



FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA MARCH QUARTER 1985 PRELIMINARY

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MAIN FEATURES

The net inflow of foreign investment (excluding undistributed income) in enterprises in Australia during the March quarter 1985 was \$2,885m. This was a rise of 23 per cent on the December quarter 1984 figure, and the highest quarterly inflow since that for the December quarter 1983.

The major cause of the increase was the turnaround from a net disinvestment to a net investment in a number of components, notably portfolio investment in corporate equities (a turnaround of \$329m), intercompany indebtedness (\$330m) and borrowings from related foreign enterprises (\$211m). These increases were partly offset by a decrease of \$398m in 'other' borrowings from unrelated foreign investors.

Of that part of foreign investment identified by country, the major net inflows were recorded from the USA (\$973m), the UK (\$384m) and Japan (\$360m). Of that part of foreign investment identified by industry, the largest inflows were recorded for wholesale and retail trade (\$1,255m) and finance, property and business services (\$989m). A further \$457m, representing flows of both equity and non-equity investment through brokers and nominees, has not yet been allocated by country or by industry.

EXPLANATORY NOTES

Introduction

This publication presents preliminary estimates of foreign investment in enterprises in Australia during the March quarter 1985. More detailed preliminary estimates are available on request subject to confidentiality restrictions. 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

2. 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.

3. 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

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

- type of investment;
- country of investor; and
- industry of the enterprise receiving the investment.

Concepts, definitions and terms

5. 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 non-monetary 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.

Related publications

6. 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
- .. not applicable

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

8. 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*)

Period	Direct investment					Portfolio investment and institutional loans					
	Corporate equities	Branch liabilities to head office	Inter-company indebtedness	Borrowings	Total	Borrowings			Total	Total	
						Corporate equities	Public non-monetary enterprises	Other			
<i>Year—</i>											
1981-82	-134	563	399	1,110	1,938	654	1,164	5,380	7,198	9,135	
1982-83	392	592	63	448	1,495	865	1,694	5,083	7,642	9,137	
1983-84	246	-442	601	1,383	1,588	537	2,289	3,635	6,461	8,049	
<i>1983—</i>											
December qtr	112	54	157	1,125	1,448	54	510	1,231	1,795	3,243	
<i>1984—</i>											
March qtr	12	90	-7	-75	20	209	1,375	403	1,987	2,007	
June qtr	41	-1,434	453	336	-604	-50	271	1,765	1,985	1,382	
September qtr	-192	168	219	749	944	20	251	946	1,217	2,161	
December qtr	61	-92	-164	-40	-235	-191	1,369	1,396	2,573	2,338	
<i>1985—</i>											
March qtr	-43	-6	166	171	288	138	1,462	998	2,597	2,885	

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

Period	EEC		Switzerland	U.S.A.	Canada	Japan	ASEAN(c)	Other countries(d)	Un-allocated	Total
	U.K.	Other(b)								
<i>Year—</i>										
1981-82	2,431	518	215	1,901	55	1,160	1,729	1,127	..	9,135
1982-83	2,245	876	218	1,428	53	2,246	1,113	959	..	9,137
1983-84	2,003	653	227	1,332	27	1,140	2,057	609	..	8,049
<i>1983—</i>										
December qtr	433	204	89	917	-9	132	1,076	268	133	3,243
<i>1984—</i>										
March qtr	405	178	28	739	22	147	114	-124	498	2,007
June qtr	403	267	51	-689	-11	335	674	362	-10	1,382
September qtr	143	123	69	312	17	284	774	392	48	2,161
December qtr	516	256	36	719	23	148	118	432	91	2,338
<i>1985—</i>										
March qtr	384	167	-5	973	61	360	246	241	457	2,885

(a) That part of portfolio investment and institutional loans placed through brokers and nominees 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) Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg and Netherlands. (c) Indonesia, Malaysia, Philippines, Singapore and Thailand. Also includes Brunei from 1 January 1984. (d) Includes bonds, etc. issued on the international capital market for which no individual country details are available.

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

Period	ASIC Division								Unallocated	Total
	Mining (Div. B)	Manufacturing (Div. C)	Electricity, gas & water (Div. D)	Wholesale & retail trade (Div. F)	Transport & storage (Div. G)	Finance, property, etc. (Div. I)	Other industries			
<i>Year—</i>										
1981-82	1,871	2,459	1,053	948	576	1,869	360	..	9,135	
1982-83	3,026	1,465	2,007	645	352	1,287	355	..	9,137	
1983-84	452	1,108	1,222	1,634	123	2,982	528	..	8,049	
<i>1983—</i>										
December qtr	294	187	229	727	62	1,391	220	133	3,243	
<i>1984—</i>										
March qtr	261	238	313	353	38	296	10	498	2,007	
June qtr	-1,091	966	145	587	-17	675	126	-10	1,382	
September qtr	326	-146	324	-37	1,519	91	48	48	2,161	
December qtr	-56	732	341	629	-66	602	66	91	2,338	
<i>1985—</i>										
March qtr	49	79	-44	1,255	20	989	78	457	2,885	

(a) That part of portfolio investment and institutional loans placed through brokers and nominees 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.