

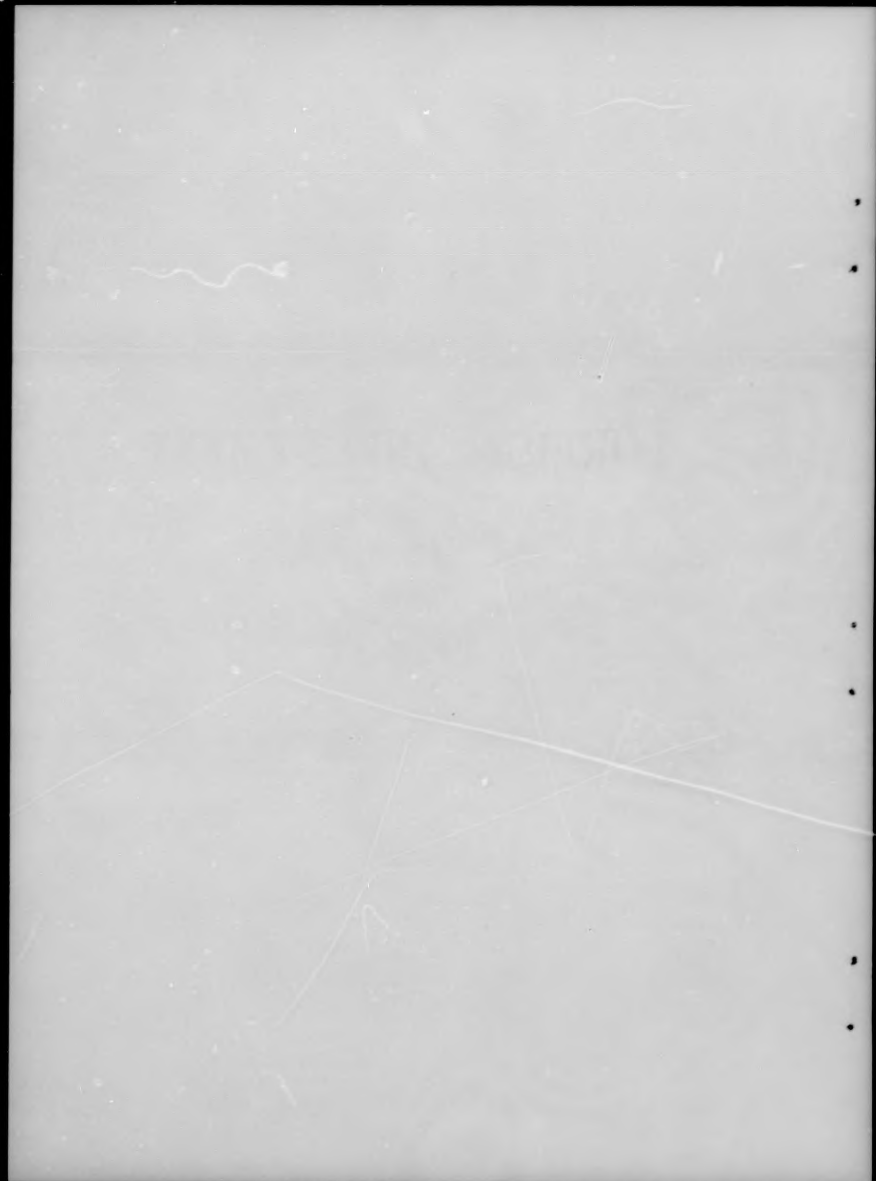
FOREIGN INVESTMENT

AUSTRALIA

1978-79

ABS CATALOGUE NO. 5305.0

AUSTRALIAN BUREAU OF STATISTICS Canberra



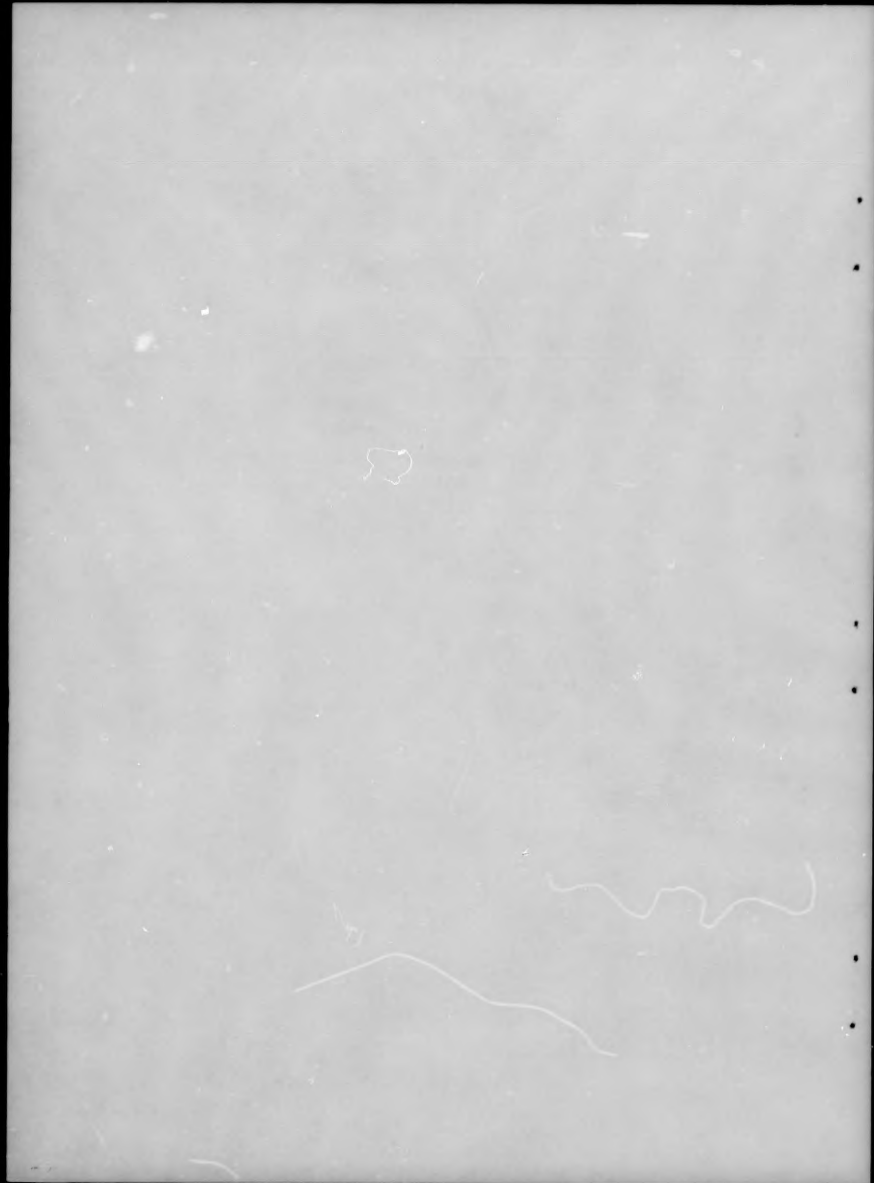
FOREIGN INVESTMENT
AUSTRALIA

1978-79

R. J. CAMERON
Australian Statistician

Catalogue No. 5305.0

AUSTRALIAN BUREAU OF STATISTICS



INQUIRIES

If you want to know more about these statistics ring Mr D. Scoullar on Canberra (062) 525604 or our State office, or write to Information Services, ABS, P.O. Box 10, Belconnen, A.C.T. 2616

For copies of this publication contact Information Services, Canberra (062) 526627 or State offices.

CATALOGUE NO. 5305.0

NOON 9 SEPTEMBER 1980

FOREIGN INVESTMENT AUSTRALIA : 1978-79

CONTENTS

Table	Page
Explanatory notes	3
PART A. FOREIGN INVESTMENT IN AUSTRALIA	
SECTION I. INFLOW OF FOREIGN INVESTMENT IN AUSTRALIA	
Inflow of total foreign investment in Australia	
1. by broad type of investment	11
2. by country	11
Inflow of foreign investment in enterprises in Australia	
3. by type of investment	11
4. by country and broad type of investment	12
5. by industry group and broad type of investment	13
6. by broad type of investment, industry group and country	14
7. by broad type of investment and industry	16
8. by type of enterprise, type of investor, type of investment and industry group	18
SECTION II. INCOME PAYABLE ON FOREIGN INVESTMENT IN AUSTRALIA	
9. Income payable on total foreign investment in Australia, by broad type of income	19
Income payable on foreign investment in enterprises in Australia	
10. by type of income	19
11. by country and broad type of income	20
12. Income payable on direct foreign investment in enterprises in Australia, by industry and broad type of income	21
SECTION III. LEVELS OF FOREIGN INVESTMENT IN AUSTRALIA	
13. Level of total foreign investment in Australia, by broad type of investment	23
Level of foreign investment in enterprises in Australia	
14. direct investment, by country and broad type of investment	23
15. portfolio investment and institutional loans, by country and broad type of investment	24
16. total investment in enterprises, by country and broad type of investment	24
17. by type of enterprise, type of investor, type of investment and industry group	25
Level of investment in direct investment enterprises in Australia at 30 June 1979	
18. by type of investor, type of investment and percentage of direct foreign equity	26
19. by type of investor, type of investment and industry	27
Level of foreign borrowings by enterprises in Australia at 30 June 1979	
20. by type of enterprise and size of investment	28
21. by currency and repayment terms	28
Level of foreign investment in government securities	
22. repayable in Australian currency, by country	29
23. repayable in foreign currencies, by currency	29

Table

Page

SECTION IV. SUPPLEMENTARY INFORMATION ON FOREIGN INVESTMENT IN AUSTRALIA

	Levels and components of change in levels	
24.	of branch liabilities to head office	30
25.	of intercompany indebtedness of subsidiaries	30
26.	of branch liabilities to head office, by industry group, year ended 30 June 1979	31
27.	of intercompany indebtedness of subsidiaries, by industry group, year ended 30 June 1979	31
	Levels and components of change in levels of foreign borrowings by enterprises in Australia	
28.	by industry group	32
29.	by type of enterprise	32

PART B. AUSTRALIAN INVESTMENT ABROAD

SECTION V. OUTFLOW OF AUSTRALIAN INVESTMENT ABROAD

	Outflow of total Australian investment abroad	
30.	by broad type of investment	33
31.	by country	33
	Outflow of Australian investment in foreign enterprises	
32.	by type of investment	33
33.	by country and broad type of investment	34
34.	Outflow of Australian direct investment in foreign enterprises, by industry group of foreign enterprise	34

SECTION VI. INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT ABROAD

	Income receivable on Australian direct investment in foreign enterprises	
35.	by type of income	35
36.	by country and broad type of income	35
37.	by industry group of foreign enterprise and broad type of income	36

SECTION VII. LEVELS OF AUSTRALIAN INVESTMENT ABROAD

	Level of Australian investment in foreign enterprises	
38.	by type of investment	37
39.	by country	37
40.	by type of investment and country at 30 June 1979	37

PART C. HISTORICAL SERIES, 1947-48 TO 1978-79

SECTION VIII. FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA

41.	Inflow of foreign investment in enterprises in Australia, by type of investment	38
42.	Income payable on foreign investment in enterprises in Australia, by type of income	39
43.	Level of foreign investment in enterprises in Australia, by broad type of investment	40

SECTION IX. AUSTRALIAN INVESTMENT IN ENTERPRISES ABROAD

44.	Outflow of Australian investment in foreign enterprises, by type of investment	41
45.	Income receivable on Australian direct investment in foreign enterprises, by type of income	42
46.	Level of Australian investment in foreign enterprises, by type of investment	43

APPENDIXES

A.	Glossary of terms	45
B.	Relationship of foreign investment statistics in this publication to balance of payments estimates	48
C.	Chronology of selected measures taken by Australian authorities which influenced investment between Australia and other countries, 1973-1979	49

EXPLANATORY NOTES

INTRODUCTION

This publication contains revised and more comprehensive statistics on foreign investment for 1978-79, replacing those published in the preliminary publication (5304.0) issued on 21 January 1980. For comparison, details are provided for a number of years prior to 1978-79. In most tables a six year series from 1973-74 onwards is shown. Tables in Part C show selected historical series back to 1947-48.

2. More detailed information than that published herein is available on request, subject to confidentiality restrictions. This applies particularly to information on foreign investment classified by country.

SCOPE OF THE STATISTICS

3. Broadly, and subject to the definitions and qualifications listed below, the scope of these statistics is total investment by foreign residents in enterprises in Australia and in Australian Government securities (*foreign investment in Australia*), and total investment by Australian residents in foreign enterprises and in foreign government securities (*Australian investment abroad*). Residents include incorporated enterprises and unincorporated businesses as well as individuals.

Foreign investment in Australia

4. *Foreign investment in enterprises in Australia* broadly comprises all financial liabilities of Australian enterprises and unincorporated businesses to non-residents, including shares, debentures, loans, advances, long-term trade credit, indebtedness on current account transactions between related enterprises and other borrowings, and (in the case of 'flows' of foreign investment) undistributed income; but excluding reserves, provisions and similar non-debt liabilities, short-term trade credit owing to unrelated enterprises (see paragraphs 57 and 58 below), investment in real estate (other than through incorporated enterprises), loans between individuals, and non-resident deposits in and foreign borrowings by Australian trading banks. The last two exclusions relating to banks are included in the non-official monetary institutions item of the balance of payments. Short-term unrelated trade credit is published separately as a component of trade credit in the balance of payments. The real estate investment referred to above is conceptually a component of foreign investment in enterprises, but has been excluded from the statistics only because of the present lack of suitable information on this type of transaction. All remaining exclusions are not conceptually part of foreign investment in enterprises. It should be noted that foreign investment in enterprises in Australia includes foreign investment in public enterprises which basically operate commercially, such as Qantas, TAA and various state electricity authorities.

5. *Foreign investment in Australian Government securities* comprises investment by non-residents in both Australian Government securities denominated in foreign currencies and securities denominated in Australian currency. Note that securities issued by the public enterprises referred to in paragraph 4 are included in investment in enterprises.

Australian investment abroad

6. *Australian investment in foreign enterprises* is defined to cover broadly the same types of investment as specified above in relation to foreign investment in enterprises in Australia, but in addition includes investment in bank accounts abroad by Australian enterprises included in the surveys of foreign investment. Consequently, investment in bank accounts abroad by other Australian residents should be included in this item but data on such investment are not available. *Australian investment in foreign government securities* comprises investment by Australian residents in securities issued by governments of other countries except foreign government securities held by the Reserve Bank as part of Australia's official reserve assets.

SOURCES OF DATA

7. The statistics of foreign investment in enterprises in Australia and Australian investment in foreign enterprises are derived mainly from information collected in the quarterly and annual surveys of foreign investment. In general, survey questionnaires are sent to enterprises in Australia in which there is foreign investment or which have investment in foreign enterprises. Supplementary inquiries are made in relation to portfolio investment in Australian securities by foreign investors who act through Australian nominees or who use Australian addresses.

8. In estimating the amount of foreign portfolio investment by Australians each year, use is made of foreign exchange statistics based on the 'ticket' collection conducted jointly by the Reserve Bank and the Australian Bureau of Statistics. These statistics classify into various categories all non-trade foreign exchange transactions involving cash payments between Australia and abroad. Prior to April 1975 (when Papua New Guinea began issuing its own currency, the kina), the 'ticket' collection did not include transactions between Australia and Papua New Guinea. During the dual currency period in Papua New Guinea, April to December 1975, when Australian and Papua New Guinean currency existed side by side, the 'ticket' collection included transactions with Papua New Guinea in kina but not in Australian currency. From January 1976, all transactions with Papua New Guinea were recorded in kina. Thus the statistics in this publication include all Australian portfolio investment in Papua New Guinea as from January 1976 and any such investment

recorded in kina during the dual currency period. 'Ticket' data used in compiling Australian portfolio investment abroad is supplemented by data from survey questionnaires on financial assets held abroad which would not normally be covered by 'tickets'. Such assets include bank accounts, deposits and commercial paper.

9. Details of foreign investment in Australian government securities are obtained from the records of the Australian Treasury and the Reserve Bank of Australia, and from local government authorities in Australia. Information on Australian investment in foreign government securities is obtained primarily from the 'ticket' statistics.

COVERAGE

10. Lists of enterprises included in the foreign investment surveys are compiled from various sources. All enterprises listed on the stock exchange are contacted, since shares, debentures, etc. of these enterprises can be purchased through brokers by foreign residents. Records of the Commissioner of Corporate Affairs in each State and Territory are also examined to identify enterprises with foreign shareholders. Company reports, articles published in newspapers and the financial press, business directories, stock exchange reports and many other sources are continually examined to ensure as complete a coverage as possible. In general, it is considered that the coverage of enterprises operating in Australia which have foreign shareholders is reasonably comprehensive. In compiling survey results, branches are only included if the value of net liabilities to head office exceeds \$10,000 or if annual net profit or loss exceeds \$10,000.

11. However, information on enterprises in Australia which have no foreign shareholders but which borrow funds from abroad in the form of loans, debenture issues, etc. is not as readily available although it is considered that coverage of the larger borrowers is reasonably good. Also, there are no comprehensive sources of information on enterprises in Australia with foreign branches or subsidiaries. In these areas, reliance has to be placed mainly on information contained in company reports, and in newspapers and journals, and the coverage of the surveys of foreign investment may be slightly deficient as a result. Coverage of financial assets held abroad by Australian portfolio investors (apart from transactions included in 'ticket' data referred to in paragraph 8 above) is restricted to those enterprises with other types of foreign investment and it is therefore probable that the total levels of Australian portfolio investment abroad by all enterprises in Australia would be higher than that included in the statistics.

MAIN AGGREGATES IN THE STATISTICS

12. These statistics provide information on :

- (a) levels of foreign investment
- (b) flows of foreign investment
- (c) investment income

and these are in turn classified in various ways.

13. *Levels of foreign investment in Australia* represent the value of all securities and other investments as defined in paragraphs 4 and 5 which are held by foreign residents while levels of Australian investment abroad represent the value of all investments as defined in paragraph 6 which are held by Australian residents, at the dates to which the statistics refer. In these statistics, levels of foreign investment are based mainly on paid-up values, book values or face values, rather than market values of the securities concerned. One consequence of this basis of valuation is that the statistics of the level of corporate equities do not fully reflect the relevant investors' shares of enterprises' shareholders funds.

14. Statistics on the levels of foreign investment in Australia are contained in Tables 13 to 29 plus Table 43 of this publication and those on levels of Australian investment abroad in Tables 38 to 40 plus Table 46. In these tables, separate information is shown for the components of levels of investment, namely, corporate equities, intercompany indebtedness of subsidiaries, net liabilities of branches, and borrowings. Because of the differing bases of valuation of these components, aggregate statistics of levels of foreign investment have not been compiled for this publication.

15. *Flows of foreign investment* represent broadly the net amounts of those changes in the levels of foreign investment arising from the flow (not necessarily across national boundaries) of funds, goods and services. Statistics of flows of foreign investment are derived generally as follows :

Difference between levels of foreign investment at the beginning and end of the period -

Plus : (a) premiums paid during the period on shares and other securities issued,

(b) differences between paid-up value and market value of shares and other securities traded during period,

(c) book value of liabilities written off during period,

Minus : (d) paid-up value of bonus issues of shares and other securities during the period,

(e) book value of liabilities written back during the period which were previously written off,

(f) revaluation of liabilities, e.g. due to variation in currency exchange rates,

(g) value of liabilities transferred between enterprises in Australia as a result of corporate group restructurings,

(h) value of liabilities reclassified between types of foreign investment where the parties to the investment remain unchanged, e.g. a transfer from a loan to equity, a change from direct investment to portfolio investment.

The types of adjustments included in (a) and (b) above are not included in the levels of foreign investment reported by enterprises, as these are based mainly on paid-up values, book values or face values. The adjustments included in (c), (d), (e), (f), (g) and (h) above are regarded only as book entries of the reporting enterprises as they do not entail flows of funds, goods or services. However, it should be noted that, in cases where the transfer of a liability involved a change in the country of domicile of the foreign investor, flows of investment between Australia and the foreign countries concerned have been imputed.

16. Statistics on flows of foreign investment are further dissected into 'inflows' of foreign investment in Australia (see Tables 1 to 8) and 'outflows' of Australian investment abroad (see Tables 30 to 34).

17. Flows of both direct and portfolio investment between Australia and abroad are recorded on a net basis. With respect to direct investment, the net amounts of transactions between Australian subsidiaries and branches and their foreign parents and related enterprises and head offices are classified as inflows of foreign investment in Australia, whereas the net amounts of transactions between foreign subsidiaries and branches and their Australian parents and head offices are classified as outflows of Australian investment abroad. For example, a loan by an Australian subsidiary to its foreign parent is recorded as a negative (-) inflow of foreign investment in Australia and not as a positive (+) outflow of Australian investment abroad.

18. Where shares in an Australian enterprise are acquired by a foreign resident from an Australian resident (or acquired by an Australian resident from a foreign resident) an inflow (or withdrawal) of investment is recorded for that foreign country *except* where that acquisition is financed by an issue of shares. However, in cases where the ownership of shares in an Australian enterprise changes between residents of two different foreign countries, an inflow of investment is recorded from the country acquiring those shares and a withdrawal of investment is recorded from the country selling the shares regardless of how this acquisition is financed.

19. *Investment income* comprises income payable (whether actually paid or not) on foreign investment. It consists of profits (whether distributed or not) of direct investment enterprises attributable to direct investors, dividends payable to portfolio investors and interest payable on loans and other non-equity securities. Profits are derived after deduction of tax payable.

20. In this publication, separate statistics are shown for investment income payable abroad on foreign investment in Australia (see Tables 9 to 12) and investment income receivable on Australian investment abroad (see Tables 35 to 37).

DEFINITIONS OF TERMS USED

21. For definitions of terms used in this publication, see Appendix A.

CLASSIFICATIONS OF THE STATISTICS

22. The aggregate statistics on levels, flows and income are classified and cross-classified in a number of ways in this publication. Features of the main classifications used are given below.

Type of investment

23. This classification is used in relation to both inflows and outflows of investment. The detailed types of investment used are:

(a) Investment in enterprises:

- (i) Direct investment –
 - undistributed income
 - branches
 - subsidiaries
 - other direct investment
 - corporate equities
 - branch liabilities to head office
 - intercompany indebtedness of subsidiaries
 - borrowings

- (ii) Portfolio investment and institutional loans
 - corporate equities
 - borrowings

(b) Investment in government securities:

- (i) Australian government securities (inflow only) –
 - denominated in Australian currency
 - denominated in foreign currencies
 - repayable to I.B.R.D.
 - other

- (ii) Foreign government securities (outflow only)

(c) Remittances by life insurance enterprises (outflow only)

In some tables, limitations of space preclude the use of full classification by type of investment and in such tables the classification is referred to as being by 'broad type of investment'.

24. The purpose of classifying foreign investment into 'direct investment' and 'portfolio investment and institutional loans' is to attempt to distinguish between investment which is accompanied by some degree of control, or potential control, over the operations of the enterprise in which the funds are invested, and investment which is not accompanied by such control. It should be noted that, although direct investment enterprises in Australia are not necessarily foreign controlled (as defined in ABS foreign ownership and control statistics), a recent study has shown that in practice this is so in virtually all cases. No corresponding study has yet been made of foreign enterprises receiving direct investment from Australian enterprises. As the latter could themselves be foreign controlled, their foreign direct investment subsidiaries could also be foreign controlled.

25. In distinguishing between direct investment and portfolio investment in practice, *direct investment in Australia* is defined as :

- (a) investment in Australian branches of foreign enterprises by the foreign head office or other related foreign enterprises,
- (b) investment (both equity and non-equity) in an enterprise in Australia —
 - (i) by a single foreign resident (individual or enterprise) or group of related enterprises in the one foreign country which owns 25 per cent or more of the ordinary shares or voting stock of that enterprise and by foreign enterprises related to that foreign resident or group of related enterprises;
 - or, if this condition does not apply,
 - (ii) by residents of one foreign country, who together own 50 per cent or more of the ordinary shares or voting stock of that enterprise, and foreign enterprises related to these residents.

An *enterprise in Australia*, referred to in this definition, means an enterprise together with all enterprises in Australia in which it holds, directly or indirectly, more than 50 per cent of the equity.

On the basis of the above definition, it is possible for an enterprise in Australia to have direct foreign shareholders in more than one foreign country, e.g. in the case where two foreign enterprises in different countries each hold 25 per cent or more of the equity of the enterprise in Australia.

26. Similarly, *Australian direct investment abroad* relates to investment in foreign branches by enterprises in Australia and to investment by enterprises in Australia in foreign enterprises in which they own 25 per cent or more of the ordinary shares or voting stock. However, it is not possible to identify foreign enterprises in which individual Australian residents own 50 per cent or more of the equity as sufficient information is not available on shares held in foreign enterprises by individual Australian investors.

27. *Portfolio investment and institutional loans* is all foreign investment other than direct investment, e.g. investment in public issues of shares, debentures, etc. and loans by unrelated financial institutions. Portfolio investment in Australia also includes investment in company securities by foreign investors who invest through a nominee in Australia or who use an Australian address for the purpose of investing in Australia (unless such investment constitutes direct investment as defined above). In addition, all investment in unit trusts, mutual funds and land trusts is regarded as portfolio investment even where a majority of units in these funds is held by foreign investors. This treatment is adopted because of the generally limited voting rights attached to these types of units.

Type of income

28. The categories into which income payable or receivable is classified coincide very closely with the types of investment set out in paragraph 23. The types of income used are :

- (a) Income payable or receivable by enterprises from :
 - (i) Direct investment —
 - undistributed income
 - branches
 - subsidiaries
 - distributed income
 - remitted profits of branches
 - dividends
 - interest
 - (ii) Portfolio investment and institutional loans —
 - dividends
 - interest
- (b) Income from government securities :
 - (i) Australian government securities —
 - denominated in Australian currency
 - denominated in foreign currencies
 - repayable to I.B.R.D.
 - other
 - (ii) Foreign government securities

Again, limitations of space often preclude the use of the full classification in which case reference is made to 'broad type of income'.

29. In the case of income receivable on Australian investment abroad separate details are shown for direct investment income only.

Country classification

30. The country classification adopted for all of the aggregates on foreign investment in Australia attempts to reflect the country of domicile of the foreign investor to whom the enterprises (or public authorities) in Australia have the immediate liability. It does not purport to reflect either the country of ultimate beneficial ownership of the investment, the country of immediate source of funds, or the country to which the amounts borrowed will in fact be repaid.

31. In practice, investment in enterprises is generally classified according to country as reported by survey informants. Where funds provided by enterprises in one country are channelled to the borrower through a finance subsidiary of the borrower in another country, respondents are requested to classify such investment to the country of domicile of the finance subsidiary (see paragraph 48). In cases where borrowings are obtained from a syndicate of lenders and the respondents are unable to classify the investment to the country of each lender, it is classified to the country of the head of the syndicate. Exceptions to this practice have occurred for some issues of bearer bonds on international capital markets where it was considered inappropriate to

classify investment to a particular country. In these cases, the bonds have been classified separately and, for the purposes of this publication, included in the 'Other countries' category. Income payable overseas is classified by country on the same basis as the investment to which it relates and therefore need not always reflect the country to which payments are actually remitted.

32. In the case of foreign investment in Australian government securities, except those repayable in Australian currency, the country classification reflects the currency in which the securities are repayable. This is necessary because of the difficulties which would be involved in attempting to trace the actual country of domicile of holders of these securities. Securities repayable in Australian currency are issued in Australia and in these cases the country classification is determined on the basis of the address of the investor in whose name the security is registered.

33. Country classifications used in relation to Australian investment abroad and income receivable thereon attempt to reflect the country in which the investment was made.

Industry classification

34. Enterprises and enterprise groups (i.e. groups of enterprises related in terms of the Companies Act) included in the survey of foreign investment are generally classified by industry on the basis of the major activity of the group as a whole. The industry classification is based on the 1961 Population Census Classification of Industries. Holding enterprises are classified according to the major activity of their subsidiaries. With investment enterprises, the classification is determined by the nature of the investment: if investments are held specifically in a certain industry or in certain businesses, investment enterprises are classified to that particular industry or classified according to the major activity of the businesses in which the investments are held; other investment enterprises are classified to the 'other finance and property' industry. In a number of instances, where separate returns are obtained from two or more enterprises in the same group of related enterprises, the foreign investment is classified to the main activity of the individual enterprise rather than to the main activity of the group as a whole.

35. It should be noted that, because of the broad range of activities of many of the enterprise groups covered by these statistics, the classification of foreign investment by industry on the basis of major activity of the enterprise group should be interpreted with some caution. In particular, the classification does not necessarily reflect the industry in which the funds are ultimately employed. This applies especially to businesses such as merchant banks which may borrow funds as principal and then 'on-lend' to clients in other industries. Another example would be an enterprise predominantly engaged in manufacturing activities borrowing money for the purpose of developing a mine.

36. For some purposes, it may be desirable to classify foreign investment according to the industry in which the funds are ultimately used. However, businesses typically obtain funds from many different sources, both locally and abroad, and similarly use funds for many different purposes, and it is frequently not feasible for enterprises to identify a particular use of funds with a particular source of funds.

Type of enterprise

37. Some of the statistics of direct foreign investment in this publication are classified by type of enterprise. Two types are distinguished: branches and subsidiaries. This distinction is made because of different accounting procedures and subsequent measurement problems consequent on the differing legal structures rather than for any analytical purpose. Comparisons of figures for different years may be affected by changes in the legal structures of the organisations included in the Survey. In some cases, organisations which are legally 'branches' may opt to report as 'subsidiaries' if their activities and accounting practices are more akin to the latter form of organisation.

TREATMENT OF UNDISTRIBUTED INCOME

38. In addition to being treated as part of income payable (or receivable) on direct investment, undistributed income (unremitted profits of branches and undistributed profits of subsidiaries attributable to direct investors) is also included as part of investment flows into enterprises with direct investment. This treatment is based on the statistical convention that undistributed income results from a conscious decision by the direct investor to re-invest part or all of the earnings of the enterprise and hence that its separate identification as a component of income and capital flows adds to the analytical usefulness of the statistics.

39. The amount of undistributed income apportioned to direct investors comprises the whole of the unremitted profits of branches but, in relation to subsidiaries, only that amount attributable to their equity holdings together with their equity in the undistributed income of subsidiaries (as defined in Section 6 of the uniform Companies Acts) of the enterprises receiving the direct investment.

40. In the case of portfolio investment, it is assumed that the individual investor plays no part in the decision to distribute earnings of the enterprise. Consequently, no attempt is made to apportion undistributed earnings of enterprises to portfolio investors and so such earnings are not included as either income payable or investment.

41. As mentioned, undistributed income forms part of both investment and income flows. As well, the accumulated unremitted profit of branches is included in the level of branch liabilities to head offices outstanding at any point in time. This is because, due to the accounting procedures usually adopted by branches,

their accumulated unremitted profits become an indistinguishable part of total outstanding branch liabilities to head office and information is collected on this basis in the survey. On the other hand, accumulated undistributed profit of subsidiaries is excluded from statistics on levels of investment in subsidiaries. This is because such profits become part of shareholders funds and to date information has only been collected on the paid-up capital component of such funds.

TREATMENT OF BANKS

42. Investment in branches of trading banks is included in these statistics in respect of the net long-term liabilities of the branch to the head office and, in the main, reflects the head office's investment in the fixed capital assets of the branch. Short-term liabilities of the branch to the head office are excluded from these statistics and are included in the non-official monetary institutions item in the balance of payments accounts.

43. In the case of foreign investment in Australian-owned banks, these statistics only include investment in shares, debentures, etc. Foreign loans to banks (e.g. loans from unrelated enterprises abroad, or deposits by non-residents) are excluded from these statistics and included in the non-official monetary institutions item in the balance of payments accounts.

TREATMENT OF BRANCHES (OTHER THAN BANKS)

44. In these statistics there are some important differences in treatment between foreign investment in branches and in subsidiaries. Foreign investment in branches is classified as either unremitted profits, branch liabilities to head office or borrowings. Branch liabilities to head office is in one respect somewhat wider in scope than intercompany indebtedness of subsidiaries. Whereas the latter type includes indebtedness to related foreign enterprises only for interest, dividends, goods and services, branch liabilities to head office is defined to include not only indebtedness to the head office (and foreign branches of the head office) for interest, profits, goods and services, but also other investment by head office such as loans and advances. Indebtedness of this latter type is included with branch liabilities to head office not on conceptual grounds but because it has not been practicable to segregate the two types of investment. Loans and advances to branches from related foreign enterprises except head offices (and foreign branches of head offices) are reported separately, however, and included in direct investment borrowings.

45. In addition, in the statistics on 'levels' of foreign investment, branch liabilities to head office include accumulated reserves but these are not included in the figures of levels of investment in subsidiaries. (See paragraph 41).

TREATMENT OF FINANCIAL INTERMEDIARIES

46. To obtain a more realistic distinction between direct investment and portfolio investment and

institutional loans special cognisance has been given to the role of certain financial intermediaries.

47. In some cases, loans to enterprises in Australia from their foreign parents are channelled through unrelated financial institutions and the immediate liability of the enterprise in Australia to repay the loan is to the financial institution. Under the general rules for classifying foreign investment by type of investment, this type of loan would be classified to portfolio investment and institutional loans. However, for the purposes of these statistics, the loan is treated as coming direct from the parent, with whom the control of the use of the funds lies, and is thus classified as direct investment. The country adopted for purposes of country classification is also based on the domicile of the parent.

48. Some enterprises in Australia have established finance subsidiaries in foreign countries for the purpose of raising funds on foreign capital markets for use by the Australian parent. Although nominally a liability may exist between the foreign subsidiary and the Australian parent, the loan raised is treated as portfolio investment and institutional loans and not as direct investment. However, the country classification adopted for this type of transaction corresponds to the domicile of the intermediary.

TREATMENT OF INSURANCE TRANSACTIONS

Life insurance

49. The equity in the assurance funds of Australian life insurance enterprises is regarded as being held by all policy holders regardless of their country of residence. (In the case of non-mutual companies shareholders also have an equity in assurance funds. Such equity is generally much less than the equity of policy holders and has not been taken into account in these statistics.) The value of the assets of Australian life insurance enterprises in foreign countries, accordingly, cannot be taken to represent the equity of the companies' Australian policy holders in those assets. Therefore, the value of such assets is not included in the tables showing the value at the end of each year of various items of foreign investment, nor are the liabilities to foreign policy holders included in these statistics. Similarly, no significant amounts of income derived by Australian life insurance enterprises in foreign countries could be regarded as accruing to Australian policy holders. In view of this, and also because of the practical difficulties of measuring any such amounts, no life insurance transactions are included in the statistics of investment income and unremitted profits in this publication.

50. Because of the considerations outlined above, the annual movements in the value of the assets of Australian life insurance enterprises in foreign countries are not regarded as representing a flow of investment between Australia and abroad, except in so far as they are due to remittances between Australia and abroad. These remittances are normally made in order to bring assets located in the foreign countries into line with commitments in those countries or for other investment

purposes, and accordingly they are treated as capital transactions for the purposes of balance of payments statistics.

51. Similar considerations apply to foreign life insurance enterprises with branches in Australia.

52. The remittances between Australia and abroad by Australian and foreign life insurance enterprises are included in Tables 30 and 31.

Fire, marine and general insurance

53. The treatment of fire, marine and general insurance and re-insurance transactions in these statistics is on a basis comparable with the treatment of other types of business.

54. Insurance and re-insurance transactions between residents and non-residents are treated as the provision of a service and included in the current account of the balance of payments. An excess of premiums paid by residents over claims received by residents is included as a miscellaneous debit and an excess of claims over premiums is included as a transfer credit.

55. The net liabilities of branches to their head offices and other related foreign enterprises in respect of such business are included in total branch liabilities and hence such liabilities and changes in them are included in statistics of levels and flows of foreign investment in Australia. The net liabilities of Australian subsidiaries to related foreign enterprises in respect of insurance and re-insurance business become part of their intercompany indebtedness and are included in the statistics of levels and flows of that type of investment.

56. The treatment adopted in the tables dealing with outflows of capital and income receivable from abroad is similar in principle to the treatment described above.

TRADE CREDIT

57. All trade credit between subsidiaries and related enterprises and between branches and their head offices and other related enterprises is included in the category 'Other direct investment' in these statistics.

58. Trade credit between unrelated enterprises is excluded from these statistics except for some long term trade credit (i.e. trade credit with a contractual maturity of more than 6 months from the date the liability was incurred). Long term trade credit for imports is included in the category 'Portfolio investment and institutional loans' for both flows and levels of foreign investment in Australia to the extent that the importers involved receive other forms of foreign investment and are therefore included in surveys of foreign investment. It is estimated that at 30 June 1979 about \$91m was outstanding for all enterprises in respect of such long-term trade credit, and of this amount, about \$67 m was owed by enterprises covered by these statistics. Long-term trade credit for exports is included in levels of Australian portfolio investment and institutional loans abroad to the extent that exporters have other forms of investment abroad and are therefore included

in surveys of foreign investment. On the other hand, such long term trade credit is not included in flows of Australian portfolio investment and institutional loans abroad since the latter item is derived from sources which do not include trade credit. However, separate surveys of importers, exporters and financial institutions, designed to measure all foreign trade credit between unrelated enterprises, are conducted by the ABS and results are published in the quarterly and annual *Balance of Payments* publications (5302.0 and 5303.0).

ACCOUNTING YEAR

59. In general, details obtained from enterprises included in the survey of foreign investment relate to accounting data for the year ended 30 June. However, where enterprises have difficulty in reporting precise figures on a 30 June basis, estimates based on their nearest accounting period are accepted.

VALUATION

60. Information on investment in government securities is generally compiled in terms of the face value of the securities. In the case of securities denominated in foreign currencies, the face value is converted to the equivalent amount of Australian dollars by using market rates of exchange prevailing at the time of the transaction or at 30 June of the year in question in the case of levels.

61. In the case of information furnished by enterprises covered by the survey of foreign investment, the basis of valuation may vary from enterprise to enterprise, depending upon the record-keeping procedures adopted by the particular enterprise. The book value of assets and liabilities expressed in terms of a foreign currency, may be converted to Australian dollars at any one of a number of rates. For example, they may be converted at rates effective at the dates the assets were created or liabilities incurred or at rates effective at the dates to which the statistics relate. During periods when rates of exchange are fairly stable, the rate used to convert foreign currency assets and liabilities into Australian currency is not of great significance. It does, however, become significant when these conditions do not apply. Under such circumstances, some enterprises value liabilities at market rates of exchange and generally revalue their liabilities in response to changes in exchange rates. In such cases, an attempt is made to ascertain the extent to which such revaluations have affected levels of investment reported by respondents in order that the underlying flows of investment can be identified.

CHANGES IN THIS ISSUE

62. For the first time in this publication, some information on foreign borrowings by public trading enterprises has been shown separately. The information relates to the years 1977/78 and 1978/79 and is shown in footnotes to tables 1 and 1.3. Similar information for previous years is confidential and not available for separate publication.

63. Other changes include the addition of a table showing a time series of levels, and components of changes in levels, of branch liabilities to head office (Table 24); also some additional details have been provided in Tables 25 and 32. The table entitled 'Level of investment in direct investment enterprises in Australia at 30 June by type of investor, type of investment and country of direct foreign shareholder' (Table 19 in the 1977/78 issue) has been dropped as user demand no longer justifies its continued production.

PRESENTATION OF THE STATISTICS

64. The statistical tables in this publication are arranged in the following parts and sections:

Part A - Foreign Investment in Australia

Section I: annual flows of foreign investment into Australia

Section II: income payable on foreign investment in Australia

Section III: information on levels of foreign investment in Australia

Section IV: supplementary information on foreign investment in Australia.

Part B - Australian Investment Abroad

Section V: annual flows of Australian investment abroad

Section VI: income receivable on Australian direct investment abroad

Section VII: information on levels of Australian investment abroad.

Part C - Historical Series, 1947-1948 to 1978-1979

Section VIII: Foreign investment in enterprises in Australia

Section IX: Australian investment in foreign enterprises.

RELATED STATISTICS ON FOREIGN INVESTMENT

65. Apart from this publication and the preliminary publication of the same title (5304.0), statistics on foreign investment are also published regularly in:

Foreign Investment in Enterprises in Australia (Preliminary) (5307.0) - quarterly

Foreign Investment in Enterprises in Australia (5306.0) - quarterly

Balance of Payments, Australia (5302.0) - quarterly

Balance of Payments, Australia (5303.0) - annual

66. In addition, the ABS has published studies of foreign participation in various Australian industries. These publications, as well as all other publications produced by the ABS, are listed in the *Catalogue of Publications* (1101.0) which is available free of charge from any ABS office.

SYMBOLS AND OTHER USAGES

— nil or rounded to zero

.. not applicable

n.a. not available

n.p. not available for separate publication (but included in totals where applicable)

--- (where a line is drawn across a column between two consecutive figures) break in continuity of series.

67. In the tables relating to flows of investment, increases in investment by some investors are offset by withdrawals of investment by other investors. A negative value denotes an excess of withdrawals of investment over increases in investment.

68. Figures have been rounded and discrepancies may occur between sums of the component items and totals.

PART A. FOREIGN INVESTMENT IN AUSTRALIA
SECTION I. INFLOW OF FOREIGN INVESTMENT IN AUSTRALIA

**TABLE 1. INFLOW OF TOTAL FOREIGN INVESTMENT IN AUSTRALIA,
 BY BROAD TYPE OF INVESTMENT**
 (\$A million)

Year	Investment in enterprises in Australia				Investment in government securities repayable in -			
	Direct investment		Portfolio investment and institu- tional loans (a)	Total	Foreign currencies to -			Total
	Undistributed income	Other direct investment			Australian currency	Foreign countries	I.B.R.D.	
1973-74	431	187	-128	490	45	-122	-7	406
1974-75	246	411	296	953	21	9	-9	975
1975-76	614	-36	232	810	-79	132	-6	857
1976-77	670	411	459	1,540	18	361	-4	1,914
1977-78	649	380	285	1,314	33	1,616	-4	2,959
1978-79	803	589	601	1,992	7	1,354	-4	3,349

(a) Includes foreign borrowings by public trading enterprises - 1977/78, \$304m; 1978/79, \$238m. Information for earlier years is confidential and not available for separate publication.

**TABLE 2. INFLOW OF TOTAL FOREIGN INVESTMENT IN AUSTRALIA,
 BY COUNTRY**
 (\$A million)

Year	E.E.C.							Total
	United Kingdom	Other (a)	U.S.A.	Canada	Japan	Other countries	I.B.R.D.	
1973-74	81	91	100	16	78	47	-7	406
1974-75	69	186	372	13	67	276	-9	975
1975-76	262	33	480	14	97	-23	-6	857
1976-77	347	526	748	70	138	88	-4	1,914
1977-78	380	1,170	973	-14	380	74	-4	2,959
1978-79	809	439	709	-7	864	539	-4	3,349

(a) Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, Luxembourg and Netherlands.

**TABLE 3. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES
 IN AUSTRALIA, BY TYPE OF INVESTMENT**
 (\$A million)

Year	Direct investment							Portfolio investment and institutional loans			
	Undistributed income		Other direct investment			Total					Total
	Branches	Subsidiaries	Corporate equities	Branch liabilities to head office	Inter- company indebt- edness			Corporate equities	Borrowings	Total	
1973-74	29	401	81	-	172	-66	618	-140	12	-128	490
1974-75	23	223	112	16	197	87	657	-114	410	296	953
1975-76	186	428	128	7	-5	-166	578	18	213	232	810
1976-77	52	619	26	53	319	13	1,081	-60	518	459	1,540
1977-78	136	514	155	61	42	121	1,029	-36	321	285	1,314
1978-79	3	800	-89	206	269	202	1,392	138	462	601	1,992

TABLE 4. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN
AUSTRALIA, BY COUNTRY AND BROAD TYPE OF INVESTMENT
(\$A million)

	E.E.C.						
Year	United Kingdom	Other	U.S.A.	Canada	Japan	Other countries	Total
UNDISTRIBUTED INCOME							
1973-74	194	-12	218	17	3	12	431
1974-75	94	-34	195	1	2	-12	246
1975-76	274	-	274	25	16	24	614
1976-77	314	4	259	29	46	19	670
1977-78	391	-10	238	-21	-	52	649
1978-79	521	3	250	2	5	21	803
OTHER DIRECT INVESTMENT							
1973-74	83	29	47	12	49	-33	187
1974-75	82	82	53	2	53	139	411
1975-76	-8	5	-53	-3	67	-45	-36
1976-77	65	159	191	-7	40	-37	411
1977-78	100	59	154	8	119	-60	380
1978-79	251	74	389	-12	56	-168	589
TOTAL DIRECT							
1973-74	276	16	266	29	52	-21	618
1974-75	177	47	248	2	55	128	657
1975-76	266	5	221	22	84	-21	578
1976-77	379	163	450	22	85	-18	1,081
1977-78	491	49	392	-13	119	-8	1,029
1978-79	772	77	639	-10	61	-147	1,392
PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS							
1973-74	-173	67	-76	-12	25	41	-128
1974-75	-54	111	124	12	12	91	296
1975-76	12	14	158	-8	14	41	232
1976-77	-14	104	176	49	53	91	459
1977-78	-79	17	215	-	78	54	285
1978-79	66	21	123	5	207	178	601
TOTAL							
1973-74	104	83	189	16	77	20	490
1974-75	123	159	372	14	67	218	953
1975-76	278	20	380	14	98	20	810
1976-77	365	267	626	71	138	73	1,540
1977-78	412	66	607	-14	197	46	1,314
1978-79	838	97	762	-6	269	31	1,992

TABLE 5. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA,
BY INDUSTRY GROUP AND BROAD TYPE OF INVESTMENT
(\$A million)

<i>Year</i>	<i>Primary production</i>	<i>Manufacturing</i>	<i>Other industries</i>	<i>Total</i>
UNDISTRIBUTED INCOME				
1973-74	119	160	15	431
1974-75	73	130	43	246
1975-76	126	232	256	614
1976-77	47	369	254	670
1977-78	39	285	325	649
1978-79	21	414	367	803
OTHER DIRECT INVESTMENT				
1973-74	-48	87	148	187
1974-75	-3	154	260	411
1975-76	-98	1	61	-36
1976-77	-88	117	381	411
1977-78	23	62	295	380
1978-79	33	132	423	589
TOTAL DIRECT				
1973-74	71	247	300	618
1974-75	70	284	303	657
1975-76	28	233	317	578
1976-77	-41	487	635	1,081
1977-78	62	347	620	1,029
1978-79	55	547	791	1,392
PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS (a)				
1973-74	-45	-80	-3	-128
1974-75	71	197	28	296
1975-76	94	133	4	232
1976-77	69	120	269	459
1977-78	46	-71	310	285
1978-79	117	13	471	601
TOTAL (a)				
1973-74	26	167	298	490
1974-75	141	481	331	953
1975-76	122	366	321	810
1976-77	29	606	904	1,540
1977-78	108	276	930	1,314
1978-79	172	559	1,261	1,992

(a) For portfolio investment and institutional loans, relatively minor amounts of investment through smaller nominee enterprises cannot be classified by industry and have been included in 'other industries'.

TABLE 6. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY BROAD TYPE OF INVESTMENT, INDUSTRY GROUP AND COUNTRY
(\$A million)

Country	1973-74					1974-75					1975-76				
	Direct investment			Portfolio investment and institutional loans (a)	Total	Direct investment			Portfolio investment and institutional loans (a)	Total	Direct investment			Portfolio investment and institutional loans (a)	Total
	Undistributed income	Other direct investment	Total			Undistributed income	Other direct investment	Total			Undistributed income	Other direct investment	Total		
PRIMARY PRODUCTION															
E.E.C. - United Kingdom	76	-1	75	-45	30	29	1	30	-11	19	11	4	15	39	54
Other	-8	5	-3	49	46	-18	6	-11	25	14	-6	14	8	28	36
U.S.A.	63	-41	22	-71	-49	47	-23	24	35	59	83	-76	7	16	22
Canada	-10	4	-6	-2	-8	-5	1	-4	-2	-6	-	-4	-4	-2	-6
Japan	1	19	20	29	49	7	7	14	7	21	16	-12	4	8	12
Other countries	-4	-34	-37	-5	-42	14	4	18	15	33	22	-24	-2	6	4
Total	119	-48	71	-45	26	73	-3	70	71	141	126	-98	28	94	122
MANUFACTURING															
E.E.C. - United Kingdom	45	8	53	-31	22	33	51	84	31	115	99	-7	93	30	123
Other	1	21	22	-5	17	-	22	22	75	97	2	-7	-5	-39	-44
U.S.A.	95	37	133	-13	119	99	45	144	44	189	124	-13	111	127	238
Canada	12	-1	11	-10	1	-1	1	1	7	8	7	-1	6	-5	1
Japan	-	12	13	-5	7	-3	5	2	-1	1	-6	23	17	5	22
Other countries	6	10	16	-17	-	2	29	31	41	71	6	5	11	16	26
Total	160	87	247	-80	167	130	154	284	197	481	232	1	233	133	366
OTHER INDUSTRIES															
E.E.C. - United Kingdom	73	76	148	-97	52	32	30	62	-74	-11	164	-6	158	-57	101
Other	-5	3	-2	23	21	-17	53	36	11	47	4	-2	2	25	27
U.S.A.	59	51	111	8	119	49	31	80	45	125	67	37	104	16	119
Canada	15	8	23	-1	23	7	-1	6	6	12	18	1	20	-	20
Japan	1	18	20	2	21	-1	40	39	5	45	7	56	62	1	64
Other countries	9	-9	-	62	62	-27	106	79	35	114	-4	-25	-30	19	-10
Total	152	148	300	-3	298	43	260	303	28	331	256	61	317	4	321
TOTAL															
E.E.C. - United Kingdom	194	83	276	-173	104	94	82	177	-54	123	274	-8	266	12	278
Other	-12	29	16	67	83	-34	82	47	111	159	-	5	5	14	20
U.S.A.	218	47	266	-76	189	195	53	248	124	372	274	-53	221	158	380
Canada	17	12	29	-12	16	1	2	2	12	14	25	-3	22	-8	14
Japan	3	49	52	25	77	2	53	55	12	67	16	67	84	14	98
Other countries	12	-33	-21	41	20	-12	139	128	91	218	24	-45	-21	41	20
Total	431	187	618	-128	490	246	411	657	296	953	614	-36	578	232	810

TABLE 6. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY BROAD TYPE OF INVESTMENT, INDUSTRY GROUP AND COUNTRY - *continued*
(\$A million)

Country	1976-77					1977-78					1978-79				
	Direct investment			Portfolio investment and institutional loans (a)	Total	Direct investment			Portfolio investment and institutional loans (a)	Total	Direct investment			Portfolio investment and institutional loans (a)	Total
	Undistributed income	Other direct investment	Total			Undistributed income	Other direct investment	Total			Undistributed income	Other direct investment	Total		
PRIMARY PRODUCTION															
E.E.C. - United Kingdom	31	37	68	-8	60	19	7	26	-	26	84	51	136	38	173
Other	-11	32	21	-2	19	-17	27	10	1	11	-16	31	15	-7	8
U.S.A.	-25	-104	-129	32	-97	14	103	116	18	134	-54	196	142	59	201
Canada	5	-1	4	-1	4	-1	-	-1	5	4	-10	-5	-15	-	-15
Japan	35	-2	33	-17	16	21	10	31	-3	28	15	-1	14	61	75
Other countries	12	-51	-38	65	26	3	-123	-120	26	-95	1	-239	-237	-33	-270
Total	47	-88	-41	69	29	39	23	62	46	108	21	33	55	117	172
MANUFACTURING															
E.E.C. - United Kingdom	120	17	137	-20	117	145	42	187	-39	148	174	25	199	54	252
Other	6	30	36	22	58	-	20	20	-15	5	-1	39	38	-12	27
U.S.A.	223	58	281	117	398	122	-37	85	-10	75	211	44	255	-39	216
Canada	10	-13	-3	-3	-6	6	-1	6	-2	4	25	-16	8	-3	5
Japan	7	13	20	4	24	4	39	43	-	43	4	15	19	23	42
Other countries	3	12	16	-1	15	8	-2	6	-5	-	2	26	27	-10	17
Total	369	117	487	120	606	285	62	347	-71	276	414	132	547	13	559
OTHER INDUSTRIES															
E.E.C. - United Kingdom	163	11	174	14	188	226	52	278	-40	238	263	174	437	-25	412
Other	9	97	106	84	190	8	11	19	31	49	19	4	23	40	63
U.S.A.	61	237	298	26	324	102	88	190	208	398	93	149	242	103	345
Canada	13	-7	21	52	73	-27	9	-18	-4	-22	-13	10	-3	8	5
Japan	3	28	32	66	98	-25	70	45	82	127	-14	42	28	124	152
Other countries	4	1	5	27	32	41	65	106	34	140	18	45	63	221	285
Total	254	381	635	269	904	325	295	620	310	930	367	423	791	471	1,261
TOTAL															
E.E.C. - United Kingdom	314	65	379	-14	365	391	100	491	-79	412	521	251	772	66	838
Other	4	159	163	104	267	-10	59	49	17	66	3	74	77	21	97
U.S.A.	259	191	450	176	626	238	154	392	215	607	250	389	639	123	762
Canada	29	-7	22	49	71	-21	8	-13	-	-14	2	-12	-10	5	-6
Japan	46	40	85	53	138	-	119	119	78	197	5	56	61	207	269
Other countries	19	-37	-18	91	73	52	-60	-8	54	46	21	-168	-147	178	31
Total	670	411	1,081	459	1,540	649	380	1,029	285	1,314	803	589	1,392	601	1,992

(a) See footnote (a), Table 5.

TABLE 7. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY BROAD TYPE OF INVESTMENT AND INDUSTRY
(\$A million)

Industry	1973-74					1974-75					1975-76				
	Direct investment		Portfolio investment and institutional loans (a)	Total		Direct investment		Portfolio investment and institutional loans (a)	Total		Direct investment		Portfolio investment and institutional loans (a)	Total	
	Undistributed income	Other direct investment				Undistributed income	Other direct investment				Undistributed income	Other direct investment			
Primary production -															
1. Agriculture, forestry and fishing	7	-4	3	-2	1	-13	8	-4	1	-4	-5	11	6	7	13
2. Mining and quarrying	124	-22	102	-46	56	92	17	108	75	184	116	-59	57	84	141
3. Oil exploration and production	-12	-22	-34	3	-31	-6	-28	-34	-5	-39	14	-49	-35	3	-32
Total primary production	119	-48	71	-45	26	73	-3	70	71	141	126	-98	28	94	122
Manufacturing -															
4. Founding, engineering and metal working (b)	21	11	32	-16	16	32	30	61	132	193	47	-13	34	143	177
5. Vehicles, parts and accessories (c)	-4	37	33	-8	25	8	27	36	11	46	37	13	50	-1	49
6. Electrical goods, equipment, cables, etc.	19	17	37	-	36	11	44	55	15	70	20	-18	2	-2	-
7. Food, drink and tobacco	37	-	36	-32	4	25	15	40	21	61	53	-4	49	5	54
8. Chemicals and allied products (d)	44	8	52	{ -4 -2	42 4	27	23	50	10	{ 56 4	46	14	59	-17	{ 3 3
9. Oil refining															
10. Cement, bricks, glass and stone	7	-1	5	-11	-5	1	3	4	2	6	6	10	17	12	28
11. Yarns, textiles, clothing, footwear and accessories	9	4	13	-8	5	-1	-1	-2	-	-2	5	-1	4	4	8
12. Paper and paper products, printing, book-binding and photography	12	1	13	4	17	8	-3	6	4	9	14	-5	10	-4	5
13. Other manufacturing (e)	15	11	26	-3	23	19	16	35	3	38	4	4	8	-6	3
Total manufacturing	160	87	247	-80	167	130	154	284	197	481	232	1	233	133	366
Other industries -															
14. Insurance (f)	-19	6	-13	1	-12	-67	107	40	1	40	55	39	94	-	94
15. Banking	23	64	87	24	{ 48 63	32	84	116	-57	{ 10 49	18	-59	-41	-32	{ 36 -110
16. Other finance and property															
17. Primary produce dealing	12	-29	-16	-	-17	-5	-94	-39	17	{ -52 30	102	-8	94	13	{ -5 112
18. Oil distribution	59	69	128	-5	123	61	19	133	152	30	183	69	57	126	2
19. Commerce	66	50	116	-19	98	19	133	152	30	183	69	57	126	2	128
20. Building and construction	8	-20	-12	-7	-18	1	4	5	3	8	6	1	7	1	8
21. Transport, storage and communication	1	3	4	-	5	-2	11	9	13	23	4	9	13	17	30
22. Other industries	2	5	7	2	9	3	16	19	20	40	2	22	24	3	27
Total other industries	152	148	300	-3	298	43	260	303	28	331	256	61	317	4	321
Total	431	187	618	-128	490	246	411	657	296	953	614	-36	578	232	810

TABLE 7. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY BROAD TYPE OF INVESTMENT AND INDUSTRY - *continued*
(\$A million)

Industry	1976-77					1977-78					1978-79				
	Direct investment		Portfolio investment and institutional loans (a)	Total	Total	Direct investment		Portfolio investment and institutional loans (a)	Total	Total	Direct investment		Portfolio investment and institutional loans (a)	Total	Total
	Undistributed income	Other direct investment				Undistributed income	Other direct investment				Undistributed income	Other direct investment			
Primary production -															
1. Agriculture, forestry and fishing	-4	19	16	3	19	-6	24	18	-2	15	7	7	14	1	15
2. Mining and quarrying	52	-91	-38	59	21	58	-39	18	46	64	55	-152	-97	91	-6
3. Oil exploration and production	-2	-16	-18	7	-11	-12	38	26	2	28	-41	178	137	25	162
Total primary production	47	-88	-41	69	29	39	23	62	46	108	21	33	55	117	172
Manufacturing -															
4. Founding, engineering and metal working (b)	102	11	113	93	206	96	-48	48	-41	7	118	-34	84	30	115
5. Vehicles, parts and accessories (c)	40	-16	24	11	35	-28	60	32	7	39	18	43	61	23	84
6. Electrical goods, equipment, cables, etc.	31	52	83	-9	73	8	-2	7	-3	3	24	40	64	11	75
7. Food, drink and tobacco	85	7	92	8	100	72	1	73	-31	42	69	19	87	5	93
8. Chemicals and allied products (d)	61	37	98	-6	{ 92 }	88	29	117	-7	110	120	30	151	-2	148
9. Oil refining	12	5	16	8	25	11	10	22	6	27	9	11	20	-12	8
10. Cement, bricks, glass and stone															
11. Yarns, textiles, clothing, footwear and accessories	3	4	8	-4	3	4	1	5	-3	3	8	-17	-9	-2	-11
12. Paper and paper products, printing, book-binding and photography	20	7	27	6	34	25	4	30	-4	25	15	-33	-18	-7	-25
13. Other manufacturing (e)	16	10	26	12	38	8	5	13	5	19	34	72	106	-34	73
Total manufacturing	369	117	487	120	606	285	62	347	-71	276	414	132	547	13	559
Other industries -															
14. Insurance (f)	86	23	110	-	110	121	58	178	7	185	83	19	102	-19	83
15. Banking					{ 17 }	5	49	54	{ -24 }	-54		48	22	23	28
16. Other finance and property	-64	86	22	25	{ 30 }				{ -47 }	36				23	40
17. Primary produce dealing	-2	13	11	11	22	-11	-8	-19	97	78	12	-4	8	-87	-80
18. Oil distribution	140	13	153	53	206	196	27	224	79	303	243	100	343	190	533
19. Commerce	68	210	278	65	343	-6	148	142	-3	139	41	176	217	-19	199
20. Building and construction	4	8	12	-4	9	-	27	27	6	33	-3	-7	-10	6	-5
21. Transport, storage and communication	10	16	26	111	137	10	-19	-9	128	119	10	22	32	80	112
22. Other industries	11	12	23	9	31	11	12	23	68	91	8	69	77	274	351
Total other industries	254	381	635	269	904	325	295	620	310	930	367	423	791	471	1,261
Total	670	411	1,081	459	1,540	649	380	1,029	285	1,314	803	589	1,392	601	1,992

(a) See footnote (a), Table 5. (b) Includes extracting and refining. (c) Includes assembly and repairs. Excludes aircraft and ships. (d) Consists of chemicals, dyes, explosives, paints and non-mineral oils. (e) Includes aircraft and ships. (f) Excludes life insurance.

TABLE 8. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA,
BY TYPE OF ENTERPRISE, TYPE OF INVESTOR, TYPE OF INVESTMENT AND INDUSTRY GROUP
(\$A million)

Year	Direct investment enterprises								Other enterprises			Totals			
	Related investors				Unrelated investors										
	Undistrib- uted income	Corporate equities	Branch liabilities to head office	Inter- company indebted- ness	Borrowings	Corporate equities (a)	Borrowings	Total	Corporate equities (a)	Borrowings	Total	Undistrib- uted income	Corporate equities (a)	Other	Total
PRIMARY PRODUCTION															
1973-74	119	-11	-35	-21	19	-5	-62	4	-21	43	22	119	-37	-56	26
1974-75	73	9	-28	9	7	-2	26	94	-19	66	46	73	-12	80	141
1975-76	126	16	-29	-24	-61	3	68	99	6	17	23	126	25	-29	122
1976-77	47	-131	6	20	17	-9	69	20	7	2	9	47	-133	115	29
1977-78	39	-55	72	-	6	4	10	76	9	22	32	39	-42	111	108
1978-79	21	-206	185	-9	63	16	-32	38	80	54	134	21	-110	261	172
MANUFACTURING															
1973-74	160	13	18	93	-36	-4	-14	229	-60	-2	-62	160	-52	59	167
1974-75	130	51	1	105	-3	-5	125	404	-33	111	78	130	13	338	481
1975-76	232	41	-2	2	-40	-3	45	276	27	64	91	232	65	69	366
1976-77	369	48	5	106	-41	-7	11	491	-19	135	116	369	21	216	606
1977-78	285	44	-36	1	53	-	-34	313	-20	-17	-37	285	24	-33	276
1978-79	414	33	-29	65	64	-9	18	556	40	-37	3	414	64	81	559
OTHER INDUSTRIES															
1973-74	152	79	17	100	-48	-1	-14	286	-49	60	12	152	30	116	298
1974-75	43	51	44	82	83	-6	3	299	-48	80	32	43	-3	292	331
1975-76	256	71	38	17	-65	2	9	328	-17	9	-7	256	56	9	321
1976-77	254	110	41	193	37	2	48	685	-34	253	219	254	78	572	904
1977-78	325	166	25	41	62	-4	56	671	-26	284	259	325	136	469	930
1978-79	367	85	51	212	75	-18	192	964	30	268	297	367	96	798	1,261
TOTAL															
1973-74	431	81	-	172	-66	-10	-90	518	-130	102	-28	431	-59	118	490
1974-75	246	112	16	197	87	-13	153	797	-101	257	156	246	-3	710	953
1975-76	614	128	7	-5	-166	3	123	703	15	91	106	614	147	49	810
1976-77	670	26	53	319	13	-14	128	1,196	-46	390	344	670	-34	903	1,540
1977-78	649	155	61	42	121	-	32	1,060	-36	290	254	649	119	546	1,314
1978-79	803	-89	206	269	202	-11	178	1,558	149	285	434	803	50	1,140	1,992

(a) For portfolio investment and institutional loans, relatively minor amounts of investment through smaller nominee companies cannot be classified by industry and have been included in 'other industries'.

SECTION II. INCOME PAYABLE ON FOREIGN INVESTMENT IN AUSTRALIA

TABLE 9. INCOME PAYABLE ON TOTAL FOREIGN INVESTMENT IN AUSTRALIA,
BY BROAD TYPE OF INCOME
(\$A million)

Year	Income payable abroad by enterprises in Australia on -				Interest paid on foreign holdings of government securities -				
	Direct investment		Portfolio investment and institutional loans	Total	Repayable in Australian currency (a)	Repayable in foreign currencies to -			Total
	Undistributed income	Distributed income				Foreign countries	I.B.R.D.	Total	
1973-74	431	422	163	1,016	8	64	4	76	1,092
1974-75	246	489	207	942	10	62	4	76	1,018
1975-76	614	534	242	1,390	7	75	4	85	1,475
1976-77	670	662	257	1,589	7	103	4	114	1,703
1977-78	649	723	297	1,669	10	148	4	162	1,831
1978-79	803	715	356	1,874	11	293	4	307	2,181

(a) Estimated from information shown in Table 22 using the average rate of interest on Australian and State securities maturing in Australia.

TABLE 10. INCOME PAYABLE ON FOREIGN INVESTMENT IN ENTERPRISES
IN AUSTRALIA, BY TYPE OF INCOME
(\$A million)

Year	Income payable abroad on direct investment					Income payable abroad on portfolio investment and institutional loans				
	Undistributed income		Distributed income			Total	Income payable abroad on portfolio investment and institutional loans			Total
	Branches	Subsidiaries	Remitted profits of branches	Dividends payable	Interest payable		Dividends	Interest	Total	
1973-74	29	401	104	208	110	853	72	91	163	1,016
1974-75	23	223	152	204	133	735	70	137	207	942
1975-76	186	428	157	248	129	1,148	72	171	242	1,390
1976-77	52	619	290	249	123	1,333	77	180	257	1,589
1977-78	136	514	315	295	113	1,372	84	213	297	1,669
1978-79	3	800	307	283	125	1,518	88	268	356	1,874

TABLE 1. INVESTMENT IN THE U.S. AIRPORT SYSTEM, 1973-79

(in millions)

Year	Total	Public	Private	Joint	State	Federal	Local
1973-74	390	14	492	25	19	76	1,016
1974-75	296	1	530	15	22	78	942
1975-76	483	53	651	47	43	113	1,390
1976-77	538	55	765	39	77	115	1,589
1977-78	627	55	800	-2	34	156	1,669
1978-79	766	79	838	11	54	125	1,874

TOTAL

Year	Total	Public	Private	Joint	State	Federal	Local
1973-74	390	14	492	25	19	76	1,016
1974-75	296	1	530	15	22	78	942
1975-76	483	53	651	47	43	113	1,390
1976-77	538	55	765	39	77	115	1,589
1977-78	627	55	800	-2	34	156	1,669
1978-79	766	79	838	11	54	125	1,874

ROAD TYPE OF INCOME

1975-76		
Distributed income	Distributed income on direct investment	Total
-5	2	-3
116	116	233
14	69	84
126	188	314
47	35	81
37	29	67
20	18	38
53	33	86
46	41	86
6	6	12
5	3	8
14	6	21
4	9	13
232	180	413
55	10	65
18	58	76
102	33	135
69	42	110
6	9	15
4	4	8
2	10	12
256	166	422
614	534	1,148

TABLE 12. INCOME PAYABLE ON DIRECT FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY INDUSTRY AND BROAD TYPE OF INCOME — *continued*
(\$A million)

Industry	1976-77			1977-78			1978-79		
	Undistributed income	Distributed income on direct investment	Total	Undistributed income	Distributed income on direct investment	Total	Undistributed income	Distributed income on direct investment	Total
Primary production —									
1. Agriculture, forestry and fishing	-4	2	-2	-6	2	-5	7	3	9
2. Mining and quarrying	52	219	272	58	210	268	55	210	265
3. Oil exploration and production	-2	82	80	-12	126	113	-41	123	82
<i>Total primary production</i>	47	303	349	39	338	377	21	336	357
Manufacturing —									
4. Founding, engineering and metal working (a)	102	45	147	96	50	146	118	62	179
5. Vehicles, parts and accessories (b)	40	19	59	-28	7	-21	18	10	28
6. Electrical goods, equipment, cables, etc.	31	18	49	8	16	25	24	14	38
7. Food, drink and tobacco	85	30	115	72	30	101	69	39	107
8. Chemicals and allied products (c)	61	40	101	88	42	130	120	42	162
9. Oil refining	12	6	18	11	6	17	9	8	17
10. Cement, bricks, glass and stone	3	4	8	4	4	8	8	5	14
11. Yarns, textiles, clothing, footwear and accessories	20	5	25	25	9	35	15	13	28
12. Paper and paper products, printing, book-binding and photography	16	8	24	8	15	23	34	13	47
13. Other manufacturing (d)	369	177	547	285	178	464	414	206	620
<i>Total manufacturing</i>									
Other industries —									
14. Insurance (e)	86	21	107	121	28	149	83	17	100
15. Banking				5	50	55	-26	29	3
16. Other finance and property	-64	49	-15						
17. Primary produce dealing	-2	1	-1	-11	1	-10	12	1	13
18. Oil distribution	140	35	175	196	21	217	243	25	268
19. Commerce	68	55	123	-6	75	68	41	72	113
20. Building and construction	4	8	12	-	11	11	-3	6	3
21. Transport, storage and comm. union	10	6	16	10	7	16	10	7	16
22. Other industries	11	8	19	11	14	25	8	15	23
<i>Total other industries</i>	254	183	437	325	206	531	367	173	541
Total	670	662	1,333	649	723	1,372	803	715	1,518

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

SECTION III. LEVELS OF FOREIGN INVESTMENT IN AUSTRALIA

TABLE 13. LEVEL OF TOTAL FOREIGN INVESTMENT IN AUSTRALIA,
BY BROAD TYPE OF INVESTMENT
(\$A million)

Investment in enterprises											Investment in government securities repayable in -		Total investment in government securities
At 30 June -	Direct investment			Portfolio investment and institutional loans		Totals		Australian currency	Foreign currencies				
	Corporate equities (a)	Branch liabilities to head office	Inter-company indebtedness	Borrowings	Corporate equities (a)	Borrowings (b)	Corporate equities (a)			Other			
1974	2,667	1,163	836	1,777	790	1,639	3,456	5,415	131	1,033	1,164		
1975	2,820	1,120	1,107	1,990	700	2,084	3,520	6,301	152	1,182	1,334		
1976	3,210	1,361	1,078	1,824	725	2,339	3,934	6,602	73	1,325	1,398		
1977	3,515	1,269	1,436	1,925	734	3,070	4,249	7,700	90	1,871	1,961		
1978	3,940	1,469	1,454	2,001	765	3,448	4,706	8,372	124	3,635	3,759		
1979	4,368	1,747	1,477	2,257	830	4,066	5,198	9,748	131	5,255	5,385		

(a) Paid up value only. (b) Includes foreign borrowings by public trading enterprises - at 30 June 1978, \$503m; at 30 June 1979, \$801m.

TABLE 14. LEVEL OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA,
DIRECT INVESTMENT BY COUNTRY AND BROAD TYPE OF INVESTMENT
(\$A million)

	E.E.C.						
At 30 June -	United Kingdom	Other	U.S.A.	Canada	Japan	Other countries	Total
CORPORATE EQUITIES (a)							
1974	1,034	265	935	136	89	208	2,667
1975	1,078	190	984	137	110	321	2,820
1976	1,186	210	1,168	130	146	369	3,210
1977	1,381	178	1,237	133	174	412	3,515
1978	1,472	238	1,426	128	225	450	3,940
1979	1,747	257	1,475	119	276	495	4,368
BRANCH LIABILITIES TO HEAD OFFICE							
1974	411	13	645	1	-3	96	1,163
1975	403	16	626	2	-2	75	1,120
1976	487	26	752	4	6	85	1,361
1977	331	58	772	4	10	94	1,269
1978	385	75	863	4	14	129	1,469
1979	440	89	1,051	6	15	145	1,747
INTERCOMPANY INDEBTEDNESS							
1974	336	114	273	35	18	60	836
1975	380	168	310	37	80	131	1,107
1976	330	167	351	40	91	100	1,078
1977	383	253	467	61	109	162	1,436
1978	382	231	520	72	134	115	1,454
1979	554	256	530	59	136	162	1,677
BORROWINGS							
1974	703	110	437	87	100	340	1,777
1975	740	117	467	87	108	471	1,990
1976	685	145	424	93	90	387	1,824
1977	653	209	577	63	83	340	1,925
1978	651	226	554	64	131	374	2,001
1979	758	265	634	100	134	366	2,257

(a) Paid up value only.

TABLE 15. LEVEL OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA,
PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS, BY COUNTRY AND BROAD TYPE OF INVESTMENT
(\$A million)

E.E.C.							
At 30 June -	United Kingdom	Other	U.S.A.	Canada	Japan	Other countries	Total
CORPORATE EQUITIES (a)							
1974	396	56	80	6	16	236	790
1975	311	59	73	5	16	236	700
1976	305	63	71	6	38	243	725
1977	298	59	75	6	49	248	734
1978	328	60	78	6	47	247	765
1979	345	62	93	6	65	260	830
BORROWINGS							
1974	348	258	505	24	75	429	1,639
1975	454	371	653	37	93	475	2,084
1976	508	371	792	31	102	534	2,339
1977	576	551	1,010	80	159	694	3,070
1978	579	579	1,185	76	251	777	3,448
1979	635	651	1,282	81	416	1,001	4,066

(a) Paid up value only.

TABLE 16. LEVEL OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA,
TOTAL INVESTMENT, BY COUNTRY AND BROAD TYPE OF INVESTMENT
(\$A million)

E.E.C.							
At 30 June -	United Kingdom	Other	U.S.A.	Canada	Japan	Other countries	Total
CORPORATE EQUITIES (a)							
1974	1,430	320	1,015	142	105	443	3,456
1975	1,388	249	1,057	142	127	556	3,520
1976	1,491	273	1,239	135	183	612	3,934
1977	1,679	237	1,311	139	223	660	4,249
1978	1,800	298	1,504	134	272	697	4,706
1979	2,091	319	1,567	125	341	755	5,198
OTHER							
1974	1,799	495	1,860	147	189	925	5,415
1975	1,978	673	2,056	164	279	1,152	6,301
1976	2,010	710	2,320	168	289	1,106	6,602
1977	1,943	1,070	2,825	209	362	1,290	7,700
1978	1,998	1,112	3,123	216	529	1,395	8,372
1979	2,368	1,261	3,497	246	701	1,674	9,748

(a) Paid up value only.

TABLE 17. LEVEL OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY TYPE OF ENTERPRISE,
TYPE OF INVESTOR, TYPE OF INVESTMENT AND INDUSTRY GROUP
(\$A million)

At 30 June -	Direct investment enterprises				Other enterprises				Totals	
	Related investors		Unrelated investors							
	Corporate equities (a)	Branch liabilities to head office	Intercompany indebtedness	Borrowings	Corporate equities (a)	Borrowings	Corporate equities (a)	Borrowings	Corporate equities (a)	Other
PRIMARY PRODUCTION										
1974	522	623	22	432	33	373	166	132	722	1 583
1975	515	600	31	420	30	414	152	213	697	1,677
1976	538	732	3	345	32	493	170	229	740	1,801
1977	528	708	31	395	30	675	172	225	730	2,035
1978	549	806	17	407	28	712	172	257	748	2,199
1979	574	948	7	476	31	724	193	319	798	2,474
MANUFACTURING										
1974	1,345	100	331	442	25	422	224	105	1,594	1,400
1975	1,416	101	454	447	15	557	212	233	1,643	1,792
1976	1,660	102	461	402	15	615	222	316	1,896	1,897
1977	1,750	121	578	393	13	515	224	602	1,988	2,210
1978	1,945	121	561	425	16	487	219	577	2,180	2,169
1979	2,008	110	629	493	18	508	248	555	2,273	2,295
OTHER INDUSTRIES										
1974	799	440	483	903	19	160	322	447	1,140	2,432
1975	889	419	623	1,123	18	175	273	492	1,180	2,831
1976	1,012	526	614	1,078	18	185	268	501	1,299	2,904
1977	1,236	439	827	1,137	18	232	277	820	1,532	3,455
1978	1,447	543	876	1,169	14	313	317	1,102	1,777	4,003
1979	1,786	689	1,041	1,288	10	516	330	1,444	2,126	4,978
TOTAL										
1974	2,667	1,163	836	1,777	77	954	712	685	3,456	5,415
1975	2,820	1,120	1,107	1,990	63	1,146	637	938	3,520	6,301
1976	3,210	1,361	1,078	1,824	65	1,293	660	1,046	3,934	6,602
1977	3,515	1,269	1,436	1,925	61	1,422	673	1,648	4,249	7,700
1978	3,940	1,469	1,454	2,001	58	1,512	708	1,936	4,706	8,372
1979	4,368	1,747	1,677	2,257	58	1,748	771	2,318	5,198	9,748

(a) Paid up value only.

TABLE 18. LEVEL OF INVESTMENT IN DIRECT INVESTMENT ENTERPRISES IN AUSTRALIA AT 30 JUNE 1979,
BY TYPE OF INVESTOR, TYPE OF INVESTMENT AND PERCENTAGE OF DIRECT FOREIGN EQUITY
(\$A million)

% equity held by direct foreign investors (a)	No. of enterprises (b)	Investment by -									
		Direct foreign investors				Other foreign investors		Australian investors		Totals	
		Corporate equities (c)	Branch liabilities to head office	Intercompany indebtedness	Borrowings	Corporate equities (c)	Borrowings	Corporate equities (c)	Borrowings (d)	Corporate equities (c)	Other
100%	2,165	3,232	1,747	1,481	1,950	..	1,210	..	4,616	3,232	11,004
76 - 99%	172	312	..	109	183	15	70	63	402	390	765
51 - 75%	171	507	..	25	72	15	99	326	949	849	1,144
25 - 50%	268	317	..	63	51	28	369	462	1,753	808	2,236
Total	2,776	4,368	1,747	1,677	2,257	58	1,748	852	7,720	5,279	15,149

(a) The percentage of direct foreign equity is the ratio of total direct foreign holdings of ordinary shares or voting stock to the total holdings of ordinary shares or voting stock rounded to the nearest whole number. (b) The number of enterprises consists of branches of foreign incorporated enterprises and Australian incorporated enterprises in which there is a direct foreign shareholder. It excludes subsidiaries or sub-subsidiaries of those enterprises. (c) Paid up value only. (d) Borrowings by branches are currently excluded from this column.

TABLE 19. LEVEL OF INVESTMENT IN DIRECT INVESTMENT ENTERPRISES IN AUSTRALIA AT 30 JUNE 1979,
BY TYPE OF INVESTOR, TYPE OF INVESTMENT AND INDUSTRY
(\$A million)

Industry	Direct foreign investors				Other foreign investors		Australian investors		Totals	
	Corporate equities (a)	Branch liabilities to head office	Intercompany indebtedness	Borrowings	Corporate equities (a)	Borrowings	Corporate equities (a)	Borrowings	Corporate equities (a)	Other
Primary production —										
1. Agriculture, forestry and fishing	51	21	5	61	2	8	4	21	57	116
2. Mining and quarrying	438	512	-1	359	29	715	196	449	662	2,033
3. Oil exploration and production	85	415	4	56	-	1	17	6	102	482
<i>Total primary production</i>	<i>574</i>	<i>948</i>	<i>7</i>	<i>476</i>	<i>31</i>	<i>724</i>	<i>217</i>	<i>475</i>	<i>822</i>	<i>2,630</i>
Manufacturing —										
4. Founding, engineering and metal working (b)	358	-21	113	94	4	416	194	543	556	1,144
5. Vehicles, parts and accessories (c)	358	4	146	32	-	29	31	274	390	485
6. Electrical goods, equipment, cables, etc.	192	3	119	77	4	26	45	141	241	366
7. Food, drink and tobacco	260	13	7	127	4	11	69	331	332	490
8. Chemicals and allied products (d)	476	52	152	78	4	13	57	310	537	605
9. Oil refining										
10. Cement, bricks, glass and stone	71	6	8	20	1	6	56	128	127	169
11. Yarns, textiles, clothing, footwear and accessories	64	10	10	3	-	1	10	26	74	51
12. Paper and paper products, printing, book-binding and photography	58	40	31	19	-	1	23	14	81	105
13. Other manufacturing (e)	172	3	44	43	1	4	38	66	211	160
<i>Total manufacturing</i>	<i>2,008</i>	<i>110</i>	<i>629</i>	<i>493</i>	<i>18</i>	<i>508</i>	<i>524</i>	<i>1,833</i>	<i>2,550</i>	<i>3,574</i>
Other industries —										
14. Insurance (f)	169	268	57	16	2	-	15	4	186	345
15. Banking	455	90	7	726	7	98	58	4,404	519	5,325
16. Other finance and property										
17. Primary produce dealing	59	12	-41	13	1	9	5	256	65	249
18. Oil distribution	490	-	292	162	-	351	-	168	490	974
19. Commerce	449	227	692	223	-	47	23	469	473	1,659
20. Building and construction	35	12	10	82	-	4	1	22	36	130
21. Transport, storage and communication	61	31	8	15	-	1	7	55	69	112
22. Other industries	67	48	15	50	-	5	3	34	70	151
<i>Total other industries</i>	<i>1,786</i>	<i>689</i>	<i>1,041</i>	<i>1,288</i>	<i>10</i>	<i>516</i>	<i>112</i>	<i>5,411</i>	<i>1,907</i>	<i>8,945</i>
Total	4,368	1,747	1,677	2,257	58	1,748	852	7,720	5,279	15,149

(a) Paid up value only. (b) Includes extracting and refining. (c) Includes assembly and repairs. Excludes aircraft and ships. (d) Consists of chemicals, dyes, explosives, paints and non-mineral oils. (e) Includes aircraft and ships, etc. (f) Excludes life insurance.

TABLE 20. LEVEL OF FOREIGN BORROWINGS BY ENTERPRISES IN AUSTRALIA AT 30 JUNE 1979, BY TYPE OF ENTERPRISE AND SIZE OF INVESTMENT

Size of investment at 30.6.79 (\$A '000)	Direct investment enterprises				Other enterprises				Total			
	Enterprises		Investment		Enterprises		Investment		Enterprises		Investment	
	Number	%	Value (\$A m)	%	Number	%	Value (\$A m)	%	Number	%	Value (\$A m)	%
1-999	668	66.1	177	4.4	252	64.9	59	2.5	920	65.8	235	3.7
1,000-1,999	102	10.1	143	3.5	34	8.8	52	2.2	136	9.7	195	3.1
2,000-4,999	111	11.0	347	8.6	43	11.1	141	6.1	154	11.0	488	7.7
5,000-9,999	59	5.8	417	10.3	28	7.2	205	8.8	87	6.2	622	9.8
10,000-19,999	34	3.4	471	11.6	14	3.6	192	8.3	48	3.4	663	10.4
20,000-49,999	22	2.2	703	17.4	7	1.8	212	9.2	29	2.1	916	14.4
50,000 and over	15	1.5	1,747	44.3	10	2.6	1,457	62.9	25	1.8	3,204	51.0
Total	1,011	100.0	4,005	100.0	388	100.0	2,318	100.0	1,399	100.0	6,323	100.0

TABLE 21. LEVEL OF FOREIGN BORROWINGS BY ENTERPRISES IN AUSTRALIA AT 30 JUNE 1979, BY CURRENCY AND REPAYMENT TERMS

Repayment terms	Currency in which liability is expressed (a)						
	U.S. dollars	Australian dollars	Pounds sterling	Deutsche marks	Swiss francs	Other currencies	Total
Value in \$A million converted at 30.6.79							
Borrowings with contractual repayment dates -							
1. 7.79 to 30. 7.79	126	22	24	18	5	3	160
1. 1.0.79 to 31.12.79	108	46				-	190
1. 1.8.0 to 30. 6.80	121	57		30			193
1. 7.80 to 30. 6.81	236	95	115	306	272	279	434
On or after 1.7.81	2,478	497					3,865
Borrowings repayable at call or on an indefinite date	434	901	120	2	33	31	1,520
Total	3,502	1,617	259	355	310	319	6,363

(a) Converted to Australian dollars using exchange rates prevailing at the end of the quarter. These liabilities are included in Tables 13, 17, 20, 28 and 29 at their Australian dollar equivalents recorded in the books of reporting enterprises. Values in this table therefore differ from those used in compiling other tables to the extent that different exchange rates have been used.

TABLE 22. LEVEL OF FOREIGN INVESTMENT IN GOVERNMENT SECURITIES REPAYABLE IN AUSTRALIAN CURRENCY, BY COUNTRY (a)
(\$A million)

At 30 June	U.K.	N.Z.	U.S.A. and Canada	Papua New Guinea	Other countries (b)	Total
1974	4	3	1	9	114	131
1975	4	3	1	17	126	152
1976	6	3	1	13	48	73
1977	6	4	2	12	66	90
1978	7	—	7	12	94	124
1979	6	1	2	11	111	131

(a) Includes holdings registered under foreign addresses and holdings by Australian nominees on behalf of foreign investors as well as holdings by foreign investors using Australian addresses. Excludes holdings of securities issued in Australia which are held as part of the assets of Australian branches of enterprises incorporated abroad — these holdings are a component of branch liabilities to head office. (b) Includes securities held by or on behalf of international organisations.

TABLE 23. LEVEL OF FOREIGN INVESTMENT IN GOVERNMENT SECURITIES REPAYABLE IN FOREIGN CURRENCIES, BY CURRENCY

Foreign currency in which repayable	At 30 June —					
	1974	1975	1976	1977	1978	1979
Value in \$A million converted at 30 June of each year						
Pounds sterling —						
Australian and State governments	245	201	156	145	119	108
Other government	2	—	—	—	—	—
Total pounds sterling	247	201	156	145	119	108
United States dollars (excl. I.B.R.D.)	330	372	497	948	1,803	1,797
Canadian dollars (excl. I.B.R.D.)	8	8	9	9	7	6
Swiss francs (excl. I.B.R.D.)	89	160	200	219	281	863
Netherlands guilders	21	24	34	41	160	444
Deutsche marks (excl. I.B.R.D.)	239	315	325	390	524	1,170
European units of account (a)	11	13	18	19	23	25
Japanese yen	24	26	27	34	255	779
I.B.R.D. loans —						
Australian Government —						
United States dollars	46	45	41	42	37	33
Deutsche marks	19	20	10	24	26	30
Total	1,033	1,182	1,325	1,871	3,635	5,255

(a) A currency unit, the value of which is linked with the currencies of the European Economic Community.

SECTION IV. SUPPLEMENTARY INFORMATION ON FOREIGN INVESTMENT IN AUSTRALIA

TABLE 24. LEVELS AND COMPONENTS OF CHANGE IN LEVELS OF BRANCH LIABILITIES TO HEAD OFFICE
(\$A million)

<i>Levels and components of change in levels</i>	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Levels at start of period	1,263	1,163	1,120	1,361	1,269	1,469
Levels at end of period	1,163	1,120	1,361	1,269	1,469	1,747
Change in levels during the year	-100	-43	241	-92	200	278

COMPONENTS OF CHANGE IN LEVELS DURING THE YEAR						
1. Imports -						
(i) Imports received during year	59	85	87	151	150	251
(ii) Payments made, during year, for imports	49	65	87	130	111	136
(iii) Net excess of imports received over payments made for imports	10	20	-	21	39	115
2. Exports -						
(i) Receipts, during year, for exports	77	109	125	221	280	323
(ii) Exports shipped during year	90	159	186	254	329	354
(iii) Net excess of receipts for exports over exports shipped	-13	-49	-61	-33	-49	-31
3. Other investment during year	3	45	68	64	72	122
4. Unremitted profits during year	29	23	186	52	136	3
5. Other changes in levels during year	-129	-82	48	-196	2	69
Change in levels during the year	-100	-43	241	-92	200	278

TABLE 25. LEVELS AND COMPONENTS OF CHANGE IN LEVELS OF INTERCOMPANY INDEBTEDNESS OF SUBSIDIARIES
(\$A million)

<i>Levels and components of change in levels</i>	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Levels at start of period	685	836	1,107	1,078	1,436	1,454
Levels at end of period	836	1,107	1,078	1,436	1,454	1,677
Change in levels during the year	151	271	-29	358	18	223

COMPONENTS OF CHANGE IN LEVELS DURING THE YEAR						
1. Dividends -						
(i) Dividends credited during year	n.a.	n.a.	n.a.	249	295	283
(ii) Dividends remitted during year	n.a.	n.a.	n.a.	231	289	278
(iii) Net excess of dividends credited over dividends remitted	4	36	6	18	7	5
2. Interest -						
(i) Interest credited during year	n.a.	n.a.	n.a.	112	102	106
(ii) Interest remitted during year	n.a.	n.a.	n.a.	87	96	99
(iii) Net excess of interest credited over interest remitted	3	2	2	25	6	7
3. Imports -						
(i) Imports received during year				4,202	4,598	5,569
(ii) Payments made, during year, for imports				3,871	4,385	5,028
(iii) Net excess of imports received over payments made for imports				331	213	541
4. Exports -						
(i) Receipts, during year, for exports				1,984	1,969	2,327
(ii) Exports shipped during year				2,020	2,099	2,533
(iii) Net excess of receipts for exports over exports shipped				-36	-130	-207
5. Services -						
Net change, during year, in indebtedness for royalties, management fees and other services	-35	-15	-29	-13	-54	-77
6. Other changes in levels during year (a)	-21	74	-23	33	-24	-46
Change in levels during the year	151	271	-29	358	18	223

(a) Includes capitalisation of outstanding amounts, transfers of assets between branches and subsidiaries, changes in amounts outstanding due to exchange rate variations, etc.

TABLE 26. LEVELS AND COMPONENTS OF CHANGE IN LEVELS OF BRANCH LIABILITIES
TO HEAD OFFICE, BY INDUSTRY GROUP, YEAR ENDED 30 JUNE 1979
(\$A million)

Levels and components of change in levels	Industry group of borrower			Total
	Primary production	Manufacturing	Other industries	
Levels at 30 June 1978	806	121	543	1,469
Levels at 30 June 1979	948	110	689	1,747
Change in levels during the year	142	-11	146	278
COMPONENTS OF CHANGE IN LEVELS DURING THE YEAR				
1. Imports -				
(i) Imports received during year	124	51	76	251
(ii) Payments made, during year, for imports	15	47	74	136
(iii) Net excess of imports received over payments made for imports	110	4	1	115
2. Exports -				
(i) Receipts, during year, for exports	249	60	14	323
(ii) Exports shipped during year	251	87	16	354
(iii) Net excess of receipts for exports over exports shipped	-2	-28	-1	-31
3. Other investment during year	77	-6	51	122
4. Unremitted profits during year	-71	18	56	3
5. Other changes in levels during year	28	-	40	68
Change in levels during the year	142	-11	146	278

TABLE 27. LEVELS AND COMPONENTS OF CHANGE IN LEVELS OF INTERCOMPANY INDEBTEDNESS
OF SUBSIDIARIES, BY INDUSTRY GROUP, YEAR ENDED 30 JUNE 1979
(\$A million)

Levels and components of change in levels	Industry group of borrower			Total
	Primary production	Manufacturing	Other industries	
Levels at 30 June 1978	17	561	876	1,454
Levels at 30 June 1979	7	629	1,041	1,677
Change in levels during the year	-10	69	165	223
COMPONENTS OF CHANGE IN LEVELS DURING THE YEAR				
1. Dividends -				
(i) Dividends credited during year	47	159	77	283
(ii) Dividends remitted during year	46	158	74	278
(iii) Net excess of dividends credited over dividends remitted	1	1	3	5
2. Interest -				
(i) Interest credited during year	11	40	56	106
(ii) Interest remitted during year	10	38	51	99
(iii) Net excess of interest credited over interest remitted	1	1	5	7
3. Imports -				
(i) Imports received during year	19	2,379	3,171	5,569
(ii) Payments made, during year, for imports	19	2,272	2,737	5,028
(iii) Net excess of imports received over payments made for imports	-	107	434	541
4. Exports -				
(i) Receipts, during year, for exports	184	567	1,576	2,327
(ii) Exports shipped during year	194	608	1,731	2,533
(iii) Net excess of receipts for exports over exports shipped	-10	-41	-155	-207
5. Services -				
Net change, during year, in indebtedness for royalties, management fees and other services	-	-3	-73	-77
6. Other changes in levels during year	-2	3	-48	-46
Change in levels during the year	-10	69	165	223

TABLE 28. LEVELS AND COMPONENTS OF CHANGE IN LEVELS OF FOREIGN BORROWINGS
BY ENTERPRISES IN AUSTRALIA, BY INDUSTRY GROUP
(\$A million)

Components of change in level during the year						
Year	Drawings	Repayments	Net inflow	Other changes (a)	Total changes	Level of investment at end of period
PRIMARY PRODUCTION						
1973-74	177	176	..	-28	-29	937
1974-75	327	228	99	11	110	1,047
1975-76	204	180	24	-4	20	1,067
1976-77	183	94	88	140	228	1,295
1977-78	246	206	39	42	81	1,376
1978-79	301	217	85	58	143	1,519
MANUFACTURING						
1973-74	86	137	-52	-17	-68	969
1974-75	334	101	233	35	268	1,237
1975-76	372	303	69	27	96	1,333
1976-77	479	374	106	71	177	1,510
1977-78	370	369	1	-23	-21	1,489
1978-79	389	343	45	21	67	1,556
OTHER INDUSTRIES						
1973-74	420	423	-2	114	112	1,510
1974-75	891	725	166	114	280	1,790
1975-76	556	603	-47	21	-26	1,764
1976-77	801	464	338	87	425	2,189
1977-78	1,070	668	402	-7	395	2,584
1978-79	1,308	773	535	129	664	3,248
TOTAL						
1973-74	684	738	-54	68	14	3,416
1974-75	1,551	1,053	498	160	658	4,074
1975-76	1,133	1,086	47	42	89	4,163
1976-77	1,463	932	532	300	832	4,995
1977-78	1,686	1,243	443	12	454	5,449
1978-79	1,997	1,333	664	209	874	6,323

(a) Changes in levels of outstandings not arising from a flow of funds (e.g. the revaluation of levels due to variations in exchange rates, the writing off of outstandings or change in the classification of outstandings, such as a conversion from borrowings to equity).

TABLE 29. LEVELS AND COMPONENTS OF CHANGE IN LEVELS OF FOREIGN BORROWINGS
BY ENTERPRISES IN AUSTRALIA, BY TYPE OF ENTERPRISE
(\$A million)

Components of change in levels during the year						
Year	Drawings	Repayments	Net inflow	Other changes (a)	Total changes	Level of investment at end of period
DIRECT INVESTMENT ENTERPRISES						
1973-74	348	504	-156	5	-151	2,732
1974-75	852	612	240	164	404	3,136
1975-76	731	774	-43	24	-19	3,117
1976-77	857	715	141	89	230	3,347
1977-78	1,010	857	153	13	166	3,513
1978-79	1,225	845	380	112	492	4,005
OTHER ENTERPRISES						
1973-74	336	234	102	63	165	685
1974-75	698	441	257	-4	253	938
1975-76	402	311	91	16	108	1,046
1976-77	606	217	390	211	601	1,648
1977-78	675	386	290	-2	288	1,936
1978-79	773	488	285	97	382	2,318
TOTAL						
1973-74	684	738	-54	68	14	3,416
1974-75	1,551	1,053	498	160	658	4,074
1975-76	1,133	1,086	47	42	89	4,163
1976-77	1,463	932	532	300	832	4,995
1977-78	1,686	1,243	443	12	454	5,449
1978-79	1,997	1,333	664	209	874	6,323

(a) See footnote (a), Table 28.

PART B. AUSTRALIAN INVESTMENT ABROAD
SECTION V. OUTFLOW OF AUSTRALIAN INVESTMENT ABROAD

TABLE 30. OUTFLOW OF TOTAL AUSTRALIAN INVESTMENT ABROAD, BY BROAD TYPE OF INVESTMENT
(\$A million)

Year	Investment in foreign enterprises				Investment in foreign government securities	Net remittances abroad by life insurance enterprises (b)	Total
	Direct investment		Portfolio investment and institutional loans (a)	Total ¹			
	Undistributed income	Other direct investment					
1973-74	99	145	18	262	—	-14	249
1974-75	27	67	5	99	-4	-14	81
1975-76	64	103	18	185	—	-1	184
1976-77	99	156	3	257	—	-6	252
1977-78	91	106	8	206	1	-1	205
1978-79	166	52	-10	208	1	-1	208

(a) From January 1976, includes portfolio investment in Papua New Guinea. Prior to April 1975 excludes such investment; between April and December 1975, includes transactions with Papua New Guinea only where amounts involved were denominated in kina. (b) See explanatory notes, paragraphs 49 to 52.

TABLE 31. OUTFLOW OF TOTAL AUSTRALIAN INVESTMENT ABROAD, BY COUNTRY
(\$A million)

Year	E.E.C.		New Zealand	U.S.A. and Canada	Papua New Guinea (a)	A.S.E.A.N. (b)	Other countries	Total
	U.K.	Other						
1973-74	34	29	25	48	54	24	34	249
1974-75	-4	-1	33	9	-12	39	16	81
1975-76	25	8	10	46	51	9	35	184
1976-77	28	9	70	60	26	17	42	252
1977-78	71	-1	46	6	26	23	34	205
1978-79	-10	-2	26	67	19	41	67	208

(a) See footnote (a), Table 30 above. (b) Indonesia, Malaysia, Philippines, Singapore and Thailand.

TABLE 32. OUTFLOW OF AUSTRALIAN INVESTMENT IN FOREIGN ENTERPRISES, BY TYPE OF INVESTMENT
(\$A million)

Direct investment									
Undistributed income			Other direct investment				Portfolio investment and institutional loans (a)	Total	
Year	Branches	Subsidiaries	Corporate equities	Branch liabilities to head office	Intercompany indebtedness	Borrowings			
									Total
1973-74	-3	103	(b)	55	(c)90		244	18	262
1974-75	-12	40	(b)	3	(c)63		94	5	99
1975-76	2	62	(b)	10	(c)92		166	18	185
1976-77	-1	100	(b)	46	(c)110		255	3	257
1977-78	-19	110	-	24	62	20	198	8	206
1978-79	5	161	42	24	-10	-4	218	-10	208

(a) See footnote (a), Table 30 above. (b) Separate details of corporate equities, intercompany indebtedness and borrowings not available prior to 1977-78. (c) Includes corporate equities.

TABLE 33. OUTFLOW OF AUSTRALIAN INVESTMENT IN FOREIGN ENTERPRISES,
BY COUNTRY AND BROAD TYPE OF INVESTMENT
(\$A million)

Year	E.E.C.		New Zealand	U.S.A. and Canada	Papua New Guinea (a)	A.S.E.A.N.	Other countries	Total
	U.K.	Other						
UNDISTRIBUTED INCOME								
1973-74	13	—	19	2	(b)	3	(c)62	99
1974-75	5	-7	15	2	-7	5	14	27
1975-76	11	2	18	5	21	-2	9	64
1976-77	18	-3	37	5	18	4	21	99
1977-78	15	-4	37	1	26	2	14	91
1978-79	25	14	36	4	28	17	42	166
OTHER DIRECT INVESTMENT								
1973-74	26	28	8	41	6	21	15	145
1974-75	-6	5	18	10	-3	33	9	67
1975-76	24	5	-8	19	24	12	26	103
1976-77	12	10	35	43	12	16	27	156
1977-78	58	6	8	-10	1	18	24	106
1978-79	-29	-14	1	49	-8	23	28	52
PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS								
1973-74	2	1	2	6	—	—	8	18
1974-75	3	—	3	-1	4	1	-4	5
1975-76	-7	1	1	19	5	-2	1	18
1976-77	1	2	—	12	-3	-3	-5	3
1977-78	-4	-3	1	16	-1	2	-3	8
1978-79	-9	-3	-7	13	-2	1	-4	-10
TOTAL								
1973-74	41	29	28	49	(b)	24	(c)91	262
1974-75	2	-1	36	11	-6	39	19	99
1975-76	28	8	11	43	50	9	36	185
1976-77	31	9	72	60	26	17	43	257
1977-78	69	-1	46	7	26	23	35	206
1978-79	-13	-2	30	67	18	41	66	208

(a) See footnote (a), Table 30. (b) Not available; included in 'Other countries'. (c) Includes Papua New Guinea.

TABLE 34. OUTFLOW OF AUSTRALIAN DIRECT INVESTMENT IN FOREIGN ENTERPRISES,
BY INDUSTRY GROUP OF FOREIGN ENTERPRISE (a)
(\$A million)

Year	Primary production	Manufacturing	Other industries	Total
UNDISTRIBUTED INCOME				
1973-74	48	32	19	99
1974-75	-7	19	15	27
1975-76	8	29	27	64
1976-77	5	51	44	99
1977-78	-6	52	44	91
1978-79	17	86	63	166
OTHER DIRECT INVESTMENT				
1973-74	16	57	72	145
1974-75	21	38	8	67
1975-76	17	17	68	103
1976-77	21	39	96	156
1977-78	12	57	38	106
1978-79	15	7	30	52
TOTAL				
1973-74	64	90	91	244
1974-75	14	57	23	94
1975-76	25	47	95	166
1976-77	25	89	140	255
1977-78	6	109	82	198
1978-79	32	93	93	218

(a) Statistics on outflow of portfolio investment split by industry group are not available.

SECTION VI. INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT ABROAD

TABLE 35. INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT IN FOREIGN ENTERPRISES, BY TYPE OF INCOME (A)
(£m. million)

Year	Undistributed income			Distributed income			
	Undistributed income			Reinvested profits of branches	Dividends of subsidiaries	Interest	Total
	Branches	Subsidiaries	Total				
1975/76	-3	105	99	18	68	1	187
1976/75	-12	40	27	25	60	3	115
1975/76	2	62	64	22	46	5	136
1976/77	-1	100	99	24	59	7	191
1977/78	-19	110	91	35	115	3	243
1978/79	5	161	166	37	85	7	285

(A) Details of income receivable in Australia are not available on either portfolio investment and institutional finance or on Australian holdings of foreign government securities.

TABLE 36. INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT IN FOREIGN ENTERPRISES, BY COUNTRY AND BRANCH TYPE OF INCOME (A)
(£m. million)

Year	D.I.C.		New Zealand	U.S.A. and Canada		Ropes New Guinea	A.S.R.A.N.	Other countries	Total
	B.R.	Other							
UNDISTRIBUTED INCOME									
1975/76	115	—	19	2	(6)	3	(96)	99	
1976/75	5	-7	15	2	-7	5	10	27	
1975/76	131	2	18	5	21	-2	9	164	
1976/77	146	-5	37	5	18	4	21	199	
1977/78	15	-4	37	1	26	2	14	91	
1978/79	25	14	36	4	28	17	45	169	
DISTRIBUTED INCOME ON DIRECT INVESTMENT									
1975/76	112	—	16	—	(6)	3	(95)	127	
1976/75	112	—	18	2	(6)	4	(95)	125	
1975/76	112	—	16	3	(6)	10	(93)	125	
1976/77	15	—	17	3	21	13	21	59	
1977/78	15	1	22	3	37	19	50	150	
1978/79	113	(6)	27	4	36	22	(128)	199	
TOTAL									
1975/76	227	—	35	2	(6)	6	(91)	187	
1976/75	117	-7	33	4	(6)	9	(91)	143	
1975/76	243	2	34	7	(6)	9	(91)	156	
1976/77	361	-5	54	10	44	17	45	487	
1977/78	30	-3	59	4	63	21	64	201	
1978/79	38	(6)	63	8	63	39	(128)	205	

(A) See footnote (A), Table 35. (b) Re-invested profits included in 'Other countries'. (c) Includes Ropes New Guinea. (d) Includes 'Other D.I.C.'.

TABLE 37. INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT IN FOREIGN ENTERPRISES,
BY INDUSTRY GROUP OF FOREIGN ENTERPRISE AND BROAD TYPE OF INCOME (a)
(\$A million)

Year	Primary production	Manufacturing	Other industries	Total
UNDISTRIBUTED INCOME				
1973-74	48	32	19	99
1974-75	-7	19	15	27
1975-76	8	29	27	64
1976-77	5	51	44	99
1977-78	-6	52	44	91
1978-79	17	86	63	166
DISTRIBUTED INCOME ON DIRECT INVESTMENT				
1973-74	40	17	30	87
1974-75	38	15	32	85
1975-76	19	22	32	72
1976-77	20	27	43	91
1977-78	44	42	65	150
1978-79	42	38	50	129
TOTAL				
1973-74	88	49	49	187
1974-75	31	35	47	113
1975-76	26	51	59	136
1976-77	25	78	87	190
1977-78	38	94	109	241
1978-79	59	124	112	295

(a) See footnote (a), Table 35.

SECTION VII. LEVELS OF AUSTRALIAN INVESTMENT ABROAD

TABLE 38. LEVEL OF AUSTRALIAN INVESTMENT IN FOREIGN ENTERPRISES,
BY TYPE OF INVESTMENT
(\$A million)

At 30 June -	Direct investment				Portfolio investment and institutional loans		Totals	
	Corporate equities (a)	Branch liabilities to head office	Intercompany indebtedness	Borrowings	Corporate equities (a)	Borrowings	Corporate equities (a)	Other
1974	332	243	123	95	60	22	392	483
1975	392	240	128	120	74	30	466	517
1976	439	254	140	166	69	44	509	603
1977	530	290	140	234	72	65	602	728
1978	566	308	199	267	75	87	640	860
1979	610	339	219	268	85	76	695	902

(a) Paid up value only.

TABLE 39. LEVEL OF AUSTRALIAN INVESTMENT IN FOREIGN ENTERPRISES, BY COUNTRY
(\$A million)

At 30 June -	E.E.C.		New Zealand	U.S.A. and Canada	Papua New Guinea	A.S.E.A.N.	Other countries	Total
	U.K.	Other						
CORPORATE EQUITIES (a)								
1974	41	7	114	35	108	23	63	392
1975	49	13	133	29	113	44	84	466
1976	47	15	127	56	120	58	85	509
1977	48	18	156	69	130	72	109	602
1978	54	22	161	61	153	78	111	640
1979	59	18	146	64	158	93	155	695
OTHER								
1974	48	(b)	87	57	138	40	(c)113	483
1975	39	(b)	100	75	120	61	(c)121	517
1976	61	51	100	92	137	61	101	603
1977	69	(b)	125	138	146	65	(c)184	728
1978	124	55	161	157	147	63	(d)153	860
1979	102	59	159	189	142	77	174	902

(a) Paid up value only. (b) Not available; included in 'Other countries'. (c) Includes 'Other E.E.C.' (d) Includes intercompany indebtedness and direct borrowings for 'Other E.E.C.' and portfolio borrowings for 'A.S.E.A.N.'

TABLE 40. LEVEL OF AUSTRALIAN INVESTMENT IN FOREIGN ENTERPRISES,
BY TYPE OF INVESTMENT AND COUNTRY, AT 30 JUNE 1979
(\$A million)

Country	Direct investment				Portfolio investment and institutional loans		Totals	
	Corporate equities (a)	Branch liabilities to head office	Intercompany indebtedness	Borrowings	Corporate equities (a)	Borrowings	Corporate equities (a)	Other
E.E.C. -								
United Kingdom	53	29	42	19	6	12	59	102
Other	16	n.p.	17	1	3	n.p.	18	59
New Zealand	137	79	20	53	9	6	146	159
U.S.A. and Canada	40	57	21	81	24	30	64	189
Papua New Guinea	152	86	39	16	6	1	158	142
A.S.E.A.N.	90	n.p.	17	47	3	n.p.	93	77
Other countries	122	37	61	51	3	25	155	174
Total	610	339	219	268	85	76	695	902

(a) Paid up value only.

PART C. HISTORICAL SERIES, 1947-48 TO 1978-79
SECTION VIII. FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA

TABLE 41. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA,
BY TYPE OF INVESTMENT
(\$A million)

Direct investment												
Year	Undistributed income		Other direct investment					Total	Portfolio investment and institutional loans			Total
	Branches	Subsidiaries	Corporate equities	Branch liabilities to head office	Inter-company indebtedness	Borrowings (a)	Corporate equities		Borrowings	Total		
1947-48	(b)6	9	(c)	(d)34		25	74		(e)3		(e)3	(e)77
1948-49	3	9	(c)	27		42	81		4		4	85
1949-50	17	15	(c)	27		71	130		7		7	137
1950-51	19	26	(c)	20		69	134		3		3	137
1951-52	13	35	(c)	13		100	161		11		11	172
1952-53	1	35	(c)	4		2	42		9		9	51
1953-54	9	52	(c)	34		42	137		1		1	138
1954-55	8	53	(c)	24		113	198		12		12	210
1955-56	13	68	(c)	25		118	224		10		10	234
1956-57	19	76	(c)	15		81	191		18		18	209
1957-58	9	78	(c)	10		95	192		15		15	207
1958-59	23	102	(c)	17		66	208		40		40	248
1959-60	19	117	(c)	44		140	320		68		68	388
1960-61	5	108	(c)	51		211	375		96		96	473
1961-62	9	57	(c)	45		110	221		76		76	297
1962-63	16	93	(c)	6		269	384		83		83	467
1963-64	22	116	(c)	37		250	425		28		28	453
1964-65	11	113	(c)	67		349	540		44		44	584
1965-66	15	110	(c)	86		301	512		182		182	694
1966-67	12	103	(c)	94		155	363		153		153	516
1967-68	34	194	(c)	110		32	191	561	402		402	964
1968-69	(f)11	(f)239	(c)	149		-41	241	(f)599	405		405	(f)1,004
1969-70	-7	223	(c)	153		93	266	728	267		267	994
1970-71	10	229	(c)	150		111	397	897	652		652	1,549
1971-72	17	200	(c)	127		-36	561	870	577		577	1,446
1972-73	41	258	(c)	42		-144	194	391	102		102	494
1973-74	29	401	81	-		172	-66	618	-140	12	-128	490
1974-75	23	223	112	16		197	87	657	-114	410	296	953
1975-76	186	428	128	7		-5	-166	578	18	213	232	810
1976-77	52	619	26	53		319	13	1,081	-60	518	459	1,540
1977-78	136	514	155	61		42	121	1,029	-36	321	285	1,314
1978-79	3	800	-89	206		269	202	1,392	138	462	601	1,992

(a) Includes corporate equities prior to 1973-74. (b) From 1947-48 to 1955-56, excludes unremitted profits of foreign fire, marine and general insurance and reinsurance enterprises. (c) Not available separately; included in borrowings. (d) Includes un-remitted profits referred to in (b) above. (e) From 1947-48 to 1951-52, excludes movements in holdings by Australian nominees of foreign investment and by foreign investors using Australian addresses. (f) Prior to 1968-69, all mining and petroleum exploration expenditure was treated as capital expenditure in these statistics; from 1968-69 on, such expenditure has been treated as current expenditure in accordance with recommendations of the 'U.N. System of National Accounts'. From the same year, all reinsurance transactions by residents, as well as non-resident insurance and reinsurance transactions, which were previously included in foreign investment statistics, have been excluded from statistics on capital flows and investment income and are treated as current account items in the balance of payments.

TABLE 42. INCOME PAYABLE ON FOREIGN INVESTMENT IN ENTERPRISES
IN AUSTRALIA, BY TYPE OF INCOME
(\$A million)

Income payable abroad on direct investment										
Year	Distributed income					Total	Income payable abroad on portfolio investment and institutional loans			
	Undistributed income		Remitted profits of branches (a)	Dividends payable	Interest payable (a)		Dividends	Interest	Total	Total
	Branches	Subsidiaries								
1947-48	(b)6	9	(c)17	12	(d)	44	8	(d)	8	(e)52
1948-49	3	9	18	8	(d)	38	8	(d)	8	46
1949-50	17	15	22	6	(d)	60	10	(d)	10	70
1950-51	19	26	28	8	(d)	81	8	(d)	8	89
1951-52	13	35	25	10	(d)	84	8	(d)	8	92
1952-53	1	35	33	17	(f)2	(f)88	9	(g)	9	97
1953-54	9	52	34	36	1	132	9	(g)	9	141
1954-55	8	53	36	36	1	134	12	(g)	12	146
1955-56	13	68	40	37	1	159	13	(g)	13	172
1956-57	19	76	32	38	2	167	14	(g)	14	181
1957-58	9	78	38	51	2	178	14	(g)	14	192
1958-59	23	102	30	56	2	213	19	(g)	19	232
1959-60	19	117	35	55	4	230	19	(g)	19	249
1960-61	5	108	43	57	6	219	20	(g)	20	239
1961-62	9	57	37	72	6	181	20	(g)	20	201
1962-63	16	93	37	80	5	231	27	2	29	260
1963-64	22	116	39	70	7	254	29	4	33	287
1964-65	11	113	42	78	11	255	32	5	37	292
1965-66	15	110	42	79	15	261	35	14	49	310
1966-67	12	103	44	100	20	279	39	19	58	337
1967-68	34	194	44	104	25	401	40	22	62	463
1968-69	(h)11	(h)239	54	106	34	444	50	32	82	(h)525
1969-70	-7	223	65	142	54	476	55	39	94	570
1970-71	10	229	60	131	85	515	57	48	105	620
1971-72	17	200	63	134	110	524	62	72	134	658
1972-73	41	258	92	203	107	702	67	83	150	852
1973-74	29	401	104	208	110	853	72	91	163	1,016
1974-75	23	223	152	204	133	735	70	137	207	942
1975-76	186	428	157	248	129	1,148	72	171	242	1,390
1976-77	52	619	290	249	123	1,333	77	180	257	1,589
1977-78	136	514	315	295	113	1,372	84	213	297	1,669
1978-79	3	800	307	283	125	1,518	88	268	356	1,874

(a) From 1947-48 to 1966-67, interest payable by branches is included with 'remitted profits of branches'. (b) From 1947-48 to 1955-56, excludes unremitted profits of foreign fire, marine and general insurance and reinsurance enterprises. (c) Includes unremitted profits referred to in (b) above. (d) Not collected. (e) From 1947-48 to 1951-52, excludes interest payable by Australian subsidiaries as well as interest payable on portfolio investment and institutional loans. (f) From 1952-53 to 1961-62, includes interest payable on portfolio investment. (g) Not available separately; included in interest payable on direct investment. (h) See footnote (f) in Table 41.

TABLE 43. LEVEL OF FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA,
BY BROAD TYPE OF INVESTMENT
(\$A million)

At 30 June -	Direct investment			Portfolio investment and institutional loans		Totals	
	Corporate equities (a)	Borrowings	Branch liabilities to head office	Intercompany indebtedness	Corporate equities (a)	Borrowings	Corporate equities (a) Other
1948	150		301	54	63		568
1949	170		332	80	67		649
1950	190		383	136	73		782
1951	224		422	175	78		899
1952	253		448	253	84		1,038
1953	285		456	216	127		1,084
1954	315		506	228	128		1,177
1955	393		543	270	140		1,346
1956	464		576	322	151		1,513
1957	530		603	347	172		1,652
1958	610		623	373	189		1,795
1959	654		660	403	213		1,930
1960	732		710	476	262		2,180
1961	869		736	576	327		2,508
1962	1,015		772	575	372		2,734
1963	1,241		678	705	448		3,072
1964	1,518		718	767	466		3,469
1965	1,887		674	878	506		3,945
1966	2,055		774	950	760		4,539
1967	2,188		893	942	924		4,947
1968	1,515	836	1,004	910	515	492	2,030 3,242
1969	1,863	883	1,192	829	584	567	2,447 3,471
1970	1,966	1,092	1,267	941	652	693	2,618 3,995
1971	2,178	1,594	1,146	932	768	1,139	2,947 4,811
1972	2,325	2,021	1,222	883	823	1,700	3,148 5,826
1973	2,472	1,950	1,239	685	822	1,634	3,295 5,509
1974	2,667	1,777	1,163	836	790	1,639	3,456 5,415
1975	2,820	1,990	1,120	1,107	700	2,084	3,520 6,301
1976	3,210	1,824	1,361	1,078	725	2,339	3,934 6,602
1977	3,515	1,925	1,269	1,436	734	3,070	4,249 7,700
1978	3,940	2,001	1,469	1,454	765	3,448	4,706 8,372
1979	4,368	2,257	1,747	1,677	830	4,066	5,198 9,748

(a) Paid up value only.

SECTION IX. AUSTRALIAN INVESTMENT IN ENTERPRISES ABROAD

TABLE 44. OUTFLOW OF AUSTRALIAN INVESTMENT IN FOREIGN ENTERPRISES,
BY TYPE OF INVESTMENT
(\$A million)

Year	Direct investment					Portfolio investment and institutional loans (a)	Total
	Undistributed income		Other direct investment				
	Branches	Subsidiaries	Branch liabilities to head office	Other	Total		
1947-48	(b)	(c)	2	3	(d)5	(e)-	(d)(e)4
1948-49	(b)	(c)	4	-	4	(e)-1	(e)3
1949-50	(b)	(c)	3	3	6	-5	1
1950-51	(b)	(c)	5	2	7	-3	4
1951-52	(b)	(c)	7	3	10	-3	7
1952-53	1	2	3	4	10	-1	9
1953-54	1	4	2	4	11	-3	9
1954-55	2	5	9	2	18	-1	17
1955-56	1	5	9	3	18	-3	15
1956-57	1	6	13	3	23	-2	21
1957-58	2	7	4	3	16	-3	13
1958-59	2	3	10	10	25	-3	22
1959-60	-	6	2	7	15	-9	6
1960-61	2	5	7	5	19	-9	10
1961-62	1	8	8	3	20	-4	16
1962-63	-	9	-4	9	14	-7	7
1963-64	1	13	4	-5	13	-9	3
1964-65	-1	20	4	10	32	-7	25
1965-66	2	16	4	17	38	1	39
1966-67	-1	15	14	9	37	5	42
1967-68	2	18	7	20	47	1	48
1968-69	(f)-9	(f)21	11	37	(f)60	3	(f)63
1969-70	-3	20	3	107	127	6	133
1970-71	-7	26	14	40	72	-4	68
1971-72	-7	37	21	70	121	-10	112
1972-73	-10	83	10	13	97	15	112
1973-74	-3	103	55	90	244	18	262
1974-75	-12	40	3	63	94	5	99
1975-76	2	62	10	92	166	18	185
1976-77	-1	100	46	110	255	3	257
1977-78	-19	110	24	82	198	8	206
1978-79	5	161	24	28	218	-10	208

(a) From January 1976, includes portfolio investment in Papua New Guinea. Prior to April 1975 excludes such investment; between April and December 1975, includes transactions with Papua New Guinea only where amounts involved were denominated in kina. (b) Included in branch liabilities to head office. (c) Not available. (d) From 1947-48 to 1951-52, excludes undistributed income from subsidiaries. (e) Excludes portfolio investment by Australian individuals in foreign enterprises. (f) See footnote (f), Table 41.

TABLE 45. INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT IN FOREIGN ENTERPRISES,
BY TYPE OF INCOME (a)
(\$A million)

Year	Undistributed income		Distributed income			Total
	Branches	Subsidiaries	Remitted profits of branches	Dividends of subsidiaries	Interest	
1947-48	(b)	(b)	2	(c)2		(c)4
1948-49	(b)	(b)	2	(c)2		4
1949-50	(b)	(b)	3	(c)2		5
1950-51	(b)	(b)	4	(c)2		6
1951-52	(b)	(b)	3	(c)2		6
1952-53	1	2	3	(c)3		10
1953-54	1	4	5	(c)3		13
1954-55	2	5	3	(c)5		15
1955-56	1	5	4	(c)5		15
1956-57	1	6	3	(c)7		17
1957-58	2	7	5	(c)3		17
1958-59	2	3	4	(c)9		18
1959-60	..	6	5	(c)6		17
1960-61	2	5	5	(c)7		19
1961-62	1	8	5	(c)8		22
1962-63	..	9	9	11		29
1963-64	1	13	5	13		32
1964-65	-1	20	5	18		41
1965-66	2	16	4	16		38
1966-67	-1	15	5	21		39
1967-68	2	18	6	19		45
1968-69	(d)-9	(d)21	5	24		(d)41
1969-70	-3	20	7	24	1	49
1970-71	-7	26	9	26	2	56
1971-72	-7	37	7	32	2	71
1972-73	-10	83	16	34	2	125
1973-74	-2	103	18	68	1	187
1974-75	-2	40	23	60	3	113
1975-76	2	62	22	46	5	136
1976-77	-1	100	24	59	7	190
1977-78	-19	110	33	113	3	241
1978-79	5	161	37	85	7	295

(a) Details of income receivable in Australia are not available on either portfolio investment and institutional loans or on Australian holdings of foreign government securities. (b) Not available. (c) From 1947-48 to 1961-62, excludes interest received from foreign subsidiaries. (d) See footnote (f) in Table 41.

TABLE 46. LEVEL OF AUSTRALIAN INVESTMENT IN FOREIGN ENTERPRISES,
BY TYPE OF INVESTMENT
(\$A million)

At 30 June -	Direct investment				Portfolio investment and institutional loans		Totals	
	Corporate equities (a)	Borrowings	Branch liabilities to head office	Intercompany indebtedness	Corporate equities (a)	Borrowings	Corporate equities (a)	Other
1948	13		40	1	5		59	
1949	15		45	-1	5		64	
1950	18		45	-2	4		65	
1951	19		47	-1	3		68	
1952	22		51	-	4		77	
1953	24		52	3	3		82	
1954	27		53	5	2		87	
1955	27		55	7	3		92	
1956	30		56	8	4		98	
1957	34		62	7	3		106	
1958	36		(b)130	9	4		179	
1959	45		143	15	6		209	
1960	50		148	19	6		223	
1961	53		153	19	12		237	
1962	67		160	21	11		259	
1963	84		157	19	19		279	
1964	89		168	29	21		307	
1965	128		135	25	28		316	
1966	156		145	31	35		367	
1967	163		159	29	49		400	
1968	172		159	37	38		406	
1969	157	41	172	56	28	9	186	280
1970	259	28	156	91	42	18	302	293
1971	269	50	166	91	47	18	316	326
1972	328	64	191	86	53	31	380	371
1973	332	57	193	109	49	38	381	398
1974	332	95	243	123	60	22	392	483
1975	392	120	240	128	74	30	466	517
1976	439	166	254	140	69	44	509	603
1977	530	234	290	140	72	65	602	728
1978	566	267	308	199	75	87	640	860
1979	610	268	339	219	85	76	695	902

(a) Paid up value only. (b) From 1958 onwards, the total book value of net liabilities of foreign branches of Australian enterprises was changed to include the liabilities of oil exploration enterprises. This change does not affect any of the figures for outflow of investment shown in other tables in this publication.

APPENDIX A : GLOSSARY OF TERMS (in alphabetical order)

A.S.E.A.N. : Association of South-East Asian Nations – comprises Indonesia, Malaysia, Philippines, Singapore and Thailand.

Borrowings : corporate securities (other than corporate equities), loans, advances, deposits, debentures, notes, bank overdrafts drawn, mortgages, trade credit owing to unrelated foreign enterprises for imports with a contractual maturity of over six months.

Branches : offices in Australia of enterprises incorporated abroad or offices in separate foreign countries of enterprises incorporated in Australia. For the purposes of this survey, branches are included if the value of net liabilities to head office exceeds \$A10,000 or if annual net profit or loss exceeds \$A10,000. Australian branches of foreign enterprises include other Australian offices of foreign enterprises where a branch register is maintained in Australia but exclude enterprises in Australia which are incorporated abroad but which have no business operations in Australia other than an account with a bank in Australia. Foreign branches of enterprises in Australia exclude foreign enterprises which are incorporated in Australia but which have no business operations abroad other than an account with a bank abroad. However, the short-term assets represented by the bank accounts abroad are included as Australian portfolio investment abroad for those enterprises included in the surveys of foreign investment.

Branch liabilities to head office : total liabilities of a branch to its head office less total liabilities of the head office to the branch. Australian branch liabilities to foreign head offices include net liabilities to foreign branches of the head office and, in the case of interest, goods and services, net liabilities to other related foreign enterprises.

Corporate equities : ordinary shares or voting stock.

Direct investment : all investment in branches and subsidiaries by direct investors.

Direct investors :

- (a) head offices of branches
- (b) direct shareholders in subsidiaries, and
- (c) other related enterprises.

Direct shareholders in subsidiaries : a direct foreign shareholder in an Australian subsidiary is either :

- (a) a single foreign resident (individual or enterprise) or a group of related enterprises in one foreign country whose shareholding is 25 per cent or more of the ordinary shares or voting stock of an enterprise in Australia;
- or, if this condition does not apply,

- (b) residents of one foreign country whose combined shareholding is 50 per cent or more of the ordinary shares or voting stock of an enterprise in Australia.

A direct Australian shareholder is an enterprise in Australia whose shareholding is 25 per cent or more of the ordinary shares or voting stock of a foreign enterprise.

Distributed income on direct investment : remitted profits and interest payable by branches and dividends and interest payable by subsidiaries to direct investors.

Dividends payable : amounts of dividends (net of withholding tax) declared and credited to the shareholders in the books of an enterprise. Dividends credited to direct shareholders but not remitted during the same period are included in both 'distributed income' and 'other direct investment'.

E.E.C. : European Economic Community – comprises Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, Luxembourg, Netherlands and United Kingdom.

Enterprises : incorporated and unincorporated businesses and other organisations including public enterprises. Excludes enterprises which have no business operations in a country other than an account with a bank in that country. In these statistics, the term enterprise refers to an enterprise and all enterprises in which it holds, directly or indirectly, more than 50% of the equity. In this respect the concept of an enterprise as used here may differ from the concept of an enterprise used in other ABS publications (where the term generally refers to a single legal entity). However, this difference in concept is only likely to be of significance when classifying enterprises by industry.

Foreign residents : any individual, enterprise or other organisation domiciled in a country other than Australia. Includes Norfolk Island and other external territories of Australia. Foreign branches and subsidiaries of enterprises in Australia are also regarded as being foreign residents.

Government securities : securities issued by government and public authorities, other than securities issued by public enterprises.

Head offices of branches : principal office of an enterprise in the country in which it is incorporated.

I.B.R.D. : International Bank for Reconstruction and Development.

Inflow of investment : net amounts of changes in the levels of investment in Australia by foreign residents arising from the flow (not necessarily across national

boundaries) of funds, goods and services. Increases in investment in Australia by foreign investors are offset by withdrawals of investment from Australia by foreign investors. A negative (-) inflow of investment denotes an excess of withdrawals over increases in investment. Inflows of direct foreign investment are measured in terms of the net increase in each category of investment by related foreign enterprises in the Australian branch or subsidiary. Consequently, loans from Australian branches and subsidiaries to related foreign enterprises are treated as negative (-) inflows rather than positive (+) outflows.

Intercompany indebtedness of subsidiaries :

Australian subsidiaries of foreign enterprises - amounts owing to related foreign enterprises, less amounts owing by related foreign enterprises, for dividends, interest, imports, exports, royalties, management fees and other goods and services.

Foreign subsidiaries of enterprises in Australia - amounts owing to related enterprises in Australia, less amounts owing by related enterprises in Australia, for dividends, interest, imports, exports, royalties, management fees and other goods and services.

Interest payable : amounts of interest (net of withholding tax) payable to investors and credited in the books of the enterprise. *Excludes* accrued interest not credited in the books of the enterprise. Interest credited to the direct investors but not remitted is included in both 'distributed income' and 'other direct investment'.

Investment income : amounts payable to investors in the form of interest, dividends, remitted profits of branches, undistributed profits of subsidiaries and unremitted profits of branches after all taxes have been paid.

Investors : individuals or enterprises to which there is an immediate liability. In the case of investment through nominees, the investor is the individual or enterprise on whose behalf the securities concerned are held by the nominee.

Other direct investment : investment, other than undistributed income, in branches and subsidiaries by the direct investors. *Includes* dividends and interest credited to the direct investors and other related enterprises but not remitted.

Other related enterprises :

Foreign investment in Australia - enterprises, other than the head offices of branches incorporated abroad and direct foreign shareholders

- (a) which hold directly or indirectly more than 50 per cent of the ordinary shares or voting stock of the foreign head office or direct foreign shareholder, or

- (b) in which the foreign head office, direct foreign shareholder or enterprises defined in (a) above hold directly or indirectly, more than 50 per cent of the ordinary shares or voting stocks.

Australian investment abroad - enterprises in Australia

- (a) which hold directly or indirectly more than 50 per cent of the ordinary shares or voting stock of the Australian head office of the foreign branch or Australian direct shareholder of the foreign subsidiary, or
- (b) in which the Australian head office, Australian direct shareholder or enterprises defined in (a) above hold, directly or indirectly, more than 50 per cent of the ordinary shares or voting stock.

Outflow of investment : net amounts of changes in the levels of investment abroad by residents of Australia arising from the flow (not necessarily across national boundaries) of funds, goods and services. Increases in investment abroad by Australian investors are offset by withdrawals of investment from abroad by Australian investors. A negative (-) outflow of investment denotes an excess of withdrawals over increases in investment. Outflows of direct investment are measured in terms of the net increase in each category of investment by related enterprises in Australia in foreign branches and subsidiaries. Consequently, loans from foreign branches and subsidiaries to related enterprises in Australia are treated as negative (-) outflows rather than positive (+) inflows with the exception of certain loans from particular foreign finance subsidiaries (see paragraph 48 of the explanatory notes).

Portfolio investment and institutional loans : investment in enterprises other than direct investment, i.e. investment other than investment by related enterprises in branches and subsidiaries. Includes both corporate equities and borrowings.

Public enterprises : Government owned and controlled undertakings which primarily operate on a commercial basis. *Public trading enterprises* are undertakings which aim at covering the bulk of their expenses by revenue from sales of goods and services (e.g. Qantas, TAA, Telecom, Australian Wool Corporation, state electricity authorities, public transport commissions, waterboards, etc.).

Related investors : Direct investors (see above).

Subsidiaries : an *Australian subsidiary* of a foreign enterprise is an enterprise in Australia, other than a branch, in which

- (a) a single foreign resident (individual or enterprise) or a group of related enterprises in one foreign country holds 25 per cent or more of the equity, or, if this condition does not apply,

- (b) residents of one foreign country combined hold 50 per cent or more of the equity,

together with other enterprises in Australia in which the Australian subsidiary holds, directly or indirectly, more than 50 per cent of the equity.

A *foreign subsidiary* of an enterprise in Australia is a foreign enterprise other than a branch, in which an enterprise in Australia holds 25 per cent or more of the equity. In principle, foreign enterprises in which the combined Australian shareholding is 50 per cent or more would also be included but it is not practicable to ascertain the total investment by Australian shareholders in individual foreign enterprises.

Undistributed income on direct investment : unremitted profits of branches and undistributed profits of subsidiaries.

Undistributed profits of subsidiaries : equity of direct investors in the net earnings of an enterprise during the year, less tax payable on those earnings and less

dividends declared during the year whether relating to earnings of the same year or not. Net earnings are in general based on income for taxation purposes. However, certain deductions allowable for taxation purposes (e.g. mining and petroleum exploration capital expenditure, Export Market Development Allowance, Investment Allowance for Manufacturing Plant, previous years' losses, etc.) are not deducted in calculating net earnings. Undistributed profits of Australian subsidiaries also includes undistributed income accruing to the subsidiary from related enterprises in Australia.

Unremitted profits of branches : net earnings (after tax) during the year, less remittances of earnings to the head office during the year, irrespective of the year to which the earnings relate. Net earnings of branches are in general calculated in a similar way to those for subsidiaries. Also included is undistributed income accruing to the branch of other enterprises related to the branch.

APPENDIX B : RELATIONSHIP OF FOREIGN INVESTMENT STATISTICS IN THIS PUBLICATION TO BALANCE OF PAYMENTS ESTIMATES

The Balance of Payments table and item numbers shown here are taken from the annual publication *Balance of Payments* (5303.0).

Balance of Payments table and item

Table 2. - Balance of Payments

Current account

Invisibles - 8 Property income

8.1 Direct investment

8.11 Undistributed

Credit

Debit

8.12 Distributed

Credit

Debit

8.2 Interest on government loans

Debit

8.4 Other (part only)

Debit

Corresponding table and item in this publication

Table 35 - Undistributed income - Total

Table 9 - Undistributed income

Table 35 - Distributed income - Total

Table 9 - Distributed income

Table 9 - Interest paid on foreign holdings of

Australian public authority securities

Table 9 - Income payable on portfolio

investment and institutional loans

Capital account (net)

Government - 11 Government securities

11.1 Domiciled overseas

11.2 Domiciled in Australia

Table 1 - Investment in government securities
repayable in

- Foreign currencies

- Australian currency

Private - 14 Foreign investment in Australian enterprises -

14.1 Direct investment -

14.11 Undistributed income

14.12 Other

14.2 Portfolio investment and institutional loans

Table 1 - Undistributed income

- Other direct investment

- Portfolio investment

and institutional loans

15 Australian investment abroad -

15.1 Direct investment -

15.11 Undistributed income

15.12 Other

15.2 Portfolio investment and institutional loans

Table 30 - Undistributed income

- Other direct investment

- Portfolio investment and

institutional loans plus

investment in foreign

government securities

- Net remittances abroad by

life insurance enterprises

16 Net remittances abroad by life insurance enterprises

APPENDIX C : CHRONOLOGY OF SELECTED MEASURES TAKEN BY AUSTRALIAN AUTHORITIES WHICH INFLUENCED INVESTMENT BETWEEN AUSTRALIA AND OTHER COUNTRIES - 1973 TO 1979

SITUATION AT 30 JUNE 1973

Exchange rate

The official gold price (Reserve Bank buying price) was \$29.80 per fine ounce. This rate had been decided on 23 December 1972. The exchange rate for the Australian dollar was \$A = \$US 1.191.

Foreign investment in Australia

All international transactions were subject to exchange control approval, but prior to some steps taken during 1972/73, other regulations affecting foreign investment generally were minimal (although special laws and regulations existed in relation to banking, civil aviation, radio and television, uranium mining and life assurance). The main regulations apart from exchange control were the 1965 Borrowings Guidelines which had been modified and expanded by guidelines announced in 1969. The broad policy was one of encouraging foreign investment except for that which was considered to be speculative or which merely substituted foreign in place of Australian ownership. The government reserved the right to intervene in foreign takeovers considered contrary to the national interest.

The companies (Foreign Takeovers) Act 1972 came into force in November 1972 and authorised the government to intervene to prevent a foreign takeover considered against the national interest where the takeover would result in:

- (a) a single foreign interest acquiring 15% or more of the voting rights in an Australian company; or
- (b) all foreign interests acquiring 40% or more of the voting rights in an Australian company.

Other measures taken during 1972/73 included an embargo on foreign borrowings of 2-year maturity or less; increased access to Australian borrowings was permitted for enterprises with significant foreign ownership; and the variable deposit requirement scheme for foreign borrowings with maturity exceeding 2 years was introduced.

Australian investment abroad

There were no specific laws regulating Australian investment abroad, but all international transactions were subject to exchange control approval. The virtual embargo on portfolio investment that had existed previously was relaxed in September 1972 with proposals for investment of up to \$10,000 in any 12 months by individuals, or up to \$1m in any 12 months by other residents, being normally readily approved, and proposals for larger amounts considered on their merits.

Generally speaking, direct investment abroad was preferred if:

- (a) It would serve to protect or expand existing investment, or
- (b) It would promote export markets.

1973-74

9 September 1973. Gold parity of \$A changed to \$28.38 per fine ounce - an appreciation of 5%. New exchange rate with \$US set at \$A = \$US 1.4875.

25 October 1973. Variable deposit requirement on longer term foreign borrowing raised from 25% to 33 1/3% and subsequently reduced back to 25% on 25 June 1974.

12 June 1974. Establishment of Foreign Investment Committee to provide a more complete screening of foreign investment in Australia. Proposals coming under notice through the exchange control mechanism would be vetted in addition to those coming within the ambit of the foreign takeovers legislation.

1974-75

8 August 1974. Variable deposit requirement reduced from 25% to 5%.

25 September 1974. Gold parity of \$A changed to \$32.25 per fine ounce and a new exchange rate with \$US of \$A = \$US 1.309 set - a depreciation of 12%. The fixed link with the US dollar was discontinued. Exchange rate of \$A was to be determined daily (in terms of \$US) by reference to a trade-weighted basket of currencies such that the weighted average value for the \$A remained constant.

10 November 1974. Suspension of variable deposit requirement scheme. Embargo on foreign borrowings was to apply only on loans of less than 6 months (previously 2 years).

30 June 1975. The value of \$A expressed in terms of \$US had risen to \$A = \$US 1.3233 at the end of the financial year, an approximate appreciation of 1.1% compared with 25 September 1974, although the overall value of \$A in terms of the basket of currencies had not changed.

1975-76

24 September 1975. New policy guidelines on foreign investment in Australia announced. Foreign Investment Advisory Committee formed to examine all foreign investment proposals. Special requirements were to be observed in respect of proposed investment in the fields of mining, non-bank finance, insurance and real estate.

1 January 1976. Foreign Takeovers Act 1975 came into force. The Act broadened the screening powers contained in the Companies (Foreign Takeovers) Act 1972 and largely gave legislative effect to the policy guidelines announced in September 1975. Under the Act the Government was empowered to examine the following types of investment proposals:

- (a) acquisition/issue of shares
- (b) acquisition of assets
- (c) agreements or arrangements entered into
- (d) new investment.

and to prohibit the proposal if satisfied that (a) the proposal would result in a change of control (b) the resultant control would be foreign and (c) that it would be against the national interest.

1 April 1976. New guidelines for foreign investment introduced interpreting the Foreign Takeovers Act and establishing the Foreign Investment Review Board to replace the Foreign Investment Advisory Committee. The guidelines applied to the designation of 'key areas', participation above 15% in an Australian business, establishment of non-bank financial institutions and insurance companies and certain acquisitions of real estate.

30 June 1976. The value of \$A in terms of \$US at the end of the year was \$A = \$US 1.2331, the average during the year having been \$A = \$US 1.2588.

1976-77

29 November 1976. \$A devalued by 17.5%. As a result, the value of \$A in terms of \$US became \$A = \$US 1.0150. Introduction of a new method of management of the exchange rate referred to as a 'managed float' under which the \$A would be indexed to a trade-weighted basket of currencies (with a base period May 1970 = 100). The practice of pegging the exchange rate for lengthy periods was discontinued and the level of the exchange rate in relation to the 'basket' was kept under continuing review. As a result of the devaluation, \$A stood at 86.9 in terms of the index. By the end of December 1976, a series of small revaluations had raised the exchange rate of \$A in terms of \$US to \$A = \$US 1.0840.

17 January 1977. Introduction of restrictions on foreign borrowings including extension of the existing embargo on borrowings of less than 6 months to less than 2 years and exceeding \$100,000 in any twelve month period; modified reactivation of the variable deposit scheme, except for certain forms of investment in the mining and manufacturing industries, with the deposit initially set at 25%; and a tightening of controls on the timing of international payments and receipts.

5 May 1977. Relaxation of variable deposit requirement on foreign borrowings by Australian financial intermediaries where the borrowing is on-lent directly to users in the above exempt categories.

30 June 1977. The value of \$A in terms of \$US at the end of the financial year was \$A = \$US 1.1131, the average for the year having been \$A = \$US 1.1506. In terms of the trade-weighted index, \$A stood at 92.5.

1977-78

6 July 1977. Treasurer announced changes to controls on foreign borrowings which were imposed on 17 January 1977. As from 7 July, variable deposit requirements on borrowings of 2 years or more were suspended, and the embargo on foreign borrowings was limited to apply only to borrowings of less than 6 months.

24 August 1977. The government announced the introduction of a number of measures aimed, amongst other things, at facilitating the development of the North-West Shelf gas fields. As well as providing a number of taxation and investment incentives, the government gave assurance that providing certain conditions were met, longer term projects involving estimated capital expenditure of \$500m or more would not be subject to future changes to the controls of foreign borrowings which would adversely affect them.

4 November 1977. The government announced its intention to impose an additional 'branch profits tax' on non-resident companies deriving taxable income in Australia. The new tax, which was to apply to income earned in 1977-78 and in subsequent years, was to apply to the taxable income of non-resident companies as distinct from the tax based on remittances of branch profits.

10 March 1978. The Australian Government agreed to adopt the Loan Council's proposal to allow State semi-government authorities and other statutory authorities to raise foreign borrowings. The proposed new arrangements would allow special additions to Loan Council programs where they were necessary to finance development-related infrastructure which could not be accommodated within the existing program. It also permitted marketing authorities to fund stocks held abroad. (This was in addition to similar arrangements applying to the Australian Wool Commission from 16 October 1977.)

8 June 1978. The government announced results of a review of foreign investment policy in Australia. These included:

- (a) No government approval necessary for foreign investment in new programs where the value of the investment was less than \$5m (this did not apply to investment in the financial sector and uranium).
- (b) For investment coming within the scope of the Foreign Takeovers Act, the government would not normally seek to intervene if the assets of the company being taken over were less than \$2m.
- (c) Individual real estate acquisitions of less than \$250,000 would no longer require approval.

- (d) Streamlining of existing exchange control procedures impinging on capital inflow, including the suspension of the embargo on foreign borrowings for periods of less than 6 months.

Broad outlines of the Government's proposal to introduce a foreign tax credit system in respect of foreign income derived by Australian residents were also announced.

30 June 1978. The value of \$A in terms of \$US at the end of the financial year was \$A = \$US 1.1451, the average for the year having been \$A = \$US 1.1252. In terms of the trade-weighted index, \$A stood at 86.2.

1978-79

29 January 1979. The Treasurer announced some changes in the conditions which applied to exchange control approvals for direct investment overseas by Australian residents. The main change was that, with some exceptions and subject to certain reporting procedures, earnings from such investments were permitted to be retained overseas for the financing of growth in working capital and for firmly planned future expansion without specific prior exchange control authority. This change applied to existing as well as future investments.

10 June 1979. The Treasurer announced that new uranium projects might be permitted to proceed even though it had not been possible to achieve 75 per cent Australian equity. The new conditions to apply were that : the project must be of significant economic benefit to Australia; it must have at least 50 per cent Australian equity; and Australian participants must be able to have a major role in determining policy in relation to the project.

30 June 1979. The value of \$A in terms of \$US at the end of the financial year was \$A = \$US 1.1089, the average for the year having been \$A = \$US 1.1341. In terms of the trade weighted index, \$A stood at 83.1.

NOTE: Currency conversions shown above are based on daily telegraphic transfer selling rate quotations by Commonwealth Trading Bank.