

## CHAPTER TWENTY-SIX

### FOREIGN TRANSACTIONS

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This chapter includes statistics of foreign trade, balance of payments, foreign investment by private investors; and foreign ownership and control of enterprises in Australia.

#### AUSTRALIA'S FOREIGN TRADE—AN HISTORICAL SUMMARY

The following tables show Australian trade (including gold) with overseas countries from the earliest date for which reasonably reliable records are available. Some of the problems which arose in compiling the early figures are noted below.

##### **Records of past years**

Before Federation, each State recorded its trade independently and the only available means of ascertaining the total trade of Australia for those years is by aggregating the records of the States. However, the results are subject to error, as the past records of values and direction of trade are not on uniform lines. The figures in the following tables for years prior to Federation have been carefully compiled and may be taken as representative of the overseas trade of Australia as a whole.

##### **Currency**

All values in the following tables are in Australian dollars f.o.b. Values for years prior to 1966 were converted from pounds to Australian dollars at the rate of one pound equals two dollars.

##### **The trade year**

Before 1 July 1914, statistics relating to overseas trade were shown on a calendar year basis. From that date on, the statistics relate to the financial year ending 30 June.

##### **Ships' stores and ships imported and exported**

Prior to 1906, goods loaded in Australian ports on board overseas ships as ships' stores were included in general exports. From 1906 onward, stores were specially recorded as such and omitted from exports. However, ships' stores were again included in total export statistics commencing in July 1982 following a United Nations Statistical Commission recommendation. The imports and exports of ships were not recorded prior to 1905.

##### **Total foreign trade**

Table 1 shows the total trade of Australia with overseas countries. The period 1826 to 1975 has been divided into ten-yearly periods and the figures shown represent the annual averages of the periods specified. Figures for individual years can be found in *Year Book* No. 35 and earlier issues but it should be noted that in those issues imports are shown in British currency. Figures given here for the early years are only approximations of the actual figures.

##### **Imports and exports by commodity groupings**

Tables 2 and 3 show imports and exports by selected commodity groups. Figures are given for selected years at ten-yearly intervals from 1902 to 1982 and for each year thereafter. Commodity data are not available in a viable form before Federation. In July 1965, the Statistical Classification of Imports was replaced by the Australian Import Commodity Classification, so commodity data after that date are not directly comparable with data classified according to the old classification.

## Trade with selected countries

Tables 4 and 5 show the value and percentage of trade with selected overseas countries. Figures for years prior to 1902 are the averages for the periods indicated; subsequent figures are for selected years at ten-yearly intervals up to 1982 and for each year thereafter.

TABLE 1: VALUE OF IMPORTS AND EXPORTS AT CURRENT PRICES (1826-1987)  
AND CONSTANT PRICES (1972-1987)  
(\$ million)

Year ended 30 June—	Total imports		Total exports		Excess of exports (+) or imports (-)	
	Current prices	Constant prices (a)	Current prices	Constant prices (a) (b)	Current prices	Constant prices (a)
1826-1835 . . . . .	1.6		0.8		-0.8	
1836-1845 . . . . .	3.8		2.5		-1.3	
1846-1855 . . . . .	13.0		13.7		+0.7	
1856-1865 . . . . .	35.4		34.7		-0.7	
1866-1875 . . . . .	37.0		43.7		+6.7	
1876-1885 . . . . .	54.1		51.8		-2.3	
1886-1895 . . . . .	56.4		60.3		+3.9	
1896-1905 . . . . .	66.4		92.3		+25.9	
1906-1915 . . . . .	113.6		143.8		+30.2	
1916-1925 . . . . .	216.0		249.6		+33.6	
1926-1935 . . . . .	193.1		252.3		+59.2	
1936-1945 . . . . .	393.7		325.8		-67.9	
1946-1955 . . . . .	1,104		1,246		+142	
1956-1965 . . . . .	1,950		2,036		+86	
1966-1975 . . . . .	4,304		4,742		+438	
1976 . . . . .	8,241	13,035	9,640	14,769	+1,399	+1,734
1977 (c) . . . . .	10,330	14,564	11,489	16,202	+1,159	+1,638
1978 . . . . .	11,082	13,666	12,050	16,478	+968	+2,812
1979 . . . . .	13,651	15,765	14,071	17,298	+420	+1,533
1980 . . . . .	16,045	16,102	18,606	18,610	+2,561	+2,508
1981 . . . . .	18,790	17,389	18,949	17,652	+159	+263
1982 . . . . .	22,767	20,313	19,294	17,807	-3,473	-2,506
1983 . . . . .	21,216	17,420	21,454	18,194	+238	+774
1984 . . . . .	23,540	18,929	24,013	19,303	+473	+374
1985 . . . . .	29,049	21,347	29,708	22,234	+659	+887
1986 . . . . .	34,691	21,896	32,818	23,680	-1,873	+1,784
1987(p) . . . . .	37,092	21,220	35,725	25,143	-1,367	+3,923

(a) Constant Price Values are based on average 1979-80 prices. (b) Constant Price Value exports for 1983 and later years exclude stores taken on by international vessels. (c) Total imports and exports at current prices exclude non-merchandise trade from the commencement of the year ended 30 June 1977 in this table.

TABLE 2: VALUE OF IMPORTS BY SELECTED COMMODITY GROUPS  
(\$ million)

Year ended 30 June	Vegetable, foodstuffs	Apparel, etc.	Oil, etc.	Metals, etc.	Rubber	Paper, etc.	Other	Total
1902	7.2	21.8	2.4	15.6	1.0	3.2	24.8	76.0
1912	7.4	32.4	3.2	28.0	2.8	5.2	43.0	122.0
1922	8.0	62.0	9.4	45.6	3.4	8.8	50.8	188.0
1932	5.2	30.8	11.0	14.8	1.6	8.8	31.8	104.0
1942	12.3	65.3	32.4	143.6	6.0	8.7	79.7	348.0
1952	50.1	407.1	174.9	768.8	68.0	137.5	500.6	2,107.0
1962	56.3	208.4	219.8	630.3	35.5	109.6	509.1	1,769.0

Year ended 30 June	Food and live ani- mals	Bever- ages and tob- acco	Crude mat- erials, inedible, except fuels	Min- erals, fuels, lubri- cants, etc.	Animal and vege- table oil and fat	Chem- icals	Manu- factured goods	Machin- ery and trans- port equip- ment	Miscell- aneous manu- factured equip- ment	Other	Total(a)
1972	160	51	219	194	15	410	856	1,483	432	188	4,008
1982	732	173	769	3,002	80	1,828	3,856	9,357	2,681	289	22,767
1983	836	184	648	3,098	82	1,776	3,446	8,022	2,734	391	21,216
1984	1,015	196	762	2,218	111	2,157	3,984	9,309	3,119	668	23,540
1985	1,247	225	932	2,299	112	2,549	4,919	11,900	3,866	1,000	29,049
1986	1,418	298	1,023	1,927	94	3,024	5,620	15,141	4,669	1,477	34,691
1987(p)	1,613	327	1,084	1,747	91	3,471	6,186	15,434	5,185	1,953	37,092

(a) From the commencement of the year ended 30 June 1982, non-merchandise trade is excluded from total imports.

TABLE 3: VALUE OF EXPORTS BY SELECTED COMMODITY GROUPS  
(\$ million)

Year ended 30 June	Coal	Wool	Wheat	Meat	Sugar	Ores and concentrates		Barley	Petroleum products	Lead and lead alloys	Other	Total(a)
						Iron	Other					
1902(b)	n.a.	30	6	5	—	—	—	n.a.	n.a.	n.a.	59	100
1912	2	52	13	9	—	—	8	—	—	3	71	158
1922	2	96	57	11	—	—	1	1	—	4	84	256
1932	1	74	3	13	5	—	—	3	—	5	112	216
1942	1	112	9	28	5	—	2	—	—	14	167	338
1952	1	636	111	71	14	—	40	22	—	52	403	1,350
1962	27	720	285	179	68	—	48	30	25	38	735	2,155
1972	238	633	419	569	211	376	226	73	45	68	2,035	4,893
1982	2,289	1,913	1,720	1,292	764	1,252	2,131	241	551	264	6,877	19,294
1983	3,073	1,807	1,440	1,585	557	1,487	2,206	131	1,153	302	7,713	21,454
1984	3,328	1,968	1,814	1,309	621	1,619	2,077	457	1,226	310	9,284	24,013
1985	4,654	2,454	2,857	1,288	575	1,835	2,325	592	1,155	251	11,722	29,708
1986	5,212	2,978	2,969	1,608	616	1,936	2,496	537	1,124	281	13,061	32,818
1987(p)	5,426	3,760	2,141	2,140	634	1,753	2,507	254	836	291	15,983	35,725

(a) From the commencement of the year ended 30 June 1982, non-merchandise trade is excluded from total exports. (b) n.a.—not available separately, but included in 'Other'.

TABLE 4: IMPORTS, VALUE BY SELECTED COUNTRIES

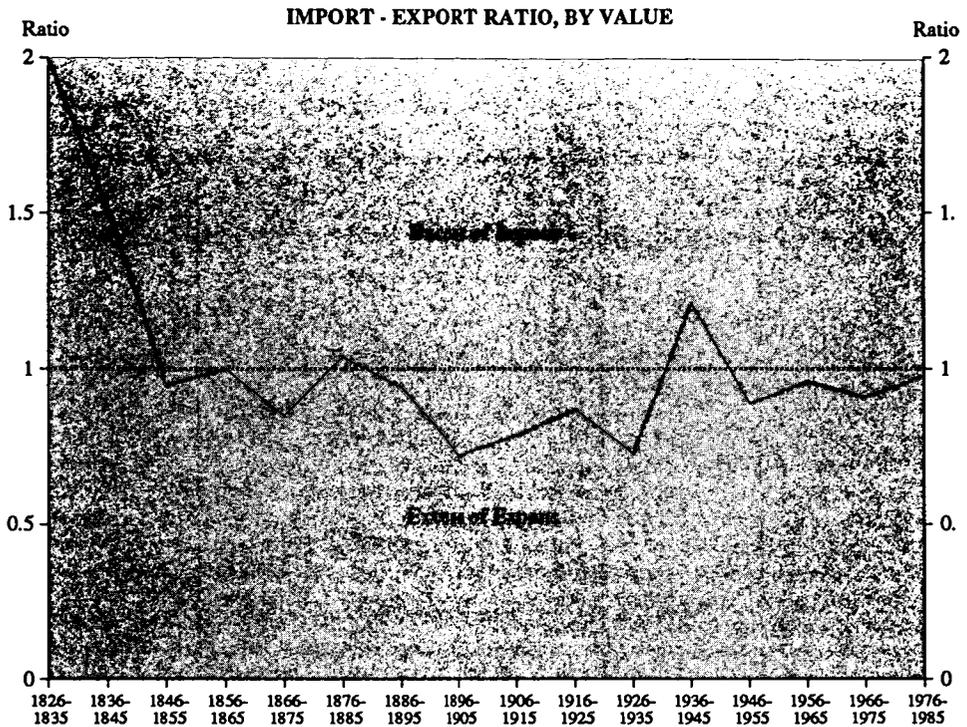
Year ended 30 June	Canada		France		Federal Republic of Germany (a)		India		Japan		New Zealand		United Kingdom		U.S.A.		Other		Total (b)	
	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total
1887-1891 . . .	0.2	0.3	0.7	1.0	2.3	3.6	1.4	2.1	—	0.1	3.3	5.2	45.1	70.1	4.1	6.4	7.2	11.2	64.3	11.2
1892-1896 . . .	0.2	0.4	0.4	0.8	2.0	4.3	1.1	2.4	0.1	0.2	2.0	4.3	33.2	70.9	3.1	6.5	4.7	10.1	47.0	10.1
1897-1901 . . .	0.4	0.6	0.9	1.3	4.1	6.2	1.7	2.5	0.4	0.6	2.8	4.2	41.5	62.8	7.9	12.0	6.5	9.8	66.0	9.8
1902 . . .	0.6	0.8	0.9	1.2	5.0	6.6	3.0	4.0	0.5	0.7	3.2	4.2	45.2	59.5	10.5	13.8	7.0	9.2	76.0	9.2
1912 . . .	1.6	1.3	3.5	2.9	11.2	9.2	3.5	2.9	1.6	1.3	4.6	3.8	61.1	50.1	16.8	13.8	17.9	14.7	122.0	14.7
1922 . . .	5.8	3.1	5.1	2.7	0.2	0.1	6.8	3.6	6.6	3.5	3.2	1.7	96.6	51.4	34.4	18.3	29.3	15.6	188.0	15.6
1932 . . .	3.4	3.3	2.8	2.7	3.4	3.3	6.8	6.5	5.8	5.6	1.7	1.6	42.2	40.6	17.1	16.4	20.8	20.0	104.0	20.0
1942 . . .	20.9	6.0	n.a.	n.a.	—	—	26.1	7.5	1.0	0.3	2.4	0.7	133.6	38.4	106.1	30.5	57.8	16.6	348.0	16.6
1952 . . .	27.1	1.3	44.8	2.1	65.4	3.1	95.6	4.5	87.2	4.1	14.8	0.7	93.4	44.2	218.3	10.4	622.2	29.5	2,106.8	29.5
1962 . . .	68.3	3.9	22.2	1.3	103.7	5.9	32.1	1.8	99.0	5.6	27.1	1.5	531.8	30.1	348.2	19.7	536.6	30.3	1,769.0	30.3
1972 . . .	138.1	3.4	69.1	1.7	292.4	7.3	35.2	0.9	628.6	15.7	112.3	2.8	836.1	20.9	872.6	21.8	1,024.0	25.5	4,008.4	25.5
1982 . . .	584.9	2.5	628.1	2.7	1,355.7	5.9	118.8	0.5	4,527.4	19.7	726.2	3.2	1,649.2	7.2	5,249.3	22.8	8,165.1	35.5	23,004.7	35.5
1983 . . .	434.6	2.0	454.8	2.1	1,298.6	6.0	142.3	0.7	4,506.3	20.7	694.3	3.2	1,466.9	6.7	4,766.4	21.9	8,041.8	36.9	21,806.0	36.9
1984 . . .	451.6	1.9	506.0	2.1	1,376.2	5.8	119.1	0.5	5,337.6	22.7	910.2	3.9	1,603.2	6.8	5,043.8	21.4	8,192.6	34.8	23,540.3	34.8
1985 . . .	606.4	2.1	558.9	1.9	1,811.6	6.2	169.1	0.6	6,608.6	22.7	1,104.2	3.8	1,961.6	6.8	6,425.9	22.1	9,803.1	33.7	29,049.4	33.7
1986 . . .	691.2	2.0	776.1	2.2	2,743.2	7.9	170.5	0.5	8,248.3	23.8	1,454.4	4.2	2,515.6	7.3	7,283.7	21.0	10,808.2	31.2	34,691.2	31.2
1987(p) . . .	750.8	2.0	825.0	2.2	2,784.9	7.5	203.4	0.5	7,744.9	20.9	1,431.2	3.9	2,766.5	7.5	8,118.7	21.9	12,466.2	33.6	37,091.6	33.6

(a) Prior to 1955 includes German Democratic Republic. (b) From the commencement of the Year ended 30 June 1984, non-merchandise trade is excluded from total imports.

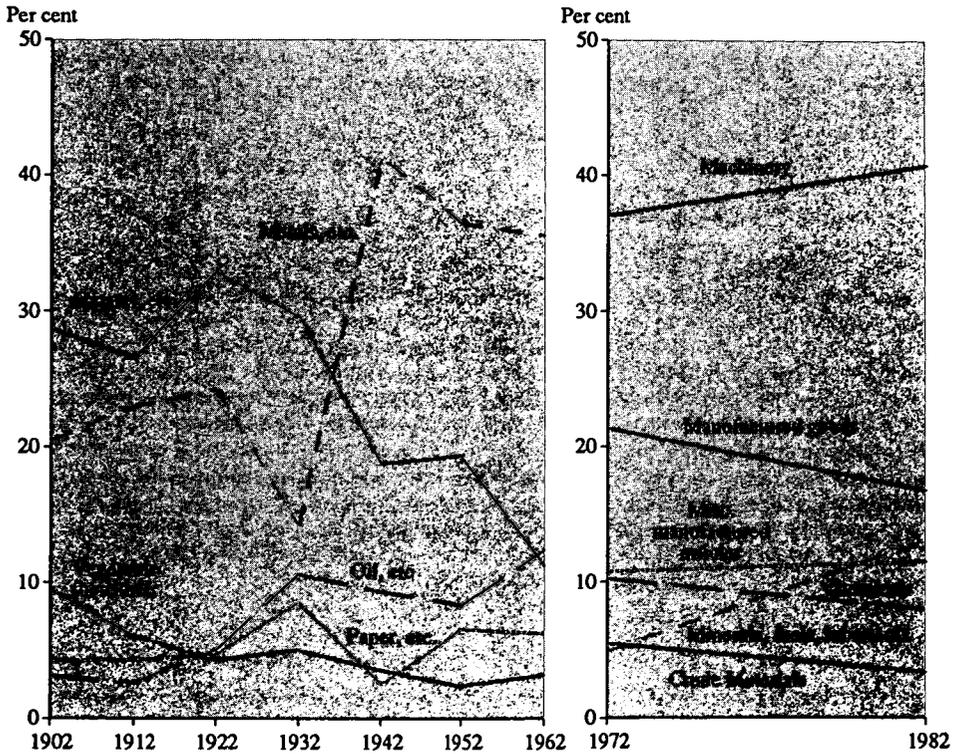
TABLE 5: EXPORTS, VALUE BY SELECTED COUNTRIES

Year	China, People's Republic of (a)		France		Federal Republic of Germany (b)		Italy		Japan		New Zealand		U.K.		U.S.A.		U.S.S.R.		Other		Total (c)	
	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total	\$m	% of total
1887-1891	0.1	0.2	1.2	2.3	1.0	1.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1892-1896	—	0.1	3.8	6.2	2.9	4.8	0.1	0.1	0.1	0.1	1.4	2.5	40.0	74.7	3.0	5.6	n.a.	n.a.	6.6	12.4	53.5	60.1
1897-1901	0.4	0.5	4.8	5.9	3.9	4.8	0.3	0.4	0.2	0.3	2.1	2.6	46.1	57.0	7.2	8.9	n.a.	n.a.	15.8	19.6	80.8	100.0
1902	0.3	0.3	5.0	5.0	5.1	5.1	0.3	0.3	0.2	0.2	2.9	2.9	50.4	50.4	6.7	6.7	n.a.	n.a.	29.1	29.1	100.0	100.0
1912	0.4	0.2	16.0	10.2	14.9	9.4	1.2	0.8	2.3	1.5	4.5	2.8	62.9	39.8	4.1	2.6	n.a.	n.a.	51.9	32.8	138.0	138.0
1922	1.0	0.4	17.4	6.8	8.0	3.1	16.1	6.3	15.9	6.2	9.2	3.6	115.5	45.2	16.6	6.5	n.a.	n.a.	56.0	21.9	256.0	256.0
1932	9.9	4.6	9.3	4.3	7.8	3.6	7.3	3.4	23.3	10.8	5.2	2.4	115.5	53.4	8.2	3.8	0.4	0.2	29.5	13.6	216.0	216.0
1942	0.5	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.7	0.5	13.7	4.1	86.5	25.6	115.7	34.2	1.9	0.6	118.0	34.9	338.0	338.0
1952	0.6	—	115.8	8.6	40.8	3.0	76.0	5.6	97.0	7.2	74.6	5.5	416.3	30.8	154.4	11.4	n.a.	n.a.	374.5	27.7	1,350.0	1,350.0
1962	131.9	6.1	104.1	4.8	81.7	3.8	104.4	4.8	373.8	17.4	117.5	5.5	412.7	19.2	218.0	10.1	23.5	1.1	587.0	27.3	2,155.0	2,155.0
1972	37.3	0.8	127.9	2.6	149.8	3.1	89.4	1.8	1,360.2	27.8	277.1	5.7	449.2	9.2	615.3	12.6	82.8	1.7	1,704.0	34.8	4,893.0	4,893.0
1982	602.5	3.1	400.0	2.0	465.3	2.4	393.3	2.0	5,351.4	27.3	1,035.9	5.3	726.4	3.7	2,154.5	11.0	666.2	3.4	7,779.7	39.7	19,575.2	19,575.2
1983	643.8	2.9	495.3	2.2	548.6	2.5	368.4	1.7	5,975.7	27.0	1,155.5	5.2	1,181.3	5.3	2,241.1	10.1	507.0	2.3	9,006.4	40.7	22,123.1	22,123.1
1984	612.7	2.6	479.8	2.0	636.9	2.7	479.0	2.0	6,527.0	27.2	1,386.3	5.8	1,066.8	4.6	2,590.0	10.8	583.1	2.4	9,610.9	40.0	24,012.5	24,012.5
1985	1,061.8	3.6	669.8	2.3	722.1	2.4	581.3	2.0	7,986.7	26.9	1,541.6	5.2	923.0	3.1	3,457.8	11.6	834.4	2.8	11,929.8	40.2	29,708.3	29,708.3
1986	1,497.4	4.6	708.1	2.2	881.4	2.7	686.6	2.1	9,325.7	28.4	1,505.2	4.6	1,150.8	3.5	3,249.3	9.9	969.7	3.0	12,843.4	39.1	32,817.6	32,817.6
1987(p)	1,586.3	4.4	909.3	2.5	1,000.0	3.1	823.7	2.3	9,115.6	25.5	1,777.3	5.0	1,373.5	3.8	4,195.1	11.7	687.7	1.9	14,156.3	39.6	35,724.8	35,724.8

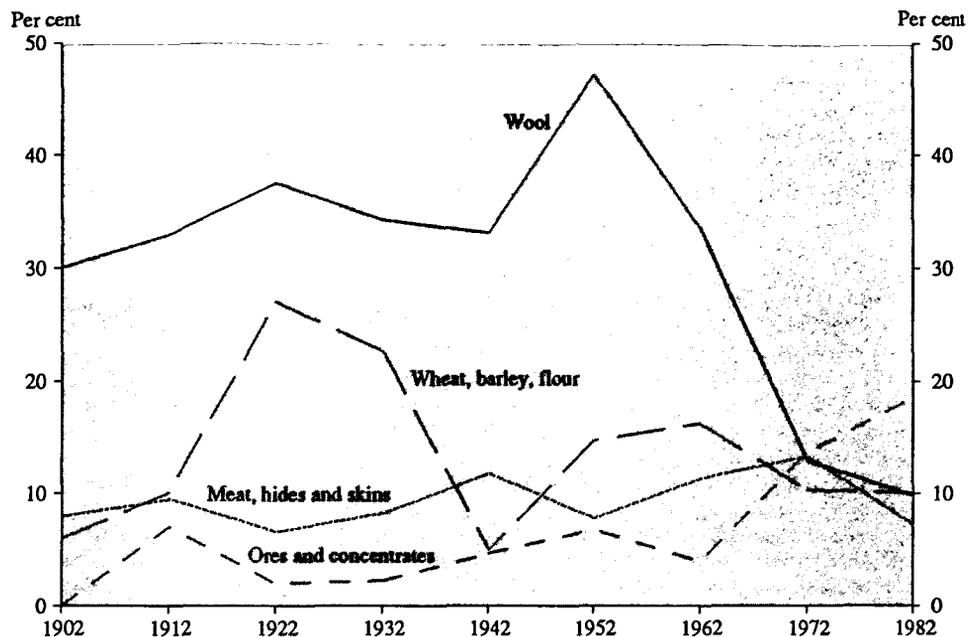
(a) Prior to 1949 includes Formosa. (b) Prior to 1955 includes German Democratic Republic. (c) From the commencement of the Year ended 30 June 1984, non-merchandise trade is excluded from total exports.



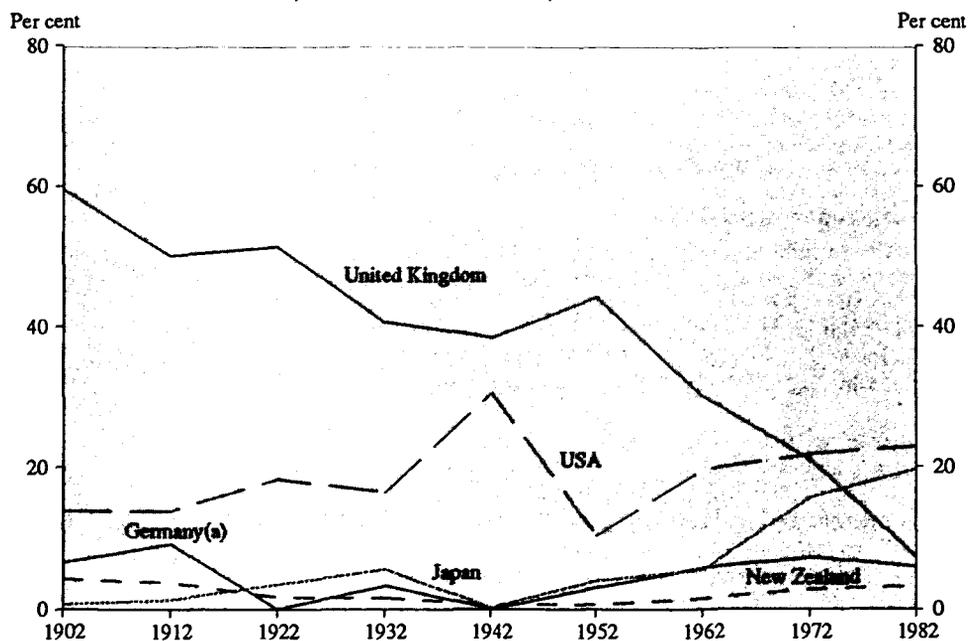
**IMPORTS, SELECTED COMMODITY GROUPS, PER CENT OF VALUE**



EXPORTS, SELECTED COMMODITY GROUPS, PER CENT OF VALUE

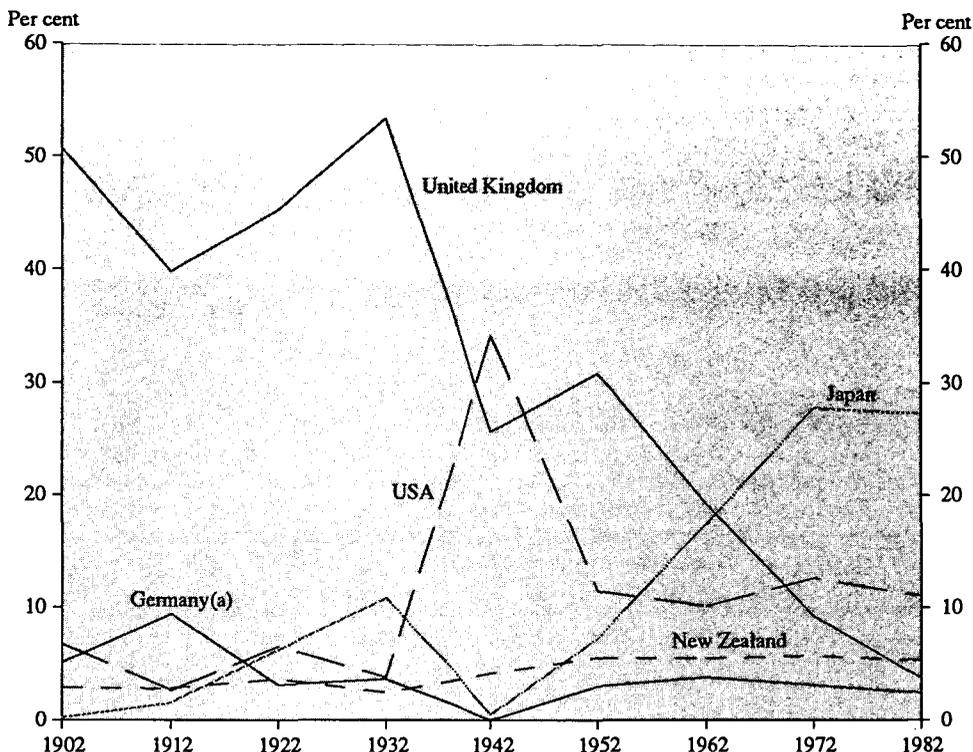


IMPORTS, SELECTED COUNTRIES, PER CENT OF VALUE



(a) Prior to 1955 includes German Democratic Republic.

## EXPORTS, SELECTED COUNTRIES, PER CENT OF VALUE



(a) Prior to 1955 includes German Democratic Republic.

## FOREIGN TRADE

## Constitutional provisions and legislation

## Constitutional provisions

By the Commonwealth of Australia Constitution Act, section 51 (1), the power to make laws with respect to trade and commerce with other countries was conferred on the Australian Parliament. Under section 86 of the Constitution, the collection and control of duties of customs and excise was passed to the Executive Government of the Commonwealth on 1 January 1901. Other references to trade and commerce are contained in sections 87 to 95 of the Constitution.

## Commonwealth Government legislation

Commonwealth Government legislation affecting foreign trade includes the *Customs Act 1901*, the *Customs Tariff Act 1987* and the *Customs Tariff (Anti-Dumping) Act 1975*. The Customs Tariff Act provides the statutory authority for imposing the actual rates of duty operative from time to time, while the Customs Tariff (Anti-Dumping) Act provides protection for Australian industry against various forms of unfair trading.

## The Customs Tariff

The first *Australian Customs Tariff* was introduced by Resolution on 8 October 1901, from which date uniform duties came into effect throughout Australia. The *Australian Customs Tariff* was developed in a period when government industry policy was influenced

by a desire to protect Australian industries from import competition. More recently however, governments have held the view that for Australia to maximise its national income, it must encourage industries which are capable of operating under lower levels of protection. While customs collections are still a major source of revenue, the reliance on tariffs as an industry assistance measure is diminishing, with more emphasis being placed on measures which actively assist industry to improve its efficiency.

On 1 January 1988 Australia introduced a new Tariff based on the Customs Co-operation Council Convention on the Harmonized Commodity Description and Coding System.

The customs value of imported goods is established in accordance with the principles of Article VII of the General Agreement on Tariffs and Trade. This system is given effect by Section 154-Section 161 (D) of the Customs Act. The system provides several methods of valuing goods for Customs purposes as provided in Section 157 (1)-Section 157 (8).

In an unconditional sale, the customs value of imported goods will be based as far as possible on the transaction value method. This method provides for the acceptance of the price actually paid or payable to the vendor, provided sufficient and reliable information is available for this purpose. This price may be subject to adjustments vide Section 154 (2) and Section 159 (3). If there is no price paid or payable, or the price is unacceptable, the other valuation methods must be attempted sequentially.

### Rates of duty

The *Customs Tariff Act 1987* provides for three distinct types of rates. *General rates.* These are set out in Schedule 3 to the Customs Tariff Act and apply to goods from all countries that do not qualify for either Special rates of duty or Concessional rates of duty for a particular tariff classification.

*Special rates:* These are set out in Schedule 3 to the Customs Tariff Act and apply to goods, the produce or manufacture of specified countries being:

- *Forum Island Countries.* These countries are set out in Part I of Schedule 1 to the Customs Tariff Act and preference is given to goods the subject of the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA).
- *Developing Countries.* Those countries set out in Part II of Schedule 1.
- *Papua New Guinea.* The rates of duty are set out in Schedule 3 to the Customs Tariff Act and preference is given to goods the subject of the Papua New Guinea/Australia Trade and Commercial Relations Agreement (PATCRA). Wherever PNG is not mentioned in Schedule 3, goods take a FREE rate of duty.
- *New Zealand.* The rates of duty are set out in Schedule 3 to the Customs Tariff Act and preference is given to goods the subject of the Australia/New Zealand Closer Economic Relations—Trade Agreement (ANZCERTA). Where New Zealand is not mentioned in Schedule 3, goods take a FREE rate of duty.
- *Canada.* The rates of duty are set out in Schedule 3 to the Customs Tariff Act and preference is given to goods the subject of the Canada/Australia Trade Agreement (CANATA).

*Concessional rates.* The rates of duty are set out in Schedules 4 and 5 to the Customs Tariff Act:

- Schedule 4, applies to Special Concessional rates of duty and is applicable to imports from all sources complying with particular ownership or other provisions.
- Schedule 5, contains all rates of duty both normal and concessional, for goods subject to tariff quotas.

### Import controls

The effects of the world-wide recession in the early 1970s necessitated the imposition of import controls over particular commodities to protect employment and investment in some important Australian industries. At present, the textile, clothing and footwear, motor vehicle and cheese industries are assisted by tariff quotas, while imports of certain used, secondhand or disposals earthmoving, excavating and materials handling equipment and certain used, secondhand and disposals four-wheel drive vehicles are subject to import licensing controls.

The decision to impose controls either in the form of import licensing or tariff quotas is made by the Commonwealth Government based on the recommendations of the Industries

Assistance Commission after inquiry into the industry. Both forms of control are usually applied on a global basis and are intended to provide short term assistance to an industry but there are significant differences in their application.

Import licensing is a non-tariff form of protection that imposes an absolute restriction on the quantity, weight or value (as appropriate) of the goods that may be imported in a certain period. Goods imported without a licence cannot be entered for home consumption and may be subject to seizure as prohibited imports. The legal basis for import licensing is the Customs (Import Licensing) Regulations prescribed under the Customs Act.

In respect of goods subject to tariff quotas, by-laws are made pursuant to Section 271 of the Customs Act and Determinations are made pursuant to Section 273. These allow goods to be imported and cleared for home consumption at normal rates of customs duty up to a ceiling level specified by the government for a particular period. Additional temporary (or penalty) duties are applied to goods entered for home consumption outside the quota arrangements.

The Customs (Prohibited Imports) Regulations, as prescribed under Section 50 of the Customs Act, list those commodities which are prohibited absolutely, or restricted, on social grounds. Other items are restricted on health grounds (human, animal or plant) by the *Quarantine Act 1908*, the *Therapeutic Goods Act 1966*, and the *Wildlife Protection (Regulation of Exports and Imports) Act 1982*; and sundry allied Commonwealth and State legislation.

### Export controls

Section 112 of the *Customs Act 1901* provides that the Governor-General may, by regulation, prohibit the exportation of goods from Australia and that this power may be exercised by:

- (a) prohibiting the exportation of goods absolutely;
- (b) prohibiting the exportation of goods to a specified place; or
- (c) prohibiting the exportation of goods unless prescribed conditions or restrictions are complied with. Goods subject to this export control are listed in the Customs (Prohibited Exports) Regulations.

Export prohibitions may also be imposed under the Export Control Act administered by the Department of Primary Industries and Energy, the Wildlife Protection (Regulation of Exports and Imports) Act administered by the Department of Arts, Sport, the Environment, Tourism and Territories; the Quarantine Act; and sundry allied Commonwealth and State legislation.

### Exchange control

Up to 25 June 1984, control over goods exported from Australia was maintained under the Banking (Foreign Exchange) Regulations to ensure that the full proceeds from the sale of such goods were received into the Australian banking system. However, as part of the general relaxation of exchange controls announced by the Government and applying from 25 June 1984, controls in respect of export proceeds were removed completely.

### Trade descriptions

*The Commerce (Trade Descriptions) Act 1905*, administered by the Australian Customs Service, gives power to require the application of a proper trade description to certain prescribed goods imported into or exported from Australia. Goods which must bear a prescribed trade description upon importation into Australia are specified in the Commerce (Imports) Regulations. With regards to exports from Australia, marking requirements are prescribed in regulations issued under the Act and in relation to specified export commodities.

### Export integration—EXIT

The Australian Customs Service is developing an electronic communication network (EXIT) to integrate export documentation procedures involving Customs, other government agencies with responsibility for controlling exports, ABS, exporters and freight carriers. The EXIT communication network will streamline the recording and reporting of export cargo.

## Australian Trade Commission

The Australian Trade Commission (Austrade) was formed in January 1986 to provide a wide range of services to exporters. Functions taken over by the new authority were formerly carried out by the Trade Commissioner Service, the Export Development Grants Board, the Export Finance and Insurance Corporation, the Australian Overseas Projects Corporation and the marketing and promotion elements of the Department of Foreign Affairs and Trade.

The objectives of Austrade are to improve export performance by motivating industry to become more export oriented, to facilitate export marketing and to advocate an improved environment for export.

Austrade has offices in all capital cities, Wollongong, Newcastle, Geelong and Townsville. Offices are also located in all major overseas trading countries and in many other countries with representation by Australian Trade Correspondents and Marketing Officers.

### Export finance and insurance

Austrade provides direct loans to overseas borrowers for the purchase of Australian capital goods and services. It also offers guarantees to lending institutions which finance Australian exporters, or who make loans to overseas borrowers.

Insurance services are provided to cover Australian exporters of goods and services against non-payment and against unfair calling of bonds and guarantees. Indemnities are provided to financial institutions or insurers providing bonds or guarantees to overseas buyers. Insurance is also provided to Australian firms against political risks associated with their overseas investments.

### Export incentives

Austrade is an export incentive scheme in the form of cash grants based on eligible expenditure for such overseas activities as market research, fares, representation, advertising and the cost of participating in overseas trade displays.

The Export Market Development Grants Scheme aims to encourage Australian exporters to seek out and develop overseas markets for goods, specified services, industrial property rights and know-how which are substantially of Australian origin. Grants are determined on the basis of 70 per cent of eligible expenditure in excess of \$5,000, and are subject to a maximum of \$200,000 in any one grant year.

As an incentive to new small exporters, Austrade services are provided free of charge and special assistance is provided to high technology exports. In recognition of achievement, Austrade runs an annual program of export awards.

### Overseas projects

Austrade assists Australian businesses to obtain contracts associated with overseas projects. Specialist Trade Commissioners are stationed at strategic global locations to keep Australian businesses informed on developments. They identify project opportunities and provide early warning of project proposals and priorities. Austrade can also undertake a project and finance packaging role for consortia of Australian companies in bidding for overseas projects.

### Overseas services

Through its overseas network, based upon the Trade Commission Service, Austrade is able to channel information on commercial opportunities direct to Australian companies. Trade Commissioner offices employ local staff who are expert in the language and marketing system of the countries in which they are located.

The overseas offices provide advice on commercial opportunities and economic developments and can assist in making representations to governments on such matters as tariffs, quarantine requirements or industrial standards. They can also help to resolve trade disputes.

The Trade Commissioners provide advice on agents, distribution systems and marketing techniques and for a fee can carry out market research or other client specific services.

A brief account of the origins of the Trade Commissioner Service is available in *Year Book No. 51*.

### **Trade displays**

Austrade arranges participation at trade fairs, exhibitions and displays throughout the world. Australian exporters are encouraged to use the displays as an opportunity to make direct sales, obtain new markets, negotiate contracts and gauge market reaction to Australian products and services. Austrade provides space and a co-ordinated stand design and pays half of all direct costs of mounting a display including expenses of design, space rental, construction and publicity.

### **Overseas publicity**

To create an awareness of Australian goods and services in overseas markets, Austrade undertakes advertising and publicity including direct mail and targeted trade media publicity. Special publications in English and other languages are produced. Product information is distributed to leading journals and newspapers in addition to direct advertising.

### **Trade missions and buying visits**

Trade missions for specific industries or groups of firms and survey missions designed to explore prospects in new or developing areas are arranged regularly. Austrade also co-ordinates a program of visits to Australia by overseas buyers.

## **Foreign trade relations**

### **Trade policy**

As a major producer of a wide range of minerals and agricultural commodities, the Australian economy is very dependent on international trade. Australia is a major exporter of coal, iron ore, bauxite, alumina, manganese, nickel, mineral sands, diamonds, uranium, natural gas, wool, meat, wheat, and sugar. Imports of capital equipment form a high proportion of total imports. There is a large market for imported manufactured goods even though Australia has extensive manufacturing industry. Trade in services is heavily imbalanced in favour of the rest of the world.

Australia is dependent on stable international trade markets for commodities, and trade policy objectives include:

- maintaining of an open international trade and payments system
- maintaining of an equitable framework of multilateral rules based on non-discrimination, predictability and transparency which provides for progressive trade liberalisation
- ensuring fair and reasonable access to markets for agricultural products, restraints on subsidised competition in third world markets and stability in commodity markets
- achieving fair and stable prices for minerals and market security
- promoting of employment through increased exports in general and increased exports of manufactures and services in particular.

Further, Australia maintains a substantial involvement in the General Agreement on Tariffs and Trade (GATT), the Organisation for Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). It also participates in the activities of a number of international bodies responsible for trade in particular commodities.

In relation to trade with particular countries, Australia has representation in all major markets and has bilateral trade agreements with many of the major trading partners. The agreements normally provide for reciprocal favoured nation treatment for imports, close consultation on trade matters and, in many instances, the operation of a joint committee or commission. In some cases the agreements also embrace industrial and technical co-operation and business investment. (Some details of agreements with particular countries are included in the 1986 and earlier issues of the *Year Book*).

### **General Agreement on Tariffs and Trade—GATT**

The GATT is an international treaty which provides a framework for the conduct of world trade. The GATT provides a forum for resolution of trade problems and its objective is to liberalise world trade, leading to general economic growth and development.

The most recently completed round of negotiations under the GATT was the Tokyo Round (1973-79). In summary, the agreements reached included codes of conduct on subsidies and countervailing duties, government procurement, customs valuation, standards, import licensing, anti-dumping and trade in civil aircraft.

Australia, along with other developed country contracting parties to the GATT, has introduced tariff preferences for developing countries under the Generalised System of Preferences (GSP). These preferences are unilateral, non-reciprocal and non-contractual. Accordingly, Australia reserves the right to modify, withdraw, suspend or limit the preferences especially where there is injury to domestic producers. Margins of preference are generally 10 to 15 per cent below the General Tariff rate.

The eight Round of GATT trade negotiations was launched at Punta del Este in Uruguay during 1986. Australia is making a substantial commitment to the success of the Uruguay Round. As well as covering merchandise trade this round will encompass trade in services.

In recent years world trade in many agricultural commodities has been in crisis due to factors largely beyond Australian control. At the beginning of the Uruguay Round, Australia sought a stronger voice by initiating the Cairns Group of Fair Traders in Agriculture. The group comprising fourteen developed and undeveloped countries has common interest in securing a more stable trade environment for agricultural products. The main objectives for Australia in the Uruguay Round are to reduce agricultural subsidies and agricultural market entry restriction, to improve the rules on the use of subsidies and protection, to reduce protection affecting Australian exports, to make the GATT disputes settlement mechanisms more effective and to devise rules to keep services trade policies fair.

### **Organisation for Co-operation and Development—OECD**

In association with other members of the OECD, a communiqué was issued following the Ministerial Council Meeting in May 1987 which adopted principles and actions covering both domestic and international agricultural policy. This reflected many of the points put forward by the Prime Minister in his statement on 'Resolving the World Agricultural Crisis' made earlier at the European Management Forum in February 1987.

### **United Nations Conference on Trade and Development—UNCTAD**

Australia actively participated in UNCTAD to achieve an outcome to its Seventh Session in July 1987 which reinforces the GATT agricultural trade objectives. Australia has advanced specific proposals for UNCTAD work to complement work in the GATT Uruguay Round. In particular, at the 33rd session of the UNCTAD Trade and Development Board and at subsequent meetings, analytical studies were proposed on agricultural protectionism and non-tariff trade barriers.

## **Collection and presentation of statistics**

### **Source of data**

Foreign trade statistics are compiled by the Australian Bureau of Statistics from documentation submitted by exporters and importers or their agents to the Australian Customs Service as required by the Customs Act.

### **Scope of the statistics**

The statistics presented below are, with one exception, recorded on a *general trade* basis, i.e., total exports include both Australian produce and re-exports, and total imports comprise goods entered directly for home consumption together with goods imported into bonded warehouses. The statistics of import clearances, however, are recorded on a *special trade* basis, i.e., clearances comprise goods entered directly for home consumption together with goods cleared into the home market from bonded warehouses. Exports of Australian produce are goods, materials or articles which have been produced, manufactured or partly manufactured in Australia, except goods which were originally imported and have undergone only repair or minor operations which leave them essentially unchanged. Re-exports are goods,

materials or articles originally imported which are exported either in the same condition in which they were imported or after undergoing repair or minor operations which leave them essentially unchanged. Minor operations include blending, packaging, bottling, cleaning, sorting, husking or shelling. Total exports are the aggregate of exports of Australian produce and re-exports.

The following are excluded from recorded trade statistics:

- (a) direct transit trade, i.e., goods being trans-shipped or moved through Australia for purposes of transport only;
  - (b) migrants' and passengers' effects exported or imported; and parcel post exports and imports of small value, for which Customs entries are not required;
  - (c) certain materials under inter-governmental agreements for defence and similar projects for which Customs entries are not required;
  - (d) ships and aircraft engaged in the transport of passengers or goods between Australia and other countries;
  - (e) the sale or purchase of any ship and/or aircraft intended for use on overseas routes;
  - (f) fish and other sea products landed in Australia or abroad directly from the high seas by Australian ships;
  - (g) export consignments where the value of the goods in each transaction is less than \$500.
  - (h) entries lodged on informal clearance documents (ICD) for values not exceeding \$500. In addition, from 21 October 1985 onwards, ICD's for postal articles valued between \$250 and \$1,000 are excluded;
- and for imports only;
- (i) bunkers and stores supplied to ships and aircraft prior to arrival in Australia.

## Statistical period

### Exports

Exports are recorded statistically in the month the entries are lodged with the Australian Customs Service. Regular exporters or their agents may provide details of their export shipments on a periodic rather than an individual shipment basis by submitting weekly or monthly returns. These 'periodic returns' must be submitted to the Australian Customs Service within seven days of the end of the period in question covering all shipments during that period. All other exporters are required to report each individual shipment prior to the ship's departure. Approximately 90 per cent of monthly export values are recorded on periodic returns. The statistical month for Customs outports (generally ports other than those at which the main Customs Office in each State is located) closes on the twenty-first of each month, whereas for mainports the statistical month is the calendar month. Because of these factors, export statistics for a particular month do not necessarily represent all of the commodities actually exported during that month. Analysis of past data has shown that in aggregate approximately 40 per cent of export trade by value for a particular month reflects actual shipments during that month, 55 per cent by value was actually exported during the previous month with the remaining 5 per cent by value exported in earlier months. For individual commodities the percentage by value representing actual exports in a month may vary considerably.

### Imports

Imports are recorded statistically in the calendar month in which the import entries were both finalised by the Australian Customs Service and passed to the Australian Bureau of Statistics for further processing. Import entries may be lodged early using the check-to-arrive system or the documents may be delayed because of various validation checks carried out by Customs prior to the entries being passed to the Bureau. Import statistics for a particular month do not necessarily represent entries lodged or commodities actually imported during the month in question. Analysis of past data has shown that in aggregate approximately 70 per cent of import trade by value recorded for a particular month was actually imported during that month, 25 per cent was actually imported during the previous month with the remaining 5 per cent being imported in earlier months. For individual commodities the percentage by value representing actual imports in a month may vary considerably.

## State

For exports, State statistics comprise the State of origin for Australian produce. State of origin is defined as the State in which the final stage of production or manufacture occurs.

For imports, the State is that in which the import entry was lodged with the Australian Customs Service. The port of lodgement of the import entry is not necessarily the port of discharge of the goods. Goods forwarded interstate after import, whether in containers or not, are recorded as being imported at the port of lodgement of the import entry.

## Valuation

### Exports

Goods actually sold to overseas buyers prior to shipment are valued at the free-on-board (f.o.b.) Australian port of shipment equivalent of the actual price at which the goods were sold. Goods shipped on consignment are valued at the f.o.b. Australian port of shipment equivalent of the current price offering for similar goods of Australian origin in the principal markets of the country to which the goods are dispatched for sale. The recorded value of exports includes the value of the outside package, other than international containers used for containerised cargo.

### Imports

The recorded value of imports is the customs value (formerly referred to as the value for duty). On 30 November 1981, Australia changed its system of valuation from the Brussels Definition of Value (BDV) to the GATT Agreement on Customs Valuation. The Agreement reflects one of a number of trade related codes of conduct established during the round of Multi-lateral Trade Negotiations (MTN) concluded in 1979. The GATT Agreement differs from the Brussels Definition of Value in that it offers a set of practical rules on the valuation of imports rather than a list of conceptual guidelines. Under the Agreement the primary basis for establishing the customs value is the price actually paid or payable, provided a number of conditions are met. The most important condition is that the buyer and seller must be independent of each other. If the conditions are not met, the practical rules are used to determine the customs value. The recording of the value of imports remains on a free-on-board (f.o.b.) basis (i.e. the charges and expenses involved in delivering the goods from the place of exportation to Australia are excluded). The recorded value also continues to include the value of outside packages, other than international containers used for containerised cargo. For details of the method of valuation used prior to 30 November 1981, see *Year Book* No. 66.

## Merchandise exports and imports

In accordance with standards recommended by the United Nations:

*Merchandise exports* are defined as all goods which subtract from the stock of material resources in Australia as a result of their movement out of the country. Merchandise exports, therefore, exclude goods exported with the reasonable expectation of re-import within a limited time. A complete list of commodities not included in merchandise trade is shown under section 9 (b) of the *Australian Export Commodity Classification* (AECC) (1203.0). These include, for example, coin being legal tender and goods for temporary exhibition outside Australia.

*Merchandise imports* are defined as all goods which add to the stock of material resources in Australia as a result of their movement into the country. Merchandise imports, therefore, exclude goods imported with the reasonable expectation of re-export within a limited time. A complete list of commodities not included in merchandise trade is shown under section 9 (b) of the *Australian Import Commodity Classification* (AICC) (1204.0). These include, for example, coin being legal tender and goods for temporary exhibition in Australia.

From July 1985, non-merchandise trade is excluded from Australia's export and import statistics. This is in accordance with United Nations' recommendations and practices adopted by Australia's major trading partners. Statistics for periods prior to July 1985 included in this publication have been adjusted to be comparable with data from July 1985 onwards and, consequently, will not be directly comparable with previous publications.

## Commodity classification

Exports and imports are classified according to the items of AECC and AICC respectively which, from 1 July 1978, have been based on the *Standard International Trade Classification*, Revision 2 (United Nations Statistical Papers, Series M, No. 34, Revision 2, 1975). Copies of, or extracts from these classifications may be obtained from offices of the ABS.

## Australian Standard Commodity Classification—ASCC

ASCC has been developed by the ABS to enable users to compare statistics of commodities produced in Australia with statistics of commodities imported and exported.

The ASCC manual (1207.0 and 1208.0) links production, import and export items at their most detailed level of comparability in the form of standard (ASCC) commodity items. In a large number of cases, however, due to the differences between production, import and export items, comparability is only achieved at fairly broad aggregate levels. In ASCC, commodities are grouped under industries (as defined in the *Australian Standard Industrial Classification* ASIC) in which they are typically produced. (See Chapter 18, Manufacturing and Internal Trade).

## ASIC industry of origin

Export and Import statistics are classified according to subdivisions of ASIC. The statistics are compiled by allocating statistical items of AECC and AICC to the ASIC industry of origin with whose main economic activities the commodities are primarily associated. A full description of ASIC classes is contained in the publication *Australian Standard Industrial Classification*, Vol. 1—*The Classification* (1201.0).

## Broad economic categories

Exports and Imports of merchandise are classified according to the nineteen categories of the United Nations classification, Broad Economic Categories (BEC). BEC attempts to classify foreign trade statistics for the purposes of general economic analysis according to the main end use of the commodities traded.

## Harmonized commodity description and coding system

From 1 January 1988, detailed import and export statistics have been reported solely according to the Harmonized Tariff and the Australian Harmonized Export Commodity Classification respectively. Statistical output is now based on the *Standard International Trade Classification* (SITC) Revision 3, which is closely aligned with the Harmonized commodity classifications. SITC Rev 3 based import and export data will be shown in the 1989 and ensuing *Year Books*.

## Country

For the purposes of foreign trade statistics, a country is defined as a geographical entity which trades, or has the potential to trade, with Australia in accordance with Australian Customs provisions. External territories under Australian administration are treated separately while self-governing territories and dependant territories under the administration of other countries may be treated as individual countries in Australian foreign trade statistics.

*Exports:* for exports, *country* refers to the country to which the goods were consigned at the time of export. Where it was found to be impossible to determine the destination, goods are recorded as *Destination unknown*.

*Imports:* for imports, *country* refers to the country of origin of the goods which is defined as the country of production for customs purposes. Where it is found to be impossible to determine the origin, goods are recorded as *Origin unknown*.

### Quantity data

Where quantities are shown they are generally expressed in terms of the normal unit of quantity used in the appropriate industry and as specified in AECC and AICC published by the ABS. Quantities are not tabulated in respect of statistical items for which there is no appropriate unit of quantity (e.g. a statistical item which covers a number of commodities that cannot be recorded under a single unit of quantity).

### Excess of exports or imports

The excess of the value of exports or imports does not represent the balance of trade. The balance of trade is the excess of exports or imports on a *balance of payments* basis. Details of the adjustments (relating to coverage, timing and valuation) made to total recorded exports and imports for balance of payments purposes, are set out in the annual publication *Balance of Payments, Australia* (5303.0).

### Treatment of confidential data

To ensure that information about the activities of particular businesses is not disclosed, it is necessary to restrict the release of statistics of certain commodities. These restrictions do not affect total export or import figures but they can affect statistics at all levels of the Australian Export and Import Commodity Classifications.

## Foreign trade statistics

### Total foreign trade

The following table shows the total Australian trade with foreign countries from 1981-82 to 1986-87.

FOREIGN TRADE  
(\$ million)

Year	Exports	Imports	Excess of exports (+) or imports (-)
1981-82 . . . . .	19,294	22,767	-3,473
1982-83 . . . . .	21,454	21,216	+238
1983-84 . . . . .	24,013	23,540	+473
1984-85 . . . . .	29,708	29,049	+659
1985-86 . . . . .	32,818	34,691	-1,873
1986-87 (p) . . . . .	35,725	37,092	-1,367

The following table shows particulars of non-merchandise trade for recent years.

NON-MERCHANDISE TRADE  
(\$ million)

Year	Exports	Imports
1981-82 . . . . .	281	238
1982-83 . . . . .	668	590
1983-84 . . . . .	753	521
1984-85 . . . . .	834	971
1985-86 . . . . .	1,418	1,045
1986-87 (p) . . . . .	1,384	1,042

The following diagrams show the foreign trade of Australia, 1976-77 to 1986-87 and the value of exports and imports, proportions by country, 1981-82 to 1986-87.

### Classified summary of Australian foreign trade

The following table shows exports and imports according to divisions of the Australian Export and Import Commodity Classifications (based on the *Standard International Trade Classification* Revision 2).

## Classified summary of Australian foreign trade

The following table shows exports and imports according to divisions of the Australian Export and Import Commodity Classifications (based on the *Standard International Trade Classification Revision 2*).

### EXPORTS AND IMPORTS: DIVISIONS OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS

(\$'000)

Division No.	Description	Exports			Imports		
		1984-85	1985-86	1986-87(p)	1984-85	1985-86	1986-87(p)
00	Live animals	247,652	279,546	309,258	39,782	81,892	112,824
01	Meat and meat preparations	1,373,866	1,700,615	2,251,400	20,163	16,674	16,334
02	Dairy products and birds' eggs	420,332	437,031	467,757	68,944	78,344	80,958
03	Fish, crustaceans and molluscs, and preparations thereof	402,872	486,835	598,390	304,109	333,381	422,825
04	Cereals and cereal preparations	4,023,955	(a)3,940,231	(a)2,775,788	60,395	68,528	72,898
05	Vegetables and fruit	258,623	372,086	551,027	281,424	262,823	(b)271,849
06	Sugar, sugar preparations, honey	612,122	649,537	693,956	23,668	22,927	28,342
07	Coffee, tea, cocoa, spices, and manufactures thereof	38,188	57,140	65,256	344,410	418,781	404,752
08	Feeding stuff for animals (not including unmilled cereals)	123,119	150,114	208,992	40,410	37,828	54,391
09	Miscellaneous edible products and preparations	26,385	29,170	48,014	63,326	96,958	147,446
11	Beverages	57,005	69,528	133,006	137,930	199,890	210,857
12	Tobacco and tobacco manufactures	14,515	15,179	18,638	87,481	97,693	116,454
21	Hides, skins and furskins, raw	320,776	395,411	544,587	3,121	3,788	3,841
22	Oil seeds and oleaginous fruit	31,284	51,246	41,638	18,211	7,744	9,677
23	Crude rubber (including synthetic and reclaimed)	1,929	4,245	5,618	72,029	75,845	87,711
24	Cork and wood	223,169	264,454	361,085	325,619	328,438	297,635
25	Pulp and waste paper	10,410	14,673	27,555	100,493	103,739	171,103
26	Textile fibres and their wastes (other than wool tops) (not manufactured into yarn or fabric)	2,622,751	3,207,282	3,870,873	120,913	134,632	150,460
27	Crude fertilisers and crude minerals (excluding coal, petroleum and precious stones)	143,974	152,461	(c)103,388	204,557	259,961	224,967
28	Metalliferous ores and metal scrap	(d)4,577,988	(d)4,854,725	(d)4,845,709	23,218	26,148	38,951
29	Crude animal and vegetable materials, n.e.s.	58,497	70,470	97,693	63,955	82,417	99,995
32	Coal, coke and briquettes	4,665,173	5,252,367	5,454,304	7,151	3,041	2,788
33	Petroleum, petroleum products and related materials	2,420,304	2,276,132	1,618,784	2,291,162	1,923,951	1,740,067
34	Gas, natural and manufactured	398,984	460,851	230,988	680	384	4,255
41	Animal oils and fats	105,703	116,419	89,734	1,239	1,026	2,020
42	Fixed vegetable oils and fats	10,113	10,497	22,248	57,112	43,612	64,263
43	Animal and vegetable oils, fats, and waxes of animal or vegetable origin	8,595	15,387	11,370	53,723	48,974	(e)25,146
51	Organic chemicals	50,066	(f)53,773	(f)50,720	(g)672,403	(h)765,610	(i)878,777
52	Inorganic chemicals	(f)56,277	(j)58,862	65,642	(k)189,207	(k)248,714	(j)321,497
53	Dyeing, tanning and colouring materials	(m)25,375	(m)29,574	(m)37,347	115,473	143,100	189,114
54	Medicinal and pharmaceutical products	122,294	147,500	165,933	293,809	393,036	507,742
55	Essential oils and perfume materials; toilet, polishing and cleansing preparations	40,063	58,672	57,263	170,228	220,834	241,817
56	Fertilisers, manufactured	4,382	2,315	5,321	177,777	146,587	139,771
57	Explosives and pyrotechnic products	7,630	7,748	5,447	25,400	15,988	14,099
58	Artificial resins and plastic materials, and products	138,411	132,195	138,068	(n)567,157	(n)679,018	(n)784,167
59	Chemical materials and products, n.e.s.	98,520	101,649	139,392	337,496	411,511	393,669
61	Leather, leather manufactures, n.e.s. and dressed furskins	68,598	88,463	117,527	110,512	126,074	151,515
62	Rubber manufactures, n.e.s.	14,607	19,095	41,216	385,324	449,521	462,193
63	Cork and wood manufactures (excluding furniture)	6,452	7,810	(o)9,157	149,677	167,827	169,112
64	Paper, paperboard and manufactures, and articles of paper pulp, of paper or of paperboard	68,638	74,888	103,691	838,266	842,161	1,013,560
65	Textile yarn, fabrics, made-up articles, n.e.s. and related products	166,087	221,292	246,391	1,443,655	1,678,333	(q)1,831,894
66	Non-metallic mineral manufactures, n.e.s.	122,718	(s)150,080	(s)174,338	539,340	(r)653,664	(r)712,607
67	Iron and steel	463,898	580,013	590,767	547,177	608,939	634,612
68	Non-ferrous metals	1,869,058	1,946,312	2,310,902	123,377	164,653	203,039
69	Manufactures of metal, n.e.s.	180,383	190,341	243,562	(u)781,978	(u)928,687	(u)1,007,610
71	Power generating machinery and equipment	194,374	229,152	295,999	682,661	991,454	1,214,253
72	Machinery specialised for particular industries	175,394	241,987	305,490	(v)1,651,647	(v)2,052,115	(w)1,737,261
73	Metalworking machinery	28,287	27,353	26,108	222,493	384,961	483,834

**EXPORTS AND IMPORTS: DIVISIONS OF THE AUSTRALIAN EXPORT AND IMPORT  
COMMODITY CLASSIFICATIONS—continued**  
(S'000)

Division No.	Description	Exports			Imports		
		1984-85	1985-86	1986-87(p)	1984-85	1985-86	1986-87(p)
74	General industrial machinery and equipment, n.e.s. and machine parts, n.e.s.	167,145	179,576	235,437	(x)1,382,543	(x)1,853,658	(x)1,980,648
75	Office machines and automatic data processing equipment	158,191	219,546	387,354	1,667,110	2,173,629	2,557,486
76	Telecommunications and sound recording and reproducing apparatus and equipment	58,935	66,435	87,642	1,167,286	1,466,493	1,504,819
77	Electrical machinery, apparatus and appliances, n.e.s. and electrical parts thereof	156,770	181,536	(y)256,154	(z)1,472,323	(z)1,842,672	(z)1,886,194
78	Road vehicles (including air cushion vehicles)	299,515	261,671	438,818	3,087,780	3,771,337	2,724,078
79	Other transport equipment	241,274	210,368	578,118	566,533	605,174	1,345,224
81	Sanitary, plumbing, heating and lighting fixtures and fittings, n.e.s.	8,988	10,079	15,560	67,974	80,259	75,372
82	Furniture and parts thereof	16,149	22,379	33,591	193,663	237,702	235,222
83	Travel goods, handbags and similar containers	3,575	2,982	4,117	137,004	146,773	179,763
84	Articles of apparel and clothing accessories	17,702	23,277	39,311	538,998	567,859	656,818
85	Footwear	5,106	6,750	9,416	178,592	207,614	250,679
87	Professional, scientific and controlling instruments and apparatus, n.e.s.	141,070	162,453	176,455	641,543	844,775	906,944
88	Photographic apparatus, equipment and supplies and optical goods, n.e.s.; watches and clocks	177,201	203,108	249,938	(aa)511,371	(aa)635,477	(aa)720,116
89	Miscellaneous manufactured articles, n.e.s.	215,134	229,037	326,255	1,596,563	(ab)1,948,610	(ab)2,160,292
9A	Commodities and transactions of trade, n.e.s. (ac) (ad)	941,742	1,335,683	2,309,269	999,877	1,476,959	1,953,010
	Total trade (ae)	29,708,296	32,817,583	35,724,770	29,049,445	34,691,197	37,091,617

(a) Excludes AECC items 042.12.01, 042.12.03, 042.21.15 and 042.22.00 (b) Excludes AICC items 054.20.27 and 054.20.39 (c) Excludes AECC item 278.30.05 (d) Excludes AECC items 287.31.00, 287.70.00, 287.93.07 and 287.99.19 (e) Excludes AICC item 431.10.08 (f) Excludes AECC item 511.30.09 (from 1.11.85 to 28.2.87) (g) Excludes AICC items 511.13.01, 511.40.01, 513.79.13, 513.90.13, 513.90.15 and 513.90.39 (h) Excludes AICC items 511.13.01, 511.39.01 (from 1.6.86), 511.39.07, 511.40.01, 512.17.02, 512.17.15, 513.79.13 (to 31.7.85), 513.90.01, 513.90.13 (to 30.11.85), 513.90.15 and 513.90.39 (i) Excludes AICC items 511.13.01, 511.39.01 (to 31.8.86), 511.39.07, 511.40.01, 512.17.02, 512.17.15, 513.90.01, 513.90.15, 513.90.39 and 516.14.00 (j) Excludes AECC item 522.49.00 (k) Excludes AICC item 522.13.00 (l) Excludes AICC items 522.13.00, 522.43.00 and 523.23.00 (m) Excludes AECC item 533.10.00 (n) Excludes AICC item 582.70.04 (o) Excludes AECC item 634.32.00 (p) Excludes AICC item 651.43.09 (q) Excludes AECC item 667.21.00 (r) Excludes AICC item 661.20.01 (u) Excludes AICC items 691.10.05, 694.01.02 and 695.39.60 (v) Excludes AICC item 723.30.01 (w) Excludes AICC items 721.19.07, 721.19.29 and 723.30.01 (y) Excludes AECC item 775.77.01 (x) Excludes AICC items 749.10.70 and 749.10.76 (z) Excludes AICC item 775.86.01 (aa) Excludes AICC item 881.11.45 (ab) Excludes AICC item 899.31.09 (ac) Includes export commodities above subject to a confidentiality restriction and not included in the relevant AECC Division. (ad) Includes import commodities above subject to a confidentiality restriction and not included in the relevant AICC Division. (ae) Total trade excludes non-merchandise trade.

**EXPORTS OF MAJOR COMMODITIES**

Description (AECC No.)	Unit of quantity	Quantity			Value (\$'000)		
		1984-85	1985-86	1986-87(p)	1984-85	1985-86	1986-87(p)
Aircraft and associated equipment and parts thereof (792)	..	..	..	..	166,098	167,688	492,674
Alumina (aluminium oxide) (287.32)	tonnes	7,022,321	7,427,180	8,149,712	1,384,676	1,380,240	1,529,771
Aluminium (684)	tonnes	582,403	652,076	689,320	945,259	1,061,049	1,320,295
Artificial resins and plastics (582) (583)	..	..	..	..	131,935	120,926	118,817
Barley (043.00)	tonnes	4,062,885	4,168,194	2,191,248	592,275	536,674	253,976
Cars, other road vehicles and parts thereof (78)	..	..	..	..	299,515	261,671	438,818
Cheese (024.00)	tonnes	67,610	66,140	62,147	163,691	165,514	164,328
Coal (anthracite, bituminous) (except briquettes) (325.10.01, 03, 05, 11, 13)	tonnes	86,034,511	90,458,999	97,646,283	4,653,902	5,211,676	5,426,036

EXPORTS OF MAJOR COMMODITIES—*continued*

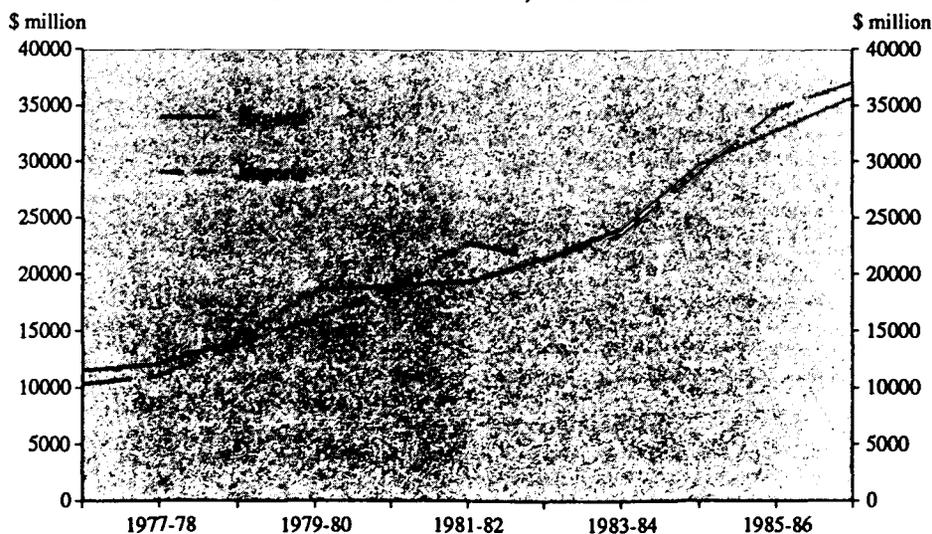
Description (AECC No.)	Unit of quantity	Quantity			Value (\$'000)		
		1984-85	1985-86	1986-87(p)	1984-85	1985-86	1986-87(p)
Copper ores and concentrates (287.11) . . .	tonnes	216,431	266,071	166,954	100,307	121,398	69,816
Copper, refined, unwrought (682.12) . . .	tonnes	63,375	76,798	76,685	110,229	149,461	163,191
Cotton, not carded or combed (263.10) . . .	tonnes	139,667	241,240	251,003	259,633	378,369	344,904
Crustaceans and molluscs (except canned or bottled) (036.00) . . .	tonnes	22,706	22,645	23,484	357,201	414,474	487,590
Fruit and nuts, including fruit preserves and preparations (057,058)		..	..	..	201,196	265,064	373,376
Gas, natural and manufactured (341) . . . .		..	..	..	398,984	460,851	230,988
Gold, silver and platinum (including ores and concentrates) (289,681,971) . . . .		..	..	..	631,516	842,782	1,449,742
Hides and skins, bovine and equine (211.10, 20)	tonnes	97,091	104,716	..	180,606	199,284	258,568
Iron and steel (67)	tonnes	1,359,351	1,450,664	1,371,361	470,874	580,013	590,767
Iron ore and concentrates (except roasted iron pyrites) (281.50, 60) . . . . .	tonnes	87,589,170	82,529,784	73,155,547	1,835,233	1,936,248	1,752,711
Lead and lead alloys (including silver-lead) unwrought (685.11, 12,13) . . . . .	tonnes	299,432	332,546	287,041	250,666	281,126	290,653
Machinery and equipment, power generating (71) . . . . .		..	..	..	194,374	229,152	295,999
Machinery specialised for particular industries (72) . . . . .		..	..	..	175,394	241,987	305,490
Meat of bovine animals (011.11,12) . . . . .	tonnes	411,545	477,042	570,147	1,078,334	1,317,274	1,754,580
Meat, fresh, chilled or frozen—sheep, lambs and goats (011.20) . . . . .	tonnes	91,953	144,003	167,386	149,911	218,528	295,432
Milk and cream (except fresh) (022.41,42,43,49)	tonnes	149,671	141,763	154,928	167,856	181,843	230,428
Nickel and nickel alloys, unwrought (683.10) . . . . .		..	..	..	146,804	123,220	129,016
Nickel mattes, sinters, etc (287.22) . . . . .		..	..	..	260,027	364,313	253,726
Office machines and automatic data processing equipment (75)		..	..	..	158,191	219,546	387,354
Petroleum oils, crude (333) . . . . .		..	..	..	1,265,543	1,152,522	782,346
Petroleum products (334, 335) . . . . .		..	..	..	1,154,762	1,123,610	836,438
Photographic and cinematographic supplies (882) . . . . .		..	..	..	138,151	158,903	183,652
Sheep and lambs, live (001.21) . . . . .		..	..	..	190,920	170,744	206,077
Skins, sheep and lamb, with wool on (211.60.01,05,09,13, 19,21,25) . . . . .	tonnes	69,721	91,189	..	117,344	177,698	263,102

## EXPORTS OF MAJOR COMMODITIES—continued

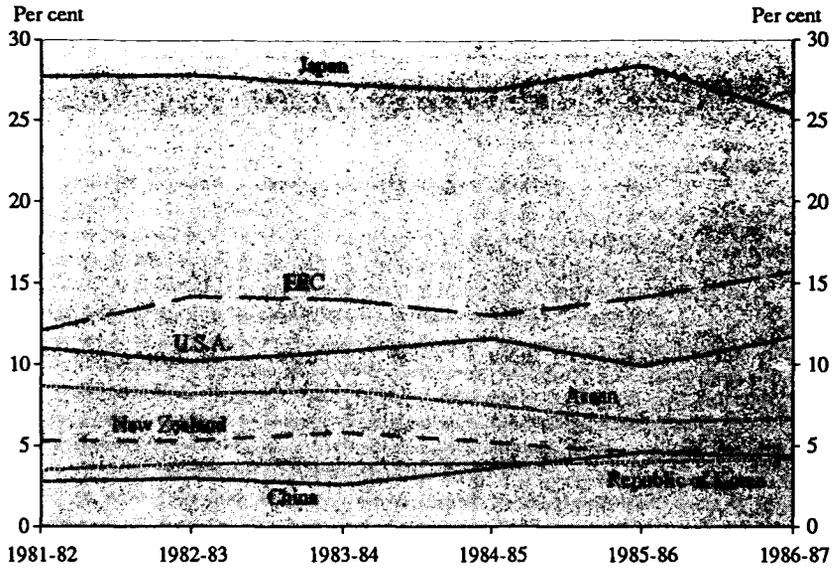
Description (AECC No.)	Unit of quantity	Quantity			Value (\$'000)		
		1984-85	1985-86	1986-87(p)	1984-85	1985-86	1986-87(p)
Sorghum, unmilled (045.92)	tonnes	1,593,535	1,234,193	817,853	242,011	177,560	90,624
Sugar—from cane (except icing sugar) (061.10.01) (061.10.03; 061.20.01)	tonnes	2,524,472	2,748,275	2,470,354	575,427	616,000	634,450
Titanium and zirconium ores and concentrates (except beneficiated ilmenite) (287.93.03, 05,11,13,15, 17,21,23,25,27)	tonnes	1,780,983	1,876,242	1,714,866	169,198	213,583	266,553
Uranium, thorium ores and concentrates (286)	tonnes	20,269	21,820	16,445	324,981	306,555	397,428
Wheat (including spelt) and meslin, unmilled (041)	tonnes	15,648,818	16,108,761	14,502,303	2,856,540	2,968,814	2,141,005
Wood chips (246.02.03, 04)	tonnes	2,371,431	2,421,610	3,117,319	208,695	248,531	345,786
Wool, greasy or fleecewashed (268.10)	tonnes	555,322	607,900	677,309	1,960,523	2,285,529	2,838,775
Wool, degreased (268.20)	tonnes	74,621	90,870	105,348	376,494	514,572	657,723
Zinc and zinc alloys, unwrought (686.10)	tonnes	213,020	212,412	233,590	255,156	213,302	289,745
Zinc ores and concentrates (287.50)	tonnes	749,754	975,919	798,175	205,699	240,829	209,606
Total major commodities		..	..	..	25,506,131	27,999,123	29,552,356
Total (a)		..	..	..	29,708,296	32,817,583	35,724,770

(a) Total exports excludes non-merchandise trade.

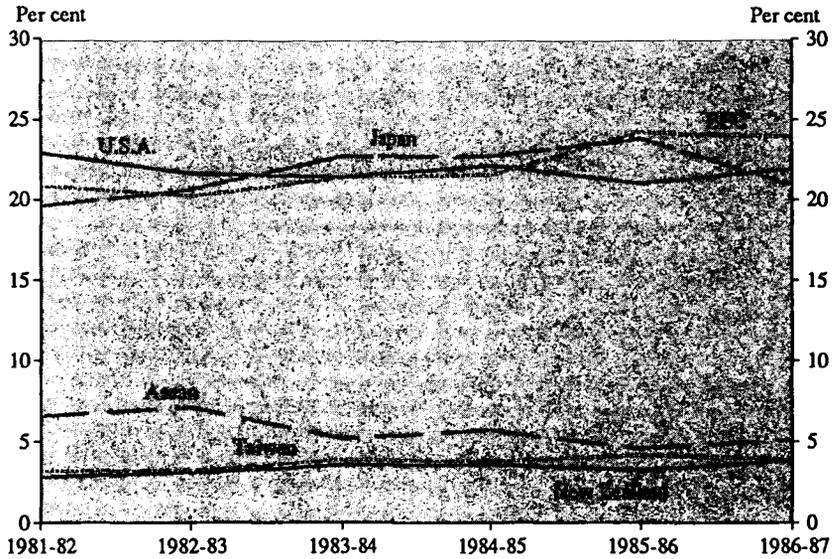
## EXPORTS AND IMPORTS, AUSTRALIA



**EXPORTS TO MAJOR COUNTRIES AND COUNTRY GROUPS  
AUSTRALIA**



**IMPORTS FROM MAJOR COUNTRIES AND COUNTRY GROUPS  
AUSTRALIA**



**EXPORTS BY AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION**  
(\$ million)

<i>ASIC Division/Subdivision</i>	<i>1984-85</i>	<i>1985-86</i>	<i>1986-87(p)</i>
<b>Agriculture, forestry, fishing and hunting</b>			
Agriculture . . . . .	6,229.5	6,630.2	6,097.7
Forestry and logging . . . . .	3.1	3.0	3.8
Fishing and hunting . . . . .	12.8	11.5	21.4
<b>Total</b>	<b>6,245.4</b>	<b>6,644.8</b>	<b>6,122.9</b>
<b>Mining</b>			
Metallic minerals . . . . .	2,833.6	2,987.9	2,899.3
Coal . . . . .	4,656.7	5,215.3	5,429.3
Oil and gas . . . . .	1,664.5	1,613.4	1,013.3
Construction materials . . . . .	1.2	1.2	2.0
Other non-metallic minerals . . . . .	169.8	176.6	120.2
<b>Total</b>	<b>9,325.9</b>	<b>9,994.4</b>	<b>9,464.1</b>
<b>Manufacturing</b>			
Confidential items falling within ASIC classes 0124 to 2963 incl. . . . .	—	—	—
Food, beverages and tobacco . . . . .	3,853.7	4,497.4	5,668.0
Textiles . . . . .	824.4	1,158.5	1,304.4
Clothing and footwear . . . . .	25.6	33.2	52.6
Wood, wood products and furniture (including sheet metal furniture (3152)) . . . . .	246.3	296.5	407.1
Paper, paper products, printing and publishing . . . . .	141.2	153.3	200.1
Chemical, petroleum and coal products . . . . .	1,657.8	1,675.6	1,423.9
Non-metallic mineral products . . . . .	45.5	56.8	76.9
Basic metal products . . . . .	4,510.3	5,075.4	6,052.4
Fabricated metal products (excluding sheet metal furniture (3152)) . . . . .	159.2	168.6	234.8
Transport equipment . . . . .	679.2	627.5	1,241.4
Other machinery and equipment . . . . .	1,188.9	1,425.6	1,899.7
Miscellaneous manufacturing . . . . .	245.4	283.4	400.2
<b>Total</b>	<b>13,577.5</b>	<b>15,451.9</b>	<b>18,961.4</b>
<b>Other industries</b>			
Wholesale and retail trade, business services . . . . .	39.5	29.4	36.3
Confidential items; waste scrap n.e.c.; Second hand goods n.e.c.; Special goods . . . . .	520.0	697.2	1,140.1
<b>Total</b>	<b>559.5</b>	<b>726.5</b>	<b>1,176.4</b>
<b>Total (a)</b>	<b>29,708.3</b>	<b>32,817.6</b>	<b>35,724.8</b>

**IMPORTS BY AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION**  
(\$ million)

<i>ASIC Division/Subdivision</i>	<i>1984-85</i>	<i>1985-86</i>	<i>1986-87(p)</i>
<b>Agriculture, forestry, fishing and hunting</b>			
Agriculture . . . . .	418.9	518.0	572.0
Forestry and logging . . . . .	2.5	4.0	3.5
Fishing and hunting . . . . .	5.4	6.0	5.6
<b>Total</b>	<b>426.8</b>	<b>528.0</b>	<b>581.2</b>
<b>Mining</b>			
Metallic minerals . . . . .	11.4	11.6	24.2
Coal . . . . .	4.5	1.1	0.3
Oil and gas . . . . .	910.6	587.9	569.8
Construction materials . . . . .	16.1	16.9	15.9
Other non-metallic minerals . . . . .	184.8	238.1	205.7
<b>Total</b>	<b>1,127.3</b>	<b>855.6</b>	<b>815.9</b>
<b>Manufacturing</b>			
Confidential items falling within ASIC classes 0124 to 2963 incl. . . . .	3.8	4.9	—
Food, beverages and tobacco . . . . .	1,280.6	1,412.1	1,607.8
Textiles . . . . .	1,464.8	1,701.9	1,878.4
Clothing and footwear . . . . .	758.0	824.6	954.9
Wood, wood products and furniture (including sheet metal furniture (3152)) . . . . .	672.0	735.0	706.9
Paper, paper products, printing and publishing . . . . .	1,402.7	1,487.9	1,747.7
Chemical, petroleum and coal products . . . . .	3,663.1	4,042.2	4,270.7
Non-metallic mineral products . . . . .	492.8	583.1	641.0
Basic metal products . . . . .	772.7	940.0	1,046.1
Fabricated metal products (excluding sheet metal furniture (3152)) . . . . .	747.8	896.4	960.5
Transport equipment . . . . .	3,956.2	4,771.4	4,727.5
Other machinery and equipment . . . . .	9,379.1	12,206.5	12,749.8
Miscellaneous manufacturing . . . . .	1,854.4	2,199.4	2,408.4
<b>Total</b>	<b>26,447.9</b>	<b>31,805.5</b>	<b>33,699.7</b>
<b>Other industries</b>			
Wholesale and retail trade, business services . . . . .	108.9	140.3	169.1
Confidential items; waste scrap n.e.c.; Second hand goods n.e.c.; Special goods . . . . .	938.5	1,361.7	1,825.7
<b>Total</b>	<b>1,047.4</b>	<b>1,502.0</b>	<b>1,994.8</b>
<b>Total (a)</b>	<b>29,049.4</b>	<b>34,691.2</b>	<b>37,091.6</b>

(a) Total trade excludes non-merchandise trade.

## Direction of foreign trade

### Exports and imports, by country of consignment or of origin

The following table shows the value and percentage of Australian exports and imports according to principal country of consignment or origin. The proportions of Australian exports and imports by country of origin or consignment are shown graphically on page 900.

### AUSTRALIAN EXPORTS AND IMPORTS, VALUE BY COUNTRY OR COUNTRY GROUP OF CONSIGNMENT OR ORIGIN

(\$'000)

Country	Exports			Imports		
	1984-85	1985-86	1986-87(p)	1984-85	1985-86	1986-87(p)
Argentina (Argentine Republic) . . . . .	58,603	47,398	77,143	15,289	33,707	48,669
Association of South-East Asian Nations—						
Brunei Darussalam . . . . .	10,827	10,263	13,023	—	1	32,421
Indonesia, Republic of . . . . .	431,051	522,211	510,889	363,083	209,310	310,465
Malaysia . . . . .	603,822	515,995	574,393	318,401	325,432	409,770
Philippines, Republic of . . . . .	191,176	205,240	256,090	110,593	122,519	113,383
Singapore, Republic of . . . . .	782,002	725,823	790,473	711,842	745,209	754,696
Thailand, Kingdom of . . . . .	200,000	163,774	224,022	155,441	200,874	284,338
<i>Total ASEAN</i> . . . . .	<i>2,218,878</i>	<i>2,143,304</i>	<i>2,368,890</i>	<i>1,659,361</i>	<i>1,603,345</i>	<i>1,905,071</i>
Austria, Republic of . . . . .	12,805	20,690	12,132	83,312	128,017	141,523
Bahrain, State of . . . . .	113,119	127,553	78,717	79,994	28,336	19,479
Bangladesh, People's Republic of . . . . .	73,769	27,997	33,196	22,267	18,589	17,738
Brazil, Federal Republic of . . . . .	83,531	98,085	139,004	257,189	245,972	219,497
Canada . . . . .	298,438	460,187	637,597	606,395	691,157	750,754
China, People's Republic of . . . . .	1,061,759	1,497,376	1,586,344	375,326	435,032	588,931
Czechoslovakia (Czechoslovak Socialist Republic) . . . . .	40,996	47,292	34,353	29,733	32,444	28,883
Egypt, Arab Republic of (a) . . . . .	448,844	508,129	344,679	385	281	241
European Economic Community—						
Belgium-Luxembourg . . . . .	216,721	266,901	289,336	216,186	287,112	311,439
Denmark, Kingdom of . . . . .	65,424	127,849	161,866	131,739	172,886	176,683
France (French Republic) . . . . .	669,787	708,094	909,294	558,912	776,124	824,971
Germany, Federal Republic of . . . . .	722,099	881,419	1,099,957	1,811,637	2,743,163	2,784,889
Greece (Hellenic Republic) . . . . .	50,444	68,089	34,748	51,723	47,189	45,294
Ireland (Irish Republic) . . . . .	2,920	7,862	5,972	124,878	150,248	184,319
Italy (Italian Republic) . . . . .	581,325	686,586	823,700	882,096	1,094,688	1,110,591
Netherlands, Kingdom of the . . . . .	457,277	426,868	596,890	350,730	430,680	486,731
Portugal (Portuguese Republic) (b) . . . . .	26,139	72,018	35,276	25,439	35,253	32,447
Spain (Spanish State) (b) . . . . .	143,493	231,928	293,103	137,123	155,547	140,956
United Kingdom of Great Britain and Northern Ireland . . . . .	923,012	1,150,845	1,373,540	1,961,638	2,515,632	2,766,512
<i>Total EEC</i> . . . . .	<i>3,858,641</i>	<i>4,628,458</i>	<i>5,623,682</i>	<i>6,252,101</i>	<i>8,408,521</i>	<i>8,864,833</i>
Fiji . . . . .	157,904	205,107	174,316	40,007	50,185	27,731
Finland, Republic of . . . . .	21,867	58,645	49,675	193,487	208,463	263,079
Hong Kong . . . . .	839,362	721,827	1,086,974	656,809	676,476	799,953
India, Republic of . . . . .	238,175	428,290	419,009	169,133	170,527	203,440
Iran, Islamic Republic of . . . . .	453,231	305,249	361,634	2,656	18,659	4,390
Iraq, Republic of . . . . .	287,409	206,497	194,714	2,106	125	606
Israel, State of . . . . .	42,618	64,831	71,042	76,784	95,831	86,492
Japan . . . . .	7,986,702	9,325,730	9,115,557	6,608,577	8,248,305	7,744,933
Jordan, Hashemite Kingdom of . . . . .	22,666	31,804	7,826	1,070	9,331	90
Korea, Republic of . . . . .	1,157,900	1,318,946	1,492,149	474,047	556,666	898,265
Kuwait, State of . . . . .	118,260	132,177	86,602	339,316	297,025	162,629
Libyan Arab Jamahiriya, Socialist People's Mauritius . . . . .	29,557	1,373	26,538	1	2	4
Mauritius . . . . .	20,828	20,487	26,531	2,389	3,264	3,359
Mexico (United Mexican States) . . . . .	90,889	48,029	41,742	45,357	66,151	55,364
New Caledonia . . . . .	33,832	40,825	55,096	1,520	2,941	1,895
New Zealand . . . . .	1,541,562	1,505,157	1,777,333	1,104,204	1,454,427	1,431,241
Norway, Kingdom of (a) . . . . .	11,246	20,936	24,283	58,011	76,211	96,504
Oman, Sultanate of . . . . .	38,347	53,652	46,306	9,501	35,464	17,617
Pakistan, Islamic Republic of . . . . .	160,524	181,529	100,555	28,496	40,017	61,045
Papua New Guinea . . . . .	516,195	563,452	652,806	114,138	170,946	189,747

**AUSTRALIAN EXPORTS AND IMPORTS, VALUE BY COUNTRY OR COUNTRY GROUP OF  
CONSIGNMENT OR ORIGIN—continued**  
(*\$'000*)

Country	Exports			Imports		
	1984-85	1985-86	1986-87(p)	1984-85	1985-86	1986-87(p)
Poland (Polish People's Republic) . . . . .	118,464	137,593	107,416	15,818	18,507	21,228
Romania, Socialist Republic of . . . . .	60,937	86,378	114,667	20,009	8,665	12,997
Saudi Arabia, Kingdom of . . . . .	468,926	486,550	306,794	638,092	470,822	437,266
South Africa, Republic of . . . . .	206,401	137,658	156,639	136,854	157,831	154,718
Sri Lanka, Democratic Socialist Republic of . . . . .	51,094	56,397	36,250	21,422	21,709	21,220
Sweden, Kingdom of . . . . .	48,814	90,714	118,093	483,526	657,791	655,307
Switzerland (Swiss Confederation) . . . . .	51,478	56,642	338,364	276,376	428,478	490,170
Taiwan . . . . .	846,417	1,063,092	1,227,732	1,052,260	1,161,078	1,518,028
Turkey, Republic of . . . . .	58,622	80,630	116,763	9,233	13,170	19,925
Uganda, Republic of . . . . .	4,715	389	657	14,963	9,033	4,997
United Arab Emirates . . . . .	189,715	178,791	216,206	170,639	134,806	175,845
United States of America . . . . .	3,457,753	3,249,347	4,195,132	6,425,897	7,283,677	8,118,673
U.S.S.R. . . . .	834,443	969,719	687,725	28,224	10,251	15,136
Venezuela, Republic of . . . . .	5,609	7,087	10,471	826	770	1,167
Yemen, Arab Republic . . . . .	67,323	100,472	64,318	2	—	—
Yemen, People's Democratic Republic of . . . . .	47,595	50,198	29,178	—	54	—
Yugoslavia, Socialist Federal Republic of . . . . .	128,898	54,801	110,390	28,790	33,047	38,011
Zimbabwe . . . . .	4,326	6,170	4,832	4,778	6,152	294,100
Other countries . . . . .	1,018,092	1,163,726	1,136,086	406,525	460,744	467,395
Country of origin or destination unknown . . . . .	217	217	632	6,250	8,195	11,431
<b>Total . . . . .</b>	<b>29,708,296</b>	<b>32,817,583</b>	<b>35,724,770</b>	<b>29,049,445</b>	<b>34,691,197</b>	<b>37,091,617</b>

(a) Excludes exports of alumina. Alumina exports for Egypt, Iceland and Norway are included in 'Other countries'.

(b) Portugal and Spain became members of the EEC on 1 January 1986.

### Foreign trade by State

The following table shows the value of exports and imports for each State and Territory.

#### EXPORTS AND IMPORTS BY STATE

(*\$'000*)

State(a)	1985-86		1986-87(p)	
	Exports	Imports	Exports	Imports
New South Wales . . . . .	7,373,750	15,129,910	8,355,713	16,195,265
Victoria . . . . .	6,806,068	12,408,781	7,372,846	13,751,452
Queensland . . . . .	7,606,400	2,649,953	7,727,354	2,501,990
South Australia . . . . .	1,988,233	1,736,757	2,058,525	1,503,755
Western Australia . . . . .	6,516,203	2,063,074	6,626,143	2,542,248
Tasmania . . . . .	900,011	299,398	1,099,808	289,525
Northern Territory . . . . .	603,747	354,509	750,475	265,705
Australian Capital Territory . . . . .	3,834	48,814	917	41,677
State not available . . . . .	121,212	—	121,009	—
Re-exports . . . . .	898,125	—	1,611,980	—
<b>Total (b) . . . . .</b>	<b>32,817,583</b>	<b>34,691,197</b>	<b>35,724,770</b>	<b>37,091,617</b>

(a) For imports: State in which entry was lodged. The State of lodgement is not necessarily the State in which the goods were discharged or consumed. For exports: State is State of origin of Australian produce and State of final shipment of re-exported goods. State of origin is defined as the State in which the final stage of production or manufacture occurs. Because of this change in the basis on which statistics by State are derived, figures from 1 July 1978 are not directly comparable with those for previous periods. (b) Total excludes non-merchandise trade.

### Import clearances, dutiable clearances, and customs duties collected

The following table shows the value of total import clearances, total dutiable clearances, and the customs duties collected, together with the ratio of total dutiable clearances to total clearances.

## TOTAL IMPORT CLEARANCES, DUTIABLE CLEARANCES, AND DUTIES

		1984-85	1985-86	1986-87(p)
Total import clearances . . . . .	\$'000	29,907,018	35,376,584	38,021,386
Total dutiable clearances . . . . .	"	18,551,873	21,901,431	23,573,259
Total customs duties collected . . . . .	"	2,979,888	3,388,711	3,289,505
Ratio of dutiable clearances to total clearance	per cent	62.0	61.9	62.0
Ratio of duties collected to dutiable clearances . . . . .	"	16.1	15.5	14.0

## Excise

Although excise goods have no immediate bearing on foreign trade, the rate of excise duty is in some cases related to the import duty on similar goods. Moreover, as the Excise Acts are administered by the Australian Customs Service, it is convenient to publish here the quantities of Australian produce on which excise duty has been paid. Particulars of customs and excise revenue are shown in Chapter 24, Public Finance. The following table shows the quantities of goods on which excise duty was paid in Australia.

## QUANTITIES OF PRINCIPAL EXCISABLE GOODS ON WHICH EXCISE DUTY WAS PAID: AUSTRALIA

Article	1984-85	1985-86	1986-87 (p)
	'000	'000	'000
Beer . . . . .	litre	litre	litre
	1,789,158	1,827,325	1,784,477
	'000	'000	'000
Spirits—	l.al	l.al	l.al
Brandy . . . . .	2,044	1,997	1,781
Gin . . . . .	410	366	232
Whisky . . . . .	214	228	129
Rum . . . . .	2,284	2,515	2,303
Liqueurs . . . . .	163	150	133
Vodka . . . . .	759	650	478
Flavoured spirituous liqueurs . . . . .	373	489	414
Other . . . . .	386	16	306
Total spirits (potable) . . . . .	6,633	6,411	5,776
	'000kg	'000kg	'000kg
Tobacco . . . . .	1,236	1,110	969
Cigars . . . . .	42	32	1
Cigarettes—machine-made . . . . .	26,485	26,725	25,801
	'000	'000	'000
Petrol—	litre	litre	litre
Aviation gasoline—for use in aircraft(a) . . . . .	114,755	113,943	114,741
Aviation gasoline—other(a) . . . . .	—	—	—
Gasoline—commercial motor spirit/ethanol blends . . . . .	—	—	—
Gasoline(a) . . . . .	15,361,473	15,864,207	16,100,824
Aviation turbine kerosene(a) . . . . .	1,149,809	1,304,041	1,373,287
Other kerosene . . . . .	1,839,954	1,356,502	1,123,207
Diesel fuel . . . . .	(b)8,166,804	(b)8,481,365	(b)8,850,924
	'000	'000	'000
Crude petroleum oil, liquid petroleum and liquefied petroleum gas . . . . .	litre	litre	litre
	29,812,058	30,584,410	34,822,622
	'000 tonnes	'000 tonnes	'000 tonnes
Coal . . . . .	112,882	130,928	140,866

(a) Includes supplies to Commonwealth Government on which excise was paid. (b) Includes automotive, industrial and marine diesel fuel.

## FOREIGN INVESTMENT

Foreign investment statistics provide information on the *level* (stock) of Australia's foreign financial assets and liabilities at a given point in time, *capital transactions* (investment flows) which increase and decrease these assets and liabilities, *other changes* in the value of these assets and liabilities; and *income* receivable and payable on these assets and liabilities.

These statistics form an integral part of Australia's balance of payments as well as being useful in their own right in determining, for example, the impact of foreign investment policies and the level of Australia's foreign assets and liabilities, including foreign debt. The statistics are collected from surveys of foreign investment which have been conducted since 1947-48.

### Classification

The primary classification used in foreign investment statistics is the direction of investment. This classification refers to the basic distinction between inward and outward investment; that is, foreign investment in Australia or Australian investment abroad. Broadly, *foreign investment in Australia* refers to the stock of financial assets in Australia owned by foreign residents and capital transactions which increase or decrease this stock. Conversely, *Australian investment abroad* refers to the stock of financial assets abroad owned by Australian residents and capital transactions which increase or decrease this stock.

Foreign investment is undertaken by means of *instruments of investment*. Many types of instrument of investment can be identified, but for analytical reasons and ease of reporting similar instruments are combined.

- *Corporate equities* includes ordinary and preference shares and units in trusts.
- *Borrowing* (foreign investment in Australia) or *lending* (Australian investment abroad) comprises deposits, loans, finance leases, bonds, bills, IMF credit and Bank of International Settlements placements.
- *Reserve Assets* includes monetary gold, Special Drawing Rights and reserve position in the IMF and foreign exchange held by the Reserve Bank of Australia.
- *Other investments* consists of net equity in branches and amounts outstanding in respect of goods, services, interest, dividends etc.
- Finally, *reinvestment of earnings* of direct investors refers to income retained from after tax profits attributable to direct investors.

Statistics are provided in respect of both Australia's *gross foreign debt* (borrowing) and Australia's *net foreign debt*, the latter being derived by deducting reserve assets and lending abroad from gross foreign debt.

The *country* dissection of statistics on foreign investment shows the countries investing in Australia or receiving investment from Australia. The classification is based upon the country of residence of the foreign creditor or debtor holding Australia's financial liabilities or financial assets. It does not necessarily reflect either the country of ultimate beneficial ownership of the investment, the country of immediate source of funds or the country to which amounts borrowed will in fact be repaid.

The *industry* classification used in foreign investment statistics is based upon the *Australian Standard Industry Classification* (ASIC), 1983 edition. For both foreign investment in Australia and Australian investment abroad, investment is classified by the industry of the enterprise group receiving that investment. Industry statistics should be treated with some caution as they do not necessarily reflect the industry in which the funds are ultimately employed.

### Coverage

As there is no comprehensive source for identifying enterprises engaged in foreign investment activity, lists of enterprises included in foreign investment surveys are compiled from a variety of sources. These sources include stock exchange reports, company reports, newspapers and the financial press, business directories, tax declaration forms submitted under the Banking (Foreign Exchange) Regulations, information provided on a confidential basis of proposals approved by Foreign Investment Review Board and records of the Commissioner of Corporate Affairs in some States.

## Valuation and timing

Market price is the principle method of valuation in foreign investment statistics. Capital transactions are recorded on a change of ownership basis, that is, at the time when the foreign financial assets or liability is acquired, sold, repaid or otherwise disposed of. By convention, this is taken to be the time at which the event is recorded in the books of the transactors. Investment income is generally recorded at the time it becomes due for payment.

## Foreign investment statistics

The table below shows a reconciliation between opening and closing levels of foreign investment in Australia, Australian investment abroad and Australia's net international investment position. The table also shows income payable on foreign investment in Australia, income receivable on Australian investment abroad and net income payable.

**FOREIGN INVESTMENT SUMMARY TABLE**  
(SA million)

Year	Changes in levels of investment during the year					Total	Levels of investment at end of year	Investment income (a)
	Levels of investment at beginning of year	Reinvestment of earnings of direct investors	Other transactions	Exchange rate variations	Other changes			
<b>FOREIGN INVESTMENT IN AUSTRALIA</b>								
<b>Corporate Equities—</b>								
1983-84 . . . . .	27,090	742	1,185	..	-326	1,601	28,691	1,645
1984-85 . . . . .	28,691	775	803	..	3,208	4,786	33,477	1,952
1985-86 . . . . .	33,477	505	2,225	..	241	2,971	36,449	1,797
<b>Borrowing—</b>								
1983-84 . . . . .	35,518	..	8,072	-6	74	8,140	43,658	3,705
1984-85 . . . . .	43,658	..	12,696	10,212	360	23,268	66,926	5,297
1985-86 . . . . .	66,926	..	15,866	6,017	2,113	23,996	90,922	6,908
<b>Other Investment (b)—</b>								
1983-84 . . . . .	8,424	-189	297	-20	1,037	1,125	9,548	483
1984-85 . . . . .	9,548	-182	718	263	484	1,283	10,832	314
1985-86 . . . . .	10,832	383	-11	124	-100	396	11,228	738
<b>Total (b)—</b>								
1983-84 . . . . .	71,034	553	9,553	-26	783	10,863	81,897	5,833
1984-85 . . . . .	81,897	594	14,217	10,475	4,051	29,337	111,234	7,563
1985-86 . . . . .	111,234	888	18,080	6,141	2,254	27,363	138,599	9,442
<b>AUSTRALIAN INVESTMENT ABROAD</b>								
<b>Corporate Equities(b)—</b>								
1983-84 . . . . .	5,863	339	1,174	n.a.	4	1,517	7,380	517
1984-85 . . . . .	7,380	281	2,538	n.a.	659	3,478	10,858	446
1985-86 . . . . .	10,858	599	4,728	792	1,978	8,097	18,955	993
<b>Reserve Assets—</b>								
1983-84 . . . . .	10,748	..	1,855	80	-266	1,669	12,417	744
1984-85 (c) . . . . .	12,417	..	-1,520	2,326	294	1,100	13,517	831
1985-86 . . . . .	13,517	..	-2,140	1,405	242	-493	13,024	598
<b>Lending (b)—</b>								
1983-84 . . . . .	1,760	..	169	35	-173	31	1,791	77
1984-85 . . . . .	1,791	..	592	1	691	1,284	3,075	83
1985-86 . . . . .	3,075	..	1,023	421	-500	944	4,019	115
<b>Other Investment (b)—</b>								
1983-84 . . . . .	4,147	-31	939	n.a.	64	972	5,119	128
1984-85 . . . . .	5,119	34	1,466	n.a.	18	1,518	6,637	164
1985-86 . . . . .	6,637	39	535	112	-447	239	6,876	219
<b>Total (b)—</b>								
1983-84 . . . . .	22,518	309	4,137	115	-373	4,188	26,706	1,468
1984-85 . . . . .	26,706	315	3,075	2,327	1,662	7,379	34,087	1,525
1985-86 . . . . .	34,087	638	4,147	2,730	1,273	8,787	42,874	1,922

**FOREIGN INVESTMENT SUMMARY TABLE—continued**  
(**SA million**)

Year	Changes in levels of investment during the year						Levels of investment at end of year	Investment income (a)
	Levels of investment at beginning of year	Reinvestment of earnings of direct investors	Other transactions	Exchange rate variations	Other changes	Total		
<b>NET INTERNATIONAL INVESTMENT POSITION AND INCOME (d)</b>								
<b>Net Corporate</b>								
<b>Equities—</b>								
1983-84 . . . . .	21,227	403	11	n.a.	-330	84	21,311	1,128
1984-85 . . . . .	21,311	495	-1,735	n.a.	2,549	1,308	22,619	1,506
1985-86 . . . . .	22,619	-94	-2,502	-792	-1,737	-5,126	17,494	804
<b>Net Foreign Debt (e)—</b>								
1983-84 . . . . .	23,010	..	6,048	-121	513	6,440	29,450	2,882
1984-85 . . . . .	29,450	..	13,624	7,885	-625	20,884	50,334	4,383
1985-86 . . . . .	50,334	..	16,983	4,191	2,371	23,545	73,879	6,195
<b>Net Other Investment—</b>								
1983-84 . . . . .	4,276	-158	-642	-20	973	153	4,429	355
1984-85 . . . . .	4,429	-216	-748	263	466	-235	4,194	151
1985-86 . . . . .	4,194	344	-546	12	347	157	4,351	519
<b>Total—</b>								
1983-84 . . . . .	48,513	245	5,416	-141	1,156	6,676	55,190	4,365
1984-85 . . . . .	55,190	279	11,142	8,148	2,389	21,958	77,147	6,038
1985-86 . . . . .	77,147	250	13,933	3,411	981	18,576	95,725	7,520

(a) For foreign investment in Australia, income payable is calculated before the deduction of withholding tax. For Australian investment abroad, up to and including 1984-85, income receivable is calculated after deducting withholding tax; from 1985-86 withholding tax is not deducted. (b) Details of exchange rate variations are not separately available for a number of items and have consequently been included in 'other changes'. For foreign investment in Australia these items include accounts payable to unrelated foreign enterprises abroad (a component of 'other investment'). For Australian investment abroad, before 1985-86, exchange rate details are only available for bank lending and reserve assets. From 1985-86 exchange rate details are available for all items except accounts receivable from unrelated foreign enterprises abroad (a component of 'other investment'). (c) From 1984-85, figures for official reserve assets are not fully comparable with earlier data due to changes in the Reserve Bank's accounting procedures. (d) Net international investment position equals foreign investment in Australia less Australian investment abroad. (e) Foreign borrowing by Australian residents less the sum of reserve assets and Australian lending abroad.

The following table provides details on Australia's foreign debt, including foreign borrowing, reserve assets and lending abroad and net foreign debt.

**LEVELS OF FOREIGN DEBT**  
(**SA million**)

	At 30 June					
	1981	1982	1983	1984	1985	1986
<b>FOREIGN BORROWING (GROSS DEBT)</b>						
<b>Official—</b>						
<b>Commonwealth Government and Reserve</b>						
Bank . . . . .	4,816	5,692	7,682	8,534	12,982	19,553
State government . . . . .	—	—	—	339	1,901	3,855
Total official . . . . .	4,816	5,692	7,682	8,874	14,883	23,409
<b>Non-official—</b>						
<b>Financial enterprises—</b>						
Public sector . . . . .	289	515	648	1,143	2,416	5,086
Private sector . . . . .	1,565	2,752	3,448	5,127	9,148	15,365
Total . . . . .	1,854	3,266	4,097	6,270	11,564	20,451
<b>Trading enterprises—</b>						
Public sector . . . . .	1,707	3,037	5,829	7,711	12,452	13,530
Private sector . . . . .	6,787	12,183	17,910	20,804	28,027	33,533
Total . . . . .	8,494	15,220	23,739	28,514	40,479	47,063
Total non-official . . . . .	10,348	18,487	27,836	34,784	52,043	67,513
<b>Total . . . . .</b>	<b>15,164</b>	<b>24,178</b>	<b>35,518</b>	<b>43,658</b>	<b>66,926</b>	<b>90,922</b>

**LEVELS OF FOREIGN DEBT—continued**  
(**\$A million**)

	<i>At 30 June</i>					
	1981	1982	1983	1984	1985	1986
<b>AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS</b>						
<b>Official—</b>						
Reserve assets (a)	5,709	6,517	10,748	12,417	13,517	13,024
Lending	18	10	7	3	106	137
Total official	5,727	6,527	10,755	12,420	13,623	13,161
<b>Non-official—</b>						
Financial enterprises	504	584	684	576	1,190	2,838
Trading enterprises	434	692	1,068	1,212	1,779	1,044
Total non-official	939	1,276	1,752	1,788	2,969	3,882
<b>Total</b>	<b>6,666</b>	<b>7,803</b>	<b>12,507</b>	<b>14,208</b>	<b>16,592</b>	<b>17,043</b>
<b>NET FOREIGN DEBT (b)</b>						
Official—	-911	-835	-3,073	-3,546	1,260	10,248
<b>Non-official—</b>						
Financial enterprises	1,350	2,682	3,412	5,694	10,374	17,613
Trading enterprises	8,059	14,528	22,671	27,303	38,700	46,019
Total non-official	9,409	17,210	26,083	32,997	49,074	63,631
<b>Total</b>	<b>8,499</b>	<b>16,375</b>	<b>23,010</b>	<b>29,450</b>	<b>50,334</b>	<b>73,879</b>

(a) From 30 June 1985, figures for official reserve assets are not fully comparable with earlier data due to changes in the Reserve Bank's accounting procedures. (b) Foreign borrowing by Australian residents less the sum of Australian lending abroad and reserve assets.

The following tables provide details of foreign investment in Australia and Australian investment abroad classified by country and foreign investment in Australia classified by industry of investment. This information is provided in respect of capital transactions, investment income and levels.

**FOREIGN INVESTMENT IN AUSTRALIA, BY COUNTRY**  
(**\$A million**)

<i>Country of investor</i>	<i>Year</i>					
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
<b>CAPITAL TRANSACTIONS</b>						
<b>OECD—</b>						
U.S.A.	1,249	1,482	337	1,351	3,586	4,131
Japan	928	1,501	3,217	1,500	3,454	2,673
Switzerland	369	787	208	134	399	544
<b>EEC—</b>						
U.K.	1,902	2,633	2,419	2,529	2,287	2,164
Other (a)	458	679	1,004	656	1,290	3,024
<b>Total</b>	<b>2,360</b>	<b>3,312</b>	<b>3,423</b>	<b>3,185</b>	<b>3,577</b>	<b>5,187</b>
Other OECD (a)	179	84	147	242	402	871
<b>Total OECD</b>	<b>5,085</b>	<b>7,166</b>	<b>7,332</b>	<b>6,412</b>	<b>11,418</b>	<b>13,407</b>
ASEAN (b)	381	1,854	1,619	2,148	592	-837
Other countries (b)	269	934	1,230	586	71	-760
International capital markets	—	101	161	953	2,321	6,598
International institutions	-54	97	86	-137	-55	14
Unallocated	328	343	-140	145	462	548
<b>Total</b>	<b>6,009</b>	<b>10,495</b>	<b>10,287</b>	<b>10,107</b>	<b>14,810</b>	<b>18,968</b>

**FOREIGN INVESTMENT IN AUSTRALIA, BY COUNTRY—continued**  
(*\$A million*)

<i>Country of investor</i>	<i>Year</i>					
	<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>	<i>1983-84</i>	<i>1984-85</i>	<i>1985-86</i>
<b>INVESTMENT INCOME</b>						
<b>OECD—</b>						
U.S.A. . . . .	1,415	1,280	828	1,707	2,037	2,438
Japan . . . . .	213	325	478	799	1,224	1,646
Switzerland . . . . .	93	81	150	175	213	275
<b>EEC—</b>						
U.K. . . . .	844	991	1,012	1,504	1,833	2,051
Other (a) . . . . .	232	248	265	452	524	784
<b>Total</b> . . . . .	<b>1,076</b>	<b>1,239</b>	<b>1,277</b>	<b>1,956</b>	<b>2,357</b>	<b>2,834</b>
Other OECD (a) . . . . .	98	99	100	192	212	327
<b>Total OECD</b> . . . . .	<b>2,895</b>	<b>3,024</b>	<b>2,833</b>	<b>4,829</b>	<b>6,043</b>	<b>7,521</b>
<b>ASEAN (b)</b> . . . . .	<b>36</b>	<b>120</b>	<b>288</b>	<b>470</b>	<b>739</b>	<b>694</b>
Other countries (b) . . . . .	85	123	244	327	440	393
International capital markets . . . . .	—	—	5	38	124	555
International institutions . . . . .	42	62	55	40	32	24
Unallocated . . . . .	106	121	116	130	187	256
<b>Total</b> . . . . .	<b>3,164</b>	<b>3,449</b>	<b>3,542</b>	<b>5,833</b>	<b>7,563</b>	<b>9,442</b>
<b>LEVELS OF FOREIGN INVESTMENT</b>						
<b>OECD—</b>						
U.S.A. . . . .	13,084	15,144	17,258	19,877	26,272	30,810
Japan . . . . .	4,098	5,461	9,277	10,802	16,200	20,840
Switzerland . . . . .	1,979	2,584	3,119	3,114	4,050	5,856
<b>EEC—</b>						
U.K. . . . .	14,580	15,383	18,596	20,443	25,946	29,054
Other (a) . . . . .	5,679	6,516	8,066	8,710	11,097	15,169
<b>Total</b> . . . . .	<b>20,259</b>	<b>21,899</b>	<b>26,662</b>	<b>29,153</b>	<b>37,043</b>	<b>44,223</b>
Other OECD (a) . . . . .	1,808	1,646	2,010	2,844	3,801	4,541
<b>Total OECD</b> . . . . .	<b>41,228</b>	<b>46,734</b>	<b>58,326</b>	<b>65,790</b>	<b>87,365</b>	<b>106,269</b>
<b>ASEAN (b)</b> . . . . .	<b>1,058</b>	<b>2,926</b>	<b>4,898</b>	<b>7,214</b>	<b>9,695</b>	<b>8,951</b>
Other countries (b) . . . . .	1,854	2,688	4,415	5,062	6,840	5,804
International capital markets . . . . .	959	644	985	1,425	4,466	13,098
International institutions . . . . .	337	437	533	390	341	365
Unallocated . . . . .	1,908	1,965	1,876	2,017	2,527	4,111
<b>Total</b> . . . . .	<b>47,343</b>	<b>55,394</b>	<b>71,034</b>	<b>81,897</b>	<b>111,234</b>	<b>138,599</b>

(a) Until 1985-86, Spain and Portugal are included in 'Other OECD'; from 1985-86 they are included in 'Other EEC'. (b) Until 1983-84, Brunei is included in 'Other countries'; from 1983-84 it is included in 'ASEAN'.

**AUSTRALIAN INVESTMENT ABROAD, BY COUNTRY**  
(*\$A million*)

<i>Country of investment</i>	<i>Year</i>					
	<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>	<i>1983-84</i>	<i>1984-85</i>	<i>1985-86</i>
<b>CAPITAL TRANSACTIONS</b>						
<b>OECD—</b>						
<b>USA</b> . . . . .	<b>1,147</b>	<b>1,578</b>	<b>2,228</b>	<b>2,186</b>	<b>-73</b>	<b>1,311</b>
New Zealand . . . . .	69	216	148	163	231	1
UK . . . . .	-90	218	1	225	716	731
Other OECD (a) . . . . .	108	185	1,264	968	1,521	1,000
<b>Total OECD</b> . . . . .	<b>1,235</b>	<b>2,197</b>	<b>3,640</b>	<b>3,543</b>	<b>2,395</b>	<b>3,043</b>
<b>ASEAN (a)</b> . . . . .	<b>83</b>	<b>16</b>	<b>157</b>	<b>285</b>	<b>319</b>	<b>111</b>
Papua New Guinea . . . . .	-30	106	149	230	94	-107
Other countries (b) . . . . .	238	-16	299	231	351	2,126
Unallocated . . . . .	40	-32	-123	157	231	-390
<b>Total</b> . . . . .	<b>1,566</b>	<b>2,271</b>	<b>4,122</b>	<b>4,446</b>	<b>3,390</b>	<b>4,784</b>

**AUSTRALIAN INVESTMENT ABROAD, BY COUNTRY—continued**  
(**\$A million**)

Country of investment	Year					
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
<b>INVESTMENT INCOME</b>						
OECD—						
USA . . . . .	133	198	468	643	698	405
New Zealand . . . . .	97	115	101	154	173	262
UK . . . . .	96	15	107	122	96	271
Other OECD (a) . . . . .	95	60	82	119	270	396
<i>Total OECD</i> . . . . .	<i>421</i>	<i>388</i>	<i>758</i>	<i>1,037</i>	<i>1,237</i>	<i>1,334</i>
ASEAN (b) . . . . .	75	91	93	150	101	154
Papua New Guinea . . . . .	62	49	47	108	53	141
Other countries (b) . . . . .	107	88	103	117	80	172
Unallocated . . . . .	37	44	53	55	54	122
<b>Total</b> . . . . .	<b>702</b>	<b>660</b>	<b>1,054</b>	<b>1,468</b>	<b>1,525</b>	<b>1,922</b>

**LEVELS OF AUSTRALIAN INVESTMENT**

OECD—						
USA . . . . .	3,119	5,082	8,106	10,195	12,233	13,121
New Zealand . . . . .	542	664	781	928	927	1,311
UK . . . . .	558	865	883	1,465	2,511	3,601
Other OECD (a) . . . . .	1,339	1,538	3,019	3,939	6,399	9,848
<i>Total OECD</i> . . . . .	<i>5,559</i>	<i>8,149</i>	<i>12,789</i>	<i>16,528</i>	<i>22,071</i>	<i>27,880</i>
ASEAN (b) . . . . .	1,995	2,218	1,877	1,676	1,582	1,357
Papua New Guinea . . . . .	509	878	850	1,016	994	746
Other countries (b) . . . . .	1,838	1,905	2,478	3,060	3,977	7,038
Reserve Bank gold (c) . . . . .	3,184	2,444	3,744	3,478	3,772	4,014
Unallocated . . . . .	989	926	780	949	1,691	1,838
<b>Total</b> . . . . .	<b>14,075</b>	<b>16,520</b>	<b>22,518</b>	<b>26,706</b>	<b>34,087</b>	<b>42,874</b>

(a) The foreign exchange part of reserve assets, with the exception of those held in the USA, are not available by country and are therefore included in 'Other OECD'. (b) Until 1983-84 Brunei is included in 'Other countries'; from 1983-84 it is included in 'ASEAN'. (c) Gold held by the Reserve Bank as part of reserve assets which cannot be allocated by country.

**FOREIGN INVESTMENT IN AUSTRALIA, BY INDUSTRY(a)**

Industry of investment (ASIC division)	Year—					
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
<b>CAPITAL TRANSACTIONS</b>						
A Agriculture, forestry, fishing and hunting . . . . .	24	1	49	5	3	41
B Mining . . . . .	1,383	1,811	2,377	97	389	-1,391
C Manufacturing . . . . .	1,645	2,819	1,618	1,517	674	2,991
D Electricity, gas and water . . . . .	269	990	2,332	652	745	264
E Construction . . . . .	136	190	78	57	62	-59
F Wholesale and retail trade . . . . .	1,308	1,093	581	1,859	2,333	1,174
G Transport and storage . . . . .	230	655	419	327	402	392
I Finance, property and business services(b) . . . . .	854	1,924	1,602	3,604	6,917	11,128
J Public administration, and defence(c) . . . . .	1	644	1,032	971	2,629	3,961
H, K, L Other industries(d) . . . . .	88	166	195	463	294	242
M Unallocated(e) . . . . .	71	203	5	555	362	224
<b>Total all industries</b> . . . . .	<b>6,009</b>	<b>10,495</b>	<b>10,287</b>	<b>10,107</b>	<b>14,810</b>	<b>18,968</b>

## FOREIGN INVESTMENT IN AUSTRALIA, BY INDUSTRY(a)—continued

Industry of investment (ASIC division)	Year—						
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	
<b>INVESTMENT INCOME</b>							
A	Agriculture, forestry, fishing and hunting . . . . .	—	-20	-3	3	2	24
B	Mining . . . . .	629	470	582	974	1,073	1,802
C	Manufacturing . . . . .	730	997	455	1,271	1,544	1,558
D	Electricity, gas and water . . . . .	68	122	230	306	424	492
E	Construction . . . . .	51	23	27	38	31	69
F	Wholesale and retail trade . . . . .	599	514	286	654	772	610
G	Transport and storage . . . . .	80	145	189	258	262	370
I	Finance, property and business services(b) . . . . .	449	593	965	1,314	1,860	1,831
J	Public administration, and defence(c) . . . . .	374	373	541	668	927	1,507
H, K, L	Other industries(d) . . . . .	13	22	24	51	102	112
M	Unallocated(e) . . . . .	170	209	246	297	567	1,067
	<b>Total all industries . . . . .</b>	<b>3,164</b>	<b>3,449</b>	<b>3,542</b>	<b>5,833</b>	<b>7,563</b>	<b>9,442</b>
<b>LEVELS OF FOREIGN INVESTMENT</b>							
A	Agriculture, forestry, fishing and hunting . . . . .	462	470	536	528	591	558
B	Mining . . . . .	9,893	10,299	14,642	15,388	19,504	17,641
C	Manufacturing . . . . .	11,483	13,081	15,861	17,688	20,933	25,381
D	Electricity, gas and water . . . . .	847	1,878	4,441	5,112	7,534	8,350
E	Construction . . . . .	474	559	747	849	1,200	1,100
F	Wholesale and retail trade . . . . .	8,411	9,348	10,297	11,924	15,542	16,840
G	Transport and storage . . . . .	1,412	2,114	2,671	3,020	4,267	5,286
I	Finance, property and business services(b) . . . . .	7,468	9,187	11,171	14,836	23,470	36,302
J	Public administration, and defence(c) . . . . .	5,090	6,065	8,081	8,861	13,273	19,930
H, K, L	Other industries(d) . . . . .	411	554	817	1,243	1,855	2,055
M	Unallocated(e) . . . . .	1,392	1,839	1,769	2,449	3,065	5,155
	<b>Total all industries . . . . .</b>	<b>47,343</b>	<b>55,395</b>	<b>71,034</b>	<b>81,897</b>	<b>111,234</b>	<b>138,599</b>

(a) The industry categories shown are based on the 1983 edition of ASIC and relate to the predominant activity of the enterprise group receiving the investment funds. This is not necessarily the industry of the end use of the funds. (b) Includes the Reserve Bank and the State Government part of General Government. (c) Includes the Commonwealth Government part of General Government. (d) Consists of: Division H—Communications, Division K—Community services, and Division L—Recreation, personal and other services. (e) Details of accounts payable/prepayments received are not classified by industry and are therefore included in 'Unallocated'.

## BALANCE OF PAYMENTS

Broadly speaking, the Australian balance of payments is a statistical statement designed to provide a systematic record of Australia's economic transactions with the rest of the world. It may be described as a system of consolidated accounts in which the accounting entity is the Australian economy and the entries refer to all economic transactions between residents of Australia and residents of the rest of the world (non-residents). Such a record is essential for the examination of influences which external factors have on the domestic economy. Balance of payments estimates have always assumed a particular importance in Australia due to the importance of these influences on the Australian economy.

Official estimates of Australia's balance of payments for the period 1928-29 were included in *Year Book* No. 24. Except for the War years 1939 to 1945, estimates have since been published at least annually.

Detailed estimates and brief descriptions of the various items included are provided in the annual publication *Balance of Payments, Australia* (5303.0) while comprehensive regional

data is available in the annual microfiche publication *Balance of Payments, Australia—Regional Series on Microfiche* (5338.0). More timely estimates are provided in the quarterly publications *Balance of Payments, Australia* (5302.0) and *Balance of Payments, Australia—Historical Series on Microfiche* (5337.0), available approximately eight and ten weeks respectively after the end of each quarter. A monthly publication *Balance of Payments, Australia* (5301.0), showing preliminary estimates in less detail, is published about eleven working days after the end of each month. An ABS information paper, *Changes in the Presentation of Australian Balance of Payments Statistics* (5340.0), provides the basis for the current presentation of Australian balance of payments statistics and contains useful information on the classification and coverage of balance of payments transactions. Changes which have occurred since its publication on 23 December 1985 are described in 5303.0 for 1985–86.

Balance of payments statements cover a wide range of economic transactions which may be broadly divided into three categories. The first category comprises transactions in goods, services and income between residents of Australia and non-residents. The second category relates to financial transactions involving claims on and liabilities to the rest of the world. Because the statement is constructed on a double entry recording basis, a third category described as unrequited transfers is required to provide offsetting entries for one sided balance of payments transactions, such as gifts in cash and kind which have no 'quid pro quo'. Two changes not arising from transactions—specifically changes in Australia's official reserve assets arising from the allocation (or cancellation) of Special Drawing Rights (SDRs) by the International Monetary Fund (IMF) and the monetisation (or demonetisation) of gold—are included by convention, to make the accounts more analytically useful. The first and third of the above categories are combined in what is described as the current account and the second category together with the two changes not arising from transactions are shown separately in what is described as the capital account.

#### OFFICIAL RESERVE ASSETS AND AVERAGE EXCHANGE RATES

(Source: Reserve Bank of Australia for official reserve assets)

	Financial year ending 30 June—		
	1985	1986	1987
—\$ million—			
Levels of official reserve assets (a)			
Foreign exchange—			
United States dollars	5,802	3,403	6,571
Other	3,305	4,803	5,266
Special drawing rights	360	478	471
Reserve position in IMF	278	326	335
Gold	3,772	4,014	4,951
<b>Total</b>	<b>13,517</b>	<b>13,024</b>	<b>17,594</b>
—Units of foreign currency per \$A—			
Average exchange rates (b)—			
United States dollar	0.7754	0.6999	0.6636
United Kingdom pound	0.6360	0.4866	0.4352
West German mark	2.381	1.753	1.280
Japanese yen	193.12	140.48	101.37
Special drawing right	0.7821	0.6387	0.5345

(a) SDRs, and Australia's reserve position in the IMF are based on the IMF basket valuation for the SDR, which is published in terms of US dollars crossed with the representative rate for the Australian dollar in terms of the US dollar. Gold is valued at the average London gold price for the month, converted to Australian dollars at the market rate of exchange applying on the last trading day of the month. The foreign currency value of all other overseas assets has been based, where applicable, on market quotations. Accrued interest is normally taken into account. Conversion to Australian dollar equivalent is based on end of period market rates of exchange. (b) Derived by averaging exchange rates for trading days.

Under the internationally accepted conventions of the double entry system, credit entries, which have no arithmetic sign, are used to record exports of goods and services, income receivable and financial transactions involving either a reduction in the country's foreign

financial assets or an increase in its foreign liabilities. Conversely, debit entries, identified by a minus sign (—), are used to record imports of goods and services, income payable and financial transactions involving either an increase in foreign financial assets or a decrease in foreign liabilities. Transactions in a double entry accounting system are reflected in pairs of equal credit and debit entries. For example, an export transaction for which payment is received through the banking system involves a credit entry for the export and a debit entry for the increase in foreign exchange assets. Similarly, the repayment of a foreign loan through the banking system involves a debit entry for a reduction in foreign liabilities and a credit entry for the decrease in foreign exchange assets. Any entries that are not automatically paired are matched by special offsetting entries. Such offsetting entries are required in the category of unrequited transfers for one sided balance of payments transactions. Offsets are also required for the other changes not arising from transactions referred to in the previous paragraph.

It follows that, in principle, the net sum of all credit and debit entries is zero. In practice, some transactions are not measured accurately (errors), while others are not measured at all (omissions). Equality between the sum of the credit and debit entries is brought about by the inclusion of a balancing item which reflects net errors and omissions. The balancing item is shown separately outside both current and capital accounts since it reflects the net effects of errors and omissions in both accounts.

In principle, transactions and other changes should be valued in the balance of payments at market prices. However, in practice, transactions are generally valued in the statistics at transactions prices because this basis provides the closest practical approximation to the market price principle. The transactions price is the price at which a transaction is recorded in the accounts of the transactors.

Transactions and other changes recorded in the balance of payments should, in principle, be recorded at the time of change of ownership (either actual or imputed). For the current account this is conceived as the time when ownership of goods changes, services are rendered, when undistributed income of direct investment enterprises is earned, and when interest and dividends become due for payment. In the case of unrequited transfers, those which are imposed by one party on another, such as taxes and fines, should ideally be recorded at the time they become due for payment without penalty; whereas others should be recorded when the goods, services, etc. to which they are offsets change ownership. For capital account transactions the time of change of ownership is, by convention, normally taken to be the time at which transactions are entered in the books of the transactors. Entries for loan drawings should be based on actual disbursements and not on commitments or authorisations. Entries for loan repayments should be recorded at the time they become due rather than on the actual payment date.

In practice, the nature of the available data sources is such that the time of recording of transactions will often differ from the time of change of ownership. This is particularly true in the case of transactions in goods which are, in the main, recorded at the time that administrative records relating to the movement of the goods across the customs frontier are processed. Where practical, timing adjustments are made for transactions in certain goods to ensure that they are recorded in the time period in which change of ownership occurs.

In the tables that follow, global estimates of the current and capital accounts of the Australian balance of payments are presented. The current account table shows entries on a gross basis, i.e. credit and debit entries for each item are shown separately. In contrast, the capital account table is recorded on a net basis. This means credit and debit entries for each item are combined to arrive at a single net result (either a credit or debit).

The current account records transactions between Australian residents and non-residents in merchandise, other goods and services, income and unrequited transfers. In principle, the items included in merchandise should include all movable goods, with a few exceptions, the ownership of which changes from residents to non-residents (exports) and from non-residents to residents (imports). Services covers services rendered by Australian residents to non-residents (credits) and by non-residents to residents (debits), together with transactions in a few types of goods (e.g. goods purchased by travellers). Income covers income earned by Australian residents from non-residents (credits) or by non-residents from residents (debits).

It includes investment income (e.g. dividends and interest), other property income (e.g. royalties) and labour income (e.g. wages and salaries). Unrequited transfers covers the offsetting entries required by the double-entry system of accounting when resources (goods, services and financial assets) are provided, without something of economic value being received in return, by non-residents to Australian residents (offsetting credits required) and by residents to non-residents (offsetting debits required). It includes foreign aid, migrants' transfers, gifts, donations, pensions and taxes.

The capital account records transactions in Australia's foreign financial assets and liabilities, including the creation and extinction of claims on or by the rest of the world and a few specified other changes. Capital transactions are grouped into two broad institutional sectors named official and non-official, with the former split into general government and Reserve Bank. The general government sector comprises transactions of the Commonwealth, the States, local government authorities, and statutory bodies, but it excludes the transactions of public business enterprises. The Reserve Bank sector covers transactions attributed to the central bank. The non-official sector covers transactions of all other resident entities including private and government-owned banks, private and public business enterprises, and households.

**CURRENT ACCOUNT**  
(*\$ million*)

	1984-85	1985-86	1986-87
<b>Current transactions—</b>			
<b>Goods and services—</b>			
<b>Merchandise (a)—</b>			
Exports f.o.b. . . . .	29,212	32,200	35,377
Imports f.o.b. . . . .	-30,093	-35,622	-37,293
<i>Balance on merchandise trade</i> . . . . .	-881	-3,422	-1,916
<b>Services—</b>			
<b>Credits—</b>			
Shipment . . . . .	395	379	427
Other transportation . . . . .	2,092	2,480	2,879
Travel . . . . .	1,359	1,801	2,528
Other services . . . . .	1,088	1,215	1,399
Total services credits . . . . .	4,934	5,875	7,233
<b>Debits—</b>			
Shipment . . . . .	-2,539	-2,827	-2,847
Other transportation . . . . .	-2,093	-2,232	-2,106
Travel . . . . .	-2,618	-2,730	-2,957
Other services . . . . .	-1,672	-1,975	-2,232
Total services debits . . . . .	-8,922	-9,764	-10,142
<i>Net services</i> . . . . .	-3,988	-3,889	-2,909
<i>Balance on goods and services</i> . . . . .	-4,869	-7,311	-4,825
<b>Income—</b>			
<b>Credits—</b>			
<b>Property income—</b>			
Reinvested earnings . . . . .	315	640	720
Other . . . . .	1,377	1,483	1,555
Labour and other income . . . . .	209	213	234
Total income credits . . . . .	1,901	2,336	2,509
<b>Debits—</b>			
<b>Property income—</b>			
Reinvested earnings . . . . .	-594	-888	-650
Other . . . . .	-7,712	-9,273	-11,692
Labour and other income . . . . .	-165	-196	-253
Total income debits . . . . .	-8,471	-10,357	-12,595
<i>Net income</i> . . . . .	-6,570	-8,021	-10,086
<b>Unrequited transfers—</b>			
Credits . . . . .	2,016	2,532	3,041
Debits . . . . .	-1,654	-1,700	-1,693
<i>Net unrequited transfers</i> . . . . .	362	832	1,348
<b>Balance on current account</b> . . . . .	-11,077	-14,500	-13,563

(a) Balance of payments basis

**CAPITAL ACCOUNT AND BALANCING ITEM**  
(**\$ million**)

	1984-85	1985-86	1986-87
<b>Net capital transactions</b>			
Official—			
General government—			
Foreign investment in Australia—			
Borrowing . . . . .	2,675	3,338	3,880
Other . . . . .	-46	30	-12
Total . . . . .	2,628	3,368	3,868
Australian investment abroad . . . . .	-270	-192	-416
Total general government . . . . .	2,358	3,176	3,452
Reserve Bank—			
Foreign investment in Australia . . . . .	-10	-16	18
Australian investment abroad—			
Reserve assets . . . . .	1,520	2,140	-3,394
Other . . . . .	—	—	—
Total . . . . .	1,520	2,140	-3,394
Total Reserve Bank . . . . .	1,510	2,124	-3,376
Total official . . . . .	3,868	5,300	76
Non-official—			
Foreign investment in Australia—			
Direct investment—			
Reinvestment of earnings . . . . .	610	936	650
Other . . . . .	2,001	883	3,362
Portfolio and other investment . . . . .	10,662	14,681	17,601
Total foreign investment in Australia . . . . .	13,273	16,500	21,613
Australian investment abroad—			
Direct investment—			
Reinvestment of earnings . . . . .	-315	-616	-720
Other . . . . .	-2,062	-1,512	-3,216
Portfolio and other investment . . . . .	-2,571	-5,722	-5,039
Total Australian investment abroad . . . . .	-4,948	-7,850	-8,975
Total non-official . . . . .	8,326	8,650	12,638
Balance on capital account . . . . .	12,193	13,950	12,714
Balancing item . . . . .	-1,116	550	849

**VALUES OF EXPORTS AND IMPORTS OF GOODS AND SERVICES**  
(**BALANCE OF PAYMENTS BASIS**) AT CONSTANT PRICES

The following tables show annual values of Australian exports and imports of goods and services at current and constant (average 1979-80) prices. These estimates are compiled on a balance of payments basis within the framework of the Australian Export Commodity Classification (AECC) and the Australian Import Commodity Classification (AICC). Quarterly figures in original and seasonally adjusted terms are published regularly in the publication *Balance of Payments, Australia* (5302.0).

The current price value of a transaction may be expressed conceptually as the product of a price and a quantity. The value of the transaction at constant prices may then be thought of as being derived by substituting, for the current price, the corresponding price in the

chosen base year. There are, however, many transactions recorded in statistics of overseas trade for which it is not possible to apply such an approach. In such cases it is necessary to make assumptions and approximations (e.g. revaluing by means of the price index which is considered to be most closely related to the commodity involved). The published estimates at constant prices should be viewed in this light.

Estimates at current prices are often divided by their corresponding estimates at constant prices to give measures of price change, which are generally referred to as implicit price deflators (IPDs). IPDs are derived measures and are not normally the direct price measures by which current price estimates are converted to estimates at constant prices. A more detailed discussion of the nature of IPDs is presented in Appendix B of the publication *Australian National Accounts: Concepts, Sources and Methods* (5216.0)

### Merchandise (Balance of Payments basis)

The published components of merchandise exports and imports of goods f.o.b. consist of varying numbers of AECC and AICC divisions and/or sections as shown below.

<i>Exports</i>	<i>Section or division of AECC</i>	<i>Imports</i>	<i>Section or division of AICC</i>
Rural—		Food, beverages and tobacco	0, 1
Meat and meat preparations	01	Fuels	3
Cereal grains and cereal preparations	04	Basic materials	2, 4
Sugar, sugar preparations and honey	06	Chemicals (incl. plastics)	5
Wool and sheepskins	Parts of 21, 26 and 65	Textiles, fabrics, etc.	65
Other rural	00, 02, 03, 05, 07 to 09, 21 (part), 22 to 25, 26 (part), 29, 4	Metals and metal manufactures	67 to 69
		Machinery and transport equipment	7
		Other imports	61 to 64, 66 8, 9
Non-rural—			
Metal ores and minerals	27, 28		
Mineral fuels—			
Coal, coke and briquettes	32		
Other	33, 34		
Metals and metal manufactures	67 to 69		
Machinery and transport equipment	7		
Other non-rural	1, 5, 61 to 64, 65 (part), 66, 8, 9		

### Services

*Services* covers services rendered by Australian residents to non-residents (credits) and by non-residents to residents (debits), together with transactions in a few types of goods (eg goods purchased by travellers).

### Exogenous and endogenous imports

*Exogenous imports* comprise a group of imported goods which it has been found useful to identify separately in economic analysis because the transactions in these goods are lumpy, subject to government arrangements or significantly affected by factors other than the general level of economic activity in Australia. Exogenous imports include fuels; ships, aircraft and certain other large items of equipment acquired by selected public and private sector trading enterprises; defence goods and certain other government goods.

*Endogenous imports* comprise imports of all goods other than those regarded as exogenous.

Endogenous imports are classified into three classes—*consumption goods*, *capital goods* and *other goods*—according to the United Nations' classification by broad economic categories (BEC). *Other goods* covers the BEC class *intermediate goods* and the residual BEC category *goods not elsewhere specified*. The *classes* consist of the following BEC categories (excluding goods defined as exogenous) shown below.

*Consumption goods—*

Food and beverages, primary, mainly for household consumption (112)  
 Food and beverages, processed, mainly for household consumption (122)  
 Passenger motor vehicles (51)  
 Transport equipment, non-industrial (522)  
 Consumer goods, not elsewhere specified (6)

*Capital goods—*

Capital goods (except transport equipment) (41)  
 Transport equipment, industrial (521)

*Other goods—*

Food and beverages, primary, mainly for industry (111)  
 Food and beverages, processed, mainly for industry (121)  
 Industrial supplies not elsewhere specified (2)  
 Parts and accessories of capital goods (except transport equipment) (42)  
 Parts and accessories of transport equipment (53)  
 Goods not elsewhere specified (7)

**EXPORTS OF GOODS AND SERVICES (BALANCE OF PAYMENTS BASIS) AT CURRENT  
 AND AVERAGE 1979-80 PRICES**

(\$ million)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
<b>AT CURRENT PRICES</b>						
Rural exports f.o.b.						
Meat and meat preparations . . . . .	1,380	1,675	1,393	1,371	1,699	2,246
Cereal grains and cereal preparations . . . . .	2,484	1,849	2,773	3,855	3,880	2,759
Sugar, sugar preparations and honey . . . . .	782	608	676	615	646	708
Wool and sheepskins . . . . .	1,874	1,789	2,000	2,573	3,061	3,889
Other (dairy produce, fruit, etc.) . . . . .	1,752	1,984	2,132	2,426	2,958	3,523
<i>Total rural</i> . . . . .	<i>8,272</i>	<i>7,905</i>	<i>8,974</i>	<i>10,840</i>	<i>12,244</i>	<i>13,125</i>
Non-rural exports f.o.b.						
Metal ores and minerals . . . . .	3,456	3,852	4,229	4,722	5,005	4,949
Mineral fuels—						
Coal, coke and briquettes . . . . .	2,295	3,078	3,338	4,665	5,240	5,454
Other . . . . .	867	1,058	1,437	2,360	2,299	1,511
Metals and metal manufactures . . . . .	1,627	1,912	2,192	2,512	2,717	3,145
Machinery and transport equipment . . . . .	1,050	1,150	1,379	1,654	1,614	2,627
Other non-rural . . . . .	1,513	1,701	2,133	2,459	3,081	4,566
<i>Total non-rural</i> . . . . .	<i>10,808</i>	<i>12,751</i>	<i>14,708</i>	<i>18,372</i>	<i>19,956</i>	<i>22,252</i>
<i>Total exports f.o.b.</i> . . . . .	<i>19,080</i>	<i>20,656</i>	<i>23,682</i>	<i>29,212</i>	<i>32,200</i>	<i>35,377</i>
<i>Exports of services</i> . . . . .	<i>3,805</i>	<i>4,029</i>	<i>4,328</i>	<i>4,934</i>	<i>5,875</i>	<i>7,233</i>
<b>Total exports of goods and services</b> . . . . .	<b>22,885</b>	<b>24,685</b>	<b>28,010</b>	<b>34,146</b>	<b>38,075</b>	<b>42,610</b>
<b>AT AVERAGE 1979-80 PRICES</b>						
Rural exports f.o.b.						
Meat and meat preparations . . . . .	1,595	1,788	1,313	1,220	1,457	1,727
Cereal grains and cereal preparations . . . . .	2,237	1,607	2,239	3,028	3,108	2,669
Sugar, sugar preparations and honey . . . . .	787	800	772	815	854	834
Wool and sheepskins . . . . .	1,701	1,603	1,700	1,964	2,161	2,407
Other (dairy produce, fruit, etc.) . . . . .	1,648	1,736	1,660	1,784	2,129	2,318
<i>Total rural</i> . . . . .	<i>7,968</i>	<i>7,534</i>	<i>7,684</i>	<i>8,811</i>	<i>9,709</i>	<i>9,955</i>
Non-rural exports f.o.b.						
Metal ores and minerals . . . . .	2,823	2,911	3,202	3,244	3,297	3,273
Mineral fuels—						
Coal, coke and briquettes . . . . .	1,797	2,049	2,394	3,073	3,214	3,426
Other . . . . .	748	811	1,099	1,538	1,509	1,525
Metals and metal manufactures . . . . .	1,952	2,213	2,231	2,354	2,484	2,500
Machinery and transport equipment . . . . .	854	833	936	1,015	922	1,342
Other non-rural . . . . .	1,476	1,545	1,850	2,155	2,459	3,190
<i>Total non-rural</i> . . . . .	<i>9,650</i>	<i>10,362</i>	<i>11,712</i>	<i>13,380</i>	<i>13,885</i>	<i>15,256</i>
<i>Total exports f.o.b.</i> . . . . .	<i>17,618</i>	<i>17,896</i>	<i>19,396</i>	<i>22,191</i>	<i>23,594</i>	<i>25,211</i>
<i>Exports of services</i> . . . . .	<i>3,190</i>	<i>3,094</i>	<i>3,147</i>	<i>3,459</i>	<i>3,717</i>	<i>4,153</i>
<b>Total exports of goods and services</b> . . . . .	<b>20,808</b>	<b>20,990</b>	<b>22,543</b>	<b>25,650</b>	<b>27,311</b>	<b>29,364</b>

**IMPORTS OF GOODS AND SERVICES (BALANCE OF PAYMENTS BASIS) AT CURRENT  
AND AVERAGE 1979-80 PRICES**

(\$ million)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
<b>AT CURRENT PRICES</b>						
Food, beverages and tobacco . . . . .	902	1,017	1,211	1,476	1,705	1,938
Fuels . . . . .	2,987	3,087	2,209	2,321	1,909	1,748
Basic materials . . . . .	846	728	873	1,052	1,109	1,176
Chemicals (incl. plastics) . . . . .	1,813	1,769	2,155	2,567	3,003	3,470
Textiles, fabrics, etc. . . . .	1,094	1,009	1,304	1,452	1,669	1,832
Metals and metal manufactures . . . . .	1,357	1,193	1,143	1,462	1,695	1,848
Machinery and transport equipment . . . . .	9,012	8,595	9,261	12,820	16,188	15,988
Other imports . . . . .	4,357	4,307	5,341	6,943	8,344	9,293
<i>Total imports f.o.b.</i> . . . . .	<i>22,368</i>	<i>21,705</i>	<i>23,497</i>	<i>30,093</i>	<i>35,622</i>	<i>37,293</i>
of which:						
Exogenous . . . . .	4,018	4,097	3,098	4,237	4,539	4,498
Endogenous—						
Consumption goods . . . . .	4,525	4,742	5,616	6,918	8,123	8,311
Capital goods . . . . .	4,637	4,357	4,936	6,567	8,092	8,075
Other goods . . . . .	9,188	8,509	9,847	12,371	14,868	16,409
Total endogenous . . . . .	18,350	17,608	20,399	25,856	31,083	32,795
<i>Imports of services</i> . . . . .	<i>6,308</i>	<i>6,813</i>	<i>7,267</i>	<i>8,922</i>	<i>9,764</i>	<i>10,142</i>
<b>Total imports of goods and services</b> . . . . .	<b>28,676</b>	<b>28,518</b>	<b>30,764</b>	<b>39,015</b>	<b>45,386</b>	<b>47,435</b>
<b>AT AVERAGE 1979-80 PRICES</b>						
Food, beverages and tobacco . . . . .	927	935	1,051	1,132	1,145	1,177
Fuels . . . . .	2,001	1,904	1,451	1,409	1,260	1,715
Basic materials . . . . .	839	690	793	864	818	801
Chemicals (incl. plastics) . . . . .	1,596	1,456	1,756	1,929	1,973	2,060
Textiles, fabrics, etc. . . . .	1,077	943	1,171	1,142	1,129	1,091
Metals and metal manufactures . . . . .	1,233	1,001	950	1,097	1,087	1,067
Machinery and transport equipment . . . . .	8,097	7,074	7,271	9,040	9,486	8,016
Other imports . . . . .	3,987	3,625	4,300	5,100	5,183	5,062
<i>Total imports f.o.b.</i> . . . . .	<i>19,757</i>	<i>17,628</i>	<i>18,743</i>	<i>21,715</i>	<i>22,081</i>	<i>20,989</i>
of which:						
Exogenous . . . . .	2,896	2,652	2,070	2,504	2,505	2,921
Endogenous—						
Consumption goods . . . . .	4,289	4,247	4,821	5,386	5,286	4,782
Capital goods . . . . .	4,226	3,556	3,802	4,662	4,844	4,114
Other goods . . . . .	8,346	7,173	8,050	9,161	9,446	9,172
Total endogenous . . . . .	16,861	14,976	16,673	19,209	19,576	18,068
<i>Imports of services</i> . . . . .	<i>5,632</i>	<i>5,561</i>	<i>5,797</i>	<i>6,573</i>	<i>6,227</i>	<i>5,974</i>
<b>Total imports of goods and services</b> . . . . .	<b>25,389</b>	<b>23,189</b>	<b>24,540</b>	<b>28,286</b>	<b>28,308</b>	<b>26,963</b>

## FOREIGN PARTICIPATION STATISTICS

Foreign participation statistics include statistics on both foreign ownership and control of enterprises in Australia. Foreign ownership statistics provide a measure of the beneficial equity interest held by foreign residents (individuals and companies) in enterprises in Australia. Foreign control statistics provide a measure of the potential control, through ownership of voting shares, that foreign residents may have over the key policy decisions of enterprises in Australia. Following the termination of a previous program of studies in 1978, a program of foreign participation studies of industries and economic activities was re-introduced in 1982.

Brief explanatory notes and separate summary tables of ownership and control statistics are presented in the following tables for the most recent studies undertaken in the current program.

For agriculture, separate measures are provided for ownership of agricultural land and for ownership and control of agricultural activity. The statistics presented on foreign ownership of agricultural land are based on the ownership characteristics of the landowners. The

statistics on foreign ownership and control of agricultural activity, on the other hand, are based on the ownership characteristics of the businesses operating on agricultural land. The owners of any particular parcel of land and the business operating on that land can, of course, be different entities.

### Scope and methodology

The scope of each study together with the methodology used is outlined in the individual foreign participation publications listed in the bibliography at the end of this chapter. The statistical unit used in the compilation of the statistics is also defined in each publication. Generally, foreign participation characteristics for statistical units in each study were derived from information on ownership links collected from enterprises included in the biennial ABS Survey of Shareholdings.

### Measurement of ownership and control

*Foreign ownership* is measured in terms of the beneficial equity interest (through ownership links) of all identified foreign residents:

- (i) in enterprises operating in Australia, or
- (ii) in agricultural land.

In order to calculate the beneficial equity interests of foreign residents whose interests are held through other enterprises in Australia, all relevant ownership links are multiplied together. *Australian ownership* is all ownership not identified as foreign ownership.

To measure the aggregate levels of foreign and Australian ownership in a particular industry, the amount reported for the selected data item (such as value added, premiums received, assets, gross value of agricultural commodities produced or area of agricultural land) for each statistical unit is apportioned between foreign and Australian ownership in proportion to percentages of foreign and Australian ownership in that unit. Data for each unit are then aggregated to obtain totals of foreign and Australian ownership.

In *control statistics*, enterprises are classified to one of four categories of control: foreign control; joint foreign and Australian control; naturalised or naturalising; and Australian control.

An enterprise is classified to *foreign control* if it has not been granted naturalised or naturalising status under the government's foreign investment policy and if a foreign investor (individual, company or group of related companies) or a foreign controlled enterprise holds at least 25 per cent of its voting shares and there are no equal or larger shareholdings by an Australian resident, an Australian controlled enterprise or a joint foreign and Australian controlled enterprise. Enterprises in which there are no dominant investors holding at least 25 per cent of the voting shares but all the voting shares are held by foreign residents are also classified to *foreign control*.

An enterprise is classified to *joint foreign and Australian control* if it does not have naturalised or naturalising status and either the single largest shareholder has 25 per cent or more of the voting shares and is itself joint foreign and Australian controlled or there are two or more equally large investors (there being no single larger investor) each with 25 per cent or more of the voting shares in the enterprise and:

- (i) at least one of these investors is either a foreign resident or foreign controlled enterprise and at least one of these investors is either an Australian resident individual or an Australian controlled enterprise; or
- (ii) at least one of these investors is joint foreign and Australian controlled.

An enterprise is classified to *naturalised or naturalising* if it had such status (at the reference period pertinent to each study) under the government's foreign investment policy and would otherwise be classified to either foreign control or joint foreign and Australian control.

All enterprises not classified to foreign control, joint foreign and Australian control, or naturalised or naturalising are classified to *Australian control*.

To measure the levels of control in an industry (or economic activity) for each of these four categories of control, the whole of the amount reported for the selected data item (such

## OWNERSHIP SUMMARY BY COUNTRY OF OWNERSHIP

Industry/activity	Reference period	Ownership measured in terms of:	Total value of measure used	Foreign ownership				Other	Total	Australian ownership	Total
				U.S.A.	U.K.	E.E.C.(a)	Other				
			\$ million								
Manufacturing industry	1982-83	value added	31,059.1	12.2	12.7	1.8	6.2	32.9	67.1	100.0	
Transport industry	1983-84	value added	6,959.7	1.0	2.9	0.4	0.9	5.1	94.9	100.0	
Life insurance industry	1983-84	premiums received	3,306.8	2.7	20.6	3.2	13.8	40.3	59.7	100.0	
General insurance industry	1983-84	premiums receivable	5,934.8	2.5	17.0	4.9	9.8	34.1	65.9	100.0	
Agriculture—											
Agricultural activity	1983-84	gross value of agricultural commodities produced	15,317.2	0.5	0.7		0.5	1.8	98.2	100.0	
			million hectares								
Agricultural land	at 31 March 1984	agricultural land area	486.6	1.8	2.4	0.2	1.4	5.9	94.1	100.0	
			\$ million								
Mining industry	1984-85	value added	10,609.9	21.7	13.3	1.9	7.8	44.7	55.3	100.0	
Private sector construction industry	1984-85	value added	7,950.5	1.4	3.6	2.8	1.6	9.6	90.4	100.0	
Banking industry	June 1986	assets	154,587.8	5.3	7.5		8.2	21.0	79.0	100.0	
Registered financial corporations	June 1986	assets	105,090.9	11.4	10.8		13.1	35.4	64.6	100.0	

(a) Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg and Netherlands.

## CONTROL SUMMARY BY COUNTRY OF CONTROL

Industry/activity	Reference period	Control measured in terms of:	Foreign control				Total	Joint foreign and Australian Control		Total	
			U.S.A.	U.K.	Other E.E.C. (a)	Other		Naturalised and Naturalising	Australian Control		
			--per cent--								
		\$ million									
Manufacturing industry	1982-83	value added	12.4	12.9	1.9	4.9	32.1	1.2	1.3	65.4	100.0
New fixed capital expenditure by private enterprises, selected industries	1982-83	new fixed capital expenditure									
		15,805.6	15.6	10.5	1.1	2.7	29.9	7.1	2.0	61.0	100.0
Transport industry	1983-84	value added	0.4	2.3	0.4	0.2	3.4		0.1	96.5	100.0
Life insurance industry	1983-84	premiums received	2.9	15.7	4.6	3.4	26.6	(b) n.a.	..	73.4	100.0
General insurance industry	1983-84	premiums receivable									
Agricultural activity	1983-84	gross value of agricultural commodities produced	2.4	15.6	5.7	9.0	32.6	3.3	..	64.1	100.0
Mining industry	1984-85	value added	0.5	0.5			1.5		0.2	98.2	100.0
Private sector construction industry	1984-85	value added	7.9	5.8		1.5	15.2	24.8	11.5	48.5	100.0
Private mineral exploration other than for petroleum	1984-85	exploration expenditure	1.1	3.2	4.7	1.0	10.0	0.4	..	89.6	100.0
Private petroleum exploration Imports	1984-85	exploration expenditure value of imports	14.6	13.2	4.8	3.2	35.9		16.7	47.5	100.0
Research and experimental development	1984-85	exploration expenditure	22.3	7.9	3.9	3.2	37.3		6.2	56.5	100.0
Banking industry	June 1986	assets	18.9	12.5	4.4	17.4	53.2	0.5	0.2	46.1	100.0
Registered financial corporations	June 1986	assets	720.8	15.3	2.3	8.6	38.6	1.2	6.2	54.0	100.0
		154,587.8	1.1	1.1	3.0	5.1	5.1	1.3	..	93.6	100.0
		105,090.9	10.6	9.0	9.2	28.9	28.9	2.4	..	68.7	100.0

(a) Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg and Netherlands. (b) Only one enterprise in this category was identified. It has been included in the statistics for the foreign control category.

as value added, type of expenditure, premiums received, assets, gross value of agricultural commodities produced or value of imports) for each statistical unit is allocated to the control category of that unit. Data for each unit are then aggregated to obtain totals for the industry (economic activity) attributable to each of the four control categories.

### Country of ownership and control

In the previous two tables the classifications by country of foreign ownership or control are based on the country of domicile of the immediate foreign investor which may not be the country of domicile of the ultimate foreign investor.

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Related publications are available from:

Australian Customs Service—

Australian Customs Tariff

Customs (Prohibited Imports) Regulations

#### **Other Information**

*Special returns service:* Subscribers to this service can receive foreign trade statistics at a particular commodity level on computer produced printout or via the electronic mail service TELESTATS. These statistics are available in one or more of a limited number of formats, for a charge consistent with the level of detail required. This service is recommended where up to fifty specific commodity items are required on a regular basis. More details concerning the special returns service are contained in the information paper *Foreign Trade Statistics: Special Returns Service* (5480.0).

*Microfiche service:* Foreign trade statistics are also available on microfiche in a variety of tabular formats. Each tabular format covers all commodities exported or imported at various levels of aggregation. This service is recommended where the subscriber wishes to obtain foreign trade details for a large number of commodities. Details of this service are contained in the ABS information paper *Foreign Trade and Shipping Statistics: Microfiche Service* (5483.0).

*Magnetic tape service:* Statistics for imports, exports and import clearances are available on 9-track magnetic tape approximately 4 weeks after the end of the reference period. This service is recommended where the subscriber wishes to obtain trade data at the most detailed level. Documentation regarding the content and structure of these tapes is contained in the ABS information paper *Foreign Trade and Shipping Statistics: Magnetic Tape Service* (5484.0).

To meet subscribers' needs, special returns, microfiche and data on magnetic tape are available on a monthly, quarterly or less frequent basis. Payment in advance is required for each of these services.