

Statistics Weekly

Thursday, 10 March 1994



Statistics

The week in statistics ...

- Net foreign liabilities up 3.7 per cent 2
- Earnings continue slow rise 3
- Retail trade 'steady as she grows' 4
- Growing investment in buildings 5
- Strong rise in stock levels 6
- Manufacturing industry in brief ... 6
- Expected releases over the fortnight to 22 March 7
- Selected releases: 2 to 8 March 7
- The latest ...
— key national/State indicators 8

IAN CASTLES
Australian Statistician

Net foreign liabilities up 3.7 per cent

Net foreign liabilities of Australian residents at 31 December 1993 totalled \$244 540 million, an increase of \$8 647 million, or 3.7 per cent, on the position at the end of the September quarter 1993.

The increase was made up of: net capital transactions (the balance on capital account in the balance of payments) which recorded an inflow of \$4 516 million during the quarter; exchange rate variations of minus \$691 million associated with the appreciation of the Australian dollar against other currencies; and other changes of \$4 822 million in the value of net foreign liabilities mainly reflecting share price increases on the domestic share market.

The main cause of the increase was a higher level of foreign investment in Australia (up \$7 303 million) due to an increase in the level of equity holdings by non-residents in Australian enterprises, up \$12 410 million (or 9.3%) partially offset by reduced foreign borrowing, down \$5 413 million (or 2.5%).

Of the total international investment position at 31 December, net foreign debt accounted for \$171 980 million (down 1.3%), net equity liabilities for \$72 154 million (up 17.3%) and net other investment for \$406 million.

AUSTRALIA'S INTERNATIONAL INVESTMENT POSITION (\$A billion)

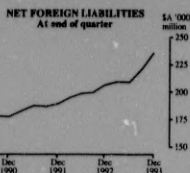
	Level at end of	
	Sept. 1993	Dec. 1993
Foreign investment in Australia		
Borrowing from abroad	215.6	210.1
Equity and other investment	141.0	153.7
Total	356.5	363.8
Australian investment abroad	120.7	119.3
Net international investment position		
Net foreign debt	174.2	172.0
Net equity and other liabilities	61.7	72.6
Total	235.9	244.5

Net investment income payable abroad in the December quarter was \$3 379 million, up 8.8 per cent on the amount payable in the September quarter.

Particular features of the December quarter result for foreign investment in Australia were:

- an increase in holdings of Australian equities by non-residents of \$12 410 million, principally the result of capital transactions of \$3 763 million, (especially portfolio and other investment in corporate equities of \$2 177 million), and other changes of \$8 601 million, (largely the result of market valuation changes).

Continued ...



- a decrease in the level of borrowing from non-residents of \$5 413 million, comprising a decrease in non-official sector borrowing of \$8 084 million partially offset by an increase in official sector borrowing of \$2 672 million.

Australian investment abroad recorded a decrease of \$1 344 million following an increase of \$7 968 million in the level at the end of the September quarter 1993. The notable features of Australian investment abroad in the December quarter were:

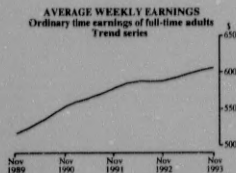
- an increase of \$1 790 million in equity investment abroad; and
- decreases of \$1 045 million in reserve assets and \$2 185 million in lending.

For further information, order the publication *International Investment Position, Australia* (5306.0) or contact Michael Atkinson on (06) 252 6252.

Earnings continue slow rise

Movements in the trend estimates for all categories of earnings at the national level have continued to show steady but restrained increases evident since February 1993. Over the past twelve months, both in trend and original terms, the movements in all earning categories for Australia ranged from 2.7 per cent to 3.5 per cent.

AVERAGE WEEKLY EARNINGS, NOVEMBER 1993
Full-time adult ordinary time earnings
Trend series



State/Territory	Weekly earnings (\$)			Percentage change in 'Persons' from	
	Males	Females	Persons	August 1993	November 1992
New South Wales	654.70	553.60	618.30	0.6	3.1
Victoria	639.70	535.00	601.50	0.2	2.1
Queensland	611.00	513.00	577.00	0.8	4.8
South Australia	629.10	546.70	603.10	0.8	3.4
Western Australia	658.00	503.40	602.80	0.9	1.8
Tasmania	624.80	513.60	587.20	1.4	3.9
Northern Territory	669.50	582.30	635.80	0.2	1.2
Australian Capital Territory	748.80	616.20	693.40	-0.4	3.0
Australia	643.50	538.50	606.00	0.6	3.1

For further information, order the publication *Average Weekly Earnings, States and Australia* (6302.0), or contact Reg Gaull on (09) 323 5304.



Retail trade 'steady as she grows'

The strengthening in the growth rate of the trend estimates of retail turnover over recent months has been confirmed in the results for January 1994. Over the last five months the monthly increase in the trend estimate has been either 0.5 or 0.6 per cent in current price terms. The annual growth rate (January 1994 over January 1993) was 5.0 per cent.

'Other food stores', which is one of the five major industries covered by the survey, has shown strong growth over recent months. Clothing and fabric stores are also showing strong growth following a period of decline or no growth. The growth rate for department stores has improved with average monthly growth of around 0.5 per cent over the last four months. The growth rate for hotels, liquor stores and licensed clubs has weakened slightly while the grocery industry has shown weak growth. Most of the remaining industries are showing growth with only butchers and domestic hardware stores and jewellers in decline.

RETAIL AND SELECTED SERVICE INDUSTRIES TURNOVER

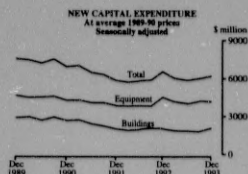
	Original value in January 1994 (\$ million)	Average monthly percentage change in trend estimates	
		3 months ended January 1994	12 months ended January 1994
Grocers, confectioners, tobacconists	2 438	0.1	0.4
Butchers	153	-2.6	-1.1
Other food stores	609	1.4	0.4
<i>Total food group</i>	3 200	0.2	0.3
Hotels, liquor stores, licensed clubs	1 053	0.4	0.8
Department and general stores	738	0.5	0.1
Clothing and fabrics stores	510	0.9	0.1
Electrical stores	473	0.8	1.0
Pharmacies	402	2.4	2.2
Newsagents	258	1.5	-0.4
Other industries	1 381	n.a.	n.a.
<i>All industries</i>	8 015	0.6	0.4

For New South Wales, the Australian Capital Territory, and to a lesser extent, Queensland and Western Australia, the trend estimates are showing strong growth. South Australia and Tasmania are showing moderate to weak growth while Victoria remains slightly in decline.

RETAIL AND SELECTED SERVICE INDUSTRIES TURNOVER

Monthly percentage change in State trend estimates

	NSW	Vic.	Qld	SA	WA	Tas.	ACT	Aust.
1993								
September	0.7	-0.1	1.0	0.7	0.5	1.0	0.6	0.5
October	1.0	-0.1	1.0	0.6	0.5	0.8	1.1	0.6
November	1.1	-0.1	0.9	0.5	0.6	0.6	1.3	0.6
December	1.1	-0.2	0.7	0.4	0.6	0.3	1.2	0.6
1994								
January	1.0	-0.1	0.5	0.4	0.5	0.2	1.1	0.5



Growing investment in buildings

There was a sharp rise in capital investment in buildings in the December quarter 1993. This was the first rise since September 1992 — and businesses expect the turnaround to continue beyond the end of the current financial year.

In seasonally adjusted constant price terms, preliminary estimates for the December quarter 1993 for private new capital expenditure showed a rise of 3 per cent over the September quarter. There was a 13 per cent increase in expenditure on buildings and a 1 per cent decline in expenditure on equipment.

The rise in expenditure on buildings and structures was the main cause of strong growth in total capital spending in the finance, property and business services group and in mining (see table). The fall in expenditure on plant and equipment may have been influenced by decisions to defer this expenditure to later periods. This appears to be reflected in the increased expenditure expected for the rest of the financial year.

NEW CAPITAL EXPENDITURE, DECEMBER QUARTER 1993
Seasonally adjusted at current prices

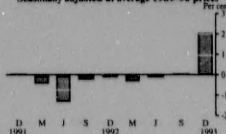
	Percentage change	
	From previous quarter	From corresponding quarter of previous year
Type of asset		
Buildings and structures	13	0
Equipment, plant and machinery	-1	-3
<i>Total new capital expenditure</i>	3	-2
Industry		
Finance, property and business services	12	-9
Mining	7	25
Manufacturing	-4	3
Other	4	-15

The latest estimate for expected expenditure in 1993-94 is \$27 291 million, an increase of 7 per cent over the September quarter's slightly revised estimate for the same period. Compared with actual expenditure in 1992-93 an increase of 5 per cent is expected on expenditure on plant and equipment and a 9 per cent increase is expected in buildings and structures.

The first estimate of expected expenditure for the 1994-95 financial year is \$23 247 million. This is 5 per cent higher than the first estimate for 1993-94 from the December 1992 survey and is the highest first estimate since the one for 1991-92.

For further information, order the publication *Private New Capital Expenditure, Australia, Actual and Expected Expenditure to June 1995, December Quarter 1993 Survey, Preliminary (5625.0)*, or contact Bruce Jamieson on (06) 252 5611.

STOCKS OF PRIVATE BUSINESSES
Change in value from previous quarter
Seasonally adjusted at average 1989-90 prices



Strong rise in stock levels

The estimated value of stocks held by private businesses at the end of December 1993 was 2.1 per cent above the revised September 1993 estimate in seasonally adjusted constant price terms. This is the largest quarterly increase since September 1989, which showed a 2.5 per cent increase on June 1989.

STOCKS HELD BY PRIVATE BUSINESSES AT THE END OF DECEMBER 1993
Seasonally adjusted at 1989-90 prices

Industry	Stock level (\$ million)	Percentage change since	
		30 Sept. 1993	31 Dec. 1992
Mining	3 443	5.5	-0.6
Manufacturing	22 051	1.3	2.2
Wholesale	14 745	1.5	2.3
Retail	14 335	2.9	1.6
Other	451	12.7	-4.4
<i>Total</i>	<i>55 025</i>	<i>2.1</i>	<i>1.8</i>

Manufacturers' sales also on the increase

In seasonally adjusted constant prices, sales by manufacturers in the December quarter 1993 are estimated to be 3.1 per cent above the September quarter 1993. There were rises in 8 of the 12 industry sub-groups. The largest increases were for other machinery and equipment (up 11%), basic metal products (up 9%) and textiles (up 8%). The largest falls were for clothing and footwear (down 8%), miscellaneous manufacturing (down 4%) and transport equipment (down 2%).

Manufacturers' expected sales in current price terms for 1993-94 are estimated to be \$157 856 million which is 1 per cent above the 1993-94 expectation in the September survey. If realised, this will represent an increase of 9 per cent over the actual sales for 1992-93.

For further information, order the publication *Stocks, Manufacturers' Sales and Expected Sales, Australia* (5629.0), or contact Kevin Squair on (06) 252 5610.

Manufacturing industry in brief ...

Turnover for the year 1991-92 by manufacturing establishments operating in Australia was \$168 018.7 million. This represents a 1.9 per cent decrease, in current price terms, from the \$171 245.1 million in turnover recorded for the year 1990-91. Since the ABS began collecting integrated economic statistics (in respect of 1968-69), this is the first time that turnover at current prices for the manufacturing industry has fallen compared to the previous year.

Source: *Manufacturing Industry, Australia, 1991-92* (8221.0).

Inquiries

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Editor

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- (06) 252 6104

Statistics Weekly
10 March 1994

Order from the following:

Expected releases over the fortnight to 22 March

- 10 Balance of Payments, Australia, December Quarter 1993 (5302.0; \$21.50)
The Labour Force, Australia, February 1994, Preliminary (6202.0; \$11.00)
- 16 Australian National Accounts: National Income, Expenditure and Product, December Quarter 1993 (5206.0; \$26.00)
Price Index of Materials Used in Building Other Than House Building, Six Capital Cities and Canberra, January 1994 (6407.0; \$11.00)
Price Index of Materials Used in House Building, Six State Capital Cities and Canberra, January 1994 (6408.0; \$8.50)
Price Indexes of Articles Produced by Manufacturing Industry, Australia, January 1994 (6412.0; \$11.00)
Quarterly Indexes of Industrial Production, Australia, December Quarter 1993 (8125.0; \$11.00)
Building Activity, Australia: Dwelling Unit Commencements, December Quarter 1993, Preliminary (8750.0; \$11.00)
- 17 Housing Finance for Owner Occupation, Australia, January 1994 (5609.0; \$11.00)
- 18 Export Price Index, Australia, January 1994 (6405.0; \$8.50)
- 22 Price Indexes of Materials Used in Manufacturing Industries, Australia, January 1994 (6411.0; \$11.00)
Import Price Index, Australia, January 1994 (6414.0; \$8.50)

Selected releases: 2 to 8 March

General

- Economic Indicators, Vic., February 1994 (1307.2; \$6.50)
- Australian Capital Territory Business Indicators, February 1994 (1303.8; \$7.50)

Demography

- Overseas Arrivals and Departures, Aust., December 1993 (3401.0; \$6.50)

Labour statistics and Prices

- Participation in Education, Aust., September 1993 (6272.0; \$13.00)
- Price Indexes of Copper Materials, Aust., February 1994 (6410.0; \$5.50)
- Price Indexes of Materials Used in Coal Mining, Aust., January 1994 (6415.0; \$11.00)

Agriculture

- Livestock Products, Aust., January 1994 (7215.0; \$8.00)

Manufacturing, Mining, Energy, Service industries, Building and construction

- Manufacturing Production, Aust.: Clothing and Footwear, October-December 1993 (8358.0; \$11.00)
- Sales of Australian Wine and Brandy by Winemakers, January 1994 (8504.0; \$11.00)
- Building Approvals, Vic., January 1994 (8731.2; \$11.00)
- Dwelling Unit Commencements Reported by Approving Authorities, Vic., December 1993 (8741.2; \$11.00)
- Building Approvals, WA, January 1994 (8731.5; \$11.00)

Key national indicators	Period	Units	Latest figure available		Percentage change (a) on	
			Original	Seasonally adjusted	Previous period	Corresponding period last year
National accounts						
Gross domestic product (GDP(A)) at 1989-90 prices	September qtr 93	\$m	95 378	96 256	0.4	3.4
International accounts						
Balance on current account (b)	January 94	\$m	-1 395	-1 265	21	-63
Balance on merchandise trade (b)	"	"	-33	152	—	-62
Balance on goods and services (b)	"	"	-60	-10	98	—
Merchandise exports	"	"	4 761	5 322	4	5
Merchandise imports	"	"	-4 794	-5 170	-5	11
Net foreign debt	December qtr 93	\$m	171 980	n.a.	-1.3	5.2
Net foreign liabilities	"	"	244 540	n.a.	3.7	16.9
Consumption and investment						
Retail turnover at current prices	January 94	\$m	8 015	8 463	1.5	4.9
New capital expenditure at current prices	December qtr 93	"	7 209	6 695	3.2	-2.5
New motor vehicle registrations	January 94	no.	36 680	48 784	6.4	9.0
Production						
Manufacturers' sales at 1989-90 prices	December qtr 93	\$m	38 567	36 863	3.1	9.4
Dwelling unit approvals	January 94	no.	12 774	16 166	6.1	8.4
Building approvals	January 94	\$m	1 805	2 015	-10.6	-10.7
Building work done at 1989-90 prices	September qtr 93	"	6 433	6 268	3.1	5.0
Prices						
Consumer price index	December qtr 93	1989-90 = 100.0	110.0	n.a.	0.2	1.9
Articles produced by manufacturing industry	December 93	1988-89 = 100.0	115.4	n.a.	-0.3	1.1
Materials used in manufacturing industries	December 93	1984-85 = 100.0	124.0	n.a.	-1.6	-2.4
Labour force and demography						
Employed persons	January 94	'000	7 738.9	7 874.6	0.3	1.9
Participation rate †	"	%	62.5	63.1	0.0	0.2
Unemployment rate †	"	%	11.3	10.6	-0.1	-0.4
Job vacancies	November qtr 93	'000	38.2	38.9	5.1	31.0
Average weekly overtime per employee	"	hours	1.30	1.22	1.7	8.0
Estimated resident population	March qtr 93	million	17.6	n.a.	0.3	1.0
Short-term overseas visitor arrivals	December 93	'000	345	253	-2.5	12.5
Incomes						
Company profits before income tax	December qtr 93	\$m	6 618	5 255	2.5	33.5
Av. weekly earnings, full-time adults; ordinary time	November 93	\$	604.20	603.40	-0.3	3.0
Financial markets						
Interest rates (c) (monthly average)						
90-day bank bills †	January 94	% per annum	4.80	n.a.	-0.05	-1.05
10-year Treasury bonds †	Janua., '94	"	6.35	n.a.	-0.35	-2.25
Exchange rate — \$US (c)	January 94	per \$A	0.6956	n.a.	3	3

(a) Based on seasonally adjusted figures where available. (b) For percentage changes, a minus sign indicates an increase in the deficit; no sign means a decrease in the deficit or an increase in the surplus. (c) Source: Reserve Bank of Australia.
 NOTES: † = change is shown in terms of percentage points. n.a. = not available.

Key State indicators	Period	Percentage change from same period previous year								
		NSW	Vic	Qld	SA	WA	Tas.	NT	ACT	Aust.
New capital expenditure*	September qtr 93	-8.1	25.5	-4.0	27.3	16.9	7.5	n.a.	n.a.	6.9
Retail turnover (trend estimate)	January 94	4.5	3.3	5.2	7.1	10.5	3.8	n.a.	7.4	5.0
New motor vehicle registrations†	January 94	13.0	10.5	6.8	-3.5	3.5	2.8	-3.9	34.3	9.0
Number of dwelling unit approvals*	January 94	-1.3	3.3	16.2	-15.3	-1.5	11.7	153.3	158.5	8.4
Value of total building work done	September qtr 93	0.4	4.1	9.2	10.3	20.9	13.3	1.1	-6.9	5.6
Employed persons†	January 94	1.4	0.8	3.8	0.7	4.5	1.9	-5.6	1.3	1.9
Capital city consumer price index	December qtr 93	1.3	2.4	1.9	1.9	2.3	3.3	2.3	2.1	1.9
Av. weekly earnings (full-time adult ordinary time)	November 93	2.5	2.2	5.0	2.5	3.3	4.2	0.5	3.7	3.0
Population	June qtr 93	0.8	0.3	2.7	0.4	1.2	0.4	0.7	1.6	1.0
Room nights in licensed hotels and motels, etc.	September qtr 93	6.3	0.1	9.1	2.4	9.0	5.4	18.4	12.0	6.7

* Seasonally adjusted except for NT and ACT. † Seasonally adjusted.
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