Australian Bureau of Statistics

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BALANCE OF PAYMENTS, AUSTRALIA, JULY 1989

PHONE INQUIRIES

- about **these statistics** and the availability of **related unpublished statistics** — contact either Mr Daniel Aherne on Canberra (062) 52 6689, Mr Joseph Dalgleish on Canberra (062) 52 5540, or any ABS State office.
- 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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- write to **Information Services**, ABS, P.O. Box 10, Belconnen, A.C.T. 2616 or any ABS State office.

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Users are warned that care should be exercised in the use and interpretation of estimates in this publication. In particular the estimates for later months are ***preliminary and subject to revision as more complete and accurate information becomes available. Particular care should be taken in interpreting month-to-month movements..***

Revised release dates for future issues:
The scheduled release dates for the August 1989 and subsequent issues of this publication have been revised due to delays in the receipt of exports information. For details see paragraph 8 of the explanatory notes.

MAIN FEATURES

The preliminary estimates of the main balance of payments aggregates for July 1989 and the three preceding months are shown in the table below together with statistics on the $US exchange rate and the trade weighted index of the value of the Australian dollar:

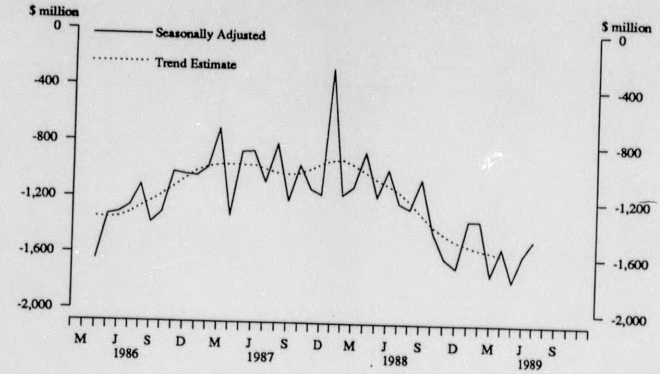
	1988-89 Apr	May	Jun	*1989-90* Jul
		$ million		$ million
		Not seasonally adjusted		
Balance on current account	-1184	-1866	-1624	-1706
Balance on merchandise trade	7	-663	-254	-545
Net services	-269	-324	-398	-397
Net income	-1163	-1075	-1167	-961
Net unrequited transfers	241	196	195	197
Official capital transactions	-398	-175	-1361	-617
Non-official capital transactions plus balancing item	1582	2041	2985	2323
		Seasonally adjusted		
Balance on current account	-1536	-1772	-1586	-1477
Balance on merchandise trade	-356	-674	-431	-258
Net services	-299	-316	-304	-295
Net income	-1122	-987	-1102	-1092
Net unrequited transfers	241	205	251	168
$US exchange rate (per unit of $A)(b)	.8044	.7732	.7556	.7571
Trade weighted index (base May 1970 = 100)(b)	60.9	59.6	59.5	58.6

a) For the current account, a minus sign means an increase in the deficit and a plus sign means a decrease in the deficit or an increase in the surplus.
b) Monthly average of trading-day figures.

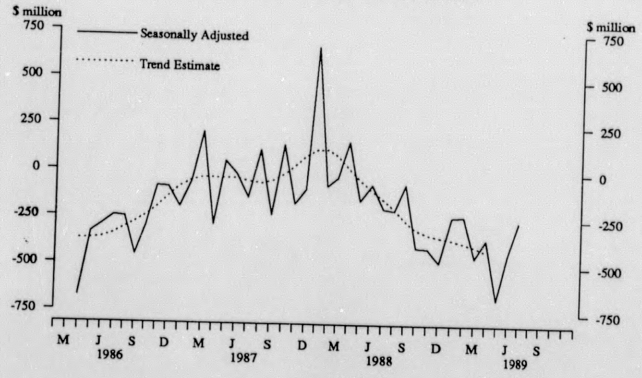
The merchandise trade deficit widened in original terms in July due to a 4 per cent fall in exports and a 4 per cent increase in imports. However in seasonally adjusted terms the deficit narrowed due to a 6 per cent increase in exports which was partially offset by a 2 per cent rise in imports.

The current account deficit for July rose 5 per cent in original terms but fell 7 per cent in seasonally adjusted terms.

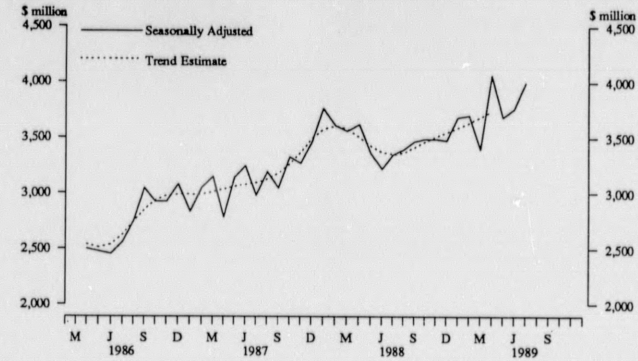
GRAPH 1: BALANCE ON CURRENT ACCOUNT



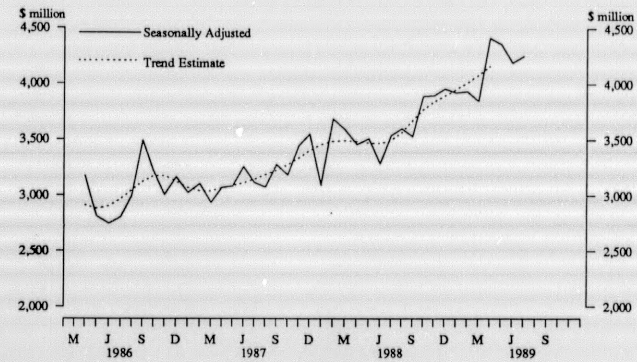
GRAPH 2: BALANCE ON MERCHANDISE TRADE



GRAPH 3: MERCHANDISE - EXPORTS FOB



GRAPH 4: MERCHANDISE - IMPORTS FOB



ANALYSIS OF SELECTED MAJOR AGGREGATES

July 1989 -
The **merchandise trade** deficit rose by $291 million to $545 million in July. In **seasonally adjusted** terms, the deficit fell by $173 million to $258 million.

Exports fob fell $140 million or 4 per cent. Rural exports fell $189 million or 13 per cent, reflecting falls in all groups apart from sugar. The main fall was in cereals, down $130 million or 36 per cent reflecting a fall in the volume of wheat exported. Non-rural exports rose $49 million or 2 per cent. The main rises were in: "other non-rural" exports, up $77 million or 92 per cent (further details are unavailable for reasons of confidentiality) and machinery, up $27 million or 17 per cent. The main fall occurred in coal, down $51 million or 11 per cent.

In **seasonally adjusted** terms exports rose $236 million or 6 per cent.

Imports fob rose $151 million or 4 per cent. The largest increases were recorded in: "manufactures nec", up $81 million or 10 per cent; transport equipment, up $69 million or 12 per cent, mainly due to increased imports of road vehicles; and "other" imports, up $46 million or 22 per cent. The only groups to record falls were machinery and fuels, with machinery down $66 million or 5 per cent, reflecting decreased imports of office machines and ADP equipment.

The accompanying table on this page shows a breakdown of transport equipment imports on a monthly basis since May 1988 and on an annual basis for the last 3 financial years.

Exogenous imports fell $22 million or 6 per cent, mainly due to decreased imports of fuel. One civil aircraft, valued at $32 million, was imported in July by Australian Airlines; this follows the import of one civil aircraft valued at $28 million in June. **Endogenous imports** rose $173 million or 5 per cent.

In **seasonally adjusted** terms imports increased by $63 million or 2 per cent.

The **net services** deficit was $397 million, little changed on the previous month. Services credits rose $76 million or 9 per cent, mainly due to a seasonal increase in the number of foreign travellers in Australia which resulted in higher travel earnings. Services debits rose $75 million or 6 per cent, mainly due to a seasonal increase in the number of Australian travellers overseas which resulted in higher travel expenditure.

In **seasonally adjusted** terms, the net services deficit fell $9 million or 3 per cent, while the deficit on goods and services fell $182 million or 25 per cent.

The **net income** deficit at $961 million, was down $206 million or 18 per cent. Income receivable from non-residents rose $131 million, while income payable to non-residents fell $75 million.

In **seasonally adjusted** terms, the net income deficit decreased $10 million or 1 per cent.

Net unrequited transfers recorded a surplus of $197 million, up marginally on June. Unrequited transfers credits fell $39 million (primarily on account of immigrants' transfers) while unrequited transfers debits fell $41 million mainly as a result of reduced foreign aid payments.

In **seasonally adjusted** terms, the surplus on net unrequited transfers fell $83 million or 33 per cent.

Imports of Transport Equipment
(not seasonally adjusted)
$ million

Period	Civil aircraft (a)	Road vehicles(b)	Other transport equipment	Total
Years -				
1986-87	1058	2720	724	4502
1987-88	189	3139	824	4152
1988-89	837	4789	1128	6754
Months -				
1987-88 -				
May	-	288	109	397
June	-	331	86	417
1988-89 -				
July	-	348	52	400
August	82	357	62	501
September	-	310	92	402
October	144	396	132	672
November	126	411	94	631
December	201	338	140	679
January	37	399	73	509
February	73	378	80	531
March	39	463	98	600
April	40	453	71	564
May	67	469	140	676
June	28	467	94	589
1989-90 -				
July	32	518	108	658

(a) Acquisition of aircraft by selected major airline companies. (b) SITC Division 78.

The **capital transactions** of the official sector recorded a net outflow of $617 million, down $744 million on the outflow for June. The July estimate consisted of a net outflow of $888 million on account of general government transactions, a fall of $135 million on the outflow for the previous month, and a net inflow of $271 million due to Reserve Bank transactions, a turnaround of $609 million on the previous month's outflow. The change on account of general government transactions was produced by a fall in the net outflow from borrowing domiciled in Australia and a turnaround (to a net inflow) in "other" general government transactions, the combined magnitudes of which more than offset the sharply increased net outflow on borrowing domiciled abroad. The turnaround which eventuated from Reserve Bank transactions was due principally to transactions in official reserve assets, which yielded an inflow (denoting a decrease in assets) of $202 million following an outflow of $335 million in June.

REVISIONS

Estimates in this issue are consistent with those published on 15 August in the June 1989 quarterly balance of payments publication (5302.0). They incorporate the revisions that were described in that issue. They arise from the introduction of improved methods for estimating certain service and royalty transactions and the inclusion of more up-to-date information from regular data sources The revisions have decreased the current account deficit, as published in the June 1989 issue of this publication, for 1986-87, 1987-88 and 1988-89 by $266 million, $495 million and $314 million respectively.

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

Improved methods of estimating certain service and royalty transactions were introduced in the June 1989 quarterly balance of payments publication (5302.0) published on 15 August 1989. A detailed description of these methods was presented in that publication. They result from: the incorporation of preliminary data from the first (1987-88) Survey of International Trade in Services; the use of quarterly data on financial services collected in the Survey of Foreign Investment; the compilation of new estimates of students' expenditure and education services compiled from a variety of official sources; the adjustment of travel estimates by the incorporation of data from updated surveys; and the incorporation of data on repairs and processing obtained from foreign trade statistics. Also the coverage of the travel item has been expanded so that the expenditure of *all* foreign students studying in Australia and *all* Australian students studying abroad have been included.

As a consequence, this issue also incorporates improved estimates for the following items: travel, other services, other property income and unrequited transfers.

The supplementary table (previously Table 7) showing detailed quarterly estimates of investment income has been discontinued. It is instead available on request from Mr Chris Kervin on Canberra (062) 52 7045.

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for July 1989, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the June quarter 1989 issue of the quarterly balance of payments publication (5302.0) released on 15 August 1989.

2. 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 and trend estimates.

Accuracy, reliability and volatility

3. Care should be exercised in the use and interpretation of estimates in this publication. The sources available for the production of timely and reliable monthly estimates are limited and the initial estimates are made available very quickly by world standards. Consequently, the latest estimates in this publication, to a greater extent than estimates in quarterly and annual balance of payments publications, are **preliminary and subject to revision** as more complete and accurate information becomes available. Further, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

4. **Particular care should be exercised in interpreting month-to-month movements** in original and seasonally adjusted series as short term movements cannot be assumed to indicate changes in trend. The monthly estimates are volatile, being subject to seasonal factors (except where adjusted in Table 3) and large irregular influences (which are not removed by seasonal adjustment). The irregular influences may reflect both random economic events and difficulties of statistical recording. The impact of the irregular influences upon the seasonally adjusted series is reduced by smoothing, as shown by the trend estimates in Table 3 and the graphs on page 2. The trend estimates are derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted series.

Seasonal adjustment

5. The factors expected to be used in seasonally adjusting the monthly balance of payments statistics during the remainder of 1989 are provided in the ABS information paper *Seasonal Adjustment of Australia's Monthly Balance of Payments Statistics* (5359.0) released on 14 August 1989. They can also be obtained, for a charge, from Mr Daniel Aherne on Canberra (062) 52 6689.

6. The 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.

Available longer term series

7. Estimates for months prior to those shown in this publication are available and can be obtained by contacting Mr Daniel Aherne on Canberra (062) 52 6689. There may be a charge for this information.

Schedule of expected release dates

8. This publication has usually been released about twelve working days after the end of the reference month. However, delays are being experienced in the receipt of exports information associated with the progressive implementation, by the Australian Customs Service, of EXIT, a new system for electronically processing and recording export information. These delays mean that the August 1989 issue of this publication will be released 15 working days after the end of August. Subsequent issues for 1989 and early 1990 will be further delayed until 17 working

days after the reference month. It is hoped that the improvements in the recording of data under EXIT will enable a return to the twelve-working-day release early in 1990. The expected release dates for the next three issues are:

Issue	Release date
August 1989	Thursday, 21 September 1989
September 1989	Wednesday, 25 October 1989
October 1989	Thursday, 23 November 1989

Any variations which might occur will be notified in the ABS *Publications Advice* (1105.0) and on VIATEL. The dates can be confirmed a few days prior to release by telephoning Canberra (062) 52 6778.

Related publications

9. 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 five 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.e.c.	not elsewhere classified
n.y.a.	not yet available
-	nil or rounded to zero
..	not applicable

10. 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.

AUSSTATS. Thousands of up-to-date time series are available on this ABS on-line service through CSIRONET. For further information phone the AUSSTATS Help Desk on (062) 52 6017.

TELESTATS. This service provides:
- Foreign trade statistics tailored to users' requirements. Further information is available on (062) 52 5404
- text and tables for main economic indicator publications. Further information is available on (062) 52 6107.

Floppy disk service

Selected ABS statistics are available on floppy disk. Further information is available on (062) 52 6684.

IAN CASTLES
Australian Statistician

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.

TABLE 1. BALANCE OF PAYMENTS
($ million)

	Years			Months														
				1987-88		1988-89												1989-90
	1986-87	1987-88	1988-89	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Current transactions -																		
Goods and services -																		
Merchandise (a) -																		
Exports fob	35423	40541	42938	3447	3456	3150	3480	3421	3417	3560	3687	3502	3466	3444	3916	3935	3960	3820
Imports fob	-37159	-40386	-47013	-3653	-3321	-3633	-3891	-3449	-4049	-4077	-3698	-3896	-3706	-3893	-3909	-4598	-4214	-4365
Balance on merchandise trade	-1736	155	-4075	-206	135	-483	-411	-28	-632	-517	-11	-394	-240	-449	7	-663	-254	-545
Services -																		
Credits	7905	9841	11086	856	792	895	915	865	922	935	987	1040	972	973	899	871	812	888
Debits	-10885	-12310	-13732	-999	-1062	-1096	-1081	-1129	-1158	-1077	-1110	-1271	-1072	-1165	-1168	-1195	-1210	-1285
Net services	-2980	-2469	-2646	-143	-270	-201	-166	-264	-236	-142	-123	-231	-100	-192	-269	-324	-398	-397
Balance on goods and services	-4716	-2314	-6721	-349	-135	-684	-577	-292	-868	-659	-134	-625	-340	-641	-262	-987	-652	-942
Income																		
Credits	2983	3565	4283	304	284	292	361	360	329	372	307	384	430	329	363	440	316	447
Debits	-12379	-14747	-17262	-1378	-1253	-1248	-1335	-1275	-1436	-1351	-1383	-1563	-1561	-1586	-1526	-1515	-1483	-1408
Net income	-9396	-11182	-12979	-1074	-969	-956	-974	-915	-1107	-979	-1076	-1179	-1131	-1257	-1163	-1075	-1167	-961
Unrequited transfers																		
Credits	3017	3545	4268	315	313	314	307	309	351	335	344	397	366	358	402	392	393	354
Debits	-1804	-1881	-1994	-213	-165	-134	-133	-151	-118	-177	-177	-210	-146	-193	-161	-196	-198	-157
Net unrequited transfers	1213	1664	2274	102	148	180	174	158	233	158	167	187	220	165	241	196	195	197
Balance on current account	**-12899**	**-11832**	**-17426**	**-1321**	**-956**	**-1460**	**-1377**	**-1049**	**-1742**	**-1480**	**-1043**	**-1617**	**-1251**	**-1733**	**-1184**	**-1866**	**-1624**	**-1706**
Net capital transactions -																		
Official -																		
General government	5561	4430	565	187	-1242	105	-333	-342	502	649	1082	92	203	576	-308	-638	-1023	-888
Reserve Bank -																		
Reserve assets	-3394	-3924	-873	-2183	-924	-539	-163	-56	-70	-235	-105	-170	-21	441	-103	483	-335	202
Other	18	-8	—	4	—	3	12	-51	172	-82	-26	49	-13	-54	13	-20	-3	69
Total	-3376	-3932	-873	-2179	-924	-536	-151	-107	102	-317	-131	-121	-34	387	-90	463	-338	271
Total official	2185	498	-308	-1992	-2166	-431	-484	-449	604	332	951	-29	169	963	-398	-175	-1361	-617
Non-official plus balancing item	10714	11334	17734	3313	3122	1891	1861	1498	1138	1148	92	1646	1082	770	1582	2041	2985	2323
Balance on capital account plus balancing item	**12899**	**11832**	**17426**	**1321**	**956**	**1460**	**1377**	**1049**	**1742**	**1480**	**1043**	**1617**	**1251**	**1733**	**1184**	**1866**	**1624**	**1706**

(a) Balance of payments basis

TABLE 2 BALANCE OF PAYMENTS - CURRENT ACCOUNT -MERCHANDISE (BALANCE OF PAYMENTS BASIS)
($ million)

	Years			Months														
	1986-87	1987-88	1988-89	1987-88		1988-89												1989-90
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Exports fob (a)(b) -																		
Rural exports fob -																		
Meat & meat preparations	2244	2555	2247	231	212	193	160	181	209	203	189	158	139	184	188	221	222	201
Cereal grains & cereal preparations	2778	2202	2723	143	147	140	183	130	159	158	184	221	253	244	334	353	364	234
Sugar, sugar preparations & honey	708	698	897	65	60	67	105	133	63	71	71	39	24	93	71	86	74	89
Wool & sheepskins	3888	5811	5960	475	435	353	314	372	478	602	700	643	535	539	543	483	398	368
Other rural	3521	3976	3963	345	366	334	348	335	321	335	369	372	271	236	285	349	408	385
Total rural	*13139*	*15242*	*15790*	*1259*	*1220*	*1087*	*1110*	*1151*	*1230*	*1369*	*1513*	*1433*	*1222*	*1296*	*1421*	*1492*	*1466*	*1277*
Non-rural exports fob -																		
Metal ores & minerals	4956	5455	6571	410	541	426	526	475	451	532	521	538	600	496	686	685	635	652
Mineral fuels -																		
Coal, coke & briquettes	5456	4850	4725	332	417	290	441	395	450	361	401	299	363	438	397	428	462	411
Other mineral fuels	1515	1779	1250	133	93	133	109	132	77	81	103	69	101	101	127	83	134	107
Metals -																		
Gold	1552	2563	2739	257	251	244	272	245	240	217	155	231	277	237	200	207	214	213
Other metals	2899	3749	4644	338	326	344	381	400	357	375	428	353	400	321	464	414	407	431
Machinery	1595	1835	1858	154	173	154	159	162	154	172	157	148	130	131	160	169	162	189
Transport equipment	1034	957	885	118	75	75	69	65	55	50	75	69	80	82	77	89	99	95
Manufactures nec	2363	2941	3269	286	270	278	288	295	266	294	274	255	215	244	281	282	297	284
Other non-rural	914	1170	1207	160	90	119	125	101	137	109	60	107	78	98	103	86	84	161
Total non-rural	*22284*	*25299*	*27148*	*2188*	*2236*	*2063*	*2370*	*2270*	*2187*	*2191*	*2174*	*2069*	*2244*	*2148*	*2495*	*2443*	*2494*	*2543*
Total exports fob -	**35423**	**40541**	**42938**	**3447**	**3456**	**3150**	**3480**	**3421**	**3417**	**3560**	**3687**	**3502**	**3466**	**3444**	**3916**	**3935**	**3960**	**3820**
Imports fob (a)(b) -																		
Food, beverages & tobacco	-1936	-2013	-2217	-166	-154	-170	-175	-149	-201	-199	-181	-185	-208	-191	-175	-203	-180	-188
Fuels	-1751	-2036	-2017	-226	-155	-121	-135	-155	-139	-92	-64	-210	-162	-189	-247	-252	-251	-214
Chemicals (including plastics)	-3466	-4280	-4976	-402	-381	-422	-432	-369	-449	-405	-344	-414	-412	-385	-414	-493	-437	-461
Textiles, fabrics etc	-1830	-1931	-2001	-176	-152	-169	-185	-168	-177	-168	-148	-158	-155	-158	-158	-183	-174	-192
Metals & metal manufactures	-1845	-2205	-2629	-219	-173	-207	-212	-183	-208	-220	-181	-219	-229	-209	-247	-287	-227	-235
Machinery	-11360	-12230	-13816	-1096	-970	-1116	-1086	-1035	-1103	-1259	-1090	-1155	-1000	-1164	-1108	-1358	-1342	-1276
Transport equipment	-4502	-4152	-6754	-397	-417	-400	-501	-402	-672	-631	-679	-509	-531	-600	-564	-676	-589	-658
Manufactures nec	-7700	-8563	-9789	-714	-672	-771	-908	-752	-842	-873	-767	-846	-777	-776	-760	-909	-808	-889
Other imports	-2769	-2976	-2814	-257	-247	-257	-257	-236	-258	-230	-244	-200	-232	-221	-236	-237	-206	-252
Total imports fob -	**-37159**	**-40386**	**-47013**	**-3653**	**-3321**	**-3633**	**-3891**	**-3449**	**-4049**	**-4077**	**-3698**	**-3896**	**-3706**	**-3893**	**-3909**	**-4598**	**-4214**	**-4365**
Of which:																		
Exogenous (c)	*-4459*	*-3829*	*-4185*	*-359*	*-270*	*-232*	*-311*	*-248*	*-421*	*-350*	*-367*	*-326*	*-341*	*-326*	*-386*	*-486*	*-391*	*-369*
Endogenous (d)	*-32700*	*-36557*	*-42828*	*-3294*	*-3051*	*-3401*	*-3580*	*-3201*	*-3628*	*-3727*	*-3331*	*-3570*	*-3365*	*-3567*	*-3523*	*-4112*	*-3823*	*-3996*
Balance on merchandise trade -	**-1736**	**155**	**-4075**	**-206**	**135**	**-483**	**-411**	**-28**	**-632**	**-517**	**-11**	**-394**	**-240**	**-449**	**7**	**-663**	**-254**	**-545**

(a) From 1 January 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. (b) Definitions of the component series are given in publication 5302.0. (c) Transactions in selected goods which are lumpy by nature, subject to government arrangements or significantly affected by factors other than the general level of economic activity in Australia, specifically fuels;defence equipment;and ships, aircraft and other large items of equipment acquired by selected public and private enterprises. (d) Goods other than those regarded as exogenous.

TABLE 3.BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED AND TREND ESTIMATES (a)
($ million)

	Months														
	1987-88		*1988-89*												*1989-90*
	May	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*
	Seasonally adjusted (b)														
Goods and services -															
Merchandise -															
Exports fob	3358	3221	3348	3397	3467	3491	3493	3478	3687	3702	3399	4063	3688	3762	3998
Imports fob	-3512	-3288	-3543	-3602	-3532	-3893	-3899	-3958	-3925	-3936	-3850	-4419	-4362	-4193	-4256
Balance on merchandise trade	*-154*	*-67*	*-195*	*-205*	*-65*	*-402*	*-406*	*-480*	*-238*	*-234*	*-451*	*-356*	*-674*	*-431*	*-258*
Services -															
Credits	875	859	963	917	946	936	868	913	975	954	924	936	880	878	954
Debits	-1011	-1037	-1077	-1024	-1047	-1107	-1124	-1129	-1211	-1223	-1195	-1235	-1196	-1182	-1249
Net services	*-136*	*-178*	*-114*	*-107*	*-101*	*-171*	*-256*	*-216*	*-236*	*-269*	*-271*	*-299*	*-316*	*-304*	*-295*
Balance on goods and services	*-290*	*-245*	*-309*	*-312*	*-166*	*-573*	*-662*	*-696*	*-474*	*-503*	*-722*	*-655*	*-990*	*-735*	*-553*
Income -															
Credits	299	278	292	361	359	328	375	307	386	438	335	361	436	312	448
Debits	-1305	-1214	-1366	-1461	-1401	-1393	-1448	-1450	-1458	-1524	-1501	-1483	-1423	-1414	-1540
Net income	*-1006*	*-936*	*-1074*	*-1100*	*-1042*	*-1065*	*-1073*	*-1143*	*-1072*	*-1086*	*-1166*	*-1122*	*-987*	*-1102*	*-1092*
Unrequited transfers -															
Credits	317	309	320	306	327	345	329	342	380	377	362	403	389	387	359
Debits	-201	-113	-163	-156	-169	-130	-208	-185	-177	-133	-208	-162	-184	-136	-191
Net unrequited transfers	*116*	*196*	*157*	*150*	*158*	*215*	*121*	*157*	*203*	*244*	*154*	*241*	*205*	*251*	*168*
Balance on current account	**-1180**	**-985**	**-1226**	**-1262**	**-1050**	**-1423**	**-1614**	**-1682**	**-1343**	**-1345**	**-1734**	**-1536**	**-1772**	**-1586**	**-1477**
	Trend estimates														
Goods and services -															
Merchandise (a) -															
Exports fob	3425	3369	3352	3370	3417	3467	3512	3552	3593	3639	3691	3744	..	..	..
Imports fob	-3468	-3468	-3498	-3568	-3675	-3773	-3844	-3899	-3952	-4015	-4085	-4163	..	..	..
Balance on merchandise trade	*-43*	*-99*	*-146*	*-198*	*-258*	*-306*	*-332*	*-347*	*-359*	*-376*	*-394*	*-419*	..	..	..
Balance on goods and services	*-202*	*-240*	*-274*	*-325*	*-401*	*-473*	*-529*	*-572*	*-608*	*-642*	*-673*	*-709*	..	..	..
Balance on current account	**-1057**	**-1099**	**-1144**	**-1212**	**-1304**	**-1387**	**-1449**	**-1494**	**-1525**	**-1550**	**-1567**	**-1588**	..	..	..

a) Balance of payments basis. (b) For forward seasonal factors see paragraph 5 of the Explanatory Notes.

TABLE 4. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES, INCOME AND UNREQUITED TRANSFERS
($ million)

	Years			Months														
				1987-88		1988-89												1989-90
	1986-87	1987-88	1988-89	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Services -																		
Credits -																		
Shipment	462	537	544	43	44	42	44	44	41	45	46	47	47	47	47	47	47	46
Other transportation	2765	3142	3216	275	244	255	279	257	274	278	285	294	275	278	262	252	227	251
Travel	2658	3792	4691	324	302	390	383	360	401	402	450	474	435	427	353	317	299	365
Other services	2020	2370	2635	214	202	208	209	204	206	210	206	225	215	221	237	255	239	226
Total services credits	*7905*	*9841*	*11086*	*856*	*792*	*895*	*915*	*865*	*922*	*935*	*987*	*1040*	*972*	*973*	*899*	*871*	*812*	*888*
Debits -																		
Shipment	-2756	-2856	-3146	-241	-231	-237	-265	-235	-266	-271	-224	-263	-256	-267	-270	-306	-286	-295
Other transportation	-2114	-2510	-2896	-213	-220	-220	-214	-224	-237	-226	-236	-271	-227	-237	-259	-272	-273	-253
Travel	-3104	-3698	-4251	-269	-328	-370	-332	-389	-372	-298	-367	-433	-291	-362	-356	-324	-357	-438
Other services	-2911	-3246	-3439	-276	-283	-269	-270	-281	-283	-282	-283	-304	-298	-299	-283	-293	-294	-299
Total services debits	*-10885*	*-12310*	*-13732*	*-999*	*-1062*	*-1096*	*-1081*	*-1129*	*-1158*	*-1077*	*-1110*	*-1271*	*-1072*	*-1165*	*-1168*	*-1195*	*-1210*	*-1285*
Net services	**-2980**	**-2469**	**-2646**	**-143**	**-270**	**-201**	**-166**	**-264**	**-236**	**-142**	**-123**	**-231**	**-100**	**-192**	**-269**	**-324**	**-398**	**-397**
Income -																		
Credits -																		
Property income -																		
Investment income -																		
Reinvested earnings	1176	1806	2196	151	151	183	183	183	183	183	183	183	183	183	183	183	183	225
Other	1452	1399	1621	126	105	71	146	135	107	152	84	158	212	109	139	216	92	180
Other property income	177	145	221	11	9	17	13	20	18	19	19	19	18	18	20	20	20	17
Labour and other income	178	215	245	16	19	21	19	22	21	18	21	24	17	19	21	21	21	25
Total income credits	*2983*	*3565*	*4283*	*304*	*284*	*292*	*361*	*360*	*329*	*372*	*307*	*384*	*430*	*329*	*363*	*440*	*316*	*447*
Debits -																		
Property income -																		
Investment income -																		
Official	-2626	-3360	-3409	-337	-249	-169	-211	-173	-366	-285	-302	-334	-317	-337	-320	-312	-283	-188
Non-official -																		
Reinvested earnings	-1244	-2428	-2604	-202	-203	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217	-245
Other	-7473	-7737	-9949	-714	-713	-783	-783	-784	-748	-747	-748	-907	-907	-908	-878	-878	-878	-882
Other property income	-839	-958	-991	-102	-66	-54	-97	-77	-79	-75	-88	-77	-94	-97	-85	-83	-85	-70
Labour and other income	-197	-264	-309	-23	-22	-25	-27	-24	-26	-27	-28	-28	-26	-27	-26	-25	-20	-23
Total income debits	*-12379*	*-14747*	*-17262*	*-1378*	*-1253*	*-1248*	*-1335*	*-1275*	*-1436*	*-1351*	*-1383*	*-1563*	*-1561*	*-1586*	*-1526*	*-1515*	*-1483*	*-1408*
Net income	**-9396**	**-11182**	**-12979**	**-1074**	**-969**	**-956**	**-974**	**-915**	**-1107**	**-979**	**-1076**	**-1179**	**-1131**	**-1257**	**-1163**	**-1075**	**-1167**	**-961**
Unrequited transfers -																		
Credits	*3017*	*3545*	*4268*	*315*	*313*	*314*	*307*	*309*	*351*	*335*	*344*	*397*	*366*	*358*	*402*	*392*	*393*	*354*
Debits -																		
Official	-1058	-1098	-1154	-147	-98	-68	-65	-83	-48	-106	-105	-140	-75	-122	-91	-125	-126	-87
Non-official	-746	-783	-840	-66	-67	-66	-68	-68	-70	-71	-72	-70	-71	-71	-70	-71	-72	-70
Total	*-1804*	*-1881*	*-1994*	*-213*	*-165*	*-134*	*-133*	*-151*	*-118*	*-177*	*-177*	*-210*	*-146*	*-193*	*-161*	*-196*	*-198*	*-157*
Net unrequited transfers	**1213**	**1664**	**2274**	**102**	**148**	**180**	**174**	**158**	**233**	**158**	**167**	**187**	**220**	**165**	**241**	**196**	**195**	**197**

TABLE 5. BALANCE OF PAYMENTS - CAPITAL ACCOUNT AND BALANCING ITEM

($ million)

	Years			*Months*														
				1987-88		*1988-89*												*1989-90*
	1986-87	*1987-88*	*1988-89*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*
Net capital transactions -																		
General government -																		
Borrowing -																		
Domiciled abroad -																		
Commonwealth Government -																		
Drawings	3084	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Repayments	-2359	-1622	-3175	-499	-199	-419	-317	-261	-406	-568	-143	-55	-81	-385	-171	-172	-197	-972
Total	*725*	*-1622*	*-3175*	*-499*	*-199*	*-419*	*-317*	*-261*	*-406*	*-568*	*-143*	*-55*	*-81*	*-385*	*-171*	*-172*	*-197*	*-972*
State government	2522	2079	2760	146	-41	466	118	187	-197	82	285	122	220	957	485	126	-91	101
Total domiciled abroad	*3247*	*457*	*-415*	*-353*	*-240*	*47*	*-199*	*-74*	*-603*	*-486*	*142*	*67*	*139*	*572*	*314*	*-46*	*-288*	*-871*
Domiciled in Australia	2899	3630	1408	1	-856	200	-55	-91	1035	1034	1034	65	66	66	-648	-649	-649	-80
Total borrowing	*6146*	*4087*	*993*	*-352*	*-1096*	*247*	*-254*	*-165*	*432*	*548*	*1176*	*132*	*205*	*638*	*-334*	*-695*	*-937*	*-951*
Other	*-585*	*343*	*-428*	*539*	*-146*	*-142*	*-79*	*-177*	*70*	*101*	*-94*	*-40*	*-2*	*-62*	*26*	*57*	*-86*	*63*
Total general government	**5561**	**4430**	**565**	**187**	**-1242**	**105**	**-333**	**-342**	**502**	**649**	**1082**	**92**	**203**	**576**	**-308**	**-638**	**-1023**	**-888**
Reserve Bank -																		
Reserve assets -																		
Official reserve assets	-3394	-3924	-873	-2183	-924	-539	-163	-56	-70	-235	-105	-170	-21	441	-103	483	-335	202
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	*18*	*-8*	—	*4*	—	*3*	*12*	*-51*	*172*	*-82*	*-26*	*49*	*-13*	*-54*	*13*	*-20*	*-3*	*69*
Total Reserve Bank	**-3376**	**-3932**	**-873**	**-2179**	**-924**	**-536**	**-151**	**-107**	**102**	**-317**	**-131**	**-121**	**-34**	**387**	**-90**	**463**	**-338**	**271**
Non-official plus balancing item-																		
Public sector -																		
Non equity securities domiciled in Australia (a)	-376	1006	140	39	-6	185	379	156	-493	85	-44	-403	179	-172	346	-68	-10	-348
Accounts receivable/prepayments made	-10	-29	-593	-15	-67	-104	20	-75	-33	57	30	6	-29	-184	-210	-12	-59	-26
Other (including balancing item) (b)	11100	10357	18187	3289	3195	1810	1462	1417	1664	1006	106	2043	932	1126	1446	2121	3054	2697
Total non-official plus balancing item	**10714**	**11334**	**17734**	**3313**	**3122**	**1891**	**1861**	**1498**	**1138**	**1148**	**92**	**1646**	**1082**	**770**	**1582**	**2041**	**2985**	**2323**
Balance on capital account plus balancing item	**12899**	**11832**	**17426**	**1321**	**956**	**1460**	**1377**	**1049**	**1742**	**1480**	**1043**	**1617**	**1251**	**1733**	**1184**	**1866**	**1624**	**1706**

(a) Excludes bank securities(b) Includes public sector transactions n.e.c.

TABLE 6. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Years			Months														
	1986-87	1987-88	1988-89	1987-88		1988-89												1989-90
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Official reserve assets ($ million) -																		
Levels at end of year/month	17594	20182	20410	19457	20182	20226	20176	20628	20118	19499	19772	18790	20888	19509	20245	20223	20410	20765
Changes in levels	4570	2588	228	893	725	44	-50	452	-510	-619	273	-982	2098	-1379	736	-22	187	355
Of which -																		
Changes due to effects of revaluations	1176	-1336	-645	-1290	-199	-495	-213	396	-580	-854	168	-1152	2077	-938	633	461	-148	557
Changes included in the balance of payments(a)	3394	3924	873	2183	924	539	163	56	70	235	105	170	21	-441	103	-483	335	-202
Exchange rates -																		
Units of foreign currency per $A -																		
End of year/month (b) -																		
United States dollar	0.7203	0.7940	0.7553	0.8051	0.7940	0.8045	0.8069	0.7829	0.8256	0.8781	0.8555	0.8890	0.7996	0.8194	0.7928	0.7484	0.7553	0.7524
United Kingdom pound	0.4494	0.4612	0.4882	0.4357	0.4612	0.4661	0.4777	0.4647	0.4647	0.4752	0.4764	0.5040	0.4591	0.4855	0.4685	0.4763	0.4882	0.4541
West German mark	1.319	1.441	1.480	1.387	1.441	1.503	1.509	1.472	1.457	1.523	1.528	1.654	1.460	1.550	1.488	1.490	1.480	1.410
Japanese yen	105.79	105.17	108.79	100.56	105.17	106.82	108.83	105.28	103.41	106.91	107.71	114.93	101.52	108.64	105.09	106.80	108.79	104.12
Special drawing right	0.5634	0.6059	0.6051	0.5871	0.6059	0.6157	0.6241	0.6067	0.6172	0.6422	0.6382	0.6793	0.6020	0.6332	0.6112	0.6048	0.6051	0.5873
Period average (c) -																		
United States dollar	0.6636	0.7290	0.8160	0.7788	0.8083	0.7993	0.8061	0.7929	0.8090	0.8496	0.8590	0.8701	0.8566	0.8158	0.8044	0.7732	0.7556	0.7571
United Kingdom pound	0.4352	0.4167	0.4755	0.4166	0.4539	0.4686	0.4746	0.4708	0.4664	0.4700	0.4700	0.4896	0.4883	0.4753	0.4728	0.4737	0.4863	0.4672
West German mark	1.280	1.262	1.512	1.319	1.419	1.472	1.521	1.480	1.473	1.485	1.507	1.593	1.586	1.521	1.504	1.503	1.495	1.434
Japanese yen	101.37	97.59	106.95	97.17	102.90	106.37	107.71	106.61	104.39	104.58	106.15	110.59	109.41	106.27	106.23	106.50	108.54	106.49
Special drawing right	0.5345	0.5448	0.6244	0.5656	0.5996	0.6121	0.6237	0.6131	0.6144	0.6267	0.6328	0.6564	0.6509	0.6245	0.6195	0.6093	0.6090	0.5965
Trade weighted index of value of the Australian dollar (May 1970 = 100) -																		
End of year/month (b)	56.6	59.8	59.4	58.9	59.8	61.0	61.8	60.0	61.1	63.7	63.2	66.7	59.6	62.2	60.0	58.8	59.4	57.8
Period average (c)	53.8	54.8	61.6	56.8	59.7	60.5	61.5	60.7	60.8	62.2	62.9	64.7	64.0	61.4	60.9	59.6	59.5	58.6

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 5.(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.

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