BALANCE OF PAYMENTS: QUARTERLY SUMMARY MARCH QUARTER 1972 Reference No. 8.2

NOTES ON THE STATISTICS

- 1. This statement contains estimates of Australia's balance of payments for the March quarter 1972 together with revised estimates for previous quarters of 1971-72, and estimates for earlier quarters and financial years. More detailed estimates are published half-yearly in the mimeographed bulletin "Balance of Payments" (Reference No. 8.1).
- Quarterly estimates are preliminary and subject to revision. The items most subject to revision are those for which the basic data are derived from annual surveys which inevitably involve substantial time lags before the results become available. In particular, the 1970-71 estimates of transportation (credits and debits), property income (credits and debits), overseas investment in companies in Australia and Australian investment overseas are still provisional and will be further revised when the final results of the Surveys of Overseas Shipping and Airline Operations and Overseas Investment for 1970-71 are available.
- 3. Any discrepancies between totals and sums of components in the accompanying table, or between aggregates quoted in the text and their components, are due to rounding.

MARCH QUARTER 1972

- Preliminary estimates of the balance of payments for the three months ended March 1972 show a deficit of \$40 million on current account, a net apparent capital inflow of \$413 million and a favourable net monetary movement of \$373 million. Compared with March quarter of 1971, the quarter just ended showed a reduction of \$194 million in the deficit on current account and a decrease of \$83 million in the net apparent inflow, giving an overall improvement in the favourable net monetary movement of \$111 million, from \$262 million in the March quarter of 1971 to \$373 million in the March quarter 1972.
- 5. The reduction in the deficit on current account to \$40 million in the March quarter 1972 was due to the large trade surplus of \$263 million which is the highest quarterly trade surplus since quarterly balance of payments estimates were first compiled (1959-60). Exports on a balance of payments basis were \$173 million (17 per cent) higher than in the March quarter 1971, while imports on a balance of payments basis were slightly lower.
- 6. Full commodity details of exports and imports on a trade basis are available only for the first two months of the March quarter 1972. Compared with the corresponding two months of 1971, large increases occurred in the value of exports of most commodities, particularly meat, sugar and coal and coke. Wool exports fell slightly in value. The value of imports of some commodities rose in January and February this year compared with the same two months of last year, notably transport equipment other than road motor vehicles. Falls occurred in other import commodity groups, notably textile manufactures and electrical machinery.

(continued on page 4.)

	BALANCE OF PAYMENTS - MARCH QUARTER 1969 TO MARCH QUARTER 1972 AND YEARS 1966-67 TO 1970-71											<pre>\$ million</pre>						
	Year ended June -					Quarters ended -								·				
•••				4054	1968-69			1969-70		1970-71		1971-72						
CURRENT ACCOUNT (a) -	1301	1300	1969	1970	1971	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept,	Dec.	Mar,
Exports f.o.b. (b)	2,926	2,942	3 217	2 067	4 245	707	056	007	070	4 047	4 004	4 074	4 077	007	4 457			4 466
Imports f.o.b. (b)	2,920	3.159	3,217 3,203	3,967 3,553	4,215 3,790	793 740	856 815	963 894	970 897	1,013 856	1,021 906	1,034 962	1,033 938	993 909	1,153 981	1,193	1,119 978	1,166
Balance of trade	89	-218	14	414	423	52	41	69	74	158	115	72	95	84	171	143	140	903 263
Invisible credits -		2.0	'7	414	42)	ء ا	41	"	14	176	112	1 '*	90	04	171	145	140	20)
Gold production	24	22	20	18	15	4	5	4	4	5	5	4	4	3	4	4	3	3
Transportation	320	362	392	445	480	98	101	107	112	-	112	121	120		•		•	
Travel	70	88	108	124	144	28	29	28		115		30		115	124	136	131	127
Government	83	76	80	87	81	22	29	20	33 20	32 21	31 25	20	43 20	42	30	31	43	39
Miscellaneous	55	69	75	108	121	21	21	21	20	33			28	19	22	21	22	20
Property income	123	129	150	156						36	32	32		22	39	29	37	39
Transfers	136	156	165	-	153	43	42	31	42		47	39	34	36	44	51	52	49
Total invisible credits	810	902	989	1.120	177 1,172	39 254	42 260	45	<u>44</u> 277	47 288	<u>46</u> 298	45_ 290	49	40	43	50	<u> 55</u>	46
Invisible debits -	010	902	909	1,120	1,172	254	260	256	211	288	298	290	298	278	306	321	343	324
Transportation	554	655	600	254	006			455	4.00	400	004							
Travel	133	655	699	754	826	181	175	175	187	192	201	197	209	211	209	210	212	213
		140	150	176	187	35	54	42	32	40	63	46	36	40	66	49	46	48
Government	81	95	111	124	127	30	32	29	29	28	38	27	32	29	39	32	33	3 3
Miscellaneous	98	98	104	144	166	32	٤	33	36	39	37	38	36	46	45	52	51	51
Property income -						i										l		
Investment income	409	539	652	736	761	150	180	150	196	194	197	165	214	182	200	187	256	194
Other	56	64	63	68	64	13	16	18	19	16	14	20	18	. 13	13	15	15	13
Transfers -								1										
Covernment	151	154	159	180	185	32	46	41	55	39	46	49	54	42	40	53	48	40
Private	79	84	90	112	132	21	25	27	29	25	_ 30	31	35	_ 33	. 33.	39	42	37
Total invisible debits	1,560	1,828	2,028	2,294	2,448	494	550	514	582	573	624	573	634	596	645	636	702	628
Net invisibles	- 750	- 927	-1, 039	-1,174	-1,277	-240	-290	-258	-305	-285	-326	-284	-336	-318	-340	-315	-360	-303
Balance on current account	-661	-1,144	-1,024	- 760	-854	-187	-249	-190	-232	-127	-211	-211	-241	-234	-168	-17 2	-219	-40
CAPITAL INFLOW (a) -																		
Overseas investment in Australia -																i		
Government securities -	[!						1]		
Domiciled overseas	25	134	138	-121	-48	72	-21	-68	-11	-8	- 35	-30	-42	44	-20	-2	-25	10
Domiciled in Australia	2	14	-1	6	4		-1	4		ĭ	1	4				· -2	-,	1
Total government securities	23	148	136	-115	-44	72	-22	-64	-11	-7	-34	-27	-42	44	-20	-3	-25	11
Companies -	1				• •	'-		'		•]	7-	• • •		1	-,	• • • • • • • • • • • • • • • • • • • •
Undistributed income	115	229	280	295	322	70	70	74	74	74	74	81	81	81	80	88	88	*
Other direct investment	219	315	339	445	655	50	145	37	67	. 139	202	88	90	185	293	187	86	
Portfolio investment and institutional			,,,			, ,	• • •	1 7	٠,	• • • • • •	202	1 ~	,,	10)				
loans	176	417	402	285	516	133	50	25	92	100	68	45	125	131	216	126	138	
Total companies (c)	509	962	1.021	1.025	1,493	253	268	136	232	313	344	214	295	396	588	400	312	•
Total oversens investment in Australia (c)		1,110	1,158	910	1,449	325	246	72	221	307	310	187	253	440	569	397	287	
Australian investment overseas (c)	-27	-36	-50	-149	-60		-17		-41						-10	- 26	-17	
Other government capital movements	-52	-60	-50 -67	-149 -60		- 5		-30	• •	-32	-47	-8	-25	-17				-12
Marketing authorities	-75				-15	-20	-10	-25	4	-26	-12	13	-8	-18	-3	8.	14	
Monetary sector transactions n.e.i.	-13	33	27	-47	-43	15	-11		-22	- 9	-16	2	-15	-22	-8	29	-10	-25
Net identified capital inflow		42		30	24	-2	<u>-5</u>	11_	<u>-11</u>		31	4	8	51	-30	13	-14	(1) 00
Balancing item	384	1,089	1,063	684	1,356	313	203	28	151	239	266	191	214	433	518	421	260	(d)-27
Net apparent capital inflow	153 537	1,223	110	113	100	3	<u>47</u> 250	-23	37	<u>-95</u>	194	-49	52	62	35_	12	222	(e)440
MCNETARY MOVEMENTS (a) -	- 22/-	1,223	1,173	796	1,456	316	250		187	144	460	142	266	496	553	433	482	413
		(0)=-		()	/ \-:=		_			/ \			_				/. \·	1 3
Changes in official reserve assets	-132	(f)73	143	(g)118	(g)742	133	-2	-184	-110	(g)106	306	-34	7	(g)343	426	256	(h)251	(g)465
Allocation of Special Drawing Rights	::	/ = \$ ·	• •	-75	-64	••	• •		• •	- 75	• •	• •		-64	• •	· · ·	, ,	-63
Changes in other foreign assets	-18	(f)8	26	6	-66	-4	12	-1	72	-14	-51	-34	22	-21	-34	5	(h)17	-30
Other monetary movements	26	-3	-20	-12	10			<u> </u>	<u>-7</u>		-6_	-2	5_					1
Net monetary movements (a) For current account balances minus sign (-	-124	79	148	37	602	129	1		-44	17	249	- 70	25	262 us sign (385	261	262 rease in	373

(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) Full details of the Survey of Overseas Investment are not available for the March Quarter 1972 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 sterling and other currencies which reduced by \$111 million and \$2 million, respectively, the Australian dollar equivalents of official reserve assets and other forcign assets. (g) Includes the allocation of Special Drawing Rights. (h) Excludes the effects of the December 1971 change in official parity relationships between the Australian dollar and various foreign

- 7. The net deficit in respect of current account invisible transactions was \$303 million in the March quarter 1972, a slight improvement on the deficit for the March quarter in the previous year. Total invisible credits increased by 17 per cent between the two quarters, with increases in most component items; in particular, earnings in respect of miscellaneous services, property income receivable from overseas and private transfers showed strong percentage rises. Total invisible debits were also higher (by 5 per cent) this quarter compared with the March quarter 1971. The largest percentage rises occurred in travel debits, government debits, and private transfers.
- 8. The net apparent capital inflow of \$413 million during the March quarter of 1972 was \$83 million (17 per cent) lower than the inflow in the corresponding quarter of 1971. Because complete details of this net apparent capital inflow are not yet available for the quarter just ended, comments on the major components of capital movements can be made only in terms of broad aggregates.
- Identified capital movements resulted in a net outflow of \$27 million during the March quarter of 1972 compared with a net inflow of \$55 million for the same group of items (government securities, other government capital movements, marketing authorities and monetary sector transactions not elsewhere included) during the corresponding quarter of 1971. This turnaround of \$82 million, which accounts for most of the reduction in net apparent capital inflow, was due mainly to transactions in government securities and monetary sector transactions n.e.i. The reduced inflow in respect of government securities resulted from smaller drawings on defence loans and larger repayments on other overseas loans in the March quarter this year compared with the March quarter last year. Monetary sector transactions n.e.i. produced a small outflow in the March quarter 1972 compared with an inflow of \$51 million in the corresponding period of 1971; this change was due partly to reduced borrowings overseas by monetary institutions and partly to reduced inflows in respect of deposit liabilities of Australian trading banks to non-residents.
- 10. In contrast, the inflow of \$440 million from items as yet unidentified for the March quarter 1972 (private overseas investment in Australian companies and Australian investment overseas), together with the balancing item, is almost the same as that recorded for the same items during the March quarter of 1971.
- 11. The favourable net monetary movement of \$373 million during the March quarter of 1972 included a rise of \$465 million in official reserve assets and a fall of \$30 million in other foreign assets. At 31 March 1972, gold and net foreign assets of Australia's official and banking institutions totalled \$3,216 million, comprising official reserve assets of \$3,192 million and other foreign assets of \$24 million. Holdings of gold and assets denominated in foreign currencies have been converted to Australian dollars on the basis of official parity relationships.

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5 MAY 1972

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.

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