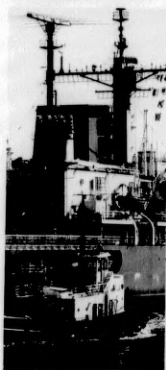


June Quarter 1990

# **BALANCE OF PAYMENTS AUSTRALIA**



EMBARGOED UNTIL 7.30 P.M. 21 AUGUST 1990

**BALANCE OF PAYMENTS  
AUSTRALIA  
JUNE QUARTER 1990**

IAN CASTLES  
Australian Statistician

AUSTRALIAN BUREAU OF STATISTICS

CATALOGUE NO. 5302.0

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## CONTENTS

| <i>Table</i> |                                                                                                                                          | <i>Page</i> |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| ..           | Main features                                                                                                                            | 1           |
| ..           | Graphs of principal balance of payments aggregates                                                                                       | 3           |
| ..           | Notes on the estimates                                                                                                                   | 7           |
| ..           | Special articles — Balancing item                                                                                                        | 10          |
|              | — Balance of payments ratios                                                                                                             | 11          |
|              | — International comparisons of balance of payments statistics                                                                            | 17          |
|              | <b>Summary tables</b>                                                                                                                    |             |
| 1            | Balance of payments                                                                                                                      | 19          |
| 2            | Balance of payments — current account                                                                                                    | 20          |
| 3            | Balance of payments — current account — seasonally adjusted                                                                              | 21          |
| 4            | Balance of payments — capital account                                                                                                    | 22          |
|              | <b>Current account tables</b>                                                                                                            |             |
| 5            | Balance of payments — exports and imports of goods and services at current and average 1984-85 prices — original and seasonally adjusted | 23          |
| 6            | Balance of payments — exports and imports of goods and services implicit price deflators and terms of trade                              | 24          |
| 7            | Merchandise (balance of payment basis)                                                                                                   | 25          |
| 8            | Merchandise (balance of payments basis) — at average 1984-85 prices                                                                      | 26          |
| 9            | Merchandise (balance of payments basis) — seasonally adjusted                                                                            | 27          |
| 10           | Merchandise (balance of payments basis) — at average 1984-85 prices - seasonally adjusted                                                | 28          |
| 11           | Merchandise — foreign trade statistics adjusted for balance of payments purposes                                                         | 29          |
| 12           | Balance of payments — current account — services credits                                                                                 | 30          |
| 13           | Balance of payments — current account — services debits                                                                                  | 31          |
| 14           | Balance of payments — current account — income credits                                                                                   | 32          |
| 15           | Balance of payments — current account — income debits                                                                                    | 33          |
| 16           | Balance of payments — current account — unrequited transfers                                                                             | 34          |
|              | <b>Capital account tables</b>                                                                                                            |             |
| 17           | Balance of payments — capital account — net capital transactions of general government                                                   | 35          |
| 18           | Balance of payments — capital account — net capital transactions of the Reserve Bank                                                     | 36          |
| 19           | Balance of payments — capital account — net capital transactions of the non-official sector                                              | 37          |
| 20           | Net borrowing transactions of the non-official sector                                                                                    | 38          |
|              | <b>Supplementary table</b>                                                                                                               |             |
| 21           | Official reserve assets and exchange rates.                                                                                              | 39          |
| ..           | Explanatory notes                                                                                                                        | 40          |
| ..           | List of occasional articles in recent balance of payments and foreign investment publications                                            | 43          |



## MAIN FEATURES

Estimates of the main balance of payments aggregates for the June quarter 1990, 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

|                                                                       | 1989-90 |         |                        |                         |         |                        |                     |         |                        |
|-----------------------------------------------------------------------|---------|---------|------------------------|-------------------------|---------|------------------------|---------------------|---------|------------------------|
|                                                                       | 1988-89 | 1989-90 | Per cent<br>change (a) | Not seasonally adjusted |         |                        | Seasonally adjusted |         |                        |
|                                                                       |         |         |                        | Mar qtr                 | Jun qtr | Per cent<br>change (a) | Mar qtr             | Jun qtr | Per cent<br>change (a) |
|                                                                       |         |         |                        |                         |         |                        |                     |         |                        |
| MAIN AGGREGATES (\$ million)                                          |         |         |                        |                         |         |                        |                     |         |                        |
| Balance on current account                                            | -17,760 | -20,729 | -17                    | -5,356                  | -3,649  | +32                    | -5,858              | -3,876  | +34                    |
| Balance on goods and services                                         | -6,945  | -7,435  | -7                     | -1,547                  | -278    | +82                    | -2,154              | -447    | +79                    |
| Balance on merchandise trade                                          | -3,985  | -3,779  | +5                     | -1,067                  | 701     | +166                   | -1,260              | 287     | +123                   |
| Net services                                                          | -2,960  | -3,656  | -24                    | -480                    | -979    | -104                   | -894                | -734    | +18                    |
| Net income                                                            | -13,013 | -15,720 | -21                    | -4,338                  | -3,996  | +8                     | -4,283              | -4,101  | +4                     |
| Net unrequited transfers                                              | 2,198   | 2,426   | +10                    | 529                     | 625     | +18                    | 579                 | 672     | +16                    |
| Balance on capital account                                            | 14,455  | 15,212  | +5.2                   | 4,434                   | 2,273   | ..                     | ..                  | ..      | ..                     |
| Official                                                              | -373    | 104     | ..                     | 2,365                   | -1,831  | ..                     | ..                  | ..      | ..                     |
| Non-official                                                          | 14,828  | 15,108  | +1.9                   | 2,069                   | 4,104   | ..                     | ..                  | ..      | ..                     |
| EXCHANGE RATES - UNITS OF<br>FOREIGN CURRENCY PER \$A (b)             |         |         |                        |                         |         |                        |                     |         |                        |
| United States dollar                                                  | .8160   | .7697   | -5.7                   | .7659                   | .7681   | +0.3                   | ..                  | ..      | ..                     |
| Special drawing right                                                 | .6244   | .5958   | -4.6                   | .5821                   | .5858   | +0.6                   | ..                  | ..      | ..                     |
| TRADE-WEIGHTED INDEX OF<br>THE VALUE OF THE \$A<br>(MAY 1970=100) (b) |         |         |                        |                         |         |                        |                     |         |                        |
|                                                                       | 61.6    | 60.0    | -2.6                   | 59.5                    | 60.5    | +1.7                   | ..                  | ..      | ..                     |

(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 1990 compared with March quarter 1990 —

- **Goods and services** (seasonally adjusted). The deficit on goods and services fell by \$1,707 million, due mainly to a turnaround in the merchandise trade balance from a deficit of \$1,260 million in March quarter to a surplus of \$287 million in June quarter. A fall in merchandise exports of 1 per cent was more than compensated for by a fall in merchandise imports of 13 per cent. The fall in merchandise exports was mainly due to falls in the volume and prices of most rural goods. Falls were recorded in all groupings of merchandise imports except food, beverages and tobacco, with the largest falls occurring in machinery and transport equipment. Both exogenous and endogenous imports contributed to the fall in import values. For further details, see *Notes on the Estimates*.
- **The net services** deficit decreased by \$160 million, mainly due to increased travel credits.
- **Income and unrequited transfers** (seasonally adjusted). The net income deficit fell by \$182 million. Income credits rose by \$137 million mainly due to insurance income. Income debits fell by \$45 million. A fall in direct investment dividends was the main contributor to this decrease. The unrequited transfers surplus rose by \$93 million.
- **Official capital** (not seasonally adjusted). The major contributors to the swing from an inflow of \$2,365 million to an outflow of \$1,831 million were turnarounds (from

inflows to outflows) of \$2,704 million and \$1,771 million in official reserve assets and general government borrowing domiciled in Australia, respectively, and a lower net inflow from general government lending, down \$428 million. A partly offsetting change occurred in general government borrowing domiciled abroad which turned around \$764 million, from an outflow to an inflow.

- **Non-official capital** (not seasonally adjusted). The \$2,035 million rise in the net inflow resulted from a turnaround (from an outflow to an inflow) of \$5,751 million in Australian investment abroad, partly offset by a fall of \$3,716 million in the inflow from foreign investment in Australia. The change in Australian investment abroad was due to turnarounds (from outflows to inflows) of \$3,377 million and \$2,374 million in Australian direct investment and portfolio and other investment abroad. The lower inflow from foreign investment in Australia was due to lower inflows from both direct investment and portfolio and other investment, down \$833 million and \$2,883 million respectively.

#### Financial year 1989-90 compared with financial year 1988-89 —

- The deficit on merchandise trade fell by \$206 million to \$3,779 million. Exports, up 10 per cent, increased more than imports, up 8 per cent. For exports, increases were recorded in all groups except wool, which fell \$2,233 million, and "other" metals, down \$90 million. The largest rise occurred in coal, coke and briquettes, up \$1,216 million. Strong increases were also recorded for

"other" mineral fuels, metal ores and minerals and manufactures n.e.c.. For imports, the largest contributors to the increase were machinery, up \$1,739 million, and transport equipment, up \$905 million. Two groups recorded small falls; textiles and "other" imports. In constant price terms, exports rose 8 per cent and imports rose 4 per cent.

- The **net services deficit** rose by \$696 million to \$3,656 million. A 5 per cent increase in services credits was more than outweighed by a 9 per cent increase in services debits. The main contributor to the increase in services debits was travel debits which increased by \$685 million. In constant price terms, services credits fell 1 per cent while services debits rose 2 per cent.

- Australia's **terms of trade** for goods and services fell by 2 per cent. The implicit price deflator for exports of goods and services rose 3 per cent while the corresponding deflator for imports rose by 5 per cent.

- The **net income deficit** rose by \$2,707 million to \$15,720 million, largely due to the increase in interest payable abroad.

- The **net unrequited transfers surplus** rose by \$228 million to \$2,426 million, due mainly to increased receipts of

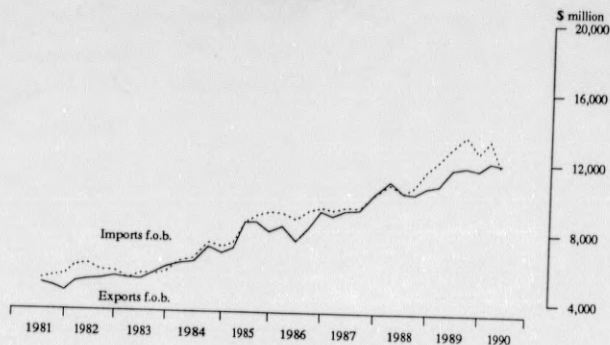
withholding taxes and immigrants' transfers into Australia.

- **Official capital.** The turnaround (from an outflow to an inflow) of \$477 million was mainly due to a higher net inflow from foreign investment in the general government sector, up \$1,176 million, and a turnaround (from an outflow to an inflow) of \$560 million in general government investment abroad. Partly offsetting was a rise of \$1,283 million in the outflow from transactions in official reserve assets.

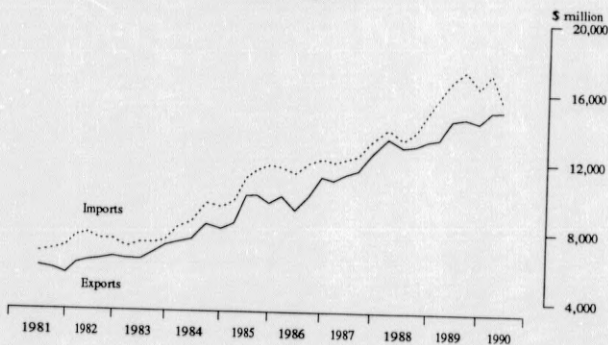
- **Non-official capital.** The increase of \$280 million in the net inflow took account of a lower net inflow from foreign investment in Australia, down \$5,069 million, more than offset by a fall of \$5,349 million in the net outflow from Australian investment abroad. The fall in foreign investment in Australia was due to decreases of \$2,813 million and \$2,256 million in the inflows from direct investment and portfolio and other investment respectively, while the lower outflow from Australian investment abroad was similarly due to lower outflows on direct investment and portfolio and other investment, down \$1,952 million and \$3,397 million respectively.

# GRAPHS OF PRINCIPAL BALANCE OF PAYMENTS AGGREGATES

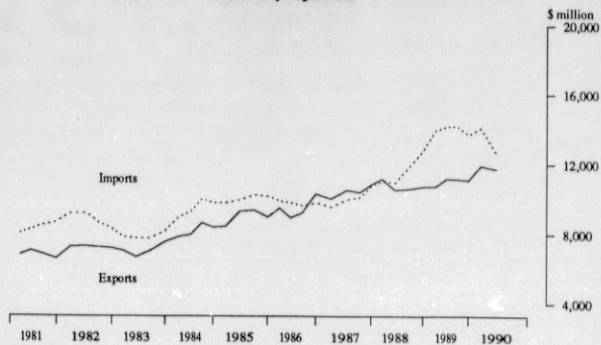
Graph 1. Merchandise -  
seasonally adjusted



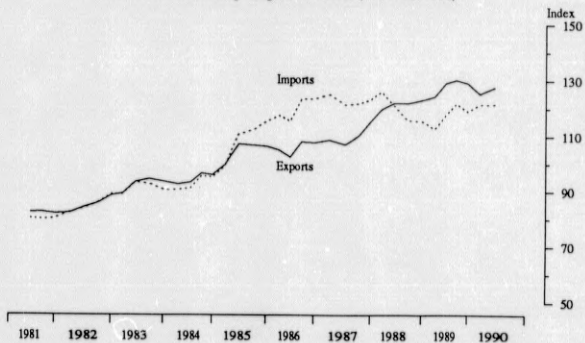
Graph 2. Goods and services at current prices -  
seasonally adjusted



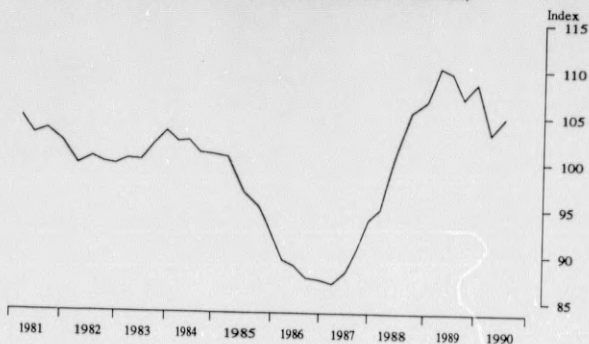
**Graph 3. Goods and services at average 1984-85 prices -  
seasonally adjusted**



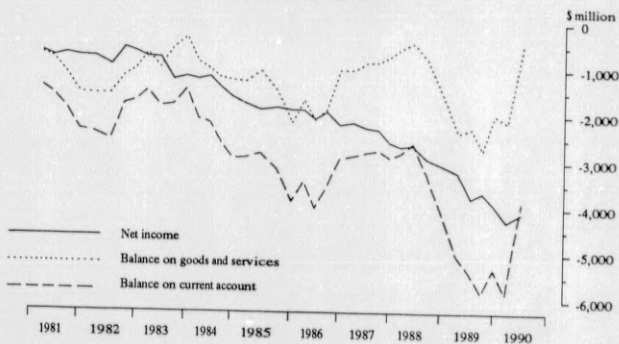
**Graph 4. Implicit price deflators for goods and services -  
based on seasonally adjusted data (1984-85=100)**



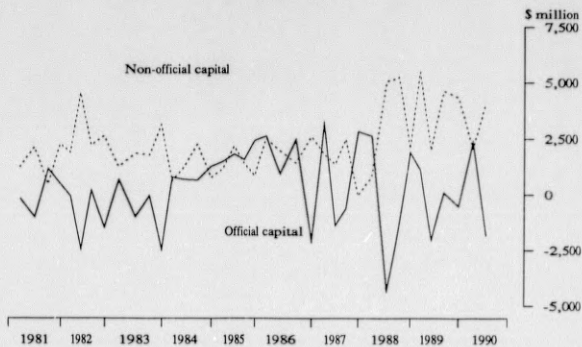
Graph 5. Terms of trade for goods and services  
- based on seasonally adjusted data (1984-85=100)



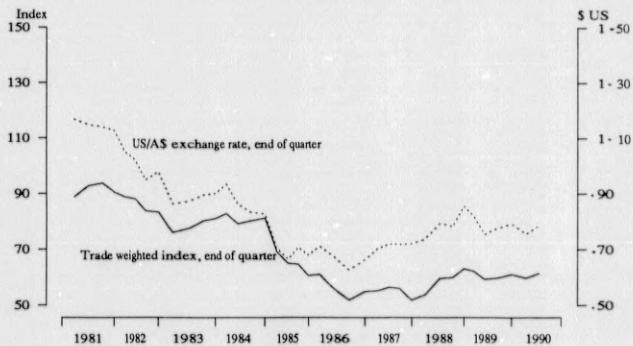
Graph 6. Current account major aggregates  
- seasonally adjusted



Graph 7. Net capital transactions



Graph 8. Trade weighted index (May 1970=100) and US/\$ 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, fixed-weighted price indexes, and terms of trade measures.

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

|                                                           | 1988-89 |      |      |      | 1989-90 |      |      |       |
|-----------------------------------------------------------|---------|------|------|------|---------|------|------|-------|
|                                                           | Sep.    | Dec. | Mar. | Jun. | Sep.    | Dec. | Mar. | Jun.  |
| AT CURRENT PRICES, SEASONALLY ADJUSTED                    |         |      |      |      |         |      |      |       |
| Exports of goods and services-                            | 0.7     | 2.1  | 0.9  | 8.3  | 0.8     | -1.5 | 4.5  | 0.1   |
| Merchandise exports                                       | -0.8    | 3.7  | 1.3  | 8.9  | 1.1     | -1.4 | 3.9  | -1.1  |
| Services credits                                          | 6.8     | -3.6 | -0.8 | 5.5  | -0.1    | -2.2 | 6.9  | 5.3   |
| Imports of goods and services                             | 3.5     | 7.7  | 6.2  | 6.5  | 3.5     | -5.7 | 5.0  | -9.8  |
| Merchandise imports                                       | 3.6     | 8.3  | 5.1  | 6.8  | 5.0     | -7.2 | 6.0  | -12.6 |
| Services debits                                           | 3.0     | 5.5  | 9.9  | 5.3  | -1.5    | -0.1 | 1.6  | -0.1  |
| AT CONSTANT (AVERAGE 1984-85) PRICES, SEASONALLY ADJUSTED |         |      |      |      |         |      |      |       |
| Exports of goods and services                             | 0.7     | 1.3  | -0.1 | 4.2  | -0.1    | -0.6 | 7.6  | -1.7  |
| Merchandise exports                                       | -0.9    | 2.6  | -    | 4.5  | 0.4     | 0.2  | 8.1  | -2.5  |
| Services credits                                          | 7.3     | -4.2 | -0.4 | 3.1  | -2.0    | -4.2 | 5.6  | 1.8   |
| Imports of goods and services                             | 8.4     | 7.9  | 8.8  | 1.8  | 0.1     | -3.5 | 2.8  | -10.0 |
| Merchandise imports                                       | 7.9     | 8.8  | 8.5  | 2.5  | 0.4     | -4.0 | 4.1  | -11.9 |
| Services debits                                           | 10.2    | 4.8  | 10.2 | -0.8 | -0.8    | -1.4 | -2.0 | -2.7  |
| IMPLICIT PRICE DEFLATORS (a)                              |         |      |      |      |         |      |      |       |
| Exports of goods and services                             | 0.1     | 0.9  | 0.9  | 3.9  | 0.9     | -0.8 | -2.9 | 1.9   |
| Merchandise exports                                       | 0.1     | 1.1  | 1.3  | 4.2  | 0.7     | -1.5 | -3.8 | 1.5   |
| Services credits                                          | -0.5    | 0.6  | -0.5 | 2.3  | 1.8     | 2.1  | 1.2  | 3.5   |
| Imports of goods and services                             | -4.5    | -0.2 | -2.4 | 4.5  | 3.4     | -2.3 | 2.1  | 0.2   |
| Merchandise imports                                       | -4.0    | -0.4 | -3.1 | 4.2  | 4.5     | -3.3 | 1.8  | -0.8  |
| Services debits                                           | -6.5    | 0.7  | -0.3 | 6.1  | -0.7    | 1.3  | 3.6  | 2.7   |
| TERMS OF TRADE (b)                                        |         |      |      |      |         |      |      |       |
| Goods and services                                        | 4.8     | 1.1  | 3.4  | -0.5 | -2.5    | 1.5  | -5.0 | 1.7   |
| Merchandise trade                                         | 4.3     | 1.5  | 4.5  | -    | -3.7    | 1.9  | -5.6 | 2.3   |
| Services                                                  | 6.5     | -0.1 | -0.2 | -3.5 | 2.6     | 0.7  | -2.3 | 0.9   |
| FIXED-WEIGHTED INDEXES (c)                                |         |      |      |      |         |      |      |       |
| Exports of goods and services                             | 0.7     | -0.1 | 2.7  | 4.5  | 1.3     | -1.0 | -0.1 | 1.6   |
| Merchandise exports                                       | 1.0     | -0.3 | 3.0  | 5.3  | 1.2     | -1.6 | -0.3 | 1.6   |
| Services credits                                          | -0.7    | 1.2  | 1.3  | -0.1 | 2.0     | 2.3  | 1.3  | 2.1   |
| Imports of goods and services                             | -4.9    | -0.1 | -2.0 | 5.1  | 2.4     | -0.5 | 1.2  | 0.5   |
| Merchandise imports                                       | -4.6    | -0.3 | -2.1 | 4.5  | 3.2     | -1.7 | 1.0  | 0.2   |
| Services debits                                           | 6.1     | 0.8  | -1.6 | 7.2  | -0.2    | 3.2  | 1.5  | 1.4   |

(a) The implicit price deflator is derived by dividing seasonally adjusted current price estimates by the corresponding seasonally adjusted constant price estimates (base year 1984-85=100). (b) The terms of trade are derived by dividing the implicit price deflators for exports (of merchandise and services) by the implicit price deflators for imports (of merchandise and services). (c) The fixed-weighted indexes are derived by combining individual component prices (base year 1984-85=100) with a weighting to reflect the relative importance of the components in the base year. For further details see "Changes in this issue" on page 8 of the March quarter 1990 issue of this publication.



June quarter 1990 compared with March quarter 1990, seasonally adjusted ("Volume" refers to values at average 1984-85 prices and "price" refers to implicit price deflators) —

*Exports of merchandise* at current prices fell \$133 million. Rural exports fell \$280 million, or 7 per cent. Rural export volumes fell 5 per cent. Exports of meat, cereals and sugar all fell on account of reduced volumes, while wool exports rose 4 per cent due to a rise in volume. Non-rural exports rose \$147 million, or 2 per cent, despite a 1 per cent fall in volume. The largest rises occurred in mineral fuels, up \$90 million, due mainly to an increase in the price of coal; and 'other non-rural', up \$72 million. The value of gold exports fell \$100 million, due mainly to a fall in volume.

*Services credits* at current prices rose \$155 million, or 5 per cent, reflecting a 2 per cent increase in volume and a 3 per cent increase in price.

The *implicit price deflator* for total exports of goods and services rose 1.9 per cent. On a fixed-weight basis the IPD rose 1.6 per cent, while compositional shifts accounted for an increase of 0.3 per cent.

*Imports of merchandise* at current prices fell by \$1680 million, due to falls in volume for all categories except

food, beverages and tobacco which rose slightly. Exogenous imports fell \$188 million due mainly to decreased imports of civil aircraft. Endogenous imports fell \$1,492 million, due largely to decreases in imports of machinery and transport equipment. The overall volume of endogenous imports fell 12 per cent. Prices fell slightly. The volume movements in the components of endogenous imports were: consumption goods, down 4 per cent; capital goods, down 10 per cent; and other goods, down 17 per cent.

*Services debits* were virtually unchanged as a result of a 3 per cent decrease in volume being offset by a 3 per cent increase in price.

The *implicit price deflator* for imports of goods and services rose 0.2 per cent. On a fixed-weight basis the overall IPD rose 0.5 per cent, while compositional shifts implied a 0.3 per cent decrease.

Australia's *terms of trade* rose 1.7 per cent reflecting the increase in the exports IPD.

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 |
|---------------|-----------|--------------------|-----------|-------|---------------------------------------|
| 1987-88       | 2,036     | 189                | 1,604     | 3,829 | 9.5                                   |
| 1988-89       | 2,014     | 837                | 1,335     | 4,186 | 8.9                                   |
| 1989-90       | 2,521     | 1,247              | 1,003     | 4,771 | 9.4                                   |
| 1987-88 —     |           |                    |           |       |                                       |
| March qtr     | 494       | 63                 | 401       | 958   | 9.4                                   |
| June qtr      | 517       | —                  | 350       | 867   | 8.6                                   |
| 1988-89 —     |           |                    |           |       |                                       |
| September qtr | 411       | 82                 | 306       | 799   | 7.3                                   |
| December qtr  | 295       | 471                | 373       | 1,139 | 9.6                                   |
| March qtr     | 561       | 149                | 284       | 994   | 8.6                                   |
| June qtr      | 747       | 135                | 372       | 1,254 | 9.9                                   |
| 1989-90 —     |           |                    |           |       |                                       |
| September qtr | 633       | 489                | 257       | 1,379 | 9.9                                   |
| December qtr  | 698       | 173                | 248       | 1,119 | 8.6                                   |
| March qtr     | 600       | 373                | 240       | 1,213 | 9.6                                   |
| June qtr      | 590       | 212                | 258       | 1,060 | 9.3                                   |

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

## Revisions

The current price (not seasonally adjusted) estimates in this publication for the current account are consistent with those published in the June month issue of 5301.0, with the following two exceptions.

- Exports f.o.b. have been revised for the September and December quarters of 1989, and the June quarter of 1990. The revisions to the September and December quarters of 1989, due to the incorporation of the latest available recorded trade data, have resulted in a decrease in the estimates of merchandise exports of \$84 million in September quarter, and \$34 million in December quarter. Revisions to the June quarter 1990, resulting from the correction of a processing error in the compilation of foreign trade statistics, have increased the estimate for merchandise exports in the June quarter by \$488 million.

- The net income deficit for June quarter 1990 has been reduced by \$58 million following the incorporation of preliminary data from the June quarter 1990 Survey of Foreign Investment.

The overall impact of these revisions was to reduce the deficit on the current account for 1989-90 by \$428 million.

A correction of an error in the calculation of seasonally adjusted endogenous imports has resulted in revisions to the seasonally adjusted estimates of capital goods and 'other goods' for 1986-87, 1987-88 and 1988-89. The effect of these revisions has been to alter the within year pattern of seasonally adjusted estimates of these two items, while leaving the annual estimates largely unchanged. Estimates of total endogenous imports and total merchandise imports have not been affected by these revisions.

Estimations of net capital transactions have been revised to take account of more recent data from the Survey of Foreign Investment and other sources.

## BALANCING ITEM

### Recent results

The *balancing item* for 1989-90 was \$5,517 million. This follows balancing items of \$2,150 million, \$2,257 million and \$3,305 million for the three years 1986-87, 1987-88 and 1988-89 respectively. At this stage the balancing item for 1989-90 is still based on preliminary data and is consequently subject to revision. Past experience has shown that, on average, the balancing item tends to be revised downward as more complete data become available.

### The nature of the item

The size of the balancing item provides an objective but limited measure of the accuracy of the balance of payments accounts. These accounts measure Australia's transactions with non-residents using a *double-entry accounting system*. In principle, the adoption of this system means that the net sum of all credit and debit entries should be equal to zero. In practice, due to the variety of data sources of differing quality and the myriad of complex international transactions, some transactions are not measured accurately (errors) and some may not be recorded at all (omissions). The balancing item measures the net effect of these errors and omissions.

A persistently large balancing item may be an indication of serious errors and omissions in the accounts. However, a small balancing item does not necessarily mean that errors and omissions are small, since they may be offsetting. Offsetting errors may be unrelated, reflect a direct link in the measurement of two items, or result from a measurement problem affecting both sides of a transaction. For example, any error in measuring *reinvested earnings* in the current account will be matched and offset in the capital account item *reinvestment of earnings* as the two items are of equal magnitude but opposite sign. A balancing item of predominantly one sign may also suggest that errors and omissions are occurring systematically rather than randomly.

The predominance of relatively large and positive annual balancing items in recent years suggests that care needs to be taken when interpreting the accounts.

### Recent Developments

Australia's worsening balancing item in recent years coincides with a number of major changes in the Australian financial system that have increased the difficulty of measuring balance of payments transactions. Since October 1983, there have been a number of government in-

itiatives designed to liberalise the financial system and to introduce diversity and competition by allowing the entry of selected foreign financial institutions. There has been a significant increase in the number and type of entities engaging in international transactions and new instruments and methods of financing have been introduced.

It is unlikely that any single factor accounts for the recent increases in the size of the balancing item. However, problems with coverage of foreign investment activity and with the measurement of some services, income and unrequited transfers items have been identified.

Coverage of foreign investment activity by the non-official sector presents particular difficulties. Since the suspension of exchange controls in December 1983 there has been no comprehensive source of coverage for the ABS Survey of Foreign Investment and reliance has had to be placed on various partial sources in measuring this activity. Deficiencies in coverage of non-official sector capital flows may be the main capital account contributor to the size of the annual balancing item in recent years.

Three other measurement problems associated with capital transactions may also have had a significant impact. First, problems have emerged in the measurement of gains and losses on foreign exchange transactions, particularly those involving banks. The nature and extent of these deficiencies are under investigation. Second, the potential for inconsistencies in the time of recording and valuation of the two different sides of a transaction has increased with the rapid growth in the volume of international transactions and the more frequent exchange rate adjustments since the floating of the dollar and other major currencies. Timing problems may also be behind a large part of the volatility that has been evident in the size of the quarterly balancing item, although this does not appear to be strongly evident in 1989-90. Third, despite the recent improvements in the measurement of foreign investment in Australian real estate, deficiencies in coverage in this area may still exist.

The ABS is developing a methodology within the framework of the Survey of Foreign Investment to measure investment in Australian real estate on a regular basis. Once this methodology is established, it is expected that coverage of foreign investment in Australian real estate will be satisfactory and no longer a significant contributory factor to the size of the balancing item.

During the 1980s there has been significant growth in international trade in services, especially in *non-official other services*. For a number of reasons this is a difficult area about which to compile statistics. The types of ser-

vices involved are diverse while the service providers and receivers are widespread throughout the economy and continually changing. There is no comprehensive source of coverage of either transactors or transactions. There are also conceptual and practical difficulties involved in identifying internationally traded services without omission or overlap with other balance of payments items.

Although the ABS conducts a number of surveys to measure the services items, it is likely there will be deficiencies in the estimates, both current and extrapolated, that are produced from the surveys.

Deficiencies are also recognised in the measurement of travel debits. At present, estimates of per capita expenditure of Australian travellers abroad (which are multiplied by estimates of the number of such travellers to derive travel debits estimates) are based on a benchmark survey conducted in respect of 1982-83. The benchmark is updated using results from the Survey of International Travel Enterprises. Any divergence between the updated per capita expenditure estimates and actual per capita expenditure will have an impact on the balancing item.

The ABS is planning to conduct, in respect of 1990-91, a Survey of Returned Australian Travellers (SORAT). Results from the SORAT will improve the accuracy of per capita expenditure estimates.

Problems currently exist with the estimation of the transfers made by non-residents migrating to Australia under the Australian Government's Business Migration Program (included in *unrequited transfers credits*). In estimating this item, reliance is placed on the results of an out-of-date survey conducted to measure a concept of migrants' transfers that is different from that required for balance of payments purposes. Although the survey results have been adjusted for broad price and exchange rate changes since the survey was run, the pattern of migrants' transfers may have changed enough over the period to make estimates based on the survey questionable. An updated survey has recently been conducted; the ABS is currently analysing the results with the view to improving estimates of migrants' transfers.

The accuracy of investment income estimates on the current account may also be influenced by difficulties in the measurement of related capital account items. To the extent that there has been undercoverage of capital transactions, for example foreign investment activity by the non-official sector, it is likely that there will have been understatement of any associated income transactions. Some income (such as discount income) may also be unrecorded or misclassified as part of the associated investment transaction.

## BALANCE OF PAYMENTS RATIOS

### Introduction

In analysing an economy's balance of payments, it is often useful to relate balance of payments statistics to other economic indicators by deriving balance of payments ratios. These ratios enable the examination of the balance of payments within the framework of the economy as a whole, as well as facilitating more meaningful historical and international comparisons. However, it should be noted that any international comparisons need to be made with caution as the underlying economic indicators used to derive these ratios are often compiled on different bases. International comparisons are also complicated by a diversity of economic, political and social structures.

This article provides a selection of ratios that might be useful when analysing balance of payments performance over recent years. It also analyses the behaviour of the ratios over the sixteen year period 1974-75 to 1989-90.

The ratios are grouped into five categories: current account to gross domestic product (GDP) ratios; endogenous imports ratios; import penetration ratios; investment servicing ratios; and capital transactions ratios. The ratios are based on original current price estimates. Simple averages of the ratios for the period being analysed are also provided.

# Current account to GDP ratios

Current account to GDP ratios express selected balance of payments aggregates as percentages of GDP, the measure of an economy's production level. These ratios are shown in Graph 1 and Table 1. A negative ratio indicates a deficit in the balance of payments.

The main ratio in this category is the *balance on current account to GDP ratio*. This ratio has fluctuated somewhat over the period under analysis but, with the current account in deficit over the entire period, the ratio has tended to grow. In 1989-90 the current account deficit to GDP ratio was 5.6 per cent, up 0.3 percentage points on a year earlier but down on the record level of 6.1 per cent recorded for 1985-86.

The fluctuations in the balance on current account to GDP ratio mirror those in the *balance on goods and services to GDP* and the *net income to GDP* ratios.

The net income deficit to GDP in particular has risen strongly over the period, with the ratio rising from 1.1 per cent in 1974-75 to 4.3 per cent in 1989-90.

GRAPH 1. CURRENT ACCOUNT TO GDP RATIOS

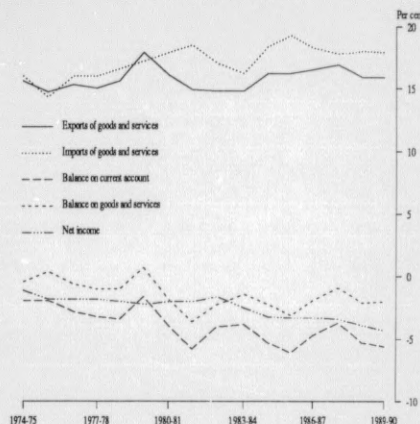


TABLE 1: CURRENT ACCOUNT TO GDP RATIOS

| Year               | GDP   | Balance on current account (a) | Balance on goods and services (a) | Exports of goods and services | Imports of goods and services (b) | Net income (a) | Ratios to GDP              |                               |                               |                               |            |
|--------------------|-------|--------------------------------|-----------------------------------|-------------------------------|-----------------------------------|----------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|------------|
|                    |       |                                |                                   |                               |                                   |                | Balance on current account | Balance on goods and services | Exports of goods and services | Imports of goods and services | Net income |
|                    |       |                                |                                   |                               |                                   |                |                            |                               |                               |                               |            |
| — \$'000 million — |       |                                |                                   |                               |                                   | — per cent —   |                            |                               |                               |                               |            |
| 1974-75            | 64.7  | - 1.2                          | - 0.3                             | 10.1                          | 10.4                              | - 0.7          | - 1.9                      | - 0.4                         | 15.6                          | 16.0                          | - 1.1      |
| 1975-76            | 76.4  | - 1.4                          | 0.3                               | 11.2                          | 11.0                              | - 1.4          | - 1.9                      | 0.4                           | 14.7                          | 14.3                          | - 1.8      |
| 1976-77            | 87.3  | - 2.4                          | - 0.5                             | 13.4                          | 13.9                              | - 1.6          | - 2.8                      | - 0.6                         | 15.3                          | 16.0                          | - 1.8      |
| 1977-78            | 94.9  | - 3.0                          | - 1.0                             | 14.2                          | 15.2                              | - 1.8          | - 3.2                      | - 1.0                         | 15.0                          | 16.0                          | - 1.8      |
| 1978-79            | 108.0 | - 3.6                          | - 1.1                             | 16.9                          | 18.0                              | - 2.2          | - 3.4                      | - 1.0                         | 15.6                          | 16.6                          | - 2.0      |
| 1979-80            | 122.6 | - 2.0                          | 0.9                               | 22.0                          | 21.1                              | - 2.7          | - 1.6                      | 0.7                           | 17.9                          | 17.2                          | - 2.2      |
| 1980-81            | 139.8 | - 5.5                          | - 2.6                             | 22.5                          | 25.1                              | - 2.8          | - 3.9                      | - 1.8                         | 16.1                          | 17.9                          | - 2.0      |
| 1981-82            | 156.7 | - 9.1                          | - 5.7                             | 23.3                          | 29.0                              | - 3.2          | - 5.8                      | - 3.6                         | 14.9                          | 18.5                          | - 2.0      |
| 1982-83            | 170.6 | - 6.8                          | - 3.8                             | 25.2                          | 29.0                              | - 2.8          | - 4.0                      | - 2.2                         | 14.8                          | 17.0                          | - 1.6      |
| 1983-84            | 192.7 | - 7.4                          | - 2.6                             | 28.6                          | 31.2                              | - 4.9          | - 3.8                      | - 1.4                         | 14.8                          | 16.2                          | - 2.5      |
| 1984-85            | 214.5 | - 11.3                         | - 4.8                             | 34.8                          | 39.5                              | - 6.8          | - 5.3                      | - 2.2                         | 16.2                          | 18.4                          | - 3.2      |
| 1985-86            | 239.4 | - 14.6                         | - 7.4                             | 38.7                          | 46.1                              | - 7.9          | - 6.1                      | - 3.1                         | 16.2                          | 19.3                          | - 3.3      |
| 1986-87            | 261.9 | - 12.2                         | - 4.9                             | 43.1                          | 48.0                              | - 8.6          | - 4.7                      | - 1.9                         | 16.5                          | 18.3                          | - 3.3      |
| 1987-88            | 296.4 | - 11.1                         | - 2.5                             | 50.1                          | 52.6                              | - 10.2         | - 3.7                      | - 0.9                         | 16.9                          | 17.8                          | - 3.4      |
| 1988-89            | 337.6 | - 17.8                         | - 6.9                             | 53.8                          | 60.8                              | - 13.0         | - 5.3                      | - 2.1                         | 15.9                          | 18.0                          | - 3.9      |
| 1989-90            | 368.6 | - 20.7                         | - 7.4                             | 58.6                          | 66.0                              | - 15.7         | - 5.6                      | - 2.0                         | 15.9                          | 17.9                          | - 4.3      |
| Average            | ..    | ..                             | ..                                | ..                            | ..                                | ..             | - 3.9                      | - 1.4                         | 15.8                          | 17.2                          | - 2.5      |

(a) A minus sign indicates a deficit. (b) These series carry the opposite sign to the corresponding series in the main tables of this publication.

### Endogenous imports ratios

Endogenous merchandise imports can be broken down into three broad economic categories: consumption; capital; and other. Endogenous imports ratios examine the change in composition of endogenous imports over time by expressing each of these major categories as a percentage of total endogenous imports.

As Graph 2 and Table 2 show, both the *consumption imports to endogenous imports ratio* and the *other imports to endogenous imports ratio* have experienced a slight decline over the period 1974-75 to 1989-90, whereas the *capital imports to endogenous imports ratio* has risen.

The proportion of consumption goods to endogenous imports peaked at 29 per cent in 1975-76 and highest at 26 per cent in 1989-90, and was at its lowest at 25 per cent in 1980-81 and 1981-82, and again in 1986-87. In 1989-90, consumption goods accounted for 26 per cent of endogenous imports. The average ratio over the last sixteen years was 27 per cent.

The proportion of capital goods to endogenous imports was at its lowest at 20 per cent in 1979-80 and highest at 26 per cent in 1985-86. Capital goods accounted for 25 per cent of endogenous imports in 1989-90. The average ratio for the last sixteen years was 24 per cent.

Over the same period other goods as a proportion of endogenous imports peaked at 55 per cent in 1979-80 and bottomed out at 48 per cent in 1976-77 and 1977-78, and again from 1982-83 to 1985-86. Other goods accounted

for 48 per cent of endogenous imports in 1989-90. The period average for the ratio was 49 per cent.

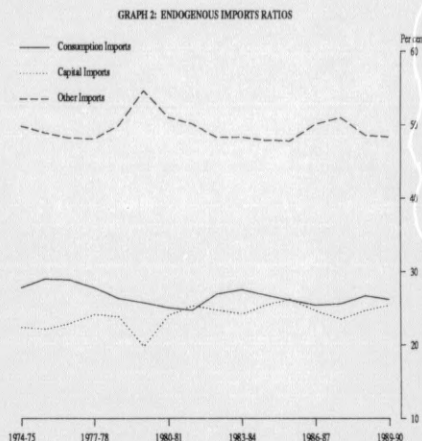


TABLE 2: ENDOGENOUS IMPORTS RATIOS

| Year    | Endogenous imports (a) |             |         |       | Per cent of total endogenous imports |         |       |
|---------|------------------------|-------------|---------|-------|--------------------------------------|---------|-------|
|         | Total                  | Consumption | Capital | Other | Consumption                          | Capital | Other |
|         | — \$'000 million —     |             |         |       | — per cent —                         |         |       |
| 1974-75 | 6.7                    | 1.9         | 1.5     | 3.3   | 28                                   | 22      | 50    |
| 1975-76 | 6.9                    | 2.0         | 1.5     | 3.4   | 29                                   | 22      | 49    |
| 1976-77 | 9.0                    | 2.6         | 2.1     | 4.3   | 29                                   | 23      | 48    |
| 1977-78 | 9.5                    | 2.6         | 2.3     | 4.6   | 28                                   | 24      | 48    |
| 1978-79 | 11.7                   | 3.1         | 2.8     | 5.8   | 26                                   | 24      | 50    |
| 1979-80 | 13.2                   | 3.4         | 2.6     | 7.2   | 26                                   | 20      | 55    |
| 1980-81 | 15.5                   | 3.9         | 3.7     | 7.9   | 25                                   | 24      | 51    |
| 1981-82 | 18.4                   | 4.5         | 4.6     | 9.2   | 25                                   | 25      | 50    |
| 1982-83 | 17.6                   | 4.7         | 4.4     | 8.5   | 27                                   | 25      | 48    |
| 1983-84 | 20.4                   | 5.6         | 4.9     | 9.8   | 28                                   | 24      | 48    |
| 1984-85 | 25.9                   | 7.0         | 6.6     | 12.4  | 27                                   | 25      | 48    |
| 1985-86 | 31.1                   | 8.1         | 8.1     | 14.9  | 26                                   | 26      | 48    |
| 1986-87 | 32.7                   | 8.3         | 8.0     | 16.4  | 25                                   | 25      | 50    |
| 1987-88 | 36.6                   | 9.3         | 8.6     | 18.6  | 26                                   | 24      | 51    |
| 1988-89 | 42.8                   | 11.4        | 10.6    | 20.8  | 27                                   | 25      | 49    |
| 1989-90 | 46.2                   | 12.1        | 11.8    | 22.3  | 26                                   | 25      | 48    |
| Average | ..                     | ..          | ..      | ..    | 27                                   | 24      | 49    |

(a) These series carry the opposite sign to the corresponding series in the main tables of this publication.



### Import penetration ratios

Import penetration ratios are used to examine the proportion of demand for goods and services in an economy that is satisfied through imports. The import penetration ratios shown in Graph 3 and Table 3 comprise *imports of goods and services to gross national expenditure*, *capital imports to gross fixed capital expenditure*, *other imports to final consumption expenditure* and *endogenous imports to sales*. All series used in the compilation of these ratios are at current prices.

Capital imports are defined as endogenous capital imports plus imports of civil aircraft. Other imports are defined as imports of goods and services less capital imports.

In the endogenous imports to sales ratio, sales are defined as gross non-farm product plus endogenous imports plus imports of services less changes in private non-farm stocks. A similarly named ratio is presented in *Australian National Accounts: National Income and Expenditure* (5206.0) using seasonally adjusted constant price equivalents of the current price numerator and denominator used here.

For a detailed discussion on the national accounting concepts of gross national expenditure, gross fixed capital expenditure, final consumption expenditure, gross non-farm product and private non-farm stocks refer to *Australian National Accounts: Concepts, Sources and Methods* (5216.0).

Imports of goods and services as a proportion of gross national expenditure grew over the sixteen year period, rising from 16 per cent in 1974-75 to 18 per cent in 1989-90, and averaged 17 per cent for the period. The ratio was at its lowest in 1975-76 (at 14 per cent) and at its highest in 1985-86 (at 19 per cent), with a trough occurring over 1982-83 and 1983-84.

The capital imports to gross fixed capital expenditure ratio, which indicates the proportion of capital accumulation satisfied by imports from abroad, increased from 11 per cent in 1974-75 to 15 per cent in 1989-90. Like the imports of goods and services to gross national expenditure ratio, this ratio was at its lowest in 1975-76 (at 9 per cent). The ratio average for the period was 12 per cent.

GRAPH 3: IMPORT PENETRATION RATIOS

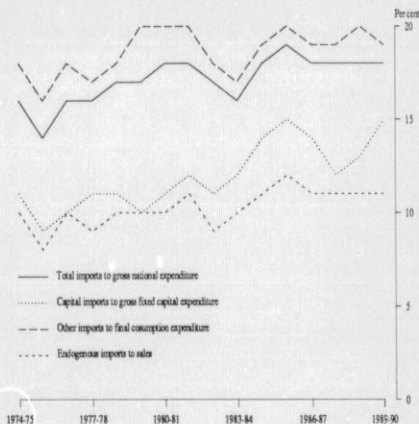


TABLE 3: IMPORT PENETRATION RATIOS

| Year               | Gross national expenditure (GNE) | Gross fixed capital expenditure (GFCE) | Final Consumption Expenditure (FCE) | Imports of goods and services |                   |                         |                       | Imports of goods and services ratios |                      |                         |                      | Endogenous imports to sales ratio |
|--------------------|----------------------------------|----------------------------------------|-------------------------------------|-------------------------------|-------------------|-------------------------|-----------------------|--------------------------------------|----------------------|-------------------------|----------------------|-----------------------------------|
|                    |                                  |                                        |                                     | Sales (a)                     | Total imports (b) | Capital imports (b) (c) | Other imports (b) (d) | Endogenous imports (b)               | Total imports to GNE | Capital imports to GFCE | Other imports to FCE |                                   |
|                    |                                  |                                        |                                     |                               |                   |                         |                       |                                      |                      |                         |                      |                                   |
| — \$'000 million — |                                  |                                        |                                     |                               |                   |                         |                       |                                      |                      |                         |                      |                                   |
| 1974-75            | 64.9                             | 15.1                                   | 48.1                                | 69.8                          | 10.4              | 1.6                     | 8.8                   | 6.7                                  | 16                   | 11                      | 18                   | 10                                |
| 1975-76            | 76.1                             | 18.4                                   | 58.0                                | 82.6                          | 10.9              | 1.6                     | 9.3                   | 5.0                                  | 14                   | 9                       | 16                   | 8                                 |
| 1976-77            | 87.8                             | 21.0                                   | 66.4                                | 94.6                          | 13.9              | 2.1                     | 11.8                  | 9.0                                  | 16                   | 10                      | 18                   | 10                                |
| 1977-78            | 95.8                             | 22.6                                   | 74.1                                | 104.6                         | 15.2              | 2.4                     | 12.7                  | 9.5                                  | 16                   | 11                      | 17                   | 9                                 |
| 1978-79            | 109.1                            | 26.0                                   | 83.1                                | 117.7                         | 18.0              | 2.9                     | 15.0                  | 11.7                                 | 17                   | 11                      | 18                   | 10                                |
| 1979-80            | 121.8                            | 28.8                                   | 93.7                                | 132.8                         | 21.1              | 2.8                     | 18.3                  | 13.2                                 | 17                   | 10                      | 20                   | 10                                |
| 1980-81            | 142.4                            | 35.2                                   | 107.6                               | 153.8                         | 25.1              | 4.0                     | 21.0                  | 15.5                                 | 18                   | 11                      | 20                   | 10                                |
| 1981-82            | 162.3                            | 41.5                                   | 122.7                               | 173.9                         | 29.0              | 5.2                     | 23.8                  | 18.4                                 | 18                   | 12                      | 20                   | 11                                |
| 1982-83            | 174.4                            | 41.2                                   | 137.9                               | 192.4                         | 29.0              | 4.6                     | 24.4                  | 17.6                                 | 17                   | 11                      | 18                   | 9                                 |
| 1983-84            | 195.3                            | 44.4                                   | 152.2                               | 212.5                         | 31.2              | 5.1                     | 26.1                  | 20.4                                 | 16                   | 12                      | 17                   | 10                                |
| 1984-85            | 219.2                            | 51.1                                   | 168.1                               | 240.0                         | 39.5              | 7.0                     | 32.5                  | 25.9                                 | 18                   | 14                      | 19                   | 11                                |
| 1985-86            | 245.5                            | 59.4                                   | 188.1                               | 270.4                         | 46.1              | 8.8                     | 37.2                  | 31.1                                 | 19                   | 15                      | 20                   | 12                                |
| 1986-87            | 266.7                            | 64.1                                   | 205.9                               | 297.3                         | 48.0              | 9.2                     | 38.8                  | 32.7                                 | 18                   | 14                      | 19                   | 11                                |
| 1987-88            | 299.0                            | 72.3                                   | 227.7                               | 333.6                         | 52.6              | 8.8                     | 43.9                  | 36.6                                 | 18                   | 12                      | 19                   | 11                                |
| 1988-89            | 345.4                            | 86.6                                   | 251.2                               | 377.0                         | 60.8              | 11.4                    | 49.4                  | 42.8                                 | 18                   | 13                      | 20                   | 11                                |
| 1989-90            | 376.1                            | 89.1                                   | 276.7                               | 414.7                         | 66.0              | 13.0                    | 53.0                  | 46.2                                 | 18                   | 15                      | 19                   | 11                                |
| Average            | ..                               | ..                                     | ..                                  | ..                            | ..                | ..                      | ..                    | ..                                   | 17                   | 12                      | 19                   | 10                                |

(a) Sales are defined as gross non-farm product plus endogenous imports plus imports of services less changes in private non-farm stocks. (b) These series carry the opposite sign to the corresponding series in the main tables of this publication. (c) Capital imports are defined as endogenous capital imports plus imports of civil aircraft. (d) Other imports are defined as imports of goods and services less capital imports.



The other imports to final consumption expenditure ratio, which indicates the proportion of consumption that is met through imports, increased slightly over the period, up from 18 per cent in 1974-75 to 19 per cent in 1989-90. The ratio was at its lowest in 1975-76 (at 16 per cent). The ratio averaged 19 per cent for the period.

The endogenous imports to sales ratio rose from 10 per cent in 1974-75 to 11 per cent in 1989-90. The ratio was at its lowest in 1975-76 (at 8 per cent) and peaked in 1985-86 (at 12 per cent). The ratio average for the period was 10 per cent.

### Investment servicing ratios

When an economy raises capital from non-residents to finance economic activity, various measures can be developed to examine the servicing costs of that finance to the economy. One approach is to analyse net investment income payable to non-residents as a proportion of exports of goods and services. The ratios in Graph 4 and Table 4 include the *net investment income to exports ratio*, the *net interest to exports ratio* and the *net other investment income to exports ratio*.

Net investment income payable as a proportion of exports of goods and services grew from 7 per cent in 1974-75 to 25 per cent in 1989-90. The main increase in the ratio occurred from 1983-84 onwards, with the deregulation of financial markets. The ratio averaged 15 per cent for the period.

Net interest payable as a proportion of exports of goods and services grew from 1 per cent in 1974-75 to 20 per cent in 1989-90. The period average for the ratio was 9 per cent.

Net other investment income payable as a proportion of exports of goods and services was at a peak of 9 per cent in 1975-76 and 1976-77, but troughed in 1982-83 (at 1 per cent) and again in 1986-87 (at 2 per cent) before rising to 6 per cent in 1989-90. The period average for the ratio was 6 per cent.

GRAPH 4: INVESTMENT SERVICING RATIOS

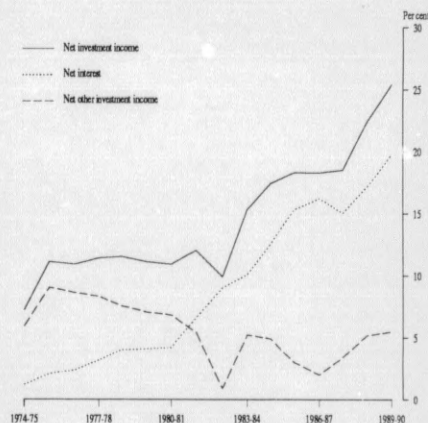


TABLE 4: INVESTMENT SERVICING RATIOS

| Year    | Exports of goods services | Net investment income payable (a) |          |                         | Ratio of net investment income to exports (b) |          |                         |
|---------|---------------------------|-----------------------------------|----------|-------------------------|-----------------------------------------------|----------|-------------------------|
|         |                           | Total                             | Interest | Other investment income | Total                                         | Interest | Other investment income |
|         |                           | — \$'000 million —                |          |                         | — per cent —                                  |          |                         |
| 1974-75 | 10.1                      | 0.7                               | 0.1      | 0.6                     | 7                                             | 1        | 6                       |
| 1975-76 | 11.2                      | 1.2                               | 0.2      | 1.0                     | 11                                            | 2        | 9                       |
| 1976-77 | 13.4                      | 1.5                               | 0.3      | 1.1                     | 11                                            | 2        | 9                       |
| 1977-78 | 14.2                      | 1.6                               | 0.4      | 1.2                     | 11                                            | 3        | 8                       |
| 1978-79 | 16.9                      | 1.9                               | 0.7      | 1.3                     | 12                                            | 4        | 8                       |
| 1979-80 | 22.0                      | 2.4                               | 0.9      | 1.5                     | 11                                            | 4        | 7                       |
| 1980-81 | 22.5                      | 2.5                               | 0.9      | 1.5                     | 11                                            | 4        | 7                       |
| 1981-82 | 23.3                      | 2.8                               | 1.5      | 1.3                     | 12                                            | 7        | 5                       |
| 1982-83 | 25.2                      | 2.5                               | 2.3      | 0.2                     | 10                                            | 9        | 1                       |
| 1983-84 | 28.6                      | 4.4                               | 2.9      | 1.5                     | 15                                            | 10       | 5                       |
| 1984-85 | 34.8                      | 6.0                               | 4.3      | 1.7                     | 17                                            | 13       | 5                       |
| 1985-86 | 38.7                      | 7.1                               | 5.9      | 1.2                     | 18                                            | 15       | 3                       |
| 1986-87 | 43.1                      | 7.9                               | 7.0      | 0.9                     | 18                                            | 16       | 2                       |
| 1987-88 | 50.1                      | 9.2                               | 7.5      | 1.7                     | 19                                            | 15       | 3                       |
| 1988-89 | 53.8                      | 12.1                              | 9.3      | 2.8                     | 22                                            | 17       | 5                       |
| 1989-90 | 58.6                      | 14.9                              | 11.6     | 3.3                     | 25                                            | 20       | 6                       |
| Average | ..                        | ..                                | ..       | ..                      | 15                                            | 9        | 6                       |

(a) These series carry the opposite sign to corresponding series in the main tables of this publication. (b) Net investment income payable as a percentage of exports of goods and services.



# INTERNATIONAL COMPARISON OF BALANCE OF PAYMENTS STATISTICS

There are two frequently used methods of comparing balance of payments statistics of different countries.

The first method involves converting the relevant aggregates for each country from the unit of currency in which the data are normally presented into a chosen common unit of account - either a particular currency (often the US dollar) or a chosen weighted average of foreign currencies (often the SDR). Presentation using a common unit of account allows convenient comparison of the absolute size and trends in the direction of key aggregates.

The other method is to express each country's aggregates as proportions of its gross domestic product (GDP) or gross national product (GNP). These ratios place the country's balance of payments developments in the context of the size of the country's economic activity. However, this is a comparison in domestic currency terms; movements over time in the ratios will be affected by differences in impact of exchange rate variations on the two series.

Care should always be exercised in the use and interpretation of international statistical comparisons. One important qualification is that, despite the fact countries tend to follow international recommendations for the compilation of balance of payments statistics, differences still occur between countries in concepts, coverage, data

sources and collection methods. For example, a significant coverage difference occurs in comparisons of current account balances because some countries (including Australia, United Kingdom, West Germany and the United States) follow the international recommendation that reinvested earnings should be included in the statistics, while most countries do not.

## Current account balances in US dollars for selected countries

Australia's current account balance (both including and excluding reinvested earnings) for the last 13 years, converted to US dollars at quarterly period average exchange rates, is compared with corresponding balances for a selection of countries in the table below.

## Current account balances as a percentage of GDP for selected countries

In 1989-90, Australia's deficit on current account (including reinvested earnings) was 5.6 per cent of GDP. This compares with average ratios of 4.9 per cent over the period 1983-84 to 1989-90 and 3.7 per cent over the period 1977-78 to 1982-83. Australia's ratio from 1977-78 is compared with the corresponding ratios for a selection of countries in the table on the following page.

INTERNATIONAL COMPARISON OF CURRENT ACCOUNT BALANCES (a)(b)  
\$US billion

| Year                              | Australia<br>(c) | United<br>States | United<br>Kingdom | West<br>Germany | Japan | Canada |
|-----------------------------------|------------------|------------------|-------------------|-----------------|-------|--------|
| — Including Reinvested Earnings — |                  |                  |                   |                 |       |        |
| 1977-78                           | -3.4             | -19.4            | 1.5               | 5.9             | na    | na     |
| 1978-79                           | -4.1             | -5.3             | -0.1              | 5.3             | na    | na     |
| 1979-80                           | -2.2             | -3.6             | -0.5              | -13.0           | na    | na     |
| 1980-81                           | -6.3             | 9.7              | 17.9              | -15.0           | na    | na     |
| 1981-82                           | -10.0            | 4.3              | 7.1               | 1.6             | na    | na     |
| 1982-83                           | -6.4             | -24.4            | 7.3               | 9.6             | na    | na     |
| 1983-84                           | -6.7             | -81.1            | 4.5               | 4.0             | na    | na     |
| 1984-85                           | -8.8             | -114.4           | 2.7               | 12.0            | na    | na     |
| 1985-86                           | -10.2            | -122.8           | 5.0               | 27.2            | na    | na     |
| 1986-87                           | -8.0             | -143.2           | -2.0              | 46.1            | na    | na     |
| 1987-88                           | -8.0             | -136.1           | -16.2             | 47.1            | na    | na     |
| 1988-89                           | -14.5            | -123.5           | -31.4             | 54.1            | na    | na     |
| 1989-90                           | -16.9            | na               | na                | na              | na    | na     |
| — Excluding Reinvested Earnings — |                  |                  |                   |                 |       |        |
| 1977-78                           | -2.7             | -25.1            | 3.7               | na              | 16.4  | -3.6   |
| 1978-79                           | -3.4             | -17.5            | 2.9               | na              | 6.1   | -5.0   |
| 1979-80                           | -1.3             | -19.1            | 5.9               | na              | -17.3 | -3.1   |
| 1980-81                           | -5.6             | 0.1              | 20.8              | na              | -1.0  | -2.1   |
| 1981-82                           | -9.8             | -5.6             | 10.4              | 1.2             | 7.1   | -2.3   |
| 1982-83                           | -7.1             | -31.8            | 9.9               | 9.8             | 12.8  | 3.7    |
| 1983-84                           | -6.4             | -89.7            | 4.6               | 3.1             | 27.9  | 0.9    |
| 1984-85                           | -8.6             | -120.5           | -0.5              | 11.0            | 40.3  | 2.9    |
| 1985-86                           | -10.1            | -149.3           | 2.7               | 25.6            | 64.9  | -5.4   |
| 1986-87                           | -8.0             | -165.6           | 8.7               | 45.0            | 93.8  | -7.0   |
| 1987-88                           | -7.8             | -155.6           | -22.5             | 46.6            | 80.3  | -7.6   |
| 1988-89                           | -14.2            | -135.7           | -39.1             | 53.4            | 73.0  | -12.4  |
| 1989-90                           | -16.9            | na               | na                | na              | na    | na     |

(a) A minus sign indicates a deficit on current account. (b) The source for all countries except Australia is *OECD (Main Economic Indicators)* April 1990 and national source data. (c) Australia's current account balance has been converted to US dollars using quarterly period average exchange rates.

## INTERNATIONAL COMPARISON OF CURRENT ACCOUNT BALANCES AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT (a)(b)

| Year                              | Australia | United States (c) | United Kingdom | West Germany (c) | Japan (c) | Canada |
|-----------------------------------|-----------|-------------------|----------------|------------------|-----------|--------|
| — Including Reinvested Earnings — |           |                   |                |                  |           |        |
| 1977-78                           | -3.2      | -0.9              | 0.5            | 1.0              | na        | na     |
| 1978-79                           | -3.4      | -0.2              | —              | 0.8              | na        | na     |
| 1979-80                           | -1.6      | -0.1              | -0.1           | -1.6             | na        | na     |
| 1980-81                           | -3.9      | 0.3               | 3.4            | -2.0             | na        | na     |
| 1981-82                           | -5.8      | 0.1               | 1.5            | 0.2              | na        | na     |
| 1982-83                           | -4.0      | -0.7              | 1.6            | 1.4              | na        | na     |
| 1983-84                           | -3.8      | -2.2              | 0.9            | 0.6              | na        | na     |
| 1984-85                           | -5.3      | -2.9              | 0.7            | 2.1              | na        | na     |
| 1985-86                           | -6.1      | -3.0              | 1.0            | 3.5              | na        | na     |
| 1986-87                           | -4.7      | -3.3              | -0.3           | 4.5              | na        | na     |
| 1987-88                           | -3.7      | -2.9              | -2.1           | 3.9              | na        | na     |
| 1988-89                           | -5.3      | -2.4              | -3.8           | 4.6              | na        | na     |
| 1989-90                           | -5.6      | na                | na             | na               | na        | na     |
| — Excluding Reinvested Earnings — |           |                   |                |                  |           |        |
| 1977-78                           | -2.6      | -1.2              | 1.3            | na               | 2.0       | -1.7   |
| 1978-79                           | -2.8      | -0.7              | 0.8            | na               | 0.6       | -2.3   |
| 1979-80                           | -1.0      | -0.7              | 1.2            | na               | -1.8      | -1.3   |
| 1980-81                           | -3.5      | —                 | 4.0            | na               | -0.2      | -0.7   |
| 1981-82                           | -5.6      | -0.2              | 2.1            | 0.2              | 0.7       | -0.8   |
| 1982-83                           | -4.5      | -1.0              | 2.1            | 1.5              | 1.2       | 1.2    |
| 1983-84                           | -3.7      | -2.5              | 1.0            | 0.5              | 2.4       | 0.3    |
| 1984-85                           | -5.2      | -3.1              | -0.1           | 1.9              | 3.3       | 0.9    |
| 1985-86                           | -6.0      | -3.6              | 0.5            | 3.4              | 3.9       | -1.5   |
| 1986-87                           | -4.6      | -3.8              | 1.4            | 4.4              | 4.3       | -1.8   |
| 1987-88                           | -3.6      | -3.3              | -2.9           | 3.9              | 3.0       | -1.7   |
| 1988-89                           | -5.2      | -2.7              | -4.7           | 4.5              | 2.5       | -2.5   |
| 1989-90                           | -5.6      | na                | na             | na               | na        | na     |

(a) A minus sign indicates a deficit on current account. (b) The source for all countries except Australia is *OECD (Main Economic Indicators)* April 1990 and national source data. For Australia the source is the March quarter 1990 issue of ABS Catalogue No. 5206.0. (c) Ratios for United States, Japan, West Germany are calculated using gross national product.

TABLE 1. BALANCE OF PAYMENTS  
(\$ million)

|                                 | Year    |         |         | Quarters ended |         |         |         |         |         |         |         |         |         |
|---------------------------------|---------|---------|---------|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                 | 1987-88 | 1988-89 | 1989-90 | 1987-88        |         | 1988-89 |         | 1989-90 |         |         |         |         |         |
|                                 |         |         |         | Mar.           | June    | Sept.   | Dec.    | Mar.    | June    | Sept.   | Dec.    | Mar.    | June    |
| Current transactions —          |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Goods and services —            |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Merchandise (a) —               |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Exports fob                     | 40,541  | 43,047  | 47,211  | 10,646         | 10,462  | 10,056  | 10,669  | 10,424  | 11,898  | 11,716  | 11,727  | 11,624  | 12,144  |
| Imports fob                     | -40,386 | -47,032 | -50,990 | -10,222        | -10,069 | -10,964 | -11,860 | -11,511 | -12,697 | -13,897 | -12,959 | -12,691 | -11,443 |
| Balance on merchandise trade    | 155     | -3,985  | -3,779  | 424            | 393     | -908    | -1,191  | -1,087  | -799    | -2,181  | -1,232  | -1,067  | 701     |
| Services —                      |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Credits                         | 9,517   | 10,791  | 11,379  | 2,640          | 2,384   | 2,572   | 2,765   | 2,883   | 2,571   | 2,611   | 2,789   | 3,203   | 2,776   |
| Debits                          | -12,213 | -13,751 | -15,035 | -3,084         | -3,004  | -3,239  | -3,243  | -3,506  | -3,763  | -3,911  | -3,686  | -3,683  | -3,755  |
| Net services                    | -2,696  | -2,960  | -3,656  | -444           | -620    | -667    | -478    | -623    | -1,192  | -1,300  | -897    | -480    | -979    |
| Balance on goods and services   | -2,541  | -6,945  | -7,435  | -20            | -227    | -1,575  | -1,669  | -1,710  | -1,991  | -3,481  | -2,129  | -1,547  | -278    |
| Income —                        |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Credits                         | 3,934   | 4,240   | 5,704   | 948            | 976     | 997     | 978     | 1,121   | 1,144   | 1,388   | 1,410   | 1,372   | 1,534   |
| Debits                          | -14,138 | -17,253 | -21,424 | -3,723         | -3,541  | -3,866  | -4,050  | -4,491  | -4,846  | -4,886  | -5,298  | -5,710  | -5,530  |
| Net income                      | -10,204 | -13,013 | -15,720 | -2,775         | -2,565  | -2,869  | -3,072  | -3,370  | -3,702  | -3,498  | -3,888  | -4,338  | -3,996  |
| Unrequited transfers —          |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Credits                         | 3,545   | 4,210   | 4,602   | 902            | 950     | 930     | 1,030   | 1,095   | 1,155   | 1,096   | 1,111   | 1,191   | 1,204   |
| Debits                          | -1,881  | -2,012  | -2,176  | -538           | -526    | -412    | -472    | -559    | -569    | -450    | -485    | -462    | -579    |
| Net unrequited transfers        | 1,664   | 2,198   | 2,426   | 364            | 424     | 518     | 558     | 536     | 586     | 646     | 626     | 529     | 625     |
| Balance on current account      | -11,081 | -17,760 | -20,729 | -2,431         | -2,368  | -3,926  | -4,183  | -4,544  | -5,107  | -6,333  | -5,391  | -5,356  | -3,649  |
| Net capital transactions —      |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Official —                      |         |         |         |                |         |         |         |         |         |         |         |         |         |
| General government —            |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Foreign investment in Australia | 4,016   | 859     | 2,035   | 3,845          | -134    | -172    | 2,151   | 967     | -2,087  | 626     | 410     | 1,012   | -13     |
| Australian investment abroad    | 415     | -359    | 201     | -141           | 366     | -386    | 96      | -80     | 11      | 136     | -500    | 535     | 30      |
| Total                           | 4,431   | 500     | 2,236   | 3,704          | 232     | -558    | 2,247   | 887     | -2,076  | 762     | -90     | 1,547   | 17      |
| Reserve bank —                  |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Foreign investment in Australia | -8      | —       | 24      | 1              | 3       | -36     | 64      | -18     | -10     | —       | -6      | -4      | 34      |
| Australian investment abroad    | -3,924  | -873    | -2,156  | -1,077         | -4,571  | -758    | -410    | 250     | 45      | -672    | -424    | 822     | -1,882  |
| Total                           | -3,932  | -873    | -2,132  | -1,076         | -4,568  | -794    | -346    | 232     | 35      | -672    | -430    | 818     | -1,848  |
| Total official                  | 499     | -373    | 104     | 2,628          | -4,336  | -1,352  | 1,901   | 1,119   | -2,041  | 90      | -520    | 2,365   | -1,831  |
| Non-official —                  |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Foreign investment in Australia | 21,041  | 25,654  | 20,585  | 1,944          | 7,889   | 7,477   | 3,901   | 8,558   | 5,718   | 6,137   | 5,326   | 6,419   | 2,703   |
| Australian investment abroad    | -12,716 | -10,826 | -5,477  | -1,143         | -2,826  | -2,224  | -1,814  | -3,084  | -3,704  | -1,515  | -1,013  | -4,350  | 1,401   |
| Total non-official              | 8,325   | 14,828  | 15,108  | 801            | 5,063   | 5,253   | 2,087   | 5,474   | 2,014   | 4,622   | 4,313   | 2,069   | 4,104   |
| Balance on capital account      | 8,824   | 14,455  | 15,212  | 3,429          | 727     | 3,901   | 3,988   | 6,593   | -27     | 4,712   | 3,793   | 4,434   | 2,273   |
| Balancing item                  | 2,257   | 3,305   | 5,517   | -998           | 1,641   | 25      | 195     | -2,049  | 5,134   | 1,621   | 1,598   | 922     | 1,376   |

(a) Balance of payments basis.

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

|                                   | Year           |                |                | Quarters ended |               |               |               |               |               |               |               |
|-----------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                   | 1987-88        | 1988-89        | 1989-90        | 1987-88        |               | 1988-89       |               | 1989-90       |               | 1989-90       |               |
|                                   |                |                |                | Mar.           | June          | Sept.         | Dec.          | Mar.          | June          | Sept.         | Dec.          |
| <b>Current transactions —</b>     |                |                |                |                |               |               |               |               |               |               |               |
| Goods and services —              |                |                |                |                |               |               |               |               |               |               |               |
| Merchandise (a) —                 |                |                |                |                |               |               |               |               |               |               |               |
| Exports fob                       | 40,541         | 43,047         | 47,211         | 10,646         | 10,462        | 10,056        | 10,669        | 10,424        | 11,898        | 11,716        | 11,727        |
| Imports fob                       | -40,386        | -47,032        | -50,990        | -10,222        | -10,069       | -10,964       | -11,860       | -11,511       | -12,697       | -13,897       | -12,959       |
| Balance on merchandise trade      | 155            | -3,985         | -3,779         | 424            | 393           | -908          | -1,191        | -1,087        | -799          | -2,181        | -1,232        |
| Services —                        |                |                |                |                |               |               |               |               |               |               |               |
| Credits —                         |                |                |                |                |               |               |               |               |               |               |               |
| Shipment                          | 537            | 554            | 602            | 137            | 130           | 130           | 134           | 143           | 147           | 144           | 151           |
| Other transportation              | 3,142          | 3,209          | 3,362          | 853            | 788           | 794           | 839           | 805           | 771           | 798           | 808           |
| Travel                            | 3,565          | 4,467          | 4,650          | 1,085          | 880           | 1,059         | 1,209         | 1,289         | 910           | 978           | 1,158         |
| Other services                    | 2,273          | 2,561          | 2,765          | 565            | 586           | 589           | 583           | 646           | 743           | 691           | 672           |
| Total services credits            | 9,517          | 10,791         | 11,379         | 2,640          | 2,384         | 2,572         | 2,765         | 2,883         | 2,571         | 2,611         | 2,789         |
| Debits —                          |                |                |                |                |               |               |               |               |               |               |               |
| Shipment                          | -2,856         | -3,176         | -3,278         | -723           | -687          | -736          | -760          | -808          | -872          | -870          | -849          |
| Other transportation              | -2,510         | -2,912         | -3,377         | -649           | -632          | -661          | -711          | -736          | -804          | -839          | -855          |
| Travel                            | -3,712         | -4,263         | -4,948         | -873           | -891          | -1,027        | -932          | -1,049        | -1,255        | -1,357        | -1,113        |
| Other services                    | -3,135         | -3,400         | -3,432         | -839           | -794          | -815          | -840          | -913          | -832          | -845          | -869          |
| Total services debits             | -12,213        | -13,751        | -15,035        | -3,084         | -3,004        | -3,239        | -3,243        | -3,506        | -3,763        | -3,911        | -3,686        |
| Net services                      | -2,696         | -2,960         | -3,656         | -444           | -620          | -667          | -478          | -623          | -1,192        | -1,300        | -897          |
| Balance on goods and services     | -2,541         | -6,945         | -7,435         | -20            | -227          | -1,575        | -1,669        | -1,710        | -1,991        | -3,481        | -2,129        |
| <b>Income —</b>                   |                |                |                |                |               |               |               |               |               |               |               |
| Credits —                         |                |                |                |                |               |               |               |               |               |               |               |
| Property income —                 |                |                |                |                |               |               |               |               |               |               |               |
| Reinvested earnings               | 2,162          | 2,123          | 2,700          | 540            | 541           | 531           | 530           | 531           | 531           | 675           | 675           |
| Other                             | 1,596          | 1,927          | 2,642          | 367            | 392           | 418           | 402           | 542           | 565           | 658           | 682           |
| Labour and other income           | 176            | 190            | 362            | 41             | 43            | 48            | 46            | 48            | 48            | 55            | 53            |
| Total income credits              | 3,934          | 4,240          | 5,704          | 948            | 976           | 997           | 978           | 1,121         | 1,144         | 1,388         | 1,410         |
| Debits —                          |                |                |                |                |               |               |               |               |               |               |               |
| Property income —                 |                |                |                |                |               |               |               |               |               |               |               |
| Reinvested earnings               | -2,417         | -2,225         | -2,688         | -604           | -605          | -556          | -556          | -556          | -557          | -672          | -672          |
| Other                             | -11,511        | -14,809        | -18,511        | -3,062         | -2,884        | -3,252        | -3,435        | -3,881        | -4,241        | -4,161        | -4,569        |
| Labour and other income           | -210           | -219           | -225           | -57            | -52           | -58           | -59           | -54           | -48           | -53           | -57           |
| Total income debits               | -14,138        | -17,253        | -21,424        | -3,723         | -3,541        | -3,866        | -4,050        | -4,491        | -4,846        | -4,886        | -5,298        |
| Net income                        | -10,204        | -13,013        | -15,720        | -2,775         | -2,565        | -2,869        | -3,072        | -3,370        | -3,702        | -3,498        | -3,888        |
| <b>Unrequited transfers —</b>     |                |                |                |                |               |               |               |               |               |               |               |
| Credits                           | 3,545          | 4,210          | 4,602          | 902            | 950           | 930           | 1,030         | 1,095         | 1,155         | 1,096         | 1,111         |
| Debits                            | -1,881         | -2,012         | -2,176         | -538           | -526          | -412          | -472          | -559          | -569          | -450          | -485          |
| Net unrequited transfers          | 1,664          | 2,198          | 2,426          | 364            | 424           | 518           | 558           | 536           | 586           | 646           | 626           |
| <b>Balance on current account</b> | <b>-11,081</b> | <b>-17,760</b> | <b>-20,729</b> | <b>-2,431</b>  | <b>-2,368</b> | <b>-3,926</b> | <b>-4,183</b> | <b>-4,544</b> | <b>-5,107</b> | <b>-6,333</b> | <b>-5,391</b> |

(a) Balance of payments basis.



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

|                                   | 1987-88       |               | Quarters ended- |               |               |               | 1988-89       |               |               |               | 1989-90 |      |      |      |
|-----------------------------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------|------|------|------|
|                                   | Mar.          | June          | Sept.           | Dec.          | Mar.          | June          | Sept.         | Dec.          | Mar.          | June          | Sept.   | Dec. | Mar. | June |
| <b>Current transactions —</b>     |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| <b>Goods and services —</b>       |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| <b>Merchandise (a) —</b>          |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| Exports fob                       | 10,888        | 10,243        | 10,164          | 10,539        | 10,676        | 11,631        | 11,757        | 11,598        | 12,054        | 11,921        |         |      |      |      |
| Imports fob                       | -10,714       | -10,229       | -10,599         | -11,483       | -12,073       | -12,896       | -13,538       | -12,565       | -13,314       | -11,634       |         |      |      |      |
| Balance on merchandise trade      | 174           | 14            | -435            | -944          | -1,397        | -1,265        | -1,781        | -967          | -1,260        | 287           |         |      |      |      |
| <b>Services —</b>                 |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| <b>Credits —</b>                  |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| Shipment                          | 137           | 130           | 130             | 134           | 143           | 147           | 144           | 151           | 154           | 153           |         |      |      |      |
| Other transportation              | 806           | 836           | 835             | 805           | 763           | 814           | 833           | 779           | 885           | 872           |         |      |      |      |
| Travel                            | 919           | 1,053         | 1,204           | 1,112         | 1,066         | 1,108         | 1,104         | 1,084         | 1,166         | 1,329         |         |      |      |      |
| Other services                    | 578           | 560           | 585             | 603           | 660           | 708           | 692           | 698           | 694           | 700           |         |      |      |      |
| Total services credits            | 2,440         | 2,579         | 2,754           | 2,654         | 2,632         | 2,777         | 2,773         | 2,712         | 2,899         | 3,054         |         |      |      |      |
| <b>Debits —</b>                   |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| Shipment                          | -752          | -703          | -712            | -740          | -838          | -894          | -843          | -826          | -829          | -778          |         |      |      |      |
| Other transportation              | -669          | -628          | -638            | -718          | -763          | -798          | -806          | -862          | -840          | -869          |         |      |      |      |
| Travel                            | -927          | -907          | -921            | -968          | -1,113        | -1,280        | -1,219        | -1,155        | -1,302        | -1,276        |         |      |      |      |
| Other services                    | -814          | -781          | -838            | -854          | -890          | -822          | -868          | -889          | -822          | -865          |         |      |      |      |
| Total services debits             | -3,162        | -3,019        | -3,109          | -3,280        | -3,604        | -3,794        | -3,736        | -3,732        | -3,793        | -3,788        |         |      |      |      |
| Net services                      | -722          | -440          | -355            | -626          | -972          | -1,017        | -963          | -1,020        | -894          | -734          |         |      |      |      |
| Balance on goods and services     | -548          | -426          | -790            | -1,570        | -2,369        | -2,282        | -2,744        | -1,987        | -2,154        | -447          |         |      |      |      |
| <b>Income —</b>                   |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| <b>Credits —</b>                  |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| Property income —                 |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| Reinvested earnings               | 540           | 541           | 531             | 530           | 531           | 531           | 675           | 675           | 675           | 675           |         |      |      |      |
| Other                             | 371           | 373           | 434             | 402           | 548           | 554           | 677           | 708           | 657           | 643           |         |      |      |      |
| Labour and other income           | 43            | 45            | 44              | 46            | 51            | 50            | 50            | 53            | 54            | 205           |         |      |      |      |
| Total income credits              | 954           | 959           | 1,009           | 978           | 1,130         | 1,135         | 1,402         | 1,436         | 1,386         | 1,523         |         |      |      |      |
| <b>Debits —</b>                   |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| Property income —                 |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| Reinvested earnings               | -604          | -605          | -556            | -556          | -556          | -557          | -672          | -672          | -672          | -672          |         |      |      |      |
| Other                             | -2,976        | -2,940        | -3,323          | -3,446        | -3,751        | -4,309        | -4,336        | -4,639        | -4,940        | -4,891        |         |      |      |      |
| Labour and other income           | -55           | -57           | -60             | -55           | -51           | -53           | -54           | -54           | -57           | -61           |         |      |      |      |
| Total income debits               | -3,635        | -3,602        | -3,939          | -4,057        | -4,358        | -4,919        | -5,062        | -5,365        | -5,669        | -5,624        |         |      |      |      |
| Net income                        | -2,681        | -2,643        | -2,930          | -3,079        | -3,228        | -3,784        | -3,660        | -3,929        | -4,283        | -4,101        |         |      |      |      |
| <b>Unrequited transfers —</b>     |               |               |                 |               |               |               |               |               |               |               |         |      |      |      |
| Credits                           | 897           | 943           | 963             | 1,007         | 1,085         | 1,154         | 1,133         | 1,087         | 1,178         | 1,201         |         |      |      |      |
| Debits                            | -490          | -477          | -497            | -484          | -513          | -513          | -571          | -496          | -599          | -529          |         |      |      |      |
| Net unrequited transfers          | 407           | 466           | 466             | 523           | 572           | 641           | 562           | 591           | 579           | 672           |         |      |      |      |
| <b>Balance on current account</b> | <b>-2,822</b> | <b>-2,603</b> | <b>-3,254</b>   | <b>-4,126</b> | <b>-5,025</b> | <b>-5,425</b> | <b>-5,842</b> | <b>-5,325</b> | <b>-5,858</b> | <b>-3,876</b> |         |      |      |      |

(a) Balance of payments basis.

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

|                                       | Year    |         |         | Quarters ended |        |         |        |        |        |         |        |        |        |
|---------------------------------------|---------|---------|---------|----------------|--------|---------|--------|--------|--------|---------|--------|--------|--------|
|                                       | 1987-88 | 1988-89 | 1989-90 | 1987-88        |        | 1988-89 |        |        |        | 1989-90 |        |        |        |
|                                       |         |         |         | Mar.           | June   | Sept.   | Dec.   | Mar.   | June   | Sept.   | Dec.   | Mar.   | June   |
| Net capital transactions —            |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Official —                            |         |         |         |                |        |         |        |        |        |         |        |        |        |
| General government —                  |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Foreign investment in Australia —     |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Borrowing                             | 4,087   | 1,047   | 2,109   | 3,872          | -106   | -160    | 2,170  | 991    | -1,954 | 626     | 412    | 1,039  | 32     |
| Other                                 | -71     | -188    | -74     | -27            | -28    | -12     | -19    | -24    | -133   | —       | -2     | -27    | -45    |
| Total                                 | 4,016   | 859     | 2,035   | 3,845          | -134   | -172    | 2,151  | 967    | -2,087 | 626     | 410    | 1,012  | -13    |
| Australian investment abroad          | 415     | -359    | 201     | -141           | 366    | -386    | 96     | -80    | 11     | 136     | -500   | 535    | 30     |
| Total general government              | 4,431   | 500     | 2,236   | 3,704          | 232    | -558    | 2,247  | 887    | -2,076 | 762     | -90    | 1,547  | 17     |
| Reserve Bank —                        |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Foreign investment in Australia       | -8      | —       | 24      | 1              | 3      | -36     | 64     | -18    | -10    | —       | -6     | -4     | 34     |
| Australian investment abroad —        |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Reserve assets                        | -3,924  | -873    | -2,156  | -1,077         | -4,571 | -758    | -410   | 250    | 45     | -672    | -424   | 822    | -1,882 |
| Other                                 | —       | —       | —       | —              | —      | —       | —      | —      | —      | —       | —      | —      | —      |
| Total                                 | -3,924  | -873    | -2,156  | -1,077         | -4,571 | -758    | -410   | 250    | 45     | -672    | -424   | 822    | -1,882 |
| Total Reserve Bank                    | -3,932  | -873    | -2,132  | -1,076         | -4,568 | -794    | -346   | 232    | 35     | -672    | -430   | 818    | -1,848 |
| Total official                        | 499     | -373    | 104     | 2,628          | -4,336 | -1,352  | 1,901  | 1,119  | -2,041 | 90      | -520   | 2,365  | -1,831 |
| Non official —                        |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Foreign investment in Australia —     |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Direct investment —                   |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Reinvestment of earnings              | 2,417   | 2,225   | 2,688   | 604            | 604    | 557     | 556    | 556    | 556    | 672     | 672    | 672    | 672    |
| Other                                 | 4,582   | 8,358   | 5,082   | 323            | 2,027  | 2,870   | 1,652  | 1,637  | 2,199  | 1,481   | 1,764  | 1,335  | 502    |
| Portfolio & other investment          | 14,042  | 15,071  | 12,815  | 1,017          | 5,258  | 4,050   | 1,693  | 6,365  | 2,963  | 3,984   | 2,890  | 4,412  | 1,529  |
| Total foreign investment in Australia | 21,041  | 25,654  | 20,585  | 1,944          | 7,889  | 7,477   | 3,901  | 8,558  | 5,718  | 6,137   | 5,326  | 6,419  | 2,703  |
| Australian investment abroad —        |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Direct investment —                   |         |         |         |                |        |         |        |        |        |         |        |        |        |
| Reinvestment of earnings              | -2,162  | -2,123  | -2,700  | -540           | -541   | -531    | -530   | -531   | -531   | -675    | -675   | -675   | -675   |
| Other                                 | -8,612  | -4,428  | -1,899  | -1,309         | -1,699 | -844    | -1,335 | -938   | -1,311 | -1,084  | 978    | -2,585 | 792    |
| Portfolio & other investment          | -1,942  | -4,275  | -878    | 706            | -586   | -849    | 51     | -1,615 | -1,862 | 244     | -1,316 | -1,090 | 1,284  |
| Total Australian investment abroad    | -12,716 | -10,826 | -5,477  | -1,143         | -2,826 | -2,224  | -1,814 | -3,084 | -3,704 | -1,515  | -1,013 | -4,350 | 1,401  |
| Total non-official                    | 8,325   | 14,828  | 15,108  | 801            | 5,063  | 5,253   | 2,087  | 5,474  | 2,014  | 4,622   | 4,313  | 2,069  | 4,104  |
| Balance on capital account            | 8,824   | 14,455  | 15,212  | 3,429          | 727    | 3,901   | 3,988  | 6,593  | -27    | 4,712   | 3,793  | 4,434  | 2,273  |

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 |         |         |         |         |         |         |         |         |         |
|-------------------------------------------------|---------|---------|---------|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                 | 1987-88 | 1988-89 | 1989-90 | 1987-88        |         | 1988-89 |         |         |         | 1989-90 |         |         |         |
|                                                 |         |         |         | Mar.           | June    | Sept.   | Dec.    | Mar.    | June    | Sept.   | Dec.    | Mar.    | June    |
|                                                 |         |         |         |                |         |         |         |         |         |         |         |         |         |
| At current prices                               |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Merchandise exports fob                         | 40,541  | 43,047  | 47,211  | 10,646         | 10,462  | 10,056  | 10,669  | 10,424  | 11,898  | 11,716  | 11,727  | 11,624  | 12,144  |
| Services, credits                               | 9,517   | 10,791  | 11,379  | 2,640          | 2,384   | 2,572   | 2,765   | 2,883   | 2,571   | 2,611   | 2,789   | 3,203   | 2,776   |
| Total exports of goods and services             | 50,058  | 53,838  | 58,590  | 13,286         | 12,846  | 12,628  | 13,434  | 13,307  | 14,469  | 14,327  | 14,516  | 14,827  | 14,920  |
| Merchandise imports fob                         | -40,386 | -47,032 | -50,990 | -10,222        | -10,069 | -10,964 | -11,860 | -11,511 | -12,697 | -13,897 | -12,959 | -12,691 | -11,443 |
| Services, debits                                | -12,213 | -13,751 | -15,035 | -3,084         | -3,004  | -3,239  | -3,243  | -3,506  | -3,763  | -3,911  | -3,686  | -3,683  | -3,755  |
| Total imports of goods and services             | -52,599 | -60,783 | -66,025 | -13,306        | -12,973 | -14,203 | -15,103 | -15,017 | -16,460 | -17,808 | -16,645 | -16,374 | -15,198 |
| At average 1984-85 prices                       |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Merchandise exports fob                         | 35,111  | 34,797  | 37,515  | 8,903          | 8,646   | 8,429   | 8,782   | 8,371   | 9,215   | 9,076   | 9,233   | 9,478   | 9,728   |
| Services, credits                               | 7,623   | 8,383   | 8,280   | 2,080          | 1,880   | 2,026   | 2,142   | 2,228   | 1,987   | 1,970   | 2,043   | 2,294   | 1,973   |
| Total exports of goods and services             | 42,734  | 43,180  | 45,795  | 10,983         | 10,526  | 10,455  | 10,924  | 10,599  | 11,202  | 11,046  | 11,276  | 11,772  | 11,701  |
| Merchandise imports fob                         | -33,138 | -41,234 | -42,895 | -8,215         | -8,425  | -9,496  | -10,329 | -10,396 | -11,013 | -11,450 | -11,045 | -10,678 | -9,722  |
| Services, debits                                | -9,618  | -11,469 | -11,679 | -2,366         | -2,400  | -2,734  | -2,729  | -2,977  | -3,029  | -3,118  | -2,919  | -2,820  | -2,822  |
| Total imports of goods and services             | -42,756 | -52,703 | -54,574 | -10,581        | -10,825 | -12,230 | -13,058 | -13,373 | -14,042 | -14,568 | -13,964 | -13,498 | -12,544 |
| At current prices seasonally adjusted           |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Merchandise exports fob                         | "       | "       | "       | 10,888         | 10,243  | 10,164  | 10,539  | 10,676  | 11,631  | 11,757  | 11,598  | 12,054  | 11,921  |
| Services, credits                               | "       | "       | "       | 2,440          | 2,579   | 2,754   | 2,654   | 2,632   | 2,777   | 2,773   | 2,712   | 2,899   | 3,054   |
| Total exports of goods and services             | "       | "       | "       | 13,328         | 12,822  | 12,918  | 13,193  | 13,308  | 14,408  | 14,530  | 14,310  | 14,953  | 14,975  |
| Merchandise imports fob                         | "       | "       | "       | -10,714        | -10,229 | -10,599 | -11,483 | -12,073 | -12,896 | -13,538 | -12,565 | -13,314 | -11,634 |
| Services, debits                                | "       | "       | "       | -3,162         | -3,019  | -3,109  | -3,280  | -3,604  | -3,794  | -3,736  | -3,732  | -3,793  | -3,788  |
| Total imports of goods and services             | "       | "       | "       | -13,876        | -13,248 | -13,708 | -14,763 | -15,677 | -16,690 | -17,274 | -16,297 | -17,107 | -15,422 |
| At average 1984-85 prices — seasonally adjusted |         |         |         |                |         |         |         |         |         |         |         |         |         |
| Merchandise exports fob                         | "       | "       | "       | 9,200          | 8,506   | 8,432   | 8,655   | 8,655   | 9,041   | 9,076   | 9,093   | 9,829   | 9,585   |
| Services, credits                               | "       | "       | "       | 1,942          | 2,010   | 2,156   | 2,066   | 2,058   | 2,122   | 2,080   | 1,992   | 2,104   | 2,142   |
| Total exports of goods and services             | "       | "       | "       | 11,142         | 10,516  | 10,588  | 10,721  | 10,713  | 11,163  | 11,156  | 11,085  | 11,933  | 11,727  |
| Merchandise imports fob                         | "       | "       | "       | -8,589         | -8,532  | -9,208  | -10,017 | -10,865 | -11,141 | -11,186 | -10,736 | -11,181 | -9,851  |
| Services, debits                                | "       | "       | "       | -2,421         | -2,397  | -2,641  | -2,767  | -3,050  | -3,025  | -3,001  | -2,960  | -2,901  | -2,823  |
| Total imports of goods and services             | "       | "       | "       | -11,010        | -10,929 | -11,849 | -12,784 | -13,915 | -14,166 | -14,187 | -13,696 | -14,082 | -12,673 |

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

|                                                | AND TERMS OF TRADE (1984-85 = 100) (a) |              |              |                |              |              |              |              |              |              |              |              |              |
|------------------------------------------------|----------------------------------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                | Year                                   |              |              | Quarters ended |              |              |              |              |              |              |              |              |              |
|                                                | 1987-88                                | 1988-89      | 1989-90      | 1987-88        |              | 1988-89      |              |              | 1989-90      |              |              |              |              |
|                                                |                                        |              |              | Mar.           | June         | Sept.        | Dec.         | Mar.         | June         | Sept.        | Dec.         | Mar.         | June         |
| <b>Implicit price deflators</b>                |                                        |              |              |                |              |              |              |              |              |              |              |              |              |
| <i>Merchandise exports</i>                     |                                        |              |              |                |              |              |              |              |              |              |              |              |              |
| Rural exports fob                              | 128.5                                  | 141.5        | 138.7        | 136.2          | 141.7        | 140.4        | 143.9        | 140.2        | 140.6        | 143.2        | 140.3        | 138.1        | 134.7        |
| Non-rural exports fob                          | 108.8                                  | 115.3        | 120.6        | 109.5          | 111.2        | 111.8        | 110.9        | 115.7        | 122.7        | 123.2        | 122.3        | 116.7        | 120.6        |
| <i>Total exports fob</i>                       | <i>115.5</i>                           | <i>123.7</i> | <i>125.8</i> | <i>118.3</i>   | <i>120.4</i> | <i>120.5</i> | <i>121.8</i> | <i>123.4</i> | <i>128.6</i> | <i>129.5</i> | <i>127.5</i> | <i>122.6</i> | <i>124.4</i> |
| <i>Services, credits</i>                       | <i>124.8</i>                           | <i>128.7</i> | <i>137.4</i> | <i>125.6</i>   | <i>128.3</i> | <i>127.7</i> | <i>128.5</i> | <i>127.9</i> | <i>130.9</i> | <i>133.3</i> | <i>136.1</i> | <i>137.8</i> | <i>142.6</i> |
| <i>Total exports of goods and services</i>     | <i>117.1</i>                           | <i>124.7</i> | <i>127.9</i> | <i>119.6</i>   | <i>121.9</i> | <i>122.0</i> | <i>123.1</i> | <i>124.2</i> | <i>129.1</i> | <i>130.2</i> | <i>129.1</i> | <i>125.3</i> | <i>127.7</i> |
| <i>Merchandise imports fob (b)</i>             |                                        |              |              |                |              |              |              |              |              |              |              |              |              |
| Exogenous imports fob                          | 83.3                                   | 72.9         | 85.5         | 84.0           | 75.8         | 71.7         | 78.2         | 64.6         | 76.8         | 86.9         | 79.2         | 90.5         | 85.4         |
| Endogenous imports fob                         | 128.1                                  | 120.7        | 123.9        | 131.0          | 126.5        | 121.1        | 120.9        | 118.8        | 122.2        | 126.8        | 122.9        | 123.0        | 122.6        |
| <i>Total imports fob</i>                       | <i>121.9</i>                           | <i>114.1</i> | <i>118.9</i> | <i>124.7</i>   | <i>119.9</i> | <i>115.1</i> | <i>114.6</i> | <i>111.1</i> | <i>115.8</i> | <i>121.0</i> | <i>117.0</i> | <i>119.1</i> | <i>118.1</i> |
| <i>Services, debits (b)</i>                    | <i>127.0</i>                           | <i>119.9</i> | <i>128.7</i> | <i>130.6</i>   | <i>125.9</i> | <i>117.7</i> | <i>118.5</i> | <i>118.2</i> | <i>125.4</i> | <i>124.5</i> | <i>126.1</i> | <i>130.7</i> | <i>134.2</i> |
| <i>Total imports of goods and services</i>     | <i>123.0</i>                           | <i>115.3</i> | <i>121.0</i> | <i>126.0</i>   | <i>121.2</i> | <i>115.7</i> | <i>115.5</i> | <i>112.7</i> | <i>117.8</i> | <i>121.8</i> | <i>119.0</i> | <i>121.5</i> | <i>121.7</i> |
| <b>Terms of trade</b>                          |                                        |              |              |                |              |              |              |              |              |              |              |              |              |
| <i>Merchandise trade (c)</i>                   | 94.7                                   | 108.4        | 105.8        | 94.9           | 100.4        | 104.7        | 106.3        | 111.1        | 111.1        | 107.0        | 109.0        | 102.9        | 105.3        |
| <i>Services (d)</i>                            | 98.3                                   | 107.3        | 106.8        | 96.2           | 101.9        | 108.5        | 108.4        | 108.2        | 104.4        | 107.1        | 107.9        | 105.4        | 106.3        |
| <i>Goods and services (e)</i>                  | 95.2                                   | 108.2        | 105.7        | 94.9           | 100.6        | 105.4        | 106.6        | 110.2        | 109.6        | 106.9        | 108.5        | 103.1        | 104.9        |
| <b>Fixed-weighted indexes (f)</b>              |                                        |              |              |                |              |              |              |              |              |              |              |              |              |
| <i>Merchandise exports fob</i>                 | 112.2                                  | 122.0        | 128.7        | 115.4          | 117.7        | 118.9        | 118.5        | 122.0        | 128.5        | 130.0        | 127.9        | 127.5        | 129.5        |
| <i>Services, credits</i>                       | 123.4                                  | 126.7        | 134.2        | 124.6          | 125.6        | 124.7        | 126.2        | 127.9        | 127.8        | 130.4        | 133.4        | 135.1        | 137.9        |
| <i>Total exports of goods and services</i>     | <i>114.0</i>                           | <i>122.7</i> | <i>129.6</i> | <i>116.9</i>   | <i>119.0</i> | <i>119.8</i> | <i>119.7</i> | <i>122.9</i> | <i>128.4</i> | <i>130.1</i> | <i>128.8</i> | <i>128.7</i> | <i>130.8</i> |
| <i>Merchandise imports fob (b)</i>             | 128.6                                  | 122.1        | 127.8        | 131.0          | 128.2        | 122.3        | 121.9        | 119.3        | 124.7        | 128.7        | 126.5        | 127.8        | 128.1        |
| <i>Services, debits (b)</i>                    | 128.6                                  | 120.9        | 130.8        | 132.3          | 126.7        | 119.0        | 119.9        | 118.0        | 126.5        | 126.3        | 130.3        | 132.3        | 134.2        |
| <i>Total imports of goods and services (b)</i> | <i>128.6</i>                           | <i>121.8</i> | <i>128.5</i> | <i>131.3</i>   | <i>127.8</i> | <i>121.5</i> | <i>121.4</i> | <i>119.0</i> | <i>125.1</i> | <i>128.1</i> | <i>127.4</i> | <i>128.9</i> | <i>129.6</i> |

(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. (f) The fixed-weighted indexes are derived by combining individual component prices (base year 1984-85 = 100) with a weighting to reflect the relative importance of the components in the base year.

TABLE 7. MERCHANDISE (BALANCE OF PAYMENTS BASIS)

| TABLE 7. MERCHANDISE (VALUE OF PAYMENTS BASIS) |                |                |                |                |                |                |                |                |                |                |                |                |                |
|------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                | (\$ million)   |                |                |                |                |                |                |                |                |                |                |                |                |
|                                                | Year           |                |                | Quarters ended |                |                |                |                |                |                |                |                |                |
|                                                | 1987-88        | 1988-89        | 1989-90        | 1987-88        |                | 1988-89        |                | 1989-90        |                | 1989-90        |                |                |                |
|                                                |                |                |                | Mar.           | June           | Sept.          | Dec.           | Mar.           | June           | Sept.          | Dec.           | Mar.           | June           |
| <b>Exports fob (a) —</b>                       |                |                |                |                |                |                |                |                |                |                |                |                |                |
| <i>Rural exports fob —</i>                     |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Meat & meat preparations                       | 2,555          | 2,249          | 2,869          | 621            | 668            | 534            | 601            | 481            | 633            | 696            | 770            | 697            | 706            |
| Cereal grains & cereal preparations            | 2,202          | 2,729          | 3,174          | 623            | 405            | 453            | 501            | 719            | 1,056          | 705            | 606            | 1,017          | 846            |
| Sugar, sugar preparations & honey              | 698            | 885            | 1,036          | 152            | 196            | 305            | 205            | 155            | 220            | 407            | 272            | 189            | 168            |
| Wool and sheepskins                            | 5,811          | 5,939          | 3,706          | 1,904          | 1,454          | 1,039          | 1,780          | 1,717          | 1,403          | 942            | 1,064          | 892            | 808            |
| Other rural                                    | 3,976          | 4,015          | 4,233          | 1,014          | 1,049          | 1,017          | 1,024          | 889            | 1,085          | 1,170          | 990            | 987            | 1,086          |
| <b>Total rural</b>                             | <b>15,242</b>  | <b>15,817</b>  | <b>15,018</b>  | <b>4,314</b>   | <b>3,772</b>   | <b>3,348</b>   | <b>4,111</b>   | <b>3,961</b>   | <b>4,397</b>   | <b>3,920</b>   | <b>3,702</b>   | <b>3,782</b>   | <b>3,614</b>   |
| <i>Non-rural exports fob —</i>                 |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Metal ores & minerals                          | 5,455          | 6,586          | 7,372          | 1,305          | 1,441          | 1,433          | 1,513          | 1,635          | 2,005          | 1,833          | 1,808          | 1,705          | 2,026          |
| Mineral fuels —                                |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Coal, coke and briquettes                      | 4,850          | 4,737          | 5,953          | 1,269          | 1,127          | 1,126          | 1,212          | 1,100          | 1,299          | 1,419          | 1,342          | 1,557          | 1,635          |
| Other mineral fuels                            | 1,779          | 1,258          | 2,037          | 456            | 390            | 374            | 261            | 271            | 352            | 370            | 425            | 618            | 624            |
| Metals —                                       |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Gold                                           | 2,563          | 2,731          | 3,192          | 737            | 774            | 761            | 612            | 745            | 613            | 650            | 839            | 888            | 815            |
| Other metals                                   | 3,749          | 4,662          | 4,572          | 918            | 985            | 1,125          | 1,160          | 1,074          | 1,303          | 1,200          | 1,178          | 1,073          | 1,121          |
| Machinery                                      | 1,835          | 1,869          | 2,396          | 416            | 508            | 475            | 482            | 405            | 507            | 576            | 650            | 540            | 630            |
| Transport equipment                            | 957            | 886            | 1,087          | 231            | 263            | 209            | 186            | 231            | 266            | 291            | 269            | 242            | 285            |
| Manufactures nec                               | 2,941          | 3,276          | 3,948          | 703            | 830            | 860            | 834            | 714            | 868            | 981            | 1,136          | 851            | 986            |
| Other non-rural                                | 1,170          | 1,225          | 1,636          | 297            | 372            | 345            | 304            | 288            | 288            | 476            | 378            | 368            | 414            |
| <b>Total non-rural</b>                         | <b>25,299</b>  | <b>27,230</b>  | <b>32,193</b>  | <b>6,332</b>   | <b>6,690</b>   | <b>6,708</b>   | <b>6,558</b>   | <b>6,463</b>   | <b>7,501</b>   | <b>7,796</b>   | <b>8,025</b>   | <b>7,842</b>   | <b>8,530</b>   |
| <b>Total exports fob</b>                       | <b>40,541</b>  | <b>43,047</b>  | <b>47,211</b>  | <b>10,646</b>  | <b>10,462</b>  | <b>10,056</b>  | <b>10,669</b>  | <b>10,424</b>  | <b>11,898</b>  | <b>11,716</b>  | <b>11,727</b>  | <b>11,624</b>  | <b>12,144</b>  |
| <b>Imports fob (a) —</b>                       |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Food, beverages & tobacco                      | -2,013         | -2,200         | -2,285         | -552           | -464           | -494           | -572           | -584           | -550           | -584           | -581           | -589           | -531           |
| Fuels                                          | -2,036         | -2,014         | -2,521         | -494           | -517           | -411           | -295           | -561           | -747           | -633           | -698           | -600           | -590           |
| Chemicals (including plastics)                 | -4,280         | -4,973         | -5,205         | -1,145         | -1,123         | -1,223         | -1,198         | -1,211         | -1,341         | -1,337         | -1,247         | -1,327         | -1,121         |
| Textiles, fabrics etc                          | -1,931         | -2,002         | -1,946         | -448           | -475           | -522           | -493           | -473           | -514           | -554           | -489           | -461           | -442           |
| Metals & metal manufactures                    | -2,205         | -2,625         | -2,763         | -540           | -552           | -602           | -609           | -657           | -757           | -770           | -784           | -633           | -576           |
| Machinery                                      | -12,230        | -13,793        | -15,532        | -3,024         | -3,067         | -3,237         | -3,453         | -3,304         | -3,799         | -4,064         | -4,021         | -3,907         | -3,540         |
| Transport equipment                            | -4,152         | -6,849         | -7,754         | -1,075         | -1,130         | -1,303         | -2,025         | -1,669         | -1,852         | -2,484         | -1,812         | -1,917         | -1,541         |
| Manufactures nec                               | -8,563         | -9,766         | -10,310        | -2,228         | -2,029         | -2,431         | -2,482         | -2,399         | -2,454         | -2,782         | -2,647         | -2,592         | -2,289         |
| Other imports                                  | -2,976         | -2,810         | -2,674         | -716           | -712           | -741           | -733           | -653           | -683           | -689           | -680           | -665           | -640           |
| <b>Total imports fob</b>                       | <b>-40,386</b> | <b>-47,032</b> | <b>-50,990</b> | <b>-10,222</b> | <b>-10,069</b> | <b>-10,964</b> | <b>-11,860</b> | <b>-11,511</b> | <b>-12,697</b> | <b>-13,897</b> | <b>-12,959</b> | <b>-12,691</b> | <b>-11,443</b> |
| <i>Of which —</i>                              |                |                |                |                |                |                |                |                |                |                |                |                |                |
| <i>Exogenous</i>                               | <b>-3,829</b>  | <b>-4,186</b>  | <b>-4,771</b>  | <b>-958</b>    | <b>-867</b>    | <b>-799</b>    | <b>-1,139</b>  | <b>-994</b>    | <b>-1,254</b>  | <b>-1,379</b>  | <b>-1,119</b>  | <b>-1,213</b>  | <b>-1,060</b>  |
| <i>Endogenous —</i>                            |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Consumption goods                              | -9,348         | -11,432        | -12,122        | -2,478         | -2,190         | -2,658         | -2,995         | -2,903         | -2,876         | -3,376         | -3,185         | -2,935         | -2,626         |
| Capital goods                                  | -8,578         | -10,583        | -11,761        | -2,066         | -2,282         | -2,430         | -2,708         | -2,562         | -2,883         | -3,315         | -2,981         | -2,853         | -2,612         |
| Other goods                                    | -18,631        | -20,831        | -22,336        | -4,720         | -4,730         | -5,077         | -5,018         | -5,052         | -5,684         | -5,827         | -5,674         | -5,690         | -5,145         |
| <b>Total endogenous</b>                        | <b>-36,537</b> | <b>-42,846</b> | <b>-46,219</b> | <b>-9,264</b>  | <b>-9,202</b>  | <b>-10,165</b> | <b>-10,721</b> | <b>-10,517</b> | <b>-11,443</b> | <b>-12,518</b> | <b>-11,840</b> | <b>-11,478</b> | <b>-10,383</b> |
| <b>Balance on merchandise trade</b>            | <b>155</b>     | <b>-3,985</b>  | <b>-3,779</b>  | <b>424</b>     | <b>393</b>     | <b>-908</b>    | <b>-1,191</b>  | <b>-1,087</b>  | <b>-799</b>    | <b>-2,181</b>  | <b>-1,232</b>  | <b>-1,067</b>  | <b>70</b>      |

(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 |               |               |                |                |                |                |                |                |               |       |      |
|-------------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|-------|------|
|                                     | 1987-88        | 1988-89        | 1989-90        | 1987-88        |               |               |                | 1988-89        |                |                |                | 1989-90        |               |       |      |
|                                     |                |                |                | Mar.           | June          | Sept.         | Dec.           | Mar.           | June           | Sept.          | Dec.           | Mar.           | June          | Sept. | Dec. |
| <b>Exports fob (a) —</b>            |                |                |                |                |               |               |                |                |                |                |                |                |               |       |      |
| <i>Rural exports fob —</i>          |                |                |                |                |               |               |                |                |                |                |                |                |               |       |      |
| Meat & meat preparations            | 2,130          | 1,866          | 2,208          | 515            | 561           | 444           | 489            | 420            | 513            | 526            | 580            | 539            | 563           |       |      |
| Cereal grains & cereal preparations | 2,764          | 2,576          | 2,656          | 712            | 455           | 495           | 503            | 665            | 913            | 587            | 497            | 837            | 735           |       |      |
| Sugar, sugar preparations & honey   | 641            | 673            | 667            | 121            | 174           | 238           | 162            | 122            | 151            | 261            | 185            | 124            | 97            |       |      |
| Wool and sheepskins                 | 3,204          | 2,898          | 2,127          | 977            | 670           | 493           | 845            | 838            | 722            | 524            | 624            | 507            | 472           |       |      |
| Other rural                         | 3,126          | 3,168          | 3,170          | 784            | 804           | 806           | 825            | 707            | 830            | 893            | 748            | 712            | 817           |       |      |
| <b>Total rural</b>                  | <b>11,865</b>  | <b>11,181</b>  | <b>10,828</b>  | <b>3,109</b>   | <b>2,664</b>  | <b>2,476</b>  | <b>2,824</b>   | <b>2,752</b>   | <b>3,129</b>   | <b>2,791</b>   | <b>2,634</b>   | <b>2,719</b>   | <b>2,684</b>  |       |      |
| <i>Non-rural exports fob —</i>      |                |                |                |                |               |               |                |                |                |                |                |                |               |       |      |
| Metal ores & minerals               | 5,219          | 5,314          | 5,143          | 1,246          | 1,329         | 1,270         | 1,368          | 1,262          | 1,414          | 1,304          | 1,286          | 1,225          | 1,328         |       |      |
| Mineral fuels —                     |                |                |                |                |               |               |                |                |                |                |                |                |               |       |      |
| Coal, coke and briquettes           | 5,543          | 5,319          | 5,717          | 1,452          | 1,333         | 1,282         | 1,394          | 1,280          | 1,363          | 1,368          | 1,303          | 1,508          | 1,538         |       |      |
| Other mineral fuels                 | 2,542          | 2,250          | 3,152          | 651            | 608           | 664           | 552            | 489            | 545            | 597            | 666            | 988            | 901           |       |      |
| Metals —                            |                |                |                |                |               |               |                |                |                |                |                |                |               |       |      |
| Gold                                | 1,561          | 2,060          | 2,566          | 441            | 474           | 536           | 461            | 592            | 471            | 506            | 663            | 722            | 675           |       |      |
| Other metals                        | 2,662          | 2,849          | 3,067          | 633            | 651           | 689           | 717            | 664            | 779            | 724            | 790            | 772            | 781           |       |      |
| Machinery                           | 1,647          | 1,651          | 2,140          | 377            | 436           | 416           | 433            | 361            | 441            | 499            | 587            | 477            | 577           |       |      |
| Transport equipment                 | 878            | 837            | 988            | 218            | 252           | 204           | 175            | 218            | 240            | 263            | 247            | 214            | 264           |       |      |
| Manufactures nec                    | 2,187          | 2,390          | 2,768          | 511            | 591           | 614           | 611            | 536            | 629            | 694            | 795            | 591            | 688           |       |      |
| Other non-rural                     | 1,007          | 946            | 1,146          | 265            | 308           | 278           | 247            | 217            | 204            | 330            | 262            | 262            | 292           |       |      |
| <b>Total non-rural</b>              | <b>23,246</b>  | <b>23,616</b>  | <b>26,687</b>  | <b>5,794</b>   | <b>5,982</b>  | <b>5,953</b>  | <b>5,958</b>   | <b>5,619</b>   | <b>6,086</b>   | <b>6,285</b>   | <b>6,599</b>   | <b>6,759</b>   | <b>7,044</b>  |       |      |
| <b>Total exports fob</b>            | <b>35,111</b>  | <b>34,797</b>  | <b>37,515</b>  | <b>8,903</b>   | <b>8,646</b>  | <b>8,429</b>  | <b>8,782</b>   | <b>8,371</b>   | <b>9,215</b>   | <b>9,076</b>   | <b>9,233</b>   | <b>9,478</b>   | <b>9,728</b>  |       |      |
| <b>Imports fob (a) —</b>            |                |                |                |                |               |               |                |                |                |                |                |                |               |       |      |
| Food, beverages & tobacco           | -1,633         | -1,943         | -2,009         | -438           | -382          | -433          | -501           | -528           | -481           | -498           | -516           | -525           | -470          |       |      |
| Fuels                               | -2,936         | -3,621         | -3,542         | -710           | -821          | -734          | -591           | -1,107         | -1,189         | -905           | -1,017         | -795           | -825          |       |      |
| Chemicals (including plastics)      | -3,282         | -3,780         | -3,991         | -856           | -843          | -928          | -902           | -928           | -1,022         | -991           | -971           | -1,033         | -996          |       |      |
| Textiles, fabrics etc               | -1,453         | -1,572         | -1,453         | -330           | -355          | -407          | -386           | -380           | -399           | -413           | -369           | -343           | -328          |       |      |
| Metals & metal manufactures         | -1,603         | -1,813         | -1,832         | -379           | -385          | -425          | -422           | -461           | -505           | -498           | -523           | -425           | -386          |       |      |
| Machinery                           | -10,834        | -13,795        | -15,095        | -2,645         | -2,852        | -3,197        | -3,480         | -3,361         | -3,757         | -3,830         | -3,925         | -3,797         | -3,543        |       |      |
| Transport equipment                 | -2,807         | -5,105         | -5,581         | -706           | -758          | -940          | -1,595         | -1,249         | -1,321         | -1,808         | -1,304         | -1,391         | -1,078        |       |      |
| Manufactures nec                    | -6,310         | -7,416         | -7,395         | -1,620         | -1,489        | -1,855        | -1,881         | -1,865         | -1,815         | -1,999         | -1,913         | -1,863         | -1,620        |       |      |
| Other imports                       | -2,280         | -2,189         | -1,997         | -531           | -540          | -577          | -571           | -517           | -524           | -508           | -507           | -506           | -476          |       |      |
| <b>Total Imports fob</b>            | <b>-33,138</b> | <b>-41,234</b> | <b>-42,895</b> | <b>-8,215</b>  | <b>-8,425</b> | <b>-9,496</b> | <b>-10,329</b> | <b>-10,396</b> | <b>-11,013</b> | <b>-11,450</b> | <b>-11,045</b> | <b>-10,678</b> | <b>-9,722</b> |       |      |
| <i>Of which —</i>                   |                |                |                |                |               |               |                |                |                |                |                |                |               |       |      |
| <i>Exogenous</i>                    | -4,599         | -5,743         | -5,581         | -1,142         | -1,150        | -1,110        | -1,450         | -1,539         | -1,644         | -1,581         | -1,410         | -1,342         | -1,248        |       |      |
| <i>Endogenous —</i>                 |                |                |                |                |               |               |                |                |                |                |                |                |               |       |      |
| Consumption goods                   | -6,989         | -8,929         | -9,166         | -1,810         | -1,640        | -2,087        | -2,304         | -2,234         | -2,521         | -2,416         | -2,251         | -1,978         |               |       |      |
| Capital goods                       | -7,292         | -10,023        | -10,886        | -1,731         | -2,006        | -2,267        | -2,582         | -2,478         | -2,696         | -2,949         | -2,806         | -2,649         | -2,482        |       |      |
| Other goods                         | -14,258        | -16,539        | -17,262        | -3,532         | -3,629        | -4,032        | -3,993         | -4,075         | -4,439         | -4,399         | -4,413         | -4,436         | -4,014        |       |      |
| <b>Total endogenous</b>             | <b>-28,539</b> | <b>-35,491</b> | <b>-37,314</b> | <b>-7,073</b>  | <b>-7,275</b> | <b>-8,386</b> | <b>-8,879</b>  | <b>-8,857</b>  | <b>-9,369</b>  | <b>-9,869</b>  | <b>-9,635</b>  | <b>-9,336</b>  | <b>-8,474</b> |       |      |
| <b>Balance on merchandise trade</b> | <b>1,973</b>   | <b>-6,437</b>  | <b>-5,380</b>  | <b>688</b>     | <b>221</b>    | <b>-1,067</b> | <b>-1,547</b>  | <b>-2,025</b>  | <b>-1,798</b>  | <b>-2,374</b>  | <b>-1,812</b>  | <b>-1,200</b>  | <b>6</b>      |       |      |

(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)   |                |                 |                |                |                |                |                |                |                |
|-------------------------------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                     | 1987-88        |                | Quarters ended— |                |                |                | 1989-90        |                |                |                |
|                                     | Mar.           | June           | Sept.           | Dec.           | Mar.           | June           | Sept.          | Dec.           | Mar.           | June           |
| <b>Exports fob (a) —</b>            |                |                |                 |                |                |                |                |                |                |                |
| <i>Rural exports fob —</i>          |                |                |                 |                |                |                |                |                |                |                |
| Meat & meat preparations            | 699            | 641            | 512             | 585            | 540            | 607            | 671            | 746            | 782            | 677            |
| Cereal grains & cereal preparations | 538            | 378            | 505             | 571            | 626            | 980            | 787            | 688            | 889            | 783            |
| Sugar, sugar preparations & honey   | 208            | 190            | 238             | 215            | 209            | 216            | 315            | 287            | 254            | 166            |
| Wool and sheepskins                 | 1,612          | 1,421          | 1,399           | 1,685          | 1,456          | 1,371          | 1,276          | 1,002          | 757            | 790            |
| Other rural                         | 1,108          | 1,020          | 947             | 1,042          | 969            | 1,058          | 1,090          | 1,006          | 1,074          | 1,060          |
| <b>Total rural</b>                  | <b>4,165</b>   | <b>3,650</b>   | <b>3,601</b>    | <b>4,098</b>   | <b>3,800</b>   | <b>4,232</b>   | <b>4,139</b>   | <b>3,729</b>   | <b>3,756</b>   | <b>3,476</b>   |
| <i>Non-rural exports fob —</i>      |                |                |                 |                |                |                |                |                |                |                |
| Metal ores & minerals               | 1,463          | 1,387          | 1,383           | 1,470          | 1,822          | 1,928          | 1,776          | 1,755          | 1,895          | 1,948          |
| Mineral fuels —                     |                |                |                 |                |                |                |                |                |                |                |
| Coal, coke and briquettes           | 1,301          | 1,143          | 1,126           | 1,166          | 1,128          | 1,321          | 1,418          | 1,288          | 1,597          | 1,665          |
| Other mineral fuels                 | 459            | 404            | 399             | 236            | 274            | 365            | 394            | 385            | 625            | 647            |
| Metals —                            |                |                |                 |                |                |                |                |                |                |                |
| Gold                                | 727            | 710            | 777             | 667            | 727            | 570            | 664            | 910            | 862            | 762            |
| Other metals                        | 978            | 970            | 1,072           | 1,163          | 1,144          | 1,285          | 1,144          | 1,179          | 1,142          | 1,107          |
| Machinery                           | 473            | 497            | 462             | 450            | 461            | 495            | 562            | 607            | 615            | 614            |
| Transport equipment                 | 236            | 264            | 216             | 172            | 230            | 271            | 297            | 264            | 238            | 292            |
| Manufactures nec                    | 784            | 813            | 825             | 801            | 796            | 852            | 942            | 1,090          | 948            | 962            |
| Other non-rural                     | 302            | 405            | 303             | 316            | 294            | 312            | 421            | 391            | 376            | 448            |
| <b>Total non-rural</b>              | <b>6,723</b>   | <b>6,593</b>   | <b>6,563</b>    | <b>6,441</b>   | <b>6,876</b>   | <b>7,399</b>   | <b>7,618</b>   | <b>7,869</b>   | <b>8,298</b>   | <b>8,445</b>   |
| <b>Total exports fob</b>            | <b>10,888</b>  | <b>10,243</b>  | <b>10,164</b>   | <b>10,539</b>  | <b>10,676</b>  | <b>11,631</b>  | <b>11,757</b>  | <b>11,598</b>  | <b>12,054</b>  | <b>11,921</b>  |
| <b>Imports fob (a) —</b>            |                |                |                 |                |                |                |                |                |                |                |
| Food, beverages & tobacco           | -523           | -495           | -509            | -553           | -550           | -590           | -601           | -561           | -553           | -572           |
| Fuels                               | -491           | -493           | -419            | -306           | -559           | -706           | -652           | -718           | -600           | -555           |
| Chemicals (including plastics)      | -1,192         | -1,088         | -1,183          | -1,230         | -1,260         | -1,300         | -1,295         | -1,278         | -1,380         | -1,255         |
| Textiles, fabrics etc               | -490           | -477           | -482            | -489           | -517           | -516           | -512           | -486           | -504           | -443           |
| Metals & metal manufactures         | -571           | -556           | -565            | -612           | -694           | -764           | -722           | -788           | -668           | -582           |
| Machinery                           | -3,196         | -3,106         | -3,143          | -3,331         | -3,489         | -3,849         | -3,953         | -3,873         | -4,124         | -3,587         |
| Transport equipment                 | -1,169         | -1,143         | -1,325          | -1,822         | -1,816         | -1,873         | -2,544         | -1,620         | -2,087         | -1,559         |
| Manufactures nec                    | -2,306         | -2,168         | -2,274          | -2,411         | -2,482         | -2,622         | -2,609         | -2,565         | -2,680         | -2,446         |
| Other imports                       | -776           | -703           | -699            | -729           | -706           | -676           | -650           | -676           | -718           | -635           |
| <b>Total imports fob</b>            | <b>-10,714</b> | <b>-10,229</b> | <b>-10,599</b>  | <b>-11,483</b> | <b>-12,073</b> | <b>-12,896</b> | <b>-13,538</b> | <b>-12,565</b> | <b>-13,314</b> | <b>-11,634</b> |
| <i>Of which —</i>                   |                |                |                 |                |                |                |                |                |                |                |
| <i>Exogenous</i>                    | -955           | -843           | -807            | -1,150         | -992           | -1,213         | -1,398         | -1,139         | -1,213         | -1,025         |
| <i>Endogenous —</i>                 |                |                |                 |                |                |                |                |                |                |                |
| Consumption goods                   | -2,531         | -2,422         | -2,520          | -2,827         | -2,950         | -3,189         | -3,203         | -3,005         | -2,975         | -2,916         |
| Capital goods                       | -2,190         | -2,293         | -2,359          | -2,623         | -2,710         | -2,909         | -3,218         | -2,883         | -3,015         | -2,641         |
| Other goods                         | -5,038         | -4,671         | -4,913          | -4,883         | -5,421         | -5,585         | -5,719         | -5,538         | -6,111         | -5,052         |
| <b>Total endogenous</b>             | <b>-9,759</b>  | <b>-9,386</b>  | <b>-9,792</b>   | <b>-10,333</b> | <b>-11,081</b> | <b>-11,683</b> | <b>-12,140</b> | <b>-11,426</b> | <b>-12,101</b> | <b>-10,609</b> |
| <b>Balance on merchandise trade</b> | <b>174</b>     | <b>14</b>      | <b>-435</b>     | <b>-944</b>    | <b>-1,397</b>  | <b>-1,265</b>  | <b>-1,781</b>  | <b>-967</b>    | <b>-1,260</b>  | <b>287</b>     |

(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: |               |               |                |                |                |                |                |                |               |
|-------------------------------------|-----------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
|                                     | 1987-88         |               | 1988-89       |                |                |                | 1989-90        |                |                |               |
|                                     | Mar.            | June          | Sept.         | Dec.           | Mar.           | June           | Sept.          | Dec.           | Mar.           | June          |
| <b>Exports fob (a) —</b>            |                 |               |               |                |                |                |                |                |                |               |
| <i>Rural exports fob —</i>          |                 |               |               |                |                |                |                |                |                |               |
| Meat & meat preparations            | 580             | 538           | 426           | 476            | 472            | 492            | 507            | 562            | 605            | 540           |
| Cereal grains & cereal preparations | 615             | 425           | 551           | 574            | 579            | 847            | 655            | 564            | 732            | 680           |
| Sugar, sugar preparations & honey   | 170             | 167           | 187           | 167            | 169            | 147            | 203            | 191            | 171            | 95            |
| Wool and sheepskins                 | 837             | 664           | 649           | 791            | 720            | 716            | 694            | 580            | 436            | 468           |
| Other rural                         | 857             | 782           | 751           | 840            | 771            | 809            | 832            | 760            | 775            | 798           |
| <b>Total rural</b>                  | <b>3,059</b>    | <b>2,576</b>  | <b>2,564</b>  | <b>2,848</b>   | <b>2,711</b>   | <b>3,011</b>   | <b>2,891</b>   | <b>2,657</b>   | <b>2,719</b>   | <b>2,581</b>  |
| <i>Non-rural exports fob —</i>      |                 |               |               |                |                |                |                |                |                |               |
| Metal ores & minerals               | 1,397           | 1,279         | 1,226         | 1,329          | 1,407          | 1,360          | 1,263          | 1,248          | 1,361          | 1,277         |
| Mineral fuels —                     |                 |               |               |                |                |                |                |                |                |               |
| Coal, coke and briquettes           | 1,488           | 1,352         | 1,282         | 1,341          | 1,312          | 1,386          | 1,367          | 1,250          | 1,547          | 1,566         |
| Other mineral fuels                 | 656             | 629           | 708           | 499            | 494            | 565            | 635            | 604            | 999            | 934           |
| Metals —                            |                 |               |               |                |                |                |                |                |                |               |
| Gold                                | 435             | 435           | 547           | 502            | 578            | 438            | 517            | 719            | 701            | 631           |
| Other metals                        | 675             | 641           | 656           | 719            | 707            | 769            | 690            | 791            | 822            | 771           |
| Machinery                           | 428             | 427           | 404           | 405            | 411            | 430            | 487            | 548            | 543            | 562           |
| Transport equipment                 | 223             | 253           | 211           | 168            | 217            | 244            | 268            | 242            | 211            | 271           |
| Manufactures nec                    | 570             | 579           | 589           | 587            | 597            | 617            | 666            | 763            | 658            | 676           |
| Other non-rural                     | 269             | 335           | 245           | 257            | 221            | 221            | 292            | 271            | 268            | 316           |
| <b>Total non-rural</b>              | <b>6,141</b>    | <b>5,930</b>  | <b>5,868</b>  | <b>5,807</b>   | <b>5,944</b>   | <b>6,030</b>   | <b>6,185</b>   | <b>6,436</b>   | <b>7,110</b>   | <b>7,004</b>  |
| <b>Total exports fob</b>            | <b>9,200</b>    | <b>8,506</b>  | <b>8,432</b>  | <b>8,655</b>   | <b>8,655</b>   | <b>9,041</b>   | <b>9,076</b>   | <b>9,093</b>   | <b>9,829</b>   | <b>9,585</b>  |
| <b>Imports fob (a) —</b>            |                 |               |               |                |                |                |                |                |                |               |
| Food, beverages & tobacco           | -415            | -408          | -446          | -485           | -497           | -516           | -512           | -499           | -493           | -506          |
| Fuels                               | -705            | -783          | -749          | -612           | -1,104         | -1,124         | -933           | -1,046         | -794           | -777          |
| Chemicals (including plastics)      | -891            | -817          | -898          | -926           | -965           | -991           | -960           | -995           | -1,074         | -966          |
| Textiles, fabrics etc               | -361            | -357          | -376          | -383           | -416           | -400           | -382           | -366           | -375           | -329          |
| Metals & metal manufactures         | -401            | -388          | -399          | -424           | -487           | -509           | -467           | -526           | -449           | -390          |
| Machinery                           | -2,795          | -2,888        | -3,104        | -3,357         | -3,549         | -3,806         | -3,726         | -3,780         | -4,008         | -3,590        |
| Transport equipment                 | -768            | -767          | -956          | -1,435         | -1,359         | -1,336         | -1,852         | -1,166         | -1,514         | -1,090        |
| Manufactures nec                    | -1,677          | -1,591        | -1,735        | -1,827         | -1,929         | -1,940         | -1,875         | -1,854         | -1,927         | -1,731        |
| Other imports                       | -576            | -533          | -545          | -568           | -559           | -519           | -479           | -504           | -547           | -472          |
| <b>Total imports fob</b>            | <b>-8,589</b>   | <b>-8,532</b> | <b>-9,208</b> | <b>-10,017</b> | <b>-10,865</b> | <b>-11,141</b> | <b>-11,186</b> | <b>-10,736</b> | <b>-11,181</b> | <b>-9,851</b> |
| <i>Of which —</i>                   |                 |               |               |                |                |                |                |                |                |               |
| <i>Exogenous</i>                    | -1,137          | -1,112        | -1,125        | -1,471         | -1,536         | -1,579         | -1,609         | -1,439         | -1,341         | -1,200        |
| <i>Endogenous —</i>                 |                 |               |               |                |                |                |                |                |                |               |
| Consumption goods                   | -1,849          | -1,814        | -1,979        | -2,174         | -2,341         | -2,477         | -2,392         | -2,280         | -2,282         | -2,196        |
| Capital goods                       | -1,835          | -2,016        | -2,201        | -2,501         | -2,621         | -2,720         | -2,863         | -2,713         | -2,799         | -2,509        |
| Other goods                         | -3,768          | -3,590        | -3,903        | -3,871         | -4,367         | -4,365         | -4,322         | -4,304         | -4,759         | -3,946        |
| <i>Total endogenous</i>             | <i>-7,452</i>   | <i>-7,420</i> | <i>-8,083</i> | <i>-8,546</i>  | <i>-9,329</i>  | <i>-9,562</i>  | <i>-9,577</i>  | <i>-9,297</i>  | <i>-9,840</i>  | <i>-8,651</i> |
| <b>Balance on merchandise trade</b> | <b>611</b>      | <b>-26</b>    | <b>-776</b>   | <b>-1,362</b>  | <b>-2,210</b>  | <b>-2,100</b>  | <b>-2,110</b>  | <b>-1,643</b>  | <b>-1,352</b>  | <b>-266</b>   |

(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 |        |         |        |        |         |        |        |        |        |
|                                                     | 1987-88      | 1988-89 | 1989-90 | 1987-88        |        | 1988-89 |        |        | 1989-90 |        |        |        |        |
|                                                     |              |         |         | Mar.           | June   | Sept.   | Dec.   | Mar.   | June    | Sept.  | Dec.   | Mar.   | June   |
| Exports —                                           |              |         |         |                |        |         |        |        |         |        |        |        |        |
| Foreign trade statistics(a)                         | 41,678       | 43,505  | 48,714  | 10,776         | 10,545 | 10,167  | 10,798 | 10,499 | 12,041  | 12,121 | 12,181 | 11,890 | 12,522 |
| Adjustments —                                       |              |         |         |                |        |         |        |        |         |        |        |        |        |
| Coverage(b)                                         | -523         | -424    | -564    | -122           | -64    | -111    | -114   | -85    | -114    | -177   | -123   | -141   | -123   |
| Timing                                              | -14          | -34     | -939    | -8             | -19    | —       | -15    | 10     | -29     | -228   | -331   | -125   | -255   |
| Merchandise exports (balance of payments basis)     | 40,541       | 43,047  | 47,211  | 10,646         | 10,462 | 10,056  | 10,669 | 10,424 | 11,898  | 11,716 | 11,727 | 11,624 | 12,144 |
| Imports —                                           |              |         |         |                |        |         |        |        |         |        |        |        |        |
| Foreign trade statistics(a)                         | 40,597       | 47,039  | 51,352  | 10,265         | 10,078 | 10,718  | 11,355 | 12,110 | 12,856  | 13,447 | 13,339 | 12,708 | 11,858 |
| Adjustments —                                       |              |         |         |                |        |         |        |        |         |        |        |        |        |
| Coverage(b)                                         | -134         | -82     | -14     | -6             | -5     | -3      | -5     | -86    | 12      | -36    | 10     | 19     | -7     |
| Timing                                              | -51          | 72      | -327    | -30            | —      | 250     | 514    | -519   | -173    | 489    | -391   | -35    | -390   |
| Valuation                                           | -26          | 3       | -21     | -7             | -4     | -1      | -4     | 6      | 2       | -3     | 1      | -1     | -18    |
| Merchandise imports (balance of payments basis) (c) | 40,386       | 47,032  | 50,990  | 10,222         | 10,069 | 10,964  | 11,860 | 11,511 | 12,697  | 13,897 | 12,959 | 12,691 | 11,443 |

(a) From 1 July 1987, gold coin and other coin that are legal tender are included in exports/imports of merchandise trade. (b) Prior to 1 July 1987 a coverage adjustment is made to include exports/imports of gold coin and other coin that are legal tender. (c) 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)

|                                          | Year         |               |               | Quarters ended |              |              |              |              |              |              |              |              |              |         |         |
|------------------------------------------|--------------|---------------|---------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------|---------|
|                                          | 1987-88      | 1988-89       | 1989-90       | 1987-88        |              |              | 1988-89      |              |              | 1989-90      |              |              | 1989-90      | 1989-90 | 1989-90 |
|                                          |              |               |               | Mar.           | June         | Sept.        | Dec.         | Mar.         | June         | Sept.        | Dec.         | Mar.         |              |         |         |
| <i>Shipment —</i>                        |              |               |               |                |              |              |              |              |              |              |              |              |              |         |         |
| Freight on exports                       | 528          | 543           | 590           | 134            | 128          | 127          | 132          | 140          | 144          | 141          | 148          | 151          | 150          |         |         |
| Insurance on exports                     | 9            | 11            | 12            | 3              | 2            | 3            | 2            | 3            | 3            | 3            | 3            | 3            | 3            |         |         |
| <i>Total</i>                             | <i>537</i>   | <i>554</i>    | <i>602</i>    | <i>137</i>     | <i>130</i>   | <i>130</i>   | <i>134</i>   | <i>143</i>   | <i>147</i>   | <i>144</i>   | <i>151</i>   | <i>154</i>   | <i>153</i>   |         |         |
| <i>Other transportation —</i>            |              |               |               |                |              |              |              |              |              |              |              |              |              |         |         |
| Passenger services                       | 1,511        | 1,531         | 1,504         | 455            | 371          | 387          | 414          | 398          | 332          | 342          | 355          | 442          | 365          |         |         |
| Port services etc                        | 1,631        | 1,678         | 1,858         | 398            | 417          | 407          | 425          | 407          | 439          | 456          | 453          | 490          | 459          |         |         |
| <i>Total</i>                             | <i>3,142</i> | <i>3,209</i>  | <i>3,362</i>  | <i>853</i>     | <i>788</i>   | <i>794</i>   | <i>839</i>   | <i>805</i>   | <i>771</i>   | <i>798</i>   | <i>808</i>   | <i>932</i>   | <i>824</i>   |         |         |
| <i>Travel</i>                            |              |               |               |                |              |              |              |              |              |              |              |              |              |         |         |
| Students' expenditure                    | 457          | 661           | 826           | 208            | 75           | 128          | 122          | 310          | 101          | 119          | 161          | 402          | 144          |         |         |
| Other                                    | 3,108        | 3,806         | 3,824         | 877            | 805          | 931          | 1,087        | 979          | 809          | 859          | 997          | 1,036        | 932          |         |         |
| <i>Total</i>                             | <i>3,565</i> | <i>4,467</i>  | <i>4,650</i>  | <i>1,085</i>   | <i>880</i>   | <i>1,059</i> | <i>1,209</i> | <i>1,289</i> | <i>910</i>   | <i>978</i>   | <i>1,158</i> | <i>1,438</i> | <i>1,076</i> |         |         |
| <i>Other services —</i>                  |              |               |               |                |              |              |              |              |              |              |              |              |              |         |         |
| Official                                 | 200          | 249           | 255           | 67             | 53           | 50           | 44           | 64           | 91           | 49           | 64           | 70           | 72           |         |         |
| Non-official —                           |              |               |               |                |              |              |              |              |              |              |              |              |              |         |         |
| Expenditure of foreign govts             | 84           | 87            | 97            | 19             | 22           | 22           | 23           | 19           | 23           | 30           | 23           | 22           | 22           |         |         |
| Expenditure of foreign govt employees    | 73           | 76            | 73            | 18             | 19           | 19           | 19           | 19           | 19           | 19           | 18           | 18           | 18           |         |         |
| Expenditure of resident entity employees | 144          | 161           | 159           | 40             | 35           | 42           | 45           | 41           | 33           | 36           | 41           | 43           | 39           |         |         |
| Financial services                       | 208          | 192           | 204           | 35             | 40           | 36           | 45           | 46           | 75           | 69           | 48           | 42           | 45           |         |         |
| Insurance services nec                   | 29           | 22            | 24            | 7              | 8            | 5            | 5            | 6            | 6            | 6            | 6            | 6            | 6            |         |         |
| Miscellaneous services                   | 1,535        | 1,774         | 1,953         | 379            | 409          | 415          | 412          | 451          | 496          | 482          | 472          | 478          | 521          |         |         |
| <i>Total</i>                             | <i>2,073</i> | <i>2,312</i>  | <i>2,510</i>  | <i>498</i>     | <i>533</i>   | <i>539</i>   | <i>539</i>   | <i>582</i>   | <i>652</i>   | <i>642</i>   | <i>608</i>   | <i>609</i>   | <i>651</i>   |         |         |
| <i>Total other services</i>              | <i>2,273</i> | <i>2,561</i>  | <i>2,765</i>  | <i>565</i>     | <i>586</i>   | <i>589</i>   | <i>583</i>   | <i>646</i>   | <i>743</i>   | <i>691</i>   | <i>672</i>   | <i>679</i>   | <i>723</i>   |         |         |
| <i>Total services credits</i>            | <i>9,517</i> | <i>10,791</i> | <i>11,379</i> | <i>2,640</i>   | <i>2,384</i> | <i>2,572</i> | <i>2,765</i> | <i>2,883</i> | <i>2,571</i> | <i>2,611</i> | <i>2,789</i> | <i>3,203</i> | <i>2,776</i> |         |         |

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

|                                              | Year           |                |                | Quarters ended |               |               |               |               |               |               |               |               |               |      |      |
|----------------------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------|------|
|                                              | 1987-88        | 1988-89        | 1989-90        | 1987-88        |               |               | 1988-89       |               |               | 1989-90       |               |               | Sept.         | Mar. | June |
|                                              |                |                |                | Mar.           | June          | Sept.         | Dec.          | Mar.          | June          | Sept.         | Dec.          | Mar.          |               |      |      |
| <i>Shipment —</i>                            |                |                |                |                |               |               |               |               |               |               |               |               |               |      |      |
| Freight on imports                           | -2,832         | -3,152         | -3,254         | -717           | -681          | -730          | -754          | -802          | -866          | -864          | -843          | -795          | -752          |      |      |
| Insurance on imports                         | -24            | -24            | -24            | -6             | -6            | -6            | -6            | -6            | -6            | -6            | -6            | -6            | -6            |      |      |
| <i>Total</i>                                 | -2,856         | -3,176         | -3,278         | -723           | -687          | -736          | -760          | -808          | -872          | -870          | -849          | -801          | -758          |      |      |
| <i>Other transportation —</i>                |                |                |                |                |               |               |               |               |               |               |               |               |               |      |      |
| Passenger services                           | -1,547         | -1,849         | -2,199         | -391           | -393          | -446          | -440          | -440          | -523          | -585          | -544          | -489          | -581          |      |      |
| Port services etc                            | -963           | -1,063         | -1,178         | -258           | -239          | -215          | -271          | -296          | -281          | -254          | -311          | -319          | -294          |      |      |
| <i>Total</i>                                 | -2,510         | -2,912         | -3,377         | -649           | -632          | -661          | -711          | -736          | -804          | -839          | -855          | -808          | -875          |      |      |
| <i>Travel</i>                                |                |                |                |                |               |               |               |               |               |               |               |               |               |      |      |
| Students' expenditure                        | -129           | -191           | -226           | -38            | -24           | -56           | -39           | -55           | -41           | -61           | -47           | -72           | -46           |      |      |
| Other                                        | -3,583         | -4,072         | -4,722         | -835           | -867          | -971          | -893          | -994          | -1,214        | -1,296        | -1,066        | -1,156        | -1,204        |      |      |
| <i>Total</i>                                 | -3,712         | -4,263         | -4,948         | -873           | -891          | -1,027        | -932          | -1,049        | -1,255        | -1,357        | -1,113        | -1,228        | -1,250        |      |      |
| <i>Other services —</i>                      |                |                |                |                |               |               |               |               |               |               |               |               |               |      |      |
| <i>Official —</i>                            |                |                |                |                |               |               |               |               |               |               |               |               |               |      |      |
| Defence services                             | -86            | -83            | -93            | -24            | -29           | -21           | -13           | -23           | -26           | -23           | -23           | -23           | -24           |      |      |
| Financial services                           | -4             | -3             | -5             | -1             | -1            | -1            | -1            | -1            | —             | -1            | -1            | -1            | -2            |      |      |
| Miscellaneous services                       | -221           | -221           | -259           | -65            | -71           | -51           | -45           | -55           | -70           | -55           | -82           | -59           | -63           |      |      |
| <i>Total</i>                                 | -311           | -307           | -357           | -90            | -101          | -73           | -59           | -79           | -96           | -79           | -106          | -83           | -89           |      |      |
| <i>Non-official —</i>                        |                |                |                |                |               |               |               |               |               |               |               |               |               |      |      |
| Expenditure of Aust govt employees           | -113           | -102           | -115           | -29            | -29           | -27           | -24           | -25           | -26           | -29           | -29           | -29           | -28           |      |      |
| Expenditure of non-resident entity employees | -121           | -132           | -152           | -27            | -29           | -34           | -32           | -33           | -33           | -40           | -38           | -36           | -38           |      |      |
| Financial services                           | -148           | -302           | -192           | -24            | -28           | -64           | -65           | -112          | -61           | -53           | -43           | -45           | -51           |      |      |
| Insurance services nec                       | -288           | -357           | -360           | -72            | -72           | -89           | -89           | -89           | -90           | -90           | -90           | -90           | -90           |      |      |
| Miscellaneous services                       | -2,154         | -2,200         | -2,256         | -597           | -535          | -528          | -571          | -575          | -554          | -554          | -563          | -563          | -576          |      |      |
| <i>Total</i>                                 | -2,824         | -3,093         | -3,075         | -749           | -693          | -742          | -781          | -834          | -736          | -766          | -763          | -763          | -783          |      |      |
| <i>Total other services</i>                  | -3,135         | -3,400         | -3,432         | -839           | -794          | -815          | -840          | -913          | -832          | -845          | -869          | -846          | -872          |      |      |
| <b>Total services debits</b>                 | <b>-12,213</b> | <b>-13,751</b> | <b>-15,035</b> | <b>-3,084</b>  | <b>-3,004</b> | <b>-3,239</b> | <b>-3,243</b> | <b>-3,506</b> | <b>-3,763</b> | <b>-3,911</b> | <b>-3,686</b> | <b>-3,683</b> | <b>-3,755</b> |      |      |

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

|                                         | INCOME CREDITS |         |         |                |      |         |      |       |       |         |       |       |       |
|-----------------------------------------|----------------|---------|---------|----------------|------|---------|------|-------|-------|---------|-------|-------|-------|
|                                         | Year           |         |         | Quarters ended |      |         |      |       |       |         |       |       |       |
|                                         | 1987-88        | 1988-89 | 1989-90 | 1987-88        |      | 1988-89 |      |       |       | 1989-90 |       |       |       |
|                                         |                |         |         | Mar.           | June | Sept.   | Dec. | Mar.  | June  | Sept.   | Dec.  | Mar.  | June  |
| Property income —                       |                |         |         |                |      |         |      |       |       |         |       |       |       |
| Investment income —                     |                |         |         |                |      |         |      |       |       |         |       |       |       |
| Official —                              |                |         |         |                |      |         |      |       |       |         |       |       |       |
| General government                      | 47             | 74      | 114     | 12             | 11   | 5       | 17   | 23    | 29    | 18      | 37    | 32    | 27    |
| Reserve Bank (a)                        | 706            | 998     | 1,260   | 140            | 176  | 222     | 204  | 285   | 287   | 307     | 315   | 297   | 341   |
| Total official                          | 753            | 1,072   | 1,374   | 152            | 187  | 227     | 221  | 308   | 316   | 325     | 352   | 329   | 368   |
| Non-official —                          |                |         |         |                |      |         |      |       |       |         |       |       |       |
| Direct investment income —              |                |         |         |                |      |         |      |       |       |         |       |       |       |
| Reinvested earnings                     | 2,162          | 2,123   | 2,700   | 540            | 541  | 531     | 530  | 531   | 531   | 675     | 675   | 675   | 675   |
| Distributed earnings —                  |                |         |         |                |      |         |      |       |       |         |       |       |       |
| Remitted profits                        | 79             | 63      | 37      | 10             | 14   | 6       | 43   | 4     | 10    | 11      | 7     | 7     | 12    |
| Dividends                               | 102            | 60      | 96      | 3              | 35   | 31      | 4    | 2     | 23    | 35      | 28    | 6     | 27    |
| Interest                                | -111           | -85     | 72      | -21            | —    | -19     | -38  | -25   | -3    | 43      | 22    | 13    | -6    |
| Total                                   | 70             | 38      | 205     | -8             | 49   | 18      | 9    | -19   | 30    | 89      | 57    | 26    | 33    |
| Total direct investment income          | 2,232          | 2,161   | 2,905   | 532            | 590  | 549     | 539  | 512   | 561   | 764     | 732   | 701   | 708   |
| Portfolio and other investment income — |                |         |         |                |      |         |      |       |       |         |       |       |       |
| Dividends                               | 127            | 221     | 302     | 24             | 34   | 39      | 36   | 75    | 71    | 54      | 84    | 91    | 73    |
| Interest                                | 452            | 421     | 585     | 149            | 81   | 95      | 92   | 134   | 100   | 146     | 145   | 156   | 138   |
| Total                                   | 579            | 642     | 887     | 173            | 115  | 134     | 128  | 209   | 171   | 200     | 229   | 247   | 211   |
| Total non-official                      | 2,811          | 2,803   | 3,792   | 705            | 705  | 683     | 667  | 721   | 732   | 964     | 961   | 948   | 919   |
| Total investment income                 | 3,564          | 3,875   | 5,166   | 837            | 892  | 910     | 888  | 1,029 | 1,048 | 1,289   | 1,313 | 1,277 | 1,287 |
| Other property income                   | 194            | 175     | 176     | 50             | 41   | 39      | 44   | 44    | 48    | 44      | 44    | 44    | 44    |
| Total property income                   | 3,758          | 4,050   | 5,342   | 907            | 933  | 949     | 932  | 1,073 | 1,096 | 1,333   | 1,357 | 1,321 | 1,331 |
| Labour and other income —               |                |         |         |                |      |         |      |       |       |         |       |       |       |
| Labour income —                         |                |         |         |                |      |         |      |       |       |         |       |       |       |
| Earnings in Australia                   | 54             | 58      | 60      | 13             | 14   | 14      | 14   | 15    | 15    | 15      | 15    | 15    | 15    |
| Earnings abroad                         | 122            | 132     | 152     | 28             | 29   | 34      | 32   | 33    | 33    | 40      | 38    | 36    | 38    |
| Total                                   | 176            | 190     | 212     | 41             | 43   | 48      | 46   | 48    | 48    | 55      | 53    | 51    | 53    |
| Insurance income                        | —              | —       | 150     | —              | —    | —       | —    | —     | —     | —       | —     | —     | 150   |
| Total labour and other income           | 176            | 190     | 362     | 41             | 43   | 48      | 46   | 48    | 48    | 55      | 53    | 51    | 203   |
| Total income credits                    | 3,934          | 4,240   | 5,704   | 948            | 976  | 997     | 978  | 1,121 | 1,144 | 1,388   | 1,410 | 1,372 | 1,534 |

(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 |        |         |        |         |        |         |        |        |        |
|----------------------------------------------|---------|---------|---------|----------------|--------|---------|--------|---------|--------|---------|--------|--------|--------|
|                                              | 1987-88 | 1988-89 | 1989-90 | 1987-88        |        | 1988-89 |        | 1989-90 |        | 1989-90 |        |        |        |
|                                              |         |         |         | Mar.           | June   | Sept.   | Dec.   | Mar.    | June   | Sept.   | Dec.   | Mar.   | June   |
| Property income —                            |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Investment income —                          |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Official —                                   |         |         |         |                |        |         |        |         |        |         |        |        |        |
| General government —                         |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Interest on borrowing domiciled abroad       | -1,761  | -1,545  | -1,822  | -473           | -384   | -274    | -483   | -386    | -402   | -393    | -557   | -421   | -451   |
| Interest on borrowing domiciled in Australia | -1,117  | -1,486  | -1,818  | -352           | -251   | -316    | -338   | -466    | -366   | -415    | -447   | -490   | -466   |
| Total                                        | -2,878  | -3,031  | -3,640  | -825           | -635   | -590    | -821   | -852    | -768   | -808    | -1,004 | -911   | -917   |
| Reserve Bank (a)                             | -22     | -18     | -34     | -6             | -5     | -5      | -6     | —       | -7     | -8      | -8     | -9     | -9     |
| Total official                               | -2,900  | -3,049  | -3,674  | -831           | -640   | -595    | -827   | -852    | -775   | -816    | -1,012 | -920   | -926   |
| Non-official —                               |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Direct investment income —                   |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Reinvested earnings                          | -2,417  | -2,225  | -2,688  | -604           | -605   | -556    | -556   | -556    | -557   | -672    | -672   | -672   | -672   |
| Distributed earnings —                       |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Remitted profits                             | -233    | -556    | -571    | -62            | -68    | -141    | -192   | -127    | -96    | -99     | -140   | -237   | -95    |
| Dividends                                    | -933    | -1,394  | -2,017  | -268           | -209   | -392    | -139   | -308    | -555   | -246    | -450   | -754   | -567   |
| Interest                                     | -616    | -1,062  | -1,312  | -125           | -156   | -217    | -328   | -246    | -271   | -280    | -406   | -270   | -356   |
| Total                                        | -1,782  | -3,012  | -3,900  | -455           | -433   | -750    | -659   | -681    | -922   | -625    | -996   | -1,261 | -1,018 |
| Total direct investment income               | -4,199  | -5,237  | -6,588  | -1,059         | -1,038 | -1,306  | -1,215 | -1,237  | -1,479 | -1,297  | -1,668 | -1,933 | -1,690 |
| Portfolio and other investment income —      |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Dividends                                    | -602    | -1,096  | -1,107  | -182           | -172   | -137    | -228   | -318    | -413   | -201    | -315   | -231   | -360   |
| Interest —                                   |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Public sector                                | -1,586  | -1,892  | -2,681  | -447           | -385   | -457    | -333   | -562    | -540   | -705    | -546   | -756   | -674   |
| Private sector                               | -3,509  | -4,675  | -5,981  | -891           | -969   | -1,062  | -1,122 | -1,177  | -1,314 | -1,522  | -1,408 | -1,518 | -1,533 |
| Total                                        | -5,095  | -6,567  | -8,662  | -1,338         | -1,354 | -1,519  | -1,455 | -1,739  | -1,854 | -2,227  | -1,954 | -2,274 | -2,207 |
| Total portfolio and other investment income  | -5,697  | -7,663  | -9,769  | -1,520         | -1,526 | -1,656  | -1,683 | -2,057  | -2,267 | -2,428  | -2,269 | -2,505 | -2,567 |
| Total non-official                           | -9,896  | -12,900 | -16,357 | -2,579         | -2,564 | -2,962  | -2,898 | -3,294  | -3,746 | -3,725  | -3,937 | -4,438 | -4,257 |
| Total investment income                      | -12,796 | -15,949 | -20,031 | -3,410         | -3,204 | -3,557  | -3,725 | -4,146  | -4,521 | -4,541  | -4,949 | -5,358 | -5,183 |
| Other property income —                      |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Cinema and TV film royalties                 | -374    | -403    | -433    | -65            | -97    | -98     | -86    | -118    | -101   | -109    | -108   | -108   | -108   |
| Other                                        | -758    | -682    | -735    | -191           | -188   | -153    | -180   | -173    | -176   | -183    | -184   | -184   | -184   |
| Total                                        | -1,132  | -1,085  | -1,168  | -256           | -285   | -251    | -266   | -291    | -277   | -292    | -292   | -292   | -292   |
| Total property income                        | -13,928 | -17,034 | -21,199 | -3,666         | -3,489 | -3,808  | -3,991 | -4,437  | -4,798 | -4,833  | -5,241 | -5,650 | -5,475 |
| Labour and other income —                    |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Official                                     | -65     | -58     | -66     | -17            | -16    | -16     | -14    | -13     | -15    | -17     | -16    | -17    | -16    |
| Non-official —                               |         |         |         |                |        |         |        |         |        |         |        |        |        |
| Labour income                                | -145    | -161    | -159    | -40            | -36    | -42     | -45    | -41     | -33    | -36     | -41    | -43    | -39    |
| Insurance income                             | —       | —       | —       | —              | —      | —       | —      | —       | —      | —       | —      | —      | —      |
| Total non-official                           | -145    | -161    | -159    | -40            | -36    | -42     | -45    | -41     | -33    | -36     | -41    | -43    | -39    |
| Total labour and other income                | -210    | -219    | -225    | -57            | -52    | -58     | -59    | -54     | -48    | -53     | -57    | -60    | -55    |
| Total income debits                          | -14,138 | -17,253 | -21,424 | -3,723         | -3,541 | -3,866  | -4,050 | -4,491  | -4,846 | -4,886  | -5,298 | -5,710 | -5,533 |

(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)

|                                    | (\$ million) |         |         |                |      |         |       |       |         |       |       |       |       |
|------------------------------------|--------------|---------|---------|----------------|------|---------|-------|-------|---------|-------|-------|-------|-------|
|                                    | Year         |         |         | Quarters ended |      |         |       |       |         |       |       |       |       |
|                                    | 1987-88      | 1988-89 | 1989-90 | 1987-88        |      | 1988-89 |       |       | 1989-90 |       |       |       |       |
|                                    |              |         |         | Mar.           | June | Sept.   | Dec.  | Mar.  | June    | Sept. | Dec.  | Mar.  | June  |
| Credits —                          |              |         |         |                |      |         |       |       |         |       |       |       |       |
| Official —                         | 819          | 897     | 1,108   | 194            | 237  | 209     | 199   | 238   | 251     | 262   | 228   | 328   | 290   |
| Non-official —                     |              |         |         |                |      |         |       |       |         |       |       |       |       |
| Migrants' transfers                | 2,074        | 2,580   | 2,747   | 539            | 542  | 553     | 643   | 673   | 711     | 649   | 698   | 674   | 726   |
| Foreign government pensions        | 34           | 24      | 27      | 9              | 9    | 8       | 8     | 4     | 4       | 5     | 5     | 9     | 8     |
| Miscellaneous transfers            | 618          | 709     | 720     | 160            | 162  | 160     | 180   | 180   | 189     | 180   | 180   | 180   | 180   |
| Total                              | 2,726        | 3,313   | 3,494   | 708            | 713  | 721     | 831   | 857   | 904     | 834   | 883   | 863   | 914   |
| Total unrequited transfers credits | 3,545        | 4,210   | 4,602   | 902            | 950  | 930     | 1,030 | 1,095 | 1,155   | 1,096 | 1,111 | 1,191 | 1,204 |
| Debits —                           |              |         |         |                |      |         |       |       |         |       |       |       |       |
| Official —                         |              |         |         |                |      |         |       |       |         |       |       |       |       |
| Foreign aid —                      |              |         |         |                |      |         |       |       |         |       |       |       |       |
| Papua New Guinea aid               | -323         | -328    | -361    | -84            | -84  | -99     | -59   | -87   | -83     | -81   | -82   | -94   | -104  |
| Other foreign aid                  | -561         | -620    | -694    | -191           | -192 | -73     | -147  | -182  | -218    | -108  | -134  | -253  | -199  |
| Total                              | -884         | -948    | -1,055  | -275           | -276 | -172    | -206  | -269  | -301    | -189  | -216  | -347  | -303  |
| Pensions                           | -139         | -148    | -156    | -36            | -37  | -37     | -37   | -37   | -37     | -39   | -39   | -39   | -39   |
| Miscellaneous transfers            | -75          | -61     | -67     | -36            | -14  | -8      | -17   | -31   | -5      | -9    | -6    | -40   | -12   |
| Total official                     | -1,098       | -1,157  | -1,278  | -347           | -327 | -217    | -260  | -337  | -343    | -237  | -261  | -426  | -354  |
| Non-official —                     |              |         |         |                |      |         |       |       |         |       |       |       |       |
| Migrants' transfers                | -319         | -349    | -408    | -77            | -81  | -77     | -86   | -101  | -85     | -90   | -102  | -114  | -102  |
| Withholding taxes                  | -28          | -40     | -34     | -7             | -7   | -6      | -7    | -5    | -22     | -9    | -8    | -8    | -9    |
| Miscellaneous transfers            | -436         | -466    | -456    | -107           | -111 | -112    | -119  | -116  | -119    | -114  | -114  | -114  | -114  |
| Total non-official                 | -783         | -855    | -898    | -191           | -199 | -195    | -212  | -222  | -226    | -213  | -224  | -236  | -225  |
| Total unrequited transfers debits  | -1,881       | -2,012  | -2,176  | -538           | -526 | -412    | -472  | -559  | -569    | -450  | -485  | -662  | -579  |
| Net unrequited transfers           | 1,664        | 2,198   | 2,426   | 364            | 424  | 518     | 558   | 536   | 586     | 646   | 626   | 529   | 625   |

TABLE 17. BALANCE OF PAYMENTS — CAPITAL ACCOUNT — NET CAPITAL TRANSACTIONS OF GENERAL GOVERNMENT  
(\$ million)

|                                              | Year         |            |              | Quarters ended |             |             |              |            |               |            |            |              |
|----------------------------------------------|--------------|------------|--------------|----------------|-------------|-------------|--------------|------------|---------------|------------|------------|--------------|
|                                              | 1987-88      | 1988-89    | 1989-90      | 1987-88        |             | 1988-89     |              | 1989-90    |               | 1989-90    |            | June         |
|                                              |              |            |              | Mar.           | June        | Sept.       | Dec.         | Mar.       | June          | Sept.      | Dec.       |              |
| <b>Foreign investment in Australia —</b>     |              |            |              |                |             |             |              |            |               |            |            |              |
| Borrowing —                                  |              |            |              |                |             |             |              |            |               |            |            |              |
| Domiciled abroad —                           |              |            |              |                |             |             |              |            |               |            |            |              |
| Commonwealth Government —                    |              |            |              |                |             |             |              |            |               |            |            |              |
| Drawings                                     | —            | —          | —            | —              | —           | —           | —            | —          | —             | —          | —          | —            |
| Repayments                                   | -1,622       | -3,175     | -2,660       | -145           | -765        | -997        | -1,117       | -521       | -540          | -1,253     | -670       | -736         |
| Total                                        | -1,622       | -3,175     | -2,660       | -145           | -765        | -997        | -1,117       | -521       | -540          | -1,253     | -670       | -736         |
| State government —                           |              |            |              |                |             |             |              |            |               |            |            |              |
| Drawings                                     | 4,822        | 9,236      | 13,079       | 1,734          | 1,405       | 2,069       | 1,718        | 2,564      | 2,885         | 2,713      | 2,514      | 3,464        |
| Repayments                                   | -2,743       | -6,477     | -10,690      | -1,057         | -928        | -1,299      | -1,548       | -1,265     | -2,365        | -1,552     | -1,953     | -3,145       |
| Total                                        | 2,079        | 2,759      | 2,389        | 677            | 477         | 770         | 170          | 1,299      | 520           | 1,161      | 561        | 319          |
| Total domiciled abroad                       | 457          | -416       | -271         | 532            | -288        | -227        | -947         | 778        | -20           | -92        | -109       | -417         |
| Domiciled in Australia —                     |              |            |              |                |             |             |              |            |               |            |            |              |
| Purchases by non — residents                 | 25,976       | 23,055     | 18,537       | 8,508          | 6,508       | 6,046       | 8,004        | 5,662      | 3,343         | 4,972      | 4,046      | 6,205        |
| Sales by non — residents                     | -22,346      | -21,592    | -16,157      | -5,168         | -6,326      | -5,979      | -4,887       | -5,449     | -5,277        | -4,254     | -3,525     | -4,749       |
| Total domiciled in Australia                 | 3,630        | 1,463      | 2,380        | 3,340          | 182         | 67          | 3,117        | 213        | -1,934        | 718        | 521        | 1,456        |
| Total borrowing                              | 4,087        | 1,047      | 2,109        | 3,872          | -106        | -160        | 2,170        | 991        | -1,954        | 626        | 412        | 1,039        |
| Other                                        | -71          | -188       | -74          | -27            | -28         | -12         | -19          | -24        | -133          | —          | -2         | -27          |
| <b>Total foreign investment in Australia</b> | <b>4,016</b> | <b>859</b> | <b>2,035</b> | <b>3,845</b>   | <b>-134</b> | <b>-172</b> | <b>2,151</b> | <b>967</b> | <b>-2,087</b> | <b>626</b> | <b>410</b> | <b>1,012</b> |
| <b>Australian investment abroad —</b>        |              |            |              |                |             |             |              |            |               |            |            |              |
| Lending                                      | -279         | -249       | 43           | -103           | -143        | -353        | 114          | -74        | 64            | 78         | -475       | 434          |
| Accounts receivable/prepayments made         | 120          | -104       | 258          | -34            | -74         | -27         | -18          | -6         | -53           | 58         | 26         | 55           |
| Other                                        | 574          | -6         | -100         | -4             | 583         | -6          | —            | —          | —             | —          | -51        | 46           |
| Total Australian investment abroad           | 415          | -359       | 201          | -141           | 366         | -386        | 96           | -80        | 11            | 136        | -500       | 535          |
| <b>Total general government</b>              | <b>4,431</b> | <b>500</b> | <b>2,236</b> | <b>3,704</b>   | <b>232</b>  | <b>-558</b> | <b>2,247</b> | <b>887</b> | <b>-2,076</b> | <b>762</b> | <b>-90</b> | <b>1,547</b> |

TABLE 18. BALANCE OF PAYMENTS — CAPITAL ACCOUNT — NET CAPITAL TRANSACTIONS OF THE RESERVE BANK  
(\$ million)

|                                       | Year    |         |         | Quarters ended |        |         |      |         |      |       |      |
|---------------------------------------|---------|---------|---------|----------------|--------|---------|------|---------|------|-------|------|
|                                       | 1987-88 | 1988-89 | 1989-90 | 1987-88        |        | 1988-89 |      | 1989-90 |      |       |      |
|                                       |         |         |         | Mar.           | June   | Sept.   | Dec. | Mar.    | June | Sept. | Dec. |
| Foreign investment in Australia —     |         |         |         |                |        |         |      |         |      |       |      |
| Use of IMF credit                     | —       | —       | —       | —              | —      | —       | —    | —       | —    | —     | —    |
| Other                                 | -8      | —       | 24      | 1              | 3      | -36     | 64   | -18     | -10  | —     | -6   |
| Total foreign investment in Australia | -8      | —       | 24      | 1              | 3      | -36     | 64   | -18     | -10  | —     | -6   |
| Australian investment abroad —        |         |         |         |                |        |         |      |         |      |       |      |
| Reserve assets —                      |         |         |         |                |        |         |      |         |      |       |      |
| Official reserve assets —             |         |         |         |                |        |         |      |         |      |       |      |
| Monetary gold                         | —       | —       | —       | —              | —      | —       | —    | —       | —    | —     | —    |
| SDRs                                  | 20      | 18      | 29      | 5              | 5      | 5       | 6    | —       | 7    | 8     | 8    |
| Reserve position in IMF               | —       | -96     | 9       | —              | —      | —       | -26  | 14      | -84  | 9     | —    |
| Foreign exchange                      | -3,944  | -795    | -2,194  | -1,082         | -4,576 | -763    | -390 | 236     | 122  | -689  | -432 |
| Total                                 | -3,924  | -873    | -2,156  | -1,077         | -4,571 | -758    | -410 | 250     | 45   | -672  | -424 |
| Allocation of SDRs                    | —       | —       | —       | —              | —      | —       | —    | —       | —    | —     | —    |
| Total reserve assets                  | -3,924  | -873    | -2,156  | -1,077         | -4,571 | -758    | -410 | 250     | 45   | -672  | -424 |
| Other                                 | —       | —       | —       | —              | —      | —       | —    | —       | —    | —     | 822  |
| Total Australian investment abroad    | -3,924  | -873    | -2,156  | -1,077         | -4,571 | -758    | -410 | 250     | 45   | -672  | -424 |
| Total Reserve Bank                    | -3,932  | -873    | -2,132  | -1,076         | -4,568 | -794    | -346 | 232     | 35   | -672  | -430 |

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

|                                              | (\$ million)   |                |               |                |               |               |               |               |               |               |               |               |              |
|----------------------------------------------|----------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
|                                              | Year           |                |               | Quarters ended |               |               |               |               |               |               |               |               |              |
|                                              | 1987-88        | 1988-89        | 1989-90       | 1987-88        |               | 1988-89       |               | 1989-90       |               | 1989-90       |               | 1989-90       |              |
|                                              |                |                |               | Mar.           | June          | Sept.         | Dec.          | Mar.          | June          | Sept.         | Dec.          | Mar.          | June         |
| <b>Foreign investment in Australia —</b>     |                |                |               |                |               |               |               |               |               |               |               |               |              |
| <i>Direct investment —</i>                   |                |                |               |                |               |               |               |               |               |               |               |               |              |
| Reinvestment of earnings                     | 2,417          | 2,225          | 2,688         | 604            | 604           | 557           | 556           | 556           | 556           | 672           | 672           | 672           | 672          |
| Corporate equities                           | 1,024          | 3,539          | 2,425         | 638            | 260           | 1,238         | 577           | 1,126         | 598           | 128           | 661           | 613           | 1,023        |
| Net equity in branches                       | 1,440          | 2,307          | 793           | 153            | 371           | 514           | 296           | 637           | 866           | 135           | 286           | 244           | 128          |
| Borrowing                                    | 2,059          | 2,425          | 2,117         | -70            | 1,292         | 1,087         | 913           | -294          | 719           | 917           | 819           | 920           | -539         |
| Other                                        | 59             | 87             | -253          | -398           | 104           | 31            | -128          | 168           | 16            | 301           | -2            | -442          | -110         |
| <i>Total direct investment</i>               | <i>6,999</i>   | <i>10,583</i>  | <i>7,770</i>  | <i>927</i>     | <i>2,631</i>  | <i>3,427</i>  | <i>2,208</i>  | <i>2,193</i>  | <i>2,755</i>  | <i>2,153</i>  | <i>2,436</i>  | <i>2,007</i>  | <i>1,174</i> |
| <i>Portfolio and other investment —</i>      |                |                |               |                |               |               |               |               |               |               |               |               |              |
| Corporate equities                           | 2,162          | 1,443          | 1,009         | 216            | -195          | -3            | 353           | 229           | 864           | 60            | 53            | 741           | 155          |
| Borrowing —                                  |                |                |               |                |               |               |               |               |               |               |               |               |              |
| Public sector                                | 3,790          | 4,703          | 5,641         | 1,768          | 1,658         | 1,115         | 625           | 2,228         | 735           | 910           | 810           | 1,728         | 2,193        |
| Private sector                               | 8,056          | 8,626          | 6,360         | -859           | 3,575         | 2,755         | 573           | 4,054         | 1,244         | 3,018         | 1,935         | 2,277         | -870         |
| Total                                        | 11,846         | 13,329         | 12,001        | 908            | 5,233         | 3,870         | 1,198         | 6,282         | 1,979         | 3,928         | 2,745         | 4,005         | 1,323        |
| Accounts payable/prepayments received —      |                |                |               |                |               |               |               |               |               |               |               |               |              |
| Public sector                                | -627           | -20            | 12            | -20            | -9            | 5             | -6            | -15           | -4            | -1            | 4             | -13           | 22           |
| Private sector                               | 661            | 319            | -207          | -88            | 229           | 178           | 148           | -131          | 124           | -3            | 88            | -321          | 29           |
| Total                                        | 34             | 299            | -195          | -108           | 220           | 183           | 142           | -146          | 120           | -4            | 92            | -334          | 51           |
| <i>Total portfolio and other investment</i>  | <i>14,042</i>  | <i>15,071</i>  | <i>12,815</i> | <i>1,017</i>   | <i>5,258</i>  | <i>4,050</i>  | <i>1,693</i>  | <i>6,365</i>  | <i>2,963</i>  | <i>3,984</i>  | <i>2,890</i>  | <i>4,412</i>  | <i>1,529</i> |
| <b>Total foreign investment in Australia</b> | <b>21,041</b>  | <b>25,654</b>  | <b>20,585</b> | <b>1,944</b>   | <b>7,889</b>  | <b>7,477</b>  | <b>3,901</b>  | <b>8,558</b>  | <b>5,718</b>  | <b>6,137</b>  | <b>5,326</b>  | <b>6,419</b>  | <b>2,703</b> |
| <b>Australian investment abroad —</b>        |                |                |               |                |               |               |               |               |               |               |               |               |              |
| <i>Direct investment —</i>                   |                |                |               |                |               |               |               |               |               |               |               |               |              |
| Reinvestment of earnings                     | -2,162         | -2,123         | -2,700        | -540           | -541          | -531          | -530          | -531          | -531          | -675          | -675          | -675          | -675         |
| Corporate equities                           | -7,629         | -3,247         | -3,000        | -1,644         | -1,537        | -511          | -1,862        | -358          | -516          | -911          | -781          | -1,904        | 596          |
| Net equity in branches                       | -143           | -261           | -7            | -5             | 38            | 81            | -185          | -77           | -80           | 9             | 60            | -90           | 90           |
| Lending                                      | -760           | -893           | 735           | 401            | -147          | -412          | 615           | -375          | -721          | -85           | 1,689         | -1,016        | 147          |
| Other                                        | -80            | -27            | 373           | -61            | -53           | -2            | 97            | -128          | 6             | -97           | 10            | 321           | 139          |
| <i>Total direct investment</i>               | <i>-10,774</i> | <i>-6,551</i>  | <i>-4,599</i> | <i>-1,849</i>  | <i>-2,240</i> | <i>-1,375</i> | <i>-1,865</i> | <i>-1,469</i> | <i>-1,842</i> | <i>-1,759</i> | <i>303</i>    | <i>-3,260</i> | <i>117</i>   |
| <i>Portfolio and other investment —</i>      |                |                |               |                |               |               |               |               |               |               |               |               |              |
| Corporate equities                           | 445            | -2,930         | 1,774         | -397           | -267          | -700          | -47           | -1,305        | -878          | 680           | -1,066        | 2,024         | 136          |
| Lending —                                    |                |                |               |                |               |               |               |               |               |               |               |               |              |
| Banks                                        | -227           | -732           | 542           | -74            | -172          | 412           | -506          | 107           | -745          | 252           | 425           | -433          | 298          |
| Non-bank enterprises                         | -1,569         | 231            | -2,632        | 1,093          | -47           | -290          | 632           | -148          | 37            | -600          | -636          | -2,308        | 912          |
| Total                                        | -1,796         | -501           | -2,090        | 1,019          | -219          | 122           | 126           | -41           | -708          | -348          | -211          | -2,741        | 1,210        |
| Accounts receivable/prepayments made —       |                |                |               |                |               |               |               |               |               |               |               |               |              |
| Public sector                                | -29            | -588           | -283          | 116            | -67           | -161          | 62            | -207          | -282          | 23            | -113          | -237          | 44           |
| Private sector                               | -562           | -256           | -279          | -32            | -33           | -110          | -90           | -62           | 6             | -111          | 74            | -136          | -106         |
| Total                                        | -591           | -844           | -562          | 84             | -100          | -271          | -28           | -269          | -276          | -88           | -39           | -373          | -62          |
| <i>Total portfolio and other investment</i>  | <i>-1,942</i>  | <i>-4,275</i>  | <i>-878</i>   | <i>706</i>     | <i>-586</i>   | <i>-849</i>   | <i>51</i>     | <i>-1,615</i> | <i>-1,862</i> | <i>244</i>    | <i>-1,316</i> | <i>-1,090</i> | <i>1,284</i> |
| <b>Total Australian investment abroad</b>    | <b>-12,716</b> | <b>-10,826</b> | <b>-5,477</b> | <b>-1,143</b>  | <b>-2,826</b> | <b>-2,224</b> | <b>-1,814</b> | <b>-3,084</b> | <b>-3,704</b> | <b>-1,515</b> | <b>-1,013</b> | <b>-4,350</b> | <b>1,401</b> |
| <b>Total non-official</b>                    | <b>8,325</b>   | <b>14,828</b>  | <b>15,108</b> | <b>801</b>     | <b>5,063</b>  | <b>5,253</b>  | <b>2,087</b>  | <b>5,474</b>  | <b>2,014</b>  | <b>4,622</b>  | <b>4,313</b>  | <b>2,069</b>  | <b>4,104</b> |

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

|                                          | Year          |               |               | Quarters ended |              |              |              |              |              |              |              |              |              |      |      |
|------------------------------------------|---------------|---------------|---------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|------|
|                                          | 1987-88       | 1988-89       | 1989-90       | 1987-88        |              |              | 1988-89      |              |              | 1989-90      |              |              | Sept.        | Dec. | Mar. |
|                                          |               |               |               | Mar.           | June         | Sept.        | Dec.         | Mar.         | June         | Sept.        | Dec.         | Mar.         |              |      |      |
| <b>Direct investment borrowing —</b>     |               |               |               |                |              |              |              |              |              |              |              |              |              |      |      |
| <i>Domiciled abroad —</i>                |               |               |               |                |              |              |              |              |              |              |              |              |              |      |      |
| Drawings                                 | 33,943        | 36,619        | 13,275        | 4,407          | 10,684       | 15,381       | 9,298        | 4,796        | 7,144        | 16           | 6,225        | 3,578        | 3,456        |      |      |
| Repayments                               | -31,570       | -34,147       | -10,969       | -4,561         | -9,357       | -14,259      | -8,374       | -5,114       | -6,400       | 740          | -5,411       | -2,496       | -3,802       |      |      |
| Total                                    | 2,373         | 2,472         | 2,306         | -154           | 1,327        | 1,122        | 924          | -318         | 744          | 756          | 814          | 1,082        | -346         |      |      |
| <i>Domiciled in Australia</i>            | -314          | -47           | -189          | 84             | -35          | -35          | -11          | 24           | -25          | 161          | 5            | -162         | -193         |      |      |
| <b>Total direct investment borrowing</b> | <b>2,059</b>  | <b>2,425</b>  | <b>2,117</b>  | <b>-70</b>     | <b>1,292</b> | <b>1,087</b> | <b>913</b>   | <b>-294</b>  | <b>719</b>   | <b>917</b>   | <b>819</b>   | <b>920</b>   | <b>-539</b>  |      |      |
| <b>Other borrowing —</b>                 |               |               |               |                |              |              |              |              |              |              |              |              |              |      |      |
| <i>Domiciled abroad —</i>                |               |               |               |                |              |              |              |              |              |              |              |              |              |      |      |
| Banks —                                  |               |               |               |                |              |              |              |              |              |              |              |              |              |      |      |
| Drawings                                 | 28,848        | 44,367        | 70,650        | 6,617          | 10,200       | 11,814       | 7,781        | 11,505       | 13,267       | 13,225       | 14,337       | 27,720       | 15,368       |      |      |
| Repayments                               | -25,979       | -37,157       | -65,822       | -8,076         | -7,366       | -10,593      | -6,896       | -8,183       | -11,485      | -11,659      | -12,619      | -26,204      | -15,340      |      |      |
| Total                                    | 2,869         | 7,210         | 4,828         | -1,459         | 2,834        | 1,221        | 885          | 3,322        | 1,782        | 1,566        | 1,718        | 1,516        | 28           |      |      |
| Non-bank enterprises —                   |               |               |               |                |              |              |              |              |              |              |              |              |              |      |      |
| Drawings                                 | 75,377        | 112,706       | 111,059       | 17,258         | 20,032       | 27,496       | 27,096       | 26,855       | 31,259       | 25,513       | 27,471       | 34,146       | 23,929       |      |      |
| Repayments                               | -68,204       | -106,990      | -106,000      | -15,685        | -18,664      | -24,817      | -26,228      | -24,268      | -31,677      | -24,149      | -27,652      | -31,281      | -22,918      |      |      |
| Total                                    | 7,173         | 5,716         | 5,059         | 1,573          | 1,368        | 2,679        | 868          | 2,587        | -418         | 1,364        | -181         | 2,865        | 1,011        |      |      |
| <i>Total domiciled abroad</i>            | <i>10,042</i> | <i>12,926</i> | <i>9,887</i>  | <i>114</i>     | <i>4,202</i> | <i>3,900</i> | <i>1,753</i> | <i>5,909</i> | <i>1,364</i> | <i>2,930</i> | <i>1,537</i> | <i>4,381</i> | <i>1,039</i> |      |      |
| <i>Domiciled in Australia —</i>          |               |               |               |                |              |              |              |              |              |              |              |              |              |      |      |
| Banks —                                  |               |               |               |                |              |              |              |              |              |              |              |              |              |      |      |
| Securities                               | 126           | 15            | 467           | 116            | 6            | 121          | -153         | -15          | 62           | 65           | 346          | 47           | 9            |      |      |
| Deposits                                 | 1,117         | 310           | 1,700         | 163            | 997          | -519         | 83           | 399          | 347          | 1,118        | 987          | -795         | 390          |      |      |
| Total                                    | 1,243         | 325           | 2,167         | 279            | 1,003        | -398         | -70          | 384          | 409          | 1,183        | 1,333        | -748         | 399          |      |      |
| Non-bank enterprises                     | 561           | 78            | -53           | 516            | 28           | 368          | -485         | -11          | 206          | -185         | -125         | 372          | -115         |      |      |
| <i>Total domiciled in Australia</i>      | <i>1,804</i>  | <i>403</i>    | <i>2,114</i>  | <i>795</i>     | <i>1,031</i> | <i>-30</i>   | <i>-555</i>  | <i>373</i>   | <i>615</i>   | <i>998</i>   | <i>1,208</i> | <i>-376</i>  | <i>284</i>   |      |      |
| Public sector securities (a)             | 1,006         | -352          | 112           | 924            | 51           | 602          | -557         | -508         | 111          | -166         | -150         | 416          | 12           |      |      |
| <b>Total other borrowing</b>             | <b>11,846</b> | <b>13,329</b> | <b>12,001</b> | <b>909</b>     | <b>5,233</b> | <b>3,870</b> | <b>1,198</b> | <b>6,282</b> | <b>1,979</b> | <b>3,928</b> | <b>2,745</b> | <b>4,005</b> | <b>1,323</b> |      |      |
| <b>Total borrowing (b)</b>               | <b>13,905</b> | <b>15,754</b> | <b>14,118</b> | <b>839</b>     | <b>6,525</b> | <b>4,957</b> | <b>2,111</b> | <b>5,988</b> | <b>2,698</b> | <b>4,845</b> | <b>3,564</b> | <b>4,925</b> | <b>784</b>   |      |      |

(a) Excludes bank securities. (b) Corresponds to the sum of direct investment borrowing and total portfolio and other investment borrowing in Table 19.



TABLE 21. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

|                                                                                  | Year    |         |         | Quarters ended |        |        |         |        |        |         |        |        |
|----------------------------------------------------------------------------------|---------|---------|---------|----------------|--------|--------|---------|--------|--------|---------|--------|--------|
|                                                                                  | 1987-88 | 1988-89 | 1989-90 | 1987-88        |        |        | 1988-89 |        |        | 1989-90 |        |        |
|                                                                                  |         |         |         | Mar.           | June   | Sept.  | Dec.    | Mar.   | June   | Sept.   | Dec.   | Mar.   |
| <b>Official reserve assets (\$ million) —</b>                                    |         |         |         |                |        |        |         |        |        |         |        |        |
| <i>Levels at end of year/month</i>                                               | 20,182  | 20,410  | 21,871  | 17,331         | 20,182 | 20,628 | 19,772  | 19,509 | 20,410 | 20,774  | 21,487 | 21,065 |
| <i>Changes in levels</i>                                                         | 2,588   | 228     | 1,461   | -99            | 2,851  | 446    | -856    | -263   | 901    | 364     | 713    | -422   |
| <i>Of which —</i>                                                                |         |         |         |                |        |        |         |        |        |         |        |        |
| Changes due to effects of revaluations                                           | -1,336  | -645    | -695    | -1,176         | -1,720 | -312   | -1,266  | -13    | 946    | -308    | 289    | 400    |
| Changes included in the balance of payments (a)                                  | 3,924   | 873     | 2,156   | 1,077          | 4,571  | 758    | 410     | -250   | -45    | 672     | 424    | -822   |
| <b>Exchange rates —</b>                                                          |         |         |         |                |        |        |         |        |        |         |        |        |
| <i>Units of foreign currency per \$A —</i>                                       |         |         |         |                |        |        |         |        |        |         |        |        |
| <i>End of year/quarter (b) —</i>                                                 |         |         |         |                |        |        |         |        |        |         |        |        |
| United States dollar                                                             | 0.7940  | 0.7553  | 0.7890  | 0.7388         | 0.7940 | 0.7829 | 0.8555  | 0.8194 | 0.7553 | 0.7764  | 0.7927 | 0.7542 |
| United Kingdom pound                                                             | 0.4612  | 0.4882  | 0.4536  | 0.3934         | 0.4612 | 0.4647 | 0.4764  | 0.4855 | 0.4882 | 0.4788  | 0.4927 | 0.4584 |
| West German mark                                                                 | 1.441   | 1.480   | 1.318   | 1.226          | 1.441  | 1.472  | 1.528   | 1.550  | 1.480  | 1.453   | 1.339  | 1.278  |
| Japanese yen                                                                     | 105.17  | 108.79  | 120.41  | 92.04          | 105.17 | 105.28 | 107.71  | 108.64 | 108.79 | 108.23  | 113.61 | 118.79 |
| Special drawing right                                                            | 0.6059  | 0.6051  | 0.5967  | 0.5350         | 0.6059 | 0.6067 | 0.6382  | 0.6332 | 0.6051 | 0.6109  | 0.5990 | 0.5803 |
| <i>Period average (c) —</i>                                                      |         |         |         |                |        |        |         |        |        |         |        |        |
| United States dollar                                                             | 0.7290  | 0.8160  | 0.7697  | 0.7196         | 0.7783 | 0.7994 | 0.8392  | 0.8475 | 0.7777 | 0.7638  | 0.7811 | 0.7659 |
| United Kingdom pound                                                             | 0.4167  | 0.4755  | 0.4733  | 0.4004         | 0.4230 | 0.4713 | 0.4688  | 0.4844 | 0.4776 | 0.4786  | 0.4927 | 0.4626 |
| West German mark                                                                 | 1.262   | 1.512   | 1.367   | 1.205          | 1.329  | 1.491  | 1.488   | 1.567  | 1.501  | 1.469   | 1.416  | 1.296  |
| Japanese yen                                                                     | 97.58   | 106.95  | 113.27  | 92.05          | 97.83  | 106.90 | 105.04  | 108.76 | 107.09 | 108.71  | 111.77 | 113.27 |
| Special drawing right                                                            | 0.5448  | 0.6244  | 0.5958  | 0.5255         | 0.5688 | 0.6163 | 0.6246  | 0.6439 | 0.6126 | 0.6065  | 0.6089 | 0.5821 |
| <b>Trade-weighted index of value of the Australian dollar (May 1970 = 100) —</b> |         |         |         |                |        |        |         |        |        |         |        |        |
| <i>End of year/quarter (b)</i>                                                   | 59.8    | 59.4    | 61.6    | 53.8           | 59.8   | 60.0   | 63.2    | 62.2   | 59.4   | 59.8    | 61.1   | 59.8   |
| <i>Period average (c)</i>                                                        | 54.8    | 61.6    | 60.0    | 53.0           | 57.0   | 60.9   | 62.0    | 63.4   | 60.0   | 59.5    | 60.5   | 59.5   |

(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

This publication provides detailed estimates of Australia's balance of payments for the June quarter 1990 together with revised estimates for previous quarters and financial years. Longer term estimates, from September quarter 1959, consistent with those shown in this issue, will shortly be made available on request for a charge.

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). 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:

| Exports                               | SITC rev 3<br>Section or Division                                       |
|---------------------------------------|-------------------------------------------------------------------------|
| 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,<br>12, 21(part), 22 to 25,<br>26(part), 29, 4 |
| Non-rural -                           |                                                                         |
| Metal ores & minerals                 | 27, 28                                                                  |
| Mineral fuels -                       |                                                                         |
| Coal, coke and briquettes             | 32                                                                      |

## Exports (cont.)

|                     |                    |
|---------------------|--------------------|
| Other mineral fuels | 33 to 35           |
| 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 64, 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 December quarter 1990 can be obtained, for a charge, from Mr Zia Abbasi on Canberra (06) 252 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) has been discontinued. However the, additional information on freight and other transportation transactions is now available on request for a charge from Mr. John Rattur on (06) 252 5733.

#### 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 (06) 252 6716. 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* (5303.0) - issued annually

*Balance of Payments, Australia: Summary of Concepts, Sources and Methods* (5351.0)

*Balance of Payments, Australia: Concepts, Sources and Methods* (5331.0)

*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

DISCOVERY. 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 PAXUS COMNET. For further information phone the AUSSTATS Help Desk on (06) 252 6017.

TELESTATS. This service provides:

- foreign trade statistics tailored to users' requirements. Further information is available on (06) 252 5404.
- text and tables for main economic indicator publications. Further information is available on (06) 252 5405.

#### Floppy disk service

Selected ABS statistics are available on floppy disk. Further information is available on (06) 252 6684.

# SPECIAL ARTICLES IN RECENT BALANCE OF PAYMENTS AND FOREIGN INVESTMENT PUBLICATIONS

| <i>Article</i>                                                                                                      | <i>Publication<br/>(ABS Catalogue no)</i> | <i>Issue</i>   | <i>Page<br/>reference</i> |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------|---------------------------|
| Impact of trading days on merchandise trade estimates                                                               | 5301.0                                    | June 1990      | 5-7                       |
| Fixed-weighted price indexes                                                                                        | 5302.0                                    | Mar qtr 1990   | 8                         |
| Treatment of insurance services in the balance of payments                                                          | 5302.0                                    | Dec qtr 1989   | 8-11                      |
| Balancing item                                                                                                      | 5302.0                                    | Dec qtr 1989   | 11                        |
| New publication: international trade in services statistics                                                         | 5302.0                                    | Sept qtr 1989  | 9-10                      |
| Quarterly survey of international travel enterprises                                                                | 5302.0                                    | Sept qtr 1989  | 10-11                     |
| Measurement of foreign investment in Australian real estate in foreign investment statistics                        | 5306.0                                    | Sept qtr 1989  | 8-10                      |
| Survey of international travel enterprises - results for 1987-88                                                    | 5302.0                                    | June qtr 1989  | 13                        |
| Survey of international trade in services                                                                           | 5302.0                                    | June qtr 1989  | 14                        |
| Time series decomposition of balance of payments statistics                                                         | 5302.0                                    | Mar qtr 1989   | 8                         |
| 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                       |
| Foreign ownership of Australian real estate - treatment in foreign investment statistics                            | 5306.0                                    | March qtr 1988 | 5-6                       |
| 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 Zia Abbasi, Balance of Payments Section (Phone (06) 252 6689) for \$5 per article. Facsimiles will be charged for at current Australia Post rates.