

CHAPTER 24

OVERSEAS TRANSACTIONS

This chapter includes statistics of overseas trade, balance of payments, and overseas investment by private investors; however, because of limitations of space, the statistics are mainly restricted to summarised form.

OVERSEAS TRADE

Constitutional provisions and legislation

Constitutional provisions

By the Commonwealth of Australia *Constitution Act*, Section 51 (1), the power to make laws with respect to trade and commerce with other countries was conferred on the Australian Parliament. Under Section 86 of the Constitution, the collection and control of duties of customs and excise passed to the Executive Government of the Commonwealth on 1 January 1901. Other references to trade and commerce are contained in Sections 87 to 95 of the Constitution.

Commonwealth Government Legislation

Commonwealth Government legislation affecting overseas trade includes the *Customs Act*, the *Customs Tariff* and the *Customs Tariff (Anti-Dumping) Act* 1975. The *Customs Tariff* provides the statutory authority for imposing the actual rates of duty operative from time to time, while the *Customs Tariff (Anti-Dumping) Act* provides protection for Australian industry against various forms of unfair trading.

The Customs Tariff

The first *Australian Customs Tariff* was introduced by Resolution on 8 October 1901, from which date uniform duties came into effect throughout Australia. The *Australian Customs Tariff* has been developed in conformity with the policy of protecting economic and efficient Australian industries and of granting preferential treatment to certain imports from countries of the Commonwealth and certain developing countries. Customs collections are a major source of revenue, but in its protective character the tariff has an important influence on the Australian economy. However, an extra duty known as 'primage' is imposed on some goods, generally of a luxury nature, for revenue purposes.

The present tariff provides for general and preferential rates of duty, and its structure is based on the 'Customs Co-operation Council Nomenclature' (formerly known as the 'Brussels Nomenclature') which has its origins in the Convention on Nomenclature for the Classification of Goods in Customs Tariffs, signed in Brussels on 15 December 1950. The *Australian Customs Tariff* has been based on the Customs Co-operation Council Nomenclature since 1 July 1965.

Preferential rates. Preferential rates generally apply to goods, the produce or manufacture of the United Kingdom, Ireland, Canada, New Zealand and Papua New Guinea, and to certain goods, the produce or manufacture of specified countries, provided that such goods comply with the laws in force at the time affecting the grant of preference.

Details of the rules covering the application of preferential rates may be found in Year Book No. 61, pages 316 and 317, or by reference to the *Customs Act* 1966 and associated regulations.

Declared preference countries or developing countries. Under the *Customs Act*, certain goods from specified countries are subject to special rates of duty. Countries to which these special rates apply are classed as 'declared preference countries' or 'developing countries'. A full list of these countries, and goods excluded from the special rates of duty normally applicable, is given in the *Australian Customs Tariff*.

General rates. General rates apply to goods from all countries which do not qualify for preferential rates of duty under a particular tariff classification.

By-law provisions. Customs By-laws and Ministerial Determinations are legal instruments, made in accordance with the provisions of the *Customs Act*, to authorise admission of imported goods either free of duty or at rates of duty lower than those normally applicable. The rates of duty that apply where concessional entry has been granted are contained in the *Customs Tariff* and are identified by the words 'as prescribed by by-law'. The most frequently used by-law provision is Item

19 in Schedule 2 to the *Customs Tariff* which allows duty free admission of goods, 'being goods a suitable equivalent of which that is the produce or manufacture of Australia is not reasonably available'. Normally, by-laws identify goods by general description, have neither quantity nor time limitations and may be used by any importer. Ministerial Determinations may be either in that form or, if it is necessary to limit the availability of concessions to ensure that the tariff protection accorded to local industry is maintained, be restricted in some way, e.g. quantity or time limitations. By-laws and notices of the making of Ministerial Determinations are published in the Commonwealth of Australia Gazette.

Anti-Dumping duties. The *Customs Tariff (Anti-Dumping) Act 1975* provides protection for Australian industry against various forms of unfair trading. Under this Act dumping duty may be imposed on goods that are sold to Australian importers at a price which is less than the normal value of the goods, where this causes or threatens material injury to an Australian industry.

For details on the calculation of dumping duty see Year Book No. 61, page 320 or the *Customs Tariff (Anti-Dumping) Act 1975*.

Import controls

Import controls, by global tariff quotas or import licensing, are introduced to assist local industry following inquiry and report by the Industries Assistance Commission, the Textiles Authority or the Temporary Assistance Authority. At present, the textile, apparel, footwear, motor vehicle and steel industries are assisted by import control. Import licensing firmly limits import quantities, provides for penal and seizure action and may be selectively applied to particular goods or countries. As such, it differs from global tariff quotas which allow imports up to a predetermined level, above which additional duties may be imposed. At present, some 42 commodities or groups of commodities are subject to import controls. Further information on import controls may be obtained from the Bureau of Customs, Department of Business and Consumer Affairs, Edmund Barton Building, Barton, A.C.T. 2600.

Export controls and incentives

Export restrictions. Section 112 of the *Customs Act* provides that the Governor-General may, by regulation, prohibit the exportation of goods from Australia and that this power may be exercised by: (a) prohibiting the exportation of goods absolutely; (b) prohibiting the exportation of goods to a specified place; and (c) prohibiting the exportation of goods unless prescribed conditions or restrictions are complied with. Goods subject to this export control are listed in the Customs (Prohibited Exports) Regulations.

Exchange control—Banking Act 1959. As an integral part of the framework of exchange control, a control over goods exported from Australia is maintained under the provisions of Part III of the Banking (Foreign Exchange) Regulations to ensure that the full proceeds of such goods are received into the Australian banking system and that these proceeds are received in the currency and in the manner prescribed by the Reserve Bank of Australia. This action is complementary to that taken under other parts of the Banking (Foreign Exchange) Regulations to control the movement out of Australia of capital in the form of securities and currency.

Export incentives. The Commonwealth Government provides financial incentives to encourage exports. The *Export Market Development Grants Act 1974* was introduced to operate for five years from 1 July 1974 but has been revised (to improve its effectiveness) with effect from 1 July 1978. The scheme will now operate until 30 June 1982. The scheme administered by the Export Development Grants Board, which is responsible to the Minister for Trade and Resources, is designed to encourage exporters and potential exporters to seek out and develop overseas markets. The scheme covers exporters of primary products, industrial goods, services, know-how and industrial property rights, whether the exporter is an individual, partnership, company or marketing organisation.

The scheme operates by way of taxable grants, to a maximum of \$100,000 (and in certain circumstances to \$125,000), in relation to eligible expenditure incurred on overseas market research and development.

The Board also administers the *Export Expansion Grants Act 1978*, a new scheme designed to reward improved export performance. Grants, which are taxable, are calculated on a formula applied to the increase in exports in a grant year, over the average annual exports in the three immediately preceding years. The scheme covers a wide range of exports. However, some products are excluded including minerals, wool, wheat, sugar, livestock and meat sold to North America under quota. The scheme took effect from 1 July 1977 and will run until mid 1982.

Export education. A nationwide export consciousness program in Australia, to be conducted over the next three years, is being organised in close consultation with the Trade Development Council.

The program, to be launched in February 1979, aims to increase awareness amongst industry of the benefits to be obtained from developing exports and of the range of assistance available from both Government and other sources.

Export awards. In 1963 the Government, in association with the Associated Chambers of Manufacturers of Australia (now the Confederation of Australian Industry) introduced a scheme of annual Export Awards to recognise the achievements of exporters. Effective from 1979 a series of additional Awards will be introduced including a new prestigious Award to be named 'The Governor-General's Award for Export Excellence'.

Trade descriptions

The Commerce (Trade Descriptions) Act 1905. This Act, administered by the Bureau of Customs of the Department of Business and Consumer Affairs, gives power to require the application of a proper trade description to certain prescribed goods imported into or exported from Australia. Goods which must bear a prescribed trade description upon importation into Australia are specified in the Commerce (Imports) Regulations. As regards exports from Australia, marking requirements are prescribed in regulations issued under the Act and in relation to specified export commodities.

Government authorities

Export Finance and Insurance Corporation

The Export Finance and Insurance Corporation was established by the Commonwealth Government in 1975 to provide Australian exporters with a specialised range of insurance guarantee and finance facilities not normally available from commercial sources. EFIC took over the functions of the Export Payments Insurance Corporation which had been operating since 1956.

Trade Relations

Multilateral—General Agreement on Tariffs and Trade

The General Agreement on Tariffs and Trade (GATT), which came into force on 1 January 1948, is a multilateral trade treaty designed to facilitate trading relations between participating countries by reducing tariff and other barriers to the free interchange of goods. The Agreement provides a framework within which negotiations can be held to reduce barriers to trade, and a structure for embodying the results of such negotiations in a legal instrument.

Features of the Agreement are the schedules of tariff concessions participating countries have negotiated with each other, the application of most-favoured-nation tariff treatment among the participants, the avoidance of other trade discrimination, and a code of agreed commercial policy rules for international trading. Each participating country retains the right: (a) to impose new or increased duties for protective purposes except in respect of particular products where rates of duty have been bound against increase in negotiations under the Agreement; (b) by negotiation to modify or withdraw concessions formerly agreed; (c) to impose import restrictions to protect the balance of payments; (d) to take emergency action where any industry is endangered by reason of any obligation incurred under the Agreement.

There have been six main tariff negotiations under the provisions of the Agreement, and a number of smaller scale negotiations preceding the accession of individual countries. As a result, the tariff rates for a great many items entering into world commerce have been reduced and/or bound against increase. Australia has obtained tariff concessions from individual countries on a number of its principal or potential exports to them, as a result both of direct negotiation by Australia and of negotiation by other countries. In the latter case the benefits occurred through the operation under the Agreement of the most-favoured-nation principle.

The sixth series of trade negotiations, the Kennedy Round, was based on a plan for linear tariff cuts by industrial countries on all industrial products, with a minimum of exceptions, and on the reduction of non-tariff barriers to trade and the creation of acceptable conditions of access to world markets for agricultural products. It concluded in June 1967 after three years of negotiations. Concessions were negotiated on trade valued at over \$36,000 million. The average reductions in tariffs on industrial goods was roughly one-third, while in agriculture the most important item was the agreement reached on the basis for a new world grains arrangement. Overall results were substantial, but were unevenly spread in that efforts to reduce trade barriers were very much more successful for manufactures than for primary products. In the post-Kennedy Round period, therefore, Australia placed particular emphasis on the work of the Committee on Agriculture, created in December 1967, to examine the problems in the agricultural sector.

An Anti-Dumping Code, negotiated during the Kennedy Round, came into force on 1 July 1968. The Code interprets the provisions of Article VI of the GATT and lays down rules on the determination, investigation and counter-action of injury caused by the dumping of goods on world markets. The rules aim to ensure the greatest possible uniformity of practice by signatory governments. Code signatories enact national legislation to give effect to the international agreement. This legislation embraces the provisions and wording of the Code, though to varying extents depending on the particular country. Australia acceded to the Code in November 1975.

A new round of multilateral trade negotiations (the seventh) was inaugurated at Tokyo in September 1973. Some 98 countries—both members and non-members of GATT—are participating in the negotiations. In a Declaration adopted at the Tokyo conference it was agreed that the principal areas of negotiation should be the reduction of tariff and non-tariff barriers (e.g. import restrictions, export restraints, minimum price regulations and subsidies) to trade in agricultural and industrial products; and safeguard measures against disruption of domestic industries by imports. The problems of developing countries are to be given special treatment. Australia is actively participating in all stages of the negotiations.

Up to the end of 1977 the contracting parties had held thirty-three sessions, nearly all in Geneva, to deal with matters arising from the administration of the Agreement. As a general rule the contracting parties meet once a year, although in a few instances they have met twice. In 1960 a Council of Representatives was established to undertake work, both of an urgent and of a routine character, between the annual sessions of the contracting parties. Some of the provisions of the Agreement were revised in 1954 and 1955. The revised Agreement contains tighter provisions on non-tariff barriers to trade, and allows more freedom for countries to revise individual tariff items which had been bound against an increase in tariff negotiations under the Agreement.

Since GATT has not been accepted definitively, the Agreement is at present being applied provisionally pursuant to a Protocol of Provisional Application. As at 1 November 1978, eighty-four countries were full contracting parties to the Agreement, three had acceded provisionally, one had applied to accede provisionally, and twenty-four applied the Agreement on a *de facto* basis. These 112 countries account for around 85 per cent of world trade.

Increasing attention has been focused in GATT on specific trade and development problems of developing countries, and in February 1965 a new Part IV of GATT, aimed at helping developing countries solve these problems, was introduced on a *de facto* basis. It entered legally into force in June 1966. The new Part IV embodies commitments to individual and joint action by contracting parties, aimed at ensuring that the developing countries can increasingly find the means to raise standards of living and promote rapid economic development through participating in international trade and achieving sustained growth of their export earnings.

Arising from their commitments under GATT, the developed countries have introduced the 'Generalised System of Preferences' (GSP) which offers tariff preferences on developing country products.

The Australian System of Tariff Preferences for Developing Countries, like those of other donors, is a unilateral, non-reciprocal and non-contractual provision of specified preferential tariff advantages. Accordingly, Australia reserves the right at any time to modify, withdraw, suspend or limit the preferential treatment for any item or with respect to any beneficiary.

Australia's system of tariff preferences was introduced in 1966 (the first in the world) and was substantially revised and expanded from 1 January 1974. It covers most dutiable manufactured, semi-manufactured and substantially processed primary products and offers margins of preference which are generally 10 to 15 percentage points below the general tariff rate. A further major review of the system took place in 1976.

The system is designed to assist developing countries to overcome the disadvantages they face in competing with third world countries in the Australian market, provided there is no injury, or threat of injury, to Australian industry. A range of products where developing countries are already competitive on the Australian market is excluded from the system and a small number of additional products have been withdrawn from the system because of disruption to local industry.

Proposals for the addition or withdrawal of products are now referred to the Industries Assistance Commission for inquiry and report. This procedure gives all interested parties the opportunity to submit their views in evidence to a public inquiry.

Bilateral arrangements

West Europe—Australia has no bilateral trade agreements with West European countries, the majority of whom are now members of the European Economic Community. The EEC comprises the world's largest trading bloc (accounting for 40 per cent of world trade) and is Australia's second largest trading partner and its largest source of imports.

Although the EEC has special trading arrangements with a large number of countries providing for either free trade or preferential treatment, no arrangement has been concluded with Australia. Upon the United Kingdom entering the EEC in 1973 the UK/Australia Trade Agreement was terminated and all trading preferences with the UK were finally phased out by January 1978.

Australia has suffered in recent years, a large and growing trade deficit with the EEC, which reflects an imbalance of trading opportunities. Recent initiatives, including the appointment of the Minister for Special Trade Negotiations, have been directed towards discussions with the EEC towards redressing the situation by obtaining access to the EEC market for certain of our agricultural exports, a limitation on subsidised EEC exports to our traditional markets, especially dairy products, flour and beef, and a reduction of duties on fruits and processed minerals. Greater co-operation has also been sought from the EEC in international commodity stabilisation especially in respect of sugar and wheat.

East Europe—The development of Australia's trade relations with the countries of East Europe began as part of a policy of market diversification away from West Europe in the mid 1960s.

Formal trade agreements Australia has signed with the German Democratic Republic, Hungary, Bulgaria (all in 1974), Romania (in 1975) and Poland (in 1978—supplementary to the earlier 1966 Agreement) are broadly similar in their provisions. They either confirm reciprocal most favoured nation treatment of imports while recognising preferential arrangements, or, as in the Trade Agreements with Hungary, Poland and Romania, acknowledge that trade between Australia and these countries is to be in accordance with the rights and obligations of both countries under the General Agreement on Tariffs and Trade. They provide for the encouragement and facilitation of the further development of mutually beneficial trade and economic relations and express support in principle for the conclusion of relevant international commodity agreements aimed at improving the conditions of international trade in primary products.

There are provisions to encourage and facilitate the development of economic co-operation and the negotiation of long-term commercial contracts between respective enterprises and organisations and the interchange of commercial trade and technical representations, groups, and delegations. In addition, the Agreements with the German Democratic Republic and Bulgaria provide for the exchange of indicative lists of goods each country is interested in exporting to the other.

Mixed Commissions are also established by these Agreements to provide a forum for regular bilateral discussions on trade development and trade related issues and problems. Other Bilateral Trade Agreements are in force with Yugoslavia, signed 1970, Czechoslovakia, signed 1972. A protocol (to the Trade Agreement with the German Democratic Republic) on Industrial and Technical co-operation was signed in Berlin in 1977.

Trade agreements

Canada—signed 1960. Provides for each country to give the other tariff preferences on specific goods and for the exchange of preferences in each country's tariff derived from the preferential agreements each had with Britain. The termination of these agreements with Britain created a need for Canada and Australia to review their own preferential trading arrangements. An Exchange of Letters governing the future operation of the 1960 Agreement was signed on 25 October 1973. The Exchange provides for a continuation of the tariff preferences, but on a more flexible basis, with some other modifications of provisions of the 1960 Agreement, particularly those relating to indirect shipment of goods and to anti-dumping procedures.

New Zealand—The New Zealand—Australia Free Trade Agreement (NAFTA) signed in 1965 came into force on 1 January 1966 and formally established a free trade area between Australia and New Zealand. However, complete free trade was not thereby achieved. The Agreement provides only for free trade in certain scheduled goods. Provision is made for additions to the free trade schedule. It also provides in respect of non-scheduled goods, for the two governments to agree on special measures (including the remission or reduction of duties) beneficial to the trade and development of each country.

The 1933 Agreement continues in effect as part of the Free Trade Agreement except as superseded or modified by it. Following the termination in early 1973 of the trade agreements which they had with Britain, Australia and New Zealand entered into an interim arrangement on tariffs and tariff preferences on 7 May 1973. This has been replaced by a new agreement which came into effect on 1 December 1977 and allows for the continuation of the contractual right of both countries to margins of preferences in each others' markets.

Malaysia—signed 1958. The Agreement provides for each country to accord preferences to the other on certain specified goods. The exchange of these preferences was placed on a more flexible basis by an Exchange of Letters on 21 February 1975. The Agreement further provides for protection of Malaysia's tin and rubber exports to Australia and of Australia's wheat exports to Malaysia.

against dumped or subsidised competition. There are also certain guarantees of market access for Australian wheat in the Malaysian market and for natural rubber in the Australian market provided that the Papua New Guinea natural rubber crop is absorbed. The Agreement also assures Malaysia that Australian tariff or import licensing treatment of natural rubber will be the same as for synthetic rubber.

India—signed 1976. The Agreement confirms that trade between the two countries shall be conducted in accordance with the provisions of GATT. It provides for encouragement and co-operation between India and Australia and establishes a Joint Trade Committee to meet annually and review the operation of the Agreement and advance its objectives.

Republic of Korea—signed 1975. The current Agreement replaced an earlier Agreement entered into by Australia and the Republic of Korea in 1965. The new Agreement states that the two governments are to take all appropriate measures to facilitate, strengthen, and diversify bilateral trade in accordance with the General Agreement on Tariffs and Trade; recognises the need to improve the conditions of world commodity trade; declares support in principle for international commodity agreements, and expresses support in principle for the conclusion of long-term commercial contracts between organisations and enterprises of the two countries. The Agreement also established a Joint Trade Committee to further the aims of the Agreement.

Philippines—signed 1965. Provides, inter alia, for reciprocal most favoured nation treatment of imports from either country; recognises preferential agreements of both countries; provides consultations on request of either Government; supports the principle of international action to improve international trade in primary products.

In August 1978 notes were yet to be exchanged between the two Governments to formally bring into force a revised Trade Agreement signed in June 1975.

Papua New Guinea—came into force 1977. The Papua New Guinea Australia Trade and Commercial Relations Agreement (PACRA) provides, inter alia, that subject to certain exceptions, trade between Australia and Papua New Guinea shall be free of duties and other restrictions.

Indonesia—signed 1972. The current Agreement replaced an earlier Agreement signed in 1959. It provides, inter alia, for reciprocal most favoured nation treatment of imports; expresses support for trade initiatives and arrangements among member countries of the Association of South East Asian Nations (ASEAN); declares support in principle for international commodity agreements and encouragement for Australian commercial investment in Indonesia.

Iran—signed 1974. The Agreement states that the two governments are to take all appropriate measures to facilitate, strengthen, and diversify trade and encourage industrial and technical co-operation; declares the support of both governments for the principle of long-term contracts between organisations and enterprises of the two countries; incorporates schedules of goods each country is interested in exporting to the other; and provides that payments in relation to trade will be in convertible currency. The Agreement also established a committee of representatives to further the aims of the Agreement.

Japan—signed 1957. The current Agreement on Commerce between Australia and Japan was initially signed in 1957, amended in 1963 and formally ratified on 27 May 1964. It provides for reciprocal most favoured nation treatment of imports while recognising the preferential arrangements of both countries; for certain commitments by Japan in regard to some important Australian export commodities including wool, soft wheat, sugar, canned meat, leather, butter and cheese; and for equal opportunity for Japanese products in relation to Commonwealth Government purchases from suppliers overseas. It also provides for close consultation between the two countries on matters relating to trade.

People's Republic of China—signed 1973. The Agreement provides, inter alia, for reciprocal most favoured nation treatment for imports, while recognising the preferential arrangements extended by both countries. The Agreement includes schedules of goods which each country is interested in exporting to the other. It also provides that exchanges of goods and technical services under contracts and agreements will be at reasonable international market prices; that payments in relation to trade will be in freely convertible currency; and that each country will promote the interchange of trade representatives, groups, and delegations, and encourage the commercial exchange of industrial and technical expertise. The Agreement also established a Joint Trade Committee to further the aims of the Agreement.

Socialist Republic of Viet Nam—signed in 1974. Provides, inter alia, for reciprocal most favoured nation treatment for imports and expresses support for the principle of long term commercial contracts.

U.S.S.R.—signed 1965. The Agreement provides for reciprocal most favoured nation treatment of imports and recognised the preferential agreements of both countries. A supplementary Agreement on the Development of Trade and Economic Relations was signed in 1973 and provides, inter

alia, for encouragement and facilitation of trade between the two countries; encouragement of industrial and technical co-operation; support for international commodity agreements; and established a Mixed Commission to provide a forum for regular consultations on measures to develop bilateral trade and on bilateral trade problems, and to further the aims of the Agreement.

Brazil—signed 23 February 1978. The Agreement represented a significant development in strengthening trade and economic links between Australia and Brazil. It basically confirms GATT rights and obligations and emphasises industrial co-operation including investment. A significant feature is the ten year initial life of the Agreement to cover long term commodity contracts. It also establishes a Joint-Consultative Committee which meets annually.

Trade services

Trade Commissioner Service

The stimulation of interest abroad in Australia's exports is an important government activity in which the Australian Trade Commissioner Service plays a prominent part. A brief account of the establishment and growth of the Trade Commissioner Service before the 1939–45 War is available in Year Book No. 51, page 496. Since the War the service has increased steadily; by early 1979 there was an establishment of 178 Trade Commissioners and Assistant Trade Commissioners in Australia and in sixty posts in forty-seven countries.

Trade Commissioners are responsible for commercial intelligence in their territories. Particular facilities provided for Australian exporters and export organisations include: surveying market prospects; advising on selling and advertising methods; arranging introductions with buyers and agents; providing reports on the standing of overseas firms; advising and assisting business visitors; helping to organise and carry through trade missions, trade displays, newspaper supplements, and other promotion and publicity media; providing information on import duties, import licensing, economic conditions, quarantine and sanitary requirements, and other factors affecting the entry and sale of goods; and helping to attract desirable investment.

In some countries Trade Commissioners also participate in inter-governmental negotiations in the economic and commercial fields. In certain countries where there is no diplomatic or consular mission, Trade Commissioners are called upon to act as the Australian representative.

Trade Commissioners, Assistant Trade Commissioners and Trainee Trade Commissioners are drawn from both private enterprise and the public service. Applications for entry are invited periodically by public advertisement. Recruitment is generally at the Trainee Trade Commissioner and Assistant Trade Commissioner level and officers are promoted to higher grades or to Trade Commissioner as experience and performance warrant. In the majority of posts the Trade Commissioner is supported by an Assistant Trade Commissioner and, in some cases, also by another Trade Commissioner.

The Trade Commissioner Service is administered by the Department of Trade and Resources (as distinct from the diplomatic and consular services administered by the Department of Foreign Affairs), but in countries where there is an Australian diplomatic or consular mission it is the practice for Trade Commissioners to be attached to the mission and to hold an appropriate diplomatic or consular rank—Minister (Commercial), Commercial Counsellor or Commercial Secretary.

The Department of Trade and Resources maintains Trade Commissioners at sixty posts in forty-seven countries. More than fifty editions of the Department of Trade and Resources' promotion periodical *Australian Trading News* now circulate in more than 100 countries in seventeen languages.

The countries where Australian Trade Commissioner posts are located are shown in the following list. Except where indicated the missions are located in capital cities only. Argentina; Austria; Bahrain; Belgium; Brazil (Sao Paulo); Britain (London, Manchester); Canada (Vancouver, Toronto, Ottawa); China, People's Republic; Egypt, Arab Republic of; France; German Democratic Republic; Germany, Federal Republic (Bonn, Hamburg); Greece; Hong Kong; India; Indonesia; Iran; Iraq; Israel; Italy (Rome, Milan); Japan (Tokyo, Osaka); Kenya; Korea, Republic of; Malaysia; Mexico; Netherlands; New Zealand (Wellington, Christchurch, Auckland); Nigeria; Pacific Islands (Fiji); Pakistan; Papua New Guinea; Peru; Philippines; Poland; Saudi Arabia; Singapore; South Africa (Johannesburg); Spain; Sweden; Switzerland (Berne, Geneva); Thailand; United States of America (Washington DC, Chicago, Los Angeles, San Francisco, New York); U.S.S.R.; West Indies; Yugoslavia, Socialist Federal Republic.

Full details of the Australian Trade Commissioner posts are available from the Department of Trade and Resources, Canberra, A.C.T. 2600.

Australian Trade Correspondents and Marketing Officers

Detached Australian Trade Correspondents and Marketing Officers supplement the work of the Trade Commissioner in whose territory they are located. Correspondents are situated in various locations throughout the world.

Trade Missions

Since 1954 the Commonwealth Government has sent trade missions abroad as part of its trade promotion program. The experience acquired has indicated the need for flexibility in techniques to suit particular products or markets. At present the following types of trade missions are in use:

Survey missions. These are organised to obtain precise knowledge about the export trade potential for specific products in one or more overseas markets. Such methods are used to explore export prospects in new or developing areas where commercial intelligence is not readily available or where a complex industry is involved and the industry requires special export knowledge.

Specialised and general trade missions. Arrangements are made for specific industries or groups of firms representing a number of industries to participate in a planned selling campaign in overseas markets with known sales potential. The mission visits the market, publicises its products and negotiates sales.

Up to the end of October 1978, Australia had sent overseas 142 trade and survey missions and 5 trade ships.

Trade displays, fairs, exhibitions and store promotions

For many years Australia has organised or participated in numerous major trade fairs, exhibitions and displays in Africa, Asia, Europe, the Americas, the Middle East and the Pacific area.

Initially, the emphasis was on participation in general trade fairs directed at the public and the general commercial community; however, with the development of export promotion techniques and the greater diversity of goods available for export, greater emphasis is now being placed on individual Australian trade displays and participation in specialised trade shows directed almost entirely at the business community. In addition, display rooms in Trade Commissioner offices are currently in use in Singapore, Kuala Lumpur, Manila, Hong Kong, Jakarta, Port Moresby and Suva.

Market Advisory Services

The Commonwealth Government established a Market Advisory Section in the Department of Trade and Resources in January 1974 to advise and assist developing countries and countries with centrally planned economies in the marketing of their products in Australia. The section, which is located in Canberra, is supported by two experienced Australian Trade Commissioners—one located in Sydney and the other in Melbourne—to maintain contact with the commercial sector and provide direct practical assistance.

Australian Standard Commodity Classification

The ABS has developed and recently published a new classification manual called the *Australian Standard Commodity Classification* (ASCC) (1207.0) to enable users to compare statistics of commodities produced in Australia with statistics of commodities imported and exported.

The first edition of the ASCC manual, which relates to the year 1975–76, links production, import and export items at their most detailed level of comparability, in the form of standard (ASCC) commodity items. In a large number of cases however, due to the differences between production, import and export items, comparability is only achieved at fairly broad aggregate levels. In the ASCC, commodities are grouped under industries (as defined in the *Australian Standard Industrial Classification* (ASIC) (1201.0)) in which they are typically produced. The first edition of the ASCC only covers commodities originating in manufacturing industries.

Considerable further development will take place over the coming years to improve the alignment between the production, import and export items in the ASCC.

In 1979 the ABS will be publishing a new statistical bulletin containing comparable commodity statistics of Australian production, imports and exports based on the ASCC (standard) items contained in the ASCC manual. Additionally, the introduction of the ASCC will affect the publication of traditional manufacturing and overseas trade commodity statistics in those instances where detailed commodity items are being combined either for confidentiality reasons or for the publication of more summary commodity statistics. In these instances, the commodity groupings will where appropriate reflect the classification requirements embodied in the ASCC. This will be particularly relevant in the case of manufacturing commodity statistics.

Trade representation in Australia

The Trade Representatives of overseas governments in Australia are shown in the following list. Full details of Trade Representatives in Australia are available from the Department of Foreign Affairs, Canberra, A.C.T. 2600.

Austria (Sydney); Belgium (Sydney, Melbourne, Perth); Britain (Canberra, Sydney, Melbourne, Brisbane, Adelaide, Perth); Bulgaria (Sydney); Canada (Sydney, Melbourne); China (Canberra); Czechoslovakia (Sydney); Denmark (Sydney, Melbourne); Finland (Sydney); France (Sydney, Melbourne); German Democratic Republic (Sydney); Germany, Federal Republic of (Sydney, Melbourne); Greece (Sydney); Hungary (Sydney); Israel (Sydney); Italy (Sydney, Canberra, Melbourne); Indonesia (Sydney, Canberra); Japan (Canberra); Malaysia (Sydney); Mexico (Sydney); New Zealand (Sydney, Melbourne, Canberra, Brisbane, Perth); Norway (Canberra); Pakistan (Sydney); Peru (Canberra); Philippines (Sydney, Melbourne); Poland (Sydney); Romania (Sydney); Singapore (Sydney); South Africa (Melbourne); Spain (Sydney); Sri Lanka (Sydney); Sweden (Sydney, Melbourne); United States of America (Sydney, Melbourne); U.S.S.R. (Canberra).

Collection and presentation of statistics

Source of data

Overseas trade statistics are compiled by the Australian Bureau of Statistics from documentation submitted by exporters or importers or their agents to the Bureau of Customs as required by the *Customs Act*.

Scope of the statistics

The statistics presented below are, with one exception, recorded on a *general trade* basis, i.e. total exports include both Australian produce and re-exports, and total imports comprise goods entered directly for domestic consumption together with goods imported into Customs warehouses. The statistics of import clearances, however, are recorded on a *special trade* basis, i.e., clearances comprise goods entered directly for domestic consumption together with goods cleared into the domestic market from Customs warehouses.

Exports of Australian produce are goods, materials or articles which have been produced, manufactured or partly manufactured in Australia, except goods which were originally imported and have undergone only repair or minor operations which leave them essentially unchanged.

Re-exports are goods, materials or articles originally imported which are exported either in the same condition in which they were imported or after undergoing repair or minor operations which leave them essentially unchanged. 'Minor operations' include blending, packaging, bottling, cleaning, sorting, husking or shelling.

Total exports are the aggregate of exports of Australian produce and re-exports.

The statistics are not confined to goods which are the subject of a commercial transaction; generally, all goods imported into or exported from Australia are recorded. Among the items included are exports and imports on government account, including defence equipment. For exports, the value recorded for each item includes the value of the outside package, i.e., the outside package or covering in which the goods were exported. For imports prior to 1 July 1976, outside packages were included as a non-commercial transaction under Statistical Item 931.00.21; since 1 July 1976, however, the recorded value of imports includes the value of the outside package and, therefore, separate details on the value of outside packages are no longer available.

The following are excluded from overseas trade statistics:

- (a) direct transit trade, i.e., goods being transhipped or moved through Australia for purposes of transport only;
- (b) bunkers and stores supplied to foreign owned vessels and aircraft prior to departure overseas (these are shown separately as *ships' stores* statistics on page 598);
- (c) migrants' and passengers' effects for which customs entries are not required; and parcels post exports and imports of small value, for which customs entries are not required;
- (d) certain materials for intergovernmental defence and similar projects for which customs entries are not required;
- (e) vessels and aircraft engaged in the transport of passengers or goods between Australia and other countries;
- (f) vessels and aircraft purchased for use on overseas routes and any subsequent sales made of such vessels and aircraft;
- (g) fish and other sea products landed in Australia or abroad directly from the high seas by Australian vessels.

State

This means the State in which export or import documentation was lodged with the Bureau of Customs. This may not necessarily be the same as State of export or entry of goods, or the State of production or final consumption. For example, goods for which entries were lodged at the Customs House, Port Adelaide, but which were forwarded interstate to Port Melbourne for export, would be recorded statistically as exports from Port Adelaide, i.e., from South Australia and not Victoria. The same method of recording (i.e., port of lodgement of the documentation) applies to imports of goods forwarded interstate following discharge from an overseas vessel.

Period covered by the statistics

Exports and imports are recorded statistically in the month in which the documentation is processed. Normally this is within a few days of shipment or discharge of cargo. However, delays may occur in the processing of documentation and in some cases the documentation may be cleared prior to discharge or shipment of cargo.

Valuation

Exports. Goods sold to overseas buyers before export are valued at the free on board (f.o.b.) Australian port of shipment equivalent of the actual price paid to the exporter. Goods shipped on consignment are valued at the f.o.b. Australian port of shipment equivalent of the current price offering for similar goods of Australian origin in the principal markets of the country to which they are dispatched for sale. The value of outside packages is included.

Imports. The recorded value is the value for duty for Customs purposes. On 1 July 1976, Australia adopted the internationally recognised Brussels Definition of Value (BDV) on a free-on-board (f.o.b.) basis (i.e. charges and expenses involved in delivering the goods from the place of exportation to the place of introduction in Australia, are excluded). The value for duty is based on the normal price i.e., the price the goods would fetch at the time when duty becomes payable on a sale in the open market between a buyer and a seller independent of each other. In practice, the basis for valuation is generally taken to be the invoice price subject to certain safeguards and adjustments where necessary. Because of the change in the basis of valuation the recorded imports figures for 1976-77 are not comparable with previous years. For details of the method of valuation used prior to 1 July 1976, see Year Book No. 61, page 330.

Leasing arrangements. The recorded value of goods exported or imported under leasing arrangements is defined according to the valuation procedures shown above and is not the value of the lease receipts or payments. However, for balance of payments purposes, large items of equipment under lease are normally excluded from export and import figures, if the lease is for 12 months or less, and therefore, from the balance of trade.

Quantity data

Where quantities are shown they are generally expressed in terms of the normal unit of quantity used in the appropriate industry and as specified in the Australian Export and Import Commodity Classifications (1203.0, 1204.0) published by the ABS. Quantities are not tabulated in respect of statistical items for which there is no appropriate unit of quantity (e.g. a statistical item which covers a number of commodities that cannot be recorded under a uniform unit of quantity).

Merchandise and non-merchandise trade

Total trade is divided into merchandise and non-merchandise trade in accordance with international standards recommended by the United Nations. Merchandise trade is the equivalent of total exports or imports less certain items specified as non-merchandise. Complete descriptions of commodities classified as non-merchandise are contained in the Australian Export and Import Commodity Classifications 1203.0, 1204.0) published by the ABS.

Excess of exports or imports

The excess of the value of exports or imports does not represent the balance of trade. The balance of trade is the excess of exports or imports on a *balance of payments basis*. Details of the adjustments (relating to coverage, timing and valuation) made to total recorded exports and imports for balance of payments purposes, are set out in the annual bulletin *Balance of Payments* (5303.0). Some information may be found in the section relating to the balance of payment, page 603.

Country

A country is defined as a geographical entity which trades, or has the potential to trade, with Australia in accordance with Australian Customs provisions. External territories under Australian administration are treated separately whilst self-governing territories and dependent territories

under the administration of other countries *may* be treated as individual countries in Australian overseas trade statistics. *Exports*: for exports, *country* refers to the country to which the goods were consigned at the time of export. Where the country of consignment is not determined at the time of export, goods are recorded as exported *For orders* and in those cases where it was found to be impossible to determine the destination, as *Destination unknown*. *Imports*: for imports, *country* refers to the country of origin of the goods which is defined as the country of production for Customs purposes.

Commodity classification

Exports and imports are classified according to the Australian Export and Import Commodity Classifications which are based on the *Standard International Trade Classification, Revised* (S.I.T.C. (R)), which is closely related to the Customs Co-operation Council Nomenclature used in the *Australian Customs Tariff*.

Total overseas trade

The following table shows the total trade of Australia with overseas countries from 1972-73 to 1977-78. For details relating to years prior to 1972-73, see Year Book No. 61, page 333.

OVERSEAS TRADE

(\$m)

<i>Year</i>	<i>Exports</i>	<i>Imports</i>	<i>Excess of exports (+) or imports (-)</i>
1972-73	6,214	4,121	+ 2,093
1973-74	6,914	6,085	+ 829
1974-75	8,726	8,080	+ 646
1975-76	9,640	8,241	+ 1,399
1976-77	11,652	10,410	+ 1,241
1977-78	12,245	11,167	+ 1,078

Plate 40 below shows the overseas trade of Australia from 1957-58 to 1977-78.

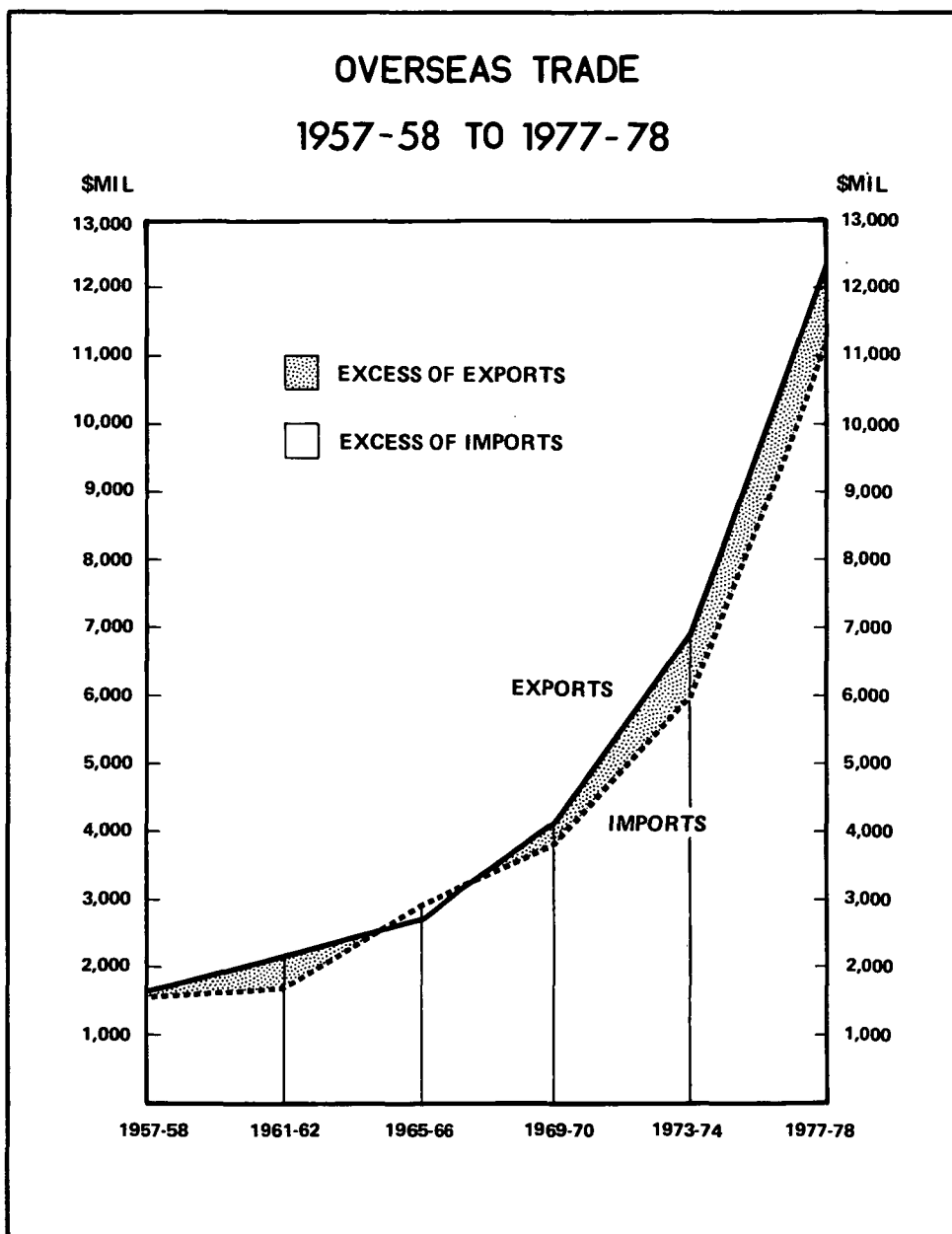


PLATE 40

The following table shows particulars of merchandise and non-merchandise trade for recent years.

MERCHANDISE AND NON-MERCHANDISE TRADE

(\$'000)

EXPORTS

Year	Merchandise			Non-merchandise			Total
	Australian produce	Re-exports	Total	Australian produce	Re-exports	Total	
1972-73	5,879,066	193,449	6,072,514	82,359	58,830	141,190	6,213,704
1973-74	6,618,034	140,141	6,758,175	89,021	67,200	156,220	6,914,395
1974-75	8,342,085	198,510	8,540,595	114,782	70,398	185,180	8,725,774
1975-76	9,235,698	163,768	9,399,466	103,910	136,207	240,117	9,639,583
1976-77	11,291,763	197,284	11,489,046	89,765	72,780	162,545	11,651,591
1977-78	11,770,386	254,724	12,025,110	127,516	92,505	220,021	12,245,130

IMPORTS

Year	Merchandise	Non-merchandise	Total
1972-73	4,071,911	48,816	4,120,727
1973-74	6,027,091	57,913	6,085,004
1974-75	7,960,683	119,170	8,079,853
1975-76	8,153,421	87,172	8,240,593
1976-77	10,330,210	80,435	10,410,645
1977-78	11,079,677	87,075	11,166,752

VALUE OF EXPORTS AND IMPORTS
PROPORTIONS BY COUNTRY

1973-74 TO 1977-78

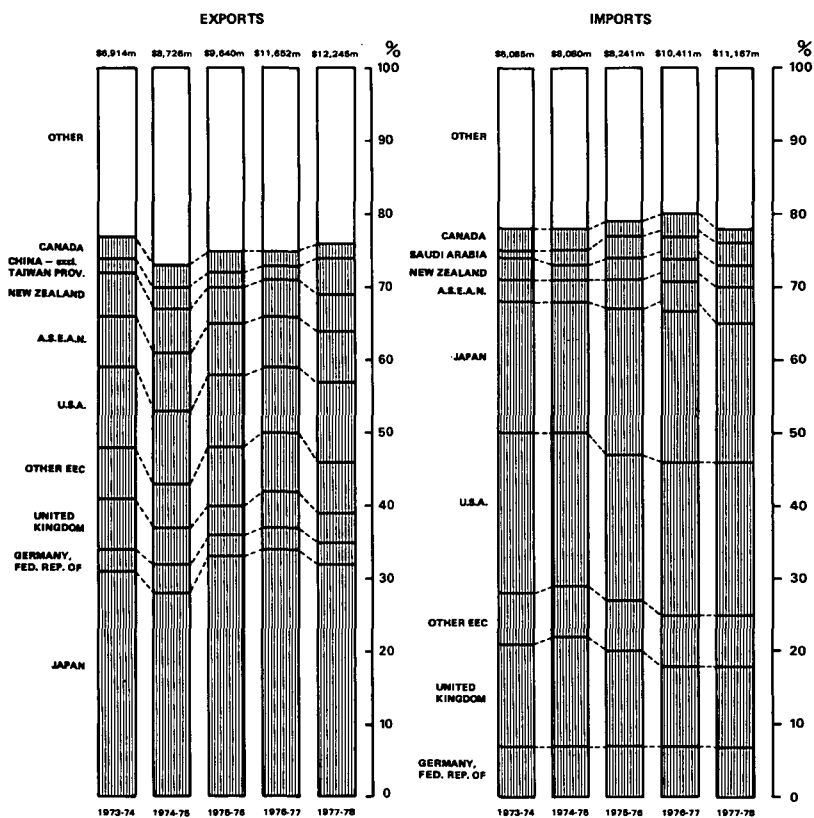


PLATE 41

Classified summary of Australian overseas trade

The following table shows exports and imports according to divisions of the Australian Export and Import Commodity Classifications (based on the Standard International Trade Classification, Revised).

EXPORTS AND IMPORTS: DIVISIONS OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS

(\$'000)

Division No.	Description	Exports			Imports		
		1975-76	1976-77	1977-78	1975-76	1976-77(c)	1977-78
00	Live animals	28,587	60,389	104,427	15,503	17,337	16,805
01	Meat and meat preparations	667,897	885,820	1,118,816	1,593	3,330	2,784
02	Dairy products and eggs	200,019	199,124	198,852	15,924	19,525	21,569
03	Fish and fish preparations	81,294	136,448	144,465	69,912	109,908	120,234
04	Cereals and cereal preparations	1,376,740	1,348,337	1,352,472	9,245	12,492	14,955
05	Fruit and vegetables	103,964	110,468	126,021	54,776	73,639	92,139
06	Sugar, preparations, honey	584,778	654,814	547,693	10,203	11,100	10,659
07	Coffee, tea, cocoa and spices	12,060	21,919	21,721	81,378	184,718	220,385
08	Feeding stuff for animals	27,495	47,546	49,024	7,292	10,986	16,061
09	Miscellaneous food preparations	7,026	7,226	9,290	8,985	11,826	16,229
11	Beverages	16,321	15,877	18,162	40,855	52,282	59,573
12	Tobacco and tobacco manufacturers	5,106	5,503	8,424	49,309	47,008	62,712
21	Hides, skins and furskins, undressed	146,339	247,717	258,473	1,658	2,080	1,885
22	Oil seeds, oil nuts and oil kernels	18,339	4,360	3,748	5,861	7,151	9,966
23	Crude rubber (including synthetic and reclaimed)	1,649	1,281	3,144	38,509	44,399	47,321
24	Wood, timber and cork	9,734	9,561	10,271	102,494	143,812	125,951
25	Pulp and waste paper	342	347	504	55,035	66,872	57,578
26	Textile fibres and their waste	977,363	1,490,125	1,199,497	61,658	65,160	69,177
27	Crude fertilisers and minerals (except coal, petroleum and precious stones)	50,708	56,555	68,517	92,687	102,594	119,176
28	Metaliferous ores and metal scrap	1,350,687	1,623,240	1,664,868	9,275	13,526	19,058
29	Crude animal and vegetable materials n.e.s.	23,195	27,708	34,601	20,204	25,386	26,246
32	Coal, coke and briquettes	1,069,786	1,292,506	1,465,200	871	1,740	1,935
33	Petroleum and petroleum products	161,665	205,798	239,912	805,977	993,839	1,154,684
34	Petroleum gases and other gaseous hydrocarbons	(a)	(a)	(a)	79	128	174
41	Animal oils and fats	63,510	68,399	100,365	673	432	608
42	Fixed vegetable oils and fats	1,277	1,209	1,957	37,896	48,177	56,676
43	Animal and vegetable oils, fats and waxes, processed	3,586	5,387	6,179	3,725	5,034	8,583
51	Chemical elements and compounds	482,165	621,114	730,130	275,139	357,472	390,123
52	Mineral tar and crude chemicals from coal, petroleum and natural gas	9,088	5,178	1,713	3,503	4,339	5,686
53	Dyeing, tanning and colouring materials	12,616	14,666	15,980	36,909	53,944	54,846
54	Medicinal and pharmaceutical products	32,388	44,058	47,239	91,737	101,731	111,517
55	Essential oils and perfume materials; toilet and cleansing preparations	14,240	15,168	18,343	30,513	39,679	51,619
56	Fertilisers, manufactured	3,567	305	845	9,111	21,055	16,701
57	Explosives and pyrotechnic products	2,659	2,886	3,650	6,273	7,447	10,972
58	Plastic materials, regenerated cellulose and artificial resins	23,464	30,907	32,968	166,528	225,323	238,498
59	Chemical materials, n.e.s.	39,040	47,782	48,399	89,573	114,715	128,835
61	Leather, leather manufactures, n.e.s. and dressed furskins	7,669	19,758	26,731	18,616	18,471	23,571
62	Rubber manufactures, n.e.s.	5,032	6,222	6,544	111,588	138,754	145,779
63	Wood and cork manufactures (excluding furniture)	53,539	83,569	86,112	46,561	59,197	52,296
64	Paper, paperboard and manufactures	16,376	19,696	23,714	186,063	281,953	283,543
65	Textile yarn, fabrics, made-up articles	26,695	31,375	28,431	546,508	639,998	677,052
66	Non-metallic mineral manufactures n.e.s.	48,079	60,656	64,405	166,103	222,998	242,518
67	Iron and steel	319,558	435,002	457,650	154,654	216,304	235,852
68	Non-ferrous metals	439,762	595,361	578,411	32,558	47,209	51,768
69	Manufactures of metal, n.e.s.	86,040	90,384	97,849	197,677	266,075	281,101
71	Machinery, other than electric	223,487	235,974	262,150	1,338,752	1,706,333	1,868,370
72	Electrical machinery and apparatus	101,435	106,980	102,444	829,511	999,591	944,191
73	Transport equipment	170,841	140,339	185,067	1,008,993	1,273,970	1,304,037
81	Sanitary, plumbing, heating and lighting fixtures and fittings	2,157	3,177	3,491	17,911	24,700	24,337
82	Furniture	2,154	2,258	2,797	32,797	53,628	59,258
83	Travel goods, handbags, etc.	340	482	404	24,476	30,299	32,221
84	Clothing and accessories; articles of knitted or crocheted fabric	10,890	12,527	10,586	192,055	242,332	268,461
85	Footwear, gaiters and similar articles	1,126	1,159	1,662	54,774	74,264	85,760
86	Professional, scientific and controlling instruments; photographic and optical goods, watches and clocks	51,212	63,269	89,099	274,171	348,315	389,741
89	Manufactured articles, n.e.s.	51,902	57,326	65,996	449,132	580,489	623,887
9A	Commodities and transactions not classified according to kind(b)	172,478	213,801	275,694	159,654	105,140	124,017
	Total merchandise	9,399,466	11,489,046	12,025,109	8,153,421	10,330,210	11,079,677
9B	Non-merchandise	240,117	162,545	220,021	87,172	80,435	87,075
	Total	9,639,583	11,651,591	12,245,130	8,240,593	10,410,645	11,166,752

(a) Included in Division 9A. (b) Includes Division 34 (Exports only). (c) Import figures from 1976-77 are not comparable with previous years because of the change in the basis of valuation (see page 582).

Exports of major commodities

Commodity	Unit of quantity	Quantity			Value (\$'000)		
		1975-76	1976-77	1977-78	1975-76	1976-77	1977-78
Aluminium and alloys, unworked	tonnes	69,074	75,533	75,921	44,009	60,084	69,270
Aluminium oxide and hydroxide	"	5,265,431	5,877,472	6,398,207	436,088	567,054	667,661
Barley	"	1,962,770	2,100,152	1,325,176	200,827	222,516	121,834
Butter	"	72,173	32,092	31,678	63,659	38,114	43,946
Cars, passenger motor, assembled and unassembled		-	-	-	42,788	36,808	32,101
Cheese	tonnes	31,520	52,498	44,089	35,177	56,248	55,358
Coal (anthracite, bituminous and sub-bituminous) (except briquettes)	"	30,260,405	34,431,726	37,160,914	1,062,545	1,282,900	1,457,178
Copper, ore and concentrates	"	158,891	143,012	109,157	40,838	50,960	31,996
Copper, refined, unworked	"	85,843	75,295	62,671	82,715	91,013	67,157
Crustaceans and molluscs (except canned or bottled)		-	-	-	73,542	118,551	132,118
Flour (wheaten) plain white	tonnes	218,992	155,867	129,378	38,458	26,166	21,485
Fruit, fresh and nuts, fresh or dried	"	118,318	72,979	91,540	28,924	22,436	32,472
Fruit, preserved and fruit preparations		-	-	-	39,015	48,191	45,539
Hides, bovine and equine (except calf and kip skins)	tonnes	163,723	174,675	186,353	66,735	119,423	128,199
Iron and steel ingots and other primary forms	"	1,689,360	1,886,752	1,603,843	176,816	220,640	202,443
Iron ore and concentrates (except roasted iron pyrites)	"	78,930,827	80,775,467	74,690,551	770,998	901,664	920,923
Iron, pig and cast	"	593,051	763,421	519,176	40,478	56,813	39,583
Lead and lead alloys (including silver-lead) unworked	"	310,443	296,569	305,272	111,129	165,488	193,865
Meat, fresh, chilled or frozen, beef—boneless	"	494,757	600,613	708,878	452,648	589,032	782,015
Meat, fresh, chilled or frozen—bovine animals, other	"	54,629	34,406	46,166	34,940	31,996	43,871
Meat, fresh, chilled or frozen—edible offals	"	50,347	55,667	61,468	31,380	37,482	48,795
Meat, fresh, chilled or frozen—sheep, lambs and goats	"	160,487	225,969	192,424	102,433	169,314	184,185
Milk and cream	"	143,336	184,886	114,214	86,798	92,209	84,518
Nickel and nickel alloys, unworked		n.p.	n.p.	n.p.	37,285	46,755	25,442
Nickel matte and speiss		n.p.	n.p.	n.p.	139,510	184,975	161,916
Petroleum products		-	-	-	144,105	190,336	223,787
Rice	tonnes	218,018	256,477	277,459	51,407	57,148	66,634
Skins, sheep and lamb, with wool on	"	83,488	89,959	76,445	70,085	109,541	106,369
Sorghum, unmilled	"	815,020	829,247	384,528	71,830	76,267	35,457
Sugar—from cane (except icing sugar)	"	1,999,849	2,555,712	2,477,896	569,835	637,498	536,640
Titanium and zirconium ore and concentrates (except beneficiated ilmenite)	"	1,261,644	1,866,049	1,699,716	127,141	137,876	111,230
Wheat (including spelt) and maslin, unmilled	"	7,558,718	7,945,143	10,966,217	921,492	863,456	1,013,182
Wood chips	"	2,335,706	3,233,602	3,131,652	50,551	79,497	82,421
Wool, carbonised—shorn and skin	"	9,097	12,065	10,533	18,960	35,905	34,003
Wool, carded or combed (tops and other)	"	8,513	11,693	9,973	25,329	43,615	39,759
Wool, greasy	"	583,302	675,476	493,575	842,283	1,276,600	993,424
Wool, washed and scoured—shorn, skin and boiled	"	35,901	41,132	35,366	73,021	118,029	112,603
Zinc, ore and concentrates	"	424,582	379,113	389,247	62,224	58,950	44,751
Zinc and zinc alloys, unworked	"	124,068	170,075	184,290	70,816	109,390	96,066
Total major commodities		-	-	-	7,338,814	9,030,940	9,090,196
Total Exports		-	-	-	9,639,583	11,651,591	12,245,130

Exports by industrial group

The following table is designed to show fluctuations in exports of Australian produce dissected according to the main industry of the exports' origin, although any such classification is necessarily somewhat arbitrary.

EXPORTS BY INDUSTRIAL GROUP

<i>Industrial group</i>	<i>Value (\$'000)</i>			<i>Proportion of total exports (per cent)</i>		
	<i>1975-76</i>	<i>1976-77</i>	<i>1977-78</i>	<i>1975-76</i>	<i>1976-77</i>	<i>1977-78</i>
Agriculture, horticulture and viticulture—						
Unprocessed	1,368,155	1,324,057	1,343,861	14.2	11.4	11.0
Processed	736,327	813,110	713,594	7.6	7.0	5.8
Total	2,104,482	2,137,168	2,057,454	21.8	18.3	16.8
Pastoral—						
Unprocessed	1,639,991	2,413,191	2,415,693	17.0	20.7	19.7
Processed	234,167	368,437	397,071	2.4	3.2	3.2
Total	1,874,158	2,781,628	2,812,764	19.4	23.9	23.0
Dairy and farmyard—						
Unprocessed	20,778	16,276	15,345	0.2	0.1	0.1
Processed	192,238	188,095	194,140	2.0	1.6	1.6
Total	213,016	204,371	209,485	2.2	1.8	1.7
Mines and quarries (except gold)—						
Unprocessed	2,340,383	2,792,598	2,955,944	24.3	24.0	24.1
Processed	437,287	596,472	579,823	4.5	5.1	4.7
Total	2,777,670	3,389,070	3,535,768	28.8	29.1	28.9
Fisheries—						
Unprocessed	76,076	128,142	141,373	0.8	1.1	1.2
Processed	7,300	15,620	11,465	0.1	0.1	0.1
Total	83,376	143,762	152,838	0.9	1.2	1.2
Forestry—						
Unprocessed	1,442	252	351	0.0	0.0	0.0
Processed	10,232	12,180	12,696	0.1	0.1	0.1
Total	11,674	12,432	13,047	0.1	0.1	0.1
Total primary produce—						
Unprocessed	5,446,825	6,674,516	6,872,567	56.5	57.3	56.1
Processed	1,617,551	1,993,914	1,908,789	16.8	17.1	15.6
Total	7,064,376	8,668,431	8,781,356	73.3	74.4	71.7
Manufactures	1,945,864	2,368,445	2,679,975	20.2	20.3	21.9
Refined petroleum oils	158,719	200,299	232,046	1.7	1.7	1.9
Gold	36,983	31,918	44,453	0.4	0.3	0.4
Unclassified	133,667	112,436	160,071	1.4	1.0	1.3
Total Australian produce	9,339,608	11,381,528	11,897,902	96.9	97.7	97.2
Re-exports	299,974	270,064	347,229	3.1	2.3	2.8
Total	9,639,583	11,651,591	12,245,130	100.0	100.0	100.0

The items enumerated indicate how arbitrary is the line necessarily drawn between primary produce and manufactures in any classification of this kind. The value of processed primary products exported includes some element of value added by the simpler processes of manufacture, while the value shown for manufactures exported necessarily includes the value of raw materials (primary produce) used in those manufactures.

Imports of merchandise, by economic class

The following table shows imports of merchandise into Australia classified according to economic classes of (i) purpose and (ii) degree of manufacture.

IMPORTS OF MERCHANDISE, BY ECONOMIC CLASS: AUSTRALIA

	Value (\$'000)			Proportion to total imports		
	1975-76	1976-77(a)	1977-78	1975-76	1976-77(a)	1977-78
PURPOSE						
Producers' materials for use in—						
Building and construction	249,419	342,814	316,221	3.0	3.3	2.8
Rural industries	87,156	94,141	115,863	1.1	0.9	1.0
Manufacturing—						
Motor vehicle assembly	515,142	636,690	582,499	6.3	6.1	5.2
Other	2,441,998	3,166,372	3,498,415	29.6	30.4	31.3
Total producers' materials	3,293,715	4,240,017	4,512,997	40.0	40.7	40.4
Capital equipment—						
Producers' equipment	1,685,272	2,086,509	2,366,830	20.5	20.0	21.2
Transport equipment—						
Complete road vehicles and assembled chassis	502,876	700,935	697,995	6.1	6.7	6.3
Railway equipment, vessels and civil aircraft	114,081	132,543	249,645	1.4	1.3	2.2
Total capital equipment	2,302,229	2,919,987	3,314,469	27.9	28.0	29.7
Finished consumer goods—						
Food, beverages and tobacco	287,660	449,945	512,849	3.5	4.3	4.6
Clothing and accessories	243,204	307,412	346,944	3.0	3.0	3.1
All other	1,519,393	1,872,729	1,856,721	18.4	18.0	16.6
Total finished consumer goods	2,050,257	2,630,086	2,716,513	24.9	25.3	24.3
Fuels and lubricants	282,613	337,376	346,515	3.4	3.2	3.1
Auxiliary aids to production	156,071	86,328	99,483	1.9	0.8	0.9
Munitions and war stores	68,536	116,415	89,701	0.8	1.1	0.8
Total Merchandise	8,153,421	10,330,210	11,079,677	98.9	99.2	99.2
DEGREE OF MANUFACTURE						
Producers' materials—						
Crude	835,302	1,054,549	1,233,689	10.1	10.1	11.0
Simply transformed	500,788	619,134	667,703	6.1	5.9	6.0
Elaborately transformed	1,957,625	2,566,335	2,611,604	23.8	24.7	23.4
Finished consumer goods—						
Crude	64,470	128,735	139,345	0.8	1.2	1.2
Simply transformed	101,240	147,993	174,700	1.2	1.4	1.6
Elaborately transformed	1,884,547	2,353,358	2,402,468	22.9	22.6	21.5
Total imports—						
Crude	899,773	1,183,284	1,373,034	10.9	11.4	12.3
Simply transformed	992,261	1,127,459	1,210,662	12.0	10.8	10.8
Elaborately transformed	6,261,386	8,019,466	8,495,982	76.0	77.0	76.1
Total Merchandise	8,153,421	10,330,210	11,079,677	98.9	99.2	99.2
Non-merchandise	87,172	80,435	87,075	1.1	0.8	0.8
Total	8,240,193	10,410,645	11,166,752	100.0	100.0	100.0

(a) Import figures from 1976-77 are not comparable with previous years because of the change in the basis of valuation (see page 582).

Direction of Overseas Trade

Exports and imports, by country of consignment or of origin

The following table shows the value and percentage of Australian exports and imports according to principal country of consignment or origin. The proportions of Australian exports and imports by country of origin or consignment are shown graphically on plate 41 on page 586.

**AUSTRALIAN EXPORTS AND IMPORTS, VALUE BY COUNTRY OR COUNTRY GROUP OF
CONSIGNMENT OR ORIGIN**
(S'000)

Country	Exports			Imports		
	1975-76	1976-77	1977-78	1975-76	1976-77(a)	1977-78
Argentina	28,020	27,336	41,014	3,130	3,679	4,602
Associations of South-East Asian Nations—						
Indonesia	161,331	180,508	197,065	24,535	50,174	84,096
Malaysia	172,735	224,636	214,569	82,116	113,434	120,454
Philippines	93,517	118,460	130,020	27,855	43,937	56,821
Singapore, Republic of	185,334	183,506	237,842	160,309	196,305	264,863
Thailand	46,438	65,044	73,562	22,150	27,219	30,623
Total ASEAN	659,356	772,153	853,058	316,965	431,069	556,857
Austria	2,956	4,463	9,122	26,503	30,012	34,025
Bahrain	25,580	29,313	38,021	86,921	68,348	75,328
Bangladesh	18,077	16,903	35,088	7,852	10,575	9,516
Brazil	16,875	10,387	22,089	28,952	44,455	48,245
Canada	243,617	280,352	280,124	204,079	292,206	276,392
China—excl. Taiwan Province	219,791	184,685	580,975	68,942	103,151	113,387
—Taiwan Province only	114,143	134,401	182,144	134,242	212,754	246,799
Egypt, Arab Republic of	162,754	144,970	187,635	92	121	115
European Economic Community—						
Belgium-Luxembourg	128,849	171,304	115,312	69,969	83,821	110,442
Denmark	4,982	6,234	7,223	32,536	33,846	40,409
France	206,781	282,358	268,023	138,766	170,764	179,688
Germany, Federal Republic of	294,518	395,916	398,803	543,618	715,366	746,394
Ireland	4,685	4,096	3,680	12,989	20,762	22,835
Italy	209,644	342,007	259,186	192,230	264,239	268,523
Netherlands	174,778	173,467	171,960	129,258	158,818	164,523
United Kingdom	406,782	540,361	480,214	1,108,680	1,136,204	1,281,000
Total EEC	1,431,018	1,915,744	1,704,400	2,228,046	2,583,820	2,813,815
Fiji	51,655	68,002	77,655	10,510	9,580	10,672
Finland	2,188	4,066	4,608	31,014	57,118	57,946
Hong Kong	147,392	189,157	215,484	216,512	254,281	265,387
India	71,498	201,342	69,807	50,053	70,586	89,655
Iran	89,296	150,310	179,397	83,582	103,657	82,645
Iraq	55,377	64,272	72,127	69,059	59,074	117,554
Japan	3,192,131	3,959,413	3,877,334	1,609,561	2,149,988	2,111,835
Korea, Republic of	120,224	190,205	266,448	70,573	95,818	120,258
Kuwait	34,674	47,631	64,525	125,817	197,211	194,715
New Zealand	455,043	579,734	585,260	250,789	319,556	360,116
Norway	66,228	48,444	37,817	23,021	23,161	24,169
Pakistan, Islamic Republic of	22,552	23,140	44,320	5,968	6,836	5,840
Papua New Guinea	174,719	189,912	237,264	36,399	80,277	73,867
Poland	64,271	105,879	65,351	6,493	7,969	8,116
Romania	14,344	35,064	44,899	4,291	4,975	12,734
Saudi Arabia	39,539	54,237	86,982	236,020	281,655	355,220
South Africa, Republic of	90,958	69,415	65,596	36,890	56,374	58,051
Spain	82,870	69,499	57,338	36,680	47,277	42,802
Sri Lanka	35,487	21,368	21,433	11,744	17,426	21,210
Sweden	57,405	57,869	46,247	166,982	203,958	175,955
Switzerland	7,861	10,521	9,918	105,352	127,186	131,627
United Arab Emirates	30,324	35,724	32,953	12,189	—	24,968
United States of America	968,322	1,009,381	1,290,730	1,656,319	2,161,662	2,320,030
U.S.S.R.	372,783	347,700	246,706	3,719	5,796	5,751
Yugoslavia	28,379	50,726	59,801	4,663	5,157	6,838
Other countries	411,930	527,650	514,936	265,300	280,644	304,335
'For Orders' and Country of origin or destination unknown	29,946	20,223	36,525	5,369	3,233	5,376
Total	9,639,583	11,651,591	12,245,130	8,240,593	10,410,645	11,166,752

(a) Import figures from 1976-77 are not comparable with previous years because of the change in the basis of valuation (see page 582).

Exports and Imports, by country of consignment and origin, and by description

The following table shows details of exports to and imports from principal countries, classified according to divisions of the Australian Export and Import Commodity Classifications.

**EXPORTS AND IMPORTS BY COUNTRY OR COUNTRY GROUP: DIVISIONS OF THE AUSTRALIAN
EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1977-78**
(S'000)

Division No.	Description	A.S.E.A.N.		Belgium- Luxembourg		Canada	
		Exports	Imports	Exports	Imports	Exports	Imports
00	Live animals	6,405	-	-	-	-	-
01	Meat and meat preparations	27,483	26	1,033	5	40,521	29
02	Dairy products and eggs	46,274	-	-	69	3,275	-
03	Fish and fish preparations	1,400	14,731	503	10	190	13,082
04	Cereal grains and cereal preparations	149,363	252	130	31	92	198
05	Fruit and vegetables	13,952	6,919	1,269	245	18,578	3,508
06	Sugar and sugar preparations and honey	26,468	310	123	14	95,540	43
07	Coffee, tea, cocoa, spices and manufactures thereof	5,822	48,859	-	56	139	5
08	Feeding-stuff for animals (except unmilled cereals)	9,639	3,937	-	111	5	-
09	Miscellaneous preparations chiefly for food	1,697	829	-	93	18	386
11	Beverages	1,508	31	3	54	1,867	118
12	Tobacco and tobacco manufactures	370	1,589	-	3	-	500
21	Hides, skins and furskins, undressed	1,323	-	646	-	9	109
22	Oil-seeds, oil nuts and oil kernels	21	388	16	-	3	40
23	Crude rubber (including synthetic and reclaimed)	1,359	29,901	-	1,154	-	193
24	Wood, timber and cork	11	45,138	1,216	8	8	34,986
25	Pulp and waste paper	78	-	-	-	-	15,308
26	Textile fibres and their waste	11,877	1,241	36,787	77	10,033	2,030
27	Crude fertilisers and crude minerals (except coal, petroleum and precious stones)	7,920	434	-	582	63	36,565
28	Metalliferous ores and metal scrap	55,201	943	23,205	-	37,086	12,272
29	Crude animal and vegetable materials, n.e.s.	1,068	1,616	342	38	1,480	166
32	Coal, coke and briquettes	3,642	-	14,248	-	-	62
33	Petroleum and petroleum products	46,608	207,212	-	441	64	5,103
34	Petroleum gases and other gaseous hydrocarbons	(a)	-	(a)	-	(a)	2
41	Animal oils and fats	5,316	-	20	-	47	-
42	Fixed vegetable oils and fats	4	18,393	-	10	-	-
43	Animal and vegetable oils and fats, processed and waxes of animal or vegetable origin	2,624	1,021	-	5	62	4
51	Chemical elements and compounds	16,106	1,301	106	10,486	53,031	6,301
52	Mineral tar and crude chemicals from coal, petroleum and natural gas	563	5	-	-	-	-
53	Dyeing, tanning and colouring materials	4,279	81	1	691	126	418
54	Medicinal and pharmaceutical products	7,081	2,420	226	1,426	1,669	506
55	Essential oils and perfume materials; toilet, polishing and cleansing preparations	4,097	1,039	84	457	132	493
56	Fertilisers, manufactured	26	1,088	-	192	4	4,462
57	Explosives and pyrotechnic products	1,819	234	26	5	-	167
58	Plastic materials, regenerated cellulose and artificial resins	10,266	3,628	21	1,940	2	6,259
59	Chemical materials and products, n.e.s.	6,967	147	-	443	938	1,174
61	Leather, leather manufactures, n.e.s., and dressed furskins	1,089	496	18	319	249	84
62	Rubber manufactures, n.e.s.	1,083	3,059	4	1,320	89	713
63	Wood and cork manufactures (except furniture)	434	10,026	1	101	25	1,319
64	Paper, paperboard and manufactures thereof	6,767	670	13	2,458	12	30,845
65	Textile yarn, fabrics, made-up articles and related products	2,613	26,717	7	6,570	166	14,244
66	Non-metallic mineral manufactures, n.e.s.	10,192	5,745	1,286	13,522	2,783	1,786
67	Iron and steel	88,297	2,805	9,091	851	1,670	1,402
68	Non-ferrous metals	73,514	1,877	21,743	587	145	10,545
69	Manufactures of metals, n.e.s.	14,840	6,160	288	2,279	1,530	7,295
71	Machinery (except electric)	37,563	11,015	1,747	42,249	2,881	35,195
72	Electric machinery, apparatus and appliances	18,317	15,029	228	10,716	749	10,838
73	Transport equipment	51,658	30,029	67	1,283	1,132	5,601
81	Sanitary, plumbing, heating and lighting fixtures and fittings	843	548	-	42	1	550
82	Furniture	251	7,605	-	59	52	881
83	Travel goods, handbags and similar articles	53	1,776	1	4	7	5
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	978	13,497	-	62	55	1,466
85	Footwear, gaiters, and similar articles and parts therefor	157	4,929	-	-	7	120
86	Professional, scientific and controlling instruments; photographic and optical goods, watches and clocks	14,179	2,488	165	5,009	1,598	2,663
89	Miscellaneous manufactured articles, n.e.s.	7,874	17,374	157	2,622	1,177	5,594

OVERSEAS TRANSACTIONS

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EXPORTS AND IMPORTS BY COUNTRY OR COUNTRY GROUP: DIVISIONS OF THE AUSTRALIAN
EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1977-78—continued
(\$'000)

Division No.	Description	A.S.E.A.N.		Belgium- Luxembourg		Canada	
		Exports	Imports	Exports	Imports	Exports	Imports
9A	Commodities and transactions of merchandise trade, not elsewhere classified	(b)15,600	691	(b)92	1,691	(b)349	444
	Total merchandise	824,941	556,249	114,916	110,392	279,661	276,080
9B	Commodities and transactions not included in merchandise trade	28,117	608	396	50	463	312
	Grand total	853,058	556,857	115,312	110,442	280,124	276,392

(a) Included in Division 9A.

(b) Includes Division 34.

Div. No.	China-excl. Taiwan Province		China-Taiwan Province only		E.E.C.		France		Germany, Federal Republic of	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
00	-	-	44	-	27	5,459	-	120	-	12
01	8	4	4,548	-	55,511	725	9,304	70	4,695	26
02	-	-	12,959	7	11	10,479	-	876	-	1,389
03	57	1,725	309	1,382	5,864	18,677	2,943	96	606	1,222
04	376,390	271	28,593	61	27,824	5,656	144	78	21,504	818
05	5	5,463	209	8,062	42,589	8,138	2,698	241	10,911	1,025
06	37,614	121	2	69	5,020	4,200	-	160	95	157
07	78	4,613	19	195	4,484	21,010	5	58	1,813	1,356
08	33	-	4,670	61	228	1,186	28	202	-	595
09	264	419	15	429	71	6,513	-	963	-	586
11	6	37	9	3	1,173	45,904	23	7,109	12	4,546
12	-	13	-	-	8	16,348	-	88	-	91
21	2,263	246	3,964	-	154,855	438	76,094	17	29,616	16
22	-	133	-	-	199	34	17	-	22	-
23	-	-	235	36	11	3,723	-	696	-	336
24	-	-	33	57	7,400	733	532	32	514	91
25	-	-	10	-	11	228	-	-	-	-
26	12,981	537	25,758	421	327,635	8,987	64,852	48	86,216	2,710
27	-	936	3,176	11	3,747	5,733	1	74	1,123	543
28	35,260	152	21,908	-	327,220	891	35,140	1	110,985	317
29	-	1,822	965	404	12,619	5,588	290	556	3,548	550
32	-	-	32,546	-	209,201	753	51,551	-	19,526	714
33	160	1,104	869	61	95	27,105	-	2,497	77	1,781
34	(a)	-	(a)	-	(a)	46	(a)	27	(a)	5
41	16,643	-	4,848	-	9,392	114	3,026	4	382	-
42	-	1,706	-	2	964	1,030	-	57	-	162
43	272	14	188	-	497	4,565	66	3	39	334
51	1,634	2,474	4,654	2,176	64,808	138,256	359	13,562	55,762	46,319
52	-	-	-	-	6	118	-	4	-	7
53	607	55	449	5	493	29,692	8	1,650	14	10,463
54	-	467	203	382	6,521	65,186	137	2,206	392	16,429
55	-	393	81	99	364	22,853	19	8,815	21	3,817
56	-	-	-	-	-	2,392	-	77	-	1,048
57	-	212	-	194	345	4,797	64	143	164	307
58	-	55	267	7,119	501	98,033	45	6,721	55	20,909
59	3	2,048	100	3	1,032	54,800	56	4,250	36	9,008
61	400	121	111	1,576	11,958	7,790	50	492	2,777	872
62	-	44	14	4,177	409	47,194	3	7,358	8	6,178
63	-	223	11	16,531	505	4,558	-	210	297	881
64	-	534	19	444	319	42,447	15	1,848	10	12,084
65	12	48,333	196	32,949	811	127,306	25	7,376	326	22,724
66	3	2,133	597	5,304	6,946	96,061	191	5,920	2,364	16,516
67	86,744	66	7,126	753	46,675	30,173	987	2,669	7,104	8,476
68	8,769	127	18,191	15	261,829	14,777	11,048	358	25,720	3,481
69	263	856	362	11,421	5,967	88,762	362	3,470	530	23,413
71	163	561	2,025	11,571	19,244	617,816	1,115	29,213	3,131	190,320
72	101	1,236	330	14,408	10,404	272,959	1,695	19,408	1,967	99,892
73	155	12	495	10,019	9,552	320,067	1,236	22,875	1,083	117,834
81	-	34	13	1,433	370	10,053	9	333	30	2,377
82	-	680	4	6,962	174	20,020	-	237	41	1,754
83	6	533	1	6,328	38	4,157	1	289	3	291
84	-	21,056	27	46,827	1,131	41,218	21	4,611	548	2,682
85	-	5,615	-	25,417	36	22,074	3	2,311	-	768
86	4	660	324	2,694	16,793	134,979	2,842	7,366	1,012	45,151
89	4	5,460	370	26,619	11,481	209,909	377	9,685	1,202	27,360
9A	(b)1	-	(b)212	59	(b)4,862	67,190	(b)185	962	(b)1,027	29,695
	580,902	113,304	182,057	246,748	1,680,231	2,799,896	267,567	178,491	397,307	740,440
9B	73	83	87	51	24,169	13,918	456	1,197	1,496	5,954
	580,975	113,387	182,144	246,799	1,704,400	2,813,815	268,023	179,688	398,803	746,394

(a) Included in Division 9A.

(b) Includes Division 34.

EXPORTS AND IMPORTS BY COUNTRY OR COUNTRY GROUP: DIVISIONS OF THE AUSTRALIAN
EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1977-78—*continued*

(\$'000)

Division No.	Description	Hong Kong		Indonesia		Iran	
		Exports	Imports	Exports	Imports	Exports	Imports
00	Live animals	5,204	—	636	—	47,951	—
01	Meat and meat preparations	13,374	8	562	—	69,867	—
02	Dairy products and eggs	11,525	—	11,156	—	525	—
03	Fish and fish preparations	4,648	677	28	1,314	—	—
04	Cereal grains and cereal preparations	18,669	460	69,786	8	3,162	—
05	Fruit and vegetables	3,221	878	1,184	1,046	16	1,986
06	Sugar and sugar preparations and honey	194	61	228	—	701	—
07	Coffee, tea, cocoa, spices and manufactures thereof	1,256	63	243	37,451	—	80
08	Feeding-stuff for animals (except unmilled cereals)	1,116	10	105	—	3,370	—
09	Miscellaneous preparations chiefly for food	1,289	1,213	551	13	—	—
11	Beverages	726	27	335	—	1	—
12	Tobacco and tobacco manufactures	300	—	214	42	—	5
21	Hides, skins and furskins, undressed	4,748	9	—	—	155	—
22	Oil-seeds, oil nuts and oil kernels	256	245	—	98	—	—
23	Crude rubber (including synthetic and reclaimed)	1	—	578	8,823	—	—
24	Wood, timber and cork	—	7	—	730	77	—
25	Pulp and waste paper	—	—	78	—	—	—
26	Textile fibres and their waste	9,881	589	372	—	6,888	—
27	Crude fertilisers and crude minerals (except coal, petroleum and precious stones)	141	3	2,359	20	1,208	829
28	Metalliferous ores and metal scrap	232	580	3,277	15	362	—
29	Crude animal and vegetable materials, n.e.s.	894	576	45	78	—	2
32	Coal, coke and briquettes	—	—	359	—	—	—
33	Petroleum and petroleum products	1,035	6	9,738	29,051	—	76,331
34	Petroleum gases and other gaseous hydrocarbons	(a)	—	(a)	—	(a)	—
41	Animal oils and fats	235	—	113	—	1,057	—
42	Fixed vegetable oils and fats	2	242	1	—	—	—
43	Animal and vegetable oils and fats, processed and waxes of animal or vegetable origin	245	—	1,401	—	—	—
51	Chemical elements and compounds	2,266	409	5,943	115	7,965	—
52	Mineral tar and crude chemicals from coal, petroleum and natural gas	—	—	10	—	—	2,120
53	Dyeing, tanning and colouring materials	369	59	699	—	1	20
54	Medicinal and pharmaceutical products	2,171	54	925	449	94	—
55	Essential oils and perfume materials; toilet, polishing and cleansing preparations	1,880	750	524	200	—	—
56	Fertilisers, manufactured	4	—	19	1,081	—	—
57	Explosives and pyrotechnic products	—	5	1,797	—	—	—
58	Plastic materials, regenerated cellulose and artificial resins	1,987	502	3,312	—	1	—
59	Chemical materials and products, n.e.s.	797	433	2,743	—	48	—
61	Leather, leather manufactures, n.e.s., and dressed furskins	2,167	238	17	2	71	—
62	Rubber manufactures, n.e.s.	81	52	485	172	1	—
63	Wood and cork manufactures (except furniture)	14	404	—	67	—	—
64	Paper, paperboard and manufactures thereof	1,382	1,014	920	—	23	—
65	Textile yarn, fabrics, made-up articles and related products	1,179	61,049	402	231	27	1,203
66	Non-metallic mineral manufactures, n.e.s.	13,645	2,714	1,302	105	417	2
67	Iron and steel	17,759	9	20,427	—	16,754	—
68	Non-ferrous metals	9,771	288	26,040	—	9,877	—
69	Manufactures of metal, n.e.s.	4,955	11,220	1,817	32	476	6
71	Machinery (except electric)	11,506	3,833	8,625	97	2,042	—
72	Electric machinery, apparatus and appliances	3,181	26,555	1,704	36	157	—
73	Transport equipment	2,360	1,066	4,332	894	97	—
81	Sanitary, plumbing, heating and lighting fixtures and fittings	283	1,996	119	—	17	10
82	Furniture	227	2,402	1	81	—	—
83	Travel goods, handbags and similar articles	43	10,777	1	39	—	—
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	633	60,972	59	890	88	7
85	Footwear, gaiters, and similar articles and parts therefor	13	3,352	30	682	—	—
86	Professional, scientific and controlling instruments; photographic and optical goods, watches and clocks	11,071	10,568	851	—	172	—
89	Miscellaneous manufactured articles, n.e.s.	3,330	57,907	655	153	94	2
9A	Commodities and transactions of merchandise trade, not elsewhere classified	(b) 5,249	645	(b) 6,457	37	(b) 5,486	—
	Total merchandise	177,516	264,931	193,566	84,054	179,246	82,603
	Commodities and transactions not included in merchandise trade	37,968	456	3,499	42	151	42
	Grand total	215,484	265,387	197,065	84,096	179,397	82,645

(a) Included in Division 9A.

(b) Includes Division 34.

EXPORTS AND IMPORTS BY COUNTRY OR COUNTRY GROUP: DIVISIONS OF THE AUSTRALIAN
EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1977-78—continued

(\$'000)

Division No.	Italy		Japan		Korea, Republic of		Kuwait		Malaysia	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
00	-	-	456	-	222	-	18,300	-	1,320	-
01	1,185	209	207,296	21	27,974	-	17,642	-	8,020	-
02	-	1,905	39,203	3	627	-	2,172	-	12,277	-
03	1,279	282	71,080	21,330	-	3,167	-	-	403	8,213
04	2,608	518	262,111	550	4,154	20	21,177	-	43,173	40
05	432	3,370	10,070	992	260	1,146	1,186	-	2,377	366
06	-	232	218,095	2,316	49,352	24	121	-	12,233	109
07	-	413	5,579	869	-	7	4	-	4,110	7,938
08	-	45	23,820	401	303	1	793	-	2,108	244
09	-	289	126	991	4	81	43	-	434	130
11	12	4,812	208	201	17	4	118	-	250	-
12	-	11	1	8	-	2,633	-	-	156	-
21	34,805	-	31,690	-	8,353	-	-	-	178	-
22	-	-	538	18	253	-	-	-	16	4
23	-	2	10	2,969	-	-	-	-	172	17,985
24	6	1	-	88	-	14	-	-	-	31,582
25	-	-	-	1,219	-	-	-	-	-	-
26	87,289	44	356,978	7,362	51,983	7	-	-	11,295	312
27	524	544	35,425	7,385	3,282	32	-	-	2,409	1
28	35,430	-	992,769	67	33,273	27	-	-	46,473	-
29	2,008	198	5,174	1,318	611	324	20	-	407	226
32	42,485	-	1,091,460	42	49,197	-	-	-	32	-
33	-	16,747	18,032	588	-	-	-	194,715	5,195	2,512
34	(a)	-	(a)	-	(a)	-	(a)	-	(a)	-
41	123	-	18,316	-	10,189	-	1	-	1,599	-
42	-	535	-	60	-	1,161	-	-	1	11,639
43	-	1	1,174	312	1	89	-	-	373	1,021
51	2	4,978	101,416	66,689	214	2,110	-	-	2,014	197
52	-	-	1,000	50	-	-	-	-	-	-
53	3	748	150	3,342	2,164	32	39	-	774	1
54	41	1,548	2,191	4,049	520	478	43	-	2,677	345
55	63	682	1,614	874	141	27	8	-	922	41
56	-	356	3	643	-	-	-	-	2	2
57	-	145	-	128	-	40	-	-	-	-
58	43	2,664	441	43,341	2	205	14	-	819	670
59	7	394	6,924	6,140	213	-	4	-	1,350	32
61	7,252	751	358	616	121	471	6	-	141	79
62	1	3,542	4	52,766	-	4,192	1	-	237	2,018
63	-	1,105	82,513	1,323	2	1,932	-	-	263	3,852
64	5	3,459	220	30,052	162	1,646	-	-	3,137	44
65	24	13,131	774	152,889	352	20,648	-	-	679	11,367
66	94	19,747	10,241	56,237	27	3,190	41	-	906	109
67	27,482	323	10,251	142,453	17,586	16,675	40	-	6,395	11
68	11,339	537	78,011	5,764	2,680	18	225	-	8,750	1,858
69	84	6,498	5,213	58,005	17	3,841	311	-	3,164	2,602
71	1,630	64,989	23,818	281,030	288	4,324	267	-	6,121	5,751
72	332	12,946	1,963	329,707	504	4,773	1,459	1	5,000	2,193
73	364	29,770	1,271	620,460	516	706	289	-	2,236	227
81	62	2,465	5	2,866	-	49	2	-	140	92
82	2	9,513	94	2,718	-	1,194	9	-	98	1,021
83	3	2,056	20	948	1	3,423	-	-	5	157
84	168	9,456	1,135	7,146	7	23,448	46	-	275	1,969
85	1	13,889	-	1,460	-	4,551	-	-	10	2,013
86	1,164	5,948	1,914	85,473	229	1,426	57	-	594	605
89	163	25,450	1,060	95,938	144	12,049	84	1	1,255	727
9A	(b)273	272	(b)148,882	6,568	(b)40	58	(b)1	-	(b)1,259	70
	258,790	267,520	3,871,095	2,108,787	265,985	120,243	64,523	194,715	204,233	120,379
9B	396	1,003	6,240	3,048	464	15	2	-	10,336	75
	259,186	268,523	3,877,334	2,111,835	266,448	120,258	64,525	194,715	214,569	120,454

(a) Included in Division 9A.

(b) Includes Division 34.

EXPORTS AND IMPORTS BY COUNTRY OR COUNTRY GROUP: DIVISIONS OF THE AUSTRALIAN
EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1977-78—continued

(\$'000)

Division No.	Description	Netherlands		New Zealand		Papua New Guinea	
		Exports	Imports	Exports	Imports	Exports	Imports
00	Live animals	-	-	3,022	10,801	325	-
01	Meat and meat preparations	6,481	2	314	1,625	27,937	-
02	Dairy products and eggs	1	2,262	234	4,884	3,562	-
03	Fish and fish preparations	188	1,244	556	9,693	340	487
04	Cereal grains and cereal preparations	892	1,013	2,162	5,184	27,298	-
05	Fruit and vegetables	1,942	1,044	11,042	11,089	1,808	5
06	Sugar and sugar preparations and honey	30	302	17,380	1,799	7,538	-
07	Coffee, tea, cocoa, spices and manufactures thereof	-	10,625	375	1,495	1,943	61,787
08	Feeding-stuff for animals (except unmilled cereals)	-	6	154	46	1,102	-
09	Miscellaneous preparations chiefly for food	-	521	221	1,658	3,439	-
11	Beverages	5	521	1,090	117	2,448	5
12	Tobacco and tobacco manufactures	-	12,274	476	95	5,083	832
21	Hides, skins and furskins, undressed	3,961	27	556	359	1	-
22	Oil-seeds, oil nuts and oil kernels	104	15	651	77	3	-
23	Crude rubber (including synthetic and reclaimed)	-	234	1,209	49	189	3,413
24	Wood, timber and cork	811	1	1,142	10,121	8	2,257
25	Pulp and waste paper	-	-	376	26,294	27	-
26	Textile fibres and their waste	12,596	1,077	1,355	23,021	1,089	-
27	Crude ferulisers and crude minerals (except coal, petroleum and precious stones)	517	140	1,859	264	426	-
28	Metalliferous ores and metal scrap	45,379	-	1,497	1,792	98	125
29	Crude animal and vegetable materials, n.e.s.	1,736	349	1,278	2,682	229	8
32	Coal, coke and briquettes	47,276	10	247	82	10	-
33	Petroleum and petroleum products	1	3,064	118,523	88	7,094	-
34	Petroleum gases and other gaseous hydrocarbons	(a)	-	(a)	-	(a)	-
41	Animal oils and fats	2,967	2	11	12	2,169	-
42	Fixed vegetable oils and fats	964	257	503	40	262	-
43	Animal and vegetable oils and fats, processed and waxes of animal or vegetable origin	56	2,623	111	72	452	-
51	Chemical elements and compounds	2,825	9,735	62,168	295	1,042	2
52	Mineral tar and crude chemicals from coal, petroleum and natural gas	6	-	102	11	19	-
53	Dyeing, tanning and colouring materials	297	993	4,601	1,177	1,157	-
54	Medicinal and pharmaceutical products	68	1,732	20,768	1,666	1,300	-
55	Essential oils and perfume materials; toilet, polishing and cleansing preparations	18	565	3,386	3,642	4,117	-
56	Fertilisers, manufactured	-	562	666	234	83	-
57	Explosives and pyrotechnic products	-	-	872	6	482	-
58	Plastic materials, regenerated cellulose and artificial resins	15	7,159	14,546	3,794	1,831	18
59	Chemical materials and products, n.e.s.	24	7,892	5,273	541	1,579	1
61	Leather, leather manufactures, n.e.s., and dressed furskins	892	51	567	4,048	112	-
62	Rubber manufactures, n.e.s.	5	961	1,537	1,334	1,573	1
63	Wood and cork manufactures (except furniture)	17	168	1,311	4,085	218	2,723
64	Paper, paperboard and manufactures thereof	4	4,505	4,981	43,445	6,729	9
65	Textile yarn, fabrics, made-up articles and related products	21	4,495	15,296	45,056	1,815	9
66	Non-metallic mineral manufactures, n.e.s.	347	1,762	5,817	5,871	3,138	86
67	Iron and steel	1	198	39,890	1,276	6,975	-
68	Non-ferrous metals	34,807	591	33,452	1,914	1,581	27
69	Manufactures of metal, n.e.s.	284	1,478	19,068	12,099	8,328	1
71	Machinery (except electric)	735	15,738	45,336	23,626	23,155	20
72	Electric machinery, apparatus and appliances	1,404	21,197	25,294	21,635	10,861	11
73	Transport equipment	154	14,381	54,757	13,892	13,221	139
81	Sanitary, plumbing, heating and lighting fixtures and fittings	1	706	259	890	909	-
82	Furniture	31	343	486	9,591	901	2
83	Travel goods, handbags and similar articles	1	35	87	1,361	38	1
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	21	113	859	21,118	1,517	-
85	Footwear, gaiters, and similar articles and parts thereof	-	17	713	2,168	576	-
86	Professional, scientific and controlling instruments; photographic and optical goods, watches and clocks	2,446	18,740	16,666	3,300	2,402	32
89	Miscellaneous manufactured articles, n.e.s.	253	5,313	19,123	15,306	5,222	155
9A	Commodities and transactions of merchandise trade, not elsewhere classified	(b)162	7,157	(b)6,098	1,680	(b)36,351	90
	Total merchandise	170,743	164,201	570,322	358,497	232,115	72,246
9B	Commodities and transactions not included in merchandise trade	1,217	322	14,938	1,619	5,149	1,621
	Grand total	171,960	164,523	585,260	360,116	237,264	73,867

(a) Included in Division 9A.

(b) Includes Division 34.

EXPORTS AND IMPORTS BY COUNTRY OR COUNTRY GROUP: DIVISIONS OF THE AUSTRALIAN
EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1977-78—continued

(\$'000)

Div. No.	Saudi Arabia		Singapore Republic of		United Kingdom		United States of America		U.S.S.R.	
	Exports	Imports	Exports	Imports	Export	Imports	Exports	Imports	Exports	Imports
00	13,297	-	3,756	-	27	5,318	631	520	-	-
01	14,732	-	12,713	24	32,193	412	418,678	14	30,599	-
02	24,903	-	6,363	-	8	466	4,720	699	-	-
03	172	-	967	1,742	336	13,692	58,140	11,087	-	963
04	17,984	-	24,357	163	2,540	2,651	426	1,129	30,339	-
05	2,549	-	10,361	246	22,837	2,204	3,566	13,695	-	5
06	227	-	13,907	6	4,725	2,743	82,815	577	-	-
07	-	-	1,458	3,308	2,658	8,450	58	2,586	-	16
08	220	-	2,648	46	200	143	167	7,439	-	-
09	292	-	481	453	71	3,231	590	2,585	-	-
11	111	-	841	17	1,108	26,061	2,147	3,853	4	188
12	-	-	-	-	7	3,632	20	29,983	-	-
21	-	-	50	-	8,803	255	1,922	586	795	63
22	-	-	1	118	41	19	515	8,256	-	-
23	-	-	8	2,934	11	1,301	49	6,176	-	-
24	2	-	4	3,526	4,077	326	334	29,660	-	3
25	-	-	-	-	11	228	1	8,273	-	-
26	15	-	188	8	39,868	5,031	31,320	15,209	170,343	-
27	37	-	801	104	370	2,942	1,224	5,412	-	-
28	-	-	239	75	76,924	573	100,555	1,121	7,700	-
29	22	-	323	922	3,881	2,257	2,608	7,391	-	5
32	-	-	2	-	33,254	15	15,253	577	-	6
33	2	355,220	26,887	175,648	18	2,568	3,425	24,513	-	17
34	(a)	-	(a)	-	(a)	13	(a)	86	(a)	-
41	9	-	1,099	-	2,874	107	302	292	-	-
42	-	-	1	451	-	5	-	14,312	-	-
43	-	-	138	-	336	717	376	2,124	-	-
51	5	-	1,863	198	5,753	49,354	291,634	127,970	6,103	1,552
52	-	-	378	5	-	107	-	3,382	-	-
53	35	-	1,628	76	167	15,112	267	11,436	-	-
54	12	-	1,067	1,507	5,256	34,470	1,011	21,003	-	3
55	15	-	1,463	797	154	8,385	384	16,932	-	2
56	-	-	3	5	-	154	4	7,802	-	-
57	3	-	20	-	91	4,196	15	4,470	-	1
58	96	-	1,727	2,531	315	58,215	270	68,031	-	-
59	259	-	1,578	92	901	32,235	21,579	58,266	36	-
61	-	-	584	59	800	5,292	267	1,563	-	16
62	7	-	158	360	387	25,648	185	23,391	-	-
63	19	-	165	2,250	190	1,587	201	2,236	-	-
64	2	-	2,040	552	273	17,864	467	62,545	-	-
65	77	-	658	7,642	361	71,394	895	64,681	-	971
66	9	-	2,600	1,748	2,613	37,113	5,772	27,853	-	14
67	1,160	-	13,142	611	1,974	17,641	35,939	14,906	-	-
68	24	-	7,117	11	156,965	9,217	47,961	12,249	-	8
69	7,190	-	6,070	1,739	3,972	49,846	6,491	55,221	105	4
71	1,101	-	11,620	3,820	10,531	262,323	34,170	747,958	1	816
72	1,520	-	8,537	10,757	4,435	102,327	8,276	194,519	-	91
73	148	-	41,853	21,373	6,442	133,734	23,443	259,506	-	-
81	91	-	506	403	260	4,041	79	3,192	-	-
82	17	-	91	3,188	101	7,539	176	3,505	-	15
83	-	-	30	290	31	1,398	38	755	-	-
84	52	-	557	1,622	364	24,114	3,003	4,482	-	-
85	-	-	107	276	32	5,025	65	665	-	-
86	336	-	6,587	1,393	8,320	49,373	12,191	117,878	10	308
89	147	-	4,451	10,969	9,115	135,391	6,295	149,677	428	358
9A	(b)38	-	(b)2,786	502	(b)3,078	27,229	(b)18,939	42,356	(b)1	88
	86,940	355,220	226,978	264,565	460,058	1,275,682	1,249,807	2,306,580	246,466	5,516
9B	42	-	10,864	298	20,156	5,318	40,923	13,450	240	235
	86,982	355,220	237,842	264,863	480,214	1,281,000	1,290,730	2,320,030	246,706	5,751

(a) Included in Division 9A.

(b) Includes Division 34.

Ships' and aircraft stores

Ships' and aircraft stores loaded on overseas ships and aircraft are excluded from exports. The value of these stores is shown in the table below.

**STORES LOADED ON BOARD OVERSEAS VESSELS AND AIRCRAFT, 1975-76
TO 1977-78
(\$'000)**

<i>Stores</i>	<i>1975-76</i>	<i>1976-77</i>	<i>1977-78</i>
Cigarettes, cigars and tobacco	1,038	1,749	1,536
Fuel, lubricating oil and lubricants	136,659	189,688	203,566
Foodstuffs for human consumption—			
Meats	2,075	2,210	3,306
Sugar	34	18	9
Milk and cream, preserved	23	62	84
Butter	43	94	167
Cheese	35	69	108
Eggs in shell	130	231	368
Seafoods	373	627	823
Prepared grains	169	200	465
Vegetables	503	699	1,324
Fruit	194	334	442
Tea	4	12	21
Other	1,777	1,691	2,315
Fodder	381	192	218
Alcoholic beverages	3,057	3,708	4,029
Other ships' stores	8,628	8,275	10,203
Total	155,123	209,857	228,981

Overseas trade by State

The following table shows the value of exports and imports for each State and Territory.

**EXPORTS AND IMPORTS BY STATE, 1977-78
(\$'000)**

<i>State(a)</i>	<i>Exports</i>	<i>Imports</i>
New South Wales	3,107,347	4,634,833
Victoria	2,506,046	3,856,014
Queensland	2,802,156	887,176
South Australia	662,267	628,561
Western Australia	2,588,958	937,350
Tasmania	381,934	115,778
Northern Territory	193,314	99,597
Australian Capital Territory	3,107	7,443
Grand Total	12,245,130	11,166,752

(a) State in which export or import documentation was lodged with the Bureau of Customs.

Total import clearances, dutiable clearances, and customs duties collected

The following table shows the value of total import clearances, total dutiable clearances, and the customs duties collected, together with the ratio of total dutiable clearances to total clearances.

TOTAL IMPORT CLEARANCES, DUTIABLE CLEARANCES, AND CUSTOMS DUTIES

		<i>1972-73</i>	<i>1973-74</i>	<i>1974-75</i>	<i>1975-76</i>	<i>1976-77(a)</i>	<i>1977-78</i>
Total import clearances	\$'000	4,132,983	6,015,035	7,976,280	8,174,645	10,304,756	11,122,166
Total dutiable clearances	"	1,804,803	2,329,826	3,029,747	3,224,861	4,022,198	3,978,241
Total customs duties collected	"	537,544	621,864	857,386	950,150	1,172,424	1,145,398
Ratio of dutiable clearances to total clearance	per cent	43.7	38.7	38.0	39.4	39.0	35.8
Ratio of duties collected to dutiable clearances	"	29.8	26.7	28.3	29.5	29.1	28.8

(a) Clearance figures from 1976-77 are not comparable with previous years because of the change in the basis of valuation (see page 582).

Although excise goods have no immediate bearing on overseas trade, the rate of excise duty is in some cases related to the import duty on similar goods. Moreover, as the *Excise Acts* are administered by the Bureau of Customs, it is convenient to publish here the quantities of Australian produce on which excise duty has been paid. Particulars of customs and excise revenue are shown in Chapter 22, Public Finance. The following table shows the quantities of spirits, beer, tobacco, etc. on which excise duty was paid in Australia.

<i>Article</i>	<i>1975-76</i>	<i>1976-77</i>	<i>1977-78</i>	<i>Article</i>	<i>1975-76</i>	<i>1976-77</i>	<i>1977-78</i>
	'000 litre	'000 litre	'000 litre		'000 litre	'000 litre	'000 litre
Beer	1,863,075	1,891,229	1,923,387	Petrol—			
				Aviation gasoline (by-law)(a)	57,705	56,381	64,108
				Aviation gasoline—Other(a)	—	111	—
				Gasoline	13,004,982	13,774,739	14,214,250
				Total petrol	13,062,687	13,831,231	14,278,358
	'000 l al	'000 l al	'000 l al	Mineral turpentine	—	—	—
Spirits—				Aviation turbine kerosene(a)	966,489	942,638	1,019,474
Brandy	2,674	2,755	2,845	Other kerosene	—	5,000	—
Whisky	680	731	695	Diesel fuel (as defined by by-law)	1,354,652	1,552,161	1,674,390
Whisky	743	671	633		doz. packs	doz. packs	doz. packs
Rum	1,389	1,529	1,750		'000	'000	'000
Liqueurs	329	298	296	Playing cards	141	127	132
Vodka	698	760	827		'000	'000	'000
Flavoured spirituous liquors	210	243	263	Cigarette papers and tubes	3,922,920	3,706,945	3,150,190
Other	6	10	101		matches	matches	matches
Total spirits (potable)	6,730	6,998	7,410		'000	'000	'000
				Matches	29,302,853	26,655,026	25,739,447
	'000 kg	'000 kg	'000 kg		'000 tonnes	'000 tonnes	'000 tonnes
Tobacco	2,276	2,097	1,944	Coal	56,171	63,982	68,398
Cigars	108	93	82		'000 doz	'000 doz	'000 doz
Cigarettes—machine-made	27,743	27,846	27,867	Canned fruit	7,728	6,752	7,030

(a) Includes supplies to Commonwealth Government on which excise was paid.

Surveys of foreign investment have been conducted since 1947-48 to obtain particulars of certain types of private capital flows to and from Australia. The surveys, when supplemented by other information, provide statistics of foreign investment in enterprises in Australia and in Australian public authority securities repayable in Australian currency, as well as statistics of Australian investment in enterprises abroad and in foreign government securities. Particulars of investment income from most of those classes of investment are also obtained from the surveys.

Certain types of private foreign investment are not included in the statistics which follow. Investment in real estate (except when made through companies) and loans between Australian individuals and non-resident individuals are not covered. Nor are changes in short-term liabilities between exporters and importers in Australia and overseas covered, except in so far as they arise from exports and imports between branches or subsidiaries and their home offices or parent enterprises. In this case they are included in the figures of investment in branches or subsidiaries.

In the tables which classify investment in Australia according to country of origin, the investment is shown as an inflow from the country which is the immediate source of the capital. Income payable on foreign investment is classified on a similar basis, i.e. it is classified to the country to which it is directly payable.

Remittances between Australia and foreign residents by Australian life insurance enterprises are regarded as capital transactions made to bring assets located in foreign countries into line with commitments in those countries, and are included as a flow of investment between Australia and foreign residents. Similar considerations apply for foreign life insurance enterprises with branches in Australia.

The following are explanatory notes relating to some of the terms used in the tables:

Branches. Offices in Australia of enterprises incorporated abroad or offices in separate foreign countries of enterprises incorporated in Australia. For the purposes of the survey, branches are included if the value of net liabilities to head office exceeds \$A10,000 or if the annual net profit or loss exceeds \$A10,000. Australian branches of foreign enterprises *include* other Australian offices of foreign enterprises where a branch register is maintained in Australia, but *exclude* enterprises in

Australia which are incorporated abroad but which have no business operations in Australia other than an account with a bank in Australia. Foreign branches of enterprises in Australia *exclude* foreign enterprises which are incorporated in Australia but which have no business operations abroad other than an account with a foreign bank. However, the short-term assets represented by the bank accounts abroad are included as Australian portfolio investment abroad for those companies included in the surveys of foreign investment.

Enterprises. Incorporated and unincorporated businesses and other organisations, *excluding* enterprises which have no business operations in a country other than an account with a bank in that country.

Direct investment. All investment in branches and subsidiaries by direct investors and other related enterprises.

Foreign residents. Any individual, enterprise or other organisation domiciled in a country other than Australia. Includes Norfolk Island and other external territories of Australia. Foreign branches and subsidiaries of enterprises in Australia are also regarded as being foreign residents.

Portfolio investment and institutional loans. Investment in enterprises other than direct investment, i.e. investment other than investment by related enterprises in branches and subsidiaries. Includes both corporate equities and borrowings.

Subsidiaries. An *Australian subsidiary* of a foreign enterprise is an enterprise in Australia, other than a branch, in which:

- (a) a single foreign resident (individual or enterprise) or a group of related enterprises in the one foreign country holds 25 per cent or more of the equity, or, if this condition does not apply,
- (b) residents of one foreign country combined hold 50 per cent or more of the equity, together with other enterprises in Australia in which the Australian subsidiary holds, directly or indirectly, more than 50 per cent of the equity.

A *foreign subsidiary* of an enterprise in Australia is a foreign enterprise other than a branch, in which an enterprise in Australia holds 25 per cent or more of the equity. In principal, foreign enterprises in which the combined Australian shareholding is 50 per cent or more would also be included, but it is not practicable to ascertain the total investment by Australian shareholders in individual foreign enterprises.

Undistributed profits of subsidiaries. Equity of direct investors in the net earnings of an enterprise during the year, less tax payable on those earnings and less dividends declared during the year whether relating to earnings of the same year or not. Net earnings are, in general, based on income for taxation purposes. However, certain deductions allowable for taxation purposes (e.g. mining and petroleum exploration expenditure, Export Market Development Allowance, Investment Allowance for Manufacturing Plant, previous year's losses, etc.) are not deducted in calculating net earnings. Undistributed profits of Australian subsidiaries also include undistributed income accruing to the subsidiary from related enterprises in Australia.

Unremitted profits of branches. Net earnings (after tax) during the year, less remittances of earnings to the head office during the year, irrespective of the year to which the earnings relate. Net earnings of branches are, in general, similar to those for subsidiaries. Also included is undistributed income accruing to the branch of other enterprises related to the branch.

More detailed statistics on foreign investment in Australia and Australian investment abroad are contained in the annual bulletin *Foreign Investment* (5305.0).

Private foreign investment in enterprises in Australia and investment income payable abroad by enterprises in Australia

The inflow of private foreign investment in Australia in recent years is shown in the next three tables.

INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA BY TYPE OF INVESTMENT
(\$ million)

Year	Direct investment					Portfolio investment and institutional loans	Total
	Undistributed income		Other direct investment				
	Branches	Subsidiaries	Branch liabilities to head office	Other (a)	Total		
1972-73	41	256	45	48	391	94	484
1973-74	21	399	-1	186	605	-134	471
1974-75	15	226	15	387	644	237	881
1975-76	178	428	6	-48	564	198	762
1976-77	41	618	48	347	1,055	496	1,551

(a) Includes for subsidiaries: corporate equities, intercompany indebtedness and borrowings; and for branches: borrowings from related foreign enterprises other than the head office.

Minus sign (-) denotes withdrawal

INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY COUNTRY
(\$ million)

Year	<i>E.E.C.</i>						<i>Total</i>
	<i>United Kingdom</i>	<i>Other(a)</i>	<i>U.S.A.</i>	<i>Canada</i>	<i>Japan</i>	<i>Other countries</i>	
1972-73	116	52	92	8	51	165	484
1973-74	94	82	187	18	78	11	471
1974-75	109	158	349	15	65	185	881
1975-76	277	10	358	14	94	9	762
1976-77	357	255	613	68	204	54	1,551

(a) Includes Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, Luxembourg and Netherlands.

INFLOW OF DIRECT FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY INDUSTRY GROUP
(\$ million)

Year	<i>Primary production(a)</i>	<i>Manufacturing</i>	<i>Other industries</i>	<i>Total</i>
1972-73	67	84	240	391
1973-74	60	245	300	605
1974-75	64	283	296	644
1975-76	21	228	314	564
1976-77	-50	482	624	1,055

(a) Includes agriculture, forestry, fishing, mining, quarrying and oil exploration and production.

Minus sign (-) denotes withdrawal.

The next three tables show investment income payable abroad by enterprises in Australia.

INCOME PAYABLE ON FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY TYPE OF INCOME
(\$ million)

<i>Income payable abroad on direct investment</i>							
<i>Year</i>	<i>Undistributed income</i>	<i>Distributed income</i>			<i>Total</i>	<i>Income payable abroad on portfolio investment and institutional loans</i>	<i>Total</i>
		<i>Remitted profits of branches</i>	<i>Dividends payable</i>	<i>Interest payable</i>			
1972-73	297	92	203	110	703	150	854
1973-74	420	104	208	111	843	163	1,007
1974-75	241	152	204	134	731	208	940
1975-76	605	157	248	130	1,141	242	1,384
1976-77	659	273	230	122	1,285	256	1,541

OVERSEAS TRANSACTIONS

INCOME PAYABLE ON FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA BY COUNTRY
(\$ million)

Year	<i>E.E.C.</i>		<i>U.S.A.</i>	<i>Canada</i>	<i>Japan</i>	<i>Other countries</i>	<i>Total</i>
	<i>United Kingdom</i>	<i>Other(a)</i>					
1972-73	340	16	404	27	18	48	854
1973-74	383	14	491	27	20	73	1,007
1974-75	292	1	529	16	23	79	940
1975-76	481	53	644	47	44	114	1,384
1976-77	535	55	723	38	77	114	1,541

(a) Includes Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, Luxembourg and Netherlands.

INCOME PAYABLE ON DIRECT FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY INDUSTRY GROUP
(\$ million)

Year	<i>Primary production(a)</i>	<i>Manufacturing</i>	<i>Other industries</i>	<i>Total</i>
1972-73	182	281	241	703
1973-74	269	320	253	843
1974-75	304	270	157	731
1975-76	309	411	421	1,141
1976-77	324	529	431	1,285

(a) Includes agriculture, forestry, fishing, mining, quarrying and oil exploration and production.

Australian investment in and investment income receivable from foreign enterprises

The outflow of Australian investment in enterprises in recent years and a classification by country in which the capital was invested are shown in the following two tables.

OUTFLOW OF AUSTRALIAN INVESTMENT ABROAD, BY TYPE OF INVESTMENT
(\$ million)

<i>Direct investment</i>							
<i>Year</i>	<i>Undistributed income</i>		<i>Other direct investment</i>			<i>Portfolio investment and institutional loans(a)</i>	<i>Total</i>
	<i>Branches</i>	<i>Subsidiaries</i>	<i>Branch liabilities to head office</i>	<i>Other</i>	<i>Total</i>		
1972-73	-10	83	10	13	97	17	114
1973-74	-3	103	55	80	234	18	252
1974-75	-12	40	16	63	107	5	112
1975-76	2	63	11	80	155	20	175
1976-77	-10	100	33	88	211	2	213

(a) Prior to April 1975, excludes portfolio investment in Papua New Guinea other than some long-term trade credit and short-term assets; between April and December 1975, includes transactions with Papua New Guinea where amounts involved are denominated in Kina; from January 1976, includes all portfolio investment in Papua New Guinea.

Minus sign (-) denotes repatriation of investment.

OUTFLOW OF AUSTRALIAN INVESTMENT IN FOREIGN ENTERPRISES BY COUNTRY
(\$ million)

Year	<i>E.E.C.</i>		<i>New Zealand</i>	<i>U.S.A. and Canada</i>	<i>Papua New Guinea(b)</i>	<i>A.S.E.A.N.</i>	<i>Other countries</i>	<i>Total</i>
	<i>U.K.</i>	<i>Other(a)</i>						
1972-73	-2	21	24	20	(c)	7	(d)44	114
1973-74	41	29	28	39	(c)	24	(d)91	252
1974-75	2	-1	51	9	-7	38	21	112
1975-76	30	8	11	43	46	10	27	175
1976-77	31	8	55	40	26	15	38	213

(a) Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, Luxembourg and Netherlands. (b) Prior to April 1975, excludes portfolio investment other than some long-term trade credit and short-term assets; between April and December 1975, includes transactions with Papua New Guinea where amounts involved are denominated in Kina; from January 1976, includes all portfolio investment in Papua New Guinea. (c) Not available for publication. (d) Includes Papua New Guinea.

Minus sign (-) denotes repatriation of investment.

The next two tables show income from direct investment receivable by Australian enterprises from foreign enterprises, and the countries from which it is receivable.

**INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT IN
FOREIGN ENTERPRISES, BY TYPE OF INCOME^(a)**
(\$ million)

Year	Distributed income					Total
	Undistributed income		Remitted profits of branches	Dividends of subsidiaries	Interest	
	Branches	Subsidiaries				
1972-73	-10	83	16	34	2	125
1973-74	-3	103	18	67	1	187
1974-75	-12	40	23	60	3	113
1975-76	2	63	22	46	5	138
1976-77	-10	100	33	59	7	190

(a) Details are not available of income receivable in Australia on either portfolio investment and institutional loans or on Australian holdings of foreign government securities.
Minus sign (-) denotes withdrawal.

**INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT IN FOREIGN ENTERPRISES, BY
COUNTRIES^(a)**
(\$ million)

Year	E.E.C.		New Zealand	U.S.A. and Canada	Papua New Guinea	A.S.E.A.N.	Other countries	Total
	U.K.	Other ^(b)						
1972-73	19	3	21	3	(c)	4	(d)78	125
1973-74	25	-	35	2	(c)	6	(d)118	187
1974-75	17	-7	29	4	(c)	9	(d)61	113
1975-76	24	2	34	8	(c)	9	(d)61	138
1976-77	33	-3	54	8	40	17	41	190

(a) Details are not available of income receivable in Australia on either portfolio investment and institutional loans or on Australian holdings of foreign government securities. (b) Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, Luxembourg and Netherlands. (c) Not available for publication—included in 'Other countries'. (d) Includes Papua New Guinea.
Minus (-) sign denotes withdrawal.

BALANCE OF PAYMENTS

Balance of payments estimates provide a systematic record, in money terms, of transactions between residents of a country and residents of the rest of the world (non-residents) for a given period. Such a record is essential to the examination of influences which external factors have on the domestic economy. These estimates have always assumed a particular importance in Australia as the Australian economy is subject to fairly large fluctuations in export income and is also affected in important respects by variations in the level of foreign investment and the demand for imports.

Official estimates of Australia's balance of payments for the period 1928-29 to 1930-31 were included in the Appendix to Year Book No. 24, 1931. Except for the war years (1939 to 1945), estimates have since been published at least annually. Detailed estimates and a description of the various items included are provided in the annual bulletin *Balance of Payments* (5303.0). Somewhat less detailed estimates of the principal current account items and capital movements are published in the quarterly bulletin *Balance of Payments* (5303.0), and summary statement of the main balance of payments aggregates, *Balance of Payments (Preliminary)*, is issued monthly (5301.0).

Transactions are recorded in the balance of payments when ownership of goods changes, services are rendered, income and transfer payment are made and financial assets or liabilities are created or extinguished. The Australian balance of payments is divided into a current account and a capital account, the former covering transactions in goods, services, income and transfers, and the latter covering the creation or extinction of financial assets or liabilities through such activities as government loans raised overseas, private direct investment and portfolio investment. Included in the capital account are movements in the levels of financial assets held in the form of official reserves.

The balance of payments is a double entry accounting statement based on rules of debit and credit so that, conceptually, credits should exactly offset debits. However, errors and omissions in the

estimates and timing discrepancies in the recording of transactions and their offsets occur. It is therefore necessary, to preserve the identity between the two accounts, to introduce a balancing item which, although it is included in the capital account, reflects errors, omissions and timing discrepancies in both the current and capital accounts.

Current account

The current account is sub-divided into transactions in goods and invisibles. Transactions in goods consist of exports and imports, the difference between the two being the balance of trade. Exports and imports comprise all movable goods which undergo a change of ownership between residents and non-residents. Recorded trade statistics based on customs warrants provide the basic source of data; however these have to be adjusted in respect of valuation, timing and coverage to bring them onto a balance of payments basis. In brief, these adjustments include deducting those goods from recorded trade which, although they have crossed the customs frontier, have not changed ownership, and adding to the recorded trade figures those goods which have changed ownership but have not crossed the customs frontier. Goods crossing the customs frontier without changing ownership for the purpose of sale at a later date (e.g. consignment goods) are removed from trade data and added back later when they are sold. The value of recorded imports is also adjusted to allow for overstatement resulting from some imports being recorded, for customs purposes, at values higher than the transactions value required for the balance of payments.

Invisibles transactions include the sale and purchase of services, property income receivable from and payable to overseas, and transfer payments, both government and private. In most cases, credit entries represent the receipt of foreign exchange and debit entries the payment of foreign exchange, although there are some exceptions to this general rule: undistributed income, for example, is included as an imputed transaction in both the current and capital accounts, and transfers in kind (e.g. aid in the form of food shipments) also occur which do not result in movements of foreign exchange. The item Gold Production (net) also requires an explanation: reflecting the previous significance afforded to gold as an international medium of exchange, this item showed, for the period prior to 1 January 1976 (from which date the treatment was changed), the net value of gold exports (gold transactions being excluded from the visible trade items) plus the value of newly-produced gold retained by the Reserve Bank as part of Australia's official reserve assets.

Sources of data for the invisibles items vary. They include ABS surveys (transportation, defence expenditure, remitted profits, dividends and interest), data from trading banks on foreign exchange transactions (travel, miscellaneous services, royalties and copyrights, most private transfers), and data from government departments (most of the Government items, interest on public authority debt, foreign aid, social security cash benefits).

The balance on Current Account gives the net result of the trade and invisibles transactions and is derived by summing the balance of trade, invisible credits and invisible debits.

Capital account

Capital account transactions may be defined as those involving claims to money and titles of investment between residents of Australia and those of another country. They include government loan-raising operations overseas, investment by overseas residents in Australian companies, the investment by Australian residents in companies overseas, and changes in the level of Australia's foreign reserves.

In the capital account, transactions are recorded on a net basis, i.e. according to the net effect of all debit and credit entries relating to each item. Thus entries on the credit side represent a net increase in non-residents' assets in Australia or a net decrease in Australian assets overseas, while debit entries represent a net decrease in non-residents assets in Australia or a net increase in Australian assets overseas.

Capital account transactions are grouped according to the sector of the Australian party to the transactions. The Government sector, therefore, includes all capital transactions of central, State, local and semi-government authorities, with the exception of transactions of monetary institutions (which are included in the monetary sector), while the private sector covers transactions of all resident individuals and private institutions (again excepting monetary institutions). The monetary sector covers all banking institutions, including government-owned banks. Transactions of the monetary sector are further sub-divided into those of official and 'non-official' monetary institutions. Transactions of official institutions include changes in Australia's official reserve assets (consisting of gold, foreign exchange, the IMF gold tranche and special drawing rights in the IMF) and transactions between the Reserve Bank of Australia and foreign central monetary authorities and the IMF. Also included is an item, *19.3 Allocation of Special Drawing Rights*. This is the counterpart to the change in official reserve assets due to the allocation to Australia of SDRs by the IMF. Such an

entry is necessary in this case because without it there would be no corresponding credit to the increase in assets (debit) and the allocation would be reflected in an offsetting movement in the balancing item. 'Non-official' monetary institutions includes all other transactions of Australian monetary institutions.

In the government sector, the most important items include transactions by non-residents in government securities domiciled overseas and in Australia, and transactions involving changes in Australia's assets with and liabilities to international development institutions such as the International Bank for Reconstruction and Development and the Asian Development Bank. Other government transactions are largely a reflection of the net effect on the balance of payments of leads and lags between payments made overseas for items of equipment for the defence services and government shipping and airline enterprises and the delivery of the equipment. In periods where payments exceed the value of deliveries, a net debit results; in periods where the value of deliveries exceeds payments, a net credit is recorded.

In the private sector, the most important items are overseas investment in Australian companies, Australian investment overseas, and trade credit transactions n.e.i. The figures for trade credit n.e.i. represent changes, mainly short term, in export and import indebtedness of the principal Australian marketing authorities and other private companies.

In the monetary sector, the most important item is that which shows the net changes in Australia's official reserve assets.

The balancing item includes errors and omissions and timing differences, referred to on pages 603-604.

BALANCE OF PAYMENTS
(\$ million)

	1974-75		1975-76		1976-77	
	Credit	Debit	Credit	Debit	Credit	Debit
CURRENT ACCOUNT						
Goods—						
1 Exports f.o.b.(a)	8,490	—	9,408	—	11,399	—
2 Imports f.o.b.(a)	—	7,652	—	7,924	—	10,345
Balance of trade	838	—	1,484	—	1,054	—
Invisibles—						
3 Gold production (net)(b)	56	—	23	—	—	—
4 Transportation—						
4.1 Freight on imports(c)	—	784	—	802	—	1,034
4.2 Expenditure of overseas carriers	627	—	693	—	813	—
4.3 Other transportation	324	712	348	801	425	947
5 Travel	212	428	233	509	278	510
6 Government—						
6.1 Australian government—						
6.1.1 Defence expenditure	—	47	—	57	—	62
6.1.2 Other expenditure	—	99	—	118	—	127
6.1.3 Services to non-residents	23	—	23	—	24	—
6.2 Foreign governments expenditure	52	—	55	—	64	—
7 Miscellaneous—						
7.1 Business expenses	88	187	64	138	52	109
7.2 Other	70	107	62	116	42	146
8 Property income—						
8.1 Direct investment—						
8.1.1 Undistributed	28	241	65	605	90	659
8.1.2 Distributed	85	490	73	536	100	626
8.2 Interest on government loans	—	76	—	85	—	114
8.3 Royalties and copyrights	9	75	8	75	13	57
8.4 Other	309	218	197	251	175	271
9 Government transfers—						
9.1 Papua New Guinea	—	191	—	239	—	244
9.2 Other foreign aid	—	160	—	132	—	145
9.3 Social security cash benefits	—	11	—	18	—	26
10 Private transfers—						
10.1 Migrants' funds	173	100	149	115	133	102
10.2 Social security cash benefits	25	—	29	—	29	—
10.3 Other	231	166	181	198	114	188
Balance on current account	—	946	—	1,108	—	1,961

OVERSEAS TRANSACTIONS
BALANCE OF PAYMENTS—*continued*
(\$ million)

	1974-75		1975-76		1976-77	
	Credit	Debit	Credit	Debit	Credit	Debit
CAPITAL ACCOUNT (NET)						
Government—						
11 Government securities—						
11.1 Domiciled overseas	1	—	126	—	357	—
11.2 Domiciled in Australia	21	—	—	80	14	—
12 International development institutions	—	27	—	25	—	35
13 Other government transactions	—	19	—	150	—	188
Private—						
14 Overseas investment in Australian companies—						
14.1 Direct investment—						
14.11 Undistributed income	241	—	605	—	659	—
14.12 Other	403	—	—	41	396	—
14.2 Portfolio investment and institutional loans	237	—	198	—	496	—
15 Australian investment overseas—						
15.1 Direct investment—						
15.11 Undistributed income	—	28	—	65	—	90
15.12 Other	—	79	—	90	—	121
15.2 Portfolio investment	—	1	—	20	—	2
16 Other private investment	14	—	1	—	6	—
17 Trade credit n.e.i.—						
17.1 Marketing authorities	—	60	120	—	111	—
17.2 Other	—	9	—	16	129	—
Monetary—						
18 Non-official monetary institutions—						
18.1 Changes in liabilities—						
18.11 Borrowing overseas	60	—	33	—	12	—
18.12 Other liabilities	81	—	—	67	41	—
18.2 Changes in assets—						
18.21 Advances to non-residents	—	3	—	9	15	—
18.22 Foreign currency balances	—	87	19	—	—	44
19 Official monetary institutions—						
19.1 Changes in liabilities—						
19.11 Use of I.M.F. credit	—	—	—	—	309	—
19.12 Other liabilities	7	—	—	28	—	10
19.2 Changes in official reserve assets	460	—	1,053	—	190	—
19.3 Allocation of S.D.R.'s	—	—	—	—	—	—
19.4 Other transactions	—	3	—	4	2	—
Balancing item	—	264	—	451	—	286
Balance on capital account	946	—	1,108	—	1,961	—

(a) The amounts shown represent the recorded trade figures adjusted for balance of payments purposes. Adjustments affect timing, coverage and valuation. (b) Estimates cover period 31 December 1976 since which date the treatment of gold transactions in the balance of payments has changed. (c) Freight payable overseas only. Total freight and insurance on imports, whether payable overseas or in Australia, is estimated at \$952 million in 1974-75 and \$938 million in 1975-76 and \$1,218 million in 1976-77.

OVERSEAS TRANSACTIONS
BALANCE OF PAYMENTS BY REGIONS
(\$ million)

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	1974-75	1975-76	1976-77
CURRENT ACCOUNT(a)			
Exports f.o.b.(b)–			
United States of America	787	867	982
Canada	290	243	280
United Kingdom	432	398	516
European Economic Community(c)	840	1,031	1,321
Japan	2,414	3,189	3,933
New Zealand	516	439	553
Papua New Guinea	184	163	190
Sino-Soviet Area	605	748	771
Other countries	2,422	2,330	2,853
<i>Total exports</i>	<i>8,490</i>	<i>9,408</i>	<i>11,399</i>
Imports f.o.b.(b)–			
United States of America	1,565	1,640	2,145
Canada	204	194	287
United Kingdom	1,141	1,042	1,140
European Economic Community(c)	1,097	1,061	1,520
Japan	1,392	1,558	2,117
New Zealand	175	238	314
Papua New Guinea	31	35	79
Sino-Soviet Area	124	107	150
Other countries	1,922	2,049	2,593
<i>Total imports</i>	<i>7,652</i>	<i>7,924</i>	<i>10,345</i>
Invisibles (net)–			
United States of America	-617	-843	-1,007
Canada	-23	-62	-52
United Kingdom	-491	-753	-909
European Economic Community(c)	-156	-224	-258
Japan	-28	-57	-98
New Zealand	57	23	40
Papua New Guinea	-76	-120	-142
Sino-Soviet Area	-6	-5	4
Other countries	-437	-538	-540
International agencies	-58	-37	-55
Gold production	56	23	-
<i>Total invisibles (net)</i>	<i>-1,784</i>	<i>-2,592</i>	<i>-3,015</i>
Balance on current account–			
United States of America	-1,395	-1,616	-2,170
Canada	63	-13	-59
United Kingdom	-1,200	-1,398	-1,533
European Economic Community(c)	-413	-253	-456
Japan	994	1,574	1,718
New Zealand	398	224	279
Papua New Guinea	76	8	-31
Sino-Soviet Area	476	636	625
Other countries	62	-256	-280
International agencies	-58	-37	-55
Gold production	56	23	-
<i>Balance on current account</i>	<i>-946</i>	<i>-1,108</i>	<i>-1,961</i>

For footnotes see next page.

OVERSEAS TRANSACTIONS

BALANCE OF PAYMENTS BY REGIONS—*continued*

(\$ million)

	1974-75	1975-76	1976-77
CAPITAL ACCOUNT (NET)(a)			
Non-monetary sector—			
Government capital movements—			
United States of America	-	43	-61
Canada	-	-	1
United Kingdom	-64	-54	-78
European Economic Community(c)	9	-10	362
Japan	2	-	-8
New Zealand	-	-1	-
Papua New Guinea	11	-3	3
Sino-Soviet Area	-	-	-
International development financing institutions	-39	-36	-40
Other countries	57	-69	-30
<i>Total government capital movements</i>	-24	-129	148
Overseas investment in Australian companies—			
United States of America	349	358	613
Canada	15	14	68
United Kingdom	110	277	357
European Economic Community(c)	158	10	255
Japan	65	94	204
New Zealand	2	14	-18
Papua New Guinea	-13	-3	-
Sino-Soviet Area	-	-	-1
Other countries	195	-3	73
<i>Total overseas investment in Australian companies</i>	881	762	1,551
Other private capital movements—			
United States of America	-2	-57	-4
Canada	-35	1	23
United Kingdom	11	-25	-15
European Economic Community(c)	-29	-8	39
Japan	-30	58	19
New Zealand	-95	8	-27
Papua New Guinea	-6	-44	-18
Sino-Soviet Area	18	-4	69
Other countries	5	-	-52
<i>Total other private capital movements</i>	-163	-70	33
Total non-monetary sector transactions—			
United States of America	347	344	548
Canada	-20	15	93
United Kingdom	57	198	264
European Economic Community(c)	138	-8	656
Japan	37	152	215
New Zealand	-93	21	-45
Papua New Guinea	-8	-50	-15
Sino-Soviet Area	17	-4	68
International development financing institutions	-39	-36	-40
Other countries	257	-72	-9
<i>Total non-monetary sector transactions</i>	695	563	1,733
Monetary sector transactions—			
Net official monetary movements(d)	464	1,020	491
Non-official monetary sector transactions(d)	51	-25	24
Balancing item(d)	-264	-451	-286
Balance on capital account(d)	946	1,108	1,961

(a) For current account balances minus sign (-) denotes deficit; for capital account items minus sign (-) denotes an increase in overseas assets or a decrease in liabilities to overseas. (b) The amounts shown represent recorded trade figures adjusted for balance of payments purposes. Adjustments affect timing, coverage and valuation. (c) Excluding United Kingdom. (d) No regional split is available for these items.

International reserves

The following table shows Australia's official reserve assets as at 30 June for recent years.

OFFICIAL RESERVE ASSETS(a)

(Source: Reserve Bank of Australia)

(\$ million)

	30 June		
	1976	1977	1978
Official reserve assets—			
Gold	749	947	1,225
Special Drawing Rights	37	27	113
I.M.F. gold tranche	155	174	179
Foreign exchange—			
United States dollars	1,457	1,312	727
Others	688	851	982
Total	3,086	3,312	3,225

(a) Up to 30 June 1974, SDRs, Australia's reserve position in the IMF and IMF credit tranche, are valued on the basis of Australia's official parity established with the IMF; subsequent figures are based on the IMF basket valuation for the SDR, which is published in terms of US dollars crossed with the representative rate for the Australian dollar in terms of the US dollar. Gold is valued at the Reserve Bank buying price up to the end of January 1976; from February 1976 to end May 1976, gold is valued at the IMF official price in SDRs converted to Australian dollars at the derived SDR/\$A rate; subsequently, the basis of valuation is the average London gold price for the month, converted to Australian dollars at the market rate of exchange applying on the last day of the month. Since June 1973, the foreign currency value of all other overseas assets has been based, where applicable, on market quotations. Accrued interest is normally taken into account. Figures for earlier periods are on an historical cost basis. Conversion to Australian dollar equivalent is based on market rates of exchange.

FOREIGN CONTROL

A program of studies of foreign control of key industries and economic activities in Australia has been undertaken. Studies have been completed for manufacturing, mining, mineral exploration other than for petroleum, petroleum exploration, registered financial corporations other than re-tailers, finance companies, general insurance, life insurance, tourist accommodation, accredited advertising agencies and research and experimental development (R and D). This program of foreign control studies has now been terminated, as part of the measures necessary to bring ABS activities within the resources available to it.

Brief explanatory notes and a summary of the main results of these studies are given below.

An enterprise in Australia has been classified to *foreign control* if a foreign resident investor (individual, company or group of related companies) or foreign controlled enterprise held at least 25 per cent of the paid-up value of its voting shares (or equivalent equity interest in the case of unincorporated enterprises), provided that there was no larger holding by an Australian controlled enterprise or Australian resident individual. This definition of foreign control includes cases where there was an equal holding by an Australian controlled enterprise or Australian resident individual. All enterprises not classified to foreign control have been classified to *Australian control*.

To obtain aggregate measures of the extent of foreign control of an industry (or economic activity), operations data for each statistical unit in that industry (economic activity) have been allocated wholly to the appropriate control category for that unit and the results summed over all units in the industry (economic activity).

In the following table the classification by country of foreign control is based on the country of domicile of the *immediate* foreign resident investor who held the controlling interest in the enterprise. This is not necessarily the country of ultimate control, since an immediate foreign resident investor may be an enterprise that is controlled by residents of another country.

FOREIGN CONTROL OF INDUSTRIES AND ECONOMIC ACTIVITIES IN AUSTRALIA

Industry and period	Foreign/Aust. control measured in terms of	Foreign control				Australian control		
		U.K.	U.S.A.	Other	Total		Total	Total
Manufacturing 1972-73	value added	per cent 16.2	per cent 13.1	per cent 5.0	per cent 34.3	per cent 65.7	per cent 100.0	\$ million 10,746
Mining 1976-77	value added	15.9	37.5	5.6	59.0	41.0	100.0	3,562
Mineral exploration other than for petroleum 1975-76	exploration expenditure	15.0	23.6	15.8	54.4	45.6	100.0	117
Petroleum exploration 1975-76	exploration expenditure	36.7	34.1	3.6	74.4	25.6	100.0	60
Registered financial corporations other than retailers 1976	total assets	14.2	17.1	2.5	33.8	66.2	100.0	25,172
Finance companies 1976	balances outstanding	17.9	26.5	3.8	48.2	51.8	100.0	13,254
General insurance business 1975-76	premiums received	26.0	2.7	9.1	37.8	62.2	100.0	2,846
Life insurance business 1976	premiums received	13.2	1.7	3.8	18.7	81.3	100.0	1,501
Tourist accommodation estab- lishments 1973-74	total takings	1.2	0.7	2.3	4.3	95.7	100.0	1,361
Accredited advertising agencies 1974-75	turnover	6.4	44.5	—	50.9	49.1	100.0	464
R and D performed on account of private enterprises 1976-77	expenditure	21.2	23.5	7.5	52.3	47.7	100.0	156

VALUES OF EXPORTS AND IMPORTS OF MERCHANDISE AT
CONSTANT PRICES

The following tables show annual values of Australian exports and imports of merchandise at constant (average 1974-75) prices. These estimates are compiled on the basis of recorded statistics of merchandise trade within the framework of the Australian Export Commodity Classification (AECC) and the Australian Import Commodity Classification (AICC). Quarterly figures in original and seasonally adjusted terms are published regularly in the bulletin *Exports and Imports of Merchandise at Constant Prices* (5421.0).

Nature of measures

In concept, constant price estimates may be thought of as being derived by expressing the value of each component transaction as the product of a quantity and a price, and then substituting for each current period price the average price of the corresponding item in the base year. There are, however, many transactions recorded in statistics of overseas trade for which it is not possible to apply such an approach. Some common examples of such transactions are those where quantity data are not recorded or where there is some doubt as to whether the commodity involved corresponds sufficiently to that for which a base year price has been calculated. In these cases it is necessary to make assumptions and approximations (e.g. revaluing by means of the price index which is considered to be most closely related to the commodity involved). The published estimates at constant prices should be viewed in the light of these approximations and should not be interpreted as precise quantitative measures.

The system of recording import values was changed from 1 July 1976. It has been estimated that, if the previous basis of valuation had been continued, the total value of imports would have been about 2 per cent higher at current prices than the recorded values on the new basis. The constant (average 1974-75) price estimates would be affected to a much lesser degree (refer page 582).

IMPORTS OF MERCHANDISE AT AVERAGE 1974-75 PRICES

(\$ million)

	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78p
Food, beverages and tobacco	282	354	377	330	379	369
Fuels	722	769	724	680	763	798
Basic materials	444	539	433	407	442	427
Chemicals (incl. plastics)	688	805	786	667	795	831
Textiles, fabrics, etc.	460	658	436	526	545	516
Metals, metal manufactures, machinery and transport equipment	2,188	3,131	3,565	3,160	3,514	3,100
Other imports	1,248	1,623	1,639	1,558	1,747	1,669
Total imports of merchandise	6,032	7,879	7,961	7,326	8,185	7,709

EXPORTS OF MERCHANDISE AT AVERAGE 1974-75 PRICES
(\\$ million)

	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78
Principal exports of rural origin—						
Meat and meat preparations	676	479	444	604	727	799
Cereal grains and cereal preparations . . .	1,027	975	1,460	1,460	1,534	1,797
Sugar, sugar preparations and honey . . .	702	600	661	665	841	814
Wool and sheep skins	1,172	835	816	1,027	1,193	902
Other (dairy produce, fruit, etc.)	502	461	399	471	526	460
Total	4,079	3,351	3,780	4,227	4,821	4,772
Other exports—						
Metalliferous ores and metal scrap . . .	1,011	1,168	1,202	1,177	1,218	1,208
Coal, coke and briquettes	576	623	733	674	765	813
Metals, metal manufacturers, machinery and transport equipment	1,756	1,448	1,551	1,434	1,502	1,648
Other exports	1,150	1,311	1,275	1,335	1,412	1,541
Total	4,493	4,550	4,761	4,620	4,897	5,210
Total exports of merchandise	8,572	7,901	8,541	8,847	9,718	9,982

Further information

For detailed information see the *Annual Bulletin of Overseas Investments, Australia* (5305.0) and the associated bulletin *Overseas Borrowings by Companies in Australia* (5307.0) (latest issue 1974-75; also the other annual bulletins *Overseas Trade* (issued in two parts) (5409.0 and 5410.0)), *Australian Exports, Country by Commodity* (5411.0), *Australian Imports, Country by Commodity* (5414.0), *Imports Cleared for Home Consumption* (issued in two parts) (5412.0 and 5413.0) and the annual bulletin *Balance of Payments* (5303.0). Preliminary information is available in summary form in the statements *Balance of Payments—Quarterly Summary* (5302.0), *Overseas Investment—Preliminary Bulletin* (annual) (5304.0), *Australian Overseas Trade—Exports and Imports* (5401.0) (monthly), *Overseas Trade—Exports by Commodity Divisions* (monthly) (5402.0), and *Overseas Trade—Imports by Commodity Divisions* (monthly) (5405.0). Current information is included in the *Monthly Review of Business Statistics* (1304.0), the *Digest of Current Economic Statistics* (1305.0), and in more detail in the *Monthly Bulletins of Overseas Trade Statistics* (5404.0) (5406.0). There are also the following additional mineographed statements: *Exports of Major Commodities by Country* (monthly) (5403.0), *Imports of Assembled New Passenger Motor Cars* (monthly) (5416.0) and *Exports by Mode of Transport* (quarterly) (5415.0). Additional unpublished details of exports and imports can be supplied on request.

A subscription service is available from this Bureau to provide for the detailed requirements of individual users of overseas trade statistics. These special periodical statements are obtainable monthly or quarterly and show trade according to items of the Australian Export and Import Commodity Classifications or statistical key code dissections of Australian Customs Tariff items. A nominal charge is made which varies depending on the amount of detail required.

More detailed statistics and explanatory notes on individual foreign participation studies are contained in the following bulletins:

Foreign Ownership and Control in Manufacturing Industry 1972-73 (5322.0), *Foreign Control in Manufacturing, Study of Large Enterprise Groups, 1972-73* (5315.0), *Foreign Ownership and Control of the Mining Industry 1973-74 and 1974-75* (5317.0), *Foreign Ownership and Control of General Insurance Business, 1972-73* (5309.0), *Foreign Ownership and Control of Life Insurance Business, 1973* (5311.0), *Foreign Ownership and Control of Finance Companies, 1973* (5313.0), *Foreign Ownership and Control of Tourist Accommodation Establishments, 1973-74* (5319.0), *Foreign Ownership and Control of Accredited Advertising Agencies, 1974-75* (5318.0) and *Foreign Control in Mineral Exploration 1975-76* (5323.0).

