

BALANCE OF PAYMENTS, AUSTRALIA, DECEMBER 1993

MAIN FEATURES

Estimates of the main balance of payments aggregates for December 1993, the three preceding months and year-to-date are shown below. These estimates are preliminary and subject to revision. Particular care should be taken in interpreting month-to-month movements, as indicated in the note on page 6 on *Reliability of Contemporary Trend Estimates*. Certain items have been estimated using extrapolation techniques until source data become available.

	1993-94				Jul-Dec		Change(a)
	Sept	Oct	Nov	Dec	1992-93	1993-94	
	\$ million				\$ million		%
	<i>Not seasonally adjusted</i>						
Balance on current account	- 1,755	- 1,200	- 1,506	- 1,109	- 8,856	- 8,694	+ 2
Balance on merchandise trade	- 293	186	- 250	32	28	- 936	..
Net services	- 359	- 146	14	- 20	- 1,891	- 944	+ 50
Net income	- 1,151	- 1,278	- 1,296	- 1,158	- 7,547	- 7,116	+ 6
Net unrequited transfers	48	38	26	37	554	302	- 45
Official capital	- 500	70	1,372	2,451	10,337	5,397	..
Non-official capital plus balancing item	2,255	1,130	134	- 1,342	- 1,481	3,297	..
	<i>Seasonally adjusted</i>						
Balance on current account	- 1,241	- 1,271	- 1,194	- 1,765	..	..	..
Balance on merchandise trade	23	142	169	- 505	..	..	..
Net services	- 141	- 121	- 78	- 115	..	..	..
Net income	- 1,145	- 1,300	- 1,308	- 1,168	..	..	..
Net unrequited transfers	22	8	23	23	..	..	..
\$US exchange rate (per unit of \$A)(b)	0.6521	0.6603	0.6649	0.6728	..	..	..
Trade weighted index (base May 1970 = 100)(b)	47.8	48.6	49.4	50.2	..	..	..

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

In seasonally adjusted terms, the current account deficit for December rose \$571 million, or 48 per cent, to \$1,765 million.

The increase in the deficit was caused by:

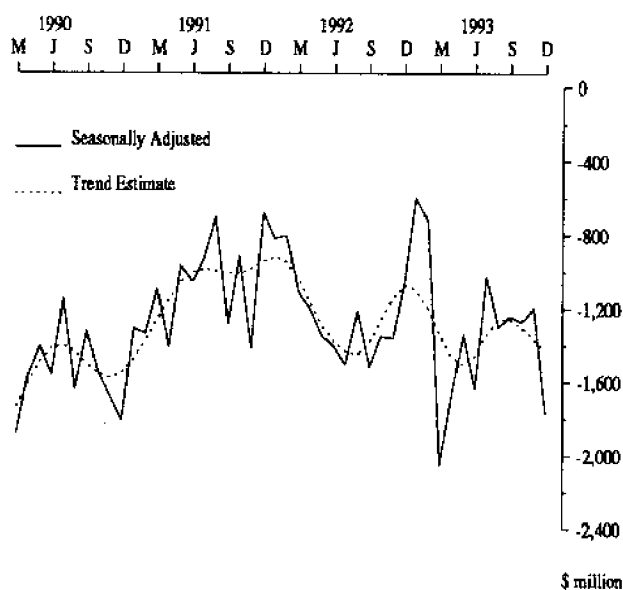
- a turnaround of \$674 million, from a surplus to a deficit, in the balance on merchandise trade (merchandise exports fell 7 per cent, while merchandise imports rose 6 per cent); and
- an increase of \$37 million (47 per cent) in the net services deficit.

Partly offsetting these movements in merchandise trade and services was a decrease of \$140 million (11 per cent) in the net income deficit.

The net unrequited transfers surplus was \$23 million, unchanged from its November level.

The provisional trend estimate for the December current account deficit was \$1,430 million, up \$64 million, or 5 per cent, on the provisional trend estimate for November.

GRAPH 1: BALANCE ON CURRENT ACCOUNT



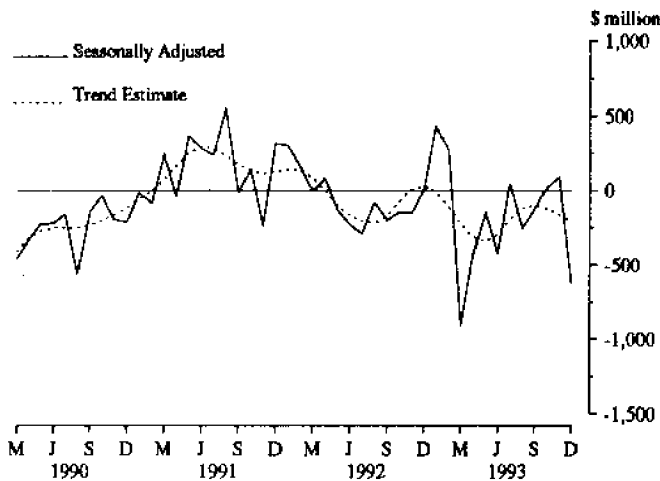
ANALYSIS OF SELECTED MAJOR AGGREGATES

December 1993 compared with November 1993

Balance on goods and services

The **seasonally adjusted balance on goods and services** recorded a deficit of \$620 million, a turnaround of \$711 million on the surplus recorded in November.

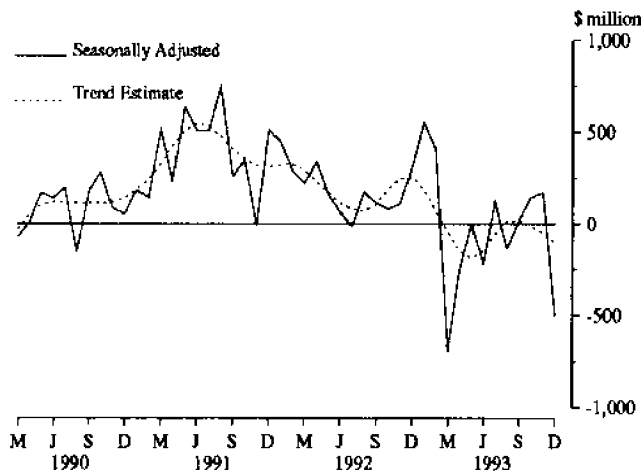
GRAPH 2: BALANCE ON GOODS AND SERVICES



Balance on merchandise trade

The **seasonally adjusted balance on merchandise trade** recorded a deficit of \$505 million, a turnaround of \$674 million on the surplus recorded in November.

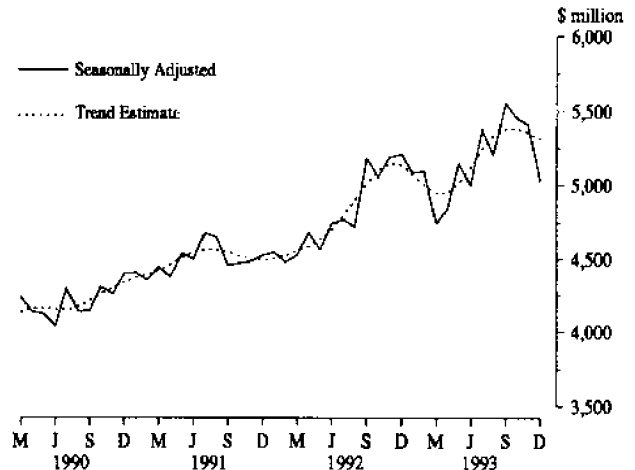
GRAPH 3: BALANCE ON MERCHANDISE TRADE



Merchandise exports

Seasonally adjusted exports f.o.b. fell \$375 million, or 7 per cent, to \$5,035 million. *Rural exports* fell \$169 million, or 11 per cent, to \$1,417 million. *Non-rural exports* fell \$206 million, or 5 per cent, to \$3,618 million.

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



In **original terms**, *exports* fell \$118 million, or 2 per cent, to \$5,329 million.

Rural exports in original terms fell \$72 million, or 5 per cent, to \$1,513 million. Decreases were recorded in:

- sugar, down \$77 million or 62 per cent (due mainly to decreased volumes of cane sugar exports); and
- meat, down \$70 million or 18 per cent (due mainly to decreased volumes of beef and veal exports).

Increases were recorded in "other" rural exports, up \$56 million or 11 per cent (due mainly to increased exports of fish, crustaceans and molluscs); cereals, up \$10 million or 4 per cent; and wool, up \$9 million or 3 per cent.

Non-rural exports in original terms fell \$46 million, or 1 per cent, to \$3,816 million. Decreases were recorded in:

- gold, down \$153 million or 34 per cent (due mainly to decreased volumes);
- metal ores and minerals, down \$70 million or 10 per cent (due mainly to decreased exports of uranium and iron ore);
- "other" non-rural exports, down \$42 million or 28 per cent; and
- "other" mineral fuels, down \$29 million or 10 per cent.

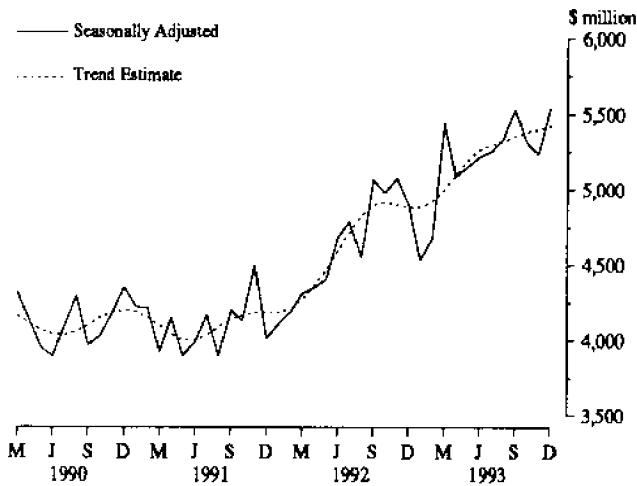
The largest increases were recorded in machinery, up \$95 million or 22 per cent (with most components recording increases); coal, coke and briquettes, up \$91 million or 14 per

cent (due mainly to increased volumes of coal exports); and "other" metals, up \$50 million or 12 per cent.

Merchandise imports

Seasonally adjusted imports *f.o.b.* rose \$299 million, or 6 per cent, to \$5,540 million.

GRAPH 5: MERCHANDISE - IMPORTS F.O.B.



In original terms, imports fell \$400 million, or 7 per cent, to \$5,297 million. The largest decreases were recorded in:

- "other" manufactures, down \$175 million or 14 per cent (with all components recording decreases);
- machinery, down \$141 million or 8 per cent (with most components recording decreases); and
- road vehicles, down \$79 million or 13 per cent.

Increases were recorded in "other" transport equipment, up \$89 million or 54 per cent; fuels, up \$16 million or 5 per cent; and "other" imports, up \$15 million or 7 per cent.

Exogenous imports rose \$42 million or 11 per cent. Endogenous imports fell \$442 million or 8 per cent.

Net services

The seasonally adjusted net services deficit increased \$37 million, or 47 per cent, to \$115 million. Services credits fell \$21 million, or 2 per cent, while services debits rose \$16 million or 1 per cent.

Net income

The seasonally adjusted net income deficit fell \$140 million, or 11 per cent, to \$1,168 million. Income credits rose \$8 million, or 2 per cent, while income debits fell \$132 million or 7 per cent (due mainly to a fall in interest payable on official sector borrowing).

Net unrequited transfers

The seasonally adjusted net unrequited transfers surplus was unchanged at \$23 million. Unrequited transfers credits rose \$31 million, or 14 per cent, while unrequited transfers debits also rose \$31 million or 15 per cent.

Net capital transactions

In original terms, the net capital transactions of the official sector, recorded a net inflow of \$2,451 million in December, up \$1,079 million on the net inflow recorded in November.

The December estimate consisted of:

- a net inflow of \$2,385 million in general government transactions, up \$1,049 million on the inflow recorded in November; and
- a net inflow of \$66 million in Reserve Bank transactions, an increase of \$30 million on the November inflow.

The increased inflow from general government transactions was mainly due to general government borrowing domiciled in Australia which turned around \$1,164 million, to an inflow of \$958 million. Partly offsetting this turnaround, was a decrease of \$97 million in general government borrowing domiciled abroad, which recorded an inflow of \$1,424 million in December.

The change in Reserve Bank transactions reflected a turnaround from an outflow to an inflow in "other" transactions partly offset by decreased sales of official reserve assets.

Exchange rates

During December the \$A appreciated 2 per cent on a trade-weighted index basis (using period average exchange rates) against the currencies of Australia's major trading partners, by 1 per cent against the Japanese yen, and by 1 per cent against the \$US.

Comparing rates at the end of December 1993 with those at the end of June 1993, the \$A has appreciated by 3 per cent on a trade-weighted basis against the currencies of Australia's major trading partners, by 6 per cent against the Japanese yen, and by 1 per cent against the \$US.

Six months ended December 1993 compared with six months ended December 1992 —

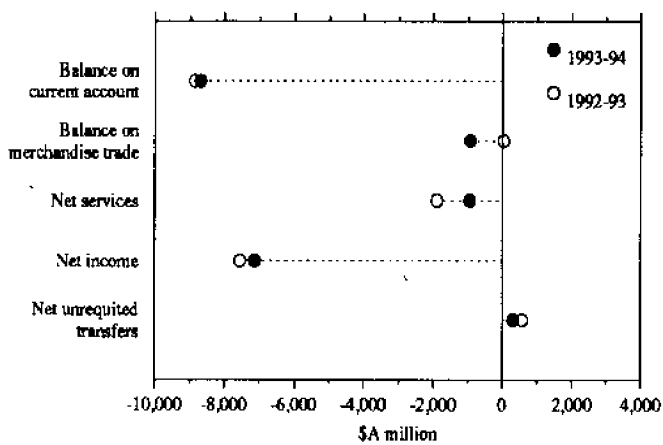
In original terms, the balance on current account deficit for the six months ended December 1993 was \$8,694 million, down \$162 million, or 2 per cent, on the deficit for the six months ended December 1992.

The result was due to:

- a decrease of \$947 million (50 per cent) in the net services deficit; and
- a decrease of \$431 million (6 per cent) in the net income deficit.

The movements in services and income were partially offset by a turnaround of \$964 million, from a surplus to a deficit, in the balance of merchandise trade; and a decrease of \$252 million, or 45 per cent, in the net unrequited transfers surplus.

GRAPH 6: BALANCE OF PAYMENTS AGGREGATES - SIX MONTHS ENDED DECEMBER

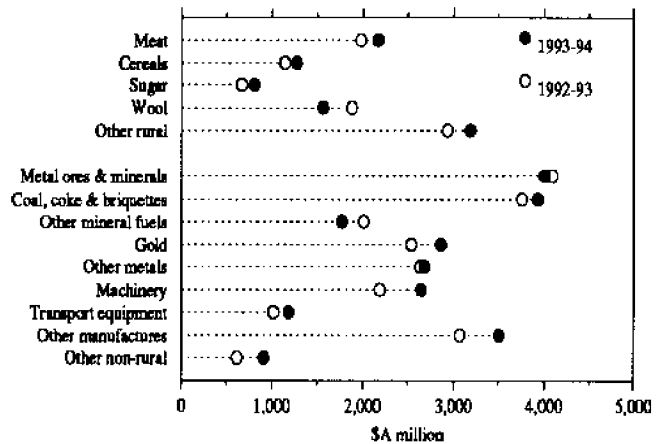


Merchandise exports rose \$1,970 million, or 6 per cent, to \$32,485 million. The largest increases were recorded in:

- machinery, up \$454 million (21 per cent);
- "other" manufactures, up \$433 million (14 per cent);
- gold, up \$327 million (13 per cent);
- "other" non-rural exports, up \$292 million (47 per cent);
- "other" rural exports, up \$260 million (9 per cent);
- meat, up \$188 million (9 per cent);
- coal, coke and briquettes, up \$176 million (5 per cent); and
- transport equipment, up \$165 million (16 per cent).

Decreases were recorded in wool, down \$318 million (17 per cent); "other" mineral fuels, down \$240 million (12 per cent); and metal ores and minerals, down \$90 million (2 per cent).

GRAPH 7: MERCHANDISE EXPORTS - SIX MONTHS ENDED DECEMBER

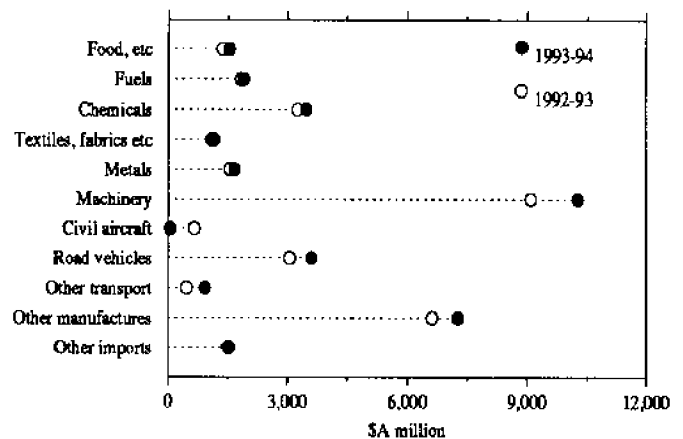


Merchandise imports rose \$2,934 million, or 10 per cent, to \$33,421 million. Increases were recorded in all groups except civil aircraft which fell \$610 million (93 per cent). The largest increases were recorded in:

- machinery, up \$1,187 million (13 per cent);
- "other" manufactures, up \$660 million (10 per cent);
- road vehicles, up \$548 million (18 per cent);
- "other" transport equipment, up \$456 million (96 per cent);
- chemicals, up \$212 million (7 per cent); and
- food, beverages and tobacco, up \$176 million (13 per cent).

Exogenous imports fell \$446 million or 15 per cent. *Endogenous imports* increased \$3,380 million or 12 per cent.

GRAPH 8: MERCHANDISE IMPORTS - SIX MONTHS ENDED DECEMBER



The *net services* deficit fell \$947 million, or 50 per cent, to \$944 million. Services credits increased by \$1,022 million, or 14 per cent, due to increases of \$599 million in travel credits, \$304 million in "other" transportation credits and \$92 million in "other" services credits. Services debits rose

\$75 million or 1 per cent, due to increases of \$47 million in "other" services debits and \$45 million in shipment debits.

The *net income* deficit fell \$431 million, or 6 per cent, to \$7,116 million. Income credits rose \$65 million, or 2 per cent, due mainly to an increase in reinvested earnings. Income debits fell \$366 million, or 4 per cent, due mainly to a decrease in remitted profits payable on direct investment abroad.

The *net unrequited transfers* surplus fell \$252 million, or 45 per cent, to \$302 million. Unrequited transfers credits fell \$243 million, or 15 per cent, due mainly to a decline in migrants' transfers. Unrequited transfers debits rose \$9 million or 1 per cent.

Official capital transactions for the six months ended December 1993 yielded a net inflow of \$5,397 million, compared with a net inflow of \$10,337 million for the corresponding period of the previous financial year. The change was the result of:

- an inflow of \$6,230 million in general government transactions, down \$990 million on the inflow for the period July to December 1992; and
- an outflow of \$833 million in Reserve Bank transactions, a turnaround of \$3,950 million on the inflow for the comparable period of the previous financial year.

The decreased inflow from general government transactions was largely due to general government borrowing domiciled in Australia, which turned around \$1,993 million, to an outflow (reflecting repayments) of \$47 million. Partly offsetting this turnaround was an increase of \$1,193 million, to an inflow of \$7,048 million, in State government borrowing domiciled abroad. Net purchases of official reserve assets, compared to net sales for the corresponding period of the previous financial year, was the main factor underlying the change in Reserve Bank transactions.

REVISIONS

Revisions since the last issue of this publication have increased the current account deficits for 1988-89, 1989-90, 1991-92 and 1992-93 by \$41 million, \$34 million, \$128 million and \$545 million respectively; and reduced the current account deficit for 1990-91 by \$45 million. The current account deficit for the first five months of 1993-94 has increased by \$216 million.

Revisions to the current account for the financial years 1988-89 to 1992-93 are due to the incorporation of the latest investment income estimates based on data from the 1992-93 annual Survey of Foreign Investment.

The main factors contributing to the revisions for 1993-94 were:

- for merchandise trade, the incorporation of the latest available data on merchandise imports and exports. The net effect of these revisions was to increase the current account deficit for 1993-94 by \$32 million;
- for services, the incorporation of revisions to both credits and debits. The net effect of these revisions was to reduce the current account deficit for 1993-94 by \$63 million; and
- for income, the incorporation of revisions to estimates of reinvested earnings based on data from the 1992-93 annual Survey of Foreign Investment. The net effect of these revisions was to increase the current account deficit by \$250 million.

Revisions to the capital account are due to the incorporation of data from the 1992-93 annual Survey of Foreign Investment.

Release date for January 1994 issue

The expected release date for the December issue of this publication is 1 March 1994. Any variations which might occur will be notified in the ABS Publications Advice (1105.0) and on DISCOVERY.

The date can be confirmed a few days prior to release by telephoning Canberra (06) 252 6627.

RELIABILITY OF CONTEMPORARY TREND ESTIMATES

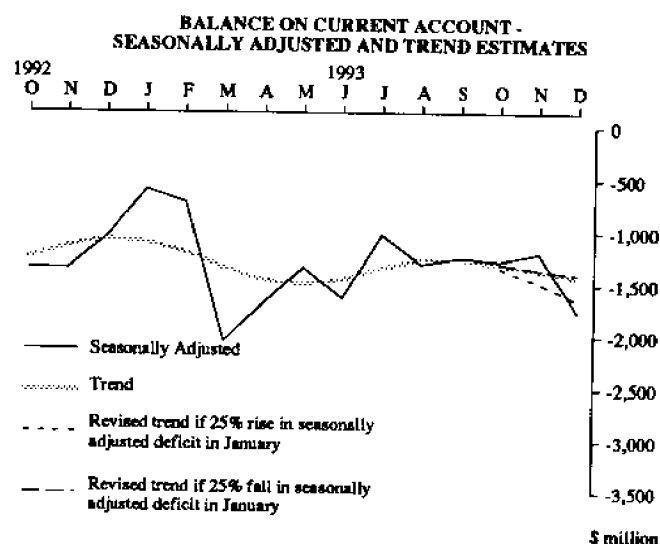
The table below presents trend estimates of the deficit on current account from October 1992 onwards, including provisional trend estimates for the latest three months (October, November and December 1993).

To illustrate the possible impact of future months' observations on the provisional trend estimates for the latest three months, the table also shows the revisions to these trend estimates that would result if the seasonally adjusted estimate of the current account balance next month (January 1994) is 25 per cent higher or lower than this month and if there are no revisions to the current or previous months' estimates. The 25 per cent range has been chosen because in the last decade the average monthly percentage movement, without regard to sign, of the seasonally adjusted current account deficit has been about 25 per cent.

If the deficit were to increase in January by 25 per cent, to \$2,206 million, the provisional trend movement for that month would be 11.7 per cent. The movements in the trend estimates for October, November and December which are provisionally 3.6 per cent, 4.9 per cent and 4.7 per cent respectively, would be revised to 8.1 per cent, 10.7 per cent and 11.1 per cent, respectively. On the other hand, a 25 per

cent decline in the seasonally adjusted deficit next month, to \$1,324 million, would produce a trend movement of 4.8 per cent for January with the movements in the trend estimates for October, November and December being revised to 3.7 per cent, 4.0 per cent and 3.6 per cent, respectively.

The graph below illustrates this potential degree of revision at the current end of the trend series.



DEFICIT ON CURRENT ACCOUNT — RELIABILITY OF TREND ESTIMATES

	Trend estimate		Revised trend estimate if January 1994 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on December 1993 (a)		is down 25% on December 1993 (a)	
			\$m	% change on previous month	\$m	% change on previous month
1992-93 —						
October	1263	- 8.7	1263	- 8.7	1263	- 8.7
November	1142	- 9.6	1142	- 9.6	1142	- 9.6
December	1074	- 6.0	1074	- 6.0	1074	- 6.0
January	1097	2.1	1097	2.1	1097	2.1
February	1202	9.6	1202	9.6	1202	9.6
March	1343	11.7	1343	11.7	1343	11.7
April	1462	8.9	1462	8.9	1462	8.9
May	1505	2.9	1505	2.9	1505	2.9
June	1451	- 3.6	1451	- 3.6	1451	- 3.6
1993-94 —						
July	1340	- 7.6	1326	- 8.6	1343	- 7.4
August	1256	- 6.3	1228	- 7.4	1258	- 6.3
September	1257	0.1	1240	1.0	1255	- 0.2
October	1302 p	3.6	1341	8.1	1301	3.7
November	1366 p	4.9	1484	10.7	1353	4.0
December	1430 p	4.7	1648	11.1	1402	3.6
January			1841	11.7	1469	4.8

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months October 1992 to December 1993.

TABLE I. BALANCE OF PAYMENTS
(\$ million)

	Years		Months												July to Dec						
	1990-1992		1992-93						1993-94						1992-93	1993-94					
	91	92	93	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.			
Current transactions —																					
Goods and services —																					
Merchandise (a) —																					
Exports fob	52,155	54,874	60,015	5,223	5,189	5,431	4,667	4,663	5,017	4,761	5,332	5,060	5,379	5,180	5,405	5,745	5,447	5,329	30,515	32,485	
Imports fob	-49,256	-51,056	-59,426	-5,348	-5,350	-4,780	-4,281	-4,425	-5,557	-4,803	-4,911	-4,962	-5,581	-5,589	-5,698	-5,559	-5,697	-5,297	-30,487	-33,421	
Balance on merchandise trade	2,899	3,818	589	-125	-161	651	386	238	-540	-42	421	98	-202	-409	-293	186	-250	32	28	-956	
Services —																					
Credits	12,999	13,938	14,865	1,210	1,280	1,307	1,444	1,426	1,243	1,255	1,225	1,169	1,336	1,287	1,220	1,374	1,434	1,474	7,103	8,125	
Debits	-16,404	-16,598	-17,465	-1,484	-1,441	-1,529	-1,456	-1,267	-1,356	-1,429	-1,426	-1,537	-1,577	-1,479	-1,579	-1,520	-1,420	-1,494	-8,994	-9,069	
Net services	-3,405	-2,660	-2,600	-274	-161	-222	-12	159	-113	-174	-201	-368	-241	-192	-359	-146	14	-20	-1,891	-944	
Balance on goods and services	-506	1,158	-2,011	-399	-322	429	374	397	-653	-216	220	-270	-443	-601	-652	40	-236	12	-1,880	-1,880	
Income —																					
Credits	3,924	4,066	5,199	425	436	452	418	409	467	400	411	423	425	473	482	422	462	472	2,671	2,736	
Debits	-22,098	-20,139	-19,923	-1,690	-1,685	-1,553	-1,565	-1,452	-1,727	-1,679	-1,668	-1,614	-1,578	-1,553	-1,633	-1,700	-1,758	-1,630	-10,218	-9,852	
Net income	-18,174	-16,073	-14,724	-1,265	-1,249	-1,101	-1,147	-1,043	-1,260	-1,279	-1,257	-1,191	-1,153	-1,080	-1,151	-1,278	-1,296	-1,158	-7,547	-7,116	
Unrequited transfers —																					
Credits	4,711	4,584	3,119	288	258	258	264	259	250	255	229	228	252	232	210	216	225	256	1,634	1,391	
Debits	-2,281	-2,336	-2,399	-176	-201	-195	-223	-217	-192	-176	-193	-318	-157	-174	-162	-178	-199	-219	-1,080	-1,089	
Net unrequited transfers	2,430	2,248	720	112	57	63	41	42	58	79	36	-90	95	58	48	38	26	37	554	302	
Balance on current account	-16,250	-12,667	-16,015	-1,552	-1,514	-609	-732	-604	-1,855	-1,416	-1,001	-1,551	-1,501	-1,623	-1,755	-1,200	-1,506	-1,109	-8,856	-8,694	
Net capital transactions —																					
Official —																					
General government	317	2,722	11,629	-1,435	3,063	72	791	-761	-965	2,959	1,995	390	1,188	1,065	5	251	1,336	2,385	7,220	6,230	
Reserve Bank —																					
Reserve assets	-1,446	3,929	3,950	1,227	-71	-405	1,398	975	-1,241	466	-459	-314	502	-725	-491	-190	61	39	3,125	-804	
Other	-22	21	39	-14	5	-5	9	4	-17	19	-9	41	-10	-16	-14	9	-25	27	-8	-29	
Total	-1,468	3,950	3,989	1,213	-66	-410	1,407	979	-1,258	485	-468	-273	492	-741	-505	-181	36	66	3,117	-833	
Total official	-1,151	6,672	15,618	-222	2,997	-338	2,198	218	-2,223	3,444	1,527	117	1,680	324	-500	70	1,372	2,451	10,337	5,397	
Non-official plus balancing item	17,401	5,995	397	1,774	-1,483	947	-1,466	386	4,078	-2,028	-526	1,434	-179	1,299	2,255	1,130	134	-1,342	-1,481	3,297	
Balance on capital account plus balancing item	16,250	12,667	16,015	1,552	1,514	609	732	604	1,855	1,416	1,001	1,551	1,501	1,623	1,755	1,200	1,506	1,109	8,856	8,694	

(a) Balance of payments basis.

TABLE 2. BALANCE OF PAYMENTS — CURRENT ACCOUNT — SEASONALLY ADJUSTED AND TREND ESTIMATES (a)
(\$ million)

	Months														
	1992-93						1993-94								
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Goods and services —															
Merchandise —															
Exports fob	1,504	1,530	1,471	1,520	1,415	1,317	1,344	1,415	1,471	1,479	1,459	1,503	1,597	1,586	1,417
Rural	3,553	3,659	3,739	3,565	3,679	3,427	3,489	3,733	3,530	3,898	3,747	4,052	3,859	3,824	3,618
Non-rural	5,057	5,189	5,210	5,085	5,094	4,744	4,833	5,148	5,001	5,377	5,206	5,555	5,456	5,410	5,035
Total	-4,977	-5,081	-4,898	-4,532	-4,683	-5,093	-5,093	-5,153	-5,220	-5,255	-5,341	-5,532	-5,314	-5,241	-5,540
Imports fob	80	108	312	553	411	-695	-260	-5	-219	122	-135	23	142	169	-503
Balance on merchandise trade															
Services —															
Credits	1,241	1,261	1,219	1,286	1,303	1,184	1,298	1,329	1,289	1,386	1,330	1,331	1,417	1,393	1,372
Debits	-1,465	-1,514	-1,522	-1,402	-1,441	-1,401	-1,475	-1,465	-1,488	-1,462	-1,446	-1,472	-1,538	-1,471	-1,487
Net services	-224	-253	-303	-116	-138	-217	-177	-136	-199	-76	-116	-141	-121	-78	-115
Balance on goods and services	-144	-145	9	437	273	-912	-437	-141	-418	46	-251	-118	21	91	-620
Income —															
Credits	432	446	460	426	423	481	380	390	398	422	473	479	425	467	475
Debits	-1,722	-1,716	-1,574	-1,543	-1,446	-1,697	-1,677	-1,659	-1,600	-1,566	-1,547	-1,624	-1,725	-1,775	-1,643
Net income	-1,290	-1,270	-1,114	-1,117	-1,023	-1,216	-1,297	-1,269	-1,202	-1,144	-1,074	-1,145	-1,300	-1,308	-1,168
Unrequited transfers —															
Credits	278	265	261	254	258	247	242	246	232	251	235	215	214	225	256
Debits	-197	-212	-207	-172	-228	-173	-192	-177	-248	-176	-213	-193	-206	-202	-233
Net unrequited transfers	81	53	54	82	30	74	50	69	-16	75	22	22	8	23	23
Balance on current account	-1,353	-1,362	-1,051	-598	-720	-2,054	-1,684	-1,341	-1,636	-1,023	-1,303	-1,241	-1,271	-1,194	-1,765
Goods and services —															
Merchandise (a) —															
Exports fob	5,103	5,147	5,134	5,073	5,000	4,949	4,950	5,007	5,120	5,244	5,337	5,378	5,379p	5,353p	5,318p
Imports fob	-4,916	-4,899	-4,879	-4,885	-4,925	-4,998	-5,098	-5,196	-5,266	-5,301	-5,324	-5,358	-5,386p	-5,406p	-5,422p
Balance on merchandise trade	187	248	255	188	75	-49	-148	-189	-146	-57	13	20	-7p	-53p	-104p
Balance on goods and services	-72	8	35	-10	-108	-220	-311	-343	-292	-191	-110	-96	-118p	-159p	-205p
Balance on current account	-1,263	-1,142	-1,074	-1,097	-1,202	-1,343	-1,462	-1,505	-1,451	-1,340	-1,256	-1,257	-1,302p	-1,366p	-1,430p

Trend Estimates

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

TABLE 3. BALANCE OF PAYMENTS — CURRENT ACCOUNT — MERCHANDISE (BALANCE OF PAYMENTS BASIS)
(\$ million)

	Months												July to Dec							
	Years			1993-94									1992-93		1993-94					
	1990-91	1991-92	1992-93	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1992-93	1993-94			
Exports fob (a) —																				
<i>Rural exports fob —</i>																				
Meat & meat preparations	3,173	3,434	3,752	355	341	353	218	278	284	282	358	352	389	327	356	398	384	314	1,980	2,168
Cereal grains & cereal preparations	2,436	2,352	2,953	215	236	214	356	308	296	308	312	234	192	207	189	214	232	242	1,139	1,276
Sugar, sugar preparations & honey	948	747	1,073	138	86	109	66	58	92	81	50	61	140	165	158	168	124	47	665	802
Wool & sheepskins	2,887	3,829	3,365	360	374	384	259	255	288	250	228	206	202	169	235	298	324	333	1,879	1,561
Other rural	4,578	5,241	5,936	471	492	513	425	449	485	507	582	558	543	513	483	553	521	577	2,930	3,190
Total rural	14,022	15,603	17,079	1,539	1,529	1,573	1,324	1,348	1,445	1,428	1,530	1,411	1,466	1,381	1,421	1,631	1,585	1,513	8,593	8,997
<i>Non-rural exports fob —</i>																				
Metal ores & minerals	8,557	7,938	7,942	744	599	761	619	592	642	688	661	647	638	708	700	655	686	616	4,093	4,003
Coal, coke & briquettes	6,480	6,949	7,620	621	597	680	674	627	635	622	632	674	686	640	552	695	634	725	3,756	3,952
Other mineral fuels	3,595	3,402	3,913	373	403	294	350	250	340	271	363	328	307	310	290	299	297	268	2,011	1,771
Gold	4,136	4,605	4,583	393	423	507	405	377	354	255	346	311	412	394	739	568	451	298	2,535	2,862
Other metals	4,737	4,702	5,211	437	407	461	413	434	416	431	461	426	440	463	390	474	431	481	2,630	2,679
Machinery	3,123	3,471	4,347	355	443	375	251	312	357	318	503	419	411	399	426	448	431	526	2,187	2,641
Transport equipment	1,907	1,655	2,020	107	185	196	135	160	177	177	169	203	272	172	138	208	197	198	1,020	1,185
Other manufactures	4,355	5,268	6,017	545	509	524	380	485	537	464	558	521	552	560	590	618	587	598	3,072	3,505
Other non-rural	1,243	1,281	1,283	109	94	60	116	78	135	107	109	120	195	153	159	149	148	106	618	910
Total non-rural	38,133	39,271	42,936	3,684	3,660	3,858	3,343	3,315	3,572	3,333	3,802	3,649	3,913	3,799	3,984	4,114	3,862	3,816	21,922	23,488
Total exports fob	52,155	54,874	60,015	5,223	5,189	5,431	4,667	4,663	5,017	4,761	5,332	5,066	5,379	5,180	5,405	5,745	5,447	5,329	30,515	32,485
Imports fob (a) —																				
Food, beverages & tobacco	-2,323	-2,443	-2,669	-264	-228	-226	-214	-208	-239	-222	-213	-202	-259	-253	-247	-258	-272	-258	-1,371	-1,547
Fuels	-3,147	-2,824	-3,754	-256	-320	-312	-323	-286	-377	-274	-364	-300	-227	-408	-342	-292	-313	-329	-1,830	-1,911
Chemicals (including plastics)	-5,163	-5,551	-6,623	-567	-542	-530	-529	-563	-602	-569	-561	-543	-619	-538	-609	-584	-579	-539	-3,256	-3,468
Textiles, fabrics etc	-1,830	-2,013	-2,145	-196	-190	-156	-162	-155	-188	-173	-182	-189	-219	-194	-194	-190	-201	-163	-1,096	-1,161
Metals & metal manufactures	-2,484	-2,476	-2,980	-241	-244	-299	-216	-230	-271	-254	-238	-226	-286	-295	-285	-284	-279	-246	-1,545	-1,675
Machinery	-14,228	-14,712	-17,751	-1,585	-1,868	-1,371	-1,214	-1,290	-1,593	-1,461	-1,481	-1,620	-1,731	-1,690	-1,721	-1,694	-1,792	-1,651	-9,092	-10,279
Transport equipment —																				
Civil aircraft (b)	-1,519	-1,490	-705	-183	-41	-	-	-	-	-46	-	-	-	-	-	-	-49	-	-659	-49
Road vehicles (c)	-4,485	-4,801	-6,156	-557	-511	-561	-428	-490	-527	-551	-532	-575	-641	-599	-534	-650	-628	-549	-3,053	-3,601
Other transport equipment (d)	-1,680	-1,081	-1,271	-84	-76	-65	-70	-91	-375	-52	-114	-95	-91	-103	-230	-85	-166	-255	-474	-930
Other manufactures	-10,108	-11,108	-12,560	-1,177	-1,096	-991	-916	-939	-1,161	-985	-977	-971	-1,229	-1,217	-1,256	-1,228	-1,258	-1,083	-6,611	-7,271
Other imports	-2,289	-2,557	-2,812	-238	-234	-269	-209	-173	-224	-216	-249	-241	-279	-292	-280	-245	-209	-224	-1,500	-1,529
Total imports fob	-49,256	-51,056	-59,426	-5,348	-5,350	-4,780	-4,281	-4,425	-5,557	-4,803	-4,911	-4,962	-5,581	-5,589	-5,698	-5,559	-5,697	-5,297	-30,487	-33,421
<i>Exogenous (e)</i>	-5,648	-5,206	-5,463	-325	-435	-446	-394	-353	-456	-379	-432	-374	-295	-515	-575	-418	-392	-434	-3,075	-2,629
<i>Endogenous (f)</i>	-43,608	-45,850	-53,963	-4,823	-4,915	-4,334	-3,887	-4,072	-5,101	-4,424	-4,479	-4,588	-5,286	-5,074	-5,123	-5,141	-5,305	-4,863	-27,412	-30,792

(a) Definitions of the component series are given in publication 5902.0. (b) Acquisition of aircraft by selected major airline companies. (c) SITC Division 78. (d) Includes civil aircraft parts. (e) 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. (f) Goods other than those regarded as exogenous.

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

	Years												Months											
	1990.			1991.			1992.			1992-93			1993-94			1992-93			1993-94					
	91	92	93	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	July to Dec.					
Services —																								
<i>Credits —</i>																								
Shipment	571	569	614	50	50	50	49	49	49	54	55	55	55	55	55	55	55	55	55	303	330			
Other transportation	3,693	3,937	4,475	380	415	405	432	405	362	376	363	322	405	417	396	417	437	447	447	2,215	2,519			
Travel	4,983	5,437	5,707	424	458	502	636	645	495	490	458	422	553	482	427	532	566	600	600	2,561	3,160			
Other services	3,752	3,995	4,069	356	357	350	327	327	337	335	349	370	323	333	342	370	376	372	372	2,024	2,116			
<i>Total services credits</i>	12,999	13,938	14,865	1,210	1,280	1,307	1,444	1,426	1,243	1,255	1,225	1,169	1,336	1,287	1,220	1,374	1,434	1,474	1,474	7,103	8,125			
<i>Debits —</i>																								
Shipment	-3,188	-3,257	-3,772	-330	-383	-349	-266	-286	-340	-297	-298	-293	-339	-348	-345	-345	-346	-314	-314	-1,992	-2,037			
Other transportation	-3,443	-3,642	-3,756	-325	-308	-329	-307	-270	-287	-295	-317	-345	-320	-307	-323	-331	-314	-326	-326	-1,935	-1,921			
Travel	-5,230	-5,147	-5,599	-451	-378	-438	-538	-371	-380	-482	-458	-514	-544	-463	-547	-470	-382	-447	-447	-2,856	-2,853			
Other services	-4,543	-4,552	-4,338	-378	-372	-413	-345	-340	-349	-355	-353	-385	-374	-361	-364	-374	-378	-407	-407	-2,211	-2,258			
<i>Total services debits</i>	-16,404	-16,508	-17,465	-1,484	-1,441	-1,529	-1,456	-1,267	-1,356	-1,429	-1,426	-1,537	-1,577	-1,479	-1,579	-1,520	-1,420	-1,494	-1,494	-8,994	-9,069			
Net services	-3,405	-2,660	-2,600	-274	-161	-222	-12	159	-113	-174	-201	-368	-241	-192	-359	-146	14	-20	-20	-1,891	-944			
Income —																								
<i>Credits —</i>																								
Property income —																								
Investment income —																								
Reinvested earnings	205	555	1,930	161	161	161	160	161	161	160	161	161	200	200	200	200	200	200	200	966	1,200			
Other	2,964	2,990	2,823	229	242	257	217	212	271	198	209	217	186	237	243	187	234	241	241	1,499	1,328			
Other property income	202	237	171	16	16	16	16	16	15	15	15	16	16	16	16	17	13	14	14	78	92			
Labour and other income	553	284	275	19	17	18	25	20	20	27	26	29	23	20	23	18	15	17	17	128	116			
<i>Total income credits</i>	3,924	4,066	5,199	425	436	452	478	409	467	400	411	423	425	473	482	422	462	472	472	2,671	2,736			
<i>Debits —</i>																								
Property income —																								
Investment income —																								
Official	-3,843	-3,940	-3,576	-360	-351	-212	-280	-169	-437	-301	-287	-235	-287	-261	-344	-328	-358	-220	-220	-1,867	-1,798			
Non-official —																								
Reinvested earnings	-674	-750	-2,318	-193	-193	-194	-193	-193	-193	-193	-193	-193	-233	-233	-234	-233	-233	-234	-234	-1,160	-1,400			
Other	-15,728	-13,503	-12,047	-970	-972	-975	-934	-936	-939	-1,009	-1,011	-1,013	-885	-884	-883	-958	-958	-958	-958	-6,205	-5,526			
Other property income	-1,424	-1,620	-1,671	-149	-149	-149	-129	-129	-130	-143	-144	-144	-150	-150	-150	-162	-188	-195	-195	-852	-995			
Labour and other income	-429	-326	-311	-18	-20	-23	-29	-25	-28	-33	-33	-29	-23	-25	-22	-19	-21	-23	-23	-134	-133			
<i>Total income debits</i>	-22,098	-20,139	-19,923	-1,690	-1,685	-1,553	-1,565	-1,452	-1,727	-1,679	-1,668	-1,614	-1,578	-1,553	-1,633	-1,700	-1,758	-1,630	-1,630	-10,218	-9,852			
Net income	-18,174	-16,073	-14,724	-1,265	-1,249	-1,101	-1,147	-1,043	-1,260	-1,279	-1,257	-1,191	-1,153	-1,080	-1,151	-1,278	-1,296	-1,158	-1,158	-7,547	-7,116			
Unrequited transfers —																								
<i>Credits —</i>																								
Official	4,711	4,584	3,119	288	258	258	264	259	255	255	229	228	252	232	210	216	225	256	256	1,634	1,391			
<i>Debits —</i>																								
Official	-1,284	-1,327	-1,390	-88	-113	-107	-134	-127	-102	-101	-118	-243	-72	-89	-82	-102	-115	-114	-114	-565	-574			
Non-official	-997	-1,009	-1,009	-88	-88	-88	-89	-90	-90	-75	-75	-75	-85	-85	-80	-76	-84	-105	-105	-515	-515			
<i>Total</i>	-2,281	-2,336	-2,399	-176	-201	-195	-223	-217	-192	-176	-193	-318	-157	-174	-162	-178	-199	-219	-219	-1,080	-1,089			
Net unrequited transfers	2,430	2,248	720	112	57	63	41	42	58	79	36	-90	95	58	48	38	26	37	37	554	302			

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

	Years												Months											
	1990			1991			1992			1992-93			1993-94			1992-93			1993-94					
	91	92	93	91	92	93	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	July to Dec		
Official --																								
General government --																								
Borrowing --																								
Domestic abroad --																								
Commonwealth Government --																								
Drawings																								
Repayments																								
Total																								
State government																								
Total domestic abroad																								
Domestic in Australia																								
Total borrowing																								
Other																								
Total general government																								
Reserve Bank --																								
Reserve assets --																								
Official reserve assets																								
Allocation of SDRs																								
Other																								
Total Reserve Bank																								
Total official																								
Non-official plus balancing item --																								
Public sector --																								
Non equity securities domiciled in Australia (a)																								
Accounts receivable/prepayments made																								
Other (including balancing items) (b)																								
Total non-official plus balancing item																								
Balance on capital account plus balancing item																								

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

TABLE 6. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Years		Months															
	1990	1991-1992	1992-93															
	91	92	93	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.			
Official reserve assets (\$ million) —	24,047	22,240	20,823	19,972	19,998	20,112	19,023	17,553	18,888	18,740	20,588	20,823	20,131	21,014	22,023	21,198	21,394	20,978
Levels at end of period	2,176	-1,807	-1,417	-1,594	26	114	-1,089	-1,470	1,335	-148	1,848	235	-692	883	1,009	-825	196	-416
Changes in levels Of which —	730	2,122	2,533	-367	-45	-291	309	-495	94	318	1,389	-79	-190	158	518	-1,015	257	-377
Changes due to effects of revaluations	1,446	-3,929	-3,950	-1,227	71	405	-1,398	-975	1,241	-466	459	314	-502	725	491	190	-61	-39
Exchange rates (b) —																		
Units of foreign currency per \$A —																		
End of period (c) —																		
United States dollar	0.7681	0.7488	0.6722	0.6954	0.6823	0.6880	0.6786	0.6957	0.7058	0.7116	0.6769	0.6722	0.6834	0.6708	0.6453	0.6661	0.6586	0.6771
United Kingdom pound	0.4712	0.3945	0.4453	0.4467	0.4512	0.4549	0.4456	0.4874	0.4725	0.4530	0.4345	0.4453	0.4609	0.4494	0.4271	0.4476	0.4423	0.4575
German mark	1.382	1.144	1.137	1.071	1.092	1.113	1.075	1.139	1.143	1.123	1.077	1.137	1.188	1.121	1.046	1.113	1.125	1.175
Japanese yen	106.19	94.05	71.54	85.64	85.08	85.81	84.42	81.92	81.51	79.06	72.60	71.54	72.41	69.93	67.85	72.17	71.77	75.80
Special drawing right	0.5825	0.5213	0.4818	0.4946	0.4945	0.4997	0.4889	0.5036	0.5085	0.5010	0.4738	0.4818	0.4907	0.4769	0.4546	0.4789	0.4763	0.4921
Period average (d) —																		
United States dollar	0.7853	0.7694	0.7030	0.7158	0.6902	0.6896	0.6740	0.6812	0.7073	0.7118	0.6979	0.6751	0.6775	0.6785	0.6521	0.6603	0.6649	0.6728
United Kingdom pound	0.4240	0.4381	0.4363	0.4307	0.4518	0.4442	0.4386	0.4732	0.4852	0.4609	0.4499	0.4470	0.4527	0.4549	0.4277	0.4391	0.4488	0.4515
German mark	1.248	1.274	1.103	1.060	1.094	1.090	1.089	1.118	1.167	1.135	1.120	1.115	1.161	1.151	1.058	1.081	1.130	1.151
Japanese yen	107.60	100.97	84.22	86.69	85.50	85.50	84.29	82.42	82.80	79.94	76.95	72.51	73.03	70.39	68.71	70.60	72.73	73.79
Special drawing right	0.5656	0.5580	0.4982	0.4971	0.4972	0.4963	0.4895	0.4966	0.5127	0.5046	0.4931	0.4790	0.4873	0.4844	0.4605	0.4691	0.4785	0.4858
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —	59.7	55.2	49.5	51.9	51.8	52.4	51.6	52.7	52.9	52.3	49.4	49.5	50.6	49.3	47.3	49.4	49.1	50.8
End of period (c)	58.9	58.2	52.3	52.7	52.0	52.2	51.4	51.9	53.4	52.6	51.3	49.6	50.2	49.8	47.8	48.6	49.4	50.2
Period average (d)																		

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 5. (b) These exchange rates and the trade-weighted index are derived using rates provided by the Reserve Bank of Australia, in respect of each trading day. (c) These exchange rates and index numbers relate to the last trading day of the reference period. (d) These exchange rates and index numbers are derived by averaging figures for each trading day.

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for December 1993, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the September quarter 1993 issue of the quarterly balance of payments publication (5302.0) released on 26 November 1993.

2. 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: Concepts, Sources and Methods* (5331.0). The publication also provides item definitions; explanations of seasonal adjustment and trend estimates; and an analysis of the quality of the 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. 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. Certain items are estimated using extrapolation techniques until source data become 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 2) 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 2 and the graphs. The trend estimates are generally derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted series.

Seasonal adjustment

5. The factors used in seasonally adjusting the monthly balance of payments statistics during 1993 can be obtained, for a charge, from Mr Trevor Jolly on Canberra (06) 252 6820.

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 Trevor Jolly on Canberra (06) 252 6820. There may be a charge for this information.

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
p	provisional

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

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