

DON'T WASTE PAPER.

IF THIS PRESS NOTICE IS OF NO REAL USE PLEASE ASK FOR IT TO BE STOPPED.

P.N.1101

CONFIDENTIAL: To be treated as strictly confidential until released for publication as follows:-

EVENING PAPERS .. TUESDAY, 4th FEBRUARY, 1941
MORNING PAPERS .. WEDNESDAY, 5th FEBRUARY, 1941

MONTHLY INDEX OF EXPORT PRICES - DECEMBER, 1940

The monthly export price index-numbers for December, 1940 together with comparative figures for earlier periods, have been issued by the Acting Commonwealth Statistician.

2. Each series of index numbers takes account of 20 items, which constitute about 85 per cent. of the total value of exports of merchandise and silver and gold production. All export parities are calculated from actual price quotations from the most reliable and representative sources available.

THE SIMPLE AGGREGATIVE INDEX - FIXED WEIGHTS.

3. The "multipliers" used for this series for the period 1928-36 were the average annual exports (or production, in the case of gold) during the five years 1928-29 to 1932-33. Since July, 1936, these multipliers have been recalculated on the basis of average annual exports (production, in the case of gold) during the three years 1933-34 to 1935-36. A summary of the movements in this index is given in the following table:-

BASE - SIMPLE AVERAGE OF 1928 = 1000.

Period	In terms of Australian Currency	In terms of British Currency
Average for year -		
1928	1000	1000
1929	847	842
1930	640	605
1931	564	437
1932	566	452
1933	616	492
1934	653	521
1935	656	524
1936	805	643
1937	923	737
1938	699	559
1939	686	548
1940	813	650
1938 - December	647	517
1939 - January	653	521
February	651	520
March	635	507
April	630	503
May	630	503
June	648	517
July	657	525
August	653	521
September	741	592
October	769	614
November	771	616
December	776	620
1940 - January	811	648
February	811	648
March	813	649
April	814	650
May	815	651
June	816	651
July	814	650
August	811	648
September	813	649
October	814	650
November	815	651
December	814	650

4. The yearly averages show increases since 1932 which were fairly steady up to 1935 but very marked during 1936 and 1937, until, in April of the latter year, the pre-depression level in terms of Australian currency had been reached. After that month, however, the index-number fell almost continuously to 630 in May, 1939. It increased slightly during the next two months and rose sharply in September-October with the sale to the British Government of a number of commodities at prices in excess of existing rates. The index increased still further in the next three months, mainly as the result of a rise in the price of wheat. Since January, 1940, it has remained practically unchanged.

5. It should be remembered that Australian products are not marketed regularly throughout the year. Wool and wheat are obvious examples of commodities which are marketed in relatively large quantities only at certain periods of the year. In consequence, the "fixed-weight" index by itself, though it indicates satisfactorily the trend of the market, does not give an adequate indication of the significance of the price movements as they actually affected current sales. This is shown much more clearly by the "changing weights" index given in the table below.

THE MONTH-TO-MONTH INDEX - CHANGING WEIGHTS.

6. These index-numbers are designed merely for comparisons of current prices with those of the corresponding months, or periods of months of the preceding year. The simple month-to-month index-numbers are obtained by applying the "ideal formula" to prices and quantities exported in corresponding pairs of months. The index-numbers for periods of two or more months are obtained by combining the monthly aggregates in the manner described in the statement of method issued on 29th May, 1937. The full trade year corresponds to the financial year ending June. A summary of the movements in this index is given in the following table:-

BASE - WEIGHTED AVERAGE PRICE LEVEL IN CORRESPONDING MONTHS OF THE PRECEDING YEAR = 1000.

Month	Month stated compared with same month of preceding year	Period of trade year ending in month stated compared with same period of preceding year
1938-39 - December	835	806
January ..	864	813
February ..	871	821
March ..	853	825
April ..	843	827
May ..	850	830
June ..	903	834
1939-40 - July ..	936	936
August ..	967	950
September ..	1129	1013
October ..	1136	1051
November ..	1171	1085
December ..	1208	1111
January ..	1224	1128
February ..	1248	1145
March ..	1287	1160
April ..	1294	1172
May ..	1278	1181
June ..	1286	1188
1940-41 - July ..	1249	1249
August ..	1214	1232
September ..	1086	1182
October ..	1052	1145
November ..	1045	1117
December ..	1045	1099

S. R. CARVER
Acting Commonwealth Statistician.