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 belance 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 occuring 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 (3129 million).

The current account deficit of \$141 million for the quarter just ended was 344 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 352 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 31,024 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 Narch 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 \$550 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 (14.3 per cent), and travel expenditure by Australians was \$5 million higher (14.3 per cent).

Reference No. 8.2

BALANCE (OF PAYLIFINTS	PAYSIFITS - MARCH QUARTER 1967 TO LIRCH GUARIEM 1970 AND TEMBER 1994 OF THE PAYSIFIED PAYSIFIED 1994 OF THE PAYSIFIED PAYSIFIED 1994 OF THE PAYSIFIED PAYSIF													_	11111111		
		Year ended June -						Quarters ended - 1966-67 1967-68 1968-69										
						1966		Sept.		Morch	June	Sept.			June	Sept.	1969-70 Dec.	March
	1965	1966	1967	1968	1969	March	June	Sept.	пес.	In a CH	Junie	Dept.	<u> DCC.</u>					
CURRETT ACCOUNT (a) -	2 574	2,626	2 026	2,941	3,217	740	790	715	759	693	774	742	826	793	856	962	979	1,024
Exports f.o.b. (b)	2,574					734	737	770	741	834	814	844	804	741	814	906	902	860
Imports f.o.b. (b)	2.739		2,837	3,159	3,203	6	53	-55	18	-141	-40	-102	22	52	42	56	77	164
Bulance of trade	-165	-196	89	-218	14	0	23	-97	10	1-, ,	40			,-	'-	•	• •	
Invisible credits -						_ ا	6	5	5	5	7	6	5	4	5	4	4	5
Gold production	27	25	24	22	20	5	- 1	86	20	91	95	96	98	99	101	106	114	116
Transportation	279	295	319	362	394	87	84	18	21	26	23	25	26	28	29	28	31	33
Travel	54	58	69	88	108	19	18		15	22	22	18	19	22	21	19	20	21
Government	59	77	83	76	80	21	22	17	16	21	16	16	18	21	20	20	22	27
Miscellaneous	55	56	55	69	75	14	16	16			38	36	29	42	41	31	41	40
Property income	119	113	123	129	148	35	26	31	26	34 46	35	41	43	38	42	44	45	43
Transfers	115	122	136	156	164	31	38	36	39	40	37	41	43	30	42	44	47	7,7
Invisible debits -	- 1									470	155	160	166	177	173	176	192	201
Transportation	488	520	544	636	685	139	141	149	160	172	155	169		35	53	39	34	40
Travel	114	122	133	140	150	33	46	33	27	34	46	35	27	30 30	32	27	29	32
Government	53	62	81	95	111	19	28	19	22	27	27	23	26 26	30	24	31	38	33
Miscellaneous	86	97	98	97	104	24	26	23	26	25	23	23	26	31	24	ינ	30	,,
Property income -								1	_				474	450	400	404	199	205
Investment income	359	378	408	. 53	657	97	115	114	148	120	155	154	171	152	180	184	19	16
Other	46	50	56	64	63	15	12	13	16	18	17	17	17	13	16	19	19	10
Transfers -																		20
Government	107	127	151	154	159	42	39	41	43	33	37	36	46	31	46	40	58	39
Private	66	74	79	84	90	21	21	22	21	21	20	21	23	22	24	27	29	
Belance on current account	-776	-880	-652	-1,123	-1,016	-172	-165	-260	-233	-346	-284	-342	-242	-185	-247	-235	-244	-141
	·					+		 										
CAPITAL INFLO; (a) -												1						
Overseas investment in Australia -								į.								1		
Government securities -	-20	-25	24	134	138	28	45	8	64	11	51	86	1	72	-21	-68	-11	-8
Domiciled overseas	-20	-25 -1	24	14	130			6	2	2	4	l	1	1	3	4		. • . •
Domiciled in Australia	<u> </u>		-2				:		66	13		86	2	73	-18	-64	-11	-8
Total government securities	-25	-26	22	148	143	27	45	14	- 00		22			13		 		
Companies -												7.4	7.4	74	73	92	93	92 *
Undistributed income	119	121	115	229	295	29	29	57	58	57	57	74	74 86	74 47	134	6	59	58+
Other direct investment	415	352		303	305		82		64	26	159	38				17	63	69
Portfolio investment and institutional loans	42	207	175	416	367		69	.70	79_	126	141	96	104	121	46			
Total companies (c)	576	680	509	948	967	116	180	181	201	209	357	208	264	242	253	115	215	219
Total overseas investment in Australia (c)	551	654		1,00	1,110	143	225	195	267	222	412	294	266	315	235	51	204	2114
	-16			. رو. باذ-	-48		-11	-12	-11	-7	-4	-9	-18	-4	-17	-17	-20	+
Australian investment overseas (c)	-23			-60	-67	15	-33		47	-10	-42	-40	3	-20	-10	-27	2	-
Other government capital movements	-61	34	-	33	27		-41		-7	14	-5		15	15	-11	1	-22	-1
Marketing authorities	15			44	-12		4 1	6	11	5	22	-6	ĺ		-7	6	-11	
Monetary sector transactions n.e.i.	466			1,079	1.010		140		307	224	383	247	267	306	190	14	153	(d)-2
Het identified capital inflow	12			123	154		51		7	147	- 59	54	34	- 8			46	<u>(e)</u> 17
Relancing item	<u> </u>								314	371	324		301	314			199	
Net apparent capital inflow	473	937	528	1,202	1,164	112	201	193	314	- 11	324	1 30 1				 		<u> </u>
MONETARY MOVELEMTS (a)									1511-		3.	1 .	40	433	-2	-184	-110	(g)10
Changes in official reserve assets	-292	44	-132	(f)75	142	-55	42	-51	(f)67	25	34	-1	12	133		'		-7
Allocation of SDRs			• •						, , • •	• •	••		• •	• •			72	
Changes in other foreign assets	-4	15	-18	(f) 7	26				(f)15	• •	8		53	-4			-7	
Other monetary movements	2	-2	26	-3	-20) 1	-2	<u> </u>	-1	<u></u>	-2		<u>-6</u>	<u> </u>	9			
Not monetary movements	-298	57	-124	79	146	-60		-67	81	25	40		59			-185	-45	
(a) For current account halances minus sim (-) denot				61		1. 7.	1			n monote		.J	minus	sign (-) den	otes a	decrea	se in

⁽a) For current account balances minus sign (-) denotes deficit; for capital inflow minus sign (-) denotes outflow; for monetary movements minus sign (-) denotes a decrease in assets or an increase in liabilities or the receipt of an allocation of Special Drawing Rights in the I.M.F. (b) Recorded trade figures adjusted in respect of coverage and valuation for balance of payments purposes. (c) Particulars of the Survey of Cverseas Investment are not available for the March quarter 1970 and for this period the items marked (*) are included with the balancing item. (d) Excludes items marked (*). (e) Includes items marked (*). (f) Excludes the effects of the November 1967 devaluation of the pound storling and other currencies which reduced by \$111 million and \$2 million, respectively, the Australian dollar equivalents of official reserve assets and other foreign assets.

(g) Includes an increase of \$75 million due to the ellocation of Special Drawing Rights.

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 \$1.6 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 (310 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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COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, A.C.T. 2600

1 MAY 1970

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.