

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS
CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARY
DECEMBER QUARTER 1966

This statement contains estimates of Australia's balance of payments for December quarter 1966 in comparison with revised estimates for previous quarters. Quarterly estimates are preliminary, subject to revision and are available in summary form only. More detailed annual information, together with explanatory notes on the composition of the estimates, were published in "Balance of Payments 1961-62 to 1965-66".

Preliminary estimates for December quarter 1966 show a current account deficit of \$137 million, a net apparent capital inflow of \$100 million and an unfavourable net monetary movement of \$37 million.

The current account deficit of \$137 million was \$92 million less than the deficit during December quarter 1965. This improvement was due to the more favourable balance of trade which, in December quarter 1966, resulted in a surplus of \$55 million compared with a deficit of \$70 million in December quarter 1965. The value of exports during the quarter just ended was \$705 million, an increase of \$41 million over the corresponding quarter of 1965. Although full details of exports are not yet available for December quarter 1966 it would appear that the value of exports of wool, iron and steel, ores, meats and cereals increased. At the same time as the value of exports was rising, the value of imports during December quarter 1966 was, at \$650 million, \$84 million lower than for December quarter of the previous year. The magnitude of this fall in the value of imports was due partly to the fact that imports on a balance of payments basis for the December quarter 1965 included the destroyer "Hobart" handed over to the R.A.N. during the quarter.

There was a net deficit of \$192 million on account of invisible transactions, an increase of \$33 million compared with December quarter 1965. Both credits and debits increased in total, the most notable increases being a \$5 million rise in government debits to \$19 million, a \$24 million rise in property income payable overseas to \$128 million and a rise of \$6 million in transfer debits to \$57 million. Some items decreased in value by comparison with December quarter last year, most notably miscellaneous credits, which fell by \$5 million to \$12 million.

The net apparent capital inflow of \$100 million was \$154 million lower than the net apparent inflow of \$254 million during the corresponding period of 1965. Both the official and private sectors contributed to this marked decline in the net inflow. In the case of official capital transactions, there was a net outflow in respect of overseas loan operations amounting to \$20 million during the quarter just ended. This was mainly due to the fact that, during the quarter, no new loans were raised overseas while an \$18 million loan was redeemed in the U.S.A. In December quarter 1965, however, the net inflow of \$21 million included receipts from a Euro-dollar loan of \$22 million. Other official capital movements consist largely of an adjustment for timing differences between payments for civil aircraft and defence equipment from overseas and the actual delivery dates. In the quarter just ended the value of deliveries exceeded net payments resulting in a net inflow of \$7 million compared with the net inflow of \$41 million in December quarter 1965 when the value of deliveries (including H.M.A.S. "Hobart") was also in excess of payments.

Marketing authorities' transactions in December quarter of both 1966 and 1965 resulted in small net outflows mainly due to the fact that the value of shipments of wheat on credit during both periods was greater than the repayments made on earlier shipments. Other identified capital movements combined with the balancing item resulted in a net inflow of \$120 million during December quarter this year, a reduction of \$78 million compared with the December quarter last year.

The unfavourable net monetary movement of \$37 million during the quarter just ended was made up of a fall in international reserves of \$38 million and a fall in Australian currency holdings by foreign banks of \$1 million. In the corresponding quarter of 1965 there was a favourable net monetary movement of \$25 million.

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CANBERRA, A.C.T.

27 JANUARY 1967

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.

BALANCE OF PAYMENTS : SEPTEMBER QUARTER 1964 TO DECEMBER QUARTER 1966
(\$ million)

	1964-65					1965-66p					1966-67p	
	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)	600	672	640	663	2,575	641	664	639	692	2,636	692	705
Imports f.o.b. (b)	663	678	678	720	2,739	800	734	657	635	2,826	707	650
Balance of Trade	-63	-6	-38	-57	-164	-159	-70	-18	57	-190	-15	55
Invisible Credits -												
Gold production	7	7	6	7	27	6	6	6	7	25	6	6
Transportation	64	71	72	71	278	75	77	74	71	297	79	77
Travel	11	14	14	15	54	13	15	16	15	59	14	17
Property income	29	33	30	27	119	32	28	33	33	126	39	30
Government	14	15	15	16	60	17	16	22	21	76	19	19
Miscellaneous	14	14	13	14	55	14	17	13	11	55	13	12
Transfers	26	29	29	28	112	28	29	30	32	119	34	31
Invisible Debits -												
Transportation	110	120	125	129	484	128	133	126	132	519	132	132
Travel	25	21	27	41	114	27	23	29	42	121	28	26
Property income	92	118	97	105	412	103	104	91	98	396	104	128
Government	11	12	15	13	51	13	14	19	20	66	17	19
Miscellaneous	21	23	22	20	86	27	22	20	24	93	25	22
Transfers	38	37	49	48	172	44	51	48	59	202	50	57
Balance on Current Account	-195	-154	-194	-235	-778	-316	-229	-157	-128	-830	-167	-137
CAPITAL ITEMS (a)												
Government loans overseas	6	-5	-15	-6	-20	-1	21	-34	-11	-25	-67	-20
Other official capital movements	-14	-1	10	-14	-19	24	41	7	-28	44	-10	7
Marketing authorities	40	-29	-37	-34	-60	-7	-6	34	17	38	14	-7
Other identified capital movements (c)	125	165	89	201	508	190	198	167	279	891	168	120
Balancing item (c)												
Net Apparent Capital Inflow	157	130	47	147	481	206	254	174	257	891	105	100
Monetary Movements (a)												
Change in net I.M.F. position	11	11	22	22	9	..	9	40
Change in international reserves	-36	-24	-161	-97	-318	-133	18	15	121	21	-89	-38
Other	-2	..	3	-2	-1	1	-2	2	-1	..	27	1
Net Monetary Movements	-38	-24	-147	-88	-297	-110	25	17	129	61	-62	-37

(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. (d) Other identified capital movements and the balancing item, totalling \$834 million in 1965-66, are provisionally estimated to include \$428 million of private direct investment from overseas (including \$95 million undistributed income). In addition, provisional estimates indicate that of the balancing item itself, approximately half is accounted for by portfolio investment, amounts supplied by overseas financial institutions not affiliated with the borrowing company and overseas funds deposited with the official short-term money market. p - Preliminary.