

Statistics Weekly

Thursday, 31 May 1990

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W. McLENNAN
Acting Australian Statistician

Current account deficit halved in April

The balance of payments current account deficit for April 1990 in original terms was \$1,018 million. This was the lowest deficit since December 1988 and represented a 50 per cent fall from the March figure.

A large positive turnaround in the balance on merchandise trade, combined with a lower deficit on net income and a higher surplus on net unrequited transfers, produced this result.

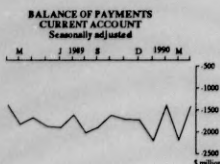
On a seasonally adjusted basis, the current account deficit for April fell \$769 million (or 35%) from the March figure (see table).

The balance on merchandise trade (seasonally adjusted) swung from a deficit of \$561 million in March to a surplus of \$68 million in April. This change reflected a 9 per cent fall in imports and a 6 per cent rise in exports.

In original terms, imports fell \$477 million (or 11%), with falls recorded for all import commodity groups, except transport equipment where the import of a \$164 million aircraft by Qantas more than offset lower imports for road vehicles. The largest fall occurred in machinery, which was down \$178 million (or 13%).

Rural exports rose by \$43 million (or 3%) on account of a rise in wool. Non-rural exports rose by \$329 million (or 13%) with an increase in metal ores and minerals being the most significant.

For the ten months ending April 1990, the current account deficit (in original terms) was \$17,578 million, up \$3,815 million (or 28%) on the corresponding period for the previous year. This increase was due mainly to increased deficits on net income, up \$2,228 million (or 21%), and goods and services, up \$1,828 million (or 36%). The bigger deficit on net income arose chiefly from increased interest payable abroad.



BALANCE OF PAYMENTS, CURRENT ACCOUNT
\$ million

	March 1990		April 1990	
	Original	Seasonally adjusted	Original	Seasonally adjusted
Balance on merchandise trade	- 445	- 561	404	68
Net services	- 315	- 385	- 315	- 347
Net income	- 1,451	- 1,433	- 1,388	- 1,408
Net unrequited transfers	171	193	281	270
Balance on current account	- 2,040	- 2,186	- 1,018	- 1,417

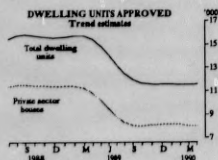
Private sector house approvals decline

The number of private sector houses approved in April 1990 fell by 10.0 per cent, on a seasonally adjusted basis, from the March figure.

On the same basis, the total number of dwelling units approved in April decreased by 5.9 per cent.

DWELLING UNITS APPROVED, APRIL 1990

	Private sector houses		Total dwelling units	
	No.	Percentage change on previous month	No.	Percentage change on previous month
Original	6,939	-19.5	9,993	-18.9
Seasonally Adjusted	7,564	-10.0	11,231	-5.9
Trend estimate	7,998	-1.0	11,583	0.2



As the accompanying chart and table demonstrate, the trend estimates for both private sector houses and all dwellings show a slightly less pessimistic picture than the single-month movements for April.

Seasonally adjusted, the value of total building (residential and non-residential) in April 1990 was \$1,988 million, an increase of 0.6 per cent over the March 1990 figure.

In constant price terms, the seasonally adjusted value of total building (residential and non-residential) approved in the March quarter 1990 was \$4,688 million, 9.6 per cent higher than the December quarter 1989, but still 14.2 per cent down on the March quarter 1989.

For further information, order the publication *Building Approvals, Australia (8731.0)*, or contact Paul Seville on (06) 252 6067.

Retail turnover still very subdued

Australian retail turnover grew by 1.4 per cent in value, seasonally adjusted, in the March quarter 1990.

After the effect of price movements is removed, the outcome represents zero growth for the quarter.

In current prices, retail turnover trend estimates continue to indicate weak growth (see chart at left and table on following page). The annual growth rate has fallen each month from a peak of 10.6 per cent in August 1989 to its present level of 6.9 per cent.



Of the thirteen industries included in the trend series, nine are displaying either negative or weak growth. Three of the four major industries, namely hotels, liquor stores and licensed clubs, department and general stores and clothing and fabric stores, are displaying negative growth trends.

The largest industry — grocers, confectioners and tobacconists — displayed weak average growth of 0.5 per cent over the three months to March.

RETAIL TURNOVER

	Original value in March 1990 \$ million	Percentage change in trend estimates	
		Average monthly increase for 3 months to March 1990	March 1990 over March 1989
Grocers, etc.	2,034	0.5	7.5
Hotels, liquor stores, licensed clubs	933	-0.3	5.7
Department and general stores	715	-0.6	4.3
Clothing and fabrics stores	461	-0.3	-5.3
Other retailers	2,771	— not available —	
All retailers	6914	0.3	6.9

Most States are exhibiting weak monthly trend growth rates, the exceptions being Tasmania, with moderate growth, and Western Australia with negative growth.

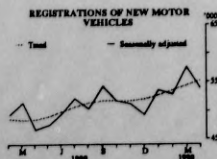
Note that in this series *retail turnover* includes the turnover of certain service establishments such as hotels, restaurants, cafes and licensed clubs, but excludes motor vehicle dealers, service stations, etc.

For further information, order the publication *Retail Trade, Australia (8501.0)*, or contact *Maurie Low* on (06) 252 7442.

New car sales trend still up despite April decline

New motor vehicle registrations decreased by 6.3 per cent to 53,940 in April after seasonal adjustment. Cars and station wagons fell by 7.3 per cent to 43,046, while other vehicles fell 2.2 per cent to 10,894.

Despite the fall in this month, the trend estimate showed a further small increase of 1.6 per cent, the fifth increase in a row.



Monthly movements in this series are particularly subject to volatility, even after seasonal adjustment, and greater reliance should be placed on trend estimates.

NEW MOTOR VEHICLE REGISTRATIONS, APRIL 1990

	Number	Percentage change from previous month
Original	47,254	-24.0
Seasonally adjusted	53,940	-6.3
Trend	55,224	1.6

For further information, order the publication *Registrations of New Motor Vehicles, Australia (9301.0)*, or contact Kevin Yeaton on (06) 252 6255.

New capital expenditure continues to fall

New capital expenditure declined in real terms for the third consecutive quarter in the three months to 31 March 1990.

Preliminary seasonally adjusted estimates for the March quarter show new capital spending was nine per cent below the level of one year earlier, at constant 1984-85 prices.

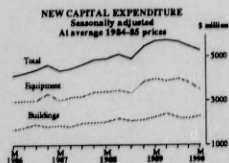
For the March quarter, new capital expenditure on equipment (seasonally adjusted at constant prices) declined 10 per cent from the December quarter, while expenditure on buildings increased 7 per cent after two quarters of decline.

Between the December and March surveys, businesses have significantly revised downwards their expectations of total capital spending for the financial year.

They now expect new capital expenditure for 1989-90 to be \$29,220 million. This is 3.6 per cent higher than the corresponding estimate made in the March quarter 1989 for the 1988-89 year.

Application of the average realisation factors derived from the past five years would indicate that 1989-90 actual expenditure will prove to be 5 per cent higher than 1988-89 expenditure, though recent experience with expectations would suggest that the increase is likely to be less than that indicated by the use of these factors.

For further information, order the publication *Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary (5625.0)*, or contact Kevin Goodwin on (06) 252 5623.



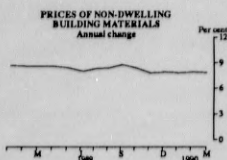
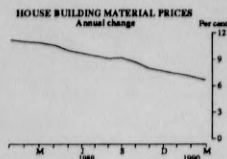
Larger price increases in March for building materials ...

Prices for building materials increased by 0.7 per cent in March. For both materials used in house building and those used in non-dwelling construction, this was the largest monthly increase since September 1989.

In the case of materials used in house building, the annual rate of price increase of 6.7 per cent has been declining more or less steadily since a high of 11.6 per cent in October 1988. For materials used in non-dwelling construction, the annual price rise has been much steadier, and at 7.8 per cent in March is similar to the figure recorded over the last four months.

The main price increases in March for house building materials were for clay bricks, built-in furniture, structural timber, and aluminium windows and doors.

The main increase for materials used in other buildings was for copper electrical cable reflecting the higher recent prices for copper. Air conditioning equipment, steel windows and doors, and aluminium windows also recorded significant price increases.



PRICES OF BUILDING MATERIALS, MARCH 1990
Percentage Change

City	House building		Other than house building	
	From previous month	From corresponding month of previous year	From previous month	From corresponding month of previous year
Sydney	0.8	6.6	0.9	7.9
Melbourne	0.4	4.9	0.4	6.8
Brisbane	0.4	8.4	0.8	9.9
Adelaide	0.7	6.9	0.8	7.7
Perth	1.3	8.7	0.6	8.2
Hobart	1.5	6.4	1.2	5.8
Weighted average of six State capitals	0.7	6.7	0.7	7.8
Darwin	— not available —		0.5	6.1
Canberra	1.1	7.1	1.1	8.5

For further information, order the publications *Price Index of Materials Used in Building Other Than House Building (6407.0)* and *Price Index of Materials Used in House Building (6408.0)*, or contact Peter Sturgeon on (06) 252 6198.

... and exports ...

Export prices rose by 2.0 per cent in March 1990, the highest monthly increase since May 1989.

The export price index has now recorded three successive monthly rises, following a general downward movement through the second half of calendar 1989.

Over the year to March 1990, export prices increased by 6.0 per cent. As the table below shows, there has been a wide divergence in the annual price changes for different products. Higher prices for coal were a major contributor to the overall increase.

Approximately half of the items in the index recorded price increases in March 1990. The main increases were for alumina (reflecting higher world prices), zinc ores and alloys, beef and refined copper. Thirty per cent of the items included in the index recorded price decreases, the main one being for mutton and lamb.

EXPORT PRICES, MARCH 1990
Percentage change

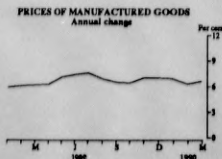
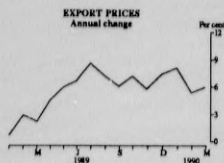
Commodity	From previous month	From corresponding month of previous year
Food and live animals	1.3	12.6
Crude materials	2.6	0.8
Mineral fuels	0.0	22.9
Animal and vegetable oils	-1.3	-7.4
Chemicals and other manufactured goods	3.4	0.0
<i>All exports</i>	<i>2.0</i>	<i>6.0</i>

For further information, order the publication *Export Price Index, Australia* (6405.0), or contact Peter Cordy on (06) 252 5541.

... and manufactured goods

Prices of manufactured goods rose by 0.9 per cent in March 1990, the largest monthly increase since May 1989. The annual increase rose to 6.6 per cent.

Approximately one half of the items included in the index recorded price increases in March 1990. The main contributors to the monthly increase were basic metal products, in particular refined lead and zinc, alumina and copper. Higher meat and petroleum prices also contributed significantly to the movement.



The table below illustrates the variation in the rate of price change between selected sectors of manufacturing.

PRICES OF MANUFACTURED GOODS, MARCH 1990
Percentage change

Manufacturing sector	From previous month	From corresponding month of previous year
Food and beverages	0.9	6.4
Clothing and footwear	0.4	7.6
Chemicals and petroleum	0.8	11.6
Basic metal products	2.7	3.2
Fabricated metal products	1.2	8.8
Transport equipment	0.6	5.7
Other industrial machinery	0.5	3.7
All manufacturing industry	0.9	6.6

For further information, order the publication Price Indexes of Articles Produced by Manufacturing Industry, Australia (6412.0), or contact Peter Cordy on (06) 252 5541.

Wool production at record level

Shorn wool production exceeded a million tonnes in 1989-90 for the first time ever. The preliminary figure of 1,015,000 tonnes is 12.9 per cent higher than the previous year.

This production came from the shearing of 208 million sheep, an increase in shearings of 5.7 per cent on 1988-89.

Total wool production, which includes dead, fellmongered and skin wool, was also a record at 1,080,000 tonnes.



SHORN WOOL PRODUCTION, 1989-90

	Thousand tonnes	Percentage change from previous year
New South Wales	365	14.7
Victoria	197	13.4
Queensland	83	13.1
South Australia	120	7.2
Western Australia	226	12.7
Tasmania	23	13.2
Australia	1,015	12.9

The national sheep flock has increased by 7.1 per cent to 177 million.

Intended matings at the end of March for the following twelve months are 70.9 million, up about 6 per cent on actual matings for the 1989-90 year.

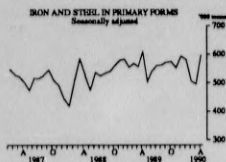
For further information, order the publication Sheep and Wool, Australia, Preliminary (7114.0), or contact Elisabeth Davis on (06) 252 6436.

Manufacturing production figures for April

Thirteen of the twenty-five seasonally adjusted categories covered by the monthly survey of manufacturing production showed rises in April.

The largest percentage increases came from iron and steel in ingots and other primary forms (20.2%), and blooms and slabs from rolling and forging of iron and steel (19.1%). Trend estimates for these steel industry categories now show early signs of flattening out following six months of decline in production.

The major falls in April occurred in the production of cigarettes and tobacco (-24.2%), electric motors (-22.7%) and portland cement (-17.9%). For electric motors and portland cement, the latest trend estimates continue the decline apparent over the last eight months.



PRODUCTION OF COMMODITIES RECORDING SIGNIFICANT MONTHLY CHANGE Seasonally adjusted

Commodity	Unit	Production in April 1990	Percentage change from previous month
<i>Increase —</i>			
Iron and steel in primary forms	'000 tonne	596	20.2
Blooms and slabs	'000 tonne	209	19.1
Washing machines	'000	29	18.3
<i>Decrease —</i>			
Cigarettes and tobacco	tonne	1910	-24.2
Electric motors	'000	162	-22.7
Portland cement	'000 tonne	474	-17.9

Twenty of the twenty-six categories for which original data are available for both April 1989 and April 1990 showed decreases over the twelve months, while the remaining six recorded rises.

For further information, order the publication *Production Statistics, Australia*, Preliminary (8301.0), or contact Kevin Squair on (06) 252 5558.

Inquiries

The ABS supplies a wide range of statistical information:

- ☐ through its bookshops
- ☐ by mail order (including subscription)
- ☐ by facsimile
- ☐ electronically.

To order any of the publications that appear in *Statistics Weekly* or to inquire about the statistics and services available from the ABS, contact Information Services at any of the offices listed below. An Information Consultancy Service in each office provides assistance of a more extensive or complex nature.

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All the week's releases: 23 to 29 May

General

Statistics Weekly, 24 May 1990 (1318.0; \$3.50)

Social statistics

Summary of Social Statistics, Qld, 1989 (4101.3; \$10.00)

Schools, SA, 1989 (4221.4; \$7.50) (*Previously: National Schools Statistics Collection, SA*)

National accounts, finance and foreign trade

Australian National Accounts : Capital Stock, 1988-89 (5221.0; \$16.00)

Balance of Payments, Aust., April 1990 (5301.0; \$12.00)

Imports, Aust., March Qtr 1990 (5435.0; \$16.25)

Private New Capital Expenditure, Aust., Actual and Expected Expenditure to June 1991, March Qtr 1990 Survey, Preliminary (5625.0; \$3.50)

Personal Finance, Aust., March 1990 (5642.0; \$5.00)

Labour statistics and prices

Award Rates of Pay Indexes, Aust., March 1990 (6312.0; \$8.50)

Export Price Index, Aust., March 1990 (6405.0; \$5.00)

Price Index of Materials Used in Building Other Than House Building, Eight Capital Cities, March 1990 (6407.0; \$9.00)

Price Index of Materials Used in House Building, Six State Capital Cities and Canberra, March 1990 (6408.0; \$3.75)

Price Indexes of Copper Materials, Aust., April 1990 (6410.0; \$3.50)

Price Indexes of Articles Produced by Manufacturing Industry, Aust., March 1990 (6412.0; \$6.00)

Price Indexes of Materials Used in Coal Mining, Aust., March 1990 (6415.0; \$5.00)

Agriculture

Livestock Products, Aust., April 1990 (7215.0; \$5.00)

Value of Agricultural Commodities Produced, Vic., 1988-89 (7501.2; \$8.00)

Principal Agricultural Commodities, WA, Season 1989-90, Preliminary (7111.5; \$8.00)

Secondary industry and distribution

Production Statistics, Aust., April 1990, Preliminary (8301.0; \$5.00)

Retail Trade, Aust., March 1990 (8501.0; \$8.50)

Building Approvals, Aust., April 1990 (8731.0; \$8.50)

Building Approvals, Vic., April 1990 (8731.2; \$8.50)

Building Approvals, NT, April 1990 (8731.7; \$5.50)

Transport

Registrations of New Motor Vehicles, Aust., April 1990, Preliminary (9301.0; \$4.00)

Motor Vehicle Registrations, Qld, April 1990 (9303.3; \$5.50)

Motor Vehicle Registrations, WA, April 1990 (9303.5; \$5.50)

Motor Vehicle Registrations, Tas., April 1990 (9303.6; \$3.30)

Calendar of key releases

Expected releases over the fortnight to 12 June 1990

May

- [30]** Australian National Accounts: National Income and Expenditure, March Qtr 1990 (5206.0; \$16.50)
- [31]** Foreign Investment, Australia, March 1990, Preliminary (5307.0; \$6.50)
- Price Indexes of Materials Used in Manufacturing Industries, Australia, March 1990 (6411.0; \$8.50)

June

- [6]** Quarterly Indexes of Manufacturing Production, Australia, March Qtr 1990 (8219.0; \$7.50)
- [7]** Housing Finance for Owner Occupation, Australia, March 1990 (5609.0; \$8.00)
- The Labour Force, Australia, May 1990, Preliminary (6202.0; \$8.50)
- [12]** Balance of Payments, Australia, March Qtr 1990 (5302.0; \$16.50)

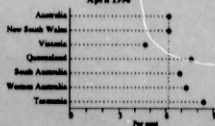
The latest ...

Changes to key State indicators — consolidated to
29 May 1990

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
— Percentage change from same period previous year —									
New capital expenditure (Dec. qtr 89)*	0.6	5.0	27.4	24.3	-6.9	-34.5	n.a.	n.a.	4.4
Retail turnover (Mar. 90) (trend estimate)	8.0	5.7	8.7	5.0	5.6	7.7	n.a.	8.4	6.9
New motor vehicle registrations (Apr. 90)*	-2.1	56.7	3.8	29.6	-1.4	n.a.	-4.0	16.7	15.5
Number of dwelling unit approvals (Apr. 90)	-25.4	-38.7	-28.3	-11.5	-55.8	-18.4	7.6	-10.6	-32.5
Value of total building work done (Dec. qtr)	20.3	13.7	15.6	23.4	24.1	9.1	15.9	5.6	17.6
Employed persons (April 90)*	1.6	3.6	4.9	1.6	1.9	6.5	-11.5	3.9	2.7
Capital city consumer price index (Mar. qtr 90)	9.1	8.7	7.8	6.9	9.1	7.2	6.2	8.3	8.6
Average weekly earnings (full-time adult ordinary time) (November 89)	7.9	6.8	3.7	6.9	6.4	4.7	2.6	4.6	6.6
Population (Sept. 89)	0.9	1.2	3.2	1.0	2.9	0.8	0.0	1.7	1.6
Guest nights in licensed hotels and motels, etc (Sept. qtr 89)	-8.5	19.0	-24.5	13.8	4.5	-6.6	2.1	-6.7	-7.9

* Seasonally adjusted for States (but not Territories)

UNEMPLOYMENT RATE
Seasonally adjusted
April 1990



Statistics Weekly
31 May 1990

			Latest figure available		Percentage change (a) on		
			Period	Original	Seasonally adjusted	Previous period Corresponding period last year	
National production							
Gross domestic product	— current prices (c)	\$m	Dec. qtr 89	98,703	91,531	0.9	10.8
	— 1984-85 prices (e)	"		69,796	64,190	-0.2	4.2
Industrial activity							
New capital expenditure	— current prices	\$m	Mar. qtr 90	6,163	6,947	-2.9	-3.0
	— 1984-85 prices			4,631	5,209	-4.3	-8.7
Expected new capital expenditure		"	Three months to June 90	8,170	n.a.	n.a.	-2.7
Retail turnover	— current prices	"	Mar. 90	6,914	6,992	0.0	6.1
	— 1984-85 prices	"	Mar. qtr 90	14,013	14,836	0.0	1.4
New motor vehicle registrations		no.	Apr. 90	47,254	53,940	-6.3	15.5
Dwelling unit approvals		"	"	9,993	11,231	-5.9	-27.4
Value of all building approvals		\$m	"	1,853	1,988	0.6	-19.6
Value of total building work done	— current prices	"	Dec. qtr 89	8,109	7,741	-0.4	17.7
	— 1984-85 prices	"	"	5,248	5,010	-2.3	6.5
Manufacturers' sales		"	Dec. qtr 89	37,329	35,539	3.1	9.9
Expected manufacturers' sales		"	Six months to June 90	71,716	n.a.	n.a.	9.7
Labour							
Employed persons		'000	Apr. 90	7,894.3	7,861.0	0.6	2.7
Unemployment rate †		%	"	6.3	6.2	0.1	0.1
Participation rate †		"	"	63.8	63.4	0.3	0.6
Job vacancies		'000	Feb. 90	60.9	56.1	-15.0	-15.9
Average weekly overtime per employee		hours	"	1.4	1.4	-8.7	-3.5
Prices, profits and wages							
Consumer price index	1980-81 = 100.0		Mar. qtr 90	204.1	n.a.	1.7	8.6
Price index of materials used in manufacturing industries (f)	1984-85 = 100.0		Feb. 90	120.8	n.a.	1.3	8.6
Price index of articles produced by manufacturing industry	1968-69 = 100.0		Mar. 90	567.8	n.a.	0.9	6.6
Company profits before income tax (e)		\$m	Dec. qtr 89	5,575	4,523	-1.0	15.0
Average weekly earnings (Full-time adults; ordinary time)		\$	Feb. 90	524.80	n.a.	1.6	6.6
Interest rates (b) (monthly average)							
90-day bank bills †		% per annum	Apr. 90	15.05	n.a.	-0.4	-2.2
10-year Treasury bonds †		"	"	13.80	n.a.	0.4	0.4
Balance of payments							
Exports of merchandise		\$m	Apr. 90	4,181	4,115	6.2	2.6
Imports of merchandise		"	"	3,777	4,047	-8.7	-6.4
Balance on merchandise trade (c)		"	"	404	68	n.a.	n.a.
Balance of goods and services (c)		"	"	89	-279	70.5	54.9
Balance on current account (c)		"	"	-1,018	-1,417	35.2	15.2
Terms of trade (d)	1984-85 = 100.0		Dec. qtr 89	n.a.	108.4	0.6	1.7
Foreign investment							
Net foreign debt (f)		\$m	31 Dec. 89	117,399	n.a.	3.3	18.2
Net foreign liabilities (f)		"	"	160,444	n.a.	3.4	20.7
Exchange rates (monthly average)							
\$US	per \$A		Apr. 90	0.7641	n.a.	1.1	-5.0
Trade weighted index	May 1970 = 100.0		"	60.6	n.a.	1.8	-0.5
Other indicators							
Population (resident at end of qtr)		million	Sept. 89	16.9	n.a.	0.3	1.5
Overseas visitors		'000	Feb. 90	193	176	-4.3	0.3

(a) Based on seasonally adjusted figures where available. (b) Source: Reserve Bank of Australia. (c) 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. (d) The ratio of the price of goods and services for exports to that for imports. (e) Later figures released Wednesday, 30 May 1990. (f) Later figures released Thursday, 31 May 1990.

NOTES: † = change is shown in terms of percentage points. n.a. = not available.

Figures have been taken from a variety of ABS publications. Copies may be obtained from Information Services (see page 10). Some of the figures shown are preliminary, some final, and some are revisions of previously published figures. Users should check the latest relevant publication or with the ABS Information Services if the status of the statistic is important.

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