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CANBERRA

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## BALANCE OF PAYMENTS, AUSTRALIA, JULY 1987

- PHONE INQUIRIES • about these statistics — contact either Mr Neil Paterson on Canberra (062) 52 5519, Mr Daniel Aherne on Canberra (062) 52 6689, or any ABS State office.  
• about other statistics and ABS services — contact Information Services on Canberra (062) 52 6627, 52 5402, 52 6007 or any ABS State Office.
- MAIL INQUIRIES • write to Information Services, ABS, P.O. Box 10, Belconnen, A.C.T. 2616 or any ABS State Office.
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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. To assist in analysing current developments, trend estimates are included. A note on the reliability of monthly balance of payments estimates is included on page 4.*

### MAIN FEATURES

The preliminary estimates of the main balance of payments aggregates for July 1987 and the three preceding months are:

	1986-87			1987-88
	Apr	May	June	July
	\$ million			
Balance on current account	-1176	-972	-915	-1348
Balance on merchandise trade	-83	106	159	-402
Net services	-169	-218	-281	-314
Net income	-1000	-992	-904	-800
Net unrequited transfers	76	132	111	168
Balance on capital account plus balancing item	1176	972	915	1348
Official capital	-1776	453	-1138	-80
Non-official capital plus balancing item	2952	519	2053	1428

The balance on merchandise trade recorded a deficit of \$402 million in July, a turnaround of \$561 million from the June surplus. Exports fell 11 per cent, mainly due to falls in coal and wool, whilst imports rose 6 per cent, chiefly in the "other imports" category.

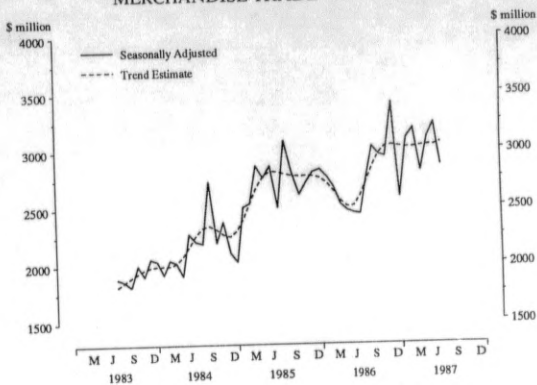
The net services deficit increased \$33 million in July, mainly reflecting seasonal influences upon travel debits and transportation debits.

The improvement of \$104 million in the net income deficit is largely due to reduced income payable abroad by the non-official sector.

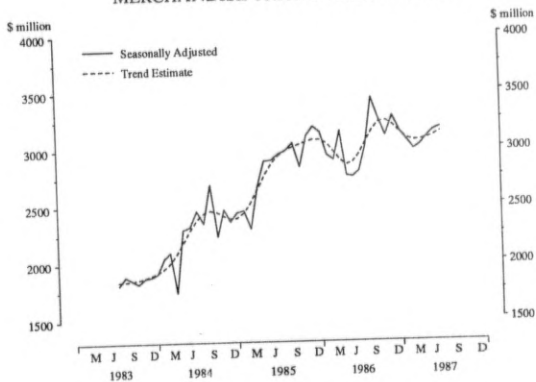
The net unrequited transfers surplus rose \$57 million due to a drop in official aid transfers abroad. A contributing factor to the drop is a change of administrative practice which spreads aid payments to PNG across all months of each quarter, rather than concentrating them in the first month of each quarter.

The trade weighted index of the value of the Australian dollar (base May 1970 = 100) at the end of July 1987 stood at 55.3, down 2.3 per cent on the index for the previous month but up 12.2 per cent on the July 1986 index. In July 1987, the dollar fell against the \$US (3.1 per cent), the £UK (2.6 per cent), the West German Mark (1.9 per cent) and the Japanese Yen (1.5 per cent).

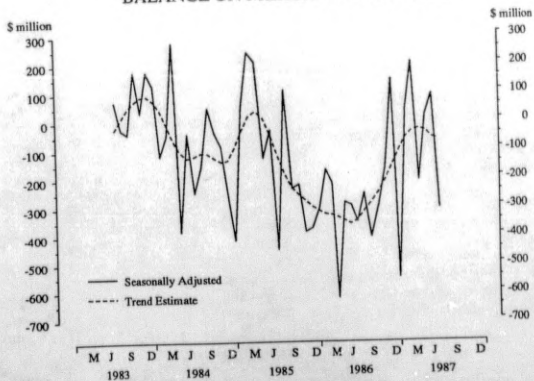
## MERCHANDISE TRADE - EXPORTS FOB



## MERCHANDISE TRADE - IMPORTS FOB



## BALANCE ON MERCHANDISE TRADE



## ANALYSIS OF SELECTED MAJOR AGGREGATES

## July 1987 -

The merchandise trade deficit of \$402 million represented a turnaround of \$561 million on the previous month. In seasonally adjusted terms the deficit was \$312 million, a turnaround of \$396 million from the June 1987 surplus. The trend estimates for the balance show small rises in the deficit for the past three months, after declining each month from June 1986.

Exports f.o.b. fell \$360 million or 11 per cent. Rural exports were down \$140 million or 11 per cent. Falls were recorded in all categories except "other rural", in which a slight rise occurred. The major fall occurred in wool, down \$84 million or 22 per cent due to a decline in volumes exported. Non-rural exports were down \$220 million or 10 per cent. Most of the fall is attributable to coal, down \$163 million (32 per cent) due to reduced volumes exported, and metal ores and minerals down \$76 million (17 per cent) due to falls in the volumes of alumina and uranium exported. The "other non-rural" category was down \$45 million (8 per cent) mainly reflecting a fall in gold exports of \$71 million. The table below shows the contribution of gold exports on a monthly basis since May 1986 and an annual basis for the last three financial years. Machinery and transport equipment was up \$63 million or 28 per cent.

Value of Gold Exports(a)  
(not seasonally adjusted)

Period	Value (\$million)	Change (%)
<b>Years -</b>		
1984-85	554	46
1985-86	787	42
1986-87(b)	1552	97
<b>Months -</b>		
1985-86		
May	105	
June	114	
1986-87		
July	72	
August	101	
September	90	
October	89	
November	143	
December	109	
January	129	
February	191	
March	103	
April	116	
May	181	
June	228	
1987-88		
July(b)	157	

(a) AECC group 971 (non-monetary gold) and AECC item 991,001 (gold coin). (b) Gold coin contributed \$200 million in 1986-87. In the month of July 1987 these exports were valued at \$50 million.

In seasonally adjusted terms, exports f.o.b. fell \$371 million or 11 per cent. The trend estimates of exports show a small increase for the fifth consecutive month.

Imports f.o.b. rose \$201 million or 6 per cent. The main increase was in "other" imports, up \$143 million or 19 per cent on the previous month, over half of which was due to rises in imports of defence equipment, clothing and footwear. Movements in all other categories were relatively minor, whilst machinery and transport equipment remained unchanged.

Exogenous imports fell by \$60 million or 16 per cent reflecting decreases in fuels and civil aircraft imports which more than offset an increase of \$31 million in defence and other government imports. There were no civil aircraft imports in July, while June included two aircraft valued at \$60 million. Endogenous imports increased by \$261 million or 9 per cent.

In seasonally adjusted terms, imports f.o.b. rose by \$25 million or 1 per cent. The trend estimates of imports rose slightly from March to July, after declining from November 1986.

The net services deficit increased to \$314 million, up \$33 million or 12 per cent. Services credits, at \$591 million, were virtually unchanged as falls in shipment and "other services" were almost offset by rises in travel and "other transportation". Services debits rose \$32 million or 4 per cent to \$905 million as seasonal increases in travel (up 24 million) and "other transportation" (up \$15 million) together with an increase in shipment (up \$9 million) more than offset a fall of \$16 million in "other services".

The net income deficit, at \$800 million, was down \$104 million or 12 per cent, mainly due to lower investment income payable abroad by the non-official sector.

Net unrequited transfers recorded a surplus of \$168 million, up \$57 million. Unrequited transfer credits were largely unchanged, as were non-official unrequited transfer debits. However, official unrequited transfer debits fell, reflecting a change in administrative practice concerning the transfer of aid payments, principally affecting PNG aid. These payments will now be spread across all months of the quarter, rather than concentrated in the first month of each quarter.

The capital transactions of the official sector recorded a net outflow of \$80 million, down \$1,058 million on the net outflow for June 1987. The July estimate comprised a net inflow of \$321 million on general government transactions (up \$309 million on the June inflow) and a net outflow of \$401 million on Reserve Bank transactions (down \$749 million on the outflow for the preceding month). The change on account of general government transactions was mainly due to "other" transactions, which turned around \$487 million from a net outflow to a net inflow of \$99 million, mainly due to transactions associated with major items of defence equipment. General government borrowing transactions yielded a net inflow of \$222 million, down \$178 million on the inflow for June following

larger repayments of foreign currency borrowing (up \$145 million) and lower net purchases of Australian dollar securities (down \$33 million). The fall in the net outflow resulting from Reserve Bank transactions was almost wholly accounted for by transactions in official reserve assets, which recorded a debit (i.e. a net increase in these assets) of \$401 million, down \$760 million from the debit of \$1,161 million in June.

#### Revisions

Services debits and credits for 1985-86 and 1986-87 have been revised to take account of the latest available data from the Surveys of International Shipping and Airline Operations and additional data about traveller numbers which are now available up to June 1987.

Income credits and debits for 1984-85, 1985-86 and 1986-87 and net capital transactions of the public sector for 1985-86 and 1986-87 have been revised to reflect the inclusion of more up-to-date data from the Surveys of Foreign Investment. For net capital transactions, the revisions mainly result from the detection of errors in data previously supplied to the ABS by a few enterprises.

These and other less significant revisions which have been incorporated in a number of items, reflecting the latest results from other surveys and data sources, have resulted in consequential revisions to estimates of various balances in the accounts.

#### RELIABILITY OF MONTHLY BALANCE OF PAYMENTS ESTIMATES

In principle, balance of payments statistics should be compiled by summing the foreign accounts, whether actual or notional, of every economic unit (ie every government body, business, household etc) in Australia. In practice, this is not feasible. The estimates are therefore derived by synthesising data from a wide variety of sources of varying degrees of accuracy, frequency, detail and timeliness. These sources range from administrative records to surveys of selected businesses.

The production of preliminary monthly balance of payments statistics involves a trade-off between timeliness and accuracy. The first-published estimates are made available very quickly on the basis of limited source data. They are released as soon as possible after key preliminary data are obtained from certain sources - basically foreign trade data from the Australian Customs Service, data on official reserve assets from the Reserve Bank of Australia, data on general government transactions from the Commonwealth Government's accounting records and data on trade and public sector investment from some major enterprises. However, it is not possible within a week or so of the end of the month to expect most enterprises to provide information about their foreign transactions.

For those current account items for which current monthly data are not available (notably the services, income and unrequited transfers items classified to the non-official sec-

tor), estimates are made by extrapolating historical series. The latest monthly estimates are subsequently revised as more information becomes available. It should be noted that where data are collected from enterprises in quarterly surveys (eg most investment income data for the non-official sector) revisions to extrapolations of past results will affect three adjacent months and involve adjustments in the same direction to earlier estimates for those months.

The initial monthly estimates published in previous issues of this publication have proved to be reasonable indicators of the revised results shown in the present issue. For the fourteen month period from May 1986 to June 1987 shown in the Table 2, the average monthly revision to total current account credits has been 1.1 per cent and the average monthly revision to total current account debits has been 2.0 per cent. Also the initial current account deficit estimates have correctly indicated the direction of movement from the previous month shown by the revised estimates on 13 out of 14 occasions.

In recent times, difficulties in the initial estimation of travel, merchandise imports and investment income have contributed to revisions. Improvements have been achieved in estimating each of these items; however, the achievement of the improvements has itself contributed to revisions.

The ABS's efforts to improve the estimates of component items will continue. However, in assessing possible improvements it has to take account of the other purposes that the source data serve, the cost and timeliness of modified or additional collections, and the burden placed on survey respondents.

While care is needed in the use and interpretation, the initial month's estimates are considered useful for those analytic purposes requiring a broad indication of current developments in the external accounts.

#### EXPLANATORY NOTES

##### Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for July 1987, together with revised estimates for previous months. Table 1 provides summary statistics covering both the current and capital accounts. Supplementary information is contained in Tables 2 to 5. Longer term estimates, from July 1971, consistent with those shown in this issue, will be available in the publication *Balance of Payments, Australia - Historical Series on Microfiche* (5337.0) June quarter 1987 to be released about mid September 1987. These series will also be available on AUSSTATS.

2. More comprehensive quarterly estimates will be available in the June 1987 quarterly publication (5302.0) to be released about the end of August 1987. The explanatory notes and tables to that publication should be ex-

amined for more information on balance of payments statistics.

#### Accuracy, reliability and volatility

3. Care should be exercised in the use and interpretation of estimates in this publication. The sources available for the production of timely and reliable monthly estimates are limited 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 2) and large irregular influences (which are not removed by seasonal adjustment). The irregular influences may reflect both random economic events and difficulties of statistical recording. The impact of the irregular influences upon the seasonally adjusted series is reduced by smoothing, as shown in Table 2 and the graphs on page 2.

#### Recording of transactions

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

#### Current account

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

#### Capital account

7. The **capital account** records transactions in Australia's foreign financial assets and liabilities, including the creation and extinction of claims on or by the rest of the world and a few specified other changes. Detailed

estimates are provided in Table 4, and broad series definitions are provided in publication 5302.0.

#### Residual items

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

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

#### Seasonal adjustment

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

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

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

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

series (and therefore appear "smoother") than will a 13-term moving average. However, the longer the term of the moving average the longer the time series affected by revisions resulting from more recent data. In order to ensure that the underlying trend-cycle of a series is reflected in the smoothed series, the degree of smoothness alone cannot always be used as the sole criterion in determining which moving average is appropriate.

14. Trend estimates of **merchandise exports f.o.b. and imports f.o.b.** are shown in Table 2. These trend estimates are derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted series.

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

#### Official reserve assets, exchange rates and the trade weighted index

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

#### Related publications

17. Current publications produced by the ABS are listed in the **Catalogue of Publications, Australia** (1101.0).

The ABS also issues on Tuesdays and Fridays, a **Publications Advice** (1105.0) which lists publications to be released in the next five days. The **Catalogue and Publications Advice** are available from any ABS office.

#### Symbols and Other Usages

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

18. 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.

IAN CASTLES  
Australian Statistician



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

	YEARS			MONTHS												1987-88				
	1984-85	1985-86	1986-87	1985-86		1986-87										JUL				
				MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN			
<b>EXPORTS FOB(a)</b>																				
Rural exports fob -																				
Meat & meat preparations	1371	1699	2246	169	141	169	188	190	200	185	204	164	152	196	176	199	223	212	212	
Cereals & cereal preparations	3855	3880	2759	337	270	282	207	228	210	200	284	208	233	205	240	231	231	208	208	
Sugar, sugar preps. & honey	615	646	708	51	67	53	76	85	65	39	61	29	24	104	45	49	78	46	46	
Wool & sheepskins	2573	3061	3889	231	214	235	237	200	253	296	394	386	362	358	346	436	386	302	302	
Other (dairy produce, fruit etc)	2426	2958	3523	246	271	288	269	316	293	283	320	270	245	293	291	298	357	367	367	
<b>Total rural</b>	<b>10840</b>	<b>12244</b>	<b>13125</b>	<b>1034</b>	<b>963</b>	<b>1027</b>	<b>977</b>	<b>1019</b>	<b>1021</b>	<b>1003</b>	<b>1263</b>	<b>1057</b>	<b>1016</b>	<b>1156</b>	<b>1098</b>	<b>1213</b>	<b>1275</b>	<b>1135</b>	<b>1135</b>	
Non-rural exports fob -																				
Metal ores & minerals	4722	5005	4949	391	449	363	415	528	506	456	473	301	344	393	329	388	453	377	377	
Mineral fuels -																				
Coal, coke & briquettes	4665	5240	5454	447	381	476	413	499	481	395	561	419	438	416	421	420	515	352	352	
Other	2360	2299	1511	60	53	39	90	112	120	204	101	109	147	159	136	178	116	121	121	
Metals & metal manufactures	2512	2717	3145	203	229	236	270	299	229	234	275	247	258	277	236	291	293	289	289	
Machinery & transport equipment	1654	1614	2627	145	153	144	173	184	245	186	340	158	246	277	227	220	227	290	290	
Other	2459	3081	4566	297	335	292	320	354	351	394	347	402	391	377	357	447	534	489	489	
<b>Total non-rural</b>	<b>18372</b>	<b>19956</b>	<b>22252</b>	<b>1543</b>	<b>1600</b>	<b>1550</b>	<b>1681</b>	<b>1976</b>	<b>1932</b>	<b>1869</b>	<b>2097</b>	<b>1636</b>	<b>1824</b>	<b>1899</b>	<b>1706</b>	<b>1944</b>	<b>2138</b>	<b>1918</b>	<b>1918</b>	
<b>TOTAL EXPORTS FOB - ORIGINAL</b>	<b>29212</b>	<b>32200</b>	<b>35377</b>	<b>2577</b>	<b>2563</b>	<b>2577</b>	<b>2658</b>	<b>2995</b>	<b>2953</b>	<b>2872</b>	<b>3360</b>	<b>2693</b>	<b>2840</b>	<b>3055</b>	<b>2804</b>	<b>3157</b>	<b>3413</b>	<b>3053</b>	<b>3053</b>	
SEASONALLY ADJUSTED (b)	"	"	"	2467	2447	2437	2750	3022	2954	2934	3408	2583	3095	3179	2806	3100	3228	2857	2857	
TREND ESTIMATE (c)	"	"	"	2500	2507	2590	2720	2853	2962	3023	3034	3023	3013	3016	3025	3033	3031	3056	3056	
<b>IMPORTS FOB(a)</b>																				
Food, beverages & tobacco	-1476	-1705	-1938	-147	-155	-143	-151	-157	-208	-137	-171	-179	-174	-182	-155	-145	-136	-154	-154	
Fuels	-2321	-1909	-1748	-135	-66	-104	-155	-165	-167	-107	-199	-129	-118	-175	-111	-137	-181	-164	-164	
Basic materials	-1052	-1109	-1176	-86	-92	-96	-88	-94	-106	-88	-79	-84	-103	-97	-115	-115	-111	-121	-121	
Chemicals (including plastics)	-2567	-3003	-3470	-250	-244	-273	-239	-317	-313	-269	-275	-262	-288	-295	-308	-303	-328	-329	-329	
Textiles, fabrics etc	-1452	-1669	-1832	-142	-137	-164	-152	-158	-168	-139	-153	-135	-134	-155	-142	-161	-171	-185	-185	
Metals & metal manufactures	-1462	-1695	-1848	-144	-143	-151	-162	-184	-172	-144	-139	-130	-127	-166	-142	-154	-177	-209	-209	
Machinery & transport equipment	-12820	-16188	-15988	-1229	-1264	-1367	-1374	-1446	-1564	-1383	-1301	-1299	-1079	-1234	-1239	-1298	-1404	-1404	-1404	
Other	-6943	-8344	-9293	-661	-655	-805	-785	-888	-879	-690	-782	-766	-789	-750	-675	-738	-746	-889	-889	
<b>TOTAL IMPORTS FOB - ORIGINAL</b>	<b>-30093</b>	<b>-35622</b>	<b>-37293</b>	<b>-2794</b>	<b>-2756</b>	<b>-3103</b>	<b>-3106</b>	<b>-3409</b>	<b>-3577</b>	<b>-3099</b>	<b>-2984</b>	<b>-2812</b>	<b>-3054</b>	<b>-2887</b>	<b>-3051</b>	<b>-3254</b>	<b>-3455</b>			
Of which:																				
Exogenous (d)	-4237	-4539	-4498	-311	-225	-272	-378	-484	-452	-446	-309	-309	-297	-291	-439	-369	-309			
Endogenous (e)	-25856	-31083	-32795	-2483	-2531	-2831	-2728	-2925	-3125	-2505	-2653	-2675	-2503	-2757	-2596	-2612	-2885	-3146	-3146	
SEASONALLY ADJUSTED (b)	"	"	"	-2755	-2745	-2793	-3008	-3432	-3256	-3102	-3271	-3137	-3060	-2982	-3021	-3088	-3144	-3169		
TREND ESTIMATE (c)	"	"	"	-2851	-2870	-2940	-3040	-3143	-3217	-3235	-3195	-3131	-3077	-3057	-3060	-3075	-3097	-3130		
<b>BALANCE ON MERCHANDISE TRADE - ORIGINAL</b>	<b>-881</b>	<b>-3422</b>	<b>-1916</b>	<b>-217</b>	<b>-193</b>	<b>-526</b>	<b>-448</b>	<b>-414</b>	<b>-624</b>	<b>-85</b>	<b>261</b>	<b>-291</b>	<b>28</b>	<b>1</b>	<b>-83</b>	<b>106</b>	<b>159</b>	<b>-402</b>		
SEASONALLY ADJUSTED (b)	"	"	"	-288	-298	-356	-258	-410	-302	-168	137	-554	35	197	-215	12	84	-312		
TREND ESTIMATE (c)	"	"	"	-351	-363	-350	-320	-290	-255	-212	-161	-108	-64	-41	-35	-42	-66	-74		

(a) For composition of component series, see paragraph 8 of the Explanatory Notes to the quarterly ABS publication 5302.0. (b) Seasonally adjusted exports fob and imports fob for August 1987 are expected to be obtained by dividing the original estimates by 0.98923 and 1.03396 respectively. Refer to paragraph 11 of the Explanatory Notes to 5301.0. (c) For a description of the estimation process, refer to paragraphs 13 to 15 of the Explanatory Notes. (d) 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 e.g. fuels; defence equipment; and ships, aircraft and other large items of equipment acquired by selected public and private enterprises. (e) Goods other than those regarded as exogenous.





TABLE 5. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	YEARS			MONTHS													1987-	
	1984- 85	1985- 86	1986- 87	1985-86		1986-87											88	
				MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
<b>OFFICIAL RESERVE ASSETS</b>																		
<b>(\$ MILLION) -</b>																		
Levels at end of year/month	13517(b)	13024	17594	12504	13024	13439	12686	12615	13316	15146	15561	13846	12604	13866	16868	16787	17594	18512
Changes in levels	(c)	-493	4570	-49	520	415	-753	-71	701	1830	415	-1715	-1242	1262	3002	-81	807	918
Of which -																		
Changes due to effects of revaluations	(c)	1645	1176	222	935	2020	163	198	-344	-410	-370	627	-389	-367	497	-95	-354	517
Changes included in the balance of payments(a)	-1521	-2138	3394	-271	-415	-1605	-916	-269	1045	2240	785	-2342	-853	1629	2505	14	1161	401
<b>EXCHANGE RATES (END OF YEAR/MONTH) (d) -</b>																		
<b>UNITS OF FOREIGN CURRENCY</b>																		
PER \$A																		
United States dollar	0.6655	0.6772	0.7203	0.7166	0.6772	0.5980	0.6085	0.6274	0.6420	0.6488	0.6648	0.6608	0.6748	0.7053	0.7048	0.7137	0.7203	0.6978
United Kingdom pound	0.5136	0.4414	0.4494	0.4821	0.4414	0.3998	0.4120	0.4360	0.4565	0.4531	0.4525	0.4308	0.4363	0.4379	0.4234	0.4399	0.4494	0.4375
West German mark	2.030	1.485	1.319	1.655	1.485	1.257	1.251	1.267	1.318	1.285	1.295	1.180	1.231	1.269	1.260	1.303	1.319	1.294
Japanese yen	165.68	110.96	105.79	123.33	110.96	92.24	94.99	96.34	103.80	105.27	106.37	100.61	103.28	102.85	98.41	103.07	105.79	104.24
<b>TRADE-WEIGHTED INDEX (END OF YEAR/MONTH) OF VALUE OF THE AUSTRALIAN DOLLAR (MAY 1970 = 100) (d)</b>																		
	65.0	56.3	56.6	60.7	56.3	49.3	50.3	51.9	54.0	54.3	55.0	52.8	54.1	55.4	54.5	55.8	56.6	55.3

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