

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARY

DECEMBER QUARTER 1967

This statement contains estimates of Australia's balance of payments for the December quarter 1967 in comparison with estimates for previous quarters. It incorporates the most recent estimates of property income payable and receivable and flows of private investment between Australia and overseas for the years 1962-63 to 1966-67, details of which are to be published shortly in "Overseas Investment, 1966-67 : Preliminary Bulletin". Quarterly estimates are preliminary, subject to revision and are available only in summary form. This summary brings up to date the more detailed annual information published in the bulletin "Balance of Payments, 1966-67" to which reference should be made for a full description of the composition of the items shown in the accompanying table.

Compared with the December quarter 1966 the preliminary estimates for the December quarter 1967 show a small increase in the current account deficit, a marked increase in the net apparent capital inflow and a turnabout in net official monetary movements from an unfavourable movement of \$38 million in the December quarter 1966 to a favourable movement of \$70 million in the December quarter 1967.

The increase of \$23 million in the current account deficit which rose from \$157 million in the December quarter last year to \$180 million in the December quarter just ended was due almost wholly to an increase in the net deficit on invisible transactions. Although the value of both exports and imports rose substantially - by \$63 million to \$768 million in the case of exports and by \$64 million to \$731 million in the case of imports - the balance of trade surplus remained virtually unchanged during the December quarter 1967 and, at \$37 million, was only \$1 million below the surplus during the corresponding quarter last year. In the case of invisible transactions, however, although increases during the December quarter 1967 over the December quarter 1966 were quite substantial in respect of both credits and debits the net result was an increase in the net deficit of some \$22 million. Invisible credits rose by \$32 million to a total of \$221 million during the December quarter 1967 compared with the December quarter 1966 mainly as a result of higher transportation credits (up by \$14 million), transfers (up \$8 million) and property income receivable (up \$7 million). The increase of \$54 million to \$438 million in invisible debits during the quarter was largely attributable to transportation debits (up by \$27 million, primarily because of higher freights payable on petroleum imports following the closure of the Suez Canal) and property income payable (up \$17 million).

During the December quarter 1967 there was a net apparent capital inflow of \$250 million, \$131 million above the net apparent inflow during the corresponding quarter of 1966. Quarterly data in respect of a substantial element of private investment is not available but it is possible to account for \$101 million of this overall increase in the net apparent inflow. Government capital transactions during the December quarter 1967 resulted in a net inflow of \$92 million which compares with a net outflow of \$14 million during the previous December quarter. The net inflow from official loan operations rose by \$42 million while there was a turnabout of \$64 million in other government capital movements from a net outflow of \$34 million during the December quarter 1966 to a net inflow of \$30 million in the corresponding quarter this year. The remaining identified capital transactions - undistributed income, marketing authorities and non-official monetary transactions - together resulted in a net inflow of \$19 million during the December quarter 1967, lower by \$5 million than the net inflow during the December quarter 1966. During the December quarter 1967 the

BALANCE OF PAYMENTS - DECEMBER QUARTER 1964 TO DECEMBER QUARTER 1967 AND YEARS 1962-63 TO 1966-67

\$ million

	Year ended June -					Quarters ended -													
	1963	1964	1965	1966	1967	1964-65			1965-66			1966-67			1967-68p				
						Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
CURRENT ACCOUNT (a) -																			
Exports f.o.b. (b)	2,121	2,730	2,574	2,626	2,937	672	640	663	636	659	636	695	693	705	744	795	712	768	
Imports f.o.b. (b)	2,065	2,237	2,739	2,822	2,843	678	678	720	801	726	657	638	701	667	738	737	784	731	
Balance of trade	56	493	-165	-196	94	-6	-38	-57	-165	-67	-21	57	-8	38	6	58	-72	37	
Invisible credits -																			
Gold production	32	29	27	25	24	7	7	6	6	6	6	7	7	6	6	5	5	6	
Transportation	221	254	279	295	313	71	72	72	74	74	74	73	75	73	83	82	84	87	
Travel	35	43	54	58	64	14	13	15	13	14	16	15	15	18	16	15	15	18	
Government	47	62	59	77	83	15	15	16	18	17	22	20	19	21	21	22	20	19	
Miscellaneous	36	43	55	56	54	13	14	14	14	17	14	11	13	12	13	16	19	17	
Property income	76	94	119	114	124	32	30	27	29	25	30	30	35	27	35	27	31	34	
Transfers	70	104	115	121	133	30	30	29	29	30	30	32	34	32	31	36	37	40	
Invisible debits -																			
Transportation	370	417	488	520	535	122	125	130	128	132	126	134	127	133	137	138	149	160	
Travel	90	102	114	122	133	21	28	40	27	23	30	42	29	25	33	46	33	27	
Government	37	42	51	66	82	12	15	14	13	14	19	20	17	20	20	25	19	23	
Miscellaneous	54	66	86	97	97	22	22	20	29	24	20	24	25	23	23	26	23	26	
Property income -																			
Investment income	325	352	359	380	393	105	84	91	96	103	88	93	85	111	96	101	95	126	
Other	32	40	46	50	55	10	12	12	14	11	13	12	14	14	15	12	13	16	
Transfers	127	149	173	202	230	38	49	48	44	51	48	59	49	58	63	60	66	60	
Balance on current account	-462	-46	-774	-887	-636	-154	-192	-233	-333	-242	-173	-139	-156	-157	-176	-147	-259	-180	
CAPITAL INFLOW (a) -																			
Overseas investment in Australia -																			
Government securities -																			
Domiciled overseas	93	22	-20	-25	24	-6	-14	-6	-1	21	-34	-11	-69	20	28	45	9	62	
Domiciled in Australia	-9	-3	-5	-1	7	-1	-1	..	..	-1	..	..	5	..	..	2	5	..
Total government securities	84	19	-25	-26	31	-7	-15	-6	-1	20	-34	-11	-64	20	28	47	14	62	
Companies -																			
Undistributed income	106	133	120	118	102	30	30	30	29	30	29	30	26	25	25	26	29	29	
Other direct (c)	274	274	412	326	189	*	*	*	*	*	*	*	*	*	*	*	*	*	
Portfolio investment and institutional loans (c)	81	30	43	208	198	*	*	*	*	*	*	*	*	*	*	*	*	*	
Total overseas investment in Aust. (c)	461	437	575	652	489	30	30	30	29	30	29	30	26	25	25	26	29	29	
Australian investment overseas (c)	545	456	550	626	520	23	15	24	28	50	-5	19	-38	45	53	73	43	91	
Other government capital movements	-8	-9	-16	-23	-17	*	*	*	*	*	*	*	*	*	*	*	*	*	
Marketing authorities	10	30	-61	34	-76	-30	-37	-34	-8	-6	34	14	18	-5	-47	-42	33	-12	
Non-official monetary transactions	9	5	17	10	14	2	3	8	..	3	2	5	4	4	4	2	3	2	
Net identified capital inflow (c)	542	418	467	687	399	-7	-10	-17	43	87	37	9	-19	10	28	10	29	111	
Balancing item	71	75	11	261	117	137(d)	52(d)	164(d)	179(d)	182(d)	151(d)	260(d)	115(d)	109(d)	95(d)	168(d)	173(d)	139(d)	
Net apparent capital inflow	613	493	478	948	516	130	42	147	222	269	188	269	96	119	123	178	202	250	
OFFICIAL MONETARY MOVEMENTS (a) -																			
Change in net I.M.F. position	23	..	22	40	26	..	11	11	22	9	..	9	..	..	19	7	-2	8
Change in international reserves	128	447	-318	21	-177	-24	-161	-97	-133	18	15	121	-89	-38	-73	23	-55	62(d)	
Other	..	..	..	..	31	..	..	..	..	..	..	..	29	..	1	1	..	..
Net official monetary movements	151	447	-296	61	-120	-24	-150	-86	-111	27	15	130	-60	-38	-53	31	-57	70	

(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 available by quarters. For these periods, therefore, the items marked (*) are included with the balancing item and the quarterly sub-totals shown are not comparable with the annual figures. (d) Includes items marked (*) for which quarterly details are not available. (e) Excludes 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.

balancing item of \$139 million (which includes unidentified quarterly movements in direct investment, portfolio investment and institutional loans) was \$30 million higher than during the December quarter 1966.

The favourable net official monetary movement of \$70 million during the December quarter 1967 included an improvement of \$8 million in Australia's net I.M.F. position and an increase in international reserves of \$62 million. This increase in reserves, however, does not take account of a reduction of some \$113 million in the Australian dollar equivalent of holdings of those overseas currencies which were devalued in November 1967. This is because balance of payments estimates record only transactions and not changes in the value of assets and liabilities resulting from valuation changes. The unfavourable net official monetary movement during the December quarter of the previous year comprised a decline in international reserves of \$38 million.

K.M. ARCHER
COMMONWEALTH STATISTICIAN

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, A.C.T. 2600

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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.