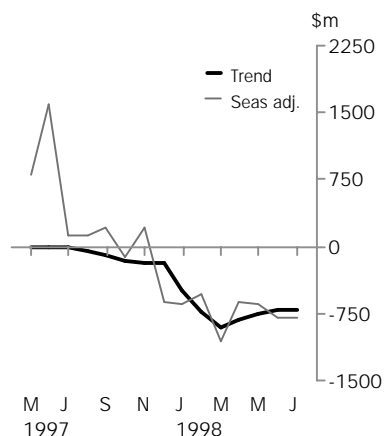


INTERNATIONAL TRADE IN GOODS AND SERVICES

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) MON 31 AUG 1998

Balance on goods and services



JULY KEY FIGURES

TREND ESTIMATES

	May 98 \$m	Jun 98 \$m	Jul 98 \$m	Jun 98 to Jul 98 % change
Balance on goods and services	- 747	- 700	- 701	. .
Credits (exports of goods and services)	9 603	9 733	9 819	1
Debits (imports of goods and services)	10 351	10 434	10 520	1

SEASONALLY ADJUSTED

	May 98 \$m	Jun 98 \$m	Jul 98 \$m	Jun 98 to Jul 98 % change
Balance on goods and services	- 637	- 805	- 797	. .
Credits (exports of goods and services)	9 628	9 855	9 645	-2
Debits (imports of goods and services)	10 264	10 659	10 442	-2

JULY KEY POINTS

TREND ESTIMATES

- The provisional trend estimate of the balance on goods and services is a deficit of \$701 million in July, virtually unchanged from the deficit in June.
- Goods and services credits and debits both rose \$86 million.

SEASONALLY ADJUSTED ESTIMATES

- In seasonally adjusted terms, the balance on goods and services is a deficit of \$797 million, down \$8 million on the deficit in June.
- Goods and services credits fell \$210 million, or 2%, on the June figure, largely reflecting lower non-rural goods exports. Exports of metal ores and minerals fell back sharply from their record high level in June. Transport equipment also fell sharply after 2 months of strong export performance. Goods and services debits fell \$217 million or 2%. There were falls in consumption goods, intermediate and other goods and services. Capital goods posted a 9% rise, mainly reflecting record high machinery and industrial equipment imports, and stronger civil aircraft imports.

ORIGINAL ESTIMATES

- In original terms, the balance on goods and services in July was a deficit of \$1,235 million, down \$9 million on the deficit in June.
- Exports of goods to our major south east Asia and north Asia trading partners were down 2% during July, falling less than that of exports to other destinations which were down 5% during July. See analysis on page 4 for details.

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

NOTES

FORTHCOMING ISSUES

<i>ISSUE</i>	<i>EXPECTED RELEASE DATE</i>
August 1998	29 September 1998
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



CHANGES IN THIS ISSUE

The seasonally adjusted and trend estimates of the balance on goods and services and its components have been revised in this issue of the publication as a result of the annual seasonal reanalysis. Trend breaks have been applied, when re-estimating seasonal factors, to the months of January to March 1998 for exports of both rural and non-rural goods, to take account of the impact on Australia's exports of financial instability in the region. As more monthly information becomes available, the extent of the break, and the impact on seasonal factors will be re-estimated.

For further information about the adjustments, and the seasonal reanalysis, contact Patricia Mahony on (02) 6252 5540.

For information about the availability of seasonal factors for 1998-99 refer to paragraph 6 of the Explanatory Notes.



CHANGES TO DATA

Commencing with July 1998, there has been a change to the value threshold used in the compilation of recorded import statistics to exclude low value Customs entry lines. This change does not affect estimates of goods debits in the balance of payments (BOP).

In the past, recorded import statistics have included individual transaction lines (within an import consignment) of less than \$250 in value. These transaction lines are usually part of an import consignment whose total value exceeds \$250. Goods of less than \$250 in value that have been screened free or entered on informal clearance documents have always been excluded from the statistics.

When compiling recorded import statistics for July 1998 onwards, the ABS ignores transaction lines where the value is less than \$250. The total of such lines excluded in the July 1998 statistics is \$20 million (0.2% of imports). For BOP statistics an adjustment has been made to the recorded merchandise imports statistics to account for the under coverage caused by the exclusion of low value lines. No attempt is made to allocate the adjustment to the individual commodities that are affected, and the entire BOP adjustment is allocated to 'other merchandise goods' within the broad category for intermediate and other merchandise goods.



T. J. Skinner
Acting Australian Statistician

ANALYSIS AND COMMENTS

BALANCE ON GOODS AND SERVICES

The trend estimate of the balance on goods and services is a deficit of \$701 million in July, virtually unchanged from the deficit in June.

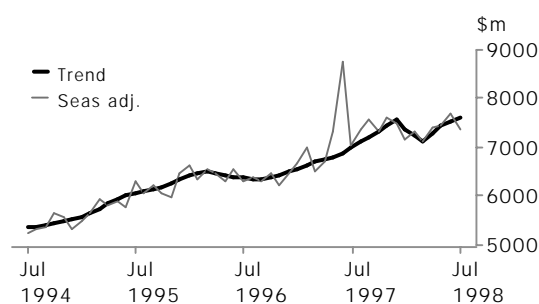
In seasonally adjusted terms, this balance was a deficit of \$797 million, down \$8 million on the deficit in June.

EXPORTS OF GOODS AND SERVICES

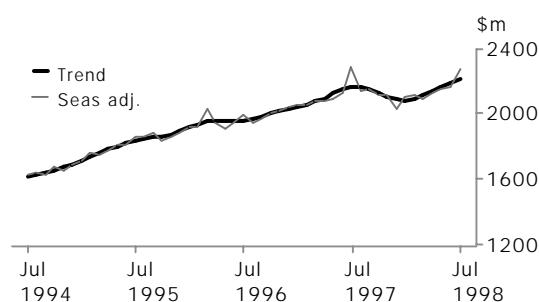
The trend estimate of goods and services credits rose \$86 million to \$9,819 million.

In seasonally adjusted terms, goods and services credits fell \$210 million, or 2%, to \$9,645 million. Goods fell \$320 million, or 4%, to \$7,367 million, while services rose \$111 million, or 5%.

GOODS CREDITS



SERVICES CREDITS



RURAL GOODS The trend estimate of rural goods rose \$38 million, or 2%, to \$1,839 million. In seasonally adjusted terms, rural goods fell \$24 million, or 1%, to \$1,839 million.

Rural goods, in original terms, fell \$126 million, or 7%, to \$1,760 million. The largest decrease was in cereals, down \$107 million or 25%.

ANALYSIS AND COMMENTS

NON-RURAL AND OTHER GOODS The trend estimate of non-rural and other goods rose \$25 million to \$5,764 million. In seasonally adjusted terms, non-rural and other goods fell \$296 million, or 5%, to \$5,528 million.

Non-rural and other goods, in original terms, fell \$22 million to \$5,737 million. The largest decreases were in:

- transport equipment, down \$140 million or 36%; and
- metal ores and minerals, down \$138 million or 14%.

These decreases were partly offset by increases in non-monetary gold, up \$216 million or 34%; 'other' non-rural, up \$62 million or 16%; and metals (excluding gold), up \$61 million or 10%.

MERCHANDISE EXPORTS BY COUNTRY

The table below shows Australia's recorded merchandise exports for the last 9 months to July 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 fell 2% in July 1998 while exports to other countries fell 5%. Overall, exports to the group of 10 countries in the list below is down 5% in the 7 months to July 1998 compared with the 7 months to July 1997, while exports to all other countries rose 22% over the same period. Exports to Japan, the largest market, were down 5% on last month, although exports for the 7 months to July 1998 were up 8% on the 7 months to July 1997. Exports to Korea, Malaysia and the Philippines rose to their highest levels recorded in 1998.

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

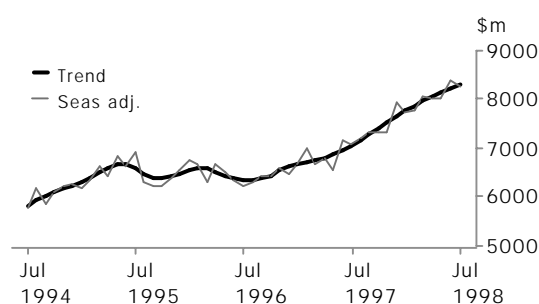
	Nov 1997	Dec 1997	Jan 1998	Feb 1998	Mar 1998	Apr 1998	May 1998	Jun 1998	Jul 1998	Jun 1998 to Jul 1998 % change
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
China	349	389	252	271	313	257	352	314	292	-7
Hong Kong	422	393	354	368	320	255	364	305	277	-9
Indonesia	230	283	167	135	174	157	139	191	167	-13
Japan	1 529	1 667	1 446	1 440	1 320	1 362	1 443	1 481	1403	-5
Korea, Republic of	639	473	407	342	441	595	489	592	653	10
Malaysia	264	188	132	113	161	139	168	133	175	32
Philippines	122	96	86	65	92	68	69	99	104	5
Singapore	381	358	183	265	333	237	428	266	196	-26
Taiwan	395	383	326	306	325	397	418	317	361	14
Thailand	137	102	94	87	106	90	126	99	100	1
<i>Sub-total</i>	<i>4 468</i>	<i>4 332</i>	<i>3 447</i>	<i>3 392</i>	<i>3 585</i>	<i>3 557</i>	<i>3 996</i>	<i>3 797</i>	<i>3728</i>	<i>-2</i>
<i>All other countries</i>	<i>3 167</i>	<i>3 489</i>	<i>2 857</i>	<i>3 277</i>	<i>3 725</i>	<i>3 639</i>	<i>3 954</i>	<i>3 935</i>	<i>3757</i>	<i>-5</i>
Total	7 635	7 821	6 304	6 669	7 310	7 196	7 950	7 732	7485	-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 \$86 million to \$10,520 million, continuing an upward movement since August 1996. In seasonally adjusted terms, goods and services debits fell \$217 million, or 2%, to \$10,442 million. Goods fell \$153 million, or 2%, while services fell \$65 million, or 3%.

GOODS DEBITS



CONSUMPTION GOODS The trend estimate of consumption goods rose \$2 million to \$2,314 million, continuing the upward movement since March 1996. In seasonally adjusted terms, consumption goods fell \$129 million, or 5%, to \$2,256 million.

Consumption goods, in original terms, rose \$212 million, or 9%, to \$2,489 million. The largest increases were in:

- textiles, clothing and footwear, up \$158 million or 67%; and
- consumption goods n.e.s., up \$83 million or 13%.

CAPITAL GOODS The trend estimate of capital goods rose \$23 million, or 1%, to \$1,940 million. In seasonally adjusted terms, capital goods rose \$171 million, or 9%, to \$1,979 million.

Capital goods, in original terms, rose \$36 million, or 2%, to \$2,058 million. The largest increases were in:

- machinery and industrial equipment, up \$90 million or 11%; and
- civil aircraft, up \$88 million or 267%.

These increases were partly offset by decreases in ADP equipment, down \$89 million or 20%; and telecommunications equipment, down \$26 million or 12%.

INTERMEDIATE AND OTHER GOODS The trend estimate of intermediate and other goods rose \$54 million, or 1%, to \$4,040 million. In seasonally adjusted terms, intermediate and other goods fell \$194 million, or 5%, to \$4,013 million.

Intermediate and other goods, in original terms, rose \$175 million, or 4%, to \$4,349 million. There were increases in 11 of the 14 groups with the largest being:

- non-monetary gold, up \$75 million or 25%;
- fuels and lubricants, up \$47 million or 15%; and
- 'other' parts for capital goods, up \$45 million or 7%.

The largest decrease was parts for ADP equipment, down \$25 million or 12%.

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
SEASONALLY ADJUSTED												
1997												
May	799	9 415	7 319	1 870	5 449	2 096	-8 615	-6 546	-1 759	-1 504	-3 284	-2 069
June	1 595	10 888	8 757	1 860	6 897	2 131	-9 293	-7 170	-1 941	-1 799	-3 430	-2 123
July	133	9 322	7 037	1 933	5 104	2 285	-9 189	-7 082	-1 991	-1 555	-3 536	-2 107
August	124	9 491	7 351	1 929	5 422	2 141	-9 367	-7 217	-1 974	-1 674	-3 569	-2 150
September	218	9 716	7 560	1 954	5 606	2 156	-9 499	-7 307	-2 024	-1 679	-3 604	-2 192
October	-120	9 438	7 318	1 919	5 400	2 120	-9 558	-7 332	-2 059	-1 716	-3 557	-2 227
November	216	9 741	7 625	1 945	5 680	2 116	-9 525	-7 315	-2 037	-1 674	-3 603	-2 210
December	-617	9 523	7 487	1 962	5 524	2 036	-10 140	-7 919	-2 183	-1 838	-3 898	-2 222
1998												
January	-653	9 249	7 143	1 819	5 323	2 106	-9 902	-7 739	-2 282	-1 740	-3 717	-2 164
February	-531	9 433	7 314	1 751	5 563	2 120	-9 965	-7 785	-2 207	-1 782	-3 796	-2 180
March	-1 054	9 194	7 104	1 633	5 471	2 090	-10 248	-8 065	-2 278	-1 879	-3 908	-2 183
April	-627	9 561	7 425	1 706	5 719	2 136	-10 189	-8 001	-2 298	-1 838	-3 866	-2 188
May	-637	9 628	7 469	1 756	5 712	2 159	-10 264	-8 040	-2 283	-2 002	-3 756	-2 224
June	-805	9 855	7 687	1 863	5 824	2 168	-10 659	-8 401	-2 385	-1 808	-4 207	-2 259
July	-797	9 645	7 367	1 839	5 528	2 279	-10 442	-8 248	-2 256	-1 979	-4 013	-2 194
TREND ESTIMATES												
1997												
May	2	8 939	6 811	1 868	4 943	2 128	-8 937	-6 870	-1 852	-1 649	-3 369	-2 067
June	-9	9 039	6 884	1 889	4 995	2 155	-9 048	-6 955	-1 895	-1 648	-3 412	-2 093
July	-19	9 163	6 991	1 909	5 082	2 171	-9 181	-7 056	-1 938	-1 651	-3 467	-2 125
August	-51	9 281	7 110	1 926	5 184	2 171	-9 332	-7 173	-1 981	-1 662	-3 530	-2 158
September	-99	9 377	7 223	1 937	5 286	2 154	-9 477	-7 290	-2 024	-1 678	-3 588	-2 187
October	-152	9 453	7 324	1 942	5 382	2 129	-9 605	-7 401	-2 065	-1 700	-3 636	-2 203
November	-188	9 538	7 433	1 941	5 492	2 105	-9 725	-7 519	-2 110	-1 725	-3 684	-2 206
December	-190	9 650	7 560	1 938	5 623	2 090	-9 840	-7 639	-2 157	-1 753	-3 729	-2 201
1998												
January	-490	9 465	7 379	1 831	5 548	2 086	-9 955	-7 762	-2 206	-1 785	-3 772	-2 193
February	-725	9 335	7 239	1 744	5 496	2 096	-10 060	-7 872	-2 247	-1 814	-3 812	-2 188
March	-913	9 247	7 134	1 679	5 455	2 113	-10 160	-7 969	-2 275	-1 844	-3 850	-2 191
April	-816	9 440	7 303	1 717	5 586	2 137	-10 256	-8 056	-2 293	-1 872	-3 892	-2 200
May	-747	9 603	7 439	1 760	5 680	2 164	-10 351	-8 141	-2 305	-1 897	-3 939	-2 210
June	-700	9 733	7 541	1 801	5 739	2 193	-10 434	-8 215	-2 312	-1 917	-3 986	-2 218
July	-701	9 819	7 603	1 839	5 764	2 216	-10 520	-8 293	-2 314	-1 940	-4 040	-2 227

(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	<i>Balance on goods and services</i>	<i>Total goods and services</i>	<i>Total goods</i>	<i>Rural goods(b)</i>	<i>Non-rural and other goods(b)</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
1995-96	-1 869	99 039	76 146	19 588	56 558	22 893	- 100 908	-77 729	-19 860	-19 183	-38 686	-23 179
1996-97	1 805	105 360	80 934	21 045	59 889	24 426	- 103 555	-79 438	-21 293	-18 884	-39 261	-24 117
1997-98	-4 418	114 024	88 474	22 121	66 353	25 550	- 118 442	-92 128	-25 907	-21 182	-45 039	-26 314
1997												
May	868	9 423	7 624	2 030	5 594	1 799	-8 555	-6 508	-1 656	-1 580	-3 272	-2 047
June	1 453	10 593	8 686	1 878	6 808	1 907	-9 140	-6 952	-1 759	-1 900	-3 293	-2 188
July	-457	9 621	7 130	1 841	5 289	2 491	-10 078	-7 825	-2 228	-1 663	-3 934	-2 253
August	140	9 526	7 541	1 760	5 781	1 985	-9 386	-7 253	-2 043	-1 637	-3 573	-2 133
September	-593	9 391	7 500	1 786	5 714	1 891	-9 984	-7 595	-2 213	-1 755	-3 627	-2 389
October	-611	9 709	7 629	1 942	5 687	2 080	-10 320	-8 020	-2 405	-1 863	-3 752	-2 300
November	380	9 794	7 716	1 966	5 750	2 078	-9 414	-7 285	-2 111	-1 659	-3 515	-2 129
December	-172	9 931	7 820	2 127	5 693	2 111	-10 103	-7 866	-2 243	-1 912	-3 711	-2 237
1998												
January	-643	8 782	6 360	1 677	4 683	2 422	-9 425	-7 222	-2 037	-1 582	-3 603	-2 203
February	456	9 315	6 720	1 687	5 033	2 595	-8 859	-6 944	-1 945	-1 483	-3 516	-1 915
March	-1 088	9 369	7 310	1 778	5 532	2 059	-10 457	-8 345	-2 280	-1 866	-4 199	-2 112
April	-557	9 244	7 209	1 734	5 475	2 035	-9 801	-7 686	-2 093	-1 828	-3 765	-2 115
May	-29	9 751	7 894	1 937	5 957	1 857	-9 780	-7 614	-2 032	-1 912	-3 670	-2 166
June	-1 244	9 591	7 645	1 886	5 759	1 946	-10 835	-8 473	-2 277	-2 022	-4 174	-2 362
July	-1 235	9 974	7 497	1 760	5 737	2 477	-11 209	-8 896	-2 489	-2 058	-4 349	-2 313

(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>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>
<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	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	88 474	22 121	3 729	5 096	n.p.	4 011	9 285
1997							
May	7 624	2 030	292	470	n.p.	343	925
June	8 686	1 878	270	466	n.p.	281	861
July	7 130	1 841	294	340	n.p.	391	816
August	7 541	1 760	296	398	n.p.	288	778
September	7 500	1 786	293	401	n.p.	324	768
October	7 629	1 942	344	385	n.p.	411	802
November	7 716	1 966	332	439	n.p.	436	759
December	7 820	2 127	342	549	n.p.	429	807
1998							
January	6 360	1 677	220	519	n.p.	298	640
February	6 720	1 687	302	417	n.p.	325	643
March	7 310	1 778	334	387	n.p.	308	749
April	7 209	1 734	275	457	n.p.	272	730
May	7 894	1 937	357	376	n.p.	293	911
June	7 645	1 886	340	428	n.p.	236	882
July	7 497	1 760	338	321	n.p.	240	861

(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>
<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>
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	58 481	10 804	9 590	5 310	7 246	7 499	3 438	9 873	4 721	7 872
1997										
May	5 146	840	767	419	569	628	797	839	287	448
June	4 480	915	578	492	493	667	308	766	261	2 328
July	4 757	764	751	486	525	700	236	861	434	532
August	5 085	943	754	457	608	667	340	874	442	696
September	4 948	838	807	470	540	667	231	910	485	766
October	5 100	907	744	511	601	654	280	875	528	587
November	5 134	897	783	469	644	673	330	884	454	616
December	5 151	969	879	521	610	767	288	831	286	542
1998										
January	4 177	840	866	398	592	423	167	604	287	506
February	4 354	813	767	427	538	554	217	742	296	679
March	4 781	929	716	394	659	623	232	859	369	751
April	4 747	966	808	405	591	531	326	713	407	728
May	5 174	961	855	375	697	653	401	888	344	783
June	5 073	977	860	397	641	587	390	832	389	686
July	4 826	839	833	394	702	554	250	803	451	911

(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	-92 128	-25 907	-3 282	-2 061	-7 108	-3 455	-2 957	-7 044
1997								
May	-6 508	-1 656	-211	-145	-413	-199	-209	-479
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	-7 866	-2 243	-299	-189	-631	-281	-248	-595
1998								
January	-7 222	-2 037	-256	-133	-633	-319	-200	-496
February	-6 944	-1 945	-246	-145	-499	-341	-195	-519
March	-8 345	-2 280	-285	-177	-686	-316	-226	-590
April	-7 686	-2 093	-246	-172	-624	-254	-215	-582
May	-7 614	-2 032	-251	-162	-559	-244	-230	-586
June	-8 473	-2 277	-294	-175	-681	-236	-270	-621
July	-8 896	-2 489	-286	-172	-622	-394	-311	-704

(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	-21 182	-8 875	-4 348	-2 075	- 464	-2 557	-2 863
1997							
May	-1 580	- 631	- 352	- 147	-16	- 163	- 271
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	-1 912	- 830	- 353	- 194	-36	- 204	- 295
1998							
January	-1 582	- 726	- 324	- 131	-1	- 193	- 207
February	-1 483	- 617	- 294	- 126	-36	- 216	- 194
March	-1 866	- 755	- 432	- 184	-24	- 216	- 255
April	-1 828	- 735	- 366	- 183	-62	- 252	- 230
May	-1 912	- 768	- 379	- 168	- 159	- 199	- 239
June	-2 022	- 797	- 455	- 211	-33	- 258	- 268
July	-2 058	- 887	- 366	- 185	- 121	- 235	- 264

(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	-40 405	- 747	- 948	-4 250	-5 359	-1 992	-7 181	-2 822
1997								
May	-3 080	-54	-77	- 431	- 373	- 156	- 533	- 203
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	-3 422	-56	-84	- 359	- 461	- 162	- 678	- 219
1998								
January	-3 373	-63	-73	- 426	- 413	- 160	- 566	- 216
February	-3 121	-61	-78	- 276	- 410	- 144	- 532	- 249
March	-3 676	-68	-78	- 396	- 489	- 194	- 634	- 311
April	-3 313	-54	-80	- 231	- 462	- 191	- 602	- 254
May	-3 205	-60	-77	- 297	- 456	- 171	- 563	- 186
June	-3 598	-63	-83	- 314	- 532	- 201	- 636	- 255
July	-3 766	-67	-84	- 361	- 525	- 176	- 681	- 236

(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>
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	-1 902	-2 007	-1 623	-1 816	-9 401	- 357	-4 634
1997							
May	- 131	- 158	- 106	- 130	- 699	-29	- 192
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	- 793	-30	- 230
February	- 146	- 155	- 137	- 140	- 747	-46	- 395
March	- 172	- 168	- 147	- 163	- 825	-31	- 523
April	- 149	- 152	- 147	- 148	- 812	-31	- 452
May	- 151	- 163	- 119	- 150	- 785	-27	- 465
June	- 173	- 183	- 132	- 154	- 831	-41	- 576
July	- 184	- 212	- 152	- 158	- 873	-57	- 583

(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	22 893	1 221	5 305	11 252	5 115	-23 179	-4 405	-4 083	-6 988	-7 703
1996-97	24 426	951	5 697	11 926	5 852	-24 117	-4 373	-4 066	-7 769	-7 909
1997-98	25 550	1 006	5 675	11 910	6 959	-26 314	-4 917	-4 056	-8 440	-8 901
1997										
May	1 799	78	455	763	503	-2 047	- 356	- 344	- 652	- 695
June	1 907	79	454	836	538	-2 188	- 361	- 391	- 738	- 698
July	2 491	82	484	1 376	549	-2 253	- 417	- 377	- 761	- 698
August	1 985	82	484	881	538	-2 133	- 381	- 347	- 712	- 693
September	1 891	81	483	791	536	-2 389	- 418	- 394	- 860	- 717
October	2 080	81	479	911	609	-2 300	- 448	- 336	- 757	- 759
November	2 078	81	479	912	606	-2 129	- 404	- 303	- 641	- 781
December	2 111	81	480	928	622	-2 237	- 418	- 345	- 650	- 824
1998										
January	2 422	91	496	1 277	558	-2 203	- 399	- 339	- 736	- 729
February	2 595	91	496	1 462	546	-1 915	- 372	- 276	- 545	- 722
March	2 059	90	498	922	549	-2 112	- 434	- 325	- 616	- 737
April	2 035	82	432	919	602	-2 115	- 410	- 315	- 688	- 702
May	1 857	82	432	734	609	-2 166	- 386	- 336	- 700	- 744
June	1 946	82	432	797	635	-2 362	- 430	- 363	- 774	- 795
July	2 477	82	453	1 358	584	-2 313	- 453	- 374	- 781	- 705

(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	6 367	6 269	7 076	5 838	-6 775	-6 666	-6 230	-6 643
Transportation services	1 696	1 681	1 762	1 542	-2 334	-2 254	-2 145	-2 240
Passenger	1 451	1 438	1 490	1 296	- 895	- 740	- 721	- 792
Freight	245	243	272	246	-1 216	-1 270	-1 205	-1 226
Other	n.p.	n.p.	n.p.	n.p.	- 223	- 244	- 219	- 222
Travel services	3 048	2 751	3 661	2 450	-2 333	-2 048	-1 897	-2 162
Business	123	169	193	193	- 690	- 546	- 623	- 593
Personal	2 925	2 582	3 468	2 257	-1 643	-1 502	-1 274	-1 569
Education-related	926	367	1 473	416	- 201	- 121	- 139	- 113
Other	1 999	2 215	1 995	1 841	-1 442	-1 381	-1 135	-1 456
Communications services	304	334	367	312	- 283	- 357	- 330	- 321
Construction services	23	3	3	23	0	0	0	0
Insurance services	218	218	218	218	- 299	- 299	- 299	- 299
Financial services	143	143	143	143	-85	-85	-85	-85
Computer and information services	151	133	102	117	-71	-94	-91	-89
Royalties and licence fees	85	126	83	102	- 388	- 390	- 327	- 354
Other business services	462	610	472	621	- 691	- 791	- 754	- 781
Merchanting and other trade-related	112	107	79	131	- 107	- 101	-92	- 110
Operational leasing	2	2	2	3	- 189	- 205	- 254	- 211
Miscellaneous business, professional & technical	348	501	391	487	- 395	- 485	- 408	- 460
Legal, accounting, management consulting and public relations	73	89	82	90	-40	-41	-25	-56
Advertising, market research, and public opinion polling	20	31	19	21	-35	-40	-52	-44
Research and development	48	58	38	55	-39	-28	-26	-46
Architectural, engineering and other technical services	64	85	96	103	-69	- 120	-54	-88
Agricultural, mining, and on-site processing	7	11	10	7	-55	-51	-63	-28
Services between affiliated enterprises n.i.e.	122	204	121	173	- 139	- 187	- 160	- 174
Other	14	23	25	38	-18	-18	-28	-24
Personal, cultural, and recreational services	115	138	137	139	- 160	- 196	- 171	- 134
Audiovisual and related services	62	76	77	98	- 141	- 174	- 137	- 117
Other personal, cultural and recreational services	53	62	60	41	-19	-22	-34	-17
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						
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
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

(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 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.

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 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, 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
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

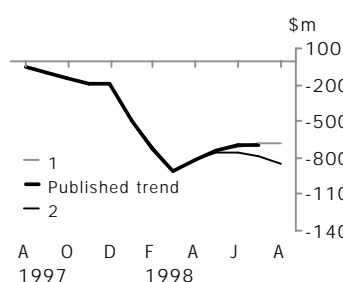
The graph below presents the effect of two possible scenarios on the previous trend estimates:

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

2 The August seasonally adjusted estimate of the balance on goods and services 'deteriorates' by \$200 million when compared with the July 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 <i>improves by</i> \$200m on Jul 98 \$m	2 <i>deteriorates by</i> \$200m on Jul 98 \$m
January 1998	- 490	- 500	- 500
February 1998	- 725	- 724	- 716
March 1998	- 913	- 916	- 903
April 1998	- 816	- 818	- 811
May 1998	- 747	- 744	- 762
June 1998	- 700	- 704	- 763
July 1998	- 701	- 682	- 794
August 1998		- 676	- 845

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