

CATALOGUE NO. 5301.0

EMBARGOED UNTIL 11:30 AM 30 October 1996

BALANCE OF PAYMENTS, AUSTRALIA, SEPTEMBER 1996

MAIN FEATURES

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

	1996			Change on
	July	August	September	previous month(a)
	\$ million			%
	<i>Trend</i>			
Balance on current account	-1,438p	-1,433p	-1,462p	-2
	<i>Seasonally adjusted</i>			
Balance on current account	-1,315	-1,470	-1,690	-15
Balance on merchandise trade	116	196	-15	..
Net services	184	-21	-11	48
Net income	-1,857	-1,748	-1,759	-1
Net unrequited transfers	242	103	95	-8
	<i>Not seasonally adjusted</i>			
Balance on current account	-1,945	-1,985	-2,229	-12
Balance on merchandise trade	-465	-231	-191	17
Net services	65	-171	-372	..
Net income	-1,816	-1,743	-1,775	-2
Net unrequited transfers	271	160	109	-32

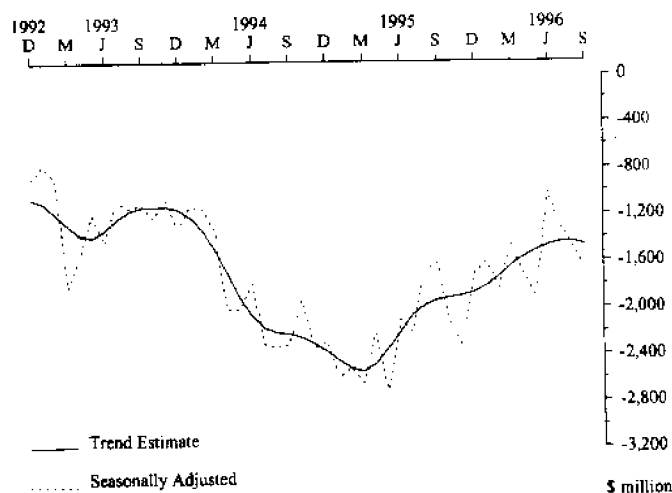
(a) For current account aggregates, a minus sign means an increase in a deficit or a decrease in a surplus; and an absence of sign means a decrease in a deficit or an increase in a surplus.

The provisional trend estimate for the September current account deficit was \$1,462 million, up \$29 million, or 2 per cent, on the provisional trend estimate for August. This is the first increase in this trend estimate since March 1995.

The trend estimate of the balance on goods and services recorded a surplus of \$149 million, up \$7 million, or 5 per cent, on the provisional trend estimate for August. This is the fourth consecutive surplus in this balance and the largest run of monthly surpluses since May 1992. The merchandise trade balance continued to improve. Merchandise exports fell marginally, while merchandise imports fell 1 per cent.

In seasonally adjusted terms, the current account deficit for September increased \$220 million to \$1,690 million. The increase in the deficit was caused by a turnaround of \$211 million, from a surplus to a deficit, in the merchandise trade balance (merchandise exports fell 3 per cent, while merchandise imports rose marginally); an increase of \$11 million in the net income deficit; and a decrease of \$8 million in the net unrequited transfers surplus. These movements were partly offset by a decrease of \$10 million in the net services deficit.

GRAPH 1: BALANCE ON CURRENT ACCOUNT



INQUIRIES

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

ANALYSIS OF SELECTED MAJOR AGGREGATES

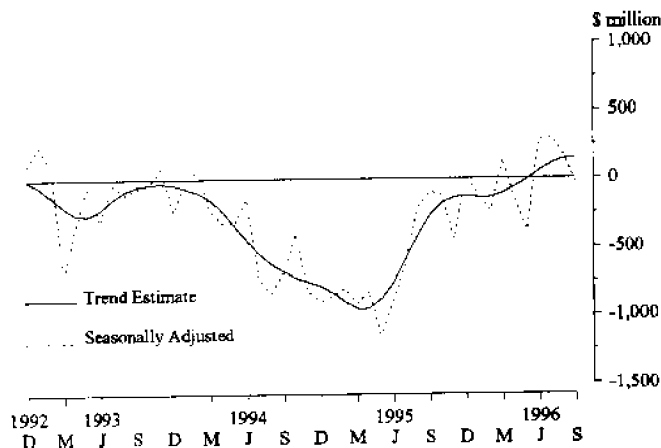
September 1996 compared with August 1996

Balance on goods and services

The **trend estimate** of the *balance on goods and services* recorded a surplus of \$149 million in September, an increase of \$7 million on the surplus recorded in August.

In **seasonally adjusted terms**, this balance recorded a deficit of \$26 million, a turnaround of \$201 million on the surplus recorded in August.

GRAPH 2: BALANCE ON GOODS AND SERVICES

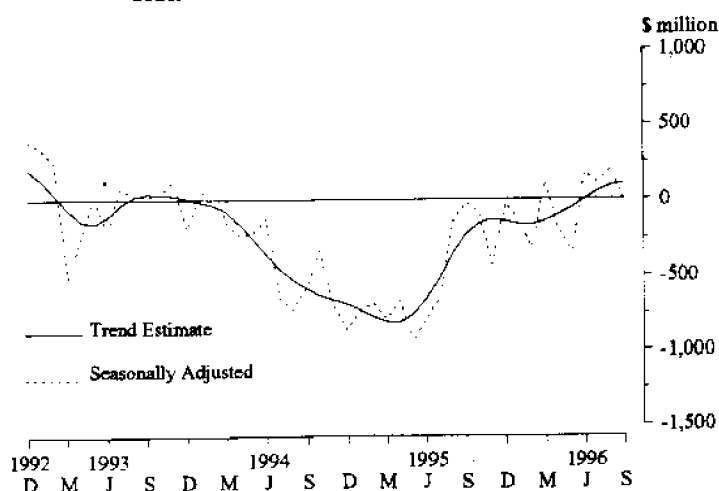


Balance on merchandise trade

The **trend estimate** of the *balance on merchandise trade* recorded a surplus of \$107 million, an increase of \$14 million on the surplus recorded in August. While the trend estimates for exports have declined over the past six months, imports has been falling at a greater rate, resulting in the improving trend for the balance on merchandise trade over this period.

In **seasonally adjusted terms**, this balance recorded a deficit of \$15 million, a turnaround of \$211 million on the surplus recorded in August.

GRAPH 3: BALANCE ON MERCHANDISE TRADE

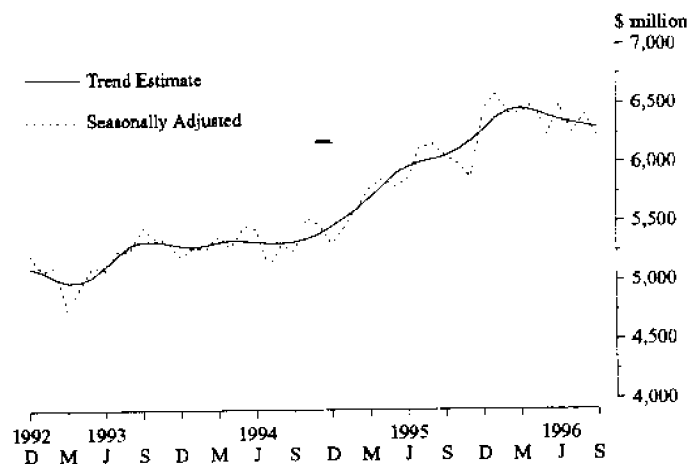


Merchandise exports

The **trend estimate** of *merchandise exports* fell \$22 million to \$6,296 million.

In **seasonally adjusted terms**, *exports* fell \$183 million, or 3 per cent, to \$6,227 million. *Rural exports* fell \$138 million, or 7 per cent, to \$1,797 million. *Non-rural exports* fell \$45 million, or 1 per cent, to \$4,430 million.

GRAPH 4: MERCHANDISE - EXPORTS FOB



In **original terms**, *exports* fell \$136 million, or 2 per cent, to \$6,198 million.

Rural exports, in original terms, fell \$97 million, or 5 per cent, to \$1,720 million. The largest decreases were recorded in:

- sugar, down \$82 million or 28 per cent (due mainly to decreased volumes of cane sugar exports);
- "other" rural exports, down \$34 million or 5 per cent; and
- cereals, down \$31 million or 8 per cent (due mainly to decreased volumes of barley exports).

These decreases were partly offset by an increase in wool, up \$58 million or 26 per cent.

Non-rural exports, in original terms, fell \$39 million, or 1 per cent, to \$4,478 million. The largest decreases were recorded in:

- metal ores and minerals, down \$104 million or 13 per cent (due mainly to decreased volumes of alumina and uranium exports); and
- machinery, down \$25 million or 4 per cent.

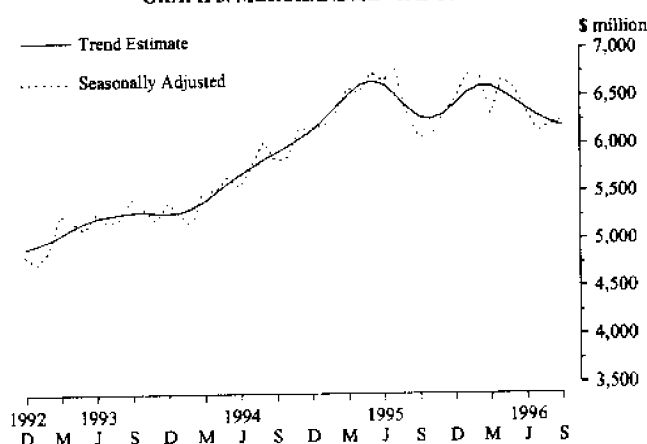
The largest increases were recorded in "other" manufactures, up \$30 million or 4 per cent; and "other" metals, up \$26 million or 5 per cent.

Merchandise imports

The **trend estimate** of *merchandise imports* fell \$36 million, or 1 per cent, to \$6,189 million. This was the seventh successive monthly fall, bringing the trend estimate of imports to its lowest level since December 1994.

In **seasonally adjusted terms**, *merchandise imports* for September rose \$28 million, to \$6,242 million. *Consumption goods* fell \$85 million, or 5 per cent, to \$1,728 million. *Capital goods* rose \$62 million, or 4 per cent, to \$1,507 million. *Intermediate and other goods* rose \$51 million, or 2 per cent, to \$3,007 million.

GRAPH 5: MERCHANDISE - IMPORTS FOB



In **original terms**, imports fell \$176 million, or 3 per cent, to \$6,389 million.

Imports of *consumption goods*, in original terms, fell \$110 million, or 6 per cent, to \$1,800 million. The largest decreases were recorded in:

- non-industrial transport equipment, down \$109 million or 22 per cent (due to decreased imports of passenger motor cars); and
- food and beverages, mainly for consumption, down \$30 million or 12 per cent.

These decreases were partly offset by increases in toys, books and leisure goods, up \$27 million or 12 per cent; and household electrical items, up \$19 million or 12 per cent.

Imports of *capital goods*, in original terms, rose \$7 million, to \$1,563 million. The largest increases were recorded in:

- ADP equipment, up \$53 million or 20 per cent; and
- telecommunications equipment, up \$29 million or 24 per cent.

The largest decreases were recorded in machinery and industrial equipment, down \$57 million or 8 per cent; and industrial transport equipment, down \$22 million or 13 per cent.

Imports of *intermediate and other goods*, in original terms, fell \$73 million, or 2 per cent, to \$3,026 million. Decreases were recorded in 8 of the 14 groups, with the largest being:

- fuels and lubricants, down \$52 million or 17 per cent;
- parts for transport equipment, down \$31 million or 7 per cent; and
- food and beverages, mainly for industry, down \$23 million or 35 per cent.

The largest increase was recorded in organic and inorganic chemicals, up \$40 million or 20 per cent.

Net services

The **seasonally adjusted net services** deficit fell \$10 million, or 48 per cent, to \$11 million. Services credits rose \$2 million, while services debits fell \$8 million.

Net income

The **seasonally adjusted net income** deficit rose \$11 million, or 1 per cent, to \$1,759 million. Income credits rose \$20 million or 3 per cent, while income debits rose \$31 million or 1 per cent. It should be noted that, in accordance with established methodology, the monthly estimates of the non-official sector for July, August and September 1996 are based on extrapolations of quarterly results divided by three. These extrapolations will be replaced by preliminary results from the ABS Survey of International Investment when these results become available.

Net unrequited transfers

The **seasonally adjusted net unrequited transfers** surplus fell \$8 million, or 8 per cent, to \$95 million. Unrequited transfers credits fell \$12 million, or 4 per cent. Unrequited transfers debits fell \$4 million or 2 per cent.

Net capital transactions

In **original terms**, the *net capital transactions of the official sector* recorded a net outflow of \$799 million in September, a turnaround of \$1,442 million on the net inflow recorded in August.

The September estimate consisted of:

- a net outflow of \$401 million in general government transactions, a decrease of \$1,234 million on the net outflow recorded in the previous month; and
- a net outflow of \$398 million in Reserve Bank transactions, a turnaround of \$2,676 million on the net inflow recorded in the previous month.

The decrease in general government transactions was mainly the result of:

- a \$1,278 million turnaround in general government borrowing domiciled in Australia, to a net inflow of \$330 million; and
- a \$19 million decrease in the net outflow (net repayments) of Commonwealth government borrowing domiciled abroad.

These movements were partly offset by a \$12 million increase in State government borrowing domiciled abroad, to a net outflow of \$650 million.

Reserve Bank transactions in September mainly reflected net purchases of reserve assets of \$470 million, a turnaround of \$2,695 million on the net sales recorded in the previous month.

Exchange rates

Using period average exchange rates, the \$A appreciated by 1.7 per cent on a trade weighted basis during September against the currencies of Australia's major trading partners. The \$A appreciated by 3.1 per cent against the Japanese yen and appreciated by 1.3 per cent against the \$US.

Three months ended September 1996 compared with three months ended September 1995

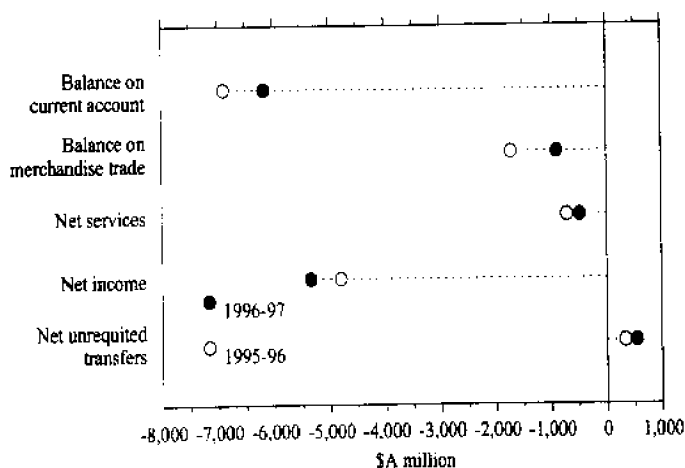
In **original terms**, the **current account deficit** for the three months ended September 1996 was \$6,159 million, down \$723 million, or 11 per cent, on the deficit for the three months ended September 1995.

This result reflected:

- a decrease of \$829 million (48 per cent) in the merchandise trade deficit;
- a decrease of \$227 million (32 per cent) in the net services deficit; and
- an increase of \$204 million (61 per cent) in the net unrequited transfers surplus.

An increase of \$537 million (11 per cent) in the net income deficit partly offset the movements in merchandise trade, services and unrequited transfers.

GRAPH 6: BALANCE OF PAYMENTS AGGREGATES - THREE MONTHS ENDED SEPTEMBER

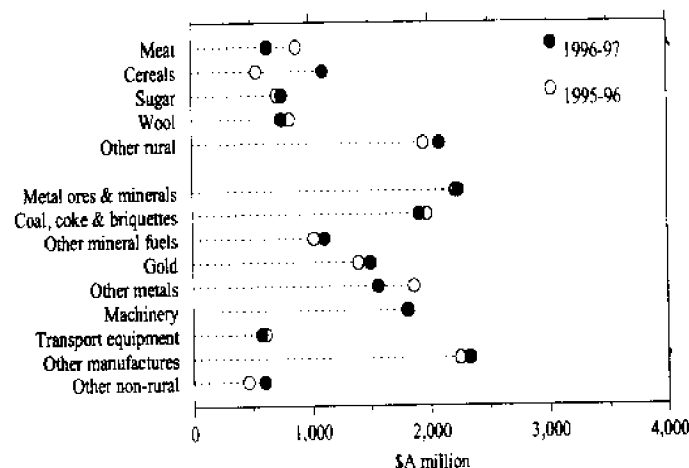


Merchandise exports rose \$469 million, or 3 per cent, to \$19,012 million. *Rural exports* rose \$423 million (9 per cent); and *non-rural exports* rose \$46 million. The largest increases were recorded in:

- cereals, up \$562 million;
- "other" non-rural exports, up \$144 million (31 per cent);
- "other" rural exports, up \$136 million (7 per cent);
- gold, up \$103 million (7 per cent);
- "other" mineral fuels, up \$88 million (9 per cent); and
- "other" manufactures, up \$82 million (4 per cent).

The most significant decreases were recorded in "other" metals, down \$297 million (16 per cent); and meat, down \$245 million (28 per cent).

GRAPH 7: MERCHANDISE EXPORTS - THREE MONTHS ENDED SEPTEMBER



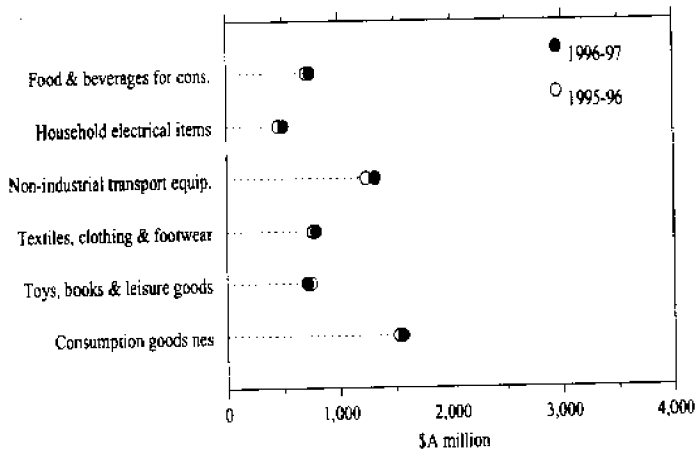
Merchandise imports fell \$360 million, or 2 per cent, to \$19,899 million. *Consumption goods* rose \$198 million (4 per cent); *capital goods* fell \$103 million (2 per cent); and *intermediate and other goods* fell \$455 million (5 per cent). The largest decreases were recorded in:

- telecommunications equipment, down \$110 million (21 per cent);
- paper and paperboard, down \$99 million (18 per cent);
- industrial transport equipment, down \$88 million (15 per cent);
- "other" parts for capital goods, down \$85 million (5 per cent);

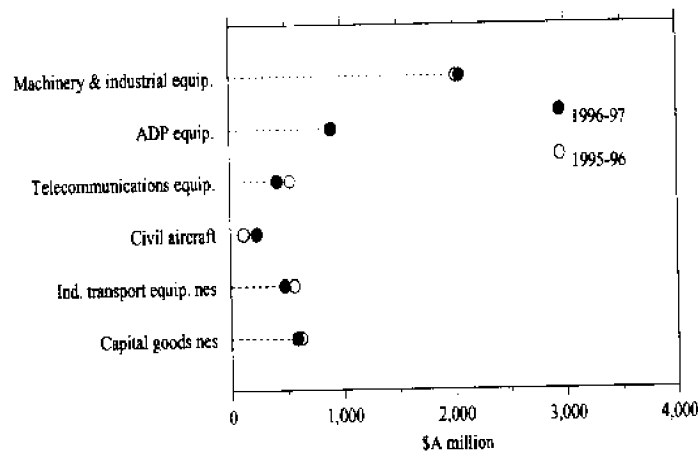
- iron and steel, down \$62 million (16 per cent); and
- plastics, down \$57 million (12 per cent).

The most significant increases were recorded in civil aircraft, up \$115 million (96 per cent); non-industrial transport equipment, up \$82 million (7 per cent); and parts for transport equipment, up \$62 million (5 per cent).

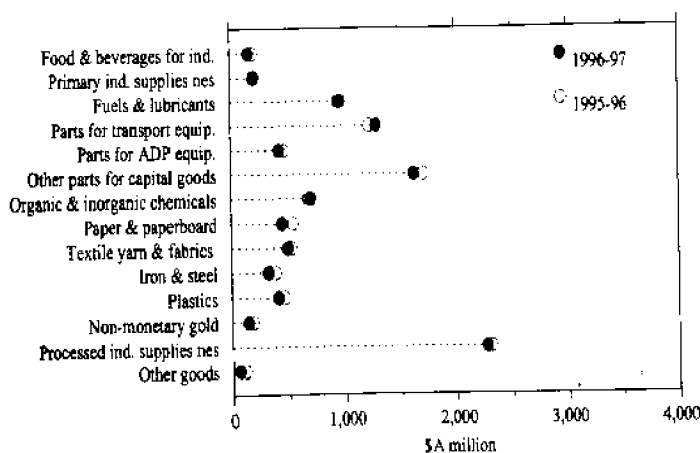
GRAPH 8: MERCHANDISE IMPORTS - CONSUMPTION GOODS
THREE MONTHS ENDED SEPTEMBER



GRAPH 9: MERCHANDISE IMPORTS - CAPITAL GOODS
THREE MONTHS ENDED SEPTEMBER



GRAPH 10: MERCHANDISE IMPORTS - INTERMEDIATE AND OTHER GOODS
THREE MONTHS ENDED SEPTEMBER



The *net services* deficit fell \$227 million, or 32 per cent, to \$478 million. Services credits rose \$496 million, or 10 per cent, due mainly to increases of \$389 million in travel credits and \$123 million in "other" services credits. Services debits rose \$269 million, or 5 per cent, due mainly to increases of \$183 million in travel debits and \$55 million in "other" services debits.

The *net income* deficit rose \$537 million, or 11 per cent, to \$5,334 million. Income credits fell \$48 million, or 2 per cent, due mainly to a decrease in reinvested earnings, which was partly offset by an increase in "other" investment income. Income debits rose \$490 million, or 7 per cent, due mainly to an increase in "other" investment income payable by the non-official sector which largely reflects increased interest payable abroad.

The *net unrequited transfers* surplus rose \$204 million, or 61 per cent, to \$540 million. Unrequited transfers credits rose \$145 million, or 15 per cent, due mainly to an increase in migrants' transfers. Unrequited transfers debits fell \$59 million or 9 per cent.

Official sector capital transactions for the three months ended September 1996 yielded a net outflow of \$5,799 million, compared with a net inflow of \$911 million for the corresponding period of the previous financial year. The estimate for the latest period consisted of:

- a net outflow of \$2,907 million in general government transactions, a turnaround of \$3,481 million on the net inflow for the three months to September 1995; and
- a net outflow of \$2,892 million in Reserve Bank transactions, a turnaround of \$3,229 million on the net inflow for the three months to September 1995.

The turnaround in general government transactions was largely due to:

- a decrease of \$2,204 million in total borrowing domiciled abroad, to a net inflow of \$175 million. This was mainly due to a decrease of \$2,381 million in State government borrowing domiciled abroad, to a net inflow of \$198 million; and
- an increase of \$1,240 million in general government borrowing domiciled in Australia, to a net outflow of \$2,976 million.

An increase in net purchases of official reserve assets, was the main factor underlying the turnaround in Reserve Bank transactions.

REVISIONS

The investigations foreshadowed in the August issue have resulted in revisions since that issue which have increased the current account deficits for 1993-94, 1994-95, 1995-96 and the first two months of 1996-97 by \$457 million, \$624 million, \$966 million and \$236 million respectively.

The revisions primarily relate to investment income credits. Revised survey data have resulted in lower estimates for the reinvested earnings attributable to

Australian investors from their direct investment equity holdings abroad. Partly offsetting the revisions to investment income credits in 1995-96 was a downward revision of \$235 million in investment income debits. This revision largely reflects revised estimates of the reinvested earnings attributable to non-resident investors on their direct investment equity holdings in Australia. Very minor revisions have also been made to the quarterly and monthly estimates of the reinvested earnings credits and debits series from 1989-90 through 1992-93, but the revised annual estimates for these periods are within \$3 million of the previously published estimates.

Minor revisions have also been made to the merchandise and services estimates for 1995-96 and for the first two months of 1996-97.

Note: revised seasonal adjustment

Commencing with this issue, data for the period from October 1995 for dividends receivable by Australian investors on their direct investment equity holdings abroad are no longer seasonally adjusted. Since the last seasonal re-analysis was undertaken, the circumstances that have given rise to a six fold increase in the level of the series mean that the forward seasonal factors determined for this series are no longer applicable. The series may be seasonally adjusted in future once sufficient data become available to identify any new seasonal pattern.

CHANGES IN THIS ISSUE

Commencing with this issue the classification of the agency and advertising services supplied to international transport

operators has been changed. In past issues this series has been included in the miscellaneous services component of *other services*. From this issue, for both services credits and debits, these agency and advertising services are classified to the port services etc component of *other transportation*.

This classification change has been made to ensure that the data reported by transport operators remain confidential to the ABS. The previous practice of the allocation of some of these data to *other services* was likely to make it increasingly difficult to protect the confidential data in both the *other transportation* and *other services* series. Bringing the confidential data together under the *other transportation* series ensures that confidentiality can continue to be maintained with series that will be consistent over time without the possible need to reaggregate different series with each new reference period.

The classification of agency and advertising expenses to *other transportation* is a recommendation of the fifth edition of the International Monetary Fund's *Balance of Payments Manual* (BPM5). Therefore the change made in this issue will not need to be revisited when the ABS implements BPM5 in balance of payments statistics from the September quarter 1997.

In line with the change to the publication, we have discontinued production of detailed component series for the earnings and expenses of international transport operators, previously available from the ABS as a special data service, to ensure confidentiality continues to be maintained.

Expected release dates for forthcoming issues

Issue	Date
October 1996	29 November 1996
November 1996	6 January 1997
December 1996	31 January 1997

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

RELIABILITY OF CONTEMPORARY TREND ESTIMATES

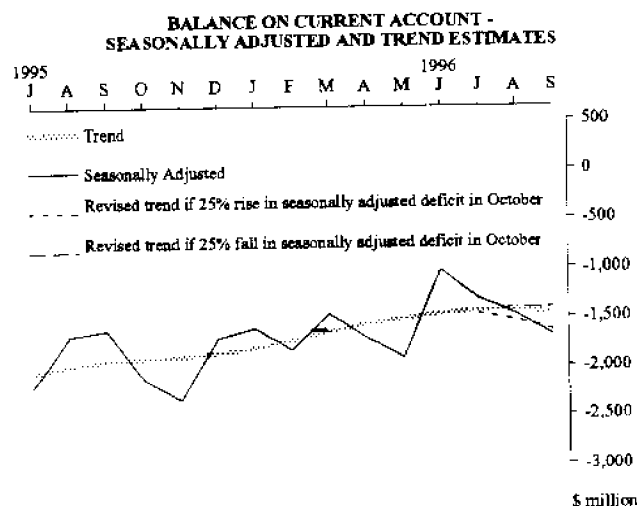
The table below presents trend estimates of the deficit on current account from July 1995 onwards, including provisional trend estimates for the latest three months (July, August and September 1996).

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 (October 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 October by 25 per cent, to \$2,113 million, the provisional trend movement for that month would be 6.3 per cent. The movements in the trend estimates for July, August and September which are provisionally -2.0 per cent, -0.3 per cent and 2.0 per cent respectively, would be revised to 0.9 per cent, 4.6 per cent and 6.9 per cent, respectively. On the other hand, a 25 per cent decline in the seasonally adjusted deficit next month, to

\$1,268 million, would produce a movement of -1.1 per cent in the trend estimate for October, with the movements in the trend estimates for July, August and September being revised to -2.7 per cent, -1.4 per cent and -0.4 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 October 1996 seasonally adjusted current account deficit -			
	\$m	% change on previous month	is up 25% on September 1996 (a)		is down 25% on September 1996 (a)	
	\$m	% change on previous month	\$m	% change on previous month	\$m	% change on previous month
1995-96 —						
July	-2063	-6.1	-2063	-6.1	-2063	-6.1
August	-1975	-4.3	-1975	-4.3	-1975	-4.3
September	-1932	-2.2	-1932	-2.2	-1932	-2.2
October	-1916	-0.8	-1916	-0.8	-1916	-0.8
November	-1894	-1.1	-1894	-1.1	-1894	-1.1
December	-1867	-1.4	-1867	-1.4	-1867	-1.4
January	-1814	-2.8	-1814	-2.8	-1814	-2.8
February	-1738	-4.2	-1738	-4.2	-1738	-4.2
March	-1645	-5.4	-1645	-5.4	-1645	-5.4
April	-1568	-4.7	-1552	-5.7	-1568	-4.7
May	-1515	-3.4	-1488	-4.1	-1517	-3.3
June	-1467	-3.2	-1455	-2.2	-1470	-3.1
1996-97 —						
July	-1438 p	-2.0	-1468	0.9	-1431	-2.7
August	-1433 p	-0.3	-1536	4.6	-1411	-1.4
September	-1462 p	2.0	-1642	6.9	-1406	-0.4
October			-1746	6.3	-1390	-1.1

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

TABLE 1. BALANCE OF PAYMENTS
(\$ million)

	Years			Months												July to Sept.		
	1993-94	1994-95	1995-96	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Current transactions —																		
Goods and services —																		
Merchandise (a) —																		
Exports fob	63,822	66,446	75,305	6,232	6,081	6,230	6,258	5,959	6,788	5,915	5,850	6,865	6,190	6,642	6,295	6,480	6,334	6,198
Imports fob	-64,411	-74,715	-77,094	7,191	6,953	-6,115	-6,701	-6,832	5,941	-6,454	6,262	-6,099	6,311	-6,664	-5,571	6,945	-6,565	-6,389
Balance on merchandise trade	-589	8,269	1,789	-959	-872	115	443	-873	847	539	-412	766	-121	22	724	-465	231	-191
Services —																		
Credits	18,539	20,056	22,517	1,896	1,655	1,578	1,815	1,838	1,938	2,169	2,343	1,994	1,855	1,661	1,775	2,132	1,791	1,702
Debits	-19,499	-21,433	-22,424	-1,995	-1,855	-1,984	1,887	-1,808	-1,820	-1,956	1,687	-1,836	-1,835	1,850	-1,911	-2,067	-1,962	-2,074
Net services	-960	-1,377	93	-99	-200	-406	-72	30	118	213	656	158	20	-189	-136	65	-171	-372
Balance on goods and services	-1,549	-9,646	-1,696	-1,058	-1,072	-291	-515	-843	965	-326	244	924	-101	211	588	-400	-402	-563
Income —																		
Credits	5,818	6,934	7,348	666	667	690	552	562	549	661	616	588	597	596	602	664	641	671
Debits	-21,074	-25,911	-27,794	-2,283	-2,223	-2,315	-2,702	-2,577	-2,338	-2,329	-2,342	-2,277	-2,175	-2,189	-2,045	-2,480	-2,384	-2,446
Net income	-15,256	-18,978	-20,446	-1,617	-1,555	-1,625	-2,150	-2,015	-1,789	-1,668	1,726	-1,689	-1,578	-1,594	-1,442	1,816	-1,743	-1,775
Unrequited transfers	2,802	3,246	3,976	364	327	282	309	303	327	417	437	298	326	264	322	474	347	297
Credits	2,624	2,722	2,767	-252	-188	-197	-187	-234	-249	261	-210	214	-202	-227	-346	-203	187	-188
Debits	178	524	1,209	112	139	85	122	69	78	156	227	84	124	37	-24	271	160	109
Balance on current account	-16,627	-28,100	-20,933	-2,563	-2,488	-1,831	-2,543	-2,789	-746	-1,838	-1,255	-681	-1,555	-1,768	-878	-1,945	-1,985	-2,229
Net capital transactions —																		
Official —																		
General government	7,126	10,186	2,508	3,509	-2,585	-349	1,945	66	454	-2,962	1,432	1,697	-3,167	1,306	1,162	872	-1,635	-401
Reserve Bank —																		
Reserve assets	1,037	1,971	-817	940	1,024	226	49	-1,151	98	592	554	256	67	-272	-1,026	-4,722	2,225	-470
Other	49	23	16	3	56	-32	-13	9	5	12	-12	-32	19	-17	10	-50	53	72
Total	-1,086	1,994	-833	-937	1,080	194	-62	-1,142	-93	580	542	224	86	-289	-1,016	-4,772	2,278	398
Total official	6,040	12,180	1,675	2,572	-1,505	-155	1,883	-1,076	361	-2,382	1,974	1,921	-3,081	1,017	146	-5,644	643	-799
Non-official plus balancing item	10,587	15,920	19,259	-8	3,993	1,986	660	3,865	384	4,219	720	1,240	4,636	751	732	7,589	1,342	3,028
Balance on capital account plus balancing item	16,627	28,100	20,933	2,563	2,488	1,831	2,543	2,789	746	1,838	1,255	681	1,555	1,768	878	1,945	1,985	2,229
Balance on current account plus balancing item	16,627	28,100	20,933	2,563	2,488	1,831	2,543	2,789	746	1,838	1,255	681	1,555	1,768	878	1,945	1,985	2,229

(a) Balance of payments basis.

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

	Months												1996-97		
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Seasonally Adjusted (b)															
Goods and services															
Merchandise —															
Exports fob —															
Rural	1,691	1,662	1,718	1,572	1,595	1,945	2,053	1,865	1,772	1,856	1,776	1,843	1,776	1,915	1,797
Non-rural	4,439	4,501	4,332	4,423	4,276	4,499	4,530	4,552	4,648	4,645	4,454	4,646	4,478	4,475	4,430
Total	6,130	6,163	6,050	5,995	5,871	6,444	6,583	6,417	6,420	6,501	6,230	6,489	6,254	6,410	6,227
Imports fob —															
Consumption goods	1,790	1,690	1,622	1,570	1,656	1,729	1,603	1,687	1,532	1,663	1,717	1,658	1,680	1,813	1,728
Capital goods	1,558	1,495	1,399	1,452	1,533	1,478	1,761	1,835	1,660	1,732	1,763	1,625	1,386	1,445	1,507
Intermediate and other goods	3,441	3,131	3,051	3,056	3,109	3,266	3,353	3,214	3,113	3,286	3,099	3,037	3,072	2,956	3,007
Total	6,789	6,316	6,072	6,078	6,298	6,473	6,717	6,736	6,305	6,681	6,579	6,320	6,138	6,214	6,242
Balance on merchandise trade	-659	-153	-22	-83	-427	-29	-134	-319	115	-180	-349	169	116	196	15
Services —															
Credits	1,870	1,770	1,798	1,792	1,810	1,851	1,919	1,919	1,979	1,933	1,847	1,999	2,088	1,926	1,928
Debits	1,845	1,828	1,873	1,829	1,830	1,811	1,901	1,839	1,955	1,908	1,888	1,889	1,904	1,947	1,939
Net services	25	-58	-75	-37	-20	40	18	80	24	25	-41	110	184	-21	11
Balance on goods and services	-634	-211	-97	-120	-447	11	-116	-239	139	-155	-390	279	300	175	-26
Income —															
Credits	654	665	679	551	570	552	661	628	598	597	597	598	650	636	656
Debits	2,306	2,218	2,273	2,645	2,526	2,346	2,304	2,432	2,277	2,244	2,179	2,015	2,507	2,384	2,415
Net income	-1,652	-1,553	-1,594	-2,094	-1,956	-1,794	-1,643	-1,804	-1,679	-1,647	-1,582	-1,417	1,857	-1,748	-1,759
Unrequited transfers —															
Credits	344	319	306	308	307	325	380	408	309	314	289	346	443	338	326
Debits	259	236	241	219	237	255	230	200	231	224	227	224	201	235	231
Net unrequited transfers	85	83	65	89	70	70	150	208	78	90	62	122	242	103	95
Balance on current account	-2,201	-1,681	-1,626	-2,125	-2,333	-1,713	-1,609	-1,835	-1,462	-1,712	-1,910	-1,016	-1,315	-1,470	-1,690
Trend Estimates															
Merchandise —															
Exports fob	6,004	6,025	6,054	6,105	6,184	6,278	6,374	6,441	6,462	6,437	6,393	6,361	6,339p	6,318p	6,296p
Imports fob	6,520	6,381	6,284	6,260	6,312	6,419	6,534	6,607	6,606	6,542	6,451	6,364	6,288p	6,225p	6,189p
Balance on merchandise trade	-516	-356	-230	-155	-128	-141	-160	-166	-144	-105	-58	-3	51p	93p	107p
Balance on goods and services	593	-412	267	177	133	-128	-136	133	106	-61	-8	53	106p	142p	149p
Balance on current account	-2,063	-1,975	-1,932	-1,916	-1,894	-1,867	-1,814	-1,738	-1,645	-1,568	-1,515	-1,467	-1,438p	-1,433p	-1,462p

(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)

	Years												Months												July to Sept.	
	1993-94			1994-95			1995-96			1996-97			1995-96			1996-97										
	1993-94	1994-95	1995-96	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	1995-96	1996-97						
<i>Rural exports fob (a) ...</i>																										
Meat & meat preparations	4,043	3,654	3,290	328	265	293	305	308	319	208	244	318	241	244	217	227	211	203	886	641						
Cereal grains & cereal preparations	3,205	2,523	4,926	173	180	194	223	282	537	600	603	600	537	567	430	378	381	350	547	1,109						
Sugar, sugar preparations & honey	1,315	1,730	1,711	235	240	249	244	188	152	122	43	56	84	41	57	267	289	207	724	757						
Wool & sheepskins	3,369	4,216	3,606	316	223	287	327	309	368	265	277	345	298	278	313	255	222	280	826	763						
Other rural	6,513	6,922	7,757	682	652	619	601	578	660	593	554	630	677	768	743	695	714	680	1,953	2,089						
Total rural	18,445	19,045	21,290	1,734	1,560	1,642	1,700	1,665	2,036	1,788	1,721	1,949	1,837	1,808	1,760	1,822	1,817	1,720	4,936	5,359						
<i>Non-rural exports fob (a) ...</i>																										
Metal ores & minerals	7,671	7,968	9,099	785	768	664	725	738	819	724	654	874	699	761	888	694	826	722	2,217	2,242						
Coal, coke & briquettes	7,253	6,936	7,843	667	690	620	681	638	634	641	603	698	645	713	613	609	651	648	1,977	1,908						
Other mineral fuels	3,351	3,794	4,171	377	307	341	307	299	407	360	342	330	385	338	378	424	342	347	1,025	1,113						
Gold	5,521	4,907	5,697	440	382	574	582	438	391	580	449	387	501	533	440	641	425	433	1,396	1,499						
Other metals	5,396	6,097	6,802	565	689	607	598	516	584	518	514	585	528	570	528	514	512	538	1,861	1,564						
Machinery	5,293	6,035	7,131	632	556	618	576	644	703	440	525	715	521	606	595	623	608	583	1,806	1,814						
Transport equipment	2,087	2,047	2,490	207	206	205	214	157	256	135	162	329	172	248	199	210	181	189	618	580						
Other manufactures	6,966	7,907	8,740	697	768	780	704	724	768	588	702	796	699	782	732	735	781	811	2,245	2,327						
Other non-rural	1,839	1,710	2,042	128	155	179	171	140	190	141	178	202	203	193	162	208	191	207	462	606						
Total non-rural	45,377	47,401	54,015	4,498	4,521	4,588	4,558	4,294	4,752	4,127	4,129	4,916	4,353	4,744	4,535	4,658	4,517	4,478	13,607	13,653						
Total exports fob	63,822	66,446	75,305	6,232	6,081	6,230	6,258	5,959	6,788	5,915	5,850	6,865	6,190	6,642	6,295	6,480	6,334	6,198	18,543	19,012						

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

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

	Months												July to Sept.							
	Years			1995-96											1996-97					
	1993-94	1994-95	1995-96	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept.	1995-96	1996-97
<i>Consumption goods fob (a) —</i>																				
Food and beverages, mainly for consumption	2,430	2,592	2,760	-245	233	230	255	-263	242	252	-215	-203	209	220	-193	-263	-255	225	-708	743
Household electrical items	1,436	1,744	-1,765	-157	167	138	179	-177	-139	119	-129	-137	148	-151	124	-170	-158	177	-462	505
Non-industrial transport equipment	3,800	4,758	-4,438	-469	-426	-346	-422	-404	-375	-277	-325	-295	-368	-411	-320	436	498	-389	1,241	-1,323
Textiles, clothing and footwear	2,320	-2,566	-2,727	-266	-274	-220	-212	-229	-190	-262	-293	225	-207	194	-155	-283	265	-244	-760	-792
Toys, books and leisure goods	-2,496	-2,545	-2,535	247	251	-252	260	-256	-185	190	191	-170	173	-192	168	-243	-223	-250	-750	-716
Consumption goods nes	-4,751	-5,213	-5,638	-518	-524	-486	-529	-539	-450	-430	-432	-422	-449	-473	-386	-542	-511	-515	-1,528	-1,568
<i>Total consumption goods</i>	<i>17,233</i>	<i>19,418</i>	<i>19,863</i>	<i>-1,902</i>	<i>-1,875</i>	<i>-1,672</i>	<i>-1,857</i>	<i>-1,868</i>	<i>-1,581</i>	<i>-1,530</i>	<i>-1,585</i>	<i>-1,452</i>	<i>-1,554</i>	<i>-1,641</i>	<i>-1,346</i>	<i>-1,937</i>	<i>-1,910</i>	<i>-1,800</i>	<i>-5,449</i>	<i>-5,647</i>
<i>Capital goods fob (a) —</i>																				
Machinery and industrial equipment	-6,414	-7,897	-8,316	-718	-691	-615	-723	-726	-687	-738	710	-651	-667	-716	-674	699	-707	-650	2,024	-2,056
ADP equipment	-2,629	-3,232	-3,593	-338	-325	-253	-273	-282	-272	-263	-274	-283	-327	-361	-342	-332	-261	-314	-916	-907
Telecommunications equipment	-1,182	-1,804	-1,996	164	-163	-207	179	-199	-169	-170	-141	-173	150	-131	-150	-153	-121	-150	534	-424
Civil aircraft	-241	579	687	-28	-81	-11	-31	104	-28	-44	-77	-31	-70	-116	-66	-9	-118	-108	120	-235
Industrial transport equipment nes	-2,084	-2,714	-2,214	-222	198	148	-197	-180	-165	-158	-193	-186	198	-191	178	-168	-167	145	-568	-480
Capital goods nes	-2,293	-2,365	-2,365	-234	-212	-183	213	213	-173	-189	-192	-185	-194	-206	-171	-208	-182	-196	629	-586
<i>Total capital goods fob</i>	<i>-14,843</i>	<i>-18,541</i>	<i>-19,171</i>	<i>-1,704</i>	<i>-1,670</i>	<i>1,417</i>	<i>-1,616</i>	<i>-1,704</i>	<i>-1,494</i>	<i>-1,562</i>	<i>-1,587</i>	<i>-1,509</i>	<i>-1,608</i>	<i>-1,721</i>	<i>-1,581</i>	<i>-1,569</i>	<i>-1,556</i>	<i>1,563</i>	<i>-4,791</i>	<i>-4,688</i>
<i>Intermediate and other goods (a) —</i>																				
Food and beverages, mainly for industry	-509	-774	-700	-65	-65	65	-55	-77	-44	77	-51	-46	52	-63	40	-51	-66	-43	-195	-160
Primary industrial supplies nes	-701	-901	-879	-73	-71	-66	-83	-76	-76	-64	-62	-106	-75	-73	-54	-69	65	-70	-210	204
Fuels and lubricants	-3,317	-3,566	-4,163	-385	-283	-290	-264	-353	314	-387	-376	374	-425	-391	-321	-412	306	-254	-958	-972
Parts for transport equipment	4,183	4,714	-4,601	-447	-446	-338	-406	340	-344	-397	-373	-362	-394	-420	-334	-490	-417	-386	1,231	-1,293
Parts for ADP equipment	1,681	-1,858	-1,858	-159	-158	-155	-161	-161	137	-160	-157	162	-156	155	-137	-160	133	-136	-472	-429
Other parts for capital goods	-5,047	5,975	6,390	620	-584	-509	563	550	-471	-540	-525	-526	-490	-558	-454	-565	-537	-526	-1,713	-1,628
Organic and inorganic chemicals	2,102	-2,431	-2,754	-242	-249	-193	225	245	193	-274	215	-248	-243	-232	-195	264	-200	-240	684	-704
Paper and paperboard	-1,465	-1,794	-1,868	-189	-189	-172	-195	-173	-151	-162	-147	-115	-141	-131	-103	-151	-151	-149	-550	-451
Textile yarn and fabrics	-1,869	-2,036	-1,922	189	187	-154	167	-172	-137	167	-151	-142	141	-172	-143	-183	-157	162	-530	-502
Iron and steel	-1,039	-1,285	-1,408	-117	-143	-129	-125	-125	132	-121	-113	109	-100	101	-93	-103	-115	-109	-389	-327
Plastics	-1,375	-1,646	-1,684	-170	-155	-146	-158	-149	129	150	-131	128	-124	-133	-111	-145	-135	-134	-471	414
Non-monetary gold	978	705	-702	-55	-78	-56	-51	74	-48	-66	64	-54	-52	-52	45	-45	53	-189	-143	-143
Processed industrial supplies nes	7,783	8,680	8,793	-824	762	728	747	751	-660	755	710	-752	745	-771	-588	778	-748	750	-2,314	-2,276
Other goods	-286	-391	-338	-50	38	-25	-28	-14	-30	42	-15	-14	13	-50	19	-23	-24	14	-113	61
<i>Total intermediate and other goods</i>	<i>32,335</i>	<i>36,756</i>	<i>38,060</i>	<i>3,585</i>	<i>3,408</i>	<i>3,026</i>	<i>3,228</i>	<i>-3,760</i>	<i>-2,866</i>	<i>-3,362</i>	<i>3,090</i>	<i>-3,138</i>	<i>3,151</i>	<i>-3,302</i>	<i>-2,644</i>	<i>3,439</i>	<i>-3,099</i>	<i>3,026</i>	<i>-10,019</i>	<i>-9,564</i>
Total imports fob	-64,411	-74,715	-77,094	-7,191	-6,953	-6,115	-6,701	-6,832	-5,941	-6,454	-6,262	-6,099	-6,311	-6,664	-5,571	-6,945	-6,565	-6,389	-20,259	-19,899

(a) Definitions of the component series are given in the ARS Information Paper, *Change to Commodity Classification of Merchandise Imports in Balance of Payments Publications* (ARS Catalogue No. 5344 0).

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

	Years				Months												July to Sept.				
	1993-94	1994-95	1995-96		July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	1995-96	1996-97
Services —																					
Credits —																					
Shipment	1,487	1,533	1,641	142	143	143	143	143	143	145	132	133	133	127	128	129	134	134	134	428	402
Other transportation (a)	4,604	5,396	5,897	481	484	486	500	502	503	503	518	517	521	460	462	463	487	487	487	1,451	1,461
Travel	7,502	8,879	10,378	923	674	594	798	807	906	906	1,129	1,301	948	874	667	757	1,118	775	687	2,191	2,580
Other services (a)	4,946	4,248	4,601	350	354	355	374	386	384	390	392	392	392	394	404	426	393	395	394	1,059	1,182
Total services credits	18,539	20,056	22,517	1,806	1,655	1,578	1,815	1,838	1,938	1,938	2,169	2,343	1,994	1,855	1,661	1,775	2,132	1,791	1,702	5,129	5,625
Debits —																					
Shipment	3,854	4,384	4,429	386	391	352	380	417	340	358	358	357	380	379	387	302	400	389	362	1,129	1,151
Other transportation (a)	4,906	6,021	6,266	568	529	567	529	507	511	531	466	466	502	490	519	547	571	539	563	1,664	1,673
Travel	5,157	5,774	6,434	592	504	620	529	457	505	505	617	429	505	549	513	614	632	582	685	1,716	1,899
Other services (a)	5,582	5,254	5,295	449	431	445	449	427	464	450	435	435	449	417	431	448	464	452	464	1,325	1,380
Total services debits	19,499	21,433	22,424	1,995	1,855	1,984	1,887	1,808	1,820	1,956	1,687	1,687	1,836	1,835	1,850	1,911	2,067	1,962	2,074	5,834	6,103
Net services	-960	-1,377	93	-99	-200	-406	-72	30	118	213	656	158	20	-189	-136	65	-171	-372	-705	-478	
Income —																					
Credits —																					
Property income —																					
Investment income	1,979	3,295	2,127	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	376	1,129	590
Reinvested earnings (b)	2,952	2,656	4,176	191	199	212	306	322	305	322	305	322	305	322	305	322	305	322	305	603	1,086
Other	376	432	435	43	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	131	124
Other property income	511	551	610	55	48	57	54	47	51	56	43	50	48	47	54	59	54	54	62	160	175
Labour and other income	5,818	6,934	7,348	666	667	690	552	562	549	661	616	616	588	597	596	602	664	641	671	2,023	1,975
Total income credits																					
Debits —																					
Property income —																					
Investment income —																					
Official	4,111	4,021	4,562	418	353	451	507	381	137	462	474	410	358	379	231	496	398	468	1,223	1,362	
Non-official																					
Reinvested earnings (b)	3,570	6,256	5,805	623	623	623	623	623	623	623	623	623	623	623	623	623	623	623	623	1,869	1,650
Other	11,350	13,486	15,007	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	3,136	3,666
Other property income	1,760	1,760	1,979	161	161	161	171	170	171	165	166	166	165	163	163	162	172	172	170	483	514
Labour and other income	283	389	441	35	40	34	30	32	36	40	40	40	39	41	35	39	40	42	36	109	118
Total income debits	21,074	25,911	27,794	2,283	2,223	2,315	2,702	2,577	2,338	2,329	2,342	2,277	2,175	2,189	2,045	2,480	2,384	2,446	6,820	7,310	
Net income	-15,256	-18,978	-20,446	-1,617	-1,555	-1,625	-2,150	-2,015	-1,789	-1,668	-1,726	-1,689	-1,578	-1,594	-1,442	-1,416	-1,743	-1,775	-4,797	-5,334	
Unrequited transfers —																					
Credits	2,802	3,246	3,976	364	327	282	309	303	327	417	437	298	326	264	322	474	347	297	973	1,118	
Debits																					
Official	1,583	1,591	1,572	152	91	108	101	135	127	146	112	111	106	135	248	98	83	94	351	275	
Non-official	-1,041	-1,131	-1,195	-100	-97	-89	-86	-99	-122	-115	-98	103	96	-92	-98	-105	104	94	286	303	
Total	-2,624	-2,722	-2,767	-252	-188	-197	-187	-234	-249	-261	-210	-214	-202	-227	-346	-203	-187	-188	-637	-578	
Net unrequited transfers	178	524	1,209	112	139	85	122	69	78	156	227	84	124	37	-24	271	160	109	336	540	

(a) From July 1994, estimates of agency and advertising services provided to resident and non-resident transport operators are included in *Other transportation*. Prior to this they are included in *Other services*. (b) 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)

	(\$ millions)																				
	Years				Months																
	1993-94	1994-95	1995-96		July	Aug.	Sept.	Oct.	Nov.	Dec.	1995-96			1996-97							
											Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	1995-96	1996-97
Official —																					
General government —																					
Borrowing																					
Domiciled abroad																					
Commonwealth Government —																					
Drawings	40																				
Repayments	-1,129	-1,573	197	1	1	250	24	-136	-18	-1	192	-1	261	70	-1	-20	1	-199	-23		
Total	-1,089	-1,573	-197	-1	-1	-250	24	-136	-18	-1	192	-1	261	70	-1	-20	-1	-199	-23		
State government	4,848	7,554	3,794	3,362	19	803	1,098	1,333	-584	1,389	-1,245	-1,157	1,252	394	-116	1,486	638	2,579	198		
Total domiciled abroad	3,759	5,981	-4,946	3,166	18	-804	848	-1,358	-720	1,407	-1,247	-1,349	1,253	655	-185	1,484	658	2,379	175		
Domiciled in Australia	3,837	3,588	7,784	377	2,584	471	1,072	1,424	1,322	-1,616	2,784	3,102	-1,893	1,943	1,382	-2,358	-948	1,736	-2,976		
Total borrowing	7,596	9,569	2,838	3,543	-2,566	-333	1,920	66	602	-3,023	1,537	1,753	3,146	1,289	1,196	-874	-1,606	643	-2,801		
Other	470	617	330	-34	-19	25	-	-148	61	-105	-56	-21	17	34	2	-29	-79	-69	-106		
Total general government	7,126	10,186	2,508	3,509	-2,585	-349	1,945	66	454	-2,962	1,432	1,697	-3,167	1,306	1,162	-872	1,635	574	2,907		
Reserve Bank —																					
Reserve assets	-1,037	1,971	-817	-940	1,024	226	-49	-1,151	-98	592	554	256	67	272	-1,026	-4,722	2,225	-470	310	-2,967	
Official reserve assets																					
Allocation of SDRs																					
Other	-49	23	-16	3	56	-32	-13	9	5	-12	12	-32	19	-17	10	-50	53	72	27	75	
Total Reserve Bank	1,086	1,994	-833	-937	1,080	194	-62	-1,142	-93	580	542	224	86	-289	-1,016	4,772	2,278	-398	337	-2,892	
Total official	6,040	12,180	1,675	2,572	-1,505	-155	1,883	-1,076	361	-2,382	1,974	1,921	-3,081	1,017	146	-5,644	643	-799	911	-5,799	
Non-official plus balancing item—																					
Public sector																					
Non equity securities domiciled in Australia (a)	-1,060	-198	125	82	32	93	31	4	24	-60	115	143	51	70	120	35	-20	-55	43	-40	
Accounts receivable/prepayments made	-1,217	1,161	99	4	8	38	-27	-78	-45	16	84	48	199	-1	27	-65	-10	52	26	-23	
Other (including balancing item) (b)	12,864	14,957	19,285	-86	4,033	2,041	718	3,939	453	4,264	-689	1,335	4,386	682	879	7,618	1,372	3,031	5,988	12,021	
Total non-official plus balancing item	10,587	15,920	19,259	-8	3,993	1,986	660	3,865	384	4,219	-720	-1,240	4,686	751	732	7,589	1,342	3,028	5,971	11,959	
Balance on capital account plus balancing item	16,627	28,100	20,933	2,563	2,488	1,831	2,543	2,789	746	1,838	1,255	681	1,555	1,768	878	1,945	1,985	2,229	6,882	6,159	

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

TABLE 7. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	Years			Months											
	1993-94	1994-95	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96	1995-96
Official reserve assets															
(\$ million) —															
<i>Levels at end of period</i>															
20,661	20,185	19,059	20,050	18,350	18,659	18,671	19,934	20,068	19,375	18,550	17,935	17,820	17,888	19,059	24,664
21,920															
<i>Changes in levels</i>															
<i>Of which —</i>															
Changes due to effects of revaluations	1,199	1,495	1,943	-1,075	-676	535	-37	112	36	101	-271	-359	-48	-204	145
Changes included in the balance of payments (a)	1,037	-1,971	817	940	-1,024	-226	49	1,151	98	-592	554	-256	67	272	1,026
4,722															
Exchange rates (b) —															
<i>Units of foreign currency per \$A</i>															
<i>End of period (c) —</i>															
United States dollar	0.7291	0.7086	0.7890	0.7389	0.7524	0.7550	0.7566	0.7469	0.7450	0.7447	0.7635	0.7793	0.7854	0.7983	0.7890
United Kingdom pound	0.4721	0.4452	0.5099	0.4611	0.4861	0.4777	0.4800	0.4860	0.4814	0.4943	0.4982	0.5106	0.5206	0.5207	0.5099
German mark	1.159	0.981	1.200	1.023	1.109	1.070	1.066	1.072	1.071	1.108	1.121	1.149	1.197	1.225	1.200
Japanese yen	72.20	60.08	86.48	65.31	73.55	74.22	76.98	75.83	76.66	79.88	79.85	83.00	81.88	86.36	86.48
Special drawing right	0.5026	0.4539	0.5476	0.4753	0.5070	0.5024	0.5031	0.5020	0.5009	0.5121	0.5182	0.5345	0.5404	0.5519	0.5476
0.5290															
<i>Period average (d)</i>															
United States dollar	0.6919	0.7427	0.7593	0.7268	0.7412	0.7542	0.7580	0.7459	0.7416	0.7420	0.7555	0.7714	0.7868	0.7970	0.7915
United Kingdom pound	0.4623	0.4705	0.4909	0.4557	0.4725	0.4841	0.4800	0.4768	0.4815	0.4846	0.4916	0.5049	0.5192	0.5265	0.5132
German mark	1.171	1.120	1.109	1.010	1.071	1.103	1.073	1.056	1.068	1.083	1.107	1.139	1.184	1.222	1.189
Japanese yen	73.52	70.35	77.66	63.43	70.06	75.79	76.28	76.02	75.49	77.91	79.90	81.69	84.45	84.75	86.15
Special drawing right	0.4944	0.4972	0.5156	0.4665	0.4897	0.5084	0.5056	0.4988	0.4993	0.5047	0.5157	0.5563	0.5423	0.5516	0.5487
0.5368															
Trade weighted index of value of the Australian dollar (May 1970 = 100) (b) —															
End of period (c)	53.0	48.4	58.1	51.0	53.9	53.8	54.3	53.8	54.3	54.7	55.5	56.8	57.1	58.7	58.1
Period average (d)	51.4	52.8	54.8	50.0	52.5	54.4	54.3	53.7	53.5	54.2	55.1	56.2	57.5	58.3	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 September 1996, together with revised estimates for previous months. More comprehensive quarterly estimates are available in the June quarter 1996 issue of the quarterly balance of payments publication (5302.0) which was released on 27 August 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 September 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.

Dennis Trewin
 Acting Australian Statistician

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