



UNITED KINGDOM BALANCE OF PAYMENTS 1959 to 1962

*Presented to Parliament by the Financial Secretary to the Treasury
by Command of Her Majesty
October 1962*



31 OCT 1962

LONDON
HER MAJESTY'S STATIONERY OFFICE

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Cmnd. 1837



FOREWORD

This paper presents provisional estimates of the United Kingdom balance of payments for the first half of 1962 and revised estimates for the period 1959-61. It continues the series of half-yearly White Papers, the last of which was Cmnd. 1671.

The estimates have been prepared by the Central Statistical Office, with the collaboration of other Government Departments and the Bank of England, and are based on information received up to the middle of September, 1962.

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INTRODUCTION

Summary

The balance of payments for the first half of 1962 continued the improvement which had taken place in 1961, following the strongly adverse movements during the two preceding years. The balance on current account was a surplus of £96 million, the first half-yearly surplus since 1959.

The trend of exports, which had been flat during 1961, turned strongly upwards early in 1962. Imports fell in the course of last year and showed only a slight upward turn in the first half of 1962. As a result the deficit on visible trade was reduced to £16 million, nearly £100 million better than in the corresponding period of 1961. In the first half of 1962 the downward trend of net invisible earnings was reversed, the surplus of £112 million being £57 million higher than in the first half of 1961.

The balance of long-term capital movements reverted to a net outflow, after having shown, exceptionally, a small net inflow in 1961. The net outflow of £41 million, was, however, small by comparison with most preceding periods largely as a result of further substantial overseas portfolio investment in the United Kingdom in the early months of the year.

The balance of monetary movements was favourable to the extent of £148 million.

Summary balance of payments

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	Jan.- June
Visible balance	-106	-393	-143	-115	- 28	- 16
Invisible balance	+217	+ 92	+ 66	+ 55	+ 11	+112
Current balance	+111	-301	- 77	- 60	- 17	+ 96
Balance of long-term capital ⁽¹⁾ ...	-493	-193	+ 26	- 27	+ 53	- 41
Balance of current and long-term capital	-382	-494	- 51	- 87	+ 36	+ 55
Balancing item	- 23	+312	+ 80	+ 39	+ 41	+ 93
Balance of monetary movements ⁽¹⁾	+405	+182	- 29	+ 48	- 77	-148

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

Monetary movements

The gold and convertible currency reserves rose over the half year by £41 million. Overseas sterling holdings fell by £194 million in total. Other monetary movements, however, showed a net increase in liabilities of £87 million. The monetary position as a whole therefore improved by £148 million in the first half of 1962.

The sterling holdings of non-sterling countries fell by £79 million despite the accrual of £18 million to United States' holdings resulting from the swap arrangement with the Federal Reserve Bank of New York. Sterling

holdings of the overseas sterling area rose by £58 million in spite of the effect upon Australia's holdings of her repurchase from the International Monetary Fund of the equivalent of £63 million. Sterling holdings of non-territorial organisations fell by £173 million, of which £125 million reflected repurchases by the United Kingdom from the International Monetary Fund and £36 million the drawing of sterling by Canada from the Fund.

The United Kingdom's gold and convertible currency reserves rose by £41 million although in the period they were adversely affected by the repurchases from the International Monetary Fund referred to above and by £36 million of assistance to Canada. Against this, they benefited by £18 million as a result of the sterling/dollar swap arrangement already mentioned.

Other monetary movements showed a net increase in liabilities of £87 million. These movements included substantial switching into sterling of foreign currency deposited with banks in the United Kingdom. There was also a net increase in temporary loans from overseas to local authorities. On the other hand, acceptances outstanding increased by £33 million.

Visible trade

The improvement in the balance of visible trade between the first half of 1961 and the first half of 1962 came from a fall in imports of £53 million and an increase in exports and re-exports of £46 million. After falling sharply during the first three quarters of 1961, the value of imports began to rise slightly and continued to do so during the first half of 1962. The volume of imports was very little different in the first half of the year compared with the corresponding period in 1961, the fall in value being due mainly to a decline of about 2 per cent in import prices. Within the total, however, there were differing movements both in volume and prices. There was a considerable reduction in the volume of imports of industrial materials, whilst imports of food, beverages and tobacco rose substantially. The main falls in import prices were among industrial materials.

Exports and re-exports, after remaining more or less steady throughout 1961, began increasing just after the turn of the year and by the end of the second quarter were showing a strong upward trend. The increase was largely in engineering goods particularly to Western Europe. Exports to the overseas sterling area showed a marked upturn towards the end of the first quarter of 1962; because of the previous decline, however, they were £66 million lower over the half year than in the first half of 1961 and only £6 million higher than in the second half. Export prices rose marginally between the first halves of 1961 and 1962.

The balance of visible trade for the first half of 1962 was a deficit of £16 million compared with the deficit of £115 million for the first half of 1961. The balance with the overseas sterling area, however, deteriorated by £45 million between the same periods whilst that with the non-sterling area improved from a deficit of £131 million to a surplus of £13 million.

Invisibles

Net Government expenditure overseas increased from £175 million in the first half of 1961 to £189 million in the first half of 1962. Government

payments were £13 million higher, mainly owing to increased military expenditure and higher economic grants. Receipts were virtually unchanged.

The shipping account showed a slight improvement between the two first half years. Debits in total were little changed; charter payments, which had been rising substantially in recent years, showed only a small further increase. Freight receipts both for dry cargo vessels and tankers increased slightly.

The largest improvement in the invisible account occurred in interest, profits and dividends. The credits under this item increased by £58 million whilst there was little change in debits. Direct investment income was £5 million higher, portfolio investment income was £6 million higher, and other investment income was £47 million higher including an increase in oil earnings.

Other items in the invisible account showed a slight improvement between the first half of 1961 and the first half of 1962. Receipts from overseas travellers visiting the United Kingdom were £9 million greater; United Kingdom tourist expenditure abroad showed a relatively small increase.

There was a surplus on the invisible account as a whole of £112 million, an increase of £57 million over the first half of 1961. The improvement was almost entirely with the non-sterling area, where the deficit fell from £77 million to £24 million; the surplus with the overseas sterling area rose slightly from £132 million to £136 million.

Current balance

The balance on current account in the first half of 1962 was a surplus of £96 million compared with a deficit of £60 million in the first half of 1961. Within these totals there were contrasting changes; the current deficit with the non-sterling area fell from £208 million to £11 million, whereas the current surplus with the overseas sterling area fell from £148 million to £107 million.

Long-term Capital

The inter-government loan account in the first half of 1962 comprised new lending by the United Kingdom Government of £34 million and net receipts from loan repayments of £9 million. The level of new lending was slightly lower than in the corresponding period of 1961. The net outflow of other official capital was £2 million compared with £13 million in the first half of 1961.

Private investment abroad by the United Kingdom was £170 million in the first half of 1962 compared with £200 million in the first half of 1961. Direct investment abroad decreased between the two half years by £17 million. There was also a reduction in other investment of £13 million. Inward direct investment, after allowing for the Ford investment in the first half of 1961, was considerably higher. The inflow of portfolio investment, which reached a very high level in the second half of 1961, continued in the first quarter of 1962, but subsequently diminished. Other inward investment showed little change.

The balancing item

The balancing item which comprises the net effect of errors and omissions throughout the balance of payments account was plus £93

million in the first half of the year compared with positive balancing items of £142 million and £39 million in the corresponding half years of 1960 and 1961 respectively.

Presentation

The group of countries (other than the United Kingdom) forming the sterling area is now described throughout the White Paper as "overseas sterling area" instead of "rest of sterling area".

General balance of payments

TABLE 1

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	
Current account						
1. VISIBLE TRADE						
Imports (f.o.b.) ...	3,613	4,100	4,006	2,080	1,926	2,027
Exports and re-exports (f.o.b.) ...	3,507	3,707	3,863	1,965	1,898	2,011
Total ...	-106	-393	-143	-115	-28	-16
INVISIBLES						
2. Government:						
debits ...	276	336	382	202	180	215
credits ...	43	49	44	27	17	26
3. Shipping:						
debits ...	619	701	713	359	354	361
credits ...	624	646	657	330	327	339
4. Interest, profits and dividends:						
debits ...	418	455	449	195	254	201
credits ...	682	695	696	337	359	395
5. Travel:						
debits ...	175	210	228	87	141	89
credits ...	153	188	206	88	118	97
6. Migrants' funds, legacies and private gifts:						
debits ...	95	96	96	48	48	47
credits ...	95	96	99	47	52	49
7. Other services:						
debits ...	312	343	366	186	180	178
credits ...	515	559	598	303	295	297
Total ...	+217	+92	+66	+55	+11	+112
CURRENT BALANCE ...	+111	-301	-77	-60	-17	+96
Long-term capital account⁽¹⁾						
8. Inter-government loans (net) ...	-117	-91	-14	+2	-16	-25
9. U.K. subscriptions to I.M.F., I.D.A. and European Fund ...	-236	-10	-9	—	-9	—
10. Other U.K. official long-term capital (net) ...	—	-1	-19	-13	-6	-2
11. Private investment:						
abroad (net) ...	-316	-312	-338	-200	-138	-170
in the United Kingdom (net) ...	+176	+221	+406	+184	+222	+156
BALANCE OF LONG-TERM CAPITAL	-493	-193	+26	-27	+53	-41
Balance of current and long-term capital transactions ...	-382	-494	-51	-87	+36	+55
Balancing item ...	-23	+312	+80	+39	+41	+93
Monetary movements⁽¹⁾						
12. Miscellaneous capital (net) ...	+33	+137	-75	+67	-142	+87
13. Overseas sterling holdings:						
countries ...	+154	+376	-333	-187	-146	-21
non-territorial organisations ...	+82	-156	+409	+3	+406	-173
14. U.K. balance in E.P.U. ...	+9					
15. U.K. official holdings of non-convertible currencies ...	+8	+2	+1	+1	—	—
16. Gold and convertible currency reserves ...	+119	-177	-31	+164	-195	-41
BALANCE OF MONETARY MOVEMENTS	+405	+182	-29	+48	-77	-148

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

Balance of payments with overseas sterling area

TABLE 2

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	
Current account						
1. VISIBLE TRADE						
Imports (f.o.b.) ...	1,345	1,400	1,391	725	666	704
Exports and re-exports (f.o.b.) ...	1,362	1,445	1,410	741	669	675
Total ...	+ 17	+ 45	+ 19	+ 16	+ 3	- 29
INVISIBLES						
2. Government:						
debits ...	189	219	246	128	118	137
credits ...	12	11	9	5	4	11
3. Shipping:						
debits ...	138	142	147	73	74	75
credits ...	232	240	245	124	121	127
4. Interest, profits and dividends:						
debits ...	119	147	152	72	80	77
credits ...	363	438	429	214	215	220
5. Travel:						
debits ...	44	49	55	22	33	22
credits ...	53	67	78	35	43	39
6. Migrants' funds, legacies and private gifts:						
debits ...	52	51	55	27	28	28
credits ...	47	50	51	25	26	27
7. Other services:						
debits ...	73	74	77	39	38	36
credits ...	170	174	177	90	87	87
Total ...	+262	+298	+257	+132	+125	+136
CURRENT BALANCE ...	+279	+343	+276	+148	+128	+107
Long-term capital account⁽¹⁾						
8. Inter-government loans (net) ...	- 52	- 52	- 53	- 36	- 17	- 27
10. Other U.K. official long-term capital (net) ...	- 2	- 4	- 19	- 13	- 6	- 2
11. Private investment:						
abroad (net) ...	-171	-190	-202	-118	- 84	-117
in the United Kingdom (net) ...	+ 30	+ 26	+ 52	+ 28	+ 24	+ 26
BALANCE OF LONG-TERM CAPITAL	-195	-220	-222	-139	- 83	-120
<i>Balance of current and long-term capital transactions</i> ...	+ 84	+123	+ 54	+ 9	+ 45	- 13
Inter-area transfers ...	-283	+ 12	-171	-108	- 63	- 22
Balancing item ...	- 6	+ 85	- 6	- 18	+ 12	- 31
Monetary movements⁽¹⁾						
12. Miscellaneous capital (net) ...	+ 20	+ 6	- 30	- 2	- 28	+ 8
13. Overseas sterling holdings ...	+185	-226	+153	+119	+ 34	+ 58
BALANCE OF MONETARY MOVEMENTS	+205	-220	+123	+117	+ 6	+ 66

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

Balance of payments with non-sterling areas

TABLE 3

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	Jan.- June
Current account						
1. VISIBLE TRADE						
Imports (f.o.b.)	2,268	2,700	2,615	1,355	1,260	1,323
Exports and re-exports (f.o.b.) ...	2,145	2,262	2,453	1,224	1,229	1,336
Total	-123	-438	-162	-131	-31	+13
INVISIBLES						
2. Government:						
debits	87	117	136	74	62	78
credits	31	38	35	22	13	15
3. Shipping:						
debits	481	559	566	286	280	286
credits	392	406	412	206	206	212
4. Interest, profits and dividends:						
debits	299	308	297	123	174	124
credits	319	257	267	123	144	175
5. Travel:						
debits	131	161	173	65	108	67
credits	100	121	128	53	75	58
6. Migrants' funds, legacies and private gifts:						
debits	43	45	41	21	20	19
credits	48	46	48	22	26	22
7. Other services:						
debits	239	269	289	147	142	142
credits	345	385	421	213	208	210
Total	-45	-206	-191	-77	-114	-24
CURRENT BALANCE... ..	-168	-644	-353	-208	-145	-11
Long-term capital account⁽¹⁾						
8. Inter-government loans (net) ...	-65	-39	+39	+38	+1	+2
9. U.K. subscriptions to I.M.F., I.D.A. and European Fund	-236	-10	-9	-	-9	-
10. Other U.K. official long-term capital (net)	+2	+3	-	-	-	-
11. Private investment:						
abroad (net)	-145	-122	-136	-82	-54	-53
in the United Kingdom (net) ...	+146	+195	+354	+156	+198	+130
BALANCE OF LONG-TERM CAPITAL	-298	+27	+248	+112	+136	+79
Balance of current and long-term capital transactions	-466	-617	-105	-96	-9	+68
Inter-area transfers	+283	-12	+171	+108	+63	+22
Balancing item	-17	+227	+86	+57	+29	+124
Monetary movements⁽¹⁾						
12. Miscellaneous capital (net)	+13	+131	-45	+69	-114	+79
13. Overseas sterling holdings:						
countries	-31	+602	-486	-306	-180	-79
non-territorial organisations ...	+82	-156	+409	+3	+406	-173
14. U.K. balance in E.P.U.	+9					
15. U.K. official holdings of non-convertible currencies	+8	+2	+1	+1	-	-
16. Gold and convertible currency reserves	+119	-177	-31	+164	-195	-41
BALANCE OF MONETARY MOVEMENTS	+200	+402	-152	-69	-83	-214

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

Balance of payments of overseas sterling area with non-sterling areas⁽¹⁾

TABLE 4

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	Jan.- June
Current account						
Imports (f.o.b.):						
Western Europe	723	867	879	454	425	429
North America	763	1,053	979	521	458	525
Latin America	36	31	33	14	19	18
Other non-sterling areas	701	830	822	409	413	432
Total	2,223	2,781	2,713	1,398	1,315	1,404
Exports and re-exports (f.o.b.):						
Western Europe	694	793	765	376	389	409
North America	593	545	675	324	351	353
Latin America	53	60	61	29	32	29
Other non-sterling areas	693	770	866	424	442	437
Total	2,033	2,168	2,367	1,153	1,214	1,228
Total—Visible trade	-190	-613	-346	-245	-101	-176
Gold production ⁽²⁾	+284	+298	+320	+158	+162	+167
Invisibles (net)	-50	-82	-132	-68	-64	-49
CURRENT BALANCE	+44	-397	-158	-155	-3	-58
Long-term capital and monetary movements ⁽³⁾						
I.M.F. drawings (net)	-14	-16	+117	+51	+66	-73
I.B.R.D. drawings (net)	+57	+24	+14	+9	+5	+8
Other capital (net) ⁽⁴⁾	+261	+359	+313	+223	+90	+206
Changes in gold and N.S.A. currency holdings	-65	+18	-115	-20	-95	-61
BALANCE OF LONG-TERM CAPITAL AND MONETARY MOVEMENTS	+239	+385	+329	+263	+66	+80
Total balance with non-sterling areas (inter-area transfers)	+283	-12	+171	+108	+63	+22
of which:—						
Sales of gold in the United Kingdom (net)... ..	+210	+214	+221	+131	+90	+116
Other transfers	+73	-226	-50	-23	-27	-94

⁽¹⁾ See notes on page 30.

⁽²⁾ Excluding domestic use of gold, but including gold taken into reserves.

⁽³⁾ Assets: increase —/decrease +. Liabilities: increase +/decrease —.

⁽⁴⁾ Including inter-government loans, other official capital, private investment, miscellaneous capital and changes in holdings by non-residents of local currencies.

Visible trade in the balance of payments⁽¹⁾

TABLE 5

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	
Imports						
Trade Accounts (c.i.f.) ...	3,983	4,541	4,398	2,272	2,126	2,250
Freight and insurance ...	-462	-499	-491	-256	-235	-250
Other valuation adjustments ...	+ 3	- 1	+ 6	- 1	+ 7	+ 4
Coverage adjustments ...	+170	+144	+191	+111	+ 80	+ 76
Returned goods and goods temporarily imported ...	- 81	- 85	- 98	- 46	- 52	- 53
Balance of payments imports (f.o.b.)	3,613	4,100	4,006	2,080	1,926	2,027
Exports and re-exports						
Trade Accounts (f.o.b.) ...	3,461	3,696	3,841	1,951	1,890	1,995
Valuation adjustments ...	+ 18	—	+ 6	+ 3	+ 3	—
Coverage adjustments ...	+109	+ 96	+114	+ 57	+ 57	+ 69
Returned goods and goods temporarily imported ...	- 81	- 85	- 98	- 46	- 52	- 53
Balance of payments exports and re-exports (f.o.b.) ...	3,507	3,707	3,863	1,965	1,898	2,011

⁽¹⁾ See notes on page 27.

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

TABLE 6

£ million

	1959	1960	1961	1961		1962
				Jan.— June	July— Dec.	
Overseas sterling area						
Imports	1,345	1,400	1,391	725	666	704
Exports and re-exports...	1,362	1,445	1,410	741	669	675
Total	+ 17	+ 45	+ 19	+ 16	+ 3	— 29
Western Europe						
Imports	1,009	1,195	1,217	620	597	623
Exports and re-exports...	1,006	1,113	1,283	638	645	729
Total	— 3	— 82	+ 66	+ 18	+ 48	+106
North America						
Imports	612	845	747	372	375	359
Exports and re-exports...	619	571	548	267	281	285
Total	+ 7	—274	—199	—105	— 94	— 74
Latin America						
Imports	272	268	238	136	102	136
Exports and re-exports...	159	172	168	82	86	90
Total	—113	— 96	— 70	— 54	— 16	— 46
Other non-sterling areas						
Imports	375	392	413	227	186	205
Exports and re-exports...	361	406	454	237	217	232
Total	— 14	+ 14	+ 41	+ 10	+ 31	+ 27
Total						
Imports (f.o.b.)	3,613	4,100	4,006	2,080	1,926	2,027
Exports and re-exports (f.o.b.)	3,507	3,707	3,863	1,965	1,898	2,011
Total	—106	—393	—143	—115	—28	—16

Government current expenditure and receipts

TABLE 7

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	Jan.- June
Expenditure						
Overseas sterling area						
Military	115	134	139	72	67	75
Economic grants	50	55	71	37	34	40
Other grants	6	10	11	6	5	7
Administrative, diplomatic etc.: pensions	10	11	14	7	7	7
other	8	9	11	6	5	8
Total	189	219	246	128	118	137
Non-sterling areas:						
Military	54	76	90	48	42	50
Economic grants:						
contributions to international organisations	4	6	6	2	4	6
other	2	4	3	2	1	2
Other grants	—	1	1	1	—	1
Administrative, diplomatic etc.: subscriptions to international organisations	7	9	13	10	3	8
pensions	4	4	4	2	2	2
other	16	17	19	9	10	9
Total	87	117	136	74	62	78
All areas						
Military	169	210	229	120	109	125
Economic grants:						
contribution to international organisations	4	6	6	2	4	6
other	52	59	74	39	35	42
Other grants	6	11	12	7	5	8
Administrative, diplomatic etc.: subscriptions to international organisations	7	9	13	10	3	8
pensions	14	15	18	9	9	9
other	24	26	30	15	15	17
Total expenditure	276	336	382	202	180	215
Receipts						
Overseas sterling area						
Military	11	10	6	3	3	9
Other	1	1	3	2	1	2
Total	12	11	9	5	4	11
Non-sterling areas						
U.S. and Canadian Forces' expendi- ture	18	21	17	9	8	9
Other military	11	14	14	10	4	5
Other	2	3	4	3	1	1
Total	31	38	35	22	13	15
All areas						
U.S. and Canadian Forces' expendi- ture	18	21	17	9	8	9
Other military	22	24	20	13	7	14
Other	3	4	7	5	2	3
Total receipts	43	49	44	27	17	26
Government (net)	—233	—287	—338	—175	—163	—189

Shipping

TABLE 8

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	
Debits						
U.K. shipping:						
charter payments	161	195	212	106	106	108
disbursements abroad	301	308	319	159	160	162
Overseas shipping:						
freight on imports into the U.K. ...	150	192	175	91	84	89
passage money	7	6	7	3	4	2
Total	619	701	713	359	354	361
Credits						
U.K. shipping:						
freight on exports and cross-trades...	481	493	505	254	251	261
charter receipts	23	26	27	13	14	14
passage money	52	53	48	25	23	25
Overseas shipping:						
disbursements in the U.K.	68	74	77	38	39	39
Total	624	646	657	330	327	339
Shipping (net)	+ 5	- 55	- 56	- 29	- 27	- 22

Interest, profits and dividends

TABLE 9

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	
Debits						
Income on:						
direct investment ⁽¹⁾ ...	136	137	131	71	60	67
portfolio ...	61	70	67	33	34	30
other ...	221	248	251	91	160	104
Total ...	418	455	449	195	254	201
Credits						
Income on:						
direct investment ⁽¹⁾ ...	238	258	252	121	131	126
portfolio ...	121	133	133	67	66	73
other ...	323	304	311	149	162	196
Total ...	682	695	696	337	359	395
Interest, profits and dividends (net) ...	+264	+240	+247	+142	+105	+194

⁽¹⁾ Board of Trade inquiry into overseas direct investment; excluding oil and insurance.

Travel—analysis by area

TABLE 10

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	
Debits						
Overseas sterling area ...	44	49	55	22	33	22
Western Europe ...	118	146	158	58	100	60
North America ...	9	10	10	5	5	5
Latin America ...	—	1	1	—	1	—
Other non-sterling countries ...	4	4	4	2	2	2
Total ...	175	210	228	87	141	89
Credits						
Overseas sterling area ...	53	67	78	35	43	39
Western Europe ...	32	37	41	16	25	17
North America ...	58	70	70	30	40	33
Latin America ...	4	5	7	3	4	3
Other non-sterling countries ...	6	9	10	4	6	5
Total ...	153	188	206	88	118	97
Travel (net)...	— 22	— 22	— 22	+ 1	— 23	+ 8

Inter-government loans

TABLE 11

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	
Loans made by the U.K.						
Overseas sterling area	44	57	59	38	21	31
Western Europe	2	2	—	—	—	—
Latin America	—	—	1	—	1	3
Other non-sterling countries	2	2	—	—	—	—
Total	48	61	60	38	22	34
Loans repaid to the U.K.						
Overseas sterling area	4	5	6	2	4	4
Western Europe	65	30	97	69	28	1
Latin America	1	2	1	1	—	1
Other non-sterling countries	7	5	6	4	2	4
Total	77	42	110	76	34	10
Inter-government loans by the U.K. (net)	+ 29	— 19	+ 50	+ 38	+ 12	— 24
Loans made to the U.K.						
Western Europe	37	—	18	—	18	—
Total	37	—	18	—	18	—
Loans repaid by the U.K.						
Overseas sterling area	12	—	—	—	—	—
Western Europe	53	42	51	34	17	—
North America	118	30	31	2	29	1
Total	183	72	82	36	46	1
Inter-government loans to the U.K. (net)	—146	— 72	— 64	— 36	— 28	— 1
Inter-government loans (net)	—117	— 91	— 14	+ 2	— 16	— 25
of which:						
New loans (net)	— 11	— 61	— 42	— 38	— 4	— 34
Repayments (net)	—106	— 30	+ 28	+ 40	— 12	+ 9

Private investment

TABLE 12

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	Jan.- June
Abroad (net of disinvestment)						
Direct ⁽¹⁾	-196	-247	-218	-127	- 91	-110
Other ⁽²⁾	-120	- 65	-120	- 73	- 47	- 60
Total	-316	-312	-338	-200	-138	-170
In the United Kingdom (net of disinvestment)						
Direct ⁽¹⁾	+146	+135	+233	+168	+ 65	+ 73
Other ⁽²⁾	+ 30	+ 86	+173	+ 16	+157	+ 83
Total	+176	+221	+406	+184	+222	+156
Private investment (net)	-140	- 91	+ 68	- 16	+ 84	- 14

(1) Board of Trade inquiry into overseas direct investment; excluding oil and insurance.

(2) Including portfolio investment and investment by the oil and insurance industries. See note on page 29 describing the revised treatment of overseas investment by certain oil companies.

Overseas sterling holdings

TABLE 13

£ million

					1958 31 Dec.	1959 31 Dec.	1960 31 Dec.	1961		1962 30 June
								30 June	31 Dec.	
Sterling area countries										
Official	...	...	...	...	1,993	2,165	2,029	2,097	2,097	2,098
Other	...	...	...	...	526	539	449	500	534	591
Total	...	...	...	...	2,519	2,704	2,478	2,597	2,631	2,689
Non-sterling countries										
Western Europe ⁽¹⁾										
Official	...	...	...	...	159	99	236	309	277	231
Other	...	...	...	...	249	288	463	353	296	320
Total	...	...	...	...	408	387	699	662	573	551
North America										
Official	...	...	...	...	7	5	6	19	7	25
Other	...	...	...	...	51	55	297	95	86	69
Total	...	...	...	...	58	60	303	114	93	94
Latin America										
Official	...	...	...	...	1	8	56	31	16	7
Other	...	...	...	...	17	4	7	2	— 2	— 21
Total	...	...	...	...	18	12	63	33	14	— 14
Other non-sterling countries										
Official	...	...	...	...	232	213	201	176	140	131
Other	...	...	...	...	118	131	139	114	99	78
Total	...	...	...	...	350	344	340	290	239	209
All non-sterling countries										
Official	...	...	...	...	399	325	499	535	440	394
Other	...	...	...	...	435	478	906	564	479	446
Total	...	...	...	...	834	803	1,405	1,099	919	840
Total—all countries										
Official	...	...	...	...	2,392	2,490	2,528	2,632	2,537	2,492
Other	...	...	...	...	961	1,017	1,355	1,064	1,013	1,037
Total	...	...	...	...	3,353	3,507	3,883	3,696	3,550	3,529
Non-territorial organisations										
I.M.F.	...	...	...	...	574	673	522	507	896	715
Other non-territorial organisations...	...	...	...	...	49	32	27	45	62	70
Total	...	...	...	...	623	705	549	552	958	785
Total holdings										
Official	...	...	...	...	3,015	3,195	3,077	3,184	3,495	3,277
Other	...	...	...	...	961	1,017	1,355	1,064	1,013	1,037
Total	...	...	...	...	3,976	4,212	4,432	4,248	4,508	4,314

⁽¹⁾ Including dependent territories.

Gold and convertible currency reserves, etc.

TABLE 14

£ million

	1958 31 Dec.	1959 31 Dec.	1960 31 Dec.	1961		1962 30 June
				30 June	31 Dec.	
Gold and convertible currency reserves ⁽¹⁾	1,096	977	1,154	990	1,185	1,226
U.K. official holdings of non-convertible currencies	13	5	3	2	2	2
Acceptances outstanding ⁽²⁾						
Sterling area countries	11	13	15	15	15	20
Non-sterling countries	119	121	93	135	147	175
Total	130	134	108	150	162	195

⁽¹⁾ In addition to the gold and convertible currency reserves, the value of which is shown here, the United Kingdom has a quota in the International Monetary Fund which was increased in 1959 from \$1,300 million (£464 million) to \$1,950 million (£696 million).

During the period March, 1959 to October, 1960 the United Kingdom repurchased the balance outstanding, after allowing for sterling drawings from the Fund by other countries, of a drawing of \$561 million (£201 million) made in December, 1956. In December, 1960, the United Kingdom voluntarily repurchased £17 million sterling. During August and September, 1961 the United Kingdom drew the equivalent of \$1,500 million (£536 million) against sterling and obtained a standby credit for the equivalent of a further \$500 million (£178 million). By the end of June, 1962, the United Kingdom had repurchased £275 million of the drawing and the standby credit was automatically increased by the same amount to the equivalent of \$1,270 million (£454 million).

Including the standby credit the amount which the United Kingdom could draw as at 30th June, 1962, without raising the Fund's holdings of sterling beyond 200 per cent. of quota, was \$1,897 million (£677 million).

Furthermore, the Exchange Equalisation Account holds a substantial volume of dollar securities which were vested in the United Kingdom Government during the war and have been retained since. At the end of June, 1962, the market value of this portfolio, which is subject to fluctuation from time to time, was between \$750 million and \$1,250 million.

⁽²⁾ Changes are included in item 12 of Tables 1-3.

SUPPLEMENTARY TABLES

Capital transactions with the International Monetary Fund

TABLE A

£ million

	1959	1960	1961	1961		1962
				Jan.- June	July- Dec.	
United Kingdom						
Subscriptions:						
in sterling	-174	—	—	—	—	—
in gold	- 58	—	—	—	—	—
Drawings	—	—	+536	—	+536	—
Repurchases:						
of drawings	- 71	-110	-150	—	-150	-125
other ⁽¹⁾	—	- 17	—	—	—	—
Overseas sterling area						
Subscriptions:						
in local currencies	-114	- 48	- 35	—	- 35	—
in gold	- 37	- 16	- 14	- 2	- 12	—
Drawings:						
in sterling	—	+ 2	+ 38	+ 17	+ 21	+ 4
in other currencies	—	+ 9	+126	+ 58	+ 68	—
Repurchases:						
of drawings	- 14	- 27	- 47	- 24	- 23	- 77
other ⁽²⁾	- 5	—	—	—	—	- 1
Non-sterling areas						
Sterling drawings:						
by non-sterling countries	+ 8	+ 22	+ 2	+ 2	—	+ 52
Sterling repurchases:						
by non-sterling countries	—	—	- 2	- 2	—	—

⁽¹⁾ A voluntary payment of £17 million in dollars in exchange for sterling in December, 1960 (see footnote ⁽¹⁾ to Table 14).

⁽²⁾ Obligatory repurchases by Australia with gold under the provisions of the I.M.F. Agreement.

Special transactions with North America

TABLE B

£ million

	1959	1960	1961	1961		1962
				Jan.-June	July-Dec.	Jan.-June
Special receipts						
Receipts from U.S. and Canadian Forces:						
Government receipts	18	21	17	9	8	9
Other receipts	47	45	47	26	21	23
Offshore sales to and other receipts from U.S. Government	17	17	10	5	5	4
Government loan transactions						
Interest payments:						
U.S. and Canadian credits and Lend-Lease settlement loan ...	38	37	36	—	36	—
E.R.P. loans	3	3	3	1	2	2
Export-Import Bank credit	4	—	—	—	—	—
Total	45	40	39	1	38	2
Principal repayments:						
U.S. and Canadian credits and Lend-Lease settlement loan ...	28	29	29	1	28	—
E.R.P. loans	1	1	2	1	1	1
Export-Import Bank credit	89	—	—	—	—	—
Total	118	30	31	2	29	1

Assistance by the United Kingdom Government for overseas development

TABLE C

£ million

					1960	1961	1961				1962	
							Jan.- Mar.	Apr.- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June
Bilateral assistance												
Grants												
technical assistance ⁽¹⁾	6.3	16.6	2.1	6.3	3.9	4.3	7.1	5.6
emergency assistance	...	...	...	...	7.8	3.1	1.0	0.8	0.3	1.0	0.1	—
other grants	...	...	...	...	44.2	53.8	16.1	12.0	13.9	11.8	19.2	10.4
Total ⁽²⁾	58.3	73.5	19.2	19.1	18.1	17.1	26.4	16.0
Loans												
technical assistance ⁽¹⁾	0.7	1.8	1.5	0.2	0.1	—	0.1	0.1
emergency assistance	...	...	...	...	0.9	0.2	0.2	—	—	—	0.3	—
other loans	...	...	...	...	65.0	79.5	20.2	31.3	9.3	18.7	14.5	22.7
Total	...	...	...	...	66.6	81.5	21.9	31.5	9.4	18.7	14.9	22.8
Total bilateral assistance					124.9	155.0	41.1	50.6	27.5	35.8	41.3	38.8
Multilateral assistance												
Drawings by the I.B.R.D. from the United Kingdom's sterling subscription					16.8	—	—	—	—	—	—	—
Drawings by the International Development Association from the United Kingdom's subscription					2.3	0.6	—	—	—	0.6	—	—
U.N. Expanded Programme of Technical Assistance and U.N. Special Fund ⁽²⁾					2.9	2.9	—	—	2.9	—	—	2.9
U.N.R.W.A. (Relief of Palestine Refugees) ⁽²⁾					1.9	1.9	0.9	—	1.0	—	0.9	—
U.N.I.C.E.F. (Children's Fund) ⁽²⁾					0.3	0.3	—	0.3	—	—	—	0.3
U.N. Civil Assistance to the Congo ⁽²⁾					1.1	—	—	—	—	—	—	—
Indus Basin Development Fund ⁽²⁾					—	0.8	0.3	0.5	—	—	—	1.5
Total multilateral assistance					25.3	6.5	1.2	0.8	3.9	0.6	0.9	4.7
Total economic and technical assistance					150.2	161.5	42.3	51.4	31.4	36.4	42.2	43.5

⁽¹⁾ The figures do not cover all technical assistance by the United Kingdom, some of which cannot be assessed in quantitative terms; e.g. that part of the United Kingdom's subscription to the budgets of the United Nations and its Specialised Agencies which is spent on technical assistance.

⁽²⁾ The sum of these items corresponds to total economic grants in Table 7.

Distribution of United Kingdom bilateral assistance

£ million

TABLE D

					1960	1961	1961				1962	
							Jan.- Mar.	Apr.- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June
Colonial territories ⁽¹⁾												
Grants												
technical assistance ⁽²⁾	4.0	13.6	1.2	5.3	3.4	3.7	4.5	3.2
emergency assistance	...	...	...	...	5.3	0.9	—	0.4	0.3	0.2	0.1	—
other grants	...	...	...	...	31.9	35.1	10.6	7.7	8.4	8.4	12.6	4.7
Loans												
technical assistance ⁽²⁾	0.7	—	—	—	—	—	—	—
emergency assistance	...	...	...	...	0.9	0.2	0.2	—	—	—	0.3	—
other loans	...	...	...	...	26.9	43.5	12.0	17.0	5.3	9.2	7.2	7.2
Total	...	...	...	...	69.7	93.3	24.0	30.4	17.4	21.5	24.7	15.1
Independent Commonwealth												
Grants												
technical assistance ⁽²⁾	1.3	2.1	0.6	0.8	0.3	0.4	1.9	2.3
emergency assistance	...	...	...	...	2.5	2.2	1.0	0.4	—	0.8	—	—
other grants	...	...	...	...	3.4	9.1	3.4	1.7	2.1	1.9	3.9	2.9
Loans												
technical assistance ⁽²⁾	—	1.8	1.5	0.2	0.1	—	0.1	0.1
other loans	...	...	...	...	33.6	34.4	7.9	14.2	3.5	8.8	5.2	14.3
Total	...	...	...	...	40.8	49.6	14.4	17.3	6.0	11.9	11.1	19.6
Other countries												
Grants												
technical assistance ⁽²⁾	1.0	0.9	0.3	0.2	0.2	0.2	0.7	0.1
other grants	...	...	...	...	8.9	9.6	2.1	2.6	3.4	1.5	2.7	2.8
Loans												
...	...	...	...	...	4.5	1.6	0.3	0.1	0.5	0.7	2.1	1.2
Total	...	...	...	...	14.4	12.1	2.7	2.9	4.1	2.4	5.5	4.1
Total bilateral assistance					124.9	155.0	41.1	50.6	27.5	35.8	41.3	38.8

⁽¹⁾ Includes assistance given before independence to territories now independent and to the Federation of Rhodesia and Nyasaland.

⁽²⁾ See footnote ⁽¹⁾ to Table C.

NOTES AND DEFINITIONS

GENERAL

Balance of payments transactions are those between United Kingdom residents and non-residents. For this purpose 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 organisations located in the United Kingdom, but not their foreign branches and subsidiaries. Branches are treated as residents of the country in which they are located and subsidiaries where they are registered. In general, agents, in so far as they act on behalf of an overseas principal, are 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 non-residents.

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

AREAS

The geographical divisions for all periods covered by this White Paper are based on the definitions current at 1st January, 1962.

These are:

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, Kuwait, Qatar and the Trucial States), Burma, Iceland, Irish Republic, Jordan, Libya and the Union of South Africa.

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.

North America: U.S.A. and dependencies; Canada.

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

Other non-sterling countries: All other countries including dependencies of Western European countries except where specified above.

Non-territorial organisations: The United Nations and its specialised agencies; the International Monetary Fund (I.M.F.), 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.

ITEMS

General

All figures in the main tables are given to the nearest £1 million; but in some cases, owing to the incompleteness of the information available, they must be regarded as subject to considerable margin of error. Figures for 1962 are provisional.

Current account

Visible trade

Item 1—*Imports (f.o.b.); Exports and re-exports (f.o.b.)*: The Trade and Navigation Accounts are the basis of the balance of payments figures; but there are important differences in valuation and in coverage.

Imports in the Trade Accounts are valued c.i.f., i.e. inclusive of freight and insurance from the country of consignment. In the balance of payments, however, these items have to be deducted since freight and insurance payments to foreign shipping, airline and insurance companies are included in the appropriate invisible account items and those to United Kingdom concerns are not balance of payments transactions.

Other valuation adjustments include the revaluation of certain imported commodities, payments for which differ from the values recorded in the Trade Accounts; and recent adjustments in the light of sample surveys to the valuation of imports and exports by parcel post.

The principal items omitted from the Trade Accounts but included as visible trade in the balance of payments are diamonds, secondhand ships and aircraft and certain materials imported or exported by the United Kingdom Atomic Energy Authority. Exports to N.A.A.F.I. canteens abroad are omitted from the balance of payments figures.

The import value of British returned goods and goods temporarily brought into the United Kingdom for process or repair is deducted from both imports and exports in the balance of payments. The result of this treatment is that the service charge on goods brought in for process or repair remains as a credit in the export figure.

The derivation of the balance of payments figures from the Trade Accounts is set out in Table 5.

Invisibles

Item 2—*Government*: All United Kingdom Government current expenditure and receipts not falling under Items 1, 3, 4 and 5.

The main items are analysed in Table 7. Military in that table does not reflect the full impact of defence upon the balance of payments; for example imports of military supplies into the United Kingdom are not included there but in Item 1. The cost of the forces in Germany is included after deducting contributions received from the Federal German Republic.

Economic grants comprise grants under the Colonial Development and Welfare Acts, grants in aid of Colonial revenues, etc., grants towards emergency expenditure and certain contributions to international organisations.

The credits include receipts from off-shore sales to the United States Government of goods for the United Kingdom Armed Forces (see Table B) and Government receipts from United States and Canadian Forces stationed in the United Kingdom.

Item 3—*Shipping*: Covers dry cargo and tanker transactions.

Debits include payments to non-residents for freight on imports, chartering and passage money; and the United Kingdom shipping industry's disbursements abroad (including bunkers taken up abroad).

Credits include the earnings of the United Kingdom shipping industry from the carriage of United Kingdom exports and from cross trades, chartering and passage money; and the disbursements of foreign ships in the United Kingdom.

An analysis of shipping debits and credits is given in Table 8.

Item 4—*Interest, profits and dividends*: Includes investment income remitted from or to the United Kingdom for payment of interest and dividends (after deduction of local taxes) and profits remitted or retained for reinvestment. Other components include interest on overseas sterling holdings, inter-government loans, bank credits and medium and long-term trade credits and charges by the International Monetary Fund for the use of its resources, including stand-bys.

The transactions of oil companies included here are not wholly comparable with other components of the item.

See also notes to Item 11.

Item 5—*Travel*: Personal expenditure by United Kingdom residents inside foreign countries and by foreign residents inside the United Kingdom. Those payments to shipping companies which enter into the balance of payments are included in Item 3 and those to airlines in Item 7.

Item 6—*Migrants' funds, legacies and private gifts*: The value of private assets passing from resident to non-resident ownership or vice versa without a *quid pro quo*. The item also includes private gifts of money and of goods sent by parcel post to or from non-residents (other than forces abroad) but excludes migrants' personal or household belongings.

Item 7—*Other services*: All other current transactions. Components include payments and receipts in respect of civil aviation, education, royalties, commissions and banking (excluding interest earnings). Included in credits are the expenditure of foreign government agencies in the United Kingdom, including the United States and Canadian Forces' expenditure (other than payments to United Kingdom Government Departments), and net earnings in respect of insurance and merchanting transactions. Debits include sales of gold at home for industrial use.

Long-term capital account

Item 8—*Inter-government loans*: Loans by the United Kingdom Government to other governments less repayments; and loans by other governments to the United Kingdom Government less repayments (see also Table 11).

Item 9—*United Kingdom subscriptions to International Monetary Fund, International Development Association and European Fund.*

Item 10—*Other United Kingdom official long-term capital (net):* Long-term investment and disinvestment in the rest of the world by official bodies.

Item 11—*Private investment:* All other long-term investment and disinvestment by the United Kingdom in the rest of the world and investment and disinvestment by the rest of the world in the United Kingdom. The figures include reinvestment of retained profits.

A new treatment has been adopted for recording the overseas investment of the "joint venture oil companies" i.e. companies operating abroad (the Middle East) which, though registered in the United Kingdom, are jointly owned by United Kingdom and foreign oil companies.

In the past, investment abroad by these companies has been recorded on a gross basis with the foreign parents' share included both as inward investment in the United Kingdom and United Kingdom investment abroad. The foreign parents' share has now been eliminated from both inward and outward investment, leading to a reduction in the estimates for other investment on both sides of Table 12.

A similar change in treatment has been applied to the net earnings of the "joint venture companies", leading to a reduction in interest, profits and dividends, debits and credits.

Inter-area transfers

See notes on pages 30 and 31.

Balancing item

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

Monetary movements

Item 12—*Miscellaneous capital (net):* Transactions mainly of a short-term monetary nature including:

Changes in foreign currency balances held outside the Exchange Equalisation Account, e.g. by banks and oil companies.

Changes in sterling acceptances outstanding (separate figures for these are given in Table 14).

Other identified commercial credit, e.g. to finance the purchase of commodities or the export of ships, aircraft or other capital goods.

Item 13—*Overseas sterling holdings:* Changes in overseas sterling holdings which comprise:

The net holdings in sterling or sterling area currencies of overseas banks (including overseas offices of United Kingdom banks) and other account holders abroad, with banks in the United Kingdom (including accepting houses, discount houses and the United Kingdom offices of Commonwealth and foreign banks); British Government securities held for account of overseas banks are included.

Sterling funds held with the Crown Agents for Oversea Governments and Administrations and by Currency Boards, excluding Commonwealth and South African sterling securities. So far as known, the nominal value of British Government securities held by other official bodies but not those held by private individuals or firms.

An area analysis of overseas sterling holdings is given in Table 13.

Item 14—*United Kingdom balance in E.P.U.*: Change 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. Repayments of these debts are included in Item 8.

Item 15—*United Kingdom official holdings of non-convertible currencies*: Change in the sterling equivalent of the Exchange Equalisation Account's currency holdings which were not convertible at the relevant dates (including those set aside at 31st December, 1958, for liquidation in the final E.P.U. settlement in January, 1959).

Item 16—*Gold and convertible currency reserves*: Change in the sterling equivalent of the gold and convertible currencies held in the Exchange Equalisation Account. The change is taken as the difference between totals given in Table 14. Gold is valued at 250s. per ounce fine and currencies at parity. Until a par value for the Canadian dollar was established on 2nd May, 1962, holdings of this currency were valued at the appropriate exchange rates.

Balance of payments with overseas sterling area and with non-sterling areas

Tables 2 and 3 provide a regional analysis of the balance of payments of the United Kingdom showing separately transactions with the overseas sterling area and with non-sterling areas, i.e. non-sterling countries and non-territorial organisations. The figures for inter-area transfers are estimates of changes in the United Kingdom's monetary assets and liabilities, *vis-à-vis* the area dealt with in each table, which are attributable, not to transactions between the United Kingdom and that area, but to transactions between the overseas sterling area and non-sterling areas. The figures are derived from Table 4 (see note below). Since Tables 2 and 3 are presented from the United Kingdom's point of view a positive balance of the overseas sterling area with non-sterling areas is shown as negative in Table 2, with a corresponding positive entry in Table 3, and *vice versa*.

Balance of payments of overseas sterling area with non-sterling areas

Table 4 presents estimates of the balance of payments of the overseas sterling area with non-sterling areas. The total balance with non-sterling areas (inter-area transfers) is an estimate of the ultimate accrual or use of sterling resulting from the overseas sterling area's transactions with non-sterling areas including transactions in gold (see note to gold production below). So far as possible the figures are based on the balance of payments estimates compiled by individual countries.

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 non-sterling areas and purchase from the United Kingdom foreign currencies needed to finance any deficits in such transactions. Most of their gold production (which is conventionally regarded as an earning of convertible currency) is also sold in the United Kingdom. Transactions between the overseas sterling area and non-sterling areas (including gold production) are thus reflected mainly in changes in the sterling holdings of the former.

The total balances in Table 4 are carried into Table 2 (with corresponding entries of opposite sign in Table 3) as inter-area transfers. Since it is unlikely that all transactions (particularly those on capital account) will have been completely identified, these estimates of transfers 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.

Imports, exports and re-exports: The figures for visible trade in most countries' balance of payments estimates are based on trade accounts, but some countries make use of records of payments and receipts obtained through exchange control. Most oil imported from, or exported to, non-sterling areas through United Kingdom companies or their overseas subsidiaries is excluded; 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 included under items 3 and 4 of Tables 2 and 3.

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 used locally, is therefore included as a credit in the account with non-sterling areas.

I.M.F. drawings: These are shown net of repurchases other than repurchases of currency subscriptions. Further details are given in Table A.

I.B.R.D. drawings: These are shown net of repayments, and of subscriptions in gold or U.S. dollars.

Other capital (net): This item includes inter-government loans, other official capital, private investment, miscellaneous capital and changes in holdings by non-residents of local currencies. This last category mainly reflects increases in local currency holdings by donor countries as the counterpart of aid, and by I.M.F. and I.B.R.D. from subscriptions.

Sales of gold in the United Kingdom (net): Overseas sterling area countries' sales, less purchases, of gold for sterling in the United Kingdom.

Others transfers: All other transfers of funds arising out of transactions between the overseas sterling area and non-sterling areas.

Printed and published by
HER MAJESTY'S STATIONERY OFFICE

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