

CATALOGUE NO. 5301.0
EMBARGOED UNTIL 11.30 A.M 1 April 1996

BALANCE OF PAYMENTS, AUSTRALIA, FEBRUARY 1996

MAIN FEATURES

Estimates of the main balance of payments aggregates for February 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.

	1995	1996		Change on
	December	January	February	previous month(a)
		\$ million		%
		<i>Trend</i>		
Balance on current account	-1,797p	-1,775p	-1,767p	—
		<i>Seasonally adjusted</i>		
Balance on current account	-1,698	-1,651	-1,713	-4
Balance on merchandise trade	-47	-202	-298	-48
Net services	-51	-59	7	..
Net income	-1,670	-1,537	-1,639	-7
Net unrequited transfers	70	147	217	48
		<i>Not seasonally adjusted</i>		
Balance on current account	-710	-1,875	-1,143	39
Balance on merchandise trade	828	-601	-394	34
Net services	26	129	581	..
Net income	-1,642	-1,556	-1,566	-1
Net unrequited transfers	78	153	236	54

(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.

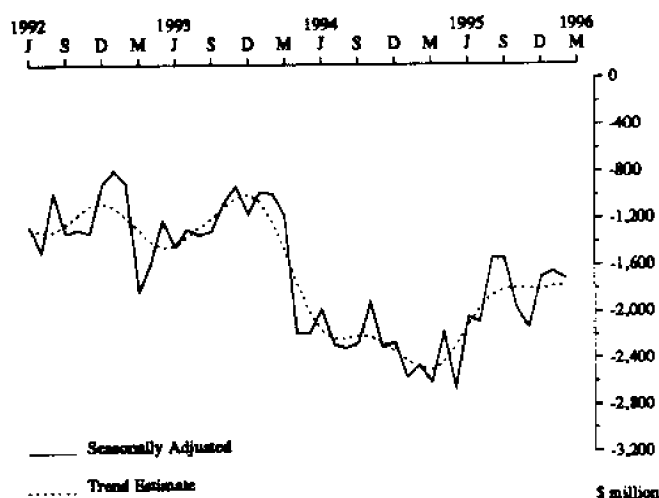
The provisional trend estimate for the February current account deficit was \$1,767 million, down \$8 million on the provisional trend estimate for January.

In seasonally adjusted terms, the current account deficit for February increased \$62 million, or 4 per cent, to \$1,713 million. The increase in the deficit was caused by:

- an increase of \$96 million (48 per cent) in the merchandise trade deficit (merchandise exports fell 1 per cent, while merchandise imports were virtually unchanged); and
- an increase of \$102 million (7 per cent) in the net income deficit.

Partly offsetting these movements in merchandise trade and income was a turnaround of \$66 million, from a deficit to a surplus, in the net services balance; and an increase of \$70 million (48 per cent) in the net unrequited transfers surplus.

GRAPH 1: BALANCE ON CURRENT ACCOUNT



INQUIRIES • for further information about these and related unpublished statistics, contact Gary Knox 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.

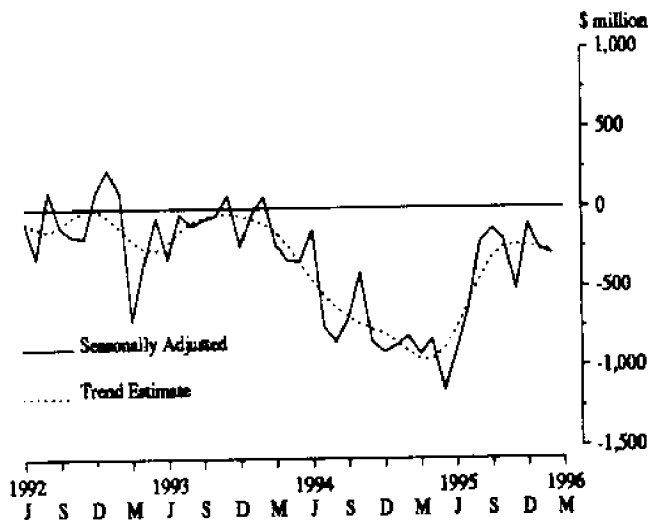
ANALYSIS OF SELECTED MAJOR AGGREGATES

February 1996 compared with January 1996

Balance on goods and services

The seasonally adjusted balance on goods and services recorded a deficit of \$291 million, an increase of \$30 million on the deficit recorded in January.

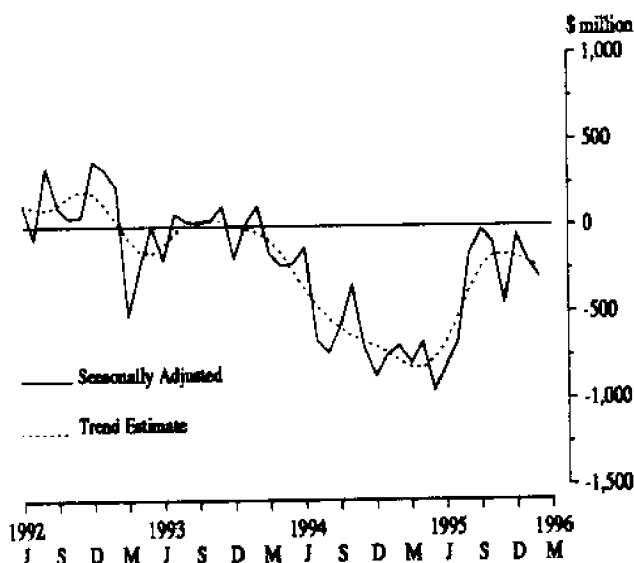
GRAPH 2: BALANCE ON GOODS AND SERVICES



Balance on merchandise trade

The seasonally adjusted balance on merchandise trade recorded a deficit of \$298 million, an increase of \$96 million on the deficit recorded in January.

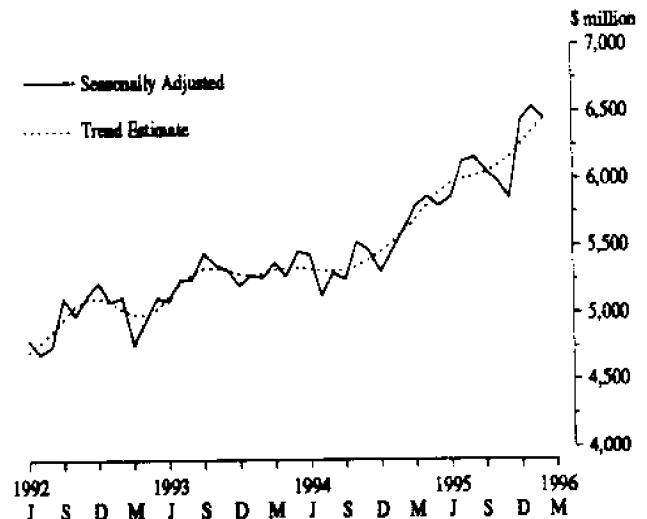
GRAPH 3: BALANCE ON MERCHANDISE TRADE



Merchandise exports

In seasonally adjusted terms, merchandise exports fell \$97 million, or 1 per cent, to \$6,440 million. Rural exports fell \$173 million, or 8 per cent, to \$1,874 million. Non-rural exports rose \$76 million, or 2 per cent, to \$4,566 million.

GRAPH 4: MERCHANDISE - EXPORTS FOB



In original terms, exports fell \$4 million to \$5,870 million.

Rural exports, in original terms, fell \$54 million, or 3 per cent, to \$1,729 million. Decreases were recorded in:

- sugar, down \$79 million or 65 per cent (due mainly to decreased volumes of cane sugar exports); and
- "other" rural exports, down \$30 million or 5 per cent.

These decreases were partly offset by increases in meat, up \$36 million or 17 per cent; and wool, up \$14 million or 5 per cent.

Non-rural exports, in original terms, rose \$50 million, or 1 per cent, to \$4,141 million. Increases were recorded in:

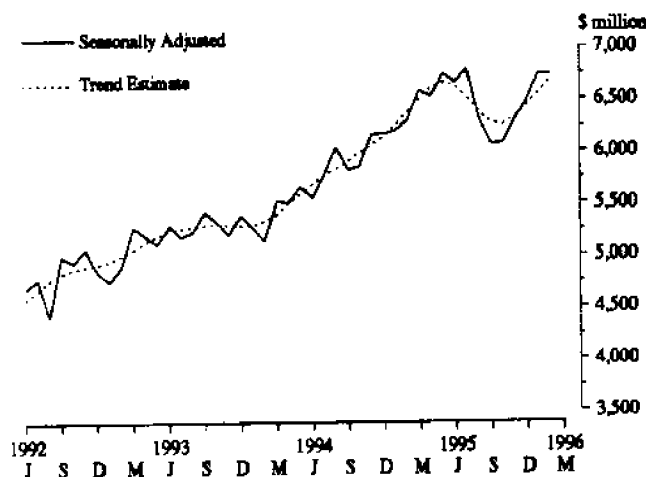
- "other" manufactures, up \$117 million or 20 per cent (with most components recording increases);
- machinery, up \$90 million or 21 per cent (with all components recording increases);
- "other" non-rural, up \$37 million or 26 per cent; and
- transport equipment, up \$32 million or 24 per cent.

These increases were partly offset by decreases in gold, down \$130 million or 22 per cent (due mainly to decreased volumes); metal ores and minerals, down \$47 million or 7 per cent (with most components recording decreases); and coal, coke and briquettes, down \$38 million or 6 per cent (due mainly to decreased volumes of exports).

Merchandise imports

In seasonally adjusted terms, *merchandise imports* for February fell \$1 million to \$6,738 million. *Consumption goods* rose \$83 million, or 5 per cent, to \$1,687 million. *Capital goods* rose \$65 million, or 4 per cent, to \$1,833 million. *Intermediate and other goods* fell \$149 million, or 4 per cent, to \$3,218 million.

GRAPH 5: MERCHANDISE - IMPORTS FOB



In original terms, *imports* fell \$211 million, or 3 per cent, to \$6,264 million.

Imports of *consumption goods*, in original terms, rose \$54 million, or 4 per cent, to \$1,585 million. The largest increase was recorded in non-industrial transport equipment, up \$47 million or 17 per cent (due mainly to increased imports of passenger motor cars). The largest decrease was recorded in food and beverages, down \$37 million or 15 per cent (with most components recording decreases).

Imports of *capital goods*, in original terms, rose \$17 million, or 1 per cent, to \$1,585 million. The largest increases were recorded in:

- industrial transport equipment nes, up \$35 million or 22 per cent (due mainly to increased imports of motor vehicles); and
- civil aircraft, up \$33 million or 75 per cent (which includes the import of a Qantas aircraft valued at \$52 million).

These increases were partly offset by decreases in telecommunications equipment, down \$30 million or 18 per cent; and machinery and industrial equipment, down \$29 million or 4 per cent.

Imports of *intermediate and other goods*, in original terms, fell \$282 million, or 8 per cent, to \$3,094 million. Decreases were recorded in all of the 14 groups. The largest decreases were recorded in:

- organic and inorganic chemicals, down \$59 million or 22 per cent (with most components recording decreases);
- processed industrial supplies nes, down \$45 million or 6 per cent (with most components recording decreases);

- "other" goods, down \$27 million or 64 per cent;
- food and beverages, down \$26 million or 34 per cent; and
- parts for transport equipment, down \$25 million or 6 per cent.

Net services

The seasonally adjusted *net services* balance recorded a surplus of \$7 million, a turnaround of \$66 million on the deficit recorded in January. Services credits rose \$27 million (1 per cent), while services debits fell \$39 million (2 per cent).

Net income

The seasonally adjusted *net income* deficit rose \$102 million, or 7 per cent, to \$1,639 million. Income credits fell \$37 million or 5 per cent, while income debits rose \$65 million or 3 per cent. It should be noted that, in accordance with established methodology, the monthly estimates of the non-official sector for January and February 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 rose \$70 million, or 48 per cent, to \$217 million. Unrequited transfers credits rose \$36 million or 9 per cent, while unrequited transfers debits fell \$34 million or 15 per cent.

Net capital transactions

In original terms, the *net capital transactions of the official sector* recorded a net inflow of \$1,751 million in February, a turnaround of \$4,065 million on the net outflow recorded in January.

The February estimate consisted of:

- a net inflow of \$1,209 million in general government transactions, a turnaround of \$4,103 million on the net outflow recorded in the previous month; and
- a net inflow of \$542 million in Reserve Bank transactions, a decrease of \$38 million on the net inflow recorded in the previous month.

The turnaround in general government transactions to a net inflow was mainly the result of:

- a \$4,141 million turnaround from a net outflow to a net inflow of borrowing domiciled in Australia; and
- a \$112 million decrease in the net outflow (net repayments) of State government borrowing domiciled abroad.

Reserve Bank transactions in February mainly reflected net sales of reserve assets of \$554 million, a decrease of \$38 million on the net sales recorded in the previous month.

Exchange rates

Using period average exchange rates, the \$A appreciated by 1.7 per cent on a trade weighted basis during February against the currencies of Australia's major trading partners. The \$A appreciated by 2.6 per cent against the Japanese yen and by 1.8 per cent against the \$US.

Eight months ended February 1996 compared with eight months ended February 1995.

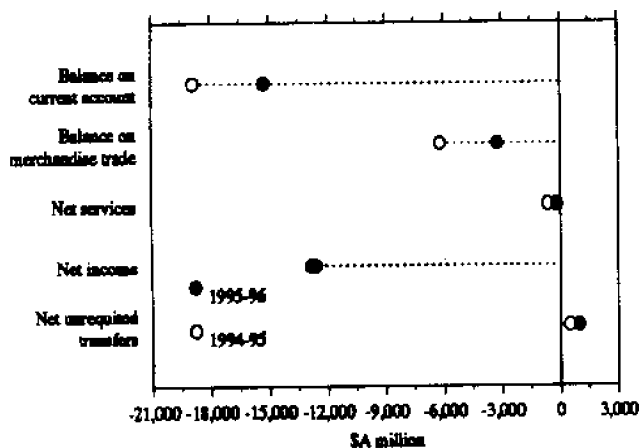
In original terms, the *current account* deficit for the eight months ended February 1996 was \$15,232 million, down \$3,625 million, or 19 per cent, on the deficit for the eight months ended February 1995.

This result was due to:

- a decrease of \$2,932 million (48 per cent) in the merchandise trade deficit;
- a decrease of \$442 million (73 per cent) in the net services deficit; and
- an increase of \$490 million (97 per cent) in the net unrequited transfers surplus.

The movements in merchandise trade, services and unrequited transfers were partly offset by an increase of \$239 million (2 per cent) in the net income deficit.

GRAPH 4: BALANCE OF PAYMENTS AGGREGATES - EIGHT MONTHS ENDED FEBRUARY



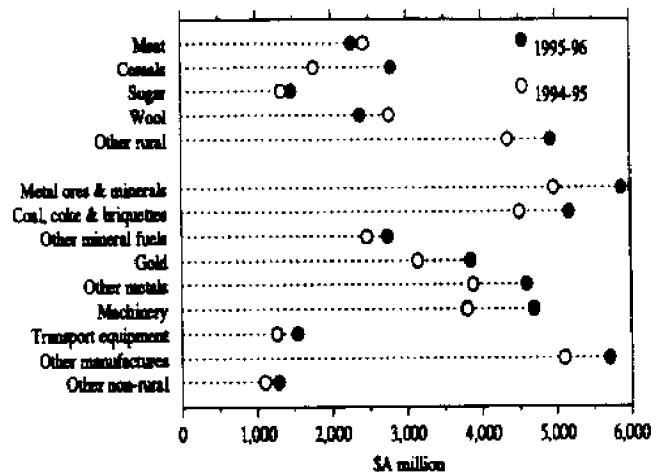
Merchandise exports rose \$6,401 million, or 15 per cent, to \$49,244 million. Rural exports rose \$1,182 million (9 per cent); and non-rural exports rose \$5,219 million (17 per cent). The largest increases were recorded in:

- cereals, up \$1,026 million (58 per cent);
- metal ores and minerals, up \$913 million (18 per cent);
- machinery, up \$885 million (23 per cent);
- "other" metals, up \$716 million (19 per cent);

- gold, up \$694 million (22 per cent);
- coal, coke and briquettes, up \$667 million (15 per cent);
- "other" manufactures, up \$607 million (12 per cent); and
- "other" rural exports, up \$576 million (13 per cent).

Decreases were recorded in wool, down \$388 million (14 per cent); and meat, down \$170 million (7 per cent).

GRAPH 7: MERCHANDISE EXPORTS - EIGHT MONTHS ENDED FEBRUARY

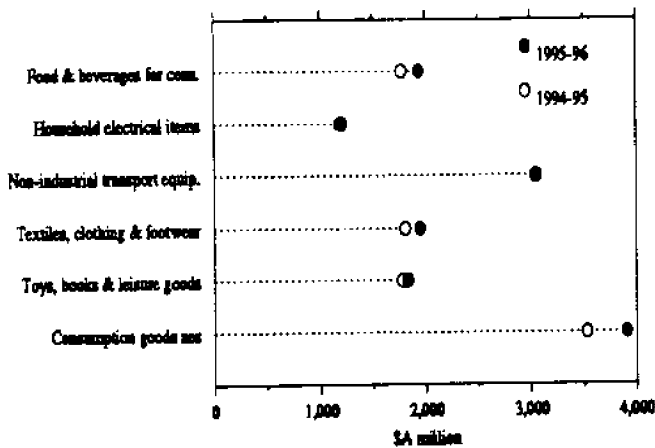


Merchandise imports rose \$3,469 million, or 7 per cent, to \$52,480 million. Consumption goods rose \$745 million (6 per cent); capital goods rose \$683 million (6 per cent); and intermediate and other goods rose \$2,041 million (9 per cent). The largest increases were recorded in:

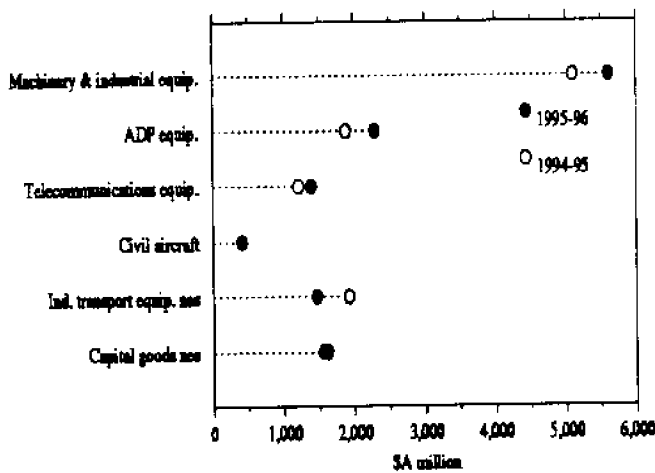
- "other" parts for capital goods, up \$540 million (14 per cent);
- machinery and industrial equipment, up \$512 million (10 per cent);
- ADP equipment, up \$405 million (22 per cent);
- fuels and lubricants, up \$400 million (18 per cent);
- consumption goods nes, up \$378 million (11 per cent);
- organic and inorganic chemicals, up \$315 million (21 per cent);
- processed industrial supplies nes, up \$306 million (5 per cent);
- paper and paperboard, up \$210 million (18 per cent); and
- iron and steel, up \$200 million (25 per cent).

The most significant decreases were recorded in industrial transport equipment nes, down \$461 million (24 per cent); and parts for transport equipment, down \$53 million (2 per cent).

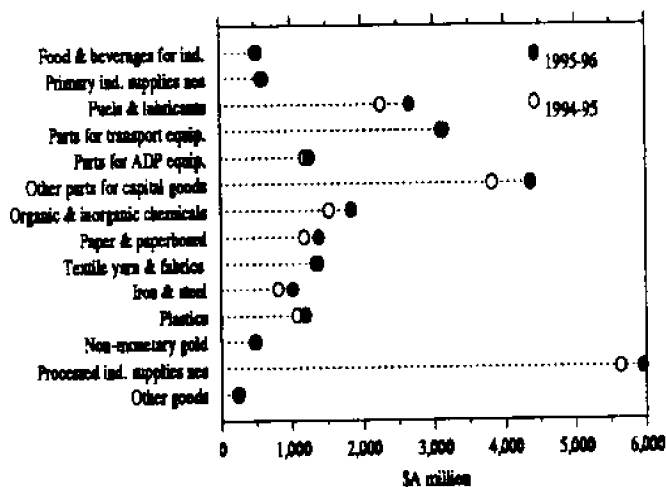
GRAPH 8: MERCHANDISE IMPORTS - CONSUMPTION GOODS
EIGHT MONTHS ENDED FEBRUARY



GRAPH 9: MERCHANDISE IMPORTS - CAPITAL GOODS
EIGHT MONTHS ENDED FEBRUARY



GRAPH 10: MERCHANDISE IMPORTS - INTERMEDIATE AND OTHER GOODS
EIGHT MONTHS ENDED FEBRUARY



The *net services* deficit fell \$442 million, or 73 per cent, to \$165 million. *Services credits* rose \$1,603 million, or 12

per cent, due mainly to increases of \$985 million in travel credits and \$247 million in "other" services credits. *Services debits* rose \$1,161 million, or 8 per cent, due mainly to increases of \$499 million in travel debits and \$431 million in "other" transportation debits.

The *net income* deficit rose \$239 million, or 2 per cent, to \$12,825 million. *Income credits* rose \$583 million, or 12 per cent, due mainly to increases in reinvested earnings. *Income debits* rose \$821 million, or 5 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 \$490 million, or 97 per cent, to \$994 million. *Unrequited transfers credits* rose \$616 million, or 29 per cent, due mainly to an increase in migrants' transfers. *Unrequited transfers debits* rose \$126 million or 8 per cent.

Official sector capital transactions for the eight months ended February 1996 yielded a net inflow of \$2,591 million, compared with a net inflow of \$17,118 million for the corresponding period of the previous financial year. The estimate for the latest period consisted of:

- a net inflow of \$2,429 million in general government transactions, down \$13,274 million on the net inflow for the eight months to February 1995; and
- a net inflow of \$162 million in Reserve Bank transactions, a decrease of \$1,253 million on the net inflow for the eight months to February 1995.

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

- a decrease of \$6,506 million in borrowing domiciled in Australia, to a net inflow of \$3,984 million; and
- a turnaround of \$5,874 million in total borrowing domiciled abroad, to a net outflow of \$1,319 million. This was mainly due to a turnaround of \$6,642 million in State government borrowing domiciled abroad, to a net outflow of \$690 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 increase of \$1 million in the current account deficit for the first seven months of this financial year. The major factors contributing to this revision are:

- incorporation of the latest available data on merchandise imports and exports; and
- incorporation of the latest available information from the quarterly International Trade in Services Survey which has affected the credit and debit series for miscellaneous services and "other" property income.

Release date for March 1996 issue

The expected release date for the March issue of this publication is 2 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

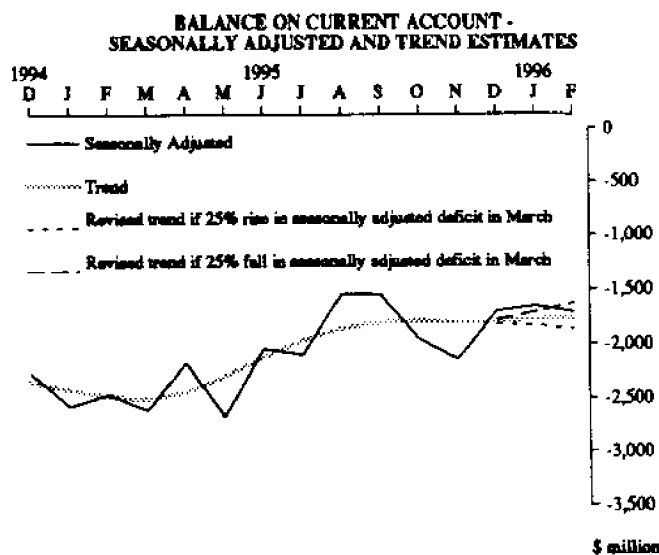
The table below presents trend estimates of the deficit on current account from December 1994 onwards, including provisional trend estimates for the latest three months (December 1995, January and February 1996).

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 (March 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 March by 25 per cent, to \$2,141 million, the provisional trend movement for that month would be 1.1 per cent. The movements in the trend estimates for December, January and February which are provisionally 0.2 per cent, -1.2 per cent and -0.5 per cent respectively, would be revised to 1.5 per cent, 1.0 per cent and 1.5 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted

deficit next month, to \$1,285 million, would produce a movement of -6.2 per cent in the trend estimate for March, with the movements in the trend estimates for December, January and February being revised to -1.4 per cent, -3.9 per cent and -5.0 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 March 1996 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on February 1996 (a)		is down 25% on February 1996 (a)	
			\$m	% change on previous month	\$m	% change on previous month
1994-95 —						
December	2328	3.2	2328	3.2	2328	3.2
January	2406	3.4	2406	3.4	2406	3.4
February	2474	2.8	2474	2.8	2474	2.8
March	2493	0.8	2493	0.8	2493	0.8
April	2430	-2.5	2430	-2.5	2430	-2.5
May	2287	-5.9	2287	-5.9	2287	-5.9
June	2115	-7.5	2115	-7.5	2115	-7.5
1995-96 —						
July	1958	-7.4	1958	-7.4	1958	-7.4
August	1850	-5.5	1850	-5.5	1850	-5.5
September	1797	-2.9	1786	-3.5	1802	-2.6
October	1789	-0.4	1771	-0.8	1800	-0.1
November	1800	0.6	1791	1.1	1805	0.3
December	1797 p	0.2	1817	1.5	1779	-1.4
January	1775 p	-1.2	1836	1.0	1709	-3.9
February	1767 p	-0.5	1863	1.5	1624	-5.0
March			1883	1.1	1523	-6.2

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months December 1994 to February 1996.

TABLE 1. BALANCE OF PAYMENTS
(\$ millions)

	Months												July to Feb.								
	Years			1994-95										1995-96							
	1992-93	1993-94	1994-95	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	1994-95	1995-96	
Current transactions —																					
Goods and services —																					
Merchandise (a) —																					
Exports fob	60,022	63,822	66,434	5,493	4,866	5,109	6,139	5,601	6,147	5,704	6,228	6,073	6,233	6,250	5,942	6,774	5,874	5,870	42,843	49,244	
Imports fob	-59,431	-64,411	-74,716	-5,925	-5,788	-5,610	-6,811	-5,698	-6,974	-6,222	-7,191	-6,953	-6,118	-6,701	-6,832	-5,946	-6,475	-6,264	-49,011	-52,480	
Balance on merchandise trade	591	-589	-8,282	-432	-922	-501	-672	-87	-827	-518	-963	-880	115	-451	-890	828	-601	-394	-6,168	-3,236	
Services —																					
Credits	16,374	18,339	19,937	1,704	1,895	2,029	1,727	1,660	1,555	1,581	1,896	1,664	1,548	1,784	1,805	1,897	2,111	2,312	13,414	15,017	
Debits	-18,562	-19,499	-21,369	-1,703	-1,856	-1,618	-1,745	-1,816	-1,873	-1,914	-2,002	-1,859	-1,984	-1,925	-1,828	-1,871	-1,982	-1,731	-14,021	-15,182	
Net services	-2,188	-960	-1,432	3	39	411	-18	-156	-318	-333	-106	-195	-436	-141	-23	26	129	581	-607	-165	
Balance on goods and services	-1,597	-1,549	-9,714	-429	-883	-90	-690	-253	-1,145	-851	-1,069	-1,075	-321	-592	-913	854	-472	187	-6,775	-3,401	
Income —																					
Credits	5,921	5,789	7,505	643	514	527	554	754	655	819	636	637	659	656	667	654	722	673	4,722	5,305	
Debits	-19,868	-21,072	-25,859	-2,025	-2,324	-2,170	-2,264	-2,096	-2,176	-2,014	-2,130	-2,048	-2,164	-2,558	-2,416	-2,296	-2,278	-2,239	-17,309	-18,130	
Net income	-13,947	-15,283	-18,354	-1,382	-1,811	-1,643	-1,710	-1,342	-1,521	-1,195	-1,494	-1,411	-1,505	-1,902	-1,749	-1,642	-1,556	-1,566	-12,586	-12,825	
Unrequited transfers —																					
Credits	3,096	2,802	3,209	288	315	315	237	295	247	272	364	327	282	309	303	327	417	445	2,158	2,774	
Debits	-2,434	-2,624	-2,722	-224	-222	-241	-218	-193	-285	-372	-252	-188	-197	-187	-234	-249	-264	-209	-1,654	-1,780	
Net unrequited transfers	662	178	487	64	93	74	19	102	-38	-100	112	130	85	122	69	78	153	236	504	994	
Balance on current account	-14,882	-16,654	-27,581	-1,747	-2,601	-1,659	-2,381	-1,493	-2,704	-2,146	-2,451	-2,347	-1,741	-2,372	-2,593	-710	-1,875	-1,143	-18,857	-15,232	
Net capital transactions —																					
Official —																					
General government	10,901	7,869	13,080	3,316	-1,485	-469	-1,294	-1,905	-417	992	3,509	-2,020	-195	2,063	184	573	-2,894	1,209	15,703	2,429	
Reserve Bank —																					
Credits	3,949	-1,037	1,971	73	13	93	-441	-138	200	956	-940	1,024	226	-49	-1,151	-98	592	554	1,394	158	
Reserve assets	39	-49	23	13	-13	19	-4	38	-32	-	3	56	-32	-13	9	5	-12	-12	21	4	
Other	3,988	-1,086	1,994	86	-	-74	-445	-160	168	956	-937	1,080	194	-62	-1,142	-93	580	542	1,415	162	
Total	14,889	6,783	15,074	3,402	-1,485	-563	-1,739	-2,005	-249	1,948	2,572	-940	-1	2,001	-958	480	-2,314	1,751	17,118	2,591	
Total official	-7	9,871	12,508	-1,655	4,086	2,222	4,120	3,499	2,953	198	-120	3,287	1,742	371	3,551	229	4,189	-608	1,739	12,641	
Non-official plus balancing item																					
Balance on capital account plus balancing item	14,882	16,654	27,581	1,747	2,601	1,659	2,381	1,493	2,704	2,146	2,451	2,347	1,741	2,372	2,593	710	1,875	1,143	18,857	15,232	

(a) Balance of payments basis.

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

	Months														
	1994-95			1995-96											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Seasonally Adjusted (b)															
Goods and services —															
Merchandise —															
Exports <i>job</i> —															
Rural	1,529	1,475	1,521	1,550	1,543	1,534	1,586	1,690	1,660	1,719	1,571	1,590	1,936	2,047	1,874
Non-rural	3,781	3,985	4,098	4,247	4,322	4,264	4,277	4,436	4,495	4,334	4,416	4,264	4,495	4,490	4,566
Total	5,310	5,460	5,619	5,797	5,865	5,798	5,863	6,126	6,155	6,053	5,987	5,854	6,431	6,537	6,440
Imports <i>job</i> —															
Consumption goods	-1,628	-1,621	-1,557	-1,698	-1,682	-1,717	-1,670	-1,790	-1,690	-1,623	-1,570	-1,656	-1,731	-1,604	-1,687
Capital goods	-1,600	-1,490	-1,641	-1,714	-1,596	-1,679	-1,754	-1,558	-1,496	-1,399	-1,451	-1,534	-1,479	-1,768	-1,833
Intermediate and other goods	-2,943	-3,089	-3,108	-3,177	-3,254	-3,351	-3,239	-3,441	-3,130	-3,053	-3,056	-3,108	-3,268	-3,367	-3,218
Total	-6,171	-6,200	-6,306	-6,580	-6,532	-6,747	-6,663	-6,789	-6,316	-6,075	-6,077	-6,298	-6,478	-6,739	-6,738
Balance on merchandise trade	-861	-740	-687	-792	-667	-949	-800	-663	-161	-22	-90	-444	-47	-202	-298
Services —															
Credits	1,642	1,673	1,715	1,711	1,730	1,730	1,775	1,870	1,780	1,763	1,762	1,777	1,811	1,867	1,894
Debits	-1,690	-1,797	-1,837	-1,838	-1,888	-1,929	-1,874	-1,852	-1,832	-1,873	-1,866	-1,850	-1,862	-1,926	-1,887
Net services	-48	-124	-122	-127	-158	-199	-99	18	-52	-110	-104	-73	-51	-59	7
Balance on goods and services	-909	-864	-809	-919	-825	-1,148	-899	-645	-213	-132	-194	-517	-98	-261	-291
Income —															
Credits	646	519	546	570	743	648	807	625	636	649	655	675	657	728	691
Debits	-2,048	-2,305	-2,256	-2,268	-2,141	-2,154	-1,994	-2,153	-2,044	-2,123	-2,503	-2,366	-2,327	-2,265	-2,330
Net income	-1,402	-1,786	-1,710	-1,698	-1,398	-1,506	-1,187	-1,528	-1,408	-1,474	-1,848	-1,691	-1,670	-1,537	-1,639
Unrequited transfers —															
Credits	281	288	308	243	291	269	286	344	319	306	308	307	325	380	416
Debits	-223	-199	-239	-228	-228	-275	-235	-259	-226	-241	-219	-237	-255	-233	-199
Net unrequited transfers	58	89	69	15	63	-6	51	85	83	65	89	70	70	147	217
Balance on current account	-2,253	-2,561	-2,450	-2,602	-2,160	-2,660	-2,035	-2,068	-1,538	-1,541	-1,953	-2,138	-1,698	-1,651	-1,713
Trend Estimates															
Merchandise —															
Exports <i>job</i>	5,462	5,531	5,608	5,699	5,800	5,900	5,968	6,001	6,021	6,046	6,093	6,163	6,254	6,351	6,445
Imports <i>job</i>	-6,153	-6,257	-6,382	-6,512	-6,616	-6,663	-6,630	-6,520	-6,381	-6,282	-6,263	-6,325	-6,435	-6,556	-6,692
Balance on merchandise trade	-691	-726	-774	-813	-816	-763	-662	-519	-360	-236	-170	-162	-181	-205	-247
Balance on goods and services	-795	-840	-905	-953	-953	-885	-764	-601	-434	-306	-243	-234	-243	-252	-276
Balance on current account	-2,328	-2,406	-2,474	-2,493	-2,430	-2,287	-2,115	-1,958	-1,850	-1,797	-1,789	-1,800	-1,797	-1,775	-1,767

(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			1995-96			1994-95			1995-96			July to Feb.					
	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.			
<i>Rural exports fob (a) —</i>	3,750	4,043	3,654	288	230	265	321	302	299	296	327	265	293	305	307	315	209	245	245	209	245	2,436	2,266	
Meat & meat preparations	2,954	3,205	2,523	185	152	190	225	143	212	177	173	180	194	223	282	537	599	604	599	604	599	1,766	2,192	
Cereal grains & cereal preparations	1,072	1,315	1,730	119	92	81	103	129	100	66	235	240	249	244	187	152	121	42	42	42	42	1,332	1,470	
Sugar, sugar preparations & honey	3,367	3,369	4,216	423	339	371	468	375	317	284	316	223	287	327	309	370	269	283	283	269	283	2,772	2,384	
Wool & preparations	5,937	6,513	6,916	590	471	498	586	583	712	692	682	650	620	600	575	652	585	555	555	585	555	4,343	4,919	
Other rural	17,080	18,445	19,039	1,605	1,284	1,405	1,703	1,532	1,640	1,515	1,733	1,558	1,643	1,699	1,660	2,026	1,783	1,729	1,783	1,729	1,729	12,649	13,831	
<i>Non-rural exports fob (a) —</i>	7,943	7,671	7,966	665	603	587	766	652	835	750	785	768	664	726	738	818	712	665	665	712	665	4,963	5,876	
Metal ores & minerals	7,620	7,253	6,936	529	556	512	609	596	645	589	666	688	619	679	636	632	641	603	603	641	603	4,497	5,164	
Coal, coke & briquettes	3,913	3,351	3,794	295	386	267	372	296	343	319	377	307	351	306	299	414	346	340	340	346	340	2,464	2,740	
Other mineral fuels	4,580	5,521	4,907	335	448	440	468	538	430	327	440	382	574	584	437	391	580	450	450	580	450	3,144	3,838	
Gold	5,210	5,396	6,097	497	546	528	562	520	621	524	565	686	607	598	515	584	518	513	513	518	513	3,870	4,586	
Other metals	4,344	5,293	6,035	558	307	490	591	486	547	614	632	555	617	576	641	699	436	526	526	436	526	3,797	4,682	
Machinery	2,022	2,087	2,046	175	169	146	201	184	185	214	207	206	204	213	156	254	133	165	165	133	165	1,262	1,538	
Transport equipment	6,026	6,966	7,904	662	475	586	717	651	740	699	695	767	777	699	721	764	582	699	699	582	699	5,097	5,704	
Other manufactures	1,284	1,839	1,710	172	92	148	150	146	161	153	128	156	177	170	139	192	143	180	180	143	180	1,100	1,285	
Other non-rural	42,942	45,377	47,395	3,888	3,582	3,704	4,436	4,069	4,507	4,189	4,495	4,515	4,590	4,551	4,282	4,748	4,091	4,141	4,091	4,141	4,141	30,194	35,413	
Total non-rural	60,022	63,822	66,434	5,493	4,866	5,109	6,139	5,601	6,147	5,704	6,228	6,073	6,233	6,250	5,942	6,774	5,874	5,870	5,874	5,870	5,870	42,843	49,244	

(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)
(\$ million)

	Months												July to Feb.							
	Years			1994-95												1993-94		1992-93		
	1994-95	1993-94	1992-93	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	1994-95	1993-94	
<i>Consumption goods fob (a) —</i>																				
Food and beverages, mainly for consumption	-2,261	-2,430	-2,592	-235	-227	-199	-236	-168	-230	-181	-245	-233	-231	-255	-263	-243	-252	-215	-177	-1,937
Household electrical items	-1,382	-1,436	-1,744	-156	-121	-119	-147	-132	-145	-129	-157	-167	-138	-179	-177	-139	-119	-129	-191	-1,205
Non-industrial transport equipment	-3,478	-3,800	-4,758	-409	-337	-313	-462	-391	-446	-413	-469	-426	-346	-423	-404	-376	-278	-325	-3,046	-3,047
Textiles, clothing and footwear	-2,178	-2,320	-2,566	-192	-246	-249	-235	-179	-189	-157	-266	-274	-220	-212	-229	-190	-262	-293	-1,806	-1,946
Toys, books and leisure goods	-2,238	-2,496	-2,546	-183	-181	-156	-199	-170	-205	-193	-247	-251	-252	-260	-256	-184	-190	-191	-1,779	-1,831
Consumption goods net	-4,389	-4,751	-5,213	-385	-390	-360	-445	-381	-481	-375	-518	-524	-486	-529	-539	-451	-430	-432	-3,531	-3,909
<i>Total consumption goods</i>	-15,926	-17,233	-19,419	-1,560	-1,502	-1,396	-1,774	-1,421	-1,696	-1,448	-1,902	-1,875	-1,673	-1,858	-1,868	-1,583	-1,531	-1,585	-13,130	-13,875
<i>Capital goods fob (a) —</i>																				
Machinery and industrial equipment	-5,446	-6,414	-7,897	-620	-637	-618	-745	-616	-705	-733	-718	-691	-615	-723	-726	-688	-739	-710	-5,098	-5,610
ADP equipment	-2,319	-2,629	-3,232	-217	-189	-195	-325	-243	-393	-392	-338	-325	-253	-273	-282	-272	-267	-274	-1,879	-2,284
Telecommunications equipment	-1,224	-1,182	-1,804	-127	-119	-119	-153	-117	-150	-173	-164	-163	-207	-178	-200	-169	-171	-141	-1,211	-1,393
Civil aircraft	-828	-241	-529	-33	-6	-18	-43	-16	-48	-28	-81	-81	-11	-31	-104	-44	-44	-77	-404	-404
Industrial transport equipment net	-1,838	-2,084	-2,714	-518	-150	-197	-190	-189	-234	-179	-222	-198	-148	-197	-180	-165	-158	-193	-1,922	-1,461
Capital goods net	-2,000	-2,293	-2,365	-180	-173	-170	-205	-189	-215	-193	-234	-213	-183	-213	-213	-173	-189	-190	-1,563	-1,608
<i>Total capital goods fob</i>	-13,655	-14,843	-18,541	-1,695	-1,274	-1,356	-1,636	-1,397	-1,713	-1,718	-1,704	-1,671	-1,417	-1,615	-1,705	-1,495	-1,568	-1,585	-12,077	-12,760
<i>Intermediate and other goods (a) —</i>																				
Food and beverages, mainly for industry	-436	-509	-714	-57	-110	-90	-59	-53	-68	-61	-65	-65	-65	-55	-77	-43	-76	-50	-533	-496
Primary industrial supplies net	-677	-701	-901	-55	-80	-79	-63	-62	-83	-85	-73	-71	-66	-83	-76	-76	-64	-62	-608	-571
Fuels and lubricants	-3,623	-3,317	-3,566	-235	-280	-314	-323	-317	-379	-286	-385	-283	-290	-264	-353	-313	-397	-376	-2,261	-2,661
Parts for transport equipment	-3,675	-4,183	-4,714	-340	-401	-329	-409	-385	-424	-351	-447	-446	-338	-406	-340	-344	-398	-373	-3,145	-3,092
Parts for ADP equipment	-1,423	-1,681	-1,858	-136	-133	-138	-172	-142	-189	-172	-159	-158	-155	-161	-161	-138	-160	-157	-1,183	-1,249
Other parts for capital goods	-4,236	-5,047	-5,975	-442	-462	-456	-561	-484	-583	-520	-620	-583	-510	-563	-550	-471	-542	-528	-3,827	-4,367
Organic and inorganic chemicals	-2,056	-2,102	-2,431	-177	-203	-201	-245	-203	-228	-234	-242	-249	-193	-225	-245	-193	-274	-215	-1,521	-1,836
Paper and paperboard	-1,381	-1,465	-1,794	-142	-151	-133	-164	-137	-179	-145	-189	-189	-172	-195	-174	-151	-162	-147	-1,169	-1,379
Textile yarn and fabrics	-1,763	-1,869	-2,036	-139	-170	-142	-176	-137	-194	-165	-189	-187	-154	-167	-172	-137	-167	-151	-1,364	-1,324
Iron and steel	-946	-1,039	-1,285	-85	-97	-112	-124	-96	-137	-122	-117	-143	-129	-125	-124	-133	-121	-114	-806	-1,006
Plastics	-1,272	-1,375	-1,646	-127	-140	-134	-155	-133	-160	-129	-170	-155	-146	-158	-149	-129	-151	-131	-1,069	-1,189
Non-monetary gold	-1,019	-978	-705	-74	-69	-86	-90	-90	-90	-66	-55	-78	-56	-51	-74	-48	-66	-64	-464	-492
Processed industrial supplies net	-7,135	-7,783	-8,680	-650	-700	-652	-856	-684	-818	-687	-824	-762	-729	-747	-750	-662	-756	-711	-5,635	-5,941
Other goods	-208	-286	-391	-11	-16	-22	-54	-17	-57	-44	-50	-38	-25	-28	-14	-30	-42	-15	-219	-242
<i>Total intermediate and other goods</i>	-29,850	-32,335	-36,756	-2,670	-3,012	-2,858	-3,451	-2,880	-3,565	-3,056	-3,585	-3,407	-3,028	-3,228	-3,259	-2,868	-3,376	-3,094	-23,804	-25,845
<i>Total imports fob</i>	-59,431	-64,411	-74,716	-5,925	-5,798	-5,610	-6,811	-5,698	-6,974	-6,222	-7,191	-6,953	-6,118	-6,701	-6,832	-5,946	-6,475	-6,264	-49,011	-52,480

(a) Definitions of the component series are given in the ABS Information Paper, Change in 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 UNREQUITTED TRANSFERS
(\$ millions)

	Months												July to Feb.										
	Years			1995-96																			
	1992-93	1993-94	1994-95	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.		Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	1994-95	1995-96		
Services —																							
<i>Credits —</i>																							
Shipment	1,241	1,487	1,533	114	134	134	135	140	140	140	140	140	140	141	136	136	136	160	160	160	978	1,149	
Other transportation	4,614	4,604	4,473	384	390	372	385	370	357	345	397	410	379	406	406	406	406	406	406	406	406	3,016	3,216
Travel	6,411	7,502	8,879	775	963	1,107	778	743	621	636	927	679	593	795	804	900	1,093	1,295	1,295	1,295	1,295	6,101	7,086
Other services	4,108	4,946	5,052	431	408	416	429	407	437	460	432	435	435	447	459	455	452	451	452	451	451	3,319	3,566
Total services credits	16,374	18,539	19,937	1,704	1,895	2,029	1,727	1,660	1,555	1,581	1,896	1,664	1,548	1,704	1,805	1,897	2,111	2,312	2,312	2,312	13,414	15,017	
<i>Debits —</i>																							
Shipment	-3,772	-3,854	-4,384	-320	-349	-343	-395	-333	-391	-338	-399	-401	-360	-393	-415	-344	-361	-356	-356	-356	-2,927	-3,029	
Other transportation	-4,637	-4,906	-5,333	-435	-451	-405	-429	-454	-478	-494	-514	-475	-509	-496	-471	-500	-499	-445	-445	-445	-3,478	-3,909	
Travel	-4,985	-5,157	-5,157	-427	-567	-396	-431	-538	-496	-538	-592	-504	-620	-529	-457	-505	-610	-433	-433	-433	-3,751	-4,250	
Other services	-5,168	-5,582	-5,878	-519	-489	-474	-490	-491	-508	-524	-497	-479	-495	-507	-485	-522	-512	-497	-497	-497	-3,865	-3,994	
Total services debits	-18,562	-19,499	-21,369	-1,701	-1,856	-1,618	-1,745	-1,816	-1,873	-1,914	-2,002	-1,859	-1,904	-1,925	-1,828	-1,871	-1,982	-1,731	-1,731	-1,731	-14,021	-15,182	
Net services	-2,188	-960	-1,432	3	39	411	-18	-156	-318	-333	-106	-195	-436	-141	-23	26	129	581	581	581	-607	-165	
Income —																							
<i>Credits —</i>																							
Property income —																							
Investment income	2,045	2,434	3,866	366	199	199	199	199	199	199	199	199	199	199	199	199	199	199	199	199	2,424	3,000	
Reinvested earnings (a)	3,040	2,467	2,656	194	229	234	280	261	163	324	161	169	181	199	217	200	253	217	200	253	1,628	1,598	
Other	339	376	432	36	35	35	35	32	33	33	45	45	46	28	28	28	39	39	39	39	299	298	
Other property income	497	511	551	46	51	39	41	46	44	48	55	48	57	54	47	51	55	42	51	55	372	409	
Labour and other income	5,921	5,789	7,505	643	514	527	554	754	655	819	636	637	659	656	667	654	722	673	654	722	4,722	5,305	
Total income credits	-3,580	-4,109	-3,968	-168	-489	-335	-428	-286	-368	-203	-418	-330	-451	-507	-362	-238	-454	-418	-418	-418	-2,685	-3,179	
<i>Debits —</i>																							
Property income —																							
Investment income	-2,364	-3,570	-6,256	-608	-619	-619	-619	-277	-277	-277	-277	-277	-277	-277	-277	-277	-277	-277	-277	-277	-4,806	-3,472	
Reinvested earnings (a)	-12,047	-11,550	-13,486	-1,087	-1,044	-1,044	-1,044	-1,352	-1,352	-1,352	-1,352	-1,079	-1,079	-1,079	-1,416	-1,416	-1,416	-1,193	-1,193	-1,193	-8,385	-9,873	
Other	-1,565	-1,760	-1,760	-150	-146	-147	-147	-137	-138	-139	-164	-165	-166	-171	-171	-171	-156	-156	-156	-156	-1,199	-1,320	
Other property income	-311	-283	-389	-32	-27	-25	-27	-44	-41	-43	-35	-40	-34	-30	-32	-36	-41	-38	-41	-38	-234	-286	
Labour and other income	-19,868	-21,072	-25,859	-2,025	-2,324	-2,170	-2,264	-2,096	-2,176	-2,014	-2,130	-2,048	-2,104	-2,558	-2,416	-2,296	-2,278	-2,239	-2,239	-2,239	-17,309	-18,130	
Total income debits	-13,947	-15,283	-18,354	-1,382	-1,643	-1,710	-1,342	-1,521	-1,195	-1,494	-1,411	-1,505	-1,902	-1,749	-1,642	-1,642	-1,556	-1,556	-1,556	-1,556	-12,586	-12,825	
Net income	3,096	2,802	3,209	288	315	315	237	295	247	272	364	327	282	309	303	327	417	445	445	445	2,158	2,774	
Unrequited transfers —																							
<i>Credits</i>																							
Official	-1,432	-1,583	-1,591	-109	-109	-109	-123	-100	-196	-280	-152	-91	-108	-101	-135	-127	-146	-112	-146	-112	-892	-972	
Non-official	-1,002	-1,041	-1,131	-115	-113	-94	-95	-93	-89	-92	-100	-97	-89	-86	-99	-122	-118	-97	-118	-97	-762	-808	
Total	-2,434	-2,624	-2,722	-224	-222	-203	-218	-193	-285	-372	-252	-188	-197	-187	-234	-249	-264	-209	-264	-209	-1,654	-1,780	
<i>Debits</i>																							
Official	662	178	487	64	93	74	19	102	-38	-100	112	139	85	122	69	78	153	236	236	236	504	994	
Non-official																							
Total																							

(a) From Italy 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)

	Months												July to Feb.									
	Years			1994-95										1995-96								
	1992-93	1993-94	1994-95	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	1994-95	1995-96
Official —																						
General government —																						
Borrowing —																						
Domestic abroad —																						
Commonwealth Government —																						
Drawings	1,239	40																				
Repayments	-830	-1,129	-1,573	-92	-30	-17	-1	-1	-173	-1	-197	-1	-1	-1	-250	-24	-136	-18	-1	-1,397	-629	
Total	409	-1,089	-1,573	-92	-30	-17	-1	-173	-1	-197	-1	-1	-1	-1	-250	-24	-136	-18	-1	-1,397	-629	
State government	9,653	4,848	8,992	2,712	440	1,546	-1,034	517	2,129	1,427	3,362	19	-649	1,098	-1,333	-584	-1,357	-1,245		3,952	-690	
Total domestic abroad	10,062	3,759	7,419	2,620	-470	1,529	-1,035	516	1,956	1,426	3,166	18	-650	848	-1,338	-720	-1,375	-1,247		4,555	-1,319	
Domestic in Australia	830	4,580	5,044	689	-1,027	-2,013	-207	-2,418	-2,370	-451	377	-2,019	471	1,190	1,542	1,441	-1,580	2,561		10,490	3,984	
Total borrowing	10,892	8,339	12,463	3,309	-1,497	-484	-1,242	-1,902	-414	975	3,543	-2,001	-179	2,038	184	721	-2,955	1,314		15,045	2,665	
Other	9	-470	617	7	12	-5	-52	-4	-3	17	-34	-19	-16	25		-148	61	-105		658	-236	
Total general government	10,901	7,869	13,080	3,316	-1,485	-489	-1,294	-1,905	-417	992	3,509	-2,020	-195	2,063	184	573	-2,894	1,209		15,703	2,429	
Reserve Bank —																						
Reserve assets —																						
Official reserve assets	3,949	-1,037	1,971	73	13	-93	-441	-138	200	956	-940	1,024	226	-49	-1,151	-98	592	554		1,394	158	
Allocation of SDRs																						
Other	39	-49	23	13	-13	19	-4	38	-32		3	56	-32	-13	9	5	-12	-12		21	4	
Total Reserve Bank	3,988	-1,086	1,994	86		-74	-445	-100	168	956	-937	1,080	194	-62	-1,142	-93	580	542		1,415	162	
Total official	14,889	6,783	15,074	3,402	-1,485	-563	-1,739	-2,005	-249	1,948	2,572	-940	-1	2,001	-958	480	-2,314	1,751		17,118	2,591	
Non-official plus balancing item —																						
Public sector —																						
Non equity securities domiciled in Australia (a)	-291	-1,060	-198	-37	52	-121	-13	5	64	-68	73	-32	-93	-31	4	-24	35	-20		-186	-87	
Accounts receivable/prepayments made	84	-1,217	1,183	57	70	2	28	-33	-119	-61	12	-8	38	-27	-78	-45	-40	28		1,367	-120	
Other (including balancing items) (b)	199	12,149	11,523	-1,674	3,964	2,341	4,105	3,526	3,008	327	-205	3,327	1,797	429	3,624	298	4,193	-616		558	12,848	
Total non-official plus balancing item	-7	9,871	12,508	-1,655	4,086	2,222	4,126	3,499	2,983	198	-120	3,287	1,742	371	3,551	229	4,189	-608		1,739	12,641	
Balance on capital account plus balancing item	14,882	16,654	27,581	1,747	2,601	1,659	2,381	1,493	2,704	2,146	2,451	2,347	1,741	2,372	2,593	710	1,875	1,143		18,857	15,232	

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

TABLE 7. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Months																	
	1993			1994			1994-95			1995-96								
	93	94	95	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Official reserve assets (\$ million) —	20,823	20,661	20,185	18,417	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
Levels at end of period	-1,417	-162	-476	-158	630	781	1,412	53	150	-1,258	-135	-1,700	309	12	1,263	134	-693	-825
Changes in levels Of which —																		
Changes due to effects of revaluations	2,532	-1,199	1,495	-85	643	688	971	-85	350	-302	-1,075	-676	535	-37	112	36	-101	-271
Changes included in the balance of payments (a)	-3,949	1,037	-1,971	-73	-13	93	441	138	-200	-956	940	-1,024	-226	49	1,151	98	-592	-554
Exchange rates (b) — Units of foreign currency per \$A —																		
End of period (c) —	0.6722	0.7291	0.7086	0.7168	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
United States dollar	0.4453	0.4721	0.4452	0.4982	0.4752	0.4669	0.4534	0.4515	0.4449	0.4452	0.4611	0.4861	0.4771	0.4800	0.4860	0.4814	0.4943	0.4982
United Kingdom pound	1.137	1.159	0.981	1.207	1.141	1.064	1.026	1.004	0.993	0.981	1.023	1.109	1.070	1.066	1.072	1.071	1.108	1.121
German mark	71.54	72.20	60.08	77.56	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
Japanese yen	0.4818	0.5026	0.4539	0.5336	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
Special drawing right																		
Period average (d) —	0.7050	0.6919	0.7427	0.7740	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
United States dollar	0.4363	0.4623	0.4705	0.4963	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
United Kingdom pound	1.103	1.171	1.120	1.217	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
German mark	84.22	73.52	70.35	77.49	76.37	73.24	66.66	61.38	61.84	60.84	63.43	70.06	75.79	76.28	76.02	75.49	77.91	79.90
Japanese yen	0.4982	0.4944	0.4972	0.5330	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
Special drawing right																		
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —	49.5	53.0	48.4	56.2	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
End of period (c)	52.3	51.4	52.8	56.2	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
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 February 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 February 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.

W. McLennan
 Australian Statistician

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