 million as measured by net official monetary movements.**
- **A trade deficit of $83 million.**
- **A current account deficit of $414 million.**
- **A net inflow of $123 million on government capital mainly reflecting proceeds of a Dutch guilder 300 million borrowing.**
- **A net apparent capital inflow of $307 million.**

EXPLANATORY NOTES

Introduction

This bulletin contains preliminary estimates of Australia's international balance of payments for the month of August 1978 together with revised estimates for previous months and financial years. These estimates should be examined in conjunction with the quarterly and annual balance of payments series published in the Balance of Payments bulletins. (5302.0 and 5303.0, respectively). Reference should be made to these publications for explanatory notes on balance of payments concepts and definitions.

2. Care should be exercised in interpreting monthly movements in the balance of payments, especially those of the most recent months. The sources available for the production of timely and reliable monthly estimates are limited. Consequently, monthly series to a greater degree than quarterly and annual data, are subject to revision as more complete and more accurate information becomes available.

Australian Currency Values

3. The Australian currency equivalents shown in these statistics for transactions originally denominated in foreign currencies were derived by converting into Australian dollars at market rates of exchange.

Adjustments to Exports and Imports

4. The figures for exports and imports in the accompanying table represent the recorded trade figures adjusted in respect of coverage, timing and valuation for balance of payments purposes.

Balance of Trade

5. This is the excess of recorded exports f.o.b. over recorded imports f.o.b., after adjustments have been made for balance of payments purposes.

Net Invisibles

6. Net invisibles covers transactions in services and transfer payments. Items included are transportation services, travel, government services, miscellaneous services, property income and transfer payments such as foreign aid, gifts and donations.

Private Capital and Balancing Item

7. This item covers foreign investment in Australian enterprises, Australian investment overseas, trade credit n.e.i., non-official monetary sector transactions and the balancing item.

Net Official Monetary Movements

8. The aggregate net official monetary movements, the main component of which is changes in official reserve assets, is usually taken as a measure of the overall surplus or deficit in the balance of payments. This item excludes changes that do not arise from international economic transactions. See footnote to table.

Residual Items

9. Due to lack of monthly data certain items in the accompanying table are derived as residuals after having first calculated those items for which monthly information can be obtained or estimated. The items which are derived as residuals are net apparent capital inflow, which is calculated by subtracting the balance on current account from net official monetary movements, and private capital and balancing item, which is derived by subtracting government capital from net apparent capital inflow.

Presentation

10. In the accompanying table, minus sign (–) denotes: a debit for items in the current account; an outflow for components of capital inflow (net); and for monetary movements, a decrease in assets or an increase in liabilities.

11. Discrepancies may occur between totals and sum of components in the table, due to rounding.

BALANCE OF PAYMENTS : AUGUST 1978
$ million

	Exports f.o.b.	*Imports f.o.b.*	*Balance of Trade*	*Net Invisibles*	*Balance on Current Account*	*Government Capital*	*Private Capital and Balancing Item*	*Net Apparent Capital Inflow*	*Net Official Monetary Movements*
1976-77	11,399	–10,345	1,054	–2,982	–1,928	148	1,289	1,437	–491
1977-78	12,043	–11,203	839	–3,249	–2,410	1,533	335	1,868	–542
1976-77									
June	961	–923	38	–302	–264	–28	65	37	–227
1977-78									
July	913	–924	–11	–333	–343	–54	97	42	–301
August	1,084	–1,023	61	–284	–222	–5	–158	–163	–386
September	1,017	–884	133	–339	–206	476	–319	157	–49
October	986	–922	63	–214	–150	185	36	221	71
November	1,133	–929	204	–197	8	–30	–54	–84	–76
December	1,009	–771	237	–248	–11	185	–242	–57	–68
January	943	–1,011	–69	–248	–317	12	199	211	–106
February	961	–841	119	–197	–77	167	–49	118	41
March	892	–993	–102	–260	–362	323	407	729	367
April	973	–904	69	–314	–245	–26	266	240	–5
May	1,020	–1,016	4	–307	–303	96	167	264	–39
June	1,114	–985	129	–311	–182	206	–16	190	8
1978-79									
July	1,025	–1,007	18	–357	–339	190	135	326	–13
August	1,042	–1,125	–83	–331	–414	123	184	307	–106
Two months ended									
August 1977	1,997	–1,947	51	–616	–565	–60	–62	–121	–687
August 1978	2,067	–2,132	–66	–687	–753	313	320	633	–120

The table below contains information on changes in official reserve assets and on exchange rates. Changes in official reserve assets which are included in the balance of payments (as part of net official monetary movements) are shown together with the adjustments made to the original Reserve Bank statistics to exclude changes in the Australian dollar value of reserve assets that are the result of revaluations. The table also shows changes in the value of the Australian dollar against specified foreign currencies. The rates quoted are mid-points of the buying and selling rates for the last day of the month obtained from the Commonwealth Trading Bank.

Official Reserve Assets and Exchange Rates

	Official Reserve Assets $ million				*Exchange Rates (end of month) – Units of foreign currency for $A*				
			Reserve Bank Series						
Month ended	*Changes included in the balance of payments*	*Changes due to effects of revaluations*	*Changes in levels*	*Levels at end of month*	*U.S.A. Dollar*	*U.K. Pound*	*W. Germ Mark*	*Japan Yen*	*N.Z. Dollar*
1977 31 August	–403	+51	–352	2,701	1.1051	0.6342	2.568	295.61	1.1393
1978 30 June	+4	+39	+43	3,225	1.1475	0.6151	2.379	234.63	1.1133
31 July	+18	+50	+68	3,293	1.1551	0.6001	2.359	222.14	1.1007
31 August	–132	+154	+22	3,315	1.1521	0.5940	2.294	217.79	1.0955

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R. J. CAMERON
Australian Statistician

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CATALOGUE NO. 5301.0

BALANCE OF PAYMENTS, SEPTEMBER 1978

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MAIN FEATURES

- **An overall deficit of $85 million as measured by net official monetary movements.**
- **A trade surplus of $8 million.**
- **A current account deficit of $292 million.**
- **A net inflow of $139 million on government capital mainly reflecting proceeds of a D.Mark 300 million borrowing.**
- **A net apparent capital inflow of $207 million.**

EXPLANATORY NOTES

Introduction

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Presentation

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11. Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

BALANCE OF PAYMENTS : SEPTEMBER 1978
$ million

	Exports f.o.b.	*Imports f.o.b.*	*Balance of Trade*	*Net Invisibles*	*Balance on Current Account*	*Government Capital*	*Private Capital and Balancing Item*	*Net Apparent Capital Inflow*	*Net Official Monetary Movements*
1976-77	11,399	−10,345	1,054	−2,982	−1,928	148	1,289	1,437	−491
1977-78	12,043	−11,203	839	−3,249	−2,410	1,533	335	1,868	−542
1977-78									
July	913	−924	−11	−333	−343	−54	97	42	−301
August	1,084	−1,023	61	−284	−222	−5	−158	−163	−386
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May	1,020	−1,016	4	−307	−303	96	167	264	−39
June	1,114	−985	129	−311	−182	206	−16	190	8
1978-79									
July	1,025	−1,007	18	−330	−313	190	109	299	−14
August	1,047	−1,125	−78	−309	−387	123	158	281	−106
September	971	−962	8	−300	−292	139	68	207	−85
Three months ended									
September 1977	3,014	−2,831	183	−955	−771	416	−381	36	−736
September 1978	3,042	−3,095	−53	−939	−992	452	334	787	−205

The table below contains information on changes in official reserve assets and on exchange rates. Changes in official reserve assets which are included in the balance of payments (as part of net official monetary movements) are shown together with the adjustments made to the original Reserve Bank statistics to exclude changes in the Australian dollar value of reserve assets that are the result of revaluations. The table also shows changes in the value of the Australian dollar against specified foreign currencies. The rates quoted are mid-points of the buying and selling rates for the last day of the month obtained from the Commonwealth Trading Bank.

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Month ended	*Changes included in the balance of payments*	*Changes due to effects of revaluations*	*Changes in levels*	*Levels at end of month*	*U.S.A. Dollar*	*U.K. Pound*	*W. Germ Mark*	*Japan Yen*	*N.Z. Dollar*
1977 30 September	+89	+30	+119	2,820	1.1076	0.6348	2.572	293.63	1.1406
1978 31 July	+18	+50	+68	3,293	1.1551	0.6001	2.359	222.14	1.1007
31 August	−132	+154	+22	3,315	1.1521	0.5940	2.294	217.79	1.0955
30 September	−91	+50	−41	3,274	1.1566	0.5853	2.234	218.31	1.0877

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