

**EMBARGOED UNTIL 11.30 A.M. 3 JUNE 1988**

**BALANCE OF PAYMENTS  
AUSTRALIA  
MARCH QUARTER 1988**

**IAN CASTLES**  
**Australian Statistician**

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## MAIN FEATURES

Estimates of the main balance of payments aggregates for the March quarter 1988 and the preceding quarter are shown in the following table together with related data on exchange rates and the trade weighted index.

### MAIN AGGREGATES, EXCHANGE RATES AND THE TRADE-WEIGHTED INDEX

	1987-88					
	Not seasonally adjusted			Seasonally adjusted		
	Dec qtr	Mar qtr	Per cent change (a)	Dec qtr	Mar qtr	Per cent change (a)
<b>MAIN AGGREGATES (\$ million)</b>						
Balance on current account	-2799	-2247	+20	-2898	-2443	+16
Balance on goods and services	-789	-7	+99	-925	-317	+66
Balance on merchandise trade	-150	447	..	-98	380	..
Net services	-639	-454	+29	-827	-697	+16
Net income	-2493	-2657	-7	-2394	-2553	-7
Net unrequited transfers	483	417	-14	421	427	+1
Balance on capital account	2731	608	..	..	..	..
Official	2317	-456	..	..	..	..
Non-official	414	1064	..	..	..	..
<b>EXCHANGE RATES - UNITS OF FOREIGN CURRENCY PER \$A (b)</b>						
United States dollar	.7038	.7196	+2.2	..	..	..
Special drawing right	.5256	.5255	-	..	..	..
<b>TRADE-WEIGHTED INDEX OF THE VALUE OF THE \$A (MAY 1970=100) (b)</b>	53.0	53.0	-	..	..	..

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

#### March quarter 1988 compared with December quarter 1987 -

• **Goods and services (seasonally adjusted).** The deficit on goods and services decreased by \$608 million. The rise in exports was substantially more than the rise in imports. The balance on merchandise trade recorded a surplus of \$380 million, a turnaround of \$478 million on the December quarter deficit. The services deficit narrowed.

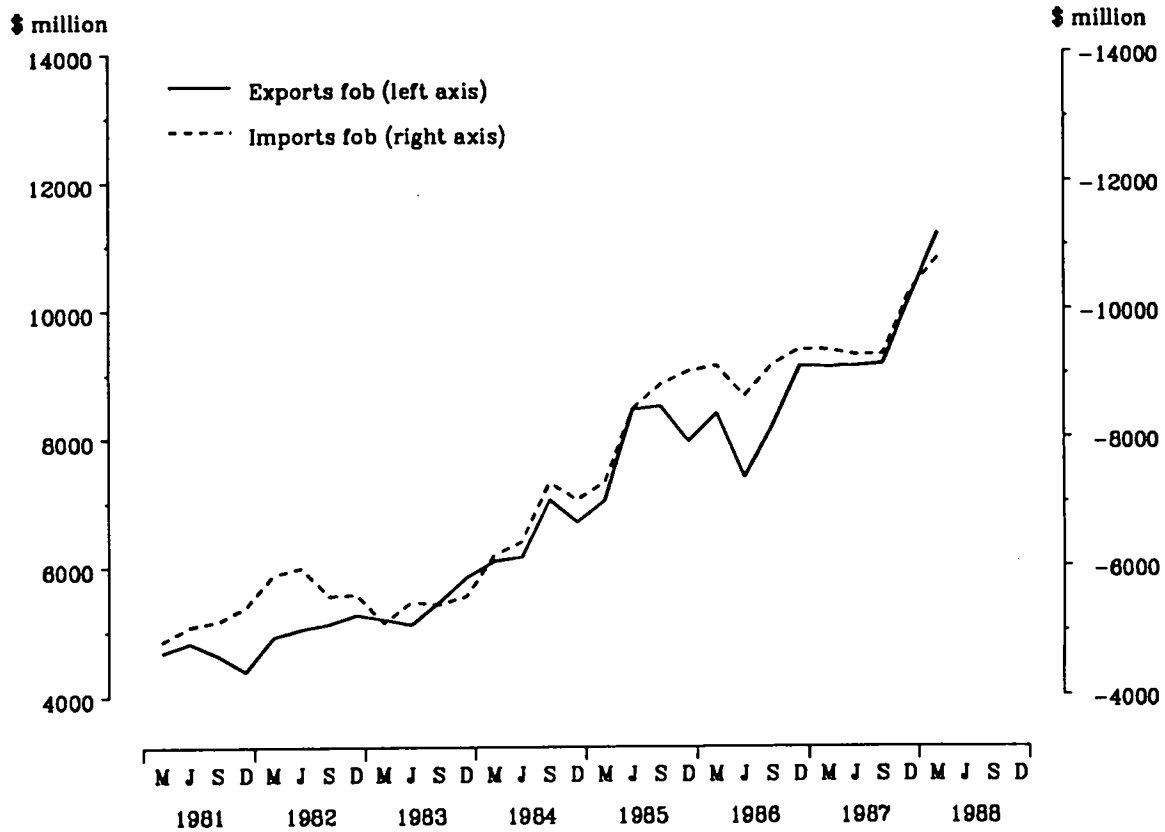
• **Income and unrequited transfers (seasonally adjusted).** The income deficit increased by \$159 million in the March quarter. A rise in income credits was more than offset by a rise in income debits. The unrequited transfers surplus rose by \$6 million.

• **Official capital (not seasonally adjusted).** The sharp turnaround from a net inflow to a net outflow substantially reflected transactions in Australia's official reserve assets.

• **Non-official capital (not seasonally adjusted).** The rise in the net inflow resulted from a fall in Australian investment abroad partly offset by a fall in foreign investment in Australia. The fall in Australian investment abroad was mainly due to transactions in direct investment corporate equities and portfolio and other investment lending, while the fall in foreign investment in Australia was mainly attributable to transactions in portfolio and other investment, especially the private sector borrowing component.

# GRAPHS OF PRINCIPAL BALANCE OF PAYMENTS AGGREGATES

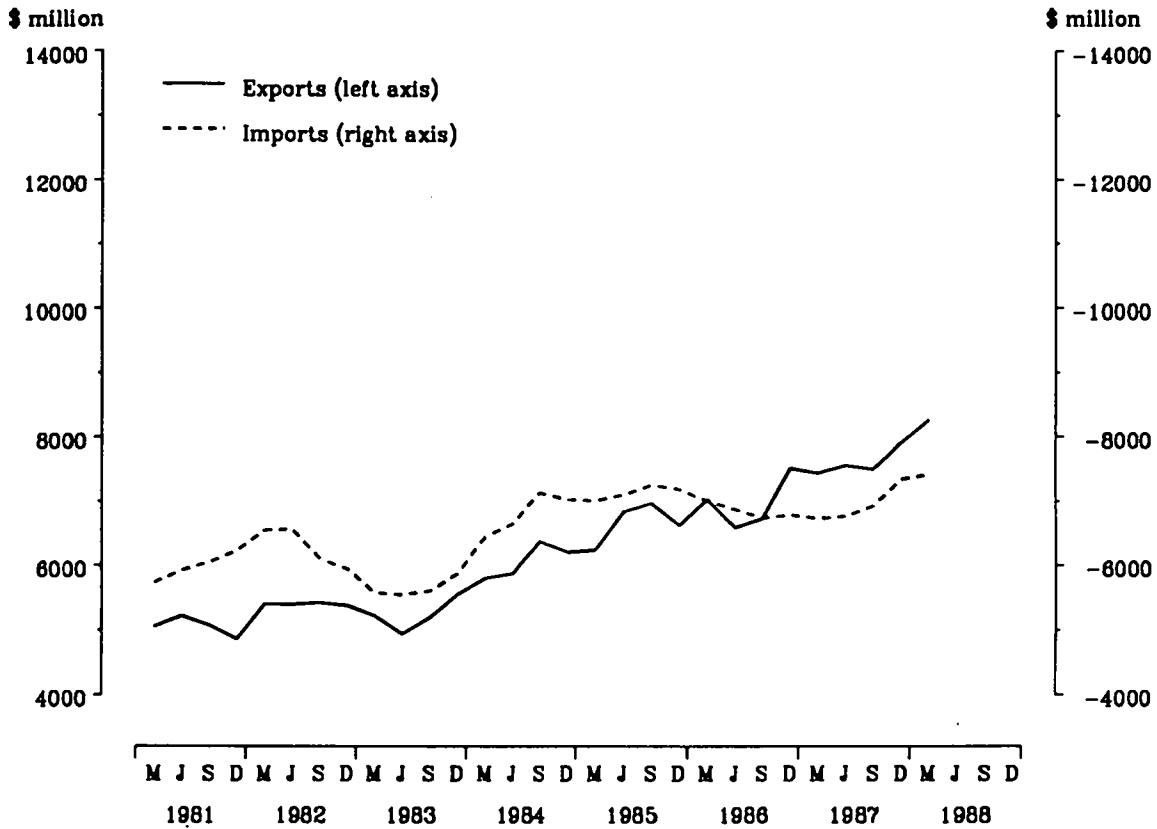
## GRAPH 1 - MERCHANDISE - SEASONALLY ADJUSTED



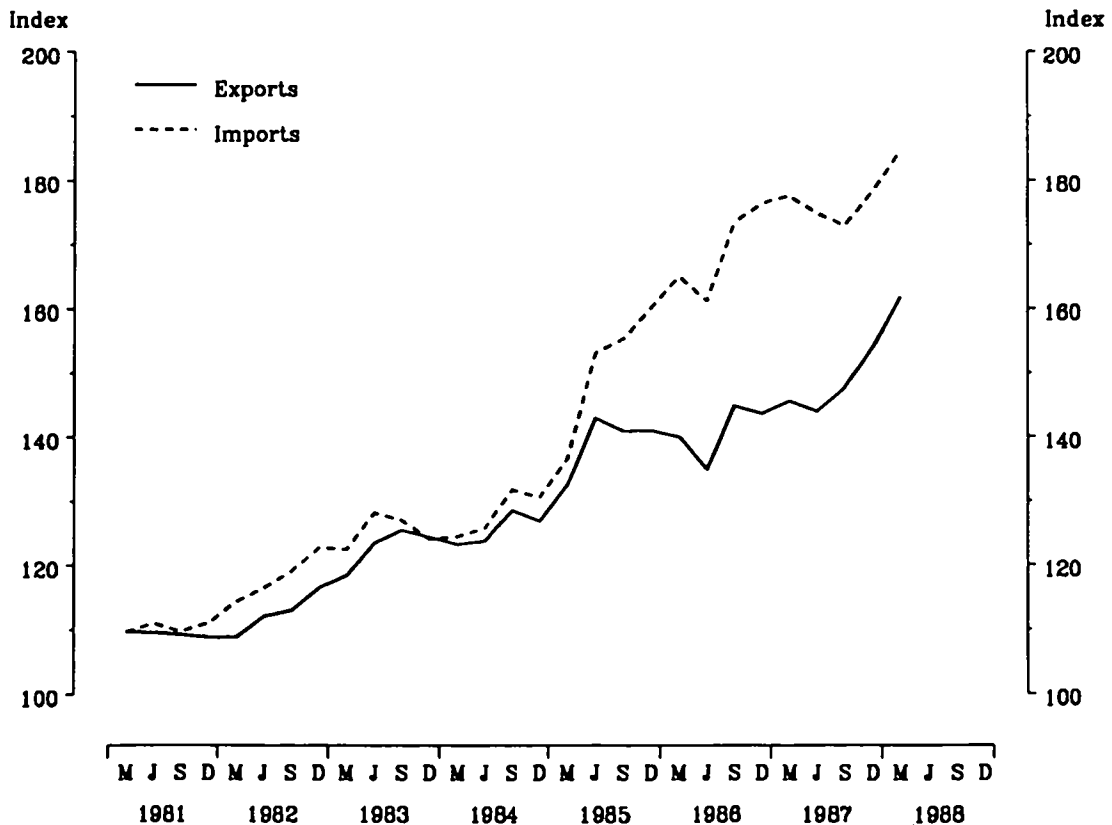
## GRAPH 2 - GOODS AND SERVICES AT CURRENT PRICES - SEASONALLY ADJUSTED



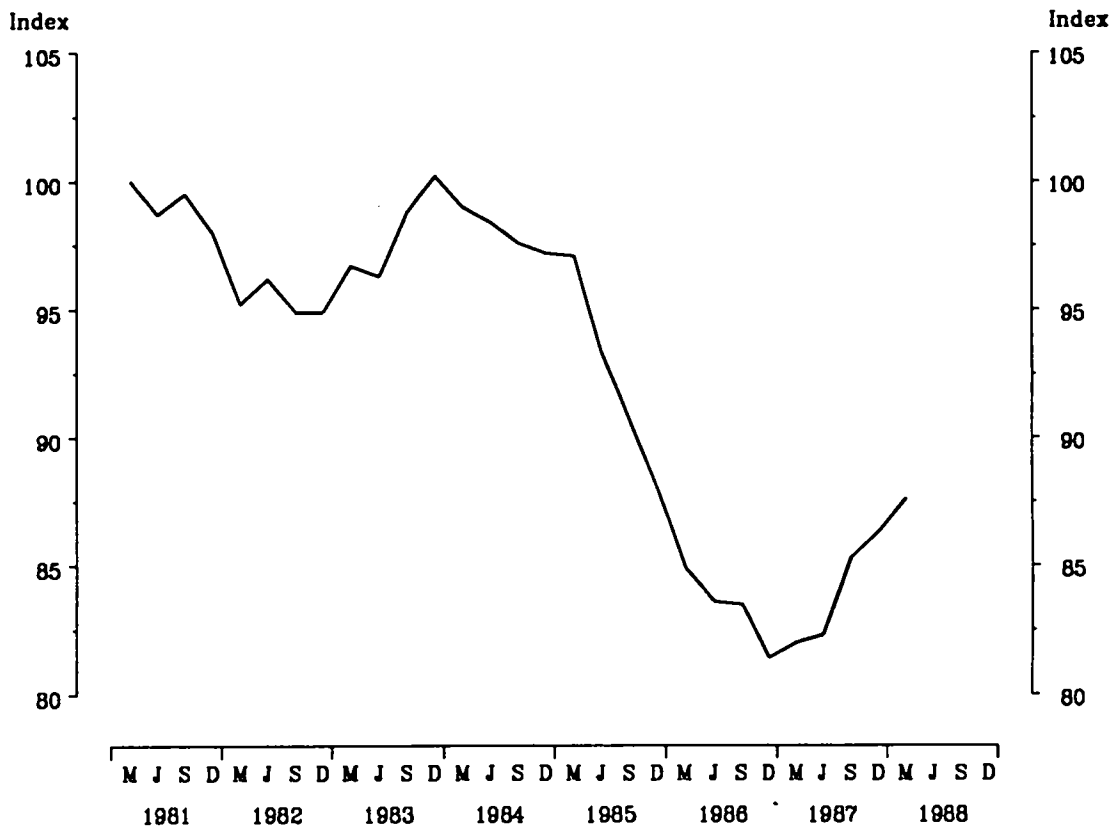
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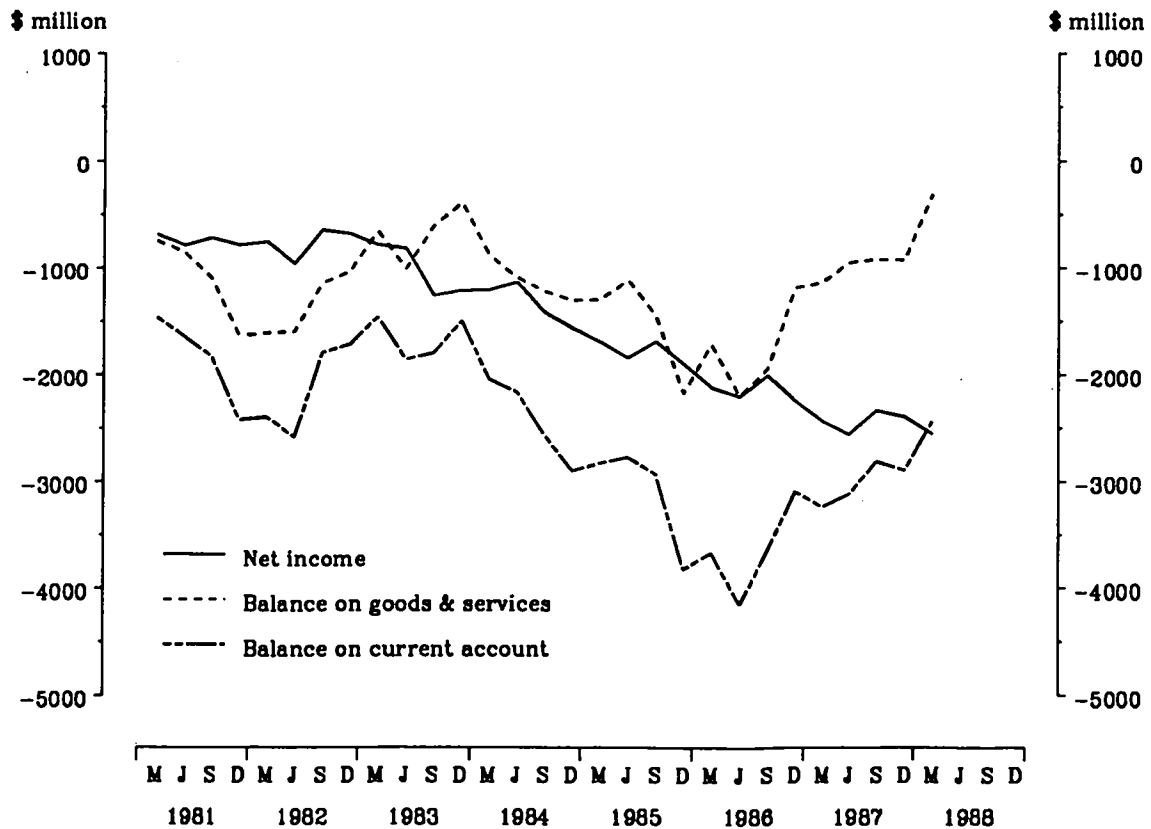
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BASED ON SEASONALLY ADJUSTED DATA (1979-80=100)



GRAPH 5 - TERMS OF TRADE FOR GOODS AND SERVICES -  
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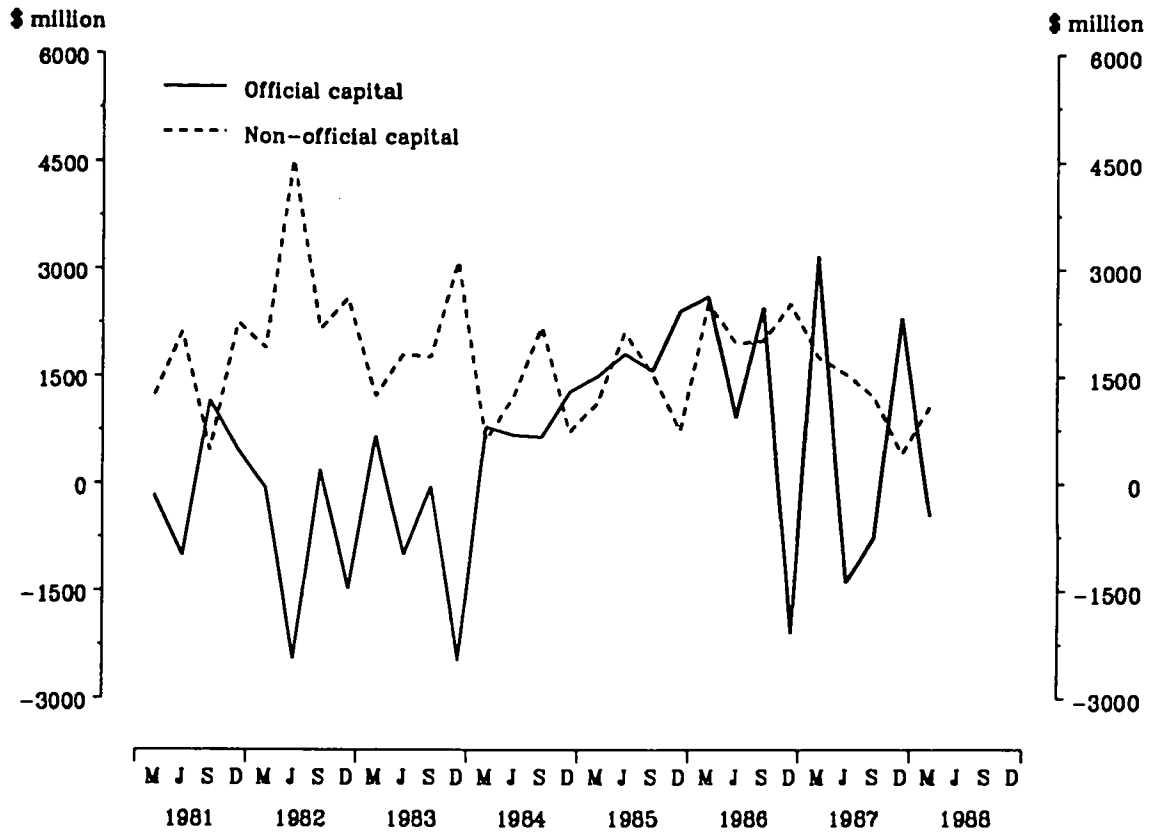


GRAPH 6 - CURRENT ACCOUNT MAJOR AGGREGATES - SEASONALLY ADJUSTED

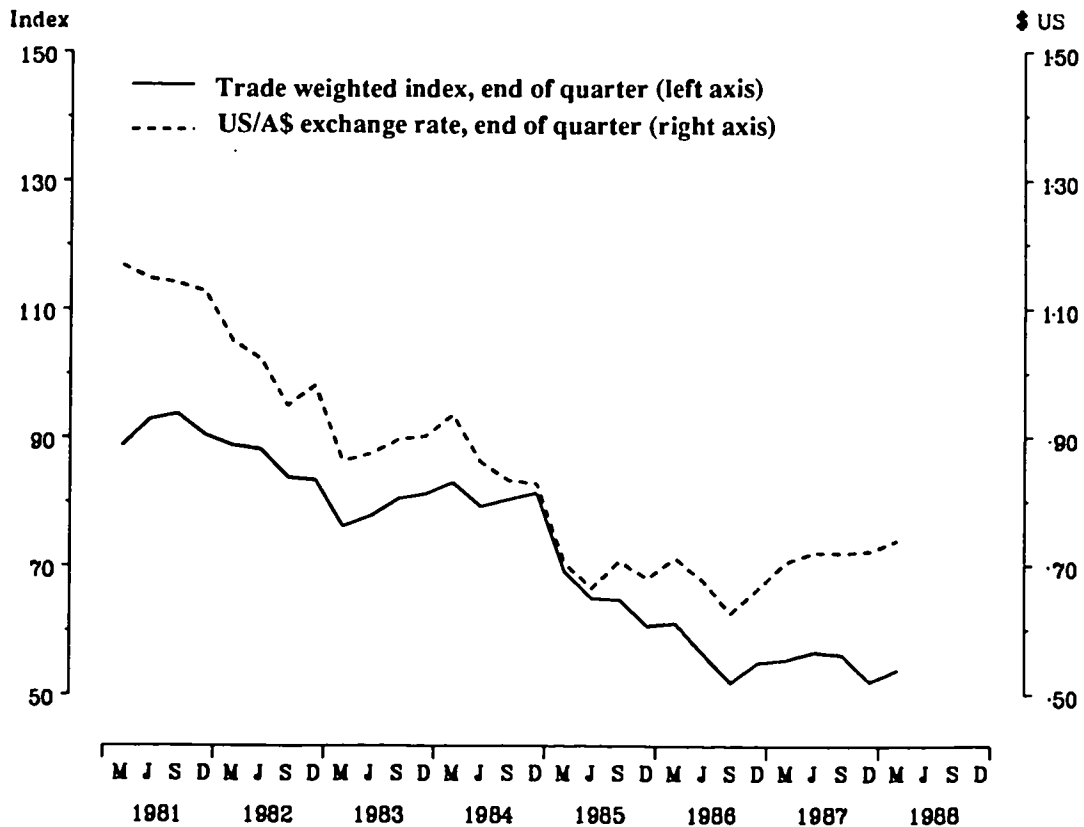




GRAPH 7 - NET CAPITAL TRANSACTIONS



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



## NOTES ON THE ESTIMATES

## GOODS AND SERVICES

The following table shows, for the last eight quarters, the changes in exports and imports of goods and services, seasonally adjusted, at current and constant prices and corresponding implicit price deflators and terms of trade measures.

## PERCENTAGE CHANGES IN EXPORTS AND IMPORTS OF GOODS AND SERVICES AND TERMS OF TRADE

	1985-86	1986-87				1987-88		
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
AT CURRENT PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	-9.7	+9.7	+10.7	+0.3	+0.5	+1.7	+10.0	+9.8
Merchandise exports	-12.0	+10.9	+11.5	-0.2	+0.1	+0.4	+11.3	+9.8
Services credits	+3.5	+3.9	+6.6	+2.9	+2.3	+8.6	+3.7	+10.1
Imports of goods and services	-4.1	+5.5	+2.4	-0.1	-1.1	+1.3	+9.2	+4.5
Merchandise imports	-5.2	+5.7	+2.6	-0.2	-0.8	+0.1	+10.6	+5.1
Services debits	+0.2	+4.8	+1.6	-	-2.2	+5.9	+4.7	+2.5
AT CONSTANT (AVERAGE 1979-80) PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	-6.3	+2.1	+11.7	-1.0	+1.6	-0.8	+5.5	+4.4
Merchandise exports	-7.6	+2.7	+12.3	-1.2	+1.4	-1.7	+6.1	+4.0
Services credits	+2.7	-1.5	+7.4	+0.6	+2.9	+4.9	+2.5	+7.3
Imports of goods and services	-1.8	-2.0	+0.7	-0.8	+0.4	+2.5	+6.0	+1.0
Merchandise imports	-2.8	-1.4	+0.1	-0.4	+0.3	+1.2	+7.8	+1.0
Services debits	+1.6	-3.9	+2.9	-2.0	+0.9	+6.9	+0.1	+1.1
IMPLICIT PRICE DEFLATORS (a)								
Exports of goods and services	-3.7	+7.4	-0.8	+1.3	-1.1	+2.5	+4.3	+5.1
Merchandise exports	-4.8	+8.0	-0.8	+1.1	-1.2	+2.2	+4.9	+5.6
Services credits	+0.7	+5.5	-0.6	+2.2	-0.6	+3.5	+1.2	+2.5
Imports of goods and services	-2.3	+7.6	+1.7	+0.6	-1.5	-1.1	+3.1	+3.5
Merchandise imports	-2.5	+7.2	+2.5	+0.3	-1.1	-1.0	+2.6	+4.1
Services debits	-1.4	+9.1	-1.2	+2.1	-3.1	-1.0	+4.6	+1.4
TERMS OF TRADE (a)								
Goods and services	-1.5	-0.1	-2.5	+0.7	+0.4	+3.6	+1.2	+1.5
Merchandise trade	-2.3	+0.7	-3.2	+0.8	-0.1	+3.2	+2.3	+1.4
Services	+2.1	-3.3	+0.6	+0.1	+2.6	+4.5	-3.3	+1.2

(a) Derived from index numbers on base 1979-80 = 100. The index numbers are derived from seasonally adjusted current and constant price estimates.

**March quarter 1988 compared with December quarter 1987, seasonally adjusted** ("Volume" refers to values at average 1979-80 prices, "price" refers to implicit price deflators) -

*Exports of merchandise* at current prices rose by \$998 million. Rural exports rose \$437 million due to a 1 per cent decrease in volume and 12 per cent increase in price. Non-rural exports rose \$561 million due to a 7 per cent increase in volume and 2 per cent increase in price.

The *implicit price deflator* for total exports of goods and services rose by 5.1 per cent. The major commodities contributing to the price increase were cereals, up 22 per cent; sugar, up 32 per cent; and wool, up 16 per cent. On a fixed weight basis the overall IPD would have risen by 4.3 per cent, while compositional shifts imply a rise of 0.8 per cent.

*Imports of merchandise* at current prices rose \$520 million. Exogenous imports fell \$136 million. Endogenous

imports rose \$656 million due to a 3 per cent increase in volume and 4 per cent increase in price.

The *implicit price deflator* for total imports of goods and services rose 3.5 per cent. The only major merchandise components to differ markedly from this movement were exogenous imports, down 1 per cent, and endogenous consumption goods, up 7 per cent. The latter price increase was partly due to a compositional shift among its components. On a fixed weight basis, the IPD for total imports of goods and services would have risen by 3.1 per cent, while compositional shifts imply a rise of 0.4 per cent.

Australia's *terms of trade* rose by 1.5 per cent, the fifth successive quarterly increase. It should be noted however, that at the time of compilation of the statistics in this publication the available information on the prices of internationally traded goods for the latest quarter is preliminary in nature and therefore subject to revision.

## GOLD EXPORTS

Exports of gold (other than ores, concentrates and monetary gold) are included in the "other non-rural" exports category. In recent years gold exports have been increasing more rapidly than the rest of the "other non-

rural" category. An indication of the recent growth in the value of gold exports is provided in the following table.

VALUE OF GOLD EXPORTS (NOT SEASONALLY ADJUSTED) (a)

(\$ MILLION)

Period	Gold Coin(b)	Other Gold(c)	Total	Per cent of "other non-rural" exports
1984-85	-	554	554	22.5
1985-86	1	786	787	25.4
1986-87	204	1348	1552	33.8
1985-86				
December qtr	-	132	132	18.8
March qtr	1	142	143	21.7
June qtr	-	257	257	29.6
1986-87				
September qtr	1	263	264	27.4
December qtr	2	338	340	31.2
March qtr	20	403	423	35.5
June qtr	181	344	525	38.9
1987-88				
September qtr	59	415	474	35.0
December qtr	21	557	578	38.9
March qtr	20	717	737	46.4

(a) Excluding ores, concentrates and monetary gold. (b) AECC item 991.00.01 (c) AECC group 971.

## EXOGENOUS IMPORTS

For purposes of analysing movements in merchandise imports, the categories exogenous and endogenous imports are shown in various tables in this publication. These categories are defined in paragraph 14 of the Explanatory

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

EXOGENOUS MERCHANDISE IMPORTS (NOT SEASONALLY ADJUSTED)

(\$ MILLION)

Period	Fuels (a)	Civil Aircraft (b)	Other (c)	Total	Per cent of total merchandise imports
1984-85	2321	356	1560	4237	14.1
1985-86	1909	561	2069	4539	12.7
1986-87	1751	1046	1662	4459	12.0
1985-86 -					
December qtr	488	71	628	1187	13.0
March qtr	490	285	392	1167	13.6
June qtr	310	-	518	828	9.7
1986-87 -					
September qtr	424	243	455	1122	11.7
December qtr	477	472	377	1326	13.9
March qtr	422	61	422	905	10.2
June qtr	428	270	408	1106	12.0
1987-88					
September qtr	412	90	438	940	9.6
December qtr	618	36	416	1070	10.2
March qtr	470	63	400	933	9.2

(a) AICC Section 3. (b) Acquisition of aircraft by selected major airline companies. (c) Acquisition of associated aircraft equipment (eg spare engines etc), defence equipment, ships by selected public sector enterprises and certain other government goods.

## COMPARABILITY OF MERCHANDISE COMMODITY GROUPS

From 1 January 1988, the entries for merchandise export and import commodity groups are not strictly comparable with entries for earlier periods, due to changes in the classification of foreign trade statistics. However, there is no break in the time series for aggregate merchandise exports and imports (or for exogenous or endogenous imports) as these series are unaffected by the classification changes.

The merchandise exports and imports series shown in balance of payments bulletins are mainly derived from foreign trade statistics. The commodity breakdowns of merchandise are based on the Australian Export Commodity Classification (AECC) and the Australian Import Commodity Classification (AICC). The AECC and AICC are based on the second revision of the United Nations Standard International Trade Classification (SITC) with some modifications to take account of Australia's trade.

The international implementation of the Harmonized Commodity Description and Coding System (HS) on 1 January 1988 and the introduction of the third revision of the SITC from the same date have resulted in changes to the collection, presentation and interpretation of Australia's foreign trade statistics. The HS and the SITC Rev 3 contain differences in structure and definitions from the AECC and AICC. These differences cause the break in the merchandise commodity series in balance of payments publications.

Despite the implementation of the HS classification and the SITC Rev 3 in foreign trade statistics, the commodity details appearing in balance of payments publications for periods from January 1988 continue to be shown under the same commodity headings. They are produced by recompiling data from the HS back to the codes of the AECC and AICC. This is an interim arrangement only.

From the September quarter 1988 issue of this bulletin (and the October 1988 monthly bulletin), new commodity groups will be introduced based on the SITC Rev 3. Historical estimates will also be presented in the new format, although the break in the commodity group series between

December 1987 and January 1988 will continue to exist. Details of the new format will be provided in the next issue of this bulletin.

## CAUTIONARY NOTE - CONSTANT PRICE ESTIMATES OF EXPORTS AND IMPORTS OF MERCHANDISE - MARCH QUARTER 1988.

Difficulties in the constant price estimation of exports and imports of merchandise for March quarter 1988 have arisen as a result of the introduction of the HS classification. Consequently, the estimates for the latest quarter are not as firmly based as usual. The estimation difficulties have been most severe for imports of merchandise, and constant price estimates of imports by commodity group are not published for the latest quarter.

## FORTHCOMING CHANGE - REBASE OF CONSTANT PRICE ESTIMATES

Work on rebasing all ABS constant price estimates from average 1979-80 prices to average 1984-85 prices is currently underway. Estimates of exports and imports of goods and services at average 1984-85 prices will be presented in the next issue of this publication.

## REVISIONS

Estimates in this issue are consistent with those published in the monthly balance of payments bulletin (5301.0) released on 18 May 1988 and consequently take account of revisions which were described in that issue.

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

For those net capital transactions series not available monthly, the revisions to the December quarter data reflect the inclusion of more up-to-date data from the Surveys of Foreign Investment and other data sources.

## LATEST SURVEY RESULTS: INTERNATIONAL CONSULTANCY SERVICES, AUSTRALIA

Results from the 1986-87 Survey of International Consultancy Services conducted by the ABS were released on 22 April 1988 in the publication *International Consultancy Services, Australia, 1986-87* (Catalogue No. 5339.0). The survey was conducted to obtain information on the services provided overseas by Australian consultants. Similar surveys were conducted annually from 1975-76 to 1979-80 and then for 1984-85. In future, statistics on international consultancy services will be encompassed in a publication covering a more comprehensive range of international service transactions, which is expected to be produced in the second half of 1989.

Consultancy services relate to the provision of advisory and information-based services. They include the provision of professional, managerial, scientific and technical services associated with such things as feasibility studies, design, documentation, implementation and/or supervision of projects. Consultancy services provided overseas relate to consultancy services provided by Australian consultants and foreign affiliates of Australian consultants to foreign residents. These services can be performed abroad or in Australia, and can be funded by Australian clients as well as international finance organisations, foreign governments and other foreign clients.

The 1986-87 survey covered all Australian business and government organisations known, during the survey period, to have won contracts to provide consultancy services abroad, to have earned income from the provision of such services, or to be actively seeking consultancy work abroad during the survey period. Statistics are presented on number of consultants providing services abroad, field of consultancy, number of prime contracts won, value of contracts won, income earned and expenses associated with the provision of consultancy services abroad. In addition, the survey includes statistics on the activity of the foreign recipient and on the activity concentration (based on income earned) of Australian consultants providing services abroad.

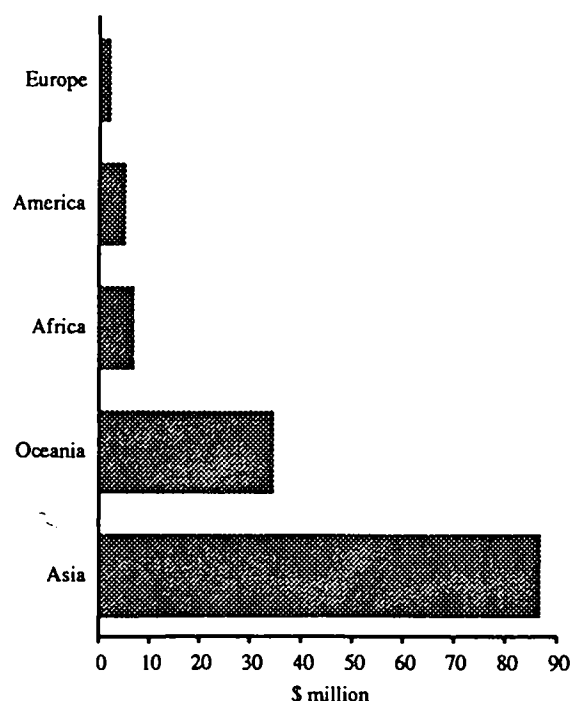
Results from the survey show that in 1986-87, Australian consultants earned income of \$134.7m from the provision of international consultancy services, which is an increase of 14.3% on the income earned in 1984-85. Of this, \$89.6m (67%) was earned by the private sector. However, there were 358 private sector consultants providing services abroad compared to 53 in the public sector, so that the average income earned per consultant is much greater for the public sector (\$0.85m) than for the private sector (\$0.25m). The average income earned per prime contract won is also much higher for the public sector.

The majority of consultants providing services abroad in 1986-87 were in the fields of engineering (29%), agricultural science (12%), architecture (6%) and financial/commercial services (5%). The fields of consultancy accounting for the major proportions of income earned were engineering (22%), agricultural science (19%) and finan-

cial/commercial services (6%). The average income earned per consultant was highest for consultants in agricultural science (\$0.5m) where the average income earned per consultant was twice that in the engineering field (\$0.25m).

The survey results show that the majority of income earned for overseas consultancy services by Australian consultants in 1986-87 was for projects located in Asia. The next most important region in terms of income earned was Oceania, followed by Africa, America and Europe. The public sector earned 84% of its income from Asia and 13% from Oceania. The private sector derived 54% of its income from Asia, and 32% from Oceania. Projects in Asia were responsible for 64% of total income earned in 1986-87 compared with 72% in 1984-85, while those located in Oceania accounted for 25% in 1986-87 compared with 21% in 1984-85. On an individual country basis, the greatest income earned in 1986-87 was from services provided to projects located in Indonesia (17%), Thailand (12%), Papua New Guinea (10%), People's Republic of China (9%), New Zealand (7%) and Malaysia (5%). Projects in Indonesia were also responsible for the highest percentage of income earned (18%) in both 1979-80 and 1984-85.

GRAPH 1: INCOME EARNED BY AUSTRALIAN CONSULTANTS BY REGION OF PROJECT, 1986-87



Figures for income earned by field of consultancy and region show that consultancy in agricultural science ac-

counts for 75% of income earned from projects located in Africa, compared with 21% of income earned from Asia and 7% in Oceania. Overall African projects contributed 19% of income earned by Australian consultants in the field of agricultural science. Of the total income earned from Asia, 18% was for engineering consultancy, while the corresponding figure for Oceania was 27%.

In terms of the activity of the foreign recipient to which the consultancy service was directed, the largest contributors to income earned were water supply/sewerage (11%), transportation (11%), mining (11%) and energy (8%). Again, the different regions show different characteristics in this respect. For Asia, the largest proportion of income was earned where the recipient was classified to the water supply/sewerage sector (16%). The next largest sector of activity was transportation (12%), followed by mining (8%). For Oceania, the major proportions of income earned were in the energy sector (16%), mining (12%) and transportation (11%). For America, the major contributors to income were mining (60%) and industrial development (17%).

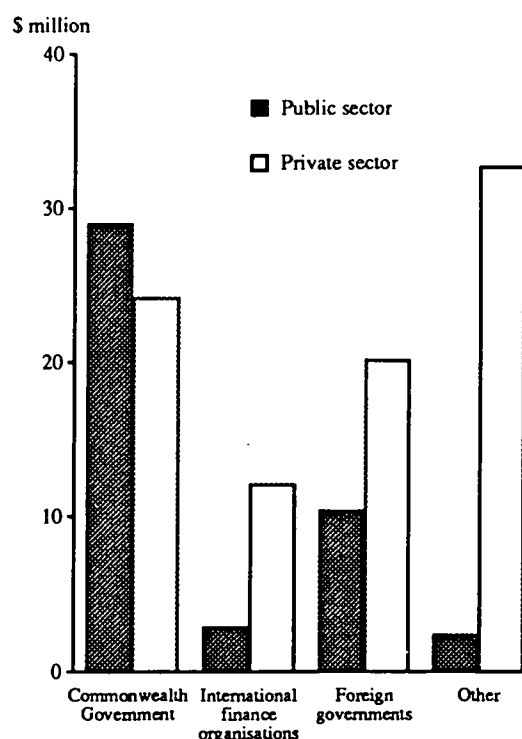
The survey showed that the single largest source of earnings for consultancy services provided abroad in 1986-87 was the Australian International Development Assistance Bureau (AIDAB), which contributed 33%. The Commonwealth Government (including AIDAB) was the source for 65% of earnings for consultants in the public sector and 27% for the private sector. The percentage of income earned from international finance organisations increased from 5% in 1984-85 to 11% in 1986-87.

Expenses associated with consultancy services are divided into those incurred in Australia and those incurred abroad. The percentage of expenses incurred in Australia has increased from 54% in 1979-80, to 67% in 1984-85 and to 76% in 1986-87. These expenses include the wages and salaries of staff while abroad and the purchase of airfares in Australia for travel abroad.

In 1986-87, the income earned from providing international consultancy services by the top ten income earners, which represent less than 3% of all consultants providing such services, accounted for 49% of the total income earned. This was a substantial increase from the 36% that the top ten accounted for in 1984-85.

The survey also shows there has been a steady decline in foreign affiliates of Australian consultants in terms of numbers, value of contracts won and income earned from 1979-80 to 1984-85 and again to 1986-87. In 1979-80 there were 43 foreign affiliates providing services abroad who won contracts valued at \$23.4m and earned a total income of \$22.4m. In 1986-87 the corresponding figures were 33 foreign affiliates, value of contracts won of \$14.9m, and \$11.6m income earned. The bulk of income earned from consultancy activity by these foreign affiliates came from projects located in New Zealand, Papua New Guinea and South East Asia.

**GRAPH 2: SOURCE OF EARNINGS BY AUSTRALIAN CONSULTANTS PROVIDING INTERNATIONAL CONSULTANCY SERVICES, 1986-87**



## EXPLANATORY NOTES

## Introduction

1. This publication contains detailed estimates of Australia's balance of payments for March quarter 1988. The estimates are consistent with those published earlier in *Balance of Payments, Australia, April 1988* (5301.0) and in *Foreign Investment, Australia, March quarter 1988* (Preliminary) (5307.0). Longer term estimates, from September quarter 1959, consistent with those shown in this issue, will shortly be available in the publication *Balance of Payments, Australia - Historical Series on Microfiche* (5337.0) March quarter 1988.

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

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

4. Additional information about capital account and investment income transactions is available in foreign investment publications: notably the quarterly publication *Foreign Investment, Australia* (5306.0) and the annual publication *Foreign Investment, Australia* (5305.0). Statistics in foreign investment publications are consistent with those in balance of payments publications. Foreign investment publications also provide comprehensive statistics on the level of foreign investment in Australia, the level of Australian investment abroad and Australia's external debt.

5. The quarterly publication *International Transportation Services, Australia* (5350.0) provides additional information on freight and other transportation transactions.

## Scope of the balance of payments

6. The Australian *balance of payments* is a statistical statement designed to provide a systematic record of Australia's economic transactions with the rest of the world. The statement is divided into a current account and a capital account. Table 1 presents summary statistics covering both accounts.

## Recording of transactions

7. Despite its name, the balance of payments is not primarily concerned with "payments", but with "transactions". Transactions are recorded as either *debits* or *credits*. The following transactions are regarded as debits and identified by a minus sign: the acquisition of goods and services from non-residents, income payable to non-residents, unrequited transfers provided to non-residents, in-

creases in foreign financial assets and decreases in foreign liabilities. Credits have no arithmetic sign and consist of these transactions: the provision of goods and services to non-residents, income receivable from non-residents, unrequited transfers received from non-residents, decreases in foreign financial assets and increases in foreign liabilities. These sign conventions apply in all tables except Tables 6, 11 and 20. In Table 6, the implicit price deflator for imports of goods and services is shown with no sign, while in Table 11, imports are shown with no sign. In Table 20, decreases in Australia's official reserve assets are shown with a minus sign and increases in these assets are shown with no arithmetic sign.

## Current account

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

## Merchandise (balance of payments basis)

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

## Commodity breakdowns of merchandise

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

	Section or Division of AECC
<b>Exports</b>	
Rural -	
Meat and meat preparations	01
Cereal grains and cereal preparations	04
Sugar, sugar preparations and honey	06
Wool and sheepskins	Parts of 21, 26 and 65
Other rural	00, 02, 03, 05, 07 to 09, 21 (part), 22 to 25, 26(part), 29, 4
<b>Non-rural -</b>	
Metal ores and minerals	27, 28
Mineral fuels -	
Coal, coke and briquettes	32
Other	33, 34
Metals and metal manufactures	67 to 69
Machinery and transport equipment	7

Other non-rural 1, 5, 61 to 64, 65(part),  
66, 8, 9

#### *Imports Section or*

#### *Division of AICC*

Food, beverages and tobacco 0, 1

Fuels 3

Basic materials 2, 4

Chemicals (incl plastics) 5

Textiles, fabrics, etc 65

Metals and metal manufactures 67 to 69

Machinery and transport equipment 7

Other imports 61 to 64, 66, 8, 9

11. In the preparation of this publication confidential 7-digit items of the AECC or AICC are included with items classified to section 9. The lists of items for which these adjustments have been made appear in footnotes to the main tables of *Exports, Australia: Monthly Summary Tables* (5432.0) and *Imports, Australia: Monthly Summary Tables* (5433.0).

#### **Rural and non-rural exports**

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

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

#### **Exogenous and endogenous imports**

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

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

#### **Consumption goods**

Food and beverages, primary, mainly for household consumption (112)

Food and beverages, processed, mainly for household consumption (122)

Passenger motor vehicles (51)

Transport equipment, non-industrial (522)

Consumer goods, not elsewhere specified (6)

#### **Capital goods**

Capital goods (except transport equipment) (41)

Transport equipment, industrial (521)

#### **Other goods**

Food and beverages, primary, mainly for industry (111)

Food and beverages, processed, mainly for industry (121)

Industrial supplies not elsewhere specified (2)

Parts and accessories of capital goods (except transport equipment) (42)

Parts and accessories of transport equipment (53)

Goods not elsewhere specified (7)

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

#### **Services**

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

#### **Income and unrequited transfers**

18. *Income* covers income earned by Australian residents from non-residents (credits) or by non-residents from residents (debits). It includes investment income (eg dividends and interest), other property income (eg royalties) and labour income (eg wages and salaries). Tables 13 and 14 give detailed estimates.

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

#### **Capital account**

20. The *capital account* records transactions in Australia's foreign financial assets and liabilities, including the creation and extinction of claims on or by the rest



of the world and a few specified other changes. Summary estimates for the capital account appear in Table 4.

#### Resident institutional sectors

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

22. For some purposes, the non-official sector is dissected into a *public* component and *private* component. The public component consists of business (financial and trading) enterprises classified to the public sector. The private component comprises all other entities.

#### Foreign investment in Australia and Australian investment abroad

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

#### Borrowing domiciled in Australia and borrowing domiciled abroad.

24. Within Tables 16, 18 and 19, the following definitions apply:

*Borrowing domiciled in Australia* includes both:

- Non-equity securities issued on Australian capital markets which, while generally targeted for Australian residents, are taken up by foreign residents. These securities are generally held through nominee enterprises and include all government and semi-government fixed interest tradeable securities, as well as certificates of deposit issued by banks, debentures, promissory notes and other issues by private enterprises. These securities are all tradeable.

- Non-tradeable deposits held by foreign residents with banks in Australia.

*Borrowing domiciled abroad* refers to all other forms of borrowing by Australian residents, ie borrowing on foreign capital markets. It includes equity securities (including Australian dollar Eurobond issues), mortgages and certificates of deposit issued abroad as well as non-securitised borrowing from foreign residents.

25. Within borrowing domiciled in Australia, *purchases* refer to both on-market purchases by foreign residents and the take-up by foreign residents of new issues. Likewise,

*sales* include both on-market sales by foreign residents and redemptions of issues held by foreign residents. Transactions in deposit accounts are measured on a net basis. This is because it is neither practical nor of significant analytical interest to show these transactions dissected into increases and decreases in accounts.

26. Within borrowing domiciled abroad, *drawings* refer to those transactions that increase borrowing liabilities; examples include the drawdown of a new borrowing, the issue of non-equity securities on foreign capital markets and the receipt of finance under finance lease arrangements. *Repayments* refer to those transactions that reduce liabilities; examples include the repayment of loans, the redemption of non-equity securities and finance lease payments (excluding the imputed interest component which is treated as an income item). Where a borrowing is "rolled-over", both the repayment of the old borrowing and the drawing of a new borrowing are recorded unless the rollover is an option within the original loan contract. If the rollover is an option, no drawings or repayments are recorded.

#### Official reserve assets

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

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

#### Balances

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

#### Nature of constant price estimates

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

31. A value at constant prices may be thought of as being derived by expressing the current price value of each component transaction as the product of a price and a quantity, and by substituting for each actual current price the corresponding price in the chosen base year. Aggregates at constant prices for each period are then ob-

tained by summing constant price values for individual transactions. In effect, quantities of the individual commodities involved in the transactions are combined using their prices in the base year as weights.

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

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

#### Implicit price deflators and terms of trade

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

35. An IPD is obtained by dividing a current price value by its corresponding constant price value. Thus IPDs are derived measures (hence the term implicit) and are not normally the direct measures of price change by which current price estimates are converted to estimates at constant prices. They take into account not only the changes in the prices of exports and imports but also the effects of the changes in composition of exports and imports on total recorded price movements.

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

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

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

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

#### Seasonal adjustment

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

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

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

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

42. The factors to be used in compiling seasonally adjusted estimates for certain series (principally components of merchandise trade and investment income) up to and including September quarter 1988 are available on request. To obtain the seasonal factors, users should contact Mr Dan Aherne on (062) 52 6689.

#### Exchange rates and the trade weighted index

43. Table 20 shows the exchange rates of the Australian dollar with four major currencies, the Special Drawing Right (SDR) and a trade-weighted index of the value of the Australian dollar. The series are all shown on an end-of-period and period-average basis.

44. The exchange rates shown are derived in respect of each trading day using rates provided by the Reserve Bank of Australia. The rate for the US dollar is a representative mid-point determined by the Reserve Bank on the basis of market quotations at 4pm Eastern Australian time. Rates for the other currencies are calculated by crossing the rate for the US dollar with the mid-points of closing buying and selling rates largely in Asian markets. The rates shown are indications of market value only and could differ from those quoted by Australian banks.

45. The value of the SDR is calculated by the International Monetary Fund (IMF) on the basis of a weighted basket of five currencies - the US dollar, West German mark, French franc, Japanese yen and pound sterling. The IMF publishes the value of the SDR each day in terms of US dollars; the latest available rate is crossed with the 4pm \$A/\$US rate.

46. The trade-weighted index (TWI) for each trading day is also provided by the Reserve Bank and is an index of the average value of the Australian dollar vis-a-vis currencies of Australia's trading partners. The index is calculated at 4pm on the basis of the representative rate for the US dollar and rates for other currencies, mainly from Asian markets.

47. The end-of-period rates relate to the last trading day of the reference period. The period averages are compiled by the ABS by averaging the trading day figures.

#### Accuracy and reliability of estimates

48. Because the transactions recorded in the balance of payments are of many different kinds, compilation of balance of payments estimates entails the use of a very wide range of statistical data of varying degrees of accuracy and timeliness.

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

#### Comparability with capital expenditure statistics

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

- The imports series includes all goods defined as endogenous capital goods (see paragraphs 14 to 16 above), whereas the capital expenditure series relates only to goods classified as equipment, plant and machinery that are acquired by private enterprises in selected industries.
- The capital expenditure series includes all plant, machinery and equipment, irrespective of whether it has been imported or manufactured in Australia.
- Imports are valued f.o.b. at the point of export whereas estimates of capital expenditure are measured at domestic market prices, including international transport margins, government duties and domestic trade and transport margins.

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

#### Series available on request

52. Detailed quarterly export and import series at constant (average 1979-80) prices can be obtained by contacting Mr Paul Nelson on Canberra (062) 52 6725. These series are based on foreign trade statistics (ie they are not adjusted to a balance of payments basis) and relate to selected divisions and sections of the AECC and AICC. Quarterly tables showing components of services can also be obtained from Mr Nelson. These tables provide original and seasonally adjusted current and constant price estimates, corresponding to the series shown (in original current price terms) in Table 12 of this publication. Both sets of estimates are working estimates only and may not always be completely consistent with published estimates.

#### Related publications

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

*Balance of Payments Australia* (5301.0) - issued monthly

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

*Balance of Payments, Australia 1985-86* (5303.0)

*Balance of Payments, Australia - Regional Series on Microfiche 1984-85* (5338.0). Issue for 1985-86 will be available shortly.

*International Transportation Services, Australia* (5350.0) - issued quarterly.

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

*Exports, Australia, Monthly Summary Tables* (5432.0) - issued monthly

*Imports, Australia, Monthly Summary Tables* (5433.0) - issued monthly

*Export Price Index, Australia* (6405.0) - issued monthly

*Import Price Index, Australia* (6414.0) - issued quarterly

*Foreign Investment, Australia 1986-87 (Preliminary)* (5304.0)

*Foreign Investment, Australia (Preliminary)* (5307.0) - issued quarterly

*Foreign Investment, Australia* (5306.0) - issued quarterly

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

#### Electronic services

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

AUSSTATS. Thousands of up-to-date time series are available on this ABS on-line service through CSIRONET. For further information phone the AUSSTATS Help Desk on (062) 52 6017.

TELESTATS. This service provides foreign trade statistics tailored to users' requirements. Further information is available on (062) 52 5404.

#### Symbols and other usages

na not available

nya not yet available

nei not elsewhere included

- nil or rounded to zero

.. not applicable.

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

IAN CASTLES  
Australian Statistician

TABLE 1. BALANCE OF PAYMENTS

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CURRENT TRANSACTIONS -													
GOODS AND SERVICES -													
MERCHANDISE (a) -													
Exports fob	29212	32210	35422	7963	8137	7629	8191	9205	8611	9415	9134	10321	10626
Imports fob	-30093	-35622	-37196	-9150	-8611	-8563	-9626	-9537	-8836	-9197	-9793	-10471	-10179
BALANCE ON MERCHANDISE TRADE	-881	-3412	-1774	-1187	-474	-934	-1435	-332	-225	218	-659	-150	447
SERVICES -													
Credits	4931	5742	6785	1487	1529	1463	1476	1788	1824	1697	1782	2130	2315
Debits	-8912	-9813	-10315	-2449	-2350	-2442	-2714	-2558	-2500	-2543	-2856	-2769	-2769
NET SERVICES	-3981	-4071	-3530	-962	-821	-979	-1238	-770	-676	-846	-1074	-639	-454
BALANCE ON GOODS AND SERVICES	-4862	-7483	-5304	-2149	-1295	-1913	-2673	-1102	-901	-628	-1733	-789	-7
INCOME -													
Credits	1855	2250	2893	611	562	498	687	603	735	868	735	777	753
Debits	-8408	-10280	-12133	-2572	-2747	-2722	-2579	-2911	-3262	-3381	-2902	-3270	-3410
NET INCOME	-6553	-8030	-9240	-1961	-2185	-2224	-1892	-2308	-2527	-2513	-2167	-2493	-2657
UNREQUITED TRANSFERS -													
Credits	2016	2532	3045	663	629	677	682	776	796	791	818	889	910
Debits	-1654	-1700	-1691	-369	-473	-515	-358	-396	-468	-469	-358	-406	-493
NET UNREQUITED TRANSFERS	362	832	1354	294	156	162	324	380	328	322	460	483	417
BALANCE ON CURRENT ACCOUNT	-11053	-14681	-13190	-3816	-3324	-3975	-4241	-3030	-3100	-2819	-3440	-2799	-2247
NET CAPITAL TRANSACTIONS -													
OFFICIAL -													
GENERAL GOVERNMENT -													
Foreign investment in Australia	4084	5639	6135	1425	3043	383	-373	2227	1619	2662	935	-1402	777
Australian investment abroad	-341	-213	-574	-104	78	-208	61	-254	4	-385	166	150	-157
Total	3743	5426	5561	1322	3121	175	-312	1973	1623	2277	1101	-1252	620
RESERVE BANK -													
Foreign investment in Australia	-10	-16	18	4	-20	16	-7	8	-	17	-1	-11	1
Australian investment abroad	1520	2140	-3394	1092	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077
Total	1510	2124	-3376	1096	-499	757	2783	-4062	1566	-3663	-1857	3569	-1076
TOTAL OFFICIAL	5253	7550	2185	2418	2622	932	2471	-2089	3189	-1386	-756	2317	-456
NON-OFFICIAL -													
Foreign investment in Australia	10736	13559	15625	2953	3984	3883	4138	4596	4047	2844	3845	2885	1545
Australian investment abroad	-4570	-6798	-7801	-2212	-1456	-1919	-2137	-2078	-2275	-1311	-2626	-2471	-481
TOTAL NON-OFFICIAL	6166	6761	7824	741	2528	1964	2001	2518	1772	1533	1219	414	1064
BALANCE ON CAPITAL ACCOUNT	11419	14311	10009	3159	5150	2896	4472	429	4961	147	463	2731	608
BALANCING ITEM	-366	370	3181	657	-1826	1079	-231	2601	-1861	2672	2977	68	1639

(a) Balance of payments basis

TABLE 2. BALANCE OF PAYMENTS - CURRENT ACCOUNT

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CURRENT TRANSACTIONS -													
GOODS AND SERVICES -													
MERCHANDISE (a) -													
Exports fob	29212	32210	35422	7963	8137	7629	8191	9205	8611	9415	9134	10321	10626
Imports fob	-30093	-35622	-37196	-9150	-8611	-8563	-9626	-9537	-8836	-9197	-9793	-10471	-10179
BALANCE ON MERCHANDISE TRADE	-881	-3412	-1774	-1187	-474	-934	-1435	-332	-225	218	-659	-150	447
SERVICES -													
Credits -													
Shipment	395	379	457	94	96	92	107	114	113	123	128	147	150
Other transportation	2092	2480	2765	640	664	613	632	735	743	655	715	839	912
Travel	1364	1702	2218	474	482	423	418	614	646	540	587	779	848
Other services	1080	1181	1345	279	287	335	319	325	322	379	352	365	405
Total services credits	4931	5742	6785	1487	1529	1463	1476	1788	1824	1697	1782	2130	2315
Debits-													
Shipment	-2539	-2827	-2847	-727	-668	-679	-768	-730	-675	-674	-712	-759	-717
Other transportation	-2092	-2232	-2114	-562	-520	-535	-551	-518	-496	-549	-618	-580	-583
Travel	-2618	-2818	-3206	-683	-667	-719	-915	-766	-757	-768	-969	-860	-824
Other services	-1663	-1936	-2148	-477	-495	-509	-480	-544	-572	-552	-557	-570	-645
Total services debits	-8912	-9813	-10315	-2449	-2350	-2442	-2714	-2558	-2500	-2543	-2856	-2769	-2769
NET SERVICES	-3981	-4071	-3530	-962	-821	-979	-1238	-770	-676	-846	-1074	-639	-454
BALANCE ON GOODS AND SERVICES	-4862	-7483	-5304	-2149	-1295	-1913	-2673	-1102	-901	-628	-1733	-789	-7
INCOME -													
Credits -													
Property income -													
Reinvested earnings (b)	315	681	1186	170	171	170	296	296	297	297	305	305	305
Other (c)	1340	1394	1529	394	354	289	347	267	392	523	371	421	396
Labour and other income	200	175	178	47	37	39	44	40	46	48	59	51	52
Total income credits	1855	2250	2893	611	562	498	687	603	735	868	735	777	753
Debits -													
Property income -													
Reinvested earnings (b)	-594	-936	-1206	-234	-234	-234	-301	-301	-302	-302	-350	-350	-350
Other	-7657	-9182	-10731	-2290	-2473	-2452	-2240	-2563	-2901	-3027	-2496	-2851	-2988
Labour and other income	-157	-162	-196	-48	-40	-36	-38	-47	-59	-52	-56	-69	-72
Total income debits	-8408	-10280	-12133	-2572	-2747	-2722	-2579	-2911	-3262	-3381	-2902	-3270	-3410
NET INCOME	-6553	-8030	-9240	-1961	-2185	-2224	-1892	-2308	-2527	-2513	-2167	-2493	-2657
UNREQUITED TRANSFERS -													
Credits													
	2016	2532	3045	663	629	677	682	776	796	791	818	889	910
Debits (d)	-1654	-1700	-1691	-369	-473	-515	-358	-396	-468	-469	-358	-406	-493
NET UNREQUITED TRANSFERS	362	832	1354	294	156	162	324	380	328	322	460	483	417
BALANCE ON CURRENT ACCOUNT	-11053	-14681	-13190	-3816	-3324	-3975	-4241	-3030	-3100	-2819	-3440	-2799	-2247

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

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

\$MILLION

	QUARTERS ENDED-									
	1985-86			1986-87			1987-88			
	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CURRENT TRANSACTIONS -										
GOODS AND SERVICES -										
MERCHANDISE (a) -										
Exports fob	7951	8385	7378	8181	9123	9109	9122	9157	10192	11190
Imports fob	-9044	-9128	-8654	-9145	-9386	-9371	-9298	-9306	-10290	-10810
BALANCE ON MERCHANDISE TRADE	-1093	-743	-1276	-964	-263	-262	-176	-149	-98	380
SERVICES -										
Credits -										
Shipment	94	96	92	107	114	113	123	128	147	150
Other transportation	613	650	640	658	696	716	689	749	792	877
Travel	425	436	468	482	547	583	597	681	691	765
Other services	280	287	320	332	327	320	363	366	365	404
Total services credits	1412	1469	1520	1579	1684	1732	1772	1924	1995	2196
Debits -										
Shipment	-723	-708	-690	-721	-724	-717	-684	-669	-750	-762
Other transportation	-579	-545	-526	-517	-537	-524	-537	-579	-604	-625
Travel	-699	-706	-739	-827	-784	-803	-790	-873	-882	-875
Other services	-491	-482	-490	-497	-559	-559	-535	-575	-586	-631
Total services debits	-2492	-2441	-2445	-2562	-2604	-2603	-2546	-2696	-2822	-2893
NET SERVICES	-1080	-972	-925	-983	-920	-871	-774	-772	-827	-697
BALANCE ON GOODS AND SERVICES	-2173	-1715	-2201	-1947	-1183	-1133	-950	-921	-925	-317
INCOME -										
Credits -										
Property income -										
Reinvested earnings (b)	170	171	170	296	296	297	297	305	305	305
Other (c)	405	399	264	376	262	426	384	400	418	451
Labour and other income	48	39	40	40	41	48	49	54	52	55
Total income credits	623	609	474	712	599	771	730	759	775	811
Debits -										
Property income -										
Reinvested earnings (b)	-234	-234	-234	-301	-301	-302	-302	-350	-350	-350
Other	-2241	-2455	-2407	-2374	-2495	-2847	-2931	-2686	-2754	-2947
Labour and other income	-45	-37	-38	-41	-45	-55	-55	-62	-65	-67
Total income debits	-2520	-2726	-2679	-2716	-2841	-3204	-3288	-3098	-3169	-3364
NET INCOME	-1897	-2117	-2205	-2004	-2242	-2433	-2558	-2339	-2394	-2553
UNREQUITED TRANSFERS -										
Credits	645	626	680	705	757	789	793	845	861	911
Debits (d)	-402	-466	-427	-400	-427	-461	-405	-401	-440	-484
NET UNREQUITED TRANSFERS	243	160	253	305	330	328	388	444	421	427
BALANCE ON CURRENT ACCOUNT	-3827	-3672	-4153	-3646	-3095	-3238	-3120	-2816	-2898	-2443

(a) Balance of payments basis (b) See footnote (b) to Table 2. (c) See footnote (c) to Table 2. (d) See footnote (d) to Table 2.

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT				\$MILLION									
	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
NET CAPITAL TRANSACTIONS -													
OFFICIAL -													
GENERAL GOVERNMENT -													
Foreign investment in Australia													
Borrowing	4131	5609	6147	1390	3055	352	-354	2154	1647	2700	935	-1387	804
Other	-46	30	-12	35	-12	31	-19	73	-28	-38	-	-15	-27
Total	4084	5639	6135	1425	3043	383	-373	2227	1619	2662	935	-1402	777
Australian investment abroad	-341	-213	-574	-104	78	-208	61	-254	4	-385	166	150	-157
TOTAL	3743	5426	5561	1322	3121	175	-312	1973	1623	2277	1101	-1252	620
RESERVE BANK -													
Foreign investment in Australia	-10	-16	18	4	-20	16	-7	8	-	17	-1	-11	1
Australian investment abroad -													
Reserve assets	1520	2140	-3394	1092	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1520	2140	-3394	1092	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077
TOTAL	1510	2124	-3376	1096	-499	757	2783	-4062	1566	-3663	-1857	3569	-1076
TOTAL OFFICIAL	5253	7550	2185	2418	2622	932	2471	-2089	3189	-1386	-756	2317	-456
NON-OFFICIAL -													
Foreign investment in Australia-													
Direct investment (a) -													
Reinvestment of earnings	594	936	1206	234	234	234	301	301	302	302	350	350	350
Other	2043	2407	3354	555	-195	1677	-104	2468	90	900	877	114	194
Portfolio & other investment(a)	8099	10216	11065	2164	3945	1972	3941	1827	3655	1642	2618	2421	1001
Total foreign investment in Australia	10736	13559	15625	2953	3984	3883	4138	4596	4047	2844	3845	2885	1545
Australian investment abroad -													
Direct investment (a) -													
Reinvestment of earnings	-315	-681	-1186	-170	-171	-170	-296	-296	-297	-297	-305	-305	-305
Other	-1662	-2088	-2499	-398	-296	-824	-911	-1255	-183	-150	-1264	-1869	-1071
Portfolio & other investment(a)	-2593	-4029	-4116	-1644	-989	-925	-930	-527	-1795	-864	-1057	-297	895
Total Australian investment abroad	-4570	-6798	-7801	-2212	-1456	-1919	-2137	-2078	-2275	-1311	-2626	-2471	-481
TOTAL NON-OFFICIAL	6166	6761	7824	741	2528	1964	2001	2518	1772	1533	1219	414	1064
BALANCE ON CAPITAL ACCOUNT	11419	14311	10009	3159	5150	2896	4472	429	4961	147	463	2731	608

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication.

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

	\$MILLION												
				YEAR			QUARTERS ENDED						
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
AT CURRENT PRICES													
Merchandise exports fob	29212	32210	35422	7963	8137	7629	8191	9205	8611	9415	9134	10321	10626
Services, credits	4931	5742	6785	1487	1529	1463	1476	1788	1824	1697	1782	2130	2315
TOTAL EXPORTS OF GOODS AND SERVICES	34143	37952	42207	9450	9666	9092	9667	10993	10435	11112	10916	12451	12941
Merchandise imports fob	-30093	-35622	-37196	-9150	-8611	-8563	-9626	-9537	-8836	-9197	-9793	-10471	-10179
Services, debits	-8912	-9813	-10315	-2449	-2350	-2442	-2714	-2558	-2500	-2543	-2856	-2769	-2769
TOTAL IMPORTS OF GOODS AND SERVICES	-39005	-45435	-47511	-11599	-10961	-11005	-12340	-12095	-11336	-11740	-12649	-13240	-12948
AT AVERAGE 1979-80 PRICES													
Merchandise exports fob	22192	23606	25249	5701	5939	5854	5825	6543	6130	6751	6424	6858	6680
Services, credits	3459	3636	3951	947	945	906	876	1043	1043	989	1012	1167	1240
TOTAL EXPORTS OF GOODS AND SERVICES	25651	27242	29200	6648	6884	6760	6701	7586	7173	7740	7436	8025	7920
Merchandise imports fob	-21718	-22088	-20995	-5689	-5172	-5276	-5513	-5333	-4952	-5197	-5582	-5820	-5463
Services, debits	-6561	-6254	-6048	-1539	-1481	-1552	-1573	-1509	-1448	-1518	-1709	-1597	-1578
TOTAL IMPORTS OF GOODS AND SERVICES	-28279	-28342	-27043	-7228	-6653	-6828	-7086	-6842	-6400	-6715	-7291	-7417	-7041
AT CURRENT PRICES - SEASONALLY ADJUSTED													
Merchandise exports fob	..	..	..	7951	8385	7378	8181	9123	9109	9122	9157	10192	11190
Services, credits	..	..	..	1412	1469	1520	1579	1684	1732	1772	1924	1995	2196
TOTAL EXPORTS OF GOODS AND SERVICES	..	..	..	9363	9854	8898	9760	10807	10841	10894	11081	12187	13386
Merchandise imports fob	..	..	..	-9044	-9128	-8654	-9145	-9386	-9371	-9298	-9306	-10290	-10810
Services, debits	..	..	..	-2492	-2441	-2445	-2562	-2604	-2603	-2546	-2696	-2822	-2893
TOTAL IMPORTS OF GOODS AND SERVICES	..	..	..	-11536	-11569	-11099	-11707	-11990	-11974	-11844	-12002	-13112	-13703
AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED													
Merchandise exports fob	..	..	..	5729	6122	5657	5812	6529	6449	6538	6428	6817	7087
Services, credits	..	..	..	905	913	938	924	992	998	1027	1077	1104	1185
TOTAL EXPORTS OF GOODS AND SERVICES	..	..	..	6634	7035	6595	6736	7521	7447	7565	7505	7921	8272
Merchandise imports fob	..	..	..	-5628	-5479	-5328	-5254	-5258	-5236	-5252	-5313	-5725	-5781
Services, debits	..	..	..	-1565	-1530	-1554	-1493	-1536	-1505	-1518	-1623	-1624	-1642
TOTAL IMPORTS OF GOODS AND SERVICES	..	..	..	-7193	-7009	-6882	-6747	-6794	-6741	-6770	-6936	-7349	-7423



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

TERMS OF TRADE (1975-86 = 100) (a)

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
IMPLICIT PRICE DEFLATORS													
Merchandise exports													
Rural exports fob	123.0	126.1	131.6	126.4	127.1	123.5	130.0	129.7	132.3	133.9	138.0	151.6	170.1
Non-rural exports fob	137.3	143.7	146.0	147.4	144.0	135.4	148.4	146.6	146.6	143.1	145.4	148.2	151.0
Total exports fob	131.6	136.4	140.3	138.8	137.0	130.4	140.8	139.7	141.2	139.5	142.5	149.5	157.9
Services, credits	142.6	157.9	171.7	156.0	160.9	162.0	170.9	169.8	173.5	172.5	178.6	180.7	185.3
TOTAL EXPORTS OF GOODS & SERVICES	133.1	139.3	144.5	141.1	140.1	134.9	144.9	143.7	145.6	144.0	147.6	153.9	161.8
Merchandise imports fob (b)													
Exogenous imports fob	169.2	181.2	153.1	193.8	188.8	146.0	135.5	157.8	154.5	168.3	167.0	152.9	151.2
Endogenous imports fob	134.6	158.7	181.1	156.7	163.8	164.4	181.3	182.4	182.1	178.3	176.1	183.5	191.3
Total imports fob	138.6	161.3	177.2	160.7	166.6	162.4	174.1	178.5	179.0	177.0	175.2	179.7	187.0
Services, debits (b)	135.8	156.9	170.6	159.2	159.5	157.3	171.6	169.5	173.0	167.7	166.1	173.8	176.2
TOTAL IMPORTS OF GOODS & SERVICES	137.9	160.3	175.7	160.4	165.1	161.3	173.5	176.5	177.6	174.9	173.0	178.4	184.6
TERMS OF TRADE													
Merchandise trade (c)	94.9	84.6	79.2	86.4	82.2	80.3	80.9	78.3	78.9	78.8	81.3	83.2	84.4
Services (d)	105.0	100.6	100.6	98.0	100.9	103.0	99.6	100.2	100.3	102.9	107.5	104.0	105.2
Goods and services (e)	96.5	86.9	82.2	88.0	84.9	83.6	83.5	81.4	82.0	82.3	85.3	86.3	87.6

(a) Quarterly figures are derived from seasonally adjusted data. (b) These entries carry the opposite sign to related entries in Tables 1,2,3,5,7,8,9,10 and 12. See paragraph 7 of the Explanatory Notes. (c) Derived by dividing the IPD for merchandise exports fob by the IPD for merchandise imports fob. (d) Derived by dividing the IPD for services, credits by the IPD for services, debits. (e) Derived by dividing the IPD for total exports of goods and services by the IPD for total imports of goods and services.

TABLE 7. MERCHANDISE (BALANCE OF PAYMENTS BASIS)

\$ MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS FOB (a) (b) -													
RURAL EXPORTS FOB -													
Meat and meat preparations	1371	1699	2244	399	380	460	545	589	512	598	610	656	642
Cereals and cereal preparations	3855	3880	2783	766	1276	949	689	718	649	727	626	551	646
Sugar, sugar preps. and honey	615	646	708	159	122	201	214	165	157	172	193	162	147
Wool and sheepskins	2573	3061	3888	780	914	733	671	943	1106	1168	906	1547	1825
Other (dairy produce, fruit etc.)	2426	2956	3506	734	702	735	867	891	806	942	969	929	1157
TOTAL RURAL	10840	12242	13129	2838	3394	3078	2986	3306	3230	3607	3304	3845	4417
NON-RURAL EXPORTS FOB -													
Metal ores and minerals	4722	5005	4957	1226	1122	1244	1307	1436	1041	1173	1269	1429	1259
Mineral fuels -													
Coal, coke and briquettes	4665	5240	5456	1356	1332	1229	1388	1440	1273	1355	1140	1328	1256
Other	2360	2299	1515	755	613	175	241	425	415	434	411	540	450
Metals and metal manufactures	2512	2718	3142	655	672	605	804	738	777	823	948	1026	1007
Machinery and transport equipment	1654	1613	2629	431	345	429	500	770	685	674	708	667	647
Other	2459	3093	4594	702	659	869	965	1090	1190	1349	1354	1486	1590
TOTAL NON-RURAL	18372	19968	22293	5125	4743	4551	5205	5899	5381	5808	5830	6476	6209
TOTAL EXPORTS FOB	29212	32210	35422	7963	8137	7629	8191	9205	8611	9415	9134	10321	10626
IMPORTS FOB (a) (b) -													
Food, beverages and tobacco	-1476	-1705	-1936	-412	-427	-464	-451	-513	-535	-437	-481	-520	-542
Fuels	-2321	-1909	-1751	-488	-490	-310	-424	-477	-422	-428	-412	-618	-470
Basic materials	-1052	-1109	-1177	-276	-263	-288	-278	-274	-284	-341	-356	-313	-373
Chemicals (including plastics)	-2567	-3003	-3466	-721	-739	-780	-829	-854	-845	-938	-991	-1030	-1118
Textiles, fabrics etc	-1452	-1669	-1830	-428	-380	-430	-474	-459	-424	-473	-512	-501	-443
Metals and metal manufactures	-1462	-1695	-1845	-429	-409	-435	-497	-451	-424	-473	-564	-552	-558
Machinery and transport equipment	-12820	-16188	-15899	-4243	-3907	-3823	-4193	-4167	-3597	-3942	-3910	-4274	-4031
Other	-6943	-8344	-9292	-2153	-1996	-2033	-2480	-2342	-2305	-2165	-2567	-2663	-2644
TOTAL IMPORTS FOB	-30093	-35622	-37196	-9150	-8611	-8563	-9626	-9537	-8836	-9197	-9793	-10471	-10179
Of which:													
Exogenous (c)	-4237	-4539	-4459	-1187	-1167	-828	-1122	-1326	-905	-1106	-940	-1070	-933
Endogenous (c)													
Consumption goods	-6918	-8123	-8296	-2169	-1872	-1909	-2235	-2188	-2040	-1833	-2245	-2466	-2446
Capital goods	-6567	-8092	-8068	-2120	-1977	-1969	-2148	-2047	-1933	-1940	-2013	-2298	-2067
Other goods	-12371	-14868	-16373	-3674	-3595	-3857	-4121	-3976	-3958	-4318	-4595	-4637	-4733
Total	-25856	-31083	-32737	-7963	-7444	-7735	-8504	-8211	-7931	-8091	-8853	-9401	-9246
BALANCE ON MERCHANDISE TRADE	-881	-3412	-1774	-1187	-474	-934	-1435	-332	-225	218	-659	-150	447

(a) From March Quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See "Notes on the Estimates". (b) For composition of component series, see paragraph 10 of the Explanatory Notes. (c) For definitions, see paragraphs 14, 15 and 16 of the Explanatory Notes.

TABLE 8. MERCHANDISE (BALANCE OF PAYMENTS BASIS) AT AVERAGE 1979-80 PRICES (a) \$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS FOB (b) (c)-													
RURAL EXPORTS FOB -													
Meat and meat preparations	1220	1457	1717	334	322	413	436	436	391	454	459	477	476
Cereals and cereal preparations	3028	3108	2721	615	1027	798	575	677	682	787	671	569	547
Sugar, sugar preps. and honey	815	854	834	216	156	242	234	201	185	214	239	226	155
Wool and sheepskins	1964	2161	2405	541	632	520	452	610	677	666	474	680	693
Other (dairy produce,fruit etc.)	1784	2129	2303	534	506	519	622	599	511	571	584	538	673
TOTAL RURAL	8811	9709	9980	2240	2643	2492	2319	2523	2446	2692	2427	2490	2544
NON-RURAL EXPORTS FOB -													
Metal ores and minerals	3244	3297	3276	784	741	870	798	966	693	819	843	951	792
Mineral fuels -													
Coal, coke and briquettes	3073	3214	3428	822	803	783	800	875	793	960	836	981	946
Other	1538	1509	1527	456	404	200	293	469	380	385	368	480	423
Metals and metal manufactures	2354	2485	2501	589	627	565	645	581	637	638	688	686	659
Machinery and transport equipment	1015	922	1345	253	195	238	265	386	346	348	353	306	311
Other	2157	2470	3192	557	526	706	705	743	835	909	909	964	1005
TOTAL NON-RURAL	13381	13897	15269	3461	3296	3362	3506	4020	3684	4059	3997	4368	4136
TOTAL EXPORTS FOB	22192	23606	25249	5701	5939	5854	5825	6543	6130	6751	6424	6858	6680
IMPORTS FOB (b) (c)-													
Food, beverages and tobacco	-1132	-1144	-1178	-290	-280	-293	-276	-306	-320	-276	-318	-328	na
Fuels	-1409	-1260	-1718	-287	-290	-327	-533	-470	-374	-341	-330	-496	na
Basic materials	-865	-820	-802	-205	-192	-212	-198	-190	-185	-229	-238	-204	na
Chemicals (including plastics)	-1930	-1974	-2065	-480	-472	-505	-490	-511	-500	-564	-597	-588	na
Textiles, fabrics etc	-1142	-1129	-1093	-292	-250	-284	-277	-271	-255	-290	-310	-289	na
Metals and metal manufactures	-1100	-1088	-1069	-277	-260	-275	-286	-258	-247	-278	-325	-303	na
Machinery and transport equipment	-9040	-9488	-8000	-2506	-2219	-2162	-2095	-2063	-1814	-2028	-2046	-2196	na
Other	-5100	-5185	-5070	-1352	-1209	-1218	-1358	-1264	-1257	-1191	-1418	-1416	na
TOTAL IMPORTS FOB	-21718	-22088	-20995	-5689	-5172	-5276	-5513	-5333	-4952	-5197	-5582	-5820	-5463
Of which:													
Exogenous (d)	-2504	-2505	-2912	-613	-619	-566	-828	-841	-587	-656	-563	-700	-618
Endogenous (d)													
Consumption goods	-5387	-5288	-4783	-1424	-1197	-1190	-1278	-1260	-1166	-1079	-1328	-1420	-1314
Capital goods	-4663	-4845	-4124	-1285	-1143	-1135	-1096	-1028	-986	-1014	-1074	-1188	-1026
Other goods	-9164	-9450	-9176	-2367	-2213	-2385	-2311	-2204	-2213	-2448	-2617	-2512	-2505
Total	-19214	-19583	-18083	-5076	-4553	-4710	-4685	-4492	-4365	-4541	-5019	-5120	-4845
BALANCE ON MERCHANDISE TRADE	474	1518	4254	12	767	578	312	1210	1178	1554	842	1038	1217

(a) Estimates for the latest quarter are not as firmly based as usual. See "Notes on Estimates". (b) From March Quarter 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See "Notes on Estimates". (c) See footnote (b) to Table 7. (d) See footnote (c) to Table 7.

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

\$MILLION

	QUARTERS ENDED-									
	1985-86			1986-87			1987-88			
	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
<b>EXPORTS FOB (a) (b) -</b>										
<b>RURAL EXPORTS FOB -</b>										
Meat and meat preparations	395	444	444	497	582	599	577	557	648	752
Cereals and cereal preparations	909	1032	904	791	854	524	693	719	656	521
Sugar, sugar preps. and honey	165	170	183	176	171	216	157	159	169	201
Wool and sheepskins	775	801	682	864	933	974	1083	1170	1528	1611
Other (dairy produce, fruit etc.)	744	789	699	808	903	903	902	901	941	1294
<b>TOTAL RURAL</b>	<b>2988</b>	<b>3236</b>	<b>2912</b>	<b>3136</b>	<b>3443</b>	<b>3216</b>	<b>3412</b>	<b>3506</b>	<b>3942</b>	<b>4379</b>
<b>NON-RURAL EXPORTS FOB -</b>										
Metal ores and minerals	1149	1317	1224	1231	1338	1226	1153	1199	1326	1486
Mineral fuels -										
Coal, coke and briquettes	1350	1369	1195	1409	1412	1317	1320	1159	1295	1303
Other	701	625	180	251	390	425	443	434	489	462
Metals and metal manufactures	672	707	599	757	756	817	816	890	1053	1058
Machinery and transport equipment	387	403	438	478	691	795	690	678	598	748
Other	704	728	830	919	1093	1313	1288	1291	1489	1754
<b>TOTAL NON-RURAL</b>	<b>4963</b>	<b>5149</b>	<b>4466</b>	<b>5045</b>	<b>5680</b>	<b>5893</b>	<b>5710</b>	<b>5651</b>	<b>6250</b>	<b>6811</b>
<b>TOTAL EXPORTS FOB</b>	<b>7951</b>	<b>8385</b>	<b>7378</b>	<b>8181</b>	<b>9123</b>	<b>9109</b>	<b>9122</b>	<b>9157</b>	<b>10192</b>	<b>11190</b>
<b>IMPORTS FOB (a) (b) -</b>										
Food, beverages and tobacco	-403	-421	-471	-462	-500	-527	-443	-495	-506	-534
Fuels	-487	-486	-313	-425	-475	-419	-433	-412	-614	-467
Basic materials	-288	-283	-275	-262	-285	-305	-326	-336	-325	-401
Chemicals (including plastics)	-740	-776	-755	-798	-874	-889	-907	-955	-1052	-1177
Textiles, fabrics etc	-420	-421	-432	-438	-451	-470	-474	-473	-492	-491
Metals and metal manufactures	-435	-432	-434	-468	-454	-449	-473	-531	-553	-592
Machinery and transport equipment	-4151	-4243	-3820	-3986	-4043	-3923	-3944	-3719	-4131	-4406
Other	-2120	-2066	-2154	-2306	-2304	-2389	-2298	-2385	-2617	-2742
<b>TOTAL IMPORTS FOB</b>	<b>-9044</b>	<b>-9128</b>	<b>-8654</b>	<b>-9145</b>	<b>-9386</b>	<b>-9371</b>	<b>-9298</b>	<b>-9306</b>	<b>-10290</b>	<b>-10810</b>
<b>Of which:</b>										
Exogenous (c)	-1186	-1163	-831	-1123	-1324	-902	-1111	-940	-1066	-930
Endogenous (c)										
Consumption goods	-2037	-1983	-2078	-2086	-2051	-2162	-1997	-2096	-2307	-2593
Capital goods	-2162	-2125	-1932	-2022	-2066	-2077	-1909	-1901	-2304	-2220
Other goods	-3659	-3857	-3813	-3914	-3945	-4230	-4281	-4369	-4613	-5067
<b>Total</b>	<b>-7858</b>	<b>-7965</b>	<b>-7823</b>	<b>-8022</b>	<b>-8062</b>	<b>-8469</b>	<b>-8187</b>	<b>-8366</b>	<b>-9224</b>	<b>-9880</b>
<b>BALANCE ON MERCHANDISE TRADE</b>	<b>-1093</b>	<b>-743</b>	<b>-1276</b>	<b>-964</b>	<b>-263</b>	<b>-262</b>	<b>-176</b>	<b>-149</b>	<b>-98</b>	<b>380</b>

(a) From March quarter 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See "Notes on the Estimates". (b) See footnote (b) to Table 7. (c) See footnote (c) to Table 7.

TABLE 10. MERCHANDISE (BALANCE OF PAYMENTS BASIS) - AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED (a) \$MILLION

TABLE 10. MERCHANDISE (BALANCE OF PAYMENTS BASIS) - AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED (a)										
	QUARTERS ENDED-									
	1985-86			1986-87			1987-88			
	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS FOB (b) (c) -										
RURAL EXPORTS FOB -										
Meat and meat preparations	331	376	399	398	431	457	438	419	471	557
Cereals and cereal preparations	730	831	760	660	805	551	750	770	677	441
Sugar, sugar preps. and honey	224	217	221	192	208	254	196	197	235	212
Wool and sheepskins	537	554	484	582	604	596	617	612	672	612
Other (dairy produce, fruit etc.)	541	569	494	580	607	572	547	543	545	753
TOTAL RURAL	2363	2547	2358	2412	2655	2430	2548	2541	2600	2575
NON-RURAL EXPORTS FOB -										
Metal ores and minerals	735	870	856	752	900	816	805	797	882	935
Mineral fuels -										
Coal, coke and briquettes	818	825	761	812	858	820	935	850	956	981
Other	423	412	206	305	430	390	393	389	434	435
Metals and metal manufactures	604	659	559	607	595	670	633	646	704	693
Machinery and transport equipment	227	228	243	253	346	401	356	338	275	359
Other	559	581	674	671	745	922	868	867	966	1109
TOTAL NON-RURAL	3366	3575	3299	3400	3874	4019	3990	3887	4217	4512
TOTAL EXPORTS FOB	5729	6122	5657	5812	6529	6449	6538	6428	6817	7087
IMPORTS FOB (b) (c) -										
Food, beverages and tobacco	-284	-276	-297	-283	-298	-315	-280	-327	-319	na
Fuels	-286	-287	-330	-534	-468	-371	-345	-330	-493	na
Basic materials	-214	-207	-202	-186	-198	-199	-219	-225	-212	na
Chemicals (including plastics)	-493	-495	-489	-472	-523	-526	-546	-575	-600	na
Textiles, fabrics etc	-287	-277	-285	-256	-266	-282	-291	-287	-284	na
Metals and metal manufactures	-281	-275	-274	-269	-260	-262	-278	-306	-304	na
Machinery and transport equipment	-2452	-2410	-2160	-1991	-2001	-1978	-2029	-1946	-2122	na
Other	-1331	-1252	-1291	-1263	-1244	-1303	-1264	-1317	-1391	na
TOTAL IMPORTS FOB	-5628	-5479	-5328	-5254	-5258	-5236	-5252	-5313	-5725	-5781
Of which:										
Exogenous (d)	-612	-616	-569	-829	-839	-584	-660	-563	-697	-615
Endogenous (d)										
Consumption goods	-1337	-1268	-1295	-1193	-1181	-1236	-1176	-1240	-1329	-1393
Capital goods	-1310	-1229	-1114	-1032	-1038	-1059	-998	-1014	-1191	-1102
Other goods	-2369	-2366	-2350	-2200	-2200	-2357	-2418	-2496	-2508	-2671
Total	-5016	-4863	-4759	-4425	-4419	-4652	-4592	-4750	-5028	-5166
BALANCE ON MERCHANDISE TRADE	101	643	329	558	1271	1213	1286	1115	1092	1306

(a) Estimates for the latest quarter are not as firmly based as usual. See "Notes on the Estimates". (b) From March quarter 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See "Notes on the Estimates". (c) See footnote (b) to Table 7. (d) See footnote (c) to Table 7.

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

\$MILLION

	YEAR						QUARTERS ENDED						
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
EXPORTS -													
Foreign trade statistics	29708	32795	35780	8057	8338	7764	8314	9280	8741	9445	9176	10513	10712
Adjustments -													
Coverage	-343	-486	-379	-128	-133	-97	-94	-138	-163	16	-115	-141	-104
Timing	-153	-99	21	34	-68	-38	-29	63	33	-46	73	-51	18
Merchandise exports (balance of payments basis)	29212	32210	35422	7963	8137	7629	8191	9205	8611	9415	9134	10321	10626
IMPORTS -													
Foreign trade statistics	29050	34695	37022	8652	8500	8444	9599	9174	9175	9074	9847	10419	10309
Adjustments -													
Coverage	397	797	114	158	306	31	32	50	-70	102	-51	-70	-3
Timing	615	106	60	333	-204	81	-16	350	-291	17	2	127	-118
Valuation	31	24	-	7	9	7	11	-37	22	4	-5	-5	-9
Merchandise imports (balance of payments basis) (a)	30093	35622	37196	9150	8611	8563	9626	9537	8836	9197	9793	10471	10179

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

TABLE 12. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
CREDITS -													
Shipment -													
Freight on exports	388	371	449	92	94	90	105	112	111	121	126	145	147
Insurance on exports	7	8	8	2	2	2	2	2	2	2	2	2	3
Total	395	379	457	94	96	92	107	114	113	123	128	147	150
Other transportation -													
Passenger services	601	846	1197	220	255	212	239	330	359	269	293	394	456
Port services etc	1491	1634	1568	420	409	401	393	405	384	386	422	445	456
Total	2092	2480	2765	640	664	613	632	735	743	655	715	839	912
Travel	1364	1702	2218	474	482	423	418	614	646	540	587	779	848
Other services -													
Official -	171	176	186	38	41	59	35	51	45	55	41	41	66
Non-official -													
Expenditure of foreign govts	76	86	78	22	23	23	21	19	18	20	21	21	22
Expenditure of foreign govt employees	48	53	66	13	13	14	16	16	17	17	17	18	18
Expenditure of resident entity employees	113	112	135	35	28	24	23	32	43	37	40	53	56
Insurance services nec	10	12	16	3	3	3	4	4	4	4	5	6	5
Miscellaneous services	662	742	864	168	179	212	220	203	195	246	228	226	238
Total	909	1005	1159	241	246	276	284	274	277	324	311	324	339
Total other services	1080	1181	1345	279	287	335	319	325	322	379	352	365	405
TOTAL SERVICES CREDITS	4931	5742	6785	1487	1529	1463	1476	1788	1824	1697	1782	2130	2315
DEBITS -													
Shipment -													
Freight on imports	-2523	-2803	-2823	-721	-662	-673	-762	-724	-669	-668	-706	-753	-711
Insurance on imports	-16	-24	-24	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6
Total	-2539	-2827	-2847	-727	-668	-679	-768	-730	-675	-674	-712	-759	-717
Other transportation -													
Passenger services	-1220	-1291	-1328	-313	-300	-327	-356	-318	-296	-358	-391	-372	-370
Port services etc	-872	-941	-786	-249	-220	-208	-195	-200	-200	-191	-227	-208	-213
Total	-2092	-2232	-2114	-562	-520	-535	-551	-518	-496	-549	-618	-580	-583
Travel	-2618	-2818	-3206	-683	-667	-719	-915	-766	-757	-768	-969	-860	-824
Other services -													
Official -													
Defence services	-73	-81	-83	-15	-19	-33	-15	-21	-23	-24	-15	-18	-30
Financial services	-33	-50	-43	-17	-20	-9	-10	-22	-10	-1	-	-1	-1
Miscellaneous services	-162	-188	-211	-42	-44	-60	-44	-55	-49	-63	-49	-53	-71
Total	-268	-319	-337	-74	-83	-102	-69	-98	-82	-88	-64	-72	-102
Non-official -													
Expenditure of Aust govt employees	-99	-108	-117	-29	-24	-27	-30	-29	-28	-30	-30	-28	-40
Expenditure of non-resident entity employees	-162	-133	-133	-37	-26	-28	-33	-29	-34	-37	-47	-39	-40
Insurance services nec	-182	-250	-266	-62	-63	-63	-66	-66	-67	-67	-65	-65	-65
Miscellaneous services	-952	-1126	-1295	-275	-299	-289	-282	-322	-361	-330	-351	-366	-398
Total	-1395	-1617	-1811	-403	-412	-407	-411	-446	-490	-464	-493	-498	-543
Total other services	-1663	-1936	-2148	-477	-495	-509	-480	-544	-572	-552	-557	-570	-645
TOTAL SERVICES DEBITS	-8912	-9813	-10315	-2449	-2350	-2442	-2714	-2558	-2500	-2543	-2856	-2769	-2769
NET SERVICES	-3981	-4071	-3530	-962	-821	-979	-1238	-770	-676	-846	-1074	-639	-454

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

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
PROPERTY INCOME -													
Investment Income -													
Official -													
General government	.24	37	43	10	10	7	11	8	12	12	10	12	11
Reserve Bank (a)	831	598	531	158	134	144	141	115	115	160	188	203	140
Total official	855	635	574	168	144	151	152	123	127	172	198	215	151
Non-official -													
Direct investment income(b)-													
Reinvested earnings	315	681	1186	170	171	170	296	296	297	297	305	305	305
Distributed earnings -													
Remitted profits	36	70	36	4	3	3	17	3	9	7	5	47	6
Dividends (c)	129	335	448	116	113	55	40	18	74	316	37	13	131
Interest (c)	-6	-67	-135	2	-15	-48	-17	-24	-5	-89	-34	-47	-34
Total	159	338	349	122	101	10	40	-3	78	234	8	13	103
Total direct investment income	474	1019	1535	292	272	180	336	293	375	531	313	318	408
Portfolio and other investment income (b) (c) -													
Dividends	36	60	162	12	12	21	25	52	53	32	32	35	47
Interest	160	252	277	59	78	70	95	36	85	61	99	126	62
Total	196	312	439	71	90	91	120	88	138	93	131	161	109
Total non-official	670	1331	1974	363	362	271	456	381	513	624	444	479	517
Total investment income	1525	1966	2548	531	506	422	608	504	640	796	642	694	668
Other property income	130	109	167	33	19	37	35	59	49	24	34	32	33
TOTAL PROPERTY INCOME	1655	2075	2715	564	525	459	643	563	689	820	676	726	701
LABOUR AND OTHER INCOME -													
Labour income -													
Earnings in Australia	38	42	45	10	11	11	11	11	12	11	12	12	12
Earnings abroad	162	133	133	37	26	28	33	29	34	37	47	39	40
Total	200	175	178	47	37	39	44	40	46	48	59	51	52
Insurance income	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LABOUR AND OTHER INCOME	200	175	178	47	37	39	44	40	46	48	59	51	52
TOTAL INCOME CREDITS	1855	2250	2893	611	562	498	687	603	735	868	735	777	753

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



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

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
PROPERTY INCOME -													
Investment income -													
Official -													
General government -													
Interest on borrowing domiciled abroad	-661	-1009	-1463	-328	-246	-211	-365	-419	-356	-323	-340	-563	-448
Interest on borrowing domiciled in Australia	-270	-580	-951	-107	-184	-203	-161	-197	-274	-319	-244	-269	-300
Total	-931	-1589	-2414	-435	-430	-414	-526	-616	-630	-642	-584	-832	-748
Reserve Bank (a)	-32	-23	-22	-6	-6	-5	-	-11	-6	-5	-5	-6	-6
Total official	-963	-1612	-2436	-441	-436	-419	-526	-627	-636	-647	-589	-838	-754
Non-official -													
Direct investment income (b) -													
Reinvested earnings	-594	-936	-1206	-234	-234	-234	-301	-301	-302	-302	-350	-350	-350
Distributed earnings -													
Remitted profits	-440	-185	-190	-91	-31	-26	-46	-82	-43	-19	-5	-23	-29
Dividends	-645	-766	-538	-227	-125	-120	-177	-147	-106	-108	-269	-192	-121
Interest	-516	-644	-633	-200	-149	-155	-156	-165	-170	-142	-158	-137	-169
Total	-1601	-1595	-1361	-518	-305	-301	-379	-394	-319	-269	-432	-352	-319
Total direct investment income	-2195	-2531	-2567	-752	-539	-535	-680	-695	-621	-571	-782	-702	-669
Portfolio and other investment income (b) -													
Dividends	-532	-524	-998	-99	-174	-210	-74	-125	-346	-453	-131	-159	-334
Interest -													
Public sector	-1229	-1673	-1826	-320	-573	-422	-408	-409	-528	-481	-414	-377	-472
Private sector	-2643	-3149	-3442	-779	-797	-907	-734	-822	-866	-1020	-773	-930	-918
Total	-3872	-4822	-5268	-1099	-1370	-1329	-1142	-1231	-1394	-1501	-1187	-1307	-1390
Total portfolio and other investment income	-4404	-5346	-6266	-1198	-1544	-1539	-1216	-1356	-1740	-1954	-1318	-1466	-1724
Total non-official	-6599	-7877	-8833	-1950	-2083	-2074	-1896	-2051	-2361	-2525	-2100	-2168	-2393
Total investment income	-7562	-9489	-11269	-2391	-2519	-2493	-2422	-2678	-2997	-3172	-2689	-3006	-3147
Other property income -													
Cinema and TV film royalties	-240	-250	-270	-69	-75	-64	-46	-75	-81	-68	-48	-78	-84
Other	-449	-379	-398	-64	-113	-129	-73	-111	-125	-89	-109	-117	-107
Total	-689	-629	-668	-133	-188	-193	-119	-186	-206	-157	-157	-195	-191
TOTAL PROPERTY INCOME	-8251	-10118	-11937	-2524	-2707	-2686	-2541	-2864	-3203	-3329	-2846	-3201	-3338
LABOUR AND OTHER INCOME -													
Official	-44	-50	-61	-13	-12	-12	-15	-15	-16	-15	-16	-16	-16
Non-official													
Labour income	-113	-112	-135	-35	-28	-24	-23	-32	-43	-37	-40	-53	-56
Insurance income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-official	-113	-112	-135	-35	-28	-24	-23	-32	-43	-37	-40	-53	-56
TOTAL LABOUR AND OTHER INCOME	-157	-162	-196	-48	-40	-36	-38	-47	-59	-52	-56	-69	-72
TOTAL INCOME DEBITS	-8408	-10280	-12133	-2572	-2747	-2722	-2579	-2911	-3262	-3381	-2902	-3270	-3410

(a) Also includes interest /charges paid to the IMF on behalf of the Commonwealth Government. (b) See footnote (b) to Table 2.

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

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
<b>CREDITS -</b>													
Official	598	712	814	168	181	201	195	205	221	193	213	189	201
Non-official -													
Migrants' transfers	1052	1348	1657	367	331	352	357	423	438	439	460	533	539
Foreign government pensions	19	27	30	6	8	8	6	6	9	9	8	8	10
Miscellaneous transfers	347	445	544	122	109	116	124	142	128	150	137	159	160
<b>Total</b>	<b>1418</b>	<b>1820</b>	<b>2231</b>	<b>495</b>	<b>448</b>	<b>476</b>	<b>487</b>	<b>571</b>	<b>575</b>	<b>598</b>	<b>605</b>	<b>700</b>	<b>709</b>
<b>TOTAL UNREQUITED TRANSFERS CREDITS</b>	<b>2016</b>	<b>2532</b>	<b>3045</b>	<b>663</b>	<b>629</b>	<b>677</b>	<b>682</b>	<b>776</b>	<b>796</b>	<b>791</b>	<b>818</b>	<b>889</b>	<b>910</b>
<b>DEBITS -</b>													
Official -													
Foreign aid -													
Papua New Guinea aid	-330	-337	-348	-85	-87	-85	-85	-90	-90	-83	-74	-81	-84
Other foreign aid	-462	-463	-395	-69	-113	-218	-56	-70	-113	-156	-53	-78	-146
<b>Total</b>	<b>-792</b>	<b>-800</b>	<b>-743</b>	<b>-154</b>	<b>-200</b>	<b>-303</b>	<b>-141</b>	<b>-160</b>	<b>-203</b>	<b>-239</b>	<b>-127</b>	<b>-159</b>	<b>-230</b>
Non-official (a) -													
Migrants' transfers	-296	-296	-306	-74	-84	-70	-74	-81	-75	-76	-77	-84	-77
Withholding taxes	na	-16	-22	na	na	-4	-5	-5	-6	-6	-7	-7	-7
Miscellaneous transfers	-408	-408	-418	-102	-116	-96	-102	-107	-104	-105	-107	-111	-107
<b>Total non-official</b>	<b>-704</b>	<b>-720</b>	<b>-746</b>	<b>-180</b>	<b>-204</b>	<b>-170</b>	<b>-181</b>	<b>-193</b>	<b>-185</b>	<b>-187</b>	<b>-191</b>	<b>-202</b>	<b>-191</b>
<b>TOTAL UNREQUITED TRANSFERS DEBITS</b>	<b>-1654</b>	<b>-1700</b>	<b>-1691</b>	<b>-369</b>	<b>-473</b>	<b>-515</b>	<b>-358</b>	<b>-396</b>	<b>-468</b>	<b>-469</b>	<b>-358</b>	<b>-406</b>	<b>-493</b>
<b>NET UNREQUITED TRANSFERS</b>	<b>362</b>	<b>832</b>	<b>1354</b>	<b>294</b>	<b>156</b>	<b>162</b>	<b>324</b>	<b>380</b>	<b>328</b>	<b>322</b>	<b>460</b>	<b>483</b>	<b>417</b>

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

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

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
FOREIGN INVESTMENT IN AUSTRALIA -													
BORROWING -													
Domiciled abroad -													
Commonwealth Government -													
Drawings	1807	2876	3084	896	1519	402	442	1828	814	-	-	-	-
Repayments	-880	-1605	-2359	-642	-440	-367	-959	-508	-637	-255	-423	-290	-145
Total	928	1271	725	254	1079	35	-517	1320	177	-255	-423	-290	-145
State government -													
Drawings	1327	2098	2963	722	815	394	288	463	842	1370	1312	388	1650
Repayments	-111	-637	-440	-80	-130	-427	-76	-154	-102	-108	-244	-514	-1058
Total	1216	1461	2523	642	685	-33	212	309	740	1262	1068	-126	592
Total domiciled abroad	2144	2732	3248	896	1764	2	-305	1629	917	1007	645	-416	447
Domiciled in Australia -													
Purchases by non - residents	3593	7363	12236	1316	2633	2175	1649	1971	2789	5827	5323	3883	5020
Sales by non - residents	-1606	-4486	-9337	-822	-1342	-1825	-1698	-1446	-2059	-4134	-5033	-4854	-4663
Total domiciled in Australia	1987	2877	2899	494	1291	350	-49	525	730	1693	290	-971	357
TOTAL BORROWING	4131	5609	6147	1390	3055	352	-354	2154	1647	2700	935	-1387	804
OTHER	-46	30	-12	35	-12	31	-19	73	-28	-38	-	-15	-27
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	4084	5639	6135	1425	3043	383	-373	2227	1619	2662	935	-1402	777
AUSTRALIAN INVESTMENT ABROAD -													
Lending	-73	-32	-167	-74	130	-47	-26	28	-103	-66	13	79	-103
Accounts receivable/prepayments made	-213	-45	-313	43	-49	-101	87	-196	107	-311	154	74	-50
Other	-55	-136	-94	-73	-3	-60	-	-86	-	-8	-1	-3	-4
TOTAL AUSTRALIAN INVESTMENT ABROAD	-341	-213	-574	-104	78	-208	61	-254	4	-385	166	150	-157
TOTAL GENERAL GOVERNMENT	3743	5426	5561	1322	3121	175	-312	1973	1623	2277	1101	-1252	620

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

\$MILLION

	YEAR							QUARTERS ENDED					
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
FOREIGN INVESTMENT IN AUSTRALIA -													
Use of IMF credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-10	-16	18	4	-20	16	-7	8	-	17	-1	-11	1
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	-10	-16	18	4	-20	16	-7	8	-	17	-1	-11	1
AUSTRALIAN INVESTMENT ABROAD-													
RESERVE ASSETS -													
Official reserve assets -													
Monetary gold	-	-	-	-	-	-	-	-	-	-	-	-	-
SDRs	-124	-53	-4	-17	5	5	-	-	5	-9	4	6	5
Reserve position in IMF	-57	-4	-	2	-	-	-	-	-	-	-	-	-
Foreign exchange	1701	2197	-3390	1107	-484	736	2790	-4070	1561	-3671	-1860	3574	-1082
Total	1520	2140	-3394	1092	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077
Allocation of SDRs	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RESERVE ASSETS	1520	2140	-3394	1092	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL AUSTRALIAN INVESTMENT ABROAD	1520	2140	-3394	1092	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077
TOTAL RESERVE BANK	1510	2124	-3376	1096	-499	757	2783	-4062	1566	-3663	-1857	3569	-1076

TABLE 18. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR

\$MILLION

	YEAR						QUARTERS ENDED						
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
FOREIGN INVESTMENT IN AUSTRALIA -													
DIRECT INVESTMENT (a) -													
Reinvestment of earnings	594	936	1206	234	234	234	301	301	302	302	350	350	350
Corporate equities	340	2143	1734	603	397	805	93	1353	-410	698	-219	21	345
Net equity in branches	99	-315	95	175	-708	211	-334	52	397	-20	511	-77	-81
Borrowing (b)	1174	275	1873	-373	105	555	260	1171	445	-3	413	-90	93
Other	430	304	-348	150	11	106	-123	-108	-342	225	172	260	-163
TOTAL DIRECT INVESTMENT	2637	3343	4560	789	39	1911	197	2769	392	1202	1227	464	544
PORTFOLIO AND OTHER INVESTMENT(a)-													
Corporate equities	464	-121	4046	-20	-54	-46	570	851	972	1653	1127	180	44
Borrowing (b)-													
Public sector	3118	1928	1	-6	1567	568	534	39	364	-936	380	-490	1074
Private sector	4284	8440	6855	2093	2416	1596	2612	1087	2480	676	1270	2335	27
Total	7402	10368	6856	2087	3983	2164	3146	1126	2844	-260	1650	1845	1101
Accounts payable/prepayments received -													
Public sector	57	-48	-141	-16	-10	-10	-8	-11	-3	-119	-481	37	-17
Private sector	176	17	304	113	26	-136	233	-139	-158	368	322	359	-127
Total	233	-31	163	97	16	-146	225	-150	-161	249	-159	396	-144
TOTAL PORTFOLIO AND OTHER INVESTMENT	8099	10216	11065	2164	3945	1972	3941	1827	3655	1642	2618	2421	1001
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	10736	13559	15625	2953	3984	3883	4138	4596	4047	2844	3845	2885	1545
AUSTRALIAN INVESTMENT ABROAD -													
DIRECT INVESTMENT -													
Reinvestment of earnings	-315	-681	-1186	-170	-171	-170	-296	-296	-297	-297	-305	-305	-305
Corporate equities	-1841	-2103	-2375	-994	-397	-759	-215	-1007	-426	-727	-667	-2119	-819
Net equity in branches	-113	-281	-398	-39	-15	-189	-149	-94	-27	-128	36	-106	10
Lending (b)	298	270	396	673	80	89	-515	-149	280	780	-672	310	-231
Other	-6	26	-122	-38	36	35	-32	-5	-10	-75	39	46	-31
TOTAL DIRECT INVESTMENT	-1977	-2769	-3685	-568	-467	-994	-1207	-1551	-480	-447	-1569	-2174	-1376
PORTFOLIO AND OTHER INVESTMENT(a)-													
Corporate equities	-697	-2624	-3185	-692	-945	-668	-521	-520	-828	-1316	-443	2125	-129
Lending -													
Banks (b)	-25	-318	-1343	-64	-74	-85	-516	-276	-782	231	-251	270	20
Non-bank enterprises	-792	-987	684	-625	96	-438	245	289	-102	252	-318	-2218	1024
Total	-817	-1305	-659	-689	22	-523	-271	13	-884	483	-569	-1948	1044
Accounts receivable/prepayments made -													
Public sector	-634	-60	-10	-39	-73	76	-117	46	-29	90	-	-78	120
Private sector	-445	-40	-262	-224	7	190	-21	-66	-54	-121	-45	-396	-140
Total	-1079	-100	-272	-263	-66	266	-138	-20	-83	-31	-45	-474	-20
TOTAL PORTFOLIO AND OTHER INVESTMENT	-2593	-4029	-4116	-1644	-989	-925	-930	-527	-1795	-864	-1057	-297	895
TOTAL AUSTRALIAN INVESTMENT ABROAD	-4570	-6798	-7801	-2212	-1456	-1919	-2137	-2078	-2275	-1311	-2626	-2471	-481
TOTAL NON-OFFICIAL	6166	6761	7824	741	2528	1964	2001	2518	1772	1533	1219	414	1064

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication. (b) A series break occurs for banks at 30 June 1986. See Appendix C, Part III of Foreign Investment, Australia, 1985-86 (5305.0) for details.

TABLE 19. NET BORROWING TRANSACTIONS OF THE NON-OFFICIAL SECTOR

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
<b>DIRECT INVESTMENT BORROWING (a)-</b>													
Domiciled abroad -													
Drawings	25207	38472	44351	7543	7737	10416	15568	18677	6625	3481	10439	7485	4115
Repayments	-24033	-38197	-42486	-7916	-7632	-9861	-15308	-17507	-6180	-3491	-10011	-7603	-4172
Total	1174	275	1865	-373	105	555	260	1170	445	-10	428	-118	-57
Domiciled in Australia	-	-	8	-	-	-	-	1	-	7	-15	28	150
<b>TOTAL DIRECT INVESTMENT BORROWING</b>	<b>1174</b>	<b>275</b>	<b>1873</b>	<b>-373</b>	<b>105</b>	<b>555</b>	<b>260</b>	<b>1171</b>	<b>445</b>	<b>-3</b>	<b>413</b>	<b>-90</b>	<b>93</b>
<b>OTHER BORROWING (a)-</b>													
Domiciled abroad -													
Banks (b)-													
Drawings	9527	18090	23189	4120	3313	7342	6767	4666	5746	6010	5252	5951	6147
Repayments	-8119	-14292	-18897	-3932	-2160	-5935	-3557	-4353	-5250	-5737	-4531	-5653	-7290
Total	1408	3798	4292	188	1153	1407	3210	313	496	273	721	298	-1143
Non-bank enterprises -													
Drawings	32438	53239	72847	12973	14970	14190	15903	17919	20578	18447	17830	18207	16725
Repayments	-27145	-48011	-69635	-11194	-13041	-13534	-14989	-17412	-17967	-19267	-17290	-16373	-15217
Total	5293	5228	3212	1779	1929	656	914	507	2611	-820	540	1834	1508
Total domiciled abroad	6701	9026	7504	1967	3082	2063	4124	820	3107	-547	1261	2132	365
Domiciled in Australia -													
Banks (b)-													
Securities	64	600	-303	69	263	175	-194	-67	-188	146	-112	-65	-22
Deposits	211	-24	-65	-17	300	-336	-576	310	168	33	443	-33	75
Total	275	576	-368	52	563	-161	-770	243	-20	179	331	-98	53
Non-bank enterprises	426	766	-280	68	338	262	-208	63	-243	108	58	-189	683
Total domiciled in Australia	701	1342	-648	120	901	101	-978	306	-263	287	389	-287	736
of which -													
Public sector securities	435	387	-402	38	170	123	-258	-88	-249	193	96	-175	698
<b>TOTAL OTHER BORROWING</b>	<b>7402</b>	<b>10368</b>	<b>6856</b>	<b>2087</b>	<b>3983</b>	<b>2164</b>	<b>3146</b>	<b>1126</b>	<b>2844</b>	<b>-260</b>	<b>1650</b>	<b>1845</b>	<b>1101</b>
<b>TOTAL BORROWING (c)</b>	<b>8576</b>	<b>10643</b>	<b>8729</b>	<b>1714</b>	<b>4088</b>	<b>2719</b>	<b>3406</b>	<b>2297</b>	<b>3289</b>	<b>-263</b>	<b>2063</b>	<b>1755</b>	<b>1194</b>

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication. (b) A series break occurs for banks at 30 June 1986. See Appendix C, Part III of Foreign Investment, Australia, 1985-86 (5305.0) for details. (c) Corresponds to the sum of direct investment borrowing and total portfolio and other investment borrowing in Table 18.

TABLE 20. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
				DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
OFFICIAL RESERVE ASSETS													
(\$ MILLION) -													
Levels at end of year/month	13517(b)	13024	17594	12216	12811	13024	12615	15561	13866	17594	19557	17430	17331
Changes in levels	(c)	-493	4570	-289	595	213	-409	2946	-1695	3728	1963	-2127	-99
Of which -													
Changes due to effects of revaluations	(c)	1647	1176	803	116	954	2381	-1124	-129	48	107	1453	-1176
Changes included in the balance of payments (a)	-1520	-2140	3394	-1092	479	-741	-2790	4070	-1566	3680	1856	-3580	1077
EXCHANGE RATES -													
UNITS OF FOREIGN CURRENCY													
PER \$A -													
END OF YEAR/QUARTER (d) -													
United States dollar	0.6655	0.6772	0.7203	0.6809	0.7119	0.6772	0.6274	0.6648	0.7053	0.7203	0.7194	0.7225	0.7388
United Kingdom pound	0.5136	0.4414	0.4494	0.4732	0.4823	0.4414	0.4360	0.4525	0.4379	0.4494	0.4420	0.3857	0.3934
West German mark	2.030	1.485	1.319	1.672	1.659	1.485	1.267	1.295	1.269	1.319	1.324	1.143	1.225
Japanese yen	165.68	110.96	105.79	136.49	128.09	110.96	96.34	106.37	102.85	105.79	105.54	88.22	92.04
Special drawing right	0.6668	0.5781	0.5634	0.6214	0.6284	0.5781	0.5182	0.5448	0.5486	0.5634	0.5626	0.5137	0.5350
PERIOD AVERAGE (e) -													
United States dollar	0.7754	0.6999	0.6636	0.6874	0.7014	0.7130	0.6217	0.6475	0.6712	0.7142	0.7143	0.7038	0.7196
United Kingdom pound	0.6360	0.4866	0.4352	0.4789	0.4871	0.4727	0.4175	0.4527	0.4357	0.4350	0.4415	0.4020	0.4004
West German mark	2.381	1.753	1.280	1.777	1.646	1.602	1.298	1.299	1.235	1.290	1.313	1.201	1.205
Japanese yen	193.12	140.48	101.37	142.43	131.73	121.27	96.99	103.93	102.83	101.83	104.96	95.53	92.01
Special drawing right	0.7821	0.6387	0.5345	0.6376	0.6235	0.6141	0.5170	0.5369	0.5323	0.5518	0.5594	0.5256	0.5255
TRADE-WEIGHTED INDEX OF													
VALUE OF THE AUSTRALIAN													
DOLLAR (MAY 1970 = 100)													
End of year/quarter (d)	65.0	56.3	56.6	60.7	61.1	56.3	51.9	55.0	55.4	56.6	56.2	52.0	53.8
Period average (e)	75.5	62.3	53.8	61.9	60.9	60.0	51.4	54.1	54.0	55.6	56.1	53.0	53.0

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 4. See paragraph 7 of the Explanatory Notes. (b) From September 1984, figures for official reserve assets are not fully comparable with earlier data due to changes in the Reserve Bank's accounting procedures. (c) Not available. See footnote (b). (d) These exchange rates and index numbers relate to the last trading day of the reference period. (e) These exchange rates and index numbers are derived by averaging figures for each trading day.

**Recommended retail price: \$7.50**



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