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CENTRAL STATISTICAL OFFICE

# UNITED KINGDOM BALANCE OF PAYMENTS

1964

LONDON: HER MAJESTY'S STATIONERY OFFICE

SIX SHILLINGS NET



CENTRAL STATISTICAL OFFICE

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# INTRODUCTION

THIS PUBLICATION, which has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England, is the second in a series containing calendar year estimates of the United Kingdom balance of payments. Estimates of the general balance of payments are given for the period 1952–1963; the more detailed estimates are for varying periods, which are indicated in the Table of Contents.

The first four tables present the general balance of payments accounts for the United Kingdom and the transactions of the overseas sterling area with the non-sterling areas. Tables 5 to 18 give greater detail of the items included in the general accounts. Tables 19 to 26 give particulars of the outstanding amounts of certain overseas assets and liabilities of the United Kingdom. The tables are followed by a description of the sources, methods and definitions used in compiling the statistics.

Preliminary estimates for the latest calendar year are published in a White Paper (the most recent was Cmnd. 2238) shortly before the Budget in the spring of each year. Quarterly estimates are published, with a short commentary and notes on any major revisions to previous figures, in the March, June, September and December issues of *Economic Trends* and are reproduced in other monthly publications of the Central Statistical Office.

## Revisions and additional information

Some revisions have been made to the estimates for the years up to 1962 given in the previous publication in this series (*United Kingdom Balance of Payments 1963*). The principal revisions are described in the section of the notes dealing with individual items. Amongst the additional information included in this publication is further detail on civil aviation (Table 8), private investment (Table 15) in which estimates of portfolio investment are now shown separately and, for the year 1963, on the monetary movements section of the accounts (Tables 1 to 3) and the corresponding amounts of outstanding assets and liabilities (Tables 21 and 24).

## Changes in presentation

The main changes in presentation in the general accounts relate to the monetary movements section and follow from the new information which has been provided since the beginning of 1963 by respondents to the Bank of England's inquiry on the external liabilities and claims of the banking system.

The following changes of presentation apply to the years 1952 to 1963:

- (a) Transactions with the International Monetary Fund, previously shown as part of 'United Kingdom subscriptions to I.M.F., I.F.C., I.D.A., and European Fund' and 'Change in external sterling liabilities' are combined in a new item entitled 'Change in account with I.M.F.'. Further detail is given in Tables 18 and 25.
- (b) Changes in acceptances outstanding, previously shown (for the years up to 1962) as part of 'Miscellaneous capital', are included throughout in the figures given under the heading 'Change in external liabilities in sterling (net)'.

The following changes of presentation apply to the year 1963 alone:

- (i) The net earnings of United Kingdom insurance companies from their overseas branches and subsidiaries are included as direct investment income under 'Interest, profits and dividends'. For the years to 1962 they are included with other earnings from insurance under 'Other services'.
- (ii) Investment in the United Kingdom in British government and local authority stock by or on behalf of certain non-monetary bodies in overseas sterling area countries is included in 'Private investment in the United Kingdom'. For the years to 1962 investment of this kind was classified as forming part of overseas sterling holdings and is included in the figures under the heading 'Change in external liabilities in sterling (net)'.
- (iii) The change in United Kingdom banks' liabilities and claims in non-sterling currencies is shown as a separate heading. For the years to 1962 such changes in non-sterling currency balances are included under 'Miscellaneous capital (net)'.
- (iv) The change in United Kingdom banks' liabilities and claims in overseas sterling area currencies is shown as a separate heading. For the years to 1962, being part of the series on overseas sterling holdings, the changes are included in the figures under the heading 'Change in external liabilities in sterling (net)'.
- (v) The figure under the heading 'Change in external liabilities in sterling (net)' is the net change in external sterling liabilities (other than to the I.M.F.) and claims (see Table 24 and note on page 34). For the years to 1962, the figures given under this heading are the changes in the net total of overseas sterling holdings (other than by the I.M.F.) and acceptances outstanding (see Tables 22 and 23 and note on page 35) and include items reclassified to different headings for 1963 (see ii and iv above).

## Reliability of the estimates

All the estimates are expressed in terms of a precise number of £ million but this does not imply that they can be regarded as accurate to the last digit (see page 37). Some of the figures, particularly those relating to 1963, are provisional and may be revised later.

## Symbols and conventions used

Where figures do not appear in the tables, the following symbols have been used:

- .. = not available
- = nil or less than £500,000

Central Statistical Office,  
Great George Street,  
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# General balance of payments

£ million

TABLE 1

	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
<b>Current account</b>												
<b>VISIBLE TRADE</b>												
Imports (f.o.b.).....	3,048	2,927	2,989	3,386	3,324	3,538	3,366	3,624	4,119	4,019	4,066	4,335
Exports and re-exports (f.o.b.) .....	2,769	2,683	2,785	3,073	3,377	3,509	3,407	3,522	3,733	3,892	3,994	4,286
Net .....	-279	-244	-204	-313	+ 53	- 29	+ 41	-102	-386	-127	- 72	- 49
<b>INVISIBLES</b>												
Government												
Debits .....	219	220	231	244	264	253	281	276	335	378	400	429
Credits .....	165	162	105	105	92	106	57	43	49	43	37	42
Transport												
Shipping												
Debits .....	425	447	484	570	659	652	586	602	666	667	659	671
Credits .....	559	535	520	540	611	659	629	618	634	639	647	660
Civil aviation												
Debits .....	38	39	38	40	45	52	60	64	78	86	94	101
Credits .....	38	41	38	37	44	49	68	82	96	106	114	124
Travel												
Debits .....	83	89	101	125	132	146	152	164	186	200	212	244
Credits .....	80	88	95	111	121	129	134	144	171	181	192	199
Other services												
Debits .....	182	174	183	187	200	226	222	239	263	264	271	275
Credits .....	304	300	345	358	379	406	415	440	466	499	503	494
Interest, profits and dividends												
Debits .....	248	266	290	343	342	334	389	396	431	410	407	405
Credits .....	500	493	539	516	569	579	686	666	665	654	736	782
Private transfers .....												
Debits .....	65	61	66	82	109	110	97	96	97	99	109	126
Credits .....	63	72	76	80	91	90	102	99	103	108	110	112
Total invisibles												
Debits .....	1,260	1,296	1,393	1,591	1,751	1,773	1,787	1,837	2,056	2,104	2,152	2,251
Credits .....	1,709	1,691	1,718	1,747	1,907	2,018	2,091	2,092	2,184	2,230	2,339	2,413
Net .....	+449	+395	+325	+156	+156	+245	+304	+255	+128	+126	+187	+162
<b>CURRENT BALANCE .....</b>	<b>+170</b>	<b>+151</b>	<b>+121</b>	<b>-157</b>	<b>+209</b>	<b>+216</b>	<b>+345</b>	<b>+153</b>	<b>-258</b>	<b>- 1</b>	<b>+115</b>	<b>+113</b>
<b>Long-term capital account <sup>(1)</sup></b>												
Inter-government loans (net) .....	—	- 30	- 20	- 52	- 50	+ 75	- 44	-118	- 92	- 16	- 91	- 97
U.K. subscriptions to I.F.C., I.D.A. and European Fund.....	—	—	—	—	- 5	—	—	- 4	- 10	- 9	- 9	- 9
Other United Kingdom official long-term capital (net) .....	- 20	- 19	- 8	- 10	- 13	- 9	- 6	- 2	—	- 20	- 4	+ 1
Private investment												
Abroad .....	-127	-173	-238	-182	-258	-298	-307	-311	-314	-321	-253	-309
In the United Kingdom .....	+ 13	+ 28	+ 75	+122	+139	+126	+165	+176	+228	+416	+250	+259
<b>BALANCE OF LONG-TERM CAPITAL .....</b>	<b>-134</b>	<b>-194</b>	<b>-191</b>	<b>-122</b>	<b>-187</b>	<b>-106</b>	<b>-192</b>	<b>-259</b>	<b>-188</b>	<b>+ 50</b>	<b>-107</b>	<b>-155</b>
<i>Balance of current and long-term capital transactions .....</i>	<i>+ 36</i>	<i>- 43</i>	<i>- 70</i>	<i>-279</i>	<i>+ 22</i>	<i>+110</i>	<i>+153</i>	<i>-106</i>	<i>-446</i>	<i>+ 49</i>	<i>+ 8</i>	<i>- 42</i>
<b>Balancing item .....</b>	<b>+ 59</b>	<b>+ 26</b>	<b>+ 53</b>	<b>+123</b>	<b>+ 41</b>	<b>+ 97</b>	<b>+ 49</b>	<b>- 67</b>	<b>+256</b>	<b>- 29</b>	<b>+ 84</b>	<b>-111</b>
<b>Monetary movements <sup>(1)</sup></b>												
Miscellaneous capital (net) .....	+ 18	+ 29	+ 43	+ 59	- 45	+ 11	- 6	+ 37	+119	- 8	+126	- 32
Change in liabilities in non-sterling currencies (net).....	-315	+275	+182	-133	-181	-195	+ 84	+133	+397	-356	- 23	- 17
Change in liabilities in overseas sterling area currencies (net) .....												- 7
Change in external liabilities in sterling (net) .....												+151
Change in official holdings of non-convertible currencies .....	- 26	+ 30	- 3	—	- 1	- 22	+ 23	+ 8	+ 2	+ 1	+ 1	—
Change in U.K. balance in E.P.U....	+ 53	- 21	- 78	+ 1	+ 4	+ 11	- 10	+ 9	—	+374	-379	+ 5
Change in account with I.M.F. ....	—	- 56	- 40	—	+202	+ 1	- 9	-133	-151	—	—	—
Change in gold and convertible currency reserves .....	+175	-240	- 87	+229	- 42	- 13	-284	+119	-177	- 31	+183	+ 53
<b>BALANCE OF MONETARY MOVEMENTS .....</b>	<b>- 95</b>	<b>+ 17</b>	<b>+ 17</b>	<b>+156</b>	<b>- 63</b>	<b>-207</b>	<b>-202</b>	<b>+173</b>	<b>+190</b>	<b>- 20</b>	<b>- 92</b>	<b>+153</b>

(1) Assets: increase -/decrease +. Liabilities: increase +/decrease -.



# Balance of payments with overseas sterling area

TABLE 2

£ million

	1958	1959	1960	1961	1962	1963
<b>Current account</b>						
<b>VISIBLE TRADE</b>						
Imports (f.o.b.) .....	1,249	1,346	1,404	1,393	1,411	1,504
Exports and re-exports (f.o.b.) .....	1,434	1,370	1,459	1,429	1,370	1,481
Net .....	+185	+ 24	+ 55	+ 36	- 41	- 23
<b>INVISIBLES</b>						
Government						
Debits .....	178	189	219	245	257	269
Credits .....	10	12	11	9	9	10
Transport						
Shipping						
Debits .....	137	138	138	145	145	143
Credits .....	237	232	237	235	220	225
Civil aviation						
Debits .....	15	16	20	21	22	24
Credits .....	23	29	34	38	40	43
Travel						
Debits .....	40	39	44	49	55	58
Credits .....	50	50	60	67	71	68
Other services						
Debits .....	52	52	55	55	55	54
Credits .....	143	149	151	154	152	148
Interest, profits and dividends						
Debits .....	128	114	139	145	142	137
Credits .....	384	362	433	420	423	454
Private transfers						
Debits .....	53	53	51	55	61	72
Credits .....	52	52	57	61	65	64
Total invisibles						
Debits .....	603	601	666	715	737	757
Credits .....	899	886	983	984	980	1,012
Net .....	+296	+285	+317	+269	+243	+255
<b>CURRENT BALANCE</b> .....	<b>+481</b>	<b>+309</b>	<b>+372</b>	<b>+305</b>	<b>+202</b>	<b>+232</b>
<b>Long-term capital account <sup>(1)</sup></b>						
Inter-government loans (net) .....	- 28	- 53	- 53	- 55	- 50	- 49
Other United Kingdom official long-term capital (net)...	- 6	- 4	- 3	- 20	-	-
Private investment						
Abroad .....	-179	-166	-192	-188	-141	-154
In the United Kingdom .....	- 14	+ 30	+ 26	+ 57	+ 26	+ 30
<b>BALANCE OF LONG-TERM CAPITAL</b> .....	<b>-227</b>	<b>-193</b>	<b>-222</b>	<b>-206</b>	<b>-165</b>	<b>-173</b>
<i>Balance of current and long-term capital transactions</i> .....	+254	+116	+150	+ 99	+ 37	+ 59
<b>Inter-area transfers</b> .....	<b>-101</b>	<b>-328</b>	<b>- 25</b>	<b>-161</b>	<b>- 39</b>	<b>-240</b>
<b>Balancing item</b> .....	<b>- 60</b>	<b>+ 7</b>	<b>+ 95</b>	<b>- 60</b>	<b>- 46</b>	<b>+ 18</b>
<b>Monetary movements</b>						
Miscellaneous capital (net) .....	- 2	+ 22	+ 8	- 31	+ 11	- 23
Change in liabilities in non-sterling currencies (net) .....	- 91	+183	-228	+153	+ 37	+ 22
Change in liabilities in overseas sterling area currencies (net) .....	- 91	+183	-228	+153	+ 37	- 7
Change in external liabilities in sterling (net) .....	- 91	+183	-228	+153	+ 37	+171
<b>BALANCE OF MONETARY MOVEMENTS</b> ...	<b>- 93</b>	<b>+205</b>	<b>-220</b>	<b>+122</b>	<b>+ 48</b>	<b>+163</b>

(1) Assets: increase -/decrease +. Liabilities: increase +/decrease -.



# Balance of payments with non-sterling areas

£ million

TABLE 3

	1958	1959	1960	1961	1962	1963
<b>Current account</b>						
<b>VISIBLE TRADE</b>						
Imports (f.o.b.) .....	2,117	2,278	2,715	2,626	2,655	2,831
Exports and re-exports (f.o.b.) .....	1,973	2,152	2,274	2,463	2,624	2,805
Net .....	-144	-126	-441	-163	-31	-26
<b>INVISIBLES</b>						
Government						
Debits .....	103	87	116	133	143	160
Credits .....	47	31	38	34	28	32
Transport						
Shipping						
Debits .....	449	464	528	522	514	528
Credits .....	392	386	397	404	427	435
Civil aviation						
Debits .....	45	48	58	65	72	77
Credits .....	45	53	62	68	74	81
Travel						
Debits .....	112	125	142	151	157	186
Credits .....	84	94	111	114	121	131
Other services						
Debits .....	170	187	208	209	216	221
Credits .....	272	291	315	345	351	346
Interest, profits and dividends						
Debits .....	261	282	292	265	265	268
Credits .....	302	304	232	234	313	328
Private transfers						
Debits .....	44	43	46	44	48	54
Credits .....	50	47	46	47	45	48
Total invisibles						
Debits .....	1,184	1,236	1,390	1,389	1,415	1,494
Credits .....	1,192	1,206	1,201	1,246	1,359	1,401
Net .....	+ 8	- 30	-189	-143	- 56	- 93
<b>CURRENT BALANCE</b> .....	<b>-136</b>	<b>-156</b>	<b>-630</b>	<b>-306</b>	<b>- 87</b>	<b>-119</b>
<b>Long-term capital account (1)</b>						
Inter-government loans (net) .....	- 16	- 65	- 39	+ 39	- 41	- 48
United Kingdom subscriptions to I.D.A. and European Fund .....	—	- 4	- 10	- 9	- 9	- 9
Other United Kingdom official long-term capital (net)...	—	+ 2	+ 3	—	- 4	+ 1
Private investment						
Abroad .....	-128	-145	-122	-133	-112	-155
In the United Kingdom .....	+179	+146	+202	+359	+224	+229
<b>BALANCE OF LONG-TERM CAPITAL</b> .....	<b>+ 35</b>	<b>- 66</b>	<b>+ 34</b>	<b>+256</b>	<b>+ 58</b>	<b>+ 18</b>
<i>Balance of current and long-term capital transactions .....</i>	<i>-101</i>	<i>-222</i>	<i>-596</i>	<i>- 50</i>	<i>- 29</i>	<i>-101</i>
<b>Inter-area transfers</b> .....	<b>+101</b>	<b>+328</b>	<b>+ 25</b>	<b>+161</b>	<b>+ 39</b>	<b>+240</b>
<b>Balancing item</b> .....	<b>+109</b>	<b>- 74</b>	<b>+161</b>	<b>+ 31</b>	<b>+130</b>	<b>-129</b>
<b>Monetary movements (1)</b>						
Miscellaneous capital (net) .....	- 4	+ 15	+111	+ 23	+115	- 9
Change in liabilities in non-sterling currencies (net) .....	+175	- 50	+625	-509	- 60	- 39
Change in external liabilities in sterling (net) .....	+ 23	+ 8	+ 2	+ 1	+ 1	- 20
Change in official holdings of non-convertible currencies	- 10	+ 9	—	—	—	—
Change in U.K. balance in E.P.U. ....	- 9	-133	-151	+374	-379	+ 5
Change in account with I.M.F. ....	-284	+119	-177	- 31	+183	+ 53
<b>BALANCE OF MONETARY MOVEMENTS</b> ...	<b>-109</b>	<b>- 32</b>	<b>+410</b>	<b>-142</b>	<b>-140</b>	<b>- 10</b>

(1) Assets: increase -/decrease +. Liabilities: increase +/decrease -.



# Overseas sterling area balance of payments with non-sterling areas

TABLE 4

£ million

	1958	1959	1960	1961	1962	1963
<b>Current account</b>						
Imports (f.o.b.)						
Western Europe .....	745	739	895	903	899	979
North America .....	694	733	1,006	970	1,087	1,237
Latin America .....	23	28	29	33	39	37
Other non-sterling areas .....	744	724	844	846	928	1,040
Total .....	2,206	2,224	2,774	2,752	2,953	3,293
Exports and re-exports (f.o.b.)						
Western Europe .....	599	707	750	760	806	879
North America .....	492	607	591	673	754	845
Latin America .....	54	54	59	60	62	61
Other non-sterling areas .....	561	686	771	869	859	1,057
Total .....	1,706	2,054	2,171	2,362	2,481	2,842
Visible trade (net) .....	- 500	- 170	- 603	- 390	- 472	- 451
Gold production .....	+ 250	+ 285	+ 298	+ 320	+ 349	+ 376
Official grants (net) .....	+ 108	+ 112	+ 129	+ 128	+ 177	+ 203
Other invisibles (net) .....	- 164	- 144	- 194	- 239	- 232	- 268
<b>CURRENT BALANCE</b> .....	<b>- 306</b>	<b>+ 83</b>	<b>- 370</b>	<b>- 181</b>	<b>- 178</b>	<b>- 140</b>
<b>Long-term capital account<sup>(1)</sup></b>						
Inter-government loans (net) .....	+ 146	+ 152	+ 218	+ 181	+ 215	+ 279
I.B.R.D., I.D.A. and I.F.C., etc. drawings (net) .....	+ 84	+ 57	+ 24	+ 14	+ 34	+ 39
Market issues (net) .....	+ 34	+ 7	+ 17	+ 12	+ 17	+ 4
Other official long-term capital (net) .....	+ 19	+ 15	+ 10	+ 12	- 19	- 7
Private investment (net) .....	+ 120	+ 142	+ 129	+ 149	+ 152	+ 183
<b>BALANCE OF LONG-TERM CAPITAL</b> .....	<b>+ 403</b>	<b>+ 373</b>	<b>+ 398</b>	<b>+ 368</b>	<b>+ 399</b>	<b>+ 498</b>
<i>Balance of current and long-term capital transactions.....</i>	<i>+ 97</i>	<i>+ 456</i>	<i>+ 28</i>	<i>+ 187</i>	<i>+ 221</i>	<i>+ 358</i>
<b>Monetary movements<sup>(1)</sup></b>						
Change in accounts with I.M.F. ....	+ 11	- 57	- 32	+ 103	- 66	- 28
Change in gold and N.S.A. currency holdings .....	- 20	- 65	+ 23	- 118	- 121	- 84
Other monetary movements .....	+ 13	- 6	+ 6	- 11	+ 5	- 6
<b>BALANCE OF MONETARY MOVEMENTS</b> ...	<b>+ 4</b>	<b>- 128</b>	<b>- 3</b>	<b>- 26</b>	<b>- 182</b>	<b>- 118</b>
<b>Total balance with non-sterling areas (inter-area transfers)...</b>	<b>+ 101</b>	<b>+ 328</b>	<b>+ 25</b>	<b>+ 161</b>	<b>+ 39</b>	<b>+ 240</b>

(1) Assets: increase - /decrease +. Liabilities: increase + /decrease -.



# Visible trade in the balance of payments

£ million

TABLE 5

	1958	1959	1960	1961	1962	1963
<b>Imports</b>						
Trade accounts (c.i.f.) .....	3,748	3,983	4,541	4,395	4,487	4,820
Valuation adjustments	-439	-453	-483	-475	-483	-502
Freight and insurance .....	+ 18	+ 27	+ 27	+ 35	+ 40	- 19
Sugar .....	- 19	- 22	- 25	- 26	- 27	- 27
Other .....						
Coverage adjustments	+ 75	+ 88	+ 97	+129	+113	+134
Diamonds .....	+ 3	+ 2	+ 6	+ 11	+ 9	+ 6
Second-hand ships and aircraft .....	+ 6	+ 18	+ 12	+ 15	+ 14	+ 15
Ships delivered abroad .....	+ 32	+ 62	+ 29	+ 33	+ 22	+ 30
Other .....						
Returned goods .....	- 40	- 59	- 59	- 67	- 68	- 75
Goods for process and repair .....	- 18	- 22	- 26	- 31	- 41	- 47
Balance of payments imports (f.o.b.) .....	<b>3,366</b>	<b>3,624</b>	<b>4,119</b>	<b>4,019</b>	<b>4,066</b>	<b>4,335</b>
<b>Exports and re-exports</b>						
Trade accounts (f.o.b.) .....	3,317	3,461	3,696	3,840	3,949	4,234
Valuation adjustments .....	+ 18	+ 18	—	+ 6	—	—
Coverage adjustments	+ 74	+ 93	+ 93	+115	+113	+130
Diamonds .....	+ 29	+ 21	+ 20	+ 20	+ 31	+ 27
Second-hand ships and aircraft .....	- 10	- 9	- 9	- 11	- 10	- 13
N.A.A.F.I. ....	+ 37	+ 19	+ 18	+ 20	+ 20	+ 30
Other .....						
Returned goods .....	- 40	- 59	- 59	- 67	- 68	- 75
Goods for process and repair .....	- 18	- 22	- 26	- 31	- 41	- 47
Balance of payments exports and re-exports (f.o.b.) .....	<b>3,407</b>	<b>3,522</b>	<b>3,733</b>	<b>3,892</b>	<b>3,994</b>	<b>4,286</b>



# Visible trade (f.o.b.)—analysis by area

TABLE 6

£ million

	1958	1959	1960	1961	1962	1963
<b>Overseas sterling area</b>						
Imports .....	1,249	1,346	1,404	1,393	1,411	1,504
Exports and re-exports .....	1,434	1,370	1,459	1,429	1,370	1,481
Total .....	+185	+ 24	+ 55	+ 36	— 41	— 23
<b>Western Europe</b>						
Imports .....	940	1,012	1,200	1,218	1,245	1,349
Exports and re-exports .....	921	1,009	1,119	1,284	1,451	1,614
Total .....	— 19	— 3	— 81	+ 66	+206	+265
<b>North America</b>						
Imports .....	587	617	852	754	744	793
Exports and re-exports .....	516	620	573	553	562	568
Total .....	— 71	+ 3	—279	—201	—182	—225
<b>Latin America</b>						
Imports .....	249	272	268	238	254	257
Exports and re-exports .....	153	159	172	168	166	147
Total .....	— 96	—113	— 96	— 70	— 88	—110
<b>Other non-sterling areas</b>						
Imports .....	341	377	395	416	412	432
Exports and re-exports .....	383	364	410	458	445	476
Total .....	+ 42	— 13	+ 15	+ 42	+ 33	+ 44
<b>Total—all areas</b>						
Imports .....	3,366	3,624	4,119	4,019	4,066	4,335
Exports and re-exports .....	3,407	3,522	3,733	3,892	3,994	4,286
Total .....	+ 41	—102	—386	—127	— 72	— 49



# Shipping

£ million

TABLE 7

	1952	1958	1959	1960	1961	1962	1963
<b>Debits</b>							
United Kingdom shipping							
Charter payments .....	54	137	149	172	180	180	182
Disbursements abroad .....	241	300	299	304	313	313	307
Overseas shipping							
Freight on imports .....	125	143	147	184	167	160	174
Passenger revenue .....	5	6	7	6	7	6	8
<b>Total</b> .....	<b>425</b>	<b>586</b>	<b>602</b>	<b>666</b>	<b>667</b>	<b>659</b>	<b>671</b>
<b>Credits</b>							
United Kingdom shipping							
Freight on exports .....	145	150	148	148	148	135	139
Freight on cross-trades .....	305	338	328	337	341	348	355
Charter receipts .....	17	23	24	24	28	32	26
Passenger revenue .....	43	54	52	53	48	50	51
Overseas shipping							
Disbursements in United Kingdom .....	49	64	66	72	74	82	89
<b>Total</b> .....	<b>559</b>	<b>629</b>	<b>618</b>	<b>634</b>	<b>639</b>	<b>647</b>	<b>660</b>
<b>United Kingdom shipping (net)</b> .....	<b>+ 215</b>	<b>+ 128</b>	<b>+ 104</b>	<b>+ 86</b>	<b>+ 72</b>	<b>+ 72</b>	<b>+ 82</b>
<b>Overseas shipping (net)</b> .....	<b>- 81</b>	<b>- 85</b>	<b>- 88</b>	<b>- 118</b>	<b>- 100</b>	<b>- 84</b>	<b>- 93</b>
<b>Shipping (net)</b> .....	<b>+ 134</b>	<b>+ 43</b>	<b>+ 16</b>	<b>- 32</b>	<b>- 28</b>	<b>- 12</b>	<b>- 11</b>

# Civil aviation

£ million

TABLE 8

	1962	1963
<b>Debits</b>		
United Kingdom airlines		
Disbursements abroad .....	58	61
Overseas airlines		
Passenger revenue .....	28	31
Freight on imports .....	6	7
Other .....	2	2
<b>Total</b> .....	<b>94</b>	<b>101</b>
<b>Credits</b>		
United Kingdom airlines		
Passenger revenue .....	70	76
Freight on exports and cross-trades .....	7	8
Other .....	14	16
Overseas airlines		
Disbursements in United Kingdom .....	23	24
<b>Total</b> .....	<b>114</b>	<b>124</b>
<b>United Kingdom airlines (net)</b> .....	<b>+ 33</b>	<b>+ 39</b>
<b>Overseas airlines (net)</b> .....	<b>- 13</b>	<b>- 16</b>
<b>Civil aviation (net)</b> .....	<b>+ 20</b>	<b>+ 23</b>



# Government overseas current expenditure and receipts

TABLE 9

£ million

	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
<b>Expenditure</b>												
Overseas sterling area												
Services												
Military .....	87	86	94	99	122	109	108	115	134	139	147	148
Administrative, diplomatic, etc. ...	8	6	7	8	9	10	11	12	13	17	18	21
Total services .....	95	92	101	107	131	119	119	127	147	156	165	169
Transfers												
Economic grants .....	42	39	47	53	51	53	49	50	54	70	71	67
Other grants .....	4	4	4	4	5	5	4	6	11	12	14	25
Other transfers .....	4	4	4	4	5	5	6	6	7	7	7	8
Total transfers .....	46	43	51	57	56	58	59	62	72	89	92	100
Total expenditure .....	141	135	152	164	187	177	178	189	219	245	257	269
Non-sterling areas												
Services												
Military .....	50	53	52	53	52	48	72	52	72	86	96	103
Administrative, diplomatic, etc. ...	12	14	13	13	13	15	15	17	18	20	18	21
Total services .....	62	67	65	66	65	63	87	69	90	106	114	124
Transfers												
Economic grants .....	8	2	1	3	2	1	2	2	4	3	3	2
Other grants .....	6	14	11	9	8	10	11	13	18	21	21	29
Subscriptions and contributions to international organisations .....	2	2	2	2	2	2	2	3	3	3	4	4
Other transfers .....	2	2	2	2	2	2	2	3	3	3	4	4
Total transfers .....	16	18	14	14	12	13	16	18	26	27	29	36
Total expenditure .....	78	85	79	80	77	76	103	87	116	133	143	160
All areas												
Services												
Military .....	137	139	146	152	174	157	180	167	206	225	243	251
Administrative, diplomatic, etc. ...	20	20	20	21	22	25	26	29	31	37	36	42
Total services .....	157	159	166	173	196	182	206	196	237	262	279	293
Transfers												
Economic grants .....	50	41	48	56	53	54	51	52	58	73	74	69
Other grants .....	6	14	11	9	8	10	11	13	18	21	21	29
Subscriptions and contributions to international organisations .....	6	6	6	6	7	7	8	9	10	10	11	12
Other transfers .....	6	6	6	6	7	7	8	9	10	10	11	12
Total transfers .....	62	61	65	71	68	71	75	80	98	116	121	136
Total expenditure .....	219	220	231	244	264	253	281	276	335	378	400	429



**Government overseas current expenditure and receipts (continued)**

£ million

TABLE 9 (continued)

	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
<b>Receipts</b>												
Overseas sterling area												
Services												
Military .....	} ..	10	20	18	10	{ 15 3	9 1	11 1	10 1	6 3	5 4	8 2
Other .....												
Total services .....	..	10	20	18	10	18	10	12	11	9	9	10
Transfers .....	..	15	—	—	—	—	—	—	—	—	—	—
Total receipts .....	<b>10</b>	<b>25</b>	<b>20</b>	<b>18</b>	<b>10</b>	<b>18</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>9</b>	<b>9</b>	<b>10</b>
Non-sterling areas												
Services												
U.S. and Canadian forces' expenditure .....	10	14	23	25	29	{ 36 29	25 18	18 11	21 14	16 14	17 8	12 17
Other military .....	} ..	16	11	15	27	{ 2 2	1 1	2 2	3 3	4 4	3 3	3 3
Other .....												
Total services .....	..	30	34	40	56	67	44	31	38	34	28	32
Transfers												
Defence aid .....	120	102	50	46	26	21	3	—	—	—	—	—
Other .....	..	5	1	1	—	—	—	—	—	—	—	—
Total transfers .....	..	107	51	47	26	21	3	—	—	—	—	—
Total receipts .....	<b>155</b>	<b>137</b>	<b>85</b>	<b>87</b>	<b>82</b>	<b>88</b>	<b>47</b>	<b>31</b>	<b>38</b>	<b>34</b>	<b>28</b>	<b>32</b>
All areas												
Services												
U.S. and Canadian forces' expenditure .....	10	14	23	25	29	{ 36 44	25 27	18 22	21 24	16 20	17 13	12 25
Other military .....	} ..	26	31	33	37	{ 5 5	2 2	3 3	4 4	7 7	7 7	5 5
Other .....												
Total services .....	..	40	54	58	66	85	54	43	49	43	37	42
Transfers												
Defence aid .....	120	102	50	46	26	21	3	—	—	—	—	—
Other .....	..	20	1	1	—	—	—	—	—	—	—	—
Total transfers .....	..	122	51	47	26	21	3	—	—	—	—	—
Total receipts .....	<b>165</b>	<b>162</b>	<b>105</b>	<b>105</b>	<b>92</b>	<b>106</b>	<b>57</b>	<b>43</b>	<b>49</b>	<b>43</b>	<b>37</b>	<b>42</b>
Government (net) .....	<b>-54</b>	<b>-58</b>	<b>-126</b>	<b>-139</b>	<b>-172</b>	<b>-147</b>	<b>-224</b>	<b>-233</b>	<b>-286</b>	<b>-335</b>	<b>-363</b>	<b>-387</b>



# Travel—analysis by area

TABLE 10

£ million

	1958	1959	1960	1961	1962	1963
<b>Debits</b>						
Irish Republic .....	24	26	30	37	39	41
Other overseas sterling area countries .....	16	13	14	12	16	17
Western Europe .....	101	112	127	135	139	166
North America.....	8	9	10	11	12	13
Other non-sterling countries .....	3	4	5	5	6	7
<b>Total .....</b>	<b>152</b>	<b>164</b>	<b>186</b>	<b>200</b>	<b>212</b>	<b>244</b>
<b>Credits</b>						
Irish Republic .....	10	10	13	14	16	19
Other overseas sterling area countries .....	40	40	47	53	55	49
Western Europe .....	27	32	37	41	46	53
North America.....	49	52	59	55	56	58
Other non-sterling countries .....	8	10	15	18	19	20
<b>Total .....</b>	<b>134</b>	<b>144</b>	<b>171</b>	<b>181</b>	<b>192</b>	<b>199</b>
<b>Travel (net) .....</b>	<b>- 18</b>	<b>- 20</b>	<b>- 15</b>	<b>- 19</b>	<b>- 20</b>	<b>- 45</b>

*Reasons*

2

3

*Vol  
bus  
other  
total*

*means*

*air  
short sea  
long sea*

*net*



# Interest, profits and dividends

£ million

TABLE 11

	1958	1959	1960	1961	1962	1963
<b>Debits</b>						
Overseas sterling area						
Direct investment (1) .....	2	3	3	4	4	5
Portfolio investment .....	35	28	29	30	29	48
Other (2) .....	91	83	107	111	109	84
<b>Total</b> .....	<b>128</b>	<b>114</b>	<b>139</b>	<b>145</b>	<b>142</b>	<b>137</b>
Non-sterling areas						
Direct investment (1) .....	93	133	134	124	130	153
Portfolio investment .....	20	21	27	23	24	22
Other (2) .....	148	128	131	118	111	93
<b>Total</b> .....	<b>261</b>	<b>282</b>	<b>292</b>	<b>265</b>	<b>265</b>	<b>268</b>
All areas						
Direct investment (1) .....	95	136	137	128	134	158
Portfolio investment .....	55	49	56	53	53	70
Other (2) .....	239	211	238	229	220	177
<b>Total</b> .....	<b>389</b>	<b>396</b>	<b>431</b>	<b>410</b>	<b>407</b>	<b>405</b>
<b>Credits</b>						
Overseas sterling area						
Direct investment (1) .....	124	149	176	168	186	208
Portfolio investment .....	60	62	72	73	79	76
Other (2) .....	200	151	185	179	158	170
<b>Total</b> .....	<b>384</b>	<b>362</b>	<b>433</b>	<b>420</b>	<b>423</b>	<b>454</b>
Non-sterling areas						
Direct investment (1) .....	71	89	82	83	89	104
Portfolio investment .....	55	59	61	60	63	65
Other (2) .....	176	156	89	91	161	159
<b>Total</b> .....	<b>302</b>	<b>304</b>	<b>232</b>	<b>234</b>	<b>313</b>	<b>328</b>
All areas						
Direct investment (1) .....	195	238	258	251	275	312
Portfolio investment .....	115	121	133	133	142	141
Other (2) .....	376	307	274	270	319	329
<b>Total</b> .....	<b>686</b>	<b>666</b>	<b>665</b>	<b>654</b>	<b>736</b>	<b>782</b>
<b>Interest, profits and dividends (net)</b> .....	<b>+297</b>	<b>+270</b>	<b>+234</b>	<b>+244</b>	<b>+329</b>	<b>+377</b>

(1) See notes to Table 12.

(2) Including oil.



# Earnings of direct investment<sup>(1)</sup>

## Analysis by area

TABLE 12

£ million

	1958	1959	1960	1961	1962	1963
<b>Debits<sup>(2)</sup></b>						
Overseas sterling area .....	2	3	3	4	4	5
Western Europe .....	14	19	17	14	18	} 153
of which <i>European Economic Community</i> .....	9	11	7	7	9	
<i>European Free Trade Association</i> .....	5	7	9	6	9	
North America.....	78	113	116	109	111	
Latin America .....	—	—	—	—	—	
Other non-sterling countries .....	1	1	1	1	1	
<b>Total .....</b>	<b>95</b>	<b>136</b>	<b>137</b>	<b>128</b>	<b>134</b>	<b>158</b>
<b>Credits<sup>(3)</sup></b>						
Overseas sterling area .....	124	149	176	168	186	208
Western Europe .....	15	25	23	29	31	} 104
of which <i>European Economic Community</i> .....	10	18	15	21	22	
<i>European Free Trade Association</i> .....	3	5	5	6	7	
North America.....	39	43	37	37	40	
Latin America .....	11	12	14	11	12	
Other non-sterling countries .....	6	9	8	6	6	
<b>Total .....</b>	<b>195</b>	<b>238</b>	<b>258</b>	<b>251</b>	<b>275</b>	<b>312</b>

(1) Board of Trade inquiry into overseas direct investment.

(2) Excluding oil and insurance.

(3) Excluding oil and, before 1963, insurance.



# Earnings of direct investment<sup>(1)</sup>

## Analysis by component

£ million

TABLE 13

	1958	1959	1960	1961	1962	1963
<b>Debits</b>						
Overseas sterling area						
Profits of branches .....	2	3	2	2	3	2
Profits of subsidiaries <sup>(2)</sup> —dividends remitted .....	—	—	—	1	—	2
—unremitted profits .....	—	—	1	1	1	1
Interest paid .....	—	—	—	—	—	—
<b>Total .....</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>
Non-sterling areas						
Profits of branches .....	6	7	9	6	6	5
Profits of subsidiaries <sup>(2)</sup> —dividends remitted .....	42	49	57	80	64	73
—unremitted profits .....	44	76	66	36	57	73
Interest paid .....	1	1	2	2	3	2
<b>Total .....</b>	<b>93</b>	<b>133</b>	<b>134</b>	<b>124</b>	<b>130</b>	<b>153</b>
All areas						
Profits of branches .....	8	10	11	8	9	7
Profits of subsidiaries <sup>(2)</sup> —dividends remitted .....	42	49	57	81	64	75
—unremitted profits .....	44	76	67	37	58	74
Interest paid .....	1	1	2	2	3	2
<b>Total .....</b>	<b>95</b>	<b>136</b>	<b>137</b>	<b>128</b>	<b>134</b>	<b>158</b>
<b>Credits</b>						
Overseas sterling area						
Profits of branches .....	58	71	81	77	77	87
Profits of subsidiaries <sup>(2)</sup> —dividends remitted .....	27	29	41	48	49	58
—unremitted profits .....	37	47	51	39	56	59
Interest received .....	2	2	3	4	4	4
<b>Total .....</b>	<b>124</b>	<b>149</b>	<b>176</b>	<b>168</b>	<b>186</b>	<b>208</b>
Non-sterling areas						
Profits of branches .....	9	14	15	16	16	23
Profits of subsidiaries <sup>(2)</sup> —dividends remitted .....	23	27	31	30	33	34
—unremitted profits .....	37	46	34	35	39	46
Interest received .....	2	2	2	2	1	1
<b>Total .....</b>	<b>71</b>	<b>89</b>	<b>82</b>	<b>83</b>	<b>89</b>	<b>104</b>
All areas						
Profits of branches .....	67	85	96	93	93	110
Profits of subsidiaries <sup>(2)</sup> —dividends remitted .....	50	56	72	78	82	92
—unremitted profits .....	74	93	85	74	95	105
Interest received .....	4	4	5	6	5	5
<b>Total .....</b>	<b>195</b>	<b>238</b>	<b>258</b>	<b>251</b>	<b>275</b>	<b>312</b>

(1) See notes to Table 12.

(2) Including associated companies.



# Inter-government loans

TABLE 14

£ million

	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
<b>Loans made by the United Kingdom</b>												
Overseas sterling area .....	3	4	16	13	6	8	17	44	57	60	56	55
Western Europe .....	1	—	—	—	—	3	2	2	2	—	3	3
Latin America .....	—	—	—	19	—	—	—	—	—	1	3	6
Other non-sterling countries .....	2	—	—	—	3	5	2	2	2	—	—	2
<b>Total .....</b>	<b>6</b>	<b>4</b>	<b>16</b>	<b>32</b>	<b>9</b>	<b>16</b>	<b>21</b>	<b>48</b>	<b>61</b>	<b>61</b>	<b>62</b>	<b>66</b>
<b>Loans repaid to the United Kingdom</b>												
Overseas sterling area .....	—	1	8	1	3	4	5	3	4	5	6	6
Western Europe .....	16	24	38	23	22	21	25	65	30	97	3	3
Latin America .....	—	—	—	—	—	1	—	1	2	1	1	2
Other non-sterling countries .....	6	6	4	4	4	6	7	7	5	6	5	3
<b>Total .....</b>	<b>22</b>	<b>31</b>	<b>50</b>	<b>28</b>	<b>29</b>	<b>32</b>	<b>37</b>	<b>76</b>	<b>41</b>	<b>109</b>	<b>15</b>	<b>14</b>
<b>Inter-government loans by the United Kingdom (net) .....</b>	<b>+16</b>	<b>+27</b>	<b>+34</b>	<b>— 4</b>	<b>+20</b>	<b>+16</b>	<b>+16</b>	<b>+28</b>	<b>—20</b>	<b>+48</b>	<b>—47</b>	<b>—52</b>
<b>Loans made to the United Kingdom</b>												
Western Europe .....	9	—	—	—	—	—	—	37	—	18	—	—
North America .....	17	—	—	—	—	89	—	—	—	—	—	—
<b>Total .....</b>	<b>26</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>89</b>	<b>—</b>	<b>37</b>	<b>—</b>	<b>18</b>	<b>—</b>	<b>—</b>
<b>Loans repaid by the United Kingdom</b>												
Overseas sterling area .....	9	9	13	7	5	7	16	12	—	—	—	—
Western Europe .....	—	5	4	4	5	4	4	53	42	51	13	13
North America .....	33	43	37	37	60	19	40	118	30	31	31	32
<b>Total .....</b>	<b>42</b>	<b>57</b>	<b>54</b>	<b>48</b>	<b>70</b>	<b>30</b>	<b>60</b>	<b>183</b>	<b>72</b>	<b>82</b>	<b>44</b>	<b>45</b>
<b>Inter-government loans to the United Kingdom (net) .....</b>	<b>—16</b>	<b>—57</b>	<b>—54</b>	<b>—48</b>	<b>—70</b>	<b>+59</b>	<b>—60</b>	<b>—146</b>	<b>—72</b>	<b>—64</b>	<b>—44</b>	<b>—45</b>
<b>Inter-government loans (net) .....</b>	<b>—</b>	<b>—30</b>	<b>—20</b>	<b>—52</b>	<b>—50</b>	<b>+75</b>	<b>—44</b>	<b>—118</b>	<b>—92</b>	<b>—16</b>	<b>—91</b>	<b>—97</b>
of which												
New loans (net) .....	+20	— 4	—16	—32	— 9	+73	—21	— 11	—61	—43	—62	—66
Repayments (net) .....	—20	—26	— 4	—20	—41	+ 2	—23	—107	—31	+27	—29	—31



# Private investment<sup>(1)</sup>

£ million

TABLE 15

	1958	1959	1960	1961	1962	1963
<b>By United Kingdom</b>						
Overseas sterling area	— 79	— 106	— 155	— 128	— 116	— 128
Direct <sup>(2)</sup> .....	— 100	— 60	— 37	— 60	— 25	— 26
Portfolio and other <sup>(3)</sup> .....						
Non-sterling areas	— 65	— 90	— 92	— 98	— 89	— 95
Direct <sup>(2)</sup> .....	— 63	— 55	— 30	— 35	— 23	— 60
Portfolio and other <sup>(3)</sup> .....						
All areas	— 144	— 196	— 247	— 226	— 205	— 223
Direct <sup>(2)</sup> .....			— 6	— 15	— 2	— 21
Portfolio—London Market loans (Net new issues) .....	— 163	— 115	+ 34	+ 19	+ 14	+ 5
Other .....			— 95	— 99	— 60	— 70
Other <sup>(3)</sup> .....						
Total .....	— 307	— 311	— 314	— 321	— 253	— 309
<b>In United Kingdom</b>						
Overseas sterling area	+ 10	+ 8	+ 14	+ 10	+ 2	+ 9
Direct <sup>(2)</sup> .....	— 24	+ 22	+ 12	+ 47	+ 24	+ 21
Portfolio and other <sup>(4)</sup> .....						
Non-sterling areas	+ 77	+ 138	+ 121	+ 226	+ 128	+ 141
Direct <sup>(2)</sup> .....	+ 102	+ 8	+ 81	+ 133	+ 96	+ 88
Portfolio and other <sup>(4)</sup> .....						
All areas	+ 87	+ 146	+ 135	+ 236	+ 130	+ 150
Direct <sup>(2)</sup> .....			+ 63	+ 63	+ 39	— 22
Portfolio—Company securities .....			— 20	+ 53	+ 24	+ 45
British government stocks <sup>(5)</sup> .....	+ 78	+ 30				
Local authorities—securities and mortgages <sup>(5)</sup> .....			+ 50	— 1	+ 1	+ 8
Other <sup>(4)</sup> .....				+ 65	+ 56	+ 78
Total .....	+ 165	+ 176	+ 228	+ 416	+ 250	+ 259
Total .....	— 142	— 135	— 86	+ 95	— 3	— 50
<b>Private investment (net)</b> .....						

(1) Net of disinvestment.

(2) See notes to Table 16 below.

(3) Including oil and, before 1963, insurance.

(4) Including oil and insurance.

(5) The figures for 1963 include investment by or on behalf of certain non-monetary bodies in the overseas sterling area (see notes on page 33). For years to 1962 investment of this kind is included as part of 'External liabilities in sterling (net)'.

## Direct investment<sup>(1)</sup> Analysis by area

£ million

TABLE 16

	1958	1959	1960	1961	1962	1963
<b>By United Kingdom<sup>(2)</sup></b>						
Overseas sterling area	79	106	155	128	116	128
Western Europe	14	20	26	39	52	
of which <i>European Economic Community</i>	8	16	21	26	29	
<i>European Free Trade Association</i>	3	1	4	11	20	
North America	38	52	45	37	18	
Latin America	5	12	15	20	13	
Other non-sterling countries	8	6	6	2	6	
Total .....	144	196	247	226	205	223
<b>In United Kingdom<sup>(3)</sup></b>						
Overseas sterling area	10	8	14	10	2	9
Western Europe	6	18	16	24	24	
of which <i>European Economic Community</i>	1	9	4	14	3	
<i>European Free Trade Association</i>	4	9	12	8	20	
North America	72	120	104	202	102	
Latin America	— 1	—	—	—	1	
Other non-sterling countries	—	—	1	—	1	
Total .....	87	146	135	236	130	150

(1) Board of Trade inquiry into overseas direct investment.

(2) Excluding oil and, before 1963, insurance.

(3) Excluding oil and insurance.



# Direct investment<sup>(1)</sup>

## Analysis by component

TABLE 17

£ million

	1958	1959	1960	1961	1962	1963
<b>By United Kingdom</b>						
Overseas sterling area						
Unremitted profits of subsidiaries(2).....	37	47	51	39	54	59
Net acquisition of share and loan capital .....	17	26	46	51	39	37
Change in branch indebtedness .....	20	30	20	17	29	6
Change in inter-company accounts .....	5	3	38	21	- 6	26
	79	106	155	128	116	128
Non-sterling areas						
Unremitted profits of subsidiaries(2).....	37	46	34	35	41	46
Net acquisition of share and loan capital .....	24	26	34	31	25	28
Change in branch indebtedness .....	- 4	4	10	19	11	13
Change in inter-company accounts .....	8	14	14	13	12	8
	65	90	92	98	89	95
All areas						
Unremitted profits of subsidiaries(2).....	74	93	85	74	95	105
Net acquisition of share and loan capital .....	41	52	80	82	64	65
Change in branch indebtedness .....	16	34	30	36	40	19
Change in inter-company accounts .....	13	17	52	34	6	34
Total .....	144	196	247	226	205	223
<b>In United Kingdom</b>						
Overseas sterling area						
Unremitted profits of subsidiaries(2).....	—	—	1	1	1	1
Net acquisition of share and loan capital .....	1	7	8	6	2	3
Change in branch indebtedness .....	5	—	5	1	- 2	3
Change in inter-company accounts .....	4	1	—	2	1	2
	10	8	14	10	2	9
Non-sterling areas						
Unremitted profits of subsidiaries(2).....	44	76	66	36	57	73
Net acquisition of share and loan capital .....	20	48	27	164	47	48
Change in branch indebtedness .....	6	- 2	- 2	9	6	1
Change in inter-company accounts .....	7	16	30	17	18	19
	77	138	121	226	128	141
All areas						
Unremitted profits of subsidiaries(2).....	44	76	67	37	58	74
Net acquisition of share and loan capital .....	21	55	35	170	49	51
Change in branch indebtedness .....	11	- 2	3	10	4	4
Change in inter-company accounts .....	11	17	30	19	19	21
Total .....	87	146	135	236	130	150

(1) See notes to Table 16.

(2) Including associated companies.



# United Kingdom account with the International Monetary Fund<sup>(1)</sup>

£ million

TABLE 18

	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
<b>United Kingdom</b>												
Subscription in gold .....	—	—	—	—	—	—	—	— 58	—	—	—	—
Drawings .....	—	—	—	—	+201	—	—	—	—	+536	—	—
Repurchases	—	—	—	—	—	—	—	— 71	—110	—150	—308	—
of drawings .....	—	—	— 39	—	—	—	—	—	— 17	—	—	—
other <sup>(2)</sup> .....	—	—	— 1	—	—	—	—	—	—	—	—	—
<b>Overseas sterling area countries</b>												
Sterling drawings .....	—	—	—	—	—	—	— 4	—	— 2	— 38	— 15	—
Sterling repurchases .....	—	—	—	—	—	—	—	—	—	+ 23	—	+ 6
<b>Non-sterling countries</b>												
Sterling drawings .....	—	— 56	—	—	—	—	— 2	— 8	— 22	— 2	— 56	— 2
Sterling repurchases .....	—	—	—	—	—	—	—	—	—	+ 2	—	—
Other transactions in sterling <sup>(3)</sup> .....	—	—	—	—	+ 1	+ 1	— 3	+ 4	—	+ 3	—	+ 1
Change in U.K. account with I.M.F. ....	—	— 56	— 40	—	+202	+ 1	— 9	—133	—151	+374	—379	+ 5
United Kingdom subscription in sterling .....	—	—	—	—	—	—	—	—174	—	—	—	—
Change in I.M.F. holdings of sterling .....	—	— 56	— 40	—	+202	+ 1	— 9	+ 99	—151	+374	—379	+ 5
Change in U.K. total tranche position .....	—	— 56	— 40	—	+202	+ 2	— 6	—369	—151	+374	—379	+ 5

(1) U.K. assets with I.M.F.: increase —/decrease +, U.K. liabilities with I.M.F.: increase +/decrease —.

(2) Voluntary payments in dollars in exchange for sterling.

(3) I.M.F. administrative and operational expenditure and receipts.



# Loans by the United Kingdom government<sup>(1)</sup>

TABLE 19

Outstanding at end of year

£ million

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
<b>Overseas sterling area</b>													
Aden .....	—	—	1	2	4	4	4	5	5	5	5	5	5
British Guiana .....	—	—	—	—	—	—	—	2	6	7	9	10	12
Other British West Indies .....	1	1	1	1	1	2	2	2	3	3	3	3	3
Burma .....	27	27	27	—	—	—	—	—	—	—	—	—	—
East Africa .....	—	—	—	2	3	3	3	2	2	2	10	11	12
India .....	—	—	—	—	—	—	—	12	45	75	96	117	134
Jordan .....	2	3	3	5	6	8	11	12	12	13	13	14	14
Kenya .....	—	—	—	2	3	3	5	5	7	12	17	21	28
Malaysia .....	—	—	3	9	16	15	14	13	12	11	11	11	10
Nigeria .....	—	—	—	—	—	—	—	—	1	6	14	17	16
Northern Rhodesia .....	—	—	—	—	—	—	—	—	—	—	—	1	2
Malawi .....	1	2	2	2	2	2	2	2	2	2	2	3	4
Pakistan .....	—	—	—	2	4	5	6	4	5	6	10	14	20
Southern Rhodesia (2) .....	—	5	5	4	4	3	3	2	2	2	2	2	7
Tanganyika .....	1	1	1	1	1	1	1	1	1	2	5	6	8
Uganda .....	—	—	—	—	—	—	—	—	—	6	8	13	14
Other.....	5	5	6	7	7	7	8	7	8	11	12	17	25
<b>Total</b> .....	<b>36</b>	<b>44</b>	<b>47</b>	<b>37</b>	<b>50</b>	<b>51</b>	<b>56</b>	<b>69</b>	<b>109</b>	<b>163</b>	<b>217</b>	<b>266</b>	<b>314</b>
<b>Western Europe</b>													
Austria .....	1	1	6	6	6	5	5	4	3	3	3	3	2
Denmark .....	19	16	13	11	9	7	5	2	—	—	—	—	—
France .....	84	76	68	60	51	43	34	26	44	27	—	—	—
Federal German Republic .....	150	150	144	137	129	121	114	106	76	68	1	1	1
Greece .....	9	8	7	6	5	5	5	3	1	—	—	—	—
Netherlands .....	38	35	33	19	19	19	19	16	—	—	—	—	—
Norway.....	—	—	—	—	—	—	—	—	1	1	1	1	1
Turkey .....	38	37	35	13	11	8	6	9	10	8	8	8	10
Yugoslavia .....	16	17	17	17	17	17	16	15	14	14	12	13	12
<b>Total</b> .....	<b>355</b>	<b>340</b>	<b>324</b>	<b>267</b>	<b>245</b>	<b>223</b>	<b>203</b>	<b>180</b>	<b>149</b>	<b>122</b>	<b>25</b>	<b>25</b>	<b>26</b>
<b>Latin America</b>													
Argentina .....	—	—	—	—	19	19	18	18	17	15	13	12	15
Other.....	—	—	—	—	—	—	—	—	—	—	1	4	5
<b>Total</b> .....	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19</b>	<b>19</b>	<b>18</b>	<b>18</b>	<b>17</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>20</b>
<b>Other non-sterling countries</b>													
China .....	12	12	12	12	12	12	12	12	12	12	12	12	12
Czechoslovakia .....	20	19	18	20	20	20	20	20	20	20	20	20	20
Poland .....	58	57	56	56	55	54	54	53	52	52	52	52	51
U.S.S.R. ....	37	37	34	31	28	25	22	18	15	12	8	5	3
Other.....	5	4	2	2	2	4	7	6	5	5	3	2	3
<b>Total</b> .....	<b>132</b>	<b>129</b>	<b>122</b>	<b>121</b>	<b>117</b>	<b>115</b>	<b>114</b>	<b>109</b>	<b>104</b>	<b>100</b>	<b>95</b>	<b>90</b>	<b>89</b>
<b>Total—all countries</b> .....	<b>522</b>	<b>512</b>	<b>493</b>	<b>425</b>	<b>431</b>	<b>408</b>	<b>390</b>	<b>375</b>	<b>378</b>	<b>399</b>	<b>352</b>	<b>397</b>	<b>449</b>

(1) Some loans have, by agreement with the debtor country, been written down either in whole or in part. Such changes are not reflected in the balance of payments accounts.

Following the liquidation of the European Payments Union early in 1959, the outstanding balances were converted into bilateral long-term loans. The amounts owing to the United Kingdom government have been included from the end of 1959 as loans by the United Kingdom government but the balance of payments tables record repayments only.

The rounded figures for individual loans do not necessarily equal the totals shown, which have been rounded separately.

(2) Figures for 1962 and 1963 include £1 million and £2 million respectively for amounts outstanding on E.C.G.D. loans to the former Federation which, at present, cannot be allocated between Malawi, Northern Rhodesia and Southern Rhodesia.



# Loans to the United Kingdom government<sup>(1)</sup>

£ million

Outstanding at end of year

TABLE 20

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
<b>Overseas sterling area</b>													
Ceylon .....	5	5	5	3	2	2	1	1	—	—	—	—	—
East Africa .....	4	4	4	—	—	—	—	—	—	—	—	—	—
India (2) .....	154	146	139	133	38	33	29	12	2	2	2	2	2
Pakistan .....	7	7	7	6	6	6	5	5	5	5	5	4	4
Other .....	5	4	3	2	2	1	1	1	—	—	—	—	—
<b>Total .....</b>	<b>175</b>	<b>166</b>	<b>157</b>	<b>144</b>	<b>47</b>	<b>42</b>	<b>36</b>	<b>19</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>
<b>Western Europe</b>													
Belgium .....	—	9	4	—	—	—	—	—	18	9	—	—	—
Federal German Republic .....	—	—	—	—	—	—	—	—	118	104	77	69	61
Italy .....	—	—	—	—	—	—	—	—	5	2	—	—	—
Portugal .....	81	81	81	81	77	72	68	63	59	55	50	46	41
Sweden .....	—	—	—	—	—	—	—	—	6	3	—	—	—
Switzerland .....	—	—	—	—	—	—	—	—	5	—	18	18	18
Other .....	—	—	—	—	—	—	—	—	5	2	—	—	—
<b>Total .....</b>	<b>81</b>	<b>90</b>	<b>85</b>	<b>81</b>	<b>77</b>	<b>72</b>	<b>68</b>	<b>63</b>	<b>215</b>	<b>174</b>	<b>145</b>	<b>132</b>	<b>120</b>
<b>North America</b>													
U.S.A. (3)													
Lend lease .....	213	210	207	204	201	198	197	194	190	187	184	180	177
Line of credit .....	1,324	1,307	1,291	1,274	1,257	1,239	1,239	1,221	1,203	1,184	1,165	1,145	1,125
Economic Co-operation													
Administration .....	120	120	120	120	120	120	119	119	117	116	114	112	110
Mutual Security Agency ...	—	17	17	17	17	17	17	17	17	17	17	17	17
Export-Import Bank credit	—	—	—	—	—	—	89	89	—	—	—	—	—
Other .....	—	5	4	6	6	6	5	5	4	4	3	3	2
<b>Total U.S.A. ....</b>	<b>1,657</b>	<b>1,659</b>	<b>1,639</b>	<b>1,621</b>	<b>1,601</b>	<b>1,580</b>	<b>1,666</b>	<b>1,645</b>	<b>1,531</b>	<b>1,508</b>	<b>1,483</b>	<b>1,457</b>	<b>1,431</b>
<b>Canada</b>													
Interest free loan .....	79	73	55	45	32	22	11	—	—	—	—	—	—
Line of credit .....	413	424	417	419	397	410	396	400	399	375	352	335	329
<b>Total Canada .....</b>	<b>492</b>	<b>497</b>	<b>472</b>	<b>464</b>	<b>429</b>	<b>432</b>	<b>407</b>	<b>400</b>	<b>399</b>	<b>375</b>	<b>352</b>	<b>335</b>	<b>329</b>
<b>Total .....</b>	<b>2,149</b>	<b>2,157</b>	<b>2,111</b>	<b>2,085</b>	<b>2,030</b>	<b>2,013</b>	<b>2,074</b>	<b>2,044</b>	<b>1,931</b>	<b>1,883</b>	<b>1,834</b>	<b>1,791</b>	<b>1,759</b>
<b>Total—all countries .....</b>	<b>2,405</b>	<b>2,413</b>	<b>2,353</b>	<b>2,310</b>	<b>2,154</b>	<b>2,127</b>	<b>2,178</b>	<b>2,127</b>	<b>2,153</b>	<b>2,063</b>	<b>1,986</b>	<b>1,930</b>	<b>1,884</b>

(1) The sterling value of loans to the United Kingdom government in foreign currencies has varied in conformity with changes in exchange rates. Such changes do not give rise to entries in the balance of payments.  
 Debts owing by the United Kingdom arising out of the liquidation of the European Payments Union have been included from the end of 1959. The rounded figures for individual loans do not necessarily equal the totals shown, which have been rounded separately.

(2) The debt to India was written down in 1955 when the United Kingdom took over responsibility for pension payments.

(3) The lend-lease silver loan is excluded from this table. Repayments were made in silver to the value of £22 million in 1956 and £7 million in 1957, and entered in the balance of payments at the time of export.



# External liabilities and claims of United Kingdom banks in non-sterling currencies

TABLE 21

End of year

£ million

	Total all currencies	Currency		Area of holder				
		U.S. dollars	Other non- sterling currencies	Overseas sterling countries	North America	Latin America	Western Europe	Other non- sterling countries
United Kingdom liabilities								
1962 .....	1,038	884	154	18	273	48	552	147
1963 .....	1,280	1,072	208	41	286	67	652	234
United Kingdom claims								
1962 .....	1,010	803	207	2	355	27	471	155
1963 .....	1,269	1,025	244	3	327	29	692	218
Net liabilities(1)								
1962 .....	28	81	- 53	16	- 82	21	81	- 8
1963 .....	11	47	- 36	38	- 41	38	- 40	16

<sup>(1)</sup> Minus sign indicates that claims exceed liabilities.

1) hand  
2) aid  
3) military  
4) drug



# Overseas sterling holdings

TABLE 22 End of year £ million

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Overseas sterling area countries												
Official .....	2,252	2,019	2,203	2,260	2,266	2,240	2,126	1,993	2,165	2,029	2,097	2,056
Other .....	333	463	512	562	498	490	482	526	539	449	534	619
Total .....	2,585	2,482	2,715	2,822	2,764	2,730	2,608	2,519	2,704	2,478	2,631	2,675
Non-sterling countries												
Official .....	659	477	474	460	438	400	383	399	325	499	440	375
Other .....	333	260	304	421	374	292	282	435	478	906	475	451
Total .....	992	737	778	881	812	692	665	834	803	1,405	915	826
Total all countries												
Official .....	2,911	2,496	2,677	2,720	2,704	2,640	2,509	2,392	2,490	2,528	2,537	2,431
Other .....	666	723	816	983	872	782	764	961	1,017	1,355	1,009	1,070
Total .....	3,577	3,219	3,493	3,703	3,576	3,422	3,273	3,353	3,507	3,883	3,546	3,501
International organisations (excluding I.M.F.)	90	91	91	96	89	87	62	49	32	27	62	88
Total .....	3,667	3,310	3,584	3,799	3,665	3,509	3,335	3,402	3,539	3,910	3,608	3,589
International Monetary Fund.....	476	476	420	380	380	582	583	574	673	522	896	517
Total (including I.M.F.) ...	4,143	3,786	4,004	4,179	4,045	4,091	3,918	3,976	4,212	4,432	4,504	4,106

NOTE: At the end of 1962 this series was discontinued and replaced by a new series 'United Kingdom external liabilities and claims in sterling'. See Table 24.

# Acceptances outstanding

TABLE 23 End of year £ million

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Sterling area countries.....	..	..	..	..	..	..	9	11	13	15	15	22
Non-sterling countries.....	..	..	..	..	..	..	138	119	121	93	147	144
Total .....	112	70	69	102	101	126	147	130	134	108	162	166

NOTE: At the end of 1962 this series was discontinued and incorporated in a new series 'United Kingdom external liabilities and claims in sterling'. See Table 24.



# United Kingdom external liabilities and claims in sterling

Holders: by type of liability and claim

£ million

TABLE 24

End of year

	United Kingdom liabilities						United Kingdom claims				Net liabilities
	Current and deposit accounts	United Kingdom Treasury bills	Non-interest-bearing notes	Commercial bills and promissory notes	British government securities	Total	Advances and overdrafts	Commercial bills and promissory notes	Acceptances	Total	
<b>Countries</b>											
<i>Overseas sterling area countries</i>											
Central monetary institutions											
1962 .....	154	607	—	—	1,004	1,765	21	—	—	21	1,744
1963 .....	172	734	—	—	980	1,886	10	—	—	10	1,876
Other											
1962 .....	669	56	—	32	111	868	209	85	28	322	546
1963 .....	740	41	—	41	108	930	226	89	30	345	585
Total											
1962 .....	823	663	—	32	1,115	2,633	230	85	28	343	2,290
1963 .....	912	775	—	41	1,088	2,816	236	89	30	355	2,461
<i>Non-sterling countries</i>											
Central monetary institutions											
1962 .....	95	321	—	—	35	451	18	—	—	18	433
1963 .....	101	309	—	—	27	437	28	—	—	28	409
Other											
1962 .....	598	31	—	34	30	693	72	265	149	486	207
1963 .....	694	17	—	41	25	777	87	316	179	582	195
Total											
1962 .....	693	352	—	34	65	1,144	90	265	149	504	640
1963 .....	795	326	—	41	52	1,214	115	316	179	610	604
<i>Total all countries</i>											
Central monetary institutions											
1962 .....	249	928	—	—	1,039	2,216	39	—	—	39	2,177
1963 .....	273	1,043	—	—	1,007	2,323	38	—	—	38	2,285
Other											
1962 .....	1,267	87	—	66	141	1,561	281	350	177	808	753
1963 .....	1,434	58	—	82	133	1,707	313	405	209	927	780
Total											
1962 .....	1,516	1,015	—	66	1,180	3,777	320	350	177	847	2,930
1963 .....	1,707	1,101	—	82	1,140	4,030	351	405	209	965	3,065
<b>International organisations (excluding I.M.F.)</b>											
1962 .....	6	55	25	—	3	89	—	—	—	—	89
1963 .....	18	59	24	—	4	105	—	—	—	—	105
Total											
1962 .....	1,522	1,070	25	66	1,183	3,866	320	350	177	847	3,019
1963 .....	1,725	1,160	24	82	1,144	4,135	351	405	209	965	3,170
<b>International Monetary Fund</b>											
1962 .....	7	—	510	—	—	517	—	—	—	—	517
1963 .....	7	—	515	—	—	522	—	—	—	—	522
<b>Total (including I.M.F.)</b>											
1962 .....	1,529	1,070	535	66	1,183	4,383	320	350	177	847	3,536
1963 .....	1,732	1,160	539	82	1,144	4,657	351	405	209	965	3,692



# United Kingdom external liabilities and claims in sterling

## Non-sterling countries: region and type of holder

TABLE 24 (continued)

End of year

£ million

	Central monetary institutions			Other			Total		
	Liabilities	Claims	Net liabilities	Liabilities	Claims	Net liabilities	Liabilities	Claims	Net liabilities
<b>Non-sterling countries</b>									
North America									
1962 .....	2	—	2	109	28	81	111	28	83
1963 .....	8	—	8	105	40	65	113	40	73
Latin America									
1962 .....	7	4	3	31	97	—66	38	101	—63
1963 .....	22	8	14	36	105	—69	58	113	—55
Western Europe									
1962 .....	226	—	226	407	145	262	633	145	488
1963 .....	207	1	206	424	172	252	631	173	458
Other non-sterling countries									
1962 .....	216	14	202	146	216	—70	362	230	132
1963 .....	200	19	181	212	265	—53	412	284	128
Total									
1962 .....	451	18	433	693	486	207	1,144	504	640
1963 .....	437	28	409	777	582	195	1,214	610	604

## By groups of countries Overseas sterling area countries

End of year

£ million

	Australia, New Zealand and South Africa	India, Pakistan and Ceylon	Caribbean area <sup>(1)</sup>	East, Central and West Africa	Middle East <sup>(2)</sup>	Far East <sup>(3)</sup>	Other <sup>(4)</sup>	Total
<b>Liabilities</b>								
1962 .....	511	179	166	412	423	641	301	2,633
1963 .....	650	213	189	397	383	662	322	2,816
<b>Claims</b>								
1962 .....	97	48	39	96	5	26	32	343
1963 .....	103	46	39	91	7	31	38	355

## Non-sterling countries

End of year

£ million

	North America	Latin America	Western Europe			Other non-sterling countries				Total
			E.F.T.A.	E.E.C.	Other <sup>(5)</sup>	Eastern Europe	Middle East <sup>(6)</sup>	Far East <sup>(7)</sup>	Other	
<b>Liabilities</b>										
1962 .....	111	38	231	222	180	47	138	154	23	1,144
1963 .....	113	58	288	237	106	60	162	164	26	1,214
<b>Claims</b>										
1962 .....	28	101	45	51	49	62	55	108	5	504
1963 .....	40	113	65	52	56	81	64	133	6	610

(1) Includes: Bahamas, Bermuda, British Guiana and British Honduras.

(2) Jordan, Libya, Kuwait and Persian Gulf territories.

(3) Brunei, Burma, Hong Kong and Malaysia.

(4) Cyprus, Iceland, Irish Republic and United Kingdom dependent territories not elsewhere included.

(5) Andorra, Finland, Greece, Spain, Turkey and Yugoslavia.

(6) Egypt, Iraq, Israel, Lebanon, Iran, Saudi Arabia, Sudan, Syria and Yemen.

(7) Cambodia, China, Formosa, Indonesia, Japan, Korea, Laos, the Philippines, Thailand and Vietnam.



# United Kingdom position with the International Monetary Fund

£ million

TABLE 25

End of year

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
I.M.F. holdings of sterling .....	476	476	420	380	380	582	583	574	673	522	896	517	522
U.K. total tranche position <sup>(1)</sup> ...	453	453	509	549	549	347	345	351	720	871	497	876	871 <sup>(2)</sup>

(1) The amount of foreign exchange which the United Kingdom may draw from the International Monetary Fund without raising the Fund's holding of sterling beyond 200 per cent of quota. The United Kingdom quota was increased in 1959 from \$1,300 million (£464 million) to \$1,950 million (£696 million). Minor inconsistencies between the figures of I.M.F. holdings of sterling and the U.K. total tranche position are due to differences in timing between Bank of England and International Monetary Fund records.

(2) Including the equivalent of £357 million covered by a stand-by credit arrangement valid until 7 August 1965.

## Official holdings of gold and currencies

TABLE 26

End of year

£ million

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
<b>Gold and convertible currency reserves<sup>(1)</sup></b>													
Gold <sup>(2)</sup> .....	776	529	808	903	719	633	555	1,003	898	1,000	810	922	887
Convertible currencies .....	58	130	91	83	38	166 <sup>(3)</sup>	257	93	79	154	375	80	62
<b>Total</b> .....	<b>834</b>	<b>659</b>	<b>899</b>	<b>986</b>	<b>757</b>	<b>799</b>	<b>812</b>	<b>1,096</b>	<b>977</b>	<b>1,154</b>	<b>1,185</b>	<b>1,002</b>	<b>949</b>
<b>U.K. official holdings of non-convertible currencies</b> .....	<b>14</b>	<b>40</b>	<b>10</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>36</b>	<b>13<sup>(4)</sup></b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>

(1) In addition to the gold and convertible currency reserves, the value of which is shown here, the United Kingdom may in appropriate circumstances obtain temporary financial assistance from the International Monetary Fund. See Table 25 above.  
Furthermore, the Exchange Equalisation Account holds a substantial portfolio of dollar securities which were vested in the United Kingdom government during the war. The market value of this portfolio fluctuates but has recently averaged around \$1,000 million.

(2) The gold figures are not adjusted to take account of purchases or sales of gold made by the Bank of England on behalf of other central banks but awaiting settlement. Since such transactions are financed in convertible currencies their settlement does not affect the total reserves figure.

(3) Including £37 million in special North American loan interest accounts.

(4) Including holdings of convertible currency set aside for liquidation in the final E.P.U. settlement.



# NOTES AND DEFINITIONS

## GENERAL

The object of the balance of payments accounts is to show the outcome of all transactions between residents of the United Kingdom and overseas residents. (The term 'United Kingdom' is used to include Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.)

For balance of payments purposes, residents of the United Kingdom comprise private individuals living permanently in the United Kingdom; the United Kingdom central government and local authorities; and all business enterprises and non-profit making organisations located in the United Kingdom, but not their overseas branches and subsidiaries. Branches are treated as residents of the country in which they are located, and subsidiaries where they are registered. Agents, in so far as they act on behalf of an overseas principal, are, in general, treated as residents of the country in which the principal is registered. Agencies of the United Kingdom government operating abroad, such as embassies or military units, are regarded as residents of the United Kingdom and, conversely, the agencies of foreign governments in the United Kingdom are regarded as overseas residents.

In principle, transactions are recorded when the ownership of goods or assets changes and when services are rendered.

Transactions are classified in three main groups:

The *current account* includes imports and exports of goods and services, investment income and private transfers.

The *long-term capital account* includes inter-government loans, other official capital transactions and private investment.

*Monetary movements* include changes in the gold and convertible currency reserves, transactions with the International Monetary Fund, changes in external liabilities and claims in sterling and in other currencies and other capital transactions of a monetary nature.

### Principles of the accounts

The balance of payments accounts are arranged in a form in which the total of all entries is equal to zero. Every balance of payments transaction in principle involves both a credit and a debit and so should be entered twice. That is to say, in a way analogous to a double-entry book-keeping system, the recording of a credit or a debit will inevitably mean a corresponding change in the balance between assets and liabilities. Thus, when a United Kingdom importer purchases goods from abroad the value of these is shown as a debit under visible trade. But this transaction will be mirrored by another one depending on the way in which the purchase has been financed. If a remittance is made in an overseas currency, this may cause a

reduction in the gold and convertible currency reserves; but if the foreign exporter is paid in sterling there is an increase in United Kingdom sterling liabilities to overseas residents. Both these types of payment will be reflected in the balance of monetary movements. 'Double-entry' transactions of this kind can also appear under other headings. For example, where the transaction is between companies with an inter-company account and the imports take place against credit given by the overseas company, the entry for the credit given will be among the direct investment figures included in the long-term capital account.

In a double-entry book-keeping system there is always an exact balance since the same piece of information is used in effecting each entry. In the balance of payments, although the underlying principle exists, the accounts are not, in practice, constructed on a double-entry basis since the two entries made in respect of each contribution are derived from separate sources in almost every case. Moreover, the methods of estimation are neither complete nor precisely accurate. An entry, the 'balancing item', is therefore included to bring the total of all entries to zero. This balancing item represents the sum of errors and omissions in all the other items of the tables, the current account, the long-term capital account, and monetary movements.

Balances are struck for each of these three groups so that summary judgments of the outcome of the balance of payments can be made but it should be emphasised that this does not imply that the various groups are causally independent of each other. In general there is some mutual interdependence between the various groups.

Moreover, some items are not always precisely appropriate to the group in which they are included. For instance, transfer payments, representing workers' remittances, private gifts and migrants' funds and, in the public sector, grants by the central government, are included in the current account. A number of these items are of a capital nature, or closely resemble capital transactions, and there is a case for allocating the total differently, part in the current and part in the capital account; or alternatively showing the item separately from the current and capital accounts. However, no change has been made in the practice of including all these transactions in the current account though it is now possible to separate transfer payments as a whole from other transactions.

There are similar difficulties in the allocation of some capital movements as between the long-term capital account and monetary movements. Capital movements can be grouped according to their nature (e.g. investment in equities or credit given in connection with trade), according to the domestic sector concerned (e.g. government or private) or according to the status of the overseas resident involved. It is impossible to avoid using a combination of these three methods



of classification. For instance, short-term borrowing by the government by way of Treasury bills is included in monetary movements regardless of the status of the overseas resident since this has been the traditional treatment of government short-term debt, although in practice some of this debt is to overseas residents whose other investments in the United Kingdom are included in private investment. Another example is that most private investment is grouped together in the long-term capital account even though the total includes a substantial element of short-term borrowing financed through inter-company accounts. This is because the nature of the direct relationships between companies in the United Kingdom and companies abroad makes it impossible to apply clear-cut definitions to the types of investment. Thus no single group of concepts can be adopted. Moreover, superimposed on these criteria is the need to show separately not only the United Kingdom's holdings of gold and convertible currency reserves but also short-term liabilities including those treated as reserves by overseas countries. These include not only bank deposits and Treasury bills but also some holdings of United Kingdom government stock.

In the presentation used in the United Kingdom balance of payments the striking of a balance which includes changes in the reserves, in net liabilities in sterling and other currencies and other capital movements of a short-term nature has precedence; after which the grouping, in the long-term capital account, is broadly by domestic sector.

## ITEMS

### VISIBLE TRADE

#### Imports (f.o.b.)

The f.o.b. value (i.e. excluding the costs of insurance and freight) of goods entering the United Kingdom.

#### Exports and re-exports (f.o.b.)

The f.o.b. value of goods leaving the United Kingdom.

The *Trade and Navigation Accounts (Trade Accounts)* form the starting point for calculating the balance of payments figures.

No adjustment is made for timing differences between the declaration of trade by importers and exporters as recorded in the *Trade Accounts* and the time of change in ownership. Identified differences in timing between these records and actual payments (e.g. due to the granting of trade credits) are treated as changes in assets or liabilities and recorded in monetary movements or as part of direct investment in the long-term capital account. The net effect of unidentified differences in timing will be automatically reflected in the balancing item.

A number of adjustments are made, however, in respect of valuation and coverage, to convert the *Trade Accounts* to a balance of payments basis. The following are the more important of these adjustments.

## Valuation adjustments

### Freight and insurance

Imports in the *Trade Accounts* are valued c.i.f. i.e. inclusive of the cost of insurance and freight from the country of consignment. In the balance of payments these costs are deducted since freight and insurance payments to foreign shipping, airline and insurance companies are included in the appropriate invisible account item and those to United Kingdom concerns do not enter the balance of payments. Estimates of freight payments for dry cargo imports are made by applying ratios of freight to total c.i.f. values of imports as recorded in the *Trade Accounts* for selected groups of items from each area of consignment. The ratios of freight to total c.i.f. values are estimated from the actual freight rates current on a large sample of individual commodities imported from different sources.

The system of estimating freight on imports of oil is so far as possible complementary to the method adopted by oil companies in building up the c.i.f. value of oil imports declared to H.M. Customs and Excise. Estimates of freight are based largely on the London Tanker Brokers' Panel's Average Freight Rate Assessment (A.F.R.A.). Estimates of payments for air freight and for insurance are based on a sample examination of customs entry forms and supporting invoices, supported, in the case of insurance, by data supplied by the British Insurance Association and Lloyds. Recent sample inquiries have resulted in revisions to the estimates of freight and insurance previously published.

### Port charges

Certain charges associated with the unloading of imports at United Kingdom ports are included in the *Trade Accounts* valuation. These charges are excluded from the balance of payments figures since the payments are made by United Kingdom importers and accrue to United Kingdom residents. The deductions made are based on a sample examination of customs entry forms.

### Customs uplift

The value of imports recorded in the *Trade Accounts* is based on the price they would fetch on sale in the open market. In certain cases where the transaction is not an open market one, e.g. some transactions between related companies, the *Trade Accounts* value may exceed that paid or payable to the supplier abroad. As it is the latter value which is appropriate for balance of payments purposes it is necessary to make an adjustment to the *Trade Accounts* figures. Estimates of the amounts to be deducted are derived from a sample examination of Customs entry forms for goods subject to *ad valorem* duty, where most of the discrepancy lies.

### Imports on consignment

Certain classes of goods are imported on a consignment basis in which case the market value of the goods is not known until they are actually sold. Until the final value is known, a provisional value, which is often above the market value, is entered in the *Trade Accounts*.



In the case of goods subject to an *ad valorem* duty, the actual market value is eventually declared to H.M. Customs and Excise, thus allowing for a subsequent correction to appear in the trade figures. However, some of the goods imported on a consignment basis, especially fruit and vegetables, are either duty-free or are subject to specific duties. In many such instances it appears, from a sample comparison of the value as originally declared on the Customs entry and the actual payments as shown by Exchange Control records, that there is a tendency for the original higher value to remain in the *Trade Accounts*. A deduction is made to the import figures to allow for this overstatement.

#### *Sugar*

An adjustment is included in the balance of payments figures to take account of the difference between the market value of imported sugar recorded in the *Trade Accounts* and the amount actually paid by the Sugar Board under the Commonwealth Sugar Agreement. As is shown in Table 5, from 1958 to 1962, when the market price of sugar was below the Agreement Price, this adjustment was an addition to the *Trade Accounts* value but in 1963 the position was reversed.

#### **Coverage adjustments**

##### *Diamonds*

Diamonds and certain other precious stones are excluded from the *Trade Accounts*. Certain details are, however, available from H.M. Customs and Excise and Exchange Control records and these details are included in the balance of payments figures. Figures previously shown in Table 5 for exports of diamonds have been revised in the light of new information.

##### *Second-hand ships and aircraft*

These are also excluded from the *Trade Accounts* but need to be included in the balance of payments figures. The value of trade in second-hand aircraft is obtained mainly from Customs records. Details about both purchases and sales of second-hand ships are derived from a number of sources including information provided by the General Register and Record Office of Shipping and Seamen, government departments and various trade publications.

##### *New ships delivered abroad*

Certain ships built abroad for United Kingdom owners are delivered in the first place to overseas ports. These purchases are not normally recorded in the *Trade Accounts* but they are appropriate to balance of payments figures of imports. The details are obtained from the same sources as for second-hand ships.

##### *Atomic energy materials*

Imports and exports of certain atomic energy materials, including uranium ore, are omitted from the *Trade Accounts* figures. Details are supplied by the United Kingdom Atomic Energy Authority and included in the balance of payments figures.

#### *Exports by letter post*

The *Trade Accounts* do not include exports from the United Kingdom by letter post. Information about the most important element of this trade, namely books, is obtained from the Publishers' Association. Other details have been derived from a sample examination of G.P.O. traffic.

#### *Tin Buffer Stock*

Imports of tin into the United Kingdom for the International Tin Council (regarded as an international organisation) are included in the *Trade Accounts*. In the balance of payments accounts, therefore, imports of tin for the I.T.C. Buffer Stock are recorded as having been simultaneously re-exported to the Council. Similarly when tin is sold in the United Kingdom from the Tin Buffer Stock either for retention in the United Kingdom or for export a corresponding entry for imports is entered in the balance of payments figures.

#### *N.A.A.F.I.*

Goods exported by the Navy, Army and Air Force Institute for the use of United Kingdom forces abroad are included in *Trade Accounts* but, since they are for sale to United Kingdom residents they are deducted from the *Trade Accounts* for balance of payments purposes.

#### *Returned goods and goods for processing and repair*

The *Trade Accounts* include certain goods which are imported and exported without payment. These are of two types, returned goods and goods for processing and repair. Returned goods include, for example, items such as contractors' plant etc. temporarily exported without changing ownership. The value of these goods is known to H.M. Customs and Excise since, where duty is involved (and this is true in most cases), exemption from this duty can be claimed. The same value is deducted from both imports and exports in the balance of payments account at the time of import. This probably results in some error in timing of exports, however, and in this event the error would be reflected in the balancing item. In the case of goods imported for processing and repair this treatment means that the value added as a result of the processing or repair remains in the export figures. Theoretically these processing fees more appropriately belong to the invisible account but, as their precise value is not known, this transfer is not made; the current balance is not, however, affected.

#### **GOVERNMENT**

This item includes all transactions in goods and services between the United Kingdom government and overseas residents which are not appropriate to other items in the accounts, or which cannot be allocated to these items for statistical reasons. Grants to overseas countries, subscriptions and contributions to international organisations and other transfer payments by the United Kingdom government to overseas residents, and similar receipts from overseas by the United Kingdom government are also included here.



## **Military expenditure**

Military expenditure overseas is recorded partly on a net basis (i.e. after deducting receipts arising locally; in particular in the years when contributions were received from the Federal German Republic towards meeting the costs of the United Kingdom forces stationed in Germany these were deducted from expenditure). Under this heading are included wage and salary payments to locally engaged staff, contributions towards common defence projects e.g. infrastructure programmes, troops' personal expenditure, and local purchases of food, equipment, fuel and services.

## **Administrative, diplomatic, etc.**

The operating costs of United Kingdom embassies, High Commission offices, and consulates, wages and salaries of locally engaged staff, and the personal expenditure of United Kingdom diplomatic and other non-military personnel stationed overseas, account for most of the expenditure shown under this head.

## **Economic grants**

These comprise cash grants made to the less developed countries to assist in their economic development and the value of goods and services provided to these countries without charge by the United Kingdom government.

## **Other grants**

These consist of cash grants and goods and services (mainly of a military nature) provided to overseas countries by the United Kingdom government without charge.

## **Subscriptions and contributions to international organisations**

This item includes United Kingdom subscriptions to the United Nations and other international bodies to meet the administrative expenses of these organisations, similar payments to international military agencies (S.E.A.T.O., C.E.N.T.O., etc.) and United Kingdom contributions to international organisations for multi-lateral economic assistance to the less developed countries and other international projects. Subscriptions to I.F.C., I.D.A. and the European Fund are not included under this heading but in the long-term capital account. Subscriptions to the I.M.F. are taken into account in monetary movements.

## **Other transfers**

These comprise national insurance and war pensions paid to overseas residents.

## **Military receipts**

This item includes receipts by the United Kingdom government from the United States and Canadian forces stationed in the United Kingdom for supplies and services, receipts from the United States government

in respect of goods supplied to the United Kingdom armed forces (offshore sales) and contributions from overseas governments towards common defence projects. The value of goods and fixed assets held abroad and transferred without charge to overseas countries by the United Kingdom armed forces is also included, together with the values of services provided in the United Kingdom to overseas residents by the service departments e.g. military training schemes. These entries are offset under 'other grants'.

## **Other receipts**

These include the value of services provided in the United Kingdom to overseas residents under the United Kingdom government's economic aid programmes to overseas countries (which are offset under 'economic grants') and various miscellaneous receipts by the United Kingdom government from overseas countries.

## **Defence aid**

Assistance provided mainly by the United States government for the purchase of raw material, machinery and equipment. (For a fuller account of this item see page 52 of the publication *United Kingdom Balance of Payments 1946-1957*.)

The figures for government overseas expenditure and receipts are derived from returns provided by all United Kingdom government departments having transactions with overseas residents and overseas governments.

## **TRANSPORT: SHIPPING**

The shipping estimates cover both dry cargo and tanker transactions. Debits include the United Kingdom shipping industry's disbursements abroad (including bunkers taken up abroad) and payments to overseas residents for chartering. Freight payments to overseas residents for carrying United Kingdom imports are also included, together with passenger fares. Credits comprise the earnings of the United Kingdom shipping industry from the carriage of United Kingdom exports, from cross-trades, chartering and passenger revenue. Disbursements of foreign ships in United Kingdom ports are also included.

## **United Kingdom shipping**

Statistics relating to the United Kingdom shipping industry are provided by the General Council of British Shipping which conducts a full inquiry, generally every five years, and annual sample inquiries, into its participation in overseas trade.

The sample results have been grossed up by reference to the full censuses held in 1958 and 1962 on the assumption that the experience of the companies included in the sample is typical of the shipping industry as a whole, with



appropriate adjustments for any changes in the size of fleet. Since the war full inquiries have been made in 1947, 1952, 1958 and 1962, and sample inquiries in 1959, 1960, 1961 and 1963.

#### *Debits*

Disbursements abroad include payments by United Kingdom residents for bunkers, canal dues, maintenance of shore establishments, port charges, agency fees, handling charges, crews' expenditure, pilotage and towage, repair work, ships' stores, light dues and other miscellaneous port expenditure abroad.

#### *Credits*

Passenger revenue comprises receipts from passenger fares collected abroad whether for cross-voyages or voyages to or from the United Kingdom. United Kingdom shipowners are not able to distinguish between fares received from United Kingdom residents and those from overseas residents. Since it is only practicable to give a breakdown between passenger revenue collected abroad and passenger revenue collected in the United Kingdom, it is assumed that the bulk of fares collected abroad are from overseas residents and that the small amount of passenger revenue collected abroad from United Kingdom residents is counter-balanced by that collected in the United Kingdom from overseas residents. A small amount is added to allow for receipts from the Australian government for emigrants' assisted passages.

The credits do not include freight earned by the United Kingdom shipping industry from carrying United Kingdom imports since this is treated as a domestic transaction between United Kingdom residents.

### **Overseas shipping**

#### *Debits*

Estimates of freight on imports paid to overseas residents are obtained by deducting the General Council of British Shipping's estimates of the amount earned by United Kingdom ships from carrying United Kingdom imports from the estimates of total freight on imports described on page 26. An estimate of passenger fares paid to overseas shipowners, almost all of whom are resident in the non-sterling area, is provided by the Bank of England from an analysis of Exchange Control records.

#### *Credits*

These consist of disbursements in the United Kingdom by foreign flag vessels for bunkers, port charges, handling charges, agency fees and commissions, crews' expenditure, pilotage and towage, repair work, light dues and ships' stores.

The value of oil bunkers lifted in the United Kingdom is assessed by the Ministry of Power, making use of the quantity figure of oil fuel taken on board foreign flag vessels which is shown in the *Trade Accounts*.

Estimates of port charges are based on the results of an inquiry in 1958 to the fifteen largest port authorities in the United Kingdom which have been projected in subsequent periods by reference to the changes in the amount of foreign flag tonnage entering and clearing United Kingdom ports and to changes in the level of charges.

To assess handling charges and agency fees, an estimate of the cost per ton of cargo handling and agency fees is applied to an estimate of the amount of cargo handled on and off foreign flag ships.

Figures of crews' expenditure are based on a sample inquiry carried out in March 1960 to determine the average amount of money spent by each member of the crew of all foreign flag vessels entering United Kingdom ports during the month.

Annual estimates of pilotage costs are available to the Ministry of Transport who also assess the cost of towage.

Half-yearly estimates of receipts for repair work are provided by the Dry Dock Owners' and Repairers' Central Council.

Information on light dues is derived from regular returns submitted by the Lighthouse Authorities to the Ministry of Transport.

Estimates of the value of ships' stores supplied to foreign flag ships are based on information provided by the Ships Stores' Associations and the Federation of Shipping Butchers' Associations.

### **TRANSPORT: CIVIL AVIATION**

Debits comprise expenditure abroad by B.O.A.C., B.E.A. and the British independent airlines on airport charges, crews' expenses, charter payments, etc. Also included are passenger fares paid to overseas airlines by United Kingdom residents and freight on United Kingdom imports carried by overseas airlines.

Credits comprise receipts by the British airlines from overseas residents for passenger fares, freight, mail and charter hire, together with disbursements in the United Kingdom by overseas airlines.

The basis of measuring the overseas transactions of B.O.A.C. and B.E.A. was changed from the beginning of 1962 but the figures for 1958-61 have been revised to make them broadly comparable. New estimates have also been made for all the years from 1958 of the overseas transactions of the British independent airlines and the transactions of United Kingdom residents with overseas airlines; previously the only information available about these transactions was derived from Exchange Control records.

### **United Kingdom airlines**

The transactions of B.O.A.C. and B.E.A. are derived from quarterly returns supplied by the two corporations. Transactions of the British independent airlines have been estimated largely on the basis of traffic handled and capacity provided.

#### *Debits*

Disbursements abroad include airport landing fees, handling charges, crews' expenses, purchases of fuel and oil, charter payments, commissions to agents, advertising, operating costs of overseas offices, settlements of sums due to overseas airlines under pooling arrangements and other miscellaneous expenditure abroad.



### Credits

Passenger revenue relates to all tickets sold outside the United Kingdom and used on British aircraft, together with receipts from carrying passengers' excess baggage and vehicles on the ferry services. Since it is not practicable to distinguish between fares received abroad from United Kingdom residents and overseas residents it is assumed that the bulk of tickets sold abroad are to overseas residents and that the small amount of ticket sales to United Kingdom residents abroad is counter-balanced by sales in the United Kingdom to overseas residents.

The credits do not include freight earned by United Kingdom airlines from carrying United Kingdom imports since this is treated as a domestic transaction between United Kingdom residents.

Other revenue comprises receipts from carrying overseas air mails, charter receipts, and settlements of sums due from overseas airlines under pooling arrangements.

### Overseas airlines

#### Debits

Passenger revenue is estimated by applying average fares appropriate to the various routes to estimates of the numbers of United Kingdom residents travelling on overseas airlines derived from the sample surveys of air passengers conducted by the Social Survey for the Board of Trade, which provide information on the numbers of United Kingdom residents travelling abroad (see note on Travel below).

Estimates of freight on imports carried by overseas airlines are obtained by deducting the amount earned by United Kingdom airlines for carrying United Kingdom imports from the estimate of total freight on imports by air. Other debits comprise payments to overseas airlines for carrying United Kingdom air mails as reported by the General Post Office.

#### Credits

These include expenditure in the United Kingdom by overseas airlines on landing fees, other airport charges, purchases of fuel and stores, crews' expenses, office rentals and expenses, and salaries and wages of staff at United Kingdom offices. The estimates are based on information provided by the major overseas airlines operating in the United Kingdom.

## TRAVEL

Personal expenditure by United Kingdom residents in overseas countries and by overseas residents in the United Kingdom. The cost of sea or air travel from and to the United Kingdom is not included; payments to shipping and airline companies affecting the balance of payments are included in 'transport'. But payments for transport by United Kingdom residents travelling within or between overseas countries and by overseas visitors within the United Kingdom are included under 'travel'.

The travel estimates for 1962 and 1963 are based primarily on sample surveys of air and sea passengers, conducted by the Social Survey for the Board of Trade, which provide information on the numbers and expenditure of overseas visitors to the United Kingdom and United Kingdom residents travelling abroad. A description of the surveys appeared in the *Board of Trade Journal* for 23 August 1963.

The sample surveys do not cover travel between the United Kingdom and the Irish Republic and, until 1964, they did not cover travel on the long sea routes. Estimates for travel to and from the Irish Republic are derived from statistics published by the Irish Central Statistics Office. Estimates for travel on long sea routes in 1962 and 1963 were based on information about the numbers of passengers derived from records of the movements of passengers compiled by the General Register Office. Average expenditure was assessed through occasional sample inquiries.

Estimates of travel for years prior to 1962 were originally derived as a product of numbers of passengers and rough estimates of average expenditure per head supported by information made available by 'partner countries'. For some areas the newly based estimates for 1962 showed considerable differences from those based on previous methods and, in order to preserve a reasonably consistent series of estimates, the travel figures previously published for the years 1958 to 1961 were re-assessed in the light of the 1962 survey.

## OTHER SERVICES

This item includes all transactions in services between United Kingdom private residents and overseas residents—both government and private—which are not appropriate to other items in the account or which cannot be allocated to these items for statistical reasons.

Components include payments and receipts for education, films, royalties, commissions, fees and banking facilities (excluding interest). Debits also include sales of gold at home for industrial use. Credits also include the expenditure of overseas government agencies in the United Kingdom, U.S. and Canadian forces' personal expenditure and net earnings from insurance and merchanting transactions. The estimate of net earnings from insurance transactions in 1963 excludes the earnings of United Kingdom insurance companies from their overseas branches, subsidiaries and associates. These are now being reported to the Board of Trade and for 1963 they are included under 'interest, profits and dividends'.

Payments to the non-sterling areas are derived from Exchange Control records. Information from sterling area countries concerning their receipts from the United Kingdom is used to measure United Kingdom payments to the overseas sterling area.

For credits, a variety of sources is used. In some cases accurate estimates can be made but for other items, which present particularly difficult problems of measurement, rough estimates only are available.



The Board of Trade inquiry into overseas direct investment provides information on services rendered by United Kingdom parent companies to their overseas branches, subsidiaries and associates. Statistical reviews of press and television advertising provide a source for measuring overseas advertising expenditure in the United Kingdom. No complete measure is available of receipts and payments in respect of royalties etc. Payments of royalties to the non-sterling areas are known through Exchange Control and serve as a basis for the overall estimate of both payments and receipts. Commissions and fees are largely determined by applying various percentages to estimates of turnover in the industries and professions concerned. A number of items e.g. education and expenditure of overseas government agencies in the United Kingdom, are derived by combining numbers of students and diplomats respectively with estimates of average expenditure per head.

## INTEREST, PROFITS AND DIVIDENDS

This item includes interest, profits and dividends accruing to or payable by United Kingdom residents after deduction of local taxes and after allowing for depreciation. Its components are grouped into direct, portfolio and other investment income.

### Direct investment income

Income on direct investment includes branch earnings, interest payments in respect of loans granted and the remitted dividends from subsidiaries, together with the parent companies' share of the unremitted profits which is retained for reinvestment. This last item is entered additionally in 'private investment' as a contra item.

Since 1958, the entries of both credits and debits in respect of direct investment have been obtained from the Board of Trade inquiry into overseas direct investment, the results of which are published periodically in the *Board of Trade Journal*. Both quarterly and annual returns are obtained. The former are on a sample basis but the annual returns are substantially complete. Returns are rendered by United Kingdom companies which have overseas branches or subsidiaries or are associated with overseas companies, and by the United Kingdom branches, subsidiaries and associates of overseas companies having corresponding United Kingdom interests. Oil companies and, up to 1962, insurance companies are excluded. From 1963 the inquiry includes the income of United Kingdom insurance companies from the operations of their overseas branches, subsidiaries and associates: previously this was included as part of the credit entry for general insurance earnings in 'other services'. Prior to 1958 the estimates were derived from a variety of sources including Exchange Control records. A comparison of the estimates from these sources and for the direct investment inquiry for 1958 showed that the main deficiency in the earlier estimates of interest, profits and dividends was the omission, both as a debit in interest, profits and dividends and as an inflow to the United Kingdom in the capital account, of a large part of the profits earned by United Kingdom

subsidiaries of overseas companies and reinvested in this country. A special inquiry was made to identify this element and allowance has been made for it in all years prior to 1958 in both current account debits and in the capital account.

### Portfolio investment income

The payment of interest and dividends on portfolio investment, both by and to the United Kingdom, relates solely to the remitted proceeds. Included in the credit entry is the income accruing to the Exchequer in respect of interest and dividend payments received on securities held in the Exchange Equalisation Account. Estimates of portfolio income accruing to the United Kingdom are based mainly on Board of Inland Revenue records. Income accruing to the United Kingdom government from the Exchange Equalisation Account is known from H.M. Treasury records. For debits on account of non-sterling countries, Exchange Control records are used, whilst debits on account of overseas sterling area countries are based on information made available by the countries concerned.

The debits entry for portfolio investment income in 1963 includes income paid to overseas sterling area countries in respect of certain non-monetary funds invested in United Kingdom government stocks and local authority securities (see note on 'Private portfolio investment' on page 33). For years to 1962 payments of income of this kind are included as debits under 'other investment income'.

### Other investment income

Included under this heading are the earnings of oil companies. Broadly speaking, oil credits represent the surplus on the current transactions of United Kingdom companies resulting from their operations overseas although this surplus differs in various ways from a precise measure of the profits earned overseas. It includes, for example, the value of services rendered between parents, overseas subsidiaries and associated companies (such as current expenditure in the United Kingdom on marketing, headquarters expenses, research, etc.). Since the estimates are based upon cash flows the division of the total earnings between the overseas sterling area and the non-sterling areas also does not correspond to profits in an accounting sense. Oil debits consist of the interest, profits and dividends paid abroad by the United Kingdom subsidiaries and associates of overseas oil companies and the profits retained by these companies for reinvestment in the United Kingdom. The items are, to a large extent, based on information supplied by the oil industry.

The figures for oil credits and debits, included in the estimates shown in *United Kingdom Balance of Payments 1963*, have been reduced by equal amounts to eliminate certain overseas earnings of the oil industry which are remitted to the United Kingdom but are not attributable to United Kingdom interests. This change has no effect on the net balance for interest, profits and dividends.



Other transactions under this heading include interest payments and receipts on inter-government loans and other official investment; interest on external liabilities and claims in sterling and sterling area currencies; interest payments on investments by overseas residents in United Kingdom local authorities and finance houses; interest received by manufacturers and exporters on trade credit granted by them to overseas importers; interest received on assets which have been nationalised abroad; and income from trust funds invested abroad to the benefit of United Kingdom persons or institutions.

The debits entry for 1963 excludes income paid in respect of certain funds held on behalf of non-monetary bodies in overseas sterling area countries, which has been classified as portfolio investment income (see note above).

Interest received on trade credit is estimated by applying appropriate interest rates to the estimated amount of credit outstanding. Estimates for other items are based mainly on records of the Bank of England, government departments and certain other official bodies.

## PRIVATE TRANSFERS

This item comprises the value of goods transferred and services rendered between United Kingdom private residents and overseas residents without a *quid pro quo*. These transactions are recorded under their appropriate item in the current account in the first instance and offset here. A similar treatment is adopted for cash gifts and other private assets transferred between United Kingdom and overseas residents, where the prime entry is in the capital account or monetary movements. Examples of the types of transaction giving rise to entries under this heading are gifts of goods sent by parcel post, transfers of assets by migrants (other than their personal and household belongings), payments by United Kingdom residents to their dependents overseas, transfers of funds by missionary societies and charitable institutions, and legacies.

For United Kingdom transfers to the non-sterling areas, Exchange Control records are used. Receipts from the non-sterling areas are partly based on Exchange Control information and partly on information available from other countries' balance of payments statistics of their transfers to the United Kingdom. For the overseas sterling area, information from the balance of payments statistics of the sterling area countries is used to measure both United Kingdom debits and credits. Where information is not available from any of these sources estimates for migrants' transfers are derived by combining numbers of migrants entering and leaving the United Kingdom with estimates of the average value per head of assets transferred. Estimates of the value of the 'gift' element in parcel post trade are provided by the Board of Trade on the basis of a sample inquiry.

## INTER-GOVERNMENT LOANS

The entries under this item cover drawings and repayments of loans made by the United Kingdom government to overseas governments and drawings and repayments of loans made to the United Kingdom government by overseas governments. As a consequence of the winding up of the European Payments Union early in 1959, the outstanding debts were converted into bilateral long-term loans. Repayments of these loans are included under this item.

The details of inter-government loan drawings and repayments are obtained from quarterly returns provided by the various United Kingdom government departments.

Tables 19 and 20 respectively give details of the amounts outstanding for repayment on inter-government loans made by and to the United Kingdom government.

## UNITED KINGDOM SUBSCRIPTIONS TO I.F.C., I.D.A. AND EUROPEAN FUND

This item covers the United Kingdom's capital subscriptions to the International Finance Corporation, the International Development Association and the European Fund. The information is obtained from official records.

## OTHER UNITED KINGDOM OFFICIAL LONG-TERM CAPITAL (net)

This item consists of net changes in other overseas assets held by the United Kingdom government or such organisations as the Commonwealth Development Corporation and the United Kingdom Atomic Energy Authority. The purchase by the United Kingdom government of United Nations bonds in 1962 and subsequent redemptions are also included in this item.

## PRIVATE INVESTMENT

A sub-division of this item is made between direct, portfolio and other investment, the last category including oil investment.

### Direct investment

Direct investment comprises investment by United Kingdom companies in their overseas branches, subsidiaries or associated companies and investment by overseas companies in branches, subsidiaries or associated companies in the United Kingdom. Up to 1962 oil and insurance companies are excluded, but for 1963 investment by United Kingdom insurance companies in their overseas branches and subsidiaries is included. The estimates of direct investment, both overseas by United Kingdom companies and in the United Kingdom by overseas companies, include the parent's share of the unremitted profits of the subsidiary or associated company, the net acquisition of share and loan capital, changes in branch/head office indebtedness and changes in inter-company accounts.



Since 1958, estimates of direct investment have been derived from the Board of Trade inquiry. Estimates for earlier years were derived from Exchange Control and various other sources; and allowance has been made for the element of reinvested profits as described in the notes under 'interest, profits and dividends'.

### Portfolio investment

Overseas portfolio investment by United Kingdom residents includes United Kingdom participation in new issues of sterling loan stock raised by overseas public authorities on the London Market, less redemption of existing similar stock owned by United Kingdom residents. Other overseas portfolio investment by United Kingdom residents consists largely of net purchases or sales by United Kingdom residents of overseas government and municipal loans (including purchases or sales of loan stock previously issued on the London Market), together with net purchases or sales of the stocks and shares of overseas registered companies.

The estimates are based upon the Bank of England's survey of overseas investment which includes transactions in securities dealt in on the London Stock Exchange and in United States or Canadian dollar securities quoted abroad. The survey makes use of information obtained from registrars and paying agents in the United Kingdom and from Exchange Control sources. Adjustments based on balance of payments information compiled in other countries (partner-country information) are made to cover securities falling outside the range of the Bank of England's survey. In the years up to 1962 the net changes in United Kingdom residents' holdings of investment dollars are also included indistinguishably, allowance being made for the use of investment dollars by United Kingdom companies for the purpose of financing direct investment overseas. For 1963, however, changes in the holdings of investment dollars with United Kingdom banks whilst awaiting re-investment have been excluded from the figures of portfolio investment and are included under 'monetary movements' as part of United Kingdom claims in non-sterling currencies.

Inward portfolio investment consists of changes in the holdings by overseas residents of United Kingdom government and government guaranteed stocks, local authority quoted securities and mortgages, and United Kingdom company securities (including issues abroad).

For the period 1952-1959, estimates of portfolio investment by the overseas sterling area in United Kingdom securities are based on 'partner-country' sources. As regards the non-sterling area, net inward investment during this period is likely to have been negligible. This deduction is based on the Exchange Control arrangements for repatriation and on the level of the security sterling rate. Apart from repayments on redemption an individual non-sterling investor may only realise his investment either by selling direct to another non-sterling resident or by selling the blocked proceeds to another non-sterling resident who wishes to invest in the United Kingdom. The pool of sterling through which these transactions flow is known as 'security sterling'. As the security

sterling rate for most of the period in question stood at a discount on the official market rate, inward portfolio investment will tend to have taken place through this pool, so that only a negligible amount of net inward investment in the United Kingdom is likely to have occurred.

For a considerable time after the middle of 1960, however, the rate for security sterling was close to parity with the official rate. The advantage in making purchases through security sterling therefore disappeared and the official market became an important channel for new portfolio investment. For the years from 1960, the Board of Trade have conducted an inquiry based upon company registers with the assistance of the companies concerned to ascertain changes in the holdings of the securities of such companies by overseas residents. A second inquiry has sought to measure changes in the holdings of government and government guaranteed stocks by private overseas residents; the coverage of this inquiry was far from complete in the earlier years, but has been improved progressively. Figures of changes in holdings of local authority mortgages held in the names of private overseas residents have been obtained from the Treasury survey of local authority borrowing. Information on changes in holdings through nominees is incomplete; for 1963, however, additional information about overseas holdings of government stocks and local authority mortgages and securities through banks and their nominee companies has been provided by respondents to the Bank of England's series on external sterling liabilities.

The figures for 1963 also include as inward portfolio investment changes in certain overseas holdings of government stocks and local authority securities which, for 1962 and earlier, were included in 'monetary movements' as part of overseas sterling holdings (see note below on the new series entitled 'external liabilities and claims in sterling'). The major elements of these holdings are government stocks and local authority securities held in the Special Funds of the Crown Agents and government stocks held on behalf of other official bodies overseas (except central monetary authorities), together with local authority securities held on behalf of the Crown Agents' General Funds.

### Other investment

Overseas investment by oil companies is measured on a basis comparable to the estimates for other direct investment. The estimates of overseas investment by the British oil industry exclude overseas companies' share of investment by 'joint venture oil companies' (i.e. companies operating in the Middle East and which, though registered in the United Kingdom, are jointly owned by the United Kingdom and overseas oil companies). Estimates of the change in United Kingdom oil companies' investment abroad and of overseas oil companies' investment in their United Kingdom subsidiaries are based on information supplied by the oil industry.

Other overseas investment by United Kingdom residents includes, as far as identifiable, the purchase of real estate abroad, investment by United Kingdom



insurance companies and by the Commonwealth Development Finance Company and the purchase of tobacco stocks subsequently held abroad by United Kingdom companies. Compensation payments to United Kingdom residents in respect of overseas assets which have been nationalised are included as a disinvestment. Other investment in the United Kingdom by overseas residents includes identified investment in real estate and in the insurance industry in the United Kingdom, and certain borrowing by United Kingdom companies from banks and commercial companies overseas.

### MISCELLANEOUS CAPITAL (NET)

All identified capital transactions not specifically provided for in other items are included here. They are mainly of a short-term nature and include:

- (i) Identified credit arising from timing differences between payments or receipts and deliveries of goods (e.g. advance receipts for exports under arms contracts, progress payments and credit received or given on imports and exports of ships and other capital goods). This represents only a small part of the total change in credit given or received; other elements are included under banking claims and liabilities or as part of direct investment, but a probably significant proportion is at present unrecorded.
- (ii) Changes in sterling balances due to overseas residents other than balances held with banks or covered by the Board of Trade inquiry into overseas direct investment; these include overseas residents' deposits with local authorities and hire purchase finance houses. For years before 1963 short term loans by the Crown Agents to United Kingdom local authorities are included in external sterling liabilities (overseas sterling holdings).
- (iii) Short-term loans, e.g. borrowing overseas by United Kingdom tobacco companies to finance purchases of tobacco.
- (iv) Changes in non-sterling currency balances held outside the Exchange Equalisation Account, e.g. by government departments, oil companies and, in years prior to 1963, by banks. For 1963 changes in banks' net liabilities in non-sterling area currencies are shown as a separate item. (See notes below.)

Estimates of Miscellaneous capital are derived mainly from returns made by financial institutions to the Bank of England, information provided by government departments, local authorities, public corporations, oil companies and tobacco companies.

### LIABILITIES IN NON-STERLING CURRENCIES (NET)

The figures shown in Tables 1, 2 and 3 are the changes in the net total of United Kingdom banks' external liabilities and claims in non-sterling area currencies. The item also includes changes in official liabilities in non-sterling area currencies; but in practice there was no change in official liabilities in 1963. Advances made by a

number of overseas central banks in the first quarter of the year were repaid in the second quarter.

Gross figures of United Kingdom banks' external liabilities and claims in non-sterling area currencies at the end of 1962 and 1963 are given in Table 21.

Liabilities include:

- (i) Deposits and advances in non-sterling area currencies received from overseas residents;
- (ii) Commercial bills drawn in non-sterling area currencies on U.K. residents and held by the banks on behalf of their overseas customers.

Claims include:

- (i) Non-sterling currency deposits with and advances to overseas residents;
- (ii) Holdings of non-sterling currency notes and coin;
- (iii) Holdings of Treasury bills and similar short-term paper denominated in non-sterling area currency;
- (iv) Commercial bills drawn in non-sterling area currency on overseas residents and owned by the reporting institutions;
- (v) Claims on overseas customers arising from non-sterling area currency acceptances;
- (vi) Commercial bills drawn in non-sterling area currency on overseas residents and held by the banks on behalf of their U.K. customers.

The figures are derived from returns made by United Kingdom banks to the Bank of England.

For years prior to 1963 changes in banks' net external liabilities in non-sterling area currencies are included in 'Miscellaneous capital'.

### LIABILITIES IN OVERSEAS STERLING CURRENCIES (NET)

The figure shown for 1963 in Tables 1 and 2 is the change in the net total of United Kingdom banks' external liabilities and claims in overseas sterling area currencies. The types of liability and claim included are similar to those described above under 'Liabilities in non-sterling currencies (net)'. Before 1963, net liabilities in overseas sterling area currencies were included in 'Overseas sterling holdings'.

### EXTERNAL LIABILITIES IN STERLING (NET)

The figures shown in Tables 1, 2 and 3 for years before 1963 are the changes in the net total of overseas sterling holdings (other than by the International Monetary Fund) and sterling acceptances outstanding. Figures for 1963 are the changes in the net total of external sterling liabilities (other than to the I.M.F.) and claims. Separate figures of overseas sterling holdings and sterling acceptances outstanding at the end of each year from 1951 to 1962 are given in Tables 22 and 23. Gross figures of external sterling liabilities and claims at the end of 1962 and 1963 are given in Table 24.



### Overseas sterling holdings

Some 150 banks, discount houses and accepting houses contributed to the series of overseas sterling holdings.

The data consisted of United Kingdom liabilities to, and claims on, overseas residents in both sterling and overseas sterling area currencies, comprising, on the one hand, current and deposit accounts, Treasury bills, commercial bills drawn on, and promissory notes made by United Kingdom residents, and British government and government guaranteed stocks when held for overseas banks or official bodies, but not for persons or firms; and, on the other hand, advances to overseas residents, overdrafts, and commercial bills drawn by, and promissory notes in favour of, United Kingdom residents. Bills and stocks were recorded at nominal value.

To the composite total of the figures provided by the banks were added similar funds held at the Bank of England (mainly for overseas central banks) and those held by the Crown Agents for Oversea Governments and Administrations. Information received from various overseas official bodies was also included in the series.

At the end of 1962 the series on 'Overseas sterling holdings' was discontinued and replaced by a new series entitled 'External liabilities and claims in sterling'.

### Acceptances outstanding

The figures in Table 23 are the totals of outstanding sterling acceptances given by banks in the United Kingdom for account of residents abroad. At the end of 1962 the separate series on 'Acceptances outstanding' was discontinued and incorporated in the new series of 'External liabilities and claims in sterling'.

### External liabilities and claims in sterling

The series is compiled from returns made to the Bank of England by over 170 banks and other financial institutions. The reporting institutions have widened their branch coverage so that no important accounts are omitted and so that the figures also include the external sterling liabilities and claims of their nominee companies.

The external liabilities and claims are reported gross, under the following headings:

Liabilities: Current and deposit accounts.

United Kingdom Treasury bills.

Commercial bills and promissory notes: bills of exchange (sight and usance), including cheques for collection, and documents drawn on, and promissory notes made by, United Kingdom residents and lodged on account of overseas residents, where the proceeds have still to be credited to overseas account.

British government and government guaranteed stocks held for banks and central monetary institutions overseas, but not for other holders; at nominal value and excluding issues by overseas public authorities guaranteed by the United Kingdom government.

Claims: Advances and overdrafts.

Commercial bills and promissory notes: bills of exchange (sight and usance), documents drawn on, and promissory notes made by, overseas residents held for United Kingdom residents, where the proceeds have still to be received.

Acceptances outstanding.

The series contains only funds payable in sterling. Acceptances outstanding are included as a United Kingdom claim on overseas residents. Funds at the Bank of England are added to the composite totals of the banks' returns together with those funds held with the Crown Agents which fall within the scope of the series. The series also includes sterling blocked under the Exchange Control Act, 1947.

The series excludes all overseas holdings of British government and government guaranteed stocks not held specifically for banking or central monetary purposes; thus only holdings of banks, central banks and other central monetary institutions, and the Note Security and General Funds of the Crown Agents are included.

The figures cover short-term sterling liabilities to, and claims on, overseas residents as reported by the United Kingdom banking system in the broadest sense, including the Crown Agents. Other such liabilities and claims are not included, in particular money deposited directly by overseas residents with United Kingdom local authorities and finance houses. Sterling funds deposited by overseas residents with United Kingdom banks and employed by the banks with local authorities and finance houses, etc. are included as deposit liabilities of the banks.

### Changes in the series

The differences between the former overseas sterling holdings series and the new series for external sterling liabilities and claims, and the changes which have been required in the presentation of certain items in the balance of payments account are given below.

- (1) In the new series, comprehensive totals of gross liabilities and claims are available. The old series was published net because liabilities to and claims on overseas offices and branches of reporting institutions were returned net, and gross figures were available only for other liabilities and claims.
- (2) The new series includes United Kingdom claims on overseas residents in the form of acceptance credits in sterling. Prior to 1963, acceptances outstanding were recorded outside the ambit of overseas sterling holdings. In Tables 1, 2 and 3 of this publication the figures of acceptances outstanding and overseas sterling holdings have been added together to produce a series which is more in line with the figures of external liabilities and claims for 1963.
- (3) Unlike the series of overseas sterling holdings, the new figures cover only funds denominated in sterling. Thus liabilities and claims in overseas sterling area currencies, which were included



indistinguishably in the old series, are now omitted. The changes in the net liabilities in these currencies in 1963 are shown as a separate item.

- (4) The new series includes sterling blocked under the Exchange Control Act, 1947. This sterling, which largely results from sales of securities is thought to have been small in total at the end of 1962.
- (5) In the new series the treatment of certain overseas holdings of British government and government guaranteed stocks has been changed. The intention is to exclude all those not held specifically for banking or central monetary purposes. Holdings which were included in the old series but which fall outside the range of the new are those in the Special Funds of the Crown Agents and those of other overseas official bodies. The holdings omitted are now treated as portfolio holdings, changes in which are included in 'private investment' in the long-term capital account.
- (6) The new series excludes certain overseas funds held through the Crown Agents and invested with United Kingdom local authorities, which were included in the totals of overseas sterling holdings. The changes in holdings of mortgages and securities are now included in 'private investment' and changes in temporary deposits form part of 'miscellaneous capital'.
- (7) The two series also differ in their classification of funds by type of holder. The new series is divided into central monetary institutions and other holders. Funds of central monetary institutions are the holdings, including British government and government guaranteed stocks, of central banks, currency boards, the General and Note Security Funds of the Crown Agents, the Bank for International Settlements and of a few other accounts which are known to be used for central monetary purposes. The official category in the old series of overseas sterling holdings covered a wider range in so far as it contained all funds with the Crown Agents and various official accounts as well as those of central monetary institutions, but was at the same time narrower in that it excluded funds held by central monetary institutions with commercial banks in the United Kingdom. The latter were previously included indistinguishably in the funds reported by commercial banks and recorded in the 'other' category. As a result of the more detailed information available from the new returns they have now been separately identified and included under 'central monetary institutions'. Also reclassified are deposits and Treasury bills held in the Crown Agents' Special Funds. These, as stated above, are not considered to be held specifically for banking or central monetary purposes. They are therefore now transferred from the old official category to the 'other' category in the new series.

A comparison of the figures under the new and the old series at the end of 1962 was included in an introductory article on the new series 'External liabilities and claims in sterling' in the June 1963 issue of the *Bank of England Quarterly Bulletin*.

## UNITED KINGDOM OFFICIAL HOLDINGS OF NON-CONVERTIBLE CURRENCIES

Changes in the sterling equivalent of non-convertible currencies held by the Exchange Equalisation Account (including those set aside at 31 December 1958 for liquidation in the final E.P.U. settlement in January 1959).

## UNITED KINGDOM BALANCE IN E.P.U.

Changes in the sterling equivalent of the United Kingdom balance in the books of the European Payments Union. The balance at the liquidation of the Union was converted into bilateral debts due to and by member countries and the debts have been funded so that they now form part of inter-government lending.

## UNITED KINGDOM ACCOUNT WITH THE INTERNATIONAL MONETARY FUND

The figures shown in Table 1 are the net total of:

- (i) The United Kingdom subscription in gold to the International Monetary Fund on the occasion of the increase in quotas in 1959 (—).
- (ii) United Kingdom drawings from the Fund (+).
- (iii) United Kingdom repurchases from the Fund (—).
- (iv) Drawings in sterling from the Fund by other countries (—).
- (v) Repurchases in sterling by other countries (+).
- (vi) I.M.F. administrative and operational expenditure (—) and receipts (+). Receipts include charges payable in sterling on drawings from the Fund by the United Kingdom or overseas sterling area countries.

Details of the transactions leading to the change in the United Kingdom account with the International Monetary Fund are given in Table 18. This table also shows the changes in the International Monetary Fund's holdings of sterling and changes in the United Kingdom's total tranche position with the Fund.

The changes in the Fund's holdings of sterling are the net totals of the transactions described under (ii) to (vi) above (together, in 1959, with the United Kingdom's subscription in sterling). The figures are derived from United Kingdom sources.

The United Kingdom total tranche position is the amount which the United Kingdom may draw from the Fund without raising the Fund's holding of sterling beyond 200 per cent of quota. The quota was increased in 1959 from \$1,300m (£464m) to \$1,950m (£696m). Since the changes in the United Kingdom tranche position are derived from I.M.F. sources there are minor differences due to timing between this series and the series showing changes in I.M.F. holdings of sterling.



The International Monetary Fund's holdings of sterling and the United Kingdom's tranche position with the Fund at the end of each year from 1951 to 1963 are shown in Table 25.

## GOLD AND CONVERTIBLE CURRENCY RESERVES

Changes in the sterling equivalent of the gold and convertible currencies held in the Exchange Equalisation Account. Changes in 1956 and 1957 in the special waiver accounts have been included in this item. These were accounts into which the interest due on 31 December 1956 on the United States and Canadian credits and the lend lease settlement loan was paid pending the decision on the United Kingdom's claim for a waiver. Following the conclusion of agreements with the United States and Canadian governments for deferment of interest the sums were returned to the gold and convertible currency reserves during April 1957. Gold is valued at 250 shillings per ounce fine, and currency at parity. Until a par value for the Canadian dollar was established on 2 May 1962, holdings of this currency were valued at the appropriate exchange rates.

## BALANCING ITEM

The amount necessary to balance the account: it represents the net total of the errors and omissions in other items.

## INTER-AREA TRANSFERS

Changes in the United Kingdom's reserves and in the area disposition of external liabilities and claims in sterling, shown in the monetary movements sections of Tables 2 and 3, are partly determined by the transactions of the overseas sterling area with non-sterling areas. The figures representing the net effect of all these transactions are called 'inter-area transfers'. They are derived from Table 4 (see note on page 39).

A favourable balance for the overseas sterling area with non-sterling areas is shown as negative in Table 2 because it is reflected in an increase in the United Kingdom's monetary liabilities *vis-à-vis* the overseas sterling area, or a decrease in the United Kingdom's monetary assets and *vice versa*. The corresponding positive entry for inter-area transfers in Table 3 is reflected in an increase in the United Kingdom's reserves, an increase in other monetary assets, or a decrease in monetary liabilities, *vis-à-vis* the non-sterling areas.

## AREAS

The geographical divisions for all periods covered by this publication are as follows:

(i) **Overseas sterling area:** The Colonial Territories of the United Kingdom (Colonies, Protectorates, Trust Territories, etc.); the independent Commonwealth countries other than Canada; the British

Protected States in the Persian Gulf (Bahrain, Qatar and the Trucial States), Burma, Iceland, Irish Republic, Jordan, Kuwait, Libya and the Republic of South Africa.

(ii) **Western Europe:** Andorra, Austria, Belgium, Denmark (including Faroe Islands and Greenland), Federal German Republic, Finland, France, Greece, Italy, Luxembourg, the Netherlands, Norway, Portugal (including Azores and Madeira), Spain (including Canary Islands, Balearic Islands and Spanish ports in North Africa), Sweden, Switzerland, Turkey, the Vatican City, Yugoslavia and the Bank for International Settlements.

(iii) **North America:** U.S.A. and dependencies; Canada.

(iv) **Latin America:** Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama (including Canal Zone), Paraguay, Peru, Uruguay and Venezuela.

(v) **Other non-sterling countries:** All other countries.

(vi) **International organisations:** The United Nations and its specialised agencies; the International Bank for Reconstruction and Development (I.B.R.D.), the International Finance Corporation (I.F.C.), the International Development Association (I.D.A.) and other international organisations.

Transactions with the International Monetary Fund (I.M.F.) are treated as a separate item in the accounts.

## RELIABILITY OF THE ESTIMATES

The balance of payments estimates are compiled from a large number of different sources and the degree of accuracy attained varies considerably between items. Several major improvements to the figures have been made in recent years, and efforts to improve them further are continuing. The following notes assess the comparative quality of the present estimates and the main points at which errors and omissions may arise.

### Visible trade

Customs regulations lay down a formula for the valuing of import and export merchandise on the Customs entry forms from which the *Trade Accounts* are compiled. A number of adjustments are made, as described in the notes on items above, for both coverage and valuation to bring the *Trade Accounts* figures on to a balance of payments basis. Some of these adjustments are based on comprehensive returns and others on the results of sample inquiries; any errors in them are thought to be comparatively small. For the most important adjustment, the deduction of freight to bring the value of imports to an f.o.b. basis, any error in the estimate of total freight will be offset by an opposite error in the invisibles account, since the same estimate is used as the starting point for the calculation of shipping freight debits. It is possible, however, that



there is some inconsistency between the value of commissions assumed to be included in figures of imports and exports in the visible trade account and the estimates for debits and credits on commissions included in 'other services' in the invisibles account. In relation to the large gross value involved the margin of error in the estimates for visible trade is probably very small, although it could still be of significance in relation to the net result of the balance of payments.

No allowance is made in the visible trade account for changes in the timing of payments for imports and exports. Such changes may arise through the advancing or retarding of payments or through shifts in the timing pattern as a result of changes in the commodity make-up of imports and exports (or, for example, a shift from imports paid for on or before arrival to imports on consignment). Conceptually, these changes are regarded as equivalent to short-term capital movements. To a large extent they are recorded in the balance of payments accounts as part of the changes in banking claims and liabilities with overseas residents or in the balance of indebtedness between United Kingdom and associated companies overseas. But in so far as the changes are not so recorded they may contribute significantly to the fluctuations in the total of errors and omissions.

### Invisibles

Figures of government transactions are based on records of government departments and any errors should be limited to minor timing discrepancies.

The figures relating to United Kingdom shipping are based primarily on the periodic inquiries carried out by the Chamber of Shipping. In the full census years of 1952, 1958 and 1962 complete returns in respect of voyages performed and other overseas transactions were made by all United Kingdom shipping companies; in the other years since 1958 a fairly large sample return has been obtained, and the results grossed-up using the results for the full census years as bench-marks. The margin of error should not be large. The estimates for freight payments to overseas shipping are based on a large sample of import items and here too the margin of error should be relatively small. In any event, as stated above, any error in the estimate will be offset by an opposite error in the estimated value of imports on an f.o.b. basis.

Estimates of travel expenditure are now based largely on a system of interviews with a sample of passengers leaving or arriving at sea and air ports. Though still subject to a moderate margin of error, the estimates are more firmly based than previously.

Estimates for the numerous and heterogeneous types of transaction which fall into 'other services' are of varying quality. Exchange Control records are the basis for most of the debits with the non-sterling areas and partner-country information for most of the debits with the overseas sterling area. Regular returns are made for a few of the credit items, but in other cases estimates are derived from various related indicators and are inevitably no more than rough. Thus the totals for both debits and credits under this heading must be regarded as subject to a fairly large margin of error.

The interest, profits and dividends arising from direct and portfolio investment are thought to be satisfactorily measured both on the credit and debit side. Earnings from oil, taken in conjunction with the entries for oil operations in the visible, shipping and long-term capital accounts, are also thought to measure fully the effect of transactions in oil on the balance of payments. For other investment income, principally interest on sterling liabilities on the debit side and interest on export credit and other short-term claims on the credit side, the estimates are, however, probably somewhat less accurate or complete.

### Long-term capital account

Complete records of inter-government loans and other official capital transactions are available. The flows of private direct investment are also thought to be adequately measured. The estimates of outward portfolio investment are based partly on changes in holdings of overseas securities quoted in London and having a United Kingdom registrar or paying agent, and some transactions in other overseas sterling area securities escape recording. The measurement of inward portfolio investment, although recently greatly improved, still has some gaps. Changes in overseas holdings in some government stocks are not yet fully covered and the Board of Trade's inquiry on company securities is limited to the major companies (which nevertheless cover 70 per cent. of the total market value of issued capital). Holdings *via* nominees are only partially identified.

### Monetary movements

Most of the figures in this section of the accounts are precise ones rather than estimates, being taken from the regular returns made by banks and other financial institutions. On the introduction, in December 1962, of the new series of returns of external liabilities and claims in sterling and other currencies the coverage was extended to some 20 additional financial institutions which had been outside the ambit of the former overseas sterling holdings series. There are some gaps, however; changes in short-term assets and liabilities outside the banking system are only measured to a limited extent, except where they fall within a direct investment relationship. Errors may also arise through failure to recognise non-resident status, especially where nominee accounts are employed.

### Summary

It appears that the main weaknesses in the present statistics are in 'other services' in the invisibles account, portfolio investment in the long-term capital account (despite the improvements achieved), and 'miscellaneous capital' in monetary movements (through the lack of information about changes in certain types of short-term assets and liabilities arising outside the banking system). Current work to improve the statistics is concentrating upon these items. In particular, the Board of Trade is conducting an inquiry with a large number of companies into changes in the amount of international trade credit outstanding. More generally, because of the wide



variety of sources and methods which have to be used in compiling the accounts there are difficulties in obtaining complete consistency of definition and treatment between one item and another, and some marginal overlapping or shortfall may result (e.g. commissions on imports and exports referred to above).

### Balancing item

The balancing item represents the net total of errors and omissions arising throughout the accounts and although varying considerably in size from year to year it has been positive in nine of the twelve years from 1952 to 1963 with an average over the whole period of +£48 million. This means there is an underlying tendency for credit entries to be understated or debit entries to be overstated, or quite probably a combination of both.

It is difficult to find reasons for the size of the balancing item and its fluctuations from period to period, but it seems probable that it includes:

- (i) a persistent positive element attributable to deficiencies in the measurement of current account transactions.
- (ii) a much more irregular element attributable to unrecorded capital and monetary transactions. Fluctuations in this element are likely to reflect in the main short-term changes in flows of funds, in granting of credit and in timing of payments. These changes are probably influenced to some extent by the level of interest rates in the United Kingdom relative to those abroad and, on occasion, by speculation about exchange rates.

It is difficult to quantify these elements. One approach is to look at an average over a period of years, in the course of which the more volatile inflows and outflows under (ii) above will tend to cancel out. Over the last six years, 1958-63, the average level of the balancing item was +£30 million. This figure is smaller than that quoted in the corresponding passage of this publication last year, partly because revisions to certain items, mainly in the invisibles account, have resulted in an improvement in the recorded balance on current account and partly because the period covered in the average includes the substantial negative balancing item in 1963.

### Revisions

Provisional figures for the latest year are published about the end of March. Revised figures are prepared during the summer (the revised figures for 1963 are incorporated in the present publication).

Other revisions are made from time to time when new inquiries and investigations have produced improved series of figures. Where it can be done these revisions are carried back to earlier years and they may therefore involve changes in the figures for several years.

## OVERSEAS STERLING AREA BALANCE OF PAYMENTS WITH NON-STERLING AREAS

Most sterling area countries hold the bulk of their monetary reserves in sterling. They usually sell to the United Kingdom any surpluses of foreign currencies arising from their trade and other transactions with the non-sterling areas and purchase from the United Kingdom any currencies required to finance such transactions. Most of their gold production (which is conventionally regarded as an earning of convertible currency—see note on gold production below) is also sold in the United Kingdom. These countries' transactions with non-sterling areas are thus reflected mainly in changes in their sterling assets.

The extent of the resulting changes is estimated in Table 4 where 'total balance with non-sterling areas (inter-area transfers)' is a measure of the ultimate accrual of sterling to the overseas sterling area (or use of sterling by it) resulting from the area's transactions with non-sterling areas. Since it is unlikely that all transactions (particularly those on capital account) will have been completely identified, these estimates must be regarded as subject to a substantial margin of error. Any such error will be reflected as part of the balancing item in Tables 2 and 3.

So far as possible the figures are based on the balance of payments estimates compiled by individual countries, converted to sterling at the ruling rates of exchange. Certain adjustments have, however, been made where this has appeared necessary in order to establish as far as possible consistency between the principles of attribution of residence adopted in Table 4 and in the United Kingdom accounts generally. Two important adjustments of this nature are described in the notes below on 'visible trade' and 'other invisibles (net)'.

### Visible trade

In many overseas sterling area countries' balance of payments estimates, the figures for imports, exports and re-exports are based on trade accounts. As with the United Kingdom figures the figures require adjustment for valuation and coverage (see notes on page 26). Generally, timing adjustments are not made by overseas sterling area countries for differences between the physical movement of the goods and the change of their ownership.

Some countries, however, base their balance of payments estimates of imports, exports and re-exports upon records of payments and receipts obtained through Exchange Control. Frequently the timing of transactions here differs widely from that corresponding either to the physical movement of the goods or to change of ownership in that transactions are recorded as payments are made. To this extent, transactions recorded in the visible trade account include indistinguishably the giving and taking of credit in connection with trade, mainly in capital goods. In general there are few problems of valuation, but the problems of coverage are different from those for figures based upon trade accounts; some investment from overseas



in the private sector may be in kind and the imports of capital goods forming part of the investment may not be recorded by the Exchange Control. Similarly, barter transactions may not be recorded by the Exchange Control. No adjustment is made for imports and exports not covered in the figures published by the overseas sterling area countries.

In compiling Table 4 the following adjustments are made to the visible trade estimates as recorded in overseas sterling area countries' balance of payments estimates:

(a) Whichever of the two methods of measurement is used there are some countries which value their imports c.i.f., i.e. inclusive of freight and insurance from the country of origin. To achieve consistency with the figures for other sterling area countries and with those for the United Kingdom, the estimated amount of the freight and insurance element is transferred to the item 'other invisibles (net)'.

(b) For consistency with the present method of recording the transactions of the United Kingdom oil companies in the estimates of the United Kingdom balance of payments, the estimates in Table 4 of visible trade between the overseas sterling area and non-sterling areas exclude oil, imported from or exported to non-sterling countries, which is owned by United Kingdom oil companies or their overseas subsidiaries; the current account transactions of these companies between the overseas sterling area and non-sterling areas are treated as part of the balance of payments of the United Kingdom and are shown under 'shipping' and 'interest, profits and dividends' in Tables 2 and 3. These items include indistinguishably transactions in respect of visible trade in United Kingdom-owned oil between the overseas sterling area and non-sterling areas.

### **Gold production**

Most of the new gold produced in the sterling area is bought in the first place by domestic monetary authorities and is conventionally regarded as equivalent to an earning of convertible currency. Gold production, apart from the small amount for domestic industrial use, is therefore included as a credit in the account with non-sterling areas. The item thus includes both exports and gold taken into domestic monetary reserves. The latter is reflected in a corresponding increase in assets under the heading 'changes in gold and N.S.A. currency holdings'.

### **Official grants (net)**

This item includes grants in overseas sterling area currencies made by the United States government out of funds accrued from the provision of surplus commodities under the Agricultural Trade Development and Assistance Act (P.L. 480). As far as possible, the figures are based upon overseas sterling area countries' balance of payments estimates, supplemented by donor country sources of information.

### **Other invisibles (net)**

Where no figures of invisible account transactions analysed by area are published by individual countries,

the component attributable to non-sterling areas has been estimated. The estimates comprise the same component items as are distinguished in the balance of payments of the United Kingdom, with adjustments where necessary to obtain consistency with the principles of attribution of residence adopted for the purposes of compiling estimates of inter-area transfers. The estimates are derived from a variety of sources, including special surveys.

The following adjustments to the figures compiled by various countries have been made:

(a) When freight and insurance on imports is included as part of c.i.f. imports (see note on imports above) the estimated freight and insurance element is transferred to the invisibles account.

(b) When the freight payable to non-residents is allocated to area according to the country of origin of the goods, it is, as far as possible, reallocated according to the country of residence of the carrier.

Undistributed profits due to or from non-residents are not included in the invisibles account of every country, but no adjustment has been made to cover the omissions.

Transactions by governments (other than official grants) in this item include the United States government's expenditure in overseas sterling area currencies out of funds accrued from the provision of surplus commodities under the Agricultural Trade Development and Assistance Act (P.L. 480).

### **Inter-government loans (net)**

This item includes drawings and repayments of loans and long-term credits between governments of overseas sterling area countries and governments of non-sterling area countries; it also includes loans and long-term credits extended by quasi-official bodies such as the Export-Import Bank of Washington, and government guaranteed loans and long-term credits to other public bodies or companies. Loans from international organisations are excluded.

The loans include drawings in domestic currencies out of funds accrued as the counterpart to the provision of surplus commodities under the Agricultural Trade Development and Assistance Act (P.L. 480), and include the net change in the amount of the funds denominated in the domestic currency held by the United States government. Changes in these liabilities are treated as long-term transactions rather than as short-term, even though the funds may be held in monetary form, firstly because the funds are not usually disbursed as grants or loans within a year, and secondly because the provision of the surplus commodities is widely regarded as 'aid'; it is convenient that the contra entry to the imports should fall entirely within the current and long-term capital account.

As far as possible the figures under this heading are based upon overseas sterling area countries' balance of payments estimates, supplemented by donor country sources of information.



### **I.B.R.D., I.D.A. and I.F.C. drawings (net)**

These are drawings (net of repayments) from the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation. Subscriptions to these organisations are included under 'other official long-term capital (net)'.

### **Market issues (net)**

These comprise the proceeds of new issues raised by governments or public bodies in overseas sterling area countries on markets in New York or elsewhere in non-sterling areas; they are net of redemptions.

### **Other official long-term capital (net)**

The item covers a wide variety of transactions; it includes subscriptions to the I.B.R.D., I.D.A. and I.F.C. and long-term loans and credits, other than inter-government loans and market issues, between public bodies in the overseas sterling area and residents of non-sterling areas.

### **Private investment (net)**

This item covers direct and portfolio investment between residents of non-sterling areas and the private sector of the overseas sterling area. In principle it also includes long-term trade credit in so far as it is covered in overseas sterling area countries' balance of payments estimates. Direct investment includes, where measured, changes in branch/head office indebtedness, changes in inter-company accounts, reinvested profits and investment in kind. Where countries omit reinvested profits and investment in kind, they also exclude the corresponding current account entries (see notes on 'visible trade' and 'other invisibles (net)' above). The figures as recorded in overseas sterling area countries' balance of payments estimates are included without adjustment.

### **Change in accounts with I.M.F.**

This item includes net drawings of sterling and non-sterling currencies, subscriptions in gold and re-purchases of currency subscriptions for gold. It excludes subscriptions to the I.M.F. in overseas sterling area currencies.

### **Change in gold and N.S.A. currency holdings**

This item includes all identified changes in central monetary authorities' and commercial banks' assets and liabilities denominated in non-sterling currencies and changes in holdings of monetary gold.

### **Other monetary movements**

This item includes changes in the holdings of non-sterling area residents of monetary assets and liabilities denominated in overseas sterling area currencies, (including holdings by I.B.R.D. and I.D.A. arising from subscriptions, and changes in balances arising out of bilateral trading agreements in so far as these are identified); but certain changes in the United States government's balances denominated in overseas sterling area

currencies are excluded (see note above on 'inter-government loans (net)'). The item also includes other transactions mainly of a short-term monetary nature in so far as identified, excluding any such transactions which form part of direct investment. These correspond broadly to 'miscellaneous capital' as defined in the United Kingdom balance of payments. Some short-term trade credit extended by marketing authorities in overseas sterling area countries is included.

### **Reliability of the estimates**

The items 'gold production', 'I.B.R.D., etc., drawings (net)', and 'changes in accounts with I.M.F.' are known precisely or to a high degree of accuracy. The reliability of the items 'official grants (net)', 'inter-government loans (net)' and 'market issues (net)' is probably good. The estimates for visible trade, as measured by individual countries, are thought in general to have a fair degree of reliability, though some error probably arises in adjusting trade account figures to a balance of payments basis; an additional element of error may be introduced by the adjustments which are made for area attribution of freight and insurance and for oil (see page 40). Although these errors may be substantial in themselves, they are probably small when related to the total of the imports and exports. The items 'other official long-term capital (net)' and 'change in gold and N.S.A. currency holdings' probably have an only moderate degree of accuracy, the uncertainty about the latter relating mainly to the transactions of commercial banks rather than central banks. The reliability of the items 'other invisibles (net)', 'private investment (net)' and 'other monetary movements' is poor, since they are based on a wide variety of sources, sometimes fragmentary, or have been estimated from indirect indicators.

The figures previously published have been revised in the light of additional information. In general figures for recent years are based on provisional estimates prepared by individual countries. Where countries' provisional estimates do not include 'private investment (net)' for the latest year, supplementary sources of information are used.

The cumulative effect of errors in the estimation of the figures in Table 4 is carried into the estimate of the total balance (inter-area transfers), and as such is reflected as part of the balancing item in Tables 2 and 3. The balancing item in these tables thus reflects errors and omissions both in the estimates of the transactions of the United Kingdom with the overseas sterling area and with non-sterling areas, and in the estimates shown in Table 4 of transactions between the overseas sterling area and non-sterling areas.

## **TREATMENT OF THE BALANCE OF PAYMENTS IN THE NATIONAL INCOME ACCOUNTS**

The national income can be measured as a sum of incomes derived from economic activity (factor incomes) or as a sum of expenditure.

Most of the national income of the United Kingdom arises from economic activity within the United Kingdom;



this total is domestic income or product and it is distinguished from national income or product which is the total of factor incomes accruing to United Kingdom residents wherever the economic activity that gives rise to the income takes place. The income which appears in the balance of payments accounts as credits under 'interest, profits and dividends' accrues to United Kingdom residents as a result of economic activity abroad or property held abroad. Conversely debits under 'interest, profits and dividends' represent income which arises within the United Kingdom but which is paid to non-residents. The national income therefore consists of domestic income plus net property income from abroad. The net property income from abroad which is the difference between the gross domestic product and the gross national product is equal to the net earnings from 'interest, profits and dividends' in the balance of payments accounts. But in order to maintain consistency with the treatment of incomes in the current accounts of the different sectors, property income is measured in the national income account before deduction of local taxes; whereas in the balance of payments, interest, profits and dividends are recorded after deduction of taxes. In the national income accounts the tax payments are entered again on the opposite side of the account so that the balance between payments and receipts is preserved. The payment of tax to a foreign government on income accruing to United Kingdom residents is thus entered as a payment of property income by the United Kingdom and *vice versa*.

As mentioned above, the national income can be measured not only as a sum of incomes but also by totalling expenditure. The total of final expenditures on the goods and services becoming available in the United Kingdom must include expenditure by other countries on the available goods and services (i.e. exports); but many of the available goods contain imported materials and some of the available services are rendered by overseas residents. Expenditure on such goods and services therefore generates income and product not only in the home economy but also in the

foreign country from which the imported material has been bought or which renders the service. The gross domestic product measured as a sum of expenditure is therefore equal to total final expenditure in the United Kingdom (including exports) on all goods and services less imports of goods and services. Imports and exports of goods are equal to visible trade in the balance of payments. Imports and exports of services are equivalent to transport (shipping and civil aviation), travel, other services and that part of government transactions in the invisibles account of the balance of payments which relates to services. As with the income approach, an adjustment for net property income from abroad is required to move from the gross domestic product to the gross national product. The change in treatment of insurance transactions in 1963 (see notes on pages 30 and 31) has introduced a break in continuity in the series for gross domestic product and for net property income from abroad although the gross national product is not affected.

The remaining items in the current account of the balance of payments, i.e. official and private transfer payments, do not appear directly in the composition of the national income but they do figure in the sector accounts. For instance, government transfer payments appear in the revenue account of the central government and private transfer payments appear in the analysis of personal income and expenditure.

The overall current balance is described in the national income account as net investment abroad. It appears as part of total investment in the combined capital account and since all other forms of financing between different sectors of the home economy cancel each other out, it is equal, but opposite in sign to, the net acquisition of overseas assets in the financial accounts tables of *National Income and Expenditure, 1964*. Net investment abroad could also be measured directly as the sum of the balance of the long-term capital account and of the balance of monetary movements. This should, in theory, yield an identical figure, but, in practice, the two methods differ by the amount of the balancing item in the balance of payments.



## REFERENCES

### UNITED KINGDOM BALANCE OF PAYMENTS AND RELATED STATISTICS

#### General

Provisional annual estimates of the United Kingdom balance of payments are presented in the White Paper *Preliminary Estimates of National Income and Balance of Payments* published shortly before the presentation of the Budget. Detailed quarterly estimates are published each quarter, together with a commentary, in the March, June, September and December issues of *Economic Trends* and reproduced in summary form in *Financial Statistics* and the *Monthly Digest of Statistics*.

Prior to 1963, annual and half-yearly estimates were presented in a series of half-yearly White Papers on the *United Kingdom Balance of Payments* published each spring and autumn. Annual estimates in greater detail were given in *United Kingdom Balance of Payments 1946-57*, published in 1959; but the estimates for 1952 to 1957 in that publication have been superseded by the estimates in this volume and those for 1946 to 1951 are not comparable in many respects with the present series.

#### Visible trade

Monthly estimates of the balance of visible trade, seasonally adjusted and on a balance of payments basis, are included in a press notice issued each month by the Board of Trade.

Figures of imports (c.i.f.) and exports and re-exports (f.o.b.) (not adjusted to a balance of payments basis) are published each month in the *Trade and Navigation Accounts*. The monthly figures, both as recorded in the *Trade Accounts* and seasonally adjusted, are the subject of regular articles in the *Board of Trade Journal* and are later presented in summary form in the *Report on Overseas Trade*. Annual statistics are contained in the *Annual Statement of the Trade of the United Kingdom*, which shows the figures in greater detail.

#### Government

Details of United Kingdom government assistance for overseas development appear regularly in *Financial Statistics*. Further information on inter-government loans and other official long-term capital transactions is available in the *Finance Accounts of the United Kingdom* and the *Annual Reports of the Commonwealth Development Corporation*.

#### Shipping

An analysis of the overseas payments and receipts of United Kingdom shipping companies is given in the *Annual Report of the Chamber of Shipping of the United Kingdom*.

#### Travel

Articles on travel to and from the United Kingdom appear regularly in the *Board of Trade Journal*.

#### Private investment and interest, profits and dividends

The results of the Board of Trade inquiry into overseas direct investment are published twice a year in the *Board of Trade Journal*. An annual article on United Kingdom overseas portfolio investments is included in the June issue of the *Bank of England Quarterly Bulletin*.

#### Liabilities and claims in non-sterling currencies

An article introducing the new series on United Kingdom banks' liabilities and claims in non-sterling currencies appeared in the June 1964 issue of the *Bank of England Quarterly Bulletin*.

#### External liabilities and claims in sterling

Quarterly figures are published in the *Bank of England Quarterly Bulletin* and *Financial Statistics* and, in summary form, in *Economic Trends* and the *Monthly Digest of Statistics*. An article introducing the series appeared in the June 1963 issue of the *Bank of England Quarterly Bulletin*.

#### Overseas sterling holdings and acceptances outstanding

An article on the former series of overseas sterling holdings and acceptances outstanding, containing figures in greater detail than had previously been published, was included in the December 1963 issue of the *Bank of England Quarterly Bulletin*.

#### United Kingdom account with the International Monetary Fund

Monthly figures are published in *International Financial Statistics* (published by the I.M.F.) and in *Financial Statistics*.

#### Gold and convertible currency reserves

Monthly figures of the reserves are published in the Press and reproduced in *Financial Statistics* and other monthly publications of the Central Statistical Office.

#### United Kingdom external assets and liabilities

An article in the March 1964 issue of the *Bank of England Quarterly Bulletin* described the external assets and liabilities of the United Kingdom and included an inventory of estimated assets and liabilities at the end of 1962. A more detailed analysis of the estimated value of direct investment assets and liabilities at the end of 1962 was given in an article in the *Board of Trade Journal* for 7 August 1964.

#### National income

Annual statistics on the national income are presented in the annual Blue Book *National Income and Expenditure*. Quarterly estimates of the main items are published regularly in the *Monthly Digest of Statistics* and, together with a commentary, in *Economic Trends*.



# PUBLICATIONS RELATING TO OTHER COUNTRIES' BALANCE OF PAYMENTS

The main publications containing estimates of the balance of payments of other countries are listed below:

Country	Title	Frequency of publication	Published by
General	International Financial Statistics	Monthly	International Monetary Fund
	Balance of Payments Year Book	Compiled by monthly instalments	International Monetary Fund
	Statistical Year Book	Annually	United Nations
	Monthly Bulletin of Statistics	Monthly	United Nations
	Various publications by O.E.C.D.		O.E.C.D.
	Commonwealth and Sterling Area Statistical Abstract	Annually	Board of Trade
* * * * *			
Overseas sterling area			
Australia	Balance of Payments	Twice yearly	} Commonwealth Bureau of Census and Statistics, Canberra
	Annual Bulletin of Overseas Investment	Annually	
Barbados	The National Income of Barbados	Annually	} Statistical Service, Barbados
Burma	Union Bank Bulletin	Quarterly	
Ceylon	Central Bank of Ceylon Bulletin	Monthly	} Central Bank of Ceylon
	Central Bank of Ceylon Annual Report	Annually	
Cyprus	Economic Review	Annually	} Ministry of Finance, Cyprus
East Africa	The Balance of Payments of East Africa	Annually	
			} The East African Statistical Department, Nairobi
Ghana	Economic Survey	Annually	
	Quarterly Digest of Statistics	Quarterly	} Central Bureau of Statistics, Accra
	Quarterly Economic Bulletin	Quarterly	
Iceland	Statistical Bulletin	Quarterly	} Bank of Ghana
India	India's Balance of Payments 1948-9-1961-2	—	
	Reserve Bank of India Bulletin	Monthly	} Reserve Bank of India, Bombay
	Report on Currency and Finance	Annually	
Irish Republic	Irish Trade Journal and Statistical Bulletin	Quarterly	} Central Statistics Office, Dublin
Jamaica	The Balance of Payments, Jamaica	Annually	
	Economic Survey	Annually	} Department of Statistics, Kingston
	Report and Statement of Accounts	Annually	
Malawi	Quarterly Digest of Statistics <sup>(1)</sup>	Quarterly	} Bank of Jamaica, Kingston
Federation of Malaya <sup>(2)</sup>	Annual Statistics of External Trade	Annually	
Malta	Statistical Abstract of the Maltese Islands	Annually	} Ministry of Finance, Zomba
Mauritius	Yearbook of Statistics	Annually	
	Quarterly Digest of Statistics	Quarterly	} Department of Statistics, Kuala Lumpur
New Zealand	Report on the Balance of Payments	Annually	
	Reserve Bank of New Zealand Annual Report	Annually	} Central Office of Statistics, Malta
Nigeria	Digest of Statistics	Quarterly	
Northern Rhodesia	Monthly Digest of Statistics <sup>(1)</sup>	Monthly	} Central Statistical Office, Mauritius
Pakistan	Pakistan's Balance of Payments	Quarterly and Annually	
		Quarterly	} Department of Statistics, Wellington
South Africa	Quarterly Bulletin of Statistics	Monthly	
Southern Rhodesia	Monthly Digest of Statistics <sup>(1)</sup>	Monthly	} Reserve Bank of New Zealand
Trinidad and Tobago	The Balance of Payments of Trinidad and Tobago	Annually	
			} Federal Office of Statistics, Lagos
			} Central Statistical Office, Lusaka
			} State Bank of Pakistan, Karachi
			} South African Reserve Bank
			} Central Statistical Office, Salisbury
			} Central Statistical Office, Trinidad



Country	Title	Frequency of publication	Published by
<b>Non-sterling areas</b>			
Belgium	Bulletin d'Information et de Documentation	Monthly	Banque Nationale de Belgique
	Annuaire Statistique de la Belgique	Annually	L'Institut National de Statistique
Canada	The Canadian Balance of International Payments	Quarterly and Annually	Dominion Bureau of Statistics
Denmark	Economic Survey of Denmark	Annually	Royal Danish Ministry of Foreign Affairs
Federal Republic of Germany	Statistisk Arbog	Annually	Det Statistiske Departement
	Monthly Report	Monthly	Deutsche Bundesbank
France	Balance des Payements	Annually	Ministère des Finances
	Problèmes Économiques	Monthly	Institut National de la Statistique et des Études Économiques
Greece	Statistical Bulletin of the Bank of Greece	Monthly	Bank of Greece
Italy	Bollettino	Two-monthly	Banca D'Italia
	Movimento Valutario	Quarterly	Istituto Nazionale per il Commercio Estero
Japan	Economic Statistics of Japan	Annually	} Bank of Japan
	Foreign Exchange Statistics	Monthly	
Netherlands	De Nederlandsche Bank N.V. Report	Annually	De Nederlandsche Bank
Norway	Norges Bank Report and Accounts	Annually	Norges Bank
Spain	Balanza de Pagos	Annually	Ministerio de Comercio
Sweden	Sveriges Riksbank Yearbook	Annually	Sveriges Riksbank
	Statistisk Årsbok för Sverige	Annually	Statistiska Centralbyran
Switzerland	Annuaire Statistique de la Suisse	Annually	Bureau Fédéral de Statistique
U.S.A.	Survey of Current Business	Monthly	U.S. Department of Commerce

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(1) These publications include balance of payments statistics for the former Federation of Rhodesia and Nyasaland. A long series of statistics for the former Federation is contained in *Balance of Payments of the Federation of Rhodesia and Nyasaland 1954-61*, published by the Central Statistical Office, Salisbury.

(2) No balance of payments statistics have yet been published by Malaysia.



