



BALANCE OF PAYMENTS, AUSTRALIA, JANUARY 1981

INQUIRIES

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MAIN FEATURES

An overall surplus of \$288 million as measured by net official monetary movements.

A trade surplus of \$177 million.

A current account deficit of \$227 million.

A net apparent capital inflow of \$515 million.

NOTES: (1) A new monthly series namely "public non-monetary enterprise borrowings" is included in this publication. This series covers borrowings (i.e. corporate securities other than corporate equities, loans, advances, deposits, debentures, notes, bank overdrafts drawn, mortgages and trade credit owing to unrelated foreign enterprises for imports with a contractual maturity of over six months) by Commonwealth, State and local government trading and non-bank financial enterprises. The series includes, for example, borrowings raised by State government enterprises for infrastructure purposes. The series is on a net basis, i.e. it records drawings less repayments of loans, issues less retirements of bonds etc.

(2) In January 1981, Australia was allocated Special Drawing Rights (SDRs) in the International Monetary Fund equivalent to \$486 million. This allocation is included in changes in Australia's official reserve assets. However, for reasons given in paragraph 9, net official monetary movements reflects no change as a result of this allocation.

EXPLANATORY NOTES

Introduction

This publication contains preliminary estimates of Australia's international balance of payments for the month of January 1981 together with revised estimates for previous months and financial years. These estimates should be examined in conjunction with the series contained in the quarterly and annual balance of payments publications (5302.0 and 5303.0, respectively). Reference should be made to these publications for explanatory notes on balance of payments concepts and definitions.

2. Care should be exercised in interpreting monthly movements in the balance of payments, especially those of the most recent months. The sources available for the production of timely and reliable monthly estimates are limited. Consequently, monthly series, to a greater degree than quarterly and annual data, are subject to revision as more complete and more accurate information becomes available.

Australian currency values

3 The Australian currency equivalents shown in these statistics for transactions originally denominated in foreign currencies were derived by converting into Australian dollars at market rates of exchange.

Adjustments to exports and imports

4. The figures for exports f.o.b. and imports f.o.b. in Table 1 represent recorded trade figures adjusted in respect of coverage, timing and valuation for balance of payments purposes.

Balance of trade

5. This is the excess of exports f.o.b. over imports f.o.b.

Net invisibles

6. Net invisibles comprises the net sum of credit and debit entries for transactions in services, income and unrequited transfers. Items included are transportation services, travel, government services, miscellaneous services, property income and unrequited transfers such as foreign aid, gifts and donations.

Private capital and balancing item

7. This aggregate covers foreign investment in Australian enterprises, Australian investment abroad, trade credit n.e.i., non-official monetary sector transactions and the balancing item. Within this item, separate details are shown for public non-monetary enterprise borrowings (see "Main Features") and trade credit of marketing authorities.

Net official monetary movements

8. The aggregate net official monetary movements, the main component of which is changes in official reserve assets, is usually taken as a measure of the overall surplus or deficit in the balance of payments. This aggregate excludes changes that do not arise from international economic transactions.

9. As mentioned in "Main Features", note 2, Australia was allocated SDRs in January 1981. The increase in Australia's holdings of official reserve assets as a result of the allocation is included in the changes in official reserve assets component of net official monetary movements. As the allocation does not arise from an economic transaction, a counterpart entry is included in net official monetary movements to offset the change in official reserve assets as a result of the allocation. Consequently, net official monetary movements reflects no change as a result of the allocation of SDRs.

10. Table 2 shows changes in official reserve assets which are included in the balance of payments, together with the adjustments made to the original Reserve Bank statistics to exclude changes in the Australian dollar value of reserve assets that are the result of revaluations. The table also shows changes in the value of the Australian dollar against specified foreign currencies. Also included are seasonally adjusted exports f.o.b. and imports f.o.b.

Residual items

11. Due to lack of monthly data certain aggregates in Table 1 are derived as residuals after having first calculated those aggregates for which monthly information can be obtained or estimated. The aggregates which are derived as residuals are net apparent capital inflow, which is calculated by subtracting the balance on current account from net official monetary movements, and private capital and balancing item, which is derived by subtracting government capital from net apparent capital inflow.

Seasonal adjustment

12. In carrying out seasonal adjustment of exports f.o.b. and imports f.o.b. account is taken not only of seasonal factors, but also of 'trading-day' effects (arising from the varying numbers of Sundays, Mondays, etc. in the month) which may affect figures for different months in different years. Details of the methods used in the seasonal adjustment of these series are available on request and will be given in the next issue of *Seasonally Adjusted Indicators, Australia* (1308.0). The statistics are also subject to large irregular influences which are not removed by seasonal adjustment and may be affected by changes in the composition of exports and imports. For these reasons, particular care should be exercised in interpreting individual month-to-month movements.

Presentation

13. In Table 1, minus sign (-) denotes: a debit for aggregates in the current account; an outflow for components of capital inflow (net); and for monetary movements, a decrease in assets or an increase in liabilities.

Related publications

14. Current publications produced by the ABS are listed in *Catalogue of Publications* (1101.0) which is available free of charge from any ABS office.

Symbols and other usages

.. not applicable

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

R. J. CAMERON
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TABLE I. BALANCE OF PAYMENTS
(\$ million)

	Exports f.o.b.	Imports f.o.b.	Balance of trade	Net invisibles	Balance on current account	Government capital	Private capital and balancing item			Net apparent capital inflow	Net official monetary movements
							Trade credit of marketing authorities	Public non-monetary enterprise borrowings	Other		
1977-78	12,027	-11,165	862	-3,405	-2,543	1,564	-208	286	359	2,001	-542
1978-79	14,075	-13,493	582	-3,828	-3,247	1,354	34	246	1,489	3,123	-124
1979-80	18,634	-15,829	2,805	-4,413	-1,608	-41	-379	424	1,303	1,307	-301
1979-80—											
December	1,564	-1,177	386	-310	76	63	-49	-248		-234	-158
January	1,661	-1,589	72	-400	-328	-53	67	528		542	215
February	1,579	-1,350	230	-329	-100	198	-83	148		263	163
March	1,566	-1,296	270	-300	-30	-40	-78	63		-55	-85
April	1,580	-1,248	332	-411	-79	-51	43	5		-3	-82
May	1,546	-1,438	108	-460	-353	-23	34	606		617	264
June	1,723	-1,365	358	-432	-74	-116	-27	236		93	19
1980-81—											
July	1,702	-1,561	141	-416	-275	-24	-61	70	228	213	-62
August	1,423	-1,445	-22	-384	-406	-16	9	24	177	194	-212
September	1,462	-1,638	-176	-359	-535	-35	-11	-55	448	347	-188
October	1,618	-1,758	-141	-462	-603	-4	46	104	910	1,056	453
November	1,577	-1,457	120	-320	-200	131	65	-6	134	324	123
December	1,643	-1,510	134	-361	-227	-71	8	-24	199	113	-115
January	1,593	-1,416	177	-404	-227	22	77	10	406	515	288
Seven months ended—											
January 1980	10,641	-9,132	1,509	-2,481	-971	-9	-268	669		391	-580
January 1981	11,018	-10,785	233	-2,708	-2,475	6	134	123	2,501	2,762	288

TABLE 2. VISIBLE TRADE, SEASONALLY ADJUSTED; OFFICIAL RESERVE ASSETS; AND EXCHANGE RATES

	Seasonally adjusted visible trade (\$ million)		Official reserve assets (\$ million)				Exchange rates (end of year/month) Units of foreign currency per \$A(a)				Trade- weighted index (end of year/month) of value of A-ustralian dollar, May 1970 = 100(b)
			Changes included in the balance of payments	Changes due to effects of revaluations	Reserve bank series		U.S.A. Dollar	U.K. Pound	Germany Fed. Rep. Mark	Japan Yen	
					Changes in levels	Levels at end of year/month					
1977-78	..	..	-474	+387	-87	3,225	1.1475	0.6151	2.379	234.63	85.2
1978-79	..	..	-167	+827	+660	3,885	1.1211	0.5154	2.068	242.44	83.1
1979-80	..	..	-349	+2,145	+1,796	5,681	1.1576	0.4914	2.033	251.26	85.0
1979-80—											
December	1,642	-1,330	-66	+531	+466	4,614	1.1075	0.4940	1.900	265.31	83.3
January	1,613	-1,423	+257	+1,514	+1,772	6,386	1.1069	0.4885	1.925	264.50	83.2
February	1,636	-1,422	+148	-38	+110	6,495	1.0987	0.4810	1.937	272.76	83.5
March	1,683	-1,359	-87	-781	-868	5,627	1.0831	0.4975	2.091	270.08	84.4
April	1,545	-1,280	-36	-367	-402	5,225	1.1145	0.4916	2.000	267.21	84.5
May	1,514	-1,407	+180	-134	+46	5,271	1.1426	0.4891	2.040	256.80	84.7
June	1,665	-1,426	-134	+544	+410	5,681	1.1576	0.4914	2.033	251.26	85.0
1980-81—											
July	1,625	-1,441	-59	+311	+252	5,933	1.1525	0.4911	2.051	261.10	85.5
August	1,438	-1,404	-224	-176	-400	5,533	1.1656	0.4879	2.065	254.16	85.8
September	1,559	-1,740	-111	+297	+185	5,718	1.1690	0.4897	2.121	248.54	85.8
October	1,523	-1,609	+491	-115	+376	6,094	1.1726	0.4797	2.231	246.96	86.2
November	1,583	-1,456	+115	-227	-112	5,981	1.1643	0.4624	2.342	251.20	86.8
December	1,626	-1,615	-283	-269	-551	5,430	1.1807	0.4942	2.317	238.86	87.1
January	1,606	-1,342	+390	-235	+156	5,586	1.1707	0.4886	2.458	239.24	87.5

(a) The rates quoted are mid-points of the buying and selling rates for the last day of the month obtained from the Commonwealth Trading Bank of the Australian dollar vis a vis currencies of Australia's trading partners.

(b) The trade-weighted index is published by the Reserve Bank and is an index of the average value