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

NOTES ON THE STATISTICS

This statement contains estimates of Australia's balance of payments for the June quarter 1972 and the financial year 1971-72, together with revised estimates for previous 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 <u>preliminary</u> and <u>subject to revision</u>. 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. This bulletin contains revised estimates of property income, overseas investment in Australian companies and Australian investment overseas resulting from the finalisation of the 1970-71 Survey of Overseas Investment the full results of which will be published shortly. The 1970-71 estimates of transportation (credits and debits) are still provisional and will be further revised when the results of the Survey of Overseas Shipping and Airline Operations become available.
- The Australian currency equivalents, shown in these statistics, of transactions denominated in foreign currencies were derived generally by converting into Australian dollars at market rates of exchange, except for changes in official reserve assets and in other foreign assets, which were converted at par rates.
- 4. 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.

JUNE QUARTER 1972

- Preliminary estimates of the balance of payments for the June quarter 1972 show a surplus of \$66 million on current account, net apparent capital inflow of \$490 million and net monetary movements of \$556 million. Compared with the June quarter of 1971, the quarter just ended showed; a turnaround of \$228 million in the current account balance, and a decrease of \$53 million in the net apparent capital inflow, giving an overall increase of \$175 million in the net monetary movement.
- 6. The trade surplus of \$454 million in the June quarter 1972 is the highest quarterly trade surplus since quarterly balance of payments estimates were first compiled in 1959-60. It is \$211 million larger than the previous record surplus (March quarter 1972) and \$283 million larger than the surplus in the June quarter of 1971. Exports were \$140 million (12 per cent) higher than in the June quarter 1971, while imports were \$141 million (14 per cent) lower.

	BALANCE OF PAYHENTS - JUNE QUARTER 1969 TO JUNE QUARTER 1972 AND YEARS 1967-68 TO 1971-72													<pre>8 million</pre>				
												. Quarters ended -						
	Year ended June -					1968-69 1969-70				1970-71					1971-72			
	1968	1969	1970	1971	1972	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
CURRENT ACCCUNT (a) -	1 1 1																	
Exports f.o.b. (b)	2,942	3,217	3,967	4,216	4,758	856	963	970	1,013	1,021	1,038	1,033	993		1,192		1,158	1,293
Imports f.o.b. (b)	3,159	3,203	3,553	3,790	3,789	815	894	<u>897</u>	856	906	962	938	909	981	1.048	987	915	840
Balance of trade	- 218	14	414	426	969	41	69	74	158	115	76	95	84	171	144	128	243	454
Invisible credits -	1										l							
Gold production	22	20	18	15	13	5	4	4	5	5	4	4	3	4	4	3	3	3
Transportation	362	392	445	479	53 1	101	107	112	115	112	121	120	115	124	137	132	130	132
Travel	88	108	124	143	156	29	28	33	32	31	30	43	41	30	33	45	39	40
Government	76	80	87	81	87	21	21	20	21	25	20	20	19	22	21	22	22	22
Miscellaneous	78	85	118	134	159	23	23	24	36	34	35	32	25	42	32	40	49	38
Property income	129	150	155	176	219	42	31	42	36	46	44	39	42	51	53	54	50	62
Transfers	159	168	186	181	216	43	46	45	48	47	46	50	41	. 44	53	56	53	55
Total invisible credits	914	1,002	1,132	1,208	1,380	263	259	280	292	301	299	307	286	316	333	352	345	351
Invisible debits -	1 7.7	,,,,,	1,1,24	,,200	.,,,,,,					-				-				
Transportation	655	699	754	826	848	175	175	187	192	201	197	209	211	209	211	216	220	202
Travel	147	157	186	199	252	55	144	33	43	65	49	38	43	69	53	48	55	96
Government	95	111	124	127	135	32	.9	29	28	38	27	32	29	39	32	33	33	37
	99	106	147	170	209	23	34	37	40	37	39	37	47	47	53	53	52	52
Miscellaneous	1 22	100	141	170	209	2)	1 74	7,	70	7.	1	,					-	•
Property income -	539	654	734	750	879	180	149	196	193	197	162	210	179	199	189	259	195	236
Investment income	64	63	68	64	60	16	18	19	16	14	20	18	13	13	15	15	15	16
Other	04	ره	00	04	80	10	10	17	10	17	"	, 0	' '	.,	1			
Transfers -	154	150	4.00	4.05	200	46	41	55	39	46	49	54	42	40	53	48	41	57
Government	154	159	180	185	166	25	28		26	31	32	35	33	35	40	42	41	44
Private		92	114	134			517	<u>29</u> 585	576	628	575	634	597	650	645	714	650	739
Total invisible debits	1,839	2,041	2,306	2,455	2,748	553 - 289	258		-284	-327	-276	-327	-311	-334	-313	-362	-305	-388
Net invisibles	- 925	-1,039		-1,247	-1,367		- 189	-306 -232		-212	-200	-232	-226	-162	-168	-234	- 62	66
Balance on current account	-1,143	-1,024	<u> </u>	- 820	- 398	- 248	109	-2)2	-121	-212	-200	-2)2	-220	-102	-,00			
CAPITAL INFLOW (a) -	ì					1	ŀ											
Overseas investment in Australia -															ļ			
Government securities -	1	470				1	70	- 11	- 7	- 34	- 30	- 41	44	- 19	_ 1	- 24	10	-33
Domiciled overseas	131	-		- 47	- 49	- 21	- 79		- /	-	- 50	- 41	44	- 19	- 2	- 24	10	-))
Domiciled in Australia	14	- 1	6	- 2		- 1	4	1		<u> </u>	- 30	- 1		- 20	- 3	- 24	11	-32
Total government securities	145	136	-125	- 48	- 48	- 23	- 75	- 10	- 6		 - 20	- 42	44	- 20	 	- 24		-72
Companies -									٠.	~.	-	25	0.5	20		00	88	×88 m
Undistributed income	228	281	283	300	*	70	71	71	71	71	. 75	75	75	75	88	88		160
Other direct investment	333	352	506	637	*	153	,2	76	159	230	86	87	180	285	181	98	93	- 160
Portfolio investment and institutional																07.4	050	
loans	401	412	291	637	*	52	25	94	102	70	56	154	161	266	132	234	252	*
Total companies (c)	962	1,046	1,080	1,573	*	275	138	241	332	370	216	316	416	625	400	419	433	
Total overseas investment in Australia (c)		1,182	956	1,525	*	252	63	231	325	337	186	274	459	605	397	395	444	*
Australian investment overseas (c)	- 43	- 60	-140	- 105	*	- 21	- 27	- 38	- 28	- 47	- 16	- 42	-36	-11	-23	- 17		
Other government capital movements	- 61	- 67	- 60	- 15	- 3	- 10	- 25	4	- 26	- 12	13	- 8	-18	- 3	8	14	-12	-13
Marketing authorities	33	27	- 47	- 43	-36	- 11	1	- 22	- 9	- 16	2	- 15	-22	- 8	25	- 9	-19	-33
Monetary sector transactions n.e.i.	42	- 6	34	28	43	- 5	11	- 8	<u> </u>	31	- 4	. 8	51	-27	18	2	11	15
Net identified capital inflow	1,078	1,077	743	1,390 (d)-45	206	22	167	262	293	182	218	434	557	425	382	(d)423	(d)-63
Balancing item	143	96	54		e)1,886	44	-17	21	-118	168	- 51	39	54	-14	8_	115	<u>(e)- 2</u>	(e <u>)553</u>
Net apparent capital inflow	1,222	1,173	797	1,418	1841	249	. 5	188	144	461	130	257	488	543	433	496	422	490
MONETARY MOVEMENTS (a) -						T						-					, ,	
Changes in official reserve assets	(f) 73	143	(g)118(g) 742(g	&h)1,544	- 2	-184	-110	(g)106	306	- 34	7	(g)343	426	256	(h)251		585
Allocation of Special Drawing Rights	```	•••	-75	-64	-63		 		-75				-64			, , ••	-63	• •
Changes in other foreign assets	8	26	6		(h) -31	12	-1	72	-14	-51	- 34	22	-21	-38	9	(h) 17	-30	-28
Other monetary movements	-3	-20	-12	-10	-7	_9	1	-7		- 6	-2	-5	3	-7	<u></u>	-6	1_	-2
N. A	70	148	37	508	1 443	1	-184	-45	17	249	- 70	25	262	381	265	262	360	556
(a) For current account balances minus sign (-) denote	s defic	it. for	canital	inflow	minus si	en (-) d	enotes	outflow:	for mon	etary mo	vements	minus s	ign (-)	denotes	a decr	ease in	assets o

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 June 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 collar equivalents of official reserve assets and other foreign assets. (g) Includes the

- Full commodity details of imports and exports on a trade basis are available only for the first two months of the June quarter 1972. Exports of most commodities showed increases over the corresponding two months of 1971; in particular the value of greasy wool exports rose by 47 per cent, reversing the trend experienced in previous periods of 1971-72. Imports of most commodities declined in April-May 1972 compared with April-May 1971, notably non-electric machinery (down 24 per cent) and transport equipment (down 30 per cent).
- 8. The net deficit of \$388 million on invisibles in the June quarter 1972 was \$54 million larger than the deficit in the June quarter of 1971. Total invisible credits rose by 11 per cent between the two quarters, while total invisible debits rose by 14 per cent.
- 9. The decline of \$53 million (10 per cent) in the net apparent capital inflow from the June quarter 1971 to the June quarter 1972 was partly in private capital movements, which are as yet not fully identified for the quarter just ended, and partly in government capital transactions which showed an increase in net outflow from \$23 million to \$45 million.
- 10. The net monetary movement of \$556 million in the June quarter of 1972 included a rise of \$585 million in official reserve assets and a fall of \$28 million in other foreign assets. At 30 June 1972, gold and net foreign assets of Australia's official and banking institutions totalled \$3,761 million, comprising official reserve assets of \$3,764 million and other foreign asset: of \$3 million.

PRELIMINARY ESTIMATES 1971-72

- 11. Estimates of the balance of payments for the full year 1971-72 become available for the first time in this bulletin. Highlights of the year were:
 - A trade surplus of \$969 million, more than twice that in 1970-71, and a record annual trade surplus.
 - Strong growth of \$542 million, or 13%, in the value of exports to a record \$4,758 million.
 - No growth in the value of imports in 1971-72 over their 1970-71 value of \$3,790 million.
 - A deficit of \$1,367 million on invisible transactions, \$120 million larger than the 1970-71 invisibles deficit.
 - Notable increases in many invisible items, in particular property income credits (up 24 per cent to \$219 million dollars), travel debits (up 27 per cent to \$252 million), miscellaneous debits (up 23 per cent to \$209 million) and investment income debits (up 17 per cent to \$879 million).
 - A current account deficit of \$398 million, \$422 million smaller than the corresponding 1970-71 deficit.
 - An upsurge in net apparent capital inflow to a record \$1,841 million, \$423 million, or 30 per cent, above that of 1970-71.
 - Net monetary movements of \$1,443 million (including a rise of \$1,544 million in official reserve assets) compared with \$598 million for 1970-71.

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, A.C.T. 2600

1 AUGUST 1972

COMMONWEALTH STATISTICIAN

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.