



Reference No. 8.2

**BALANCE OF PAYMENTS : QUARTERLY SUMMARY
DECEMBER QUARTER 1973**

This statement contains preliminary estimates of Australia's balance of payments for the December quarter 1973, together with revised estimates for previous quarters and financial years. Notes on the statistics are included on page 4. More detailed estimates are published annually in the mimeographed bulletin *Balance of Payments* (Reference No. 8.1).

December Quarter 1973

2. Highlights of the preliminary estimates of the balance of payments for the December quarter 1973 were:
- * A trade surplus of \$442 million, \$48 million higher than in the preceding quarter, but \$95 million lower than the surplus of the December quarter 1972.
 - * Record exports of \$1,740 million, up \$124 million on the preceding quarter, and \$263 million, or 18 per cent higher than in the December quarter 1972.
 - * Record imports of \$1,298 million, up \$77 million on the preceding quarter, and \$358 million, or 38 per cent higher than in the December quarter 1972.
 - * A deficit on net invisibles of \$430 million, \$68 million higher than in the December quarter 1972.
 - * A small surplus of \$12 million on current account, following on the small deficit in the preceding quarter, but substantially less than the peak surplus of \$242 million recorded in the March quarter 1973.
 - * Net apparent capital outflow continued at a low level in December quarter 1973, being \$28 million compared with \$13 million in the preceding quarter. This contrasts with the high outflows in the first two quarters of 1973, giving a total net apparent capital *outflow* of \$723 million for calendar year 1973. For calendar 1972 the comparable figure was an *inflow* of \$1,912 million.
 - * The overall result (as measured by net monetary movements) for the December quarter 1973 was a small deficit of \$15 million. By this measure, the balance of payments has been in approximate equilibrium for the past three quarters.

Levels of Reserves

3. At 31 December 1973, gold and net foreign assets of Australia's official and banking institutions, valued at official parity relationships, totalled \$4,086 million – comprising official reserve assets of \$4,091 million and a provisional estimate for other foreign assets of – \$5 million. At market rates, the value of official reserve assets was \$3,869 million.

BALANCE OF PAYMENTS - CURRENT ACCOUNT

SEPTEMBER QUARTER 1971 TO DECEMBER QUARTER 1973 AND YEARS 1969-70 TO 1972-73

\$ MILLION

	YEAR				QUARTERS ENDED-									
	1969-70	1970-71	1971-72	1972-73	1971-72				1972-73				1973-74	
					SEPT.	DEC.	MAR.	JUNE	SEPT.	DEC.	MAR.	JUNE	SEPT.	DEC.
VISIBLE TRADE-														
EXPORTS F.O.B.	3969	4216	4729	5990	1185	1112	1154	1278	1316	1477	1605	1592	1616	1740
IMPORTS F.O.B.	-3553	-3790	-3791	-3797	-1047	-987	-913	-844	-892	-940	-956	-1009	-1221	-1298
BALANCE OF TRADE	416	426	938	2193	138	125	241	434	423	537	649	583	394	442
INVISIBLE CREDITS-														
GOLD PRODUCTION	18	15	13	15	4	3	3	3	4	4	3	4	4	4
TRANSPORTATION	445	469	496	553	128	123	121	124	133	142	139	139	153	164
TRAVEL	120	136	139	132	31	43	38	28	27	39	36	30	30	43
GOVERNMENT	87	82	90	91	21	22	24	23	22	23	22	24	23	24
MISCELLANEOUS	118	134	160	134	32	40	51	37	36	34	32	31	37	36
PROPERTY INCOME	155	178	239	372	60	60	57	63	86	95	101	90	116	115
TRANSFERS	186	181	226	235	51	56	55	65	62	63	58	52	67	69
TOTAL INVISIBLE CREDITS	1129	1195	1364	1530	326	348	348	342	369	399	392	370	430	455
INVISIBLE DEBITS -														
TRANSPORTATION -														
FREIGHT ON IMPORTS	-397	-411	-395	-402	-109	-104	-95	-87	-87	-101	-102	-112	-134	-150
OTHER TRANSPORTATION	-397	-426	-438	-474	-96	-110	-115	-117	-109	-121	-126	-118	-130	-130
TRAVEL	-186	-199	-266	-316	-53	-50	-58	-106	-82	-59	-67	-108	-92	-92
GOVERNMENT	-124	-127	-124	-122	-28	-30	-30	-36	-27	-29	-29	-37	-28	-29
MISCELLANEOUS	-147	-170	-210	-222	-53	-53	-53	-51	-53	-55	-56	-58	-68	-61
PROPERTY INCOME -														
INVESTMENT INCOME	-734	-778	-852	-973	-186	-258	-193	-215	-202	-248	-294	-228	-236	-282
ROYALTIES AND COPYRIGHTS	-68	-64	-56	-75	-15	-15	-15	-11	-13	-22	-22	-17	-12	-21
TRANSFERS -														
GOVERNMENT	-179	-185	-206	-252	-54	-48	-41	-62	-66	-73	-49	-64	-67	-62
PRIVATE	-114	-134	-172	-210	-40	-42	-44	-46	-47	-53	-53	-57	-65	-58
TOTAL INVISIBLE DEBITS	-2305	-2494	-2717	-3046	-633	-710	-643	-732	-687	-761	-800	-799	-831	-885
NET INVISIBLES	-1177	-1298	-1353	-1516	-307	-362	-295	-389	-317	-362	-408	-429	-401	-430
BALANCE ON CURRENT ACCOUNT	-760	-873	-416	677	-169	-237	-54	45	106	175	242	154	-7	12

BALANCE OF PAYMENTS - CAPITAL ACCOUNT

SEPTEMBER QUARTER 1971 TO DECEMBER QUARTER 1973 AND YEARS 1969-70 TO 1972-73

\$ MILLION

	YEAR				QUARTERS ENDED-										
	1969-70	1970-71	1971-72	1972-73	1971-72				1972-73				1973-74		
					SEPT,	DEC,	MAR,	JUNE	SEPT,	DEC,	MAR,	JUNE	SEPT,	DEC,	
CAPITAL INFLOW (NET) -															
GOVERNMENT CAPITAL MOVEMENTS -															
GOVERNMENT SECURITIES	-125	-48	-46	-59	-2	-24	12	-32	37	-1	-44	-51	24	-44	
OTHER GOVT CAPITAL MOVEMENTS	-60	-15	-14	-31	10	14	-11	-28	5	-9	-13	-14	49	40	
TOTAL GOVERNMENT CAPITAL MOVEMENTS	-185	-63	-60	-90	8	-10	1	-59	41	-10	-57	-64	74	-5	
PRIVATE CAPITAL MOVEMENTS -															
OVERSEAS INVESTMENT IN AUSTRALIAN COMPANIES -															
UNDISTRIBUTED INCOME	284	299	311	330	78	78	78	78	82	93	82	83	106	106	
OTHER DIRECT INVESTMENT	507	657	601	-60	175	110	133	183	120	27	-165	-42	-94	(A)	
PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS	279	655	588	-27	88	200	151	148	118	98	-151	-92	-85	(A)	
TOTAL COMPANIES	1070	1612	1499	243	341	388	362	408	320	208	-234	-51	-73	N.A.	
AUST. INVESTMENT OVERSEAS	-143	-95	-138	-94	-40	-29	-22	-48	-15	-25	-41	-13	-40	(A)	
MARKETING AUTHORITIES	-47	-43	-45	34	25	-12	-19	-39	12	-6	14	14	28	24	
TOTAL PRIVATE CAPITAL MOVEMENTS	880	1474	1316	184	326	347	321	322	318	178	-262	-50	-86	N.A.	
MONETARY SECTOR TRANSACTIONS (N.E.I.)	34	28	41	95	18	-2	12	12	63	68	-66	30	(A)	(A)	
NET IDENTIFIED CAPITAL INFLOW	729	1438	1296	189	352	335	334	275	422	235	-384	-85	-12	126	
BALANCING ITEM	68	32	562	117	82	164	81	235	116	214	-188	-25	-1(B)	-153(B)	
NET APPARENT CAPITAL INFLOW	797	1470	1858	305	434	499	415	510	538	449	-572	-110	-13	-28	
MONETARY MOVEMENTS -															
CHANGES IN OFFICIAL RESERVE ASSETS	118	742	1544	996	256	251	453	585	637	647	-362	74	-32	1	
ALLOCATION OF SDR'S	-75	-64	-63	..	..	..	-63	..	..	..	..	..	..	..
CHANGES IN OTHER FOREIGN ASSETS	6	-71	-31	-3	9	17	-30	-28	7	-21	34	-23	17	-16	
OTHER MONETARY MOVEMENTS	-12	-10	-8	-11	..	-6	1	-3	..	-2	-2	-7	-5	..	
NET MONETARY MOVEMENTS	37	598	1442	982	265	262	360	555	644	625	-331	44	-20	-15	

(A) NOT YET AVAILABLE, INCLUDED IN THE BALANCING ITEM, (B) INCLUDES ITEMS FOOTNOTED (A), N.A., NOT AVAILABLE.

Notes on the Statistics

4. Estimates for the most recent periods are *preliminary and subject to revision*. The items which can be most affected by revisions are those for which benchmark data are derived from annual surveys. These surveys inevitably entail long time lags in collection and processing.
5. In this issue the item *transportation debits* has been split to show separately *freight on imports* and *other transportation*. Freight on imports in this context is the amount of freight on Australian imports payable to non-resident shipping and airline operators. The main components of other transportation debits are expenditure overseas by Australian shipping and airline operators and fares payable to non-resident shipping and airline companies. For the treatment of international freight in the balance of payments, see the Appendix in the annual bulletin *Balance of Payments* (Reference No. 8.1).
6. The Australian currency equivalents shown in these statistics for transactions originally denominated in foreign currencies were derived by converting into Australian dollars at market rates of exchange, except for changes in official reserve assets and in other foreign assets which were converted at par rates.
7. In the accompanying table, for current account items minus sign (–) denotes a debit; 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.
8. The estimates of exports and imports in the accompanying table represent the recorded trade figures adjusted in respect of coverage and valuation for balance of payments purposes.
9. Net monetary movements are usually taken as a measure of the overall surplus or deficit in the balance of payments. In order not to obscure the underlying performance of the balance of payments, this item excludes changes that do not arise from international transactions, such as the effects of currency revaluations, or the allocation of Special Drawing Rights (SDR's) by the International Monetary Fund. SDR's are included in official reserve assets but excluded from net monetary movements by means of the offset item shown in the table. Also excluded from monetary movements is the compensation that was received under the Sterling Agreement. (For more details, see Supplement enclosed with the Quarterly Summary (Ref. No. 8.2) for September quarter 1973.)
10. Discrepancies may occur between totals and sums of components in the accompanying table, or between aggregates quoted in the text and their components, due to rounding.

J. P. O'NEILL
Commonwealth Statistician

Australian Bureau of Statistics
Canberra, A.C.T. 2600

NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning Mr A. James on 63 9111, extension 2193 or, in each State capital, by telephoning the office of the Australian Bureau of Statistics.