

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

To be treated as strictly CONFIDENTIAL and NOT to be published, broadcast or cabled before NOON on FRIDAY 1 NOVEMBER 1968

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



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.

K.M. ARCHER  
COMMONWEALTH STATISTICIAN

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.