

S. B. 214

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

To be treated as strictly CONFIDENTIAL and NOT to be published, broadcast or cabled before 6 P.M. on FRIDAY, 30TH JULY, 1965.

BALANCE OF PAYMENTS : QUARTERLY SUMMARY

JUNE QUARTER, 1965

This statement contains estimates of Australia's balance of payments for the June quarter of 1965 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 and explanatory notes on the composition of the estimates will be published in "Balance of Payments 1960-61 to 1964-65" which is expected to be published before the end of August.

Preliminary estimates for the June quarter of 1965 show a deficit of £119 million on current account compared with a deficit of £41 million for the June quarter of 1964. The principal factor contributing to this was the deterioration in the balance of visible trade from a surplus of £40 million in the June quarter of 1964 to a deficit of £26 million in the June quarter of 1965. The value of exports declined by £14 million, 4 per cent., from £349 million to £335 million while the value of imports rose by £52 million, 17 per cent., from £309 million to £361 million. The decline in the value of exports between the two quarters mentioned was due in the main to a marked fall in the value of wool shipped. In the case of imports, the rise was general throughout the whole range of commodity groups but was most marked in the metals, metal manufactures and machinery groups.

Invisible transactions during the June quarter of 1965 resulted in a net deficit of £93 million which represented a deterioration of £12 million by comparison with the net deficit of £81 million from these transactions during the June quarter of 1964. Invisible credits rose by £8 million, largely reflecting an increase in the transportation credit item. Invisible debits rose by £20 million. There were significant rises in freight payable overseas on the higher level of imports and in foreign aid extended.

During the June quarter of 1965 capital account transactions are estimated to have resulted in a net apparent capital inflow of £75 million, £2 million greater than the inflow for the June quarter of 1964.

During the quarter new shipments of wheat under contracts with China (Mainland) and Ceylon exceeded repayments received during the quarter and were the main factor contributing to the outflow of £17 million from marketing authorities' transactions compared with an inflow of £3 million during the June quarter of 1964. Other identified capital movements and the balancing item combined showed an inflow of £101 million compared with an inflow of £70 million during the June quarter of 1964.

The relatively large current account deficit during the quarter was only partly offset by the apparent capital inflow and as a result there was an adverse monetary movement of £44 million for the quarter. International reserves showed a fall of £48 million but there was an increase of £5 million in the net I.M.F. position.

Preliminary estimates indicate a current account deficit of £375 million for the year ended June, 1965, a rise of £350 million over the relatively small deficit of £25 million incurred during 1963-64. The principal factor contributing to this result was a £324 million deterioration in the balance of visible trade. Net apparent capital inflow during the year was £228 million, £26 million less than during the previous year.

To a large extent this reflected a change from an inflow of £15 million for financing transactions of marketing authorities during 1963-64 to an outflow of £30 million during 1964-65. For the year ended June, 1965, there was an adverse monetary movement of £147 million compared with a favourable movement of £229 million during 1963-64.

K. M. ARCHER
COMMONWEALTH STATISTICIAN

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS
CANBERRA. A.C.T. 30TH JULY, 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 JUNE QUARTER, 1965
 (£ million)

	1962-63					1963-64					1964-65p				
	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year
CURRENT ACCOUNT (a)															
Exports f.o.b. (b)	227	274	279	285	1,065	311	359	351	349	1,370	301	338	322	335	1,296
Imports f.o.b. (b)	262	259	251	266	1,038	270	264	282	309	1,125	334	339	341	361	1,375
Balance of Trade	-35	15	28	19	27	41	95	69	40	245	-33	-1	-19	-26	-79
<u>Invisible Credits -</u>															
Transportation	20	22	22	22	86	22	25	26	26	99	27	28	28	31	114
Travel	3	4	4	3	14	4	4	5	5	18	5	6	5	6	22
Property income	9	10	9	10	38	11	12	12	12	47	14	15	14	13	56
Government	4	7	6	7	24	7	8	7	9	31	7	7	7	8	29
Other	17	18	18	20	73	20	23	25	24	92	25	28	26	26	105
<u>Invisible Debits -</u>															
Transportation	37	37	39	42	155	40	40	43	47	170	48	47	50	54	199
Travel	10	8	12	15	45	11	9	13	18	51	13	10	14	20	57
Property income	38	50	52	40	180	51	46	46	54	197	44	51	46	57	198
Government	6	6	8	8	28	8	8	9	9	34	8	9	11	11	39
Other	20	23	22	25	90	25	26	25	29	105	29	30	35	35	129
Balance on Current Account	-93	-48	-46	-49	-236	-30	38	8	-41	-25	-97	-64	-95	-119	-375
CAPITAL ITEMS (a)															
Government loans overseas	12	11	12	12	47	-2	25	-11	-1	11	3	-2	-5	-3	-7
Other official capital movements	-2	3	-5	-1	-5	-11	-24	4	1	-30	-7	..	5	-6	-8
Marketing authorities	17	7	-18	-1	5	8	4	..	3	15	20	-15	-18	-17	-30
Other identified capital movements (c)					213					209					273
Balancing item (c)	65	53	60	85	50	79	83	26	70	49	63	68	41	101	273
Net apparent capital inflow	92	74	49	95	310	74	88	19	73	254	79	51	23	75	228
<u>Monetary Movements</u>															
Change in net I.M.F. position	..	..	..	12	12	..	..	..	..	..	..	..	6	5	11
Change in international reserves	-1	26	5	35	65	41	128	27	32	228	-17	-13	-80	-48	-158
Other	..	..	-2	-1	-3	3	-2	..	..	1	-1	..	2	-1	..
Net Monetary Movements	-1	26	3	46	74	44	126	27	32	229	-18	-13	-72	-44	-147

(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.