

BALANCE OF PAYMENTS, AUSTRALIA, JANUARY 1994

MAIN FEATURES

Estimates of the main balance of payments aggregates for January 1994, the three preceding months and year-to-date 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 6 on *Reliability of Contemporary Trend Estimates* and in paragraph 4 of the *Explanatory Notes* on page 14. Certain items have been estimated using extrapolation techniques until source data become available.

	1993-94				Jul-Jan		
	Oct	Nov	Dec	Jan	1992-93	1993-94	Change(a)
	\$ million				\$ million		%
	Not seasonally adjusted						
Balance on current account	- 1,229	- 1,583	- 1,051	- 1,395	- 9,578	- 10,257	- 7
Balance on merchandise trade	187	- 253	144	- 33	414	- 850	..
Net services	- 176	- 11	- 48	- 27	- 2,056	- 1,128	+ 45
Net income	- 1,278	- 1,345	- 1,184	- 1,358	- 8,535	- 8,604	- 1
Net unrequited transfers	38	26	37	23	599	325	- 46
Official capital	205	1,451	2,472	5,198	12,535	10,822	..
Non-official capital plus balancing item	1,024	132	- 1,421	- 3,803	- 2,957	- 565	..
	Seasonally adjusted						
Balance on current account	- 1340	- 1,366	- 1,600	- 1,265	..	..	..
Balance on merchandise trade	46	98	- 310	152	..	..	..
Net services	- 148	- 105	- 130	- 162	..	..	..
Net income	- 1,248	- 1,387	- 1,195	- 1,329	..	..	..
Net unrequited transfers	10	28	35	74	..	..	..
SUS exchange rate (per unit of \$A)(b)	0.6603	0.6649	0.6728	0.6956	..	..	..
Trade weighted index (base May 1970 = 100)(b)	48.6	49.4	50.2	53.1	..	..	..

(a) For current account aggregates a minus sign means an increase in a deficit or a reduction in a surplus and a plus sign means a decrease in a deficit or an increase in a surplus. (b) Period averages.

In seasonally adjusted terms, the current account deficit for January fell \$335 million, or 21 per cent, to \$1,265 million.

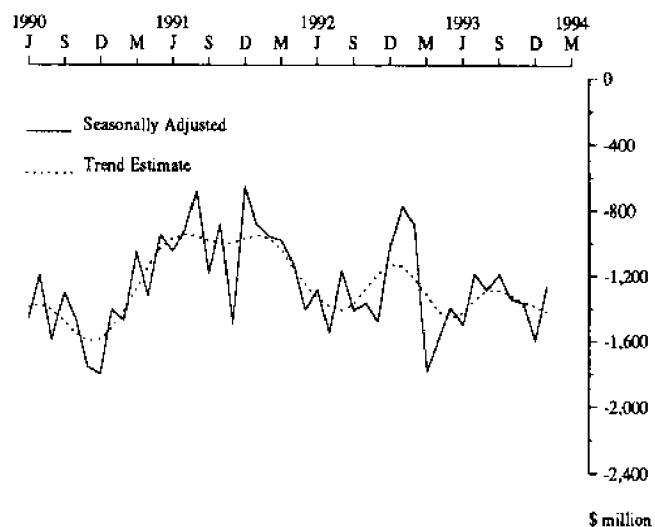
The decrease in the deficit was caused by:

- a turnaround of \$462 million, from a deficit to a surplus, in the balance on merchandise trade (merchandise exports rose 4 per cent, while merchandise imports fell 5 per cent); and
- an increase of \$39 million (111 per cent) in the net unrequited transfers surplus.

Partly offsetting these movements in merchandise trade and unrequited transfers were increases of \$134 million (11 per cent) in the net income deficit and \$32 million (25 per cent) in the net services deficit.

The provisional trend estimate for the January current account deficit was \$1,422 million, up \$33 million, or 2 per cent, on the provisional trend estimate for December.

GRAPH 1: BALANCE ON CURRENT ACCOUNT



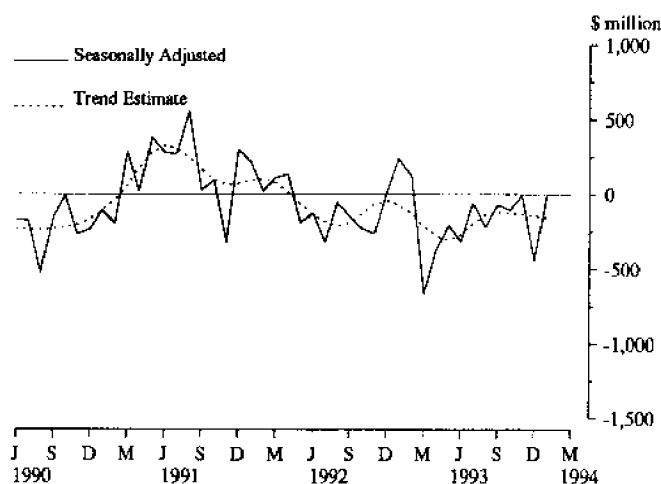
ANALYSIS OF SELECTED MAJOR AGGREGATES

January 1994 compared with December 1993

Balance on goods and services

The seasonally adjusted *balance on goods and services* recorded a deficit of \$10 million, a decrease of \$430 million on the deficit recorded in December.

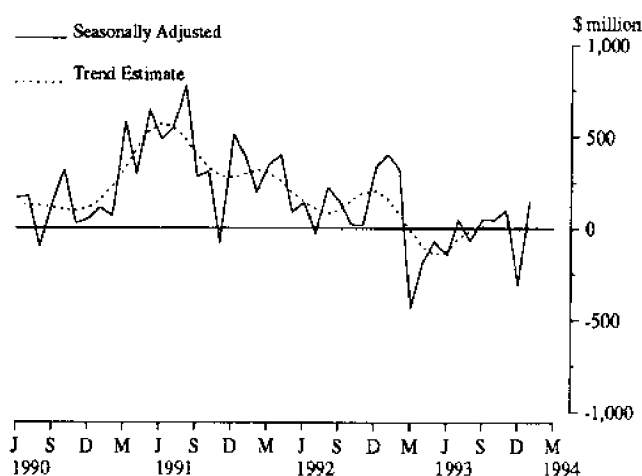
GRAPH 2: BALANCE ON GOODS AND SERVICES



Balance on merchandise trade

The seasonally adjusted *balance on merchandise trade* recorded a surplus of \$152 million, a turnaround of \$462 million on the deficit recorded in December.

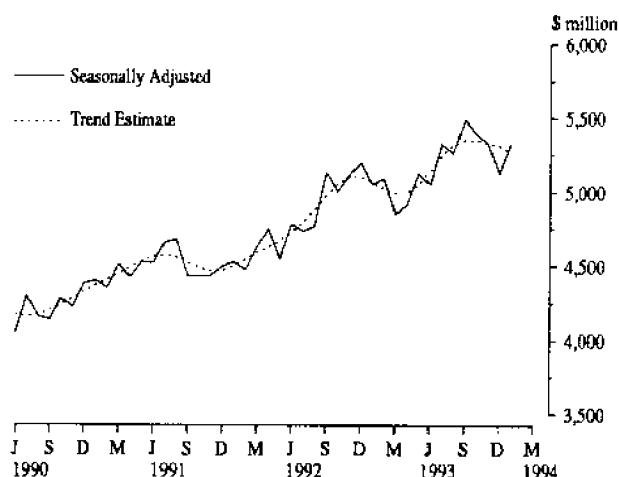
GRAPH 3: BALANCE ON MERCHANDISE TRADE



Merchandise exports

Seasonally adjusted *exports f.o.b.* rose \$192 million, or 4 per cent, to \$5,322 million. *Rural exports* rose \$124 million, or 8 per cent, to \$1,599 million. *Non-rural exports* rose \$68 million, or 2 per cent, to \$3,723 million.

GRAPH 4: MERCHANDISE - EXPORTS F.O.B.



In original terms, *exports* fell \$680 million, or 12 per cent, to \$4,761 million.

Rural exports in original terms fell \$170 million, or 11 per cent, to \$1,398 million. Decreases were recorded in:

- "other" rural exports, down \$129 million or 22 per cent, with most components recording decreases;
- wool, down \$76 million or 22 per cent (due to decreased volumes of greasy wool exports); and
- meat, down \$71 million or 22 per cent (due mainly to decreased volumes of beef and veal exports).

Increases were recorded in sugar, up \$75 million or 160 per cent (due mainly to increased volumes of cane sugar exports); and cereals, up \$31 million or 12 per cent.

Non-rural exports in original terms fell \$510 million, or 13 per cent, to \$3,363 million. The most significant decreases were recorded in:

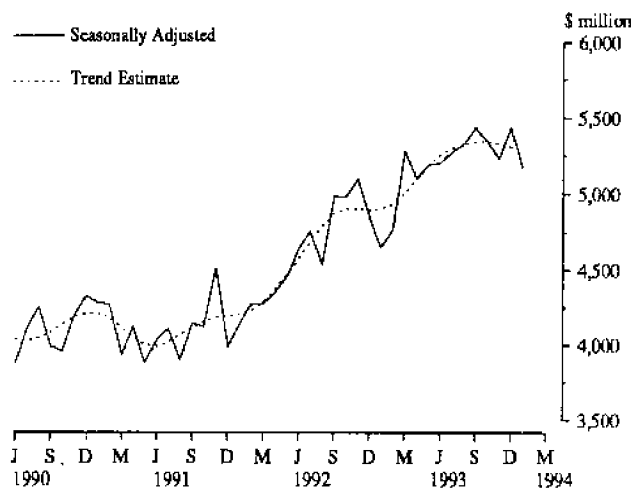
- machinery, down \$248 million or 45 per cent (all components recording decreases, with the largest being office machines and ADP equipment);
- coal, coke and briquettes, down \$154 million or 21 per cent (due mainly to decreased volumes of coal exports);
- "other" manufactures, down \$141 million or 23 per cent (with most components recording decreases); and
- transport equipment, down \$131 million or 66 per cent (due mainly to decreased exports of motor vehicles).

The largest increase was recorded in gold, up \$239 million or 80 per cent (due mainly to increased volumes).

Merchandise imports

Seasonally adjusted imports *f.o.b.* fell \$270 million, or 5 per cent, to \$5,170 million.

GRAPH 5: MERCHANDISE - IMPORTS F.O.B.



In original terms, imports fell \$503 million, or 9 per cent, to \$4,794 million. The largest decreases were recorded in:

- machinery, down \$154 million or 9 per cent (most components recorded decreases, with the largest being in office machines and ADP equipment);
- "other" transport equipment, down \$149 million or 58 per cent;
- fuels, down \$102 million or 31 per cent;
- road vehicles, down \$88 million or 16 per cent; and
- "other" manufactures, down \$61 million or 6 per cent.

The most significant increase occurred in civil aircraft, up \$50 million, reflecting the import of a Qantas aircraft. This is the first civil aircraft imported since October 1993.

Exogenous imports fell \$56 million or 13 per cent. Fuels fell \$102 million, while civil aircraft rose \$50 million. Endogenous imports fell \$447 million or 9 per cent.

Net services

The seasonally adjusted net services deficit increased \$32 million, or 25 per cent, to \$162 million. Services credits fell \$41 million, or 3 per cent, while services debits fell \$9 million or 1 per cent.

Net income

The seasonally adjusted net income deficit rose \$134 million, or 11 per cent, to \$1,329 million. Income credits were unchanged from their December level, while income debits rose \$134 million or 8 per cent (due mainly to a rise in interest payable on official sector borrowing).

Net unrequited transfers

The seasonally adjusted net unrequited transfers surplus rose \$39 million, or 111 per cent. Unrequited transfers credits fell \$1 million, while unrequited transfers debits fell \$40 million or 18 per cent.

Net capital transactions

In original terms, the net capital transactions of the official sector, recorded a net inflow of \$5,198 million in January up \$2,726 million on the net inflow recorded in December.

The January estimate consisted of:

- a net inflow of \$4,983 million in general government transactions, up \$2,577 on the inflow recorded in December; and
- a net inflow of \$215 million in Reserve Bank transactions, an increase of \$149 million on the December inflow.

The increased inflow from general government transactions was mainly due to general government borrowing domiciled in Australia which increased \$1,830 million, to an inflow of \$2,874 million. Also contributing to this inflow was an increase of \$711 million in general government borrowing domiciled abroad, which recorded an inflow of \$2,053 million in January.

The change in Reserve Bank transactions in January mainly reflected increased sales of official reserve assets.

Exchange rates

During January the \$A appreciated 6 per cent on a trade-weighted index basis (using period average exchange rates) against the currencies of Australia's major trading partners, by 3 per cent against the \$US, and by 5 per cent against the Japanese Yen.

Comparing rates at the end of January 1994 with those at the end of June 1993, the \$A has appreciated by 9 per cent on a trade-weighted basis against the currencies of Australia's major trading partners, by 6 per cent against the \$US and by 9 per cent against the Japanese yen.

Seven months ended January 1994 compared with seven months ended January 1993 —

In original terms, the balance on current account deficit for the seven months ended January 1994 was \$10,257 million, up \$679 million, or 7 per cent, on the deficit for the seven months ended January 1993.

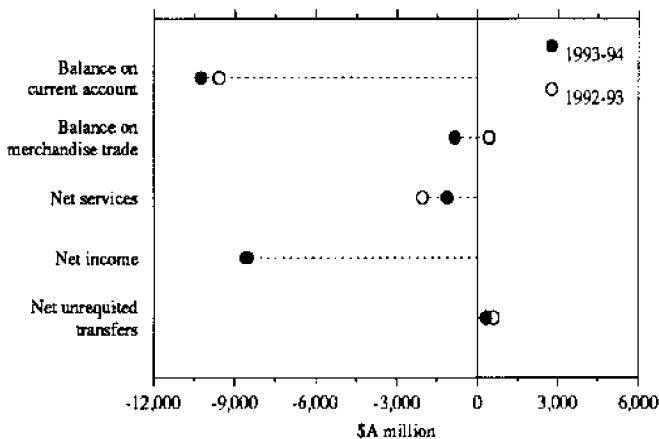
The result was due to:

- a turnaround of \$1,264 million, from a surplus to a deficit, in the balance on merchandise trade;
- a decrease of \$274 million (46 per cent) in the net unrequited transfers surplus; and

- an increase of \$69 million (1 per cent) in the net income deficit.

The movements in merchandise trade, unrequited transfers and income were partly offset by a decrease of \$928 million, or 45 per cent, in the net services deficit.

GRAPH 6: BALANCE OF PAYMENTS AGGREGATES - SEVEN MONTHS ENDED JANUARY

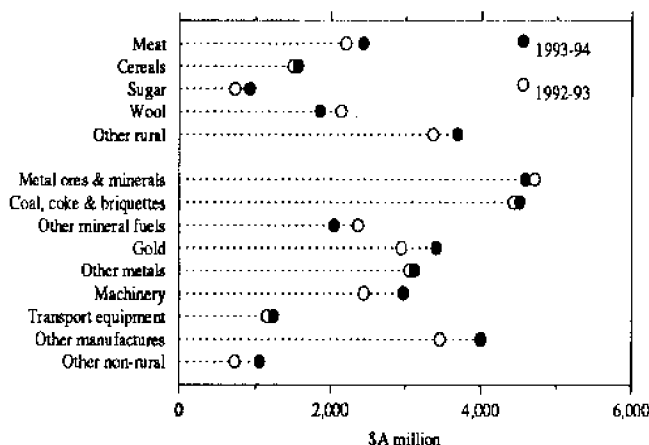


Merchandise exports rose \$2,183 million, or 6 per cent, to \$37,365 million. The largest increases were recorded in:

- "other" manufactures, up \$541 million (16 per cent);
- machinery, up \$529 million (22 per cent);
- gold, up \$461 million (16 per cent);
- "other" non-rural exports, up \$327 million (45 per cent);
- "other" rural exports, up \$320 million (10 per cent);
- meat, up \$231 million (11 per cent);
- sugar, up \$193 million (26 per cent).

Decreases were recorded in "other" mineral fuels, down \$315 million (13 per cent); wool, down \$285 million (13 per cent); and metal ores and minerals, down \$128 million (3 per cent).

GRAPH 7: MERCHANDISE EXPORTS - SEVEN MONTHS ENDED JANUARY

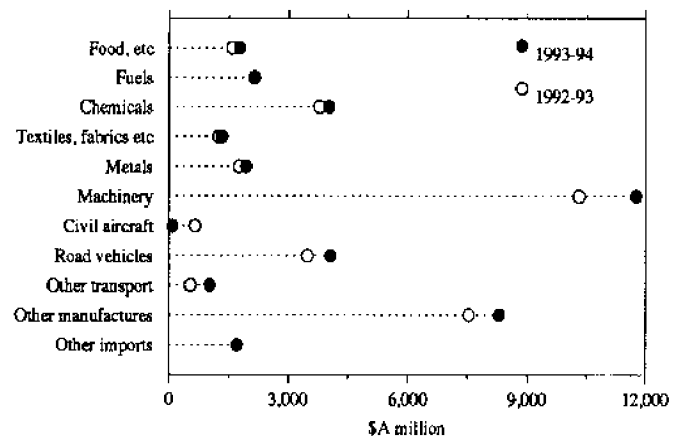


Merchandise imports rose \$3,447 million, or 10 per cent, to \$38,215 million. Increases were recorded in all groups except civil aircraft, which fell \$560 million (85 per cent); and fuels, which fell \$15 million (1 per cent). The largest increases were recorded in:

- machinery, up \$1,470 million (14 per cent);
- "other" manufactures, up \$766 million (10 per cent);
- road vehicles, up \$581 million (17 per cent);
- "other" transport equipment, up \$492 million (90 per cent); and
- chemicals, up \$239 million (6 per cent).

Exogenous imports fell \$462 million or 13 per cent. Endogenous imports increased \$3,909 million or 12 per cent.

GRAPH 8: MERCHANDISE IMPORTS - SEVEN MONTHS ENDED JANUARY



The net services deficit fell \$928 million, or 45 per cent, to \$1,128 million. Services credits increased by \$1,141 million, or 13 per cent, due largely to increases of \$656 million in travel credits, \$308 million in "other" transportation credits and \$144 million in "other" services credits. Services debits rose \$213 million or 2 per cent, due largely to increases of \$131 million in "other" services debits and \$66 million in shipment debits.

The net income deficit rose \$69 million, or 1 per cent, to \$8,604 million. Income credits rose \$114 million, or 4 per cent, due mainly to an increase in reinvested earnings, which was partly offset by a fall in other investment income receivable. Income debits rose \$183 million, or 2 per cent, due mainly to increases in reinvested earnings, interest payable on official sector borrowing, and other property income. These increases were partly offset by a decrease in the remitted profits of branches to their foreign head offices.

The net unrequited transfers surplus fell \$274 million, or 46 per cent, to \$325 million. Unrequited transfers credits fell \$248 million, or 13 per cent, due mainly to a decline in migrants' transfers. Unrequited transfers debits rose \$26 million or 2 per cent.

Official sector capital transactions for the seven months ended January 1994 yielded a net inflow of \$10,822 million, compared with a net inflow of \$12,535 million for the corresponding period of the previous financial year. The change was the result of:

- an inflow of \$11,440 million in general government transactions, up \$3,429 million on the inflow for the seven months to January 1993; and
- an outflow of \$618 million in Reserve Bank transactions, a turnaround of \$5,142 million on the inflow for the seven months to January 1993.

The increased inflow from general government transactions was largely due to State government borrowing domiciled abroad, which rose \$2,678 million, to an inflow of \$9,036 million; and an increase of \$836 million, to an inflow of \$3,084 million, in general government borrowing domiciled in Australia. Net purchases of official reserve assets, compared to net sales for the corresponding period of the previous financial year, was the main factor underlying the change in Reserve Bank transactions.

REVISIONS

Revisions since the last issue of this publication have resulted in changes to the current account deficits for the last six years and the first six months of the current financial year. These revisions have reduced the current account deficits for 1988-89, 1989-90, 1991-92 and 1992-93 by \$108 million, \$57 million, \$42 million and \$59 million respectively; and increased the current account deficits for 1987-88, 1990-91 and the first six months of 1993-94 by \$14 million, \$60 million and \$168 million respectively.

The main factors contributing to the revisions and their impact are as follows:

- incorporation of the latest available data on merchandise exports has reduced the deficit on merchandise trade by \$119 million for the first six months of 1993-94;

- incorporation of revised estimates of fees for financial services from the Survey of Foreign Investment has increased services debits in 1987-88 and 1990-91 by \$15 million and \$55 million respectively and reduced services debits in 1988-89, 1989-90, 1991-92 and 1992-93 by \$109 million, \$56 million, \$10 million and \$56 million respectively;
- incorporation of the latest investment income estimates from the December quarter 1993 Survey of Foreign Investment has increased the net income deficit for the first six months of 1993-94 by \$291 million; and
- incorporation of final estimates from the 1991-92 Survey of Returned Australian Travellers has increased both income credits and services debits by \$49 million in 1990-91, \$188 million in 1991-92, \$239 million in 1992-93 and \$161 million in the first six months of 1993-94. As these revisions affect both credits and debits by equal amounts, they are offsetting and do not impact on the current account deficit.

Revisions to the capital account are due to the incorporation of data from the December quarter 1993 Survey of Foreign Investment.

SEASONAL REANALYSIS

The seasonally adjusted monthly estimates of the current account have been revised in this issue as a result of a seasonal reanalysis. The reanalysis took account of additional information that had become available since the previous reanalysis at the beginning of 1993. For the availability of seasonal factors for 1994 refer to paragraph 6 of the Explanatory Notes.

Release date for February 1994 issue

The expected release date for the February issue of this publication is 30 March 1994. 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

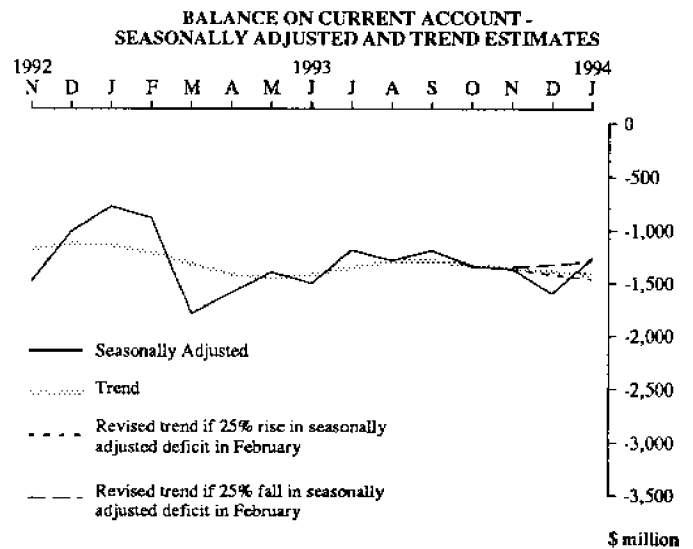
The table below presents trend estimates of the deficit on current account from November 1992 onwards, including provisional trend estimates for the latest three months (November and December 1993 and January 1994).

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 (February 1994) 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 deficit were to increase in February by 25 per cent, to \$1,581 million, the provisional trend movement for that month would be 2.1 per cent. The movements in the trend estimates for November, December and January which are provisionally 2.6 per cent, 2.1 per cent and 2.4 per cent respectively, would be revised to 3.8 per cent, 3.6 per cent and 3.2 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted deficit next month,

to \$949 million, would produce a trend movement of -4.6 per cent for February with the movements in the trend estimates for November, December and January being revised to 0.8 per cent, -1.3 per cent and -2.8 per cent, respectively.

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



DEFICIT ON CURRENT ACCOUNT — RELIABILITY OF TREND ESTIMATES

	Trend estimate		Revised trend estimate if February 1994 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on January 1994 (a)		is down 25% on January 1994 (a)	
	\$m	% change on previous month	\$m	% change on previous month	\$m	% change on previous month
1992-93 —						
November	1188	-7.3	1188	-7.3	1188	-7.3
December	1132	-4.7	1132	-4.7	1132	-4.7
January	1141	0.7	1141	0.7	1141	0.7
February	1214	6.5	1214	6.5	1214	6.5
March	1320	8.7	1320	8.7	1320	8.7
April	1418	7.4	1418	7.4	1418	7.4
May	1459	2.9	1459	2.9	1459	2.9
June	1424	-2.4	1424	-2.4	1424	-2.4
1993-94 —						
July	1348	-5.3	1348	-5.3	1348	-5.3
August	1291	-4.2	1286	-4.6	1299	-3.6
September	1291	0.0	1280	-0.5	1302	0.2
October	1325	2.6	1320	3.1	1331	2.2
November	1360 p	2.6	1370	3.8	1342	0.8
December	1389 p	2.1	1419	3.6	1325	-1.3
January	1422 p	2.4	1464	3.2	1288	-2.8
February			1495	2.1	1229	-4.6

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months November 1992 to January 1994.

CHANGES IN FORTHCOMING ISSUES

Commencing with the March issue of this publication (scheduled for release on 4 May 1994) and the March quarter issue of the quarterly balance of payments publication (ABS Catalogue No. 5302.0) (scheduled for release on 2 June 1994), the commodity classification for presenting merchandise imports in balance of payments publications will change.

Currently, merchandise imports information in monthly, quarterly and annual balance of payments publications is presented in 11 broad commodity groupings which are based on the United Nations' Standard International Trade Classification Revision 3 (SITC R3), as well as being split into exogenous and endogenous imports. In the quarterly and annual publications, a further breakdown of endogenous imports by end-use categories (capital goods, consumption goods and other goods) is also provided.

From the March 1994 issues, the presentation of merchandise imports in all balance of payments publications will be changed as follows:

- the existing broad commodity groupings, together with the exogenous/endogenous split, will be removed from all balance of payments publications;
- the end-use categories, currently provided quarterly for endogenous imports only, will be extended to cover all merchandise imports and be included in monthly, quarterly and annual balance of payments publications;
- the three end-use categories will be divided into a total of 26 SITC R3-based commodity groupings, which have also been aligned to the United Nations' Classification of Broad Economic Categories (BEC). (These commodity groupings are shown in the table below, together with preliminary data for 1992-93); and
- most of these 26 SITC R3-based commodity groupings will be further sub-divided into a total of over 100 commodity sub-groupings. Although the information at this level of detail will not be included in balance of payments publications, it will be readily available as a special data service. (Details of these proposed sub-groupings, together with preliminary data for 1992-93, are available from the ABS.)

Quarterly constant price estimates for each of the three end-use categories and each of the 26 commodity groupings will be included in quarterly balance of payments publications. The possibility of publishing seasonally adjusted estimates for the three end-use categories in both monthly and quarterly publications is being investigated.

These changes are being implemented primarily in response to user demand for a more detailed commodity breakdown of merchandise imports and a greater emphasis on end-use categories than that currently shown in balance of payments publications.

Although the exogenous/endogenous split was introduced into balance of payments publications in the mid 1980's as an aid to economic analysis, a number of factors have since eroded the usefulness of this split.

Firstly, changes in the economy over recent years have meant that an increasing number of "lumpy" items (e.g.

tankers, drilling platforms, aircraft for non-major airlines, satellites) are being recorded in the "endogenous" category.

Secondly, recent changes in government arrangements have meant that a significant proportion of general government imports, which had accounted for up to twenty per cent of exogenous imports, are no longer readily identifiable from other imports.

To assist users in overcoming any discontinuities that may arise following the introduction of the new classification, historical series for each of the end-use categories, commodity groupings and commodity sub-groupings will be recompiled back to July 1981. The full historical series for each of the end-use categories and commodity groupings, together with constant price series, and where appropriate seasonally adjusted and trend series, will be published in an Information Paper, *Change to Commodity Classification of Merchandise Imports in Balance of Payments Publications* (ABS Catalogue No. 5344.0), which is scheduled for release on 14 April 1994, ahead of the changeover to the new classification in regular publications.

Details of the concordances between the current and the new publication categories, as well as between the new classification of merchandise imports and both SITC Rev 3 and BEC, will also be included in the Information Paper.

These changes will not affect the classification of merchandise imports in foreign trade publications and other releases.

Merchandise imports classification	(\$m) 1992/93
Consumption Goods	15,926
Food and beverages, mainly for consumption	2,261
Household electrical items	1,382
Non-industrial transport equipment	3,478
Textiles, clothing and footwear	2,178
Toys, books and leisure goods	2,238
Consumption goods nes	4,389
Capital Goods	13,655
Machinery and industrial equipment	5,446
ADP equipment	2,319
Telecommunications equipment	1,224
Civil aircraft	828
Industrial transport equipment nes	1,838
Capital goods nes	2,000
Intermediate and Other Goods	29,846
Food and beverages, mainly for industry	436
Primary industrial supplies nes	677
Fuels and lubricants	3,623
Parts for transport equipment	3,675
Parts for ADP equipment	1,423
Other parts for capital goods	4,232
Organic and inorganic chemicals	2,056
Paper and paperboard	1,381
Textile yarn and fabrics	1,763
Iron and steel	946
Plastics	1,272
Non-monetary gold	1,019
Processed industrial supplies nes	7,135
Other goods	208
Total Imports	59,427

The price of the Information Paper is \$10.00. It can be obtained by completing the order form at the back of this publication or it can be purchased from the ABS Bookshop in your State capital.

TABLE 1. BALANCE OF PAYMENTS
(\$ million)

	Years			Months												July to Jan	
	1990.	1991.	1992.	1992-93												1992.	1993.
	91	92	93	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	94
Current transactions —																	
Goods and services —																	
Merchandise (a) —																	
Exports fob	52,155	54,874	60,015	5,189	4,663	5,017	4,761	5,332	5,060	5,382	5,181	5,410	5,746	5,444	5,441	4,761	35,182
Imports fob	-49,256	-51,056	-59,426	-5,350	-4,425	-5,557	-4,803	-4,911	-4,962	-5,581	-5,589	-5,698	-5,559	-5,697	-5,297	-4,794	-34,768
Balance on merchandise trade	2,899	3,818	589	-161	238	-540	-42	421	98	-199	-408	-288	187	-253	144	-33	414
Services —																	
Credits	12,999	13,954	14,863	1,275	1,429	1,247	1,260	1,231	1,175	1,336	1,287	1,221	1,375	1,435	1,475	1,533	8,521
Debits	-16,508	-16,751	-17,648	-1,459	-1,280	-1,368	-1,440	-1,436	-1,547	-1,604	-1,501	-1,605	-1,551	-1,446	-1,523	-1,560	-10,577
Net services	-3,509	-2,797	-2,785	-184	149	-121	-180	-205	-372	-268	-214	-384	-176	-11	-48	-27	-2,056
Balance on goods and services	-610	1,021	-2,196	-345	387	-661	-222	216	-274	-467	-622	-672	11	-264	96	-60	-1,642
Income —																	
Credits	3,972	4,254	5,438	459	426	485	415	425	437	478	520	532	433	472	485	444	3,250
Debits	-22,100	-20,141	-19,925	-1,685	-1,452	-1,727	-1,679	-1,668	-1,614	-1,644	-1,620	-1,705	-1,711	-1,817	-1,669	-1,802	-11,785
Net income	-18,128	-15,887	-14,487	-1,226	-1,026	-1,242	-1,264	-1,243	-1,177	-1,166	-1,100	-1,173	-1,278	-1,345	-1,184	-1,358	-8,535
Unrequited transfers —																	
Credits	4,711	4,584	3,119	258	259	250	255	229	228	252	232	210	216	225	256	259	1,898
Debits	-2,283	-2,343	-2,392	-202	-217	-192	-175	-192	-317	-157	-174	-162	-178	-199	-219	-236	-1,299
Net unrequited transfers	2,428	2,241	727	56	42	58	80	37	-89	95	58	48	38	26	37	23	599
Balance on current account	-16,310	-12,625	-15,956	-1,515	-597	-1,845	-1,406	-990	-1,540	-1,538	-1,664	-1,797	-1,229	-1,583	-1,051	-1,395	-9,578
Net capital transactions —																	
Official —																	
General government	317	2,722	11,629	3,063	72	-761	-965	2,959	1,995	1,180	1,065	5	386	1,415	2,406	4,983	8,011
Reserve Bank —																	
Reserve assets	-1,446	3,929	3,950	-71	405	1,398	975	-1,241	466	-459	-314	-491	-190	61	39	213	4,523
Other	-22	21	39	5	-5	9	-17	19	-9	-10	-16	-14	9	-25	27	2	1
Total	-1,468	3,950	3,989	-66	410	1,407	979	-1,258	485	-468	-273	-505	-181	36	66	215	4,524
Total official	-1,151	6,672	15,618	2,997	-338	2,198	218	-2,223	3,444	1,527	117	-500	205	1,451	2,472	5,198	12,535
Non-official plus balancing item	17,461	5,953	338	-1,482	379	4,068	-2,038	-537	1,423	-134	1,340	2,297	1,024	132	-1,421	-3,803	-2,957
Balance on capital account plus balancing item	16,310	12,625	15,956	1,515	597	1,845	1,406	990	1,540	1,538	1,664	1,797	1,229	1,583	1,051	1,395	9,578

(a) Balance of payments basis.

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

(\$ million)

	Months														
	1992-93						1993-94								
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Seasonally Adjusted (b)															
Goods and services —															
Merchandise —															
Exports fob															
Rural	1,496	1,471	1,511	1,425	1,366	1,363	1,416	1,461	1,458	1,475	1,513	1,552	1,540	1,475	1,599
Non-rural	3,624	3,721	3,543	3,665	3,489	3,549	3,709	3,593	3,865	3,790	3,978	3,841	3,790	3,655	3,723
Total	5,120	5,192	5,054	5,090	4,855	4,912	5,125	5,054	5,323	5,265	5,491	5,393	5,330	5,130	5,322
Imports fob	-5,103	-4,852	-4,650	-4,771	-5,288	-5,105	-5,195	-5,204	-5,277	-5,331	-5,441	-5,347	-5,232	-5,440	-5,170
Balance on merchandise trade	17	340	404	319	-433	-193	-70	-150	46	-66	50	46	98	-310	152
Services —															
Credits	1,247	1,224	1,276	1,272	1,199	1,284	1,338	1,317	1,383	1,360	1,371	1,397	1,380	1,386	1,345
Debits	-1,522	-1,542	-1,437	-1,469	-1,427	-1,469	-1,469	-1,480	-1,485	-1,509	-1,491	-1,545	-1,485	-1,516	-1,507
Net services	-275	-318	-161	-197	-228	-185	-131	-163	-102	-149	-120	-148	-105	-130	-162
Balance on goods and services	-258	22	243	122	-661	-378	-201	-313	-56	-215	-70	-102	-7	-440	-10
Income —															
Credits	462	477	450	448	507	392	404	412	470	519	525	429	476	484	484
Debits	-1,743	-1,572	-1,552	-1,486	-1,694	-1,661	-1,662	-1,595	-1,670	-1,618	-1,668	-1,677	-1,863	-1,679	-1,813
Net income	-1,281	-1,095	-1,102	-1,038	-1,187	-1,269	-1,258	-1,183	-1,200	-1,099	-1,143	-1,248	-1,387	-1,195	-1,329
Unrequited transfers —															
Credits	264	260	256	256	248	245	248	236	244	232	216	215	224	254	253
Debits	-208	-197	-174	-224	-186	-193	-182	-244	-176	-207	-194	-205	-196	-219	-179
Net unrequited transfers	56	63	82	32	62	52	66	-8	68	25	22	10	28	35	74
Balance on current account	-1,483	-1,010	-777	-884	-1,786	-1,595	-1,393	-1,504	-1,188	-1,289	-1,191	-1,340	-1,366	-1,600	-1,265
Trend Estimates															
Goods and services —															
Merchandise (a) —															
Exports fob	5,103	5,103	5,068	5,020	4,989	4,996	5,047	5,141	5,244	5,319	5,351	5,348	5,329p	5,305p	5,270p
Imports fob	-4,904	-4,897	-4,905	-4,940	-5,006	-5,099	-5,191	-5,260	-5,302	-5,326	-5,344	-5,345	-5,332p	-5,312p	-5,286p
Balance on merchandise trade	199	206	163	80	-17	-103	-144	-119	-58	-7	7	3	-3p	-7p	-16p
Balance on goods and services	-66	-43	-68	-132	-210	-276	-301	-264	-194	-135	-120	-126	-134p	-141p	-157p
Balance on current account	-1,188	-1,132	-1,141	-1,214	-1,320	-1,418	-1,459	-1,424	-1,348	-1,291	-1,291	-1,325	-1,360p	-1,389p	-1,422p

(a) Balance of payments basis. (b) For forward seasonal factors see paragraph 5 of the Explanatory Notes.

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

	Years			Months												July to Jan
				1992-93												1992-93
	1990-91	1991-92	1992-93	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Exports fob (a) —																
<i>Rural exports fob —</i>																
Meat & meat preparations	3,173	3,434	3,752	341	278	284	282	358	352	389	327	356	397	381	325	254
Cereal grains & cereal preparations	2,436	2,352	2,953	236	308	296	308	312	234	192	207	189	214	232	252	283
Sugar, sugar preparations & honey	948	747	1,073	86	58	92	81	50	61	140	165	158	168	124	47	122
Wool & sheepskins	2,887	3,829	3,365	374	255	288	250	228	206	204	169	236	300	326	347	271
Other rural	4,578	5,241	5,936	492	449	485	507	582	558	543	513	484	553	517	597	468
Total rural	14,022	15,603	17,079	1,529	1,348	1,445	1,428	1,530	1,411	1,468	1,381	1,423	1,632	1,580	1,568	1,398
<i>Non-rural exports fob —</i>																
Metal ores & minerals	8,557	7,938	7,942	599	592	642	688	661	647	639	708	700	655	688	626	568
Coal, coke & briquettes	6,480	6,949	7,620	597	627	635	622	632	674	686	640	552	695	634	725	571
Other mineral fuels	3,595	3,402	3,913	403	250	340	271	363	328	307	310	290	300	297	263	279
Gold	4,136	4,605	4,583	423	377	354	255	346	311	412	394	739	568	451	299	538
Other metals	4,737	4,702	5,211	407	413	416	431	461	426	440	463	392	473	440	489	417
Machinery	3,123	3,471	4,347	443	312	357	318	503	419	411	399	426	448	431	550	302
Transport equipment	1,907	1,655	2,020	185	160	156	177	169	203	272	172	138	208	193	197	66
Other manufactures	4,555	5,268	6,017	509	485	537	464	558	521	552	561	591	617	585	614	473
Other non-rural	1,243	1,281	1,283	94	78	135	107	109	120	195	153	159	150	145	110	149
Total non-rural	38,133	39,271	42,936	3,660	3,315	3,572	3,333	3,802	3,649	3,914	3,800	3,987	4,114	3,864	3,873	3,363
Total exports fob	52,155	54,874	60,015	5,189	4,663	5,017	4,761	5,332	5,060	5,382	5,181	5,410	5,746	5,444	5,441	4,761
Imports fob (a) —																
Food, beverages & tobacco	-2,323	-2,443	-2,669	-228	-214	-208	-239	-222	-213	-202	-259	-253	-247	-258	-272	-258
Fuels	-3,147	-2,824	-3,754	-320	-323	-286	-377	-274	-364	-300	-227	-408	-342	-292	-313	-329
Chemicals (including plastics)	-5,163	-5,551	-6,623	-542	-529	-563	-602	-569	-561	-543	-619	-538	-609	-584	-579	-556
Textiles, fabrics etc	-1,830	-2,013	-2,145	-190	-162	-155	-188	-173	-182	-189	-219	-194	-194	-201	-163	-168
Metals & metal manufactures	-2,484	-2,476	-2,980	-244	-216	-230	-271	-254	-238	-226	-286	-295	-285	-284	-279	-246
Machinery	-14,228	-14,712	-17,751	-1,868	-1,214	-1,290	-1,593	-1,461	-1,481	-1,620	-1,731	-1,690	-1,721	-1,694	-1,792	-1,497
Transport equipment —																
Civil aircraft (b)	-1,519	-1,490	-705	-41	—	—	—	-46	—	—	—	—	—	-49	—	-50
Road vehicles (c)	-4,485	-4,801	-6,156	-511	-428	-490	-527	-551	-532	-575	-641	-599	-534	-650	-549	-461
Other transport equipment (d)	-1,680	-1,081	-1,271	-76	-65	-70	-375	-52	-114	-95	-91	-103	-230	-85	-166	-106
Other manufactures	-10,108	-11,108	-12,560	-1,096	-916	-939	-1,161	-985	-977	-971	-1,229	-1,217	-1,256	-1,228	-1,258	-1,022
Other imports	-2,289	-2,557	-2,812	-234	-269	-173	-224	-216	-249	-241	-279	-292	-280	-245	-209	-202
Total imports fob	-49,256	-51,056	-59,426	-5,350	-4,281	-4,425	-5,557	-4,803	-4,911	-4,962	-5,581	-5,589	-5,698	-5,559	-5,697	-4,794
<i>Exogenous (e)</i>	<i>-5,648</i>	<i>-5,206</i>	<i>-5,463</i>	<i>-435</i>	<i>-394</i>	<i>-353</i>	<i>-456</i>	<i>-379</i>	<i>-432</i>	<i>-374</i>	<i>-295</i>	<i>-515</i>	<i>-575</i>	<i>-418</i>	<i>-392</i>	<i>-434</i>
<i>Endogenous (f)</i>	<i>-43,608</i>	<i>-45,850</i>	<i>-53,963</i>	<i>-4,915</i>	<i>-4,072</i>	<i>-5,101</i>	<i>-4,424</i>	<i>-4,479</i>	<i>-4,588</i>	<i>-5,286</i>	<i>-5,074</i>	<i>-5,123</i>	<i>-5,141</i>	<i>-5,305</i>	<i>-4,863</i>	<i>-4,416</i>

(a) Definitions of the component series are given in publication 5302.0. (b) Acquisition of aircraft by selected major airline companies. (c) SITC Division 78. (d) Includes civil aircraft parts. (e) Transactions in selected goods which are lumpy by nature, subject to government arrangements or significantly affected by factors other than the general level of economic activity in Australia, specifically, fuels, defence equipment, and ships, aircraft and other large items of equipment acquired by selected public and private enterprises. (f) Goods other than those regarded as exogenous.

TABLE 5. BALANCE OF PAYMENTS — CAPITAL ACCOUNT AND BALANCING ITEM
(\$ million)

	Years			Months												July to Jan	
	1990- 91	1991- 92	1992- 93	1990- 91	1991- 92	1992- 93	1992-93	1992-93	1992-93	1992-93	1992-93	1992-93	1992-93	1992-93	1992-93	1992-93	1992-93
Official —																	
General government —																	
Borrowing —																	
Domiciled abroad —																	
Commonwealth Government —																	
Drawings	—	—	1,139	—	—	—	1,139	—	—	—	—	—	—	—	—	—	—
Repayments	-2,063	-602	-758	—	—	-276	-17	-17	-11	-123	-17	-1	-1	-277	-11	-226	-16
Total	-2,063	-602	-381	—	—	-276	-17	-17	-11	-123	-17	-1	-1	-277	-11	-226	-16
State government	2,708	4,154	10,135	1,835	1,835	782	503	687	42	2,397	1,167	609	1,508	282	1,508	1,568	2,069
Total domiciled abroad	645	3,552	10,516	1,835	1,835	506	486	687	31	2,274	1,150	608	1,497	559	1,497	1,342	2,053
Domiciled in Australia	98	-1,457	1,104	1,192	1,192	-501	302	-103	56	247	-969	-136	-563	954	-120	1,044	2,874
Total borrowing	743	2,095	11,620	3,027	3,027	5	788	-790	2,947	2,013	1,305	45	395	1,377	2,386	4,927	7,863
Other	-426	627	9	36	36	67	3	29	-47	-18	-125	51	-40	-9	38	20	56
Total general government	317	2,722	11,629	3,063	3,063	72	791	-761	2,959	1,995	1,180	1,065	5	386	1,415	2,406	4,983
Reserve Bank —																	
Reserve assets —																	
Official reserve assets	-1,446	3,929	3,950	-71	-405	1,398	975	-1,241	466	-459	502	-725	-491	-190	61	39	213
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	-22	21	39	5	-5	9	4	-17	19	-9	-10	-16	-14	9	-25	27	2
Total Reserve Bank	-1,468	3,950	3,989	-66	-410	1,407	979	-1,258	485	-468	492	-741	-505	-181	36	66	215
T total official	-1,151	6,672	15,618	2,997	-338	2,198	218	-2,223	3,444	1,527	1,672	324	-500	205	1,451	2,472	5,198
Non-official plus balancing item —																	
Public sector —																	
Non equity securities																	
domiciled in Australia (a)	452	-594	-291	125	19	116	-163	-460	-135	-34	202	-76	-13	37	-141	-20	-77
Accounts receivable/prepayments																	
made	422	1,011	88	-4	-69	-86	-18	-21	25	-53	70	-2	-56	62	56	24	29
Other (including balancing	16,587	5,536	541	-1,603	996	-1,502	560	4,549	-1,928	-450	1,151	-56	1,409	2,609	217	-1,425	-3,755
item) (b)																	
Total non-official plus balancing item	17,461	5,953	338	-1,482	946	-1,472	379	4,068	-2,038	-537	1,423	-134	1,340	2,297	1,024	-1,421	-3,803
Balance on capital account plus																	
balancing item	16,310	12,625	15,956	1,515	608	726	597	1,845	1,406	990	1,540	1,538	1,664	1,797	1,229	1,583	1,395

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

TABLE 6. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Years			Months														
	1990-1991-1992-			1992-93												1993-94		
	91	92	93	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Official reserve assets																		
(\$ million) —																		
Levels at end of period																		
24,047	22,240	20,823	19,998	20,112	19,023	17,553	18,888	18,740	20,588	20,823	20,131	21,014	22,023	21,198	21,394	20,978	19,882	
Changes in levels																		
2,176	-1,807	-1,417	26	114	-1,089	-1,470	1,335	-148	1,848	235	-692	883	1,009	-825	196	-416	-1,096	
Of which —																		
Changes due to effects of revaluations																		
730	2,122	2,533	-45	-291	309	-495	94	318	1,389	-79	-190	158	518	-1,015	257	-377	-883	
Changes included in the balance of payments (a)																		
1,446	-3,929	-3,950	71	405	-1,398	-975	1,241	-466	459	314	-502	725	491	190	-61	-39	-213	
Exchange rates (b) —																		
Units of foreign currency per \$A —																		
End of period (c) —																		
0.7681	0.7488	0.6722	0.6823	0.6880	0.6786	0.6957	0.7058	0.7116	0.6769	0.6722	0.6834	0.6708	0.6453	0.6661	0.6586	0.6771	0.7112	
0.4712	0.3945	0.4453	0.4512	0.4549	0.4456	0.4874	0.4725	0.4530	0.4345	0.4453	0.4609	0.4494	0.4271	0.4476	0.4423	0.4575	0.4757	
1.382	1.144	1.137	1.092	1.113	1.075	1.139	1.143	1.123	1.077	1.137	1.188	1.121	1.046	1.113	1.125	1.175	1.242	
106.19	94.05	71.54	85.08	85.81	84.42	81.92	81.51	79.06	72.60	71.54	72.41	69.93	67.85	72.17	71.77	75.80	78.11	
0.5825	0.5213	0.4818	0.4945	0.4997	0.4889	0.5036	0.5085	0.5010	0.4738	0.4818	0.4907	0.4769	0.4546	0.4789	0.4763	0.4921	0.5146	
Period average (d) —																		
0.7853	0.7694	0.7030	0.6902	0.6896	0.6740	0.6812	0.7073	0.7118	0.6979	0.6751	0.6775	0.6785	0.6521	0.6603	0.6649	0.6728	0.6956	
0.4240	0.4381	0.4363	0.4518	0.4442	0.4386	0.4732	0.4852	0.4609	0.4499	0.4470	0.4527	0.4549	0.4277	0.4391	0.4488	0.4515	0.4661	
1.248	1.274	1.103	1.094	1.090	1.089	1.118	1.167	1.135	1.120	1.115	1.161	1.151	1.058	1.081	1.130	1.151	1.212	
107.60	100.97	84.22	85.50	85.50	84.29	82.42	82.80	79.94	76.95	72.51	73.03	70.39	68.71	70.60	72.73	73.79	77.59	
0.5656	0.5580	0.4982	0.4972	0.4963	0.4895	0.4966	0.5127	0.5046	0.4931	0.4790	0.4873	0.4844	0.4605	0.4691	0.4785	0.4858	0.5062	
Special drawing right																		
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —																		
End of period (c)																		
59.7	55.2	49.5	51.8	52.4	51.6	52.7	52.9	52.3	49.4	49.5	50.6	49.3	47.3	49.4	49.1	50.8	54.0	
Period average (d)																		
58.9	58.2	52.3	52.0	52.2	51.4	51.9	53.4	52.6	51.3	49.6	50.2	49.8	47.8	48.6	49.4	50.2	53.1	

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 5. (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 January 1994, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the September quarter 1993 issue of the quarterly balance of payments publication (5302.0) released on 26 November 1993.

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

Accuracy, reliability and volatility

3. Care should be exercised in the use and interpretation of estimates in this publication. The sources available for the production of timely and reliable monthly estimates are limited and the initial estimates are made available very quickly. Consequently, the latest estimates in this publication, to a greater extent than estimates in quarterly and annual balance of payments publications, are **preliminary and subject to revision** as more complete and accurate information becomes available. Certain items are estimated using extrapolation techniques until source data become available. Further, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

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

Balance on current account: 9 in 10 months
Merchandise exports f.o.b: 8 in 10 months
Merchandise imports f.o.b: 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 1994 can be obtained, for \$65.00, from Mr Trevor Jolly on Canberra (06) 252 6820.

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

Available longer term series

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

Symbols and other usages

f.o.b.	free on board
n.a.	not available
n.e.c.	not elsewhere classified
n.y.a.	not yet available
—	nil or rounded to zero
..	not applicable
p	provisional

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

IAN CASTLES
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INFORMATION PAPER

Commencing with the March issues of the monthly and quarterly balance of payments publications the presentation of imports data in balance of payments publications will change.

The ABS has prepared an information paper on this change, titled,
Change to Commodity Classification of Merchandise Imports in Balance of Payments Publications
(ABS Catalogue No 5344.0)

This information paper includes:

- a detailed description of the new classification;
- a link between the new and the old publication categories;
- tables showing monthly, quarterly and annual data on the new basis from July 1981 to December 1993; and
- some analysis of the impact of the change.

For more information:

- about the change to the classification, please call Balance of Payments Section on (06) 252 5540
- about the availability of the Information Paper, please call the ABS Bookshop 1800 020 608

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