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EXPORT PRICE INDEX, AUSTRALIA, FEBRUARY 1989

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MAIN FEATURES

	Change between—	
	Jan 89 and Feb. 89	Feb. 88 and Feb. 89
	%	%
All groups	+3.7	+2.9
AECC Sections		
0 Food and live animals	+1.5	+3.1
2 Crude materials inedible	+6.7	+5.8
3 Mineral fuels and lubricants	-0.5	-12.9
4 Animal and Vegetable oils and fats	-5.0	-3.4
5-8 Chemicals and other manufactures	+1.0	+4.5

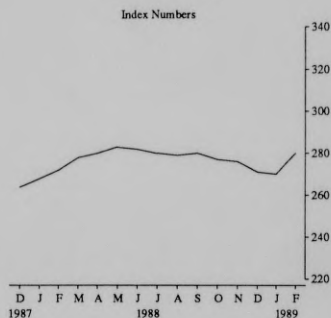
The All groups index rose substantially (3.7%) in February 1989 following a period of decline since May 1988.

A large number of price increases contributed to this month's increase (+10 index points). Approximately two thirds of the increase (+6.75 index points) resulted from higher prices for basic metals (in particular alumina, zircon and nickel) and metal ores (notably zinc). Those increases reflect the renegotiation of contracts and improved world prices. For some metals and metal ores, however, world prices fell; the most significant such fall being for copper products (-0.84 index points).

Increased prices for wool (+1.81 index points) were also particularly significant in February 1989.

The decline in the index from May 1988 to January 1989 was due mainly to appreciation of the Australian dollar, and to falls in some commodity prices, principally wool.

ALL GROUPS INDEX



Change from Previous Month

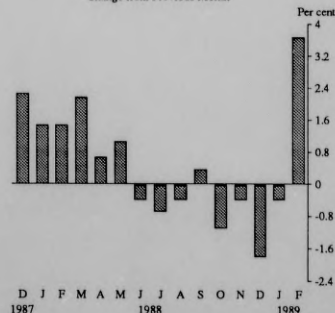


TABLE 1. EXPORT PRICE INDEX — BROAD GROUPS

All groups	AECG SECTIONS					ASIC DIVISIONS			
	Food and live animals (0)	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)									
1985-86	235	180	277	308	183	229	184	290	237
1986-87	243	185	296	280	160	249	182	298	251
1987-88	265	186	357	244	176	278	240	267	277
<i>1987-88—</i>									
December	264	184	348	249	175	285	229	272	277
January	268	188	358	247	172	285	234	273	283
February	272	196	360	248	176	288	241	274	287
March	278	194	383	242	183	288	268	268	288
April	280	190	392	240	188	291	276	261	290
May	283	190	404	233	183	294	291	254	292
June	282	188	408	229	184	288	292	254	289
<i>1988-89—</i>									
July	280	191	395	225	181	296	278	257	292
August	279	197	387	225	180	291	274	253	292
September	280	203	382	228	183	294	271	260	294
October	277	202	370	227	181	299	266	260	290
November	276	198	375	219	175	296	273	254	286
December	271	196	363	217	178	298	265	248	284
January p	270	199	357	217	179	298	255	252	286
February p	280	202	381	216	170	301	263	257	298
PERCENTAGE CHANGES									
Change from previous year									
1985-86	+5.4	+5.3	+4.9	+6.9	-13.3	+6.0	+1.1	+9.4	+4.9
1986-87	+3.4	+2.8	+6.9	-9.1	-12.6	+8.7	-1.1	+2.8	+5.9
1987-88	+9.1	+0.5	+20.6	-12.9	+10.0	+11.6	+31.9	-10.4	+10.4
Change from corresponding month of previous year									
<i>1987-88—</i>									
December	+8.6	-2.1	+19.6	-10.8	+6.7	+14.0	+30.1	-9.0	+9.5
January	+9.8	+1.6	+20.9	-12.1	+1.8	+14.0	+32.2	-9.9	+12.3
February	+11.9	+7.1	+22.0	-12.7	+2.3	+15.7	+36.9	-8.7	+13.9
March	+14.9	+6.0	+30.7	-13.9	+7.0	+15.7	+49.7	-8.2	+14.3
April	+16.7	+5.6	+32.9	-10.1	+17.5	+16.4	+52.5	-6.8	+15.1
May	+16.5	+6.1	+31.2	-9.0	+8.3	+15.7	+47.0	-6.6	+15.0
June	+16.0	+6.2	+31.2	-8.0	+8.2	+13.4	+45.3	-5.2	+13.8
<i>1988-89—</i>									
July	+14.3	+7.9	+25.8	-9.3	+11.7	+15.6	+39.7	-4.5	+13.6
August	+13.0	+9.4	+22.5	-9.3	+9.8	+11.5	+35.6	-5.6	+12.3
September	+11.1	+12.8	+15.8	-8.1	+5.2	+13.1	+24.3	-2.3	+12.2
October	+9.5	+12.8	+11.1	-8.1	+9.7	+12.0	+22.6	-2.3	+9.4
November	+7.0	+8.2	+11.6	-12.4	+4.9	+7.2	+26.4	-7.3	+5.1
December	+2.7	+6.5	+4.3	-12.9	+1.7	+4.6	+15.7	-8.8	+2.5
January p	+0.7	+5.9	-0.3	-12.1	+4.1	+4.6	+9.0	-7.7	+1.1
February p	+2.9	+3.1	+5.8	-12.9	-3.4	+4.5	+9.1	-6.2	+3.8
Change from previous month									
<i>1987-88—</i>									
December	+2.3	+0.5	+3.6	-0.4	-4.9	+3.3	+6.0	-0.7	+1.8
January	+1.5	+2.2	+2.9	-0.8	-1.7	—	+2.2	+0.4	+2.2
February	+1.5	+4.3	+0.6	+0.4	+2.3	+1.1	+3.0	+0.4	+1.4
March	+2.2	-1.0	+6.4	-2.4	+4.0	—	+11.2	-2.2	+0.3
April	+0.7	-2.1	+2.3	-0.8	+2.7	+1.0	+3.0	-2.6	+0.7
May	+1.1	—	+3.1	-2.9	-2.7	+1.0	+5.4	-2.7	+0.7
June	-0.4	-1.1	+1.0	-1.7	+0.5	-2.0	+0.3	—	-1.0
<i>1988-89—</i>									
July	-0.7	+1.6	-3.2	-1.7	-1.6	+2.8	-4.8	+1.2	+1.0
August	-0.4	+3.1	-2.0	—	-0.6	-1.7	-1.4	-1.6	—
September	+0.4	+3.0	-1.3	+1.3	+1.7	+1.0	-1.1	+2.8	+0.7
October	-1.1	-0.5	-3.1	-0.4	-1.1	+1.7	-1.8	—	-1.4
November	-0.4	-0.2	+1.4	-3.5	-3.3	-1.0	+2.6	-2.3	-1.4
December	-1.8	-1.0	-3.2	-0.9	+1.7	+0.7	-2.9	-2.4	-0.7
January p	-0.4	+1.5	-1.7	—	+0.6	—	-3.8	+1.6	+0.7
February p	+3.7	+1.5	+6.7	-0.5	-5.0	+1.0	+3.1	+2.0	+4.2

TABLE 2. EXPORT PRICE INDEX — INDEX POINTS CONTRIBUTION TO ALL GROUPS INDEX(a)

<i>Code and Description</i>	<i>January 1989</i>	<i>February 1989</i>	<i>Change</i>
<i>ALL GROUPS</i>	270	280	+10
<i>AECC SECTIONS</i>			
0 Food and live animals	72.3	73.6	+1.3
2 Crude materials inedible (except fuels)	110.9	118.5	+7.6
3 Mineral fuels and lubricants	23.8	23.8	—
4 Animal and vegetable oils and fats	1.3	1.2	-0.1
5-8 Chemicals and other manufactured exports	61.4	61.9	+0.5
9(part) Gold	0.8	0.7	-0.1
<i>SELECTED AECC DIVISIONS</i>			
01 Meat and meat preparations	23.9	24.5	+0.6
02 Dairy products and eggs	5.8	5.9	+0.1
03 Fish and fish preparations	3.8	3.8	—
04 Cereals and cereal preparations	24.0	24.2	+0.2
05 Fruit and vegetables	4.0	4.0	—
06 Sugar and sugar preparations	8.2	8.8	+0.6
21 Hides, skins and furskins, raw	8.1	8.2	+0.1
26 Textile fibres and their wastes	43.7	45.8	+2.1
28 Metalliferous ores and metal scrap	55.0	60.4	+5.4
32 Coal, coke and briquettes	18.6	18.8	+0.2
33 Petroleum, petroleum products and related materials	3.5	3.4	-0.1
41 Animal oils and fats	1.3	1.2	-0.1
67 Manufactures of iron and steel	9.4	9.4	—
68 Manufactures of non-ferrous metals	19.6	20.1	+0.5
71 Power generating machinery and equipment	1.1	1.1	—
72 Specialised machinery for particular industry	4.4	4.4	—
78 Road vehicles	4.1	4.2	+0.1
97 Gold	0.8	0.7	-0.1
<i>SELECTED ASIC SUBDIVISIONS</i>			
01 Agriculture	63.7	65.7	+2.0
11 Metallic minerals	33.3	34.2	+0.9
12 Coal	18.6	18.7	+0.1
21-22 Food, beverages and tobacco	59.2	60.5	+1.3
23 Textiles	6.6	7.0	+0.4
27 Chemical, petroleum and coal products	7.4	7.2	-0.2
29 Basic metal products	51.8	56.8	+5.0
32 Transport equipment	6.7	6.8	+0.1

(a) For an explanation of this table see paragraph 15 of the Explanatory Notes and the Appendix to the March 1988 issue of this publication.

TABLE 3. 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>
1985-86	340	194	450	141	315	78	434	247	283
1986-87	370	216	537	120	373	94	533	273	292
1987-88	373	226	566	119	364	91	690	434	293
<i>1987-88—</i>									
December	375	222	589	114	369	88	687	412	290
January	380	234	579	118	374	95	703	419	301
February	386	234	569	127	367	105	720	420	304
March	383	236	556	127	369	98	736	492	302
April	366	235	550	127	360	98	750	519	301
May	364	233	545	128	355	99	763	556	298
June	360	229	528	126	345	98	755	562	304
<i>1988-89—</i>									
July	362	221	523	130	363	104	751	515	308
August	380	234	520	132	357	106	738	501	304
September	395	237	534	136	360	108	715	484	305
October	379	238	529	141	360	108	684	463	300
November	365	246	508	138	358	108	655	489	295
December	356	252	514	138	353	106	615	467	290
January p	363	258	494	144	347	103	608	429	301
February p	372	260	499	145	347	110	614	449	331

TABLE 3. 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)				
1985-86	299	328	173	181	203	304	347	283	392
1986-87	295	249	160	190	225	331	371	312	510
1987-88	243	254	176	183	282	366	396	325	521
<i>1987-88—</i>									
December	249	255	175	185	302	355	419	324	564
January	247	251	172	184	299	376	402	325	553
February	246	256	176	184	301	379	404	327	511
March	242	245	183	191	289	379	399	327	499
April	239	249	188	191	297	379	399	329	497
May	232	241	183	192	302	379	398	328	477
June	230	235	184	183	294	379	396	327	459
<i>1988-89—</i>									
July	234	206	181	183	323	384	399	333	451
August	234	203	180	182	307	384	400	333	445
September	240	193	183	186	316	384	401	333	445
October	241	184	181	192	331	384	386	333	409
November	230	184	175	193	326	384	379	333	406
December	228	198	178	192	336	384	378	333	395
January p	225	209	179	192	341	384	376	341	386
February p	227	203	170	191	349	384	372	349	372

TABLE 4. INDEX NUMBERS FOR SELECTED SUBDIVISIONS OF AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION (ASIC)
(Base of each index : Year 1974-75 = 100)

	Agriculture (01)	Metallic minerals (11)	Coal (12)	Food, beverages and tobacco (21-22)	Textiles (23)	Chemical, petroleum and coal products (27)	Basic metal products (29)	Transport equipment (32)
1985-86	184	282	299	216	249	304	228	278
1986-87	182	297	295	242	273	233	238	294
1987-88	240	279	243	256	418	250	270	300
1987-88—								
December	229	283	249	255	400	253	272	300
January	234	287	247	261	406	252	280	303
February	241	289	246	268	408	256	281	304
March	268	282	242	265	471	250	282	302
April	276	272	239	262	493	250	291	301
May	291	265	232	262	527	244	296	303
June	292	268	230	259	531	235	294	292
1988-89—								
July	278	269	234	261	490	216	307	298
August	274	263	234	267	478	214	301	298
September	271	271	240	273	463	207	301	303
October	266	270	241	266	444	203	302	303
November	273	267	230	260	466	200	297	298
December	265	259	228	254	447	199	301	299
January p	255	267	225	255	412	203	309	302
February p	263	274	227	260	433	197	339	311

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 3 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 4 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 value 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.

Analysis of index changes

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

13. Movements in indexes from one period to another can be expressed either as changes in 'index points' or as percentage changes. The following example illustrates the

method of calculating index points changes and percentage changes between any two periods:

All groups index numbers—

January 1989	270 (see Table 1)
less December 1988	271 (see Table 1)
Change in index points	-1

$$\text{Percentage change} = \frac{-1}{271} \times 100 = -0.4\%$$

14. In this publication percentage changes are shown in respect of movements between:

- consecutive financial years
- corresponding months of consecutive years
- consecutive months.

15. Table 2 provides an analysis of the contribution which selected categories of exports make to the total All groups index. For example, Food and live animals contributed 73.6 index points to the total All groups index number of 280 in February 1989 and +1.3 index points to the net change of +10 index points in the All groups index number for that month. A further explanation is provided in the Appendix to the March 1988 issue of this publication.

Related publications

16. 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.

17. 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.

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

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