

**BALANCE OF PAYMENTS, AUSTRALIA, JANUARY 1995**

**MAIN FEATURES**

Estimates of the main balance of payments aggregates for January 1995 and the three preceding months are shown below. These estimates are preliminary and subject to revision. Particular care should be taken in interpreting month-to-month movements, as indicated in the note on page 7 on *Reliability of Contemporary Trend Estimates* and in paragraph 4 of the *Explanatory Notes* on page 15. Certain items have been estimated using extrapolation techniques until source data become available.

	1994-95				Jul-Jan		Change(a)
	Oct	Nov	Dec	Jan	1993-94	1994-95	
	\$ million				\$ million		%
	<i>Not seasonally adjusted</i>						
Balance on current account	-2,009	-2,417	-1,669	-2,431	-10,101	-16,222	-61
Balance on merchandise trade	-518	-954	-458	-906	-867	-5,604	-546
Net services	-72	-63	36	20	-576	-798	-39
Net income	-1,499	-1,463	-1,310	-1,642	-8,967	-10,249	-14
Net unrequited transfers	80	63	63	97	309	429	39
Official capital	3,277	3,848	1,760	-666	11,434	11,420	-
Non-official capital plus balancing item	-1,268	-1,431	-91	3,097	-1,333	4,802	..
	<i>Seasonally adjusted</i>						
Balance on current account	-1,793	-2,167	-2,365	-2,289	..	..	..
Balance on merchandise trade	-337	-697	-1,068	-663	..	..	..
Net services	-48	-126	-32	-144	..	..	..
Net income	-1,449	-1,412	-1,321	-1,600	..	..	..
Net unrequited transfers	41	68	56	118	..	..	..
\$US exchange rate (per unit of \$A)(b)	0.7382	0.7539	0.7740	0.7658	..	..	..
Trade weighted index (base May 1970 = 100)(b)	53.1	54.3	56.2	55.3	..	..	..

(a) For current account aggregates a minus sign means an increase in a deficit or a reduction in a surplus and an absence of sign means a decrease in a deficit or an increase in a surplus. (b) Period averages.

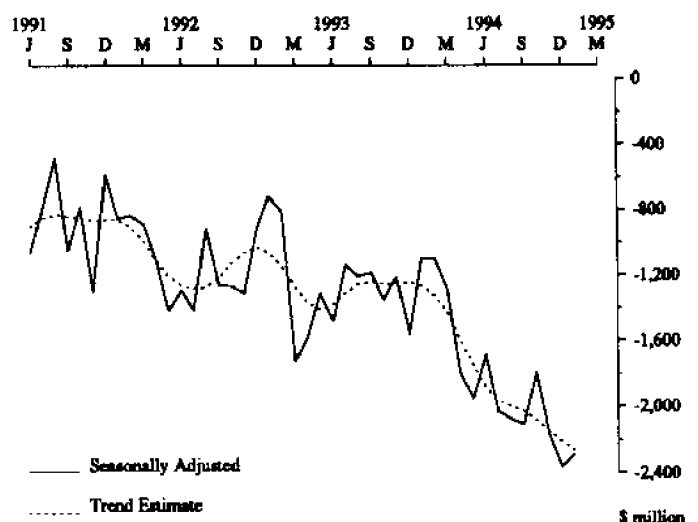
In seasonally adjusted terms, the current account deficit for January decreased \$76 million, or 3 per cent, to \$2,289 million. The decrease in the deficit was caused by:

- a decrease of \$405 million (38 per cent) in the merchandise trade deficit (merchandise exports rose 4 per cent, while merchandise imports fell 3 per cent); and
- an increase of \$62 million (111 per cent) in the net unrequited transfers surplus.

Partly offsetting the movements in merchandise trade and unrequited transfers were an increase of \$112 million (350 per cent) in the net services deficit and an increase of \$279 million (21 per cent) in the net income deficit.

The provisional trend estimate for the January current account deficit was \$2,261 million, up \$46 million, or 2 per cent, on the provisional trend estimate for December.

**GRAPH 1: BALANCE ON CURRENT ACCOUNT**



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

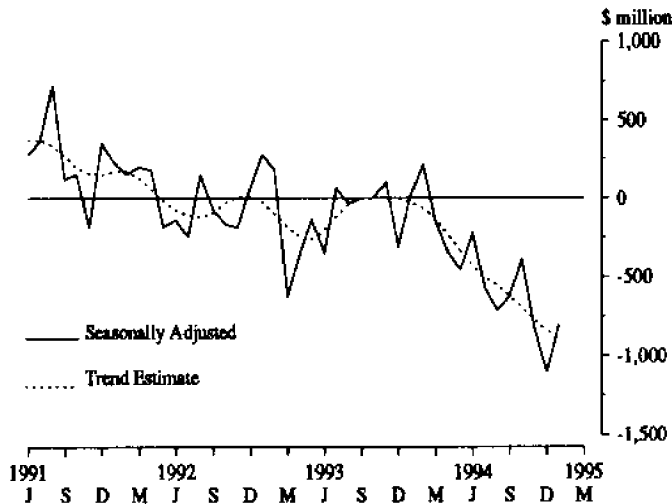
## ANALYSIS OF SELECTED MAJOR AGGREGATES

January 1995 compared with December 1994

**Balance on goods and services**

The seasonally adjusted *balance on goods and services* recorded a deficit of \$807 million, a decrease of \$293 million on the deficit recorded in December.

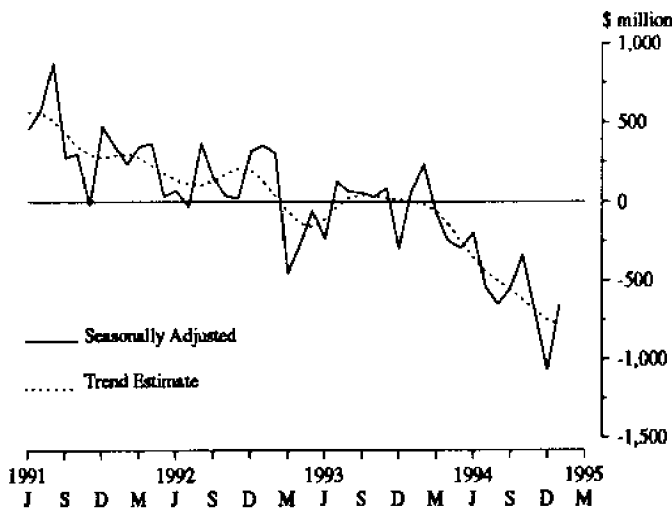
GRAPH 2: BALANCE ON GOODS AND SERVICES



**Balance on merchandise trade**

The seasonally adjusted *balance on merchandise trade* recorded a deficit of \$663 million, a decrease of \$405 million on the deficit recorded in December.

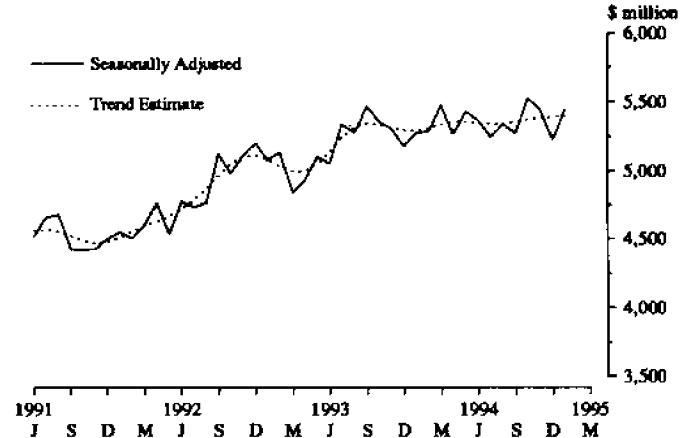
GRAPH 3: BALANCE ON MERCHANDISE TRADE



**Merchandise exports**

Seasonally adjusted *exports f.o.b.* rose \$211 million, or 4 per cent, to \$5,440 million. *Rural exports* fell \$25 million, or 2 per cent, to \$1,475 million. *Non-rural exports* rose \$236 million, or 6 per cent, to \$3,965 million.

GRAPH 4: MERCHANDISE - EXPORTS F.O.B.



In original terms, *exports* fell \$578 million, or 11 per cent, to \$4,882 million.

*Rural exports*, in original terms, fell \$278 million, or 18 per cent to \$1,294 million. Decreases were recorded in all groups. The largest decreases occurred in:

- "other" rural exports, down \$107 million or 18 per cent (with most components recording decreases);
- wool, down \$81 million or 19 per cent (due mainly to decreased volumes of greasy wool exports); and
- cereals, down \$37 million or 20 per cent (due mainly to decreased volumes of wheat exports).

*Non-rural exports*, in original terms, fell \$300 million, or 8 per cent, to \$3,588 million. Decreases were recorded in:

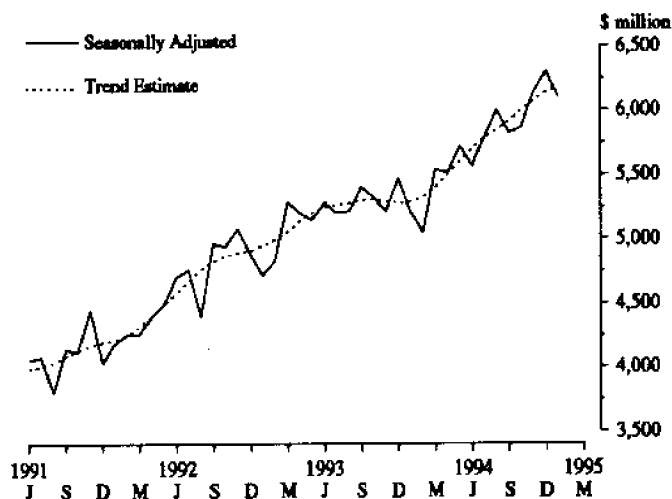
- machinery, down \$215 million or 39 per cent (while all components recorded decreases, the largest contributor was ADP equipment);
- "other" manufactures, down \$183 million or 28 per cent (with most components recording decreases);
- metal ores and minerals, down \$62 million or 10 per cent; and
- transport equipment, down \$48 million or 27 per cent.

The most significant increases were recorded in gold, up \$101 million (28 per cent); "other" mineral fuels, up \$88 million (29 per cent); and "other" metals, up \$55 million (11 per cent).

### Merchandise imports

Seasonally adjusted *imports f.o.b.* fell \$194 million, or 3 per cent, to \$6,103 million. *Consumption goods* fell \$24 million, or 1 per cent, to \$1,604 million. *Capital goods* fell \$297 million, or 17 per cent, to \$1,440 million. *Intermediate and other goods* rose \$127 million, or 4 per cent, to \$3,059 million.

GRAPH 5: MERCHANDISE - IMPORTS F.O.B.



In original terms, *imports* fell \$130 million, or 2 per cent, to \$5,788 million.

Imports of *consumption goods*, in original terms, fell \$53 million, or 3 per cent, to \$1,505 million. The largest decreases were recorded in:

- non-industrial transport equipment, down \$70 million or 17 per cent (largely due to decreased imports of passenger motor cars); and
- household electrical items, down \$35 million or 22 per cent (with all components recording decreases).

These decreases were partly offset by an increase in textiles, clothing and footwear, up \$54 million or 28 per cent.

Imports of *capital goods*, in original terms, fell \$421 million, or 25 per cent, to \$1,273 million. The largest decreases were recorded in:

- industrial transport equipment, down \$369 million or 71 per cent on the December figure which included an LNG tanker valued at \$362 million;
- ADP equipment, down \$28 million or 13 per cent; and
- civil aircraft, down \$27 million or 82 per cent.

Imports of *intermediate and other goods*, in original terms, rose \$344 million, or 13 per cent, to \$3,010 million. Increases were recorded in 12 of the 14 groups. The largest increases were recorded in:

- parts for transport equipment, up \$60 million or 18 per cent;

- food and beverages, mainly for industry, up \$53 million or 93 per cent;
- processed industrial supplies, up \$49 million or 8 per cent; and
- fuels and lubricants, up \$46 million or 20 per cent.

### Net services

The seasonally adjusted *net services* deficit rose \$112 million, or 350 per cent, to \$144 million. *Services credits* fell \$72 million (4 per cent), while *services debits* rose \$40 million (2 per cent).

### Net income

The seasonally adjusted *net income* deficit rose \$279 million, or 21 per cent, to \$1,600 million. *Income credits* rose \$66 million, or 12 per cent, while *income debits* rose \$345 million or 18 per cent. It should be noted that, in accordance with established methodology, the monthly estimates of the non-official sector for January 1995, are based on extrapolations of quarterly results divided by three. These extrapolations will be replaced by preliminary results from the March quarter 1995 ABS Survey of Foreign Investment (SFI) when these results become available. Preliminary results should be available in time for incorporation in the April 1995 issue of this publication, scheduled for release on 29 May 1995.

### Net unrequited transfers

The seasonally adjusted *net unrequited transfers* surplus rose \$62 million, or 111 per cent, to \$118 million. *Unrequited transfers credits* rose \$15 million, or 5 per cent, while *unrequited transfers debits* fell \$47 million or 21 per cent.

### Net capital transactions

In original terms, the *net capital transactions of the official sector* recorded a net outflow of \$666 million in January, a turnaround of \$2,426 million on the net inflow recorded in December.

The January estimate consisted of:

- a net outflow of \$666 million in general government transactions, a turnaround of \$2,340 million on the net inflow recorded in December; and
- a nil balance in Reserve Bank transactions, a fall of \$86 million on the net inflow recorded in December.

The net outflow in general government transactions was mainly the result of a turnaround of \$3,152 million, from a net inflow to a net outflow of \$798 million, in state government borrowing domiciled abroad.

This movement was partly offset by a turnaround of \$752 million, from a net outflow to a net inflow of \$157 million, in general government borrowing domiciled in Australia.

### Exchange rates

During January, the \$A depreciated by 1.6 per cent on a trade weighted basis (using period average exchange rates) against the currencies of Australia's major trading partners. The \$A depreciated by 1.1 per cent against the \$US and by 1.4 per cent against the Japanese yen.

### Seven months ended January 1995, compared with seven months ended January 1994

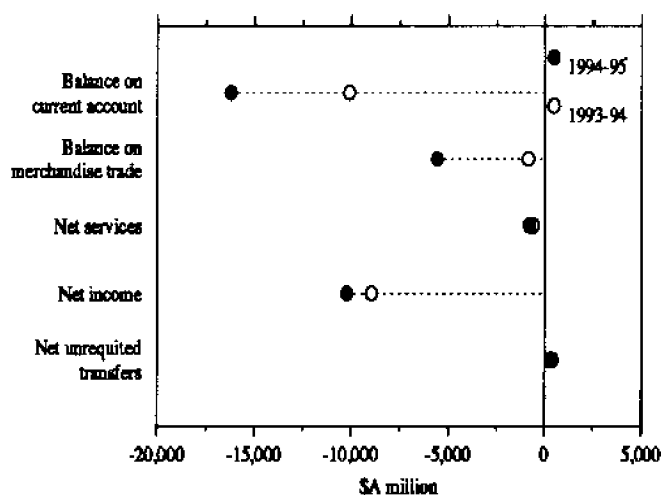
In original terms, the *balance on current account* deficit for the seven months ended January 1995 was \$16,222 million, up \$6,121 million, or 61 per cent, on the deficit for the seven months ended January 1994.

This result was due to:

- an increase of \$4,737 million (546 per cent) in the merchandise trade deficit;
- an increase of \$222 million (39 per cent) in the net services deficit; and
- an increase of \$1,282 million (14 per cent) in the net income deficit.

The movements in merchandise trade, services and income were partially offset by an increase of \$120 million (39 per cent) in the net unrequited transfers surplus.

GRAPH 6: BALANCE OF PAYMENTS AGGREGATES - SEVEN MONTHS ENDED JANUARY



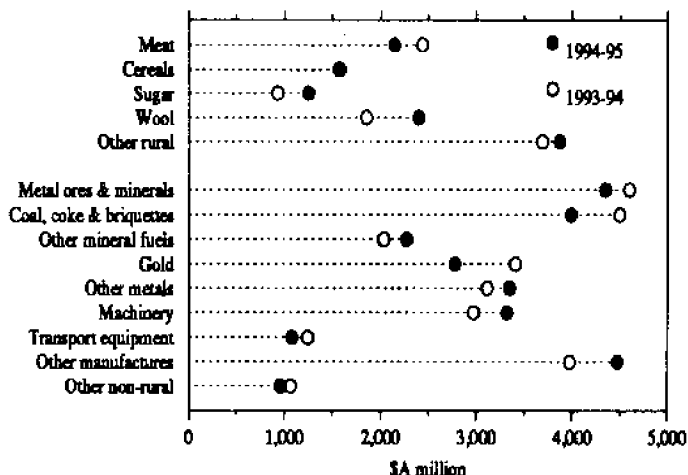
In original terms, *Merchandise exports* rose \$426 million, or 1 per cent, to \$37,762 million. The largest increases were recorded in:

- wool, up \$539 million (29 per cent);
- "other" manufactures, up \$496 million (12 per cent);
- machinery, up \$350 million (12 per cent);
- sugar, up \$325 million (35 per cent);

- "other" mineral fuels, up \$243 million (12 per cent); and
- "other" metals, up \$238 million (8 per cent).

Decreases were recorded in gold, down \$630 million (19 per cent); coal, coke and briquettes, down \$505 million (11 per cent); meat, down \$290 million (12 per cent); metal ores and minerals, down \$253 million (6 per cent); and transport equipment, down \$164 million (13 per cent).

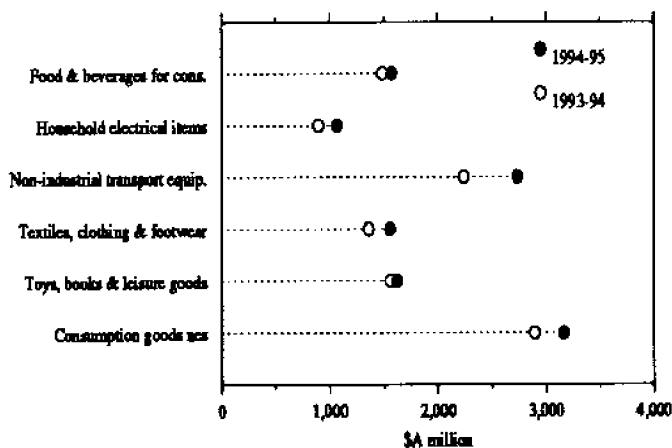
GRAPH 7: MERCHANDISE EXPORTS - SEVEN MONTHS ENDED JANUARY



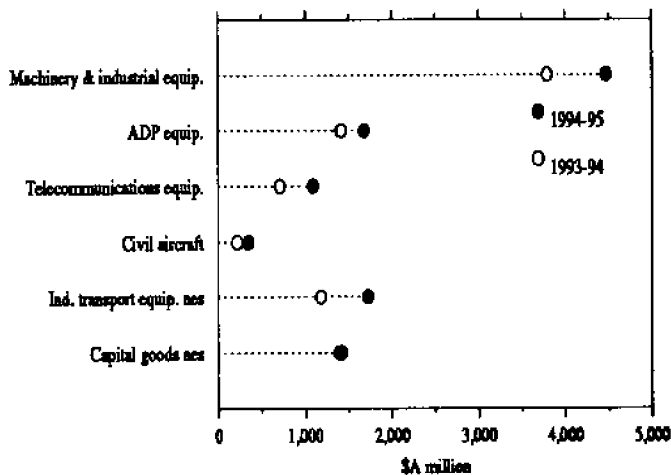
*Merchandise imports* rose \$5,163 million, or 14 per cent, to \$43,366 million. *Consumption goods* rose \$1,288 million (12 per cent); *capital goods* rose \$1,985 million (23 per cent); and *intermediate and other goods* rose \$1,890 million (10 per cent). Increases were recorded in all groups except non-monetary gold, down \$201 million (33 per cent); fuels and lubricants, down \$100 million (5 per cent); and capital goods nes, down \$25 million (2 per cent). The largest increases were recorded in:

- machinery and industrial equipment, up \$689 million (18 per cent);
- industrial transport equipment nes, up \$541 million (46 per cent);
- non-industrial transport equipment, up \$495 million (22 per cent);
- parts for transport equipment, up \$402 million (17 per cent);
- "other" parts for capital goods, up \$391 million (13 per cent);
- telecommunications equipment, up \$385 million (55 per cent);
- processed industrial supplies nes, up \$382 million (8 per cent);
- consumption goods nes, up \$272 million (9 per cent); and
- ADP equipment, up \$268 million (19 per cent).

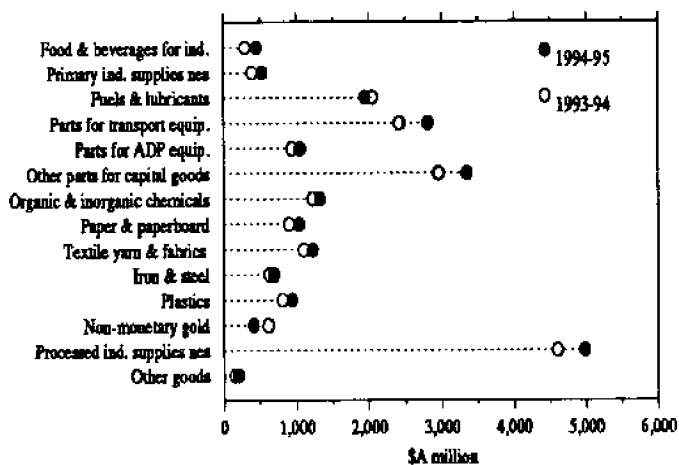
GRAPH 8: MERCHANDISE IMPORTS - CONSUMPTION GOODS  
SEVEN MONTHS ENDED JANUARY



GRAPH 9: MERCHANDISE IMPORTS - CAPITAL GOODS  
SEVEN MONTHS ENDED JANUARY



GRAPH 10: MERCHANDISE IMPORTS - INTERMEDIATE AND OTHER GOODS  
SEVEN MONTHS ENDED JANUARY



The *net services* deficit rose by \$222 million, or 39 per cent, to \$798 million. Services credits increased by \$598 million, or 6 per cent, due largely to an increase of \$521 million in travel credits. Services debits rose \$820 million, or 7 per cent, due largely to increases of \$312 million in

travel debits; \$270 million in shipment debits; and \$253 million in "other" transportation debits.

The *net income* deficit rose \$1,282 million, or 14 per cent, to \$10,249 million. Income credits rose \$292 million, or 8 per cent, due mainly to increases in reinvested earnings and "other" property income (partly offset by a fall in other investment income receivable). Income debits rose \$1,574 million or 12 per cent, due mainly to increases in reinvested earnings and other investment income payable by the non-official sector.

The *net unrequited transfers* surplus increased by \$120 million, or 39 per cent, to \$429 million. Unrequited transfers credits rose \$193 million, or 12 per cent, due mainly to an increase in migrants' transfers. Unrequited transfers debits rose \$73 million, or 5 per cent.

*Official sector capital transactions* for the seven months ended January 1995 yielded a net inflow of \$11,420 million, compared with a net inflow of \$11,434 million for the corresponding period of the previous financial year. The change was a result of:

- a net inflow of \$9,931 million in general government transactions, down \$2,115 million on the net inflow for the seven months to January 1994; and
- a net inflow of \$1,489 million in Reserve Bank transactions, a turnaround of \$2,101 million on the net outflow for the seven months to January 1994.

The decreased net inflow from general government transactions was largely due to a decrease of \$6,124 million, to \$2,975 million, in State government borrowing domiciled abroad; and an increase of \$682 million, to \$1,380 million, in Commonwealth government borrowing domiciled abroad. This movement was partly offset by an increase of \$4,045 million, to \$7,680 million, in general government borrowing domiciled in Australia. Net sales of official reserve assets, compared with net purchases for the corresponding period of the previous financial year, was the main factor underlying the turnaround in Reserve Bank transactions.

## REVISIONS

Revisions since the last issue of this publication have decreased the current account deficits for 1988-89 to 1992-93 by \$71 million, \$99 million, \$130 million, \$233 million and \$288 million respectively; and increased the deficit for 1993-94 and the first six months of this financial year by \$1,364 million and \$1,010 million respectively.

Revisions to the current account deficit for the years 1988-89 to 1993-94 are due solely to the incorporation of the latest available information on investment income from the 1993-94 Survey of Foreign Investment. These revised data affected Property income credits and debits.

For the first six months of 1994-95, the main factors contributing to the revisions were:

- the incorporation of estimates from the September quarter International Trade in Services Survey, which has resulted in revisions to the credit and debit entries for Other services and Other property income; and

- the incorporation of preliminary results from the December quarter 1994 Survey of Foreign Investment, which has resulted in revisions to Property income credits and debits.

Revisions have been made to the capital account estimates for the years 1988-89 to 1993-94 and the first six months of this year. The revisions were due to:

- the incorporation of data from the 1993-94 Survey of Foreign Investment, affecting all years from 1988-89 to 1993-94;
- the incorporation of preliminary data from the December quarter 1994 Survey of Foreign Investment, affecting the first six months of 1994-95; and
- improved estimation of General government borrowing transactions domiciled in Australia, by removing valuation effects from transactions estimates for Commonwealth government securities. These revisions affected the years 1990-91 to 1993-94 and the first six months of 1994-95.

#### SEASONAL REANALYSIS

The seasonally adjusted and trend monthly estimates of the current account have been revised in this issue as a result of a seasonal reanalysis. The reanalysis took account of additional information that had become available since the previous reanalysis in early 1994. The following table compares the revised seasonally adjusted current account es-

timates for each of the 12 months to December 1994 with those which would have been obtained had the old 1994 seasonal factors been used. Since these latter estimates incorporate the effects of the revisions to original data outlined above, they will differ from those corresponding estimates shown in the previous issue of this publication.

#### Seasonally Adjusted Current Account Deficit (\$m)

1994	As published in this issue	As derived using the previous seasonal factors	Difference
Jan.	1,102	944	158
Feb.	1,096	924	172
Mar.	1,292	1,336	-44
Apr.	1,794	1,767	25
May	1,953	1,927	26
Jun.	1,686	1,634	52
Jul.	2,030	2,077	-47
Aug.	2,075	2,358	-283
Sep.	2,107	2,084	23
Oct.	1,793	1,736	57
Nov.	2,167	2,170	-3
Dec.	2,365	2,522	-157

For the availability of seasonal factors for 1995 refer to paragraph 6 of the Explanatory Notes.

#### Release date for February 1995 issue

The expected release date for the February issue of this publication is 30 March 1995. Any variations which might occur will be notified in the ABS Publications Advice (1105.0) and on DISCOVERY.

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

## RELIABILITY OF CONTEMPORARY TREND ESTIMATES

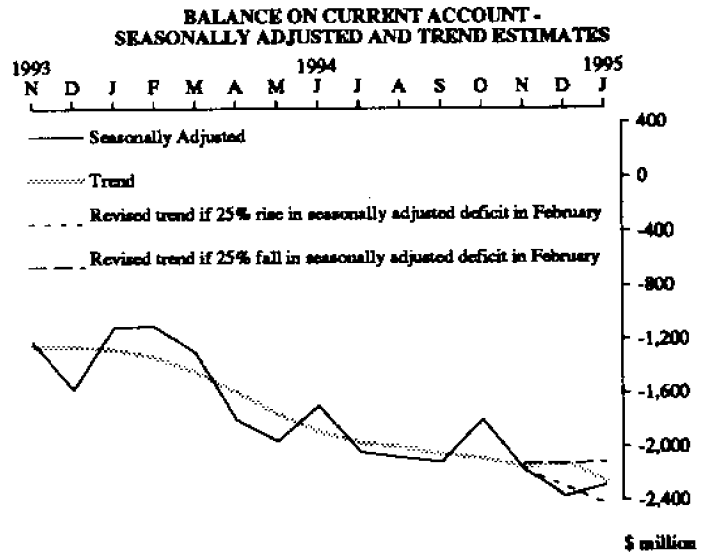
The table below presents trend estimates of the deficit on current account from November 1993 onwards, including provisional trend estimates for the latest three months (November, December 1994 and January 1995).

To illustrate the possible impact of future months' observations on the provisional trend estimates for the latest three months, the table also shows the revisions to these trend estimates that would result if the seasonally adjusted estimate of the current account balance next month (February 1995) is 25 per cent higher or lower than this month and if there are no revisions to the current or previous months' estimates. The 25 per cent range has been chosen because in the last decade the average monthly percentage movement, without regard to sign, of the seasonally adjusted current account deficit has been about 25 per cent.

If the deficit were to increase in February by 25 per cent, to \$2,861 million, the provisional trend movement for that month would be 5.4 per cent. The movements in the trend estimates for November, December and January which are provisionally 3.1 per cent, 3.2 per cent and 2.1 per cent respectively, would be revised to 4.8 per cent, 5.7 per cent and 5.7 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted deficit next month, to \$1,717 million, would produce a movement of -1.5 per

cent in the trend estimate for February, with the movements in the trend estimates for November, December and January being revised to 1.3 per cent, 0.2 per cent and -0.8 per cent, respectively.

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



## DEFICIT ON CURRENT ACCOUNT — RELIABILITY OF TREND ESTIMATES

	Trend estimate		Revised trend estimate if February 1995 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on January 1995 (a)		is down 25% on January 1995 (a)	
			\$m	% change on previous month	\$m	% change on previous month
1993-94 —						
November	1249	-0.6	1249	-0.6	1249	-0.6
December	1246	-0.2	1246	-0.2	1246	-0.2
January	1267	1.7	1267	1.7	1267	1.7
February	1325	4.6	1325	4.6	1325	4.6
March	1433	8.2	1433	8.2	1433	8.2
April	1588	10.8	1588	10.8	1588	10.8
May	1753	10.4	1753	10.4	1753	10.4
June	1884	7.5	1884	7.5	1884	7.5
1994-95 —						
July	1965	4.3	1965	4.3	1965	4.3
August	1999	1.7	1991	1.3	2013	2.4
September	2050	1.6	2014	1.2	2053	2.0
October	2083	2.6	2073	2.9	2093	1.9
November	2147 p	3.1	2172	4.8	2121	1.3
December	2215 p	3.2	2295	5.7	2125	0.2
January	2216 p	2.1	2426	5.7	2107	-0.8
February			2558	5.4	2076	-1.5

(a) Assumes no revisions to the seasonally adjusted estimates of the current account balance for the 15 months November 1993 to January 1995.

TABLE 1. BALANCE OF PAYMENTS  
(\$ million)

	Years			Months												July to Jan							
	1991-92	1992-93	1993-94	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.		Nov.	Dec.	Jan.	1993-94	1994-95		
<b>Current transactions</b>																							
<b>Goods and services</b>																							
<b>Merchandise (a)</b>																							
Exports fob	54,874	60,022	63,896	5,443	5,474	4,697	4,797	5,619	5,185	5,728	5,231	5,393	5,280	5,283	5,744	5,720	5,460	4,882	37,336	37,762			
Imports fob	-51,055	-59,427	-64,400	-5,702	-5,287	-4,791	-4,614	-5,793	-4,927	-5,638	-5,225	-5,985	-6,671	-6,068	-6,262	-6,674	-5,918	-5,788	-38,203	-43,366			
Balance on merchandise trade	3,819	95	-504	-259	187	-94	183	-174	258	90	6	-592	-1,391	-785	-518	-954	-458	-906	-867	-5,604			
<b>Services</b>																							
Credits	15,150	16,444	18,274	1,590	1,637	1,705	1,829	1,540	1,445	1,343	1,421	1,621	1,494	1,401	1,655	1,622	1,716	1,785	10,696	11,294			
Debits	-17,036	-18,429	-18,967	-1,511	-1,585	-1,596	-1,383	-1,528	-1,538	-1,574	-1,672	-1,775	-1,668	-1,792	-1,727	-1,685	-1,680	-1,765	-11,272	-12,092			
Net services	-1,886	-1,985	-693	79	52	109	446	12	-93	-231	-251	-154	-174	-391	-72	-63	36	20	-576	-798			
<b>Balance on goods and services</b>	1,933	-1,390	-1,197	-180	239	15	629	-162	165	-141	-245	-746	-1,565	-1,176	-590	-1,017	-422	-886	-1,443	-6,402			
<b>Income</b>																							
Credits	4,396	5,887	5,835	540	551	501	495	464	386	404	399	560	565	590	575	545	557	587	3,687	3,979			
Debits	-19,968	-19,861	-21,597	-1,951	-1,799	-1,723	-1,731	-1,641	-1,834	-1,883	-1,854	-1,986	-1,966	-2,098	-2,074	-2,008	-1,867	-2,229	-12,654	-14,228			
Net income	-15,572	-13,974	-15,762	-1,411	-1,248	-1,222	-1,236	-1,177	-1,448	-1,479	-1,455	-1,426	-1,401	-1,508	-1,499	-1,463	-1,310	-1,642	-8,967	-10,249			
<b>Unrequited transfers</b>																							
Credits	4,584	3,119	2,820	230	253	273	271	216	235	206	224	271	251	231	263	236	292	317	1,668	1,861			
Debits	-2,389	-2,434	-2,624	-206	-224	-238	-210	-230	-198	-237	-390	-228	-182	-217	-183	-173	-229	-220	-1,359	-1,432			
Net unrequited transfers	2,195	685	196	24	29	35	61	-14	37	-31	-166	43	69	14	80	63	63	97	309	429			
<b>Balance on current account</b>	-11,444	-14,679	-16,763	-1,567	-980	-1,172	-546	-1,353	-1,246	-1,651	-1,866	-2,129	-2,897	-2,670	-2,009	-2,417	-1,669	-2,431	-10,101	-16,222			
<b>Net capital transactions</b>																							
<b>Official</b>																							
General government	2,727	11,384	7,869	1,627	2,203	5,203	-1,354	-493	-439	812	-2,703	3,174	-1,003	477	2,417	3,858	1,674	-666	12,046	9,931			
Reserve Bank	3,929	3,950	-1,054	61	45	213	36	36	-128	-243	-171	30	16	483	904	-32	73	13	-585	1,487			
Reserve assets	21	39	-49	-25	27	2	58	-13	-59	-11	3	25	-32	31	-44	22	13	-13	-27	2			
Other	3,950	3,989	-1,103	36	72	215	94	23	-187	-254	-168	55	-16	514	860	-10	86	-	-612	1,489			
Total	6,677	15,373	6,766	1,663	2,275	5,418	-1,260	-470	-626	559	-2,871	3,229	-1,019	991	3,277	3,848	1,760	-666	11,434	11,420			
<b>Non-official plus balancing item</b>	4,767	-694	9,998	-96	-1,295	-4,246	1,806	1,823	1,872	1,093	4,737	-1,100	3,916	1,679	-1,268	-1,431	-91	3,097	-1,333	4,802			
<b>Balance on capital account plus balancing item</b>	11,444	14,679	16,763	1,567	980	1,172	546	1,353	1,246	1,651	1,866	2,129	2,897	2,670	2,009	2,417	1,669	2,431	10,101	16,222			

(a) Balance of payments basis.



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

	Months															
	1993-94						1994-95									
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	
Seasonally Adjusted (b)																
Goods and services —																
Merchandise —																
Exports fob —																
Rural	1,516	1,518	1,574	1,537	1,632	1,474	1,625	1,611	1,655	1,668	1,646	1,674	1,714	1,500	1,475	
Non-rural	3,787	3,660	3,702	3,752	3,842	3,795	3,803	3,760	3,591	3,675	3,625	3,855	3,729	3,729	3,965	
Total	5,303	5,178	5,276	5,289	5,474	5,269	5,428	5,371	5,246	5,343	5,271	5,529	5,443	5,229	5,440	
Imports fob —																
Consumption goods	-1,388	-1,432	-1,381	-1,334	-1,432	-1,486	-1,536	-1,507	-1,568	-1,566	-1,610	-1,577	-1,614	-1,628	-1,604	
Capital goods	-1,197	-1,352	-1,243	-1,187	-1,385	-1,275	-1,380	-1,302	-1,350	-1,477	-1,335	-1,335	-1,571	-1,737	-1,440	
Intermediate and other goods	-2,632	-2,692	-2,591	-2,530	-2,726	-2,755	-2,806	-2,757	-2,874	-2,955	-2,879	-2,954	-2,955	-2,932	-3,059	
Total	-5,217	-5,476	-5,215	-5,051	-5,543	-5,516	-5,722	-5,566	-5,792	-5,998	-5,824	-5,866	-6,140	-6,297	-6,103	
Balance on merchandise trade	86	-298	61	238	-69	-247	-294	-195	-546	-655	-553	-337	-697	-1,068	-663	
Services —																
Credits	1,561	1,548	1,508	1,562	1,534	1,513	1,464	1,593	1,612	1,607	1,602	1,633	1,584	1,640	1,568	
Debits	-1,542	-1,562	-1,557	-1,583	-1,609	-1,603	-1,624	-1,617	-1,638	-1,663	-1,673	-1,681	-1,710	-1,672	-1,712	
Net services	19	-14	-49	-21	-75	-90	-160	-24	-26	-56	-71	-48	-126	-32	-144	
Balance on goods and services	105	-312	12	217	-144	-337	-454	-219	-572	-711	-624	-385	-823	-1,100	-807	
Income —																
Credits	546	552	533	539	506	376	396	386	562	575	592	571	550	557	623	
Debits	-1,894	-1,825	-1,711	-1,892	-1,628	-1,844	-1,887	-1,828	-2,029	-1,973	-2,064	-2,020	-1,962	-1,878	-2,223	
Net income	-1,348	-1,273	-1,178	-1,353	-1,122	-1,468	-1,491	-1,442	-1,467	-1,398	-1,472	-1,449	-1,412	-1,321	-1,600	
Unrequited transfers —																
Credits	232	249	258	264	214	232	222	237	268	250	244	252	242	283	298	
Debits	-201	-224	-194	-224	-240	-221	-230	-262	-259	-216	-255	-211	-174	-227	-180	
Net unrequited transfers	31	25	64	40	-26	11	-8	-25	9	34	-11	41	68	56	118	
Balance on current account	-1,212	-1,560	-1,102	-1,096	-1,292	-1,794	-1,953	-1,686	-2,030	-2,075	-2,107	-1,793	-2,167	-2,365	-2,289	
Trend Estimates																
Merchandise —																
Exports fob	5,315	5,294	5,293	5,312	5,339	5,356	5,353	5,345	5,340	5,344	5,359	5,373	5,384p	5,391p	5,398p	
Imports fob	-5,294	-5,282	-5,291	-5,326	-5,398	-5,500	-5,607	-5,701	-5,781	-5,847	-5,919	-5,998	-6,072p	-6,140p	-6,183p	
Balance on merchandise trade	21	12	2	-14	-59	-144	-254	-356	-441	-503	-560	-625	-688p	-749p	-785p	
Balance on goods and services	4	-5	-28	-64	-128	-224	-333	-427	-503	-558	-618	-692	-769p	-843p	-889p	
Balance on current account	-1,249	-1,246	-1,267	-1,325	-1,433	-1,588	-1,753	-1,894	-1,965	-1,999	-2,030	-2,083	-2,147p	-2,215p	-2,261p	

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







TABLE 6. BALANCE OF PAYMENTS — CAPITAL ACCOUNT AND BALANCING ITEM  
(\$ million)

	Years			Months																			
	1991-92	1992-93	1993-94	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	1993-94	1994-95	July to Jan.				
<b>Official —</b>																							
General government —																							
Borrowing —																							
Domestic abroad —																							
Commonwealth Government —																							
Drawings	1,239	40					13	13	14														
Repayments	-602	-1,129	-20	-235	-16	-320	-1	-100	-9	-1	-1	-1	-1	-1	-1	-2	-1,243	-11	-92	-30	-698	-1,380	
Total	-602	-1,089	-20	-235	-16	-320	-1	-87	4	13	-1	-1	-1	-1	-1	-2	-1,243	-11	-92	-30	-698	-1,380	
State government	4,154	10,135	4,848	1,508	1,568	2,132	-2,088	1,053	783	-1,703	-2,296	1,182	-1,243	-1,010	1,699	791	2,354	791	2,354	-798	9,099	2,975	
Total domestic abroad	3,552	10,544	3,759	1,488	1,333	2,116	-2,408	1,052	696	-1,699	-2,283	1,181	-1,244	-1,012	456	780	2,262	780	2,262	-828	8,401	1,595	
Domestic in Australia	-1,452	831	4,580	101	850	3,013	1,023	-1,487	-1,009	2,647	-229	1,800	8	1,276	1,950	3,084	-595	157	3,084	-595	157	3,635	7,680
Total borrowing	2,100	11,375	8,339	1,589	2,183	5,129	-1,385	-435	-313	948	-2,512	2,981	-1,236	264	2,406	3,864	1,667	-671	12,036	-671	12,036	9,275	
Other	627	9	-470	38	20	74	31	-58	-126	-136	-191	193	233	213	11	-6	7	5	10	5	10	656	
<b>Total general government</b>	<b>2,727</b>	<b>11,384</b>	<b>7,869</b>	<b>1,627</b>	<b>2,203</b>	<b>5,203</b>	<b>-1,354</b>	<b>-493</b>	<b>812</b>	<b>-2,703</b>	<b>3,174</b>	<b>-1,003</b>	<b>477</b>	<b>2,417</b>	<b>3,858</b>	<b>1,674</b>	<b>-666</b>	<b>12,046</b>	<b>-666</b>	<b>12,046</b>	<b>9,931</b>		
Reserve Bank —																							
Reserve assets —																							
Official reserve assets	3,929	3,950	-1,054	61	45	213	36	36	-128	-243	-171	30	16	483	904	-32	73	13	13	13	-585	1,487	
Allocation of SDRs																							
Other	21	39	-49	-25	27	2	58	-13	-59	-11	3	25	-32	31	-44	22	13	-13	-13	-13	-27	2	
<b>Total Reserve Bank</b>	<b>3,950</b>	<b>3,989</b>	<b>-1,103</b>	<b>36</b>	<b>72</b>	<b>215</b>	<b>94</b>	<b>23</b>	<b>-187</b>	<b>-254</b>	<b>-168</b>	<b>55</b>	<b>-16</b>	<b>514</b>	<b>860</b>	<b>-10</b>	<b>86</b>	<b>-</b>	<b>-612</b>	<b>-</b>	<b>-612</b>	<b>1,489</b>	
<b>Total official</b>	<b>6,677</b>	<b>15,373</b>	<b>6,766</b>	<b>1,663</b>	<b>2,275</b>	<b>5,418</b>	<b>-1,260</b>	<b>-470</b>	<b>626</b>	<b>559</b>	<b>-2,871</b>	<b>3,229</b>	<b>-1,019</b>	<b>991</b>	<b>3,277</b>	<b>3,848</b>	<b>1,760</b>	<b>-666</b>	<b>11,434</b>	<b>-666</b>	<b>11,434</b>	<b>11,420</b>	
Non-official plus balancing item—																							
Public sector —																							
Non equity securities domiciled in Australia (a)	-594	-291	-1,060	-197	-76	-162	-44	-79	-178	-162	-105	-35	1	-19	-55	-84	-73	24	-492	-241	-492	-241	
Accounts receivable/prepayments made	1,011	88	-1,215	42	11	32	-45	-10	-347	-383	-486	310	412	401	-56	97	18	52	56	52	56	1,234	
Other (including balancing item) (b)	4,350	-491	12,273	59	-1,230	-4,116	1,805	1,912	2,397	1,638	5,328	-1,375	3,503	1,297	-1,157	-1,444	-36	3,021	-897	3,021	-897	3,809	
<b>Total non-official plus balancing item</b>	<b>4,767</b>	<b>-694</b>	<b>9,998</b>	<b>-96</b>	<b>-1,295</b>	<b>-4,246</b>	<b>1,806</b>	<b>1,823</b>	<b>1,872</b>	<b>1,093</b>	<b>4,737</b>	<b>-1,100</b>	<b>3,916</b>	<b>1,679</b>	<b>-1,268</b>	<b>-1,431</b>	<b>-91</b>	<b>3,097</b>	<b>-1,333</b>	<b>3,097</b>	<b>-1,333</b>	<b>4,802</b>	
<b>Balance on capital account plus balancing item</b>	<b>11,444</b>	<b>14,679</b>	<b>16,763</b>	<b>1,567</b>	<b>980</b>	<b>1,172</b>	<b>546</b>	<b>1,353</b>	<b>1,246</b>	<b>1,651</b>	<b>1,866</b>	<b>2,129</b>	<b>2,897</b>	<b>2,670</b>	<b>2,009</b>	<b>2,417</b>	<b>1,669</b>	<b>2,431</b>	<b>10,101</b>	<b>10,101</b>	<b>16,222</b>		

(a) Excludes bank securities. (b) Includes public sector transactions n.o.c.

TABLE 7. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Year																		
	1991			1992			1993			1994									
	92	93	94	92	93	94	92	93	94	92	93	94	92	93	94				
	Months																		
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.				
Official reserve assets (\$ million) —	22,240	20,823	20,661	21,394	20,955	19,882	20,253	20,834	20,434	20,006	20,661	20,367	20,473	20,308	19,443	18,575	18,417	19,047	
Levels at end of period	-1,807	-1,417	-162	196	-439	-1,073	371	581	-400	-428	655	-294	106	-165	-865	-868	-158	630	
Changes in levels Of which —	2,122	2,533	-1,216	257	-394	-860	407	617	-528	-671	485	-264	122	318	39	-900	-85	643	
Changes due to effects of revaluations	-3,929	-3,950	1,054	-61	-45	-213	-36	-36	128	243	171	-30	-16	-483	-904	32	-73	-13	
Changes included in the balance of payments (a)																			
Exchange rates (b) —																			
Units of foreign currency per \$A —																			
End of period (c) —																			
United States dollar	0.7488	0.6722	0.7291	0.6586	0.6771	0.7112	0.7178	0.7008	0.7124	0.7361	0.7291	0.7393	0.7425	0.7393	0.7422	0.7674	0.7768	0.7583	
United Kingdom pound	0.3945	0.4453	0.4721	0.4423	0.4575	0.4757	0.4825	0.4728	0.4707	0.4879	0.4721	0.4844	0.4837	0.4680	0.4575	0.4912	0.4982	0.4752	
German mark	1.144	1.137	1.159	1.125	1.175	1.242	1.226	1.173	1.235	1.211	1.159	1.177	1.170	1.145	1.121	1.206	1.207	1.141	
Japanese yen	94.05	71.54	72.20	71.77	75.80	78.11	74.67	72.04	72.20	76.85	72.20	73.86	73.82	72.88	72.25	75.93	77.56	74.75	
Special drawing right	0.5213	0.4818	0.5026	0.4763	0.4921	0.5146	0.5143	0.4971	0.5035	0.5201	0.5026	0.5078	0.5122	0.5042	0.4971	0.5255	0.5336	0.5144	
Period average (d) —																			
United States dollar	0.7694	0.7030	0.6919	0.6649	0.6728	0.6956	0.7161	0.7117	0.7165	0.7240	0.7333	0.7349	0.7404	0.7414	0.7382	0.7539	0.7740	0.7658	
United Kingdom pound	0.4381	0.4363	0.4623	0.4488	0.4515	0.4661	0.4837	0.4770	0.4836	0.4815	0.4807	0.4756	0.4800	0.4743	0.4599	0.4738	0.4963	0.4869	
German mark	1.274	1.103	1.171	1.130	1.151	1.212	1.243	1.205	1.249	1.213	1.194	1.154	1.158	1.150	1.223	1.159	1.217	1.174	
Japanese yen	100.97	84.22	73.52	72.73	73.79	77.59	76.12	74.84	74.10	75.05	75.29	72.45	73.96	73.24	72.72	73.86	77.49	76.37	
Special drawing right	0.5580	0.4982	0.4944	0.4785	0.4858	0.5062	0.5165	0.5078	0.5106	0.5115	0.5141	0.5041	0.5092	0.5071	0.5000	0.5119	0.5330	0.5231	
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —																			
End of period (c)	55.2	49.5	53.0	49.1	50.8	54.0	53.6	52.1	52.6	54.6	53.0	53.9	53.9	53.4	53.1	55.5	56.2	54.5	
Period average (d)	58.2	52.3	51.4	49.4	50.2	53.1	53.9	53.3	53.4	53.7	54.0	53.3	53.8	53.6	53.1	54.3	56.2	55.3	

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

## EXPLANATORY NOTES

**Introduction**

1. This publication contains preliminary estimates of Australia's balance of payments for January 1995, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the September quarter 1994 issue of the quarterly balance of payments publication (5302.0) released on 28 November 1994.

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

**Accuracy, reliability and volatility**

3. Care should be exercised in the use and interpretation of estimates in this publication. The sources available for the production of timely and reliable monthly estimates are limited and the initial estimates are made available very quickly. Consequently, the latest estimates in this publication, to a greater extent than estimates in quarterly and annual balance of payments publications, are preliminary and subject to revision as more complete and accurate information becomes available. Certain items are estimated using extrapolation techniques until source data become available. Further, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

4. Particular care should be exercised in interpreting month-to-month movements in original and seasonally adjusted series as short term movements cannot be assumed to indicate changes in trend. The monthly estimates are volatile, being subject to seasonal factors (except where adjusted in Table 2) and large irregular influences. The irregular influences may reflect both random economic events and difficulties of statistical recording. Seasonal adjustment does not aim to remove the irregular or non-seasonal influences which may be present in any particular month. This means that the month-to-month movements of the seasonally adjusted estimates may not be reliable indicators of trend behaviour. For example, irregular factors unrelated to the trend account for more than half the seasonally adjusted monthly movements with the following frequency:

Balance on current account: 9 in 10 months  
 Merchandise exports f.o.b: 9 in 10 months  
 Merchandise imports f.o.b: 9 in 10 months

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

**Seasonal adjustment**

6. The factors used in seasonally adjusting the monthly balance of payments statistics during 1995 can be obtained, for \$70.00, from Mr Chris Durack on Canberra (06) 252 6224.

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

**Available longer term series**

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

**Related products and services**

9. More detailed merchandise exports and merchandise imports data, including dissections by commodity and country of origin, are also available on an international merchandise trade basis for January 1995 and previous months. These data can be obtained by contacting information services on Canberra (06) 252 5400.

**Symbols and other usages**

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

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

**TIM SKINNER**  
 Acting Australian Statistician



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