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BALANCE OF PAYMENTS, AUSTRALIA, FEBRUARY 1983

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MAIN FEATURES

February 1983—

An overall deficit of $1,059 million, as measured by net official monetary movements.

A trade deficit of $48 million.

A current account deficit of $487 million.

A net apparent capital outflow of $572 million.

TRENDS IN MAJOR AGGREGATES

February 1983—

An overall deficit of $1,059 million as measured by *net official monetary movements*, which follows five successive monthly surpluses.

A *balance of trade* deficit of $48 million, in contrast with the surplus of $280 million for January 1983.

Exports f.o.b. of $1,540 million, down $275 million or 15 per cent on the previous month. Falls were recorded in the exports of coal, down 50 per cent and wool, down 45 per cent. Seasonally adjusted, exports fell 13 per cent.

Imports f.o.b. of $1,588 million, up $53 million or 3 per cent on January 1983. Recorded petroleum imports rose $195 million on the previous month. Imports of machinery and transport equipment fell by $220 million largely reflecting the delivery in January of a naval frigate worth $174 million. Seasonally adjusted, imports rose 4 per cent.

A *current account* deficit of $487 million, up $211 million on the deficit for the preceding month.

A *government capital* inflow of $34 million, which takes account of a Dutch Guilder 200 million ($A77 million) borrowing partly offset by loan repayments of $46 million.

A *net apparent capital outflow* of $572 million, the first outflow recorded since March 1980 and the highest monthly outflow on record.

Eight months ended February 1983—

An overall surplus of $1,528 million, compared with the deficit of $1,671 million for the eight months ended February 1982.

A *balance of trade* deficit of $559 million, considerably lower than the deficit of $2,175 million for the corresponding period of 1981-82.

Exports f.o.b. of $13,862 million, up $1,694 million or 14 per cent on the eight months ended February 1982. All broad export commodity groups recorded rises apart from sugar exports which fell about 40 per cent.

Imports f.o.b. of $14,421 million, up $78 million or 1 per cent on the corresponding period of the previous financial year. Petroleum imports rose by $315 million. Imports of the two categories 'basic materials' and 'machinery and transport equipment' fell $130 million and $205 million respectively.

A *current account* deficit of $4,485 million, down $1,193 million or 21 per cent from the deficit for the eight months ended February 1982.

A *net apparent capital inflow* of $6,013 million, substantially higher than the inflow recorded in the eight months ended February 1982.

EXPLANATORY NOTES

Introduction

This issue contains, in Table 1, preliminary estimates of Australia's international balance of payments for the month of February 1983 together with revised estimates for previous months and financial years. Supplementary information is contained in Table 2. The estimates should be examined in conjunction with the series contained in the quarterly and annual balance of payments publications (5302.0 and 5303.0, respectively). Reference should be made to the publication *Balance of Payments, Australia: Concepts, Sources and Methods* (5331.0) released on 19 March 1981 for information about balance of payments concepts and definitions. Changes to concepts, sources and methods since that publication are described in the 1979-80 and 1980-81 issues of 5303.0 and in the December quarter 1982 issue of 5302.0.

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, estimates in this publication, to a greater degree than estimates in the quarterly and annual balance of payments publications, are subject to revision as more complete and more accurate information becomes available.

Exports f.o.b. and imports f.o.b.

3. The figures for exports free-on-board (f.o.b.) and imports f.o.b. in Table 1 represent recorded trade figures adjusted in respect of coverage, timing and valuation for balance of payments purposes. Seasonally adjusted estimates for exports f.o.b. and imports f.o.b. are shown in Table 2.

Balance of trade

4. This is exports f.o.b. less imports f.o.b.

Net invisibles

5. Net invisibles comprises the net sum of credit and debit entries for transactions in services, income and unrequited transfers. Items included are transportation services, travel, government services, miscellaneous services, property income and unrequited transfers such as foreign aid, gifts and donations.

Private capital and balancing item

6. This aggregate covers private capital movements (i.e. foreign investment in enterprises in Australia, Australian investment abroad, trade credit n.e.i.), non-official monetary sector transactions and the balancing item (i.e. net errors and omissions). Within this aggregate, separate details are shown for public non-monetary enterprise borrowings, the trade credit of marketing authorities and other (which includes the balancing item).

Net official monetary movements

7. 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 aggregate excludes changes that do not arise from international economic transactions.

Official reserve assets and exchange rates

8. 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

9. Due to lack of monthly data certain aggregates in Table 1 are derived as residuals after having first calculated those aggregates for which monthly information can be obtained or estimated. The aggregates 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.

Seasonal adjustment

10. In carrying out seasonal adjustment of exports f.o.b. and imports f.o.b. account is taken not only of seasonal factors, but also of 'trading-day' effects (arising from the varying numbers of Sundays, Mondays, etc. in the month) which may affect figures for different months in different years. Details of the methods used in the seasonal adjustment of these series are given in *Seasonally Adjusted Indicators, Australia* (1308.0). The statistics are also subject to large irregular influences which are not removed by seasonal adjustment and may be affected by changes in the composition of exports and imports. For these reasons, particular care should be exercised in interpreting individual month-to-month movements.

Presentation

11. In Table 1, minus sign (-) denotes: a debit for aggregates 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.

Available longer-term series

12. Users requiring monthly series for months earlier than those shown in this publication should contact Mr Mark Lound on Canberra (062) 52 5507. Series consistent with Tables 1 and 2 are available from July 1971 onwards.

Related publications

13. 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

.. not applicable
— nil or rounded to zero

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

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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(a)				Net apparent capital inflow	Net official monetary movements
							Trade credit of marketing authorities	Public non-monetary enterprise borrowings	Other	Total		
1979-80	18,589	-15,829	2,760	-4,809	-2,049	-80	-379	509	1,698	1,828	1,748	-301
1980-81	18,718	-19,169	-451	-5,015	-5,466	-67	93	409	6,180	6,682	6,615	1,149
1981-82	19,088	-22,378	-3,290	-5,670	-8,959	482	83	1,060	8,688	9,831	10,313	1,354
1981-82—												
January	1,526	-1,755	-230	-489	-718	-36	29	33	285	347	311	-407
February	1,595	-1,883	-289	-384	-673	72	62	19	562	643	715	42
March	1,701	-2,124	-423	-485	-908	-36	26	119	1,223	1,369	1,333	425
April	1,639	-1,900	-262	-574	-836	-9	-27	78	1,971	2,022	2,013	1,178
May	1,798	-1,994	-196	-567	-763	98	-72	206	1,718	1,852	1,951	1,188
June	1,782	-2,017	-234	-540	-774	13	16	305	676	997	1,010	235
1982-83—												
July	1,936	-2,033	-97	-498	-595	97	-34	71	315	352	449	-146
August	1,697	-2,007	-310	-458	-768	1	-24	122	223	321	322	-446
September	1,598	-1,793	-195	-489	-684	367	89	477	718	1,285	1,652	968
October	1,756	-1,966	-210	-536	-746	323	43	185	674	902	1,225	479
November	1,888	-1,832	56	-464	-408	-5	-9	126	977	1,094	1,089	681
December	1,632	-1,667	-35	-486	-521	9	4	22	1,176	1,202	1,211	690
January	1,815	-1,535	280	-556	-276	282	-2	65	292	355	637	361
February	1,540	-1,588	-48	-439	-487	34	-41	28	-593	-605	-572	-1,059
Eight months ended—												
February 1982	12,168	-14,343	-2,175	-3,503	-5,678	416	139	352	3,100	3,591	4,007	-1,671
February 1983	13,862	-14,421	-559	-3,926	-4,485	1,107	27	1,096	3,783	4,906	6,013	1,528

(a) Includes private capital movements, non-official monetary sector transactions and the balancing item.

TABLE 2. VISIBLE TRADE, SEASONALLY ADJUSTED; OFFICIAL RESERVE ASSETS; AND EXCHANGE RATES

	Seasonally adjusted visible trade ($ million)		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						
	Exports f.o.b.	Imports f.o.b.			Changes in levels	Levels at end of year/month	U.S.A. Dollar	U.K. Pound	Germany Fed. Rep. Mark	Japan Yen	
1979-80	..	..	-349	+2,145	+1,796	5,681	1.1576	0.4914	2.033	251.26	85.0
1980-81	..	..	+1,101	-1,072	+29	5,709	1.1480	0.5894	2.746	259.57	92.9
1981-82	..	..	+1,364	-556	+808	6,517	1.0223	0.5849	2.501	259.23	88.2
1981-82—											
January	1,569	-1,790	-34	-100	-448	3,912	1.0994	0.5868	2.561	253.75	90.1
February	1,691	-1,976	+24	+6	+30	3,942	1.0740	0.5866	2.550	253.58	89.2
March	1,725	-2,041	+379	-256	+123	4,065	1.0503	0.5888	2.534	258.75	88.8
April	1,646	-1,996	+1,020	+119	+1,139	5,204	1.0608	0.5921	2.477	249.11	88.2
May	1,695	-2,037	+1,156	-59	+1,097	6,301	1.0482	0.5875	2.459	254.80	88.0
June	1,686	-1,985	+230	-14	+216	6,517	1.0223	0.5849	2.501	259.23	88.2
1982-83—											
July	1,884	-1,979	-103	+355	+253	6,770	0.9958	0.5736	2.482	255.45	86.1
August	1,765	-1,912	-466	+407	-59	6,711	0.9643	0.5642	2.420	251.62	84.1
September	1,663	-1,878	+975	+711	+1,686	8,396	0.9493	0.5595	2.401	255.58	83.8
October	1,788	-1,844	+517	-25	+492	8,888	0.9367	0.5579	2.390	259.24	83.9
November	1,850	-1,783	+697	-190	+507	9,395	0.9548	0.5937	2.376	239.90	83.5
December	1,603	-1,782	+663	+37	+699	10,094	0.9806	0.6051	2.332	229.07	83.4
January	1,871	-1,593	+384	+372	+755	10,850	0.9718	0.6334	2.367	230.61	83.6
February	1,631	-1,664	-1,081	+210	-871	9,979	0.9606	0.6285	2.315	225.60	82.4

(a) The rates quoted are mid-points of the buying and selling rates for the last trading 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 major trading partners.

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