

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).

2. 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. 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.
3. 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.

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5. 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.

7. 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.

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1 AUGUST 1972

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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.