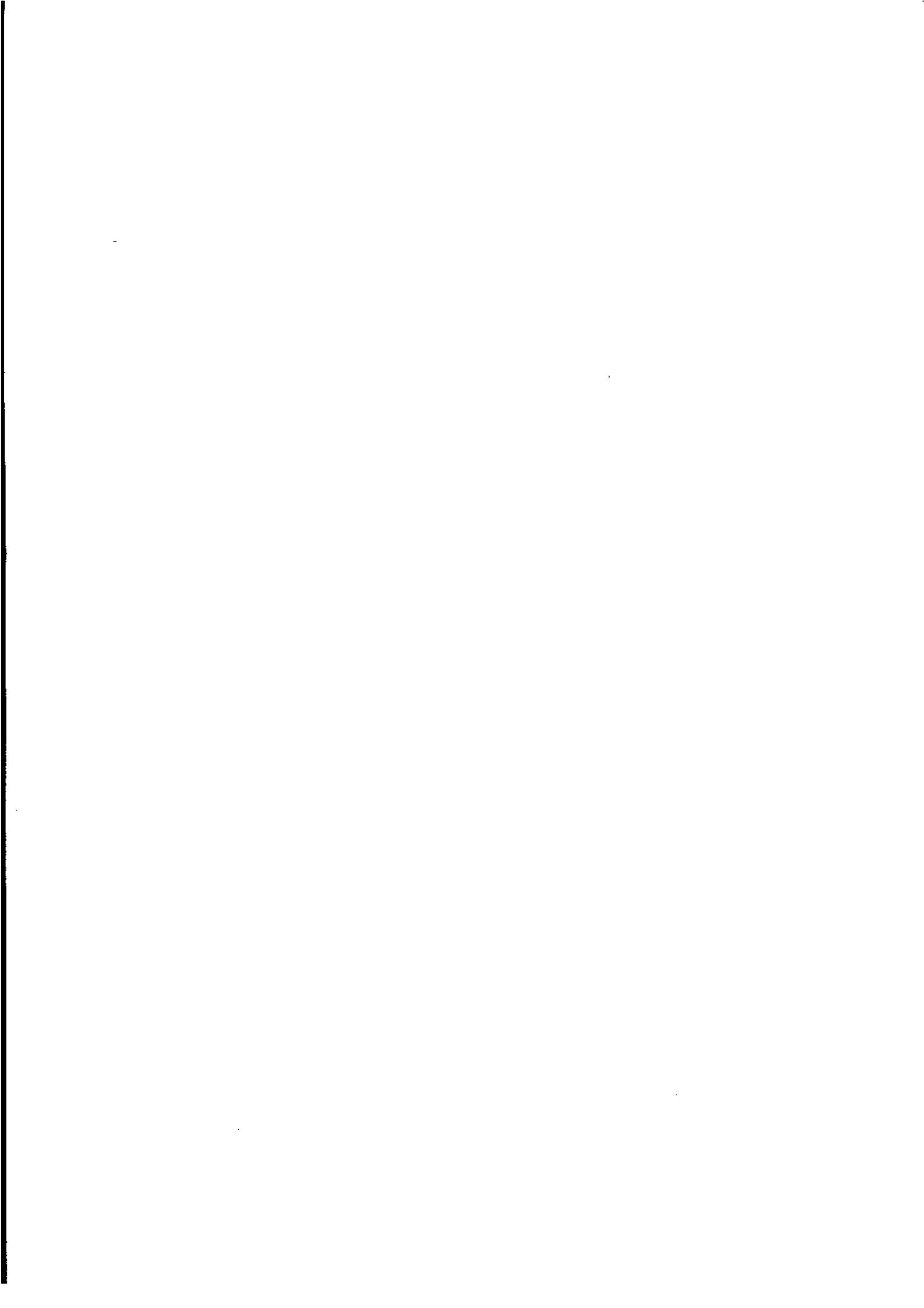




**December Quarter 1994  
INTERNATIONAL  
INVESTMENT POSITION  
AUSTRALIA**

**Catalogue No. 5306.0**

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**EMBARGOED UNTIL 11.30 A.M. 3 March 1995**

**INTERNATIONAL INVESTMENT POSITION, AUSTRALIA  
DECEMBER QUARTER 1994**

**TIM SKINNER  
Acting Australian Statistician**

**AUSTRALIAN BUREAU OF STATISTICS**

**CATALOGUE NO. 5306.0**

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### INQUIRIES

- *for further information about statistics in this publication and the availability of related unpublished statistics, contact Mr Michael Atkinson on Canberra (06) 252 5386, Ms Karen MacLennan on (06) 252 5502 or any ABS State office.*
  - *for information about other ABS statistics and services please refer to the back page of this publication.*
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**MAIN FEATURES**  
**NET INTERNATIONAL INVESTMENT POSITION AND INCOME — SUMMARY**

	Sept. qtr 1994(a)	Dec. qtr 1994	Percentage Change	
			Sept. qtr 1994 to Dec. qtr 1994	Dec. qtr 1993 to Dec. qtr 1994
	— \$A million —		— per cent —	
Net foreign liabilities at end of quarter —				
Net equity	83,498	78,388	-6.1	12.7
Net debt (b)	162,241	162,300	0.0	-5.6
Net other	544	461	-15.3	-64.2
<b>Total</b>	<b>246,284</b>	<b>241,150</b>	<b>-2.1</b>	<b>-0.7</b>
Net investment income payable abroad during quarter	4,100	4,034	-1.6	7.1

(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.

#### December quarter 1994

**Net foreign liabilities** of Australian residents at 31 December 1994 totalled \$241,150 million. This was a decrease of \$5,134 million, or 2.1 per cent, on the revised estimate of the position one quarter earlier.

- The decrease during the December quarter 1994 consisted of: an inflow of \$1,967 million due to *net capital transactions* (the *balance on capital account* in the balance of payments); *exchange rate variations* of -\$408 million associated with movements of the Australian dollar against other currencies; and *other changes* of -\$6,693 million in the value of net foreign liabilities.
- Underlying the decrease during the December quarter 1994 was a fall in *foreign investment in Australia* (down \$9,555 million), partly offset by a fall in *Australian investment abroad* (down \$4,421 million). The decrease in foreign investment in Australia reflected a decrease in equity holdings of non-residents in Australian enterprises (down \$6,386 million, mainly reflecting share price decreases on the domestic share market) and in foreign borrowing (down \$3,238 million, mainly reflecting the appreciation of the Australian dollar against other currencies). The decrease in Australian investment abroad reflected decreases in reserve assets (down \$1,891 million), lending to non-residents (down \$1,406 million) and levels of equity held by residents in foreign enterprises (down \$1,276 million).

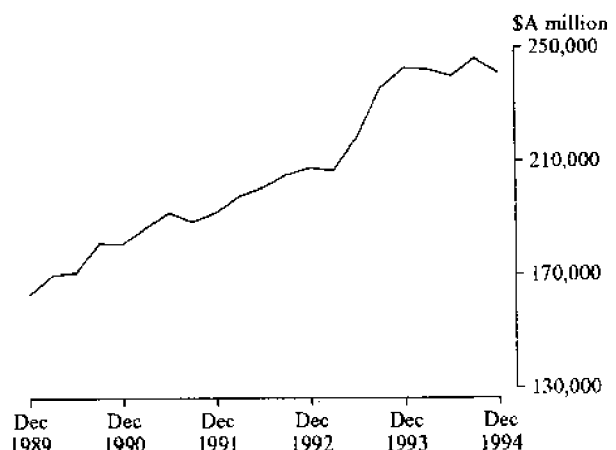
**Net foreign debt** at 31 December 1994 was \$162,300 million, up \$59 million on the revised estimate of the position a quarter earlier.

- The increase during the December quarter 1994 resulted from an inflow of \$1,927 million due to *net capital transactions* and *other changes* of \$619 million, partly offset by *exchange rate variations* of -\$2,487 million due to the appreciation of the Australian dollar against other currencies.

**Net investment income payable abroad** during the December quarter 1994 was \$4,034 million, down \$66 million (1.6%) on the amount payable in the September quarter 1994, but up \$266 million (7.1%) on the amount payable in the December quarter 1993.

- The decrease in the December quarter 1994 over the September quarter 1994 resulted from a fall of \$69 million in *income payable on foreign investment in Australia*. This fall was due to a fall of \$353 million in *income payable on foreign borrowing* which was partly offset by an increase of \$281 million in *income payable on equity*.
- The ratio of *net investment income to exports of goods and services* for the year ended December 1994 was 18.7 per cent, up 0.2 percentage points on the ratio a quarter 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 December quarter 1994				Level at 31 Dec. 1994	Investment Income during Dec. quarter 1994
	Level at 30 Sept. 1994	Capital Transactions	Exchange Rate Variations	Other Changes		
<b>Foreign Investment in Australia—</b>						
Equity liabilities	160,884	730	-119	-6,997	154,498	2,998
Borrowing(a)	204,904	307	-3,625	80	201,666	2,481
Other Investment	8,272	140	11	-82	8,341	5
<b>Total</b>	<b>374,060</b>	<b>1,177</b>	<b>-3,733</b>	<b>-6,999</b>	<b>364,505</b>	<b>5,484</b>
<b>Australian Investment Abroad—</b>						
Equity Assets	77,386	510	-2,126	340	76,110	1,107
Reserve Assets	20,308	-945	-570	-376	18,417	184
Lending	22,355	-675	-568	-164	20,948	157
Other Investment	7,728	320	-61	-107	7,880	2
<b>Total</b>	<b>127,776</b>	<b>-789</b>	<b>-3,325</b>	<b>-306</b>	<b>123,355</b>	<b>1,451</b>
<b>Net International Investment Position and Income(b)—</b>						
Net Equity Liabilities	83,498	220	2,007	-7,337	78,388	1,891
Net Debt(c)	162,241	1,927	-2,487	619	162,300	2,140
Net Other Investment	544	-180	72	25	461	3
<b>Net Foreign Liabilities</b>	<b>246,284</b>	<b>1,967</b>	<b>-408</b>	<b>-6,693</b>	<b>241,150</b>	<b>4,034</b>

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

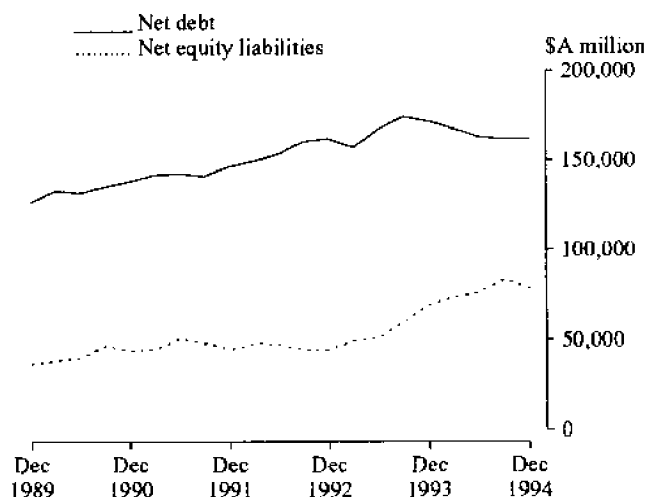
### Australia's international investment position at 31 December 1994

Australia's *net international investment position* at 31 December 1994 consisted of net foreign liabilities of \$241,150 million. This was a decrease of \$5,134 million (2.1%) on the position a quarter earlier.

The decrease of \$5,134 million in Australia's net foreign liabilities during the December quarter resulted from:

- *net capital transactions* of \$1,967 million;
- *exchange rate variations* of -\$408 million associated with the appreciation of the Australian dollar against other currencies; and
- *other changes* of -\$6,693 million.

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





The level of net foreign liabilities at 31 December 1994 represented the difference between the level of:

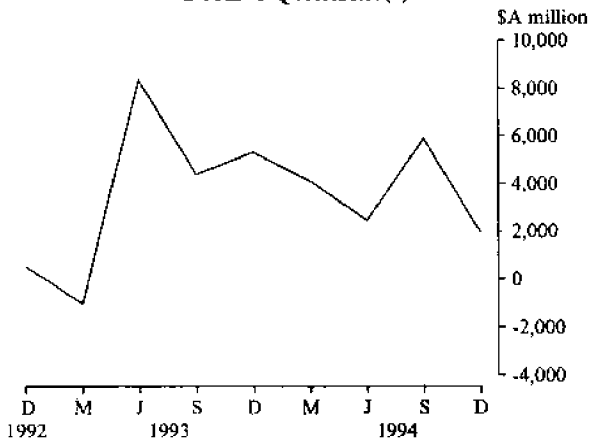
- foreign investment in Australia of \$364,505 million; and
- Australian investment abroad of \$123,355 million.

The level of net foreign liabilities consisted of:

- *net foreign debt* of \$162,300 million (67.3%);
- *net equity liabilities* of \$78,388 million (32.5%); and
- *net other investment* of \$461 million (0.2%).

During the December quarter 1994, the level of net foreign debt remained virtually unchanged and the level of net equity liabilities decreased by 6.1 per cent.

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

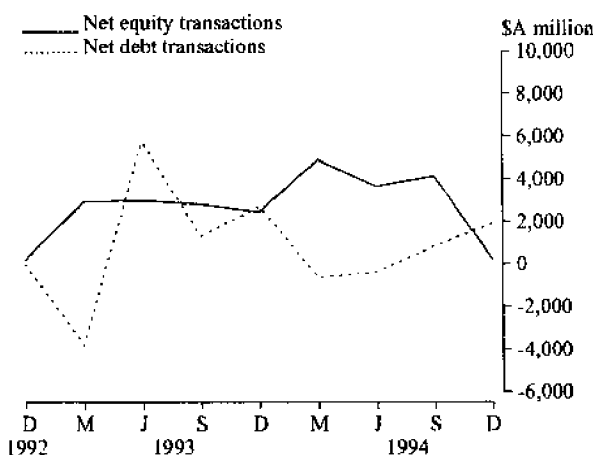


(a) Net capital transactions cover net equity, net debt and net other investment transactions.

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

- a net inflow of \$1,177 million, due to additional liabilities incurred on foreign investment in Australia; and
- a net inflow of \$789 million, due to a reduction in Australian investment abroad.

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



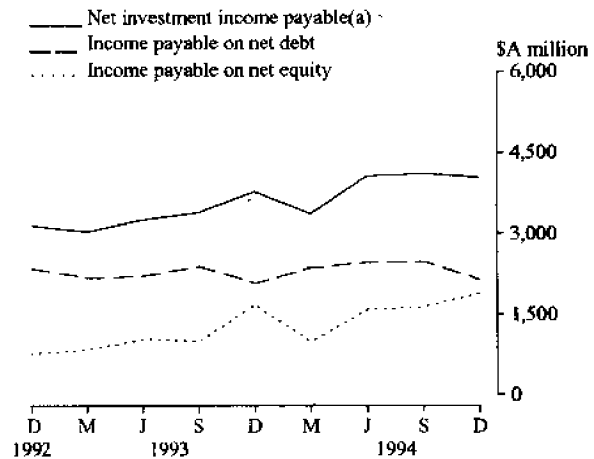
Making up the *net capital transactions* during the December quarter was a net capital inflow of:

- \$1,927 million in respect of net foreign debt; and
- \$220 million in respect of net equity investment.

These inflows were partly offset by a net capital outflow of:

- \$180 million in respect of net other investment.

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



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

Net investment income payable abroad during the December quarter 1994 was \$4,034 million, which was equal to income payable on foreign investment in Australia of \$5,484 million less income receivable on Australian investment abroad of \$1,451 million. Net investment income payable fell by \$66 million, or 1.6 per cent on the amount recorded for the September quarter 1994 (due to a decrease of \$69 million in income payable on foreign investment in Australia).

Net investment income payable abroad consisted of:

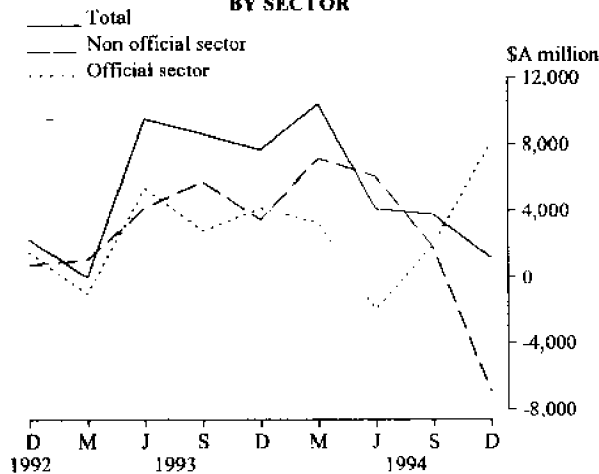
- \$2,140 million interest payable on net foreign debt; and
- \$1,894 million investment income payable on net equity and other liabilities.

### Capital transactions (investment flows) in the December quarter 1994

#### Foreign investment in Australia

A net inflow of \$1,177 million was recorded for foreign investment in Australia during the December quarter 1994. This was a decrease of \$2,606 million on the net inflow of \$3,783 million recorded for the previous quarter. This decrease resulted from falls of \$3,309 million in equity and \$210 million in borrowing, partly offset by a turnaround of \$913 million, from an outflow to an inflow, in other investment in Australia.

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



Foreign investment in the *official sector* in Australia increased from a net inflow of \$1,985 million in the September quarter 1994 to a net inflow of \$8,096 million in the December quarter 1994. This was mainly due to:

- a turnaround of \$4,572 million in general government borrowing domiciled abroad, from a net outflow of \$1,075 million to a net inflow of \$3,497 million; and
- an increase of \$1,355 million in the net inflow of general government borrowing domiciled in Australia, from \$3,084 million to \$4,439 million.

Foreign investment in the *non-official sector* in Australia turned around from a net inflow of \$1,798 million in the September quarter 1994 to a net outflow of \$6,919 million in the December quarter 1994. This was mainly due to:

- a turnaround of \$5,627 million in borrowing by the private sector from unrelated foreign lenders, from a net inflow of \$1,059 million to a net outflow of \$4,568 million;
- a turnaround of \$3,421 million in foreign direct investment in corporate equities, from a net inflow of \$1,312 million to a net outflow of \$2,109 million; and
- an increase of \$1,660 million in repayments (net outflow) of borrowing from direct investors, from \$585 million to \$2,245 million.

These changes were partly offset by:

- a decrease of \$1,184 million in repayments of borrowings by the public sector from unrelated foreign lenders, from \$1,991 million to \$807 million; and
- a turnaround of \$828 million in accounts payable/prepayments received by the public sector from unrelated foreign investors, from a net outflow (payments made) of \$795 million to a net inflow (liabilities incurred) of \$33 million.

#### *Australian investment abroad*

A withdrawal (net inflow) of \$789 million was recorded for Australian investment abroad in the December quarter 1994, representing a decrease of

\$1,301 million on the withdrawal of \$2,090 million for the previous quarter.

The withdrawal of Australian investment abroad by the *official sector* decreased from \$1,217 million in the September quarter 1994 to \$788 million in the December quarter 1994. This was mainly due to:

- a fall of \$582 million in repayments by non-residents of lending by the *official sector*, from \$595 million to \$13 million.

This fall was partly offset by:

- an increase of \$416 million in sales (net inflow) of reserve assets, from \$529 million to \$945 million.

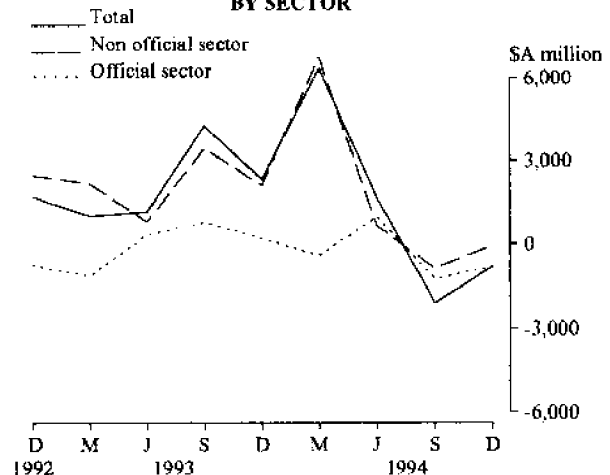
A withdrawal (net inflow) of \$1 million was recorded for investment abroad by the *non-official sector* in the December quarter. This was a fall of \$872 million from the withdrawal of \$873 million in the September quarter 1994. The December quarter 1994 result was mainly due to:

- a decrease of \$1,064 million in the net inflow from accounts receivable/prepayments made by the *public sector* to unrelated enterprises, from \$1,123 million to \$59 million;
- a turnaround of \$604 million in accounts receivable/prepayments made by the *private sector* to unrelated foreign enterprises, from a net inflow of \$373 million to a net outflow of \$231 million; and
- a decrease of \$410 million in the withdrawal of Australian direct investment in foreign corporate equities, from a net inflow of \$416 million to a net inflow of \$6 million.

These changes were partly offset by:

- a decrease of \$1,267 million in lending to related foreign enterprises from a net outflow of \$1,563 million to a net outflow of \$296 million; and
- a decrease of \$275 million in lending by the *public sector* to unrelated foreign enterprises from a net outflow of \$293 million to a net outflow of \$18 million.

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



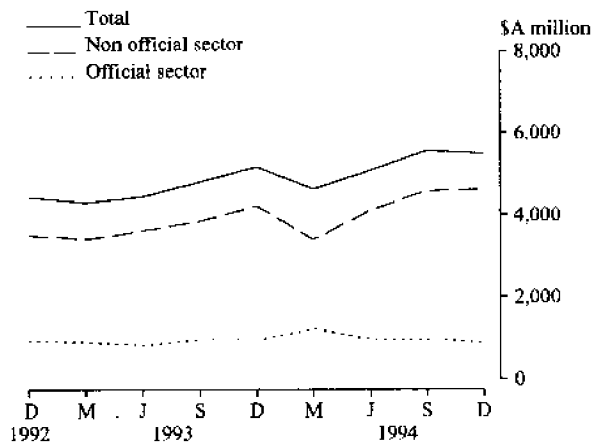
### Investment income in the December quarter 1994

#### Income payable on foreign investment in Australia

Income payable on foreign investment in Australia was \$5,484 million in the December quarter 1994, down \$69 million (1.2%) on the September quarter 1994 estimate. Interest payable on foreign borrowing accounted for \$2,481 million (45%) of the total investment income payable, down \$353 million (12.5%) on the previous quarter's estimate.

Income payable by the *official sector* was \$867 million, down \$117 million (11.9%) on the amount payable in the previous quarter. Income payable by the *non-official sector* rose \$49 million (1.1%) to \$4,617 million.

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



The largest decreases in income payable on foreign investment in Australia were recorded for:

- interest payable on public sector borrowing from unrelated foreign lenders (down \$232 million); and
- interest payable on official sector borrowing domiciled in Australia (down \$174 million).

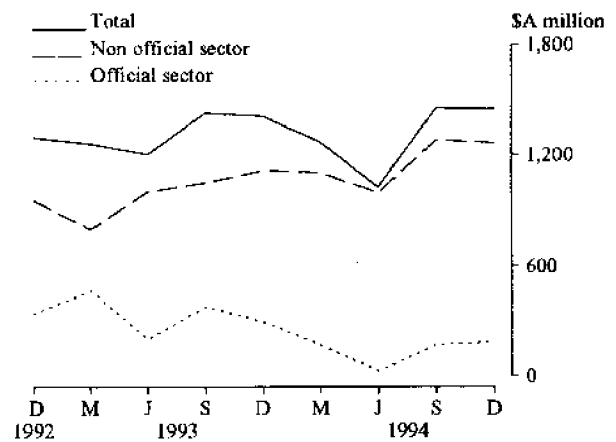
The largest increases were recorded for:

- dividends payable on portfolio investment and direct investment in Australian corporate equities (up \$189 million and \$163 million respectively).

#### Income receivable on Australian investment abroad

Income receivable on Australian investment abroad during the December quarter 1994 was \$1,451 million, a decrease of \$1 million on the previous quarter's estimate. Income receivable by the *official sector* (almost entirely interest on reserve assets) rose by \$13 million (7.5%). Income receivable by the *non-official sector* fell by \$14 million (1.1%).

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



### Exchange rate variations in the December quarter 1994

During the December quarter 1994, the Australian dollar appreciated 5 per cent against the United States dollar, 5 per cent against the German mark, 6 per cent against the Japanese Yen and 6 per cent against the United Kingdom pound. On a trade weighted basis, the Australian dollar appreciated 5.2 per cent.

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

### Other changes in levels in the December quarter 1994

Apart from capital transactions and exchange rate variations, there were also *other changes* in Australia's net foreign liabilities during the quarter of -\$6,693 million. This represented *other changes* in the level of foreign investment in Australia of -\$6,999 million, partly offset by *other changes* in the level of Australian investment abroad of -\$306 million.

Virtually all of the other changes in the level of *foreign investment in Australia* during the quarter were due to equity, with share price decreases on the domestic share market accounting for approximately \$6,600 million of this reduction in investment.

### Levels of investment at 31 December 1994

#### Foreign investment in Australia

The level of foreign investment in Australia was \$364,505 million at 31 December 1994, a decrease of \$9,555 million on the level at 30 September 1994. Making up the change in levels were:

- a net inflow of \$1,177 million from capital transactions;
- exchange rate changes of -\$3,733 million; and
- other changes of -\$6,999 million.

The *official sector* accounted for \$71,558 million, or 20 per cent, of the total level of foreign investment in Australia at 31 December 1994. The *non-official sector* accounted for the remaining \$292,947 million, or 80 per cent.

When analysed by instrument of investment, foreign investment in Australia, at 31 December 1994, consisted of the following:

- *foreign borrowing* of \$201,666 million (55%);
- *equity investment* of \$154,498 million (42%); and
- *other investment* of \$8,341 million (2%).

#### *Australian investment abroad*

The level of Australian investment abroad was \$123,355 million at 31 December 1994, a decrease of \$4,421 million on the level at 30 September 1994. Making up the change in levels were:

- a withdrawal (net inflow) of \$789 million from capital transactions;
- exchange rate changes of -\$3,325 million; and
- other changes of -\$306 million.

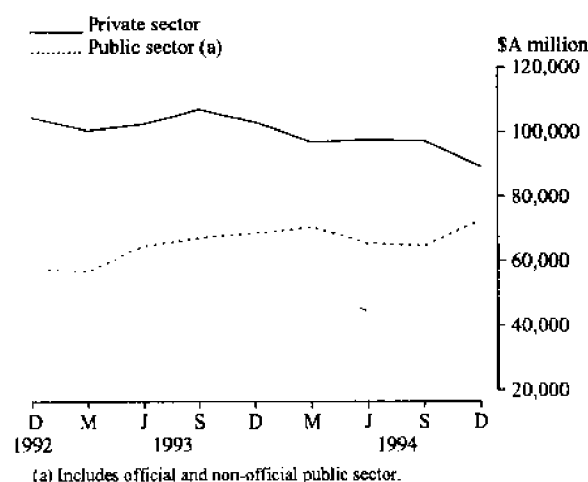
Investment abroad by the *official sector* (mainly comprising holdings of reserve assets) was \$21,195 million, representing 17 per cent of the total level of Australian investment abroad while the *non-official sector* accounted for the remaining 83 per cent. Corporate equities accounted for 72 per cent of the level of non-official sector investment abroad.

#### *Australia's foreign debt*

At 31 December 1994, Australia's *net foreign debt* was \$162,300 million, up \$59 million on the level at 30 September 1994.

The level of *net foreign debt* at 31 December 1994 was made up of borrowing from non-residents (*gross foreign debt*) of \$201,666 million, partly offset by reserve assets and Australian lending abroad of \$39,365 million.

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



The *public sector* (official and non-official) held \$73,042 million or 45 per cent of total net foreign debt at 31 December 1994 while the *private sector* held \$89,259 million or 55 per cent.

Within the public sector, the *official sector* accounted for \$52,978 million or 33 per cent of total net foreign debt while the *non-official sector* accounted for \$20,064 million or 12 per cent.

As Table 1 shows, there was a slight increase in net foreign debt during the December quarter due to net capital transactions of \$1,927 million and other changes of \$619 million being almost offset by exchange rate variations of -\$2,487 million.

At 31 December 1994, 54 per cent (\$109,889 million) of Australia's foreign borrowing was denominated in foreign currencies and 46 per cent (\$91,777 million) in Australian dollars. US dollars represented the largest currency of borrowing, comprising \$74,149 million or 67 per cent of foreign currency borrowing. Of the amount denominated in Australian dollars, \$53,339 million (58%) was domiciled abroad with the remaining \$38,438 million domiciled in Australia.

### Release date for March quarter 1995 issue

The expected release date for the March quarter 1995 issue of *International Investment Position, Australia* (5306.0) is 5 June 1995.

## REVISIONS

Since the last issue of this publication, revisions have been made to estimates of capital transactions, levels of international investment and investment income from 1988-89 onwards. The revisions are summarised in the table below.

For 1993-94 and September quarter 1994 the revisions have been largely caused by the incorporation of data from the 1993-94 annual *Survey of Foreign Investment* (SFI).

In compiling results from the quarterly SFI, a coverage adjustment, based on historical trends, is incorporated for those entities not approached quarterly. This adjustment is retained until annual SFI results are available. In the December quarter issue of this publication each year, the coverage adjustment for the four quarters of the preceding financial year is replaced with the annual estimate. Results from the 1993-94 annual survey have shown that the methodology used to derive the coverage adjustment for that year underestimated the amount of equities of Australian enterprises held directly by unrelated non-residents. The ABS is investigating alternative data sources and methodologies that might be used to improve the initial estimates of such investment in future.

Revisions for earlier years and some revisions for 1993-94 and September quarter 1994 have been caused by:

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

	Change in this publication						Sept. quarter 1994
	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	
<b>Capital transactions —</b>							
Foreign investment in Australia	-15	100	-314	-66	176	9761	902
Australian investment abroad	0	336	529	667	1143	1211	245
<i>Net</i>	-14	-237	-843	-733	-965	8550	657
<b>Investment income —</b>							
Foreign investment in Australia	-76	-66	-69	-76	47	1651	887
Australian investment abroad	0	35	60	154	332	285	102
<i>Net</i>	-77	-102	-128	-229	-285	1365	784
<b>Level of foreign debt —</b>							
Foreign investment in Australia	-422	-367	427	860	937	1850	1645
Australian investment abroad	-29	110	116	795	2405	1344	-337
<i>Net</i>	-393	-477	310	66	-1467	506	1983
<b>Level of equity and other investment —</b>							
Foreign investment in Australia	1998	3067	3071	3314	2654	8387	8901
Australian investment abroad	0	386	1050	2091	3814	1561	1084
<i>Net</i>	1998	2682	2021	1223	-1160	6824	7815
<b>Total level of investment —</b>							
Foreign investment in Australia	1577	2700	3498	4174	3591	10237	10546
Australian investment abroad	-29	496	1167	2886	6219	2905	747
<i>Net</i>	1606	2205	2331	1288	-2629	7334	9798

## CHANGES IN THIS ISSUE

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

Information on *Commonwealth Government securities domiciled in Australia* is collected in the Survey of Foreign Investment from Australian enterprises that hold Australian securities as nominees on behalf of non-residents. Holdings of Commonwealth Government securities have historically been reported at face value and estimates of net transactions by non-residents have until now been derived as the difference between reported opening and closing levels.

The principle of valuation in international investment statistics is market price. For Commonwealth Government securities face value was used as a proxy for market price as data providers considered that it would be difficult to reliably report securities at market value; and at the same time the difference between face and market value was considered to be insignificant. Also, by differencing levels at face value the resulting estimate of transactions is exclusive of valuation effects.

In recent years the situation has changed. Providers are able to, and some have already commenced to, report data at market value. Also, developments in the market for Commonwealth Government securities have resulted in a significant divergence between market value and face value. Consequently, levels reported at face value are no longer a good proxy for levels at market value. Further, for those providers now reporting levels at market value, transactions can not be accurately derived by differencing the levels as the resulting amounts will include valuation effects.

To address this situation, the ABS has commenced a feasibility study to assess the possibility of collecting information on transactions, income and levels at market value from nominees. In the interim, an estimation methodology has been developed to adjust reported levels data from face to market value and to remove the impact of valuation effects from transactions estimates derived by differencing levels data. These adjustments are calculated by applying a ratio of face to market values for all traded Commonwealth Government securities.

This issue of the publication includes revised transactions and levels series for *General Government; Borrowing- Domiciled in Australia*. In these series the revisions due to the improved methodology for measuring Commonwealth Government securities are combined with revisions due to the incorporation of final data from the 1993-94 annual Survey of Foreign Investment.

The effect of the revisions to transactions recorded in the Commonwealth Government securities component arising from this change in methodology has been to: increase the net outflow in official sector transactions in 1990-91 by \$16 million; increase the net inflow in 1991-92 by \$5 million; decrease the net inflow in 1992-93 by \$274 million; and increase the net inflow in 1993-94 and the September quarter of 1994-95 by \$542 million and \$292 million respectively. The effect of the revisions to the levels recorded at the 30 June for the Commonwealth Government securities component was: an increase of \$899 million for the year ended 30 June 1991; \$1,423 million for 30 June 1992; \$1,528 million for 30 June 1993; \$369 million for 30 June 1994 and a reduction of \$124 million for the quarter ended 30 September 1994.

## STATISTICAL DEVELOPMENTS IN APEC

The following article briefly describes the background to the regional body known as APEC and ABS involvement in it.

### A brief history

The Asia Pacific Economic Cooperation initiative (APEC) arose in 1989 in recognition of the increasing interdependence of economies in the Asia Pacific region. It reflected a need for more effective consultation among decision-makers in the region in respect of:

- strengthening the multilateral trading system and enhancing the prospects of success in the Uruguay Round of trade negotiations;
- assessing the prospects for, and obstacles to, increased trade and investment flows in the region;
- identifying practical common economic interests.

Since that time, APEC has developed into a major region-wide vehicle for economic cooperation. There has been extensive consultation between APEC members at Leader, Ministerial, Senior Government Official and Working Group levels over that period.

### Membership of APEC

There were 12 members of APEC at the initiation of this regional body in 1989, but membership now stands at 18. The current members are Australia, Brunei Darussalam, Canada, Chile, the Peoples' Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Philippines, Singapore, Chinese Taipei, Thailand and the United States of America. A number of other economies in the region have also indicated a strong interest in joining APEC, although there is currently a three-year moratorium on new members.

### Structure of APEC

Various Senior Officials Meetings agreed on ten work projects to ensure that the aims of APEC were progressed. Working groups were established to undertake each project under the guidance of members who were designated as "Shepherds". These projects are:

- i) Trade and Investment Data Review
- ii) Trade Promotion
- iii) Industrial Science and Technology
- iv) Human Resources Development
- v) Regional Energy Cooperation

- vi) Marine Resources Conservation
- vii) Telecommunications
- viii) Fisheries
- ix) Transportation
- x) Tourism

A permanent secretariat for APEC was established in 1993, based in Singapore, to further strengthen APEC's role and enhance its efficiency in promoting regional economic cooperation. A Budget and Administrative Committee was formed to review expenditure proposals and oversee other administrative matters, while other committees and informal groups have also been formed within APEC on Economics and on Trade and Investment.

### The ABS role in APEC

While the ABS has had some involvement in a number of projects, including Tourism and Human Resources Development, its most extensive and direct role in APEC to date is in the Trade and Investment Data (TID) Review project. The major aims of this latter project are to minimise the discrepancies in merchandise and services trade statistics and investment flows data between APEC participants, and to maximise the usefulness of these data in order to develop a clearer understanding of economic progress occurring within the APEC region.

The aims of the TID project are consistent with the ABS corporate objective of promoting the use of statistical standards such as classifications, frameworks and definitions. In meeting this objective, the ABS fosters and contributes to the development and implementation of international statistical standards. The ABS also has a program of assisting and encouraging statistical development in the Asia/Pacific region by participating in regional workshops and conferences, undertaking short term consultancies, and providing on-the-job training in the ABS for staff from other statistical agencies.

### Progress on the TID project

The TID project commenced in 1990 with Ministers and Senior Officials agreeing that work proceed as soon as possible with a review of data on trade flows and developments (including trade in goods and services) and on capital flows (including direct investment).

While Shepherds for the TID Working Group (WG) agreed that initial work should focus on improving the comparability of merchandise trade data across APEC members, they also decided that preliminary work should begin on services and investment data. As a first step, the Shepherds asked selected members of the WG (specifically-

ly Singapore, New Zealand and Australia) to prepare inventories of existing data holdings of all APEC members, so that gaps in the data and discrepancies between members' data would become clearer.

Subsequently, a merchandise trade inventory was prepared by the Singapore Trade Development Board and an inventory on international services trade was compiled by Statistics New Zealand, while the ABS prepared an initial inventory of international investment data.

#### *Merchandise trade*

The preliminary report prepared by Singapore on the methodology and definitions used by APEC members for merchandise trade statistics identified a number of major reasons for discrepancies in merchandise trade data between members. This work was helped by several recent bilateral reconciliation exercises between APEC members relating to their respective merchandise trade data; in particular, between the USA and Japan, the USA and Korea, Australia and New Zealand, and Australia and the USA.

As a result of this work, the WG recognised that it would be very difficult, if not impossible, to develop precise reconciliations of these data between APEC members. It was proposed instead to develop a "near-comparable" database of merchandise trade statistics for all APEC members. A set of principles that each member would apply to achieve this aim was agreed. These principles include:

- uniform fob valuation for imports and exports to be adopted;
- data to be classified according to the Harmonised System, at the 4-digit level of detail;
- annual calendar year data to be used, commencing from 1991;
- data to be converted from national currencies to \$US, using common exchange rates published by the IMF for each period;
- a common lower threshold of \$US1500 for compiling both import and exports transactions to be adopted;
- splits by partner to be based on country of final destination for exports and country of origin for imports;
- adjustments made by members to published data to be individually specified on the database.

Merchandise trade data are likely to be easier to reconcile than data for the other two aspects of the project (services trade and investment flows) and this is where emphasis will continue to be placed by the WG in the shorter term. The existing differences are likely to be more easily identifiable and the payback period shorter.

To facilitate the development of the "near-comparable merchandise trade database" for all APEC member economies, the WG at its 1994 meeting endorsed the ABS and a Singapore firm to develop a database system, to be financed from APEC central funds. It asked the APEC Secretariat and the vendors to prepare a contract for this development. This contract has recently been signed by both the Secretariat and the prime contractor (ABS) and work is now proceeding on the development.

This development is expected to be completed in the latter half of 1995. Once the database has been developed, all APEC members will be asked to supply their merchandise trade data in an agreed format to the data manager for loading to the database, initially for 1991 and 1992 calendar years. Data will be supplied on two bases: the first basis will be data as published by each member and the second will be as adjusted to conform to the above criteria. A process of bilateral reconciliations is then expected to take place between members, but the speed at which this takes place will be limited by the resources each member can devote to it.

#### *Trade in Services*

The WG agreed that the broad classification proposed in the International Monetary Fund's (IMF) Balance of Payments Manual (5th Edition) be used as a guide for developing a trade in services statistics database. New Zealand's initial report on trade in services data for APEC members noted that a lack of available data precluded the early extraction and comparison of such data for partners on a comprehensive basis. Nevertheless, APEC members have agreed to work towards improving their data in this field, including partner breakdowns of their global data and bilateral comparisons with their more important trading partners as appropriate.

Available partner data at a broad level of the services classification (transportation, travel and other services) have been supplied for the period 1987 to 1992 by a number of members, including Australia, for incorporation in a preliminary database.

Members agreed to report at each WG meeting on what improvements are in the pipeline for their trade in services data and what progress is being made towards implementing them. These reports and supply of any available underlying data are being coordinated by Statistics New Zealand.

#### *International Investment Flows*

The preliminary inventory of international investment flows data for APEC members was prepared by the ABS using information available from within Australia. This was subsequently updated using information received from a questionnaire completed by members on how they compiled their international investment flows statistics, the availability of partner data etc. For the sake of consistency, the WG agreed at an early stage in the



development of the inventory that the only sensible comparison of international investment flows data would be to use data compiled for national balance of payments purposes.

Early indications are that it will be quite some time before reconcilable data on international investment for APEC members can be developed. Current problems which prevent achievement of that objective differ from member to member but include: different definitions employed; lack of data by partner (especially on a balance of payments basis); different year ends used for compilation; and differing treatments of certain types of transactions. Lack of partner data and other differences are particularly noticeable for portfolio and other investment flows and for investment flows between unrelated parties cross-classified by partner and industry.

The WG agreed that the most appropriate initial focus should be on an analysis of the major differences between members' most readily-available data. To this end, it was agreed that each APEC member would initially supply data on both inward and outward direct investment flows for whatever partners they could for a 5-year period from 1987 to 1991. Because most APEC members do not compile data on reinvestment of earnings (a component of direct investment according to IMF standards), members that do compile these data are to show them separately. The data extracted are being sent to the ABS which reports on progress to each WG meeting.

#### Implications of the TID project's work

It is evident that much work needs to be done before the overall objectives of the project can be met. The relevant data for some APEC members are unavailable. Where data do exist, many discrepancies are evident. These discrepancies are due to many factors, but a recurring theme is that sources and methods used are often inadequate and that some members will need to put more resources into collecting and compiling these statistics, particularly those relating to international services trade and investment.

It is also clear that, on the conceptual level, adherence by APEC members to international statistical standards is critical to avoid inconsistencies between members in their global statistics and to achieve more comparable bilateral data for use in regional analyses. There are three key standards relevant to the project: the International Monetary Fund's Balance of Payments Manual; the Customs Co-operation Council's Harmonized System for recording merchandise imports and exports; and the United Nations Statistical Office's International Trade Statistics Concepts and Definitions. The first of these was reviewed over recent years and a revised version (the Fifth Edition of the Balance of Payments Manual) was published in late 1993, while the latter two standards are currently under review. The timing and extent of im-

plementation of the revised standards by members may have a significant impact on the TID project's outcomes.

International trade in services is a developing area of statistics, where much work has been taking place internationally in recent years in respect of definitions and classifications. At the national level, a number of APEC members have been investigating and implementing new sources, methods and more detailed classifications, but some members have yet to make significant progress in this area of statistics.

Data about international investment flows are anticipated to be the hardest area in which to achieve harmonisation between members. Nevertheless, a useful start has been made in identifying the major causes of discrepancies and, in some cases, lack of relevant data.

The results of investigations by the TID WG to date indicate that most members will, over time, need to allocate resources to develop better data, recognising that good policymaking depends on having available accurate and reliable data. Current sources and methods are, in a number of instances, no longer providing appropriate answers to national policymakers or trade negotiators, nor indeed to international agencies trying to compare data across countries and make sense of what they see. APEC members with less developed statistical systems in the field of international accounting can learn much from those with more developed systems, and can also avoid some of the pitfalls on the way.

#### Areas for future work

In the process of developing trade and investment databases for APEC members, the TID WG recognised the potential overlap of its work with that of other multi-lateral and regional organisations undertaking similar activities. It has established contact with several of these organisations to avoid duplication of effort and to establish areas of potential complementarity.

The WG will also consider issues of public access to its database, whether to charge for such access, data comparability, security, the best way to disseminate the data (for example, by paper publications or electronically), long-term management of the data supplied, and system maintenance.

These and other issues will be considered at the next TID WG meeting to be held in Canberra in April 1995. Australia, and specifically the ABS, will host this meeting and a Technical Experts Workshop. The Workshop will provide a forum for all members to discuss data collection methods, methodological issues and reconciliation techniques. This will allow members to benefit from the experiences of others in this field of statistics. The Workshop will also include training in the database system being developed.

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—								
1991-92	50,439	149	1,838	-3,075	-2,331	-3,419	47,020	3,440
1992-93	47,020	339	6,713	-2,991	688	4,749	51,770	3,652
1993-94	51,770	1,583	12,279	3,700	7,432	24,993	76,763	5,219
Quarter ended—								
1993-94 —								
September	51,770	396	2,437	2,354	7,994	8,472	60,242	982
December	60,242	396	2,077	3,134	3,728	9,335	69,577	1,679
March	69,577	396	4,504	1,990	-2,861	4,028	73,605	977
June	73,605	396	3,261	930	-1,428	3,158	76,763	1,582
1994-95								
September	76,763	575	3,566	210	2,383	6,735	83,498	1,637
December	83,498	575	355	2,007	-7,337	-5,110	78,388	1,891
NET FOREIGN DEBT (d)								
Year—								
1991-92	142,782	..	12,159	1,643	-3,019	10,783	(e)153,565	10,941
1992-93	153,565	..	8,537	6,202	-985	13,755	167,320	9,180
1993-94	167,320	..	3,064	4,221	-2,925	-4,082	163,237	9,270
Quarter ended—								
1993-94								
September	167,320	..	1,324	3,376	2,493	7,193	174,513	2,378
December	174,513	..	2,722	-3,104	-2,141	-2,523	171,990	2,078
March	171,990	..	623	-2,253	-1,265	-4,141	167,849	2,359
June	167,849	..	359	-2,241	-2,012	4,612	163,237	2,456
1994-95								
September	163,237	..	862	-1,090	768	-996	162,241	2,470
December	162,241	..	1,927	-2,487	619	59	162,300	2,140
NET OTHER INVESTMENT								
Year—								
1991-92	-1,239	..	1,565	-30	-58	1,477	238	40
1992-93	238	..	342	-120	1,068	-846	-608	71
1993-94	-608	..	-602	17	1,272	686	78	63
Quarter ended—								
1993-94 —								
September	608	..	230	11	1,238	1,457	849	16
December	849	..	135	12	291	439	1,287	11
March	1,287	..	-149	24	-147	271	1,016	15
June	1,016	..	819	-8	-111	938	78	20
1994-95								
September	78	..	870	18	-422	466	544	-6
December	544	..	-180	72	25	83	461	3
NET INTERNATIONAL INVESTMENT POSITION								
Year—								
1991-92	191,982	149	15,562	1,462	5,408	8,841	200,824	14,421
1992-93	200,824	339	15,592	3,092	1,364	17,658	218,481	12,903
1993-94	218,481	1,583	14,740	-505	5,779	21,597	240,079	14,552
Quarter ended—								
1993-94 —								
September	218,481	396	3,990	1,011	11,725	17,122	235,603	3,376
December	235,603	396	4,935	42	1,878	7,251	242,854	3,768
March	242,854	396	3,732	-239	4,273	-384	242,470	3,351
June	242,470	396	2,084	1,320	-3,551	-2,391	240,079	4,058
1994-95								
September	240,079	575	5,298	-862	1,194	6,205	246,284	4,100
December	246,284	575	1,392	-408	6,693	-5,134	241,150	4,034

(a) Australia's net international investment position equals Foreign Investment in Australia less Australian Investment Abroad. (b) Comprehensive data are only collected annually for this item and hence estimates for the most recent periods are derived by extrapolating earlier estimates. Quarterly estimates are derived by evenly distributing the annual estimates. (c) Includes reinvestment of 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. (e) As a result of a change in the methodology used to value non-equity securities issued on foreign capital markets, levels of net foreign debt from 31 December quarter 1991 are not strictly comparable with levels for earlier periods. The change in methodology accounts for -\$973 million of the amount shown as 'other changes' in 1991-92.

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			
<b>EQUITY</b>								
<i>Year—</i>								
1991-92	105,370	705	4,628	58	105	5,495	110,866	4,702
1992-93	110,866	2,384	8,303	55	483	11,225	122,091	6,552
1993-94	122,091	4,243	18,249	86	10,387	32,966	155,057	8,645
<i>Quarter ended</i>								
<i>1993-94 —</i>								
September	122,091	1,061	4,538	14	(c)10,336	15,949	138,040	1,800
December	138,040	1,061	4,552	—	(c)6,857	12,470	150,510	2,592
March	150,510	1,061	5,669	48	-4,753	2,024	152,534	1,826
June	152,534	1,061	3,489	25	-2,052	2,523	155,057	2,426
<i>1994-95 —</i>								
September	155,057	1,450	2,589	26	1,762	5,827	160,884	2,717
December	160,884	1,450	-720	-119	(d)-6,997	-6,386	154,498	2,998
<b>BORROWING</b>								
<i>Year—</i>								
1991-92	179,251	..	9,389	4,821	-2,193	12,017	(e)191,268	13,324
1992-93	191,268	..	7,641	9,399	113	17,153	208,420	11,344
1993-94	208,420	..	7,508	6,239	-3,762	2,493	205,927	10,938
<i>Quarter ended—</i>								
<i>1993-94 —</i>								
September	208,420	..	2,819	4,684	1,131	8,634	217,054	2,976
December	217,054	..	1,559	5,656	-1,762	-5,859	211,195	2,563
March	211,195	..	4,169	-2,205	-1,422	543	211,738	2,774
June	211,738	..	-1,039	-3,062	-1,710	-5,811	205,927	2,626
<i>1994-95 —</i>								
September	205,927	..	517	1,020	-520	1,023	204,904	2,834
December	204,904	..	307	-3,625	80	-3,238	201,666	2,481
<b>OTHER INVESTMENT</b>								
<i>Year—</i>								
1991-92	6,424	..	668	55	-305	418	6,841	93
1992-93	6,841	..	562	53	-582	33	6,874	92
1993-94	6,874	..	903	-66	1,567	2,404	9,278	94
<i>Quarter ended—</i>								
<i>1993-94 —</i>								
September	6,874	..	225	31	1,552	1,808	8,682	24
December	8,682	..	495	-22	234	707	9,389	20
March	9,389	..	448	-28	162	-638	8,751	20
June	8,751	..	631	-47	57	528	9,278	29
<i>1994-95 —</i>								
September	9,278	..	-773	5	-238	1,006	8,272	2
December	8,272	..	140	11	-82	69	8,341	5
<b>TOTAL</b>								
<i>Year—</i>								
1991-92	291,045	705	14,686	4,933	-2,393	17,930	308,975	18,120
1992-93	308,975	2,384	16,506	9,507	14	28,411	337,386	17,988
1993-94	337,386	4,243	26,660	-6,219	8,192	32,876	370,262	19,677
<i>Quarter ended—</i>								
<i>1993-94 —</i>								
September	337,386	1,061	7,582	4,729	13,019	26,391	363,776	4,800
December	363,776	1,061	6,606	-5,678	5,330	7,318	371,094	5,176
March	371,094	1,061	9,390	-2,185	-6,337	1,929	373,023	4,620
June	373,023	1,061	3,082	-3,084	-3,820	-2,761	370,262	5,082
<i>1994-95 —</i>								
September	370,262	1,450	2,333	-989	1,003	3,798	374,060	5,553
December	374,060	1,450	-273	-3,733	-6,999	-9,555	364,505	5,484

(a) Comprehensive data are only collected annually for this item and hence estimates for the most recent periods are derived by extrapolating earlier estimates. Quarterly estimates are derived by evenly distributing the annual estimates. (b) Includes reinvestment of 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) Approximately \$6,600 million was due to share price decreases on the domestic share market. (e) As a result of a change in the methodology used to value non-equity securities issued on foreign capital markets, levels of borrowing from the end of December quarter 1991 are not strictly comparable with levels for earlier periods. The change in methodology accounts for -\$971 million of the amount shown as 'other changes' in 1991-92.

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

Period	Changes in levels of investment during the period						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	Total		
EQUITY								
<i>Year—</i>								
1991-92	54,931	555	2,790	3,133	2,436	8,914	63,845	1,263
1992-93	63,845	2,045	1,590	3,046	-205	6,476	70,321	2,901
1993-94	70,321	2,661	5,970	3,613	2,955	7,972	78,293	3,425
<i>Quarter ended—</i>								
<i>1993-94—</i>								
September	70,321	665	2,102	2,368	2,342	7,477	77,798	819
December	77,798	665	2,475	-3,134	3,129	3,135	80,933	913
March	80,933	665	1,165	-1,943	1,892	2,004	78,929	849
June	78,929	665	228	-905	-624	-636	78,293	844
<i>1994-95</i>								
September	78,293	875	-977	-184	621	-908	77,386	1,080
December	77,386	875	-365	-2,126	340	-1,276	76,110	1,107
LENDING								
<i>Year—</i>								
1991-92	12,421	..	1,159	891	991	3,041	15,463	728
1992-93	15,463	..	3,054	1,491	270	4,815	20,278	699
1993-94	20,278	..	3,390	-1,041	-598	1,751	22,029	815
<i>Quarter ended—</i>								
<i>1993-94—</i>								
September	20,278	..	781	727	-1,267	240	20,518	225
December	20,518	..	1,247	-1,196	176	-2,368	18,250	196
March	18,250	..	5,077	-285	12	4,805	23,055	249
June	23,055	..	1,221	-287	482	-1,026	22,029	145
<i>1994-95</i>								
September	22,029	..	184	103	245	326	22,355	192
December	22,355	..	-675	568	-164	-1,406	20,948	157
RESERVE ASSETS								
<i>Year—</i>								
1991-92	24,047	..	-3,929	2,287	165	-1,807	22,240	1,654
1992-93	22,240	..	-3,950	1,705	828	1,417	20,823	1,465
1993-94	20,823	..	1,054	-976	-240	162	20,661	853
<i>Quarter ended—</i>								
<i>1993-94—</i>								
September	20,823	..	714	581	-95	1,200	22,023	373
December	22,023	..	84	1,356	204	-1,068	20,955	289
March	20,955	..	285	333	-169	121	20,834	166
June	20,834	..	541	-534	-180	173	20,661	26
<i>1994-95</i>								
September	20,661	..	-529	173	3	-353	20,308	173
December	20,308	..	-945	570	376	-1,891	18,417	184
OTHER INVESTMENT								
<i>Year—</i>								
1991-92	7,663	..	897	85	-248	1,060	6,603	54
1992-93	6,603	..	220	173	486	879	7,482	21
1993-94	7,482	..	1,506	83	295	1,718	9,200	31
<i>Quarter ended—</i>								
<i>1993-94—</i>								
September	7,482	..	-5	42	314	351	7,834	8
December	7,834	..	359	-35	57	268	8,102	9
March	8,102	..	299	52	-16	-367	7,735	5
June	7,735	..	1,450	-38	54	1,465	9,200	9
<i>1994-95</i>								
September	9,200	..	-1,643	-12	183	1,472	7,728	8
December	7,728	..	320	61	107	152	7,880	2
TOTAL								
<i>Year—</i>								
1991-92	99,063	555	-876	6,395	3,014	9,989	108,151	3,699
1992-93	108,151	2,045	914	6,415	1,379	10,753	118,904	5,085
1993-94	118,904	2,661	11,919	-5,714	2,413	11,279	130,183	5,125
<i>Quarter ended</i>								
<i>1993-94</i>								
September	118,904	665	3,592	3,718	1,294	9,269	128,173	1,425
December	128,173	665	1,671	-3,721	3,452	68	128,241	1,408
March	128,241	665	5,658	-1,947	-2,064	2,312	130,553	1,269
June	130,553	665	998	-1,765	269	-370	130,183	1,024
<i>1994-95</i>								
September	130,183	875	-2,965	127	-190	-2,407	127,776	1,452
December	127,776	875	-1,664	-3,325	-306	-4,421	123,355	1,451

(a) Comprehensive data are only collected annually for this item and hence estimates for the most recent periods are derived by extrapolating earlier estimates. Quarterly estimates are derived by evenly distributing the annual estimates. (b) Includes reinvestment of earnings of direct investors. Investment income is calculated before the deduction of withholding tax.

TABLE 4. CAPITAL TRANSACTIONS (a)  
(SA million)

	Year			Quarter ended					
	1991-92	1992-93	1993-94	1993-94			1994-95		
				September	December	March	June	September	December
FOREIGN INVESTMENT IN AUSTRALIA									
OFFICIAL —									
General Government									
Borrowing —									
Domiciled abroad	3,552	10,545	3,760	4,032	2,254	761	-3,286	-1,075	3,497
Domiciled in Australia	-1,452	830	4,580	1,097	1,719	2,549	1,409	3,084	4,439
Total	2,100	11,375	8,340	2,935	3,972	3,310	1,877	2,010	7,936
Other	29	35	83	-27	175	-64	-1	-49	169
Total	2,071	11,340	8,423	2,908	4,147	3,246	-1,878	1,961	8,105
Reserve bank	21	39	-49	40	11	47	67	24	-9
<b>Total official</b>	<b>2,092</b>	<b>11,379</b>	<b>8,374</b>	<b>2,868</b>	<b>4,158</b>	<b>3,293</b>	<b>-1,945</b>	<b>1,985</b>	<b>8,096</b>
NON-OFFICIAL —									
Direct investment —									
Reinvestment of earnings	705	2,384	4,243	1,061	1,061	1,061	1,061	1,450	1,450
Corporate equities	2,855	3,645	1,119	384	420	452	137	1,312	-2,109
Net equity in branches	696	579	808	23	336	251	198	53	311
Borrowing	1,298	1,494	388	8	-600	-266	1,246	-585	-2,245
Other	253	245	79	337	-195	-106	43	286	62
Total	5,807	5,358	6,637	1,813	1,021	1,392	2,411	2,516	-2,531
Portfolio and other investment —									
Corporate equities	1,077	4,080	16,322	4,131	3,797	4,966	3,428	1,223	1,078
Borrowing —									
Public sector	-876	-220	725	-889	255	117	-208	-1,991	807
Private sector	6,846	2,059	-447	805	2,080	961	-133	1,059	-4,568
Total	5,970	-2,279	-1,172	84	-1,825	1,078	-341	-931	-5,375
Accounts payable/prepayments received —									
Public sector	26	-2	838	3	54	-2	782	-795	33
Private sector	418	354	96	88	461	-276	193	-215	-123
Total	444	352	741	85	515	-278	589	-1,010	-91
Total	7,491	2,152	15,892	3,962	2,487	5,766	3,677	-718	-4,388
<b>Total non-official</b>	<b>13,298</b>	<b>7,510</b>	<b>22,529</b>	<b>5,775</b>	<b>3,508</b>	<b>7,158</b>	<b>6,088</b>	<b>1,798</b>	<b>-6,919</b>
<b>TOTAL</b>	<b>15,390</b>	<b>18,890</b>	<b>30,903</b>	<b>8,643</b>	<b>7,666</b>	<b>10,451</b>	<b>4,143</b>	<b>3,783</b>	<b>1,177</b>
AUSTRALIAN INVESTMENT ABROAD									
OFFICIAL —									
Reserve assets	-3,929	-3,950	1,054	714	84	-285	541	-529	-945
Lending	-198	47	521	173	-51	55	455	-595	-13
Accounts receivable/prepayments made	69	-125	-150	63	28	-56	-3	93	-35
Other	-389	128	182	-23	205	—	—	—	205
<b>Total official</b>	<b>-4,585</b>	<b>-3,994</b>	<b>1,607</b>	<b>801</b>	<b>210</b>	<b>-396</b>	<b>993</b>	<b>-1,217</b>	<b>-788</b>
NON-OFFICIAL —									
Direct investment —									
Reinvestment of earnings	555	2,045	2,661	665	665	665	665	875	875
Corporate equities	809	1,867	983	212	533	58	297	-416	-6
Net equity in branches	-162	777	673	320	-28	92	289	-95	126
Lending(a)	-339	-1,802	1,422	617	-2,283	3,387	-300	1,563	296
Other	-77	160	3	-54	74	-23	6	54	-22
Total	786	3,048	5,741	1,760	-1,038	4,062	957	1,873	1,269
Portfolio and other investment —									
Corporate equities	2,676	-1,055	4,314	1,570	1,970	1,132	-357	-466	485
Lending —									
Public sector	1,051	128	-129	-194	387	-340	17	293	18
Private sector	644	4,775	1,576	185	700	2,085	-1,394	-1,077	-975
Total	1,696	4,904	1,447	-9	1,087	1,745	-1,376	-784	-957
Accounts receivable/prepayments made									
Public sector	-1,011	88	1,215	77	-103	23	1,216	-1,123	-59
Private sector	118	145	256	58	211	-243	231	-373	231
Total	893	57	1,471	135	108	-220	1,447	-1,496	172
Total	3,478	3,906	7,232	1,697	3,165	2,657	-287	-2,746	1,270
<b>Total non-official</b>	<b>4,264</b>	<b>6,953</b>	<b>12,973</b>	<b>3,456</b>	<b>2,126</b>	<b>6,719</b>	<b>671</b>	<b>-873</b>	<b>-1</b>
<b>TOTAL</b>	<b>-321</b>	<b>2,959</b>	<b>14,580</b>	<b>4,257</b>	<b>2,336</b>	<b>6,323</b>	<b>1,664</b>	<b>-2,090</b>	<b>-789</b>

(a) A negative value denotes a net withdrawal of investment.

TABLE 5. INVESTMENT INCOME  
(\$A million)

	Year			Quarter ended					
	1991-92	1992-93	1993-94	1993-94			1994-95		
				September	December	March	June	September	December
<b>INCOME PAYABLE ON FOREIGN INVESTMENT IN AUSTRALIA</b>									
<b>OFFICIAL</b>									
General Government									
Interest on borrowing domiciled abroad	2,022	2,029	2,955	553	775	864	763	588	662
Interest on borrowing domiciled in Australia	1,890	1,513	1,119	401	179	346	194	388	214
Other income									
<i>Total</i>	3,912	3,542	4,074	954	954	1,209	957	976	876
Reserve Bank	34	38	35	10	9	8	8	9	9
<b>Total official</b>	<b>3,946</b>	<b>3,580</b>	<b>4,109</b>	<b>963</b>	<b>964</b>	<b>1,217</b>	<b>965</b>	<b>984</b>	<b>867</b>
<b>NON-OFFICIAL —</b>									
Direct investment income —									
Reinvested earnings	705	2,384	4,243	1,061	1,061	1,061	1,061	1,450	1,450
Distributed earnings									
Dividends	1,650	1,532	2,034	342	660	369	663	521	684
Remitted profits	1,384	1,616	1,185	204	498	202	281	385	315
Interest	1,046	1,069	906	234	255	213	205	273	228
<i>Total</i>	4,080	4,217	4,126	779	1,413	784	1,149	1,179	1,227
<i>Total, direct investment income</i>	4,785	6,601	8,369	1,840	2,474	1,844	2,210	2,629	2,677
Portfolio and other investment income —									
Dividends	964	1,021	1,182	194	373	194	421	361	550
Interest —									
Public Sector	2,633	1,737	1,458	463	273	365	357	521	289
Private Sector	5,793	5,049	4,559	1,340	1,092	999	1,129	1,057	1,102
<i>Total</i>	8,425	6,786	6,017	1,803	1,365	1,364	1,485	1,578	1,391
<i>Total, portfolio and other investment income</i>	9,389	7,807	7,199	1,997	1,738	1,558	1,906	1,939	1,940
<b>Total non-official</b>	<b>14,174</b>	<b>14,408</b>	<b>15,568</b>	<b>3,837</b>	<b>4,212</b>	<b>3,402</b>	<b>4,117</b>	<b>4,568</b>	<b>4,617</b>
<b>TOTAL</b>	<b>18,120</b>	<b>17,988</b>	<b>19,677</b>	<b>4,800</b>	<b>5,176</b>	<b>4,620</b>	<b>5,082</b>	<b>5,553</b>	<b>5,484</b>
<b>INCOME RECEIVABLE ON AUSTRALIAN INVESTMENT ABROAD</b>									
<b>OFFICIAL —</b>									
General Government	16	4	16	4	4	3	4	2	3
Reserve Bank	1,654	1,465	853	373	289	166	26	173	184
<b>Total official</b>	<b>1,670</b>	<b>1,468</b>	<b>869</b>	<b>377</b>	<b>294</b>	<b>169</b>	<b>30</b>	<b>174</b>	<b>187</b>
<b>NON-OFFICIAL —</b>									
Direct Investment Income —									
Reinvested earnings	555	2,045	2,661	665	665	665	665	875	875
Distributed earnings —									
Dividends	222	385	271	24	85	94	68	106	51
Remitted profits	28	23	104	4	89	6	5	5	106
Interest(a)	61	-74	-109	13	-37	10	-49	-15	-70
<i>Total(a)</i>	311	334	266	15	137	91	23	96	87
<i>Total, direct investment income</i>	866	2,379	2,927	680	802	756	689	971	962
Portfolio and other investment income									
Dividends	457	447	390	126	74	84	106	94	75
Interest	705	790	939	241	238	261	199	213	227
<i>Total, portfolio and other investment income</i>	1,162	1,238	1,329	367	312	344	305	307	302
<b>Total non-official</b>	<b>2,028</b>	<b>3,617</b>	<b>4,256</b>	<b>1,048</b>	<b>1,115</b>	<b>1,100</b>	<b>994</b>	<b>1,278</b>	<b>1,264</b>
<b>TOTAL</b>	<b>3,699</b>	<b>5,085</b>	<b>5,125</b>	<b>1,425</b>	<b>1,408</b>	<b>1,269</b>	<b>1,024</b>	<b>1,452</b>	<b>1,451</b>

(a) 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					
	1991-92	1992-93	1993-94	1993-94			1994-95		
				September	December	March	June	September	December
<b>FOREIGN INVESTMENT IN AUSTRALIA</b>									
<b>OFFICIAL —</b>									
General Government —									
Borrowing (a)—									
Domiciled abroad	25,075	38,038	38,223	42,911	42,149	42,737	38,223	37,188	40,358
Domiciled in Australia	20,144	21,301	24,205	19,937	22,157	23,822	24,205	26,437	31,030
Total	45,219	59,339	62,428	62,848	64,306	66,559	62,428	63,626	71,388
Other	57	-92	-9	119	56	-8	9	-58	111
Total	45,162	59,247	62,419	62,729	64,362	66,551	62,419	63,568	71,499
Reserve Bank	54	93	44	53	64	111	44	68	59
<b>Total official</b>	<b>45,216</b>	<b>59,340</b>	<b>62,463</b>	<b>62,782</b>	<b>64,426</b>	<b>66,662</b>	<b>62,463</b>	<b>63,636</b>	<b>71,558</b>
<b>NON-OFFICIAL —</b>									
Direct investment —									
Corporate equities	66,957	70,099	78,881	73,834	78,802	78,654	78,881	82,096	79,102
Net equity in branches	14,326	16,617	17,729	18,536	18,149	17,888	17,729	17,934	16,118
Borrowing (a)	22,171	22,202	21,912	22,902	21,636	20,831	21,912	21,070	18,568
Other	3,193	3,326	3,303	3,798	3,582	3,342	3,303	3,446	3,464
Total	106,647	112,244	121,824	119,069	122,170	120,714	121,824	124,545	117,253
Portfolio and other investment —									
Corporate equities	29,582	35,375	58,447	45,670	53,559	55,992	58,447	60,854	59,278
Borrowing (a) —									
Public sector	33,529	34,630	32,438	34,595	33,538	33,195	32,438	30,604	29,036
Private sector	90,295	92,156	89,105	96,656	91,651	91,043	89,105	89,536	82,614
Total	123,823	126,786	121,543	131,251	125,189	124,238	121,543	120,140	111,650
Accounts payable/prepayments received	3,706	3,640	5,985	5,003	5,751	5,417	5,985	4,885	4,766
Total portfolio and other investment	157,112	165,802	185,975	181,925	184,499	185,647	185,975	185,879	175,694
<b>Total non-official</b>	<b>263,759</b>	<b>278,046</b>	<b>307,799</b>	<b>300,994</b>	<b>306,669</b>	<b>306,361</b>	<b>307,799</b>	<b>310,424</b>	<b>292,947</b>
<b>TOTAL</b>	<b>308,975</b>	<b>337,386</b>	<b>370,262</b>	<b>363,776</b>	<b>371,094</b>	<b>373,023</b>	<b>370,262</b>	<b>374,060</b>	<b>364,505</b>
<b>AUSTRALIAN INVESTMENT ABROAD</b>									
<b>OFFICIAL —</b>									
Reserve assets	22,240	20,823	20,661	22,023	20,955	20,834	20,661	20,308	18,417
Lending	175	140	661	318	269	205	661	66	53
Accounts receivable/prepayments made	1,247	1,122	972	1,059	1,031	975	972	879	844
Other	1,366	1,494	1,676	1,471	1,676	1,676	1,676	1,676	1,881
<b>Total official</b>	<b>25,028</b>	<b>23,579</b>	<b>23,970</b>	<b>24,871</b>	<b>23,931</b>	<b>23,690</b>	<b>23,970</b>	<b>22,929</b>	<b>21,195</b>
<b>NON-OFFICIAL —</b>									
Direct investment —									
Corporate equities	41,633	44,870	46,289	46,830	48,581	46,132	46,289	45,568	44,654
Net equity in branches	1,779	2,117	2,629	2,346	2,267	2,365	2,629	2,554	2,518
Lending (b)	-155	-2,165	-1,768	-2,488	-4,923	-1,576	-1,768	-1,127	-1,219
Other	85	374	426	322	405	368	426	369	294
Total	43,341	45,196	47,577	47,009	46,329	47,289	47,577	47,364	46,247
Portfolio and other investment —									
Corporate equities	20,434	23,334	29,375	28,622	30,086	30,432	29,375	29,264	28,938
Lending	15,443	22,303	23,136	22,689	22,904	24,426	23,136	23,416	22,115
Accounts receivable/prepayments made	3,906	4,492	6,126	4,982	4,990	4,716	6,126	4,804	4,861
Total	39,783	50,129	58,637	56,293	57,980	59,574	58,637	57,484	55,914
<b>Total non-official</b>	<b>83,124</b>	<b>95,325</b>	<b>106,214</b>	<b>103,302</b>	<b>104,309</b>	<b>106,863</b>	<b>106,214</b>	<b>104,848</b>	<b>102,161</b>
<b>TOTAL</b>	<b>108,151</b>	<b>118,904</b>	<b>130,183</b>	<b>128,173</b>	<b>128,241</b>	<b>130,553</b>	<b>130,183</b>	<b>127,776</b>	<b>123,355</b>

(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) 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					
	1991-92	1992-93	1993-94	1993-94			1994-95		
				September	December	March	June	September	December
<b>FOREIGN BORROWING (GROSS DEBT)(a)</b>									
<b>OFFICIAL —</b>									
Commonwealth Government and Reserve Bank	16,848	21,469	22,913	20,442	22,289	23,242	22,913	25,460	28,610
State Government	28,425	37,963	39,560	42,459	42,080	43,428	39,560	38,233	42,838
<b>Total official</b>	<b>45,273</b>	<b>59,432</b>	<b>62,472</b>	<b>62,901</b>	<b>64,370</b>	<b>66,670</b>	<b>62,472</b>	<b>63,694</b>	<b>71,447</b>
<b>NON-OFFICIAL</b>									
Financial Enterprises —									
Public sector	21,105	23,047	23,144	23,426	22,534	22,350	23,144	22,068	21,169
Private sector	63,244	64,321	67,573	68,071	66,237	65,350	67,573	68,476	61,998
Total	84,349	87,368	90,717	91,497	88,771	87,701	90,717	90,545	83,168
Trading Enterprises —									
Public sector	12,423	11,582	9,294	11,169	11,004	10,844	9,294	8,536	7,867
Private sector	49,222	50,038	43,443	51,487	47,050	46,523	43,443	42,130	39,184
Total	61,645	61,620	52,737	62,656	58,054	57,368	52,737	50,666	47,051
<b>Total non-official</b>	<b>145,995</b>	<b>148,989</b>	<b>143,455</b>	<b>154,153</b>	<b>146,825</b>	<b>145,068</b>	<b>143,455</b>	<b>141,211</b>	<b>130,218</b>
<b>TOTAL</b>	<b>191,268</b>	<b>208,420</b>	<b>205,927</b>	<b>217,054</b>	<b>211,195</b>	<b>211,738</b>	<b>205,927</b>	<b>204,904</b>	<b>201,666</b>
<i>Of which —</i>									
Public sector									
Official	45,273	59,432	62,472	62,901	64,370	66,670	62,472	63,694	71,447
Non-official	33,529	34,630	32,438	34,595	33,538	33,195	32,438	30,604	29,036
Total	78,802	94,062	94,910	97,496	97,908	99,864	94,910	94,298	100,484
Private sector	112,466	114,359	111,017	119,558	113,287	111,874	111,017	110,606	101,182
<b>AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS</b>									
<b>OFFICIAL —</b>									
Reserve assets	22,240	20,823	20,661	22,023	20,955	20,834	20,661	20,308	18,417
Lending	175	140	661	318	269	205	661	66	53
<b>Total official</b>	<b>22,415</b>	<b>20,963</b>	<b>21,322</b>	<b>22,341</b>	<b>21,224</b>	<b>21,039</b>	<b>21,322</b>	<b>20,374</b>	<b>18,470</b>
<b>NON-OFFICIAL —</b>									
Financial enterprises	13,607	16,195	18,839	17,209	15,421	19,582	18,839	20,008	18,834
Trading enterprises	1,680	3,942	2,529	2,991	2,560	3,268	2,529	2,281	2,062
<b>Total non-official</b>	<b>15,288</b>	<b>20,138</b>	<b>21,368</b>	<b>20,200</b>	<b>17,981</b>	<b>22,850</b>	<b>21,368</b>	<b>22,289</b>	<b>20,896</b>
<b>TOTAL</b>	<b>37,703</b>	<b>41,101</b>	<b>42,690</b>	<b>42,541</b>	<b>39,205</b>	<b>43,889</b>	<b>42,690</b>	<b>42,663</b>	<b>39,365</b>
<i>Of which —</i>									
Public sector									
Official	22,415	20,963	21,322	22,341	21,224	21,039	21,322	20,374	18,470
Non-official	7,963	8,378	8,134	7,698	7,849	8,153	8,134	9,201	8,973
Total	30,377	29,341	29,456	30,039	29,073	29,192	29,456	29,575	27,442
Private sector	7,325	11,760	13,234	12,502	10,132	14,697	13,234	13,088	11,923
<b>NET FOREIGN DEBT(a)(b)</b>									
<b>OFFICIAL —</b>	22,858	38,469	41,151	40,560	43,145	45,630	41,151	43,320	52,978
<b>NON-OFFICIAL —</b>									
Financial enterprises	70,742	71,173	71,878	74,289	73,350	68,119	71,878	70,537	64,333
Trading enterprises	59,965	57,678	50,208	59,664	55,494	54,100	50,208	48,384	44,989
<b>Total non-official</b>	<b>130,707</b>	<b>128,851</b>	<b>122,086</b>	<b>133,953</b>	<b>128,844</b>	<b>122,219</b>	<b>122,086</b>	<b>118,921</b>	<b>109,323</b>
<b>TOTAL</b>	<b>153,565</b>	<b>167,320</b>	<b>163,237</b>	<b>174,513</b>	<b>171,990</b>	<b>167,849</b>	<b>163,237</b>	<b>162,241</b>	<b>162,300</b>
<i>Of which —</i>									
Public sector									
Official	22,858	38,469	41,151	40,560	43,145	45,630	41,151	43,320	52,978
Non-official	25,566	26,252	24,304	26,897	25,689	25,042	24,304	21,403	20,064
Total	48,424	64,721	65,455	67,457	68,833	70,672	65,455	64,723	73,042
Private sector	105,141	102,599	97,783	107,056	103,155	97,177	97,783	97,519	89,259

(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 for earlier periods. (b) Foreign borrowing by Australian residents less the sum of Australian lending abroad and reserve assets.



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

	Year			Quarter ended					
	1991-92	1992-93	1993-94	1993-94			1994-95		
				September	December	March	June	September	December
<b>INTEREST PAYABLE ON FOREIGN BORROWING</b>									
<b>OFFICIAL—</b>									
Commonwealth Government and Reserve Bank	1,672	1,425	1,156	318	287	349	202	310	260
State Government	2,274	2,156	2,953	645	676	868	763	674	607
<b>Total official</b>	<b>3,946</b>	<b>3,580</b>	<b>4,109</b>	<b>963</b>	<b>964</b>	<b>1,217</b>	<b>965</b>	<b>984</b>	<b>867</b>
<b>NON-OFFICIAL—</b>									
Financial Enterprises									
Public sector	1,630	913	939	332	124	255	228	371	176
Private sector	3,679	3,438	2,917	881	696	659	680	727	717
<b>Total</b>	<b>5,309</b>	<b>4,350</b>	<b>3,856</b>	<b>1,213</b>	<b>820</b>	<b>914</b>	<b>909</b>	<b>1,098</b>	<b>894</b>
Trading Enterprises									
Public sector	1,002	822	516	131	150	110	125	150	112
Private sector	3,066	2,591	2,458	669	630	532	627	601	608
<b>Total</b>	<b>4,069</b>	<b>3,413</b>	<b>2,974</b>	<b>799</b>	<b>780</b>	<b>642</b>	<b>752</b>	<b>751</b>	<b>720</b>
<b>Total non-official</b>	<b>9,378</b>	<b>7,763</b>	<b>6,829</b>	<b>2,012</b>	<b>1,600</b>	<b>1,556</b>	<b>1,661</b>	<b>1,849</b>	<b>1,614</b>
<b>TOTAL</b>	<b>13,324</b>	<b>11,344</b>	<b>10,938</b>	<b>2,976</b>	<b>2,563</b>	<b>2,774</b>	<b>2,626</b>	<b>2,834</b>	<b>2,481</b>
<i>Of which —</i>									
Public sector —									
Official	3,946	3,580	4,109	963	964	1,217	965	984	867
Non-official	2,633	1,735	1,455	463	273	365	353	521	289
<b>Total</b>	<b>6,578</b>	<b>5,315</b>	<b>5,564</b>	<b>1,426</b>	<b>1,237</b>	<b>1,582</b>	<b>1,318</b>	<b>1,505</b>	<b>1,156</b>
Private sector	6,746	6,028	5,375	1,549	1,326	1,191	1,308	1,329	1,325
<b>INTEREST RECEIVABLE ON AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS</b>									
<b>OFFICIAL</b>									
Reserve assets	1,654	1,465	853	373	289	166	26	173	184
Lending	16	4	16	4	4	3	4	2	3
<b>Total official</b>	<b>1,670</b>	<b>1,468</b>	<b>869</b>	<b>377</b>	<b>294</b>	<b>169</b>	<b>30</b>	<b>174</b>	<b>187</b>
<b>NON-OFFICIAL</b>									
Financial enterprises	667	655	589	163	138	149	140	163	170
Trading enterprises	45	40	210	58	54	97	1	27	-16
<b>Total non-official</b>	<b>712</b>	<b>695</b>	<b>799</b>	<b>221</b>	<b>192</b>	<b>246</b>	<b>140</b>	<b>190</b>	<b>154</b>
<b>TOTAL</b>	<b>2,382</b>	<b>2,163</b>	<b>1,668</b>	<b>598</b>	<b>486</b>	<b>414</b>	<b>170</b>	<b>364</b>	<b>341</b>
<i>Of which —</i>									
Public sector —									
Official	1,670	1,468	869	377	294	169	30	174	187
Non-official	413	386	208	61	47	53	47	66	92
<b>Total</b>	<b>2,083</b>	<b>1,854</b>	<b>1,078</b>	<b>438</b>	<b>341</b>	<b>222</b>	<b>77</b>	<b>241</b>	<b>279</b>
Private sector	299	309	591	160	145	193	93	123	62
<b>NET INTEREST PAYABLE(a)</b>									
<b>OFFICIAL—</b>	<b>2,275</b>	<b>2,112</b>	<b>3,240</b>	<b>586</b>	<b>670</b>	<b>1,049</b>	<b>935</b>	<b>810</b>	<b>680</b>
<b>NON-OFFICIAL</b>									
Financial enterprises	4,643	3,695	3,266	1,050	682	765	769	935	724
Trading enterprises	4,024	3,373	2,764	741	726	545	751	725	736
<b>Total non-official</b>	<b>8,666</b>	<b>7,068</b>	<b>6,030</b>	<b>1,791</b>	<b>1,408</b>	<b>1,311</b>	<b>1,521</b>	<b>1,659</b>	<b>1,460</b>
<b>TOTAL</b>	<b>10,941</b>	<b>9,180</b>	<b>9,270</b>	<b>2,378</b>	<b>2,078</b>	<b>2,359</b>	<b>2,456</b>	<b>2,470</b>	<b>2,140</b>
<i>Of which —</i>									
Public sector —									
Official	2,275	2,112	3,240	586	670	1,049	935	810	680
Non-official	2,220	1,349	1,246	402	226	312	306	454	197
<b>Total</b>	<b>4,495</b>	<b>3,461</b>	<b>4,486</b>	<b>988</b>	<b>896</b>	<b>1,361</b>	<b>1,241</b>	<b>1,265</b>	<b>877</b>
Private sector	6,447	5,719	4,784	1,389	1,181	998	1,215	1,205	1,263

(a) Income payable on foreign borrowing less income receivable on Australian lending abroad and reserve assets.

TABLE 9. NET FOREIGN LIABILITIES — RATIOS TO GDP

Period	Annual GDP at current prices	Net foreign liabilities at end of period - \$A million -			Ratios of net foreign liabilities to GDP(a) - per cent -		
		Total	Foreign debt	Equity & other investment	Total	Foreign debt	Equity & other investment
<i>Year—</i>							
1991-92	403,719	200,824	153,565	47,259	49.7	38.0	11.7
1992-93	426,297	218,481	167,320	51,162	51.3	39.3	12.0
1993-94	403,719	240,079	163,237	76,842	59.5	40.4	19.0
<i>Year ended(b) —</i>							
<i>1993-94 —</i>							
September	408,776	235,603	174,513	61,090	57.6	42.7	14.9
December	414,376	242,854	171,990	70,864	58.6	41.5	17.1
March	419,475	242,470	167,849	74,621	57.8	40.0	17.8
June	426,297	240,079	163,237	76,842	56.3	38.3	18.0
<i>1994-95 —</i>							
September	434,307	246,284	162,241	84,042	56.7	37.4	19.4
December	nya	241,150	162,300	78,849	nya	nya	nya

(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>							
1991-92	70,024	14,421	10,941	3,479	20.6	15.6	5.0
1992-93	76,466	12,903	9,180	3,723	16.9	12.0	4.9
1993-94	82,170	14,552	9,270	5,282	17.7	11.3	6.4
<i>Year ended(b) —</i>							
<i>1993-94 —</i>							
September	78,315	12,793	9,109	3,685	16.3	11.6	4.7
December	79,811	13,420	8,844	4,576	16.8	11.1	5.7
March	81,014	13,740	9,021	4,719	17.0	11.1	5.8
June	82,170	14,552	9,270	5,282	17.7	11.3	6.4
<i>1994-95</i>							
September	82,466	15,277	9,362	5,915	18.5	11.4	7.2
December	82,929	15,543	9,425	6,118	18.7	11.4	7.4

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

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

Country of investor	Year			Quarter ended					
	1991-92	1992-93	1993-94	1993-94			1994-95		
				September	December	March	June	September	December
<b>CAPITAL TRANSACTIONS(a)</b>									
OECD —									
USA	4,313	10,406	10,967	416	7,546	1,333	1,672	190	307
Japan	-251	-3,161	-1,643	2,495	-10,547	5,165	1,244	1,600	-1,294
Switzerland	237	22	312	86	665	104	371	1,765	-332
EC —									
UK	1,824	3,624	8,759	3,209	232	5,011	306	3,150	-2,065
Other	-1,005	782	4,522	-623	4,019	-1,864	2,990	1,993	2,068
Total	819	4,406	13,281	2,586	4,251	3,148	3,295	1,157	3
Other OECD(c)	411	833	1,433	679	254	980	28	792	-660
Total OECD	5,056	12,506	24,349	6,090	1,661	10,730	5,869	5,503	-1,976
ASEAN	669	1,136	969	505	-192	-25	681	-268	-1,579
Other countries	2,329	1,721	3,725	544	1,442	1,165	573	-1,452	2,055
International capital markets	5,489	6,066	325	3,187	1,607	43	-4,512	2,384	4,457
International institutions	82	-954	12	146	984	-906	-212	153	470
Unallocated	1,766	687	1,523	-1,830	2,164	555	1,743	2,538	1,860
<b>TOTAL</b>	<b>15,390</b>	<b>18,890</b>	<b>30,903</b>	<b>8,643</b>	<b>7,666</b>	<b>10,451</b>	<b>4,143</b>	<b>3,783</b>	<b>1,177</b>
<b>INVESTMENT INCOME(b)</b>									
OECD									
USA	3,158	4,959	6,080	1,465	1,824	1,332	1,460	754	926
Japan	2,893	2,225	2,163	639	467	549	509	521	455
Switzerland	406	477	501	112	131	145	114	100	46
EC —									
UK	2,719	3,166	3,707	920	935	740	1,112	564	717
Other	952	1,084	1,383	310	394	336	342	220	294
Total	3,672	4,251	5,090	1,229	1,329	1,077	1,454	784	1,011
Other OECD(c)	77	606	349	97	73	100	79	133	24
Total OECD	10,206	12,518	14,183	3,541	3,824	3,202	3,616	2,291	2,461
ASEAN	355	376	277	82	57	65	73	70	54
Other countries	783	910	713	168	171	185	190	138	141
International capital markets	4,571	3,337	3,712	926	842	973	971	1,037	822
International institutions	25	40	35	10	9	8	8	9	-9
Unallocated	2,178	808	758	73	273	187	225	2,008	2,014
<b>TOTAL</b>	<b>18,120</b>	<b>17,988</b>	<b>19,677</b>	<b>4,800</b>	<b>5,176</b>	<b>4,620</b>	<b>5,082</b>	<b>5,553</b>	<b>5,484</b>
<b>LEVELS OF INVESTMENT AT END OF PERIOD</b>									
OECD —									
USA	57,832	74,048	85,217	82,440	89,148	86,227	85,217	83,465	80,295
Japan	52,387	51,377	48,904	55,866	43,675	48,647	48,904	49,830	47,513
Switzerland	6,612	8,102	8,237	8,545	9,063	9,059	8,237	10,049	8,521
EC —									
UK	59,569	63,151	74,488	68,248	71,929	75,188	74,488	78,196	75,359
Other	21,939	22,675	30,299	24,620	29,419	27,019	30,299	27,875	31,172
Total	81,509	85,826	104,787	92,868	101,348	102,206	104,787	106,071	106,531
Other OECD(c)	11,909	11,039	11,899	10,758	11,007	11,927	11,899	12,643	11,582
Total OECD	210,249	230,393	259,044	250,478	254,241	258,066	259,044	262,058	254,442
ASEAN	8,012	7,500	9,076	8,567	8,380	8,283	9,076	8,529	7,059
Other countries	15,964	19,928	21,803	19,351	20,859	21,405	21,803	20,367	18,307
International capital markets	54,321	60,706	61,136	69,583	68,388	67,352	61,136	58,697	61,842
International institutions	1,097	142	154	288	1,272	366	154	1	471
Unallocated	19,333	18,716	19,049	15,509	17,954	17,551	19,049	24,407	22,383
<b>TOTAL</b>	<b>308,975</b>	<b>337,386</b>	<b>370,262</b>	<b>363,776</b>	<b>371,094</b>	<b>373,023</b>	<b>370,262</b>	<b>374,060</b>	<b>364,505</b>

(a) From September quarter 1994, 'Reinvestment of earnings' is not classified by country and is therefore included in 'Unallocated'. (b) From September quarter 1994, 'Reinvested earnings' is not classified by country and is therefore included in 'Unallocated'. (c) From 1994-95 Mexico is included in 'Other OECD'.

**TABLE 12. FOREIGN INVESTMENT IN AUSTRALIA, BY INDUSTRY<sup>(a)</sup>**  
(SA million)

Industry of investment	Year			Quarter ended					
	1991-92	1992-93	1993-94	1993-94			1994-95		
				September	December	March	June	September	December
<b>CAPITAL TRANSACTIONS</b>									
Mining	-123	-59	2,261	902	164	806	390	144	-365
Manufacturing	2,201	4,067	10,095	2,062	2,943	3,439	1,651	725	-87
Electricity, gas and water	-774	-699	-864	-101	50	245	567	-143	4
Wholesale and retail trade	1,800	1,169	-3,406	-1,197	615	-371	-1,223	267	-2,592
Transport and storage	-522	-237	453	413	1,006	43	-183	-63	-39
Finance, property etc.(b)	9,022	-363	11,784	2,264	537	2,450	6,533	561	-5,264
Other industries(c)	2,483	14,335	9,045	3,489	5,038	2,869	-2,351	1,949	7,838
Unallocated(d)(e)	1,304	675	1,534	1,637	-1,457	1,460	-107	1,792	1,683
<b>TOTAL</b>	<b>15,390</b>	<b>18,890</b>	<b>30,903</b>	<b>8,643</b>	<b>7,666</b>	<b>10,451</b>	<b>4,143</b>	<b>3,783</b>	<b>1,177</b>
<b>INVESTMENT INCOME</b>									
Mining	1,732	1,978	2,198	548	612	542	495	371	481
Manufacturing	2,531	3,573	3,591	863	959	833	936	378	407
Electricity, gas and water	277	224	72	32	9	6	26	15	14
Wholesale and retail trade	628	1,256	1,516	282	497	193	544	169	190
Transport and storage	663	655	685	192	199	148	145	101	87
Finance, property etc.(b)	7,790	6,443	6,972	2,060	1,587	1,694	1,631	1,536	1,142
Other industries(c)	3,491	2,914	3,612	819	878	1,078	838	1,039	878
Unallocated(d)(e)	1,008	946	1,032	4	435	127	466	1,944	2,286
<b>TOTAL</b>	<b>18,120</b>	<b>17,988</b>	<b>19,677</b>	<b>4,800</b>	<b>5,176</b>	<b>4,620</b>	<b>5,082</b>	<b>5,553</b>	<b>5,484</b>
<b>LEVELS OF INVESTMENT AT END OF PERIOD</b>									
Mining	32,463	35,080	39,645	37,574	40,132	39,292	39,645	41,126	38,309
Manufacturing	51,335	58,526	69,926	66,753	70,512	70,721	69,926	67,594	64,258
Electricity, gas and water	4,775	4,364	3,708	4,658	4,573	4,307	3,708	3,530	3,433
Wholesale and retail trade	30,532	30,929	30,027	31,083	31,354	30,894	30,027	30,934	29,053
Transport and storage	8,943	8,790	9,431	9,395	10,206	9,846	9,431	9,385	9,473
Finance, property etc.(b)	131,947	133,784	145,771	141,092	140,084	141,033	145,771	144,852	132,788
Other industries(c)	45,405	62,580	66,657	67,354	69,836	71,410	66,657	67,650	81,020
Unallocated(d)(e)	3,575	3,332	5,096	5,868	4,398	5,520	5,096	8,988	6,171
<b>TOTAL</b>	<b>308,975</b>	<b>337,386</b>	<b>370,262</b>	<b>363,776</b>	<b>371,094</b>	<b>373,023</b>	<b>370,262</b>	<b>374,060</b>	<b>364,505</b>

(a) The industry categories shown are based on the 1983 edition of ASIC 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 1994 'Reinvestment of earnings' is not classified by industry and is included in 'Unallocated'. (e) From September quarter 1994, investment in trading enterprises placed through nominees and brokers is not classified by industry and is also included in 'Unallocated'.

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

	Year			Quarter ended						
	1991-92	1992-93	1993-94	1993-94			1994-95			
				September	December	March	June	September	December	
<b>Capital transactions —</b>										
<b>Domiciled abroad (b) —</b>										
Foreign currency	9,010	3,193	965	2,724	843	-3,503	-1,029	-3,073	-5,053	
Australian currency	2,135	4,568	3,180	963	-1,124	5,191	-1,849	778	1,294	
<b>Total</b>	<b>11,145</b>	<b>7,760</b>	<b>2,215</b>	<b>3,687</b>	<b>-281</b>	<b>1,687</b>	<b>-2,878</b>	<b>-2,296</b>	<b>3,759</b>	
<b>Domiciled in Australia —</b>										
<b>Securities —</b>										
Purchases by non-residents	49,430	35,992	42,690	10,045	7,810	12,312	12,524	14,953	15,430	
Sales by non-residents	51,413	36,104	39,148	10,931	6,694	9,877	11,646	12,388	11,112	
<b>Net</b>	<b>-1,982</b>	<b>-113</b>	<b>3,542</b>	<b>-886</b>	<b>1,116</b>	<b>2,434</b>	<b>878</b>	<b>2,565</b>	<b>4,318</b>	
Deposits	227	-7	1,750	18	724	47	962	248	-251	
<b>Total</b>	<b>-1,756</b>	<b>-119</b>	<b>5,293</b>	<b>868</b>	<b>1,840</b>	<b>2,482</b>	<b>1,839</b>	<b>2,813</b>	<b>4,067</b>	
<b>Total</b>	<b>9,389</b>	<b>7,641</b>	<b>7,508</b>	<b>2,819</b>	<b>1,559</b>	<b>4,169</b>	<b>-1,039</b>	<b>517</b>	<b>307</b>	
<b>Levels at end of period —</b>										
<b>Domiciled abroad (c) —</b>										
Foreign currency	111,693	124,081	117,892	131,835	126,691	121,141	117,892	114,269	107,483	
Australian currency	47,800	53,025	53,269	55,069	52,009	56,505	53,269	53,945	53,339	
<b>Total</b>	<b>159,493</b>	<b>177,105</b>	<b>171,161</b>	<b>186,904</b>	<b>178,700</b>	<b>177,646</b>	<b>171,161</b>	<b>168,214</b>	<b>160,822</b>	
<b>Domiciled in Australia —</b>										
<b>Securities</b>	24,962	24,515	26,359	23,339	24,957	26,506	26,359	28,139	32,545	
Deposits	6,812	6,800	8,407	6,810	7,538	7,585	8,407	8,551	8,299	
<b>Total</b>	<b>31,774</b>	<b>31,315</b>	<b>34,766</b>	<b>30,150</b>	<b>32,495</b>	<b>34,092</b>	<b>34,766</b>	<b>36,690</b>	<b>40,844</b>	
<b>Total</b>	<b>191,268</b>	<b>208,420</b>	<b>205,927</b>	<b>217,054</b>	<b>211,195</b>	<b>211,738</b>	<b>205,927</b>	<b>204,904</b>	<b>201,666</b>	

(a) For a definition of domicile, see Explanatory Notes, paragraph 17. (b) Prior to 30 September 1991, some deposits are classified as borrowing domiciled abroad. From December quarter 1991 these are classified as deposits domiciled in Australia. At 30 September 1991, the value of these deposits was \$267 million. (c) 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 for earlier periods.

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

	Year			Quarter ended						
	1991-92	1992-93	1993-94	1993-94			1994-95			
				September	December	March	June	September	December	
<b>Foreign currencies —</b>										
United States Dollars	78,593	91,927	84,758	96,500	94,260	86,718	84,758	78,334	74,149	
Pounds Sterling	2,899	2,102	2,173	2,706	2,185	2,164	2,173	2,622	2,295	
Swiss Francs	3,511	2,917	3,047	3,474	2,908	3,301	3,047	3,044	3,045	
Deutsche Marks	1,984	1,485	1,451	1,717	1,707	1,258	1,451	1,620	1,759	
Japanese Yen	15,605	17,902	19,435	20,071	17,711	18,935	19,435	22,073	19,701	
Other(b)	10,148	9,115	9,446	8,702	9,897	10,240	9,446	8,913	8,940	
<b>Total foreign currencies</b>	<b>112,739</b>	<b>125,448</b>	<b>120,310</b>	<b>133,169</b>	<b>128,667</b>	<b>122,616</b>	<b>120,310</b>	<b>116,605</b>	<b>109,889</b>	
Australian Dollars	78,528	82,972	85,617	83,885	82,528	89,122	85,617	88,299	91,777	
<b>Total</b>	<b>191,268</b>	<b>208,420</b>	<b>205,927</b>	<b>217,054</b>	<b>211,195</b>	<b>211,738</b>	<b>205,927</b>	<b>204,904</b>	<b>201,666</b>	

(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 for earlier periods. (b) Includes unallocated foreign currency borrowing.

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

	Year			Quarter ended					
	1991-92	1992-93	1993-94	1993-94			1994-95		
				September	December	March	June	September	December
<b>DRAWINGS</b>									
<b>CONTRACTUALLY DUE FOR REPAYMENT</b>									
Within 3 months	215,547	418,013	407,531	129,341	109,887	87,862	80,441	65,799	48,644
3 months to less than 6 months	37,206	47,871	48,401	9,631	10,454	10,978	17,337	9,160	8,024
6 months to less than 1 year	15,618	16,053	26,487	5,746	4,694	13,091	2,956	7,230	17,732
1 year to less than 2 years	3,892	3,319	4,514	548	1,065	1,213	1,687	1,020	1,404
2 years to less than 5 years	8,400	10,530	12,784	2,326	3,706	3,789	2,963	4,725	4,158
5 years to less than 10 years	9,669	8,262	9,807	2,149	2,869	2,985	1,805	3,156	1,802
10 years or more	3,640	4,750	3,402	581	1,873	604	344	784	366
<b>REPAYABLE AT CALL OR OF INDEFINITE MATURITY</b>									
Expected to be repaid	7,805	10,223	2,952	367	1,484	762	1,072	1,223	157
Within 1 year from drawdown									
1 year or more from drawdown	2,204	5,935	3,238	1,175	146	1,025	893	524	36
<b>UNALLOCATED(b)</b>	-4,124	-10,173	-15,406	-6,512	-5,006	-2,777	-1,111	-1,302	-1,630
<b>TOTAL</b>	<b>299,857</b>	<b>514,782</b>	<b>503,711</b>	<b>144,619</b>	<b>131,173</b>	<b>119,532</b>	<b>108,387</b>	<b>92,319</b>	<b>80,692</b>
<b>REPAYMENTS</b>									
<b>TIME ELAPSED SINCE DRAWDOWN —</b>									
Less than 3 months	204,177	417,968	410,241	124,917	115,150	87,763	82,412	66,566	51,839
3 months to less than 6 months	46,850	49,143	54,248	9,430	9,716	12,538	22,565	11,764	11,575
6 months to less than 1 year	17,152	20,654	27,836	5,688	5,514	13,127	3,507	11,253	17,518
1 year to less than 2 years	5,051	5,950	5,742	962	1,716	1,970	1,094	1,187	1,102
2 years to less than 5 years	9,291	12,520	10,917	3,330	2,969	3,080	1,538	2,879	1,551
5 years to less than 10 years	7,657	6,709	5,716	1,057	1,539	2,076	1,045	1,513	585
10 years or more	2,851	3,208	2,254	1,378	298	458	121	370	570
<b>UNALLOCATED(b)</b>	-4,318	9,130	-15,459	-5,829	-5,447	-3,167	-1,017	-918	-289
<b>TOTAL</b>	<b>288,712</b>	<b>507,022</b>	<b>501,496</b>	<b>140,932</b>	<b>131,454</b>	<b>117,844</b>	<b>111,265</b>	<b>94,614</b>	<b>84,451</b>
<b>LEVELS AT END OF PERIOD(c)</b>									
<b>BORROWING WITH CONTRACTUAL TERMS</b>									
Less than 1 year to maturity	66,835	82,179	77,517	87,020	84,235	82,248	77,517	70,564	62,691
1 year to less than 2 years	12,482	13,031	12,834	13,491	10,193	11,383	12,834	13,558	13,858
2 years to less than 5 years	28,833	32,092	31,809	33,316	31,910	32,109	31,809	35,319	38,035
5 years to less than 10 years	28,240	27,928	28,848	31,932	30,043	30,129	28,848	30,261	28,664
10 years or more	5,074	5,920	4,400	4,599	5,859	5,521	4,400	4,807	4,791
<b>AT CALL OR INDEFINITE BORROWING</b>									
Expected to be repaid									
Within 1 year	5,753	3,144	1,863	2,590	4,823	3,503	1,863	2,599	3,751
1 year or more	11,950	11,691	11,976	12,574	10,322	11,154	11,976	11,027	8,488
<b>UNALLOCATED(b)</b>	328	1,121	1,915	1,381	1,315	1,599	1,915	79	544
<b>TOTAL</b>	<b>159,493</b>	<b>177,105</b>	<b>171,161</b>	<b>186,904</b>	<b>178,700</b>	<b>177,646</b>	<b>171,161</b>	<b>168,214</b>	<b>160,822</b>

(a) For a definition of domiciled abroad see Explanatory Notes, paragraph 17. (b) Includes the impact of lending by direct investment enterprises to their direct investors abroad.  
(c) 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 for earlier periods.

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

	Foreign investment in Australia				Australian investment abroad				Net international investment position(a)			Net foreign liabilities
	Equity	Borrowing	Other	Total	Equity	Reserve assets and lending	Other	Total	Net equity	Net debt	Net other	
ANNUAL												
1982-83	30,598	35,891	4,446	70,935	6,478	12,507	3,533	22,518	24,120	23,383	913	48,417
1983-84	32,221	44,101	5,551	81,873	8,018	14,208	4,481	26,706	24,203	29,893	1,070	55,166
1984-85	37,562	67,473	6,583	111,618	11,687	16,265	5,808	33,760	25,875	51,208	774	77,858
1985-86	41,453	92,550	6,884	140,587	20,253	17,005	6,024	43,283	21,200	75,545	859	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	97,355	162,770	6,416	266,541	56,797	31,016	7,857	95,670	40,558	131,754	-1,441	170,871
1990-91	105,370	179,251	6,424	291,045	54,931	36,468	7,663	99,063	50,439	142,782	-1,239	191,982
1991-92	110,866	191,268	6,841	308,975	63,845	37,703	6,603	108,151	47,020	153,565	238	200,824
1992-93	122,091	208,420	6,874	337,386	70,321	41,101	7,482	118,904	51,770	167,320	-608	218,481
1993-94	155,057	205,927	9,278	370,262	78,293	42,690	9,200	130,181	76,763	163,237	78	240,079
QUARTERLY												
1989-90 —												
September	90,151	151,659	7,730	249,540	54,527	30,039	7,989	92,556	35,624	121,619	-259	156,984
December	93,103	156,455	7,530	257,088	56,224	29,813	7,977	94,014	36,879	126,642	-447	163,074
March	95,563	165,864	6,638	268,065	56,967	32,921	8,125	98,013	38,595	132,944	1,486	170,052
June	97,355	162,770	6,416	266,541	56,797	31,016	7,857	95,670	40,558	131,754	-1,441	170,871
1990-91 ...												
September	99,629	165,678	6,828	272,136	52,887	30,494	7,361	90,741	46,743	135,185	533	181,394
December	101,010	171,317	6,288	278,616	57,109	32,915	7,532	97,556	43,901	138,402	-1,244	181,060
March	103,588	175,840	6,660	286,088	58,466	33,740	7,258	99,464	45,122	142,100	-598	186,624
June	105,370	179,251	6,424	291,045	54,931	36,468	7,663	99,063	50,439	142,782	1,239	191,982
1991-92 .												
September	106,048	177,425	6,881	290,353	58,067	36,231	7,292	101,590	47,980	141,194	-411	188,763
December	107,916	186,602	7,565	302,082	62,917	40,001	7,092	110,009	44,999	146,601	474	192,073
March	108,436	185,399	6,985	300,821	60,398	35,802	6,896	103,096	48,038	149,597	89	197,724
June	110,866	191,268	6,841	308,975	63,845	37,703	6,603	108,151	47,020	153,565	238	200,824
1992-93 .												
September	108,298	200,028	7,005	315,331	63,798	39,322	6,938	110,059	44,500	160,706	67	205,272
December	111,363	199,538	7,505	318,405	66,334	37,323	7,129	110,787	45,028	162,215	375	207,619
March	116,435	194,764	6,964	318,163	67,042	37,399	6,992	111,434	49,392	157,365	-29	206,729
June	122,091	208,420	6,874	337,386	70,321	41,101	7,482	118,904	51,770	167,320	-608	218,481
1993-94 —												
September	138,040	217,054	8,682	363,776	77,798	42,541	7,834	128,173	60,242	174,513	849	235,603
December	150,510	211,195	9,389	371,094	80,933	39,205	8,102	128,241	69,577	171,990	1,287	242,854
March	152,534	211,738	8,751	373,023	78,929	43,889	7,735	130,553	73,605	167,849	1,016	242,470
June	155,057	205,927	9,278	370,262	78,293	42,690	9,200	130,183	76,763	163,237	78	240,079
1994-95 —												
September	160,884	204,904	8,272	374,060	77,386	42,663	7,728	127,776	83,498	162,241	544	246,284
December	154,498	201,666	8,341	364,505	76,110	39,365	7,880	123,355	78,388	162,300	461	241,150

(a) Equals foreign investment in Australia less Australian investment abroad.

TABLE 17. CAPITAL TRANSACTIONS  
(\$A million)

	Foreign investment in Australia				Australian investment abroad				Net capital transactions(a)			
	Equity	Borrowing	Other	Total	Equity	Reserve assets and lending		Total	Net equity	Net debt	Net other	Total
						Other	Total					
ANNUAL												
1982-83	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1983-84	969	8,132	1,066	10,167	1,540	2,024	881	4,445	-571	6,108	184	5,722
1984-85	1,797	12,674	619	15,090	2,965	-1,162	1,353	3,156	-1,169	13,836	-734	11,632
1985-86	2,732	16,958	303	19,994	5,740	-1,133	255	4,862	-3,008	18,091	49	14,282
1986-87	7,825	15,082	-67	22,841	9,427	2,879	564	12,870	-1,602	12,203	-631	9,971
1987-88	8,064	20,061	51	28,176	9,803	6,311	160	16,274	-1,740	13,749	-108	11,901
1988-89	10,477	21,530	780	32,788	8,716	3,378	635	12,728	1,761	18,153	146	20,060
1989-90	6,729	18,960	851	24,838	2,641	3,135	-25	5,751	4,088	15,825	-826	19,086
1990-91	10,319	12,067	-484	21,903	-701	4,890	156	4,344	11,021	7,178	-640	17,559
1991-92	5,333	9,389	668	15,390	3,345	2,770	-897	321	1,988	12,159	1,565	15,711
1992-93	10,688	7,641	562	18,890	3,635	-896	220	2,960	7,052	8,537	341	15,931
1993-94	22,493	7,511	904	30,907	8,631	4,444	1,506	14,580	13,862	3,068	-602	16,327
QUARTERLY												
1989-90 --												
September	1,018	7,064	303	8,386	309	1,529	249	2,087	710	5,534	55	6,299
December	1,311	5,603	-140	6,774	2,272	-464	-17	1,791	-961	6,067	-123	4,983
March	2,704	6,853	-870	8,686	327	2,643	75	3,044	2,377	4,210	-945	5,642
June	1,696	-560	144	992	266	574	331	1,170	1,962	14	187	2,163
1990-91												
September	1,885	2,631	-89	4,427	-1,135	-707	-148	-1,990	3,020	3,338	59	6,417
December	3,526	-56	-528	2,942	2,037	182	98	2,317	1,489	238	-626	625
March	1,921	6,039	386	8,346	1,134	2,372	-250	3,256	787	3,667	636	5,090
June	2,988	3,454	-252	6,190	-2,738	3,043	456	761	5,726	411	-708	5,429
1991-92 --												
September	1,549	1,789	589	3,926	1,919	-850	-52	1,017	-370	2,639	641	2,909
December	1,582	3,409	755	5,746	2,408	1,352	208	3,552	827	2,058	963	2,194
March	349	2,012	-571	1,790	974	2,992	263	4,229	1,323	5,004	308	6,019
June	1,853	2,179	-104	3,928	-8	-279	-373	-661	1,861	2,459	269	4,589
1992-93 --												
September	974	5,641	386	7,000	95	-948	-117	970	879	6,588	502	7,970
December	2,829	1,031	499	2,298	2,594	-1,023	147	1,719	235	-8	352	579
March	3,854	-3,538	-279	37	905	240	-120	1,026	2,948	-3,778	-159	-989
June	3,030	6,569	-44	9,554	41	835	309	1,185	2,989	5,734	-354	8,370
1993-94 --												
September	5,599	2,819	225	8,643	2,767	1,495	5	4,257	2,832	1,324	230	4,386
December	5,613	1,559	495	7,666	3,140	-1,163	359	2,336	2,473	2,722	135	5,330
March	6,730	4,169	-448	10,451	1,830	4,792	-299	6,323	4,900	-623	-149	4,128
June	4,550	-1,039	631	4,143	893	-680	1,450	1,664	3,657	359	819	2,479
1994-95 --												
September	4,039	517	-773	3,783	-102	-345	-1,643	-2,090	4,141	862	870	5,873
December	730	307	140	1,177	510	-1,620	320	-789	220	1,927	180	1,967

(a) Equals foreign investment in Australia less Australian investment abroad.



TABLE 18. INVESTMENT INCOME  
(\$A million)

	Payable on foreign investment in Australia				Receivable on Australian investment abroad				Net investment income payable(a)			
	Interest				Interest				Interest			
	Equity income (b)	Borrowing	Other	Total	Equity income (b)	Reserve assets and lending	Other	Total	Net equity income (b)	Net debt	Net other	Total
ANNUAL												
1982-83	648	2,839	55	3,542	n.a.	n.a.	n.a.	1,054	n.a.	n.a.	n.a.	2,488
1983-84	2,104	3,705	26	5,833	556	821	89	1,468	1,548	2,884	-63	4,365
1984-85	2,236	5,314	39	7,589	515	914	95	1,525	1,721	4,400	-56	6,064
1985-86	2,338	6,587	133	9,058	1,146	710	110	1,966	1,192	5,877	23	7,092
1986-87	2,725	7,892	113	10,730	1,816	678	175	2,669	909	7,214	-62	8,062
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	104	3,911	2,702	9,554	164	12,419
1989-90	5,240	14,380	372	19,993	1,961	1,848	155	3,963	3,280	12,532	217	16,029
1990-91	5,192	14,817	170	20,178	859	2,248	120	3,228	4,332	12,569	50	16,951
1991-92	4,702	13,324	93	18,119	1,263	2,382	54	3,699	3,440	10,941	40	14,421
1992-93	6,554	11,344	92	17,990	2,901	2,164	21	5,085	3,653	9,181	71	12,905
1993-94	8,646	10,939	94	19,679	3,426	1,668	31	5,125	5,221	9,270	63	14,554
QUARTERLY												
1989-90 —												
September	886	3,490	133	4,509	468	472	40	979	418	3,019	93	3,530
December	1,359	3,555	81	4,995	490	449	41	980	869	3,106	40	4,015
March	1,664	3,646	71	5,380	473	452	40	965	1,190	3,193	31	4,415
June	1,331	3,689	88	5,108	530	475	35	1,040	802	3,215	52	4,068
1990-91												
September	844	3,680	44	4,568	288	577	30	895	556	3,103	14	3,673
December	1,782	3,632	55	5,468	152	522	35	710	1,629	3,110	19	4,759
March	1,120	3,849	37	5,007	155	537	29	720	966	3,312	9	4,287
June	1,447	3,656	34	5,137	264	613	26	903	1,183	3,043	8	4,234
1991-92 —												
September	1,124	3,717	24	4,865	317	614	17	948	806	3,103	8	3,917
December	1,035	3,186	26	4,247	348	636	13	997	687	2,549	13	3,250
March	1,104	3,231	20	4,355	273	595	10	879	831	2,636	9	3,477
June	1,439	3,190	23	4,652	324	537	14	875	1,115	2,652	9	3,777
1992-93 —												
September	1,684	3,117	18	4,819	661	668	5	1,333	1,023	2,449	13	3,486
December	1,564	2,835	33	4,432	794	493	5	1,291	770	2,342	28	3,141
March	1,459	2,813	18	4,290	623	632	5	1,259	836	2,182	13	3,031
June	1,846	2,579	23	4,447	823	372	6	1,201	1,022	2,207	17	3,246
1993-94 —												
September	1,800	2,976	24	4,800	819	598	8	1,425	982	2,378	16	3,376
December	2,592	2,563	20	5,176	913	486	9	1,408	1,679	2,078	11	3,768
March	1,826	2,774	20	4,620	849	414	5	1,269	977	2,359	15	3,351
June	2,426	2,626	29	5,082	844	170	9	1,024	1,582	2,456	20	4,058
1994-95 —												
September	2,717	2,834	2	5,553	1,080	364	8	1,452	1,637	2,470	-6	4,100
December	2,998	2,481	5	5,484	1,107	341	2	1,451	1,891	2,140	3	4,034

(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.

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

	<i>Public Sector Borrowing</i>				<i>Private sector borrowing</i>	<i>Total foreign borrowing</i>	<i>Reserve assets</i>	<i>Lending abroad</i>	<i>Net foreign debt(a)</i>
	<i>Commonwealth government and Reserve Bank</i>	<i>State government</i>	<i>Public trading and financial enterprises</i>	<i>Total</i>					
ANNUAL									
1982-83	7,682	—	6,525	14,207	21,684	35,891	10,748	1,760	23,383
1983-84	8,534	339	8,907	17,781	26,320	44,101	12,417	1,791	29,893
1984-85	12,982	1,901	14,982	29,865	37,608	67,473	13,517	2,748	51,208
1985-86	19,753	3,855	19,009	42,618	49,933	92,550	13,024	3,981	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	9,145	131,754
1990-91	17,429	24,435	33,536	75,400	103,850	179,251	24,047	12,421	142,782
1991-92	16,848	28,425	33,529	78,802	112,466	191,268	22,240	15,463	153,565
1992-93	21,469	37,963	34,630	94,062	114,359	208,420	20,823	20,278	167,320
1993-94	22,913	39,560	32,438	94,910	111,017	205,927	20,661	22,029	163,237
QUARTERLY									
<i>1989-90 —</i>									
September	18,484	18,262	28,614	65,360	86,299	151,659	20,774	9,265	121,619
December	18,128	20,001	29,110	67,239	89,216	156,455	21,487	8,326	126,642
March	18,691	20,515	31,615	70,821	95,043	165,864	21,065	11,856	132,944
June	19,654	19,788	32,525	71,968	90,802	162,770	21,871	9,145	131,754
<i>1990-91 —</i>									
September	18,585	21,145	32,996	72,726	92,952	165,678	22,281	8,213	135,185
December	18,909	20,865	36,540	76,314	95,004	171,317	24,989	7,926	138,402
March	18,755	22,366	35,097	76,218	99,622	175,840	23,593	10,147	142,100
June	17,429	24,435	33,536	75,400	103,850	179,251	24,047	12,421	142,782
<i>1991-92 —</i>									
September	17,798	26,031	32,543	76,372	101,053	177,425	23,836	12,395	141,194
December	21,204	26,471	33,987	81,662	104,939	186,602	25,451	14,550	146,601
March	18,624	28,074	32,461	79,160	106,240	185,399	21,314	14,488	149,597
June	16,848	28,425	33,529	78,802	112,466	191,268	22,240	15,463	153,565
<i>1992-93 —</i>									
September	17,949	33,536	34,140	85,625	114,403	200,028	21,566	17,756	160,706
December	19,223	33,391	33,759	86,373	113,165	199,538	20,112	17,211	162,215
March	18,873	33,178	32,072	84,123	110,642	194,764	18,888	18,511	157,365
June	21,469	37,963	34,630	94,062	114,359	208,420	20,823	20,278	167,320
<i>1993-94 —</i>									
September	20,442	42,459	34,595	97,496	119,558	217,054	22,023	20,518	174,513
December	22,289	42,080	33,538	97,908	113,287	211,195	20,955	18,250	171,990
March	23,242	43,428	33,195	99,864	111,874	211,738	20,834	23,055	167,849
June	22,913	39,560	32,438	94,910	111,017	205,927	20,661	22,029	163,237
<i>1994-95 -</i>									
September	25,460	38,233	30,604	94,298	110,606	204,904	20,308	22,355	162,241
December	28,610	42,838	29,036	100,484	101,182	201,666	18,417	20,948	162,300

(a) Equals total foreign borrowing less reserve assets and lending abroad.

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

Period	Ratios of net foreign liabilities to GDP(a) - per cent -			Net international investment position servicing - Ratios of net investment income payable to exports(b) - per cent -		
	Total	Foreign debt	Equity and other investment	Total	Foreign debt	Equity and other investment
ANNUAL						
1986-87	44.4	32.6	11.8	18.5	16.5	1.9
1987-88	42.2	32.2	10.0	18.5	15.3	3.3
1988-89	44.7	34.4	10.2	22.7	17.5	5.2
1989-90	46.1	35.6	10.6	26.3	20.6	5.7
1990-91	50.6	37.6	13.0	25.6	19.0	6.6
1991-92	51.9	39.7	12.2	20.6	15.6	5.0
1992-93	54.1	41.4	12.7	16.9	12.0	4.9
1993-94	56.3	38.3	18.0	17.7	11.3	6.4
QUARTERLY						
Year ended(c) —						
1989-90 —						
September	45.0	34.9	10.1	23.1	18.3	4.8
December	45.7	35.5	10.2	24.6	19.2	5.4
March	46.7	36.5	10.2	25.9	19.8	6.1
June	46.1	35.6	10.6	26.3	20.6	5.7
1990-91 —						
September	48.4	36.1	12.3	26.1	20.3	5.7
December	48.0	36.7	11.3	26.5	19.8	6.7
March	49.2	37.4	11.7	25.8	19.6	6.2
June	50.6	37.6	13.0	25.6	19.0	6.6
1991-92 —						
September	49.8	37.2	12.5	25.5	18.6	6.9
December	50.5	38.5	11.9	22.9	17.5	5.4
March	51.6	39.0	12.5	21.5	16.4	5.1
June	51.9	39.7	12.2	20.6	15.6	5.0
1992-93 —						
September	52.5	41.1	11.4	19.6	14.4	5.2
December	52.5	41.1	11.5	18.9	13.7	5.2
March	51.9	39.5	12.4	17.9	12.8	5.1
June	54.1	41.4	12.7	16.9	12.0	4.9
1993-94 —						
September	57.6	42.7	14.9	16.3	11.6	4.7
December	58.6	41.5	17.1	16.8	11.1	5.7
March	57.8	40.0	17.8	17.0	11.1	5.8
June	56.3	38.3	18.0	17.7	11.3	6.4
1994-95 —						
September	56.7	37.4	19.4	18.5	11.4	7.2
December	nya	nya	nya	18.7	11.4	7.4

(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 December quarter 1994, together with statistics for earlier periods.

2. More detailed annual international investment statistics up to 1992-93 may be found in *International Investment Position, Australia, 1992-93* (5305.0) released in August 1994. Descriptions of the concepts, definitions, classifications of data items, and sources and methods used in compiling the statistics are presented in *Foreign Investment, Australia: Summary of Concepts, Sources and Methods* (5355.0). That publication also includes an assessment of the accuracy and reliability of the statistics.

### Scope and coverage

3. International investment statistics provide information on:

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

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

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

### Classifications and definitions

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

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

8. *Direction of investment*. This classification refers to the basic distinction between inward and outward investment; that is, foreign investment in Australia or Australian investment abroad. Broadly, *foreign investment in Australia* refers to the stock of financial assets in Australia owned by non-residents and capital transactions which increase or decrease this stock. Conversely, *Australian investment abroad* refers to the stock of foreign financial assets owned by Australian residents and capital transactions which increase or decrease that stock. A major exception to this concerns the treatment of direct investment activity (described in paragraph 13), where the classification of particular investment transactions and associated levels and income, to either foreign investment in Australia or Australian investment abroad, depends upon the direction of the equity link which underlies the establishment of the direct investment relationship between the transactors. If an Australian enterprise is a direct investment enterprise - that is a non-resident (the direct investor) has a significant equity holding in that enterprise - financial claims by the Australian direct investment enterprise on the foreign direct investor are netted against liabilities of the direct investment enterprise to the direct investor in measuring direct foreign investment in Australia. Similarly, netting of assets and liabilities occurs in arriving at Australian direct investment abroad.

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

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

savings and development banks, that are mainly engaged in incurring liabilities and acquiring financial assets. Trading enterprises are non-financial enterprises mainly engaged in the production of goods and services for sale in the market.

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

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

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

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

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

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

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

- separate details of borrowing in foreign and Australian currency;
- currency of borrowing;
- country of domicile of borrowing, which separates borrowing domiciled in Australia from borrowing domiciled abroad. Borrowing domiciled in Australia comprises those securities issued in Australia which, while largely targeted for Australian residents, are taken up by non-residents, usually through security brokers and nominees. Examples of these securities, all of which are tradeable, are government and semi-government fixed interest tradeable 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 1993, 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. The *industry* classification used in international investment statistics is based upon the Australian Standard Industrial Classification (ASIC), 1983 edition. 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 1993, 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), its offset *reinvestment of earnings* (capital transaction) and *levels of foreign portfolio investment in Australian corporate equities*. Data for these items are only collected annually and hence estimates for the most recent periods 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 investment in certain categories of *portfolio and other investment* through nominees and brokers. 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 complements the annual foreign investment publication *International Investment Position*,

*Australia* (5305.0). Statistics on international investment capital transactions and income are also published in all balance of payments publications: the monthly, *Balance of Payments, Australia* (5301.0); the quarterly, *Balance of Payments, Australia* (5302.0) and the annual, *Balance of Payments, Australia* (5303.0). 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 *Publications 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
ASEAN	Association of South East Asian Nations
BIS	Bank of International Settlements
EEC	European Economic Community
IMF	International Monetary Fund
OECD	Organisation for Economic Cooperation 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>
Changed methodology for measuring foreign borrowing domiciled in Australia.	5307.0	June qtr 1988	2-3
Foreign debt ratios	5306.0	June qtr 1988	6-7
Changed scope and data source, portfolio and other investment accounts payable/prepayments received and accounts receivable prepayments made.	5306.0	Sept qtr 1988	6
Reliability of quarterly balance of payments estimates	5302.0	Dec qtr 1988	12-15
Introduction of quarterly international investment position and quarterly estimates of levels of foreign portfolio investment in Australian corporate equities.	5307.0	Mar qtr 1989	8-9
Measurement of foreign investment in Australian real estate in foreign investment statistics.	5306.0	Sept qtr 1989	8-10
Measurement of levels of Australian investment abroad	5307.0	Sept qtr 1989	2
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
Foreign ownership of equity in Australian enterprise groups	5306.0	Mar qtr 1993	13-17
Recent changes to sources and methods used for estimating services and other property income	5302.0	Mar qtr 1993	6-7
International comparison of balance of payments statistics	5303.0	1991-92	14-15
Balance of payment ratios	5303.0	1991-92	9-13
Balancing item	5302.0	June qtr 1993	7-11
Supplementary foreign investment coverage survey	5306.0	Sept qtr 1993	8-10
Change to commodity classification of merchandise imports	5301.0	March 1994	2
Foreign ownership of equity in Australian enterprise groups	5306.0	Mar qtr 1994	8-12
Implementing revised international standards for balance of payments and international investment statistics	5302.0	Sept qtr 1994	7-11

Copies of the above articles may be ordered from Mr Michael Atkinson, International Investment Section Phone (06) 252 6252. A charge may be made for providing these services.



## For more information ...

The ABS publishes a wide range of statistics and other information on Australia's economic and social conditions. Details of what is available in various publications and other products can be found in the *ABS Catalogue of Publications and Products* available at all ABS Offices (see below for contact details).

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