Australian Bureau of Statistics

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BALANCE OF PAYMENTS, AUSTRALIA, JUNE 1989

PHONE INQUIRIES
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Users are warned that care should be exercised in the use and interpretation of estimates in this publication. In particular the estimates for later months are *preliminary and subject to revision as more complete and accurate information becomes available. Particular care should be taken in interpreting month-to-month movements..*

Changes in this issue and electronic services:
The monthly seasonally adjusted estimates have been extended to cover the whole of the current account. For further details see page 5. Also, from 19 July 1989, statistics in this publication will be released on the ABS Telestats service. See page 15.

MAIN FEATURES

The preliminary estimates of the main balance of payments aggregates for June 1989, the three preceding months and the latest two financial years are shown in the table below together with statistics on the $US exchange rate and the trade weighted index of the value of the Australian dollar:

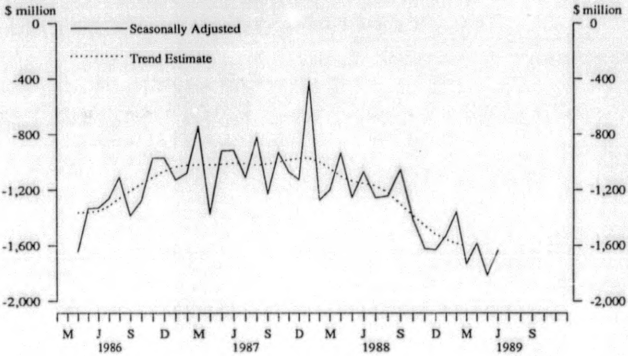
	1988-89				*Financial year*		
	Mar	*Apr*	*May*	*Jun*	*1987-88*	*1988-89*	*Change (a)*
	$ million				$ million		%
	Not seasonally adjusted						
Balance on current account	-1686	-1203	-1876	-1632	-12327	-17740	-44
Balance on merchandise trade	-493	8	-663	-255	144	-4225	..
Net services	-182	-314	-357	-430	-3246	-3270	-1
Net income	-1217	-1138	-1053	-1143	-10984	-12611	-15
Net unrequited transfers	206	241	197	196	1759	2366	35
Official capital transactions	459	-1372	-296	-726	498	-699	..
Non-official capital transactions plus balancing item	1227	2575	2172	2358	11829	18439	..
	Seasonally adjusted						
Balance on current account	-1731	-1586	-1814	-1637	..	..	..
Balance on merchandise trade	-495	-355	-674	-431	..	..	..
Net services	-250	-344	-350	-349	..	..	..
Net income	-1184	-1128	-996	-1109	..	..	..
Net unrequited transfers	198	241	206	252	..	..	..
$US exchange rate (per unit of $A)(b)	.8158	.8044	.7732	.7556	.7290	.8160	+11.9
Trade weighted index (base May 1970 = 100)(b)	61.4	60.9	59.6	59.5	54.8	61.6	+12.4

a) For the 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) Monthly average of trading-day figures.

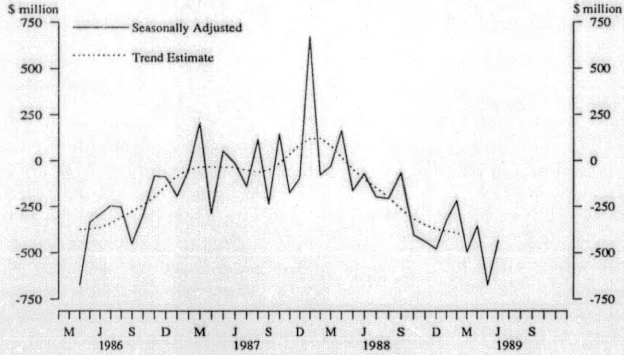
The merchandise trade deficit narrowed in both original and seasonally adjusted terms in June. A fall of 9 per cent in imports accounted for the fall in original terms, while a rise of 2 per cent in exports and a fall of 4 per cent in imports were responsible for the decline in seasonally adjusted terms. The current account deficit fell in both original and seasonally adjusted terms in June.

At $17740 million for 1988-89, the preliminary estimate of the current account deficit was up $5413 million from the previous financial year. This was chiefly due to the turnaround from a small surplus to a deficit in the balance on merchandise trade, with a 17 per cent rise in imports outweighing a 6 per cent rise in exports.

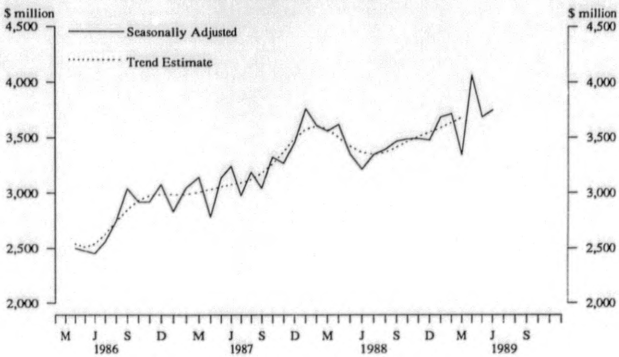
GRAPH 1: BALANCE ON CURRENT ACCOUNT



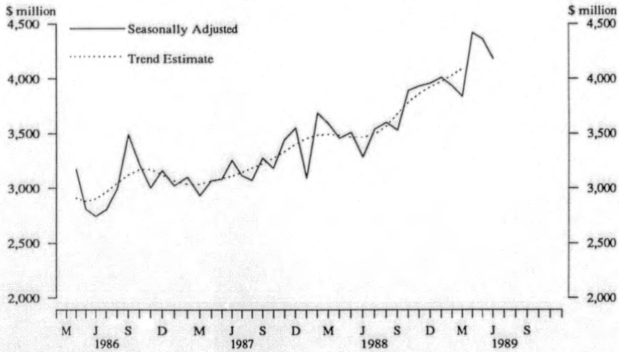
GRAPH 2: BALANCE ON MERCHANDISE TRADE



GRAPH 3: MERCHANDISE - EXPORTS FOB



GRAPH 4: MERCHANDISE - IMPORTS FOB



ANALYSIS OF SELECTED MAJOR AGGREGATES

June 1989 -
The **merchandise trade** deficit fell by $408 million to $255 million in June. In **seasonally adjusted** terms, the deficit fell $243 million to $431 million.

Exports fob were virtually unchanged. Non-rural exports rose $51 million or 2 per cent. The main rises were in coal, up $34 million or 8 per cent reflecting an increase in the volume of coal exported, and "other mineral fuels", up $51 million or 61 per cent due partly to increased crude oil exports. The main fall was in metal ores and minerals, down $50 million or 7 per cent. Rural exports fell $39 million or 3 per cent with the largest fall occurring in wool and sheepskins, down $85 million or 18 per cent reflecting a fall in both the volume and price of greasy wool exported. The main rise was in "other rural" exports, up $59 million or 17 per cent, partly due to increased exports of dairy products.

In **seasonally adjusted** terms exports rose $62 million or 2 per cent.

Imports fob fell $396 million or 9 per cent in June, reflecting falls in all groups. The largest decreases were in: "manufactures nec", down $101 million or 11 per cent; transport equipment, down $99 million or 15 per cent; metals and metal manufactures, down $60 million or 21 per cent; and chemicals, down $56 million or 11 per cent.

The accompanying table on this page shows a breakdown of transport equipment imports on a monthly basis since April 1988 and on an annual basis for the last 3 financial years.

Exogenous imports fell $95 million or 20 per cent due to decreased civil aircraft and government imports. One civil aircraft, valued at $28 million, was imported in June by Ansett Airlines; this follows the import of two civil aircraft valued at $67 million in May. **Endogenous imports** fell $301 million or 7 per cent.

In **seasonally adjusted** terms imports fell $181 million or 4 per cent.

The **net services** deficit was $430 million, up $73 million or 20 per cent. Services credits fell $57 million or 8 per cent, partly due to a decrease in "other transportation" services and partly due to a seasonal decrease in the number of travellers visiting Australia, which resulted in lower travel earnings. Services debits rose $16 million or 1 per cent, due also to seasonal influences on the number of Australian travellers abroad, which resulted in higher travel expenditure.

In **seasonally adjusted** terms, the net services deficit was virtually unchanged, while the deficit on goods and services fell $244 million or 24 per cent.

The **net income** deficit at $1143 million, was up $90 million or 9 per cent. Income receivable from and payable to non-residents fell by $124 million and $34 million respectively.

In **seasonally adjusted** terms, the net income deficit rose $113 million or 11 per cent.

Net unrequited transfers recorded a surplus of $196 million. Both credits and debits were virtually unchanged.

In **seasonally adjusted** terms, the surplus on net unrequited transfers rose $46 million or 22 per cent.

Imports of Transport Equipment
(not seasonally adjusted)
$ million

Period	Civil aircraft (a)	Road vehicles(b)	Other transport equipment	Total
Years -				
1986-87	1058	2720	724	4502
1987-88	189	3139	824	4152
1988-89	837	4789	1215	6841
Months -				
1987-88 -				
April	-	263	53	316
May	-	288	109	397
June	-	331	86	417
1988-89 -				
July	-	348	52	400
August	82	357	62	501
September	-	310	92	402
October	144	396	132	672
November	126	411	118	655
December	201	338	140	679
January	37	399	156	592
February	73	378	80	531
March	39	463	90	592
April	40	453	71	564
May	67	469	140	676
June	28	467	82	577

(a) Acquisition of aircraft by selected major airline companies. (b) SITC Division 78.

The **capital transactions** of the official sector recorded a net outflow of $726 million, up $430 million on the outflow for May. The June estimate consisted of a net outflow of $388 million on account of general government transactions, down $371 million on the previous month's outflow, and a net outflow of $338 million from Reserve Bank transactions after a net inflow of $463 million in May. The change on account of general government transactions reflected a sharp turnaround of $846 million to an inflow, as a result of borrowing domiciled in Australia. This change was partly offset by a higher net outflow on borrowing domiciled abroad and a turnaround (to an outflow) in the "other" transactions of general government following substantially higher subscription payments to international development institutions. The turnaround (to an outflow) which eventuated from Reserve Bank transactions was due principally to transactions in official reserve assets, which yielded an outflow (denoting an increase in assets) of $335 million following an inflow of $483 million in May.

Financial year 1988-89 -
The preliminary deficit on **current account** was $17740 million, up $5413 million or 44 per cent on the deficit for 1987-88, chiefly due to a turnaround (from a small surplus

to a deficit) of $4369 million in the **balance on merchandise trade.**

Exports fob rose by $2356 million or 6 per cent, with rises in metal ores and minerals, cereals, "other metals", and "manufactures nec" being partly offset by falls in meat, coal and "other mineral fuels".

Imports fob rose by $6725 million or 17 per cent with transport equipment, up $2689 million, being the main contributor partly due to higher civil aircraft imports. Machinery, "manufactures nec" and chemicals also rose substantially. In machinery, the largest growth was in office machines and ADP equipment. Fuels and "other" imports were the only categories to fall.

Exogenous imports rose $355 million or 9 per cent while **endogenous imports** rose $6370 million or 17 per cent.

The **net services** deficit rose $24 million, as increases in services credits (particularly travel credits) were slightly outweighed by increases in services debits.

The **net income** deficit rose $1627 million as the increase of $653 million in income credits only partly offset the increase of $2280 million in income debits (the latter chiefly due to increased interest payable abroad).

The **net unrequited transfers** surplus rose $607 million.

Net official capital transactions yielded an outflow of $699 million, which was a turnaround of $1197 million from the inflow for 1987-88. The net inflow on account of general government transactions fell $4256 million to $174 million, due mainly to a significantly lower net inflow from borrowing domiciled in Australia (down $2534 million) and higher repayments of Commonwealth Government borrowing domiciled abroad (up $1553 million). Reserve Bank transactions resulted in an outflow of $873 million, down $3059 million on the outflow for the previous financial year, mainly on account of transactions in official reserve assets.

REVISIONS

Some previously published estimates have been revised in this issue. The impact on the deficit on current account has been an upwards revision of $119 million in the eleven months to May 1989.

The items contributing to the current account revisions were:

• Merchandise exports and imports. Revisions reflect the incorporation of the latest available data on recorded trade. The merchandise trade surplus for April 1989 has been revised upwards by $2 million. The deficit for May 1989 has been revised upwards by $36 million.

• Services credits and debits have been revised for April and May 1989 to take account of more up-to-date data from various sources. The result has been to widen the net services deficit by $85 million for these two months.

CHANGES IN THIS ISSUE - ADDITIONAL SEASONALLY ADJUSTED AND TREND ESTIMATES

Quarterly seasonally adjusted estimates are provided for the whole balance of payments current account in the quarterly balance of payments publication (catalogue no. 5302.0), while previously monthly seasonally adjusted estimates for merchandise trade only were provided in this publication. Trend estimates were provided only for monthly merchandise trade. Investigations have recently been completed into the feasibility of publishing additional monthly seasonally adjusted and trend estimates to enhance the analytic content of this publication. Based on the findings of these investigations, from this issue the monthly seasonally adjusted and trend estimates have been extended to cover the whole of the current account and are shown in Table 3. The improved range of statistics is also reflected in the Main Features Table.

The monthly seasonal adjustment of the main components of the current account necessarily differs from the quarterly seasonal adjustment of these data. ABS analyses of the monthly data have shown that some individual series are too variable to derive reliable seasonal adjustment factors. Also some monthly series are obtained from the even distribution of a quarterly estimate across the months and therefore do not exhibit a monthly seasonal pattern, although the quarterly data may be reliably seasonally adjusted. To overcome these constraints, the monthly data are adjusted at a more aggregate level than the quarterly series. For this reason and because monthly seasonal adjustment employs a different mathematical process to quarterly seasonal adjustment, the resulting seasonally adjusted monthly data, when aggregated for the three months of the quarter, may only be interpreted as an indication of the general direction in which the quarterly seasonally adjusted estimates might move.

A comparison of the quarterly seasonally adjusted current account balance with the sum of the component monthly seasonally adjusted current account balances has shown that the sum of the monthly figures can be expected, in most cases, to be within the range 95% to 105% of the quarterly seasonally adjusted figure. A similar analysis of the direction of change from one quarter to the next has shown that the direction of movement is the same for both methods on an average of 7 out of every 8 occasions.

Additional trend estimates have also been introduced for the *balance on goods and services* and the *balance on current account*. However, with the introduction of these series, the latest three estimates for all trend series shown in this publication are being suppressed because studies indicate that they do not provide a sufficiently reliable indication of the trend behaviour at turning points. The ABS is investigating ways of presenting additional information about the reliability of the trend series which might permit the reinstatement of the latest estimates.

Information about the additional seasonally adjusted and trend estimates will be provided in an ABS information paper *Seasonal Adjustment of Monthly Balance of Payments Statistics* (5359.0) which will be available shortly from any ABS office. This publication will also contain the *factors* expected to be used for the rest of 1989 in obtaining seasonally adjusted estimates from the unadjusted estimates. These factors can also be obtained, for a charge, from Mr Dennis Hensman on Canberra (062) 52 6689.

Seasonally adjusted and trend estimates for months prior to those shown in this publication are available and can also be obtained, for a charge, from Mr Hensman.

FORTHCOMING CHANGES TO THIS PUBLICATION

Improved methods of estimating certain service (and royalty) transactions will be introduced in the June quarter 1989 balance of payments publication (5302.0) scheduled for release on 15 August 1989. A detailed description of these methods will be provided in that issue. They result from the incorporation of preliminary data from the new (1987-88) ABS survey of enterprises engaged in a range of selected international service transactions and from some other data sources. Also, the coverage of the travel item will be expanded so that the expenditure of *all* foreign students studying in Australia and *all* students studying abroad will be included.

As a consequence, the next (July 1989) issue of this bulletin (due for release on 16 August) will incorporate improved estimates. The items affected will be travel, other services, other property income and unrequited transfers.

The supplementary table (Table 7) showing detailed quarterly estimates of investment income has been included in this publication from September 1987 and has made preliminary income estimates available before their publication in the quarterly ABS foreign investment publication (5306.0). However, since there has only been limited and specialised interest in this table, it will be discontinued as from the July 1989 issue. It will instead be available on request, for a charge, from Mr Chris Kervin on Canberra (062) 52 7045.

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for June 1989, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the March quarter 1989 issue of the quarterly balance of payments publication (5302.0) released on 31 May 1989.

2. Summary 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: Summary of Concepts, Sources and Methods* (5351.0) which was published on 9 September 1988. The publication also provides item definitions and explanations of seasonal adjustment and trend 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 by world standards. 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 3) 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 3 and the graphs on page 2. The trend estimates are derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted series.

Seasonal adjustment

5. The factors expected to be used in the rest of 1989 in obtaining seasonally adjusted estimates from the unadjusted estimates will be provided in the ABS information paper *Seasonal Adjustment of Monthly Balance of Payments Statistics* (5359.0) which will be available shortly from any ABS office. They can also be obtained, for a charge, from Mr Dennis Hensman on Canberra (062) 52 6689.

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 Dennis Hensman on Canberra (062) 52 6689. There may be a charge for this information.

Schedule of expected release dates

8. This publication is usually released about twelve working days after the end of the reference month. The expected release dates for the next three issues are:

Issue	Release date
July 1989	Wednesday, 16 August 1989
August 1989	Monday, 18 September 1989
September 1989	Wednesday, 18 October 1989.

Any variations which might occur will be notified in the ABS *Publications Advice* (1105.0) and on VIATEL. The dates can be confirmed a few days prior to release by telephoning Canberra (062) 52 6778.

Related publications

9. 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.

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

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

Electronic services

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.
Also, from 19 July 1989, the monthly balance of payments publication will be released on this service. See page 15.

Floppy disk service

Selected ABS statistics are available on floppy disk. Further information is available on (062) 52 6684.

IAN CASTLES
Australian Statistician

TABLE 1. BALANCE OF PAYMENTS
($ million)

	Years			*Months*														
	1986-87	*1987-88*	*1988-89*	*1987-88*			*1988-89*											
				Apr.	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*
Current transactions -																		
Goods and services -																		
Merchandise (a) -																		
Exports fob	35423	40530	42886	3559	3440	3452	3150	3480	3421	3416	3559	3687	3502	3481	3391	3917	3935	3947
Imports fob	-37159	-40386	-47111	-3095	-3653	-3321	-3633	-3891	-3449	-4049	-4110	-3697	-3983	-3706	-3884	-3909	-4598	-4202
Balance on merchandise trade	*-1736*	*144*	*-4225*	*464*	*-213*	*131*	*-483*	*-411*	*-28*	*-633*	*-551*	*-10*	*-481*	*-225*	*-493*	*8*	*-663*	*-255*
Services -																		
Credits	6776	8151	9231	699	725	661	724	775	720	785	797	807	840	809	825	746	730	673
Debits	-10245	-11397	-12501	-896	-925	-987	-1023	-1005	-1054	-1073	-993	-1019	-1136	-941	-1007	-1060	-1087	-1103
Net services	*-3469*	*-3246*	*-3270*	*-197*	*-200*	*-326*	*-299*	*-230*	*-334*	*-288*	*-196*	*-212*	*-296*	*-132*	*-182*	*-314*	*-357*	*-430*
Balance on goods and services	*-5205*	*-3102*	*-7495*	*267*	*-413*	*-195*	*-782*	*-641*	*-362*	*-921*	*-747*	*-222*	*-777*	*-357*	*-675*	*-306*	*-1020*	*-685*
Income																		
Credits	3016	3600	4253	283	307	286	296	366	365	331	374	310	368	416	314	361	438	314
Debits	-12285	-14584	-16864	-1284	-1368	-1246	-1210	-1294	-1234	-1421	-1337	-1352	-1528	-1510	-1531	-1499	-1491	-1457
Net income	*-9269*	*-10984*	*-12611*	*-1001*	*-1061*	*-960*	*-914*	*-928*	*-869*	*-1090*	*-963*	*-1042*	*-1160*	*-1094*	*-1217*	*-1138*	*-1053*	*-1143*
Unrequited transfers																		
Credits	3017	3545	4268	322	315	313	314	307	309	351	335	344	397	366	358	402	392	393
Debits	-1708	-1786	-1902	-146	-211	-163	-134	-132	-149	-117	-175	-136	-209	-145	-152	-161	-195	-197
Net unrequited transfers	*1309*	*1759*	*2366*	*176*	*104*	*150*	*180*	*175*	*160*	*234*	*160*	*208*	*188*	*221*	*206*	*241*	*197*	*196*
Balance on current account	**-13165**	**-12327**	**-17740**	**-558**	**-1370**	**-1005**	**-1516**	**-1394**	**-1071**	**-1777**	**-1550**	**-1056**	**-1749**	**-1230**	**-1686**	**-1203**	**-1876**	**-1632**
Net capital transactions -																		
Official -																		
General government	*5561*	*4430*	*174*	*1287*	*187*	*-1242*	*105*	*-333*	*-342*	*1382*	*319*	*532*	*835*	*33*	*72*	*-1282*	*-759*	*-388*
Reserve Bank -																		
Reserve assets	-3394	-3924	-873	-1464	-2183	-924	-539	-163	-56	-70	-235	-105	-170	-21	441	-103	483	-335
Other	18	-8	—	-1	4	—	3	12	-51	172	-82	-26	49	-13	-54	13	-20	-3
Total	*-3376*	*-3932*	*-873*	*-1465*	*-2179*	*-924*	*-536*	*-151*	*-107*	*102*	*-317*	*-131*	*-121*	*-34*	*387*	*-90*	*463*	*-338*
Total official	*2185*	*498*	*-699*	*-178*	*-1992*	*-2166*	*-431*	*-484*	*-449*	*1484*	*2*	*401*	*714*	*-1*	*459*	*-1372*	*-296*	*-726*
Non-official plus balancing item	*10980*	*11829*	*18439*	*736*	*3362*	*3171*	*1947*	*1878*	*1520*	*293*	*1548*	*655*	*1035*	*1231*	*1227*	*2575*	*2172*	*2358*
Balance on capital account plus balancing item	**13165**	**12327**	**17740**	**558**	**1370**	**1005**	**1516**	**1394**	**1071**	**1777**	**1550**	**1056**	**1749**	**1230**	**1686**	**1203**	**1876**	**1632**

(a) Balance of payments basis

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

($ million)

	Years			*Months*														
				1987-88			*1988-89*											
	1986-87	*1987-88*	*1988-89*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*
Exports fob (a)(b) -																		
Rural exports fob -																		
Meat & meat preparations	2244	2555	2244	225	231	212	193	160	181	209	203	189	158	139	181	188	221	222
Cereal grains & cereal preparations	2778	2202	2708	115	143	147	140	183	130	159	158	184	221	253	244	332	353	351
Sugar, sugar preparations & honey	708	698	899	71	65	60	67	105	133	63	71	71	39	24	92	74	86	74
Wool & sheepskins	3888	5811	5963	544	475	435	353	314	372	478	602	700	643	536	541	543	483	398
Other rural	3521	3976	3962	338	345	366	334	348	335	321	335	369	372	270	236	285	349	408
Total rural	*13139*	*15242*	*15776*	*1293*	*1259*	*1220*	*1087*	*1110*	*1151*	*1230*	*1369*	*1513*	*1433*	*1222*	*1294*	*1422*	*1492*	*1453*
Non-rural exports fob -																		
Metal ores & minerals	4956	5455	6573	490	410	541	426	526	475	451	532	521	538	602	496	686	685	635
Mineral fuels -																		
Coal, coke & briquettes	5456	4839	4722	378	325	413	290	441	395	450	361	401	299	383	415	397	428	462
Other mineral fuels	1515	1779	1222	164	133	93	133	109	132	77	81	103	69	101	73	127	83	134
Metals -																		
Gold	1552	2563	2739	266	257	251	244	272	245	240	217	155	231	277	237	200	207	214
Other metals	2899	3749	4643	321	338	326	344	382	400	357	375	429	353	394	324	464	414	407
Machinery	1595	1835	1855	181	154	173	154	159	162	154	172	157	148	129	129	160	169	162
Transport equipment	1034	957	885	70	118	75	75	69	65	55	50	75	69	80	82	77	89	99
Manufactures nec	2363	2941	3268	274	286	270	278	288	295	266	294	274	255	215	243	281	282	297
Other non-rural	914	1170	1203	122	160	90	119	124	101	136	108	59	107	78	98	103	86	84
Total non-rural	*22284*	*25288*	*27110*	*2266*	*2181*	*2232*	*2063*	*2370*	*2270*	*2186*	*2190*	*2174*	*2069*	*2259*	*2097*	*2495*	*2443*	*2494*
Total exports fob -	**35423**	**40530**	**42886**	**3559**	**3440**	**3452**	**3150**	**3480**	**3421**	**3416**	**3559**	**3687**	**3502**	**3481**	**3391**	**3917**	**3935**	**3947**
Imports fob (a)(b) -																		
Food, beverages & tobacco	-1936	-2013	-2217	-144	-166	-154	-170	-175	-149	-201	-199	-181	-185	-208	-191	-175	-203	-180
Fuels	-1751	-2036	-2016	-136	-226	-155	-121	-135	-155	-139	-92	-63	-210	-162	-189	-247	-252	-251
Chemicals (including plastics)	-3466	-4280	-4982	-340	-402	-381	-422	-432	-369	-449	-405	-344	-419	-413	-385	-414	-493	-437
Textiles, fabrics etc	-1830	-1931	-2002	-147	-176	-152	-169	-185	-168	-177	-168	-148	-158	-156	-158	-158	-183	-174
Metals & metal manufactures	-1845	-2205	-2637	-160	-219	-173	-207	-212	-183	-208	-228	-181	-219	-229	-209	-247	-287	-227
Machinery	-11360	-12230	-13816	-1001	-1096	-970	-1116	-1086	-1035	-1103	-1260	-1090	-1155	-1000	-1163	-1108	-1358	-1342
Transport equipment	-4502	-4152	-6841	-316	-397	-417	-400	-501	-402	-672	-655	-679	-592	-531	-592	-564	-676	-577
Manufactures nec	-7700	-8563	-9788	-643	-714	-672	-771	-908	-752	-842	-873	-767	-846	-776	-776	-760	-909	-808
Other imports	-2769	-2976	-2812	-208	-257	-247	-257	-257	-236	-258	-230	-244	-199	-231	-221	-236	-237	-206
Total imports fob -	**-37159**	**-40386**	**-47111**	**-3095**	**-3653**	**-3321**	**-3633**	**-3891**	**-3449**	**-4049**	**-4110**	**-3697**	**-3983**	**-3706**	**-3884**	**-3909**	**-4598**	**-4202**
Of which:																		
Exogenous (c)	*-4459*	*-3829*	*-4184*	*-238*	*-359*	*-270*	*-232*	*-311*	*-248*	*-421*	*-350*	*-366*	*-326*	*-341*	*-326*	*-386*	*-486*	*-391*
Endogenous (d)	*-32700*	*-36557*	*-42927*	*-2857*	*-3294*	*-3051*	*-3401*	*-3580*	*-3201*	*-3628*	*-3760*	*-3331*	*-3657*	*-3365*	*-3558*	*-3523*	*-4112*	*-3811*
Balance on merchandise trade -	**-1736**	**144**	**-4225**	**464**	**-213**	**131**	**-483**	**-411**	**-28**	**-633**	**-551**	**-10**	**-481**	**-225**	**-493**	**8**	**-663**	**-255**

(a) From 1 January 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. (b) Definitions of the component series are given in publication 5302.0. (c) 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;defence equipment;and ships, aircraft and other large items of equipment acquired by selected public and private enterprises. (d) Goods other than those regarded as exogenous.

TABLE 3.BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED AND TREND ESTIMATES
($ million)

	Months														
	1987-88			*1988-89*											
	Apr.	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*
	Seasonally adjusted														
Goods and services -															
Merchandise - (a)															
Exports fob	3621	3351	3217	3348	3397	3467	3490	3492	3478	3687	3718	3346	4064	3688	3750
Imports fob	-3459	-3512	-3288	-3543	-3602	-3532	-3893	-3931	-3957	-4012	-3936	-3841	-4419	-4362	-4181
Balance on merchandise trade	*162*	*-161*	*-71*	*-195*	*-205*	*-65*	*-403*	*-439*	*-479*	*-325*	*-218*	*-495*	*-355*	*-674*	*-431*
Services -															
Credits	715	741	717	779	777	788	797	740	746	787	794	783	777	738	728
Debits	-967	-936	-964	-1005	-952	-977	-1026	-1036	-1037	-1082	-1074	-1033	-1121	-1088	-1077
Net services	*-252*	*-195*	*-247*	*-226*	*-175*	*-189*	*-229*	*-296*	*-291*	*-295*	*-280*	*-250*	*-344*	*-350*	*-349*
Balance on goods and services	*-90*	*-356*	*-318*	*-421*	*-380*	*-254*	*-632*	*-735*	*-770*	*-620*	*-498*	*-745*	*-699*	*-1024*	*-780*
Income -															
Credits	278	302	280	297	368	365	331	376	310	368	422	318	359	434	310
Debits	-1295	-1319	-1231	-1289	-1382	-1323	-1331	-1387	-1371	-1478	-1528	-1502	-1487	-1430	-1419
Net income	*-1017*	*-1017*	*-951*	*-992*	*-1014*	*-958*	*-1000*	*-1011*	*-1061*	*-1110*	*-1106*	*-1184*	*-1128*	*-996*	*-1109*
Unrequited transfers -															
Credits	318	317	309	320	306	327	345	329	342	380	377	362	403	389	387
Debits	-147	-199	-112	-163	-155	-167	-129	-206	-142	-176	-132	-164	-162	-183	-135
Net unrequited transfers	*171*	*118*	*197*	*157*	*151*	*160*	*216*	*123*	*200*	*204*	*245*	*198*	*241*	*206*	*252*
Balance on current account	**-936**	**-1255**	**-1072**	**-1256**	**-1243**	**-1052**	**-1416**	**-1623**	**-1631**	**-1526**	**-1359**	**-1731**	**-1586**	**-1814**	**-1637**
	Trend estimates														
Goods and services -															
Merchandise (a) -															
Exports fob	3503	3423	3366	3350	3369	3417	3468	3513	3551	3592	3638	3685	..	..	..
Imports fob	-3484	-3468	-3467	-3496	-3567	-3680	-3785	-3864	-3924	-3975	-4031	-4094	..	..	..
Balance on merchandise trade	*19*	*-45*	*-101*	*-146*	*-198*	*-263*	*-317*	*-351*	*-373*	*-383*	*-393*	*-409*	..	..	..
Balance on goods and services	*-232*	*-280*	*-319*	*-353*	*-404*	*-482*	*-555*	*-608*	*-646*	*-668*	*-687*	*-712*	..	..	..
Balance on current account	**-1102**	**-1136**	**-1154**	**-1173**	**-1221**	**-1303**	**-1387**	**-1459**	**-1520**	**-1558**	**-1586**	**-1606**	..	..	..

(a) Balance of payments basis.

TABLE 4. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES, INCOME AND UNREQUITED TRANSFERS

($ million)

	Years			*Months*														
				1987-88			*1988-89*											
	1986-87	*1987-88*	*1988-89*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*
Services -																		
Credits -																		
Shipment	462	537	531	43	43	44	39	41	41	41	45	45	46	46	46	47	47	47
Other transportation	2765	3142	3291	269	275	244	252	284	256	278	281	286	303	293	296	268	258	236
Travel	2218	2966	3695	259	264	242	299	315	294	330	331	342	344	332	340	278	255	235
Other services	1331	1506	1714	128	143	131	134	135	129	136	140	134	147	138	143	153	170	155
Total services credits	*6776*	*8151*	*9231*	*699*	*725*	*661*	*724*	*775*	*720*	*785*	*797*	*807*	*840*	*809*	*825*	*746*	*730*	*673*
Debits -																		
Shipment	-2756	-2856	-3146	-215	-241	-231	-237	-265	-235	-266	-271	-224	-263	-256	-267	-270	-306	-286
Other transportation	-2114	-2510	-2748	-199	-213	-220	-227	-222	-231	-235	-224	-232	-246	-205	-213	-230	-241	-242
Travel	-3206	-3610	-4094	-285	-263	-320	-361	-319	-378	-366	-293	-357	-411	-270	-317	-350	-319	-353
Other services	-2169	-2421	-2513	-197	-208	-216	-198	-199	-210	-206	-205	-206	-216	-210	-210	-210	-221	-222
Total services debits	*-10245*	*-11397*	*-12501*	*-896*	*-925*	*-987*	*-1023*	*-1005*	*-1054*	*-1073*	*-993*	*-1019*	*-1136*	*-941*	*-1007*	*-1060*	*-1087*	*-1103*
Net services	**-3469**	**-3246**	**-3270**	**-197**	**-200**	**-326**	**-299**	**-230**	**-334**	**-288**	**-196**	**-212**	**-296**	**-132**	**-182**	**-314**	**-357**	**-430**
Income -																		
Credits -																		
Property income -																		
Investment income -																		
Reinvested earnings	1176	1806	2196	150	151	151	183	183	183	183	183	183	183	183	183	183	183	183
Other	1452	1399	1613	103	126	105	77	152	142	111	156	89	144	199	96	139	216	92
Other property income	210	180	199	13	14	11	15	12	18	16	17	17	17	17	16	18	18	18
Labour and other income	178	215	245	17	16	19	21	19	22	21	18	21	24	17	19	21	21	21
Total income credits	*3016*	*3600*	*4253*	*283*	*307*	*286*	*296*	*366*	*365*	*331*	*374*	*310*	*368*	*416*	*314*	*361*	*438*	*314*
Debits -																		
Property income -																		
Investment income -																		
Official	-2626	-3360	-3259	-282	-337	-249	-169	-211	-173	-366	-285	-302	-301	-284	-304	-303	-295	-266
Non-official -																		
Reinvested earnings	-1244	-2428	-2604	-202	-202	-203	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217
Other	-7473	-7737	-9829	-713	-714	-713	-750	-751	-751	-739	-739	-740	-908	-909	-908	-878	-878	-878
Other property income	-745	-795	-863	-65	-92	-59	-49	-88	-69	-73	-69	-65	-74	-74	-75	-75	-76	-76
Labour and other income	-197	-264	-309	-22	-23	-22	-25	-27	-24	-26	-27	-28	-28	-26	-27	-26	-25	-20
Total income debits	*-12285*	*-14584*	*-16864*	*-1284*	*-1368*	*-1246*	*-1210*	*-1294*	*-1234*	*-1421*	*-1337*	*-1352*	*-1528*	*-1510*	*-1531*	*-1499*	*-1491*	*-1457*
Net income	**-9269**	**-10984**	**-12611**	**-1001**	**-1061**	**-960**	**-914**	**-928**	**-869**	**-1090**	**-963**	**-1042**	**-1160**	**-1094**	**-1217**	**-1138**	**-1053**	**-1143**
Unrequited transfers -																		
Credits	*3017*	*3545*	*4268*	*322*	*315*	*313*	*314*	*307*	*309*	*351*	*335*	*344*	*397*	*366*	*358*	*402*	*392*	*393*
Debits -																		
Official	-962	-1003	-1062	-80	-145	-96	-68	-64	-81	-47	-104	-64	-139	-74	-81	-91	-124	-125
Non-official	-746	-783	-840	-66	-66	-67	-66	-68	-68	-70	-71	-72	-70	-71	-71	-70	-71	-72
Total	*-1708*	*-1786*	*-1902*	*-146*	*-211*	*-163*	*-134*	*-132*	*-149*	*-117*	*-175*	*-136*	*-209*	*-145*	*-152*	*-161*	*-195*	*-197*
Net unrequited transfers	**1309**	**1759**	**2366**	**176**	**104**	**150**	**180**	**175**	**160**	**234**	**160**	**208**	**188**	**221**	**206**	**241**	**197**	**196**

TABLE 5. BALANCE OF PAYMENTS - CAPITAL ACCOUNT AND BALANCING ITEM
($ million)

	Years			*Months*														
				1987-88			*1988-89*											
	1986-87	*1987-88*	*1988-89*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*
Net capital transactions -																		
General government -																		
Borrowing -																		
Domiciled abroad -																		
Commonwealth Govemment -																		
Drawings	3084	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Repayments	-2359	-1622	-3175	-67	-499	-199	-419	-317	-261	-406	-568	-143	-55	-81	-385	-171	-172	-197
Total	*725*	*-1622*	*-3175*	*-67*	*-499*	*-199*	*-419*	*-317*	*-261*	*-406*	*-568*	*-143*	*-55*	*-81*	*-385*	*-171*	*-172*	*-197*
State government	2522	2079	2666	372	146	-41	466	118	187	-197	82	285	122	220	957	481	126	-181
Total domiciled abroad	*3247*	*457*	*-509*	*305*	*-353*	*-240*	*47*	*-199*	*-74*	*-603*	*-486*	*142*	*67*	*139*	*572*	*310*	*-46*	*-378*
Domiciled in Australia	2899	3630	1096	1037	1	-856	200	-55	-91	1915	704	484	785	-127	-461	-1600	-752	94
Total borrowing	*6146*	*4087*	*587*	*1342*	*-352*	*-1096*	*247*	*-254*	*-165*	*1312*	*218*	*626*	*852*	*12*	*111*	*-1290*	*-798*	*-284*
Other	*-585*	*343*	*-413*	*-55*	*539*	*-146*	*-142*	*-79*	*-177*	*70*	*101*	*-94*	*-17*	*21*	*-39*	*8*	*39*	*-104*
Total general government	**5561**	**4430**	**174**	**1287**	**187**	**-1242**	**105**	**-333**	**-342**	**1382**	**319**	**532**	**835**	**33**	**72**	**-1282**	**-759**	**-388**
Reserve Bank -																		
Reserve assets -																		
Official reserve assets	-3394	-3924	-873	-1464	-2183	-924	-539	-163	-56	-70	-235	-105	-170	-21	441	-103	483	-335
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	*18*	*-8*	—	*-1*	*4*	—	*3*	*12*	*-51*	*172*	*-82*	*-26*	*49*	*-13*	*-54*	*13*	*-20*	*-3*
Total Reserve Bank	**-3376**	**-3932**	**-873**	**-1465**	**-2179**	**-924**	**-536**	**-151**	**-107**	**102**	**-317**	**-131**	**-121**	**-34**	**387**	**-90**	**463**	**-338**
Non-official plus balancing item-																		
Public sector -																		
Non equity securities domiciled in Australia (a)	-376	1006	-27	18	39	-6	185	379	156	-493	85	-44	-402	179	-172	290	-124	-66
Accounts receivable/prepayments made	-10	-29	-542	15	-15	-67	-105	20	-75	-33	57	30	7	-28	-183	-193	4	-43
Other (including balancing item) (b)	11366	10852	19008	703	3338	3244	1867	1479	1439	819	1406	669	1430	1080	1582	2478	2292	2467
Total non-official plus balancing item	**10980**	**11829**	**18439**	**736**	**3362**	**3171**	**1947**	**1878**	**1520**	**293**	**1548**	**655**	**1035**	**1231**	**1227**	**2575**	**2172**	**2358**
Balance on capital account plus balancing item	**13165**	**12327**	**17740**	**558**	**1370**	**1005**	**1516**	**1394**	**1071**	**1777**	**1550**	**1056**	**1749**	**1230**	**1686**	**1203**	**1876**	**1632**

(a) Excludes bank securities(b) Includes public sector transactions n.e.c.

TABLE 6. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Years			Months														
				1987-88			1988-89											
	1986-87	1987-88	1988-89	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Official reserve assets ($ million) -																		
Levels at end of year/month	17594	20182	20410	18564	19457	20182	20226	20176	20628	20118	19499	19772	18790	20888	19509	20245	20223	20410
Changes in levels	4570	2588	228	1233	893	725	44	-50	452	-510	-619	273	-982	2098	-1379	736	-22	187
Of which -																		
Changes due to effects of revaluations	1176	-1336	-645	-231	-1290	-199	-495	-213	396	-580	-854	168	-1152	2077	-938	633	461	-148
Changes included in the balance of payments(a)	3394	3924	873	1464	2183	924	539	163	56	70	235	105	170	21	-441	103	-483	335
Exchange rates -																		
Units of foreign currency per $A -																		
End of year/month (b) -																		
United States dollar	0.7203	0.7940	0.7553	0.7585	0.8051	0.7940	0.8045	0.8069	0.7829	0.8256	0.8781	0.8555	0.8890	0.7996	0.8194	0.7928	0.7484	0.7553
United Kingdom pound	0.4494	0.4612	0.4882	0.4045	0.4357	0.4612	0.4661	0.4777	0.4647	0.4647	0.4752	0.4764	0.5040	0.4591	0.4855	0.4685	0.4763	0.4882
West German mark	1.319	1.441	1.480	1.266	1.387	1.441	1.503	1.509	1.472	1.457	1.523	1.528	1.654	1.460	1.550	1.488	1.490	1.480
Japanese yen	105.79	105.17	108.79	94.46	100.56	105.17	106.82	108.83	105.28	103.41	106.91	107.71	114.93	101.52	108.64	105.09	106.80	108.79
Special drawing right	0.5634	0.6059	0.6051	0.5489	0.5871	0.6059	0.6157	0.6241	0.6067	0.6172	0.6422	0.6382	0.6793	0.6020	0.6332	0.6112	0.6048	0.6051
Period average (c) -																		
United States dollar	0.6636	0.7290	0.8160	0.7478	0.7788	0.8083	0.7993	0.8061	0.7929	0.8090	0.8496	0.8590	0.8701	0.8566	0.8158	0.8044	0.7732	0.7556
United Kingdom pound	0.4352	0.4167	0.4755	0.3984	0.4166	0.4539	0.4686	0.4746	0.4708	0.4664	0.4700	0.4700	0.4896	0.4883	0.4753	0.4728	0.4737	0.4863
West German mark	1.280	1.262	1.512	1.250	1.319	1.419	1.472	1.521	1.480	1.473	1.485	1.507	1.593	1.586	1.521	1.504	1.503	1.495
Japanese yen	101.37	97.59	106.95	93.43	97.17	102.90	106.37	107.71	106.61	104.39	104.58	106.15	110.59	109.41	106.27	106.23	106.50	108.54
Special drawing right	0.5345	0.5448	0.6244	0.5412	0.5656	0.5996	0.6121	0.6237	0.6131	0.6144	0.6267	0.6328	0.6564	0.6509	0.6245	0.6195	0.6093	0.6090
Trade weighted index of value of the Australian dollar (May 1970 = 100) -																		
End of year/month (b)	56.6	59.8	59.4	55.2	58.9	59.8	61.0	61.8	60.0	61.1	63.7	63.2	66.7	59.6	62.2	60.0	58.8	59.4
Period average (c)	53.8	54.8	61.6	54.5	56.8	59.7	60.5	61.5	60.7	60.8	62.2	62.9	64.7	64.0	61.4	60.9	59.6	59.5

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 5.(b) These exchange rates and index numbers relate to the last trading day of the reference period. (c) These exchange rates and index numbers are derived by averaging figures for each trading day.

TABLE 7. INVESTMENT INCOME
($ million)

	Years			*Quarters ended-*					
				1987-88			*1988-89*		
	1985-86	*1986-87*	*1987-88*	*Dec.*	*Mar.*	*June*	*Sept.*	*Dec.*	*Mar.*
Investment income credits									
Official -									
General government	37	43	47	13	12	11	5	17	25
Reserve Bank (a)	598	531	706	203	140	176	222	204	285
Total official	*635*	*574*	*753*	*216*	*152*	*187*	*227*	*221*	*310*
Non-official -									
Direct investment income -									
Reinvested earnings	681	1176	1806	452	451	452	549	549	549
Distributed earnings -									
Remitted profits	70	30	69	44	7	12	2	39	2
Dividends	335	448	103	15	4	35	40	7	2
Interest	-67	-111	-106	-40	-17	-15	-35	-45	-36
Total	*338*	*367*	*66*	*19*	*-6*	*32*	*7*	*1*	*-32*
Total direct investment income	*1019*	*1543*	*1872*	*471*	*445*	*484*	*556*	*550*	*517*
Portfolio and other investment income -									
Dividends	60	162	128	37	24	34	44	44	31
Interest	252	349	452	127	149	81	93	90	130
Total	*312*	*511*	*580*	*164*	*173*	*115*	*137*	*134*	*161*
Total non-official	*1331*	*2054*	*2452*	*635*	*618*	*599*	*693*	*684*	*678*
Total investment income credits	**1966**	**2628**	**3205**	**851**	**770**	**786**	**920**	**905**	**988**
Investment income debits									
Official -									
General government -									
Interest on borrowing domiciled abroad	-1009	-1463	-1761	-563	-473	-384	-260	-483	-388
Interest on borrowing domiciled in Australia	-580	-1141	-1577	-307	-513	-479	-288	-464	-501
Total	*-1589*	*-2604*	*-3338*	*-870*	*-986*	*-863*	*-548*	*-947*	*-889*
Reserve Bank (b)	-23	-22	-22	-6	-6	-5	-5	-6	—
Total official	*-1612*	*-2626*	*-3360*	*-876*	*-992*	*-868*	*-553*	*-953*	*-889*
Non-official -									
Direct investment income -									
Reinvested earnings	-936	-1244	-2428	-607	-607	-607	-651	-651	-651
Distributed earnings -									
Remitted profits	-185	-190	-158	-33	-40	-52	-74	-125	-60
Dividends	-766	-538	-928	-217	-271	-197	-343	-185	-253
Interest	-644	-636	-584	-140	-111	-154	-191	-295	-200
Total	*-1595*	*-1364*	*-1670*	*-390*	*-422*	*-403*	*-608*	*-605*	*-513*
Total direct investment income	*-2531*	*-2608*	*-4098*	*-997*	*-1029*	*-1010*	*-1259*	*-1256*	*-1164*
Portfolio and other investment income -									
Dividends	-524	-998	-843	-171	-263	-299	-172	-206	-534
Interest -									
Public sector	-1691	-1671	-1713	-353	-479	-468	-458	-351	-575
Private sector	-3131	-3440	-3511	-932	-892	-970	-1014	-1056	-1103
Total	*-4822*	*-5111*	*-5224*	*-1285*	*-1371*	*-1438*	*-1472*	*-1407*	*-1678*
Total portfolio and other investment income	*-5346*	*-6109*	*-6067*	*-1456*	*-1634*	*-1737*	*-1644*	*-1613*	*-2212*
Total non-official	*-7877*	*-8717*	*-10165*	*-2453*	*-2663*	*-2747*	*-2903*	*-2869*	*-3376*
Total investment income debits	**-9489**	**-11343**	**-13525**	**-3329**	**-3655**	**-3615**	**-3456**	**-3822**	**-4265**

(a) Also includes interest / remuneration received from the IMF on behalf of the Commonwealth Government. (b) Also includes interest / charges paid to the IMF on behalf of the Commonwealth Government.

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