

BALANCE OF PAYMENTS, AUSTRALIA, JULY 1995

MAIN FEATURES

Estimates of the main balance of payments aggregates for July 1995 and the three preceding months are shown below. These estimates are preliminary and subject to revision. Particular care should be taken in interpreting month-to-month movements, as indicated in the note on page 5 on *Reliability of Contemporary Trend Estimates* and in paragraph 4 of the *Explanatory Notes* on page 13. Certain items have been estimated using extrapolation techniques until source data become available.

	1994-95			1995-96
	Apr	May	June	July
	\$ million			
	<i>Not seasonally adjusted</i>			
Balance on current account	-1,820	-3,016	-2,508	-2,575
Balance on merchandise trade	-84	-828	-543	-951
Net services	-79	-211	-253	-137
Net income	-1,759	-1,939	-1,612	-1,607
Net unrequited transfers	102	-38	-100	120
Official capital	-815	942	3,138	2,387
Non-official capital plus balancing item	2,635	2,074	-630	188
	<i>Seasonally adjusted</i>			
Balance on current account	-2,440	-3,130	-2,522	-2,091
Balance on merchandise trade	-668	-1,056	-960	-540
Net services	-62	-126	-4	13
Net income	-1,782	-1,945	-1,596	-1,655
Net unrequited transfers	72	-3	38	91
\$US exchange rate (per unit of \$A)(b)	0.7361	0.7278	0.7196	0.7268
Trade weighted index (base May 1970 = 100)(b)	50.1	49.8	49.2	50.0

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

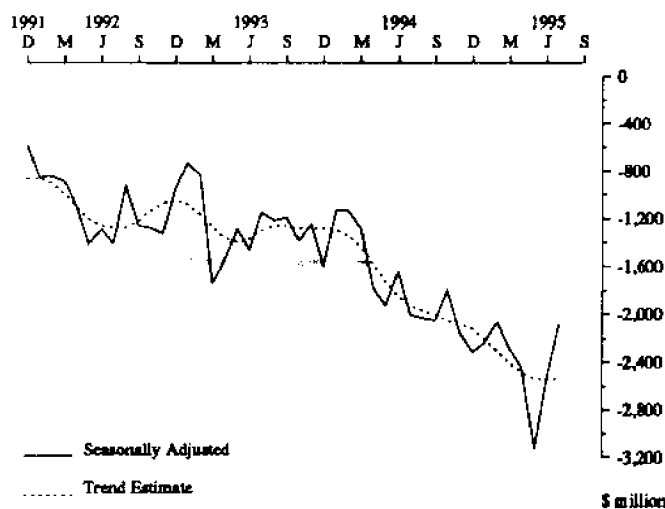
In seasonally adjusted terms, the current account deficit for July decreased \$431 million, or 17 per cent, to \$2,091 million. The decrease in the deficit was caused by:

- a decrease of \$420 million (44 per cent) in the merchandise trade deficit (merchandise exports rose 9 per cent, while merchandise imports rose 1 per cent);
- a turnaround of \$17 million, from a deficit to a surplus, in the net services balance; and
- an increase of \$53 million (139 per cent) in the net unrequited transfers surplus.

Partly offsetting these movements in merchandise trade, services and unrequited transfers was an increase of \$59 million (4 per cent) in the net income deficit.

The provisional trend estimate for the July current account deficit was \$2,529 million, down \$13 million, or 1 per cent, on the provisional trend estimate for June. This is the first decrease in the monthly trend estimate of the current account deficit since December 1993.

GRAPH 1: BALANCE ON CURRENT ACCOUNT



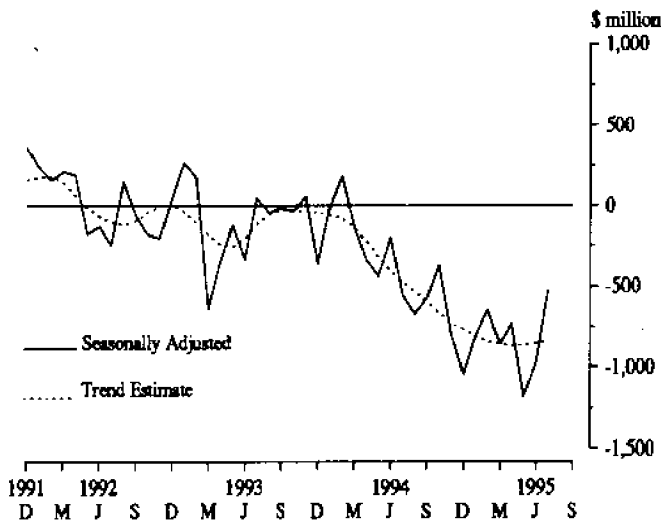
ANALYSIS OF SELECTED MAJOR AGGREGATES

July 1995 compared with June 1995

Balance on goods and services

The seasonally adjusted balance on goods and services recorded a deficit of \$527 million, a decrease of \$437 million on the deficit recorded in June.

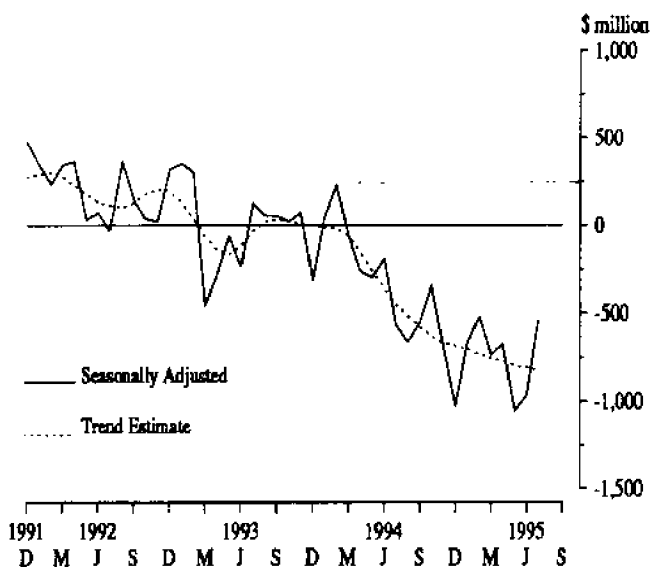
GRAPH 2: BALANCE ON GOODS AND SERVICES



Balance on merchandise trade

The seasonally adjusted balance on merchandise trade recorded a deficit of \$540 million, a decrease of \$420 million on the deficit recorded in June.

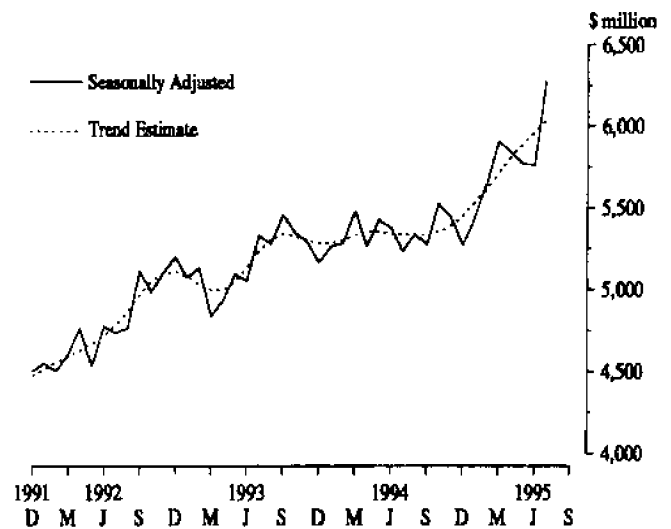
GRAPH 3: BALANCE ON MERCHANDISE TRADE



Merchandise exports

Seasonally adjusted exports *FOB* rose \$507 million, or 9 per cent to \$6,272 million. Rural exports rose \$123 million, or 8 per cent, to \$1,710 million. Non-rural exports rose \$384 million, or 9 per cent, to \$4,562 million.

GRAPH 4: MERCHANDISE - EXPORTS FOB



In original terms, exports rose \$559 million, or 10 per cent, to \$6,244 million, the highest monthly level recorded to date.

Rural exports, in original terms, rose \$211 million, or 14 per cent, to \$1,732 million. Increases were recorded in:

- sugar, up \$172 million or 261 per cent (due mainly to increased volumes of cane sugar exports);
- meat, up \$36 million or 12 per cent; and
- wool, up \$27 million or 10 per cent.

These increases were partly offset by decreases in "other" rural exports, down \$20 million or 3 per cent; and cereals, down \$4 million or 2 per cent.

Non-rural exports, in original terms, rose \$348 million, or 8 per cent, to \$4,512 million. The most significant increases were recorded in:

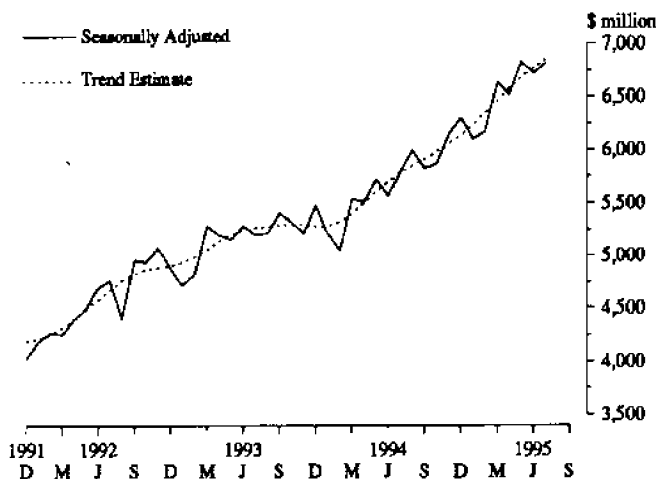
- gold, up \$122 million or 37 per cent (due to increased volumes of exports);
- coal, coke and briquettes, up \$81 million or 14 per cent (due to increased volumes of exports);
- "other" mineral fuels, up \$75 million or 24 per cent (due mainly to increased exports of crude petroleum and LNG); and
- "other" metals, up \$47 million or 9 per cent.

The most significant decrease was recorded in "other" non-rural exports, down \$29 million or 18 per cent.

Merchandise imports

Seasonally adjusted imports fob rose \$87 million, or 1 per cent, to \$6,812 million. *Consumption goods* rose \$157 million, or 9 per cent, to \$1,813 million. *Capital goods* fell \$263 million, or 15 per cent, to \$1,522 million. *Intermediate and other goods* rose \$193 million, or 6 per cent, to \$3,477 million.

GRAPH 5: MERCHANDISE - IMPORTS FOB



In original terms, imports rose \$967 million, or 16 per cent, to \$7,195 million, the highest monthly level recorded to date.

Imports of *consumption goods*, in original terms, rose \$449 million, or 31 per cent, to \$1,902 million. Increases were recorded in all groups. The largest increases were recorded in:

- consumption goods nes, up \$143 million or 38 per cent (with most components recording increases);
- textiles, clothing and footwear, up \$109 million or 69 per cent (with all components recording increases); and
- food and beverages, mainly for consumption, up \$63 million or 35 per cent (with most components recording increases).

Imports of *capital goods*, in original terms, fell \$15 million, or 1 per cent, to \$1,700 million. Decreases were recorded in 4 of the 6 groups. The largest decreases were recorded in:

- ADP equipment, down \$55 million or 14 per cent; and
- civil aircraft, down \$22 million or 44 per cent.

These decreases were partly offset by increases in industrial transport equipment nes, up \$45 million or 25 per cent; and capital goods nes, up \$41 million or 21 per cent.

Imports of *intermediate and other goods*, in original terms, rose \$533 million, or 17 per cent, to \$3,593 million. Increases were recorded in 10 of the 14 groups. The largest increases were recorded in:

- processed industrial supplies nes, up \$138 million or 20 per cent (with most components recording increases);

- "other" parts for capital goods, up \$102 million or 20 per cent (with all components recording increases);
- fuels and lubricants, up \$101 million or 35 per cent (due mainly to increased imports of crude petroleum); and
- parts for transport equipment, up \$98 million or 28 per cent (with most components recording increases).

Net services

The seasonally adjusted *net services* balance recorded a surplus of \$13 million, a turnaround of \$17 million on the deficit recorded in June. Services credits rose \$51 million (3 per cent), while services debits rose \$34 million (2 per cent).

Net income

The seasonally adjusted *net income* deficit rose \$59 million, or 4 per cent, to \$1,655 million. Income credits fell \$46 million or 7 per cent, while income debits rose \$13 million or 1 per cent. It should be noted that, in accordance with established methodology, the monthly estimates of the non-official sector for July 1995 are based on extrapolations of quarterly results divided by three. These extrapolations will be replaced by preliminary results from the September quarter 1995 ABS Survey of Foreign Investment (SFI) when these results become available. Preliminary results should be available in time for incorporation in the October 1995 issue of this publication, scheduled for release on 29 November 1995.

Net unrequited transfers

The seasonally adjusted *net unrequited transfers* surplus increased \$53 million, or 139 per cent, to \$91 million. Unrequited transfers credits rose \$64 million, or 22 per cent, while unrequited transfers debits rose \$11 million or 4 per cent.

Net capital transactions

In original terms, the *net capital transactions of the official sector* recorded a net inflow of \$2,387 million in July, a decrease of \$751 million on the net inflow recorded in June.

The July estimate consisted of:

- a net inflow of \$3,324 million in general government transactions, an increase of \$1,142 million on the net inflow recorded in the previous month; and
- a net outflow of \$937 million in Reserve Bank transactions, a turnaround of \$1,893 million on the net inflow recorded in the previous month.

The net inflow in general government transactions was mainly the result of a net inflow of \$3,129 million in general government borrowing domiciled abroad, an increase of \$1,703 million on the net inflow recorded in June. This was mainly attributable to State government borrowing domiciled abroad. The inflow due to borrowing domiciled abroad was partly offset by a decrease of \$511 million, to

\$228 million, in the net inflow in borrowing domiciled in Australia.

Reserve Bank transactions in July mainly reflected net purchases of reserve assets of \$940 million, a turnaround of \$1,896 million on the net sales recorded in June.

Exchange rates

Using period average exchange rates, the \$A appreciated by 1.6 per cent on a trade weighted basis during July against the currencies of Australia's major trading partners. The \$A appreciated by 1.0 per cent against the \$US and appreciated by 4.3 per cent against the Japanese yen.

REVISIONS

Revisions since the last issue of this publication have increased the current account deficit for 1994-95 by \$796 million.

Revisions to the current account deficit for 1994-95 are due to the incorporation of preliminary data from the June quarter 1995 Survey of Foreign Investment, which has resulted in revisions to property income credits and debits.

Revisions have also been made to the capital account estimates for the last 9 months. The revisions were due to the incorporation of preliminary data from the June quarter 1995 Survey of Foreign Investment.

Release date for August 1995 issue

The expected release date for the August issue of this publication is 29 September 1995. 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

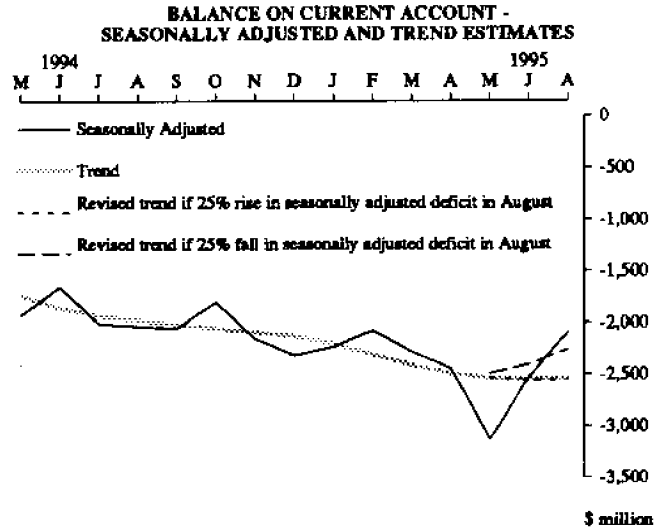
The table below presents trend estimates of the deficit on current account from May 1994 onwards, including provisional trend estimates for the latest three months (May, June and July 1995).

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 (August 1995) 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 August by 25 per cent, to \$2,614 million, the provisional trend movement for that month would be -0.6 per cent. The movements in the trend estimates for May, June and July which are provisionally 1.9 per cent, 0.4 per cent and -0.5 per cent respectively, would be revised to 2.0 per cent, 0.8 per cent and -0.2 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted deficit next month, to \$1,568 mil-

lion, would produce a movement of -7.3 per cent in the trend estimate for August, with the movements in the trend estimates for May, June and July being revised to -0.6 per cent, -3.5 per cent and -5.9 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 August 1995 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on July 1995 (a)		is down 25% on July 1995 (a)	
			\$m	% change on previous month	\$m	% change on previous month
1993-94 —						
May	1725	9.6	1725	9.6	1725	9.6
June	1848	7.1	1848	7.1	1848	7.1
1994-95 —						
July	1926	4.2	1926	4.2	1926	4.2
August	1969	2.2	1969	2.2	1969	2.2
September	2007	1.9	2007	1.9	2007	1.9
October	2050	2.1	2050	2.1	2050	2.1
November	2085	1.7	2085	1.7	2085	1.7
December	2125	1.9	2125	1.9	2125	1.9
January	2201	3.6	2201	3.6	2201	3.6
February	2307	4.8	2306	4.8	2327	5.7
March	2409	4.4	2408	4.4	2444	5.0
April	2485	3.2	2485	3.2	2502	2.4
May	2531 p	1.9	2535	2.0	2488	-0.6
June	2542 p	0.4	2555	0.8	2400	-3.5
1995-96 —						
July	2529 p	-0.5	2551	-0.2	2259	-5.9
August			2536	-0.6	2095	-7.3

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months May 1994 to July 1995.

TABLE 1. BALANCE OF PAYMENTS
(\$ million)

	Years			Months												
	1992-93	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96
Current transactions —																
Goods and services —																
Merchandise (a) —																
Exports fob	60,022	63,852	66,496	5,728	5,239	5,378	5,278	5,286	5,743	5,726	5,505	4,875	5,117	6,140	5,612	6,151
Imports fob	-59,427	-64,400	-74,696	-5,638	-5,225	-6,672	-6,068	-6,264	-6,264	-6,679	-5,920	-5,785	-5,611	-6,809	-5,696	-6,979
Balance on merchandise trade	995	-548	-8,200	90	14	-607	-1,394	-782	-521	-953	-415	-910	-494	-669	-84	-828
Services —																
Credits	16,422	18,688	20,373	1,388	1,468	1,691	1,563	1,472	1,680	1,663	1,747	1,893	2,030	1,725	1,698	1,602
Debits	-18,430	-19,497	-21,122	-1,608	-1,706	-1,815	-1,698	-1,821	-1,734	-1,693	-1,691	-1,857	-1,617	-1,744	-1,777	-1,813
Net services	-2,008	-809	-749	-220	-238	-124	-135	-349	-54	-30	56	36	413	-19	-79	-211
Balance on goods and services	-1,413	-1,357	-8,949	-130	-224	-731	-1,529	-1,131	-575	-983	-359	-874	-81	-688	-163	-1,039
Income —																
Credits	5,924	6,015	7,183	420	416	580	580	603	601	568	580	612	626	653	605	505
Debits	-19,860	-21,695	-25,576	-1,882	-1,855	-2,002	-1,980	-2,110	-2,114	-2,046	-1,902	-2,185	-2,027	-2,122	-2,364	-2,444
Net income	-13,936	-15,680	-18,393	-1,462	-1,439	-1,422	-1,400	-1,507	-1,513	-1,478	-1,321	-1,573	-1,401	-1,469	-1,759	-1,939
Unrequited transfers —																
Credits	3,119	2,820	3,210	206	224	272	250	225	258	235	288	315	315	237	295	247
Debits	-2,434	-2,624	-2,723	-237	-390	-226	-178	-213	-180	-170	-224	-222	-241	-218	-193	-285
Net unrequited transfers	685	196	487	-31	-166	46	72	12	78	65	64	93	74	19	102	-38
Balance on current account	-14,664	-16,841	-26,855	-1,623	-1,829	-2,107	-2,857	-2,626	-2,010	-2,396	-1,616	-2,354	-1,408	-2,138	-1,820	-3,016
Net capital transactions —																
Official —																
General government	11,384	7,869	13,626	812	-2,703	3,174	-1,003	477	2,774	4,215	2,032	-491	505	-300	-715	774
Reserve Bank —																
Reserve assets	3,950	-1,055	1,971	-243	-171	30	16	483	904	-32	73	13	-93	-441	-138	200
Other	39	-49	23	-11	3	25	-32	31	-44	22	13	-13	19	-4	38	-32
Total	3,989	-1,104	1,994	-254	-168	55	-16	514	860	-10	86	-	-74	-445	-100	168
Total official	15,373	6,765	15,620	558	-2,871	3,229	-1,019	991	3,634	4,205	2,118	-491	431	-745	-815	942
Non-official plus balancing item	-709	10,076	11,235	1,065	4,700	-1,122	3,876	1,634	-1,625	-1,809	-502	2,845	977	2,882	2,635	2,074
Balance on capital account plus balancing item	14,664	16,841	26,855	1,623	1,829	2,107	2,857	2,626	2,010	2,396	1,616	2,354	1,408	2,138	1,820	3,016
(e) Balance of payments base:																

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

	Months														
	1993-94			1994-95			1995-96								
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Seasonally Adjusted (b)															
<i>Goods and services --</i>															
<i>Merchandise --</i>															
<i>Exports fob --</i>															
Rural	1,624	1,615	1,651	1,669	1,647	1,674	1,717	1,531	1,463	1,507	1,599	1,476	1,514	1,587	1,710
Non-rural	3,804	3,764	3,581	3,672	3,627	3,854	3,732	3,740	3,969	4,145	4,311	4,375	4,257	4,178	4,562
Total	5,428	5,379	5,232	5,341	5,274	5,528	5,449	5,271	5,432	5,652	5,910	5,851	5,771	5,765	6,272
<i>Imports fob --</i>															
Consumption goods	-1,536	-1,507	-1,568	-1,567	-1,610	-1,576	-1,616	-1,628	-1,601	-1,512	-1,709	-1,699	-1,737	-1,656	-1,813
Capital goods	-1,380	-1,302	-1,350	-1,477	-1,334	-1,336	-1,574	-1,738	-1,441	-1,630	-1,742	-1,569	-1,690	-1,785	-1,522
Intermediate and other goods	-2,806	-2,757	-2,874	-2,955	-2,880	-2,956	-2,955	-2,933	-3,058	-3,026	-3,191	-3,251	-3,400	-3,284	-3,477
Total	-5,722	-5,566	-5,792	-5,999	-5,824	-5,868	-6,145	-6,299	-6,100	-6,168	-6,642	-6,519	-6,827	-6,725	-6,812
<i>Balance on merchandise trade</i>	-294	-187	-560	-658	-550	-340	-696	-1,028	-668	-516	-732	-668	-1,056	-960	-540
<i>Services --</i>															
Credits	1,513	1,645	1,682	1,682	1,683	1,658	1,624	1,670	1,662	1,728	1,711	1,782	1,750	1,801	1,852
Debits	-1,659	-1,650	-1,675	-1,693	-1,700	-1,688	-1,718	-1,683	-1,801	-1,853	-1,836	-1,844	-1,876	-1,805	-1,839
Net services	-146	-5	7	-11	-17	-30	-94	-13	-139	-125	-125	-62	-126	-4	13
<i>Balance on goods and services</i>	-440	-192	-553	-669	-567	-370	-790	-1,041	-807	-641	-857	-730	-1,182	-964	-527
<i>Income --</i>															
Credits	412	403	582	590	605	598	573	581	637	664	688	593	496	654	608
Debits	-1,886	-1,829	-2,045	-1,988	-2,075	-2,062	-2,002	-1,913	-2,178	-2,141	-2,126	-2,375	-2,441	-2,250	-2,263
Net income	-1,474	-1,426	-1,463	-1,398	-1,470	-1,464	-1,429	-1,332	-1,541	-1,477	-1,438	-1,782	-1,945	-1,596	-1,655
<i>Unrequited transfers --</i>															
Credits	222	237	269	249	237	248	241	279	296	307	238	295	266	286	350
Debits	-230	-262	-257	-211	-250	-208	-171	-222	-182	-257	-228	-223	-269	-248	-259
Net unrequited transfers	-8	-25	12	38	-13	40	70	57	114	50	10	72	-3	38	91
<i>Balance on current account</i>	-1,922	-1,643	-2,004	-2,029	-2,050	-1,794	-2,149	-2,316	-2,234	-2,068	-2,285	-2,440	-3,130	-2,522	-2,091
Trend Estimates															
<i>Merchandise --</i>															
Exports fob	5,353	5,343	5,336	5,338	5,343	5,357	5,391	5,455	5,533	5,619	5,713	5,807	5,891p	5,968p	6,029p
Imports fob	-5,607	-5,701	-5,781	-5,850	-5,916	-5,988	-6,057	-6,137	-6,234	-6,349	-6,466	-6,580	-6,686p	-6,774p	-6,851p
<i>Balance on merchandise trade</i>	-254	-358	-445	-512	-573	-631	-666	-682	-701	-730	-753	-773	-795p	-806p	-822p
<i>Balance on goods and services</i>	-316	-403	-472	-529	-591	-664	-723	-764	-803	-840	-859	-864	-864p	-850p	-837p
<i>Balance on current account</i>	-1,725	-1,848	-1,926	-1,969	-2,007	-2,050	-2,085	-2,125	-2,201	-2,307	-2,409	-2,485	-2,531p	-2,542p	-2,529p

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

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

	Years												Months											
	1992-93			1993-94			1994-95			1993-94			1994-95			1995-								
	1992-93	1993-94	1994-95	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July						
<i>Rural exports fob (a) —</i>																								
Meat & meat preparations	3,750	4,043	3,652	375	300	307	291	327	370	358	288	230	264	320	302	301	294	330	330					
Cereal grains & cereal preparations	2,954	3,206	2,520	309	282	295	286	227	222	209	185	152	190	225	143	211	175	171	171					
Sugar, sugar preparations & honey	1,072	1,315	1,730	87	94	215	230	179	212	204	119	92	81	103	129	100	66	238	238					
Wool & sheepskins	3,367	3,369	4,215	329	262	260	220	307	405	447	423	339	371	468	376	316	283	310	310					
Other rural	5,937	6,508	6,924	662	610	594	524	505	582	579	590	470	497	583	581	716	703	683	683					
Total rural	17,080	18,441	19,041	1,762	1,548	1,671	1,551	1,545	1,791	1,797	1,605	1,283	1,403	1,699	1,531	1,644	1,521	1,732	1,732					
<i>Non-rural exports fob (a) —</i>																								
Metal ores & minerals	7,943	7,671	7,967	582	720	580	561	655	662	650	665	604	587	765	652	838	748	784	784					
Coal, coke & briquettes	7,620	7,256	6,927	577	492	618	587	522	613	560	529	556	512	608	594	641	587	668	668					
Other mineral fuels	3,913	3,350	3,793	290	250	262	362	290	290	312	295	386	267	372	296	343	318	393	393					
Gold	4,580	5,548	5,029	369	432	382	407	303	453	411	348	459	453	483	556	444	330	452	452					
Other metals	5,210	5,396	6,079	535	471	492	418	453	454	482	497	546	527	561	519	614	516	563	563					
Machinery	4,344	5,294	6,051	619	435	474	457	507	486	521	558	345	493	588	485	543	594	626	626					
Transport equipment	2,022	2,086	2,002	181	127	146	159	161	143	164	175	131	145	200	184	183	211	203	203					
Other manufactures	6,026	6,967	7,895	644	626	655	661	686	695	676	660	473	583	714	649	740	703	695	695					
Other non-rural	1,284	1,843	1,712	169	138	98	115	164	156	153	173	92	147	150	146	161	157	128	128					
Total non-rural	42,942	45,411	47,455	3,966	3,691	3,707	3,727	3,741	3,952	3,929	3,900	3,592	3,714	4,441	4,081	4,507	4,164	4,512	4,512					
Total exports fob	60,022	63,852	66,496	5,728	5,239	5,378	5,278	5,286	5,743	5,726	5,505	4,875	5,117	6,140	5,612	6,151	5,685	6,244	6,244					

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

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

	Months																		
	Years			1994-95									1995-						
	1992-93	1993-94	1994-95	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	
<i>Consumption goods fob (a) —</i>																			
Food and beverages, mainly for consumption	-2,261	-2,430	-2,594	-200	-186	-212	-199	-208	-237	-260	-235	-227	-199	-237	-168	-230	-182	-245	
Household electrical items	-1,382	-1,436	-1,744	-122	-104	-130	-148	-152	-184	-181	-156	-121	-119	-147	-132	-145	-129	-157	
Non-industrial transport equipment	-3,478	-3,800	-4,763	-327	-323	-382	-378	-428	-392	-407	-408	-337	-313	-463	-390	-448	-417	-469	
Textiles, clothing and footwear	-2,178	-2,320	-2,567	-172	-163	-214	-249	-223	-208	-225	-192	-246	-249	-235	-179	-190	-157	-266	
Toys, books and leisure goods	-2,238	-2,496	-2,546	-215	-192	-233	-262	-238	-277	-249	-183	-181	-157	-199	-170	-204	-193	-247	
Consumption goods nes	-4,389	-4,751	-5,212	-417	-362	-436	-489	-464	-486	-521	-384	-390	-360	-444	-382	-481	-375	-518	
<i>Total consumption goods</i>	-15,926	-17,233	-19,426	-1,453	-1,330	-1,607	-1,725	-1,713	-1,784	-1,843	-1,558	-1,502	-1,397	-1,725	-1,421	-1,698	-1,453	-1,902	
<i>Capital goods fob (a) —</i>																			
Machinery and industrial equipment	-5,446	-6,414	-7,893	-565	-535	-607	-681	-614	-646	-675	-620	-637	-619	-742	-618	-705	-729	-714	
ADP equipment	-2,319	-2,629	-3,232	-266	-298	-253	-243	-276	-255	-251	-217	-189	-195	-325	-243	-393	-392	-337	
Telecommunications equipment	-1,224	-1,182	-1,805	-98	-105	-120	-132	-136	-148	-148	-310	-119	-119	-153	-117	-151	-173	-164	
Civil aircraft	-828	-241	-531	-4	-3	-5	-256	-13	-25	-9	-33	-6	-57	-18	-43	-16	-50	-28	
Industrial transport equipment nes	-1,838	-2,084	-2,712	-225	-178	-225	-204	-162	-227	-239	-518	-150	-197	-190	-188	-234	-178	-223	
Capital goods nes	-2,000	-2,293	-2,365	-184	-182	-208	-223	-187	-201	-221	-180	-173	-170	-205	-189	-215	-193	-234	
<i>Total capital goods fob</i>	-13,655	-14,843	-18,538	-1,342	-1,301	-1,418	-1,739	-1,388	-1,502	-1,705	-1,695	-1,274	-1,357	-1,633	-1,398	-1,714	-1,715	-1,700	
<i>Intermediate and other goods (a) —</i>																			
Food and beverages, mainly for industry	-436	-509	-773	-44	-38	-56	-59	-44	-59	-58	-57	-110	-90	-59	-53	-67	-61	-65	
Primary industrial supplies nes	-677	-701	-902	-80	-52	-85	-76	-71	-66	-96	-55	-80	-79	-64	-62	-83	-85	-73	
Fuels and lubricants	-3,623	-3,317	-3,564	-275	-234	-319	-337	-318	-250	-208	-235	-280	-314	-323	-315	-378	-287	-388	
Parts for transport equipment	-3,675	-4,183	-4,715	-376	-351	-409	-409	-402	-418	-437	-341	-401	-329	-410	-385	-423	-351	-449	
Parts for ADP equipment	-1,423	-1,681	-1,858	-177	-169	-151	-156	-152	-152	-165	-136	-133	-138	-171	-143	-189	-172	-159	
Other parts for capital goods	-4,232	-5,036	-5,938	-440	-415	-474	-502	-479	-482	-510	-438	-459	-453	-559	-481	-581	-520	-622	
Organic and inorganic chemicals	-2,056	-2,102	-2,431	-178	-185	-176	-200	-157	-191	-216	-177	-203	-201	-246	-203	-228	-233	-242	
Paper and paperboard	-1,381	-1,465	-1,798	-120	-101	-137	-150	-145	-151	-160	-142	-151	-133	-164	-137	-181	-147	-189	
Textile yarn and fabrics	-1,763	-1,869	-2,039	-173	-162	-190	-183	-175	-174	-191	-140	-170	-143	-176	-137	-194	-166	-189	
Iron and steel	-946	-1,039	-1,284	-87	-85	-83	-121	-99	-96	-113	-84	-97	-112	-124	-96	-137	-122	-117	
Plastics	-1,272	-1,375	-1,647	-119	-109	-127	-136	-125	-131	-149	-127	-140	-134	-155	-134	-160	-129	-170	
Non-monetary gold	-1,019	-978	-705	-68	-62	-52	-54	-60	-41	-58	-74	-69	-56	-90	-30	-66	-55	-55	
Processed industrial supplies nes	-7,135	-7,783	-8,686	-672	-606	-681	-745	-714	-740	-753	-650	-700	-653	-856	-684	-823	-687	-825	
Other goods	-208	-286	-392	-34	-25	-20	-80	-26	-27	-17	-11	-16	-22	-54	-17	-57	-45	-50	
<i>Total intermediate and other goods</i>	-29,846	-32,324	-36,732	-2,843	-2,594	-2,900	-3,208	-2,967	-2,978	-3,131	-2,667	-3,009	-2,857	-3,451	-2,877	-3,567	-3,060	-3,593	
<i>Total imports fob</i>	-59,427	-64,400	-74,696	-5,638	-5,225	-5,985	-6,672	-6,068	-6,264	-6,679	-5,920	-5,785	-5,611	-6,809	-5,696	-6,979	-6,228	-7,195	

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

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

	Years												1995. 9/6 July					
	1993-94			1994-95						1994-95								
	1992-93	1993-94	1994-95	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.		Feb.	Mar.	Apr.	May	June
Services —																		
Credits —																		
Shipment	1,241	1,487	1,533	132	130	123	123	123	113	114	114	134	134	135	140	140	140	132
Other transportation	4,614	4,604	4,557	354	351	365	395	367	370	373	384	390	371	385	391	388	378	396
Travel	6,411	7,502	8,745	509	506	740	580	519	711	706	775	921	1,069	737	745	624	618	844
Other services	4,156	5,095	5,538	393	481	463	465	463	486	470	474	448	456	468	422	450	473	481
Total services credits	16,422	18,688	20,373	1,388	1,468	1,691	1,563	1,472	1,680	1,663	1,747	1,893	2,030	1,725	1,698	1,602	1,609	1,853
Debits —																		
Shipment	-3,772	-3,854	-4,414	-334	-296	-347	-376	-366	-371	-455	-320	-349	-343	-395	-347	-396	-349	-403
Other transportation	-4,637	-4,906	-5,229	-414	-437	-463	-430	-459	-429	-403	-435	-447	-402	-426	-429	-442	-464	-496
Travel	-4,985	-5,157	-5,771	-430	-502	-544	-451	-549	-454	-363	-427	-567	-396	-431	-538	-496	-555	-591
Other services	-5,036	-5,580	-5,708	-430	-471	-461	-441	-447	-480	-472	-509	-494	-476	-492	-463	-479	-494	-500
Total services debits	-18,430	-19,497	-21,122	-1,608	-1,706	-1,815	-1,698	-1,821	-1,734	-1,693	-1,691	-1,857	-1,617	-1,744	-1,777	-1,813	-1,862	-1,990
Net services	-2,008	-809	-749	-220	-238	-124	-135	-349	-54	-30	56	36	413	-19	-79	-211	-253	-137
Income —																		
Credits —																		
Property income —																		
Investment income —																		
Reinvested earnings	2,044	2,660	3,500	222	222	292	292	292	292	292	292	292	292	292	292	292	292	334
Other	3,040	2,464	2,550	128	120	181	190	204	211	187	194	222	247	272	226	129	289	163
Other property income	343	380	583	30	30	56	56	56	50	49	49	48	48	48	41	41	41	52
Labour and other income	497	511	550	40	44	52	43	51	49	41	46	51	39	41	46	44	47	56
Total income credits	5,924	6,015	7,183	420	416	580	580	603	601	568	580	612	626	653	605	605	668	605
Debits —																		
Property income —																		
Investment income —																		
Official	-3,579	-4,110	-3,965	-350	-315	-302	-275	-407	-383	-316	-168	-491	-336	-430	-286	-368	-203	-412
Non-official —																		
Reinvested earnings	-2,384	-4,244	-5,800	-353	-355	-483	-483	-483	-483	-483	-483	-483	-483	-483	-483	-483	-483	-434
Other	-12,022	-11,326	-13,773	-1,018	-1,021	-1,049	-1,049	-1,049	-1,082	-1,082	-1,082	-1,038	-1,038	-1,038	-1,422	-1,422	-1,422	-1,183
Other property income	-1,564	-1,732	-1,647	-140	-142	-138	-139	-140	-138	-136	-136	-137	-136	-136	-137	-137	-137	-149
Labour and other income	-311	-283	-391	-21	-22	-30	-34	-30	-27	-29	-32	-36	-33	-35	-36	-34	-35	-33
Total income debits	-19,860	-21,695	-23,576	-1,882	-1,855	-2,002	-1,980	-2,110	-2,114	-2,046	-1,902	-2,185	-2,027	-2,122	-2,364	-2,444	-2,280	-2,212
Net income	-13,936	-15,680	-18,393	-1,462	-1,439	-1,422	-1,400	-1,507	-1,513	-1,478	-1,321	-1,573	-1,401	-1,469	-1,759	-1,939	-1,612	-1,607
Unrequited transfers —																		
Credits	3,119	2,820	3,210	206	224	272	250	225	258	235	288	315	315	237	295	247	273	355
Debits —																		
Official	-1,432	-1,583	-1,591	-155	-303	-134	-88	-129	-99	-77	-109	-109	-147	-123	-100	-196	-280	-137
Non-official	-1,002	-1,041	-1,132	-82	-87	-92	-90	-84	-81	-93	-115	-113	-94	-95	-93	-89	-93	-98
Total	-2,434	-2,624	-2,723	-237	-390	-226	-178	-213	-180	-170	-224	-222	-241	-218	-193	-285	-373	-235
Net unrequited transfers	685	196	487	-31	-166	46	72	12	78	65	64	93	74	19	102	-38	-100	120

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

	Months																		
	Years			1994-95									1995-						
	1992-93	1993-94	1994-95	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	
Official —																			
General government —																			
Borrowing —																			
Domiciled abroad —																			
Commonwealth Government —																			
Drawings	1,239	40			13	14													
Repayments	-830	-1,129	-1,573	-9	-1	-1	-1	-2	-1,243	-11	-92	-30	-17	-1	-1	-173	-1	-197	
Total	409	-1,089	-1,573	4	13	-1	-1	-2	-1,243	-11	-92	-30	-17	-1	-1	-173	-1	-197	
State government	10,135	4,848	8,992	-1,703	-2,296	1,182	-1,243	-1,010	2,057	1,148	2,712	-440	1,546	-1,034	517	2,129	1,427	3,326	
Total domiciled abroad	10,544	3,759	7,419	-1,699	-2,283	1,181	-1,244	-1,012	814	1,137	2,620	-470	1,529	-1,035	516	1,956	1,426	3,129	
Domiciled in Australia	831	4,580	5,590	2,647	-229	1,800	8	1,276	1,950	3,084	-595	-33	-1,019	787	-1,227	-1,179	739	228	
Total borrowing	11,375	8,339	13,009	948	-2,512	2,981	-1,236	264	2,763	4,221	2,025	-503	510	-248	-711	777	2,165	3,358	
Other	9	-470	617	-136	-191	193	233	213	11	-6	7	12	-5	-52	-4	-3	17	-34	
Total general government	11,384	7,869	13,626	812	-2,703	3,174	-1,003	477	2,774	4,215	2,032	-491	505	-300	-715	774	2,182	3,324	
Reserve Bank —																			
Reserve assets —																			
Official reserve assets	3,950	-1,055	1,971	-243	-171	30	16	483	904	-32	73	13	-93	-441	-138	200	956	-940	
Allocation of SDRs																			
Other	39	-49	23	-11	3	25	-32	31	-44	22	13	-13	19	-4	38	-32		3	
Total Reserve Bank	3,989	-1,104	1,994	-254	-168	55	-16	514	860	-10	86		-74	-445	-100	168	956	-937	
Total official	15,373	6,765	15,620	558	-2,871	3,229	-1,019	991	3,634	4,205	2,118	-491	431	-745	-815	942	3,138	2,387	
Non-official plus balancing item —																			
Public sector —																			
Not equity securities domiciled in Australia (a)	-291	-1,060	-441	-162	-105	-35	1	-19	-55	-84	-73	16	-157	-50	10	71	-66	66	
Accounts receivable/prepayments made	88	-1,215	1,185	-383	-486	310	412	401	-18	134	55	70	2	31	-33	-119	-60	-28	
Other (including balancing item) (b)	-506	12,351	10,491	1,610	5,291	-1,396	3,463	1,252	-1,552	-1,859	-484	2,759	1,132	2,901	2,658	2,122	-504	150	
Total non-official plus balancing item	-709	10,076	11,235	1,065	4,700	-1,122	3,876	1,634	-1,625	-1,809	-802	2,845	977	2,882	2,635	2,074	-630	188	
Balance on capital account plus balancing item	14,664	16,841	26,855	1,623	1,829	2,107	2,857	2,626	2,010	2,396	1,616	2,354	1,408	2,138	1,820	3,016	2,508	2,575	

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

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for July 1995, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the June quarter 1995 issue of the quarterly balance of payments publication (5302.0) released on 29 August 1995.

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 fob: 9 in 10 months
 Merchandise imports fob: 9 in 10 months

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

Seasonal adjustment

6. The factors used in seasonally adjusting the monthly balance of payments statistics during 1995 can be obtained, for \$70.00, from Mr David Jenkins on Canberra (06) 252 6128.

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.

Related products and services

9. More detailed merchandise exports and merchandise imports data, including dissections by commodity and country of origin, are also available on an international merchandise trade basis for July 1995 and previous months. These data can be obtained by contacting information services on Canberra (06) 252 5400.

Symbols and other usages

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

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

Richard Madden
 Acting Australian Statistician



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