

CATALOGUE NO. 5301.0  
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**BALANCE OF PAYMENTS, AUSTRALIA, MAY 1996**

**MAIN FEATURES**

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

	March	1996		Change on previous month(a)
		April	May	
		<i>Trend</i>		
		<i>\$ million</i>		<i>%</i>
<b>Balance on current account</b>	<b>-1,546p</b>	<b>-1,658p</b>	<b>-1,792p</b>	<b>-8</b>
		<i>Seasonally adjusted</i>		
<b>Balance on current account</b>	<b>-1,120</b>	<b>-1,970</b>	<b>-2,153</b>	<b>-9</b>
Balance on merchandise trade	60	-232	-437	-88
Net services	21	-39	-62	-59
Net income	-1,277	-1,787	-1,724	4
Net unrequited transfers	76	88	70	-20
		<i>Not seasonally adjusted</i>		
<b>Balance on current account</b>	<b>-385</b>	<b>-1,801</b>	<b>-2,007</b>	<b>-11</b>
Balance on merchandise trade	705	-172	-112	35
Net services	154	-42	-213	..
Net income	-1,326	-1,709	-1,726	-1
Net unrequited transfers	82	122	44	-64

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

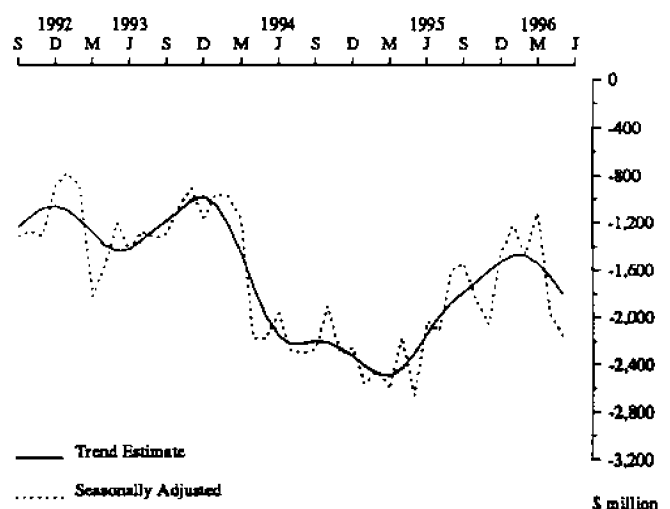
The provisional trend estimate for the May current account deficit was \$1,792 million, up \$134 million, or 8 per cent, on the provisional trend estimate for April.

In seasonally adjusted terms, the current account deficit for May increased \$183 million, or 9 per cent, to \$2,153 million. The increase in the deficit was caused by:

- an increase of \$205 million (88 per cent) in the merchandise trade balance (merchandise exports fell 4 per cent, while merchandise imports fell 1 per cent);
- an increase of \$23 million (59 per cent) in the net services deficit; and
- a decrease of \$18 million (20 per cent) in the net unrequited transfers surplus.

Partly offsetting these movements in merchandise trade, services and transfers was a decrease of \$63 million (4 per cent) in the net income deficit.

**GRAPH 1: BALANCE ON CURRENT ACCOUNT**



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

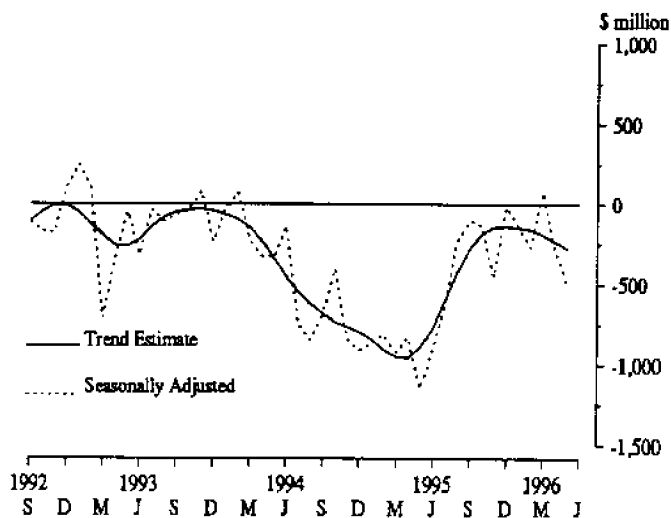
## ANALYSIS OF SELECTED MAJOR AGGREGATES

May 1996 compared with April 1996

### Balance on goods and services

The seasonally adjusted balance on goods and services recorded a deficit of \$499 million, an increase of \$228 million on the deficit recorded in April.

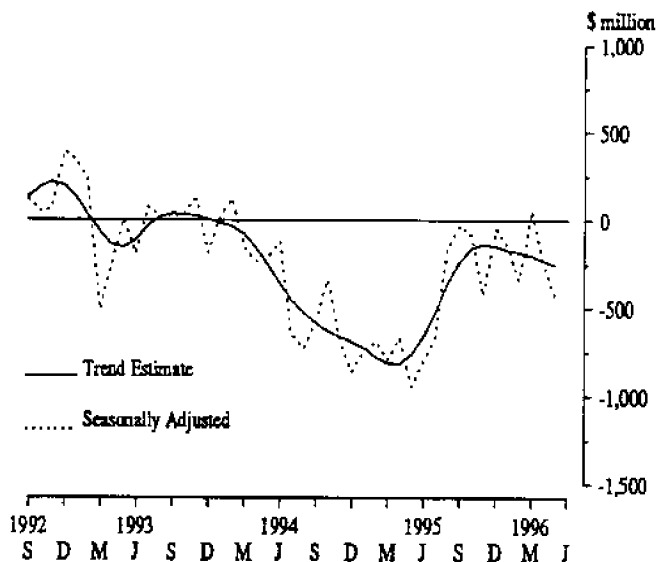
GRAPH 2: BALANCE ON GOODS AND SERVICES



### Balance on merchandise trade

The seasonally adjusted balance on merchandise trade recorded a deficit of \$437 million, an increase of \$205 million on the deficit recorded in April.

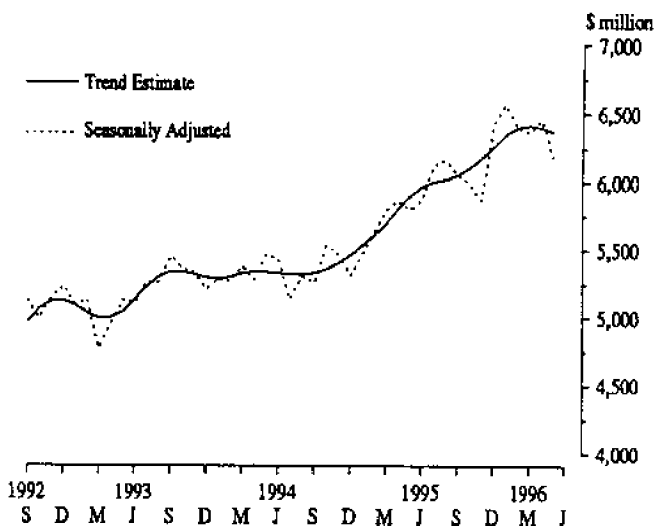
GRAPH 3: BALANCE ON MERCHANDISE TRADE



### Merchandise exports

In seasonally adjusted terms, merchandise exports fell \$275 million, or 4 per cent, to \$6,184 million. Rural exports fell \$69 million, or 4 per cent, to \$1,768 million. Non-rural exports fell \$206 million or 4 per cent, to \$4,416 million.

GRAPH 4: MERCHANDISE - EXPORTS FOB



In original terms, exports rose \$444 million, or 7 per cent, to \$6,593 million.

Rural exports, in original terms, rose \$71 million, or 4 per cent, to \$1,889 million. The most significant increases were recorded in:

- "other" rural exports, up \$101 million or 15 per cent (due mainly to increased volumes of cotton exports); and
- cereals, up \$29 million or 5 per cent (due mainly to increased volumes of sorghum exports).

These increases were partly offset by decreases in sugar, down \$44 million or 53 per cent (due mainly to decreased volumes of exports); and wool, down \$21 million or 7 per cent.

Non-rural exports, in original terms, rose \$373 million, or 9 per cent, to \$4,704 million. The largest increases were recorded in:

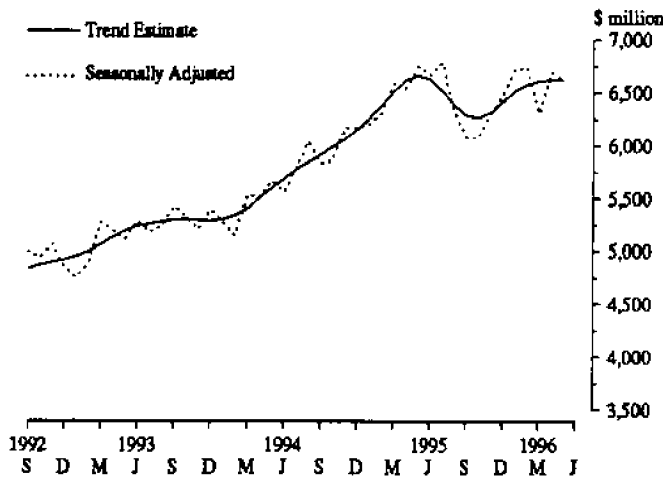
- machinery, up \$81 million or 16 per cent (with most components recording increases);
- "other" manufactures, up \$79 million or 11 per cent; and
- transport equipment, up \$77 million or 46 per cent (due mainly to increased exports of vessels).

The most significant decrease was recorded in "other" mineral fuels, down \$41 million or 11 per cent.

## Merchandise imports

In seasonally adjusted terms, merchandise imports fell \$70 million, or 1 per cent, to \$6,621 million. Consumption goods rose \$56 million, or 3 per cent, to \$1,721 million. Capital goods rose \$63 million, or 4 per cent, to \$1,794 million. Intermediate and other goods fell \$189 million, or 6 per cent, to \$3,106 million.

GRAPH 5: MERCHANDISE - IMPORTS FOB



In original terms, imports rose \$384 million, or 6 per cent, to \$6,705 million.

Imports of consumption goods, in original terms, rose \$89 million, or 6 per cent, to \$1,645 million. The largest increases were recorded in:

- non-industrial transport equipment, up \$45 million or 12 per cent (due to increased imports of passenger motor cars);
- consumption goods nes, up \$23 million or 5 per cent; and
- toys, books and leisure goods, up \$20 million or 12 per cent.

These increases were partly offset by a decrease in textiles, clothing and footwear, down \$12 million or 6 per cent.

Imports of capital goods, in original terms, rose \$146 million, or 9 per cent, to \$1,751 million. The largest increases were recorded in:

- civil aircraft, up \$73 million or 104 per cent (which includes the import of a Qantas aircraft valued at \$119 million);
- machinery and industrial equipment, up \$43 million or 6 per cent; and
- ADP equipment, up \$35 million or 11 per cent.

These increases were partly offset by a decrease in telecommunications equipment, down \$17 million or 11 per cent.

Imports of intermediate and other goods, in original terms, rose \$149 million, or 5 per cent, to \$3,309 million. The largest increases were recorded in:

- "other" parts for capital goods, up \$68 million or 14 per cent;
- "other" goods, up \$37 million (mainly due to increased imports of military equipment);
- textile yarn and fabrics, up \$31 million or 22 per cent; and
- parts for transport equipment, up \$25 million or 6 per cent.

The largest decrease was recorded in fuels and lubricants, down \$34 million or 8 per cent.

## Net services

The seasonally adjusted net services deficit rose \$23 million, or 59 per cent, to \$62 million. Services credits fell \$45 million (2 per cent), while services debits fell \$22 million (1 per cent).

## Net income

The seasonally adjusted net income deficit fell \$63 million, or 4 per cent, to \$1,724 million. Income credits rose \$1 million, while income debits fell \$62 million or 3 per cent. It should be noted that, in accordance with established methodology, the monthly estimates of the non-official sector for April and May 1996 are based on extrapolations of quarterly results divided by three. These extrapolations will be replaced by preliminary results from the June quarter 1996 ABS Survey of Foreign Investment (SFI) when these results become available. Preliminary results should be available in time for incorporation in the July 1996 issue of this publication, scheduled for release on 29 August 1996.

## Net unrequited transfers

The seasonally adjusted net unrequited transfers surplus fell \$18 million, or 20 per cent, to \$70 million. Unrequited transfers credits fell \$14 million or 4 per cent, while unrequited transfers debits rose \$4 million or 2 per cent.

## Net capital transactions

In original terms, the net capital transactions of the official sector recorded a net inflow of \$940 million in May, a turnaround of \$3,869 million on the net outflow recorded in April.

The May estimate consisted of:

- a net inflow of \$1,229 million in general government transactions, a turnaround of \$4,244 million on the net outflow recorded in the previous month; and
- a net outflow of \$289 million in Reserve Bank transactions, a turnaround of \$375 million on the net inflow recorded in the previous month.

The turnaround in general government transactions to a net inflow was mainly the result of:

- a \$3,608 million turnaround, from a net outflow to a net inflow, of borrowing domiciled in Australia; and

- a decrease of \$857 million in the outflow (net repayments) of State government borrowing domiciled abroad.

These movements were partly offset by a \$260 million increase in the net outflow (net repayments) of Commonwealth Government borrowing domiciled abroad.

Reserve Bank transactions in May mainly reflected net purchases of reserve assets of \$272 million, a turnaround of \$339 million on the net sales recorded in the previous month.

#### Exchange rates

Using period average exchange rates, the \$A appreciated by 1.4 per cent on a trade weighted basis during May against the currencies of Australia's major trading partners. The \$A appreciated by 1.3 per cent against the \$US and by 0.4 per cent against the Japanese yen.

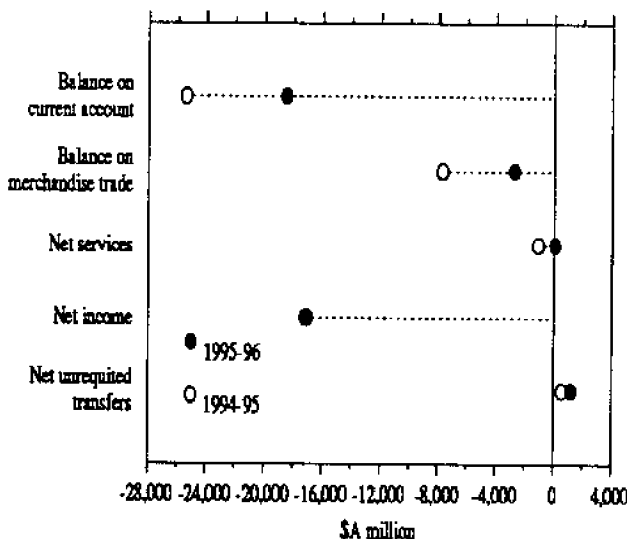
#### Eleven months ended May 1996 compared with eleven months ended May 1995.

In original terms, the *current account* deficit for the eleven months ended May 1996 was \$18,538 million, down \$6,881 million, or 27 per cent, on the deficit for the eleven months ended May 1995.

This result was due to:

- a decrease of \$4,979 million (64 per cent) in the merchandise trade deficit;
- a turnaround of \$1,176 million, from a deficit to a surplus, in the net services balance;
- a decrease of \$76 million in the net income balance; and
- an increase of \$650 million in the net unrequited transfers surplus.

GRAPH 6: BALANCE OF PAYMENTS AGGREGATES - ELEVEN MONTHS ENDED MAY

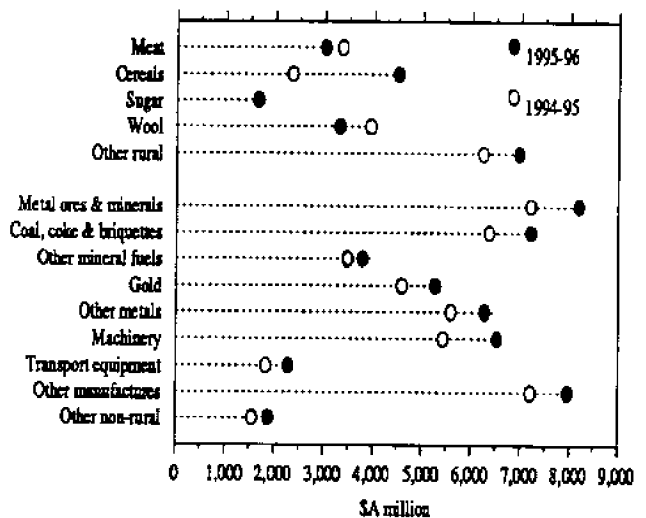


Merchandise exports rose \$8,057 million, or 13 per cent, to \$68,799 million. Rural exports rose \$1,907 million (11 per cent); and non-rural exports rose \$6,150 million (14 per cent). The largest increases were recorded in:

- cereals, up \$2,150 million (92 per cent);
- machinery, up \$1,094 million (20 per cent);
- metal ores and minerals, up \$977 million (14 per cent);
- coal, coke and briquettes, up \$867 million (14 per cent);
- "other" manufactures, up \$758 million (11 per cent);
- "other" rural exports, up \$738 million (12 per cent);
- "other" metals, up \$684 million (12 per cent); and
- gold, up \$675 million (15 per cent).

The most significant decreases were recorded in wool, down \$626 million (16 per cent); and meat, down \$340 million (10 per cent).

GRAPH 7: MERCHANDISE EXPORTS - ELEVEN MONTHS ENDED MAY

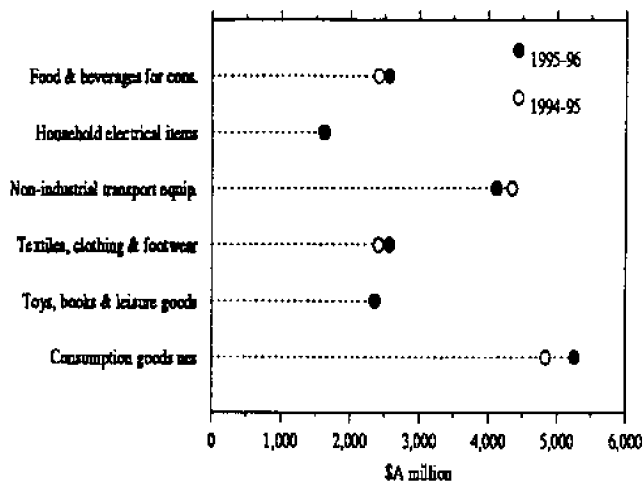


Merchandise imports rose \$3,078 million, or 4 per cent, to \$71,572 million. Consumption goods rose \$552 million (3 per cent); capital goods rose \$795 million (5 per cent); and intermediate and other goods rose \$1,731 million (5 per cent). The largest increases were recorded in:

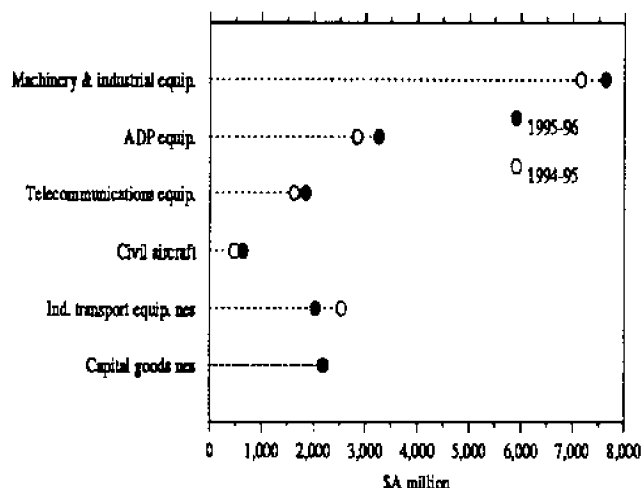
- fuels and lubricants, up \$561 million (17 per cent);
- "other" parts for capital goods, up \$484 million (9 per cent);
- machinery and industrial equipment, up \$473 million (7 per cent);
- consumption goods nes, up \$416 million (9 per cent);
- ADP equipment, up \$410 million (14 per cent); and
- organic and inorganic chemicals, up \$363 million (17 per cent).

The most significant decreases were recorded in industrial transport equipment nes, down \$499 million (20 per cent); non-industrial transport equipment, down \$225 million (5 per cent); and parts for transport equipment, down \$97 million (2 per cent).

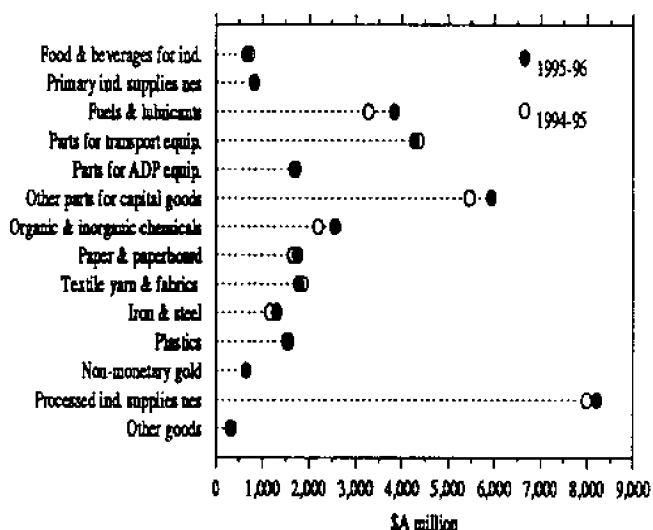
GRAPH 8: MERCHANDISE IMPORTS - CONSUMPTION GOODS  
ELEVEN MONTHS ENDED MAY



GRAPH 9: MERCHANDISE IMPORTS - CAPITAL GOODS  
ELEVEN MONTHS ENDED MAY



GRAPH 10: MERCHANDISE IMPORTS - INTERMEDIATE AND OTHER GOODS  
ELEVEN MONTHS ENDED MAY



The *net services* balance recorded a surplus of \$81 million, a turnaround of \$1,176 million on the deficit recorded for the same time last year. Services credits rose \$2,308 million, or 13 per cent, due mainly to increases of \$1,392 million in travel credits; \$398 million in "other" services credits and \$375 million in "other" transportation credits. Services debits rose \$1,132 million, or 6 per cent, due mainly to increases of \$614 million in travel debits; and \$373 million in "other" transportation debits.

The *net income* deficit fell \$76 million to \$17,083 million. Income credits rose \$1,661 million, or 25 per cent, due mainly to increases in reinvested earnings and "other" investment income. Income debits rose \$1,585 million, or 7 per cent, due mainly to increases in "other" investment income payable by the non-official sector and investment income payable by the official sector, which were partly offset by a decrease in reinvested earnings.

The *net unrequited transfers* surplus rose \$650 million to \$1,237 million. Unrequited transfers credits rose \$722 million, or 25 per cent, due mainly to an increase in migrants' transfers. Unrequited transfers debits rose \$72 million or 3 per cent.

*Official sector capital transactions* for the eleven months ended May 1996 yielded a net inflow of \$2,261 million, compared with a net inflow of \$13,126 million for the corresponding period of the previous financial year. The estimate for the latest period consisted of:

- a net inflow of \$2,078 million in general government transactions, a decrease of \$10,010 million on the net inflow for the eleven months to May 1995; and
- a net inflow of \$183 million in Reserve Bank transactions, a decrease of \$855 million on the net inflow for the eleven months to May 1995.

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

- a turnaround of \$10,907 million in total borrowing domiciled abroad, to a net outflow of \$4,914 million. This was mainly due to a turnaround of \$11,396 million in State government borrowing domiciled abroad, to a net outflow of \$3,831 million; and
- a turnaround of \$896 million in "other" transactions, to a net outflow of \$296 million.

These movements were partly offset by a \$1,793 million increase in the net inflow of general government borrowing domiciled in Australia.

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

## REVISIONS

Revisions since the last issue of this publication have decreased the current account deficits for 1994-95 and for the first ten months of this financial year by \$16 million and \$190 million respectively.

The main factors contributing to these revisions are:

- incorporation of the latest available data on merchandise trade, which has affected merchandise exports and imports back to 1994-95;
- incorporation of the latest available information from the quarterly International Trade in Services Survey, which has affected services credits back to 1994-95 and services debits and "other" property income credits and debits for the current year to date; and

- incorporation of the latest available information on overseas arrivals and departures, which has affected credits and debits series for services, labour income and unrequited transfers for the current year to date.

Revisions to the capital account estimates for the first ten months of this financial year are due to the incorporation of the latest available information from the monthly Survey of Foreign Investment.

#### Release dates for forthcoming issues

<b>Issue</b>	<b>Date</b>
June 1996	29 July 1996
July 1996	29 August 1996
August 1996	30 September 1996

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

## RELIABILITY OF CONTEMPORARY TREND ESTIMATES

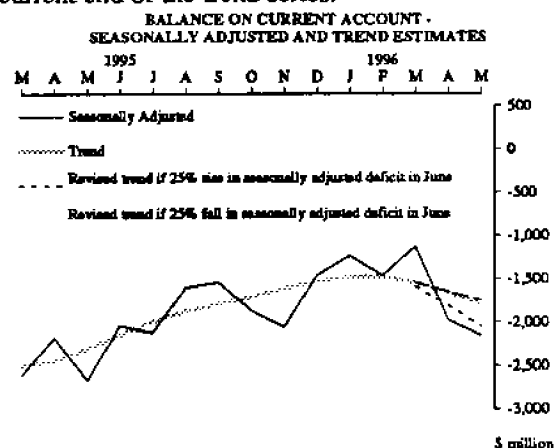
The table below presents trend estimates of the deficit on current account from March 1995 onwards, including provisional trend estimates for the latest three months (March, April and May 1996).

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

If the seasonally adjusted deficit were to increase in June by 25 per cent, to \$2,691 million, the provisional trend movement for that month would be 13.2 per cent. The movements in the trend estimates for March, April and May which are provisionally 4.5 per cent, 7.2 per cent and 8.1

per cent respectively, would be revised to 8.8 per cent, 13.5 per cent and 13.6 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted deficit next month, to \$1,615 million, would produce a movement of 6.7 per cent in the trend estimate for June, with the movements in the trend estimates for March, April and May being revised to 4.1 per cent, 6.7 per cent and 6.4 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 June 1996 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on May 1996 (a)		is down 25% on May 1996 (a)	
			\$m	% change on previous month	\$m	% change on previous month
1994-95 ---						
March	2494	0.8	2494	0.8	2494	0.8
April	2437	-2.3	2437	-2.3	2437	-2.3
May	2301	-5.6	2301	-5.6	2301	-5.6
June	2138	-7.1	2138	-7.1	2138	-7.1
1995-96 —						
July	1987	-7.1	1987	-7.1	1987	-7.1
August	1867	-6.0	1867	-6.0	1867	-6.0
September	1781	-4.6	1781	-4.6	1781	-4.6
October	1701	-4.5	1701	-4.5	1701	-4.5
November	1608	-5.5	1608	-5.5	1608	-5.5
December	1528	-5.0	1506	-6.3	1527	-5.0
January	1477	-3.3	1440	-4.4	1477	-3.3
February	1479	0.1	1462	1.5	1481	0.3
March	1546 p	4.5	1590	8.8	1542	4.1
April	1658 p	7.2	1805	13.5	1645	6.7
May	1792 p	8.1	2051	13.6	1750	6.4
June			2321	13.2	1867	6.7

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

TABLE 1. BALANCE OF PAYMENTS  
(\$ million)

	Years			Months												July to May					
	1992-93	1993-94	1994-95	1994-95	1995-96	1994-95	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96		1995-96	1995-96			
<b>Current transactions</b> ...																					
<b>Goods and services</b> —																					
<b>Merchandise (a)</b> —																					
Exports fob	60,022	63,822	66,451	6,141	5,600	6,151	5,709	6,231	6,078	6,227	6,257	5,955	6,776	5,905	5,826	6,802	6,149	6,593	60,742	68,799	
Imports fob	-59,431	-64,411	-74,715	-6,811	-5,698	-6,974	-6,221	-7,191	-6,953	-6,115	-6,701	-6,831	-5,943	-6,456	-6,259	-6,097	-6,321	-6,705	-68,494	-71,572	
Balance on merchandise trade	591	-589	-8,264	-670	-98	-823	-512	-960	-875	112	-444	-876	833	-551	-433	705	-172	-112	-7,752	-2,773	
<b>Services</b> —																					
Credits	16,374	18,539	19,935	1,720	1,656	1,550	1,575	1,886	1,642	1,567	1,801	1,825	1,923	2,154	2,328	1,976	1,862	1,704	18,360	20,668	
Debits	-18,562	-19,499	-21,369	-1,745	-1,816	-1,873	-1,914	-1,991	-1,851	-1,976	-1,886	-1,795	-1,817	-1,947	-1,681	-1,822	-1,904	-1,917	-19,455	-20,587	
Net services	-2,188	-960	-1,434	-25	-160	-323	-339	-105	-209	-409	-85	30	106	207	647	154	-42	-213	-1,095	81	
<b>Balance on goods and services</b>	-1,597	-1,549	-9,698	-695	-258	-1,146	-851	-1,065	-1,084	-297	-529	-846	939	-344	214	859	-214	-325	-8,847	-2,692	
<b>Income</b> —																					
Credits	5,921	5,789	7,505	554	754	655	819	732	734	756	735	746	733	883	834	809	692	691	6,686	8,346	
Debits	-19,868	-21,072	-25,959	-2,264	-2,096	-2,176	-2,014	-2,254	-2,197	-2,288	-2,613	-2,489	-2,249	-2,188	-2,200	-2,135	-2,401	-2,417	-23,845	-25,430	
Net income	-13,947	-15,283	-18,354	-1,710	-1,342	-1,521	-1,195	-1,521	-1,463	-1,532	-1,877	-1,743	-1,516	-1,304	-1,365	-1,326	-1,709	-1,726	-17,159	-17,083	
<b>Unrequited transfers</b> —																					
Credits	3,096	2,802	3,209	237	295	247	272	364	327	282	309	303	327	418	437	296	324	272	2,937	3,659	
Debits	-2,434	-2,624	-2,722	-218	-193	-285	-372	-252	-188	-197	-187	-234	-249	-261	-210	-214	-202	-228	-2,350	-2,422	
Net unrequited transfers	662	178	487	19	102	-38	-100	112	139	85	122	69	78	157	227	82	122	44	587	1,237	
<b>Balance on current account</b>	-14,882	-16,654	-27,565	-2,386	-1,498	-2,705	-2,146	-2,474	-2,408	-1,744	-2,284	-2,520	-499	-1,491	-924	-385	-1,801	-2,007	-25,419	-18,538	
<b>Net capital transactions</b> —																					
<b>Official</b> —																					
General government	10,901	7,869	13,080	-1,294	-1,905	-417	992	3,509	-2,020	-349	2,063	184	573	-2,962	1,170	1,697	-3,015	1,229	12,088	2,078	
Reserve Bank —																					
Reserve assets	3,949	-1,037	1,971	-441	-138	200	956	-940	1,024	226	-49	-1,151	-98	592	554	256	67	-272	1,015	209	
Other	39	-49	23	-4	38	-32	—	3	56	-32	-13	9	5	-12	-12	-32	19	-17	23	-26	
Total	3,988	-1,086	1,994	-445	-100	168	956	-937	1,080	194	-62	-1,142	-93	580	542	224	86	-289	1,038	183	
Total official	14,889	6,783	15,074	-1,739	-2,005	-249	1,948	2,572	-940	-155	2,001	-958	480	-2,382	1,712	1,921	-2,929	940	13,126	2,261	
<b>Non-official plus balancing item</b>	-7	9,871	12,492	4,125	3,504	2,954	198	-97	3,348	1,899	284	3,478	19	3,873	-788	-1,535	4,730	1,067	12,294	16,277	
<b>Balance on capital account plus balancing item</b>	14,882	16,654	27,565	2,386	1,498	2,705	2,146	2,474	2,408	1,744	2,284	2,520	499	1,491	924	385	1,801	2,007	25,419	18,538	

(a) Balance of payments basis.



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

	Months															
	1994-95						1995-96									
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	
<i>Goods and services —</i>																
<i>Merchandise —</i>																
<i>Exports fob —</i>																
Rural	1,551	1,543	1,535	1,588	1,690	1,662	1,717	1,572	1,593	1,937	2,061	1,858	1,731	1,837	1,768	
Non-rural	4,248	4,321	4,267	4,281	4,439	4,498	4,331	4,422	4,274	4,495	4,521	4,533	4,632	4,622	4,416	
Total	5,799	5,864	5,802	5,869	6,129	6,160	6,048	5,994	5,867	6,432	6,572	6,391	6,363	6,459	6,184	
<i>Imports fob —</i>																
Consumption goods	-1,698	-1,682	-1,717	-1,669	-1,790	-1,690	-1,622	-1,570	-1,656	-1,730	-1,603	-1,686	-1,532	-1,665	-1,721	
Capital goods	-1,714	-1,596	-1,679	-1,754	-1,558	-1,495	-1,399	-1,452	-1,533	-1,479	-1,761	-1,834	-1,659	-1,731	-1,794	
Intermediate and other goods	-3,177	-3,254	-3,351	-3,239	-3,441	-3,131	-3,051	-3,056	-3,108	-3,266	-3,355	-3,213	-3,112	-3,295	-3,106	
Total	-6,589	-6,532	-6,747	-6,662	-6,789	-6,316	-6,072	-6,078	-6,297	-6,475	-6,719	-6,733	-6,303	-6,691	-6,621	
Balance on merchandise trade	-790	-668	-945	-793	-660	-156	-24	-84	-430	-43	-147	-342	60	-232	-437	
<i>Services —</i>																
Credits	1,704	1,726	1,725	1,769	1,860	1,757	1,785	1,779	1,797	1,836	1,905	1,907	1,961	1,940	1,895	
Debits	-1,838	-1,888	-1,929	-1,874	-1,842	-1,824	-1,865	-1,828	-1,817	-1,808	-1,892	-1,832	-1,940	-1,979	-1,957	
Net services	-134	-162	-204	-105	18	-67	-80	-49	-20	28	13	75	21	-39	-62	
Balance on goods and services	-924	-830	-1,149	-898	-642	-223	-104	-133	-450	-15	-134	-267	81	-271	-499	
Income —																
Credits	570	743	648	807	720	732	745	741	761	743	921	885	858	678	679	
Debits	-2,268	-2,141	-2,154	-1,994	-2,277	-2,192	-2,246	-2,556	-2,437	-2,256	-2,162	-2,289	-2,135	-2,465	-2,403	
Net income	-1,698	-1,398	-1,506	-1,187	-1,557	-1,460	-1,501	-1,815	-1,676	-1,513	-1,241	-1,404	-1,277	-1,787	-1,724	
Unrequited transfers —																
Credits	243	291	269	286	344	319	306	308	307	325	381	408	307	312	298	
Debits	-228	-228	-275	-235	-259	-236	-241	-219	-237	-255	-230	-200	-231	-224	-228	
Net unrequited transfers	15	63	-6	51	85	83	65	89	70	70	151	208	76	88	70	
Balance on current account	-2,607	-2,165	-2,661	-2,034	-2,114	-1,600	-1,540	-1,859	-2,056	-1,458	-1,224	-1,463	-1,120	-1,970	-2,153	
Trend Estimates																
Merchandise —																
Exports fob	5,702	5,803	5,902	5,971	6,004	6,024	6,053	6,103	6,178	6,266	6,349	6,401	6,412p	6,398p	6,369p	
Imports fob	-6,512	-6,616	-6,663	-6,630	-6,520	-6,381	-6,284	-6,260	-6,311	-6,413	-6,517	-6,581	-6,610p	-6,624p	-6,621p	
Balance on merchandise trade	-810	-813	-761	-659	-516	-357	-231	-157	-133	-147	-168	-180	-198p	-226p	-252p	
Balance on goods and services	-956	-958	-891	-768	-600	-420	-275	-185	-142	-138	-146	-159	-189p	-232p	-277p	
Balance on current account	-2,494	-2,437	-2,301	-2,138	-1,987	-1,867	-1,781	-1,701	-1,608	-1,528	-1,477	-1,479	-1,546p	-1,658p	-1,792p	

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

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

	Months												July to May								
	Years			1995-96																	
	1992-93	1993-94	1994-95	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.		Dec.	Jan.	Feb.	Mar.	Apr.	May	1994-95	1995-96
<i>Rural exports fob (a) —</i>																					
Meat & meal preparations	3,750	4,043	3,654	321	302	299	296	327	265	293	305	307	314	208	244	281	234	240	240	3,358	3,018
Cereal grains & cereal preparations	2,954	3,205	2,523	225	143	212	177	173	180	194	223	282	537	600	603	599	538	567	567	2,346	4,496
Sugar, sugar preparations & honey	1,072	1,315	1,730	103	129	100	66	235	240	249	244	187	152	122	43	55	83	39	39	1,664	1,649
Wool & sheepskins	3,367	3,369	4,216	468	375	317	284	316	223	287	327	309	368	265	277	347	304	283	283	3,932	3,306
Other rural	5,937	6,513	6,922	587	583	713	693	682	652	618	601	578	637	591	548	621	659	760	760	6,229	6,967
<b>Total rural</b>	<b>17,080</b>	<b>18,445</b>	<b>19,045</b>	<b>1,704</b>	<b>1,532</b>	<b>1,641</b>	<b>1,516</b>	<b>1,733</b>	<b>1,560</b>	<b>1,641</b>	<b>1,700</b>	<b>1,663</b>	<b>2,028</b>	<b>1,786</b>	<b>1,715</b>	<b>1,903</b>	<b>1,818</b>	<b>1,889</b>	<b>1,889</b>	<b>17,529</b>	<b>19,436</b>
<i>Non-rural exports fob (a) —</i>																					
Metal ores & minerals	7,943	7,671	7,968	766	652	835	752	785	768	664	725	738	819	720	646	867	703	758	758	7,216	8,193
Coal, coke & briquettes	7,620	7,253	6,941	609	596	647	589	667	688	620	680	638	634	641	603	697	644	707	707	6,352	7,219
Other mineral fuels	3,913	3,351	3,794	372	296	343	319	377	307	341	307	299	407	360	342	330	381	340	340	3,475	3,791
Gold	4,580	5,521	4,907	468	538	430	327	440	382	574	583	437	391	580	449	387	500	532	532	4,580	5,255
Other metals	5,210	5,396	6,097	562	520	621	524	565	689	607	598	516	584	518	514	583	522	561	561	5,573	6,257
Machinery	4,344	5,293	6,035	591	486	547	614	632	556	618	576	644	701	439	522	712	517	598	598	5,421	6,515
Transport equipment	2,022	2,087	2,047	201	184	185	215	207	206	205	214	157	256	135	161	330	169	246	246	1,832	2,286
Other manufactures	6,026	6,966	7,907	718	650	741	700	697	767	779	703	723	766	585	697	789	690	769	769	7,207	7,965
Other non-rural	1,284	1,839	1,710	150	146	161	153	128	155	178	171	140	190	141	177	204	205	193	193	1,557	1,882
<b>Total non-rural</b>	<b>42,942</b>	<b>45,377</b>	<b>47,406</b>	<b>4,437</b>	<b>4,068</b>	<b>4,510</b>	<b>4,193</b>	<b>4,498</b>	<b>4,518</b>	<b>4,586</b>	<b>4,557</b>	<b>4,292</b>	<b>4,748</b>	<b>4,119</b>	<b>4,111</b>	<b>4,899</b>	<b>4,331</b>	<b>4,704</b>	<b>4,704</b>	<b>43,213</b>	<b>49,363</b>
<b>Total exports fob</b>	<b>60,022</b>	<b>63,822</b>	<b>66,451</b>	<b>6,141</b>	<b>5,600</b>	<b>6,151</b>	<b>5,709</b>	<b>6,231</b>	<b>6,078</b>	<b>6,227</b>	<b>6,257</b>	<b>5,955</b>	<b>6,776</b>	<b>5,905</b>	<b>5,826</b>	<b>6,802</b>	<b>6,149</b>	<b>6,593</b>	<b>6,593</b>	<b>60,742</b>	<b>68,799</b>

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

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

	Years				Months												July to May			
	1992-93	1993-94	1994-95	1995-96	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.		Mar.	Apr.	May
<b>Consumption goods (a) —</b>																				
Food and beverages, mainly for consumption	-2,261	-2,430	-2,592	-236	-168	-230	-181	-245	-233	-230	-255	-263	-242	-252	-214	-203	-210	-220	-241	-2,567
Household electrical items	-1,382	-1,436	-1,744	-147	-132	-145	-129	-157	-167	-138	-179	-177	-139	-119	-129	-137	-148	-151	-161	-1,641
Non-industrial transport equipment	-3,478	-3,800	-4,758	-462	-391	-446	-413	-469	-426	-346	-422	-404	-375	-277	-325	-295	-368	-413	-434	-4,120
Textiles, clothing and footwear	-2,178	-2,320	-2,566	-235	-179	-189	-157	-266	-274	-220	-212	-229	-190	-262	-293	-226	-207	-195	-240	-2,574
Toys, books and leisure goods	-2,238	-2,496	-2,545	-199	-170	-205	-192	-247	-251	-252	-260	-256	-185	-190	-191	-169	-173	-193	-235	-2,367
Consumption goods net	-4,389	-4,751	-5,213	-445	-381	-481	-375	-518	-524	-486	-529	-539	-451	-430	-432	-422	-450	-473	-483	-5,254
<b>Total consumption goods</b>	-15,926	-17,233	-19,418	-1,724	-1,421	-1,696	-1,447	-1,902	-1,875	-1,672	-1,857	-1,868	-1,582	-1,530	-1,584	-1,452	-1,556	-1,645	-1,797	-18,523
<b>Capital goods (a) —</b>																				
Machinery and industrial equipment	-5,446	-6,414	-7,897	-745	-616	-705	-733	-718	-691	-615	-723	-726	-688	-738	-711	-650	-667	-710	-716	-7,637
ADP equipment	-2,319	-2,629	-3,232	-325	-243	-393	-392	-338	-325	-253	-273	-282	-272	-263	-274	-283	-326	-361	-2,840	-3,250
Telecommunications equipment	-1,224	-1,182	-1,804	-153	-117	-150	-173	-164	-163	-207	-179	-199	-169	-170	-141	-173	-150	-133	-1,631	-1,848
Civil aircraft	-828	-241	-529	-18	-43	-16	-48	-28	-81	-11	-31	-104	-28	-44	-77	-31	-70	-143	-481	-648
Industrial transport equipment net	-1,838	-2,084	-2,714	-190	-189	-234	-179	-222	-198	-148	-197	-180	-165	-158	-193	-186	-198	-191	-255	-2,036
Capital goods net	-2,000	-2,293	-2,365	-205	-189	-215	-193	-234	-212	-183	-213	-213	-173	-189	-190	-185	-194	-213	-251	-2,199
<b>Total capital goods</b>	-13,655	-14,843	-18,541	-1,636	-1,397	-1,713	-1,718	-1,704	-1,670	-1,417	-1,616	-1,704	-1,495	-1,562	-1,586	-1,508	-1,605	-1,751	-1,682	-17,618
<b>Intermediate and other goods (a) —</b>																				
Food and beverages, mainly for industry	-436	-509	-774	-59	-53	-68	-61	-65	-65	-65	-55	-77	-44	-77	-50	-46	-51	-63	-71	-658
Primary industrial supplies net	-677	-701	-901	-63	-62	-83	-85	-73	-71	-66	-83	-76	-76	-64	-62	-106	-75	-73	-81	-825
Fuels and lubricants	-3,623	-3,317	-3,566	-323	-317	-379	-286	-385	-283	-290	-264	-353	-314	-387	-375	-372	-426	-392	-3,280	-3,841
Parts for transport equipment	-3,675	-4,183	-4,714	-409	-385	-424	-351	-447	-446	-338	-406	-340	-344	-397	-373	-362	-394	-419	-4,363	-4,266
Parts for ADP equipment	-1,423	-1,681	-1,858	-172	-142	-189	-172	-159	-158	-155	-161	-161	-137	-160	-157	-162	-156	-155	-1,686	-1,721
Other parts for capital goods	-4,236	-5,047	-5,975	-561	-484	-583	-520	-620	-584	-509	-563	-550	-471	-542	-526	-526	-490	-538	-5,455	-5,939
Organic and inorganic chemicals	-2,056	-2,102	-2,431	-245	-203	-228	-234	-242	-249	-193	-225	-245	-193	-274	-215	-248	-243	-233	-2,197	-2,560
Paper and paperboard	-1,381	-1,465	-1,794	-164	-137	-179	-145	-189	-189	-172	-195	-173	-151	-162	-147	-115	-142	-131	-1,649	-1,766
Textile yarn and fabrics	-1,763	-1,869	-2,036	-176	-137	-194	-165	-189	-187	-154	-167	-172	-137	-167	-151	-142	-141	-172	-1,871	-1,779
Iron and steel	-946	-1,039	-1,285	-124	-96	-137	-122	-117	-143	-129	-125	-125	-132	-121	-113	-109	-100	-101	-1,163	-1,315
Plastics	-1,272	-1,375	-1,646	-155	-133	-160	-129	-170	-155	-146	-158	-149	-129	-150	-131	-128	-124	-133	-1,517	-1,573
Non-monetary gold	-1,019	-978	-705	-90	-30	-66	-55	-55	-78	-56	-51	-74	-48	-66	-64	-55	-52	-52	-650	-651
Processed industrial supplies net	-7,135	-7,783	-8,680	-856	-684	-818	-687	-824	-762	-728	-747	-750	-660	-755	-710	-752	-753	-777	-7,993	-8,218
Other goods	-208	-286	-391	-54	-17	-57	-44	-50	-38	-25	-28	-14	-30	-42	-15	-14	-13	-50	-347	-319
<b>Total intermediate and other goods</b>	-29,850	-32,335	-36,736	-3,451	-2,880	-3,365	-3,056	-3,585	-3,408	-3,026	-3,228	-3,259	-2,866	-3,364	-3,089	-3,137	-3,160	-3,309	-3,700	-35,431
<b>Total imports</b>	-59,431	-64,411	-74,715	-6,811	-5,698	-6,974	-6,221	-7,191	-6,953	-6,115	-6,701	-6,831	-5,943	-6,456	-6,259	-6,097	-6,321	-6,705	-68,494	-71,572

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

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

	Years				Months																	
	1993-94				1994-95				1995-96				July to May									
	1992-93	1993-94	1994-95	1994-95	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	1994-95	1995-96	
Services —																						
Credits —																						
Shipment	1,241	1,487	1,533	135	140	140	140	141	141	141	142	142	142	143	131	131	131	146	146	1393	1,536	
Other transportation	4,614	4,604	4,473	385	370	357	345	391	393	394	415	418	418	418	435	435	436	384	384	4,128	4,503	
Travel	6,411	7,502	8,879	778	743	621	636	923	674	594	798	807	906	1,126	1,298	946	866	697	697	8,243	9,635	
Other services	4,108	4,946	5,050	422	403	432	454	431	434	437	446	458	456	462	464	463	466	477	477	4,994	4,994	
Total services credits	16,374	18,539	19,935	1,720	1,656	1,550	1,575	1,886	1,642	1,567	1,801	1,825	1,923	2,154	2,328	1,976	1,862	1,704	1,836	18,360	20,668	
Debits —																						
Shipment	-3,772	-3,854	-4,384	-395	-333	-391	-338	-384	-389	-349	-374	-401	-334	-350	-347	-378	-373	-382	-4,046	-4,061		
Other transportation	-4,637	-4,906	-5,333	-429	-454	-478	-494	-518	-479	-512	-480	-456	-460	-477	-418	-441	-478	-493	-4,839	-5,212		
Travel	-4,985	-5,157	-5,774	-431	-538	-496	-558	-592	-504	-620	-529	-457	-505	-617	-429	-505	-549	-523	-5,216	-5,830		
Other services	-5,168	-5,582	-5,878	-490	-491	-508	-524	-497	-479	-495	-503	-481	-518	-503	-487	-498	-504	-519	-5,354	-5,484		
Total services debits	-18,562	-19,499	-21,369	-1,745	-1,816	-1,873	-1,914	-1,991	-1,851	-1,976	-1,886	-1,795	-1,817	-1,947	-1,681	-1,822	-1,904	-1,917	-19,455	-20,587		
Net services	-2,188	-960	-1,434	-25	-160	-323	-339	-105	-209	-409	-85	30	106	207	647	154	-42	-213	-1,095	81		
Income —																						
Credits —																						
Property income —																						
Investment income —																						
Reinvested earnings (a)	2,045	2,434	3,866	199	415	415	415	453	453	453	375	375	375	375	375	375	375	375	375	3,452	4,360	
Other	3,040	2,468	2,656	280	261	163	324	179	188	200	278	296	279	420	384	353	239	238	232	3,055	3,055	
Other property income	339	376	432	35	32	33	33	45	45	46	28	28	28	28	32	31	30	30	399	375	375	
Labour and other income	497	511	551	41	46	44	48	55	48	57	54	47	51	56	43	50	48	48	503	557	557	
Total income credits	5,921	5,789	7,505	554	754	655	819	732	734	756	735	746	733	883	834	809	692	691	6,686	8,346	8,346	
Debits —																						
Property income —																						
Investment income —																						
Official	-3,580	-4,109	-3,968	-428	-286	-368	-203	-418	-355	-451	-507	-381	-137	-462	-474	-410	-355	-376	-3,766	-4,327	-4,327	
Non-official —																						
Reinvested earnings (a)	-2,364	-3,570	-6,256	-619	-277	-277	-277	-272	-272	-272	-434	-434	-434	-434	-434	-434	-434	-434	-5,979	-5,189	-5,189	
Other	-12,047	-11,350	-13,486	-1,044	-1,352	-1,352	-1,352	-1,064	-1,064	-1,064	-1,471	-1,471	-1,471	-1,471	-1,087	-1,087	-1,415	-1,415	-12,134	-13,696	-13,696	
Other property income	-1,565	-1,760	-1,760	-147	-137	-138	-139	-164	-165	-166	-171	-171	-171	-171	-165	-165	-156	-156	-1,621	-1,815	-1,815	
Labour and other income	-311	-283	-389	-27	-44	-41	-43	-35	-40	-34	-30	-32	-36	-40	-40	-39	-41	-36	-346	-403	-403	
Total income debits	-19,868	-21,072	-25,859	-2,264	-2,096	-2,176	-2,014	-2,254	-2,197	-2,288	-2,613	-2,489	-2,249	-2,188	-2,200	-2,135	-2,401	-2,417	-23,845	-25,430	-25,430	
Net income	-13,947	-15,283	-18,354	-1,710	-1,342	-1,521	-1,195	-1,521	-1,463	-1,532	-1,877	-1,743	-1,516	-1,304	-1,365	-1,326	-1,709	-1,726	-17,159	-17,083	-17,083	
Unrequited transfers —																						
Credits	3,096	2,802	3,209	237	295	247	272	364	327	282	309	303	327	418	437	296	324	272	2,937	3,659	3,659	
Debits —																						
Official	-1,432	-1,583	-1,591	-123	-100	-196	-280	-152	-91	-108	-101	-135	-127	-146	-112	-111	-106	-135	-1,311	-1,324	-1,324	
Non-official	-1,002	-1,041	-1,131	-95	-93	-89	-92	-100	-97	-89	-86	-99	-122	-115	-98	-103	-96	-93	-1,039	-1,098	-1,098	
Total	-2,434	-2,624	-2,722	-218	-193	-285	-372	-252	-188	-197	-187	-234	-249	-261	-210	-214	-202	-228	-2,350	-2,422	-2,422	
Net unrequited transfers	662	178	487	19	102	-38	-100	112	139	85	122	69	78	157	227	82	122	44	587	1,237	1,237	

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

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

	Years			Months																					
	1992-93	1993-94	1994-95	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	1994-95	1995-96	July to May				
<b>Official —</b>																									
General government —																									
Borrowing —																									
Domestic abroad —																									
Commonwealth Government —																									
Drawings	1,239	40																							
Repayments	-830	-1,129	-1,573	-1	-173	-1	-173	-1	-197	-1	-1	-1	-250	-24	-136	-18	-1	-192	-1	-261	-1	-261	-1,572	-1,083	
Total	409	-1,089	-1,573	-1	-173	-1	-173	-1	-197	-1	-1	-1	-250	-24	-136	-18	-1	-192	-1	-261	-1	-261	-1,572	-1,083	
State government	9,653	4,848	8,992	-1,034	517	2,129	1,427	3,362	19	-803	1,098	-1,333	-384	1,098	-1,389	-1,245	-1,157	-1,328	-471	-732	-471	-732	7,565	-3,831	
Total domiciled abroad	10,062	3,759	7,419	-1,035	516	1,956	1,426	3,166	18	-804	848	-1,358	-720	848	-1,407	-1,247	-1,349	-1,329	-732	-732	-732	-732	5,993	-4,914	
Domiciled in Australia	830	4,580	5,044	-207	-2,418	-2,370	-451	377	-2,019	471	1,190	1,542	1,441	1,190	1,542	2,522	3,102	-1,665	1,943	1,943	1,943	1,943	5,495	7,288	
Total borrowing	10,892	8,339	12,463	-1,242	-1,902	-414	975	3,543	-2,001	-333	2,038	184	721	-3,023	1,275	1,753	-2,994	1,212	11,488	1,212	11,488	1,212	11,488	2,374	
Other	9	-470	617	-52	-4	-3	17	-34	-19	-16	25		-148	61	-105	-56	-21	17	600	600	600	600	600	-296	
<b>Total general government</b>	<b>10,901</b>	<b>7,869</b>	<b>13,080</b>	<b>-1,294</b>	<b>-1,905</b>	<b>-417</b>	<b>992</b>	<b>3,509</b>	<b>-2,020</b>	<b>-349</b>	<b>2,063</b>	<b>184</b>	<b>573</b>	<b>-2,962</b>	<b>1,170</b>	<b>1,697</b>	<b>-3,015</b>	<b>1,229</b>	<b>12,088</b>	<b>12,088</b>	<b>12,088</b>	<b>12,088</b>	<b>12,088</b>	<b>2,078</b>	
Reserve Bank —																									
Reserve assets —																									
Official reserve assets	3,949	-1,037	1,971	-441	-138	200	956	-940	1,024	226	-49	-1,151	-98	592	554	256	67	-272	1,015	209	209	209	209	209	
Allocation of SDRs																									
Other	39	-49	23	-4	38	-32		3	56	-32	-13	9	5	-12	-12	-32	19	-17	23	23	23	23	23	-26	
<b>Total Reserve Bank</b>	<b>3,988</b>	<b>-1,086</b>	<b>1,994</b>	<b>-445</b>	<b>-100</b>	<b>168</b>	<b>956</b>	<b>-937</b>	<b>1,080</b>	<b>194</b>	<b>-62</b>	<b>-1,142</b>	<b>-93</b>	<b>580</b>	<b>542</b>	<b>224</b>	<b>86</b>	<b>-289</b>	<b>1,038</b>	<b>183</b>	<b>183</b>	<b>183</b>	<b>183</b>	<b>183</b>	
<b>Total official</b>	<b>14,889</b>	<b>6,783</b>	<b>15,074</b>	<b>-1,739</b>	<b>-2,005</b>	<b>-249</b>	<b>1,948</b>	<b>2,572</b>	<b>-940</b>	<b>-155</b>	<b>2,001</b>	<b>-958</b>	<b>480</b>	<b>-2,382</b>	<b>1,712</b>	<b>1,921</b>	<b>-2,929</b>	<b>940</b>	<b>13,126</b>	<b>13,126</b>	<b>13,126</b>	<b>13,126</b>	<b>13,126</b>	<b>2,261</b>	
<b>Non-official plus balancing item —</b>																									
Public sector —																									
Non equity securities domiciled in Australia (a)	-291	-1,060	-198	-13	5	64	-68	82	82	-32	-93	-31	4	-24	-60	-115	143	51	70	-130	-5	-5	-5	-5	
Accounts receivable/prepayments made	84	-1,217	1,183	28	-33	-119	-61	-4	-8	38	-27	-78	-45	16	84	-48	-30	-1	1,244	-103	-103	-103	-103	-103	
Other (including balancing items) (b)	200	12,150	11,507	4,110	3,531	3,009	327	-175	3,388	1,954	342	3,551	87	3,917	-757	-1,630	4,709	998	11,180	16,385	16,385	16,385	16,385	16,385	
<b>Total non-official plus balancing item</b>	<b>-7</b>	<b>9,871</b>	<b>12,492</b>	<b>4,125</b>	<b>3,504</b>	<b>2,954</b>	<b>198</b>	<b>-97</b>	<b>3,348</b>	<b>1,899</b>	<b>284</b>	<b>3,478</b>	<b>19</b>	<b>3,873</b>	<b>-788</b>	<b>-1,535</b>	<b>4,730</b>	<b>1,067</b>	<b>12,294</b>	<b>16,277</b>	<b>16,277</b>	<b>16,277</b>	<b>16,277</b>	<b>16,277</b>	
<b>Balance on capital account plus balancing item</b>	<b>14,882</b>	<b>16,654</b>	<b>27,565</b>	<b>2,386</b>	<b>1,498</b>	<b>2,705</b>	<b>2,146</b>	<b>2,474</b>	<b>2,408</b>	<b>1,744</b>	<b>2,284</b>	<b>2,520</b>	<b>499</b>	<b>1,491</b>	<b>924</b>	<b>385</b>	<b>1,801</b>	<b>2,007</b>	<b>25,419</b>	<b>18,538</b>	<b>18,538</b>	<b>18,538</b>	<b>18,538</b>	<b>18,538</b>	

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

TABLE 7. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Months																							
	Years			1994-95									1995-96											
	1992.	1993.	1994.	93	94	95	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May			
Official reserve assets (\$ million) —	20,823	20,661	20,185	21,240	21,293	21,443	20,185	20,050	18,350	18,659	18,671	19,934	20,068	19,375	18,550	17,935	17,820	17,868						
Levels at end of period	-1,417	-162	-476	1,412	53	150	-1,258	-135	-1,700	309	12	1,263	134	-693	-825	-615	-115	68						
Changes in levels Of which —																								
Changes due to effects of revaluations	2,532	-1,199	1,495	971	-85	350	-302	-1,075	-676	535	-37	112	36	-101	-271	-359	-48	-204						
Changes included in the balance of payments (a)	-3,949	1,037	-1,971	441	138	-200	-956	940	-1,024	-226	49	1,151	98	-592	-554	-256	-67	272						
Exchange rates (b) — Units of foreign currency per \$A —																								
End of period (c) —																								
United States dollar	0.6722	0.7291	0.7086	0.7280	0.7299	0.7138	0.7086	0.7389	0.7524	0.7550	0.7566	0.7469	0.7450	0.7447	0.7635	0.7793	0.7854	0.7983						
United Kingdom pound	0.4453	0.4721	0.4452	0.4534	0.4515	0.4449	0.4452	0.4611	0.4861	0.4777	0.4800	0.4860	0.4814	0.4943	0.4982	0.5106	0.5206	0.5207						
German mark	1.137	1.159	0.981	1.026	1.004	0.993	0.981	1.023	1.109	1.070	1.066	1.072	1.071	1.108	1.121	1.149	1.197	1.225						
Japanese yen	71.54	72.20	60.08	64.92	61.04	59.45	60.08	65.31	73.55	74.22	76.98	75.83	76.66	79.88	79.85	83.00	81.88	86.36						
Special drawing right	0.4818	0.5026	0.4539	0.4677	0.4621	0.4530	0.4539	0.4753	0.5070	0.5024	0.5031	0.5020	0.5009	0.5121	0.5182	0.5345	0.5404	0.5519						
Period average (d) —																								
United States dollar	0.7030	0.6919	0.7427	0.7346	0.7361	0.7278	0.7196	0.7268	0.7412	0.7542	0.7580	0.7459	0.7416	0.7420	0.7555	0.7714	0.7868	0.7970						
United Kingdom pound	0.4363	0.4623	0.4705	0.4591	0.4574	0.4580	0.4511	0.4557	0.4725	0.4841	0.4800	0.4768	0.4815	0.4846	0.4916	0.5049	0.5192	0.5265						
German mark	1.103	1.171	1.120	1.033	1.014	1.040	1.008	1.010	1.071	1.103	1.073	1.056	1.068	1.083	1.107	1.139	1.184	1.222						
Japanese yen	84.22	73.52	70.35	66.66	61.58	61.84	60.84	63.43	70.06	75.79	76.28	76.02	75.49	77.91	79.90	81.69	84.45	84.75						
Special drawing right	0.4982	0.4944	0.4972	0.4792	0.4670	0.4671	0.4601	0.4665	0.4897	0.5084	0.5056	0.4988	0.4993	0.5047	0.5157	0.5563	0.5423	0.5516						
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —																								
End of period (c)	49.5	53.0	48.4	50.7	49.6	48.5	48.4	51.0	53.9	53.8	54.3	53.8	53.9	54.7	55.5	56.8	57.1	58.7						
Period average (d)	52.3	51.4	52.8	51.4	50.1	49.8	49.2	50.0	52.5	54.4	54.3	53.7	53.5	54.2	55.1	56.2	57.5	58.3						

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

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

**Accuracy, reliability and volatility**

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

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

Balance on current account: 9 in 10 months

Merchandise exports fob: 8 in 10 months

Merchandise imports fob: 9 in 10 months

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

**Seasonal adjustment**

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

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

**Available longer term series**

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

**Related products and services**

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

**Symbols and other usages**

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

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

W. McLennan  
Australian Statistician

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