



IMPORT PRICE INDEX, AUSTRALIA, MARCH QUARTER, 1985

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MAIN FEATURES

The All groups index increased by 4.5% in March quarter 1985.

The main reason for the increase was higher prices for a wide range of commodities as a result of changes in the value of the Australian dollar, relative to other currencies.

The All groups index increased by 10.6% between March quarter 1984 and March quarter 1985; prices of Capital goods rose by 10.0%, Intermediate goods by 11.5% and Consumption goods by 9.0% during this period.

EXPLANATORY NOTES

Introduction

This publication contains the Import Price Index produced by the ABS on reference base 1981-82=100.0. The index has been compiled for each quarter from September 1981. Annual index numbers are the simple average of the quarterly index numbers.

2. The index is a fixed weights index and is weighted using the pattern of Australian imports during the three years 1978-79, 1979-80 and 1980-81.

3. The Reserve Bank of Australia previously published an import price index on reference base 1966-67=100. A technical note showing a method of linking the 'All groups' index in this publication to the 'All items' index previously published by the Reserve Bank is available from the ABS on request.

Scope of the index

4. The Import Price Index measures changes in prices of *imports of merchandise* into Australia. The index numbers for each quarter relate to prices of imports landed in Australia during the quarter.

Items and weights

5. The index covers either directly or indirectly, about 98 per cent of imports of merchandise in 1980-81. The index items, i.e. commodities whose prices are directly represented in the index, constituted 84 per cent of the

total value of imports of merchandise into Australia in 1980-81. Prices of commodities constituting a further 14 per cent of merchandise imports in 1980-81 are assumed to move in a similar manner to those of the directly represented commodities. Relevant directly represented commodities therefore carry appropriately increased weights in respect of indirectly represented commodities. The weights were allocated in accordance with the average value of imports of the relevant commodities (expressed in 1981-82 prices) over the 3 years ended June 1981.

6. For practical reasons, imports accounting for approximately 2 per cent of the total value of imports of merchandise in 1980-81 are neither included directly in the index nor is their value represented by the weight of other items. These exclusions relate to groups with insignificant contributions to total merchandise trade, which in descending order of their significance in 1980-81 are: Special transactions and commodities not classified according to kind (AICC Group 931); Works of art, collectors' pieces and antiques (AICC Group 896); Ships of various types for temporary operation in Australian waters (part of AICC Group 793); Crude animal and vegetable materials n.e.s. (AICC Division 29); Metalliferous ores and scrap (AICC Division 28); and Live animals chiefly for food (AICC Division 00).

Classifications used

7. The index items have been combined according to three different classifications and within those classifications index numbers are presented for broad groups. Table 1 presents index numbers for groups defined in terms of the Sections (1 digit) and Divisions (2 digit) of the *Australian Import Commodity Classification* (AICC) (1204.0) (based on the Standard International Trade Classification, Revision 2). Table 2 presents index numbers for groups on an industry of origin basis defined in terms of Divisions (1 digit) and Subdivisions (2 digit) of the 1978 edition of the *Australian Standard Industrial Classification* (ASIC). The 'industry of origin' is the industry in which, in accordance with the classification rules of the Australian Standard Industrial Classification, the imported commodity would be *primarily produced* overseas. Table 3 presents index numbers for groups based on the 1976 edition of the *United Nations Classification by Broad Economic Categories* (BEC).

8. Full details of the weighting patterns of the Import Price Index, i.e. the percentage contributions for index items and groups according to the three classifications mentioned above were contained in the December quarter 1982 issue of this publication, and are available on request from the ABS.

9. Table 3 also contains index numbers for BEC categories rearranged to form the broader end use classes: Capital goods, Intermediate goods and Consumption goods. Each BEC category has been allocated wholly to one of these end use classes except for category 321, Motor Spirit, which has been allocated in part to Intermediate goods and in part to Consumption goods.

Prices

10. Prices of individual shipments are obtained from major importers of the selected items and relate to the quarter in which the goods arrive in Australia. Imports are priced on a *free on board (f.o.b.)* country of origin basis. Freight and insurance charges involved in shipping goods from foreign to Australian ports are therefore excluded from the prices used in the index as are Australian import duties. The prices used in the index are the weighted average of all shipments reported by the selected respondent importer of the specified goods imported during the quarter.

11. All prices used in the index are expressed in Australian currency. As a result, changes in the relative values of the Australian dollar and overseas currencies can have a direct impact on price movements of imports purchased in currencies other than Australian dollars. Prices reported in a foreign currency are converted to Australian dollars using the exchange rate prevailing at the time of departure from the foreign port. Where imports are purchased at prices expressed in terms of a foreign currency and forward exchange cover is used, the prices used in the index *EXCLUDE* forward exchange cover.

12. The price series used relate to specific standards, grades, types, etc. of each item with the aim of incorporating in the index, price changes for imports of representative goods of constant quality. In order to lessen the impact of price variation attributable solely to changes, over time, in the country of origin of imported goods, prices are obtained in respect of the predominant countries of origin for each of the specified goods priced. Prices are combined using fixed weights between countries of origin but these weights are reviewed periodically and revised where necessary.

Percentage changes

13. Table 4 shows percentage changes for the 'All groups' index and for AICC Sections, ASIC Divisions, and the broad end use classes. The following example illustrates the method of calculating percentage changes.

All groups

March quarter 1985:	125.1 (see Table 1)
Less: December quarter 1984:	119.7 (see Table 1)
Change in index points:	+5.4

$$\text{Percentage change} = \frac{+5.4}{119.7} \times 100 = +4.5\%$$

Related publications

14. Users may also wish to refer to the following publications which are available on request:

- Export Price Index, Australia* (6405.0) — issued monthly
- Price Indexes of Articles Produced by Manufacturing Industry, Australia* (6412.0) — issued monthly
- Price Index of Materials Used in Manufacturing Industry, Australia* (6411.0) — issued monthly
- Exports and Imports (Balance of Payments Basis) at Constant Prices, Australia* (5332.0) — issued quarterly
- Imports by Commodity Divisions, Australia* (5405.0) — issued monthly

Symbols and other usages

- p preliminary, series subject to revision
- r figure or series revised since previous issue
- nil or rounded to zero

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Australian Statistician

TABLE 1. IMPORT PRICE INDEX—INDEX NUMBERS BASED ON THE AUSTRALIAN IMPORT COMMODITY CLASSIFICATION (AICC)
(Base of each index : Year 1981-82=100.0)

Code and description	Quarter							
	1982-83	1983-84	December 1983	March 1984	June 1984	September 1984	December 1984	March 1985p
All groups	110.4	114.4	113.9	113.1	114.6	119.9	r119.7	125.1
AICC Sections								
0 Food and live animals chiefly for food	111.6	123.0	119.9	125.2	127.0	132.7	135.3	139.0
1 Beverages and tobacco	120.9	128.9	129.9	126.1	r128.7	r134.3	r135.3	135.8
2 Crude materials, inedible, except fuels	104.9	107.9	106.8	107.5	109.0	r117.1	r115.2	120.1
3 Mineral fuels, lubricants and related materials	109.2	104.2	104.1	102.7	103.4	110.1	110.5	118.0
4 Animal and vegetable oils, fats and waxes	98.0	135.9	132.3	138.9	162.2	162.4	145.9	139.3
5 Chemicals and related products, n.e.s.	106.7	106.7	106.7	105.1	105.2	110.8	r110.7	112.8
6 Manufactured goods classified chiefly by material	109.4	114.4	113.5	113.2	115.3	120.5	120.2	125.1
7 Machinery and transport equipment	112.1	118.6	118.6	116.7	118.6	r123.4	r122.9	128.7
8 and 9 Miscellaneous manufactured articles and non-monetary gold (part)	112.1	118.9	117.9	118.3	r119.3	r123.7	r123.6	129.8
Selected AICC Divisions								
03 Fish, crustaceans and molluscs and preparations thereof	109.0	113.3	112.3	113.0	113.6	118.4	122.6	123.7
05 Vegetables and fruit	105.2	115.4	112.8	117.6	119.5	131.4	r131.7	137.9
23 Crude rubber (including synthetic and reclaimed)	114.9	136.7	134.3	136.3	138.9	139.3	134.7	137.3
24 Cork and wood	108.1	115.1	111.9	112.8	117.8	126.8	121.7	129.4
26 Textile fibres (other than wool tops) and their wastes (not manufactured into yarns or fabric)	105.1	110.4	111.1	110.7	110.8	116.8	r116.5	120.1
33 Petroleum, petroleum products and related materials	109.2	104.2	104.1	102.7	103.4	110.1	110.5	118.0
42 Fixed vegetable oils and fats	97.8	133.5	130.3	135.6	157.0	152.1	141.7	131.9
51 Organic chemicals	105.9	111.9	112.6	110.8	111.0	115.7	r114.0	116.0
52 Inorganic chemicals	98.2	78.5	77.4	75.5	74.8	81.0	81.1	85.7
53 Dyeing, tanning and colouring materials	108.5	111.1	111.1	109.4	110.7	114.5	115.0	112.4
55 Essential oils and perfume materials; toilet, polishing and cleansing preparations	118.2	121.0	122.0	119.0	117.7	124.9	127.2	129.6
58 Artificial resins and plastic materials and cellulose esters and ethers	109.3	114.2	114.1	113.2	114.6	120.6	120.6	121.1
62 Rubber manufactures, n.e.s.	111.9	125.9	126.5	124.5	126.1	129.5	130.0	134.7
63 Cork and wood manufactures (excluding furniture)	109.2	109.2	108.5	107.3	111.3	120.1	118.0	126.4
64 Paper, paperboard and articles of paper pulp, of paper or of paperboard	111.4	114.8	113.6	113.9	115.6	123.0	121.4	125.2
65 Textile yarn, fabrics, made-up articles n.e.s. and related products	108.9	116.1	114.4	115.6	117.9	r124.3	r124.4	130.8
66 Non-metallic mineral manufactures, n.e.s.	104.7	107.9	108.1	105.7	107.8	111.8	109.4	112.0
67 Iron and steel	109.5	110.3	110.3	109.4	110.4	115.0	116.4	120.7
69 Manufactures of metal, n.e.s.	111.7	114.6	113.8	112.7	114.4	r117.8	r118.7	123.1
71 Power generating machinery and equipment	112.5	117.6	117.2	116.6	116.8	r124.4	r124.4	130.7
72 Machinery specialised for particular industries	113.9	r118.7	118.5	116.9	r117.7	r122.7	r122.2	129.8
74 General industrial machinery and equipment, n.e.s. and machine parts, n.e.s.	113.8	119.3	118.8	117.5	119.3	124.0	123.2	128.9
76 Telecommunications and sound recording and reproducing apparatus and equipment	99.5	104.6	103.2	104.3	104.9	107.1	105.7	107.5
77 Electrical machinery, apparatus and appliances, n.e.s. and electric parts thereof	112.1	118.2	118.0	116.2	117.9	122.6	120.8	125.4
78 Road vehicles (including air cushion vehicles)	113.4	125.3	125.3	124.1	127.4	131.3	131.6	137.4
82 Furniture and parts thereof	113.6	120.1	121.5	118.4	118.7	124.9	125.9	131.3
84 Articles of apparel and clothing accessories	112.2	r115.0	115.3	114.4	r114.5	r119.6	r127.7	130.5
85 Footwear	113.4	122.3	122.0	122.0	123.7	128.3	125.5	129.9
87 Professional, scientific and controlling instruments and apparatus, n.e.s.	112.9	124.5	123.4	123.5	126.7	130.7	126.6	134.9
89 Miscellaneous manufactured articles, n.e.s.	114.4	122.4	120.8	121.9	r123.7	r128.1	r126.4	132.5

TABLE 2. IMPORT PRICE INDEX—INDUSTRY OF ORIGIN INDEX NUMBERS BASED ON THE AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION (ASIC)
(Base of each index : Year 1981-82 = 100.0)

Code and description			Quarter						
			1982-83	1983-84	December 1983	March 1984	June 1984	September 1984	December 1984
ASIC Divisions									
A	Agriculture, forestry, fishing and hunting	115.0	131.0	128.5	132.7	134.8	141.4	141.3	142.8
B	Mining	110.6	104.0	103.4	102.9	103.2	108.8	109.9	113.7
C	Manufacturing	110.3	115.2	114.8	113.8	115.5	r120.8	r120.4	126.0
Selected ASIC Subdivisions									
01	Agriculture	115.0	131.0	128.5	132.7	134.8	141.4	141.3	142.8
13	Oil and gas	111.8	105.3	104.8	104.1	104.4	109.1	110.3	114.1
21	Food, beverages and tobacco	111.2	123.8	121.4	124.8	129.1	r133.6	134.2	136.4
23	Textiles	108.6	115.5	114.1	114.7	116.6	123.0	r122.0	128.2
24	Clothing and footwear	112.3	r117.4	117.3	117.0	r117.8	r122.6	r126.7	129.9
25	Wood, wood products and furniture	110.0	115.3	114.0	113.1	116.6	124.5	121.2	128.3
26	Paper, paper products, printing and publishing	111.2	118.3	116.5	119.0	r120.4	r126.5	r125.4	130.1
27	Chemical, petroleum and coal products	106.5	104.4	104.7	102.8	103.2	110.4	r110.2	116.9
28	Non-metallic mineral products	105.7	108.6	109.1	106.4	108.6	111.6	109.0	111.5
29	Basic metal products	110.0	110.0	110.1	108.5	109.4	114.5	115.5	119.6
31	Fabricated metal products	111.1	113.9	113.5	112.0	113.5	117.3	r117.9	123.4
32	Transport equipment	113.1	123.5	123.3	122.4	125.4	129.5	129.8	135.0
33	Other machinery and equipment	111.2	116.4	116.3	114.3	115.6	r120.4	r119.5	125.6
34	Miscellaneous manufacturing	111.9	119.5	118.5	118.0	120.7	r125.1	r125.5	131.2

TABLE 3. IMPORT PRICE INDEX—INDEX NUMBERS FOR BROAD ECONOMIC CATEGORIES (BEC) AND END USE CLASSES
(Base of each index: Year 1981-82=100.0)

	Broad Economic Categories						End Use Classes ¹		
	Food and beverages	Industrial supplies not elsewhere specified	Fuels and lubricants	Capital goods (except transport equipment) and parts and accessories thereof	Transport equipment and parts and accessories thereof	Consumer goods not elsewhere specified	Capital goods	Intermediate goods	Consumption goods
1981-82	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1982-83	110.1	107.9	109.2	112.1	112.9	111.0	111.1	109.3	112.0
1983-84	122.9	110.8	104.2	116.9	123.8	116.8	116.6	111.5	118.9
Quarter									
1981-82—									
September	97.8	98.6	98.5	96.8	96.4	97.8	96.8	98.2	97.5
December	97.3	98.5	97.5	97.5	97.9	98.5	98.0	97.9	98.1
March	100.6	100.3	100.6	101.4	101.3	100.8	101.4	100.6	100.8
June	104.4	102.7	103.5	104.2	104.5	102.9	103.9	103.3	103.6
1982-83—									
September	106.3	105.0	108.5	106.7	106.5	105.5	105.6	106.5	106.5
December	108.9	106.3	111.7	109.9	109.1	108.9	109.0	108.5	109.8
March	109.9	107.0	108.9	112.2	114.6	111.2	111.4	108.8	112.8
June	115.4	113.2	107.5	119.6	121.5	118.3	118.5	113.4	118.9
1983-84—									
September	118.5	112.3	106.5	119.7	123.1	118.4	118.8	113.0	119.5
December	120.1	110.0	104.1	123.7	127.0	116.3	116.7	111.0	118.2
March	124.6	109.7	102.7	114.6	122.8	116.0	114.4	110.2	118.3
June	128.3	111.2	103.4	116.3	125.7	116.4	116.4	111.6	119.6
1984-85—									
September	133.6	117.3	110.1	121.1	130.1	120.7	121.1	117.7	123.8
December	133.9	116.9	110.5	120.0	130.2	120.9	120.2	117.5	124.0
March p	136.3	121.2	118.0	126.0	135.9	125.6	125.8	122.9	129.0

1. Broad Economic Categories rearranged into end use classes. See paragraph 9.

TABLE 4. IMPORT PRICE INDEX—PERCENTAGE CHANGES FOR BROAD GROUPS

	AICC Sections										ASIC Divisions			End Use Classes ¹		
	All groups	Food and live animals chiefly for food (0)	Beverages and tobacco (1)	Crude materials, inedible, except fuels (2)	Mineral fuels, lubricants and related materials (3)	Animal and vegetable oils, fats and waxes (4)	Chemicals and related products, n.e.s. (5)	Manufactured goods classified chiefly by material (6)	Machinery and transport equipment (7)	Miscellaneous manufactures, articles, and non-monetary gold (8 & 9 part)	Agriculture, forestry, fishing and hunting (A)	Mining (B)	Manufacturing (C)	Capital goods	Intermediate goods	Consumption goods
Change from previous year—																
1982-83	+10.4	+11.6	+20.9	+4.9	+9.2	-2.0	+6.7	+9.4	+12.1	+12.1	+15.0	+10.6	+10.3	+11.1	+9.3	+12.0
1983-84	+3.6	+10.2	+6.6	+2.9	-4.6	+38.7	—	+4.6	+5.8	+6.1	+13.9	-6.0	+4.4	+5.0	+2.0	+6.2
Change from corresponding quarter of previous year—																
1982-83—																
September	+8.8	+9.6	+21.3	+4.4	+10.2	-1.3	+6.2	+7.3	+9.9	+8.7	+12.3	+14.1	+8.3	+9.1	+8.5	+9.2
December	+11.2	+14.2	+20.7	+3.4	+14.6	-2.3	+7.7	+9.3	+11.8	+12.1	+15.5	+16.6	+10.6	+11.2	+10.8	+11.9
March	+9.4	+10.2	+21.2	+2.9	+8.3	-3.3	+4.4	+8.8	+11.4	+11.6	+12.8	+8.4	+9.5	+9.9	+8.2	+11.9
June	+11.9	+12.5	+20.7	+8.8	+3.9	-1.2	+8.5	+12.0	+15.0	+15.8	+19.2	+12.7	+14.1	+9.8	+9.8	+14.8
1983-84—																
September	+8.9	+12.0	+12.9	+4.6	-1.8	+12.5	+5.0	+9.4	+13.2	+13.1	+15.9	-3.5	+10.1	+12.5	+6.1	+12.2
December	+4.5	+8.1	+10.7	+4.1	-6.8	+37.0	+0.6	+5.7	+8.5	+7.0	+17.2	-8.7	+5.8	+7.1	+2.3	+7.7
March	+2.5	+12.6	+5.7	+4.4	-5.7	+42.2	-0.1	+3.8	+3.5	+4.9	+16.9	-6.6	+3.2	+2.7	+1.3	+4.9
June	-1.0	+8.3	+2.0	-1.4	-3.8	+62.7	-5.2	-0.2	-1.0	-0.2	+6.4	-4.8	-0.9	-1.8	-1.6	+0.6
1984-85—																
September	+3.5	+10.7	+2.8	+8.1	+3.4	+47.6	+1.1	+4.3	+2.5	+3.2	+10.6	+2.3	+3.6	+1.9	+4.2	+3.6
December	+5.1	+12.8	+4.2	+7.9	+6.1	+10.3	+3.7	+5.9	+3.6	+4.8	+10.0	+6.3	+4.9	+3.0	+4.9	+4.9
March p	+10.6	+11.0	+7.7	+11.7	+14.9	+0.3	+7.3	+10.5	+10.3	+9.7	+7.6	+10.5	+10.7	+10.0	+11.5	+9.0
Change from previous quarter—																
1981-82—																
December	+0.3	-0.6	+1.8	+0.1	-1.0	-0.2	+0.2	-0.1	+1.0	+0.8	-3.4	+0.5	+0.3	+1.2	-0.3	+0.6
March	+2.9	+3.9	+1.2	+0.9	+3.2	+2.1	+2.3	+2.0	+3.5	+2.8	+6.0	+4.6	+2.7	+3.5	+2.8	+2.8
June	+2.7	+3.4	+10.6	+1.5	+2.9	-0.1	+1.5	+2.8	+3.0	+2.1	+5.7	+2.5	+2.7	+2.5	+2.7	+2.8
1982-83—																
September	+2.7	+2.7	+6.4	+1.9	+4.8	-3.1	+2.1	+2.4	+2.1	+2.7	+3.8	+5.9	+2.4	+1.6	+3.1	+2.8
December	+2.5	+3.5	+1.3	-0.9	-1.2	+1.6	+1.7	+2.7	+4.0	-0.6	+2.7	+2.5	+3.2	+1.9	+3.1	+3.1
March	+1.2	+0.3	+1.7	+0.4	-2.5	+1.1	-0.8	+1.6	+3.1	+2.4	+3.6	-2.7	+1.7	+2.2	+0.3	+2.7
June	+5.0	+5.5	+10.1	+7.3	-1.3	+2.0	+5.5	+5.9	+6.3	+5.9	+11.6	-1.6	+5.6	+6.4	+4.2	+5.4
1983-84—																
September	—	+2.2	-0.5	-2.0	-0.9	+10.3	-1.3	—	+0.5	+0.3	+0.9	-1.8	+0.1	+0.3	-0.4	+0.5
December	-1.6	—	-0.6	-1.4	-2.3	+20.3	-2.6	-1.7	-1.5	-0.5	-2.8	-1.5	-1.8	-1.8	-1.1	-1.1
March	-0.7	+4.4	-2.9	+0.7	-1.3	+5.0	-1.5	-0.3	-1.6	+0.3	+3.3	-0.5	-0.9	-2.0	-0.7	+0.1
June	+1.3	+1.4	+2.1	+1.4	+0.7	+16.8	+0.1	+1.9	+1.6	+0.8	+1.6	+0.3	+1.5	+1.7	+1.3	+1.1
1984-85—																
September	+4.6	+4.5	+4.4	+7.4	+6.5	+0.1	+5.3	+4.5	+4.0	+3.7	+4.9	+5.4	+4.6	+4.0	+5.5	+3.5
December	+0.2	+2.0	+0.7	+1.6	+0.4	-10.2	+0.1	-0.2	-0.4	+0.1	+0.1	+1.0	-0.3	+0.7	+0.2	+0.2
March p	+4.5	+2.7	+0.4	+4.3	+6.8	-4.5	+1.9	+4.1	+4.7	+5.0	+1.1	+3.5	+4.7	+4.7	+4.6	+4.0

1. Broad Economic Categories rearranged into end use classes. See paragraph 9.