

CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARY  
SEPTEMBER QUARTER, 1966

This statement contains estimates of Australia's balance of payments for the September quarter of 1966 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 are contained in "Balance of Payments 1961-62 to 1965-66".

Preliminary estimates for the September quarter of 1966-67 show a deficit of \$172 million on current account transactions compared with a deficit of \$316 million for the September quarter of 1965-66. This improvement in the current account result was due to a reduction of \$144 million in the visible trade deficit. In the first quarter of 1966-67 the value of exports was \$693 million, \$52 million higher than in the first quarter of 1965-66, while the value of imports, at \$708 million, was \$92 million lower than in the corresponding quarter of last year. Consequently the balance of trade in the quarter just ended showed a net deficit of \$15 million compared with the net deficit of \$159 million for the September quarter of 1965-66.

The net deficit in respect of invisible transactions during the September quarter of 1966-67 was \$157 million, the same as during the September quarter of 1965-66. Invisible credits rose by \$18 million to a total of \$203 million. Significant increases occurred in property income credits, which rose by \$6 million to \$38 million, due partly to the higher earnings on reserves held overseas, and in transfer credits, which rose by \$6 million as a result of an increase in immigrants' funds received. Invisible debits also rose by \$18 million to a total of \$360 million. Government debits, largely as a result of increased defence spending overseas, rose by \$7 million and transfer debits rose by \$5 million, owing principally to increased aid extended overseas.

During the September quarter, 1966-67, the net apparent capital inflow was \$110 million, little more than half the \$206 million recorded in the first quarter of 1965-66. Government capital transactions resulted in a net outflow of \$80 million during the quarter, including payment of \$56 million in redemption of a sterling loan in London. In the September quarter of 1965-66, on the other hand, official loan transactions resulted in a net outflow of only \$1 million. Other official capital transactions also resulted in a net outflow in contrast with the net inflow in the September quarter of 1965-66. This outflow of \$13 million was mainly because of payments for defence equipment from overseas exceeding the value of equipment received, whereas in the corresponding quarter of the previous year the value of defence equipment received exceeded payments made.

Marketing authorities' transactions showed a net inflow of \$14 million in the quarter just ended compared with a net outflow of \$7 million in the September quarter of 1965-66. Other private capital movements (including the balancing item) are estimated to have resulted in a net inflow of \$176 million during the quarter just ended, some \$14 million less than in the first quarter of 1965-66.

Net monetary movements in the September quarter this year were not as unfavourable as during the same quarter of last year. International reserves fell by \$89 million but this was offset by a decline of \$27 million in Australian currency liabilities to non-residents, so that the net adverse monetary movement was \$62 million. In the September quarter of last year the net adverse monetary movement was \$110 million, comprising a fall in reserves of \$133 million, a \$22 million decrease in Australian currency liabilities to the I.M.F. and a \$1 million fall in other monetary liabilities to overseas.

J. P. O'NEILL

ACTING COMMONWEALTH STATISTICIAN

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS  
CANBERRA, A.C.T. 28TH OCTOBER, 1966.

NOTE.- Inquiries concerning these statistics may be made in Canberra by telephoning 639111, Extension 2192 or, in each State capital, by telephoning the office of the Bureau of Census and Statistics.

BALANCE OF PAYMENTS : SEPTEMBER QUARTER, 1964, TO SEPTEMBER QUARTER, 1966

(\$ million)

	1964-65					1965-66p					1966-67p
	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Year	Sept. Qtr.
<b>CURRENT ACCOUNT (a)</b>											
Exports f.o.b. (b)	600	672	640	663	2,575	641	664	639	692	2,636	693
Imports f.o.b. (b)	663	678	678	720	2,739	800	734	657	635	2,826	708
Balance of Trade	-63	-6	-38	-57	-164	-159	-70	-18	57	-190	-15
<b>Invisible Credits -</b>											
Gold production	7	7	6	7	27	6	6	6	7	25	6
Transportation	64	71	72	71	278	75	77	74	71	297	78
Travel	11	14	14	15	54	13	15	16	15	59	14
Property income	29	33	30	27	119	32	28	33	33	126	38
Government	14	15	15	16	60	17	16	22	21	76	20
Miscellaneous	14	14	13	14	55	14	17	13	11	55	13
Transfers	26	29	29	28	112	28	29	30	32	119	34
<b>Invisible Debits -</b>											
Transportation	110	120	125	129	484	128	133	126	132	519	132
Travel	25	21	27	41	114	27	23	29	42	121	28
Property income	92	118	97	105	412	103	104	91	98	396	105
Government	11	12	15	13	51	13	14	19	20	66	20
Miscellaneous	21	23	22	20	86	27	22	20	24	93	25
Transfers	38	37	49	48	172	44	51	48	59	202	49
Balance on Current Account	-195	-154	-194	-235	-778	-316	-229	-157	-128	-830	-172
<b>CAPITAL ITEMS (a)</b>											
Government loans overseas	6	-5	-15	-6	-20	-1	21	-34	-11	-25	-67
Other official capital movements	-14	-1	10	-14	-19	24	41	7	-28	44	-13
Marketing authorities	40	-29	-37	-34	-60	-7	-6	34	17	38	14
Other identified capital movements (c)	125	165	89	201	508	190	198	167	279	(d)418	176
Balancing item (c)											
Net Apparent Capital Inflow	157	130	47	147	481	206	254	174	257	891	110
<b>Monetary Movements (a)</b>											
Change in net I.M.F. position	..	..	11	11	22	22	9	..	9	40	..
Change in international reserves	-36	-24	-161	-97	-318	-133	18	15	121	21	-89
Other	-2	..	3	-2	-1	1	-2	2	-1	..	27
Net Monetary Movements	-38	-24	-147	-88	-297	-110	25	17	129	61	-62

(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. (d) Other identified capital movements and the balancing item, totalling \$834 million in 1965-66, are provisionally estimated to include \$428 million of private direct investment from overseas (including \$95 million undistributed income). In addition, provisional estimates indicate that of the balancing item itself, approximately half is accounted for by portfolio investment, amounts supplied by overseas financial institutions not affiliated with the borrowing company and overseas funds deposited with the official short-term money market. p - Preliminary.