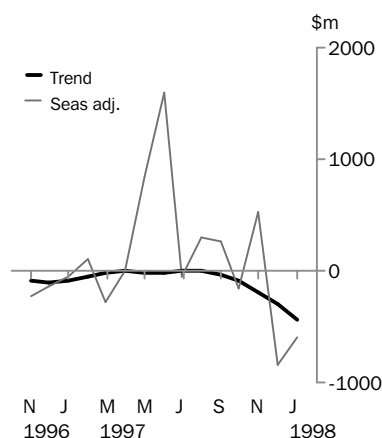


INTERNATIONAL TRADE IN GOODS AND SERVICES

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) MON 2 MAR 1998

Balance on goods and services



JANUARY KEY FIGURES

TREND ESTIMATES

	Nov 97 \$m	Dec 97 \$m	Jan 98 \$m	Dec 97 to Jan 98 % change
Balance on goods and services	- 186	- 297	- 431	. .
Credits (exports of goods and services)	9 472	9 507	9 525	0
Debits (imports of goods and services)	9 658	9 804	9 956	2

SEASONALLY ADJUSTED

	Nov 97 \$m	Dec 97 \$m	Jan 98 \$m	Dec 97 to Jan 98 % change
Balance on goods and services	523	- 836	- 598	. .
Credits (exports of goods and services)	9 799	9 519	9 312	-2
Debits (imports of goods and services)	9 276	10 355	9 910	-4

JANUARY KEY POINTS

TREND ESTIMATES

- The provisional trend estimate of the balance on goods and services is a deficit of \$431 million in January, an increase of \$134 million on the deficit in December.
- Goods and services credits rose \$18 million and goods and services debits rose \$152 million. Both series have been trending upward since August 1996.

SEASONALLY ADJUSTED ESTIMATES

- The balance on goods and services is a deficit of \$598 million, a decrease of \$238 million on the deficit in December.
- Goods and services credits fell \$207 million, or 2%, on the December figure. Goods and services debits fell \$445 million or 4%.

- For further information about these and related statistics, contact Carol Trickett on 02 6252 5540, or any ABS Office.

NOTES

FORTHCOMING ISSUES

ISSUE	EXPECTED RELEASE DATE
February 1998	31 March 1998
March 1998	4 May 1998
April 1998	29 May 1998
May 1998	30 June 1998
June 1998	29 July 1998
July 1998	31 August 1998



CHANGES IN THIS ISSUE

In original terms, revisions since the last issue of this publication have resulted in the following changes:

- a decrease of \$232 million in the deficit on Goods and Services for 1995-96;
- an increase of \$28 million in the surplus on Goods and Services for 1996-97; and
- an increase of \$263 million in the deficit and on Goods and Services for 1997-98.

All of these revisions result from a changed treatment for Reserve Bank of Australia gold loans. For further explanation see Technical Notes on page 18 in this issue.



RELIABILITY AND VOLATILITY

As noted in paragraph 4 of the explanatory notes in this publication, care should be exercised in interpreting month-to-month movements in original and seasonally adjusted series. This is because the series in this publication are volatile, and irregular factors unrelated to the trend generally account for more than half the seasonally adjusted monthly movements. For example, on 80% of all occasions the irregular will account for more than half the movement in seasonally adjusted goods and services debits. The increase in this seasonally adjusted series in December 1997 was \$1.1 billion, with over 85% of that increase attributable to irregular factors. Similarly, in January 1998 this same seasonally adjusted series shows a sharp fall while the trend continues to rise.

For goods and services credits, the series' volatility again means that on 80% of occasions the irregular component accounts for more than half the movement in the seasonally adjusted series. For example, the seasonally adjusted estimate for November 1997 increased by \$0.6 billion whereas the trend rose only \$0.1 billion.



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 \$431 million in January, an increase of \$134 million on the deficit in December.

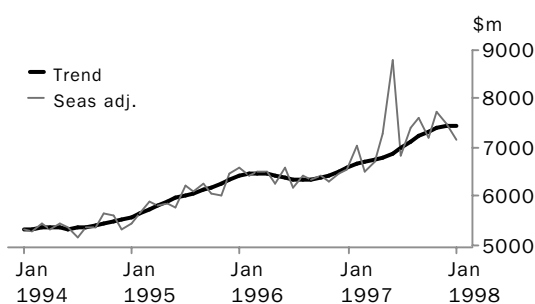
In seasonally adjusted terms, this balance is a deficit of \$598 million, a decrease of \$238 million on the deficit in December.

EXPORTS OF GOODS AND SERVICES

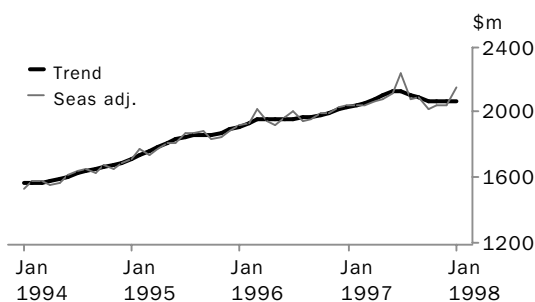
The trend estimate of goods and services credits rose \$18 million, to \$9,525 million, continuing an upward movement since August 1996.

In seasonally adjusted terms, goods and services credits fell \$207 million, or 2%, to \$9,312 million. Goods fell \$316 million, or 4%, to \$7,155 million, while services rose \$108 million, or 5%.

GOODS CREDITS



SERVICES CREDITS



RURAL GOODS The trend estimate of rural goods fell \$28 million, or 1%, to \$2,033 million. In seasonally adjusted terms, rural goods fell \$225 million, or 11%, to \$1,880 million.

Rural goods, in original terms, fell \$440 million, or 20%, to \$1,755 million. There were decreases in all components with the largest being in:

- 'other' rural goods, down \$166 million or 21%;
- wool and sheepskins, down \$121 million or 29%; and
- meat and meat preparations, down \$119 million or 35%.

ANALYSIS AND COMMENTS

NON-RURAL AND OTHER GOODS The trend estimate of non-rural and other goods rose \$40 million, or 1%, to \$5,421 million. In seasonally adjusted terms, non-rural and other goods fell \$91 million, or 2%, to \$5,275 million.

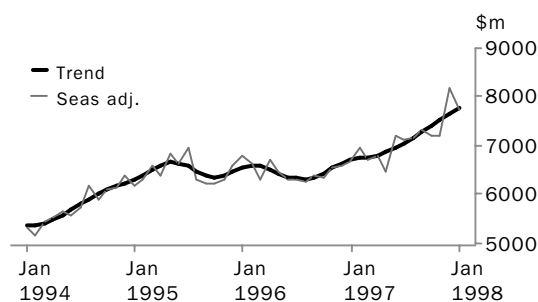
Non-rural and other goods, in original terms, fell \$1,006 million, or 18%, to \$4,618 million. The largest decreases were in:

- machinery, down \$330 million or 44%;
- other manufactures, down \$222 million or 27%;
- metal ores and minerals, down \$133 million or 14%;
- transport equipment, down \$126 million or 43%; and
- 'other' mineral fuels, down \$125 million or 23%.

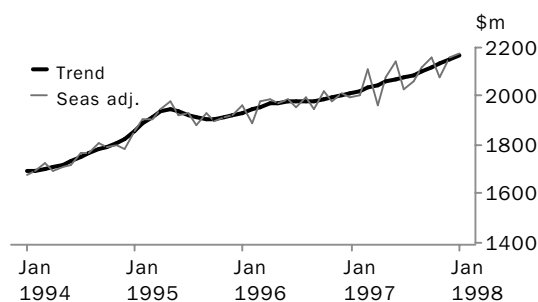
IMPORTS OF GOODS AND SERVICES

The trend estimate of goods and services debits rose \$152 million, or 2%, to \$9,956 million, continuing an upward movement since August 1996. The trend estimate of goods has been increasing since August 1996, while the trend estimate of services has been increasing gradually since October 1995. In seasonally adjusted terms, goods and services debits fell \$445 million, or 4%, to \$9,910 million. Goods fell \$459 million, or 6%, while services rose \$14 million, or 1%.

GOODS DEBITS



SERVICES DEBITS



ANALYSIS AND COMMENTS

CONSUMPTION GOODS The trend estimate of consumption goods rose \$49 million, or 2%, to \$2,207 million, continuing the upward movement since March 1996. In seasonally adjusted terms, consumption goods rose \$52 million, or 2%, to \$2,281 million.

Consumption goods, in original terms, fell \$210 million, or 9%, to \$2,036 million. The largest decreases were in:

- consumption goods n.e.s., down \$100 million or 17%;
- household electrical items, down \$57 million or 30%;
- toys, books and leisure, down \$49 million or 20%; and
- food and beverages for consumption, down \$45 million or 15%.

These decreases were partly offset by an increase in textiles, clothing and footwear, up \$39 million or 14%.

CAPITAL GOODS The trend estimate of capital goods rose \$44 million, or 3%, to \$1,803 million. In seasonally adjusted terms, capital goods fell \$213 million, or 11%, to \$1,738 million.

Capital goods, in original terms, fell \$336 million, or 18%, to \$1,581 million.

There were decreases in all components with the largest being in:

- machinery and industrial equipment, down \$107 million or 13%;
- capital goods n.e.s., down \$89 million or 30%;
- telecommunications equipment, down \$63 million or 32%;
- civil aircraft, down \$35 million or 97%; and
- ADP equipment, down \$30 million or 8%.

INTERMEDIATE AND OTHER GOODS The trend estimate of intermediate and other goods rose \$41 million, or 1%, to \$3,780 million. In seasonally adjusted terms, intermediate and other goods fell \$298 million, or 7%, to \$3,715 million.

Intermediate and other goods, in original terms, fell \$125 million, or 3%, to \$3,604 million. There were decreases in 9 of the 17 groups, with the largest being:

- other parts for capital goods, down \$110 million or 16%;
- parts for transport equipment, down \$50 million or 11%;
- non-monetary gold, down \$40 million or 29%; and
- goods for processing, down \$34 million or 33%.

These decreases were partly offset by an increase in fuels and lubricants, up \$68 million or 19%.

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

CREDITS.....							DEBITS.....					
<i>Period</i>	<i>Balance on goods and services</i>	<i>Total goods and services</i>	<i>Total goods</i>	<i>Rural goods</i>	<i>Non-rural and other goods</i>	<i>Total services</i>	<i>Total goods and services</i>	<i>Total goods</i>	<i>Con- sumption goods</i>	<i>Capital goods</i>	<i>Inter- mediate and other goods</i>	<i>Total services</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
SEASONALLY ADJUSTED												
1996												
November	- 233	8 306	6 309	1 785	4 524	1 997	-8 538	-6 558	-1 730	-1 525	-3 304	-1 980
December	- 132	8 491	6 462	1 850	4 612	2 030	-8 624	-6 612	-1 750	-1 561	-3 301	-2 012
1997												
January	-60	8 606	6 566	1 894	4 672	2 040	-8 666	-6 674	-1 711	-1 683	-3 281	-1 992
February	102	9 072	7 027	2 075	4 952	2 045	-8 971	-6 963	-1 861	-1 584	-3 518	-2 008
March	- 288	8 547	6 496	1 884	4 612	2 051	-8 835	-6 727	-1 755	-1 637	-3 334	-2 108
April	2	8 763	6 694	1 982	4 712	2 068	-8 761	-6 795	-1 798	-1 734	-3 264	-1 966
May	834	9 381	7 294	2 014	5 281	2 086	-8 546	-6 469	-1 713	-1 544	-3 212	-2 077
June	1 594	10 932	8 814	2 030	6 784	2 119	-9 338	-7 198	-1 991	-1 787	-3 420	-2 140
July	-53	9 087	6 845	2 017	4 828	2 242	-9 140	-7 115	-2 023	-1 513	-3 579	-2 025
August	294	9 506	7 425	2 069	5 357	2 080	-9 212	-7 154	-1 967	-1 653	-3 534	-2 058
September	257	9 711	7 616	2 114	5 503	2 095	-9 454	-7 338	-2 039	-1 656	-3 644	-2 116
October	- 157	9 229	7 212	2 060	5 152	2 017	-9 387	-7 224	-2 054	-1 647	-3 524	-2 162
November	523	9 799	7 755	2 180	5 574	2 044	-9 276	-7 194	-2 003	-1 639	-3 553	-2 081
December	- 836	9 519	7 471	2 105	5 366	2 049	-10 355	-8 193	-2 229	-1 951	-4 013	-2 162
1998												
January	- 598	9 312	7 155	1 880	5 275	2 157	-9 910	-7 734	-2 281	-1 738	-3 715	-2 176
TREND ESTIMATES												
1996												
November	-91	8 437	6 435	1 827	4 608	2 002	-8 529	-6 534	-1 746	-1 521	-3 267	-1 995
December	- 107	8 524	6 507	1 858	4 649	2 017	-8 632	-6 630	-1 750	-1 563	-3 316	-2 002
1997												
January	-91	8 617	6 587	1 898	4 689	2 030	-8 707	-6 696	-1 753	-1 603	-3 340	-2 011
February	-60	8 700	6 656	1 938	4 718	2 044	-8 760	-6 736	-1 761	-1 633	-3 342	-2 023
March	-25	8 775	6 713	1 970	4 743	2 062	-8 799	-6 762	-1 779	-1 652	-3 332	-2 037
April	-2	8 846	6 760	1 990	4 770	2 086	-8 847	-6 799	-1 809	-1 657	-3 334	-2 048
May	-9	8 915	6 804	2 004	4 801	2 110	-8 924	-6 865	-1 853	-1 651	-3 361	-2 059
June	-15	8 996	6 870	2 020	4 850	2 127	-9 011	-6 943	-1 902	-1 638	-3 403	-2 068
July	-6	9 107	6 981	2 046	4 935	2 127	-9 113	-7 036	-1 948	-1 629	-3 459	-2 077
August	-5	9 230	7 118	2 074	5 044	2 111	-9 235	-7 147	-1 991	-1 632	-3 525	-2 088
September	-35	9 335	7 245	2 091	5 154	2 090	-9 369	-7 268	-2 030	-1 651	-3 587	-2 102
October	-95	9 413	7 341	2 093	5 248	2 072	-9 508	-7 392	-2 068	-1 685	-3 640	-2 116
November	- 186	9 472	7 408	2 082	5 326	2 064	-9 658	-7 526	-2 112	-1 723	-3 691	-2 132
December	- 297	9 507	7 441	2 061	5 381	2 066	-9 804	-7 656	-2 158	-1 759	-3 739	-2 148
1998												
January	- 431	9 525	7 455	2 033	5 421	2 070	-9 956	-7 789	-2 207	-1 803	-3 780	-2 166

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

GOODS AND SERVICES(a), Summary: **Original**

Period	<i>Balance on goods and services</i>	CREDITS.....					DEBITS.....					
		<i>Total goods and services</i>	<i>Total goods</i>	<i>Rural goods</i>	<i>Non-rural and other goods</i>	<i>Total services</i>	<i>Total goods and services</i>	<i>Total goods</i>	<i>Con- sumption goods</i>	<i>Capital goods</i>	<i>Inter- mediate and other goods</i>	<i>Total services</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1994-95	-9 916	87 509	67 000	19 045	47 955	20 509	-97 425	-75 218	-19 418	-18 541	-37 259	-22 207
1995-96	-1 929	98 978	76 038	21 300	54 738	22 940	-100 907	-77 635	-19 860	-19 183	-38 592	-23 272
1996-97	1 564	105 093	80 814	22 738	58 076	24 279	-103 529	-79 346	-21 293	-18 884	-39 169	-24 183
1996												
November	-247	8 340	6 371	1 800	4 571	1 969	-8 587	-6 676	-1 880	-1 573	-3 223	-1 911
December	503	8 813	6 717	1 931	4 786	2 096	-8 310	-6 294	-1 730	-1 493	-3 071	-2 016
1997												
January	-153	8 347	6 005	1 765	4 240	2 342	-8 500	-6 447	-1 565	-1 554	-3 328	-2 053
February	923	8 915	6 413	1 938	4 475	2 502	-7 992	-6 227	-1 656	-1 319	-3 252	-1 765
March	619	8 724	6 659	2 019	4 640	2 065	-8 105	-6 169	-1 541	-1 527	-3 101	-1 936
April	-226	8 619	6 641	1 957	4 684	1 978	-8 845	-6 879	-1 779	-1 656	-3 444	-1 966
May	865	9 397	7 613	2 122	5 491	1 784	-8 532	-6 501	-1 656	-1 580	-3 265	-2 031
June	1 430	10 567	8 675	1 945	6 730	1 892	-9 137	-6 944	-1 759	-1 900	-3 285	-2 193
July	-482	9 540	7 118	2 076	5 042	2 422	-10 022	-7 830	-2 229	-1 664	-3 937	-2 192
August	118	9 443	7 531	1 983	5 548	1 912	-9 325	-7 257	-2 046	-1 634	-3 577	-2 068
September	-580	9 310	7 485	2 031	5 454	1 825	-9 890	-7 594	-2 213	-1 755	-3 626	-2 296
October	-573	9 624	7 625	2 193	5 432	1 999	-10 197	-7 978	-2 407	-1 808	-3 763	-2 219
November	434	9 751	7 733	2 194	5 539	2 018	-9 317	-7 295	-2 113	-1 655	-3 527	-2 022
December	-78	9 952	7 819	2 195	5 624	2 133	-10 030	-7 892	-2 246	-1 917	-3 729	-2 138
1998												
January	-594	8 847	6 373	1 755	4 618	2 474	-9 441	-7 221	-2 036	-1 581	-3 604	-2 220
FINANCIAL YEAR TO DATE												
7 months to Jan 1997	-2 047	58 871	44 813	12 757	32 056	14 058	-60 918	-46 626	-12 902	-10 902	-22 822	-14 292
7 months to Jan 1998	-1 755	66 467	51 684	14 427	37 257	14 783	-68 222	-53 067	-15 290	-12 014	-25 763	-15 155

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

GOODS CREDITS: Original

RURAL GOODS.....

	<i>Total goods</i>	<i>Total rural goods</i>	<i>Meat and meat preparations</i>	<i>Cereal grains and cereal preparations</i>	<i>Sugar, sugar preparations and honey</i>	<i>Wool and sheepskins</i>	<i>Other rural</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>
1994-95	67 000	19 045	3 654	2 523	1 730	4 216	6 922
1995-96	76 038	21 300	3 292	4 926	1 712	3 664	7 706
1996-97	80 814	22 738	2 957	5 954	1 695	3 744	8 388
1996							
November	6 371	1 800	277	349	152	364	658
December	6 717	1 931	242	574	101	353	661
1997							
January	6 005	1 765	186	657	94	277	551
February	6 413	1 938	252	685	86	313	602
March	6 659	2 019	258	685	57	362	657
April	6 641	1 957	283	567	55	308	744
May	7 613	2 122	292	470	92	343	925
June	8 675	1 945	270	466	66	281	862
July	7 118	2 076	294	340	236	385	821
August	7 531	1 983	296	398	225	281	783
September	7 485	2 031	293	401	249	317	771
October	7 625	2 193	343	385	256	404	805
November	7 733	2 194	329	439	227	437	762
December	7 819	2 195	339	549	79	420	808
1998							
January	6 373	1 755	220	517	77	299	642
FINANCIAL YEAR TO DATE							
7 months to Jan 1997	44 813	12 757	1 602	3 081	1 339	2 137	4 598
7 months to Jan 1998	51 684	14 427	2 114	3 029	1 349	2 543	5 392

GOODS CREDITS: **Original** *continued*

NON-RURAL GOODS.....

<i>Period</i>	<i>Total non-rural goods</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</i>	<i>Other goods(a)</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>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1994-95	42 494	7 968	6 936	3 794	6 097	6 035	2 047	7 907	1 710	5 461
1995-96	48 309	9 088	7 843	4 165	6 799	7 119	2 500	8 755	2 040	6 429
1996-97	50 637	9 407	8 005	5 154	6 054	7 001	3 647	9 108	2 261	7 439
1996										
November	4 161	723	663	425	485	613	292	803	157	410
December	4 314	828	658	460	471	643	316	765	173	472
1997										
January	3 710	709	762	422	505	375	178	576	183	530
February	4 052	723	644	507	505	512	275	701	185	423
March	4 228	819	621	430	474	624	262	800	198	412
April	4 257	848	731	411	508	543	288	748	180	427
May	5 054	840	767	419	569	628	797	839	195	437
June	4 413	915	578	492	493	667	307	766	195	2 317
July	4 515	762	750	485	525	700	236	859	198	527
August	4 858	940	754	457	608	665	340	876	218	690
September	4 693	836	806	470	540	666	230	910	235	761
October	4 843	911	745	510	602	648	280	876	271	589
November	4 924	901	783	465	647	669	334	893	232	615
December	5 081	973	883	533	611	748	292	832	209	543
1998										
January	4 116	840	866	408	595	418	166	610	213	502
FINANCIAL YEAR TO DATE										
7 months to Jan 1997	28 633	5 262	4 664	2 895	3 505	4 027	1 718	5 254	1 308	3 423
7 months to Jan 1998	33 030	6 163	5 587	3 328	4 128	4 514	1 878	5 856	1 576	4 227

(a) 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>
1994-95	-75 218	-19 418	-2 592	-1 744	-4 758	-2 566	-2 545	-5 213
1995-96	-77 635	-19 860	-2 760	-1 766	-4 436	-2 726	-2 534	-5 638
1996-97	-79 346	-21 293	-2 879	-1 890	-5 143	-2 880	-2 567	-5 934
1996								
November	-6 676	-1 880	-240	-208	-412	-227	-235	-558
December	-6 294	-1 730	-264	-144	-499	-201	-186	-436
1997								
January	-6 447	-1 565	-243	-121	-342	-263	-178	-418
February	-6 227	-1 656	-225	-121	-364	-303	-180	-463
March	-6 169	-1 541	-219	-130	-407	-209	-166	-410
April	-6 879	-1 779	-228	-157	-427	-241	-204	-522
May	-6 501	-1 656	-211	-145	-413	-199	-209	-479
June	-6 944	-1 759	-223	-152	-475	-201	-219	-489
July	-7 830	-2 229	-270	-171	-618	-322	-258	-590
August	-7 257	-2 046	-264	-152	-519	-307	-246	-558
September	-7 594	-2 213	-261	-177	-557	-295	-288	-635
October	-7 978	-2 407	-314	-212	-600	-284	-317	-680
November	-7 295	-2 113	-296	-196	-503	-256	-265	-597
December	-7 892	-2 246	-300	-189	-631	-281	-249	-596
1998								
January	-7 221	-2 036	-255	-132	-633	-320	-200	-496
FINANCIAL YEAR TO DATE								
7 months to Jan 1997	-46 626	-12 902	-1 773	-1 185	-3 057	-1 727	-1 589	-3 571
7 months to Jan 1998	-53 067	-15 290	-1 960	-1 229	-4 061	-2 065	-1 823	-4 152

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

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

CAPITAL GOODS.....

<i>Period</i>	<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>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1994-95	-18 541	-7 897	-3 232	-1 804	- 529	-2 714	-2 365
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
1996							
November	-1 573	- 663	- 271	- 164	- 120	- 161	- 194
December	-1 493	- 687	- 281	- 141	-48	- 153	- 183
1997							
January	-1 554	- 687	- 268	- 109	-13	- 298	- 179
February	-1 319	- 600	- 253	- 111	- 8	- 159	- 188
March	-1 527	- 645	- 335	- 124	-64	- 174	- 185
April	-1 656	- 708	- 358	- 184	-11	- 170	- 225
May	-1 580	- 631	- 352	- 147	-16	- 163	- 271
June	-1 900	- 620	- 426	- 177	- 213	- 252	- 212
July	-1 664	- 727	- 361	- 163	- 6	- 178	- 229
August	-1 634	- 730	- 315	- 144	-23	- 189	- 233
September	-1 755	- 753	- 375	- 188	-52	- 163	- 224
October	-1 808	- 747	- 358	- 208	-15	- 232	- 248
November	-1 655	- 689	- 336	- 176	-13	- 203	- 238
December	-1 917	- 833	- 353	- 194	-36	- 205	- 296
1998							
January	-1 581	- 726	- 323	- 131	-1	- 193	- 207
FINANCIAL YEAR TO DATE							
7 months to Jan 1997	-10 902	-4 816	-1 995	-1 005	- 472	-1 260	-1 354
7 months to Jan 1998	-12 014	-5 205	-2 421	-1 204	- 146	-1 363	-1 675

(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
1994-95	-35 661	- 774	- 901	-3 566	-4 714	-1 858	-5 975	-2 431
1995-96	-36 964	- 700	- 879	-4 163	-4 600	-1 857	-6 393	-2 754
1996-97	-37 030	- 641	- 839	-5 004	-4 609	-1 759	-6 507	-2 743
1996								
November	-3 076	-48	-78	- 416	- 377	- 136	- 557	- 207
December	-2 933	-35	-64	- 501	- 338	- 134	- 503	- 203
1997								
January	-3 181	-72	-66	- 512	- 367	- 129	- 545	- 269
February	-2 971	-47	-71	- 477	- 326	- 134	- 525	- 205
March	-2 878	-61	-55	- 397	- 339	- 146	- 513	- 218
April	-3 184	-55	-79	- 354	- 433	- 169	- 568	- 242
May	-3 080	-54	-77	- 431	- 373	- 156	- 533	- 203
June	-3 084	-47	-71	- 405	- 382	- 184	- 556	- 223
July	-3 457	-69	-81	- 440	- 466	- 160	- 602	- 226
August	-3 178	-54	-71	- 354	- 432	- 147	- 553	- 207
September	-3 276	-71	-88	- 352	- 424	- 154	- 591	- 207
October	-3 496	-59	-75	- 391	- 440	- 157	- 640	- 243
November	-3 307	-69	-80	- 410	- 378	- 153	- 590	- 249
December	-3 429	-56	-84	- 359	- 462	- 162	- 678	- 220
1998								
January	-3 381	-63	-76	- 427	- 412	- 160	- 568	- 216
FINANCIAL YEAR TO DATE								
7 months to Jan 1997	-21 833	- 377	- 486	-2 940	-2 756	- 970	-3 812	-1 652
7 months to Jan 1998	-23 524	- 441	- 555	-2 733	-3 014	-1 093	-4 222	-1 568

(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>	<i>\$m</i>
1994-95	-1 794	-2 036	-1 285	-1 646	-8 290	- 391	-1 598
1995-96	-1 868	-1 922	-1 408	-1 685	-8 398	- 337	-1 628
1996-97	-1 713	-1 817	-1 297	-1 577	-8 214	- 310	-2 139
1996							
November	- 147	- 151	- 119	- 127	- 689	-24	- 147
December	- 135	- 128	-76	- 120	- 650	-46	- 138
1997							
January	- 136	- 156	- 112	- 126	- 676	-15	- 147
February	- 141	- 141	- 116	- 126	- 642	-20	- 281
March	- 126	- 119	- 110	- 123	- 627	-44	- 223
April	- 148	- 151	- 119	- 135	- 701	-30	- 260
May	- 131	- 158	- 106	- 130	- 699	-29	- 185
June	- 131	- 152	- 114	- 130	- 673	-16	- 201
July	- 147	- 189	- 122	- 158	- 778	-19	- 480
August	- 154	- 159	- 136	- 146	- 732	-33	- 399
September	- 164	- 166	- 130	- 149	- 760	-20	- 350
October	- 176	- 173	- 134	- 168	- 819	-21	- 267
November	- 146	- 165	- 137	- 152	- 747	-31	- 220
December	- 167	- 158	- 134	- 142	- 779	-28	- 300
1998							
January	- 159	- 175	- 149	- 152	- 794	-30	- 223
FINANCIAL YEAR TO DATE							
7 months to Jan 1997	-1 036	-1 096	- 732	- 933	-4 872	- 171	- 989
7 months to Jan 1998	-1 113	-1 185	- 942	-1 067	-5 409	- 182	-2 239

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

(b) Includes non-monetary gold.

SERVICES(a)(b): Original

CREDITS.....

DEBITS.....

<i>Period</i>	<i>Total services</i>	<i>Freight</i>	<i>Other transport- ation</i>	<i>Travel</i>	<i>Other services</i>	<i>Total services</i>	<i>Freight</i>	<i>Other transport- ation</i>	<i>Travel</i>	<i>Other services</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>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1994-95	20 509	1 127	4 959	9 956	4 467	-22 207	-4 360	-3 998	-6 272	-7 577
1995-96	22 940	1 221	5 413	11 252	5 054	-23 272	-4 405	-4 177	-6 988	-7 702
1996-97	24 279	951	5 812	11 926	5 590	-24 183	-4 373	-4 158	-7 769	-7 883
1996										
November	1 969	84	499	899	487	-1 911	-375	-312	-559	-665
December	2 096	83	502	1 014	497	-2 016	-358	-350	-607	-701
1997										
January	2 342	74	517	1 313	438	-2 053	-342	-347	-746	-618
February	2 502	73	517	1 480	432	-1 765	-336	-293	-507	-629
March	2 065	72	515	1 035	443	-1 936	-343	-345	-615	-633
April	1 978	78	468	945	487	-1 966	-369	-312	-623	-662
May	1 784	78	466	763	477	-2 031	-356	-351	-652	-672
June	1 892	79	465	836	512	-2 193	-361	-399	-738	-695
July	2 422	82	484	1 374	482	-2 192	-417	-386	-761	-628
August	1 912	82	484	875	471	-2 068	-381	-359	-712	-616
September	1 825	82	482	788	473	-2 296	-418	-384	-860	-634
October	1 999	84	504	906	505	-2 219	-448	-361	-757	-653
November	2 018	84	504	923	507	-2 022	-404	-331	-633	-654
December	2 133	84	504	1 034	511	-2 138	-418	-357	-692	-671
1998										
January	2 474	79	497	1 389	509	-2 220	-399	-331	-778	-712

FINANCIAL YEAR TO DATE

7 months to Jan 1997	14 058	571	3 381	6 867	3 239	-14 292	-2 608	-2 458	-4 634	-4 592
7 months to Jan 1998	14 783	577	3 459	7 289	3 458	-15 155	-2 885	-2 509	-5 193	-4 568

(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>
1994-95	0.7427	0.4705	1.120	70.35	0.4972	52.8
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
1996						
November	0.7961	0.4791	1.203	89.40	0.5480	58.6
December	0.7979	0.4793	1.238	90.82	0.5541	59.2
1997						
January	0.7791	0.4678	1.247	91.69	0.5484	58.5
February	0.7670	0.4717	1.283	94.34	0.5537	58.7
March	0.7888	0.4909	1.339	96.67	0.5726	60.6
April	0.7790	0.4777	1.332	97.82	0.5676	60.3
May	0.7753	0.4749	1.321	92.50	0.5605	59.4
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

(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). This framework is summarised in the ABS publication *Information Paper: Implementing New International Statistical Standards in ABS International Accounts Statistics* (5364.0), which was released on 29 September, 1997. 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 will be presented in *Balance of Payments and International Investment Position, Australia: Concepts, Sources and Methods* (5331.0) scheduled for release in mid-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 during 1998 can be obtained from Balance of Payments Section on Canberra (02) 6252 6224 at a cost of \$100.00.

EXPLANATORY NOTES

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.

COMMODITY BREAKDOWNS OF GOODS

8 For details of the classification used for rural and non-rural goods see Table 3 in the 1996 edition of *Balance of Payments Australia: Summary of Concepts, Sources and Methods* (5351.0).

9 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 Quarterly data are published for 27 different services commodities, and a further 14 sub-commodities are routinely released. 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 Estimates for months prior to those shown in this publication and more detailed merchandise goods debits time series on a balance of payments basis are available. Detailed data of exports and imports of goods, including dissections by commodity and country of origin, are also available on an international trade basis. These data can be obtained 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, Australia: Summary of Concepts, Sources and Methods* (5351.0)
- *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
p provisional
— nil or rounded to zero
. . not applicable

TECHNICAL NOTES

RESERVE BANK OF AUSTRALIA GOLD LOANS

INTRODUCTION

- 1** The Reserve Bank of Australia (RBA), like several central banks around the world, has been making gold loans since the December quarter 1986. However, in ABS macroeconomic statistics these transactions have not been uniformly treated.
- 2** Commencing with this issue, the ABS has adopted a uniform treatment of these transactions. This note outlines that treatment, and the changes with past practice.

NATURE OF GOLD LOANS

- 3** When the RBA makes a gold loan it passes the physical stock of gold to a borrower in exchange for a secured commitment to repay the gold. The security and liquidity aspects of the gold loan claims are regarded as a near substitute for physical gold, and the RBA, in accordance with general accounting practice and with Bank of England guidelines, retains the loan values within its monetary gold reserves.

ABS MACROECONOMIC STATISTICS

- 4** For statistical purposes, there are several simultaneous transactions and “other changes” to inter-sector financial positions occurring with each gold loan transaction. When a loan is made by the RBA, there is a non-transaction decrease, or “demonetisation”, of reserve gold, matched by a non-transaction increase in the RBA’s commodity gold stocks. At the same time, the commodity stock is regarded as being sold to the loan counterparty in exchange for the loan claim for its return. Therefore commodity stocks are reduced by a sale transaction. Simultaneously the loan claims are regarded as being monetised and included within the monetary gold component of official reserve assets. The reverse processes occur when loans are repaid.
- 5** The statistical treatment described in paragraph 4 results in ABS statistics that are consistent both internally and with the RBA accounting practice. Minor changes to the measurement of international trade in goods commence with this issue. Changes to the balance of payments, international investment position, and the national accounts commence with the release of the December quarter 1997 accounts.

BALANCE OF PAYMENTS

- 6** For balance of payments (BOP) purposes, loans to resident counterparties do not require any direct entries in the BOP. In practice, residents may draw down gold loans in Australia, export the gold and lodge customs entries which are reflected as goods credits entries in the current account. Alternatively, resident counterparties may draw the loans down from RBA gold stocks held abroad, and an “unrecorded” export needs to be included in goods credits. Offsetting these goods entries are financing transactions in the financial account, such as for increases in foreign exchange assets associated with the export sale. This treatment continues past practice.
- 7** For loans to non-residents, which commenced in the June quarter 1996, the past practice has been to ignore both the implied sale of the gold under loan and the offsetting creation of a loan claim. Commencing with this issue the uniform approach requires entries in goods credits when a loan is made, which will be offset by a debit entry in the financial account of the BOP (other investment loan assets of the RBA) for the extension of credit under the loan. This change results in revisions to goods credits in four of the past seven quarters (ie, net new lending in those periods) and entries in goods debits in three quarters (ie, net repayments of loans). The largest credit or debit entry in any one quarter is less than \$0.3 billion. Loans drawn and repaid within the one accounting period, including the rollover of existing loans, are recorded on a net basis.

TECHNICAL NOTES

RESERVE BANK OF AUSTRALIA GOLD LOANS

continued

INTERNATIONAL INVESTMENT POSITION

8 Gold loan transactions in the financial account of the BOP are also recorded as transactions in Australia's international investment position statistics (IIP). However, the "monetisation" of these claims requires offsetting non-transaction changes in the IIP. Australia's foreign claim is only recorded as an official reserve asset.

9 When gold loans to residents are "monetised" and included in official reserve assets, entries are also required in the IIP to re-route the liability of the resident borrower: a non-transaction increase is made in the other investment loan liabilities of depository corporations to the rest of the world. The resulting position for this liability exactly offsets the monetised loan claim. That liability peaks at \$1.6 billion at 30 September 1996 and has since fallen to a little under \$1 billion.

NATIONAL ACCOUNTS

10 The treatment of RBA gold loans in Australia's national accounts, including the financial accounts, will be fully consistent with the treatment in the BOP and IIP.

11 In the domestic production account, the contribution made to net exports by the gold loan transactions will be exactly offset by changes in stocks, thereby having no impact on GDP. Revisions to public authority stocks are required from the December quarter 1986 to reflect the impact of loans to residents, and from the June quarter 1996 for loans to non-residents. Over the life of the series there are generally small declines in stocks, peaking at \$0.3 billion in the June quarter 1996. In the June and September quarters 1997 there are sizeable increases in published stocks data (of \$0.4 billion and \$0.8 billion in current price terms) as loans have been repaid, which are more than offset by declines in stocks when the RBA sold a substantial proportion of its gold holdings.

12 In order to maintain consistency with the IIP treatment a number of revisions will be necessary in the national balance sheet, financial accounts and other changes in the volume of assets account. The impact of these changes will be documented in the forthcoming December quarter 1997 release of the *Australian National Accounts: Financial Accounts* (5232.0).

FURTHER INFORMATION

16 For further information about the treatment of the gold loans, please contact Bob McColl on (06) 252 6688, in relation to international accounts statistics; or Derick Cullen on (06) 252 6071, in relation to national accounts statistics.

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