AUSTRALIAN BUREAU OF STATISTICS Canberra

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BALANCE OF PAYMENTS, NOVEMBER 1978

INQUIRIES

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MAIN FEATURES

- **An overall surplus of $37 million as measured by net official monetary movements.**
- **A trade surplus of $64 million.**
- **A current account deficit of $200 million.**
- **A net inflow of $147 million on government capital mainly reflecting proceeds of a Yen 40 billion ($A184 million) borrowing.**
- **A net apparent capital inflow of $237 million.**

EXPLANATORY NOTES

Introduction

This bulletin contains preliminary estimates of Australia's international balance of payments for the month of November 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. Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

BALANCE OF PAYMENTS : NOVEMBER 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	−3,015	−1,961	148	1,322	1,471	−491
1977-78	12,042	−11,176	866	−3,324	−2,458	1,498	419	1,916	−542
1977-78									
September	1,017	−884	133	−339	−206	479	−322	157	−49
October	986	−921	66	−216	−151	184	38	222	71
November	1,133	−929	204	−198	7	−30	−53	−83	−76
December	1,010	−769	240	−250	−10	183	−241	−58	−68
January	940	−1,011	−71	−257	−328	14	209	223	−106
February	961	−842	119	−204	−85	169	−43	126	41
March	892	−994	−102	−266	−368	324	411	735	367
April	973	−893	80	−332	−251	−29	275	246	−5
May	1,021	−1,004	17	−322	−306	73	194	267	−39
June	1,113	−985	128	−318	−191	186	12	199	8
1978-79									
July	1,027	−1,041	−13	−331	−345	188	143	331	−14
August	1,047	−1,087	−40	−310	−349	124	115	239	−110
September	972	−960	11	−300	−289	139	65	204	−85
October	1,127	−1,188	−61	−296	−357	165	94	259	−98
November	1,244	−1,180	64	−264	−200	147	90	237	37
Five months ended									
November 1977	5,134	−4,678	455	−1,474	−1,019	577	−299	278	−741
November 1978	5,417	−5,456	−39	−1,501	−1,539	763	506	1,269	−270

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. The trade-weighted index is published by the Reserve Bank and is an index of the average value of the Australian dollar vis a vis currencies of Australia's trading partners.

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	Trade-weighted index of value of Australian dollar, May 1970 = 100
1977 30 November	−91	+29	−62	2,938	1.1274	0.6214	2.509	274.64	90.0
1978 30 September	−91	+50	−41	3,274	1.1566	0.5853	2.234	218.31	83.6
31 October	−69	+123	+54	3,328	1.1891	0.5648	2.038	209.93	83.2
30 November	18	−120	−102	3,226	1.1363	0.5822	2.184	223.97	83.2

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