

CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARY
MARCH QUARTER, 1966

This statement contains estimates of Australia's balance of payments for the March quarter of 1965-66 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 and half-yearly information, together with explanatory notes on the composition of the estimates, is published in "Balance of Payments, 1963-64, 1964-65 and First Half 1965-66".

Preliminary estimates for the March quarter of 1965-66 show a current account deficit of \$156 million, an improvement of \$34 million by comparison with the deficit of \$190 million for the March quarter of 1964-65. This reduction in the deficit on current account was due partly to the lower value of imports, which, in the March quarter of 1965-66, were \$658 million, \$24 million below the March quarter of 1964-65. At the same time the value of exports in the March quarter of this year were, at \$642 million, only \$1 million less than during the comparable quarter of 1964-65. As a result, the balance of trade during the quarter just ended showed a deficit of \$16 million compared with the deficit of \$39 million in the March quarter of last year.

During the third quarter of 1965-66 the net deficit on invisible transactions was \$140 million compared with a net deficit of \$151 million in the corresponding quarter of 1964-65. Transportation credits rose by \$2 million by comparison with the March quarter of 1964-65 and government credits, mainly due to higher expenditure of overseas governments in Australia, rose by a similar amount. Property income credits, however, fell by \$2 million, due largely to lower earnings on international reserves, and "other" invisible credits fell by \$3 million as a result of lower receipts from overseas in the form of migrants' funds, sustenance and other private donations. Total invisible debits during the March quarter of 1965-66 were \$12 million lower than during the March quarter of 1964-65. This was the result of a fall in property income payable of \$9 million and declines of \$3 million and \$2 million in travel expenditures by Australians overseas and "other" invisible debits, respectively, which were only partly offset by a small increase in transportation debits.

Capital account transactions during the March quarter of 1965-66 resulted in a net apparent capital inflow of \$173 million, an increase of \$128 million over the net apparent capital inflow during the corresponding quarter of 1964-65.

In the March quarter of 1965-66, government loan operations resulted in a net outflow of \$35 million compared with a net outflow of \$15 million in the March quarter of last year. The higher outflow in the quarter just ended was due mainly to the redemption of a \$24 million London loan during the quarter. Other official capital transactions during the quarter resulted in a net inflow of \$4 million compared with a net inflow of \$10 million in the March quarter last year.

Capital transactions of marketing authorities during the March quarter this year resulted in a net inflow of \$31 million compared with a net outflow of \$37 million in the March quarter of 1964-65. The net inflow was mainly the result of repayments for wheat shipped on credit in earlier periods exceeding the value of shipments made during the quarter, whereas in the March quarter of 1964-65, the value of shipments exceeded repayments.

Other private capital movements (including the balancing item) resulted in a net inflow of \$173 million during the March quarter of 1965-66, \$86 million higher than during the March quarter of 1964-65.

There was a favourable net monetary movement of \$17 million during the March quarter of 1965-66 compared with an unfavourable net movement of \$145 million during the March quarter of the previous year.

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS
CANBERRA, A.C.T.

2ND MAY, 1966.

K. M. ARCHER
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NOTE:- Inquiries concerning these statistics may be made in Canberra by telephoning 94661 or, in each State capital, by telephoning the office of the Bureau of Census and Statistics.

BALANCE OF PAYMENTS
SEPTEMBER QUARTER, 1963, TO MARCH QUARTER, 1966
(\$ million)

	1963-64					1964-65					1965-66p		
	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year	Sept. Qtr.	Dec. Qtr.	March Qtr.
CURRENT ACCOUNT (a)													
Exports f.o.b. (b)	621	718	702	699	2,740	602	675	643	666	2,586	643	668	642
Imports f.o.b. (b)	540	528	564	619	2,251	666	682	682	724	2,754	803	737	658
Balance of Trade	81	190	138	80	489	-64	-7	-39	-58	-168	-160	-69	-16
Invisible Credits -													
Transportation	58	63	65	64	250	66	74	73	75	288	76	79	75
Travel	9	11	11	10	41	11	13	13	14	51	12	14	13
Property income	22	25	23	24	94	28	31	30	26	115	30	26	28
Government	15	15	15	17	62	14	15	15	15	59	19	18	17
Other	40	47	49	49	185	50	53	53	53	209	51	56	50
Invisible Debits -													
Transportation	95	97	105	115	412	109	121	123	128	481	128	132	125
Travel	22	19	25	36	102	25	21	28	40	114	27	23	25
Property income	101	93	91	109	394	90	110	95	100	395	110	105	86
Government	13	12	13	14	52	13	14	17	16	60	14	17	17
Other	50	53	51	57	211	58	59	72	69	258	68	72	70
Balance on Current Account	-56	77	16	-87	-50	-190	-146	-190	-228	-754	-319	-225	-156
CAPITAL ITEMS (a)													
Government loans overseas	-3	49	-23	-1	22	6	-5	-15	-6	-20	-1	22	-35
Other official capital movements	-22	-49	9	2	-60	-14	-1	10	-14	-19	24	42	4
Marketing authorities	16	7	..	7	30	40	-29	-37	-34	-60	-7	-6	31
Other identified capital movements (c)	152	169	53	143	405	122	156	87	194	491	194	191	173
Balancing item (c)														112	68
Net apparent capital inflow	143	176	39	151	509	154	121	45	140	460	210	249	173
Monetary Movements													
Change in net I.M.F. position	..	..	..	..	..	..	..	11	11	22	22	9	..
Change in international reserves	82	255	56	63	456	-34	-25	-159	-97	-315	-132	18	15
Other	5	-2	-1	1	3	-2	..	3	-2	-1	1	-3	2
Net Monetary Movements	87	253	55	64	459	-36	-25	-145	-88	-294	-109	24	17

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.