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FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA SEPTEMBER QUARTER 1976 (PRELIMINARY)

MAIN FEATURES

- **Net outflow of $127m in September quarter 1976 compared with a net inflow of $103m in the previous quarter.**
- **Net outflows recorded in September quarter 1976 for both direct investment ($50m) and portfolio investment and institutional loans ($77m).**
- **Of foreign investment identified by country, net outflows were recorded for UK ($68m), Japan ($24m) and US ($2m), while small net inflows were recorded for all other countries.**
- **Of foreign investment identified by industry group, a net inflow of $18m into primary production was more than offset by net outflows from all other groups.**

EXPLANATORY NOTES

This bulletin is the first in a series presenting preliminary quarterly estimates of foreign investment in enterprises in Australia. 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 the bulletin *"Foreign Investment in Enterprises in Australia,"* (Reference No. 5.61) in the near future. These bulletins will replace the quarterly bulletin *"Overseas Borrowings by Companies in Australia"* (Reference No. 5.41), the last issue of which was for the June quarter 1976, released on 27 August 1976.

Scope and Coverage

While it is not possible to publish quarterly the same range and detail as presented in the annual bulletin *"Overseas Investment"* (Reference No. 5.20), the statistics in this publication are consistent in terms of scope with the equivalent statistics in the annual bulletin. A detailed description of the scope of foreign investment statistics is contained in that bulletin.

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 becomes available, particularly when the results of the annual surveys come to hand.

Main Aggregates

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

- Type of investment
- Country of investor
- Broad industry group of the enterprise receiving the investment.

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

Equity: ordinary shares or voting stock.

Non-equity: corporate securities (other than ordinary shares), intercompany indebtedness of direct investment enterprises with related foreign enterprises branch liabilities to head office, loans, advances and all other foreign financial liabilities other than short term trade credit indebtedness to unrelated foreign enterprises

Presentation

All amounts shown in this bulletin are rounded to the nearest million dollars. Any discrepancies between totals and sums of components in the tables are due to rounding.

The symbol (. .) in tables indicates that the amount is nil or less than $500,000.

Amounts shown are on a net basis; a minus sign (–) denotes a net withdrawal of investment.

Other ABS publications

All statistical publications produced by the Canberra and State Offices of ABS are listed in *Publications of the Australian Bureau of Statistics* (Reference No. 1.8), which is available free of charge from any of these Offices.

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

Period	Direct investment				Portfolio investment and institutional loans			
		Non-equity						
	Equity	Intercompany indebtedness etc. (a)	Other	Total	Equity	Non-equity	Total	Total
Year –								
1973-74	51	170	–54	167	–79	–56	–135	32
1974-75	107	201	76	384	–104	379	275	660
1975-76	124	–10	–159	–46	–74	137	63	17
Quarter ended –								
1975								
June	32	–61	112	82	16	251	267	349
September	34	–32	14	17	–14	51	37	53
December	15	–140	–87	–212	–56	73	17	–195
1976								
March	27	55	–38	44	1	11	11	56
June	47	107	–49	105	–5	2	–2	103
September	8	–48	–10	–50	–51	–26	–77	–127

(a) Branch liabilities to head offices and intercompany indebtedness of subsidiaries to foreign parents and other related foreign enterprises.

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

Period	United Kingdom	U.S.A.	Canada	Japan	E.E.C. (excl. U.K.)	Other countries	Unallocated (a)	Total
Year –								
1973-74	–93	–29	..	65	102	–13	..	32
1974-75	37	219	13	60	117	213	..	660
1975-76	–16	29	7	61	11	–1	–74	17
Quarter ended –								
1975								
June	–7	211	3	40	42	45	16	349
September	49	–3	12	17	–20	13	–14	53
December	–51	–31	–10	–8	11	–50	–56	–195
1976								
March	1	18	1	31	–10	14	1	56
June	–16	46	4	21	29	23	–5	103
September	–68	–2	5	–24	4	21	–63	–127

(a) Mainly, that part of the equity component of portfolio investment and institutional loans for which country details are not available quarterly.

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

Period	Primary production	Manufacturing	Other industries	Unallocated (a)	Total
Year –					
1973-74	–101	3	128	..	32
1974-75	87	341	231	..	660
1975-76	–21	106	6	–74	17
Quarter ended –					
1975					
June	159	126	48	16	349
September	44	10	13	–14	53
December	–78	81	–141	–56	–195
1976					
March	–16	..	71	1	56
June	30	15	63	–5	103
September	18	–33	–49	–63	–127

(a) Mainly, that part of the equity component of portfolio investment and institutional loans for which industry details are not available quarterly.

D. V. YOUNGMAN
Acting Australian Statistician

Australian Bureau of Statistics
Canberra, A.C.T. 2600