

CATALOGUE NO. 5301.0
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BALANCE OF PAYMENTS, AUSTRALIA, JUNE 1996

MAIN FEATURES

Estimates of the main balance of payments aggregates for June 1996 and the two preceding months are shown below. These estimates are preliminary and subject to revision. Particular care should be taken in interpreting month-to-month movements, as indicated in the note on page 7 on *Reliability of Contemporary Trend Estimates* and in paragraph 4 of the *Explanatory Notes* on page 15. Certain items have been estimated using extrapolation techniques until source data become available.

	1996			Change on previous month(a)
	April	May	June	
	\$ million			%
Balance on current account	-1,705p	-1,730p	-1,764p	-2
	<i>Trend</i>			
Balance on current account	-2,011	-2,203	-1,291	41
Balance on merchandise trade	-198	-413	141	..
Net services	-40	-62	62	..
Net income	-1,861	-1,798	-1,627	10
Net unrequited transfers	88	70	133	90
	<i>Not seasonally adjusted</i>			
Balance on current account	-1,844	-2,055	-1,141	44
Balance on merchandise trade	-139	-86	697	..
Net services	-43	-213	-181	15
Net income	-1,784	-1,800	-1,644	9
Net unrequited transfers	122	44	-13	..

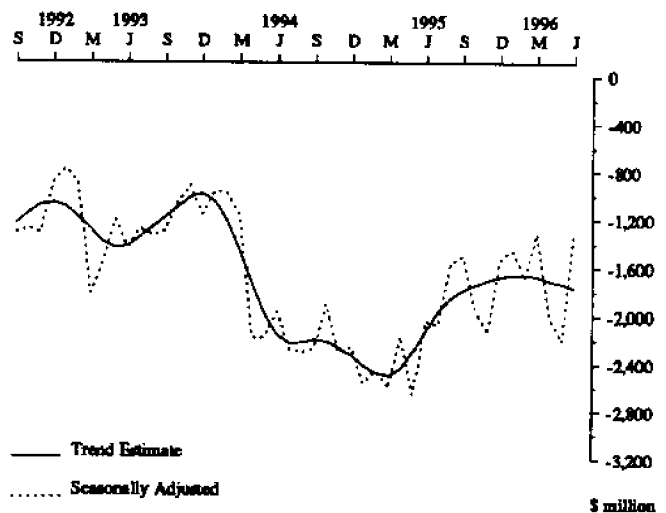
(a) For current account aggregates, a minus sign means an increase in a deficit or a decrease in a surplus; and an absence of sign means a decrease in a deficit or an increase in a surplus.

The provisional trend estimate for the June current account deficit was \$1,764 million, up \$34 million, or 2 per cent, on the provisional trend estimate for May.

In seasonally adjusted terms, the current account deficit for June decreased \$912 million, or 41 per cent, to \$1,291 million, the lowest level since March 1994. The decrease in the deficit was caused by:

- a turnaround of \$554 million, from a deficit to a surplus, in the merchandise trade balance (merchandise exports rose 4 per cent, while merchandise imports fell 5 per cent);
- a turnaround of \$124 million, from a deficit to a surplus, in the net services balance;
- a decrease of \$171 million (10 per cent) in the net income deficit; and
- an increase of \$63 million (90 per cent) in the net unrequited transfers surplus.

GRAPH 1: BALANCE ON CURRENT ACCOUNT



INQUIRIES • for further information about these and related unpublished statistics, contact Wendy Raedt on Canberra (06) 252 6689 or Graeme Groves on Canberra (06) 252 5540 or any ABS State office.
• for information about other ABS statistics and services please refer to the back page of this publication.

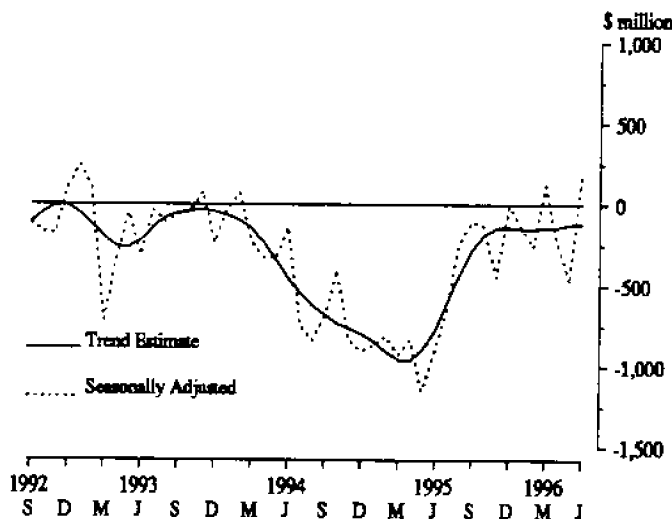
ANALYSIS OF SELECTED MAJOR AGGREGATES

June 1996 compared with May 1996

Balance on goods and services

The seasonally adjusted balance on goods and services recorded a surplus of \$203 million, a turnaround of \$678 million on the deficit recorded in May.

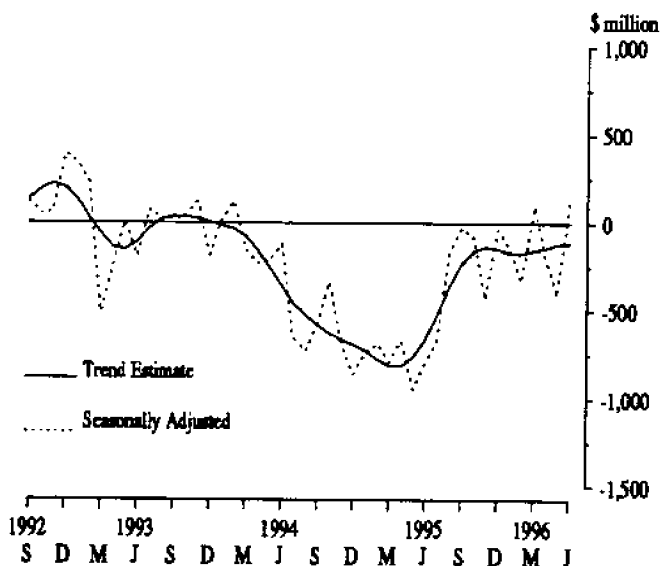
GRAPH 2: BALANCE ON GOODS AND SERVICES



Balance on merchandise trade

The seasonally adjusted balance on merchandise trade recorded a surplus of \$141 million, a turnaround of \$554 million on the deficit recorded in May.

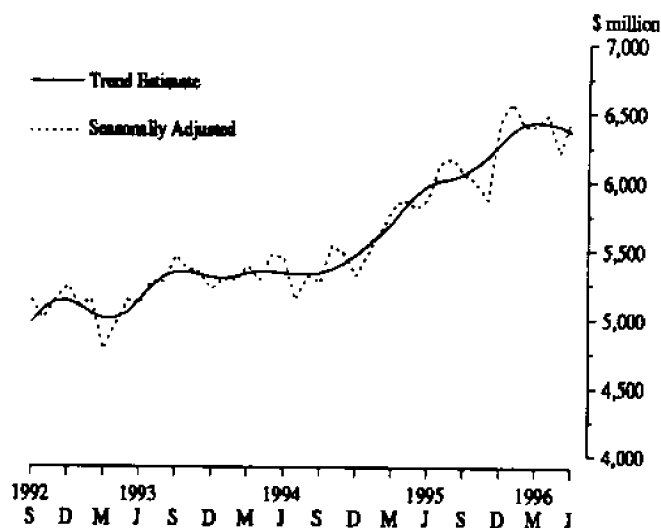
GRAPH 3: BALANCE ON MERCHANDISE TRADE



Merchandise exports

In seasonally adjusted terms, merchandise exports rose \$254 million, or 4 per cent, to \$6,462 million. Rural exports rose \$57 million, or 3 per cent, to \$1,833 million. Non-rural exports rose \$197 million or 4 per cent, to \$4,629 million.

GRAPH 4: MERCHANDISE - EXPORTS FOB



In original terms, exports fell \$350 million, or 5 per cent, to \$6,269 million.

Rural exports, in original terms, fell \$147 million, or 8 per cent, to \$1,751 million. Decreases were recorded in:

- cereals, down \$140 million or 25 per cent (due mainly to decreased volumes of wheat exports);
- "other" rural exports, down \$33 million or 4 per cent; and
- meat, down \$30 million or 12 per cent.

The largest increase was recorded in wool, up \$40 million or 14 per cent (due mainly to increased volumes of greasy wool exports).

Non-rural exports, in original terms, fell \$203 million, or 4 per cent, to \$4,518 million. The largest decreases were recorded in:

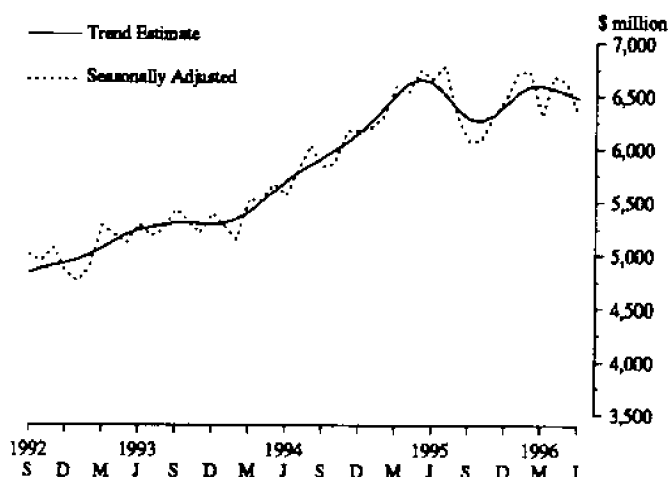
- coal, coke and briquettes, down \$105 million or 15 per cent (due mainly to decreased volumes of exports);
- gold, down \$93 million or 17 per cent (due mainly to decreased volumes of exports);
- "other" manufactures, down \$41 million or 5 per cent; and
- "other" metals, down \$37 million or 7 per cent.

Increases were recorded in metal ores and minerals, up \$120 million or 16 per cent (due mainly to increased volumes of uranium and iron ore exports); and "other" mineral fuels, up \$35 million or 10 per cent.

Merchandise imports

In seasonally adjusted terms, *merchandise imports* fell \$300 million, or 5 per cent, to \$6,321 million. *Consumption goods* fell \$65 million, or 4 per cent, to \$1,656 million. *Capital goods* fell \$167 million, or 9 per cent, to \$1,627 million. *Intermediate and other goods* fell \$68 million, or 2 per cent, to \$3,038 million.

GRAPH 5: MERCHANDISE - IMPORTS FOB



In original terms, *imports* fell \$1,133 million, or 17 per cent, to \$5,572 million.

Imports of *consumption goods*, in original terms, fell \$301 million, or 18 per cent, to \$1,344 million. Decreases were recorded in all groups. The largest decreases were recorded in:

- non-industrial transport equipment, down \$93 million or 23 per cent (due to decreased imports of passenger motor cars);
- consumption goods nes, down \$88 million or 19 per cent; and
- textiles, clothing and footwear, down \$40 million or 21 per cent.

Imports of *capital goods*, in original terms, fell \$168 million, or 10 per cent, to \$1,583 million. The largest decreases were recorded in:

- civil aircraft, down \$77 million or 54 per cent on the May figure (which included a Qantas aircraft valued at \$119 million);
- capital goods nes, down \$42 million or 20 per cent; and
- machinery and industrial equipment, down \$34 million or 5 per cent.

These decreases were partly offset by an increase in telecommunications equipment, up \$17 million or 13 per cent.

Imports of *intermediate and other goods*, in original terms, fell \$664 million, or 20 per cent, to \$2,645 million. Decreases were recorded in 13 of the 14 groups. The largest decreases were recorded in:

- processed industrial supplies nes, down \$188 million or 24 per cent (with all components recording decreases);
- "other" parts for capital goods, down \$104 million or 19 per cent (with all components recording decreases);
- parts for transport equipment, down \$85 million or 20 per cent;
- fuels and lubricants, down \$70 million or 18 per cent; and
- organic and inorganic chemicals, down \$38 million or 16 per cent.

Net services

The seasonally adjusted *net services* balance recorded a surplus of \$62 million, a turnaround of \$124 million on the deficit recorded in May. Services credits rose \$75 million (4 per cent), while services debits fell \$49 million (3 per cent).

Net income

The seasonally adjusted *net income* deficit fell \$171 million, or 10 per cent, to \$1,627 million. Income credits fell \$2 million, while income debits fell \$173 million or 7 per cent. It should be noted that, in accordance with established methodology, the monthly estimates of the non-official sector for April, May and June 1996 are based on extrapolations of quarterly results divided by three. These extrapolations will be replaced by preliminary results from the June quarter 1996 ABS Survey of Foreign Investment (SFI) when these results become available. Preliminary results should be available in time for incorporation in the July 1996 issue of this publication, scheduled for release on 29 August 1996.

Net unrequited transfers

The seasonally adjusted *net unrequited transfers* surplus rose \$63 million, or 90 per cent, to \$133 million. Unrequited transfers credits rose \$56 million or 19 per cent, while unrequited transfers debits fell \$7 million or 3 per cent.

Net capital transactions

In original terms, the *net capital transactions of the official sector* recorded a net inflow of \$137 million in June, a decrease of \$803 million on the net inflow recorded in May.

The June estimate consisted of:

- a net inflow of \$1,153 million in general government transactions, a decrease of \$76 million on the net inflow recorded in the previous month; and
- a net outflow of \$1,016 million in Reserve Bank transactions, an increase of \$727 million on the net outflow recorded in the previous month.

The decrease in general government transactions was mainly the result of a \$561 million decrease in the net inflow of borrowing domiciled in Australia.

This decrease was partly offset by:

- a decrease of \$277 million in the net outflow of State government borrowing domiciled abroad; and
- a decrease of \$260 million in the net outflow (net repayments) of Commonwealth government borrowing domiciled abroad.

Reserve Bank transactions in June mainly reflected net purchases of reserve assets of \$1,026 million, an increase of \$754 million on the net purchases recorded in the previous month.

Exchange rates

Using period average exchange rates, the SA showed no change on a trade weighted basis during June against the currencies of Australia's major trading partners. The SA appreciated by 1.7 per cent against the Japanese yen and depreciated by 0.7 per cent against the \$US.

Comparing rates at the end of June 1996 with those at the end of June 1995, the SA has appreciated by 20.0 per cent on a trade weighted basis against the currencies of Australia's major trading partners, by 11.3 per cent against the \$US and by 43.9 per cent against the Japanese yen.

Financial year 1995-96 compared with 1994-95

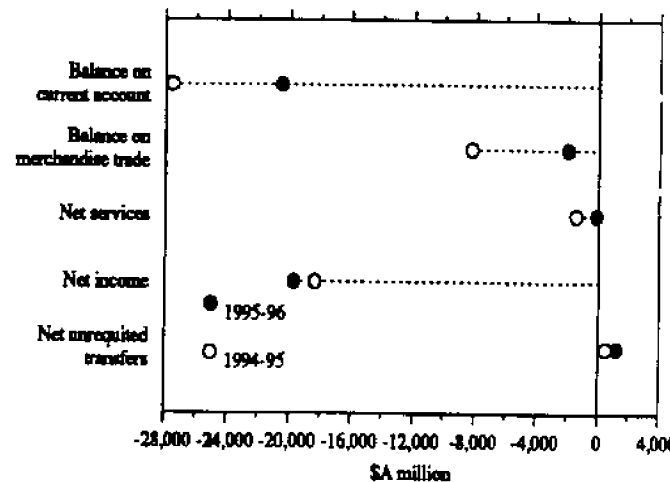
In original terms, the *current account* deficit for the financial year 1995-96 was \$20,541 million, down \$7,029 million, or 25 per cent, on the deficit for 1994-95.

This result was due to:

- a decrease of \$6,317 million (76 per cent) in the merchandise trade deficit;
- a decrease of \$1,333 million (93 per cent) in the net services deficit;
- an increase of \$737 million in the net unrequited transfers surplus.

The movements in merchandise trade, services and unrequited transfers were partly offset by an increase of \$1,358 million (7 per cent) in the net income deficit.

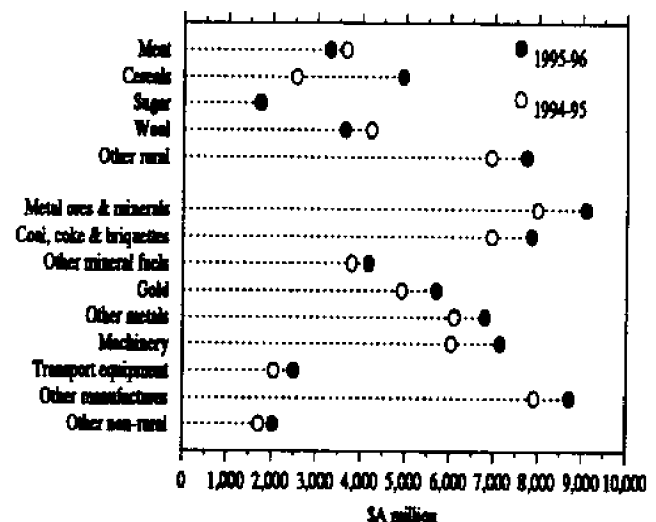
GRAPH 6: BALANCE OF PAYMENTS AGGREGATES - FINANCIAL YEAR



Merchandise exports rose \$8,738 million, or 13 per cent, to \$75,184 million. *Rural exports* rose \$2,215 million (12 per cent); and *non-rural exports* rose \$6,523 million (14 per cent). The largest increases were recorded in:

- cereals, up \$2,403 million (95 per cent);
- metal ores and minerals, up \$1,104 million (14 per cent);
- machinery, up \$1,090 million (18 per cent);
- coal, coke and briquettes, up \$895 million (13 per cent);
- "other" rural exports, up \$806 million (12 per cent);
- "other" manufactures, up \$805 million (10 per cent);
- gold, up \$788 million (16 per cent); and
- "other" metals, up \$697 million (11 per cent).

GRAPH 7: MERCHANDISE EXPORTS - FINANCIAL YEAR



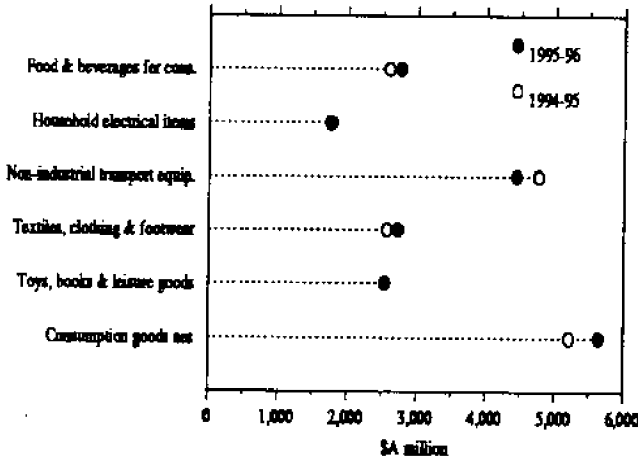
The most significant decreases were recorded in wool, down \$593 million (14 per cent); and meat, down \$380 million (10 per cent).

Merchandise imports rose \$2,421 million, or 3 per cent, to \$77,136 million. Consumption goods rose \$450 million (2 per cent); capital goods rose \$662 million (4 per cent); and intermediate and other goods rose \$1,309 million (4 per cent). The largest increases were recorded in:

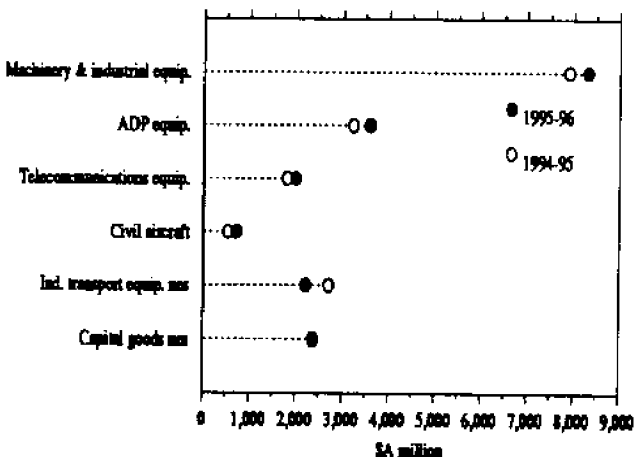
- fuels and lubricants, up \$597 million (17 per cent);
- consumption goods nes, up \$425 million (8 per cent);
- machinery and industrial equipment, up \$418 million (5 per cent);
- "other" parts for capital goods, up \$416 million (7 per cent);
- ADP equipment, up \$360 million (11 per cent); and
- organic and inorganic chemicals, up \$324 million (13 per cent).

The most significant decreases were recorded in industrial transport equipment nes, down \$500 million (18 per cent); and non-industrial transport equipment, down \$318 million (7 per cent).

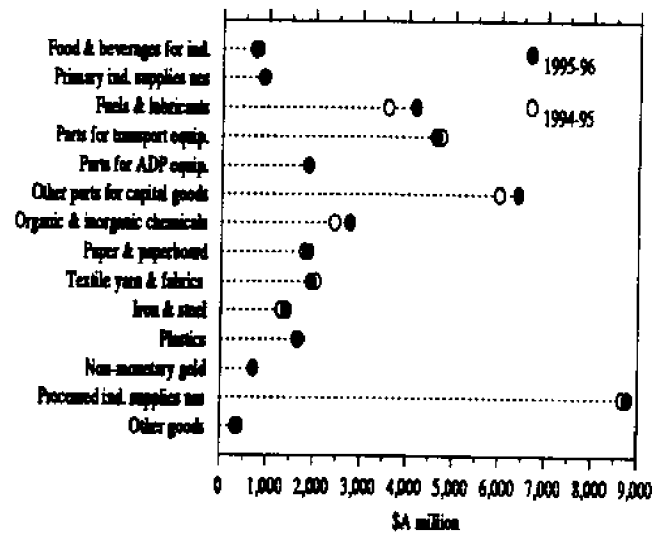
GRAPH 8: MERCHANDISE IMPORTS - CONSUMPTION GOODS
FINANCIAL YEAR



GRAPH 9: MERCHANDISE IMPORTS - CAPITAL GOODS
FINANCIAL YEAR



GRAPH 10: MERCHANDISE IMPORTS - INTERMEDIATE AND OTHER GOODS
FINANCIAL YEAR



The net services deficit fell \$1,333 million, or 93 per cent, to \$101 million. Services credits rose \$2,481 million, or 12 per cent, due mainly to increases of \$1,476 million in travel credits; \$442 million in "other" services credits and \$414 million in "other" transportation credits. Services debits rose \$1,148 million, or 5 per cent, due mainly to increases of \$647 million in travel debits; and \$388 million in "other" transportation debits.

The net income deficit rose \$1,358 million, or 7 per cent, to \$19,712 million. Income credits rose \$974 million, or 13 per cent, due mainly to increases in "other" investment income and reinvested earnings. Income debits rose \$2,332 million, or 9 per cent, due mainly to increases in "other" investment income payable by the non-official sector and investment income payable by the official sector, which were partly offset by a decrease in reinvested earnings.

The net unrequited transfers surplus rose \$737 million to \$1,224 million. Unrequited transfers credits rose \$779 million, or 24 per cent, due mainly to an increase in migrants' transfers. Unrequited transfers debits rose \$42 million or 2 per cent.

Official sector capital transactions for the financial year 1995-96 yielded a net inflow of \$2,398 million, compared with a net inflow of \$15,074 million for the previous financial year. The estimate for the latest year consisted of:

- a net inflow of \$3,231 million in general government transactions, a decrease of \$9,849 million on the net inflow for the financial year 1994-95; and
- a net outflow of \$833 million in Reserve Bank transactions, a turnaround of \$2,827 million on the net inflow for the financial year 1994-95.

The decrease in net inflow from general government transactions was largely due to:

- a turnaround of \$12,528 million in total borrowing domiciled abroad, to a net outflow of \$5,109 million. This was mainly due to a turnaround of \$13,017 million in State government borrowing domiciled abroad, to a net outflow of \$4,025 million; and

- a turnaround of \$947 million in "other" transactions, to a net outflow of \$330 million.

These movements were partly offset by a \$3,626 million increase in the net inflow of general government borrowing domiciled in Australia.

A turnaround from net sales to net purchases of official reserve assets was the main factor underlying the decrease in Reserve Bank transactions.

REVISIONS

Revisions since the last issue of this publication have increased the current account deficit for 1994-95 and for the

first eleven months of 1995-96 by \$5 million and \$862 million respectively.

The main factors contributing to these revisions are:

- incorporation of the latest available data on merchandise trade, which has increased the deficit by \$5 million in 1994-95 and reduced the deficit by \$124 million in the first eleven months of 1995-96.
- incorporation of the latest available information from the Survey of Foreign Investment and changes to associated income extrapolations, which has increased the deficit by \$986 million in the first eleven months of 1995-96.

Expected release dates for forthcoming issues

Issue	Date
July 1996	29 August 1996
August 1996	30 September 1996
September 1996	30 October 1996

These dates can be confirmed a few days prior to release by telephoning Canberra (06) 252 6627.

RELIABILITY OF CONTEMPORARY TREND ESTIMATES

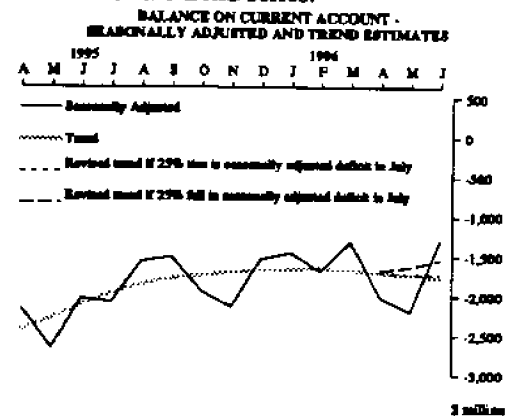
The table below presents trend estimates of the deficit on current account from April 1995 onwards, including provisional trend estimates for the latest three months (April, May and June 1996).

To illustrate the possible impact of future months' observations on the provisional trend estimates for the latest three months, the table also shows the revisions to these trend estimates that would result if the seasonally adjusted estimate of the current account balance next month (July 1996) is 25 per cent higher or lower than this month and if there are no revisions to the current or previous months' estimates. The 25 per cent range has been chosen because in the last decade the average monthly percentage movement, without regard to sign, of the seasonally adjusted current account deficit has been about 25 per cent.

If the seasonally adjusted deficit were to increase in July by 25 per cent, to \$1,614 million, the provisional trend movement for that month would be -1.5 per cent. The movements in the trend estimates for April, May and June which

are provisionally 2.2 per cent, 1.5 per cent and 2.0 per cent respectively, would be revised to 2.1 per cent, 1.2 per cent and -0.1 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted deficit next month, to \$968 million, would produce a movement of -7.6 per cent in the trend estimate for July, with the movements in the trend estimates for April, May and June being revised to -0.3 per cent, -2.7 per cent and -5.3 per cent, respectively.

The graph below illustrates this potential degree of revision at the current end of the trend series.



DEFICIT ON CURRENT ACCOUNT — RELIABILITY OF TREND ESTIMATES

	Trend estimate		Revised trend estimate if July 1996 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on June 1996 (a)		is down 25% on June 1996 (a)	
			\$m	% change on previous month	\$m	% change on previous month
1994-95 —						
April	2434	-2.5	2434	-2.5	2434	-2.5
May	2291	-5.9	2291	-5.9	2291	-5.9
June	2119	-7.5	2119	-7.5	2119	-7.5
1995-96 —						
July	1965	-7.3	1965	-7.3	1965	-7.3
August	1851	-5.8	1851	-5.8	1851	-5.8
September	1785	-3.6	1785	-3.6	1785	-3.6
October	1743	-2.4	1743	-2.4	1743	-2.4
November	1700	-2.5	1700	-2.5	1700	-2.5
December	1673	-1.6	1673	-1.6	1673	-1.6
January	1655	-1.1	1655	-1.1	1668	-0.3
February	1652	0.2	1655	0.0	1676	0.5
March	1669	1.0	1670	0.9	1681	0.3
April	1705 p	2.2	1705	2.1	1676	-0.3
May	1730 p	1.5	1725	1.2	1630	-2.7
June	1764 p	2.0	1724	-0.1	1544	-5.3
July			1698	-1.5	1426	-7.6

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months April 1995 to June 1996.

TABLE 1. BALANCE OF PAYMENTS
(\$ million)

	Years			Months																	
	1993-94	1994-95	1995-96	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June			
Current transactions —																					
Goods and services —																					
Merchandise (a) —																					
Exports fob	63,822	66,446	75,184	5,600	6,148	5,709	6,231	6,078	6,228	6,256	5,957	6,783	5,908	5,833	6,849	6,173	6,619	6,269			
Imports fob	-64,411	-74,715	-77,136	-5,698	-6,974	-6,221	-7,191	-6,953	-6,115	-6,701	-6,832	-5,942	-6,455	-6,260	-6,098	-6,312	-6,705	-5,572			
Balance on merchandise trade	-589	-8,269	-1,952	-98	-826	-512	-960	-875	113	-445	-875	841	-547	-427	751	-139	-86	697			
Services —																					
Credits	18,539	19,935	22,416	1,656	1,550	1,575	1,886	1,642	1,567	1,801	1,825	1,923	2,154	2,328	1,976	1,861	1,704	1,749			
Debita	-19,499	-21,369	-22,517	-1,816	-1,873	-1,914	-1,991	-1,851	-1,976	-1,886	-1,795	-1,817	-1,947	-1,681	-1,822	-1,904	-1,917	-1,930			
Net services	-960	-1,434	-1,011	-160	-323	-339	-105	-209	-409	-85	30	106	207	647	154	-43	-213	-181			
Balance on goods and services	-1,549	-9,703	-2,053	-258	-1,149	-851	-1,065	-1,084	-296	-530	-845	947	-340	220	905	-182	-299	516			
Income —																					
Credits	5,789	7,505	8,478	754	655	819	745	746	768	691	699	687	737	688	663	684	683	687			
Debita	-21,072	-25,859	-28,191	-2,096	-2,176	-2,014	-2,231	-2,174	-2,265	-2,649	-2,526	-2,286	-2,273	-2,285	-2,221	-2,467	-2,483	-2,330			
Net income	-15,283	-18,354	-19,712	-1,342	-1,521	-1,195	-1,486	-1,428	-1,497	-1,959	-1,826	-1,599	-1,536	-1,597	-1,557	-1,784	-1,800	-1,644			
Unrequited transfers —																					
Credits	2,802	3,209	3,988	295	247	272	364	327	282	309	303	327	418	437	296	324	272	329			
Debita	-2,624	-2,722	-2,764	-193	-285	-372	-252	-188	-197	-187	-234	-249	-261	-210	-214	-202	-228	-342			
Net unrequited transfers	178	487	1,224	102	-38	-100	112	139	85	122	69	78	157	227	82	122	44	-13			
Balance on current account	-16,654	-27,570	-20,541	-1,498	-2,708	-2,146	-2,439	-2,373	-1,708	-2,367	-2,602	-574	-1,719	-1,150	-570	-1,844	-2,055	-1,141			
Net capital transactions —																					
Official —																					
General government	7,869	13,080	3,231	-1,905	-417	992	3,509	-2,020	-349	2,063	184	573	-2,962	1,170	1,697	-3,015	1,229	1,153			
Reserve Bank —																					
Reserve assets	-1,037	1,971	-817	-138	200	956	-940	1,024	226	-49	-1,151	-98	592	554	256	67	-272	-1,026			
Other	-49	23	-16	38	-32	—	3	56	-32	-13	9	5	-12	-12	-32	19	-17	10			
Total	-1,086	1,994	-833	-100	168	956	-937	1,080	194	-62	-1,142	-93	580	542	224	86	-289	-1,016			
Total official	6,783	15,074	2,398	-2,005	-249	1,948	2,572	-940	-155	2,001	-958	480	-2,382	1,712	1,921	-2,929	940	137			
Non-official plus balancing item	9,871	12,496	18,143	3,504	2,957	198	-133	3,313	1,863	366	3,560	94	4,101	-563	-1,350	4,773	1,116	1,004			
Balance on capital account plus balancing item	16,654	27,570	20,541	1,498	2,708	2,146	2,439	2,373	1,708	2,367	2,602	574	1,719	1,150	570	1,844	2,055	1,141			

(a) Balance of payments basis.

TABLE 2. BALANCE OF PAYMENTS — CURRENT ACCOUNT — SEASONALLY ADJUSTED AND TREND ESTIMATES (a)
(\$ million)

	Months														
	1994-95	1995-96													
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<i>Goods and services —</i>															
<i>Merchandise —</i>															
<i>Exports fob —</i>															
Rural	1,543	1,535	1,588	1,690	1,662	1,718	1,572	1,595	1,943	2,052	1,862	1,770	1,845	1,776	1,833
Non-rural	4,321	4,264	4,281	4,439	4,498	4,331	4,421	4,274	4,496	4,523	4,537	4,636	4,639	4,432	4,629
Total	5,864	5,799	5,869	6,129	6,160	6,049	5,993	5,869	6,439	6,575	6,399	6,406	6,484	6,208	6,462
<i>Imports fob —</i>															
Consumption goods	-1,682	-1,717	-1,669	-1,790	-1,690	-1,622	-1,570	-1,656	-1,729	-1,603	-1,686	-1,533	-1,666	-1,721	-1,656
Capital goods	-1,596	-1,679	-1,754	-1,558	-1,495	-1,399	-1,452	-1,533	-1,479	-1,763	-1,834	-1,660	-1,731	-1,794	-1,627
Intermediate and other goods	-3,254	-3,351	-3,239	-3,441	-3,131	-3,051	-3,056	-3,109	-3,266	-3,353	-3,214	-3,111	-3,285	-3,106	-3,038
Total	-6,532	-6,747	-6,662	-6,789	-6,316	-6,072	-6,078	-6,298	-6,474	-6,719	-6,734	-6,304	-6,682	-6,621	-6,321
Balance on merchandise trade	-668	-948	-793	-660	-156	-23	-85	-429	-35	-144	-335	102	-198	-413	141
<i>Services —</i>															
Credits	1,726	1,725	1,769	1,860	1,757	1,785	1,779	1,797	1,836	1,905	1,907	1,961	1,939	1,895	1,970
Debits	-1,888	-1,929	-1,874	-1,842	-1,824	-1,865	-1,828	-1,817	-1,808	-1,892	-1,832	-1,940	-1,979	-1,957	-1,908
Net services	-162	-204	-105	18	-67	-80	-49	-20	28	13	75	21	-40	-62	62
Balance on goods and services	-830	-1,152	-898	-642	-223	-103	-134	-449	-7	-131	-260	123	-238	-475	203
<i>Income —</i>															
Credits	743	648	807	733	744	758	697	715	696	775	739	712	670	671	669
Debits	-2,141	-2,154	-1,994	-2,254	-2,170	-2,224	-2,593	-2,474	-2,293	-2,248	-2,375	-2,221	-2,531	-2,469	-2,296
Net income	-1,398	-1,506	-1,187	-1,521	-1,426	-1,466	-1,896	-1,759	-1,597	-1,473	-1,636	-1,509	-1,861	-1,798	-1,627
<i>Unrequited transfers —</i>															
Credits	291	269	286	344	319	306	308	307	325	381	408	307	312	298	354
Debits	-228	-275	-235	-259	-236	-241	-219	-237	-255	-230	-200	-231	-224	-228	-221
Net unrequited transfers	63	-6	51	85	83	65	89	70	70	151	208	76	88	70	133
Balance on current account	-2,165	-2,664	-2,004	-2,078	-1,566	-1,504	-1,941	-2,138	-1,834	-1,453	-1,688	-1,310	-2,011	-2,203	-1,291
<i>Merchandise —</i>															
Exports fob	5,802	5,902	5,970	6,003	6,024	6,053	6,103	6,180	6,273	6,360	6,418	6,433	6,421p	6,405p	6,366p
Imports fob	-6,616	-6,663	-6,630	-6,520	-6,381	-6,284	-6,260	-6,311	-6,418	-6,526	-6,587	-6,589	-6,563p	-6,526p	-6,481p
Balance on merchandise trade	-814	-761	-660	-517	-357	-231	-157	-131	-145	-166	169	-156	-142p	-121p	-115p
Balance on goods and services	-958	-892	-768	-600	-420	-275	-186	-141	-138	-148	-149	-144	-138p	-123p	-120p
Balance on current account	-2,434	-2,291	-2,119	-1,965	-1,851	-1,785	-1,743	-1,700	-1,673	-1,655	-1,652	-1,669	-1,705p	-1,730p	-1,764p

Trend Estimates

(a) Balance of payments basis. (b) For forward seasonal factors see paragraph 6 of the Explanatory Notes.

TABLE 3. BALANCE OF PAYMENTS — CURRENT ACCOUNT — MERCHANDISE EXPORTS (BALANCE OF PAYMENTS BASIS)
(\$ million)

	Months																		
	Years			1995-96															
	1993-94	1994-95	1995-96	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
<i>Rural exports fob (a) —</i>																			
Meat & meat preparations	4,043	3,654	3,274	302	299	296	327	265	293	305	308	319	208	244	316	237	241	211	
Cereal grains & cereal preparations	3,205	2,523	4,926	143	212	177	173	180	194	223	282	537	600	603	600	538	568	428	
Sugar, sugar preparations & honey	1,315	1,730	1,709	129	100	66	235	240	249	244	188	152	122	43	56	84	40	56	
Wool & sheepskins	3,369	4,216	3,623	375	317	284	316	223	287	327	309	368	265	277	345	300	283	323	
Other rural	6,513	6,922	7,728	583	713	693	682	652	619	601	578	658	592	551	629	667	766	733	
Total rural	18,445	19,045	21,260	1,532	1,641	1,516	1,733	1,560	1,642	1,700	1,665	2,034	1,787	1,718	1,946	1,826	1,898	1,751	
<i>Non-rural exports fob (a) —</i>																			
Metal ores & minerals	7,671	7,968	9,072	652	835	752	785	768	664	725	738	819	720	646	869	702	758	878	
Coal, coke & briquettes	7,253	6,936	7,831	596	644	589	667	688	620	680	638	634	641	603	698	645	711	606	
Other mineral fuels	3,351	3,794	4,164	296	343	319	377	307	341	307	299	407	360	342	330	383	338	373	
Gold	5,521	4,907	5,695	538	430	327	440	382	574	582	437	391	580	449	387	500	533	440	
Other metals	5,396	6,097	6,794	520	621	524	565	689	607	598	516	584	518	514	584	528	564	527	
Machinery	5,293	6,035	7,125	486	547	614	632	556	618	576	644	702	440	524	714	522	607	590	
Transport equipment	2,087	2,047	2,494	184	185	215	207	206	205	214	157	256	135	162	328	171	243	210	
Other manufactures	6,966	7,907	8,712	650	741	700	697	767	779	703	723	766	586	698	792	694	714	733	
Other non-rural	1,839	1,710	2,037	146	161	153	128	155	178	171	140	190	141	177	201	202	193	161	
Total non-rural	45,377	47,401	53,924	4,068	4,507	4,193	4,498	4,518	4,586	4,556	4,292	4,749	4,121	4,115	4,903	4,347	4,721	4,518	
Total exports fob	63,822	66,446	75,184	5,600	6,148	5,709	6,231	6,078	6,228	6,256	5,957	6,783	5,908	5,833	6,849	6,173	6,619	6,269	

(a) Definitions of the component series are given in ABS Catalogue No. 5302.0.

TABLE 4. BALANCE OF PAYMENTS — CURRENT ACCOUNT — MERCHANDISE IMPORTS (BALANCE OF PAYMENTS BASIS)
(\$ million)

	Months																		
	Years				1995-96														
	1993-94	1994-95	1995-96	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
<i>Consumption goods job (a) —</i>																			
Food and beverages, mainly for consumption	-2,430	-2,592	-2,760	-168	-230	-181	-245	-233	-230	-255	-263	-242	-252	-214	-203	-210	-220	-193	
Household electrical items	-1,436	-1,744	-1,765	-132	-145	-129	-157	-167	-138	-179	-177	-139	-119	-129	-137	-148	-151	-124	
Non-industrial transport equipment	-3,800	-4,758	-4,440	-391	-446	-413	-469	-426	-346	-422	-404	-375	-277	-325	-295	-368	-413	-320	
Textiles, clothing and footwear	-2,320	-2,566	-2,730	-179	-189	-157	-266	-274	-220	-212	-229	-190	-262	-293	-226	-208	-195	-155	
Toys, books and leisure goods	-2,496	-2,545	-2,535	-170	-205	-192	-247	-251	-252	-260	-256	-185	-190	-191	-170	-173	-193	-167	
Consumption goods net	-4,751	-5,213	-5,638	-381	-481	-375	-518	-524	-486	-529	-539	-450	-430	-432	-422	-450	-473	-385	
Total consumption goods	-17,233	-19,418	-19,868	-1,421	-1,696	-1,447	-1,902	-1,875	-1,672	-1,857	-1,868	-1,581	-1,530	-1,584	-1,453	-1,557	-1,645	-1,344	
<i>Capital goods job (a) —</i>																			
Machinery and industrial equipment	-6,414	-7,897	-8,315	-616	-705	-733	-718	-691	-615	-723	-726	-688	-739	-711	-651	-667	-710	-676	
ADP equipment	-2,629	-3,232	-3,592	-243	-393	-392	-338	-325	-253	-273	-282	-272	-263	-274	-283	-326	-361	-342	
Telecommunications equipment	-1,182	-1,804	-1,998	-117	-150	-173	-164	-163	-207	-179	-199	-169	-170	-141	-173	-150	-133	-150	
Civil aircraft	-241	-529	-714	-43	-16	-48	-28	-81	-11	-31	-104	-28	-44	-77	-31	-70	-143	-66	
Industrial transport equipment net	-2,084	-2,714	-2,214	-189	-234	-179	-222	-198	-148	-197	-180	-165	-158	-193	-186	-198	-191	-178	
Capital goods net	-2,293	-2,365	-2,370	-189	-215	-193	-234	-212	-183	-213	-213	-173	-189	-190	-185	-194	-213	-171	
Total capital goods job	-14,843	-18,541	-19,203	-1,397	-1,713	-1,718	-1,704	-1,670	-1,417	-1,616	-1,704	-1,495	-1,563	-1,586	-1,509	-1,605	-1,751	-1,383	
<i>Intermediate and other goods (a) —</i>																			
Food and beverages, mainly for industry	-509	-774	-699	-53	-68	-61	-65	-65	-65	-55	-55	-77	-44	-71	-46	-51	-63	-40	
Primary industrial supplies net	-701	-901	-879	-62	-83	-85	-73	-71	-66	-83	-76	-76	-64	-62	-106	-75	-73	-54	
Fuels and lubricants	-3,317	-3,566	-4,163	-317	-379	-286	-385	-283	-290	-264	-353	-314	-387	-375	-372	-426	-392	-322	
Parts for transport equipment	-4,183	-4,714	-4,600	-385	-424	-351	-447	-446	-338	-406	-340	-344	-397	-373	-362	-394	-419	-334	
Parts for ADP equipment	-1,681	-1,858	-1,858	-142	-189	-172	-159	-158	-155	-161	-161	-137	-160	-157	-162	-156	-155	-137	
Other parts for capital goods	-5,047	-5,975	-6,391	-484	-583	-520	-620	-584	-509	-563	-550	-471	-540	-526	-526	-490	-558	-454	
Organic and inorganic chemicals	-2,102	-2,431	-2,755	-203	-228	-234	-242	-249	-193	-225	-245	-193	-274	-215	-248	-243	-233	-195	
Paper and paperboard	-1,465	-1,794	-1,868	-137	-179	-145	-189	-189	-172	-195	-173	-151	-162	-147	-141	-141	-131	-103	
Textile yarn and fabrics	-1,869	-2,056	-1,922	-137	-194	-165	-189	-187	-154	-167	-172	-137	-167	-151	-142	-141	-172	-143	
Iron and steel	-1,039	-1,285	-1,408	-96	-137	-122	-117	-143	-129	-125	-125	-132	-121	-113	-109	-100	-101	-93	
Plastics	-1,375	-1,646	-1,684	-133	-160	-129	-170	-155	-146	-138	-149	-129	-150	-131	-128	-124	-133	-111	
Non-monetary gold	-978	-705	-702	-30	-66	-55	-55	-78	-56	-51	-74	-48	-66	-64	-54	-52	-52	-52	
Processed industrial supplies net	-7,783	-8,680	-8,799	-684	-818	-687	-824	-762	-728	-747	-751	-660	-755	-710	-752	-744	-777	-589	
Other goods	-286	-391	-337	-17	-57	-44	-50	-38	-25	-28	-14	-30	-42	-15	-14	-13	-50	-18	
Total intermediate and other goods	-32,335	-36,756	-38,065	-2,880	-3,565	-3,056	-3,585	-3,408	-3,026	-3,228	-3,260	-2,866	-3,362	-3,090	-3,136	-3,150	-3,309	-2,645	
Total imports job	-64,411	-74,715	-77,136	-5,698	-6,974	-6,221	-7,191	-6,953	-4,115	-6,701	-6,832	-5,942	-6,455	-6,260	-6,098	-6,312	-6,785	-5,572	

(a) Definitions of the component items are given in the ABS Information Paper, *Change to Commodity Classification of Merchandise Imports in Balance of Payments Publications* (ABS Catalogue No. 5344.0).

TABLE 5. BALANCE OF PAYMENTS — CURRENT ACCOUNT — SERVICES, INCOME AND UNREQUITTED TRANSFERS
(\$ million)

	Years			Months															
	1993-94	1994-95	1995-96	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
Services —																			
Credits —																			
Shipment	1,487	1,533	1,682	140	140	140	141	141	142	142	142	142	143	131	131	131	146	146	146
Other transportation	4,604	4,473	4,887	370	357	345	391	393	394	415	418	418	418	435	435	436	384	384	384
Travel	7,502	8,879	10,355	743	621	636	923	674	594	798	807	906	1,126	1,298	946	865	697	721	721
Other services	4,946	5,050	5,492	403	432	454	431	434	437	446	458	456	462	464	463	466	477	498	498
Total services credits	18,539	19,935	22,416	1,656	1,550	1,575	1,886	1,642	1,567	1,801	1,825	1,923	2,154	2,328	1,976	1,861	1,704	1,749	1,749
Debits —																			
Shipment	-3,854	-4,384	-4,358	-333	-391	-338	-384	-389	-349	-374	-401	-334	-350	-347	-378	-373	-382	-297	-297
Other transportation	-4,906	-5,333	-5,721	-454	-478	-494	-518	-479	-512	-480	-456	-460	-477	-418	-441	-478	-493	-509	-509
Travel	-5,157	-5,774	-6,421	-538	-496	-558	-592	-504	-620	-529	-457	-505	-617	-429	-505	-549	-523	-591	-591
Other services	-5,582	-5,878	-6,017	-491	-508	-524	-497	-479	-495	-503	-481	-518	-503	-487	-498	-504	-519	-533	-533
Total services debits	-19,499	-21,369	-22,517	-1,816	-1,873	-1,914	-1,991	-1,851	-1,976	-1,886	-1,795	-1,817	-1,947	-1,681	-1,822	-1,904	-1,917	-1,930	-1,930
Net services	-960	-1,434	-101	-160	-323	-339	-105	-209	-409	-85	30	106	207	647	154	-43	-213	-181	-181
Income —																			
Credits —																			
Property income —																			
Investment income —																			
Reinvested earnings (a)	2,434	3,866	4,116	415	415	415	453	453	453	319	319	319	319	233	233	233	367	367	367
Other	2,468	2,656	3,349	261	163	324	192	200	212	290	306	289	415	380	349	239	238	238	238
Other property income	376	405	405	32	33	33	45	45	46	28	28	28	28	32	32	31	30	30	30
Labour and other income	511	551	609	46	44	48	55	48	57	54	47	51	56	43	50	48	48	48	52
Total income credits	5,789	7,505	8,478	754	653	819	745	746	768	691	699	687	737	688	663	684	683	687	687
Debits —																			
Property income —																			
Investment income —																			
Official	-4,109	-3,968	-4,548	-286	-368	-203	-418	-355	-451	-507	-381	-137	-462	-474	-410	-355	-376	-221	-221
Non-official —																			
Reinvested earnings (a)	-3,570	-6,256	-6,187	-277	-277	-277	-570	-570	-570	-492	-492	-492	-492	-500	-500	-500	-500	-500	-500
Other	-11,350	-13,486	-15,044	-1,352	-1,352	-1,352	-1,044	-1,044	-1,044	-1,450	-1,450	-1,450	-1,450	-1,106	-1,106	-1,106	-1,415	-1,415	-1,415
Other property income	-1,760	-1,760	-1,971	-137	-138	-139	-164	-165	-166	-171	-171	-171	-171	-165	-165	-165	-156	-156	-156
Labour and other income	-283	-389	-441	-44	-44	-43	-35	-40	-34	-30	-32	-36	-40	-40	-39	-41	-36	-38	-38
Total income debits	-21,072	-25,859	-28,191	-2,096	-2,176	-2,014	-2,231	-2,174	-2,265	-2,649	-2,526	-2,286	-2,273	-2,285	-2,221	-2,467	-2,483	-2,370	-2,370
Net income	-15,283	-18,354	-19,712	-1,342	-1,521	-1,195	-1,486	-1,428	-1,497	-1,959	-1,826	-1,599	-1,536	-1,597	-1,557	-1,784	-1,800	-1,644	-1,644
Unrequited transfers —																			
Credits	2,802	3,209	3,988	295	247	272	364	327	282	309	303	327	418	437	296	324	272	329	329
Debits —																			
Official	-1,563	-1,591	-1,572	-100	-196	-280	-152	-91	-108	-101	-135	-127	-146	-112	-111	-106	-135	-248	-248
Non-official	-1,041	-1,131	-1,192	-93	-89	-92	-100	-97	-89	-86	-99	-122	-115	-98	-103	-96	-93	-94	-94
Total	-2,624	-2,722	-2,764	-193	-285	-372	-252	-188	-197	-187	-234	-249	-261	-210	-214	-202	-228	-242	-242
Net unrequited transfers	178	487	1,224	102	-38	-100	112	139	85	122	69	78	157	227	82	122	44	44	-13

(a) From July 1993, these series are collected on a quarterly basis and then divided by three. Prior to this they were collected annually and divided by twelve.

TABLE 7. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Years		Months																
	1993	1994	1995	1994	1995	1995	1995	1995	1995	1995	1995	1995	1995	1995	1995	1995	1995		
	94	95	96	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
Official reserve assets (\$ millions) —	20,661	20,185	19,059	21,293	21,443	20,185	20,050	18,350	18,659	18,671	19,934	20,068	19,275	18,550	17,935	17,820	17,888	19,059	
Levels at end of period	-162	-476	-1,126	53	150	-1,258	-135	-1,700	309	12	1,263	134	-693	-825	-615	-115	68	1,171	
Changes in levels Of which —																			
Changes due to effects of revaluations	-1,199	1,495	-1,943	-85	350	-302	-1,075	-676	535	-37	112	36	-101	-271	-339	-48	-204	145	
Changes included in the balance of payments (a)	1,037	-1,971	817	138	-200	-956	940	-1,024	-226	49	1,151	98	-592	-554	-256	-67	272	1,026	
Exchange rates (b) —																			
Units of foreign currency per \$A —																			
End of period (c) —																			
United States dollar	0.7291	0.7086	0.7890	0.7299	0.7138	0.7086	0.7389	0.7524	0.7550	0.7566	0.7469	0.7450	0.7447	0.7635	0.7793	0.7854	0.7983	0.7890	
United Kingdom pound	0.4721	0.4452	0.5099	0.4515	0.4449	0.4452	0.4611	0.4861	0.4777	0.4800	0.4860	0.4814	0.4943	0.4982	0.5106	0.5206	0.5207	0.5099	
German mark	1.159	0.981	1.200	1.004	1.004	0.993	1.023	1.109	1.070	1.066	1.072	1.071	1.108	1.121	1.149	1.197	1.225	1.200	
Japanese yen	72.20	60.08	86.48	61.04	59.45	60.08	65.31	73.55	74.22	76.98	75.83	76.66	79.88	79.85	83.00	81.88	86.36	86.48	
Special drawing right	0.5026	0.4539	0.5476	0.4621	0.4530	0.4539	0.4753	0.5070	0.5024	0.5031	0.5020	0.5009	0.5121	0.5182	0.5345	0.5404	0.5519	0.5476	
Period average (d) —																			
United States dollar	0.6919	0.7427	0.7593	0.7361	0.7278	0.7196	0.7268	0.7412	0.7342	0.7580	0.7459	0.7416	0.7420	0.7555	0.7714	0.7868	0.7970	0.7915	
United Kingdom pound	0.4603	0.4705	0.4909	0.4574	0.4580	0.4511	0.4557	0.4725	0.4841	0.4800	0.4768	0.4815	0.4846	0.4916	0.5049	0.5192	0.5265	0.5132	
German mark	1.171	1.120	1.109	1.014	1.040	1.008	1.010	1.071	1.103	1.073	1.056	1.068	1.083	1.107	1.139	1.184	1.222	1.189	
Japanese yen	73.52	70.35	77.66	61.58	61.84	60.84	63.43	70.06	75.79	76.28	76.02	75.49	77.91	79.90	81.69	84.45	84.75	86.15	
Special drawing right	0.4944	0.4972	0.5156	0.4670	0.4671	0.4601	0.4665	0.4897	0.5084	0.5056	0.4988	0.4993	0.5047	0.5157	0.5363	0.5423	0.5516	0.5487	
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —	53.0	48.4	58.1	49.6	48.5	48.4	51.0	53.9	53.8	54.3	53.8	53.9	54.7	55.5	56.8	57.1	58.7	58.1	
End of period (c)	51.4	52.8	54.8	50.1	49.8	49.2	50.0	52.5	54.4	54.3	53.7	53.5	54.2	55.1	56.2	57.5	58.3	58.3	
Period average (d)																			

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 6. (b) 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. (c) These exchange rates and index numbers relate to the last trading day of the reference period. (d) These exchange rates and index numbers are derived by averaging figures for each trading day.

EXPLANATORY NOTES

Introduction

1. This publication contains preliminary estimates of Australia's balance of payments for June 1996, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the March quarter 1996 issue of the quarterly balance of payments publication (5302.0) which was released on 31 May 1996.

2. Descriptions of the underlying concepts and structure of the balance of payments and the sources and methods used in compiling the estimates are presented in *Balance of Payments, Australia: Concepts, Sources and Methods* (5331.0). The publication also provides item definitions; explanations of seasonal adjustment and trend estimates; and an analysis of the quality of the estimates.

Accuracy, reliability and volatility

3. Care should be exercised in the use and interpretation of estimates in this publication. The sources available for the production of timely and reliable monthly estimates are limited and the initial estimates are made available very quickly. Consequently, the latest estimates in this publication, to a greater extent than estimates in quarterly and annual balance of payments publications, are preliminary and subject to revision as more complete and accurate information becomes available. Certain items are estimated using extrapolation techniques until source data become available. Further, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components. A detailed assessment of the quality of Australia's balance of payments statistics is provided in the information paper *Quality of Australian Balance of Payments Statistics, 1996* (5342.0) released on 20 February 1996.

4. Particular 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 2) 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 current account: 9 in 10 months
 Merchandise exports fob: 8 in 10 months
 Merchandise imports fob: 9 in 10 months

5. The impact of the irregular influences upon the seasonally adjusted series is reduced by smoothing, as shown by the trend estimates in Table 2 and the graphs. The trend estimates are generally derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted series.

Seasonal adjustment

6. The factors used in seasonally adjusting the monthly balance of payments statistics during 1996 can be obtained, for \$75.00, by contacting Melissa Marino on Canberra (06) 252 6419.

7. The seasonally adjusted statistics in this publication should not be regarded as in any way definitive as results from seasonal adjustment vary according to the method used.

Available longer term series

8. Estimates for months prior to those shown in this publication are available and can be obtained by contacting Trevor Jolly on Canberra (06) 252 6820. There may be a charge for this information.

Related products and services

9. More detailed merchandise exports and merchandise imports data, including dissections by commodity and country of origin, are also available on an international merchandise trade basis for June 1996 and previous months. These data can be obtained by contacting information services on Canberra (06) 252 5400.

Symbols and other usages

fob	free on board
n.a.	not available
n.e.c.	not elsewhere classified
n.e.s.	not elsewhere specified
n.p.	not for publication
n.y.a.	not yet available
—	nil or rounded to zero
..	not applicable
p	provisional

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

W. McLennan
 Australian Statistician

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