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Balance of Payments, Australia, November 1986

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MAIN FEATURES

November 1986 -

NOTE: As a result of the introduction of a new computer processing system by the Australian Customs Service (ACS) the time of statistical recording of merchandise imports for November 1986 is different from that for earlier months. The comparability of these statistics has been affected. While it is not yet possible to estimate the effect of this difference on the series for "Imports f.o.b." shown in this issue, we plan to provide a continuous series in future issues of the publication by adjusting the figures for November 1986 onto a comparable basis with earlier periods. For this reason, and also due to clerical processing problems in the ACS associated with the introduction of the new system, the initial estimates for "Imports f.o.b." for November 1986 may be subject to greater revision than is usual for initial monthly estimates of this item. A further factor complicating analysis of the monthly figures is variations in the rate of processing of import entries in the ACS; it now appears that such variations may have affected monthly movements in the "Imports f.o.b." series over the last 4-5 months, although it is not possible to quantify the impact. Users are therefore cautioned not to give undue emphasis to month-to-month movements in the series in recent periods.

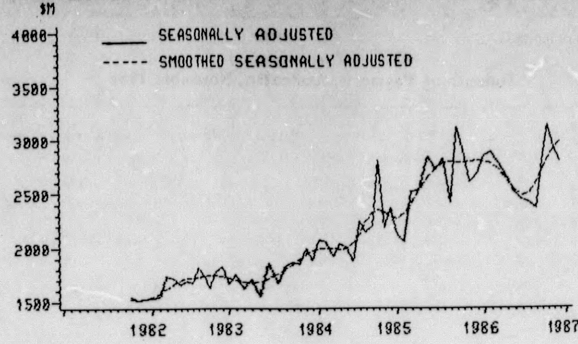
The preliminary estimate of the current account deficit was $685 million.

The balance on merchandise trade recorded a surplus of $127 million. The net services and net transfers deficits were $201 million and $611 million respectively.

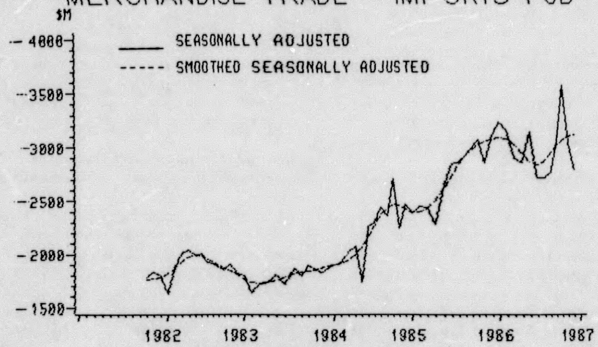
The net capital transactions of the official sector recorded an outflow of $1,137 million.

The trade weighted index of the value of the Australian dollar (base May 1970 = 100) at the end of November 1986 stood at 54.3, up 0.6 per cent on the end of October 1986, but down 10.8 per cent on the end of November 1985. Through November 1986, the dollar rose against the $US (1.1 per cent) and the Japanese Yen (1.4 per cent) and fell against the £UK (0.7 per cent) and the West German Mark (2.5 per cent).

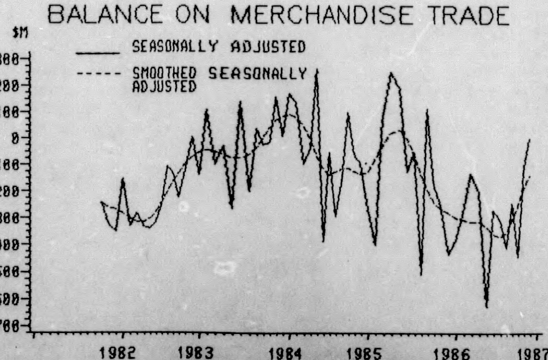
MERCHANDISE TRADE – EXPORTS FOB



MERCHANDISE TRADE – IMPORTS FOB



BALANCE ON MERCHANDISE TRADE



Five months ended November 1986 –

The current account deficit was $6,522 million, $261 million or 4 per cent higher than the deficit recorded in the five months to November 1985.

The merchandise trade deficit rose $64 million, or 4 per cent, to $1,732 million and the net transfers deficit rose $513 million, or 19 per cent, to $3,147 million. These increases were partly offset by a fall in the net services deficit of $316 million, or 16 per cent, to $1,643 million.

The net capital transactions of the official sector resulted in an inflow of $706 million, down $1,760 million on the inflow for the corresponding period of the previous financial year.

ANALYSIS OF SELECTED MAJOR AGGREGATES

November 1986 –

The preliminary estimate of the **current account** deficit, at $685 million, was less than half the revised deficit of $1,578 million recorded in October 1986. The **balance on merchandise trade** recorded a surplus of $127 million, a turnaround of $517 million from the revised October deficit; reflecting drops in both exports and imports. The **net services** and **net transfers** deficits fell by $130 million and $246 million respectively. In seasonally adjusted terms, the balance on merchandise trade turned around from a deficit of $120 million to a surplus of $1 million.

Exports f.o.b. were $2,790 million, down $149 million or 5 per cent on October 1986. Rural exports at $1,012 million were down slightly, whilst non-rural exports were down $139 million or 7 per cent to $1,778 million. Within rural exports, the only commodity group to rise was wool, with a largely seasonal increase of $45 million or 18 per cent. The major offsetting fall, also seasonal, occurred in sugar, which fell by $28 million or 42 per cent. The remaining rural commodity groups each fell by 6 per cent or less. The only non-rural commodity group to rise significantly was mineral fuels other than coal, which rose by $78 million or 67 per cent. Metals and metal manufactures remained almost unchanged. The remaining non-rural commodity groups fell. Metal ores and minerals were down $52 million, or 10 per cent, despite an increase in uranium exports, (up $53 million from $45 million in October 1986). Coal, coke and briquettes were down $82 million or 17 per cent. Machinery and transport equipment fell $56 million or 23 per cent from a high October value, while 'other' non-rural exports fell $28 million or 8 per cent, largely explained by a fall in gold exports, (down $21 million from $81 million in October 1986).

In **seasonally adjusted** terms, exports f.o.b. fell by $130 million or 4 per cent to $2,800 million, whilst **smoothed seasonally adjusted exports** rose by 2 per cent to $2,977 million.

Imports f.o.b. were $2,663 million, down $666 million or 20 per cent on October 1986. However, as mentioned in the Main Features, analysis of recent monthly movements in the Imports f.o.b. series is complicated by a number of factors, including the break in the comparability of the series from November 1986 resulting from the introduction of a new computer processing system by the Australian Customs Service. All broad commodity groups fell in November 1986. Fuels fell $79 million or 48 per cent. Food, beverages and tobacco fell $69 million, or 36 per cent. Machinery and transport equipment fell by $204 million, or 14 per cent, despite the inclusion in the November estimate of two aircraft imported by Ansett Airlines and one aircraft imported by each of Qantas and Australian Airlines, with a total value of $237 million. The corresponding October estimate included imports of three aircraft by Ansett Airlines and one aircraft by Australian Airlines valued at $123 million (revised). 'Other' imports fell by $187 million or 23 per cent.

The **exogenous** component of imports rose by 1 per cent to $451 million. A rise in civil aircraft imports was partly offset by falls in the remaining components. **Endogenous** imports fell by $672 million or 23 per cent to $2,212 million.

In **seasonally adjusted** terms, imports f.o.b. fell by $251 million, or 8 per cent, to $2,799 million. **Smoothed seasonally adjusted imports** rose 1 per cent to $3,117 million.

The **net services** deficit was $201 million, a drop of $130 million or 39 per cent. Services credits rose $43 million, mainly due to largely seasonal increases in other transportation and travel. Services debits fell $87 million, with a $59 million fall in shipment debits reflecting the lower value recorded for imports f.o.b.

The **net transfers** deficit fell by $246 million or 29 per cent to $611 million. The net income deficit fell by $183 million, largely as a result of a drop in interest payable by general government on foreign currency borrowing from $238 million in October 1986 to $54 million in November 1986. The net unrequited transfers surplus rose $63 million; a decrease in unrequited transfer credits of $12 million, reflecting lower withholding tax receipts, was accompanied by a decrease of $75 million in official unrequited transfers debits, mainly reflecting lower aid payments to Papua New Guinea.

The net capital transactions of the **official sector** recorded an outflow for the second successive month. At $1,137 million, the outflow was up $583 million on October 1986. Mainly responsible for the continued outflow were transactions of the Reserve Bank; transactions in reserve assets yielded a debit (i.e. a net increase in these assets) of $2,240 million, up sharply on the debit of $1,045 million for October. The net inflow on account of general government transactions rose $612 million to $1,103 million mainly as a result of larger net foreign currency borrowing (up $551 million); this borrowing included the proceeds of a $US600 million ($A931 million) bond issue and higher net purchases of the Governments' Australian dollar securities by non-residents (up $45 million).

Five months ended November 1986 -

Exports f.o.b. at $13,985 million were up $181 million or 1 per cent on the five months ended November 1985. Rural exports rose 6 per cent whilst non-rural exports fell 1 per cent. The only rural commodity group to record a fall was cereals and cereal preparations, down $253 million or 18 per cent, reflecting reduced prices for wheat exports. Meat rose 28 per cent, sugar 16 per cent, wool 10 per cent and other rural commodities 13 per cent. In non-rural exports the most significant movement was in mineral fuels other than coal, which fell 58 per cent. Metal ores and minerals was little changed. All other groups rose, with machinery and transport equipment up 30 per cent, in part due to sales of second hand aircraft, and 'other' non-rural exports up 24 per cent.

Imports f.o.b. at $15,717 million were up $245 million or 2 per cent on the five months ended November 1985. The main rise was 'other' imports, which rose $288 million, or 8 per cent. Food, beverages and tobacco rose $92 million or 14 per cent and chemicals rose $109 million or 9 per cent. Fuels, down 29 per cent, was the major fall, with small drops in basic materials and machinery and other transport equipment. Within the latter group, imports of civil aircraft were $616 million, a rise of $411 million.

Exogenous imports fell by 5 per cent to $2,045 million. A rise in civil aircraft imports was more than offset by falls in fuels, defence and other government goods. **Endogenous imports f.o.b.** at $13,672 million rose 3 per cent.

Net services were in deficit by $1,643 million, down 16 per cent on the deficit for the five months ended November 1985. Services credits were up 20 per cent, with all components contributing 11 per cent or more. Services debits were up 3 per cent. Shipment debits were marginally down, whilst all other components increased.

The **net transfers** deficit was $3,147 million, up 19 per cent on the five months ended November 1985. An increase of $662 million in the net income deficit, largely reflecting increased interest payable abroad, was partly offset by an increase of $149 million in the net unrequited transfers surplus.

Net **general government** capital transactions yielded an inflow of $1,208 million, up $97 million on the inflow for the first five months of 1985-86. While the net inflow on account of foreign currency borrowing rose $583 million to $780 million, the net purchases of Australian dollar securities by non-residents fell $419 million to $233 million.

The net capital transactions of the **Reserve Bank** accounted for an outflow of $502 million in contrast with the inflow of $1,355 million for the corresponding period the previous year. Transactions in reserve assets mainly explained the change.

EXPLANATORY NOTES

INTRODUCTION

This publication contains preliminary estimates of Australia's balance of payments for November 1986, together with revised estimates for October 1986 and estimates for a number of previous months and financial years. Table 1 provides summary statistics covering both the current and capital accounts. Supplementary information is contained in Tables 2 to 5. Longer term estimates, from July 1971, consistent with those shown in this issue, are available in the publication **Balance of Payments, Australia - Historical Series on Microfiche** (5337.0) September quarter 1986 released on 10 December 1986.

2. More comprehensive quarterly estimates, consistent with estimates shown in this issue, are available in the September 1986 quarterly publication (5302.0) released on 27 November 1986. The explanatory notes and tables to that publication should be examined for more information on balance of payments statistics.

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. 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 2) 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 in Table 2 and the graphs on page 2.

RECORDING OF TRANSACTIONS

5. Transactions are recorded in the balance of payments as either **debits** or **credits.** The following transactions are regarded as debits and identified by a minus sign: the acquisition of goods and services from non-residents, income payable to non-residents, unrequited transfers provided to non-residents, increases in foreign financial assets and decreases in foreign liabilities. Credits have no arithmetic sign and consist of these transactions: the provision of goods and services to non-residents, income receivable from non-residents, unrequited transfers received from non-residents, decreases in foreign financial assets and increases in foreign liabilities. These sign conventions apply in all tables except Table 5, in which decreases in Australia's official

reserve assets are shown with a minus sign and increases in these assets are shown with no arithmetic sign.

CURRENT ACCOUNT

6. The **current account** records transactions between Australian residents and non-residents in merchandise, services (including, in practice, a few types of goods), income and unrequited transfers. Detailed estimates are provided in Tables 2 and 3. Definitions of component series (including exogenous and endogenous imports) are provided in publication 5302.0.

CAPITAL ACCOUNT

7. The **capital account** records transactions in Australia's foreign financial assets and liabilities, including the creation and extinction of claims on or by the rest of the world and a few specified other changes. Detailed estimates are provided in Table 4, and broad series definitions are provided in publication 5302.0.

RESIDUAL ITEMS

8. Due to lack of monthly data, certain aggregates in Tables 1 and 4 are derived as **residuals** after having first calculated those aggregates for which monthly information can be obtained or estimated.

9. **Non-official capital plus balancing item** is derived by subtracting official capital from the balance on capital account plus balancing item (which exactly offsets the balance on current account). The **other** component of non-official capital plus balancing item is in turn derived by subtracting the sum of public sector borrowing and public sector accounts receivable/prepayments made from total non-official capital plus balancing item.

SEASONAL ADJUSTMENT

10. Seasonal adjustment may be carried out by various methods and the results may vary slightly according to the procedure adopted. Accordingly, seasonally adjusted statistics **should not be regarded as in any way definitive.** In interpreting particular seasonally adjusted statistics it is important to bear in mind the methods by which they have been derived and the limitations to which the methods used are subject.

11. In carrying out seasonal adjustment of **merchandise exports f.o.b.** and **imports f.o.b.** account is taken not only of **seasonal** factors, but also of **trading-day** effects (arising from the varying numbers of Sundays, Mondays, etc. in the month) which may affect figures for different months in different years. As additional original data and information become available estimates of these adjustment factors are revised at subsequent re-analyses. Details of the methods used in the seasonal adjustment of **merchandise exports f.o.b.** and **imports f.o.b.** are available on request.

12. Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series may be more clearly recognised. Seasonal adjustment procedures do not aim to remove the irregular or "non-seasonal" influences which may be present in any particular month, such as the effect of the import of large items of transport or defence equipment or of industrial disputes. Irregular influences that are highly volatile can make it difficult to interpret the movement of the series even after adjustment for seasonal variation.

13. The seasonally adjusted series can, however, be smoothed to reduce the impact of the irregular component in the adjusted series. There are a number of ways of accomplishing this, depending on the intended uses of the smoothed series. If importance is attached to measuring the underlying change in the most recent periods, moving averages employing appropriate weighting patterns should be adopted; the choice of averaging technique will determine in part the degree of smoothness of the derived series. For example, a 23-term moving average will generally even out more of the short term fluctuation in a series (and therefore appear "smoother") than will a 13-term moving average. However,

the longer the term of the moving average the longer the time series affected by revisions resulting from more recent data. In order to ensure that the underlying **trend-cycle** of a series is reflected in the smoothed seasonally adjusted series, the degree of smoothness alone cannot always be used as the sole criterion in determining which moving average is appropriate.

14. Smoothed seasonally adjusted **merchandise exports f.o.b.** and **imports f.o.b.** are shown in Table 2. The smoothed seasonally adjusted estimates (often referred to as **trend-cycle** estimates) have been derived by applying a 13-term Henderson-weighted moving average to the series.

15. While this technique enables smoothed data for the latest period to be produced, it does result in revisions to the smoothed series for the most recent months as additional observations become available. There may also be revisions as a result of changes in the original data, and as a result of the re-estimation of the seasonal factors. Details of **trend-cycle** weighting patterns are available on request.

OFFICIAL RESERVE ASSETS, EXCHANGE RATES AND THE TRADE WEIGHTED INDEX

16. Table 5 shows changes in **official reserve assets** which are included in the balance of payments, together with changes in those assets which are the result of revaluations. The table also shows the **exchange rate** of the Australian dollar with four major currencies and a **trade weighted index** of the value of the Australian dollar. These latter measures are provided by the Reserve Bank of Australia and relate to the last trading day of the month. For a fuller explanation of their compilation see publication 5302.0.

RELATED PUBLICATIONS

17. 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.

ELECTRONIC SERVICES

18. 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 CSIRONET.

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.

SYMBOLS AND OTHER USAGES

na	not available
nei	not elsewhere included
nya	not yet available
–	nil or rounded to zero
..	not applicable

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

W. McLENNAN
ACTING AUSTRALIAN STATISTICIAN

$MILLION

TABLE 1. BALANCE OF PAYMENTS

	YEARS			MONTHS															JULY TO NOV	
				1985-86										1986-87						
	1983-84	1984-85	1985-86	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	1985-86	1986-87
CURRENT TRANSACTIONS -																				
GOODS AND SERVICES -																				
MERCHANDISE (a) -																				
Exports fob	23682	29238	32237	2738	2593	2729	2650	3027	2543	2570	2486	2591	2566	2594	2671	2991	2939	2790	13804	13985
Imports fob	-23497	-30093	-35618	-2925	-3185	-2990	-2975	-3083	-2705	-2823	-3010	-2794	-2756	-3104	-3110	-3511	-3329	-2663	-15472	-15717
BALANCE ON MERCHANDISE TRADE	185	-855	-3381	-187	-592	-261	-325	-56	-162	-253	-524	-203	-190	-510	-439	-520	-390	127	-1668	-1732
SERVICES -																				
Credits	4331	4938	5916	420	465	512	536	550	505	533	523	524	494	515	542	505	545	588	2251	2695
Debits	-7260	-8924	-9825	-870	-830	-791	-818	-885	-707	-771	-795	-811	-828	-863	-889	-921	-876	-789	-4210	-4338
NET SERVICES	-2929	-3986	-3909	-450	-365	-279	-282	-335	-202	-238	-272	-287	-334	-348	-347	-416	-331	-201	-1959	-1643
BALANCE ON GOODS AND SERVICES	-2744	-4841	-7290	-637	-957	-540	-607	-391	-364	-491	-796	-490	-524	-858	-786	-936	-721	-74	-3627	-3375
INCOME AND UNREQUITED TRANSFERS -																				
Credits	3580	3890	4553	359	380	395	390	384	376	377	382	390	420	428	469	420	453	438	1834	2208
Debits	-8119	-10058	-11037	-820	-1084	-871	-924	-1029	-915	-895	-931	-946	-929	-1111	-934	-951	-1310	-1049	-4468	-5355
NET TRANSFERS	-4539	-6168	-6484	-461	-704	-476	-534	-645	-539	-518	-549	-556	-509	-683	-465	-531	-857	-611	-2634	-3147
BALANCE ON CURRENT ACCOUNT	-7283	-11009	-13774	-1098	-1661	-1016	-1141	-1036	-903	-1009	-1345	-1046	-1033	-1541	-1251	-1467	-1578	-685	-6261	-6522
NET CAPITAL TRANSACTIONS -																				
OFFICIAL -																				
General Government	482	2358	3027	-19	489	103	-97	597	812	350	228	172	-146	-566	-13	193	491	1103	1111	1208
Reserve Bank -																				
Reserve assets	-1855	1521	2138	394	-21	608	504	-104	-323	-52	54	271	415	1605	916	269	-1045	-2240	1373	-495
Other	-15	-10	-16	-20	-5	3	6	-14	16	-22	6	4	6	15	-19	-3	-	-	-18	-7
Total	-1870	1511	2122	374	-26	611	510	-118	-307	-74	60	275	421	1620	897	266	-1045	-2240	1355	-502
TOTAL OFFICIAL	-1388	3869	5149	355	464	715	413	479	505	276	288	447	275	1054	884	459	-554	-1137	2466	706
NON-OFFICIAL PLUS BALANCING ITEM	8671	7140	8625	743	1197	301	728	557	398	733	1057	599	758	487	367	1008	2132	1822	3795	5816
BALANCE ON CAPITAL ACCOUNT PLUS BALANCING ITEM	7283	11009	13774	1098	1661	1016	1141	1036	903	1009	1345	1046	1033	1541	1251	1467	1578	685	6261	6522

(a) Balance of payments basis

TABLE 2. BALANCE OF PAYMENTS - CURRENT ACCOUNT - MERCHANDISE TRADE (BALANCE OF PAYMENTS BASIS)

$MILLION

	YEARS			MONTHS															JULY TO NOV	
				1985-86										1986-87						
	1983-84	1984-85	1985-86	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	1985-86	1986-87
EXPORTS FOB(a) -																				
Rural exports fob -																				
Meat & meat preparations	1393	1371	1699	156	126	144	131	118	125	135	150	169	141	169	188	190	200	188	730	935
Cereals & cereal preparations	2773	3855	3901	232	258	226	285	453	419	406	348	343	272	285	204	222	210	201	1375	1122
Sugar, sugar preps. & honey	676	615	645	46	100	12	46	30	35	57	83	51	67	53	76	86	66	38	276	319
Wool & sheepskins	2000	2573	3063	189	188	293	298	318	302	295	289	231	214	235	238	200	253	298	1116	1224
Other (dairy produce, fruit etc)	2132	2426	2956	228	237	261	235	268	211	223	219	247	270	290	270	316	293	287	1283	1456
Total rural	8974	10840	12264	851	909	936	995	1187	1092	1116	1089	1041	964	1032	976	1014	1022	1012	4780	5056
Non-rural exports fob -																				
Metal ores & minerals	4229	4722	5001	477	418	418	390	425	356	337	402	390	453	363	415	514	508	456	2248	2256
Mineral fuels -																				
Coal, coke & briquettes	3338	4665	5251	485	434	456	469	496	397	443	401	452	380	478	413	495	473	391	2213	2250
Other	1437	2360	2300	243	239	323	192	338	155	121	62	60	54	39	90	110	117	195	1318	551
Metals & metal manufactures	2192	2512	2720	242	204	201	250	202	243	228	173	205	229	235	270	299	234	235	1190	1273
Machinery & transport equipment	1379	1681	1619	148	165	140	129	128	104	113	132	147	154	143	172	184	242	186	712	927
Other	2133	2458	3082	292	224	255	225	251	196	212	227	296	332	304	335	375	343	315	1343	1672
Total non-rural	14708	18398	19973	1887	1684	1793	1655	1840	1451	1454	1397	1550	1602	1562	1695	1977	1917	1778	9024	8929
TOTAL EXPORTS FOB -																				
ORIGINAL	23682	29238	32237	2738	2593	2729	2650	3027	2543	2570	2486	2591	2566	2594	2671	2991	2939	2790	13804	13985
SEASONALLY ADJUSTED (b)	..	..	..	2895	2611	2679	2850	2889	2777	2665	2512	2454	2416	2366	2802	3135	2930	2800	..	..
SMOOTHED SEASONALLY ADJUSTED (c)	..	..	..	2789	2795	2803	2798	2776	2722	2638	2540	2485	2509	2600	2718	2827	2914	2977	..	..
IMPORTS FOB(a)(e) -																				
Food, beverages & tobacco	-1211	-1476	-1705	-125	-139	-140	-133	-140	-139	-148	-162	-147	-155	-143	-151	-162	-193	-124	-681	-773
Fuels	-2209	-2321	-1907	-229	-176	-158	-154	-199	-164	-127	-107	-135	-66	-103	-155	-169	-165	-86	-955	-678
Basic materials	-873	-1052	-1109	-90	-89	-103	-84	-91	-86	-86	-110	-86	-92	-96	-89	-97	-100	-81	-474	-463
Chemicals (including plastics)	-2155	-2567	-3012	-256	-264	-236	-221	-276	-222	-241	-286	-250	-253	-273	-239	-326	-292	-242	-1263	-1372
Textiles, fabrics etc	-1304	-1452	-1669	-129	-149	-146	-133	-136	-126	-118	-151	-142	-137	-164	-152	-163	-156	-126	-726	-761
Metals & metal manufactures	-1143	-1462	-1697	-138	-156	-134	-139	-152	-125	-132	-148	-144	-145	-151	-162	-189	-158	-130	-712	-790
Machinery & transport equipment	-9261	-12820	-16186	-1274	-1384	-1401	-1458	-1369	-1202	-1336	-1328	-1229	-1265	-1367	-1375	-1488	-1452	-1248	-6999	-6930
Other	-5341	-6943	-8333	-684	-828	-672	-653	-720	-641	-635	-718	-661	-643	-807	-787	-917	-813	-626	-3662	-3950
TOTAL IMPORTS FOB -																				
ORIGINAL	-23497	-30093	-35618	-2925	-3185	-2990	-2975	-3083	-2705	-2823	-3010	-2794	-2756	-3104	-3110	-3511	-3329	-2663	-15472	-15717
Of which:																				
Exogenous (d)	-3098	-4237	-4504	-431	-453	-354	-380	-335	-341	-491	-287	-297	-209	-277	-382	-490	-445	-451	-2164	-2045
Endogenous (d)	-20399	-25856	-31114	-2494	-2732	-2636	-2595	-2748	-2364	-2332	-2723	-2497	-2547	-2827	-2728	-3021	-2884	-2212	-13308	-13672
SEASONALLY ADJUSTED (b)	..	..	..	-3069	-2858	-3110	-3232	-3159	-2909	-2864	-3140	-2720	-2721	-2772	-3045	-3572	-3050	-2799	..	..
SMOOTHED SEASONALLY ADJUSTED (c)	..	..	..	-3028	-3057	-3082	-3092	-3078	-3030	-2947	-2868	-2840	-2877	-2949	-3021	-3074	-3098	-3117	..	..
BALANCE ON MERCHANDISE TRADE -																				
ORIGINAL	185	-855	-3381	-187	-592	-261	-325	-56	-162	-253	-524	-203	-190	-510	-439	-520	-390	127	-1668	-1732
SEASONALLY ADJUSTED (b)	..	..	..	-174	-247	-431	-382	-270	-132	-199	-628	-266	-305	-406	-243	-437	-120	1	..	..
SMOOTHED SEASONALLY ADJUSTED (c)	..	..	..	-239	-262	-279	-294	-302	-308	-309	-328	-355	-368	-349	-303	-247	-184	-140	..	..

(a) For composition of component series, see paragraph 8 of the Explanatory Notes to the quarterly ABS publication 5302.0.
(b) Seasonally adjusted exports fob and imports fob for December 1986 are expected to be obtained by dividing the original estimates by 0.96725 and 0.93198 respectively.Refer to paragraph 11 of the Explanatory Notes to 5301.0
(c) For a description of the adjustment process, refer to paragraphs 13 to 15 of the Explanatory Notes.
(d) For definitions, see paragraph 12 of the Explanatory Notes to the quarterly ABS publication 5302.0.

TABLE 3. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES, INCOME AND UNREQUITED TRANSFERS

$MILLION

	YEARS			MONTHS															JULY TO NOV	
				1985-86										1986-87						
	1983-84	1984-85	1985-86	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	1985-86	1986-87
SERVICES -																				
CREDITS -																				
Shipment	362	395	392	34	31	32	31	30	32	33	34	36	36	34	36	37	35	36	160	178
Other transportation	1746	2096	2503	182	202	217	228	248	211	216	206	208	199	220	231	207	225	238	987	1121
Travel	1223	1359	1816	107	140	171	180	170	168	184	174	160	137	154	168	149	173	201	643	845
Other services	1000	1088	1205	97	92	92	97	102	94	100	109	120	122	107	107	112	112	113	461	551
TOTAL SERVICES CREDITS	4331	4938	5916	420	465	512	536	550	505	533	523	524	494	515	542	505	545	588	2251	2695
DEBITS -																				
Shipment	-2030	-2539	-2827	-242	-252	-239	-236	-247	-211	-210	-238	-221	-220	-253	-249	-274	-255	-196	-1244	-1227
Other transportation	-1695	-2097	-2252	-204	-182	-194	-186	-191	-156	-175	-179	-183	-190	-203	-206	-206	-202	-202	-992	-1019
Travel	-2146	-2618	-2759	-266	-231	-203	-232	-277	-173	-211	-213	-234	-228	-237	-261	-266	-244	-218	-1191	-1226
Other services	-1389	-1670	-1987	-158	-165	-155	-164	-170	-167	-175	-165	-173	-190	-170	-173	-175	-175	-173	-783	-866
TOTAL SERVICES DEBITS	-7260	-8924	-9825	-870	-830	-791	-818	-885	-707	-771	-795	-811	-828	-863	-889	-921	-876	-789	-4210	-4338
NET SERVICES	-2929	-3986	-3909	-450	-365	-279	-282	-335	-202	-238	-272	-287	-334	-348	-347	-416	-331	-201	-1959	-1643
INCOME -																				
CREDITS -																				
Property income -																				
Investment income -																				
Reinvested earnings (a)	309	315	400	33	33	34	33	33	34	33	33	33	34	50	50	50	50	50	167	250
Other (b)	1152	1220	1273	114	92	117	105	100	113	121	91	103	114	118	153	119	108	105	526	603
Other property income	88	130	109	7	11	11	11	6	7	6	12	12	13	10	11	11	13	14	42	59
Labour and other income	245	209	221	21	17	18	19	20	16	17	17	19	19	19	21	21	19	18	94	98
TOTAL INCOME CREDITS	1794	1874	2003	175	153	180	168	159	170	177	153	167	180	197	235	201	190	187	829	1010
DEBITS -																				
Property income -																				
Investment income -																				
Official	-708	-959	-1342	-117	-208	-82	-117	-136	-75	-125	-90	-134	-57	-217	-115	-122	-288	-99	-608	-841
Non-official -																				
Reinvested earnings (a)	-553	-610	-620	-52	-52	-51	-52	-51	-52	-52	-51	-52	-52	-58	-58	-59	-58	-58	-258	-291
Other	-4528	-5981	-6524	-510	-591	-581	-587	-557	-540	-534	-530	-524	-541	-603	-604	-606	-721	-721	-2711	-3255
Other property income	-627	-689	-629	-35	-37	-51	-45	-70	-58	-60	-58	-70	-65	-47	-33	-42	-47	-47	-203	-216
Labour and other income	-155	-165	-202	-14	-16	-18	-20	-19	-18	-19	-18	-17	-16	-17	-19	-18	-19	-22	-75	-95
TOTAL INCOME DEBITS	-6571	-8404	-9317	-728	-904	-783	-821	-833	-743	-790	-747	-797	-731	-942	-829	-847	-1133	-947	-3855	-4698
NET INCOME	-4777	-6530	-7314	-553	-751	-603	-653	-674	-573	-613	-594	-630	-551	-745	-594	-646	-943	-760	-3026	-3688
UNREQUITED TRANSFERS -																				
CREDITS	1786	2016	2550	184	227	215	222	225	206	200	229	223	240	231	234	219	263	251	1005	1198
DEBITS -																				
Official	-856	-950	-981	-35	-120	-28	-41	-129	-104	-36	-123	-87	-136	-105	-39	-38	-113	-37	-325	-332
Non-official (c)	-692	-704	-739	-57	-60	-60	-62	-67	-68	-69	-61	-62	-62	-64	-66	-66	-64	-65	-288	-325
TOTAL	-1548	-1654	-1720	-92	-180	-88	-103	-196	-172	-105	-184	-149	-198	-169	-105	-104	-177	-102	-613	-657
NET UNREQUITED TRANSFERS	238	362	830	92	47	127	119	29	34	95	45	74	42	62	129	115	86	149	392	541

(a) From July 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment.See Appendix B to the December quarter 1985 issue of publication 5302.0.
(b) Up to and including June 1985, this income is recorded after deducting withholding tax on both interest and dividends. From July 1985, withholding tax is not deducted.
(c) From July 1985 includes withholding tax.

$MILLION

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT AND BALANCING ITEM

	YEARS			MONTHS 1985-86										1986-87					JULY TO NOV	
	1983-84	1984-85	1985-86	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	1985-86	1986-87
NET CAPITAL TRANSACTIONS -																				
GENERAL GOVERNMENT -																				
Borrowing -																				
Foreign currency -																				
Drawings	1174	1807	2876	-	601	85	210	332	709	478	-	-	402	-	-	442	630	931	745	2003
Repayments	-817	-880	-1605	-9	-301	-91	-250	-45	-224	-171	-35	-107	-225	-545	-55	-359	-257	-7	-548	-1223
Total	357	928	1271	-9	300	-6	-40	287	485	307	-35	-107	177	-545	-55	83	373	924	197	780
Australian currency	704	1747	1909	100	10	65	152	237	292	211	164	231	-30	-87	-17	142	75	120	652	233
Total borrowing	1061	2675	3180	91	310	59	112	524	777	518	129	124	147	-632	-72	225	448	1044	849	1013
Other	-579	-317	-153	-110	179	44	-209	73	35	-168	99	48	-293	66	59	-32	43	59	262	195
TOTAL GENERAL GOVERNMENT	482	2358	3027	-19	489	103	-97	597	812	350	228	172	-146	-566	-13	193	491	1103	1111	1208
RESERVE BANK -																				
Reserve assets -																				
Official reserve assets	-1855	1521	2138	394	-21	608	504	-104	-323	-52	54	271	415	1605	916	269	-1045	-2240	1373	-695
Allocation of SDRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-15	-10	-16	-20	-5	3	6	-14	16	-22	6	4	6	15	-19	-3	-	-	-18	-7
TOTAL RESERVE BANK	-1870	1511	2122	374	-26	611	510	-118	-307	-74	60	275	421	1620	897	266	-1045	-2240	1355	-502
NON-OFFICIAL PLUS BALANCING ITEM-																				
Public sector, excluding trading banks-																				
Borrowing	2503	3795	1736	-570	221	162	193	530	55	639	299	-82	-272	-47	101	149	129	67	374	399
Accounts receivable/ prepayments made	-321	-634	-60	-8	-13	-13	-13	-43	-42	12	26	-16	66	-14	-75	-28	-47	76	-50	-88
Other (including balancing item) (a)	6489	3979	6949	1321	989	152	548	70	385	82	732	697	964	548	341	887	2050	1679	3471	5505
TOTAL NON-OFFICIAL PLUS BALANCING ITEM	8671	7140	8625	743	1197	301	728	557	398	733	1057	599	758	487	367	1008	2132	1822	3795	5816
BALANCE ON CAPITAL ACCOUNT PLUS BALANCING ITEM	7283	11009	13774	1098	1661	1016	1141	1036	903	1009	1345	1046	1033	1541	1251	1467	1578	685	6261	6522

(a) Includes public sector capital transactions n.e.i.

TABLE 5. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	YEARS			MONTHS 1985-86										1986-87				
	1983-84	1984-85	1985-86	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
OFFICIAL RESERVE ASSETS ($ MILLION) -																		
Levels at end of year/month	12417	13517(b)	13024	12505	12775	12636	12216	12133	12925	12811	12553	12504	13024	13439	12686	12615	13316	15146
Changes in levels	1669	(c)	-493	-269	270	-139	-420	-83	792	-114	-258	-49	520	415	-753	-71	701	1830
Of which -																		
Changes due to effects of revaluations	-186	(c)	1645	125	249	469	84	-187	469	-166	-204	222	935	2020	163	198	-344	-410
Changes included in the balance of payments(a)	1855	-1521	-2138	-394	21	-608	-504	104	323	52	-54	-271	-415	-1605	-916	-269	1045	2240
EXCHANGE RATES (END OF YEAR/MONTH) (d) -																		
UNITS OF FOREIGN CURRENCY PER $A -																		
United States dollar	.8613	.6655	.6772	.7077	.7002	.6850	.6809	.7155	.7012	.7119	.7391	.7166	.6772	.5980	.6085	.6274	.6420	.6488
UK pound	.6378	.5136	.4414	.5042	.4866	.4642	.4732	.5051	.4798	.4823	.4780	.4821	.4414	.3998	.4120	.4360	.4565	.4531
West German mark	2.399	2.030	1.485	1.891	1.837	1.734	1.672	1.700	1.559	1.659	1.611	1.655	1.485	1.257	1.251	1.267	1.318	1.285
Japanese yen	204.68	165.68	110.96	152.97	148.07	138.40	136.49	137.84	126.51	128.09	124.19	123.33	110.96	92.24	94.99	96.34	103.80	105.27
TRADE-WEIGHTED INDEX (END OF YEAR/MONTH) OF VALUE OF THE AUSTRALIAN DOLLAR (MAY 1970=100) (d)	79.2	65.0	56.3	64.8	63.4	60.9	60.7	62.7	59.8	61.1	61.4	60.7	56.3	49.3	50.3	51.9	54.0	54.3

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 4. See paragraph 5 of the Explanatory Notes. (b) From September 1984, figures for official reserve assets are not fully comparable with earlier data due to changes in the Reserve Bank's accounting procedures. (c) Not available. See footnote (b). (d) The exchange rates and index numbers shown relate to the last trading day of the reference period.