

CATALOGUE NO. 5301.0
EMBARGOED UNTIL 11.30 A.M 2 May 1996

BALANCE OF PAYMENTS, AUSTRALIA, MARCH 1996

MAIN FEATURES

Estimates of the main balance of payments aggregates for March 1996 and the two preceding months are shown below. These estimates are preliminary and subject to revision. Particular care should be taken in interpreting month-to-month movements, as indicated in the note on page 7 on *Reliability of Contemporary Trend Estimates* and in paragraph 4 of the *Explanatory Notes* on page 15. Certain items have been estimated using extrapolation techniques until source data become available.

	1996			Change on previous month(a)
	January	February	March	
	\$ million			%
	<i>Trend</i>			
Balance on current account	-1,698p	-1,652p	-1,596p	3
	<i>Seasonally adjusted</i>			
Balance on current account	-1,576	-1,711	-1,512	12
Balance on merchandise trade	-163	-310	29	..
Net services	-29	31	-42	..
Net income	-1,535	-1,640	-1,574	4
Net unrequited transfers	151	208	75	-64
	<i>Not seasonally adjusted</i>			
Balance on current account	-1797	-1,137	-735	35
Balance on merchandise trade	-564	-404	673	..
Net services	164	607	90	-85
Net income	-1,554	-1,567	-1,579	-1
Net unrequited transfers	157	227	81	-64

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

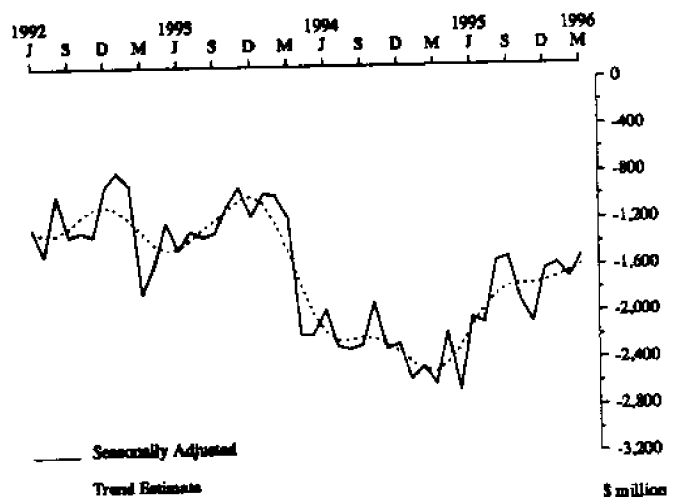
The provisional trend estimate for the March current account deficit was \$1,596 million, down \$56 million, or 3 per cent, on the provisional trend estimate for February. This is the lowest trend deficit since March 1994.

In seasonally adjusted terms, the current account deficit for March decreased \$199 million, or 12 per cent, to \$1,512 million, the lowest monthly deficit since March 1994. The decrease in the deficit was caused by:

- a turnaround of \$339 million, from a deficit to a surplus, in the merchandise trade balance (merchandise exports fell 1 per cent, while merchandise imports fell 6 per cent); and
- a decrease of \$66 million (4 per cent) in the net income deficit.

Partly offsetting these movements in merchandise trade and income was a turnaround of \$73 million, from a surplus to a deficit, in the net services balance; and a decrease of \$133 million in the net unrequited transfers surplus.

GRAPH 1: BALANCE ON CURRENT ACCOUNT



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

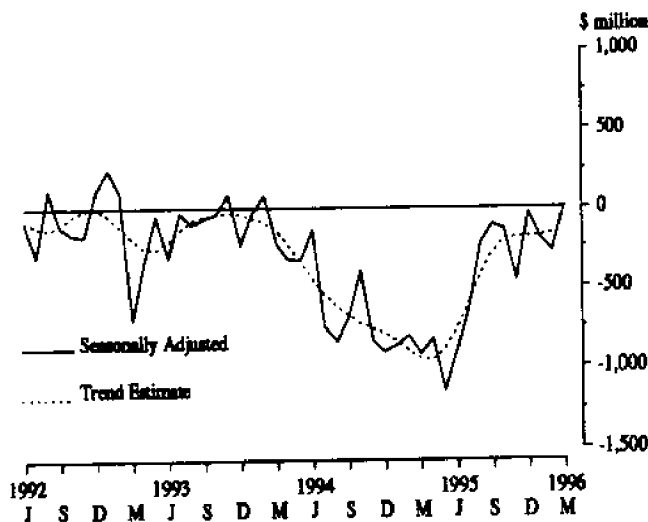
ANALYSIS OF SELECTED MAJOR AGGREGATES

March 1996 compared with February 1996

Balance on goods and services

The seasonally adjusted balance on goods and services recorded a deficit of \$13 million, a decrease of \$266 million on the deficit recorded in February.

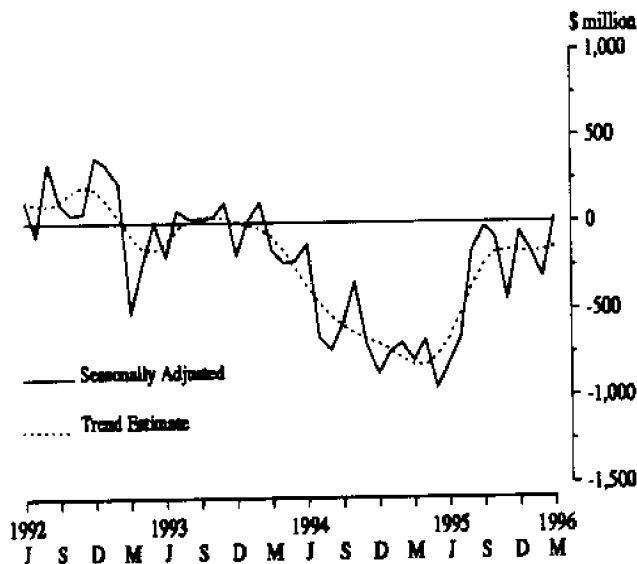
GRAPH 2: BALANCE ON GOODS AND SERVICES



Balance on merchandise trade

The seasonally adjusted balance on merchandise trade recorded a surplus of \$29 million, a turnaround of \$339 million on the deficit recorded in February. This is the first surplus in this balance since February 1994.

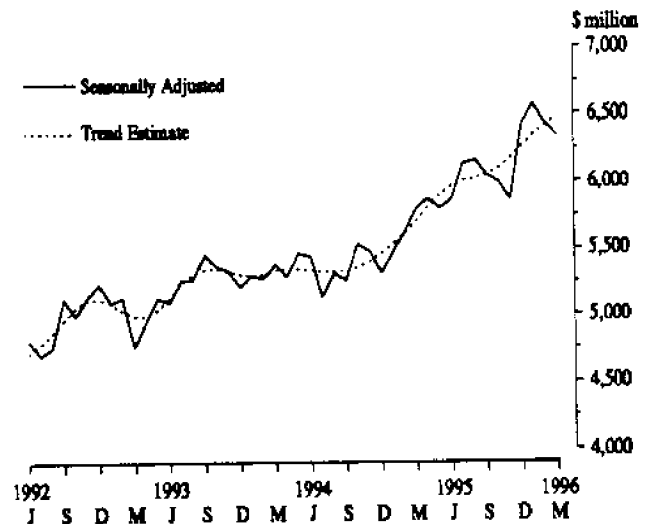
GRAPH 3: BALANCE ON MERCHANDISE TRADE



Merchandise exports

In seasonally adjusted terms, merchandise exports fell \$89 million, or 1 per cent, to \$6,339 million. Rural exports fell \$128 million, or 7 per cent, to \$1,731 million. Non-rural exports rose \$39 million, or 1 per cent, to \$4,608 million.

GRAPH 4: MERCHANDISE - EXPORTS FOB



In original terms, exports rose \$917 million, or 16 per cent, to \$6,777 million.

Rural exports, in original terms, rose \$187 million, or 11 per cent, to \$1,903 million. The largest increases were recorded in:

- "other" rural exports, up \$74 million or 14 per cent (with most components recording increases);
- wool, up \$72 million or 26 per cent (due mainly to increased volumes of greasy wool exports); and
- meat, up \$32 million or 13 per cent.

These increases were partly offset by a decrease in cereals, down \$5 million or 1 per cent.

Non-rural exports, in original terms, rose \$730 million, or 18 per cent, to \$4,874 million. The largest increases were recorded in:

- machinery, up \$189 million or 36 per cent (with most components recording increases);
- transport equipment, up \$170 million or 103 per cent (due mainly to increased exports of vessels);
- metal ores and minerals, up \$166 million or 25 per cent (due mainly to increased exports of alumina; copper ores; and iron ore);
- "other" manufactures, up \$96 million or 14 per cent; and

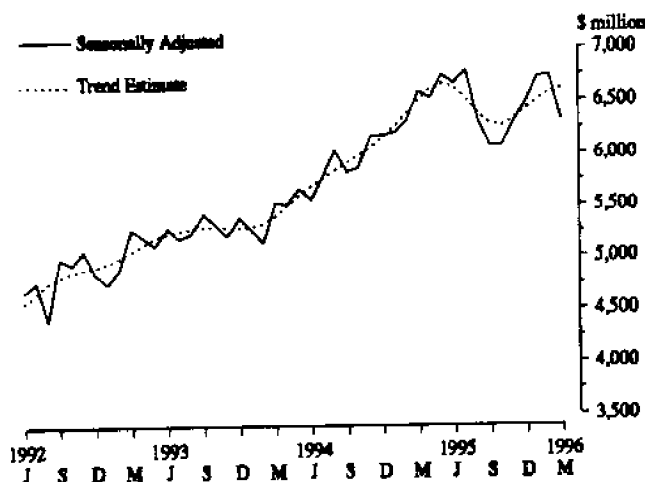
- coke, coal briquettes, up \$92 million or 15 per cent.

These increases were partly offset by decreases in gold, down \$60 million or 13 per cent; and "other" mineral fuels, down \$10 million or 3 per cent.

Merchandise imports

In seasonally adjusted terms, merchandise imports fell \$428 million, or 6 per cent, to \$6,310 million. Consumption goods fell \$155 million, or 9 per cent, to \$1,532 million. Capital goods fell \$173 million, or 9 per cent, to \$1,660 million. Intermediate and other goods fell \$100 million, or 3 per cent, to \$3,118 million.

GRAPH 5: MERCHANDISE - IMPORTS FOB



In original terms, imports fell \$160 million, or 3 per cent, to \$6,104 million.

Imports of consumption goods, in original terms, fell \$133 million, or 8 per cent, to \$1,452 million. The largest decreases were recorded in:

- textiles, clothing and footwear, down \$67 million or 23 per cent (due mainly to decreased imports of articles of apparel);
- non-industrial transport equipment, down \$30 million or 9 per cent (due to decreased imports of passenger motor cars); and
- toys, books and leisure goods, down \$22 million or 12 per cent.

Imports of capital goods, in original terms, fell \$76 million, or 5 per cent, to \$1,509 million. The largest decreases were recorded in:

- machinery and industrial equipment, down \$59 million or 8 per cent; and
- civil aircraft, down \$46 million or 60 per cent on the February figure which included a Qantas aircraft valued at \$52 million.

These decreases were partly offset by increases in telecommunications equipment, up \$32 million or 23 per cent; and ADP equipment, up \$9 million or 3 per cent.

Imports of intermediate and other goods, in original terms, rose \$49 million, or 2 per cent, to \$3,143 million. The largest increases were recorded in:

- primary industrial supplies nes, up \$45 million or 73 per cent;
- processed industrial supplies nes, up \$45 million or 6 per cent (mainly due to increased imports of non-crude fertilizers); and
- organic and inorganic chemicals, up \$33 million or 15 per cent.

These increases were partly offset by decreases in 10 of the 14 groups. The largest decrease was recorded in paper and paperboard, down \$32 million or 22 per cent.

Net services

The seasonally adjusted net services balance recorded a deficit of \$42 million, a turnaround of \$73 million on the surplus recorded in February. Services credits fell \$17 million (1 per cent), while services debits rose \$56 million (3 per cent).

Net income

The seasonally adjusted net income deficit fell \$66 million, or 4 per cent, to \$1,574 million. Income credits fell \$31 million or 4 per cent, while income debits fell \$97 million or 4 per cent. It should be noted that, in accordance with established methodology, the monthly estimates of the non-official sector for January, February and March 1996 are based on extrapolations of quarterly results divided by three. These extrapolations will be replaced by preliminary results from the March quarter 1996 ABS Survey of Foreign Investment (SFI) when these results become available. Preliminary results should be available in time for incorporation in the April 1996 issue of this publication, scheduled for release on 30 May 1996.

Net unrequited transfers

The seasonally adjusted net unrequited transfers surplus fell \$133 million, or 64 per cent, to \$75 million. Unrequited transfers credits fell \$106 million or 26 per cent, while unrequited transfers debits rose \$27 million or 14 per cent.

Net capital transactions

In original terms, the net capital transactions of the official sector recorded a net inflow of \$1,174 million in March, a decrease of \$351 million on the net inflow recorded in February.

The March estimate consisted of:

- a net inflow of \$950 million in general government transactions, a decrease of \$33 million on the net inflow recorded in the previous month; and
- a net inflow of \$224 million in Reserve Bank transactions, a decrease of \$318 million on the net inflow recorded in the previous month.

The decreased net inflow in general government transactions was mainly the result of a \$191 million increase in the net outflow (net repayments) of Commonwealth government borrowing domiciled abroad.

This movement was partly offset by a \$88 million decrease in the net outflow (net repayments) of State government borrowing domiciled abroad.

Reserve Bank transactions in March mainly reflected net sales of reserve assets of \$256 million, a decrease of \$298 million on the net sales recorded in the previous month.

Exchange rates

Using period average exchange rates, the \$A appreciated by 2 per cent on a trade weighted basis during March against the currencies of Australia's major trading partners. The \$A appreciated by 2.2 per cent against the Japanese yen and by 2.1 per cent against the \$US.

Nine months ended March 1996 compared with nine months ended March 1995.

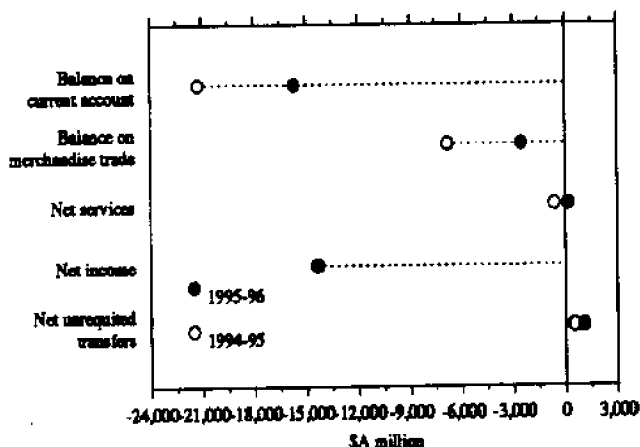
In original terms, the *current account* deficit for the nine months ended March 1996 was \$15,697 million, down \$5,541 million, or 26 per cent, on the deficit for the nine months ended March 1995.

This result was due to:

- a decrease of \$4,304 million (63 per cent) in the merchandise trade deficit;
- a turnaround of \$796 million, from a deficit to a surplus, in the net services balance; and
- an increase of \$547 million in the net unrequited transfers surplus.

The movements in merchandise trade, services and unrequited transfers were partly offset by an increase of \$106 million (1 per cent) in the net income deficit.

GRAPH 6: BALANCE OF PAYMENTS AGGREGATES - NINE MONTHS ENDED MARCH

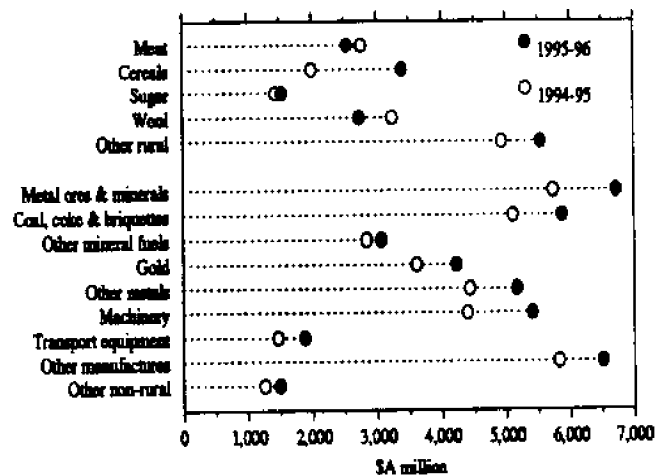


Merchandise exports rose \$7,048 million, or 14 per cent, to \$56,030 million. Rural exports rose \$1,366 million (10 per cent); and non-rural exports rose \$5,682 million (16 per cent). The largest increases were recorded in:

- cereals, up \$1,398 million (70 per cent);
- machinery, up \$1,010 million (23 per cent);
- metal ores and minerals, up \$993 million (17 per cent);
- coal, coke and briquettes, up \$758 million (15 per cent);
- "other" metals, up \$731 million (16 per cent);
- "other" manufactures, up \$692 million (12 per cent);
- gold, up \$614 million (17 per cent); and
- "other" rural exports, up \$601 million (12 per cent).

Decreases were recorded in wool, down \$508 million (16 per cent); and meat, down \$217 million (8 per cent).

GRAPH 7: MERCHANDISE EXPORTS - NINE MONTHS ENDED MARCH

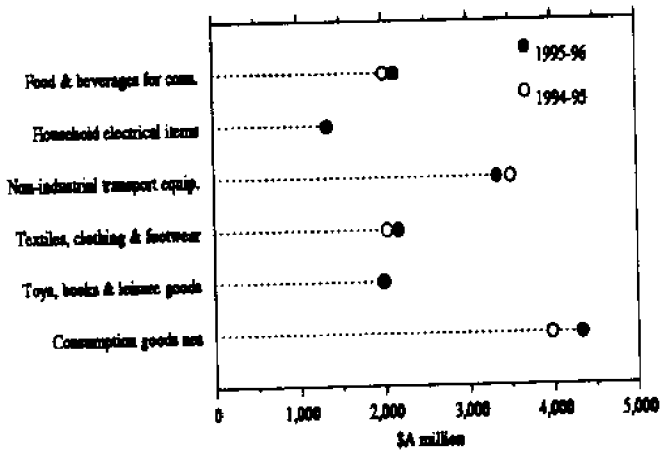


Merchandise imports rose \$2,744 million, or 5 per cent, to \$58,566 million. Consumption goods rose \$473 million (3 per cent); capital goods rose \$549 million (4 per cent); and intermediate and other goods rose \$1,722 million (6 per cent). The largest increases were recorded in:

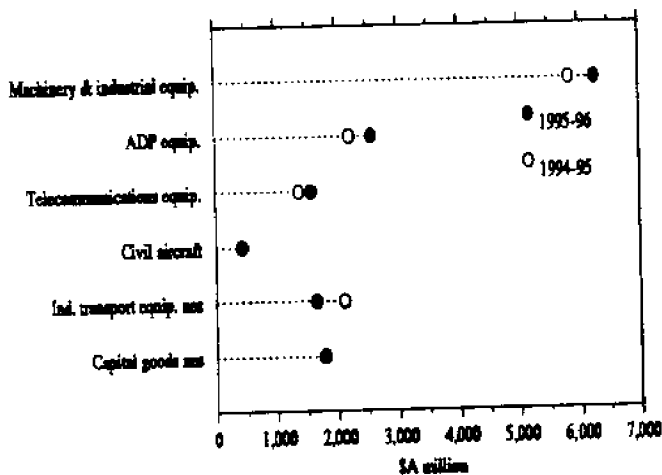
- "other" parts for capital goods, up \$507 million (12 per cent);
- fuels and lubricants, up \$440 million (17 per cent);
- machinery and industrial equipment, up \$417 million (7 per cent);
- ADP equipment, up \$359 million (16 per cent);
- consumption goods nes, up \$356 million (9 per cent);
- organic and inorganic chemicals, up \$318 million (18 per cent);
- processed industrial supplies nes, up \$202 million (3 per cent);
- telecommunications equipment, up \$201 million (15 per cent); and
- iron and steel, up \$185 million (20 per cent).

The most significant decreases were recorded in industrial transport equipment, down \$465 million (22 per cent); non-industrial transport equipment, down \$167 million (5 per cent); and parts for transport equipment, down \$100 million (3 per cent).

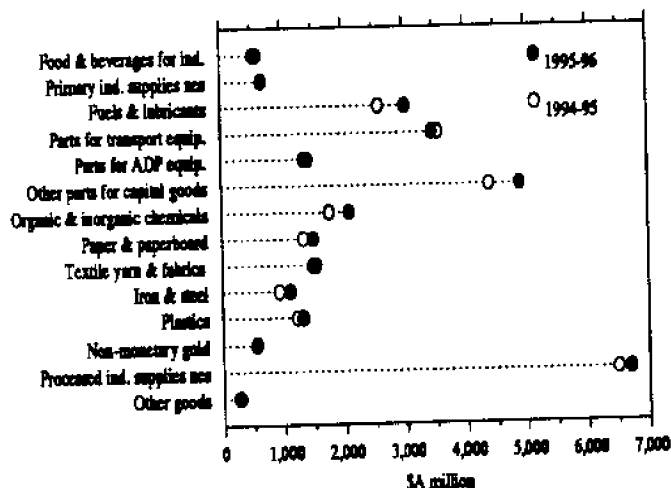
GRAPH 8: MERCHANDISE IMPORTS - CONSUMPTION GOODS
NINE MONTHS ENDED MARCH



GRAPH 9: MERCHANDISE IMPORTS - CAPITAL GOODS
NINE MONTHS ENDED MARCH



GRAPH 10: MERCHANDISE IMPORTS - INTERMEDIATE AND OTHER GOODS
NINE MONTHS ENDED MARCH



The *net services* balance recorded a surplus of \$171 million, a turnaround of \$796 million on the deficit recorded for the same time last year. Services credits rose \$1,888 million, or 12 per cent, due mainly to increases of \$1,107 million in travel credits and \$276 million in "other" transportation credits. Services debits rose \$1,092 million, or 7 per cent, due mainly to increases of \$539 million in travel debits and \$447 million in "other" transportation debits.

The *net income* deficit rose \$106 million, or 1 per cent, to \$14,402 million. Income credits rose \$675 million, or 13 per cent, due mainly to an increase in reinvested earnings. Income debits rose \$781 million, or 4 per cent, due mainly to increases in "other" investment income payable by the non-official sector and investment income payable by the official sector, which were partly offset by a decrease in reinvested earnings.

The *net unrequited transfers* surplus rose \$547 million to \$1,070 million. Unrequited transfers credits rose \$663 million, or 28 per cent, due mainly to an increase in migrants' transfers. Unrequited transfers debits rose \$116 million or 6 per cent.

Official sector capital transactions for the nine months ended March 1996 yielded a net inflow of \$3,543 million, compared with a net inflow of \$15,380 million for the corresponding period of the previous financial year. The estimate for the latest period consisted of:

- a net inflow of \$3,157 million in general government transactions, down \$11,253 million on the net inflow for the nine months to March 1995; and
- a net inflow of \$386 million in Reserve Bank transactions, a decrease of \$584 million on the net inflow for the nine months to March 1995.

The decreased net inflow from general government transactions was largely due to:

- a turnaround of \$6,189 million in total borrowing domiciled abroad, to a net outflow of \$2,668 million. This was mainly due to a turnaround of \$6,765 million in State government borrowing domiciled abroad, to a net outflow of \$1,847 million; and
- a decrease of \$4,166 million in borrowing domiciled in Australia, to a net inflow of \$6,117 million.

A decrease in net sales of official reserve assets was the main factor underlying the decrease in Reserve Bank transactions.

REVISIONS

Revisions since the last issue of this publication have resulted in a net decrease of \$270 million in the current account deficit for the first eight months of this financial year. The major factors contributing to this revision are:

- incorporation of the latest available data on merchandise imports and exports;
- incorporation of the latest available information from the quarterly International Trade in Services Survey which has affected services credits and debits; and
- incorporation of the latest available information on overseas arrivals and departures which has affected the

credits and debits series for services, labour income and unrequited transfers.

Revisions to the capital account estimates are mainly the result of a clerical error in the compilation of borrowing domiciled in Australia.

Release date for April 1996 issue

The expected release date for the April issue of this publication is 30 May 1996. Any variations which might occur will be notified in the ABS Publications Advice (1105.0) and on DISCOVERY

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

RELIABILITY OF CONTEMPORARY TREND ESTIMATES

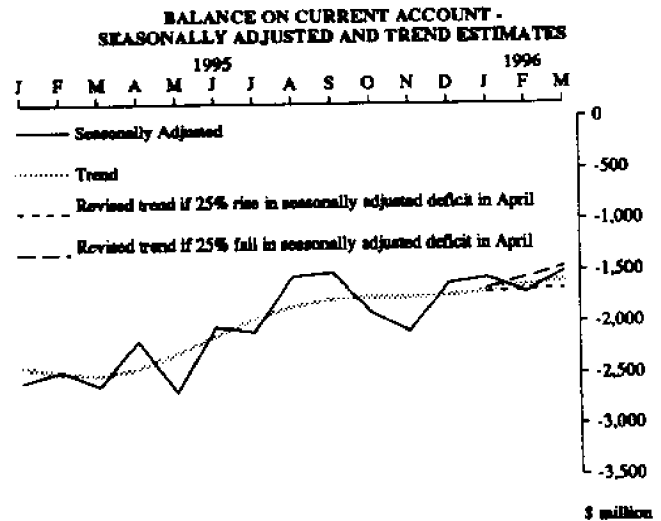
The table below presents trend estimates of the deficit on current account from January 1995 onwards, including provisional trend estimates for the latest three months (January, February and March 1996).

To illustrate the possible impact of future months' observations on the provisional trend estimates for the latest three months, the table also shows the revisions to these trend estimates that would result if the seasonally adjusted estimate of the current account balance next month (April 1996) is 25 per cent higher or lower than this month and if there are no revisions to the current or previous months' estimates. The 25 per cent range has been chosen because in the last decade the average monthly percentage movement, without regard to sign, of the seasonally adjusted current account deficit has been about 25 per cent.

If the seasonally adjusted deficit were to increase in April by 25 per cent, to \$1,890 million, the provisional trend movement for that month would be -0.9 per cent. The movements in the trend estimates for January, February and March which are provisionally -2.3 per cent, -2.7 per cent and -3.4 per cent respectively, would be revised to -1.3 per cent, -1.4 per cent and -0.7 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted

deficit next month, to \$1,134 million, would produce a movement of -8.4 per cent in the trend estimate for April, with the movements in the trend estimates for January, February and March being revised to -3.8 per cent, -6.1 per cent and -7.0 per cent, respectively.

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



DEFICIT ON CURRENT ACCOUNT — RELIABILITY OF TREND ESTIMATES

	Trend estimate		Revised trend estimate if April 1996 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on March 1996 (a)		is down 25% on March 1996 (a)	
			\$m	% change on previous month	\$m	% change on previous month
1994-95 —						
January	2406	3.4	2406	3.4	2406	3.4
February	2474	2.8	2474	2.8	2474	2.8
March	2494	0.8	2494	0.8	2494	0.8
April	2432	-2.5	2432	-2.5	2432	-2.5
May	2290	-5.8	2290	-5.8	2290	-5.8
June	2118	-7.5	2118	-7.5	2118	-7.5
1995-96 —						
July	1957	-7.6	1957	-7.6	1957	-7.6
August	1838	-6.1	1838	-6.1	1838	-6.1
September	1771	-3.6	1771	-3.6	1771	-3.6
October	1751	-1.1	1742	-1.6	1757	-0.8
November	1752	0.1	1737	-0.3	1762	0.3
December	1738	-0.8	1733	-0.2	1745	-1.0
January	1698 p	-2.3	1711	-1.3	1678	-3.8
February	1652 p	-2.7	1687	-1.4	1575	-6.1
March	1596 p	-3.4	1675	-0.7	1464	-7.0
April			1600	-0.9	1341	-8.4

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months January 1995 to March 1996.

TABLE I. BALANCE OF PAYMENTS
(\$ million)

	1995-96												July to Mar.						
	Months																		
	1992-93	1993-94	1994-95	1994-95	1994-95	1994-95	1994-95	1994-95	1994-95	1994-95	1994-95	1994-95							
Current transactions —																			
Goods and services —																			
Merchandise (a) —																			
Exports fob	60,022	63,822	66,434	4,866	5,109	6,139	5,601	6,147	5,704	6,229	6,074	6,225	6,255	5,947	6,767	5,896	6,777	48,982	56,090
Imports fob	-59,431	-64,411	-74,716	-5,788	-6,610	-6,811	-5,698	-6,974	-6,222	-7,191	-6,953	-6,116	-6,701	-6,831	-5,946	-6,460	-6,104	-55,822	-58,566
Balance on merchandise trade	591	-589	-8,282	-922	-501	-672	-97	-827	-518	-962	-879	109	-446	-884	821	-564	673	-6,840	-2,536
Services —																			
Credits	16,374	18,539	19,937	1,895	2,029	1,727	1,660	1,555	1,581	1,887	1,642	1,565	1,801	1,825	1,922	2,154	2,328	1,905	15,141
Debits	-18,562	-19,499	-21,369	-1,856	-1,618	-1,745	-1,816	-1,873	-1,914	-1,990	-1,851	-1,976	-1,892	-1,801	-1,822	-1,990	-1,721	-1,815	-15,766
Net services	-2,188	-960	-1,432	39	411	-18	-156	-318	-333	-103	-209	-411	-91	24	100	164	607	90	-625
Balance on goods and services	-1,597	-1,549	-9,714	-883	-90	-690	-253	-1,145	-851	-1,065	-1,088	-302	-537	-860	921	-400	203	763	-7,465
Income —																			
Credits	5,921	5,789	7,505	514	527	554	754	655	819	636	637	659	656	667	654	723	674	645	5,277
Debits	-19,868	-21,072	-25,859	-2,324	-2,170	-2,264	-2,096	-2,176	-2,014	-2,130	-2,048	-2,164	-2,558	-2,416	-2,296	-2,277	-2,241	-2,223	-19,573
Net income	-13,947	-15,283	-18,354	-1,811	-1,643	-1,710	-1,342	-1,521	-1,195	-1,494	-1,411	-1,505	-1,902	-1,749	-1,642	-1,554	-1,567	-1,579	-14,296
Unrequited transfers —																			
Credits	3,096	2,802	3,209	315	315	237	295	247	272	364	327	282	309	303	327	418	437	291	2,395
Debits	-2,434	-2,624	-2,722	-222	-241	-218	-193	-285	-372	-252	-188	-197	-187	-234	-249	-261	-210	-210	-1,872
Net unrequited transfers	662	178	487	93	74	19	102	-38	-100	112	139	85	122	69	78	157	227	81	523
Balance on current account	-14,882	-16,654	-27,581	-2,601	-1,659	-2,381	-1,493	-2,704	-2,146	-2,447	-2,360	-1,722	-2,317	-2,540	-643	-1,797	-1,137	-738	-21,238
Net capital transactions —																			
Official —																			
General government	10,901	7,869	13,080	-1,485	-489	-1,294	-1,905	-417	992	3,509	-2,020	-195	2,063	184	573	-2,889	983	950	14,410
Reserve Bank —																			
Reserve assets	3,949	-1,037	1,971	13	-93	-441	-138	200	956	-940	1,024	226	-49	-1,151	-98	592	554	256	414
Other	39	-49	23	-13	19	-4	38	-32	-	3	56	-32	-13	9	5	-12	-12	-32	17
Total	3,988	-1,086	1,994	-	-74	-445	-100	168	956	-937	1,080	194	-62	-1,142	-93	580	542	224	970
Total official	14,889	6,783	15,074	-1,463	-563	-1,739	-2,005	-249	1,948	2,572	-940	-	2,001	-958	480	-2,309	1,525	1,174	15,380
Non-official plus balancing item	-7	9,871	12,508	4,086	2,222	4,120	3,499	2,953	198	-124	3,300	1,723	316	3,498	162	4,106	-388	-439	5,858
Balance on capital account plus balancing item	14,882	16,654	27,581	2,601	1,659	2,381	1,493	2,704	2,146	2,447	2,360	1,722	2,317	2,540	643	1,797	1,137	735	21,238

(a) Balance of payments basis.

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

	1995:96												
	Months												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
<i>Goods and services —</i>													
<i>Merchandise —</i>													
Exports <i>job —</i>													
Rural	1,475	1,521	1,550	1,543	1,534	1,586	1,690	1,662	1,719	1,571	1,592	1,935	2,040
Non-rural	3,985	4,098	4,247	4,322	4,264	4,277	4,437	4,494	4,327	4,421	4,267	4,489	4,521
Total	5,460	5,619	5,797	5,865	5,798	5,863	6,127	6,156	6,046	5,992	5,859	6,424	6,561
Imports <i>job —</i>													
Consumption goods	-1,621	-1,557	-1,698	-1,682	-1,717	-1,670	-1,790	-1,690	-1,622	-1,570	-1,657	-1,731	-1,604
Capital goods	-1,490	-1,641	-1,714	-1,596	-1,679	-1,754	-1,558	-1,495	-1,399	-1,451	-1,533	-1,479	-1,763
Intermediate and other goods	-3,089	-3,108	-3,177	-3,254	-3,351	-3,239	-3,441	-3,131	-3,052	-3,056	-3,107	-3,268	-3,218
Total	-6,200	-6,306	-6,589	-6,532	-6,747	-6,663	-6,789	-6,316	-6,073	-6,077	-6,297	-6,478	-6,738
<i>Balance on merchandise trade</i>	-740	-687	-792	-667	-949	-800	-662	-160	-27	-85	-438	-54	-163
<i>Services —</i>													
Credits	1,673	1,715	1,711	1,730	1,730	1,775	1,861	1,757	1,783	1,779	1,797	1,835	1,905
Debits	-1,797	-1,837	-1,838	-1,888	-1,929	-1,874	-1,841	-1,824	-1,865	-1,834	-1,823	-1,813	-1,934
Net services	-124	-122	-127	-158	-199	-99	20	-67	-82	-55	-26	22	-29
<i>Balance on goods and services</i>	-864	-809	-919	-825	-1,148	-899	-642	-227	-109	-140	-464	-32	-192
<i>Income —</i>													
Credits	519	546	570	743	648	807	625	636	649	655	675	657	729
Debits	-2,305	-2,256	-2,268	-2,141	-2,154	-1,994	-2,153	-2,044	-2,123	-2,500	-2,366	-2,327	-2,264
Net income	-1,786	-1,710	-1,698	-1,398	-1,506	-1,187	-1,528	-1,408	-1,474	-1,848	-1,691	-1,670	-1,535
<i>Unrequited transfers —</i>													
Credits	288	308	243	291	269	286	344	319	306	308	307	325	381
Debits	-199	-239	-228	-228	-275	-235	-259	-236	-241	-219	-237	-255	-230
Net unrequited transfers	89	69	15	63	-6	51	85	83	65	89	70	70	151
<i>Balance on current account</i>	-2,561	-2,450	-2,602	-2,160	-2,460	-2,035	-2,085	-1,552	-1,518	-1,899	-2,085	-1,632	-1,576
<i>Merchandise —</i>													
Exports <i>job</i>	5,531	5,608	5,699	5,800	5,900	5,968	6,001	6,020	6,049	6,098	6,167	6,253	6,342p
Imports <i>job</i>	-6,257	-6,382	-6,512	-6,616	-6,663	-6,630	-6,520	-6,381	-6,284	-6,266	-6,325	-6,423	-6,512p
<i>Balance on merchandise trade</i>	-726	-774	-813	-816	-763	-662	-519	-361	-235	-168	158	-170	-170p
<i>Balance on goods and services</i>	-840	-904	-933	-954	-888	-767	-600	-422	-280	-203	-185	-187	-178p
<i>Balance on current account</i>	-2,406	-2,474	-2,494	-2,432	-2,290	-2,118	-1,957	-1,838	-1,771	-1,751	-1,752	-1,738	-1,698p

Seasonally Adjusted (b)

Trend Estimates

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

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

	Years												Months											
	1992-93			1993-94			1994-95			1994-95			1995-96			1994-95			1995-96					
	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.			
<i>Rural exports job (a) —</i>	3,750	4,043	3,654	230	265	321	302	299	296	296	327	265	293	305	307	313	208	245	277	2,540	2,757	2,540		
Meat & meat preparations	2,954	3,205	2,523	152	190	225	143	212	177	177	173	180	194	223	282	537	599	603	598	1,991	1,991	3,189		
Cereal grains & cereal preparations	1,072	1,315	1,730	92	81	103	129	100	66	235	240	249	244	187	152	122	42	56	56	1,435	1,435	1,527		
Sugar, sugar preparations & honey	3,367	3,369	4,216	339	371	468	375	317	284	316	223	287	327	309	368	266	282	354	354	3,240	3,240	2,732		
Wool & sheepskins	5,937	6,513	6,916	471	498	586	583	712	692	682	682	652	620	600	577	655	582	544	618	4,929	4,929	5,530		
Other rural	17,080	18,445	19,039	1,284	1,405	1,703	1,532	1,640	1,515	1,733	1,560	1,643	1,699	1,662	2,025	1,777	1,716	1,903	14,352	14,352	15,718			
<i>Total rural</i>	7,943	7,671	7,966	603	587	766	652	835	750	785	768	664	726	738	819	720	668	834	5,729	5,729	6,722			
<i>Non-rural exports job (a) —</i>	7,620	7,253	6,936	556	512	609	596	645	589	666	688	619	680	636	634	641	604	696	696	5,106	5,106	5,864		
Metal ores & minerals	3,913	3,351	3,794	386	267	372	296	343	319	377	307	341	307	299	407	358	340	330	330	2,836	2,836	3,066		
Coal, coke & briquettes	4,580	5,521	4,907	448	440	468	538	430	327	440	382	574	584	437	391	580	449	389	389	3,612	3,612	4,226		
Other mineral fuels	5,210	5,396	6,097	546	528	562	520	621	524	565	686	607	598	515	584	518	512	578	578	4,432	4,432	5,163		
Gold	4,344	5,293	6,035	307	490	591	486	547	614	632	555	617	576	641	700	438	525	714	714	4,388	4,388	5,398		
Other metals	2,022	2,087	2,046	169	146	201	184	185	214	207	206	204	213	156	255	136	165	335	335	1,463	1,463	1,877		
Machinery	6,026	6,966	7,904	475	586	717	651	740	699	696	767	779	702	723	762	585	698	794	794	5,814	5,814	6,506		
Transport equipment	1,284	1,839	1,710	92	148	150	146	161	153	128	155	177	170	140	190	143	183	204	204	1,250	1,250	1,490		
Other manufactures	42,942	45,377	47,395	3,582	3,704	4,436	4,069	4,507	4,189	4,496	4,514	4,582	4,556	4,285	4,742	4,119	4,144	4,874	34,630	34,630	40,312			
Other non-rural	60,822	63,822	64,434	4,866	5,109	6,139	5,681	6,147	5,794	6,229	6,074	6,225	6,255	5,947	6,767	5,896	5,860	6,777	48,982	48,982	56,030			
<i>Total exports job</i>																								

(a) Definitions of the component series are given in ABS Catalogue No. 5302.0.

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

	Months												July to Mar.						
	Years			1995-96															
	1992-93	1993-94	1994-95	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.		Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Consumption goods (a) —																			
Food and beverages, mainly for consumption	-2,261	-2,430	-2,592	-227	-199	-236	-168	-230	-181	-245	-233	-230	-255	-263	-243	-252	-215	-203	-2,013
Household electrical items	-1,382	-1,436	-1,744	-121	-119	-147	-132	-145	-129	-157	-167	-138	-179	-177	-139	-119	-129	-137	-1,338
Non-industrial transport equipment	-3,478	-3,800	-4,758	-337	-313	-462	-391	-446	-413	-469	-426	-346	-423	-404	-375	-278	-325	-295	-3,508
Textiles, clothing and footwear	-2,178	-2,320	-2,566	-246	-249	-235	-179	-189	-157	-266	-274	-220	-212	-229	-190	-262	-293	-226	-2,041
Toys, books and leisure goods	-2,238	-2,496	-2,546	-181	-156	-199	-170	-205	-193	-247	-251	-252	-260	-256	-185	-190	-191	-169	-1,978
Consumption goods net	-4,389	-4,751	-5,213	-390	-360	-445	-381	-481	-375	-518	-524	-486	-529	-540	-451	-430	-432	-422	-3,976
Total consumption goods	-15,926	-17,233	-19,419	-1,502	-1,396	-1,724	-1,421	-1,696	-1,448	-1,902	-1,875	-1,672	-1,858	-1,869	-1,583	-1,531	-1,585	-1,452	-14,854
Capital goods (a) —																			
Machinery and industrial equipments	-5,446	-6,414	-7,897	-637	-618	-745	-616	-705	-733	-718	-691	-615	-723	-726	-688	-738	-710	-651	-5,843
ADP equipment	-2,319	-2,629	-3,232	-189	-195	-325	-243	-393	-392	-338	-325	-253	-273	-273	-282	-272	-263	-274	-283
Telecommunications equipment	-1,224	-1,182	-1,804	-119	-119	-153	-117	-150	-173	-164	-163	-207	-178	-199	-169	-171	-141	-173	-1,364
Civil aircraft	-828	-241	-529	-6	-57	-18	-43	-16	-48	-28	-81	-11	-31	-104	-28	-44	-77	-31	-422
Industrial transport equipment net	-1,838	-2,084	-2,714	-150	-197	-190	-189	-234	-179	-222	-198	-148	-197	-180	-165	-158	-193	-186	-2,112
Capital goods net	-2,000	-2,293	-2,365	-173	-170	-205	-189	-215	-193	-234	-212	-183	-213	-213	-173	-189	-190	-185	-1,792
Total capital goods (a)	-13,653	-14,843	-18,541	-1,274	-1,356	-1,636	-1,397	-1,713	-1,718	-1,704	-1,670	-1,417	-1,615	-1,704	-1,495	-1,563	-1,585	-1,509	-13,713
Intermediate and other goods (a) —																			
Food and beverages, mainly for industry	-436	-509	-774	-110	-90	-59	-53	-68	-61	-65	-65	-65	-55	-77	-44	-77	-50	-46	-592
Primary industrial supplies net	-677	-701	-901	-80	-79	-63	-62	-83	-85	-73	-71	-66	-83	-76	-64	-76	-62	-107	-678
Fuels and lubricants	-3,623	-3,317	-3,566	-280	-314	-323	-317	-379	-286	-385	-283	-290	-264	-353	-314	-387	-376	-372	-2,584
Parts for transport equipment	-3,675	-4,183	-4,714	-401	-329	-409	-385	-424	-351	-447	-446	-338	-406	-340	-344	-398	-373	-362	-3,454
Parts for ADP equipment	-1,423	-1,681	-1,858	-133	-138	-172	-142	-189	-172	-159	-158	-155	-161	-161	-138	-160	-157	-162	-1,411
Other parts for capital goods	-4,236	-5,047	-5,975	-462	-456	-561	-484	-583	-520	-620	-584	-510	-563	-550	-471	-542	-528	-527	-4,895
Organic and inorganic chemicals	-2,056	-2,102	-2,431	-203	-201	-245	-203	-228	-234	-242	-249	-193	-225	-245	-193	-274	-215	-248	-2,084
Paper and paperboard	-1,381	-1,465	-1,794	-151	-133	-164	-137	-179	-145	-189	-189	-187	-154	-167	-172	-137	-167	-151	-1,493
Textile yarn and fabrics	-1,763	-1,869	-2,036	-170	-142	-176	-137	-194	-165	-189	-187	-143	-129	-125	-124	-133	-121	-114	-1,340
Iron and steel	-946	-1,039	-1,285	-97	-112	-124	-96	-137	-122	-117	-117	-143	-129	-125	-149	-129	-131	-128	-1,115
Plastics	-1,272	-1,375	-1,646	-140	-134	-155	-133	-160	-129	-170	-155	-146	-158	-149	-129	-151	-131	-128	-1,224
Non-monetary gold	-1,019	-978	-705	-69	-56	-90	-66	-90	-66	-55	-55	-78	-56	-51	-74	-48	-66	-64	-547
Processed industrial supplies net	-7,135	-7,783	-8,680	-700	-652	-856	-684	-818	-687	-824	-762	-728	-747	-750	-660	-755	-711	-756	-6,491
Other goods	-208	-286	-391	-16	-22	-54	-17	-57	-44	-50	-38	-25	-28	-14	-30	-42	-15	-14	-273
Total intermediate and other goods	-29,850	-32,335	-36,756	-3,012	-2,858	-3,451	-2,880	-3,565	-3,056	-3,704	-3,408	-3,027	-3,228	-3,258	-2,868	-3,366	-3,094	-3,143	-27,255
Total imports (a)	-59,431	-64,411	-74,716	-5,788	-5,610	-6,811	-5,698	-6,974	-6,222	-7,191	-6,953	-6,116	-6,701	-6,831	-5,946	-6,469	-6,264	-6,104	-55,832

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

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

	Months												July to Mar.								
	1994-95			1995-96			1994-95			1995-96											
	1992-93	1993-94	1994-95	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	1994-95	1995-96	
Services —																					
Credits —																					
Shipment	1,241	1,487	1,533	134	134	135	140	140	140	141	141	142	142	142	143	167	167	167	1,113	1,352	
Other transportation	4,614	4,604	4,473	390	372	385	370	345	345	391	393	394	415	418	418	416	416	416	3,401	3,677	
Travel	6,411	7,502	8,879	963	1,107	778	743	621	636	923	674	594	798	807	906	1,121	1,293	870	6,879	7,986	
Other services	4,108	4,946	5,052	408	416	429	407	437	460	432	434	435	446	458	455	450	452	452	3,748	4,014	
Total services credits	16,374	18,539	19,937	1,895	2,029	1,727	1,660	1,555	1,581	1,887	1,642	1,565	1,801	1,825	1,922	2,154	2,328	1,905	15,141	17,029	
Debits —																					
Shipment	-3,772	-3,854	-4,384	-349	-343	-395	-333	-391	-338	-384	-389	-349	-374	-401	-334	-351	-347	-370	-3,322	-3,299	
Other transportation	-4,637	-4,906	-5,313	-451	-405	-429	-454	-478	-494	-517	-479	-512	-486	-462	-465	-512	-449	-472	-3,907	-4,354	
Travel	-4,985	-5,157	-5,774	-567	-574	-396	-431	-538	-496	-558	-592	-504	-620	-529	-457	-505	-617	-429	-4,182	-4,721	
Other services	-5,168	-5,582	-5,878	-489	-474	-490	-491	-508	-524	-497	-479	-495	-503	-481	-518	-510	-496	-505	-4,355	-4,484	
Total services debits	-18,562	-19,499	-21,369	-1,856	-1,618	-1,745	-1,816	-1,873	-1,914	-1,900	-1,851	-1,976	-1,892	-1,801	-1,822	-1,990	-1,721	-1,815	-15,766	-16,858	
Net services	-2,188	-960	-1,432	39	411	-18	-156	-318	-333	-103	-209	-411	-91	24	100	164	607	90	-625	171	
Income —																					
Credits —																					
Property income —																					
Investment income	2,045	2,434	3,866	199	199	199	415	415	415	375	375	375	375	375	375	375	375	375	2,622	3,375	
Reinvested earnings (a)	3,040	2,467	2,656	229	254	280	261	163	324	161	169	181	199	217	200	253	217	186	1,907	1,784	
Other	339	376	432	35	35	35	32	33	33	45	45	46	28	28	28	39	39	39	334	337	
Other property income	497	511	551	51	39	41	46	44	48	55	48	57	54	47	51	56	43	45	413	456	
Labour and other income	5,921	5,789	7,505	514	527	554	754	655	819	636	637	659	656	667	654	723	674	645	5,277	5,952	
Total income credits	-3,580	-4,109	-3,968	-489	-335	-428	-286	-368	-203	-418	-330	-451	-507	-362	-238	-454	-418	-401	-3,112	-3,580	
Debits —																					
Property income —																					
Investment income	-2,364	-3,570	-6,256	-619	-619	-619	-277	-277	-277	-434	-434	-434	-434	-434	-434	-434	-434	-434	-5,425	-3,906	
Reinvested earnings (a)	-12,047	-11,350	-13,486	-1,044	-1,044	-1,044	-1,352	-1,352	-1,352	-1,079	-1,079	-1,079	-1,079	-1,079	-1,079	-1,193	-1,193	-1,193	-9,429	-11,066	
Other	-1,565	-1,760	-1,760	-146	-147	-147	-137	-138	-139	-164	-165	-166	-171	-171	-171	-156	-156	-156	-1,346	-1,476	
Other property income	-311	-283	-389	-27	-25	-27	-44	-41	-43	-35	-40	-34	-30	-32	-36	-40	-40	-39	-261	-326	
Labour and other income	-19,868	-21,072	-23,859	-3,324	-2,170	-2,264	-2,096	-2,176	-2,014	-2,130	-2,048	-2,164	-2,558	-2,416	-2,298	-2,277	-2,241	-2,223	-19,573	-20,354	
Total income debits	-13,947	-15,283	-18,354	-1,811	-1,643	-1,710	-1,343	-1,521	-1,195	-1,494	-1,411	-1,505	-1,902	-1,749	-1,642	-1,554	-1,567	-1,579	-14,296	-14,402	
Net income	3,096	2,802	3,209	315	315	237	295	247	272	364	327	282	309	303	327	418	437	291	2,395	3,058	
Unrequited transfers —																					
Credits																					
Official	-1,432	-1,583	-1,591	-109	-147	-123	-100	-196	-280	-152	-91	-108	-101	-135	-127	-146	-112	-111	-1,015	-1,083	
Non-official	-1,002	-1,041	-1,131	-113	-94	-95	-89	-92	-100	-97	-89	-89	-86	-99	-99	-122	-115	-98	-857	-905	
Total	-2,434	-2,624	-2,722	-222	-241	-218	-193	-285	-372	-252	-188	-197	-187	-234	-249	-261	-210	-210	-1,872	-1,988	
Net unrequited transfers	662	178	487	93	74	19	102	-38	-100	112	139	85	122	69	78	157	227	81	523	1,070	

(a) From July 1993, these series are collected on a quarterly basis and then divided by three. Prior to this they were collected annually and divided by twelve.

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

	Years			Months																		
	1992-93	1993-94	1994-95	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	1992-95	1995-96	July to Mar.	
Official —																						
General government —																						
Borrowing —																						
Domestic abroad —																						
Commonwealth Government —																						
Drawings	1,239	40	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Repayments	-830	-1,129	-1,573	-30	-17	-1	-1	-173	-1	-197	-1	-1	-250	-24	-136	-18	-1	-192	-1,398	-1,398	-821	-821
Total	409	-1,089	-1,573	-30	-17	-1	-1	-173	-1	-197	-1	-1	-250	-24	-136	-18	-1	-192	-1,398	-1,398	-821	-821
State government	9,653	4,848	8,992	440	1,546	-1,034	517	2,129	1,427	3,362	19	-649	1,098	-1,333	-584	-1,357	-1,245	-1,157	4,918	4,918	-1,847	-1,847
Total domiciled abroad	10,062	3,759	7,419	-470	1,529	-1,035	516	1,956	1,426	3,166	18	-650	848	-1,358	-720	-1,375	-1,247	-1,349	3,521	3,521	-2,668	-2,668
Domiciled in Australia	830	4,580	5,044	-1,027	-2,013	-207	-2,418	-2,370	-451	377	-2,019	471	1,190	1,542	1,441	-1,575	2,334	2,355	10,283	10,283	6,117	6,117
Total borrowing	10,892	8,339	12,463	-1,497	-484	-1,242	-1,902	-414	975	3,543	-2,001	-179	2,038	184	721	-2,950	1,088	1,006	13,804	13,804	3,449	3,449
Other	9	-470	617	12	-5	-52	-4	-3	17	-34	-19	-16	25	—	-148	61	-105	-56	606	606	-292	-292
Total general government	10,901	7,869	13,080	-1,485	-489	-1,294	-1,905	-417	992	3,509	-2,020	-195	2,063	184	573	-2,889	983	950	14,410	14,410	3,157	3,157
Reserve Bank —																						
Reserve assets —																						
Official reserve assets	3,949	-1,037	1,971	13	-93	-441	-138	200	956	-940	1,024	226	-49	-1,151	-98	592	554	256	953	953	414	414
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	39	-49	23	-13	19	-4	38	-32	—	3	56	-32	-13	9	5	-12	-12	-32	17	17	-28	-28
Total Reserve Bank	3,988	-1,086	1,994	—	-74	-445	-100	168	956	-937	1,080	194	-62	-1,142	-93	580	542	224	970	970	366	366
Total official	14,889	6,783	15,074	-1,485	-563	-1,739	-2,005	-249	1,948	2,572	-940	-1	2,001	-958	480	-2,309	1,525	1,174	15,380	15,380	3,543	3,543
Non-official plus balancing item —																						
Public sector —																						
Non equity securities domiciled in Australia (a)	-291	-1,060	-198	52	-121	-13	5	64	-68	73	-32	-93	-31	4	-24	35	-20	236	-199	-199	149	149
Accounts receivable/prepayments made	84	-1,217	1,183	70	2	28	-33	-119	-61	12	-8	38	-27	-78	-45	-40	28	-105	1,395	1,395	-225	-225
Other (including balancing items) (b)	199	12,149	11,523	3,964	2,341	4,105	3,526	3,008	327	-209	3,340	1,778	374	3,571	231	4,111	-396	-570	4,662	4,662	12,231	12,231
Total non-official plus balancing item	-7	9,871	12,508	4,086	2,222	4,120	3,499	2,953	198	-124	3,300	1,773	316	3,498	162	4,106	-388	-439	5,858	5,858	12,154	12,154
Balance on capital account plus balancing item	14,882	16,654	27,581	2,401	1,659	2,381	1,493	2,704	2,146	2,447	2,360	1,722	2,317	2,540	643	1,797	1,137	735	21,238	21,238	15,697	15,697

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

TABLE 7. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Year																		
	1992-93			1993-94			1994-95			1995-96									
	93	94	95	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
Official reserve assets (\$ million) —	20,823	20,661	20,185	19,047	19,828	21,240	21,293	21,443	20,185	20,050	18,350	18,659	18,671	19,934	20,068	19,375	18,550	17,935	
Levels at end of period	-1,417	-162	-476	630	781	1,412	53	150	-1,258	-135	-1,700	309	12	1,263	134	-693	-825	-615	
Changes in levels Of which —																			
Changes due to effects of revaluations	2,532	-1,199	1,495	643	688	971	-85	350	-302	-1,075	-676	535	-37	112	36	-101	-271	-359	
Changes included in the balance of payments (a)	-3,949	1,037	-1,971	-13	93	441	138	-200	-956	940	-1,024	-226	49	1,151	98	-592	-554	-256	
Exchange rates (b) — Units of foreign currency per \$A —																			
End of period (c) —	0.6722	0.7291	0.7086	0.7583	0.7395	0.7280	0.7299	0.7138	0.7086	0.7389	0.7524	0.7550	0.7566	0.7469	0.7450	0.7447	0.7635	0.7793	
United States dollar	0.4453	0.4721	0.4452	0.4752	0.4669	0.4534	0.4515	0.4449	0.4452	0.4611	0.4861	0.4777	0.4800	0.4860	0.4814	0.4943	0.4982	0.5106	
United Kingdom pound	1.137	1.159	0.981	1.141	1.084	1.026	1.004	0.993	0.981	1.023	1.109	1.070	1.066	1.072	1.071	1.108	1.121	1.149	
German mark	71.54	72.20	60.08	74.75	71.75	64.92	61.04	59.45	60.08	65.31	73.55	74.22	76.98	75.83	76.66	79.88	79.85	83.00	
Japanese yen	0.4818	0.5026	0.4539	0.5144	0.4944	0.4677	0.4621	0.4530	0.4539	0.4753	0.5070	0.5024	0.5031	0.5020	0.5009	0.5121	0.5182	0.5345	
Special drawing right																			
Period average (d) —	0.7030	0.6919	0.7427	0.7658	0.7453	0.7346	0.7361	0.7278	0.7196	0.7268	0.7412	0.7542	0.7580	0.7459	0.7416	0.7420	0.7555	0.7714	
United States dollar	0.4363	0.4623	0.4705	0.4869	0.4740	0.4591	0.4574	0.4580	0.4511	0.4557	0.4725	0.4841	0.4800	0.4768	0.4815	0.4846	0.4916	0.5049	
United Kingdom pound	1.103	1.171	1.120	1.174	1.115	1.033	1.014	1.040	1.008	1.010	1.071	1.103	1.073	1.056	1.068	1.083	1.107	1.139	
German mark	84.22	73.52	70.35	76.37	73.24	66.66	61.58	61.84	60.84	63.43	70.06	75.79	76.28	76.02	75.49	77.91	79.90	81.69	
Japanese yen	0.4982	0.4944	0.4972	0.5231	0.5049	0.4792	0.4670	0.4671	0.4601	0.4665	0.4897	0.5084	0.5056	0.4988	0.4993	0.5047	0.5157	0.5563	
Special drawing right																			
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —	49.5	53.0	48.4	54.5	52.9	50.7	49.6	48.5	48.4	51.0	53.9	53.8	54.3	53.8	53.9	54.7	55.5	56.8	
End of period (c)	52.3	51.4	52.8	55.3	53.6	51.4	50.1	49.8	49.2	50.0	52.5	54.4	54.3	53.7	53.5	54.2	55.1	56.2	
Period average (d)																			

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 6. (b) These exchange rates and the trade-weighted index are derived using rates provided by the Reserve Bank of Australia in respect of each trading day. (c) These exchange rates and index numbers relate to the last trading day of the reference period. (d) These exchange rates and index numbers are derived by averaging figures for each trading day.

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for March 1996, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the December quarter 1995 issue of the quarterly balance of payments publication (5302.0) released on 28 February 1996.

2. Descriptions of the underlying concepts and structure of the balance of payments and the sources and methods used in compiling the estimates are presented in *Balance of Payments, Australia: Concepts, Sources and Methods* (5331.0). The publication also provides item definitions; explanations of seasonal adjustment and trend estimates; and an analysis of the quality of the estimates.

Accuracy, reliability and volatility

3. Care should be exercised in the use and interpretation of estimates in this publication. The sources available for the production of timely and reliable monthly estimates are limited and the initial estimates are made available very quickly. Consequently, the latest estimates in this publication, to a greater extent than estimates in quarterly and annual balance of payments publications, are preliminary and subject to revision as more complete and accurate information becomes available. Certain items are estimated using extrapolation techniques until source data become available. Further, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components. A detailed assessment of the quality of Australia's balance of payments statistics is provided in the information paper *Quality of Australian Balance of Payments Statistics, 1996* (5342.0) released on 20 February 1996.

4. Particular care should be exercised in interpreting month-to-month movements in original and seasonally adjusted series as short term movements cannot be assumed to indicate changes in trend. The monthly estimates are volatile, being subject to seasonal factors (except where adjusted in Table 2) and large irregular influences. The irregular influences may reflect both random economic events and difficulties of statistical recording. Seasonal adjustment does not aim to remove the irregular or non-seasonal influences which may be present in any particular month. This means that the month-to-month movements of the seasonally adjusted estimates may not be reliable indicators of trend behaviour. For example, irregular factors unrelated to the trend account for more than half the seasonally adjusted monthly movements with the following frequency:

Balance on current account: 9 in 10 months
 Merchandise exports fob: 8 in 10 months
 Merchandise imports fob: 9 in 10 months

5. The impact of the irregular influences upon the seasonally adjusted series is reduced by smoothing, as shown by the trend estimates in Table 2 and the graphs. The trend estimates are generally derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted series.

Seasonal adjustment

6. The factors used in seasonally adjusting the monthly balance of payments statistics during 1996 can be obtained, for \$75.00, by contacting Karen McGuigan on Canberra (06) 252 6239.

7. The seasonally adjusted statistics in this publication should not be regarded as in any way definitive as results from seasonal adjustment vary according to the method used.

Available longer term series

8. Estimates for months prior to those shown in this publication are available and can be obtained by contacting Trevor Jolly on Canberra (06) 252 6820. There may be a charge for this information.

Related products and services

9. More detailed merchandise exports and merchandise imports data, including dissections by commodity and country of origin, are also available on an international merchandise trade basis for March 1996 and previous months. These data can be obtained by contacting information services on Canberra (06) 252 5400.

Symbols and other usages

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

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

D. Trewin
 Acting Australian Statistician

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