



AUSTRALIAN BUREAU OF STATISTICS

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Balance of Payments, Australia, March Quarter 1986

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- PHONE INQUIRIES for more information about these statistics - contact Mr Neil Patterson on Canberra (062) 52 5519 or any of our State offices.
- other inquiries including copies of publications - contact Information Services on Canberra (062) 52 6627 or in any of our State offices.
- MAIL INQUIRIES write to Information Services, ABS, PO Box 10, Belconnen, ACT 2616 or any of our State offices.
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CHANGES IN THIS ISSUE

This publication introduces, in Table 5 (original) and Table 6 (seasonally adjusted) a breakdown of endogenous imports into consumption goods, capital goods and other goods. For further details, see paragraphs 10 and 11 of the Explanatory Notes.

MAIN FEATURES

March quarter 1986 -

The merchandise trade deficit fell \$731 million to \$427 million in the March quarter 1986. A 2 per cent rise in exports was augmented by a 6 per cent fall in imports. The deficit on current account, at \$3,056 million, was down \$728 million on the December quarter deficit mainly as a result of the fall in the merchandise trade deficit.

In seasonally adjusted terms exports rose 5 per cent and imports fell 3 per cent, resulting in a merchandise trade deficit which was \$619 million lower than for the previous quarter. The seasonally adjusted current account deficit fell \$498 million to \$3,322 million.

The net inflow on capital account was \$2,880 million, comprising an inflow of \$1,203 million on account of official sector transactions and an inflow of \$1,677 million attributable to non-official sector transactions.

The trade weighted index of the value of the Australian dollar (base May 1970 = 100) stood at 61.1, up 0.7 per cent on the end of December 1985 but down 11.7 per cent on the end of March 1985. Through the March quarter 1986 the dollar rose against the \$US (4.6 per cent) and the £UK (1.9 per cent) and fell against the West German Mark (0.8 per cent) and the Japanese Yen (6.2 per cent).

Nine months ended March 1986 -

The merchandise trade deficit at \$2,405 million was double the deficit recorded for the nine months ended March 1985, with imports rising by 25 per cent and exports by 20 per cent.

Increases of \$362 million (13 per cent) in the net services deficit and \$1,151 million (26 per cent) in the net income deficit were partly offset by a \$409 million rise in the net unrequited transfers surplus.

The current account deficit was \$10,596 million, up \$2,312 million or 28 per cent on the deficit for the corresponding period of the previous financial year. The balance on capital account was a net inflow of \$7,710 million, down \$269 million on the net inflow for the corresponding period of 1984-85.

The very large positive balancing item (net errors and omissions) of \$2,887 million was much higher than the \$304 million recorded in the same period of the previous financial year, although it should be noted that there was a large negative balancing item in the June quarter 1985. The increase in net errors and omissions may reflect timing, coverage and valuation problems arising from the rapid movement in the exchange rate and the impact of the earlier deregulation of the financial market. This suggests that extra care needs to be exercised in interpreting the more recent quarterly estimates. It is suspected that the bulk of the increase in net errors and omissions arises in the recording of capital account transactions.

ANALYSIS OF SELECTED MAJOR AGGREGATES

March quarter 1986 compared with the December quarter 1985 -

Current account

. Exports f.o.b. were \$8,190 million, up \$197 million or 2 per cent on the previous quarter.

. Seasonally adjusted exports f.o.b. rose 5 per cent. Rural and non-rural exports rose 10 per cent and 2 per cent respectively. The only commodity groups to record falls were wool (down 3 per cent), coal (down 3 per cent) and mineral fuels other than coal (down 19 per cent). The most significant rises were in cereals (up 13 per cent), sugar (up 68 per cent) and metal ores and minerals (up 12 per cent).

. Imports f.o.b. fell \$534 million or 6 per cent to \$8,617 million.

. Seasonally adjusted imports f.o.b. fell 3 per cent. All broad commodity groups fell except food, beverages and tobacco, which rose 3 per cent, and chemicals, which rose 4 per cent.

. The 7 per cent fall in seasonally adjusted exogenous imports was largely due to an 11 per cent fall in imports of fuels. Seasonally adjusted endogenous imports fell 2 per cent, with the consumption and capital goods categories contributing roughly equally to the fall and other goods displaying no change.

. The net services deficit of \$946 million was down \$55 million or 5 per cent. The seasonally adjusted net services deficit was also down 5 per cent.

. The net transfers deficit of \$1,683 million was up \$58 million or 4 per cent.

. An increase of \$238 million in the seasonally adjusted net income deficit was partly offset by a \$67 million rise in the seasonally adjusted net unrequited transfers surplus, resulting in a \$171 million or 11 per cent rise in the seasonally adjusted net transfers deficit.

Capital account

. The net capital transactions of the official sector yielded an inflow of \$1,203 million, down \$390 million on the December quarter 1985. While the net transactions of the Reserve Bank turned around \$1,595 million to an outflow of \$499 million, mainly on account of transactions in official reserve assets, the net transactions of general government recorded an inflow of \$1,702 million or \$1,205 million higher than that for the previous quarter. Mainly responsible for the sharply increased inflow was general government borrowing which took account of the proceeds of foreign currency drawings of Deutsche Mark 750 million (\$A231 million), US\$500 million (\$A709 million), £UK 57 million (\$A113 million) and Netherlands Guilder 400 million (\$A219 million).

. Interim estimates of foreign investment in the non-official sector (excluding Australian currency borrowing

by trading banks) indicated a net inflow of \$2,785 million, down \$727 million on the net inflow for the same category of transactions in the December quarter 1985. Direct investment transactions which turned around \$898 million (from a net inflow to a net outflow) were mainly responsible for the fall.

Interim estimates of Australian investment abroad by the **non-official sector** (excluding Australian currency lending by trading banks) indicated a net outflow of \$1,108 million, down \$1,723 million on the outflow for the same category in the preceding quarter. The major part of the fall was accounted for by direct investment transactions which resulted in a net inflow of \$42 million after a net outflow of \$1,180 million in the December quarter 1985.

Nine months ended March 1986 compared with nine months ended March 1985 -

Current account

Exports f.o.b., at \$24,660 million were \$4,140 million or 20 per cent up on the nine months ended March 1985. Rural and non-rural exports rose 22 per cent and 19 per cent respectively, with all broad commodity groups contributing to the rises except sugar and machinery and transport equipment which both fell by less than 5 per cent. The largest increases were in wool and sheepskins, up 44 per cent, and coal, coke and briquettes, up 21 per cent.

Imports f.o.b. rose \$5,348 million or 25 per cent to reach \$27,065 million. All groups contributed to the rise except fuels which was down 6 per cent. Machinery and transport equipment, up 35 per cent, was responsible for 60 per cent of the overall increase.

Exogenous imports f.o.b. were up 22 per cent on the corresponding period of the previous financial year despite the fall in fuel imports. Exogenous imports apart from fuels rose by \$767 million or 57 per cent, with aircraft imports by Qantas and the delivery of two Aussat satellites accounting for \$475 million of this rise. **Endogenous imports** rose 25 per cent, with consumption, capital and

other goods components increasing by 21 per cent, 32 per cent and 24 per cent respectively.

Net services were in deficit by \$3,210 million, \$362 million or 13 per cent higher than for the 9 months ended March 1985. A 17 per cent (\$624 million) rise in services credits was more than offset by a 15 per cent (\$986 million) rise in services debits.

Net transfers were in deficit by \$4,981 million, an 18 per cent rise on the deficit for the same period of the previous financial year. An increase of \$1,151 million in the net income deficit, largely reflecting higher interest payable abroad, was partly offset by a \$409 million rise in the net unrequited transfers surplus.

Capital account

The net capital inflow of the **official sector** was \$4,084 million, up \$1,501 million on that recorded for the nine months ended March 1985.

Foreign investment in the **non-official sector** (excluding Australian currency borrowing by trading banks in the March quarter) yielded a net inflow of \$8,430 million which was \$1,026 million lower than that recorded for the same category of transactions for July to March 1984-85.

The net outflow on account of Australian investment abroad by the **non-official sector** (excluding Australian currency lending by trading banks in the March quarter) rose \$397 million to \$5,004 million.

Levels of reserves

At 31 March 1986, Australia's holdings of **official reserve assets** valued at market rates of exchange and with gold holdings at market value stood at \$12,811 million.

REVISIONS

Some revisions are made in this issue to estimates included in previous balance of payments publications.

Merchandise exports have been revised, mainly through a downward revision to exports of barley (included in cereal and cereal preparations) to remove some double counting caused by erroneous reporting of data on customs entries. This revision affects all periods from December quarter 1983 onward, although it is partially offset in the December quarter 1985 and March quarter 1986 by a smaller upward revision to metals and metal manufactures.

An upward revision to travel debits in the June quarter 1985 results from actual migration data for that period differing

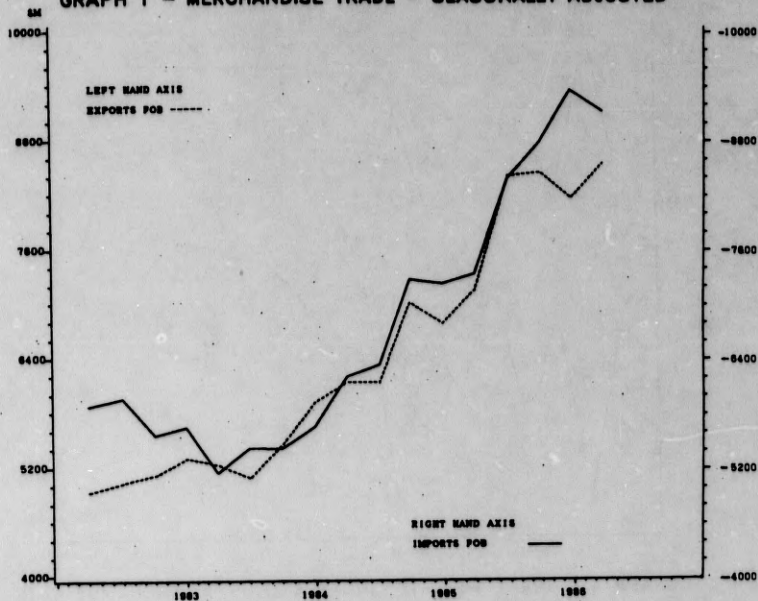
markedly from the preliminary indications previously used. Consequently, estimates of travel debits in the following quarters have also been revised.

Net capital transactions of the non-official sector for the December quarter 1985 have been revised as a result of the replacement of interim estimates from the Surveys of Foreign Investment with more up-to-date estimates.

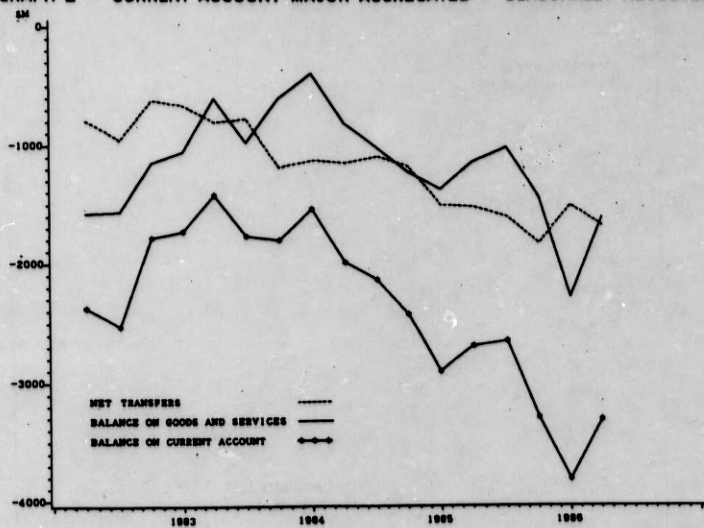
Other less significant revisions also occur in a number of series from the incorporation of the latest results of other surveys and data sources.

GRAPHS OF PRINCIPAL BALANCE OF PAYMENTS AGGREGATES

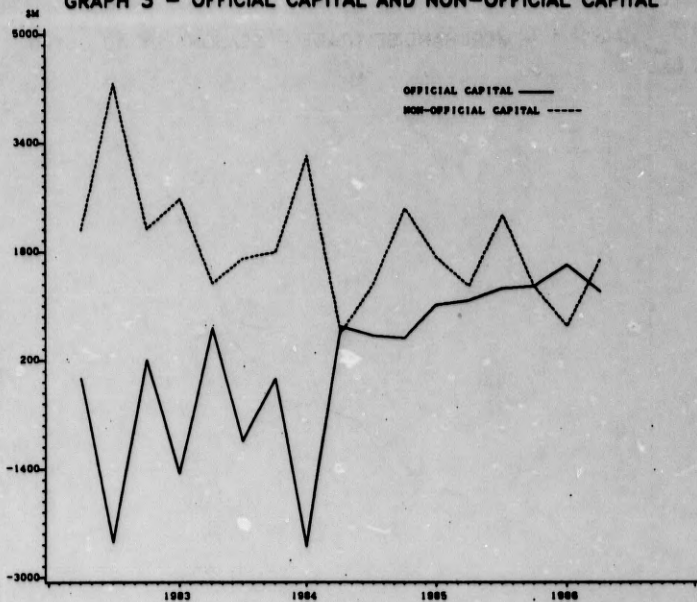
GRAPH 1 - MERCHANDISE TRADE - SEASONALLY ADJUSTED



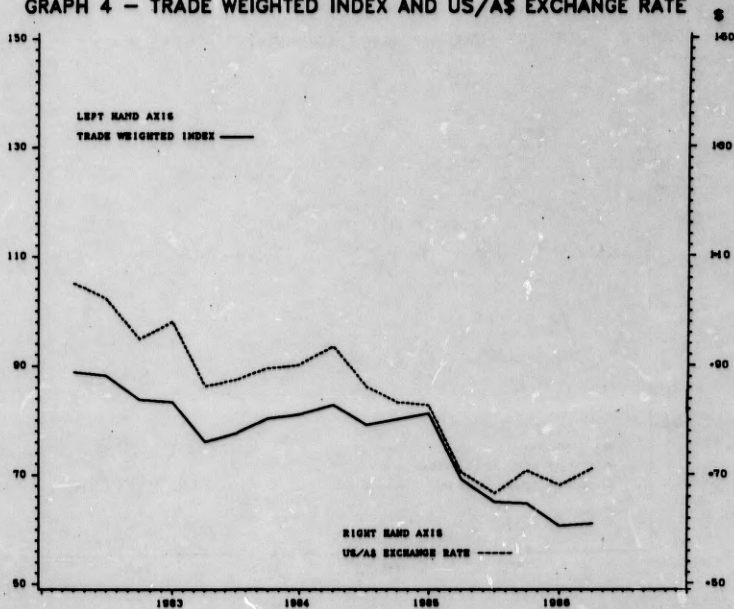
GRAPH 2 - CURRENT ACCOUNT MAJOR AGGREGATES - SEASONALLY ADJUSTED



GRAPH 3 - OFFICIAL CAPITAL AND NON-OFFICIAL CAPITAL



GRAPH 4 - TRADE WEIGHTED INDEX AND US/\$ EXCHANGE RATE



EXPLANATORY NOTES

INTRODUCTION

This publication contains preliminary estimates of Australia's balance of payments for March quarter 1986, together with revised estimates for previous quarters and financial years. Longer term estimates, from September quarter 1959, consistent with those shown in this issue, will shortly be available in the publication **Balance of Payments, Australia - Historical Series on Microfiche** (5337.0) March quarter 1986.

2. Descriptions of the concepts, data sources and methods used in compiling the estimates are to be found in **Balance of Payments, Australia - Concepts, Sources and Methods** (5331.0) released in March 1981. Changes to concepts, sources and methods since that publication are described in the 1983-84 annual balance of payments publication (5303.0), the September 1985 quarterly publication (5302.0), the Information Paper **Changes in the Presentation of Australian Balance of Payments Statistics** (5340.0) issued on 23 December 1985 and Appendix A to the December 1985 quarterly publication (5302.0).

3. This publication contains four main tables and 12 supplementary tables. The main tables (Tables 1 to 4) provide summary statistics; they show the main aggregates and the more important components of the aggregates. The supplementary tables (Tables 5 to 16) provide additional breakdowns, related series (e.g. exchange rates and the trade-weighted index) and reconciliations of selected balance of payments series with other series (i.e. with foreign trade statistics and levels of official reserve assets).

SCOPE OF THE BALANCE OF PAYMENTS

4. The Australian balance of payments is

a statistical statement designed to provide a systematic record of Australia's economic transactions with the rest of the world. The statement is divided into a current account and a capital account. Table 1 presents summary statistics covering both accounts.

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 Tables 7 and 16. In Table 7, imports are shown with no sign. In Table 16, 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, other goods and services, income and unrequited transfers. Table 2 summarises the estimates of current account transactions, while Table 3 provides corresponding seasonally adjusted estimates.

MERCHANDISE (BALANCE OF PAYMENTS BASIS)

7. Merchandise covers movable goods (with a few exceptions) which change ownership from residents to non-residents (exports) and from non-residents to residents (imports). The series are derived from foreign trade statistics which are adjusted for coverage, timing and (imports only) valuation to put them on a balance of payments basis. Table 7 provides details of the adjustments.

COMMODITY BREAKDOWNS OF MERCHANDISE

8. Commodity breakdowns of merchandise exports and imports are provided in Table 5 and on a seasonally adjusted basis in Table 6. The groupings shown consist of the following Australian Export Commodity Classification (AECC) and Australian Import Commodity Classification (AICC) divisions and/or sections:

Exports	Section or Division of AECC
Rural -	
Meat and meat preparations	01
Cereal grains and cereal preparations	04
Sugar, sugar preparations and honey	06
Wool and sheepskins	Parts of 21, 26 and 65
Other rural	00, 02, 03, 05, 07 to 09, 21 (part), 22 to 25, 26(part), 29, 4
Non-rural -	
Metal ores and minerals	27, 28
Mineral fuels - Coal, coke and briquettes	32
Other	33, 34
Metals and metal manufactures	67 to 69
Machinery and transport equipment	7
Other non-rural	1, 5, 61 to 64, 65 (part), 66, 8, 9

Imports	Section or Division of AICC
Food, beverages and tobacco	0, 1
Fuels	3
Basic materials	2, 4
Chemicals (incl plastics)	5
Textiles, fabrics, etc	65
Metals and metal manufactures	67 to 69
Machinery and transport equipment	7
Other imports	61 to 64, 66, 8, 9

EXOGENOUS AND ENDOGENOUS IMPORTS

9. Exogenous imports comprise a group of imported goods which it has been found useful to identify separately in economic analysis because the transactions in these goods are lumpy, subject to government arrangements or significantly affected by factors other than the general level of economic activity in Australia. Exogenous imports include fuels, certain large items of equipment imported by both the public and private sectors, and certain other government goods. Endogenous imports comprise imports of all goods other than those regarded as exogenous.

10. Endogenous imports in Table 5 (original) and Table 6 (seasonally adjusted) are classified into three classes - consumption goods, capital goods and other goods - according to the United Nations' classification by broad economic categories (BEC). Other goods covers the BEC class intermediate goods and the residual BEC category goods not elsewhere specified. The classes consist of the following BEC categories (excluding goods defined as exogenous):

Consumption goods

Food and beverages, primary, mainly for household consumption (112)
Food and beverages, processed, mainly for household consumption (122)
Passenger motor vehicles (51)
Transport equipment, non-industrial (522)

Consumer goods, not elsewhere specified
(6)

Capital goods

Capital goods (except transport equipment)
(41)
Transport equipment, industrial (521)

Other goods

Food and beverages, primary, mainly for
industry (111)
Food and beverages, processed, mainly for
industry (121)
Industrial supplies not elsewhere
specified (2)
Parts and accessories of capital goods
(except transport equipment) (42)
Parts and accessories of transport
equipment (53)
Goods not elsewhere specified (7)

11. The BEC attempts to classify merchandise trade statistics for purposes of general economic analysis according to the main end-use of the commodities traded. It does not achieve complete alignment with the particular end-use to which articles are put in specific circumstances; for example some passenger motor cars, which are conventionally classified as consumption goods, and some parts and accessories of capital goods, which are conventionally classified as other goods, are in fact acquired as capital equipment.

SERVICES

12. **Services** covers services rendered by Australian residents to non-residents (credits) and by non-residents to residents (debits), together with transactions in a few types of goods (eg goods purchased by travellers). Detailed estimates are shown in Table 8.

INCOME AND UNREQUITED TRANSFERS

13. **Income** covers income earned by Australian residents from non-residents (credits) or by non-residents from residents (debits). It includes investment income (eg dividends and

interest), other property income (eg royalties) and labour income (eg wages and salaries). Tables 9 and 10 give detailed estimates.

14. **Unrequited transfers** covers the offsetting entries required by the double-entry system of accounting when resources (goods, services and financial assets) are provided, without something of economic value being received in return, by non-residents to Australian residents (offsetting credits required) and by residents to non-residents (offsetting debits required). It includes foreign aid, migrants' transfers, gifts, donations, pensions and taxes. Detailed estimates are provided in Table 11.

CAPITAL ACCOUNT

15. 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. Summary estimates for the capital account appear in Table 4.

RESIDENT INSTITUTIONAL SECTORS

16. Capital transactions, and some current transactions, are grouped into two broad institutional sectors called **official** and **non-official**, with the former split into **general government** and **Reserve Bank of Australia**. The general government sector comprises the transactions of the Commonwealth, the States, local government authorities and statutory bodies, but it excludes the transactions of public business enterprises. Details of general government and Reserve Bank capital transactions are given in Tables 12 and 13 respectively. The non-official sector covers transactions of all other resident entities including private and government owned banks, private and public business enterprises, and households. Estimates of the capital transactions of the non-official sector are detailed in Tables 14 and 15.

FOREIGN INVESTMENT IN AUSTRALIA AND AUSTRALIAN INVESTMENT ABROAD

17. Broadly, foreign investment in Australia covers transactions which increase or decrease the liabilities of residents to non-residents and Australian investment abroad covers transactions which increase or decrease Australia's foreign financial assets.

BALANCES

18. This publication presents a number of balances, eg balance on goods and services, balance on capital account. A balance is derived as the net sum of the credit and debit entries selected for inclusion.

SEASONAL ADJUSTMENT

19. Most of the current account series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation. Therefore seasonally adjusted estimates are presented in Tables 3 and 6.

20. 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, therefore, to bear in mind the methods by which they have been derived and the limitations to which the methods used are subject. Details of the seasonal adjustment methods used are available on request.

21. For those items showing substantial irregular movement, particular care should be taken in interpreting quarter-to-quarter movements in the adjusted figures, as the short term movements cannot be assumed to indicate changes in trend.

22. In order to maintain an accounting identity, the seasonally adjusted balances (balance on merchandise trade, balance on goods and services and balance on current account) are derived by differencing independently adjusted series.

OFFICIAL RESERVE ASSETS, EXCHANGE RATES AND THE TRADE WEIGHTED INDEX

23. Table 16 shows changes in official reserve assets dissected into those which are included in the balance of payments (ie those resulting from transactions and a few specified other changes), and those which are due to the effects of revaluations.

24. Table 16 also shows the exchange rates of the Australian dollar with four major currencies and a trade-weighted index of the value of the Australian dollar.

25. The exchange rates shown are provided by the Reserve Bank of Australia and relate to the last trading day of the quarter. Prior to 12 December 1983, the rate for the US dollar was the mid-point of the rates at which the Reserve Bank was prepared to deal with Australian trading banks. From that date, the rate is a representative mid-point determined by the Reserve Bank on the basis of market quotations at 4pm Eastern Australian time. Rates for the other currencies are calculated by crossing the rate for the US dollar with the mid-points of closing buying and selling rates in New York (prior to 31 October 1983) or largely in Asian markets (from 31 October 1983). The rates shown are indications of market value only and could differ from those quoted by Australian banks.

26. The trade-weighted index is also provided by the Reserve Bank and is an index of the average value of the Australian dollar vis-a-vis currencies of Australia's trading partners. Prior to 12 December 1983, the index was as published each morning by the Reserve Bank; from that date, the index is as calculated at 4pm on the basis of the

representative rate for the US dollar and rates for other currencies, mainly from Asian markets.

ACCURACY AND RELIABILITY OF ESTIMATES

27. Because the transactions recorded in the balance of payments are of many different kinds, compilation of balance of payments estimates entails the use of a very wide range of statistical data of varying degrees of accuracy and timeliness. One feature that is common to all components of the estimates, whatever the source of the basic data, is the element of judgement that has to be applied in compiling them.

28. Therefore care should be exercised in the use and interpretation of estimates in this publication. The latest estimates are preliminary and subject to revision as more accurate data come to hand. Also, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

SERIES AVAILABLE ON REQUEST

29. Detailed quarterly statistics relating to transportation can be obtained from Mr Dudley Scoullar on Canberra (062) 52 6057.

RELATED PUBLICATIONS

30. Other ABS publications which may be of interest include:

Balance of Payments Australia (5301.0) - issued monthly

Balance of Payments, Australia, Historical Series on Microfiche (5337.0) - issued quarterly.

Balance of Payments, Australia 1983-84 (5303.0)

Balance of Payments, Australia: Concepts, Sources and Methods (5331.0) - published 19 March 1981

Changes in the Presentation of Australian Balance of Payments Statistics (5340.0) - published 23 December 1985

Imports by Commodity Divisions, Australia (Preliminary) (5405.0) - issued monthly

Exports by Commodity Divisions, Australia (Preliminary) (5402.0) - issued monthly

Exports and Imports (Balance of Payments Basis) at Constant Prices, Australia (5332.0) - issued quarterly

Foreign Investment, Australia 1984-85 (Preliminary) (5304.0)

Foreign Investment, Australia (5306.0) - issued quarterly

31. 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 few days. The Catalogue and Publications Advice are available from any ABS office.

STATISTICS ON VIATEL

32. Selected economic, social and demographic statistics are available on VIATEL #656#.

SYMBOLS AND OTHER USAGES

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

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

IAN CASTLES
 AUSTRALIAN STATISTICIAN

TABLE 1. BALANCE OF PAYMENTS - SUMMARY

\$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CURRENT TRANSACTIONS -													
GOODS AND SERVICES -													
MERCHANDISE (a) -													
Exports fob	20656	23680	29210	5862	5912	6348	7071	6625	6824	8690	8477	7993	8190
Imports fob	-21705	-22497	-30104	-5520	-5932	-6330	-7692	-7062	-6963	-8387	-9297	-9151	-8617
BALANCE ON MERCHANDISE TRADE	-1049	183	-894	342	-20	18	-621	-437	-139	303	-820	-1158	-427
SERVICES -													
Credits	4030	4332	4938	1122	1094	1089	1103	1234	1292	1309	1282	1476	1495
Debits	-6813	-7247	-8901	-1720	-1788	-1969	-2203	-2099	-2175	-2424	-2545	-2477	-2441
NET SERVICES	-2783	-2915	-3963	-598	-694	-880	-1100	-865	-883	-1115	-1263	-1001	-946
BALANCE ON GOODS AND SERVICES	-3832	-2732	-4857	-256	-714	-862	-1721	-1302	-1022	-812	-2083	-2159	-1373
INCOME AND UNREQUITED TRANSFERS -													
Credits	2742	3555	3870	866	915	974	867	936	985	1082	1046	1112	1135
Debits	-5633	-8095	-9779	-2035	-2055	-2117	-2015	-2516	-2496	-2752	-2719	-2737	-2818
NET TRANSFERS	-2891	-4540	-5909	-1169	-1140	-1143	-1148	-1580	-1511	-1670	-1673	-1625	-1683
BALANCE ON CURRENT ACCOUNT	-6723	-7272	-10766	-1425	-1854	-2005	-2869	-2882	-2533	-2482	-3756	-3784	-3056
NET CAPITAL TRANSACTIONS -													
OFFICIAL -													
GENERAL GOVERNMENT -													
Foreign investment in Australia	1023	975	2589	558	60	62	526	851	438	774	456	516	1764
Australian investment abroad	-213	-490	-267	-147	-117	-81	61	-38	-174	-116	62	-19	-62
Total	810	485	2322	412	-57	-19	587	813	264	658	517	497	1702
RESERVE BANK -													
Foreign investment in Australia	38	-25	-10	-33	-13	12	-5	10	-11	-4	-16	4	-20
Australian investment abroad	-2461	-1853	1520	-2923	752	558	-68	179	814	595	786	1092	-479
Total	-2423	-1878	1510	-2956	739	570	-73	189	803	591	770	1096	-499
TOTAL OFFICIAL	-1614	-1393	3832	-2545	682	551	514	1002	1067	1249	1287	1593	1203
NON-OFFICIAL -													
Foreign investment in Australia	9252	9142	12652	3267	2159	1790	3533	3007	3455	2658	2397	3558	2785 (b)
Australian investment abroad	-1556	-2262	-4932	-80	-1567	-470	-1119	-1305	-2174	-333	-1130	-2876	-1108 (c)
TOTAL NON-OFFICIAL	7696	6880	7721	3187	591	1319	2414	1702	1281	2325	1267	682	1677 (b)(c)
BALANCE ON CAPITAL ACCOUNT	6082	5487	11552	642	1273	1870	2928	2704	2348	3573	2554	2275	2880 (b)(c)
BALANCING ITEM	641	1785	-786	783	581	135	-59	178	185	-1091	1202	1509	176 (d)

(a) Balance of payments basis

(b) Excludes Australian currency borrowing by trading banks.

(c) Excludes Australian currency lending by trading banks.

(d) Includes Australian currency borrowing and lending by trading banks.

TABLE 2. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SUMMARY

\$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CURRENT TRANSACTIONS -													
GOODS AND SERVICES -													
MERCHANDISE (a) -													
Exports fob	20656	23680	29210	5862	5912	6348	7071	6625	6824	8690	8477	7993	8190
Imports fob	-21705	-23497	-30104	-5520	-5932	-6330	-7692	-7062	-6963	-8387	-9297	-9151	-8617
BALANCE ON MERCHANDISE TRADE	-1049	183	-894	342	-20	18	-621	-437	-139	303	-820	-1158	-427
SERVICES -													
Credits -													
Shipment	397	362	395	95	93	85	92	94	99	110	94	105	109
Other transportation	1649	1746	2096	446	435	446	486	529	530	551	557	632	594
Travel	1113	1223	1359	335	321	284	281	347	393	338	350	442	474
Other services	871	1001	1088	246	245	274	244	264	270	310	281	297	318
Total services credits	4030	4332	4938	1122	1094	1089	1103	1234	1292	1309	1282	1476	1495
Debits-													
Shipment	-1806	-2030	-2539	-481	-505	-555	-653	-596	-593	-697	-753	-736	-663
Other transportation	-1676	-1695	-2097	-399	-407	-458	-504	-479	-527	-587	-616	-573	-584
Travel	-1916	-2146	-2633	-507	-515	-594	-680	-642	-629	-682	-712	-693	-690
Other services	-1415	-1376	-1632	-333	-361	-362	-366	-382	-426	-458	-464	-475	-504
Total services debits	-6813	-7247	-8901	-1720	-1788	-1969	-2203	-2099	-2175	-2424	-2545	-2477	-2441
NET SERVICES	-2783	-2915	-3963	-598	-694	-880	-1100	-865	-883	-1115	-1263	-1001	-946
BALANCE ON GOODS AND SERVICES	-3832	-2732	-4857	-256	-714	-862	-1721	-1302	-1022	-812	-2083	-2159	-1373
INCOME -													
Credits -													
Property income -													
Reinvested earnings (b)	246	329	294	82	82	83	73	74	73	74	100	100	100
Other (c)	924	1195	1351	259	290	410	330	349	306	366	319	346	307
Labour and other income	238	245	209	40	117	47	53	51	50	55	56	55	56
Total income credits	1408	1769	1854	381	489	540	456	474	429	495	475	501	463
Debits -													
Property income -													
Reinvested earnings (b)	586	-555	-565	-139	-139	-139	-141	-141	-141	-142	-155	-155	-155
Other	-4656	-5830	-7386	-1511	-1475	-1498	-1498	-1907	-1898	-2083	-2152	-2150	-2167
Labour and other income	-135	-155	-165	-38	-41	-41	-36	-42	-45	-42	-43	-50	-53
Total income debits	-4205	-6540	-8116	-1688	-1655	-1678	-1675	-2090	-2084	-2267	-2350	-2355	-2375
NET INCOME	-2797	-4771	-6262	-1307	-1166	-1138	-1219	-1616	-1655	-1772	-1875	-1854	-1912
UNREQUITED TRANSFERS -													
Credits													
Debits (d)	1334	1786	2016	485	426	434	411	462	556	587	571	611	672
	-1428	-1555	-1663	-347	-400	-439	-340	-426	-412	-485	-369	-382	-443
NET UNREQUITED TRANSFERS	-94	231	353	138	26	-5	71	36	144	102	202	229	229
BALANCE ON CURRENT ACCOUNT	-6723	-7272	-10766	-1425	-1854	-2005	-2869	-2882	-2533	-2482	-3756	-3784	-3056

(a) Balance of payments basis

(b) From September quarter 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 this publication.

(c) Up to and including June quarter 1985, this income is recorded after deducting withholding tax on both interest and dividends. From September quarter 1985 withholding tax is not deducted.

(d) From September quarter 1985, includes withholding tax.

TABLE 3. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED - SUMMARY

(\$MILLION)

	QUARTERS ENDED-									
	1983-84			1984-85			1985-86			
	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CURRENT TRANSACTIONS -										
GOODS AND SERVICES -										
MERCHANDISE (a) -										
Exports fob	5899	6120	6115	6992	6759	7121	8380	8414	8128	8512
Imports fob	-5636	-6187	-6313	-7251	-7201	-7305	-8355	-8750	-9317	-9082
BALANCE ON MERCHANDISE TRADE	263	-67	-198	-259	-442	-184	25	-336	-1189	-570
SERVICES -										
Credits -										
Shipment	95	93	85	92	94	99	110	94	105	109
Other transportation	433	432	463	484	514	527	571	557	612	588
Travel	309	293	318	304	320	358	378	379	407	432
Other services	249	243	266	250	266	268	300	287	288	317
Total services credits	1086	1061	1132	1130	1194	1252	1359	1317	1422	1446
Debits -										
Shipment	-484	-526	-557	-621	-599	-621	-699	-715	-740	-695
Other transportation	-412	-422	-451	-476	-496	-548	-578	-581	-593	-609
Travel	-515	-532	-607	-636	-651	-652	-699	-664	-701	-716
Other services	-345	-347	-351	-378	-398	-409	-444	-478	-495	-483
Total services debits	-1756	-1827	-1966	-2111	-2144	-2230	-2420	-2438	-2529	-2503
NET SERVICES	-670	-766	-834	-981	-950	-978	-1061	-1121	-1107	-1057
BALANCE ON GOODS AND SERVICES	-407	-833	-1032	-1240	-1392	-1162	-1036	-1457	-2296	-1627
INCOME -										
Credits -										
Property income -										
Reinvested earnings (b)	82	82	83	73	74	73	74	100	100	100
Other (c)	261	298	371	344	353	315	337	332	356	337
Labour and other income	41	118	47	51	52	52	55	54	56	58
Total income credits	384	498	501	468	479	440	466	486	512	495
Debits -										
Property income -										
Reinvested earnings (b)	-139	-139	-139	-141	-141	-141	-142	-155	-155	-155
Other	-1441	-1524	-1479	-1550	-1778	-1951	-2063	-2335	-2011	-2231
Labour and other income	-36	-38	-43	-40	-40	-41	-43	-47	-48	-49
Total income debits	-1616	-1701	-1661	-1731	-1959	-2133	-2248	-2537	-2214	-2435
NET INCOME	-1232	-1203	-1160	-1263	-1480	-1693	-1782	-2051	-1702	-1940
UNREQUITED TRANSFERS -										
Credits										
	465	433	433	422	445	563	585	590	591	685
Debits (d)	-372	-395	-387	-355	-487	-408	-426	-386	-413	-440
NET UNREQUITED TRANSFERS	93	38	46	67	-42	155	159	204	178	245
BALANCE ON CURRENT ACCOUNT	-1546	-1998	-2146	-2436	-2914	-2700	-2659	-3304	-3820	-3322

- (a) Balance of payments basis
 (b) See footnote (b) to Table 2.
 (c) See footnote (c) to Table 2.
 (d) See footnote (d) to Table 2.

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - SUMMARY

\$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
NET CAPITAL TRANSACTIONS -													
OFFICIAL -													
GENERAL GOVERNMENT -													
Foreign investment in Australia													
Borrowing	967	1068	2635	576	81	95	551	870	408	806	480	481	1776
Other	56	-93	-46	-18	-21	-32	-25	-19	30	-32	38	38	-12
Total	1023	975	2589	558	60	62	526	851	438	774	518	519	1764
Australian investment abroad	-213	-490	-267	-147	-117	-81	61	-38	-174	-116	62	-19	-62
TOTAL	810	485	2322	412	-57	-19	587	813	264	658	517	497	1702
RESERVE BANK -													
Foreign investment in Australia	38	-25	-10	-33	-13	12	-5	10	-11	-4	-16	4	-20
Australian investment abroad -													
Reserve assets	-2461	-1853	1520	-2923	752	558	-68	179	814	595	786	1092	-479
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-2461	-1853	1520	-2923	752	558	-68	179	814	595	786	1092	-479
TOTAL	-2423	-1878	1510	-2956	739	570	-73	189	803	591	770	1096	-499
TOTAL OFFICIAL	-1614	-1393	3832	-2545	682	551	514	1002	1067	1249	1287	1593	1203
NON-OFFICIAL -													
Foreign investment in Australia-													
Direct investment (a) -													
Reinvestment of earnings	-586	555	565	139	139	139	141	141	141	142	155	155	155
Other (b)	1481	1453	1979	1441	-72	-708	1001	-306	175	1109	116	268	-630
Portfolio & other investment(a)(c)	8357	7134	10108	1687	2092	2359	2391	3172	3139	1407	2126	3135	3260(d)
Total foreign investment in Australia	9252	9142	12652	3267	2159	1790	3533	3007	3455	2658	2397	3558	2785(d)
Australian investment abroad -													
Direct investment (a) -													
Reinvestment of earnings	-246	-329	-294	-82	-82	-83	-73	-74	-73	-74	-100	-100	-100
Other (b)	-557	-1001	-2104	-18	-112	-758	-536	-398	-478	-692	-83	-1080	142
Portfolio & other investment(a)(c)	-753	-932	-2534	20	-1373	371	-510	-833	-1623	433	-947	-1696	-1150(e)
Total Australian investment abroad	-1556	-2262	-4932	-80	-1567	-470	-1119	-1305	-2174	-333	-1130	-2876	-1108(e)
TOTAL NON-OFFICIAL	7696	6880	7721	3187	591	1319	2414	1702	1281	2325	1267	682	1677(d)(e)
BALANCE ON CAPITAL ACCOUNT	6082	5487	11552	642	1273	1870	2928	2704	2348	3573	2554	2275	2880(d)(e)

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment and, for portfolio and other investment, changes in the coverage of foreign currency borrowing and lending by trading banks. See Appendix B to the December quarter 1985 issue of this publication.

(b) Direct investment borrowing and lending by trading banks is included in portfolio and other investment.

(c) Includes direct investment borrowing and lending by trading banks.

(d) Excludes Australian currency borrowing by trading banks.

(e) Excludes Australian currency lending by trading banks.

TABLE 5. BALANCE OF PAYMENTS - MERCHANDISE TRADE (BALANCE OF PAYMENTS BASIS) - ORIGINAL

MILLION

	YEAR			QUARTERS ENDING-											
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			1986-87		
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP
EXPORTS FOB (a) -															
RURAL EXPORTS FOB -															
Meat and meat preparations	1675	1393	1372	381	279	311	383	294	280	415	459	400	379		
Cereals and cereal preparations	1849	2773	3855	471	1071	934	880	834	1048	1093	891	771	1285		
Sugar, sugar preps. and honey	608	676	614	225	61	198	236	111	110	157	164	158	122		
Wool and sheepskins	1789	2000	2573	517	580	515	383	521	717	952	635	780	917		
Other (dairy produce, fruit etc.)	1984	2132	2429	510	511	568	634	551	519	725	785	736	706		
TOTAL RURAL	7905	8974	10843	2104	2502	2526	2516	2311	2674	3342	2934	2845	3409		
NON-RURAL EXPORTS FOB -															
Metal ores and minerals	3852	4229	4718	1130	871	1117	1142	1152	1029	1395	1423	1229	1129		
Mineral fuels -															
Coal, coke and briquettes	3078	3338	4665	827	917	780	1156	1064	1093	1352	1323	1358	1335		
Other	1058	1437	2356	328	353	445	557	449	579	771	756	754	613		
Metals and metal manufactures	1912	2192	2508	537	515	570	596	618	539	755	780	659	672		
Machinery and transport equipment	1150	1379	1659	411	277	336	487	419	332	421	408	436	346		
Other	1701	2131	2461	525	477	574	617	612	578	654	853	712	686		
TOTAL NON-RURAL	12751	14706	18367	3758	3410	3822	4555	4314	4150	5348	5543	5148	4781		
TOTAL EXPORTS FOB	20656	23680	29210	5862	5912	6348	7071	6625	6824	8690	8477	7993	8190		
IMPORTS FOB (a) -															
Food, beverages and tobacco	-1017	-1211	-1476	-291	-326	-311	-327	-374	-386	-389	-402	-412	-427		
Fuels	-3087	-2209	-2321	-489	-610	-609	-695	-488	-516	-622	-621	-487	-490		
Basic materials	-728	-873	-1052	-209	-214	-226	-286	-244	-243	-279	-282	-275	-263		
Chemicals (including plastics)	-1769	-2155	-2567	-496	-581	-564	-644	-590	-593	-740	-763	-738	-737		
Textiles, fabrics etc	-1009	-1304	-1452	-316	-328	-349	-398	-350	-316	-388	-431	-428	-380		
Metals and metal manufactures	-1193	-1143	-1462	-246	-298	-337	-367	-363	-335	-397	-422	-430	-409		
Machinery and transport equipment	-8595	-9261	-12830	-2215	-2194	-2552	-3239	-2996	-2904	-3691	-4214	-4243	-3907		
Other	-4307	-5341	-6944	-1258	-1381	-1382	-1736	-1657	-1670	-1881	-2162	-2158	-2004		
TOTAL IMPORTS FOB	-21705	-23497	-30104	-5520	-5932	-6330	-7692	-7062	-6963	-8387	-9297	-9151	-8617		
Of which:															
Exogenous (b)	-4097	-3098	-4237	-710	-833	-851	-1246	-884	-914	-1193	-1357	-1186	-1167		
Endogenous (b)															
Consumption goods	-4742	-5616	-6916	-1427	-1429	-1388	-1707	-1784	-1638	-1787	-2172	-2170	-1871		
Capital goods	-4357	-4932	-6583	-1092	-1155	-1428	-1628	-1492	-1531	-1932	-2030	-2119	-1982		
Other goods	-8509	-9851	-12358	-2291	-2515	-2663	-3111	-2902	-2880	-3475	-3718	-3676	-3597		
Total	-17608	-20399	-25867	-4810	-5099	-5479	-6446	-6178	-6049	-7194	-7940	-7965	-7450		
BALANCE ON MERCHANDISE TRADE	-1049	183	-894	342	-20	18	-621	-437	-139	303	-820	-1158	-427		

(a) For composition of component series, see paragraph 8 of the Explanatory Notes.

(b) For definitions, see paragraph 9, 10 and 11 of the Explanatory Notes.

TABLE 6. BALANCE OF PAYMENTS - MERCHANDISE TRADE (BALANCE OF PAYMENTS BASIS) - SEASONALLY ADJUSTED

\$MILLION

	QUARTERS ENDED-								
	1983-84			1984-85			1985-86		
	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
EXPORTS FOB (a) -									
RURAL EXPORTS FOB -									
Meat and meat preparations	380	325	298	349	293	328	398	416	398
Cereals and cereal preparations	552	853	906	1024	978	831	1066	1038	901
Sugar, sugar preps. and honey	195	121	182	186	98	215	144	129	140
Wool and sheepskins	524	491	485	496	530	605	898	821	795
Other (dairy produce, fruit etc)	523	598	519	589	566	608	663	728	757
TOTAL RURAL	2174	2388	2390	2644	2465	2587	3169	3132	2991
NON-RURAL EXPORTS FOB -									
Metal ores and minerals	1092	1020	1094	1046	1114	1207	1365	1304	1188
Mineral fuels -									
Coal, coke and briquettes	863	947	726	1160	1107	1123	1266	1328	1410
Other	321	347	458	556	444	575	793	743	754
Metals and metal manufactures	547	547	558	562	634	573	737	736	676
Machinery and transport equipment	375	337	337	450	379	408	421	378	392
Other	527	534	552	574	616	648	629	793	717
TOTAL NON-RURAL	3725	3732	3725	4348	4294	4534	5211	5282	5137
TOTAL EXPORTS FOB	5899	6120	6115	6992	6759	7121	8380	8414	8128
IMPORTS FOB (a) -									
Food, beverages and tobacco	-288	-321	-321	-326	-371	-379	-401	-401	-407
Fuels	-523	-593	-600	-673	-530	-502	-613	-596	-536
Basic materials	-222	-233	-221	-257	-257	-265	-272	-255	-289
Chemicals (including plastics)	-519	-614	-540	-610	-618	-629	-707	-722	-752
Textiles, fabrics etc	-314	-360	-352	-365	-348	-347	-390	-395	-426
Metals and metal manufactures	-256	-315	-327	-346	-376	-354	-386	-398	-445
Machinery and transport equipment	-2249	-2324	-2510	-3068	-3034	-3099	-3622	-3988	-4290
Other	-1265	-1427	-1442	-1606	-1667	-1730	-1964	-1995	-2172
TOTAL IMPORTS FOB	-5636	-6187	-6313	-7251	-7201	-7305	-8355	-8750	-9317
OF which:									
Exogenous (b)	-744	-816	-842	-1224	-926	-900	-1184	-1332	-1235
Endogenous (b)									
Consumption goods	-1354	-1508	-1496	-1594	-1691	-1732	-1924	-2030	-2055
Capital goods	-1159	-1268	-1361	-1480	-1588	-1682	-1839	-1845	-2256
Other goods	-2379	-2595	-2614	-2953	-2996	-2991	-3408	-3543	-3771
Total	-4892	-5371	-5471	-6027	-6275	-6405	-7171	-7418	-8082
BALANCE ON MERCHANDISE TRADE	263	-67	-198	-259	-442	-184	25	-336	-1189

(a) See footnote (a) to Table 5.

(b) See footnote (b) to Table 5.

TABLE 7. MERCHANDISE TRADE - FOREIGN TRADE STATISTICS ADJUSTED FOR BALANCE OF PAYMENTS PURPOSES

\$MILLION

	YEAR			QUARTERS ENDED-											
	1982-83	1983-84	1984-85	1983-84			1984-85				1985-86				
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR		
EXPORTS -															
Foreign trade statistics	21454	24011	29699	5971	6000	6371	7269	6723	6862	8845	8605	8076	8361		
Adjustments -															
Coverage	-597	-437	-336	-112	-123	-88	-33	-85	-106	-112	-138	-128	-140		
Timing	-201	106	-153	3	35	65	-165	-13	68	-43	10	45	-31		
Merchandise exports (balance of payments basis)	20656	23680	29210	5862	5912	6348	7071	6625	6824	8690	8477	7993	8190		
IMPORTS -															
Foreign trade statistics	21263	23540	29051	5534	5931	6275	6955	6715	7396	7985	9098	8654	8503		
Adjustments -															
Coverage	51	65	397	18	18	6	14	119	117	147	302	158	306		
Timing	407	-151	625	-42	-30	38	708	217	-554	254	-104	333	-200		
Valuation	-16	43	31	10	13	11	15	11	4	1	1	6	8		
Merchandise imports (balance of payments basis) (a)	21705	23497	30104	5520	5932	6330	7692	7062	6963	8387	9297	9151	8617		

(a) These entries carry the opposite sign to corresponding entries in Tables 1,2,3,5 and 6. See paragraph 5 of the Explanatory Notes.

TABLE 8. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES

(\$MILLION)

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CREDITS -													
Shipment -													
Freight on exports	392	356	388	94	91	83	90	92	98	108	92	103	107
Insurance on exports	5	6	7	1	2	2	2	2	1	2	2	2	2
Total	397	362	395	95	93	85	92	94	99	110	94	105	109
Other transportation -													
Passenger services	486	507	601	135	136	114	121	158	171	151	159	220	219
Port services etc	1163	1239	1495	311	299	332	365	371	359	400	398	412	375
Total	1649	1746	2096	446	435	446	486	529	530	551	557	632	594
Travel	1113	1223	1359	335	321	284	281	347	393	338	350	442	474
Other services -													
Official	146	164	171	38	36	49	34	38	42	57	35	36	41
Non-official -													
Expenditure of foreign govts	57	67	76	18	16	18	20	19	18	19	18	20	21
Expenditure of foreign govt employees	43	45	48	12	11	11	12	12	12	12	13	13	13
Expenditure of resident entity employees	92	106	121	28	29	26	26	32	35	28	30	37	41
Insurance services nec	13	4	10	1	1	1	2	3	2	3	3	3	3
Miscellaneous services	520	615	662	149	152	169	150	160	161	191	182	188	199
Total	725	837	917	208	209	225	210	226	228	253	246	261	277
Total other services	871	1001	1088	246	245	274	244	264	270	310	281	297	318
TOTAL SERVICES CREDITS	4030	4332	4938	1122	1094	1089	1103	1234	1292	1309	1282	1476	1495
DEBITS -													
Shipment -													
Freight on imports	-1795	-2018	-2523	-478	-502	-552	-649	-592	-589	-693	-747	-730	-657
Insurance on imports	-11	-12	-16	-3	-3	-3	-4	-4	-4	-4	-6	-6	-6
Total	-1806	-2030	-2539	-481	-505	-555	-653	-596	-593	-697	-753	-736	-663
Other transportation -													
Passenger services	-888	-968	-1220	-215	-227	-273	-312	-265	-297	-346	-351	-303	-335
Port services etc	-788	-727	-877	-184	-180	-185	-192	-214	-230	-241	-265	-270	-249
Total	-1676	-1695	-2097	-399	-407	-458	-504	-479	-527	-587	-616	-573	-584
Travel	-1916	-2146	-2633	-507	-515	-594	-680	-642	-629	-682	-712	-693	-690
Other services -													
Official -													
Defence services	-66	-63	-73	-10	-18	-21	-13	-18	-16	-26	-14	-15	-19
Financial services	-19	-21	-33	-14	-2	-	-8	-8	-7	-10	-10	-9	-10
Miscellaneous services	-121	-139	-162	-29	-37	-42	-31	-39	-39	-53	-40	-47	-40
Total	-206	-223	-268	-53	-57	-63	-52	-65	-62	-89	-64	-71	-69
Non-official -													
Expenditure of Aust govt employees	-88	-84	-99	-19	-21	-25	-22	-23	-23	-31	-28	-29	-24
Expenditure of non-resident entity employees	-124	-134	-171	-31	-33	-38	-44	-42	-41	-44	-46	-45	-45
Insurance services nec	-109	-161	-144	-40	-40	-41	-36	-36	-36	-36	-54	-54	-54
Miscellaneous services	-888	-774	-950	-190	-210	-195	-212	-216	-264	-258	-272	-276	-312
Total	-1209	-1153	-1364	-280	-304	-299	-314	-317	-364	-369	-400	-404	-435
Total other services	-1415	-1376	-1632	-333	-361	-362	-366	-382	-426	-458	-464	-475	-504
TOTAL SERVICES DEBITS	-6813	-7247	-8901	-1720	-1788	-1969	-2203	-2099	-2175	-2424	-2545	-2477	-2441
NET SERVICES	-2783	-2915	-3963	-598	-694	-880	-1100	-865	-883	-1115	-1263	-1001	-946

TABLE 9. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME CREDITS

\$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
PROPERTY INCOME -													
Investment income -													
Official -													
General government	21	21	24	5	5	6	6	6	6	6	6	3	7
Reserve Bank (a)	503	744	831	181	187	213	212	208	205	206	162	158	134
Total official	524	765	855	186	192	219	218	214	211	212	168	161	141
Non-official -													
Direct investment income(b)-													
Reinvested earnings	246	329	294	82	82	83	73	74	73	74	100	100	100
Distributed earnings -													
Remitted profits	54	48	51	3	7	33	17	20	5	9	54	3	9
Dividends (c)	138	144	152	21	18	93	39	30	18	65	26	64	60
Interest (c)	16	40	17	3	22	13	3	2	4	8	3	-2	9
Total	208	232	220	27	47	139	59	52	27	82	83	65	78
Total direct investment income	454	561	514	109	129	222	132	126	100	156	183	165	178
Portfolio and other													
investment income (b) (c) -													
Dividends	21	18	31	6	1	10	7	9	7	8	12	10	11
Interest	93	92	115	23	24	22	26	30	30	29	36	66	44
Total	114	110	146	29	25	32	33	39	37	37	48	76	55
Total non-official	568	671	660	138	154	254	165	165	137	193	231	241	233
Total investment income	1092	1436	1515	324	346	473	383	379	348	405	399	402	374
Other property income	78	88	130	17	26	20	20	44	31	35	20	44	33
TOTAL PROPERTY INCOME	1170	1524	1645	341	372	493	403	423	379	440	419	446	407
LABOUR AND OTHER INCOME -													
Labour income -													
Earnings in Australia	34	36	38	9	9	9	9	9	9	11	10	10	11
Earnings abroad	124	134	171	31	33	38	44	42	41	44	46	45	45
Total	158	170	209	40	42	47	53	51	50	55	56	55	56
Insurance income	80	75	-	-	75	-	-	-	-	-	-	-	-
TOTAL LABOUR AND OTHER INCOME	238	245	209	40	117	47	53	51	50	55	56	55	56
TOTAL INCOME CREDITS	1408	1769	1854	381	489	540	456	474	429	495	475	501	463

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

(b) See footnote (b) to Table 2.

(c) See footnote (c) to Table 2.

TABLE 10. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME DEBITS

\$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
PROPERTY INCOME -													
Investment income -													
Official -													
General government -													
Interest on foreign currency borrowing	-463	-540	-657	-173	-147	-86	-166	-205	-180	-106	-214	-303	-232
Interest on Australian currency borrowing	-78	-128	-270	-32	-32	-33	-67	-68	-67	-68	-98	-98	-98
Total	-541	-668	-927	-205	-179	-119	-233	-273	-247	-174	-312	-401	-330
Reserve Bank (a)	-55	-40	-32	-11	-9	-19	-10	-8	-6	-8	-6	-6	-6
Total official	-596	-708	-959	-216	-188	-138	-243	-281	-253	-182	-318	-407	-336
Non-official -													
Direct investment income (b) -													
Reinvested earnings	586	-555	-565	-139	-139	-139	-141	-141	-141	-142	-155	-155	-155
Distributed earnings -													
Remitted profits	-427	-591	-432	-96	-163	-114	-98	-63	-83	-188	-110	-86	-145
Dividends	-585	-609	-629	-229	-126	-154	-93	-248	-107	-181	-237	-222	-161
Interest	-317	-412	-502	-104	-74	-122	-114	-122	-123	-143	-141	-164	-144
Total	-1329	-1612	-1563	-429	-363	-390	-305	-433	-313	-512	-488	-472	-450
Total direct investment income	-743	-2167	-2128	-568	-502	-529	-446	-574	-454	-654	-643	-627	-605
Portfolio and other investment income (b) -													
Dividends	-221	-291	-383	-117	-57	-75	-28	-122	-107	-126	-114	-107	-78
Interest -													
Public sector (c)	-478	-794	-1166	-182	-194	-245	-249	-299	-282	-336	-337	-312	-342
Private sector (d)	-1442	-1798	-2626	-407	-496	-500	-500	-597	-762	-767	-780	-710	-817
Total	-1920	-2592	-3792	-589	-690	-745	-749	-896	-1044	-1103	-1117	-1022	-1159
Total portfolio and other investment income	-2141	-2883	-4175	-706	-747	-820	-777	-1018	-1151	-1229	-1231	-1129	-1237
Total non-official	-2884	-5050	-6303	-1274	-1249	-1349	-1223	-1592	-1605	-1883	-1874	-1756	-1842
Total investment income	-3480	-5758	-7262	-1490	-1437	-1487	-1466	-1873	-1858	-2065	-2192	-2163	-2178
Other property income -													
Cinema and TV film royalties	-170	-200	-240	-50	-50	-50	-60	-60	-60	-60	-42	-69	-75
Other	-420	-427	-449	-110	-127	-100	-113	-115	-121	-100	-73	-73	-69
Total	-590	-627	-689	-160	-177	-150	-173	-175	-181	-160	-115	-142	-144
TOTAL PROPERTY INCOME	-4070	-6385	-7951	-1650	-1614	-1637	-1639	-2048	-2039	-2225	-2307	-2305	-2322
LABOUR AND OTHER INCOME -													
Official	-43	-44	-44	-9	-11	-13	-10	-10	-10	-14	-13	-13	-12
Non-official													
Labour income	-92	-106	-121	-28	-29	-26	-26	-32	-35	-28	-30	-37	-41
Insurance income	-	-5	-	-1	-1	-2	-	-	-	-	-	-	-
Total non-official	-92	-111	-121	-29	-30	-28	-26	-32	-35	-28	-30	-37	-41
TOTAL LABOUR AND OTHER INCOME	-135	-155	-165	-38	-41	-41	-36	-42	-45	-42	-43	-50	-53
TOTAL INCOME DEBITS	-4205	-6540	-8116	-1688	-1655	-1678	-1675	-2090	-2084	-2267	-2350	-2355	-2375

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

(b) See footnote (b) to Table 2.

(c) Excluding interest payable by public sector trading banks and interest payable by the public sector on long term trade credit on imports.

(d) Including all interest payable by trading banks and all interest payable on long term trade credit on imports. See footnote (c).

TABLE 11. BALANCE OF PAYMENTS - CURRENT ACCOUNT - UNREQUITED TRANSFERS

\$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CREDITS -													
Official	414	466	598	110	129	123	122	127	184	165	162	168	181
Non-official -													
Migrants' transfers	633	977	1052	291	210	223	207	249	278	318	285	316	351
Foreign government pensions	20	22	19	5	6	5	4	5	5	5	5	5	5
Miscellaneous transfers	267	321	347	79	81	83	78	81	89	99	119	122	135
Total	920	1320	1418	375	297	311	289	335	372	422	409	443	491
TOTAL UNREQUITED TRANSFERS CREDITS													
	1334	1786	2016	485	426	434	411	462	556	587	571	611	672
DEBITS -													
Official -													
Foreign aid -													
Papua New Guinea aid	-292	-318	-329	-81	-79	-81	-79	-85	-84	-81	-80	-85	-87
Other foreign aid	-391	-420	-470	-59	-115	-163	-48	-125	-117	-180	-52	-72	-111
Total	-683	-738	-799	-140	-194	-244	-127	-210	-201	-261	-132	-157	-198
Pensions	-71	-83	-97	-19	-22	-23	-22	-22	-26	-27	-26	-26	-27
Miscellaneous transfers	-52	-42	-63	-9	-15	-1	-15	-11	-10	-27	-20	-10	-34
Total official	-806	-863	-959	-168	-231	-268	-164	-243	-237	-315	-178	-193	-259
Non-official (a) -													
Migrants' transfers	-261	-291	-296	-72	-78	-75	-74	-71	-79	-72	-79	-78	-84
Withholding taxes	-	-	-	-	-	-	-	-	-	-	-4	-4	-4
Miscellaneous transfers	-361	-401	-408	-107	-91	-96	-102	-112	-96	-98	-108	-107	-96
Total non-official	-622	-692	-704	-179	-169	-171	-176	-183	-175	-170	-191	-189	-184
TOTAL UNREQUITED TRANSFERS DEBITS													
	-1428	-1555	-1663	-347	-400	-439	-340	-426	-412	-485	-369	-382	-443
NET UNREQUITED TRANSFERS													
	-94	231	353	138	26	-5	71	36	144	102	202	229	229

(a) See footnote (d) to Table 2.

TABLE 12. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF GENERAL GOVERNMENT

\$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
FOREIGN INVESTMENT IN AUSTRALIA -													
Borrowing -													
Foreign currency -													
Drawings	1150	1174	1807	586	107	30	733	375	259	440	59	896	1519
Repayments	-568	-817	-880	-321	-150	-74	-258	-211	-255	-155	-156	-642	-431
Total	582	357	927	264	-43	-44	475	163	4	285	-97	254	1088
Australian currency -													
Drawings	649	1291	3079	393	373	290	382	904	817	976	1014	671	1839
Repayments	-264	-580	-1371	-81	-249	-151	-306	-197	-413	-455	-437	-444	-1151
Total	385	711	1708	312	124	139	76	707	404	521	577	227	688
Total borrowing	967	1068	2635	576	81	95	551	870	408	806	480	481	1776
Other	56	-93	-46	-18	-21	-32	-25	-19	30	-32	-24	35	-12
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	1023	975	2589	558	60	62	526	851	438	774	456	516	1764
AUSTRALIAN INVESTMENT ABROAD -													
Lending	5	2	1	-2	1	3	-3	5	-4	3	0	2	-
Accounts receivable/prepayments made	-91	-483	-213	-140	-115	-84	64	-41	-117	-119	62	52	-59
Other	-127	-9	-55	-5	-3	-	-	-2	-53	-	-	-73	-3
TOTAL AUSTRALIAN INVESTMENT ABROAD	-213	-490	-267	-147	-117	-81	61	-38	-174	-116	62	-19	-62
TOTAL GENERAL GOVERNMENT	810	485	2322	412	-57	-19	587	813	264	658	517	497	1702

TABLE 13. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE RESERVE BANK

\$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
FOREIGN INVESTMENT IN AUSTRALIA -													
Use of IMF credit	37	-37	-	-37	-	-	-	-	-	-	-	-	-
Other	1	12	-10	4	-13	12	-5	10	-11	-4	-16	4	-20
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	38	-25	-10	-33	-13	12	-5	10	-11	-4	-16	4	-20
AUSTRALIAN INVESTMENT ABROAD-													
RESERVE ASSETS -													
Official reserve assets -													
Monetary gold	-	-	-	-	-	-	-	-	-	-	-	-	-
SDRs	-83	-58	-124	46	-24	-46	-58	-30	-13	-23	-46	-17	5
Reserve position in IMF	-	-159	-57	-128	-	-31	-	-59	-	2	-6	2	-
Foreign exchange	-2378	-1636	1701	-2841	776	635	-10	268	827	616	838	1107	-484
Total	-2461	-1853	1520	-2923	752	558	-68	179	814	595	786	1092	-479
Allocation of SDRs	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RESERVE ASSETS	-2461	-1853	1520	-2923	752	558	-68	179	814	595	786	1092	-479
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL AUSTRALIAN INVESTMENT ABROAD	-2461	-1853	1520	-2923	752	558	-68	179	814	595	786	1092	-479
TOTAL RESERVE BANK	-2423	-1878	1510	-2956	739	570	-73	189	803	591	770	1096	-499

TABLE 14. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR:
FOREIGN INVESTMENT IN AUSTRALIA \$MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
DIRECT INVESTMENT (a) -													
Reinvestment of earnings	-586	555	565	139	139	139	141	141	141	142	155	155	155
Corporate equities	391	585	353	234	47	48	-7	108	-34	286	185	576	33
Net equity in branches	574	-784	65	54	90	-1574	175	-98	-29	17	66	-16	-615
Borrowing (b) -													
Drawings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Repayments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	448	1050	1127	993	-200	364	599	-138	90	576	-161	-396	-46
Other	68	602	434	160	-9	454	234	-178	148	230	26	104	-2
TOTAL DIRECT INVESTMENT	895	2008	2544	1580	67	-569	1142	-165	316	1251	271	423	-475
PORTFOLIO AND OTHER INVESTMENT (a) -													
Corporate equities	858	584	143	58	226	-50	18	-207	127	205	-168	-122	-89
Borrowing -													
Trading banks (c) -													
Foreign currency (d)	328	377	1690	126	112	97	524	295	453	418	153	1048	1524
Australian currency	42	59	683	-16	-30	13	303	333	-97	145	264	46	n/a
Total	371	436	2373	110	83	111	827	628	356	563	417	1094	1524 (e)
Enterprises n.e.c. -													
Public sector -													
Foreign currency	1186	2244	2898	480	1306	324	225	1253	1192	228	n/a	n/a	n/a
Australian currency	1350	111	677	26	87	-	150	249	311	-33	n/a	n/a	n/a
Total	2536	2355	3575	506	1393	324	375	1502	1503	195	-8	620	1307
Of which -													
Drawings	3500	6470	12540	n/a	n/a	n/a	2461	3743	3338	2998	n/a	n/a	n/a
Repayments	-964	-4115	-8966	n/a	n/a	n/a	-2086	-2241	-1835	-2804	n/a	n/a	n/a
Private sector -													
Drawings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Repayments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	4586	3216	3778	1010	348	1676	1000	1249	1124	405	1884	1449	471
Total enterprises n.e.c.	7122	5571	7353	1516	1741	2000	1375	2751	2627	600	1876	2069	1778
Total borrowing	7493	6007	9726	1626	1824	2111	2202	3379	2983	1163	2293	3163	3302 (e)
Accounts payable/prepayments received -													
Public sector	127	167	63	20	16	20	11	22	18	12	-12	-16	-9
Private sector	-121	376	176	-17	26	278	160	-22	11	27	13	110	56
Total	6	543	239	3	42	298	171	-	29	39	1	94	47
TOTAL PORTFOLIO AND OTHER INVESTMENT	8357	7134	10108	1687	2092	2359	2391	3172	3139	1407	2126	3135	3260 (e)
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	9252	9142	12652	3267	2159	1790	3533	3007	3455	2658	2397	3558	2785 (e)

(a) From September quarter 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 this publication.

(b) Direct investment borrowing by trading banks is included in portfolio and other investment.

(c) Includes direct investment borrowing - see footnote (b).

(d) Up to and including June quarter 1985, covers foreign currency borrowing for on-lending only. From September quarter 1985, covers all foreign currency borrowing. See Appendix B to the December quarter 1985 issue of this publication.

(e) Excludes Australian currency borrowing by trading banks.

TABLE 15. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR:
AUSTRALIAN INVESTMENT ABROAD

MILLION

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
DIRECT INVESTMENT (a) -													
Reinvestment of earnings	-246	-329	-294	-82	-82	-83	-73	-74	-73	-74	-100	-100	-100
Corporate equities	-339	-1042	-1823	-57	-19	-897	-585	-352	-393	-493	103	-912	-25
Net equity in branches	-14	-60	-111	-13	-3	-37	-13	-4	13	-107	-14	-47	53
Lending (b)	-192	111	-146	-47	-45	219	66	-29	-82	-101	-168	-87	72
Other	-12	-10	-24	99	-45	-43	-4	-13	-16	9	-4	-34	42
TOTAL DIRECT INVESTMENT	-803	-1330	-2398	-100	-194	-841	-609	-472	-551	-766	-183	-1180	42
PORTFOLIO AND OTHER INVESTMENT(a)-													
Corporate equities	-665	-127	-824	-27	-50	-3	-102	-341	-403	22	-110	-473	-627
Lending -													
Trading banks (c) -													
Foreign currency (d)	282	-99	120	130	-251	55	186	-108	-485	527	-528	-129	-545
Australian currency	5	10	-23	5	-1	-18	7	14	-12	-31	-65	-45	nva
Total	287	-89	97	135	-252	37	193	-94	-497	496	-593	-174	-545 (e)
Enterprises n.e.c.	-358	-335	-754	19	-934	546	-151	-328	-436	161	-207	-796	-12
Total lending	-71	-424	-657	154	-1186	583	42	-422	-933	657	-800	-970	-557 (e)
Accounts receivable/prepayments made -													
Public sector	27	-313	-643	-93	-135	-174	-200	-126	-193	-124	-24	-35	-49
Private sector	-44	-68	-410	-14	-2	-35	-250	56	-94	-122	-13	-218	83
Total	-17	-381	-1053	-107	-137	-209	-450	-70	-287	-246	-37	-253	34
TOTAL PORTFOLIO AND OTHER INVESTMENT	-753	-932	-2534	20	-1373	371	-510	-833	-1623	433	-947	-1696	-1150 (e)
TOTAL AUSTRALIAN INVESTMENT ABROAD	-1556	-2262	-4932	-80	-1567	-470	-1119	-1305	-2174	-333	-1130	-2876	-1108 (e)

(a) See footnote (a) to Table 14.

(b) Direct investment lending by trading banks is included in portfolio and other investment.

(c) Includes direct investment lending. From September quarter 1985, covers all foreign currency lending. See Appendix B to the December quarter 1985 issue of this publication for details.

(d) Up to and including June quarter 1985, selected borrowing is netted off against lending. From September quarter 1985, covers all foreign currency lending. See Appendix B to the December quarter 1985 issue of this publication.

(e) Excludes Australian currency lending by trading banks.

TABLE 16. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	YEAR			QUARTERS ENDED-									
	1982-83	1983-84	1984-85	1983-84			1984-85			1985-86			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
OFFICIAL RESERVE ASSETS (\$MILLION) -													
Levels at end of year/quarter	10748	12417	13517(b)	13350	12241	12417	12432(b)	12058	13129	13516	12505	12216	12811
Changes in levels	4232	1668	(c)	2679	-1109	176	(c)	-374	1071	387	-1011	-289	595
Of which -													
Changes due to effects of revaluations	1771	-185	(c)	-244	-357	734	(c)	-195	1885	982	-225	803	116
Changes included in the balance of payments (a)	2461	1853	-1520	2923	-752	-558	68	-179	-814	-595	-786	-1092	479
EXCHANGE RATES (END OF YEAR/QUARTER) -													
UNITS OF FOREIGN CURRENCY PER \$A -													
United States dollar	.8745	.8613	.6655	.9020	.9350	.8613	.8330	.8278	.7051	.6655	.7077	.6809	.7119
UK pound	.5730	.6378	.5136	.6205	.6461	.6378	.6696	.7130	.5641	.5136	.5042	.4732	.4823
West German mark	2.227	2.399	2.030	2.451	2.426	2.399	2.526	2.606	2.172	2.030	1.891	1.672	1.659
Japanese yen	209.38	204.60	165.68	209.22	210.22	204.60	204.67	207.24	176.94	165.68	152.97	136.49	128.09
TRADE-WEIGHTED INDEX (END OF YEAR/QUARTER) OF VALUE OF THE AUSTRALIAN DOLLAR (MAY 1970 = 100)	77.2	79.2	65.0	81.1	82.9	79.2	80.3	81.3	69.2	65.0	64.8	60.7	61.1

- (a) These entries carry the opposite sign to corresponding entries in Tables 4 & 13. See paragraph 5 of the Explanatory Notes.
 (b) From September quarter 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).