



BALANCE OF PAYMENTS

AUSTRALIA

JUNE QUARTER 1989

CATALOGUE NO. 5302.0

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in compiling the national accounts and balance of payment aggregates at constant prices, estimates are made of many components at constant prices. While these components are generally not of the same accuracy as the published aggregates, they do provide a more detailed picture of what has happened in the economy. These more detailed estimates are available on computer printout and, in some cases, on floppy disk.

One area of particular interest at present is foreign trade. The constant price estimation of exports and imports of goods and services is done at a particularly detailed level, and two sets of unpublished estimates are available:

❖ Quarterly constant price estimates and their implicit price deflators for exports and imports of goods (on a recorded trade basis) for nearly 70 divisions of the Standard International Trade Classification. Data can be supplied for the last 13 quarters on hard copy output for \$108* per quarter, or covering a longer time span on floppy disk for \$160* per quarter.

❖ Quarterly current and constant price estimates of detailed components of exports and imports of services (in original and seasonally adjusted terms) on hard copy output for \$41* per quarter.

If you would like to obtain either of these special data services, or find out what other unpublished data are available, please contact:

**Paul Curran
Constant Price Estimates Section
Australian Bureau of Statistics
PO Box 10
Belconnen ACT 2616
Telephone (062) 52 6708**

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**BALANCE OF PAYMENTS
AUSTRALIA
JUNE QUARTER 1989**

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Australian Statistician

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PHONE INQUIRIES	• about these statistics and the availability of related unpublished statistics — contact Mr Daniel Aherne on Canberra (062) 52 6689 or Mr Joseph Dalgleish on Canberra (062) 52 5540. • about constant price estimates and implicit price deflators— contact Mr Stephen Waugh on Canberra (062) 52 6711. • about other statistics and ABS services - contact Information Services on Canberra (062) 52 6627, 52 5402, 52 6007 or any ABS State office.
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MAIN FEATURES

Estimates of the main balance of payments aggregates for the June quarter 1989, the preceding quarter and the two latest financial years are shown in the following table together with related data on exchange rates and the trade weighted index.

MAIN AGGREGATES, EXCHANGE RATES AND THE TRADE-WEIGHTED INDEX

	1987-88	1988-89	Per cent change (a)	1988-89					
				Not seasonally adjusted			Seasonally adjusted		
				Mar qtr	Jun qtr	Per cent change (a)	Mar qtr	Jun qtr	Per cent change (a)
MAIN AGGREGATES (\$ million)									
Balance on current account	-11832	-17426	-47.3	-4601	-4674	-2	-4884	-4833	+1
Balance on goods and services	-2314	-6721	-190.4	-1606	-1901	-18	-2164	-2325	-7
Balance on merchandise trade	155	-4075	..	-1083	-910	+16	-1339	-1437	-7
Net services	-2469	-2646	-7.2	-523	-991	+89	-825	-888	-8
Net income	-11182	-12979	-16.1	-3567	-3405	+5	-3317	-3230	+3
Net unrequited transfers	1664	2274	+36.7	572	632	+10	597	722	+21
Balance on capital account	8571	12160	41.9	5744	507	..	..	..	..
Official	498	-308	..	1103	-1934	..	..	..	..
Non-official	8073	12468	54.4	4641	2441	..	..	..	..
EXCHANGE RATES - UNITS OF FOREIGN CURRENCY PER SA (b)									
United States dollar	.7290	.8160	+11.9	.8475	.7777	-8.2	..	..	..
Special drawing right	.5448	.6244	+14.6	.6439	.6126	-4.9	..	..	..
TRADE-WEIGHTED INDEX OF THE VALUE OF THE SA (MAY 1970=100) (b)									
	54.8	61.6	+12.4	63.4	60.0	-5.4	..	..	..

(a) For the current account, a minus sign means an increase in the deficit or a decrease in the surplus and a plus sign means a decrease in the deficit or an increase in the surplus. (b) Period averages.

June quarter 1989 compared with March quarter 1989 -

• **Goods and services** (seasonally adjusted). The deficit on goods and services widened by \$161 million. The merchandise trade deficit increased by \$98 million with a 9 per cent increase in exports being outweighed by an 8 per cent increase in imports. The growth in merchandise imports reflected higher volumes of both exogenous and endogenous imports (including higher volumes in each of the consumption, capital and other goods components of endogenous imports) coupled with rises in import prices over the quarter. The services deficit rose by \$63 million. For further details, see *Notes on the estimates*.

• **Income and unrequited transfers** (seasonally adjusted). The income deficit fell \$87 million. Both income debits and credits fell slightly but the absolute fall in debits was larger. The unrequited transfers surplus rose \$125 million.

• **Official capital** (not seasonally adjusted). The sharp turnaround to an outflow mainly reflected transactions in general government borrowing domiciled in Australia. Also the change from a net inflow to a small outflow on account of borrowing domiciled abroad contributed significantly to the magnitude of the turnaround.

• **Non-official capital** (not seasonally adjusted). The fall in the net inflow was due to both lower foreign investment in Australia mainly on account of portfolio and other investment borrowing and higher Australian investment abroad resulting from direct investment lending.

Financial year 1988-89 compared with financial year 1987-88

• The balance on **merchandise trade** turned around by \$4,230 million from a small surplus to a deficit of \$4,075 million, as a result of imports (up 16 per cent) rising more than exports (up 6 per cent). In volume terms, imports rose 27 per cent and exports fell 1 per cent.

• The **net services** deficit rose by \$177 million to \$2,646 million as a result of a \$1,245 million (or 13 per cent) increase in services credits being outweighed by a \$1,422 million (or 12 per cent) increase in services debits. The main increase in services credits was travel expenditure, up 24 per cent, while shipment debits (up 10 per cent), other transportation debits and travel debits (both up 15 per cent) also significantly increased. Credit volumes were up 9 per cent while debit volumes were up 19 per cent.

• Australia's **terms of trade** for goods and services increased by 16 per cent. The implicit price deflator for exports of goods and services rose 6 per cent while the corresponding deflator for imports fell by 8 per cent.

• The **net income** deficit rose by \$1,797 million to \$12,979 million, largely due to the increase in interest payable abroad.

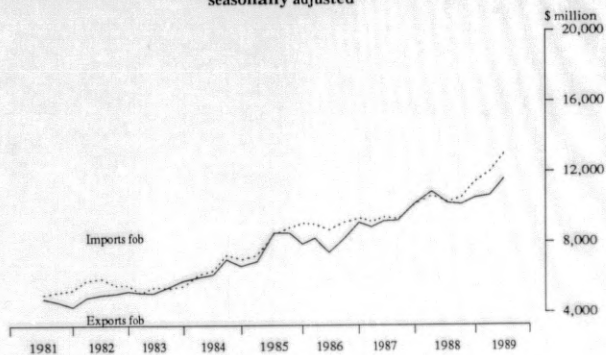
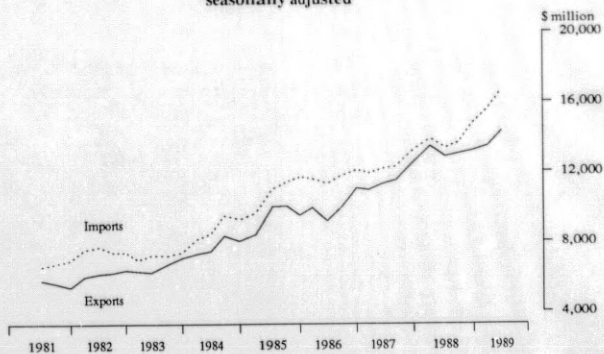
• The **net unrequited transfers** surplus rose by \$610 million to \$2,274 million, chiefly due to increased immigrants' transfers into Australia.

- **Official capital.** The turnaround from a net inflow to a net outflow largely reflected the fall in the net inflow from borrowing transactions.

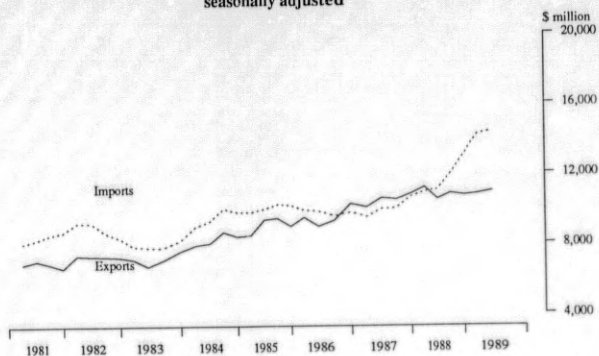
- **Non-official capital.** The higher net inflow resulted from a combination of increased foreign investment in Australia and a fall in Australian investment abroad. The

rise in foreign investment in Australia was mainly accounted for by direct investment in corporate equities and portfolio and other investment borrowing. The fall in Australian investment abroad was largely due to reduced direct investment in corporate equities and portfolio and other investment lending.

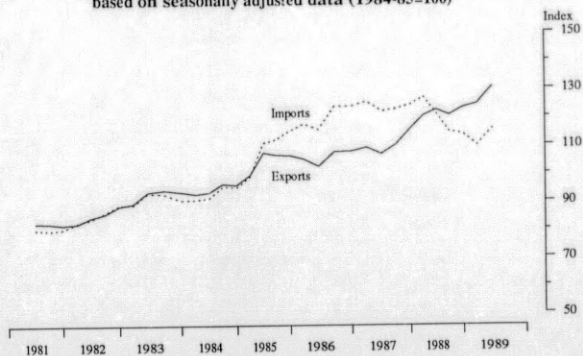
GRAPHS OF PRINCIPAL BALANCE OF PAYMENTS AGGREGATES

Graph 1. Merchandise -
seasonally adjustedGraph 2. Goods and services at current prices -
seasonally adjusted

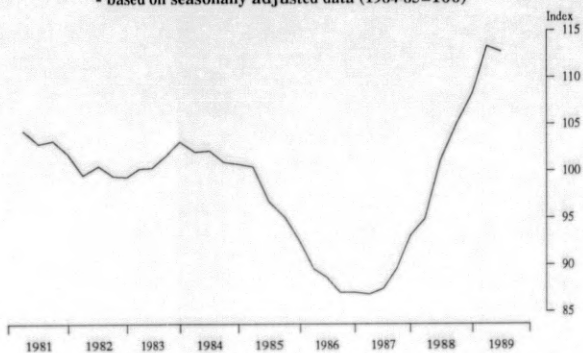
Graph 3. Goods and services at average 1984-85 prices -
seasonally adjusted



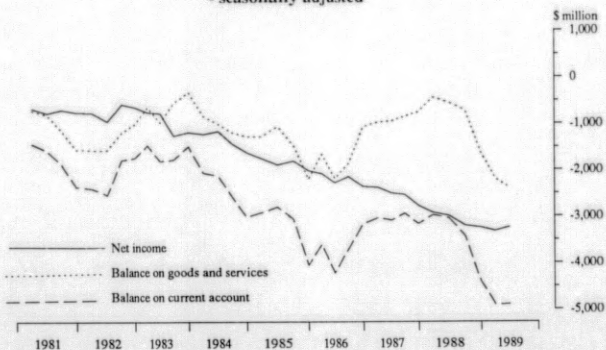
Graph 4. Implicit price deflators for goods and services -
based on seasonally adjusted data (1984-85=100)



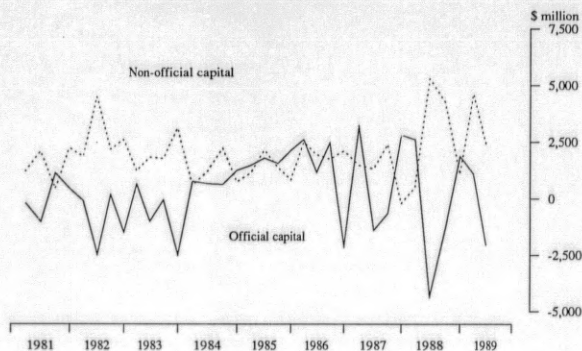
Graph 5. Terms of trade for goods and services
- based on seasonally adjusted data (1984-85=100)



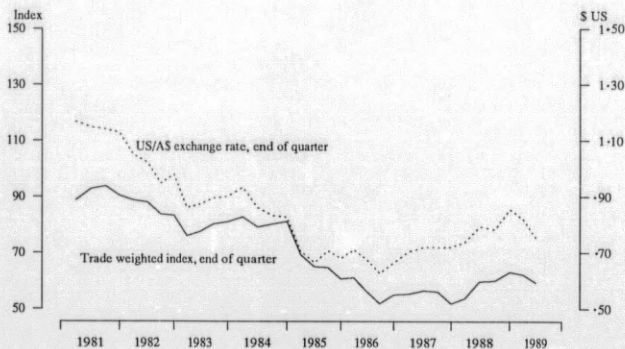
Graph 6. Current account major aggregates
- seasonally adjusted



Graph 7. Net capital transactions



Graph 8. Trade weighted index (May 1970=100) and US/A\$ exchange rate



NOTES ON THE ESTIMATES

GOODS AND SERVICES

The following table shows, for the last eight quarters, the changes in exports and imports of goods and services, seasonally adjusted, at current and constant prices and corresponding implicit price deflators and terms of trade measures.

PERCENTAGE CHANGES IN EXPORTS AND IMPORTS OF GOODS AND SERVICES AND TERMS OF TRADE

	1987-88				1988-89			
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
AT CURRENT PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	+2.1	+8.5	+7.5	-4.4	+1.4	+1.3	+1.9	+6.3
Merchandise exports	+0.5	+10.0	+6.7	-6.0	-0.5	+3.5	+1.2	+8.6
Services credits	+9.5	+2.1	+10.9	+2.4	+8.6	-6.7	+4.7	-2.6
Imports of goods and services	+0.8	+7.6	+4.9	-3.7	+2.5	+8.3	+5.4	+6.5
Merchandise imports	-1.2	+8.7	+5.2	-3.5	+2.4	+8.7	+4.7	+8.5
Services debits	+8.0	+4.2	+3.9	-4.3	+2.7	+7.0	+7.8	-0.3
AT CONSTANT (AVERAGE 1984-85) PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	-0.8	+3.3	+3.3	-5.9	+2.9	-1.0	+0.9	+1.3
Merchandise exports	-2.6	+3.8	+2.1	-7.3	+1.4	+0.8	-	+2.8
Services credits	+8.1	+0.9	+8.7	+0.4	+9.5	-7.6	+4.7	-4.6
Imports of goods and services	+0.4	+6.5	+2.6	+1.0	+8.1	+9.1	+9.0	+1.2
Merchandise imports	-1.7	+8.6	+2.8	+1.5	+7.4	+9.9	+9.3	+2.9
Services debits	+7.7	-0.4	+2.1	-0.7	+10.4	+6.6	+8.0	-5.1
IMPLICIT PRICE DEFLATORS (a)								
Exports of goods and services	+3.0	+5.1	+4.2	+1.6	-1.5	+2.2	+1.1	+4.9
Merchandise exports	+3.2	+6.0	+4.5	+1.4	-1.7	+2.7	+1.2	+5.7
Services credits	+1.2	+1.2	+2.0	+2.0	-0.8	+1.0	+0.1	+2.1
Imports of goods and services	+0.5	+1.1	+2.3	-4.7	-5.1	-0.8	-3.3	+5.2
Merchandise imports	+0.5	+0.1	+2.4	-4.9	-4.6	-1.1	-4.2	+5.5
Services debits	+0.3	+4.6	+1.8	-3.6	-7.0	+0.3	-0.2	+5.1
TERMS OF TRADE (a)								
Goods and services	+2.5	+3.9	+1.9	+6.5	+3.9	+3.0	+4.4	-0.3
Merchandise trade	+2.7	+5.9	+2.0	+6.6	+3.0	+3.9	+5.6	+0.2
Services	+0.9	-3.2	-0.2	+5.8	+6.6	+0.7	+0.2	-2.8

(a) Derived from index numbers on base 1984-85 = 100. The index numbers are derived from seasonally adjusted current and constant price estimates.

June quarter 1989 compared with March quarter 1989, seasonally adjusted ("Volume" refers to values at average 1984-85 prices and "price" refers to implicit price deflators) -

Exports of merchandise at current prices rose \$922 million. Rural exports rose \$525 million as a result of a 14 per cent rise in volume and little change in price. Non-rural exports rose \$397 million due to a 2 per cent fall in volume and an 8 per cent rise in price.

Services credits at current prices fell \$73 million as a result of a 5 per cent fall in volume and a 2 per cent increase in price.

The *implicit price deflator* for total exports of goods and services rose 4.9 per cent. On a fixed weight basis the overall IPD rose 6.4 per cent, while compositional shifts implied a fall of 1.5 per cent.

Imports of merchandise at current prices rose \$1020 million. Exogenous imports rose \$261 million due to a 25 per cent rise in the IPD and a 1 per cent rise in volume. In the

absence of compositional effects the exogenous imports IPD would have risen 23.4 per cent, of which 16.8 per cent would have been due to an increase in fuels prices. Endogenous imports rose \$759 million due to a 3 per cent rise in volume and a 4 per cent increase in price.

Services debits decreased by \$10 million as a result of a 5 per cent decrease in volume and a 5 per cent rise in price.

The *implicit price deflator* for total imports of goods and services rose 5.2 per cent. On a fixed weight basis the overall IPD rose 5.5 per cent, while compositional shifts implied a fall of 0.3 per cent.

Australia's *terms of trade* fell by 0.3 per cent, the first fall following eight successive quarterly increases. It should be noted that at the time of compilation of the statistics in this publication the available information on the prices of internationally traded goods for the latest quarter is preliminary in nature and therefore subject to revision.

EXOGENOUS IMPORTS

For purposes of analysing movements in merchandise imports, the categories exogenous and endogenous imports are shown in various tables in this publication. Statistics on the main components of exogenous imports at current

prices are shown in the following table so that the impact of identified and sizeable lumpy transactions upon total merchandise imports and other key aggregates can be more readily assessed.

EXOGENOUS MERCHANDISE IMPORTS (NOT SEASONALLY ADJUSTED)
(\$ million)

Period	Fuels (a)	Civil Aircraft (b)	Other (c)	Total	Per cent of total merchandise imports
1986-87	1751	1058	1650	4459	12.0
1987-88	2036	189	1604	3829	9.5
1988-89	2017	837	1331	4185	8.9
1986-87 -					
March qtr	423	61	422	906	10.3
June qtr	428	282	396	1106	12.0
1987-88 -					
September qtr	412	90	437	939	9.6
December qtr	613	36	416	1065	10.3
March qtr	494	63	401	958	9.4
June qtr	517	-	350	867	8.6
1988-89 -					
September qtr	411	82	298	791	7.2
December qtr	294	471	372	1137	9.6
March qtr	561	149	283	993	8.6
June qtr	750	135	378	1263	9.9

(a) AICC Section 3. (b) Acquisition of aircraft by selected major airline companies. (c) Acquisition of associated aircraft equipment (eg spare engines etc), defence equipment and ships by selected public sector enterprises and certain other government goods.

BALANCING ITEM

The *balancing item* measures net errors and omissions in the accounts. In the June quarter 1989, there was a positive balancing item of \$4167 million; this followed a negative figure of \$1143 million in the previous quarter. The large quarterly turnaround is probably the result of differences in the time of recording of offsetting pairs of credit and debit entries in the accounts.

In 1988-89, the balancing item stood at a record annual (positive) level of \$5266 million, following high positive figures of \$3261 million in 1987-88 and \$3976 in 1986-87. There were relatively low figures in the two preceding years: (+)\$640 million in 1985-86 and (-)\$444 million in 1984-85.

While many factors contribute to the balancing item, the sharp increase in its size in recent years coincides with evidence that foreign investment transactions involving Australian real estate have become much more significant since 1986-87. It is difficult to identify and measure all such transactions, particularly when the foreign investors involved have no other financial investment activity in Australia. They are presently not comprehensively covered in the foreign investment survey and therefore in the balance of payments capital account. It appears that these transactions account for a substantial part of the increase in the balancing item in recent years.

The ABS is currently developing methods of improving the coverage of these transactions. The introduction of these improved methods will lead to downward revisions to balancing item figures for recent years.

Also, in the normal course of events, the balancing item figures for recent periods are based on preliminary data. It is reasonable to expect the more recent figures to the revised downwards as a result of more information becoming available in the usual way.

The improvements in the estimates introduced in this issue (see the *Changes in this issue* statement) have reduced the balancing item figures for 1986-87 and 1987-88 published in the March quarter 1989 issue of this publication.

REVISIONS

The most significant revisions included in this issue are given in detail in the *Changes in this issue* statement. In summary, the improvements to the services and royalties estimates described in the statement have reduced the deficit on current account, as published in the June 1989 monthly bulletin (\$301.0) by \$266 million in 1986-87, \$484 million in 1987-88 and \$636 million in 1988-89. However, other revisions have also been made to incorporate more up to date information from regular data sources. These are:

- revisions to merchandise trade, increasing the balance on merchandise trade surplus by \$11 million in 1987-88 and decreasing the deficit by \$150 million in 1988-89.
- revisions to investment income to incorporate preliminary results of the March quarter 1989 Survey of Foreign Investment which have increased the net income deficit for 1988-89 by \$262 million (mostly due to increases in income debits).

• revisions to shipment credits and other transportation credits and debits to reflect the latest available information from the Surveys of International Shipping and Airline Operations which have increased the net services deficit in 1988-89 by \$210 million.

Taken together, the revisions incorporated in this issue have decreased the deficit on current account, as publish-

ed in the June 1989 monthly bulletin, for 1986-87, 1987-88 and 1988-89 by \$266 million, \$495 million and \$314 million respectively.

For net capital transactions, the revisions reflect the inclusion of more up-to-date information from the Survey of Foreign Investment.

CHANGES IN THIS ISSUE - IMPROVED ESTIMATES OF SERVICES AND ROYALTIES TRANSACTIONS

Australia's balance of payments estimates are derived from a wide variety of sources. The ABS continually reviews its data sources and the methods of estimating balance of payments items from them. From time to time, better sources and methods are introduced which improve the quality of particular items.

In this issue, the ABS has incorporated improved estimates of services and royalties transactions. The improvements have occurred in response to the growing demand, both in Australia and abroad, for more and better information on imports and exports of services and related transactions. The changed sources and methods are described in this article. One consequence of introducing the improvements is that some previously-published estimates have been revised. These revisions are summarised in the table at the end of this article.

Students' expenditure

From this issue, quarterly estimates of travel services will be published in two parts: *students' expenditure* and *other travel*.

The separate identification of *students' expenditure*, a part of which was previously included indistinguishably in travel, involves a small, but significant, conceptual change. This change affects the treatment of students who are visiting Australia (or visiting abroad) for more than twelve months for the purpose of study. The travel item is defined to include the acquisition of goods and services in an economy by the residents of another economy - defined as travellers - during their stay in that economy. Previously, the definition of a non-resident traveller in Australia included persons visiting Australia for study purposes for less than a year, and other foreign students studying here under certain Commonwealth Government aid programs. Conversely, the definition of Australian resident travellers abroad included those going abroad for study for less than one year but not for longer periods. From this issue, both definitions of a traveller will regard all students as residents of their country of permanent residence, irrespective of their length of stay abroad. Hence, estimates of all foreign students' expenditure in Australia and all expenditure of Australian students abroad are now included in the services account.

This expanded definition of a traveller is consistent with international conventions for compiling balance of payments statistics which permit this exception to the general definition of a traveller on the basis that the students' centre of interest continues to be their country of permanent residence, and not the country in which they are temporarily residing in pursuit of their education. Separate estimates for *students' expenditure* and *other travel* will be shown in the quarterly balance of payments bulletin from this issue, but not in the monthly balance of payments bulletin (5301.0).

Credit estimates for *students' expenditure* consist of two components:

- expenditure in Australia by (or on behalf of) foreign students financed by Commonwealth government aid payments, and
- other expenditure in Australia by foreign students.

These estimates cover the acquisition in Australia of both education services (ie the output of education institutions measured by fees charged etc) and other goods and services (ie living expenses). The sources of the estimates of aid-financed expenditure are the Commonwealth Government ledgers. The second component is compiled by multiplying an estimate of the number of foreign visitors to Australia for education purposes (derived from overseas arrivals and departures statistics) by an estimate of the per capita expenditure of these visitors. This per capita expenditure estimate is based on annual benchmark data derived by combining detailed estimates of foreign student numbers at a particular date with corresponding estimates of these students' expenditure in Australia over a particular period. The student numbers are obtained primarily from the annual census of education institutions conducted on the 30 June each year by the Department of Education, Employment and Training (DEET). The corresponding expenditure data comes from a variety of sources, including the Commonwealth Government Budget papers, DEET, the Australian International Development Assistance Bureau, AUSTRADE, and the Bureau of Industry Economics. The latest annual benchmark data are in respect of 1987-88, and subsequent per capita expenditure estimates are made by extrapolation.

The debits estimates are compiled using a similar methodology, by multiplying an estimate of the number of Australian visitors abroad for education purposes (derived from overseas arrivals and departures statistics) by an estimate of the per capita expenditure of these visitors. At present, there is no source of information on students' expenditure abroad, so per capita estimates are based on the expenditure information used to derive the estimates for credits.

The method for both credits and debits assumes that all movements for the purpose of education are related to study. In addition, the method assumes that Australians studying abroad have similar expenditure behaviour to that of foreign students studying in Australia. These assumptions may not be completely valid, but investigations indicate that they are sufficiently realistic to justify publication of the resulting estimates, thereby enabling users to make a more complete assessment of students' expenditure for both credits and debits.

Using available historical data, the new series have been compiled as far back as 1975-76 (for credits) and 1959-60 (for debits). Prior to 1975-76, the scope of the credits item relates only to the expenditure of foreign students studying under certain Commonwealth Government aid programs.

Other travel

The *other travel* item differs from the previously-published travel item because its scope has been reduced to exclude students' expenditure. The method of estimating this item is broadly the same as before; however an improvement has been achieved from this issue in the timeliness of the source data for the credits component.

The credits estimates (for travel expenditure other than foreign students' expenditure, on-carriage receipts of domestic airlines and foreign military crews' expenditure) are compiled by multiplying estimates of the expenditure per head of relevant foreign travellers in Australia by corresponding estimates of the numbers of such travellers. Although the information on traveller numbers is available on a timely basis, the expenditure information has been less timely. The source of the expenditure information is the annual International Visitors Survey (conducted until the end of 1986 by the former Australian Tourist Commission, now Tourism Australia); until the survey data become available, the historical series is extrapolated.

The International Visitors Survey was not conducted for 1987 but it was recommenced by the Bureau of Tourism Research in 1988. Expenditure data from the 1988 Survey have now become available and are on a much more timely basis than in the past; previously they were provided with a lag of about twelve months after the reference year, but this has now been reduced to about seven months. Also the ABS has set up a system to compile quarterly data from the survey. In this issue, the 1988 extrapolations have been replaced by the quarterly 1988 data; new interpolated estimates have been provided for 1987; and the estimates from January 1989 are now extrapolated from the 1988 survey data.

The debits estimates (which cover travel expenditure other than Australian students' expenditure abroad) are derived in a similar way: estimates of the expenditure per head of relevant Australian travellers abroad are multiplied by corresponding estimates of the number of such travellers. Again, the traveller numbers information is available on a timely basis, but the expenditure source is less timely. The expenditure estimates are compiled using data obtained annually from enterprises engaged in various forms of international travel transactions, such as the issue of travellers cheques and credit cards or the wholesaling of prepaid travel arrangements; current estimates are made by extrapolation. Data are now available from these enterprises in respect of 1987-88. In this issue, the 1987-88 extrapolations have been replaced by survey data and estimates from July 1988 are now extrapolations from the 1987-88 survey data.

Further information about the survey used for estimating other travel debits (the Survey of International Travel Enterprises) as well as the survey results, are included in a special article in this issue.

Financial services

From this issue, quarterly estimates for *financial services* will be published under *other non-official services*.

Financial services measure those fees, charges and commissions associated with financial activity that are payable to (debts) or receivable from (credits) foreign residents. Examples of fees for financial services are charges on bank account transactions, charges for funds' transfer services, underwriting charges, brokerage and commission on sale of shares and other securities, loan raising charges, fees for financial investment services and fees for factoring services.

The new series have been compiled back to 1984-85. The estimates from 1986-87 have been obtained from the Survey of Foreign Investment. The estimates for the two earlier years are based on movements in data recorded in the Survey of Non-trade Foreign Receipts and Payments. Prior to 1984-85, separate data were not collected for financial services; for these earlier periods, financial services are included indistinguishably in *miscellaneous non-official services*.

Miscellaneous services

From this issue, the scope of *miscellaneous services* (part of *other non-official services*) excludes financial services. This applies to all estimates in the series from 1984-85.

Also, from this issue, the estimates have been improved by the incorporation of:

- data collected in the first (1987-88) ABS Survey of International Trade in Services,
- data on the value of repairs and processing obtained from foreign trade statistics, and
- data on education services provided abroad.

The Survey of International Trade in Services is a biennial survey of enterprises engaged in a range of selected service and royalty transactions abroad. The service transactions covered by the survey include exports and imports of communications services, management consultancy services, engineering services, advertising services and computer services. More information about the survey is provided in a special article included in this issue. Estimates for *miscellaneous services* have been substantially recomputed on the basis of the survey. This was achieved by replacing the previous 1987-88 estimates with the survey results and extrapolating or interpolating from the new 1987-88 benchmarks using indicator series derived from the Survey of Non-Trade Foreign Receipts and Payments and enterprise annual reports.

New monthly estimates of the value of repairs and processing have been added to both the credit and debit components of miscellaneous services. These estimates, derived from foreign trade statistics, represent the value of repairs and the value added by industrial processing on goods which are re-exported (or re-imported) after repair and processing. New estimates for the value of services provided by Australian educational institutions to foreign students studying offshore have also been added to the credit component of *miscellaneous services*; these estimates were derived for 1986-87 and 1987-88 using data from DEET and AUSTRALIA and extrapolated thereafter.

The estimates for both repairs and processing and offshore education services are relatively small.

The previous estimates for *miscellaneous services* were derived largely from the Survey of Non-trade Foreign Receipts and Payments. This survey is only capable of separately measuring those transactions for which a discrete settlement is remitted through the banking system. Intracorporate and other transactions which are settled on a net basis are not individually captured by this source (although net settlements may be recorded). For 1987-88, the new net estimate is not much different from the previous estimate. However, as expected, the new estimates for each of the credit and debit components are much larger than the previous estimates. Although the component estimates are now much more accurate, the fact that the Survey of International Trade in Services is only planned for every second year means that the latest estimates are likely to be subject to greater revision than in the past.

As a result of the above changes, the series for *miscellaneous services* have been revised back to 1971-72; the corresponding estimates prior to 1971-72 are based on the Survey of Non-Trade Foreign Receipts and Payments.

Other property income

From this issue, the estimates of *other property income* have been improved as a result of the incorporation of royalties data collected in the 1987-88 Survey of International Trade in Services. This was done by replacing the

previous 1987-88 estimates with preliminary results from the survey and extrapolating or interpolating from the new 1987-88 benchmarks using indicator series based on taxation statistics, the Survey of Research and Experimental Development and the Survey of Non-Trade Foreign Receipts and Payments.

The previous series were compiled solely from taxation statistics, the Survey of Research and Experimental Development and the Survey of Non-Trade Foreign Receipts and Payments.

For *other property income credits*, the new series has been compiled back to 1978-79; for *cinema and television film royalties debits*, the new series has been compiled back to 1959-60; and for *other property income debits - other*, the new series has been compiled back to 1970-71. For earlier periods, the series is based on the Survey of Non-Trade Foreign Receipts and Payments.

Unrequited transfers

The item *unrequited transfers debits - foreign aid* includes aid payments for the provision of education to foreign students in Australia. With the expansion of scope of the travel item to include additional students' expenditure, the definition of foreign aid has also been expanded to provide offsetting entries. The source of the additional foreign aid data is the Commonwealth Government Budget papers. The series has been revised back to 1975-76.

SUMMARY OF REVISIONS TO THE BALANCE OF PAYMENTS
ARISING FROM THE IMPROVEMENTS IN THE ESTIMATES (a)
(\$ million)

	1986-87	1987-88	1988-89
Revisions to:			
Travel credits (b)	+440	+826	+996
Travel debits (c)	+102	-88	-157
Net	+542	+738	+839
Other non-official services credits	+689	+864	+921
Other non-official services debits	-742	-825	-926
Net	-53	+39	-5
Other property income credits	-33	-35	+22
Other property income debits	-94	-163	-128
Net	-127	-198	-106
Unrequited transfer debits	-96	-95	-92
Balance on current account(d)	+266	+484	+636

(a) Revisions to estimates published in the June 1989 monthly balance of payments bulletin (5301.0). (b) Of which, the new series for students' expenditure contributed - 1986-87: +338, 1987-88: +451, 1988-89: +518. (c) Of which, the new series for students' expenditure contributed - 1986-87: -89, 1987-88: -86, 1988-89: -99. (d) The positive sign means a reduction in the deficit.

Availability of revised historical series

The improved estimates have been compiled for a long run of past periods. The historical series are available on AUSSTATS, on the ABS floppy disk service or on re-

quest from Mr Daniel Aherne on (062) 526689. They will be published shortly in Balance of Payments, Australia - Historical Series on Microfiche, June quarter 1989 (5337.0).

SURVEY OF INTERNATIONAL TRAVEL ENTERPRISES - RESULTS FOR 1987/88

As mentioned in the *Changes in this issue* section, results from the 1987-88 Survey of International Travel Enterprises (SITE) are now available and have been incorporated in the balance of payments from this issue. This article provides some more information about the survey and its use in the balance of payments, as well as some results from the survey.

The ABS has conducted the SITE on a number of occasions during the 1980's. The purpose of the SITE is to provide data for use in estimating the main part of Australian travellers' expenditure abroad (travel debits) in the balance of payments. It approaches banks and other financial institutions providing travel finance services, such

as credit cards, foreign currency and travellers' cheques for use abroad, and travel agents wholesaling pre-paid package tours abroad.

The 1987-88 SITE has been the most comprehensive survey of its kind yet conducted, approaching over 60 financial institutions and over 50 travel agency enterprises. It is estimated that these institutions accounted for over 95 per cent of all travel services provided to Australian residents travelling abroad in 1987-88. Results for the 1987-88 SITE are shown by component of expenditure in the table below. Results of the four previous SITE's are shown for comparison purposes together with the percentage share which each item bears to gross expenditure abroad.

EXPENDITURE ABROAD AS DERIVED FROM THE SURVEY OF INTERNATIONAL TRAVEL ENTERPRISES

Component of expenditure	1981-82	% of gross exp	1983-84	% of gross exp	1985-86	% of gross exp	1986-87	% of gross exp	1987-88	% of gross exp
International pre-paid packages (a)	221	11.7	207	8.9	227	7.7	265	7.9	305	7.6
Expenditure abroad using plastic cards	319	16.9	519	22.3	834	28.1	930	27.7	1080	26.7
Sales of travellers' cheques in Australia for use abroad	1069	56.5	1265	54.4	1424	48.1	1624	48.3	1790	44.3
Australian dollar notes repatriated from abroad	111	5.9	136	5.9	160	5.4	171	5.1	157	3.9
Sales in Australia of foreign currency notes	169	9.0	197	8.5	318	10.7	370	11	705	17.5
<i>Gross expenditure</i>	<i>1889</i>	<i>100.0</i>	<i>2324</i>	<i>100.0</i>	<i>2963</i>	<i>100.0</i>	<i>3360</i>	<i>100.0</i>	<i>4037</i>	<i>100.0</i>
less repurchases of travellers' cheques and foreign currency by Australian institutions (b)	67		92		95		126		163	
Expenditure abroad	1822		2232		2868		3234		3874	

(a) Tours marketed in Australia by travel agents, excluding international airfares. (b) Based on the ABS Survey of Non-Trade Foreign Receipts and Payments.

The above results reflect a particularly strong growth in the sales of *foreign currency* notes, with reported sales almost doubling in 1987-88. Although the amount spent abroad using *travellers' cheques* is still by far the most significant individual component of expenditure, its share of total expenditure declined from 57 per cent in 1981-82 to 44 per cent in 1987-88. The amounts spent abroad using *plastic cards* (credit, debit and charge cards) and on *international pre-paid packages* in 1987-88 fell marginally as a proportion of total expenditure abroad when compared with the previous two years. Over the same timeframe, there has been a decline in both absolute and percentage terms, in the use of *Australian currency* abroad.

The SITE results play an integral part in the estimation of the travel debits item in the balance of payments. It should

be noted, however, that the results overstate expenditure abroad by Australian travellers for a number of reasons. For example, the SITE includes funds taken abroad by Australian emigrants (not regarded as travellers) and foreign currency acquired in Australia for speculative purposes. The SITE results are therefore discounted to allow for such factors in the estimation of travel debits. An ABS household survey provided a benchmark figure of expenditure abroad by Australian travellers in respect of 1982-83. An adjustment based on the relationship in 1982-83 between the household survey results (except students' expenditure) and the interpolated SITE results has been used to derive an estimate for travel debits (except students' expenditure) for other survey years. The above table is based on the unadjusted SITE data.

Investigations accompanying the 1987-88 SITE have resulted in some revisions to the survey data for previous years. These data were included in an article published in the December quarter 1987 issue of this bulletin. The revisions have mainly affected the *international pre-paid packages, travellers' cheques sales and foreign currency sales* components. Data from the 1986-87 AES Travel Agency Services Survey, together with other improvements, have resulted in extensive downward revisions to the pre-paid package component back to 1976-77. Downward adjustments have also been made to travellers' cheques sales to allow for the use within Australia of travellers' cheques denominated in SA (previously it was

assumed that the bulk of such cheques had been spent abroad). Upward revisions to the foreign currency sales component have been made as a result of better coverage through improved survey methodology.

Beginning with the September quarter 1988, a sample of the larger annual respondents to the SITE are being approached on a quarterly basis. These quarterly results will be linked to the related annual results. As the source data are now more timely, this should result in more accurate initial quarterly travel debits estimates and fewer and smaller revisions to the series in future.

THE SURVEY OF INTERNATIONAL TRADE IN SERVICES

The ABS has conducted its first Survey of International Trade in Services (ITSS). The preliminary results from this survey, covering the year 1987-88, have been incorporated in the balance of payments in this issue (see the *Changes in this issue statement*).

This new survey has been the main focus of ABS efforts to improve its statistics on international trade in services. Other important initiatives have been the development of new estimates of students' expenditure and more timely estimates of travellers' expenditure. These initiatives have occurred largely in response to a significant and growing demand domestically and internationally for better statistics on Australia's exports and imports of services. Two main policy concerns underpin this demand. These are:

- the need for information to help the Commonwealth Government formulate and monitor policy initiatives that will improve Australia's balance of payments position; and
- the need for up-to-date statistics to support the next round of multilateral trade negotiations under the General Agreement on Tariffs and Trade.

Internationally, agencies such as the International Monetary Fund, the Organisation for Economic Co-operation and Development, and the United Nations Statistical Office have undertaken major activities to assemble, standardise and improve services statistics. The ABS has contributed to these developments.

The 1987-88 ITSS collected information on Australia's exports and imports of selected services and royalties,

classified by country and by detailed service. It is planned to conduct future surveys once every two years.

The coverage of the 1987-88 ITSS was based on a sample of about 4700 enterprises known (or expected) to engage in trade in services internationally, or in royalties transactions abroad. Also information on international services and royalties transactions were collected from other businesses through the ABS 1987-88 Service Industries Survey.

Data were collected for the following categories:

Services -

- Communications, construction, commission agents, merchanting, agricultural, mining, computer, leasing, research and development, architectural, surveying, engineering, other technical, legal, accounting, market research, management consultancy, advertising, data bank, newsagency, and entertainment.

Royalties -

- Technical know-how, publications, computer software, film and video tapes, music, and other (including patents, etc.).

More detailed statistics from the new survey, and also on students' expenditure, will be published in *International Trade in Services, Australia 1987-88* (5354.0) due for release in September. This publication will also detail the contribution of services and royalties to the balance of payments current account.

(\$ million)

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(a) Balance of payments basis.

TABLE 2. BALANCE OF PAYMENTS - CURRENT ACCOUNT
(\$ million)

	Year			Quarters ended							
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89			
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Current transactions -											
Goods and services -											
Merchandise (a) -											
Exports fob	35423	40541	42938	8616	9412	9128	10305	10646	10462	10051	10664
Imports fob	-37159	-40386	-47013	-8803	-9247	-9734	-10361	-10222	-10069	-10973	-11824
Balance on merchandise trade	-1736	155	-4075	-187	165	-606	-56	424	393	-922	-1160
Services -											
Credits -											
Shipment	462	537	544	114	127	132	138	137	130	130	132
Other transportation	2765	3142	3216	743	655	707	794	853	788	791	837
Travel	2658	3792	4691	872	627	722	953	1166	951	1133	1253
Other services	2020	2370	2635	476	577	587	576	592	615	621	622
Total services credits	7905	9841	11086	2205	1986	2148	2461	2748	2484	2675	2844
Debits -											
Shipment	-2756	-2856	-3146	-633	-632	-691	-755	-723	-687	-737	-761
Other transportation	-2114	-2510	-2896	-496	-549	-619	-610	-649	-632	-658	-699
Travel	-3104	-3698	-4251	-742	-773	-1034	-907	-868	-889	-1091	-1037
Other services	-2911	-3246	-3439	-765	-761	-769	-786	-869	-822	-820	-848
Total services debits	-10885	-12310	-13732	-2636	-2715	-3113	-3058	-3109	-3030	-3306	-3345
Net services	-2980	-2469	-2646	-431	-729	-965	-597	-361	-546	-631	-501
Balance on goods and services	-4716	-2314	-6721	-618	-564	-1571	-653	63	-153	-1553	-1661
Income -											
Credits -											
Property income -											
Reinvested earnings	1176	1806	2196	294	294	451	452	451	452	549	549
Other	1629	1544	1842	393	560	390	433	356	365	402	399
Labour and other income	178	215	245	46	48	59	52	52	52	62	60
Total income credits	2983	3565	4283	733	902	900	937	859	869	1013	1008
Debits -											
Property income -											
Reinvested earnings	-1244	-2428	-2604	-311	-311	-607	-607	-607	-607	-651	-651
Other	-10938	-12055	-14349	-2964	-3056	-2537	-3006	-3263	-3249	-3131	-3438
Labour and other income	-197	-264	-309	-59	-51	-56	-68	-73	-67	-76	-81
Total income debits	-12379	-14747	-17262	-3334	-3418	-3200	-3681	-3943	-3923	-3858	-4170
Net income	-9396	-11182	-12979	-2601	-2516	-2300	-2744	-3084	-3054	-2845	-3162
Unrequited transfers -											
Credits	3017	3545	4268	794	780	812	881	902	950	930	1030
Debits	-1804	-1881	-1994	-512	-489	-365	-452	-538	-526	-418	-472
Net unrequited transfers	1213	1664	2274	282	291	447	429	364	424	512	558
Balance on current account	-12899	-11832	-17426	-2937	-2789	-3424	-2968	-2657	-2783	-3886	-4265

(a) Balance of payments basis.

TABLE 3. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED
(\$ million)

	Quarters ended-									
	1986-87		1987-88				1988-89			
	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
Current transactions -										
<i>Goods and services -</i>										
<i>Merchandise (a) -</i>										
Exports fob	8885	9220	9264	10195	10880	10231	10182	10540	10670	11592
Imports fob	-9199	-9446	-9331	-10145	-10675	-10304	-10553	-11469	-12009	-13029
<i>Balance on merchandise trade</i>	-314	-226	-67	50	205	-73	-371	-929	-1339	-1437
<i>Services -</i>										
<i>Credits -</i>										
Shipment	114	127	132	138	137	130	130	132	141	141
Other transportation	706	692	744	754	802	541	842	795	803	789
Travel	791	705	804	860	1055	1072	1260	1131	1208	1093
Other services	473	560	601	578	589	603	641	623	656	712
<i>Total services credits</i>	2084	2084	2281	2330	2583	2646	2873	2681	2808	2735
<i>Debits -</i>										
Shipment	-667	-653	-659	-727	-762	-712	-704	-730	-829	-895
Other transportation	-518	-542	-590	-622	-674	-626	-629	-711	-768	-797
Travel	-792	-802	-921	-927	-927	-925	-969	-1060	-1161	-1081
Other services	-740	-744	-789	-808	-842	-803	-847	-869	-875	-850
<i>Total services debits</i>	-2717	-2741	-2939	-3084	-3205	-3066	-3149	-3370	-3633	-3623
<i>Net services</i>	-633	-657	-678	-754	-622	-420	-276	-689	-825	-888
<i>Balance on goods and services</i>	-947	-883	-745	-704	-417	-493	-647	-1618	-2164	-2325
 <i>Income -</i>										
<i>Credits -</i>										
Property income -										
Reinvested earnings	294	294	451	452	451	452	549	549	549	549
Other	431	416	402	439	361	347	408	401	545	496
Labour and other income	48	50	54	53	54	54	56	62	63	65
<i>Total income credits</i>	773	760	907	944	866	853	1013	1012	1157	1110
<i>Debits -</i>										
Property income -										
Reinvested earnings	-311	-311	-607	-607	-607	-607	-651	-651	-651	-651
Other	-2788	-2895	-2770	-3038	-3118	-3161	-3477	-3523	-3750	-3613
Labour and other income	-54	-55	-61	-65	-67	-72	-83	-77	-73	-76
<i>Total income debits</i>	-3153	-3261	-3438	-3710	-3792	-3840	-4211	-4251	-4474	-4340
<i>Net income</i>	-2380	-2501	-2531	-2766	-2926	-2987	-3198	-3239	-3317	-3230
 <i>Unrequited transfers -</i>										
<i>Credits</i>	791	778	846	854	899	947	966	996	1115	1191
<i>Debits</i>	-482	-421	-419	-506	-505	-452	-488	-538	-518	-469
<i>Net unrequited transfers</i>	309	357	427	348	394	495	478	458	597	722
Balance on current account	-3018	-3027	-2849	-3122	-2949	-2985	-3367	-4399	-4884	-4833

(a) Balance of payments basis.

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89		1988-89		1988-89	
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
Net capital transactions -													
Official -													
General government -													
Foreign investment in Australia -													
Borrowing	6146	4087	993	1647	2700	1064	-743	3872	-106	-172	2156	975	-1966
Other	-12	-72	-188	-28	-38	-2	-15	-27	-28	-12	-19	-24	-133
Total	6134	4015	805	1619	2662	1062	-758	3845	-134	-184	2137	951	-2099
Australian investment abroad	-573	415	-240	4	-384	167	23	-141	366	-386	96	-80	130
Total general government	5561	4430	565	1623	2278	1229	-735	3704	232	-570	2233	871	-1969
Reserve Bank -													
Foreign investment in Australia	18	-8	—	—	17	-1	-11	1	3	-36	64	-18	-10
Australian investment abroad -													
Reserve assets	-3394	-3924	-873	1566	-3680	-1856	3580	-1077	-4571	-758	-410	250	45
Other	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	-3394	-3924	-873	1566	-3680	-1856	3580	-1077	-4571	-758	-410	250	45
Total Reserve Bank	-3376	-3932	-873	1566	-3663	-1857	3569	-1076	-4568	-794	-346	232	35
Total official	2185	498	-308	3189	-1385	-628	2834	2628	-4336	-1364	1887	1103	-1934
Non official -													
Foreign investment in Australia -													
Direct investment -													
Reinvestment of earnings	1244	2428	2604	311	311	607	607	607	607	651	651	651	651
Other	2818	2779	4573	-109	815	1031	235	-100	1613	1879	899	431	1364
Portfolio & other investment	11084	13751	14256	3660	1646	3952	3624	1200	4975	3872	1507	5445	3432
Total foreign investment in Australia	15146	18958	21433	3862	2772	5590	4466	1707	7195	6402	3057	6527	5447
Australian investment abroad -													
Direct investment -													
Reinvestment of earnings	-1176	-1806	-2196	-294	-294	-451	-452	-451	-452	-549	-549	-549	-549
Other	-3068	-8038	-3032	-264	-243	-1502	-3536	-1550	-1450	-771	-1582	152	-831
Portfolio & other investment	-4164	-1041	-3737	-1807	-884	-1217	-675	825	26	-808	186	-1489	-1626
Total Australian investment abroad	-8408	-10885	-8965	-2365	-1421	-3170	-4663	-1176	-1876	-2128	-1945	-1886	-3006
Total non-official	6738	8073	12468	1497	1351	2420	-197	531	5319	4274	1112	4641	2441
Balance on capital account	8923	8571	12160	4686	-34	1792	2637	3159	983	2910	2999	5744	507

TABLE 5. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES AT CURRENT AND AVERAGE 1984-85 PRICES - ORIGINAL AND SEASONALLY ADJUSTED
(\$ million)

	Year			Quarters ended									
				1986-87			1987-88			1988-89			
	1986-87	1987-88	1988-89	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
At current prices													
Merchandise exports fob	35423	40541	42938	8616	9412	9128	10305	10646	10462	10051	10664	10412	11811
Services, credits	7905	9841	11086	2205	1986	2148	2461	2748	2484	2675	2844	2985	2582
Total exports of goods and services	43328	50382	54024	10821	11398	11276	12766	13394	12946	12726	13508	13397	14393
Merchandise imports fob	-37159	-40386	-47013	-8803	-9247	-9734	-10361	-10222	-10069	-10973	-11824	-11495	-12721
Services, debits	-10885	-12310	-13732	-2636	-2715	-3113	-3058	-3109	-3030	-3306	-3345	-3508	-3573
Total imports of goods and services	-48044	-52696	-60745	-11439	-11962	-12847	-13419	-13331	-13099	-14279	-15169	-15003	-16294
At average 1984-85 prices													
Merchandise exports fob	33479	35018	34712	8103	8988	8490	9060	8871	8597	8527	8789	8365	9031
Services, credits	6692	7880	8597	1836	1666	1768	1987	2166	1959	2107	2202	2303	1985
Total exports of goods and services	40171	42898	43309	9939	10654	10258	11047	11037	10556	10634	10991	10668	11016
Merchandise imports fob	-30132	-32979	-41994	-7038	-7600	-7942	-8429	-8158	-8450	-9625	-10482	-10676	-11211
Services, debits	-8670	-9675	-11532	-2098	-2231	-2515	-2363	-2376	-2421	-2797	-2823	-2993	-2919
Total imports of goods and services	-38802	-42654	-53526	-9136	-9831	-10457	-10792	-10534	-10871	-12422	-13305	-13669	-14130
At current prices - seasonally adjusted													
Merchandise exports fob	..	..	..	8885	9220	9264	10195	10880	10231	10182	10540	10670	11592
Services, credits	..	..	..	2084	2084	2281	2330	2583	2646	2873	2681	2808	2735
Total exports of goods and services	..	..	..	10969	11304	11545	12525	13463	12877	13055	13221	13478	14327
Merchandise imports fob	..	..	..	-9199	-9446	-9331	-10145	-10675	-10304	-10553	-11469	-12009	-13029
Services, debits	..	..	..	-2717	-2741	-2959	-3084	-3205	-3066	-3149	-3370	-3633	-3623
Total imports of goods and services	..	..	..	-11916	-12187	-12290	-13229	-13880	-13370	-13702	-14839	-15642	-16652
At average 1984-85 prices - seasonally adjusted													
Merchandise exports fob	..	..	..	8310	8848	8619	8943	9132	8466	8581	8647	8646	8891
Services, credits	..	..	..	1746	1732	1872	1889	2053	2062	2257	2085	2182	2081
Total exports of goods and services	..	..	..	10056	10580	10491	10832	11185	10528	10838	10732	10828	10972
Merchandise imports fob	..	..	..	-7340	-7751	-7617	-8274	-8503	-8629	-9269	-10183	-11127	-11452
Services, debits	..	..	..	-2154	-2235	-2406	-2396	-2446	-2428	-2681	-2858	-3086	-2929
Total imports of goods and services	..	..	..	-9494	-9986	-10023	-10670	-10949	-11057	-11950	-13041	-14213	-14381

TABLE 6. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES - IMPLICIT PRICE DEFLATORS AND TERMS OF TRADE (1984-85 = 100) (a)

	Year			Quarters ended							
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89		1988-89	
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Implicit price deflators											
<i>Merchandise exports</i>											
Rural exports fob	105.4	128.2	141.6	106.4	106.1	110.6	122.9	136.4	140.8	137.8	144.5
Non-rural exports fob	106.1	109.4	115.2	107.2	103.1	105.6	109.1	110.6	112.1	110.2	110.8
<i>Total exports fob</i>	105.8	115.8	123.7	106.9	104.2	107.5	114.0	119.1	120.8	118.7	121.9
<i>Services, credits</i>	118.1	124.9	129.0	119.4	120.3	121.8	123.3	125.8	128.3	127.3	128.6
<i>Total exports of goods and services</i>	107.9	117.4	124.7	109.1	106.8	110.0	115.6	120.4	122.3	120.5	123.2
<i>Merchandise imports fob (b)</i>											
Exogenous imports fob	88.9	84.3	72.9	90.9	93.9	91.4	85.8	84.5	76.2	71.0	78.1
Endogenous imports fob	130.2	128.5	118.2	130.7	126.9	127.3	129.3	131.8	125.9	119.6	118.5
<i>Total imports fob</i>	123.3	122.5	112.0	125.3	121.9	122.5	122.6	125.5	119.4	113.9	112.6
<i>Services, debits (b)</i>	125.5	127.2	119.2	126.1	122.6	123.0	128.7	131.0	126.3	117.5	117.9
<i>Total imports of goods and services</i>	123.8	123.5	113.5	125.5	122.0	122.6	124.0	126.8	120.9	114.7	113.8
Terms of trade											
Merchandise trade (c)	85.8	94.5	110.5	85.3	85.5	87.8	93.0	94.9	101.2	104.2	108.3
Services (d)	94.1	98.2	108.2	94.7	98.1	99.0	95.8	96.0	101.6	108.3	109.1
Goods and services (e)	87.2	95.1	109.9	86.9	87.5	89.7	93.2	95.0	101.2	105.1	108.3

(a) Quarterly figures are derived from seasonally adjusted data. (b) These entries carry the opposite sign to related entries in Tables 1, 2, 3, 5, 7, 8, 9, 10 and 13. (c) Derived by dividing the implicit price deflator (IPD) for merchandise exports fob by the IPD for merchandise imports fob. (d) Derived by dividing the IPD for services, credits by the IPD for services, debits. (e) Derived by dividing the IPD for total exports of goods and services by the IPD for total imports of goods and services.

TABLE 7. MERCHANDISE (BALANCE OF PAYMENTS BASIS)

	(\$ million)												
	Year			Quarters ended									
	1986-87	1987-88	1988-89	1986-87		1987-88			1988-89				
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
Exports fob (a) -													
Rural exports fob -													
Meat & meat preparations	2244	2555	2247	512	598	610	656	621	668	534	601	481	631
Cereal grains & cereal preparations	2778	2202	2723	649	724	625	549	623	405	453	501	718	1051
Sugar, sugar preparations & honey	708	698	897	157	172	189	161	152	196	305	205	156	231
Wool and sheepskins	3888	5811	5960	1106	1168	906	1547	1904	1454	1039	1780	1717	1424
Other rural	3521	3976	3963	809	946	976	937	1014	1049	1017	1025	879	1042
Total rural	13139	15242	15790	3233	3608	3306	3850	4314	3772	3348	4112	3951	4379
Non-rural exports fob -													
Metal ores & minerals	4956	5455	6571	1041	1173	1270	1439	1305	1441	1427	1504	1634	2006
Mineral fuels -													
Coal, coke and briquettes	5456	4850	4725	1273	1355	1140	1314	1269	1127	1126	1212	1100	1287
Other mineral fuels	1515	1779	1250	415	434	411	522	456	390	374	261	271	344
Metals -													
Gold	1552	2563	2739	423	525	474	578	737	774	761	612	745	621
Other metals	2899	3749	4644	728	752	880	966	918	985	1125	1160	1074	1285
Machinery	1595	1835	1858	381	425	436	475	416	508	475	483	409	491
Transport equipment	1034	957	885	304	249	272	191	231	263	209	180	231	265
Manufactures nec	2363	2941	3269	543	671	682	726	703	830	861	834	714	860
Other non-rural	914	1170	1207	275	220	257	244	297	372	345	306	283	273
Total non-rural	22284	25299	27148	5383	5804	5822	6455	6332	6690	6703	6552	6461	7432
Total exports fob	35423	40541	42938	8616	9412	9128	10305	10646	10462	10051	10664	10412	11811
Imports fob (a) -													
Food, beverages & tobacco	-1936	-2013	-2217	-535	-437	-481	-516	-552	-464	-494	-581	-584	-558
Fuels	-1751	-2036	-2017	-423	-428	-412	-613	-494	-517	-411	-295	-561	-750
Chemicals (including plastics)	-3466	-4280	-4976	-845	-938	-991	-1021	-1145	-1123	-1223	-1198	-1211	-1344
Textiles, fabrics etc	-1830	-1931	-2001	-424	-473	-512	-496	-448	-475	-522	-493	-471	-515
Metals & metal manufactures	-1845	-2205	-2629	-424	-473	-565	-548	-540	-552	-602	-609	-657	-761
Machinery	-11360	-12230	-13816	-2695	-2826	-2947	-3192	-3024	-3067	-3237	-3452	-3319	-3808
Transport equipment	-4502	-4152	-6754	-868	-1166	-914	-1033	-1075	-1130	-1303	-1982	-1640	-1829
Manufactures nec	-7700	-8563	-9789	-1875	-1802	-2106	-2200	-2228	-2029	-2431	-2482	-2399	-2477
Other imports	-2769	-2976	-2814	-714	-704	-806	-742	-716	-712	-750	-732	-653	-679
Total imports fob	-37159	-40386	-47013	-8803	-9247	-9734	-10361	-10222	-10069	-10973	-11824	-11495	-12721
Of which -													
Exogenous	-4459	-3829	-4185	-906	-1106	-939	-1065	-958	-867	-791	-1138	-993	-1263
Endogenous -													
Consumption goods	-8296	-9348	-11483	-2041	-1833	-2236	-2444	-2478	-2190	-2658	-3004	-2903	-2918
Capital goods	-8031	-8578	-10593	-1900	-1990	-1965	-2265	-2066	-2282	-2429	-2666	-2550	-2948
Other goods	-16373	-18631	-20752	-3956	-4318	-4594	-4587	-4720	-4730	-5095	-5016	-5049	-5592
Total endogenous	-32700	-36557	-42828	-7897	-8141	-8795	-9296	-9264	-9202	-10182	-10686	-10502	-11458
Balance on merchandise trade	-1736	155	-4075	-187	165	-606	-56	424	393	-922	-1160	-1083	-910

(a) From March quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See note on 'Changes in this issue' on page 8 of the September quarter 1988 issue of this publication.

TABLE 8. MERCHANDISE (BALANCE OF PAYMENTS BASIS) AT AVERAGE 1984-85 PRICES
(\$ million)

	Year			Quarters ended							
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89			
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Exports fob (a) -											
<i>Rural exports fob -</i>											
Meat & meat preparations	1930	2131	1833	438	510	518	536	517	560	440	482
Cereal grains & cereal preparations	3462	2771	2557	865	1002	871	726	708	466	503	495
Sugar, sugar preparations & honey	653	642	671	140	169	177	169	121	173	238	164
Wool and sheepskins	3253	3205	2892	917	900	635	922	975	675	499	838
Other rural	3170	3136	3200	707	810	807	731	796	802	825	834
Total rural	12468	11885	11153	3067	3391	3008	3084	3117	2676	2505	2813
<i>Non-rural exports fob -</i>											
Metal ores & minerals	4733	5136	5191	1004	1194	1256	1388	1226	1266	1283	1330
Mineral fuels -											
Coal, coke and briquettes	5232	5545	5314	1214	1457	1279	1479	1453	1334	1284	1398
Other mineral fuels	2347	2557	2243	585	597	560	723	658	616	678	562
Metals -											
Gold	1032	1561	2055	283	346	301	345	441	474	536	458
Other metals	2543	2689	2871	643	655	681	697	637	674	705	724
Machinery	1425	1639	1697	349	399	399	423	379	438	423	456
Transport equipment	934	878	840	273	228	245	163	219	251	206	175
Manufactures nec	1954	2168	2430	442	534	534	551	503	580	628	622
Other non-rural	811	960	918	243	196	227	207	238	288	279	251
Total non-rural	21011	23133	23559	5036	5597	5482	5976	5754	5921	6022	5976
Total exports fob	33479	35018	34712	8103	8988	8490	9060	8871	8597	8527	8789
Imports fob (a) -											
Food, beverages & tobacco	-1532	-1641	-1942	-416	-360	-398	-415	-442	-386	-431	-503
Fuels	-2753	-2957	-3681	-595	-576	-560	-844	-727	-826	-761	-613
Chemicals (including plastics)	-2769	-3259	-3813	-677	-766	-796	-787	-842	-834	-939	-913
Textiles, fabrics etc	-1426	-1476	-1681	-331	-374	-399	-369	-333	-375	-428	-414
Metals & metal manufactures	-1424	-1631	-1931	-327	-375	-437	-405	-387	-402	-442	-446
Machinery	-9134	-10610	-14073	-2170	-2375	-2476	-2727	-2576	-2831	-3228	-3524
Transport equipment	-3167	-2800	-5078	-568	-853	-634	-710	-703	-753	-932	-1569
Manufactures nec	-5754	-6325	-7510	-1403	-1360	-1595	-1607	-1624	-1499	-1860	-1910
Other imports	-2173	-2280	-2285	-551	-561	-647	-565	-524	-544	-604	-590
Total imports fob	-30132	-32979	-41994	-7038	-7600	-7942	-8429	-8158	-8450	-9625	-10482
<i>Of which -</i>											
<i>Exogenous</i>	<i>-5014</i>	<i>-4540</i>	<i>-5745</i>	<i>-997</i>	<i>-1180</i>	<i>-1030</i>	<i>-1237</i>	<i>-1134</i>	<i>-1139</i>	<i>-1117</i>	<i>-1450</i>
<i>Endogenous -</i>											
Consumption goods	-6220	-7036	-9157	-1526	-1395	-1723	-1830	-1827	-1656	-2100	-2375
Capital goods	-6271	-7160	-10204	-1483	-1617	-1607	-1867	-1690	-1996	-2289	-2577
Other goods	-12627	-14243	-16888	-3032	-3408	-3582	-3495	-3507	-3659	-4119	-4080
<i>Total endogenous</i>	<i>-25118</i>	<i>-28439</i>	<i>-36249</i>	<i>-6041</i>	<i>-6420</i>	<i>-6912</i>	<i>-7192</i>	<i>-7024</i>	<i>-7311</i>	<i>-8508</i>	<i>-9032</i>
Balance on merchandise trade	3347	2039	-7282	1065	1388	548	631	713	147	-1098	-1693

(a) From March Quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See note on 'Changes in this issue' on page 8 of the September quarter 1988 issue of this publication.

TABLE 9. MERCHANDISE (BALANCE OF PAYMENTS BASIS) - SEASONALLY ADJUSTED
(\$ million)

	1986-87			Quarters ended-			1988-89		
	1987		Sept.	1987-88		Sept.	1988-89		Sept.
	Mar.	June		Dec.	Mar.		Dec.	Mar.	
Exports fob (a) -									
<i>Rural exports fob -</i>									
Meat & meat preparations	581	575	574	646	701	643	506	589	542
Cereal grains & cereal preparations	525	720	706	627	505	404	510	572	582
Sugar, sugar preparations & honey	208	161	154	170	197	185	249	218	219
Wool and sheepskins	938	1122	1214	1490	1615	1403	1398	1701	1456
Other rural	884	911	919	952	1104	1013	959	1040	955
Total rural	3136	3489	3567	3885	4122	3648	3622	4120	3735
<i>Non-rural exports fob -</i>									
Metal ores & minerals	1197	1153	1208	1355	1499	1415	1362	1414	1875
Mineral fuels -									
Coal, coke and briquettes	1286	1353	1168	1267	1282	1131	1155	1163	1112
Other mineral fuels	408	461	439	473	446	416	404	233	264
Metals -									
Gold	445	452	473	655	769	667	766	689	774
Other metals	758	757	832	975	957	994	1063	1171	1120
Machinery	432	418	420	447	473	497	460	452	465
Transport equipment	342	251	273	173	253	264	213	163	250
Manufactures nec	604	653	655	705	779	808	827	812	789
Other non-rural	277	233	229	260	300	391	310	323	286
Total non-rural	5749	5731	5697	6310	6758	6583	6560	6420	6935
Total exports fob	8885	9220	9264	10195	10880	10231	10182	10540	10670
Imports fob (a) -									
Food, beverages & tobacco	-510	-460	-497	-499	-525	-490	-511	-561	-555
Fuels	-420	-425	-405	-634	-492	-510	-405	-305	-559
Chemicals (including plastics)	-869	-921	-956	-1049	-1177	-1104	-1181	-1229	-1244
Textiles, fabrics etc	-467	-476	-473	-488	-494	-477	-483	-484	-520
Metals & metal manufactures	-450	-479	-531	-544	-574	-561	-564	-604	-700
Machinery	-2852	-2870	-2845	-3080	-3201	-3120	-3131	-3319	-3515
Transport equipment	-924	-1180	-917	-956	-1142	-1148	-1320	-1815	-1740
Manufactures nec	-1931	-1944	-1951	-2149	-2294	-2192	-2256	-2417	-2469
Other imports	-776	-691	-756	-746	-776	-702	-702	-735	-707
Total imports fob	-9199	-9446	-9331	-10145	-10675	-10304	-10553	-11469	-12009
<i>Of which-</i>									
<i>Exogenous</i>	-903	-1103	-932	-1086	-956	-860	-785	-1148	-991
<i>Endogenous -</i>									
Consumption goods	-2120	-2019	-2103	-2293	-2571	-2415	-2500	-2819	-3010
Capital goods	-2030	-1961	-1926	-2193	-2207	-2258	-2390	-2565	-2723
Other goods	-4146	-4363	-4370	-4573	-4941	-4771	-4878	-4937	-5285
Total endogenous	-8296	-8343	-8399	-9059	-9719	-9444	-9768	-10321	-11018
Balance on merchandise trade	-314	-226	-67	50	205	-73	-371	-929	-1339

(a) From March Quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See note on 'Changes in this issue' on page 8 of the September quarter 1988 issue of this publication.

TABLE 10. MERCHANDISE (BALANCE OF PAYMENTS BASIS) AT AVERAGE 1984-85 PRICES - SEASONALLY ADJUSTED
(\$ million)

	Quarters ended-									
	1986-87		1987-88				1988-89			
	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
Exports fob (a) -										
<i>Rural exports fob -</i>										
Meat & meat preparations	497	490	487	528	584	539	417	472	461	483
Cereal grains & cereal preparations	700	996	983	830	574	465	566	565	539	893
Sugar, sugar preparations & honey	198	157	144	172	169	163	195	167	159	143
Wool and sheepskins	778	864	851	888	827	649	672	801	699	707
Other rural	773	780	760	743	867	775	778	846	785	792
Total rural	2946	3287	3225	3161	3021	2591	2628	2851	2643	3018
<i>Non-rural exports fob -</i>										
Metal ores & minerals	1155	1174	1195	1307	1408	1244	1224	1250	1448	1292
Mineral fuels -										
Coal, coke and briquettes	1227	1455	1311	1426	1468	1339	1318	1342	1294	1360
Other mineral fuels	575	634	598	655	643	656	732	502	465	561
Metals -										
Gold	297	298	301	391	460	408	539	515	612	407
Other metals	670	660	644	703	664	680	666	731	697	781
Machinery	396	384	384	398	431	429	410	427	428	431
Transport equipment	307	230	246	147	240	252	210	159	243	235
Manufactures nec	492	519	513	535	557	565	603	605	613	610
Other non-rural	245	207	202	220	240	302	251	265	203	196
Total non-rural	5364	5561	5394	5782	6111	5875	5953	5796	6003	5873
Total exports fob	8310	8848	8619	8943	9132	8466	8581	8647	8646	8891
Imports fob (a) -										
Food, beverages & tobacco	-397	-379	-411	-401	-421	-408	-446	-486	-505	-504
Fuels	-591	-571	-550	-873	-724	-816	-749	-633	-1153	-1134
Chemicals (including plastics)	-696	-752	-768	-809	-865	-820	-907	-937	-971	-999
Textiles, fabrics etc	-365	-377	-369	-363	-367	-377	-396	-407	-450	-433
Metals & metal manufactures	-347	-379	-410	-402	-412	-408	-414	-442	-526	-559
Machinery	-2296	-2412	-2390	-2631	-2727	-2880	-3122	-3388	-3657	-3937
Transport equipment	-604	-863	-636	-657	-747	-765	-944	-1437	-1340	-1338
Manufactures nec	-1445	-1467	-1477	-1570	-1672	-1619	-1726	-1860	-1943	-2002
Other imports	-599	-551	-606	-568	-568	-536	-565	-593	-582	-546
Total imports fob	-7340	-7751	-7617	-8274	-8503	-8629	-9269	-10183	-11127	-11452
<i>Of which -</i>										
Exogenous	-993	-1175	-1020	-1266	-1131	-1129	-1105	-1470	-1571	-1587
Endogenous -										
Consumption goods	-1585	-1536	-1620	-1717	-1896	-1826	-1976	-2229	-2469	-2539
Capital goods	-1585	-1593	-1575	-1808	-1805	-1975	-2252	-2479	-2696	-2789
Other goods	-3177	-3447	-3402	-3483	-3671	-3699	-3936	-4005	-4391	-4537
Total endogenous	-6347	-6576	-6597	-7008	-7372	-7500	-8164	-8713	-9556	-9865
Balance on merchandise trade	970	1097	1002	669	629	-163	-688	-1536	-2481	-2561

(a) From March Quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See note on 'Changes in this issue' on page 8 of the September quarter 1988 issue of this publication.

TABLE 11. MERCHANDISE-FOREIGN TRADE STATISTICS ADJUSTED FOR BALANCE OF PAYMENTS PURPOSES
(\$ million)

	(\$ million)												
	Year			Quarters ended									
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89		1988-89			
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
Exports -													
Foreign trade statistics	35805	41078	43344	8746	9444	9226	10531	10776	10545	10155	10790	10468	11931
Adjustments -													
Coverage	-379	-523	-421	-163	16	-174	-163	-122	-64	-111	-111	-86	-113
Timing	-3	-14	15	33	-48	76	63	-8	-19	7	-15	30	-7
Merchandise exports (balance of payments basis)	35423	40541	42938	8616	9412	9128	10305	10646	10462	10051	10664	10412	11811
Imports -													
Foreign trade statistics	36988	40597	46994	9142	9073	9839	10415	10265	10078	10728	11339	12028	12899
Adjustments -													
Coverage	114	-134	24	-70	102	-51	-72	-6	-5	-3	-6	12	21
Timing	56	-51	—	-291	67	-48	27	-30	—	250	496	-546	-200
Valuation	1	-26	-5	22	5	-6	-9	-7	-4	-2	-5	1	1
Merchandise imports (balance of payments basis) (a)	37159	40386	47013	8803	9247	9734	10361	10222	10069	10973	11824	11495	12721

(a) These entries carry the opposite sign to corresponding entries in Tables 1,2,3,5,7,8,9 and 10.

TABLE 12. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES CREDITS
(\$ million)

TABLE 12. BALANCE OF PAYMENTS

(\$ million)

	Year			Quarters ended										
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89						
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	
<i>Shipment -</i>														
Freight on exports	454	528	533	112	125	130	136	134	128	127	130	138	138	3
Insurance on exports	8	9	11	2	2	2	2	3	2	3	2	3	3	
<i>Total</i>	462	537	544	114	127	132	138	137	130	130	132	141	141	
<i>Other transportation -</i>														
Passenger services	1197	1511	1525	359	269	291	394	455	371	387	414	397	327	
Port services etc	1568	1631	1691	384	386	416	400	398	417	404	423	450	414	
<i>Total</i>	2765	3142	3216	743	655	707	794	853	788	791	837	847	741	
<i>Travel</i>														
Students' expenditure	395	523	677	199	56	91	106	239	87	130	124	317	106	
Other	2263	3269	4014	673	571	631	847	927	864	1003	1129	1019	863	
<i>Total</i>	2658	3792	4691	872	627	722	953	1166	951	1133	1253	1336	969	
<i>Other services -</i>														
Official	181	200	217	42	54	40	40	67	53	40	45	51	81	
Non-official -														
Expenditure of foreign govts	76	86	89	18	19	20	22	20	24	23	23	20	23	
Expenditure of foreign govt employees	66	73	79	17	17	18	18	18	19	19	19	20	21	
Expenditure of resident entity employees	135	199	251	43	37	40	52	56	51	60	67	68	56	
Financial services	125	208	149	30	41	72	61	35	40	42	32	35	40	
Insurance services nec	9	10	12	2	3	2	3	2	3	3	3	3	3	
Miscellaneous services	1428	1594	1838	324	406	395	380	394	425	434	433	464	507	
<i>Total</i>	1839	2170	2418	434	523	547	536	525	562	581	577	610	650	
<i>Total other services</i>	2020	2370	2635	476	577	587	576	592	615	621	622	661	731	
<i>Total services credits</i>	7905	9841	11086	2205	1986	2148	2461	2748	2484	2675	2844	2985	2582	

TABLE 13. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES DEBITS
(\$ million)

	Year			Quarters ended											
				1986-87			1987-88			1988-89					
	1986-87	1987-88	1988-89	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June		
<i>Shipment -</i>															
Freight on imports	-2732	-2832	-3122	-627	-626	-685	-749	-717	-681	-731	-755	-780	-856		
Insurance on imports	-24	-24	-24	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6		
<i>Total</i>	<i>-2756</i>	<i>-2856</i>	<i>-3146</i>	<i>-633</i>	<i>-632</i>	<i>-691</i>	<i>-755</i>	<i>-723</i>	<i>-687</i>	<i>-737</i>	<i>-761</i>	<i>-786</i>	<i>-862</i>		
<i>Other transportation -</i>															
Passenger services	-1328	-1547	-1821	-296	-358	-392	-371	-391	-393	-446	-429	-439	-507		
Port services etc	-786	-963	-1075	-200	-191	-227	-239	-258	-239	-212	-270	-296	-297		
<i>Total</i>	<i>-2114</i>	<i>-2510</i>	<i>-2896</i>	<i>-496</i>	<i>-549</i>	<i>-619</i>	<i>-610</i>	<i>-649</i>	<i>-632</i>	<i>-658</i>	<i>-699</i>	<i>-735</i>	<i>-804</i>		
<i>Travel</i>															
Students' expenditure	-113	-116	-140	-33	-23	-38	-22	-33	-23	-45	-30	-41	-24		
Other	-2991	-3582	-4111	-709	-750	-996	-885	-835	-866	-1046	-1007	-1045	-1013		
<i>Total</i>	<i>-3104</i>	<i>-3698</i>	<i>-4251</i>	<i>-742</i>	<i>-773</i>	<i>-1034</i>	<i>-907</i>	<i>-868</i>	<i>-889</i>	<i>-1091</i>	<i>-1037</i>	<i>-1086</i>	<i>-1037</i>		
<i>Other services -</i>															
Official -															
Defence services	-88	-86	-89	-23	-29	-15	-18	-24	-29	-21	-13	-23	-32		
Financial services	-43	-4	-5	-10	-1	-1	-1	-1	-1	-1	-1	-1	-2		
Miscellaneous services	-210	-221	-221	-48	-63	-41	-44	-65	-71	-51	-45	-55	-70		
<i>Total</i>	<i>-341</i>	<i>-311</i>	<i>-315</i>	<i>-81</i>	<i>-93</i>	<i>-57</i>	<i>-63</i>	<i>-90</i>	<i>-101</i>	<i>-73</i>	<i>-59</i>	<i>-79</i>	<i>-104</i>		
Non-official -															
Expenditure of Aust govt employees	-117	-113	-102	-28	-28	-28	-27	-29	-29	-27	-24	-25	-26		
Expenditure of non-resident entity employees	-133	-167	-195	-34	-37	-47	-40	-40	-40	-50	-48	-47	-50		
Financial services	-149	-148	-210	-30	-49	-58	-38	-24	-28	-44	-45	-76	-45		
Insurance services nec	-283	-288	-300	-71	-71	-72	-72	-72	-72	-75	-75	-75	-75		
Miscellaneous services	-1888	-2219	-2317	-521	-483	-507	-546	-614	-552	-551	-597	-599	-570		
<i>Total</i>	<i>-2570</i>	<i>-2935</i>	<i>-3124</i>	<i>-684</i>	<i>-668</i>	<i>-712</i>	<i>-723</i>	<i>-779</i>	<i>-721</i>	<i>-747</i>	<i>-789</i>	<i>-822</i>	<i>-766</i>		
<i>Total other services</i>	<i>-2911</i>	<i>-3246</i>	<i>-3439</i>	<i>-765</i>	<i>-761</i>	<i>-769</i>	<i>-786</i>	<i>-869</i>	<i>-822</i>	<i>-820</i>	<i>-848</i>	<i>-901</i>	<i>-870</i>		
Total services debits	-10885	-12310	-13732	-2636	-2715	-3113	-3058	-3109	-3030	-3306	-3345	-3508	-3573		

TABLE 14. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME CREDITS
(\$ million)

	Year			Quarters ended							
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89			
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Property income -											
Investment income -											
Official -											
General government	43	47	75	12	12	11	13	12	11	5	17
Reserve Bank (a)	531	706	998	115	160	187	203	140	176	222	204
Total official	574	753	1073	127	172	198	216	152	187	227	221
Non-official -											
Direct investment income -											
Reinvested earnings	1176	1806	2196	294	294	451	452	451	452	549	549
Distributed earnings -											
Remitted profits	30	69	55	7	6	6	44	7	12	2	39
Dividends	448	103	51	75	316	49	15	4	35	21	7
Interest	-111	-106	-156	3	-79	-34	-40	-17	-15	-35	-45
Total	367	66	-50	85	243	21	19	-6	32	-12	1
Total direct investment income	1543	1872	2146	379	537	472	471	445	484	537	550
Portfolio and other investment income -											
Dividends	162	128	185	53	32	33	37	24	34	44	31
Interest	349	452	413	77	89	95	127	149	81	93	90
Total	511	580	598	130	121	128	164	173	115	137	121
Total non-official	2054	2452	2744	509	658	600	635	618	599	674	671
Total investment income	2628	3205	3817	636	830	798	851	770	786	901	892
Other property income	177	145	221	51	24	43	34	37	31	50	56
Total property income	2805	3350	4038	687	854	841	885	807	817	951	948
Labour and other income -											
Labour income -											
Earnings in Australia	45	48	50	12	11	12	12	12	12	12	13
Earnings abroad	133	167	195	34	37	47	40	40	40	50	48
Total	178	215	245	46	48	59	52	52	52	62	60
Insurance income	—	—	—	—	—	—	—	—	—	—	—
Total labour and other income	178	215	245	46	48	59	52	52	52	62	60
Total income credits	2983	3565	4283	733	902	900	937	859	869	1013	1008

(a) Also includes interest/remuneration received from the IMF on behalf of the Commonwealth Government.

TABLE 15. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME DEBITS

	(\$ million)											
	Year			Quarters ended								
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89		1988-89		
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	June
Property income -												
Investment income -												
Official -												
General government -												
Interest on borrowing domiciled abroad	-1463	-1761	-1409	-356	-323	-341	-563	-473	-384	-260	-483	-278
Interest on borrowing domiciled in Australia	-1141	-1577	-1982	-338	-375	-278	-307	-513	-479	-288	-464	-600
Total	-2604	-3338	-3391	-694	-698	-619	-870	-986	-863	-548	-947	-908
Reserve Bank (a)	-22	-22	-18	-6	-5	-5	-6	-6	-5	-5	-6	-7
Total official	-2626	-3360	-3409	-700	-703	-624	-876	-992	-868	-553	-953	-915
Non-official -												
Direct investment income -												
Reinvested earnings	-1244	-2428	-2604	-311	-311	-607	-607	-607	-607	-651	-651	-651
Distributed earnings -												
Remitted profits	-190	-158	-301	-43	-19	-33	-33	-40	-52	-74	-125	-42
Dividends	-538	-928	-1043	-106	-108	-243	-217	-271	-197	-379	-190	-255
Interest	-636	-584	-906	-171	-144	-179	-140	-111	-154	-187	-299	-210
Total	-1364	-1670	-2250	-320	-271	-455	-390	-422	-403	-640	-614	-471
Total direct investment income	-2608	-4098	-4854	-631	-582	-1062	-997	-1029	-1010	-1291	-1265	-1122
Portfolio and other investment income -												
Dividends	-998	-843	-1329	-346	-453	-110	-171	-263	-299	-206	-206	-420
Interest -												
Public sector	-1671	-1713	-1910	-472	-431	-413	-353	-479	-468	-467	-352	-596
Private sector	-3440	-3511	-4460	-881	-1015	-717	-932	-892	-970	-1037	-1071	-1248
Total	-5111	-5224	-6370	-1353	-1446	-1130	-1285	-1371	-1438	-1504	-1423	-1743
Total portfolio and other investment income	-6109	-6067	-7699	-1699	-1899	-1240	-1456	-1634	-1737	-1710	-1629	-2163
Total non-official	-8717	-10165	-12553	-2330	-2481	-2302	-2453	-2663	-2747	-3001	-2894	-3285
Total investment income	-11343	-13525	-15962	-3030	-3184	-2926	-3329	-3655	-3615	-3554	-3847	-4200
Other property income -												
Cinema and TV film royalties	-154	-242	-256	-31	-30	-45	-98	-35	-64	-62	-48	-64
Other	-685	-716	-735	-214	-153	-173	-186	-180	-177	-166	-194	-189
Total	-839	-958	-991	-245	-183	-218	-284	-215	-241	-228	-242	-253
Total property income	-12182	-14483	-16953	-3275	-3367	-3144	-3613	-3870	-3856	-3782	-4089	-4453
Labour and other income -												
Official	-62	-65	-58	-16	-14	-16	-16	-17	-16	-16	-14	-15
Non-official -												
Labour income	-135	-199	-251	-43	-37	-40	-52	-56	-51	-60	-67	-56
Insurance income	-	-	-	-	-	-	-	-	-	-	-	-
Total non-official	-135	-199	-251	-43	-37	-40	-52	-56	-51	-60	-67	-56
Total labour and other income	-197	-264	-309	-59	-51	-56	-68	-73	-67	-76	-81	-71
Total income debits	-12379	-14747	-17262	-3334	-3418	-3200	-3681	-3943	-3923	-3858	-4170	-4524

(a) Also includes interest /charges paid to the IMF on behalf of the Commonwealth Government.

TABLE 16. BALANCE OF PAYMENTS - CURRENT ACCOUNT - UNREQUITED TRANSFERS
(\$ million)

	Year			Quarters ended							
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89		1988-89	
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Credits -											
Official	786	819	897	219	182	207	181	194	237	209	199
Non-official											
Migrants' transfers	1657	2074	2626	438	439	460	533	539	542	553	643
Foreign government pensions	30	34	36	9	9	8	8	9	9	8	9
Miscellaneous transfers	544	618	709	128	150	137	159	160	162	160	180
Total	2231	2726	3371	575	598	605	700	708	713	721	831
Total unrequited transfers credits	3017	3545	4268	794	780	812	881	902	950	930	1030
Debits -											
Official											
Foreign aid -											
Papua New Guinea aid	-348	-323	-328	-90	-83	-74	-81	-84	-84	-99	-59
Other foreign aid	-500	-561	-620	-155	-174	-58	-120	-191	-192	-73	-147
Total	-848	-884	-948	-245	-257	-132	-201	-275	-276	-172	-206
Pensions	-134	-139	-145	-36	-37	-33	-33	-36	-37	-36	-36
Miscellaneous transfers	-76	-75	-61	-46	-8	-9	-16	-36	-14	-8	-17
Total official	-1058	-1098	-1154	-327	-302	-174	-250	-347	-327	-216	-259
Non-official											
Migrants' transfers	-306	-319	-342	-75	-76	-77	-84	-77	-81	-82	-86
Withholding taxes	-22	-28	-32	-6	-6	-7	-7	-7	-7	-8	-8
Miscellaneous transfers	-418	-436	-466	-104	-105	-107	-111	-107	-111	-112	-119
Total non-official	-746	-783	-840	-185	-187	-191	-202	-191	-199	-202	-213
Total unrequited transfers debits	-1804	-1881	-1994	-512	-489	-365	-452	-538	-526	-418	-472
Net unrequited transfers	1213	1664	2274	282	291	447	429	364	424	512	558

TABLE 17. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF GENERAL GOVERNMENT

	(\$ million)											
	Year			Quarters ended								
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89				
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.
Foreign investment in Australia -												
Borrowing -												
Domiciled abroad -												
Commonwealth Government -												
Drawings	3084	—	—	814	—	—	—	—	—	—	—	—
Repayments	-2359	-1622	-3175	-637	-255	-422	-290	-145	-765	-997	-1117	-540
Total	725	-1622	-3175	177	-255	-422	-290	-145	-765	-997	-1117	-540
State government -												
Drawings	2964	4822	9236	842	1370	1295	388	1734	1405	2069	1718	2564
Repayments	-442	-2743	-6476	-103	-108	-244	-514	-1057	-928	-1298	-1548	-1265
Total	2522	2079	2760	739	1262	1051	-126	677	477	771	170	1299
Total domiciled abroad	3247	457	-415	916	1007	629	-416	532	-288	-226	-947	-20
Domiciled in Australia -												
Purchases by non - residents	12236	25976	22997	2789	5827	5817	5143	8508	6508	6033	7990	5646
Sales by non - residents	-9337	-22346	-21589	-2058	-4134	-5382	-5470	-5168	-6326	-5979	-4887	-5449
Total domiciled in Australia	2899	3630	1408	731	1693	435	-327	3340	182	54	3103	197
Total borrowing	6146	4087	993	1647	2700	1064	-743	3872	-106	-172	2156	975
Other	-12	-72	-188	-28	-38	-2	-15	-27	-28	-12	-19	-24
Total foreign investment in Australia	6134	4015	805	1619	2662	1062	-758	3845	-134	-184	2137	951
Australian investment abroad -												
Lending	-166	-279	-259	-103	-65	14	-47	-103	-143	-353	114	-74
Accounts receivable/prepayments made	-313	120	25	107	-311	154	74	-34	-74	-27	-18	-6
Other	-94	574	-6	—	-8	-1	-4	-4	583	-6	—	—
Total Australian investment abroad	-573	415	-240	4	-384	167	23	-141	366	-386	96	-80
Total general government	5561	4430	565	1623	2278	1229	-735	3704	232	-570	2233	871

TABLE 18. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE RESERVE BANK

	(\$ million)											
	Year			Quarters ended								
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89		1988-89		
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.
Foreign investment in Australia -												
Use of IMF credit	—	—	—	—	—	—	—	—	—	—	—	—
Other	18	-8	—	—	17	-1	-11	1	3	-36	64	-18
Total foreign investment in Australia	18	-8	—	—	17	-1	-11	1	3	-36	64	-18
Australian investment abroad -												
Reserve assets -												
Official reserve assets -												
Monetary gold	—	—	—	—	—	—	—	—	—	—	—	—
SDRs	-4	20	18	5	-9	4	6	5	5	5	6	7
Reserve position in IMF	—	—	-96	—	—	—	—	—	—	—	-26	—
Foreign exchange	-3390	-3944	-795	1561	-3671	-1860	3574	-1082	-4576	-763	-390	236
Total	-3394	-3924	-873	1566	-3680	-1856	3580	-1077	-4571	-758	-410	250
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—	—
Total reserve assets	-3394	-3924	-873	1566	-3680	-1856	3580	-1077	-4571	-758	-410	250
Other	—	—	—	—	—	—	—	—	—	—	—	—
Total Australian investment abroad	-3394	-3924	-873	1566	-3680	-1856	3580	-1077	-4571	-758	-410	250
Total Reserve Bank	-3376	-3932	-873	1566	-3663	-1857	3569	-1076	-4568	-794	-346	232

TABLE 19. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR

	Year			(\$ million)									
				1986-87		Quarters ended				1988-89			
	1986-87	1987-88	1988-89	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
Foreign investment in Australia -													
<i>Direct investment -</i>													
Reinvestment of earnings	1244	2428	2604	311	311	607	607	607	607	651	651	651	651
Corporate equities	1745	628	2582	-407	700	-109	30	536	171	904	311	772	595
Net equity in branches	83	567	781	394	-23	503	-57	-40	161	141	-77	270	447
Borrowing	1281	1523	1151	231	-100	467	87	-192	1161	732	779	-681	321
Other	-291	61	59	-327	238	170	175	-404	120	102	-114	70	1
<i>Total direct investment</i>	<i>4062</i>	<i>5207</i>	<i>7177</i>	<i>202</i>	<i>1126</i>	<i>1638</i>	<i>842</i>	<i>507</i>	<i>2220</i>	<i>2530</i>	<i>1550</i>	<i>1082</i>	<i>2015</i>
<i>Portfolio and other investment -</i>													
Corporate equities	4046	2417	641	972	1653	2079	314	242	-218	-208	147	23	679
Borrowing -													
Public sector	279	3796	4805	434	-868	487	-122	1768	1663	1231	743	1987	844
Private sector	6564	7485	8234	2407	604	1744	3168	-717	3290	2650	394	3414	1776
Total	6843	11281	13039	2841	-264	2231	3046	1051	4953	3881	1137	5401	2620
Accounts payable/prepayments received -													
Public sector	-152	-627	-21	-6	-121	-613	15	-20	-9	4	-6	-15	-4
Private sector	347	680	597	-147	378	255	249	-73	249	195	229	36	137
Total	195	53	576	-153	257	-358	264	-93	240	199	223	21	133
<i>Total portfolio and other investment</i>	<i>11084</i>	<i>13751</i>	<i>14256</i>	<i>3660</i>	<i>1646</i>	<i>3952</i>	<i>3624</i>	<i>1200</i>	<i>4975</i>	<i>3872</i>	<i>1507</i>	<i>5445</i>	<i>3432</i>
Total foreign investment in Australia	15146	18958	21433	3862	2772	5590	4466	1707	7195	6402	3057	6527	5447
Australian investment abroad -													
<i>Direct investment -</i>													
Reinvestment of earnings	-1176	-1806	-2196	-294	-294	-451	-452	-451	-452	-549	-549	-549	-549
Corporate equities	-3014	-7541	-3146	-541	-923	-835	-3523	-1667	-1516	-492	-2269	-83	-302
Net equity in branches	-376	-168	100	-26	-120	-36	-89	-6	-37	91	15	26	-32
Lending	444	-283	-51	313	875	-632	46	186	117	-377	548	301	-523
Other	-122	-46	65	-10	-75	1	30	-63	-14	7	124	-92	26
<i>Total direct investment</i>	<i>-4244</i>	<i>-9844</i>	<i>-5228</i>	<i>-538</i>	<i>-537</i>	<i>-1953</i>	<i>-3988</i>	<i>-2001</i>	<i>-1902</i>	<i>-1320</i>	<i>-2131</i>	<i>-397</i>	<i>-1380</i>
<i>Portfolio and other investment -</i>													
Corporate equities	-3233	1153	-2304	-840	-1336	-513	1763	-327	230	-538	60	-1235	-591
Lending -													
Banks	-1343	-227	-619	-782	231	-251	270	-74	-172	381	-507	136	-629
Non-bank enterprises	684	-1377	423	-102	252	-409	-2178	1142	68	-227	661	-100	89
Total	-659	-1604	-196	-884	483	-660	-1908	1068	-104	154	154	36	-540
Accounts receivable/prepayments made -													
Public sector	-10	-29	-593	-29	90	—	-78	116	-67	-159	54	-207	-281
Private sector	-262	-561	-644	-54	-121	-44	-452	-32	-93	-265	-82	-83	-214
Total	-272	-590	-1237	-83	-31	-44	-530	84	-100	-424	-28	-290	-495
<i>Total portfolio and other investment</i>	<i>-4164</i>	<i>-1041</i>	<i>-3737</i>	<i>-1807</i>	<i>-884</i>	<i>-1217</i>	<i>-675</i>	<i>825</i>	<i>26</i>	<i>-808</i>	<i>186</i>	<i>-1489</i>	<i>-1626</i>
Total Australian investment abroad	-8408	-10885	-8965	-2365	-1421	-3170	-4663	-1176	-1876	-2128	-1945	-1886	-3006
Total non-official	6738	8073	12468	1497	1351	2420	-197	531	5319	4274	1112	4641	2441

TABLE 20. NET BORROWING TRANSACTIONS OF THE NON-OFFICIAL SECTOR
(\$ million)

	Year			Quarters ended							
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89		1988-89	
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Direct investment borrowing -											
<i>Domiciled abroad -</i>											
Drawings	43170	33420	49603	6421	2957	10929	7643	4286	10562	14151	15174
Repayments	-42394	-31584	-47964	-6157	-3468	-10073	-7582	-4563	-9366	-13419	-14383
Total	776	1836	1639	264	-511	856	61	-277	1196	732	791
<i>Domiciled in Australia</i>	505	-313	-488	-33	411	-389	26	85	-35	—	-12
Total direct investment borrowing	1281	1523	1151	231	-100	467	87	-192	1161	732	779
Other borrowing -											
<i>Domiciled abroad -</i>											
Banks -											
Drawings	23137	26562	42345	5733	5997	4999	6212	6134	9217	11354	7296
Repayments	-18878	-23843	-35261	-5245	-5733	-4172	-5756	-7369	-6546	-10135	-6340
Total	4259	2719	7084	488	264	827	456	-1235	2671	1219	956
Non-bank enterprises -											
Drawings	72797	74843	113332	20565	18436	18474	19399	17194	19776	27372	26805
Repayments	-69601	-68380	-107999	-17958	-19260	-17489	-16732	-15601	-18558	-24760	-26102
Total	3196	6463	5333	2607	-824	985	2667	1593	1218	2612	703
<i>Total domiciled abroad</i>	7455	9182	12417	3095	-560	1812	3123	358	3889	3831	1659
<i>Domiciled in Australia -</i>											
Banks -											
Securities	-304	126	92	-188	145	15	-11	116	6	-236	-159
Deposits	-54	1431	10	171	36	338	-17	78	1032	-474	83
Total	-358	1557	102	-17	181	353	-28	194	1038	-710	-76
Non-bank enterprises	-254	542	520	-237	115	66	-49	499	26	760	-446
<i>Total domiciled in Australia</i>	-612	2099	622	-234	296	419	-77	693	1064	50	-522
of which -											
Public sector securities (a)	-376	1006	140	-233	180	122	-91	924	51	720	-452
Total other borrowing	6843	11281	13039	2841	-264	2231	3046	1051	4953	3881	1137
Total borrowing (b)	8124	12804	14190	3072	-364	2698	3133	859	6114	4613	1916

(a) Excludes bank securities. (b) Corresponds to the sum of direct investment borrowing and total portfolio and other investment borrowing in Table 18.

TABLE 21. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	TABLE 21. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES												
	Year			Quarters ended									
	1986-87	1987-88	1988-89	1986-87		1987-88		1988-89					
				Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
Official reserve assets (\$ million) -													
Levels at end of year/month	17594	20182	20410	13866	17594	19557	17430	17331	20182	20628	19772	19509	20410
Changes in levels	4570	2588	228	-1695	3728	1963	-2127	-99	2851	446	-856	-263	901
Of which -													
Changes due to effects of revaluations	1176	-1336	-645	-129	48	107	1453	-1176	-1720	-312	-1266	-13	946
Changes included in the balance of payments (a)	3394	3924	873	-1566	3680	1856	-3580	1077	4571	758	410	-250	-45
Exchange rates -													
Units of foreign currency per \$A -													
End of year/quarter (b) -													
United States dollar	0.7203	0.7940	0.7553	0.7053	0.7203	0.7194	0.7225	0.7388	0.7940	0.7829	0.8555	0.8194	0.7553
United Kingdom pound	0.4494	0.4612	0.4882	0.4379	0.4494	0.4420	0.3857	0.3934	0.4612	0.4647	0.4764	0.4855	0.4882
West German mark	1.319	1.441	1.480	1.269	1.319	1.324	1.143	1.226	1.441	1.472	1.528	1.550	1.480
Japanese yen	105.79	105.17	108.79	102.85	105.79	105.54	88.22	92.04	105.17	105.28	107.71	108.64	108.79
Special drawing right	0.5634	0.6059	0.6051	0.5486	0.5634	0.5626	0.5137	0.5350	0.6059	0.6067	0.6382	0.6332	0.6051
Period average (c) -													
United States dollar	0.6636	0.7290	0.8160	0.6712	0.7142	0.7143	0.7038	0.7196	0.7783	0.7994	0.8392	0.8475	0.7777
United Kingdom pound	0.4352	0.4167	0.4755	0.4357	0.4350	0.4415	0.4020	0.4004	0.4230	0.4713	0.4688	0.4844	0.4776
West German mark	1.280	1.262	1.512	1.235	1.290	1.313	1.201	1.205	1.329	1.491	1.488	1.567	1.501
Japanese yen	101.37	97.58	106.95	102.83	101.83	104.96	95.53	92.05	97.83	106.90	105.04	108.76	107.09
Special drawing right	0.5345	0.5448	0.6244	0.5323	0.5518	0.5594	0.5256	0.5255	0.5688	0.6163	0.6246	0.6439	0.6126
Trade-weighted index of value of the Australian dollar (May 1970 = 100) -													
End of year/quarter (b)	56.6	59.8	59.4	55.4	56.6	56.2	52.0	53.8	59.8	60.0	63.2	62.2	59.4
Period average (c)	53.8	54.8	61.6	54.0	55.6	56.1	53.0	53.0	57.0	60.9	62.0	63.4	60.0

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 4. (b) These exchange rates and index numbers relate to the last trading day of the reference period. (c) These exchange rates and index numbers are derived by averaging figures for each trading day.

EXPLANATORY NOTES

Introduction

1. This publication provides detailed estimates of Australia's balance of payments for the June quarter 1989 together with revised estimates for previous quarters and financial years. The estimates are consistent with those to be published on 16 August in *Balance of Payments, Australia, July 1989* (5301.0). They are also consistent with *Foreign Investment, Australia, March Quarter 1989* (5306.0). Longer term estimates, from September quarter 1959, consistent with those shown in this issue, will shortly be available in the publication *Balance of Payments, Australia - Historical Series on Microfiche, June Quarter 1989* (5337.0).

2. Tables 1 to 4 in this publication provide summary statistics; they show the main aggregates and the more important components of the aggregates. The remaining tables, Tables 5 to 21, provide additional breakdowns, related series (e.g. exchange rates and the trade-weighted index) and reconciliations of selected balance of payments series with other series (i.e. with foreign trade statistics and levels of official reserve assets).

Concepts, sources and methods

3. Summary descriptions of the underlying concepts and structure of the balance of payments and the sources and methods used in compiling the estimates are presented in *Balance of Payments, Australia: Summary of Concepts, Sources and Methods* (5351.0) which was published on 9 September 1988. The publication also provides item definitions and explanations of seasonal adjustment, constant price estimates, implicit price deflators and the terms of trade.

Commodity breakdowns of merchandise

4. Commodity breakdowns of merchandise exports and imports are provided in Table 7 (at current prices), 8 (at average 1984-85 prices), 9 (at current prices, seasonally adjusted) and 10 (at average 1984-85 prices, seasonally adjusted). The groupings shown are based on the third revision of the United Nations Standard International Trade Classification (SITC rev 3) as follows:

	SITC rev 3 Section or Division
Exports	
Rural -	
Meat & meat preparations	01
Cereal grains and cereal preparations	04
Sugar, sugar preparations & honey	06
Wool and sheepskins	21(part),26(part)
Other rural	00,02,03,05,07 to 09, 12,21(part),22 to 25, 26(part),29,4
Non-rural -	
Metal ores & minerals	27,28
Mineral fuels -	
Coal, coke and briquettes	32
Other mineral fuels	33 to 35

Exports (cont.)

Metals -	
Gold	97
Other metals	67,68
Machinery	71 to 77
Transport equipment	78,79
Manufactures nec	5,61 to 66,69,8
Other non-rural	11,91 to 96

Imports

Food, beverages & tobacco	0,1
Fuels	3
Chemicals (incl. plastics)	5
Textiles, fabrics etc	65
Metals and metal manufactures	67 to 69
Machinery	71 to 77
Transport equipment	78,79
Manufactures nec	61 to 66,66,8
Other imports	2,4,9

Seasonal adjustment

5. Most of the current account series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation. However, seasonally adjusted statistics in this publication should not be regarded as in any way definitive as results from seasonal adjustment vary according to the method used.

6. The factors used in compiling seasonally adjusted estimates for certain series (principally components of merchandise trade and investment income) up to and including September quarter 1989 are available on request. To obtain the seasonal factors, users should contact Mr Dan Aherne on (062) 52 6689.

Accuracy and reliability of estimates

7. Because the transactions recorded in the balance of payments are of many different kinds, compilation of balance of payments estimates entails the use of a very wide range of statistical data of varying degrees of accuracy and timeliness.

8. Therefore care should be exercised in the use and interpretation of estimates in this publication. The latest estimates are *preliminary and subject to revision* as more accurate data come to hand. Also, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

Investment income and capital transactions

9. Additional information about capital account and investment income transactions is available in the quarterly publications *Foreign Investment, Australia* (5306.0) and *Foreign Investment, Australia, Preliminary* (5307.0) and in the annual publication *Foreign Investment, Australia* (5305.0). Statistics in foreign investment publications are consistent with those in balance of payments publications. Foreign investment publications also provide comprehensive statistics on the level of foreign investment in

Australia, the level of Australian investment abroad and Australia's external debt.

Transportation transactions

10. The quarterly publication *International Transportation Services, Australia* (5350.0) provides additional information on freight and other transportation transactions.

Comparability with capital expenditure statistics

11. Tables 7 and 9 in this publication contain current price estimates of *imports of endogenous capital goods*. Shorter-term movements in this series can differ quite significantly from the corresponding movements in the *new private capital expenditure on equipment, plant and machinery* series published in *Private New Capital Expenditure, Australia* (5625.0 and 5626.0). The main reasons for the differences are:

- The imports series includes all goods defined as endogenous capital goods, whereas the capital expenditure series relates only to goods classified as equipment, plant and machinery that are acquired by private enterprises in selected industries.
- The capital expenditure series includes all plant, machinery and equipment, irrespective of whether it has been imported or manufactured in Australia.
- Imports are valued f.o.b. at the point of export whereas estimates of capital expenditure are measured at domestic market prices, including international transport margins, government duties and domestic trade and transport margins.

12. Accordingly, while movements in imports of endogenous capital goods can provide a broad indication of movements in the *import component* of new private capital expenditure on equipment, plant and machinery, they do not necessarily provide an accurate indication of movements in total new private capital expenditure on these goods.

Series available on request

13. Detailed quarterly export and import series at constant (average 1984-85) prices can be obtained by contacting Mr Stephen Waugh on Canberra (062) 52 6711. These series are based on foreign trade statistics (ie they are not adjusted to a balance of payments basis) and relate to selected divisions and sections of the SITC rev 3. Quarterly tables showing components of services can also be obtained from Mr Waugh. These tables provide original and seasonally adjusted current and constant price estimates, corresponding to the series shown (in original current price terms) in Tables 12 and 13 of this publication. Both sets of estimates are working estimates only and may not always be completely consistent with published estimates.

Related publications

14. Other ABS publications which may be of interest include:

Balance of Payments Australia (5301.0) - issued monthly

Balance of Payments, Australia, Historical Series on Microfiche (5337.0) - issued quarterly.

Balance of Payments, Australia 1986-87 (5303.0)

Balance of Payments, Australia - Regional Series on Microfiche 1986-87 (5338.0).

International Transportation Services, Australia (5350.0) - issued quarterly.

Balance of Payments, Australia: Summary of Concepts, Sources and Methods (5351.0) - published 9 September 1988.

Information paper - Seasonally Adjustment of Australia's Monthly Balance of Payments Statistics (5359.0).

Exports, Australia: Monthly Summary Tables (5432.0) - issued monthly

Imports, Australia: Monthly Summary Tables (5433.0) - issued monthly

Export Price Index, Australia (6405.0) - issued monthly

Import Price Index, Australia (6414.0) - issued quarterly

Foreign Investment, Australia 1987-88 (5305.0)

Foreign Investment, Australia (Preliminary) (5307.0) - issued quarterly

Foreign Investment, Australia (5306.0) - issued quarterly

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

f.o.b.	free on board
n.a.	not available
n.y.a.	not yet available
n.e.c.	not elsewhere classified
n.e.i.	not elsewhere included
-	nil or rounded to zero
..	not applicable.

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

Electronic services

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

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**NEW PUBLICATION - SEASONAL ADJUSTMENT OF AUSTRALIA'S MONTHLY
BALANCE OF PAYMENTS STATISTICS**

This information paper (ABS catalogue no. 5359.0) was recently published. It describes the ABS seasonal adjustment and trend estimation techniques and how they are applied to monthly balance of payments statistics. It explains the relationship between the monthly and quarterly seasonal adjustment methods and provides information about the reliability of the monthly seasonally adjusted and trend estimates. Also included are the seasonal adjustment factors which are expected to be used to adjust the monthly balance of payments statistics during the remainder of 1989. Copies are available from any ABS office.

LIST OF OCCASIONAL ARTICLES IN RECENT BALANCE OF PAYMENTS AND FOREIGN INVESTMENT PUBLICATIONS

<i>Article</i>	<i>Publication (ABS Catalogue no)</i>	<i>Issue</i>	<i>Page reference</i>
Time series decomposition of balance of payments statistics	5302.0	Mar qtr 1989	8
Balancing item	5302.0	Dec qtr 1988	9
Reliability of quarterly balance of payments estimates	5302.0	Dec qtr 1988	12-15
International comparisons of balance of payment statistics	5302.0	Sept qtr 1988	10-11
Reliability of monthly balance of payments estimates	5301.0	Sept 1988	4-5
Foreign debt ratios	5306.0	June qtr 1988	6-7
Changed methodology for measuring foreign borrowing domiciled in Australia	5307.0	June qtr 1988	2-3
Latest survey results: International consultancy services, Australia	5302.0	March qtr 1988	9-10
Foreign ownership of Australian real estate - treatment in foreign investment statistics	5306.0	March qtr 1988	5-6
New publication: International transportation services, Australia	5302.0	Dec qtr 1987	9
Survey of international travel enterprises - results for 1986/87	5302.0	Dec qtr 1987	10
The balance of payments as a record of transactions, not payments	5302.0	Sept qtr 1987	9-10
Exchange rates and the trade weighted index	5302.0	June qtr 1987	9
Conversion of balance of payments aggregates expressed in domestic currency into foreign currency equivalents	5302.0	June qtr 1987	10-11
The puzzle of a global balance of payments discrepancy	5302.0	June qtr 1987	14-16
Changed methodology for measuring foreign portfolio investment in Australian corporate equities	5307.0	June qtr 1987	2-3
Relationship between balance of payments and foreign investment statistics	5305.0	1985-86	88-89
Foreign investment activity of banks	5305.0	1985-86	91-95
Direct investment	5305.0	1985-86	95-98
Foreign borrowing domiciled in Australia and domiciled abroad	5305.0	1985-86	98-99
Statistical bridging issues associated with the introduction of the new framework for foreign investment statistics	5305.0	1985-86	99-100

Copies of the above articles may be ordered from Mr Daniel Aherne, Balance of Payments Section (Phone (062) 52 6689) for \$5 per article. Facsimilies will be charged for at current Australia Post rates.

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