

FOREIGN INVESTMENT IN ENTERPRISES IN AUSTRALIA
JUNE QUARTER 1984 (PRELIMINARY ESTIMATES)

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MAIN FEATURES

June quarter 1984—

The quarterly net inflow of foreign investment (excluding undistributed income) in enterprises in Australia was \$1,275m, continuing the fall evident since the investment inflow peaked at \$3,161m in the December quarter 1983. The June quarter estimates incorporate transactions associated with the purchase by the Broken Hill Proprietary Company Limited of Utah International Inc (UII) from foreign interests. The acquisition of certain Australian assets of UII are recorded as a withdrawal of foreign direct investment in Australia, and large foreign borrowings to assist in the finance of this transaction are recorded in the component 'other borrowings' (i.e. from unrelated enterprises).

The net inflow figure, as well as reflecting the above transaction, was also affected by a turnaround in portfolio investment in corporate equities of \$279m (from a net inflow of \$126m in March quarter 1984 to a net withdrawal of \$152m in the latest quarter). This was partially offset by increases in borrowings from non-residents and intercompany indebtedness.

Of that part of foreign investment identified by country, the major net inflows were recorded from ASEAN (\$582m), the UK (\$374m) and Japan (\$242m). Small net withdrawals were recorded for the USA, EEC (other than UK) and Canada.

Of that part of foreign investment identified by industry, the largest inflows were recorded for manufacturing (\$931m), finance, property and business services (\$594m) and wholesale and retail trade (\$566m). The UII transaction was a major influence in the large net withdrawal (\$923m) recorded for the mining industry.

Financial year 1983-84—

The annual net inflow of foreign investment (excluding undistributed income) in enterprises in Australia was \$7,546m, down 17 per cent on the 1982-83 figure.

EXPLANATORY NOTES

Introduction

This publication presents preliminary estimates of foreign investment in enterprises in Australia during the June quarter 1984. 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	Corporate equities	Borrowings			Total
							Public non-monetary enterprises	Other	Total	
Year—										
1981-82	-135	563	399	1,109	1,936	654	1,164	5,379	7,197	9,133
1982-83	380	573	61	434	1,448	878	1,651	5,106	7,635	9,083
1983-84	265	-437	553	1,296	1,677	201	2,200	3,468	5,869	7,546
1983—										
March qtr	111	164	-260	338	352	233	336	1,341	1,910	2,262
June qtr	14	129	337	128	607	346	66	1,086	1,499	2,106
September qtr	81	638	-3	-13	702	195	128	202	524	1,226
December qtr	106	50	154	1,115	1,425	33	490	1,213	1,736	3,161
1984—										
March qtr	52	99	-14	-82	56	126	1,310	393	1,828	1,884
June qtr	26	-1,224	417	276	-505	-152	272	1,660	1,780	1,275

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)								
Year—										
1981-82	2,431	518	215	1,900	55	1,179	1,727	1,107	..	9,133
1982-83	2,337	879	212	1,433	46	2,242	1,095	838	..	9,083
1983-84	1,575	408	171	2,808	10	663	1,908	395	408	7,546
1983—										
March qtr	301	49	7	337	28	143	593	496	308	2,262
June qtr	375	294	43	461	15	344	65	98	410	2,106
September qtr	412	59	5	361	4	143	117	12	113	1,226
December qtr	395	202	90	916	-9	133	1,093	263	79	3,161
1984—										
March qtr	394	176	28	775	34	146	116	-130	344	1,884
June qtr	374	-30	48	-44	-18	242	582	250	-128	1,275

(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									
	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	Unallocated	Total	
Year—										
1981-82	1,871	2,458	1,053	948	576	1,869	358	9,133
1982-83	3,035	1,539	1,866	636	329	1,250	328	9,083
1983-84	420	1,091	894	1,598	118	2,517	502	408	..	7,546
1983—										
March qtr	523	284	352	-105	67	750	84	308	..	2,262
June qtr	666	311	195	244	142	14	124	410	..	2,106
September qtr	790	-277	206	-64	31	265	163	113	..	1,226
December qtr	292	184	229	726	69	1,367	216	79	..	3,161
1984—										
March qtr	262	252	313	370	47	292	3	344	..	1,884
June qtr	-923	931	146	566	-29	594	120	-128	..	1,275

(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.