COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

To be treated as strictly CONFIDENTIAL and NOT to be published, broadcast or cabled before 6 P.M. on TUESDAY 18 FEBRUARY 1969

OVERSEAS INVESTMENT 1967-68 (PRELIMINARY)

PREFACE

The tables in this bulletin contain estimates of the inflow of private overseas investment in Australian companies and income payable overseas, and estimates of the outflow of private investment in companies overseas and income receivable from overseas by Australian companies, during the years 1963-64 to 1967-68. This preliminary bulletin will be followed by the Annual Bulletin of Overseas Investment 1967-68. Further information regarding the basis of the figures and more detailed figures for earlier years are shown in the Annual Bulletin of Overseas Investment Australia, 1966-67.

2. During 1967-68 the inflow of overseas investment in companies in Australia was a record $857 million which is $175 million higher than the previous record inflow in 1965-66 and $364 million higher than the inflow recorded in 1966-67. Direct investment and portfolio investment were both at higher levels than in 1966-67.

3. Most of the increase in direct investment in 1967-68 was in the form of undistributed income which rose by $119 million to $224 million. This figure is $88 million higher than the previous record in 1959-60. (Distributed income in 1967-68 remained at about the level recorded in 1966-67.) Direct investment other than undistributed income increased from $212 million in 1966-67 to $250 million in 1967-68 but this figure is well below the highest recorded inflow of $414 million in 1964-65. The $250 million was mainly made up of a record net inflow of $234 million from U.S.A. and Canada, the United Kingdom showing a net outflow (reduction in investment) of $11 million.

4. Portfolio and institutional loans reached the record level of $383 million in 1967-68, $176 million higher than the previous record for this category of investment in 1965-66 and $208 million higher than the figure for 1966-67. This increase was due to a rise in the inflow from the United Kingdom from $27 million in 1966-67 to $262 million in 1967-68 which was partly offset by a fall of $42 million in the inflow from U.S.A. and Canada.

5. Australian investment overseas totalled $31 million in 1967-68 compared with $26 million in 1966-67 and, of these amounts, investment in companies in the Territory of Papua and New Guinea amounted to $19 million compared with $16 million in 1966-67.

6. Some of the figures in this publication have been revised since the issue of the Annual Bulletin of Overseas Investment Australia, 1966-67.

7. Where the symbol .. appears in the tables it indicates either nil or less than one half of one million dollars.

8. The figures in this publication have been rounded to the nearest million. Any discrepancies between totals and sums of components in the tables are due to rounding.

Ref. No. 5.21

OVERSEAS INVESTMENT 1967-68

PRELIMINARY BULLETIN

CONTENTS

TABLE 1. - ANNUAL INFLOW OF PRIVATE OVERSEAS INVESTMENT IN COMPANIES IN AUSTRALIA, BY CATEGORY OF INVESTMENT AND TYPE OF COMPANY

($A million)

Year	Annual inflow of direct private overseas investment in companies in Australia					Portfolio investment and institutional loans (a)	Total
	Australian branches		Australian subsidiaries		Total		
	Unremitted profits	Other direct investment	Undistributed profits	Other direct investment			
1963-64	22	36	110	249	418	27	446
1964-65	11	67	108	348	534	43	576
1965-66	15	85	106	270	476	207	682
1966-67	12	92	93	120	317	175	493
1967-68	37	87	188	163	474	383	857

(a) Partly estimated - includes portfolio investment and loans raised overseas from financial institutions and other companies which have no direct investment in the borrowing company in Australia.

NOTE. Increases in investment by some overseas investors are offset against withdrawals of investment by other overseas investors.

TABLE 2. - ANNUAL INFLOW OF PRIVATE OVERSEAS INVESTMENT IN COMPANIES IN AUSTRALIA, BY DOMICILE OF INVESTOR AND CATEGORY OF INVESTMENT

($A million)

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other countries	Total
DIRECT INVESTMENT - UNDISTRIBUTED INCOME (a)					
1963-64	80	3	45	5	132
1964-65	69	3	40	7	119
1965-66	60	3	52	5	121
1966-67	56	3	46	..	105
1967-68	113	4	99	8	224
DIRECT INVESTMENT - OTHER INVESTMENT (b)					
1963-64	102	-3	147	39	285
1964-65	172	..	193	49	414
1965-66	162	-2	140	55	355
1966-67	33	-3	157	25	212
1967-68	-11	-3	234	29	250
PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS (c)					
1963-64	11	9	8	..	27
1964-65	19	10	10	5	43
1965-66	38	-1	126	43	207
1966-67	27	-2	78	72	175
1967-68	262	-1	36	86	383
TOTAL					
1963-64	193	9	200	44	446
1964-65	259	14	242	62	576
1965-66	260	..	318	104	682
1966-67	115	-2	281	98	493
1967-68	364	1	370(d)	123	857

(a) Consists of unremitted profits of Australian branches and undistributed profits of Australian subsidiaries (see Table 1).

(b) Consists of other direct investment in Australian branches and subsidiaries (see Table 1).

(c) Partly estimated - includes portfolio investment and loans raised overseas from financial institutions and other companies which have no direct investment in the borrowing company in Australia.

(d) U.S.A. $336m; Canada $33m.

NOTE. Increases in investment by some overseas investors are offset against withdrawals of investment by other overseas investors.

TABLE 3. - ANNUAL INFLOW OF DIRECT PRIVATE OVERSEAS INVESTMENT IN COMPANIES IN AUSTRALIA, BY INDUSTRY IN WHICH CAPITAL INVESTED AND CATEGORY OF INVESTMENT

($A million)

Year	Primary production	Manufacturing	Other industries	Total
		UNDISTRIBUTED INCOME (a)		
1963-64	9	85	39	132
1964-65	6	99	14	119
1965-66	15	79	26	121
1966-67	8	69	28	105
1967-68	16	129	80	224
		OTHER DIRECT INVESTMENT (b)		
1963-64	27	133	124	285
1964-65	78	155	181	414
1965-66	112	102	141	355
1966-67	102	72	39	212
1967-68	126	81	42	250
		TOTAL		
1963-64	36	218	163	418
1964-65	84	254	195	534
1965-66	127	181	167	476
1966-67	109	141	67	317
1967-68	142	210	122	474

(a) Consists of unremitted profits of Australian branches and undistributed profits of Australian subsidiaries (see Table 1).

(b) Consists of other direct investment in Australian branches and subsidiaries (see Table 1).

NOTE. Increases in investment by some overseas investors are offset against withdrawals of investment by other overseas investors.

TABLE 4. - ANNUAL INFLOW OF DIRECT PRIVATE OVERSEAS INVESTMENT IN COMPANIES IN AUSTRALIA, BY INDUSTRY IN WHICH CAPITAL INVESTED

($A million)

Industry	1963-64	1964-65	1965-66	1966-67	1967-68
Primary production -					
1. Agriculture, forestry and fishing	2	5	1	3	13
2. Mining and quarrying	19	59	82	62	82
3. Oil exploration and production	17	20	45	45	47
Total primary production	36	84	127	109	142
Manufacturing -					
4. Founding, engineering and metal working (a)	49	43	17	23	51
5. Vehicles, parts and accessories (b)	57	64	20	9	38
6. Electrical goods, equipment, cables, etc.	17	15	22	18	15
7. Food, drink and tobacco	21	20	40	39	28
8. Chemicals and allied products (c)	32	39	46	24	43
9. Oil refining	7	39	5	1	9
10. Cement, bricks, glass and stone	2	7	2	2	8
11. Yarns, textiles, clothing, footwear and accessories	6	7	10	..	1
12. Paper and paper products, printing, book binding and photography	10	8	6	7	6
13. Other manufacturing	16	13	13	18	11
Total manufacturing	218	254	181	141	210
Other industries -					
14. Insurance (d)	9	11	12	6	13
15. Banking 16. Other finance and property	47	54	47	25	19
17. Primary produce dealing	-10	13	2	-5	2
18. Oil distribution	71	65	38	-9	43
19. Commerce	32	36	47	29	35
20. Building and construction	5	7	9	11	4
21. Transport, storage and communication	6	6	6	4	8
22. Other industries	4	5	6	5	..
Total other industries	163	195	167	67	122
TOTAL	418	534	476	317	474

(a) Includes extracting and refining. (b) Includes assembly and repairs. (c) Consists of chemicals, dyes, explosives, paints and non-mineral oils. (d) Excludes life insurance.

(-) Denotes outflow.

NOTE. Increases in investment by some overseas investors are offset against withdrawals of investment by other overseas investors.

TABLE 5. - INVESTMENT INCOME PAYABLE OVERSEAS BY COMPANIES IN AUSTRALIA, BY CATEGORY OF INCOME AND TYPE OF COMPANY

($A million)

Year	Income payable overseas on direct investment by companies in Australia						Income paid on portfolio investment and institutional loans			Total
	Australian branches		Australian subsidiaries			Total				
				Distributed profits						
	Unremitted profits (net)	Remitted profits and interest	Undistributed profits (net)	Dividends payable	Interest remitted		Dividends	Interest	Total	
1963-64	22	39	110	70	7	248	29	4	33	281
1964-65	11	42	108	78	11	250	32	5	37	287
1965-66	15	42	106	86	13	262	35	14	50	311
1966-67	12	44	93	100	17	266	39	22	60	326
1967-68	37	48	188	102	18	392	40	24	65	457

TABLE 6. - INVESTMENT INCOME PAYABLE OVERSEAS BY COMPANIES IN AUSTRALIA, BY COUNTRY TO WHICH PAYABLE AND CATEGORY OF INCOME

($A million)

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other countries	Total
INCOME PAYABLE ON DIRECT INVESTMENT - UNDISTRIBUTED INCOME (a)					
1963-64	80	3	45	5	132
1964-65	69	3	40	7	119
1965-66	60	3	52	5	121
1966-67	56	3	46	..	105
1967-68	113	4	99	8	224
INCOME PAYABLE ON DIRECT INVESTMENT - DISTRIBUTED INCOME (b)					
1963-64	58	1	52	6	116
1964-65	71	1	54	6	131
1965-66	84	..	50	6	141
1966-67	89	1	62	9	161
1967-68	81	1	80	7	168
INCOME PAYABLE ON PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS (c)					
1963-64	19	7	3	3	33
1964-65	20	8	4	4	37
1965-66	23	9	13	5	50
1966-67	26	9	18	8	60
1967-68	27	9	19	10	65
TOTAL					
1963-64	157	11	100	13	281
1964-65	160	12	98	17	287
1965-66	167	12	116	16	311
1966-67	171	12	125	18	326
1967-68	221	13	198	25	457

(a) Consists of unremitted profits of Australian branches and undistributed profits of Australian subsidiaries (see Tables 1 and 5).

(b) Consists of remitted profits and interest of Australian branches and distributed profits of Australian subsidiaries (see Table 5).

(c) Consists of dividends and interest payable on portfolio investment and interest payable on loans raised overseas from financial institutions.

TABLE 7. - INCOME PAYABLE OVERSEAS ON DIRECT INVESTMENT BY COMPANIES IN AUSTRALIA, BY INDUSTRY IN WHICH CAPITAL INVESTED AND CATEGORY OF INCOME

($A million)

Year	Primary production	Manufacturing	Other industries	Total
UNDISTRIBUTED INCOME (a)				
1963-64	9	85	39	132
1964-65	6	99	14	119
1965-66	15	79	26	121
1966-67	8	69	28	105
1967-68	16	129	80	224
DISTRIBUTED INCOME ON DIRECT INVESTMENT (b)				
1963-64	9	72	36	116
1964-65	7	75	48	131
1965-66	10	84	47	141
1966-67	21	89	51	161
1967-68	32	91	45	168
TOTAL				
1963-64	18	157	74	248
1964-65	14	174	62	250
1965-66	25	163	74	262
1966-67	29	158	79	266
1967-68	48	220	124	392

(a) Consists of unremitted profits of Australian branches and undistributed profits of Australian subsidiaries (see Tables 1 and 5).

(b) Consists of remitted profits and interest of Australian branches and distributed profits of Australian subsidiaries (see Table 5).

TABLE 8. - INCOME PAYABLE OVERSEAS ON DIRECT INVESTMENT BY COMPANIES IN AUSTRALIA, BY INDUSTRY IN WHICH CAPITAL INVESTED

($A million)

Industry	1963-64	1964-65	1965-66	1966-67	1967-68
Primary production -					
1. Agriculture, forestry and fishing	3	1	-1	-1	..
2. Mining and quarrying	14	12	26	26	36
3. Oil exploration and production	1	..	..	4	12
Total primary production	18	14	25	29	48
Manufacturing -					
4. Founding, engineering and metal working (a)	76	33	32	29	47
5. Vehicles, parts and accessories (b)		49	36	30	46
6. Electrical goods, equipment, cables, etc.	9	19	17	17	15
7. Food, drink and tobacco	16	17	21	15	28
8. Chemicals and allied products (c)	27	29	31	36	36
9. Oil refining	2	4	1	4	15
10. Cement, bricks, glass and stone	4	4	5	5	6
11. Yarns, textiles, clothing, footwear and accessories	4	5	6	5	7
12. Paper and paper products, printing, book binding and photography	4	4	7	8	10
13. Other manufacturing	15	12	8	9	12
Total manufacturing	157	174	163	158	220
Other industries -					
14. Insurance (d)	20	22	26	29	26
15. Banking	15	15	(e)	(e)	(e)
16. Other finance and property			6	10	12
17. Primary produce dealing	8	4	(e)	(e)	(e)
18. Oil distribution	15	6	5	9	29
19. Commerce	12	16	21	12	23
20. Building and construction	1	-4	2	1	8
21. Transport, storage and communication	1	1	1	1	1
22. Other industries	2	2	2	2	3
Total other industries	74	62	74	79	124
TOTAL	248	250	262	266	392

(a) Includes extracting and refining. (b) Includes assembly and repairs. (c) Consists of chemicals, dyes, explosives, paints and non-mineral oils. (d) Excludes life insurance. (e) Not available for publication.

TABLE 9. - ANNUAL OUTFLOW OF PRIVATE AUSTRALIAN INVESTMENT IN COMPANIES OVERSEAS, BY CATEGORY OF INVESTMENT AND TYPE OF COMPANY

($A million)

Year	Annual outflow of direct private Australian investment in companies overseas					Portfolio investment	Total
	Overseas branch		Overseas subsidiaries		Total		
	Unremitted profits	Other direct investment	Undis-tributed profits	Other direct investment			
1963-64	1	4	13	-5	13	-8	5
1964-65	..	4	20	10	33	-6	27
1965-66	2	4	16	21	42	-5	38
1966-67	-1	8	15	12	33	-7	26
1967-68	-1	6	18	15	37	-7	31(a)

(a) Country in which capital is invested -

United Kingdom	-3	U.S.A. & Canada	..
New Zealand	8	Papua and New Guinea	19

Other countries 7

NOTE. Increases in investment by some Australian investors are offset against withdrawals of investment by other Australian investors.

TABLE 10. - INCOME ON DIRECT INVESTMENT RECEIVABLE BY AUSTRALIAN COMPANIES FROM COMPANIES OVERSEAS, BY TYPE OF COMPANY AND CATEGORY OF INCOME

($A million)

Year	Overseas branches		Overseas subsidiaries		Total
	Unremitted profits (net)	Remitted profits and interest	Undistributed profits (net)	Dividends and interest receivable	
1963-64	1	5	13	13	32
1964-65	..	4	20	18	41
1965-66	2	4	16	16	38
1966-67	-1	5	15	21	39
1967-68	-1	7	18	19	43(a)

(a) Country from which income is receivable:-

United Kingdom	2	U.S.A. and Canada	1
New Zealand	17	Papua and New Guinea	9
Other countries	13		

K.M. ARCHER
COMMONWEALTH STATISTICIAN

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS
CANBERRA, A.C.T. 2600 18 FEBRUARY 1969

NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning 63 9111 extension 2186 or, in each State capital, by telephoning the office of the Bureau of Census and Statistics.