

CANBERRA, AUSTRALIA

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BALANCE OF PAYMENTS : QUARTERLY SUMMARYMARCH QUARTER, 1965

This statement contains estimates of Australia's balance of payments for the March quarter of 1965 in comparison with 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 was presented in "Balance of Payments 1962-63, 1963-64 and First Half 1964-65", published on 28th April, 1965. Revised quarterly estimates for the years 1959-60, 1960-61 and 1961-62 will be available within a few days and will be supplied on request.

Preliminary estimates for the March quarter of 1965 show a deficit of £92 million on current account, compared with a surplus of £10 million for the March quarter of 1964. The principal factor contributing to this result was an £88 million deterioration in the balance of visible trade from a favourable balance of £71 million for the March quarter of 1964 to an unfavourable balance of £17 million for the comparable quarter of 1965. Exports during the March quarter of 1965 were valued at £324 million, £27 million lower than for the March quarter of 1964. Imports during the quarter were valued at £341 million, £61 million higher than during the March quarter of 1964. This rise was not confined to any particular group of imports, but a large proportion of the increase occurred in imports of vehicles (including aircraft), machinery and iron and steel.

Invisible transactions during the March quarter of 1965 resulted in a net deficit of £75 million which represented a deterioration of £14 million by comparison with the net deficit of £61 million from these transactions during the March quarter of 1964. Invisible credits rose by £7 million (9 per cent), largely reflecting increased earnings on London funds and higher levels of port expenditure in Australia by overseas carriers. Invisible debits, on the other hand, rose by £21 million (16 per cent.). There were significant rises in freight payable overseas on imports, and in "other debits", including the grant to the administration of Papua and New Guinea and other foreign aid.

Capital account transactions for the March quarter of 1965 resulted in a net apparent capital inflow of £22 million, only £5 million higher than the relatively small inflow of £17 million for the March quarter of 1964.

Official capital transactions during the quarter showed a net inflow of £4 million, compared with a net outflow of £10 million for the March quarter of 1964. Government loan transactions resulted in a net outflow of £5 million compared with a net outflow of £11 million in the previous March quarter. Other official capital transactions resulted in a net inflow of £9 million, £8 million higher than the inflow during the same quarter of 1964. In both periods, substantial prepayments for defence equipment and civil aircraft were more than offset by deliveries of these items for which prepayment had been made in earlier periods.

During the quarter, new shipments of wheat under contracts with China (Mainland) and India substantially exceeded repayments received, and this was the principal factor contributing to the outflow of £18 million from marketing authorities' transactions compared with a "nil" movement during the March quarter of 1964. Other private capital movements and the balancing item combined amounted to an inflow of £36 million.

As a result of the sizeable deficit on current account and the relatively low capital inflow during the quarter, there was an adverse monetary movement of £70 million. International reserves showed a fall of £80 million during the quarter, but there was an increase of £6 million in the net I.M.F. position ('second-line reserves'). There was also a decrease of £4 million in liabilities to foreign banks.

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ACTING COMMONWEALTH STATISTICIANCOMMONWEALTH BUREAU OF CENSUS AND STATISTICS
CANBERRA, A.C.T.30TH APRIL, 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 MARCH QUARTER, 1965

(£ million)

	1962-63					1963-64					1964-65 p		
	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)	227	274	279	285	1,065	313	359	351	349	1,372	302	339	324
Imports f.o.b. (b)	261	259	249	265	1,034	269	262	280	306	1,117	332	338	341
Balance of Trade	-34	15	30	20	31	44	97	71	43	255	-30	1	-17
<u>Invisible Credits -</u>													
Transportation	20	22	22	22	86	22	25	26	26	99	26	28	28
Travel	3	4	4	3	14	4	5	5	4	18	5	6	5
Property income	9	10	9	10	38	11	12	11	13	47	13	15	14
Government	4	7	6	7	24	7	8	7	9	31	7	8	7
Other	17	18	18	20	73	20	23	25	24	92	25	28	27
<u>Invisible Debits -</u>													
Transportation	37	37	39	42	155	40	40	43	47	170	46	48	50
Travel	10	8	12	15	45	10	10	13	18	51	13	10	14
Property income	38	50	53	40	181	50	46	45	53	194	46	53	48
Government	6	6	8	8	28	8	8	9	9	34	8	9	9
Other	21	22	22	25	90	25	26	25	30	106	29	30	35
Balance on Current Account	-93	-47	-45	-48	-233	-25	40	10	-38	-13	-96	-64	-92
CAPITAL ITEMS (a)													
Government loans overseas	12	11	7	17	47	-2	25	-11	-1	11	3	-2	-5
Other official capital movements	-3	3	-2	-8	-10	-14	-25	1	..	-38	-4(d)	2(d)	9
Marketing authorities	17	7	-18	-1	5	8	4	..	3	15	20	-15	-18
Other identified capital movements (c)	} 66	52	61	86	214	} 77	82	27	68	211	} 59	66	36
Balancing item (c)														51	43
Net apparent capital inflow	92	73	48	94	307	69	86	17	70	242	78	51	22
<u>Monetary Movements</u>													
Change in net I.M.F. position	..	..	..	12	12	..	..	..	..	..	..	..	6
Change in international reserves	-1	26	5	35	65	41	128	27	32	228	-17	-13	-80
Other	..	..	-2	-1	-3	3	-2	..	..	1	-1	..	4
Net Monetary Movements	-1	26	3	46	74	44	126	27	32	229	-18	-13	-70

(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) Amends figure shown in Table 1 of "Balance of Payments 1962-63, 1963-64 and First Half 1964-65". p - Preliminary.