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FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA DECEMBER QUARTER 1980 (PRELIMINARY)

INQUIRIES

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MAIN FEATURES

Net inflow of foreign investment (excluding undistributed income) in enterprises in Australia amounted to a record $862m in the December quarter 1980 compared with $707m in the previous quarter.

Net inflow during the December quarter 1980 of both direct investment ($176m) and portfolio investment and institutional loans ($686m).

Of that part of foreign investment identified by country, the major inflows were from U.K. ($539m) and Japan ($242m). The net withdrawal ($258m) recorded for U.S.A. included the value of two oil rigs withdrawn from Australian waters. Of that part of foreign investment identified by industry group, net inflows were recorded for primary production ($160m) and other industries ($486m), while a net withdrawal was recorded for manufacturing ($53m).

EXPLANATORY NOTES

Introduction

This publication presents preliminary estimates of foreign investment in enterprises in Australia during the December quarter 1980. The statistics are compiled from information collected in quarterly surveys of foreign investment. More reliable and detailed quarterly statistics derived from the same surveys will be published in *Foreign Investment in Enterprises in Australia* (5306.0).

Scope and coverage

1. While it is not possible to publish quarterly the same range and detail as presented in the annual publication *Foreign Investment, Australia* (5305.0), the statistics in this publication are consistent in terms of scope with the equivalent statistics in the annual publication. A detailed description of the scope of foreign investment statistics is contained in that publication.

2. Coverage of the quarterly surveys, while considered adequate, is not as complete as that of the annual surveys and the statistics derived from the former are subject to revision as additional information, particularly the results of the annual surveys, becomes available.

Main aggregates

3. These statistics cover inflows of foreign investment in enterprises in Australia (other than undistributed income) classified by:

(a) Type of investment

(b) Country of investor

(c) Broad industry group of the enterprise receiving the investment.

Concepts, definitions and terms

4. The concepts, definitions and terms used are consistent with those used in the annual publication and are fully described and defined therein. However, for convenience, the main terms used in this publication are described briefly below:

Direct investment: investment in Australian branches of foreign enterprises by head offices and other related foreign enterprises; and, broadly speaking, investment by related foreign enterprises in companies in Australia in which 25% or more of the equity is owned by a single foreign enterprise or group of related foreign enterprises.

Portfolio investment and institutional loans: all foreign investment in enterprises in Australia, other than direct investment.

Enterprises: incorporated and unincorporated businesses including public trading enterprises.

Corporate equities: ordinary shares or voting stock.

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

Intercompany indebtedness: net amounts owing to related foreign enterprises, for dividends, interest, imports, exports, royalties, management fees and other goods and services.

Borrowings: corporate securities (other than ordinary shares), 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.

Changes in this issue

5. In line with changes to related publications, the scope of the statistics in this publication has been extended to include the foreign investment activities of the ARDB and AIDC, previously included in item 18 of the capital account of Australia's balance of payments (see Explanatory Notes in *Balance of Payments 1978-79* (5303.0)). The statistics for earlier periods have been revised accordingly.

6. Also for the first time in this publication, the foreign borrowings of public enterprises, i.e. public trading and public non-bank financial enterprises, are shown separately.

Related publications

7. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0) which is available free of charge from any ABS office.

Symbols and other usages

— nil or rounded to zero

.. not applicable.

8. Amounts shown are on a net basis; a negative value denotes a net withdrawal of investment.

9. All figures have been rounded, and discrepancies may occur between sums of the component items and totals.

R. J. CAMERON
Australian Statistician

TABLE 1. INFLOW OF FOREIGN INVESTMENT (EXCLUDING UNDISTRIBUTED INCOME) IN ENTERPRISES IN AUSTRALIA, BY TYPE OF INVESTMENT
($A million)

	Direct investment					Portfolio investment and institutional loans				
							Borrowings			
Period	*Corporate equities*	*Branch liabilities to head office*	*Inter-company indebtedness*	*Borrowings*	*Total*	*Corporate equities*	*Public enterprises*	*Other*	*Total*	*Total*
Year—										
1977-78	156	64	44	122	385	-26	286	19	279	664
1978-79	-88	213	278	220	623	129	246	242	617	1,240
1979-80	15	138	207	221	581	623	424	194	1,242	1,822
Quarter ended—										
1979—										
September	-126	104	59	87	125	50	47	187	285	409
December	76	38	106	-19	201	131	105	-133	103	305
1980—										
March	34	-11	90	31	144	269	84	-106	247	391
June	30	7	-48	122	110	172	187	247	607	717
September	52	128	43	-2	222	300	39	147	485	707
December	159	-51	5	63	176	310	76	300	686	862

TABLE 2. INFLOW OF FOREIGN INVESTMENT (EXCLUDING UNDISTRIBUTED INCOME) IN ENTERPRISES IN AUSTRALIA, BY COUNTRY(a)
($A million)

	E.E.C.							
Period	*U.K.*	*Other*	*U.S.A.*	*Canada*	*Japan*	*Other countries(b)*	*Unallocated*	*Total*
Year—								
1977-78	17	74	364	12	198	-1	..	664
1978-79	314	86	552	-6	267	27	..	1,240
1979-80	365	395	352	74	308	328	..	1,822
Quarter ended—								
1979—								
September	108	128	2	23	22	98	29	409
December	41	66	18	6	83	-5	96	305
1980—								
March	-73	87	62	31	94	-78	269	391
June	32	55	235	8	102	113	172	717
September	75	17	226	-10	83	41	274	707
December	539	94	-258	-13	242	-10	269	862

(a) Most portfolio investment in corporate equities is not allocated by country on a quarterly basis. For this reason the sums of the four quarters do not always equal the corresponding annual country totals. (b) Includes bonds, etc. issued on international capital markets for which no individual country details are available.

TABLE 3. INFLOW OF FOREIGN INVESTMENT (EXCLUDING UNDISTRIBUTED INCOME) IN ENTERPRISES IN AUSTRALIA, BY INDUSTRY GROUP(a)
($A million)

Period	*Primary production(b)*	*Manufacturing*	*Other industries*	*Unallocated*	*Total*
Year—					
1977-78	70	-7	601	..	664
1978-79	161	155	925	..	1,240
1979-80	518	64	1,240	..	1,822
Quarter ended—					
1979—					
September	140	-23	264	29	409
December	33	-97	272	96	305
1980—					
March	34	-1	89	269	391
June	-15	28	532	172	717
September	134	177	122	274	707
December	160	-53	486	269	862

(a) Most portfolio investment in corporate equities is not allocated by industry on a quarterly basis. For this reason the sums of the four quarters do not always equal the corresponding annual totals for industry groups. (b) Includes agriculture, forestry, fishing, mining, quarrying and oil exploration and production.

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