

EMBARGOED UNTIL 11.30 A.M. 29 MAY 1987

**BALANCE OF PAYMENTS
AUSTRALIA
MARCH QUARTER 1987**

IAN CASTLES
Australian Statistician

AUSTRALIAN BUREAU OF STATISTICS

(P)

CATALOGUE NO. 5302.0

• Commonwealth of Australia 1987

Printed by C. J. THOMPSON, Commonwealth Government Printer, Canberra

-
- PHONE INQUIRIES** . for more information about **these statistics** - contact Mr Dudley Scoullar on Canberra (062) 52 5519 or Mr Daniel Aherne on Canberra (062) 52 6689.
. for information on **constant price estimates** and **implicit price deflators** - contact Mr Paul Nelson on Canberra (062) 52 6725.
. about **other statistics** and **ABS services** - contact **Information Services** on Canberra (062) 52 6627, 52 5402, 52 6007 or any ABS State office.
- MAIL INQUIRIES** . write to **Information Services**, ABS, P.O. Box 10, Belconnen, A.C.T. 2616 or any ABS State office.
- ELECTRONIC SERVICES** . on **VIATEL** - key *656# . on **AUSSTATS** - phone (062) 52 6017
. on **TELESTATS** - phone (062) 52 5404
-

CONTENTS

Table		Page
..	Main Features	1
..	Notes on the Estimates	1
..	Graphs of Principal Balance of Payments Aggregates	6
..	Explanatory Notes	10
Summary Tables		
1	Balance of payments	18
2	Balance of payments - current account	19
3	Balance of payments - current account - seasonally adjusted	20
4	Balance of payments - capital account	21
Current Account Tables		
5	Balance of payments - exports and imports of goods and services at current and average 1979-80 prices - original and seasonally adjusted	22
6	Balance of payments - exports and imports of goods and services - implicit price deflators and terms of trade	23
7	Merchandise trade (balance of payment basis)	24
8	Merchandise trade (balance of payments basis) at average 1979-80 prices	25
9	Merchandise trade (balance of payments basis) - seasonally adjusted	26
10	Merchandise trade (balance of payments basis) - at average 1979-80 prices - seasonally adjusted	27
11	Merchandise trade - foreign trade statistics adjusted for balance of payments purposes	28
12	Balance of payments - current account - services	29
13	Balance of payments - current account - income credits	30
14	Balance of payments - current account - income debits	31
15	Balance of payments - current account - unrequited transfers	32

Table**Page****Capital Account Tables**

16	Balance of payments - capital account - net capital transactions of general government	33
17	Balance of payments - capital account - net capital transactions of the Reserve Bank	34
18	Balance of payments - capital account - net capital transactions of the non-official sector: foreign investment in Australia	35
19	Balance of payments - capital account - net capital transactions of the non-official sector: Australian investment abroad	36

Supplementary Table

20	Official reserve assets and exchange rates.	37
----	---	----

MAIN FEATURES

Current account, seasonally adjusted

In the March quarter 1987, the deficit on current account, at \$3,021 million, was down \$70 million or 2 per cent on the previous quarter. The deficit on goods and services fell \$367 million and the net transfers deficit rose \$297 million. In the first nine months of 1986-87, the current account deficit, at \$9,914 million, was \$340 million lower than the deficit in the corresponding period of 1985-86; the reduction in the deficit on goods and services marginally outweighed the increase in the net transfers deficit.

Exports, seasonally adjusted

Exports of goods and services at current prices rose by \$90 million or 0.8 per cent in the March quarter, reflecting an increase of 0.7 per cent in "price" (as measured by the implicit price deflator) and an increase of 0.1 per cent in "volume" (as measured by constant price data).

Imports, seasonally adjusted

Imports of goods and services at current prices fell by \$277 million or 2.3 per cent in the March quarter, as a result of a 3.2 per cent reduction in "volume" and a 1.0 per cent rise in "price".

Terms of trade

The terms of trade, as measured by the ratio of implicit price deflators (based on seasonally adjusted data) for total exports and imports of goods and services, recorded a slight fall of 0.4 per cent in the March quarter.

Net transfers, seasonally adjusted

The rise of \$297 million or 16 per cent in the net transfers deficit reflected an increase of \$328 million or 15 per cent in the net income deficit partially offset by an increase of \$31 million or 10 per cent in the net unrequited transfers surplus.

Capital account (not seasonally adjusted)

In the March quarter, the preliminary estimate of the balance on capital account was a net inflow of \$4,831 million, up \$3,865 million on the December quarter. This comprised net inflows of \$2,365 million and \$2,466 million on account of transactions of the official and non-official sectors, respectively. In the first three quarters of 1986-87, the balance on capital account recorded a net inflow of \$10,073 million, down \$1,041 million on the net inflow recorded for this balance in the first three quarters of 1985-86.

Trade-weighted index and exchange rates

The trade-weighted index of the value of the Australian dollar (base May 1970 = 100) stood at 55.4 at the end of March 1987, up 0.7 per cent on the end of December 1986 but down 9.3 per cent on the end of March 1986. In the March quarter 1987, the dollar rose against the \$US (6.1 per cent) and fell against the £UK (3.2 per cent), the West German Mark (2.0 per cent) and the Japanese Yen (3.3 per cent).

NOTES ON THE ESTIMATES

Exports and imports of goods and services, seasonally adjusted (all references to "volume" relate to values at 1979-80 prices; all references to "price" relate to implicit price deflators (IPDs)).

In the March quarter 1987, the deficit on goods and services fell \$367 million from the December quarter 1986. The deficit on merchandise trade fell \$252 million, and the services deficit fell \$115 million.

Exports of rural merchandise at current prices fell \$219 million or 6 per cent in the March quarter. The main contributor to the decrease was cereals and cereal preparations, down \$330 million or 39 per

cent, due to a 32 per cent reduction in volume and a 7 per cent fall in price. This was partially offset by an increase of \$146 million or 97 per cent, in sugar, sugar preparations and honey, due to an 89 per cent increase in volume and an 8 per cent increase in price in the March quarter.

Exports of meat and meat preparations rose by only 1 per cent, although the series has been rising steadily since the December quarter 1985. Wool fell by \$22 million, or 2 per cent, from the record December quarter figure, and "other" rural exports fell by \$19 million or 2 per cent, which is only the second decrease since December quarter 1984.

Non-rural merchandise exports at current prices rose \$198 million or 3 per cent in the March quarter. The main increases were in machinery and transport equipment, up \$187 million, reflecting a 29 per cent rise in volume and a 1 per cent fall in price and "other" non-rural exports, up \$246 million, resulting from a 27 per cent rise in volume and a 4 per cent fall in price; both groups have steadily risen since December quarter 1985. Metals and metal manufactures increased for the third successive quarter, up \$93 million in the March quarter 1987, reflecting a 16 per cent rise in volume and a 4 per cent fall in price, while "other" mineral fuels showed a small rise of \$8 million or 2 per cent. These increases were partially offset by decreases in metal ores and minerals, down \$162 million, as a result of a 14 per cent reduction in volume and a 2 per cent increase in price, and coal, coke and briquettes, down \$174 million due to decreases of 10 per cent in volume and 2 per cent in price.

In current price terms, **services credits** rose \$111 million or 6 per cent in the March quarter due to a 5 per cent increase in volume, supplemented by a 1 per cent rise in price.

In the March quarter 1987, **merchandise imports** at current prices fell \$273 million or 3 per cent.

Exogenous imports fell \$478 million or 35 per cent due to a 34 per cent reduction in volume and a 1 per cent fall in price. This was partly offset by an increase of \$205 million, or 2 per cent, in endogenous imports. Imports of consumption goods rose \$123 million with increases of 5 per cent in volume and 1 per cent in price. Capital goods fell \$38 million due to 1 per cent falls in both volume and price. Other goods rose \$120 million due to a 3 per cent increase in volume.

In current price terms, **services debits** were largely unchanged as a result of a 3 per cent fall in volume being offset by a similar increase in price.

In the March quarter, the **implicit price deflator for total exports of goods and services** rose by 0.7 per cent, mainly reflecting a 1.0 per cent rise in the 'services' component. On a fixed weight basis the overall IPD would have risen by 0.3 percentage points while compositional shifts between the components explain the additional 0.4 percentage points.

The **IPD for total imports of goods and services** rose 1.0 per cent in the March quarter with the merchandise IPD up 0.6 per cent and the services IPD up 2.4 per cent. On a fixed weight basis the overall IPD would have increased by 0.5 percentage points while changes in the relative composition of imports explain the additional 0.5 percentage points.

Quarter-on-quarter movements, over the last ten quarters, in exports and imports of goods and services at current and constant (average 1979-80) prices, and in the associated IPDs, are shown in the following table.

**EXPORTS AND IMPORTS OF GOODS AND SERVICES - SEASONALLY
ADJUSTED - PERCENTAGE CHANGE FROM PRECEDING QUARTER**

Quarters ended -	EXPORTS			IMPORTS		
	At current prices	At average 1979-80 prices	Implicit price deflator (1979-80 = 100.0)	At current prices	At average 1979-80 prices	Implicit price deflator (1979-80 = 100)
1984-85 -						
December	-2.3	-1.4	-0.9	-1.2	-0.7	-0.5
March	4.9	1.3	3.6	3.5	-0.9	4.5
June	18.3	8.9	8.6	13.4	1.2	12.0
1985-86 -						
September	-0.9	0.6	-1.5	3.2	1.9	1.3
December	-2.8	-3.2	0.5	3.8	0.4	3.4
March	4.7	6.3	-1.5	-0.9	-3.7	2.9
June	-9.5	-6.6	-3.2	-4.2	-1.9	-2.4
1986-87						
September	8.2	1.1	7.0	4.6	-2.7	7.5
December	13.1	13.3	-0.1	5.3	3.5	1.8
March	0.8	0.1	0.7	-2.3	-3.2	1.0

Terms of trade

Australia's terms of trade declined by 0.4 per cent in the March quarter 1987. An 0.7 per cent rise in export prices (despite a fall of 0.5 per cent in the rural merchandise component) combined with a 1.0 per cent rise in import prices to produce this result. It should be noted, however, that at the time of compilation of the statistics in this publication the available information on the prices of internationally traded goods for the latest quarter is preliminary in nature and therefore subject to revision.

Movements in Australia's terms of trade over the last 10 quarters are presented below.

TERMS OF TRADE

Quarter ended -	Percentage change from preceding quarter
1984-85 -	
December	-0.4
March	-0.8
June	-3.1
1985-86 -	
September	-2.8
December	-2.9
March	-4.2
June	-0.8
1986-87 -	
September	-0.5
December	-1.8
March	-0.4

There are several ways of measuring the terms of trade. In this publication the index is measured by the ratio of the implicit price deflators for total exports and imports of goods and services (see Explanatory Notes paragraph 31).

Exogenous imports

Statistics on the main components of exogenous imports at current prices are shown in the following table so that the impact of sizeable lumpy transactions upon total imports f.o.b. and other key aggregates can be more readily assessed.

EXOGENOUS IMPORTS (\$million) (NOT SEASONALLY ADJUSTED)

Period	Fuels (a)	Civil Aircraft (b)	Other (c)	Total
Year -				
1983-84	2,209	108	781	3,098
1984-85	2,321	356	1,560	4,237
1985-86	1,909	561	2,069	4,539
Quarter ended -				
1984-85				
December	488	100	296	884
March	516	100	298	914
June	622	102	469	1,193
1985-86 -				
September	621	205	531	1,357
December	488	71	628	1,187
March	490	285	392	1,167
June	310	-	518	828
1986-87 -				
September	424	243	467	1,134
December	473	472	405	1,350
March	422	61	432	915

(a) AICC Section 3.

(b) Acquisition of aircraft by selected major airline companies.

(c) Acquisition of associated aircraft equipment (eg spare engines etc), satellites (contributing \$58 million in each of the September quarter 1985 and the December quarter 1985), defence equipment, ships acquired by selected public sector enterprises and certain other government goods.

General government borrowing

The net inflow of \$751 million in the March quarter 1987 on account of general government borrowing (which was down \$690 million on the net inflow for the December quarter 1986) included drawings of £UK100 million (\$A233 million) and \$US400 million (\$A581 million) which were partially offset by foreign currency loan repayments (\$A637 million). Net Australian currency borrowing resulted in an inflow of \$574 million.

Non-official capital

Preliminary estimates of the net capital transactions of the non-official sector indicated an inflow of \$2,466 million, down \$1,325 million on the December quarter. The net inflow on account of foreign investment in Australia fell \$1,218 million to \$5,290 million mainly as a result of a fall in portfolio and other investment. The net outflow on Australian investment abroad rose by \$107 million to \$2,824 million, with the rise in portfolio and other investment more than offsetting the fall in direct investment.

Official reserve assets

At 31 March 1987 Australia's holdings of official reserve assets stood at \$13,866 million. During the March quarter, the value of these holdings fell by \$1,695 million. The fall was the net result of both valuation effects and economic transactions. Valuation effects reduced the value of these holdings by \$129 million, primarily as a result of changes in exchange rates; these effects are not recorded in the balance of payments.

Economic transactions (estimated as the residual change) resulted in a decrease of \$1,566 million in these holdings; this decrease was recorded as a "net credit" in the official reserve assets item in the Reserve Bank sector of the balance of payments capital account.

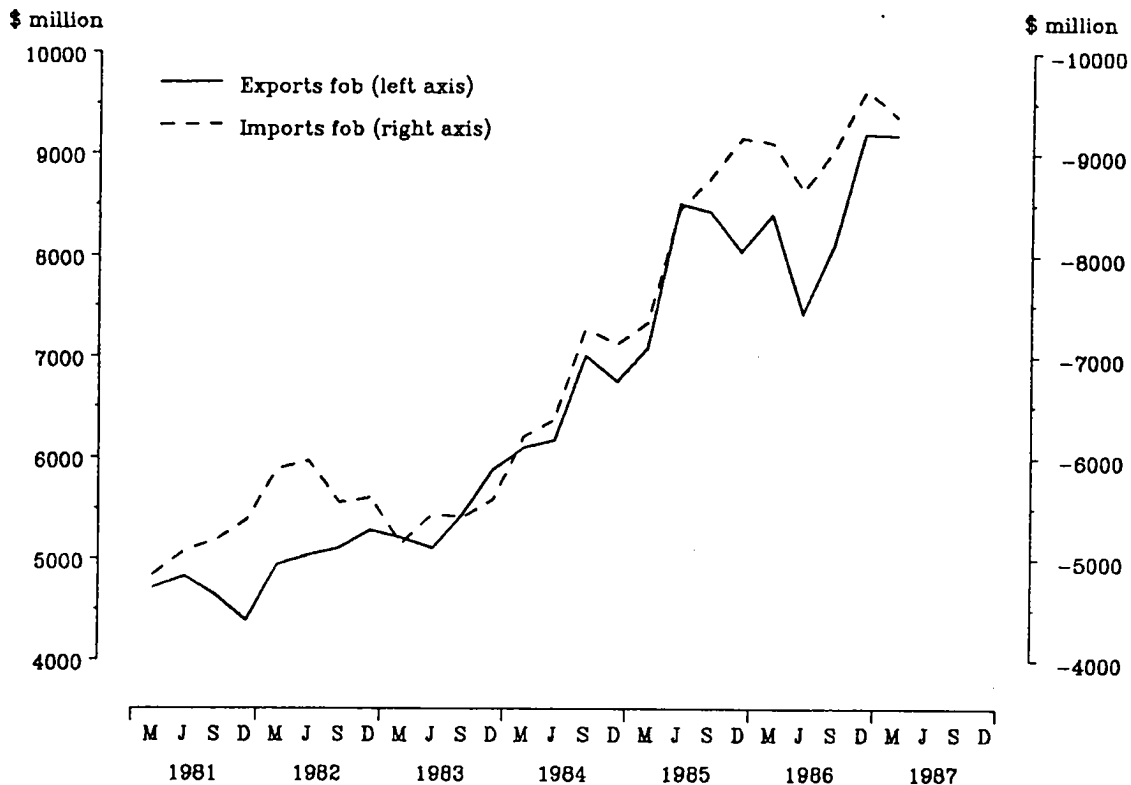
Revisions

Estimates in this issue are generally consistent with those published in the monthly balance of payments bulletin (5301.0) on 14 May 1987 and consequently take account of revisions which were described in that issue.

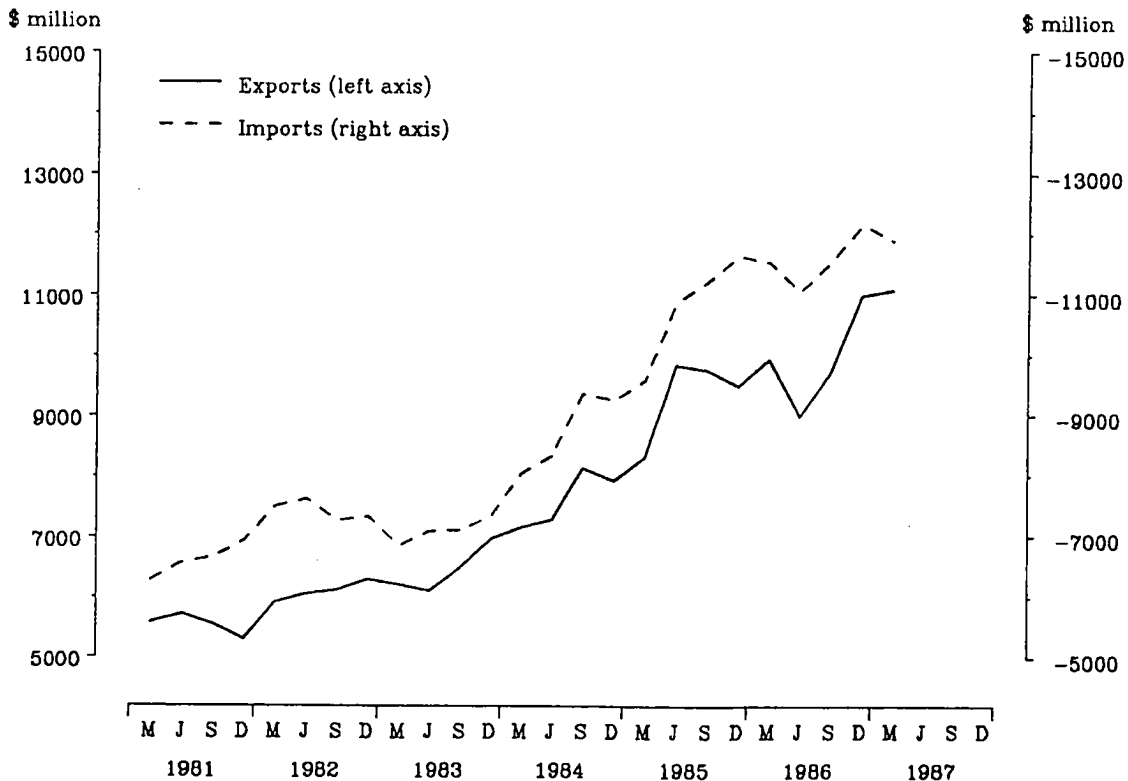
In addition, this issue incorporates revisions to more detailed series that are not available monthly and which were last published in the previous quarterly issue.

GRAPHS OF PRINCIPAL BALANCE OF PAYMENTS AGGREGATES

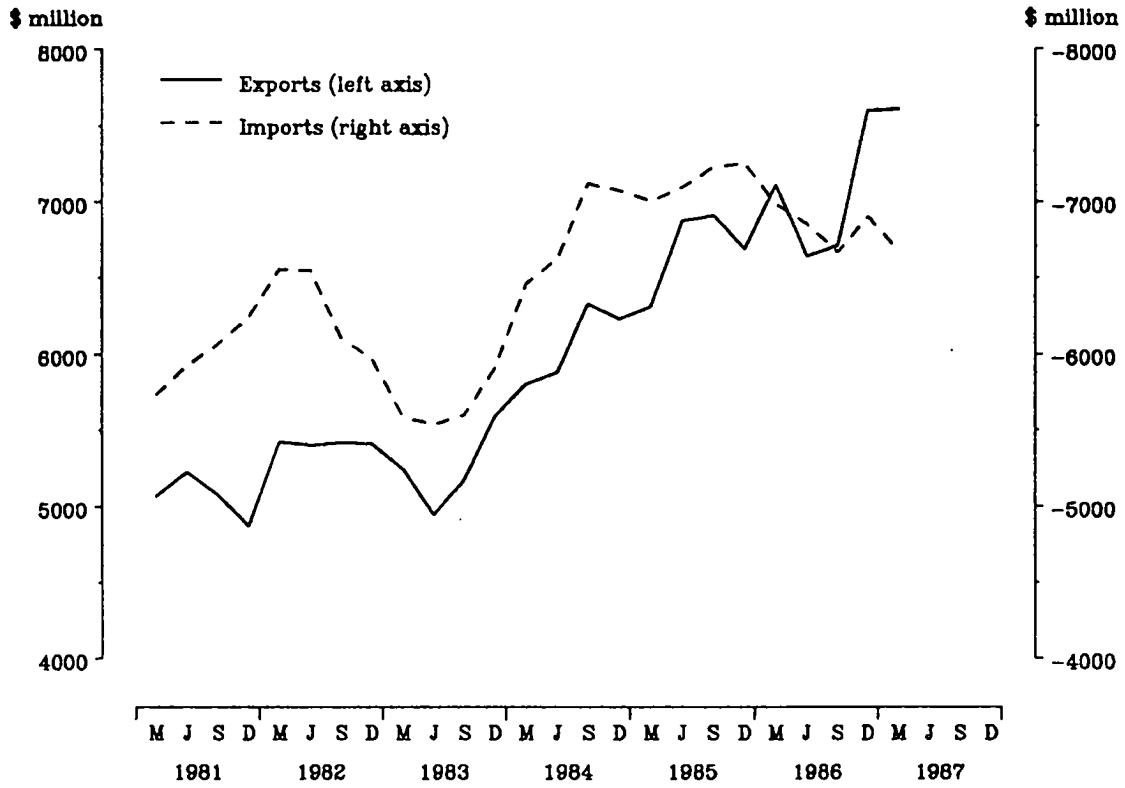
GRAPH 1 - MERCHANDISE TRADE - SEASONALLY ADJUSTED



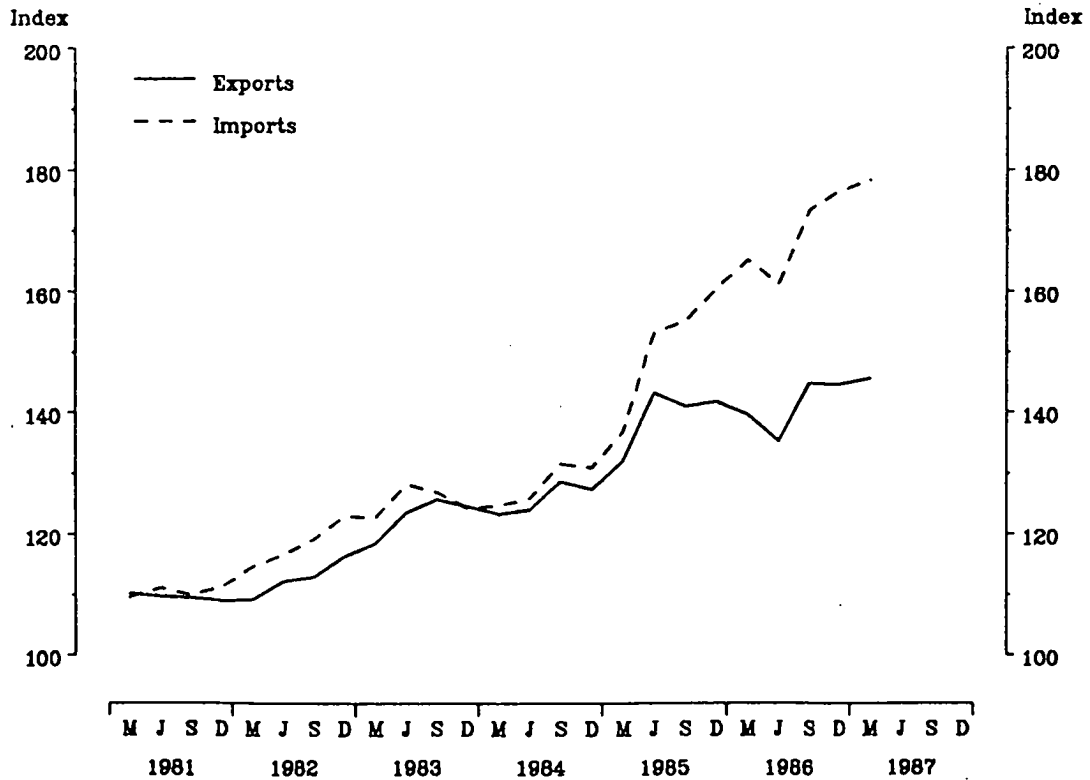
GRAPH 2 - GOODS AND SERVICES AT CURRENT PRICES - SEASONALLY ADJUSTED



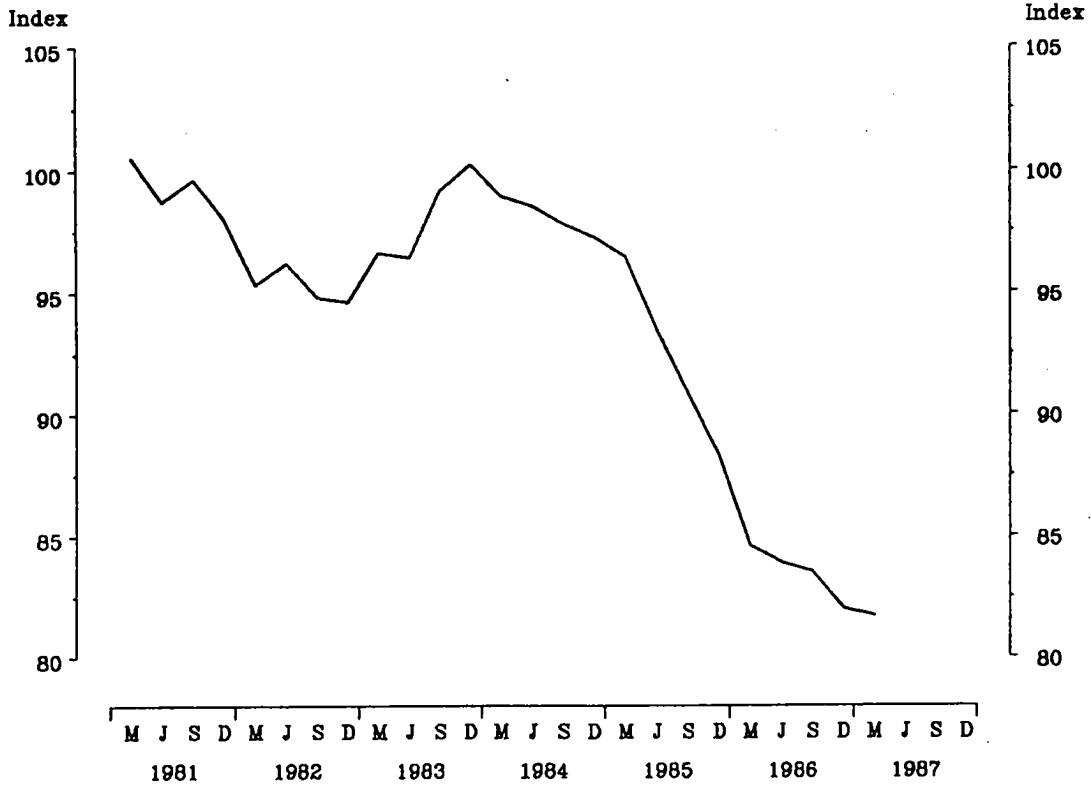
GRAPH 3 - GOODS AND SERVICES AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED



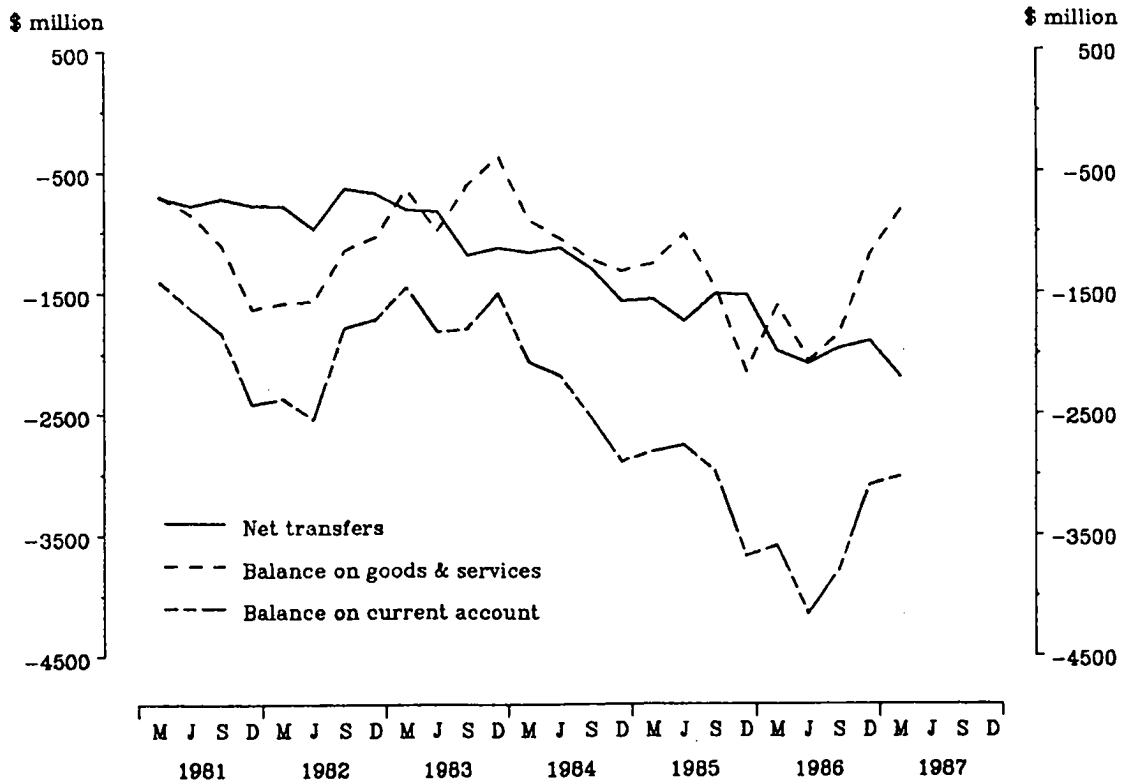
GRAPH 4 - IMPLICIT PRICE DEFLATORS FOR GOODS AND SERVICES - BASED ON SEASONALLY ADJUSTED DATA (1979-80=100)



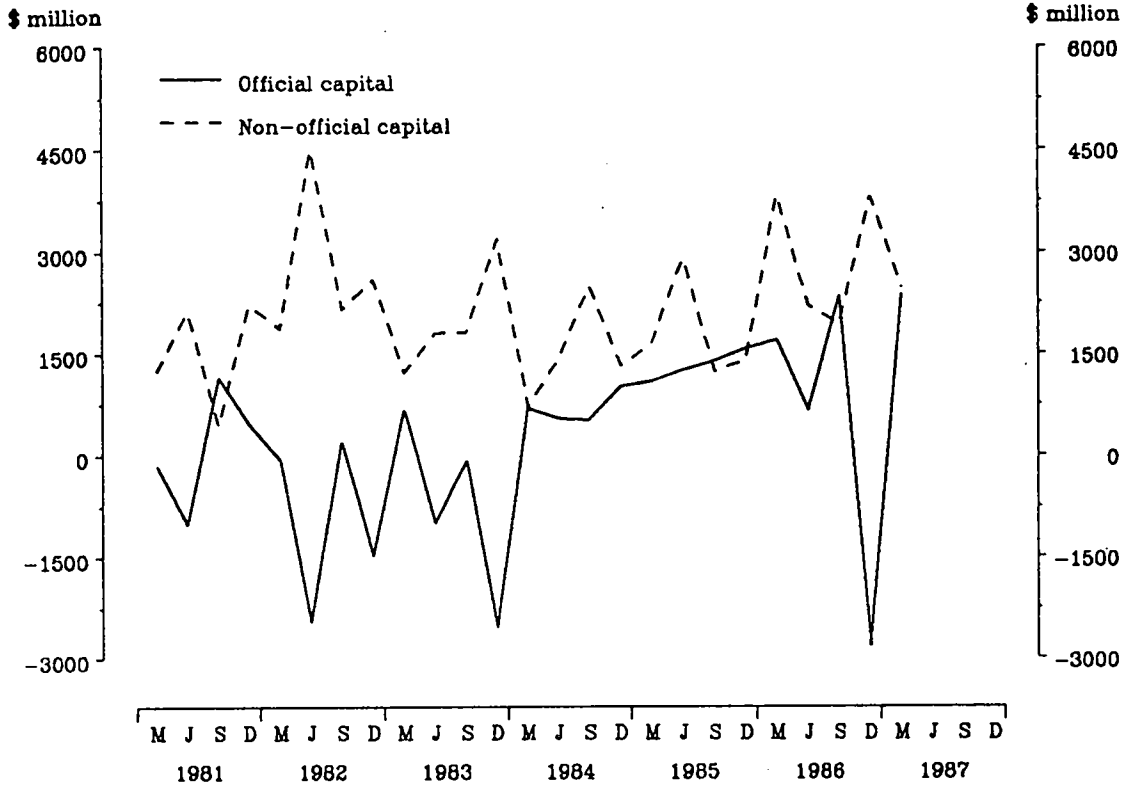
GRAPH 5 - TERMS OF TRADE FOR GOODS AND SERVICES -
 BASED ON SEASONALLY ADJUSTED DATA (1979-80=100)



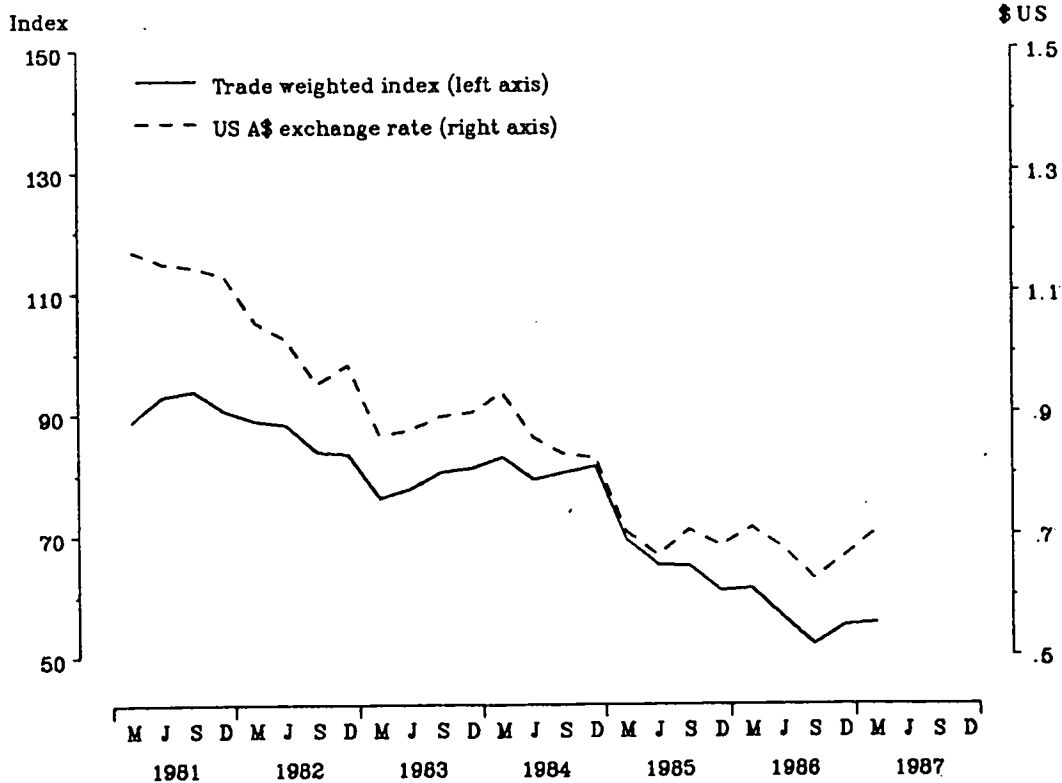
GRAPH 6 - CURRENT ACCOUNT MAJOR AGGREGATES - SEASONALLY ADJUSTED



GRAPH 7 - NET CAPITAL TRANSACTIONS



GRAPH 8 - TRADE WEIGHTED INDEX (MAY 1970=100) AND US/A\$ EXCHANGE RATE



EXPLANATORY NOTES

INTRODUCTION

This publication contains detailed estimates of Australia's balance of payments for March quarter 1987. The estimates are generally consistent with those published earlier this month in **Balance of Payments, Australia, April 1987** (5301.0). Longer term estimates, from September quarter 1959, consistent with those shown in this issue, will shortly be available in the publication **Balance of Payments, Australia - Historical Series on Microfiche** (5337.0) March quarter 1987.

2. Information about the classification and presentation of these estimates, and brief item descriptions, are provided in the Information Paper **Changes in the Presentation of Australian Balance of Payments Statistics** (5340.0) issued on 23 December 1985.

3. This publication contains four main tables and 16 supplementary tables. The main tables (Tables 1 to 4) provide summary statistics; they show the main aggregates and the more important components of the aggregates. The supplementary tables (Tables 5 to 20) provide additional breakdowns, related series (e.g. exchange rates and the trade-weighted index) and reconciliations of selected balance of payments series with other series (i.e. with foreign trade statistics and levels of official reserve assets).

SCOPE OF THE BALANCE OF PAYMENTS

4. The Australian balance of payments is a statistical statement designed to provide a systematic record of Australia's economic transactions with the rest of the world. The statement is divided into a current account and a

capital account. Table 1 presents summary statistics covering both accounts.

RECORDING OF TRANSACTIONS

5. Transactions are recorded in the balance of payments as either **debits** or **credits**. The following transactions are regarded as debits and identified by a minus sign: the acquisition of goods and services from non-residents, income payable to non-residents, unrequited transfers provided to non-residents, increases in foreign financial assets and decreases in foreign liabilities. Credits have no arithmetic sign and consist of these transactions: the provision of goods and services to non-residents, income receivable from non-residents, unrequited transfers received from non-residents, decreases in foreign financial assets and increases in foreign liabilities. These sign conventions apply in all tables except Tables 6, 11 and 20. In Table 6, the implicit price deflator for imports of goods and services is shown with no sign, while in Table 11, imports are shown with no sign. In Table 20, decreases in Australia's official reserve assets are shown with a minus sign and increases in these assets are shown with no arithmetic sign.

CURRENT ACCOUNT

6. The current account records transactions between Australian residents and non-residents in merchandise, other goods and services, income and unrequited transfers. Table 2 summarises the estimates of current account transactions, while Table 3 provides corresponding seasonally adjusted estimates.

MERCHANDISE (BALANCE OF PAYMENTS BASIS)

7. **Merchandise** covers movable goods (with a few exceptions) which change ownership from residents to non-residents (exports) and from non-residents to residents (imports). The series are derived from foreign trade statistics which are adjusted for coverage, timing and (imports only) valuation to put them on a balance of payments basis. Table 11 provides details of the adjustments.

COMMODITY BREAKDOWNS OF MERCHANDISE

8. Commodity breakdowns of merchandise exports and imports are provided in Tables 7 (at current prices), 8 (at average 1979-80 prices), 9 (at current prices, seasonally adjusted) and 10 (at average 1979-80 prices, seasonally adjusted). The groupings shown consist of the following Australian Export Commodity Classification (AECC) and Australian Import Commodity Classification (AICC) divisions and/or sections:

Exports	Section or Division of AECC
Rural -	
Meat and meat preparations	01
Cereal grains and cereal preparations	04
Sugar, sugar preparations and honey	06
Wool and sheepskins	Parts of 21, 26 and 65
Other rural	00, 02, 03, 05, 07 to 09, 21 (part), 22 to 25, 26(part), 29, 4
Non-rural -	
Metal ores and minerals	27,28
Mineral fuels -	
Coal, coke and briquettes	32
Other	33, 34
Metals and metal manufactures	67 to 69

Machinery and transport equipment	7
Other non-rural	1, 5, 61 to 64,65 (part), 66, 8, 9
Imports	Section or Division of AICC

Food, beverages and tobacco	0, 1
Fuels	3
Basic materials	2,4
Chemicals (incl plastics)	5
Textiles, fabrics, etc	65
Metals and metal manufactures	67 to 69
Machinery and transport equipment	7
Other imports	61 to 64, 66, 8, 9

9. In the preparation of this publication confidential 7-digit items of the AECC or AICC are included with items classified to section 9. The lists of items for which these adjustments have been made appear in footnotes to the main tables of **Exports by Commodity Divisions, Australia (5402.0)** and **Imports by Commodity Divisions, Australia (5405.0)**.

RURAL AND NON-RURAL EXPORTS

10. In defining 'rural' exports largely in terms of **divisions** (2-digit level) of the AECC, many individual **items** (7-digit level) are classified differently from what might have been the case with a more detailed system. For example, canned fruit salad (AECC 058.99.47) is included in 'rural', while cotton yarn (651.30.05) is not - both items might equally well have been classified to 'rural' (on the basis of their origin), or to 'non-rural', due to the high proportion of value added during subsequent processing).

11. The terms 'rural' and 'non-rural' are therefore used in a broad sense and the limitations mentioned above should be borne in mind when the estimates are used for analytic purposes.

EXOGENOUS AND ENDOGENOUS IMPORTS

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

13. Endogenous imports in Table 7 (at current prices), Table 8 (at average 1979-80 prices), Table 9 (at current prices, seasonally adjusted) and Table 10 (at average 1979-80 prices, seasonally adjusted) are classified into three classes - **consumption goods, capital goods and other goods** - according to the United Nations' classification by broad economic categories (BEC). **Other goods** covers the BEC class **intermediate goods** and the residual BEC category **goods not elsewhere specified**. The classes consist of the following BEC categories (excluding goods defined as exogenous):

Consumption goods

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

Capital goods

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

Other goods

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

14. The BEC attempts to classify merchandise trade statistics for purposes of general economic analysis according to the main **end-use** of the commodities traded. It does not achieve complete alignment with the particular end-use to which articles are put in specific circumstances; for example some passenger motor cars, which are conventionally classified as consumption goods, and some parts and accessories of capital goods, which are conventionally classified as other goods, are in fact acquired as capital equipment.

SERVICES

15. **Services** covers services rendered by Australian residents to non-residents (credits) and by non-residents to residents (debits), together with transactions in a few types of goods (eg goods purchased by travellers). Detailed estimates are shown in Table 12.

INCOME AND UNREQUITED TRANSFERS

16. **Income** covers income earned by Australian residents from non-residents (credits) or by non-residents from residents (debits). It includes investment income (eg dividends and interest), other property income (eg

royalties) and labour income (eg wages and salaries). Tables 13 and 14 give detailed estimates.

17. **Unrequited transfers** covers the offsetting entries required by the double-entry system of accounting when resources (goods, services and financial assets) are provided, without something of economic value being received in return, by non-residents to Australian residents (offsetting credits required) and by residents to non-residents (offsetting debits required). It includes foreign aid, migrants' transfers, gifts, donations, pensions and taxes. Detailed estimates are provided in Table 15.

CAPITAL ACCOUNT

18. The **capital account** records transactions in Australia's foreign financial assets and liabilities, including the creation and extinction of claims on or by the rest of the world and a few specified other changes. Summary estimates for the capital account appear in Table 4.

RESIDENT INSTITUTIONAL SECTORS

19. Capital transactions, and some current transactions, are grouped into two broad institutional sectors called **official** and **non-official**, with the former split into **general government** and **Reserve Bank of Australia**. The general government sector comprises the transactions of the Commonwealth, the States, local government authorities and statutory bodies, but it excludes the transactions of public business enterprises. Details of general government and Reserve Bank capital transactions are given in Tables 16 and 17 respectively. The non-official sector covers transactions of all other resident entities including private and government owned banks, private and public business enterprises, and households. Estimates of the capital transactions of the non-official sector are detailed in Tables 18 and 19.

FOREIGN INVESTMENT IN AUSTRALIA AND AUSTRALIAN INVESTMENT ABROAD

20. Broadly, **foreign investment in Australia** covers transactions which increase or decrease the liabilities of residents to non-residents and **Australian investment abroad** covers transactions which increase or decrease Australia's foreign financial assets.

OFFICIAL RESERVE ASSETS

21. Changes in official reserve assets, after allowing for valuation effects, are recorded in the Reserve Bank sector of the capital account and are detailed in Table 17. In accordance with the standard accounting conventions adopted for balance of payments recording outlined in paragraph 5, a decrease in these assets is recorded as a reduction in Australian investment abroad (ie a credit shown with no sign) and an increase in these assets is recorded as an increase in Australian investment abroad (ie a debit shown with a minus sign).

22. Table 20 shows levels of **official reserve assets**. Changes in the levels at the end of each period are dissected into those which are included in the balance of payments (ie those resulting from transactions and a few specified other changes), and those which are due to the effects of revaluations. In this table, decreases in official reserve assets are shown with a minus sign and increases are shown with no sign.

BALANCES

23. This publication presents a number of **balances**, eg balance on goods and services, balance on capital account. A balance is derived as the net sum of the credit and debit entries selected for inclusion.

NATURE OF CONSTANT PRICE ESTIMATES

24. Estimates of exports and imports of goods and services at current and constant (average 1979-80) prices, both original and seasonally adjusted, are

presented in Table 5. Commodity details of merchandise exports and imports at constant (average 1979-80) prices, original and seasonally adjusted, are presented in Tables 8 and 10, respectively.

25. A value at constant prices may be thought of as being derived by expressing the current price value of each component transaction as the product of a price and a quantity, and by substituting for each actual current price the corresponding price in the chosen base year. Aggregates at constant prices for each period are then obtained by summing constant price values for individual transactions. In effect, quantities of the individual commodities involved in the transactions are combined using their prices in the base year as weights.

26. In practice, however, there are many transactions recorded in statistics of foreign trade for which it is not possible to apply such an approach. In such cases it is necessary to make assumptions and approximations (eg revaluing by means of the price index which is considered to be most closely related to the commodity involved). The published constant price estimates should be viewed in this light.

27. A fuller discussion of the methods used in estimating constant price values and the major approximations and assumption made in compiling constant price estimates appears in Chapter 4 of **Australian National Accounts: Concepts, Sources and Methods**, (5216.0).

IMPLICIT PRICE DEFLATORS AND TERMS OF TRADE

28. Implicit price deflators (IPDs) for exports and imports of goods and services and index numbers of the terms of trade are presented in Table 6.

29. An IPD is obtained by dividing a current price value by its corresponding constant price value. Thus IPDs are derived measures (hence the term implicit) and are not normally the

direct measures of price change by which current price estimates are converted to estimates at constant prices. They take into account not only the changes in the prices of exports and imports but also the effects of the changes in composition of exports and imports on total recorded price movements.

30. A more detailed discussion of the nature of IPDs is presented in Appendix B of the publication **Australian National Accounts: Concepts, Sources and Methods** (5216.0).

31. There are several ways of measuring the terms of trade. A common means of doing so is by calculating an index of the form:

$$\frac{\text{Price index of exports}}{\text{Price index of imports}} \times 100$$

In this publication, the price indexes used in calculating the terms of trade index are the IPDs for exports and imports.

SEASONAL ADJUSTMENT

32. Most of the current account series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation. Therefore **seasonally adjusted estimates** are presented in Tables 3,5,9 and 10. In addition, the implicit price deflator and terms of trade data presented in Table 6 are based on seasonally adjusted data.

33. Seasonal adjustment may be carried out by various methods and the results may vary slightly according to the procedure adopted. Accordingly, seasonally adjusted statistics should not be regarded as in any way definitive. In interpreting particular seasonally adjusted statistics it is important, therefore, to bear in mind the methods by which they have been derived and the limitations to which the methods used are subject. Details of the seasonal adjustment methods used are available on request.

34. For those items showing substantial irregular movement, particular care should be taken in interpreting quarter-to-quarter movements in the adjusted figures, as the short term movements cannot be assumed to indicate changes in trend.

35. In order to maintain an accounting identity, the seasonally adjusted balances (balance on merchandise trade, balance on goods and services and balance on current account) are derived by differencing independently adjusted series.

36. The factors to be used in compiling seasonally adjusted estimates for certain series (principally components of merchandise trade and investment income) up to and including September quarter 1987 are available on request. To obtain the seasonal factors, users should contact Mr Dan Aherne on (062) 52 6689.

EXCHANGE RATES AND THE TRADE WEIGHTED INDEX

37. Table 20 shows the **exchange rates** of the Australian dollar with four major currencies and a **trade-weighted index** of the value of the Australian dollar.

38. The exchange rates shown are provided by the Reserve Bank of Australia and relate to the last trading day of the quarter. Prior to 12 December 1983, the rate for the US dollar was the mid-point of the rates at which the Reserve Bank was prepared to deal with Australian trading banks. From that date, the rate is a representative mid-point determined by the Reserve Bank on the basis of market quotations at 4pm Eastern Australian time. Rates for the other currencies are calculated by crossing the rate for the US dollar with the mid-points of closing buying and selling rates in New York (prior to 31 October 1983) or largely in Asian markets (from 31 October 1983). The rates shown are indications of market value only and could differ from those quoted by Australian banks.

39. The trade-weighted index is also provided by the Reserve Bank and is an index of the average value of the Australian dollar vis-a-vis currencies of Australia's trading partners. Prior to 12 December 1983, the index was as published each morning by the Reserve Bank; from that date, the index is as calculated at 4pm on the basis of the representative rate for the US dollar and rates for other currencies, mainly from Asian markets.

ACCURACY AND RELIABILITY OF ESTIMATES

40. Because the transactions recorded in the balance of payments are of many different kinds, compilation of balance of payments estimates entails the use of a very wide range of statistical data of varying degrees of accuracy and timeliness. One feature that is common to all components of the estimates, whatever the source of the basic data, is the element of judgement that has to be applied in compiling them.

41. Therefore care should be exercised in the use and interpretation of estimates in this publication. The latest estimates are **preliminary and subject to revision** as more accurate data come to hand. Also, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

COMPARABILITY WITH CAPITAL EXPENDITURE STATISTICS

42. Tables 7 and 9 in this publication contain current price estimates of **imports of endogenous capital goods**. Shorter-term movements in this series can differ quite significantly from the corresponding movements in the **new private capital expenditure on equipment, plant and machinery** series published in **Private New Capital Expenditure, Australia** (5625.0 and 5626.0). The main reasons for the differences are:

- . The imports series includes all goods defined as endogenous capital goods (see paragraphs 12 to 14 above), whereas the capital expenditure series relates only to goods classified as equipment, plant and machinery that are acquired by private enterprises in selected industries.
- . The capital expenditure series includes all plant, machinery and equipment, irrespective of whether it has been imported or manufactured in Australia.
- . Imports are valued f.o.b. at the point of export whereas estimates of capital expenditure are measured at domestic market prices, including international transport margins, government duties and domestic trade and transport margins.

43. Accordingly, while movements in imports of endogenous capital goods can provide a broad indication of movements in the **import component** of private, new capital expenditure on equipment, plant and machinery, they do not necessarily provide an accurate indication of movements in total private new capital expenditure on these goods.

SERIES AVAILABLE ON REQUEST

44. Detailed quarterly statistics relating to transportation can be obtained from Mr Dudley Scoullar on Canberra (062) 52 6057.

RELATED PUBLICATIONS

45. Other ABS publications which may be of interest include:

Balance of Payments Australia (5301.0) - issued monthly

Balance of Payments, Australia, Historical Series on Microfiche (5337.0) - issued quarterly.

Balance of Payments, Australia 1984-85 (5303.0)

Balance of Payments, Australia - Regional Series on Microfiche 1984-85 (5338.0)

Changes in the Presentation of Australian Balance of Payments Statistics (5340.0) - published 23 December 1985

Exports by Commodity Divisions, Australia (5305.0)

Imports by Commodity Divisions, Australia (Preliminary) (5405.0) - issued monthly

Export Price Index, Australia (6405.0) - issued monthly

Import Price Index, Australia (6414.0) - issued quarterly

Foreign Investment, Australia 1985-86 (Preliminary) (5304.0)

Foreign Investment, Australia (5306.0) - issued quarterly

46. Current publications produced by the ABS are listed in the **Catalogue of Publications, Australia (1101.0)**. The ABS also issues, on Tuesdays and Fridays, a **Publications Advice (1105.0)** which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

SYMBOLS AND OTHER USAGES

na not available
 nya not yet available
 nei not elsewhere included
 - nil or rounded to zero
 .. not applicable.

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

ELECTRONIC SERVICES

48. VIATEL. Key *656# for selected current economic, social and demographic statistics.

AUSSTATS. Thousands of up-to-date time series are available on this ABS on-line service through CSIRONET.

For further information phone the AUSSTATS Help Desk on (062) 52 6017.

TELESTATS. This service provides foreign trade statistics

tailored to users' requirements.

Further information is available on (062) 52 5404.

IAN CASTLES
Australian Statistician

TABLE 1. BALANCE OF PAYMENTS

	SMILLION												
	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
			DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	
CURRENT TRANSACTIONS -													
GOODS AND SERVICES -													
MERCHANDISE (a) -													
Exports fob	23682	29212	32229	6632	6821	8688	8482	7967	8141	7639	8212	9169	8595
Imports fob	-23497	-30093	-35622	-7062	-6963	-8376	-9298	-9150	-8611	-8563	-9618	-9633	-8847
BALANCE ON MERCHANDISE TRADE	185	-881	-3393	-430	-142	312	-816	-1183	-470	-924	-1406	-464	-252
SERVICES -													
Credits	4328	4934	5864	1233	1292	1310	1273	1506	1580	1505	1533	1884	1988
Debits	-7267	-8926	-9762	-2103	-2185	-2429	-2579	-2424	-2339	-2420	-2652	-2480	-2442
NET SERVICES	-2939	-3992	-3898	-870	-893	-1119	-1306	-918	-759	-915	-1119	-596	-454
BALANCE ON GOODS AND SERVICES	-2754	-4873	-7291	-1300	-1035	-807	-2122	-2101	-1229	-1839	-2525	-1060	-706
INCOME AND UNREQUITED TRANSFERS -													
Credits	3580	3890	4766	941	995	1083	1135	1228	1235	1168	1279	1338	1540
Debits	-8119	-10058	-11875	-2624	-2510	-2828	-2552	-2871	-3217	-3235	-3137	-3393	-3739
NET TRANSFERS	-4539	-6168	-7109	-1683	-1515	-1745	-1417	-1643	-1982	-2067	-1858	-2055	-2199
BALANCE ON CURRENT ACCOUNT	-7293	-11041	-14400	-2983	-2550	-2552	-3539	-3744	-3211	-3906	-4383	-3115	-2905
NET CAPITAL TRANSACTIONS -													
OFFICIAL -													
GENERAL GOVERNMENT -													
Foreign investment in Australia	968	2628	3368	868	447	785	554	494	2243	77	-548	1514	723
Australian investment abroad	-486	-270	-183	-48	-167	-122	63	-21	-48	-177	105	-277	76
Total	482	2358	3185	819	280	663	617	474	2195	-100	-443	1237	799
RESERVE BANK -													
Foreign investment in Australia	-15	-10	-16	10	-11	-4	-16	4	-20	16	-7	8	-
Australian investment abroad	-1853	1520	2140	179	814	595	786	1092	-479	741	2790	-4070	1566
Total	-1868	1510	2124	189	803	591	770	1096	-499	757	2783	-4062	1566
TOTAL OFFICIAL	-1386	3868	5309	1008	1083	1254	1387	1570	1696	657	2340	-2825	2365
NON-OFFICIAL -													
Foreign investment in Australia	9326	13273	16500	2613	3812	3194	2610	4494	5553	3843	4828	6508	5290
Australian investment abroad	-2199	-4948	-7850	-1296	-2179	-304	-1378	-3058	-1729	-1655	-2892	-2717	-2824
TOTAL NON-OFFICIAL	7128	8326	8650	1317	1633	2890	1232	1406	3824	2188	1936	3791	2466
BALANCE ON CAPITAL ACCOUNT	5742	12193	13959	2325	2716	4144	2619	2976	5520	2845	4276	966	4831
BALANCING ITEM	1551	-1152	441	658	-166	-1592	920	768	-2309	1061	107	2149	-1926

(a) Balance of payments basis

TABLE 2. BALANCE OF PAYMENTS - CURRENT ACCOUNT

SMILLION

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CURRENT TRANSACTIONS -													
GOODS AND SERVICES -													
MERCHANDISE (a) -													
Exports fob	23682	29212	32229	6632	6821	8688	8482	7967	8141	7639	8212	9169	8595
Imports fob	-23497	-30093	-35622	-7062	-6963	-8376	-9298	-9150	-8611	-8563	-9618	-9633	-8847
BALANCE ON MERCHANDISE TRADE	185	-881	-3393	-430	-142	312	-816	-1183	-470	-924	-1406	-464	-252
SERVICES -													
Credits -													
Shipment	362	395	379	94	99	110	97	94	96	92	93	101	104
Other transportation	1746	2092	2469	528	529	553	561	638	661	609	641	736	790
Travel	1223	1359	1801	347	393	338	332	491	522	456	468	697	736
Other services	997	1088	1215	264	271	309	283	283	301	348	331	350	358
Total services credits	4328	4934	5864	1233	1292	1310	1273	1506	1580	1505	1533	1884	1988
Debits-													
Shipment	-2030	-2539	-2827	-596	-593	-697	-753	-727	-668	-679	-768	-730	-675
Other transportation	-1699	-2097	-2231	-480	-527	-587	-615	-562	-520	-534	-569	-519	-511
Travel	-2146	-2618	-2730	-636	-628	-676	-752	-654	-641	-683	-816	-706	-702
Other services	-1392	-1672	-1974	-391	-437	-469	-459	-481	-510	-524	-499	-525	-554
Total services debits	-7267	-8926	-9762	-2103	-2185	-2429	-2579	-2424	-2339	-2420	-2652	-2480	-2442
NET SERVICES	-2939	-3992	-3898	-870	-893	-1119	-1306	-918	-759	-915	-1119	-596	-454
BALANCE ON GOODS AND SERVICES	-2754	-4873	-7291	-1300	-1035	-807	-2122	-2101	-1229	-1839	-2525	-1060	-706
INCOME -													
Credits -													
Property income -													
Reinvested earnings (b)	309	315	614	79	79	79	153	153	154	154	163	162	163
Other (c)	1240	1350	1407	349	310	362	363	361	400	283	370	343	527
Labour and other income	245	209	213	51	50	55	56	51	52	54	64	57	57
Total income credits	1794	1874	2234	479	439	496	572	565	606	491	597	562	747
Debits -													
Property income -													
Reinvested earnings (b)	-553	-610	-936	-153	-152	-153	-234	-234	-234	-234	-191	-191	-191
Other	-5863	-7629	-9042	-2007	-1901	-2150	-1934	-2216	-2456	-2436	-2537	-2739	-3007
Labour and other income	-155	-165	-196	-42	-45	-42	-41	-52	-54	-49	-51	-67	-73
Total income debits	-6571	-8404	-10174	-2202	-2098	-2345	-2209	-2502	-2744	-2719	-2779	-2997	-3271
NET INCOME	-4777	-6530	-7940	-1723	-1659	-1849	-1637	-1937	-2138	-2228	-2182	-2435	-2524
UNREQUITED TRANSFERS -													
Credits	1786	2016	2532	462	556	587	563	663	629	677	682	776	793
Debits (d)	-1548	-1654	-1701	-422	-412	-483	-343	-369	-473	-516	-358	-396	-468
NET UNREQUITED TRANSFERS	238	362	831	40	144	104	220	294	156	161	324	380	325
BALANCE ON CURRENT ACCOUNT	-7293	-11041	-14400	-2983	-2550	-2552	-3539	-3744	-3211	-3906	-4383	-3115	-2905

(a) Balance of payments basis. (b) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication. (c) Up to and including June quarter 1985, this income is recorded after deducting withholding tax on both interest and dividends. From September quarter 1985 withholding tax is not deducted. (d) From September quarter 1985, includes withholding tax.

TABLE 3. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED

SMILLION

	QUARTERS ENDED-									
	1984-85			1985-86			1986-87			
	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CURRENT TRANSACTIONS -										
GOODS AND SERVICES -										
MERCHANDISE (a) -										
Exports fob	6740	7068	8493	8416	8036	8404	7417	8099	9199	9178
Imports fob	-7104	-7322	-8440	-8760	-9159	-9107	-8638	-9042	-9636	-9363
BALANCE ON MERCHANDISE TRADE	-364	-254	53	-344	-1123	-703	-1221	-943	-437	-185
SERVICES -										
Credits -										
Shipment	94	99	110	97	94	96	92	93	101	104
Other transportation	511	521	572	571	614	647	635	660	702	767
Travel	318	360	372	367	449	478	500	519	637	674
Other services	266	271	293	296	284	300	335	344	350	356
Total services credits	1189	1251	1347	1331	1441	1521	1562	1616	1790	1901
Debits -										
Shipment	-597	-625	-707	-705	-728	-706	-689	-716	-732	-715
Other transportation	-494	-547	-576	-582	-581	-547	-523	-536	-538	-538
Travel	-653	-660	-688	-688	-671	-676	-694	-746	-725	-742
Other services	-405	-425	-452	-475	-496	-496	-504	-516	-543	-539
Total services debits	-2149	-2257	-2423	-2450	-2476	-2425	-2410	-2514	-2538	-2534
NET SERVICES	-960	-1006	-1076	-1119	-1035	-904	-848	-898	-748	-633
BALANCE ON GOODS AND SERVICES	-1324	-1260	-1023	-1463	-2158	-1607	-2069	-1841	-1185	-818
INCOME -										
Credits -										
Property income -										
Reinvested earnings (b)	79	79	79	153	153	154	154	163	162	163
Other (c)	350	318	338	393	363	474	257	399	342	610
Labour and other income	52	52	55	53	52	54	54	60	58	60
Total income credits	481	449	472	599	568	682	465	622	562	833
Debits -										
Property income -										
Reinvested earnings (b)	-153	-152	-153	-234	-234	-234	-234	-191	-191	-191
Other	-1817	-1965	-2183	-2046	-2041	-2555	-2509	-2653	-2529	-3123
Labour and other income	-40	-42	-43	-46	-49	-50	-51	-57	-63	-68
Total income debits	-2010	-2159	-2379	-2326	-2324	-2839	-2794	-2901	-2783	-3382
NET INCOME	-1529	-1710	-1907	-1727	-1756	-2157	-2329	-2279	-2221	-2549
UNREQUITED TRANSFERS -										
Credits	442	565	584	585	634	642	670	707	743	811
Debits (d)	-488	-407	-416	-375	-402	-470	-432	-339	-428	-465
NET UNREQUITED TRANSFERS	-46	158	168	210	232	172	238	318	315	346
BALANCE ON CURRENT ACCOUNT	-2899	-2812	-2762	-2980	-3682	-3592	-4160	-3802	-3091	-3021

(a) Balance of payments basis

(b) See footnote (b) to Table 2.

(c) See footnote (c) to Table 2.

(d) See footnote (d) to Table 2.

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT

SMILLION

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
NET CAPITAL TRANSACTIONS -													
OFFICIAL -													
GENERAL GOVERNMENT -													
Foreign Investment in Australia													
Borrowing	1061	2675	3338	886	417	817	578	459	2255	46	-529	1441	751
Other	-93	-46	30	-19	30	-32	-24	35	-12	31	-19	73	-28
Total	968	2628	3368	868	447	785	554	494	2243	77	-548	1514	723
Australian investment abroad	-486	-270	-183	-48	-167	-122	63	-21	-48	-177	105	-277	76
TOTAL	482	2358	3185	819	280	663	617	474	2195	-100	-443	1237	799
RESERVE BANK -													
Foreign Investment in Australia	-15	-10	-16	10	-11	-4	-16	4	-20	16	-7	8	-
Australian investment abroad - Reserve assets	-1853	1520	2140	179	814	595	786	1092	-479	741	2790	-4070	1566
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-1853	1520	2140	179	814	595	786	1092	-479	741	2790	-4070	1566
TOTAL	-1868	1510	2124	189	803	591	770	1096	-499	757	2783	-4062	1566
TOTAL OFFICIAL	-1386	3868	5309	1008	1083	1254	1387	1570	1696	657	2340	-2825	2365
NON-OFFICIAL -													
Foreign Investment in Australia-													
Direct investment (a) -													
Reinvestment of earnings	553	610	936	153	152	153	234	234	234	234	191	191	191
Other (b)	1385	2001	383	-331	170	1132	10	398	-273	748	69	1125	1219
Portfolio & other investment(a)(c)	7388	10662	14681	2791	3490	1909	2366	3862	5592	2861	4568	5192	3880
Total foreign investment in Australia	9326	13273	16500	2613	3812	3194	2610	4494	5553	3843	4828	6508	5290
Australian investment abroad -													
Direct investment (a) -													
Reinvestment of earnings	-309	-315	-616	-79	-79	-79	-154	-154	-154	-154	-163	-162	-162
Other (b)	-989	-2062	-1512	-383	-446	-675	-86	-1120	-196	-110	-889	-965	-395
Portfolio & other investment(a)(c)	-901	-2571	-5722	-834	-1654	450	-1138	-1814	-1379	-1391	-1840	-1590	-2267
Total Australian investment abroad	-2199	-4948	-7850	-1296	-2179	-304	-1378	-3088	-1729	-1655	-2892	-2717	-2824
TOTAL NON-OFFICIAL	7128	8326	8650	1317	1633	2890	1232	1406	3824	2188	1936	3791	2466
BALANCE ON CAPITAL ACCOUNT	5742	12193	13959	2325	2716	4144	2619	2976	5520	2845	4276	966	4831

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment and, for portfolio and other investment, changes in the coverage of foreign currency borrowing and lending by trading banks. See Appendix B to the December quarter 1985 issue of this publication. (b) Direct investment borrowing and lending by trading banks is included in portfolio and other investment. (c) Includes direct investment borrowing and lending by trading banks.

TABLE 5. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES AT CURRENT AND AVERAGE 1979-80 PRICES - ORIGINAL AND SEASONALLY ADJUSTED

	SMILLION												
	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
			DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	
AT CURRENT PRICES													
Merchandise exports fob	23682	29212	32229	6632	6821	8688	8482	7967	8141	7639	8212	9169	8595
Services, credits	4328	4934	5864	1233	1292	1310	1273	1506	1580	1505	1533	1884	1988
TOTAL EXPORTS OF GOODS AND SERVICES	28010	34146	38093	7865	8113	9998	9755	9473	9721	9144	9745	11053	10583
Merchandise imports fob	-23497	-30093	-35622	-7062	-6963	-8376	-9298	-9150	-8611	-8563	-9618	-9633	-8847
Services, debits	-7267	-8926	-9762	-2103	-2185	-2429	-2579	-2424	-2339	-2420	-2652	-2480	-2442
TOTAL IMPORTS OF GOODS AND SERVICES	-30764	-39019	-45384	-9165	-9148	-10805	-11577	-11574	-10950	-10983	-12270	-12113	-11289
AT AVERAGE 1979-80 PRICES													
Merchandise exports fob	19393	22185	23613	5291	5187	6121	6111	5701	5940	5861	5873	6520	6124
Services, credits	3140	3451	3689	878	903	885	842	956	966	925	894	1069	1111
TOTAL EXPORTS OF GOODS AND SERVICES	22533	25636	27302	6169	6090	7006	6953	6657	6906	6786	6767	7589	7235
Merchandise imports fob	-18744	-21713	-22090	-5370	-5100	-5447	-5952	-5688	-5174	-5276	-5513	-5372	-4933
Services, debits	-5797	-6571	-6226	-1644	-1605	-1607	-1683	-1530	-1475	-1538	-1542	-1483	-1431
TOTAL IMPORTS OF GOODS AND SERVICES	-24541	-28284	-28316	-7014	-6705	-7054	-7635	-7218	-6649	-6814	-7055	-6855	-6364
AT CURRENT PRICES - SEASONALLY ADJUSTED													
Merchandise exports fob	..	..	..	6740	7068	8493	8416	8036	8404	7417	8099	9199	9178
Services, credits	..	..	..	1189	1251	1347	1331	1441	1521	1562	1616	1790	1901
TOTAL EXPORTS OF GOODS AND SERVICES	..	..	..	7929	8319	9840	9747	9477	9925	8979	9715	10989	11079
Merchandise imports fob	..	..	..	-7104	-7322	-8440	-8760	-9159	-9107	-8638	-9042	-9636	-9363
Services, debits	..	..	..	-2149	-2257	-2423	-2450	-2476	-2425	-2410	-2514	-2538	-2534
TOTAL IMPORTS OF GOODS AND SERVICES	..	..	..	-9253	-9579	-10863	-11210	-11635	-11532	-11048	-11556	-12174	-11897
AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED													
Merchandise exports fob	..	..	..	5380	5427	5967	6041	5768	6171	5687	5780	6580	6534
Services, credits	..	..	..	847	882	906	870	918	940	953	932	1022	1075
TOTAL EXPORTS OF GOODS AND SERVICES	..	..	..	6227	6309	6873	6911	6686	7111	6640	6712	7602	7609
Merchandise imports fob	..	..	..	-5400	-5368	-5488	-5606	-5696	-5470	-5321	-5187	-5392	-5207
Services, debits	..	..	..	-1673	-1640	-1606	-1620	-1557	-1514	-1532	-1482	-1509	-1471
TOTAL IMPORTS OF GOODS AND SERVICES	..	..	..	-7073	-7008	-7094	-7226	-7253	-6984	-6853	-6669	-6901	-6678

TABLE 6. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES - IMPLICIT PRICE DEFLATORS AND TERMS OF TRADE (1979-80 =100) (a)

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
IMPLICIT PRICE DEFLATORS													
Merchandise exports													
Rural exports fob	116.8	123.0	126.3	119.2	121.7	131.7	127.6	127.3	125.7	123.5	129.6	130.9	130.2
Non-rural exports fob	125.6	137.4	144.0	129.1	135.6	149.7	147.2	147.6	143.7	135.5	147.7	145.8	146.7
Total exports fob	122.1	131.7	136.7	125.3	130.2	142.3	139.3	139.3	136.2	130.4	140.1	139.8	140.5
Services, credits	137.8	143.0	158.6	140.4	141.8	148.7	153.0	157.0	161.8	163.9	173.4	175.1	176.8
TOTAL EXPORTS OF GOODS & SERVICES	124.3	133.2	139.7	127.3	131.9	143.2	141.0	141.7	139.6	135.2	144.7	144.6	145.6
Merchandise imports fob (b)													
Exogenous imports fob	149.4	169.3	180.9	160.9	170.5	191.3	192.6	193.0	188.9	145.5	138.6	157.6	156.2
Endogenous imports fob	122.4	134.6	158.8	128.1	132.7	148.9	151.1	156.8	163.7	164.4	180.9	182.8	182.8
Total imports fob	125.4	138.6	161.3	131.6	136.4	153.8	156.3	160.8	166.5	162.3	174.3	178.7	179.8
Services, debits	125.3	135.8	156.9	128.5	137.6	150.9	151.2	159.0	160.2	157.3	169.6	168.2	172.3
TOTAL IMPORTS OF GOODS & SERVICES	125.4	137.9	160.3	130.8	136.7	153.1	155.1	160.4	165.1	161.2	173.3	176.4	178.2
TERMS OF TRADE													
Merchandise trade (c)	97.4	95.0	84.7	95.2	95.5	92.5	89.1	86.6	81.8	80.3	80.4	78.2	78.1
Services (d)	110.0	105.3	101.1	109.3	103.1	98.5	101.2	98.7	101.0	104.2	102.2	104.1	102.6
Goods and services (e)	99.1	96.6	87.1	97.3	96.5	93.5	90.9	88.3	84.6	83.9	83.5	82.0	81.7

(a) Quarterly figures are derived from seasonally adjusted data. (b) These entries carry the opposite sign to related import entries in Tables 1,2,3,5,7,8,9 and 10. See paragraph 5 of the Explanatory Notes. (c) Derived by dividing the IPD for merchandise exports fob by the IPD for merchandise imports fob. (d) Derived by dividing the IPD for services, credits by the IPD for services, debits. (e) Derived by dividing the IPD for total exports of goods and services by the IPD for total imports of goods and services.

TABLE 7. MERCHANDISE TRADE (BALANCE OF PAYMENTS BASIS)

SMILLION

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS FOB (a) -													
RURAL EXPORTS FOB -													
Meat and meat preparations	1393	1371	1699	294	280	414	460	399	380	460	547	590	512
Cereals and cereal preparations	2773	3855	3895	839	1045	1091	889	769	1276	961	717	696	647
Sugar, sugar preps. and honey	676	615	646	111	111	157	164	159	122	201	215	164	158
Wool and sheepskins	2000	2573	3061	521	717	952	634	780	914	733	672	943	1106
Other (dairy produce, fruit etc.)	2132	2426	2958	551	519	722	785	734	703	736	874	892	800
TOTAL RURAL	8974	10840	12259	2316	2672	3336	2932	2841	3395	3091	3025	3285	3223
NON-RURAL EXPORTS FOB -													
Metal ores and minerals	4229	4722	5009	1152	1029	1399	1413	1226	1122	1248	1307	1437	1036
Mineral fuels -													
Coal, coke and briquettes	3338	4665	5253	1064	1093	1352	1323	1359	1336	1235	1388	1438	1274
Other	1437	2360	2299	449	579	776	756	755	613	175	241	426	414
Metals and metal manufactures	2192	2512	2717	618	539	759	786	655	672	604	803	737	783
Machinery and transport equipment	1379	1654	1614	419	331	416	409	431	345	429	501	771	694
Other	2133	2459	3078	614	578	650	863	700	658	857	947	1075	1171
TOTAL NON-RURAL	14708	18372	19970	4316	4149	5352	5550	5126	4746	4548	5187	5884	5372
TOTAL EXPORTS FOB	23682	29212	32229	6632	6821	8688	8482	7967	8141	7639	8212	9169	8595
IMPORTS FOB (a) -													
Food, beverages and tobacco	-1211	-1476	-1705	-374	-386	-389	-402	-412	-427	-464	-451	-516	-535
Fuels	-2209	-2321	-1909	-488	-516	-622	-621	-488	-490	-310	-424	-473	-422
Basic materials	-873	-1052	-1109	-244	-243	-279	-282	-276	-263	-288	-278	-273	-284
Chemicals (including plastics)	-2155	-2567	-3003	-590	-593	-740	-763	-721	-739	-780	-829	-857	-845
Textiles, fabrics etc	-1304	-1452	-1669	-350	-316	-388	-431	-428	-380	-430	-474	-460	-424
Metals and metal manufactures	-1143	-1462	-1695	-363	-335	-397	-422	-429	-409	-435	-497	-455	-423
Machinery and transport equipment	-9261	-12820	-16188	-2996	-2904	-3681	-4215	-4243	-3907	-3823	-4187	-4248	-3613
Other	-5341	-6943	-8344	-1657	-1670	-1880	-2162	-2153	-1996	-2033	-2478	-2351	-2301
TOTAL IMPORTS FOB	-23497	-30093	-35622	-7062	-6963	-8376	-9298	-9150	-8611	-8563	-9618	-9633	-8847
Of which:													
Exogenous (b)	-3098	-4237	-4539	-884	-914	-1193	-1357	-1187	-1167	-828	-1134	-1350	-915
Endogenous (b)													
Consumption goods	-5616	-6918	-8123	-1784	-1640	-1787	-2173	-2169	-1872	-1909	-2238	-2205	-2034
Capital goods	-4936	-6567	-8092	-1492	-1525	-1922	-2026	-2120	-1977	-1969	-2124	-2079	-1933
Other goods	-9847	-12371	-14868	-2902	-2884	-3474	-3742	-3674	-3595	-3857	-4122	-3999	-3965
Total	-20399	-25856	-31083	-6178	-6049	-7183	-7941	-7963	-7444	-7735	-8484	-8233	-7932
BALANCE ON MERCHANDISE TRADE	185	-881	-3393	-430	-142	312	-816	-1183	-470	-924	-1406	-464	-252

(a) For composition of component series, see paragraph 8 of the Explanatory Notes. (b) For definitions, see paragraphs 12, 13 and 14 of the Explanatory Notes.

TABLE 8. MERCHANDISE TRADE (BALANCE OF PAYMENTS BASIS) AT AVERAGE 1979-80 PRICES

	SMILLION												
	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS FOB (a) -													
RURAL EXPORTS FOB -													
Meat and meat preparations	1312	1220	1456	271	253	345	387	335	321	413	447	436	391
Cereals and cereal preparations	2239	3028	3119	678	817	791	668	617	1025	809	595	651	676
Sugar, sugar preps. and honey	770	813	853	177	141	209	239	215	156	243	234	201	186
Wool and sheepskins	1700	1965	2161	419	536	685	468	541	632	520	454	610	677
Other (dairy produce, fruit etc.)	1659	1784	2130	414	356	508	570	532	506	522	628	597	512
TOTAL RURAL	7680	8810	9719	1959	2133	2538	2332	2240	2640	2507	2358	2495	2442
NON-RURAL EXPORTS FOB -													
Metal ores and minerals	3199	3244	3299	832	730	868	902	784	740	873	801	968	682
Mineral fuels -													
Coal, coke and briquettes	2394	3073	3221	739	711	821	806	823	806	786	800	875	790
Other	1099	1538	1509	331	366	454	449	456	404	200	292	471	382
Metals and metal manufactures	2230	2349	2483	626	512	654	703	589	627	564	645	582	639
Machinery and transport equipment	936	1014	925	266	200	241	236	255	195	239	265	386	351
Other	1855	2157	2457	538	535	545	653	554	528	692	712	743	838
TOTAL NON-RURAL	11713	13375	13894	3332	3054	3583	3779	3461	3300	3354	3515	4025	3682
TOTAL EXPORTS FOB	19393	22185	23613	5291	5187	6121	6111	5701	5940	5861	5873	6520	6124
IMPORTS FOB (a) -													
Food, beverages and tobacco	-1054	-1139	-1149	-296	-294	-280	-282	-292	-282	-293	-277	-309	-324
Fuels	-1455	-1405	-1260	-313	-320	-335	-355	-287	-290	-328	-532	-467	-375
Basic materials	-789	-860	-822	-201	-203	-214	-212	-203	-194	-213	-200	-188	-189
Chemicals (including plastics)	-1739	-1913	-1945	-462	-457	-493	-509	-471	-467	-498	-487	-509	-499
Textiles, fabrics etc	-1168	-1142	-1129	-290	-250	-273	-304	-292	-250	-283	-277	-272	-255
Metals and metal manufactures	-955	-1089	-1083	-281	-255	-264	-275	-276	-258	-274	-283	-259	-242
Machinery and transport equipment	-7244	-9021	-9474	-2235	-2073	-2329	-2599	-2505	-2216	-2154	-2085	-2092	-1807
Other	-4340	-5144	-5228	-1292	-1248	-1259	-1416	-1362	-1217	-1233	-1372	-1276	-1242
TOTAL IMPORTS FOB	-18744	-21713	-22090	-5370	-5100	-5447	-5952	-5688	-5174	-5276	-5513	-5372	-4933
Of which:													
Exogenous (b)	-2074	-2500	-2505	-549	-536	-624	-706	-613	-619	-567	-829	-845	-588
Endogenous (b)													
Consumption goods	-4822	-5386	-5289	-1454	-1293	-1259	-1478	-1423	-1197	-1191	-1279	-1267	-1160
Capital goods	-3801	-4662	-4845	-1116	-1098	-1237	-1282	-1284	-1145	-1134	-1086	-1041	-978
Other goods	-8047	-9164	-9451	-2251	-2172	-2327	-2486	-2368	-2213	-2384	-2319	-2219	-2207
Total	-16670	-19213	-19585	-4821	-4564	-4823	-5246	-5075	-4555	-4709	-4684	-4527	-4345
BALANCE ON MERCHANDISE TRADE	649	472	1523	-79	87	674	159	13	766	585	360	1148	1191

(a) See footnote (a) to Table 7.

(b) See footnote (b) to Table 7.

TABLE 9. MERCHANDISE TRADE (BALANCE OF PAYMENTS BASIS) - SEASONALLY ADJUSTED

SMILLION

	QUARTERS ENDED-									
	1984-85			1985-86			1986-87			
	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS FOB (a) -										
RURAL EXPORTS FOB -										
Meat and meat preparations	295	326	400	413	401	445	445	489	595	601
Cereals and cereal preparations	1005	822	1057	1035	921	1000	934	833	836	506
Sugar, sugar preps. and honey	98	214	141	131	144	231	180	172	151	297
Wool and sheepskins	525	603	918	811	786	769	707	857	953	931
Other (dairy produce, fruit etc.)	563	582	691	724	748	786	710	803	911	892
TOTAL RURAL	2486	2547	3207	3114	3000	3231	2976	3154	3446	3227
NON-RURAL EXPORTS FOB -										
Metal ores and minerals	1109	1204	1356	1318	1176	1316	1205	1222	1379	1217
Mineral fuels -										
Coal, coke and briquettes	1092	1106	1312	1319	1386	1348	1207	1384	1457	1283
Other	429	575	832	744	720	614	187	236	408	416
Metals and metal manufactures	633	577	745	733	671	724	590	750	754	847
Machinery and transport equipment	374	407	419	384	380	428	432	471	677	864
Other	617	652	622	804	703	743	820	882	1078	1324
TOTAL NON-RURAL	4254	4521	5286	5302	5036	5173	4441	4945	5753	5951
TOTAL EXPORTS FOB	6740	7068	8493	8416	8036	8404	7417	8099	9199	9178
IMPORTS FOB (a) -										
Food, beverages and tobacco	-370	-383	-393	-408	-405	-424	-467	-460	-506	-531
Fuels	-513	-502	-632	-595	-517	-477	-316	-403	-504	-410
Basic materials	-255	-264	-267	-263	-286	-286	-276	-260	-282	-308
Chemicals (including plastics)	-613	-627	-709	-729	-746	-784	-747	-792	-887	-898
Textiles, fabrics etc	-345	-350	-390	-396	-422	-422	-432	-435	-454	-472
Metals and metal manufactures	-375	-351	-391	-398	-440	-430	-429	-470	-465	-445
Machinery and transport equipment	-2989	-3104	-3673	-3982	-4208	-4198	-3822	-3947	-4206	-3892
Other	-1644	-1741	-1985	-1989	-2135	-2086	-2149	-2275	-2332	-2407
TOTAL IMPORTS FOB	-7104	-7322	-8440	-8760	-9159	-9107	-8638	-9042	-9636	-9363
Of which:										
Exogenous (b)	-909	-900	-1203	-1331	-1216	-1154	-834	-1113	-1381	-903
Endogenous (b)										
Consumption goods	-1679	-1764	-1926	-2013	-2039	-2018	-2056	-2072	-2072	-2195
Capital goods	-1551	-1656	-1874	-1862	-2189	-2149	-1926	-1952	-2140	-2102
Other goods	-2965	-3002	-3437	-3554	-3715	-3786	-3822	-3905	-4043	-4163
Total	-6195	-6422	-7237	-7429	-7943	-7953	-7804	-7929	-8255	-8460
BALANCE ON MERCHANDISE TRADE	-364	-254	53	-344	-1123	-703	-1221	-943	-437	-185

(a) See footnote (a) to Table 7.

(b) See footnote (b) to Table 7.

TABLE 10. MERCHANDISE TRADE (BALANCE OF PAYMENTS BASIS) - AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED SMILLION

	QUARTERS ENDED-									
	1984-85				1985-86			1986-87		
	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS FOB (a) -										
RURAL EXPORTS FOB -										
Meat and meat preparations	272	295	334	347	337	376	400	399	439	459
Cereals and cereal preparations	812	642	766	778	739	803	787	691	782	529
Sugar, sugar preps. and honey	156	272	188	191	194	295	217	187	185	349
Wool and sheepskins	422	451	661	598	545	532	502	579	617	570
Other (dairy produce, fruit etc.)	423	433	486	526	542	565	503	577	610	571
TOTAL RURAL	2085	2093	2435	2440	2357	2571	2409	2433	2633	2478
NON-RURAL EXPORTS FOB -										
Metal ores and minerals	801	854	842	841	752	868	843	749	929	801
Mineral fuels -										
Coal, coke and briquettes	759	719	797	804	840	813	768	798	887	796
Other	316	363	487	442	435	404	214	286	451	384
Metals and metal manufactures	641	548	642	655	603	676	551	602	596	691
Machinery and transport equipment	237	246	243	222	225	242	240	249	339	437
Other	541	604	521	637	556	597	662	663	745	947
TOTAL NON-RURAL	3295	3334	3532	3601	3411	3600	3278	3347	3947	4056
TOTAL EXPORTS FOB	5380	5427	5967	6041	5768	6171	5687	5780	6580	6534
IMPORTS FOB (a) -										
Food, beverages and tobacco	-293	-292	-283	-286	-287	-280	-295	-282	-303	-322
Fuels	-329	-312	-340	-340	-304	-282	-334	-506	-498	-365
Basic materials	-210	-220	-205	-198	-210	-211	-204	-187	-194	-205
Chemicals (including plastics)	-480	-483	-473	-436	-488	-495	-477	-465	-527	-530
Textiles, fabrics etc	-286	-277	-274	-279	-288	-278	-284	-254	-268	-284
Metals and metal manufactures	-290	-267	-260	-259	-283	-271	-270	-268	-265	-255
Machinery and transport equipment	-2230	-2216	-2324	-2455	-2485	-2381	-2154	-1965	-2071	-1947
Other	-1282	-1301	-1329	-1303	-1351	-1272	-1303	-1260	-1266	-1299
TOTAL IMPORTS FOB	-5400	-5368	-5488	-5606	-5696	-5470	-5321	-5187	-5392	-5207
Of which:										
Exogenous (b)	-565	-528	-629	-691	-630	-611	-573	-803	-876	-578
Endogenous (b)										
Consumption goods	-1368	-1391	-1357	-1369	-1338	-1290	-1283	-1184	-1191	-1252
Capital goods	-1160	-1192	-1206	-1178	-1326	-1245	-1109	-998	-1072	-1063
Other goods	-2307	-2257	-2296	-2368	-2402	-2324	-2356	-2202	-2253	-2314
Total	-4835	-4840	-4859	-4915	-5066	-4859	-4748	-4384	-4516	-4629
BALANCE ON MERCHANDISE TRADE	-20	59	479	435	72	701	366	593	1188	1327

(a) See footnote (a) to Table 7.

(a) See footnote (b) to Table 7.

TABLE 11. MERCHANDISE TRADE - FOREIGN TRADE STATISTICS ADJUSTED FOR BALANCE OF PAYMENTS PURPOSES \$MILLION

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS -													
Foreign trade statistics	24013	29708	32814	6724	6859	8856	8637	8060	8343	7774	8331	9238	8708
Adjustments -													
Coverage	-437	-343	-486	-84	-106	-120	-128	-127	-134	-97	-90	-132	-166
Timing	106	-153	-99	-8	68	-48	-27	34	-68	-38	-29	63	53
Merchandise exports (balance of payments basis)	23682	29212	32229	6632	6821	8688	8482	7967	8141	7639	8212	9169	8595
IMPORTS -													
Foreign trade statistics	23540	29050	34695	6715	7396	7984	9099	8652	8500	8444	9595	9175	9188
Adjustments -													
Coverage	65	397	797	119	117	147	302	158	306	31	32	49	-53
Timing	-151	615	106	217	-554	244	-104	333	-204	81	-22	400	-297
Valuation	43	31	24	11	4	1	1	7	9	7	13	9	9
Merchandise Imports (balance of payments basis) (a)	23497	30093	35622	7062	6963	8376	9298	9150	8611	8563	9618	9633	8847

(a) These entries carry the opposite sign to corresponding entries in Tables 1,2,3,5,7,8,9 and 10. See paragraph 5 of the Explanatory Notes.

TABLE 12. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES

	SMILLION												
	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
			DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	
CREDITS -													
Shipment -													
Freight on exports	356	388	371	92	98	108	95	92	94	90	91	99	102
Insurance on exports	6	7	8	2	1	2	2	2	2	2	2	2	2
Total	362	395	379	94	99	110	97	94	96	92	93	101	104
Other transportation -													
Passenger services	507	601	846	158	171	151	159	220	255	212	239	329	359
Port services etc	1239	1491	1623	370	358	402	402	418	406	397	402	407	431
Total	1746	2092	2469	528	529	553	561	638	661	609	641	736	790
Travel	1223	1359	1801	347	393	338	332	491	522	456	468	697	736
Other services -													
Official	163	171	176	38	43	56	38	38	41	59	35	50	43
Non-official -													
Expenditure of foreign govts	67	76	86	19	18	19	18	22	23	23	21	20	24
Expenditure of foreign govt employees	45	48	53	12	12	12	13	13	13	14	16	16	15
Expenditure of resident entity employees	106	121	146	32	35	28	28	39	42	37	36	52	57
Insurance services nec	4	10	12	3	2	3	3	3	3	3	4	4	4
Miscellaneous services	612	662	742	160	161	191	183	168	179	212	219	208	215
Total	834	917	1039	226	228	253	245	245	260	289	296	300	315
Total other services	997	1088	1215	264	271	309	283	283	301	348	331	350	358
TOTAL SERVICES CREDITS	4328	4934	5864	1233	1292	1310	1273	1506	1580	1505	1533	1884	1988
DEBITS -													
Shipment -													
Freight on imports	-2018	-2523	-2803	-592	-589	-693	-747	-721	-662	-673	-762	-724	-669
Insurance on imports	-12	-16	-24	-4	-4	-4	-6	-6	-6	-6	-6	-6	-6
Total	-2030	-2539	-2827	-596	-593	-697	-753	-727	-668	-679	-768	-730	-675
Other transportation -													
Passenger services	-968	-1220	-1291	-265	-297	-346	-351	-313	-300	-327	-365	-312	-303
Port services etc	-731	-877	-940	-215	-230	-241	-264	-249	-220	-207	-204	-207	-208
Total	-1699	-2097	-2231	-480	-527	-587	-615	-562	-520	-534	-569	-519	-511
Travel	-2146	-2618	-2730	-636	-628	-676	-752	-654	-641	-683	-816	-706	-702
Other services -													
Official -													
Defence services	-63	-73	-81	-18	-16	-26	-14	-15	-19	-33	-15	-21	-26
Financial services	-21	-33	-50	-8	-7	-10	-4	-17	-20	-9	-14	-15	-14
Miscellaneous services	-139	-162	-188	-39	-39	-53	-42	-42	-44	-60	-44	-55	-48
Total	-223	-268	-319	-65	-62	-89	-60	-74	-83	-102	-73	-91	-88
Non-official -													
Expenditure of Aust govt employees	-84	-99	-108	-23	-23	-31	-28	-29	-24	-27	-28	-30	-31
Expenditure of non-resident entity employees	-134	-171	-171	-42	-41	-44	-46	-41	-41	-43	-53	-46	-46
Insurance services nec	-174	-182	-250	-45	-46	-46	-62	-62	-63	-63	-66	-66	-67
Miscellaneous services	-777	-952	-1126	-216	-265	-259	-263	-275	-299	-289	-279	-292	-322
Total	-1169	-1404	-1655	-326	-375	-380	-399	-407	-427	-422	-426	-434	-466
Total other services	-1392	-1672	-1974	-391	-437	-469	-459	-481	-510	-524	-499	-525	-554
TOTAL SERVICES DEBITS	-7267	-8926	-9762	-2103	-2185	-2429	-2579	-2424	-2339	-2420	-2652	-2480	-2442
NET SERVICES	-2939	-3992	-3898	-870	-893	-1119	-1306	-918	-759	-915	-1119	-596	-454

TABLE 13. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME CREDITS

SMILLION

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
PROPERTY INCOME -													
Investment income -													
Official -													
General government	20	24	20	6	6	6	6	3	7	4	7	5	5
Reserve Bank (a)	744	831	598	208	205	206	162	158	134	144	141	115	115
Total official	764	855	618	214	211	212	168	161	141	148	148	120	120
Non-official -													
Direct investment income(b)-													
Reinvested earnings	309	315	614	79	79	79	153	153	154	154	163	162	163
Distributed earnings -													
Remitted profits	71	36	70	14	3	7	61	3	3	3	7	6	48
Dividends (c)	144	129	350	26	15	55	55	82	158	55	50	57	159
Interest (c)	36	14	-48	2	3	6	-5	4	-5	-42	27	-9	-6
Total	251	179	372	42	21	68	111	89	156	16	84	54	201
Total direct investment income	560	494	986	121	100	147	264	242	310	170	247	216	364
Portfolio and other investment income (b) (c) -													
Dividends	33	36	53	10	8	10	14	11	10	18	25	51	22
Interest	104	150	255	39	39	37	50	67	74	64	78	68	147
Total	137	186	308	49	47	47	64	78	84	82	103	119	169
Total non-official	697	680	1294	170	147	194	328	320	394	252	350	335	533
Total investment income	1461	1535	1912	384	358	406	496	481	535	400	498	455	653
Other property income	88	130	109	44	31	35	20	33	19	37	35	50	37
TOTAL PROPERTY INCOME	1549	1665	2021	428	389	441	516	514	554	437	533	505	690
LABOUR AND OTHER INCOME -													
Labour income -													
Earnings in Australia	36	38	42	9	9	11	10	10	11	11	11	11	11
Earnings abroad	134	171	171	42	41	44	46	41	41	43	53	46	46
Total	170	209	213	51	50	55	56	51	52	54	64	57	57
Insurance income	75	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LABOUR AND OTHER INCOME	245	209	213	51	50	55	56	51	52	54	64	57	57
TOTAL INCOME CREDITS	1794	1874	2234	479	439	496	572	565	606	491	597	562	747

(a) Also includes interest/remuneration received from the IMF on behalf of the Commonwealth Government.(b) See footnote (b) to Table 2.(c) See footnote (c) to Table 2.

TABLE 14. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME DEBITS

SMILLION

	YEAR			QUARTERS ENDED-										
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87				
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	
PROPERTY INCOME -														
Investment Income -														
Official -														
General government -														
Interest on foreign currency borrowing	-540	-657	-927	-205	-180	-106	-214	-303	-232	-178	-320	-396	-328	
Interest on Australian currency borrowing	-128	-270	-579	-68	-67	-68	-88	-105	-183	-203	-158	-194	-266	
Total	-668	-927	-1506	-273	-247	-174	-302	-408	-415	-381	-478	-590	-594	
Reserve Bank (a)	-40	-32	-23	-8	-6	-8	-6	-6	-6	-5	-	-11	-6	
Total official	-708	-959	-1529	-281	-253	-182	-308	-414	-421	-386	-478	-601	-600	
Non-official -														
Direct investment income (b) -														
Reinvested earnings	-553	-610	-936	-153	-152	-153	-234	-234	-234	-234	-191	-191	-191	
Distributed earnings -														
Remitted profits	-591	-440	-174	-63	-82	-197	-37	-43	-46	-48	-56	-69	-90	
Dividends	-610	-645	-738	-249	-109	-188	-285	-220	-123	-110	-238	-216	-210	
Interest (c)	-412	-505	-615	-121	-123	-146	-140	-189	-142	-144	-143	-118	-159	
Total	-1613	-1590	-1527	-433	-314	-531	-462	-452	-311	-302	-437	-403	-459	
Total direct investment income	-2166	-2200	-2463	-586	-466	-684	-696	-686	-545	-536	-628	-594	-650	
Portfolio and other investment income (b) -														
Dividends	-292	-532	-551	-206	-90	-154	-44	-105	-182	-220	-93	-150	-160	
Interest -														
Public sector (d)	-816	-1168	-1641	-300	-282	-337	-347	-322	-553	-419	-565	-501	-503	
Private sector (e)	-1807	-2691	-3165	-612	-781	-786	-658	-790	-801	-916	-856	-914	-1098	
Total	-2623	-3859	-4806	-912	-1063	-1123	-1005	-1112	-1354	-1335	-1421	-1415	-1601	
Total portfolio and other investment income	-2915	-4391	-5357	-1118	-1153	-1277	-1049	-1217	-1536	-1555	-1514	-1565	-1761	
Total non-official	-5081	-6591	-7820	-1704	-1619	-1961	-1745	-1903	-2081	-2091	-2142	-2159	-2411	
Total Investment Income	-5789	-7550	-9349	-1985	-1872	-2143	-2053	-2317	-2502	-2477	-2620	-2760	-3011	
Other property income -														
Cinema and TV film royalties	-200	-240	-250	-60	-60	-60	-42	-69	-75	-64	-46	-75	-81	
Other	-427	-449	-379	-115	-121	-100	-73	-64	-113	-129	-62	-95	-106	
Total	-627	-689	-629	-175	-181	-160	-115	-133	-188	-193	-108	-170	-187	
TOTAL PROPERTY INCOME	-6416	-8239	-9978	-2160	-2053	-2303	-2168	-2450	-2690	-2670	-2728	-2930	-3198	
LABOUR AND OTHER INCOME -														
Official	-44	-44	-50	-10	-10	-14	-13	-13	-12	-12	-15	-15	-16	
Non-official														
Labour income	-106	-121	-146	-32	-35	-28	-28	-39	-42	-37	-36	-52	-57	
Insurance income	-5	-	-	-	-	-	-	-	-	-	-	-	-	
Total non-official	-111	-121	-146	-32	-35	-28	-28	-39	-42	-37	-36	-52	-57	
TOTAL LABOUR AND OTHER INCOME	-155	-165	-196	-42	-45	-42	-41	-52	-54	-49	-51	-67	-73	
TOTAL INCOME DEBITS	-6571	-8404	-10174	-2202	-2098	-2345	-2209	-2502	-2744	-2719	-2779	-2997	-3271	

(a) Also includes interest /charges paid to the IMF on behalf of the Commonwealth Government. (b) See footnote (b) to Table 2. (c) Interest payable on direct investment borrowing by trading banks is included in portfolio and other investment. (d) Excluding interest payable by public sector trading banks and interest payable by the public sector on trade credit on imports. (e) Including all interest payable by trading banks and all interest payable on trade credit on imports. See footnotes (c) and (d).

TABLE 15. BALANCE OF PAYMENTS - CURRENT ACCOUNT - UNREQUITED TRANSFERS

	SMILLION												
	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
			DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	
CREDITS -													
Official	466	598	712	127	184	165	162	168	181	201	195	205	221
Non-official -													
Migrants' transfers	977	1052	1348	249	278	318	298	367	331	352	357	423	438
Foreign government pensions	22	19	27	5	5	5	5	6	8	8	6	6	6
Miscellaneous transfers	321	347	445	81	89	99	98	122	109	116	124	142	128
Total	1320	1418	1820	335	372	422	401	495	448	476	487	571	572
TOTAL UNREQUITED TRANSFERS CREDITS	1786	2016	2532	462	556	587	563	663	629	677	682	776	793
DEBITS -													
Official -													
Foreign aid -													
Papua New Guinea aid	-319	-330	-337	-85	-85	-81	-80	-85	-87	-85	-85	-90	-90
Other foreign aid	-412	-462	-463	-121	-116	-179	-63	-69	-113	-218	-56	-70	-113
Total	-731	-792	-800	-206	-201	-260	-143	-154	-200	-303	-141	-160	-203
Pensions	-83	-95	-124	-22	-26	-26	-26	-27	-35	-36	-30	-31	-36
Miscellaneous transfers	-42	-63	-57	-11	-10	-27	-8	-8	-34	-7	-6	-12	-44
Total official	-856	-950	-981	-239	-237	-313	-177	-189	-269	-346	-177	-203	-283
Non-official (a) -													
Migrants' transfers	-291	-296	-296	-71	-79	-72	-68	-74	-84	-70	-74	-81	-75
Withholding taxes	na	na	-16	na	na	na	na	-4	-4	-4	-5	-5	-6
Miscellaneous transfers	-401	-408	-408	-112	-96	-98	-94	-102	-116	-96	-102	-107	-104
Total non-official	-692	-704	-720	-183	-175	-170	-166	-180	-204	-170	-181	-193	-185
TOTAL UNREQUITED TRANSFERS DEBITS	-1548	-1654	-1701	-422	-412	-483	-343	-369	-473	-516	-358	-396	-468
NET UNREQUITED TRANSFERS	238	362	831	40	144	104	220	294	156	161	324	380	325

(a) See footnote (d) to Table 2.

TABLE 16. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF GENERAL GOVERNMENT \$ MILLION

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
FOREIGN INVESTMENT IN AUSTRALIA -													
Borrowing -													
Foreign currency -													
Drawings	1174	1807	2876	375	259	440	59	896	1519	402	442	1828	814
Repayments	-817	-880	-1605	-212	-255	-156	-156	-642	-440	-367	-959	-508	-637
Total	357	928	1271	163	4	284	-97	254	1079	35	-517	1320	177
Australian currency -													
Drawings	1282	3118	6310	924	836	999	1382	912	2590	1426	1575	1237	2682
Repayments	-578	-1371	-4243	-201	-423	-466	-707	-707	-1414	-1415	-1587	-1116	-2108
Total	704	1747	2067	723	413	533	675	205	1176	11	-12	121	574
Total borrowing	1061	2675	3338	886	417	817	578	459	2255	46	-529	1441	751
Other	-93	-46	30	-19	30	-32	-24	35	-12	31	-19	73	-28
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	968	2628	3368	868	447	785	554	494	2243	77	-548	1514	723
AUSTRALIAN INVESTMENT ABROAD -													
Lending	3	-2	-11	-5	3	-3	1	-	4	-16	15	2	-4
Accounts receivable/prepayments made	-483	-213	-36	-41	-117	-119	62	52	-49	-101	90	-193	80
Other	-6	-55	-136	-2	-53	-	-	-73	-3	-60	-	-86	-
TOTAL AUSTRALIAN INVESTMENT ABROAD	-486	-270	-183	-48	-167	-122	63	-21	-48	-177	105	-277	76
TOTAL GENERAL GOVERNMENT	482	2358	3185	819	280	663	617	474	2195	-100	-443	1237	799

TABLE 17. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE RESERVE BANK \$MILLION

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
FOREIGN INVESTMENT IN AUSTRALIA -													
Use of IMF credit	-37	-	-	-	-	-	-	-	-	-	-	-	-
Other	22	-10	-16	10	-11	-4	-16	4	-20	16	-7	8	-
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	-15	-10	-16	10	-11	-4	-16	4	-20	16	-7	8	-
AUSTRALIAN INVESTMENT ABROAD-													
RESERVE ASSETS -													
Official reserve assets -													
Monetary gold	-	-	-	-	-	-	-	-	-	-	-	-	-
SDRs	-58	-124	-53	-30	-13	-23	-46	-17	5	5	-	-	5
Reserve position in IMF	-159	-57	-4	-59	-	2	-6	2	-	-	-	-	-
Foreign exchange	-1636	1701	2197	268	827	616	838	1107	-484	736	2790	-4070	1561
Total	-1853	1520	2140	179	814	595	786	1092	-479	741	2790	-4070	1566
Allocation of SDRs	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RESERVE ASSETS	-1853	1520	2140	179	814	595	786	1092	-479	741	2790	-4070	1566
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL AUSTRALIAN INVESTMENT ABROAD	-1853	1520	2140	179	814	595	786	1092	-479	741	2790	-4070	1566
TOTAL RESERVE BANK	-1868	1510	2124	189	803	591	770	1096	-499	757	2783	-4062	1566

TABLE 18. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR:
FOREIGN INVESTMENT IN AUSTRALIA
SMILLION

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
DIRECT INVESTMENT (a) -													
Reinvestment of earnings	553	610	936	153	152	153	234	234	234	234	191	191	191
Corporate equities	583	353	1934	108	-34	286	318	556	428	632	246	1018	112
Net equity in branches	-784	68	-490	-98	-29	17	-12	123	-699	98	-305	82	892
Borrowing (b) -													
Drawings	17341	29531	39714	na	na	na	13285	7884	10153	8392	13602	16676	8988
Repayments	-16358	-28383	-40530	na	na	na	-13605	-8305	-10154	-8466	-13402	-16590	-8749
Total	983	1148	-816	-163	85	599	-320	-421	-1	-74	200	86	239
Other	603	432	255	-178	148	230	24	140	-1	92	-72	-61	-24
TOTAL DIRECT INVESTMENT	1938	2611	1819	-178	322	1285	244	632	-39	982	260	1316	1410
PORTFOLIO AND OTHER INVESTMENT(a)-													
Corporate equities	601	464	307	-673	413	665	3	49	138	117	291	289	386
Borrowing -													
Trading banks (c) -													
Foreign currency (d)	376	1690	4752	295	453	418	153	1058	1593	1948	2725	2880	1014
Australian currency	55	748	1344	364	-107	159	331	184	573	256	164	1117	-407
Total	431	2438	6096	659	346	577	484	1242	2166	2204	2889	3997	607
Enterprises n.e.c. -													
Public sector -													
Foreign currency	2414	3119	948	1348	1283	246	-322	545	1080	-355	410	663	768
Australian currency	89	674	1212	248	308	-32	290	179	603	140	-240	190	197
Total	2503	3793	2160	1596	1591	214	-32	724	1683	-215	170	853	965
Of which -													
Drawings	6366	12427	13430	3729	3308	2991	3178	3304	4030	2918	2978	2940	4052
Repayments	-3863	-8634	-11270	-2134	-1716	-2776	-3210	-2580	-2347	-3133	-2807	-2086	-3087
Private sector -													
Drawings	17001	22861	43850	na	na	na	8494	10580	12661	12115	13568	15446	16570
Repayments	-13704	-19127	-37701	na	na	na	-6585	-8830	-11072	-11214	-12569	-15276	-14433
Total	3297	3734	6149	1234	1111	400	1909	1750	1589	901	999	170	2137
Total enterprises n.e.c.	5800	7527	8309	2830	2702	614	1877	2474	3272	686	1169	1023	3102
Total borrowing	6231	9965	14405	3489	3048	1191	2361	3716	5438	2890	4058	5020	3709
Accounts payable/prepayments													
received -													
Public sector	167	57	-48	19	18	12	-12	-16	-10	-10	-8	-11	12
Private sector	389	176	17	-44	11	41	14	113	26	-136	227	-106	-227
Total	556	233	-31	-25	29	53	2	97	16	-146	219	-117	-215
TOTAL PORTFOLIO AND OTHER INVESTMENT	7388	10662	14681	2791	3490	1909	2366	3862	5592	2861	4568	5192	3880
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	9326	13273	16500	2613	3812	3194	2610	4494	5553	3843	4828	6508	5290

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication. (b) Direct investment borrowing by trading banks is included in portfolio and other investment. (c) Includes direct investment borrowing - see footnote (b). (d) Up to and including June quarter 1985, covers foreign currency borrowing for on-lending only. From September quarter 1985, covers all foreign currency borrowing. See Appendix B to the December quarter 1985 issue of this publication.

TABLE 19. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR:
AUSTRALIAN INVESTMENT ABROAD

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
DIRECT INVESTMENT (a) -													
Reinvestment of earnings	-309	-315	-616	-79	-79	-79	-154	-154	-154	-154	-163	-162	-162
Corporate equities	-1073	-1841	-1968	-355	-397	-498	69	-942	-375	-720	-449	-1153	-90
Net equity in branches	-55	-111	-299	-4	13	-107	-42	-40	-23	-194	-143	30	-20
Lending (b)	142	-104	753	-21	-58	-72	-97	-95	185	760	-279	161	-279
Other	-3	-6	2	-3	-4	2	-16	-43	17	44	-18	-3	-6
TOTAL DIRECT INVESTMENT	-1298	-2377	-2128	-462	-525	-754	-240	-1274	-350	-264	-1052	-1127	-557
PORTFOLIO AND OTHER INVESTMENT(a)-													
Corporate equities	-101	-697	-2534	-289	-341	19	-293	-670	-924	-647	-511	-491	-900
Lending -													
Trading banks (c) -													
Foreign currency (d)	-99	120	-1801	-108	-485	527	-528	-129	-545	-599	-1323	-1358	-1155
Australian currency	10	-22	-160	14	-12	-30	-65	-45	-13	-37	-192	-19	42
Total	-89	98	-1961	-94	-497	497	-593	-174	-558	-636	-1515	-1377	-1113
Enterprises n.e.c.	-323	-893	-1127	-388	-517	191	-215	-707	169	-374	324	295	-179
Total lending	-412	-795	-3088	-482	-1014	688	-808	-881	-389	-1010	-1191	-1082	-1292
Accounts receivable/prepayments made -													
Public sector	-321	-634	-60	-120	-193	-124	-24	-39	-73	76	-117	45	-28
Private sector	-67	-445	-40	57	-106	-133	-13	-224	7	190	-21	-62	-47
Total	-388	-1079	-100	-63	-299	-257	-37	-263	-66	266	-138	-17	-75
TOTAL PORTFOLIO AND OTHER INVESTMENT	-901	-2571	-5722	-834	-1654	450	-1138	-1814	-1379	-1391	-1840	-1590	-2267
TOTAL AUSTRALIAN INVESTMENT ABROAD	-2199	-4948	-7850	-1296	-2179	-304	-1378	-3088	-1729	-1655	-2892	-2717	-2824

(a) See footnote (a) to Table 18. (b) Direct investment lending by trading banks is included in portfolio and other investment. (c) Includes direct investment lending. From September quarter 1985, covers all foreign currency lending. See Appendix B to the December quarter 1985 issue of this publication for details. (d) Up to and including June quarter 1985, selected borrowing is netted off against lending. From September quarter 1985, covers all foreign currency lending. See Appendix B to the December quarter 1985 issue of this publication.

TABLE 20. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	YEAR			QUARTERS ENDED-									
	1983-84	1984-85	1985-86	1984-85			1985-86			1986-87			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
OFFICIAL RESERVE ASSETS													
(SMILLION) -													
Levels at end of year/quarter	12417	13517(b)	13024	12058	13129	13517	12505	12216	12811	13024	12615	15561	13866
Changes in levels	1668	(c)	-493	-374	1071	388	-1012	-289	595	213	-409	2946	-1695
Of which -													
Changes due to effects of revaluations	-185	(c)	1647	-195	1885	983	-226	803	116	954	2381	-1124	-129
Changes included in the balance of payments (u)	1853	-1520	-2140	-179	-814	-595	-786	-1092	479	-741	-2790	4070	-1566
EXCHANGE RATES (END OF YEAR/QUARTER)													
(d) -													
UNITS OF FOREIGN CURRENCY													
PER \$A -													
United States dollar	.8613	.6655	.6772	.8278	.7051	.6655	.7077	.6809	.7119	.6772	.6274	.6648	.7053
United Kingdom pound	.6378	.5136	.4414	.7130	.5641	.5136	.5042	.4732	.4823	.4414	.4360	.4525	.4379
West German mark	2.399	2.030	1.485	2.606	2.172	2.030	1.891	1.672	1.659	1.485	1.267	1.295	1.269
Japanese yen	204.60	165.68	110.96	207.24	176.94	165.68	152.97	136.49	123.09	110.96	96.34	106.37	102.85
TRADE-WEIGHTED INDEX (END OF YEAR/QUARTER) OF VALUE OF THE AUSTRALIAN DOLLAR (MAY 1970 = 100) (d)													
	79.2	65.0	56.3	81.3	69.2	65.0	64.8	60.7	61.1	56.3	51.9	55.0	55.4

(a) These entries carry the opposite sign to corresponding entries in Tables 4 & 17. See paragraph 5 of the Explanatory Notes.(b) From September quarter 1984, figures for official reserve assets are not fully comparable with earlier data due to changes in the Reserve Bank's accounting procedures.(c) Not available, see footnote (b).(d) The exchange rates and index numbers shown relate to the last trading day of the quarter or financial year (see paragraphs 39 and 49 of the Explanatory Notes).

