



June Quarter 1996

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International Investment Position

Australia

**INTERNATIONAL INVESTMENT POSITION, AUSTRALIA
JUNE QUARTER 1996**

**W. McLennan
Australian Statistician**

AUSTRALIAN BUREAU OF STATISTICS

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CONTENTS

<i>Table</i>	<i>Page</i>
.. Main Features	1
.. Analysis of results	2
.. Next release date	6
.. Revisions	7
.. Changes to this issue	8
Main Aggregates —	
1 Australia's net international investment position and income	9
2 Foreign investment in Australia - summary	10
3 Australian investment abroad - summary	11
4 Capital transactions	12
5 Investment income	13
6 Levels of investment at end of period	14
7 Levels of foreign debt at end of period	15
8 Interest payable on foreign debt	16
Ratios —	
9 Net foreign liabilities - ratios to GDP	17
10 Net investment income - ratios to exports	17
Foreign investment in Australia —	
11 Foreign investment in Australia, by country	18
12 Foreign investment in Australia, by industry	19
Foreign borrowing —	
13 Foreign borrowing: capital transactions and levels by domicile	20
14 Foreign borrowing: levels at end of period by currency	20
15 Foreign borrowing domiciled abroad: maturity of drawings, repayments and levels	21
Historical tables —	
16 International investment position at end of period	22
17 Capital transactions	23
18 Investment income	24
19 Levels of foreign debt at end of period	25
20 Foreign investment ratios	26
.. Explanatory notes	27
.. List of articles of interest in previous international investment and balance of payments publications	30

INQUIRIES	<ul style="list-style-type: none"> • <i>for further information about statistics in this publication</i> and the availability of related unpublished statistics, contact Ms Tracey van Hoorn on Canberra (06) 252 6872, Mr Chris Kervin on (06) 252 5386 or any ABS State office. • <i>for information about other ABS statistics and services</i> please refer to the back page of this publication.
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1

MAIN FEATURES

NET INTERNATIONAL INVESTMENT POSITION AND INCOME — SUMMARY

			Percentage Change	
	Mar. qtr 1996(a)	June qtr 1996	Mar. qtr 1996 to June qtr 1996	June qtr 1995 to June qtr 1996
	— \$A million —		— per cent —	
Net foreign liabilities at end of quarter —				
Net equity	91,198	94,617	3.7	23.1
Net debt (b)	185,155	187,804	1.4	3.2
Net other	2,415	2,316	-4.1	7.8
Total	278,769	284,737	2.1	9.1
Net investment income payable abroad during quarter	4,320	4,639	7.4	11.2

(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.

June quarter 1996

Net foreign liabilities of Australian residents at 30 June 1996 totalled \$284,737 million. This was an increase of \$5,968 million, or 2.1 per cent, on the revised estimate of the position one quarter earlier.

- The increase during the June quarter 1996 consisted of an inflow of \$6,103 million due to **net capital transactions** (the balance on capital account in the balance of payments); **exchange rate variations** of -\$839 million; and **other changes** of \$704 million in the value of net foreign liabilities.
- Underlying the increase during the June quarter 1996 was an increase in **foreign investment in Australia** (up \$6,462 million) partly offset by an increase in **Australian investment abroad** (up \$494 million). The rise in **foreign investment in Australia** was due to increases in foreign borrowing (up \$4,910 million) and equity holdings by non-residents in Australian enterprises (up \$1,726 million). The increase in **Australian investment abroad** stemmed from increases in lending to non-residents (up \$1,137 million) and reserve assets (up \$1,124 million), partly offset by a decrease in equity holdings by Australian residents in foreign enterprises (down \$1,692 million).

Net foreign debt at 30 June 1996 was \$187,804 million, up \$2,649 million (1.4%) on the revised estimate of the position a quarter earlier.

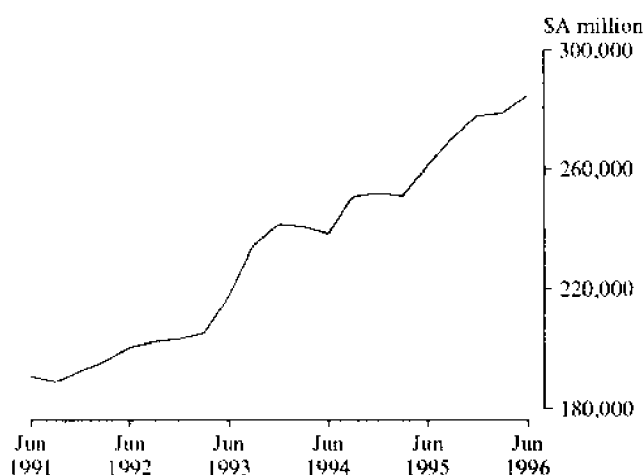
- The increase during the June quarter 1996 resulted from **net capital transactions** of \$3,631 million, mainly reflecting foreign borrowing by the private sector and **other changes** of \$573 million, partly offset by **exchange rate variations** of -\$1,554 million, due to the appreciation of the Australian dollar against other currencies.
- The increase reflected a 3.1 per cent rise in the private sector's net debt to \$118,674 million, which was partly offset by a 1.3 per cent fall in the public sector's net debt to \$69,130 million. At 30 June 1996 the public sector accounted for 36.8 per cent of net foreign debt, down from 37.8 per cent a quarter earlier and down from 39.2 per cent a year earlier.

- The ratio of **net foreign debt to GDP** for the year ended June 1996 was 38.6 per cent, down marginally on the position for the year ended March 1996, and down 1.3 percentage points on the ratio a year earlier.

Net investment income payable abroad during the June quarter 1996 was \$4,639 million, up \$319 million (7.4%) on the amount payable in the March quarter 1996 and up \$468 million (11.2%) on the amount payable in the June quarter 1995.

- The increase in the June quarter 1996 over the March quarter 1996 mainly resulted from a rise of \$364 million in **income payable on foreign investment in Australia**. This rise was due to an increase of \$801 million in **income payable on equity**, which was partly offset by a decrease of \$430 million in income payable on foreign borrowing.
- The ratio of **net investment income to exports of goods and services** for the year ended June 1996 was 18.5 per cent, down 2.3 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)

	<i>Level at 31 March 1996</i>	<i>Changes in levels during June quarter 1996</i>			<i>Level at 30 June 1996</i>	<i>Investment Income during June quarter 1996</i>
		<i>Capital Transactions</i>	<i>Exchange Rate Variations</i>	<i>Other Changes</i>		
Foreign Investment in Australia---						
Equity Liabilities	188,427	2,728	-8	-994	190,153	3,531
Borrowing(a)	230,573	6,390	-1,783	304	235,482	2,996
Other Investment	11,241	97	-7	-263	11,067	2
Total	430,240	9,214	-1,799	-953	436,703	6,528
Australian Investment Abroad---						
Equity Assets	97,228	289	-671	-1,311	95,536	1,444
Reserve Assets	17,935	1,231	108	-215	19,059	121
Lending	27,483	1,528	-337	-54	28,619	305
Other Investment	8,826	63	-59	-78	8,751	19
Total	151,471	3,111	-959	-1,658	151,966	1,889
Net International Investment Position and Income(b)---						
Net Equity Liabilities	91,198	2,439	663	317	94,617	2,086
Net Debt(c)	185,155	3,631	-1,554	573	187,804	2,570
Net Other Investment	2,415	34	52	-185	2,316	-17
Net Foreign Liabilities	278,769	6,103	-839	704	284,737	4,639

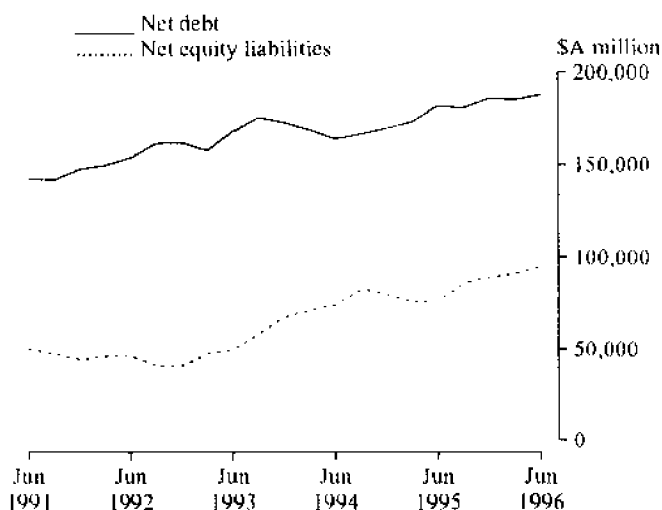
(a) Gross foreign debt. (b) Net international investment position equals foreign investment in Australia less Australian investment abroad. (c) Foreign borrowing by Australian residents less the sum of reserve assets and Australian lending abroad.

Australia's international investment position at 30 June 1996

Australia's net international investment position at 30 June 1996 consisted of net foreign liabilities of \$284,737 million. This was an increase of \$5,968 million (2.1%) on the position a quarter earlier and resulted from:

- net capital transactions of \$6,103 million;
- exchange rate variations of -\$839 million; and
- other changes of \$704 million.

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



The level of net foreign liabilities at 30 June 1996 represented the difference between the level of:

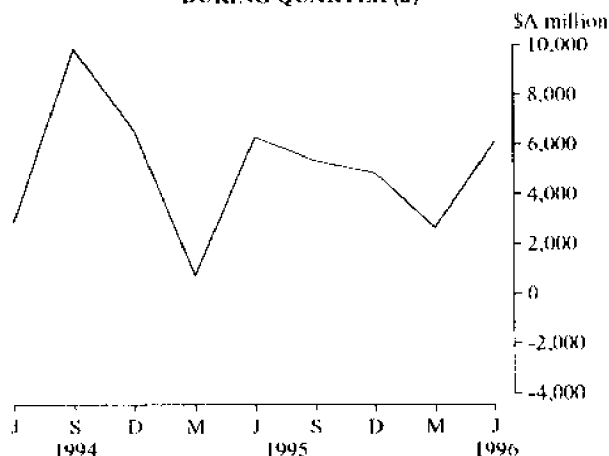
- foreign investment in Australia of \$436,703 million; and
- Australian investment abroad of \$151,966 million.

The level of net foreign liabilities consisted of:

- *net foreign debt* of \$187,804 million (66.0%);
- *net equity liabilities* of \$94,617 million (33.2%); and
- *net other investment* of \$2,316 million (0.8%).

During the June quarter 1996, the level of net foreign debt increased by 1.4 per cent and net equity liabilities increased by 3.7 per cent.

GRAPH 3: NET CAPITAL TRANSACTIONS DURING QUARTER (a)

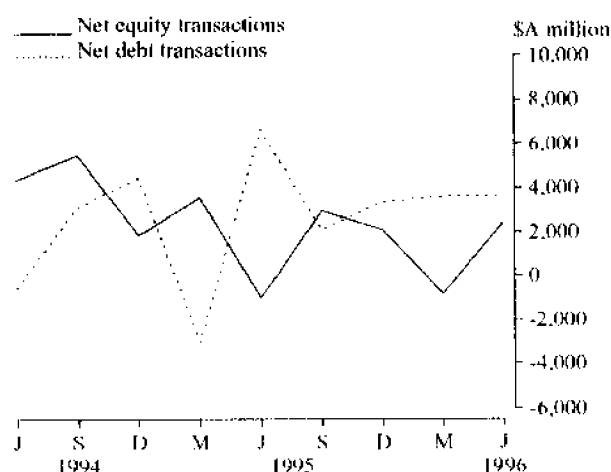


(a) Net capital transactions cover net equity, net debt and net other investment transactions

The inflow of investment from *net capital transactions* during the June quarter 1996 resulted from:

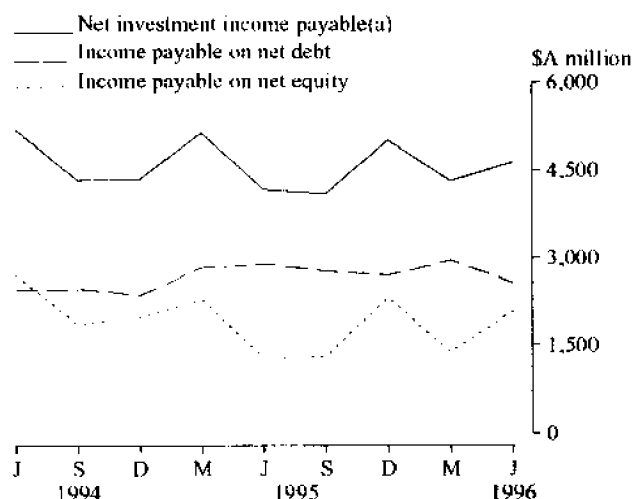
- a net inflow of \$9,214 million, due to additional liabilities incurred on foreign investment in Australia; partly offset by
- a net outflow of \$3,111 million, due to the acquisition of additional assets from Australian investment abroad.

GRAPH 4: NET EQUITY AND DEBT TRANSACTIONS DURING QUARTER



Contributing to this outcome on net capital transactions were net inflows of \$3,631 million for net foreign debt and \$2,439 million for net equity investment.

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 during the June quarter 1996 was \$4,639 million, arising from income payable on foreign investment in Australia of \$6,528 million less income receivable on Australian investment abroad of \$1,889 million. Net investment income payable rose by \$319 million, or 7.4 per cent, on the amount recorded for the March quarter 1996 (due to an increase of \$364 million in income payable on foreign investment in Australia partly offset by an increase of \$45 million in income receivable on Australian investment abroad).

Net investment income payable abroad mainly consisted of:

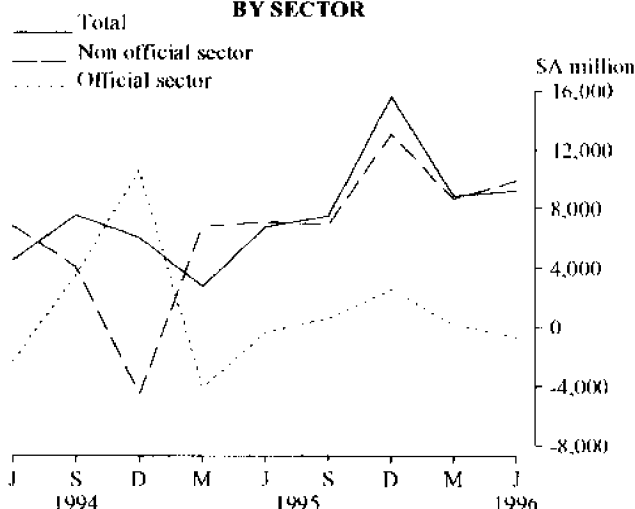
- \$2,570 million interest payable on net foreign debt; and
- \$2,086 million investment income payable on net equity liabilities.

Capital transactions (investment flows) in the June quarter 1996

Foreign investment in Australia

A net inflow of \$9,214 million was recorded for foreign investment in Australia during the June quarter 1996. This was an increase of \$381 million on the net inflow of \$8,833 million recorded for the previous quarter. This increase resulted from a rise of \$1,216 million in borrowing and an increase of \$68 million in other investment, partly offset by a decrease of \$902 million in equity investment.

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



Foreign investment in the *official sector* in Australia turned around from a net inflow of \$164 million in the March quarter 1996 to a net outflow of \$693 million in the June quarter 1996. The major flows within this sector were:

- a decrease of \$2,838 million in the net inflow from general government borrowing domiciled in Australia, from \$4,270 million to \$1,432 million; and
- a decrease of \$1,910 million in the net outflow from general government borrowing domiciled abroad, from \$4,003 million to \$2,093 million.

The net inflow of foreign investment in the *non-official sector* in Australia increased \$1,239 million, from \$8,669 million in the March quarter 1996 to \$9,908 million in the June quarter 1996.

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

- a turnaround of \$2,883 million in borrowing by the public sector from unrelated foreign lenders from a net outflow (repayments) of \$1,098 million to a net inflow (borrowing) of \$1,785 million;
- a decrease of \$647 million in the net outflow from foreign direct investment in corporate equities, from \$711 million to \$64 million; and
- an increase of \$385 million in the net inflow due to borrowing by the private sector from unrelated foreign lenders, from \$4,996 million to \$5,381 million.

These changes were partly offset by:

- a turnaround of \$1,192 million in borrowing from direct investors, from a net inflow (drawings) of \$1,065 million to a net outflow (repayments) of \$127 million; and
- a decrease of \$1,439 million in foreign portfolio investment in corporate equities, from \$2,681 million to \$1,242 million.

Australian investment abroad

A net outflow of \$3,111 million was recorded for Australian investment abroad in the June quarter 1996, representing a decrease of \$3,079 million on the net outflow of \$6,190 million for the previous quarter.

Australian investment abroad by the *official sector* turned around from a net inflow of \$1,349 million in the March quarter 1996 to a net outflow of \$1,225 million in the June quarter 1996. This was almost entirely due to a turnaround of \$2,633 million in reserve assets, from a net inflow (sales) of \$1,402 million to a net outflow (purchases) of \$1,231 million.

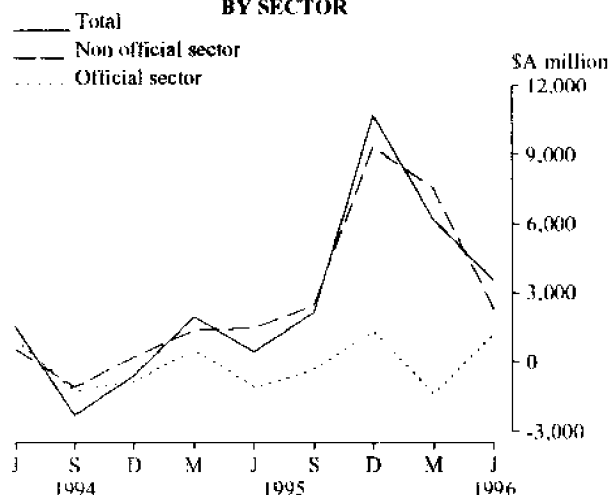
A net outflow of \$1,886 million was recorded for investment abroad by the non-official sector in the June quarter 1996, representing a decrease of \$5,653 million on the net outflow of \$7,539 million recorded in the March quarter 1996. This result was mainly due to:

- a turnaround of \$3,571 million in Australian direct investment in foreign corporate equities, from a net outflow (purchases) of \$3,039 million to a net inflow (sales) of \$532 million;
- a turnaround of \$3,264 million in lending to direct investment enterprises abroad from a net outflow (drawings) of \$1,986 million to a net inflow (repayments) of \$1,278 million; and
- a turnaround of \$762 million in Australian portfolio investment in foreign corporate equities, from a net outflow (purchases) of \$673 million to a net inflow (sales) of \$89 million.

These changes were partly offset by:

- an increase of \$925 million in lending by the public sector to unrelated foreign enterprises, from a net outflow of \$51 million to \$976 million; and
- an increase of \$911 million in lending by the private sector to unrelated foreign enterprises, from a net outflow of \$919 million to \$1,830 million.

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



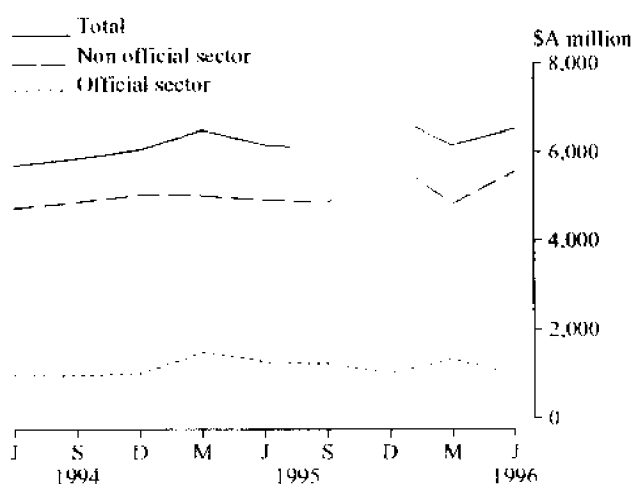
Investment income in the June quarter 1996

Income payable on foreign investment in Australia

Income payable on foreign investment in Australia was \$6,528 million in the June quarter 1996, a decrease of \$364 million (5.9%) on the March quarter 1996 estimate. Income payable (including reinvested earnings) on equity holdings by non-residents in Australian enterprises accounted for \$3,531 million (54.1%) of the total investment income payable, up \$801 million (29.3%) on the previous quarter's estimate.

Income payable by the *official sector* was \$970 million, down \$375 million (27.9%) on the amount payable in the previous quarter. Income payable by the *non-official sector* rose \$738 million (15.3%) to \$5,557 million.

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



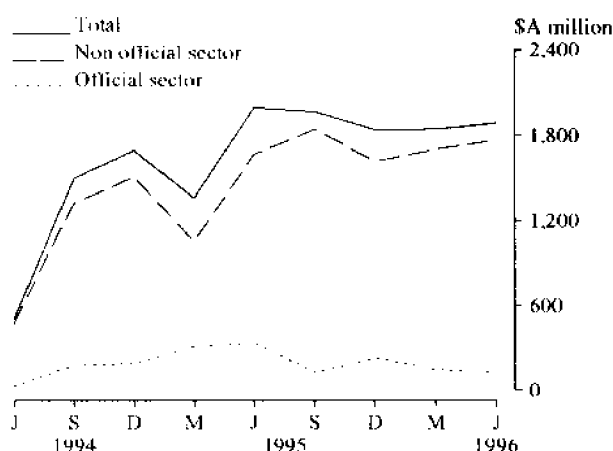
Interest payable on official sector borrowing domiciled in Australia fell \$353 million to \$304 million while interest payable on official sector borrowing domiciled abroad fell \$22 million to \$658 million.

The largest increases in income payable by the non-official sector were recorded for dividends payable on direct investment and portfolio investment in Australian corporate equities (up \$642 million and \$146 million respectively).

Income receivable on Australian investment abroad

Income receivable on Australian investment abroad during the June quarter 1996 was \$1,889 million, an increase of \$45 million on the previous quarter's estimate. Income receivable by the *official sector* (almost entirely interest on reserve assets) fell by \$18 million (12.9%) to \$122 million. Income receivable by the *non-official sector* rose by \$64 million (3.8%) to \$1,767 million.

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



Exchange rate variations in the June quarter 1996

Between 31 March 1996 and 30 June 1996, the Australian dollar appreciated 1.2 per cent against the United States dollar, 4.2 per cent against the Japanese yen, and 4.4 per cent against the German mark. On a trade weighted basis, the Australian dollar appreciated 2.3 per cent.

These movements in the Australian dollar against other currencies have resulted in net negative exchange rate variations being recorded for both foreign financial liabilities and assets.

Other changes in levels in the June quarter 1996

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 an increase of \$704 million in net liabilities. This increase represented the net effect of *other changes* in the level of foreign investment in Australia of -\$953 million being more than offset by *other changes* in the level of Australian investment abroad of -\$1,658 million.

These other changes in the level of *foreign investment in Australia* and *Australian investment abroad* during the quarter were largely due to revaluations of issued shares and securities. In the case of foreign investment in Australia, price decreases accounted for a decrease of approximately \$249 million in the level of investment. Reflected in this amount were: price increases for debt securities which accounted for an increase of \$708 million in the level of foreign borrowing; share valuation effects which accounted for an increase of \$432 million in the level of foreign portfolio investment in corporate equities and a decrease, after adjustment for reinvestment of earnings, of \$1,389 million in the level of foreign direct investment in corporate equities.

Levels of investment at 30 June 1996

Foreign investment in Australia

The level of foreign investment in Australia was \$436,703 million at 30 June 1996, an increase of \$6,462 million on the level at 31 March 1996. Making up the change in levels were:

- a net inflow of \$9,214 million from capital transactions;
- exchange rate changes of -\$1,799 million; and
- other changes of -\$953 million.

The *official sector* accounted for \$78,035 million, or 17.9 per cent, of the total level of foreign investment in Australia at 30 June 1996. The *non-official sector* accounted for \$358,667 million, or 82.1 per cent.

When analysed by instrument of investment, foreign investment in Australia, at 30 June 1996, consisted of the following:

- *foreign borrowing* of \$235,482 million (53.9%);
- *equity investment* of \$190,153 million (43.6%); and
- *other investment* of \$11,067 million (2.5%).

Australian investment abroad

The level of Australian investment abroad was \$151,966 million at 30 June 1996, an increase of \$494 million on the level at 31 March 1996. Making up the change in levels were:

- a net outflow of \$3,111 million from capital transactions;
- exchange rate changes of -\$959 million; and
- other changes of -\$1,658 million.

Investment abroad by the *official sector* (mainly holdings of reserve assets) was \$21,927 million, representing 14.4 per cent of the total level of Australian investment abroad, while the *non-official sector* accounted for the remaining 85.6 per cent (\$130,039 million). Equity assets accounted for 73.5 per cent (\$95,536 million) of the level of investment abroad by the non-official sector.

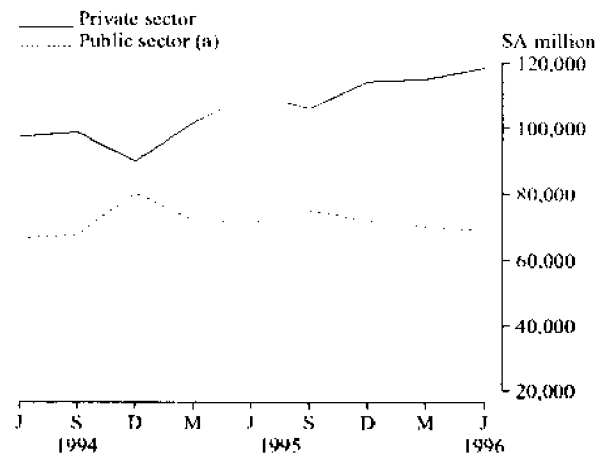
Australia's foreign debt

At 30 June 1996, Australia's *net foreign debt* was \$187,804 million, up \$2,649 million on the level at 31 March 1996.

The level of *net foreign debt* at 30 June 1996 was made up of borrowing from non-residents (*gross foreign debt*) of \$235,482 million, partly offset by reserve assets and Australian lending abroad of \$47,678 million.

The *public sector* (official and non-official) held \$69,130 million or 36.8 per cent of total net foreign debt at 30 June 1996, down 1.0 percentage point on the previous quarter. The *private sector* held \$118,674 million or 63.2 per cent compared with 62.2 per cent a quarter earlier.

GRAPH 16: LEVELS OF PUBLIC AND PRIVATE SECTOR NET FOREIGN DEBT AT END OF QUARTER



(a) Includes official and non-official public sector.

Within the public sector, the *official sector* accounted for \$59,081 million or 31.5 per cent of total net foreign debt while the *non-official sector* accounted for \$10,048 million or 5.4 per cent.

As the summary table on page 2 shows, there was an increase in net foreign debt during the June quarter due to transactions of \$3,631 million, exchange rate variations of -\$1,554 million and other changes of \$573 million.

At 30 June 1996, 47.6 per cent (\$112,129 million) of Australia's foreign borrowing was denominated in Australian dollars and 52.4 per cent (\$123,353 million) in foreign currencies. US dollars represented the largest currency of borrowing, comprising \$76,752 million or 62.2 per cent of foreign currency borrowing. Of the amount denominated in Australian dollars, \$63,154 million (56.3%) was domiciled abroad with the remaining \$48,975 million (43.7%) domiciled in Australia.

Release date for September quarter 1996 issue

The expected release date for the September quarter 1996 issue of *International Investment Position, Australia* (5306.0) is 11 December 1996.

REVISIONS

Since the last issue of this publication, revisions have been made to estimates of capital transactions, levels of international investment and investment income from 1990-91 onwards. The revisions are summarised in the table below.

The revisions have been largely caused by:

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

- changes to the methodology for estimating levels of State Government liabilities to non-residents on account of debt securities domiciled in Australia and *transactions* in Commonwealth and State Government liabilities to non-residents on account of debt securities domiciled in Australia (see *Changes in This Issue* on page 8).

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>Change in this publication</i>					<i>Sept.</i>	<i>Dec.</i>	<i>Mar.</i>
	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>	<i>quarter</i> <i>1995</i>	<i>quarter</i> <i>1995</i>	<i>quarter</i> <i>1996</i>
Capital transactions —								
Foreign investment in Australia	455	-359	1136	801	486	-538	-294	641
Australian investment abroad	-47	-1211	-34	-362	761	-70	56	-425
<i>Net</i>	502	852	1170	1163	-275	-468	352	1066
Investment income —								
Foreign investment in Australia	1	9	7	0	-801	-67	109	256
Australian investment abroad	0	-1	-171	1	-12	38	-138	-43
<i>Net</i>	1	10	178	-1	-789	-104	248	299
Level of foreign debt —								
Foreign investment in Australia	-105	-919	-653	-189	-63	169	-666	-414
Australian investment abroad	0	-63	693	762	1319	-1360	-1560	-788
<i>Net</i>	-105	-856	-1346	-951	-1382	1529	894	373
Level of equity and other investment —								
Foreign investment in Australia	0	-1076	-1353	-1232	-730	601	2034	1866
Australian investment abroad	-193	-1346	-1739	-1511	-846	909	1472	134
<i>Net</i>	193	270	386	279	116	-308	562	1732
Total level of investment —								
Foreign investment in Australia	-106	-1996	-2006	-1421	-793	770	1369	1451
Australian investment abroad	-193	-1409	-1046	-748	472	-452	-87	557
<i>Net</i>	87	-587	-960	-673	-1265	1222	1456	894

CHANGES IN THIS ISSUE

Since the last issue of this publication, improvements have been made in the methodology for estimating *levels* of State Government liabilities to non-residents on account of debt securities domiciled in Australia and *transactions* in Commonwealth and State Government liabilities to non-residents on account of debt securities domiciled in Australia.

Levels

The December 1994 issue of this publication included revisions which adjusted reported *Commonwealth Government Securities* levels data from face to market value. These adjustments were calculated by applying a ratio of face to market value for all traded Commonwealth Government securities. In this issue a similar adjustment has been made to *State Government Securities* to adjust reported levels data from face to market value by applying a ratio of face to market value for all traded State Government securities.

The effect of the revisions to the levels recorded for State Government Borrowing - Domiciled in Australia was: an increase of \$239 million for the year ended 30 June 1991, \$1,177 million for 30 June 1992, \$925 million for 30 June 1993, \$280 million for 30 June 1994, \$296 million for 30 June 1995, \$292 million for the quarter ended 30 September 1995, \$440 million for 31 December 1995 and \$261 million for 31 March 1996.

Transactions

Two improvements have been made in this issue in the methodology for estimating transactions in General Government liabilities to non-residents on account of debt securities domiciled in Australia.

The changes in the aggregate stocks of government securities domiciled in Australia and held by non-residents during any period have been split into estimated valuation changes and estimated transactions values at the aggregate level.

Commencing with this issue, information at the individual security level has been used to estimate the change in market valuation due to price change for each

Commonwealth or State government security on issue in Australia. These estimates of valuation change at the individual security level have been used to build up an estimate of valuation change for the entire portfolio of such securities held by non-residents. Transactions in the securities are then derived by subtracting the estimated valuation change from the total change in stock holding over any period.

Revisions due to this change in methodology have resulted in the net borrowing by General Government being revised by \$262 million in 1990-91, -\$584 million in 1991-92, -\$562 million in 1992-93, \$173 million in 1993-94, \$203 million in 1994-95, and -\$230 million in the first three quarters of 1995-96.

The second change arises because income on debt securities under the current conceptual framework for Australia's balance of payments statistics, is recorded when it is due for payment. If securities are traded prior to coupon payment, then no income is recorded for the seller for that coupon, regardless of how long the seller held the security. The higher price received for the security due to the imminent payment of a coupon cash flow is recorded in the capital account as a financial flow. The entire coupon cash flow is recorded as income attributed to the buyer, regardless of the length of time that buyer may have held the security.

While analysis of the non-resident holdings shows that they hold a representative group of the individual securities, non-residents do not receive interest coupon payments in a representative way on their holdings. Instead, non-residents are, on average, selling securities with a greater accumulation of accrued coupon values, "capitalising" these coupon flows.

Adding this "capitalised coupons" adjustment to net capital transactions derived using the residual methodology described above resulted in the net borrowing by General Government being revised by -\$326 million in 1990-91, -\$476 million in 1991-92, -\$544 million in 1992-93, -\$916 million in 1993-94, -\$1,659 million in 1994-95, and -\$649 million in the first three quarters of 1995-96.

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

Period	Levels of investment at beginning of period	Reinvestment of earnings by direct investors (b)	Changes in levels of investment during the period				Levels of investment at end of period	Investment Income (c)
			Other transactions	Exchange rate variations	Other changes	Total		
NET EQUITY								
Year—								
1993-94	50,234	1,136	9,292	3,986	9,831	24,245	74,479	4,798
1994-95	74,479	2,390	7,513	-4,396	-3,124	2,382	76,861	7,412
1995-96	76,861	2,172	4,522	7,849	3,213	17,755	94,617	7,111
Quarter ended—								
1994-95 —								
March	80,110	1,262	2,294	-5,371	-2,291	-4,107	76,003	2,289
June	76,003	-413	-578	-2,182	4,031	858	76,861	1,280
1995-96 —								
September	76,861	352	2,629	4,809	1,497	9,286	86,147	1,330
December	86,147	520	1,574	-434	1,201	2,861	89,008	2,316
March	89,008	800	-1,619	2,811	198	2,190	91,198	1,379
June	91,198	500	1,939	663	317	3,418	94,617	2,086
NET FOREIGN DEBT (d)								
Year—								
1993-94	168,125	..	2,355	-4,227	-2,288	-4,160	163,965	9,272
1994-95	163,965	..	11,215	4,230	2,562	18,006	181,972	10,565
1995-96	181,972	..	12,760	-8,937	2,009	5,832	187,804	10,998
Quarter ended—								
1994-95 —								
March	169,946	..	-3,031	4,329	2,045	3,344	173,289	2,841
June	173,289	..	6,627	3,237	-1,182	8,683	181,972	2,898
1995-96 —								
September	181,972	..	2,109	-4,589	1,178	-1,302	180,669	2,770
December	180,669	..	3,400	76	1,691	5,167	185,837	2,699
March	185,837	..	3,620	-2,870	-1,432	-682	185,155	2,960
June	185,155	..	3,631	-1,554	573	2,649	187,804	2,570
NET OTHER INVESTMENT								
Year—								
1993-94	-633	..	-764	24	1,336	596	-37	57
1994-95	-37	..	2,277	-143	52	2,186	2,149	—
1995-96	2,149	..	-483	98	552	167	2,316	-37
Quarter ended—								
1994-95 —								
March	1,760	..	217	-182	-85	-51	1,709	3
June	1,709	..	650	-56	-155	440	2,149	-7
1995-96 —								
September	2,149	..	265	186	966	1,416	3,565	3
December	3,565	..	-624	29	-129	-724	2,841	-5
March	2,841	..	-158	-168	-99	-426	2,415	-18
June	2,415	..	34	52	-185	-99	2,316	-17
NET INTERNATIONAL INVESTMENT POSITION								
Year—								
1993-94	217,726	1,136	10,883	-217	8,880	20,681	238,408	14,127
1994-95	238,408	2,390	21,005	-310	-510	22,574	260,982	17,977
1995-96	260,982	2,172	16,799	-991	5,774	23,755	284,737	18,072
Quarter ended—								
1994-95 —								
March	251,816	1,262	-520	-1,224	-331	-814	251,002	5,133
June	251,002	-413	6,700	999	2,695	9,980	260,982	4,171
1995-96 —								
September	260,982	352	5,003	405	3,640	9,400	270,382	4,104
December	270,382	520	4,350	-329	2,763	7,304	277,686	5,009
March	277,686	800	1,843	-227	-1,333	1,083	278,769	4,320
June	278,769	500	5,603	-839	704	5,968	284,737	4,639

(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
(SA million)

Period	Levels of investment at beginning of period	Changes in levels of investment during the period				Total	Levels of investment at end of period	Investment Income (b)
		Reinvestment of earnings by direct investors (a)	Other transactions	Exchange rate variations	Other changes			
EQUITY								
Year—								
1993-94	123,895	3,570	16,306	167	(c)12,169	32,212	156,107	7,991
1994-95	156,107	6,256	6,873	92	-2,141	11,079	167,186	12,155
1995-96	167,186	6,187	12,134	-31	4,677	22,967	190,153	12,736
Quarter ended—								
1994-95 —								
March	158,848	1,857	1,270	78	-1,770	1,435	160,283	3,089
June	160,283	831	1,327	-10	(c)4,755	6,903	167,186	2,775
1995-96								
September	167,186	1,711	3,790	-26	(c)3,509	8,985	176,170	2,847
December	176,170	1,476	4,986	7	(c)2,061	8,530	184,700	3,628
March	184,700	1,500	2,130	4	(c)101	3,727	188,427	2,730
June	188,427	1,500	1,228	-8	(c)-994	1,726	190,153	3,531
BORROWING								
Year—								
1993-94	209,529	..	7,452	-6,281	-3,563	-2,392	207,137	10,950
1994-95	207,137	..	8,371	6,703	1,780	16,853	223,990	12,303
1995-96	223,990	..	22,424	12,577	1,645	11,492	235,482	12,850
Quarter ended—								
1994-95 —								
March	209,103	..	-781	7,638	1,779	8,636	217,739	3,385
June	217,739	..	3,757	3,689	-1,195	6,251	223,990	3,376
1995-96 —								
September	223,990	..	1,661	-6,623	(d)1,368	-3,594	220,396	3,215
December	220,396	..	9,199	152	(d)1,712	11,064	231,460	3,215
March	231,460	..	5,174	-4,323	(d) 1,739	-887	230,573	3,426
June	230,573	..	6,390	-1,783	(d)304	4,910	235,482	2,996
OTHER INVESTMENT								
Year—								
1993-94	6,880	..	831	-71	1,332	2,092	8,972	88
1994-95	8,972	..	1,487	-49	151	1,588	10,560	53
1995-96	10,560	..	389	57	60	507	11,067	22
Quarter ended—								
1994-95 —								
March	9,697	..	366	-15	-60	290	9,987	18
June	9,987	..	828	-31	-224	573	10,560	12
1995-96 —								
September	10,560	..	350	19	586	955	11,515	5
December	11,515	..	-87	43	-180	-223	11,291	6
March	11,291	..	29	2	-82	-51	11,241	9
June	11,241	..	97	-7	-263	-173	11,067	2
TOTAL								
Year—								
1993-94	340,305	3,570	24,589	-6,185	9,938	31,911	372,216	19,029
1994-95	372,216	6,256	16,731	6,745	-211	29,520	401,736	24,511
1995-96	401,736	6,187	34,947	-12,550	6,383	34,966	436,703	25,609
Quarter ended—								
1994-95 —								
March	377,648	1,857	854	7,701	-52	10,361	388,009	6,492
June	388,009	831	5,912	3,648	3,336	13,727	401,736	6,163
1995-96 —								
September	401,736	1,711	5,801	-6,630	5,463	6,345	408,081	6,067
December	408,081	1,476	14,099	203	3,593	19,371	427,452	6,849
March	427,452	1,500	7,333	-4,325	-1,720	2,788	430,240	6,164
June	430,240	1,500	7,714	-1,799	-953	6,462	436,703	6,528

(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
(SA million)

Period	Levels of investment at beginning of period	Changes in levels of investment during the period				Total	Levels of investment at end of period	Investment Income (b)
		Reinvestment of earnings by direct investors (a)	Other transactions	Exchange rate variations	Other changes			
EQUITY								
Year—								
1993-94	73,661	2,434	7,014	-3,819	2,337	7,967	81,628	3,192
1994-95	81,628	3,866	-640	4,488	982	8,697	90,324	4,744
1995-96	90,324	4,015	7,612	-7,879	1,464	5,212	95,536	5,625
Quarter ended—								
1994-95 —								
March	78,738	596	-1,024	5,449	521	5,542	84,280	800
June	84,280	1,244	1,904	2,172	724	6,043	90,324	1,494
1995-96 —								
September	90,324	1,360	1,161	-4,834	2,012	-301	90,023	1,517
December	90,023	956	3,412	441	860	5,669	95,692	1,313
March	95,692	700	3,749	-2,816	-97	1,536	97,228	1,351
June	97,228	1,000	-711	-671	-1,311	-1,692	95,536	1,444
LENDING								
Year—								
1993-94	20,581	..	4,060	-1,078	-1,052	1,930	22,511	824
1994-95	22,511	..	873	-1,165	-968	-676	21,835	750
1995-96	21,835	..	8,847	-2,332	271	6,785	28,619	1,246
Quarter ended—								
1994-95 —								
March	20,740	..	-1,729	1,478	-737	2,470	23,210	237
June	23,210	..	-1,852	578	-102	-1,376	21,835	153
1995-96 —								
September	21,835	..	-138	-1,194	566	-767	21,068	320
December	21,068	..	4,501	50	-62	4,489	25,556	294
March	25,556	..	2,956	-851	-179	1,926	27,483	327
June	27,483	..	1,528	-337	-54	1,137	28,619	305
RESERVE ASSETS								
Year—								
1993-94	20,823	..	-1,037	-976	-223	-162	20,661	853
1994-95	20,661	..	-1,971	1,308	186	-477	20,184	988
1995-96	20,184	..	817	-1,307	-635	-1,125	19,059	606
Quarter ended—								
1994-95 —								
March	18,417	..	521	1,831	471	2,823	21,240	307
June	21,240	..	-1,018	-126	88	-1,056	20,184	325
1995-96 —								
September	20,184	..	-310	-839	-376	-1,525	18,659	124
December	18,659	..	1,298	26	84	1,408	20,067	222
March	20,067	..	-1,402	-602	-128	-2,132	17,935	139
June	17,935	..	1,231	108	-215	1,124	19,059	121
OTHER INVESTMENT								
Year—								
1993-94	7,513	..	1,594	-95	-4	1,495	9,009	31
1994-95	9,009	..	-790	94	98	-597	8,411	53
1995-96	8,411	..	873	-41	-492	340	8,751	59
Quarter ended—								
1994-95 —								
March	7,937	..	149	167	25	341	8,278	15
June	8,278	..	178	25	-69	134	8,411	19
1995-96 —								
September	8,411	..	85	-167	-380	-462	7,950	2
December	7,950	..	537	15	-51	501	8,450	12
March	8,450	..	187	171	17	375	8,826	26
June	8,826	..	63	-59	-78	-74	8,751	19
TOTAL								
Year—								
1993-94	122,578	2,434	13,706	-5,968	1,058	11,230	133,808	4,901
1994-95	133,808	3,866	-4,274	7,055	299	6,946	140,754	6,534
1995-96	140,754	4,015	18,148	-11,560	608	11,212	151,966	7,536
Quarter ended—								
1994-95 —								
March	125,832	596	1,375	8,925	279	11,175	137,007	1,359
June	137,007	1,244	-788	2,649	642	3,747	140,754	1,992
1995-96 —								
September	140,754	1,360	797	-7,035	1,822	-3,055	137,699	1,964
December	137,699	956	9,749	532	830	12,067	149,766	1,840
March	149,766	700	5,490	-4,098	-387	1,706	151,471	1,844
June	151,471	1,000	2,111	-959	-1,658	494	151,966	1,889

(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)
(SA million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1994-95			1995-96		
				March	June	September	December	March	June
FOREIGN INVESTMENT IN AUSTRALIA									
OFFICIAL —									
General Government —									
Borrowing —									
Domiciled abroad	3,760	5,980	-4,946	-1,050	4,608	2,379	-1,230	-4,003	-2,093
Domiciled in Australia	3,837	3,588	7,784	-3,024	-4,912	-1,735	3,818	4,270	1,432
Total	7,597	9,569	2,837	-4,074	-305	644	2,587	267	-661
Other	83	73	-190	-25	-22	-49	-50	-47	-44
Total	7,680	9,642	2,647	-4,099	-327	595	2,537	220	-705
Reserve bank	-49	23	-16	2	6	27	1	-56	12
Total official	7,631	9,665	2,631	-4,097	-321	622	2,538	164	-693
NON-OFFICIAL —									
Direct investment —									
Reinvestment of earnings(b)	3,570	6,256	6,187	1,857	831	1,711	1,476	1,500	1,500
Corporate equities	818	1,652	5,014	826	309	315	5,474	-711	-64
Net equity in branches	850	290	438	95	96	37	191	160	50
Borrowing	544	-624	3,817	430	1,409	183	2,696	1,065	-127
Other	31	1,004	-38	147	206	162	-30	-107	-63
Total	5,813	8,577	15,418	3,353	2,851	2,409	9,807	1,907	1,296
Portfolio and other investment —									
Corporate equities	14,638	4,931	6,682	348	921	3,438	-679	2,681	1,242
Borrowing —									
Public sector	-438	-3,410	885	26	-1,824	1,851	-1,653	-1,098	1,785
Private sector	-202	2,812	14,900	2,834	4,471	-1,045	5,568	4,996	5,381
Total	-640	-597	15,785	2,860	2,647	806	3,915	3,898	7,166
Accounts payable/prepayments received—									
Public sector	845	-484	-302	-58	340	-323	60	-47	8
Private sector	-128	894	920	302	304	560	-66	231	196
Total	717	410	617	244	644	236	-6	183	204
Total	14,715	4,744	23,084	3,453	4,212	4,481	3,230	6,762	8,612
Total non-official	20,528	13,322	38,503	6,808	7,063	6,890	13,036	8,669	9,908
TOTAL	28,159	22,986	41,134	2,712	6,743	7,512	15,575	8,833	9,214
AUSTRALIAN INVESTMENT ABROAD									
OFFICIAL —									
Reserve assets	1,037	-1,971	817	521	-1,018	-310	1,298	-1,402	1,231
Lending	521	-603	—	-21	27	—	—	—	—
Accounts receivable/prepayments made	-150	-146	140	41	-59	20	73	53	-6
Other	182	205	—	—	—	—	—	—	—
Total official	1,590	-2,515	957	541	-1,051	-290	1,371	-1,349	1,225
NON-OFFICIAL —									
Direct investment —									
Reinvestment of earnings(b)	2,434	3,866	4,015	596	1,244	1,360	956	700	1,000
Corporate equities	1,698	-273	3,900	-40	605	402	991	3,039	-532
Net equity in branches	673	119	8	30	14	41	20	36	-89
Lending	1,804	694	2,303	3	-1,192	-1,389	2,984	1,986	-1,278
Other	22	-329	120	-103	-37	19	129	-8	-19
Total	6,631	4,076	10,347	486	634	433	5,080	5,753	-919
Portfolio and other investment —									
Corporate equities	4,643	-486	3,703	-1,014	1,286	718	2,401	673	-89
Lending —									
Public sector	-75	657	1,113	67	416	-539	624	51	976
Private sector	1,811	-1,622	5,431	1,680	-1,103	1,789	893	919	1,830
Total	1,735	-964	6,544	1,747	-687	1,250	1,517	970	2,806
Accounts receivable/prepayments made—									
Public sector	1,217	-1,162	-100	-100	234	-26	150	-52	-171
Private sector	323	642	712	311	41	72	185	195	260
Total	1,540	-519	612	211	274	46	336	142	88
Total	7,919	-1,970	10,859	944	873	2,015	4,253	1,786	2,805
Total non-official	14,550	2,107	21,206	1,429	1,506	2,447	9,333	7,539	1,886
TOTAL	16,140	-408	22,163	1,970	456	2,157	10,704	6,190	3,111

(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.

TABLE 5. INVESTMENT INCOME
(SA million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1994-95		1995-96			
				March	June	September	December	March	June
INCOME PAYABLE ON FOREIGN INVESTMENT IN AUSTRALIA									
OFFICIAL —									
General Government —									
Interest on borrowing domiciled abroad	2,955	3,344	2,801	947	1,023	667	796	680	658
Interest on borrowing domiciled in Australia	1,119	1,387	1,726	547	241	545	219	657	304
Other income	—	—	—	—	—	—	—	—	—
Total	4,074	4,731	4,526	1,494	1,264	1,212	1,015	1,337	963
Reserve Bank	35	39	39	10	11	13	9	9	8
Total official	4,109	4,770	4,566	1,504	1,275	1,225	1,025	1,345	970
NON-OFFICIAL —									
Direct investment income —									
Reinvested earnings(a)	3,570	6,256	6,187	1,857	831	1,711	1,476	1,500	1,500
Distributed earnings —									
Dividends	2,058	2,574	3,173	469	940	422	1,171	469	1,111
Remitted profits	1,184	1,493	1,296	337	465	287	223	387	399
Interest	895	988	955	237	251	278	227	250	200
Total	4,137	5,054	5,425	1,044	1,656	987	1,621	1,106	1,711
Total, direct investment income	7,707	11,310	11,612	2,901	2,487	2,698	3,097	2,606	3,211
Portfolio and other investment income —									
Dividends	1,179	1,833	2,080	426	539	427	759	374	520
Interest —									
Public Sector	1,470	1,518	1,224	313	363	321	346	303	254
Private Sector	4,564	5,081	6,128	1,348	1,499	1,396	1,624	1,535	1,573
Total	6,034	6,599	7,352	1,661	1,862	1,717	1,970	1,839	1,827
Total, portfolio and other investment income	7,212	8,432	9,431	2,087	2,401	2,144	2,728	2,213	2,347
Total non-official	14,919	19,742	21,043	4,988	4,888	4,842	5,825	4,819	5,557
TOTAL	19,029	24,511	25,609	6,492	6,163	6,067	6,849	6,164	6,528
INCOME RECEIVABLE ON AUSTRALIAN INVESTMENT ABROAD									
OFFICIAL —									
General Government	16	7	5	1	1	1	2	1	1
Reserve Bank	853	988	606	307	325	124	222	139	121
Total official	869	996	611	308	327	125	224	140	122
NON-OFFICIAL —									
Direct investment income —									
Reinvested earnings(a)	2,434	3,866	4,015	596	1,244	1,360	956	700	1,000
Distributed earnings —									
Dividends(b)	264	295	1,128	64	104	38	239	556	294
Remitted profits(b)	105	149	33	12	16	—	22	11	n.a.
Interest(c)	-97	-145	140	-12	-66	40	2	37	60
Total	271	299	1,301	65	54	78	263	604	355
Total, direct investment income	2,706	4,165	5,316	660	1,297	1,438	1,219	1,304	1,355
Portfolio and other investment income —									
Dividends	390	433	449	128	131	119	96	84	150
Interest	937	940	1,160	262	237	281	302	315	263
Total, portfolio and other investment income	1,326	1,373	1,610	390	368	400	398	399	412
Total non-official	4,032	5,538	6,925	1,050	1,665	1,838	1,617	1,703	1,767
TOTAL	4,901	6,534	7,536	1,359	1,992	1,964	1,840	1,844	1,889

(a) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (b) From June quarter 1996 the separate identification of dividends and remitted profits is not available. (c) 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
(SA million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1994-95		1995-96			
				March	June	September	December	March	June
FOREIGN INVESTMENT IN AUSTRALIA									
OFFICIAL —									
General Government —									
Borrowing —									
Domiciled abroad	38,223	44,976	38,765	40,346	44,976	46,984	46,350	41,238	38,765
Domiciled in Australia	24,485	30,160	39,345	35,243	30,160	29,190	34,360	37,266	39,345
Total	62,708	75,137	78,110	75,589	75,137	76,173	80,709	78,504	78,110
Other	-9	64	-126	86	64	15	-35	-82	-126
Total	62,699	75,201	77,984	75,675	75,201	76,188	80,674	78,422	77,984
Reserve Bank	44	67	51	61	67	94	95	39	51
Total official	62,743	75,268	78,035	75,736	75,268	76,282	80,769	78,461	78,035
NON-OFFICIAL —									
Direct investment —									
Corporate equities	80,408	87,157	97,313	85,105	87,157	89,318	96,192	97,390	97,313
Net equity in branches	17,811	15,897	16,610	15,290	15,897	15,957	16,269	16,481	16,610
Borrowing	21,625	22,163	24,966	20,337	22,163	22,065	24,776	25,418	24,966
Other	3,300	4,169	4,004	4,123	4,169	4,452	4,354	4,202	4,004
Total	123,144	129,387	142,893	124,855	129,387	131,792	141,591	143,490	142,893
Portfolio and other investment —									
Corporate equities	57,888	64,131	76,230	59,889	64,131	70,895	72,240	74,556	76,230
Borrowing —									
Public sector	33,156	25,054	19,498	26,217	25,054	23,416	19,482	17,666	19,498
Private sector	89,603	101,570	112,858	95,535	101,570	98,648	106,398	108,946	112,858
Total	122,759	126,624	132,355	121,752	126,624	122,064	125,879	126,612	132,355
Accounts payable/prepayments received	5,681	6,327	7,189	5,778	6,327	7,048	6,972	7,121	7,189
Total portfolio and other investment	186,328	197,081	215,774	187,419	197,081	200,007	205,092	208,289	215,774
Total non-official	309,472	326,469	358,667	312,273	326,469	331,799	346,682	351,779	358,667
TOTAL	372,216	401,736	436,703	388,009	401,736	408,081	427,452	430,240	436,703
AUSTRALIAN INVESTMENT ABROAD									
OFFICIAL —									
Reserve assets	20,661	20,184	19,059	21,240	20,184	18,659	20,067	17,935	19,059
Lending	661	58	21	31	58	55	55	21	21
Accounts receivable/prepayments made	972	826	966	885	826	846	919	972	966
Other	1,676	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881
Total official	23,970	22,949	21,927	24,037	22,949	21,441	22,922	20,809	21,927
NON-OFFICIAL —									
Direct investment —									
Corporate equities	47,250	52,861	53,890	50,265	52,861	51,547	53,056	54,746	53,890
Net equity in branches	2,667	2,858	2,598	2,764	2,858	2,681	2,813	2,662	2,598
Lending (a)	-1,261	-2,463	-110	-1,397	-2,463	-3,885	-836	1,072	-110
Other	460	94	221	121	94	121	249	235	221
Total	49,116	53,349	56,599	51,753	53,349	50,464	55,281	58,715	56,599
Portfolio and other investment —									
Corporate equities	31,711	34,606	39,048	31,251	34,606	35,795	39,823	39,820	39,048
Lending	23,111	24,239	28,709	24,576	24,239	24,898	26,338	26,390	28,709
Accounts receivable/prepayments made	5,901	5,611	5,683	5,391	5,611	5,102	5,402	5,738	5,683
Total	60,723	64,456	73,440	61,218	64,456	65,794	71,563	71,948	73,440
Total non-official	109,839	117,805	130,039	112,971	117,805	116,258	126,844	130,663	130,039
TOTAL	133,808	140,754	151,966	137,007	140,754	137,699	149,766	151,471	151,966

(a) 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
(SA million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1994-95		1995-96			
				March	June	September	December	March	June
FOREIGN BORROWING (GROSS DEBT)									
OFFICIAL ---									
Commonwealth Government and Reserve Bank	22,913	28,176	36,176	28,362	28,176	27,420	31,272	33,756	36,176
State Government	39,840	47,028	41,985	47,288	47,028	48,847	49,533	44,787	41,985
Total official	62,752	75,204	78,161	75,650	75,204	76,267	80,804	78,543	78,161
NON-OFFICIAL ---									
Financial Enterprises ---									
Public sector	23,559	15,928	14,525	16,606	15,928	16,280	12,888	12,183	14,525
Private sector	67,424	83,051	95,708	76,367	83,051	79,343	87,779	92,397	95,708
Total	90,983	98,979	110,233	92,973	98,979	95,623	100,667	104,580	110,233
Trading Enterprises ---									
Public sector	9,597	9,126	4,973	9,611	9,126	7,137	6,593	5,483	4,973
Private sector	43,804	40,682	42,115	39,505	40,682	41,370	43,396	41,967	42,115
Total	53,401	49,808	47,088	49,116	49,808	48,506	49,989	47,450	47,088
Total non-official	144,385	148,787	157,321	142,089	148,787	144,129	150,656	152,030	157,321
TOTAL	207,137	223,990	235,482	217,739	223,990	220,396	231,460	230,573	235,482
Of which ---									
Public sector ---									
Official	62,752	75,204	78,161	75,650	75,204	76,267	80,804	78,543	78,161
Non-official	33,156	25,054	19,498	26,217	25,054	23,416	19,482	17,666	19,498
Total	95,909	100,257	97,659	101,867	100,257	99,684	100,286	96,209	97,659
Private sector	111,228	123,733	137,824	115,872	123,733	120,713	131,174	134,364	137,824
AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS									
OFFICIAL ---									
Reserve assets	20,661	20,184	19,059	21,240	20,184	18,659	20,067	17,935	19,059
Lending	661	58	21	31	58	55	55	21	21
Total official	21,322	20,242	19,080	21,271	20,242	18,714	20,122	17,956	19,080
NON-OFFICIAL --									
Financial enterprises	20,167	21,927	29,000	22,943	21,927	21,947	25,866	27,073	29,000
Trading enterprises	1,683	151	401	236	151	934	365	389	401
Total non-official	21,850	21,776	28,599	23,179	21,776	21,013	25,501	27,462	28,599
TOTAL	43,172	42,019	47,678	44,450	42,019	39,727	45,623	45,418	47,678
Of which ---									
Public sector ---									
Official	21,322	20,242	19,080	21,271	20,242	18,714	20,122	17,956	19,080
Non-official	7,903	8,696	9,450	8,986	8,696	6,317	8,547	8,179	9,450
Total	29,224	28,939	28,529	30,257	28,939	25,031	28,669	26,134	28,529
Private sector	13,948	13,080	19,149	14,193	13,080	14,696	16,954	19,283	19,149
NET FOREIGN DEBT(a)									
OFFICIAL ---	41,431	54,961	59,081	54,379	54,961	57,553	60,682	60,587	59,081
NON-OFFICIAL ---									
Financial enterprises	70,816	77,052	81,233	70,030	77,052	73,676	74,801	77,507	81,233
Trading enterprises	51,718	49,959	47,489	48,880	49,959	49,440	50,354	47,061	47,489
Total non-official	122,534	127,010	128,722	118,910	127,010	123,116	125,155	124,568	128,722
TOTAL	163,965	181,972	187,804	173,289	181,972	180,669	185,837	185,155	187,804
Of which ---									
Public sector ---									
Official	41,431	54,961	59,081	54,379	54,961	57,553	60,682	60,587	59,081
Non-official	25,254	16,357	10,048	17,231	16,357	17,099	10,935	9,487	10,048
Total	66,685	71,319	69,130	71,611	71,319	74,653	71,617	70,075	69,130
Private sector	97,281	110,653	118,674	101,678	110,653	106,017	114,220	115,080	118,674

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

TABLE 8. INTEREST PAYABLE ON FOREIGN DEBT
(SA million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1994-95		1995-96			
				March	June	September	December	March	June
INTEREST PAYABLE ON FOREIGN BORROWING									
OFFICIAL —									
Commonwealth Government and Reserve Bank	1,156	1,315	1,654	498	230	484	302	613	255
State Government	2,953	3,454	2,911	1,006	1,045	741	723	732	715
Total official	4,109	4,770	4,566	1,504	1,275	1,225	1,025	1,345	970
NON-OFFICIAL —									
Financial Enterprises —									
Public sector	951	890	808	181	154	242	208	182	176
Private sector	2,914	3,625	4,654	1,046	1,108	1,093	1,183	1,178	1,199
Total	3,865	4,515	5,462	1,227	1,262	1,336	1,391	1,360	1,375
Trading Enterprises —									
Public sector	516	628	416	132	208	79	138	122	78
Private sector	2,460	2,391	2,407	522	631	575	661	599	572
Total	2,976	3,019	2,823	654	839	654	799	720	650
Total non-official	6,841	7,534	8,285	1,881	2,101	1,989	2,190	2,080	2,025
TOTAL	10,950	12,303	12,850	3,385	3,376	3,215	3,215	3,426	2,996
Of which —									
Public sector —									
Official	4,109	4,770	4,566	1,504	1,275	1,225	1,025	1,345	970
Non-official	1,466	1,518	1,224	313	363	321	346	303	254
Total	5,575	6,287	5,789	1,817	1,638	1,546	1,370	1,649	1,224
Private sector	5,375	6,016	7,061	1,568	1,738	1,668	1,844	1,777	1,771
INTEREST RECEIVABLE ON AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS									
OFFICIAL —									
Reserve assets	853	988	606	307	325	124	222	139	121
Lending	16	7	4	1	1	1	2	1	—
Total official	869	996	610	308	327	125	224	140	121
NON-OFFICIAL —									
Financial enterprises	599	769	1,234	232	163	327	295	319	293
Trading enterprises	210	-27	8	4	-11	-8	-3	7	12
Total non-official	808	742	1,242	235	152	319	292	326	305
TOTAL	1,678	1,738	1,852	544	478	445	516	466	426
Of which —									
Public sector —									
Official	869	996	610	308	327	125	224	140	121
Non-official	220	308	378	75	64	102	97	97	82
Total	1,089	1,304	988	383	391	227	321	237	203
Private sector	588	434	864	160	87	217	195	229	223
NET INTEREST PAYABLE(a)									
OFFICIAL —	3,240	3,774	3,956	1,196	948	1,100	801	1,205	850
NON-OFFICIAL —									
Financial enterprises	3,266	3,746	4,228	995	1,099	1,008	1,096	1,041	1,083
Trading enterprises	2,766	3,046	2,815	651	850	662	802	713	638
Total non-official	6,032	6,792	7,043	1,646	1,949	1,670	1,898	1,755	1,720
TOTAL	9,272	10,565	10,998	2,841	2,898	2,770	2,699	2,960	2,570
Of which —									
Public sector —									
Official	3,240	3,774	3,956	1,196	948	1,100	801	1,205	850
Non-official	1,246	1,210	846	238	298	219	249	206	172
Total	4,486	4,984	4,801	1,434	1,247	1,319	1,050	1,411	1,021
Private sector	4,786	5,582	6,197	1,408	1,651	1,451	1,649	1,548	1,549

(a) 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
Year—							
1993-94	430,424	238,408	163,965	74,442	55.4	38.1	17.3
1994-95	455,616	260,982	181,972	79,010	57.3	39.9	17.3
1995-96	486,054	284,737	187,804	96,933	58.6	38.6	19.9
Year ended(b) —							
1994-95 —							
March	449,663	251,002	173,289	77,713	55.8	38.5	17.3
June	455,616	260,982	181,972	79,010	57.3	39.9	17.3
1995-96 —							
September	461,362	270,382	180,669	89,712	58.6	39.2	19.4
December	470,390	277,686	185,837	91,849	59.0	39.5	19.5
March	478,629	278,769	185,155	93,614	58.2	38.7	19.6
June	486,054	284,737	187,804	96,933	58.6	38.6	19.9

(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
Year—							
1993-94	82,361	14,127	9,272	4,855	17.2	11.3	5.9
1994-95	86,381	17,977	10,565	7,412	20.8	12.2	8.6
1995-96	97,600	18,072	10,998	7,074	18.5	11.3	7.2
Year ended(b) —							
1994-95 —							
March	84,599	18,989	10,123	8,865	22.4	12.0	10.5
June	86,381	17,977	10,565	7,412	20.8	12.2	8.6
1995-96 —							
September	89,537	17,751	10,864	6,888	19.8	12.1	7.7
December	92,168	18,417	11,208	7,210	20.0	12.2	7.8
March	95,463	17,605	11,326	6,278	18.4	11.9	6.6
June	97,600	18,072	10,998	7,074	18.5	11.3	7.2

(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
(\$A million)

Country of investor	Year			Quarter ended					
	1993-94	1994-95	1995-96	1994-95		1995-96			
				March	June	September	December	March	June
CAPITAL TRANSACTIONS(a)									
OECD —									
USA	8,877	2,839	14,100	-1,804	1,683	3,374	4,019	4,736	1,971
Japan	-1,622	506	10,033	-2,061	-2,584	2,168	7,437	-1,736	2,165
Switzerland	258	-148	371	-124	990	-191	8	304	249
EU —									
UK	8,654	2,388	3,415	1,123	-1,168	1,884	4,133	-2,255	-347
Other(c)	4,282	3,088	1,265	2,359	-417	-1,352	-887	2,372	1,133
Total	12,936	5,476	4,680	3,482	-1,585	531	3,246	117	786
Other OECD(c)(d)	1,331	387	-1,165	371	1,022	-1,306	149	-144	136
Total OECD	21,780	9,060	28,019	-137	-474	4,575	14,859	3,277	5,307
ASEAN	1,099	-374	1,556	70	-238	-844	1,967	1,212	-779
Other countries(d)	3,681	-140	1,321	1,128	660	-304	509	-528	20
International capital markets	516	9,234	1,550	874	5,709	407	-492	-155	1,790
International institutions	12	231	-251	136	-222	-80	161	—	-332
Unallocated	1,071	4,974	11,581	641	1,307	3,757	-411	5,026	3,209
TOTAL	28,159	22,986	41,134	2,712	6,743	7,512	15,575	8,833	9,214
APEC	12,002	3,552	22,759	-1,986	-318	2,862	12,962	3,823	3,112
INVESTMENT INCOME(b)									
OECD —									
USA	5,517	5,346	4,817	1,228	1,498	1,184	1,422	940	1,271
Japan	2,187	2,785	2,554	766	691	763	572	747	472
Switzerland	439	415	414	77	147	118	187	50	58
EU —									
UK	3,542	4,424	4,049	1,255	971	917	1,574	556	1,002
Other(c)	1,195	1,632	1,524	496	237	331	588	321	284
Total	4,737	6,057	5,573	1,752	1,208	1,248	2,162	877	1,286
Other OECD(c)(d)	364	389	407	92	83	163	175	37	32
Total OECD	13,245	14,991	13,764	3,914	3,626	3,476	4,518	2,652	3,119
ASEAN	275	375	283	75	78	82	64	77	60
Other countries(d)	772	932	817	294	245	213	236	185	183
International capital markets	3,712	4,729	4,440	1,294	1,380	1,123	1,083	1,171	1,063
International institutions	35	39	77	10	11	14	46	10	8
Unallocated	991	3,445	6,227	905	824	1,160	901	2,070	2,096
TOTAL	19,029	24,511	25,609	6,492	6,163	6,067	6,849	6,164	6,528
APEC	8,928	9,716	8,745	2,404	2,567	2,390	2,414	1,960	1,981
LEVELS OF INVESTMENT AT END OF PERIOD									
OECD —									
USA	84,216	88,865	101,018	83,449	88,865	91,249	95,139	98,733	101,018
Japan	49,008	50,913	57,486	52,466	50,913	51,365	59,926	56,268	57,486
Switzerland	8,132	7,132	7,987	6,132	7,132	6,813	6,803	7,043	7,987
EU —									
UK	75,317	76,034	80,716	77,101	76,034	77,482	84,157	82,467	80,716
Other(c)	32,499	37,312	38,951	36,330	37,312	36,087	36,067	37,890	38,951
Total	107,816	113,346	119,666	113,431	113,346	113,568	120,225	120,357	119,666
Other OECD(c)(d)	12,095	12,109	9,784	12,677	12,109	10,418	10,674	10,532	9,784
Total OECD	261,267	272,365	295,942	268,154	272,365	273,414	292,767	292,933	295,942
ASEAN	8,899	8,445	9,297	8,663	8,445	7,169	9,339	10,278	9,297
Other countries(d)	21,831	22,587	19,790	21,719	22,587	22,488	21,754	20,555	19,790
International capital markets	61,185	76,329	70,138	68,413	76,329	72,340	69,598	69,092	70,138
International institutions	154	386	108	608	386	1,285	1,444	538	108
Unallocated	18,879	21,625	41,427	20,451	21,625	31,386	32,550	36,844	41,427
TOTAL	372,216	401,736	436,703	388,009	401,736	408,081	427,452	430,240	436,703
APEC	170,194	177,480	191,593	172,832	177,480	177,012	191,153	191,029	191,593

(a) For the latest two quarters, 'Reinvestment of earnings' is not classified by country and is therefore included in 'Unallocated'. (b) For the latest two quarters, 'Reinvested earnings' is not classified by country and is therefore included in 'Unallocated'. (c) Prior to 1994-95 Austria, Finland and Sweden are included in 'Other OECD'. (d) Prior to 1994-95 Mexico is included in 'Other countries'.

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

Industry of investment	Year			Quarter ended					
	1993-94	1994-95	1995-96	1994-95		1995-96			
				March	June	September	December	March	June
CAPITAL TRANSACTIONS									
Mining	1,865	-283	317	503	185	460	-171	-240	268
Manufacturing	9,514	6,017	3,783	1,524	1,256	475	3,884	-810	234
Electricity, gas and water	-865	-1,029	1,776	-154	-629	191	1,276	369	-60
Wholesale trade	-3,697	-1,063	-159	81	-847	194	785	-472	-666
Retail trade	822	-1,805	-391	48	-132	-36	-24	-204	-128
Transport and storage	689	44	-134	56	54	76	15	22	-247
Finance and insurance(b)	10,679	6,113	19,944	4,130	5,391	1,473	6,617	5,434	6,420
Property and Business Services	536	405	549	105	322	332	76	72	69
Other industries(c)	7,950	13,167	4,642	-3,832	1,259	460	3,131	577	473
Unallocated(d)(e)	667	1,419	10,808	250	-117	3,887	-15	4,085	2,851
TOTAL	28,159	22,986	41,134	2,712	6,743	7,512	15,575	8,833	9,214
INVESTMENT INCOME									
Mining	2,195	2,196	2,012	472	646	578	603	364	467
Manufacturing	3,323	4,211	2,981	928	1,148	944	1,036	442	559
Electricity, gas and water	73	125	140	11	84	21	72	22	26
Wholesale trade	1,265	1,657	1,083	522	377	209	350	107	417
Retail trade	257	194	75	38	44	37	16	10	12
Transport and storage	711	977	326	279	154	59	108	88	72
Finance and insurance(b)	5,688	6,679	7,481	1,697	1,739	1,999	2,200	1,641	1,642
Property and Business Services	403	650	1,054	126	194	339	188	255	273
Other industries(c)	3,871	5,145	4,966	1,551	1,388	1,264	1,066	1,507	1,129
Unallocated(d)(f)	1,244	2,677	5,491	869	389	619	1,210	1,730	1,932
TOTAL	19,029	24,511	25,609	6,492	6,163	6,067	6,849	6,164	6,528
LEVELS OF INVESTMENT AT END OF PERIOD									
Mining	40,055	38,058	37,434	36,612	38,058	39,023	38,707	38,145	37,434
Manufacturing	71,622	77,368	80,994	74,114	77,368	76,947	80,718	81,100	80,994
Electricity, gas and water	3,717	2,778	4,488	3,197	2,778	2,928	4,205	4,541	4,488
Wholesale trade	25,436	25,830	24,830	25,981	25,830	24,809	25,375	25,450	24,830
Retail trade	5,734	3,959	3,433	4,022	3,959	3,785	3,774	3,545	3,433
Transport and storage	9,694	9,533	9,080	9,230	9,533	9,354	9,463	9,392	9,080
Finance and insurance(b)	122,522	132,452	145,589	124,781	132,452	129,603	136,184	139,297	145,589
Property and Business Services	17,743	20,540	20,327	19,858	20,540	17,129	16,387	20,352	20,327
Other industries(c)	72,734	88,197	106,224	86,802	88,197	89,151	94,315	104,360	106,224
Unallocated(d)	2,959	3,021	4,303	3,411	3,021	15,351	18,322	4,057	4,303
TOTAL	372,216	401,736	436,703	388,009	401,736	408,081	427,452	430,240	436,703

(a) The industry categories shown are based on the 1993 edition of 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 also 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 two quarters, 'Reinvested earnings' is not classified by industry and is included in 'Unallocated'.

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

	<i>Year</i>			<i>Quarter ended</i>					
	<i>1993-94</i>	<i>1994-95</i>	<i>1995-96</i>	<i>1994-95</i>		<i>1995-96</i>			
				<i>March</i>	<i>June</i>	<i>September</i>	<i>December</i>	<i>March</i>	<i>June</i>
Capital transactions —									
Domiciled abroad —									
Foreign currency	-571	-6,536	14,472	823	987	5,424	1,025	2,841	5,181
Australian currency	3,474	11,233	-1,118	2,302	6,689	-1,426	4,496	-2,662	-1,526
<i>Total</i>	<i>2,903</i>	<i>4,697</i>	<i>13,353</i>	<i>3,125</i>	<i>7,676</i>	<i>3,998</i>	<i>5,521</i>	<i>180</i>	<i>3,654</i>
Domiciled in Australia —									
Securities —									
Purchases by non-residents	41,947	62,816	123,915	12,787	14,475	14,522	20,553	38,915	49,926
Sales by non-residents	39,148	59,633	115,817	16,141	19,430	16,218	16,767	34,730	48,102
<i>Net</i>	<i>2,799</i>	<i>3,182</i>	<i>8,098</i>	<i>-3,355</i>	<i>-4,955</i>	<i>-1,697</i>	<i>3,786</i>	<i>4,185</i>	<i>1,824</i>
Deposits	1,750	491	973	-551	1,036	-641	-108	810	912
<i>Total</i>	<i>4,549</i>	<i>3,673</i>	<i>9,071</i>	<i>-3,906</i>	<i>-3,919</i>	<i>-2,337</i>	<i>3,678</i>	<i>4,994</i>	<i>2,735</i>
Total	7,452	8,371	22,424	-781	3,757	1,661	9,199	5,174	6,390
Levels at end of period —									
Domiciled abroad —									
Foreign currency	118,778	117,862	121,077	114,607	117,862	113,952	113,909	112,545	121,077
Australian currency	53,314	65,464	63,154	58,373	65,464	67,381	73,457	70,304	63,154
<i>Total</i>	<i>172,091</i>	<i>183,326</i>	<i>184,232</i>	<i>172,980</i>	<i>183,326</i>	<i>181,333</i>	<i>187,367</i>	<i>182,849</i>	<i>184,232</i>
Domiciled in Australia —									
Securities	26,639	31,887	41,534	37,012	31,887	30,955	36,093	38,914	41,534
Deposits	8,407	8,777	9,717	7,747	8,777	8,109	8,000	8,810	9,717
<i>Total</i>	<i>35,046</i>	<i>40,664</i>	<i>51,251</i>	<i>44,759</i>	<i>40,664</i>	<i>39,063</i>	<i>44,093</i>	<i>47,724</i>	<i>51,251</i>
Total	207,137	223,990	235,482	217,739	223,990	220,396	231,460	230,573	235,482

(a) For a definition of domicile, see Explanatory notes, paragraph 17.

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

	<i>Year</i>			<i>Quarter ended</i>					
	<i>1993-94</i>	<i>1994-95</i>	<i>1995-96</i>	<i>1994-95</i>		<i>1995-96</i>			
				<i>March</i>	<i>June</i>	<i>September</i>	<i>December</i>	<i>March</i>	<i>June</i>
Foreign currencies —									
United States Dollars	85,365	81,492	76,752	76,582	81,492	82,218	79,785	76,858	76,752
Pounds Sterling	2,173	2,155	2,814	2,410	2,155	2,165	2,118	3,040	2,814
Swiss Francs	3,047	2,640	2,629	3,338	2,640	2,545	3,233	2,660	2,629
Deutsche Marks	1,451	2,379	1,800	2,103	2,379	2,054	2,109	2,581	1,800
Japanese Yen	19,560	21,257	21,320	20,336	21,257	19,453	21,806	21,051	21,320
Other(a)	9,601	10,277	18,038	11,476	10,277	6,954	6,121	8,096	18,038
<i>Total foreign currencies</i>	<i>121,196</i>	<i>120,200</i>	<i>123,353</i>	<i>116,245</i>	<i>120,200</i>	<i>115,390</i>	<i>115,171</i>	<i>114,286</i>	<i>123,353</i>
Australian Dollars	85,941	103,790	112,129	101,494	103,790	105,006	116,289	116,286	112,129
Total	207,137	223,990	235,482	217,739	223,990	220,396	231,460	230,573	235,482

(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	1994-95		1995-96			
				March	June	September	December	March	June
DRAWINGS									
CONTRACTUALLY DUE FOR REPAYMENT —									
Within 3 months	420,487	211,467	222,715	46,649	49,025	50,563	59,082	66,444	46,626
3 months to less than 6 months	48,410	39,916	48,660	11,663	11,005	10,197	12,438	11,131	14,894
6 months to less than 1 year	26,501	35,455	29,996	2,564	7,969	10,830	7,162	3,363	8,641
1 year to less than 2 years	4,556	4,785	8,702	1,754	595	1,300	1,424	2,588	3,389
2 years to less than 5 years	12,891	14,193	12,854	2,079	3,130	3,649	4,045	2,357	2,803
5 years to less than 10 years	9,897	9,933	10,054	1,854	2,688	2,852	2,864	2,220	2,119
10 years or more	3,402	1,586	4,092	65	371	794	1,173	886	1,240
REPAYABLE AT CALL OR OF INDEFINITE MATURITY									
Expected to be repaid —	2,952	2,259	3,181	418	307	528	1,317	810	526
Within 1 year from drawdown									
1 year or more from drawdown	3,247	1,593	1,782	601	154	914	368	111	389
UNALLOCATED(b)	-15,369	-3,753	-12,246	-1,208	-372	-3,413	-1,850	-2,864	-4,119
TOTAL	516,974	317,434	329,791	66,441	74,871	78,215	88,023	87,046	76,507
REPAYMENTS									
TIME ELAPSED SINCE DRAWDOWN —									
Less than 3 months	422,535	210,184	209,651	45,339	44,824	49,535	52,070	64,351	43,695
3 months to less than 6 months	54,236	46,888	59,281	11,042	12,507	12,546	14,568	15,156	17,011
6 months to less than 1 year	27,731	40,517	33,555	4,073	8,221	10,274	9,889	5,805	7,587
1 year to less than 2 years	5,818	5,311	7,106	1,611	1,201	1,302	2,541	2,370	892
2 years to less than 5 years	10,854	6,875	7,857	1,090	1,065	1,981	2,370	1,626	1,881
5 years to less than 10 years	5,995	7,086	5,045	1,639	954	1,343	1,470	933	1,299
10 years or more	2,254	1,226	1,978	95	177	244	1,645	31	57
UNALLOCATED(b)	-15,352	-5,351	-8,036	-1,573	-1,754	-3,007	-2,053	-3,406	430
TOTAL	514,071	312,736	316,437	63,316	67,195	74,217	82,501	86,866	72,853
LEVELS AT END OF PERIOD									
BORROWING WITH CONTRACTUAL TERMS —									
Less than 1 year to maturity	78,177	73,699	79,696	69,755	73,699	72,716	79,289	77,029	79,696
1 year to less than 2 years	13,018	12,838	16,176	14,208	12,838	13,492	15,968	18,730	16,176
2 years to less than 5 years	31,713	39,355	35,965	38,215	39,355	41,671	39,867	36,603	35,965
5 years to less than 10 years	28,878	36,054	31,285	31,023	36,054	32,505	31,129	32,136	31,285
10 years or more	4,330	5,622	6,457	4,914	5,622	6,758	7,412	5,956	6,457
AT CALL OR INDEFINITE BORROWING —									
Expected to be repaid —									
Within 1 year	1,863	3,832	3,328	3,450	3,832	4,189	4,811	3,222	3,328
1 year or more	11,996	9,698	7,535	9,133	9,698	9,922	8,725	8,635	7,535
UNALLOCATED(b)	2,116	2,229	3,790	2,283	2,229	80	166	538	3,790
TOTAL	172,091	183,326	184,232	172,980	183,326	181,333	187,367	182,849	184,232

(a) For a definition of domiciled abroad see Explanatory notes, paragraph 17. (b) 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												
1983-84	32,221	44,101	5,551	81,873	8,018	14,208	4,481	26,706	24,203	29,893	1,070	55,166
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	17,006	6,024	43,283	20,900	75,544	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	105,238	178,968	6,399	290,605	55,609	36,719	7,666	99,994	49,629	142,249	-1,268	190,611
1991-92	111,968	192,331	6,837	311,137	65,788	38,266	6,644	110,698	46,180	154,066	193	200,439
1992-93	123,895	209,529	6,880	340,305	73,661	41,404	7,513	122,578	50,234	168,125	-633	217,726
1993-94	156,107	207,137	8,972	372,216	81,628	43,172	9,009	133,808	74,479	163,965	-37	238,407
1994-95	167,186	223,990	10,560	401,736	90,324	42,019	8,411	140,754	76,861	181,972	2,149	260,982
1995-96	190,153	235,482	11,067	436,703	95,536	47,678	8,751	151,966	94,617	187,804	2,316	284,737
QUARTERLY												
1990-91 —												
December	101,265	171,327	6,293	278,885	57,789	33,001	7,505	98,296	43,476	138,326	-1,212	180,590
March	103,905	175,802	6,671	286,378	59,140	33,973	7,241	100,354	44,765	141,828	-569	186,024
June	105,238	178,968	6,399	290,605	55,609	36,719	7,666	99,994	49,629	142,249	-1,268	190,611
1991-92 —												
September	106,046	178,036	6,884	290,966	58,718	36,144	7,281	102,143	47,328	141,892	-397	188,823
December	107,917	187,507	7,553	302,977	63,723	39,886	7,074	110,683	44,193	147,621	479	192,293
March	108,454	185,584	6,980	301,017	62,443	35,903	6,929	105,274	46,011	149,681	51	195,743
June	111,968	192,331	6,837	311,137	65,788	38,266	6,644	110,698	46,180	154,066	193	200,439
1992-93 —												
September	107,383	200,826	7,005	315,214	66,514	39,493	6,933	112,940	40,869	161,333	72	202,274
December	109,374	200,214	7,500	317,088	68,406	38,397	7,125	113,928	40,968	161,816	375	203,160
March	116,887	196,091	6,950	319,929	69,240	38,602	7,001	114,842	47,648	157,489	-50	205,087
June	123,895	209,529	6,880	340,305	73,661	41,404	7,513	122,578	50,234	168,125	-633	217,726
1993-94 —												
September	139,269	219,018	8,413	366,700	80,882	43,305	7,813	132,000	58,387	175,713	600	234,701
December	151,577	213,050	9,107	373,733	83,926	40,225	8,078	132,229	67,651	172,825	1,028	241,504
March	153,620	213,018	8,439	375,078	82,233	44,168	7,713	134,113	71,387	168,850	727	240,964
June	156,107	207,137	8,972	372,216	81,628	43,172	9,009	133,808	74,479	163,965	-37	238,408
1994-95 —												
September	164,253	209,567	9,212	383,031	81,451	43,117	7,677	132,245	82,802	166,449	1,535	250,786
December	158,848	209,103	9,697	377,648	78,738	39,157	7,937	125,832	80,110	169,946	1,760	251,816
March	160,283	217,739	9,987	388,009	84,280	44,450	8,278	137,007	76,003	173,289	1,709	251,002
June	167,186	223,990	10,560	401,736	90,324	42,019	8,411	140,754	76,861	181,972	2,149	260,982
1995-96 —												
September	176,170	220,396	11,515	408,081	90,023	39,727	7,950	137,699	86,147	180,669	3,565	270,382
December	184,700	231,460	11,291	427,452	95,692	45,623	8,450	149,766	89,008	185,837	2,841	277,686
March	188,427	230,573	11,241	430,240	97,228	45,418	8,826	151,471	91,198	185,155	2,415	278,769
June	190,153	235,482	11,067	436,703	95,536	47,678	8,751	151,966	94,617	187,804	2,316	284,737

(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
(\$A 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												
1983-84	969	8,132	1,066	10,167	1,540	2,024	881	4,446	-571	6,108	184	5,722
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	22,841	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	6,987	19,179	-925	25,108	2,778	3,213	-60	5,931	4,076	15,967	-865	19,177
1990-91	9,862	11,168	-494	20,538	-662	4,878	179	4,394	10,759	6,291	672	16,144
1991-92	6,567	8,856	657	16,080	5,134	-2,281	-870	1,983	1,434	11,135	1,527	14,097
1992-93	10,511	6,131	564	17,206	4,722	-943	276	4,055	5,789	7,076	288	13,151
1993-94	19,877	7,452	831	28,159	9,448	5,097	1,594	16,139	10,428	2,354	-764	12,019
1994-95	13,128	8,371	1,487	22,987	3,226	-2,844	-790	-408	9,902	11,214	2,277	23,395
1995-96	18,321	22,424	389	41,134	11,627	9,664	873	22,163	6,694	12,760	-483	18,971
QUARTERLY												
1990-91 —												
December	3,527	-37	-528	2,962	2,056	260	107	2,423	1,471	-297	-636	538
March	1,942	6,153	385	8,480	1,133	2,417	-250	3,300	810	3,736	635	5,181
June	2,514	2,547	-267	4,794	-2,744	2,962	487	705	5,258	-415	-754	4,089
1991-92 —												
September	1,679	1,767	593	4,039	2,063	-891	-53	1,119	-383	2,658	645	2,920
December	1,573	3,400	739	5,712	2,502	1,310	-189	3,623	-928	2,089	928	2,089
March	1,178	1,949	-570	2,558	232	-2,780	-253	-2,801	946	4,729	-317	5,358
June	2,137	1,740	-105	3,772	337	80	-375	42	1,799	1,659	271	3,729
1992-93 —												
September	-192	5,180	398	5,386	393	-1,050	-100	-756	-585	6,230	497	6,142
December	2,546	-1,534	488	1,500	2,007	-220	148	1,935	539	-1,313	340	-435
March	4,742	-3,431	-284	1,028	1,192	342	-109	1,424	3,550	-3,772	-175	-397
June	3,415	5,916	-38	9,294	1,130	-15	337	1,452	2,285	5,931	-374	7,842
1993-94 —												
September	4,785	2,504	213	7,501	1,908	1,826	5	3,739	2,877	677	208	3,762
December	4,443	2,061	482	6,985	4,058	-827	359	3,591	384	2,887	123	3,395
March	5,990	3,681	-480	9,191	3,207	4,347	-301	7,252	2,783	-666	-178	1,939
June	4,659	-793	615	4,481	275	-249	1,532	1,558	4,384	-544	-917	2,923
1994-95 —												
September	5,046	2,778	-302	7,522	-418	-373	-1,490	-2,281	5,464	3,151	1,188	9,803
December	2,798	2,617	595	6,010	924	-1,851	373	-553	1,874	4,467	222	6,563
March	3,127	-781	366	2,712	-429	2,250	149	1,970	3,556	-3,031	217	742
June	2,157	3,757	828	6,743	3,148	-2,870	178	456	-991	6,627	650	6,287
1995-96 —												
September	5,501	1,661	350	7,512	2,520	-448	85	2,157	2,981	2,109	265	5,355
December	6,462	9,199	-87	15,575	4,368	5,799	537	10,704	2,094	3,400	-624	4,870
March	3,630	5,174	29	8,833	4,449	1,554	187	6,190	-819	3,620	-158	2,643
June	2,728	6,390	97	9,214	289	2,759	63	3,111	2,439	3,631	34	6,103

(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
(\$A million)

	Payable on foreign investment in Australia				Receivable on Australian investment abroad				Net investment income payable(a)			
	Interest			Total	Interest			Total	Interest			Total
	Equity income (b)	Borr- owing	Other		Equity income (b)	Reserve assets and lending	Other		Net equity income (b)	Net debt	Net other	
ANNUAL												
1983-84	2,104	3,705	26	5,833	556	821	89	1,468	1,548	2,884	-63	4,365
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	14,819	170	20,175	849	2,255	120	3,223	4,336	12,565	50	16,953
1991-92	4,730	13,318	93	18,142	1,263	2,386	54	3,704	3,467	10,932	40	14,439
1992-93	6,555	11,343	85	17,985	3,057	2,180	21	5,256	3,498	9,165	65	12,728
1993-94	7,991	10,949	88	19,029	3,192	1,678	31	4,901	4,798	9,272	57	14,127
1994-95	12,155	12,303	53	24,511	4,742	1,738	53	6,534	7,412	10,565	—	17,977
1995-96	12,736	12,850	22	25,609	5,625	1,852	59	7,536	7,111	10,998	-37	18,072
QUARTERLY												
1990-91 —												
December	1,777	3,632	55	5,464	151	523	35	710	1,626	3,109	19	4,754
March	1,120	3,848	37	5,006	145	538	29	711	976	3,310	9	4,295
June	1,447	3,659	34	5,140	265	616	26	907	1,182	3,043	8	4,234
1991-92 —												
September	1,140	3,718	24	4,883	317	615	17	948	824	3,103	8	3,935
December	1,036	3,188	26	4,250	348	638	13	999	688	2,550	13	3,251
March	1,109	3,228	20	4,357	274	596	10	881	835	2,632	9	3,477
June	1,444	3,184	23	4,652	324	538	14	876	1,120	2,647	9	3,776
1992-93 —												
September	1,700	3,118	18	4,836	661	669	5	1,334	1,039	2,449	13	3,502
December	1,564	2,832	26	4,422	794	498	5	1,296	770	2,335	21	3,126
March	1,446	2,816	18	4,281	623	639	5	1,267	823	2,177	13	3,014
June	1,845	2,577	23	4,446	979	374	6	1,359	866	2,204	17	3,086
1993-94 —												
September	1,411	2,978	23	4,412	282	601	8	891	1,128	2,378	15	3,521
December	1,962	2,566	19	4,547	1,282	489	9	1,780	680	2,078	9	2,767
March	1,591	2,780	19	4,389	1,309	419	5	1,733	282	2,361	14	2,657
June	3,027	2,625	28	5,681	319	169	9	498	2,708	2,456	19	5,183
1994-95 —												
September	2,980	2,831	11	5,822	1,123	359	10	1,492	1,856	2,472	1	4,330
December	3,311	2,711	12	6,034	1,325	357	9	1,691	1,986	2,355	2	4,343
March	3,089	3,385	18	6,492	800	544	15	1,359	2,289	2,841	3	5,133
June	2,775	3,376	12	6,163	1,494	478	19	1,992	1,280	2,898	7	4,171
1995-96 —												
September	2,847	3,215	5	6,067	1,517	445	2	1,964	1,330	2,770	3	4,104
December	3,628	3,215	6	6,849	1,313	516	12	1,840	2,316	2,699	5	5,009
March	2,730	3,426	9	6,164	1,351	466	26	1,844	1,379	2,960	-18	4,320
June	3,531	2,996	2	6,528	1,444	426	19	1,889	2,086	2,570	-17	4,639

(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									
	Commonwealth government and Reserve Bank	State government	Public trading and financial enterprises	Total	Private sector borrowing	Total foreign borrowing	Reserve assets	Lending abroad	Net foreign debt(b)
ANNUAL									
1983-84	8,534	339	8,907	17,781	26,320	44,101	12,417	1,791	29,893
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	75,544
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	17,429	24,674	33,010	75,113	103,855	178,968	24,047	12,672	142,249
1991-92	16,848	29,602	33,681	80,131	112,201	192,331	22,240	16,026	154,066
1992-93	21,469	38,888	35,096	95,452	114,077	209,529	20,823	20,581	168,125
1993-94	22,913	39,840	33,156	95,909	111,228	207,137	20,661	22,511	163,965
1994-95	28,176	47,028	25,054	100,257	123,733	223,990	20,184	21,835	181,972
1995-96	36,176	41,985	19,498	97,659	137,824	235,482	19,059	28,619	187,804
QUARTERLY									
1990-91 —									
December	18,909	20,869	36,546	76,324	95,002	171,327	24,989	8,012	138,326
March	18,755	22,384	35,149	76,287	99,514	175,802	23,593	10,380	141,828
June	17,429	24,674	33,010	75,113	103,855	178,968	24,047	12,672	142,249
1991-92 —									
September	17,798	26,686	32,654	77,139	100,898	178,036	23,836	12,308	141,892
December	21,204	27,408	34,027	82,639	104,868	187,507	25,451	14,435	147,621
March	18,624	28,705	32,467	79,797	105,787	185,584	21,314	14,589	149,681
June	16,848	29,602	33,681	80,131	112,201	192,331	22,240	16,026	154,066
1992-93 —									
September	17,949	34,535	34,213	86,697	114,129	200,826	21,566	17,927	161,333
December	19,023	34,277	34,044	87,344	112,870	200,214	20,112	18,285	161,816
March	18,873	34,282	32,577	85,731	110,360	196,091	18,888	19,714	157,489
June	21,469	38,888	35,096	95,452	114,077	209,529	20,823	20,581	168,125
1993-94 —									
September	20,464	43,488	35,255	99,207	119,811	219,018	22,023	21,282	175,713
December	22,289	43,022	34,287	99,598	113,452	213,050	20,955	19,270	172,825
March	23,247	44,017	33,603	100,867	112,151	213,018	20,834	23,334	168,850
June	22,913	39,840	33,156	95,909	111,228	207,137	20,661	22,511	163,965
1994-95 —									
September	25,544	39,989	31,508	97,040	112,526	209,567	20,308	22,809	166,449
December	28,752	47,819	30,354	106,925	102,178	209,103	18,417	20,740	169,946
March	28,362	47,288	26,217	101,867	115,872	217,739	21,240	23,210	173,289
June	28,176	47,028	25,054	100,257	123,733	223,990	20,184	21,835	181,972
1995-96 —									
September	27,420	48,847	23,416	99,684	120,713	220,396	18,659	21,068	180,669
December	31,272	49,533	19,482	100,286	131,174	231,460	20,067	25,556	185,837
March	33,756	44,787	17,666	96,209	134,364	230,573	17,935	27,483	185,155
June	36,176	41,985	19,498	97,659	137,824	235,482	19,059	28,619	187,804

(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
(SA 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						
1987-88	42.3	32.3	10.0	18.3	15.1	3.2
1988-89	44.9	34.6	10.3	22.4	17.2	5.2
1989-90	46.0	35.6	10.5	26.3	20.5	5.7
1990-91	50.3	37.6	12.8	25.6	19.0	6.6
1991-92	51.8	39.8	12.0	20.6	15.6	5.0
1992-93	53.7	41.4	12.2	16.7	12.0	4.7
1993-94	55.4	38.1	17.3	17.2	11.3	5.9
1994-95	57.3	39.9	17.3	20.8	12.2	8.6
1995-96	58.6	38.6	19.9	18.5	11.3	7.2
QUARTERLY						
Year ended(c) —						
1990-91 —						
December	47.8	36.6	11.2	26.5	19.8	6.7
March	49.0	37.4	11.6	25.8	19.6	6.2
June	50.3	37.5	12.8	25.6	19.0	6.6
1991-92 —						
September	49.8	37.4	12.4	25.5	18.6	6.9
December	50.6	38.8	11.8	23.0	17.6	5.4
March	51.1	39.1	12.0	21.5	16.4	5.2
June	51.8	39.8	12.0	20.6	15.6	5.0
1992-93 —						
September	51.7	41.3	10.5	19.7	14.4	5.2
December	51.3	40.8	10.4	18.9	13.7	5.2
March	51.3	39.4	11.9	17.9	12.8	5.1
June	53.7	41.4	12.2	16.7	12.0	4.7
1993-94 —						
September	57.0	42.7	14.3	16.3	11.6	4.7
December	57.8	41.4	16.4	15.5	11.1	4.5
March	56.9	39.9	17.0	14.8	11.1	3.7
June	55.4	38.1	17.3	17.2	11.3	5.9
1994-95 —						
September	57.4	38.1	19.3	18.1	11.3	6.7
December	56.8	38.3	18.5	19.9	11.6	8.3
March	55.8	38.5	17.3	22.4	12.0	10.5
June	57.3	39.9	17.3	20.8	12.2	8.6
1995-96 —						
September	58.6	39.2	19.4	19.8	12.1	7.7
December	59.0	39.5	19.5	20.0	12.2	7.8
March	58.2	38.7	19.6	18.4	11.9	6.6
June	58.6	38.6	19.9	18.5	11.3	7.2

(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 June quarter 1996, 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 Foreign Investment, and official advices. Coverage of the quarterly foreign 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 foreign 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, and 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 two quarter lag, and hence estimates for the latest two quarters 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 all balance of payments publications: the monthly, *Balance of Payments, Australia* (5301.0) and the quarterly, *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
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Foreign ownership of equity in Australian enterprise groups	5306.0	Mar qtr 1996	8-12
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