

FINANCE AND INSURANCE INDUSTRY VALUE ADDED(a)

	Unit	1998	1999	2000
Finance and Insurance				
Industry value added	\$b	35.4	39.7	42.5
Year on year growth	%	11.1	12.2	6.9
Share of GDP	%	6.1	6.5	6.7
Total All Industries				
Gross domestic product	\$b	580.8	607.9	630.4
Year on year growth	%	5.6	4.7	3.7

(a) Chain volume measures — reference year 1998–99.

Source: Australian National Accounts: National Income, Expenditure and Product (Cat. no. 5206.0).

FINANCIAL ENTERPRISES — 31 December 2000

Financial Assets and Liabilities (\$b)	Assets	Liabilities
Depository Corporations		
Reserve Bank	51.8	46.7
Banks	758.7	822.3
Other depository corporations	206.0	224.8
Life insurance corporations	189.4	219.2
Pension funds	422.2	439.7
Other insurance corporations	80.2	84.8
Central borrowing authorities	90.0	86.2
Financial intermediaries n.e.c.	205.1	192.7
Total	2 003.4	2 116.4

Source: Australian National Accounts: Financial Accounts (Cat. no. 5232.0).

FINANCIAL MARKETS

Demand for credit (\$b)(a)	1998	1999	2000
National general government	-8.4	-16.2	-8.2
State and local general government	-0.2	-4.1	-6.5
National public non-financial corporations	-1.6	18.5	0.1
State and local public non-financial corporations	-1.4	-1.5	3.4
Private non-financial corporations	44.7	63.9	70.5
Households	41.4	49.1	50.2
Total	74.6	109.7	109.5

(a) Net funds (including equity) raised on conventional credit markets during the year by sector. Positive numbers indicate an increase in borrowings, negative numbers indicate debt repayment.

Source: Australian National Accounts: Financial Accounts (Cat no. 5232.0).

VENTURE CAPITAL COMMITMENTS(\$m) — June 2000

Source	Commitments by Investors	Drawdowns from Investors	Unused Commitment
Residents	3 877	2 314	1 564
Banks	340	229	111
General government	120	60	61
Public trading enterprises	125	63	62
Private trading enterprises	358	221	136
Superannuation funds	1 733	883	850
Life insurance offices	183	92	91
Trusts	88	50	38
Funds of funds	314	173	141
Other	418	343	75
Not stated	199	199	—
Non residents	1 023	310	713
Superannuation funds	21	19	2
Other	1 002	292	711
Total commitments	4 900	2 624	2 276

Source: Managed Funds, Australia (Cat. no. 5655.0), December 2000 issue.

STOCK MARKET INDEXES(a)

	1998	1999	2000
S&P/ASX 200	2 813	3 153	3 206
S&P/ASX 200 Banks	6 435	6 623	8 124
S&P/ASX 200 Industrials	5 060	5 403	5 546
S&P/ASX 200 Resources	975	1 417	1 397

(a) As at 31 December, with base 31 December 1979 = 500.

Source: Reserve Bank of Australia Bulletin.

MARKET RATES(a)

	1998 % p.a.	1999 % p.a.	2000 % p.a.
<i>Short-term money market</i>			
11am call	4.80	5.01	6.25
Bank accepted bills —90 days	4.80	5.65	6.20

<i>Bond market, market yields — 2000</i>	3 years % p.a.	5 years % p.a.	10 years % p.a.
Treasury bonds	5.27	5.34	5.46
NSW T-corp bonds	5.62	5.72	5.84

(a) As at 31 December.

Source: Reserve Bank of Australia Bulletin.

EQUITIES, SECURITIES AND BONDS HELD — 31 Dec 2000

	\$b
Equity market(a), held by	
Private non-financial corporations	89.8
Public non-financial	1.9
All banks (including Central Bank)	60.3
National General Government	60.9
State and Local Government	100.5
Households	249.9
Other depository corporations	5.9
Life insurance corporations	102.1
Pension funds	205.0
Other insurance corporations	25.1
Other financial intermediaries n.e.c.	84.6
Rest of world	310.7
Short-term debt securities, held by	
Private non-financial corporations	31.1
Public non-financial	0.4
All banks (including Central Bank)	92.2
State and Local Government	0.46
Households	3.6
Other depository corporations	24.5
Life insurance corporations	14.1
Pension funds	18.6
Other insurance corporations	4.6
Other financial intermediaries n.e.c.	26.1
Rest of world	96.3
Bond market, held by	
Private non-financial corporations	3.1
Public non-financial	0.2
All banks (including Central Bank)	59.3
State and Local Government	0.2
Households	13.2
Other depository corporations	9.6
Life insurance corporations	44.4
Pension funds	37.4
Other insurance corporations	23.9
Other financial intermediaries n.e.c.	16.6
Rest of world	191.1

(a) Includes units in trusts.

Source: Australian National Accounts: Financial Accounts (Cat. no. 5232.0).

MANAGED FUNDS, Assets of managed funds — 2000(a)

Type of institution	Unconsolidated \$b	Cross-invested \$b	Consolidated \$b
Life insurance corporations(b)	190.3	23.4	166.9
Pension funds	337.5	49.4	288.0
Public unit trusts	134.8	17.5	117.3
Friendly societies	6.0	0.4	5.6
Common funds	7.4	0.1	7.3
Cash management trusts	26.8	—	28.8
Total assets	702.8	90.8	611.9

(a) As at 31 December 2000.

(b) Investments by pension funds held and administered by life insurance corporations are included under life insurance corporations.

Source: *Managed Funds, Australia* (Cat. no. 5655.0).

MANAGED FUNDS, Consolidated Assets(a)

	1998	1999	2000
Cash and deposits(b)	34.2	38.5	40.0
Loans and placements	24.2	28.8	28.5
Short-term securities(b)	56.7	58.5	62.1
Long-term securities	72.9	73.5	70.8
Equities and units in trusts	139.8	170.8	201.4
Land and buildings	53.2	59.8	66.2
Assets overseas	83.4	111.7	124.4
Other assets	15.6	17.3	18.6
Total assets	480.1	559.0	611.9

(a) As at 31 December.

(b) Includes bank certificates of deposit held by public unit trusts.

Source: *Managed Funds, Australia* (Cat. no. 5655.0).

MANAGED FUNDS — Assets invested through investment managers — 2000(a)

Source of funds	Assets invested with investment managers \$b
Statutory funds of life insurance corporations(b)	142.0
Pension and approved deposit funds	195.6
Public unit trusts	90.4
Friendly societies	3.6
Common funds	4.1
Cash management trusts	24.9
Total managed funds assets	460.7
Government	9.5
Charities	0.9
Other trusts	42.1
General insurance	21.2
Other sources	31.4
Total other sources assets	105.1
Funds from Australian sources	565.9
Funds from overseas sources	17.5
Total source of funds	583.3

(a) As at 31 December 2000.

(b) Includes both superannuation and ordinary business.

Source: *Managed Funds, Australia* (Cat. no. 5655.0).

EXCHANGE RATES

Value of \$A, against selected currencies(a)	1998	1999	2000
United States dollar	0.6139	0.6538	0.5540
United Kingdom pound	0.3686	0.4048	0.3715
Euro	—	0.6486	0.5963
Japanese yen	70.51	66.94	63.57
Hong Kong dollar	4.7559	5.0826	4.3209
Singapore dollar	1.0190	1.0892	0.9593
Indonesian rupiah	4868	4585	5327
South Korean won	730.85	740.62	697.76
Malaysian ringgit	2.3328	2.4844	2.1052
New Taiwan dollar	19.77	20.50	18.37

(a) As at 31 December.

Source: Reserve Bank of Australia Bulletin.

EXPORTS AND IMPORTS OF FINANCIAL AND INSURANCE SERVICES

	1998 \$m	1999 \$m	2000 \$m
Credits (Exports)			
Total services	25 647	26 816	31 618
Insurance services	850	813	754
Financial services	710	732	747
Total finance and insurance services	1 560	1 545	1 501
Percent of total service credits(%)	6.08	5.76	4.75
Debits (Imports)			
Total services	-27 515	-28 357	-31 139
Insurance services	-919	-913	-902
Financial services	-452	-498	-527
Total finance and insurance services	-1 371	-1 411	-1 429
Percent of total service debits(%)	4.98	4.98	4.59

Source: Balance of Payments and International Investment Position, Australia (Cat. no. 5302.0).

FOREIGN DEBT OF FINANCIAL CORPORATIONS, 2000(a)

	Transactions \$b	Levels \$b
Assets		
Public	0.5	-43.8
Private	-5.7	-76.4
Total	-5.2	-120.3
Liabilities		
Public	-3.1	35.1
Private	38.8	297.5
Total	35.7	332.6
Net foreign debt		
Public	-2.5	-8.7
Private	33.0	221.1
Total	30.5	212.4

(a) Calendar year 2000 for transactions; as at 31 December 2000 for levels.

Source: Balance of Payments and International Position, Australia (Cat. no. 5302.0).

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**INTERNATIONAL EQUITY INVESTMENT IN FINANCE SECTOR —
31 December 2000**

	\$b
Foreign equity investment in Australian finance sector	
Direct investment equity	22
Portfolio investment equity	41
Total foreign equity	63

Source: *Balance of Payments and International Investment Position, Australia* (Cat. no. 5302.0).

OWNERSHIP OF EQUITY IN AUSTRALIAN FINANCE SECTOR(a)(b)

	1998	1999	2000
	\$b	\$b	\$b
Banks			
Amount issued	111.1	115.5	152.8
Amount held by rest of the world	28.0	27.2	38.6
Percentage foreign ownership (%)	25	24	25
Non-bank deposit taking institutions			
Amount issued	15.7	18.9	19.5
Amount held by rest of the world	3.9	4.1	4.0
Percentage foreign ownership (%)	25	22	21
Other financial institutions(b)			
Amount issued	128.2	156.8	160.2
Amount held by rest of the world	19.5	21.5	18.9
Percentage foreign ownership (%)	14	11	13
Total finance sector			
Amount issued	255	291.2	332.5
Amount held by rest of the world	51.4	52.7	61.6
Percentage foreign ownership (%)	19	17	19

Amounts held by the rest of the world

Banks			
United Kingdom	9.6	8.2	14.5
United States	11.9	12.5	16.5
Japan	1.0	1.1	1.0
Other countries	5.5	5.4	6.6
Total	28.0	27.2	38.6
Non-bank deposit taking institutions			
United Kingdom	1.2	1.3	1.7
United States	0.2	0.1	0.1
Japan	1.1	1.1	0.9
Other countries	1.5	1.6	1.3
Total	4.0	4.1	4.0
Other financial institutions(c)			
United Kingdom	3.6	3.6	2.3
United States	5.1	4.9	5.4
Japan	0.5	0.5	0.5
Other countries	8.2	7.9	12.0
Total	17.4	16.9	20.2
Total finance sector			
United Kingdom	14.4	13.1	9.4
United States	17.2	17.5	16.1
Japan	2.6	2.7	2.4
Other countries	15.2	14.8	34.9
Total	49.4	48.1	62.8

(a) Excludes Reserve Bank of Australia.

(b) As at 31 December

(c) Includes life offices, superannuation funds, State and Territory Central Borrowing Authorities, and other financial institutions.

Sources: *Balance of Payments and International Investment Position, Australia* (Cat. no. 5302.0); *Australian National Accounts: Financial Accounts* (Cat. no. 5232.0).

EMPLOYMENT IN FINANCE AND INSURANCE

Persons employed(a)	1998	1999	2000
Finance and insurance ('000)	332.5	321.6	331.6
Total persons employed ('000)	8 651.0	8 892.8	9 067.5
Percentage of total (%)	3.8	3.6	3.7

(a) As at November.

Source: Labour Force, Australia (Cat. no. 6291.0.40.001).

INTERNATIONAL COMPARISONS

Overseas market interest rate(a)	1998	1999	2000
United States of America	4.39	5.20	5.77
United Kingdom	6.19	6.00	5.83
Canada	5.04	5.15	5.72
Japan	0.25	0.20	0.50
Hong Kong (SAR of China)	5.06	5.69	5.75
Singapore	1.63	2.51	2.82
Indonesia	41.32	12.63	14.73
Korea	7.70	7.35	6.88
Malaysia	6.48	3.15	3.22
Taiwan	6.45	5.45	5.46
Thailand	7.75	5.00	5.00
New Zealand	5.08	5.61	6.66
Australia(b)	4.78	5.57	6.13

(a) Prime lending or at call rates, percentage p.a. as at 31 December.

(b) Australian official cash rate.

Source: Reserve Bank of Australia Bulletin.

Share Prices Indexes(a)(b)

	1998	1999	2000
S&P/ASX 200 (Australia)	363.8	407.6	414.6
Dow Jones Industrial (USA)	713.5	893.5	838.3
FT Industrial Ordinary (UK)	360.5	422.0	362.8
Nikkei 225 (Japan)	115.4	157.9	115.0
Hang Seng (Hong Kong SAR of China)	736.1	1 242.6	1 105.9
Straits Times (Singapore)	167.1	297.5	231.2

(a) As at 31 December.

(b) All indexes rebased to 31 January 1985 = 100.

Source: Reserve Bank of Australia Bulletin.

SYMBOLS AND ABBREVIATIONS USED

Values shown in Australian dollars (\$). Where figures have been rounded, discrepancies may occur between the sums of the component items and totals.

Qtr. — quarter **n.a.** — not available **no.** — number
Dec. — December **%** — per cent **'000** — thousand
\$ — dollars **\$b** — billion dollars **..** — not applicable

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