# COMMONWEALTH BUREAU OF CENSUS AND STATISTICS CAMBERRA. AUSTRALIA

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# BALANCE OF PAYMENTS : QUARTERLY SUMMARY

### DECEMBER QUARTER 1970

#### NOTES ON THE STATISTICS

- 1. This statement contains estimates of Australia's balance of payments for the December quarter 1970 together with revised estimates for previous quarters and financial years. More detailed estimates are published half-yearly in the mimeographed bulletin "Balance of Payments" (reference No. 8.1).
- Quarterly estimates are available only in summary form and are preliminary and subject to revision. The items most subject to revision are those for which the basic data are derived from annual surveys which inevitably involve substantial time lags before the results become available. In particular, the 1969-70 estimates of transportation (credits and debits), property income (credits and debits), overseas investment in companies in Australia and Australian investment overseas are still provisional and will be revised when the results of the Surveys of Overseas Shipping Operations and Overseas Investment for 1969-70 are available.
- 3. Any discrepancies between totals and sums of components in the accompanying table, or between aggregates quoted in the text and their components are due to rounding.

## DECEMBER QUARTER 1970

- Preliminary estimates of the balance of payments for the three months ended December 1970 show a deficit on current account of \$257 million, a net apparent capital inflow of \$282 million, and a favourable net monetary movement of \$25 million. Compared with the December quarter of 1969, in which there was an unfavourable net monetary movement of \$44 million, the quarter just ended resulted in a deterioration of \$20 million in the current account balance which was more than offset by an improvement of \$89 million in the net apparent capital inflow.
- The rise of \$20 million in the current account deficit, from \$237 million in the December quarter 1969 to \$257 million in the December quarter 1970, occurred in spite of a \$17 million improvement in the balance of trade. The value of exports (on a balance of payments basis) during the quarter ended December 1970 was \$1,033 million, \$65 million (6.7 per cent) higher than during the December quarter of the previous year. The increase was attributable to higher receipts for a wide range of major exports including meats, fruit, wheat and flour, sugar, ores and concentrates, coal and coke, petroleum and petroleum products and machinery and transport equipment; these increases were more than sufficient to offset a substantial fall in the value of exports of wool and smaller declines in respect of exports of dairy produce, iron and steel and non-ferrous metals. The value of imports (on a balance of payments basis) also rose during the December quarter 1970 reaching a total of \$946 million, \$49 million (5.5 per cent) above the total for the December quarter 1969. Full commodity details of imports during the quarter just onded are not yet available but indications based on a comparison of figures for the first two months of the quarter are that most principal categories of merchandise imports rose in value, with the exception of imports of petroleum and petroleum products and of transport equipment (other than road motor vehicles) both of which showed sharp falls. With the value of exports increasing by more than the value of imports there was an improvement in the balance of trade from a

Reference No. 8.2

(cont. p. 4)

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		BALANCE OF PAYMENTS - DECEMBER QUARTER 1967 TO DECEMBER QUARTER 1970 AND YEARS 1965-66 TO 1969-70														<u>8 mi</u>	llion				
<del></del>			T				$\overline{}$						Quarters						1077	1970-71	
				Year e	r ended June -			1967-68				1968-69			·	1969- Sept. Dec. 1		-70 March June		Dec.	
			1966	1967	1968	1969	1970	Dec.	March	June	Sept.	Dec.	March	June	Sept.	nec.	March	J.MIG	Sept.	200.	
CURRENT ACCOUNT (a) -			2 (2(	2 026	2 042	7 247	7 067	<b>7</b> 59	693	774	743	826	793	856	964	968	1,013	1,018	1,041	1,033	
Exports f.o.b. (b)	• •	••	2,626	2,926	2,942	3,217	3,963	759 741	8 <b>3</b> 4	814	844	804	741	814	895	897	855	909	964	946	
Imports f.o.b. (b)	• •	• •	2,822	2.837	3.159	3,203	3,557	18	-141	-40	-101	22	52	42	69	71	158	109	77	88	
Balance of trade	• •	• •	-196	89	<b>-21</b> 8	14	406	18	-141	-40	-10.		/_	7-	, ,		•				
Invisible credits -			25	24	22	20	18	5	5	7	6	6	4	5	4	4	5	5	4	4	
Gold production	••	••	295	320	362	392	445	ر 91	91	94	95	98	98	101	107	111	115	113	119	121	
Transportation Travel	• •	• •	58	70	88	108	123	21	26	23	25	26	28	29	28	33	32	30	34	38	
Government	••	••	78	83	76	80	82	14	22	22	1 18	19	22	21	21	20	22	20	19	18	
Miscellaneous	••	• •	56	-55	69	75	109	16	21	16	16	18	21	20	21	22	35	32	28	27	
Property income	• •	••	113	123	129	150	154	26	34	38	36	29	43	42	31	42	35	46	41	40	
Transfers	••		122	136	156	165	182	39	46	35	42	43	39	42	44	45	47	46	44	48	
Invisible debits -	• •	••	125	1,70	1,70	10)	104	,,	7.0		!										
Transportation			520	545	636	683	742	160	173	155	169	166	176	172	171	185	188	198	187	204	
Travel	••		122	133	140	150	175	27	34	46	35	27	35	53	41	32	41	61	42	37	
Government	••	••	62	81	95	111	115	22	27	27	23	26	30	32	27	27	26	35	26	28	
Kiscellaneous	••	••	97	98	98	104	144	26	25	23	23	26	31	24	31	38	39	37	37	33	
Property income -	••	••	''	,,,	,,				)		1									07.0	
Investment income		• •	382	409	537	652	794	148	120 ′	156	153	170	150	180	184	201	209	201	199	232	
Other	••	• • •	50	-56	64	63	68	16	18	17	17	17	13	16	19	19	16	14	20	19	
Transfers -	••	••	"	,,,	•	•,									1				l		
Government	••		127	151	154	159	180	43	33	37	36	46	32	46	41	55	39	46		54	
Other	••	••	74	79	-84	90	112	21	21	20	21	23	21	24	27	. 29	26	30		-15	
Balance on current a			-884	-651	-1,123	-1,008	-812	-233	-347	-285	-340	-240	-183	-246	-217	-237	-136	-221	-224	-257	
CAPITAL INFLOW (a) -										<b></b>											
Overseas investment in Australia -														1				1			
Government securitie		- La	1								1										
Domiciled overseas		••	-25	24	134	138	-121	64	11	51	85	1	72	-21	-68	-11	-8	<del>-</del> 35		-42	
Comiciled in Austr		•••	<b>1</b> –1	-2	14	.,,,	4	2	2	4	-1	1	1	1_	4_			1_	4	<u></u> -	
Total government			-26	22	148	138	-117	66	13	55	84	2	73	-22	-64	-11	8	-34	-27	-42	
Companies -			<del></del>								<del>                                     </del>									-	
Undistributed inco	^ma		125	115	227	284	370	57	57	57	71	71	71	71	92	92	93	93		*	
Other direct	ОШС		356	218	305	317	366	65	26	160	46	86	47	138	23	61	97	185	39	*	
Portfolio investme	ont and	• •	//	210	,0,	711	,,,,												1		
institutional los			207	176	416	373	196	76	128	144	91	99	133	50	17	63	69	47			
Total companies			688	509	948	974	932	138	211	361	208	256	251	259	132	216	259	325		*	
•		/ . \	662			1,112	815	64ے	224	416	292	258	324	237	68	205	252	291	155	*	
Total o'seas investm				531	1,096	1,112 -53	-72	-12	-8	410 -5	-10	-20	-5	-18	-16	<b>-</b> 19	-6	-31			
Australian investment			-27 40	-30 -52	-39 -60	-52 -67	-12 -58	47	-10	<u>-42</u>	-40	-20	-20	-10	-25	4	-26	-10		-3	
Other government capit		nents	34	-52 -74	-00 33	<del>-</del> 67	-98 -47	-7	14	<del>-</del> 5	8	15	15	-11	1	-22	<del>-</del> 9	-16		<b>-</b> 8	
Marketing authorities		••	5	- 14 6	22 42	-6	-4/ 30	11	14	20	-3	5	-3	-4	11	-11		31		-3	
Monetary sector transc			714	381	1,072	1,014	30 668	303	222	384	248	261	311	194	38	156	210	265		(d)-55	
Net identified capi Balancing item			227	147	130	143	181	11	150	-60		38	1	53	-5_	37	-57	_205			
Net apparent capita	 linflow	••	941	528	1,202	1,157	849	314	372	324		299	312	247		193	154	470	154	282	
	T TILL TOW		741	, , , , ,	1,202	19171	049	<del> </del>			+				+						
MONETARY MOVEMENTS (a)				470	(f)73	143	(g)118	(f)65	25	34	_1	12	133	<b>-</b> 2	-184	-110	(g)106	306	-34	7	
Changes in official re			44	-132	(1)1)			(1)00	-		-	••	•••		1	••	``` <i>-7</i> 5				
Allocation of Special			16	10	(0) 0	26	-75 6	(f)17	• •	8	-36	53	-4	12		72		-51	-34	22	
Changes in other fore			16	<b>-18</b>	(f) 9	26	-12		••	<b>-</b> 2	-5	-7		-9		-7		<b>-</b> 6	-2		
Other monetary movemen		••	-2	26	<u>-3</u>	<u>-20</u>	<u>-12</u> 37	<u>-1</u> 81	25	40		59	129	1		-44		249	-70	25	
Net monetary movemen	nts		57	-124	79	148	57	1 81	25	40		29	123		-104					n assets	

<sup>(</sup>a) For current account balances minus sign (-) denotes deficit; for capital inflow minus sign (-) denotes outflow; for monetary movements minus sign (-) denotes a decrease in assets or an increase in liabilities or the receipt of an allocation of Special Drawing Rights in the I.M.F. (b) Recorded trade figures adjusted in respect of coverage and valuation for balance of payments purposes. (c) Full details of the Survey of Overseas Investment are not available for the December quarter 1970 and for this period the items marked (\*) are included with the balancing item. (d) Excludes items marked (\*). (e) Includes items marked (\*). (f) Excludes the effects of the November 1967 devaluation of the pound sterling and other currencies which reduced by \$111 million and \$2 million, respectively, the Australian dollar equivalents of official reserve assets and other foreign assets.

(g) Includes an increase of \$75 million due to the allocation of Special Drawing Rights.

NOTE. Any discrepancies between totals and sums of components in the above table are due to rounding.

surplus of \$71 million in the quarter ended December 1969 to a surplus of \$88 million in the December quarter 1970.

- While the balance of trade for the December quarter 1970 showed an improvement the net deficit in respect of current invisible transactions deteriorated by \$36 million from a deficit of \$308 million in the December quarter 1969 to a deficit of \$344 million. Total invisible credits rose by \$17 million (6.1 per cent) to \$294 million, largely on account of increased earnings in respect of transportation and miscellaneous services. At the same time, invisible debits increased by \$53 million (9.1 per cent) to \$638 million in the December quarter 1970, the major factors being rises in transportation debits (freight and fares payable to overseas carriers), expenditure overseas by Australian travellers, and in estimated income payable on overseas investment in Australia.
- The net apparent capital inflow of \$282 million during the December quarter 1970 was \$89 million higher than the net apparent inflow in the corresponding quarter of 1969. Because details of some of the major components of this net apparent inflow are not yet available for the quarters just ended comments on the capital movements can be made only in terms of broad aggregates. Thus identified capital movements during the December quarter 1970 accounted for a net capital outflow of \$55 million compared with a net outflow of \$40 million for the same group of items (government securities, other government capital, marketing authorities and monetary sector transactions not elsewheat included) during the corresponding quarter of 1969. Unidentified capital movements (private overseas investment in companies in Australia and Australian investment overseas) together with the balancing item, however, accounted for a net inflow or \$357 million in the December quarter 1970, an increase of \$104 million over the net inflow for these same items during the December quarter 1969.
- 8. The net favourable monetary movement of \$25 million during the quarter ended December 1970 included an increase of \$7 million in official reserve assets and a rise of \$22 million in other foreign assets partly offset by unfavourable other monetary movements of \$4 million. At the end of December 1970 gold and net foreign assets of Australian official and banking institutions totalled \$1,599 million, of which \$1,511 million were official reserve assets and \$88 million other foreign assets.

J. P. O'NEILL ACTING COMMONWEALTH STATISTICIAN

#### COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

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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.