

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARY

SEPTEMBER QUARTER 1969

This statement contains estimates of Australia's balance of payments for the September 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" (ref. No. 8.1).

Preliminary estimates for the September quarter 1969 show a current account deficit of \$190 million, a net apparent capital inflow of \$31 million and unfavourable net official monetary movements of \$159 million. By comparison with the September quarter 1968, there was an improvement in the balance on current account but a more substantial decline in the net apparent capital inflow and thus a more unfavourable official monetary movement.

The \$152 million improvement in the balance on current account, from a deficit of \$342 million in the September quarter 1968 to a deficit of \$190 million in the September quarter 1969, was mainly attributable to a turnaround of \$166 million in the balance of trade. In the quarter just ended the value of both exports and imports (on a balance of payments basis) reached record levels. Compared with the September quarter last year the value of exports rose by \$224 million (30 per cent) to \$966 million, while the value of imports increased by \$58 million (just under 7 per cent) to \$901 million. As a result, the balance of trade changed from a deficit of \$101 million in the September quarter 1968 to a surplus of \$65 million in the September quarter 1969. The remarkable rise in the value of exports during the quarter was the result of increases in a wide range of major groups of commodities, most notably meats, cereals, metalliferous ores and metal scrap, wool, coal, iron and steel, manufactures of non-ferrous metals, and chemicals (including alumina). The rise in the value of imports during the quarter appears to have resulted mainly from increases in imports of capital equipment, producers' materials and finished consumer goods.

Current account invisible transactions during the September quarter 1969 resulted in a net deficit of \$255 million, \$14 million (6 per cent) greater than during the corresponding quarter of 1968. Total invisible credits rose by \$33 million (14 per cent) to \$267 million, the greatest increase being in transportation earnings (mainly higher expenditure by overseas ships and aircraft in Australian ports). Invisible debits rose by \$47 million (about 10 per cent) to a total of \$522 million, with increases in investment income payable overseas, transfer payments, both government and private, and expenditure on transportation services (freight, fares, etc.) accounting for the bulk of the overall rise.

The \$152 million decline in the deficit on current account during the September quarter 1969 was accompanied by a greater decline in the net apparent capital inflow compared with the September quarter of 1968. The net apparent inflow of \$31 million in the quarter just ended was the lowest quarterly net inflow since the March quarter 1962 and was \$252 million less than that recorded in the September quarter twelve months previously. To a large extent this very low net apparent capital inflow can be attributed to capital transactions of the government sector during the quarter. An excess of redemptions, repurchases and repayments of overseas debt over new overseas loan raisings during the period gave rise to a net outflow of \$68 million in respect of

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

\$ million

	Year ended June -					Quarters ended -												
	1965	1966	1967	1968	1969p	1966-67				1967-68				1968-69p				1969-70
						Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	
CURRENT ACCOUNT (a) -																		
Exports f.o.b. (b)	2,574	2,626	2,926	2,941	3,220	692	704	740	790	715	759	693	774	742	826	793	859	966
Imports f.o.b. (b)	2,739	2,822	2,837	3,159	3,209	700	666	734	737	770	741	834	814	843	806	741	819	901
Balance of trade	-165	-196	89	-218	11	-8	38	6	53	-55	18	-141	-40	-101	20	52	40	65
Invisible credits -																		
Gold production	27	25	24	22	20	7	6	5	6	5	5	5	7	6	5	4	5	6
Transportation	279	295	312	359	390	73	72	84	83	86	90	90	93	92	97	99	102	106
Travel	54	58	69	88	108	15	17	19	18	18	21	26	23	25	26	28	29	28
Government	59	77	83	75	86	20	20	21	22	18	14	21	22	18	21	23	24	21
Miscellaneous	55	56	55	69	75	13	12	14	16	16	16	21	16	16	18	20	21	21
Property income	119	113	123	129	149	35	27	35	26	31	26	34	38	36	29	43	41	41
Transfers	115	122	134	154	164	34	32	31	37	36	38	46	34	41	43	38	42	44
Invisible debits -																		
Transportation	488	520	544	636	679	128	138	138	140	149	160	173	154	168	165	176	170	175
Travel	114	122	133	140	150	29	25	33	46	33	27	34	46	35	27	35	53	41
Government	53	62	81	95	111	15	19	19	28	19	22	27	27	23	26	30	32	27
Miscellaneous	86	97	98	97	104	2	23	24	26	23	26	25	23	23	26	31	24	28
Property income -																		
Investment income	359	378	398	535	647	97	93	95	113	114	147	119	155	152	167	149	179	162
Other	46	50	56	64	63	15	14	15	12	13	16	18	17	17	17	13	16	18
Transfers -																		
Government	107	127	151	154	160	32	38	42	39	41	43	33	37	36	45	32	47	44
Other	66	74	79	84	89	17	19	21	22	22	21	21	20	21	23	21	24	27
Balance on current account	-776	-880	-651	-1,127	-1,000	-169	-145	-172	-165	-259	-234	-348	-286	-342	-237	-180	-241	-190
CAPITAL INFLOW (a) -																		
Overseas investment in Australia -																		
Government securities -																		
Domiciled overseas	-20	-25	24	134	138	-69	20	28	45	8	64	11	51	86	1	72	-21	-68
Domiciled in Australia	-5	-1	-2	14	5	..	-1	-1	..	6	2	2	4	..	1	1	3	..
Total government securities	-25	-26	22	148	143	-69	19	27	45	14	66	13	55	86	2	73	-18	-68
Companies -																		
Undistributed income	119	121	105	229	290	26	27	26	26	57	57	57	58	73	72	72	73	*
Other direct	415	352	212	275	255	27	50	55	80	49	58	24	144	31	65	39	120	*
Portfolio investment and institutional loans	42	207	175	396	351	4	30	30	69	65	73	117	131	92	99	116	44	*
Total companies (c)	576	680	492	890	896	94	107	111	175	171	188	198	333	196	236	227	237	*
Total overseas investment in Aust. (c)	551	654	514	1,038	1,039	30	126	138	220	185	254	211	388	282	238	300	219	*
Australian investment overseas (c)	-16	-27	-23	-27	-30	-1	-4	-9	-9	-9	-8	-6	-4	-6	-11	-3	-10	*
Other government capital movements	-23	40	-52	-60	-67	-2	-32	15	-33	-55	47	-10	-42	-40	3	-41	11	-30
Marketing authorities	-61	34	-74	33	-27	18	-5	-46	-41	31	-7	14	-5	8	15	15	-11	1
Non-official monetary transactions	17	10	13	46	-7	4	4	3	2	6	12	5	23	-6	3	..	-4	6
Net identified capital inflow	468	711	378	1,030	962	49	89	101	139	158	298	214	360	238	248	271	205	(d)-91
Balancing item	12	228	153	178	192	64	14	17	58	43	8	170	-43	45	68	38	41	(e)122
Net apparent capital inflow	480	939	531	1,208	1,154	113	103	118	197	201	306	384	317	283	316	309	246	31
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	20
Change in international reserves	-318	19	-176	(f)10	214	-85	-42	-74	25	-55	(f)64	24	-23	-56	106	147	17	-179
Other	..	..	30	..	-15	29	..	1	..	..	..	..	..	-5	-4	..	-6	..
Net official monetary movements	-296	59	-120	81	154	-56	-42	-54	32	-58	72	36	31	-59	79	129	5	-159

(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 September 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. p - Preliminary.

transactions in Australian government securities. In addition, other government capital transactions resulted in a further net outflow of \$30 million in the September quarter 1969. This net outflow was largely a reflection of an excess of payments to overseas suppliers over the value of deliveries of defence equipment and civil aircraft made during the period. This net outflow of \$98 million on account of official capital transactions represented a turnabout of \$144 million compared with the net inflow of \$46 million in the September quarter of 1968 when, although there was a net outflow of \$40 million in respect of other government capital transactions, new loans raised or drawn overseas exceeded net redemptions, etc., by some \$86 million.

Net private capital movements (that is, overseas investment in Australian companies, private Australian investment in companies overseas and capital transactions by marketing authorities), together with non-official monetary transactions and the balancing item accounted for a net inflow of \$129 million during the September quarter 1969. Marketing authorities' and non-official monetary transactions resulted in a net inflow of \$7 million in the September quarter 1969 compared with a net inflow of \$2 million in the September quarter 1968. The remaining net inflow of \$122 million, comprising net private investment in companies and the balancing item, has yet to be identified. In the corresponding period last year these items accounted for a net inflow of \$235 million of which \$190 million was identified as net private investment in companies and \$45 million remained in the balancing item. Until information from the relevant quarterly investment surveys is available, it is not possible to say whether this decline of \$113 million reflects a fall in the net inflow of either overseas direct investment, or in overseas portfolio and institutional investment, or in both.

The unfavourable net official monetary movement of \$159 million which occurred during the three months ended September 1969 included a fall of \$179 million in international reserves partly offset by a \$20 million increase in Australia's reserve position with the I.M.F. At the end of September 1969 net gold and foreign exchange holdings of official and banking institutions (international reserves) totalled \$1,131 million, while Australia's reserve position in the I.M.F. was \$224 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.