AUSTRALIAN BUREAU OF STATISTICS, Canberra
CATALOGUE NO. 5301.0
NOON 13 FEBRUARY 1979

BALANCE OF PAYMENTS, JANUARY 1979

INQUIRIES	*If you want to know more about these statistics ring Mr Geoff Robertson 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 $85 million as measured by net official monetary movements.**
- **A trade surplus of $132 million.**
- **A current account deficit of $204 million.**
- **A net inflow of $97 million on government capital mainly reflecting proceeds of a Dutch guilder 300 million ($A132 million) borrowing.**
- **A net apparent capital inflow of $119 million.**

NOTE. Australia was allocated Special Drawing Rights in the IMF equivalent to $93.5 million in January 1979. While the allocation is included in changes to Australia's official reserve assets, it has been offset, as on previous occasions, by a counterpart entry in the net official monetary movements item. Consequently the net official monetary movements item reflects no change as a result of the allocation. The counterpart entry is necessary because without it there would be no corresponding credit to offset the increase in assets (debit). This entry has been included in the net official monetary movements item so that the underlying balance of payments performance, as measured by the item, is not obscured.

EXPLANATORY NOTES

Introduction

This bulletin contains preliminary estimates of Australia's international balance of payments for the month of January 1979 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 : JANUARY 1979
$ 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	−3,043	−1,989	153	1,347	1,499	−491
1977-78	12,069	−11,179	891	−3,321	−2,431	1,518	371	1,889	−542
1977-78									
November	1,137	−929	208	−196	12	−27	−61	−87	−76
December	1,017	−770	247	−245	2	186	−256	−69	−68
January	945	−1,012	−67	−259	−326	17	204	220	−106
February	965	−842	122	−203	−81	172	−50	121	41
March	890	−995	−104	−259	−363	327	403	730	367
April	977	−893	85	−337	−253	−26	273	248	−5
May	1,022	−1,004	18	−334	−315	76	201	276	−39
June	1,116	−985	132	−326	−195	174	28	203	8
1978-79									
July	1,030	−1,035	−5	−322	−327	188	125	313	−14
August	1,034	−1,128	−94	−296	−390	166	114	280	−110
September	952	−987	−35	−283	−318	170	67	237	−81
October	1,137	−1,196	−59	−302	−361	169	92	261	−100
November	1,231	−1,185	46	−264	−217	149	135	284	67
December	1,011	−993	18	−274	−256	169	36	205	−51
January	1,337	−1,205	132	−337	−204	97	22	119	−85
Seven months ended									
January 1978	7,099	−6,461	638	−1,863	−1,225	795	−484	310	−914
January 1979	7,733	−7,729	4	−2,076	−2,073	1,108	590	1,698	−375

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
1978 31 January	−109	+91	−18	2,861	1.1382	0.5845	2.404	274.93	89.2
30 November	+18	−120	−102	3,226	1.1363	0.5822	2.184	223.97	83.2
31 December	−61	+35	−26	3,200	1.1505	0.5656	2.099	222.83	82.7
1979 31 January	+27	+150	+177	3,377	1.1334	0.5678	2.112	227.64	82.8

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