

BALANCE OF PAYMENTS, AUSTRALIA, NOVEMBER 1989

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

Revised release date for the next issue:

The scheduled release date for the December 1989 issue of the publication has been revised to 1 February 1990 due to delays in the receipt of exports information. For details see paragraph 8 of the Explanatory Notes.

MAIN FEATURES

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

	1989-90				July - Nov		Change(a)
	Aug	Sept	Oct	Nov	1988-89	1989-90	
	\$ million				\$ million		%
	<i>Not seasonally adjusted</i>						
Balance on current account	-2,471	-1,693	-2,270	-1,578	-7,107	-9,779	-38
Balance on merchandise trade	-1,255	-315	-758	-334	-2,098	-3,146	-50
Net services	-391	-466	-448	-371	-976	-2,105	-116
Net income	-1,039	-1,100	-1,268	-1,058	-4,936	-5,517	-12
Net unrequited transfers	214	188	204	185	903	989	10
Official capital	-40	243	659	-1,037	122	-783	..
Non-official capital plus balancing item	2,511	1,450	1,611	2,615	6,985	10,562	..
	<i>Seasonally adjusted</i>						
Balance on current account	-2,159	-1,932	-1,686	-1,757	..	..	..
Balance on merchandise trade	-822	-537	-256	-286	..	..	..
Net services	-313	-307	-378	-469	..	..	..
Net income	-1,215	-1,280	-1,230	-1,158	..	..	..
Net unrequited transfers	191	192	178	156	..	..	..
\$US exchange rate (per unit of \$A)(b)	0.7621	0.7721	0.7749	0.7826	..	..	..
Trade weighted index (base May 1970 = 100)(b)	59.2	60.6	60.1	60.8	..	..	..

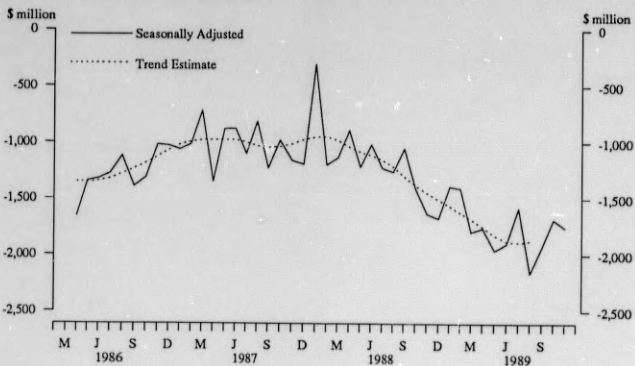
a) For the current account, a minus sign means an increase in the deficit and a plus sign means a decrease in the deficit or an increase in the surplus.
b) Period averages.

The current account deficit for November fell \$692 million (or 30 per cent) in original terms and rose \$71 million (or 4 per cent) in seasonally adjusted terms.

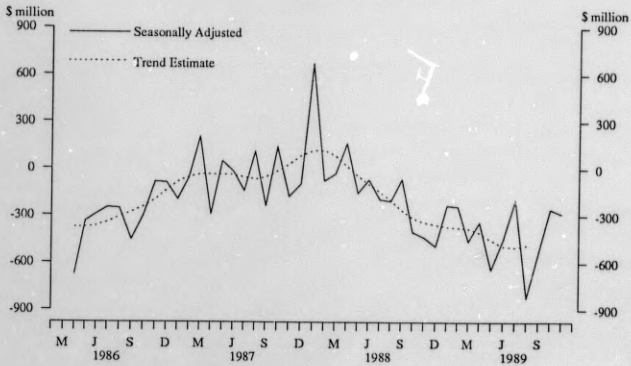
In original terms, the fall was largely due to a narrowing of the merchandise trade deficit as exports rose 5

per cent and imports fell 4 per cent. The net income deficit also narrowed as income debits decreased 9 per cent and income credits increased 12 per cent. In seasonally adjusted terms, increases in the merchandise trade deficit (exports fell 1 per cent and imports were virtually unchanged) and the net services deficit more than offset a decrease in the net income deficit.

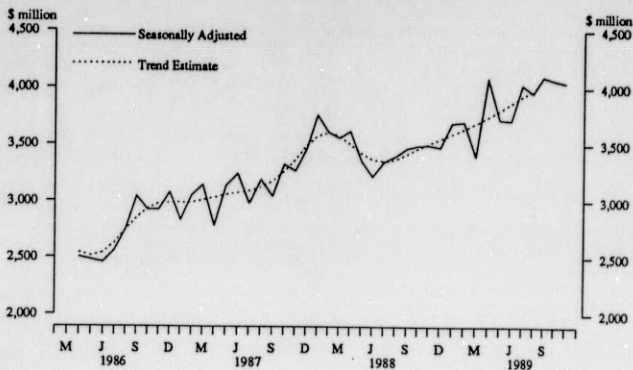
GRAPH 1: BALANCE ON CURRENT ACCOUNT



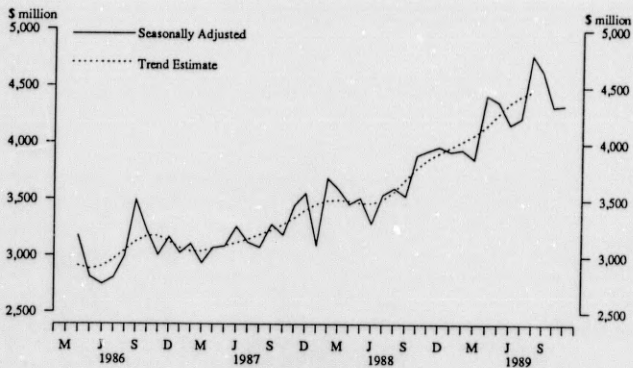
GRAPH 2: BALANCE ON MERCHANDISE TRADE



GRAPH 3: MERCHANDISE - EXPORTS F.O.B.



GRAPH 4: MERCHANDISE - IMPORTS F.O.B.



ANALYSIS OF SELECTED MAJOR AGGREGATES

November 1989 -

The merchandise trade deficit decreased by \$424 million to \$334 million in November. In seasonally adjusted terms the deficit increased by \$30 million to \$286 million.

Exports f.o.b. rose by \$216 million or 5 per cent.

Rural exports fell by \$64 million or 5 per cent. Falls occurred in wool, down \$128 million or 36 per cent; sugar, down \$8 million or 7 per cent; and "other rural" exports, down \$17 million or 5 per cent. These outweighed rises in cereals, up \$81 million or 55 per cent (due mainly to increased wheat volumes exported from a low October figure) and meat, up \$8 million or 4 per cent.

Non-rural exports rose \$280 million or 10 per cent. The largest increases occurred in: "manufactures n.e.c.", up \$132 million or 38 per cent; gold, up \$83 million or 33 per cent; and "other mineral fuels", up \$70 million or 62 per cent partly due to increased crude oil exports. The main falls occurred in coal, down \$68 million or 12 per cent and "other non-rural" exports, down \$52 million or 24 per cent.

In seasonally adjusted terms, exports fell \$23 million or 1 per cent.

Imports f.o.b. fell \$208 million or 4 per cent. A fall in transport equipment, down \$236 million or 30 per cent, was slightly offset by a rise in metals and metal manufactures, up \$40 million or 15 per cent (due chiefly to increased iron and steel imports).

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

Exogenous imports fell \$176 million or 34 per cent. There were no civil aircraft imports in November. This follows the import of one civil aircraft valued at \$173 million in October. Endogenous imports fell \$32 million or 1 per cent.

In seasonally adjusted terms, imports were virtually unchanged at \$4,335 million.

The net services deficit was \$371 million, down \$77 million or 17 per cent. Services credits was virtually unchanged at \$862 million. Services debits fell \$76 million or 6 per cent. A fall of \$87 million in travel debits more than offset a rise in shipment (due to higher freight payments on imports).

In seasonally adjusted terms, the net services deficit widened by \$91 million or 24 per cent to \$469 million due to a 7 per cent fall in services credits (reflecting the effects of the airline pilots' dispute) and a 3 per cent rise in services debits.

The deficit on goods and services fell by \$501 million to \$705 million. In seasonally adjusted terms, this deficit rose by \$122 million or 19 per cent to \$755 million.

The net income deficit at \$1,058 million, was down \$210 million or 17 per cent. Income receivable from non-resident rose \$52 million, while income payable to non-residents fell \$158 million (mainly due to a seasonal decrease in official investment income).

In seasonally adjusted terms, the net income deficit fell \$72 million or 6 per cent to \$1,158 million.

Net unrequited transfers recorded a surplus of \$185 million, down \$19 million or 9 per cent. Unrequited transfers credits fell \$24 million or 7 per cent, chiefly due to lower withholding tax receipts. Unrequited transfers debits fell marginally to \$148 million.

In seasonally adjusted terms, the surplus on net unrequited transfers fell \$22 million or 12 per cent.

Imports of Transport Equipment (not seasonally adjusted) \$ million

Period	Civil aircraft (a)	Road vehicles(b)	Other transport equipment	Total
Years -				
1986-87	1,058	2,720	724	4,502
1987-88	189	3,139	824	4,152
1988-89	837	4,790	1,225	6,852
Months -				
1988-89 -				
September	-	310	92	402
October	144	396	132	672
November	126	412	127	665
December	201	338	149	688
January	37	399	83	519
February	73	378	89	540
March	39	463	108	610
April	40	453	80	573
May	67	469	151	687
June	28	467	100	595
1989-90 -				
July	32	518	106	656
August	187	578	297	1,062
September	270	394	104	768
October	173	437	170	780
November	-	425	119	544

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

The capital transactions of the official sector recorded a net outflow of \$1,037 million following a net inflow of \$659 million in October. The November estimate was comprised of a net outflow of \$456 million on account of general government transactions, a turnaround of \$1,170 million on the October inflow, and a net outflow of \$581 million from Reserve Bank transactions, up \$526 million on the previous month's outflow. The change on account of general government transactions was almost wholly accounted for by borrowing, which turned around sharply by \$1,169 million to an outflow of \$509 million. This turnaround reflected higher Commonwealth Government repayments of borrowing domiciled abroad (up \$333 million), a lower net inflow from State government borrowing

domiciled abroad (down \$257 million) and an outflow of \$150 million on borrowing domiciled in Australia after an inflow of \$429 million in October. The net outflow (denoting an increase in assets) in respect of official reserve assets was up \$530 million on October.

Five months ended November 1989 -

The deficit on current account was \$9,779 million, up \$2,672 million or 38 per cent on the deficit for the five months ended November 1988, chiefly due to the increased deficits on merchandise trade, up by \$1,048 million, and net services, up \$1,129.

Exports f.o.b. rose by \$2,965 million, with rises in metal ores and minerals, coal, "other non-rural", "manufactures n.e.c." and cereals being the largest contributors. The only group to fall was wool.

Imports f.o.b. rose by \$4,013 million with machinery, up \$1,304 million, and transport equipment, up \$1,170 million, being the main contributors. "Manufactures n.e.c." and fuels also rose substantially. "Other" imports was the only group to fall.

Exogenous imports rose \$712 million while endogenous imports rose \$3,301 million.

The net services deficit rose \$1,129 million mainly due to a \$1,073 million (or 20 per cent) increase in services debits (all items rose). Services credits fell \$56 million (or 1 per cent).

The net income deficit rose \$581 million. An increase of \$1,204 million in income debits (chiefly due to increased interest payable abroad) was only partly offset by an increase of \$623 million in income credits.

The net unrequited transfers surplus rose \$86 million.

Net official capital transactions yielded an outflow of \$783 million, a turnaround of \$905 million on the inflow for the corresponding period the previous year. General government transactions resulted in a net inflow of \$525 million, down \$606 million on the inflow for July to November 1988-89. Mainly responsible was the decrease in the net inflow on account of general government borrowing domiciled in Australia (down \$1,676 million), which more than offset the increase in the inflow from State government borrowing domiciled abroad (up \$467 million) combined with the turnaround (to an inflow) of \$470 million in "other" general government transactions. Reserve Bank transactions recorded an outflow of \$1,308 million, up \$299 million on the outflow for the equivalent period of 1988. Transactions in official reserve assets chiefly accounted for the change.

REVISIONS

The current account deficit for October 1989 has been revised upwards by \$28 million. The main contribution

was a \$22 million downward revision to travel credits, reflecting the inclusion of more up-to-date information on non-resident travellers to Australia.

State government borrowing domiciled in Australia for October 1989 has been revised upwards by \$51 million reflecting more up-to-date data provided by the Survey of Foreign Investment.

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for November 1989, together with revised estimates for the previous month. More comprehensive quarterly estimates are available in the September quarter 1989 issue of the quarterly balance of payments publication (5302.0) which was released on 29 November 1989.

2. Summary descriptions of the underlying concepts, and structure of the balance of payments and the sources and methods used in compiling the estimates are presented in *Balance of Payments, Australia: Summary of Concepts, Sources and Methods* (5351.0). The publication also provides item definitions and explanations of seasonal adjustment and trend estimates.

Accuracy, reliability and volatility

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

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

Seasonal adjustment

5. The factors expected to be used in seasonally adjusting the monthly balance of payments statistics during the remainder of 1989 are provided in the ABS information paper *Seasonal Adjustment of Australia's Monthly Balance*

of *Payments Statistics* (5359.0) released on 14 August 1989. They can also be obtained, for a charge, from Mr Daniel Aherne on Canberra (062) 52 6689.

6. The seasonally adjusted statistics in this publication should not be regarded as in any way definitive as results from seasonal adjustment vary according to the method used.

Available longer term series

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

Schedule of expected release dates

8. This publication has usually been released about twelve working days after the end of the reference period. However, delays are being experienced in the receipt of exports information associated with the progressive implementation, by the Australian Customs Service, of EXIT, a new system for electronically processing and recording exports information. As a result, since the August 1989 issue, each month's release has occurred about 17 working days after the end of the reference month. However, further delays associated with EXIT implementation will occur next month. *The expected release date for the December issue is now 1 February 1990.* Any variations which might occur will be notified in the *ABS Publications Advice* (1105.0) and on VIATEL. The date can be confirmed a few days prior to release by telephoning Canberra (062) 52 6778.

Related publications

9. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0). The ABS also issues on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next five days. The *Catalogue and Publications Advice* are available from any ABS office.

Symbols and other usages

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

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

Electronic services

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

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TABLE I. BALANCE OF PAYMENTS
(\$ million)

	Year			Months														
	1986-	1987-	1988-	1988-89						1989-90								
	87	88	89	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Current transactions -																		
<i>Goods and services -</i>																		
<i>Merchandise (a) -</i>																		
Exports fob	35,423	40,541	42,963	3,421	3,419	3,564	3,686	3,508	3,467	3,445	3,937	3,975	3,909	3,848	3,989	4,006	3,971	4,187
Imports fob	-37,159	-40,386	-47,055	-3,449	-4,050	-4,111	-3,708	-3,896	-3,712	-3,903	-3,914	-4,604	-4,184	-4,332	-5,244	-4,321	-4,729	-4,521
Balance on merchandise trade	-1,736	155	-4,092	-28	-631	-547	-22	-388	-245	-458	23	-629	-275	-484	-1,255	-315	-758	-334
<i>Services -</i>																		
Credits	7,719	9,503	10,738	831	889	903	953	995	931	934	891	862	811	869	877	836	861	862
Debits	-10,856	-12,251	-13,555	-1,091	-1,106	-1,035	-1,057	-1,233	-1,048	-1,138	-1,206	-1,227	-1,309	-1,298	-1,268	-1,302	-1,309	-1,233
Net services	-3,137	-2,748	-2,817	-260	-217	-132	-104	-238	-117	-204	-315	-365	-498	-429	-391	-466	-448	-371
Balance on goods and services	-4,873	-2,593	-6,909	-288	-848	-679	-126	-626	-362	-662	-292	-994	-773	-913	-1,646	-781	-1,206	-705
<i>Income</i>																		
Credits	3,038	3,578	4,301	356	327	370	304	380	430	329	379	453	328	492	495	408	437	489
Debits	-12,429	-14,780	-17,896	-1,270	-1,437	-1,353	-1,383	-1,602	-1,597	-1,621	-1,702	-1,692	-1,665	-1,544	-1,534	-1,508	-1,705	-1,547
Net income	-9,391	-11,202	-13,595	-914	-1,110	-983	-1,079	-1,222	-1,167	-1,292	-1,323	-1,239	-1,337	-1,052	-1,039	-1,100	-1,268	-1,058
<i>Unrequited transfers</i>																		
Credits	3,017	3,545	4,268	309	351	335	344	397	366	358	402	392	393	354	354	340	357	333
Debits	-1,804	-1,881	-1,994	-151	-118	-177	-177	-210	-146	-193	-161	-196	-198	-156	-140	-152	-153	-148
Net unrequited transfers	1,213	1,664	2,274	158	233	158	167	187	220	165	241	196	195	198	214	188	204	185
Balance on current account	-13,051	-12,131	-18,230	-1,044	-1,725	-1,504	-1,038	-1,661	-1,309	-1,789	-1,374	-2,037	-1,915	-1,767	-2,471	-1,693	-2,270	-1,578
Net capital transactions -																		
<i>Official -</i>																		
<i>General government</i>	5,561	4,430	562	-342	1,382	319	532	812	10	49	-1,156	-637	-179	-879	743	403	714	-456
<i>Reserve Bank -</i>																		
Reserve assets	-3,394	-3,924	-873	-56	-70	-235	-105	-170	-21	441	-103	483	-335	202	-768	-106	-51	-581
Other	18	-8	—	-51	172	-82	-26	49	-13	-54	13	-20	-3	69	-15	-54	-4	—
Total	-3,376	-3,932	-873	-107	102	-317	-131	-121	-34	387	-90	463	-338	271	-783	-160	-55	-581
Total official	2,185	498	-311	-449	1,484	2	401	691	-24	436	-1,246	-174	-517	-608	-40	243	659	-1,037
<i>Non-official plus balancing item</i>	10,866	11,633	18,541	1,493	241	1,502	637	970	1,333	1,353	2,620	2,211	2,432	2,375	2,511	1,450	1,611	2,615
Balance on capital account plus balancing item	13,051	12,131	18,230	1,044	1,725	1,504	1,038	1,661	1,309	1,789	1,374	2,037	1,915	1,767	2,471	1,693	2,270	1,578

(a) Balance of payments basis

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

	Years			Months														
	1986-87	1987-88	1988-89	1988-89						1989-90								
	87	88	89	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Exports fob (a)(b) -																		
<i>Rural exports fob -</i>																		
Meat & meat preparations	2,244	2,555	2,248	181	209	203	189	158	139	184	187	223	222	209	250	226	228	236
Cereal grains & cereal preparations	2,778	2,202	2,677	130	159	158	184	222	253	244	334	355	315	248	264	204	146	227
Sugar, sugar preparations & honey	708	698	892	133	63	71	71	38	24	93	71	86	70	121	125	160	107	99
Wool & sheepskins	3,888	5,811	5,951	372	478	602	700	643	535	539	545	483	387	323	292	285	359	231
Other rural	3,521	3,976	3,989	335	321	336	367	379	271	237	287	361	413	395	442	336	349	332
Total rural	13,139	15,242	15,757	1,151	1,230	1,370	1,511	1,440	1,222	1,297	1,424	1,508	1,407	1,296	1,373	1,211	1,189	1,125
<i>Non-rural exports fob -</i>																		
Metal ores & minerals	4,956	5,455	6,579	475	454	536	523	539	600	496	686	688	627	659	541	640	633	657
Mineral fuels																		
Coal, coke & briquettes	5,456	4,850	4,743	395	450	361	401	299	363	438	413	429	463	416	546	486	547	479
Other mineral fuels	1,515	1,779	1,255	132	77	81	103	69	101	101	127	93	129	97	125	150	113	183
Metals -																		
Gold	1,552	2,563	2,731	245	240	217	155	231	277	237	200	207	206	208	302	257	251	334
Other metals	2,899	3,749	4,660	400	357	375	428	353	400	321	463	419	409	350	410	374	412	412
Machinery	1,595	1,835	1,869	162	154	172	156	148	130	131	162	173	168	185	199	177	183	222
Transport equipment	1,034	957	883	65	55	50	75	69	80	82	77	89	97	91	107	95	117	131
Manufactures nec	2,363	2,941	3,272	295	266	294	274	254	215	244	281	282	302	305	315	335	344	476
Other non-rural	914	1,170	1,214	101	136	108	60	106	79	98	104	87	91	182	131	245	220	168
Total non-rural	22,284	25,299	27,206	2,270	2,189	2,194	2,175	2,068	2,245	2,148	2,513	2,467	2,502	2,552	2,616	2,795	2,782	3,062
Total exports fob -	35,423	40,541	42,963	3,421	3,419	3,564	3,686	3,508	3,467	3,445	3,937	3,975	3,909	3,848	3,989	4,006	3,971	4,187
Imports fob (a)(b) -																		
Food, beverages & tobacco	-1,936	-2,013	-2,209	-149	-201	-199	-181	-185	-208	-191	-175	-203	-172	-186	-219	-179	-200	-210
Fuels	-1,751	-2,036	-2,014	-155	-139	-92	-64	-210	-162	-189	-247	-249	-251	-214	-280	-139	-231	-226
Chemicals (including plastics)	-3,466	-4,280	-4,973	-369	-449	-405	-344	-414	-412	-385	-414	-494	-433	-423	-472	-432	-458	-471
Textiles, fabrics etc	-1,830	-1,931	-2,002	-168	-177	-168	-148	-159	-156	-158	-158	-183	-173	-185	-202	-167	-180	-174
Metals & metal manufactures	-1,845	-2,205	-2,625	-183	-208	-220	-181	-219	-229	-209	-247	-287	-223	-235	-289	-246	-272	-312
Machinery	-11,360	-12,230	-13,793	-1,035	-1,104	-1,259	-1,090	-1,144	-997	-1,163	-1,104	-1,358	-1,337	-1,280	-1,467	-1,316	-1,418	-1,423
Transport equipment	-4,502	-4,152	-6,852	-402	-672	-665	-688	-519	-540	-610	-573	-687	-595	-656	-1,062	-768	-780	-544
Manufactures nec	-7,709	-8,563	-9,766	-752	-842	-873	-767	-846	-777	-776	-760	-909	-785	-887	-1,027	-868	-949	-939
Other imports	-2,769	-2,976	-2,821	-236	-258	-230	-245	-200	-231	-222	-236	-234	-215	-256	-226	-206	-241	-222
Total imports fob -	-37,159	-40,386	-47,055	-3,449	-4,050	-4,111	-3,708	-3,896	-3,712	-3,903	-3,914	-4,604	-4,184	-4,332	-5,244	-4,321	-4,729	-4,521
Of which:																		
Exogenous (c)	-4,459	-3,829	-4,207	-253	-422	-350	-367	-327	-341	-326	-385	-499	-391	-369	-561	-505	-512	-336
Endogenous (d)	-32,700	-36,557	-42,848	-3,196	-3,628	-3,761	-3,341	-3,569	-3,371	-3,577	-3,529	-4,105	-3,793	-3,963	-4,683	-3,816	-4,217	-4,185
Balance on merchandise trade -	-1,736	-155	-4,092	-28	-631	-547	-22	-388	-245	-458	23	-629	-275	-484	-1,255	-315	-758	-334

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

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

	Months														
	1988-89						1989-90								
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Seasonally adjusted (b)															
<i>Goods and services -</i>															
<i>Merchandise -</i>															
Exports fob	3,467	3,493	3,497	3,477	3,693	3,703	3,400	4,085	3,725	3,714	4,028	3,957	4,102	4,072	4,049
Imports fob	-3,532	-3,894	-3,932	-3,969	-3,925	-3,942	-3,860	-4,424	-4,367	-4,163	-4,224	-4,779	-4,639	-4,328	-4,335
<i>Balance on merchandise trade</i>	<i>-65</i>	<i>-401</i>	<i>435</i>	<i>492</i>	<i>-232</i>	<i>-239</i>	<i>-460</i>	<i>-339</i>	<i>-642</i>	<i>-449</i>	<i>-196</i>	<i>-822</i>	<i>-537</i>	<i>-256</i>	<i>-286</i>
<i>Services -</i>															
Credits	909	902	838	881	933	914	887	927	871	877	933	890	921	862	805
Debits	-1,012	-1,057	-1,080	-1,075	-1,175	-1,196	-1,168	-1,275	-1,228	-1,278	-1,262	-1,203	-1,228	-1,240	-1,274
<i>Net services</i>	<i>-103</i>	<i>-155</i>	<i>-242</i>	<i>-194</i>	<i>-242</i>	<i>-282</i>	<i>-281</i>	<i>-348</i>	<i>-357</i>	<i>-401</i>	<i>-329</i>	<i>-313</i>	<i>-307</i>	<i>-378</i>	<i>-469</i>
<i>Balance on goods and services</i>	<i>-168</i>	<i>-556</i>	<i>-677</i>	<i>-686</i>	<i>-474</i>	<i>-521</i>	<i>-741</i>	<i>-687</i>	<i>-999</i>	<i>-850</i>	<i>-525</i>	<i>-1,135</i>	<i>-844</i>	<i>-634</i>	<i>-755</i>
<i>Income -</i>															
Credits	356	327	372	304	383	436	334	376	449	323	495	499	411	438	493
Debits	-1,397	-1,395	-1,451	-1,450	-1,502	-1,565	-1,541	-1,691	-1,613	-1,622	-1,720	-1,714	-1,691	-1,668	-1,651
<i>Net income</i>	<i>-1,041</i>	<i>-1,068</i>	<i>-1,079</i>	<i>-1,146</i>	<i>-1,119</i>	<i>-1,129</i>	<i>-1,207</i>	<i>-1,315</i>	<i>-1,164</i>	<i>-1,299</i>	<i>-1,225</i>	<i>-1,215</i>	<i>-1,280</i>	<i>-1,230</i>	<i>-1,158</i>
<i>Unrequited transfers -</i>															
Credits	327	345	329	342	380	377	362	403	389	387	359	357	362	347	330
Debits	-169	-130	-208	-185	-177	-133	-208	-184	-136	-190	-166	-170	-169	-174	-174
<i>Net unrequited transfers</i>	<i>158</i>	<i>215</i>	<i>121</i>	<i>157</i>	<i>203</i>	<i>244</i>	<i>154</i>	<i>241</i>	<i>205</i>	<i>251</i>	<i>169</i>	<i>191</i>	<i>192</i>	<i>178</i>	<i>156</i>
Balance on current account	-1,051	-1,409	-1,635	-1,675	-1,390	-1,406	-1,794	-1,761	-1,958	-1,898	-1,581	-2,159	-1,932	-1,686	-1,757
Trend estimates															
<i>Goods and services -</i>															
<i>Merchandise (a) -</i>															
Exports fob	3,418	3,468	3,513	3,555	3,597	3,645	3,695	3,748	3,806	3,866	3,928	3,983	"	"	"
Imports fob	-3,681	-3,781	-3,855	-3,911	-3,964	-4,017	-4,074	-4,155	-4,260	-4,358	-4,427	-4,464	"	"	"
<i>Balance on merchandise trade</i>	<i>-263</i>	<i>-313</i>	<i>-342</i>	<i>-356</i>	<i>-367</i>	<i>-372</i>	<i>-379</i>	<i>-407</i>	<i>-454</i>	<i>-492</i>	<i>-499</i>	<i>-481</i>	"	"	"
<i>Balance on goods and services</i>	<i>-400</i>	<i>-469</i>	<i>-526</i>	<i>-571</i>	<i>-614</i>	<i>-650</i>	<i>-688</i>	<i>-740</i>	<i>-799</i>	<i>-840</i>	<i>-844</i>	<i>-828</i>	"	"	"
Balance on current account	-1,302	-1,383	-1,449	-1,506	-1,563	-1,622	-1,680	-1,749	-1,825	-1,880	-1,889	-1,874	"	"	"

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

TABLE 4. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES, INCOME AND UNREQUITTED TRANSFERS

	Years			Months														
	1986-87	1987-88	1988-89	1988-89												1989-90		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Services - Credits -																		
Shipment	462	537	554	44	42	46	46	48	48	47	49	49	49	48	48	48	49	49
Other transportation	2,765	3,142	3,207	257	274	278	285	280	263	265	270	259	242	259	272	264	260	253
Travel	2,545	3,567	4,392	335	375	376	424	446	410	406	331	297	274	337	303	301	332	335
Other services	1,947	2,257	2,585	195	198	203	198	221	210	216	241	257	246	225	224	223	220	225
Total services credits	7,719	9,503	10,738	831	889	903	953	995	910	934	891	862	811	869	877	836	861	826
Debits -																		
Shipment	-2,756	-2,856	-3,146	-235	-266	-271	-224	-263	-256	-267	-270	-306	-286	-289	-324	-259	-289	-308
Other transportation	-2,114	-2,510	-2,898	-224	-237	-226	-236	-271	-228	-238	-259	-272	-273	-269	-260	-287	-297	-292
Travel	-3,106	-3,707	-4,141	-356	-326	-261	-320	-403	-269	-336	-401	-365	-463	-443	-394	-468	-438	-351
Other services	-2,880	-3,178	-3,370	-276	-277	-277	-277	-296	-295	-297	-276	-284	-287	-297	-290	-288	-285	-282
Total services debits	-10,856	-12,251	-13,553	-1,091	-1,106	-1,035	-1,057	-1,233	-1,048	-1,138	-1,206	-1,227	-1,309	-1,298	-1,268	-1,302	-1,309	-1,233
Net services	-3,137	-2,748	-2,817	-260	-217	-132	-104	-238	-117	-204	-315	-365	-498	-429	-391	-466	-448	-371
Income - Credits -																		
Property income -																		
Investment income -																		
Reinvested earnings	1,176	1,806	2,196	183	183	183	183	183	183	183	183	183	183	225	225	225	225	225
Other	1,452	1,399	1,706	137	110	155	87	162	216	113	160	236	110	230	235	146	174	229
Other property income	248	204	221	20	18	19	19	19	18	18	20	20	20	20	20	20	20	20
Labour and other income	162	169	178	16	16	13	15	16	13	15	16	14	15	17	15	17	18	15
Total income credits	3,038	3,578	4,301	356	327	370	304	380	430	329	379	453	328	492	495	408	437	489
Debits -																		
Property income -																		
Investment income -																		
Official	-2,626	-3,360	-3,463	-173	-366	-285	-302	-333	-317	-336	-338	-331	-302	-223	-211	-189	-355	-197
Non-official -																		
Reinvested earnings	-1,244	-2,428	-2,604	-217	-217	-217	-217	-217	-217	-217	-217	-217	-217	-245	-245	-245	-245	-245
Other	-7,473	-7,737	-10,618	-785	-756	-756	-954	-954	-954	-1,045	-1,045	-1,046	-969	-970	-969	-999	-999	-999
Other property income	-907	-1,046	-991	-77	-79	-75	-88	-77	-94	-97	-85	-83	-85	-89	-89	-89	-89	-89
Labour and other income	-179	-209	-220	-18	-19	-20	-20	-21	-17	-17	-17	-16	-15	-18	-19	-16	-17	-18
Total income debits	-12,429	-14,780	-17,896	-1,270	-1,437	-1,353	-1,383	-1,602	-1,597	-1,621	-1,702	-1,692	-1,665	-1,544	-1,534	-1,508	-1,705	-1,547
Net income	-9,391	-11,202	-13,595	-914	-1,110	-983	-1,079	-1,222	-1,167	-1,292	-1,323	-1,239	-1,337	-1,052	-1,039	-1,100	-1,268	-1,058
Unrequited transfers - Credits -	3,017	3,545	4,268	309	351	335	344	397	366	358	402	392	393	354	354	340	357	333
Debits -																		
Official	-1,058	-1,098	-1,154	-83	-48	-106	-105	-140	-75	-122	-91	-125	-126	-86	-71	-83	-84	-78
Non-official	-746	-783	-840	-68	-70	-71	-72	-70	-71	-71	-70	-71	-72	-70	-69	-69	-69	-70
Total	-1,804	-1,881	-1,994	-151	-118	-177	-177	-210	-146	-193	-161	-196	-198	-156	-140	-152	-153	-148
Net unrequited transfers	1,213	1,664	2,274	158	233	158	167	187	220	165	241	196	195	198	214	188	204	185

TABLE 5. BALANCE OF PAYMENTS - CAPITAL ACCOUNT AND BALANCING ITEM
(\$ million)

	Years			Months														
	1986-	1987-	1988-	1988-89						1989-90								
	87	88	89	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Net capital transactions -																		
General government -																		
Borrowing -																		
Domiciled abroad -																		
Commonwealth Government -																		
Drawings	3,084	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Repayments	-2,359	-1,622	-3,175	-261	-406	-568	-143	-55	-81	-385	-171	-172	-197	-972	-116	-165	-126	-459
Total	725	-1,622	-3,175	-261	-406	-568	-143	-55	-81	-385	-171	-172	-197	-972	-116	-165	-126	-459
State government	2,522	2,079	2,760	187	-197	82	285	122	220	957	485	126	-91	101	494	71	357	100
Total domiciled abroad	3,247	457	415	-74	-603	-486	142	67	139	572	314	46	-288	-871	378	-94	231	-359
Domiciled in Australia	2,899	3,630	1,405	-91	1,915	704	484	785	-127	-461	-1,496	-648	195	-80	308	490	429	-150
Total borrowing	6,146	4,087	990	-165	1,312	218	626	852	12	111	-1,182	-694	-93	-951	686	396	660	-509
Other	-585	343	428	-177	70	101	-94	-40	-2	-62	26	57	-86	72	57	7	54	53
Total general government	5,561	4,430	562	-342	1,382	319	532	812	10	49	-1,156	-637	-179	-879	743	403	714	-456
Reserve Bank -																		
Reserve assets -																		
Official reserve assets	-3,394	-3,924	-873	-56	-70	-235	-105	-170	-21	441	-103	483	-335	202	-768	-106	-51	-581
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	18	-8	—	-51	172	-82	-26	49	-13	-54	13	-20	-3	69	-15	-54	4	—
Total Reserve Bank	-3,376	-3,932	-873	-107	102	-317	-131	-121	-34	387	-90	463	-338	271	-783	-160	-55	-581
Non-official plus balancing item-																		
Public sector -																		
Non equity securities domiciled in Australia (a)	-376	1,006	95	156	-493	85	-44	-403	179	-172	331	-83	-25	-348	44	140	82	-284
Accounts receivable/prepayments made	-10	-29	-593	-75	-33	57	30	6	-29	-184	-210	-12	-59	-35	162	-104	113	-24
Other (including balancing item) (b)	11,252	10,656	19,039	1,412	767	1,360	651	1,367	1,183	1,709	2,499	2,306	2,516	2,758	2,305	1,414	1,416	2,923
Total non-official plus balancing item	10,866	11,633	18,541	1,493	241	1,502	637	970	1,333	1,353	2,620	2,211	2,432	2,375	2,511	1,450	1,611	2,615
Balance on capital account plus balancing item	13,051	12,131	18,230	1,044	1,725	1,504	1,038	1,661	1,309	1,789	1,374	2,037	1,915	1,767	2,471	1,693	2,270	1,578

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

TABLE 6. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Years			Months															
	1986.	1987.	1988.	1988-89															
	87	88	89	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	
Official reserve assets (\$ million)																			
Levels at end of year/month	17,594	20,182	20,410	20,628	20,118	19,499	19,772	18,790	20,888	19,509	20,245	20,223	20,410	20,765	20,705	20,774	20,654	21,634	
Changes in levels	4,570	2,588	228	452	-510	-619	273	-982	2,098	-1,379	736	-22	187	355	-60	69	-120	980	
Of which -																			
Changes due to effects of revaluations	1,176	-1,336	-645	396	-580	-854	168	-1,152	2,077	-938	633	461	-148	557	-828	-37	-171	399	
Changes included in the balance of payments(a)	3,394	3,924	873	56	70	235	105	170	21	-441	103	-483	335	-202	768	106	51	581	
Exchange rates - Units of foreign currency per \$A -																			
End of year/month (b) -																			
United States dollar	0.7203	0.7940	0.7553	0.7829	0.8256	0.8781	0.8555	0.8890	0.7996	0.8194	0.7928	0.7484	0.7553	0.7524	0.7656	0.7764	0.7831	0.7815	
United Kingdom pound	0.4494	0.4612	0.4882	0.4647	0.4647	0.4752	0.4764	0.5040	0.4591	0.4855	0.4685	0.4763	0.4882	0.4541	0.4853	0.4788	0.4963	0.4993	
West German mark	1.319	1.441	1.480	1.472	1.457	1.523	1.528	1.654	1.460	1.550	1.488	1.490	1.480	1.410	1.496	1.453	1.443	1.400	
Japanese yen	105.79	105.17	108.79	105.28	103.41	106.91	107.71	114.93	101.52	108.64	105.09	106.80	108.79	104.12	110.44	108.23	111.58	111.78	
Special drawing right	0.5634	0.6059	0.6051	0.6067	0.6172	0.6422	0.6382	0.6793	0.6020	0.6332	0.6112	0.6048	0.6051	0.5873	0.6101	0.6109	0.6125	0.6067	
Period average (c) -																			
United States dollar	0.6636	0.7290	0.8160	0.7929	0.8090	0.8496	0.8590	0.8701	0.8566	0.8158	0.8044	0.7732	0.7556	0.7571	0.7621	0.7721	0.7749	0.7826	
United Kingdom pound	0.4352	0.4167	0.4755	0.4708	0.4664	0.4700	0.4700	0.4896	0.4883	0.4753	0.4728	0.4737	0.4863	0.4672	0.4772	0.4913	0.4876	0.4974	
West German mark	1.280	1.262	1.512	1.480	1.473	1.485	1.507	1.593	1.586	1.521	1.504	1.503	1.495	1.434	1.467	1.507	1.446	1.433	
Japanese yen	101.37	97.59	106.95	106.61	104.39	104.58	106.15	110.59	109.41	106.27	106.23	106.50	108.54	106.49	107.59	112.04	110.01	112.33	
Special drawing right	0.5345	0.5448	0.6244	0.6131	0.6144	0.6267	0.6328	0.6564	0.6509	0.6245	0.6195	0.6093	0.6090	0.5965	0.6032	0.6197	0.6090	0.6132	
Trade weighted index of value of the Australian dollar (May 1970 = 100) -																			
End of year/month (b)	56.6	59.8	59.4	60.0	61.1	63.7	63.2	66.7	59.6	62.2	60.0	58.8	59.4	57.8	60.0	59.8	60.7	60.4	
Period average (c)	53.8	54.8	61.6	60.7	60.8	62.2	62.9	64.7	64.0	61.4	60.9	59.6	59.5	58.6	59.2	60.6	60.1	60.8	

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 5. (b) These exchange rates and index numbers relate to the last trading day of the reference period. (c) These exchange rates and index numbers are derived by averaging figures for each trading day.

