

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARY

DECEMBER QUARTER 1969

This statement contains estimates of Australia's balance of payments for the December quarter 1969 together with revised estimates for previous quarters and financial years. Quarterly estimates are available only in summary form and are preliminary and subject to revision. More detailed estimates are published half-yearly in the mimeographed bulletin "Balance of Payments" (Reference No. 8.1).

Preliminary estimates of the balance of payments for the December quarter 1969 show a current account deficit of \$231 million, a net apparent capital inflow of \$166 million and unfavourable net official monetary movements of \$65 million. This represents a less favourable overall result than that achieved during the corresponding quarter of 1968. Although the current account balance for the quarter just ended showed a small improvement, this was more than offset by a substantial decline in the net apparent capital inflow. As a result the unfavourable net official monetary movement of \$65 million during the December quarter 1969 contrasts sharply with the favourable net movement of \$79 million during the December quarter of the previous year.

The current account deficit of \$231 million for the December quarter 1969 was \$11 million lower than the deficit for the same quarter of 1968. In both periods there was a surplus in the balance of trade, \$84 million for the December quarter 1969, which was \$62 million greater than the trade surplus for the December quarter 1968. Comparing the two quarters further, the value of exports (on a balance of payments basis) during the December quarter of 1969 rose by \$152 million (18.4 per cent) to a record total of \$978 million, while the value of imports (balance of payments basis) rose by \$90 million, (11.2 per cent) to \$894 million. Notable increases occurred in the value of exports of ores and concentrates, machinery and transport equipment, non-ferrous metals, coal and coke, meats, and wheat and flour, and together these much more than offset some falling off in the value of exports of wool, sheepskins and fruits. Of the major groups of imports there was a fall in the value of imports of munitions and war stores but most other classes of imports increased in value, the most significant increases being in transport equipment, finished consumer goods and non-farm producers' equipment.

Current account invisible transactions during the December quarter 1969 resulted in a net deficit of \$315 million, \$51 million (19.3 per cent) greater than the deficit on invisibles for the preceding December quarter. Most items showed some growth, total credits rising by \$40 million (16.9 per cent) to \$277 million and total debits by \$91 million (18.2 per cent) to \$592 million. The categories largely responsible for these increases were, on the credit side, receipts for transportation services (up \$15 million, or 15.5 per cent), travel (up \$8 million, 30.8 per cent) and property income receivable from overseas (also up by \$15 million, or 51.7 per cent), while on the debit side transportation payments to non-residents rose by \$26 million (15.8 per cent), property income payable overseas increased by \$28 million (14.9 per cent) and transfer payments rose by \$17 million (24.6 per cent).

Reference No. 8.2

BALANCE OF PAYMENTS - DECEMBER QUARTER 1966 TO DECEMBER QUARTER 1969 AND YEARS 1964-65 TO 1968-69

\$ million

	Year ended June -					Quarters ended -													
	1965	1966	1967	1968	1969	1966-67			1967-68			1968-69			1969-70				
						Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	
CURRENT ACCOUNT (a) -																			
Exports f.o.b. (b)	2,574	2,626	2,926	2,941	3,217	704	740	790	715	759	693	774	742	826	793	856	961	978	
Imports f.o.b. (b)	2,739	2,822	2,837	3,159	3,203	666	734	737	770	741	834	814	844	804	741	814	902	894	
Balance of trade	-165	-196	89	-218	14	38	6	53	-55	18	-141	-40	-102	22	52	42	59	84	
Invisible credits -																			
Gold production	27	25	24	22	20	6	5	6	5	5	5	7	6	5	4	5	4	4	
Transportation	279	295	312	359	390	72	84	83	86	90	90	93	92	97	99	102	106	112	
Travel	54	58	69	88	108	17	19	18	18	21	26	23	25	26	28	29	30	34	
Government	59	77	83	76	80	20	21	22	17	15	22	22	18	19	22	21	20	19	
Miscellaneous	55	56	55	69	75	12	14	16	16	16	21	16	16	18	21	20	19	20	
Property income	119	113	123	129	148	27	35	26	31	26	34	38	36	29	42	41	33	44	
Transfers	115	122	134	154	164	32	31	37	36	38	46	34	41	43	38	42	43	44	
Invisible debits -																			
Transportation	488	520	544	636	679	138	138	140	149	160	173	154	168	165	176	170	172	191	
Travel	114	122	133	140	150	25	33	46	33	27	34	46	35	27	35	53	41	32	
Government	53	62	81	95	111	19	19	28	19	22	27	27	23	26	30	32	26	32	
Miscellaneous	86	97	98	97	104	23	24	26	23	26	25	23	23	26	31	24	29	35	
Property income -																			
Investment income	359	378	408	537	657	96	97	115	114	148	120	155	153	171	152	181	180	197	
Other	46	50	56	64	63	14	15	12	13	16	18	17	17	17	13	16	18	19	
Transfers -																			
Government	107	127	151	154	159	38	42	39	41	43	33	37	36	46	31	46	42	58	
Other	66	74	79	84	90	19	21	22	22	21	21	20	21	23	22	24	27	28	
Balance on current account	-776	-880	-661	-1,128	-1,014	-148	-174	-167	-260	-234	-348	-286	-344	-242	-184	-244	-221	-231	
CAPITAL INFLOW (a) -																			
Overseas investment in Australia -																			
Government securities -																			
Domiciled overseas	-20	-25	24	134	138	20	28	45	8	64	11	51	86	1	72	-21	-68	-11	
Domiciled in Australia	-5	-	-2	14	5	-1	-1	..	6	2	2	4	..	1	1	3	4	..	
Total government securities	-25	-26	22	148	143	19	27	45	14	66	13	55	86	2	73	-18	-64	-11	
Companies -																			
Undistributed income	119	121	115	230	295	29	28	29	58	57	58	57	73	74	74	74	84	*	
Other direct	415	352	219	303	305	52	57	82	54	64	26	159	38	86	47	134	11	*	
Portfolio investment and institutional loans	42	207	175	416	367	30	30	69	70	79	126	141	96	104	121	46	17	*	
Total companies (c)	576	680	509	949	967	111	115	180	182	200	210	357	207	264	242	254	112	*	
Total overseas investment in Aust. (c)	551	654	531	1,097	1,110	130	142	225	196	266	223	412	293	266	315	236	48	*	
Australian investment overseas (c)	-16	-27	-27	-39	-57	-5	-10	-11	-13	-11	-9	-6	-11	-21	-6	-19	-17	*	
Other government capital movements	-23	40	-52	-60	-67	-32	15	-33	-55	47	-10	-42	-40	3	-20	-10	-26	12	
Marketing authorities	-61	34	-74	33	27	-5	-46	-41	31	-7	14	-5	8	15	15	-11	..	-20	
Non-official monetary transactions	17	10	13	46	-7	4	3	2	6	12	5	23	-6	3	..	-4	6	-9	
Net identified capital inflow	468	711	391	1,077	1,006	92	104	142	165	307	223	382	244	266	304	192	11	(d) -28	
Balancing item	12	228	150	132	162	14	16	57	37	-1	161	-65	41	55	9	57	48	(e) 194	
Net apparent capital inflow	480	939	541	1,209	1,168	106	120	199	202	306	384	317	285	321	313	249	59	166	
OFFICIAL MONETARY MOVEMENTS (a) -																			
Change in net I.M.F. position	22	40	26	71	-45	..	19	7	-3	8	12	54	2	-23	-18	-6	17	12	
Change in international reserves	-318	19	-176	(f)10	214	-42	-74	25	-55	(f)64	24	-23	-56	106	147	17	-179	-72	
Other	..	..	30	..	-15	..	1	..	..	..	..	..	-5	-4	..	-6	..	-5
Net official monetary movements	-296	59	-120	81	154	-42	-54	32	-58	72	36	31	-59	79	129	5	-162	-65	

(a) For current account balances minus sign (-) denotes deficit; for capital inflow minus sign (-) denotes outflow; for official monetary movements minus sign (-) denotes decrease in international reserves or net I.M.F. position or an increase in net liabilities of the Reserve Bank to foreign central banks. (b) Recorded trade figures adjusted in respect of coverage and valuation for balance of payments purposes. (c) Particulars of the Survey of Overseas Investment are not available for the December quarter 1969 and for this period the items marked (*) are included with the balancing item. (d) Excludes items marked (*). (e) Includes items marked (*). (f) Excludes a reduction of \$113 million in the Australian dollar equivalent during November 1967 due to the devaluation of the pound Sterling and a number of other currencies held as part of Australia's international reserves.

Full details of the composition of net apparent capital inflow during the December quarter 1969 are not yet available. In total, the net apparent capital inflow of \$166 million in the quarter just ended was \$155 million lower than the apparent inflow of \$321 million during the corresponding quarter of 1968. Of this decline of \$155 million, \$51 million can be accounted for by transactions which have been identified. Government capital transactions (overseas investment in government securities plus other government capital movements) during both quarters resulted in small net inflows of capital (\$5 million in December quarter 1968, \$1 million in December quarter 1969). The effect of marketing authorities' capital transactions, however, was markedly different in the two periods, the net inflow of \$15 million in the December quarter of 1968 contrasting with a net outflow of \$20 million in the quarter ended December 1969. There was a smaller turnabout of \$12 million in the net flow from non-official monetary transactions which had resulted in a net inflow of \$3 million in the December quarter 1968 but in a net outflow of \$9 million in the quarter just ended.

No separate details are available for the most recent quarter on the remaining components of net apparent capital inflow - overseas investment in companies in Australia, Australian investment overseas and the balancing item. Together they resulted in a net inflow of \$194 million, \$104 million (34.9 per cent) less than the net inflow accounted for by these same items in the December quarter of 1968.

During the three months ended December 1969 unfavourable monetary movements amounted to \$65 million, including a fall of \$72 million in international reserves, an increase of \$12 million in Australia's net I.M.F. position and a decline of \$5 million in other net overseas assets of the official monetary sector. At the end of December 1969, Australia's reserve position in the I.M.F. stood at \$232 million and the level of international reserves was \$1059 million.

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NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning 63 9111, extension 2192 or, in each State capital, by telephoning the office of the Bureau of Census and Statistics.