



FINAL ISSUE

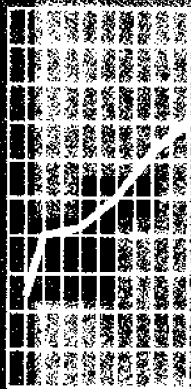
June Quarter 1997

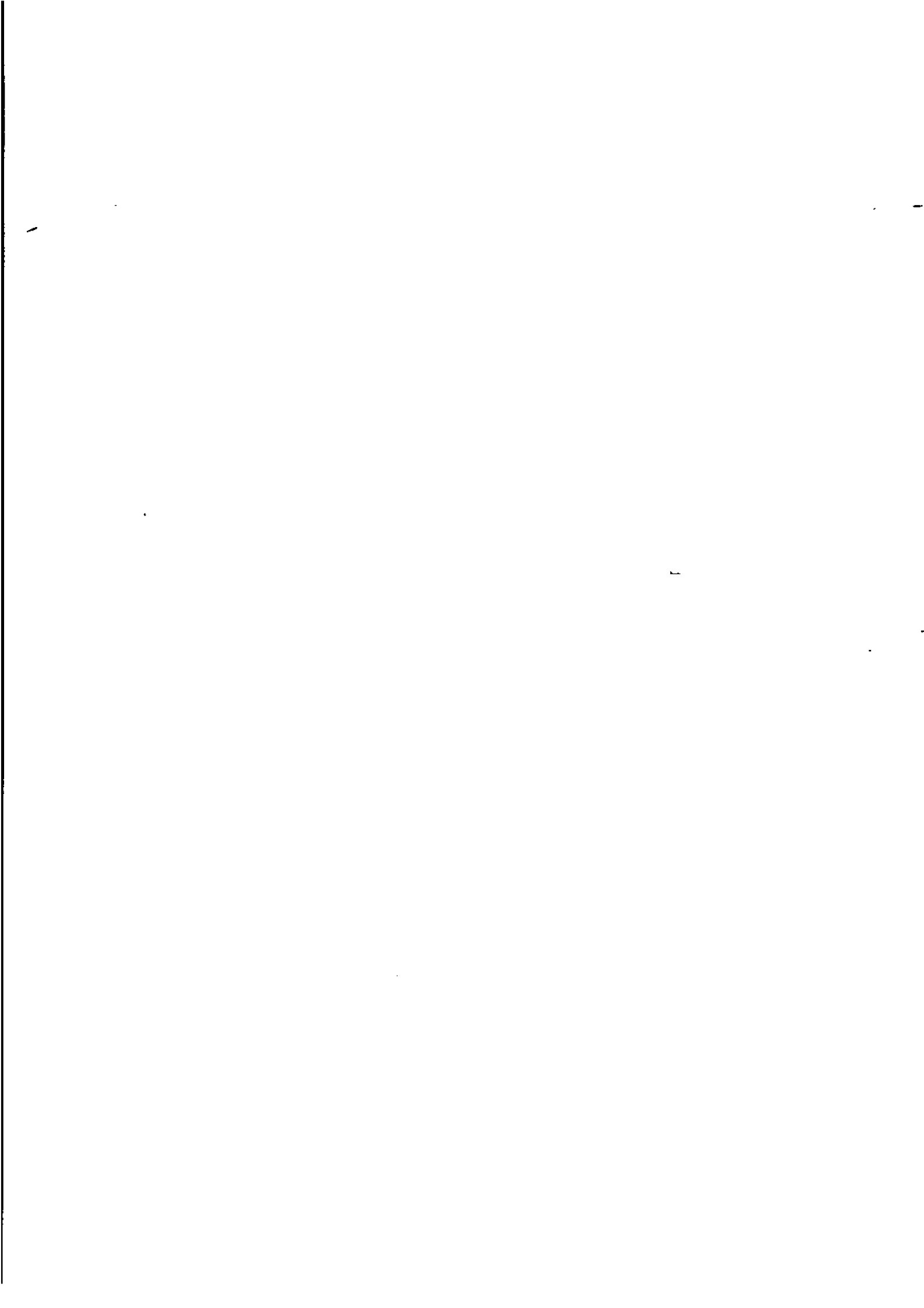
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International Investment Position

Australia

Statistics





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

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AUSTRALIAN BUREAU OF STATISTICS

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INQUIRIES

- *for further information about statistics in this publication* and the availability of related unpublished statistics, contact Ms Tracey Van Hoorn on Canberra (02) 6252 5386, Mr Rod Cowie on (02) 6252 7735 or any ABS State office.
- *for information about other ABS statistics and services* please refer to the back page of this publication.

Final Issue

This is the final issue of
International Investment Position, Australia (5306.0).
 These statistics will be included in
Balance of Payments and International Investment Position, Australia (5302.0)
 from September quarter 1997.

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MAIN FEATURES
NET INTERNATIONAL INVESTMENT POSITION AND INCOME — SUMMARY

	Mar. qtr 1997(a)	June qtr 1997	Percentage Change	
			Mar. qtr 1997 to June qtr 1997	June qtr 1996 to June qtr 1997
	— \$A million —		— per cent —	
Net foreign liabilities at end of quarter —				
Net equity	99,353	105,649	6.3	10.1
Net debt (b)	197,673	202,024	2.2	7.7
Net other	723	-214	—	—
Total	297,748	307,460	3.3	7.5
Net investment income payable abroad during quarter	4,362	4,773	9.4	12.3

(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 1997

Net foreign liabilities of Australian residents at 30 June 1997 totalled \$307,460 million. This was an increase of \$9,711 million, or 3.3 per cent, on the estimate of the position one quarter earlier.

- The increase during the June quarter 1997 consisted of an inflow of \$1,917 million due to **net capital transactions** (the balance on capital account in the balance of payments); **exchange rate variations** of -\$507 million; and **other changes** of \$8,302 million in the value of net foreign liabilities.
- The increase during the June quarter 1997 was due to the increase in **foreign investment in Australia** (up \$20,523 million) exceeding the increase in **Australian investment abroad** (up \$10,811 million). The increase in **foreign investment in Australia** stemmed from increases in equity holdings by non-residents in Australian enterprises (up \$14,283 million) and foreign borrowing (up \$6,868 million). The rise in **Australian investment abroad** was mainly due to increases in equity holdings by Australian residents in foreign enterprises (up \$7,987 million) and lending to non-residents (up \$1,450 million).

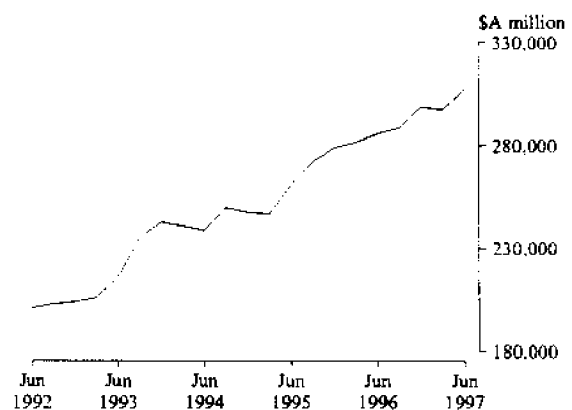
Net foreign debt at 30 June 1997 was \$202,024 million, up \$4,352 million (2.2%) on the revised estimate of the position a quarter earlier.

- The increase during the June quarter 1997 resulted from **net capital transactions** of \$1,084 million, with \$7 billion of net foreign borrowing by the private sector being largely offset by net repayments of official debt, **other changes** of \$1,377 million and **exchange rate variations** of \$1,891 million, due to the depreciation of the Australian dollar against other currencies.

Net investment income payable abroad during the June quarter 1997 was \$4,773 million, up \$411 million (9.4%) on the amount payable in the March quarter 1997 and up \$524 million (12.3%) on the amount payable in the June quarter 1996.

- The increase in the June quarter 1997 over the March quarter 1997 was due to the rise of \$554 million in **income payable on foreign investment in Australia** exceeding the rise of \$143 million in **income receivable on Australian investment abroad**.
- The ratio of **net investment income to exports of goods and services** for the year ended June 1997 was 18.5 per cent, down 1.3 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)

Changes in levels during June quarter 1997

	Level at 31 Mar. 1997	Capital Transactions	Exchange Rate Variations	Other Changes	Level at 30 June 1997	Investment Income during June quarter 1997
Foreign Investment in Australia—						
Equity liabilities	203,054	4,218	-	10,065	217,337	3,563
Borrowing(a)	247,819	500	3,865	2,504	254,687	3,084
Other Investment	10,562	-526	35	-137	9,933	-
Total	461,435	4,192	3,899	12,431	481,957	6,647
Australian Investment Abroad—						
Equity Assets	103,701	2,292	2,346	3,348	111,688	1,464
Reserve Assets	21,770	1,392	1,413	-1,739	22,836	191
Lending	28,376	-1,976	560	2,866	29,827	217
Other Investment	9,839	567	87	-345	10,147	2
Total	163,686	2,275	4,406	4,130	174,498	1,874
Net International Investment Position and Income(b) —						
Net Equity Liabilities	99,353	1,926	-2,346	6,717	105,649	2,099
Net Debt(c)	197,673	1,084	1,891	1,377	202,024	2,676
Net Other Investment	723	-1,093	-52	208	-214	-2
Net Foreign Liabilities	297,748	1,917	-507	8,302	307,460	4,773

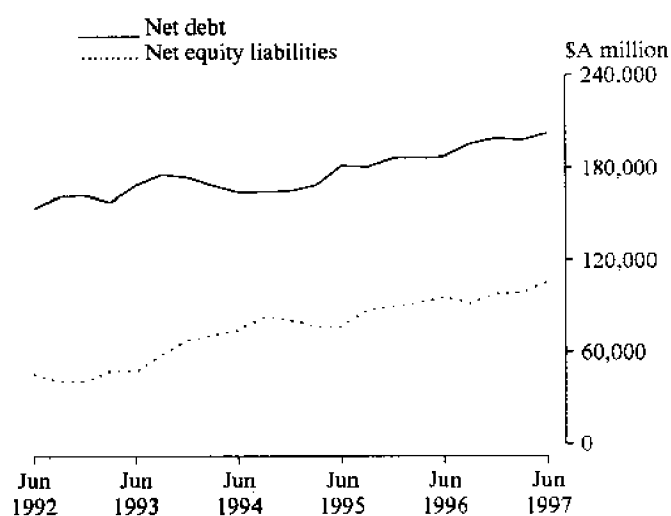
(a) Gross foreign debt. (b) Net international investment position equals foreign investment in Australia less Australian investment abroad. (c) Foreign borrowing by Australian residents less the sum of reserve assets and Australian lending abroad.

Australia's international investment position at 30 June 1997

Australia's *net international investment position* at 30 June 1997 consisted of net foreign liabilities of \$307,460 million. This was an increase of \$9,711 million (3.3%) on the position a quarter earlier and resulted from:

- *net capital transactions* of \$1,917 million;
- *exchange rate variations* of -\$507 million; and
- *other changes* of \$8,302 million.

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



The level of net foreign liabilities at 30 June 1997 represented the difference between the level of:

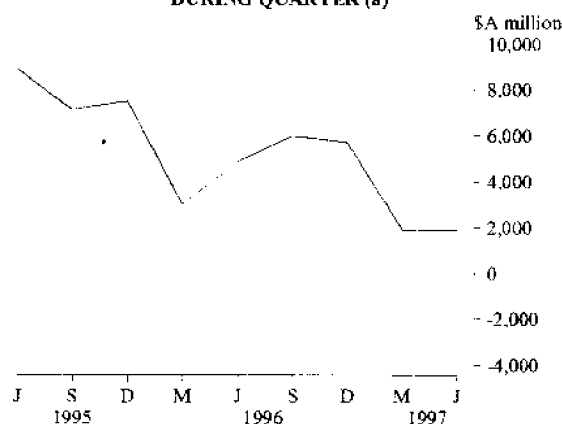
- foreign investment in Australia of \$481,957 million; and
- Australian investment abroad of \$174,498 million.

The level of net foreign liabilities consisted of:

- *net foreign debt* of \$202,024 million (65.6%);
- *net equity liabilities* of \$105,649 million (34.4%); and
- *net other investment* of -\$214 million.

During the June quarter 1997, the level of net foreign debt increased by 2.2 per cent and net equity liabilities increased by 6.3 per cent.

GRAPH 3: NET CAPITAL TRANSACTIONS DURING QUARTER (a)

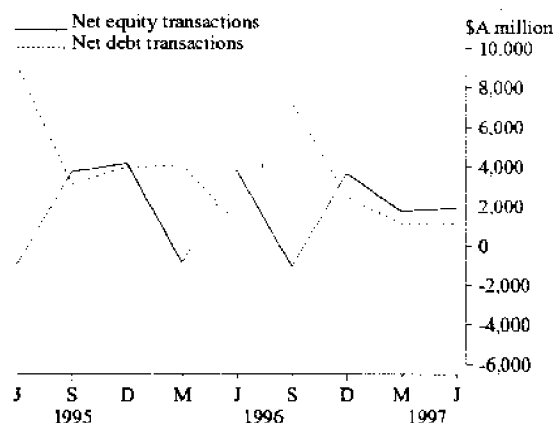


(a) Net capital transactions cover net equity, net debt and net other investment transactions

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

- a net inflow of \$4,192 million, due to additional liabilities incurred on foreign investment in Australia; partly offset by
- a net outflow of \$2,275 million, largely reflecting the net acquisition of additional equity assets through Australian investment abroad.

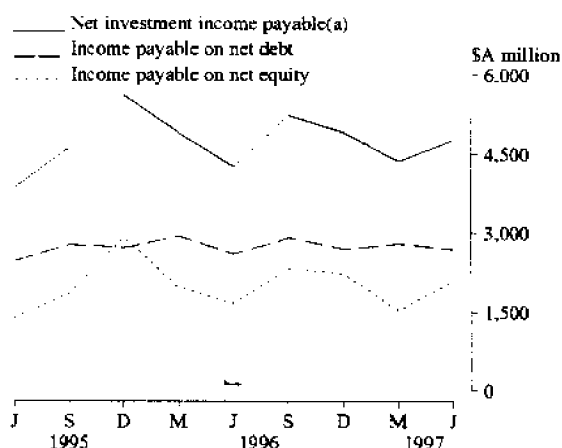
GRAPH 4: NET EQUITY AND DEBT TRANSACTIONS DURING QUARTER



Contributing to this outcome on net capital transactions were net inflows of \$1,926 million for net equity investment and \$1,084 million for net foreign debt, partly offset by a decrease of \$1,093 million in net other investment.

Net investment income payable abroad during the June quarter 1997 was \$4,773 million, arising from income payable on foreign investment in Australia of \$6,647 million less income receivable on Australian investment abroad of \$1,874 million. Net investment income payable rose by \$411 million, or 9.4 per cent, on the amount recorded for the March quarter 1997.

GRAPH 5: NET INVESTMENT INCOME DURING QUARTER



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

Net investment income payable abroad mainly consisted of:

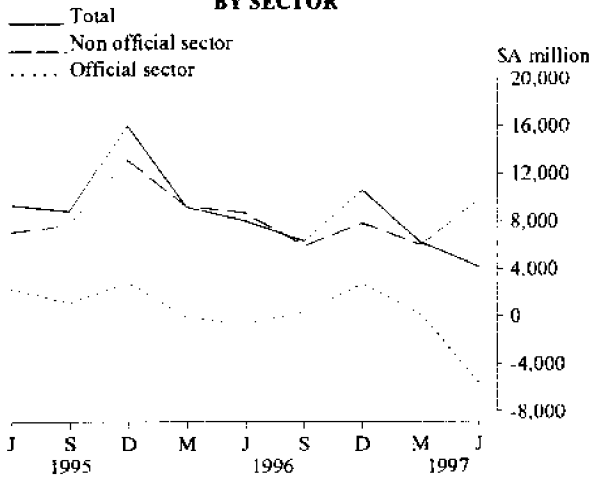
- \$2,676 million interest payable on net foreign debt; and
- \$2,099 million investment income payable on net equity liabilities.

Capital transactions (investment flows) in the June quarter 1997

Foreign investment in Australia

A net inflow of \$4,192 million was recorded for foreign investment in Australia during the June quarter 1997. This was a decrease of \$2,023 million on the net inflow of \$6,215 million recorded for the previous quarter. This decrease resulted from a turnaround of \$5,801 million (to a net outflow of \$5,628 million) in the official sector, partly offset by an increase of \$3,778 million in the non-official sector.

**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 \$173 million in the March quarter 1997 to a net outflow of \$5,628 million in the June quarter 1997. The major flows within this sector were:

- a turnaround of \$4,657 million in general government borrowing domiciled in Australia, from a net inflow of \$594 million to a net outflow of \$4,063 million; and
- an increase in the net outflow of \$659 million in general government borrowing domiciled abroad, from \$395 million to \$1,054 million.

The net inflow of foreign investment in the *non-official sector* in Australia increased \$3,778 million, from \$6,042 million in the March quarter 1997 to \$9,820 million in the June quarter 1997.

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

- a turnaround of \$7,036 million in borrowing from direct investors, from a net outflow of \$3,601 million to a net inflow of \$3,435 million;
- an increase of \$1,056 million in the net inflow from foreign direct investment in equities, from \$401 million to \$1,457 million; and
- a decrease of \$539 million in the net outflow in borrowing by the public sector, from \$644 million to \$105 million.

These changes were partly offset by:

- a decrease of \$4,032 million in borrowing by the private sector from unrelated foreign lenders, from \$6,304 million to \$2,272 million; and
- a decrease of \$924 million in the net inflow of foreign portfolio investment in corporate equities, from \$2,090 million to \$1,166 million.

Australian investment abroad

A net outflow of \$2,275 million was recorded for Australian investment abroad in the June quarter 1997, representing a net decrease of \$2,025 million on the net outflow of \$4,300 million from the previous quarter.

Australian investment abroad by the *official sector* increased from a net outflow of \$776 million in the March quarter 1997 to \$1,629 million in the June quarter 1997. This was mainly due to the transactions increase of \$801 million to a net outflow of \$1,392 million in reserve assets.

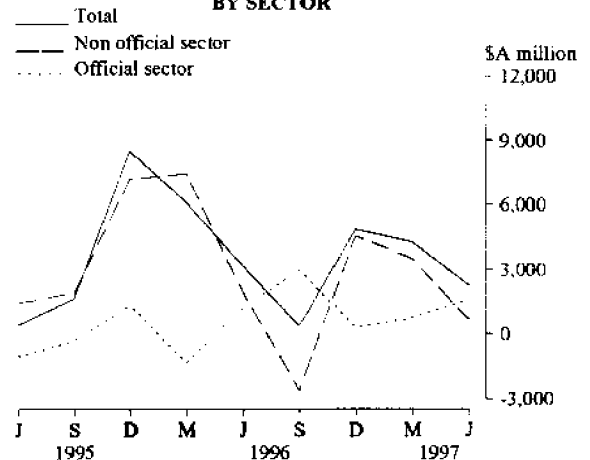
A net outflow of \$646 million was recorded for investment abroad by the *non-official sector* in the June quarter 1997, representing a decrease of \$2,878 million on the net outflow of \$3,524 million recorded in the March quarter 1997. This result was mainly due to:

- a turnaround of \$2,248 million in lending by the private sector to unrelated foreign enterprises, from a net outflow of \$968 million to a net inflow of \$1,280 million;
- an increase of \$402 million in net repayments of lending by the public sector to unrelated foreign enterprises, from \$35 million to \$437 million;
- a decrease of \$401 million in the net outflow in Australian portfolio investment in foreign equities from \$930 million to \$529 million; and
- a decrease of \$257 million in other portfolio investments by the private sector, from a net outflow of \$458 million to \$201 million.

These changes were partly offset by:

- an increase of \$537 million in Australian direct investment in foreign equities from a net outflow (purchases) of \$256 million to \$793 million.

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



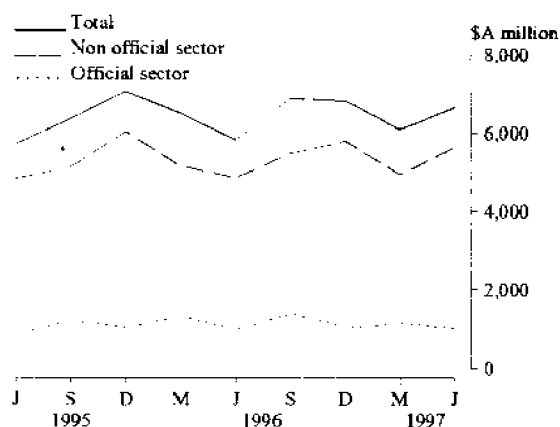
Investment income in the June quarter 1997

Income payable on foreign investment in Australia

Income payable on foreign investment in Australia was \$6,647 million in the June quarter 1997, an increase of \$554 million (9.1%) on the March quarter 1997 estimate. Income payable (including reinvested earnings) on equity holdings by non-residents in Australian enterprises accounted for \$3,563 million (53.6%) of the total investment income payable, up \$679 million (23.5%) on the previous quarter's estimate.

Income payable by the *official sector* was \$992 million, down \$147 million (12.9%) on the amount payable in the previous quarter. Income payable by the *non-official sector* rose \$701 million (14.2%) to \$5,655 million.

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



Interest payable on official sector borrowing domiciled in Australia fell \$212 million to \$422 million while interest payable on official sector borrowing domiciled abroad rose \$65 million to \$562 million.

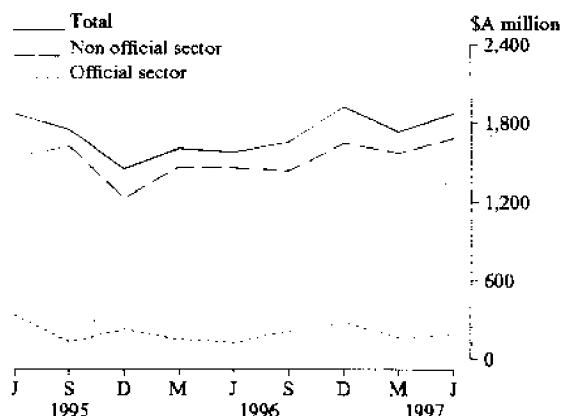
The largest increase in income payable by the non-official sector was recorded for:

- dividends on direct investment in Australian corporate equities (up \$542 million) from \$866 million to \$1,408 million.

Income receivable on Australian investment abroad

Income receivable on Australian investment abroad during the June quarter 1997 was \$1,874 million, an increase of \$143 million on the previous quarter's estimate. Income receivable by the *official sector* (almost entirely interest on reserve assets) rose by \$30 million (18.5%) to \$192 million. Income receivable by the *non-official sector* increased by \$112 million (7.1%) to \$1,682 million.

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



Exchange rate variations in the June quarter 1997

Between 31 March 1997 and 30 June 1997, the Australian dollar depreciated 5.2 per cent against the United States dollar; 12.5 per cent against the Japanese yen; and 7.0 per cent against the UK pound. On a trade weighted basis, the Australian dollar depreciated 6.3 per cent.

Other changes in levels in the June quarter 1997

Apart from capital transactions and exchange rate variations, there were also *other changes* in Australia's net foreign liabilities during the quarter which accounted for an increase of \$8,302 million in net liabilities. This increase represented the effect of *other changes* in the level of foreign investment in Australia of \$12,431 million and *other changes* in the level of Australian investment abroad of \$4,130 million.

The change in the level of *Australian investment abroad* during the quarter was largely caused by price increases for equities and debt securities. In the case of *foreign investment in Australia*, price increases accounted for an increase of approximately \$11,502 million in the level of investment. Reflected in this amount were: price increases for debt securities which accounted for an increase of \$344 million in the level of foreign borrowing; share valuation effects which accounted for an increase of \$9,643 million in the level of foreign portfolio investment in corporate equities and an increase, after adjustment for reinvestment of earnings, of \$1,515 million in the level of foreign direct investment in corporate equities.

Levels of investment at 30 June 1997

Foreign investment in Australia

The level of foreign investment in Australia was \$481,957 million at 30 June 1997, an increase of \$20,523 million on the level at 31 March 1997. Making up the change in levels were:

- a net inflow of \$4,192 million from capital transactions;
- exchange rate changes of \$3,899 million; and
- other changes of \$12,431 million.

The *official sector* accounted for \$82,473 million, or 17.1 per cent, of the total level of foreign investment in Australia at 30 June 1997. The *non-official sector* accounted for \$399,484 million, or 82.9 per cent.

When analysed by instrument of investment, foreign investment in Australia, at 30 June 1997, consisted of the following:

- *equity investment* of \$217,337 million (45.1%);
- *foreign borrowing* of \$254,687 million (52.8%); and
- *other investment* of \$9,933 million (2.1%).

Australian investment abroad

The level of Australian investment abroad was \$174,498 million at 30 June 1997, an increase of \$10,811 million on the level at 31 March 1997. Making up the change in levels were:

- a net outflow of \$2,275 million from capital transactions;
- exchange rate changes of \$4,406 million; and
- other changes of \$4,130 million.

Investment abroad by the *official sector* (mainly holdings of reserve assets) was \$26,188 million, representing 15.0 per cent of the total level of Australian investment abroad, while the *non-official sector* accounted for the remaining 85.0 per cent (\$148,309 million). Equity assets accounted for 75.3 per cent (\$111,688 million) of the level of investment abroad by the non-official sector.

Australia's foreign debt

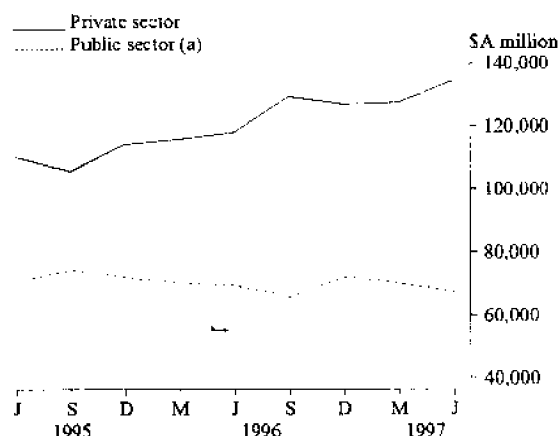
At 30 June 1997 Australia's *net foreign debt* was \$202,024 million, up \$4,352 million on the level at 31 March 1997.

The level of *net foreign debt* at 30 June 1997 was made up of borrowing from non-residents (*gross foreign debt*) of \$254,687 million, partly offset by reserve assets and Australian lending abroad of \$52,663 million.

The *public sector* (official and non-official) owed \$67,380 million or 33.4 per cent of total net foreign debt at 30 June 1997, down 2.1 percentage points on the previous quarter. The *private sector* owed \$134,644 million or 66.6 per cent compared with 64.5 per cent a quarter earlier.

Within the public sector, the *official sector* accounted for \$59,817 million, or 29.6 per cent of total net foreign debt, while the *non-official sector* accounted for \$7,564 million or 3.7 per cent.

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



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

As the summary table on page 2 shows, there was an increase in net foreign debt during the June quarter due to transactions of \$1,084 million, exchange rate variations of \$1,891 million and other changes of \$1,377 million.

At 30 June 1997, 39.6 per cent (\$100,934 million) of Australia's foreign borrowing was denominated in Australian dollars and 60.4 per cent (\$153,753 million) in foreign currencies. US dollars represented the largest foreign currency of borrowing, comprising \$80,103 million or 52.1 per cent of foreign currency borrowing. Of the amount denominated in Australian dollars, \$57,477 million (56.9%) was domiciled abroad with the remaining \$43,457 million (43.1%) domiciled in Australia.

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 from September quarter 1997.

REVISIONS

Since the last issue of this publication, revisions have been made to estimates of capital transactions, levels of international investment and investment income for the September quarter 1996, December quarter 1996 and the March quarter 1997. Very minor revisions, of less than \$100 million per annum, have been made to official transactions and levels for periods September 1989 through to June 1996.

The revisions have been largely caused by:

- late or revised reporting by some existing providers in the *ABS Survey of International Investment*;
- reallocation of amounts previously recorded in other changes, in Tables 1 to 3, in previous issues of this publication; and

- reconciliation of data reported by a number of large providers in the *ABS Survey of International Investment* with data reported by those same providers in another ABS Survey, the *Survey of Financial Information*.

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

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

	<i>Changes in this publication</i>		
	<i>September quarter 1996</i>	<i>December quarter 1996</i>	<i>March quarter 1997</i>
Capital transactions —			
Australian investment abroad	319	1675	-1646
Foreign investment in Australia	291	1345	-1306
<i>Net</i>	28	330	-340
Investment income —			
Foreign investment in Australia	310	315	-716
Australian investment abroad	212	548	36
<i>Net</i>	98	-233	-752
Level of foreign debt —			
Foreign investment in Australia	1099	1451	-2714
Australian investment abroad	1546	1573	-485
<i>Net</i>	-447	-122	-2229
Level of equity and other investment —			
Foreign investment in Australia	-3363	-4661	-2777
Australian investment abroad	-1208	-898	-1327
<i>Net</i>	-2155	-3763	-1450
Total level of investment —			
Foreign investment in Australia	-2265	-3211	-5491
Australian investment abroad	338	676	-1812
<i>Net</i>	-2602	-3886	-3680

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

Period	Changes in levels of investment during the period					Total	Levels of investment at end of period	Investment Income (c)
	Levels of investment at beginning of period	Reinvestment of earnings by direct investors (b)	Other transactions	Exchange rate variations	Other changes			
NET EQUITY								
Year—								
1994-95	74,628	2,611	6,440	-4,391	-2,500	2,160	76,788	7,511
1995-96	76,788	3,876	6,958	8,634	-325	19,142	95,930	8,383
1996-97	95,930	2,111	4,186	-2,418	5,841	9,719	105,649	8,158
Quarter ended—								
1995-96 —								
March	89,729	1,364	-2,218	3,131	505	2,783	92,512	1,966
June	92,512	575	3,244	854	-1,255	3,418	95,930	1,661
1996-97 —								
September	95,930	1,093	2,163	106	-3,577	-4,542	91,388	2,310
December	91,388	-85	3,742	-540	3,899	7,017	98,405	2,217
March	98,405	478	1,306	362	-1,198	948	99,353	1,532
June	99,353	625	1,301	-2,346	6,717	6,296	105,649	2,099
NET FOREIGN DEBT (d)								
Year—								
1994-95	164,256	..	11,345	4,277	1,599	17,221	181,477	9,802
1995-96	181,477	..	12,428	-9,023	2,654	6,059	187,535	11,019
1996-97	187,535	..	12,002	1,115	1,371	14,489	202,024	11,074
Quarter ended—								
1995-96 —								
March	186,419	..	4,066	-2,915	-1,240	38	186,331	2,940
June	186,331	..	1,219	-1,736	1,721	1,204	187,535	2,597
1996-97 —								
September	187,535	..	7,290	-470	1,030	7,850	195,386	2,907
December	195,386	..	2,496	-155	1,347	3,689	199,074	2,693
March	199,074	..	1,132	-151	-2,382	-1,402	197,673	2,798
June	197,673	..	1,084	1,891	1,377	4,352	202,024	2,676
NET OTHER INVESTMENT								
Year—								
1994-95	33	..	2,274	-463	1,078	2,889	2,922	1
1995-96	2,922	..	-678	234	187	-257	2,665	-14
1996-97	2,665	..	-2,781	69	-29	-2,879	-214	54
Quarter ended—								
1995-96 —								
March	3,078	..	174	31	111	-254	2,824	-12
June	2,824	..	-140	59	79	-159	2,665	-10
1996-97 —								
September	2,665	..	-231	-12	-71	-315	2,350	20
December	2,350	..	-456	—	3	-453	1,897	4
March	1,897	..	1,000	-5	-169	-1,174	721	32
June	723	..	-1,093	-52	208	-937	-214	-2
NET INTERNATIONAL INVESTMENT POSITION								
Year—								
1994-95	238,917	2,611	20,059	-577	176	22,270	261,186	17,314
1995-96	261,186	3,876	18,708	-155	2,515	24,944	286,130	19,388
1996-97	286,130	2,111	13,407	-1,372	7,183	21,329	307,460	19,285
Quarter ended—								
1995-96 —								
March	279,226	1,364	1,674	248	-845	2,440	281,667	4,895
June	281,667	575	4,323	-822	387	4,463	286,130	4,249
1996-97 —								
September	286,130	1,093	4,896	-376	-2,619	2,993	289,124	5,238
December	289,124	-85	5,782	-695	5,249	10,252	299,376	4,913
March	299,376	478	1,437	206	-3,749	-1,628	297,748	4,362
June	297,748	625	1,292	-507	8,302	9,711	307,460	4,773

(a) Australia's net international investment position equals Foreign investment in Australia less Australian investment abroad. (b) For the latest quarter 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	Changes in levels of investment during the period					Total	Levels of investment at end of period	Investment Income (b)
	Levels of investment at beginning of period	Reinvestment of earnings by direct investors (a)	Other transactions	Exchange rate variations	Other changes			
EQUITY								
<i>Year—</i>								
1994-95	156,539	5,904	6,116	91	(c)-974	11,136	167,675	11,681
1995-96	167,675	6,036	12,884	-43	(c)3,997	22,875	190,550	12,843
1996-97	190,550	6,022	9,398	-	(c)11,367	26,787	217,337	13,546
<i>Quarter ended</i>								
<i>1995-96—</i>								
March	183,897	1,815	1,799	8	(c)727	4,333	188,230	3,067
June	188,230	673	2,141	-10	(c)-484	2,320	190,550	2,813
<i>1996-97</i>								
September	190,550	1,828	-1,008	—	(c)-298	522	191,072	3,441
December	191,072	1,046	5,292	—	(c)4,170	10,508	201,580	3,657
March	201,580	1,553	2,491	—	(c)-2,570	1,474	203,054	2,884
June	203,054	1,595	2,623	—	(c)10,065	14,283	217,337	3,563
BORROWING								
<i>Year—</i>								
1994-95	206,917	..	8,608	6,729	(d)1,427	16,764	223,681	11,565
1995-96	223,681	..	22,988	-12,622	(d)1,965	12,331	236,012	12,859
1996-97	236,012	..	12,960	2,141	(d)3,575	18,675	254,687	12,835
<i>Quarter ended</i>								
<i>1995-96—</i>								
March	231,460	..	5,481	-4,385	(d)-1,492	-396	231,064	3,413
June	231,064	..	5,282	1,893	(d)1,558	4,948	236,012	2,999
<i>1996-97</i>								
September	236,012	..	5,790	-727	(d)720	5,783	241,795	3,411
December	241,795	..	4,412	-270	(d)1,421	5,563	247,358	3,165
March	247,358	..	2,258	-727	(d)-1,070	461	247,819	3,175
June	247,819	..	500	3,865	(d)2,504	6,868	254,687	3,084
OTHER INVESTMENT								
<i>Year—</i>								
1994-95	9,363	..	1,426	-361	811	1,876	11,239	53
1995-96	11,239	..	158	23	107	289	11,528	56
1996-97	11,528	..	-1,012	6	-589	1,595	9,933	79
<i>Quarter ended—</i>								
<i>1995-96—</i>								
March	11,646	..	69	-15	-74	-20	11,626	16
June	11,626	..	27	-6	-65	-98	11,528	13
<i>1996-97</i>								
September	11,528	..	241	-22	311	-574	10,954	32
December	10,954	..	-158	-8	-95	-261	10,693	13
March	10,693	..	-87	2	-46	-131	10,562	34
June	10,562	..	-526	35	-137	-629	9,933	—
TOTAL								
<i>Year—</i>								
1994-95	372,818	5,904	16,150	6,460	1,264	29,777	402,595	23,299
1995-96	402,595	6,036	36,030	-12,641	6,069	35,495	438,090	25,757
1996-97	438,090	6,022	21,346	2,147	14,353	43,868	481,957	26,460
<i>Quarter ended</i>								
<i>1995-96—</i>								
March	427,003	1,815	7,350	4,407	-840	3,917	430,920	6,496
June	430,920	673	7,396	-1,909	1,009	7,170	438,090	5,825
<i>1996-97—</i>								
September	438,090	1,828	4,540	-749	111	5,731	443,820	6,885
December	443,820	1,046	9,546	-278	5,496	15,810	459,630	6,835
March	459,630	1,553	4,662	-725	-3,686	1,804	461,435	6,093
June	461,435	1,595	2,597	3,899	12,431	20,523	481,957	6,647

(a) For the latest quarter 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	Changes in levels of investment during the period					Total	Levels of investment at end of period	Investment income (b)
	Levels of investment at beginning of period	Reinvestment of earnings by direct investors (a)	Other transactions	Exchange rate variations	Other changes			
EQUITY								
<i>Year—</i>								
1994-95	81,911	3,293	-324	4,482	1,526	8,977	90,887	4,169
1995-96	90,887	2,161	5,926	-8,676	4,322	3,733	94,620	4,460
1996-97	94,620	3,911	5,213	2,418	5,526	17,068	111,688	5,389
<i>Quarter ended—</i>								
<i>1995-96—</i>								
March	94,168	450	4,017	-3,139	722	1,550	95,719	1,100
June	95,719	98	-1,103	-865	771	-1,099	94,620	1,152
<i>1996-97—</i>								
September	94,620	736	1,155	-106	3,279	5,065	99,685	1,131
December	99,685	1,130	1,530	540	271	3,491	103,175	1,441
March	103,175	1,075	1,185	362	-1,371	526	103,701	1,353
June	103,701	970	1,322	2,346	3,348	7,987	111,688	1,464
LENDING								
<i>Year—</i>								
1994-95	22,000	..	-766	1,145	-358	20	22,020	788
1995-96	22,020	..	9,743	2,293	54	7,397	29,417	1,229
1996-97	29,417	..	-4,273	366	4,315	409	29,827	911
<i>Quarter ended—</i>								
<i>1995-96—</i>								
March	24,974	..	2,817	868	125	1,824	26,798	330
June	26,798	..	2,833	265	51	2,619	29,417	281
<i>1996-97—</i>								
September	29,417	..	-4,467	-211	-252	-4,930	24,488	287
December	24,488	..	1,635	111	202	1,948	26,435	190
March	26,435	..	535	-95	1,500	1,941	28,376	216
June	28,376	..	-1,976	560	2,866	1,450	29,827	217
RESERVE ASSETS								
<i>Year—</i>								
1994-95	20,661	..	-1,971	1,308	186	-477	20,184	975
1995-96	20,184	..	817	-1,307	-635	1,125	19,059	610
1996-97	19,059	..	5,230	659	-2,112	3,777	22,836	850
<i>Quarter ended—</i>								
<i>1995-96—</i>								
March	20,067	..	-1,402	-602	128	-2,132	17,935	143
June	17,935	..	1,231	108	215	1,124	19,059	121
<i>1996-97—</i>								
September	19,059	..	2,966	-47	57	2,862	21,921	217
December	21,921	..	281	-226	-128	-73	21,848	282
March	21,848	..	591	-481	-188	78	21,770	160
June	21,770	..	1,392	1,413	-1,739	1,066	22,836	191
OTHER INVESTMENT								
<i>Year—</i>								
1994-95	9,330	..	-848	102	-266	-1,013	8,317	52
1995-96	8,317	..	836	-210	-80	546	8,863	70
1996-97	8,863	..	1,769	75	-560	1,284	10,147	26
<i>Quarter ended—</i>								
<i>1995-96—</i>								
March	8,567	..	243	-46	37	234	8,802	28
June	8,802	..	113	-65	14	61	8,863	23
<i>1996-97—</i>								
September	8,863	..	-10	-10	-240	-260	8,603	13
December	8,603	..	299	-8	-98	192	8,796	9
March	8,796	..	913	6	123	1,043	9,839	2
June	9,839	..	567	87	-345	308	10,147	2
TOTAL								
<i>Year—</i>								
1994-95	133,902	3,293	-3,910	7,037	1,087	7,507	141,409	5,985
1995-96	141,409	2,161	17,322	-12,486	3,554	10,551	151,959	6,369
1996-97	151,959	3,911	7,939	3,518	7,170	22,538	174,498	7,175
<i>Quarter ended—</i>								
<i>1995-96—</i>								
March	147,776	450	5,676	-4,655	6	1,477	149,253	1,602
June	149,253	98	3,073	-1,087	622	2,706	151,959	1,576
<i>1996-97—</i>								
September	151,959	736	-356	-373	2,730	2,737	154,697	1,648
December	154,697	1,130	3,764	417	247	5,558	160,255	1,922
March	160,255	1,075	3,225	-931	63	3,432	163,686	1,731
June	163,686	970	1,305	4,406	4,130	10,811	174,498	1,874

(a) For the latest quarter 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					
	1994-95	1995-96	1996-97	1995-96			1996-97		
				March	June	September	December	March	June
FORIGN INVESTMENT IN AUSTRALIA									
OFFICIAL									
General Government --									
Borrowing									
Domiciled abroad	5,980	-4,882	-2,032	-3,938	-2,093	302	-885	395	-1,054
Domiciled in Australia	3,828	8,268	278	3,924	1,475	33	3,714	594	-4,063
Total	9,808	3,386	-1,754	-14	-618	335	2,829	199	-5,117
Other	192	-87	622	-27	11	-37	-33	-26	-526
Total	10,000	3,299	-2,376	-41	-629	298	2,796	173	-5,643
Reserve bank	23	16	21	56	12	75	-69	—	15
Total official	10,023	3,283	-2,355	-97	-617	373	2,727	173	-5,628
NON-OFFICIAL									
Direct investment --									
Reinvestment of earnings(b)	5,904	6,036	6,022	1,815	673	1,828	1,046	1,553	1,595
Corporate equities (c)	836	5,636	6,253	-868	128	1,371	3,023	401	1,457
Net equity in branches (c)	349	533	n.a.	181	74	n.a.	n.a.	n.a.	n.a.
Borrowing	-603	3,124	-754	1,083	-974	1,041	1,628	-3,601	3,435
Other	809	-382	-593	-103	-175	-242	-189	-107	-55
Total	7,295	14,947	10,927	2,109	-274	3,998	2,251	-1,754	6,432
Portfolio and other investment --									
Corporate equities	4,931	6,715	3,146	2,486	1,939	-2,379	2,269	2,090	1,166
Borrowing --									
Public sector	-3,410	1,055	1,457	-1,032	1,911	859	1,347	-644	105
Private sector	2,790	15,439	13,990	5,500	4,951	3,480	1,933	6,304	2,272
Total	620	16,494	15,447	4,468	6,862	4,339	3,280	5,660	2,167
Accounts payable/prepayments received--									
Public sector	-484	299	17	45	8	1	-1	37	-21
Private sector	908	927	186	243	151	36	65	9	76
Total	425	628	203	199	159	37	65	46	55
Total	4,736	23,837	18,796	7,152	8,960	1,998	5,614	7,796	3,388
Total non-official	12,030	38,783	29,723	9,261	8,686	5,996	7,865	6,042	9,820
TOTAL	22,053	42,067	27,368	9,164	8,069	6,369	10,592	6,215	4,192
AUSTRALIAN INVESTMENT ABROAD									
OFFICIAL									
Reserve assets	-1,971	817	5,230	-1,402	1,231	2,966	281	591	1,392
Lending	-603	-35	1	—	—	—	1	—	—
Accounts receivable/prepayments made	-146	140	446	53	-6	19	29	185	213
Other	205	—	36	—	—	12	—	—	24
Total official	-2,515	922	5,713	-1,349	1,225	2,997	311	776	1,629
NON-OFFICIAL									
Direct investment									
Reinvestment of earnings(b)	3,293	2,161	3,911	450	98	736	1,130	1,075	970
Corporate equities (c)	59	3,624	3,063	3,104	-719	1,131	882	256	793
Net equity in branches (c)	119	-57	n.a.	17	-108	n.a.	n.a.	n.a.	n.a.
Lending	653	3,049	-4,926	2,095	-424	-3,921	-348	-398	-259
Other	-300	244	132	-24	32	11	61	60	-1
Total	3,824	9,021	2,180	5,641	-1,122	-2,043	1,726	993	1,504
Portfolio and other investment --									
Corporate equities	502	2,359	2,150	896	-276	24	667	930	529
Lending									
Public sector	814	1,626	-96	-20	1,560	350	27	-35	-437
Private sector	1,631	5,104	748	743	1,698	-895	1,955	968	-1,280
Total	-817	6,729	652	723	3,257	-546	1,981	933	-1,717
Accounts receivable/prepayments made--									
Public sector	-1,162	18	418	161	171	33	45	210	130
Private sector	554	434	736	54	258	-86	163	458	201
Total	-607	452	1,154	215	87	53	208	668	331
Total	-1,926	9,540	3,957	1,834	3,068	-574	2,857	2,531	-857
Total non-official	1,898	18,561	6,137	7,475	1,946	-2,617	4,584	3,524	646
TOTAL	-617	19,483	11,850	6,126	3,171	380	4,895	4,300	2,275

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

TABLE 5. INVESTMENT INCOME
(\$A million)

	Year			Quarter ended					
	1994-95	1995-96	1996-97	1995-96			1996-97		
				March	June	September	December	March	June
INCOME PAYABLE ON FOREIGN INVESTMENT IN AUSTRALIA									
OFFICIAL —									
General Government —									
Interest on borrowing domiciled abroad	2,595	2,801	2,477	680	658	745	673	497	562
Interest on borrowing domiciled in Australia	1,387	1,729	2,055	653	306	642	357	634	422
Other income									
Total	3,981	4,529	4,532	1,333	964	1,387	1,030	1,131	984
Reserve Bank	39	36	28	9	8	4	8	8	8
Total official	4,020	4,565	4,560	1,342	972	1,391	1,038	1,139	992
NON-OFFICIAL									
Direct investment income —									
Reinvested earnings(a)	5,904	6,036	6,022	1,815	673	1,828	1,046	1,553	1,595
Distributed earnings —									
Dividends (b)	2,570	3,316	5,407	467	1,212	1,160	1,973	866	1,408
Remitted profits (b)	1,374	1,219	n.a.	373	371	n.a.	n.a.	n.a.	n.a.
Interest	983	969	1,097	252	204	239	260	305	293
Total	4,927	5,504	6,504	1,091	1,788	1,399	2,233	1,171	1,701
Total, direct investment income	10,831	11,540	12,526	2,906	2,461	3,228	3,278	2,723	3,296
Portfolio and other investment income —									
Dividends	1,833	2,271	2,118	413	557	453	639	466	560
Interest —									
Public Sector	1,551	1,223	902	300	256	237	215	209	241
Private Sector	5,064	6,157	6,355	1,536	1,579	1,577	1,665	1,556	1,558
Total	6,615	7,380	7,257	1,835	1,835	1,814	1,880	1,765	1,799
Total, portfolio and other investment income	8,448	9,652	9,375	2,248	2,392	2,266	2,519	2,230	2,359
Total non-official	19,279	21,192	21,900	5,155	4,852	5,494	5,797	4,954	5,655
TOTAL	23,299	25,757	26,460	6,496	5,825	6,885	6,835	6,093	6,647
INCOME RECEIVABLE ON AUSTRALIAN INVESTMENT ABROAD									
OFFICIAL —									
General Government	7	7	3	1	1	1	—	1	1
Reserve Bank	975	610	850	143	121	217	282	160	191
Total official	983	616	853	144	122	218	282	162	192
NON-OFFICIAL									
Direct Investment Income									
Reinvested earnings(a)	3,293	2,161	3,911	450	98	736	1,130	1,075	970
Distributed earnings —									
Dividends (c)	294	1,789	1,021	543	892	301	214	194	312
Remitted profits (c)	149	34	n.a.	10	n.a.	n.a.	n.a.	n.a.	n.a.
Interest (d)	-108	91	-204	36	11	10	-75	-54	-85
Total	334	1,914	817	589	903	311	139	140	227
Total, direct investment income	3,627	4,074	4,728	1,039	1,001	1,047	1,270	1,214	1,197
Portfolio and other investment income —									
Dividends	434	476	457	97	162	94	96	84	182
Interest	941	1,202	1,137	321	292	289	274	271	303
Total, portfolio and other investment income	1,375	1,679	1,594	419	453	383	370	355	485
Total non-official	5,002	5,753	6,321	1,457	1,455	1,430	1,640	1,570	1,682
TOTAL	5,985	6,369	7,175	1,602	1,576	1,648	1,922	1,731	1,874

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

TABLE 6. LEVELS OF INVESTMENT AT END OF PERIOD
(SA million)

	Year			Quarter ended					
	1994-95	1995-96	1996-97	1995-96			1996-97		
				March	June	September	December	March	June
FOREIGN INVESTMENT IN AUSTRALIA									
OFFICIAL									
General Government									
Borrowing —									
Domiciled abroad	44,976	38,765	38,883	41,238	38,765	39,652	39,513	38,952	38,883
Domiciled in Australia	29,994	39,435	43,716	37,180	39,435	41,240	46,272	45,973	43,716
Total	74,970	78,200	82,599	78,418	78,200	80,892	85,785	84,925	82,599
Other	511	424	-198	435	424	387	354	328	-198
Total	75,481	78,624	82,401	78,853	78,624	81,279	86,139	85,253	82,401
Reserve Bank	67	51	72	39	51	126	57	57	72
Total official	75,548	78,675	82,473	78,892	78,675	81,405	86,196	85,310	82,473
NON-OFFICIAL —									
Direct investment —									
Corporate equities (a)	87,716	100,190	126,200	99,843	100,190	118,627	122,577	121,971	126,200
Net equity in branches (a)	15,828	16,794	n.a.	16,796	16,794	n.a.	n.a.	n.a.	n.a.
Borrowing	22,066	25,419	27,130	25,617	25,419	29,092	27,178	23,289	27,130
Other	4,338	4,088	3,667	4,259	4,088	4,156	3,870	3,796	3,667
Total	129,947	146,490	156,997	146,516	146,490	151,875	153,624	149,056	156,997
Portfolio and other investment —									
Corporate equities	64,131	73,566	91,137	71,591	73,566	72,445	79,003	81,083	91,137
Borrowing —									
Public sector	25,080	19,667	13,808	17,922	19,667	13,555	14,774	13,636	13,808
Private sector	101,498	112,675	131,078	109,067	112,675	118,129	119,564	125,912	131,078
Total	126,578	132,342	144,886	126,989	132,342	131,684	134,338	139,548	144,886
Accounts payable/prepayments received	6,391	7,017	6,464	6,932	7,017	6,411	6,469	6,438	6,464
Total portfolio and other investment	197,099	212,924	242,487	205,511	212,924	210,540	219,810	227,069	242,487
Total non-official	327,047	359,414	399,484	352,028	359,414	362,415	373,434	376,125	399,484
TOTAL	402,595	438,090	481,957	430,920	438,090	443,820	459,630	461,435	481,957
AUSTRALIAN INVESTMENT ABROAD									
OFFICIAL									
Reserve assets	20,184	19,059	22,836	17,935	19,059	21,921	21,848	21,770	22,836
Lending	58	21	18	21	21	21	10	22	18
Accounts receivable/prepayments made	826	968	1,412	972	968	987	1,016	1,201	1,412
Other	1,881	1,881	1,922	1,881	1,881	1,893	1,893	1,893	1,922
Total official	22,949	21,929	26,188	20,809	21,929	24,822	24,767	24,886	26,188
NON-OFFICIAL									
Direct investment —									
Corporate equities (a)	53,313	54,380	66,568	54,945	54,380	62,993	64,310	64,200	66,568
Net equity in branches (a)	2,844	2,551	n.a.	2,644	2,551	n.a.	n.a.	n.a.	n.a.
Lending (b)	-2,435	367	-6,914	862	367	-7,024	-7,254	-6,312	-6,914
Other	166	404	166	370	404	113	149	241	166
Total	53,888	57,701	59,820	58,821	57,701	56,082	57,205	58,129	59,820
Portfolio and other investment —									
Corporate equities	34,730	37,690	45,114	38,130	37,690	36,692	38,865	39,502	45,114
Lending	24,397	29,030	36,722	25,916	29,030	31,491	33,679	34,665	36,722
Accounts receivable/prepayments made	5,444	5,610	6,652	5,578	5,610	5,610	5,738	6,504	6,652
Total	64,571	72,330	88,489	69,624	72,330	73,793	78,282	80,671	88,489
Total non-official	118,459	130,031	148,309	128,445	130,031	129,875	135,488	138,800	148,309
TOTAL	141,409	151,959	174,498	149,253	151,959	154,697	160,255	163,686	174,498

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

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

	Year			Quarter ended					
	1994-95	1995-96	1996-97	1995-96			1996-97		
				March	June	September	December	March	June
FOREIGN BORROWING (GROSS DEBT)									
OFFICIAL —									
Commonwealth Government and Reserve Bank	28,366	34,224	41,845	31,181	34,224	38,295	43,083	43,181	41,845
State Government	46,671	44,027	40,826	47,276	44,027	42,723	42,759	41,801	40,826
Total official	75,037	78,251	82,671	78,457	78,251	81,018	85,842	84,982	82,671
NON-OFFICIAL —									
Financial Enterprises									
Public sector	15,928	14,711	7,977	12,457	14,711	8,531	8,310	7,898	7,977
Private sector	83,017	95,422	111,194	91,854	95,422	101,600	99,997	103,819	111,194
Total	98,945	110,134	119,170	104,311	110,134	110,131	108,307	111,717	119,170
Trading Enterprises									
Public sector	9,152	4,955	5,831	5,466	4,955	5,024	6,464	5,737	5,831
Private sector	40,546	42,671	47,014	42,830	42,671	45,621	46,745	45,382	47,014
Total	49,698	47,627	52,846	48,296	47,627	50,645	53,209	51,120	52,846
Total non-official	148,643	157,760	172,016	152,607	157,760	160,777	161,516	162,837	172,016
TOTAL	223,681	236,012	254,687	231,064	236,012	241,795	247,358	247,819	254,687
<i>Of which —</i>									
Public sector —									
Official	75,037	78,251	82,671	78,457	78,251	81,018	85,842	84,982	82,671
Non-official	25,080	19,667	13,808	17,922	19,667	13,555	14,774	13,636	13,808
Total	100,117	97,918	96,479	96,380	97,918	94,573	100,616	98,618	96,479
Private sector	123,564	138,094	158,208	134,684	138,094	147,222	146,742	149,201	158,208
AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS									
OFFICIAL —									
Reserve assets	20,184	19,059	22,836	17,935	19,059	21,921	21,848	21,770	22,836
Lending	58	21	18	21	21	21	10	22	18
Total official	20,242	19,080	22,854	17,956	19,080	21,942	21,858	21,792	22,854
NON-OFFICIAL									
Financial enterprises	22,078	29,014	27,295	27,068	29,014	21,592	23,555	25,122	27,295
Trading enterprises	-117	383	2,514	-290	383	2,875	2,870	3,232	2,514
Total non-official	21,962	29,397	29,808	26,778	29,397	24,467	26,425	28,354	29,808
TOTAL	42,204	48,476	52,663	44,733	48,476	46,409	48,283	50,146	52,663
<i>Of which —</i>									
Public sector —									
Official	20,242	19,080	22,854	17,956	19,080	21,942	21,858	21,792	22,854
Non-official	8,850	9,548	6,244	8,115	9,548	6,704	6,697	6,652	6,244
Total	29,092	28,628	29,099	26,071	28,628	28,646	28,555	28,445	29,099
Private sector	13,112	19,849	23,564	18,662	19,849	17,763	19,728	21,701	23,564
NET FOREIGN DEBT(a)									
OFFICIAL —	54,795	59,172	59,817	60,502	59,172	59,076	63,984	63,189	59,817
NON-OFFICIAL —									
Financial enterprises	76,867	81,120	91,876	77,244	81,120	88,539	84,752	86,595	91,876
Trading enterprises	49,815	47,243	50,332	48,585	47,243	47,771	50,339	47,888	50,332
Total non-official	126,682	128,364	142,208	125,829	128,364	136,310	135,090	134,483	142,208
TOTAL	181,477	187,535	202,024	186,331	187,535	195,386	199,074	197,673	202,024
<i>Of which —</i>									
Public sector —									
Official	54,795	59,172	59,817	60,502	59,172	59,076	63,984	63,189	59,817
Non-official	16,230	10,119	7,564	9,807	10,119	6,851	8,077	6,983	7,564
Total	71,025	69,290	67,380	70,309	69,290	65,927	72,061	70,173	67,380
Private sector	110,451	118,245	134,644	116,022	118,245	129,459	127,013	127,500	134,644

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

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

	Year			Quarter ended					
	1994-95	1995-96	1996-97	1995-96		1996-97			
				March	June	September	December	March	June
INTEREST PAYABLE ON FOREIGN BORROWING									
OFFICIAL									
Commonwealth Government and Reserve Bank	1,315	1,649	1,906	608	255	585	363	593	364
State Government	2,705	2,917	2,654	734	717	806	675	545	628
Total official	4,020	4,565	4,560	1,342	972	1,391	1,038	1,139	992
NON-OFFICIAL									
Financial Enterprises —									
Public sector	890	806	n.a.	178	178	157	124	101	n.a.
Private sector	3,609	4,707	n.a.	1,187	1,227	1,269	1,219	1,309	n.a.
Total	4,499	5,513	n.a.	1,365	1,405	1,426	1,343	1,410	n.a.
Trading Enterprises —									
Public sector	662	418	n.a.	122	78	80	91	107	n.a.
Private sector	2,384	2,362	n.a.	585	544	514	693	519	n.a.
Total	3,046	2,780	n.a.	707	622	594	784	625	n.a.
Total non-official	7,545	8,293	8,275	2,072	2,027	2,020	2,127	2,036	2,092
TOTAL	11,565	12,859	12,835	3,413	2,999	3,411	3,165	3,175	3,084
<i>Of which —</i>									
Public sector									
Official	4,020	4,565	4,560	1,342	972	1,391	1,038	1,139	992
Non-official	1,551	1,223	902	300	256	237	215	208	241
Total	5,571	5,789	5,462	1,641	1,228	1,628	1,253	1,347	1,233
Private sector	5,994	7,070	7,373	1,772	1,771	1,783	1,912	1,828	1,851
INTEREST RECEIVABLE ON AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS									
OFFICIAL									
Reserve assets	975	610	850	143	121	217	282	160	191
Lending	7	7	3	1	1	1	—	1	1
Total official	983	616	853	144	122	218	282	162	192
NON-OFFICIAL									
Financial enterprises	806	1,210	n.a.	321	270	219	200	201	n.a.
Trading enterprises	-26	18	n.a.	9	11	69	-10	14	n.a.
Total non-official	780	1,228	909	330	281	287	190	216	216
TOTAL	1,763	1,839	1,761	473	402	504	472	376	408
<i>Of which —</i>									
Public sector —									
Official	983	616	853	144	122	218	282	162	192
Non-official	308	371	n.a.	93	80	59	62	61	n.a.
Total	1,291	986	n.a.	237	201	276	344	222	n.a.
Private sector	473	858	n.a.	237	202	228	128	155	n.a.
NET INTEREST PAYABLE(b)									
OFFICIAL	3,037	3,950	3,712	1,198	850	1,174	756	978	804
NON-OFFICIAL									
Financial enterprises	3,693	4,303	n.a.	1,044	1,135	1,207	1,143	1,209	n.a.
Trading enterprises	3,072	2,762	n.a.	698	610	526	794	611	n.a.
Total non-official	6,765	7,065	7,366	1,742	1,745	1,733	1,937	1,820	1,876
TOTAL	9,802	11,019	11,074	2,940	2,597	2,907	2,693	2,798	2,676
<i>Of which —</i>									
Public sector —									
Official	3,037	3,950	3,712	1,198	850	1,174	756	978	804
Non-official	1,243	853	n.a.	207	176	178	153	147	n.a.
Total	4,281	4,802	n.a.	1,404	1,027	1,352	909	1,125	n.a.
Private sector	5,521	6,212	n.a.	1,535	1,569	1,555	1,784	1,673	n.a.

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

TABLE 9. NET FOREIGN LIABILITIES—RATIOS TO GDP

Period	Annual GDP at current prices	Net foreign liabilities at end of period - \$A million -			Ratios of net foreign liabilities to GDP(a) - per cent -		
		Total	Foreign debt	Equity & other investment	Total	Foreign debt	Equity & other investment
<i>Year—</i>							
1994-95	457,646	261,186	181,477	79,710	57.1	39.7	17.4
1995-96	489,184	286,130	187,535	98,595	58.5	38.3	20.2
1996-97	n.y.a.	307,460	202,024	105,435	n.y.a.	n.y.a.	n.y.a.
<i>Year ended(b) —</i>							
<i>1995-96 —</i>							
March	481,690	281,667	186,331	95,336	58.5	38.7	19.8
June	489,184	286,130	187,535	98,595	58.5	38.3	20.2
<i>1996-97 —</i>							
September	494,909	289,124	195,386	93,738	58.4	39.5	18.9
December	502,096	299,376	199,074	100,302	59.6	39.6	20.0
March	507,165	297,748	197,673	100,076	58.7	39.0	19.7
June	n.y.a.	307,460	202,024	105,435	n.y.a.	n.y.a.	n.y.a.

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

TABLE 10. NET INVESTMENT INCOME — RATIOS TO EXPORTS

Period	Exports of goods & services	Net investment income payable abroad - \$A million -			Ratios of net investment income to exports(a) - per cent -		
		Total	Foreign debt	Equity & other investment	Total	Foreign debt	Equity & other investment
<i>Year—</i>							
1994-95	86,832	17,314	9,802	7,512	19.9	11.3	8.7
1995-96	98,062	19,388	11,019	8,368	19.8	11.2	8.5
1996-97	104,366	19,285	11,074	8,211	18.5	10.6	7.9
<i>Year ended(b) —</i>							
<i>1995-96 —</i>							
March	96,074	18,994	10,880	8,114	19.8	11.3	8.4
June	98,062	19,388	11,019	8,368	19.8	11.2	8.5
<i>1996-97 —</i>							
September	98,727	20,005	11,155	8,850	20.3	11.3	9.0
December	99,758	19,294	11,138	8,157	19.3	11.2	8.2
March	100,276	18,761	10,995	7,766	18.7	11.0	7.7
June	104,366	19,285	11,074	8,211	18.5	10.6	7.9

(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					
	1994-95	1995-96	1996-97	1995-96			1996-97		
				March	June	September	December	March	June
CAPITAL TRANSACTIONS(a)									
OECD —									
USA	3,011	17,451	11,889	6,078	3,248	5,212	2,665	1,115	2,898
Japan	609	9,738	-417	-1,591	1,687	817	-519	-703	-13
Switzerland	249	2,115	60	685	651	312	-33	-332	113
EU —									
UK	2,049	5,335	9,053	-1,123	375	3,834	2,413	3,697	-890
Other(c)	2,142	3,967	2,707	3,498	1,421	668	199	1,015	2,161
Total	4,191	9,302	11,760	2,376	1,796	3,166	2,612	4,712	1,271
Other OECD(c)(d)	302	-2,003	4,385	-291	-422	1,184	1,124	2,151	-75
Total OECD	7,864	36,602	27,675	7,257	6,960	10,690	5,848	6,943	4,194
ASEAN	-438	1,969	39	1,314	-704	703	-599	303	-368
Other countries(d)	-285	-362	2,904	-156	-196	1,773	486	-1,011	1,656
International capital markets	9,371	1,521	3,136	-12	1,640	1,537	814	1,853	-1,067
International institutions	231	298	-207	-32	-344	-75	-49	-52	-31
Unallocated	5,192	2,532	-6,178	773	679	-8,259	4,093	-1,821	-191
TOTAL	22,053	42,067	27,368	9,164	8,069	6,369	10,592	6,215	4,192
APEC	3,545	27,455	13,375	5,886	3,131	7,420	2,137	-293	4,110
INVESTMENT INCOME (b)									
OECD —									
USA	5,235	6,198	n.a.	1,709	1,557	1,628	2,062	1,407	n.a.
Japan	2,725	2,830	n.a.	801	603	870	599	613	n.a.
Switzerland	415	687	n.a.	124	162	167	114	75	n.a.
EU —									
UK	4,112	4,544	n.a.	870	942	1,349	1,414	991	n.a.
Other(c)	1,571	2,050	n.a.	474	458	521	630	408	n.a.
Total	5,683	6,594	n.a.	1,343	1,400	1,870	2,044	1,399	n.a.
Other OECD(c)(d)	389	921	n.a.	229	185	260	147	216	n.a.
Total OECD	14,447	17,230	n.a.	4,205	3,906	4,796	4,965	3,709	n.a.
ASEAN	372	399	n.a.	107	91	152	174	105	n.a.
Other countries(d)	812	913	n.a.	215	211	192	182	175	n.a.
International capital markets	4,156	4,516	n.a.	1,174	1,081	846	636	616	n.a.
International institutions	39	39	n.a.	10	9	4	8	8	n.a.
Unallocated	3,475	2,660	n.a.	786	527	896	869	1,479	n.a.
TOTAL	23,299	25,757	26,460	6,496	5,825	6,885	6,835	6,093	6,647
APEC	9,420	10,387	n.a.	3,018	2,177	3,081	3,147	2,561	n.a.
LEVELS OF INVESTMENT AT END OF PERIOD									
OECD —									
USA	89,452	101,359	120,484	102,941	101,359	109,724	114,832	114,676	120,484
Japan	50,963	57,424	57,087	57,494	57,424	58,435	57,505	52,949	57,087
Switzerland	7,137	9,294	8,472	8,674	9,294	9,899	9,386	9,038	8,472
EU									
UK	75,961	85,996	111,574	85,804	85,996	95,300	99,190	96,545	111,574
Other(c)	37,260	41,012	43,052	39,757	41,012	38,868	41,296	43,686	43,052
Total	113,221	127,008	154,625	125,561	127,008	134,167	140,486	140,231	154,625
Other OECD(c)(d)	12,165	10,631	13,564	10,656	10,631	11,406	12,639	16,282	13,564
Total OECD	272,938	305,716	354,233	305,326	305,716	323,631	334,848	333,177	354,233
ASEAN	8,446	10,832	10,469	11,692	10,832	12,167	11,529	11,028	10,469
Other countries(d)	22,614	20,304	24,619	21,277	20,304	22,184	23,585	21,250	24,619
International capital markets	76,329	70,675	32,601	69,705	70,675	51,366	45,439	46,563	32,601
International institutions	386	178	-229	514	178	4	-9	98	-229
Unallocated	21,435	29,835	60,265	21,888	29,835	34,477	44,238	49,319	60,265
TOTAL	402,595	438,090	481,957	430,920	438,090	443,820	459,630	461,435	481,957
APEC	178,116	195,700	219,361	199,548	195,700	206,846	212,304	207,241	219,361

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

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

Industry of investment	Year			Quarter ended					
	1994-95	1995-96	1996-97	1995-96			1996-97		
				March	June	September	December	March	June
CAPITAL TRANSACTIONS									
Mining	-292	3,191	2,213	1,075	581	297	899	290	726
Manufacturing	5,109	5,048	1,568	-200	539	892	691	-75	59
Electricity, gas and water	-1,029	1,780	1,109	344	-25	874	376	-137	4
Wholesale trade	-969	12	1,782	-242	-778	385	599	133	665
Retail trade	-1,826	20	-14	69	27	-101	49	26	11
Transport and storage	-230	285	2,880	154	-178	105	2,652	-18	141
Finance and insurance(b)	6,030	22,419	13,464	6,535	6,609	6,738	-126	2,611	4,241
Property and Business Services	309	1,608	-23	566	213	101	156	51	-230
Other industries(c)	13,532	6,399	-1,614	680	402	312	3,400	288	-5,614
Unallocated(d)(e)	1,419	1,329	6,003	322	677	-3,234	1,896	3,145	4,195
TOTAL	22,053	42,067	27,368	9,164	8,069	6,369	10,592	6,215	4,192
INVESTMENT INCOME(f)									
Mining	2,194	2,250	n.a.	450	602	515	687	366	n.a.
Manufacturing	4,196	4,400	n.a.	1,116	863	1,183	1,264	707	n.a.
Electricity, gas and water	125	132	n.a.	14	20	39	23	12	n.a.
Wholesale trade	1,640	1,662	n.a.	486	430	354	237	355	n.a.
Retail trade	194	136	n.a.	27	50	50	62	46	n.a.
Transport and storage	554	449	n.a.	128	118	172	206	130	n.a.
Finance and insurance(b)	6,683	8,510	n.a.	2,019	1,934	2,369	2,089	2,092	n.a.
Property and Business Services	634	1,959	n.a.	618	435	270	300	211	n.a.
Other industries(c)	4,393	4,714	n.a.	1,416	968	1,449	1,167	1,254	n.a.
Unallocated(d)	2,677	1,546	n.a.	224	405	485	813	921	n.a.
TOTAL	23,299	25,757	26,460	6,496	5,825	6,885	6,835	6,093	6,647
LEVELS OF INVESTMENT AT END OF PERIOD									
Mining	38,558	41,923	43,677	42,599	41,923	41,653	43,111	42,772	43,677
Manufacturing	77,669	80,703	76,638	79,757	80,703	77,407	76,301	74,146	76,638
Electricity, gas and water	2,804	4,568	6,194	4,563	4,568	6,006	6,395	6,233	6,194
Wholesale trade	26,009	24,560	25,663	25,233	24,560	23,841	24,820	24,603	25,663
Retail trade	3,967	3,780	3,792	3,831	3,780	3,782	3,788	3,759	3,792
Transport and storage	9,507	9,535	12,119	9,556	9,535	9,561	12,005	11,631	12,119
Finance and insurance(b)	132,202	148,972	166,779	142,275	148,972	153,606	154,466	158,469	166,779
Property and Business Services	20,438	21,864	21,850	21,835	21,864	22,028	22,186	22,333	21,850
Other industries(c)	88,420	92,906	99,236	92,647	92,906	95,884	101,427	100,520	99,236
Unallocated(d)	3,020	9,278	26,010	8,625	9,278	10,053	15,131	16,969	26,010
TOTAL	402,595	438,090	481,957	430,920	438,090	443,820	459,630	461,435	481,957

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

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

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

	Year			Quarter ended					
	1994-95	1995-96	1996-97	1995-96		1996-97			
				March	June	September	December	March	June
Capital transactions									
Domiciled abroad —									
Foreign currency(b)	-6,549	15,501	n.a.	3,307	5,491	n.a.	n.a.	n.a.	n.a.
Australian currency(b)	11,245	-1,488	n.a.	-2,396	-2,558	n.a.	n.a.	n.a.	n.a.
Total	4,695	14,013	10,913	911	2,933	6,024	2,436	-1,256	3,710
Domiciled in Australia —									
Securities —									
Purchases by non-residents(c)	63,055	123,817	n.a.	38,490	49,537	n.a.	n.a.	n.a.	n.a.
Sales by non-residents(c)	59,633	115,817	n.a.	34,730	48,102	n.a.	n.a.	n.a.	n.a.
<i>Ner</i>	3,422	8,000	-45	3,760	1,435	-181	3,547	642	-4,053
Deposits(d)	491	976	2,091	810	915	-53	-1,571	2,872	843
Total	3,913	8,976	2,046	4,570	2,349	-234	1,976	3,514	-3,209
Total	8,608	22,988	12,960	5,481	5,282	5,790	4,412	2,258	500
Levels at end of period —									
Domiciled abroad —									
Foreign currency	117,744	122,952	131,662	112,993	122,952	115,687	121,144	122,465	131,662
Australian currency	65,439	62,724	57,477	70,885	62,724	66,403	62,590	58,540	57,477
Total	183,183	185,676	189,139	183,879	185,676	182,090	183,734	181,005	189,139
Domiciled in Australia —									
Securities	31,720	40,615	44,746	38,376	40,615	42,032	47,549	47,040	44,746
Deposits(d)	8,777	9,720	20,802	8,810	9,720	17,673	16,075	19,773	20,802
Total	40,497	50,335	65,548	47,185	50,335	59,705	63,624	66,814	65,548
Total	223,681	236,012	254,687	231,064	236,012	241,795	247,358	247,819	254,687

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

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

	Year			Quarter ended					
	1994-95	1995-96	1996-97	1995-96		1996-97			
				March	June	September	December	March	June
Foreign currencies —									
United States Dollars	81,492	77,096	80,103	76,758	77,096	81,743	75,731	81,158	80,103
Pounds Sterling	2,155	3,563	5,507	3,042	3,563	4,309	11,287	5,983	5,507
Swiss Francs	2,645	2,805	1,832	2,660	2,805	3,839	2,874	4,189	1,832
Deutsche Marks	2,379	1,419	1,408	2,582	1,419	2,172	1,806	2,299	1,408
Japanese Yen	21,257	20,744	19,957	21,051	20,744	16,267	15,586	21,213	19,957
Other(a)	10,154	19,602	44,946	8,642	19,602	26,304	31,648	28,684	44,946
Total foreign currencies	120,082	125,228	153,753	114,735	125,228	134,635	138,932	143,527	153,753
Australian Dollars	103,599	110,784	100,934	116,329	110,784	107,160	108,426	104,292	100,934
Total	223,681	236,012	254,687	231,064	236,012	241,795	247,358	247,819	254,687

(a) Includes unallocated foreign currency borrowing.

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

	Year			Quarter ended					
	1994-95	1995-96	1996-97	1995-96			1996-97		
				March	June	September	December	March	June
DRAWINGS(b)									
CONTRACTUALLY DUE FOR REPAYMENT —									
Within 3 months	211.080	220.282	n.a.	66.643	43.995	n.a.	n.a.	n.a.	n.a.
3 months to less than 6 months	39.759	48.426	n.a.	11.169	14.622	n.a.	n.a.	n.a.	n.a.
6 months to less than 1 year	35.373	31.017	n.a.	4.748	9.100	n.a.	n.a.	n.a.	n.a.
1 year to less than 2 years	4.785	10.028	n.a.	2.782	4.521	n.a.	n.a.	n.a.	n.a.
2 years to less than 5 years	13.929	12.831	n.a.	2.279	2.877	n.a.	n.a.	n.a.	n.a.
5 years to less than 10 years	9.930	10.518	n.a.	2.137	2.561	n.a.	n.a.	n.a.	n.a.
10 years or more	1.360	3.601	n.a.	475	1.160	n.a.	n.a.	n.a.	n.a.
REPAYABLE AT CALL OR OF INDEFINITE MATURITY									
Expected to be repaid —	2.251	3.320	n.a.	810	549	n.a.	n.a.	n.a.	n.a.
Within 1 year from drawdown	1.560	1.932	n.a.	176	473	n.a.	n.a.	n.a.	n.a.
1 year or more from drawdown									
UNALLOCATED(c)	-2.782	-2.912	n.a.	-1.022	88	n.a.	n.a.	n.a.	n.a.
TOTAL	317,246	339,043	260,258	90,197	79,947	86,901	66,990	55,214	51,153
REPAYMENTS(b)									
TIME ELAPSED SINCE DRAWDOWN --									
Less than 3 months	209.631	210.642	n.a.	64.564	44.486	n.a.	n.a.	n.a.	n.a.
3 months to less than 6 months	46.583	59.817	n.a.	15.304	17.399	n.a.	n.a.	n.a.	n.a.
6 months to less than 1 year	40.278	34.210	n.a.	6.590	8.226	n.a.	n.a.	n.a.	n.a.
1 year to less than 2 years	5.311	7.572	n.a.	2.450	1.279	n.a.	n.a.	n.a.	n.a.
2 years to less than 5 years	6.746	7.883	n.a.	1.546	2.006	n.a.	n.a.	n.a.	n.a.
5 years to less than 10 years	7.068	5.553	n.a.	899	1.830	n.a.	n.a.	n.a.	n.a.
10 years or more	1.205	2.855	n.a.	31	935	n.a.	n.a.	n.a.	n.a.
UNALLOCATED(c)	-4.272	3.501	n.a.	-2,099	855	n.a.	n.a.	n.a.	n.a.
TOTAL	312,550	325,031	248,297	89,286	77,014	80,795	64,525	55,724	47,252
LEVELS AT END OF PERIOD									
BORROWING WITH CONTRACTUAL TERMS ---									
Less than 1 year to maturity(c)	73.699	78.793	87.782	79.202	78.793	95.733	99.270	89.094	87.782
1 year to less than 2 years(d)	12.838	16.744	n.a.	18,380	16,744	n.a.	n.a.	n.a.	n.a.
2 years to less than 5 years(d)	39.355	36.351	51,387	34,872	36,351	65,366	61,014	58,691	51,387
5 years to less than 10 years(e)	36.054	31,672	37,111	31,725	31,672	34,734	33,507	39,719	37,111
10 years or more(e)	5,622	6,143	n.a.	5,564	6,143	n.a.	n.a.	n.a.	n.a.
AT CALL OR INDEFINITE BORROWING --									
Expected to be repaid —									
Within 1 year(d)	3,813	2,813	n.a.	3,176	2,813	n.a.	n.a.	n.a.	n.a.
1 year or more(e)	9,692	7,166	n.a.	8,982	7,166	n.a.	n.a.	n.a.	n.a.
UNALLOCATED(c)(f)	2,110	5,996	14,460	1,977	5,996	-13,744	10,057	-6,499	12,859
TOTAL	183,183	185,676	189,139	183,879	185,676	182,090	183,734	181,005	189,139

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

TABLE 16. INTERNATIONAL INVESTMENT POSITION AT END OF PERIOD
(SA million)

	Foreign investment in Australia				Australian investment abroad				Net international investment position(a)			
	Equity	Borrowing(b)	Other	Total	Equity	Reserve assets and lending	Other	Total	Net equity	Net debt	Net other	Net foreign liabilities
ANNUAL												
1984-85	37,562	67,473	6,583	111,618	11,687	16,265	5,808	33,760	25,875	51,208	775	77,858
1985-86	41,153	92,550	6,884	140,587	20,253	17,005	6,024	43,283	20,900	75,545	860	97,304
1986-87	65,290	107,417	7,441	180,148	34,876	21,279	6,616	62,771	30,414	86,138	825	117,377
1987-88	70,217	123,122	7,454	200,792	41,393	26,873	6,353	74,619	28,824	96,248	1,101	126,173
1988-89	87,411	146,717	7,403	241,532	52,720	29,419	7,278	89,417	34,691	117,298	125	152,115
1989-90	97,414	162,770	6,478	266,662	57,255	31,116	7,851	96,221	40,159	131,654	-1,426	170,388
1990-91	105,652	178,774	6,530	290,956	55,609	36,719	7,666	99,994	50,043	142,055	-1,265	190,833
1991-92	112,382	192,148	7,056	311,586	65,933	38,127	6,644	110,704	46,449	154,021	412	200,882
1992-93	124,327	210,615	7,164	342,105	76,798	41,404	7,513	125,716	47,528	169,211	-350	216,390
1993-94	156,539	206,917	9,363	372,818	81,911	42,661	9,330	133,902	74,628	164,256	33	238,917
1994-95	167,675	223,681	11,239	402,595	90,887	42,204	8,317	141,409	76,788	181,477	2,922	261,186
1995-96	190,550	236,012	11,528	438,090	94,620	48,476	8,863	151,959	95,930	187,535	2,665	286,130
1996-97	217,337	254,687	9,933	481,957	111,688	52,663	10,147	174,498	105,649	202,024	-214	307,460
QUARTERLY												
1991-92 —												
September	106,460	177,648	7,020	291,128	58,718	36,144	7,281	102,143	47,742	141,504	-260	188,986
December	108,331	186,872	7,705	302,908	63,723	39,886	7,074	110,683	44,607	146,986	631	192,225
March	108,868	185,187	7,156	301,211	62,443	35,903	6,929	105,274	46,425	149,284	227	195,937
June	112,382	192,148	7,056	311,586	65,933	38,127	6,644	110,704	46,449	154,021	412	200,882
1992-93 —												
September	107,797	200,770	7,231	315,797	66,514	39,493	6,933	112,940	41,283	161,277	297	202,857
December	109,788	200,526	7,750	318,064	68,406	38,397	7,125	113,928	41,382	162,129	624	204,136
March	117,301	196,307	7,215	320,824	69,240	38,602	7,001	114,842	48,062	157,705	215	205,982
June	124,327	210,615	7,164	342,105	76,798	41,404	7,513	125,716	47,528	169,211	-350	216,390
1993-94 —												
September	139,820	218,930	8,728	367,478	81,341	43,241	7,813	132,395	58,479	175,688	916	235,083
December	152,009	213,939	9,457	375,405	84,234	40,162	8,078	132,475	67,774	173,777	1,379	242,930
March	154,052	212,696	8,802	375,550	82,532	44,106	7,713	134,351	71,520	168,590	1,089	241,199
June	156,539	206,917	9,363	372,818	81,911	42,661	9,330	133,902	74,628	164,256	33	238,917
1994-95 —												
September	164,733	207,600	10,137	382,469	81,731	43,199	7,610	132,540	83,002	164,401	2,527	249,929
December	159,350	204,025	10,533	373,908	79,103	39,235	7,856	126,193	80,247	164,790	2,677	247,715
March	160,790	213,006	10,706	384,503	84,729	44,558	8,182	137,469	76,062	168,448	2,524	247,034
June	167,675	223,681	11,239	402,595	90,887	42,204	8,317	141,409	76,788	181,477	2,922	261,186
1995-96												
September	177,896	219,931	11,875	409,702	90,211	39,363	8,095	137,669	87,685	180,568	3,779	272,033
December	183,897	231,460	11,646	427,003	94,168	45,041	8,567	147,776	89,729	186,419	3,078	279,226
March	188,230	231,064	11,626	430,920	95,719	44,733	8,802	149,253	92,512	186,331	2,824	281,667
June	190,550	236,012	11,528	438,090	94,620	48,476	8,863	151,959	95,930	187,535	2,665	286,130
1996-97 —												
September	191,072	241,795	10,954	443,820	99,685	46,409	8,603	154,697	91,388	195,386	2,350	289,124
December	201,580	247,358	10,693	459,630	103,175	48,283	8,796	160,255	98,405	199,074	1,897	299,376
March	203,054	247,819	10,562	461,435	103,701	50,146	9,839	163,686	99,353	197,673	723	297,748
June	217,337	254,687	9,933	481,957	111,688	52,663	10,147	174,498	105,649	202,024	-214	307,460

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

TABLE 17. CAPITAL TRANSACTIONS
(SA million)

	Foreign investment in Australia				Australian investment abroad				Net capital transactions(a)			
	Equity (b)	Borrowing	Other	Total	Equity (b)	Reserve assets and lending	Other	Total	Net equity (b)	Net debt	Net other	Total
ANNUAL												
1984-85	1,797	12,674	619	15,088	2,965	-1,162	1,353	3,156	-1,169	13,836	-734	11,932
1985-86	2,732	16,958	303	19,994	5,740	-1,133	255	4,862	-3,008	18,091	48	15,132
1986-87	7,822	15,082	-67	22,837	9,428	2,878	564	12,870	-1,606	12,204	-631	9,969
1987-88	8,062	20,061	51	28,176	9,803	6,311	160	16,274	-1,741	13,749	-108	11,902
1988-89	10,477	21,531	781	32,788	8,716	3,378	635	12,728	1,761	18,153	145	20,060
1989-90	6,854	19,179	-872	25,161	2,778	3,213	-60	5,931	4,076	15,967	-865	19,177
1990-91	9,899	11,032	-415	20,515	-662	4,878	179	4,394	10,561	6,154	-670	16,046
1991-92	6,568	8,934	744	16,247	5,137	-2,281	-870	1,987	1,431	11,215	1,552	14,198
1992-93	10,511	6,649	628	17,789	4,723	-943	276	4,055	5,788	7,592	300	13,681
1993-94	19,876	6,887	938	27,702	8,993	5,096	1,594	15,682	10,883	1,791	-741	11,932
1994-95	12,019	8,608	1,426	22,052	2,969	-2,737	-848	417	9,051	11,345	2,155	22,551
1995-96	18,920	22,988	158	42,066	8,087	10,560	836	19,483	10,833	12,428	-781	22,480
1996-97	15,421	12,960	-1,012	27,368	9,123	957	1,769	11,850	6,297	12,002	-2,780	15,517
QUARTERLY												
1991-92—												
September	1,683	1,586	598	3,867	2,063	-891	53	1,119	-380	2,478	651	2,748
December	1,577	3,223	754	5,554	2,502	1,310	-189	3,623	-925	1,913	943	1,931
March	1,177	2,152	-546	2,783	232	-2,780	-253	-2,801	945	4,932	-293	5,584
June	2,132	1,973	-62	4,043	340	80	-375	45	1,791	1,892	314	3,997
1992-93												
September	-191	5,354	404	5,567	393	-1,050	-100	-756	-584	6,404	504	6,324
December	2,541	-1,168	511	1,885	2,007	-220	148	1,935	534	-947	363	-50
March	4,750	-3,609	-268	873	1,192	342	-109	1,424	3,558	-3,950	-159	-551
June	3,411	6,072	-19	9,464	1,130	-15	337	1,452	2,281	6,087	-356	8,012
1993-94—												
September	4,785	2,083	245	7,113	2,460	1,826	5	4,291	2,325	257	240	2,822
December	4,443	3,026	517	7,986	3,558	-827	359	3,090	885	3,853	158	4,896
March	5,990	2,477	-468	7,999	2,690	4,346	-301	6,734	3,300	-1,869	-166	1,265
June	4,659	-700	644	4,603	286	-249	1,532	1,569	4,373	-451	-889	3,034
1994-95—												
September	4,956	1,140	-359	5,737	-485	-304	-1,509	-2,298	5,442	1,444	1,149	8,035
December	1,920	-418	587	2,089	851	-1,856	354	-650	1,069	1,438	233	2,740
March	3,005	1,539	329	4,874	-496	2,285	130	1,919	3,502	-747	199	2,954
June	2,138	6,347	869	9,354	3,099	-2,863	176	412	-962	9,210	693	8,941
1995-96—												
September	5,949	2,589	270	8,807	2,231	-539	-25	1,668	3,718	3,127	294	7,139
December	6,543	9,636	-154	16,026	2,393	5,620	504	8,518	4,150	4,016	-658	7,508
March	3,614	5,481	69	9,164	4,467	1,415	243	6,126	-853	4,066	-174	3,038
June	2,814	5,282	-27	8,069	-1,005	4,064	113	3,171	3,819	1,219	-140	4,898
1996-97—												
September	821	5,790	-241	6,369	1,891	-1,501	-10	380	-1,070	7,290	-231	5,989
December	6,338	4,412	-158	10,592	2,680	1,916	299	4,895	3,657	2,496	-456	5,697
March	4,044	2,258	-87	6,215	2,260	1,126	913	4,300	1,784	1,132	-1,000	1,915
June	4,218	500	-526	4,192	2,292	-584	567	2,275	1,926	1,084	-1,093	1,917

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

TABLE 18. INVESTMENT INCOME
(SA million)

	<i>Payable on foreign investment in Australia</i>				<i>Receivable on Australian investment abroad</i>				<i>Net investment income payable(a)</i>			
	<i>Interest</i>				<i>Interest</i>				<i>Interest</i>			
	<i>Equity income (b)</i>	<i>Borrowing</i>	<i>Other</i>	<i>Total</i>	<i>Equity income (b)</i>	<i>Reserve assets and lending</i>	<i>Other</i>	<i>Total</i>	<i>Net equity income (b)</i>	<i>Net debt</i>	<i>Net other</i>	<i>Total</i>
ANNUAL												
1984-85	2,236	5,314	39	7,589	515	914	95	1,525	1,721	4,400	-56	6,064
1985-86	2,338	6,587	133	9,058	1,146	710	110	1,966	1,192	5,877	23	7,092
1986-87	2,725	7,892	113	10,730	1,818	678	175	2,670	908	7,214	-62	8,060
1987-88	4,222	8,844	35	13,101	2,479	1,051	104	3,634	1,743	7,793	-69	9,467
1988-89	5,242	10,821	269	16,331	2,540	1,267	105	3,912	2,702	9,554	164	12,419
1989-90	5,231	14,379	370	19,981	1,957	1,849	154	3,961	3,274	12,531	215	16,020
1990-91	5,184	14,820	170	20,174	849	2,255	120	3,223	4,336	12,566	50	16,951
1991-92	4,730	13,318	93	18,141	1,263	2,387	54	3,703	3,467	10,932	40	14,438
1992-93	6,556	11,344	85	17,985	3,057	2,179	21	5,257	3,500	9,164	65	12,729
1993-94	7,991	10,948	88	19,027	3,221	1,676	31	4,928	4,769	9,272	57	14,098
1994-95	11,681	11,565	53	23,299	4,169	1,763	52	5,985	7,511	9,802	1	17,314
1995-96	12,843	12,859	56	25,757	4,460	1,839	70	6,369	8,383	11,019	-14	19,388
1996-97	13,545	12,835	79	26,462	5,389	1,760	26	7,175	8,158	11,074	54	19,286
QUARTERLY												
<i>1991-92 —</i>												
September	1,143	3,718	24	4,886	317	615	17	948	827	3,103	8	3,938
December	1,039	3,188	26	4,253	348	638	13	999	691	2,550	13	3,254
March	1,108	3,228	20	4,356	274	596	10	881	834	2,632	9	3,476
June	1,439	3,184	23	4,646	324	538	14	876	1,115	2,647	9	3,771
<i>1992-93</i>												
September	1,701	3,117	18	4,836	661	669	5	1,334	1,040	2,448	13	3,502
December	1,559	2,832	26	4,417	794	498	5	1,296	765	2,335	21	3,121
March	1,454	2,816	18	4,289	623	639	5	1,267	831	2,177	13	3,022
June	1,841	2,577	23	4,441	979	374	6	1,359	862	2,204	17	3,082
<i>1993-94 —</i>												
September	1,411	2,977	23	4,410	834	599	8	1,441	577	2,378	15	2,969
December	1,962	2,566	19	4,547	782	489	9	1,280	1,180	2,078	9	3,267
March	1,591	2,779	19	4,389	792	418	5	1,215	799	2,361	14	3,174
June	3,027	2,625	28	5,681	813	169	9	992	2,214	2,456	19	4,689
<i>1994-95</i>												
September	2,845	2,861	11	5,717	989	358	10	1,357	1,857	2,502	2	4,360
December	3,190	2,585	12	5,786	1,186	344	9	1,539	2,004	2,241	3	4,247
March	2,913	3,143	18	6,074	666	542	15	1,223	2,247	2,601	3	4,852
June	2,732	2,977	12	5,721	1,329	519	19	1,867	1,404	2,458	-7	3,855
<i>1995-96 —</i>												
September	3,134	3,218	13	6,365	1,294	446	4	1,745	1,840	2,772	8	4,620
December	3,829	3,228	14	7,071	914	518	15	1,446	2,915	2,711	-1	5,625
March	3,067	3,413	16	6,496	1,100	473	28	1,602	1,966	2,940	-12	4,895
June	2,813	2,999	13	5,825	1,152	402	23	1,576	1,661	2,597	-10	4,249
<i>1996-97 —</i>												
September	3,441	3,411	32	6,885	1,131	504	13	1,648	2,310	2,907	20	5,238
December	3,657	3,165	13	6,835	1,441	472	9	1,922	2,217	2,693	4	4,913
March	2,884	3,175	34	6,093	1,353	376	2	1,731	1,532	2,798	32	4,362
June	3,563	3,084	—	6,647	1,464	408	2	1,874	2,099	2,676	-2	4,773

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

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

	Public Sector Borrowing				Private sector borrowing	Total foreign borrowing	Reserve assets	Lending abroad	Net foreign debt(b)
	Commonwealth government and Reserve Bank	State government	Public trading and financial enterprises	Total					
ANNUAL									
1984-85	12,982	1,901	14,982	29,865	37,608	67,473	13,517	2,748	51,208
1985-86	19,753	3,855	19,009	42,618	49,933	92,550	13,024	3,982	75,545
1986-87	23,678	6,684	19,589	49,951	57,466	107,417	17,594	3,685	86,138
1987-88	22,909	10,219	23,736	56,865	66,257	123,122	20,182	6,691	96,248
1988-89	18,607	18,230	28,010	64,847	81,870	146,717	20,410	9,009	117,298
1989-90	19,654	19,788	32,525	71,968	90,802	162,770	21,871	9,245	131,654
1990-91	17,490	24,440	33,010	74,940	103,834	178,774	24,047	12,672	142,055
1991-92	16,823	29,465	33,681	79,969	112,179	192,148	22,240	15,887	154,021
1992-93	21,928	38,813	35,114	95,855	114,760	210,615	20,823	20,581	169,211
1993-94	22,886	39,722	33,175	95,782	111,134	206,917	20,661	22,000	164,256
1994-95	28,366	46,671	25,080	100,117	123,564	223,681	20,184	22,020	181,477
1995-96	34,224	44,027	19,667	97,918	138,094	236,012	19,059	29,417	187,535
1996-97	41,845	40,826	13,808	96,479	158,208	254,687	22,836	29,827	202,024
QUARTERLY									
<i>1991-92 —</i>									
September	17,661	26,456	32,654	76,772	100,876	177,648	23,836	12,308	141,504
December	20,807	27,222	34,027	82,056	104,816	186,872	25,451	14,435	146,986
March	18,346	28,608	32,467	79,422	105,765	185,187	21,314	14,589	149,284
June	16,823	29,465	33,681	79,969	112,179	192,148	22,240	15,887	154,021
<i>1992-93</i>									
September	17,977	34,445	34,225	86,647	114,123	200,770	21,566	17,927	161,277
December	19,425	34,197	34,056	87,678	112,849	200,526	20,112	18,285	162,129
March	19,163	34,206	32,591	85,959	110,348	196,307	18,888	19,714	157,705
June	21,928	38,813	35,114	95,855	114,760	210,615	20,823	20,581	169,211
<i>1993-94</i>									
September	20,833	43,092	35,276	99,201	119,729	218,930	22,023	21,218	175,688
December	22,935	43,349	34,303	100,587	113,352	213,939	20,955	19,207	173,777
March	23,073	43,949	33,621	100,644	112,052	212,696	20,834	23,272	168,590
June	22,886	39,722	33,175	95,782	111,134	206,917	20,661	22,000	164,256
<i>1994-95 —</i>									
September	25,658	38,101	31,526	95,285	112,315	207,600	20,308	22,891	164,401
December	28,861	42,827	30,369	102,057	101,968	204,025	18,417	20,818	164,790
March	28,440	42,656	26,240	97,336	115,670	213,006	21,240	23,318	168,448
June	28,366	46,671	25,080	100,117	123,564	223,681	20,184	22,020	181,477
<i>1995-96</i>									
September	24,226	51,948	23,471	99,645	120,247	219,931	18,659	20,704	180,568
December	28,635	52,310	19,660	100,605	130,855	231,460	20,067	24,974	186,419
March	31,181	47,276	17,922	96,380	134,684	231,064	17,935	26,798	186,331
June	34,224	44,027	19,667	97,918	138,094	236,012	19,059	29,417	187,535
<i>1996-97 —</i>									
September	38,295	42,723	13,555	94,573	147,222	241,795	21,921	24,488	195,386
December	43,083	42,759	14,774	100,616	146,742	247,358	21,848	26,435	199,074
March	43,181	41,801	13,636	98,618	149,201	247,819	21,770	28,376	197,673
June	41,845	40,826	13,808	96,479	158,208	254,687	22,836	29,827	202,024

(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						
1988-89	44.8	34.6	10.3	22.5	17.3	5.2
1989-90	46.0	35.6	10.5	26.4	20.7	5.8
1990-91	50.4	37.5	12.9	25.7	18.1	6.7
1991-92	51.9	39.8	12.1	20.8	15.7	5.0
1992-93	53.5	41.8	11.7	16.7	12.0	4.7
1993-94	55.6	38.2	17.4	17.1	11.2	5.8
1994-95	57.1	39.7	17.4	19.9	11.3	8.7
1995-96	58.5	38.3	20.2	19.8	11.2	8.5
1996-97	n.y.a.	n.y.a.	n.y.a.	18.5	10.6	7.9
QUARTERLY						
<i>Year ended(c) —</i>						
<i>1991-92 —</i>						
September	49.8	37.3	12.5	25.7	18.7	6.9
December	50.6	38.7	11.9	23.1	17.7	5.5
March	51.1	39.0	12.2	21.7	16.5	5.2
June	51.9	39.8	12.1	20.8	15.7	5.0
<i>1992-93 —</i>						
September	52.0	41.3	10.7	19.8	14.5	5.3
December	51.6	41.0	10.6	19.0	13.8	5.2
March	51.7	39.6	12.1	18.0	12.9	5.1
June	53.5	41.8	11.7	16.7	12.0	4.7
<i>1993-94 —</i>						
September	57.2	42.8	14.5	15.6	11.6	4.0
December	58.3	41.7	16.6	15.5	11.1	4.4
March	57.1	39.9	17.2	15.4	11.1	4.3
June	55.6	38.2	17.4	17.1	11.2	5.8
<i>1994-95 —</i>						
September	57.2	37.6	19.6	18.7	11.3	7.4
December	55.8	37.1	18.7	19.7	11.5	8.3
March	54.8	37.3	17.4	21.4	11.5	9.8
June	57.1	39.7	17.4	19.9	11.3	8.7
<i>1995-96 —</i>						
September	58.6	38.9	19.7	19.5	11.2	8.3
December	59.0	39.4	19.6	20.4	11.4	9.1
March	58.5	38.7	19.8	19.8	11.3	8.4
June	58.5	38.3	20.2	19.8	11.2	8.5
<i>1996-97 —</i>						
September	58.4	39.5	18.9	20.3	11.3	9.0
December	59.6	39.6	20.0	19.3	11.2	8.2
March	58.7	39.0	19.7	18.7	11.0	7.7
June	n.y.a.	n.y.a.	n.y.a.	18.5	10.6	7.9

(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 1997, together with statistics for earlier periods.

2. More detailed annual international investment statistics up to 1995-96 are available in *Balance of Payments and International Investment Position, Australia, 1995-96* (5363.0) released in June 1997. Descriptions of the concepts, definitions, classifications of data items, and sources and methods used in compiling the statistics are presented in *Foreign Investment, Australia: Summary of Concepts, Sources and Methods* (5355.0). That publication also includes an assessment of the accuracy and reliability of the statistics.

Scope and Coverage

3. International investment statistics provide information on:

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

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

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

Classifications and Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Presentation

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

Reliability

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

Related Publications

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

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

Unpublished Information

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

Symbols and other usages

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

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

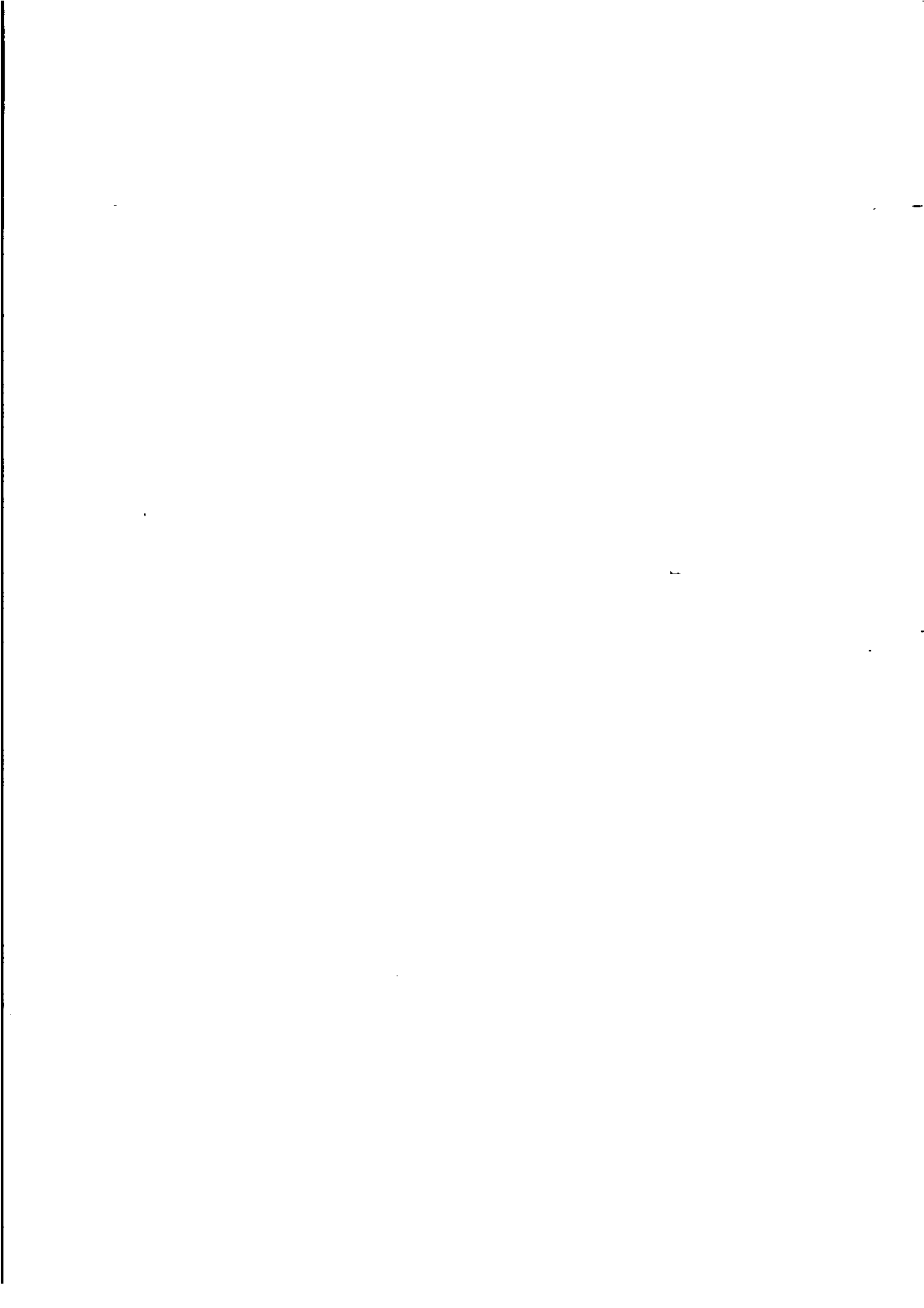
27. As all figures have been rounded, discrepancies may occur between the sum of components and the total.

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

<i>Article</i>	<i>Publication (ABS Catalogue No.)</i>	<i>Issue</i>	<i>Page Reference</i>
The relationship between foreign investment and balance of payments statistics	5306.0	Mar qtr 1991	7-8
The relationship between balance of payments and national accounts statistics.	5302.0	Dec qtr 1991	7-10
The relationship between ABS international investment statistics and Foreign Investment Review Board approvals statistics	5306.0	Mar qtr 1992	9
Revised international standards for balance of payments statistics	5302.0	June qtr 1992	7-8
Australia's foreign debt	1350.0	Nov 1992	xi-xvi
Report of IMF working party on measurement of international capital flows	5302.0	Dec qtr 1992	6-10
Direct investment	5306.0	Mar qtr 1993	8-12
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