

**FOREIGN INVESTMENT, AUSTRALIA 1981-82 (PRELIMINARY)**

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**MAIN FEATURES**

Foreign investment in Australia during 1981-82 reached a record \$9,839m, \$3,930m higher than the previous year.

Of the total net inflow, foreign investment in enterprises was a record \$9,286m, \$3,294m higher than the previous year, while foreign investment in government securities was \$553m, a turnaround of \$634m on the previous year.

Income payable abroad in 1981-82 was \$2,912m, \$79m higher than in 1980-81.

Australian investment abroad in 1981-82 was a record \$861m, more than double the outflow of \$426m in the previous year.

Direct investment income receivable from abroad in 1981-82 was \$214m, \$158m lower than the figure for 1980-81.

**ANALYSIS OF MAJOR AGGREGATES****Foreign investment in Australia**

The total net inflow of identified foreign investment in Australia in 1981-82 was \$9,839m, up \$3,930m on the result recorded for 1980-81. The increase was due to a large rise (\$3,294m) in foreign investment in enterprises, which was augmented by a turnaround (increase of \$634m) of investment in government securities.

2. The overall rise in investment is reflected in increased investment from ASEAN (up \$1,039m), U.S.A. (up \$796m), U.K. (up \$652m), Japan (up \$652m) and Switzerland (up \$432m).

3. The direct investment inflow was \$2,293m in 1981-82, down \$86m on the previous year's figure of \$2,379m. Overall profits of both branches and subsidiaries were down in 1981-82 although the distributed amount remained steady, undistributed income fell by \$418m to \$363m. However, other direct investment rose to \$1,930m (up \$333m), partially offsetting the fall in undistributed income. Both borrowings (up \$502m) and branch liabilities to head office (up \$408m) rose significantly on the

previous year. Intercompany indebtedness of subsidiaries also rose (by \$106m) while a turnaround in investment in corporate equities (down \$683m) was experienced.

4. Portfolio investment and institutional loans increased substantially (by \$3,381m) to a record \$6,993m in 1981-82. While the corporate equities component dropped to less than half the previous year's inflow (\$510m compared to \$1,273m), the borrowings component almost tripled (from \$2,340m to \$6,483m). Of the latter component, borrowings by public non-monetary enterprises rose by \$651m (to \$1,060m), while borrowings by other enterprises rose by \$3,492m (to \$5,423m) between the two years.

5. As in previous years, the U.K. and U.S.A. were the major sources of investment in enterprises in 1981-82, contributing \$2,670m and \$2,399m respectively. The ASEAN group and Japan were also significant investors in the latest year, contributing \$1,409m and \$1,181m respectively to the total net inflow in enterprises.

6. Industries receiving the most significant net amounts of investment in 1981-82 were manufacturing (\$2,712m, of which \$1,382m was invested in the sub-division 'basic metal products'), finance, property and business services (\$1,815m), mining (\$1,632m), wholesale and retail trade (\$1,236m) and electricity, gas and water (\$962m).

**Investment income payable abroad**

7. Total income payable on foreign investment in Australia in 1981-82 was \$2,912m, up \$79m on the 1980-81 result. Retained earnings (undistributed income), decreased by \$418m although there were increases in distributed income on direct investment (up \$77m) and income payable on portfolio investment and institutional loans (up \$456m). Income payable on government securities fell by \$35m.

8. Major recipient countries of investment income payable were the U.S.A. and U.K., recording \$1,050m (down \$248m) and \$885m (up \$93m) respectively.

9. Manufacturing enterprises recorded direct investment income payable abroad of \$646m, up \$16m on the previous year, while wholesale and retail trade enterprises recorded \$359m (down \$144m), mining enterprises \$190m (down \$234m) and finance, property and business services enterprises \$188m (up \$41m).

#### Australian investment abroad

10. Total net outflow of identified Australian investment abroad was \$861m in 1981-82; more than double that of the previous year (\$426m). The rise was evident in both the direct investment component (up \$122m) and the portfolio investment and institutional loans component (up \$312m).

11. Of the \$861m outflow, \$385m was invested in the U.S.A. and Canada, \$184m in the U.K. and \$145m in New Zealand.

#### Income receivable on Australian direct investment abroad

12. Income receivable on Australian direct investment abroad was \$214m in 1981-82, \$158m lower than the previous year. The major fall was in the undistributed income component (down \$119m). ASEAN (\$71m), New Zealand (\$69m) and PNG (\$44m) were the major contributors.

### EXPLANATORY NOTES

#### Introduction

This publication contains preliminary estimates for 1981-82 of foreign investment in Australia, Australian investment abroad and associated income flows. For purposes of comparison, details are also shown for the years 1979-80 and 1980-81. Figures for these earlier years have been revised to incorporate the latest available amendments. The statistics for all three years are subject to further revision when the final publication *Foreign Investment, Australia 1981-82* (5305.0) is released later this year. More detailed information than that published herein is available on request, subject to confidentiality restrictions. For information regarding the basis of the figures and more detailed figures for earlier years, reference should be made to *Foreign Investment, Australia 1980-81* released on 24 August 1982.

#### Changes in this issue

##### Country classification

2. Tables 2, 4 and 7 now separately identify foreign investment inflow from, and income payable to, the ASEAN group of countries. In earlier issues, these statistics were included in 'Other countries'.

##### Type of investment classification

3. Australian direct investment abroad, other than undistributed income, was previously split into two components—branch liabilities to head office and other—in table 9. A more useful split into *corporate equities* and *other* is now shown and branch liabilities to head office is included in the latter category.

#### Related publications

4. This publication and the final publication (5305.0) are supplemented by the quarterly publications *Foreign Investment in Enterprises in Australia* (5307.0) (preliminary) and (5306.0) (final) and are consistent with them in terms of concepts and definitions, although broader in scope. Foreign investment statistics are also contained in the *Balance of Payments* publications (5301.0, 5302.0 and 5303.0) and the relationship between the corresponding annual publications is set out in *Foreign Investment, Australia* (5305.0). Information on the scope of, and concepts and definitions used in, foreign investment statistics and, in particular, their relationship with the balance of payments, is set out in detail in *Balance of Payments, Australia: Concepts, Sources and Methods* (5331.0).

5. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The *Catalogue* and *Publications Advice* are available from any ABS office.

#### Symbols and other usages

- nil or rounded to zero
  - n.p. not available for separate publication (but included in totals where applicable)
6. In the tables relating to the inflow as well as those relating to the outflow of investment, increases in investment by some investors are offset against withdrawals of investment by other investors. A negative value denotes an excess of withdrawals of investment over increases in investment.
7. Discrepancies may occur between sums of the component items and totals.

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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	Total	Foreign currencies to—			Total		
	Undis- tributed income	Other direct investment			Australian currency	Foreign countries	IBRD			
1979-80	1,021	552	1,573	1,447	3,020	-15	191	-5	171	3,191
1980-81	781	1,597	2,379	3,612	5,992	20	-93	-8	-81	5,909
1981-82	363	1,930	2,293	6,993	9,236	185	373	-5	553	9,839

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

Year	EEC		U.S.A.	Canada	Japan	Switzer- land	ASEAN(b)	Other countries	IBRD	Total
	United Kingdom	Other (a)								
1979-80	995	520	694	53	654	16	160	104	-5	3,191
1980-81	1,977	490	1,229	126	832	348	370	546	-8	5,909
1981-82	2,629	677	2,025	60	1,484	780	1,409	779	-5	9,839

(a) Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg and Netherlands. (b) Indonesia, Malaysia, Philippines, Singapore and Thailand.

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

Year	Direct investment					Portfolio investment and institutional loans				Total
	Undistributed income		Other direct investment			Borrowings				
	Branches	Subsid- iaries	Corporate equities	Branch liabilities to head office	Inter- company indebt- ness	Borrow- ings	Corporate equities	Public non- monetary enterprises	Other	
1979-80	-6	1,027	34	102	205	211	695	509	244	3,020
1980-81	-122	903	548	222	265	563	1,273	409	1,931	5,992
1981-82	-204	567	-135	630	371	1,065	510	1,060	5,423	9,286

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

Year	EEC		U.S.A.	Canada	Japan	Switzer- land	ASEAN(b)	Other countries	Total
	United Kingdom	Other(a)							
UNDISTRIBUTED INCOME									
1979-80	506	-7	465	-31	60	22	2	3	1,021
1980-81	337	-9	360	46	29	16	-6	8	781
1981-82	268	23	1	10	57	2	-7	10	363
OTHER DIRECT INVESTMENT									
1979-80	-183	188	202	51	159	18	66	50	552
1980-81	315	258	476	95	290	39	136	-11	1,597
1981-82	297	162	261	11	353	70	471	304	1,930
PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS									
1979-80	689	221	96	33	182	67	92	68	1,447
1980-81	1,352	236	471	8	430	294	240	548	3,612
1981-82	2,166	400	2,137	40	771	144	945	449	6,993
TOTAL									
1979-80	1,013	402	763	52	400	107	160	121	3,020
1980-81	2,003	535	1,307	132	749	350	370	545	5,992
1981-82	2,670	585	2,399	60	1,181	216	1,409	764	9,286

(a) Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg and Netherlands. (b) Indonesia, Malaysia, Philippines, Singapore and Thailand.

TABLE 5. INFLOW OF FOREIGN INVESTMENT IN ENTERPRISES  
IN AUSTRALIA, BY BROAD TYPE OF INVESTMENT AND INDUSTRY  
(SA million)

Industry (ASIC division/ subdivision)	1979-80			1980-81			1981-82		
	Portfolio investment and institutional loans		Total investment	Portfolio investment and institutional loans		Total investment	Portfolio investment and institutional loans		Total
	Direct investment			Direct investment			Direct investment		
<b>B Mining—</b>									
12,13 Coal, oil and gas	32	55	87	7	114	121	-344	572	228
11,14,15 Other mining	-82	292	209	117	496	613	206	762	968
16 Services to mining (incl. exploration)	16	217	233	26	505	530	201	234	435
Total mining	-34	564	530	149	1,115	1,264	62	1,569	1,632
<b>C Manufacturing—</b>									
21 Food, beverages and tobacco	107	91	198	109	85	194	149	231	380
23 Textiles	14	2	16	16	5	21	14	8	22
24 Clothing and footwear	5	2	7	7	9	17	1	24	25
25 Wood products and furni- ture	6	-1	5	6	-1	5	4	—	4
26 Paper products, printing and publishing	7	35	43	17	73	90	4	68	72
27 Chemical, petroleum and coal products	156	-2	154	198	40	239	149	21	170
28 Non-metallic mineral products	19	2	21	19	63	82	-9	163	154
29 Basic metal products	53	-81	-28	134	388	522	247	1,136	1,382
31 Fabricated metal pro- ducts	7	-11	-5	25	56	80	27	18	46
32 Transport equipment	-66	-12	-79	101	44	145	109	35	145
33 Other machinery and equipment	108	-7	101	44	27	71	220	-8	211
34 Miscellaneous manufac- turing	37	-1	36	21	14	36	38	63	101
Total manufacturing	452	16	468	697	803	1,501	953	1,759	2,712
<b>Other industries—</b>									
A Agriculture, forestry, fish- ing and hunting	55	3	58	33	8	41	10	17	27
D Electricity, gas and water	—	298	298	—	294	294	—	962	962
E Construction	17	13	31	84	55	139	22	170	193
F Wholesale and retail trade	741	172	912	867	492	1,359	331	906	1,236
G Transport and storage	11	196	206	-46	141	95	33	544	577
H Communication	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
I Finance, property and business services	320	192	512	582	652	1,233	852	963	1,815
Other industries n.e.c.i.(a)	9	-6	4	14	53	67	29	104	132
Total other industries	1,153	867	2,021	1,532	1,694	3,226	1,277	3,665	4,942
<b>Total</b>	<b>1,573</b>	<b>1,447</b>	<b>3,020</b>	<b>2,379</b>	<b>3,612</b>	<b>5,992</b>	<b>2,193</b>	<b>6,993</b>	<b>9,286</b>

(a) Consists of Division J—Public administration and defence, Division K—Community services, Division L—Recreation, personal and other services, and Division M—Non-classifiable economic units. Also, in this table, Division H—Communication, is included in other industries as it is not available for separate publication.

TABLE 6. INCOME PAYABLE ON TOTAL FOREIGN INVESTMENT IN AUSTRALIA, BY TYPE OF INCOME  
(SA million)

Year	Investment income payable abroad by enterprises in Australia on—								
	Direct investment			Portfolio investment and institutional loans			Interest paid on foreign holdings of government securities(a)		
	Undistrib- uted dividends income	Interest payable	Total	Dividends	Interest	Total	Total	Total	
1979-80	1,021	780	1,774	1,975	98	392	490	2,465	386
1980-81	781	825	1,644	1,770	195	495	690	2,461	372
1981-82	363	827	239	1,429	147	999	1,146	2,575	337

(a) Interest paid on foreign holdings of securities repayable in Australian and foreign currencies including interest paid to the IBRD.

TABLE 7. INCOME PAYABLE ON TOTAL FOREIGN INVESTMENT IN AUSTRALIA, BY COUNTRY AND BROAD TYPE OF INCOME  
(\$A million)

Year	EEC		U.S.A.	Canada	Japan	Switzerland	ASEAN(b)	Other countries	Total
	United Kingdom	Other(a)							
UNDISTRIBUTED INCOME									
1979-80	506	-7	465	-31	60	22	2	3	1,021
1980-81	337	-9	360	46	29	16	-6	8	781
1981-82	268	23	1	10	57	2	-7	10	363
DISTRIBUTED INCOME ON DIRECT INVESTMENT									
1979-80	208	24	647	6	19	7	4	40	955
1980-81	205	27	665	9	34	8	10	31	989
1981-82	204	33	613	52	42	18	51	53	1,066
INCOME PAYABLE ON PORTFOLIO INVESTMENT AND INSTITUTIONAL LOANS									
1979-80	118	72	137	8	42	24	10	79	490
1980-81	245	90	135	9	64	34	24	89	690
1981-82	410	115	311	15	106	21	52	117	1,146
INTEREST ON GOVERNMENT SECURITIES(c)									
1979-80	9	117	146	—	61	40	—	12	385
1980-81	5	114	138	—	75	29	—	11	372
1981-82	3	93	126	—	79	27	—	9	337
TOTAL									
1979-80	842	206	1,395	-16	182	93	16	134	2,851
1980-81	792	222	1,298	65	202	86	28	139	2,833
1981-82	885	263	1,050	77	283	69	96	189	2,912

(a) Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg and Netherlands. (b) Indonesia, Malaysia, Philippines, Singapore and Thailand. (c) Includes interest payable to IBRD.

TABLE 8. INCOME PAYABLE ON DIRECT FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA, BY INDUSTRY  
(\$A million)

Industry (ASIC Division/Subdivision)	1979-80	1980-81	1981-82
<b>B Mining—</b>			
12,13 Coal, oil and gas	307	303	262
11,14,15 Other mining	188	199	62
16 Services to mining (incl. exploration)	5	-77	-134
Total mining	500	424	190
<b>C Manufacturing—</b>			
21 Food, beverages and tobacco	104	94	116
23 Textiles	21	26	25
24 Clothing and footwear	-2	4	4
25 Wood products and furniture	10	9	9
26 Paper products, printing and publishing	19	26	11
27 Chemical, petroleum and coal products	170	158	140
28 Non-metallic mineral products	14	21	22
29 Basic metal products	137	106	46
31 Fabricated metal products	30	27	20
32 Transport equipment	-10	35	146
33 Other machinery and equipment	71	81	74
34 Miscellaneous manufacturing	35	44	33
Total manufacturing	599	630	646
<b>Other industries—</b>			
A Agriculture, forestry, fishing and hunting	11	-3	1
D Electricity, gas and water	—	—	—
E Construction	20	49	16
F Wholesale and retail trade	634	503	359
G Transport and storage	20	11	14
H Communication	—	—	—
I Finance, property and business services	179	147	188
Other industries n.e.i.(a)	13	10	16
Total other industries	876	717	593
<b>Total</b>	<b>1,975</b>	<b>1,771</b>	<b>1,429</b>

(a) Consists of Division J—Public administration and defence, Division K—Community services, Division L—Recreation, personal and other services, and Division M—Non-classifiable economic units.

TABLE 9. OUTFLOW OF TOTAL AUSTRALIAN INVESTMENT ABROAD,  
BY TYPE OF INVESTMENT  
(SA million)

Year	Direct Investment				Total	Portfolio investment and institutional loans	Total investment in foreign enterprises	Investment in foreign government securities	Net remittances abroad by life insurance enterprises	Total
	Undistributed income		Other direct investment							
	Branches	Subsidiaries	Corporate equities	Other						
1979-80	17	214	62	144	438	113	551	2	-2	551
1980-81	38	138	151	133	430	10	440	-5	-9	426
1981-82	-18	75	158	337	552	322	873	5	-17	861

TABLE 10. OUTFLOW OF TOTAL AUSTRALIAN INVESTMENT ABROAD,  
BY COUNTRY  
(SA million)

Year	EEC							Other countries	Total
	U.K.	Other(a)	New Zealand	U.S.A. and Canada	Papua New Guinea	ASEAN(b)			
1979-80	189	27	36	116	55	39	89	551	
1980-81	7	19	87	211	-30	80	54	426	
1981-82	184	18	145	385	74	6	48	861	

(a) Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg and Netherlands. (b) Indonesia, Malaysia, Philippines, Singapore and Thailand.

TABLE 11. INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT IN FOREIGN ENTERPRISES,  
BY TYPE OF INCOME (a)  
(SA million)

Year	Undistributed income			Distributed income				Total
	Branches	Subsidiaries	Total	Remitted profits of branches	Dividends of subsidiaries	Interest	Total	
1979-80	17	214	231	52	123	8	183	415
1980-81	38	138	176	51	140	5	196	372
1981-82	-18	75	57	43	101	13	157	214

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

TABLE 12. INCOME RECEIVABLE ON AUSTRALIAN DIRECT INVESTMENT IN FOREIGN ENTERPRISES,  
BY COUNTRY (a)  
(SA million)

Year	EEC							Other countries	Total
	U.K.	Other(b)	New Zealand	U.S.A. and Canada	Papua New Guinea	ASEAN(c)			
1979-80	55	13	77	11	120	43	95	415	
1980-81	75	21	87	7	33	67	83	372	
1981-82	-15	1	69	-22	44	71	67	214	

(a) Details are not available of income receivable in Australia on either portfolio investment and institutional loans or on Australian holdings of foreign government securities. (b) Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg and Netherlands. (c) Indonesia, Malaysia, Philippines, Singapore and Thailand.