

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARY

MARCH QUARTER 1970

This statement contains estimates of Australia's balance of payments for the March 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. 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 March quarter 1970 show a current deficit of \$141 million, a net apparent capital inflow of \$158 million and favourable monetary 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 occurring in the March quarter 1969. As a result the favourable monetary movement of \$17 million in the March quarter 1970 was considerably less than that in the March quarter of the previous year (\$129 million).

The current account deficit of \$141 million for the quarter just ended was \$44 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 \$164 million for the March quarter 1970 was considerably higher than the \$52 million surplus for the same quarter in 1969, and was the most favourable balance of trade for any quarter since the December quarter 1963. Comparing the two quarters further, the value of exports (on a balance of payments basis) during the March quarter 1970 was \$231 million higher (29.1 per cent), reaching a record quarterly total of \$1,024 million, while the value of imports (on a balance of payments basis) was \$119 million higher (16.0 per cent), the total of \$860 million being a record for the March 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 March 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 March quarter 1970 resulted in a net deficit of \$305 million, \$68 million (28.7 per cent) greater than the deficit on invisibles in the preceding March quarter. There was some growth in most items, total credits rising by \$31 million (12.2 per cent) to \$285 million and total debits by \$99 million (20.2 per cent) to \$590 million. The categories largely responsible for the increases were, on the credit side, receipts for transportation services (up \$17 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 payable overseas was \$56 million higher (33.9 per cent), government transfers were \$8 million higher (25.8 per cent), and travel expenditure by Australians was \$5 million higher (14.3 per cent).

Reference No. 8.2

Full details of the composition of net apparent capital inflow during the March quarter 1970 are not yet available. In total the net apparent capital inflow of \$158 million in the quarter just ended was \$156 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 \$15 million in the quarter just ended, compared with a net inflow of \$53 million in the corresponding quarter of 1969. Marketing authorities' capital transactions also resulted in a net outflow in the March quarter 1970 (\$10 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 \$179 million, \$67 million (27.2 per cent) less than the net inflow accounted for by these same items in the March quarter of 1969.

The favourable net monetary movement of \$17 million during the March 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.M.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 March 1970 totalled \$1,383 million, of which \$1,232 million were official reserve assets (including Special Drawing Rights and the I.M.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.