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COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS: QUARTERLY SUMMARY

DECEMBER QUARTER, 1964

This statement contains estimates of Australia's balance of payments for the December quarter of 1964 in comparison with previous quarters. Quarterly estimates are preliminary, subject to revision, and are available in summary form only. More detailed annual information for 1962-63 and 1963-64 (together with explanatory notes on the composition of the estimates) was presented in "Balance of Payments 1959-60 to 1963-64", published on 7th September, 1964.

Preliminary estimates for the December quarter of 1964 show a deficit of £70 million on current account transactions, compared with a surplus of £38 million achieved during the December quarter of 1963. This was largely the result of a £98 million deterioration in the balance of visible trade from a trade surplus of £96 million during the December quarter of 1963 to a trade deficit of £2 million for the same quarter this year. Imports continued to rise during the quarter and were valued at £341 million, £79 million greater than during the December quarter of 1963. The rise was spread over a wide range of imports. However, quite significant rises occurred in imports of vehicles (including aircraft), machinery and iron and steel. In contrast, exports during the quarter were valued at £339 million, £19 million below the value of exports for the December quarter last year, and reflected declines in the value of wool, wheat and sugar shipped during the quarter. Invisible transactions during the December quarter of 1964 resulted in a net deficit of £68 million, a rise of £10 million by comparison with the same period of the previous year. The most significant changes here were increased freight payable overseas on imports and increased property income payable to non-residents.

Capital account transactions for the December quarter of 1964 resulted in a net apparent capital inflow of £57 million, lower by £31 million than the inflow for the December quarter of 1963.

Government loan transactions resulted in a net outflow of £2 million. Drawings under the "Snowy" loan from the I.B.R.D. and under loans negotiated on behalf of government airlines were exceeded by repayments, etc. made during the quarter. In contrast with the December quarter of 1963, when a £25 million loan was floated in London, there was no new public loan floated overseas. Other official capital movements resulted in a net inflow of £3 million, compared with a net outflow of £25 million in the December quarter of 1963. This was mainly due to the substantially higher value of deliveries of defence equipment and civil aircraft for which prepayment had been made. There was a net outflow of £15 million arising out of the transactions of marketing authorities during the quarter, reflecting an excess of shipments over repayments against Chinese wheat contracts, together with a rise in stocks held abroad by other marketing authorities.

Other private capital movements and the balancing item combined, at £71 million, were £14 million below the net inflow during the December quarter of 1963.

The balance of net monetary movements showed a decline of £13 million, compared with a gain of £126 million over the December quarter of 1963.

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COMMONWEALTH STATISTICIAN

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CANBERRA, A.C.T. 27TH JANUARY, 1965

NOTE: Inquiries concerning these statistics may be made in Canberra by telephoning 70413 Extension 375 or, in each State Capital, by telephoning the office of the Bureau of Census and Statistics.

BALANCE OF PAYMENTS
SEPTEMBER QUARTER, 1962 TO DECEMBER QUARTER, 1964

(£ million)

	1962-63					1963-64					1964-65 p	
	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year	Sept. Qtr.	Dec. Qtr.
CURRENT ACCOUNT (a)												
Exports f.o.b. (b)	226	274	279	286	1,065	314	358	352	350	1,374	302	339
Imports f.o.b. (b)	262	257	249	264	1,032	272	262	281	309	1,124	333	341
Balance of Trade	-36	17	30	22	33	42	96	71	41	250	-31	-2
<u>Invisible Credits -</u>												
Transportation	20	23	23	23	89	23	25	26	26	100	26	28
Travel	4	4	3	3	14	4	4	5	5	18	5	6
Property income	8	11	9	10	38	10	11	11	12	44	14	14
Government	4	7	6	7	24	7	9	8	9	33	8	9
Other	17	18	18	20	73	20	23	25	24	92	25	28
<u>Invisible Debits -</u>												
Transportation	37	38	39	41	155	40	40	42	46	168	47	48
Travel	10	8	12	15	45	11	9	13	18	51	13	10
Property income	37	50	52	41	180	50	47	49	56	202	48	55
Government	6	7	7	8	28	7	8	8	8	31	8	9
Other	20	23	22	24	89	25	26	25	28	104	29	31
Balance on Current Account	-93	-46	-43	-44	-226	-27	38	9	-39	-19	-98	-70
CAPITAL ITEMS (a)												
Government loans overseas	12	11	7	17	47	-2	25	-11	-1	11	3	-2
Other official capital movements	-3	3	-2	-8	-10	-14	-25	1	-2	-40	-4	3
Marketing authorities	17	7	-18	-1	5	8	3	..	4	15	20	-15
Other identified capital movements (c)	}	66	51	59	82	}	79	85	29	70	}	61
Balancing item (c)												
	44				214					263		71
Net apparent capital inflow	92	72	46	90	300	71	88	19	71	249	80	57
<u>Monetary Movements</u>												
Change in net I.M.F. position	..	..	..	12	12	..	..	..	..	..	..	..
Change in international reserves	-1	26	5	35	65	41	128	28	31	228	-17	-13
Other	..	..	-2	-1	-3	3	-2	..	1	2	-1	..
Net Monetary Movements	-1	26	3	46	74	44	126	28	32	230	-18	-13

(a) For current account balances, minus sign (-) denotes deficit; for capital items other than monetary movements, minus sign (-) denotes outflow; for monetary movements, minus sign (-) denotes decrease in international reserves or net I.M.F. position or an increase in foreign holdings of Australian currency. (b) The amounts shown represent the recorded trade figures adjusted for balance of payments purposes. Adjustments affect both coverage and valuation. (c) Particulars of the Survey of Oversea Investment are not available by quarters. Private capital movements for these periods are therefore combined with the balancing item. p - Preliminary.