

BALANCE OF PAYMENTS, AUSTRALIA, OCTOBER 1991

MAIN FEATURES

Estimates of the main balance of payments aggregates for October 1991, the three preceding months and year-to-date are shown in the table below. These estimates are preliminary and subject to revision. Particular care should be taken in interpreting month-to-month movements, as indicated in the note on page 6 on *Reliability of Contemporary Trend Estimates*.

	1991-92				July - Oct		
	July	Aug	Sept	Oct	1990-91	1991-92	Change(a)
	\$ million				\$ million %		
	<i>Not seasonally adjusted</i>						
Balance on current account	- 1,464	- 857	- 1,215	- 1,790	- 6,730	- 5,326	+ 21
Balance on merchandise trade	14	607	415	- 317	- 477	719	..
Net services	- 342	- 204	- 345	- 200	- 1,805	- 1,091	+ 40
Net income	- 1,343	- 1,498	- 1,485	- 1,518	- 5,343	- 5,844	- 9
Net unrequited transfers	207	238	200	245	895	890	- 1
Official capital	1,391	- 336	2,384	1,458	- 560	4,897	..
Non-official capital plus balancing item	73	1,193	- 1,169	332	7,290	429	..
	<i>Seasonally adjusted</i>						
Balance on current account	- 1,025	- 515	- 1,216	- 1,298	..	..	..
Balance on merchandise trade	366	934	300	134	..	..	..
Net services	- 206	- 138	- 198	- 87	..	..	..
Net income	- 1,366	- 1,516	- 1,511	- 1,566	..	..	..
Net unrequited transfers	181	205	193	221	..	..	..
SUS exchange rate (per unit of \$A)(b)	0.7711	0.7824	0.7927	0.7938	..	..	..
Trade weighted index (base May 1970 = 100)(b)	60.0	60.4	60.5	60.2	..	..	..

a) For 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.

In seasonally adjusted terms, the current account deficit for October rose \$82 million (or 7 per cent) to \$1,298 million.

The rise in the deficit was caused by:

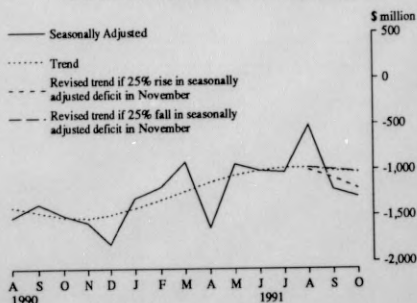
- a decrease of \$166 million in the merchandise trade surplus; and
- an increase of \$55 million in the net income deficit.

Partly offsetting these movements was a decrease of \$111 million in the net services deficit and an increase of \$28 million in the net unrequited transfers surplus.

Merchandise exports fell 7 per cent and merchandise imports fell 3 per cent.

The provisional trend estimate for the October current account deficit was \$1,031 million, up 2.2 per cent on the provisional trend estimate for September.

GRAPH 1: BALANCE ON CURRENT ACCOUNT - SEASONALLY ADJUSTED AND TREND ESTIMATES



INQUIRIES • for further information about statistics in this publication and the availability of related unpublished statistics, contact Mr Zia Abbasi on Canberra (06) 252 6689 or Mr Neil Batty on Canberra (06) 252 5540, or any ABS State office.
• for information about other ABS statistics and services please refer to the back page of this publication.

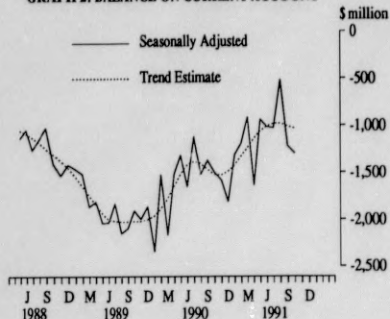
ANALYSIS OF SELECTED MAJOR AGGREGATES

October 1991 —

Balance on current account

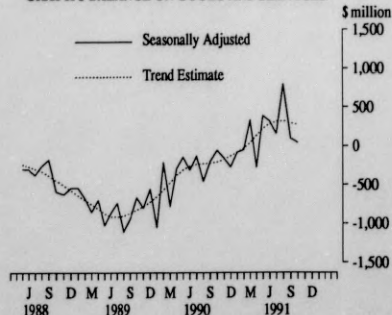
The **seasonally adjusted balance on current account** deficit increased by \$82 million, or 7 per cent, to \$1,298 million.

GRAPH 2: BALANCE ON CURRENT ACCOUNT

**Balance on goods and services**

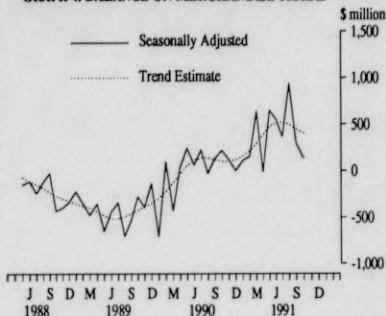
The **seasonally adjusted balance on goods and services** recorded a surplus of \$47 million, a decrease of \$55 million on the surplus recorded in September. This result was due to a decrease in the merchandise trade surplus, partly offset by a fall in the net services deficit.

GRAPH 3 BALANCE ON GOODS AND SERVICES

**Balance on merchandise trade**

The **seasonally adjusted balance on merchandise trade** recorded a surplus of \$134 million, down \$166 million (or 55 per cent) on the surplus recorded in September.

GRAPH 4: BALANCE ON MERCHANDISE TRADE

**Merchandise exports**

Seasonally adjusted exports f.o.b. fell \$314 million, or 7 per cent, to \$4,323 million, the lowest monthly result in the last six months.

In **original terms**, exports fell \$199 million, or 4 per cent, to \$4,385 million.

Rural exports fell \$41 million, or 3 per cent, to \$1,182 million. Falls were recorded in:

- meat, down \$60 million or 19 per cent; and
- sugar, down \$34 million or 33 per cent.

These decreases were partly offset by small increases in the remaining three components.

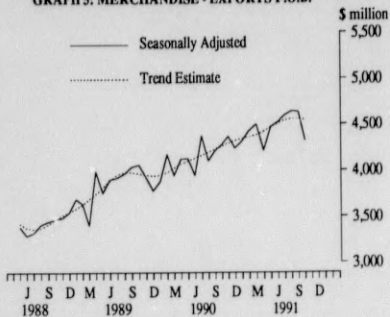
Non-rural exports fell \$158 million or 5 per cent, to \$3,203 million. The major contributors to the fall were:

- metal ores and minerals, down \$150 million or 19 per cent, the lowest monthly result since March 1990 (due mainly to decreased volumes of uranium, iron ore, zinc and manganese exports); and
- gold, down \$45 million or 13 per cent (due mainly to decreased volumes of gold exports).

The largest rises were recorded in "other" mineral fuels, up \$43 million or 15 per cent; and coal, coke and briquettes

up \$42 million or 7 per cent (due mainly to volume increases).

GRAPH 5: MERCHANDISE - EXPORTS F.O.B.



Merchandise imports

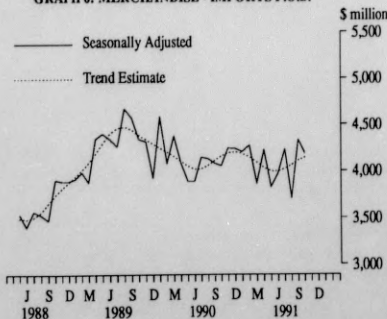
Seasonally adjusted imports f.o.b. fell \$148 million or 3 per cent, to \$4,189 million.

In original terms, imports rose \$533 million or 13 per cent, to \$4,702 million.

Rises were recorded in all groupings except metals and metal manufactures and "other" imports. The largest rises were recorded in:

- machinery, up \$118 million or 10 per cent;
- road vehicles, up \$116 million or 35 per cent;
- manufactures n.e.c., up \$87 million or 9 per cent; and
- "other" transport equipment, up \$84 million or 142 per cent, due mainly to imports of dredging vessels.

GRAPH 6: MERCHANDISE - IMPORTS F.O.B.



Exogenous imports rose \$80 million or 17 per cent, due mainly to rises in fuel and civil aircraft imports. Two civil aircraft, valued at \$201 million, were imported by Qantas in October, compared to one civil aircraft valued at \$169 million imported in September. Endogenous imports rose \$453 million, or 12 per cent, to their highest level since November 1989.

Net services

The seasonally adjusted net services deficit fell by \$111 million, or 56 per cent, to \$87 million. Services credits rose by \$80 million, or 7 per cent, reflecting increased "other" services and travel credits. Services debits fell \$31 million, or 2 per cent.

Net income

The seasonally adjusted net income deficit rose by \$55 million, or 4 per cent, to \$1,566 million. Income credits rose \$93 million, or 22 per cent. Income debits rose \$148 million, or 8 per cent, mainly reflecting increased dividends payable abroad to direct investors.

Net unrequited transfers

The seasonally adjusted net unrequited transfers surplus rose \$28 million, or 15 per cent, to \$221 million. Unrequited transfers credits rose \$23 million, or 6 per cent, reflecting increased withholding tax receipts. Unrequited transfers debits fell \$5 million, or 3 per cent.

Net capital transactions

In original terms, the net capital transactions of the official sector recorded a net inflow of \$1,458 million, down \$926 million on the net inflow for September.

The October estimate consisted of:

- an inflow of \$1,383 million on account of general government transactions, down \$987 million on the September inflow; and
- an inflow of \$75 million on account of Reserve Bank transactions, up \$61 million on the previous month's inflow.

The change in general government transactions resulted from:

- a fall of \$819 million in the inflow from borrowing, due to lower inflows from State government borrowing domiciled abroad (down \$440 million) and general government borrowing domiciled in Australia (down \$254 million), combined with an increase of \$125 million in repayments of Commonwealth Government borrowing domiciled abroad; and
- a turnaround of \$168 million, to a net outflow of \$62 million, in "other" general government transactions.

The change in Reserve Bank transactions chiefly resulted from larger net sales of official reserve assets during the month.

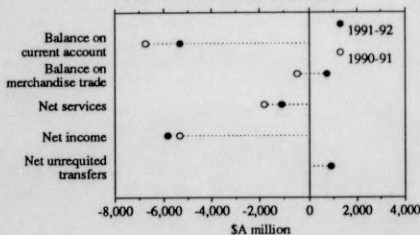
Four months ended October 1991 compared with four months ended October 1990 —

In original terms, the *balance on current account* deficit for the four months ended October 1991 was \$5,326 million, down \$1,404 million, or 21 per cent, on the deficit for the four months ended October 1990. This result was due to:

- a turnaround of \$1,196 million, from a deficit of \$477 million to a surplus of \$719 million, in the balance on merchandise trade; and
- a reduction of \$714 million, or 40 per cent, in the net services deficit.

These results were partly offset by an increase of \$501 million (9 per cent) in the net income deficit, and a decrease of \$5 million (1 per cent) in the net unrequited transfers surplus.

GRAPH 7: BALANCE OF PAYMENTS AGGREGATES - FOUR MONTHS ENDED OCTOBER

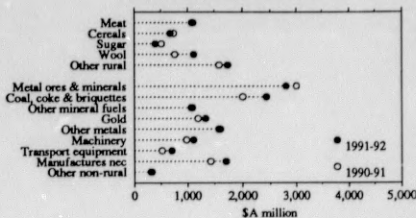


Merchandise exports rose \$1,325 million or 8 per cent, to \$18,138 million. The largest increases were in:

- coal, coke and briquettes, up \$420 million (21 per cent);
- wool, up \$354 million (46 per cent);
- manufactures nec, up \$274 million (19 per cent); and
- transport equipment, up \$182 million (35 per cent).

The largest falls were recorded in metal ores and minerals, down \$207 million (7 per cent); and sugar, down \$111 million (22 per cent).

GRAPH 8: MERCHANDISE EXPORTS - FOUR MONTHS ENDED OCTOBER

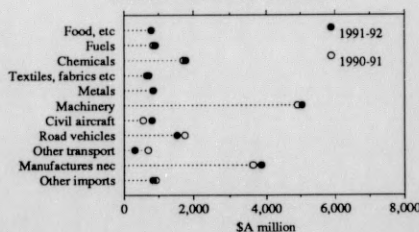


Merchandise imports rose \$129 million or 1 per cent, to \$17,419 million. The largest increases were in:

- civil aircraft, up \$253 million (45 per cent);
- manufactures nec, up \$229 million (6 per cent); and
- machinery, up \$139 million (3 per cent).

Falls were recorded in "other" transport equipment, down \$382 million (55 per cent); road vehicles, down \$227 million (13 per cent); and "other" imports, down \$76 million (8 per cent).

GRAPH 9: MERCHANDISE IMPORTS - FOUR MONTHS ENDED OCTOBER



Exogenous imports rose \$137 million (8 per cent), due mainly to an increase in civil aircraft and fuel imports. *Endogenous imports* were virtually unchanged.

The *net services* deficit fell \$714 million (40 per cent), to \$1,091 million, due mainly to an increase of \$376 million (26 per cent) in travel credits coupled with a decrease of \$217 million (11 per cent) in travel debits.

The *net income* deficit rose \$501 million, or 9 per cent, to \$5,844 million. Income credits fell \$96 million (5 per cent), due mainly to decreased insurance income (as noted in the September issue of this publication). Income debits rose \$405 million (6 per cent) to \$7,635 million, due largely to increased remitted profits by direct investors and interest payable on borrowing by the official sector.

The *net unrequited transfers* surplus fell \$5 million, or 1 per cent, to \$890 million. Unrequited transfers credits fell \$52 million (3 per cent) while unrequited transfers debits fell \$47 million (7 per cent).

Official capital transactions for the four months ended October 1991 yielded a net inflow of \$4,897 million compared to net outflow of \$560 million for the corresponding four months of 1990. This change was the result of:

- a turnaround of \$5,138 million, to a net inflow of \$4,774 million, in general government transactions; and
- a turnaround of \$319 million, to a net inflow of \$123 million, in Reserve Bank transactions.

The change in general government transactions resulted mainly from the turnaround of \$4,412 million, to an inflow of \$3,951 million, in borrowing. Transactions in official reserve assets mainly accounted for the change in Reserve Bank transactions.

REVISIONS

Revisions to the current account since the last issue of this publication have decreased the deficits for July, August

and September 1991 by \$84 million, \$94 million and \$121 million respectively.

The main factors contributing to these revisions were:

- for services, the incorporation into the travel estimates of the latest available information on overseas arrivals and departures, and data from the September quarter 1991 Survey of International Travel Enterprises.
- for income, the incorporation of preliminary data from the September quarter 1991 Survey of Foreign Investment (these data were also included in the September quarter 1991 balance of payments estimates issued on 27 November 1991).

For the capital account, revisions are due to more up-to-date information from the Survey of Foreign Investment.

CHANGES IN THIS ISSUE

Initial monthly estimates for interest on general government borrowing domiciled in Australia, which were previously extrapolated from information obtained from the quarterly Survey of Foreign Investment, are now based on data obtained from nominees in the monthly Survey of Foreign Investment.

Interest on general government borrowing domiciled in Australia is included in official sector investment income debits shown in Table 4 of this publication.

RELIABILITY OF CONTEMPORARY TREND ESTIMATES

The table below presents trend estimates of the deficit on current account from August 1990 onwards, including provisional trend estimates for the latest three months (August 1991, September 1991 and October 1991).

To illustrate the possible impact of future months observations on the provisional trend estimates for the latest three months, the table shows the revisions to these trend estimates that would result if the seasonally adjusted estimate of the current account balance next month (November 1991) is 25 per cent higher or lower than this month and if there are no revisions to the current or previous months' estimates. The 25 per cent range has been chosen because in the last decade the average monthly percentage movement, without regard to sign, of the seasonally adjusted current account deficit has been about 25 per cent.

If the deficit were to increase in November by 25 per cent, to \$1,623 million, the provisional trend movement for that month would be 13.1 per cent. The movements in the trend estimates for August, September and October which are provisionally -0.1 per cent, 3.3 per cent and 2.2 per cent respectively, would be revised to 3.6 per cent, 9.1 per cent and 10.5 per cent respectively. On the other hand, a 25 per cent seasonally adjusted decline in the deficit next month, to \$974 million, would produce a trend movement of 6.5 per cent for November, with the movements in the trend estimates for August, September and October being revised to -0.2 per cent, 2.2 per cent and 3.1 per cent respectively.

The graph on the front page of this publication illustrates this potential degree of revision at the current end of the trend series.

DEFICIT ON CURRENT ACCOUNT RELIABILITY OF TREND ESTIMATES

	Trend estimate		Revised trend estimate if November 1991 seasonally adjusted current account deficit -					
	\$m	% change on previous month	is up 25% on October 1991 (a)		is down 25% on October 1991 (a)		% change on previous month	
			\$m	% change on previous month	\$m	% change on previous month		
1990-91 —								
August	1402	1.7	1402	1.7	1402	1.7		
September	1464	4.4	1464	4.4	1464	4.4		
October	1517	3.6	1517	3.6	1517	3.6		
November	1524	0.5	1524	0.5	1524	0.5		
December	1489	-2.3	1489	-2.3	1489	-2.3		
January	1417	-4.8	1417	-4.8	1417	-4.8		
February	1327	-6.4	1327	-6.4	1327	-6.4		
March	1233	-7.1	1233	-7.1	1233	-7.1		
April	1133	-8.1	1133	-8.1	1133	-8.1		
May	1054	-7.0	1041	-8.1	1052	-7.1		
June	1006	-4.6	980	-5.9	1004	-4.6		
1991-92 —								
July	978	-2.8	968	-1.2	978	-2.6		
August	977 p	-0.1	1003	3.6	976	-0.2		
September	1009 p	3.3	1094	9.1	997	2.2		
October	1031 p	2.2	1209	10.5	1028	3.1		
November	nya	nya	1367	13.1	1095	6.5		

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months August 1990 to October 1991.

TABLE 1. BALANCE OF PAYMENTS
(\$ million)

	Years			Months												July to Oct				
	1988. 89	1989. 90	1990. 91	1990-91												1991-92	1990-91	1991-92		
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	91	92			
Current transactions —																				
<i>Goods and services —</i>																				
<i>Merchandise (a) —</i>																				
Exports fob	43,073	47,842	51,883	4,170	4,041	4,407	4,435	4,376	4,197	4,253	4,322	4,357	4,701	4,429	4,587	4,582	4,584	4,385	16,813	18,138
Imports fob	-47,032	-50,991	-49,256	-4,567	-3,810	-4,485	-4,472	-3,956	-4,306	-3,985	-3,663	-4,041	-3,969	-3,574	-4,573	-3,975	-4,169	-4,702	-17,290	-17,419
<i>Balance on merchandise trade</i>	<i>-3,959</i>	<i>-3,149</i>	<i>2,627</i>	<i>-397</i>	<i>231</i>	<i>-78</i>	<i>-37</i>	<i>420</i>	<i>-109</i>	<i>268</i>	<i>659</i>	<i>316</i>	<i>732</i>	<i>855</i>	<i>14</i>	<i>607</i>	<i>415</i>	<i>-317</i>	<i>-477</i>	<i>719</i>
<i>Services —</i>																				
Credits	10,959	11,719	13,132	1,045	992	1,044	1,112	1,172	1,278	1,167	1,108	1,063	1,055	1,063	1,143	1,156	1,120	1,224	4,114	4,643
Debits	-14,070	-16,197	-16,518	-1,534	-1,460	-1,408	-1,311	-1,331	-1,446	-1,177	-1,274	-1,314	-1,340	-1,406	-1,485	-1,360	-1,465	-1,424	-5,919	-5,734
<i>Net services</i>	<i>-3,111</i>	<i>-4,478</i>	<i>-3,386</i>	<i>-489</i>	<i>-468</i>	<i>-364</i>	<i>-199</i>	<i>-159</i>	<i>-168</i>	<i>-10</i>	<i>-166</i>	<i>-251</i>	<i>-285</i>	<i>-343</i>	<i>-342</i>	<i>-204</i>	<i>-345</i>	<i>-200</i>	<i>-1,805</i>	<i>-1,091</i>
<i>Balance on goods and services</i>	<i>-7,070</i>	<i>-7,627</i>	<i>-759</i>	<i>-886</i>	<i>-237</i>	<i>-442</i>	<i>-236</i>	<i>261</i>	<i>-277</i>	<i>258</i>	<i>493</i>	<i>65</i>	<i>447</i>	<i>512</i>	<i>-328</i>	<i>403</i>	<i>70</i>	<i>-517</i>	<i>-2,282</i>	<i>-372</i>
<i>Income —</i>																				
Credits	4,246	4,903	5,056	495	452	426	383	306	420	390	354	422	447	447	464	376	434	517	1,887	1,791
Debits	-17,868	-21,944	-22,741	-1,715	-1,800	-2,023	-1,971	-2,025	-1,876	-1,856	-1,886	-1,991	-1,956	-1,950	-1,807	-1,874	-1,919	-2,035	-7,230	-7,635
<i>Net income</i>	<i>-13,622</i>	<i>-17,041</i>	<i>-17,685</i>	<i>-1,220</i>	<i>-1,348</i>	<i>-1,597</i>	<i>-1,588</i>	<i>-1,719</i>	<i>-1,456</i>	<i>-1,466</i>	<i>-1,532</i>	<i>-1,569</i>	<i>-1,509</i>	<i>-1,503</i>	<i>-1,343</i>	<i>-1,498</i>	<i>-1,485</i>	<i>-1,518</i>	<i>-5,343</i>	<i>-5,844</i>
<i>Unrequited transfers —</i>																				
Credits	4,210	4,518	4,728	384	368	408	406	387	427	422	382	409	364	361	376	384	354	404	1,570	1,518
Debits	-2,012	-2,172	-2,242	-163	-158	-182	-170	-173	-261	-175	-177	-177	-206	-228	-169	-146	-154	-159	-675	-628
<i>Net unrequited transfers</i>	<i>2,198</i>	<i>2,346</i>	<i>2,486</i>	<i>221</i>	<i>210</i>	<i>226</i>	<i>236</i>	<i>214</i>	<i>166</i>	<i>247</i>	<i>205</i>	<i>232</i>	<i>158</i>	<i>133</i>	<i>207</i>	<i>238</i>	<i>200</i>	<i>245</i>	<i>895</i>	<i>890</i>
Balance on current account	-18,494	-22,322	-15,958	-1,885	-1,375	-1,813	-1,588	-1,244	-1,567	-961	-834	-1,272	-904	-855	-1,464	-857	-1,215	-1,790	-6,730	-5,326
Net capital transactions —																				
<i>Official —</i>																				
<i>General government</i>	2,674	2,575	-1,748	-1,658	366	66	-1,519	-217	-222	457	217	581	479	-1,160	1,409	-388	2,370	1,383	-364	4,774
<i>Reserve Bank —</i>																				
Reserve assets	-873	-2,156	-1,446	270	-414	-122	-8	-972	381	-168	-111	-208	-825	661	-24	61	19	70	-196	126
Other	—	24	-22	10	-24	23	-29	17	-17	6	98	-92	16	-21	6	-9	-5	5	—	-3
<i>Total</i>	<i>-873</i>	<i>-2,132</i>	<i>-1,468</i>	<i>280</i>	<i>-438</i>	<i>-99</i>	<i>-37</i>	<i>-955</i>	<i>364</i>	<i>-162</i>	<i>-13</i>	<i>-300</i>	<i>-809</i>	<i>640</i>	<i>-18</i>	<i>52</i>	<i>14</i>	<i>75</i>	<i>-196</i>	<i>123</i>
<i>Total official</i>	<i>1,801</i>	<i>443</i>	<i>-3,216</i>	<i>-1,378</i>	<i>-72</i>	<i>-33</i>	<i>-1,556</i>	<i>-1,172</i>	<i>142</i>	<i>295</i>	<i>204</i>	<i>281</i>	<i>-330</i>	<i>-520</i>	<i>1,391</i>	<i>-336</i>	<i>2,384</i>	<i>1,458</i>	<i>-560</i>	<i>4,897</i>
<i>Non-official plus balancing item</i>	16,693	21,879	19,174	3,263	1,447	1,846	3,144	2,416	1,425	666	630	991	1,234	1,378	73	1,193	-1,169	332	7,290	429
Balance on capital account plus balancing item	18,494	22,322	15,958	1,885	1,375	1,813	1,588	1,244	1,567	961	834	1,272	904	858	1,464	857	1,215	1,790	6,730	5,326

(a) Balance of payments basis.

TABLE 2. BALANCE OF PAYMENTS — CURRENT ACCOUNT — SEASONALLY ADJUSTED AND TREND ESTIMATES (a)
(\$ million)

	Months												1991-92					
	1990-91												July	Aug.	Sept.	Oct.		
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June							
	Seasonally adjusted (b)																	
<i>Goods and services —</i>																		
<i>Merchandise —</i>																		
Exports fob	4,106	4,218	4,280	4,370	4,245	4,319	4,433	4,500	4,217	4,476	4,525	4,600	4,645	4,637	4,323			
Imports fob	-4,135	-4,086	-4,059	-4,248	-4,242	-4,208	-4,278	-3,867	-4,228	-3,828	-3,971	-4,234	-3,711	-4,337	-4,189			
<i>Balance on merchandise trade</i>	-29	132	221	122	3	111	155	633	-11	648	554	366	934	300	134			
<i>Services —</i>																		
Credits	1,067	1,085	1,076	1,100	1,073	1,142	1,113	1,068	1,073	1,103	1,186	1,179	1,196	1,199	1,279			
Debits	-1,493	-1,415	-1,350	-1,375	-1,344	-1,331	-1,312	-1,367	-1,333	-1,359	-1,418	-1,385	-1,334	-1,397	-1,366			
<i>Net services</i>	-426	-330	-274	-275	-271	-189	-199	-299	-260	-256	-232	-206	-138	-198	-87			
<i>Balance on goods and services</i>	-455	-198	-53	-153	-268	-78	-44	334	-271	392	322	160	796	102	47			
<i>Income —</i>																		
Credits	483	436	429	393	312	430	412	371	415	440	436	456	372	425	518			
Debits	-1,725	-1,812	-2,078	-2,023	-2,075	-1,840	-1,824	-1,855	-1,985	-1,952	-1,950	-1,822	-1,888	-1,936	-2,084			
<i>Net income</i>	-1,242	-1,376	-1,649	-1,630	-1,763	-1,410	-1,412	-1,484	-1,570	-1,512	-1,514	-1,366	-1,516	-1,511	-1,566			
<i>Unrequited transfers —</i>																		
Credits	378	397	397	403	406	389	433	399	390	365	383	360	384	373	396			
Debits	-199	-191	-194	-198	-183	-208	-166	-163	-182	-182	-201	-179	-179	-180	-175			
<i>Net unrequited transfers</i>	179	206	203	205	223	181	267	236	208	183	182	181	205	193	221			
<i>Balance on current account</i>	-1,518	-1,368	-1,499	-1,578	-1,808	-1,307	-1,189	-914	-1,633	-937	-1,010	-1,025	-515	-1,216	-1,298			
	Trend estimates																	
<i>Goods and services —</i>																		
<i>Merchandise (a) —</i>																		
Exports fob	4,201	4,234	4,266	4,299	4,326	4,346	4,366	4,385	4,423	4,472	4,516	4,548	4,562p	4,558p	4,549p			
Imports fob	-4,062	-4,115	-4,165	-4,196	-4,206	-4,187	-4,151	-4,094	-4,034	-3,998	-3,998	-4,025	-4,065p	-4,113p	-4,145p			
<i>Balance on merchandise trade</i>	139	119	101	103	120	159	215	291	389	474	518	523	497p	445p	404p			
<i>Balance on goods and services</i>	-223	-218	-203	-168	-127	-77	-25	44	138	229	289	320	322p	295p	276p			
<i>Balance on current account</i>	-1,402	-1,464	-1,517	-1,524	-1,489	-1,417	-1,327	-1,233	-1,133	-1,054	-1,006	-978	-977p	-1,009p	-1,031p			

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

TABLE 3. BALANCE OF PAYMENTS — CURRENT ACCOUNT — MERCHANDISE (BALANCE OF PAYMENTS BASIS)
(\$ million)

	Years			Months												July to Oct				
	1988-89	1989-90	1990-91	1990-91												1990-91	1991-92			
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.		
Exports fob (a) —																				
<i>Rural exports fob —</i>																				
Meat & meat preparations	2,249	2,915	3,200	249	280	281	287	272	240	238	232	256	269	324	281	271	308	248	1,082	1,108
Cereal grains & cereal preparations (b)	2,738	3,204	2,495	174	147	183	190	170	182	204	311	238	252	209	230	174	130	142	739	676
Sugar, sugar preparations & honey	891	1,036	877	159	107	111	70	65	64	44	35	50	23	17	97	131	102	68	509	398
Wool & sheepskins	5,975	3,865	2,861	164	198	186	218	267	251	260	203	250	355	294	300	227	288	302	763	1,117
Other rural	3,979	4,301	4,627	450	337	352	326	361	372	338	295	369	483	501	464	457	395	422	1,582	1,738
<i>Total rural</i>	<i>15,832</i>	<i>15,321</i>	<i>14,060</i>	<i>1,196</i>	<i>1,069</i>	<i>1,113</i>	<i>1,091</i>	<i>1,135</i>	<i>1,109</i>	<i>1,084</i>	<i>1,076</i>	<i>1,163</i>	<i>1,382</i>	<i>1,345</i>	<i>1,372</i>	<i>1,260</i>	<i>1,223</i>	<i>1,182</i>	<i>4,675</i>	<i>5,037</i>
<i>Non-rural exports fob —</i>																				
Metal ores & minerals (b)	6,582	7,557	8,594	721	757	768	703	742	735	631	635	712	752	675	703	697	776	626	3,009	2,802
Coal, coke & briquettes	4,737	5,910	6,439	563	423	559	484	528	494	573	595	592	556	608	586	613	594	636	2,009	2,429
Other mineral fuels	1,258	2,079	3,578	232	286	353	346	296	322	380	346	280	308	202	229	233	284	327	1,098	1,073
Gold	2,731	3,114	3,918	282	242	413	440	405	269	360	397	325	273	252	270	424	345	300	1,197	1,339
Other metals	4,675	4,672	4,745	409	406	391	400	426	422	380	338	360	433	405	388	391	417	412	1,581	1,608
Machinery	1,870	2,452	3,118	249	246	250	298	270	270	219	232	275	299	303	266	271	276	980	1,116	
Transport equipment	886	1,144	1,881	120	93	127	113	119	178	209	261	106	249	125	293	142	130	138	521	703
Manufactures nec	3,277	4,038	4,394	344	379	374	428	368	340	320	335	399	370	405	386	451	451	417	1,431	1,705
Other non-rural (b)	1,225	1,555	1,156	54	140	59	132	87	58	97	107	145	103	115	57	105	93	71	312	326
<i>Total non-rural</i>	<i>27,241</i>	<i>32,521</i>	<i>37,823</i>	<i>2,974</i>	<i>2,972</i>	<i>3,294</i>	<i>3,344</i>	<i>3,241</i>	<i>3,088</i>	<i>3,169</i>	<i>3,246</i>	<i>3,194</i>	<i>3,319</i>	<i>3,084</i>	<i>3,215</i>	<i>3,322</i>	<i>3,361</i>	<i>3,203</i>	<i>12,138</i>	<i>13,101</i>
Total exports fob	43,073	47,842	51,883	4,170	4,041	4,407	4,435	4,376	4,197	4,253	4,322	4,357	4,701	4,429	4,587	4,582	4,584	4,385	16,813	18,138
Imports fob (a) —																				
Food, beverages & tobacco	-2,200	-2,285	-2,323	-202	-188	-212	-220	-177	-210	-174	-175	-196	-199	-182	-190	-199	-185	-217	-790	-791
Fuels	-2,014	-2,520	-3,147	-147	-208	-307	-390	-363	-343	-315	-237	-291	-185	-174	-245	-156	-239	-270	-849	-910
Chemicals (including plastics) (b)	-4,973	-5,203	-5,163	-460	-398	-434	-450	-341	-471	-437	-400	-479	-477	-403	-454	-407	-439	-472	-1,705	-1,772
Textiles, fabrics etc	-2,002	-1,946	-1,830	-173	-144	-169	-165	-114	-162	-141	-129	-150	-163	-144	-189	-168	-167	-190	-662	-714
Metals & metal manufactures	-2,625	-2,764	-2,484	-212	-194	-201	-240	-170	-227	-188	-217	-208	-224	-177	-200	-198	-226	-221	-833	-843
Machinery	-13,793	-15,522	-14,228	-1,217	-1,104	-1,272	-1,322	-1,096	-1,252	-1,082	-1,072	-1,191	-1,259	-1,050	-1,322	-1,205	-1,317	-1,211	-4,904	-5,045
Transport equipment —																				
Civil aircraft (c)	-837	-1,247	-1,519	-317	45	—	-423	-100	-215	-51	—	—	—	-170	-170	-103	-169	-201	-560	-813
Road vehicles (d)	-4,790	-5,049	-4,485	-417	-357	-479	-421	-305	-367	-334	-346	-336	-320	-307	-418	-316	-336	-452	-1,749	-1,522
Other transport equipment (e)	-1,222	-1,463	-1,680	-130	-175	-287	-105	-142	-136	-56	-112	-216	-127	-88	-212	-72	-59	-143	-698	-316
Manufactures nec	-9,766	-10,308	-10,108	-976	-804	-937	-960	-690	-875	-861	-771	-798	-820	-705	-945	-943	-941	-1,028	-3,628	-3,857
Other imports (b)	-2,810	-2,684	-2,289	-316	-193	-187	-199	-135	-163	-182	-153	-176	-195	-174	-228	-208	-209	-191	-912	-836
Total imports fob	-47,032	-50,991	-49,256	-4,567	-3,810	-4,485	-4,472	-3,956	-4,306	-3,985	-3,663	-4,041	-3,969	-3,574	-4,573	-3,975	-4,169	-4,702	-17,290	-17,419
<i>Exogenous (f)</i>	<i>-4,186</i>	<i>-4,770</i>	<i>-5,648</i>	<i>-625</i>	<i>-304</i>	<i>-353</i>	<i>-466</i>	<i>-880</i>	<i>-530</i>	<i>-608</i>	<i>-346</i>	<i>-426</i>	<i>-259</i>	<i>-401</i>	<i>-499</i>	<i>-338</i>	<i>-476</i>	<i>-556</i>	<i>-1,732</i>	<i>-1,869</i>
<i>Endogenous (g)</i>	<i>-42,846</i>	<i>-46,221</i>	<i>-43,608</i>	<i>-3,942</i>	<i>-3,506</i>	<i>-4,132</i>	<i>-4,006</i>	<i>-3,076</i>	<i>-3,776</i>	<i>-3,377</i>	<i>-3,317</i>	<i>-3,615</i>	<i>-3,710</i>	<i>-3,173</i>	<i>-4,074</i>	<i>-3,637</i>	<i>-3,693</i>	<i>-4,146</i>	<i>-15,558</i>	<i>-15,550</i>

(a) Definitions of the component series are given in publication 5302.0. (b) Entries for periods after 1 July 1990 are not strictly comparable with entries for earlier periods. See "Changes in this Issue" on page 4 of the July 1991 issue of this publication for further information. (c) Acquisition of aircraft by selected major airline companies. (d) SITC Division 78. (e) Includes civil aircraft parts. (f) 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, defense equipment, and ships, aircraft and other large items of equipment acquired by selected public and private enterprises. (g) Goods other than those regarded as exogenous.

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

	Years			Months												July to Oct					
	1988-89	1989-90	1990-91	1990-91												1990-91	1991-92				
	Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	91	92				
Services —																					
<i>Credits —</i>																					
Shipment	554	535	582	50	50	50	51	52	46	46	46	47	47	47	51	51	51	53	200	206	
Other transportation	3,209	3,446	3,947	319	312	330	352	387	358	325	333	313	307	317	316	340	323	351	1,255	1,330	
Travel	4,330	4,337	4,832	359	330	368	392	430	561	490	414	382	357	366	463	447	436	470	1,440	1,816	
Other services	2,866	3,401	3,771	317	300	296	317	303	313	306	315	321	344	333	313	318	310	350	1,219	1,291	
<i>Total services credits</i>	10,959	11,719	13,132	1,045	992	1,044	1,112	1,172	1,278	1,167	1,108	1,063	1,055	1,063	1,143	1,156	1,120	1,224	4,114	4,643	
<i>Debits —</i>																					
Shipment	-3,176	-3,269	-3,051	-287	-242	-274	-306	-209	-258	-236	-233	-255	-258	-200	-282	-240	-268	-283	-1,096	-1,073	
Other transportation	-2,912	-3,420	-3,431	-296	-297	-316	-272	-294	-283	-239	-265	-273	-284	-306	-317	-306	-305	-321	-1,215	-1,249	
Travel	-4,321	-5,086	-5,186	-480	-545	-426	-347	-420	-474	-305	-362	-402	-407	-409	-469	-422	-477	-395	-1,980	-1,763	
Other services	-3,661	-4,422	-4,850	-471	-376	-392	-386	-408	-431	-397	-414	-384	-391	-411	-417	-392	-415	-425	-1,628	-1,649	
<i>Total services debits</i>	-14,070	-16,197	-16,518	-1,534	-1,460	-1,408	-1,311	-1,331	-1,446	-1,177	-1,274	-1,314	-1,340	-1,406	-1,485	-1,360	-1,465	-1,424	-5,919	-5,734	
Net services	-3,111	-4,478	-3,386	-489	-468	-364	-199	-159	-168	-10	-166	-251	-285	-343	-342	-204	-345	-200	-1,805	-1,091	
Income —																					
<i>Credits —</i>																					
Property income —																					
Investment income —																					
Reinvested earnings	2,029	1,591	1,472	123	123	122	123	123	122	123	123	122	123	123	121	121	121	121	490	484	
Other	1,730	2,471	2,681	259	212	246	207	126	227	209	168	239	262	250	270	187	240	327	993	1,024	
Other property income	248	302	323	27	27	27	27	27	27	27	27	27	27	27	29	29	29	29	107	116	
Labour and other income	239	539	580	86	90	31	26	30	44	31	36	34	35	47	44	39	44	40	297	167	
<i>Total income credits</i>	4,246	4,903	5,056	495	452	426	383	306	420	390	354	422	447	447	464	376	434	517	1,887	1,791	
<i>Debits —</i>																					
Property income —																					
Investment income —																					
Official	-3,182	-4,105	-3,789	-285	-371	-354	-300	-347	-334	-319	-347	-314	-279	-277	-276	-337	-386	-413	-1,272	-1,412	
Non-official —																					
Reinvested earnings	-2,131	-1,536	-1,420	-118	-119	-118	-118	-119	-118	-118	-119	-118	-118	-119	-120	-121	-121	-120	-473	-482	
Other	-10,980	-14,492	-15,584	-1,152	-1,152	-1,398	-1,398	-1,399	-1,251	-1,252	-1,251	-1,393	-1,392	-1,235	-1,236	-1,236	-1,318	-4,855	-5,025		
Other property income	-1,296	-1,405	-1,491	-124	-125	-123	-124	-125	-124	-124	-125	-124	-125	-125	-132	-132	-132	-132	-495	-528	
Labour and other income	-279	-406	-457	-36	-33	-30	-31	-35	-49	-43	-44	-42	-41	-37	-44	-48	-44	-52	-135	-188	
<i>Total income debits</i>	-17,868	-21,944	-22,741	-1,715	-1,800	-2,023	-1,971	-2,025	-1,876	-1,856	-1,886	-1,991	-1,956	-1,950	-1,807	-1,874	-1,919	-2,035	-7,230	-7,635	
Net income	-13,622	-17,041	-17,685	-1,220	-1,348	-1,597	-1,588	-1,719	-1,456	-1,466	-1,532	-1,569	-1,509	-1,503	-1,343	-1,498	-1,485	-1,518	-5,343	-5,844	
Unrequited transfers —																					
<i>Credits</i>	4,210	4,518	4,728	384	368	408	406	387	427	422	382	409	364	361	376	384	354	404	1,570	1,518	
<i>Debits —</i>																					
Official	-1,157	-1,278	-1,244	-83	-77	-100	-86	-87	-176	-87	-88	-96	-124	-145	-89	-65	-73	-78	-355	-305	
Non-official	-855	-894	-998	-80	-81	-82	-84	-86	-85	-88	-89	-81	-82	-83	-80	-81	-81	-81	-320	-323	
Total	-2,612	-2,172	-2,242	-163	-158	-182	-170	-173	-261	-175	-177	-177	-206	-228	-169	-146	-154	-159	-675	-628	
Net unrequited transfers	2,198	2,346	2,486	221	210	226	236	214	166	247	205	232	158	133	207	238	200	245	895	890	

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for October 1991, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the September quarter 1991 issue of the quarterly balance of payments publication (5302.0) released on 27 November 1991.

2. 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: Concepts, Sources and Methods* (5331.0). The publication also provides item definitions; explanations of seasonal adjustment and trend estimates; and an analysis of the quality of the 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. 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 by the trend estimates in Table 2 and the graphs. The trend estimates are generally derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted series.

Seasonal adjustment

5. The factors to be used in seasonally adjusting the monthly balance of payments statistics during 1991 can be obtained, for a charge, from Mr Trevor Jolly on Canberra (06) 252 6820.

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 Trevor Jolly on Canberra (06) 252 6820. There may be a charge for this information.

Next release date

8. The expected release date for the November 1991 issue is 6 January 1992. Any variations which might occur will be notified in the *ABS Publications Advice* (1105.0) and on DISCOVERY. The date can be confirmed a few days prior to release by telephoning Canberra (06) 252 6778.

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
p	provisional

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

J.L. Carroll
Acting Australian Statistician



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