AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 5301.0

NOON 12 SEPTEMBER 1979

BALANCE OF PAYMENTS, AUGUST 1979

INQUIRIES

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MAIN FEATURES

- **An overall deficit of $220 million as measured by net official monetary movements.**
- **A trade surplus of $27 million.**
- **A current account deficit of $334 million.**
- **A net apparent capital inflow of $114 million.**

EXPLANATORY NOTES

Introduction

This publication contains preliminary estimates of Australia's international balance of payments for the month of August 1979 together with revised estimates for previous months and financial years. These estimates should be examined in conjunction with the quarterly and annual balance of payments series published in the Balance of Payments bulletins (5302.0 and 5303.0, respectively). Reference should be made to these publications for explanatory notes on balance of payments concepts and definitions.

2. Care should be exercised in interpreting monthly movements in the balance of payments, especially those of the most recent months. The sources available for the production of timely and reliable monthly estimates are limited. Consequently, monthly series to a greater degree than quarterly and annual data, are subject to revision as more complete and more accurate information becomes available.

Australian Currency Values

3. The Australian currency equivalents shown in these statistics for transactions originally denominated in foreign currencies were derived by converting into Australian dollars at market rates of exchange.

Adjustments to Exports and Imports

4. The figures for exports and imports in Table 1 represent the recorded trade figures adjusted in respect of coverage, timing and valuation for balance of payments purposes.

Balance of Trade

5. This is the excess of recorded exports f.o.b. over recorded imports f.o.b., after adjustments have been made for balance of payments purposes.

Net Invisibles

6. Net invisibles covers transactions in services and transfer payments. Items included are transportation services, travel, government services, miscellaneous services, property income and transfer payments such as foreign aid, gifts and donations.

Private Capital and Balancing Item

7. This item covers foreign investment in Australian enterprises, Australian investment overseas, trade credit n.e.i., non-official monetary sector transactions and the balancing item.

Net Official Monetary Movements

8. The aggregate net official monetary movements, the main component of which is changes in official reserve assets, is usually taken as a measure of the overall surplus or deficit in the balance of payments. This item excludes changes that do not arise from international economic transactions.

9. Table 2 shows changes in official reserve assets which are included in the balance of payments, together with the adjustments made to the original Reserve Bank statistics to exclude changes in the Australian dollar value of reserve assets that are the result of revaluations. The table also shows changes in the value of the Australian dollar against specified foreign currencies.

Residual Items

10. Due to lack of monthly data certain items in Table 1 are derived as residuals after having first calculated those items for which monthly information can be obtained or estimated. The items which are derived as residuals are net apparent capital inflow, which is calculated by subtracting the balance on current account from net official monetary movements, and private capital and balancing item, which is derived by subtracting government capital from net apparent capital inflow.

Presentation

11. In Table 1, minus sign (−) denotes: a debit for items in the current account; an outflow for components of capital inflow (net); and for monetary movements, a decrease in assets or an increase in liabilities.

Related publications

12. All publications produced by the ABS are listed in *Catalogue of Publications* (1101.0) which is available free of charge from any ABS office.

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

R. J. CAMERON
Australian Statistician

TABLE 1. BALANCE OF PAYMENTS
$ million

	Exports f.o.b.	*Imports f.o.b.*	*Balance of Trade*	*Net Invisibles*	*Balance on Current Account*	*Government Capital*	*Private Capital and Balancing Item*	*Net Apparent Capital Inflow*	*Net Official Monetary Movements*
1976-77	11,399	−10,345	1,054	−3,086	−2,032	152	1,390	1,542	−491
1977-78	12,042	−11,165	877	−3,391	−2,515	1,518	454	1,973	−542
1978-79	14,057	−13,476	581	−3,738	−3,156	1,331	1,695	3,025	−131
1978-79									
July	1,031	−1,035	−4	−329	−333	198	121	319	−14
August	1,035	−1,126	−92	−265	−356	172	75	246	−110
September	953	−976	−23	−280	−303	151	71	222	−81
October	1,134	−1,197	−63	−303	−367	178	89	266	−100
November	1,230	−1,184	47	−258	−212	158	121	279	67
December	1,011	−1,008	3	−261	−258	135	60	195	−64
January	1,328	−1,202	126	−347	−221	109	5	114	−107
February	1,167	−1,014	154	−256	−102	270	54	325	222
March	1,139	−1,129	10	−311	−302	−39	223	184	−118
April	1,197	−1,103	93	−371	−278	106	266	371	93
May	1,441	−1,300	141	−376	−235	−23	319	296	61
June	1,392	−1,202	190	−379	−189	−83	291	208	19
1979-80									
July	1,340	−1,208	132	−378	−246	−44	157	113	−133
August	1,329	−1,302	27	−361	−334	−2	116	114	−220
Two months ended									
August 1978	2,066	−2,162	−96	−594	−689	370	196	566	−124
August 1979	2,669	−2,510	159	−739	−580	−46	272	227	−353

TABLE 2. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Official Reserve Assets $ million				*Exchange Rates (end of year/month) Units of foreign currency per $A (a)*				*Trade-weighted index (end of year/month) of value of Australian dollar, May 1970=100 (b)*
	Changes included in the balance of payments	*Changes due to effects of revaluations*	*Reserve Bank Series*						
			Changes in levels	*Levels at end of year/month*	*U.S.A. Dollar*	*U.K. Pound*	*W. Germ Mark*	*Japan Yen*	
1976-77	−190	+416	+226	3,312	1.1108	0.6458	2.616	300.84	92.5
1977-78	−474	+387	−87	3,225	1.1475	0.6151	2.379	234.63	86.2
1978-79	−167	+827	+660	3,885	1.1211	0.5154	2.068	242.44	83.1
1978-79									
July	+18	+50	+68	3,293	1.1551	0.6001	2.359	222.14	84.7
August	−132	+154	+22	3,315	1.1521	0.5940	2.294	217.79	83.7
September	−91	+50	−41	3,274	1.1566	0.5853	2.234	218.31	83.6
October	−69	+123	+54	3,328	1.1891	0.5648	2.038	209.93	82.2
November	+18	−120	−102	3,226	1.1363	0.5822	2.184	223.97	83.2
December	−61	+35	−26	3,200	1.1505	0.5656	2.099	222.83	82.7
January	+27	+150	+177	3,377	1.1334	0.5678	2.112	227.64	82.8
February	+199	+146	+346	3,723	1.1283	0.5577	2.087	228.03	82.1
March	−118	−5	−123	3,600	1.1182	0.5423	2.087	223.62	82.3
April	+79	−2	+77	3,677	1.1024	0.5372	2.103	243.53	82.8
May	+32	+115	+147	3,824	1.1048	0.5357	2.118	243.84	83.1
June	−70	+131	+61	3,885	1.1211	0.5154	2.068	242.44	83.1
1979-80									
July	−108	+89	−19	3,865	1.1392	0.4931	2.077	246.10	83.3
August	−243	+45	−198	3,667	1.1284	0.5009	2.057	248.31	83.5

(a) The rates quoted are mid-points of the buying and selling rates for the last day of the month obtained from the Commonwealth Trading Bank. (b) The trade-weighted index is published by the Reserve Bank and is an index of the average value of the Australian dollar vis a vis currencies of Australia's trading partners.