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## BALANCE OF PAYFEIMS : QUARTELLY SUMTARY

RARCH QUARTER 1970
This statement contains estimates of Australia's balance of payments for the liarch quarter 1970 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. Hore detailed estimates are published half-yearly in the mimeographed bulletin "Balance of Payments" (Reference IIo. 8.1).

Preliminary estimates of the balance of payments for the flarch quarter 1970 show a current deficit of $\$ 141$ million, a net apparent capital inflow of $\$ 158$ million and favourable mone cary movements of $\$ 17$ million. Compared with the corresponding quarter of 1969 the overall result was less favourable, an improvement in the current account balance being more than offset by a substantial decline in net apparent capital inflow to little more than half of that occuring in the Narch quarter 1969. As a result the favourable monetary movement of $\$ 17$ million in the Karch quarter 1970 was considerably less than that in the karch quarter of the previous year ( 3129 million).

The current account deficit of $\$ 1<1$ million for the quarter just ended was $\widehat{\$} 4$ million lower than the deficit for the corresponding quarter of 1969. There was a surplus in the balance of trade in both periods, but the surplus of 3164 million for the Harch quarter 1970 was considerably higher than the 352 million surplus for the same quarter in 1969 , and was the most favourable balance of trade for any quarter since the Decermber quarter 1963. Comparing the two quarters further, the value of exports (on a balance of payments basis) during the lharch quarter 1970 was 3231 million higher ( 29.1 per cent), reaching a record quarterly total of 31,024 million, while the value of imports (on a balance of payments basis) was 3119 million higher ( 16.0 per cent), the total of 3860 million being a record for the liarch quarter. Notable increases occurred in the value of exports of ores and concentrates, non-ferrous metals, machinery and transport equipment and meats. In all of these items the increase was in excess of 50 per cent and together they offset a decline of 10 per cent in the value of exports of wool and sheepskins, and accounted for approximately two-thirds of the net increase in merchandise exports. The values of most classes of merchandise imports in the liarch quarter 1970 were higher than in the corresponding quarter of 1969, the most significant increases being in transport equipment, machinery, non-farm producers' materials and manufactured textiles.

Current account invisible transactions during the larch quarter 1970 resulted in a net deficit of $\$ 3 C 5$ million, $£ 68$ million ( $₹ 8.7$ per cent) greater than the deficit on invisibles in the preceding Farch quarter. There was some growth in most items, total credits rising by 331 mililion ( 12.2 per cent) to $\$ 285$ million and total debits by ( 99 million ( 20.2 per cent) to $\$ 5 \subseteq 0$ million. The categories largely responsible for the increases were, on the credit side, receipts for transportation services (up 317 million or 17.2 per cent), travel (up $\$ 5$ million or 17.9 per cent), and private transfers (up $\$ 5$ million or 13.2 per cent); on the debit side transportation payments to non-residents were $\$ 24$ million higher ( 13.6 per cent), property income payabl.s overseas was 356 million higher ( 33.9 per cent), government transfers were 38 million higher $: 25.8$ jer cent), and travel expenditure by Australians was $\$ 5$ million higher ( 14.3 per cent).

|  | Year ended June - |  |  |  |  | 1966-67 |  | 1967-68_ |  |  |  | 1968-69 |  |  |  | 1969-70 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | . 205 | 1906 | 1567 | 1268 | 1002 | march | June | Sept. | Dec. | lirch | June | Sept. | Jec. | March | June | Sept. | Dec. | March |
|  |  |  |  |  |  |  |  | 715 | 759 | 693 | 774 | 742 | 826 | 793 | 856 | 962 | 979 | 1,024 |
| Exports f.o.j. (b) | 2,574 2,739 | 2,026 2,822 | 2,926 2,837 | 2.941 3.159 | $\begin{array}{r}3,217 \\ 3,203 \\ \hline\end{array}$ | 740 734 | 790 | 770 | 741 | 834 | 814 | 844 | 804 | 741 | 814 | 906 | 902 | 860 |
| Imports f.o. U (b) b:ilance of trade | $\frac{2,739}{-165}$ | 2,822 -196 | $\begin{array}{r}2,837 \\ \hline 9\end{array}$ | $\frac{3,159}{-218}$ | -3,203 | 734 6 | 737 | -55 | 18 | -1:1 | -40 | -102 | 22 | 52 | 42 | 56 | 77 | 164 |
| Invisible credits - |  |  |  |  |  | 5 | 6 |  | 5 | 5 | 7 | 6 | 5 | 4 | 5 | 4 | 4 | 5 |
| Gold production | 27 279 | 25 295 | 24 $3: 9$ | 22 362 | 20 | 87 | 84 | 86 | 20 | 91 | 95 | 96 | 98 | 99 | 101 | 106 | 114 | 116 |
| Transportation | 279 54 | 295 50 | 319 69 | 362 88 | 394 108 | 19 | 18 | 18 | 21 | 26 | 23 | 25 | 26 | 28 | 29 | 28 | 31 | 33 |
| Travel | 74 9 | 58 77 | 83 | 76 | 80 | 21 | 22 | 17 | 15 | 22 | 22 | 18 | 19 | 22 | 21 | 19 | 20 | 21 |
| Government | 55 | 56 | 55 | 69 | 75 | 14 | 16 | 16 | 16 | 21 | 16 | 16 | 18 | 21 | 20 | 20 | 22 | 27 |
| Property income | 119 | 113 | 123 | 129 | 148 | 35 | 26 | 31 | 26 | 34 | 38 | 36 | 29 | 42 | 41 | 31 | 41 | 40 |
| Transfers | 115 | 122 | 136 | 156 | 164 | 31 | 38 | 36 | 39 | 46 | 35 | 41 | 43 | 38 | 42 | 44 | 45 | 43 |
| Invisihle dasits - |  |  |  |  |  |  |  | 149 | 160 | $17 ?$ | 155 | 169 | 166 | 177 | 173 | 176 | 192 | 201 |
| Tra:sportation | 488 | 520 122 | 544 133 | 636 140 | 685 | 139 | $\begin{array}{r}141 \\ 46 \\ \hline\end{array}$ | 149 33 | 16 | 31 | 46 | 35 | 27 | 35 | 53 | 39 | 34 | 10 |
| Travel | 114 53 | 122 62 | 132 | 140 95 | 111 | 33 19 | 46 28 | 19 | 22 | 27 | 27 | 23 | 26 | 30 | 32 | 27 | 29 | 32 |
| Governient | 53 86 | 97 | 98 | 97 | 104 | 24 | 26 | 23 | 26 | 25 | 23 | 23 | 26 | 31 | 24 | 31 | 38 | 33 |
| liiscellancous |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proverty income - Investant incone | 359 | 378 | 408 | 5: | 657 | 97 | 115 | 114 | 140 | 120 | 155 | 154 | 171 | 152 | 180 | 184 | 199 | 205 16 |
| Other | 46 | 50 | 56 | 64 | 63 | 15 | 12 | 13 | 16 | 18 | 17 | 17 | 17 | 13 | 16 | 19 | 19 | 16 |
| Transfers - |  |  |  |  |  |  |  |  |  |  |  |  |  | 31 | 46 | 40 | 58 | 39 |
| Soverment | 107 66 | 127 74 | 151 79 | 154 84 | 159 90 | 42 21 | $\begin{aligned} & 39 \\ & 21 \end{aligned}$ | 41 22 | 43 <br> 21 | $\begin{array}{r} 33 \\ 21 \\ \hline \end{array}$ | 20 | $\begin{array}{r} 30 \\ 21 \\ \hline \end{array}$ | 23 | 22 | 24 | 21 | 22 | -4. |
| Privatit suiarce on curcent account | -775 | -880 | -652 | -1,123 | -1,016 | -172 | -165 | -260 | -233 | -346 | -284 | -342 | -242 | -185 | -247 | -235 | -244 | -141 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Doriailed in Australia <br> rotEl fovernment securities | -25 | -26 | $\frac{-2}{22}$ | : 48 | 143 | $\frac{-1}{27}$ | 45 | 14 | 66 | 13 | 55 | 86 | 2 | 73 | -18 | -64 | -11 | -8 |
| Gopunies - |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 92 |  | 92* |
| Unlistributed incone | 119 |  |  |  |  |  |  | 57 54 |  |  |  |  | 74 <br> 86 | 74 47 | 134 | 9 | 59 | $58 *$ |
| Other direct investment | 415 | 352 207 | 219 175 | 303 416 | 305 | 57 30 | 82 69 | 54 70 | 64 79 | 26 126 | 159 141 | 38 <br> 96 | 864 | $\begin{array}{r}74 \\ 121 \\ \hline\end{array}$ | $\begin{array}{r}134 \\ \hline 46 \\ \hline\end{array}$ | 17 | 63 | 69* |
| Pontfolio investant and institutional loans Total companies (c) | 576 | 207 | 175 | 416 | 367 | $\frac{30}{116}$ | 180 | 181 | 201 | 209 | 357 | 208 | 264 | 242 | 253 | 115 | 215 | 219* |
| Potal overseas investment in Australia (c) | 551 | 654 | $53!$ | 1,00' | 1,110 | 143 | 225 | 195 | 267 | 222 | 412 | 294 | 266 | 315 | 235 | 51 | 204 | 211** |
| iustalian investnent overseas (c) | -16 | -27 | -25 | -j, | -48 | -10 | -11 | -12 | -11 | -7 | -4 | -9 | -18 | -4 | -17 | -17 | -20 |  |
| Other government capital movements | -23 | 40 | -52 | -60 | -67 | 15 | -33 | -55 | 47 | -10 | -42 | -40 | ${ }_{15}$ | -20 | -10 | -2? | 2 | -7 |
| diarketim; aut'orities | -61 | 34 | -74 | 33 | 27 | -46 | -41 | 31 | -7 | 14 | -5 | 8 | 15 | 15 | -11 | 6 | -22 |  |
| i:onctarj sector transactions n.e.i. | 12 | 8 | 9 | 4.4 | -12 | 3 | $\ldots$ | 6 | 11 | 5 | 22 | -6 | $\underline{1}$ |  | -100 |  |  |  |
| iet identified capital inflow | 466 | 709 | 389 | 1,079 | 1,013 | 105 | 140 | 165 | 307 | 224 | 383 -59 | 247 54 | 267 34 | 306 8 | $\begin{array}{r}190 \\ 58 \\ \hline\end{array}$ | 14 36 | 153 46 | (e) ${ }^{\text {d }} 179$ |
| kelencing itent | 12 | 228 | $\because 39$ | 123 | 154 | 7 | 61 | 28 | 7 | 147 | -59 | 54 | 34 | 8 | 248 | 50 | 199 | ${ }_{158}$ |
| iict apmament capital inflow | 173 | 937 | 528 | 1,202 | 1,164 | 112 | 201 | 193 | 314 | 371 | 324 | 301 | 301 | 314 | 248 | 50 | 199 | 158 |
| I.OABTiRT licimemic (a) |  |  |  |  |  |  |  |  |  | 25 | 34 | -1 | 12 | 133 | -2 | -184 | -110 | (g) 106 |
| Charice in of ficial reserve assets | -292 | 44 | -132 | (f) 75 | 142 | -55 | 42 | -51 | (1) 07 | 25 |  |  |  |  |  |  |  | -75 |
| Allocation of SDRs |  | $\cdots$ | $\because$ |  |  | -6 | -4 | -16 | (f) 19 | . . | $\dot{8}$ | -35 | 53 | -4 | 12 | -1 | 72 | -14 |
| Cnunges in other Soreign assets | -4 | 15 -2 | -18 26 | (f) $\begin{array}{r}7 \\ -3\end{array}$ | 26 -20 | -6 | -4 -2 | -16 | (f) $\begin{array}{r}15 \\ -1\end{array}$ |  | $\begin{array}{r}8 \\ -2 \\ \hline\end{array}$ | -35 -5 | -6 | -4 | -9 |  | -7 |  |
| Other monetary movements iict monetary movements | $-298$ | 57 | -124 | 79 | 140 | -60 | 36 | -67 | 01 | 25 | 40 | -41 | 59 | 129 | 1 | -185 | -45 | 17 |







Full details of the composition of net apparent capital inflow during the llarch quarter 1970 are not yet available. In total the net apparent capital inflow of $\$ 158$ million in the quarter just ended was 3156 million lower than in the corresponding quarter of 1969. Of this $\$ 156$ million decline, $\$ 89$ million can be accounted for by identified capital flows. Government capital transactions (overseas investment in government securities plus other government capital movements) resulted in a net outflow of S15 million in the quarter just ended, compared with a net inflow of 353 million in the corresponding quarter of 1969. Harketing authorities' capital transactions also resulted in a net outflow in the liarch quarter 1970 ( 010 million) compared with a net inflow in the corresponding quarter of 1969 ( $\$ 15$ million). 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 $\widehat{S} 179$ million, S 67 million ( $c 7.2$ per cent) less than the net inflow accounted for by these same items in the viarch quarter of 1969.

The favourable net monetary movement of 617 million during the Harch quarter 1970 included a rise of $\$ 106$ million in official reserve assets, of which $\$ 75$ million was attributable to the initial allocation of Special Drawing Rights in the I.F.F., and a fall of $\$ 14$ million in other foreign assets. Gold and net foreign assets of official and banking institutions at the end of liarch 1970 totalled 31,383 million, of which $\$ 1,232$ million were official reserve assets (including Special Drawing Rights and the I. I.F. gold tranche) and $\$ 151$ million other foreign assets.

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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.

