

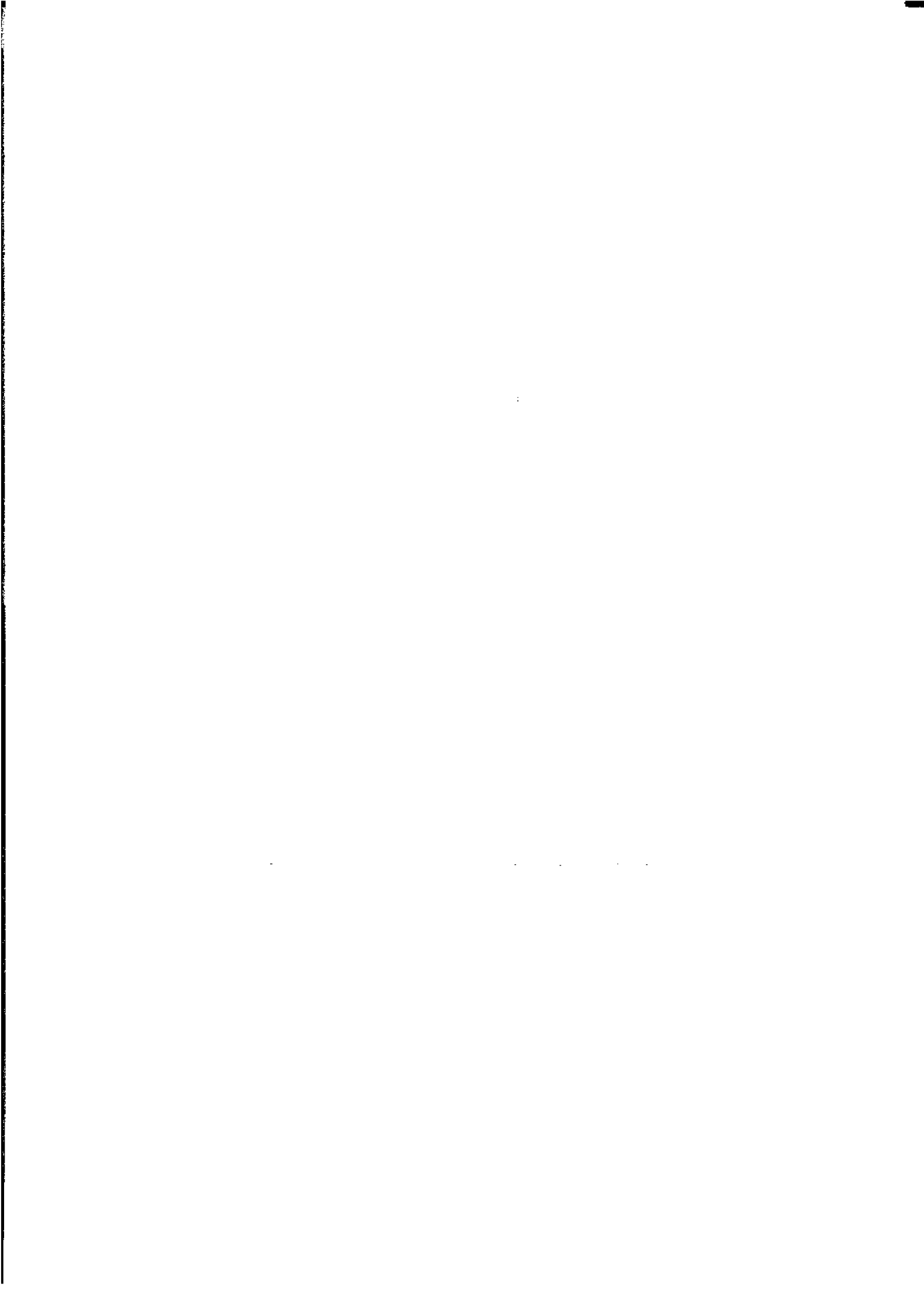


March Quarter 1997

EMBARGO: 11:30 AM (CANBERRA TIME) TUES 3 JUN 1997

# International Investment Position

## Australia



**INTERNATIONAL INVESTMENT POSITION, AUSTRALIA  
MARCH QUARTER 1997**

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### INQUIRIES

- *for further information about statistics in this publication* and the availability of related unpublished statistics, contact Ms Karen McGuigan on Canberra (06) 252 5844, Mr Chris Kervin on (06) 252 5386 or any ABS State office.
  - *for information about other ABS statistics and services* please refer to the back page of this publication.
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**MAIN FEATURES**  
**NET INTERNATIONAL INVESTMENT POSITION AND INCOME — SUMMARY**

	Percentage Change			
	Dec. qtr 1996(a)	Mar. qtr 1997	Dec. qtr 1996 to Mar. qtr 1997	Mar. qtr 1996 to Mar. qtr 1997
	— \$A million —		— per cent —	
Net foreign liabilities at end of quarter				
Net equity	102,044	100,368	-1.6	8.5
Net debt (b)	199,197	199,902	0.4	7.3
Net other	2,021	1,158	-42.7	-49.8
Total	303,262	301,428	-0.6	7.2
Net investment income payable abroad during quarter	5,146	5,114	-0.6	4.5

(a) Revisions to previously published estimates are explained in the note on page 7. (b) Foreign borrowing by Australian residents less the sum of reserve assets and Australian lending abroad.

### March quarter 1997

*Net foreign liabilities* of Australian residents at 31 March 1997 totalled \$301,428 million. This was a decrease of \$1,834 million, or -0.6 per cent, on the revised estimate of the position one quarter earlier.

- The decrease during the March quarter 1997 consisted of an inflow of \$2,255 million due to *net capital transactions* (the balance on capital account in the balance of payments); *exchange rate variations* of \$140 million; and *other changes* of -\$4,229 million in the value of net foreign liabilities.
- The decrease during the March quarter 1997 was due to the increase in *Australian investment abroad* (up \$5,919 million) exceeding the increase in *foreign investment in Australia* (up \$4,085 million). The rise in *Australian investment abroad* was due to increases in equity holdings by Australian residents in foreign enterprises (up \$1,250 million), lending to non-residents (up \$3,999 million) and other investment (up \$748 million). The increase in *foreign investment in Australia* stemmed from increases in foreign borrowing (up \$4,626 million), partly offset by a decrease in equity holdings by non-residents in Australian enterprises (down \$426 million).

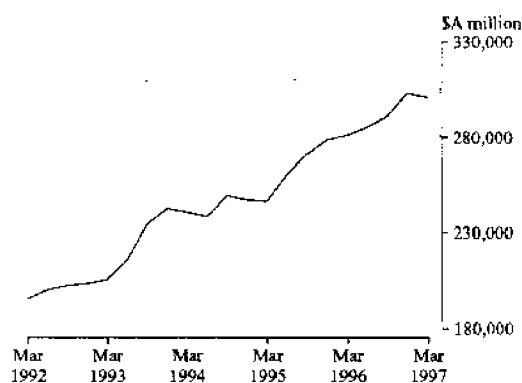
*Net foreign debt* at 31 March 1997 was \$199,902 million, up \$705 million (0.4%) on the revised estimate of the position a quarter earlier.

- The increase during the March quarter 1997 resulted from *net capital transactions* of \$1,603 million, mainly reflecting net foreign borrowing by the private sector, partly offset by *other changes* of -\$679 million and *exchange rate variations* of -\$218 million, due to the appreciation of the Australian dollar against other currencies.
- The ratio of *net foreign debt to GDP* for the year ended March 1997 was 39.4 per cent, down 0.3 percentage points on the position for the year ended December 1996, and up 0.7 percentage points on that for the year earlier.

*Net investment income payable abroad* during the March quarter 1997 was \$5,114 million, down \$32 million (-0.6%) on the amount payable in the December quarter 1996 and up \$219 million (4.5%) on the amount payable in the March quarter 1996.

- The decrease in the March quarter 1997 over the December quarter 1996 was due to the rise of \$321 million in *income receivable on Australian investment abroad* exceeding the rise of \$289 million in *income payable on foreign investment in Australia*.
- The ratio of *net investment income to exports of goods and services* for the year ended March 1997 was 19.4 per cent, down 0.1 percentage points on the ratio a year earlier.

GRAPH 1: AUSTRALIA'S NET FOREIGN LIABILITIES (a)  
AT END OF QUARTER



(a) Level of foreign investment in Australia less level of Australian investment abroad.

## ANALYSIS OF RESULTS

## INTERNATIONAL INVESTMENT POSITION - SUMMARY

(\$A million)

	Changes in levels during March quarter 1997				Level at 31 Mar. 1997	Investment Income during Mar. quarter 1997
	Level at 31 Dec. 1996	Capital Transactions	Exchange Rate Variations	Other Changes		
<b>Foreign Investment in Australia—</b>						
Equity liabilities	206,083	2,795	-	-3,221	205,657	3,465
Borrowing(a)	245,907	5,012	-807	422	250,533	3,342
Other Investment	10,851	54	6	-175	10,736	2
<b>Total</b>	<b>462,841</b>	<b>7,861</b>	<b>-802</b>	<b>-2,974</b>	<b>466,926</b>	<b>6,809</b>
<b>Australian Investment Abroad—</b>						
Equity Assets	104,039	1,492	-356	114	105,289	1,292
Reserve Assets	21,848	591	-481	-188	21,770	161
Lending	24,862	2,818	-108	1,289	28,861	240
Other Investment	8,830	705	3	41	9,578	2
<b>Total</b>	<b>159,579</b>	<b>5,606</b>	<b>-942</b>	<b>1,255</b>	<b>165,498</b>	<b>1,695</b>
<b>Net International Investment Position and Income(b) —</b>						
Net Equity Liabilities	102,044	1,303	356	-3,335	100,368	2,173
Net Debt(c)	199,197	1,603	-218	-679	199,902	2,941
Net Other Investment	2,021	-651	3	-215	1,158	-
<b>Net Foreign Liabilities</b>	<b>303,262</b>	<b>2,255</b>	<b>140</b>	<b>-4,229</b>	<b>301,428</b>	<b>5,114</b>

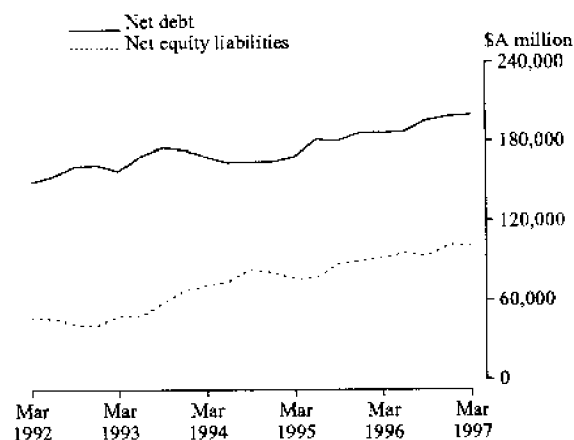
(a) Gross foreign debt. (b) Net international investment position equals foreign investment in Australia less Australian investment abroad. (c) Foreign borrowing by Australian residents less the sum of reserve assets and Australian lending abroad.

### Australia's international investment position at 31 March 1997

Australia's *net international investment position* at 31 March 1997 consisted of net foreign liabilities of \$301,428 million. This was a decrease of \$1,834 million (-0.6%) on the position a quarter earlier and resulted from:

- *net capital transactions* of \$2,255 million;
- *exchange rate variations* of \$140 million; and
- *other changes* of -\$4,229 million.

**GRAPH 2: NET FOREIGN DEBT AND EQUITY LIABILITIES AT END OF QUARTER**





The level of net foreign liabilities at 31 March 1997 represented the difference between the level of:

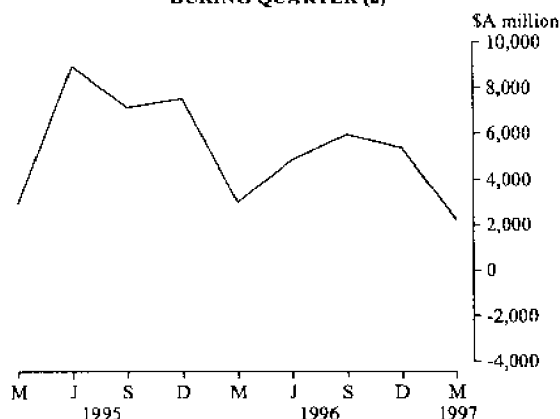
- foreign investment in Australia of \$466,926 million; and
- Australian investment abroad of \$165,498 million.

The level of net foreign liabilities consisted of:

- *net foreign debt* of \$199,902 million (66.3%);
- *net equity liabilities* of \$100,368 million (33.3%); and
- *net other investment* of \$1,158 million (0.4%).

During the March quarter 1997, the level of net foreign debt increased by 0.4 per cent and net equity liabilities decreased by 1.6 per cent.

**GRAPH 3: NET CAPITAL TRANSACTIONS DURING QUARTER (a)**

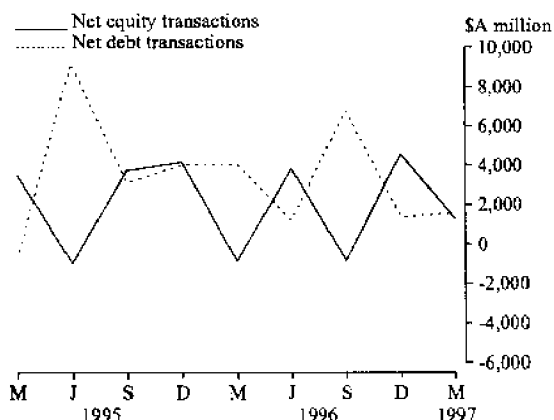


(a) Net capital transactions cover net equity, net debt and net other investment transactions

The inflow of investment from *net capital transactions* during the March quarter 1997 resulted from:

- a net inflow of \$7,861 million, due to additional liabilities incurred on foreign investment in Australia; partly offset by
- a net outflow of \$5,606 million, due to the acquisition of additional assets through Australian investment abroad.

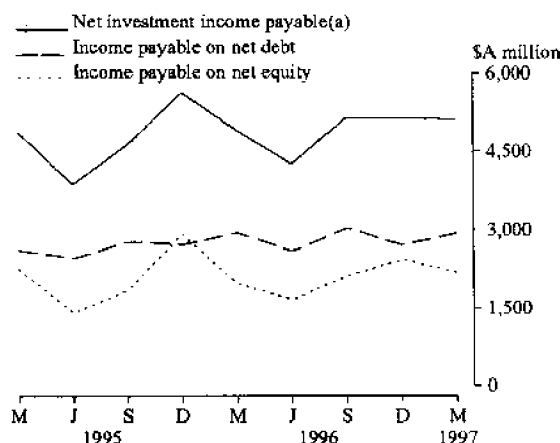
**GRAPH 4: NET EQUITY AND DEBT TRANSACTIONS DURING QUARTER**



Contributing to this outcome on net capital transactions were net inflows of \$1,603 million for net foreign debt and \$1,303 million for net equity investment, partly offset by a decrease of \$651 million in net other investment.

*Net investment income payable abroad* during the March quarter 1997 was \$5,114 million, arising from income payable on foreign investment in Australia of \$6,809 million less income receivable on Australian investment abroad of \$1,695 million. Net investment income payable fell by \$32 million, or 0.6 per cent, on the amount recorded for the December quarter 1996.

**GRAPH 5: NET INVESTMENT INCOME DURING QUARTER**



(a) Net investment income payable covers income payable on net debt, net equity and net other investment.

Net investment income payable abroad mainly consisted of:

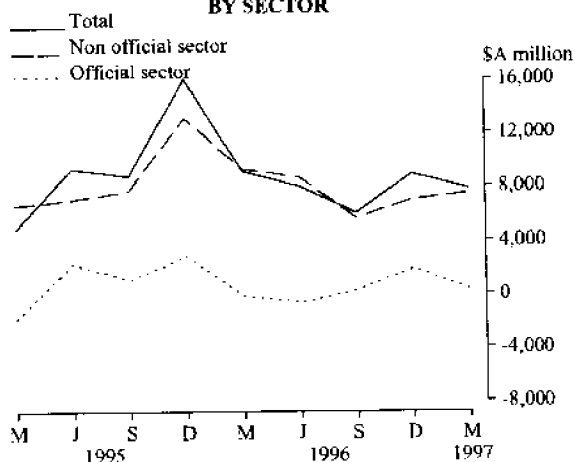
- \$2,941 million interest payable on net foreign debt; and
- \$2,173 million investment income payable on net equity liabilities.

#### Capital transactions (investment flows) in the March quarter 1997

##### Foreign investment in Australia

A net inflow of \$7,861 million was recorded for foreign investment in Australia during the March quarter 1997. This was a decrease of \$1,056 million on the net inflow of \$8,917 million recorded for the previous quarter. This decrease resulted from a fall of \$3,748 million in equity investment (including reinvested earnings), partly offset by an increase of \$2,390 million and \$302 million in borrowing and in other investment respectively.

**GRAPH 6: FOREIGN INVESTMENT IN AUSTRALIA:  
CAPITAL TRANSACTIONS DURING QUARTER  
BY SECTOR**



Foreign investment in the *official sector* in Australia decreased from a net inflow of \$1,893 million in the December quarter 1996 to a net inflow of \$330 million in the March quarter 1997. The major flows within this sector were:

- a decrease in net inflow of \$2,119 million in general government borrowing domiciled in Australia, from \$2,896 million to \$777 million; and
- a decrease in net outflow of \$490 million in general government borrowing domiciled abroad, from \$885 million to \$395 million.

The net inflow of foreign investment in the *non-official sector* in Australia increased \$507 million, from \$7,024 million in the December quarter 1996 to \$7,531 million in the March quarter 1997.

Contributing to the increased net inflow into the non-official sector were:

- an increase of \$3,952 million in the net inflow due to borrowing by the private sector from unrelated foreign lenders, from \$1,761 million to \$5,713 million;
- a decrease of \$1,997 million in the net outflow due to borrowing from direct investors, from \$2,459 million to \$462 million; and
- an increase of \$601 million in the notional net inflow of reinvestment of earnings, from \$1,225 million to \$1,826 million.

These changes were partly offset by:

- a decrease of \$2,920 million in the net inflow from foreign direct investment in equities, from \$3,049 million to \$129 million;
- a turnaround of \$1,999 million in borrowing by the public sector from unrelated foreign lenders, from a net inflow of \$1,378 million to a net outflow of \$621 million; and
- a decrease of \$1,429 million in the net inflow of foreign portfolio investment in corporate equities, from \$2,269 million to \$840 million.

#### *Australian investment abroad*

A net outflow of \$5,606 million was recorded for Australian investment abroad in the March quarter 1997, representing a net increase of \$2,056 million on the net outflow of \$3,550 million from the previous quarter.

Australian investment abroad by the *official sector* increased from a net outflow of \$311 million in the December quarter 1996 to a net outflow of \$776 million in the March quarter 1997. This was mainly due to the increase of \$310 million in reserve assets, from a net outflow of \$281 million to \$591 million.

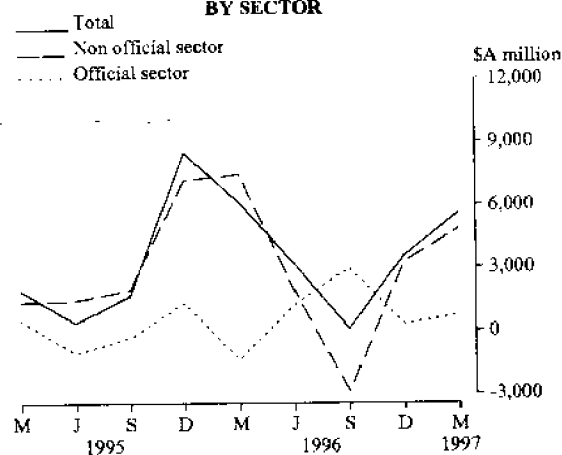
A net outflow of \$4,830 million was recorded for investment abroad by the *non-official sector* in the March quarter 1997, representing an increase of \$1,591 million on the net outflow of \$3,239 million recorded in the December quarter 1996. This result was mainly due to:

- an increase in the net outflow of \$989 million in lending by the private sector to unrelated foreign enterprises, from \$2,069 million to \$3,058 million;
- a decrease in the net inflow of \$873 million in lending to direct investment enterprises abroad from \$1,102 million to \$229 million; and
- an increase of \$236 million in the notional outflow of reinvestment of earnings from \$713 million to \$949 million.

These changes were partly offset by:

- a decrease of \$662 million in Australian direct investment in foreign equities from a net outflow (purchases) of \$707 million to \$45 million.

**GRAPH 7: AUSTRALIAN INVESTMENT ABROAD:  
CAPITAL TRANSACTIONS DURING QUARTER  
BY SECTOR**



## Investment income in the March quarter 1997

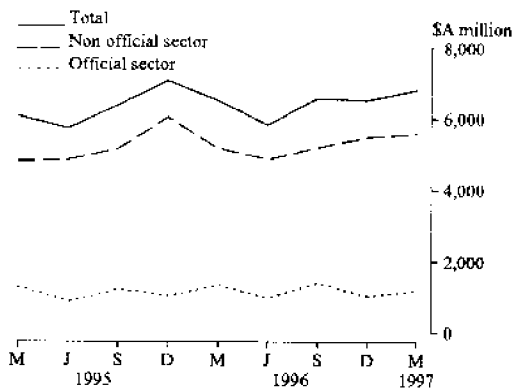
### Income payable on foreign investment in Australia

Income payable on foreign investment in Australia was \$6,809 million in the March quarter 1997, an increase of \$289 million (4.4%) on the December quarter 1996 estimate. Income payable (including re-investment of earnings) on equity holdings by non-residents in Australian enterprises accounted for \$3,465 million (50.9%) of the total investment income payable, up \$148 million (4.5%) on the previous quarter's estimate.

Income payable by the *official sector* was \$1,203 million, up \$165 million (15.9%) on the amount payable in the previous quarter. Income payable by the *non-official sector* rose \$124 million (2.3%) to \$5,606 million.

Interest payable on official sector borrowing domiciled in Australia rose \$257 million to \$614 million while interest payable on official sector borrowing domiciled abroad fell \$92 million to \$581 million.

GRAPH 8: INCOME PAYABLE ON FOREIGN INVESTMENT IN AUSTRALIA DURING QUARTER BY SECTOR



The largest increase in income payable by the non-official sector was recorded for

- reinvested earnings on direct investment in Australian corporate equities (up \$601 million) from \$1,225 million to \$1,826 million.

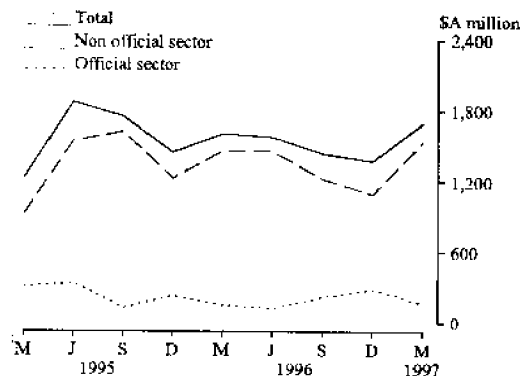
This was partly offset by:

- dividends and remitted profits payable on direct investment in Australian corporate equities (down \$290 million) from \$1,458 million to \$1,168 million; and
- dividends payable on portfolio investment in Australian corporate equities (down \$163 million) from \$634 million to \$471 million.

### Income receivable on Australian investment abroad

Income receivable on Australian investment abroad during the March quarter 1997 was \$1,695 million, an increase of \$321 million on the previous quarter's estimate. Income receivable by the *official sector* (almost entirely interest on reserve assets) fell by \$120 million (42.6%) to \$162 million. Income receivable by the *non-official sector* increased by \$441 million (40.4%) to \$1,533 million.

GRAPH 9: INCOME RECEIVABLE ON AUSTRALIAN INVESTMENT ABROAD DURING QUARTER BY SECTOR



### Exchange rate variations in the March quarter 1997

Between 31 December 1996 and 31 March 1997, the Australian dollar depreciated 1.3 per cent against the United States dollar; and appreciated 5.2 per cent against the Japanese yen and 6.8 per cent against the German mark. On a trade weighted basis, the Australian dollar appreciated 1.9 per cent.

### Other changes in levels in the March quarter 1997

Apart from capital transactions and exchange rate variations, there were also *other changes* in Australia's net foreign liabilities during the quarter which accounted for a decrease of \$4,229 million in net liabilities. This decrease represented the effect of *other changes* in the level of foreign investment in Australia of -\$2,974 million and *other changes* in the level of Australian investment abroad of \$1,255 million.

The change in the level of *Australian investment abroad* during the quarter was largely caused by price increases for debt securities. In the case of *foreign investment in Australia*, price increases accounted for a decrease of approximately \$2,028 million in the level of investment. Reflected in this amount were: price increases for debt securities which accounted for an increase of \$341 million in the level of foreign borrowing; share valuation effects which accounted for an increase of \$258 million in the level of foreign portfolio investment in corporate equities and a decrease, after adjustment for reinvestment of earnings, of \$2,627 million in the level of foreign direct investment in corporate equities.

## Levels of investment at 31 March 1997

### Foreign investment in Australia

The level of foreign investment in Australia was \$466,926 million at 31 March 1997, an increase of \$4,085 million on the level at 31 December 1996. Making up the change in levels were:

- a net inflow of \$7,861 million from capital transactions;
- exchange rate changes of -\$802 million; and
- other changes of -\$2,974 million.

The *official sector* accounted for \$84,356 million, or 18.1 per cent, of the total level of foreign investment in Australia at 31 March 1997. The *non-official sector* accounted for \$382,570 million, or 81.9 per cent.

When analysed by instrument of investment, foreign investment in Australia, at 31 March 1997, consisted of the following:

- *foreign borrowing* of \$250,533 million (53.7%);
- *equity investment* of \$205,657 million (44.0%); and
- *other investment* of \$10,736 million (2.3%).

### Australian investment abroad

The level of Australian investment abroad was \$165,498 million at 31 March 1997, an increase of \$5,919 million on the level at 31 December 1996. Making up the change in levels were:

- a net outflow of \$5,606 million from capital transactions;
- exchange rate changes of -\$942 million; and
- other changes of \$1,255 million.

Investment abroad by the *official sector* (mainly holdings of reserve assets) was \$24,891 million, representing 15.0 per cent of the total level of Australian investment abroad, while the *non-official sector* accounted for the remaining 85.0 per cent (\$140,607 million). Equity assets accounted for 74.9 per cent (\$105,289 million) of the level of investment abroad by the non-official sector.

### Australia's foreign debt

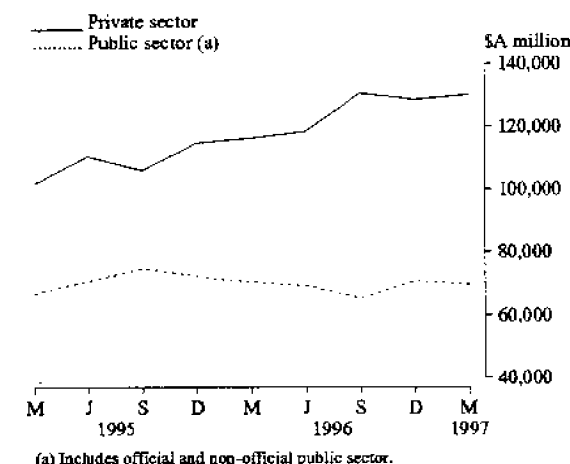
At 31 March 1997 Australia's *net foreign debt* was \$199,902 million, up \$705 million on the level at 31 December 1996.

The level of *net foreign debt* at 31 March 1997 was made up of borrowing from non-residents (*gross foreign debt*) of \$250,533 million, partly offset by reserve assets and Australian lending abroad of \$50,631 million.

The *public sector* (official and non-official) held \$69,878 million or 35.0 per cent of total net foreign debt at 31 March 1997, down 0.6 percentage points on the previous quarter. The *private sector* held \$130,025 million or 65.0 per cent compared with 64.4 per cent a quarter earlier.

Within the public sector, the *official sector* accounted for \$62,866 million, or 31.4 per cent of total net foreign debt, while the *non-official sector* accounted for \$7,012 million or 3.6 per cent.

GRAPH 10: LEVELS OF PUBLIC AND PRIVATE SECTOR NET FOREIGN DEBT AT END OF QUARTER



As the summary table on page 2 shows, there was an increase in net foreign debt during the March quarter due to transactions of \$1,603 million, exchange rate variations of -\$218 million and other changes of -\$679 million.

At 31 March 1997, 37.7 per cent (\$94,412 million) of Australia's foreign borrowing was denominated in Australian dollars and 62.3 per cent (\$156,122 million) in foreign currencies. US dollars represented the largest currency of borrowing, comprising \$65,875 million or 42.2 per cent of foreign currency borrowing. Of the amount denominated in Australian dollars, \$48,674 million (51.6%) was domiciled abroad with the remaining \$45,738 million (48.4%) domiciled in Australia.

## Release date for June quarter 1997 issue

The expected release date for the June quarter 1997 issue of *International Investment Position, Australia* (5306.0) is 1 September 1997.

## REVISIONS

Since the last issue of this publication, revisions have been made to estimates of capital transactions, levels of international investment and investment income for the September quarter 1996 and the December quarter 1996.

The revisions have been largely caused by:

- late or revised reporting by some existing providers in the *ABS Survey of International Investment*;
- reallocation of amounts previously recorded in other changes, in Tables 1 to 3, in previous issues of this publication; and
- reconciliation of data reported by a number of large providers in the *ABS Survey of International Investment* with data reported by those same providers in another ABS Survey, the *Survey of Financial Information*.

To maintain the timeliness of this publication, it is the usual practice to include interim entries, for reconciliation purposes, in other changes in levels for the reference quarter. These interim entries cover revisions to levels and changes in levels for earlier periods that are taken into account in the closing levels estimates for the reference quarter, but cannot be incorporated in the estimates for earlier periods in the time available. These interim entries are subsequently reallocated to the appropriate periods and reflected in the revised figures published in the subsequent issues of this publication.

**REVISIONS SUMMARY TABLE**  
(**\$A million**)

	<i>Changes in this publication</i>	
	<i>Sept. quarter 1996</i>	<i>Dec. quarter 1996</i>
Capital transactions ---		
Foreign investment in Australia	-276	1,165
Australian investment abroad	22	1,010
<i>Net</i>	-298	155
Investment income —		
Foreign investment in Australia	134	49
Australian investment abroad	-23	-82
<i>Net</i>	157	131
Level of foreign debt —		
Foreign investment in Australia	179	-2,546
Australian investment abroad	388	624
<i>Net</i>	-209	-3,170
Level of equity and other investment —		
Foreign investment in Australia	735	4,012
Australian investment abroad	2,504	2,182
<i>Net</i>	-1,769	1,830
Total level of investment —		
Foreign investment in Australia	914	1,466
Australian investment abroad	2,892	2,806
<i>Net</i>	-1,978	-1,340

## FOREIGN OWNERSHIP OF EQUITY IN AUSTRALIAN ENTERPRISE GROUPS

### Introduction

This article updates the analysis of foreign ownership of Australian equity presented in the March quarter 1996 issue of this publication. The data presented here are from the December quarter 1996 issue of *Australian National Accounts, Financial Accounts* (5232.0). A brief explanation of how the financial accounts can be used to derive estimates of foreign ownership of equity in Australian enterprise groups is provided below. For a more detailed explanation, see the earlier article published in the June quarter 1992 issue of this publication. That article also explains the relationship between these measures and measures derived from earlier foreign participation studies.

Data relevant to this article are contained in Table 35, The Equities Market, of the December quarter 1996 issue of publication 5232.0. This table covers, as far as possible, the whole equity market, including equities (shares and equivalent equity interests in unincorporated enterprises) and units in trusts, valued at market prices. The total value of equity issued by enterprises in Australia is broken down by the institutional sector of the entity issuing the equity, which, in turn, is broken down by the institutional sector of the counterparty holding the equity.

One of the sectors identified in Table 35 of the above-mentioned publication as holding equity is the "Rest of World". This sector consists of all non-resident entities regardless of their nature. A non-resident is defined as any individual, enterprise or other organisation ordinarily domiciled in a country other than Australia. These data are sourced from ABS international investment statistics and are consistent with those presented in the December quarter 1996 issue of *International Investment Position, Australia* (5306.0).

By expressing the value of equity issued by a particular sector to the rest of the world (non-residents) as a percentage of the total value of all equity issued by that sector, it is possible to derive an estimate of the percentage of foreign ownership in that sector. For example, at 31 December 1996, equity held by "Rest of World" in Banks was \$15.9 billion, or 21.5 per cent of the total equity of \$74.0 billion issued by banks. Likewise, an estimate of total foreign ownership of equity in all Australian enterprises can be derived by summing the equity held by non-residents across all sectors and dividing this by the total value of equity issued by all sectors. Estimates of foreign ownership by sector are shown in Table A on the following page.

### 2. Analysis of results

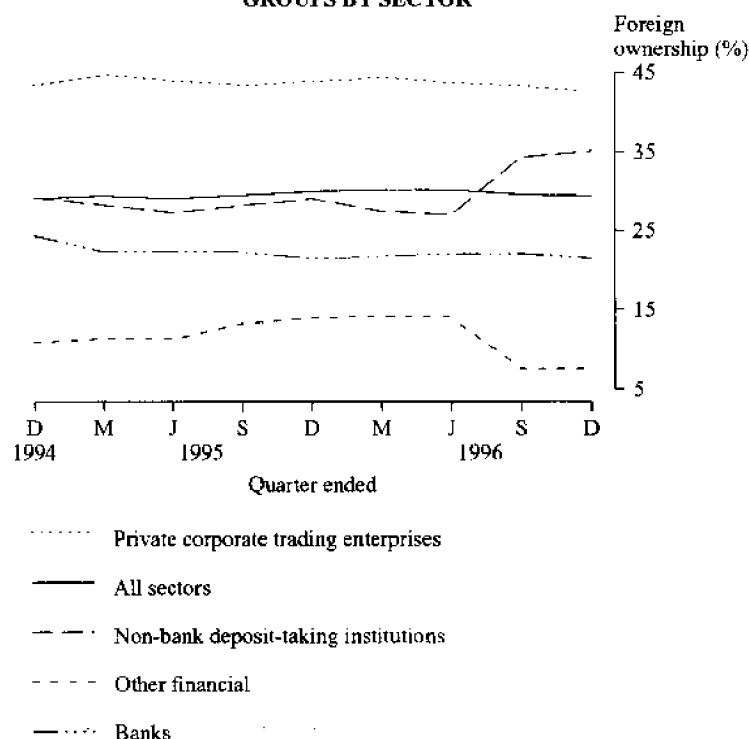
Table A shows that the value of equity on issue by Australian enterprise groups at 31 December 1996 stood at \$683.8 billion. Of this total, 59 per cent was shares or equivalent equity interests issued by private corporate trading enterprises. Lesser amounts were issued by banks (10.8% of the total), other financial institutions (7.2%) and non-bank deposit-taking institutions (2.3%).

Of the total equity on issue by Australian enterprise groups at 31 December 1996, non-residents held equity valued at \$201.3 billion (29.4%) and residents held \$482.5 billion (70.6%).

Since June 1995, the total value of equity held by non-residents has been relatively stable at around 30 per cent.

When analysed by sector the proportion of equity held by non-residents in private corporate trading enterprises at 31 December 1996 was 42.6 per cent continuing the downwards trend from the peak of 44.4 per cent at 31 March 1996.

FOREIGN OWNERSHIP OF AUSTRALIAN ENTERPRISE GROUPS BY SECTOR



Both the amount issued by banks and the amount held by non-residents at 31 December 1996 increased by 18 per cent on the positions a year earlier, but the percentage of foreign ownership increased to 22.1 per cent at 30 June and 30 September 1996 before returning to 21.5 per cent at 31 December 1996.

**TABLE A. OWNERSHIP OF EQUITY IN AUSTRALIAN ENTERPRISE GROUPS(a)**  
(**\$A billion**)

*Value of equity outstanding at end of period*

	1992-93	1993-94	1994-95	1995-96				1996-97	
				September	December	March	June	September	December
<b>All Sectors</b>									
Amount issued	482.6	551.0	576.6	603.0	614.7	624.0	633.4	653.3	683.8
Amount held by rest of the world	122.6	156.0	167.6	177.9	184.0	188.2	190.6	193.5	201.3
Percentage of foreign ownership	25.4	28.3	29.1	29.5	29.9	30.2	30.1	29.6	29.4
<b>Selected Sub-sectors(b):</b>									
<b>Private Corporate Trading Enterprises</b>									
Amount issued(c)	259.8	321.5	329.9	350.5	357.2	363.5	373.7	380.8	403.5
Amount held by rest of the world	104.9	135.0	145.0	152.2	157.2	161.5	163.3	165.0	172.0
Percentage of foreign ownership	40.4	42.0	44.0	43.4	44.0	44.4	43.7	43.3	42.6
<b>Banks</b>									
Amount issued(c)	43.3	47.8	53.5	59.1	62.9	62.5	62.9	71.5	74.0
Amount held by rest of the world	8.9	11.2	12.0	13.1	13.5	13.6	13.9	15.8	15.9
Percentage of foreign ownership	20.6	23.4	22.4	22.2	21.5	21.8	22.1	22.1	21.5
<b>Non-bank Deposit-Taking Institutions</b>									
Amount issued(c)	14.2	13.8	15.4	15.2	15.8	15.7	15.9	15.4	15.4
Amount held by rest of the world (d)	3.4	3.8	4.2	4.3	4.6	4.3	4.3	5.3	5.4
Percentage of foreign ownership	24.0	27.5	27.3	28.3	29.1	27.4	27.0	34.4	35.1
<b>Other Financial Institutions(e)</b>									
Amount issued(c)	28.6	37.7	37.2	38.4	39.3	40.5	42.0	47.4	49.3
Amount held by rest of the world (d)	3.6	4.0	4.2	5.1	5.5	5.7	5.9	3.6	3.8
Percentage of foreign ownership	12.6	10.6	11.3	13.3	14.0	14.1	14.0	7.6	7.7

(a) Equity includes units in trusts. (b) Not all sub-sectors have been shown. In particular, data for Life Offices and Superannuation Funds are not shown due to unresolved measurement and conceptual issues. Data for General Government, Reserve Bank and Public Trading Enterprises are also not shown as there is no foreign ownership in these sub-sectors. (c) These estimated market values are considered to be of poor quality. They should be used cautiously. See Section 3 of this article for further details. (d) From September quarter 1996 revised collections for the *Survey of International Investment* were in place and the classification of the non-bank financial units may not be strictly comparable. (e) Excludes Life Offices and Superannuation Funds. See footnote (b).

Source: *Australian National Accounts, Financial Accounts* December quarter 1996 (5232.0).

### 3. Problems with the data that may impact on the analysis

The estimated market value of equity issued by some sectors is considered to be of poor quality. In particular, estimates of the market value of the amount issued by private corporate trading enterprises are considered poor because they are largely built up from counterpart and other information obtained from ABS Surveys of International Investment and Financial Information. This sector covers equity issued by both listed and unlisted private corporate trading enterprises, of which there are over half a million.

In terms of the analysis undertaken here, errors in the estimated market value of equity on issue will impact on the accuracy of estimates of the proportion of that equity owned by non-residents.

### 4. Regional analysis

As shown in Table B, it is possible, using international investment statistics, to further disaggregate holdings of equity in Australian enterprise groups by non-residents according to the country of residence of the immediate holder.

Historically, UK residents are the largest holders of equity in Australian enterprise groups. At 30 June 1996, UK residents owned \$62,539 million (32.8%) of the foreign-owned equity in Australian enterprise groups, accounting for 9.9 per cent of total equity on issue. At 30 June 1996, USA residents owned \$60,668 million (31.8%) of the foreign equity holdings in Australian enterprise groups, accounting for 9.6 per cent of total equity on issue. This was followed by Japan with \$13,635 million (7.2%) or 2.2 per cent of total equity on issue and the Netherlands with \$7,992 million (4.2%) or 1.3 per cent of total equity on issue.

UK residents owned 14.5 per cent of the total equity of Australian private corporate trading enterprises on issue at 30 June 1996 (or 33.2% of the total non-resident equity investment in private corporate trading enterprises); USA residents owned 14.3 per cent (or 32.6% of the total non-resident share); residents of Japan owned 2.9 per cent (or 6.6% of the total non-resident share) and residents of the Netherlands owned 1.7 per cent (or 3.9% of the total non-resident share).

The UK, USA and Japan generally have the biggest participation rates within the other sectors.

### 5. Significant foreign influence

The concept of direct investment is broadly one of capital invested in an enterprise by an investor having a significant influence, either actually or potentially exercised, over the key policies of the enterprise (called a direct investment enterprise). Ownership of 10 per cent or more of the voting shares (or an equivalent equity interest) is regarded as indicative of significant influence by an investor.

Three enterprise group dissections are shown in Table C and these can be associated with three different levels of foreign influence: foreign control; significant foreign influence but not necessarily foreign control; and other foreign influence. First, direct investment enterprise groups over 50 per cent owned by their direct foreign investors are groups in which there is significant foreign influence that is clearly sufficient to allow foreign control. Second, direct investment enterprise groups 10-50 per cent owned by their direct foreign investors are groups in which there is significant foreign influence but not necessarily sufficient to allow foreign control. Third, other enterprise groups are groups in which there are foreign equity interests that are below the threshold used in defining significant foreign influence, as no foreign investor holds 10 per cent or more of the equity. Analysis of data on equity issued to non-residents by direct investment enterprise groups in Australia as a proportion of total equity on issue provides an indication of the amount of influence non-residents have as a result of their equity holdings.

As shown in Table C, \$117.0 billion (or 61.4%) of the foreign equity holdings of \$190.5 billion at 30 June 1996 was in the form of direct investment, with the remaining \$73.6 billion (or 38.6%) being in the form of portfolio investment. These amounts represented 18.5 per cent and 11.6 per cent respectively, of the total equity on issue. These proportions vary significantly across sectors, as is evident from Table C.

In other words, 18.5 per cent of the total equity on issue at 30 June 1996 was held by non-residents who had significant influence in the issuing Australian enterprises. This influence in most cases was sufficient to provide control, as most of the equity held by those non-residents was in enterprises where they had a majority interest.

It can be seen from Table C that at 30 June 1996, enterprises with majority direct ownership accounted for \$107.6 billion (92.0%) of all direct investment equity. The direct investment equity associated with majority direct foreign ownership also accounted for 56.5 per cent of all foreign equity and 17.0 per cent of all equity issued in Australia.

### 6. For more information

The data used in this analysis are available from the International Investment Section of the Australian Bureau of Statistics. For more information about the types of foreign participation analysis that can be undertaken or the availability of related unpublished statistics, contact Betty Gruber on Canberra (06) 252 5601.



TABLE B. OWNERSHIP OF EQUITY IN AUSTRALIAN ENTERPRISE GROUPS

## BY NON-RESIDENTS(a)

(\$A million)

Sector/Country	30 June 1993	(%)	30 June 1994	(%)	30 June 1995	(%)	30 June 1996	(%)
<b>ALL SECTORS TOTAL</b>	122,527	100.0	156,139	100.0	167,675	100.0	190,550	100.0
United Kingdom	39,679	32.4	51,569	33.0	53,414	31.9	62,539	32.8
United States	38,058	31.1	48,781	31.2	51,816	30.9	60,668	31.8
Japan	9,830	8.0	11,034	7.1	12,222	7.3	13,635	7.2
Netherlands	6,306	5.1	7,884	5.0	8,491	5.1	7,992	4.2
New Zealand	5,083	4.1	5,143	3.3	6,405	3.8	5,945	3.1
Other Countries (b)	23,571	19.2	31,728	20.3	35,327	21.0	39,771	20.9
<b>Selected Sub-sectors</b>								
<b>Private Corporate Trading Enterprises (Total)</b>	104,940	100.0	134,999	100.0	145,008	100.0	163,282	100.0
United Kingdom	34,348	32.7	45,534	33.7	47,029	32.4	54,185	33.2
United States	33,141	31.6	42,477	31.5	45,575	31.4	53,269	32.6
Japan	7,749	7.4	8,677	6.4	9,737	6.7	10,804	6.6
Netherlands	5,407	5.2	6,711	5.0	6,893	4.8	6,395	3.9
New Zealand	4,231	4.0	4,180	3.1	5,523	3.8	4,875	3.0
Other Countries (b)	20,064	19.1	27,420	20.3	30,251	20.9	33,754	20.7
<b>Banks (Total)</b>	8,862	100.0	11,217	100.0	11,973	100.0	13,863	100.0
United States	3,346	37.8	4,440	39.6	4,776	39.9	5,066	40.3
United Kingdom	3,225	36.4	3,812	34.0	4,224	35.3	5,581	36.5
Japan	459	5.2	585	5.2	709	5.9	721	5.2
New Zealand	519	5.9	542	4.8	473	4.0	583	4.2
Singapore	64	1.0	210	1.9	244	2.0	328	2.4
Other Countries (b)	1,249	14.1	1,628	14.5	1,547	12.9	1,584	11.4
<b>Non-Bank Deposit Taking Inst. (Total)</b>	3,374	100.0	3,780	100.0	4,200	100.0	4,340	100.0
Japan	852	25.3	937	24.8	930	22.1	1,083	25.0
Canada	561	16.6	600	15.9	797	19.0	356	8.2
United States	475	14.0	567	15.0	522	12.4	681	15.7
United Kingdom	584	17.3	558	14.8	507	12.0	335	7.7
Netherlands	106	3.0	267	7.1	279	6.6	290	6.7
Other Countries (b)	796	23.6	851	22.5	1,165	27.7	1,595	36.8
<b>Other Financial Institutions (Total)</b>	3,558	100.0	4,033	100.0	4,240	100.0	5,885	100.0
United Kingdom	939	26.4	1,091	27.1	1,179	27.8	1,707	29.0
Japan	765	21.5	827	20.5	843	19.9	1,023	17.4
United States	586	16.5	754	18.7	777	18.3	1,485	25.2
New Zealand	122	3.4	232	5.8	267	6.3	323	5.5
Germany	155	4.4	195	4.8	237	5.6	365	6.2
Other Countries (b)	991	27.9	934	23.2	937	22.1	982	16.7

(a) Total equity held by non-residents, includes direct and portfolio equity investment. (b) Includes unspecified and all other countries.

TABLE C. FOREIGN EQUITY HOLDINGS BY DEGREE OF FOREIGN INFLUENCE  
AND TYPE OF EQUITY AT 30 JUNE 1996 (a)

	Direct Investment Enterprise Groups						Other Enterprise Groups	All Enterprise Groups		
	10 - 50 percent owned by direct foreign investor(s)			Over 50 percent owned by direct foreign investor(s)			Total	Direct	Portfolio	Total
	Direct	Portfolio	Total	Direct	Portfolio	Total				
— \$A million —										
<b>All Sectors :</b>										
<i>Equity held by the rest of the world</i>	9,367	5,360	14,727	107,617	1,471	109,088	66,735	116,984	73,566	190,550(b)
<b>Selected Sub-sectors (b) :</b>										
<b>Private Corporate Trading Enterprises</b>										
<i>Equity held by the rest of the world</i>	8,275	5,350	13,625	93,093	1,157	94,250	55,406	101,368	61,914	163,282
<b>Banks</b>										
<i>Equity held by the rest of the world</i>	150	4	154	3,899	22	3,921	9,787	4,049	9,814	13,863
<b>Non-bank Deposit-Taking Institutions</b>										
<i>Equity held by the rest of the world</i>	-	-	-	3,861	3	3,864	476	3,861	479	4,340
<b>Other Financial Institutions (c)</b>										
<i>Equity held by the rest of the world</i>	102	6	108	4,459	289	4,748	1028	4,561	1,324	5,885
	%									
<b>All Sectors :</b>										
<i>Equity held by the rest of the world as a proportion of total equity on issue</i>	1.5	0.9	2.3	17.0	0.2	17.2	10.5	18.5	11.6	30.1
<i>Proportion of total equity held by the rest of the world</i>	4.9	2.8	7.7	56.5	0.8	57.2	35.0	61.4	38.6	100

(a) The type of equity dissection in the table shows foreign *direct* investment equity holdings separately from foreign *portfolio* investment equity holdings. Direct investment equity holdings refers to holdings of direct investors; that is, investors who own 10 per cent or more of the voting shares of an enterprise. Portfolio investment equity holdings refers to holdings of all other investors, covering their holdings in both direct investment enterprise groups and other enterprise groups. (b) See Table A footnote (b). (c) Excludes Life Offices and Superannuation Funds.

Source: *International Investment Position, Australia*, December quarter 1996 (5306.0).

TABLE 1. AUSTRALIA'S NET INTERNATIONAL INVESTMENT POSITION AND INCOME (a)  
(SA million)

Period	Changes in levels of investment during the period					Total	Levels of investment at end of period	Investment Income (c)
	Levels of investment at beginning of period	Reinvestment of earnings by direct investors (b)	Other transactions	Exchange rate variations	Other changes			
NET EQUITY								
<i>Year—</i>								
1993-94	47,528	1,591	9,292	3,975	12,242	27,099	74,628	4,769
1994-95	74,628	2,611	6,440	-4,391	-2,500	2,160	76,788	7,511
1995-96	76,788	3,876	6,958	8,634	-325	19,142	95,930	8,383
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	87,685	1,132	3,018	-222	-1,884	2,044	89,729	2,915
March	89,729	1,364	-2,218	3,131	505	2,783	92,512	1,966
June	92,512	575	3,244	854	-1,255	3,418	95,930	1,661
<i>1996-97—</i>								
September	95,930	1,060	-1,876	107	-1,877	-2,586	93,344	2,114
December	93,344	512	4,051	-530	4,667	8,700	102,044	2,430
March	102,044	877	426	356	-3,335	-1,676	100,368	2,173
NET FOREIGN DEBT (d)								
<i>Year—</i>								
1993-94	169,211	..	1,791	-4,227	-2,518	-4,955	164,256	9,272
1994-95	186,419	..	11,345	4,277	1,599	17,221	181,477	9,802
1995-96	181,477	..	12,428	-9,023	2,654	6,059	187,535	11,019
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	180,568	..	4,016	198	1,637	5,851	186,419	2,711
March	186,419	..	4,066	-2,915	-1,240	-88	186,331	2,940
June	186,331	..	1,219	-1,736	1,721	1,204	187,535	2,597
<i>1996-97—</i>								
September	187,535	..	6,794	-449	1,953	8,298	195,833	3,019
December	195,833	..	1,376	-361	2,349	3,364	199,197	2,710
March	199,197	..	1,603	-218	-679	705	199,902	2,941
NET OTHER INVESTMENT								
<i>Year—</i>								
1993-94	-593	..	-741	24	1,015	298	-295	57
1994-95	-295	..	2,155	-463	1,078	2,770	2,475	1
1995-96	2,475	..	-781	234	187	-360	2,115	-14
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	3,300	..	-676	45	-88	-719	2,581	-1
March	2,581	..	-194	31	-111	-274	2,307	-12
June	2,307	..	-173	59	-79	-192	2,115	-10
<i>1996-97—</i>								
September	2,115	..	-17	19	432	434	2,549	6
December	2,549	..	-572	2	42	-528	2,021	6
March	2,021	..	-651	3	-215	-863	1,158	—
NET INTERNATIONAL INVESTMENT POSITION								
<i>Year—</i>								
1993-94	216,147	1,591	10,341	-229	10,738	22,442	238,589	14,098
1994-95	238,589	2,611	19,940	-577	176	22,151	260,739	17,314
1995-96	260,739	3,876	18,605	-155	2,515	24,841	285,580	19,388
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	271,554	1,132	6,358	21	-336	7,176	278,729	5,625
March	278,729	1,364	1,654	248	-845	2,420	281,150	4,895
June	281,150	575	4,290	-822	387	4,430	285,580	4,249
<i>1996-97—</i>								
September	285,580	1,060	4,901	-323	508	6,146	291,726	5,139
December	291,726	512	4,855	-889	7,058	11,536	303,262	5,146
March	303,262	877	1,378	140	-4,229	-1,834	301,428	5,114

(a) Australia's net international investment position equals Foreign investment in Australia less Australian investment abroad. (b) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (c) Includes reinvested earnings of direct investors. Investment income is calculated before the deduction of withholding tax. (d) Foreign borrowing by Australian residents less the sum of reserve assets and Australian lending abroad.

TABLE 2. FOREIGN INVESTMENT IN AUSTRALIA — SUMMARY  
(\$A million)

Period	Changes in levels of investment during the period					Total	Levels of investment at end of period	Investment Income (b)
	Levels of investment at beginning of period	Reinvestment of earnings by direct investors (a)	Other transactions	Exchange rate variations	Other changes			
<b>EQUITY</b>								
<i>Year—</i>								
1993-94	124,327	3,570	16,306	167	(c)12,169	32,212	156,539	7,991
1994-95	156,539	5,904	6,116	91	-974	11,136	167,675	11,681
1995-96	167,675	6,036	12,884	-43	(c)3,997	22,875	190,550	12,843
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	177,896	1,629	4,914	1	(c)-543	6,001	183,897	3,829
March	183,897	1,815	1,799	-8	(c)727	4,333	188,230	3,067
June	188,230	673	2,141	-10	(c)-484	2,320	190,550	2,813
<i>1996-97—</i>								
September	190,550	1,650	-928	—	(c)2,841	3,563	194,113	3,079
December	194,113	1,225	5,318	—	(c)5,427	11,970	206,083	3,317
March	206,083	1,826	969	—	(c)-3,221	-426	205,657	3,465
<b>BORROWING</b>								
<i>Year—</i>								
1993-94	210,615	..	6,887	-6,277	-4,308	-3,698	206,917	10,948
1994-95	206,917	..	8,608	6,729	1,427	16,764	223,681	11,565
1995-96	223,681	..	22,988	-12,622	(d)1,965	12,331	236,012	12,859
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	219,931	..	9,636	266	(d)1,627	11,529	231,460	3,228
March	231,460	..	5,481	-4,385	(d)-1,492	-396	231,064	3,413
June	231,064	..	5,282	-1,893	(d)1,558	4,948	236,012	2,999
<i>1996-97—</i>								
September	236,012	..	5,325	-720	(d)79	4,684	240,696	3,479
December	240,696	..	2,622	-471	(d)3,060	5,211	245,907	3,188
March	245,907	..	5,012	-807	(d)422	4,626	250,533	3,342
<b>OTHER INVESTMENT</b>								
<i>Year—</i>								
1993-94	6,921	..	853	-71	1,332	2,114	9,035	88
1994-95	9,035	..	1,307	-361	811	1,757	10,792	53
1995-96	10,792	..	55	23	107	186	10,978	56
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	11,396	..	-172	29	-105	-247	11,149	14
March	11,149	..	49	-15	-74	-40	11,109	16
June	11,109	..	-60	-6	-65	-131	10,978	13
<i>1996-97—</i>								
September	10,978	..	3	19	276	298	11,276	17
December	11,276	..	-248	-10	-167	-425	10,851	15
March	10,851	..	54	6	-175	-115	10,736	2
<b>TOTAL</b>								
<i>Year—</i>								
1993-94	341,862	3,570	24,046	-6,181	9,193	30,628	372,490	19,027
1994-95	372,490	5,904	16,031	6,460	1,264	29,658	402,148	23,299
1995-96	402,148	6,036	35,927	-12,641	6,069	35,392	437,540	25,757
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	409,223	1,629	14,379	296	979	17,283	426,506	7,071
March	426,506	1,815	7,330	-4,407	-840	3,897	430,403	6,496
June	430,403	673	7,363	-1,909	1,009	7,137	437,540	5,825
<i>1996-97—</i>								
September	437,540	1,650	4,400	-701	3,196	8,545	446,085	6,575
December	446,085	1,225	7,692	-481	8,320	16,756	462,841	6,520
March	462,841	1,826	6,035	-802	-2,974	4,085	466,926	6,809

(a) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (b) Includes reinvested earnings of direct investors. Investment income is calculated before the deduction of withholding tax. (c) Mainly due to share price changes on the domestic share market. (d) Mainly due to price changes of issued government securities.

**TABLE 3. AUSTRALIAN INVESTMENT ABROAD—SUMMARY**  
 (\$A million)

Period	Levels of investment at beginning of period	Changes in levels of investment during the period					Levels of investment at end of period	Investment Income (b)
		Reinvestment of earnings by direct investors (a)	Other transactions	Exchange rate variations	Other changes	Total		
<b>EQUITY</b>								
<i>Year—</i>								
1993-94	76,798	1,979	7,014	-3,808	-73	5,112	81,911	3,221
1994-95	81,911	3,293	-324	4,482	1,526	8,977	90,887	4,169
1995-96	90,887	2,161	5,926	-8,676	4,322	3,733	94,620	4,460
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	90,211	497	1,896	223	1,341	3,958	94,168	914
March	94,168	450	4,017	-3,139	222	1,550	95,719	1,100
June	95,719	98	-1,103	-865	771	-1,099	94,620	1,152
<i>1996-97—</i>								
September	94,620	590	948	-107	4,718	6,149	100,769	965
December	100,769	713	1,267	530	760	3,270	104,039	887
March	104,039	949	543	-356	114	1,250	105,289	1,292
<b>LENDING</b>								
<i>Year—</i>								
1993-94	20,581	..	4,059	-1,074	-1,567	1,419	22,000	822
1994-95	22,000	..	-766	1,145	-358	20	22,020	788
1995-96	22,020	..	9,743	-2,293	-54	7,397	29,417	1,229
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	20,704	..	4,322	41	-94	4,270	24,974	296
March	24,974	..	2,817	-868	-125	1,824	26,798	330
June	26,798	..	2,833	-265	51	2,619	29,417	281
<i>1996-97—</i>								
September	29,417	..	-4,435	-224	-1,816	-6,475	22,942	243
December	22,942	..	965	116	839	1,920	24,862	196
March	24,862	..	2,818	-108	1,289	3,999	28,861	240
<b>RESERVE ASSETS</b>								
<i>Year—</i>								
1993-94	20,823	..	1,037	-976	-223	-162	20,661	853
1994-95	20,661	..	-1,971	1,308	186	-477	20,184	975
1995-96	20,184	..	817	-1,307	-635	-1,125	19,059	610
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	18,659	..	1,298	26	84	1,408	20,067	222
March	20,067	..	-1,402	-602	-128	-2,132	17,935	143
June	17,935	..	1,231	108	-215	1,124	19,059	121
<i>1996-97—</i>								
September	19,059	..	2,966	-47	-57	2,862	21,921	217
December	21,921	..	281	-226	-128	-73	21,848	282
March	21,848	..	591	-481	-188	-78	21,770	161
<b>OTHER INVESTMENT</b>								
<i>Year—</i>								
1993-94	7,513	..	1,594	-95	317	-1,817	9,330	31
1994-95	9,330	..	-848	102	-266	-1,013	8,317	52
1995-96	8,317	..	836	-210	-80	546	8,863	70
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	8,095	..	504	-16	-16	472	8,567	15
March	8,567	..	243	-46	37	234	8,802	28
June	8,802	..	113	-65	14	61	8,863	23
<i>1996-97—</i>								
September	8,863	..	20	—	-156	-136	8,727	11
December	8,727	..	324	-12	-209	103	8,830	9
March	8,830	..	705	3	41	748	9,578	2
<b>TOTAL</b>								
<i>Year—</i>								
1993-94	125,716	1,979	13,705	-5,952	-1,545	8,186	133,902	4,928
1994-95	133,902	3,293	-3,910	7,037	1,087	7,507	141,409	5,985
1995-96	141,409	2,161	17,322	-12,486	3,554	10,551	151,959	6,369
<i>Quarter ended—</i>								
<i>1995-96—</i>								
December	137,669	497	8,020	275	1,315	10,107	147,776	1,446
March	147,776	450	5,676	-4,655	6	1,477	149,253	1,602
June	149,253	98	3,073	-1,087	622	2,706	151,959	1,576
<i>1996-97—</i>								
September	151,959	590	-501	-378	2,680	2,400	154,359	1,436
December	154,359	713	2,837	408	1,262	5,220	159,579	1,374
March	159,579	949	4,637	-942	1,255	5,919	165,498	1,695

(a) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (b) Includes reinvested earnings of direct investors. Investment income is calculated before the deduction of withholding tax.

TABLE 4. CAPITAL TRANSACTIONS (a)  
(\$A million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96		1996-97			
				December	March	June	September	December	March
<b>FOREIGN INVESTMENT IN AUSTRALIA</b>									
<b>OFFICIAL —</b>									
General Government —									
Borrowing —									
Domiciled abroad	3,760	5,980	-4,882	-1,230	-3,938	-2,093	302	-885	-395
Domiciled in Australia	3,297	3,828	8,268	4,145	3,924	1,475	56	2,896	777
Total	7,057	9,808	3,386	2,915	-14	-618	358	2,011	382
Other	83	73	-190	-50	-47	-44	-75	-49	-52
Total	7,140	9,881	3,196	2,865	-61	662	283	1,962	330
Reserve bank	-49	23	-16	1	-56	12	75	-69	—
<b>Total official</b>	<b>7,091</b>	<b>9,904</b>	<b>3,180</b>	<b>2,866</b>	<b>-117</b>	<b>-650</b>	<b>358</b>	<b>1,893</b>	<b>330</b>
<b>NON-OFFICIAL —</b>									
Direct investment —									
Reinvestment of earnings(b)	3,570	5,904	6,036	1,629	1,815	673	1,650	1,225	1,826
Corporate equities (c)	818	836	5,636	5,945	-868	128	1,450	3,049	129
Net equity in branches (c)	850	349	533	211	181	74	n.a.	n.a.	n.a.
Borrowing	520	-603	3,124	2,842	1,083	-974	531	-2,459	-462
Other	53	809	-382	-134	-103	-175	88	-247	113
Total	5,811	7,295	14,947	10,494	2,109	-274	3,719	1,568	1,607
Portfolio and other investment —									
Corporate equities	14,638	4,931	6,715	-1,242	2,486	1,939	-2,378	2,269	840
Borrowing —									
Public sector	-438	-3,410	1,055	-1,664	-1,032	1,911	827	1,378	-621
Private sector	-203	2,790	15,439	5,543	5,500	4,951	3,534	1,761	5,713
Total	-641	-620	16,494	3,879	4,468	6,862	4,361	3,139	5,092
Accounts payable/prepayments received—									
Public sector	845	-484	-299	60	-45	8	1	-1	30
Private sector	-128	908	927	-48	243	151	-11	49	-37
Total	717	425	628	12	199	159	-10	48	-8
Total	14,714	4,736	23,837	2,648	7,152	8,960	1,973	5,456	5,924
<b>Total non-official</b>	<b>20,525</b>	<b>12,030</b>	<b>38,783</b>	<b>13,142</b>	<b>9,261</b>	<b>8,686</b>	<b>5,692</b>	<b>7,024</b>	<b>7,531</b>
<b>TOTAL</b>	<b>27,616</b>	<b>21,934</b>	<b>41,964</b>	<b>16,008</b>	<b>9,144</b>	<b>8,036</b>	<b>6,050</b>	<b>8,917</b>	<b>7,861</b>
<b>AUSTRALIAN INVESTMENT ABROAD</b>									
<b>OFFICIAL —</b>									
Reserve assets	1,037	-1,971	817	1,298	-1,402	1,231	2,966	281	591
Lending	521	-603	-35	-35	—	—	—	1	—
Accounts receivable/prepayments made	-150	-146	140	73	53	-6	19	29	185
Other	182	205	—	—	—	—	—	—	—
<b>Total official</b>	<b>1,590</b>	<b>-2,515</b>	<b>922</b>	<b>1,336</b>	<b>-1,349</b>	<b>1,225</b>	<b>2,985</b>	<b>311</b>	<b>776</b>
<b>NON-OFFICIAL —</b>									
Direct investment —									
Reinvestment of earnings(b)	1,979	3,293	2,161	497	450	98	590	713	949
Corporate equities (c)	1,698	59	3,624	1,011	3,104	-719	891	707	45
Net equity in branches (c)	673	119	-57	13	17	-108	n.a.	n.a.	n.a.
Lending	1,803	653	3,049	2,846	2,095	-424	-4,062	-1,102	-229
Other	22	-300	244	173	-24	32	19	65	24
Total	6,175	3,824	9,021	4,541	5,641	-1,122	-2,562	383	789
Portfolio and other investment —									
Corporate equities	4,643	-502	2,359	872	896	-276	57	560	498
Lending —									
Public sector	-75	814	1,626	625	-20	1,560	397	-3	-12
Private sector	1,811	-1,631	5,104	886	743	1,698	-770	2,069	3,058
Total	1,735	-817	6,729	1,511	723	3,257	-373	2,066	3,047
Accounts receivable/prepayments made—									
Public sector	1,217	-1,162	18	142	161	-171	33	46	210
Private sector	323	554	434	117	54	258	-51	184	286
Total	1,540	-607	452	258	215	87	-18	230	496
Total	7,919	-1,926	9,540	2,641	1,834	3,068	-334	2,856	4,041
<b>Total non-official</b>	<b>14,093</b>	<b>1,898</b>	<b>18,561</b>	<b>7,182</b>	<b>7,475</b>	<b>1,946</b>	<b>-2,896</b>	<b>3,239</b>	<b>4,830</b>
<b>TOTAL</b>	<b>15,684</b>	<b>-617</b>	<b>19,483</b>	<b>8,518</b>	<b>6,126</b>	<b>3,171</b>	<b>89</b>	<b>3,550</b>	<b>5,606</b>

(a) A negative value denotes a net withdrawal of investment. (b) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (c) From September quarter 1996 the separate identification of direct corporate equities and net equity in branches is not available, and is included in total as direct corporate equities.

TABLE 5. INVESTMENT INCOME  
(\$A million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96		1996-97			
				December	March	June	September	December	March
<b>INCOME PAYABLE ON FOREIGN INVESTMENT IN AUSTRALIA</b>									
<b>OFFICIAL —</b>									
General Government —									
Interest on borrowing domiciled abroad	2,955	2,595	2,801	796	680	658	745	673	581
Interest on borrowing domiciled in Australia	1,119	1,387	1,729	225	653	306	642	357	614
Other income	—	—	—	—	—	—	—	—	—
Total	4,074	3,981	4,529	1,021	1,333	964	1,387	1,030	1,195
Reserve Bank	35	39	36	9	9	8	4	8	8
<b>Total official</b>	<b>4,109</b>	<b>4,020</b>	<b>4,565</b>	<b>1,031</b>	<b>1,342</b>	<b>972</b>	<b>1,391</b>	<b>1,038</b>	<b>1,203</b>
<b>NON-OFFICIAL —</b>									
Direct investment income —									
Reinvested earnings(a)	3,570	5,904	6,036	1,629	1,815	673	1,650	1,225	1,826
Distributed earnings —									
Dividends (b)	2,058	2,570	3,316	1,175	467	1,212	1,016	1,458	1,168
Remitted profits (b)	1,184	1,374	1,219	210	373	371	n.a.	n.a.	n.a.
Interest	895	983	969	231	252	204	214	265	275
Total	4,137	4,927	5,504	1,616	1,091	1,788	1,230	1,723	1,443
Total, direct investment income	7,707	10,831	11,540	3,245	2,906	2,461	2,880	2,948	3,269
Portfolio and other investment income —									
Dividends	1,179	1,833	2,271	815	413	557	413	634	471
Interest —									
Public Sector	1,470	1,551	1,223	347	300	256	237	217	206
Private Sector	4,562	5,064	6,157	1,634	1,536	1,579	1,654	1,683	1,660
Total	6,032	6,615	7,380	1,981	1,835	1,835	1,891	1,900	1,866
Total, portfolio and other investment income	7,210	8,448	9,652	2,796	2,248	2,392	2,304	2,534	2,337
<b>Total non-official</b>	<b>14,918</b>	<b>19,279</b>	<b>21,192</b>	<b>6,041</b>	<b>5,155</b>	<b>4,852</b>	<b>5,184</b>	<b>5,482</b>	<b>5,606</b>
<b>TOTAL</b>	<b>19,027</b>	<b>23,299</b>	<b>25,757</b>	<b>7,071</b>	<b>6,496</b>	<b>5,825</b>	<b>6,575</b>	<b>6,520</b>	<b>6,809</b>
<b>INCOME RECEIVABLE ON AUSTRALIAN INVESTMENT ABROAD</b>									
<b>OFFICIAL —</b>									
General Government	16	7	7	2	1	1	1	—	1
Reserve Bank	853	975	610	222	143	121	217	282	161
<b>Total official</b>	<b>869</b>	<b>983</b>	<b>616</b>	<b>224</b>	<b>144</b>	<b>122</b>	<b>218</b>	<b>282</b>	<b>162</b>
<b>NON-OFFICIAL —</b>									
Direct Investment Income —									
Reinvested earnings(a)	1,979	3,293	2,161	497	450	98	590	713	949
Distributed earnings —									
Dividends (c)	748	294	1,787	299	543	890	284	80	248
Remitted profits (c)	105	149	36	23	10	n.a.	n.a.	n.a.	n.a.
Interest (d)	-99	-108	91	3	36	11	-38	-77	-56
Total	754	334	1,914	325	589	903	246	3	192
Total, direct investment income	2,733	3,627	4,074	822	1,039	1,001	836	716	1,141
Portfolio and other investment income —									
Dividends	390	434	476	94	97	162	91	94	95
Interest	937	941	1,202	306	321	292	291	282	297
Total, portfolio and other investment income	1,326	1,375	1,679	401	419	453	382	376	392
<b>Total non-official</b>	<b>4,059</b>	<b>5,002</b>	<b>5,753</b>	<b>1,223</b>	<b>1,457</b>	<b>1,455</b>	<b>1,218</b>	<b>1,092</b>	<b>1,533</b>
<b>TOTAL</b>	<b>4,928</b>	<b>5,985</b>	<b>6,369</b>	<b>1,446</b>	<b>1,602</b>	<b>1,576</b>	<b>1,436</b>	<b>1,374</b>	<b>1,695</b>

(a) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (b) From September quarter 1996 the separate identification of direct dividends and remitted profits is not available and is included in total as direct dividends. (c) From June quarter 1996 the separate identification of direct dividends and remitted profits is not available and is included in total as direct dividends. (d) A negative value denotes an excess of income payable by direct investors in Australia to their direct investment groups abroad, over income receivable by direct investors in Australia from their direct investment groups abroad.

**TABLE 6. LEVELS OF INVESTMENT AT END OF PERIOD**  
 (\$A million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96		1996-97			
				December	March	June	September	December	March
<b>FOREIGN INVESTMENT IN AUSTRALIA</b>									
<b>OFFICIAL —</b>									
General Government —									
Borrowing —									
Domiciled abroad	38,223	44,976	38,765	46,350	41,238	38,765	39,652	39,513	39,988
Domiciled in Australia	24,340	29,994	39,435	34,500	37,180	39,435	40,771	45,034	44,613
Total	62,563	74,970	78,200	80,850	78,418	78,200	80,423	84,547	84,601
Other	-9	64	-126	-35	-82	126	201	-250	-302
Total	62,554	75,034	78,074	80,815	78,336	78,074	80,222	84,297	84,299
Reserve Bank	44	67	51	95	39	51	126	57	57
<b>Total official</b>	<b>62,598</b>	<b>75,101</b>	<b>78,125</b>	<b>80,910</b>	<b>78,375</b>	<b>78,125</b>	<b>80,348</b>	<b>84,354</b>	<b>84,356</b>
<b>NON-OFFICIAL —</b>									
Direct investment —									
Corporate equities (a)	80,840	87,716	100,190	98,253	99,843	100,190	121,671	127,036	125,814
Net equity in branches (a)	17,811	15,828	16,794	16,604	16,796	16,794	n.a.	n.a.	n.a.
Borrowing	21,589	22,066	25,419	24,945	25,617	25,419	27,383	24,772	24,877
Other	3,363	4,338	4,088	4,385	4,259	4,088	4,379	4,036	4,195
Total	123,603	129,947	146,490	144,187	146,516	146,490	153,433	155,844	154,886
Portfolio and other investment —									
Corporate equities	57,888	64,131	73,566	69,040	71,591	73,566	72,442	79,047	79,843
Borrowing —									
Public sector	33,175	25,080	19,667	19,660	17,922	19,667	13,523	14,773	13,659
Private sector	89,545	101,498	112,675	105,910	109,067	112,675	119,241	121,758	127,340
Total	122,720	126,578	132,342	125,570	126,989	132,342	132,764	136,531	140,999
Accounts payable/prepayments received	5,681	6,391	7,017	6,799	6,932	7,017	7,098	7,065	6,842
Total portfolio and other investment	186,289	197,099	212,924	201,409	205,511	212,924	212,304	222,643	227,684
<b>Total non-official</b>	<b>309,892</b>	<b>327,047</b>	<b>359,414</b>	<b>345,596</b>	<b>352,028</b>	<b>359,414</b>	<b>365,737</b>	<b>378,487</b>	<b>382,570</b>
<b>TOTAL</b>	<b>372,490</b>	<b>402,148</b>	<b>437,540</b>	<b>426,506</b>	<b>430,403</b>	<b>437,540</b>	<b>446,085</b>	<b>462,841</b>	<b>466,926</b>
<b>AUSTRALIAN INVESTMENT ABROAD</b>									
<b>OFFICIAL —</b>									
Reserve assets	20,661	20,184	19,059	20,067	17,935	19,059	21,921	21,848	21,770
Lending	661	58	21	21	21	21	21	23	22
Accounts receivable/prepayments made	972	826	968	919	972	968	987	1,016	1,201
Other	1,676	1,881	1,881	1,881	1,881	1,881	1,881	1,893	1,898
<b>Total official</b>	<b>23,970</b>	<b>22,949</b>	<b>21,929</b>	<b>22,888</b>	<b>20,809</b>	<b>21,929</b>	<b>24,810</b>	<b>24,780</b>	<b>24,891</b>
<b>NON-OFFICIAL —</b>									
Direct investment —									
Corporate equities (a)	47,250	53,313	54,380	53,529	54,945	54,380	64,619	66,226	65,947
Net equity in branches (a)	2,667	2,844	2,551	2,813	2,644	2,551	n.a.	n.a.	n.a.
Lending (b)	-1,318	-2,435	367	-1,043	862	367	-7,530	-7,807	-6,854
Other	460	166	404	401	370	404	215	258	296
Total	49,058	53,888	57,701	55,700	58,821	57,701	57,304	58,677	59,389
Portfolio and other investment —									
Corporate equities	31,993	34,730	37,690	37,826	38,130	37,690	36,150	37,813	39,338
Lending	22,658	24,397	29,030	25,996	25,916	29,030	30,451	32,646	35,693
Accounts receivable/prepayments made	6,223	5,444	5,610	5,367	5,578	5,610	5,644	5,663	6,188
Total	60,874	64,571	72,330	69,188	69,624	72,330	72,245	76,122	81,218
<b>Total non-official</b>	<b>109,932</b>	<b>118,459</b>	<b>130,031</b>	<b>124,888</b>	<b>128,445</b>	<b>130,031</b>	<b>129,549</b>	<b>134,799</b>	<b>140,607</b>
<b>TOTAL</b>	<b>133,902</b>	<b>141,409</b>	<b>151,959</b>	<b>147,776</b>	<b>149,253</b>	<b>151,959</b>	<b>154,359</b>	<b>159,579</b>	<b>165,498</b>

(a) From September quarter 1996 the separate identification of direct corporate equities and net equity in branches is not available and is included in total as direct corporate equities. (b) A negative value denotes an excess of borrowing by direct investors in Australia from their direct investment groups abroad, over lending by direct investors in Australia to their direct investment groups abroad.



**TABLE 7. LEVELS OF FOREIGN DEBT AT END OF PERIOD**  
 (\$A million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96		1996-97			
				December	March	June	September	December	March
<b>FOREIGN BORROWING (GROSS DEBT)</b>									
<b>OFFICIAL —</b>									
Commonwealth Government and Reserve Bank	22,886	28,366	34,224	28,635	31,181	34,224	37,826	41,845	41,821
State Government	39,722	46,671	44,027	52,310	47,276	44,027	42,723	42,759	42,837
<b>Total official</b>	<b>62,607</b>	<b>75,037</b>	<b>78,251</b>	<b>80,945</b>	<b>78,457</b>	<b>78,251</b>	<b>80,549</b>	<b>84,604</b>	<b>84,658</b>
<b>NON-OFFICIAL —</b>									
Financial Enterprises —									
Public sector	23,559	15,928	14,711	13,058	12,457	14,711	8,499	8,309	7,897
Private sector	67,366	83,017	95,422	86,848	91,854	95,422	104,667	103,077	107,757
<b>Total</b>	<b>90,926</b>	<b>99,945</b>	<b>110,134</b>	<b>99,905</b>	<b>104,311</b>	<b>110,134</b>	<b>113,166</b>	<b>111,386</b>	<b>115,654</b>
Trading Enterprises —									
Public sector	9,615	9,152	4,955	6,603	5,466	4,955	5,024	6,464	5,762
Private sector	43,768	40,546	42,671	44,008	42,830	42,671	41,957	43,453	44,459
<b>Total</b>	<b>53,383</b>	<b>49,698</b>	<b>47,627</b>	<b>50,610</b>	<b>48,296</b>	<b>47,627</b>	<b>46,981</b>	<b>49,917</b>	<b>50,221</b>
<b>Total non-official</b>	<b>144,309</b>	<b>148,643</b>	<b>157,760</b>	<b>150,515</b>	<b>152,607</b>	<b>157,760</b>	<b>160,147</b>	<b>161,303</b>	<b>165,875</b>
<b>TOTAL</b>	<b>206,917</b>	<b>223,681</b>	<b>236,012</b>	<b>231,460</b>	<b>231,064</b>	<b>236,012</b>	<b>240,696</b>	<b>245,907</b>	<b>250,533</b>
<i>Of which —</i>									
Public sector —									
Official	62,607	75,037	78,251	80,945	78,457	78,251	80,549	84,604	84,658
Non-official	33,175	25,080	19,667	19,660	17,922	19,667	13,523	14,773	13,659
<b>Total</b>	<b>95,782</b>	<b>100,117</b>	<b>97,918</b>	<b>100,605</b>	<b>96,380</b>	<b>97,918</b>	<b>94,072</b>	<b>99,377</b>	<b>98,317</b>
Private sector	111,134	123,564	138,094	130,855	134,684	138,094	146,624	146,530	152,217
<b>AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS</b>									
<b>OFFICIAL —</b>									
Reserve assets	20,661	20,184	19,059	20,067	17,935	19,059	21,921	21,848	21,770
Lending	661	58	21	21	21	21	21	23	22
<b>Total official</b>	<b>21,322</b>	<b>20,242</b>	<b>19,080</b>	<b>20,088</b>	<b>17,956</b>	<b>19,080</b>	<b>21,942</b>	<b>21,871</b>	<b>21,792</b>
<b>NON-OFFICIAL —</b>									
Financial enterprises	19,656	22,078	29,014	25,928	27,068	29,014	21,011	22,678	25,840
Trading enterprises	1,683	-117	383	-975	-290	383	1,910	2,161	2,998
<b>Total non-official</b>	<b>21,339</b>	<b>21,962</b>	<b>29,397</b>	<b>24,953</b>	<b>26,778</b>	<b>29,397</b>	<b>22,921</b>	<b>24,839</b>	<b>28,839</b>
<b>TOTAL</b>	<b>42,661</b>	<b>42,204</b>	<b>48,476</b>	<b>45,041</b>	<b>44,733</b>	<b>48,476</b>	<b>44,863</b>	<b>46,710</b>	<b>50,631</b>
<i>Of which —</i>									
Public sector —									
Official	21,322	20,242	19,080	20,088	17,956	19,080	21,942	21,871	21,792
Non-official	7,903	8,850	9,548	8,525	8,115	9,548	6,721	6,620	6,647
<b>Total</b>	<b>29,224</b>	<b>29,092</b>	<b>28,628</b>	<b>28,613</b>	<b>26,071</b>	<b>28,628</b>	<b>28,663</b>	<b>28,491</b>	<b>28,439</b>
Private sector	13,437	13,112	19,849	16,427	18,662	19,849	16,200	18,219	22,192
<b>NET FOREIGN DEBT(a)</b>									
<b>OFFICIAL —</b>	<b>41,286</b>	<b>54,795</b>	<b>59,172</b>	<b>60,856</b>	<b>60,502</b>	<b>59,172</b>	<b>58,607</b>	<b>62,733</b>	<b>62,866</b>
<b>NON-OFFICIAL —</b>									
Financial enterprises	71,270	76,867	81,120	73,978	77,244	81,120	92,155	88,708	89,814
Trading enterprises	51,700	49,815	47,243	51,585	48,585	47,243	45,071	47,756	47,223
<b>Total non-official</b>	<b>122,970</b>	<b>126,682</b>	<b>128,364</b>	<b>125,563</b>	<b>125,829</b>	<b>128,364</b>	<b>137,226</b>	<b>136,464</b>	<b>137,037</b>
<b>TOTAL</b>	<b>164,256</b>	<b>181,477</b>	<b>187,535</b>	<b>186,419</b>	<b>186,331</b>	<b>187,535</b>	<b>195,833</b>	<b>199,197</b>	<b>199,902</b>
<i>Of which —</i>									
Public sector —									
Official	41,286	54,795	59,172	60,856	60,502	59,172	58,607	62,733	62,866
Non-official	25,272	16,230	10,119	11,135	9,807	10,119	6,802	8,153	7,012
<b>Total</b>	<b>66,558</b>	<b>71,025</b>	<b>69,290</b>	<b>71,992</b>	<b>70,309</b>	<b>69,290</b>	<b>65,409</b>	<b>70,886</b>	<b>69,878</b>
Private sector	97,698	110,451	118,245	114,428	116,022	118,245	130,424	128,311	130,025

(a) Foreign borrowing by Australian residents less the sum of Australian lending abroad and reserve assets.

**TABLE 8. INTEREST PAYABLE ON FOREIGN DEBT (a)**  
(*\$A million*)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96		1996-97			
				December	March	June	September	December	March
<b>INTEREST PAYABLE ON FOREIGN BORROWING</b>									
<b>OFFICIAL —</b>									
Commonwealth Government and Reserve Bank	1,156	1,315	1,649	306	608	255	585	363	617
State Government	2,953	2,705	2,917	724	734	717	806	675	586
<b>Total official</b>	<b>4,109</b>	<b>4,020</b>	<b>4,565</b>	<b>1,031</b>	<b>1,342</b>	<b>972</b>	<b>1,391</b>	<b>1,038</b>	<b>1,203</b>
<b>NON-OFFICIAL —</b>									
Financial Enterprises —									
Public sector	951	890	806	208	178	178	157	126	n.a.
Private sector	2,912	3,609	4,707	1,193	1,187	1,227	1,316	1,261	n.a.
<i>Total</i>	<i>3,863</i>	<i>4,499</i>	<i>5,513</i>	<i>1,400</i>	<i>1,365</i>	<i>1,405</i>	<i>1,473</i>	<i>1,387</i>	<i>n.a.</i>
Trading Enterprises —									
Public sector	516	662	418	139	122	78	80	91	n.a.
Private sector	2,460	2,384	2,362	658	585	544	535	672	n.a.
<i>Total</i>	<i>2,976</i>	<i>3,046</i>	<i>2,780</i>	<i>798</i>	<i>707</i>	<i>622</i>	<i>615</i>	<i>763</i>	<i>n.a.</i>
<b>Total non-official</b>	<b>6,839</b>	<b>7,545</b>	<b>8,293</b>	<b>2,198</b>	<b>2,072</b>	<b>2,027</b>	<b>2,088</b>	<b>2,150</b>	<b>2,139</b>
<b>TOTAL</b>	<b>10,948</b>	<b>11,565</b>	<b>12,859</b>	<b>3,228</b>	<b>3,413</b>	<b>2,999</b>	<b>3,479</b>	<b>3,188</b>	<b>3,342</b>
<i>Of which —</i>									
Public sector —									
Official	4,109	4,020	4,565	1,031	1,342	972	1,391	1,038	n.a.
Non-official	1,466	1,551	1,223	347	300	256	237	217	n.a.
<i>Total</i>	<i>5,575</i>	<i>5,571</i>	<i>5,789</i>	<i>1,378</i>	<i>1,641</i>	<i>1,228</i>	<i>1,628</i>	<i>1,255</i>	<i>n.a.</i>
Private sector	5,373	5,994	7,070	1,851	1,772	1,771	1,851	1,933	n.a.

**INTEREST RECEIVABLE ON AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS**

<b>OFFICIAL —</b>									
Reserve assets	853	975	610	222	143	121	217	282	161
Lending	16	7	7	2	1	1	1	—	1
<b>Total official</b>	<b>869</b>	<b>983</b>	<b>616</b>	<b>224</b>	<b>144</b>	<b>122</b>	<b>218</b>	<b>282</b>	<b>162</b>
<b>NON-OFFICIAL —</b>									
Financial enterprises	597	806	1,210	296	321	270	224	193	n.a.
Trading enterprises	210	-26	18	1	9	11	19	3	n.a.
<b>Total non-official</b>	<b>806</b>	<b>780</b>	<b>1,228</b>	<b>296</b>	<b>330</b>	<b>281</b>	<b>243</b>	<b>196</b>	<b>239</b>
<b>TOTAL</b>	<b>1,676</b>	<b>1,763</b>	<b>1,839</b>	<b>518</b>	<b>473</b>	<b>402</b>	<b>460</b>	<b>478</b>	<b>401</b>
<i>Of which —</i>									
Public sector —									
Official	869	983	616	224	144	122	218	282	n.a.
Non-official	220	308	371	97	93	80	59	62	n.a.
<i>Total</i>	<i>1,089</i>	<i>1,291</i>	<i>986</i>	<i>321</i>	<i>237</i>	<i>201</i>	<i>276</i>	<i>344</i>	<i>n.a.</i>
Private sector	586	473	858	199	237	202	184	134	n.a.

**NET INTEREST PAYABLE (b)**

<b>OFFICIAL —</b>	3,240	3,037	3,950	807	1,198	850	1,174	756	1,203
<b>NON-OFFICIAL —</b>									
Financial enterprises	3,266	3,693	4,303	1,105	1,044	1,135	1,249	1,194	n.a.
Trading enterprises	2,766	3,072	2,762	797	698	610	596	760	n.a.
<b>Total non-official</b>	<b>6,032</b>	<b>6,765</b>	<b>7,065</b>	<b>1,902</b>	<b>1,742</b>	<b>1,745</b>	<b>1,845</b>	<b>1,954</b>	<b>1,900</b>
<b>TOTAL</b>	<b>9,272</b>	<b>9,802</b>	<b>11,019</b>	<b>2,711</b>	<b>2,940</b>	<b>2,597</b>	<b>3,019</b>	<b>2,710</b>	<b>2,941</b>
<i>Of which —</i>									
Public sector —									
Official	3,240	3,037	3,950	807	1,198	850	1,174	756	n.a.
Non-official	1,246	1,243	853	250	207	176	178	155	n.a.
<i>Total</i>	<i>4,486</i>	<i>4,281</i>	<i>4,802</i>	<i>1,057</i>	<i>1,404</i>	<i>1,027</i>	<i>1,352</i>	<i>911</i>	<i>n.a.</i>
Private sector	4,786	5,521	6,212	1,652	1,535	1,569	1,667	1,799	n.a.

(a) From September 1996 interest payable and receivable is not strictly comparable with prior periods. (b) Income payable on foreign borrowing less income receivable on Australian lending abroad and reserve assets.

TABLE 9. NET FOREIGN LIABILITIES — RATIOS TO GDP

Period	Annual GDP at current prices	Net foreign liabilities at end of period - \$A million -			Ratios of net foreign liabilities to GDP(a) - per cent -		
		Total	Foreign debt	Equity & other investment	Total	Foreign debt	Equity & other investment
<i>Year—</i>							
1993-94	429,713	238,589	164,256	74,333	55.5	38.2	17.3
1994-95	457,646	260,739	181,477	79,263	57.0	39.7	17.3
1995-96	489,184	285,580	187,535	98,045	58.4	38.3	20.0
<i>Year ended(b) —</i>							
<i>1995-96 —</i>							
December	473,412	278,729	186,419	92,310	58.9	39.4	19.5
March	481,690	281,150	186,331	94,819	58.4	38.7	19.7
June	489,184	285,580	187,535	98,045	58.4	38.3	20.0
<i>1996-97 —</i>							
September	494,909	291,726	195,833	95,893	58.9	39.6	19.4
December	502,096	303,262	199,197	104,065	60.4	39.7	20.7
March	507,165	301,428	199,902	101,525	59.4	39.4	20.0

(a) These ratios are derived by expressing net foreign liabilities at a particular date as a percentage of GDP(I) for the year preceding this date. (b) Estimates of annual GDP(I) refer to the sum of the four quarters ended with the quarters indicated.

TABLE 10. NET INVESTMENT INCOME — RATIOS TO EXPORTS

Period	Exports of goods & services	Net investment income payable abroad - \$A million -			Ratios of net investment income to exports(a) - per cent -		
		Total	Foreign debt	Equity & other investment	Total	Foreign debt	Equity & other investment
<i>Year—</i>							
1993-94	82,425	14,098	9,272	4,826	17.1	11.2	5.9
1994-95	86,693	17,314	9,802	7,512	20.0	11.3	8.7
1995-96	98,270	19,388	11,019	8,368	19.7	11.2	8.5
<i>Year ended(b) —</i>							
<i>1995-96 —</i>							
December	92,669	18,951	10,541	8,410	20.4	11.4	9.1
March	96,054	18,994	10,880	8,114	19.8	11.3	8.4
June	98,270	19,388	11,019	8,368	19.7	11.2	8.5
<i>1996-97 —</i>							
September	99,189	19,907	11,267	8,640	20.1	11.4	8.7
December	100,404	19,428	11,266	8,162	19.3	11.2	8.1
March	101,145	19,648	11,267	8,381	19.4	11.1	8.3

(a) These ratios are derived by expressing net investment income payable as a percentage of exports of goods and services for the year preceding this date. (b) Estimates of annual exports of goods and services and net investment income payable refer to the sum of the four quarters ended with the quarters indicated.

**TABLE 11. FOREIGN INVESTMENT IN AUSTRALIA, BY COUNTRY**  
**(SA million)**

Country of investor	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				December	March	June	September	December	March
<b>CAPITAL TRANSACTIONS(a)</b>									
OECD —									
USA	8,880	3,011	17,451	3,787	6,078	3,248	4,733	2,237	440
Japan	-1,622	609	9,738	7,677	-1,591	1,687	528	-1,000	-15
Switzerland	258	-249	2,115	595	685	651	248	-214	-313
EU —									
UK	8,654	2,049	5,335	3,370	-1,123	375	3,534	2,180	3,480
Other(c)	4,282	2,142	3,967	-527	3,498	1,421	1,204	-13	619
Total	12,936	4,191	9,302	2,843	2,376	1,796	2,330	2,167	4,098
Other OECD(c)(d)	1,330	302	-2,003	75	-291	-422	-1,453	206	1,004
Total OECD	21,782	7,864	36,602	14,976	7,257	6,960	6,386	3,396	5,215
ASEAN	1,099	-438	1,969	2,017	1,314	704	479	1,154	181
Other countries(d)	3,679	-285	-362	-448	-156	-196	663	81	-1,259
International capital markets	516	9,371	1,521	-477	-12	1,640	1,504	441	2,241
International institutions	12	231	-298	159	-32	-344	75	-49	-52
Unallocated	527	5,192	2,532	-221	773	679	-2,907	6,202	1,535
<b>TOTAL</b>	<b>27,616</b>	<b>21,934</b>	<b>41,964</b>	<b>16,008</b>	<b>9,144</b>	<b>8,036</b>	<b>6,050</b>	<b>8,917</b>	<b>7,861</b>
APEC	12,003	3,545	27,455	12,888	5,886	3,131	4,918	234	-633
<b>INVESTMENT INCOME (b)</b>									
OECD —									
USA	5,517	5,235	6,198	1,592	1,709	1,557	1,135	1,502	n.a.
Japan	2,187	2,725	2,830	610	801	603	692	144	n.a.
Switzerland	439	415	687	266	124	162	81	73	n.a.
EU —									
UK	3,542	4,112	4,544	1,706	870	942	846	969	n.a.
Other(c)	1,195	1,571	2,050	645	474	458	331	461	n.a.
Total	4,737	5,683	6,594	2,351	1,343	1,400	1,177	1,430	n.a.
Other OECD(c)(d)	364	389	921	241	229	185	63	1	n.a.
Total OECD	13,245	14,447	17,230	5,061	4,205	3,906	3,148	3,150	n.a.
ASEAN	275	372	399	93	107	91	60	78	n.a.
Other countries(d)	770	812	913	256	215	211	176	128	n.a.
International capital markets	3,712	4,156	4,516	1,130	1,174	1,081	842	609	n.a.
International institutions	35	39	39	10	10	9	4	8	n.a.
Unallocated	991	3,475	2,660	522	786	527	2,345	2,547	n.a.
<b>TOTAL</b>	<b>19,027</b>	<b>23,299</b>	<b>25,757</b>	<b>7,071</b>	<b>6,496</b>	<b>5,825</b>	<b>6,575</b>	<b>6,520</b>	<b>6,809</b>
APEC	8,926	9,420	10,387	2,725	3,018	2,177	2,117	1,881	n.a.
<b>LEVELS OF INVESTMENT AT END OF PERIOD</b>									
OECD —									
USA	84,630	89,452	101,359	97,554	102,941	101,359	110,911	116,464	116,925
Japan	49,026	50,963	57,424	60,825	57,494	57,424	57,681	57,004	53,097
Switzerland	8,132	7,137	9,294	7,808	8,674	9,294	10,140	9,620	9,587
EU —									
UK	75,335	75,961	85,996	86,077	85,804	85,996	95,303	101,079	98,950
Other(c)	32,499	37,260	41,012	37,279	39,757	41,012	39,914	41,144	43,055
Total	107,834	113,221	127,008	123,357	125,561	127,008	135,217	142,223	142,004
Other OECD(c)(d)	12,122	12,165	10,631	11,204	10,656	10,631	7,969	8,632	11,025
Total OECD	261,744	272,938	305,716	300,747	305,326	305,716	321,918	333,943	332,639
ASEAN	8,899	8,446	10,832	10,619	11,692	10,832	12,066	10,652	10,450
Other countries(d)	21,773	22,614	20,304	22,088	21,277	20,304	21,910	23,693	20,301
International capital markets	61,185	76,329	70,675	71,106	69,705	70,675	51,320	42,961	44,983
International institutions	154	386	178	564	514	178	4	-9	98
Unallocated	18,734	21,435	29,835	21,382	21,888	29,835	38,875	51,601	58,456
<b>TOTAL</b>	<b>372,490</b>	<b>402,148</b>	<b>437,540</b>	<b>426,506</b>	<b>430,403</b>	<b>437,540</b>	<b>446,085</b>	<b>462,841</b>	<b>466,926</b>
APEC	170,595	178,116	195,700	197,626	199,548	195,700	206,085	212,122	207,242

(a) For the latest two quarters, 'Reinvestment of earnings' is not classified by country and is therefore included in 'Unallocated'. (b) For the latest quarter, investment income is not available by country. (c) Prior to 1994-95 Austria, Finland and Sweden are included in 'Other OECD'. (d) Prior to 1994-95 Mexico, Czech Republic and Hungary are included in 'Other Countries'.

**TABLE 12. FOREIGN INVESTMENT IN AUSTRALIA, BY ANZSIC INDUSTRY(a)**  
(SA million)

Industry of investment	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				December	March	June	September	December	March
<b>CAPITAL TRANSACTIONS</b>									
Mining	1,865	-292	3,191	-531	1,075	581	176	796	166
Manufacturing	9,513	5,109	5,048	3,906	-200	539	-84	-797	-396
Electricity, gas and water	-865	-1,029	1,780	1,318	344	-25	1,043	365	-121
Wholesale trade	-3,697	-969	-12	1,050	-242	-778	-197	1,166	-344
Retail trade	822	-1,826	20	-36	-69	27	-77	32	-21
Transport and storage	689	-230	285	76	154	-178	-18	2,561	-71
Finance and insurance(b)	10,678	6,030	22,419	6,908	6,535	6,609	5,600	-1,444	4,980
Property and Business Services	536	309	1,608	236	566	213	159	167	---
Other industries(c)	7,410	13,413	6,296	3,192	660	369	332	2,224	475
Unallocated(d)(e)	667	1,419	1,329	-110	322	677	884	3,847	3,192
<b>TOTAL</b>	<b>27,616</b>	<b>21,934</b>	<b>41,964</b>	<b>16,008</b>	<b>9,144</b>	<b>8,036</b>	<b>6,050</b>	<b>8,917</b>	<b>7,861</b>
<b>INVESTMENT INCOME(f)</b>									
Mining	2,195	2,194	2,250	624	450	602	282	698	n.a.
Manufacturing	3,323	4,196	4,400	1,315	1,116	863	625	88	n.a.
Electricity, gas and water	73	125	132	75	14	20	4	14	n.a.
Wholesale trade	1,265	1,649	1,662	438	486	430	88	166	n.a.
Retail trade	257	194	136	23	27	50	26	29	n.a.
Transport and storage	711	554	449	128	128	118	66	63	n.a.
Finance and insurance(b)	5,686	6,683	8,510	2,358	2,019	1,934	1,777	1,657	n.a.
Property and Business Services	403	634	1,959	397	618	435	238	224	n.a.
Other industries(c)	3,871	4,393	4,714	1,066	1,416	968	1,476	1,139	n.a.
Unallocated(d)	1,244	2,677	1,546	647	224	405	1,993	2,442	n.a.
<b>TOTAL</b>	<b>19,027</b>	<b>23,299</b>	<b>25,757</b>	<b>7,071</b>	<b>6,496</b>	<b>5,825</b>	<b>6,575</b>	<b>6,520</b>	<b>6,809</b>
<b>LEVELS OF INVESTMENT AT END OF PERIOD</b>									
Mining	40,469	38,558	41,923	42,122	42,599	41,923	41,049	42,198	41,326
Manufacturing	71,649	77,669	80,703	78,590	79,757	80,703	79,339	79,558	79,066
Electricity, gas and water	3,735	2,804	4,568	4,192	4,563	4,568	6,096	6,480	6,235
Wholesale trade	25,454	26,009	24,560	25,552	25,233	24,560	25,449	27,139	26,448
Retail trade	5,734	3,967	3,780	4,037	3,831	3,780	3,933	3,966	4,031
Transport and storage	9,694	9,507	9,535	9,517	9,556	9,535	9,550	12,176	11,575
Finance and insurance(b)	122,464	132,202	148,972	137,857	142,275	148,972	151,712	153,160	156,068
Property and Business Services	17,743	20,438	21,864	21,708	21,835	21,864	22,275	21,502	22,589
Other industries(c)	72,589	87,973	92,356	94,687	92,130	92,356	94,096	98,676	99,882
Unallocated(d)	2,959	3,020	9,278	8,245	8,625	9,278	12,586	17,986	19,706
<b>TOTAL</b>	<b>372,490</b>	<b>402,148</b>	<b>437,540</b>	<b>426,506</b>	<b>430,403</b>	<b>437,540</b>	<b>446,085</b>	<b>462,841</b>	<b>466,926</b>

(a) The industry categories shown are based on the 1993 edition of the ANZSIC and relate to the predominant activity of the enterprise group receiving the investment funds. This is not necessarily the industry of the end use of the funds; see Explanatory notes, paragraph 19. (b) Includes Reserve Bank and the State government component of General government.

(c) Includes Commonwealth government component of General government. (d) From September quarter 1995, investment in trading enterprises placed through nominees and brokers is not classified by industry and is included in 'Unallocated'. (e) For the latest two quarters, 'Reinvestment of earnings' is not classified by industry and is included in 'Unallocated'.

(f) For the latest quarter, 'Investment income' is not available by industry.

**TABLE 13. FOREIGN BORROWING:  
CAPITAL TRANSACTIONS AND LEVELS BY DOMICILE (a)**  
(SA million)

	Year			Quarter ended						
	1993-94	1994-95	1995-96	1995-96		1996-97				
				December	March	June	September	December	March	
<b>Capital transactions —</b>										
Domiciled abroad —										
Foreign currency(b)	-572	-6,549	15,501	901	3,307	5,491	n.a.	n.a.	n.a.	n.a.
Australian currency(b)	3,450	11,245	-1,488	4,699	-2,396	-2,558	n.a.	n.a.	n.a.	n.a.
<b>Total</b>	<b>2,877</b>	<b>4,695</b>	<b>14,013</b>	<b>5,600</b>	<b>911</b>	<b>2,933</b>	<b>5,935</b>	<b>1,794</b>	<b>1,506</b>	
Domiciled in Australia —										
Securities —										
Purchases by non-residents(c)	41,407	63,055	123,817	20,911	38,490	49,537	n.a.	n.a.	n.a.	n.a.
Sales by non-residents(c)	39,148	59,633	115,817	16,767	34,730	48,102	n.a.	n.a.	n.a.	n.a.
<b>Net</b>	<b>2,259</b>	<b>3,422</b>	<b>8,000</b>	<b>4,144</b>	<b>3,760</b>	<b>1,435</b>	<b>-158</b>	<b>2,728</b>	<b>825</b>	<b>825</b>
Deposits(d)	1,750	491	976	-108	810	915	-472	-1,900	2,681	2,681
<b>Total</b>	<b>4,009</b>	<b>3,913</b>	<b>8,976</b>	<b>4,036</b>	<b>4,570</b>	<b>2,349</b>	<b>-630</b>	<b>828</b>	<b>3,506</b>	
<b>Total</b>	<b>6,887</b>	<b>8,608</b>	<b>22,988</b>	<b>9,636</b>	<b>5,481</b>	<b>5,282</b>	<b>5,325</b>	<b>2,622</b>	<b>5,012</b>	
<b>Levels at end of period —</b>										
Domiciled abroad —										
Foreign currency	118,739	117,744	122,952	113,740	112,993	122,952	114,527	133,422	137,197	137,197
Australian currency	53,277	65,439	62,724	73,800	70,885	62,724	67,543	51,593	48,674	48,674
<b>Total</b>	<b>172,016</b>	<b>183,183</b>	<b>185,676</b>	<b>187,539</b>	<b>183,879</b>	<b>185,676</b>	<b>182,070</b>	<b>185,015</b>	<b>185,871</b>	
Domiciled in Australia —										
Securities	26,494	31,720	40,615	35,921	38,376	40,615	41,577	45,886	45,680	45,680
Deposits(d)	8,407	8,777	9,720	8,000	8,810	9,720	17,049	15,006	18,981	18,981
<b>Total</b>	<b>34,901</b>	<b>40,497</b>	<b>50,335</b>	<b>43,921</b>	<b>47,185</b>	<b>50,335</b>	<b>58,626</b>	<b>60,892</b>	<b>64,662</b>	
<b>Total</b>	<b>206,917</b>	<b>223,681</b>	<b>236,012</b>	<b>231,460</b>	<b>231,064</b>	<b>236,012</b>	<b>240,696</b>	<b>245,907</b>	<b>250,533</b>	

(a) For a definition of domicile, see Explanatory notes, paragraph 17. (b) From September 1996 capital transactions by currency are no longer available for foreign borrowings domiciled abroad. (c) From September 1996 purchases and sales of securities domiciled in Australia are no longer available. (d) Prior to September 1996 deposits of non-bank financial institutions were included in domiciled abroad borrowings. From September 1996 these are included with domiciled in Australia deposits of the RBA and banks.

**TABLE 14. FOREIGN BORROWING:  
LEVELS AT END OF PERIOD BY CURRENCY**  
(SA million)

	Year			Quarter ended						
	1993-94	1994-95	1995-96	1995-96		1996-97				
				December	March	June	September	December	March	
<b>Foreign currencies —</b>										
United States Dollars	85,365	81,492	77,096	79,651	76,758	77,096	78,400	57,490	65,875	65,875
Pounds Sterling	2,173	2,155	3,563	2,118	3,042	3,563	3,933	3,217	3,664	3,664
Swiss Francs	3,047	2,645	2,805	3,233	2,660	2,805	3,358	2,218	2,541	2,541
Deutsche Marks	1,451	2,379	1,419	2,109	2,582	1,419	2,110	1,303	2,289	2,289
Japanese Yen	19,560	21,257	20,744	21,738	21,051	20,744	16,108	13,938	16,348	16,348
Other(a)	9,562	10,154	19,602	6,152	8,642	19,602	-188,373	-122,289	-120,839	-120,839
<b>Total foreign currencies</b>	<b>121,157</b>	<b>120,082</b>	<b>125,228</b>	<b>115,002</b>	<b>114,735</b>	<b>125,228</b>	<b>-84,464</b>	<b>-44,123</b>	<b>-30,123</b>	
Australian Dollars	85,759	103,599	110,784	116,458	116,329	110,784	325,160	290,030	280,657	280,657
<b>Total</b>	<b>206,917</b>	<b>223,681</b>	<b>236,012</b>	<b>231,460</b>	<b>231,064</b>	<b>236,012</b>	<b>240,696</b>	<b>245,907</b>	<b>250,533</b>	

(a) Includes unallocated foreign currency borrowing.

**TABLE 15. FOREIGN BORROWING DOMICILED ABROAD (a) : MATURITY OF DRAWINGS, REPAYMENTS AND LEVELS**  
( SA million )

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96		1996-97			
				December	March	June	September	December	March
<b>DRAWINGS(b)</b>									
<b>CONTRACTUALLY DUE FOR REPAYMENT —</b>									
Within 3 months	211,080	220,282	50,563	59,082	66,643	43,995	n.a.	n.a.	n.a.
3 months to less than 6 months	39,759	48,426	10,198	12,438	11,169	14,622	n.a.	n.a.	n.a.
6 months to less than 1 year	35,373	31,017	10,331	6,839	4,748	9,100	n.a.	n.a.	n.a.
1 year to less than 2 years	4,785	10,028	1,300	1,424	2,782	4,521	n.a.	n.a.	n.a.
2 years to less than 5 years	13,929	12,831	3,649	4,026	2,279	2,877	n.a.	n.a.	n.a.
5 years to less than 10 years	9,930	10,518	2,955	2,864	2,137	2,561	n.a.	n.a.	n.a.
10 years or more	1,360	3,601	794	1,173	475	1,160	n.a.	n.a.	n.a.
<b>REPAYABLE AT CALL OR OF INDEFINITE MATURITY</b>									
Expected to be repaid —	2,251	3,320	528	1,433	810	549	n.a.	n.a.	n.a.
Within 1 year from drawdown	1,560	1,932	914	368	176	473	n.a.	n.a.	n.a.
1 year or more from drawdown									
<b>UNALLOCATED(c)</b>	196,768	-24,710	257,811	-488	-1,022	88	n.a.	n.a.	n.a.
<b>TOTAL</b>	<b>516,795</b>	<b>317,246</b>	<b>339,043</b>	<b>89,158</b>	<b>90,197</b>	<b>79,947</b>	<b>80,094</b>	<b>67,136</b>	<b>54,467</b>
<b>REPAYMENTS(b)</b>									
<b>TIME ELAPSED SINCE DRAWDOWN —</b>									
Less than 3 months	209,631	210,642	49,522	52,070	64,564	44,486	n.a.	n.a.	n.a.
3 months to less than 6 months	46,583	59,817	12,546	14,568	15,304	17,399	n.a.	n.a.	n.a.
6 months to less than 1 year	40,278	34,210	10,017	9,377	6,590	8,226	n.a.	n.a.	n.a.
1 year to less than 2 years	5,311	7,572	1,302	2,541	2,450	1,279	n.a.	n.a.	n.a.
2 years to less than 5 years	6,746	7,883	1,981	2,351	1,546	2,006	n.a.	n.a.	n.a.
5 years to less than 10 years	7,068	5,553	1,346	1,478	899	1,830	n.a.	n.a.	n.a.
10 years or more	1,205	2,855	244	1,645	31	935	n.a.	n.a.	n.a.
<b>UNALLOCATED(c)</b>	197,095	-15,982	248,073	-472	-2,099	855	n.a.	n.a.	n.a.
<b>TOTAL</b>	<b>513,917</b>	<b>312,550</b>	<b>325,031</b>	<b>83,558</b>	<b>89,286</b>	<b>77,014</b>	<b>74,071</b>	<b>65,319</b>	<b>52,166</b>
<b>LEVELS AT END OF PERIOD</b>									
<b>BORROWING WITH CONTRACTUAL TERMS —</b>									
Less than 1 year to maturity(c)	78,177	73,699	78,793	78,649	79,202	78,793	84,265	75,105	77,678
1 year to less than 2 years(d)	13,018	12,838	16,744	15,968	18,380	16,744	n.a.	n.a.	n.a.
2 years to less than 5 years(d)	31,713	39,355	36,351	39,789	34,872	36,351	74,450	50,946	54,183
5 years to less than 10 years(e)	28,878	36,054	31,672	31,228	31,725	31,672	32,864	35,847	27,454
10 years or more(e)	4,330	5,622	6,143	7,412	5,564	6,143	n.a.	n.a.	n.a.
<b>AT CALL OR INDEFINITE BORROWING —</b>									
Expected to be repaid —									
Within 1 year(d)	1,863	3,813	2,813	4,811	3,176	2,813	n.a.	n.a.	n.a.
1 year or more(e)	11,960	9,692	7,166	8,891	8,982	7,166	n.a.	n.a.	n.a.
<b>UNALLOCATED(c)(f)</b>	2,077	2,110	5,996	790	1,977	5,996	-9,509	23,117	-5,005
<b>TOTAL</b>	<b>172,016</b>	<b>183,183</b>	<b>185,676</b>	<b>187,539</b>	<b>183,879</b>	<b>185,676</b>	<b>182,070</b>	<b>185,015</b>	<b>185,871</b>

(a) For a definition of domiciled abroad see Explanatory notes, paragraph 17. (b) From September 1996 maturity of drawings and repayments are no longer available. (c) Prior to September 1996 deposits of banks were included in unallocated. These are now classified according to residual maturity with at call deposits included in 'Less than 1 year to maturity'. (d) From September 1996 borrowings with a residual maturity (including at call borrowings) of '1 year to less than 2 years' and '2 years to less than 5 years' are not separately identifiable and are included in total under '2 years to less than 5 years'. (e) From September 1996 borrowings with a residual maturity (including indefinite borrowings) of '5 years to less than 10 years' and '10 years or more' are not separately identifiable and are included in total under '5 years to less than 10 years'. (f) Includes the impact of lending by direct investment enterprises to their direct investors abroad.

**TABLE 16. INTERNATIONAL INVESTMENT POSITION AT END OF PERIOD**  
 (\$A million)

	Foreign investment in Australia				Australian investment abroad				Net international investment position(a)			
	Equity	Borrowing(b)	Other	Total	Equity	Reserve assets and lending	Other	Total	Net equity	Net debt	Net other	Net foreign liabilities
ANNUAL												
1984-85	37,562	67,473	6,583	111,618	11,687	16,265	5,808	33,760	25,875	51,208	775	77,858
1985-86	41,153	92,550	6,884	140,587	20,253	17,005	6,024	43,283	20,900	75,545	860	97,304
1986-87	65,290	107,417	7,441	180,148	34,876	21,279	6,616	62,771	30,414	86,138	825	117,377
1987-88	70,217	123,122	7,454	200,792	41,393	26,873	6,353	74,619	28,824	96,248	1,101	126,173
1988-89	87,411	146,717	7,403	241,532	52,720	29,419	7,278	89,417	34,691	117,298	125	152,115
1989-90	97,414	162,770	6,425	266,609	57,255	31,116	7,851	96,221	40,159	131,654	-1,426	170,388
1990-91	105,652	178,774	6,401	290,827	55,609	36,719	7,666	99,994	50,043	142,055	-1,265	190,833
1991-92	112,382	192,148	6,865	311,395	65,933	38,127	6,644	110,704	46,449	154,021	221	200,691
1992-93	124,327	210,615	6,921	341,862	76,798	41,404	7,513	125,716	47,528	169,211	-593	216,147
1993-94	156,539	206,917	9,035	372,490	81,911	42,661	9,330	133,902	74,628	164,256	-295	238,589
1994-95	167,675	223,681	10,792	402,148	90,887	42,204	8,317	141,409	76,788	181,477	2,475	260,739
1995-96	190,550	236,012	10,978	437,540	94,620	48,476	8,863	151,959	95,930	187,535	2,115	285,580
QUARTERLY												
<i>1991-92 -</i>												
December	108,331	186,872	7,557	302,760	63,723	39,886	7,074	110,683	44,607	146,986	483	192,077
March	108,868	185,187	6,991	301,046	62,443	35,903	6,929	105,274	46,425	149,284	62	195,772
June	112,382	192,148	6,865	311,395	65,933	38,127	6,644	110,704	46,449	154,021	221	200,691
<i>1992-93 -</i>												
September	107,797	200,770	7,030	315,596	66,514	39,493	6,933	112,940	41,283	161,277	96	202,656
December	109,788	200,526	7,536	317,850	68,406	38,397	7,125	113,928	41,382	162,129	410	203,922
March	117,301	196,307	6,988	320,597	69,240	38,602	7,001	114,842	48,062	157,705	-12	205,755
June	124,327	210,615	6,921	341,862	76,798	41,404	7,513	125,716	47,528	169,211	-593	216,147
<i>1993-94 -</i>												
September	139,820	218,930	8,456	367,206	81,341	43,241	7,813	132,395	58,479	175,688	644	234,811
December	152,009	213,939	9,160	375,108	84,234	40,162	8,078	132,475	67,774	173,777	1,082	242,633
March	154,052	212,696	8,496	375,244	82,532	44,106	7,713	134,351	71,520	168,590	783	240,893
June	156,539	206,917	9,035	372,490	81,911	42,661	9,330	133,902	74,628	164,256	-295	238,589
<i>1994-95 -</i>												
September	164,733	207,600	9,784	382,116	81,731	43,199	7,610	132,540	83,002	164,401	2,174	249,576
December	159,350	204,025	10,137	373,512	79,103	39,235	7,856	126,193	80,247	164,790	2,281	247,319
March	160,790	213,006	10,296	384,093	84,729	44,558	8,182	137,469	76,062	168,448	2,114	246,624
June	167,675	223,681	10,792	402,148	90,887	42,204	8,317	141,409	76,788	181,477	2,475	260,739
<i>1995-96 -</i>												
September	177,896	219,931	11,396	409,223	90,211	39,363	8,095	137,669	87,685	180,568	3,300	271,554
December	183,897	231,460	11,149	426,506	94,168	45,041	8,567	147,776	89,729	186,419	2,581	278,729
March	188,230	231,064	11,109	430,403	95,719	44,733	8,802	149,253	92,512	186,331	2,307	281,150
June	190,550	236,012	10,978	437,540	94,620	48,476	8,863	151,959	95,930	187,535	2,115	285,580
<i>1996-97 -</i>												
September	194,113	240,696	11,276	446,085	100,769	44,863	8,727	154,359	93,344	195,833	2,549	291,726
December	206,083	245,907	10,851	462,841	104,039	46,710	8,830	159,579	102,044	199,197	2,021	303,262
March	205,657	250,533	10,736	466,926	105,289	50,631	9,578	165,498	100,368	199,902	1,158	301,428

(a) Equals foreign investment in Australia less Australian investment abroad. (b) As a result of a change in the methodology used to value non-equity securities issued on foreign capital markets, levels from December quarter 1991 are not strictly comparable with levels from earlier periods.



TABLE 17. CAPITAL TRANSACTIONS  
(SA million)

	Foreign investment in Australia				Australian investment abroad				Net capital transactions(a)			
	Equity (b)	Borrowing	Other	Total	Equity (b)	Reserve assets and lending	Other	Total	Net equity (b)	Net debt	Net other	Total
ANNUAL												
1984-85	1,797	12,674	619	15,088	2,965	-1,162	1,353	3,156	-1,169	13,836	-734	11,932
1985-86	2,732	16,958	303	19,994	5,740	-1,133	255	4,862	-3,008	18,091	48	15,132
1986-87	7,822	15,082	-67	22,837	9,428	2,878	564	12,870	-1,606	12,204	-631	9,969
1987-88	8,062	20,061	51	28,176	9,803	6,311	160	16,274	-1,741	13,749	-108	11,902
1988-89	10,477	21,531	781	32,788	8,716	3,378	635	12,728	1,761	18,153	145	20,060
1989-90	6,854	19,179	-925	25,108	2,778	3,213	-60	5,931	4,076	15,967	-865	19,177
1990-91	9,899	11,032	-491	20,439	-662	4,878	179	4,394	10,561	6,154	-670	16,046
1991-92	6,568	8,934	682	16,185	5,137	-2,281	-870	1,987	1,431	11,215	1,552	14,198
1992-93	10,511	6,649	576	17,737	4,723	-943	276	4,055	5,788	7,592	300	13,681
1993-94	19,876	6,887	853	27,617	8,993	5,096	1,594	15,682	10,883	1,791	-741	11,932
1994-95	12,019	8,608	1,307	21,933	2,969	-2,737	-848	-617	9,051	11,345	2,155	22,551
1995-96	18,920	22,988	55	41,963	8,087	10,560	836	19,483	10,833	12,428	-781	22,480
QUARTERLY												
1991-92 —												
December	1,577	3,223	738	5,538	2,502	1,310	-189	3,623	-925	1,913	927	1,915
March	1,177	2,152	-563	2,766	232	-2,780	-253	2,801	945	4,932	-310	5,567
June	2,132	1,973	-88	4,017	340	80	-375	45	1,791	1,892	288	3,971
1992-93 —												
September	-191	5,354	394	5,557	393	-1,050	-100	-756	-584	6,404	494	6,314
December	2,541	-1,168	498	1,872	2,007	-220	148	1,935	534	-947	350	-63
March	4,750	-3,609	-281	860	1,192	342	-109	1,424	3,558	-3,950	-172	-564
June	3,411	6,072	-35	9,448	1,130	-15	337	1,452	2,281	6,087	-372	7,996
1993-94 —												
September	4,785	2,083	216	7,084	2,460	1,826	5	4,291	2,325	257	211	2,793
December	4,443	3,026	492	7,961	3,558	-827	359	3,090	885	3,853	133	4,871
March	5,990	2,477	-477	7,990	2,690	4,346	-301	6,734	3,300	-1,869	-175	1,256
June	4,659	-700	622	4,581	286	-249	1,532	1,569	4,373	-451	-911	3,012
1994-95 —												
September	4,956	1,140	-384	5,712	-485	-304	-1,509	-2,298	5,442	1,444	1,124	8,010
December	1,920	-418	544	2,046	851	-1,856	354	-650	1,069	1,438	190	2,697
March	3,005	1,539	315	4,860	-496	2,285	130	1,919	3,502	-747	185	2,940
June	2,138	6,347	832	9,317	3,099	-2,863	176	412	-962	9,210	656	8,904
1995-96 —												
September	5,949	2,589	238	8,775	2,231	-539	-25	1,668	3,718	3,127	262	7,107
December	6,543	9,636	-172	16,008	2,393	5,620	504	8,518	4,150	4,016	-676	7,490
March	3,614	5,481	49	9,144	4,467	1,415	243	6,126	-853	4,066	-194	3,018
June	2,814	5,282	-60	8,036	-1,005	4,064	113	3,171	3,819	1,219	-173	4,865
1996-97 —												
September	722	5,325	3	6,050	1,538	-1,469	20	89	-816	6,794	-17	5,961
December	6,543	2,622	-248	8,917	1,980	1,246	324	3,550	4,563	1,376	-572	5,367
March	2,795	5,012	54	7,861	1,492	3,409	705	5,606	1,303	1,603	-651	2,255

(a) Equals foreign investment in Australia less Australian investment abroad. (b) In reference to reinvestment of earnings, prior to September 1993 comprehensive data was only collected annually for this item, with the quarterly estimates derived by evenly distributing the annual estimates. From September 1993 this item has been collected quarterly and thus estimates based on the results of this collection have been included. For the latest two quarters extrapolated estimates have been included until quarterly data become available.

TABLE 18. INVESTMENT INCOME  
(SA million)

	<i>Payable on foreign investment in Australia</i>				<i>Receivable on Australian investment abroad</i>				<i>Net investment income payable(a)</i>			
	<i>Interest</i>				<i>Interest</i>				<i>Interest</i>			
	<i>Equity income (b)</i>	<i>Borrow- ing</i>	<i>Other</i>	<i>Total</i>	<i>Equity income (b)</i>	<i>Reserve assets and lending</i>	<i>Other</i>	<i>Total</i>	<i>Net equity income (b)</i>	<i>Net debt</i>	<i>Net other</i>	<i>Total</i>
ANNUAL												
1984-85	2,236	5,314	39	7,589	515	914	95	1,525	1,721	4,400	-56	6,064
1985-86	2,338	6,587	133	9,058	1,146	710	110	1,966	1,192	5,877	23	7,092
1986-87	2,725	7,892	113	10,730	1,818	678	175	2,670	908	7,214	-62	8,060
1987-88	4,222	8,844	35	13,101	2,479	1,051	104	3,634	1,743	7,793	-69	9,467
1988-89	5,242	10,821	269	16,331	2,540	1,267	105	3,912	2,702	9,554	164	12,419
1989-90	5,231	14,379	370	19,981	1,957	1,849	154	3,961	3,274	12,531	215	16,020
1990-91	5,184	14,820	170	20,174	849	2,255	120	3,223	4,336	12,566	50	16,951
1991-92	4,730	13,318	93	18,141	1,263	2,387	54	3,703	3,467	10,932	40	14,438
1992-93	6,556	11,344	85	17,985	3,057	2,179	21	5,257	3,500	9,164	65	12,729
1993-94	7,991	10,948	88	19,027	3,221	1,676	31	4,928	4,769	9,272	57	14,098
1994-95	11,681	11,565	53	23,299	4,169	1,763	52	5,985	7,511	9,802	1	17,314
1995-96	12,843	12,859	56	25,757	4,460	1,839	70	6,369	8,383	11,019	-14	19,388
QUARTERLY												
<i>1991-92 —</i>												
December	1,039	3,188	26	4,253	348	638	13	999	691	2,550	13	3,254
March	1,108	3,228	20	4,356	274	596	10	881	834	2,632	9	3,476
June	1,439	3,184	23	4,646	324	538	14	876	1,115	2,647	9	3,771
<i>1992-93 —</i>												
September	1,701	3,117	18	4,836	661	669	5	1,334	1,040	2,448	13	3,502
December	1,559	2,832	26	4,417	794	498	5	1,296	765	2,335	21	3,121
March	1,454	2,816	18	4,289	623	639	5	1,267	831	2,177	13	3,022
June	1,841	2,577	23	4,441	979	374	6	1,359	862	2,204	17	3,082
<i>1993-94 —</i>												
September	1,411	2,977	23	4,410	834	599	8	1,441	577	2,378	15	2,969
December	1,962	2,566	19	4,547	782	489	9	1,280	1,180	2,078	9	3,267
March	1,591	2,779	19	4,389	792	418	5	1,215	799	2,361	14	3,174
June	3,027	2,625	28	5,681	813	169	9	992	2,214	2,456	19	4,689
<i>1994-95 —</i>												
September	2,845	2,861	11	5,717	989	358	10	1,357	1,857	2,502	2	4,360
December	3,190	2,585	12	5,786	1,186	344	9	1,539	2,004	2,241	3	4,247
March	2,913	3,143	18	6,074	666	542	15	1,223	2,247	2,601	3	4,852
June	2,732	2,977	12	5,721	1,329	519	19	1,867	1,404	2,458	-7	3,855
<i>1995-96 —</i>												
September	3,134	3,218	13	6,365	1,294	446	4	1,745	1,840	2,772	8	4,620
December	3,829	3,228	14	7,071	914	518	15	1,446	2,915	2,711	-1	5,625
March	3,067	3,413	16	6,496	1,100	473	28	1,602	1,966	2,940	-12	4,895
June	2,813	2,999	13	5,825	1,152	402	23	1,576	1,661	2,597	-10	4,249
<i>1996-97 —</i>												
September	3,079	3,479	17	6,575	965	460	11	1,436	2,114	3,019	6	5,139
December	3,317	3,188	15	6,520	887	478	9	1,374	2,430	2,710	6	5,146
March	3,465	3,342	2	6,809	1,292	401	2	1,695	2,173	2,941	—	5,114

(a) Equals income payable on foreign investment in Australia less income receivable on Australian investment abroad. (b) Includes dividends, remitted profits of branches and reinvested earnings of direct investment enterprises attributable to their direct foreign investors. In reference to reinvested earnings, prior to September 1993 comprehensive data was only collected annually for this item, with the quarterly estimates derived by evenly distributing the annual estimates. From September 1993 this item has been collected quarterly and thus estimates based on the results of this collection have been included. For the latest two quarters extrapolated estimates have been included until quarterly data become available.

TABLE 19. LEVELS OF FOREIGN DEBT AT END OF PERIOD(a)  
(\$A million)

	Public Sector Borrowing				Private sector borrowing	Total foreign borrowing	Reserve assets	Lending abroad	Net foreign debt(b)
	Commonwealth government and Reserve Bank	State government	Public trading and financial enterprises	Total					
ANNUAL									
1984-85	12,982	1,901	14,982	29,865	37,608	67,473	13,517	2,748	51,208
1985-86	19,753	3,855	19,009	42,618	49,933	92,550	13,024	3,982	75,545
1986-87	23,678	6,684	19,589	49,951	57,466	107,417	17,594	3,685	86,138
1987-88	22,909	10,219	23,736	56,865	66,257	123,122	20,182	6,691	96,248
1988-89	18,607	18,230	28,010	64,847	81,870	146,717	20,410	9,009	117,298
1989-90	19,654	19,788	32,525	71,968	90,802	162,770	21,871	9,245	131,654
1990-91	17,490	24,440	33,010	74,940	103,834	178,774	24,047	12,672	142,055
1991-92	16,823	29,465	33,681	79,969	112,179	192,148	22,240	15,887	154,021
1992-93	21,928	38,813	35,114	95,855	114,760	210,615	20,823	20,581	169,211
1993-94	22,886	39,722	33,175	95,782	111,134	206,917	20,661	22,000	164,256
1994-95	28,366	46,671	25,080	100,117	123,564	223,681	20,184	22,020	181,477
1995-96	34,224	44,027	19,667	97,918	138,094	236,012	19,059	29,417	187,535
QUARTERLY									
<i>1991-92 —</i>									
December	20,807	27,222	34,027	82,056	104,816	186,872	25,451	14,435	146,986
March	18,346	28,608	32,467	79,422	105,765	185,187	21,314	14,589	149,284
June	16,823	29,465	33,681	79,969	112,179	192,148	22,240	15,887	154,021
<i>1992-93 —</i>									
September	17,977	34,445	34,225	86,647	114,123	200,770	21,566	17,927	161,277
December	19,425	34,197	34,056	87,678	112,849	200,526	20,112	18,285	162,129
March	19,163	34,206	32,591	85,959	110,348	196,307	18,888	19,714	157,705
June	21,928	38,813	35,114	95,855	114,760	210,615	20,823	20,581	169,211
<i>1993-94 —</i>									
September	20,833	43,092	35,276	99,201	119,729	218,930	22,023	21,218	175,688
December	22,935	43,349	34,303	100,587	113,352	213,939	20,955	19,207	173,777
March	23,073	43,949	33,621	100,644	112,052	212,696	20,834	23,272	168,590
June	22,886	39,722	33,175	95,782	111,134	206,917	20,661	22,000	164,256
<i>1994-95 —</i>									
September	25,658	38,101	31,526	95,285	112,315	207,600	20,308	22,891	164,401
December	28,861	42,827	30,369	102,057	101,968	204,025	18,417	20,818	164,790
March	28,440	42,656	26,240	97,336	115,670	213,006	21,240	23,318	168,448
June	28,366	46,671	25,080	100,117	123,564	223,681	20,184	22,020	181,477
<i>1995-96 —</i>									
September	24,226	51,948	23,471	99,684	120,247	219,931	18,659	20,704	180,568
December	28,635	52,310	19,660	100,605	130,855	231,460	20,067	24,974	186,419
March	31,181	47,276	17,922	96,380	134,684	231,064	17,935	26,798	186,331
June	34,224	44,027	19,667	97,918	138,094	236,012	19,059	29,417	187,535
<i>1996-97 —</i>									
September	37,826	42,723	13,523	94,072	146,624	240,696	21,921	22,942	195,833
December	41,845	42,759	14,773	99,377	146,530	245,907	21,848	24,862	199,197
March	41,821	42,837	13,659	98,317	152,217	250,533	21,770	28,861	199,902

(a) As a result of a change in the methodology used to value non-equity securities issued on foreign capital markets, levels from December quarter 1991 are not strictly comparable with levels from earlier periods. (b) Equals total foreign borrowing less reserve assets and lending abroad.

TABLE 20. FOREIGN INVESTMENT RATIOS  
(\$A million)

Period	Ratios of net foreign liabilities to GDP(a) - per cent -			Net international investment position servicing - Ratios of net investment income payable to exports(b) - per cent -		
	Total	Foreign debt	Equity and other investment	Total	Foreign debt	Equity and other investment
ANNUAL						
1988-89	44.8	34.6	10.3	22.5	17.3	5.2
1989-90	46.0	35.6	10.5	26.4	20.7	5.8
1990-91	50.4	37.5	12.9	25.7	18.1	6.7
1991-92	51.8	39.8	12.1	20.8	15.7	5.0
1992-93	53.4	41.8	11.6	16.8	12.1	4.7
1993-94	55.5	38.2	17.3	17.1	11.2	5.9
1994-95	57.0	39.7	17.3	20.0	11.3	8.7
1995-96	58.4	38.4	20.1	19.7	11.2	8.5
QUARTERLY						
Year ended(c) —						
1991-92 —						
December	50.5	38.7	11.9	23.1	17.7	5.5
March	51.1	39.0	12.1	21.7	16.5	5.2
June	51.9	39.8	12.1	20.8	15.7	5.0
1992-93 —						
September	51.9	41.3	10.6	19.8	14.5	5.3
December	51.6	41.0	10.6	19.1	13.8	5.2
March	51.6	39.6	12.1	18.0	12.9	5.1
June	53.4	41.8	11.6	16.8	12.1	4.7
1993-94 —						
September	57.1	42.8	14.4	15.6	11.7	4.0
December	58.3	41.7	16.5	15.5	11.1	4.4
March	57.0	39.9	17.1	15.4	11.1	4.3
June	55.5	38.2	17.3	17.1	11.2	5.9
1994-95 —						
September	57.1	37.6	19.5	18.7	11.4	7.4
December	55.7	37.1	18.6	19.8	11.5	8.3
March	54.7	37.3	17.3	21.4	11.5	9.8
June	57.0	39.7	17.3	20.0	11.3	8.7
1995-96 —						
September	58.5	38.9	19.6	19.5	11.2	8.3
December	58.9	39.4	19.5	20.5	11.4	9.1
March	58.4	38.7	19.7	19.8	11.3	8.4
June	58.4	38.3	20.0	19.7	11.2	8.5
1996-97 —						
September	58.9	39.6	19.4	20.1	11.4	8.7
December	60.4	39.7	20.7	19.4	11.2	8.1
March	59.4	39.4	20.0	19.4	11.1	8.3

(a) These ratios are derived by expressing net foreign liabilities at the end of the period shown as a percentage of GDP(I) for the year preceding this date. (b) These ratios are derived by expressing net investment income payable as a percentage of exports of goods and services for the year preceding this date. (c) Estimates of annual GDP(I) and annual exports of goods and services and net investment income payable refer to the sum of the four quarters ended with the quarters indicated.

## EXPLANATORY NOTES

### Introduction

This publication provides comprehensive statistics on Australia's net international investment position, foreign investment in Australia and Australian investment abroad for the March quarter 1997, together with statistics for earlier periods.

2. More detailed annual international investment statistics up to 1994-95 is available in *Balance of Payments and International Investment Position, Australia, 1994-95* (5363.0) released in June 1996. Descriptions of the concepts, definitions, classifications of data items, and sources and methods used in compiling the statistics are presented in *Foreign Investment, Australia: Summary of Concepts, Sources and Methods* (5355.0). That publication also includes an assessment of the accuracy and reliability of the statistics.

### Scope And Coverage

3. International investment statistics provide information on:

- *levels* (stock) of foreign financial assets and liabilities at a particular date;
- *capital transactions* (investment flows) resulting in increases and decreases in these assets and liabilities e.g., the purchase or sale by a non resident of shares in an Australian enterprise, drawings/repayments on a foreign loan facility;
- *exchange rate variations* due to movements of the Australian dollar against the other currencies in which these assets and liabilities are denominated; and
- *other changes* in levels due to a change in the market price of a claim (e.g., a share price movement), write-offs, reclassifications and reconciliation errors.

4. Due to the quarterly revisions policy, the *other changes* item for the latest quarter will sometimes include transactions relating to earlier periods, not identified in time to include in the transactions estimates for those periods. These transactions are subsequently allocated to the correct periods (with consequential revisions to levels estimates) in subsequent issues of this publication.

5. International investment statistics are compiled from several sources including the quarterly and annual collections of the Survey of International Investment, and official advices. Coverage of the quarterly international investment collections is more limited than the corresponding annual collections and quarterly estimates are revised as results from the annual collections become available. Results from other sources are also revised but generally to a lesser extent. The annual collections are conducted using sampling techniques; for a discussion on the impact of this on international investment statistics see 'Introduction of sampling in foreign investment collections' on page 7 of the September quarter 1988 issue of *Foreign Investment, Australia* (5306.0).

### Classifications And Definitions

6. The more important classifications and definitions used in international investment statistics are outlined below.

7. *Australia's net international investment position* is defined as the difference between the level of foreign investment in Australia and the level of Australian investment abroad.

8. *Direction of investment*. This classification refers to the basic distinction between inward and outward investment; that is, foreign investment in Australia or Australian investment abroad. Broadly, *foreign investment in Australia* refers to the stock of financial assets in Australia owned by non-residents and capital transactions which increase or decrease this stock. Conversely, *Australian investment abroad* refers to the stock of foreign financial assets owned by Australian residents and capital transactions which increase or decrease that stock. A major exception to this concerns the treatment of direct investment activity (described in paragraph 13), where the classification of particular investment transactions and associated levels and income, to either foreign investment in Australia or Australian investment abroad, depends upon the direction of the equity link which underlies the establishment of the direct investment.

9. *Resident institutional sector*. This classification groups statistical units with similar financial roles and behaviour into institutional sectors. Five resident institutional sectors are identified. These are grouped under the headings official and non-official. The official sectors are general government and the Reserve Bank of Australia. The non-official sectors are banks, non-bank financial enterprises, trading enterprises and households.

10. General government comprises "Departments of State" and similar entities that are the agents or instruments of Commonwealth, State, or local government. State government central borrowing authorities and private non-profit organisations serving government are included in this category. Public sector business enterprises are excluded from this sector and included as appropriate in the other sectors. Banks comprise trading, savings and development banks which are licensed under the Banking Act to act as banks or which have been created under Commonwealth or State legislation. (This category in this publication excludes the Reserve Bank but includes various other government owned banks.) Non-bank financial enterprises are enterprises, other than the Reserve Bank and the trading, savings and development banks, that are mainly engaged in incurring liabilities and acquiring financial assets. Trading enterprises are non-financial enterprises mainly engaged in the production of goods and services for sale in the market.

11. For trading and financial enterprises, a further dissection is provided in some tables for public and private sector enterprises. The public sector grouping consists of government owned and/or controlled business enterprises while the private sector grouping consists of all other entities. The official sector is further dissected into Commonwealth and State Government components in some tables.

12. *Type of capital*. Three types of capital are distinguished: direct investment, reserve assets, and portfolio and other investment.

13. The concept of direct investment is broadly one of capital invested in an enterprise by an investor (called a *direct investor*) having a significant influence, either potentially or actually exercised, over the key policies of the enterprise (called a *direct investment enterprise*). Under the definition of direct investment used in compiling the statistics, ownership of 10 per cent or more of the ordinary shares or voting stock (or an equivalent equity interest) is generally regarded as indicative of significant influence by an investor. For a detailed discussion of direct investment see paragraphs 4.12 - 4.22 of *Foreign Investment, Australia: Summary of Concepts Sources and Methods* (5355.0).

14. *Reserve assets* are those foreign financial assets that are effectively controlled and available for use by the central authorities for meeting balance of payments needs. *Portfolio and other investment* covers all foreign investment activity not classified as *direct investment* or *reserve assets*.

15. Many types of *instrument of investment* are identified in this publication. Some of these are only applicable to one type of capital. For example, the instruments *reinvestment of earnings* and *net equity in branches* are only used for direct investment. For analytical reasons and for ease of reporting by enterprises, similar instruments are combined into groups. Deposits, loans, finance leases, bonds, bills, IMF credit and BIS placements are combined and called *borrowing* (foreign investment in Australia) or *lending* (Australian investment abroad). Prepayments made and received, and accounts receivable and payable, between enterprises in a direct investment relationship are combined and called *other direct investment*. Similar prepayments and accounts between enterprises not in a direct investment relationship are grouped together and called *accounts payable/prepayments received* (foreign investment in Australia) and *accounts receivable/prepayments made* (Australian investment abroad).

16. This publication shows statistics on both Australia's *gross foreign debt* (borrowing) and Australia's *net foreign debt*. Net foreign debt is arrived at after deducting reserve assets and lending abroad from gross foreign debt.

17. Several other classifications of *borrowing* are also included in this publication. These include:

- separate details of borrowing in foreign and Australian currency;
- currency of borrowing;
- country of domicile of borrowing, which separates borrowing domiciled in Australia from borrowing domiciled abroad. Borrowing domiciled in Australia comprises those securities issued in Australia which, while largely targeted for Australian residents, are taken up by non-residents, usually through security brokers and nominees. Examples of these securities, all of which are tradable, are government and semi-government fixed interest tradable securities, as well as certificates of deposits issued by banks, debentures, promissory notes and other issues by private enterprises. This category also includes deposits held with Australian banks by non-residents. Borrowing domiciled abroad refers to all other borrowing from non-residents, including securities issued in foreign countries;

- purchases and sales of securities domiciled in Australia by non-residents. Purchases include both the on-market purchases and the take-up of new issues by non-residents of debt issued in Australia. Sales include both the on-market sales by and the redemption from non-residents of debt issued in Australia;
- drawings and repayments of borrowing domiciled abroad. Drawings include the drawdown on loans, the issue by residents of non-equity securities abroad, the receipt of finance under finance lease agreements etc. Repayments of borrowing domiciled abroad include the repayment of loans, the redemption of non-equity securities issued abroad, the withdrawal of deposits, lease payments (excluding the imputed interest component) under a finance lease agreement etc;
- maturity structure of drawings and repayments of borrowing domiciled abroad.

18. The country dissection of statistics on international investment shows countries investing in Australia. The classification is based upon the country of residence of the foreign creditor holding Australia's foreign liabilities. It does not necessarily reflect either the country of ultimate beneficial ownership of the investment, the country of immediate source of funds, or the country to which amounts borrowed will in fact be re-paid. The classification includes categories for various country and country groupings as well as categories for international capital markets and international institutions. In some instances, foreign investment activity cannot be classified by country and is therefore classified to unallocated. This category includes, from September quarter 1995, reinvestment of earnings and reinvested earnings. These types of investment can only be allocated to country after the results of annual collections are available

19. International investment industry data are classified according to the *Australian and New Zealand Standard Industrial Classification (ANSZIC)*, 1993 (1292.0). Industry statistics should be treated with some caution as they do not necessarily reflect the industry in which the funds are ultimately employed. The statistical unit (that is, the unit of observation and classification) generally consists of all enterprises in an enterprise group within a single resident institutional sector. The industry of this statistical unit, which may cover a broad range of activities, is determined on the basis of the predominant activity of the unit as a whole which may be quite different from the industry in which the funds are used. This applies especially to financial enterprises such as trading and merchant banks which may borrow funds as principals and then on-lend to clients in other industries.

20. An *unallocated* classification also exists for industry statistics. This category includes, from September quarter 1995, new investment through brokers and nominees in the trading enterprise sector and reinvestment of earnings and reinvested earnings. This investment can only be allocated by industry after the results of annual collections are available.

## Presentation

21. Tables 1 to 3 show the main international investment aggregates covering, respectively, Australia's net international investment position, foreign investment in Australia and Australian investment abroad. These tables are presented in the form of a reconciliation between opening and closing levels of investment, supplemented by investment income information. Tables 4 to 8 provide further details of capital transactions, investment income, levels of investment, foreign debt and interest payable on foreign debt. Tables 9 and 10 provide details of ratios of net foreign liabilities to GDP and net investment income to exports. Tables 11 and 12 provide further dissections of foreign investment in Australia by country and by industry. Tables 13 to 15 show additional statistics on foreign borrowing. Tables 16 to 20 are historical tables

## Reliability

22. As mentioned in paragraph 5, quarterly estimates presented in this publication are subject to revision. Revisions can arise for a variety of reasons but two contributing factors are especially worthy of note. The first affects estimates of *reinvested earnings* (income), and its offset *reinvestment of earnings* (capital transaction). Data for these items are collected and processed with a one quarter lag, and hence estimates for the latest quarter are derived by extrapolating earlier entries. While this means that the estimates could be significantly revised at a future date, it is nevertheless considered useful to include them in the relevant tables. The second factor affects estimates of *portfolio corporate equities* and some *portfolio securities domiciled in Australia*. The collection methods used in annual and quarterly collections differ and can result in significant revisions to quarterly data once the results of annual surveys become available.

## Related Publications

23. This publication is complemented by the annual publication *Balance of Payments and International Investment Position, Australia* (5363.0). Statistics on international investment capital transactions and income are also published in the quarterly balance of payments publication and the *Balance of Payments, Australia* (5302.0). The statistics are presented on a consistent basis in both sets of publications. Information about the concepts, definitions, classifications of data items, and sources and methods used in compiling both sets of statistics are presented in *Foreign Investment, Australia: Summary of Concepts, Sources and Methods* (5355.0) and *Balance of Payments, Australia: Concepts, Sources and Methods* (5331.0).

24. Publications produced at present by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). Also, on Tuesdays and Fridays, the ABS issues a *Release Advice* (1105.0) which lists publications expected to be released in the next few days. Both publications are available free of charge from any ABS office.

## Unpublished Information

25. More detailed information is available in the standard release *International Investment Position, Australia, Supplementary Country by Broad Industry Statistics* (5352.0). Additional information on international investment activity is also available from the ABS on request. A charge may be made for providing these services. Inquiries about the standard release service or about other information should be made to the persons whose names appear in the inquiries box at the front of this publication, or to Information Services in the nearest ABS office

## Symbols and other usages

—	nil or rounded to zero
n.a.	not available
n.y.a.	not yet available
.	not applicable
ABS	Australian Bureau of Statistics
APEC	Asia Pacific Economic Co-operation
ASEAN	Association of South East Asian Nations
BIS	Bank of International Settlements
EU	European Union
IMF	International Monetary Fund
OECD	Organisation for Economic Co-operation and Development

26. For capital transactions a negative value denotes a net withdrawal of investment; for levels of direct investment lending abroad, a negative value denotes an excess of borrowing by direct investors in Australia from their direct investment groups abroad over lending by direct investors in Australia to their direct investment groups abroad (see paragraph 8 for a further explanation); and similarly for income receivable on direct investment lending abroad an excess of income payable by direct investors over income receivable by direct investors.

27. As all figures have been rounded, discrepancies may occur between the sum of components and the total.

**APPENDIX  
SPECIAL ARTICLES IN RECENT INTERNATIONAL INVESTMENT  
AND BALANCE OF PAYMENTS PUBLICATIONS**

<i>Article</i>	<i>Publication (ABS Catalogue No.)</i>	<i>Issue</i>	<i>Page Reference</i>
The relationship between foreign investment and balance of payments statistics	5306.0	Mar qtr 1991	7-8
The relationship between balance of payments and national accounts statistics.	5302.0	Dec qtr 1991	7-10
The relationship between ABS international investment statistics and Foreign Investment Review Board approvals statistics	5306.0	Mar qtr 1992	9
Revised international standards for balance of payments statistics	5302.0	June qtr 1992	7-8
Australia's foreign debt	1350.0	Nov 1992	xi-xvi
Report of IMF working party on measurement of international capital flows	5302.0	Dec qtr 1992	6-10
Direct investment	5306.0	Mar qtr 1993	8-12
Recent changes to sources and methods used for estimating services and other property income	5302.0	Mar qtr 1993	6-7
Balancing item	5302.0	June qtr 1993	7-11
Supplementary foreign investment coverage survey	5306.0	Sept qtr 1993	8-10
Change to commodity classification of merchandise imports	5301.0	March 1994	2
Implementing revised international standards for balance of payments and international investment position statistics	5302.0	Sept qtr 1994	7-11
International comparison of balance of payments statistics	5363.0	1993-94	7-8
Statistical developments in APEC	5306.0	Dec qtr 1994	9-11
Country of destination of Australian direct investment in foreign corporate equities	5306.0	Sept qtr 1995	8-11
Quarterly collection of reinvestment of earnings data	5306.0	Dec qtr 1995	8-10
Foreign ownership of equity in Australian enterprise groups	5306.0	Mar qtr 1996	8-12
International comparison of balance of payments statistics	5363.0	1994-95	7-8
Australia's international transactions in computer merchandise service and royalties	5363.0	1994-95	9-11
International trade in services under the 5th edition of the IMF Balance of Payments Manual	5302.0	Dec qtr 1996	8-11
Foreign ownership of equity in Australian enterprise groups	5306.0	Mar qtr 1997	8-12

Copies of the above articles may be ordered from Ms Sawbhag Naidu, International Investment Section Phone (06) 252 6872. A charge may be made for providing these services.









## For more information . . .

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