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**BALANCE OF PAYMENTS
AUSTRALIA
DECEMBER QUARTER 1989**

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MAIN FEATURES

Estimates of the main balance of payments aggregates for the December quarter 1989 and the preceding quarter are shown in the following table together with related data on exchange rates and the trade weighted index.

MAIN AGGREGATES, EXCHANGE RATES AND THE TRADE-WEIGHTED INDEX

	1989					
	<i>Not seasonally adjusted</i>			<i>Seasonally adjusted</i>		
	<i>Sep qtr</i>	<i>Dec qtr</i>	<i>Per cent change (a)</i>	<i>Sep qtr</i>	<i>Dec qtr</i>	<i>Per cent change (a)</i>
MAIN AGGREGATES (\$ million)						
Balance on current account	-5,969	-4,443	+26	-5,751	-4,365	+24
Balance on goods and services	-3,330	-1,773	+47	-2,632	-1,642	+38
Balance on merchandise trade	-2,057	-657	+68	-1,685	-390	+77
Net services	-1,273	-1,116	+12	-947	-1,252	-32
Net income	-3,291	-3,312	-1	-3,686	-3,330	+10
Net unrequited transfers	652	642	-2	567	607	+7
Balance on capital account	3,519	5,365	..	..	..	..
Official	117	-443	..	..	..	..
Non-official	3,402	5,808	..	..	..	..
EXCHANGE RATES - UNITS OF FOREIGN CURRENCY PER \$A (b)						
United States dollar	.7638	.7811	+2.3	..	..	..
Special drawing right	.6065	.6089	+0.4	..	..	..
TRADE-WEIGHTED INDEX OF THE VALUE OF THE \$A (MAY 1970=100) (b)						
	59.5	60.5	+1.7	..	..	..

(a) For the current account, a minus sign means an increase in the deficit or a decrease in the surplus and a plus sign means a decrease in the deficit or an increase in the surplus. (b) Period averages.

December quarter 1989 compared with September quarter 1989 -

• **Goods and services (seasonally adjusted).** The deficit on goods and services narrowed by \$990 million. This was due to the deficit on merchandise trade decreasing by \$1295 million with exports rising 3 percent and imports falling 7 percent. The growth in merchandise exports resulted mainly from an increased volume of non-rural exports. Both exogenous and endogenous imports contributed to the fall in import values. The services deficit rose \$305 million. For further details, see "Notes on estimates" on Page 6.

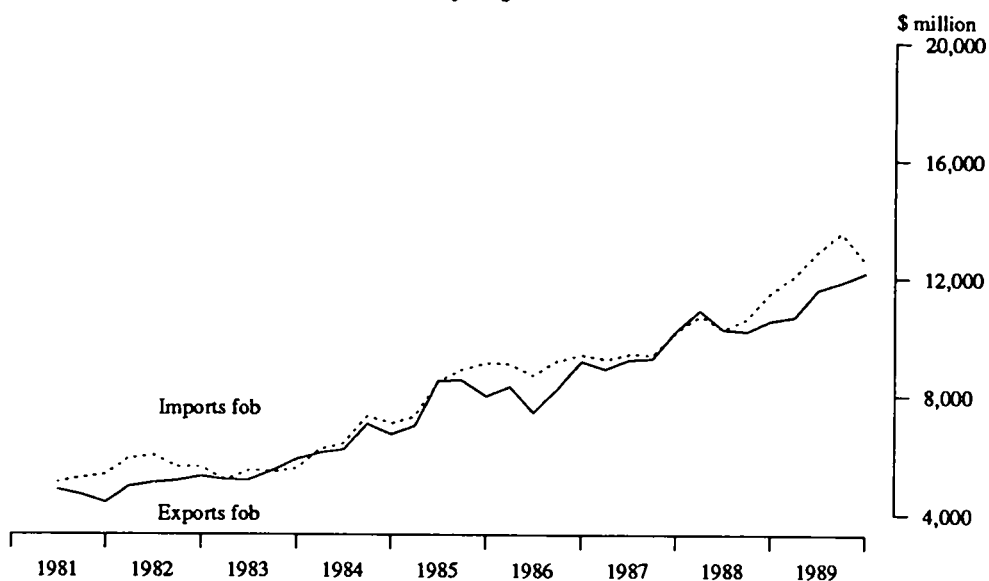
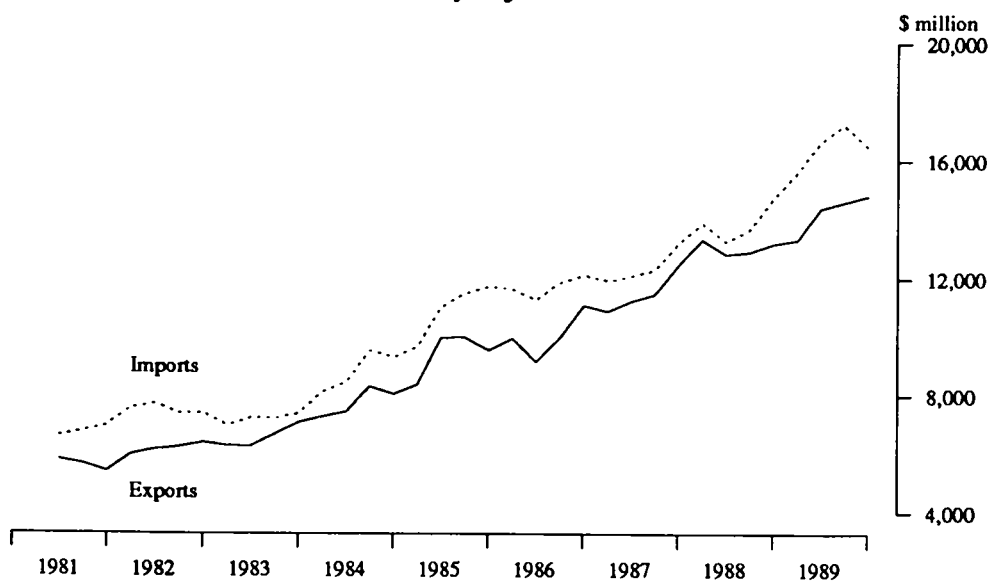
• **Income and unrequited transfers (seasonally adjusted).** The net income deficit improved by \$356 million. In-

come credits rose marginally while income debits fell \$352 million. The unrequited transfers surplus rose by \$40 million.

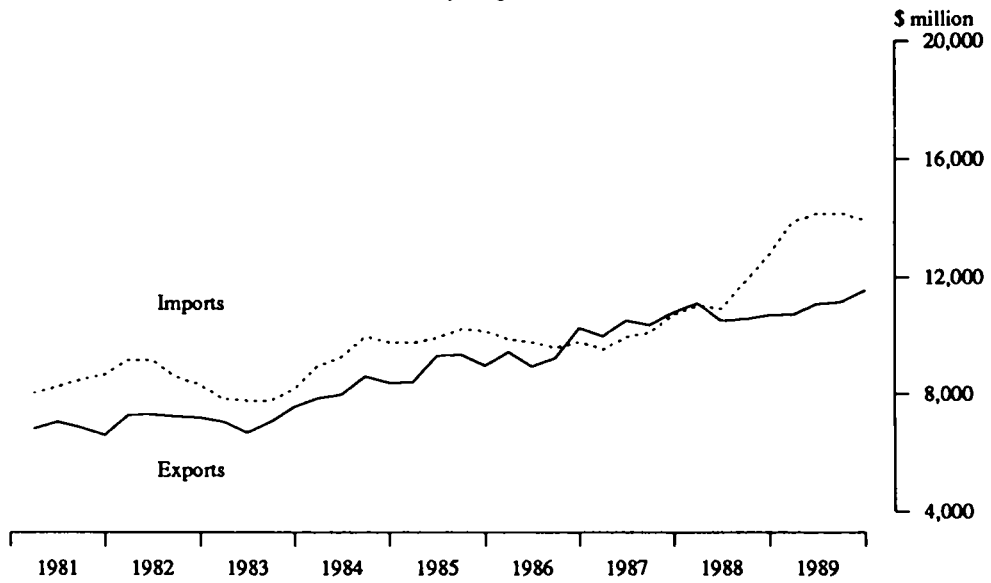
• **Official capital (not seasonally adjusted).** The outflow following the previous quarter's inflow mainly reflected the \$553 million turnaround from an inflow to an outflow in general government lending, partly offset by a lower net inflow from general government borrowing and a smaller increase in official reserve assets.

• **Non-official capital (not seasonally adjusted).** The rise in the net inflow was largely due to Australian direct investment abroad which turned around sharply from an outflow to an inflow.

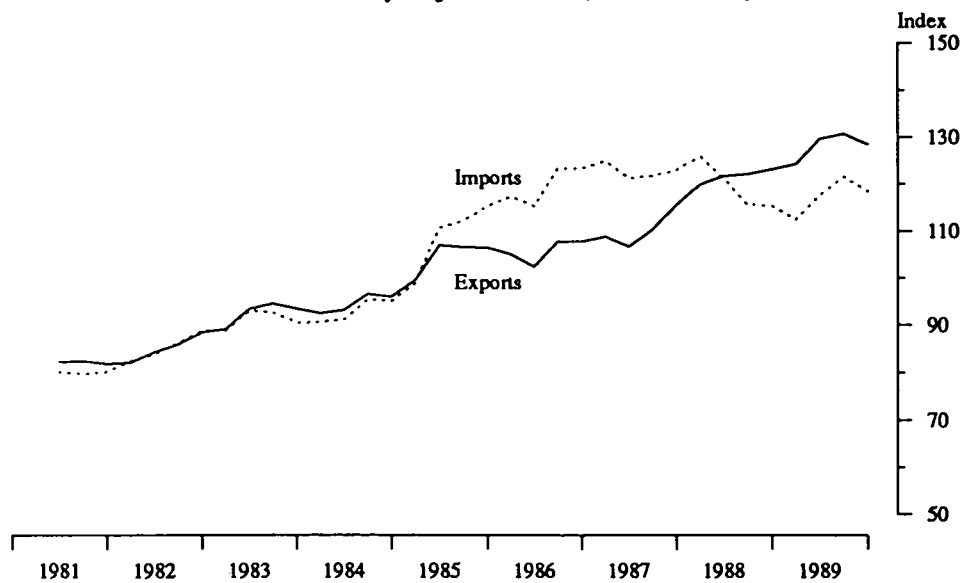
GRAPHS OF PRINCIPAL BALANCE OF PAYMENTS AGGREGATES

Graph 1. Merchandise -
seasonally adjustedGraph 2. Goods and services at current prices -
seasonally adjusted

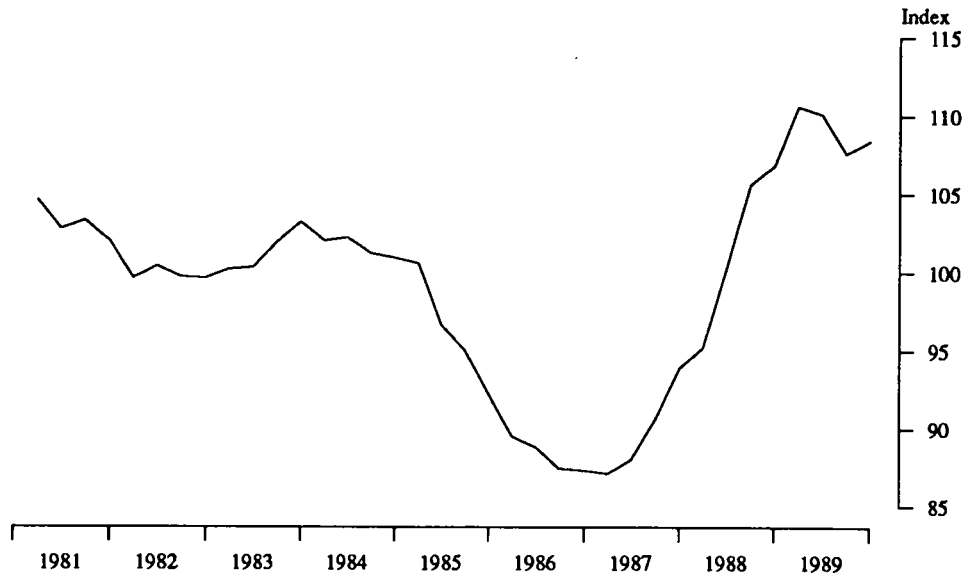
Graph 3. Goods and services at average 1984-85 prices - seasonally adjusted



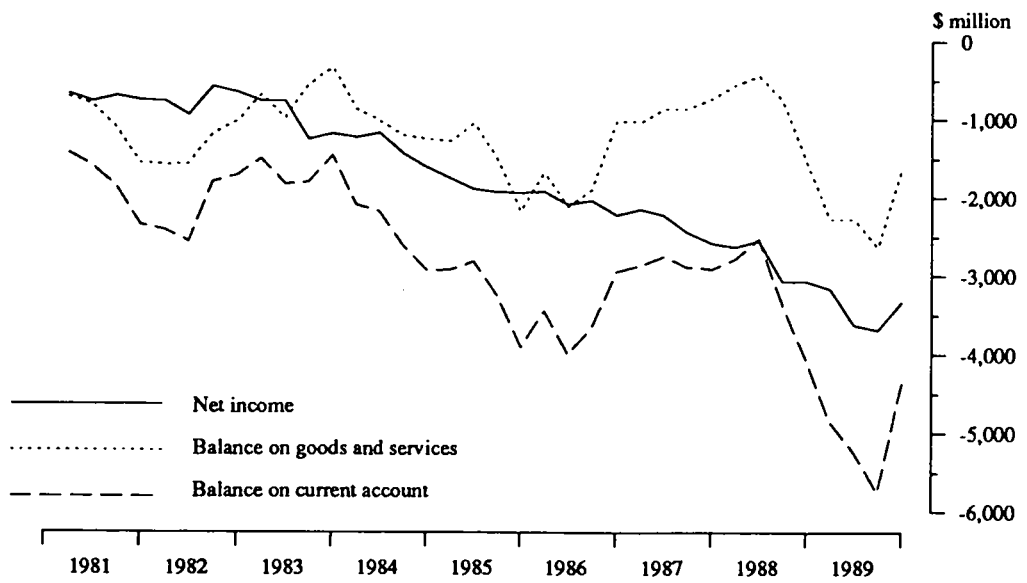
Graph 4. Implicit price deflators for goods and services - based on seasonally adjusted data (1984-85=100)



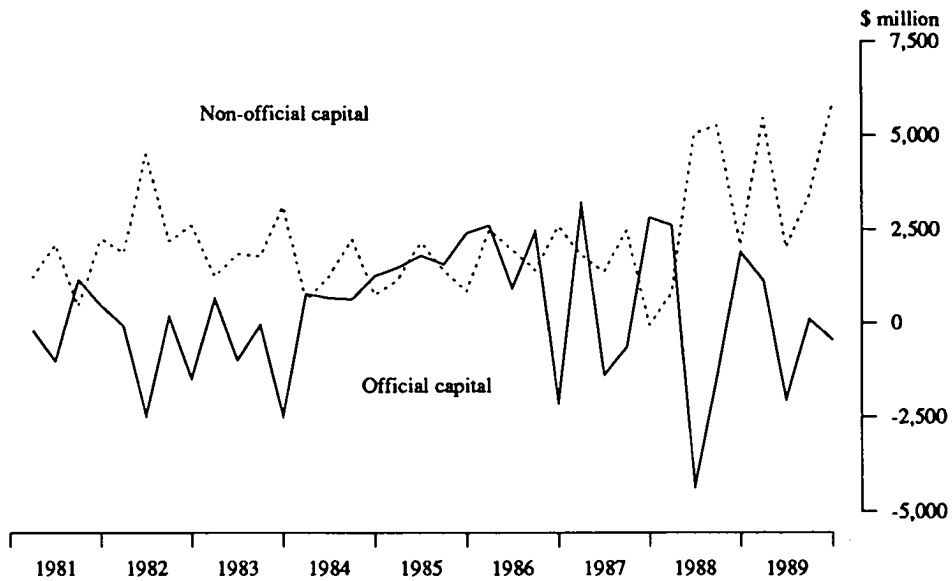
**Graph 5. Terms of trade for goods and services
- based on seasonally adjusted data (1984-85=100)**



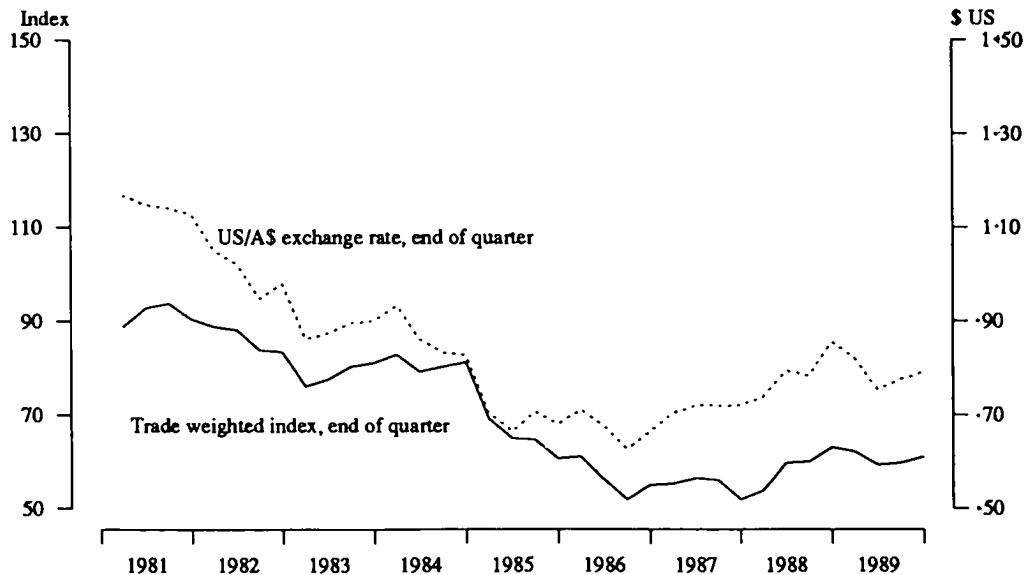
**Graph 6. Current account major aggregates
- seasonally adjusted**



Graph 7. Net capital transactions



Graph 8. Trade weighted index (May 1970=100) and US/A\$ exchange rate



NOTES ON THE ESTIMATES

GOODS AND SERVICES

The following table shows, for the last eight quarters, the changes in exports and imports of goods and services, seasonally adjusted, at current and constant prices and corresponding implicit price deflators and terms of trade measures.

PERCENTAGE CHANGES IN EXPORTS AND IMPORTS OF GOODS AND SERVICES AND TERMS OF TRADE

	1987-88		1988-89				1989-90	
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
AT CURRENT PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	6.7	-3.8	0.8	2.2	1.0	7.9	1.4	1.6
Merchandise exports	6.8	-5.9	-0.8	3.7	1.3	8.7	2.1	2.7
Services credits	6.1	5.7	7.0	-3.4	-0.2	4.8	-1.4	-3.4
Imports of goods and services	5.0	-4.5	3.1	7.7	6.0	6.7	3.5	-4.4
Merchandise imports	5.6	-4.5	3.7	8.3	5.1	6.9	4.9	-7.2
Services debits	2.8	-4.5	1.3	5.7	9.2	6.2	-1.6	5.7
AT CONSTANT (AVERAGE 1984-85) PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	2.8	-5.5	0.4	1.6	0.1	3.3	0.5	3.7
Merchandise exports	2.6	-7.5	-0.9	2.6	-	4.2	1.5	5.2
Services credits	3.6	4.2	6.0	-2.5	0.4	-0.7	-4.0	-3.3
Imports of goods and services	2.7	-0.9	8.2	7.9	8.8	2.0	0.1	-1.8
Merchandise imports	3.0	-0.9	8.1	8.8	8.5	2.5	0.3	-3.3
Services debits	1.4	-1.0	8.8	4.8	9.8	0.1	-0.8	3.8
IMPLICIT PRICE DEFLATORS (a)								
Exports of goods and services	3.7	1.8	0.4	0.6	0.9	4.5	1.0	-2.1
Merchandise exports	4.0	1.7	0.2	1.1	1.2	4.3	0.6	-2.4
Services credits	2.4	1.4	0.9	-0.9	-0.5	5.5	2.8	-0.1
Imports of goods and services	2.3	-3.7	-4.7	-0.2	-2.6	4.7	3.3	-2.6
Merchandise imports	2.6	-3.7	-4.1	-0.4	-3.1	4.3	4.6	-4.0
Services debits	1.3	-3.4	-7.0	0.9	-0.6	6.0	-0.8	1.9
TERMS OF TRADE (a)								
Goods and services	1.5	5.6	5.4	0.8	3.6	-0.2	-2.3	0.6
Merchandise trade	1.4	5.6	4.5	1.5	4.5	-0.1	-3.8	1.8
Services	1.2	5.0	8.5	-1.7	0.1	-0.6	3.6	-2.0

(a) Derived from index numbers on base 1984-85 = 100. The index numbers are derived from seasonally adjusted current and constant price estimates.

December quarter 1989 compared with September quarter 1989, seasonally adjusted (*"Volume" refers to values at average 1984-85 prices and "price" refers to implicit price deflators*) -

Exports of merchandise at current prices rose \$322 million. Rural exports fell \$366 million, reflecting a 9 per cent decrease in volume, with wool and cereals recording the largest falls. Non-rural exports rose \$688 million due to a 12 per cent increase in volume and a 3 per cent fall in price.

Services credits at current prices fell \$94 million as a result of a 3 per cent fall in volume and virtually no change in price.

The *implicit price deflator* of total exports of goods and services fell 2.1 per cent. On a fixed weight basis the overall IPD fell 1.8 per cent, while compositional shifts implied a decrease of 0.3 per cent.

Imports of merchandise at current prices decreased by \$973 million. Exogenous imports fell \$274 million due to

lower civil aircraft imports. Endogenous imports fell \$699 million mainly due to lower imports of transport equipment, with a 2 per cent decline in volume and a 4 per cent fall in price underlying the overall fall.

The volume movements in the components of endogenous imports were: consumption goods, down 4 per cent; capital goods, down 5 per cent; and other goods, up marginally.

Services debits rose \$211 million as a result of a 4 per cent rise in volume and a 2 per cent rise in price.

The *implicit price deflator* for total imports of goods and services fell 2.6 per cent. On a fixed weight basis the overall IPD decreased by 1.5 per cent, while compositional shifts implied a 1.1 per cent fall. Australia's *terms of trade* rose 0.6 per cent.

It should be noted that at the time of compilation of the statistics in this publication the available information on the prices of internationally traded goods for the latest quarter is preliminary in nature and therefore subject to revision.

EXOGENOUS IMPORTS

For purposes of analysing movements in merchandise imports, the categories exogenous and endogenous imports are shown in various tables in this publication. Statistics on the main components of exogenous imports at current

prices are shown in the following table so that the impact of identified and sizeable lumpy transactions upon total merchandise imports and other key aggregates can be more readily assessed.

EXOGENOUS MERCHANDISE IMPORTS (NOT SEASONALLY ADJUSTED)
(\$ million)

Period	Fuels (a)	Civil Aircraft (b)	Other (c)	Total	Per cent of total merchandise imports
1986-87	1,751	1,058	1,650	4,459	12.0
1987-88	2,036	189	1,604	3,829	9.5
1988-89	2,014	837	1,356	4,207	8.9
1987-88 -					
September qtr	412	90	437	939	9.6
December qtr	613	36	416	1065	10.3
March qtr	494	63	401	958	9.4
June qtr	517	—	350	867	8.6
1988-89 -					
September qtr	411	82	306	799	7.3
December qtr	295	471	373	1,139	9.6
March qtr	561	149	284	994	8.6
June qtr	747	135	393	1,275	10.0
1989-90 -					
September qtr	633	489	314	1,436	10.3
December qtr	698	173	290	1,161	9.0

(a) SITC Section 3. (b) Acquisition of aircraft by selected major airline companies. (c) Acquisition of associated aircraft equipment (eg spare engines etc), defence equipment and ships by selected public sector enterprises and certain other government goods.

REVISIONS

Estimates in this issue are consistent with those published on 1 March in the January 1990 monthly balance of payments publication (5301.0). They incorporate the revisions that were described in that issue.

Also included in the statistics in this issue are under-coverage estimates of foreign investment in Australian real estate for 1986-87 and 1987-88, and revised under-coverage estimates for 1988-89 and the September quarter 1989. Their introduction was foreshadowed in the previous issue of this publication. A special article entitled "Measurement of foreign investment in Australian real estate in foreign investment statistics" describing the methodology used in compiling these estimates was included in *Foreign Investment, Australia, September quarter 1989* (5306.0), pages 8 to 10, released on 13 February.

Revisions to constant price estimates of exports and imports of merchandise

As noted in the March quarter 1988 issue of this publication, the introduction of the Harmonised Commodity Description and Coding System (HS) in January 1988 caused difficulties in the constant price estimation of exports and imports of merchandise.

One result of the implementation of the HS was that the constant price estimation had to be carried out at a less detailed level, and using less satisfactory methods, than previously. Sufficient observations on the HS basis are now available to permit estimation at a much more detailed level, using the preferred methods. As a result, the constant price estimates of exports and imports of merchandise have been revised back to March quarter 1988. The difficulties caused by the introduction of the HS were most acute for the constant price estimation of imports. This is reflected in downward revisions to the estimates of imports at constant prices for all quarters from June quarter 1988 to September quarter 1989.

SEASONAL REANALYSIS

The seasonally adjusted estimates of the current account have been revised in this issue as a result of a seasonal reanalysis of the series. The reanalysis has taken account of additional information becoming available since the previous reanalysis.

The factors to be used in compiling seasonally adjusted estimates for certain series (principally components of merchandise trade and investment income) up to and including September quarter 1990 can be obtained, for a charge, from Mr Alan Puckeridge on Canberra (062) 52 6689.

TREATMENT OF INSURANCE SERVICES IN THE BALANCE OF PAYMENTS

Introduction

Insurance services reported in the balance of payments include the provision of insurance services by Australian residents to non-residents (credits) and by non-residents to Australian residents (debits). These services are part of the current account. Two types of insurance services are identified in balance of payments statistics, *insurance on merchandise trade* and *insurance services n.e.c.* Insurance on merchandise trade, which is included as a component of *shipment services*, reflects part of the distribution costs associated with Australia's exports and imports. Insurance services n.e.c. is included in *other services*, a residual category covering services other than transportation and travel.

A distinction is made between insurance services and insurance income. A component *insurance income* is included as part of *labour and other income* in the income category of the balance of payments current account. This component records extraordinary insurance claims paid out after extensive damage resulting from a disaster.

Insurance on merchandise trade

Insurance on merchandise trade comprises insurance on movable goods provided during the course of shipment from the exporting to the importing country. Insurance on merchandise trade is split into two components, *insurance on exports* (credits) and *insurance on imports* (debits). Insurance on exports refers to insurance services provided by resident insurers on Australia's merchandise exports, whereas insurance on imports refers to insurance services provided by non-resident insurers on Australia's merchandise imports.

There are a number of sources used to estimate insurance on exports and imports. These include the annual publication, *Selected Statistics on the General Insurance Industry*, released by the Insurance and Superannuation Commission; annual foreign trade statistics; and less frequent information from insurance enterprises on premium rates charged and the proportion of insurance carried by resident insurers. The information provided by insurance enterprises is sought periodically and is assumed to be unchanged for the interim period. Prior to its discontinuation in 1983-84, the Australian Bureau of Statistics release, *General Insurance, Australia (5620.0)*, was another important source of information in estimating insurance on exports and imports.

Insurance on exports (credits) is estimated as net premiums, i.e. the excess of premiums over claims, receivable by resident insurers for insurance provided on exports. Gross premiums are derived by applying an average premium rate to total exports. This rate is obtained from the resident insurance enterprises mentioned above. A claims to premiums ratio is obtained from the Insurance and Superannuation Commission publication and applied to gross premiums to derive net premiums. The balance of payments estimate is then derived by applying the proportion of insurance carried by resident insurers to net premiums. This proportion is currently estimated at 25 per cent by the insurance industry. Quarter-

ly and monthly estimates are derived by evenly distributing the annual estimate and extrapolations are used until source data become available.

Insurance on imports (debits) is estimated as net premiums, i.e. the excess of premiums over claims, payable to non-resident insurers for insurance provided on imports. The methodology used is analogous to that used for insurance on exports, except that an estimate of insurance on fuels is made separately from insurance on all other imports. Also, when dividing net premiums between resident and non-resident insurers, it is the non-resident share, currently estimated at 50 per cent, which is used to derive the balance of payments estimate.

For country classification, insurance on exports (credits) provided by resident insurers is allocated to the principal countries receiving Australia's exports. Insurance provided by non-resident insurers on imports (debits) is allocated according to the countries which are most significant in terms of insurance transactions as measured in the Survey of Foreign Investment (see below for further details).

Insurance services n.e.c.

Insurance services n.e.c. covers all types of insurance other than merchandise insurance. This includes general insurance services, reinsurance services (where the original insurer spreads the risk by insuring against the event with other insurers) and life insurance services. Insurance services n.e.c. (credits) refers to insurance services provided by resident insurers and reinsurers to non-residents. Conversely, insurance services n.e.c. (debits) refers to insurance services provided by non-resident insurers and reinsurers to residents. For insurance services n.e.c. (debits), the insurance service is estimated as net premiums payable to non-resident insurers. Net premiums payable are defined as premiums payable to non-resident insurers less claims, commissions and other expenses receivable from non-resident insurers after deduction of any taxes on claims payable in the insurer's country of residence. In order to avoid the recording of a negative service charge in periods when there are extraordinary claims, amounts receivable for extraordinary claims are included as insurance income (credits) rather than deducted from premiums payable. This treatment recognises that even in periods when extraordinary claims occur a service has still been provided. For insurance services n.e.c. (credits), the insurance service is estimated as net premiums receivable by resident insurers. Net premiums receivable are defined as premiums receivable from non-residents less claims, commissions and other expenses payable to non-residents after deduction of any Australian taxes payable on the claims. Again, an adjustment is made for any extraordinary claims payable with such claims treated as insurance income (debits).

The sources for estimating these items are annual information from the Survey of Foreign Investment (SFI), which becomes available about 8 months after the reference year, and annual information on premiums payable to non-residents available from the Australian Taxation Office. The tax information is collected as a by-product of

special assessment returns lodged under sections 143 and 148 of the Income Tax Act and is published in aggregate in annual taxation statistics with a lag of about two years.

Currently, annual estimates for the general insurance and reinsurance components of insurance services n.e.c. (debits) are calculated partly from taxation statistics and partly from SFI information. Premiums payable to non-resident insurers can be estimated from both sources, although taxation statistics have been considered the more comprehensive source in the past and for that reason are used as the starting point in estimating this component. The SFI is, however, the only source available for information on claims and is much more timely than taxation statistics. For periods where taxation information is available, the ratio of claims to premiums calculated from the SFI is applied to premiums data from taxation statistics to calculate an implied claims estimate. This implied claims estimate is in turn deducted from the tax-sourced premiums estimate to derive net premiums payable. Until taxation information becomes available, SFI results are used to extrapolate the tax-based estimates. Where SFI results are also not available, extrapolations are used.

Annual estimates are allocated evenly over quarters and months. Annual country data obtained from the SFI is used to allocate estimates by country.

For the life insurance component of insurance services n.e.c. (debits) and all components of insurance services n.e.c. (credits), the SFI is used to derive annual estimates for all periods where SFI results are available. Until survey results become available extrapolations are used. Quarterly and monthly estimates are made by evenly allocating the annual estimate. Allocation by country is based on country data obtained from the SFI.

Insurance income

These items - insurance income credits and debits - are used to record extraordinary insurance claims paid out after extensive damage resulting from disasters such as bushfires, cyclones, earthquakes or severe flooding. The only significant insurance income recorded in the balance of payments in the 1980's was in respect of claims arising from the 1983 'Ash Wednesday' bushfires in Victoria and South Australia which were recorded in the insurance income (credit) items for 1982-83 and 1983-84.

The SFI is used to calculate insurance income and, where possible, annual estimates are allocated to particular quarters.

The Survey of Foreign Investment

As mentioned above, the SFI is a major data source for non-merchandise insurance estimates in the balance of payments. The survey collects information on non-merchandise insurance services provided by non-resident insurers and reinsurers to residents, and by resident insurers and reinsurers to non-residents. The survey covers all residents known to be involved in life insurance, reinsurance and other general insurance transactions (excluding insurance on merchandise trade) with non-residents. It includes resident insurance and reinsurance enterprises, agents and brokers for non-resident insurance and reinsurance enterprises, and resident enterprises insuring directly abroad. The main coverage source for the survey

is lists provided by the Insurance and Superannuation Commission, although some supplementary information is available from other sources. Intensive efforts have been made in recent years to improve the coverage of the survey and this has resulted in a significant improvement in the quality of information produced.

The SFI collects information on premiums and claims on a due for payment basis, as well as cash remittances and accounts outstanding between residents and non-residents. Separate information is obtained for general insurance, reinsurance and life insurance transactions for both insurance services provided by non-residents and insurance services provided to non-residents. The SFI information is classified by country.

Analysis of recent estimates of non-merchandise insurance

Detailed estimates for the years 1985-86 to 1987-88 are provided in the table on the next page. Unadjusted net premiums payable by residents to non-resident insurers obtained from the SFI was \$297 million in 1987-88, an increase of 9 per cent on net premiums payable in 1985-86. This was due to an increase of 12 per cent in total premiums payable (from \$551 million in 1985-86 to \$619 million in 1987-88), partly offset by a 15 per cent increase in claims receivable (from \$279 million to \$321 million) over the same period.

The insurance services n.e.c. debits item in the balance of payments, which is derived using both the SFI results and taxation sourced premiums payable information, was an estimated \$288 million for 1987-88, a decrease of 8 per cent on the estimate of \$312 million for 1985-86.

Reinsurance was the largest component of both premiums payable to non-resident insurers and claims receivable by residents. However, general insurance was the largest contributor to net premiums payable for each period, reflecting much lower claims to premiums ratios for general insurance compared with reinsurance. Life insurance was relatively insignificant in all categories.

Net premiums receivable by resident insurers from non-residents increased from - \$1 million in 1985-86 to \$29 million in 1987-88. This was due to an increase of 85 per cent in total premiums receivable (from \$46 million in 1985-86 to \$85 million in 1987-88) which was only partly offset by an increase in total claims payable of 19 per cent (from \$47 million to \$56 million). As in the case of residents insuring abroad, reinsurance by non-resident insurers with resident insurers was the largest component of premiums receivable and claims payable.

Australia is traditionally a net importer of insurance services from the rest of the world. During the period 1985-86 to 1987-88, net premiums payable exceeded net premiums receivable by, on average, \$279 million a year.

Country analysis

The following table shows insurance services n.e.c. debits and credits, and the balance on these transactions (net imports) by country for 1987-88. Over half of the net imports of insurance services n.e.c. for 1987-88 was attributable to the United Kingdom, the amount payable to that country being \$142 million, or 55 per cent of the total. The U.S.A. followed with \$25 million, or 10 per

NON-MERCHANDISE INSURANCE SERVICES BETWEEN RESIDENTS AND NON-RESIDENTS, 1985-86 TO 1987-88

Type of Insurance	Premiums			Claims			Net Premiums			Claims to Premiums Ratio		
	1985-86	1986-87	1987-88	1985-86	1986-87	1987-88	1985-86	1986-87	1987-88	1985-86	1986-87	1987-88
	\$million			\$ million			\$ million			per cent		
Residents insuring with non-resident insurers-												
SFI results -												
Life insurance	2	4	2	2	5	1	-	-1	1	100	120	50
Reinsurance	347	369	344	231	304	254	116	65	90	67	82	74
General insurance	202	249	273	47	68	66	155	181	207	23	27	24
Total	551	622	619	279	378	321	272	244	297	51	61	52
Adjustment(a)	..	..	..	..	..	..	40	39	-9	..	..	..
Insurance services n.e.c (debits) (b)	..	..	..	..	..	..	312	283	288	..	..	..
Non-residents insuring with resident insurers-												
SFI results -												
Life insurance	3	3	4	1	1	3	2	2	1	33	33	75
Reinsurance	36	55	57	39	44	44	-4	11	13	108	80	77
General insurance	8	10	24	7	7	8	1	3	16	88	70	33
Total	46	67	85	47	52	56	-1	16	29	102	78	66
Insurance services n.e.c (credits) (b)	..	..	..	..	..	..	-1	16	29	..	..	..
Net imports of insurance services n.e.c. (c)	..	..	..	..	..	..	311	268	259	..	..	..

(a) Adjustment based on taxation statistics. (b) As recorded in balance of payments statistics - see Tables 12 and 13. (c) Insurance services n.e.c (debits) less (credits).

cent, and Switzerland with \$11 million, or 4 per cent. Net imports from other countries were relatively minor.

NON-MERCHANDISE INSURANCE SERVICES BY COUNTRY,
1987-88.
(\$ million)

Country	Insurance services n.e.c. debits	Insurance services n.e.c. credits	Net imports of insurance services n.e.c.(a)
OECD-			
USA	25	-	25
Switzerland	11	-	11
EEC	158	24	134
Other OECD	19	1	18
Total OECD	212	25	187
Other countries	76	4	72
Total	288	29	259

(a) Net premiums payable less net premiums receivable.

Future directions

Commencing with 1989-90 estimates of insurance services n.e.c. and insurance income, the Survey of Foreign Investment will be the only source used in estimating these items. This is because recent changes to the Company Tax Form by the Australian Taxation Office have meant that separate information on premiums payable to non-residents will not be available from taxation statistics from 1989-90 onwards. In addition, the recent improvements in the quality of insurance data collected by the SFI have meant that balance of payments estimates of comparable quality to tax based estimates can be derived directly from the survey. A review of processing timetables is also underway to improve the timeliness of the information provided from the SFI.

BALANCING ITEM

One method of assessing the accuracy of balance of payments statistics is to consider the size of the balancing item. The balancing item measures the net effect of errors and omissions in the accounts. Persistently large balancing items may be taken as an indication of serious errors, but small balancing items, on the other hand, do not signify small errors and omissions, since errors and omissions could be offsetting. A balancing item of predominantly one sign may also suggest that errors and omissions are occurring systematically rather than randomly.

Since the previous issue of this publication, the large positive balancing items published in Table 1 have been significantly reduced for two of the last three financial years, as shown below:

	1986-87	1987-88	1988-89
	(\$ million)		
(i) Balancing item in Dec qtr 1989 issue	2,771	2,203	2,951
(ii) Balancing item in Sept qtr 1989 issue	4,128	3,560	2,637
Change ((i)-(ii))	-1,357	-1,357	314

The lower balancing items for 1986-87 and 1987-88 are partly due to the inclusion of undercoverage estimates of foreign investment in Australian real estate. Preliminary undercoverage estimates for capital and investment income transactions were first introduced in the September quarter 1989 issue and covered the financial year 1988-89. In this issue, the undercoverage estimates have been extended back to 1986-87, while the estimates for 1988-89 have been revised. Of the changes to the balancing item shown above, undercoverage estimates accounted for - \$559 million in 1986-87 and - \$1,438 million in 1987-88. The balancing item for 1988-89, which was reduced by half when the preliminary undercoverage estimates for that year were introduced in the previous issue of this publication, was little affected by the relatively small revisions to the preliminary estimates. The methodology used in compiling estimates of undercoverage of foreign investment in Australian real estate has been described in a special article in *Foreign Investment, Australia, September Quarter 1989* (5306.0) pages 8 to 10.

The balancing items for each of the last three financial years have also been affected by other recent revisions to foreign investment statistics. These revisions have mainly affected investment income debits (which are now lower in each year) and non-official capital transactions. See also statement on "Revisions" on page 8.

TABLE I. BALANCE OF PAYMENTS
(\$ million)

	Year			Quarters ended										
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90		
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Current transactions -														
<i>Goods and services -</i>														
<i>Merchandise (a) -</i>														
Exports fob	35,423	40,541	43,024	9,128	10,305	10,646	10,462	10,056	10,669	10,424	11,875	11,840	12,302	
Imports fob	-37,159	-40,386	-47,055	-9,734	-10,361	-10,222	-10,069	-10,973	-11,869	-11,511	-12,702	-13,897	-12,959	
<i>Balance on merchandise trade</i>	-1,736	155	-4,031	-606	-56	424	393	-917	-1,200	-1,087	-827	-2,057	-657	
<i>Services -</i>														
Credits	7,725	9,518	10,850	2,102	2,392	2,640	2,384	2,581	2,777	2,905	2,587	2,593	2,744	
Debits	-10,858	-12,256	-13,580	-3,098	-3,047	-3,096	-3,015	-3,196	-3,208	-3,445	-3,731	-3,866	-3,860	
<i>Net services</i>	-3,133	-2,738	-2,730	-996	-655	-456	-631	-615	-431	-540	-1,144	-1,273	-1,116	
<i>Balance on goods and services</i>	-4,869	-2,583	-6,761	-1,602	-711	-32	-238	-1,532	-1,631	-1,627	-1,971	-3,330	-1,773	
<i>Income -</i>														
Credits	3,034	3,944	4,287	994	1,021	951	978	1,009	990	1,132	1,156	1,328	1,332	
Debits	-11,584	-14,052	-17,160	-3,227	-3,605	-3,700	-3,520	-3,843	-4,026	-4,469	-4,822	-4,619	-4,644	
<i>Net income</i>	-8,550	-10,108	-12,873	-2,233	-2,584	-2,749	-2,542	-2,834	-3,036	-3,337	-3,666	-3,291	-3,312	
<i>Unrequited transfers -</i>														
Credits	3,017	3,545	4,222	812	881	902	950	930	1,030	1,100	1,162	1,097	1,109	
Debits	-1,804	-1,881	-1,994	-365	-452	-538	-526	-416	-469	-545	-564	-445	-467	
<i>Net unrequited transfers</i>	1,213	1,664	2,228	447	429	364	424	514	561	555	598	652	642	
Balance on current account	-12,206	-11,027	-17,406	-3,388	-2,866	-2,417	-2,356	-3,852	-4,106	-4,409	-5,039	-5,969	-4,443	
Net capital transactions -														
<i>Official -</i>														
<i>General government -</i>														
Foreign investment in Australia	6,134	4,016	859	1,063	-758	3,845	-134	-172	2,151	967	-2,087	653	394	
Australian investment abroad	-573	415	-359	167	23	-141	366	-386	96	-80	11	136	-407	
<i>Total</i>	5,561	4,431	500	1,230	-735	3,704	232	-558	2,247	887	-2,076	789	-13	
<i>Reserve bank -</i>														
Foreign investment in Australia	18	-8	—	-1	-11	1	3	-36	64	-18	-10	—	-6	
Australian investment abroad	-3,394	-3,924	-873	-1,856	3,580	-1,077	-4,571	-758	-410	250	45	-672	-424	
<i>Total</i>	-3,376	-3,932	-873	-1,857	3,569	-1,076	-4,568	-794	-346	232	35	-672	-430	
<i>Total official</i>	2,185	499	-373	-627	2,834	2,628	-4,336	-1,352	1,901	1,119	-2,041	117	-443	
<i>Non-official -</i>														
Foreign investment in Australia	15,945	21,041	25,655	5,778	5,428	1,945	7,890	7,478	3,901	8,558	5,718	4,758	5,404	
Australian investment abroad	-8,695	-12,716	-10,827	-3,282	-5,465	-1,143	-2,826	-2,224	-1,813	-3,086	-3,704	-1,356	404	
<i>Total non-official</i>	7,250	8,325	14,828	2,496	-37	802	5,064	5,254	2,088	5,472	2,014	3,402	5,808	
Balance on capital account	9,435	8,824	14,455	1,869	2,797	3,430	728	3,902	3,989	6,591	-27	3,519	5,365	
<i>Balancing item</i>	2,771	2,203	2,951	1,519	69	-1,013	1,628	-50	117	-2,182	5,066	2,450	-922	

(a) Balance of payments basis.

TABLE 2. BALANCE OF PAYMENTS - CURRENT ACCOUNT
(\$ million)

	Year			Quarters ended										
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90		
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Current transactions -														
<i>Goods and services -</i>														
<i>Merchandise (a) -</i>														
Exports fob	35,423	40,541	43,024	9,128	10,305	10,646	10,462	10,056	10,669	10,424	11,875	11,840	12,302	
Imports fob	-37,159	-40,386	-47,055	-9,734	-10,361	-10,222	-10,069	-10,973	-11,869	-11,511	-12,702	-13,897	-12,959	
<i>Balance on merchandise trade</i>	<i>-1,736</i>	<i>155</i>	<i>-4,031</i>	<i>-606</i>	<i>-56</i>	<i>424</i>	<i>393</i>	<i>-917</i>	<i>-1,200</i>	<i>-1,087</i>	<i>-827</i>	<i>-2,057</i>	<i>-657</i>	
<i>Services -</i>														
<i>Credits -</i>														
Shipment	462	537	554	132	138	137	130	130	134	143	147	136	138	
Other transportation	2,765	3,142	3,232	707	794	853	788	791	838	824	779	807	804	
Travel	2,546	3,565	4,440	695	905	1,085	880	1,053	1,204	1,277	906	973	1,106	
Other services	1,952	2,274	2,624	568	555	565	586	607	601	661	755	677	696	
<i>Total services credits</i>	<i>7,725</i>	<i>9,518</i>	<i>10,850</i>	<i>2,102</i>	<i>2,392</i>	<i>2,640</i>	<i>2,384</i>	<i>2,581</i>	<i>2,777</i>	<i>2,905</i>	<i>2,587</i>	<i>2,593</i>	<i>2,744</i>	
<i>Debits -</i>														
Shipment	-2,756	-2,856	-3,176	-691	-755	-723	-687	-736	-760	-808	-872	-870	-849	
Other transportation	-2,114	-2,510	-2,917	-619	-610	-649	-632	-660	-709	-740	-808	-838	-909	
Travel	-3,108	-3,712	-4,143	-1,036	-912	-873	-891	-996	-908	-1,009	-1,230	-1,305	-1,216	
Other services	-2,880	-3,178	-3,344	-752	-770	-851	-805	-804	-831	-888	-821	-853	-886	
<i>Total services debits</i>	<i>-10,858</i>	<i>-12,256</i>	<i>-13,580</i>	<i>-3,098</i>	<i>-3,047</i>	<i>-3,096</i>	<i>-3,015</i>	<i>-3,196</i>	<i>-3,208</i>	<i>-3,445</i>	<i>-3,731</i>	<i>-3,866</i>	<i>-3,860</i>	
<i>Net services</i>	<i>-3,133</i>	<i>-2,738</i>	<i>-2,730</i>	<i>-996</i>	<i>-655</i>	<i>-456</i>	<i>-631</i>	<i>-615</i>	<i>-431</i>	<i>-540</i>	<i>-1,144</i>	<i>-1,273</i>	<i>-1,116</i>	
<i>Balance on goods and services</i>	<i>-4,869</i>	<i>-2,583</i>	<i>-6,761</i>	<i>-1,602</i>	<i>-711</i>	<i>-32</i>	<i>-238</i>	<i>-1,532</i>	<i>-1,631</i>	<i>-1,627</i>	<i>-1,971</i>	<i>-3,330</i>	<i>-1,773</i>	
<i>Income -</i>														
<i>Credits -</i>														
Property income -														
Reinvested earnings	1,178	2,162	2,123	541	540	540	541	531	530	531	531	675	675	
Other	1,691	1,606	1,974	404	438	370	394	430	414	553	577	601	604	
Labour and other income	165	176	190	49	43	41	43	48	46	48	48	52	53	
<i>Total income credits</i>	<i>3,034</i>	<i>3,944</i>	<i>4,287</i>	<i>994</i>	<i>1,021</i>	<i>951</i>	<i>978</i>	<i>1,009</i>	<i>990</i>	<i>1,132</i>	<i>1,156</i>	<i>1,328</i>	<i>1,332</i>	
<i>Debits -</i>														
Property income -														
Reinvested earnings	-1,244	-2,417	-2,225	-604	-604	-604	-605	-556	-556	-556	-557	-672	-672	
Other	-10,161	-11,425	-14,716	-2,576	-2,947	-3,039	-2,863	-3,229	-3,411	-3,859	-4,217	-3,894	-3,914	
Labour and other income	-179	-210	-219	-47	-54	-57	-52	-58	-59	-54	-48	-53	-58	
<i>Total income debits</i>	<i>-11,584</i>	<i>-14,052</i>	<i>-17,160</i>	<i>-3,227</i>	<i>-3,605</i>	<i>-3,700</i>	<i>-3,520</i>	<i>-3,843</i>	<i>-4,026</i>	<i>-4,469</i>	<i>-4,822</i>	<i>-4,619</i>	<i>-4,644</i>	
<i>Net income</i>	<i>-8,550</i>	<i>-10,108</i>	<i>-12,873</i>	<i>-2,233</i>	<i>-2,584</i>	<i>-2,749</i>	<i>-2,542</i>	<i>-2,834</i>	<i>-3,036</i>	<i>-3,337</i>	<i>-3,666</i>	<i>-3,291</i>	<i>-3,312</i>	
<i>Unrequited transfers -</i>														
<i>Credits</i>	3,017	3,545	4,222	812	881	902	950	930	1,030	1,100	1,162	1,097	1,109	
<i>Debits</i>	-1,804	-1,881	-1,994	-365	-452	-538	-526	-416	-469	-545	-564	-445	-467	
<i>Net unrequited transfers</i>	<i>1,213</i>	<i>1,664</i>	<i>2,228</i>	<i>447</i>	<i>429</i>	<i>364</i>	<i>424</i>	<i>514</i>	<i>561</i>	<i>555</i>	<i>598</i>	<i>652</i>	<i>642</i>	
Balance on current account	-12,206	-11,027	-17,406	-3,388	-2,866	-2,417	-2,356	-3,852	-4,106	-4,409	-5,039	-5,969	-4,443	

(a) Balance of payments basis.

TABLE 3. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED
(\$ million)

	Quarters ended-									
	1987-88				1988-89				1989-90	
	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Current transactions -										
<i>Goods and services -</i>										
<i>Merchandise (a) -</i>										
Exports fob	9,234	10,197	10,888	10,243	10,164	10,539	10,676	11,607	11,853	12,175
Imports fob	-9,361	-10,142	-10,714	-10,229	-10,608	-11,492	-12,073	-12,901	-13,538	-12,565
<i>Balance on merchandise trade</i>	<i>-127</i>	<i>55</i>	<i>174</i>	<i>14</i>	<i>-444</i>	<i>-953</i>	<i>-1,397</i>	<i>-1,294</i>	<i>-1,685</i>	<i>-390</i>
<i>Services -</i>										
<i>Credits -</i>										
Shipment	132	138	137	130	130	134	143	147	136	138
Other transportation	738	760	806	836	832	804	783	822	842	775
Travel	798	826	919	1,053	1,195	1,106	1,059	1,101	1,096	1,021
Other services	561	575	578	560	602	622	677	719	677	723
<i>Total services credits</i>	<i>2,229</i>	<i>2,299</i>	<i>2,440</i>	<i>2,579</i>	<i>2,759</i>	<i>2,666</i>	<i>2,662</i>	<i>2,789</i>	<i>2,751</i>	<i>2,657</i>
<i>Debits -</i>										
Shipment	-665	-737	-752	-703	-712	-740	-838	-894	-843	-826
Other transportation	-594	-619	-669	-628	-636	-716	-767	-802	-805	-917
Travel	-931	-946	-927	-907	-894	-942	-1,072	-1,253	-1,173	-1,260
Other services	-771	-786	-825	-793	-827	-845	-864	-811	-877	-906
<i>Total services debits</i>	<i>-2,961</i>	<i>-3,088</i>	<i>-3,173</i>	<i>-3,031</i>	<i>-3,069</i>	<i>-3,243</i>	<i>-3,541</i>	<i>-3,760</i>	<i>-3,698</i>	<i>-3,909</i>
<i>Net services</i>	<i>-732</i>	<i>-789</i>	<i>-733</i>	<i>-452</i>	<i>-310</i>	<i>-577</i>	<i>-879</i>	<i>-971</i>	<i>-947</i>	<i>-1,252</i>
<i>Balance on goods and services</i>	<i>-859</i>	<i>-734</i>	<i>-559</i>	<i>-438</i>	<i>-754</i>	<i>-1,530</i>	<i>-2,276</i>	<i>-2,265</i>	<i>-2,632</i>	<i>-1,642</i>
<i>Income -</i>										
<i>Credits -</i>										
Property income -										
Reinvested earnings	541	540	540	541	531	530	531	531	675	675
Other	429	448	374	375	446	414	559	566	613	611
Labour and other income	45	43	43	45	44	46	51	50	47	53
<i>Total income credits</i>	<i>1,015</i>	<i>1,031</i>	<i>957</i>	<i>961</i>	<i>1,021</i>	<i>990</i>	<i>1,141</i>	<i>1,147</i>	<i>1,335</i>	<i>1,339</i>
<i>Debits -</i>										
Property income -										
Reinvested earnings	-604	-604	-604	-605	-556	-556	-556	-557	-672	-672
Other	-2,804	-2,956	-2,932	-2,851	-3,473	-3,452	-3,701	-4,162	-4,295	-3,942
Labour and other income	-49	-51	-55	-57	-60	-55	-51	-53	-54	-55
<i>Total income debits</i>	<i>-3,457</i>	<i>-3,611</i>	<i>-3,591</i>	<i>-3,513</i>	<i>-4,089</i>	<i>-4,063</i>	<i>-4,308</i>	<i>-4,772</i>	<i>-5,021</i>	<i>-4,669</i>
<i>Net income</i>	<i>-2,442</i>	<i>-2,580</i>	<i>-2,634</i>	<i>-2,552</i>	<i>-3,068</i>	<i>-3,073</i>	<i>-3,167</i>	<i>-3,625</i>	<i>-3,686</i>	<i>-3,330</i>
<i>Unrequited transfers -</i>										
Credits	844	861	897	943	963	1,007	1,090	1,161	1,134	1,085
Debits	-433	-461	-490	-477	-501	-481	-499	-508	-567	-478
<i>Net unrequited transfers</i>	<i>411</i>	<i>400</i>	<i>407</i>	<i>466</i>	<i>462</i>	<i>526</i>	<i>591</i>	<i>653</i>	<i>567</i>	<i>607</i>
Balance on current account	-2,890	-2,914	-2,786	-2,524	-3,360	-4,077	-4,852	-5,237	-5,751	-4,365

(a) Balance of payments basis.

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Net capital transactions -													
<i>Official -</i>													
<i>General government -</i>													
<i>Foreign investment in Australia -</i>													
Borrowing	6,146	4,087	1,047	1,064	-743	3,872	-106	-160	2,170	991	-1,954	653	396
Other	-12	-71	-188	-1	-15	-27	-28	-12	-19	-24	-133	—	-2
Total	6,134	4,016	859	1,063	-758	3,845	-134	-172	2,151	967	-2,087	653	394
<i>Australian investment abroad</i>	-573	415	-359	167	23	-141	366	-386	96	-80	11	136	-407
Total general government	5,561	4,431	500	1,230	-735	3,704	232	-558	2,247	887	-2,076	789	-13
<i>Reserve Bank -</i>													
<i>Foreign investment in Australia</i>	18	-8	—	-1	-11	1	3	-36	64	-18	-10	—	-6
<i>Australian investment abroad -</i>													
Reserve assets	-3,394	-3,924	-873	-1,856	3,580	-1,077	-4,571	-758	-410	250	45	-672	-424
Other	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	-3,394	-3,924	-873	-1,856	3,580	-1,077	-4,571	-758	-410	250	45	-672	-424
Total Reserve Bank	-3,376	-3,932	-873	-1,857	3,569	-1,076	-4,568	-794	-346	232	35	-672	-430
Total official	2,185	499	-373	-627	2,834	2,628	-4,336	-1,352	1,901	1,119	-2,041	117	-443
<i>Non official -</i>													
<i>Foreign investment in Australia -</i>													
<i>Direct investment -</i>													
Reinvestment of earnings	1,244	2,417	2,225	605	604	604	604	557	556	556	556	672	672
Other	3,510	4,582	8,358	1,511	721	323	2,027	2,870	1,652	1,637	2,199	1,482	1,686
Portfolio & other investment	11,191	14,042	15,072	3,662	4,103	1,018	5,259	4,051	1,693	6,365	2,963	2,604	3,046
Total foreign investment in Australia	15,945	21,041	25,655	5,778	5,428	1,945	7,890	7,478	3,901	8,558	5,718	4,758	5,404
<i>Australian investment abroad -</i>													
<i>Direct investment -</i>													
Reinvestment of earnings	-1,178	-2,162	-2,123	-540	-541	-540	-541	-531	-530	-531	-531	-675	-675
Other	-3,353	-8,612	-4,428	-1,474	-4,130	-1,309	-1,699	-844	-1,335	-938	-1,311	-1,005	2,236
Portfolio & other investment	-4,164	-1,942	-4,276	-1,268	-794	706	-586	-849	52	-1,617	-1,862	324	-1,157
Total Australian investment abroad	-8,695	-12,716	-10,827	-3,282	-5,465	-1,143	-2,826	-2,224	-1,813	-3,086	-3,704	-1,356	404
Total non-official	7,250	8,325	14,828	2,496	-37	802	5,064	5,254	2,088	5,472	2,014	3,402	5,808
Balance on capital account	9,435	8,824	14,455	1,869	2,797	3,430	728	3,902	3,989	6,591	-27	3,519	5,365

TABLE 5. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES AT CURRENT AND AVERAGE 1984-85 PRICES - ORIGINAL AND SEASONALLY ADJUSTED
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
At current prices													
Merchandise exports fob	35,423	40,541	43,024	9,128	10,305	10,646	10,462	10,056	10,669	10,424	11,875	11,840	12,302
Services, credits	7,725	9,518	10,850	2,102	2,392	2,640	2,384	2,581	2,777	2,905	2,587	2,593	2,744
Total exports of goods and services	43,148	50,059	53,874	11,230	12,697	13,286	12,846	12,637	13,446	13,329	14,462	14,433	15,046
Merchandise imports fob	-37,159	-40,386	-47,055	-9,734	-10,361	-10,222	-10,069	-10,973	-11,869	-11,511	-12,702	-13,897	-12,959
Services, debits	-10,858	-12,256	-13,580	-3,098	-3,047	-3,096	-3,015	-3,196	-3,208	-3,445	-3,731	-3,866	-3,860
Total imports of goods and services	-48,017	-52,642	-60,635	-12,832	-13,408	-13,318	-13,084	-14,169	-15,077	-14,956	-16,433	-17,763	-16,819
At average 1984-85 prices													
Merchandise exports fob	33,512	35,096	34,759	8,489	9,063	8,899	8,645	8,424	8,776	8,369	9,190	9,166	9,776
Services, credits	6,536	7,620	8,392	1,728	1,931	2,080	1,881	2,036	2,154	2,248	1,954	1,909	1,976
Total exports of goods and services	40,048	42,716	43,151	10,217	10,994	10,979	10,526	10,460	10,930	10,617	11,144	11,075	11,752
Merchandise imports fob	-30,278	-33,152	-41,267	-8,002	-8,502	-8,227	-8,421	-9,505	-10,338	-10,407	-11,017	-11,449	-11,119
Services, debits	-8,659	-9,654	-11,378	-2,507	-2,359	-2,378	-2,410	-2,709	-2,708	-2,941	-3,020	-3,107	-3,058
Total imports of goods and services	-38,937	-42,806	-52,645	-10,509	-10,861	-10,605	-10,831	-12,214	-13,046	-13,348	-14,037	-14,556	-14,177
At current prices - seasonally adjusted													
Merchandise exports fob	..	..	..	9,234	10,197	10,888	10,243	10,164	10,539	10,676	11,607	11,853	12,175
Services, credits	..	..	..	2,229	2,299	2,440	2,579	2,759	2,666	2,662	2,789	2,751	2,657
Total exports of goods and services	..	..	..	11,463	12,496	13,328	12,822	12,923	13,205	13,338	14,396	14,604	14,832
Merchandise imports fob	..	..	..	-9,361	-10,142	-10,714	-10,229	-10,608	-11,492	-12,073	-12,901	-13,538	-12,565
Services, debits	..	..	..	-2,961	-3,088	-3,173	-3,031	-3,069	-3,243	-3,541	-3,760	-3,698	-3,909
Total imports of goods and services	..	..	..	-12,322	-13,230	-13,887	-13,260	-13,677	-14,735	-15,614	-16,661	-17,236	-16,474
At average 1984-85 prices - seasonally adjusted													
Merchandise exports fob	..	..	..	8,558	8,959	9,195	8,505	8,428	8,649	8,652	9,016	9,154	9,632
Services, credits	..	..	..	1,805	1,869	1,937	2,018	2,140	2,086	2,094	2,080	1,997	1,931
Total exports of goods and services	..	..	..	10,363	10,828	11,132	10,523	10,568	10,735	10,746	11,096	11,151	11,563
Merchandise imports fob	..	..	..	-7,707	-8,346	-8,600	-8,526	-9,215	-10,028	-10,877	-11,144	-11,178	-10,811
Services, debits	..	..	..	-2,413	-2,398	-2,431	-2,406	-2,618	-2,744	-3,013	-3,017	-2,993	-3,106
Total imports of goods and services	..	..	..	-10,120	-10,744	-11,031	-10,932	-11,833	-12,772	-13,890	-14,161	-14,171	-13,917

TABLE 6. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES - IMPLICIT PRICE DEFLATORS AND TERMS OF TRADE (1984-85 =100) (a)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Implicit price deflators													
<i>Merchandise exports</i>													
Rural exports fob	105.4	128.5	141.6	111.4	123.0	136.3	141.7	140.6	144.0	140.3	140.6	142.1	141.9
Non-rural exports fob	105.9	108.9	115.3	105.8	108.9	109.5	111.2	111.9	111.0	115.7	122.8	123.7	120.6
<i>Total exports fob</i>	<i>105.7</i>	<i>115.5</i>	<i>123.8</i>	<i>107.9</i>	<i>113.8</i>	<i>118.4</i>	<i>120.4</i>	<i>120.6</i>	<i>121.9</i>	<i>123.4</i>	<i>128.7</i>	<i>129.5</i>	<i>126.4</i>
<i>Services, credits</i>	<i>118.2</i>	<i>124.9</i>	<i>129.3</i>	<i>123.5</i>	<i>123.0</i>	<i>126.0</i>	<i>127.8</i>	<i>128.9</i>	<i>127.8</i>	<i>127.1</i>	<i>134.1</i>	<i>137.8</i>	<i>137.6</i>
<i>Total exports of goods and services</i>	<i>107.7</i>	<i>117.2</i>	<i>124.8</i>	<i>110.6</i>	<i>115.4</i>	<i>119.7</i>	<i>121.8</i>	<i>122.3</i>	<i>123.0</i>	<i>124.1</i>	<i>129.7</i>	<i>131.0</i>	<i>128.3</i>
<i>Merchandise imports fob (b)</i>													
Exogenous imports fob	88.1	83.3	73.0	89.1	84.7	84.0	75.8	71.8	78.3	64.5	77.2	88.7	79.0
Endogenous imports fob	129.7	128.0	120.7	126.6	128.2	130.8	126.6	121.1	120.8	118.6	122.2	126.7	122.2
<i>Total imports fob</i>	<i>122.7</i>	<i>121.8</i>	<i>114.0</i>	<i>121.5</i>	<i>121.5</i>	<i>124.6</i>	<i>120.0</i>	<i>115.1</i>	<i>114.6</i>	<i>111.0</i>	<i>115.8</i>	<i>121.1</i>	<i>116.2</i>
<i>Services, debits (b)</i>	<i>125.4</i>	<i>127.0</i>	<i>119.4</i>	<i>122.7</i>	<i>128.8</i>	<i>130.5</i>	<i>126.0</i>	<i>117.2</i>	<i>118.2</i>	<i>117.5</i>	<i>124.6</i>	<i>123.6</i>	<i>125.9</i>
<i>Total imports of goods and services</i>	<i>123.3</i>	<i>123.0</i>	<i>115.2</i>	<i>121.8</i>	<i>123.1</i>	<i>125.9</i>	<i>121.3</i>	<i>115.6</i>	<i>115.4</i>	<i>112.4</i>	<i>117.7</i>	<i>121.6</i>	<i>118.4</i>
Terms of trade													
Merchandise trade (c)	86.1	94.8	108.6	88.8	93.7	95.0	100.3	104.8	106.4	111.2	111.1	106.9	108.8
Services (d)	94.3	98.3	108.3	100.7	95.5	96.6	101.4	110.0	108.1	108.2	107.6	111.5	109.3
Goods and services (e)	87.3	95.3	108.3	90.8	93.7	95.1	100.4	105.8	106.6	110.4	110.2	107.7	108.4

(a) Quarterly figures are derived from seasonally adjusted data. (b) These entries carry the opposite sign to related entries in Tables 1,2,3,5,7,8,9,10 and 13.(c) Derived by dividing the implicit price deflator (IPD) for merchandise exports fob by the IPD for merchandise imports fob. (d) Derived by dividing the IPD for services, credits by the IPD for services, debits. (e) Derived by dividing the IPD for total exports of goods and services by the IPD for total imports of goods and services.

TABLE 7. MERCHANDISE (BALANCE OF PAYMENTS BASIS)
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Exports fob (a) -													
<i>Rural exports fob -</i>													
Meat & meat preparations	2,244	2,555	2,248	610	656	621	668	534	601	481	632	689	741
Cereal grains & cereal preparations	2,778	2,202	2,733	625	549	623	405	453	501	719	1,060	706	628
Sugar, sugar preparations & honey	708	698	889	189	161	152	196	305	205	155	224	406	270
Wool and sheepskins	3,888	5,811	5,951	906	1,547	1,904	1,454	1,039	1,780	1,717	1,415	874	979
Other rural	3,521	3,976	3,996	976	937	1,014	1,049	1,017	1,024	889	1,066	1,214	1,060
Total rural	13,139	15,242	15,817	3,306	3,850	4,314	3,772	3,348	4,111	3,961	4,397	3,889	3,678
<i>Non-rural exports fob -</i>													
Metal ores & minerals	4,956	5,455	6,585	1,270	1,439	1,305	1,441	1,433	1,513	1,635	2,004	1,838	1,908
Mineral fuels -													
Coal, coke and briquettes	5,456	4,850	4,733	1,140	1,314	1,269	1,127	1,126	1,212	1,100	1,295	1,447	1,412
Other mineral fuels	1,515	1,779	1,258	411	522	456	390	374	261	271	352	371	473
Metals -													
Gold	1,552	2,563	2,731	474	578	737	774	761	612	745	613	772	910
Other metals	2,899	3,749	4,661	880	966	918	985	1,125	1,160	1,074	1,302	1,184	1,183
Machinery	1,595	1,835	1,866	436	475	416	508	475	482	405	504	564	611
Transport equipment	1,034	957	884	272	191	231	263	209	180	231	264	293	362
Manufactures nec	2,363	2,941	3,273	682	726	703	830	860	834	714	865	969	1,292
Other non-rural	914	1,170	1,216	257	244	297	372	345	304	288	279	513	473
Total non-rural	22,284	25,299	27,207	5,822	6,455	6,332	6,690	6,708	6,558	6,463	7,478	7,951	8,624
Total exports fob	35,423	40,541	43,024	9,128	10,305	10,646	10,462	10,056	10,669	10,424	11,875	11,840	12,302
Imports fob (a) -													
Food, beverages & tobacco	-1,936	-2,013	-2,209	-481	-516	-552	-464	-494	-581	-584	-550	-584	-581
Fuels	-1,751	-2,036	-2,014	-412	-613	-494	-517	-411	-295	-561	-747	-633	-698
Chemicals (including plastics)	-3,466	-4,280	-4,973	-991	-1,021	-1,145	-1,123	-1,223	-1,198	-1,211	-1,341	-1,337	-1,247
Textiles, fabrics etc	-1,830	-1,931	-2,002	-512	-496	-448	-475	-522	-493	-473	-514	-554	-489
Metals & metal manufactures	-1,845	-2,205	-2,625	-565	-548	-540	-552	-602	-609	-657	-757	-770	-784
Machinery	-11,360	-12,230	-13,793	-2,947	-3,192	-3,024	-3,067	-3,237	-3,453	-3,304	-3,799	-4,064	-4,021
Transport equipment	-4,502	-4,152	-6,852	-914	-1,033	-1,075	-1,130	-1,303	-2,025	-1,669	-1,855	-2,484	-1,812
Manufactures nec	-7,700	-8,563	-9,766	-2,106	-2,200	-2,228	-2,029	-2,431	-2,482	-2,399	-2,454	-2,782	-2,647
Other imports	-2,769	-2,976	-2,821	-806	-742	-716	-712	-750	-733	-653	-685	-689	-680
Total imports fob	-37,159	-40,386	-47,055	-9,734	-10,361	-10,222	-10,069	-10,973	-11,869	-11,511	-12,702	-13,897	-12,959
<i>Of which -</i>													
<i>Exogenous</i>	<i>-4,459</i>	<i>-3,829</i>	<i>-4,207</i>	<i>-939</i>	<i>-1,065</i>	<i>-958</i>	<i>-867</i>	<i>-799</i>	<i>-1,139</i>	<i>-994</i>	<i>-1,275</i>	<i>-1,436</i>	<i>-1,161</i>
<i>Endogenous -</i>													
Consumption goods	-8,296	-9,348	-11,441	-2,236	-2,444	-2,478	-2,190	-2,658	-3,004	-2,903	-2,876	-3,374	-3,185
Capital goods	-8,031	-8,578	-10,586	-1,965	-2,265	-2,066	-2,282	-2,430	-2,708	-2,562	-2,886	-3,314	-2,990
Other goods	-16,373	-18,631	-20,821	-4,594	-4,587	-4,720	-4,730	-5,086	-5,018	-5,052	-5,665	-5,773	-5,623
Total endogenous	-32,700	-36,557	-42,848	-8,795	-9,296	-9,264	-9,202	-10,174	-10,730	-10,517	-11,427	-12,461	-11,798
Balance on merchandise trade	-1,736	155	-4,031	-606	-56	424	393	-917	-1,200	-1,087	-827	-2,057	-657

(a) From March quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See note on 'Changes in this issue' on page 8 of the September quarter 1988 issue of this publication.

TABLE 8. MERCHANDISE (BALANCE OF PAYMENTS BASIS) AT AVERAGE 1984-85 PRICES

(\$ million)

	Year			Quarters ended										
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90		
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Exports fob (a) -														
<i>Rural exports fob -</i>														
Meat & meat preparations	1,930	2,130	1,866	518	536	515	561	444	489	420	513	521	550	
Cereal grains & cereal preparations	3,462	2,764	2,579	871	726	712	455	495	503	665	916	586	480	
Sugar, sugar preparations & honey	653	640	675	177	169	120	174	237	162	122	154	261	179	
Wool and sheepskins	3,253	3,204	2,904	635	922	977	670	493	845	838	728	487	578	
Other rural	3,170	3,125	3,147	807	731	783	804	805	822	705	815	930	805	
Total rural	12,468	11,863	11,171	3,008	3,084	3,107	2,664	2,474	2,821	2,750	3,126	2,785	2,592	
<i>Non-rural exports fob -</i>														
Metal ores & minerals	4,733	5,219	5,313	1,256	1,388	1,246	1,329	1,270	1,368	1,262	1,413	1,296	1,366	
Mineral fuels -														
Coal, coke and briquettes	5,232	5,543	5,315	1,279	1,479	1,452	1,333	1,282	1,394	1,280	1,359	1,395	1,363	
Other mineral fuels	2,347	2,542	2,248	560	723	651	608	664	551	489	544	608	763	
Metals -														
Gold	1,032	1,561	2,060	301	345	441	474	536	461	592	471	596	762	
Other metals	2,543	2,662	2,847	681	697	633	651	688	717	664	778	695	777	
Machinery	1,458	1,647	1,647	408	426	377	436	415	433	362	437	485	554	
Transport equipment	934	868	834	235	163	218	252	205	174	217	238	266	340	
Manufactures nec	1,954	2,184	2,385	534	551	509	590	612	610	536	627	682	909	
Other non-rural	811	1,007	939	227	207	265	308	278	247	217	197	358	350	
Total non-rural	21,044	23,233	23,588	5,481	5,979	5,792	5,981	5,950	5,955	5,619	6,064	6,381	7,184	
Total exports fob	33,512	35,096	34,759	8,489	9,063	8,899	8,645	8,424	8,776	8,369	9,190	9,166	9,776	
Imports fob (a) -														
Food, beverages & tobacco	-1,532	-1,632	-1,946	-398	-415	-438	-381	-430	-507	-527	-482	-500	-514	
Fuels	-2,753	-2,935	-3,620	-560	-844	-710	-821	-733	-591	-1,108	-1,188	-879	-1,028	
Chemicals (including plastics)	-2,769	-3,284	-3,780	-796	-787	-858	-843	-928	-903	-928	-1,021	-1,008	-966	
Textiles, fabrics etc	-1,426	-1,452	-1,572	-399	-369	-330	-354	-407	-386	-380	-399	-415	-369	
Metals & metal manufactures	-1,424	-1,606	-1,813	-437	-405	-378	-386	-424	-424	-461	-504	-500	-518	
Machinery	-9,280	-10,829	-13,799	-2,536	-2,800	-2,643	-2,850	-3,199	-3,481	-3,360	-3,759	-3,834	-3,929	
Transport equipment	-3,167	-2,772	-5,001	-634	-710	-687	-741	-918	-1,570	-1,220	-1,293	-1,769	-1,280	
Manufactures nec	-5,754	-6,309	-7,419	-1,595	-1,607	-1,620	-1,487	-1,856	-1,881	-1,867	-1,815	-2,003	-1,935	
Other imports	-2,173	-2,333	-2,317	-647	-565	-563	-558	-610	-595	-556	-556	-541	-580	
Total imports fob	-30,278	-33,152	-41,267	-8,002	-8,502	-8,227	-8,421	-9,505	-10,338	-10,407	-11,017	-11,449	-11,119	
<i>Of which-</i>														
<i>Exogenous</i>	-5,060	-4,598	-5,760	-1,053	-1,253	-1,142	-1,150	-1,109	-1,447	-1,540	-1,664	-1,614	-1,465	
<i>Endogenous -</i>														
Consumption goods	-6,210	-6,955	-8,826	-1,718	-1,827	-1,790	-1,620	-2,063	-2,292	-2,272	-2,199	-2,486	-2,400	
Capital goods	-6,357	-7,287	-10,027	-1,641	-1,912	-1,729	-2,005	-2,268	-2,582	-2,478	-2,699	-2,944	-2,810	
Other goods	-12,651	-14,312	-16,654	-3,590	-3,510	-3,566	-3,646	-4,065	-4,017	-4,117	-4,455	-4,405	-4,444	
Total endogenous	-25,218	-28,554	-35,507	-6,949	-7,249	-7,085	-7,271	-8,396	-8,891	-8,867	-9,353	-9,835	-9,654	
Balance on merchandise trade	3,234	1,944	-6,508	487	561	672	224	-1,081	-1,562	-2,038	-1,827	-2,283	-1,343	

(a) From March Quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See note on 'Changes in this issue' on page 8 of the September quarter 1988 issue of this publication.

TABLE 9. MERCHANDISE (BALANCE OF PAYMENTS BASIS) - SEASONALLY ADJUSTED
(\$ million)

	Quarters ended-									
	1987-88				1988-89				1989-90	
	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Exports fob (a) -										
<i>Rural exports fob -</i>										
Meat & meat preparations	578	644	699	641	512	585	540	606	664	718
Cereal grains & cereal preparations	697	627	538	378	505	571	626	984	788	713
Sugar, sugar preparations & honey	148	168	208	190	238	215	209	220	314	285
Wool and sheepskins	1,211	1,476	1,612	1,421	1,399	1,685	1,456	1,383	1,184	922
Other rural	910	954	1,108	1,020	947	1,042	969	1,039	1,131	1,077
Total rural	3,544	3,869	4,165	3,650	3,601	4,098	3,800	4,232	4,081	3,715
<i>Non-rural exports fob -</i>										
Metal ores & minerals	1,219	1,395	1,463	1,387	1,383	1,470	1,822	1,927	1,781	1,852
Mineral fuels -										
Coal, coke and briquettes	1,142	1,268	1,301	1,143	1,126	1,166	1,128	1,317	1,446	1,355
Other mineral fuels	434	476	459	404	399	236	274	365	395	429
Metals -										
Gold	480	639	727	710	777	667	727	570	789	987
Other metals	838	970	978	970	1,072	1,163	1,144	1,284	1,128	1,184
Machinery	420	446	473	497	462	450	461	492	550	570
Transport equipment	278	180	236	264	216	172	230	269	299	355
Manufactures nec	654	698	784	813	825	801	796	849	930	1,239
Other non-rural	225	256	302	405	303	316	294	302	454	489
Total non-rural	5,690	6,328	6,723	6,593	6,563	6,441	6,876	7,375	7,772	8,460
Total exports fob	9,234	10,197	10,888	10,243	10,164	10,539	10,676	11,607	11,853	12,175
Imports fob (a) -										
Food, beverages & tobacco	-496	-499	-523	-495	-509	-562	-550	-590	-601	-561
Fuels	-417	-636	-491	-493	-419	-306	-559	-706	-652	-718
Chemicals (including plastics)	-957	-1,050	-1,192	-1,088	-1,183	-1,230	-1,260	-1,300	-1,295	-1,278
Textiles, fabrics etc	-473	-492	-490	-477	-482	-489	-517	-516	-512	-486
Metals & metal manufactures	-531	-550	-571	-556	-565	-612	-694	-764	-722	-788
Machinery	-2,849	-3,089	-3,196	-3,106	-3,143	-3,331	-3,489	-3,849	-3,953	-3,873
Transport equipment	-918	-940	-1,169	-1,143	-1,325	-1,822	-1,816	-1,876	-2,544	-1,620
Manufactures nec	-1,959	-2,146	-2,306	-2,168	-2,274	-2,411	-2,482	-2,622	-2,609	-2,565
Other imports	-761	-740	-776	-703	-708	-729	-706	-678	-650	-676
Total imports fob	-9,361	-10,142	-10,714	-10,229	-10,608	-11,492	-12,073	-12,901	-13,538	-12,565
<i>Of which-</i>										
<i>Exogenous</i>	<i>-944</i>	<i>-1,088</i>	<i>-955</i>	<i>-843</i>	<i>-807</i>	<i>-1,150</i>	<i>-992</i>	<i>-1,234</i>	<i>-1,455</i>	<i>-1,181</i>
<i>Endogenous -</i>										
Consumption goods	-2,118	-2,303	-2,531	-2,422	-2,520	-2,835	-2,950	-3,189	-3,201	-3,005
Capital goods	-1,906	-2,203	-2,190	-2,293	-2,359	-2,623	-2,710	-2,912	-3,217	-2,891
Other goods	-4,393	-4,548	-5,038	-4,671	-4,922	-4,884	-5,421	-5,566	-5,665	-5,488
Total endogenous	-8,417	-9,054	-9,759	-9,386	-9,801	-10,342	-11,081	-11,667	-12,083	-11,384
Balance on merchandise trade	-127	55	174	14	-444	-953	-1,397	-1,294	-1,685	-390

(a) From March Quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See note on 'Changes in this issue' on page 8 of the September quarter 1988 issue of this publication.

TABLE 10. MERCHANDISE (BALANCE OF PAYMENTS BASIS) AT AVERAGE 1984-85 PRICES - SEASONALLY ADJUSTED
(\$ million)

	Quarters ended-									
	1987-88				1988-89				1989-90	
	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Exports fob (a) -										
<i>Rural exports fob -</i>										
Meat & meat preparations	491	526	580	538	426	476	472	492	502	533
Cereal grains & cereal preparations	972	830	615	425	551	574	579	850	654	545
Sugar, sugar preparations & honey	139	174	168	167	186	167	169	150	203	185
Wool and sheepskins	827	872	837	664	649	791	720	722	645	537
Other rural	753	744	856	782	750	837	768	795	867	818
<i>Total rural</i>	<i>3,182</i>	<i>3,146</i>	<i>3,056</i>	<i>2,576</i>	<i>2,562</i>	<i>2,845</i>	<i>2,708</i>	<i>3,009</i>	<i>2,871</i>	<i>2,618</i>
<i>Non-rural exports fob -</i>										
Metal ores & minerals	1,206	1,346	1,397	1,279	1,226	1,329	1,407	1,359	1,255	1,326
Mineral fuels -										
Coal, coke and briquettes	1,281	1,427	1,488	1,352	1,282	1,341	1,312	1,382	1,394	1,308
Other mineral fuels	591	659	656	629	708	498	494	564	647	691
Metals -										
Gold	305	381	435	435	547	502	578	438	609	827
Other metals	648	700	675	641	656	719	707	768	662	778
Machinery	393	400	428	427	403	405	412	426	473	517
Transport equipment	241	153	223	253	212	167	216	242	271	333
Manufactures nec	512	530	568	578	587	586	597	615	655	872
Other non-rural	199	217	269	335	245	257	221	213	317	362
<i>Total non-rural</i>	<i>5,376</i>	<i>5,813</i>	<i>6,139</i>	<i>5,929</i>	<i>5,866</i>	<i>5,804</i>	<i>5,944</i>	<i>6,007</i>	<i>6,283</i>	<i>7,014</i>
Total exports fob	8,558	8,959	9,195	8,505	8,428	8,649	8,652	9,016	9,154	9,632
Imports fob (a) -										
Food, beverages & tobacco	-410	-401	-415	-407	-443	-490	-496	-517	-514	-497
Fuels	-567	-876	-705	-783	-748	-612	-1,105	-1,123	-906	-1,057
Chemicals (including plastics)	-769	-809	-893	-817	-898	-927	-965	-990	-976	-990
Textiles, fabrics etc	-368	-366	-361	-355	-376	-383	-416	-400	-384	-366
Metals & metal manufactures	-411	-407	-399	-389	-398	-426	-487	-508	-469	-521
Machinery	-2,451	-2,710	-2,793	-2,886	-3,106	-3,358	-3,548	-3,808	-3,729	-3,784
Transport equipment	-637	-646	-747	-749	-934	-1,413	-1,328	-1,308	-1,812	-1,144
Manufactures nec	-1,483	-1,568	-1,677	-1,589	-1,736	-1,827	-1,931	-1,940	-1,878	-1,875
Other imports	-611	-563	-610	-551	-576	-592	-601	-550	-510	-577
Total imports fob	-7,707	-8,346	-8,600	-8,526	-9,215	-10,028	-10,877	-11,144	-11,178	-10,811
<i>Of which-</i>										
<i>Exogenous</i>	<i>-1,060</i>	<i>-1,285</i>	<i>-1,137</i>	<i>-1,112</i>	<i>-1,124</i>	<i>-1,468</i>	<i>-1,537</i>	<i>-1,599</i>	<i>-1,641</i>	<i>-1,494</i>
<i>Endogenous -</i>										
Consumption goods	-1,627	-1,722	-1,828	-1,792	-1,956	-2,163	-2,309	-2,438	-2,359	-2,264
Capital goods	-1,592	-1,860	-1,833	-2,015	-2,202	-2,501	-2,621	-2,723	-2,858	-2,717
Other goods	-3,428	-3,479	-3,802	-3,607	-3,933	-3,896	-4,410	-4,384	-4,320	-4,336
<i>Total endogenous</i>	<i>-6,647</i>	<i>-7,061</i>	<i>-7,463</i>	<i>-7,414</i>	<i>-8,091</i>	<i>-8,560</i>	<i>-9,340</i>	<i>-9,545</i>	<i>-9,537</i>	<i>-9,317</i>
Balance on merchandise trade	851	613	595	-21	-787	-1,379	-2,225	-2,128	-2,024	-1,179

(a) From March Quarter 1988 entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. See note on 'Changes in this issue' on page 8 of the September quarter 1988 issue of this publication.

TABLE 11. MERCHANDISE- FOREIGN TRADE STATISTICS ADJUSTED FOR BALANCE OF PAYMENTS PURPOSES
(\$ million)

	Year			Quarters ended										
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90		
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Exports -														
Foreign trade statistics(a)	35,806	41,078	43,482	9,226	10,531	10,776	10,545	10,167	10,798	10,499	12,018	12,223	12,739	
Adjustments -														
Coverage(b)	-380	-523	-424	-174	-163	-122	-64	-111	-114	-85	-114	-163	-103	
Timing	-3	-14	-34	76	-63	-8	-19	—	-15	10	-29	-220	-334	
Merchandise exports (balance of payments basis)	35,423	40,541	43,024	9,128	10,305	10,646	10,462	10,056	10,669	10,424	11,875	11,840	12,302	
Imports -														
Foreign trade statistics(a)	36,988	40,597	47,064	9,839	10,415	10,265	10,078	10,728	11,363	12,111	12,862	13,446	13,341	
Adjustments -														
Coverage(b)	114	-134	-82	-51	-72	-6	-5	-3	-5	-86	12	-36	10	
Timing	56	-51	72	-48	27	-30	—	250	514	-519	-173	489	-391	
Valuation	1	-26	1	-6	-9	-7	-4	-2	-3	5	1	-2	-1	
Merchandise Imports (balance of payments basis) (c)	37,159	40,386	47,055	9,734	10,361	10,222	10,069	10,973	11,869	11,511	12,702	13,897	12,959	

(a) From 1 July 1987, gold coin and other coin that are legal tender are included in exports/imports of merchandise trade (b) Prior to 1 July 1987 a coverage adjustment is made to include exports/imports of gold coin and other coin that are legal tender (c) These entries carry the opposite sign to corresponding entries in Tables 1,2,3,5,7,8,9 and 10.

TABLE 12. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES CREDITS
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
<i>Shipment -</i>													
Freight on exports	454	528	543	130	136	134	128	127	132	140	144	133	135
Insurance on exports	8	9	11	2	2	3	2	3	2	3	3	3	3
<i>Total</i>	<i>462</i>	<i>537</i>	<i>554</i>	<i>132</i>	<i>138</i>	<i>137</i>	<i>130</i>	<i>130</i>	<i>134</i>	<i>143</i>	<i>147</i>	<i>136</i>	<i>138</i>
<i>Other transportation -</i>													
Passenger services	1,197	1,511	1,530	291	394	455	371	387	414	397	332	342	342
Port services etc	1,568	1,631	1,702	416	400	398	417	404	424	427	447	465	462
<i>Total</i>	<i>2,765</i>	<i>3,142</i>	<i>3,232</i>	<i>707</i>	<i>794</i>	<i>853</i>	<i>788</i>	<i>791</i>	<i>838</i>	<i>824</i>	<i>779</i>	<i>807</i>	<i>804</i>
<i>Travel</i>													
Students' expenditure	332	457	634	77	97	208	75	122	117	298	97	114	101
Other	2,214	3,108	3,806	618	808	877	805	931	1,087	979	809	859	1,005
<i>Total</i>	<i>2,546</i>	<i>3,565</i>	<i>4,440</i>	<i>695</i>	<i>905</i>	<i>1,085</i>	<i>880</i>	<i>1,053</i>	<i>1,204</i>	<i>1,277</i>	<i>906</i>	<i>973</i>	<i>1,106</i>
<i>Other services -</i>													
Official	181	200	249	40	40	67	53	50	44	64	91	51	68
Non-official -													
Expenditure of foreign govts	74	84	87	20	23	19	22	22	23	19	23	22	23
Expenditure of foreign govt employees	66	73	76	18	18	18	19	19	19	19	19	18	19
Expenditure of resident entity employees	117	144	162	31	38	40	35	42	45	42	33	36	42
Financial services	125	208	172	72	61	35	40	34	32	39	67	45	45
Insurance services nec	16	29	24	7	7	7	8	6	6	6	6	6	6
Miscellaneous services	1,373	1,536	1,854	380	368	379	409	434	432	472	516	499	493
<i>Total</i>	<i>1,771</i>	<i>2,074</i>	<i>2,375</i>	<i>528</i>	<i>515</i>	<i>498</i>	<i>533</i>	<i>557</i>	<i>557</i>	<i>597</i>	<i>664</i>	<i>626</i>	<i>628</i>
<i>Total other services</i>	<i>1,952</i>	<i>2,274</i>	<i>2,624</i>	<i>568</i>	<i>555</i>	<i>565</i>	<i>586</i>	<i>607</i>	<i>601</i>	<i>661</i>	<i>755</i>	<i>677</i>	<i>696</i>
Total services credits	7,725	9,518	10,850	2,102	2,392	2,640	2,384	2,581	2,777	2,905	2,587	2,593	2,744

TABLE 13. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES DEBITS
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
<i>Shipment -</i>													
Freight on imports	-2,732	-2,832	-3,152	-685	-749	-717	-681	-730	-754	-802	-866	-864	-843
Insurance on imports	-24	-24	-24	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6
<i>Total</i>	-2,756	-2,856	-3,176	-691	-755	-723	-687	-736	-760	-808	-872	-870	-849
<i>Other transportation -</i>													
Passenger services	-1,328	-1,547	-1,852	-392	-371	-391	-393	-447	-441	-441	-523	-585	-603
Port services etc	-786	-963	-1,065	-227	-239	-258	-239	-213	-268	-299	-285	-253	-306
<i>Total</i>	-2,114	-2,510	-2,917	-619	-610	-649	-632	-660	-709	-740	-808	-838	-909
<i>Travel</i>													
Students' expenditure	-117	-129	-166	-40	-27	-38	-24	-48	-34	-48	-36	-53	-38
Other	-2,991	-3,583	-3,977	-996	-885	-835	-867	-948	-874	-961	-1,194	-1,252	-1,178
<i>Total</i>	-3,108	-3,712	-4,143	-1,036	-912	-873	-891	-996	-908	-1,009	-1,230	-1,305	-1,216
<i>Other services -</i>													
<i>Official -</i>													
Defence services	-88	-86	-83	-15	-18	-24	-29	-21	-13	-23	-26	-22	-23
Financial services	-43	-4	-5	-1	-1	-1	-1	-1	-1	-1	-2	-	-
Miscellaneous services	-210	-221	-221	-41	-44	-65	-71	-51	-45	-55	-70	-54	-79
<i>Total</i>	-341	-311	-309	-57	-63	-90	-101	-73	-59	-79	-98	-76	-102
<i>Non-official -</i>													
Expenditure of Aust govt employees	-117	-113	-102	-28	-27	-29	-29	-27	-24	-25	-26	-29	-29
Expenditure of non-resident entity employees	-117	-121	-128	-35	-30	-27	-29	-33	-32	-31	-32	-40	-38
Financial services	-149	-148	-206	-58	-38	-24	-28	-44	-45	-77	-40	-51	-51
Insurance services nec	-283	-288	-300	-72	-72	-72	-72	-75	-75	-75	-75	-78	-78
Miscellaneous services	-1,873	-2,197	-2,299	-502	-540	-609	-546	-552	-596	-601	-550	-579	-588
<i>Total</i>	-2,539	-2,867	-3,035	-695	-707	-761	-704	-731	-772	-809	-723	-777	-784
<i>Total other services</i>	-2,880	-3,178	-3,344	-752	-770	-851	-805	-804	-831	-888	-821	-853	-886
Total services debits	-10,858	-12,256	-13,580	-3,098	-3,047	-3,096	-3,015	-3,196	-3,208	-3,445	-3,731	-3,866	-3,860

TABLE 14. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME CREDITS
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Property income -													
<i>Investment income -</i>													
<i>Official -</i>													
General government	43	47	74	11	13	12	11	5	17	23	29	18	36
Reserve Bank (a)	531	706	998	187	203	140	176	222	204	285	287	307	315
<i>Total official</i>	<i>574</i>	<i>753</i>	<i>1,072</i>	<i>198</i>	<i>216</i>	<i>152</i>	<i>187</i>	<i>227</i>	<i>221</i>	<i>308</i>	<i>316</i>	<i>325</i>	<i>351</i>
<i>Non-official -</i>													
<i>Direct investment income -</i>													
Reinvested earnings	1,178	2,162	2,123	541	540	540	541	531	530	531	531	675	675
Distributed earnings -													
Remitted profits	30	79	63	8	47	10	14	6	43	4	10	8	6
Dividends	447	102	60	49	15	3	35	31	4	2	23	19	12
Interest	-119	-111	-84	-39	-51	-21	—	-18	-38	-25	-3	-6	-39
Total	358	70	39	18	11	-8	49	19	9	-19	30	21	-21
<i>Total direct investment income</i>	<i>1,536</i>	<i>2,232</i>	<i>2,162</i>	<i>559</i>	<i>551</i>	<i>532</i>	<i>590</i>	<i>550</i>	<i>539</i>	<i>512</i>	<i>561</i>	<i>696</i>	<i>654</i>
<i>Portfolio and other investment income -</i>													
Dividends	162	127	221	33	36	24	34	39	36	75	71	51	73
Interest	349	452	421	95	127	149	81	95	92	134	100	144	141
Total	511	579	642	128	163	173	115	134	128	209	171	195	214
<i>Total non-official</i>	<i>2,047</i>	<i>2,811</i>	<i>2,804</i>	<i>687</i>	<i>714</i>	<i>705</i>	<i>705</i>	<i>684</i>	<i>667</i>	<i>721</i>	<i>732</i>	<i>891</i>	<i>868</i>
<i>Total investment income</i>	<i>2,621</i>	<i>3,564</i>	<i>3,876</i>	<i>885</i>	<i>930</i>	<i>857</i>	<i>892</i>	<i>911</i>	<i>888</i>	<i>1,029</i>	<i>1,048</i>	<i>1,216</i>	<i>1,219</i>
<i>Other property income</i>	<i>248</i>	<i>204</i>	<i>221</i>	<i>60</i>	<i>48</i>	<i>53</i>	<i>43</i>	<i>50</i>	<i>56</i>	<i>55</i>	<i>60</i>	<i>60</i>	<i>60</i>
Total property income	2,869	3,768	4,097	945	978	910	935	961	944	1,084	1,108	1,276	1,279
Labour and other income -													
<i>Labour income -</i>													
Earnings in Australia	48	54	58	14	13	13	14	14	14	15	15	12	15
Earnings abroad	117	122	132	35	30	28	29	34	32	33	33	40	38
Total	165	176	190	49	43	41	43	48	46	48	48	52	53
<i>Insurance income</i>	—	—	—	—	—	—	—	—	—	—	—	—	—
Total labour and other income	165	176	190	49	43	41	43	48	46	48	48	52	53
Total income credits	3,034	3,944	4,287	994	1,021	951	978	1,009	990	1,132	1,156	1,328	1,332

(a) Also includes interest/remuneration received from the IMF on behalf of the Commonwealth Government.

TABLE 15. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME DEBITS
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Property income -													
<i>Investment income -</i>													
<i>Official -</i>													
General government -													
Interest on borrowing domiciled abroad	-1,463	-1,761	-1,545	-341	-563	-473	-384	-274	-483	-386	-402	-362	-562
Interest on borrowing domiciled in Australia	-764	-1,117	-1,487	-278	-236	-352	-251	-316	-338	-467	-366	-288	-279
Total	-2,227	-2,878	-3,032	-619	-799	-825	-635	-590	-821	-853	-768	-650	-841
Reserve Bank (a)	-22	-22	-18	-5	-6	-6	-5	-5	-6	—	-7	-8	-8
<i>Total official</i>	-2,249	-2,900	-3,050	-624	-805	-831	-640	-595	-827	-853	-775	-658	-849
<i>Non-official -</i>													
<i>Direct investment income -</i>													
Reinvested earnings	-1,244	-2,417	-2,225	-604	-604	-604	-605	-556	-556	-556	-557	-672	-672
Distributed earnings -													
Remitted profits	-212	-233	-556	-48	-55	-62	-68	-141	-192	-127	-96	-63	-61
Dividends	-538	-933	-1,394	-241	-215	-268	-209	-392	-139	-308	-555	-241	-401
Interest	-643	-616	-1,062	-188	-147	-125	-156	-217	-328	-246	-271	-258	-343
Total	-1,393	-1,782	-3,012	-477	-417	-455	-433	-750	-659	-681	-922	-562	-805
<i>Total direct investment income</i>	-2,637	-4,199	-5,237	-1,081	-1,021	-1,059	-1,038	-1,306	-1,215	-1,237	-1,479	-1,234	-1,477
<i>Portfolio and other investment income -</i>													
Dividends	-700	-602	-1,096	-110	-138	-182	-172	-137	-228	-318	-413	-228	-146
Interest -													
Public sector	-1,517	-1,586	-1,892	-413	-341	-447	-385	-457	-333	-562	-540	-666	-481
Private sector	-3,395	-3,509	-4,675	-717	-932	-891	-969	-1,062	-1,122	-1,177	-1,314	-1,513	-1,366
Total	-4,912	-5,095	-6,567	-1,130	-1,273	-1,338	-1,354	-1,519	-1,455	-1,739	-1,854	-2,179	-1,847
<i>Total portfolio and other investment income</i>	-5,612	-5,697	-7,663	-1,240	-1,411	-1,520	-1,526	-1,656	-1,683	-2,057	-2,267	-2,407	-1,993
<i>Total non-official</i>	-8,249	-9,896	-12,900	-2,321	-2,432	-2,579	-2,564	-2,962	-2,898	-3,294	-3,746	-3,641	-3,470
<i>Total investment income</i>	-10,498	-12,796	-15,950	-2,945	-3,237	-3,410	-3,204	-3,557	-3,725	-4,147	-4,521	-4,299	-4,319
<i>Other property income -</i>													
Cinema and TV film royalties	-183	-288	-256	-53	-117	-42	-76	-62	-48	-82	-64	-69	-69
Other	-724	-758	-735	-182	-197	-191	-188	-166	-194	-186	-189	-198	-198
Total	-907	-1,046	-991	-235	-314	-233	-264	-228	-242	-268	-253	-267	-267
Total property income	-11,405	-13,842	-16,941	-3,180	-3,551	-3,643	-3,468	-3,785	-3,967	-4,415	-4,774	-4,566	-4,586
Labour and other income -													
<i>Official</i>	-62	-65	-58	-16	-16	-17	-16	-16	-14	-13	-15	-17	-16
<i>Non-official -</i>													
Labour income	-117	-145	-161	-31	-38	-40	-36	-42	-45	-41	-33	-36	-42
Insurance income	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Total non-official</i>	-117	-145	-161	-31	-38	-40	-36	-42	-45	-41	-33	-36	-42
Total labour and other income	-179	-210	-219	-47	-54	-57	-52	-58	-59	-54	-48	-53	-58
Total income debits	-11,584	-14,052	-17,160	-3,227	-3,605	-3,700	-3,520	-3,843	-4,026	-4,469	-4,822	-4,619	-4,644

(a) Also includes interest /charges paid to the IMF on behalf of the Commonwealth Government.

TABLE 16. BALANCE OF PAYMENTS - CURRENT ACCOUNT - UNREQUITTED TRANSFERS
(\$ million)

	Year			Quarters ended										
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90		
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Credits -														
<i>Official</i>	786	819	897	207	181	194	237	209	199	238	251	263	230	
<i>Non-official -</i>														
Migrants' transfers	1,657	2,074	2,580	460	533	539	542	553	643	673	711	649	694	
Foreign government pensions	30	34	36	8	8	9	9	8	8	9	11	5	5	
Miscellaneous transfers	544	618	709	137	159	160	162	160	180	180	189	180	180	
<i>Total</i>	2,231	2,726	3,325	605	700	708	713	721	831	862	911	834	879	
Total unrequited transfers credits	3,017	3,545	4,222	812	881	902	950	930	1,030	1,100	1,162	1,097	1,109	
Debits -														
<i>Official -</i>														
Foreign aid -														
Papua New Guinea aid	-348	-323	-328	-74	-81	-84	-84	-99	-59	-87	-83	-80	-82	
Other foreign aid	-500	-561	-620	-58	-120	-191	-192	-73	-147	-182	-218	-109	-136	
<i>Total</i>	-848	-884	-948	-132	-201	-275	-276	-172	-206	-269	-301	-189	-218	
Pensions	-134	-139	-148	-33	-33	-36	-37	-37	-37	-37	-37	-39	-39	
Miscellaneous transfers	-76	-75	-61	-9	-16	-36	-14	-8	-17	-31	-5	-9	-2	
<i>Total official</i>	-1,058	-1,098	-1,157	-174	-250	-347	-327	-217	-260	-337	-343	-237	-259	
<i>Non-official -</i>														
Migrants' transfers	-306	-319	-342	-77	-84	-77	-81	-82	-86	-88	-86	-86	-86	
Withholding taxes	-22	-28	-29	-7	-7	-7	-7	-5	-4	-4	-16	-8	-8	
Miscellaneous transfers	-418	-436	-466	-107	-111	-107	-111	-112	-119	-116	-119	-114	-114	
<i>Total non-official</i>	-746	-783	-837	-191	-202	-191	-199	-199	-209	-208	-221	-208	-208	
Total unrequited transfers debits	-1,804	-1,881	-1,994	-365	-452	-538	-526	-416	-469	-545	-564	-445	-467	
Net unrequited transfers	1,213	1,664	2,228	447	429	364	424	514	561	555	598	652	642	

TABLE 17. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF GENERAL GOVERNMENT
(\$ million)

	Year			Quarters ended										
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90		
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Foreign investment in Australia -														
<i>Borrowing -</i>														
Domiciled abroad -														
Commonwealth Government -														
Drawings	3,084	—	—	—	—	—	—	—	—	—	—	—	—	—
Repayments	-2,359	-1,622	-3,175	-422	-290	-145	-765	-997	-1,117	-521	-540	-1,253	-670	
Total	725	-1,622	-3,175	-422	-290	-145	-765	-997	-1,117	-521	-540	-1,253	-670	
State government -														
Drawings	2,964	4,822	9,236	1,295	388	1,734	1,405	2,069	1,718	2,564	2,885	2,740	2,495	
Repayments	-442	-2,743	-6,477	-244	-514	-1,057	-928	-1,299	-1,548	-1,265	-2,365	-1,552	-1,950	
Total	2,522	2,079	2,759	1,051	-126	677	477	770	170	1,299	520	1,188	545	
Total domiciled abroad	3,247	457	-416	629	-416	532	-288	-227	-947	778	-20	-65	-125	
Domiciled in Australia -														
Purchases by non - residents	12,236	25,976	23,055	5,817	5,143	8,508	6,508	6,046	8,004	5,662	3,343	4,972	4,046	
Sales by non - residents	-9,337	-22,346	-21,592	-5,382	-5,470	-5,168	-6,326	-5,979	-4,887	-5,449	-5,277	-4,254	-3,525	
Total domiciled in Australia	2,899	3,630	1,463	435	-327	3,340	182	67	3,117	213	-1,934	718	521	
Total borrowing	6,146	4,087	1,047	1,064	-743	3,872	-106	-160	2,170	991	-1,954	653	396	
Other	-12	-71	-188	-1	-15	-27	-28	-12	-19	-24	-133	—	-2	
Total foreign investment in Australia	6,134	4,016	859	1,063	-758	3,845	-134	-172	2,151	967	-2,087	653	394	
Australian investment abroad -														
Lending	-166	-279	-249	14	-47	-103	-143	-353	114	-74	64	78	-475	
Accounts receivable/prepayments made	-313	120	-104	154	74	-34	-74	-27	-18	-6	-53	58	68	
Other	-94	574	-6	-1	-4	-4	583	-6	—	—	—	—	—	
Total Australian investment abroad	-573	415	-359	167	23	-141	366	-386	96	-80	11	136	-407	
Total general government	5,561	4,431	500	1,230	-735	3,704	232	-558	2,247	887	-2,076	789	-13	

TABLE 18. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE RESERVE BANK
(\$ million)

	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Foreign investment in Australia -													
Use of IMF credit	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	18	-8	—	-1	-11	1	3	-36	64	-18	-10	—	-6
Total foreign investment in Australia	18	-8	—	-1	-11	1	3	-36	64	-18	-10	—	-6
Australian investment abroad -													
<i>Reserve assets -</i>													
<i>Official reserve assets -</i>													
Monetary gold	—	—	18	—	—	—	—	—	—	—	—	—	—
SDRs	-4	20	—	4	6	5	5	5	6	—	7	8	8
Reserve position in IMF	—	—	-96	—	—	—	—	—	-26	14	-84	9	—
Foreign exchange	-3,390	-3,944	-795	-1,860	3,574	-1,082	-4,576	-763	-390	236	122	-689	-432
<i>Total</i>	<i>-3,394</i>	<i>-3,924</i>	<i>-873</i>	<i>-1,856</i>	<i>3,580</i>	<i>-1,077</i>	<i>-4,571</i>	<i>-758</i>	<i>-410</i>	<i>250</i>	<i>45</i>	<i>-672</i>	<i>-424</i>
Allocation of SDRs	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Total reserve assets</i>	<i>-3,394</i>	<i>-3,924</i>	<i>-873</i>	<i>-1,856</i>	<i>3,580</i>	<i>-1,077</i>	<i>-4,571</i>	<i>-758</i>	<i>-410</i>	<i>250</i>	<i>45</i>	<i>-672</i>	<i>-424</i>
<i>Other</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
Total Australian investment abroad	-3,394	-3,924	-873	-1,856	3,580	-1,077	-4,571	-758	-410	250	45	-672	-424
Total Reserve Bank	-3,376	-3,932	-873	-1,857	3,569	-1,076	-4,568	-794	-346	232	35	-672	-430

TABLE 19. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR

	(\$ million)												
	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Foreign Investment in Australia -													
<i>Direct investment -</i>													
Reinvestment of earnings	1,244	2,417	2,225	605	604	604	604	557	556	556	556	672	672
Corporate equities	1,948	1,024	3,539	-7	133	638	260	1,238	577	1,126	598	270	522
Net equity in branches	381	1,440	2,307	760	156	153	371	514	290	637	866	359	185
Borrowing	1,470	2,059	2,425	585	252	-70	1,292	1,087	913	-294	719	544	1,141
Other	-289	59	87	173	180	-398	104	31	-128	168	16	309	-162
<i>Total direct investment</i>	<i>4,754</i>	<i>6,999</i>	<i>10,583</i>	<i>2,116</i>	<i>1,325</i>	<i>927</i>	<i>2,631</i>	<i>3,427</i>	<i>2,208</i>	<i>2,193</i>	<i>2,755</i>	<i>2,154</i>	<i>2,358</i>
<i>Portfolio and other investment -</i>													
Corporate equities	4,046	2,162	1,443	1,860	281	216	-195	-3	353	229	864	105	145
Borrowing -													
Public sector	279	3,790	4,703	486	-122	1,768	1,658	1,115	625	2,228	735	425	1,033
Private sector	6,673	8,056	8,626	1,667	3,671	-858	3,576	2,755	573	4,054	1,244	1,983	1,760
Total	6,952	11,846	13,329	2,153	3,549	910	5,234	3,870	1,198	6,282	1,979	2,408	2,793
Accounts payable/prepayments received -													
Public sector	-152	-627	-20	-613	15	-20	-9	5	-6	-15	-4	2	8
Private sector	345	661	320	262	258	-88	229	179	148	-131	124	89	100
Total	193	34	300	-351	273	-108	220	184	142	-146	120	91	108
<i>Total portfolio and other investment</i>	<i>11,191</i>	<i>14,042</i>	<i>15,072</i>	<i>3,662</i>	<i>4,103</i>	<i>1,018</i>	<i>5,259</i>	<i>4,051</i>	<i>1,693</i>	<i>6,365</i>	<i>2,963</i>	<i>2,604</i>	<i>3,046</i>
Total foreign Investment in Australia	15,945	21,041	25,655	5,778	5,428	1,945	7,890	7,478	3,901	8,558	5,718	4,758	5,404
Australian Investment abroad -													
<i>Direct investment -</i>													
Reinvestment of earnings	-1,178	-2,162	-2,123	-540	-541	-540	-541	-531	-530	-531	-531	-675	-675
Corporate equities	-3,355	-7,629	-3,247	-934	-3,514	-1,644	-1,537	-511	-1,862	-358	-516	-841	285
Net equity in branches	-428	-143	-261	-60	-116	-5	38	81	-185	-77	-80	35	60
Lending	552	-760	-893	-484	-530	401	-147	-412	615	-375	-721	-123	1,850
Other	-122	-80	-27	4	30	-61	-53	-2	97	-128	6	-76	41
<i>Total direct investment</i>	<i>-4,531</i>	<i>-10,774</i>	<i>-6,551</i>	<i>-2,014</i>	<i>-4,671</i>	<i>-1,849</i>	<i>-2,240</i>	<i>-1,375</i>	<i>-1,865</i>	<i>-1,469</i>	<i>-1,842</i>	<i>-1,680</i>	<i>1,561</i>
<i>Portfolio and other investment -</i>													
Corporate equities	-3,233	445	-2,930	-584	1,693	-397	-267	-700	-47	-1,305	-878	653	-1,032
Lending -													
Banks	-1,343	-227	-732	-251	270	-74	-172	412	-506	107	-745	521	261
Non-bank enterprises	684	-1,569	229	-388	-2,227	1,093	-47	-290	632	-150	37	-758	-396
Total	-659	-1,796	-503	-639	-1,957	1,019	-219	122	126	-43	-708	-237	-135
Accounts receivable/prepayments made -													
Public sector	-10	-29	-588	—	-78	116	-67	-161	62	-207	-282	23	-103
Private sector	-262	-562	-255	-45	-452	-32	-33	-110	-89	-62	6	-115	113
Total	-272	-591	-843	-45	-530	84	-100	-271	-27	-269	-276	-92	10
<i>Total portfolio and other investment</i>	<i>-4,164</i>	<i>-1,942</i>	<i>-4,276</i>	<i>-1,268</i>	<i>-794</i>	<i>706</i>	<i>-586</i>	<i>-849</i>	<i>52</i>	<i>-1,617</i>	<i>-1,862</i>	<i>324</i>	<i>-1,157</i>
Total Australian investment abroad	-8,695	-12,716	-10,827	-3,282	-5,465	-1,143	-2,826	-2,224	-1,813	-3,086	-3,704	-1,356	404
Total non-official	7,250	8,325	14,828	2,496	-37	802	5,064	5,254	2,088	5,472	2,014	3,402	5,808

TABLE 20. NET BORROWING TRANSACTIONS OF THE NON-OFFICIAL SECTOR

	(\$ million)												
	Year			Quarters ended									
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90	
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Direct investment borrowing -													
<i>Domiciled abroad -</i>													
Drawings	43,331	33,943	36,619	11,045	7,807	4,407	10,684	15,381	9,298	4,796	7,144	5,692	11,500
Repayments	-42,345	-31,570	-34,147	-10,072	-7,580	-4,561	-9,357	-14,259	-8,374	-5,114	-6,400	-5,233	-10,286
Total	986	2,373	2,472	973	227	-154	1,327	1,122	924	-318	744	459	1,214
<i>Domiciled in Australia</i>	484	-314	-47	-388	25	84	-35	-35	-11	24	-25	85	-73
Total direct investment borrowing	1,470	2,059	2,425	585	252	-70	1,292	1,087	913	-294	719	544	1,141
Other borrowing -													
<i>Domiciled abroad -</i>													
<i>Banks -</i>													
Drawings	24,547	28,848	44,367	5,193	6,838	6,617	10,200	11,814	7,781	11,505	13,267	12,693	14,300
Repayments	-20,198	-25,979	-37,157	-4,566	-5,971	-8,076	-7,366	-10,593	-6,896	-8,183	-11,485	-11,389	-12,609
Total	4,349	2,869	7,210	627	867	-1,459	2,834	1,221	885	3,322	1,782	1,304	1,691
<i>Non-bank enterprises -</i>													
Drawings	72,871	75,377	112,706	18,595	19,492	17,258	20,032	27,496	27,096	26,855	31,259	25,255	25,759
Repayments	-69,601	-68,518	-107,225	-17,489	-16,731	-15,600	-18,698	-24,805	-26,208	-24,442	-31,770	-24,009	-25,152
Total	3,270	6,859	5,481	1,106	2,761	1,658	1,334	2,691	888	2,413	-511	1,246	607
Total domiciled abroad	7,619	9,728	12,691	1,733	3,628	199	4,168	3,912	1,773	5,735	1,271	2,550	2,298
<i>Domiciled in Australia -</i>													
<i>Banks -</i>													
Securities	-303	126	56	15	-11	116	6	111	-161	29	77	66	346
Deposits	-111	1,431	361	338	-18	79	1,032	-484	95	375	375	-29	271
Total	-414	1,557	417	353	-29	195	1,038	-373	-66	404	452	37	617
<i>Non-bank enterprises</i>	-253	561	221	67	-50	516	28	331	-509	143	256	-179	-122
Total domiciled in Australia	-667	2,118	638	420	-79	711	1,066	-42	-575	547	708	-142	495
<i>of which -</i>													
Public sector securities (a)	-376	1,006	-378	122	-91	924	51	609	-564	-508	85	-166	-150
Total other borrowing	6,952	11,846	13,329	2,153	3,549	910	5,234	3,870	1,198	6,282	1,979	2,408	2,793
Total borrowing (b)	8,422	13,905	15,754	2,738	3,801	840	6,526	4,957	2,111	5,988	2,698	2,952	3,934

(a) Excludes bank securities. (b) Corresponds to the sum of direct investment borrowing and total portfolio and other investment borrowing in Table 19.

TABLE 21. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Year			Quarters ended										
	1986-87	1987-88	1988-89	1987-88				1988-89				1989-90		
				Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
Official reserve assets (\$ million) -														
<i>Levels at end of year/month</i>	17,594	20,182	20,410	19,557	17,430	17,331	20,182	20,628	19,772	19,509	20,410	20,774	21,487	
<i>Changes in levels</i>	4,570	2,588	228	1,963	-2,127	-99	2,851	446	-856	-263	901	364	713	
<i>Of which -</i>														
<i>Changes due to effects of revaluations</i>	1,176	-1,336	-645	107	1,453	-1,176	-1,720	-312	-1,266	-13	946	-308	289	
<i>Changes included in the balance of payments (a)</i>	3,394	3,924	873	1,856	-3,580	1,077	4,571	758	410	-250	-45	672	424	
Exchange rates -														
<i>Units of foreign currency per \$A -</i>														
<i>End of year/quarter (b) -</i>														
United States dollar	0.7203	0.7940	0.7553	0.7194	0.7225	0.7388	0.7940	0.7829	0.8555	0.8194	0.7553	0.7764	0.7927	
United Kingdom pound	0.4494	0.4612	0.4882	0.4420	0.3857	0.3934	0.4612	0.4647	0.4764	0.4855	0.4882	0.4788	0.4927	
West German mark	1.319	1.441	1.480	1.324	1.143	1.226	1.441	1.472	1.528	1.550	1.480	1.453	1.339	
Japanese yen	105.79	105.17	108.79	105.54	88.22	92.04	105.17	105.28	107.71	108.64	108.79	108.23	113.61	
Special drawing right	0.5634	0.6059	0.6051	0.5626	0.5137	0.5350	0.6059	0.6067	0.6382	0.6332	0.6051	0.6109	0.5990	
<i>Period average (c) -</i>														
United States dollar	0.6636	0.7290	0.8160	0.7143	0.7038	0.7196	0.7783	0.7994	0.8392	0.8475	0.7777	0.7638	0.7811	
United Kingdom pound	0.4352	0.4167	0.4755	0.4415	0.4020	0.4004	0.4230	0.4713	0.4688	0.4844	0.4776	0.4786	0.4927	
West German mark	1.280	1.262	1.512	1.313	1.201	1.205	1.329	1.491	1.488	1.567	1.501	1.469	1.416	
Japanese yen	101.37	97.58	106.95	104.96	95.53	92.05	97.83	106.90	105.04	108.76	107.09	108.71	111.77	
Special drawing right	0.5345	0.5448	0.6244	0.5594	0.5256	0.5255	0.5688	0.6163	0.6246	0.6439	0.6126	0.6065	0.6089	
Trade-weighted index of value of the Australian dollar (May 1970 = 100) -														
<i>End of year/quarter (b)</i>	56.6	59.8	59.4	56.2	52.0	53.8	59.8	60.0	63.2	62.2	59.4	59.8	61.1	
<i>Period average (c)</i>	53.8	54.8	61.6	56.1	53.0	53.0	57.0	60.9	62.0	63.4	60.0	59.5	60.5	

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 4. (b) These exchange rates and index numbers relate to the last trading day of the reference period. (c) These exchange rates and index numbers are derived by averaging figures for each trading day.

EXPLANATORY NOTES

Introduction

1. This publication provides detailed estimates of Australia's balance of payments for the December quarter 1989 together with revised estimates for previous quarters and financial years. The estimates are consistent with those published on 1 March in *Balance of Payments, Australia, January 1990* (5301.0). They are also consistent with *Foreign Investment, Australia, December Quarter 1989, Preliminary* (5307.0). Longer term estimates, from September quarter 1959, consistent with those shown in this issue, will shortly be made available on request for a charge.

2. Tables 1 to 4 in this publication provide summary statistics; they show the main aggregates and the more important components of the aggregates. The remaining tables, Tables 5 to 21, provide additional breakdowns, related series (e.g. exchange rates and the trade-weighted index) and reconciliations of selected balance of payments series with other series (i.e. with foreign trade statistics and levels of official reserve assets).

Concepts, sources and methods

3. Summary descriptions of the underlying concepts and structure of the balance of payments and the sources and methods used in compiling the estimates are presented in *Balance of Payments, Australia: Summary of Concepts, Sources and Methods* (5351.0). The publication also provides item definitions and explanations of seasonal adjustment, constant price estimates, implicit price deflators and the terms of trade.

Commodity breakdowns of merchandise

4. Commodity breakdowns of merchandise exports and imports are provided in Table 7 (at current prices), 8 (at average 1984-85 prices), 9 (at current prices, seasonally adjusted) and 10 (at average 1984-85 prices, seasonally adjusted). The groupings shown are based on the third revision of the United Nations Standard International Trade Classification (SITC rev 3) as follows:

	<i>SITC rev 3</i>
<i>Exports</i>	<i>Section or Division</i>
Rural -	
Meat & meat preparations	01
Cereal grains and cereal preparations	04
Sugar, sugar preparations & honey	06
Wool and sheepskins	21(part),26(part)
Other rural	00,02,03,05,07 to 09, 12,21(part),22 to 25, 26(part),29,4
Non-rural -	
Metal ores & minerals	27,28
Mineral fuels -	
Coal, coke and briquettes	32
Other mineral fuels	33 to 35
	<i>SITC rev 3</i>
<i>Exports (cont.)</i>	<i>Section or Division</i>

Metals -

Gold	97
Other metals	67,68
Machinery	71 to 77
Transport equipment	78,79
Manufactures nec	5,61 to 66,69,8
Other non-rural	11,91 to 96

Imports

Food, beverages & tobacco	0,1
Fuels	3
Chemicals (incl. plastics)	5
Textiles, fabrics etc	65
Metals and metal manufactures	67 to 69
Machinery	71 to 77
Transport equipment	78,79
Manufactures nec	61 to 64,66,8
Other imports	2,4,9

Seasonal adjustment

5. Most of the current account series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation. However, seasonally adjusted statistics in this publication should not be regarded as in any way definitive as results from seasonal adjustment vary according to the method used.

6. The factors used in compiling seasonally adjusted estimates for certain series (principally components of merchandise trade and investment income) up to and including December quarter 1990 can be obtained, for a charge, from Mr Alan Puckeridge on Canberra (062) 52 6689.

Accuracy and reliability of estimates

7. Because the transactions recorded in the balance of payments are of many different kinds, compilation of balance of payments estimates entails the use of a very wide range of statistical data of varying degrees of accuracy and timeliness.

8. Therefore care should be exercised in the use and interpretation of estimates in this publication. The latest estimates are *preliminary and subject to revision* as more accurate data come to hand. Also, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

Investment income and capital transactions

9. Additional information about capital account and investment income transactions is available in the quarterly publications *Foreign Investment, Australia* (5306.0) and *Foreign Investment, Australia, Preliminary* (5307.0) and in the annual publication *Foreign Investment, Australia* (5305.0). Statistics in foreign investment publications are consistent with those in balance of payments publications. Foreign investment publications also provide comprehensive statistics on the level of foreign investment in Australia, the level of Australian investment abroad and Australia's external debt.

Transportation transactions

10. The quarterly publication *International Transportation Services, Australia* (5350.0) has been discontinued. However the, additional information on freight and other transportation transactions is now available on request for a charge from Mr. John Rattur on (062) 525733.

Comparability with capital expenditure statistics

11. Tables 7 and 9 in this publication contain current price estimates of *imports of endogenous capital goods*. Shorter-term movements in this series can differ quite significantly from the corresponding movements in the *new private capital expenditure on equipment, plant and machinery* series published in *Private New Capital Expenditure, Australia* (5625.0 and 5626.0). The main reasons for the differences are:

- The imports series includes all goods defined as endogenous capital goods, whereas the capital expenditure series relates only to goods classified as equipment, plant and machinery that are acquired by private enterprises in selected industries.
- The capital expenditure series includes all plant, machinery and equipment, irrespective of whether it has been imported or manufactured in Australia.
- Imports are valued f.o.b. at the point of export whereas estimates of capital expenditure are measured at domestic market prices, including international transport margins, government duties and domestic trade and transport margins.

12. Accordingly, while movements in imports of endogenous capital goods can provide a broad indication of movements in the *import component* of new private capital expenditure on equipment, plant and machinery, they do not necessarily provide an accurate indication of movements in total new private capital expenditure on these goods.

Series available on request

13. Detailed quarterly export and import series at constant (average 1984-85) prices can be obtained by contacting Mr Stephen Waugh on Canberra (062) 52 6716. These series are based on foreign trade statistics (ie they are not adjusted to a balance of payments basis) and relate to selected divisions and sections of the SITC rev 3. Quarterly tables showing components of services can also be obtained from Mr Waugh. These tables provide original and seasonally adjusted current and constant price estimates, corresponding to the series shown (in original current price terms) in Tables 12 and 13 of this publication. Both sets of estimates are working estimates only and may not always be completely consistent with published estimates.

Related publications

14. Other ABS publications which may be of interest include:

- Balance of Payments Australia* (5301.0) - issued monthly
- Balance of Payments, Australia* (5303.0) - issued annually
- Balance of Payments, Australia - Regional Series on Microfiche* (5338.0) - issued annually

Balance of Payments, Australia: Summary of Concepts, Sources and Methods (5351.0) - published 9 September 1988.

Information paper - Seasonally Adjustment of Australia's Monthly Balance of Payments Statistics (5359.0).

Exports, Australia: Monthly Summary Tables (5432.0) - issued monthly

Imports, Australia: Monthly Summary Tables (5433.0) - issued monthly

Export Price Index, Australia (6405.0) - issued monthly

Import Price Index, Australia (6414.0) - issued quarterly

Foreign Investment, Australia 1987-88 (5305.0)

Foreign Investment, Australia (Preliminary) (5307.0) - issued quarterly

Foreign Investment, Australia (5306.0) - issued quarterly

15. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

Symbols and other usages

f.o.b.	free on board
n.a.	not available
n.y.a.	not yet available
n.e.c.	not elsewhere classified
n.e.i.	not elsewhere included
-	nil or rounded to zero
..	not applicable.

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

Electronic services

VIATEL. Key *656# for selected current economic, social and demographic statistics.

AUSSTATS. Thousands of up-to-date time series are available on this ABS on-line service through PAXUS COMNET. For further information phone the AUSSTATS Help Desk on (062) 52 6017.

TELESTATS. This service provides:

- foreign trade statistics tailored to users' requirements. Further information is available on (062) 52 5404.
- text and tables for main economic indicator publications. Further information is available on (062) 52 5405.

Floppy disk service

Selected ABS statistics are available on floppy disk. Further information is available on (062) 52 6684.

**SPECIAL ARTICLES IN RECENT BALANCE OF PAYMENTS AND
FOREIGN INVESTMENT PUBLICATIONS**

<i>Article</i>	<i>Publication (ABS Catalogue no)</i>	<i>Issue</i>	<i>Page reference</i>
New publication: international trade in services statistics	5302.0	Sept qtr 1989	9-10
Quarterly survey of international travel enterprises	5302.0	Sept qtr 1989	10-11
Measurement of foreign investment in Australian real estate in foreign investment statistics	5306.0	Sept qtr 1989	8-10
Balancing item	5302.0	June qtr 1989	8
Survey of international travel enterprises - results for 1987-88	5302.0	June qtr 1989	13
Survey of international trade in services	5302.0	June qtr 1989	14
Time series decomposition of balance of payments statistics	5302.0	Mar qtr 1989	8
Reliability of quarterly balance of payments estimates	5302.0	Dec qtr 1988	12-15
International comparisons of balance of payment statistics	5302.0	Sept qtr 1988	10-11
Reliability of monthly balance of payments estimates	5301.0	Sept 1988	4-5
Foreign debt ratios	5306.0	June qtr 1988	6-7
Changed methodology for measuring foreign borrowing domiciled in Australia	5307.0	June qtr 1988	2-3
Foreign ownership of Australian real estate - treatment in foreign investment statistics	5306.0	March qtr 1988	5-6
The balance of payments as a record of transactions, not payments	5302.0	Sept qtr 1987	9-10
Exchange rates and the trade weighted index	5302.0	June qtr 1987	9
Conversion of balance of payments aggregates expressed in domestic currency into foreign currency equivalents	5302.0	June qtr 1987	10-11
The puzzle of a global balance of payments discrepancy	5302.0	June qtr 1987	14-16
Changed methodology for measuring foreign portfolio investment in Australian corporate equities	5307.0	June qtr 1987	2-3
Relationship between balance of payments and foreign investment statistics	5305.0	1985-86	88-89
Foreign investment activity of banks	5305.0	1985-86	91-95
Direct investment	5305.0	1985-86	95-98
Foreign borrowing domiciled in Australia and domiciled abroad	5305.0	1985-86	98-99
Statistical bridging issues associated with the introduction of the new framework for foreign investment statistics	5305.0	1985-86	99-100

Copies of the above articles may be ordered from Mr Alan Puckeridge, Balance of Payments Section (Phone (062) 52 6689) for \$5 per article. Facsimilies will be charged for at current Australia Post rates.