



EXPORT PRICE INDEX, AUSTRALIA, DECEMBER 1986

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MAIN FEATURES

The All groups index decreased by 0.4% between November and December 1986. The main price decreases were for alumina, iron ore and concentrates, wheat and coal. The main price increases were for beef, prawns and lobsters and lead.

The All groups index increased by 2.1% between December 1985 and December 1986.

EXPLANATORY NOTES

Introduction

This publication contains the Export Price Index on reference base 1974-75 = 100. The July 1979 issue of this publication contains a more detailed description of the index. A detailed description of previous Export Price Indexes is contained in *Year Book Australia No. 55, 1969*, pages 256-7 and in *Year Book Australia No. 58, 1972*, pages 240-2.

Scope of the index

2. The Export Price Index measures changes in prices of *all exports of merchandise* from Australia. It includes re-exports of merchandise (that is, goods which are imported into Australia and exported at a later date without physical transformation). The index numbers for each month relate to prices of those exports of merchandise that are physically shipped from Australia during that month.

Items and weights

3. The index is a *fixed weights index*. The index items, i.e. the commodities directly represented in the index, were selected on the basis of their export values in the period 1974-75 to 1976-77. They constituted 89 per cent of the total value of exports of merchandise from Australia in the same period. The selected items were allocated weights in accordance with the average value of exports for each item over the period 1974-75 to 1976-77. Many of the items carry not only their own weight but also the weight of unpriced commodities whose prices are considered to move in a similar manner. Full details of

the weighting pattern of the Export Price Index, i.e. the percentage contributions for index items and groups, were contained in the July 1979 issue of this publication, and are also available from the ABS on request.

Classification

4. The selected items have been combined into broad index groups in two ways. Tables 1 and 2 contain index numbers for groups based on the Sections (1 digit) and selected Divisions (2 digit) of the *Australian Export Commodity Classification (AECC) 1978-79* (1203.0). Tables 1 and 3 contain index numbers on an industry of origin basis for groups based on the Divisions (1 digit) and selected Subdivisions (2 digit) of the 1978 edition of the *Australian Standard Industrial Classification (ASIC) (1201.0)*. These groups have been formed by allocating each of the index items to its industry of origin (e.g. Agriculture, forestry and fishing; Mining; and Manufacturing).

5. The *industry of origin* is the industry in which the exported commodity is *primarily produced*, determined in accordance with the classification rules of the ASIC. It is therefore not necessarily identical with the industry from which the export transactions are actually made. For instance, many exports are made by traders or by marketing authorities, but these exports are classified to the appropriate producing industries, rather than to the wholesale trading industries from which they are actually exported.

Prices

6. In general, prices are obtained from major exporters of the selected items included in the index. The point of pricing for the Export Price Index is the point at which the goods physically leave Australia, i.e. prices are on the basis f.o.b. at main Australian ports of export.

7. As the prices used in the index are expressed in Australian currency, changes in the relative values of the Australian dollar and overseas currencies can have a direct impact on price movements for the many commodities that are sold in currencies other than Australian dollars. Where exports are sold 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.

8. The price series used relate to specified standards, grades, types, etc. of each commodity with the aim of incorporating in the index price changes for exports of representative goods of constant quality. Wherever possible, prices to predominant export markets are used for each of the specified goods priced, in order to lessen the impact of price variations attributable solely to changes, over time, in market destinations. In most cases prices are combined using fixed weights between markets. Weights between markets are reviewed from time to time and revised where necessary.

9. The July 1979 issue of this publication contained explanations of:

- Pricing of wool exports
- Pricing goods shipped at unknown prices
- Treatment of seasonal exports.

Index numbers

10. Index numbers for financial years are simple averages of monthly index numbers.

11. Index numbers for the current month and the previous month are preliminary and subject to revision. However, from time to time, index numbers for earlier months may be revised. This will occur whenever the ABS discovers that prices previously reported by respondents are incorrect and corrected prices are obtained. It can also occur for those exports where some data used in compiling the index numbers has been estimated (e.g. export market combining weights). When final data becomes available, index numbers are revised as far back as necessary.

Percentage changes

12. Table 1 shows percentage changes for the 'All groups' index and for AECC Sections and ASIC Divisions. The following example illustrates the method of calculating percentage changes:

<i>All groups</i>	
July 1986	242 (see Table 1)
less June 1986	234 (see Table 1)
Change in index points	+8

$$\text{Percentage change} = \frac{+8}{234} \times 100 = +3.4\%$$

Interpretation

13. Care should be exercised when interpreting month-to-month movements in the indexes as short term movements do not necessarily indicate changes in trend.

Related publications

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

Import Price Index, Australia (6414.0)—issued quarterly

Price Indexes of Articles Produced by Manufacturing Industry, Australia (6412.0)—issued monthly

Price Indexes of Materials Used in Manufacturing Industries, Australia (6411.0)—issued monthly

Balance of Payments, Australia (5302.0)—issued quarterly.

Exports by Commodity Divisions, Australia (5402.0)—issued monthly

15. 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 few days. The *Catalogue and Publications Advice* are available from any ABS office.

Symbols and other usages

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

Electronic services

16. VIATEL. Key *656# for selected current economic, social and demographic statistics.

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IAN CASTLES
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TABLE 1. EXPORT PRICE INDEX—BROAD GROUPS

	AECC SECTIONS					ASIC DIVISIONS			
	All groups	Food and live animals (D)	Crude materials inedible (except fuels) (2)	Mineral fuels and lubricants (3)	Animal and vegetable oils and fats (4)	Chemicals and other manufactured exports (5,6,7 & 8)	Agriculture, forestry, fishing and hunting (A)	Mining (B)	Manufacturing (C)
INDEX NUMBERS									
(Base of each index: Year 1974-75 = 100)									
1983-84	208	163	242	269	168	203	169	244	212
1984-85	223	171	264	288	211	216	182	265	226
1985-86	235	180	277	308	183	229	184	290	237
<i>1985-86—</i>									
October	235	176	280	316	188	228	182	291	238
November	238	181	281	321	186	228	184	295	240
December	238	182	278	324	183	229	183	296	240
January	234	181	271	318	182	228	182	289	237
February	235	181	273	315	175	230	182	291	237
March	232	181	270	303	167	229	181	287	235
April	230	180	268	289	161	228	179	284	232
May	228	178	269	277	150	228	178	281	229
June	234	183	275	289	146	233	182	291	235
<i>1986-87—</i>									
July	242	187	290	297	143	239	183	315	241
August	246	189	295	299	144	245	182	319	247
September	246	190	295	297	148	246	180	314	250
October	245	188	295	286	152	250	179	306	252
November p	244	187	293	282	160	251	177	303	252
December p	243	188	291	279	164	250	176	299	253
PERCENTAGE CHANGES									
<i>Change from previous year</i>									
1983-84	+2.5	+7.2	—	-6.3	+21.7	+6.3	+7.0	-6.9	+5.0
1984-85	+7.2	+4.9	+9.1	+7.1	+25.6	+6.4	+7.7	+8.6	+6.6
1985-86	+5.4	+5.3	+4.9	+6.9	-13.3	+6.0	+1.1	+9.4	+4.9
<i>Change from corresponding month of previous year</i>									
<i>1985-86—</i>									
October	+10.3	+6.7	+12.4	+16.2	-8.3	+9.6	+5.2	+17.8	+9.2
November	+12.8	+11.0	+13.8	+19.8	-10.1	+10.1	+6.4	+21.4	+11.1
December	+12.3	+11.0	+10.8	+19.1	-12.4	+10.1	+4.0	+19.8	+11.1
January	+9.3	+10.4	+7.1	+16.5	-12.5	+8.6	+2.8	+15.1	+9.2
February	+4.9	+5.2	+3.0	+8.2	-16.3	+6.5	+0.6	+6.6	+5.8
March	+0.4	+2.3	-1.1	-0.7	-20.5	+2.7	-2.2	+1.4	+1.3
April	-4.6	-2.2	-6.9	-9.1	-26.1	—	-7.7	-4.7	-3.7
May	-6.2	-3.8	-7.2	-12.6	-30.9	-2.1	-10.1	-4.7	-6.1
June	-4.9	-1.1	-8.3	-9.4	-36.0	-0.4	-9.5	-4.3	-4.1
<i>1986-87—</i>									
July	+0.4	+3.9	-0.7	-5.1	-38.4	+3.5	-7.1	+8.2	-0.4
August	+3.4	+5.0	+3.1	-4.8	-34.5	+7.0	-6.2	+10.0	+3.3
September	+3.8	+8.0	+3.9	-5.1	-28.8	+6.5	-3.7	+7.2	+5.0
October	+4.3	+6.8	+5.4	-9.5	-19.1	+9.6	-1.6	+5.2	+5.9
November p	+2.5	+3.3	+4.3	-12.1	-14.0	+10.1	-3.8	+2.7	+5.0
December p	+2.1	+3.3	+4.7	-13.9	-10.4	+9.2	-3.8	+1.0	+5.4
<i>Change from previous month</i>									
<i>1985-86—</i>									
October	-0.8	—	-1.4	+1.0	-9.6	-1.3	-2.7	-0.7	—
November	+1.3	+2.8	+0.4	+1.6	-1.1	—	+1.1	+1.4	+0.8
December	—	+0.6	-1.1	+0.9	-1.6	+0.4	-0.5	+0.3	—
January	-1.7	-0.5	-2.5	-1.9	-0.5	-0.4	-0.5	-2.4	-1.3
February	+0.4	—	+0.7	-0.9	-3.8	+0.9	+0.7	—	—
March	-1.3	—	-1.1	-3.8	-4.6	-0.4	-0.5	-1.4	-0.8
April	-0.9	-0.6	-0.7	-4.6	-3.6	-0.4	-1.1	-1.0	-1.3
May	-0.9	-1.1	+0.4	-4.2	-6.8	—	-0.6	-1.1	-1.3
June	+2.6	+2.8	+2.2	+4.3	-2.7	+2.2	+2.2	+3.6	+2.6
<i>1986-87—</i>									
July	+3.4	+2.2	+5.5	+2.8	-2.1	+2.6	+0.5	+8.2	+2.6
August	+1.7	+1.1	+1.7	+0.7	+0.7	+2.5	-0.5	+1.3	+2.5
September	—	+0.5	—	-0.7	+2.8	+0.4	-1.1	-1.6	+1.2
October	-0.4	-1.1	—	-3.7	+2.7	+1.6	-0.6	-2.5	+0.8
November p	-0.4	-0.5	-0.7	-1.4	+5.3	+0.4	-1.1	-1.0	—
December p	-0.4	+0.5	-0.7	-1.1	+2.5	-0.4	-0.6	-1.3	+0.4

TABLE 2. INDEX NUMBERS FOR SELECTED DIVISIONS OF AUSTRALIAN EXPORT COMMODITY CLASSIFICATION (AECC)
(Base of each index : Year 1974-75 = 100)

	<i>Meat and meat preparations (01)</i>	<i>Dairy products and eggs (02)</i>	<i>Fish and fish preparations (03)</i>	<i>Cereals and cereal preparations (04)</i>	<i>Fruit and vegetables (05)</i>	<i>Sugar and sugar preparations (06)</i>	<i>Hides, skins and furskins raw (21)</i>	<i>Textile fibres and their wastes (26)</i>	<i>Metalliferous ores and metal scrap (28)</i>
1983-84	298	179	313	132	262	80	327	222	249
1984-85	314	180	401	143	273	70	394	237	270
1985-86	340	194	450	141	315	78	434	247	283
<i>1985-86—</i>									
October	338	189	461	137	310	72	423	247	289
November	346	191	471	143	316	75	431	244	291
December	351	192	445	142	316	78	428	241	288
January	343	193	433	141	317	80	438	240	277
February	347	194	442	140	313	80	435	242	278
March	352	195	436	138	316	80	436	242	273
April	341	203	432	137	316	83	435	239	273
May	332	204	438	134	322	87	438	242	271
June	341	202	461	138	334	91	453	246	278
<i>1986-87—</i>									
July	355	215	476	135	359	94	465	250	300
August	363	221	493	133	371	98	472	251	308
September	370	219	525	129	366	100	478	253	306
October	376	217	535	124	374	98	499	257	301
November p	377	216	527	123	368	95	509	254	299
December p	388	213	556	121	365	93	522	255	293

TABLE 2. INDEX NUMBERS FOR SELECTED DIVISIONS OF AUSTRALIAN EXPORT COMMODITY CLASSIFICATION (AEC)—*continued*
(Base of each index : Year 1974-75 = 100)

	Coal, coke and briquettes (32)	Petroleum, petroleum products and related materials (33)	Animal oils and fats (41)	Manufactures of—		Power generating machinery and equipment (71)	Specialised machinery for particular industries (72)	Road vehicles (78)	Gold (97)
				Iron and steel (67)	Non-ferrous metals (68)				
1983-84	251	312	168	157	193	247	285	255	356
1984-85	273	329	211	173	200	267	313	274	349
1985-86	299	328	183	181	203	304	347	283	392
<i>1985-86—</i>									
October	300	353	188	178	207	296	346	277	382
November	303	366	186	181	204	305	342	277	398
December	306	366	183	181	205	305	340	277	389
January	300	364	182	181	198	312	344	280	403
February	302	339	175	182	197	312	350	285	401
March	298	303	167	184	192	312	351	286	402
April	293	272	161	183	191	301	351	286	388
May	288	259	150	183	189	308	350	286	388
June	302	253	146	184	201	308	350	301	409
<i>1986-87—</i>									
July	320	241	143	187	214	308	354	302	449
August	323	237	144	190	223	308	367	306	503
September	317	251	148	191	225	324	371	308	551
October	307	243	152	193	227	324	378	309	552
November p	302	241	160	193	227	324	378	311	507
December p	299	242	164	193	226	335	373	312	493

TABLE 3. INDEX NUMBERS FOR SELECTED SUBDIVISIONS OF AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION (ASIC)
(Base of each index : Year 1974-75 = 100)

	<i>Metallic minerals (11)</i>	<i>Coal (12)</i>	<i>Food, beverages and tobacco (21)</i>	<i>Textiles (23)</i>	<i>Chemical, petroleum and coal products (27)</i>	<i>Basic metal products (29)</i>	<i>Transport equipment (32)</i>
1983-84	237	251	190	223	289	213	247
1984-85	258	273	201	238	299	228	269
1985-86	282	299	216	249	304	228	278
<i>1985-86—</i>							
October	282	300	212	249	325	234	275
November	287	303	217	246	334	233	275
December	287	306	219	244	336	229	275
January	279	300	218	243	334	221	277
February	282	302	219	244	319	221	279
March	277	298	220	245	292	218	278
April	275	293	218	242	261	218	278
May	274	288	217	245	236	216	279
June	281	302	222	249	240	223	290
<i>1986-87—</i>							
July	309	320	230	253	226	232	287
August	314	323	235	254	226	241	294
September	310	317	240	255	234	244	296
October	304	307	242	259	223	245	294
November p	300	302	243	256	223	244	294
December p	297	299	247	258	221	240	293