



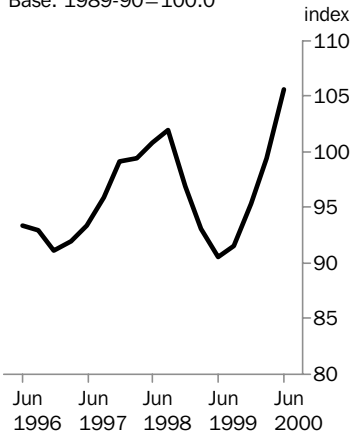
EXPORT PRICE INDEX

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) THURS 20 JUL 2000

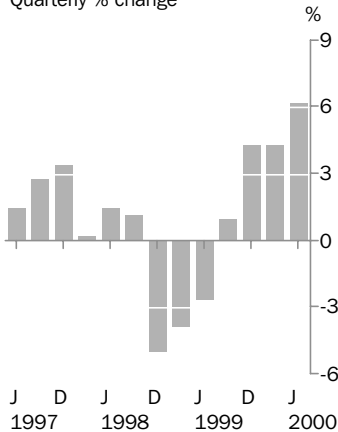
All groups

Base: 1989-90=100.0



All groups

Quarterly % change



JUNE QTR KEY FIGURES

	% change Mar Qtr 2000 to Jun Qtr 2000	% change Jun Qtr 1999 to Jun Qtr 2000
All groups	6.2	16.7
Live animals, animal products	7.2	17.4
Vegetable products	6.0	5.0
Prepared foodstuffs	-0.5	1.5
Mineral products	6.2	18.5
Products of chemical or allied industries	7.9	25.2
Wool and cotton fibres	11.8	12.2
Gold, diamonds and coin	4.7	16.6
Base metals and articles of base metals	4.5	34.0
Machinery and mechanical appliances	2.6	4.3
Motor vehicles, aircraft and vessels	5.3	7.4

JUNE QTR KEY POINTS

ALL GROUPS INDEX

- The Export Price Index rose by 6.2% in the June quarter. The depreciation of the Australian dollar against the major trading currencies was a significant factor in the increase. This is the largest increase recorded in the index since the June quarter 1989.

MAJOR MOVEMENTS

- Wool prices increased, reflecting the upward trend in auction prices.
- Prices for iron ore and coal increased, mainly due to the depreciation of the Australian dollar.
- There were continued increases in international prices for crude oil and petroleum products.

- For further information about these and related statistics, contact Margaret Hayes on Canberra 02 6252 5541, or the National Information Service on 1300 135 070.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)

RELEASE DATE

September 2000

19 October 2000

December 2000

19 January 2001



CHANGES IN THIS ISSUE

There are no changes in this issue.



FORTHCOMING CHANGES

The ABS has completed a review of the *Export Price Index* and the *Import Price Index* (Cat. no. 6414.0). A summary of the outcomes of the review is included as an appendix to this issue.

As a result of the review, the weighting pattern used to compile each index will change next quarter. Details of the new weighting pattern will be included as an appendix to the September quarter issues of the respective publications.



IMPACT OF THE NEW TAX SYSTEM

As exports are GST-free, there will be no GST included in the prices used in the compilation of the *Export Price Index* from September quarter 2000. The introduction of the new tax system is not expected to have any first round impact on the index; however, there may be some downward influence from second round effects.

For more details see information paper *Price Indexes and The New Tax System* (Cat. No. 6425.0), released on 3 May 2000.



Dennis Trewin
Australian Statistician

EXPORT PRICE INDEX, All Groups

<i>Period</i>	<i>Index numbers(a)</i>	<i>% change from corresponding quarter of previous year</i>	<i>% change from previous period</i>
1996-1997	92.4		-3.9
1997-1998	98.9		7.0
1998-1999	95.7		-3.2
1999-2000	98.0		2.4
1996			
June	93.4	-6.3	-3.2
September	93.0	-5.6	-0.4
December	91.1	-5.1	-2.0
1997			
March	92.0	-4.7	1.0
June	93.4	0.0	1.5
September	95.9	3.1	2.7
December	99.2	8.9	3.4
1998			
March	99.4	8.0	0.2
June	100.9	8.0	1.5
September	102.0	6.4	1.1
December	96.9	-2.3	-5.0
1999			
March	93.1	-6.3	-3.9
June	90.6	-10.2	-2.7
September	91.5	-10.3	1.0
December	95.4	-1.5	4.3
2000			
March	99.5	6.9	4.3
June	105.7	16.7	6.2

(a) Base of each index: 1989-90 = 100.0

EXPORT PRICE INDEX(a), AHECC and ANZSIC Contribution to All Groups Index

Category	March Qtr 2000	June Qtr 2000	Change
All groups index	99.5	105.7	6.2
SELECTED AHECC SECTIONS: Contribution to All Groups Index (index points)			
01 Live animals, animal products	9.51	10.20	0.69
02 Vegetable products	7.29	7.73	0.44
04 Prepared foodstuffs	4.21	4.20	-0.01
05 Mineral products	31.84	33.82	1.98
06 Products of chemical or allied industries	7.72	8.32	0.60
11 Wool and cotton fibres	8.07	9.03	0.96
14 Gold, diamonds and coin	6.77	7.08	0.31
15 Base metals and articles of base metals	12.71	13.29	0.58
16 Machinery and mechanical appliances	3.95	4.05	0.10
17 Motor vehicles, aircraft and vessels	2.34	2.46	0.12
SELECTED ANZSIC SUBDIVISIONS: Contribution to All Groups Index (index points)			
01 Agriculture	16.64	18.00	1.36
11 Coal mining	11.14	11.53	0.39
13 Metal ore mining	10.95	11.53	0.58
21 Food, beverages and tobacco	12.30	12.97	0.67
25 Petroleum, coal, chemical and associated products	12.66	13.79	1.13
27 Metal products	12.71	13.29	0.58
28 Machinery and equipment	2.34	2.46	0.12

(a) For an explanation of this table see paragraph 13 of the Explanatory Notes

EXPORT PRICE INDEX(a), By Selected AHECC Section

Period	Live animals, animal products (01)	Vegetable products (02)	Prepared foodstuffs (04)	Mineral products (05)	Products of chemical or allied industries (06)	Wool and cotton fibres (11)	Gold, diamonds and coin (14)	Base metals and articles of base metals (15)	Machinery and mechanical appliances (16)	Motor vehicles, aircraft and vessels (17)
1996-1997	92.7	98.1	99.8	103.0	86.9	67.6	92.1	86.1	88.5	103.6
1997-1998	100.0	96.3	109.7	113.7	94.9	75.8	89.8	94.1	89.1	110.0
1998-1999	100.7	90.9	102.8	114.6	95.6	61.4	93.1	85.6	90.3	113.0
1999-2000	107.8	83.9	94.9	117.0	101.5	62.5	93.5	99.3	90.9	113.2
1996										
June	90.9	108.0	98.8	100.4	90.9	65.0	97.7	89.9	94.5	104.4
September	90.3	109.7	99.6	100.9	89.1	67.2	96.7	84.5	92.0	104.1
December	91.9	97.2	99.8	101.7	86.9	65.5	93.8	80.7	88.3	103.1
1997										
March	93.0	92.7	99.8	104.3	85.1	66.7	89.5	88.2	86.6	103.1
June	95.6	92.6	99.9	105.1	86.5	70.9	88.4	90.8	87.0	104.2
September	96.3	91.7	104.1	107.9	88.4	77.8	86.7	96.0	87.6	105.8
December	100.9	95.2	110.1	113.7	93.5	77.2	88.5	96.8	89.7	109.0
1998										
March	102.2	97.2	112.0	114.5	97.6	75.9	88.5	92.7	89.3	111.4
June	100.5	101.0	112.7	118.5	100.0	72.3	95.4	91.0	89.7	113.9
September	103.7	100.2	109.5	122.4	100.7	67.6	98.0	93.3	90.8	117.1
December	100.9	90.9	104.4	117.8	98.5	59.2	95.8	86.1	90.3	112.9
1999										
March	99.6	88.6	103.3	110.8	93.5	58.8	92.5	80.6	90.9	111.6
June	98.5	83.9	94.0	107.4	89.8	60.0	86.2	82.3	89.3	110.2
September	102.7	80.8	93.1	108.3	93.2	60.5	83.1	87.3	89.3	110.5
December	105.0	83.4	95.3	112.6	96.3	62.1	94.4	94.0	90.5	111.5
2000										
March	107.8	83.1	95.9	119.9	104.2	60.2	96.0	105.5	90.7	112.4
June	115.6	88.1	95.4	127.3	112.4	67.3	100.5	110.3	93.1	118.4

(a) Base of each index: 1989-90 = 100.0

EXPORT PRICE INDEX(a), By Selected SITC Section

<i>Period</i>	<i>Food and live animals (0)</i>	<i>Crude materials (2)</i>	<i>Mineral fuels (3)</i>	<i>Chemicals and related products (5)</i>	<i>Manufactured goods by material (6)</i>	<i>Machinery and transport equipment (7)</i>	<i>Miscellaneous manufactured articles (8)</i>
1996-1997	95.6	81.8	110.8	88.6	86.5	93.4	103.2
1997-1998	99.6	90.3	121.8	96.0	93.7	95.9	108.2
1998-1999	96.6	84.0	119.7	96.2	86.8	97.7	111.7
1999-2000	95.7	82.6	127.1	102.5	101.0	98.8	112.5
1996							
June	99.3	79.2	107.5	92.9	90.3	97.8	102.1
September	99.5	80.9	108.2	90.7	85.5	95.9	103.2
December	95.0	80.0	110.0	88.5	81.6	93.1	103.1
1997							
March	93.5	81.8	112.3	86.8	88.3	92.0	103.4
June	94.5	84.5	112.7	88.5	90.6	92.6	102.9
September	95.2	89.1	115.1	90.0	95.1	93.5	104.5
December	99.5	90.3	123.1	95.0	96.2	96.0	108.5
1998							
March	101.4	90.2	123.4	98.2	92.3	96.5	109.1
June	102.1	91.4	125.6	100.7	91.2	97.6	110.7
September	102.8	90.9	128.6	101.0	93.9	99.4	114.1
December	96.9	84.4	123.8	99.4	87.2	97.7	109.6
1999							
March	95.3	81.7	113.8	93.8	82.3	97.7	112.7
June	91.3	79.1	112.5	90.4	83.7	96.1	110.2
September	91.5	79.2	114.5	93.5	88.6	96.3	110.0
December	94.8	81.2	121.2	97.2	95.7	98.2	111.5
2000							
March	95.9	81.8	131.9	105.3	106.6	98.6	112.0
June	100.7	88.3	140.8	114.1	113.0	102.2	116.6

(a) Base of each index: 1989-90 = 100.0

EXPORT PRICE INDEX(a), By Selected ANZSIC Industry of Origin Division and Subdivision

Period	Agriculture, forestry and fishing (A)	Coal mining (11)	Metallic ore mining (13)	Mining (B)	Food, beverages and tobacco (21)	Petroleum, coal, chemical and associated products (25)	Manufacturing (C)
1996-1997	80.6	102.9	94.9	101.3	90.2	107.1	92.5
1997-1998	84.8	116.9	105.2	112.7	98.7	114.0	97.7
1998-1999	73.8	116.4	110.4	114.4	98.3	112.6	95.6
1999-2000	72.6	102.2	105.7	113.1	98.2	129.0	102.2
1996							
June	82.7	101.4	93.4	99.1	88.8	109.0	94.4
September	84.7	102.9	93.4	99.8	88.5	107.1	92.6
December	78.9	101.5	92.9	99.4	90.0	108.5	91.7
1997							
March	78.0	103.0	95.9	102.5	90.7	106.2	92.4
June	80.8	104.3	97.3	103.6	91.6	106.6	93.2
September	84.7	108.1	100.8	106.7	92.9	108.5	94.9
December	86.0	117.0	103.4	112.1	97.8	114.7	98.0
1998							
March	84.5	119.3	104.8	113.8	102.3	115.1	98.3
June	83.8	123.3	111.8	118.1	101.9	117.8	99.4
September	81.3	128.8	116.8	122.9	102.0	117.1	100.4
December	72.6	122.4	112.4	117.5	99.3	115.9	97.2
1999							
March	71.3	110.9	109.5	111.0	98.1	109.0	93.4
June	70.0	103.4	103.0	106.2	93.9	108.5	91.5
September	69.6	99.5	102.3	105.7	95.7	115.2	93.8
December	72.3	100.6	103.4	110.0	96.4	120.4	98.8
2000							
March	71.4	102.5	105.8	115.1	97.7	134.1	104.9
June	77.2	106.0	111.4	121.4	103.0	146.1	111.1

(a) Base of each index: 1989-90 = 100.0

EXPLANATORY NOTES

- INTRODUCTION **1** This publication presents index numbers measuring changes in the prices of exports of merchandise from Australia—the Export Price Index. It is calculated on a reference base of 1989–90=100.0.
- SCOPE **2** The Export Price Index includes re-exports of merchandise (that is, goods which are imported into Australia and exported at a later date without physical transformation). The index numbers for each quarter relate to prices of those exports of merchandise that are physically shipped from Australia during that quarter.
- CLASSIFICATION **3** Index numbers for selected sections of the Australian Harmonised Export Commodity Classification (AHECC) are provided in Table 3 while index numbers for selected sections of the Standard International Trade Classification (SITC), Revision 3 are provided in Table 4.
- 4** Table 5 contains index numbers for selected Divisions and Subdivisions, on an ‘industry of origin’ basis, of the Australian and New Zealand Standard Industrial Classification (ANZSIC). The ‘industry of origin’ is the industry in which the exported commodity is primarily produced, determined in accordance with the classification rules of the ANZSIC. It is therefore not necessarily identical with the industry from which the export transactions are actually made. For instance, many exports are made by traders or by marketing authorities, but these exports are classified to the appropriate producing industries, rather than to the wholesale trading industries from which they are actually exported.
- ITEMS AND WEIGHTS **5** The index is a fixed weights index. The commodities directly represented in the index (the index items), were selected on the basis of their export values in 1988–89. They constituted approximately 95% of the total value of exports of merchandise from Australia that year. The selected items were allocated weights in accordance with the average value of exports for each item in 1988–89. These weights were then revalued to reflect 1989–90 price levels. Many of the items carry not only their own weight but also the weight of unpriced commodities whose prices are considered to move in a similar manner. The weighting pattern of the Export Price Index, i.e. the percentage contributions for index items and groups, was shown in the September 1990 issue of this publication.
- PRICE MEASUREMENT **6** In general, prices are obtained from major exporters of the selected items included in the index. The point of pricing for the Export Price Index is the point at which the goods physically leave Australia, i.e. prices are on ‘free on board’ basis (f.o.b.) at main Australian ports of export. Note that exports are exempt from wholesale sales tax.
- 7** As the prices used in the index are expressed in Australian currency, changes in the relative value of the Australian dollar and overseas currencies can have a direct impact on price movements for the many commodities that are sold in currencies other than Australian dollars. Where exports are sold at prices expressed in terms of a foreign currency and forward exchange cover is used, the prices in the index *exclude* forward exchange cover.

EXPLANATORY NOTES

PRICE MEASUREMENT *continued*

8 The price series used relate to specified standards, grades, types, etc. of each commodity. The aim is to incorporate in the index, price changes for exports of representative goods of constant quality. Wherever possible, prices to predominant export markets are used for each of the specified goods priced, in order to lessen the impact of price variations attributable solely to changes, over time, in market destinations. In most cases prices are combined using fixed weights between markets. Weights between markets are reviewed from time to time and revised where necessary.

INDEX NUMBERS

9 Index numbers for financial years are simple averages of quarterly index numbers.

REVISIONS

10 In cases where more complete information is obtained after index numbers for a period have been published, or it is discovered that incorrect prices have been used in compiling the indexes, revisions to index numbers may occur in subsequent issues of this publication.

ANALYSIS OF INDEX CHANGES

11 Care should be exercised when interpreting quarter-to-quarter movements in the indexes as short-term movements do not necessarily indicate changes in trend.

12 Movements in indexes from one period to another can be expressed either as changes in 'index points' or as percentage changes. The following example illustrates the method of calculating index points changes and percentage changes between any two periods.

All groups index numbers—

June Quarter 2000	105.7	(see Table 1)
less June Quarter 1999	90.6	(see Table 1)
Change in index points	15.1	
Percentage change	$\frac{15.1}{90.6}$	x 100 = 16.7

13 Table 2 provides an analysis of the contribution which selected categories of exports make to the All groups index. For example, Mineral products contributed 33.82 index points to the All groups index number of 105.7 for June Quarter 2000 and 1.98 index points to the net change of 6.2 index points.

FURTHER INFORMATION

14 The September 1990 issue of this publication contains a more detailed description of the index.

15 Further information on the index is presented in the publications:

- *Producer and Foreign Trade Price Indexes: Concepts, Sources and Methods* (Cat. no. 6419.0)
- *Price Indexes and the New Tax System 2000* (Cat. no. 6425.0).

16 A detailed description of previous Export Price Indexes is contained in *Year Book Australia* No. 55, 1969, pages 256–7 and in *Year Book Australia* No. 58, 1972, pages 240–2 and in the July 1979 issue of this publication.

EXPLANATORY NOTES

RELATED PUBLICATIONS

17 Users may also wish to refer to the following publications which are available from ABS Bookshops:

- *Import Price Index, Australia* (Cat. no. 6414.0)
- *Price Indexes of Articles Produced by Manufacturing Industry, Australia* (Cat. no. 6412.0)
- *Price Indexes of Materials Used in Manufacturing Industries, Australia* (Cat. no. 6411.0)
- *Producer Price Indexes for Selected Service Industries, Australia* (Cat. no. 6423.0).

18 Other ABS publications that may be of interest include *Balance of Payments, Australia* (Cat. no. 5302.0).

19 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (Cat. no. 1101.0). The ABS also issues on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

UNPUBLISHED STATISTICS

20 As well as the statistics included in this and related publications, the ABS may have other relevant unpublished data available. Inquiries should be made to Margaret Hayes on 02 6252 5541 or any ABS office.

SYMBOLS AND OTHER USAGES

AHECC	Australian Harmonised Export Commodity Classification
ANZSIC	Australian and New Zealand Standard Industrial Classification
f.o.b.	free on board
SITC	Standard International Trade Classification
r	revised

APPENDIX

INDEX REVIEW OUTCOMES

INTRODUCTION

The ABS has completed its latest review of the *Export Price Index* (EPI) (Cat. no. 6405.0) and the *Import Price Index* (IPI) (Cat. no. 6414.0). The ABS consulted widely with users as part of the review process. The consultation was based on *Information Paper: Review of the Import Price Index and Export Price Index, 1999* (Cat. no. 6424.0), which was released in November 1999.

An important issue for the review was to identify key uses of the EPI and IPI. The information paper identified major uses of the EPI and IPI as being for the estimation of national accounts and balance of payments volume aggregates and the analysis of inflation. The ABS compared the indexes against these known uses and identified a number of significant issues for consideration.

The information paper invited comment from users and a number of submissions were subsequently made to the review. The ABS also conducted seminars with key users. In summary, this feedback was very positive, endorsing the proposals made in the paper.

OUTCOMES

In light of the review, the ABS has decided that:

- both the EPI and IPI will be annually reweighted and chained;
- merchandise trade unit values will be used to augment sampled specification pricing for some export items that are homogeneous and of constant quality over time;
- tailored exchange rate conversion lags will be introduced for import prices based on the average shipping times actually experienced from source countries or regions (a refinement of the current blanket average three week lag);
- a US hedonic series be used to estimate imported computer prices to constant quality.

The September quarter 2000 issues of the *Export Price Index* (Cat. no. 6405.0) and the *Import Price Index* (Cat. no. 6414.0) will incorporate new weighting patterns. Each subsequent September quarter both indexes will be reweighted.

FOR MORE INFORMATION...

- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY* A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE* For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC* For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

INFORMATION SERVICE

Data which have been published and can be provided within five minutes are free of charge. Our information consultants can also help you to access the full range of ABS information—ABS user-pays services can be tailored to your needs, time frame and budget. Publications may be purchased. Specialists are on hand to help you with analytical or methodological advice.

- PHONE* **1300 135 070**
- EMAIL* **client.services@abs.gov.au**
- FAX* 1300 135 211
- POST* Client Services, ABS, GPO Box 796, Sydney 1041

WHY NOT SUBSCRIBE?

ABS subscription services provide regular, convenient and prompt deliveries of ABS publications and products as they are released. Email delivery of monthly and quarterly publications is available.

- PHONE* 1300 366 323
- EMAIL* subscriptions@abs.gov.au
- FAX* 03 9615 7848
- POST* Subscription Services, ABS, GPO Box 2796Y, Melbourne 3001



2640500006003
ISSN 1031-0290

RRP \$16.50