

CATALOGUE NO. 5301.0
EMBARGOED UNTIL 11.30 A.M 5 January 1996

BALANCE OF PAYMENTS, AUSTRALIA, NOVEMBER 1995

MAIN FEATURES

Estimates of the main balance of payments aggregates for November 1995 and the two preceding months 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 7 on *Reliability of Contemporary Trend Estimates* and in paragraph 4 of the *Explanatory Notes* on page 15. Certain items have been estimated using extrapolation techniques until source data become available.

	1995			Change on previous month(a)
	September	October	November	
		\$ million		
		<i>Trend</i>		
Balance on current account	-1,663p	-1,557p	-1,488p	4
		<i>Seasonally adjusted</i>		
Balance on current account	-1,452	-1,682	-1,866	-11
Balance on merchandise trade	-8	-97	-508	..
Net services	-47	-106	-25	76
Net income	-1,488	-1,593	-1,443	9
Net unrequited transfers	91	114	110	-4
		<i>Not seasonally adjusted</i>		
Balance on current account	-1,693	-2,107	-2,297	-9
Balance on merchandise trade	103	-455	-914	..
Net services	-395	-132	27	..
Net income	-1,505	-1,674	-1,512	10
Net unrequited transfers	104	154	102	-34

(a) For current account aggregates, a minus sign means an increase in a deficit or a decrease in a surplus; and an absence of sign means a decrease in a deficit or an increase in a surplus.

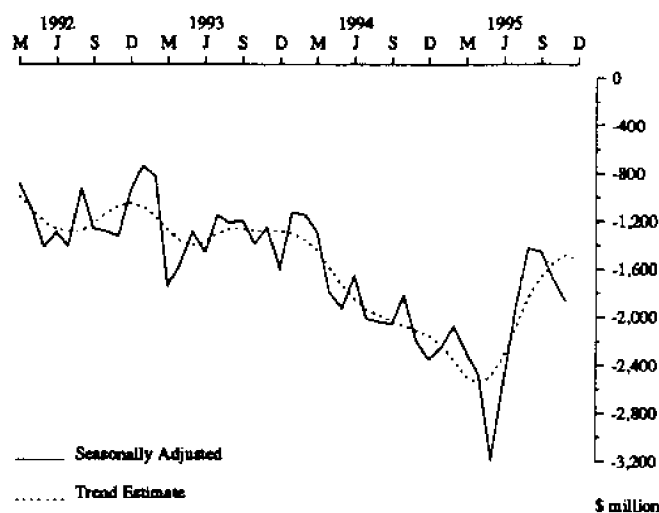
The provisional trend estimate for the November current account deficit was \$1,488 million, down \$69 million, or 4 per cent, on the provisional trend estimate for October. This is the lowest monthly trend estimate of the current account deficit since March 1994.

In seasonally adjusted terms, the current account deficit for November increased \$184 million, or 11 per cent, to \$1,866 million. The increase in the deficit was caused by:

- an increase of \$411 million in the merchandise trade deficit (merchandise exports fell 3 per cent, while merchandise imports rose 4 per cent); and
- a decrease of \$4 million (4 per cent) in the net unrequited transfers surplus.

Partly offsetting these movements in merchandise trade and unrequited transfers was a decrease of \$81 million (76 per cent) in the net services deficit and a decrease of \$150 million (9 per cent) in the net income deficit.

GRAPH 1: BALANCE ON CURRENT ACCOUNT



INQUIRIES • for further information about these and related unpublished statistics, contact Mr Alan Puckeridge on Canberra (06) 252 6689 or Mr Matthew Hardy on Canberra (06) 252 5540 or any ABS State office.
• for information about other ABS statistics and services please refer to the back page of this publication.

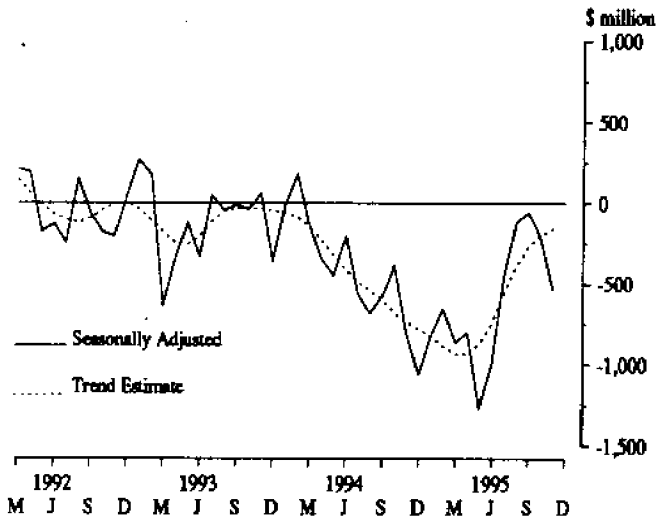
ANALYSIS OF SELECTED MAJOR AGGREGATES

November 1995 compared with October 1995

Balance on goods and services

The seasonally adjusted *balance on goods and services* recorded a deficit of \$533 million, an increase of \$330 million on the deficit recorded in October.

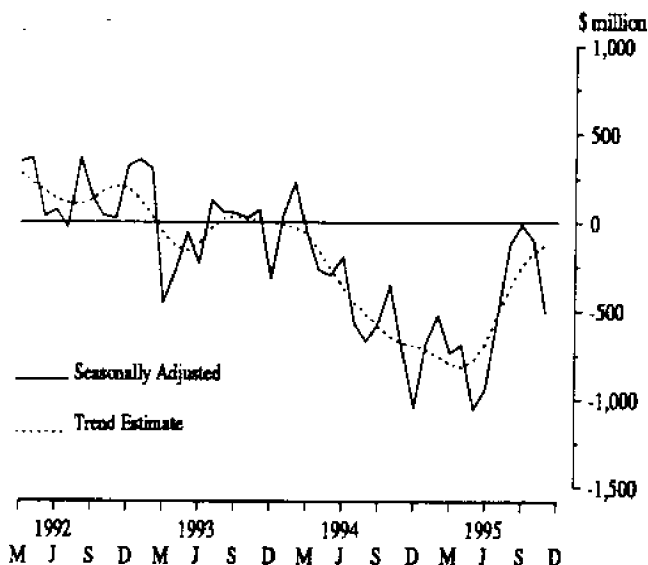
GRAPH 2: BALANCE ON GOODS AND SERVICES



Balance on merchandise trade

The seasonally adjusted *balance on merchandise trade* recorded a deficit of \$508 million, an increase of \$411 million on the deficit recorded in October.

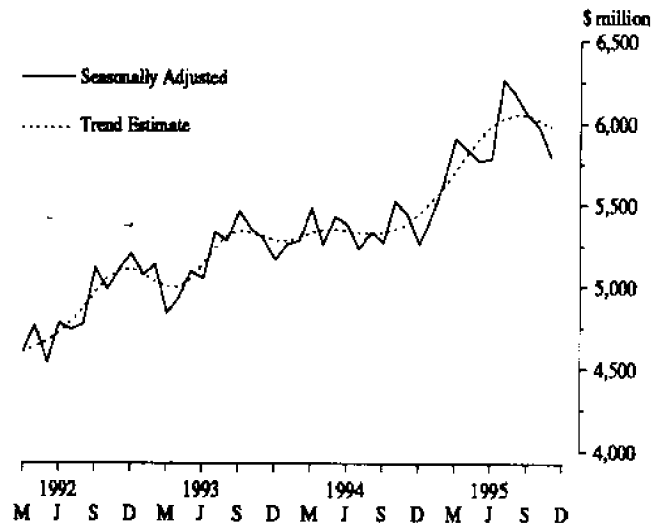
GRAPH 3: BALANCE ON MERCHANDISE TRADE



Merchandise exports

In seasonally adjusted terms, *merchandise exports* fell \$185 million, or 3 per cent, to \$5,794 million. *Rural exports* fell \$8 million, or 1 per cent, to \$1,581 million. *Non-rural exports* fell \$177 million, or 4 per cent, to \$4,213 million.

GRAPH 4: MERCHANDISE - EXPORTS FOB



In original terms, *exports* fell \$325 million, or 5 per cent, to \$5,924 million.

Rural exports, in original terms, fell \$46 million, or 3 per cent, to \$1,658 million. Decreases were recorded in all groups except cereals, which rose \$60 million or 27 per cent (due mainly to increased volumes of wheat exports). The largest decreases occurred in:

- sugar, down \$61 million or 25 per cent (due mainly to decreased volumes of cane sugar exports); and
- "other" rural exports, down \$30 million or 5 per cent.

Non-rural exports, in original terms, fell \$279 million, or 6 per cent, to \$4,266 million. The most significant decreases were recorded in:

- gold, down \$158 million or 27 per cent (due mainly to decreased volumes);
- "other" metals, down \$70 million or 12 per cent (due mainly to decreased exports of aluminium; nickel; iron and steel); and
- transport equipment, down \$54 million or 26 per cent.

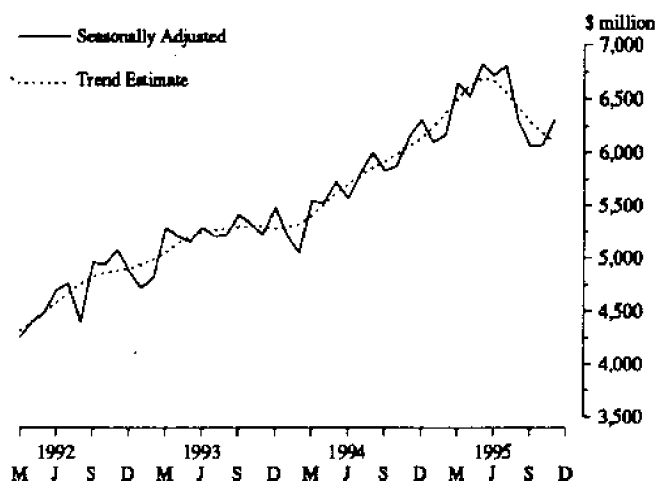
The most significant increase was recorded in machinery, up \$63 million or 11 per cent (with most components recording increases).

Merchandise imports

In seasonally adjusted terms, *merchandise imports* rose \$226 million, or 4 per cent, to \$6,302 million. *Consumption goods* rose \$98 million, or 6 per cent, to \$1,662 million. *Capital goods* rose \$104 million, or 7 per cent, to \$1,550 million. *Intermediate and other goods* rose \$24 million, or 1 per cent, to \$3,090 million.

In original terms, *imports* rose \$134 million, or 2 per cent, to \$6,838 million.

GRAPH 5: MERCHANDISE - IMPORTS FOB



Imports of *consumption goods*, in original terms, rose \$9 million to \$1,869 million. The largest increases were recorded in:

- textiles, clothing and footwear, up \$16 million or 8 per cent (with most components recording increases); and
- consumption goods nes, up \$11 million or 2 per cent.

The largest decrease was recorded in non-industrial transport equipment, down \$19 million or 4 per cent (due mainly to decreased imports of passenger motor cars).

Imports of *capital goods*, in original terms, rose \$89 million, or 6 per cent, to \$1,705 million. The largest increases were recorded in:

- civil aircraft, up \$73 million (which includes the import of an Ansett aircraft valued at \$33 million); and
- telecommunications equipment, up \$22 million, or 12 per cent.

These increases were partly offset by a decrease in industrial transport equipment nes, down \$18 million or 9 per cent.

Imports of *intermediate and other goods*, in original terms, rose \$36 million, or 1 per cent, to \$3,264 million. The largest increases were recorded in:

- fuels and lubricants, up \$90 million or 34 per cent (with most components recording increases); and
- non-monetary gold, up \$23 million or 45 per cent.

The most significant decrease was recorded in parts for transport equipment, down \$66 million or 16 per cent.

Net services

The seasonally adjusted *net services* deficit fell \$81 million, or 76 per cent, to \$25 million. Services credits rose \$41 million (2 per cent), while services debits fell \$40 million (2 per cent).

Net income

The seasonally adjusted *net income* deficit fell \$150 million, or 9 per cent, to \$1,443 million. Income credits rose \$16 million or 2 per cent, while income debits fell \$134 million or 6 per cent. It should be noted that, in accordance with established methodology, the monthly estimates of the non-official sector for October and November 1995 are based on extrapolations of quarterly results divided by three. These extrapolations will be replaced by preliminary results from the December quarter 1995 ABS Survey of Foreign Investment (SFI) when these results become available. Preliminary results should be available in time for incorporation in the January 1996 issue of this publication, scheduled for release on 29 February 1996.

Net unrequited transfers

The seasonally adjusted *net unrequited transfers* surplus fell \$4 million, or 4 per cent, to \$110 million. Unrequited transfers credits rose \$19 million, or 6 per cent, while unrequited transfers debits rose \$23 million or 13 per cent.

Net capital transactions

In original terms, the *net capital transactions of the official sector* recorded a net outflow of \$966 million in November, a turnaround of \$2,948 million on the net inflow recorded in October.

The November estimate consisted of:

- a net inflow of \$176 million in general government transactions, a decrease of \$1,868 million on the net inflow recorded in the previous month; and
- a net outflow of \$1,142 million in Reserve Bank transactions, an increase of \$1,080 million on the net outflow recorded in the previous month.

The lower net inflow in general government transactions was mainly the result of a net outflow of \$1,347 million in State government borrowing domiciled abroad, a turnaround of \$2,445 million on the net inflow recorded in October. This movement was partly offset by an increase of \$352 million in borrowing domiciled in Australia to a net inflow of \$1,503 million.

The change in Reserve Bank transactions in November mainly reflected net purchases of reserve assets of \$1,151 million, an increase of \$1,102 million on the net purchases recorded in October.

Exchange rates

Using period average exchange rates, the \$A depreciated by 1.1 per cent on a trade weighted basis during November against the currencies of Australia's major trading partners. The \$A depreciated by 1.6 per cent against the \$US and depreciated by 0.3 per cent against the Japanese yen.

Five months ended November 1995, compared with five months ended November 1994.

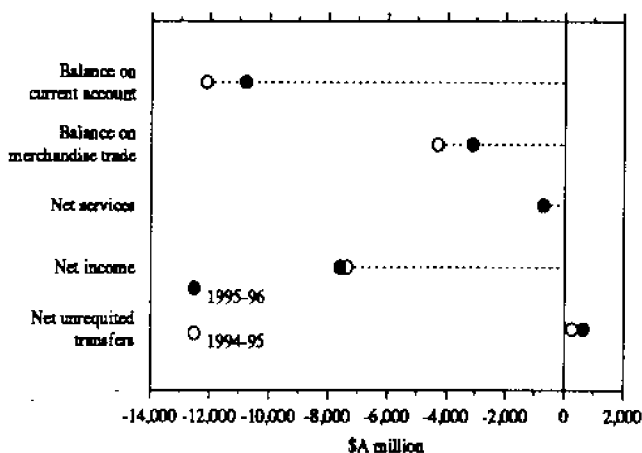
In original terms, the *current account* deficit for the five months ended November 1995 was \$10,791 million, down \$1,322 million, or 11 per cent, on the deficit for the five months ended November 1994.

This result was due to:

- a decrease of \$1,194 million (28 per cent) in the merchandise trade deficit; and
- an increase of \$380 million in the net unrequited transfers surplus.

The movements in merchandise trade and unrequited transfers were partly offset by an increase of \$26 million (4 per cent) in the net services deficit and an increase of \$226 million (3 per cent) in the net income deficit.

GRAPH 6: BALANCE OF PAYMENTS AGGREGATES - FIVE MONTHS ENDED NOVEMBER

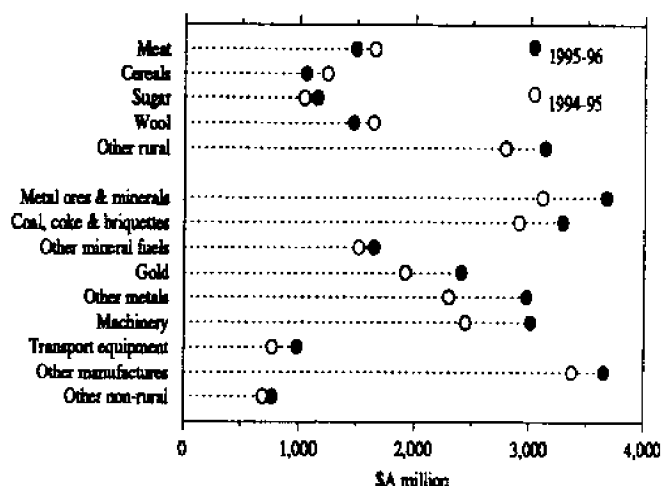


Merchandise exports rose \$3,314 million, or 12 per cent, to \$30,689 million. The largest increases were recorded in:

- "other" metals, up \$672 million (29 per cent);
- metal ores and minerals, up \$562 million (18 per cent);
- machinery, up \$561 million (23 per cent);
- gold, up \$483 million (25 per cent);
- coal, coke and briquettes, up \$389 million (13 per cent); and
- "other" rural exports, up \$345 million (12 per cent).

The most significant decreases were recorded in cereals, down \$181 million (15 per cent); wool, down \$175 million (11 per cent); and meat, down \$166 million (10 per cent).

GRAPH 7: MERCHANDISE EXPORTS - FIVE MONTHS ENDED NOVEMBER

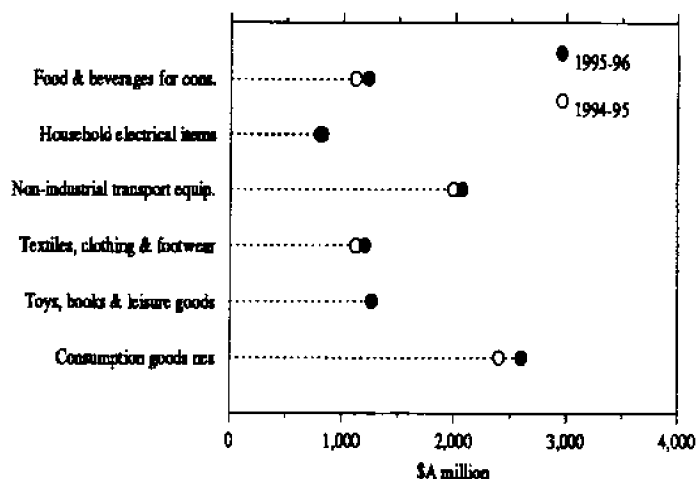


Merchandise imports rose \$2,120 million, or 7 per cent, to \$33,808 million. Consumption goods rose \$509 million (6 per cent); capital goods rose \$362 million (5 per cent); and intermediate and other goods rose \$1,249 million (8 per cent). The largest increases were recorded in:

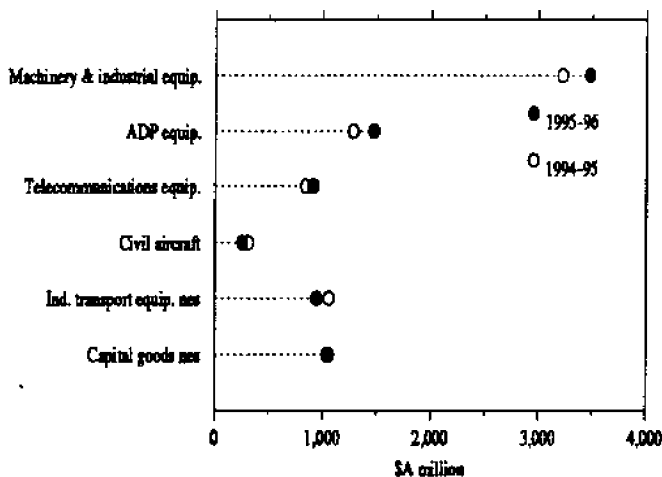
- "other" parts for capital goods, up \$360 million (15 per cent);
- machinery and industrial equipment, up \$253 million (8 per cent);
- organic and inorganic chemicals, up \$213 million (23 per cent);
- consumption goods nes, up \$202 million (8 per cent);
- ADP equipment, up \$192 million (15 per cent);
- processed industrial supplies nes, up \$183 million (5 per cent); and
- paper and paperboard, up \$174 million (23 per cent).

The most significant decreases were recorded in industrial transport equipment nes, down \$112 million (11 per cent); and parts for transport equipment, down \$97 million (5 per cent).

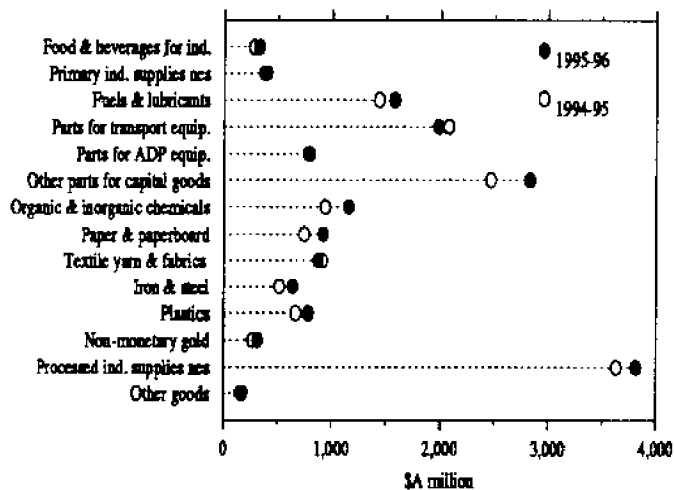
GRAPH 8: MERCHANDISE IMPORTS - CONSUMPTION GOODS FIVE MONTHS ENDED NOVEMBER



GRAPH 9: MERCHANDISE IMPORTS - CAPITAL GOODS
FIVE MONTHS ENDED NOVEMBER



GRAPH 10: MERCHANDISE IMPORTS - INTERMEDIATE AND OTHER GOODS
FIVE MONTHS ENDED NOVEMBER



The *net services* deficit rose \$26 million, or 4 per cent, to \$726 million. Services credits rose \$958 million, or 12 per cent, due mainly to increases of \$559 million in travel credits and \$189 million in "other" services credits. Services debits rose \$984 million, or 11 per cent, due mainly to increases of \$345 million in "other" transportation debits, \$306 million in travel debits and \$280 million in "other" services debits.

The *net income* deficit rose \$226 million, or 3 per cent, to \$7,599 million. Income credits rose \$299 million, or 10 per cent, due mainly to an increase in reinvested earnings. Income debits rose \$524 million, or 5 per cent, due mainly to increases in investment income payable by the official sector and "other" investment income payable by the non-official sector, which were partly offset by a decrease in reinvested earnings.

The *net unrequited transfers* surplus rose \$380 million to \$653 million. Unrequited transfers credits rose \$346 million, or 28 per cent, due mainly to an increase in migrants' transfers. Unrequited transfers debits fell \$34 million, or 4 per cent.

Official sector capital transactions for the five months ended November 1995 yielded a net inflow of \$2,672 million, compared with a net inflow of \$11,041 million for the corresponding period of the previous financial year. The estimate for the latest period consisted of:

- a net inflow of \$3,539 million in general government transactions, down \$6,099 million on the net inflow for the five months to November 1994; and
- a net outflow of \$867 million in Reserve Bank transactions, a turnaround of \$2,270 million on the net inflow for the five months to November 1994.

The decreased net inflow from general government transactions was largely due to a decrease of \$6,634 million in borrowing domiciled in Australia, to a net inflow of \$1,484 million. This movement was partly offset by an increase of \$1,173 million in total borrowing domiciled abroad, to a net inflow of \$2,049 million. This was mainly due to a decrease in the net outflow (repayments) of Commonwealth government borrowing domiciled abroad.

A turnaround, from net sales to net purchases, in official reserve assets was the main factor underlying the turnaround in Reserve Bank transactions.

REVISIONS

Revisions since the last issue of this publication have increased the current account deficits for 1991-92 to 1994-95 by \$22 million, \$4 million, \$52 million and \$100 million respectively; and increased the deficit for the first four months of this financial year by \$102 million.

The main factors contributing to these revisions are:

- incorporation of the latest available data on merchandise imports and exports: this was the sole contributor to the revisions to the current account deficits for 1991-92 and 1992-93 and has affected merchandise imports and exports figures in subsequent periods;
- incorporation of the latest available information on services imports which has affected "other" services debits back to 1993-94;
- incorporation of the latest available information from the monthly Survey of Foreign Investment which has affected official income debit estimates and net capital transactions for the current year to date;
- the removal of double counting of certain official services to overseas agencies which has reduced the official unrequited transfers debit estimates for the current year to date; and
- incorporation of the latest available information on overseas arrivals and departures which has affected the credit and debit series for services, labour income and unrequited transfers for the current year to date.

Release date for December 1995 issue

The expected release date for the December issue of this publication is 31 January 1996. 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

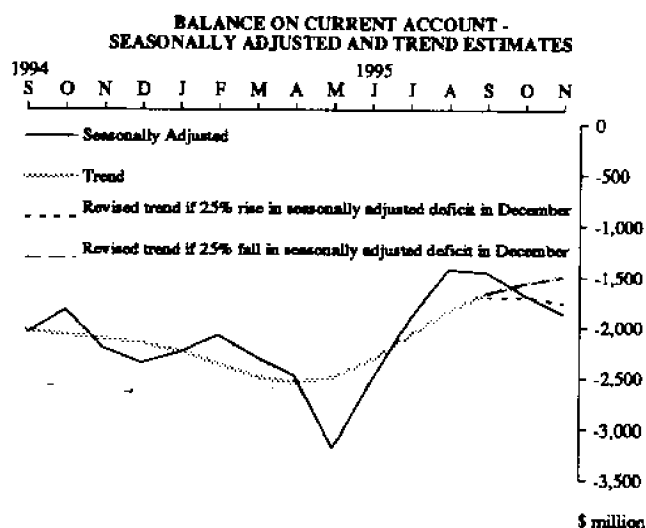
The table below presents trend estimates of the deficit on current account from September 1994 onwards, including provisional trend estimates for the latest three months (September, October and November 1995).

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 (December 1995) 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 seasonally adjusted deficit were to increase in December by 25 per cent, to \$2,333 million, the provisional trend movement for that month would be 8.0 per cent. The movements in the trend estimates for September, October and November which are provisionally -9.6 per cent, -6.4 per cent and -4.4 per cent respectively, would be revised to -6.8 per cent, -0.3 per cent and 3.7 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted deficit next month, to \$1,400 million, would produce a movement of 0.5 per cent in the trend estimate

for December, with the movements in the trend estimates for September, October and November being revised to -9.9 per cent, -6.1 per cent and -3.8 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 December 1995 seasonally adjusted current account deficit			
	\$m	% change on previous month	is up 25% on November 1995 (a)		is down 25% on November 1995 (a)	
			\$m	% change on previous month	\$m	% change on previous month
1994-95 —						
September	2029	2.3	2029	2.3	2029	2.3
October	2078	2.4	2078	2.4	2078	2.4
November	2116	1.8	2116	1.8	2116	1.8
December	2155	1.8	2155	1.8	2155	1.8
January	2232	3.6	2232	3.6	2232	3.6
February	2361	5.8	2361	5.8	2361	5.8
March	2490	5.5	2490	5.5	2490	5.5
April	2551	2.4	2551	2.4	2551	2.4
May	2495	-2.2	2495	-2.2	2495	-2.2
June	2326	-6.8	2313	-7.3	2331	-6.6
1995-96 —						
July	2083	-10.4	2060	-10.9	2091	-10.3
August	1840	-11.7	1827	-11.3	1843	-11.9
September	1663 p	-9.6	1702	-6.8	1660	-9.9
October	1557 p	-6.4	1697	-0.3	1559	-6.1
November	1488 p	-4.4	1760	3.7	1500	-3.8
December			1900	8.0	1507	0.5

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months September 1994 to November 1995.

TABLE 1. BALANCE OF PAYMENTS
(\$ million)

	Months																		
	Years			1994-95									1995-96						
	1992-93	1993-94	1994-95	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	July to Nov.
Current transactions —																			
Goods and services —																			
Merchandise (a) —																			
Exports fob	60,022	63,822	66,429	5,280	5,735	5,714	5,492	4,865	5,109	6,138	5,600	6,146	5,704	6,236	6,058	6,222	6,249	5,924	27,375
Imports fob	-59,431	-64,411	-74,717	-6,072	-6,268	-6,683	-5,925	-5,788	-5,610	-6,811	-5,698	-6,974	-6,223	-7,192	-6,955	-6,119	-6,704	-6,838	-31,688
Balance on merchandise trade	591	-589	-8,288	-792	-533	-969	-433	-923	-501	-673	-98	-828	-519	-956	-897	103	-455	-914	-4,313
Services —																			
Credits	16,422	18,688	20,341	1,472	1,680	1,664	1,748	1,895	2,033	1,727	1,686	1,580	1,606	1,953	1,735	1,618	1,840	1,878	8,066
Debits	-18,430	-19,508	-21,302	-1,821	-1,735	-1,695	-1,692	-1,865	-1,624	-1,751	-1,817	-1,874	-1,913	-2,020	-1,894	-2,013	-1,972	-1,851	-8,766
Net services	-2,008	-820	-961	-349	-55	-31	56	30	409	-24	-131	-294	-307	-67	-159	-395	-132	27	-700
Balance on goods and services	-1,417	-1,409	-9,249	-1,141	-588	-1,000	-377	-893	-92	-697	-229	-1,122	-826	-1,023	-1,056	-292	-587	-887	-5,013
Income —																			
Credits	5,925	6,016	7,305	603	601	555	580	621	634	662	641	541	704	604	605	626	689	695	2,921
Debits	-19,863	-21,692	-25,653	-2,108	-2,129	-2,075	-1,917	-2,191	-2,032	-2,127	-2,365	-2,445	-2,282	-2,100	-2,017	-2,132	-2,363	-2,207	-10,818
Net income	-13,938	-15,676	-18,348	-1,505	-1,529	-1,520	-1,337	-1,570	-1,398	-1,466	-1,724	-1,904	-1,577	-1,496	-1,412	-1,505	-1,674	-1,512	-7,897
Unrequited transfers —																			
Credits	3,119	2,820	3,209	225	258	235	288	315	315	237	295	247	272	364	327	282	309	304	1,240
Debits	-2,434	-2,624	-2,722	-213	-180	-170	-224	-222	-241	-218	-193	-285	-372	-230	-168	-178	-155	-202	-933
Net unrequited transfers	685	196	487	12	78	65	64	93	74	19	102	-38	100	134	159	104	154	102	273
Balance on current account	-14,670	-16,889	-27,110	-2,634	-2,039	-2,456	-1,650	-2,370	-1,416	-2,144	-1,851	-3,064	-2,503	-2,385	-2,309	-1,693	-2,107	-2,297	-12,113
Net capital transactions —																			
Official —																			
General government	11,384	7,869	13,626	477	2,774	4,215	2,032	-491	505	-300	-715	774	2,182	3,498	-2,033	-146	2,044	176	9,638
Reserve Bank —																			
Reserve assets	3,950	-1,054	1,971	483	904	-32	73	13	-93	-441	-138	200	956	-940	1,024	226	-49	-1,151	1,401
Other	39	-49	25	31	-44	22	13	-13	19	-4	38	-32	—	3	56	-32	-13	9	23
Total	3,989	-1,103	1,994	514	860	-10	86	—	-74	-445	-100	168	956	-937	1,080	194	-62	-1,142	1,403
Total official	15,373	6,766	15,620	991	3,634	4,205	2,118	-491	431	-745	-815	942	3,138	2,561	-953	48	1,982	-966	11,041
Non-official plus balancing item	-705	10,127	11,491	1,642	-1,596	-1,750	-468	2,861	985	2,888	2,122	-634	-176	3,262	1,645	125	3,263	1,071	8,119
Balance on capital account plus balancing item	14,670	16,889	27,110	2,634	2,039	2,456	1,650	2,370	1,416	2,144	1,851	3,064	2,503	2,385	2,309	1,693	2,107	2,297	12,113

(a) Balance of payments basis.

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

	Months															
	1994-95											1995-96				
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	
<i>Goods and services —</i>																
<i>Merchandise —</i>																
<i>Exports fob —</i>																
Rural	1,647	1,674	1,717	1,531	1,463	1,509	1,602	1,477	1,510	1,581	1,710	1,679	1,746	1,589	1,581	
Non-rural	3,621	3,846	3,720	3,728	3,958	4,133	4,306	4,361	4,256	4,203	4,554	4,496	4,308	4,390	4,213	
Total	5,268	5,520	5,437	5,259	5,421	5,642	5,908	5,838	5,766	5,784	6,264	6,175	6,054	5,979	5,794	
<i>Imports fob —</i>																
Consumption goods	-1,610	-1,576	-1,616	-1,631	-1,601	-1,511	-1,708	-1,699	-1,735	-1,651	-1,813	-1,714	-1,626	-1,564	-1,662	
Capital goods	-1,334	-1,336	-1,574	-1,738	-1,441	-1,629	-1,746	-1,568	-1,690	-1,788	-1,525	-1,446	-1,370	-1,446	-1,550	
Intermediate and other goods	-2,884	-2,960	-2,959	-2,937	-3,061	-3,027	-3,191	-3,255	-3,397	-3,280	-3,470	-3,135	-3,066	-3,066	-3,090	
Total	-5,828	-5,872	-6,149	-6,306	-6,103	-6,167	-6,645	-6,522	-6,822	-6,719	-6,808	-6,295	-6,062	-6,076	-6,302	
<i>Balance on merchandise trade</i>	-560	-352	-712	-1,047	-682	-525	-737	-684	-1,056	-935	-544	-120	-8	-97	-508	
<i>Services —</i>																
Credits	1,683	1,658	1,625	1,671	1,664	1,731	1,713	1,769	1,726	1,798	1,952	1,877	1,857	1,800	1,841	
Debits	-1,700	-1,689	-1,720	-1,684	-1,809	-1,861	-1,844	-1,885	-1,939	-1,854	-1,867	-1,874	-1,904	-1,906	-1,866	
Net services	-17	-31	-95	-13	-145	-130	-131	-116	-213	-56	85	3	-47	-106	-25	
<i>Balance on goods and services</i>	-377	-383	-807	-1,060	-827	-655	-868	-800	-1,269	-991	-459	-117	-55	-203	-533	
<i>Income —</i>																
Credits	605	597	560	580	647	674	698	623	525	683	598	609	621	684	700	
Debits	-2,073	-2,078	-2,031	-1,929	-2,184	-2,148	-2,132	-2,377	-2,442	-2,252	-2,155	-2,032	-2,109	-2,277	-2,143	
Net income	-1,468	-1,481	-1,471	-1,349	-1,537	-1,474	-1,434	-1,754	-1,917	-1,569	-1,557	-1,423	-1,488	-1,593	-1,443	
<i>Unrequited transfers —</i>																
Credits	237	248	241	279	296	307	238	295	266	285	359	324	300	294	313	
Debits	-250	-208	-171	-222	-182	-257	-228	-223	-269	-247	-253	-206	-209	-180	-203	
Net unrequited transfers	-13	40	70	57	114	50	10	72	-3	38	106	118	91	114	110	
<i>Balance on current account</i>	-2,058	-1,824	-2,208	-2,352	-2,250	-2,079	-2,292	-2,462	-3,189	-2,522	-1,910	-1,422	-1,452	-1,682	-1,866	
<i>Merchandise —</i>																
Exports fob	5,335	5,348	5,380	5,444	5,521	5,608	5,706	5,810	5,913	5,987	6,031	6,051	6,045p	6,017p	5,977p	
Imports fob	-5,921	-5,992	-6,062	-6,141	-6,237	-6,363	-6,503	-6,625	-6,688	-6,665	-6,559	-6,418	-6,288p	-6,185p	-6,097p	
<i>Balance on merchandise trade</i>	-586	-644	-682	-697	-716	-755	-797	-815	-776	-678	-528	-367	-243p	-168p	-120p	
<i>Balance on goods and services</i>	-604	-678	-736	-778	-824	-886	-937	-941	-873	-741	-565	-391	-267p	-198p	-155p	
<i>Balance on current account</i>	-2,029	-2,078	-2,116	-2,155	-2,232	-2,361	-2,490	-2,551	-2,495	-2,326	-2,083	-1,840	-1,663p	-1,557p	-1,488p	

(a) Balance of payments basis. (b) For forward seasonal factors see paragraph 6 of the Explanatory Notes.

TABLE 4. BALANCE OF PAYMENTS — CURRENT ACCOUNT — MERCHANDISE IMPORTS (BALANCE OF PAYMENTS BASIS)
(\$ million)

	Months												July to Nov.								
	Years			1994-95						1995-96						July	Nov.				
	1992-93	1993-94	1994-95	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	1994-95	1995-96	
Consumption goods <i>job (a)</i>—																					
Food and beverages, mainly for consumption	-2,261	-2,430	-2,592	-208	-237	-260	-235	-227	-199	-236	-168	-230	-181	-245	-233	-231	-256	-263	-1,116	-1,228	
Household electrical items	-1,382	-1,436	-1,744	-152	-184	-181	-156	-121	-119	-147	-132	-145	-129	-157	-167	-138	-179	-177	-795	-818	
Non-industrial transport equipment	-3,478	-3,800	-4,758	-428	-392	-407	-409	-337	-313	-462	-391	-446	-413	-469	-426	-346	-423	-404	-1,987	-2,068	
Textiles, clothing and footwear	-2,178	-2,320	-2,566	-223	-208	-225	-192	-246	-249	-235	-179	-189	-157	-266	-274	-220	-213	-229	-1,119	-1,202	
Toys, books and leisure goods	-2,238	-2,496	-2,546	-238	-277	-249	-183	-181	-156	-199	-170	-205	-193	-247	-252	-252	-260	-256	-1,259	-1,267	
Consumption goods <i>net</i>	-4,389	-4,751	-5,213	-464	-486	-521	-385	-390	-360	-445	-381	-481	-375	-519	-524	-486	-529	-540	-2,396	-2,598	
Total consumption goods	-15,926	-17,233	-19,419	-1,713	-1,784	-1,843	-1,560	-1,502	-1,396	-1,724	-1,421	-1,696	-1,448	-1,903	-1,876	-1,673	-1,860	-1,869	-8,672	-9,181	
Capital goods <i>job (a)</i>—																					
Machinery and industrial equipment	-5,446	-6,414	-7,897	-614	-646	-675	-620	-637	-618	-745	-616	-705	-733	-719	-691	-616	-723	-727	-3,223	-3,476	
ADP equipment	-2,319	-2,629	-3,232	-276	-255	-251	-217	-189	-195	-325	-243	-393	-392	-338	-325	-253	-273	-281	-1,278	-1,470	
Telecommunications equipment	-1,224	-1,182	-1,805	-136	-148	-310	-127	-119	-119	-153	-117	-151	-173	-164	-163	-207	-178	-200	-846	-912	
Civil aircraft	-828	-241	-529	-13	-25	-9	-33	-6	-57	-18	-43	-16	-48	-28	-81	-11	-31	-104	-308	-255	
Industrial transport equipment <i>net</i>	-1,838	-2,084	-2,714	-162	-227	-239	-518	-150	-197	-190	-189	-234	-179	-221	-198	-148	-198	-180	-1,057	-945	
Capital goods <i>net</i>	-2,000	-2,293	-2,365	-187	-201	-221	-180	-173	-170	-205	-189	-215	-193	-234	-213	-183	-213	-213	-1,040	-1,056	
Total capital goods <i>job</i>	-13,655	-14,843	-18,542	-1,388	-1,502	-1,705	-1,695	-1,274	-1,356	-1,636	-1,397	-1,714	-1,718	-1,704	-1,671	-1,418	-1,616	-1,705	-7,752	-8,114	
Intermediate and other goods (a)—																					
Food and beverages, mainly for industry	-436	-509	-774	-44	-59	-58	-57	-110	-90	-59	-53	-68	-61	-65	-65	-65	-55	-77	-276	-327	
Primary industrial supplies <i>net</i>	-677	-701	-901	-71	-66	-96	-55	-80	-79	-63	-62	-83	-85	-73	-71	-66	-83	-76	-394	-369	
Fuels and lubricants	-3,623	-3,317	-3,566	-318	-250	-208	-235	-280	-314	-323	-317	-379	-286	-385	-284	-290	-264	-354	-1,432	-1,577	
Parts for transport equipment	-3,675	-4,183	-4,714	-402	-418	-437	-340	-401	-329	-409	-385	-424	-351	-448	-446	-338	-406	-340	-2,075	-1,978	
Parts for ADP equipment	-1,423	-1,681	-1,857	-152	-152	-165	-136	-133	-138	-171	-142	-189	-172	-159	-158	-155	-161	-161	-776	-794	
Other parts for capital goods	-4,236	-5,047	-5,975	-483	-486	-514	-442	-462	-456	-561	-484	-582	-521	-619	-582	-511	-564	-551	-2,467	-2,827	
Organic and inorganic chemicals	-2,056	-2,102	-2,431	-157	-191	-216	-177	-203	-201	-245	-203	-228	-234	-242	-249	-194	-223	-245	-940	-1,153	
Paper and paperboard	-1,381	-1,465	-1,794	-145	-151	-160	-142	-151	-133	-164	-137	-179	-145	-189	-189	-171	-194	-174	-743	-917	
Textile yarn and fabrics	-1,763	-1,869	-2,036	-175	-174	-191	-139	-170	-142	-176	-137	-194	-165	-189	-187	-154	-167	-172	-913	-869	
Iron and steel	-946	-1,039	-1,285	-99	-96	-113	-85	-97	-112	-124	-96	-137	-122	-117	-143	-129	-125	-125	-512	-639	
Plastics	-1,272	-1,375	-1,646	-125	-131	-149	-127	-140	-134	-155	-133	-160	-129	-170	-155	-146	-158	-149	-668	-778	
Non-monetary gold	-1,019	-978	-705	-60	-41	-58	-74	-69	-56	-90	-30	-66	-55	-55	-78	-56	-51	-74	-265	-314	
Processed industrial supplies <i>net</i>	-7,135	-7,783	-8,681	-714	-740	-753	-650	-700	-652	-857	-684	-818	-687	-824	-763	-728	-749	-752	-3,633	-3,816	
Other goods	-208	-286	-391	-26	-27	-17	-11	-16	-22	-54	-17	-57	-44	-50	-38	-25	-28	-14	-170	-155	
Total intermediate and other goods	-29,850	-32,335	-36,736	-2,971	-2,982	-3,135	-2,670	-3,012	-2,858	-3,451	-2,880	-3,564	-3,037	-3,585	-3,408	-3,028	-3,228	-3,264	-15,264	-16,513	
Total imports <i>job</i>	-59,431	-64,411	-74,717	-6,072	-6,268	-6,683	-5,925	-5,788	-5,610	-6,811	-5,698	-6,974	-6,223	-7,192	-6,955	-6,119	-6,704	-6,838	-31,688	-33,808	

(a) Definitions of the component series are given in the ABS Information Paper, *Change to Commodity Classification of Merchandise Imports in Balance of Payments Publications* (ABS Catalogue No. 5344.0).

TABLE 5. BALANCE OF PAYMENTS — CURRENT ACCOUNT — SERVICES, INCOME AND UNREQUITED TRANSFERS (\$ million)

	Years												July to Nov.							
	Months																			
	1992-93	1993-94	1994-95	1995-96							1994-95	1995-96								
	1992-93	1993-94	1994-95	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	1994-95	1995-96				
Services —																				
Credits —																				
Shipment	1,241	1,487	1,533	123	113	114	114	134	134	140	140	140	140	143	143	136	596	701		
Other transportation	4,614	4,604	4,473	367	370	373	384	390	372	385	370	357	345	392	402	402	1,870	1,975		
Travel	6,411	7,502	8,730	519	711	706	775	921	1,069	737	733	612	627	927	679	593	796	820	3,256	
Other services	4,156	5,095	5,605	463	486	471	475	450	458	470	443	471	494	491	508	506	520	2,444	2,533	
Total services credits	16,422	18,688	20,341	1,472	1,680	1,664	1,748	1,895	2,033	1,727	1,686	1,580	1,606	1,953	1,735	1,618	1,840	8,066	9,024	
Debits —																				
Shipment	-3,772	-3,854	-4,384	-366	-371	-455	-320	-349	-343	-395	-333	-391	-338	-403	-398	-359	-393	-415	-1,968	
Other transportation	-4,637	-4,906	-5,333	-460	-429	-403	-435	-451	-405	-429	-454	-478	-494	-511	-496	-524	-513	-488	-2,187	
Travel	-4,985	-5,157	-5,774	-549	-549	-549	-567	-567	-567	-567	-567	-567	-567	-567	-567	-567	-567	-567	-2,361	
Other services	-5,036	-5,591	-5,811	-446	-481	-474	-510	-498	-480	-496	-492	-509	-523	-514	-496	-510	-537	-526	-2,583	
Total services debits	-18,430	-19,508	-21,302	-1,821	-1,735	-1,695	-1,824	-1,865	-1,624	-1,751	-1,817	-1,874	-1,913	-2,020	-1,894	-2,013	-1,972	-1,851	-8,750	
Net services	-2,008	-820	-961	-349	-55	-31	56	30	409	-24	-131	-394	-307	-67	-159	-395	-132	27	-700	
Income —																				
Credits —																				
Property income —																				
Investment income —																				
Reinvested earnings	2,045	2,661	3,500	292	292	292	292	292	292	292	292	292	292	292	292	292	292	292	1,458	
Other	3,040	2,464	2,673	205	210	173	193	231	257	282	261	164	324	163	171	183	251	268	961	
Other property income	343	380	581	55	50	49	47	47	47	47	42	42	41	52	52	52	50	49	266	
Labour and other income	497	511	551	51	49	41	46	51	39	41	46	44	48	55	48	57	54	44	236	
Total income credits	5,925	6,016	7,305	603	601	555	580	621	634	662	641	541	704	604	605	626	689	695	2,921	
Debits —																				
Property income —																				
Investment income —																				
Official	-3,580	-4,109	-3,977	-407	-383	-328	-168	-491	-336	-430	-286	-368	-203	-417	-329	-450	-505	-354	-1,696	
Non-official —																				
Reinvested earnings	-2,384	-4,243	-5,800	-483	-483	-483	-483	-483	-483	-483	-483	-483	-483	-483	-434	-434	-434	-434	-2,417	
Other	-12,024	-11,325	-13,843	-1,047	-1,097	-1,097	-1,043	-1,043	-1,043	-1,043	-1,043	-1,427	-1,427	-1,065	-1,065	-1,065	-1,246	-1,246	-5,334	
Other property income	-1,564	-1,732	-1,642	-140	-139	-138	-137	-137	-136	-136	-133	-133	-133	-149	-149	-149	-149	-140	-697	
Labour and other income	-311	-283	-391	-30	-27	-29	-32	-36	-33	-35	-36	-34	-35	-35	-40	-34	-30	-33	-150	
Total income debits	-19,863	-21,692	-25,653	-2,108	-2,129	-2,075	-1,917	-2,191	-2,032	-2,127	-2,365	-2,445	-2,282	-2,100	-2,017	-2,132	-2,363	-2,207	-10,294	
Net income	-13,938	-15,676	-18,348	-1,505	-1,529	-1,521	-1,337	-1,570	-1,398	-1,466	-1,724	-1,904	-1,577	-1,496	-1,412	-1,505	-1,674	-1,512	-7,373	
Unrequited transfers —																				
Credits	3,119	2,820	3,209	225	258	235	288	315	315	237	295	247	272	364	327	282	309	304	1,240	
Debits —																				
Official	-1,432	-1,583	-1,591	-129	-99	-77	-109	-109	-147	-123	-100	-196	-280	-130	-71	-89	-69	-104	-527	
Non-official	-1,002	-1,041	-1,131	-84	-81	-93	-115	-113	-94	-95	-93	-89	-92	-100	-97	-89	-86	-98	-440	
Total	-2,434	-2,624	-2,722	-213	-180	-170	-224	-222	-241	-218	-193	-285	-372	-230	-168	-178	-155	-202	-967	
Net unrequited transfers	685	196	487	12	78	65	64	93	74	19	102	-38	-100	134	159	104	154	102	273	

TABLE 6. BALANCE OF PAYMENTS — CAPITAL ACCOUNT AND BALANCING ITEM
(\$ million)

	Months												July to Nov.												
	Years			1994-95										1995-96											
	1992-93	1993-94	1994-95	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	1994-95	1995-96					
Official —																									
General government —																									
Borrowing —																									
Domiciled abroad —																									
Commonwealth Government —																									
Drawings	1,239	40																							
Repayments	-830	-1,129																							
Total	409	-1,089																							
State government	10,135	4,848																							
Total domiciled abroad	10,544	3,759																							
Domiciled in Australia	831	4,580																							
Total borrowing	11,375	8,339																							
Other	9	-470																							
Total general government	11,384	7,869																							
Reserve Bank —																									
Reserve assets —																									
Official reserve assets	3,950	-1,054																							
Allocation of SDRs																									
Other	39	-49																							
Total Reserve Bank	3,989	-1,103																							
Total official	15,373	6,766																							
Non-official plus balancing item—																									
Public sector —																									
Non equity securities domiciled in Australia (a)	-291	-1,060																							
Accounts receivable/prepayments made	88	-1,215																							
Other (including balancing item) (b)	-502	12,402																							
Total non-official plus balancing item	-705	10,127																							
Balance on capital account plus balancing item	14,670	16,889																							

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

TABLE 7. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Months																		
	Years			1994-95			1994-95			1995-96									
	1992-93	1993-94	1994-95	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	
Official reserve assets (\$ million) —	20,823	20,661	20,185	20,308	19,443	18,575	18,417	19,047	19,828	21,240	21,293	21,443	20,185	20,050	18,350	18,659	18,671	19,934	
Levels at end of period	-1,417	-162	-476	-165	-865	-868	-158	630	781	1,412	53	150	-1,258	-135	-1,700	309	12	1,263	
Changes in levels Of which —																			
Changes due to effects of revaluations	2,533	-1,216	1,495	318	39	-900	-85	643	688	971	-85	350	-302	-1,075	-676	535	-37	112	
Changes included in the balance of payments (a)	-3,950	1,054	-1,971	-483	-904	32	-73	-13	93	441	138	-200	-956	940	-1,024	-226	49	1,151	
Exchange rates (b) —																			
Units of foreign currency per \$A —																			
End of period (c) —																			
United States dollar	0.6722	0.7291	0.7086	0.7393	0.7422	0.7674	0.7768	0.7583	0.7395	0.7280	0.7299	0.7138	0.7086	0.7389	0.7524	0.7550	0.7566	0.7469	
United Kingdom pound	0.4453	0.4721	0.4452	0.4680	0.4575	0.4912	0.4982	0.4752	0.4669	0.4534	0.4515	0.4449	0.4452	0.4611	0.4861	0.4777	0.4800	0.4860	
German mark	1.137	1.159	0.981	1.145	1.121	1.206	1.207	1.141	1.084	1.026	1.004	0.993	0.981	1.023	1.109	1.070	1.066	1.072	
Japanese yen	71.54	72.20	60.08	72.88	72.25	75.93	77.56	74.75	71.75	64.92	61.04	59.45	60.08	65.31	73.55	74.22	76.98	75.83	
Special drawing right	0.4818	0.5026	0.4539	0.5042	0.4971	0.5255	0.5336	0.5144	0.4944	0.4677	0.4621	0.4530	0.4539	0.4753	0.5070	0.5024	0.5031	0.5020	
Period average (d) —																			
United States dollar	0.7030	0.6919	0.7427	0.7414	0.7382	0.7539	0.7740	0.7658	0.7453	0.7346	0.7361	0.7278	0.7196	0.7268	0.7412	0.7542	0.7580	0.7459	
United Kingdom pound	0.4563	0.4623	0.4705	0.4743	0.4599	0.4738	0.4963	0.4869	0.4740	0.4591	0.4574	0.4580	0.4511	0.4557	0.4725	0.4841	0.4800	0.4768	
German mark	1.103	1.171	1.120	1.150	1.223	1.159	1.217	1.174	1.115	1.093	1.014	1.040	1.008	1.010	1.071	1.103	1.073	1.056	
Japanese yen	84.22	73.52	70.35	73.24	72.72	73.86	77.49	76.37	73.24	66.66	61.58	61.84	60.84	63.43	70.06	75.79	76.28	76.02	
Special drawing right	0.4982	0.4944	0.4972	0.5071	0.5000	0.5119	0.5330	0.5231	0.5049	0.4792	0.4670	0.4671	0.4601	0.4665	0.4897	0.5084	0.5056	0.4988	
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —																			
End of period (c)	49.5	53.0	48.4	53.4	53.1	55.5	56.2	54.5	52.9	50.7	49.6	48.5	48.4	51.0	53.9	53.8	54.3	53.8	
Period average (d)	52.3	51.4	52.8	53.6	53.1	54.3	56.2	55.3	53.6	51.4	50.1	49.8	49.2	50.0	52.5	54.4	54.3	53.7	

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 6. (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 November 1995, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the September quarter 1995 issue of the quarterly balance of payments publication (5302.0) released on 28 November 1995.

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. The irregular influences may reflect both random economic events and difficulties of statistical recording. Seasonal adjustment does not aim to remove the irregular or non-seasonal influences which may be present in any particular month. This means that the month-to-month movements of the seasonally adjusted estimates may not be reliable indicators of trend behaviour. For example, irregular factors unrelated to the trend account for more than half the seasonally adjusted monthly movements with the following frequency:

Balance on current account: 9 in 10 months
 Merchandise exports fob: 9 in 10 months
 Merchandise imports fob: 9 in 10 months

5. 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

6. The factors used in seasonally adjusting the monthly balance of payments statistics during 1995 can be obtained, for \$70.00, from Mr Trevor Jolly on Canberra (06) 252 6820.

7. 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

8. 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.

Related products and services

9. More detailed merchandise exports and merchandise imports data, including dissections by commodity and country of origin, are also available on an international merchandise trade basis for November 1995 and previous months. These data can be obtained by contacting information services on Canberra (06) 252 5400.

Symbols and other usages

fob	free on board
n.a.	not available
n.e.c.	not elsewhere classified
n.e.s.	not elsewhere specified
n.p.	not for publication
n.y.a.	not yet available
—	nil or rounded to zero
..	not applicable
p	provisional

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

W. McLennan
 Australian Statistician



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