CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARY

SEPTEMBER QUARTER 1968

This statement contains estimates of Australia's balance of payments for the September quarter 1968 in comparison with revised estimates for previous quarters. Quarterly estimates are preliminary, subject to revision, and are available only in summary form. This summary contains, for the first time, quarterly estimates of overseas investment in companies in Australia based upon the quarterly Survey of Overseas Investment. For 1967-68 the quarterly and annual estimates of this investment are provisional and subject to revision when the results of the annual Survey are known. More detailed annual estimates and explanatory notes on the composition of the various items are to be published shortly in the bulletin "Balance of Payments 1967-68" (Ref. No. 8.1).

By comparison with the September quarter 1967, there was an increase of \$63 million in the current account deficit and an increase of \$62 million in the net apparent capital inflow during the September quarter 1968. During both periods there was an unfavourable net official monetary movement, amounting to \$58 million in the September quarter 1967 and \$59 million during the corresponding quarter this year.

The balance of trade showed a deterioration of \$36 million during the quarter, from a deficit of \$70 million in the September quarter one year ago to one of \$106 million in the quarter ended September 1968. Although the value of exports rose by \$33 million to \$745 million, the value of imports rose by \$69 million to \$851 million during the quarter. The rise in value of exports during the three months was due largely to the increased value of exports of meats, sugar, iron ore, coal and manufactured goods which more than compensated for a substantial decline in the value of wheat and flour exports during the same period. The rise in the value of imports during the quarter appears to have been fairly well spread throughout the main economic classes of imports, being most marked in the category of imports of producers' materials.

Turning to the invisibles, both total credits and total debits rose in value during the September quarter 1968, credits by \$18 million to \$226 million and debits by \$45 million to \$445 million. The most significant increases in the credits were: transportation (up \$7 million); and transfers (up \$5 million). On the debit side notable increases were recorded in the items property income payable (up \$33 million); transportation (up by \$12 million); and government (up \$7 million). As a result, the net deficit on current invisibles rose by \$27 million, from \$192 million during the September quarter 1967 to \$219 million during the September quarter 1968.

The high rate of capital inflow that occurred during the four quarters of 1967-68 continued in the September quarter 1968 when the net apparent capital inflow of \$266 million was \$62 million higher than during the same period of 1967. A turnabout of \$93 million in the result of government capital transactions, from a net outflow of \$43 million during the September quarter 1967 to a net inflow of \$50 million during the September

Ref.No. 8.2

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BALANCE OF PAYMENTS - SEPTEMBER QUARTER 1965 TO SEPTEMBER QUARTER 1968 AND YEARS 1963-64 TO 1967-68

% million

3.

	1							Quarters ended -										
	Year ended June -					1965-66				1966-67				1967-68			1968-69p	
	1964	1965	1966	1967	1968	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	Marcu	June	Sept.
CURRENT ACCOUNT (a) -	· ·																	
Exports f.o.b. (b)	2,730	2,574	2,626		2,942	636	659	636	695	692	704	740	790	712	760	693	777	745
Imports f.o.b. (b)	2,237	2,739	2,822	2,837		801	726	657	638	700	666	734		782	729	835	815	851
Balance of trade	493	-165	-196	89	-219	-165	-67	-21	57	-8	38	- 6	53	-70	31	-142	-38	
Invisible credits -									·									
Gold production	29	27	25	24	22	6	6	6	7	. 7	6	5	6	5	5		· 7	6
Transportation	254	279	295 58	312	359	74	74	74 [·]	73	73	72	84	83	85	89	94	91	92
Travel	43	54	58	70	87	13	14	16	15	16	1.7	19	18	18	21	25	23	20
Government	63	54 59	77	82	71	18	17	22	20	20	20	-21	21	17	13	21	20	· 18
Miscellaneous	43	55	56	55	69	14	17	13	12	13	. 12	14	16	16	16	21 -	16	16
Property income	94	119	114	122	128	29	25	30	30	34	27	35	26	31	26	34	37	33
Transfers	104	115	121	134	154	29	30	30	32	34	32	31	37	36	38	45	35	41
Invisible debits -						-,	50	50	5-	1 .	•,-			5	-		•••	
Transportation	417	488	520	548	632	128	132	125	135	128	139	139	142	150	161	163	158	162
Travel	102	114	122	133	140	27	23	30	42	29	25	33	46	33	27	34	46	34
Government	44		68	85	101	13	15	20	20	17	20	20	28	20	24	28	29	27
Miscellaneous	66	53 86	97	98	97	29	· 24	20	24	25	23	24	26	24	26	25	22	22
Property income -		00	21	30	21	. ") 24	1 20	- 4	2)	25	-4	20	24	20	2)		
Investment income	353	359	380	205	453	97	102	87	94	85	112	96	102	96	133	103	121	125
Other	40	46	50	395 56	475	14	11	13	94 12	14	14	16	12	13	16	18	17	17
Transfers -	40	40	50	50	04	14	11	13	12	14	14	10	12	13	10	10		1 1
Covernment	87	107	127	151	158	27	32	28	40	32	38	42	39	42	44	35	37	37
	62	66		79	-84	27 17		20	18	32 17	20	42 21	21	22	21	21	20	21
Other	-48	-776	<u>74</u> -888						the second s			-176	-156	-262		-324	-259	
Balance on current account	-40	-110	-000	-051	-1,058	-334	-242	-173	-139	- 158	-167	-1/0	-150	-202	-213	- 324	-279	-325
CAPITAL INFLOW (a) -]				
Overseas investment in Australia -																		}
Government securities -	Ì													}				
Domiciled overseas	22	-20	-25	24	134	` − 1	21	-34	-11	-69	20	28	45	8	64	11	51	85
Domiciled in Australia	-3	-5	-1	-2	••	••	-1	••	••	••	-1	- 1		4	••	-4		
Total government securities	19	25	-26	22	134	-1	20	- 34	-11	-69	19	27	45	12	64		51	85
Companies -																		
Undistributed income	132	119	117	98	115	29	30	29	29	25	24	24	25	29	<u>28</u> 51	29	29	*
Other direct (c)	132 283	412	344	183	/ 218	67	69	67	141	23	43	47	70	42	51	<u>29</u> 15	110	• *
Portfolio investment and	<u> </u>	• • -	2.1		-,			- •		-3			•			•	•	1
institutional loans (c)	30	43	208	175	406	41	49	48	70	46	28	30	71	69	76	124	137	. *
Total companies (c)	445	574	669	456	739	137	148	144	240	94	95	101	166	140	155	168	276	*
Total o'seas investment in Aust.(c)	464	549	643	478	873	136	168	110	229	25	114	128	211	152	219	175	327	*
Australian investment overseas (c)	-9	-16	-23	-17	-25	*	*	*		*	*	*	*	*	*		*	*
Other government capital movements	-64	-23	40	-52	-60	22	40	6	-28	-2	-32	15	-33	-55	47	-10	-42	-35
Marketing authorities	30	-61	34	-74	33	8	-6	34	14	18	-5	-46	-41	31	-7	14	-5	13
Non-official monetary transactions	5	17	10	14	15		3	2	5	5	,	ž	2	6	12	۲. ۲	24	5
Net identified capital inflow	426	466	704	349	866	(d) 150	(a)205	(a) 152	(d)220	(a)46	(a)81	(a)100			(a)271	(a) 182	(d) 304	
Balancing item	69	14	245	188	270	(e) 73	(e) 64	(e) 36	(e) 49	(e)52	(e)48	(e) 23	(e) 48	(d)134 (e)70	(e) 12	(e) 179	(e)-16	(e) 198
Net apparent capital inflow	495	480	949	537	1,136	223	269	188	269	98	129	123	187	204	283	361	288	266
OFFICIAL MONETARY MOVEMENTS (a) -	470	400	747	231	00101	~~~	209	100	209	90	129	(21		204	205	JUI	200	
		~~		~			~						-	.	•		E 4	-
Change in net I.M.F. position		22	40	26	71	22	9	•••	9		•••	· 19	7	-3	8	12	54 -25	2
Change in international reserves	447	-318	21	-177	(f)7	-133	18	15	121	-89	-38	-73	23	-55	(f)62	25	-	-56
Other	<u></u>			31		• • •				29		1	1	<u> </u>				<u> </u>
Net official monetary movements	447	-296	61	-120	78		27	15 (-) dana	1 <u>30</u>	<u>-60</u>	- <u>38</u>	-53	31	-58	70	37	29	

(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 yet available for periods marked (*) and for these periods the items 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 due to the devaluation of the pound Sterling and a number of other currencies held as part of Australia's international reserves. p - Preliminary.

quarter just ended, was mainly responsible for this increased inflow. Net proceeds from transactions in government securities rose by \$73 million to a total of \$85 million while the net outflow on account of other government capital movements, largely associated with purchases of defence and civil airline equipment overseas, fell by \$20 million to \$35 million.

Full details of other capital movements are not yet available; with the balancing item they resulted in a net inflow of \$216 million, \$31 million less than during the September quarter 1967. Of those items for which estimates are available, there were net inflows in respect of marketing authorities' transactions of \$13 million (down \$18 million) and non-official monetary transactions of \$5 million (down \$1 million). Unidentified capital movements and the balancing item resulted in a net inflow of \$198 million during the September quarter 1968, \$12 million less than in the September quarter 1967.

The unfavourable net official monetary movement of \$59 million during the quarter included a fall of \$56 million in the level of Australia's international reserves. During the corresponding quarter last year there was an unfavourable net official monetary movement of \$58 million, including a fall of \$55 million in international reserves.

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COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, A.C.T. 2600 1 NOVEMBER 1968

NOTE. Inquiries regarding 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.