Australian Bureau of Statistics

CATALOGUE NO. 5301.0
EMBARGOED UNTIL 11.30 A.M 23 November 1989

BALANCE OF PAYMENTS, AUSTRALIA, OCTOBER 1989

PHONE INQUIRIES
- about **these statistics** and the availability of **related unpublished statistics** — contact either Mr Dennis Hensman on Canberra (062) 52 6689, Mr Joseph Dalgleish on Canberra (062) 52 5540, or any ABS State office.
- about **other statistics** and **ABS** services — contact **Information Services** on Canberra (062) 52 6627, 52 5402, 52 6007 or any ABS State office.

MAIL INQUIRIES
- write to **Information Services**, ABS, P.O. Box 10, Belconnen, A.C.T. 2616 or any ABS State office.

ELECTRONIC SERVICES
- on **VIATEL** — key *656#.
- on **AUSSTATS** — phone (062)52 6017.
- on **TELESTATS** — phone (062) 52 5404 Foreign Trade statistics enquiries
(062) 52 5405 Main Economic Indicator enquiries

Users are warned that care should be exercised in the use and interpretation of estimates in this publication. In particular the estimates for later months are ***preliminary and subject to revision as more complete and accurate information becomes available. Particular care should be taken in interpreting month-to-month movements.***

MAIN FEATURES

The preliminary estimates of the main balance of payments aggregates for October 1989, the three preceding months and year-to-date are shown in the table below, together with statistics on the $US exchange rate and the trade weighted index of the value of the Australian dollar:

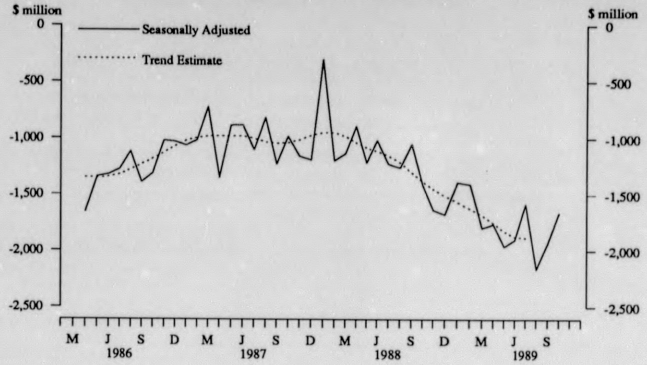
	1989-90				*July - Oct*		
	July	*Aug*	*Sept*	*Oct*	*1988-89*	*1989-90*	*Change(a)*
		$ million			$ million		%
				Not seasonally adjusted			
Balance on current account	-1767	-2471	-1693	-2242	-5603	-8173	-46
Balance on merchandise trade	-484	-1255	-315	-751	-1551	-2805	-81
Net services	-429	-391	-466	-420	-884	-1706	-93
Net income	-1052	-1039	-1100	-1275	-3953	-4466	-13
Net unrequited transfers	198	214	188	204	745	804	8
Official capital	-608	-40	243	608	120	203	..
Non-official capital plus balancing item	2375	2511	1450	1634	5483	7970	..
				Seasonally adjusted			
Balance on current account	-1581	-2159	-1932	-1657	..	..	.
Balance on merchandise trade	-196	-822	-537	-248	..	..	..
Net services	-329	-313	-307	-350	..	..	..
Net income	-1225	-1215	-1280	-1237	..	..	..
Net unrequited transfers	169	191	192	178	..	..	..
$US exchange rate (per unit of $A)(b)	0.7571	0.7621	0.7721	0.7749	0.8018	0.7666	-4.4
Trade weighted index (base May 1970 = 100)(b)	58.6	59.2	60.6	60.1	60.9	59.6	-2.1

a) For the current account, a minus sign means an increase in the deficit and a plus sign means a decrease in the deficit or an increase in the surplus.
b) Period averages.

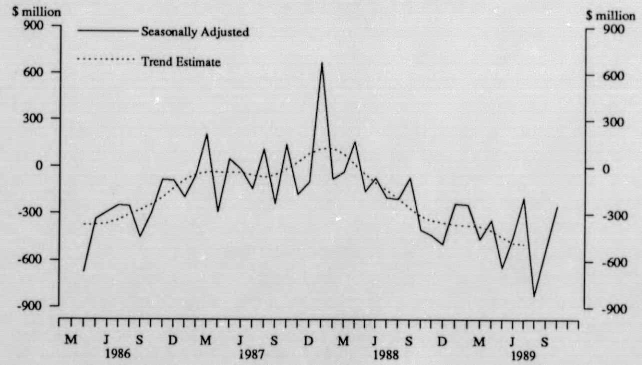
The current account deficit for October rose $549 million (or 32 per cent) in original terms and fell $275 million (or 14 per cent) in seasonally adjusted terms.

In original terms, the rise was largely due to a widening of the merchandise trade deficit as imports rose 10 per cent while exports remained virtually unchanged. The net income deficit also widened as income debits increased by 13 per cent. In seasonally adjusted terms, the merchandise trade deficit fell $289 million reflecting a 6 per cent decrease in imports and little change in exports.

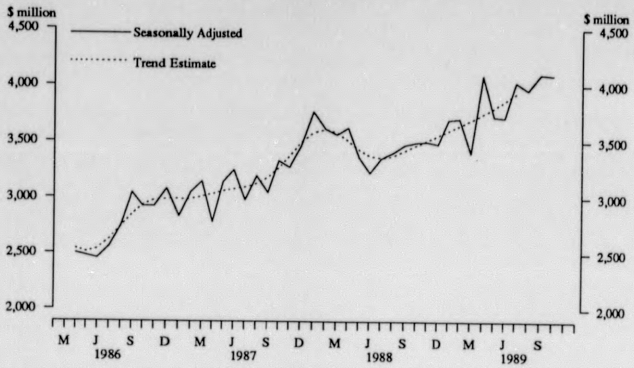
GRAPH 1: BALANCE ON CURRENT ACCOUNT



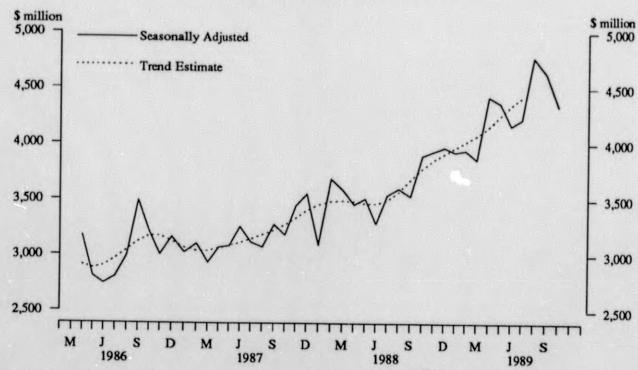
GRAPH 2: BALANCE ON MERCHANDISE TRADE



GRAPH 3: MERCHANDISE - EXPORTS F.O.B.



GRAPH 4: MERCHANDISE - IMPORTS F.O.B.



ANALYSIS OF SELECTED MAJOR AGGREGATES

October 1989 -

The **merchandise trade** deficit increased by $436 million to $751 million in October. In **seasonally adjusted** terms, the deficit fell by $289 million to $248 million.

Exports f.o.b. was virtually unchanged at $3989 million.

Rural exports rose marginally. Rises in wool, up $74 million or 26 per cent and "other rural" exports, up $56 million or 17 per cent outweighed falls in cereals, down $60 million, or 29 per cent (wheat was down $38 million or 22 per cent chiefly due to reduced volumes exported) and sugar, down $58 million or 36 per cent. Meat exports rose marginally by $6 million.

Non-rural exports fell $35 million. The main falls occurred in "other" non-rural exports, down $97 million or 40 per cent and in "other" metals down $48 million or 12 per cent. The main rise was recorded in coal, up $67 million or 14 per cent.

In **seasonally adjusted** terms exports fell by less than 1 per cent to $4090 million.

Imports f.o.b. increased $419 million or 10 per cent, with rises recorded in all commodity groups. The largest increases occurred in: machinery, up $102 million or 8 per cent (of which an increase of $40 million was due to imports of telecommunications and related equipment); fuels, up $92 million or 66 per cent; and manufactures nec, up $87 million or 10 per cent (reflecting increases in most component divisions).

The accompanying table on this page shows a breakdown of transport equipment imports on a monthly basis since August 1988 and on an annual basis for the last three financial years.

Exogenous imports rose by $7 million or 1 per cent. A fall in aircraft imports was offset by increases in fuels and other exogenous imports. One civil aircraft valued at $173 million was imported by Qantas. This follows the import of two civil aircraft in September valued at $270 million. **Endogenous imports** rose $412 million or 11 per cent.

In **seasonally adjusted** terms imports fell by $301 million or 6 per cent to $4338 million.

The **net services** deficit was $420 million, down $46 million or 10 per cent. Services credits rose $56 million or 7 per cent, chiefly accounted for by an increase in travel credits caused by a seasonal increase in the number of foreign visitors to Australia. Services debits rose $10 million or 1 per cent. A fall of $27 million in travel debits was more than offset by rises in shipment (due to higher freight payments on imports) and "other transportation".

In **seasonally adjusted** terms the net services deficit widened by $43 million or 14 per cent to $350 million, while the deficit on goods and services fell by $246 million or 29 per cent to $598 million.

The **net income** deficit, at $1275 million, was up $175 million or 16 per cent. Income receivable from non-residents rose $23 million, while income payable to non-residents rose $198 million (mainly due to a seasonal increase in official investment income).

In **seasonally adjusted** terms the net income deficit fell $43 million or 3 per cent to $1237 million.

Net unrequited transfers recorded a surplus of $204 million, up $16 million or 9 per cent. Unrequited transfers credits rose by $17 million or 5 per cent, chiefly due to higher withholding tax receipts. Unrequited transfers debits remained virtually unchanged at $153 million.

In **seasonally adjusted** terms, the surplus on net unrequited transfers fell $14 million or 7 per cent.

Imports of Transport Equipment
(not seasonally adjusted)
$ million

Period	Civil aircraft (a)	Road vehicles(b)	Other transport equipment	Total
Years -				
1986-87	1058	2720	724	4502
1987-88	189	3139	824	4152
1988-89	837	4790	1225	6852
Months -				
1988-89 -				
August	82	357	62	501
September	-	310	92	402
October	144	396	132	672
November	126	412	127	665
December	201	338	149	688
January	37	399	83	519
February	73	378	89	540
March	39	463	108	610
April	40	453	80	573
May	67	469	151	687
June	28	467	100	595
1989-90 -				
July	32	518	106	656
August	187	578	297	1062
September	270	394	104	768
October	173	439	170	782

(a) Acquisition of aircraft by selected major airline companies. (b) SITC Division 78.

The **capital transactions** of the official sector recorded a net inflow of $608 million, up $365 million on the inflow in September. The October estimate was comprised of a net inflow of $663 million on account of general government transactions, up $260 million on the September inflow and a net outflow of $55 million from Reserve Bank transactions, down $105 million on the previous month's outflow. The change on account of general government transactions resulted from rises in the inflows attributable to both borrowing, up $213 million (State government borrowing domiciled abroad rose $235 million) and "other" general government transactions, up $47 million. The lower outflow recorded for Reserve Bank transactions (down $105 million) reflected falls of $55 million and $50 million, respectively, in the outflows from transactions in official reserve assets (denoting a lower increase in these assets) and in non-resident deposits (denoting a smaller reduction in these liabilities) which is part of the "other" Reserve Bank component.

Four months ended October 1989 -

The deficit on **current account** was $8173 million, up $2570 million or 46 per cent on the deficit for the four months ended October 1988, chiefly due to the increased deficits on **merchandise trade**, up by $1254 million, and **net services**, up $862 million.

Exports f.o.b. rose by $2360 million, with rises in metal ores and minerals, coal and cereals being the largest contributors. The only group to fall was wool.

Imports f.o.b. rose by $3614 million with transport equipment, up $1293 million, and machinery, up $1140 million being the main contributors. "Manufactures nec" and fuels also rose substantially. "Other" imports was the only group to fall.

Exogenous imports rose $735 million while endogenous imports rose $2879 million.

The **net services** deficit rose $862 million mainly due to a $878 million (or 20 per cent) increase in services debits (all items rose). Services credits rose less than 1 per cent.

The **net income** deficit rose $513 million. An increase of $1011 million in income debits (chiefly due to increased interest payable abroad) was only partly offset by an increase of $498 million in income credits.

The **net unrequited transfers** surplus rose $59 million.

Net **official capital transactions** yielded an inflow of $203 million, up $83 million on the inflow for the corresponding period the previous year. General government transactions yielded a net inflow of $930 million, up $118 million on the inflow for July to October 1987-88. The decrease in the net inflow on account of general government borrowing domiciled in Australia (down $822 million) was more than offset by the higher State government borrowing domiciled abroad (up $398 million) and a turnaround of $518 million to an inflow in "other" general government transactions. Reserve Bank transactions recorded an outflow of $727 million, which was $35 million higher than the outflow for the equivalent period of 1988. A reduction in liabilities on account of non-resident deposits, represented by the turnaround (to an outflow) of $140 million, was the main reason for the change.

REVISIONS

Some previously published estimates have been revised in this issue. The July 1989 issue of this publication and the June quarter 1989 issue of *Balance of Payments, Australia* (5302.0) described the introduction of preliminary improved services and royalties estimates in the balance of payments. Revisions to these preliminary estimates have now been made as a result of final results becoming available from the various data sources as follows:

- The revisions arising from the International Trade in Services Survey are generally offsetting and affect "other services" credits and debits and "other property income" credits and debits.
- The students' expenditure estimate, a component of the *travel* item, have been revised due to the receipt of more information from a Bureau of Industry Economics survey. The main change is to travel credits.
- "Other travel" debits has been revised to incorporate the results of the new quarterly Survey of International Travel Enterprises (SITE) (See the *Changes in this issue* statement).
- "Other travel" credits have been revised as a result of an improvement in the estimation methodology used.

Other revisions have also been made to incorporate more up to date information from regular data sources. These are:

- revisions to merchandise trade mainly reflecting the latest available data on recorded trade.
- revisions to investment income to incorporate preliminary results of the September quarter 1989 Survey of Foreign Investment (See the *Changes in this issue* statement).
- revisions to "shipment" credits and "other transportation" credits and debits to reflect the latest available information from the Surveys of International Shipping and Airlines Operations.

The impact of these revisions on the current account deficit have been increases of $152 million, $299 million and $164 million respectively, to 1986-87, 1987-88 and 1988-89. In addition the three months to September deficit for 1989 has been revised downwards by $169 million.

For net capital transactions, the revisions reflect the inclusion of more up-to-date information from the Survey of Foreign Investment and other data sources.

CHANGES IN THIS ISSUE - IMPROVED TIMELINESS OF SOURCE DATA

Investment income
Commencing with this issue, the timeliness of preliminary quarterly investment income data obtained from the Survey of Foreign Investment has been improved. All the preliminary quarterly estimates (other than reinvested earnings) are now available approximately 5 weeks after the end of the reference quarter. Previously, a large proportion of the preliminary quarterly data was not available until one month later. This improvement will improve the reliability and reduce the frequency of revisions to monthly statistics of investment income.

Estimation procedures for reinvested earnings, other property income items and labour income are not affected by this change.

Travel debits
For the first time, this issue incorporates results from the new quarterly Survey of International Travel Enterprises (SITE) to estimate travel debits. Quarterly results from the SITE are now available from September quarter 1988 to June quarter 1989. In the past, quarterly and monthly travel debits estimates were extrapolated from annual SITE results using statistics on short-term resident travel movements. Annual SITE data does not usually become available until about six months after the end of the reference year. It is expected that the quarterly SITE data will be available, in future, within two months after the reference quarter.

The new quarterly SITE data will improve the timeliness and accuracy of travel debits which now account for over a third of total services debits. The new data will also reflect more accurately the seasonal spending patterns of Australians travelling abroad.

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for October 1989, together with revised estimates for previous months. More comprehensive quarterly estimates will become available in the September quarter 1989 issue of the quarterly balance of payments publication (5302.0) to be released at the end of this month.

2. Summary descriptions of the underlying concepts, and structure of the balance of payments and the sources and methods used in compiling the estimates are presented in *Balance of Payments, Australia: Summary of Concepts, Sources and Methods* (5351.0). The publication also provides item definitions and explanations of seasonal adjustment and trend estimates.

Accuracy, reliability and volatility

3. Care should be exercised in the use and interpretation of estimates in this publication. The sources available for the production of timely and reliable monthly estimates are limited and the initial estimates are made available very quickly by world standards. Consequently, the latest estimates in this publication, to a greater extent than estimates in quarterly and annual balance of payments publications, are **preliminary and subject to revision** as more complete and accurate information becomes available. Further, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

4. **Particular care should be exercised in interpreting month-to-month movements** in original and seasonally adjusted series as short term movements cannot be assumed to indicate changes in trend. The monthly estimates are volatile, being subject to seasonal factors (except where adjusted in Table 3) and large irregular influences (which are not removed by seasonal adjustment). The irregular influences may reflect both random economic events and difficulties of statistical recording. The impact of the irregular influences upon the seasonally adjusted series is reduced by smoothing, as shown by the trend estimates in Table 3 and the graphs on page 2. The trend estimates are derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted series.

Seasonal adjustment

5. The factors expected to be used in seasonally adjusting the monthly balance of payments statistics during the remainder of 1989 are provided in the ABS information paper *Seasonal Adjustment of Australia's Monthly Balance of Payments Statistics* (5359.0) released on 14 August 1989. They can also be obtained, for a charge, from Mr Daniel Aherne on Canberra (062) 52 6689.

6. The **seasonally adjusted** statistics in this publication should not be regarded as in any way definitive as results from seasonal adjustment vary according to the method used.

Available longer term series

7. Estimates for months prior to those shown in this publication are available and can be obtained by contacting Mr Dennis Hensman on Canberra (062) 52 6689. There may be a charge for this information.

Schedule of expected release dates

8. This publication has usually been released about twelve working days after the end of the reference month. However, delays are being experienced in the receipt of exports information associated with the progressive implementation, by the Australian Customs Service, of EXIT, a new system for electronically processing and recording export information. These delays mean that the issues for the remainder of 1989 and early 1990 will be delayed until approximately 17 working days after the reference month. It is hoped that the improvements in the recording of data under EXIT will enable a return to the twelve-working-day release early in 1990. The expected release dates for the next two issues are:

Issue	Release date
November 1989	Friday, 22 December 1989
December 1989	Wednesday, 24 January 1990

Any variations which might occur will be notified in the ABS *Publications Advice* (1105.0) and on VIATEL. The dates can be confirmed a few days prior to release by telephoning Canberra (062) 52 6778.

Related publications

9. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0). The ABS also issues on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next five days. The Catalogue and Publications Advice are available from any ABS office.

Symbols and other usages

f.o.b.	free on board
n.a.	not available
n.e.c.	not elsewhere classified
n.y.a.	not yet available
-	nil or rounded to zero
..	not applicable

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

Electronic services

VIATEL. Key *656# for selected current economic, social and demographic statistics.

AUSSTATS. Thousands of up-to-date time series are available on this ABS on-line service through PAXUS COMNET. For further information phone the AUSSTATS Help Desk on (062) 52 6017.

TELESTATS. This service provides:
- Foreign trade statistics tailored to users' requirements. Further information is available on (062) 52 5404
- text and tables for main economic indicator publications. Further information is available on (062) 52 5405.

Floppy disk service

Selected ABS statistics are available on floppy disk. Further information is available on (062) 52 6684.

IAN CASTLES
Australian Statistician

TABLE 1. BALANCE OF PAYMENTS
($ million)

	Years			Months														
				1988-89											1989-90			
	1986-87	1987-88	1988-89	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Current transactions -																		
Goods and services -																		
Merchandise (a) -																		
Exports fob	35423	40541	42963	3481	3421	3419	3564	3686	3508	3467	3445	3937	3975	3909	3848	3989	4006	3989
Imports fob	-37159	-40386	-47055	-3891	-3449	-4050	-4111	-3708	-3896	-3712	-3903	-3914	-4604	-4184	-4332	-5244	-4321	-4740
Balance on merchandise trade	*-1736*	*155*	*-4092*	*-410*	*-28*	*-631*	*-547*	*-22*	*-388*	*-245*	*-458*	*23*	*-629*	*-275*	*-484*	*-1255*	*-315*	*-751*
Services -																		
Credits	7719	9503	10738	880	831	889	903	953	995	931	934	891	862	811	869	877	836	892
Debits	-10856	-12251	-13555	-1047	-1091	-1106	-1035	-1057	-1233	-1048	-1138	-1206	-1227	-1309	-1298	-1268	-1302	-1312
Net services	*-3137*	*-2748*	*-2817*	*-167*	*-260*	*-217*	*-132*	*-104*	*-238*	*-117*	*-204*	*-315*	*-365*	*-498*	*-429*	*-391*	*-466*	*-420*
Balance on goods and services	*-4873*	*-2593*	*-6909*	*-577*	*-288*	*-848*	*-679*	*-126*	*-626*	*-362*	*-662*	*-292*	*-994*	*-773*	*-913*	*-1646*	*-781*	*-1171*
Income																		
Credits	3038	3578	4301	358	356	327	370	304	380	430	329	379	453	328	492	495	408	431
Debits	-12429	-14780	-17896	-1330	-1270	-1437	-1353	-1383	-1602	-1597	-1621	-1702	-1692	-1665	-1544	-1534	-1508	-1706
Net income	*-9391*	*-11202*	*-13595*	*-972*	*-914*	*-1110*	*-983*	*-1079*	*-1222*	*-1167*	*-1292*	*-1323*	*-1239*	*-1337*	*-1052*	*-1039*	*-1100*	*-1275*
Unrequited transfers																		
Credits	3017	3545	4268	307	309	351	335	344	397	366	358	402	392	393	354	354	340	357
Debits	-1804	-1881	-1994	-133	-151	-118	-177	-177	-210	-146	-193	-161	-196	-198	-156	-140	-152	-153
Net unrequited transfers	*1213*	*1664*	*2274*	*174*	*158*	*233*	*158*	*167*	*187*	*220*	*165*	*241*	*196*	*195*	*198*	*214*	*188*	*204*
Balance on current account	**-13051**	**-12131**	**-18230**	**-1375**	**-1044**	**-1725**	**-1504**	**-1038**	**-1661**	**-1309**	**-1789**	**-1374**	**-2037**	**-1915**	**-1767**	**-2471**	**-1693**	**-2242**
Net capital transactions -																		
Official -																		
General government	*5561*	*4430*	*562*	*-333*	*-342*	*1382*	*319*	*532*	*812*	*10*	*49*	*-1156*	*-637*	*-179*	*-879*	*743*	*403*	*663*
Reserve Bank -																		
Reserve assets	-3394	-3924	-873	-163	-56	-70	-235	-105	-170	-21	441	-103	483	-335	202	-768	-106	-51
Other	18	-8	—	12	-51	172	-82	-26	49	-13	-54	13	-20	-3	69	-15	-54	-4
Total	*-3376*	*-3932*	*-873*	*-151*	*-107*	*102*	*-317*	*-131*	*-121*	*-34*	*387*	*-90*	*463*	*-338*	*271*	*-783*	*-160*	*-55*
Total official	*2185*	*498*	*-311*	*-484*	*-449*	*1484*	*2*	*401*	*691*	*-24*	*436*	*-1246*	*-174*	*-517*	*-608*	*-40*	*243*	*608*
Non-official plus balancing item	*10866*	*11633*	*18541*	*1859*	*1493*	*241*	*1502*	*637*	*970*	*1333*	*1353*	*2620*	*2211*	*2432*	*2375*	*2511*	*1450*	*1634*
Balance on capital account plus balancing item	**13051**	**12131**	**18230**	**1375**	**1044**	**1725**	**1504**	**1038**	**1661**	**1309**	**1789**	**1374**	**2037**	**1915**	**1767**	**2471**	**1693**	**2242**

(a) Balance of payments basis

TABLE 2 BALANCE OF PAYMENTS - CURRENT ACCOUNT -MERCHANDISE (BALANCE OF PAYMENTS BASIS)
($ million)

	Years			Months														
				1988-89											1989-90			
	1986-87	1987-88	1988-89	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Exports fob (a)(b) -																		
Rural exports fob -																		
Meat & meat preparations	2244	2555	2248	160	181	209	203	189	158	139	184	187	223	222	209	250	226	232
Cereal grains & cereal preparations	2778	2202	2677	183	130	159	158	184	222	253	244	334	355	315	248	264	204	144
Sugar, sugar preparations & honey	708	698	892	105	133	63	71	71	38	24	93	71	86	70	121	125	160	102
Wool & sheepskins	3888	5811	5951	314	372	478	602	700	643	535	539	545	483	387	325	292	285	359
Other rural	3521	3976	3989	348	335	321	336	367	379	271	237	287	361	413	393	442	336	392
Total rural	*13139*	*15242*	*15757*	*1110*	*1151*	*1230*	*1370*	*1511*	*1440*	*1222*	*1297*	*1424*	*1508*	*1407*	*1296*	*1373*	*1211*	*1229*
Non-rural exports fob -																		
Metal ores & minerals	4956	5455	6579	527	475	454	536	523	539	600	496	686	688	627	659	541	640	630
Mineral fuels -																		
Coal, coke & briquettes	5456	4850	4743	441	395	450	361	401	299	363	438	413	429	463	416	546	486	553
Other mineral fuels	1515	1779	1255	109	132	77	81	103	69	101	101	127	93	129	97	125	150	138
Metals -																		
Gold	1552	2563	2731	272	245	240	217	155	231	277	237	200	207	206	208	302	257	268
Other metals	2899	3749	4660	381	400	357	375	428	353	400	321	463	419	419	409	350	410	362
Machinery	1595	1835	1869	159	162	154	172	156	148	130	131	162	173	168	185	199	177	166
Transport equipment	1034	957	883	69	65	55	50	75	69	80	82	77	89	97	91	107	95	122
Manufactures nec	2363	2941	3272	288	295	266	294	274	254	215	244	281	282	302	305	315	335	373
Other non-rural	914	1170	1214	125	101	136	108	60	106	79	98	104	87	91	182	131	245	148
Total non-rural	*22284*	*25299*	*27206*	*2371*	*2270*	*2189*	*2194*	*2175*	*2068*	*2245*	*2148*	*2513*	*2467*	*2502*	*2552*	*2616*	*2795*	*2760*
Total exports fob -	**35423**	**40541**	**42963**	**3481**	**3421**	**3419**	**3564**	**3686**	**3508**	**3467**	**3445**	**3937**	**3975**	**3909**	**3848**	**3989**	**4006**	**3989**
Imports fob (a)(b) -																		
Food, beverages & tobacco	-1936	-2013	-2209	-175	-149	-201	-199	-181	-185	-208	-191	-175	-203	-172	-186	-219	-179	-202
Fuels	-1751	-2036	-2014	-135	-155	-139	-92	-64	-210	-162	-189	-247	-249	-251	-214	-280	-139	-231
Chemicals (including plastics)	-3466	-4280	-4973	-432	-369	-449	-405	-344	-414	-412	-385	-414	-494	-433	-433	-472	-432	-458
Textiles, fabrics etc	-1830	-1931	-2002	-185	-168	-177	-168	-148	-159	-156	-158	-158	-183	-173	-185	-202	-167	-180
Metals & metal manufactures	-1845	-2205	-2625	-212	-183	-208	-220	-181	-219	-229	-209	-247	-287	-223	-235	-289	-246	-272
Machinery	-11360	-12230	-13793	-1086	-1035	-1104	-1259	-1090	-1144	-997	-1163	-1104	-1358	-1337	-1280	-1467	-1316	-1418
Transport equipment	-4502	-4152	-6852	-501	-402	-672	-665	-688	-519	-540	-610	-573	-687	-595	-656	-1062	-768	-782
Manufactures nec	-7700	-8563	-9766	-908	-752	-842	-873	-767	-846	-777	-776	-760	-909	-785	-887	-1027	-868	-955
Other imports	-2769	-2976	-2821	-257	-236	-258	-230	-245	-200	-231	-222	-236	-234	-215	-256	-226	-206	-242
Total imports fob -	**-37159**	**-40386**	**-47055**	**-3891**	**-3449**	**-4050**	**-4111**	**-3708**	**-3896**	**-3712**	**-3903**	**-3914**	**-4604**	**-4184**	**-4332**	**-5244**	**-4321**	**-4740**
Of which:																		
Exogenous (c)	*-4459*	*-3829*	*-4207*	*-311*	*-253*	*-422*	*-350*	*-367*	*-327*	*-341*	*-326*	*-385*	*-499*	*-391*	*-369*	*-561*	*-505*	*-512*
Endogenous (d)	*-32700*	*-36557*	*-42848*	*-3580*	*-3196*	*-3628*	*-3761*	*-3341*	*-3569*	*-3371*	*-3577*	*-3529*	*-4105*	*-3793*	*-3963*	*-4683*	*-3816*	*-4228*
Balance on merchandise trade -	**-1736**	**155**	**-4092**	**-410**	**-28**	**-631**	**-547**	**-22**	**-388**	**-245**	**-458**	**23**	**-629**	**-275**	**-484**	**-1255**	**-315**	**-751**

(a) From 1 January 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. (b) Definitions of the component series are given in publication 5302.0. (c) Transactions in selected goods which are lumpy by nature, subject to government arrangements or significantly affected by factors other than the general level of economic activity in Australia, specifically fuels;defence equipment;and ships, aircraft and other large items of equipment acquired by selected public and private enterprises. (d) Goods other than those regarded as exogenous.

TABLE 3.BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED AND TREND ESTIMATES (a)

($ million)

	Months														
	1988-89											*1989-90*			
	Aug.	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*
	Seasonally adjusted (b)														
Goods and services -															
Merchandise -															
Exports fob	3398	3467	3493	3497	3477	3693	3703	3400	4085	3725	3714	4028	3957	4102	4090
Imports fob	-3602	-3532	-3894	-3932	-3969	-3925	-3942	-3860	-4424	-4367	-4163	-4224	-4779	-4639	-4338
Balance on merchandise trade	*-204*	*-65*	*-401*	*-435*	*-492*	*-232*	*-239*	*-460*	*-339*	*-642*	*-449*	*-196*	*-822*	*-537*	*-248*
Services -															
Credits	882	909	902	838	881	933	914	887	927	871	877	933	890	921	893
Debits	-992	-1012	-1057	-1080	-1075	-1175	-1196	-1168	-1275	-1228	-1278	-1262	-1203	-1228	-1243
Net services	*-110*	*-103*	*-155*	*-242*	*-194*	*-242*	*-282*	*-281*	*-348*	*-357*	*-401*	*-329*	*-313*	*-307*	*-350*
Balance on goods and services	*-314*	*-168*	*-556*	*-677*	*-686*	*-474*	*-521*	*-741*	*-687*	*-999*	*-850*	*-525*	*-1135*	*-844*	*-598*
Income -															
Credits	359	356	327	372	304	383	436	334	376	449	323	495	499	411	432
Debits	-1456	-1397	-1395	-1451	-1450	-1502	-1565	-1541	-1691	-1613	-1622	-1720	-1714	-1691	-1669
Net income	*-1097*	*-1041*	*-1068*	*-1079*	*-1146*	*-1119*	*-1129*	*-1207*	*-1315*	*-1164*	*-1299*	*-1225*	*-1215*	*-1280*	*-1237*
Unrequited transfers -															
Credits	306	327	345	329	342	380	377	362	403	389	387	359	357	362	347
Debits	-156	-169	-130	-208	-185	-177	-133	-208	-162	-184	-136	-190	-166	-170	-169
Net unrequited transfers	*150*	*158*	*215*	*121*	*157*	*203*	*244*	*154*	*241*	*205*	*251*	*169*	*191*	*192*	*178*
Balance on current account	**-1261**	**-1051**	**-1409**	**-1635**	**-1675**	**-1390**	**-1406**	**-1794**	**-1761**	**-1958**	**-1898**	**-1581**	**-2159**	**-1932**	**-1657**
	Trend estimates														
Goods and services -															
Merchandise (a) -															
Exports fob	3371	3418	3468	3513	3555	3597	3645	3695	3748	3804	3863	3928	n.a.	n.a.	n.a.
Imports fob	-3570	-3681	-3781	-3855	-3911	-3964	-4017	-4074	-4155	-4254	-4348	-4422	n.a.	n.a.	n.a.
Balance on merchandise trade	*-199*	*-263*	*-313*	*-342*	*-356*	*-367*	*-372*	*-379*	*-407*	*-450*	*-485*	*-494*	*n.a.*	*n.a.*	*n.a.*
Balance on goods and services	*-329*	*-400*	*-469*	*-526*	*-571*	*-614*	*-650*	*-688*	*-740*	*-798*	*-836*	*-840*	*n.a.*	*n.a.*	*n.a.*
Balance on current account	**-1215**	**-1302**	**-1383**	**-1449**	**-1506**	**-1565**	**-1622**	**-1680**	**-1749**	**-1823**	**-1872**	**-1844**	**n.a.**	**n.a.**	**n.a.**

(a) Balance of payments basis. (b) For forward seasonal factors see paragraph 5 of the Explanatory Notes.

TABLE 4. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES, INCOME AND UNREQUITED TRANSFERS
($ million)

	Years			*Months*														
				1988-89											*1989-90*			
	1986-87	*1987-88*	*1988-89*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*
Services -																		
Credits -																		
Shipment	462	537	554	44	44	42	46	46	48	48	47	49	49	49	48	48	48	49
Other transportation	2765	3142	3207	279	257	274	278	285	280	263	265	270	259	242	259	272	264	266
Travel	2545	3567	4392	356	335	375	376	424	446	410	406	331	297	274	337	333	301	354
Other services	1947	2257	2585	201	195	198	203	198	221	210	216	241	257	246	225	224	223	223
Total services credits	*7719*	*9503*	*10738*	*880*	*831*	*889*	*903*	*953*	*995*	*931*	*934*	*891*	*862*	*811*	*869*	*877*	*836*	*892*
Debits -																		
Shipment	-2756	-2856	-3146	-265	-235	-266	-271	-224	-263	-256	-267	-270	-306	-286	-289	-324	-259	-289
Other transportation	-2114	-2510	-2898	-214	-224	-237	-226	-236	-271	-228	-238	-259	-272	-273	-269	-260	-287	-297
Travel	-3106	-3707	-4141	-303	-356	-326	-261	-320	-403	-269	-336	-401	-365	-463	-443	-394	-468	-441
Other services	-2880	-3178	-3370	-265	-276	-277	-277	-277	-296	-295	-297	-276	-284	-287	-297	-290	-288	-285
Total services debits	*-10856*	*-12251*	*-13555*	*-1047*	*-1091*	*-1106*	*-1035*	*-1057*	*-1233*	*-1048*	*-1138*	*-1206*	*-1227*	*-1309*	*-1298*	*-1268*	*-1302*	*-1312*
Net services	**-3137**	**-2748**	**-2817**	**-167**	**-260**	**-217**	**-132**	**-104**	**-238**	**-117**	**-204**	**-315**	**-365**	**-498**	**-429**	**-391**	**-466**	**-420**
Income -																		
Credits -																		
Property income -																		
Investment income -																		
Reinvested earnings	1176	1806	2196	183	183	183	183	183	183	183	183	183	183	183	225	225	225	225
Other	1452	1399	1706	148	137	110	155	87	162	216	113	160	236	110	230	235	146	169
Other property income	248	204	221	13	20	18	19	19	19	18	18	20	20	20	20	20	20	20
Labour and other income	162	169	178	14	16	16	13	15	16	13	15	16	14	15	17	15	17	17
Total income credits	*3038*	*3578*	*4301*	*358*	*356*	*327*	*370*	*304*	*380*	*430*	*329*	*379*	*453*	*328*	*492*	*495*	*408*	*431*
Debits -																		
Property income -																		
Investment income -																		
Official	-2626	-3360	-3463	-211	-173	-366	-285	-302	-333	-317	-336	-338	-331	-302	-223	-211	-189	-355
Non-official -																		
Reinvested earnings	-1244	-2428	-2604	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217	-245	-245	-245	-245
Other	-7473	-7737	-10618	-784	-785	-756	-756	-756	-954	-952	-954	-1045	-1045	-1046	-969	-970	-969	-999
Other property income	-907	-1046	-991	-97	-77	-79	-75	-88	-77	-94	-97	-85	-83	-85	-89	-89	-89	-89
Labour and other income	-179	-209	-220	-21	-18	-19	-20	-20	-21	-17	-17	-17	-16	-15	-18	-19	-16	-18
Total income debits	*-12429*	*-14780*	*-17896*	*-1330*	*-1270*	*-1437*	*-1353*	*-1383*	*-1602*	*-1597*	*-1621*	*-1702*	*-1692*	*-1665*	*-1544*	*-1534*	*-1508*	*-1706*
Net income	**-9391**	**-11202**	**-13595**	**-972**	**-914**	**-1110**	**-983**	**-1079**	**-1222**	**-1167**	**-1292**	**-1323**	**-1239**	**-1337**	**-1052**	**-1039**	**-1100**	**-1275**
Unrequited transfers -																		
Credits	*3017*	*3545*	*4268*	*307*	*309*	*351*	*335*	*344*	*397*	*366*	*358*	*402*	*392*	*393*	*354*	*354*	*340*	*357*
Debits -																		
Official	-1058	-1098	-1154	-65	-83	-48	-106	-105	-140	-75	-122	-91	-125	-126	-86	-71	-83	-84
Non-official	-746	-783	-840	-68	-68	-70	-71	-72	-70	-71	-71	-70	-71	-72	-70	-69	-69	-69
Total	*-1804*	*-1881*	*-1994*	*-133*	*-151*	*-118*	*-177*	*-177*	*-210*	*-146*	*-193*	*-161*	*-196*	*-198*	*-156*	*-140*	*-152*	*-153*
Net unrequited transfers	**1213**	**1664**	**2274**	**174**	**158**	**233**	**158**	**167**	**187**	**220**	**165**	**241**	**196**	**195**	**198**	**214**	**188**	**204**

TABLE 5. BALANCE OF PAYMENTS - CAPITAL ACCOUNT AND BALANCING ITEM

($ million)

	Years			Months														
				1988-89											1989-90			
	1986-87	1987-88	1988-89	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Net capital transactions -																		
General government -																		
Borrowing -																		
Domiciled abroad -																		
Commonwealth Government -																		
Drawings	3084	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Repayments	-2359	-1622	-3175	-317	-261	-406	-568	-143	-55	-81	-385	-171	-172	-197	-972	-116	-165	-126
Total	*725*	*-1622*	*-3175*	*-317*	*-261*	*-406*	*-568*	*-143*	*-55*	*-81*	*-385*	*-171*	*-172*	*-197*	*-972*	*-116*	*-165*	*-126*
State government	2522	2079	2760	118	187	-197	82	285	122	220	957	485	126	-91	101	494	71	306
Total domiciled abroad	*3247*	*457*	*-415*	*-199*	*-74*	*-603*	*-486*	*142*	*67*	*139*	*572*	*314*	*-46*	*-288*	*-871*	*378*	*-94*	*180*
Domiciled in Australia	2899	3630	1405	-55	-91	1915	704	484	785	-127	-461	-1496	-648	195	-80	308	490	429
Total borrowing	*6146*	*4087*	*990*	*-254*	*-165*	*1312*	*218*	*626*	*852*	*12*	*111*	*-1182*	*-694*	*-93*	*-951*	*686*	*396*	*609*
Other	*-585*	*343*	*-428*	*-79*	*-177*	*70*	*101*	*-94*	*-40*	*-2*	*-62*	*26*	*57*	*-86*	*72*	*57*	*7*	*54*
Total general government	**5561**	**4430**	**562**	**-333**	**-342**	**1382**	**319**	**532**	**812**	**10**	**49**	**-1156**	**-637**	**-179**	**-879**	**743**	**403**	**663**
Reserve Bank -																		
Reserve assets -																		
Official reserve assets	-3394	-3924	-873	-163	-56	-70	-235	-105	-170	-21	441	-103	483	-335	202	-768	-106	-51
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	*18*	*-8*	—	*12*	*-51*	*172*	*-82*	*-26*	*49*	*-13*	*-54*	*13*	*-20*	*-3*	*69*	*-15*	*-54*	*-4*
Total Reserve Bank	**-3376**	**-3932**	**-873**	**-151**	**-107**	**102**	**-317**	**-131**	**-121**	**-34**	**387**	**-90**	**463**	**-338**	**271**	**-783**	**-160**	**-55**
Non-official plus balancing item-																		
Public sector -																		
Non equity securities domiciled in Australia (a)	-376	1006	95	379	156	-493	85	-44	-403	179	-172	331	-83	-25	-348	44	140	82
Accounts receivable/prepayments made	-10	-29	-593	20	-75	-33	57	30	6	-29	-184	-210	-12	-59	-35	162	-104	113
Other (including balancing item) (b)	11252	10656	19039	1460	1412	767	1360	651	1367	1183	1709	2499	2306	2516	2758	2305	1414	1439
Total non-official plus balancing item	**10866**	**11633**	**18541**	**1859**	**1493**	**241**	**1502**	**637**	**970**	**1333**	**1353**	**2620**	**2211**	**2432**	**2375**	**2511**	**1450**	**1634**
Balance on capital account plus balancing item	**13051**	**12131**	**18230**	**1375**	**1044**	**1725**	**1504**	**1038**	**1661**	**1309**	**1789**	**1374**	**2037**	**1915**	**1767**	**2471**	**1693**	**2242**

(a) Excludes bank securities(b) Includes public sector transactions n.e.c.

TABLE 6. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Years			*Months*														
				1988-89											*1989-90*			
	1986-87	*1987-88*	*1988-89*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*
Official reserve assets ($ million) -																		
Levels at end of year/month	17594	20182	20410	20176	20628	20118	19499	19772	18790	20888	19509	20245	20223	20410	20765	20705	20774	20654
Changes in levels	4570	2588	228	-50	452	-510	-619	273	-982	2098	-1379	736	-22	187	355	-60	69	-120
Of which -																		
Changes due to effects of revaluations	1176	-1336	-645	-213	396	-580	-854	168	-1152	2077	-938	633	461	-148	557	-828	-37	-171
Changes included in the balance of payments(a)	3394	3924	873	163	56	70	235	105	170	21	-441	103	-483	335	-202	768	106	51
Exchange rates -																		
Units of foreign currency per $A -																		
End of year/month (b) -																		
United States dollar	0.7203	0.7940	0.7553	0.8069	0.7829	0.8256	0.8781	0.8555	0.8890	0.7996	0.8194	0.7928	0.7484	0.7553	0.7524	0.7656	0.7764	0.7831
United Kingdom pound	0.4494	0.4612	0.4882	0.4777	0.4647	0.4647	0.4752	0.4764	0.5040	0.4591	0.4855	0.4685	0.4763	0.4882	0.4541	0.4853	0.4788	0.4963
West German mark	1.319	1.441	1.480	1.509	1.472	1.457	1.523	1.528	1.654	1.460	1.550	1.488	1.490	1.480	1.410	1.496	1.453	1.443
Japanese yen	105.79	105.17	108.79	108.83	105.28	103.41	106.91	107.71	114.93	101.52	108.64	105.09	106.80	108.79	104.12	110.44	108.23	111.58
Special drawing right	0.5634	0.6059	0.6051	0.6241	0.6067	0.6172	0.6422	0.6382	0.6793	0.6020	0.6332	0.6112	0.6048	0.6051	0.5873	0.6101	0.6109	0.6125
Period average (c) -																		
United States dollar	0.6636	0.7290	0.8160	0.8061	0.7929	0.8090	0.8496	0.8590	0.8701	0.8566	0.8158	0.8044	0.7732	0.7556	0.7571	0.7621	0.7721	0.7749
United Kingdom pound	0.4352	0.4167	0.4755	0.4746	0.4708	0.4664	0.4700	0.4700	0.4896	0.4883	0.4753	0.4728	0.4737	0.4863	0.4672	0.4772	0.4913	0.4876
West German mark	1.280	1.262	1.512	1.521	1.480	1.473	1.485	1.507	1.593	1.586	1.521	1.504	1.503	1.495	1.434	1.467	1.507	1.446
Japanese yen	101.37	97.59	106.95	107.71	106.61	104.39	104.58	106.15	110.59	109.41	106.27	106.23	106.50	108.54	106.49	107.59	112.04	110.01
Special drawing right	0.5345	0.5448	0.6244	0.6237	0.6131	0.6144	0.6267	0.6328	0.6564	0.6509	0.6245	0.6195	0.6093	0.6090	0.5965	0.6032	0.6198	0.6090
Trade weighted index of value of the Australian dollar (May 1970 = 100) -																		
End of year/month (b)	56.6	59.8	59.4	61.8	60.0	61.1	63.7	63.2	66.7	59.6	62.2	60.0	58.8	59.4	57.8	60.0	59.8	60.7
Period average (c)	53.8	54.8	61.6	61.5	60.7	60.8	62.2	62.9	64.7	64.0	61.4	60.9	59.6	59.5	58.6	59.2	60.6	60.1

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 5.(b) These exchange rates and index numbers relate to the last trading day of the reference period. (c) These exchange rates and index numbers are derived by averaging figures for each trading day.

Printed by R.D. RUBIE, Commonwealth Government Printer, Canberra

Recommended retail price: $10.00

2053010010895
ISSN 0313-2773