

CHAPTER 11

OVERSEAS TRANSACTIONS

This chapter includes statistics of overseas trade, balance of payments, and overseas investment by private investors, but because of limitations of space the statistics are, in the main, restricted to summarised form. For detailed information see the *Annual Bulletin of Overseas Investment, Australia* (5.20) and the associated occasional bulletin *Overseas Borrowings by Companies in Australia* (5.39) (latest issue December quarter 1973); and the other annual bulletins *Overseas Trade* (preliminary (8.15) (8.16) and final (8.11)), *Australian Exports, Country by Commodity* (8.4), *Australian Imports, Country by Commodity* (8.19), *Imports Cleared for Home Consumption* (issued in two parts) (8.7) and the annual bulletin *Balance of Payments* (8.1). Preliminary information is available in summary form in the statements *Balance of Payments—Quarterly Summary* (8.2), *Overseas Investment—Preliminary Bulletin* (annual) (5.21), *Overseas Borrowings by Companies in Australia* (preliminary) (5.41), *Australian Overseas Trade—Exports and Imports* (8.12) (monthly), *Overseas Trade—Exports by Commodity Divisions* (monthly) (8.18), and *Overseas Trade—Imports by Commodity Divisions* (monthly) (8.13). Current information is included in the *Quarterly Summary of Australian Statistics* (1.3), the *Monthly Review of Business Statistics* (1.4), the *Digest of Current Economic Statistics* (1.5), and in more detail in the *Monthly Bulletin of Overseas Trade Statistics* (8.9) (8.10). There are also the following additional mimeographed statements: *Exports of Principal Products of Australian Origin* (monthly) (8.5), *Imports of Assembled New Motor Cars* (monthly) (8.8), *Exports by Mode of Transport* (quarterly) (8.25), and *Trade of Australia with Eastern Countries* (annually) (8.17). Additional unpublished details of exports and imports can be supplied on request.

A subscription service is available from this Bureau to provide for the detailed requirements of individual users of overseas trade statistics. These special periodical statements are obtainable monthly or quarterly and show trade according to items of the Australian Export and Import Commodity Classifications or statistical key code dissections of Australian Customs Tariff items. A nominal charge is made which varies depending on the amount of detail required.

OVERSEAS TRADE

Constitutional provisions and legislation

Constitutional provisions

By the Commonwealth of Australia Constitution Act, Section 51 (1), the power to make laws with respect to trade and commerce with other countries was conferred on the Australian Parliament. Under Section 86 of the Constitution, the collection and control of duties of customs and excise passed to the Executive Government of the Commonwealth on 1 January 1901. Other references to trade and commerce are contained in Sections 87 to 95 of the Constitution (see pages 17–18).

Australian Government legislation

Australian Government legislation affecting overseas trade includes: the Customs Act, the Customs Tariff and the Customs Tariff (Dumping and Subsidies) Act. The Customs Act is the administrative Act under which the Department of Customs and Excise operates. The Customs Tariff provides the statutory authority for imposing the actual rates of duty operative from time to time, while the Customs Tariff (Dumping and Subsidies) Act provides protection for Australian industry against various forms of unfair trading.

The Customs Tariff

The first Australian Customs Tariff was introduced by Resolution on 8 October 1901, from which date uniform duties came into effect throughout Australia. The Australian Customs Tariff has been developed in conformity with the policy of protecting economic and efficient Australian industries and of granting preferential treatment to certain imports from countries of the Commonwealth and certain developing countries. Duties are imposed on some goods, generally of a luxury nature, for revenue purposes. Customs collections are a major source of revenue but in its protective character the tariff has an important influence on the Australian economy.

The present tariff provides for general and preferential rates of duty, and its structure is based on the 'Brussels Nomenclature' which has its origins in the Convention on Nomenclature for the Classification of Goods in Customs Tariffs, signed in Brussels on 15 December 1950. Australia has operated a 'Brussels-type' tariff since 1 July 1965.

Preferential rates. Preferential rates apply to goods the produce or manufacture of the United Kingdom, Ireland, Canada, New Zealand, and Papua New Guinea, and certain goods the produce or manufacture of specified countries, provided that such goods comply with the laws in force at the time affecting the grant of preference. With the termination on 1 February 1973 of the United Kingdom-Australia Trade Agreement existing preferential rates applicable to United Kingdom goods are under review.

The following are the rules of origin for preference purposes as defined in the Customs Act.

151.—(1.) For the purposes of this Act and the *Customs Tariff* 1966–1972 (other than section twenty of the last-mentioned Act), goods shall be treated as the produce of a country if they are unmanufactured raw products of the country.

(2.) For the purposes of this Act and the *Customs Tariff* 1966–1972 (other than section twenty or a direction under section thirty-three "C" of the last-mentioned Act), goods shall be treated as the manufacture of a country—

(a) if the goods were wholly manufactured in the country from materials of one or more of the following classes:

- (i) unmanufactured raw products;
- (ii) materials wholly manufactured in the country or in Australia, or in the country and in Australia; and
- (iii) imported materials that the Minister has, in relation to the country, determined, by notice published in the *Gazette*, to be manufactured raw materials; or

(b) if the goods were partly manufactured in the country, the process last performed in the manufacture of the goods was performed in the country and—

- (i) not less than three-quarters, or, in a case where the country is New Zealand, one-half of the factory or works cost of the goods is represented by the value of labour or materials, or of labour and materials, of the country or of the country and Australia;
- (ii) in a case where the goods are goods of a class or kind not commercially manufactured in Australia, not less than one-quarter of the factory or works cost of the goods is represented by the value of labour or materials, or of labour and materials, of the country or of the country and Australia; or
- (iii) in a case where the country is New Zealand, not less than three-quarters of the factory or works cost of the goods is represented by the value of labour or materials, or of labour and materials, of New Zealand and the United Kingdom or of New Zealand, Australia and the United Kingdom.

(3.) For the purposes of a direction under section thirty-three "C" of the *Customs Tariff* 1966–1972 goods shall be treated as the manufacture of a country if—

(a) the process last performed in the manufacture of the goods was performed in the country; and

(b) not less than one-half of the factory or works cost of the goods is represented by the value of labour or materials, or of labour and materials, of the country or of the country and one or more of the following countries, that is to say, Australia and countries that, at the time the goods are entered for home consumption, are less developed countries, other than a country that, by virtue of a direction under sub-section (2) of section eleven of the *Customs Tariff* 1966–1972 is not to be treated as a less developed country in relation to the class of goods in which the goods are included.

151A.—(1.) For the purposes of this Act and the *Customs Tariff* 1966–1972 (other than section twenty or a direction under section thirty-three "C" of the last-mentioned Act), goods shall not be treated as the produce or manufacture of the United Kingdom, Canada, New Zealand, Ireland, Malawi, Southern Rhodesia*, Zambia, the Territory of Papua or the Territory of New Guinea unless they have been shipped from that country to Australia and, except where the Collector is satisfied that the intended destination of the goods when originally shipped from that country was Australia, have not been transhipped.

(2.) The last preceding sub-section does not apply—

(a) to goods the produce or manufacture of a country other than New Zealand that are imported into Australia from New Zealand; or

* Under the United Nations Security Council's resolutions on Southern Rhodesia trade with that country is prohibited.

- (b) to goods the produce or manufacture of a country other than the Territory of Papua or the Territory of New Guinea that are imported into Australia from the Territory of Papua or the Territory of New Guinea.

(3.) For the purposes of a direction under section thirty-three "C" of the *Customs Tariff* 1966-1972, goods shall not be treated as the produce or manufacture of a country unless they have been shipped from that country to Australia and, except where the Collector is satisfied that the intended destination of the goods when originally shipped from that country was Australia, have not been transhipped.

(4.) For the purposes of this section—

- (a) goods may be treated as having been shipped from the Territory of Papua or the Territory of New Guinea if they have been shipped from either of those territories; and
 (b) goods may be treated as having been shipped from Malawi, Southern Rhodesia,* or Zambia if they have been shipped from any of those countries or from Lourenco Marques or Beira in Mozambique.

Declared preference countries, Customs Tariff. 10.—(1.) The Minister may, by order published in the *Gazette*, declare that a country specified in the order is a declared preference country for the purposes of this Act.

(2.) An order under the last preceding sub-section has effect, or shall be deemed to have had effect, from and including such date (which may be a date earlier than the date of publication of the order in the *Gazette*) as is specified in the order.

(3.) The Minister may, by order, published in the *Gazette*, revoke an order under sub-section (1.) of this section.

(4.) An order under the last preceding sub-section has effect from and including such date (which shall not be a date earlier than the date of publication of the order in the *Gazette*) as is specified in the order.

(5.) Goods shall not be treated as the produce or manufacture of a declared preference country for the purposes of this Act unless, at the time the goods are entered for home consumption, the order under sub-section (1.) of this section in which the declared preference country is specified has effect or is deemed to have had effect.

Declared preference countries comprise:

Bahamas	Gambia	Nigeria, Federation of
Barbados	Ghana	St. Helena
Bermuda	Gibraltar	Seychelles
British Honduras	Gilbert and Ellice Islands	Sierra Leone
British Indian Ocean Territory	Colony	Singapore, Republic of
British Solomon Islands Protectorate	Guyana, Republic of	Sri Lanka, Republic of (formerly Ceylon)
British Virgin Islands	Hong Kong	Tanzania
Brunei	Jamaica	Tonga
Cyprus	Kenya	Trinidad and Tobago
Falkland Islands and Dependencies	Leeward Islands	Uganda
Fiji	Malaysia	Windward Islands
	Maldives Islands	
	Malta	
	Mauritius and Dependencies	

Developing countries, Customs Tariff

12. (1) The Minister may, by order published in the *Gazette*—

- (a) declare that a country specified in the order is a developing country for the purposes of this Act; and
 (b) direct that a territory or province specified in the order shall be treated as a developing country for the purposes of this Act.

(2) The Minister may, in an order under sub-section (1), direct that a specified country that is, or a specified territory or province that is to be treated as, a developing country by virtue of the order shall not be treated as a developing country in relation to a class of goods specified in the direction.

(3) An order under sub-section (1) has effect, or shall be deemed to have had effect, from and including such date (which may be a date earlier than the date of publication of the order in the *Gazette*) as is specified in the order.

* Under the United Nations Security Council's resolutions on Southern Rhodesia trade with that country is prohibited.

(4) The Minister may, by order published in the *Gazette*, revoke an order under sub-section (1).

(5) An order under sub-section (4) has effect from and including such date (which shall not be a date earlier than the date of publication of the order in the *Gazette*) as is specified in the order.

Developing countries comprise:

Afghanistan	Honduras	Peru
Albania	India	Philippines
Algeria	Indonesia	Qatar
Arab Republic of Egypt	Iran	Romania
Argentina	Iraq	Rwanda
Bahamas	Israel	Saudi Arabia
Bahrain	Ivory Coast	Senegal
Bangladesh	Jamaica	Sierra Leone
Barbados	Jordan	Singapore, Republic of
Bhutan	Kenya	Somali Democratic Republic
Bolivia	Khmer Republic	Sri Lanka
Botswana	Korea, Democratic People's	Sudan
Brazil	Republic of	Swaziland
Bulgaria	Korea, Republic of	Syrian Arab Republic
Burma	Kuwait	Tanzania, United Republic of
Burundi	Laos	Thailand
Cameroon	Lebanon	Togo
Central African Republic	Lesotho	Tonga
Chad	Liberia	Trinidad and Tobago
Chile	Libyan Arab Republic	Tunisia
Colombia	Malagasy Republic	Turkey
Congo	Malawi	Uganda
Costa Rica	Malaysia	Union of Arab Emirates (Ras
Cuba	Maldives Islands	Al Khaimah, Abu Dhabi,
Cyprus	Mali	Dubai, Sharjah, Ajman,
Dahomey	Malta	Umm Al Qaiwain Fujairah)
Dominican Republic	Mauritania	Upper Volta
Ecuador	Mauritius	Uruguay
Equatorial Guinea, Republic of	Mexico	Venezuela
El Salvador	Mongolia	Vietnam, Democratic Republic
Ethiopia	Morocco	of
Fiji	Nepal	Vietnam, Republic of
Gabon	Nicaragua	Western Samoa
Gambia	Niger	Yemen Arab Republic
Ghana	Nigeria, Federal Republic of	Yemen, People's Democratic
Guatemala	Oman	Republic of
Guinea	Pakistan	Yugoslavia
Guyana	Panama	Zaire, Republic of
Haiti	Paraguay	Zambia

The Minister for Customs and Excise has directed that the territories or provinces specified in the Schedule hereunder are to be treated as Developing countries for the purposes of the Customs Tariff.

Bermuda	Gibraltar	Pitcairn Island
British Honduras	Gilbert and Ellice Islands	St. Helena
British Solomon Islands	Colony	Seychelles
Protectorate	Hong Kong†	Surinam
British Virgin Islands	Leeward Islands	Taiwan
Brunei	Mauritius, Dependencies of	Tokelau Islands
Cayman Islands	Netherlands Antilles	Turks and Caicos Islands
Cook Islands	New Hebrides Condominium	Windward Islands
Falkland Islands and	Niue Island	
Dependencies	Papua New Guinea	

† The Minister for Customs and Excise has directed that Hong Kong shall not be treated as a Developing country in relation to any class of goods to which a tariff classification specified hereunder applies:

42.03.9	67.04.2	70.12	85.09.4	94.01.9	97.02
61.05	67.04.3	85.09.1	94.01.2	94.03.2	97.03.9
67.04.1	67.04.9	85.09.3	94.01.4	94.03.9	98.15

General rates: General rates apply to goods from all countries which do not qualify for preferential rates of duty under a particular tariff classification.

By-law provisions. Customs By-laws and Ministerial Determinations are legal instruments made by the Minister for Customs and Excise or his delegates under the authority of Sections 271 to 273D of the Customs Act by which goods may be admitted free of duty or at rates of duty lower than those normally applicable. By-laws and determinations may only be made under a tariff provision containing the words 'as prescribed by by-law.' Such a provision sets out the by-law duty rates which will apply to goods only when such goods are included in a by-law or determination made under that provision. A prerequisite for by-law admission is that generally, suitably equivalent goods be not reasonably available from Australian production. A by-law covers goods by general description with no limit on quantity and may be used by any importer of the goods. A determination which is a somewhat less formal instrument can also be used for the same purpose but more commonly is used to specify a specific quantity of particular goods and is restricted to use only by the importer or importers named therein.

Primage duties. In addition to the ordinary duties of customs imposed by the Customs Tariff, *ad valorem* primage duties at rates of three and three-quarters per cent, seven and a half per cent and 10 per cent are charged on some goods according to the types of goods and origin thereof. Other goods are exempt from primage duty. Goods the produce or manufacture of New Zealand, Norfolk Island, Fiji, Cocos (Keeling) Islands, Christmas Island and Papua New Guinea are exempt from primage duty.

Anti-dumping duties. The Customs Tariff (*Dumping and Subsidies*) Act 1961–1965 provides protection for Australian industry against various forms of unfair trading. Under this Act dumping duty may be imposed on goods that are sold to Australian importers at a price which is less than the normal value of the goods, where this causes or threatens not insubstantial injury to an Australian industry. 'Normal value' under the Act means:

- (a) fair market value in the country of export;
- (b) price in the country of export to a third country;
- (c) fair market value in a third country; or
- (d) cost of production, plus f.o.b. charges, plus selling costs and profit.

The amount of dumping duty is the difference between the normal value and f.o.b. export price.

Countervailing duty may be levied on goods in respect of which any subsidy, bounty, reduction or remission of freight, or other financial assistance has been, or is being, paid or granted directly or indirectly upon the production, manufacture, carriage or export of those goods. The amount of the countervailing duty in respect of any goods is a sum equal to the amount of the subsidy, bounty, reduction or remission of freight or other financial assistance.

Import controls—Customs (Import Licensing) Regulations

A comprehensive system of import licensing was introduced in Australia at the beginning of the Second World War under the authority of the Customs (Import Licensing) Regulations. Following the gradual relaxation of the restrictions from the end of the War, import licensing was reimposed on 8 March 1952 and continued in force until 18 October 1962. From that date restrictions were removed from all commodities with the exception of some goods retained under control or subsequently brought under control for reasons associated with the protection of Australian industry. The goods subject to import licensing control as at 1 May 1974 are broadly described as used, second-hand or disposal earthmoving and construction equipment and used second-hand four-wheel drive vehicles.

Export controls and incentives

Export restrictions. Section 112 of the Customs Act provides that the Governor-General may, by regulation, prohibit the exportation of goods from Australia and that this power may be exercised by: (a) prohibiting the exportation of goods absolutely; (b) prohibiting the exportation of goods to a specified place; and (c) prohibiting the exportation of goods unless prescribed conditions or restrictions are complied with. Goods subject to this export control are listed in the Customs (Prohibited Exports) Regulations.

Exchange control—Banking Act 1959–1967. As an integral part of the framework of exchange control, a control over goods exported from Australia is maintained under the provisions of Part III of the Banking (Foreign Exchange) Regulations, to ensure that the full proceeds of such goods are received into the Australian banking system and that these proceeds are received in the currency and in the manner prescribed by the Reserve Bank of Australia. This action is complementary to that taken under other parts of the Banking (Foreign Exchange) Regulations and under Part IV of the Banking Act to control the movement out of Australia of capital in the form of securities, currency and gold.

Export licences are issued subject to terms and conditions specified in the Banking (Foreign Exchange) Regulations, and may be subject to such further terms and conditions as are determined, or may be free from terms and conditions. On the receipt in Australia by the Reserve Bank, or by a bank acting as agent for that Bank, of advice that the foreign currency has been paid to the Reserve Bank or to an agent of the Bank in payment for goods exported in accordance with a licence granted under the regulations, the Bank, or an agent of the Bank, pays the licensee, or such other person as is entitled to receive it, an amount in Australian currency equivalent to the foreign currency received. In addition to commercial transactions involving exports, movements of personal effects are also controlled. Persons leaving Australia for overseas are required to obtain licences to cover their bona fide baggage, personal effects and household effects in any individual case where the gold content thereof exceeds \$1,000, or where jewellery and other articles of high intrinsic worth either exceed \$10,000 in value or those goods have not been the personal property of the passenger for at least twelve months.

Export incentives. The Australian Government provides financial concessions as incentives to export. A special market development allowance for export market development expenditure is designed to encourage firms to incur promotion expenditure in advance of export sales and to assist exporters and potential exporters to expand sales in existing markets and to enter new overseas markets. The allowance is in the form of a special income tax deduction additional to the ordinary taxation deduction allowable in respect of specified expenses. Export incentive grants based on pay-roll tax are made to employers whose export sales of goods or property rights have increased above their average annual level in a base period. The grant is available in the first place to firms who are producers for export; but a producer for export may pass on grants to another firm who has supplied components embodied in the final product or to an export merchant.

The Australian Government announced in December 1973 that the above incentives which expire on 30 June 1974 would be replaced by a new Market Development Grants Scheme after that date. This scheme is intended to provide taxable grants payable on eligible export promotion expenditure generally as defined under the existing market development allowance, and is designed to encourage firms to seek out and develop overseas markets and to participate in Australian Government sponsored trade promotions. These grants will be available at two rates and there will be a ceiling on payments to any one firm or group of firms.

Trade descriptions

The Commerce (Trade Descriptions) Act 1905-1966, administered by the Department of Customs and Excise, gives power to require the application of a proper trade description to certain prescribed goods imported into or exported from Australia. Goods which must bear a prescribed trade description upon importation into Australia are specified in the Commerce (Imports) Regulations. As regards exports from Australia, marking requirements are prescribed in regulations issued under the Act and relating to specified export commodities.

Government authorities

Industries Assistance Commission

The Industries Assistance Commission is a statutory authority whose general purpose is to advise the Australian Government on the assistance which should be given to domestic industries. This advice is given in public reports which are based on public inquiries into the industries concerned. The Commission formally came into existence on 1 January 1974, as a result of the passing of the *Industries Assistance Commission Act 1973*. The Commission replaces the Tariff Board—a statutory authority which since 1921 had advised the Government on the assistance which should be given to industries in the secondary sector of the economy, by means of tariffs or bounties.

The Commission's field of inquiry is potentially much wider than that of its predecessor, the Tariff Board. The Industries Assistance Commission Act defines an industry as '... any business or activity concerned with or related to the production or supply of goods or the supply of services ...'; and it defines assistance as '... the imposition of duties or the doing of any other act that would in anyway, directly or indirectly, assist a person to carry on a business or activity or confer a pecuniary benefit on, or result in a pecuniary benefit accruing to, a person in respect of the carrying on of a business or activity'. Industries in the primary, secondary or tertiary sectors can be referred to the Commission by the Government, and numerous different forms of assistance can be examined by the Commission. In addition, matters not directly involving assistance, such as the reduction of import duties for the purpose of international trade agreements, can be referred to the Commission. The Act requires the Industries Assistance Commission to report annually to the Government on the operation of the Commission and on the general structure of industry assistance in Australia and its effect on the economy.

There are certain matters which the Minister is required to refer to the Commission for inquiry and report, before action is taken by the Government. These are, basically, proposed variations in the long-term assistance afforded industries in the primary or secondary sectors of the economy. 'Long-term assistance' in this context means assistance which is provided by means of tariffs or other restrictions on imports; or financial assistance which extends over a period of two years or more. The Commission itself has the power to initiate inquiries into those industries whose assistance has not been reviewed for at least ten years, in the case of industries assisted by means of duties on imports, or at least six years in the case of industries assisted by other means.

The Act states that the Commission shall consist of from five to nine Commissioners, appointed by the Governor-General for renewable terms of up to five years. It provides also for the appointment of Associate Commissioners, either for the purpose of particular inquiries or, like the Commissioners, for renewable terms of up to five years. The Commissioners are supported by an office which is staffed by members of the Australian Public Service.

The Commission is required to hold public hearings during the course of its inquiries into individual industries. These hearings are advertised widely throughout Australia and can be attended by anyone interested in the outcome of the inquiries.

Temporary Assistance Authority

The *Industries Assistance Commission Act 1973* provided for the creation of a Temporary Assistance Authority comprising not more than three persons. This authority replaces the previous Special Advisory Authority. The function of the Temporary Assistance Authority is to inquire into and report on the need for urgent action to protect particular industries against import competition. This action can take the form of temporary duties or restrictions on imports. The Temporary Assistance Authority is required to report to the Minister within thirty days of being asked to undertake an inquiry. However, before taking action on the Authority's report the Minister is required first to refer the question of any permanent change in protection against imports to the Industries Assistance Commission for inquiry and report. Temporary protection recommended by the Authority may operate for a period of up to three months after the date of receipt of the final report by the Industries Assistance Commission on the goods concerned.

Trade Agreements

Multilateral—General Agreement on Tariffs and Trade

The General Agreement on Tariffs and Trade (GATT), which came into force on 1 January 1948, is a multilateral trade treaty designed to facilitate trading relations between participating countries by reducing tariff and other barriers to the free interchange of goods. The Agreement provides a framework within which negotiations can be held to reduce barriers to trade, and a structure for embodying the results of such negotiations in a legal instrument. Features of the Agreement are the schedules of tariff concessions participating countries have negotiated with each other, the application of most-favoured-nation tariff treatment among the participants, the avoidance of other trade discrimination, and a code of agreed commercial policy rules for international trading. Each participating country retains the right; (a) to impose new or increased duties for protective purposes, except in respect of particular products where rates of duty have been bound against increase in negotiations under the Agreement; (b) by negotiation to modify or withdraw concessions formerly agreed; (c) to impose import restrictions to protect the balance of payments; (d) to take emergency action where any industry is endangered by reason of any obligation incurred under the Agreement.

There have been six main tariff negotiations under the provisions of the Agreement, and a number of smaller scale negotiations preceding the accession of individual countries. As a result the tariff rates for a great many items entering into world commerce have been reduced and/or bound against increase. Australia has obtained tariff concessions from individual countries on a number of its principal or potential exports to them, as a result both of direct negotiation by Australia and of negotiation by other countries. In the latter case the benefits occurred through the operation under the Agreement of the most-favoured-nation principle. The sixth series of trade negotiations, the Kennedy Round, was based on a plan for linear tariff cuts by industrial countries on all industrial products, with a minimum of exceptions, and on the reduction of non-tariff barriers to trade and the creation of acceptable conditions of access to world markets for agricultural products. It concluded in June 1967 after three years of negotiations. Concessions were negotiated on trade valued at over \$36,000 million. The average reductions in tariffs on industrial goods was roughly one-third, while in agriculture the most important item was the agreement reached on the basis for a new world grains arrangement. (See the chapter Rural Industry.) Overall results were substantial, but were

unevenly spread in that efforts to reduce trade barriers were very much more successful for manufactures than for primary products. In the post-Kennedy Round period, therefore, Australia placed particular emphasis on the work of the Committee on Agriculture, created in November 1967, to examine the problems in the agricultural sector.

An Anti-Dumping Code, negotiated during the Kennedy Round, came into force on 1 July 1968. The Code interprets the provisions of Article VI of the GATT and lays down rules on the determination, investigation and counter-action of injury caused by the dumping of goods on world markets. The rules aim to ensure the greatest possible uniformity of practice by signatory governments. Code signatories enact national legislation to give effect to the international agreement and this legislation embraces the provisions and wording of the Code, though to varying extents depending on the particular country. Australia did not initially accede to the Code but in 1973 the government announced its intention to do so.

A new round of multilateral trade negotiations (the seventh) was inaugurated at Tokyo in September 1973 and is scheduled to be completed in 1975. By January 1974 over eighty countries, both GATT and non-GATT members, had indicated that they would participate in the negotiations. In a Declaration adopted at the Tokyo conference it was agreed that the principal areas of negotiation should be the reduction of tariff and non-tariff barriers (e.g. import restrictions, export restraints, minimum price regulations and subsidies) to trade in agricultural and industrial products; and safeguard measures against disruption of domestic industries by imports. The problems of developing countries were to be given special treatment. Australia has actively participated in all stages of the negotiations.

Up to the end of 1973 the contracting parties had held twenty-nine sessions, nearly all in Geneva, to deal with matters arising from the administration of the Agreement. As a general rule the contracting parties meet once a year, although in a few instances they have met twice. In 1960 a Council of Representatives was established to undertake work, both of an urgent and of a routine character, between the regular sessions of the contracting parties. Some of the provisions of the Agreement were revised in 1954 and 1955. The revised Agreement contains tighter provisions on non-tariff barriers to trade, and allows more freedom for countries to revise individual tariff items which had been bound against an increase in tariff negotiations under the Agreement.

Since GATT has not been accepted definitely, the Agreement is at present being applied provisionally pursuant to a Protocol of Provisional Application. On 1 January 1974, eighty-three countries whose foreign trade represents well over eighty per cent of the total volume of world trade, were full contracting parties to the Agreement, two had acceded provisionally, and fourteen applied the Agreement on a *de facto* basis.

Increasing attention has been focused in GATT on specific trade and development problems of developing countries, and in February 1965 a new Part IV of GATT, aimed at helping developing countries solve these problems, was introduced on a *de facto* basis. It entered legally into force in June 1966. The new Part IV embodies commitments to individual and joint action by contracting parties, aimed at ensuring that the developing countries can increasingly find the means to raise standards of living and promote rapid economic development through participating in international trade and achieving sustained growth of their export earnings.

Arising from the commitments entered into under Article IV of GATT and proposals emanating from the United Nations Conference on Trade and Development (UNCTAD), Australia introduced a system of tariff preferences for developing countries in 1966. The aim of the scheme was to help developing countries to export products to Australia in cases where their industries were not fully competitive. Australia's initiative in this field required a waiver of the GATT "no new preference" rule. Twenty-one other developed countries have since introduced some form of "Generalised System of Preferences" (GSP) for developing countries. A GATT waiver was provided to enable these systems to be introduced. On 1 January 1974 Australia modified and expanded its system of preferences so that it came under the GATT waiver for the GSP. The system now includes all manufactured, semi-manufactured and processed primary products except for products subject to revenue duties and those where developing countries are already competitive. An initial margin of preference, 10 percentage points below the general tariff rate, is provided. It is proposed to further reduce the rate of duty on imports from developing countries at two-yearly intervals until imports are competitive. Some forty products receive preference only in respect of pre-determined quantities or values, i.e. quotas. The system is non-reciprocal (in that Australia seeks nothing in return) and is subject to international supervision through the GATT. It also contains safeguards for Australian industry whereby preferences on individual products can be modified or withdrawn if serious injury is occurring or threatened.

A four-year Arrangement Regarding International Trade in Textiles was negotiated under the auspices of GATT toward the end of 1973 and came into force on 1 January 1974. The Arrangement succeeds the Long Term Arrangement Regarding International Trade in Cotton Textiles which operated from 1962 to 1973. World trade in textiles has for many years been characterised by numerous discriminatory restrictive import measures designed to avoid market disruption from low-cost imports. The Textiles Arrangement aims to avoid situations of market disruption and to lead to the gradual liberalisation of trade in textiles. A surveillance body has been established under the Arrangement to review import restraints and to make recommendations where it considers the restraints to be inconsistent with the Arrangement. Australia has provisionally acceded to the Arrangement and has notified its intention to fully accede.

Bilateral agreements

Britain. The original United Kingdom/Australia Trade Agreement (Ottawa Agreement) came into effect on 20 August 1932. The provisions and history of the Agreement were published in Year Book No. 43, page 329. The latest Agreement, the United Kingdom/Australia Trade Agreement (U.K.A.T.A.) arose from the re-negotiation of the Ottawa Agreement to correct an imbalance in trade which had developed in Britain's favour. It came into effect on 9 November 1956 and superseded the Ottawa Agreement. (See also Year Book No. 51, page 495.)

Briefly, U.K.A.T.A. provided for duty-free access for most products and preferences on a range of Australian products imported into Britain, in return for commitments with regard to the setting of tariff levels and preferential tariff treatment for British goods imported into Australia.

Following British entry into the European Economic Community U.K.A.T.A. was terminated on 31 January 1973.

Canada. The 1960 Canada/Australia Trade Agreement provides not only for each side to give the other preferences on specific goods but also for the exchange of preferences in each country's tariff derived from the preferential agreements that each had with Britain. The termination of these agreements with Britain created a need for Canada and Australia to review their own preferential trading arrangements. Each country was at the same time experiencing a growing need for greater flexibility in tariff making. An Exchange of Letters governing the future operation of the 1960 Agreement was completed between Canada and Australia on 25 October 1973. The Exchange provides for a continuation of the tariff preferences exchanged under the 1960 Agreement, but on a more flexible basis, and also modifies certain other provisions of the 1960 Agreement, particularly those relating to indirect shipment of goods and to anti-dumping procedures. In general, understandings included in the Exchange remain in force for an initial period of one year and may thereafter be terminated upon 30 days notice. The Agreement itself continues subject to six months' notice.

New Zealand. The New Zealand/Australia Free Trade Agreement came into force on 1 January 1966. The Agreement provides for free trade in certain scheduled goods. Provision is made for the progressive addition of items to the schedule. The provisions of the 1933 Trade Agreement between Australia and New Zealand continue in force as part of the Free Trade Agreement, except as superseded or modified by it.

Under the 1933 Agreement each country accorded British Preferential tariff treatment to the other's goods with certain exceptions.

Following the termination in January 1973 of the Trade Agreements which they had with Britain, Australia and New Zealand entered into an arrangement on 7 May 1973 to guarantee tariff preference in each other's market. This agreement continues in force until 30 September 1974 unless extended or replaced before that date.

The Agreement provides for Australia to maintain a minimum margin of 15 per cent for New Zealand goods and/or New Zealand to maintain a minimum margin of 10 per cent for Australian goods in cases where the tariff is protective. In the case of a non-protective item a minimum margin of 5 per cent is to be maintained. The Agreement also provides that neither country will raise tariffs against the other beyond the levels of 31 January 1973 unless there are protective reasons or revenue considerations.

Papua New Guinea. A Memorandum of Understanding Relating to Interim Trade and Commercial Arrangements between Australia and Papua New Guinea was signed on 20 December 1973. The Memorandum of Understanding provides that Papua New Guinea will continue to receive preferential treatment in the Australian tariff and that Australia will receive most-favoured-nation treatment in Papua New Guinea. It also provides for the encouragement and protection of Australian investment in Papua New Guinea and for Australia to provide assistance to Papua New Guinea in trade promotion and training in the trade policy and promotion area. The Memorandum of Understanding will operate up to the date of independence of Papua New Guinea.

Malaysia. A trade agreement with the then Federation of Malaya came into force in August 1958. Under the Agreement Malaya undertook to accord to Australia preferences on certain specified goods, to extend to Australia any other preferences in the Malaysian tariff and to protect Australian wheat and flour against dumped or subsidised competition. Australia undertook to accord preferences to Malaya on certain specified goods and to protect Malaysian tin and rubber against dumped or subsidised competition, guaranteed free entry for natural rubber so long as the Papua New Guinea crop was absorbed, and assured the Federation that natural rubber would not be at a disadvantage compared with synthetic rubber in respect of tariff or import licensing treatment. The Agreement continues to apply between Australia and that portion of Malaysia known previously as the Federation of Malaya.

Japan. An Agreement on Commerce between Australia and Japan was signed on 6 July 1957, and formally ratified on 4 December 1957. It was provided that the Agreement would remain in force until 5 July 1960, and thereafter unless prior notice of termination should be given by either Government. The agreement provides that each country shall extend most-favoured-nation treatment to the other in respect of customs duties and similar charges, and import and export licensing. Japan is not entitled to claim the benefit of preferences accorded by Australia to Commonwealth countries and dependent territories. Japan also gave certain specific commitments on some important Australian export commodities.

Following a review of the agreement, a Protocol of Amendment was signed on 5 August 1963 and formally ratified on 27 May 1964. Under the Protocol Australia agreed to withdraw action against Japan under Article XXXV of the General Agreement on Tariffs and Trade and thus a full GATT relationship was established between the two countries.

The specific undertakings agreed in 1957 lapsed and the following commitments were entered into.

Japan has:

- (a) undertaken not to accord less favourable import treatment (apart from tariff) for raw wool than for raw cotton,
- (b) stated that it has no present intention of imposing a duty on wool,
- (c) undertaken to continue imports of Australian soft wheat at a stabilised level, and to purchase Australian hard wheat* when necessary requirements are met,
- (d) stated that it will endeavour to expand opportunities for imports into Japan of Australian sugar, canned meat, leather, motor vehicles, butter, and cheese.

Australia has:

- (a) undertaken to consult Japan on temporary protection cases affecting Japanese products (in such consultations Japan will consider whether the need for temporary protection can be obviated by measures taken in Japan),
- (b) stated that equal opportunities of fair and equal competition are accorded to Japanese products in Australian Government purchases overseas.

The new agreement became effective for three years from the date of ratification (27 May 1964) and thereafter subject to three months notice of termination by either Government.

Indonesia. A trade agreement between Indonesia and Australia came into force on 1 July 1959. This agreement was re-negotiated in 1972. The new agreement, signed on 14 November 1972, is a most-favoured-nation agreement which establishes the GATT principles as the basis governing the conduct of bilateral trade. The agreement expresses support for international commodity agreements, encouragement of Australian investment in Indonesia and activities by Australian consultants and contractors. Other provisions refer to Australian support for trade initiatives in the Association of South East Asian Nations (ASEAN) and to consultation on shipping matters.

People's Republic of China. The Australia-China Trade Agreement was signed in Canberra on 24 July 1973. The agreement provides for reciprocal most-favoured-nation treatment, while recognising existing preferences. It expresses support for the conclusion of bilateral commercial long-term commodity contracts, encourages trade promotional activities in both countries and established a Joint Trade Committee to examine the implementation of the agreement and to explore measures aimed at the expansion of mutually beneficial trade.

Philippines. The trade agreement with the Philippines was signed in Manila on 16 June 1965. The agreement provides for an exchange of non-discriminatory most-favoured-nation treatment while recognising existing preferences. The agreement had an initial life of one year and will continue until one Government gives ninety days notice of its intention to terminate it.

* 'Soft' wheat is fair average quality wheat; 'hard' wheat is premium grade wheat similar to that grown in North America.

Republic of Korea. On 21 September 1965 a trade agreement was signed in Seoul between Australia and the Republic of Korea. Basically the agreement provides for the exchange of non-discriminatory most-favoured-nation treatment while recognising existing preferences. The agreement had an initial life of one year but contained provision for automatic extension. Both Governments undertook to use their best endeavours to increase the volume of trade between the two countries.

U.S.S.R. Australia signed a trade agreement with the U.S.S.R. on 15 October 1965 and an additional agreement on the Development of Trade and Economic Relations on 16 March 1973. The 1965 Agreement provides for the exchange of most-favoured-nation treatment. The 1973 Agreement indicates commodities of export interest to each country respectively, and established a mixed commission of flexible composition to discuss trade problems and explore means for the expansion of trade and economic co-operation.

German Democratic Republic. The trade agreement with the German Democratic Republic was signed on 28 February 1974. It provides for the exchange of most-favoured-nation treatment, the encouragement and facilitation of trade and of economic, industrial and technical co-operation. It includes indicative lists of goods each country is interested in exporting to the other. The agreement also established a mixed commission to review the state of trade and discuss measures for its expansion.

Czechoslovakia. An agreement on trade relations was signed with Czechoslovakia on 16 May 1972. This confirmed the exchange of most-favoured-nation treatment as contracting parties to the GATT and established a Joint Trade Committee to discuss trade problems and examine prospects for the growth of trade between the two countries.

Poland, Bulgaria, Romania, Hungary and Yugoslavia. Australia has signed trade agreements with Poland (20 June 1966), Bulgaria (22 June 1966), Romania (18 May 1967), Hungary (5 December 1967) and Yugoslavia (21 July 1970). These agreements provide for the exchange of most-favoured-nation treatment; for payments to be in convertible currency, and for consultations on trade matters to be held at the request of either Government.

Trade services

Trade Commissioner Service

The stimulation of interest abroad in Australia's exports is an important government activity in which the Australian Trade Commissioner Service plays a prominent part. A brief account of the establishment and growth of the Trade Commissioner Service before the 1939-45 War is available in Year Book No. 51, page 496. Since the War the service has increased steadily. By early 1974 there was an establishment of 169 Trade Commissioners and Assistant Trade Commissioners in Australia and in 55 posts in 41 countries.

Trade Commissioners are responsible for commercial intelligence in their territories. Particular facilities provided for Australian exporters and export organisations include: surveys of market prospects; advice on selling and advertising methods; arranging introductions with buyers and agents; providing reports on the standing of overseas firms; advice and assistance to business visitors; helping to organise and carry through trade missions, trade displays, newspaper supplements, and other promotion and publicity media; providing information on import duties, import licensing, economic conditions, quarantine and sanitary requirements, and other factors affecting the entry and sale of goods; helping to attract desirable investment.

In some countries Trade Commissioners also participate in inter-governmental negotiations in the economic and commercial fields. In certain countries where there is no diplomatic or consular mission Trade Commissioners are called upon to act as the Australian representative.

Trade Commissioners, Assistant Trade Commissioners and Trainee Trade Commissioners are drawn from both private enterprise and the public service. Applications for entry are invited periodically by public advertisement. Recruitment is generally at the Trainee Trade Commissioner and Assistant Trade Commissioner level and officers are promoted to higher grades or to Trade Commissioner as experience and performance warrant. In the majority of posts the Trade Commissioner is supported by an Assistant Trade Commissioner and, in some cases, also by another Trade Commissioner.

The Trade Commissioner Service is administered by the Department of Overseas Trade (as distinct from the diplomatic and consular services administered by the Department of Foreign Affairs), but in countries where there is an Australian diplomatic or consular mission it is the practice for Trade Commissioners to be attached to the mission and to hold an appropriate diplomatic or consular rank (Minister Commercial, Commercial Counsellor, Commercial Secretary or Commercial Attache).

The overseas trade representation is shown in the chapter International Relations.

Trade Missions

Since 1954 the Australian Government has sent trade missions abroad as part of its trade promotion program. The experience acquired has indicated the need for flexibility in techniques to suit particular products or markets. At present the following types of trade missions are in use.

Survey missions. These are organised to obtain precise knowledge about the export trade potential for specific products in one or more overseas markets. Such methods are used to explore export prospects in new or developing areas where commercial intelligence is not readily available or where a complex industry is involved and the industry requires special export knowledge.

Specialised and general trade missions. Arrangements are made for specific industries or groups of firms representing a number of industries to participate in a planned selling campaign in overseas markets with known sales potential. The mission visits the market, publicises its products and negotiates sales.

Up to the end of April 1974 Australia has sent overseas 92 trade and survey missions and 5 trade ships.

Trade displays, fairs, exhibitions and store promotions

For many years Australia has participated in numerous major trade fairs, exhibitions and displays in Africa, Asia, Europe, the Americas and the Pacific Area.

Initially the emphasis was on participation in general trade fairs directed at the public and the general commercial community. With the development of export promotion techniques and the greater diversity of goods available for export, greater emphasis is now being placed on individual Australian trade displays and participation in specialised trade shows directed almost entirely at the business community. In addition, display rooms in Trade Commissioner offices are currently in use in Singapore, Kuala Lumpur, Manila, Hong Kong and Jakarta.

Market assistance

The Australian Government established a Market Assistance Section in the Department of Overseas Trade in January 1974 to advise and assist developing countries and countries with centrally planned economies in the marketing of their products in Australia. The section, which is located in Canberra, is supported by two experienced Australian Trade Commissioners, one located in Sydney and the other in Melbourne, to maintain contact with the commercial sector and provide direct practical assistance.

Export of consulting services

Australian professional consultants have been increasingly successful in obtaining overseas commissions and are making a significant contribution to Australia's foreign exchange earnings.

The consultants are representative of a wide range of disciplines, including engineering, architecture, agriculture, mining, management, surveying, quantity surveying and urban and regional planning.

Most opportunities for Australian professional consultants arise through development projects financed by international aid and lending organisations such as the International Bank for Reconstruction and Development, the International Development Association, the Asian Development Bank and the United Nations Development Program.

However, Australian consultants are also receiving commissions under Australia's External Aid Programs and from the private sector, particularly in South-East Asia.

Construction contracts overseas

The Australian Overseas Construction Council, which was formed by the Master Builders' Federation of Australia and the Australian Federation of Construction Contractors, assists construction contractors to win contracts overseas. It has close liaison with the Department of Overseas Trade, which provides information on construction opportunities abroad.

Australian construction contractors have recently entered the South-East Asian market and are also operating more actively in the Pacific Area.

Some of the best opportunities have been found in the civil engineering field in the construction of highways, bridges and dry docks but there are also many contracts being let for the erection of multi-storey office buildings and tourist development projects.

Export Payments Insurance Corporation

The Export Payments Insurance Corporation was established by the Australian Government in 1956 with the objective of encouraging exports by providing insurance against risks of non-payment of overseas accounts. The Corporation is charged to be self-supporting, i.e. over a period its income should be adequate to cover the expenses of operation and any payments of claims which may be incurred.

The main risks of loss against which the Corporation insures are the 'commercial' risks of the insolvency or protracted default of the buyer and 'political' risks. The latter include exchange transfer difficulties; the imposition of government regulations which prevent the import of the goods into the buyer's country; war, revolution or civil disturbance in the buyer's country. For most 'political' risks insurance cover is available to a maximum of 90 per cent of the amount of loss in the pre-shipment period and a maximum of 95 per cent in the post-shipment period. The rate of cover for 'commercial' risks is fixed at 90 per cent.

The Corporation may submit to the Government, for consideration in the national interest, applications for payment insurance which are commercially unacceptable to the Corporation. In considering such applications the Government takes account of both political and economic factors.

Several important amendments have been made to the Export Payments Insurance Corporation Act, each of which widened the scope of the Corporation's activities. An amendment in November 1964 authorised E.P.I.C. to issue guarantees of payments to commercial lending institutions on money raised for the purpose of financing exports. A further amendment in November 1971 permitted the Corporation to extend its guarantee facility to credit made available by lending institutions direct to the overseas buyer. The facility known as 'buyer credit facility' was intended to cater for the export of capital goods and services on extended repayment terms. It is designed to supplement supplier credits and thus widen the range of facilities available to Australian exporters.

Re-insurance facilities were introduced by E.P.I.C. following the 1971 amendment. The Corporation is now able to enter into re-insurance arrangements with its overseas counterpart institutions or export contracts with a substantial foreign content.

In addition to providing the above facilities, the Corporation insures, on behalf of the Australian Government, eligible Australian investments in overseas countries against the main non-commercial risks associated with investing overseas, e.g. expropriation, exchange transfer difficulties, and war damage. For an investment to be eligible it must confer benefits on both Australia and the investment host country. At 31 December 1973, 107 policies had been written for 35 investments mainly in South-East Asia. The face value of these policies was \$50 million.

Since the first policy was issued in September 1957, Australian exporters have made increasing use of the facilities of E.P.I.C. At 31 December 1973, the Corporation had 1,090 policies current on its commercial account (i.e. not including Government business) with a face value of over \$696 million. The majority of transactions have been on a short or medium term basis using a supplier credit facility (i.e. insured credit being extended to the overseas buyer by the exporter with the financial support of private lending institutions). The Corporation has issued policies covering exports to over 150 countries and has insured a wide range of Australian exports.

A Consultative Council, composed of eight leading figures in the fields of banking, commerce and industry, and two Government members advises the Corporation on its activities. The council meets two or three times a year and is appointed for a term of three years.

Further information on the Corporation is contained in Year Book No. 49, page 544. For particulars of its operations see Chapter 17, Private Finance of this Year Book.

Collection and presentation of statistics

Basic documents and scope of overseas trade statistics

Overseas trade statistics are compiled by the Australian Bureau of Statistics from copies of export and import entries submitted by exporters and importers or their agents to the Department of Customs and Excise as required by the Customs Act. The statistics are not confined to goods which are the subject of a commercial transaction and all goods moving into or out of Australia are recorded, except for those exclusions listed below. Among the items included are exports and imports on government account including some items of defence equipment, and outside packages (that is, the outside package or outside covering of the goods). Outside packages are included as a separate item in the tabulation of imports but in exports the value recorded for each item includes the value of the outside package.

The following are excluded from overseas trade statistics:

- (a) Direct transit trade, i.e. goods transhipped in Australian ports in their movement from and to other countries.
- (b) Bunkers and stores supplied to vessels and aircraft. (However, a separate 'Ships' Stores' collection is made and details are shown on page 331.)
- (c) Those migrants' and passengers' effects for which a customs entry is not received.
- (d) Those parcel post exports and imports of small value for which customs entries are not received.
- (e) Certain materials for intergovernmental defence projects for which customs entries are not required.
- (f) The value of ores and concentrates exported and imported includes the value of gold and/or silver content. These unseparated metals are thus excluded from gold and silver exported and imported as such.
- (g) Vessels and aircraft engaged in the transport of passengers or goods between Australia and other countries.
- (h) Vessels and aircraft purchased for use on overseas routes and any subsequent sales made of such vessels and aircraft.
- (i) Fish and other sea products landed abroad directly from the high seas by Australian vessels.

Areas applying

The area to which all overseas trade statistics issued by this Bureau apply is the whole of the Commonwealth of Australia, comprising the six States, the Northern Territory and the Australian Capital Territory. Non-contiguous territories under Australian administration are treated as outside countries. Trade transactions between Australia and those non-contiguous territories are part of the overseas trade of Australia and are published separately in Australia's overseas trade statistics.

Period covered by the statistics

Exports and imports are recorded statistically in the month in which the entries are passed by the Department of Customs and Excise. Normally this is within a few days of loading or discharge of cargo. Delays sometimes occur in the lodging of export entries and import entries may be cleared early using the Customs' check-to-arrive system.

Containerised goods

Containerised goods forwarded interstate for export through a container terminal are statistically recorded as being exported from the port of location of the Customs House at which the entry was lodged and not necessarily from the port of loading in Australia. For example, containerised goods for which entries were lodged at the Customs House, Port Adelaide, but forwarded interstate to Port Melbourne for export would be recorded statistically as exports from Port Adelaide, hence from South Australia and not Victoria. The same method of recording applies to imports of containerised goods forwarded interstate following discharge from an overseas vessel.

Valuation

Commencing with the Bureau publications issued at the close of 1965 values in overseas trade statistics have been expressed in \$A. Prior to this values were expressed in £ (Aust.) except for imports into Australia which, up until 15 November 1947, were recorded in British currency values. Full explanatory notes on the methods of recording import values before and since 15 November 1947 were included in Year Book No. 37, page 396.

All values in overseas trade statistics are determined on a 'free on board (f.o.b.) port of shipment' basis. This means that all charges (in particular the cost of freight and insurance) incurred after the goods have been exported from the port of shipment are excluded. Only transport and service charges incurred, or usually incurred, prior to export are included in the determination of trade values.

The procedure adopted to value exports and imports is as follows:

Exports. The recorded value of goods exported includes the cost of outside packages and has been determined, since July 1937, as follows:

- (a) Goods sold to overseas buyers before export are valued at the Australian f.o.b. port of shipment equivalent of the actual price at which the goods were sold.
- (b) Goods shipped on consignment are valued at the Australian f.o.b. port of shipment equivalent of the price paid for similar goods of Australian origin in the principal markets of the country to which they are despatched for sale.

An account of the bases of valuation in operation prior to July 1937 is given on page 396 of Year Book No. 37.

Imports. The recorded value of goods imported is the amount on which duty is payable or would be payable if the duty were *ad valorem*. Value for duty of any goods shall be the sum of (a) and (b) below, i.e.:

(a) the higher of—

- (i) the actual money price paid or to be paid for the goods by the Australian importer plus any special deduction ('special deduction' is defined as any discount or other deduction allowed to the Australian importer which would not ordinarily have been allowed to any and every purchaser at the date of exportation of an equal quantity of identically similar goods); or
- (ii) the current domestic value of the goods ('current domestic value' is defined as the amount for which the seller of the goods to the purchaser in Australia is selling or would be prepared to sell for cash, at the date of exportation of those goods, the same quantity of identically similar goods to any and every purchaser in the country of export for consumption in that country);

and

- (b) all charges payable or ordinarily payable for placing the goods free on board at the port of export.

In the case of goods consigned for sale in Australia the 'value for duty' shall be the amount which would be the value for duty if the goods were, at the date of exportation, sold to an Australian importer instead of being consigned for sale in Australia.

Leasing arrangements. The recorded value of goods exported, or imported under leasing arrangements is defined as the free on board value, i.e. not the value of the lease receipts or payment. However, for balance of payments purposes, large items of equipment under lease are normally excluded from export and import figures and, therefore, from the balance of trade since no change of ownership has occurred.

Quantity data

Where quantities are shown they are generally expressed in terms of the normal unit of quantity appropriate to the industry.

Statistical concepts of trade

Trade systems. There are two generally accepted systems of recording overseas trade statistics defined by the Statistical Office of the United Nations, that is 'special trade' and 'general trade'. The definitions for these are shown in Year Book No. 57 and earlier issues. This terminology is not usually employed in connection with Australian overseas trade statistics and the terms defined below are in customary use.

Exports of Australian origin are goods, materials or articles which have been produced, manufactured or partly manufactured in Australia, except goods which were originally imported and have undergone only repair or minor operations which leave them essentially unchanged.

Re-exports are goods, materials or articles originally imported which are exported either in the same condition in which they were imported or after undergoing repair or minor operations which leave them essentially unchanged. 'Minor operations' include blending, packaging, bottling, cleaning, sorting, husking and shelling.

Total exports are the aggregate of exports of Australian origin and re-exports.

Import clearances are imported goods cleared through Customs direct for domestic consumption plus goods cleared from bonded warehouses for domestic consumption (these are comparable to 'special trade').

Imports are the combined total of goods imported direct for domestic consumption and imports into bonded warehouses (these are comparable to 'general trade').

Merchandise and non-merchandise trade. Total trade is divided into merchandise and non-merchandise trade in accordance with international standards recommended by the United Nations. Merchandise trade is the equivalent of total exports or imports less certain items specified as non-merchandise. A complete description of the commodities included is contained in the *Australian Export and Import Commodity Classifications* (8.3, 8.6) published by the Australian Bureau of Statistics.

Balance of trade and balance of payments

The balance of trade is derived by comparing statistics of exports on a balance of payments basis with statistics of imports on that basis. Therefore the excess of the value of exports or imports as shown on the basis of total trade in the table on page 318 does not on these bases represent the balance of trade. Statistics of the balance of trade for balance of payments purposes are derived by making certain adjustments, relating both to scope and valuation, to statistics of merchandise exports and imports. Information on these statistics will be found in the section relating to the balance of payments, page 341.

Country of consignment or origin

'Country of consignment' referred to in export tables means the country to which goods were consigned at the time of export. Where the country of consignment is not determined at the time of export the goods are recorded as exported 'For orders'. 'Country of origin' referred to in import tables means the country of production as determined for tariff purposes. Classification of imports according to country of shipment was discontinued after the year 1920-21. A brief account of the dual system of import classification by country operating prior to the year 1921-22 is given on page 500 of Year Book No. 51.

Commodity classifications

Exports and imports are classified according to the Australian Export and Import Commodity Classifications. These classifications are based on the Standard International Trade Classification, Revised (S.I.T.C.), which is closely related to the Brussels Tariff Nomenclature used in the Australian Customs Tariff.

Pre-federation records

In the years preceding federation each State recorded its trade independently and in so doing did not distinguish other Australian States from external countries. The aggregation of the records of the several States is necessarily the only available means of ascertaining the trade of Australia for comparison with later years, but the results obtained are subject to error, since past records of values and the direction of exports and imports were not on uniform lines. Exports and imports for years prior to federation may be found in early issues of the Year Book, particularly Year Book No. 2. On the introduction of the *Customs Act* 1901 the methods of recording values were made uniform throughout the States.

OVERSEAS TRADE: AUSTRALIA

1955-56 TO 1972-73

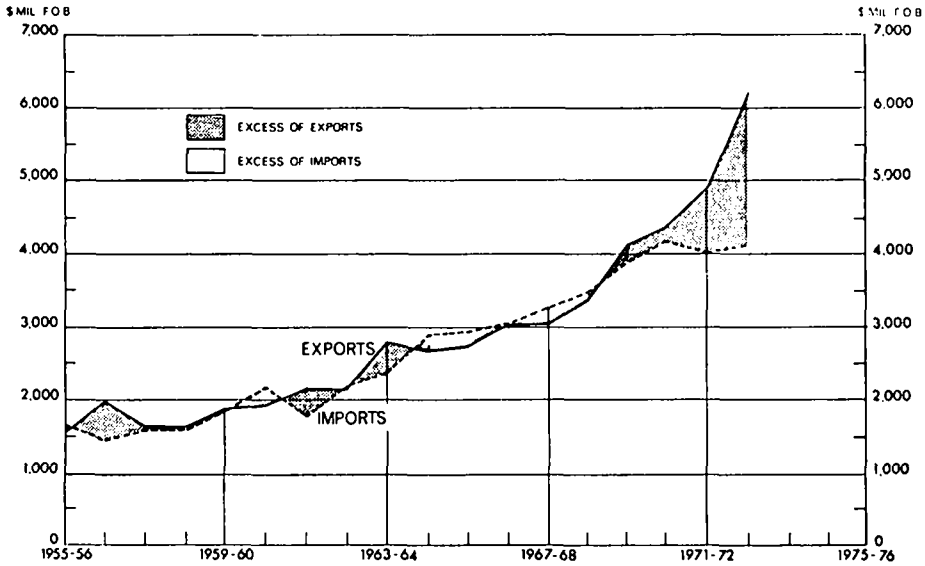


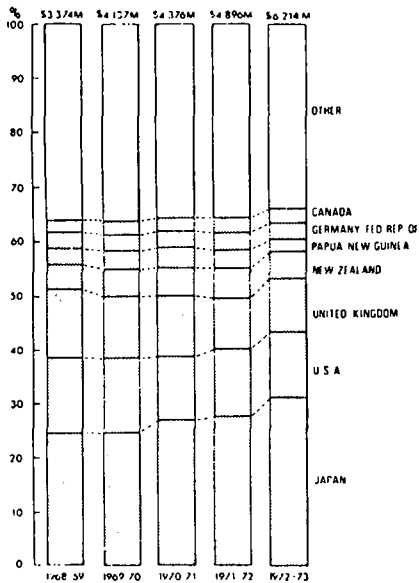
PLATE 32

VALUE OF EXPORTS AND IMPORTS: AUSTRALIA

PROPORTIONS BY COUNTRY

1968-69 TO 1972-73

EXPORTS



IMPORTS

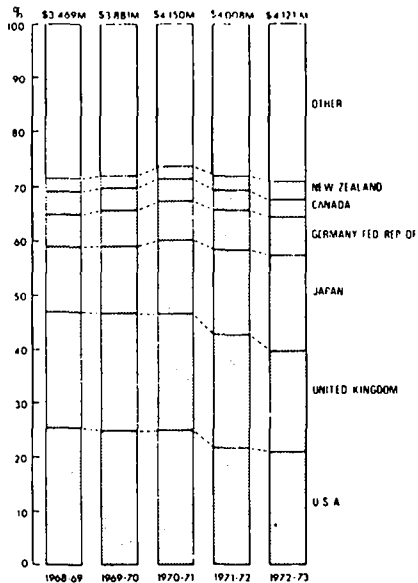


PLATE 33

Total overseas trade

The following table shows the total trade of Australia with overseas countries from 1901 to 1972-73. The period 1901 to 1970-71 has been divided into five-year periods, and the figures shown represent the annual averages for the periods specified. Figures for the individual years were published in earlier issues, but figures for imports in issues prior to No. 37 were expressed in British currency.

OVERSEAS TRADE: AUSTRALIA

(f.o.b.)

Period	Exports	Imports	Excess of exports (+) or imports (-)	Value per head of population	
				Exports	Imports
Annual average—	\$m	\$m	\$m	\$	\$
1901 to 1905	102	71	+ 31	26.2	18.2
1906 to 1910	(a)139	94	+ 45	32.6	22.0
1911 to 1915-16	149	133	+ 16	30.8	27.6
1916-17 to 1920-21	230	183	+ 47	43.8	34.8
1921-22 to 1925-26	269	249	+ 20	45.8	42.2
1926-27 to 1930-31	263	239	+ 24	41.0	37.2
1931-32 to 1935-36	242	148	+ 94	36.2	22.2
1936-37 to 1940-41	315	247	+ 68	45.4	35.6
1941-42 to 1945-46	328	423	- 95	44.8	58.2
1946-47 to 1950-51	1,143	899	+ 244	145.4	114.3
1951-52 to 1955-56	1,572	1,566	+ 6	176.4	175.6
1956-57 to 1960-61	1,811	1,729	+ 82	182.0	173.7
1961-62 to 1965-66	2,492	2,430	+ 62	224.8	218.6
1966-67 to 1970-71	3,591	3,562	+ 29	293.4	291.4
Year—					
1968-69	3,374	3,469	- 94	277.2	285.0
1969-70	4,137	3,881	+ 256	332.3	312.1
1970-71	4,376	4,150	+ 226	343.7	326.0
1971-72	4,893	4,008	+ 885	377.8	309.3
1972-73	6,214	4,121	+ 2,093	474.4	314.5

(a) Prior to 1906, ships' stores were included in exports. For value of such goods loaded on overseas vessels and aircraft during each of the years 1970-71 to 1972-73, see page 331.

Plate 32 on page 317 shows the overseas trade of Australia from 1955-56 to 1972-73.

The following table shows particulars of merchandise and non-merchandise trade for recent years.

MERCHANDISE AND NON-MERCHANDISE TRADE: AUSTRALIA

(\$'000 f.o.b.)

EXPORTS

Year	Merchandise			Non-merchandise			Total
	Australian produce	Re-exports	Total	Australian produce	Re-exports	Total	
1968-69	3,156,231	84,054	3,240,283	88,848	45,131	133,980	3,374,263
1969-70	3,868,717	131,090	3,999,807	97,146	40,269	137,415	4,137,222
1970-71	4,119,518	123,117	4,242,635	81,428	51,694	133,122	4,375,757
1971-72	4,640,244	133,148	4,773,392	76,173	43,803	119,976	4,893,368
1972-73	5,879,066	193,449	6,072,514	82,359	58,830	141,190	6,213,704

IMPORTS

Year	Merchandise	Non-merchandise	Total
1968-69	3,423,276	45,229	3,468,505
1969-70	3,822,623	58,604	3,881,227
1970-71	4,098,560	51,468	4,150,028
1971-72	3,954,775	53,590	4,008,365
1972-73	4,071,911	48,816	4,120,727

Classified summary of Australian overseas trade

The following table shows exports and imports according to divisions of the Australian Export and Import Commodity Classifications (based on the Standard International Trade Classification, Revised).

EXPORTS AND IMPORTS: DIVISIONS OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS

(\$'000 f.o.b.)

Division No.	Description	Exports			Imports		
		1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
00	Live animals	10,187	10,690	17,084	5,633	5,512	6,795
01	Meat and meat preparations	428,528	558,263	857,021	1,415	1,403	1,421
02	Dairy products and eggs	101,522	113,062	142,015	5,863	7,040	9,116
03	Fish and fish preparations	55,878	74,137	73,605	42,025	41,813	47,657
04	Cereals and cereal preparations	596,024	623,361	421,671	5,397	5,413	5,688
05	Fruit and vegetables	107,040	96,265	124,845	25,437	27,510	25,883
06	Sugar, preparations, honey	160,068	223,074	259,798	3,017	3,210	3,264
07	Coffee, tea, cocoa, and spices	5,583	9,652	10,889	53,878	53,299	53,216
08	Feeding stuff for animals	11,883	16,156	22,653	9,613	7,760	6,073
09	Miscellaneous food preparations	3,554	3,779	4,831	5,451	6,832	3,885
11	Beverages	9,819	11,448	11,493	20,483	22,339	24,674
12	Tobacco and tobacco manufactures	4,770	4,168	3,673	29,649	28,197	27,566
21	Hides, skins and fur skins, undressed	73,709	82,196	192,227	1,185	1,169	1,538
22	Oil seeds, oil nuts and oil kernels	2,012	11,284	9,082	6,841	4,392	7,234
23	Crude rubber (including synthetic and reclaimed)	1,345	1,128	764	23,218	22,635	24,595
24	Wood, timber and cork	4,271	5,634	6,741	52,793	51,795	68,258
25	Pulp and waste paper	458	297	380	38,448	30,671	37,555
26	Textile fibres and their waste	549,649	586,548	1,168,666	37,031	43,014	49,721
27	Crude fertilisers and minerals (except coal, petroleum and precious stones)	16,329	12,292	17,239	51,863	45,148	52,643
28	Metalliferous ores and metal scrap	628,236	618,915	699,689	7,966	5,506	7,871
29	Crude animal and vegetable materials, n.e.s.	16,512	19,301	21,657	15,263	14,364	18,833
32	Coal, coke, and briquettes	206,240	240,262	294,616	771	487	485
33	Petroleum and petroleum products	41,623	60,163	46,374	188,844	193,330	174,703
34	Petroleum gases and other gaseous hydrocarbons	(a)	(a)	(a)	48	38	68
41	Animal oils and fats	27,725	33,303	29,497	1,177	408	301
42	Fixed vegetable oils and fats	99	484	211	14,391	12,093	10,745
43	Animal and vegetable oils, fats and waxes, processed	1,295	987	890	2,073	2,135	2,066
51	Chemical elements and compounds	111,812	155,896	181,123	141,315	139,253	143,325
52	Mineral tar and crude chemicals from coal, petroleum and natural gas	319	64	806	3,214	2,611	2,032
53	Dyeing, tanning and colouring materials	8,880	8,278	9,283	25,488	26,933	29,320
54	Medicinal and pharmaceutical products	24,841	24,277	25,994	58,919	63,627	65,012
55	Essential oils and perfume materials; toilet and cleansing preparations	7,511	11,330	11,780	18,281	17,542	18,344
56	Fertilisers, manufactured	175	1,327	1,611	6,822	5,831	6,099
57	Explosives and pyrotechnic products	3,167	2,614	2,616	6,668	3,928	4,271
58	Plastic materials, regenerated cellulose and artificial resins	8,806	9,383	10,725	90,011	96,085	105,161
59	Chemical materials, n.e.s.	25,667	31,401	27,503	58,934	54,062	50,596
61	Leather, leather manufactures, n.e.s. and dressed fur skins	5,670	5,905	6,506	6,282	7,370	8,670
62	Rubber manufactures, n.e.s.	9,943	8,701	8,826	59,815	55,886	56,547
63	Wood and cork manufactures (excluding furniture)	4,960	10,498	26,557	17,273	17,819	20,292
64	Paper, paperboard and manufactures	14,388	17,001	17,162	120,058	112,466	121,631
65	Textile yarn, fabrics, made-up articles	23,873	22,119	24,841	301,698	327,136	347,260
66	Non-metallic mineral manufactures, n.e.s.	28,197	29,986	35,082	86,214	88,926	101,115
67	Iron and steel	97,026	116,796	173,365	138,590	121,619	108,663
68	Non-ferrous metals	277,008	296,448	290,995	27,783	22,826	24,224
69	Manufactures of metal, n.e.s.	55,446	56,110	62,210	109,437	101,783	104,448
71	Machinery, other than electric	113,012	129,092	139,786	789,237	717,383	686,798
72	Electrical machinery and apparatus	50,560	54,779	62,708	281,495	291,859	277,368
73	Transport equipment	161,513	190,809	295,807	572,783	473,786	525,250
81	Sanitary, plumbing, heating and lighting fixtures and fittings	2,327	2,452	2,810	6,139	7,152	7,848
82	Furniture	1,720	1,858	1,800	6,314	6,686	8,640
83	Travel goods, handbags, etc.	220	283	288	6,650	7,340	8,099
84	Clothing and accessories; articles of knitted or crocheted fabric	9,579	10,452	11,754	40,725	49,841	63,481
85	Footwear, gaiters and similar articles	975	1,025	1,216	16,859	25,391	22,584
86	Professional, scientific and controlling instruments; photographic and optical goods, watches and clocks	26,486	30,967	35,124	138,946	136,392	138,141
89	Manufactured articles, n.e.s.	32,259	53,600	45,307	187,743	198,985	225,859
9(A)	Commodities and transactions not classified according to kind(b)	71,936	73,094	121,318	125,094	136,745	118,976
	Total merchandise	4,242,635	4,773,392	6,072,514	4,098,560	3,954,775	4,071,911
9(B)	Non-merchandise	133,122	119,976	141,190	51,468	53,590	48,816
	Total	4,375,757	4,893,368	6,213,704	4,150,028	4,008,365	4,120,727

(a) Included in Division 9A.

(b) Includes Division 34 (Exports only).

Exports of principal articles of Australian produce
EXPORTS OF PRINCIPAL ARTICLES OF AUSTRALIAN PRODUCE

Article	Quantity			Value (\$'000 f.o.b.)		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
Meat, fresh, chilled or frozen—						
Of bovine animals—						
Beef—						
Bone-in	'000 kg	32,342	17,960	12,291	21,277	13,627
Boneless	"	300,782	373,662	542,830	275,806	364,669
Other	"	5,977	10,436	27,533	5,977	11,016
Of sheep, lambs and goats	"	175,410	239,459	190,186	74,433	107,438
Meat, canned or bottled	"	21,682	28,183	23,140	15,545	21,954
Sausage casings (natural) . . . . .	"	..	..	..	9,782	11,085
Other meat (including poultry, game, rabbits) . . . . .	"	..	..	..	35,433	39,539
Milk and cream	'000 kg	91,920	78,342	92,452	26,081	32,985
Butter	"	89,247	57,206	75,463	48,040	48,866
Cheese	"	36,460	33,329	29,568	18,378	22,418
Fish (including shell fish), fresh or preserved by cold process	"	15,256	18,226	17,282	50,440	66,939
Wheat	tonnes	9,074,902	8,459,436	5,391,031	433,000	418,529
Barley, unprepared	"	1,122,970	1,816,765	804,122	50,820	74,344
Oats	"	555,917	328,979	114,534	23,827	12,425
Flour (wheaten), plain white	'000 kg	277,547	164,137	156,807	19,586	12,597
Fruit, dried—						
Grapes	"	59,998	56,356	72,710	18,516	17,563
All other	"	2,270	3,423	2,917	1,532	2,207
Fruit, canned or bottled	"	7,295	6,172	8,273	42,890	36,461
Sugar, the produce of cane	tonnes	1,571,250	2,007,983	2,084,430	149,647	210,593
Vine	litres	6,564,498	7,957,189	6,246,587	3,581	4,226
Hides and skins—						
Calf, cattle and horse	'000 kg	71,889	80,640	117,634	20,762	28,137
Sheep and lamb (excluding pieces)	"	117,952	133,427	123,772	49,813	51,657
Timber, wood in the rough, shaped or simply worked	cu m	58,953	70,885	81,551	4,168	5,579
Wool—						
Greasy	'000 kg	650,027	688,051	665,069	493,073	524,518
Scoured or washed, carbonised, tops, noils and waste	"	45,314	57,407	38,811	50,754	57,690
Iron ore and concentrates (except roasted iron pyrites)	tonnes	48,347,533	50,239,080	66,293,938	374,260	375,489
Copper ores and concentrates	"	140,217	141,395	164,254	32,031	27,297
Lead ores and concentrates	"	83,096	93,536	74,143	16,290	15,644
Zinc ores and concentrates	"	383,481	364,146	300,773	25,502	26,184
Titanium and zirconium concentrates	"	1,387,019	1,209,406	1,324,422	57,278	56,955
Coal	"	19,286,351	21,909,238	25,795,068	199,413	238,683
Petroleum and petroleum products . . . . .	"	..	..	..	40,984	59,499
Tallow, inedible	"	139,151	199,675	179,942	22,015	28,049
Leather (excluding leather manufactures) . . . . .	"	..	..	..	4,114	4,263
Lead and lead alloys, unworked	"	306,463	272,105	291,373	86,716	67,673
Copper and copper alloys	"	61,098	75,109	70,216	66,858	70,840
Zinc and zinc alloys	"	136,830	187,772	203,898	35,713	56,825
Machinery and transport equipment . . . . .	"	..	..	..	244,690	296,323
Drugs and chemicals . . . . .	"	..	..	..	185,284	239,782
Paper, pulp and stationery . . . . .	"	..	..	..	18,530	22,895
Motor vehicles (new, assembled)	No.	16,897	19,400	17,655	21,992	31,792
All other articles . . . . .	"	..	..	..	826,115	901,162
Total Australian produce . . . . .	..	..	..	4,200,946	4,716,417	5,961,425

Exports, by industrial group

The following table is designed to show fluctuations in exports of Australian produce dissected according to the main industry of their origin, although any such classification is necessarily somewhat conventional.

EXPORTS OF AUSTRALIAN PRODUCE, BY INDUSTRIAL GROUP

Industrial group	Value (\$'000 f.o.b.)			Proportion of value of exports of Australian produce (excluding gold) (per cent)		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
Agriculture, horticulture and viticulture—						
Unprocessed	597,698	633,001	446,312	14.3	13.5	7.5
Processed	274,644	328,799	385,003	6.6	7.0	6.5
Total agriculture, etc.	872,342	961,800	831,315	20.9	20.5	14.0
Pastoral—						
Unprocessed	974,092	1,137,381	2,081,894	23.3	24.2	35.1
Processed	122,987	143,581	176,838	2.9	3.1	3.0
Total pastoral	1,097,079	1,280,962	2,258,733	26.2	27.3	38.1
Dairy and farmyard—						
Unprocessed	8,045	11,247	27,122	0.2	0.2	0.5
Processed	99,609	109,350	137,323	2.4	2.3	2.3
Total dairy, etc.	107,654	120,597	164,445	2.6	2.5	2.8
Mines and quarries (other than gold)—						
Unprocessed	758,816	817,487	944,609	18.1	17.4	15.9
Processed	278,845	283,327	306,777	6.7	6.1	5.2
Total mines, etc.	1,037,661	1,100,814	1,251,386	24.8	23.5	21.1
Fisheries—						
Unprocessed	53,190	68,363	67,711	1.3	1.4	1.1
Processed	6,572	7,271	7,797	0.1	0.2	0.1
Total fisheries	59,762	75,634	75,508	1.4	1.6	1.3
Forestry—						
Unprocessed	630	404	469	..	..	..
Processed	5,290	6,963	8,670	0.1	0.1	0.1
Total forestry	5,920	7,367	9,139	0.1	0.1	0.2
Total primary produce—						
Unprocessed	2,392,471	2,667,883	3,568,117	57.2	56.8	60.1
Processed	787,947	879,291	1,022,409	18.8	18.7	17.2
Total primary produce	3,180,418	3,547,174	4,590,526	76.0	75.5	77.3
Manufactures	855,520	985,815	1,204,980	20.5	21.0	20.3
Refined petroleum oils	40,080	57,784	43,144	1.0	1.2	0.7
Unclassified	106,677	106,348	98,515	2.5	2.3	1.7
Total Australian produce (excluding gold)	4,182,695	4,697,121	5,937,165	100.0	100.0	100.0
Re-exports (excluding gold)	174,811	176,951	252,279	..	..	..
Gold exports	18,251	19,296	24,260	..	..	..
Total value of recorded exports	4,375,757	4,893,368	6,213,704	..	..	..

The items enumerated indicate how arbitrary is the line necessarily drawn between primary produce and manufactures in any classification of this kind. The value of processed primary products exported includes some element of value added by the simpler processes of manufacture, while the value shown for manufactures exported necessarily includes the value of raw materials (primary produce) used in those manufactures.

Imports of merchandise, by economic class

The following table shows imports of merchandise into Australia classified according to economic classes of (i) purpose and (ii) degree of manufacture.

IMPORTS OF MERCHANDISE, BY ECONOMIC CLASS: AUSTRALIA

	Value (\$'000 f.o.b.)			Proportion of value of imports of merchandise (per cent)		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
PURPOSE						
Producers' materials for use in—						
Building and construction . . .	146,947	135,533	167,084	3.6	3.4	4.1
Rural industries	45,383	40,768	47,880	1.1	1.0	1.2
Manufacturing—						
Motor vehicle assembly(a) . . .	288,100	256,379	228,760	7.0	6.5	5.6
Other(b)	1,297,846	1,257,555	1,269,279	31.7	31.8	31.2
Total producers' materials(b) . .	1,778,276	1,690,234	1,713,002	43.4	42.7	42.1
Capital equipment(c)—						
Producers' equipment	981,930	915,335	855,892	24.0	23.2	21.0
Transport equipment—						
Complete road vehicles and assembled chassis	155,285	159,533	193,853	3.8	4.0	4.8
Railway equipment, vessels and civil aircraft	137,780	90,072	69,382	3.3	2.3	1.7
Total capital equipment	1,274,995	1,164,940	1,119,127	31.1	29.5	27.5
Finished consumer goods—						
Food, beverages and tobacco . . .	157,234	165,121	171,073	3.8	4.2	4.2
Clothing and accessories	57,108	76,438	88,180	1.4	1.9	2.2
All other(d)	580,210	628,298	736,561	14.2	15.9	18.1
Total, finished consumer goods(d) .	794,552	869,857	995,814	19.4	22.0	24.5
Fuels and lubricants(e)	61,495	69,406	68,933	1.5	1.8	1.7
Auxiliary aids to production(f) . . .	99,823	100,515	93,505	2.4	2.5	2.3
Munitions and war stores	89,419	59,824	81,530	2.2	1.4	2.0
Grand total	4,098,560	3,954,775	4,071,911	100.0	100.0	100.0
DEGREE OF MANUFACTURE(g)						
Producers' materials—						
Crude	318,073	301,730	322,939	7.8	7.6	7.9
Simply transformed	291,021	291,038	311,201	7.1	7.4	7.6
Elaborately transformed	1,169,182	1,097,466	1,078,861	28.5	27.8	26.5
Finished consumer goods—						
Crude	44,853	39,404	42,302	1.1	1.0	1.0
Simply transformed	56,543	61,469	57,333	1.4	1.6	1.4
Elaborately transformed	693,156	768,984	896,179	16.9	19.4	22.0
Total imports—						
Crude	362,926	341,134	365,241	8.9	8.6	9.0
Simply transformed	474,678	484,272	498,351	11.6	12.3	12.2
Elaborately transformed	3,260,956	3,129,369	3,208,319	79.5	79.1	78.8
Grand total	4,098,560	3,954,775	4,071,911	100.0	100.0	100.0

(a) Owing to insufficient information, it is not possible to treat unassembled tractors and other machinery in a similar manner to motor vehicles, and all such machinery and replacement parts therefor are treated as capital equipment whether imported in an assembled or unassembled condition. (b) Excludes a percentage for piece-goods to be sold at retail, and paper to be used solely for wrapping, which are recorded in Finished consumer goods, All other; and Auxiliary aids to production, respectively. (c) See footnote (a). (d) Includes a percentage for piece-goods to be sold at retail; see footnote (b). (e) Excludes crude petroleum, which is included in Producers' materials, Manufacturing—Other. (f) Includes a percentage for paper to be used solely for wrapping; see footnote (b). (g) The class fuels and lubricants consists of goods 'simply transformed', and the classes Capital equipment and Munitions and war stores entirely of goods 'more elaborately transformed'. The class Auxiliary aids to production is about equally divided between goods 'simply transformed' and 'elaborately transformed'.

Direction of Overseas Trade

Exports and imports, by country of consignment or of origin

The following two tables show the value and percentage of Australian exports and imports according to principal country of consignment or origin. The proportions of Australian exports and imports by country of origin or consignment are shown graphically on plate 33 on page 317.

AUSTRALIAN EXPORTS AND IMPORTS, VALUE BY COUNTRY OF CONSIGNMENT OR ORIGIN

(\$'000 f.o.b.)

Country	Exports			Imports		
	1952-53	1962-63	1972-73	1952-53	1962-63	1972-73
Arab Republic of Egypt	6,748	2,052	40,889	1,826	184	167
Austria	1,204	3,104	4,082	2,390	6,658	12,673
Bahrain	640	1,186	13,541	29,826	362	30,119
Belgium-Luxembourg	64,282	46,372	61,819	11,012	13,996	36,631
Brazil	934	324	4,922	1,802	2,620	9,341
Canada	17,424	38,102	165,259	39,092	91,834	134,400
China, People's Republic of	1,362	129,288	62,847	2,816	11,256	49,922
Denmark	1,332	1,226	5,373	1,016	6,982	15,718
Finland	124	604	10,942	1,766	11,304	24,358
France	152,032	105,970	188,300	18,506	35,556	75,470
Germany, Federal Republic of	44,732	68,368	203,704	27,164	117,324	288,083
Greece	1,638	3,504	30,518	40	1,248	3,707
Hong Kong	9,710	40,468	94,881	1,042	15,254	80,148
India	34,296	37,220	37,396	29,292	36,146	31,678
Indonesia	10,128	6,218	74,623	43,088	58,570	13,597
Iran	654	3,814	25,791	646	38,464	18,488
Iraq	668	884	1,882	342	1,996	20,410
Italy	89,412	88,056	133,661	10,450	39,064	86,608
Japan	167,916	346,166	1,932,316	9,384	129,378	738,950
Korea, Republic of	(a)	6,364	52,895	(a)	412	10,434
Kuwait	(a)	4,330	15,760	(a)	38,116	30,230
Malaysia	(a)	29,758	97,216	(a)	34,164	38,445
Nauru	1,004	3,150	4,671	2,598	6,128	12,131
Netherlands	16,162	14,340	63,837	11,908	27,472	55,802
New Caledonia	5,076	4,870	19,490	186	1,246	699
New Zealand	57,354	131,132	325,901	7,998	35,490	129,954
Norway	1,472	5,132	13,123	4,840	7,230	11,932
Pakistan	9,048	14,116	7,122	4,536	11,428	4,576
Papua New Guinea	12,280	38,538	134,697	9,500	14,662	24,669
Philippines	1,002	12,486	49,306	106	1,518	7,786
Poland	7,288	12,432	54,752	88	1,128	3,760
Saudi Arabia	(a)	3,706	13,697	(a)	40,004	20,206
Singapore	25,588	33,694	131,808	11,716	6,836	40,069
South Africa, Republic of	7,280	18,982	95,102	6,200	16,252	20,621
Spain	346	10,100	22,480	1,304	4,554	20,091
Sri Lanka	29,374	12,910	10,950	19,572	17,068	9,620
Sweden	5,776	6,534	22,602	13,572	35,824	83,011
Switzerland	4,336	1,750	7,658	8,112	28,392	65,946
Taiwan	1,480	4,056	69,788	108	1,148	54,342
Thailand	2,448	7,408	35,864	74	868	7,110
United Kingdom	718,514	401,628	601,628	429,404	658,462	767,784
United States of America	115,674	265,758	758,889	170,336	460,092	859,865
U.S.S.R.	3,284	29,232	123,684	1,462	1,056	2,978
Yugoslavia	958	11,876	49,764	190	394	828
Other countries	111,564	129,212	333,271	92,320	92,404	148,453
'For Orders' and Country of origin or destination unknown	..	15,392	5,003	588	2,126	18,917
Total	1,742,544	2,151,812	6,213,704	1,028,218	2,162,670	4,120,727

(a) Comparable figures not available.

AUSTRALIAN EXPORTS AND IMPORTS, PROPORTIONS, BY COUNTRY OF
CONSIGNMENT OR ORIGIN

(Per cent)

Country	Exports			Imports		
	1952-53	1962-63	1972-73	1952-53	1962-63	1972-73
Arab Republic of Egypt	0.39	0.10	0.66	0.18	0.01	0.00
Austria	0.07	0.14	0.07	0.23	0.31	0.31
Bahrain	0.04	0.06	0.22	2.90	0.02	0.73
Belgium-Luxembourg	3.69	2.16	0.99	1.07	0.65	0.89
Brazil	0.05	0.02	0.08	0.18	0.12	0.23
Canada	0.99	1.77	2.66	3.80	4.25	3.26
China, People's Republic of	0.08	6.01	1.01	0.27	0.52	1.21
Denmark	0.08	0.06	0.09	0.10	0.32	0.38
Finland	0.01	0.03	0.18	0.17	0.52	0.59
France	8.72	4.92	3.03	1.80	1.64	1.83
Germany, Federal Republic of	2.57	3.18	3.28	2.64	5.42	6.99
Greece	0.09	0.16	0.49	0.00	0.06	0.09
Hong Kong	0.56	1.88	1.53	0.10	0.71	1.94
India	1.97	1.73	0.60	2.85	1.67	0.77
Indonesia	0.58	0.29	1.20	4.19	2.71	0.33
Iran	0.04	0.18	0.42	0.06	1.78	0.45
Iraq	0.04	0.04	0.03	0.03	0.09	0.50
Italy	5.13	4.09	2.15	1.02	1.81	2.10
Japan	9.64	16.09	31.10	0.91	5.98	17.93
Korea, Republic of	(a)	0.30	0.85	(a)	0.02	0.25
Kuwait	(a)	0.20	0.25	(a)	1.76	0.73
Malaysia	(a)	1.38	1.56	(a)	1.58	0.93
Nauru	0.06	0.15	0.08	0.25	0.28	0.29
Netherlands	0.93	0.67	1.03	1.16	1.27	1.35
New Caledonia	0.29	0.23	0.31	0.02	0.06	0.02
New Zealand	3.29	6.09	5.24	0.78	1.64	3.15
Norway	0.08	0.24	0.21	0.47	0.33	0.29
Pakistan	0.52	0.66	0.11	0.44	0.53	0.11
Papua New Guinea	0.70	1.79	2.17	0.92	0.68	0.60
Philippines	0.06	0.58	0.79	0.01	0.07	0.19
Poland	0.42	0.58	0.88	0.01	0.05	0.09
Saudi Arabia	(a)	0.17	0.22	(a)	1.85	0.49
Singapore	1.47	1.57	2.12	1.14	0.32	0.97
South Africa, Republic of	0.42	0.88	1.53	0.60	0.75	0.50
Spain	0.02	0.47	0.36	0.13	0.21	0.49
Sri Lanka	1.69	0.60	0.18	1.90	0.79	0.23
Sweden	0.33	0.30	0.36	1.32	1.66	2.01
Switzerland	0.25	0.08	0.12	0.79	1.31	1.60
Taiwan	0.08	0.19	1.12	0.01	0.05	1.32
Thailand	0.14	0.34	0.58	0.01	0.04	0.17
United Kingdom	41.23	18.66	9.68	41.76	30.45	18.63
United States of America	6.64	12.35	12.21	16.57	21.27	20.87
U.S.S.R.	0.19	1.36	1.99	0.14	0.05	0.07
Yugoslavia	0.05	0.55	0.80	0.02	0.02	0.02
Other countries	6.40	6.00	5.36	8.98	4.27	3.60
'For Orders' and Country of origin or destination unknown . . . . .	..	0.72	0.08	0.06	0.10	0.46
Total	100.00	100.00	100.00	100.00	100.00	100.00

(a) Comparable figures not available.

Exports and Imports, by country of consignment and origin, and by description

The following table shows details of exports to and imports from principal countries, classified according to divisions of the Australian Export and Import Commodity Classifications.

EXPORTS AND IMPORTS BY COUNTRY OF CONSIGNMENT AND ORIGIN: DIVISIONS OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1972-73

(\$'000 f.o.b.)

Division No.	Description	Arab Republic of Egypt		Belgium-Luxembourg		Canada	
		Exports	Imports	Exports	Imports	Exports	Imports
00	Live animals					500	
01	Meat and meat preparations	515		959		50,245	20
02	Dairy products and eggs	5			30	4,667	
03	Fish and fish preparations			43	6	265	1,706
04	Cereal grains and cereal preparations	32,906		7	43	31	106
05	Fruit and vegetables	1	13	626	274	13,692	299
06	Sugar and sugar preparations and honey	1		1,205	9	47,924	34
07	Coffee, tea, cocoa, spices and manufactures thereof				9	222	13
08	Feeding-stuff for animals (except unmilled cereals)					18	
09	Miscellaneous preparations chiefly for food			1	23	17	194
11	Beverages	1			3	1,450	94
12	Tobacco and tobacco manufactures				10		51
21	Hides, skins and fur skins, undressed	159		266	3	51	23
22	Oil-seeds, oil nuts and oil kernels			1,168			1,757
23	Crude rubber (including synthetic and reclaimed)				456	1	220
24	Wood, timber and cork			845	23	19	18,309
25	Pulp and waste paper						11,304
26	Textile fibres and their waste	7,054		33,391	515	2,957	1,663
27	Crude fertilisers and crude minerals (except coal, petroleum and precious stones)			3	45		13,384
28	Metalliferous ores and metal scrap	32		13,734		11,080	2,581
29	Crude animal and vegetable materials, n.e.s.		25	303	35	912	739
32	Coal, coke and briquettes			4,728			
33	Petroleum and petroleum products			19	25	1	66
34	Petroleum gases and other gaseous hydrocarbons	(a)		(a)		(a)	
41	Animal oils and fats			44		29	
42	Fixed vegetable oils and fats				1		101
43	Animal and vegetable oils and fats, processed and waxes of animal or vegetable origin				6	24	17
51	Chemical elements and compounds			19	3,000	14,641	2,844
52	Mineral tar and crude chemicals from coal, petroleum and natural gas						71
53	Dyeing, tanning and colouring materials				197	50	305
54	Medicinal and pharmaceutical products			78	584	38	421
55	Essential oils and perfume materials; toilet, polishing and cleansing preparations		1	51	44	14	180
56	Fertilisers, manufactured			5	24		2,089
57	Explosives and pyrotechnic products			29	74		93
58	Plastic materials, regenerated cellulose and artificial resins			3	596	4	4,404
59	Chemical materials and products, n.e.s.			19	762	853	857
61	Leather, leather manufactures, n.e.s., and dressed fur skins			3	114	111	99
62	Rubber manufactures, n.e.s.			3	618	123	483
63	Wood and cork manufactures (except furniture)			13	117	9	248
64	Paper, paperboard and manufactures thereof				1,452	66	25,701
65	Textile yarn, fabrics, made-up articles and related products	9	111	17	3,051	196	4,666
66	Non-metallic mineral manufactures, n.e.s.			197	7,413	983	2,606
67	Iron and steel			81	711	2,057	1,284
68	Non-ferrous metals	(a)		(a)	164	(a)	2,866
69	Manufactures of metals, n.e.s.	94		593	1,105	1,667	4,916
71	Machinery (except electric)	16		353	5,163	2,617	11,434
72	Electric machinery, apparatus and appliances	23		390	6,255	565	4,645
73	Transport equipment	2		130	68	2,103	2,596
81	Sanitary, plumbing, heating and lighting fixtures and fittings				12	4	189
82	Furniture			3	3	1	89
83	Travel goods, handbags and similar articles				3	10	6
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	3		355	89	1,101	330
85	Footwear, gaiters, and similar articles and parts thereof					8	16
86	Professional, scientific and controlling instruments; photographic and optical goods, watches and clocks		11	166	1,757	1,023	1,887
89	Miscellaneous manufactured articles, n.e.s.		3	138	947	775	2,966
9A	Commodities and transactions of merchandise trade, not elsewhere classified(b)	2	1	1,742	700	1,330	3,081
	Total merchandise	40,824	166	61,728	36,540	164,457	134,059
9B	Commodities and transactions not included in merchandise trade	65	1	91	91	802	342
	Grand total	40,889	167	61,819	36,631	165,259	134,400

(a) Included in Division 9A.

(b) Includes Division 34 and 68 (Exports only).

EXPORTS AND IMPORTS BY COUNTRY OF CONSIGNMENT AND ORIGIN: DIVISIONS
OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1972-73--
continued

(\$'000 f.o.b.)

Div. No.	China, People's Republic of		France		Germany, Federal Republic of		Hong Kong		India	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
00	..	..	121	..	..	..	161	..	10	..
01	..	11	6,972	40	2,487	53	1,723	..	17	3
02	..	..	..	268	..	134	5,175	..	113	..
03	..	506	2,882	85	284	465	2,704	369	1	1,923
04	16,540	50	19	25	3,468	120	7,097	97	57	22
05	..	779	2,100	221	14,017	230	2,913	209	64	1,698
06	5,536	25	..	10	197	17	95	78	5	..
07	..	176	3	28	..	170	380	58	3	3,262
08	..	..	8	42	558	333	115	..	..	..
09	..	85	2	42	..	192	400	197	4	..
11	1	2	..	4,286	4	819	407	8	17	..
12	..	81	..	100	..	20	261	..	..	35
21	2,954	73	70,970	75	17,781	..	1,179	..	32	1
22	..	121	1	..	27	..	15	156	1	17
23	..	..	..	395	..	298	..	..	..	..
24	..	..	81	51	269	7	55	169	..	1
25	..	..	..	109	..	..	..	..	..	..
26	19,422	597	82,570	74	67,151	1,957	12,486	168	12,053	1,217
27	..	143	6	124	96	136	6	5	..	192
28	961	106	8,848	34	30,339	13	422	..	1,020	..
29	1	1,762	268	218	3,418	300	279	268	1	437
32	..	..	1,413	..	808	247	..	..	..	..
33	..	306	5	89	8	312	11	198	2	..
34	(a)	..	(a)	16	(a)	..	(a)	..	(a)	..
41	2,270	..	447	..	730	..	61	..	4,762	..
42	..	331	..	9	..	73	5	50	..	820
43	..	..	..	9	35	25	107	..	..	6
51	34	850	1	4,102	6,558	12,488	550	111	140	518
52	..	..	..	3	..	1	5	..	..	..
53	..	30	4	1,124	138	6,954	276	19	38	49
54	..	117	59	482	124	12,270	1,060	17	96	59
55	10	246	52	1,921	39	1,304	919	698	18	72
56	..	..	..	331	..	595	2	..	..	..
57	..	56	49	31	371	131	94	..	..	..
58	33	6	47	3,681	35	10,616	778	250	133	..
59	..	1,684	1	615	141	3,727	580	134	34	3
61	..	19	50	761	408	464	776	20	7	400
62	..	19	5	1,796	42	3,938	112	23	5	5
63	..	126	1	169	363	623	30	141	..	102
64	..	330	1	1,028	29	3,721	1,455	336	19	24
65	2	25,904	29	4,159	142	14,062	1,197	25,790	4	13,489
66	1	1,108	205	2,866	1,898	6,758	7,818	745	61	1,218
67	13,130	122	8	1,003	15,974	3,364	6,431	6	2,653	633
68	(a)	89	(a)	232	(a)	1,022	(a)	79	(a)	..
69	..	550	293	1,051	356	9,970	1,958	1,624	8	346
71	..	163	631	9,710	1,670	82,921	2,918	490	887	1,268
72	..	144	610	4,551	1,081	22,706	2,003	1,456	151	246
73	18	32	609	17,716	885	43,926	4,878	283	319	21
81	..	61	..	135	2	819	239	593	..	25
82	..	47	3	114	19	231	235	558	2	75
83	..	148	..	48	..	112	21	3,139	..	48
84	2	8,331	67	1,190	248	721	1,358	18,624	2	1,859
85	..	1,658	..	670	2	230	83	1,859	3	668
86	..	737	463	2,470	696	17,821	2,236	1,922	12	49
89	7	1,268	187	2,803	383	11,792	4,488	17,328	22	469
9A(b)	1,919	911	7,702	3,770	28,327	6,181	7,779	1,767	14,220	353
	62,841	49,908	187,794	74,888	201,607	285,391	86,331	80,045	36,995	31,636
9B	6	14	506	582	2,097	2,692	8,550	103	401	42
	62,847	49,922	188,300	75,470	203,704	288,083	94,881	80,148	37,396	31,678

(a) Included in Division 9A. (b) Includes Division 34 and 68 (Exports only).

EXPORTS AND IMPORTS BY COUNTRY OF CONSIGNMENT AND ORIGIN: DIVISIONS OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1972-73—

continued

(\$'000 f.o.b.)

Division No.	Description	Indonesia		Italy		Japan	
		Exports	Imports	Exports	Imports	Exports	Imports
00	Live animals	40	..	..	..	475	..
01	Meat and meat preparations	175	..	2,597	158	188,972	20
02	Dairy products and eggs	6,408	..	22	900	22,921	..
03	Fish and fish preparations	8	30	54	77	24,085	11,450
04	Cereal grains and cereal preparations	5,889	..	3,352	126	111,489	261
05	Fruit and vegetables	467	1	648	1,325	7,061	442
06	Sugar and sugar preparations and honey	66	..	..	54	74,271	342
07	Coffee, tea, cocoa, spices and manufactures thereof	57	8,447	..	78	5,957	2,104
08	Feeding-stuff for animals (except unmilled cereals)	22	..	96	6	12,219	402
09	Miscellaneous preparations chiefly for food	265	2	..	104	114	199
11	Beverages	197	..	5	1,333	138	53
12	Tobacco and tobacco manufactures	18	68	..	4	..	7
21	Hides, skins and fur skins, undressed	..	1	21,674	..	19,383	..
22	Oil-seeds, oil nuts and oil kernels	..	..	184	..	4,574	7
23	Crude rubber (including synthetic and reclaimed)	1	1,186	..	5	1	671
24	Wood, timber and cork	15	1,625	9	3	93	130
25	Pulp and waste paper	176	20	..	..	21	88
26	Textile fibres and their waste	696	2	68,341	155	500,747	7,948
27	Crude fertilisers and crude minerals (except coal, petroleum and precious stones)	142	74	75	302	12,710	1,898
28	Metalliferous ores and metal scrap	130	..	15,264	..	505,019	119
29	Crude animal and vegetable materials, n.e.s.	29	27	1,220	92	3,956	514
32	Coal, coke and briquettes	..	..	6,811	..	260,854	3
33	Petroleum and petroleum products	427	1,413	43	10	11,168	1,214
34	Petroleum gases and other gaseous hydrocarbons	(a)	..	(a)	..	(a)	..
41	Animal oils and fats	191	..	236	..	8,060	2
42	Fixed vegetable oils and fats	5	..	..	326	..	553
43	Animal and vegetable oils and fats, processed and waxes of animal or vegetable origin	101	..	..	..	15	36
51	Chemical elements and compounds	1,375	1	12	1,141	27,972	25,957
52	Mineral tar and crude chemicals from coal, petroleum and natural gas	1	..	..	..	69	105
53	Dyeing, tanning and colouring materials	423	..	3	231	371	1,392
54	Medicinal and pharmaceutical products	514	57	86	510	1,607	1,664
55	Essential oils and perfume materials; toilet, polishing and cleansing preparations	423	106	72	351	1,628	441
56	Fertilisers, manufactured	516	..	..	..	10	304
57	Explosives and pyrotechnic products	3	..	64	49	1	145
58	Plastic materials, regenerated cellulose and artificial resins	167	..	..	929	83	20,615
59	Chemical materials and products, n.e.s.	281	..	42	73	6,184	2,341
61	Leather, leather manufactures, n.e.s., and dressed fur skins	2	1	48	426	602	657
62	Rubber manufactures, n.e.s.	395	..	7	1,269	11	16,085
63	Wood and cork manufactures (except furniture)	98	53	5	499	23,110	1,291
64	Paper, paperboard and manufactures thereof	703	..	6	1,744	59	11,321
65	Textile yarn, fabrics, made-up articles and related products	169	28	51	6,675	2,102	112,444
66	Non-metallic mineral manufactures, n.e.s.	801	2	56	3,277	5,586	24,302
67	Iron and steel	4,455	..	6,830	544	8,890	67,385
68	Non-ferrous metals	(a)	..	(a)	272	(a)	4,103
69	Manufactures of metal, n.e.s.	1,628	8	287	1,950	3,021	19,371
71	Machinery (except electric)	7,963	2	511	23,023	2,371	82,136
72	Electric machinery, apparatus and appliances	1,979	..	359	10,085	1,772	64,810
73	Transport equipment	18,951	2	199	9,014	6,285	167,232
81	Sanitary, plumbing, heating and lighting fixtures and fittings	219	1	1	784	29	867
82	Furniture	27	30	..	1,026	186	1,211
83	Travel goods, handbags and similar articles	4	1	..	254	36	1,455
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	206	13	51	1,775	398	2,597
85	Footwear, gaiters, and similar articles and parts thereof	32	30	1	5,020	9	1,610
86	Professional, scientific and controlling instruments; photographic and optical goods, watches and clocks	378	2	313	3,016	1,125	22,739
89	Miscellaneous manufactured articles, n.e.s.	313	45	133	5,849	2,965	38,958
9A	Commodities and transactions of merchandise trade, not elsewhere classified(b)	10,678	278	3,508	1,239	57,098	14,052
	Total merchandise	68,230	13,557	133,274	86,083	1,927,884	736,048
9B	Commodities and transactions not included in merchandise trade	6,393	40	387	525	4,432	2,902
	Grand total	74,623	13,597	133,661	86,608	1,932,316	738,950

(a) Included in Division 9A.

(b) Includes Division 34 and 68 (Exports only).

EXPORTS AND IMPORTS BY COUNTRY OF CONSIGNMENT AND ORIGIN: DIVISIONS
OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1972-73—
continued
(\$'000 f.o.b.)

Div. No.	Malaysia		Netherlands		New Zealand		Pakistan		Papua New Guinea	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
00	393	..	..	..	1,279	5,633	8	..	156	..
01	1,342	..	2,119	..	567	174	1	..	9,703	..
02	8,733	..	13	1,121	236	1,797	42	..	2,206	..
03	64	2,934	64	933	342	2,924	1	186	342	843
04	16,617	3	392	449	802	2,017	1,436	40	11,248	..
05	1,077	113	3,624	384	5,755	4,448	6	39	1,726	1,227
06	10,671	..	34	164	11,335	967	..	..	3,119	..
07	943	872	..	559	436	507	..	9	812	9,724
08	407	..	..	62	28	50	..	..	1,008	..
09	173	10	3	108	784	265	..	..	758	..
11	215	..	1	159	607	82	1	..	2,360	7
12	3	..	1	6,252	244	39	..	..	1,548	89
21	215	..	3,344	1	1,277	623	9	..	..	2
22	..	..	143	67	445	28	..	..	2	1,863
23	..	12,637	..	348	554	1	..	..	35	2,107
24	..	15,795	349	1	870	5,758	..	..	14	2,567
25	91	..	1	..	..	9,895	..	..	6	..
26	3	67	12,713	1,077	2,640	14,531	3,101	861	283	..
27	138	7	328	8	1,279	117	..	..	153	1
28	4,619	69	8,282	..	215	2,163	35	..	8	269
29	307	128	701	792	1,033	2,409	1	72	230	22
32	15	..	7,625	2	323	..	..	..	2	..
33	1,229	8	7	167	14,025	4	1	191	1,458	18
34	(a)	..	(a)	20	(a)	..	(a)	..	(a)	..
41	1,027	1	1,168	..	13	5	54	..	391	..
42	4	1,428	..	7	65	1	..	..	108	1,722
43	71	6	9	587	76	11	4	..	67	..
51	1,389	94	1,086	2,727	16,719	736	220	..	463	..
52	69	..	..	5	599	2	..	..	7	..
53	417	..	22	356	3,006	213	..	..	446	..
54	1,111	97	58	1,420	12,930	1,284	17	..	672	..
55	1,372	36	10	273	1,716	638	5	..	1,657	..
56	75	..	..	108	75	33	..	..	146	..
57	..	..	13	..	904	12	..	..	392	..
58	231	121	23	3,159	4,232	877	12	..	1,012	..
59	489	6	3	1,721	2,045	328	11	..	541	220
61	283	..	29	16	409	461	..	215	20	..
62	57	625	20	603	1,676	384	6	..	1,440	..
63	19	642	1	95	1,153	498	..	3	208	2,473
64	2,354	1	16	1,728	2,527	18,907	150	..	3,199	1
65	366	1,517	70	3,476	15,229	17,269	5	1,930	786	10
66	708	3	80	487	2,632	1,259	38	2	1,766	1
67	2,782	..	943	41	26,804	153	1,417	..	4,891	..
68	(a)	200	(a)	175	(a)	143	(a)	..	(a)	20
69	2,370	102	293	588	10,902	2,409	159	71	5,925	38
71	5,987	40	419	6,375	25,658	5,194	35	4	10,953	68
72	4,071	51	1,868	7,932	15,001	9,487	69	..	8,266	23
73	4,257	4	2,019	1,774	79,254	4,735	66	..	6,729	22
81	234	4	12	75	272	206	..	5	533	4
82	68	12	11	179	121	570	..	8	613	2
83	6	..	..	9	30	622	..	7	57	1
84	453	4	61	111	622	2,146	8	382	1,079	3
85	8	130	..	32	192	372	..	24	516	5
86	513	6	264	4,648	7,772	465	44	155	1,717	10
89	421	193	64	2,793	10,986	3,810	1	336	2,976	88
9A(b)	7,556	454	15,286	1,401	23,686	1,815	58	30	28,624	308
	86,019	38,427	63,592	55,574	312,379	129,475	7,021	4,573	123,379	23,760
9B	11,197	18	245	228	13,522	479	101	3	11,318	909
	97,216	38,445	63,837	55,802	325,901	129,954	7,122	4,576	134,697	24,669

(a) Included in Division 9A.

(b) Includes Division 34 and 68 (Exports only).

EXPORTS AND IMPORTS BY COUNTRY OF CONSIGNMENT AND ORIGIN: DIVISIONS
OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1972-73—
continued
(\$'000 f.o.b.)

Division No.	Description	Philippines		Singapore		South Africa, Republic of	
		Exports	Imports	Exports	Imports	Exports	Imports
00	Live animals	49	..	1,930	..	107	..
01	Meat and meat preparations	516	..	5,397	1	195	..
02	Dairy products and eggs	9,379	..	5,487	..	32	..
03	Fish and fish preparations	1	10	498	728	1,114	2,914
04	Cereal grains and cereal preparations	6,603	..	11,737	15	1,072	23
05	Fruit and vegetables	389	408	7,190	40	529	243
06	Sugar and sugar preparations and honey	1	..	7,917	..	12	11
07	Coffee, tea, cocoa, spices and manufactures thereof	..	42	444	417	17	..
08	Feeding-stuff for animals (except unmilled cereals)	1,508	1	1,231	12	2	846
09	Miscellaneous preparations chiefly for food	1	..	481	63	86	105
11	Beverages	9	6	772	1	3	14
12	Tobacco and tobacco manufactures	..	256	175	..	..	596
21	Hides, skins and fur skins, undressed	17	..	169	..	1,755	11
22	Oil-seeds, oil nuts and oil kernels	1	..	2	..	8	13
23	Crude rubber (including synthetic and re- claimed)	60	..	20	184	..	..
24	Wood, timber and cork	..	3,046	1	494	183	..
25	Pulp and waste paper	..	1	11	..	..	2
26	Textile fibres and their waste	..	85	187	..	409	211
27	Crude fertilisers and crude minerals (except coal, petroleum and precious stones)	97	..	294	..	193	3,317
28	Metalliferous ores and metal scrap	59	149	1,234	9	1,139	23
29	Crude animal and vegetable materials, n.e.s.	24	48	370	190	434	186
32	Coal, coke and briquettes	..	..	..	..	..	104
33	Petroleum and petroleum products	489	1	2,741	28,005	981	30
34	Petroleum gases and other gaseous hydro- carbons	(a)	..	(a)	..	(a)	..
41	Animal oils and fats	619	..	836	..	3,064	50
42	Fixed vegetable oils and fats	..	3	7	46	..	23
43	Animal and vegetable oils and fats, processed and waxes of animal or vegetable origin	52	..	40	..	..	43
51	Chemical elements and compounds	943	422	601	8	7,520	1,101
52	Mineral tar and crude chemicals from coal, petroleum and natural gas	19	..	..	248	..	..
53	Dyeing, tanning and colouring materials	640	..	936	..	162	453
54	Medicinal and pharmaceutical products	368	1	965	614	725	3
55	Essential oils and perfume materials; toilet, polishing and cleansing preparations	94	1	1,288	11	165	7
56	Fertilisers, manufactured	174	..	332	..	..	..
57	Explosives and pyrotechnic products	1	108	..	..	9	135
58	Plastic materials, regenerated cellulose and artificial resins	257	10	852	321	496	17
59	Chemical materials and products, n.e.s.	210	1	477	5	312	104
61	Leather, leather manufactures, n.e.s., and dressed fur skins	119	1	746	..	356	12
62	Rubber manufactures, n.e.s.	144	26	184	22	223	77
63	Wood and cork manufactures (except furni- ture)	27	1,185	138	723	147	256
64	Paper, paperboard and manufactures thereof	205	8	2,003	28	505	215
65	Textile yarn, fabrics, made-up articles and related products	119	587	1,129	2,292	646	658
66	Non-metallic mineral manufactures, n.e.s.	497	129	1,495	370	298	1,878
67	Iron and steel	9,557	..	4,465	47	1,856	4,297
68	Non-ferrous metals	(a)	..	(a)	..	(a)	166
69	Manufactures of metal, n.e.s.	1,945	1	4,697	239	2,786	501
71	Machinery (except electric)	3,939	44	10,781	271	10,106	652
72	Electric machinery, apparatus and appliances	698	23	3,893	575	3,193	248
73	Transport equipment	3,467	13	14,613	41	50,067	30
81	Sanitary, plumbing, heating and lighting fix- tures and fittings	2	4	529	2	34	10
82	Furniture	8	170	112	197	3	4
83	Travel goods, handbags and similar articles	..	10	36	29	19	4
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	62	149	1,253	588	174	55
85	Footwear, gaiters, and similar articles and parts thereof	..	126	80	108	2	8
86	Professional, scientific and controlling instru- ments; photographic and optical goods, watches and clocks	1,033	3	2,368	171	1,023	243
89	Miscellaneous manufactured articles, n.e.s.	300	520	1,610	2,033	1,093	94
9A	Commodities and transactions of merchan- dise trade, not elsewhere classified(b)	3,984	145	5,359	814	1,006	428
	Total merchandise	48,689	7,742	110,114	39,963	94,262	20,421
9B	Commodities and transactions not included in merchandise trade	617	44	21,694	106	840	200
	Grand total	49,306	7,786	131,808	40,069	95,102	20,621

(a) Included in Division 9A.

(b) Includes Division 34 and 68 (Exports only).

EXPORTS AND IMPORTS BY COUNTRY OF CONSIGNMENT AND ORIGIN: DIVISIONS
OF THE AUSTRALIAN EXPORT AND IMPORT COMMODITY CLASSIFICATIONS, 1972-73—
continued
(\$'000 f.o.b.)

Div. No.	Sweden		Taiwan		United Kingdom		United States of America		U.S.S.R.	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
00	..	..	268	..	13	1,012	558	147	..	..
01	9,627	..	446	..	146,340	627	367,186	5	..	..
02	..	175	6,840	..	32,275	68	1,842	295	..	..
03	..	23	47	234	3,329	7,577	36,224	1,820	..	487
04	15	292	15,073	6	35,730	1,527	828	122	41,002	..
05	4,012	16	345	1,556	39,460	778	6,402	3,382	..	2
06	51	2	..	..	42,078	899	26,912	97	11,412	3
07	..	2	1	69	4	1,451	70	382	..	..
08	..	6	771	5	84	38	159	2,697	..	..
09	..	5	21	173	158	976	780	718	..	..
11	1	1	9	..	914	11,913	539	960	..	10
12	..	134	..	..	1	1,493	72	14,889	..	..
21	1,563	22	751	..	7,220	182	1,906	167	851	53
22	..	..	..	..	651	219	61	845	..	..
23	..	..	..	..	7	688	5	5,309	..	..
24	22	48	..	300	2,655	86	275	17,821	..	..
25	..	4,947	66	..	4	2	..	7,084	..	..
26	260	1,114	27,533	365	56,417	3,714	18,220	7,266	70,269	..
27	..	50	250	..	106	1,874	659	5,721	..	..
28	419	..	953	..	30,095	10	39,827	259	..	..
29	262	18	130	67	2,526	4,229	2,466	2,933	..	3
32	..	..	185	..	1,519	6	9	95	..	..
33	75	8	17	426	1,597	1,107	1,357	7,147	..	18
34	(a)	11	(a)	..	(a)	..	(a)	22	(a)	..
41	..	..	1,014	..	1,375	53	168	98	..	..
42	..	4	..	..	..	37	..	2,375	..	36
43	..	..	115	..	30	420	5	709	..	..
51	14	708	832	263	5,308	27,307	71,879	45,113	..	717
52	..	..	..	..	..	60	7	1,537	..	..
53	5	22	522	3	130	9,218	334	4,291	..	..
54	..	1,178	19	..	1,470	17,607	473	12,189	..	87
55	..	11	6	32	124	5,331	165	4,639	..	10
56	..	8	..	..	..	25	..	2,544	..	..
57	14	53	..	72	230	1,654	43	1,499	..	..
58	3	337	161	591	857	31,772	194	24,882	..	..
59	21	387	88	2	3,313	17,451	10,512	18,641	..	..
61	20	41	100	103	1,646	3,496	171	615	..	..
62	2	496	19	1,208	340	16,262	2,967	9,151	..	..
63	9	468	1	5,402	374	919	178	249	..	2
64	21	7,532	2	50	45	10,582	996	18,872	..	..
65	..	1,039	24	14,466	499	40,826	892	19,909	..	125
66	11	831	282	1,291	1,455	19,901	4,261	12,161	1	148
67	61	5,033	2,387	82	4,886	12,572	16,735	7,868	..	..
68	(a)	203	(a)	21	(a)	7,939	(a)	4,432	(a)	604
69	207	3,988	360	1,299	4,143	28,587	5,398	21,803	..	1
71	280	22,301	1,438	1,022	8,143	181,069	15,321	226,099	..	438
72	784	7,575	650	2,642	5,539	64,981	3,211	57,996	18	47
73	75	19,358	1,543	2,333	17,199	95,787	44,707	150,088	1	5
81	..	297	..	197	66	1,611	22	859	..	..
82	1	62	..	1,002	27	1,804	30	555	..	..
83	..	57	..	1,055	3	539	35	141	..	..
84	77	159	21	9,695	1,704	7,447	1,363	2,795	..	..
85	6	132	5	3,935	42	2,168	114	108	..	..
86	150	754	157	359	5,361	29,308	3,976	35,552	32	62
89	39	720	73	3,028	7,718	64,397	4,719	53,191	2	59
9A(b)	4,007	2,007	6,205	951	100,056	22,972	48,289	30,566	1	45
	22,154	82,634	69,729	54,308	575,267	764,577	743,523	851,710	123,589	2,963
9B	448	377	59	34	26,361	3,207	15,366	8,155	95	15
	22,602	83,011	69,788	54,342	601,628	767,784	758,889	859,865	123,684	2,978

(a) Included in Division 9A. (b) Includes Division 34 and 68 (Exports only).

NOTE. For description of Division Nos. see previous page.

Trade with eastern countries

Details of exports to and imports from eastern countries are shown in the following table. Further information for principal eastern countries, by divisions of the Australian Export and Import Commodity Classifications, is shown in the tables on pages 325-30.

TRADE OF AUSTRALIA WITH EASTERN COUNTRIES, BY COUNTRY OF
CONSIGNMENT OR ORIGIN

(\$'000 f.o.b.)

Country	Exports			Imports		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
Bangladesh	(a)	1,743	11,802	(a)	946	6,222
Bhutan		1				8
Brunei	1,121	1,359	594	7,061	2,995	971
Burma	2,771	3,709	2,146	231	240	219
China, People's Republic of	63,277	37,257	62,847	31,584	41,318	49,922
Hong Kong	90,403	100,386	94,881	61,116	68,121	80,148
India	38,031	36,394	37,396	32,230	35,215	31,678
Indonesia	39,076	57,209	74,623	22,523	14,312	13,597
Japan	1,190,858	1,360,096	1,932,316	573,581	628,569	738,950
Khmer, Republic of	1,700	4,431	984	47	106	127
Korea, Democratic People's Republic of	1,634	2,623	186		15	69
Korea, Republic of	9,685	37,974	52,895	5,762	6,369	10,434
Laos	274	235	155			
Macao		20	50	42	36	56
Malaysia	66,494	70,106	97,216	32,740	31,030	38,445
Nepal	802	150	495	10	33	83
Pakistan	16,112	6,002	7,122	14,552	7,426	4,576
Philippines	40,935	45,913	49,306	4,962	5,752	7,786
Singapore	118,397	118,463	131,808	23,303	38,437	40,069
Sri Lanka	14,199	8,037	10,950	12,073	11,989	9,620
Taiwan	40,009	55,680	69,788	22,854	35,147	54,342
Thailand	32,290	37,305	35,864	3,918	7,415	7,110
Timor	539	964	1,186			
Vietnam, Democratic Republic of			9			
Vietnam, Republic of	15,117	8,017	8,838	98	13	34
Total	1,783,724	1,994,074	2,683,557	848,687	935,484	1,094,466

(a) Included with Pakistan.

Ships' and aircraft stores

Ships' and aircraft stores loaded on overseas ships and aircraft are excluded from exports. The value of these stores is shown in the table below.

STORES LOADED ON BOARD OVERSEAS VESSELS AND
AIRCRAFT: AUSTRALIA

(\$A'000 f.o.b.)

Stores	1970-71	1971-72	1972-73
Cigarettes, cigars and tobacco	694	865	752
Fuel, lubricating oil and lubricants	43,183	43,582	41,701
Foodstuffs for human consumption—			
Meats	2,493	2,032	1,882
Sugar	45	45	36
Milk and cream, preserved	68	70	36
Butter	165	218	70
Cheese	84	55	40
Eggs in shell	314	264	137
Seafoods	693	540	295
Prepared grains	167	140	68
Vegetables	841	640	384
Fruit	491	427	201
Tea	11	19	9
Other	689	821	795
Fodder	47	33	141
Alcoholic beverages	2,077	2,177	2,138
Coal	7	1	2
Other ships' stores	7,686	7,187	6,570
Total	59,755	59,116	55,257

Overseas trade at customs ports

The following table shows the value of exports and imports at customs ports of Australia, and the totals for each State and Territory.

OVERSEAS TRADE: CUSTOMS PORTS, AUSTRALIA, 1972-73
(\$'000 f.o.b.)

<i>Port or customs station</i>	<i>Exports</i>	<i>Imports</i>	<i>Port or customs station</i>	<i>Exports</i>	<i>Imports</i>
New South Wales—			South Australia—continued		
Sydney	969,223	1,443,823	Port Wallaroo	9,298	360
Botany Bay (Kurnell)	3,592	23,044	Whyalla	42,306	7,303
Byron Bay			Woomera		29
Coff's Harbour (including Bal-lina)			Parcels Post, Adelaide	(a)	2,680
Grafton (including Yamba)			<i>Total South Australia</i>	521,720	199,973
Kingsford-Smith Airport	144,154	213,704	Western Australia—		
Newcastle (including Port Stephens)	182,417	45,517	Fremantle	549,049	144,899
Port Kembla	116,118	60,852	Albany	48,367	2,697
Richmond	69	5,012	Barrow Island		
Twofold Bay (including Eden)	5,417	(b)	Broome	9,254	7,654
Parcels Post, Sydney	(a)	18,134	Bunbury	19,495	2,845
<i>Total New South Wales</i>	1,420,990	1,810,086	Busselton		
Victoria—			Cape Cuvier	4,127	668
Melbourne	1,311,983	1,293,020	Carnarvon		
Geelong	105,214	40,263	Derby	2,683	368
Melbourne Airport	38,048	116,996	Esperance	36,236	1,468
Portland	17,018	4,174	Exmouth (North West Cape)	241	743
Westernport	23,110	3,565	Geraldton	41,999	1,503
Parcels Post, Melbourne	(a)	14,584	Dampier (King Bay)	164,584	11 810
<i>Total Victoria</i>	1,495,373	1,472,602	Kwinana	8,978	32,264
Queensland—			Perth	1,080	325
Brisbane	589,955	268,583	Perth Airport	21,477	7,512
Bowen	10,275	1	Onslow		
Brisbane Airport	13,038	10,411	Port Walcott (including Point Samson)	32,999	5,461
Bundaberg	31,732	16	Port Hedland	192,884	4,180
Cairns (including Cairns Air-port)	43,040	3,702	Useless Loop	1,070	
Cape Flattery	421		Wyndham	7,793	493
Gladstone	162,071	9,160	Yampi Sound (Cockatoo Is-land)	12,093	
Hay Point	73,951		Parcels Post, Perth	(a)	2,416
Innisfail	42,173	2	<i>Total Western Australia</i>	1,154,359	227,305
Mackay	100,086	4,243	Tasmania—		
Maryborough (including Uran-gan)		107	Hobart (including Cambridge Airport and Hobart Alighting Area)	82,879	19,236
Rockhampton (including air-port and Port Alma)	48,310	1,004	Burnie (including Wynyard Air-port)	44,370	11,915
Thursday Island	1,190	319	Devonport (including Devon-port Airport and Ulverstone)	12,063	4,321
Townsville (including airport)	189,327	10,821	Launceston (including Laun-ceston Airport and Beauty Point)	46,494	9,573
Weipa	(a)	970	Port Latta	27,950	
Parcels Post, Brisbane	(a)	2,109	Port Stanley		
<i>Total Queensland</i>	1,305,569	311,448	Spring Bay	4,956	
South Australia—			Parcels Post	(b)	(b)
Port Adelaide (including Sten-house Bay)	340,248	161,009	<i>Total Tasmania</i>	218,712	45,045
Adelaide Airport	16,240	7,660	Northern Territory—		
Adelaide City			Darwin (including Darwin Air-port, Groote Eylandt and Gove)	95,698	49,590
Ardrossan	7,454		Australian Capital Territory—		
Cape Thevenard	11,408		Canberra	1,284	4,672
Edithburgh			<i>Grand Total</i>	6,213,704	4,120,727
Port Augusta					
Port Giles	3,172				
Port Lincoln	19,230	757			
Port Pirie (including Port Ger-mein)	72,251	2,080			
Port Stanvac	113	18,100			

(a) Included with main port.

(b) Included with respective port.

Movement of bullion and specie

The following table shows the values of gold and silver bullion and specie, and of bronze specie, exported from and imported into Australia.

EXPORTS AND IMPORTS OF BULLION AND SPECIE: AUSTRALIA

(\$'000 f.o.b.)

	<i>Exports</i>			<i>Imports</i>		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
Gold—Bullion(a)	18,199	17,017	24,477	3,620	3,967	5,443
Specie	46	2,350	113	66	107	155
<i>Total gold</i>	<i>18,245</i>	<i>19,367</i>	<i>24,590</i>	<i>3,686</i>	<i>4,074</i>	<i>5,598</i>
Silver—Bullion(a)	12,380	9,174	9,156	108	54	101
Specie	46	54	74	37	25	153
<i>Total silver</i>	<i>12,426</i>	<i>9,228</i>	<i>9,230</i>	<i>145</i>	<i>79</i>	<i>254</i>
Other (including bronze and cupro-nickel)—Specie	586	416	625	92	58	65
Total—						
Australian Produce	31,243	28,920	34,109	..	..	..
Re-exports	14	91	336	..	..	..
Grand total	31,257	29,011	34,445	3,923	4,211	5,917

(a) Includes matte.

The following table shows the exports and imports of bullion and specie to and from various countries.

EXPORTS AND IMPORTS OF BULLION AND SPECIE, BY COUNTRY OF CONSIGNMENT OR ORIGIN, 1972-73

(\$'000 f.o.b.)

<i>Country</i>	<i>Exports</i>			<i>Imports</i>		
	<i>Bullion</i>	<i>Specie</i>	<i>Total</i>	<i>Bullion</i>	<i>Specie</i>	<i>Total</i>
Fiji	16	12	28	4,414	..	4,414
Germany, Federal Republic of	..	..	..	..	2	2
Hong Kong	6,703	2	6,705	..	3	3
Japan	7,654	2	7,656	223	..	223
Malaysia	11	..	11	..	..	..
New Zealand	849	418	1,267	21	3	24
Papua New Guinea	8	269	277	844	..	844
Singapore	183	47	230	1	..	1
Solomon Islands	..	11	11	..	..	..
Switzerland	..	..	..	..	61	61
United Kingdom	18,041	16	18,057	8	39	47
United States of America	20	1	21	32	26	58
Other Countries	148	34	182	1	65	66
Australia re-imported	..	..	..	..	174	174
Total	33,633	812	34,445	5,544	373	5,917

Total import clearances, dutiable clearances, and net customs duties collected

The following table shows the value of total import clearances, total dutiable clearances, and the net customs duties collected, together with the ratio of total dutiable clearances to total clearances.

TOTAL IMPORT CLEARANCES, DUTIABLE CLEARANCES, AND NET CUSTOMS DUTIES

		1968-69	1969-70	1970-71	1971-72	1972-73
Total import clearances	\$'000	3,432,209	3,858,808	4,103,786	3,976,345	4,132,983
Total dutiable clearances	"	1,508,391	1,779,110	2,005,478	1,929,319	1,804,803
Total net customs duties collected	"	340,940	407,432	458,908	462,671	507,965
Ratio of dutiable clearances to total clearances	per cent	43.9	46.1	48.9	48.5	43.7
Ratio of duties collected to dutiable clearances	"	22.6	22.9	22.9	24.0	28.1

Overseas trade in calendar years

For the purpose of comparison with countries which record overseas trade in calendar years, the following table has been compiled to show estimates of Australian exports and imports on a calendar year basis.

OVERSEAS TRADE IN CALENDAR YEARS, AUSTRALIA (\$'000 f.o.b.)

Year	Merchandise		Non-merchandise		Total	
	Exports	Imports	Exports	Imports	Exports	Imports
1969	3,615,710	3,573,713	155,469	52,800	3,771,179	3,626,513
1970	4,129,782	3,999,393	129,616	56,529	4,259,398	4,055,922
1971	4,471,998	4,085,975	126,825	53,149	4,598,823	4,139,124
1972	5,303,919	3,826,249	128,185	50,809	5,432,104	3,877,058
1973	6,590,153	4,786,732	147,121	53,017	6,737,272	4,839,749

Excise

Although excise goods have no immediate bearing on overseas trade, the rate of excise duty is in some cases related to the import duty on similar goods. Moreover, as the Excise Acts are administered by the Department of Customs and Excise, it is convenient to publish here the quantities of Australian produce on which excise duty has been paid. Particulars of customs and excise revenue are shown in the chapter Public Authorities Finance. The following table shows the quantities of spirits, beer, tobacco, etc., on which excise duty was paid in Australia.

**QUANTITY OF SPIRITS, BEER, TOBACCO, ETC. ON WHICH EXCISE DUTY
WAS PAID: AUSTRALIA**

Article	1971-72	1972-73	Article	1971-72	1972-73
	'000 litre	'000 litre		'000 litre	'000 litre
Beer	1,593,909	1,654,392	Petrol—		
	'000	'000	Aviation gasoline (by-law)(a)	56,402	48,979
	l al	l al	Aviation gasoline—Other(a)	2,018	81
			Gasoline(b)	10,930,480	11,152,476
Spirits—			Total petrol	10,988,900	11,201,536
Brandy	3,245	3,762	Mineral turpentine	14	5
Gin	675	753	Aviation turbine kerosene(a)	753,331	779,691
Whisky	994	1,071	Other kerosene		542
Rum	1,381	1,414	Diesel fuel (as defined by by-law)	1,023,459	1,091,960
Liqueurs	296	367		doz. packs	doz. packs
Vodka	462	560		'000	'000
Flavoured spirituous liquors	174	206	Playing cards	149	148
Other	3	5		60 papers	60 papers
Total spirits (potable)	7,229	8,138		or tubes	or tubes
				'000	'000
Spirits for—			Cigarette papers and tubes	62,628	58,374
Fortifying wine . . . . .	..	..		matches	matches
				'000	'000
Tobacco	'000 kg	'000 kg	Matches	33,488,640	36,084,520
	2,954	2,647		'000 litre	'000 litre
			Grapewine for commercial pur-	109,013	(c)60,912
Cigars	94	119	poses(b)		
				'000 tonnes	'000 tonnes
Cigarettes—machine-made	26,066	27,159	Coal	45,358	47,257
				'000 doz	'000 doz
			Canned fruit	6,976	7,226
				containers	containers

(a) Includes supplies to Commonwealth Government on which excise was paid. During the years 1971-72 and 1972-73 refunds were made on 272,622,536 litres and 306,768,235 litres respectively. (b) Duty collected up to 7.12.72.

PRIVATE OVERSEAS INVESTMENT

Surveys of overseas investment have been conducted since 1947-48 to obtain particulars of certain types of private capital flows to and from Australia. The surveys, when supplemented by other information, provide statistics of overseas investment in companies in Australia and in Australian public authority securities repayable in Australian currency, as well as statistics of Australian investment in companies overseas and in foreign government securities. Particulars of investment income from most of those classes of investment are also obtained from the surveys.

Certain types of private overseas investment are not included in the statistics which follow. Investment in real estate (except when made through companies) and loans between Australian individuals and non-resident individuals are not covered. Nor are changes in short-term liabilities between exporters and importers in Australia and overseas covered, except in so far as they arise from exports and imports between branches or subsidiaries and their home offices or parent companies. In this case they are included in the figures of investment in branches or subsidiaries.

In the tables which classify investment in Australia according to country of origin, the investment is shown as an inflow from the country which is the immediate source of the capital. Income payable overseas is classified on a similar basis, i.e. it is classified to the country to which it is directly payable.

Remittances between Australia and overseas by Australian life insurance companies are regarded as capital transactions made to bring assets located in overseas countries into line with commitments in those countries, and are included as a flow of investment between Australia and overseas. Similar considerations apply to overseas life insurance companies with branches in Australia.

The following are explanatory notes relating to some of the terms used in the tables.

Branches. Offices in Australia of companies incorporated overseas or offices in separate overseas countries of companies incorporated in Australia, the value of whose net liabilities to head office exceeds \$A10,000 or whose annual net profit or loss exceeds \$A10,000. Australian branches of companies overseas *include* other Australian offices of companies overseas where a branch register is maintained in Australia but *exclude* companies in Australia which are incorporated overseas but which have no business operations in Australia other than an account with a bank in Australia. Overseas branches of companies in Australia *exclude* companies overseas which are incorporated in Australia but which have no business operations overseas other than an account with a bank overseas. However, the short-term assets represented by the bank accounts overseas are included as Australian portfolio investment overseas for those companies included in the surveys of overseas investment.

Companies. Incorporated and unincorporated businesses and other organisations. *Excludes* companies which have no business operations in a country other than an account with a bank in that country.

Direct investment. All investment in branches and subsidiaries by direct investors and other related companies except branch liabilities, for interest, goods and services, to related companies overseas other than head offices of the Australian branches.

Overseas. Countries other than Australia. *Includes* Papua New Guinea, Norfolk Island and other external territories of Australia. Overseas branches and subsidiaries of companies in Australia are also regarded as being resident overseas.

Portfolio investment and institutional loans. Investment in companies other than direct investment, i.e. investment other than investment by related companies in branches and subsidiaries.

Subsidiaries. An *Australian subsidiary* of a company overseas is a company in Australia, other than a branch, in which:

- (a) a single overseas resident (individual or company) or a group of related companies in the one overseas country holds 25 per cent or more of the equity, or, if this condition does not apply,
 - (b) residents of one overseas country combined hold 50 per cent or more of the equity,
- together with other companies in Australia in which the Australian subsidiary holds, directly or indirectly, more than 50 per cent of the equity.

An *overseas subsidiary* of a company in Australia is a company overseas other than a branch, in which a company in Australia holds 25 per cent or more of the equity. In principle, companies overseas in which the combined Australian shareholding is 50 per cent or more would also be included but it is not practicable to ascertain the total investment by Australian shareholders in individual companies overseas.

Undistributed profits of subsidiaries. Equity of direct investors in the net earnings of a company during the year, less tax payable on those earnings and less dividends declared during the year whether relating to earnings of the same year or not. Net earnings are in general based on income for taxation purposes. However, certain deductions allowable for taxation purposes (e.g. mining exploration expenditure, Export Market Development Allowance, Investment Allowance for Manufacturing Plant, previous year's losses, etc.) are not deducted in calculating net earnings. Undistributed profits of Australian subsidiaries also includes undistributed income accruing to the subsidiary from related companies in Australia.

Unremitted profits of branches. Net earnings (after tax) during the year, less remittances of earnings to the head office during the year, irrespective of the year to which the earnings relate. Net earnings of branches are in general similar to those for subsidiaries. Also included is undistributed income accruing to the branch of other companies related to the branch.

The annual bulletin *Insurance and Other Private Finance* (5.15) and the *Annual Bulletin of Overseas Investment* (5.20) contain additional figures relating to overseas investment, including a longer range of years covered, and also a more detailed description of the figures.

Private overseas investment in companies in Australia and investment income payable overseas by companies in Australia

The inflow of private overseas investment in Australia in recent years is shown in the next three tables.

**INFLOW OF OVERSEAS INVESTMENT IN COMPANIES IN AUSTRALIA
BY CATEGORY OF INVESTMENT
(\$ million)**

Direct investment								
Year	Australian branches		Australian subsidiaries		Total direct	Portfolio investment and institutional loans	Total	
	Un-remitted profits (net)	Other direct investment	Un-distributed profits (net)	Other direct investment				
1968-69	14	148	239	200	601	405	1,006	
1969-70	5	156	226	354	740	274	1,014	
1970-71	26	148	248	506	928	655	1,584	
1971-72	41	124	207	503	874	588	1,463	
1972-73	39	35	254	— 66	262	116	379	
1973-74p	— 8	3	420	135	550	— 109	441	

Minus sign (—) denotes outflow.

**INFLOW OF OVERSEAS INVESTMENT IN COMPANIES IN AUSTRALIA,
BY COUNTRY AND BROAD CATEGORY OF INVESTMENT
(\$ million)**

Year	<i>United Kingdom</i>	<i>U.S.A.</i>	<i>Canada</i>	<i>Japan</i>	<i>E.E.C. (a)</i>	<i>Other countries</i>	Total
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UNDISTRIBUTED INCOME

1968-69	140	97	12	3	— 2	2	252
1969-70	147	73	11	— 2	— 8	10	231
1970-71	148	104	14	— 3	4	7	274
1971-72	109	128	20	— 1	— 5	— 4	248
1972-73	148	144	7	7	— 3	— 9	293
1973-74p	182	201	24	8	— 10	7	412

OTHER DIRECT INVESTMENT

1968-69	78	189	5	15	31	30	349
1969-70	92	296	23	21	41	37	510
1970-71	154	235	23	65	50	128	654
1971-72	144	229	12	67	39	135	626
1972-73	21	— 51	1	— 22	— 12	32	— 31
1973-74p	64	39	13	28	26	— 31	137

PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS

1968-69	263	38	5	100			405
1969-70	111	— 3	— 5	171			274
1970-71	254	141	18	242			655
1971-72	153	192	6	237			588
1972-73	— 103	— 32	— 9	63	75	121	116
1973-74p	— 149	— 81	— 12	25	77	31	— 109

TOTAL

1968-69	482	324	22	179			1,006
1969-70	350	365	29	270			1,014
1970-71	558	479	55	492			1,584
1971-72	406	549	40	467			1,463
1972-73	66	61	..	48	60	144	379
1973-74p	98	159	24	61	93	6	441

(a) Includes France, Federal Republic of Germany, Italy, Netherlands, Belgium, Luxembourg, Denmark and Eire from 1972-73 onwards.

Minus sign (—) denotes outflow.

**INFLOW OF DIRECT OVERSEAS INVESTMENT IN COMPANIES
IN AUSTRALIA, BY INDUSTRY**

(\$ million)

<i>Year</i>	<i>Primary production</i>	<i>Manu- facturing</i>	<i>Other industries</i>	<i>Total</i>
1968-69	232	199	170	601
1969-70	210	232	299	740
1970-71	300	248	381	928
1971-72	356	190	329	874
1972-73	61	31	171	262
1973-74p	58	269	223	550

The next three tables show investment income payable overseas by companies in Australia.

**INVESTMENT INCOME PAYABLE OVERSEAS BY COMPANIES IN AUSTRALIA
BY CATEGORY OF INCOME**

(\$ million)

<i>Direct investment income payable overseas by companies in Australia</i>						
<i>Year</i>	<i>Australian subsidiaries</i>					
	<i>Australian branches</i>			<i>Distributed earnings</i>		<i>Total direct</i>
	<i>Unremitted profits (net)</i>	<i>Remitted profits and interest</i>	<i>Undistributed profits (net)</i>	<i>Dividends payable</i>	<i>Interest payable</i>	
1968-69	34	68	247	106	34	489
1969-70	41	76	244	141	51	553
1970-71	52	94	247	131	63	588
1971-72	41	96	207	134	88	566
1972-73	39	135	254	202	93	723
1973-74p	— 8	133	420	203	79	828

*Income payable overseas on
portfolio investment and
institutional loans*

	<i>Dividends</i>	<i>Interest</i>	<i>Total</i>	<i>Grand total</i>
1968-69	50	32	82	571
1969-70	55	36	91	644
1970-71	57	45	102	690
1971-72	63	69	132	698
1972-73	69	82	151	874
1973-74p	70	70	140	968

**INVESTMENT INCOME PAYABLE OVERSEAS BY COMPANIES IN AUSTRALIA
BY COUNTRY AND BROAD CATEGORY OF INCOME**

(\$ million)

<i>Year</i>	<i>United Kingdom</i>	<i>U.S.A.</i>	<i>Canada</i>	<i>Japan</i>	<i>E.E.C. (a)</i>	<i>Other countries</i>	<i>Total</i>
UNDISTRIBUTED INCOME							
1968-69	140	97	12	3	- 2	2	252
1969-70	147	73	11	- 2	8	10	231
1970-71	148	104	14	- 3	- 4	7	274
1971-72	109	128	20	- 1	- 5	- 4	248
1972-73	148	144	7	7	- 3	- 9	293
1973-74p	182	201	24	8	-10	7	412
DISTRIBUTED INCOME ON DIRECT INVESTMENT							
1968-69	87	95	6	(b)	(b)	20	208
1969-70	105	134	7	4	6	12	269
1970-71	113	138	7	5	7	18	289
1971-72	105	165	6	11	7	24	318
1972-73	140	235	17	10	7	20	430
1973-74p	141	229	6	11	5	22	415
INCOME PAYABLE ON PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS							
1968-69	37	24	1	19			82
1969-70	42	25	1	23			91
1970-71	44	26	1	32			103
1971-72	52	34	2	44			132
1972-73	62	33	3	2	16	35	151
1973-74p	53	25	2	3	20	37	140
TOTAL							
1968-69	265	216	19	42			542
1969-70	294	232	19	46			590
1970-71	306	469	23	68			666
1971-72	265	327	28	78			698
1972-73	350	412	27	18	21	46	874
1973-74p	377	455	32	23	15	66	968

(a) Includes France, Federal Republic of Germany, Italy, Netherlands, Belgium, Luxembourg, Denmark and Eire from 1972-73 onwards. (b) Not available for publication.

Minus sign (-) denotes outflow.

**DIRECT INVESTMENT INCOME PAYABLE OVERSEAS BY COMPANIES
IN AUSTRALIA, BY INDUSTRY**

(\$ million)

<i>Year</i>	<i>Primary production</i>	<i>Manu- facturing</i>	<i>Other industries</i>	<i>Total</i>
1968-69	59	230	172	461
1969-70	63	255	182	499
1970-71	158	240	165	563
1971-72	125	242	199	566
1972-73	182	275	265	723
1973-74p	272	340	216	828

Australian investment in companies overseas and investment income receivable from companies overseas

The outflow of Australian investment in companies in recent years and a classification by country in which the capital was invested are shown in the following two tables.

**OUTFLOW OF AUSTRALIAN INVESTMENT IN COMPANIES OVERSEAS
BY CATEGORY OF INVESTMENT**

(\$ million)

Year	Direct investment				Portfolio investment and institutional loans(a)	Grand total
	Overseas branches		Overseas subsidiaries			
	Unre-mitted profits (net)	Other direct investment	Undis-tributed profits (net)	Other direct investment		
	Total					
1968-69	- 9	11	21	37	59	62
1969-70	- 6	4	19	108	125	131
1970-71	- 8	12	22	39	65	77
1971-72	- 9	26	33	71	119	119
1972-73	- 6	19	81	21	115	123
1973-74p	-19	59	97	24	161	182

(a) Excludes portfolio investment in Papua New Guinea other than some long-term trade credit and short-term assets. Minus sign (-) denotes inflow.

**OUTFLOW OF AUSTRALIAN INVESTMENT IN COMPANIES OVERSEAS
BY COUNTRY**

(\$ million)

<i>Year</i>	<i>United Kingdom</i>	<i>New Zealand</i>	<i>U.S.A. and Canada</i>	<i>Papua New Guinea(a)</i>	<i>Other countries</i>	<i>Total</i>
1968-69	17	14	1	25	5	62
1969-70	35	10	5	72	10	132
1970-71	- 1	22	9	37	15	77
1971-72	- 6	26	10	60	31	119
1972-73	6	23	3	(b)	91(c)	123
1973-74p	39	31	35	42	35	182

(a) Excludes portfolio investment other than some long-term trade credit and short-term assets. (b) Not available for publication. (c) Includes Papua New Guinea.

Minus sign (-) denotes inflow.

The next two tables show income from direct investment receivable by Australian companies from companies overseas, and the countries from which it is receivable.

**DIRECT INVESTMENT INCOME RECEIVABLE FROM OVERSEAS BY
COMPANIES IN AUSTRALIA, BY TYPE OF COMPANY AND CATEGORY
OF INCOME(a)**
(\$ million)

Year	Overseas branches		Overseas subsidiaries		Total
	Unre- mitted profits (net)	Remitted profits and interest	Undis- tributed profits (net)	Dividends and interest receivable	
1968-69	- 9	5	21	24	41
1969-70	- 6	5	19	26	44
1970-71	- 8	6	22	27	47
1971-72	- 9	4	33	34	61
1972-73	- 6	14	81	36	124
1973-74p	-19	24	97	64	166

(a) Details are not available of income receivable in Australia on either portfolio investment and institutional loans or on Australian holdings of foreign government securities.

Minus sign (—) denotes inflow.

**DIRECT INVESTMENT INCOME RECEIVABLE FROM OVERSEAS BY COMPANIES
IN AUSTRALIA, BY COUNTRY(a)**
(\$ million)

Year	United Kingdom	New Zealand	U.S.A. and Canada	Papua New Guinea(a)	Other countries	Total
1968-69	2	17	2	4	17	41
1969-70	4	13	1	9	17	44
1970-71	6	14	(b)	7	(c)20	47
1971-72	4	11	2	23	21	61
1972-73	17	20	(b)	(b)	(d)87	124
1973-74p	21	28	1	(b)	(e)116	166

(a) Details are not available of income receivable in Australia on either portfolio investment and institutional loans or on Australian holdings of foreign government securities. (b) Not available for publication—included in 'Other countries'. (c) Includes U.S.A. and Canada. (d) Includes U.S.A. Canada and Papua New Guinea. (e) Includes Papua New Guinea.

BALANCE OF PAYMENTS

Estimates of a country's balance of payments are prepared for the purpose of providing a systematic record in money terms of the economic transactions which take place over a period between that country and all other countries. Such records are essential to the examination of influences which external factors have on the domestic economy. The Australian economy is subject to fairly large fluctuations in export income, and it is also affected in important respects by variations in the level of foreign investment and the demand for imports. Consequently, these estimates have always assumed particular importance in this country.

Official estimates of Australia's balance of payments covering the period 1928-29 to 1930-31 were included in the Appendix to Year Book No. 24, 1931. Except for the war years (1939 to 1945), estimates have since been published annually. Detailed estimates are provided yearly in the mimeographed publication *Balance of Payments* (8.1), which also provides a description of the various items included. A summarised statement of the principal current account items and capital movements is prepared and issued on a quarterly basis in the *Balance of Payments—Quarterly Summary* (8.2).

In the form of presentation adopted for the Australian balance of payments estimates a basic distinction is made between 'current account' and 'capital account' transactions. Current account transactions may be defined as those involving changes in the ownership of goods or the rendering of services between residents of Australia and the rest of the world and include such items as exports, imports, shipping freights, dividends, profits and interest, travel, and government expenditure. The current account also includes the value of transfers in the form of gifts in cash or kind made or received by residents of Australia, both private and government, to or from the rest of the world. Capital account transactions may be defined as those involving claims to money and titles of investment between residents of Australia and those of another country and include government loan-raising operations overseas, investment by overseas residents in Australian companies, the investment of Australian residents in companies overseas, and changes in the level of Australia's foreign reserves.

By definition, the balance of payments on current account and the balance of payments on capital account during a given period must exactly offset one another. Errors and omissions, however, occur in the estimation of the amounts involved in various items in both the current and capital accounts, and, in addition, there are differences in timing between the statistical recording of trade and invisible transactions and the corresponding foreign exchange transactions. It is therefore necessary to introduce into the estimates a 'balancing item' which allows the identity between the current and capital account balances to be preserved. The 'balancing item' is included in the capital account, but, as mentioned above, it includes discrepancies in the current account and does not, as is frequently supposed, include only errors, omissions and timing differences related to capital transactions.

Details of the estimates are assembled from a variety of sources of which the following are the more important: (i) statistics of exports and imports obtained from Australian trade statistics; (ii) details of the import valuation adjustment obtained from a sample of the invoices submitted to the Department of Customs and Excise in respect of imports into Australia; (iii) information on particular invisible current account items and capital movements obtained by regular inquiry from private organisations and government departments; (iv) details of receipts and payments of foreign exchange provided by the banking system; (v) information on profits remitted, undistributed income and private investment in companies provided by statistics of overseas investment collected by this Bureau; (vi) information on freight on imports and other items concerned with overseas transportation obtained from a sample of the invoices submitted to the Department of Customs and Excise in respect of imports into Australia and from a survey conducted by this Bureau of overseas shipping and airline operations; and (vii) information supplied by the Reserve Bank of Australia on gold and net foreign assets of official and banking institutions.

Current account

The balance of payments on current account is arranged to show a series of items for each of which there is a credit and/or a debit entry. In most cases the credit entries represent transactions in goods and services, property income, and transfers, which result in receipts of foreign exchange, while the debit entries represent similar transactions which result in payments of foreign exchange. Some entries which do not entail movements of foreign exchange are also included, the principal examples being those for undistributed income and transactions, mainly in goods, in which the payments due are subsequently capitalised. These amounts are treated as credits or debits in the relevant sections of the current account, and as corresponding outflows or inflows in non-monetary items in the capital account. Transfers in kind provide a further example of transactions which do not require a movement of foreign exchange. The values of transfers received or provided in kind are shown as credits or debits respectively.

The largest items shown in the current account are exports and imports, and the difference between them represents the balance of trade. This is usually the most variable relationship in the balance of payments and is, therefore, a most important one. *For balance of payment purposes, certain adjustments are made to the recorded trade statistics.* Briefly, these adjustments are made to exclude those transactions for which there is no change of ownership between residents and non-residents of Australia and to include certain transactions for which there has been a change of ownership but for which customs entries are not required. In addition, a valuation adjustment is made to the recorded import statistics in order to remove the overstatement which results from the basis of valuation for customs duty. A full description of the adjustments was provided in the Appendix to the publication *Balance of Payments, 1968-69*. A full evaluation of the overall position on current account, however, occurs only after the invisible items have been taken into account. In value terms the most important of these are the transportation items. Entries appear on both the debit and credit sides, the principal component on the debit side being freight payable overseas on imports into Australia. The principal component on the credit side is expenditure by overseas carriers, which represents mainly overseas ships' expenditure for stevedoring, port charges, etc., incurred in loading and discharging

goods at Australian ports, and stores purchased in Australia. The items next in importance are those concerning income from property. Debit entries under this heading include dividends, profits, interest and royalties payable overseas, while the credit entries include similar details of amounts receivable by Australian residents. These items include undistributed income in respect of which, as mentioned above, no monetary movements occur. The remaining items are smaller than those mentioned above, and include travel, government transactions, transfers (including foreign aid made available by the Australian Government), and, on the credit side, the net value of Australian gold production.

Capital account

In the capital account, transactions are recorded on a net basis; that is, according to the net effect of all debit and credit entries relating to each item. Thus entries on the credit side represent a net increase in non-residents' assets in Australia or a net decrease in Australian assets overseas, while debit entries represent a net decrease in non-residents' assets in Australia or a net increase in Australian assets overseas.

Capital account transactions are grouped according to the sector of the Australian party to the transactions. The government sector, therefore, includes all capital transactions of central, State, local and semi-government authorities with the exception of transactions of monetary institutions (which are included in the monetary sector), while the private sector covers transactions of all resident individuals and private institutions (again excepting monetary institutions). The monetary sector covers all banking institutions, including government-owned banks. Transactions of the monetary sector are further sub-divided into those of official and 'other' monetary institutions. Transactions of official institutions include changes in Australia's official reserve assets (consisting of gold, foreign exchange, the I.M.F. gold tranche and special drawing rights in the I.M.F.) and transactions between the Reserve Bank of Australia and foreign central monetary authorities and the I.M.F. Also included is an item, *18.4 Allocation of Special Drawing Rights*. This the counterpart to the change in official reserve assets due to the allocation to Australia of S.D.R.s by the I.M.F. Such an entry is necessary in this case because without it there would be no corresponding credit to the increase in assets (debit) and the allocation would be reflected in an offsetting movement in the balancing item. 'Other' monetary institutions includes all other transactions of Australian monetary institutions.

In the government sector the most important items include transactions by non-residents in government securities domiciled overseas and in Australia and transactions involving changes in Australia's assets with and liabilities to international development institutions such as the International Bank for Reconstruction and Development and the Asian Development Bank. Other government transactions are largely a reflection of the net effect on the balance of payments of leads and lags between payments made overseas for items of equipment for the defence services or government airlines and the delivery of the equipment. In periods where payments exceed the value of deliveries a net debit results; in periods where the value of deliveries exceeds payments a net credit is recorded.

In the private sector the most important items are overseas investment in Australian companies, Australian investment overseas, and the transactions of marketing authorities. The figures for marketing authorities represent changes in the estimated value of commodity stocks held overseas by, or in amounts owed by overseas debtors to, the principal Australian marketing authorities.

In the monetary sector the most important item is that which shows the net changes in Australia's official reserve assets.

The balancing item includes errors and omissions and timing differences, referred to on page 342.

Tables—Balance of payments

The following tables show particulars of:

- (i) the balance of payments; and
- (ii) the balance of payments by regions.

BALANCE OF PAYMENTS: AUSTRALIA
(*\$ million*)

	1970-71		1971-72		1972-73	
	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>
CURRENT ACCOUNT						
Goods—						
1 Exports f.o.b.(a) . . .	4,217	..	4,726	..	5,991	..
2 Imports f.o.b.(a) . . .	..	3,790	..	3,792	..	3,807
<i>Balance of trade</i> . . .	427	..	934	..	2,184	..
Invisibles—						
3 Gold production . . .	15	..	13	..	15	..
4 Transportation --						
4.1 Freight on imports(b) . . .	..	409	..	409	..	426
4.2 Expenditure of overseas carriers . . .	305	..	332	..	393	..
4.3 Other transportation . . .	170	423	166	439	182	458
5 Travel . . .	136	199	139	264	132	312
6 Government—						
6.1 Australian government—						
6.11 Defence expenditure . . .	..	73	..	63	..	49
6.12 Other expenditure . . .	..	54	..	61	..	73
6.13 Services to non-residents . . .	26	..	27	..	26	..
6.2 Foreign governments' expenditure . . .	56	..	63	..	64	..
7 Miscellaneous—						
7.1 Business expenses . . .	87	106	102	132	89	156
7.2 Other . . .	48	64	58	78	45	67
8 Property income—						
8.1 Direct investment—						
8.11 Undistributed . . .	14	274	23	248	75	293
8.12 Distributed . . .	33	289	38	318	50	430
8.2 Interest on government loans . . .	..	88	..	88	..	82
8.3 Royalties and copyrights . . .	6	64	4	56	4	75
8.4 Other . . .	112	102	163	132	252	151
9 Government transfers—						
9.1 Papua New Guinea . . .	..	123	..	132	..	158
9.2 Other foreign aid . . .	..	62	..	73	..	94
10 Private transfers—						
10.1 Migrants' funds . . .	130	49	153	69	165	93
10.2 Other . . .	51	85	73	103	71	118
Balance on current account . . .	..	849	..	375	712	..

For footnotes see next page.

BALANCE OF PAYMENTS: AUSTRALIA—*continued*
(\$ million)

	1970-71		1971-72		1972-73	
	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>
CAPITAL ACCOUNT (NET)						
Government—						
11 Government securities—						
11.1 Domiciled overseas . . . . .	..	47	..	49	..	66
11.2 Domiciled in Australia . . . . .	..	2	3	..	33	..
12 International development institutions(c) . . . . .	..	7	..	7	..	9
13 Other government transactions . . . . .	..	8	..	8	..	22
Private—						
14 Overseas investment in Australian companies—						
14.1 Direct investment—						
14.11 Undistributed income	274	..	248	..	293	..
14.12 Other	654	..	626	..	..	31
14.2 Portfolio investment and institutional loans	655	..	588	..	116	..
15 Australian investment overseas—						
15.1 Direct investment—						
15.11 Undistributed income . . . . .	..	14	..	23	..	75
15.12 Other . . . . .	..	51	..	96	..	41
15.2 Portfolio investment . . . . .	..	29	..	24	..	29
16 Other private investment	12	..	4	..	17	..
17 Marketing authorities . . . . .	..	41	..	45	34	..
Monetary—						
18 Official monetary institutions—						
18.1 Changes in liabilities—						
18.11 Use of I.M.F. credit . . . . .	..	..	..	..	..	..
18.12 Other	7	..	5	..	10	..
18.2 Changes in official reserve assets . . . . .	..	742	..	1,544	..	995
18.3 Other transactions	3	..	3	..	..	..
18.4 Allocation of Special Drawing Rights	64	..	63	..	..	..
19 Other monetary institutions—						
19.1 Changes in liabilities	29	..	47	..	95	..
19.2 Changes in assets—						
19.21 Advances to non-residents . . . . .	..	1	..	3	..	6
19.22 Other foreign assets	71	..	31	..	3	..
Balancing item	21	..	556	..	..	41
Balance on capital account	849	..	375	..	..	712

(a) The amounts shown represent the recorded trade figures adjusted for balance of payments purposes. Adjustments affect timing, coverage and valuation. (b) Freight payable overseas only. Total freight and insurance on imports, whether payable overseas or in Australia, is estimated at \$462 million in 1970-71, \$465 million in 1971-72 and \$491 million in 1972-73. (c) Subscription transactions only.

BALANCE OF PAYMENTS BY REGIONS: AUSTRALIA
(\$ million)

	1970-71	1971-72	1972-73
CURRENT ACCOUNT(a)			
Exports f.o.b.(b)—			
United States of America	513	612	712
Canada	105	138	163
United Kingdom	485	438	563
European Economic Community	395	468	653
Japan	1,182	1,352	1,918
New Zealand	222	262	311
Papua New Guinea	144	140	121
Sino-Soviet Area	168	171	273
Other countries	1,005	1,145	1,277
<i>Total exports</i>	<i>4,217</i>	<i>4,726</i>	<i>5,991</i>
Imports f.o.b.(b)—			
United States of America	905	889	805
Canada	153	124	122
United Kingdom	800	762	682
European Economic Community	516	508	533
Japan	557	606	688
New Zealand	90	107	122
Papua New Guinea	22	22	23
Sino-Soviet Area	53	62	74
Other countries	695	712	758
<i>Total imports</i>	<i>3,790</i>	<i>3,792</i>	<i>3,807</i>
Invisibles (net)—			
United States of America	— 290	— 382	— 466
Canada	— 31	— 24	— 29
United Kingdom	— 496	— 456	— 480
European Economic Community	— 125	— 107	— 145
Japan	9	5	3
New Zealand . . . . .	..	— 3	13
Papua New Guinea	— 104	— 90	— 75
Sino-Soviet Area . . . . .	..	— 4	— 6
Other countries	— 229	— 243	— 275
International agencies	— 25	— 20	— 21
Gold production	15	13	15
<i>Total invisibles (net)</i>	<i>— 1,276</i>	<i>— 1,309</i>	<i>— 1,472</i>
Balance on current account—			
United States of America	— 683	— 659	— 558
Canada	— 79	— 10	13
United Kingdom	— 812	— 779	— 599
European Economic Community	— 246	— 147	— 26
Japan	— 634	— 751	1,227
New Zealand	132	152	202
Papua New Guinea	18	29	23
Sino-Soviet Area	115	105	193
Other countries	82	190	245
International agencies	— 25	— 20	— 21
Gold production	15	13	15
<i>Total balance on current account</i>	<i>— 849</i>	<i>— 375</i>	<i>712</i>

For footnotes see next page.

BALANCE OF PAYMENTS BY REGIONS: AUSTRALIA—*continued*
(\$ million)

	1970-71	1971-72	1972-73
CAPITAL ACCOUNT (NET)(a)			
Non-monetary sector—			
Government capital movements—			
United States of America	2	15	- 69
Canada	- 9	- 1	- 1
United Kingdom	- 30	- 67	- 51
European Economic Community	- 5	24	- 10
Japan	..	..	28
New Zealand	..	- 1	1
Papua New Guinea	- 2	- 12	..
Sino-Soviet Area	..	..	..
International development institutions	- 25	5	- 20
Other countries and international institutions	5	- 23	58
<i>Total government capital movements</i>	- 63	- 60	- 64
Overseas investment in Australian companies—			
United States of America	479	549	61
Canada	55	40	..
United Kingdom	558	406	66
European Economic Community	n.a.	n.a.	60
Japan	n.a.	n.a.	48
New Zealand	n.a.	n.a.	n.a.
Papua New Guinea	n.a.	n.a.	n.a.
Sino-Soviet Area	n.a.	n.a.	n.a.
Other countries(c)	492	468	144
<i>Total overseas investment in Australian companies</i>	1,384	1,463	379
Other capital movements—			
United States of America	- 4	- 5	..
Canada	3	- 6	4
United Kingdom	3	30	- 6
European Economic Community	..	- 1	- 9
Japan	1	..	..
New Zealand	- 17	- 24	- 21
Papua New Guinea	- 54	- 84	- 69
Sino-Soviet Area	56	14	- 12
Other countries(c)	- 109	- 109	20
<i>Total other private capital movements</i>	- 123	- 185	- 94
Total non-monetary sector transactions—			
United States of America	476	559	- 8
Canada	49	33	3
United Kingdom	531	369	10
European Economic Community	n.a.	n.a.	41
Japan	n.a.	n.a.	20
New Zealand	n.a.	n.a.	n.a.
Papua New Guinea	n.a.	n.a.	n.a.
Sino-Soviet Area	n.a.	n.a.	n.a.
International development institutions	n.a.	n.a.	n.a.
Other countries and international institutions(c)	341	257	157
<i>Total non-monetary sector transactions</i>	1,398	1,218	221
Monetary sector transactions—			
Official institutions(d)	- 668	- 1,474	- 985
Other(d)	99	76	93
Balancing item(d)	21	5.6	- 41
<i>Total balance on capital account(d)</i>	849	375	- 712

(a) For current account balances minus sign (—) denotes deficit; for capital account items minus sign (—) denotes an increase in overseas assets or a decrease in liabilities to overseas. (b) The amounts shown represent recorded trade figures adjusted for balance of payments purposes. Adjustments affect timing, coverage and valuation. (c) Including Japan and European Economic Community. (d) No regional split is available for these items.

International reserves

The following table shows the total gold and net foreign assets of official and banking institutions as at 30 June for recent years.

**GOLD AND NET FOREIGN ASSETS
OFFICIAL AND BANKING INSTITUTIONS**

(Source: Reserve Bank of Australia)

(\$ million)

	30 June		
	1971	1972	1973
Official reserve assets—			
Gold	227	233	220
Special Drawing Rights	146	209	200
I.M.F. gold tranche	186	149	143
Foreign exchange—			
United States dollars	696	1,345	2,028
Sterling	947	1,657	1,484
Others	77	171	255
<i>Total</i>	<i>2,280</i>	<i>3,764</i>	<i>4,331</i>
Other foreign assets (net)	29	— 3	— 6
<i>Total</i>	<i>2,309</i>	<i>3,761</i>	<i>4,325</i>

**INDEXES OF VALUES OF EXPORTS AND IMPORTS
AT CONSTANT PRICES**

The following tables show annual indexes of the values of Australian exports and imports of merchandise at constant (average 1966–67) prices. Further information concerning the sources and methods used in compiling the series is contained in the bulletin *Exports and Imports of Merchandise at Constant Prices* (8.21) published on 10 October 1968. Quarterly figures in original and seasonally adjusted terms are published regularly in the bulletin *Exports and Imports of Merchandise at Constant Prices* (8.22).

Nature of the indexes

Indexes of this type are designed to provide, in convenient summary form, measures of change in the quantum of exports and imports. They are sometimes referred to as measures of change in the volume of exports and imports, though strictly speaking they measure change in the value of exports and imports after the direct effects of price changes have been eliminated. Measures of this type are, of necessity, subject to approximations and assumptions, and they should not be interpreted in any precise quantitative sense.

In concept, the indexes may be thought of as being derived by expressing the value of each export or import item as the product of a price and a quantity, and by then substituting for each actual current price the corresponding price in the chosen base year. The total value of exports or imports in the current year, expressed at the prices of the base year, is then obtained by summing and is converted to an index number by dividing by the total value of exports or imports in the base year. Indexes so derived may be described as 'fixed-weight' indexes, the weights of individual items in the composite measure being determined by their relative prices in the base year. It follows that the choice of a particular base year will normally affect the trend of such indexes (so long as there are variations in the rate of change in quantity of individual items, and variations in relative prices of such items from one year to the next).

The indexes are compiled on the basis of recorded statistics of exports and imports of merchandise. They should therefore be interpreted in conjunction with the statistics of overseas trade published by the Australian Bureau of Statistics. In particular, it should be noted that in overseas trade statistics (and in the index series derived from them) all values are determined on a 'free on board (f.o.b.) port of shipment' basis so that charges such as the cost of freight and insurance incurred after

the goods have been exported from the port of shipment are excluded. It should also be noted that the indexes published below exclude from their scope non-merchandise trade as currently defined (i.e. Sections 9B of the new commodity classifications which contain commodities such as gold, legal tender, decorations, trophies, samples, passengers' personal effects, military equipment and stores for Australian forces abroad).

EXPORTS OF MERCHANDISE
Indexes of Values at Average 1966-67 Prices
(Base: Year 1966-67 = 100)

	<i>Food and live animals</i>			<i>Total</i>	<i>Wool and sheep-skins</i>	<i>Metal-liferous ores and metal scrap</i>	<i>Metal manufactures, machinery, transport equipment</i>	<i>Other exports</i>	<i>All exports of merchandise</i>
	<i>Meat and meat preparations</i>	<i>Cereal grains and cereal preparations</i>	<i>Other (dairy produce, fruit, sugar, etc.)</i>						
Percentage of total value of exports in 1966-67(a)	9.5	15.8	12.5	37.8	29.7	5.6	14.2	12.7	100.0
1966-67	100	100	100	100	100	100	100	100	100
1967-68	100	94	99	97	102	147	100	121	105
1968-69	98	80	102	92	107	211	116	147	114
1969-70	132	106	100	111	115	302	151	174	136
1970-71	135	146	109	131	105	385	156	189	148
1971-72	167	150	111	141	113	392	186	217	163
1972-73	214	95	126	135	108	474	226	237	172

IMPORTS OF MERCHANDISE
Indexes of Values at Average 1966-67 Prices
(Base: Year 1966-67 = 100)

	<i>Food, beverages, and tobacco</i>	<i>Fuels</i>	<i>Basic materials</i>	<i>Chemicals (including plastics)</i>	<i>Textiles, fabrics, etc.</i>	<i>Metal manufactures, machinery, transport equipment</i>	<i>Other imports</i>	<i>All imports of merchandise</i>
Percentage of total value of imports in 1966-67	5.2	8.2	7.4	9.9	8.0	43.3	18.0	100.0
1966-67	100	100	100	100	100	100	100	100
1967-68	99	100	107	109	107	111	111	109
1968-69	110	105	106	123	114	116	121	116
1969-70	116	111	112	132	122	127	137	126
1970-71	120	81	108	145	127	133	152	130
1971-72	124	71	104	139	133	113	153	121
1972-73	127	64	125	150	143	115	164	127

(a) These percentages may be used in analysing the contribution of each group to movements in the total index.

