

**EXPORT PRICE INDEX,
AUSTRALIA
Catalogue No. 6405.0**

MAY 1980



AUSTRALIAN BUREAU OF STATISTICS Canberra

EXPORT PRICE INDEX, AUSTRALIA MAY 1980

INQUIRIES

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MAIN FEATURES

The All Groups index decreased by 1.1% in May 1980. Lower prices for beef, iron ore, cattle hides, lead and silver were partly offset by increased prices for sugar, wool and salt.

The All Groups index increased by 13.8% for the year ending May 1980.

EXPLANATORY NOTES

Introduction

The Export Price Index contained in this publication replaces the previous index which had a reference base of 1959-60 = 100. A detailed description of previous Export Price Indexes is contained in *Year Book Australia* No. 55, 1969, pages 256-7 and in *Year Book Australia* No. 58, 1972, pages 240-2.

2. The current Export Price Index has been compiled for each month from July 1974 and for the financial years from 1974-75 to 1978-79 on the reference base 1974-75 = 100.

3. A technical note showing a method of linking the current 'All groups' index to the previous 'All groups' index, so that series from the current index can be converted to the reference base of the previous index, is available on request. The technical note also shows a method of linking series for the current groups to series for corresponding groups in the previous index.

4. For any given period, price movements shown in the current index will not necessarily be the same as price movements in the previous Export Price Index for a variety of reasons. In particular, it should be noted that:

- The current 'All groups' index differs in scope from the previous 'All groups' index.
- The groups included in the current index (e.g. cereals and cereal preparations) can differ from corresponding groups in the previous index because they may be composed of different exported commodities, or because more up-to-date weightings have been used when combining items to form the new groups.

Scope of the index

5. The Export Price Index measures changes in prices of *all exports of merchandise* from Australia. It includes re-exports of merchandise (that is, goods which are imported into Australia and exported at a later date without physical transformation). The index numbers for each month relate to prices of those exports of merchandise that are physically shipped from Australia during that month.

Items and weights

6. The Export Price Index is a *fixed weights index* on reference base 1974-75 = 100. The index items, i.e. the commodities directly represented in the index, were selected on the basis of their export values in the period 1974-75 to 1976-77. They constituted 89 per cent of the total value of exports of merchandise from Australia in the same period. The selected items were allocated weights in accordance with the average value of exports for each item over the period 1974-75 to 1976-77. Many of the items carry not only their own weight but also the weight of unpriced commodities whose prices are considered to move in a similar manner. Similarly, for the purpose of calculating the 'All groups' index, the export values of some categories of exports which are not directly represented in the index, have been allocated to particular Sections of the Australian Export Commodity Classification (AECC). Export values for AECC Section 1, 'Beverages and tobacco' have been added to the value of exports for AECC Section 0 'Food and live animals'. With the exception of non-monetary gold, the export values for certain components of AECC Section 9A 'Commodities and transactions of merchandise trade, not elsewhere classified' have been allocated amongst four AECC Sections: Section 0; Section 6 'Manufactured goods classified chiefly by material'; Section 7 'Machinery and transport equipment'; Section 8 'Miscellaneous manufactured articles'. These allocations are made for the purpose of compiling the 'All groups' index only and do not affect calculations of index series for individual sections or other groups.

7. Full details of the weighting pattern of the new Export Price Index, i.e. the percentage contributions for index items and groups, were contained in the July 1979 issue of this publication, and are also available from the ABS on request.

Classification

8. The selected items have been combined into broad index groups in two ways. Tables 1 and 2 contain index numbers for groups based on the Sections (1 digit) and selected Divisions (2 digit) of the *Australian Export Commodity Classification (AECC) 1978-79* (ABS Catalogue No. 1203.0). Tables 1 and 3 contain index numbers on an *industry of origin* basis for groups based on the Divisions (1 digit) and selected Subdivisions (2 digit) of the 1978 edition of the *Australian Standard Industrial Classification (ASIC)* (ABS Catalogue No. 1201.0). These groups have been formed by allocating each of the index items to its industry of origin (e.g. Agriculture, forestry and fishing; Mining; and Manufacturing).

9. The *industry of origin* is the industry in which the exported commodity is *primarily produced*, determined in accordance with the classification rules of the *Australian Standard Industrial Classification (ASIC)*. It is therefore not necessarily identical with the industry from which the export transactions are actually made. For instance, many exports are made by traders or by marketing authorities, but these exports are classified to the appropriate producing industries, rather than to the wholesale trading industries from which they are actually exported.

Pricing

10. In general, prices are obtained from major exporters of the selected items included in the index. The point of pricing for the Export Price Index is the point at which the goods physically leave Australia, i.e. prices are on the basis f.o.b. at main Australian ports of export.

11. As the prices used in the index are expressed in Australian currency, changes in the relative values of the Australian dollar and overseas currencies can have a direct impact on price movements for the many commodities that are sold in currencies other than Australian dollars. Where exports are sold at prices expressed in terms of a foreign currency and forward exchange cover is used, the prices used in the index EXCLUDE forward exchange cover.

12. The price series used relate to specified standards, grades, types, etc. of each commodity with the aim of incorporating in the index price changes for exports of representative goods of constant quality. Wherever possible, prices to predominant export markets are used for each of the specified goods priced, in order to lessen the impact of price variations attributable solely to changes, over time, in market destinations. In

most cases prices are combined using fixed weights between markets. Weights between markets are reviewed from time to time and revised where necessary.

13. The July 1979 issue of this publication contained explanations of:

Pricing of wool exports

Pricing goods shipped at unknown prices

Treatment of seasonal exports.

14. Index numbers for financial years are simple averages of monthly index numbers. All index numbers for the current month and the previous month are preliminary and subject to revision.

Percentage changes

15. Table 1 shows percentage changes for the 'All groups' index and for AECC Sections and ASIC Divisions. The following example illustrates the method of calculating percentage changes:

<i>All groups</i>	
May 1980	181 (see Table 1)
less April 1980	183 (see Table 1)
Change in index points	-2

$$\text{Percentage change} = \frac{-2}{183} \times 100 = -1.1$$

Related publications

16. Users may also wish to refer to the following publications which are available on request:

Price Indexes of Articles Produced by Manufacturing Industry, Australia (6412.0) - issued monthly

Price Index of Materials Used in Manufacturing Industry, Australia (6411.0) - issued monthly

Exports and Imports of Merchandise at Constant Prices, Australia (5421.0) - issued quarterly

Exports by Commodity Divisions, Australia (Preliminary) (5402.0) - issued monthly.

17. Current publications produced by the ABS are listed in *Catalogue of Publications* (1101.0) which is available free of charge from any ABS office.

Symbols and other usages

- p preliminary, series subject to revision
- r figure revised since previous issue
- nil or rounded to zero

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Australian Statistician

TABLE 1. EXPORT PRICE INDEX - BROAD GROUPS

	All groups	AECG SECTIONS					ASIC DIVISIONS		
		Food and live animals (0)	Crude materials inedible (except fuels) (2)	Mineral fuels and lubricants (3)	Animal and vegetable oils and fats (4)	Chemicals and other manufactured exports (5,6,7 & 8)	Agriculture, forestry, fishing and hunting (A)	Mining (B)	Manufacturing (C)
		INDEX NUMBERS (Base of each index = Year 1974-75 = 100)							
1976-77	122	98	141	156	117	118	106	148	119
1977-78	128	100	149	167	136	125	105	159	127
1978-79	144	119	162	170	157	146	114	163	150
1978-79									
April	156	129	177	176	173	161	120	170	167
May	159	132	182	174	176	164	125	172	170
June	161	133	181	175	177	169	125	172	173
1979-80									
July	161	133	181	179	181	171	126	173	173
August	162	133	182	180	181	173	128	172	175
September	164	136	181	185	175	177	129	172	178
October	169	141	183	191	172	183	131	175	184
November	172	143	189	194	172	186	136	177	187
December	174	143	191	195	171	190	136	177	191
January	179	146	191	204	171	206	136	180	200
February	183	150	194	207	165	208	142	181	203
March	185	152	200	208	163	206	146	182	204
April p	183	151	203	214	163	190	146	192	197
May p	181	150	203	212	161	187	147	190	195
PERCENTAGE CHANGES									
	%	%	%	%	%	%	%	%	%
Change from previous year									
1976-77	+11.9	+1.0	+22.6	+8.3	+19.4	+16.8	+8.2	+13.8	+13.3
1977-78	+4.9	+2.0	+5.7	+7.1	+16.2	+5.9	-0.9	+7.4	+6.7
1978-79	+12.5	+19.0	+8.7	+1.8	+15.4	+16.8	+8.6	+2.5	+18.1
Change from corresponding month of previous year									
1978-79									
April	+21.9	+24.0	+21.2	+5.4	+30.1	+28.8	+15.4	+9.7	+29.5
May	+22.3	+23.4	+23.0	+4.8	+29.4	+30.2	+17.9	+9.6	+29.8
June	+22.9	+24.3	+20.7	+5.4	+27.3	+34.1	+16.8	+8.9	+31.1
1979-80									
July	+22.0	+23.1	+19.9	+7.8	+25.7	+32.6	+15.6	+9.5	+30.1
August	+21.8	+22.0	+20.5	+7.1	+24.8	+33.1	+16.4	+8.9	+29.6
September	+21.5	+22.5	+18.3	+11.4	+19.9	+34.1	+17.3	+6.8	+30.9
October	+23.4	+24.8	+18.8	+14.4	+16.2	+35.6	+19.1	+9.4	+31.4
November	+25.5	+26.5	+22.7	+16.2	+13.9	+34.8	+23.6	+12.0	+31.7
December	+24.3	+22.2	+23.2	+17.5	+14.0	+33.8	+22.5	+9.9	+31.7
January	+26.1	+22.7	+23.2	+19.3	+8.9	+42.1	+22.5	+11.8	+34.2
February	+25.3	+23.0	+19.8	+21.1	+4.4	+38.7	+27.9	+11.0	+31.0
March	+24.2	+21.6	+21.2	+20.9	-0.6	+33.8	+28.1	+10.3	+27.5
April p	+17.3	+17.1	+14.7	+21.6	-5.8	+18.0	+21.7	+12.9	+18.0
May p	+13.8	+13.6	+11.5	+21.8	-8.5	+14.0	+17.6	+10.5	+14.7
Change from previous month									
1978-79									
April	+4.7	+3.2	+7.3	+2.3	+5.5	+4.5	+5.3	+3.0	+4.4
May	+1.9	+2.3	+2.8	-1.1	+1.7	+1.9	+4.2	+1.2	+1.8
June	+1.3	+0.8	-0.5	+0.6	+0.6	+3.0	-	-	+1.8
1979-80									
July	-	-	-	+2.3	+2.3	+1.2	+0.8	+0.6	-
August	+0.6	-	+0.6	+0.6	-	+1.2	+1.6	-0.6	+1.2
September	+1.2	+2.3	-0.5	+2.8	-3.3	+2.3	+0.8	-	+1.7
October	+3.0	+3.7	+1.1	+3.2	-1.7	+3.4	+1.6	+1.7	+3.4
November	+1.8	+1.4	+3.3	+1.6	-	+1.6	+3.8	+1.1	+1.6
December	+1.2	-	+1.1	+0.5	-0.6	+2.2	-	-	+2.1
January	+2.9	+2.1	-	+4.6	-	+8.4	-	+1.7	+4.7
February	+2.2	+2.7	+1.6	+1.5	-3.5	+1.0	+4.4	+0.6	+1.5
March	+1.1	+1.3	+3.1	+0.5	-1.2	-1.0	+2.8	+0.6	+0.5
April p	-1.1	-0.7	+1.5	+2.9	-	-7.8	-	+5.5	-3.4
May p	-1.1	-0.7	-	-0.9	-1.2	-1.6	+0.7	-1.0	-1.0

TABLE 2. INDEX NUMBERS FOR SELECTED DIVISIONS OF AUSTRALIAN EXPORT COMMODITY CLASSIFICATION (AECC)

(Base of each index : Year 1974-75 = 100)

	<i>Meat and meat preparations (01)</i>	<i>Dairy products and eggs (02)</i>	<i>Fish and fish preparations (03)</i>	<i>Cereals and cereal preparations (04)</i>	<i>Fruit and vegetables (05)</i>	<i>Sugar and sugar preparations (06)</i>	<i>Hides, skins and furskins raw (21)</i>	<i>Textile fibres and their wastes (26)</i>	<i>Metalliferous ores and metal scrap (28)</i>
1976-77	125	94	185	89	108	83	188	135	140
1977-78	154	107	200	81	160	72	198	139	151
1978-79	234	113	229	86	167	74	308	153	157
1978-79									
April	270	115	249	88	174	79	431	166	166
May	276	115	251	93	176	77	427	172	172
June	283	116	244	93	177	77	408	170	173
1979-80									
July	269	118	235	96	180	78	383	169	175
August	267	120	239	98	179	79	389	169	175
September	279	120	240	99	179	79	363	170	176
October	288	120	238	102	179	86	358	172	179
November	299	120	239	102	180	88	335	187	182
December	301	122	235	102	181	88	335	186	186
January	302	123	233	107	191	87	338	178	189
February	308	126	230	113	184	88	329	182	193
March	294	127	225	114	183	104	309	193	199
April p	284	126	218	116	190	107	286	189	208
May p	269	127	212	116	190	113	254	192	206

TABLE 2. INDEX NUMBERS FOR SELECTED DIVISIONS OF AUSTRALIAN EXPORT COMMODITY CLASSIFICATION (AECC) - continued
(Base of each index : Year 1974-75 = 100)

	Coal, coke and briquettes (32)	Petroleum, petroleum products and related materials (33)	Animal oils and fats (41)	Manufactures of -		Power generating machinery and equipment (71)	Specialised machinery for particular industries (72)	Road vehicles (78)	Gold (97)
				Iron and steel (67)	Non-ferrous metals (68)				
1976-77	164	137	117	91	123	119	147	130	95
1977-78	176	141	136	96	125	139	166	145	120
1978-79	178	157	157	118	161	154	178	154	165
1978-79									
April	181	179	173	132	196	161	181	154	178
May	177	182	176	134	202	161	181	156	187
June	176	192	177	141	211	161	181	156	209
1979-80									
July	179	194	181	142	217	162	190	158	212
August	175	200	181	144	215	166	189	161	227
September	177	213	175	145	226	168	191	161	227
October	181	223	172	147	241	168	192	162	289
November	180	230	172	147	249	169	193	162	293
December	179	232	171	146	263	169	192	163	331
January	183	246	171	146	316	170	196	165	492
February	183	263	165	146	320	175	198	166	488
March	182	272	163	146	310	181	199	168	424
April p	184	276	163	146	250	181	197	172	382
May p	183	275	161	145	238	182	202	173	373

TABLE 3. INDEX NUMBERS FOR SELECTED SUBDIVISIONS OF AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION (ASIC)
(Base of each index : Year 1974-75 = 100)

	<i>Metallic minerals (11)</i>	<i>Coal (12)</i>	<i>Food, beverages and tobacco (21)</i>	<i>Textiles (23)</i>	<i>Chemical, petroleum and coal products (27)</i>	<i>Basic metal products (29)</i>	<i>Transport equipment (32)</i>
1976-77	137	164	109	135	130	122	130
1977-78	147	176	118	140	137	128	145
1978-79	155	178	151	156	144	149	152
1978-79							
April	164	181	172	168	156	168	156
May	169	177	174	174	160	173	158
June	171	176	174	173	166	179	158
1979-80							
July	170	179	170	172	173	184	159
August	170	175	171	172	186	185	163
September	170	177	173	173	198	189	164
October	172	181	178	175	209	198	165
November	176	180	180	189	220	201	166
December	175	179	181	188	224	211	167
January	179	183	181	180	242	231	170
February	181	183	183	185	252	236	171
March	183	182	184	194	258	237	173
April p	197	184	181	191	272	215	176
May p	193	183	178	193	271	211	174