

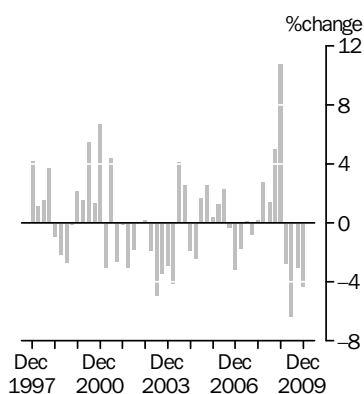
INTERNATIONAL TRADE PRICE INDEXES

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) FRI 22 JAN 2010

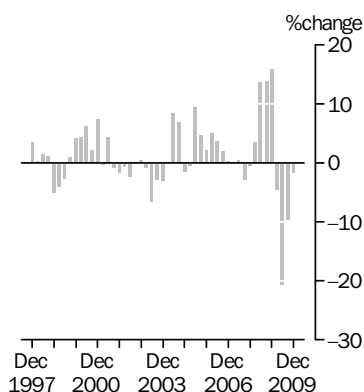
IMPORT PRICE INDEX: all groups

Quarterly % change



EXPORT PRICE INDEX: all groups

Quarterly % change



KEY FIGURES

| | Sep Qtr 09 to Dec Qtr 09 % change | Dec Qtr 08 to Dec Qtr 09 % change |
|---|---|---|
| Import Price Index all groups | -4.3 | -15.5 |
| Food and live animals | -6.3 | -18.7 |
| Beverages and tobacco | -0.5 | 4.1 |
| Crude materials, inedible, except fuels | -0.4 | -44.6 |
| Mineral fuels, lubricants and related materials | -0.5 | -17.9 |
| Animal and vegetable oils, fats and waxes | -5.6 | -29.0 |
| Chemicals and related products, n.e.c. | -3.7 | -21.3 |
| Manufactured goods classified chiefly by material | -6.2 | -17.1 |
| Machinery and transport equipment | -5.5 | -13.0 |
| Miscellaneous manufactured articles | -7.2 | -18.8 |
| Commodities and transactions, n.e.c. | 5.3 | 2.8 |
| Export Price Index all groups | -1.7 | -32.7 |
| Food and live animals | -5.2 | -24.8 |
| Beverages and tobacco | -2.4 | -13.8 |
| Crude materials, inedible, except fuels | -1.5 | -37.6 |
| Mineral fuels, lubricants and related materials | -1.8 | -49.4 |
| Chemicals and related products, n.e.c. | -1.4 | -12.2 |
| Manufactured goods classified chiefly by material | -1.3 | -22.5 |
| Machinery and transport equipment | -4.0 | -15.4 |
| Miscellaneous manufactured articles | -5.5 | -15.5 |

KEY POINTS

IMPORT PRICE INDEX

- The Import Price Index decreased by 4.3% in the December quarter 2009. The decrease was driven mainly by the appreciation of the Australian dollar against all major trading currencies, and lower prices paid for telecommunications and sound-recording and reproducing apparatus and equipment (-7.5%) and road vehicles (-3.5%). These falls were partly offset by rises in prices paid for gold, non-monetary (+5.3%). Through the year to December quarter 2009, the Import Price Index decreased by 15.5%, the largest annual decrease since the series began in September quarter 1981.

EXPORT PRICE INDEX

- The Export Price Index decreased by 1.7% in the December quarter 2009. The decrease was driven mainly by the appreciation of the Australian dollar against all major trading currencies, and falls in prices received for coal, coke and briquettes (-7.0%) and metalliferous ores and metal scrap (-1.9%). These falls were partly offset by rises in prices received for gas, natural and manufactured (+16.5%) and gold, non-monetary (+6.2%). Through the year to December quarter 2009, the Export Price Index decreased by 32.7%, the largest annual decrease since the series began in September quarter 1974.

INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070.

NOTES

FORTHCOMING ISSUES

| <i>ISSUE (Quarter)</i> | <i>RELEASE DATE</i> |
|------------------------|---------------------|
| March 2010 | 23 April 2010 |
| June 2010 | 23 July 2010 |
| September 2010 | 22 October 2010 |
| December 2010 | 21 January 2011 |

.....

ROUNDING

Any discrepancies between totals and sums of components are due to rounding.

DATA REFERENCES

Data referenced in the Key points are available from the tables shown in this publication, or in the corresponding tables of this publication on the ABS website <<http://www.abs.gov.au>>.

.....

ABBREVIATIONS

| | |
|--------|---|
| ABS | Australian Bureau of Statistics |
| ADP | automatic data processing |
| AHECC | Australian Harmonised Export Commodity Classification |
| ANZSIC | Australian and New Zealand Standard Industrial Classification |
| BEC | Classification by Broad Economic Categories |
| f.o.b. | free on board |
| HTISC | Harmonized Tariff Item Statistical Classification |
| IPD | implicit price deflator |
| n.e.c. | not elsewhere classified |
| SITC | Standard International Trade Classification |

Brian Pink
Australian Statistician

LIST OF TABLES

page

INTERNATIONAL TRADE PRICE INDEXES

| | | |
|-----------|---|----|
| 1 | Import price index: All groups, index numbers and percentage changes | 4 |
| 2 | Import price index: SITC contribution to all groups index | 5 |
| 3 | Import price index: Selected SITC sections | 6 |
| 4 | Import price index: Consumption goods, balance of payments broad economic categories | 7 |
| 5 | Import price index: Capital goods, balance of payments broad economic categories | 8 |
| 6 | Import price index: Intermediate and other merchandise goods, balance of payments broad economic categories | 9 |
| 7 | Export price index: All groups, index numbers and percentage changes | 11 |
| 8 | Export price index: SITC contribution to all groups index | 12 |
| 9 | Export price index: Selected SITC sections | 13 |
| 10 | Export price index: Rural goods, balance of payments classification of exports | 14 |
| 11 | Export price index: Non-rural goods, balance of payments classification of exports | 15 |

ADDITIONAL TABLES AVAILABLE ON ABS WEBSITE

| | | |
|-----------|--|--|
| 12 | Import price index, by selected SITC division | |
| 13 | Import price index, by selected HTISC section | |
| 14 | Import price index, by selected ANZSIC industry of origin division | |
| 15 | Import price index, by selected ANZSIC industry of origin subdivision | |
| 16 | Import price index, by BEC category | |
| 17 | Export price index, AHECC and ANZSIC contribution to all groups index | |
| 18 | Export price index, by selected AHECC section | |
| 19 | Export price index, by selected ANZSIC industry of origin division and subdivision | |

IMPORT PRICE INDEX(a): All groups, index numbers and percentage changes

| <i>Period</i> | <i>Index numbers(a)</i> | <i>% change from previous period</i> | <i>% change from corresponding quarter of previous year</i> |
|----------------|-------------------------|--------------------------------------|---|
| 2005-06 | 117.0 | 3.7 | .. |
| 2006-07 | 115.7 | -1.1 | .. |
| 2007-08 | 115.0 | -0.6 | .. |
| 2008-09 | 129.7 | 12.8 | .. |
| 2005 | | | |
| March | 110.4 | -2.4 | 2.2 |
| June | 112.3 | 1.7 | -0.1 |
| September | 115.2 | 2.6 | -0.1 |
| December | 115.7 | 0.4 | 2.3 |
| 2006 | | | |
| March | 117.2 | 1.3 | 6.2 |
| June | 119.9 | 2.3 | 6.8 |
| September | 119.5 | -0.3 | 3.7 |
| December | 115.7 | -3.2 | 0.0 |
| 2007 | | | |
| March | 113.7 | -1.7 | -3.0 |
| June | 113.8 | 0.1 | -5.1 |
| September | 112.9 | -0.8 | -5.5 |
| December | 113.1 | 0.2 | -2.2 |
| 2008 | | | |
| March | 116.2 | 2.7 | 2.2 |
| June | 117.8 | 1.4 | 3.5 |
| September | 123.7 | 5.0 | 9.6 |
| December | 137.0 | 10.8 | 21.1 |
| 2009 | | | |
| March | 133.2 | -2.8 | 14.6 |
| June | 124.7 | -6.4 | 5.9 |
| September | 120.9 | -3.0 | -2.3 |
| December | 115.7 | -4.3 | -15.5 |

.. not applicable

(a) Reference base of each index: 1989-90 = 100.0.

IMPORT PRICE INDEX(a): SITC contribution to all groups index

| Category | CONTRIBUTION TO ALL GROUPS (INDEX POINTS) | | CHANGE IN POINTS CONTRIBUTION | |
|-------------------------|--|-----------------|-------------------------------------|-------|
| | Sep Qtr 2009 | Dec Qtr 2009 | Sep Qtr 2009 to Dec Qtr 2009 | |
| ALL GROUPS | | | | |
| All groups | 120.9 | 115.7 | -5.2 | |
| SITC SECTIONS | | | | |
| 0 | Food and live animals | 4.85 | 4.55 | -0.30 |
| 1 | Beverages and tobacco | 1.07 | 1.06 | -0.01 |
| 2 | Crude materials, inedible, except fuels | 1.16 | 1.15 | -0.01 |
| 3 | Mineral fuels, lubricants and related materials | 16.33 | 16.25 | -0.08 |
| 4 | Animal and vegetable oils, fats and waxes | 0.30 | 0.28 | -0.02 |
| 5 | Chemicals and related products, n.e.c. | 13.33 | 12.84 | -0.49 |
| 6 | Manufactured goods classified chiefly by material | 14.10 | 13.23 | -0.87 |
| 7 | Machinery and transport equipment | 48.30 | 45.63 | -2.67 |
| 8 | Miscellaneous manufactured articles | 15.26 | 14.16 | -1.10 |
| 9 | Commodities and transactions, n.e.c. | 6.17 | 6.50 | 0.33 |
| SELECTED SITC DIVISIONS | | | | |
| 03 | Fish, crustaceans, molluscs and aquatic invertebrates and preparations thereof | 0.71 | 0.69 | -0.02 |
| 24 | Cork and wood | 0.30 | 0.31 | 0.01 |
| 33 | Petroleum, petroleum products and related materials | 14.95 | 14.56 | -0.39 |
| 51 | Organic chemicals | 1.94 | 2.13 | 0.19 |
| 52 | Inorganic chemicals | 1.01 | 0.67 | -0.34 |
| 59 | Chemical materials and products, n.e.c. | 1.24 | 1.17 | -0.07 |
| 64 | Paper, paperboard and articles of paper pulp, of paper or of paperboard | 1.62 | 1.54 | -0.08 |
| 65 | Textile yarn, fabrics, made-up articles, n.e.c., and related products | 1.37 | 1.27 | -0.10 |
| 69 | Manufactures of metals, n.e.c. | 3.25 | 2.98 | -0.27 |
| 71 | Power generating machinery and equipment | 3.04 | 2.89 | -0.15 |
| 72 | Machinery specialised for particular industries | 4.57 | 4.33 | -0.24 |
| 74 | General industrial machinery and equipment, n.e.c., and machine parts, n.e.c. | 6.83 | 6.43 | -0.40 |
| 75 | Office machines and ADP machines | 5.07 | 4.68 | -0.39 |
| 76 | Telecommunications and sound-recording and reproducing apparatus and equipment | 6.34 | 5.88 | -0.46 |
| 77 | Electrical machinery, etc. and parts thereof | 5.92 | 5.65 | -0.27 |
| 78 | Road vehicles (incl air-cushion vehicles) | 13.03 | 12.57 | -0.46 |
| 79 | Other transport equipment | 3.07 | 2.80 | -0.27 |
| 87 | Professional, scientific and controlling instruments and apparatus, n.e.c. | 2.96 | 2.72 | -0.24 |
| 89 | Miscellaneous manufactured articles, n.e.c. | 4.99 | 4.67 | -0.32 |

(a) Reference base of each index: 1989-90 = 100.0.

IMPORT PRICE INDEX(a): SITC sections

| <i>Period</i> | <i>Food and live animals (0)</i> | <i>Beverages and tobacco (1)</i> | <i>Crude materials, inedible, except fuels (2)</i> | <i>Mineral fuels, lubricants and related materials (3)</i> | <i>Animal and vegetable oils, fats and waxes (4)</i> | <i>Chemicals and related products, n.e.c. (5)</i> | <i>Manufactured goods classified chiefly by material (6)</i> | <i>Machinery and transport equipment (7)</i> | <i>Miscellaneous manufactured articles (8)</i> | <i>Commodities and transactions, n.e.c. (9)</i> |
|----------------|----------------------------------|----------------------------------|--|--|--|---|--|--|--|---|
| 2005-06 | 125.9 | 132.5 | 121.4 | 288.0 | 160.9 | 117.9 | 126.7 | 95.4 | 112.3 | 142.3 |
| 2006-07 | 123.8 | 122.3 | 125.6 | 280.2 | 167.0 | 118.8 | 135.1 | 92.4 | 109.3 | 163.7 |
| 2007-08 | 126.2 | 122.8 | 138.8 | 353.7 | 197.8 | 120.7 | 130.0 | 85.2 | 101.1 | 185.1 |
| 2008-09 | 147.1 | 131.6 | 174.1 | 332.7 | 245.0 | 142.4 | 151.8 | 95.4 | 122.5 | 241.0 |
| 2005 | | | | | | | | | | |
| March | 117.7 | 124.4 | 112.6 | 188.2 | 135.5 | 115.7 | 122.4 | 96.2 | 110.1 | 110.8 |
| June | 123.2 | 129.4 | 116.1 | 228.7 | 141.4 | 117.5 | 122.5 | 95.2 | 109.8 | 112.2 |
| September | 124.9 | 133.3 | 118.4 | 268.9 | 141.1 | 118.2 | 123.1 | 95.5 | 110.8 | 116.8 |
| December | 125.6 | 133.9 | 120.6 | 270.1 | 156.7 | 118.3 | 124.8 | 95.5 | 111.7 | 132.0 |
| 2006 | | | | | | | | | | |
| March | 126.3 | 132.8 | 122.2 | 289.2 | 164.2 | 117.3 | 127.0 | 95.3 | 113.4 | 151.2 |
| June | 126.8 | 129.8 | 124.4 | 323.7 | 181.7 | 117.9 | 132.0 | 95.2 | 113.2 | 169.3 |
| September | 125.3 | 120.6 | 127.6 | 320.5 | 174.5 | 118.7 | 136.1 | 94.4 | 111.5 | 164.6 |
| December | 124.5 | 124.8 | 127.2 | 266.5 | 165.7 | 118.0 | 136.5 | 93.2 | 110.9 | 161.2 |
| 2007 | | | | | | | | | | |
| March | 124.7 | 123.9 | 123.2 | 250.8 | 164.8 | 117.2 | 134.9 | 92.0 | 109.2 | 167.0 |
| June | 120.6 | 120.0 | 124.5 | 282.9 | 162.9 | 121.4 | 132.7 | 89.8 | 105.7 | 161.9 |
| September | 124.6 | 121.8 | 131.4 | 290.6 | 176.1 | 120.6 | 132.0 | 87.5 | 104.0 | 162.2 |
| December | 122.0 | 122.5 | 131.3 | 330.9 | 178.0 | 119.1 | 129.0 | 85.3 | 100.6 | 178.6 |
| 2008 | | | | | | | | | | |
| March | 128.8 | 123.7 | 139.9 | 367.4 | 209.6 | 120.4 | 129.4 | 85.1 | 101.3 | 207.0 |
| June | 129.3 | 123.3 | 152.6 | 425.9 | 227.6 | 122.8 | 129.5 | 82.7 | 98.6 | 192.4 |
| September | 131.9 | 126.8 | 171.3 | 477.3 | 228.3 | 134.7 | 135.8 | 83.6 | 102.0 | 198.3 |
| December | 158.4 | 128.4 | 223.0 | 356.8 | 260.0 | 157.5 | 160.1 | 98.8 | 129.7 | 240.5 |
| 2009 | | | | | | | | | | |
| March | 151.5 | 136.6 | 175.6 | 241.0 | 264.8 | 143.5 | 163.3 | 102.6 | 136.3 | 278.2 |
| June | 146.7 | 134.5 | 126.4 | 255.7 | 226.9 | 134.0 | 147.8 | 96.6 | 121.9 | 247.0 |
| September | 137.4 | 134.4 | 124.1 | 294.3 | 195.4 | 128.8 | 141.4 | 91.0 | 113.5 | 234.8 |
| December | 128.8 | 133.7 | 123.6 | 292.9 | 184.5 | 124.0 | 132.7 | 86.0 | 105.3 | 247.3 |

(a) Reference base of each index: 1989-90 = 100.0.

IMPORT PRICE INDEX(a): Consumption goods

BALANCE OF PAYMENTS BROAD ECONOMIC CATEGORIES - CONSUMPTION GOODS

| | Consumption goods total | <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.c.</i> |
|----------------|------------------------------------|---|---|---|--|--|-------------------------------------|
| 2005-06 | 119.0 | 134.9 | 82.3 | 148.0 | 104.1 | 119.3 | 113.6 |
| 2006-07 | 116.5 | 130.3 | 75.3 | 146.0 | 102.7 | 114.2 | 113.0 |
| 2007-08 | 112.6 | 131.5 | 65.9 | 143.8 | 96.1 | 103.8 | 110.0 |
| 2008-09 | 126.9 | 150.4 | 72.1 | 151.1 | 119.8 | 124.0 | 122.4 |
| 2005 | | | | | | | |
| March | 117.6 | 125.5 | 84.6 | 151.3 | 101.0 | 117.3 | 113.9 |
| June | 117.8 | 131.3 | 82.7 | 149.5 | 100.8 | 117.2 | 113.4 |
| September | 119.0 | 133.2 | 84.4 | 149.4 | 101.9 | 118.0 | 114.7 |
| December | 118.7 | 134.7 | 83.3 | 147.7 | 103.7 | 119.4 | 112.6 |
| 2006 | | | | | | | |
| March | 119.0 | 135.6 | 81.5 | 147.0 | 105.6 | 119.6 | 113.2 |
| June | 119.2 | 136.0 | 79.9 | 148.0 | 105.3 | 120.3 | 113.7 |
| September | 118.1 | 132.3 | 77.7 | 147.0 | 106.3 | 116.9 | 113.3 |
| December | 116.9 | 131.1 | 75.5 | 145.4 | 104.3 | 115.2 | 113.2 |
| 2007 | | | | | | | |
| March | 116.3 | 130.9 | 75.1 | 146.0 | 101.6 | 114.6 | 112.6 |
| June | 114.5 | 126.7 | 72.7 | 145.4 | 98.5 | 110.0 | 113.0 |
| September | 113.4 | 130.2 | 69.9 | 142.7 | 98.5 | 107.7 | 112.5 |
| December | 112.0 | 127.8 | 66.7 | 142.5 | 96.4 | 103.8 | 110.4 |
| 2008 | | | | | | | |
| March | 113.1 | 134.0 | 64.9 | 145.6 | 96.6 | 104.4 | 109.0 |
| June | 111.8 | 133.9 | 62.2 | 144.4 | 93.0 | 99.4 | 108.2 |
| September | 114.1 | 136.5 | 65.6 | 143.9 | 97.8 | 103.5 | 110.2 |
| December | 131.4 | 159.4 | 74.6 | 150.1 | 126.5 | 132.6 | 127.5 |
| 2009 | | | | | | | |
| March | 134.8 | 155.6 | 76.3 | 155.9 | 134.4 | 137.4 | 130.1 |
| June | 127.3 | 150.0 | 71.8 | 154.4 | 120.3 | 122.6 | 121.7 |
| September | 121.3 | 142.2 | 67.5 | 152.3 | 110.5 | 112.7 | 116.7 |
| December | 115.6 | 134.7 | 62.8 | 149.4 | 100.9 | 104.6 | 112.7 |

(a) Reference base of each index: 1989-90 = 100.0.

IMPORT PRICE INDEX(a): Capital goods

BALANCE OF PAYMENTS BROAD ECONOMIC CATEGORIES - CAPITAL GOODS

| <i>Period</i> | Capital goods total | <i>Machinery and industrial equipment</i> | <i>ADP equipment</i> | <i>Telecommunications equipment</i> | <i>Civil aircraft</i> | <i>Industrial transport equipment n.e.c.</i> | <i>Capital goods, n.e.c.</i> |
|----------------|----------------------------|---|----------------------|-------------------------------------|-----------------------|--|------------------------------|
| 2005-06 | 93.9 | 129.3 | 19.9 | 38.9 | 145.0 | 159.1 | 121.2 |
| 2006-07 | 90.0 | 129.2 | 16.9 | 35.3 | 146.0 | 156.1 | 115.4 |
| 2007-08 | 83.0 | 123.8 | 13.3 | 30.1 | 132.2 | 152.4 | 108.4 |
| 2008-09 | 95.5 | 148.6 | 14.3 | 32.5 | 168.4 | 166.8 | 122.4 |
| 2005 | | | | | | | |
| March | 95.3 | 128.6 | 21.4 | 40.4 | 133.5 | 162.8 | 123.5 |
| June | 94.2 | 128.2 | 20.6 | 39.8 | 137.2 | 158.9 | 121.9 |
| September | 94.2 | 127.3 | 20.7 | 39.5 | 140.0 | 160.0 | 121.9 |
| December | 94.4 | 128.7 | 20.3 | 39.8 | 144.6 | 161.1 | 122.4 |
| 2006 | | | | | | | |
| March | 93.5 | 129.6 | 19.6 | 38.2 | 147.0 | 158.1 | 120.9 |
| June | 93.4 | 131.6 | 18.8 | 38.2 | 148.4 | 157.2 | 119.5 |
| September | 92.1 | 129.9 | 18.3 | 36.5 | 149.2 | 159.0 | 117.8 |
| December | 91.1 | 130.2 | 17.4 | 36.0 | 148.3 | 156.5 | 117.8 |
| 2007 | | | | | | | |
| March | 89.5 | 128.7 | 16.6 | 35.0 | 146.2 | 154.8 | 114.3 |
| June | 87.4 | 127.9 | 15.4 | 33.5 | 140.4 | 154.2 | 111.7 |
| September | 85.3 | 125.4 | 14.6 | 31.5 | 137.0 | 153.6 | 111.4 |
| December | 83.3 | 124.8 | 13.4 | 29.9 | 131.8 | 154.2 | 107.8 |
| 2008 | | | | | | | |
| March | 82.7 | 123.1 | 13.0 | 30.2 | 132.4 | 153.3 | 107.7 |
| June | 80.6 | 121.8 | 12.0 | 28.7 | 127.6 | 148.5 | 106.8 |
| September | 81.2 | 124.6 | 12.0 | 28.6 | 132.1 | 150.5 | 101.9 |
| December | 100.0 | 154.5 | 15.4 | 35.0 | 177.5 | 168.4 | 128.3 |
| 2009 | | | | | | | |
| March | 104.1 | 162.8 | 15.6 | 34.8 | 190.6 | 177.9 | 134.9 |
| June | 96.5 | 152.5 | 14.0 | 31.7 | 173.4 | 170.3 | 124.5 |
| September | 89.8 | 140.5 | 12.7 | 29.3 | 152.2 | 168.5 | 120.8 |
| December | 83.9 | 133.4 | 11.5 | 27.3 | 138.0 | 158.4 | 111.8 |

(a) Reference base of each index: 1989-90 = 100.0.

IMPORT PRICE INDEX(a): Intermediate and other merchandise goods

BALANCE OF PAYMENTS BROAD ECONOMIC CATEGORIES - INTERMEDIATE AND OTHER MERCHANDISE GOODS

| <i>Period</i> | Intermediate and other merchandise goods total | <i>Intermediate and other goods total excluding non- monetary gold</i> | <i>Food and beverages, mainly for industry</i> | <i>Primary industrial supplies, n.e.c.</i> | <i>Fuels and lubricants</i> | <i>Parts for transport equipment</i> | <i>Parts for ADP machinery</i> | <i>Other parts for capital equipment</i> | <i>Organic and inorganic chemicals</i> |
|----------------|---|--|--|--|---------------------------------|--|--|--|--|
| 2005-06 | 127.9 | 127.9 | 121.3 | 122.0 | 341.4 | 129.2 | 15.8 | 87.4 | 113.9 |
| 2006-07 | 129.2 | 129.2 | 130.1 | 125.6 | 331.8 | 132.1 | 13.5 | 86.5 | 115.1 |
| 2007-08 | 136.2 | 135.6 | 162.1 | 143.1 | 420.2 | 123.7 | 10.6 | 80.1 | 122.8 |
| 2008-09 | 152.2 | 149.8 | 207.5 | 190.2 | 388.9 | 143.1 | 11.5 | 92.0 | 161.4 |
| 2005 | | | | | | | | | |
| March | 111.7 | 112.0 | 112.7 | 113.3 | 221.4 | 124.7 | 17.1 | 87.1 | 110.4 |
| June | 117.1 | 117.4 | 119.1 | 114.3 | 270.2 | 124.5 | 16.4 | 86.5 | 114.3 |
| September | 123.2 | 123.5 | 119.1 | 118.4 | 318.5 | 126.2 | 16.5 | 86.8 | 113.0 |
| December | 124.6 | 124.8 | 119.6 | 121.5 | 319.6 | 127.6 | 16.2 | 87.2 | 114.9 |
| 2006 | | | | | | | | | |
| March | 128.6 | 128.5 | 121.6 | 122.4 | 343.0 | 131.1 | 15.6 | 87.7 | 113.3 |
| June | 135.0 | 134.8 | 124.7 | 125.5 | 384.5 | 131.9 | 15.0 | 87.9 | 114.5 |
| September | 135.6 | 135.6 | 124.8 | 130.1 | 380.5 | 133.4 | 14.6 | 88.2 | 115.3 |
| December | 128.1 | 128.0 | 128.6 | 129.8 | 315.1 | 133.0 | 13.9 | 87.3 | 112.6 |
| 2007 | | | | | | | | | |
| March | 124.9 | 124.8 | 133.4 | 121.7 | 296.3 | 132.8 | 13.2 | 86.4 | 112.1 |
| June | 128.2 | 128.2 | 133.7 | 120.9 | 335.3 | 129.1 | 12.2 | 84.2 | 120.3 |
| September | 128.5 | 128.1 | 145.1 | 130.4 | 344.7 | 126.0 | 11.6 | 82.6 | 120.6 |
| December | 131.7 | 131.2 | 148.4 | 133.4 | 393.7 | 122.1 | 10.7 | 80.1 | 119.3 |
| 2008 | | | | | | | | | |
| March | 138.9 | 137.5 | 169.8 | 144.1 | 435.6 | 124.8 | 10.4 | 79.6 | 124.9 |
| June | 145.6 | 145.6 | 185.2 | 164.3 | 506.8 | 121.7 | 9.5 | 77.9 | 126.3 |
| September | 157.7 | 158.3 | 191.6 | 188.9 | 563.4 | 124.8 | 9.6 | 79.3 | 153.5 |
| December | 163.4 | 161.9 | 229.0 | 250.3 | 413.5 | 148.2 | 12.5 | 95.7 | 173.0 |
| 2009 | | | | | | | | | |
| March | 148.6 | 143.7 | 210.0 | 188.0 | 279.8 | 154.6 | 12.8 | 99.4 | 169.3 |
| June | 139.1 | 135.3 | 199.2 | 133.5 | 299.0 | 144.8 | 11.2 | 93.4 | 149.8 |
| September | 138.8 | 135.9 | 181.2 | 132.0 | 345.8 | 137.3 | 9.9 | 89.1 | 146.3 |
| December | 134.6 | 130.4 | 174.1 | 127.3 | 345.2 | 130.8 | 8.8 | 84.3 | 138.4 |

(a) Reference base of each index: 1989-90 = 100.0.

BALANCE OF PAYMENTS BROAD ECONOMIC CATEGORIES -
INTERMEDIATE AND OTHER MERCHANDISE GOODS *continued*

| <i>Period</i> | <i>Paper and paperboard</i> | <i>Textile yarn and fabric</i> | <i>Iron and steel</i> | <i>Plastics</i> | <i>Processed industrial supplies, n.e.c.</i> | <i>Non- monetary gold</i> |
|----------------|---------------------------------|--|-------------------------------|-----------------|--|-----------------------------------|
| 2005-06 | 94.0 | 105.9 | 143.4 | 128.8 | 134.2 | 142.5 |
| 2006-07 | 95.1 | 106.2 | 158.6 | 132.2 | 141.9 | 163.9 |
| 2007-08 | 91.4 | 102.1 | 159.6 | 125.2 | 136.6 | 185.2 |
| 2008-09 | 98.2 | 122.5 | 201.8 | 161.8 | 163.3 | 241.3 |
| 2005 | | | | | | |
| March | 92.7 | 103.5 | 143.5 | 121.9 | 124.9 | 110.9 |
| June | 92.7 | 102.8 | 145.3 | 124.6 | 127.5 | 112.3 |
| September | 93.9 | 103.4 | 143.4 | 126.3 | 128.6 | 116.9 |
| December | 94.6 | 106.4 | 143.6 | 127.1 | 131.7 | 132.2 |
| 2006 | | | | | | |
| March | 93.6 | 106.9 | 140.7 | 131.1 | 135.4 | 151.4 |
| June | 93.9 | 107.0 | 145.7 | 130.6 | 141.2 | 169.5 |
| September | 94.4 | 107.1 | 152.5 | 134.2 | 143.7 | 164.8 |
| December | 95.5 | 107.4 | 158.1 | 134.6 | 143.7 | 161.4 |
| 2007 | | | | | | |
| March | 96.5 | 105.0 | 164.3 | 130.2 | 140.5 | 167.2 |
| June | 94.1 | 105.2 | 159.6 | 129.9 | 139.6 | 162.0 |
| September | 92.6 | 102.8 | 165.6 | 128.1 | 136.2 | 162.3 |
| December | 92.7 | 101.3 | 158.5 | 123.3 | 132.8 | 178.8 |
| 2008 | | | | | | |
| March | 90.3 | 102.4 | 155.5 | 124.3 | 137.6 | 207.2 |
| June | 89.9 | 101.8 | 158.7 | 124.9 | 139.9 | 192.6 |
| September | 93.3 | 106.7 | 178.0 | 135.9 | 150.9 | 198.5 |
| December | 97.4 | 132.3 | 227.6 | 180.5 | 182.1 | 240.7 |
| 2009 | | | | | | |
| March | 102.6 | 131.9 | 226.5 | 173.2 | 166.5 | 278.5 |
| June | 99.3 | 119.2 | 174.9 | 157.7 | 153.5 | 247.3 |
| September | 92.6 | 106.9 | 175.4 | 147.3 | 143.9 | 235.1 |
| December | 88.1 | 100.4 | 158.6 | 141.8 | 135.7 | 247.5 |

(a) Reference base of each index: 1989-90 = 100.0.

EXPORT PRICE INDEX (a): All groups, index numbers and percentage changes

| <i>Period</i> | <i>Index numbers(a)</i> | <i>% change from previous period</i> | <i>% change from corresponding quarter of previous year</i> |
|----------------|-------------------------|--------------------------------------|---|
| 2005-06 | 136.0 | 16.8 | .. |
| 2006-07 | 146.8 | 7.9 | .. |
| 2007-08 | 149.6 | 1.9 | .. |
| 2008-09 | 196.5 | 31.4 | .. |
| 2005 | | | |
| March | 113.0 | -0.5 | 13.5 |
| June | 123.5 | 9.3 | 14.4 |
| September | 129.3 | 4.7 | 12.0 |
| December | 132.1 | 2.2 | 16.3 |
| 2006 | | | |
| March | 138.7 | 5.0 | 22.7 |
| June | 143.7 | 3.6 | 16.4 |
| September | 146.4 | 1.9 | 13.2 |
| December | 146.7 | 0.2 | 11.1 |
| 2007 | | | |
| March | 146.7 | 0.0 | 5.8 |
| June | 147.2 | 0.3 | 2.4 |
| September | 142.8 | -3.0 | -2.5 |
| December | 142.0 | -0.6 | -3.2 |
| 2008 | | | |
| March | 146.9 | 3.5 | 0.1 |
| June | 166.8 | 13.5 | 13.3 |
| September | 189.8 | 13.8 | 32.9 |
| December | 219.9 | 15.9 | 54.9 |
| 2009 | | | |
| March | 209.8 | -4.6 | 42.8 |
| June | 166.5 | -20.6 | -0.2 |
| September | 150.5 | -9.6 | -20.7 |
| December | 148.0 | -1.7 | -32.7 |

.. not applicable

(a) Reference base of each index: 1989-90 = 100.0.

EXPORT PRICE INDEX(a): SITC contribution to all groups index

| Category | CONTRIBUTION TO ALL GROUPS (INDEX POINTS) | | CHANGE IN POINTS CONTRIBUTION | |
|-------------------------|--|-----------------|-------------------------------------|-------|
| | Sep Qtr 2009 | Dec Qtr 2009 | Sep Qtr 2009 to Dec Qtr 2009 | |
| ALL GROUPS | | | | |
| All groups | 150.5 | 148.0 | -2.5 | |
| SELECTED SITC SECTIONS | | | | |
| 0 | Food and live animals | 18.63 | 17.65 | -0.98 |
| 1 | Beverages and tobacco | 2.18 | 2.13 | -0.05 |
| 2 | Crude materials, inedible, except fuels | 38.54 | 37.96 | -0.58 |
| 3 | Mineral fuels, lubricants and related materials | 37.23 | 36.54 | -0.69 |
| 5 | Chemicals and related products, n.e.c. | 6.75 | 6.65 | -0.10 |
| 6 | Manufactured goods classified chiefly by material | 17.28 | 17.05 | -0.23 |
| 7 | Machinery and transport equipment | 11.71 | 11.24 | -0.47 |
| 8 | Miscellaneous manufactured articles | 4.28 | 4.04 | -0.24 |
| SELECTED SITC DIVISIONS | | | | |
| 00 | Live animals other than animals of division 03 | 1.08 | 0.93 | -0.15 |
| 01 | Meat and meat preparations | 6.24 | 5.84 | -0.40 |
| 02 | Dairy products and birds' eggs | 2.01 | 1.90 | -0.11 |
| 03 | Fish, crustaceans, molluscs and aquatic invertebrates and preparations thereof | 0.81 | 0.83 | 0.02 |
| 04 | Cereals and cereal preparations | 4.51 | 4.13 | -0.38 |
| 05 | Vegetables and fruit | 1.22 | 1.24 | 0.02 |
| 11 | Beverages | 2.08 | 2.02 | -0.06 |
| 21 | Hides, skins and furskins, raw | 0.62 | 0.70 | 0.08 |
| 26 | Textile fibres and their wastes | 2.27 | 2.37 | 0.10 |
| 28 | Metalliferous ores and metal scrap | 32.97 | 32.35 | -0.62 |
| 32 | Coal, coke and briquettes | 20.79 | 19.33 | -1.46 |
| 33 | Petroleum, petroleum products and related materials | 9.75 | 9.41 | -0.34 |
| 52 | Inorganic chemicals | 0.54 | 0.51 | -0.03 |
| 54 | Medicinal and pharmaceutical products | 3.51 | 3.50 | -0.01 |
| 61 | Leather, leather manufactures, n.e.c., and dressed furskins | 0.25 | 0.28 | 0.03 |
| 67 | Iron and steel | 1.90 | 1.85 | -0.05 |
| 68 | Non-ferrous metals | 12.09 | 11.90 | -0.19 |
| 71-75 | Power-generating, general industrial and other specialised machinery and equipment | 4.82 | 4.73 | -0.09 |
| 76-77 | Telecommunications equipment, sound-recording apparatus and electrical machinery, n.e.c | 2.30 | 2.17 | -0.13 |
| 78 | Road vehicles (incl. air-cushion vehicles) | 3.21 | 3.03 | -0.18 |
| 79 | Other transport equipment | 1.38 | 1.31 | -0.07 |
| 89 | Miscellaneous manufactured articles, n.e.c. | 1.89 | 1.81 | -0.08 |

(a) Reference base of each index: 1989-90 = 100.0.

EXPORT PRICE INDEX(a): Selected SITC sections

| <i>Period</i> | <i>Food and live animals (0)</i> | <i>Beverages and tobacco (1)</i> | <i>Crude materials, inedible, except fuels (2)</i> | <i>Mineral fuels, lubricants and related materials (3)</i> | <i>Chemicals and related products, n.e.c. (5)</i> | <i>Manufactured goods classified chiefly by material (6)</i> | <i>Machinery and transport equipment (7)</i> | <i>Miscellaneous manufactured articles (8)</i> |
|----------------|----------------------------------|----------------------------------|--|--|---|--|--|--|
| 2005-06 | 112.0 | 124.8 | 121.3 | 254.0 | 118.8 | 139.8 | 89.8 | 94.4 |
| 2006-07 | 117.3 | 119.0 | 147.3 | 229.5 | 125.5 | 187.0 | 88.7 | 94.7 |
| 2007-08 | 132.5 | 105.0 | 148.0 | 250.1 | 115.2 | 170.1 | 85.1 | 87.3 |
| 2008-09 | 162.6 | 101.9 | 178.6 | 492.3 | 128.0 | 142.2 | 96.8 | 96.9 |
| 2005 | | | | | | | | |
| March | 105.5 | 124.4 | 98.6 | 174.3 | 106.4 | 119.7 | 87.0 | 88.3 |
| June | 106.8 | 126.6 | 115.0 | 213.6 | 112.2 | 124.1 | 88.5 | 89.2 |
| September | 108.7 | 126.3 | 116.7 | 248.4 | 110.5 | 123.0 | 89.0 | 92.9 |
| December | 110.2 | 126.5 | 118.0 | 250.9 | 115.3 | 127.3 | 89.7 | 94.0 |
| 2006 | | | | | | | | |
| March | 112.8 | 127.2 | 124.2 | 259.0 | 120.7 | 144.1 | 90.3 | 95.1 |
| June | 116.3 | 119.3 | 126.3 | 257.7 | 128.6 | 164.6 | 90.2 | 95.7 |
| September | 113.3 | 119.3 | 140.8 | 247.5 | 128.9 | 178.6 | 88.9 | 96.0 |
| December | 117.9 | 119.6 | 144.4 | 233.5 | 126.2 | 185.8 | 89.3 | 95.5 |
| 2007 | | | | | | | | |
| March | 120.6 | 119.6 | 148.0 | 222.3 | 126.1 | 186.1 | 89.1 | 94.8 |
| June | 117.4 | 117.4 | 155.8 | 214.7 | 120.9 | 197.4 | 87.5 | 92.5 |
| September | 117.3 | 111.9 | 146.3 | 216.4 | 119.1 | 179.2 | 87.3 | 89.8 |
| December | 121.4 | 102.0 | 138.7 | 230.4 | 113.3 | 167.0 | 85.1 | 87.7 |
| 2008 | | | | | | | | |
| March | 140.0 | 104.5 | 139.0 | 235.6 | 111.3 | 165.2 | 85.1 | 87.1 |
| June | 151.3 | 101.5 | 168.0 | 318.1 | 117.2 | 169.0 | 83.0 | 84.6 |
| September | 160.4 | 97.3 | 179.5 | 453.0 | 122.0 | 166.3 | 87.1 | 90.1 |
| December | 181.0 | 103.9 | 205.0 | 569.3 | 134.1 | 161.3 | 102.1 | 102.2 |
| 2009 | | | | | | | | |
| March | 162.5 | 105.8 | 185.1 | 571.7 | 131.4 | 124.4 | 102.8 | 101.3 |
| June | 146.5 | 100.4 | 144.9 | 375.1 | 124.5 | 116.6 | 95.3 | 93.8 |
| September | 143.6 | 91.8 | 129.8 | 293.3 | 119.5 | 126.7 | 90.0 | 91.4 |
| December | 136.1 | 89.6 | 127.9 | 287.9 | 117.8 | 125.0 | 86.4 | 86.4 |

(a) Reference base of each index: 1989-90 = 100.0.

BALANCE OF PAYMENTS CLASSIFICATION OF EXPORTS

| <i>Period</i> | <i>Rural goods total</i> | <i>Meat and meat preparations</i> | <i>Cereal grains and cereal preparations</i> | <i>Wool and sheepskins</i> | <i>Other rural</i> |
|----------------|--------------------------|-----------------------------------|--|----------------------------|--------------------|
| 2005-06 | 97.5 | 136.4 | 87.8 | 63.0 | 121.2 |
| 2006-07 | 102.4 | 134.2 | 100.2 | 72.1 | 124.5 |
| 2007-08 | 118.2 | 140.3 | 142.6 | 81.9 | 137.3 |
| 2008-09 | 135.6 | 178.5 | 182.3 | 69.8 | 149.8 |
| 2005 | | | | | |
| March | 95.3 | 136.0 | 84.5 | 68.0 | 115.6 |
| June | 96.2 | 135.5 | 84.3 | 66.7 | 118.9 |
| September | 97.4 | 140.7 | 84.0 | 64.9 | 120.4 |
| December | 97.1 | 135.5 | 87.7 | 60.6 | 121.6 |
| 2006 | | | | | |
| March | 97.2 | 133.7 | 89.9 | 60.2 | 121.7 |
| June | 98.1 | 135.7 | 89.5 | 66.2 | 121.0 |
| September | 96.3 | 131.2 | 86.6 | 65.6 | 120.3 |
| December | 101.0 | 137.9 | 96.9 | 66.0 | 123.4 |
| 2007 | | | | | |
| March | 106.2 | 138.7 | 108.7 | 76.3 | 125.8 |
| June | 105.9 | 129.1 | 108.7 | 80.4 | 128.3 |
| September | 106.7 | 127.8 | 112.4 | 80.6 | 128.9 |
| December | 110.1 | 126.0 | 125.3 | 81.2 | 132.2 |
| 2008 | | | | | |
| March | 124.4 | 142.0 | 159.0 | 85.7 | 143.2 |
| June | 131.5 | 165.4 | 173.7 | 80.1 | 144.8 |
| September | 137.4 | 186.2 | 175.9 | 76.7 | 149.4 |
| December | 149.1 | 199.7 | 206.7 | 72.3 | 162.8 |
| 2009 | | | | | |
| March | 133.5 | 171.2 | 184.5 | 65.4 | 149.7 |
| June | 122.2 | 156.7 | 162.0 | 64.6 | 137.4 |
| September | 120.2 | 162.5 | 143.9 | 66.7 | 136.2 |
| December | 115.4 | 151.8 | 131.8 | 71.2 | 132.3 |

(a) Reference base of each index: 1989-90 = 100.0.

BALANCE OF PAYMENTS CLASSIFICATION OF EXPORTS

| <i>Period</i> | <i>Non-rural goods total (excl. non-monetary gold)</i> | <i>Metal ores and minerals</i> | <i>Coal, coke and briquettes</i> | <i>Other mineral fuels</i> | <i>Metals (excl. non-monetary gold)</i> | <i>Machinery</i> | <i>Transport equipment</i> | <i>Other manufactures</i> | <i>Other non-rural</i> | <i>Non-monetary gold</i> |
|----------------|--|--------------------------------|----------------------------------|----------------------------|---|------------------|----------------------------|---------------------------|------------------------|--------------------------|
| 2005-06 | 153.1 | 158.1 | 208.2 | 352.4 | 148.7 | 80.2 | 111.7 | 109.5 | 83.2 | 144.6 |
| 2006-07 | 165.6 | 196.3 | 174.7 | 360.6 | 211.2 | 79.8 | 109.1 | 109.1 | 85.2 | 166.2 |
| 2007-08 | 162.9 | 188.7 | 166.5 | 466.0 | 189.4 | 77.7 | 102.6 | 105.2 | 74.9 | 187.8 |
| 2008-09 | 219.2 | 231.9 | 441.3 | 522.2 | 151.6 | 87.7 | 118.0 | 112.5 | 89.2 | 244.4 |
| 2005 | | | | | | | | | | |
| March | 122.7 | 120.0 | 133.2 | 269.1 | 124.7 | 78.1 | 108.1 | 105.1 | 71.5 | 112.5 |
| June | 137.6 | 143.8 | 171.2 | 308.6 | 128.3 | 79.4 | 110.0 | 107.8 | 75.8 | 113.8 |
| September | 145.3 | 145.4 | 205.2 | 339.7 | 127.1 | 79.5 | 111.1 | 109.2 | 77.0 | 118.6 |
| December | 148.3 | 150.5 | 211.7 | 329.5 | 132.5 | 79.6 | 112.5 | 110.6 | 79.6 | 133.9 |
| 2006 | | | | | | | | | | |
| March | 156.6 | 165.1 | 213.2 | 356.5 | 154.4 | 80.4 | 112.7 | 108.5 | 85.0 | 153.5 |
| June | 162.2 | 171.5 | 202.8 | 383.7 | 180.8 | 81.3 | 110.6 | 109.8 | 91.0 | 172.2 |
| September | 167.1 | 191.1 | 189.2 | 386.2 | 199.2 | 79.7 | 109.8 | 111.1 | 88.8 | 167.2 |
| December | 166.2 | 194.8 | 178.5 | 364.2 | 210.2 | 80.1 | 110.3 | 109.1 | 86.6 | 163.7 |
| 2007 | | | | | | | | | | |
| March | 163.9 | 196.3 | 171.0 | 343.7 | 210.2 | 80.1 | 109.6 | 108.6 | 84.4 | 169.6 |
| June | 165.2 | 203.1 | 160.1 | 348.2 | 225.0 | 79.3 | 106.5 | 107.6 | 81.1 | 164.4 |
| September | 158.5 | 189.9 | 155.6 | 368.0 | 201.3 | 79.3 | 106.0 | 106.2 | 75.6 | 164.6 |
| December | 155.0 | 175.8 | 146.1 | 451.2 | 185.6 | 77.3 | 103.4 | 105.8 | 71.6 | 181.3 |
| 2008 | | | | | | | | | | |
| March | 155.2 | 173.6 | 143.3 | 479.8 | 182.5 | 77.7 | 102.3 | 105.0 | 74.2 | 210.0 |
| June | 182.7 | 215.6 | 220.9 | 565.0 | 188.2 | 76.3 | 98.8 | 103.8 | 78.2 | 195.3 |
| September | 212.6 | 232.2 | 374.9 | 590.9 | 184.2 | 80.8 | 102.0 | 108.0 | 80.7 | 200.9 |
| December | 248.3 | 268.9 | 511.7 | 598.9 | 172.8 | 91.9 | 125.5 | 119.8 | 93.6 | 243.7 |
| 2009 | | | | | | | | | | |
| March | 235.4 | 242.1 | 538.4 | 514.6 | 127.3 | 92.2 | 127.1 | 115.3 | 95.6 | 282.3 |
| June | 180.5 | 184.5 | 340.2 | 384.2 | 121.9 | 85.7 | 117.3 | 106.7 | 86.7 | 250.6 |
| September | 159.8 | 162.6 | 223.9 | 393.8 | 135.4 | 81.8 | 109.2 | 103.7 | 80.7 | 238.1 |
| December | 156.4 | 159.1 | 208.2 | 412.2 | 133.1 | 79.1 | 103.3 | 101.5 | 80.8 | 253.0 |

(a) Reference base of each index: 1989-90 = 100.0.

EXPLANATORY NOTES

INTRODUCTION

1 This publication contains indexes measuring changes in the prices paid for imports of merchandise that are landed in Australia each quarter and prices received for exports of merchandise that are shipped from Australia each quarter. The import price indexes are in tables 1–6 and the export price indexes are in tables 7–11.

2 The indexes are calculated on the reference base 1989–90=100.0.

SCOPE

3 The import price index excludes the following items (representing less than 5% of the value of merchandise imported during the weighting period) because of the inherent difficulties in pricing the items to constant quality (see paragraph 15 below)

- live animals (not for food)
- jewellery and other articles of precious metal, n.e.c.
- military equipment
- commodities not classified according to kind
- works of art, collectors' pieces, antiques
- railway vehicles
- ships of various types.

4 The export price index includes re-exports of merchandise (i.e. goods which are imported into Australia and exported at a later date without physical transformation).

CLASSIFICATIONS

5 Index numbers for selected sections of the Standard International Trade Classification (SITC) are provided in table 3 (import price index) and table 9 (export price index). The SITC (Revision 4) used from the September quarter 2008 onwards is the United Nations' updated version, replacing SITC (Revision 3). SITC (Revision 4) retains the overall structure of SITC (Revision 3) and consists of the same number of sections, divisions and groups. Changes to the classification labels and components were made at levels lower than those used in the Import and Export Prices Indexes. As a result, there has been no material impact on the indexes, which remain comparable across the changes in classification.

6 The import price index is also presented by Balance of Payments Broad Economic Categories in tables 4–6, which have been disaggregated into balance of payments groupings of consumption goods, capital goods and intermediate and other merchandise goods. From the September quarter 2008 onwards, the previous heading of Classification of Broad Economic Categories (BEC) End Use, has been replaced with Balance of Payments Broad Economic Categories. This is simply a name change, with the series remaining comparable to previously published series.

7 The export price index is also presented by balance of payments classification of exports groupings in tables 10 and 11.

ITEMS AND WEIGHTS

8 The import price index and export price index are annually reweighted chained Laspeyres indexes. This method of weighting was introduced in the September quarter 2000 and replaces the 'fixed-base' method of weighting in which the weighting patterns are updated infrequently (generally once every 5 or 10 years).

9 The annual reweighting and chaining process involves a number of steps in order to provide new weights each year. The current weighting basis for the import price index was derived from the average value of import items during 2008–09. This differs slightly from the export price index which has used the average value of export items during 2007–08 and 2008–09, due to the greater volatility associated with the value of export items. These weights were revalued to reflect link period (June quarter 2009) price levels. This means, for example, that the weights for the import price index are effectively determined using quantities from 2008–09 and prices from June quarter 2009. Indexes derived by using the new weights for the September quarter 2009 were then linked to the already published June quarter 2009 (link period) levels which were derived using the previous series weights. Using this methodology, long-term chain

EXPLANATORY NOTES *continued*

ITEMS AND WEIGHTS *continued*

linked series can be constructed over time on a consistent reference base for continuity and user convenience, but using annually refreshed weights. The reference base for each index series continues to be 1989–90=100 even though the weights are being updated each year.

10 The commodities directly represented in each index (the index items) were selected on the basis of the significance of their import and export values in the period 2008–09 for imports and 2007–08 and 2008–09 for exports. All significant commodities were selected for pricing. The weights for minor commodities which are not directly priced are included with those of comparable directly priced items where prices are likely to move in a similar way.

PRICE MEASUREMENT

11 In general, prices of individual shipments are obtained from major importers and exporters of the selected items and relate to the quarter in which the imported goods physically arrive in Australia and the exported goods physically leave Australia.

12 Imports are priced on a 'free on board' (f.o.b.), country of origin basis. Therefore freight and insurance charges involved in shipping goods from foreign to Australian ports are excluded from the prices used in the index, as are Australian import duties and taxes. Similarly, exports are priced on a f.o.b. basis at the main Australian ports of export. Exports are exempt from taxes on products.

13 As the prices used in the indexes are expressed in Australian currency, changes in the relative value of the Australian dollar and overseas currencies can have a direct impact on price movements for the many commodities that are bought and sold in currencies other than Australian dollars. Prices reported in a foreign currency are converted to Australian dollars using relevant exchange rates. Where imports or exports are transacted in prices expressed in terms of a foreign currency and forward exchange cover is used, the prices in the indexes exclude the forward exchange cover.

14 The main pricing methodology used is specification pricing, under which a manageable sample of precisely specified products is selected, in consultation with each reporting business, for repeat pricing. In specifying the products, care is taken to ensure that they are fully defined in terms of all the characteristics which influence their transaction prices. As such, all the relevant technical characteristics need to be described (e.g. make, model, features) along with the unit of sale, type of packaging, conditions of sale (e.g. delivered, payment within 30 days), etc. The goods are also specified by country and market in order to lessen the impact of price variations attributable solely to changes over time in the mix of countries, or markets.

15 When the quality or specifications of an item being priced change over time, adjustments are made to the reported prices so that the index captures only pure price change. That is, any element of price change attributable to a change in quality is removed. If there is an increase (decrease) in the quality of an item, then the price index is adjusted downwards (upwards) to reflect the 'worth' of the quality change. This technique is known as pricing to constant quality.

16 Wherever possible, prices from volume selling products being traded with predominant countries, or markets, are obtained to ensure specifications have a good chance of being re-priced over time and index series are representative of overall price movements. Individual product weights and weights between markets and countries are regularly reviewed to keep the indexes up to date.

EXPLANATORY NOTES *continued*

DIFFERENCES BETWEEN EPI AND EXPORT IPD

17 There are differences between the export price index (EPI) presented in this publication, and the export implicit price deflator (IPD) presented in *National Income, Expenditure and Product* (cat. no. 5206.0) and *Balance of Payments and International Investment Position* (cat. no. 5302.0). The differences are mainly due to the completeness of the dataset used and the source of the data. Complete data for the third month of the quarter are not available for some components of the EPI due to the timing of its release. Further, the EPI is calculated from predominantly sampled provider data, whereas the export IPD is calculated from predominantly international merchandise trade data supplied by Customs. These differences can result in significant divergences between the measures when prices of commodities, which form a large proportion of exports, are volatile.

INDEX NUMBERS

18 Index numbers for financial years are simple averages of the relevant quarterly index numbers.

ANALYSIS OF INDEX CHANGES

19 Care should be exercised when interpreting quarter-to-quarter movements in the indexes as short-term movements do not necessarily indicate changes in trend.

20 Movements in indexes from one period to another can be expressed either as changes in 'index points' or as percentage changes. The following example illustrates the method of calculating index points changes and percentage changes between any two periods:

Export price index, All groups index number:

| | |
|----------------------------|------------------------------------|
| December quarter 2009 | 148.0 (see table 7) |
| less December quarter 2008 | 219.9 (see table 7) |
| Change in index points | -71.9 |
| Percentage change | $-71.9/219.9 \times 100 = -32.7\%$ |

21 Tables 2 and 8 provide analyses of the contribution which SITC sections and divisions make to the All groups import price index and export price index, respectively. For example, imports of mineral fuels, lubricants and related materials contributed 16.25 index points to the All groups import price index number of 115.7 for December quarter 2009 and -0.08 index points to the net change of -5.2 index points between September 2009 and December 2009 quarters.

FURTHER INFORMATION

22 For further information on price indexes in the ABS refer to the following publications:

Information Paper: Producer and International Trade Price Indexes; Concepts, Sources and Methods 2006, (cat. no. 6429.0)

Information Paper: An Analytical Framework for Price Indexes in Australia, (cat. no. 6421.0)

Information Paper: Producer Price Index Developments, (cat. no. 6422.0)

Information Paper: Review of the Import Price Index and Export Price Index, Australia, (cat. no. 6424.0)

Information Paper: Price Indexes and The New Tax System, (cat. no. 6425.0)

Information Paper: Changes to the Weights of the Price Indexes for the Output of the General Construction Industry, Australia, (cat. no. 6406.0)

Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia, 2009, (cat. no. 6427.0.55.002)

RELATED PUBLICATIONS

23 Users may also wish to refer to the following related publications, which are

EXPLANATORY NOTES *continued*

RELATED PUBLICATIONS *continued*

available from the ABS website:

Producer Price Indexes, Australia, (cat. no. 6427.0)

Consumer Price Index, Australia, (cat. no. 6401.0)

Labour Price Index, Australia, (cat. no. 6345.0)

Australian National Accounts, Input–Output Tables, (cat. no. 5209.0)

Balance of Payments and International Investment Position, Australia,
(cat. no. 5302.0)

24 The ABS also issues a daily Release Advice on the website which details products to be released in the week ahead.

FOR MORE INFORMATION . . .

INTERNET **www.abs.gov.au** the ABS website is the best place for data from our publications and information about the ABS.

INFORMATION AND REFERRAL SERVICE

Our consultants can help you access the full range of information published by the ABS that is available free of charge from our website. Information tailored to your needs can also be requested as a 'user pays' service. Specialists are on hand to help you with analytical or methodological advice.

PHONE 1300 135 070

EMAIL client.services@abs.gov.au

FAX 1300 135 211

POST Client Services, ABS, GPO Box 796, Sydney NSW 2001

FREE ACCESS TO STATISTICS

All statistics on the ABS website can be downloaded free of charge.

WEB ADDRESS www.abs.gov.au