



AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 8301.0

NOON 10 SEPTEMBER 1980

BALANCE OF PAYMENTS, AUSTRALIA, AUGUST 1930

INQUIRIES

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MAIN FEATURES

An overall deficit of \$215 million as measured by net official monetary movements.

A trade surplus of \$46 million.

A current account deficit of \$327 million.

A net apparent capital inflow of \$112 million. Included in this amount is an outflow of \$8 million on account of government capital transactions and an inflow of \$9 million on account of the trade credit transactions of marketing authorities.

EXPLANATORY NOTES

Introduction

This publication contains preliminary estimates of Australia's international balance of payments for the month of August 1980 together with revised estimates for previous months and financial years. These estimates should be examined in conjunction with the quarterly and annual balance of payments series contained in the Balance of Payments publications (5302.0 and 5303.0, respectively). Reference should be made to these publications for explanatory notes on balance of payments concepts and definitions.

2. Care should be exercised in interpreting monthly movements in the balance of payments, especially those of the most recent months. The sources available for the production of timely and reliable monthly estimates are limited. Consequently, monthly series to a greater degree than quarterly and annual data, are subject to revision as more complete and more accurate information becomes available.

Australian currency values

3. The Australian currency equivalents shown in these statistics for transactions originally denominated in foreign currencies were derived by converting into Australian dollars at market rates of exchange.

Adjustments to exports and imports

4. The figures for exports and imports in Table 1 represent the recorded trade figures adjusted in respect of coverage, timing and valuation for balance of payments purposes.

Balance of trade

5. This is the excess of recorded exports f.o.b. over recorded imports f.o.b., after adjustments have been made for balance of payments purposes.

Net invisibles

6. Net invisibles covers transactions in services and transfer payments. Items included are transportation

services, travel, government services, miscellaneous services, property income and transfer payments such as foreign aid, gifts and donations.

Private capital and balancing item

7. This item covers foreign investment in Australian enterprises, Australian investment overseas, trade credit n.e.i. (details for the marketing authorities component of trade credit n.e.i. are given in footnote (a) of Table 1.), non-official monetary sector transactions and the balancing item.

Net official monetary movements

8. The aggregate net official monetary movements, the main component of which is changes in official reserve assets, is usually taken as a measure of the overall surplus or deficit in the balance of payments. This item excludes changes that do not arise from international economic transactions.

9. Table 2 shows changes in official reserve assets which are included in the balance of payments, together with the adjustments made to the original Reserve Bank statistics to exclude changes in the Australian dollar value of reserve assets that are the result of revaluations. The table also shows changes in the value of the Australian dollar against specified foreign currencies.

Residual items

10. Due to lack of monthly data certain items in Table 1 are derived as residuals after having first calculated those items for which monthly information can be obtained or estimated. The items which are derived as residuals are net apparent capital inflow, which is calculated by subtracting the balance on current account from net official monetary movements, and private capital and balancing item, which is derived by subtracting government capital from net apparent capital inflow.

Presentation

11. In Table 1, minus sign (-) denotes: a debit for items in the current account; an outflow for components of capital inflow (net); and for monetary movements, a decrease in assets or an increase in liabilities.

Related publications

12. Current publications produced by the ABS are listed in *Catalogue of Publications* (1101.0) which is available free of charge from any ABS office.

13. Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

R. J. CAMERON
Australian Statistician

TABLE 1. BALANCE OF PAYMENTS
 \$ million

	Exports f.o.b.	Imports f.o.b.	Balance of trade	% invisibles	Balance on current account	Government capital	Private capital and balancing item (a)	Net apparent capital inflow	Net official monetary movements
1977-78	12,026	-11,165	861	-3,370	-2,510	1,564	403	1,967	-542
1978-79	14,075	-13,493	582	-3,794	-3,212	1,354	1,735	3,088	-124
1979-80	18,635	-15,815	2,820	-4,007	-1,188	-64	955	892	-296
1979-80									
July	1,390	-1,206	185	-326	-141	-42	53	12	-130
August	1,350	-1,273	77	-333	-256	-13	45	33	-224
September	1,354	-1,079	275	-277	-3	-76	-116	-192	-195
October	1,694	-1,404	290	-355	-64	140	-179	-39	-103
November	1,628	-1,385	243	-316	-73	-19	106	88	15
December	1,564	-1,183	380	-282	98	45	-301	-256	-158
January	1,658	-1,589	69	-374	-305	-45	564	520	215
February	1,576	-1,350	226	-296	-70	205	29	233	163
March	1,562	-1,297	266	-275	-10	-46	-30	-76	-85
April	1,580	-1,248	332	-381	-49	-46	13	-33	-82
May	1,546	-1,438	108	-423	-315	-24	603	579	264
June	1,733	-1,363	370	-370	-	-145	167	23	23
1980-81									
July	1,729	-1,561	169	-403	-235	-13	193	181	-54
August	1,424	-1,377	46	-373	-327	-8	120	112	-215
Two months ended									
August 1979	2,740	-2,479	262	-658	-396	-54	97	43	-353
August 1980	3,153	-2,938	215	-777	-562	-21	313	292	-270

(a) Includes the trade credit transactions of marketing authorities which are estimated to be -\$63 million for July 1980 and \$9 million for August 1980.

TABLE 2. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Official reserve assets \$ million				Exchange rates (end of year/month) Units of foreign currency per \$A (a)				Trade- weighted index (end of year/month) of value of Australian dollar, May 1970=100 (b)
	Changes included in the balance of payments	Changes due to effects of revaluations	Reserve bank series		U.S.A. Dollar	U.K. Pound	W. Germ Mark	Japan Yen	
			Changes in levels	Levels at end of year/month					
1977-78	-474	+387	-87	3,225	1.1475	0.6151	2.379	234.63	86.2
1978-79	-167	+827	+660	3,885	1.1211	0.5154	2.068	242.44	83.1
1979-80	-349	+2,145	+1,796	5,681	1.1576	0.4914	2.033	251.26	85.0
1979-80									
July	-108	+89	-19	3,865	1.1302	0.4931	2.077	246.10	83.3
August	-243	+45	-198	3,667	1.1284	0.5009	2.057	248.31	83.5
September	-199	+389	+191	3,858	1.1298	0.5109	1.961	252.12	83.5
October	-78	+326	+248	4,106	1.0974	0.5288	1.981	261.34	83.7
November	+17	+25	+42	4,148	1.0942	0.5004	1.899	272.08	83.6
December	-66	+531	+466	4,614	1.1075	0.4940	1.900	265.31	83.3
January	+257	+1,514	+1,772	6,386	1.1069	0.4885	1.925	264.50	83.2
February	+148	-38	+110	6,495	1.0987	0.4810	1.937	272.76	83.5
March	-87	-781	-868	5,627	1.0831	0.4975	2.091	270.08	84.4
April	-36	-367	-402	5,225	1.1145	0.4916	2.000	267.21	84.5
May	+180	-134	+46	5,271	1.1426	0.4891	2.040	256.80	84.7
June	-134	+544	+410	5,681	1.1576	0.4914	2.033	251.26	85.0
1980-81									
July	-59	+311	+252	5,933	1.1525	0.4911	2.051	261.10	85.5
August	-224	-176	-400	5,533	1.1655	0.4879	2.085	254.16	85.8

(a) The rates quoted are mid-points of the buying and selling rates for the last day of the month obtained from the Commonwealth Trading Bank. (b) The trade-weighted index is published by the Reserve Bank and is an index of the average value of the Australian dollar vis a vis currencies of Australia's trading partners.