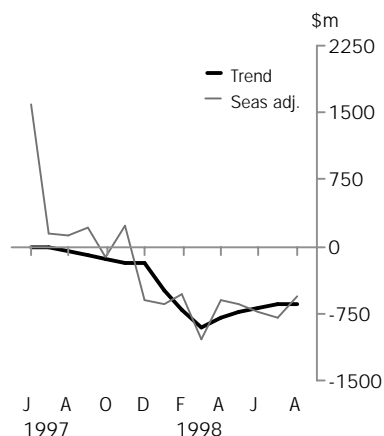


INTERNATIONAL TRADE IN GOODS AND SERVICES

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) TUES 29 SEP 1998

Balance on goods and services



AUGUST KEY FIGURES

TREND ESTIMATES

	Jun 98 \$m	Jul 98 \$m	Aug 98 \$m	Jul 98 to Aug 98 % change
Balance on goods and services	- 678	- 652	- 644	. .
Credits (exports of goods and services)	9 755	9 847	9 896	0
Debits (imports of goods and services)	10 432	10 499	10 539	0

SEASONALLY ADJUSTED

	Jun 98 \$m	Jul 98 \$m	Aug 98 \$m	Jul 98 to Aug 98 % change
Balance on goods and services	- 729	- 799	- 559	. .
Credits (exports of goods and services)	9 908	9 656	9 903	3
Debits (imports of goods and services)	10 637	10 455	10 462	0

AUGUST KEY POINTS

TREND ESTIMATES

- The provisional trend estimate of the balance on goods and services is a deficit of \$644 million in August, a decrease of \$8 million on the deficit in July.
- Goods and services credits rose \$49 million, while goods and services debits rose \$40 million.

SEASONALLY ADJUSTED ESTIMATES

- In seasonally adjusted terms, the balance on goods and services is a deficit of \$559 million, down \$240 million on the deficit in July.
- Goods and services credits rose \$247 million, or 3%, on the July figure. This is attributable to goods credits rising to a record high level in August (excluding the June 1997 result which included RBA gold sales). Record high rural exports reflected a large increase in cereals, while non-rural exports were lifted by a bounce back in metal ores and minerals to reach a new record. Goods and services debits, at \$10,462 million, were little changed on July 1998.

ORIGINAL ESTIMATES

- In original terms, the balance on goods and services in August was a deficit of \$784 million, down \$453 million on the deficit in July.
- Exports of goods to our major south east Asia and north Asia trading partners were up 2% during August, rising slightly less than that of exports to other destinations which were up 5% during August. See analysis on page 4 for details.

- For further information about these and related statistics, contact Wendy Agostino on Canberra 02 6252 5540, or any ABS office shown on the back cover of this publication.

NOTES

FORTHCOMING ISSUES

ISSUE	EXPECTED RELEASE DATE
September 1998	30 October 1998
October 1998	30 November 1998
November 1998	5 January 1999
December 1998	2 February 1999
January 1999	1 March 1999
February 1999	30 March 1999

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CHANGES IN THIS ISSUE

In original terms, revisions since the last publication, resulting from the incorporation of the latest available survey and other source data, have resulted in net debit revisions of \$72 million and \$20 million in 1995-96 and 1996-97 respectively; and a net credit revisions of \$135 million in 1997-98. The July 1998 deficit on goods and services was revised upward by \$2 million.

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CHANGES TO FORTHCOMING ISSUES

On 29 October 1998, the ABS will re-release the June quarter 1998 national accounts compiled under new international standards (*System of National Accounts* (SNA93)). One of the recommendations in SNA93 is for the measurement of the indirectly charged services of financial intermediaries which is implicit in the spread between the interest rates earned by depositors and the interest rates levied on borrowers. The implicit services fee is called financial intermediation services indirectly measured (FISIM). The amounts of FISIM involved in Australia's cross-border intermediation are very small. FISIM is not applicable on the issue of securities, or between financial intermediaries, or between non-financial corporations, or between parties in a direct investment relationship. In 1997-98, FISIM credits and debits were both only \$0.1 billion. The revised services estimates to incorporate FISIM will be included in the re-release of the June quarter 1998 national accounts, and on an ongoing basis from the September quarter 1998 issue of the *Balance of Payments and International Investment Position, Australia* (5302.0), and from the September monthly issue of this publication.

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NEW CONCEPTS, SOURCES & METHODS

On Tuesday 22 September 1998 the ABS released the 1998 edition of *Balance of Payments and International Investment Position, Australia: Concepts Sources and Methods* (5331.0). This third edition provides a comprehensive description of the concepts and structure of the Australian balance of payments and international investment position statistics compiled under new international statistical standards and of the current data sources and methods used. It explains what the statistics measure, how they relate to other economic series, where they are published and describes the factors influencing their accuracy and reliability. Copies of the publication are available from ABS bookshops (RRP \$40). See back page for contact details.

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W. McLennan
Australian Statistician

ANALYSIS AND COMMENTS

BALANCE ON GOODS AND SERVICES

The trend estimate of the balance on goods and services is a deficit of \$644 million in August, a decrease of \$8 million on the deficit in July.

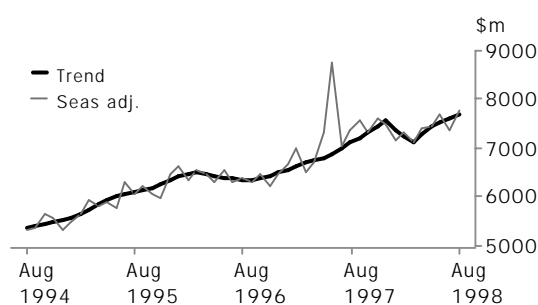
In seasonally adjusted terms, this balance was a deficit of \$559 million, down \$240 million on the deficit in July.

EXPORTS OF GOODS AND SERVICES

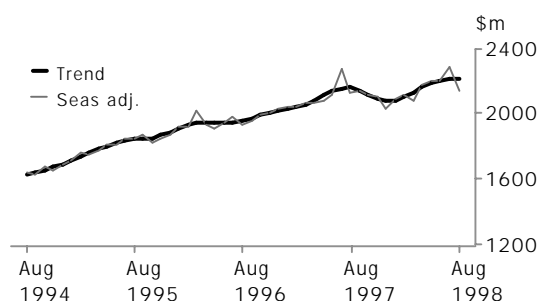
The trend estimate of goods and services credits rose \$49 million to \$9,896 million.

In seasonally adjusted terms, goods and services credits rose \$247 million, or 3%, to \$9,903 million. Goods rose \$399 million, or 5%, to \$7,766 million, while services fell \$152 million, or 7%.

GOODS CREDITS



SERVICES CREDITS



RURAL GOODS The trend estimate of rural goods rose \$54 million, or 3%, to \$1,943 million. In seasonally adjusted terms, rural goods rose \$198 million, or 11%, to \$2,035 million.

Rural goods, in original terms, rose \$59 million, or 3%, to \$1,817 million. The largest increase was in cereals, up \$171 million or 53%.

ANALYSIS AND COMMENTS

NON-RURAL AND OTHER GOODS

The trend estimate of non-rural and other goods fell \$10 million to \$5,732 million. In seasonally adjusted terms, non-rural and other goods rose \$200 million, or 4%, to \$5,731 million.

Non-rural and other goods, in original terms, rose \$181 million to \$5,921 million. The largest increases were in:

- metal ores and minerals, up \$230 million or 27%; and
- 'other' mineral fuels, up \$87 million or 22%.

These increases were partly offset by decreases in non-monetary gold, down \$145 million or 17%; and metals (excluding gold), down \$109 million or 16%.

MERCHANDISE EXPORTS BY COUNTRY

The table below shows Australia's recorded merchandise exports for the last 9 months to August 1998 (in original terms, not adjusted for BOP purposes) to 10 selected south east Asia and north Asia trading partners. Movements in the individual series reflect a range of seasonal and irregular influences. After generally weaker export performance to many of these trading partners in January and February 1998, the individual series stabilised by April. Exports to these selected Asian trading partners rose 2% in August 1998 while exports to other countries rose 5%. Overall, exports to the group of 10 countries in the list below is down 5% in the 8 months to August 1998 compared with the 8 months to August 1997, while exports to all other countries rose 23% over the same period. Exports to Japan, the largest market, are up 11% on last month, while Korea recorded a 27% fall. Exports to Indonesia and the Philippines rose to their highest levels recorded in 1998.

AUSTRALIA'S MERCHANDISE EXPORTS(a) TO SELECTED MAJOR TRADING PARTNERS

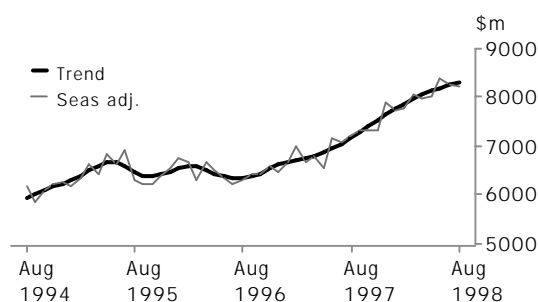
	Dec 1997	Jan 1998	Feb 1998	Mar 1998	Apr 1998	May 1998	Jun 1998	Jul 1998	Aug 1998	Jul 1998 to Aug 1998 % change
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
China	389	252	271	313	257	352	314	295	304	3
Hong Kong	393	354	368	320	255	365	305	278	275	-1
Indonesia	283	167	135	174	157	139	191	168	245	46
Japan	1 667	1 446	1 440	1 320	1 362	1 443	1 485	1407	1559	11
Korea, Republic of	473	407	342	442	595	488	592	655	481	-27
Malaysia	188	132	113	161	139	168	133	175	147	-16
Philippines	96	86	65	92	68	69	99	105	109	4
Singapore	358	183	265	333	237	428	266	194	227	17
Taiwan	383	326	306	325	397	418	317	360	364	1
Thailand	102	94	87	106	90	126	99	101	104	3
<i>Sub-total</i>	<i>4 332</i>	<i>3 447</i>	<i>3 392</i>	<i>3 586</i>	<i>3 557</i>	<i>3 996</i>	<i>3 801</i>	<i>3738</i>	<i>3815</i>	<i>2</i>
<i>All other countries</i>	<i>3 489</i>	<i>2 856</i>	<i>3 276</i>	<i>3 724</i>	<i>3 638</i>	<i>3 953</i>	<i>3 929</i>	<i>3741</i>	<i>3911</i>	<i>5</i>
Total	7 821	6 303	6 668	7 310	7 195	7 949	7 730	7479	7726	3

(a) Merchandise exports, in original terms, as recorded in ABS international trade statistics, not adjusted to a balance of payments basis.

ANALYSIS AND COMMENTS

IMPORTS OF GOODS AND SERVICES The trend estimate of goods and services debits rose \$40 million to \$10,539 million, continuing an upward movement since August 1996. In seasonally adjusted terms, goods and services debits rose \$7 million to \$10,462 million. Goods fell \$37 million, while services rose \$44 million, or 2%.

GOODS DEBITS



CONSUMPTION GOODS The trend estimate of consumption goods rose \$3 million to \$2,313 million, continuing the upward movement since March 1996. In seasonally adjusted terms, consumption goods rose \$45 million, or 2%, to \$2,301 million.

Consumption goods, in original terms, fell \$68 million, or 3%, to \$2,421 million. The largest decreases were in:

- textiles, clothing and footwear, down \$34 million or 9%; and
- non-industrial transport equipment, down \$28 million or 5%.

CAPITAL GOODS The trend estimate of capital goods rose \$9 million to \$1,936 million. In seasonally adjusted terms, capital goods fell \$59 million, or 3%, to \$1,920 million.

Capital goods, in original terms, fell \$147 million, or 7%, to \$1,911 million. There were decreases in all groups with the largest being:

- machinery and industrial equipment, down \$57 million or 6% on the record high in July; and
- industrial transport equipment, down \$37 million or 16%.

INTERMEDIATE AND OTHER GOODS The trend estimate of intermediate and other goods rose \$26 million, or 1%, to \$4,045 million. In seasonally adjusted terms, intermediate and other goods fell \$23 million, or 1%, to \$3,992 million.

Intermediate and other goods, in original terms, fell \$405 million, or 9%, to \$3,946 million. There were decreases in 12 of the 14 groups with the largest being:

- non-monetary gold, down \$128 million or 34%;
- processed industrial supplies n.e.s., down \$79 million or 9%;
- 'other' parts for capital goods, down \$66 million or 10%; and
- textile yarns and fabrics, down \$37 million or 17%.

The largest increase was in 'other' merchandise goods, up \$16 million or 28%.

GOODS AND SERVICES(a), Summary: **Seasonally Adjusted and Trend**

CREDITS.....

DEBITS.....

Period	Balance on goods and services \$m	Total goods and services \$m	Total goods \$m	Rural goods(b) \$m	Non-rural and other goods(b) \$m	Total services \$m	Total goods and services \$m	Total goods \$m	Con- sumption goods \$m	Capital goods \$m	Inter- mediate and other goods \$m	Total services \$m
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SEASONALLY ADJUSTED

1997												
June	1 590	10 874	8 757	1 860	6 897	2 117	-9 283	-7 170	-1 941	-1 799	-3 430	-2 113
July	137	9 316	7 038	1 933	5 105	2 278	-9 179	-7 082	-1 991	-1 555	-3 536	-2 097
August	128	9 484	7 351	1 929	5 422	2 133	-9 356	-7 217	-1 974	-1 674	-3 569	-2 139
September	220	9 708	7 561	1 954	5 607	2 147	-9 489	-7 307	-2 024	-1 679	-3 604	-2 182
October	-118	9 432	7 319	1 920	5 400	2 113	-9 550	-7 332	-2 059	-1 716	-3 557	-2 218
November	222	9 736	7 628	1 947	5 681	2 108	-9 514	-7 315	-2 037	-1 674	-3 603	-2 199
December	-608	9 517	7 489	1 963	5 525	2 028	-10 125	-7 917	-2 183	-1 841	-3 894	-2 208
1998												
January	-640	9 247	7 147	1 819	5 328	2 099	-9 887	-7 734	-2 280	-1 738	-3 716	-2 153
February	-528	9 427	7 314	1 750	5 564	2 113	-9 955	-7 786	-2 209	-1 781	-3 796	-2 168
March	-1 043	9 188	7 104	1 635	5 469	2 084	-10 231	-8 061	-2 277	-1 879	-3 905	-2 171
April	-610	9 605	7 424	1 699	5 724	2 181	-10 215	-7 995	-2 298	-1 837	-3 860	-2 220
May	-638	9 656	7 447	1 763	5 685	2 209	-10 294	-8 024	-2 282	-1 991	-3 751	-2 270
June	-729	9 908	7 710	1 859	5 850	2 199	-10 637	-8 397	-2 385	-1 807	-4 205	-2 240
July	-799	9 656	7 367	1 837	5 531	2 289	-10 455	-8 250	-2 256	-1 979	-4 015	-2 205
August	-559	9 903	7 766	2 035	5 731	2 137	-10 462	-8 213	-2 301	-1 920	-3 992	-2 249

TREND ESTIMATES

1997												
June	-10	9 027	6 884	1 889	4 996	2 143	-9 037	-6 955	-1 895	-1 648	-3 412	-2 082
July	-18	9 153	6 991	1 909	5 082	2 161	-9 171	-7 056	-1 938	-1 651	-3 468	-2 115
August	-49	9 273	7 111	1 926	5 185	2 162	-9 322	-7 173	-1 981	-1 662	-3 530	-2 148
September	-96	9 371	7 224	1 937	5 287	2 146	-9 467	-7 290	-2 024	-1 678	-3 588	-2 176
October	-147	9 447	7 326	1 943	5 383	2 121	-9 593	-7 401	-2 065	-1 701	-3 635	-2 192
November	-181	9 531	7 436	1 942	5 494	2 095	-9 712	-7 519	-2 110	-1 725	-3 684	-2 193
December	-184	9 643	7 563	1 938	5 624	2 080	-9 827	-7 638	-2 157	-1 753	-3 728	-2 188
1998												
January	-483	9 462	7 380	1 831	5 549	2 082	-9 944	-7 760	-2 206	-1 784	-3 770	-2 184
February	-718	9 339	7 238	1 739	5 499	2 101	-10 057	-7 872	-2 248	-1 813	-3 810	-2 185
March	-905	9 260	7 130	1 671	5 459	2 130	-10 165	-7 970	-2 277	-1 843	-3 850	-2 195
April	-801	9 462	7 300	1 713	5 587	2 162	-10 263	-8 053	-2 294	-1 869	-3 890	-2 210
May	-722	9 630	7 442	1 768	5 674	2 188	-10 352	-8 127	-2 302	-1 892	-3 933	-2 225
June	-678	9 755	7 549	1 829	5 720	2 206	-10 432	-8 197	-2 308	-1 911	-3 979	-2 235
July	-652	9 847	7 631	1 889	5 742	2 216	-10 499	-8 257	-2 310	-1 927	-4 019	-2 242
August	-644	9 896	7 676	1 943	5 732	2 220	-10 539	-8 294	-2 313	-1 936	-4 045	-2 245

(a) For sign conventions, see paragraph 7 of the Explanatory Notes.

(b) For all time periods, estimates for Sugar, sugar preparations and honey are included in Other non-rural.

GOODS AND SERVICES(a), Summary: Original

CREDITS.....

DEBITS.....

Period	Balance on goods and services	Total goods and services	Total goods	Rural goods(b)	Non-rural and other goods(b)	Total services	Total goods and services	Total goods	Con- sumption goods	Capital goods	Inter- mediate and other goods	Total services
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1995-96	-1 941	98 963	76 146	19 588	56 558	22 817	- 100 904	-77 729	-19 860	-19 183	-38 686	-23 175
1996-97	1 785	105 204	80 934	21 045	59 889	24 270	- 103 419	-79 438	-21 293	-18 884	-39 261	-23 981
1997-98	-4 283	114 082	88 484	22 122	66 362	25 598	- 118 365	-92 093	-25 906	-21 169	-45 018	-26 272
1997												
June	1 450	10 580	8 686	1 878	6 808	1 894	-9 130	-6 952	-1 759	-1 900	-3 293	-2 178
July	- 452	9 615	7 131	1 841	5 290	2 484	-10 067	-7 825	-2 228	-1 663	-3 934	-2 242
August	144	9 519	7 541	1 760	5 781	1 978	-9 375	-7 253	-2 043	-1 637	-3 573	-2 122
September	- 589	9 384	7 501	1 786	5 715	1 883	-9 973	-7 595	-2 213	-1 755	-3 627	-2 378
October	- 608	9 703	7 630	1 943	5 687	2 073	-10 311	-8 020	-2 405	-1 863	-3 752	-2 291
November	386	9 790	7 719	1 968	5 751	2 071	-9 404	-7 285	-2 111	-1 659	-3 515	-2 119
December	- 163	9 925	7 822	2 128	5 694	2 103	-10 088	-7 865	-2 243	-1 915	-3 707	-2 223
1998												
January	- 632	8 778	6 364	1 677	4 687	2 414	-9 410	-7 218	-2 036	-1 580	-3 602	-2 192
February	457	9 307	6 720	1 686	5 034	2 587	-8 850	-6 945	-1 947	-1 482	-3 516	-1 905
March	-1 077	9 363	7 310	1 780	5 530	2 053	-10 440	-8 340	-2 279	-1 866	-4 195	-2 100
April	- 541	9 285	7 207	1 727	5 480	2 078	-9 826	-7 680	-2 093	-1 827	-3 760	-2 146
May	-37	9 772	7 872	1 944	5 928	1 900	-9 809	-7 598	-2 031	-1 902	-3 665	-2 211
June	-1 171	9 641	7 667	1 882	5 785	1 974	-10 812	-8 469	-2 277	-2 020	-4 172	-2 343
July	-1 237	9 986	7 498	1 758	5 740	2 488	-11 223	-8 898	-2 489	-2 058	-4 351	-2 325
August	- 784	9 740	7 738	1 817	5 921	2 002	-10 524	-8 278	-2 421	-1 911	-3 946	-2 246

(a) For sign conventions, see paragraph 7 of the Explanatory Notes.

(b) For all time periods, estimates for Sugar, sugar preparations and honey are included in Other non-rural.

GOODS CREDITS: **Original**

RURAL GOODS.....

<i>Period</i>	<i>Total goods</i>	<i>Total rural goods(a)</i>	<i>Meat and meat preparations</i>	<i>Cereal grains and cereal preparations</i>	<i>Sugar, sugar preparations and honey(a)</i>	<i>Wool and sheepskins</i>	<i>Other rural</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1995-96	76 146	19 588	3 292	4 926	n.p.	3 664	7 706
1996-97	80 934	21 045	2 957	5 954	n.p.	3 744	8 390
1997-98	88 484	22 122	3 731	5 094	n.p.	4 020	9 277
1997							
June	8 686	1 878	270	466	n.p.	281	861
July	7 131	1 841	294	340	n.p.	391	816
August	7 541	1 760	296	398	n.p.	288	778
September	7 501	1 786	293	401	n.p.	324	768
October	7 630	1 943	344	385	n.p.	411	803
November	7 719	1 968	332	439	n.p.	437	760
December	7 822	2 128	342	549	n.p.	429	808
1998							
January	6 364	1 677	220	519	n.p.	299	639
February	6 720	1 686	302	417	n.p.	325	642
March	7 310	1 780	334	387	n.p.	312	747
April	7 207	1 727	274	454	n.p.	277	722
May	7 872	1 944	358	378	n.p.	291	917
June	7 667	1 882	342	427	n.p.	236	877
July	7 498	1 758	338	321	n.p.	240	859
August	7 738	1 817	312	492	n.p.	195	818

(a) For all time periods, estimates for Sugar, sugar preparations and honey are included in Other non-rural.

GOODS CREDITS: **Original** *continued*

NON-RURAL GOODS.....

<i>Period</i>	<i>Total non-rural goods(a)</i>	<i>Metal ores and minerals</i>	<i>Coal, coke and briquettes</i>	<i>Other mineral fuels</i>	<i>Metals (excl. gold)</i>	<i>Mach- inery</i>	<i>Transport equipment</i>	<i>Other manu- factures</i>	<i>Other non-rural(a)</i>	<i>Other goods(b)</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1995-96	50 021	9 088	7 843	4 165	6 799	7 119	2 500	8 755	3 752	6 537
1996-97	52 334	9 407	8 005	5 154	6 054	7 001	3 649	9 108	3 956	7 555
1997-98	58 490	10 848	9 588	5 310	7 235	7 499	3 423	9 869	4 718	7 872
1997										
June	4 480	915	578	492	493	667	308	766	261	2 328
July	4 758	764	751	486	525	700	236	861	435	532
August	5 085	943	754	457	608	667	340	874	442	696
September	4 949	838	807	470	540	667	231	911	485	766
October	5 100	907	744	511	601	654	280	875	528	587
November	5 135	897	783	469	644	676	329	883	454	616
December	5 152	969	879	522	610	769	287	830	286	542
1998										
January	4 181	840	869	398	592	423	167	605	287	506
February	4 355	813	767	427	538	554	217	743	296	679
March	4 779	929	716	391	659	624	232	860	368	751
April	4 752	983	808	404	590	529	324	709	405	728
May	5 145	961	850	375	688	646	396	885	344	783
June	5 099	1 004	860	400	640	590	384	833	388	686
July	4 829	839	833	394	703	556	250	802	452	911
August	5 153	1 069	844	481	594	588	275	884	418	768

(a) For all time periods, estimates for Sugar, sugar preparations and honey are included in Other non-rural. (b) Includes non-monetary gold.

GOODS DEBITS(a): Original

CONSUMPTION GOODS.....

	<i>Total goods</i>	<i>Total consumption goods</i>	<i>Food and beverages, mainly for consumption</i>	<i>Household electrical items</i>	<i>Non- industrial transport equipment</i>	<i>Textiles, clothing and footwear</i>	<i>Toys, books and leisure goods</i>	<i>Consumption goods n.e.s.</i>
<i>Period</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1995-96	-77 729	-19 860	-2 760	-1 766	-4 436	-2 726	-2 534	-5 638
1996-97	-79 438	-21 293	-2 879	-1 890	-5 143	-2 880	-2 567	-5 934
1997-98	-92 093	-25 906	-3 282	-2 062	-7 107	-3 456	-2 956	-7 043
1997								
June	-6 952	-1 759	- 223	- 152	- 475	- 201	- 219	- 489
July	-7 825	-2 228	- 270	- 171	- 618	- 322	- 258	- 589
August	-7 253	-2 043	- 264	- 152	- 519	- 307	- 246	- 555
September	-7 595	-2 213	- 261	- 177	- 557	- 295	- 288	- 635
October	-8 020	-2 405	- 314	- 212	- 600	- 283	- 316	- 680
November	-7 285	-2 111	- 296	- 196	- 501	- 257	- 265	- 596
December	-7 865	-2 243	- 299	- 189	- 631	- 281	- 248	- 595
1998								
January	-7 218	-2 036	- 256	- 133	- 633	- 319	- 199	- 496
February	-6 945	-1 947	- 246	- 145	- 499	- 342	- 196	- 519
March	-8 340	-2 279	- 285	- 177	- 685	- 316	- 226	- 590
April	-7 680	-2 093	- 246	- 173	- 624	- 253	- 215	- 582
May	-7 598	-2 031	- 251	- 162	- 559	- 245	- 229	- 585
June	-8 469	-2 277	- 294	- 175	- 681	- 236	- 270	- 621
July	-8 898	-2 489	- 286	- 172	- 622	- 394	- 311	- 704
August	-8 278	-2 421	- 274	- 168	- 594	- 360	- 304	- 721

(a) For sign conventions, see paragraph 7 of the Explanatory Notes.

GOODS DEBITS(a): **Original** *continued*

CAPITAL GOODS.....

	<i>Total capital goods</i>	<i>Machinery and industrial equipment</i>	<i>ADP equipment</i>	<i>Telecomm- unications equipment</i>	<i>Civil aircraft</i>	<i>Industrial transport equipment n.e.s.</i>	<i>Capital goods n.e.s.</i>
<i>Period</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1995-96	-19 183	-8 326	-3 593	-1 996	- 688	-2 214	-2 366
1996-97	-18 884	-8 020	-3 719	-1 748	- 784	-2 178	-2 435
1997-98	-21 169	-8 863	-4 347	-2 075	- 464	-2 557	-2 863
1997							
June	-1 900	- 620	- 426	- 177	- 213	- 252	- 212
July	-1 663	- 727	- 360	- 163	- 6	- 178	- 229
August	-1 637	- 732	- 315	- 144	-23	- 189	- 234
September	-1 755	- 753	- 374	- 188	-52	- 163	- 225
October	-1 863	- 747	- 359	- 208	-15	- 286	- 248
November	-1 659	- 688	- 337	- 175	-17	- 203	- 239
December	-1 915	- 833	- 353	- 194	-36	- 204	- 295
1998							
January	-1 580	- 725	- 324	- 131	-1	- 193	- 206
February	-1 482	- 616	- 294	- 126	-36	- 216	- 194
March	-1 866	- 755	- 432	- 184	-24	- 216	- 255
April	-1 827	- 734	- 366	- 183	-62	- 252	- 230
May	-1 902	- 758	- 378	- 168	-159	- 199	- 240
June	-2 020	- 795	- 455	- 211	-33	- 258	- 268
July	-2 058	- 887	- 366	- 185	-121	- 235	- 264
August	-1 911	- 830	- 356	- 171	-109	- 198	- 247

(a) For sign conventions, see paragraph 7 of the Explanatory Notes.

GOODS DEBITS(a): **Original** *continued*

INTERMEDIATE AND OTHER MERCHANDISE GOODS.....

<i>Period</i>	<i>Total intermediate and other merchandise goods</i>	<i>Food and beverages, mainly for industry</i>	<i>Primary industrial supplies n.e.s.</i>	<i>Fuels and lubricants</i>	<i>Parts for transport equipment</i>	<i>Parts for ADP equipment</i>	<i>Other parts for capital goods</i>	<i>Organic and inorganic chemicals</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1995-96	-36 964	- 700	- 879	-4 163	-4 600	-1 857	-6 393	-2 754
1996-97	-37 028	- 641	- 839	-5 004	-4 609	-1 759	-6 507	-2 743
1997-98	-40 384	- 746	- 950	-4 250	-5 358	-1 992	-7 177	-2 814
1997								
June	-3 082	-47	-71	- 405	- 382	- 184	- 556	- 223
July	-3 455	-69	-81	- 440	- 466	- 161	- 599	- 226
August	-3 176	-54	-71	- 353	- 431	- 147	- 553	- 207
September	-3 279	-71	-88	- 355	- 425	- 154	- 590	- 207
October	-3 493	-59	-75	- 394	- 440	- 155	- 639	- 242
November	-3 294	-69	-80	- 409	- 374	- 152	- 589	- 250
December	-3 418	-56	-84	- 359	- 461	- 162	- 674	- 219
1998								
January	-3 372	-63	-73	- 426	- 413	- 160	- 566	- 216
February	-3 121	-61	-78	- 276	- 410	- 144	- 532	- 249
March	-3 672	-67	-78	- 395	- 489	- 194	- 634	- 311
April	-3 308	-54	-80	- 232	- 462	- 191	- 602	- 254
May	-3 200	-60	-78	- 297	- 455	- 171	- 563	- 184
June	-3 596	-63	-84	- 314	- 532	- 201	- 636	- 249
July	-3 766	-67	-84	- 361	- 525	- 176	- 681	- 236
August	-3 529	-59	-77	- 338	- 511	- 188	- 615	- 234

(a) For sign conventions, see paragraph 7 of the Explanatory Notes.

GOODS DEBITS(a): **Original** *continued*INTERMEDIATE AND OTHER MERCHANDISE GOODS *continued*.....

<i>Period</i>	<i>Paper and paperboard</i>	<i>Textile yarn and fabrics</i>	<i>Iron and steel</i>	<i>Plastics</i>	<i>Processed industrial supplies n.e.s.</i>	<i>Other merchandise goods</i>	<i>Other goods(b)</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1995-96	-1 868	-1 922	-1 408	-1 685	-8 398	- 337	-1 722
1996-97	-1 713	-1 817	-1 297	-1 577	-8 212	- 310	-2 233
1997-98	-1 901	-2 005	-1 623	-1 813	-9 393	- 362	-4 634
1997							
June	- 131	- 152	- 114	- 130	- 671	-16	- 211
July	- 147	- 189	- 122	- 158	- 778	-19	- 479
August	- 154	- 159	- 135	- 142	- 737	-33	- 397
September	- 164	- 167	- 130	- 149	- 760	-19	- 348
October	- 175	- 173	- 134	- 168	- 818	-21	- 259
November	- 146	- 165	- 138	- 151	- 740	-31	- 221
December	- 167	- 158	- 134	- 141	- 775	-28	- 289
1998							
January	- 158	- 175	- 148	- 152	- 792	-30	- 230
February	- 146	- 155	- 137	- 140	- 747	-46	- 395
March	- 172	- 168	- 147	- 162	- 824	-31	- 523
April	- 149	- 150	- 147	- 148	- 808	-31	- 452
May	- 150	- 163	- 119	- 149	- 784	-27	- 465
June	- 173	- 183	- 132	- 153	- 830	-46	- 576
July	- 184	- 212	- 152	- 158	- 873	-57	- 585
August	- 178	- 175	- 139	- 148	- 794	-73	- 417

(a) For sign conventions, see paragraph 7 of the Explanatory Notes.

(b) Includes non-monetary gold.

SERVICES(a)(b): Original

CREDITS.....

DEBITS.....

Period	Total services	Freight	Other transport- ation	Travel	Other services	Total services	Freight	Other transport- ation	Travel	Other services
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1995-96	22 817	1 221	5 305	11 252	5 039	-23 175	-4 405	-4 083	-6 988	-7 699
1996-97	24 270	951	5 697	11 926	5 696	-23 981	-4 373	-4 066	-7 769	-7 773
1997-98	25 598	1 042	5 691	11 910	6 955	-26 272	-4 917	-4 135	-8 376	-8 844
1997										
June	1 894	79	454	836	525	-2 178	-361	-391	-738	-688
July	2 484	82	484	1 376	542	-2 242	-417	-377	-761	-687
August	1 978	82	484	881	531	-2 122	-381	-347	-712	-682
September	1 883	81	483	791	528	-2 378	-418	-394	-860	-706
October	2 073	81	479	911	602	-2 291	-448	-336	-757	-750
November	2 071	81	479	912	599	-2 119	-404	-303	-641	-771
December	2 103	81	480	928	614	-2 223	-418	-345	-650	-810
1998										
January	2 414	91	496	1 277	550	-2 192	-399	-339	-736	-718
February	2 587	91	496	1 462	538	-1 905	-372	-276	-545	-712
March	2 053	90	498	922	543	-2 100	-434	-325	-616	-725
April	2 078	94	437	921	626	-2 146	-410	-332	-688	-716
May	1 900	94	437	736	633	-2 211	-386	-366	-700	-759
June	1 974	94	438	793	649	-2 343	-430	-395	-710	-808
July	2 488	87	454	1 357	590	-2 325	-453	-391	-759	-722
August	2 002	87	454	882	579	-2 246	-418	-381	-724	-723

(a) For sign conventions, see paragraph 7 of the Explanatory Notes.

(b) For detailed trade in services by commodity, see Table 6 and paragraph 11 of the Explanatory Notes.

SERVICES(a)(b): **Original**—Quarterly

	CREDITS.....				DEBITS.....			
	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998	Sep Qtr 1997	Dec Qtr 1997	Mar Qtr 1998	Jun Qtr 1998
SERVICES	6 345	6 247	7 054	5 952	-6 742	-6 633	-6 197	-6 700
Transportation services	1 696	1 681	1 762	1 594	-2 334	-2 254	-2 145	-2 319
Passenger	1 451	1 438	1 490	1 312	- 895	- 740	- 721	- 891
Freight	245	243	272	282	-1 216	-1 270	-1 205	-1 226
Other	n.p.	n.p.	n.p.	n.p.	- 223	- 244	- 219	- 202
Travel services	3 048	2 751	3 661	2 450	-2 333	-2 048	-1 897	-2 098
Business	123	169	193	191	- 690	- 546	- 623	- 558
Personal	2 925	2 582	3 468	2 259	-1 643	-1 502	-1 274	-1 540
Education-related	926	367	1 473	416	- 201	- 121	- 139	- 111
Other	1 999	2 215	1 995	1 843	-1 442	-1 381	-1 135	-1 429
Communications services	304	334	367	331	- 283	- 357	- 330	- 335
Construction services	23	3	3	25	0	0	0	0
Insurance services	213	213	213	213	- 268	- 268	- 268	- 268
Financial services	143	143	143	143	-85	-85	-85	-85
Computer and information services	155	137	106	125	-71	-94	-91	-93
Royalties and licence fees	106	147	104	135	- 386	- 388	- 325	- 368
Other business services	462	610	472	665	- 691	- 791	- 754	- 815
Merchanting and other trade-related	112	107	79	140	- 107	- 101	-92	- 115
Operational leasing	2	2	2	3	- 189	- 205	- 254	- 219
Miscellaneous business, professional & technical	348	501	391	522	- 395	- 485	- 408	- 481
Legal, accounting, management consulting and public relations	73	89	82	97	-40	-41	-25	-58
Advertising, market research, and public opinion polling	20	31	19	22	-35	-40	-52	-46
Research and development	48	58	38	59	-39	-28	-26	-49
Architectural, engineering and other technical services	64	85	96	111	-69	- 120	-54	-92
Agricultural, mining, and on-site processing	7	11	10	8	-55	-51	-63	-29
Services between affiliated enterprises n.i.e.	122	204	121	185	- 139	- 187	- 160	- 182
Other	14	23	25	40	-18	-18	-28	-25
Personal, cultural, and recreational services	73	96	95	100	- 160	- 196	- 171	- 141
Audiovisual and related services	20	34	35	56	- 141	- 174	- 137	- 123
Other personal, cultural and recreational services	53	62	60	44	-19	-22	-34	-18
Government services n.i.e.	122	132	128	171	- 131	- 152	- 131	- 178

(a) For sign conventions, see paragraph 7 of the Explanatory Notes.

(b) For detailed trade in services by commodity, see paragraph 11 of the Explanatory Notes.

PERIOD AVERAGE EXCHANGE RATES(a)

UNITS OF FOREIGN CURRENCY PER AUSTRALIAN DOLLAR.....

<i>Period</i>	<i>United States dollar</i>	<i>United Kingdom pound</i>	<i>German mark</i>	<i>Japanese yen</i>	<i>Special drawing right</i>	<i>Trade weighted index of value of the \$A(b)</i>
1995-96	0.7593	0.4909	1.109	77.66	0.5156	54.8
1996-97	0.7828	0.4851	1.251	90.51	0.5521	58.7
1997-98	0.6806	0.4138	1.221	86.02	0.5026	58.3
1997						
June	0.7534	0.4581	1.300	86.17	0.5418	57.2
July	0.7425	0.4441	1.328	85.49	0.5387	57.2
August	0.7412	0.4618	1.365	87.39	0.5474	58.4
September	0.7211	0.4520	1.295	87.42	0.5322	57.7
October	0.7212	0.4422	1.267	87.35	0.5269	58.1
November	0.6954	0.4121	1.203	86.97	0.5055	57.0
December	0.6627	0.3986	1.178	85.80	0.4891	57.9
1998						
January	0.6543	0.4004	1.190	84.87	0.4871	60.2
February	0.6733	0.4107	1.221	84.75	0.4988	60.8
March	0.6699	0.4034	1.222	86.22	0.4981	60.2
April	0.6524	0.3899	1.183	86.19	0.4860	58.5
May	0.6312	0.3851	1.120	85.13	0.4695	57.4
June	0.6030	0.3656	1.081	84.74	0.4522	56.6
July	0.6182	0.3758	1.111	86.94	0.4645	58.0
August	0.5903	0.3614	1.055	85.42	0.4452	55.7

(a) These exchange rates and the trade-weighted index are derived using rates provided by the Reserve Bank of Australia in respect of each trading day.

(b) May 1970=100.

EXPLANATORY NOTES

INTRODUCTION

1 This publication contains preliminary estimates of Australia's international trade in goods and services on a balance of payments basis. These estimates form part of Australia's balance of payments statistics.

2 More comprehensive quarterly estimates of Australia's trade in goods and services, together with comprehensive details of Australia's balance of payments and international investment position statistics are included in the quarterly publication, *Balance of Payments and International Investment Position, Australia* (5302.0).

CONCEPTS, SOURCES AND METHODS

3 The conceptual framework used in Australia's balance of payments and international investment position statistics is based on the Fifth Edition of the International Monetary Fund's *Balance of Payments Manual* (BPM5, 1993). Descriptions of the underlying concepts and structure of the balance of payments and international investment position, and the sources, methods and terms used in compiling the estimates are presented in *Balance of Payments and International Investment Position, Australia: Concepts, Sources and Methods* (5331.0), which was released on 22 September, 1998.

RELIABILITY AND VOLATILITY

4 Care should be exercised in interpreting month-to-month movements in original and seasonally adjusted series as short-term movements cannot be assumed to indicate changes in trend. The monthly estimates are volatile, being subject to seasonal factors (except where adjusted in Table 1) and large irregular influences. The irregular influences may reflect both random economic events and difficulties of statistical recording. Seasonal adjustment does not aim to remove the irregular or non-seasonal influences which may be present in any particular month. This means that the month-to-month movements of the seasonally adjusted estimates may not be reliable indicators of trend behaviour. For example, irregular factors unrelated to the trend account for more than half the seasonally adjusted monthly movements with the following frequency:

balance on goods and services: 9 in 10 months

goods and services credits: 8 in 10 months

goods and services debits: 8 in 10 months.

TREND ESTIMATES

5 The trend estimates are derived by applying a 13-term Henderson moving average to the seasonally adjusted series. The 13-term Henderson average (like all Henderson averages) is symmetric, but as the end of a time series is approached, asymmetric forms of the average are applied. While the asymmetric weights enable trend estimates for recent months to be produced, it does result in revisions to the estimates for the most recent six months (the most recent three months in particular) as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. Details of trend-cycle weighting patterns are available on request from Time Series Analysis Section on Canberra (02) 6252 6103.

SEASONAL ADJUSTMENT

6 The factors used in seasonally adjusting the monthly goods and services statistics can be obtained from Balance of Payments Section on Canberra (02) 6252 6224 at a cost of \$100.00.

SIGN CONVENTION

7 In keeping with balance of payments conventions, credit entries are shown without sign and debit items are shown as negative entries. However, references to debit items in Key Figures, Key Points, and Analysis and Comments are made without regard to sign.

EXPLANATORY NOTES

COMMODITY BREAKDOWNS OF GOODS

8 For details of the classification used for rural and non-rural goods see Table 6.6 in *Balance of Payments and International Investment Position, Australia: Concepts, Sources and Methods* (5331.0).

9 Table 6.7 in 5331.0 provides details of the classification used for goods debits. Most of the 25 commodity groups shown in Table 4 for merchandise goods debits are further sub-divided into a total of 106 commodity sub-groups. Although the information at this level is not published, it is available as a special data service, and can be obtained from Balance of Payments Section on Canberra (02) 6252 6419.

10 For more information on the commodity classification of merchandise goods debits, refer to *Information Paper: Change to Commodity Classification of Merchandise Imports in Balance of Payments Publications* (5344.0).

COMMODITY BREAKDOWNS OF SERVICES

11 The quarterly detailed services data published in Table 6 are consistent with the monthly aggregates shown in Table 5. A further 14 sub-commodities are available on request. Detailed annual data are published for 61 services commodities, and a further 4 are available. Services trade data by major partner countries and by Australian State of production/consumption are also published annually. Additional detail and additional presentations of the data may be available on request. For further information contact Balance of Payments Section on Canberra (02) 6252 5336.

RELATED PRODUCTS AND SERVICES

12 Detailed data of exports and imports of goods dissected by commodity and country are available on an international trade basis by contacting the General Sales and Inquiries telephone numbers shown on the back of this publication. There may be a charge for this information, depending on the volume of data requested.

13 Users may also wish to refer to the following publications which are available from ABS Bookshops:

- *Balance of Payments and International Investment Position, Australia* (5302.0)—issued quarterly
- *Balance of Payments and International Investment Position, Australia: Concepts, Sources and Methods* (5331.0)
- *Information Paper: Quality of Australian Balance of Payments Statistics* (5342.0)
- *International Merchandise Trade, Australia* (5422.0)—issued quarterly
- *Information Paper: Implementing New International Statistical Standards in ABS International Accounts Statistics* (5364.0)—irregular, issued on 29 September 1997
- *Information Paper: Upgraded Balance of Payments and International Investment Position Statistics* (5365.0)—irregular, issued on 24 November 1997.

SYMBOLS AND OTHER USAGES

n.e.s. not elsewhere specified
n.i.e. not included elsewhere
n.p. not published
.. not applicable

WHAT IF...? REVISIONS TO TREND ESTIMATES

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

Readers should exercise care in the interpretation of the trend data as the last three observations, in particular, are likely to be revised with the addition of subsequent months' data. For further information, see Explanatory Note 5.

TREND REVISIONS

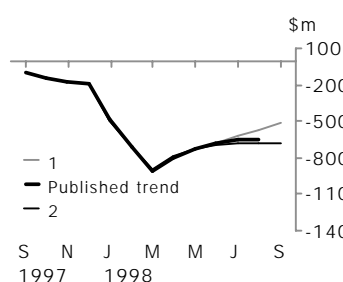
The graph below presents the effect of two possible scenarios on the previous trend estimates:

1 The September seasonally adjusted estimate of the balance on goods and services 'improves' by \$200 million when compared with the August seasonally adjusted estimate. (An 'improvement' refers to an increase in a surplus or a decrease in a deficit.)

2 The September seasonally adjusted estimate of the balance on goods and services 'deteriorates' by \$200 million when compared with the August seasonally adjusted estimate. (A 'deterioration' refers to a decrease in a surplus or an increase in a deficit.)

The change of \$200 million has been chosen because in the last decade the average monthly movement, without regard to sign, of the seasonally adjusted balance on goods and services series has been approximately \$200 million.

BALANCE ON GOODS AND SERVICES



TREND AS PUBLISHED

WHAT IF NEXT MONTH'S SEASONALLY ADJUSTED ESTIMATE:

1

improves by \$200m on Aug 98
\$m

2

deteriorates by \$200m on Aug 98
\$m

	\$m		
February 1998	-718	-715	-715
March 1998	-905	-909	-901
April 1998	-801	-809	-795
May 1998	-722	-726	-719
June 1998	-678	-673	-691
July 1998	-652	-623	-683
August 1998	-644	-571	-682
September 1998		-507	-676

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