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**BALANCE OF PAYMENTS  
AUSTRALIA  
DECEMBER QUARTER 1987**

**IAN CASTLES  
Australian Statistician**

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## CONTENTS

<i>Table</i>		<i>Page</i>
..	Main features	1
..	Graphs of principal balance of payments aggregates	2
..	Notes on the estimates	6
..	Special articles (i) New publication : International transportation services,Australia	9
..	(ii) Survey of international travel enterprises - results for 1986/87	10
..	Forthcoming changes to balance of payments publications	11
..	Explanatory notes	12
 <b>Summary tables</b>		
1	Balance of payments	18
2	Balance of payments - current account	19
3	Balance of payments - current account - seasonally adjusted	20
4	Balance of payments - capital account	21
 <b>Current account tables</b>		
5	Balance of payments - exports and imports of goods and services at current and average 1979-80 prices - original and seasonally adjusted	22
6	Balance of payments - exports and imports of goods and services - implicit price deflators and terms of trade	23
7	Merchandise (balance of payment basis)	24
8	Merchandise (balance of payments basis) at average 1979-80 prices	25
9	Merchandise (balance of payments basis) - seasonally adjusted	26
10	Merchandise (balance of payments basis) - at average 1979-80 prices - seasonally adjusted	27
11	Merchandise - foreign trade statistics adjusted for balance of payments purposes	28
12	Balance of payments - current account - services	29
13	Balance of payments - current account - income credits	30
14	Balance of payments - current account - income debits	31
15	Balance of payments - current account - unrequited transfers	32
 <b>Capital account tables</b>		
16	Balance of payments - capital account - net capital transactions of general government	33
17	Balance of payments - capital account - net capital transactions of the Reserve Bank	34
18	Balance of payments - capital account - net capital transactions of the non-official sector	35
19	Net borrowing transactions of the non-official sector	36
 <b>Supplementary table</b>		
20	Official reserve assets and exchange rates.	37

## MAIN FEATURES

Estimates of the main balance of payments aggregates for the December quarter 1987 and the preceding quarter are shown in the following table together with related data on exchange rates and the trade weighted index.

## MAIN AGGREGATES, EXCHANGE RATES AND THE TRADE-WEIGHTED INDEX

	1987-88					
	Not seasonally adjusted			Seasonally adjusted		
	Sep qtr	Dec qtr	Per cent change (a)	Sep qtr	Dec qtr	Per cent change (a)
<b>MAIN AGGREGATES (\$ million)</b>						
Balance on current account	-3491	-2811	+19	-2873	-2891	-1
Balance on goods and services	-1780	-689	+61	-972	-811	+17
Balance on merchandise trade	-653	-73	+89	-144	-14	+90
Net services	-1127	-616	+45	-828	-797	+4
Net income	-2144	-2530	-18	-2319	-2430	-5
Net unrequited transfers	433	408	-6	418	350	-16
Balance on capital account	276	3393	..	..	..	..
Official	-908	2574	..	..	..	..
Non-official	1184	819	..	..	..	..
<b>EXCHANGE RATES - UNITS OF FOREIGN CURRENCY PER SA (b)</b>						
United States dollar	.7143	.7038	-1.5	..	..	..
Special drawing right	.5594	.5256	-6.0	..	..	..
<b>TRADE-WEIGHTED INDEX OF THE VALUE OF THE SA (MAY 1970=100) (b)</b>						
	56.1	53.0	-5.5	..	..	..

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

#### December quarter 1987 compared with September quarter 1987 -

• **Goods and services** (seasonally adjusted). The deficit on goods and services decreased by \$161 million due to the rise in exports being more than the rise in imports. Both the merchandise trade and services deficits narrowed.

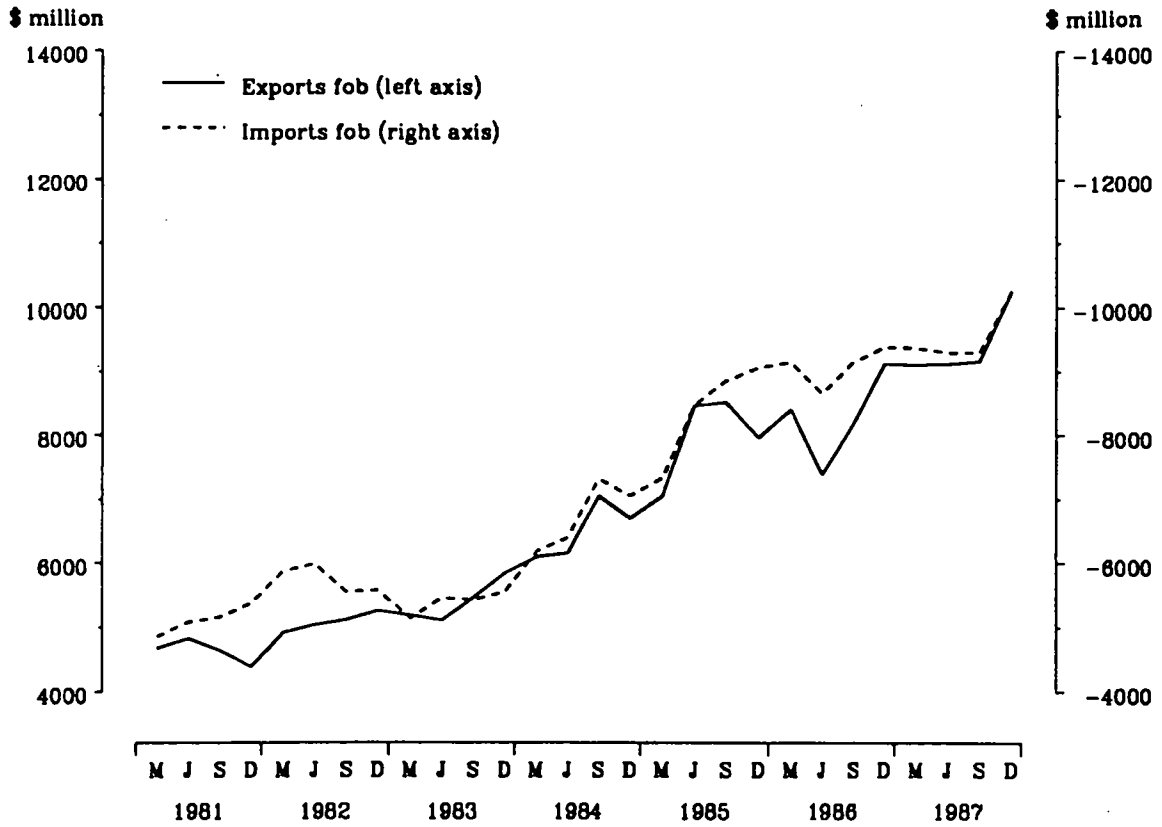
• **Income and unrequited transfers** (seasonally adjusted). The income deficit increased by \$111 million in the December quarter. A rise in income credits was more than offset by a rise in income debits. The unrequited transfers surplus fell by \$68 million.

• **Official capital** (not seasonally adjusted). The sharp turnaround from a net outflow to a net inflow substantially reflected transactions in Australia's official reserve assets.

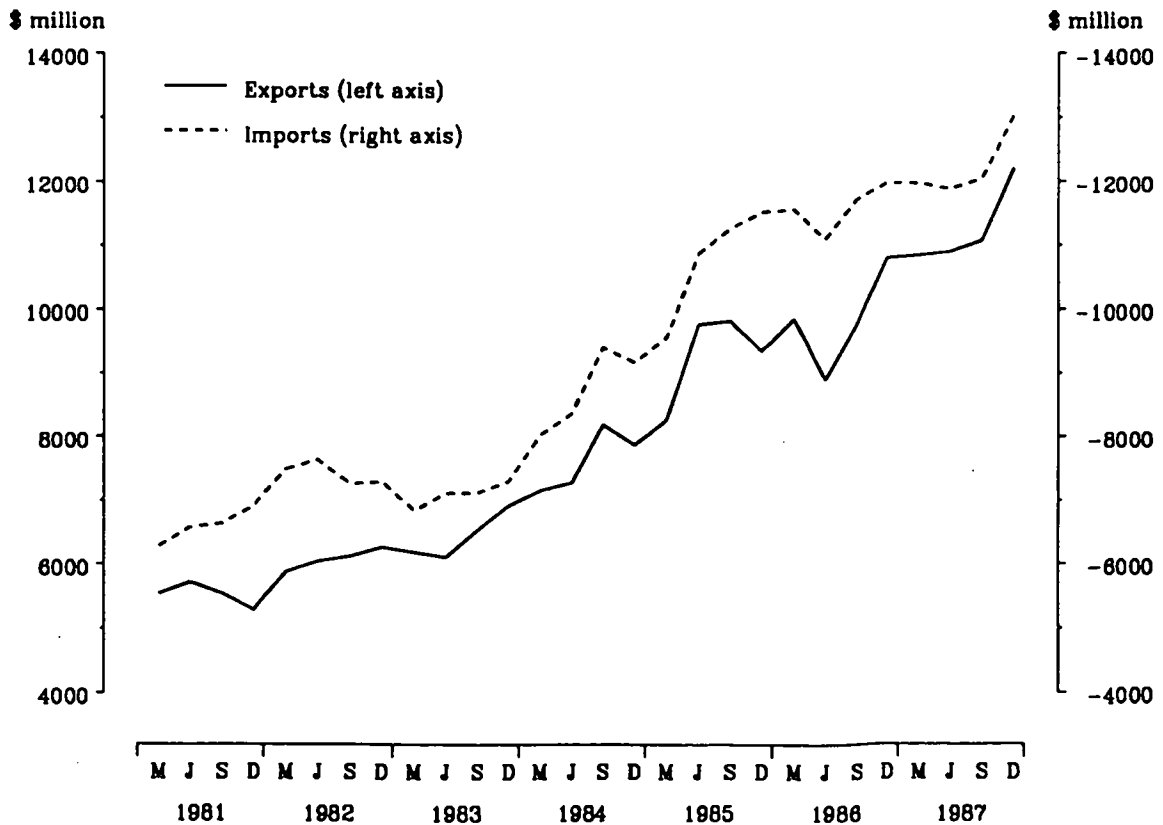
• **Non-official capital** (not seasonally adjusted). The fall in the net inflow resulted from a fall in foreign investment in Australia partly offset by a fall in Australian investment abroad. The falls in both foreign investment in Australia and Australian investment abroad are mainly attributable to portfolio investment in corporate equities.

# GRAPHS OF PRINCIPAL BALANCE OF PAYMENTS AGGREGATES

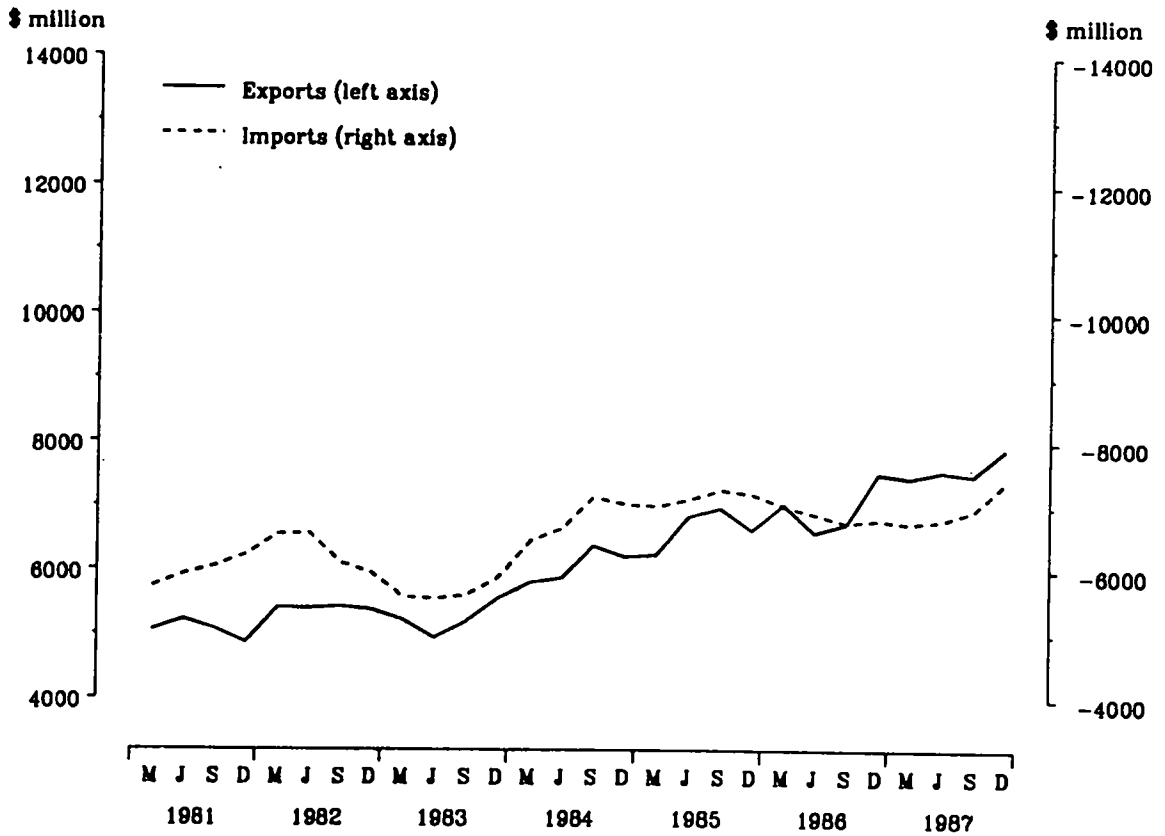
GRAPH 1 - MERCHANDISE - SEASONALLY ADJUSTED



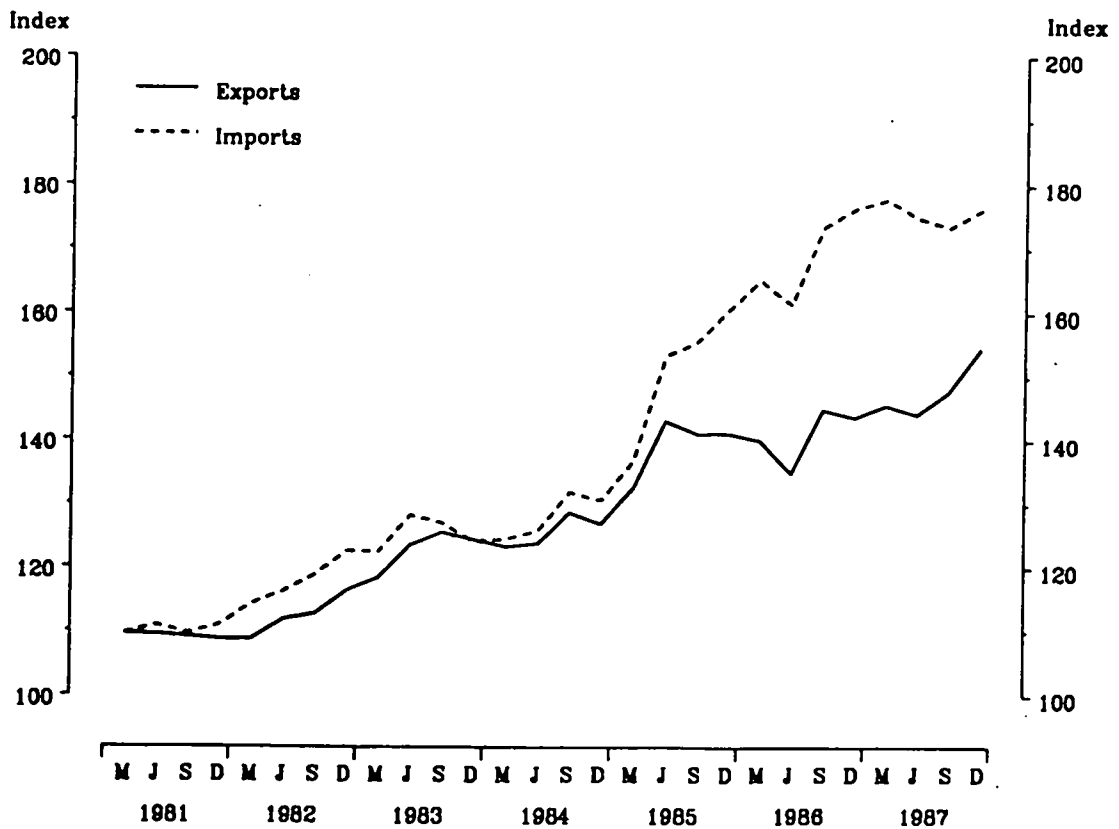
GRAPH 2 - GOODS AND SERVICES AT CURRENT PRICES - SEASONALLY ADJUSTED



**GRAPH 3 - GOODS AND SERVICES AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED**

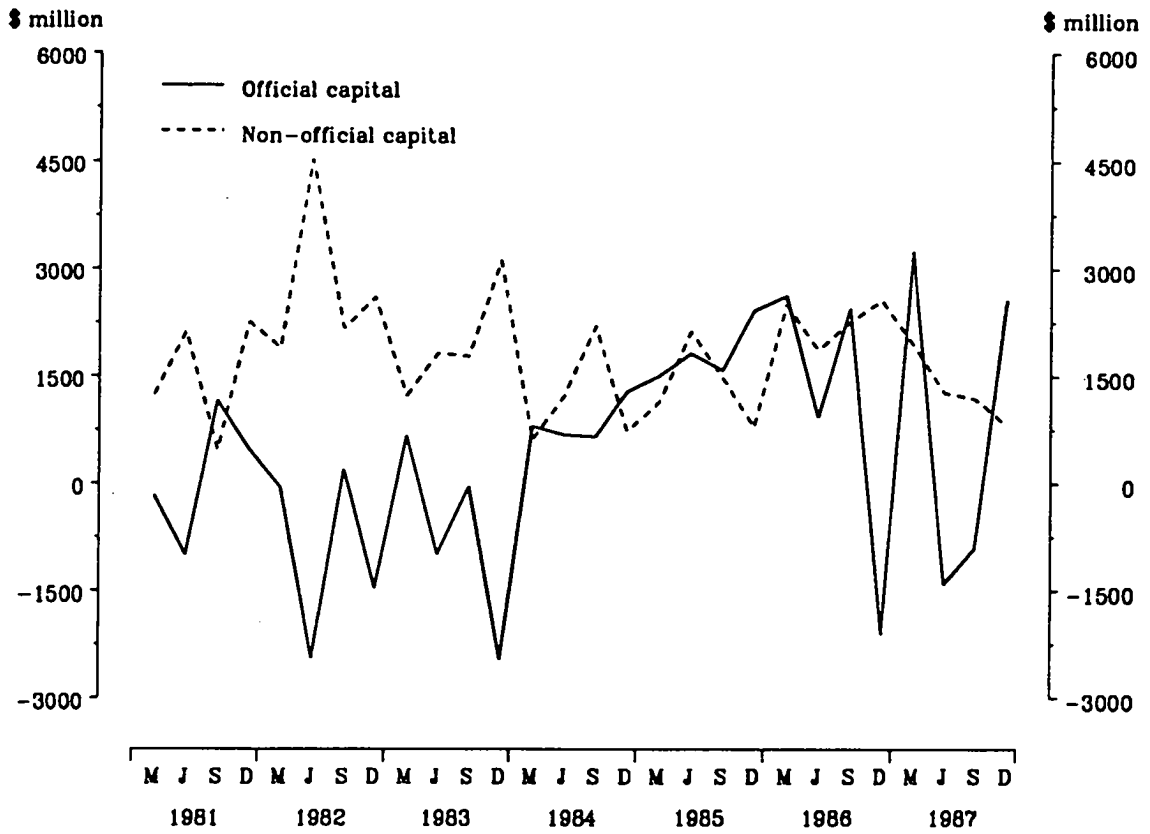


**GRAPH 4 - IMPLICIT PRICE DEFATORS FOR GOODS AND SERVICES - BASED ON SEASONALLY ADJUSTED DATA (1979-80=100)**

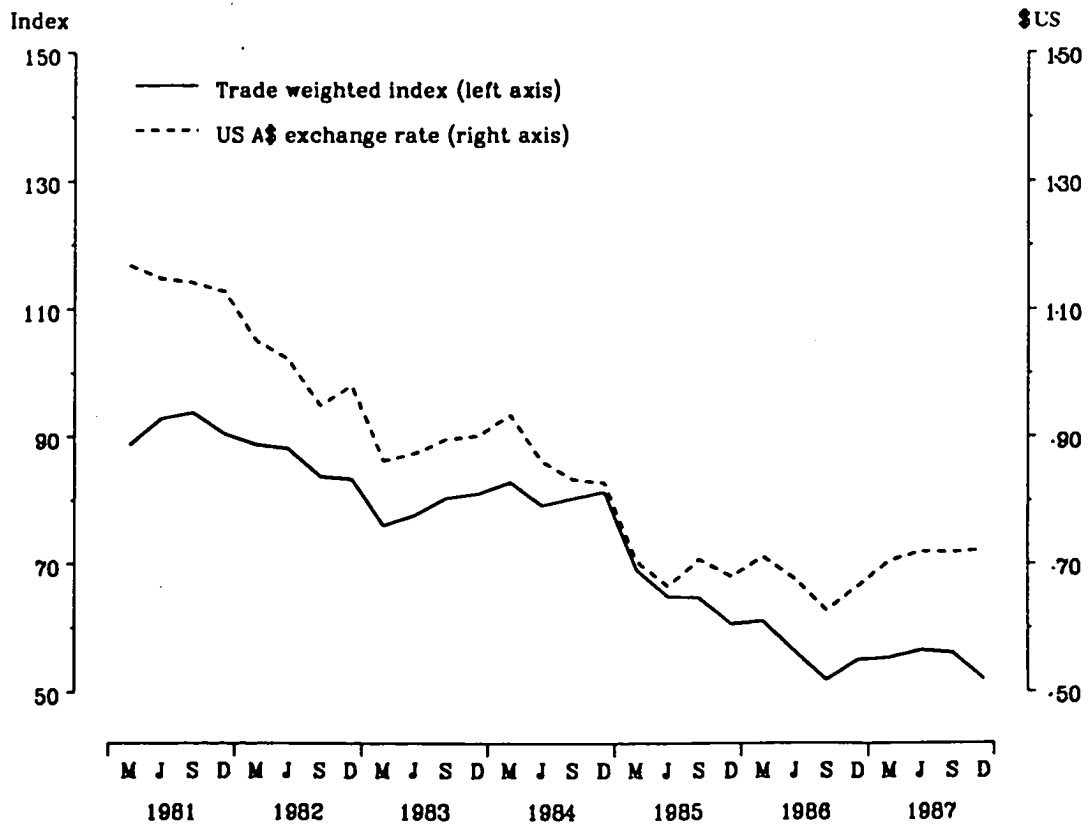




GRAPH 7 - NET CAPITAL TRANSACTIONS



GRAPH 8 - TRADE WEIGHTED INDEX (MAY 1970=100) AND US/A\$ EXCHANGE RATE





## NOTES ON THE ESTIMATES

## GOODS AND SERVICES

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

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

	1985-86		1986-87				1987-88	
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
AT CURRENT PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	+5.2	-9.7	+9.7	+10.7	+0.4	+0.5	+1.6	+10.2
Merchandise exports	+5.5	-12.0	+10.9	+11.5	-0.2	+0.1	+0.4	+11.8
Services credits	+4.0	+3.5	+3.9	+6.7	+3.1	+2.2	+7.8	+2.5
Imports of goods and services	+0.3	-4.1	+5.5	+2.4	-0.1	-0.8	+1.4	+8.1
Merchandise imports	+0.9	-5.2	+5.7	+2.6	-0.2	-0.8	+0.1	+10.3
Services debits	-2.0	+0.2	+4.9	+1.4	+0.3	-1.0	+6.2	+0.6
AT CONSTANT (AVERAGE 1979-80) PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	+6.0	-6.3	+2.1	+11.7	-0.9	+1.4	-0.8	+5.4
Merchandise exports	+6.9	-7.6	+2.7	+12.3	-1.2	+1.4	-1.7	+6.1
Services credits	+0.9	+2.7	-1.5	+7.4	+0.9	+1.7	+4.9	+1.7
Imports of goods and services	-2.6	-1.8	-1.9	+0.7	-0.8	+0.8	+2.3	+6.4
Merchandise imports	-2.6	-2.8	-1.4	+0.1	-0.5	+0.3	+1.1	+9.3
Services debits	-2.2	+1.6	-3.9	+2.7	-2.0	+2.2	+6.3	-2.9
IMPLICIT PRICE DEFLATORS (a)								
Exports of goods and services	-0.7	-5.2	+7.4	-0.8	+1.3	-1.0	+2.4	+4.5
Merchandise exports	-1.3	-4.8	+8.0	-0.8	+1.1	-1.2	+2.2	+5.4
Services credits	+3.1	+0.7	+5.5	-0.6	+2.2	+0.5	+2.8	+0.8
Imports of goods and services	+2.9	-2.3	+7.6	+1.7	+0.8	-1.6	-0.9	+1.6
Merchandise imports	+3.7	-2.5	+7.1	+2.6	+0.3	-1.2	-1.0	+0.9
Services debits	+0.2	-1.4	+9.1	-1.3	+2.3	-3.1	-0.1	+3.6
TERMS OF TRADE (a)								
Goods and services	-3.5	-1.5	-0.1	-2.4	+0.5	+0.6	+3.3	+2.9
Merchandise trade	-4.9	-2.3	+0.7	-3.2	+0.6	-	+3.2	+4.4
Services	+3.0	+2.1	-3.3	+0.8	-0.2	+3.7	+2.9	-2.8

(a) Derived from index numbers on base 1979-80 = 100. The index numbers are derived from seasonally adjusted current and constant price estimates.

**December quarter 1987 compared with September quarter 1987, seasonally adjusted** ("Volume" refers to values at average 1979-80 prices, "price" refers to implicit price deflators) -

*Exports of merchandise* at current prices rose by \$1084 million. Rural exports rose \$485 million due to a 2 per cent increase in volume and 12 per cent increase in price. Non-rural exports rose \$599 million due to an 8 per cent increase in volume and 2 per cent increase in price.

*Services credits* at current prices rose \$47 million mainly due to an increase in "other transportation".

The *implicit price deflator* for total exports of goods and services rose by 4.5 per cent. On a fixed weight basis the overall IPD would have risen by 5.1 per cent, while compositional shifts imply a fall of 0.6 per cent.

*Imports of merchandise* at current prices rose \$954 million. Exogenous imports rose \$191 million, due to a 33

per cent increase in volume and 11 per cent decrease in price. Endogenous imports rose \$763 million due to a 7 per cent increase in volume and 2 per cent increase in price.

*Services debits* at current prices increased by \$16 million, with an increase in shipment being partly offset by a decrease in other transportation.

The *implicit price deflator* for total imports of goods and services rose 1.6 per cent. On a fixed weight basis, the overall IPD would have risen by 2.0 per cent, while compositional shifts imply a fall of 0.4 per cent.

Australia's *terms of trade* rose by 2.9 per cent, the fourth successive quarterly increase following an extended period of decline evident since December quarter 1983. It should be noted however, that at the time of compilation of the statistics in this publication the available information on the prices of internationally traded goods for the latest quarter is preliminary in nature and therefore subject to revision.

## GOLD EXPORTS

Exports of gold (other than ores, concentrates and monetary gold) are included in the "other non-rural" exports category. In recent years gold exports have been increasing more rapidly than the rest of the "other non-

rural" category. An indication of the recent growth in the value of gold exports is provided in the following table.

### VALUE OF GOLD EXPORTS (NOT SEASONALLY ADJUSTED) (a)

(\$ MILLION)

Period	Gold Coin(b)	Other Gold(c)	Total	Per cent of "other non-rural" exports
1984-85	-	554	554	22.5
1985-86	1	786	787	25.5
1986-87	204	1348	1552	33.8
1985-86				
September qtr	-	255	255	29.5
December qtr	-	132	132	18.8
March qtr	1	142	143	21.7
June qtr	-	257	257	29.6
1986-87				
September qtr	1	263	264	27.4
December qtr	2	338	340	31.2
March qtr	20	403	423	35.5
June qtr	181	344	525	38.9
1987-88				
September qtr	59	415	474	35.0
December qtr	22	558	580	39.0

(a) Excluding ores, concentrates and monetary gold. (b) AECC item 991.00.01 (c) AECC group 971.

## EXOGENOUS IMPORTS

For purposes of analysing movements in merchandise imports, the categories exogenous and endogenous imports are shown in various tables in this publication. These categories are defined in paragraph 14 of the Explanatory

Notes. Statistics on the main components of exogenous imports at current prices are shown in the following table so that the impact of identified and sizeable lumpy transactions upon total merchandise imports and other key aggregates can be more readily assessed.

### EXOGENOUS MERCHANDISE IMPORTS (NOT SEASONALLY ADJUSTED)

(\$ MILLION)

Period	Fuels (a)	Civil Aircraft (b)	Other (c)	Total	Per cent of total merchandise imports
1984-85	2321	356	1560	4237	14.1
1985-86	1909	561	2069	4539	12.7
1986-87	1750	1046	1662	4458	12.0
1985-86 -					
September qtr	621	205	531	1357	14.6
December qtr	488	71	628	1187	13.0
March qtr	490	285	392	1167	13.6
June qtr	310	-	518	828	9.7
1986-87 -					
September qtr	424	243	455	1122	11.7
December qtr	477	472	377	1326	13.9
March qtr	421	61	422	904	10.2
June qtr	428	270	408	1106	12.0
1987-88					
September qtr	412	90	375	877	9.0
December qtr	618	36	418	1072	10.3

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

## BALANCING ITEM

In the December quarter 1987, there was a relatively small negative *balancing item* of \$582 million; this compares with a very high positive figure of \$3,215 million in the previous quarter. For 1986-87, the balancing item was at the record annual level of \$3,200 million, compared with \$495 million in 1985-86 and -\$366 million in 1984-85. At this stage, the balancing item figures for 1986-87 and recent quarters are still based on preliminary data and it is reasonable to expect the larger figures to be revised downwards over time.

The size of the balancing item provides one measure of the *accuracy* of the balance of payments accounts. These accounts measure Australia's transactions with non-residents using a *double-entry accounting system*. Transactions in such a system are reflected in pairs of equal credit and debit entries, for example, an import of goods which is simultaneously paid for in cash requires an entry under imports in the current account and an offsetting change in foreign currency assets in the capital account. The adoption of this system means that, in principle, the net sum of all credit and debit entries should be equal to zero. In practice, due to the variety of data sources of differing quality and the myriad of complex international transactions, some transactions are not measured accurately (errors) and some may not be recorded at all (omissions). The balancing item measures the net effect of these errors and omissions.

Persistently large figures for the balancing item may be taken as an indication of serious errors and omissions in the accounts. However, a small balancing item does not necessarily mean that only small errors and omissions have occurred, since the errors and omissions may be offsetting. A balancing item with a positive sign may indicate under-recording of capital inflows or current account receivables (credits) and/or overstating of capital outflows or current account payables (debits). Similarly, a balancing item with a negative sign may indicate under-recording of capital outflows or current account payables (debits) and/or overstating of capital inflows or current account receivables (credits). To the extent that capital flows are under-recorded or overstated, there might also be a corresponding and partly offsetting under-recording or overstatement of investment income in the current account.

The relatively-large size of the preliminary figure for the balancing item in 1986-87 and some recent quarters, and the significant quarterly fluctuations in this item in recent years, suggest that extra care needs to be exercised in interpreting the estimates. The recent quarterly fluctuations may result from differences in the time of recording of the

offsetting pairs of credit and debit entries in the accounts. These differences may in turn be associated with the greater volatility of exchange rates in recent years. The inference that timing differences are the source of the fluctuations is supported by the fact that consecutive quarterly balancing items often tend to be offsetting in broad magnitude and sign.

According to the International Monetary Fund's *Balance of Payments Manual*, an empirical rule of thumb for determining when a balancing item is large enough to create a problem is whether it exceeds five per cent of the gross sum of merchandise exports and imports.

In terms of this *rule of thumb*, Australia's preliminary balancing item for 1986-87 was 4.4 per cent; this compares with figures of 0.7 per cent in 1985-86 and 0.6 per cent in 1984-85. For the eight years from 1978-79 to 1985-86, the average annual percentage was 1.7 per cent. This longer-term average increases to 2.0 per cent if the preliminary 1986-87 percentage is added. However, it should be noted that the preliminary balancing item figures for the preceding financial year published in five of the last six December quarter bulletins have subsequently been reduced in size as more complete and accurate balance of payments data have become available over time.

Also, in terms of the *rule of thumb*, Australia's balancing item compares favourably with the corresponding items of other countries. For the eight calendar years 1979 to 1986 the average annual percentages (as published in the IMF's *Balance of Payments Statistics Yearbook 1987*), for a selection of other countries were: Japan 1.1, United Kingdom 2.1, Canada 2.5 and United States 4.8.

## REVISIONS

Estimates in this issue are generally consistent with those published in the monthly balance of payments bulletin (5301.0) released on 16 February 1988 and consequently take account of revisions which were described in that issue. The main exception is "State government borrowing domiciled abroad" which for the September quarter 1987 has been revised upwards by \$300 million.

In addition, this issue incorporates revisions to the seasonally adjusted series following a re-analysis which takes into account additional data that have become available since the last seasonal re-analysis.

For those net capital transactions series not available monthly, the revisions to the September quarter data reflect the inclusion of more up-to-date data from the Surveys of Foreign Investment.

## NEW PUBLICATION: INTERNATIONAL TRANSPORTATION SERVICES, AUSTRALIA

Results from the Surveys of International Shipping and Airline Operations conducted by the ABS are now released in a regular quarterly publication, *International Transportation Services, Australia* (Catalogue No. 5350.0). The first issue of the publication was released on 13 January 1988 and presented statistics up to and including March quarter 1987. This publication replaces unpublished tables containing similar data which previously were made available to users on request.

The new publication presents quarterly statistics largely obtained from the ABS Surveys of International Shipping and Airline Operations (SISAO). It describes in some detail the relationship between these statistics and the corresponding shipment, other transportation and miscellaneous services items of the balance of payments accounts; the SISAO is a very important data source for these balance of payments items. The published statistics cover all services transactions provided by Australian resident transport operators to non-residents and by non-resident transport operators to residents (except for passenger services provided within an economy). In practice some goods, such as stores and fuel, are also included. Freight forwarding services on exports and imports are excluded, as are other distributive services associated with shipping the goods but not provided by the transport operators. Statistics on freight earnings by resident and non-resident transport operators on Australia's imports and exports are shown, and these earnings are also split by mode of shipment, type of vessel and country of residence of operator. Supplementary data from the SISAO are published on the amount of cargo carried and on freight earnings per revenue tonne carried. The publication also draws together, for comparison purposes, data from other ABS sources on passenger traffic between Australia and abroad.

Results from the SISAO up to and including March quarter 1987, show, amongst other things, a marked increase (32 per cent) in Australian resident transport operators' earnings abroad for the first nine months of 1986-87, compared with the corresponding period of 1985-86. While a part of this is due to increased freight earnings on exports, the bulk of the increase is due to higher earnings from the carriage of non-resident pas-

sengers. On the other hand, resident transport operators' expenditure abroad has dropped by 6 per cent over the same period, despite a substantial increase in agency and advertising expenses abroad. The picture emerging for non-resident transport operators from the SISAO results over the same timeframe is different. The earnings of these operators in Australia dropped by almost 2 per cent (lower earnings from the carriage of Australia's imports more than offset a small increase in earnings from the provision of passenger services to Australian residents) while their costs in Australia rose by nearly 3 per cent (mainly due to increased agency and advertising expenses).

The figures also show that, for the first nine months of 1986-87, residents carried 7 per cent by volume of Australia's exports while their share of total freight earnings on exports was just under 10 per cent. For the same period, residents carried 13 per cent by volume of Australia's imports while their share of total freight earnings on imports was about 19 per cent. For the three years up to and including 1985-86, the corresponding average annual percentage shares were 5 per cent (volume) and 10 per cent (freight earnings) for exports and 18 per cent (volume) and 21 per cent (freight earnings) for imports.

A further interesting result is that resident earnings on passenger services, as a share of total passenger services earnings, was 54 per cent for the nine months to March 1987. The average in the three years to 1985-86 was 36 per cent. This increase in the percentage share of passenger services earnings by residents has occurred during a period when, for the first time since the early 1970's, the number of total Australian resident passenger movements (arrivals and departures) was lower than the number of total non-resident passenger movements. That is, for the nine months to March 1987, Australian resident passenger movements were 4 per cent lower than non-resident passenger movements. In contrast, for the three years to 1985-86, resident movements exceeded non-resident movements by 28 per cent.

It is expected that the June quarter 1987 issue of the new publication will be released later this month.

## SURVEY OF INTERNATIONAL TRAVEL ENTERPRISES - RESULTS FOR 1986/87

The ABS has conducted, for a number of years, a Survey of International Travel Enterprises (SITE). The most recent of these surveys was run in respect of the 1986-87 financial year. These surveys have been conducted to provide data for use in estimating travel debits in Australia's balance of payments accounts.

The 1986/87 SITE approached all institutions known to provide financial facilities to Australian residents who travelled abroad during the year. Such facilities included the issue of travellers' cheques and credit/debit cards, the sale of foreign currency notes and coin and the purchase of Australian currency notes and coin repatriated from abroad. The latest SITE was also conducted to coincide with the 1986/87 Travel Agency Services Survey (TASS), which was the first of its type conducted by the ABS. This latter survey formed part of the ABS Services Industries Surveys conducted for that year. The TASS ap-

proached all travel agents in Australia selling pre-paid packaged tours to Australian residents travelling abroad and the data collected will be used in conjunction with the SITE in estimating travel debits. In previous years, the SITE itself was used to cover this component of travel expenditure abroad by approaching a selection of large agents wholesaling such pre-paid tours.

Results from the 1986/87 SITE relating to institutions providing financial facilities have now been finalised and are shown, by component of expenditure, in the table below. As the 1986/87 TASS results are not yet available, a preliminary estimate of pre-paid packaged tours for that year has been made and is incorporated in the table for completeness. Results from the three previous SITE's are shown for comparison purposes, together with the percentage share which each expenditure category bears to gross expenditure.

### EXPENDITURE ABROAD AS DERIVED FROM THE SURVEY OF INTERNATIONAL TRAVEL ENTERPRISES

Component of expenditure	1981-82	% of gross	1983-84	% of gross	1985-86	% of gross	1986-87	% of gross
	\$Am		\$Am		\$Am		\$Am	
International pre-paid tours (a)	230	12.2	293	12.2	429	13.8	512(b)	14.4
Expenditure abroad using credit/debit cards	319	16.9	520	21.6	834	26.8	930	26.1
Sales of travellers' cheques in Australia for use abroad	1128	59.8	1336	55.6	1503	48.2	1722	48.3
Australian dollar notes and coins repatriated from abroad	111	5.9	136	5.7	160	5.1	171	4.8
Sales in Australia of foreign currency notes and coins	98	5.2	117	4.9	191	6.1	229	6.4
<b>Gross expenditure</b>	<b>1886</b>	<b>100.0</b>	<b>2402</b>	<b>100.0</b>	<b>3117</b>	<b>100.0</b>	<b>3564</b>	<b>100.0</b>
less repurchases of travellers' cheques and foreign currency by Australian institutions(c)	67		92		95		126	
<b>Expenditure Abroad</b>	<b>1819</b>		<b>2310</b>		<b>3022</b>		<b>3438</b>	

(a)Tours marketed by travel agents in Australia, excluding international airfares. (b)Estimated by extrapolating 1985-86 estimates. (c)Based on the ABS Survey of Non-Trade Foreign Receipts and Payments.

The above results suggest that Australian travellers used travellers' cheques for almost half of their gross expenditure in 1986/87. This was virtually the same proportion as for the previous year but much lower than for 1981-82. Most of this fall over the period has been taken up by a rise in expenditures abroad via credit/debit cards, together with a (smaller) rise in the proportion of expenditure via pre-paid packaged tours. The percentage of gross expenditure represented by the use of currency notes and coin (both Australian dollars and foreign currencies) was small and has remained virtually unchanged over the period.

As indicated earlier, the SITE results play an integral part in the estimation of the travel debits item. It should be noted, however, that these results overstate expenditure abroad by Australian travellers for a number of reasons. One reason is that the SITE includes expenditure abroad by Australian emigrants (and therefore no longer residents) using travellers' cheques and credit/debit cards is-

sued in Australia, as well as Australian and foreign currency notes and coin purchased here. It would also include other remittances abroad which are not for travel purposes.

The SITE results are therefore discounted to allow for such factors in the estimation of travel debits. An ABS household survey provided a benchmark figure of expenditure abroad by returned Australian travellers in respect of 1982-83. An adjustment based on the relationship in 1982-83 between the household survey results and the interpolated SITE results has been used to derive an estimate of travel debits for other survey years. The above table is based on the unadjusted SITE figures.

The preliminary SITE data available for 1986/87 have resulted in revisions to estimates of travel debits for that year as well as for 1985/86. These revisions were first incorporated in the January 1988 issue of the monthly balance of payments bulletin (5301.0) issued on 16 February and were described in that issue.

## FORTHCOMING CHANGES TO BALANCE OF PAYMENTS PUBLICATIONS

### REBASE OF CONSTANT PRICE ESTIMATES

Work on rebasing all ABS constant price estimates from average 1979-80 prices to average 1984-85 prices is currently underway. It was originally intended that estimates of exports and imports of goods and services at average 1984-85 prices would be presented in this issue. However, the introduction of the rebased estimates has now been deferred until later this year.

### NEW COMMODITY BREAKDOWNS OF MERCHANDISE

The introduction of the Harmonised Commodity Description and Coding System (HS) in foreign trade statistics from 1 January 1988 has provided an opportunity to review the merchandise commodity groups presented in balance of payments publications.

It was intended that the April 1988 monthly publication and the March quarter 1988 quarterly publication would introduce an improved commodity grouping of both exports and imports, with the new groups closely aligning with the chapters of the HS classification. A detailed statement outlining the new groupings was originally planned for inclusion this issue; however, the introduction of the new groups has now been deferred until later this year and it is likely that their introduction will coincide with the presentation of the rebased constant price es-

timates referred to above. A detailed statement on the new groupings will still be published prior to their introduction.

The HS contains differences in structure and definitions from the existing Australian Export Commodity Classification (AECC) and Australian Import Commodity Classification (AICC) on which the current commodity groups are based.

While the introduction of the HS will cause a break in the time series for export and import commodity groups, there will be no break in the time series for aggregate merchandise exports and imports (or for exogenous and endogenous imports) as these series are unaffected by the classification changes outlined above.

Although foreign trade statistics compiled from 1 January 1988 are based on the HS classification, the commodity details appearing in balance of payments publications for periods after January 1988 will continue to be shown under the existing commodity group headings. This is an interim arrangement only. When the new HS groups are introduced the commodity details for these periods will be presented in the new format. Historical estimates will also be presented in the new format, although the break in the commodity group series between December 1987 and January 1988 will continue to exist.

## EXPLANATORY NOTES

## Introduction

1. This publication contains detailed estimates of Australia's balance of payments for December quarter 1987. The estimates are generally consistent with those published earlier in *Balance of Payments, Australia, January 1988* (5301.0) and consistent with those published in *Foreign Investment, Australia, December quarter 1987* (5307.0). Longer term estimates, from September quarter 1959, consistent with those shown in this issue, will shortly be available in the publication *Balance of Payments, Australia - Historical Series on Microfiche* (5337.0) December quarter 1987.

2. Information about the classification and presentation of these estimates, and brief item descriptions, are provided in the Information Paper *Changes in the Presentation of Australian Balance of Payments Statistics* (5340.0) issued on 23 December 1985.

3. This publication contains four main tables and 16 supplementary tables. The main tables (Tables 1 to 4) provide summary statistics; they show the main aggregates and the more important components of the aggregates. The supplementary tables (Tables 5 to 20) provide additional breakdowns, related series (e.g. exchange rates and the trade-weighted index) and reconciliations of selected balance of payments series with other series (i.e. with foreign trade statistics and levels of official reserve assets).

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

5. The quarterly publication *International Transportation Services, Australia* (5350.0) provides additional information on freight and other transportation transactions.

## Scope of the balance of payments

6. The Australian *balance of payments* is a statistical statement designed to provide a systematic record of Australia's economic transactions with the rest of the world. The statement is divided into a current account and a capital account. Table 1 presents summary statistics covering both accounts.

## Recording of transactions

7. Despite its name, the balance of payments is not primarily concerned with "payments", but with "transactions". Transactions are recorded as either *debits* or *credits*. The following transactions are regarded as debits and identified by a minus sign: the acquisition of goods and services from non-residents, income payable to non-resi-

dents, unrequited transfers provided to non-residents, increases in foreign financial assets and decreases in foreign liabilities. Credits have no arithmetic sign and consist of these transactions: the provision of goods and services to non-residents, income receivable from non-residents, unrequited transfers received from non-residents, decreases in foreign financial assets and increases in foreign liabilities. These sign conventions apply in all tables except Tables 6, 11 and 20. In Table 6, the implicit price deflator for imports of goods and services is shown with no sign, while in Table 11, imports are shown with no sign. In Table 20, decreases in Australia's official reserve assets are shown with a minus sign and increases in these assets are shown with no arithmetic sign.

## Current account

8. The *current account* records transactions between Australian residents and non-residents in merchandise, other goods and services, income and unrequited transfers. Table 2 summarises the estimates of current account transactions, while Table 3 provides corresponding seasonally adjusted estimates.

## Merchandise (balance of payments basis)

9. *Merchandise* covers movable goods (with a few exceptions) which change ownership from residents to non-residents (exports) and from non-residents to residents (imports). The series are derived from foreign trade statistics which are adjusted for coverage, timing and (imports only) valuation to put them on a balance of payments basis. Table 11 provides details of the adjustments.

## Commodity breakdowns of merchandise

10. Commodity breakdowns of merchandise exports and imports are provided in Tables 7 (at current prices), 8 (at average 1979-80 prices), 9 (at current prices, seasonally adjusted) and 10 (at average 1979-80 prices, seasonally adjusted). The groupings shown consist of the following Australian Export Commodity Classification (AECC) and Australian Import Commodity Classification (AICC) divisions and/or sections:

<i>Exports</i>	<i>Section or Division of AECC</i>
Rural -	
Meat and meat preparations	01
Cereal grains and cereal preparations	04
Sugar, sugar preparations and honey	06
Wool and sheepskins	Parts of 21, 26 and 65
Other rural	00, 02, 03, 05, 07 to 09, 21 (part), 22 to 25, 26(part), 29, 4
Non-rural -	
Metal ores and minerals	27, 28
Mineral fuels -	
Coal, coke and briquettes	32
Other	33, 34
Metals and metal manufactures	67 to 69
Machinery and transport equipment	7

Other non-rural 1, 5, 61 to 64,65(part),  
66, 8, 9

<i>Imports</i>	<i>Section or Division of AICC</i>
Food, beverages and tobacco	0, 1
Fuels	3
Basic materials	2,4
Chemicals (incl plastics)	5
Textiles, fabrics, etc	65
Metals and metal manufactures	67 to 69
Machinery and transport equipment	7
Other imports	61 to 64, 66, 8, 9

11. In the preparation of this publication confidential 7-digit items of the AECC or AICC are included with items classified to section 9. The lists of items for which these adjustments have been made appear in footnotes to the main tables of *Exports, Australia: Monthly Summary Tables* (5432.0) and *Imports, Australia: Monthly Summary Tables* (5433.0).

#### Rural and non-rural exports

12. In defining "rural" exports largely in terms of *divisions* (2-digit level) of the AECC, many individual *items* (7-digit level) are classified differently from what might have been the case with a more detailed system. For example, canned fruit salad (AECC 058.99.47) is included in "rural", while cotton yarn (651.30.05) is not - both items might equally well have been classified to "rural" (on the basis of their origin), or to "non-rural" (due to the high proportion of value added during subsequent processing).

13. The terms "rural" and "non-rural" are therefore used in a broad sense and the limitations mentioned above should be borne in mind when the estimates are used for analytic purposes.

#### Exogenous and endogenous imports

14. *Exogenous imports* comprise a group of imported goods which it has been found useful to identify separately in economic analysis because the transactions in these goods are lumpy, subject to government arrangements or significantly affected by factors other than the general level of economic activity in Australia. Exogenous imports include fuels; ships, aircraft and certain other large items of equipment acquired by selected public and private sector trading enterprises; defence goods and certain other government goods. *Endogenous imports* comprise imports of all goods other than those regarded as exogenous.

15. Endogenous imports in Table 7 (at current prices), Table 8 (at average 1979-80 prices), Table 9 (at current prices, seasonally adjusted) and Table 10 (at average 1979-80 prices, seasonally adjusted) are classified into three classes - *consumption goods*, *capital goods* and *other goods* - according to the United Nations' classification by broad economic categories (BEC). *Other goods* covers the BEC class *intermediate goods* and the residual BEC category *goods not elsewhere specified*. The classes consist of the following BEC categories (excluding goods defined as exogenous):

#### Consumption goods

Food and beverages, primary, mainly for household consumption (112)  
Food and beverages, processed, mainly for household consumption (122)  
Passenger motor vehicles (51)  
Transport equipment, non-industrial (522)  
Consumer goods, not elsewhere specified (6)

#### Capital goods

Capital goods (except transport equipment) (41)  
Transport equipment, industrial (521)

#### Other goods

Food and beverages, primary, mainly for industry (111)  
Food and beverages, processed, mainly for industry (121)  
Industrial supplies not elsewhere specified (2)  
Parts and accessories of capital goods (except transport equipment) (42)  
Parts and accessories of transport equipment (53)  
Goods not elsewhere specified (7)

16. The BEC attempts to classify merchandise trade statistics for purposes of general economic analysis according to the main *end-use* of the commodities traded. It does not achieve complete alignment with the particular *end-use* to which articles are put in specific circumstances; for example some passenger motor cars, which are conventionally classified as consumption goods, and some parts and accessories of capital goods, which are conventionally classified as other goods, are in fact acquired as capital equipment.

#### Services

17. *Services* covers services rendered by Australian residents to non-residents (credits) and by non-residents to residents (debits), together with transactions in a few types of goods (eg goods purchased by travellers). Detailed estimates are shown in Table 12.

#### Income and unrequited transfers

18. *Income* covers income earned by Australian residents from non-residents (credits) or by non-residents from residents (debits). It includes investment income (eg dividends and interest), other property income (eg royalties) and labour income (eg wages and salaries). Tables 13 and 14 give detailed estimates.

19. *Unrequited transfers* covers the offsetting entries required by the double-entry system of accounting when resources (goods, services and financial assets) are provided, without something of economic value being received in return, by non-residents to Australian residents (offsetting credits required) and by residents to non-residents (offsetting debits required). It includes foreign aid, migrants' transfers, gifts, donations, pensions and taxes. Detailed estimates are provided in Table 15.

#### Capital account

20. The *capital account* records transactions in Australia's foreign financial assets and liabilities, including the creation and extinction of claims on or by the rest



of the world and a few specified other changes. Summary estimates for the capital account appear in Table 4.

#### Resident institutional sectors

21. Capital transactions, and some current transactions, are grouped into two broad institutional sectors called *official* and *non-official*, with the former split into *general government* and *Reserve Bank of Australia*. The general government sector comprises the transactions of the Commonwealth, the States, local government authorities and statutory bodies, but it excludes the transactions of public business enterprises. Details of general government and Reserve Bank capital transactions are given in Tables 16 and 17 respectively. The non-official sector covers transactions of all other resident entities including private and government owned banks, private and public business enterprises, and households. Estimates of the capital transactions of the non-official sector are detailed in Tables 18 and 19.

22. For some purposes, the non-official sector is dissected into a *public* component and *private* component. The public component consists of business (financial and trading) enterprises classified to the public sector. The private component comprises all other entities.

#### Foreign investment in Australia and Australian investment abroad

23. Broadly, *foreign investment in Australia* covers transactions which increase or decrease the liabilities of residents to non-residents and *Australian investment abroad* covers transactions which increase or decrease Australia's foreign financial assets.

#### Borrowing domiciled in Australia and borrowing domiciled abroad.

24. Within Tables 16, 18 and 19, the following definitions apply:

*Borrowing domiciled in Australia* includes both:

- Non-equity securities issued on Australian capital markets which, while generally targeted for Australian residents, are taken up by foreign residents. These securities are generally held through nominee enterprises and include all government and semi-government fixed interest tradeable securities, as well as certificates of deposit issued by banks, debentures, promissory notes and other issues by private enterprises. These securities are all tradeable.

- Non-tradeable deposits held by foreign residents with banks in Australia.

*Borrowing domiciled abroad* refers to all other forms of borrowing by Australian residents, ie borrowing on foreign capital markets. It includes equity securities (including Australian dollar Eurobond issues), mortgages and certificates of deposit issued abroad as well as non-securitised borrowing from foreign residents.

25. Within borrowing domiciled in Australia, *purchases* refer to both on-market purchases by foreign residents and the take-up by foreign residents of new issues. Likewise,

*sales* include both on-market sales by foreign residents and redemptions of issues held by foreign residents. Transactions in deposit accounts are measured on a net basis. This is because it is neither practical nor of significant analytical interest to show these transactions dissected into increases and decreases in accounts.

26. Within borrowing domiciled abroad, *drawings* refer to those transactions that increase borrowing liabilities; examples include the drawdown of a new borrowing, the issue of non-equity securities on foreign capital markets and the receipt of finance under finance lease arrangements. *Repayments* refer to those transactions that reduce liabilities; examples include the repayment of loans, the redemption of non-equity securities and finance lease payments (excluding the imputed interest component which is treated as an income item). Where a borrowing is "rolled-over", both the repayment of the old borrowing and the drawing of a new borrowing are recorded unless the rollover is an option within the original loan contract. If the rollover is an option, no drawings or repayments are recorded.

#### Official reserve assets

27. Changes in official reserve assets, after deducting valuation effects, are recorded in the Reserve Bank sector of the capital account and are detailed in Table 17. In accordance with the standard accounting conventions adopted for balance of payments recording outlined in paragraph 5, a decrease in these assets is recorded as a reduction in Australian investment abroad (ie a credit shown with no sign) and an increase in these assets is recorded as an increase in Australian investment abroad (ie a debit shown with a minus sign).

28. Table 20 shows levels of *official reserve assets*. Changes in the levels at the end of each period are dissected into those which are included in the balance of payments (ie those resulting from transactions and a few specified other changes), and those which are due to the effects of revaluations. In this table, decreases in official reserve assets are shown with a minus sign and increases are shown with no sign.

#### Balances

29. This publication presents a number of *balances*, eg balance on goods and services, balance on capital account. A balance is derived as the net sum of the credit and debit entries selected for inclusion.

#### Nature of constant price estimates

30. Estimates of exports and imports of goods and services at current and constant (average 1979-80) prices, both original and seasonally adjusted, are presented in Table 5. Commodity details of merchandise exports and imports at constant (average 1979-80) prices, original and seasonally adjusted, are presented in Tables 8 and 10, respectively.

31. A value at constant prices may be thought of as being derived by expressing the current price value of each component transaction as the product of a price and a quantity, and by substituting for each actual current price the corresponding price in the chosen base year. Aggregates at constant prices for each period are then ob-

tained by summing constant price values for individual transactions. In effect, quantities of the individual commodities involved in the transactions are combined using their prices in the base year as weights.

32. In practice, however, there are many transactions recorded in statistics of foreign trade for which it is not possible to apply such an approach. In such cases it is necessary to make assumptions and approximations (eg revaluing by means of the price index which is considered to be most closely related to the commodity involved). The published constant price estimates should be viewed in this light.

33. A fuller discussion of the methods used in estimating constant price values and the major approximations and assumptions, made in compiling constant price estimates appears in Chapter 4 of *Australian National Accounts: Concepts, Sources and Methods*, (5216.0).

#### Implicit price deflators and terms of trade

34. Implicit price deflators (IPDs) for exports and imports of goods and services and index numbers of the terms of trade are presented in Table 6.

35. An IPD is obtained by dividing a current price value by its corresponding constant price value. Thus IPDs are derived measures (hence the term implicit) and are not normally the direct measures of price change by which current price estimates are converted to estimates at constant prices. They take into account not only the changes in the prices of exports and imports but also the effects of the changes in composition of exports and imports on total recorded price movements.

36. A more detailed discussion of the nature of IPDs is presented in Appendix B of the publication *Australian National Accounts: Concepts, Sources and Methods* (5216.0).

37. There are several ways of measuring the terms of trade. A common means of doing so is by calculating an index of the form:

$$\frac{\text{Price index of exports}}{\text{Price index of imports}} \times 100$$

In this publication, the price indexes used in calculating the terms of trade index are the IPDs for exports and imports.

#### Seasonal adjustment

38. Most of the current account series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation. Therefore *seasonally adjusted estimates* are presented in Tables 3,5,9 and 10. In addition, the implicit price deflator and terms of trade data presented in Table 6 are based on seasonally adjusted data.

39. Seasonal adjustment may be carried out by various methods and the results may vary slightly according to the procedure adopted. Accordingly, seasonally adjusted statistics should not be regarded as in any way definitive. In interpreting particular seasonally adjusted statistics it is important, therefore, to bear in mind the methods by which they have been derived and the limitations to which

the methods used are subject. Details of the seasonal adjustment methods used are available on request.

40. For those items showing substantial irregular movement, particular care should be taken in interpreting quarter-to-quarter movements in the adjusted figures, as the short term movements cannot be assumed to indicate changes in *trend*.

41. In order to maintain an accounting identity, the seasonally adjusted balances (balance on merchandise trade, balance on goods and services and balance on current account) are derived by differencing independently adjusted series.

42. The seasonally adjusted statistics shown in this issue have been revised following a re-analysis which takes into account additional data that have become available since the last seasonal re-analysis.

43. The factors to be used in compiling seasonally adjusted estimates for certain series (principally components of merchandise trade and investment income) up to and including September quarter 1988 are available on request. To obtain the seasonal factors, users should contact Mr Dan Aherne on (062) 52 6689.

#### Exchange rates and the trade weighted index

44. Table 20 shows the exchange rates of the Australian dollar with four major currencies, the Special Drawing Right (SDR) and a trade-weighted index of the value of the Australian dollar. The series are all shown on an end-of-period and period-average basis.

45. The exchange rates shown are derived in respect of each trading day using rates provided by the Reserve Bank of Australia. The rate for the US dollar is a representative mid-point determined by the Reserve Bank on the basis of market quotations at 4pm Eastern Australian time. Rates for the other currencies are calculated by crossing the rate for the US dollar with the mid-points of closing buying and selling rates largely in Asian markets. The rates shown are indications of market value only and could differ from those quoted by Australian banks.

46. The value of the SDR is calculated by the International Monetary Fund (IMF) on the basis of a weighted basket of five currencies - the US dollar, West German mark, French franc, Japanese yen and pound sterling. The IMF publishes the value of the SDR each day in terms of US dollars; the latest available rate is crossed with the 4pm \$A/\$US rate.

47. The trade-weighted index (TWI) for each trading day is also provided by the Reserve Bank and is an index of the average value of the Australian dollar vis-a-vis currencies of Australia's trading partners. The index is calculated at 4pm on the basis of the representative rate for the US dollar and rates for other currencies, mainly from Asian markets.

48. The end-of-period rates relate to the last trading day of the reference period. The period averages are compiled by the ABS by averaging the trading day figures.

### Accuracy and reliability of estimates

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

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

### Comparability with capital expenditure statistics

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

- The imports series includes all goods defined as endogenous capital goods (see paragraphs 14 to 16 above), whereas the capital expenditure series relates only to goods classified as equipment, plant and machinery that are acquired by private enterprises in selected industries.
- The capital expenditure series includes all plant, machinery and equipment, irrespective of whether it has been imported or manufactured in Australia.
- Imports are valued f.o.b. at the point of export whereas estimates of capital expenditure are measured at domestic market prices, including international transport margins, government duties and domestic trade and transport margins.

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

### Series available on request

53. Detailed quarterly export and import series at constant (average 1979-80) prices can be obtained by contacting Mr Paul Nelson on Canberra (062) 52 6725. These series are based on foreign trade statistics (ie they are not adjusted to a balance of payments basis) and relate to selected divisions and sections of the AECC and AICC. Quarterly tables showing components of services can also be obtained from Mr Nelson. These tables provide original and seasonally adjusted current and constant price estimates, corresponding to the series shown (in original current price terms) in Table 12 of this publication. Both sets of estimates are working estimates only and may not always be completely consistent with published estimates.

### Related publications

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

*Balance of Payments Australia* (5301.0) - issued monthly

*Balance of Payments, Australia, Historical Series on Microfiche* (5337.0) - issued quarterly.

*Balance of Payments, Australia 1984-85* (5303.0)

*Balance of Payments, Australia - Regional Series on Microfiche 1984-85* (5338.0)

*International Transportation Services, Australia* (5350.0) - issued quarterly.

*Changes in the Presentation of Australian Balance of Payments Statistics* (5340.0) - published 23 December 1985

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

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

*Export Price Index, Australia* (6405.0) - issued monthly

*Import Price Index, Australia* (6414.0) - issued quarterly

*Foreign Investment, Australia 1985-86* (5305.0)

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

*Foreign Investment, Australia* (5306.0) - issued quarterly

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

### Electronic services

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

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

TELESTATS. This service provides foreign trade statistics tailored to users' requirements. Further information is available on (062) 52 5404.

**Symbols and other usages**

- na not available
- nya not yet available
- nei not elsewhere included
- nil or rounded to zero
- .. not applicable.

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

**IAN CASTLES**  
Australian Statistician

TABLE 1. BALANCE OF PAYMENTS

	MILLION												
	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
			SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	
<b>CURRENT TRANSACTIONS -</b>													
<b>GOODS AND SERVICES -</b>													
<b>MERCHANDISE (a) -</b>													
Exports fob	29212	32210	35422	8481	7963	8137	7629	8191	9205	8611	9415	9136	10364
Imports fob	-30093	-35622	-37192	-9298	-9150	-8611	-8563	-9625	-9536	-8835	-9196	-9789	-10437
<b>BALANCE ON MERCHANDISE TRADE SERVICES -</b>	-881	-3412	-1770	-817	-1187	-474	-934	-1434	-331	-224	219	-653	-73
Credits	4931	5742	6795	1263	1487	1529	1463	1476	1789	1830	1700	1772	2096
Debits	-8912	-9813	-10353	-2572	-2449	-2350	-2442	-2716	-2553	-2504	-2580	-2899	-2712
<b>NET SERVICES</b>	-3981	-4071	-3558	-1309	-962	-821	-979	-1240	-764	-674	-880	-1127	-616
<b>BALANCE ON GOODS AND SERVICES</b>	-4862	-7483	-5328	-2126	-2149	-1295	-1913	-2674	-1095	-898	-661	-1780	-689
<b>INCOME -</b>													
Credits	1855	2206	2761	568	599	551	488	663	574	689	835	681	740
Debits	-8408	-10232	-12212	-2226	-2559	-2738	-2709	-2612	-2912	-3256	-3432	-2825	-3270
<b>NET INCOME</b>	-6553	-8026	-9451	-1658	-1960	-2187	-2221	-1949	-2338	-2567	-2597	-2144	-2530
<b>UNREQUITED TRANSFERS -</b>													
Credits	2016	2532	3041	563	663	629	677	682	776	793	790	788	808
Debits	-1654	-1700	-1693	-343	-369	-473	-515	-358	-396	-468	-471	-355	-400
<b>NET UNREQUITED TRANSFERS</b>	362	832	1348	220	294	156	162	324	380	325	319	433	408
<b>BALANCE ON CURRENT ACCOUNT</b>	-11053	-14677	-13431	-3564	-3815	-3326	-3972	-4299	-3053	-3140	-2939	-3491	-2811
<b>NET CAPITAL TRANSACTIONS -</b>													
<b>OFFICIAL -</b>													
<b>GENERAL GOVERNMENT -</b>													
Foreign investment in Australia	4084	5639	6136	788	1425	3043	383	-392	2207	1679	2642	899	-1298
Australian investment abroad	-341	-213	-574	21	-104	78	-208	61	-254	4	-385	50	303
<b>Total</b>	3743	5426	5562	809	1322	3121	175	-331	1953	1683	2257	949	-995
<b>RESERVE BANK -</b>													
Foreign investment in Australia	-10	-16	18	-16	4	-20	16	-7	8	.	17	-1	-11
Australian investment abroad	1520	2140	-3394	786	1092	-479	741	2790	-4070	1566	-3680	-1856	3580
<b>Total</b>	1510	2124	-3376	770	1096	-499	757	2783	-4062	1566	-3663	-1857	3569
<b>TOTAL OFFICIAL</b>	5253	7550	2186	1579	2418	2622	932	2452	-2109	3249	-1406	-908	2574
<b>NON-OFFICIAL -</b>													
Foreign investment in Australia	10736	13343	15499	2679	2988	3945	3731	4184	4529	4075	2711	3732	2864
Australian investment abroad	-4570	-6711	-7454	-1200	-2201	-1445	-1865	-1929	-1965	-2120	-1440	-2548	-2045
<b>TOTAL NON-OFFICIAL</b>	6166	6632	8045	1479	787	2500	1866	2255	2564	1955	1271	1184	819
<b>BALANCE ON CAPITAL ACCOUNT</b>	11419	14182	10231	3058	3205	5122	2798	4707	455	5204	-135	276	3393
<b>BALANCING ITEM</b>	-366	495	3200	506	610	-1796	1174	-408	2598	-2064	3074	3215	-582

(a) Balance of payments basis

TABLE 2. BALANCE OF PAYMENTS - CURRENT ACCOUNT

\$ MILLION

	YEAR			QUARTERS ENDED										
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88				
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	
<b>CURRENT TRANSACTIONS -</b>														
<b>GOODS AND SERVICES -</b>														
<b>MERCHANDISE (a) -</b>														
Exports fob	29212	32210	35422	8481	7963	8137	7629	8191	9205	8611	9415	9136	10364	
Imports fob	-30093	-35622	-37192	-9298	-9150	-8611	-8563	-9625	-9536	-8835	-9196	-9789	-10437	
<b>BALANCE ON MERCHANDISE TRADE</b>	<b>-881</b>	<b>-3412</b>	<b>-1770</b>	<b>-817</b>	<b>-1187</b>	<b>-474</b>	<b>-934</b>	<b>-1434</b>	<b>-331</b>	<b>-224</b>	<b>219</b>	<b>-653</b>	<b>-73</b>	
<b>SERVICES -</b>														
<b>Credits -</b>														
Shipment	395	379	445	97	94	96	92	107	114	113	111	110	120	
Other transportation	2092	2480	2783	563	640	664	613	632	735	744	672	734	851	
Travel	1364	1702	2218	323	474	482	423	418	614	646	540	587	776	
Other services	1080	1181	1349	280	279	287	335	319	326	327	377	341	349	
<b>Total services credits</b>	<b>4931</b>	<b>5742</b>	<b>6795</b>	<b>1263</b>	<b>1487</b>	<b>1529</b>	<b>1463</b>	<b>1476</b>	<b>1789</b>	<b>1830</b>	<b>1700</b>	<b>1772</b>	<b>2096</b>	
<b>Debits -</b>														
Shipment	-2539	-2827	-2847	-753	-727	-668	-679	-768	-730	-675	-674	-725	-766	
Other transportation	-2092	-2232	-2126	-615	-562	-520	-535	-551	-519	-497	-559	-641	-525	
Travel	-2618	-2818	-3206	-749	-683	-667	-719	-915	-766	-757	-768	-969	-846	
Other services	-1663	-1936	-2174	-455	-477	-495	-509	-482	-538	-575	-579	-564	-575	
<b>Total services debits</b>	<b>-8912</b>	<b>-9813</b>	<b>-10353</b>	<b>-2572</b>	<b>-2449</b>	<b>-2350</b>	<b>-2442</b>	<b>-2716</b>	<b>-2553</b>	<b>-2504</b>	<b>-2580</b>	<b>-2899</b>	<b>-2712</b>	
<b>NET SERVICES</b>	<b>-3981</b>	<b>-4071</b>	<b>-3558</b>	<b>-1309</b>	<b>-962</b>	<b>-821</b>	<b>-979</b>	<b>-1240</b>	<b>-764</b>	<b>-674</b>	<b>-880</b>	<b>-1127</b>	<b>-616</b>	
<b>BALANCE ON GOODS AND SERVICES</b>	<b>-4862</b>	<b>-7483</b>	<b>-5328</b>	<b>-2126</b>	<b>-2149</b>	<b>-1295</b>	<b>-1913</b>	<b>-2674</b>	<b>-1095</b>	<b>-898</b>	<b>-661</b>	<b>-1780</b>	<b>-689</b>	
<b>INCOME -</b>														
<b>Credits -</b>														
<b>Property income -</b>														
Reinvested earnings (b)	315	638	1132	159	159	160	160	283	283	283	283	230	230	
Other (c)	1340	1393	1453	357	393	354	289	336	251	361	505	392	459	
Labour and other income	200	175	176	52	47	37	39	44	40	45	47	59	51	
<b>Total income credits</b>	<b>1855</b>	<b>2206</b>	<b>2761</b>	<b>568</b>	<b>599</b>	<b>551</b>	<b>488</b>	<b>663</b>	<b>574</b>	<b>689</b>	<b>835</b>	<b>681</b>	<b>740</b>	
<b>Debits -</b>														
<b>Property income -</b>														
Reinvested earnings (b)	-594	-888	-1240	-222	-222	-222	-222	-310	-310	-310	-310	-250	-250	
Other	-7657	-9182	-10776	-1966	-2289	-2476	-2451	-2264	-2555	-2887	-3070	-2516	-2949	
Labour and other income	-157	-162	-196	-38	-48	-40	-36	-38	-47	-59	-52	-59	-71	
<b>Total income debits</b>	<b>-8408</b>	<b>-10232</b>	<b>-12212</b>	<b>-2226</b>	<b>-2559</b>	<b>-2738</b>	<b>-2709</b>	<b>-2612</b>	<b>-2912</b>	<b>-3256</b>	<b>-3432</b>	<b>-2825</b>	<b>-3270</b>	
<b>NET INCOME</b>	<b>-6553</b>	<b>-8026</b>	<b>-9451</b>	<b>-1658</b>	<b>-1960</b>	<b>-2187</b>	<b>-2221</b>	<b>-1949</b>	<b>-2338</b>	<b>-2567</b>	<b>-2597</b>	<b>-2144</b>	<b>-2530</b>	
<b>UNREQUITED TRANSFERS -</b>														
<b>Credits</b>	<b>2016</b>	<b>2532</b>	<b>3041</b>	<b>563</b>	<b>663</b>	<b>629</b>	<b>677</b>	<b>682</b>	<b>776</b>	<b>793</b>	<b>790</b>	<b>788</b>	<b>808</b>	
<b>Debits (d)</b>	<b>-1654</b>	<b>-1700</b>	<b>-1693</b>	<b>-343</b>	<b>-369</b>	<b>-473</b>	<b>-515</b>	<b>-358</b>	<b>-396</b>	<b>-468</b>	<b>-471</b>	<b>-355</b>	<b>-400</b>	
<b>NET UNREQUITED TRANSFERS</b>	<b>362</b>	<b>832</b>	<b>1348</b>	<b>220</b>	<b>294</b>	<b>156</b>	<b>162</b>	<b>324</b>	<b>380</b>	<b>325</b>	<b>319</b>	<b>433</b>	<b>408</b>	
<b>BALANCE ON CURRENT ACCOUNT</b>	<b>-11053</b>	<b>-14677</b>	<b>-13431</b>	<b>-3564</b>	<b>-3815</b>	<b>-3326</b>	<b>-3972</b>	<b>-4299</b>	<b>-3053</b>	<b>-3140</b>	<b>-2939</b>	<b>-3491</b>	<b>-2811</b>	

(a) Balance of payments basis. (b) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication. (c) Up to and including June quarter 1985, this income is recorded after deducting withholding tax on both interest and dividends. From September quarter 1985 withholding tax is not deducted. (d) From September quarter 1985, includes withholding tax.

TABLE 3. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED

\$MILLION

	QUARTERS ENDED-									
	1985-86				1986-87				1987-88	
	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>CURRENT TRANSACTIONS -</b>										
<b>GOODS AND SERVICES -</b>										
<b>MERCHANDISE (a) -</b>										
Exports fob	8498	7951	8385	7378	8181	9123	9109	9122	9159	10243
Imports fob	-8836	-9044	-9128	-8654	-9144	-9385	-9370	-9296	-9303	-10257
<b>BALANCE ON MERCHANDISE TRADE</b>	<b>-338</b>	<b>-1093</b>	<b>-743</b>	<b>-1276</b>	<b>-963</b>	<b>-262</b>	<b>-261</b>	<b>-174</b>	<b>-144</b>	<b>-14</b>
<b>SERVICES -</b>										
<b>Credits -</b>										
Shipment	97	94	96	92	107	114	113	111	110	120
Other transportation	577	613	650	640	658	696	717	707	767	804
Travel	369	425	436	468	482	547	583	597	681	689
Other services	293	280	287	320	332	328	325	361	357	349
<b>Total services credits</b>	<b>1336</b>	<b>1412</b>	<b>1469</b>	<b>1520</b>	<b>1579</b>	<b>1685</b>	<b>1738</b>	<b>1776</b>	<b>1915</b>	<b>1962</b>
<b>Debits -</b>										
Shipment	-707	-723	-708	-690	-721	-724	-717	-684	-682	-757
Other transportation	-584	-579	-545	-526	-517	-538	-525	-549	-606	-543
Travel	-681	-699	-706	-739	-827	-784	-803	-790	-873	-868
Other services	-469	-491	-482	-490	-499	-553	-562	-559	-582	-591
<b>Total services debits</b>	<b>-2441</b>	<b>-2492</b>	<b>-2441</b>	<b>-2445</b>	<b>-2564</b>	<b>-2599</b>	<b>-2607</b>	<b>-2582</b>	<b>-2743</b>	<b>-2759</b>
<b>NET SERVICES</b>	<b>-1105</b>	<b>-1080</b>	<b>-972</b>	<b>-925</b>	<b>-985</b>	<b>-914</b>	<b>-869</b>	<b>-806</b>	<b>-828</b>	<b>-797</b>
<b>BALANCE ON GOODS AND SERVICES</b>	<b>-1443</b>	<b>-2173</b>	<b>-1715</b>	<b>-2201</b>	<b>-1948</b>	<b>-1176</b>	<b>-1130</b>	<b>-980</b>	<b>-972</b>	<b>-811</b>
<b>INCOME -</b>										
<b>Credits -</b>										
Property income -										
Reinvested earnings (b)	159	159	160	160	283	283	283	283	230	230
Other (c)	386	404	399	264	361	246	390	380	428	464
Labour and other income	48	48	39	40	40	41	47	48	54	52
<b>Total income credits</b>	<b>593</b>	<b>611</b>	<b>598</b>	<b>464</b>	<b>684</b>	<b>570</b>	<b>720</b>	<b>711</b>	<b>712</b>	<b>746</b>
<b>Debits -</b>										
Property income -										
Reinvested earnings (b)	-222	-222	-222	-222	-310	-310	-310	-310	-250	-250
Other	-2015	-2241	-2457	-2402	-2393	-2487	-2834	-2976	-2716	-2859
Labour and other income	-42	-45	-37	-38	-41	-45	-55	-55	-65	-67
<b>Total income debits</b>	<b>-2279</b>	<b>-2508</b>	<b>-2716</b>	<b>-2662</b>	<b>-2744</b>	<b>-2842</b>	<b>-3199</b>	<b>-3341</b>	<b>-3031</b>	<b>-3176</b>
<b>NET INCOME</b>	<b>-1686</b>	<b>-1897</b>	<b>-2118</b>	<b>-2198</b>	<b>-2060</b>	<b>-2272</b>	<b>-2479</b>	<b>-2630</b>	<b>-2319</b>	<b>-2430</b>
<b>UNREQUITED TRANSFERS -</b>										
<b>Credits</b>	<b>584</b>	<b>645</b>	<b>626</b>	<b>680</b>	<b>705</b>	<b>757</b>	<b>786</b>	<b>792</b>	<b>815</b>	<b>783</b>
<b>Debits (d)</b>	<b>-382</b>	<b>-402</b>	<b>-466</b>	<b>-427</b>	<b>-400</b>	<b>-427</b>	<b>-461</b>	<b>-407</b>	<b>-397</b>	<b>-433</b>
<b>NET UNREQUITED TRANSFERS</b>	<b>202</b>	<b>243</b>	<b>160</b>	<b>253</b>	<b>305</b>	<b>330</b>	<b>325</b>	<b>385</b>	<b>418</b>	<b>350</b>
<b>BALANCE ON CURRENT ACCOUNT</b>	<b>-2927</b>	<b>-3827</b>	<b>-3673</b>	<b>-4146</b>	<b>-3703</b>	<b>-3118</b>	<b>-3284</b>	<b>-3225</b>	<b>-2873</b>	<b>-2891</b>

(a) Balance of payments basis (b) See footnote (b) to Table 2. (c) See footnote (c) to Table 2. (d) See footnote (d) to Table 2.

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT

	MILLION												
	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86			1986-87			1987-88			
			SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	
<b>NET CAPITAL TRANSACTIONS -</b>													
<b>OFFICIAL -</b>													
<b>GENERAL GOVERNMENT -</b>													
Foreign investment in Australia													
Borrowing	4131	5609	6148	812	1390	3055	352	-373	2134	1707	2680	899	-1283
Other	-46	30	-12	-24	35	-12	31	-19	73	-28	-38	-	-15
<b>Total</b>	<b>4084</b>	<b>5639</b>	<b>6136</b>	<b>788</b>	<b>1425</b>	<b>3043</b>	<b>383</b>	<b>-392</b>	<b>2207</b>	<b>1679</b>	<b>2642</b>	<b>899</b>	<b>-1298</b>
Australian investment abroad	-341	-213	-574	21	-104	78	-208	61	-254	4	-385	50	303
<b>TOTAL</b>	<b>3743</b>	<b>5426</b>	<b>5562</b>	<b>809</b>	<b>1322</b>	<b>3121</b>	<b>175</b>	<b>-331</b>	<b>1953</b>	<b>1683</b>	<b>2257</b>	<b>949</b>	<b>-995</b>
<b>RESERVE BANK -</b>													
Foreign investment in Australia	-10	-16	18	-16	4	-20	16	-7	8	-	17	-1	-11
Australian investment abroad - Reserve assets	1520	2140	-3394	786	1092	-479	741	2790	-4070	1566	-3680	-1856	3580
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1520</b>	<b>2140</b>	<b>-3394</b>	<b>786</b>	<b>1092</b>	<b>-479</b>	<b>741</b>	<b>2790</b>	<b>-4070</b>	<b>1566</b>	<b>-3680</b>	<b>-1856</b>	<b>3580</b>
<b>TOTAL</b>	<b>1510</b>	<b>2124</b>	<b>-3376</b>	<b>770</b>	<b>1096</b>	<b>-499</b>	<b>757</b>	<b>2783</b>	<b>-4062</b>	<b>1566</b>	<b>-3663</b>	<b>-1857</b>	<b>3569</b>
<b>TOTAL OFFICIAL</b>	<b>5253</b>	<b>7550</b>	<b>2186</b>	<b>1579</b>	<b>2418</b>	<b>2622</b>	<b>932</b>	<b>2452</b>	<b>-2109</b>	<b>3249</b>	<b>-1406</b>	<b>-908</b>	<b>2574</b>
<b>NON-OFFICIAL -</b>													
<b>Foreign investment in Australia -</b>													
Direct investment (a) - Reinvestment of earnings	594	888	1240	222	222	222	222	310	310	310	310	250	250
Other	2043	2317	3533	370	555	-195	1587	-128	2427	100	1134	1085	754
Portfolio & other investment(a)	8099	10138	10726	2087	2211	3918	1922	4002	1792	3665	1267	2397	1860
<b>Total foreign investment in Australia</b>	<b>10736</b>	<b>13343</b>	<b>15499</b>	<b>2679</b>	<b>2988</b>	<b>3945</b>	<b>3731</b>	<b>4184</b>	<b>4529</b>	<b>4075</b>	<b>2711</b>	<b>3732</b>	<b>2864</b>
<b>Australian investment abroad -</b>													
Direct investment (a) - Reinvestment of earnings	-315	-638	-1132	-159	-159	-160	-160	-283	-283	-283	-283	-230	-230
Other	-1662	-2088	-2206	-570	-398	-296	-824	-704	-1160	-44	-298	-1231	-1549
Portfolio & other investment(a)	-2593	-3985	-4116	-471	-1644	-989	-881	-942	-522	-1793	-859	-1087	-266
<b>Total Australian investment abroad</b>	<b>-4570</b>	<b>-6711</b>	<b>-7454</b>	<b>-1200</b>	<b>-2201</b>	<b>-1445</b>	<b>-1865</b>	<b>-1929</b>	<b>-1965</b>	<b>-2120</b>	<b>-1440</b>	<b>-2548</b>	<b>-2045</b>
<b>TOTAL NON-OFFICIAL</b>	<b>6166</b>	<b>6632</b>	<b>8045</b>	<b>1479</b>	<b>787</b>	<b>2500</b>	<b>1866</b>	<b>2255</b>	<b>2564</b>	<b>1955</b>	<b>1271</b>	<b>1184</b>	<b>819</b>
<b>BALANCE ON CAPITAL ACCOUNT</b>	<b>11419</b>	<b>14182</b>	<b>10231</b>	<b>3058</b>	<b>3205</b>	<b>5122</b>	<b>2798</b>	<b>4707</b>	<b>455</b>	<b>5204</b>	<b>-135</b>	<b>276</b>	<b>3393</b>

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication.



TABLE 5. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES AT CURRENT AND AVERAGE 1979-80 PRICES - ORIGINAL AND SEASONALLY ADJUSTED

	SMILLION												
	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
AT CURRENT PRICES													
Merchandise exports fob	29212	32210	35422	8481	7963	8137	7629	8191	9205	8611	9415	9136	10364
Services, credits	4931	5742	6795	1263	1487	1529	1463	1476	1789	1830	1700	1772	2096
<b>TOTAL EXPORTS OF GOODS AND SERVICES</b>	<b>34143</b>	<b>37952</b>	<b>42217</b>	<b>9744</b>	<b>9450</b>	<b>9666</b>	<b>9092</b>	<b>9667</b>	<b>10994</b>	<b>10441</b>	<b>11115</b>	<b>10908</b>	<b>12460</b>
Merchandise imports fob	-30093	-35622	-37192	-9298	-9150	-8611	-8563	-9625	-9536	-8835	-9196	-9789	-10437
Services, debits	-8912	-9813	-10353	-2572	-2449	-2350	-2442	-2716	-2553	-2504	-2580	-2899	-2712
<b>TOTAL IMPORTS OF GOODS AND SERVICES</b>	<b>-39005</b>	<b>-45435</b>	<b>-47545</b>	<b>-11870</b>	<b>-11599</b>	<b>-10961</b>	<b>-11005</b>	<b>-12341</b>	<b>-12089</b>	<b>-11339</b>	<b>-11776</b>	<b>-12688</b>	<b>-13149</b>
AT AVERAGE 1979-80 PRICES													
Merchandise exports fob	22192	23606	25249	6112	5701	5939	5854	5825	6543	6130	6751	6425	6859
Services, credits	3459	3636	3945	838	947	945	906	876	1043	1046	980	1002	1150
<b>TOTAL EXPORTS OF GOODS AND SERVICES</b>	<b>25651</b>	<b>27242</b>	<b>29194</b>	<b>6950</b>	<b>6648</b>	<b>6884</b>	<b>6760</b>	<b>6701</b>	<b>7586</b>	<b>7176</b>	<b>7731</b>	<b>7427</b>	<b>8009</b>
Merchandise imports fob	-21718	-22088	-20991	-5951	-5689	-5172	-5276	-5513	-5333	-4949	-5196	-5574	-5893
Services, debits	-6546	-6254	-6070	-1682	-1539	-1481	-1552	-1574	-1508	-1449	-1539	-1720	-1563
<b>TOTAL IMPORTS OF GOODS AND SERVICES</b>	<b>-28264</b>	<b>-28342</b>	<b>-27061</b>	<b>-7633</b>	<b>-7228</b>	<b>-6653</b>	<b>-6828</b>	<b>-7087</b>	<b>-6841</b>	<b>-6398</b>	<b>-6735</b>	<b>-7294</b>	<b>-7456</b>
AT CURRENT PRICES - SEASONALLY ADJUSTED													
Merchandise exports fob	..	..	..	8498	7951	8385	7378	8181	9123	9109	9122	9159	10243
Services, credits	..	..	..	1336	1412	1469	1520	1579	1685	1738	1776	1915	1962
<b>TOTAL EXPORTS OF GOODS AND SERVICES</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>9834</b>	<b>9363</b>	<b>9854</b>	<b>8898</b>	<b>9760</b>	<b>10808</b>	<b>10847</b>	<b>10898</b>	<b>11074</b>	<b>12205</b>
Merchandise imports fob	..	..	..	-8836	-9044	-9128	-8654	-9144	-9385	-9370	-9296	-9303	-10257
Services, debits	..	..	..	-2441	-2492	-2441	-2445	-2564	-2599	-2607	-2582	-2743	-2759
<b>TOTAL IMPORTS OF GOODS AND SERVICES</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>-11277</b>	<b>-11536</b>	<b>-11569</b>	<b>-11099</b>	<b>-11708</b>	<b>-11984</b>	<b>-11977</b>	<b>-11878</b>	<b>-12046</b>	<b>-13016</b>
AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED													
Merchandise exports fob	..	..	..	6100	5729	6122	5657	5812	6529	6449	6538	6429	6818
Services, credits	..	..	..	876	905	913	938	924	992	1001	1018	1068	1086
<b>TOTAL EXPORTS OF GOODS AND SERVICES</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>6976</b>	<b>6634</b>	<b>7035</b>	<b>6595</b>	<b>6736</b>	<b>7521</b>	<b>7450</b>	<b>7556</b>	<b>7497</b>	<b>7904</b>
Merchandise imports fob	..	..	..	-5652	-5628	-5479	-5328	-5254	-5258	-5233	-5251	-5307	-5798
Services, debits	..	..	..	-1605	-1565	-1530	-1554	-1494	-1535	-1505	-1538	-1635	-1587
<b>TOTAL IMPORTS OF GOODS AND SERVICES</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>-7257</b>	<b>-7193</b>	<b>-7009</b>	<b>-6882</b>	<b>-6748</b>	<b>-6793</b>	<b>-6738</b>	<b>-6789</b>	<b>-6942</b>	<b>-7385</b>

**TABLE 6. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES - IMPLICIT PRICE DEFLATORS AND TERMS OF TRADE (1979-80 =100) (a)**

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>IMPLICIT PRICE DEFLATORS</b>													
Merchandise exports													
Rural exports fob	123.0	126.1	131.6	127.4	126.4	127.1	123.5	130.0	129.7	132.3	133.9	138.1	153.6
Non-rural exports fob	137.3	143.7	146.0	147.3	147.4	144.0	135.4	148.4	146.6	146.6	143.1	145.3	148.2
Total exports fob	131.6	136.4	140.3	139.3	138.8	137.0	130.4	140.8	139.7	141.2	139.5	142.5	150.2
Services, credits	142.6	157.9	172.2	152.5	156.0	160.9	162.0	170.9	169.9	173.6	174.5	179.3	180.7
<b>TOTAL EXPORTS OF GOODS &amp; SERVICES</b>	<b>133.1</b>	<b>139.3</b>	<b>144.6</b>	<b>141.0</b>	<b>141.1</b>	<b>140.1</b>	<b>134.9</b>	<b>144.9</b>	<b>143.7</b>	<b>145.6</b>	<b>144.2</b>	<b>147.7</b>	<b>154.4</b>
<b>Merchandise imports fob (b)</b>													
Exogenous imports fob	169.2	181.2	153.1	191.9	193.8	188.8	146.0	135.5	157.8	154.5	168.3	167.0	153.4
Endogenous imports fob	134.6	158.7	181.1	151.2	156.7	163.8	164.4	181.3	182.4	182.1	178.3	176.2	180.1
Total imports fob	138.6	161.3	177.2	156.3	160.7	166.6	162.4	174.0	178.5	179.1	177.0	175.3	176.9
Services, debits (b)	136.1	156.9	170.6	152.1	159.2	159.5	157.3	171.6	169.3	173.2	167.9	167.8	173.9
<b>TOTAL IMPORTS OF GOODS &amp; SERVICES</b>	<b>138.0</b>	<b>160.3</b>	<b>175.7</b>	<b>155.4</b>	<b>160.4</b>	<b>165.1</b>	<b>161.3</b>	<b>173.5</b>	<b>176.4</b>	<b>177.8</b>	<b>175.0</b>	<b>173.5</b>	<b>176.2</b>
<b>TERMS OF TRADE</b>													
Merchandise trade (c)	94.9	84.6	79.2	89.1	86.4	82.2	80.3	80.9	78.3	78.8	78.8	81.3	84.9
Services (d)	104.8	100.6	100.9	100.3	98.0	100.9	103.0	99.6	100.4	100.2	103.9	106.9	103.9
Goods and services (e)	96.4	86.9	82.3	90.7	88.0	84.9	83.6	83.5	81.5	81.9	82.4	85.1	87.6

(a) Quarterly figures are derived from seasonally adjusted data. (b) These entries carry the opposite sign to related entries in Tables 1,2,3,5,7,8,9,10 and 12. See paragraph 7 of the Explanatory Notes. (c) Derived by dividing the IPD for merchandise exports fob by the IPD for merchandise imports fob. (d) Derived by dividing the IPD for services, credits by the IPD for services, debits. (e) Derived by dividing the IPD for total exports of goods and services by the IPD for total imports of goods and services.

TABLE 7. MERCHANDISE (BALANCE OF PAYMENTS BASIS)

\$MILLION

	YEAR			QUARTERS ENDED										
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88		
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	
<b>EXPORTS FOB (a) -</b>														
<b>RURAL EXPORTS FOB -</b>														
Meat and meat preparations	1371	1699	2244	460	399	380	460	545	589	512	598	610	656	
Cereals and cereal preparations	3855	3880	2783	889	766	1276	949	689	718	649	727	628	596	
Sugar, sugar preps. and honey	615	646	708	164	159	122	201	214	165	157	172	193	161	
Wool and sheepskins	2573	3061	3888	634	780	914	733	671	943	1106	1168	906	1546	
Other (dairy produce, fruit etc.)	2426	2956	3506	785	734	702	735	867	891	806	942	969	929	
<b>TOTAL RURAL</b>	<b>10840</b>	<b>12242</b>	<b>13129</b>	<b>2932</b>	<b>2838</b>	<b>3394</b>	<b>3078</b>	<b>2986</b>	<b>3306</b>	<b>3230</b>	<b>3607</b>	<b>3306</b>	<b>3888</b>	
<b>NON-RURAL EXPORTS FOB -</b>														
Metal ores and minerals	4722	5005	4957	1413	1226	1122	1244	1307	1436	1041	1173	1269	1429	
Mineral fuels -														
Coal, coke and briquettes	4665	5240	5456	1323	1356	1332	1229	1388	1440	1273	1355	1140	1328	
Other	2360	2299	1515	756	755	613	175	241	425	415	434	411	540	
Metals and metal manufactures	2512	2718	3142	786	655	672	605	804	738	777	823	948	1026	
Machinery and transport equipment	1654	1613	2629	408	431	345	429	500	770	685	674	708	667	
Other	2459	3093	4594	863	702	659	869	965	1090	1190	1349	1354	1486	
<b>TOTAL NON-RURAL</b>	<b>18372</b>	<b>19968</b>	<b>22293</b>	<b>5549</b>	<b>5125</b>	<b>4743</b>	<b>4551</b>	<b>5205</b>	<b>5899</b>	<b>5381</b>	<b>5808</b>	<b>5830</b>	<b>6476</b>	
<b>TOTAL EXPORTS FOB</b>	<b>29212</b>	<b>32210</b>	<b>35422</b>	<b>8481</b>	<b>7963</b>	<b>8137</b>	<b>7629</b>	<b>8191</b>	<b>9205</b>	<b>8611</b>	<b>9415</b>	<b>9136</b>	<b>10364</b>	
<b>IMPORTS FOB (a) -</b>														
Food, beverages and tobacco	-1476	-1705	-1936	-402	-412	-427	-464	-451	-513	-535	-437	-481	-520	
Fuels	-2321	-1909	-1750	-621	-488	-490	-310	-424	-477	-421	-428	-412	-618	
Basic materials	-1052	-1109	-1178	-282	-276	-263	-288	-278	-274	-285	-341	-356	-313	
Chemicals (including plastics)	-2567	-3003	-3466	-763	-721	-739	-780	-829	-854	-845	-938	-991	-1033	
Textiles, fabrics etc	-1452	-1669	-1830	-431	-428	-380	-430	-474	-459	-424	-473	-512	-500	
Metals and metal manufactures	-1462	-1695	-1845	-422	-429	-409	-435	-497	-451	-424	-473	-564	-552	
Machinery and transport equipment	-12820	-16188	-15897	-4215	-4243	-3907	-3823	-4193	-4166	-3596	-3942	-3906	-4238	
Other	-6943	-8344	-9290	-2162	-2153	-1996	-2033	-2479	-2342	-2305	-2164	-2567	-2663	
<b>TOTAL IMPORTS FOB</b>	<b>-30093</b>	<b>-35622</b>	<b>-37192</b>	<b>-9298</b>	<b>-9150</b>	<b>-8611</b>	<b>-8563</b>	<b>-9625</b>	<b>-9536</b>	<b>-8835</b>	<b>-9196</b>	<b>-9789</b>	<b>-10437</b>	
Of which:														
Exogenous (b)	-4237	-4539	-4458	-1357	-1187	-1167	-828	-1122	-1326	-904	-1106	-877	-1072	
Endogenous (b)														
Consumption goods	-6918	-8123	-8296	-2173	-2169	-1872	-1909	-2235	-2188	-2040	-1833	-2245	-2446	
Capital goods	-6567	-8092	-8068	-2026	-2120	-1977	-1969	-2148	-2047	-1933	-1940	-1976	-2224	
Other goods	-12371	-14868	-16370	-3742	-3674	-3595	-3857	-4120	-3975	-3958	-4317	-4691	-4695	
<b>Total</b>	<b>-25856</b>	<b>-31083</b>	<b>-32734</b>	<b>-7941</b>	<b>-7963</b>	<b>-7444</b>	<b>-7735</b>	<b>-8503</b>	<b>-8210</b>	<b>-7931</b>	<b>-8090</b>	<b>-8912</b>	<b>-9365</b>	
<b>BALANCE ON MERCHANDISE TRADE</b>	<b>-881</b>	<b>-3412</b>	<b>-1770</b>	<b>-817</b>	<b>-1187</b>	<b>-474</b>	<b>-934</b>	<b>-1434</b>	<b>-331</b>	<b>-224</b>	<b>219</b>	<b>-653</b>	<b>-73</b>	

(a) For composition of component series, see paragraph 10 of the Explanatory Notes. (b) For definitions, see paragraphs 14, 15 and 16 of the Explanatory Notes.

TABLE 8. MERCHANDISE (BALANCE OF PAYMENTS BASIS) AT AVERAGE 1979-80 PRICES

\$ MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>EXPORTS FOB (a) -</b>													
<b>RURAL EXPORTS FOB -</b>													
Meat and meat preparations	1220	1457	1717	388	334	322	413	436	436	391	454	459	477
Cereals and cereal preparations	3028	3108	2721	668	615	1027	798	575	677	682	787	671	569
Sugar, sugar preps. and honey	815	854	834	240	216	156	242	234	201	185	214	239	226
Wool and sheepskins	1964	2161	2405	468	541	632	520	452	610	677	666	474	680
Other (dairy produce, fruit etc.)	1784	2129	2303	570	534	506	519	622	599	511	571	584	538
<b>TOTAL RURAL</b>	<b>8811</b>	<b>9709</b>	<b>9980</b>	<b>2334</b>	<b>2240</b>	<b>2643</b>	<b>2492</b>	<b>2319</b>	<b>2523</b>	<b>2446</b>	<b>2692</b>	<b>2427</b>	<b>2490</b>
<b>NON-RURAL EXPORTS FOB -</b>													
Metal ores and minerals	3244	3297	3276	902	784	741	870	798	966	693	819	843	951
Mineral fuels -													
Coal, coke and briquettes	3073	3214	3428	806	822	803	783	800	875	793	960	836	981
Other	1538	1509	1527	449	456	404	200	293	469	380	385	368	480
Metals and metal manufactures	2354	2485	2501	704	589	627	565	645	581	637	638	688	687
Machinery and transport equipment	1015	922	1345	236	253	195	238	265	386	346	348	353	306
Other	2157	2470	3192	681	557	526	706	705	743	835	909	910	964
<b>TOTAL NON-RURAL</b>	<b>13381</b>	<b>13897</b>	<b>15269</b>	<b>3778</b>	<b>3461</b>	<b>3296</b>	<b>3362</b>	<b>3506</b>	<b>4020</b>	<b>3684</b>	<b>4059</b>	<b>3998</b>	<b>4369</b>
<b>TOTAL EXPORTS FOB</b>	<b>22192</b>	<b>23606</b>	<b>25249</b>	<b>6112</b>	<b>5701</b>	<b>5939</b>	<b>5854</b>	<b>5825</b>	<b>6543</b>	<b>6130</b>	<b>6751</b>	<b>6425</b>	<b>6859</b>
<b>IMPORTS FOB (a) -</b>													
Food, beverages and tobacco	-1132	-1144	-1178	-281	-290	-280	-293	-276	-306	-320	-276	-318	-330
Fuels	-1409	-1260	-1717	-356	-287	-290	-327	-533	-470	-373	-341	-331	-496
Basic materials	-865	-820	-802	-211	-205	-192	-212	-198	-190	-185	-229	-237	-202
Chemicals (including plastics)	-1930	-1974	-2065	-517	-480	-472	-505	-490	-511	-500	-564	-598	-614
Textiles, fabrics etc	-1142	-1129	-1093	-303	-292	-250	-284	-277	-271	-255	-290	-309	-294
Metals and metal manufactures	-1100	-1088	-1069	-276	-277	-260	-275	-286	-258	-247	-278	-324	-312
Machinery and transport equipment	-9040	-9488	-7998	-2601	-2506	-2219	-2162	-2095	-2062	-1813	-2028	-2040	-2205
Other	-5100	-5185	-5069	-1406	-1352	-1209	-1218	-1358	-1265	-1256	-1190	-1417	-1440
<b>TOTAL IMPORTS FOB</b>	<b>-21718</b>	<b>-22088</b>	<b>-20991</b>	<b>-5951</b>	<b>-5689</b>	<b>-5172</b>	<b>-5276</b>	<b>-5513</b>	<b>-5333</b>	<b>-4949</b>	<b>-5196</b>	<b>-5574</b>	<b>-5893</b>
<b>Of which:</b>													
Exogenous (b)	-2504	-2505	-2911	-707	-613	-619	-566	-828	-841	-586	-656	-525	-699
Endogenous (b)													
Consumption goods	-5387	-5288	-4782	-1477	-1424	-1197	-1190	-1278	-1260	-1165	-1079	-1323	-1431
Capital goods	-4663	-4845	-4123	-1282	-1285	-1143	-1135	-1096	-1028	-985	-1014	-1051	-1167
Other goods	-9164	-9450	-9175	-2485	-2367	-2213	-2385	-2311	-2204	-2213	-2447	-2675	-2596
<b>Total</b>	<b>-19214</b>	<b>-19583</b>	<b>-18080</b>	<b>-5244</b>	<b>-5076</b>	<b>-4553</b>	<b>-4710</b>	<b>-4685</b>	<b>-4492</b>	<b>-4363</b>	<b>-4540</b>	<b>-5049</b>	<b>-5194</b>
<b>BALANCE ON MERCHANDISE TRADE</b>	<b>474</b>	<b>1518</b>	<b>4258</b>	<b>161</b>	<b>12</b>	<b>767</b>	<b>578</b>	<b>312</b>	<b>1210</b>	<b>1181</b>	<b>1555</b>	<b>851</b>	<b>966</b>

(a) See footnote (a) to Table 7. (b) See footnote (b) to Table 7.

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

\$MILLION

QUARTERS ENDED-

	1985-86				1986-87				1987-88	
	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>EXPORTS FOB (a) -</b>										
<b>RURAL EXPORTS FOB -</b>										
Meat and meat preparations	419	395	444	444	497	582	599	577	557	648
Cereals and cereal preparations	1021	909	1032	904	791	854	524	693	721	709
Sugar, sugar preps. and honey	134	165	170	183	176	171	216	157	159	168
Wool and sheepskins	813	775	801	682	864	933	974	1083	1170	1527
Other (dairy produce, fruit etc.)	733	744	789	699	808	903	903	902	901	941
<b>TOTAL RURAL</b>	<b>3120</b>	<b>2988</b>	<b>3236</b>	<b>2912</b>	<b>3136</b>	<b>3443</b>	<b>3216</b>	<b>3412</b>	<b>3508</b>	<b>3993</b>
<b>NON-RURAL EXPORTS FOB -</b>										
Metal ores and minerals	1326	1149	1317	1224	1231	1338	1226	1153	1199	1326
Mineral fuels -										
Coal, coke and briquettes	1331	1350	1369	1195	1409	1412	1317	1320	1159	1295
Other	774	701	625	180	251	390	425	443	434	489
Metals and metal manufactures	738	672	707	599	757	756	817	816	890	1053
Machinery and transport equipment	388	387	403	438	478	691	795	690	678	598
Other	821	704	728	830	919	1093	1313	1288	1291	1489
<b>TOTAL NON-RURAL</b>	<b>5378</b>	<b>4963</b>	<b>5149</b>	<b>4466</b>	<b>5045</b>	<b>5680</b>	<b>5893</b>	<b>5710</b>	<b>5651</b>	<b>6250</b>
<b>TOTAL EXPORTS FOB</b>	<b>8498</b>	<b>7951</b>	<b>8385</b>	<b>7378</b>	<b>8181</b>	<b>9123</b>	<b>9109</b>	<b>9122</b>	<b>9159</b>	<b>10243</b>
<b>IMPORTS FOB (a) -</b>										
Food, beverages and tobacco	-410	-403	-421	-471	-462	-500	-527	-443	-495	-506
Fuels	-623	-487	-486	-313	-425	-475	-418	-433	-412	-614
Basic materials	-263	-288	-283	-275	-262	-285	-306	-326	-336	-325
Chemicals (including plastics)	-734	-740	-776	-755	-798	-874	-889	-907	-955	-1055
Textiles, fabrics etc	-398	-420	-421	-432	-438	-451	-470	-474	-473	-491
Metals and metal manufactures	-397	-435	-432	-434	-468	-454	-449	-473	-531	-553
Machinery and transport equipment	-3996	-4151	-4243	-3820	-3986	-4042	-3922	-3944	-3716	-4096
Other	-2015	-2120	-2066	-2154	-2305	-2304	-2389	-2296	-2385	-2617
<b>TOTAL IMPORTS FOB</b>	<b>-8836</b>	<b>-9044</b>	<b>-9128</b>	<b>-8654</b>	<b>-9144</b>	<b>-9385</b>	<b>-9370</b>	<b>-9296</b>	<b>-9303</b>	<b>-10257</b>
<b>Of which:</b>										
Exogenous (b)	-1359	-1186	-1163	-831	-1123	-1324	-901	-1111	-877	-1068
Endogenous (b)										
Consumption goods	-2027	-2037	-1983	-2078	-2086	-2051	-2162	-1997	-2096	-2289
Capital goods	-1895	-2162	-2125	-1932	-2022	-2066	-2077	-1909	-1866	-2230
Other goods	-3555	-3659	-3857	-3813	-3913	-3944	-4230	-4279	-4464	-4670
<b>Total</b>	<b>-7477</b>	<b>-7858</b>	<b>-7965</b>	<b>-7823</b>	<b>-8021</b>	<b>-8061</b>	<b>-8469</b>	<b>-8185</b>	<b>-8426</b>	<b>-9189</b>
<b>BALANCE ON MERCHANDISE TRADE</b>	<b>-338</b>	<b>-1093</b>	<b>-743</b>	<b>-1276</b>	<b>-963</b>	<b>-262</b>	<b>-261</b>	<b>-174</b>	<b>-144</b>	<b>-14</b>

(a) See footnote (a) to Table 7. (b) See footnote (b) to Table 7.

**TABLE 10. MERCHANDISE (BALANCE OF PAYMENTS BASIS) - AT AVERAGE 1979-80 PRICES - SEASONALLY ADJUSTED** **\$MILLION**

	QUARTERS ENDED-									
	1985-86				1986-87				1987-88	
	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>EXPORTS FOB (a) -</b>										
<b>RURAL EXPORTS FOB -</b>										
Meat and meat preparations	353	331	376	399	398	431	457	438	419	471
Cereals and cereal preparations	767	730	831	760	660	805	551	750	770	677
Sugar, sugar preps. and honey	196	224	217	221	192	208	254	196	197	235
Wool and sheepskins	600	537	554	484	582	604	596	617	612	672
Other (dairy produce, fruit etc.)	533	541	569	494	580	607	572	547	543	545
<b>TOTAL RURAL</b>	<b>2449</b>	<b>2363</b>	<b>2547</b>	<b>2358</b>	<b>2412</b>	<b>2655</b>	<b>2430</b>	<b>2548</b>	<b>2541</b>	<b>2600</b>
<b>NON-RURAL EXPORTS FOB -</b>										
Metal ores and minerals	846	735	870	856	752	900	816	805	797	882
Mineral fuels -										
Coal, coke and briquettes	811	818	825	761	812	858	820	935	850	956
Other	460	423	412	206	305	430	390	393	389	434
Metals and metal manufactures	661	604	659	559	607	595	670	633	646	705
Machinery and transport equipment	225	227	228	243	253	346	401	356	338	275
Other	648	559	581	674	671	745	922	868	868	966
<b>TOTAL NON-RURAL</b>	<b>3651</b>	<b>3366</b>	<b>3575</b>	<b>3299</b>	<b>3400</b>	<b>3874</b>	<b>4019</b>	<b>3990</b>	<b>3888</b>	<b>4218</b>
<b>TOTAL EXPORTS FOB</b>	<b>6100</b>	<b>5729</b>	<b>6122</b>	<b>5657</b>	<b>5812</b>	<b>6529</b>	<b>6449</b>	<b>6538</b>	<b>6429</b>	<b>6818</b>
<b>IMPORTS FOB (a) -</b>										
Food, beverages and tobacco	-286	-284	-276	-297	-283	-298	-315	-280	-327	-321
Fuels	-357	-286	-287	-330	-534	-468	-370	-345	-331	-493
Basic materials	-197	-214	-207	-202	-186	-198	-199	-219	-224	-209
Chemicals (including plastics)	-497	-493	-495	-489	-472	-523	-526	-546	-576	-627
Textiles, fabrics etc	-280	-287	-277	-285	-256	-266	-282	-291	-286	-289
Metals and metal manufactures	-259	-281	-275	-274	-269	-260	-262	-278	-305	-313
Machinery and transport equipment	-2466	-2452	-2410	-2160	-1991	-2000	-1977	-2029	-1941	-2131
Other	-1310	-1331	-1252	-1291	-1263	-1245	-1302	-1263	-1317	-1415
<b>TOTAL IMPORTS FOB</b>	<b>-5652</b>	<b>-5628</b>	<b>-5479</b>	<b>-5328</b>	<b>-5254</b>	<b>-5258</b>	<b>-5233</b>	<b>-5251</b>	<b>-5307</b>	<b>-5798</b>
<b>Of which:</b>										
Exogenous (b)	-708	-612	-616	-569	-829	-839	-583	-660	-525	-696
Endogenous (b)										
Consumption goods	-1378	-1337	-1268	-1295	-1193	-1181	-1235	-1176	-1235	-1339
Capital goods	-1199	-1310	-1229	-1114	-1032	-1038	-1058	-998	-993	-1170
Other goods	-2367	-2369	-2366	-2350	-2200	-2200	-2357	-2417	-2554	-2593
<b>Total</b>	<b>-4944</b>	<b>-5016</b>	<b>-4863</b>	<b>-4759</b>	<b>-4425</b>	<b>-4419</b>	<b>-4650</b>	<b>-4591</b>	<b>-4782</b>	<b>-5102</b>
<b>BALANCE ON MERCHANDISE TRADE</b>	<b>448</b>	<b>101</b>	<b>643</b>	<b>329</b>	<b>558</b>	<b>1271</b>	<b>1216</b>	<b>1287</b>	<b>1122</b>	<b>1020</b>

(a) See footnote (a) to Table 7. (b) See footnote (b) to Table 7.

**TABLE 11. MERCHANDISE - FOREIGN TRADE STATISTICS ADJUSTED FOR BALANCE OF PAYMENTS PURPOSES** **\$MILLION**

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>EXPORTS -</b>													
Foreign trade statistics	29708	32795	35780	8636	8057	8338	7764	8314	9280	8741	9445	9176	10399
Adjustments -													
Coverage	-343	-486	-379	-128	-128	-133	-97	-94	-138	-163	16	-115	-27
Timing	-153	-99	21	-27	34	-68	-38	-29	63	33	-46	75	-8
Merchandise exports (balance of payments basis)	29212	32210	35422	8481	7963	8137	7629	8191	9205	8611	9415	9136	10364
<b>IMPORTS -</b>													
Foreign trade statistics	29050	34695	37022	9099	8652	8500	8444	9599	9174	9175	9074	9836	10421
Adjustments -													
Coverage	397	797	114	302	158	306	31	32	50	-70	102	-55	-75
Timing	615	106	60	-104	333	-204	81	-16	350	-291	17	2	97
Valuation	31	24	-4	1	7	9	7	10	-38	21	3	6	-6
Merchandise imports (balance of payments basis) (a)	30093	35622	37192	9298	9150	8611	8563	9625	9536	8835	9196	9789	10437

(a) These entries carry the opposite sign to corresponding entries in Tables 1,2,3,5,7,8,9 and 10. See paragraph 7 of the Explanatory Notes.

TABLE 12. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SERVICES

\$MILLION

	YEAR			QUARTERS ENDED										
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88		
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	
<b>CREDITS -</b>														
<b>Shipment -</b>														
Freight on exports	388	371	437	95	92	94	90	105	112	111	109	108	118	
Insurance on exports	7	8	8	2	2	2	2	2	2	2	2	2	2	
<b>Total</b>	<b>395</b>	<b>379</b>	<b>445</b>	<b>97</b>	<b>94</b>	<b>96</b>	<b>92</b>	<b>107</b>	<b>114</b>	<b>113</b>	<b>111</b>	<b>110</b>	<b>120</b>	
<b>Other transportation -</b>														
Passenger services	601	846	1197	159	220	255	212	239	330	359	269	293	392	
Port services etc	1491	1634	1586	404	420	409	401	393	405	385	403	441	459	
<b>Total</b>	<b>2092</b>	<b>2480</b>	<b>2783</b>	<b>563</b>	<b>640</b>	<b>664</b>	<b>613</b>	<b>632</b>	<b>735</b>	<b>744</b>	<b>672</b>	<b>734</b>	<b>851</b>	
<b>Travel</b>	<b>1364</b>	<b>1702</b>	<b>2218</b>	<b>323</b>	<b>474</b>	<b>482</b>	<b>423</b>	<b>418</b>	<b>614</b>	<b>646</b>	<b>540</b>	<b>587</b>	<b>776</b>	
<b>Other services -</b>														
Official	171	176	186	38	38	41	59	35	51	45	55	36	39	
Non-official -														
Expenditure of foreign govts	76	86	84	18	22	23	23	21	20	24	19	21	21	
Expenditure of foreign govt employees	48	53	63	13	13	13	14	16	16	15	16	16	17	
Expenditure of resident entity employees	113	112	135	25	35	28	24	23	32	43	37	40	53	
Insurance services nec	10	12	16	3	3	3	3	4	4	4	4	5	6	
Miscellaneous services	662	742	865	183	168	179	212	220	203	196	246	223	213	
<b>Total</b>	<b>909</b>	<b>1005</b>	<b>1163</b>	<b>242</b>	<b>241</b>	<b>246</b>	<b>276</b>	<b>284</b>	<b>275</b>	<b>282</b>	<b>322</b>	<b>305</b>	<b>310</b>	
<b>Total other services</b>	<b>1080</b>	<b>1181</b>	<b>1349</b>	<b>280</b>	<b>279</b>	<b>287</b>	<b>335</b>	<b>319</b>	<b>326</b>	<b>327</b>	<b>377</b>	<b>341</b>	<b>349</b>	
<b>TOTAL SERVICES CREDITS</b>	<b>4931</b>	<b>5742</b>	<b>6795</b>	<b>1263</b>	<b>1487</b>	<b>1529</b>	<b>1463</b>	<b>1476</b>	<b>1789</b>	<b>1830</b>	<b>1700</b>	<b>1772</b>	<b>2096</b>	
<b>DEBITS -</b>														
<b>Shipment -</b>														
Freight on imports	-2523	-2803	-2823	-747	-721	-662	-673	-762	-724	-669	-668	-719	-760	
Insurance on imports	-16	-24	-24	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6	
<b>Total</b>	<b>-2539</b>	<b>-2827</b>	<b>-2847</b>	<b>-753</b>	<b>-727</b>	<b>-668</b>	<b>-679</b>	<b>-768</b>	<b>-730</b>	<b>-675</b>	<b>-674</b>	<b>-725</b>	<b>-766</b>	
<b>Other transportation -</b>														
Passenger services	-1220	-1291	-1325	-351	-313	-300	-327	-356	-319	-291	-359	-396	-310	
Port services etc	-872	-941	-801	-264	-249	-220	-208	-195	-200	-206	-200	-245	-215	
<b>Total</b>	<b>-2092</b>	<b>-2232</b>	<b>-2126</b>	<b>-615</b>	<b>-562</b>	<b>-520</b>	<b>-535</b>	<b>-551</b>	<b>-519</b>	<b>-497</b>	<b>-559</b>	<b>-641</b>	<b>-525</b>	
<b>Travel</b>	<b>-2618</b>	<b>-2818</b>	<b>-3206</b>	<b>-749</b>	<b>-683</b>	<b>-667</b>	<b>-719</b>	<b>-915</b>	<b>-766</b>	<b>-757</b>	<b>-768</b>	<b>-969</b>	<b>-846</b>	
<b>Other services -</b>														
Official -														
Defence services	-73	-81	-95	-14	-15	-19	-33	-15	-21	-26	-33	-15	-18	
Financial services	-33	-50	-57	-4	-17	-20	-9	-14	-15	-14	-14	-7	-8	
Miscellaneous services	-162	-188	-210	-42	-42	-44	-60	-44	-55	-48	-63	-50	-49	
<b>Total</b>	<b>-268</b>	<b>-319</b>	<b>-362</b>	<b>-60</b>	<b>-74</b>	<b>-83</b>	<b>-102</b>	<b>-73</b>	<b>-91</b>	<b>-88</b>	<b>-110</b>	<b>-72</b>	<b>-75</b>	
Non-official -														
Expenditure of Aust govt employees	-99	-108	-119	-28	-29	-24	-27	-28	-30	-31	-30	-30	-31	
Expenditure of non-resident entity employees	-162	-133	-133	-42	-37	-26	-28	-33	-29	-34	-37	-47	-39	
Insurance services nec	-182	-250	-266	-62	-62	-63	-63	-66	-66	-67	-67	-72	-72	
Miscellaneous services	-952	-1126	-1294	-263	-275	-299	-289	-282	-322	-355	-335	-343	-358	
<b>Total</b>	<b>-1395</b>	<b>-1617</b>	<b>-1812</b>	<b>-395</b>	<b>-403</b>	<b>-412</b>	<b>-407</b>	<b>-409</b>	<b>-447</b>	<b>-487</b>	<b>-469</b>	<b>-492</b>	<b>-500</b>	
<b>Total other services</b>	<b>-1663</b>	<b>-1936</b>	<b>-2174</b>	<b>-455</b>	<b>-477</b>	<b>-495</b>	<b>-509</b>	<b>-482</b>	<b>-538</b>	<b>-575</b>	<b>-579</b>	<b>-564</b>	<b>-575</b>	
<b>TOTAL SERVICES DEBITS</b>	<b>-8912</b>	<b>-9813</b>	<b>-10353</b>	<b>-2572</b>	<b>-2449</b>	<b>-2350</b>	<b>-2442</b>	<b>-2716</b>	<b>-2553</b>	<b>-2504</b>	<b>-2580</b>	<b>-2899</b>	<b>-2712</b>	
<b>NET SERVICES</b>	<b>-3981</b>	<b>-4071</b>	<b>-3558</b>	<b>-1309</b>	<b>-962</b>	<b>-821</b>	<b>-979</b>	<b>-1240</b>	<b>-764</b>	<b>-674</b>	<b>-880</b>	<b>-1127</b>	<b>-616</b>	



TABLE 13. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME CREDITS

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>PROPERTY INCOME -</b>													
<b>Investment income -</b>													
Official -													
General government	24	37	43	10	10	10	7	11	8	12	12	9	11
Reserve Bank (a)	831	598	531	162	158	134	144	141	115	115	160	188	203
Total official	855	635	574	172	168	144	151	152	123	127	172	197	214
Non-official -													
Direct investment income(b)-													
Reinvested earnings	315	638	1132	159	159	160	160	283	283	283	283	230	230
Distributed earnings -													
Remitted profits	36	70	29	60	4	3	3	15	1	7	6	6	8
Dividends (c)	129	335	396	51	116	113	55	34	16	63	283	48	96
Interest (c)	-6	-68	-145	-7	2	-15	-48	-19	-27	-7	-92	-29	-34
Total	159	337	280	104	122	101	10	30	-10	63	197	25	70
Total direct investment income	474	975	1412	263	281	261	170	313	273	346	480	255	300
Portfolio and other investment income (b) (c) -													
Dividends	36	60	161	15	12	12	21	25	52	52	32	32	40
Interest	160	252	271	46	58	78	70	94	36	82	59	96	78
Total	196	312	432	61	70	90	91	119	88	134	91	128	118
Total non-official	670	1287	1844	324	351	351	261	432	361	480	571	383	418
Total investment income	1525	1922	2418	496	519	495	412	584	484	607	743	580	632
Other property income	130	109	167	20	33	19	37	35	50	37	45	42	57
<b>TOTAL PROPERTY INCOME</b>	1655	2031	2585	516	552	514	449	619	534	644	788	622	689
<b>LABOUR AND OTHER INCOME -</b>													
Labour income -													
Earnings in Australia	38	42	43	10	10	11	11	11	11	11	10	12	12
Earnings abroad	162	133	133	42	37	26	28	33	29	34	37	47	39
Total	200	175	176	52	47	37	39	44	40	45	47	59	51
Insurance income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LABOUR AND OTHER INCOME</b>	200	175	176	52	47	37	39	44	40	45	47	59	51
<b>TOTAL INCOME CREDITS</b>	1855	2206	2761	568	599	551	488	663	574	689	835	681	740

(a) Also includes interest/remuneration received from the IMF on behalf of the Commonwealth Government.(b) See footnote (b) to Table 2.(c) See footnote (c) to Table 2.

TABLE 14. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME DEBITS

\$MILLION

	YEAR			QUARTERS ENDED										
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88		
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	
<b>PROPERTY INCOME -</b>														
<b>Investment income -</b>														
<b>Official -</b>														
General government -														
Interest on borrowing domiciled abroad	-661	-1009	-1463	-224	-328	-246	-211	-365	-419	-356	-323	-340	-543	
Interest on borrowing domiciled in Australia	-270	-579	-941	-88	-105	-183	-203	-158	-195	-273	-315	-244	-269	
<b>Total</b>	-931	-1588	-2404	-312	-433	-429	-414	-523	-614	-629	-638	-584	-812	
Reserve Bank (a)	-32	-23	-22	-6	-6	-6	-5	-	-11	-6	-5	-5	-6	
<b>Total official</b>	-963	-1611	-2426	-318	-439	-435	-419	-523	-625	-635	-643	-589	-818	
<b>Non-official -</b>														
Direct investment income (b) -														
Reinvested earnings	-594	-888	-1240	-222	-222	-222	-222	-310	-310	-310	-310	-250	-250	
Distributed earnings -														
Remitted profits	-440	-185	-186	-37	-91	-31	-26	-44	-82	-42	-18	-6	-40	
Dividends	-645	-751	-578	-290	-224	-124	-113	-196	-156	-111	-115	-254	-195	
Interest	-516	-644	-632	-140	-200	-150	-154	-156	-165	-170	-141	-150	-191	
<b>Total</b>	-1601	-1580	-1396	-467	-515	-305	-293	-396	-403	-323	-274	-410	-426	
<b>Total direct investment income</b>	-2195	-2468	-2636	-689	-737	-527	-515	-706	-713	-633	-584	-660	-676	
Portfolio and other investment income (b) -														
Dividends	-532	-541	-999	-43	-103	-178	-217	-74	-125	-346	-454	-131	-195	
Interest -														
Public sector	-1229	-1673	-1842	-358	-320	-573	-422	-426	-408	-527	-481	-418	-394	
Private sector	-2643	-3148	-3445	-665	-779	-797	-907	-737	-824	-869	-1015	-830	-918	
<b>Total</b>	-3872	-4821	-5287	-1023	-1099	-1370	-1329	-1163	-1232	-1396	-1496	-1248	-1312	
<b>Total portfolio and other investment income</b>	-4404	-5362	-6286	-1066	-1202	-1548	-1546	-1237	-1357	-1742	-1950	-1379	-1507	
<b>Total non-official</b>	-6599	-7830	-8922	-1755	-1939	-2075	-2061	-1943	-2070	-2375	-2534	-2039	-2183	
<b>Total investment income</b>	-7562	-9441	-11348	-2073	-2378	-2510	-2480	-2466	-2695	-3010	-3177	-2628	-3001	
<b>Other property income -</b>														
Cinema and TV film royalties	-240	-250	-270	-42	-69	-75	-64	-46	-75	-81	-68	-48	-78	
Other	-449	-379	-398	-73	-64	-113	-129	-62	-95	-106	-135	-90	-120	
<b>Total</b>	-689	-629	-668	-115	-133	-188	-193	-108	-170	-187	-203	-138	-198	
<b>TOTAL PROPERTY INCOME</b>	-8251	-10070	-12016	-2188	-2511	-2698	-2673	-2574	-2865	-3197	-3380	-2766	-3199	
<b>LABOUR AND OTHER INCOME -</b>														
<b>Official</b>	-44	-50	-61	-13	-13	-12	-12	-15	-15	-16	-15	-19	-18	
<b>Non-official</b>														
Labour income	-113	-112	-135	-25	-35	-28	-24	-23	-32	-43	-37	-40	-53	
Insurance income	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total non-official</b>	-113	-112	-135	-25	-35	-28	-24	-23	-32	-43	-37	-40	-53	
<b>TOTAL LABOUR AND OTHER INCOME</b>	-157	-162	-196	-38	-48	-40	-36	-38	-47	-59	-52	-59	-71	
<b>TOTAL INCOME DEBITS</b>	-8408	-10232	-12212	-2226	-2559	-2738	-2709	-2612	-2912	-3256	-3432	-2825	-3270	

(a) Also includes interest /charges paid to the IMF on behalf of the Commonwealth Government. (b) See footnote (b) to Table 2.

TABLE 15. BALANCE OF PAYMENTS - CURRENT ACCOUNT - UNREQUITED TRANSFERS

\$MILLION

	YEAR			QUARTERS ENDED										
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88		
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	
<b>CREDITS -</b>														
Official	598	712	814	162	168	181	201	195	205	221	193	213	189	
Non-official -														
Migrants' transfers	1052	1348	1657	298	367	331	352	357	423	438	439	460	489	
Foreign government pensions	19	27	26	5	6	8	8	6	6	6	8	7	7	
Miscellaneous transfers	347	445	544	98	122	109	116	124	142	128	150	108	123	
<b>Total</b>	<b>1418</b>	<b>1820</b>	<b>2227</b>	<b>401</b>	<b>495</b>	<b>448</b>	<b>476</b>	<b>487</b>	<b>571</b>	<b>572</b>	<b>597</b>	<b>575</b>	<b>619</b>	
<b>TOTAL UNREQUITED TRANSFERS CREDITS</b>	<b>2016</b>	<b>2532</b>	<b>3041</b>	<b>563</b>	<b>663</b>	<b>629</b>	<b>677</b>	<b>682</b>	<b>776</b>	<b>793</b>	<b>790</b>	<b>788</b>	<b>808</b>	
<b>DEBITS -</b>														
Official -														
Foreign aid -														
Papua New Guinea aid	-330	-337	-348	-80	-85	-87	-85	-85	-90	-90	-83	-72	-80	
Other foreign aid	-462	-463	-395	-63	-69	-113	-218	-56	-70	-113	-156	-52	-76	
Total	-792	-800	-743	-143	-154	-200	-303	-141	-160	-203	-239	-124	-156	
Pensions	-95	-124	-136	-26	-27	-35	-36	-30	-31	-36	-39	-33	-34	
Miscellaneous transfers	-63	-56	-68	-8	-8	-34	-6	-6	-12	-44	-6	-7	-8	
<b>Total official</b>	<b>-950</b>	<b>-980</b>	<b>-947</b>	<b>-177</b>	<b>-189</b>	<b>-269</b>	<b>-345</b>	<b>-177</b>	<b>-203</b>	<b>-283</b>	<b>-284</b>	<b>-164</b>	<b>-198</b>	
Non-official (a) -														
Migrants' transfers	-296	-296	-306	-68	-74	-84	-70	-74	-81	-75	-76	-77	-84	
Withholding taxes	na	-16	-22	na	na	-4	-4	-5	-5	-6	-6	-7	-7	
Miscellaneous transfers	-408	-408	-418	-94	-102	-116	-96	-102	-107	-104	-105	-107	-111	
<b>Total non-official</b>	<b>-704</b>	<b>-720</b>	<b>-746</b>	<b>-166</b>	<b>-180</b>	<b>-204</b>	<b>-170</b>	<b>-181</b>	<b>-193</b>	<b>-185</b>	<b>-187</b>	<b>-191</b>	<b>-202</b>	
<b>TOTAL UNREQUITED TRANSFERS DEBITS</b>	<b>-1654</b>	<b>-1700</b>	<b>-1693</b>	<b>-343</b>	<b>-369</b>	<b>-473</b>	<b>-515</b>	<b>-358</b>	<b>-396</b>	<b>-468</b>	<b>-471</b>	<b>-355</b>	<b>-400</b>	
<b>NET UNREQUITED TRANSFERS</b>	<b>362</b>	<b>832</b>	<b>1348</b>	<b>220</b>	<b>294</b>	<b>156</b>	<b>162</b>	<b>324</b>	<b>380</b>	<b>325</b>	<b>319</b>	<b>433</b>	<b>408</b>	

(a) See footnote (d) to Table 2.

**TABLE 16. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF GENERAL GOVERNMENT** **\$MILLION**

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>FOREIGN INVESTMENT IN AUSTRALIA -</b>													
<b>BORROWING -</b>													
Domiciled abroad -													
Commonwealth Government -													
Drawings	1807	2876	3084	59	896	1519	402	442	1828	814	-	-	-
Repayments	-880	-1605	-2359	-156	-642	-440	-367	-959	-508	-637	-255	-423	-290
<b>Total</b>	<b>928</b>	<b>1271</b>	<b>725</b>	<b>-97</b>	<b>254</b>	<b>1079</b>	<b>35</b>	<b>-517</b>	<b>1320</b>	<b>177</b>	<b>-255</b>	<b>-423</b>	<b>-290</b>
State government -													
Drawings	1327	2098	2964	167	722	815	394	289	463	842	1370	1312	388
Repayments	-111	-637	-440	-	-80	-130	-427	-76	-154	-102	-108	-244	-514
<b>Total</b>	<b>1216</b>	<b>1461</b>	<b>2524</b>	<b>167</b>	<b>642</b>	<b>685</b>	<b>-33</b>	<b>213</b>	<b>309</b>	<b>740</b>	<b>1262</b>	<b>1068</b>	<b>-126</b>
<b>Total domiciled abroad</b>	<b>2144</b>	<b>2732</b>	<b>3249</b>	<b>70</b>	<b>896</b>	<b>1764</b>	<b>2</b>	<b>-304</b>	<b>1629</b>	<b>917</b>	<b>1007</b>	<b>645</b>	<b>-416</b>
Domiciled in Australia -													
Purchases by non - residents	3593	7363	12236	1239	1316	2633	2175	1629	1951	2849	5807	5325	3883
Sales by non - residents	-1606	-4486	-9337	-497	-822	-1342	-1825	-1698	-1446	-2059	-4134	-5071	-4750
<b>Total domiciled in Australia</b>	<b>1987</b>	<b>2877</b>	<b>2899</b>	<b>742</b>	<b>494</b>	<b>1291</b>	<b>350</b>	<b>-69</b>	<b>505</b>	<b>790</b>	<b>1673</b>	<b>254</b>	<b>-867</b>
<b>TOTAL BORROWING</b>	<b>4131</b>	<b>5609</b>	<b>6148</b>	<b>812</b>	<b>1390</b>	<b>3055</b>	<b>352</b>	<b>-373</b>	<b>2134</b>	<b>1707</b>	<b>2680</b>	<b>899</b>	<b>-1283</b>
<b>OTHER</b>	<b>-46</b>	<b>30</b>	<b>-12</b>	<b>-24</b>	<b>35</b>	<b>-12</b>	<b>31</b>	<b>-19</b>	<b>73</b>	<b>-28</b>	<b>-38</b>	<b>-</b>	<b>-15</b>
<b>TOTAL FOREIGN INVESTMENT IN AUSTRALIA</b>	<b>4084</b>	<b>5639</b>	<b>6136</b>	<b>788</b>	<b>1425</b>	<b>3043</b>	<b>383</b>	<b>-392</b>	<b>2207</b>	<b>1679</b>	<b>2642</b>	<b>899</b>	<b>-1298</b>
<b>AUSTRALIAN INVESTMENT ABROAD -</b>													
Lending	-73	-32	-167	-41	-74	130	-47	-26	28	-103	-66	-103	191
Accounts receivable/prepayments made	-213	-45	-313	62	43	-49	-101	87	-196	107	-311	154	115
Other	-55	-136	-94	-	-73	-3	-60	-	-86	-	-8	-1	-3
<b>TOTAL AUSTRALIAN INVESTMENT ABROAD</b>	<b>-341</b>	<b>-213</b>	<b>-574</b>	<b>21</b>	<b>-104</b>	<b>78</b>	<b>-208</b>	<b>61</b>	<b>-254</b>	<b>4</b>	<b>-385</b>	<b>50</b>	<b>303</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>3743</b>	<b>5426</b>	<b>5562</b>	<b>809</b>	<b>1322</b>	<b>3121</b>	<b>175</b>	<b>-331</b>	<b>1953</b>	<b>1683</b>	<b>2257</b>	<b>949</b>	<b>-995</b>

**TABLE 17. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE RESERVE BANK \$MILLION**

	YEAR			QUARTERS ENDED										
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88		
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	
<b>FOREIGN INVESTMENT IN AUSTRALIA -</b>														
Use of IMF credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-10	-16	18	-16	4	-20	16	-7	8	-	17	-1	-11	
<b>TOTAL FOREIGN INVESTMENT IN AUSTRALIA</b>	<b>-10</b>	<b>-16</b>	<b>18</b>	<b>-16</b>	<b>4</b>	<b>-20</b>	<b>16</b>	<b>-7</b>	<b>8</b>	<b>-</b>	<b>17</b>	<b>-1</b>	<b>-11</b>	
<b>AUSTRALIAN INVESTMENT ABROAD-</b>														
<b>RESERVE ASSETS -</b>														
<b>Official reserve assets -</b>														
Monetary gold	-	-	-	-	-	-	-	-	-	-	-	-	-	
SDRs	-124	-53	-4	-46	-17	5	5	-	-	5	-9	4	6	
Reserve position in IMF	-57	-4	-	-6	2	-	-	-	-	-	-	-	-	
Foreign exchange	1701	2197	-3390	838	1107	-484	736	2790	-4070	1561	-3671	-1860	3574	
<b>Total</b>	<b>1520</b>	<b>2140</b>	<b>-3394</b>	<b>786</b>	<b>1092</b>	<b>-479</b>	<b>741</b>	<b>2790</b>	<b>-4070</b>	<b>1566</b>	<b>-3680</b>	<b>-1856</b>	<b>3580</b>	
Allocation of SDRs	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL RESERVE ASSETS</b>	<b>1520</b>	<b>2140</b>	<b>-3394</b>	<b>786</b>	<b>1092</b>	<b>-479</b>	<b>741</b>	<b>2790</b>	<b>-4070</b>	<b>1566</b>	<b>-3680</b>	<b>-1856</b>	<b>3580</b>	
<b>OTHER</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL AUSTRALIAN INVESTMENT ABROAD</b>	<b>1520</b>	<b>2140</b>	<b>-3394</b>	<b>786</b>	<b>1092</b>	<b>-479</b>	<b>741</b>	<b>2790</b>	<b>-4070</b>	<b>1566</b>	<b>-3680</b>	<b>-1856</b>	<b>3580</b>	
<b>TOTAL RESERVE BANK</b>	<b>1510</b>	<b>2124</b>	<b>-3376</b>	<b>770</b>	<b>1096</b>	<b>-499</b>	<b>757</b>	<b>2783</b>	<b>-4062</b>	<b>1566</b>	<b>-3663</b>	<b>-1857</b>	<b>3569</b>	

TABLE 18. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>FOREIGN INVESTMENT IN AUSTRALIA -</b>													
<b>DIRECT INVESTMENT (a) -</b>													
Reinvestment of earnings	594	888	1240	222	222	222	222	310	310	310	310	250	250
Corporate equities	340	2053	1612	338	603	397	715	69	1328	-447	662	-237	558
Net equity in branches	99	-315	81	7	175	-708	211	-336	48	393	-24	538	25
Borrowing (b)	1174	275	2079	-12	-373	105	555	263	1166	437	213	566	-73
Other	430	304	-239	37	150	11	106	-124	-115	-283	283	218	244
<b>TOTAL DIRECT INVESTMENT</b>	<b>2637</b>	<b>3205</b>	<b>4773</b>	<b>592</b>	<b>777</b>	<b>27</b>	<b>1809</b>	<b>182</b>	<b>2737</b>	<b>410</b>	<b>1444</b>	<b>1335</b>	<b>1004</b>
<b>PORTFOLIO AND OTHER INVESTMENT(a)-</b>													
Corporate equities	464	172	3825	1	27	78	66	539	805	918	1563	1046	164
Borrowing (b)-													
Public sector	3118	1928	-98	-201	-6	1567	568	553	9	283	-943	390	-588
Private sector	4284	8070	6837	2285	2094	2258	1433	2686	1128	2625	398	1120	2000
Total	7402	9997	6739	2084	2087	3824	2002	3239	1137	2908	-545	1510	1412
Accounts payable/prepayments received -													
Public sector	57	-48	-141	-12	-16	-10	-10	-8	-11	-3	-119	-481	4
Private sector	176	17	303	14	113	26	-136	232	-139	-158	368	322	280
Total	233	-31	162	2	97	16	-146	224	-150	-161	249	-159	284
<b>TOTAL PORTFOLIO AND OTHER INVESTMENT</b>	<b>8099</b>	<b>10138</b>	<b>10726</b>	<b>2087</b>	<b>2211</b>	<b>3918</b>	<b>1922</b>	<b>4002</b>	<b>1792</b>	<b>3665</b>	<b>1267</b>	<b>2397</b>	<b>1860</b>
<b>TOTAL FOREIGN INVESTMENT IN AUSTRALIA</b>	<b>10736</b>	<b>13343</b>	<b>15499</b>	<b>2679</b>	<b>2988</b>	<b>3945</b>	<b>3731</b>	<b>4184</b>	<b>4529</b>	<b>4075</b>	<b>2711</b>	<b>3732</b>	<b>2864</b>
<b>AUSTRALIAN INVESTMENT ABROAD -</b>													
<b>DIRECT INVESTMENT -</b>													
Reinvestment of earnings	-315	-638	-1132	-159	-159	-160	-160	-283	-283	-283	-283	-230	-230
Corporate equities	-1841	-2103	-2263	47	-994	-397	-759	-187	-979	-398	-699	-508	-1794
Net equity in branches	-113	-281	-353	-38	-39	-15	-189	-138	-83	-15	-117	-21	-61
Lending (b)	298	270	508	-572	673	80	89	-352	-97	374	583	-702	302
Other	-6	26	-98	-7	-38	36	35	-27	-1	-5	-65	-	4
<b>TOTAL DIRECT INVESTMENT</b>	<b>-1977</b>	<b>-2726</b>	<b>-3338</b>	<b>-729</b>	<b>-557</b>	<b>-456</b>	<b>-984</b>	<b>-987</b>	<b>-1443</b>	<b>-327</b>	<b>-581</b>	<b>-1461</b>	<b>-1779</b>
<b>PORTFOLIO AND OTHER INVESTMENT(a)-</b>													
Corporate equities	-697	-2624	-3160	-319	-692	-945	-668	-514	-514	-822	-1310	-454	1977
Lending -													
Banks (b)	-25	-318	-2253	-95	-64	-74	-85	-516	-276	-1352	-109	344	344
Non-bank enterprises	-792	-943	1550	-20	-625	96	-394	226	288	464	572	-929	-2245
Total	-817	-1261	-703	-115	-689	22	-479	-290	12	-888	463	-585	-1901
Accounts receivable/prepayments made -													
Public sector	-634	-60	-10	-24	-39	-73	76	-117	46	-29	90	-	-52
Private sector	-445	-40	-243	-13	-224	7	190	-21	-66	-54	-102	-48	-290
Total	-1079	-100	-253	-37	-263	-66	266	-138	-20	-83	-12	-48	-342
<b>TOTAL PORTFOLIO AND OTHER INVESTMENT</b>	<b>-2593</b>	<b>-3985</b>	<b>-4116</b>	<b>-471</b>	<b>-1644</b>	<b>-989</b>	<b>-881</b>	<b>-942</b>	<b>-522</b>	<b>-1793</b>	<b>-859</b>	<b>-1087</b>	<b>-266</b>
<b>TOTAL AUSTRALIAN INVESTMENT ABROAD</b>	<b>-4570</b>	<b>-6711</b>	<b>-7454</b>	<b>-1200</b>	<b>-2201</b>	<b>-1445</b>	<b>-1865</b>	<b>-1929</b>	<b>-1965</b>	<b>-2120</b>	<b>-1440</b>	<b>-2548</b>	<b>-2045</b>
<b>TOTAL NON-OFFICIAL</b>	<b>6166</b>	<b>6632</b>	<b>8045</b>	<b>1479</b>	<b>787</b>	<b>2500</b>	<b>1866</b>	<b>2255</b>	<b>2564</b>	<b>1955</b>	<b>1271</b>	<b>1184</b>	<b>819</b>

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in the definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication. (b) A series break occurs for banks at 30 June 1986. See Appendix C, Part III of Foreign Investment, Australia, 1985-86 (5305.0) for details.

TABLE 19. NET BORROWING TRANSACTIONS OF THE NON-OFFICIAL SECTOR

\$MILLION

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>DIRECT INVESTMENT BORROWING (a)-</b>													
Domiciled abroad -													
Drawings	25207	38472	44548	12776	7543	7737	10416	15842	18574	6596	3536	10750	7393
Repayments	-24033	-38197	-42306	-12788	-7916	-7632	-9861	-15300	-17506	-6176	-3324	-10172	-7519
Total	1174	275	2242	-12	-373	105	555	542	1068	420	212	578	-126
Domiciled in Australia													
TOTAL DIRECT INVESTMENT BORROWING	1174	275	2079	-12	-373	105	555	263	1166	437	213	566	-73
<b>OTHER BORROWING (a)-</b>													
Domiciled abroad -													
Banks (b)-													
Drawings	9527	18090	22683	3315	4120	3313	7342	6319	4756	5888	5720	4707	5965
Repayments	-8119	-14292	-18897	-2265	-3932	-2160	-5935	-3557	-4353	-5250	-5737	-4531	-5653
Total	1408	3798	3786	1050	188	1153	1407	2762	403	638	-17	176	312
Non-bank enterprises -													
Drawings	32438	52868	73051	11056	12973	14811	14028	16072	18045	20511	18423	18019	18281
Repayments	-27145	-48011	-69724	-10242	-11194	-13041	-13534	-15011	-17437	-18035	-19241	-17021	-16867
Total	5293	4857	3327	814	1779	1770	494	1061	608	2476	-818	998	1414
Total domiciled abroad	6701	8655	7113	1864	1967	2923	1901	3823	1011	3114	-835	1174	1726
Domiciled in Australia -													
Banks (b)-													
Securities	64	600	-307	93	69	263	175	-196	-67	-191	147	20	-173
Deposits	211	-24	-57	29	-17	300	-336	-576	311	168	40	186	43
Total	275	576	-364	122	52	563	-161	-772	244	-23	187	206	-130
Non-bank enterprises													
Total domiciled in Australia	701	1342	-374	220	120	901	101	-584	126	-206	290	336	-314
of which -													
Public sector securities	435	385	215	54	38	170	123	-238	-69	309	213	96	-169
TOTAL OTHER BORROWING	7402	9997	6739	2084	2087	3824	2002	3239	1137	2908	-545	1510	1412
TOTAL BORROWING (c)	8576	10272	8818	2072	1714	3929	2557	3502	2303	3345	-332	2076	1339

(a) From September quarter 1985, the entries are not strictly comparable with entries for previous periods because of the change in definition of direct investment. See Appendix B to the December quarter 1985 issue of this publication. (b) A series break occurs for banks at 30 June 1986. See Appendix C, Part III of Foreign Investment, Australia, 1985-86 (5305.0) for details. (c) Corresponds to the sum of direct investment borrowing and total portfolio and other investment borrowing in Table 18.

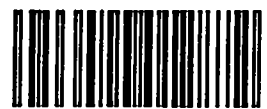
**TABLE 20. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES**

	YEAR			QUARTERS ENDED									
	1984-85	1985-86	1986-87	1985-86				1986-87				1987-88	
				SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC
<b>OFFICIAL RESERVE ASSETS</b>													
<b>(\$ MILLION) -</b>													
Levels at end of year/month	13517(b)	13024	17594	12505	12216	12811	13024	12615	15561	13866	17594	19557	17430
Changes in levels	(c)	-493	4570	-1012	-289	595	213	-409	2946	-1695	3728	1963	-2127
Of which -													
Changes due to effects of revaluations	(c)	1647	1176	-226	803	116	954	2381	-1124	-129	48	107	1453
Changes included in the balance of payments (a)	-1520	-2140	3394	-786	-1092	479	-741	-2790	4070	-1566	3680	1856	-3580
<b>EXCHANGE RATES -</b>													
<b>UNITS OF FOREIGN CURRENCY PER \$A -</b>													
<b>END OF YEAR/QUARTER (d) -</b>													
United States dollar	0.6655	0.6772	0.7203	0.7077	0.6809	0.7119	0.6772	0.6274	0.6648	0.7053	0.7203	0.7194	0.7225
United Kingdom pound	0.5136	0.4414	0.4494	0.5042	0.4732	0.4823	0.4414	0.4360	0.4525	0.4379	0.4494	0.4420	0.3857
West German mark	2.030	1.485	1.319	1.891	1.672	1.659	1.485	1.267	1.295	1.269	1.319	1.324	1.143
Japanese yen	165.68	110.96	105.79	152.97	136.49	128.09	110.96	96.34	106.37	102.85	105.79	105.54	88.22
Special drawing right	0.6668	0.5781	0.5634	0.6686	0.6214	0.6284	0.5781	0.5182	0.5448	0.5486	0.5634	0.5626	0.5137
<b>PERIOD AVERAGE (e) -</b>													
United States dollar	0.7754	0.6999	0.6636	0.6979	0.6874	0.7014	0.7130	0.6217	0.6475	0.6712	0.7142	0.7143	0.7038
United Kingdom pound	0.6360	0.4866	0.4352	0.5076	0.4789	0.4871	0.4727	0.4175	0.4527	0.4357	0.4350	0.4415	0.4020
West German mark	2.381	1.753	1.280	1.988	1.777	1.646	1.602	1.298	1.299	1.235	1.290	1.313	1.201
Japanese yen	193.12	140.48	101.37	166.53	142.43	131.73	121.27	96.99	103.93	102.83	101.83	104.96	95.53
Special drawing right	0.7821	0.6387	0.5345	0.6794	0.6376	0.6235	0.6141	0.5170	0.5369	0.5323	0.5518	0.5594	0.5256
<b>TRADE-WEIGHTED INDEX OF VALUE OF THE AUSTRALIAN DOLLAR (MAY 1970 = 100)</b>													
End of year/quarter (d)	65.0	56.3	56.6	64.8	60.7	61.1	56.3	51.9	55.0	55.4	56.6	56.2	52.0
Period average (e)	75.5	62.3	53.8	66.3	61.9	60.9	60.0	51.4	54.1	54.0	55.6	56.1	53.0

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 4. See paragraph 7 of the Explanatory Notes. (b) From September 1984, figures for official reserve assets are not fully comparable with earlier data due to changes in the Reserve Bank's accounting procedures. (c) Not available. See footnote (v). (d) These exchange rates and index numbers relate to the last trading day of the reference period. (e) These exchange rates and index numbers are derived by averaging figures for each trading day.



**Recommended retail price: \$7.50**



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