





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

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**AUSTRALIAN BUREAU OF STATISTICS**

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### INQUIRIES

- *for further information about statistics in this publication* and the availability of related unpublished statistics, contact Ms Sawbhag Naidu on Canberra (06) 252 6872, Mr Paul Fairhall on (06) 252 6254 or any ABS State office.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 1996(a)	Dec. qtr 1996	Percentage Change	
			Sept. qtr 1996 to Dec. qtr 1996	Dec. qtr 1995 to Dec qtr 1996
	— \$A million —		— per cent —	
Net foreign liabilities at end of quarter —				
Net equity	96,168	101,009	5.0	12.6
Net debt (b)	196,042	202,367	3.2	8.6
Net other	1,494	1,226	-17.9	-52.5
<b>Total</b>	<b>293,704</b>	<b>304,602</b>	<b>3.7</b>	<b>9.3</b>
Net investment income payable abroad during quarter	4,982	5,015	0.7	-10.8

(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 1996

*Net foreign liabilities* of Australian residents at 31 December 1996 totalled \$304,602 million. This was an increase of \$10,898 million, or 3.7 per cent, on the revised estimate of the position one quarter earlier.

- The increase during the December quarter 1996 consisted of an inflow of \$5,212 million due to *net capital transactions* (the *balance on capital account* in the balance of payments); *exchange rate variations* of -\$824 million; and *other changes* of \$6,510 million in the value of net foreign liabilities.
- Underlying the increase during the December quarter 1996 was an increase in *foreign investment in Australia* (up \$16,204 million) partly offset by an increase in *Australian investment abroad* (up \$5,306 million). The rise in *foreign investment in Australia* was due to increases in foreign borrowing (up \$7,936 million) and equity holdings by non-residents in Australian enterprises (up \$7,727 million). The increase in *Australian investment abroad* stemmed from increases in equity holdings by Australian residents in foreign enterprises (up \$2,886 million), lending to non-residents (up \$1,684 million) and other investment (up \$809 million).

*Net foreign debt* at 31 December 1996 was \$202,367 million, up \$6,325 million (3.2%) on the revised estimate of the position a quarter earlier.

- The increase during the December quarter 1996 resulted from *net capital transactions* of \$3,749 million, mainly reflecting foreign borrowing by the public sector, and *other changes* of \$2,920 million, partly offset by *exchange rate variations* of -\$344 million, due to the appreciation of the Australian dollar against other currencies.
- The increase is reflected by an 8.6 per cent rise in the public sector's net debt to \$71,355 million and a 0.5 per cent rise in the private sector's net debt to \$131,012 million. At 31 December 1996 the public sector accounted for 35.3 per cent of net foreign debt.

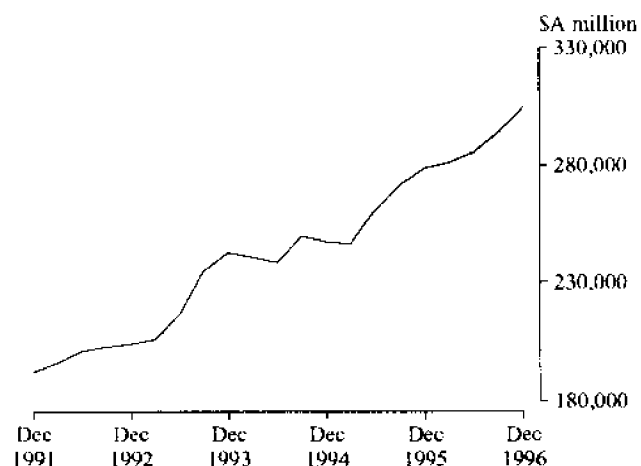
- The ratio of *net foreign debt to GDP* for the year ended December 1996 was 40.3 per cent, up 0.7 percentage points on the position for the year ended September 1996, and up 0.9 percentage points on that for the year earlier.

*Net investment income payable abroad* during the December quarter 1996 was \$5,015 million, up \$33 million (0.7%) on the amount payable in the September quarter 1996 and down \$610 million (10.8%) on the amount payable in the December quarter 1995.

- The increase in the December quarter 1996 over the September quarter 1996 resulted from a rise of \$30 million in *income payable on foreign investment in Australia*. This rise was due to an increase of \$319 million in *income payable on equity*, which was partly offset by a decrease of \$289 million in *income payable on foreign borrowing and other investments*.

- The ratio of *net investment income to exports of goods and services* for the year ended December 1996 was 19.1 per cent, down 1.3 percentage points on the ratio a year earlier.

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



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

## ANALYSIS OF RESULTS

## INTERNATIONAL INVESTMENT POSITION - SUMMARY

(\$A million)

	Changes in levels in the Dec. quarter 1996				Level at 31 Dec. 1996	Investment Income during Dec. quarter 1996
	Level at 30 Sept. 1996	Capital Transactions	Exchange Rate Variations	Other Changes		
<b>Foreign Investment in Australia—</b>						
Equity Liabilities	194,409	3,885	-	3,842	202,136	3,398
Borrowing(a)	240,517	4,184	-445	4,197	248,453	3,073
Other Investment	10,245	-317	-12	870	10,786	(d) n.a.
<b>Total</b>	<b>445,171</b>	<b>7,752</b>	<b>-457</b>	<b>8,909</b>	<b>461,375</b>	<b>6,471</b>
<b>Australian Investment Abroad—</b>						
Equity Assets	98,241	1,780	474	632	101,127	963
Reserve Assets	21,921	281	-226	-128	21,848	282
Lending	22,554	154	125	1,405	24,238	211
Other Investment	8,751	325	-6	490	9,560	(d) n.a.
<b>Total</b>	<b>151,467</b>	<b>2,540</b>	<b>367</b>	<b>2,399</b>	<b>156,773</b>	<b>1,456</b>
<b>Net International Investment Position and Income(b)—</b>						
Net Equity Liabilities	96,168	2,105	-474	3,210	101,009	2,435
Net Debt(c)	196,042	3,749	-344	2,920	202,367	2,580
Net Other Investment	1,494	-642	-6	380	1,226	(d) n.a.
<b>Net Foreign Liabilities</b>	<b>293,704</b>	<b>5,212</b>	<b>-824</b>	<b>6,510</b>	<b>304,602</b>	<b>5,015</b>

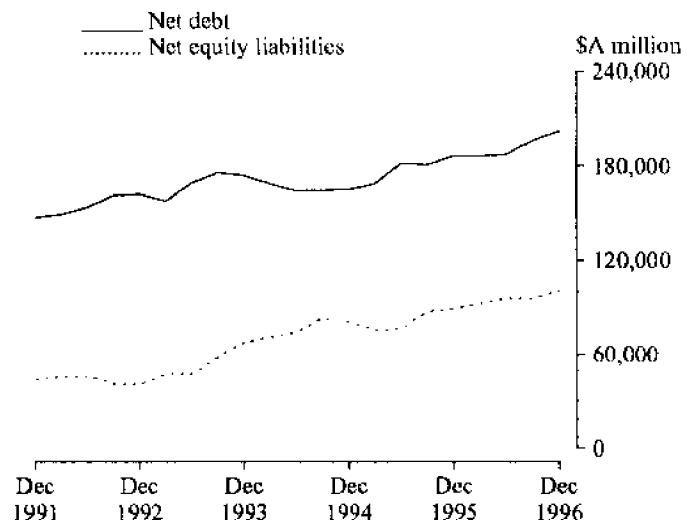
(a) Gross foreign debt. (b) Net international investment position equals foreign investment in Australia less Australian investment abroad. (c) Foreign borrowing by Australian residents less the sum of reserve assets and Australian lending abroad. (d) From September quarter 1996 investment income for other investment is not separately available and is included in the investment income for borrowing for foreign investment in Australia; in investment income for lending for Australian investment abroad; and in investment income for net debt for the net international investment position.

### Australia's international investment position at 31 December 1996

Australia's *net international investment position* at 31 December 1996 consisted of net foreign liabilities of \$304,602 million. This was an increase of \$10,898 million (3.7%) on the position a quarter earlier and resulted from:

- *net capital transactions* of \$5,212 million;
- *exchange rate variations* of -\$824 million; and
- *other changes* of \$6,510 million.

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





The level of net foreign liabilities at 31 December 1996 represented the difference between the level of:

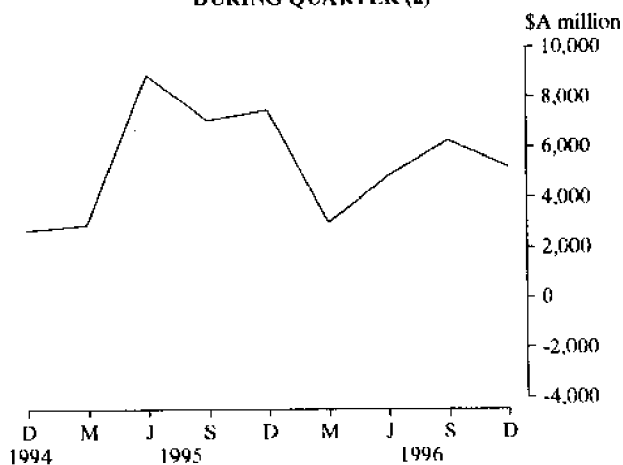
- foreign investment in Australia of \$461,375 million; and
- Australian investment abroad of \$156,773 million.

The level of net foreign liabilities consisted of:

- *net foreign debt* of \$202,367 million (66.4%);
- *net equity liabilities* of \$101,009 million (33.2%); and
- *net other investment* of \$1,226 million (0.4%).

During the December quarter 1996, the level of net foreign debt increased by 3.2 per cent and net equity liabilities increased by 5.0 per cent.

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

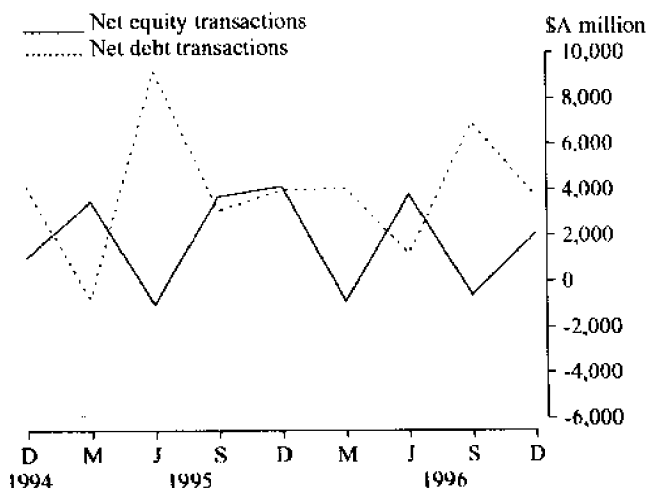


(a) Net capital transactions cover net equity, net debt and net other investment transactions

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

- a net inflow of \$7,752 million, due to additional liabilities incurred on foreign investment in Australia; partly offset by
- a net outflow of \$2,540 million, due to the acquisition of additional assets through Australian investment abroad.

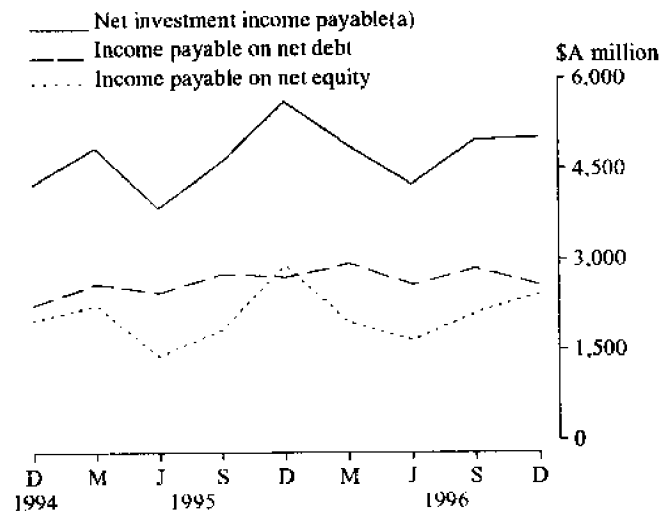
**GRAPH 4: NET EQUITY AND DEBT TRANSACTIONS DURING QUARTER**



Contributing to this outcome on net capital transactions were net inflows of \$3,749 million for net foreign debt and \$2,105 million for net equity investment.

*Net investment income payable abroad* during the December quarter 1996 was \$5,015 million, arising from income payable on foreign investment in Australia of \$6,471 million less income receivable on Australian investment abroad of \$1,456 million. Net investment income payable rose by \$33 million, or 0.7 per cent, on the amount recorded for the September quarter 1996 (mainly due to an increase of \$30 million in income payable on foreign investment in Australia).

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



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

Net investment income payable abroad mainly consisted of:

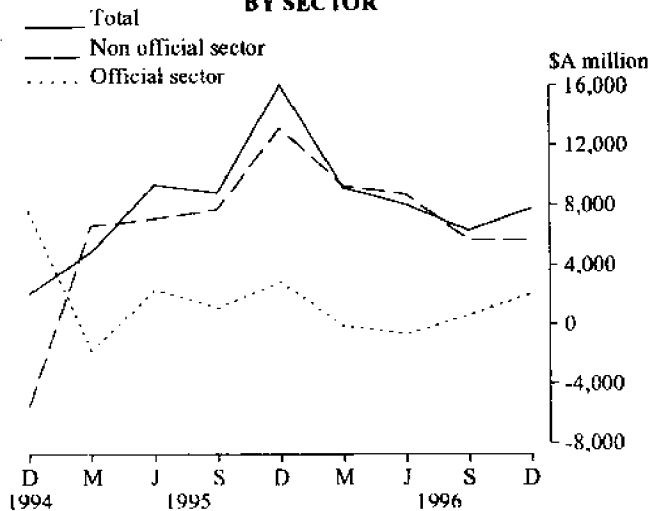
- \$2,580 million interest payable on net foreign debt and other investment and;
- \$2,435 million investment income payable on net equity liabilities.

#### Capital transactions (investment flows) in the December quarter 1996

##### *Foreign investment in Australia*

A net inflow of \$7,752 million was recorded for foreign investment in Australia during the December quarter 1996. This was an increase of \$1,426 million on the net inflow of \$6,326 million recorded for the previous quarter. This increase resulted from a rise of \$3,285 million in equity investment (including reinvested earnings), partly offset by a decrease of \$1,561 million and \$298 million in borrowing and in other investment respectively.

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



Foreign investment in the *official sector* in Australia increased from a net inflow of \$646 million in the September quarter 1996 to a net inflow of \$2,040 million in the December quarter 1996. The major flows within this sector were:

- an increase in net inflow of \$2,687 million in general government borrowing domiciled in Australia, from \$356 million to \$3,043 million; and
- a turnaround of \$1,187 million in the general government borrowing domiciled abroad, from a net inflow of \$302 million to a net outflow of \$885 million.

The net inflow of foreign investment in the *non-official sector* in Australia increased \$32 million, from \$5,680 million in the September quarter 1996 to \$5,712 million in the December quarter 1996.

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

- a decrease of \$2,337 million in the net outflow of foreign portfolio investment in corporate equities, from \$2,561 million to \$224 million;
- an increase of \$1,373 million in the net inflow from foreign direct investment in equities, from \$1,511 million to \$2,884 million; and
- an increase of \$588 million in the net inflow due to borrowing by the public sector from unrelated foreign lenders, from \$794 million to \$1,382 million.

These changes were partly offset by:

- a turnaround of \$2,700 million in borrowing from direct investors, from a net inflow (borrowing) of \$746 million to a net outflow (repayments) of \$1,954 million;
- a decrease of \$805 million in the net inflow due to borrowing by the private sector from unrelated foreign lenders, from \$3,472 million to \$2,667 million;
- a decrease of \$425 million in the notional net inflow of reinvestment of earnings, from \$1,650 million to \$1,225 million; and
- a turnaround of \$364 million in other investments by foreign direct investors, from a net inflow of \$101 million to a net outflow of \$263 million.

### Australian investment abroad

A net outflow of \$2,540 million was recorded for Australian investment abroad in the December quarter 1996, representing a net increase of \$2,473 million on the net outflow of \$67 million from the previous quarter.

Australian investment abroad by the *official sector* decreased from a net outflow of \$2,985 million in the September quarter 1996 to a net outflow of \$311 million in the December quarter 1996. This was almost entirely due to the decrease of \$2,685 million in reserve assets, from a net outflow of \$2,966 million to \$281 million.

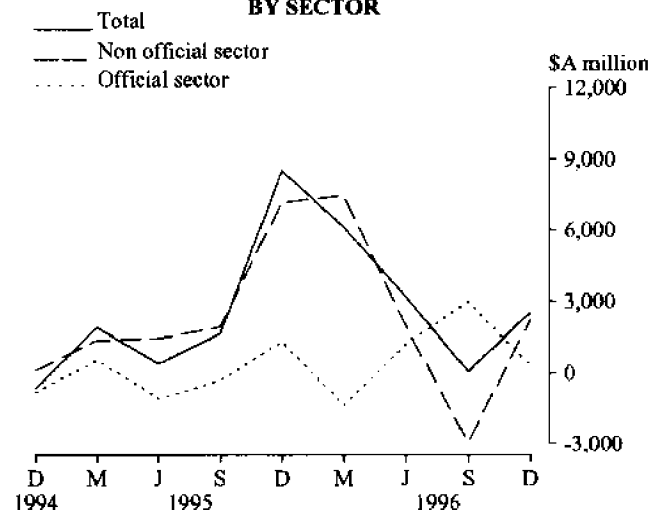
A net outflow of \$2,229 million was recorded for investment abroad by the *non-official sector* in the December quarter 1996, representing a turnaround of \$5,147 million on the net inflow of \$2,918 million recorded in the September quarter 1996. This result was mainly due to:

- a decrease in the net inflow of \$3,072 million in lending to direct investment enterprises abroad from \$4,042 million to \$970 million;
- a turnaround of \$1,705 million in lending by the private sector to unrelated foreign enterprises, from a net inflow of \$499 million to a net outflow of \$1,206 million;
- an increase in net outflow (purchases) of \$640 million in Australian portfolio investment in foreign equities from \$35 million to \$675 million;
- a turnaround in other portfolio investments by the private sector of \$252 million, from a net inflow of \$67 million to a net outflow of \$185 million; and
- an increase of \$130 million in the notional outflow of reinvestment of earnings from \$590 million to \$720 million.

These changes were partly offset by:

- a turnaround of \$456 million in lending by the public sector to unrelated foreign enterprises from a net outflow of \$373 million to a net inflow of \$83 million; and
- a decrease of \$179 million in Australian direct investment in foreign equities from a net outflow (purchases) of \$564 million to \$385 million.

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

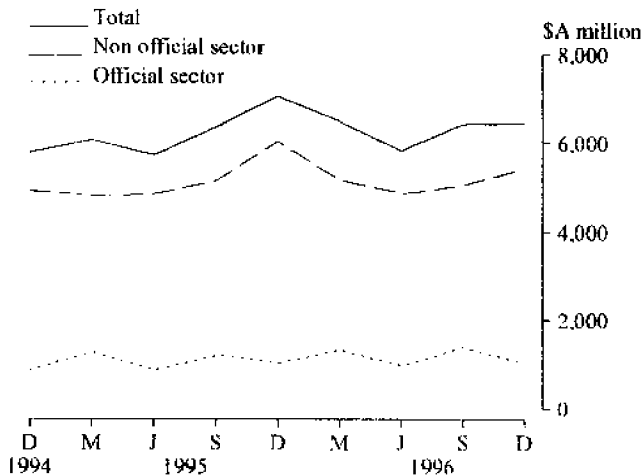


## Investment income in the December quarter 1996

### Income payable on foreign investment in Australia

Income payable on foreign investment in Australia was \$6,471 million in the December quarter 1996, an increase of \$30 million (0.5%) on the September quarter 1996 estimate. Income payable (including re-investment of earnings) on equity holdings by non-residents in Australian enterprises accounted for \$3,398 million (52.5%) of the total investment income payable, up \$319 million (10.4%) on the previous quarter's estimate.

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



Income payable by the *official sector* was \$1,043 million, down \$348 million (25.0%) on the amount payable in the previous quarter. Income payable by the *non-official sector* rose \$378 million (7.5%) to \$5,428 million.

Interest payable on official sector borrowing domiciled in Australia fell \$279 million to \$363 million while interest payable on official sector borrowing domiciled abroad fell \$73 million to \$672 million.

The largest increases in income payable by the non-official sector were recorded for

- dividends and remitted profits payable on direct investment in Australian corporate equities (up \$523 million) from \$1,016 million to \$1,539 million; and
- dividends payable on portfolio investment in Australian corporate equities (up \$221 million) from \$413 million to \$634 million.

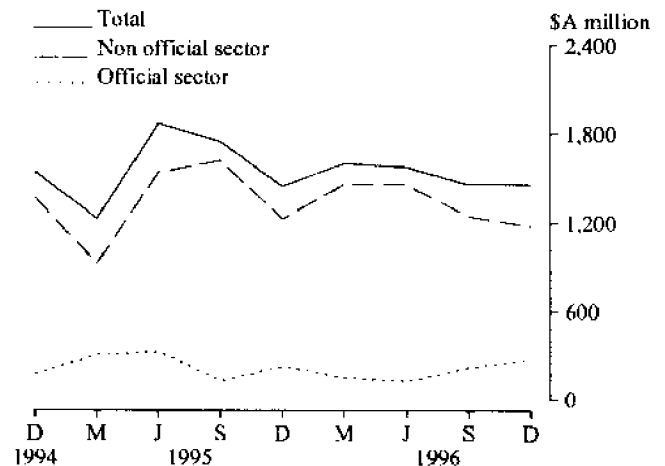
This was partly offset by:

- reinvested earnings on direct investment in Australian corporate equities (down \$425 million) from \$1,650 million to \$1,225 million.

### Income receivable on Australian investment abroad

Income receivable on Australian investment abroad during the December quarter 1996 was \$1,456 million, a decrease of \$3 million on the previous quarter's estimate. Income receivable by the *official sector* (almost entirely interest on reserve assets) rose by \$64 million (29.4%) to \$282 million. Income receivable by the *non-official sector* decreased by \$67 million (5.4%) to \$1,174 million.

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



### Exchange rate variations in the December quarter 1996

Between 30 September 1996 and 31 December 1996, the Australian dollar appreciated 0.5 per cent against the United States dollar, 5.0 per cent against the Japanese yen, and 2.5 per cent against the German mark. On a trade weighted basis, the Australian dollar appreciated 1.5 per cent.

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

### Other changes in levels in the December quarter 1996

Apart from capital transactions and exchange rate variations, there were also *other changes* in Australia's net foreign liabilities during the quarter which accounted for an increase of \$6,510 million in net liabilities. This increase represented the net effect of *other changes* in the level of foreign investment in Australia of \$8,909 million being partly offset by *other changes* in the level of Australian investment abroad of \$2,399 million.

The change in the level of *Australian investment abroad* during the quarter was largely due to price increases for debt securities. In the case of *foreign investment in Australia*, price increases accounted for an increase of approximately \$6,647 million in the level of investment. Reflected in this amount were: price increases for debt securities which accounted for an increase of \$2,813 million in the level of foreign borrowing; share valuation effects which accounted for an increase of \$3,313 million in the level of foreign portfolio investment in corporate equities and an increase, after adjustment for reinvestment of earnings, of \$521 million in the level of foreign direct investment in corporate equities.

## Levels of investment at 31 December 1996

### Foreign investment in Australia

The level of foreign investment in Australia was \$461,375 million at 31 December 1996, an increase of \$16,204 million on the level at 30 September 1996. Making up the change in levels were:

- a net inflow of \$7,752 million from capital transactions;
- exchange rate changes of -\$457 million; and
- other changes of \$8,909 million.

The *official sector* accounted for \$84,787 million, or 18.4 per cent, of the total level of foreign investment in Australia at 31 December 1996. The *non-official sector* accounted for \$376,588 million, or 81.6 per cent.

When analysed by instrument of investment, foreign investment in Australia, at 31 December 1996, consisted of the following:

- *foreign borrowing* of \$248,453 million (53.9%);
- *equity investment* of \$202,136 million (43.8%); and
- *other investment* of \$10,786 million (2.3%).

### Australian investment abroad

The level of Australian investment abroad was \$156,773 million at 31 December 1996, an increase of \$5,306 million on the level at 30 September 1996. Making up the change in levels were:

- a net outflow of \$2,540 million from capital transactions;
- exchange rate changes of \$367 million; and
- other changes of \$2,399 million.

Investment abroad by the *official sector* (mainly holdings of reserve assets) was \$24,780 million, representing 15.8 per cent of the total level of Australian investment abroad, while the *non-official sector* accounted for the remaining 84.2 per cent (\$131,993 million). Equity assets accounted for 64.5 per cent (\$101,127 million) of the level of investment abroad by the non-official sector.

### Australia's foreign debt

At 31 December 1996, Australia's *net foreign debt* was \$202,367 million, up \$6,325 million on the level at 30 September 1996.

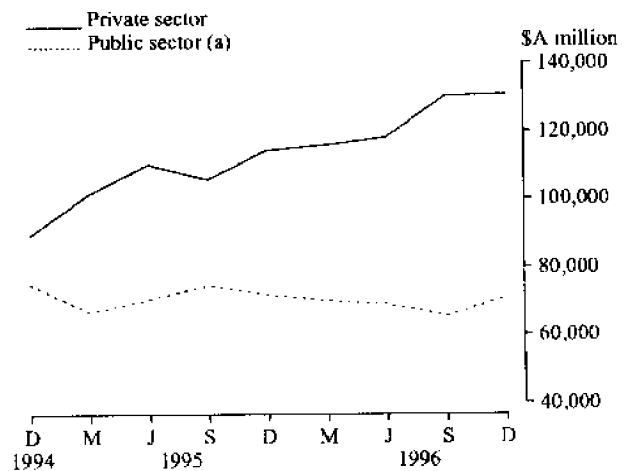
The level of *net foreign debt* at 31 December 1996 was made up of borrowing from non-residents (*gross foreign*

*debt*) of \$248,453 million, partly offset by reserve assets and Australian lending abroad of \$46,086 million.

The *public sector* (official and non-official) held \$71,355 million or 35.3 per cent of total net foreign debt at 31 December 1996, up 1.8 percentage points on the previous quarter. The *private sector* held \$131,012 million or 64.7 per cent compared with 66.5 per cent a quarter earlier.

Within the public sector, the *official sector* accounted for \$63,166 million, or 31.2 per cent of total net foreign debt, while the *non-official sector* accounted for \$8,189 million or 4.0 per cent.

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



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

As the summary table on page 2 shows, there was an increase in net foreign debt during the December quarter due to transactions of \$3,749 million, exchange rate variations of -\$344 million and other changes of \$2,920 million.

At 31 December 1996, 47.0 per cent (\$116,830 million) of Australia's foreign borrowing was denominated in Australian dollars and 53.0 per cent (\$131,623 million) in foreign currencies. US dollars represented the largest currency of borrowing, comprising \$78,376 million or 59.5 per cent of foreign currency borrowing. Of the amount denominated in Australian dollars, \$70,450 million (60.3%) was domiciled abroad with the remaining \$46,380 million (39.7%) domiciled in Australia.

## Release date for March quarter 1997 issue

The expected release date for the March quarter 1997 issue of *International Investment Position, Australia* (5306.0) is 3 June 1997.

## REVISIONS

Since the last issue of this publication, revisions have been made to estimates of capital transactions and levels of international investment from 1990-91 and investment income from 1993-94 onward. The revisions are summarized in the table below.

For 1995-96 and September quarter 1996 the revisions have been largely caused by the incorporation of data from the 1995-96 annual *Survey of International Investment* (SII).

In compiling results from the quarterly SII, a coverage adjustment, based on historical trends, is incorporated for those entities not approached quarterly. This adjustment is retained until annual SII 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.

Revisions for earlier years and some revisions for 1995-96 and September quarter 1996 have been caused by:

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

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

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

	<i>Change in this publication</i>						<i>Sept. quarter 1996</i>
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	
Capital transactions —							
Foreign investment in Australia	66	25	80	1	-1,024	2,296	-525
Australian investment abroad	—	3	—	-1	363	55	-1,105
<i>Net</i>	66	22	80	2	-1,387	2,241	580
Investment income —							
Foreign investment in Australia	—	—	—	-2	-463	383	-237
Australian investment abroad	—	—	—	-2	36	67	-220
<i>Net</i>	—	—	—	—	-499	316	-17
Level of foreign debt —							
Foreign investment in Australia	-21	-21	701	-75	134	1,187	-718
Australian investment abroad	—	—	—	—	—	—	-5,566
<i>Net</i>	-21	-21	701	-75	134	1,187	4,848
Level of equity and other investment —							
Foreign investment in Australia	416	442	473	495	721	1,066	1,683
Australian investment abroad	1	145	3,137	602	469	716	1,069
<i>Net</i>	415	297	-2,664	-107	252	350	614
Total level of investment —							
Foreign investment in Australia	395	421	1,173	419	856	2,252	965
Australian investment abroad	—	6	3,138	92	655	1,233	-4,497
<i>Net</i>	395	415	-1,965	327	201	1,019	5,462

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

Period	Changes in levels of investment during the period					Total	Levels of investment at end of period	Investment Income (c)
	Levels of investment at beginning of period	Reinvestment of earnings by direct investors (b)	Other transactions	Exchange rate variations	Other changes			
NET EQUITY								
<i>Year—</i>								
1993-94	47,528	1,591	9,292	3,975	12,242	27,099	74,628	4,769
1994-95	74,628	2,611	6,440	-4,391	-2,500	2,160	76,788	7,511
1995-96	76,788	3,876	6,958	8,634	-325	19,142	95,930	8,383
<i>Quarter ended—</i>								
<i>1995-96 —</i>								
September	76,788	805	2,913	4,871	2,309	10,898	87,685	1,840
December	87,685	1,132	3,018	-222	-1,884	2,044	89,729	2,915
March	89,729	1,364	-2,218	3,131	505	2,783	92,512	1,966
June	92,512	575	3,244	854	-1,255	3,418	95,930	1,661
<i>1996-97 —</i>								
September	95,930	1,060	-1,649	146	681	238	96,168	2,117
December	96,168	505	1,600	-474	3,210	4,841	101,009	2,435
NET FOREIGN DEBT (d)								
<i>Year—</i>								
1993-94	169,211	..	1,791	-4,227	-2,518	-4,955	164,256	9,272
1994-95	164,256	..	11,345	4,277	1,599	17,221	181,477	9,802
1995-96	181,477	..	12,428	-9,023	2,654	6,059	187,535	11,019
<i>Quarter ended—</i>								
<i>1995-96 —</i>								
September	181,477	..	3,127	-4,571	535	-908	180,568	2,772
December	180,568	..	4,016	198	1,637	5,851	186,419	2,711
March	186,419	..	4,066	-2,915	-1,240	-88	186,331	2,940
June	186,331	..	1,219	-1,736	1,721	1,204	187,535	2,597
<i>1996-97 —</i>								
September	187,535	..	6,947	-497	2,057	8,507	196,042	(e)2,865
December	196,042	..	3,749	-344	2,920	6,325	202,367	(e)2,580
NET OTHER INVESTMENT								
<i>Year—</i>								
1993-94	-593	..	-741	24	1,015	298	-295	57
1994-95	-295	..	2,155	-463	1,078	2,770	2,475	1
1995-96	2,475	..	-781	234	187	-360	2,115	-14
<i>Quarter ended—</i>								
<i>1995-96 —</i>								
September	2,475	..	262	98	465	825	3,300	8
December	3,300	..	-676	45	-88	-719	2,581	-1
March	2,581	..	-194	31	-111	-274	2,307	-12
June	2,307	..	-173	59	-79	-192	2,115	-10
<i>1996-97 —</i>								
September	2,115	..	-99	19	-541	-621	1,494	(e)n.a.
December	1,494	..	-642	-6	380	-268	1,226	(e)n.a.
NET INTERNATIONAL INVESTMENT POSITION								
<i>Year—</i>								
1993-94	216,147	1,591	10,341	-229	10,738	22,442	238,589	14,098
1994-95	238,589	2,611	19,940	-577	176	22,151	260,739	17,314
1995-96	260,739	3,876	18,605	-155	2,515	24,841	285,580	19,388
<i>Quarter ended—</i>								
<i>1995-96 —</i>								
September	260,739	805	6,303	398	3,309	10,814	271,554	4,620
December	271,554	1,132	6,358	21	-336	7,176	278,729	5,625
March	278,729	1,364	1,654	248	-845	2,420	281,150	4,895
June	281,150	575	4,290	-822	387	4,430	285,580	4,249
<i>1996-97 —</i>								
September	285,580	1,060	5,199	-332	2,197	8,124	293,704	4,982
December	293,704	505	4,707	-824	6,510	10,898	304,602	5,015

(a) Australia's net international investment position equals Foreign investment in Australia less Australian investment abroad. (b) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (c) Includes reinvested earnings of direct investors. Investment income is calculated before the deduction of withholding tax. (d) Foreign borrowing by Australian residents less the sum of reserve assets and Australian lending abroad. (e) From September quarter 1996 investment income for net other investment is not separately available and is included in the investment income for net foreign debt.

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

Period	Changes in levels of investment during the period					Total	Levels of investment at end of period	Investment Income (b)
	Levels of investment at beginning of period	Reinvestment of earnings by direct investors (a)	Other transactions	Exchange rate variations	Other changes			
EQUITY								
<i>Year—</i>								
1993-94	124,327	3,570	16,306	167	(c)12,169	32,212	156,539	7,991
1994-95	156,539	5,904	6,116	91	-974	11,136	167,675	11,681
1995-96	167,675	6,036	12,884	-43	(c)3,997	22,875	190,550	12,843
<i>Quarter ended—</i>								
<i>1995-96 —</i>								
September	167,675	1,920	4,030	-25	(c)4,297	10,221	177,896	3,134
December	177,896	1,629	4,914	1	(c)-543	6,001	183,897	3,829
March	183,897	1,815	1,799	-8	(c)727	4,333	188,230	3,067
June	188,230	673	2,141	-10	(c)-484	2,320	190,550	2,813
<i>1996-97 —</i>								
September	190,550	1,650	-1,050	—	(c)3,259	3,859	194,409	3,079
December	194,409	1,225	2,660	—	(c)3,842	7,727	202,136	3,398
BORROWING								
<i>Year—</i>								
1993-94	210,615	..	6,887	-6,277	-4,308	-3,698	206,917	10,948
1994-95	206,917	..	8,608	6,729	1,427	16,764	223,681	11,565
1995-96	223,681	..	22,988	-12,622	(d)1,965	12,331	236,012	12,859
<i>Quarter ended—</i>								
<i>1995-96 —</i>								
September	223,681	..	2,589	-6,610	273	-3,749	219,931	3,218
December	219,931	..	9,636	266	(d)1,627	11,529	231,460	3,228
March	231,460	..	5,481	-4,385	(d)-1,492	-396	231,064	3,413
June	231,064	..	5,282	-1,893	(d)1,558	4,948	236,012	2,999
<i>1996-97 —</i>								
September	236,012	..	5,745	-755	(d)-485	4,505	240,517	(e)3,362
December	240,517	..	4,184	-445	(d)4,197	7,936	248,453	(e)3,073
OTHER INVESTMENT								
<i>Year—</i>								
1993-94	6,921	..	853	-71	1,332	2,114	9,035	88
1994-95	9,035	..	1,307	-361	811	1,757	10,792	53
1995-96	10,792	..	55	23	107	186	10,978	56
<i>Quarter ended—</i>								
<i>1995-96 —</i>								
September	10,792	..	238	14	351	603	11,396	13
December	11,396	..	-172	29	-105	-247	11,149	14
March	11,149	..	49	-15	-74	-40	11,109	16
June	11,109	..	-60	-6	-65	-131	10,978	13
<i>1996-97 —</i>								
September	10,978	..	-19	19	-733	-733	10,245	(e)n.a.
December	10,245	..	-317	-12	870	541	10,786	(e)n.a.
TOTAL								
<i>Year—</i>								
1993-94	341,862	3,570	24,046	-6,181	9,193	30,628	372,490	19,027
1994-95	372,490	5,904	16,031	6,460	1,264	29,658	402,148	23,299
1995-96	402,148	6,036	35,927	-12,641	6,069	35,392	437,540	25,757
<i>Quarter ended—</i>								
<i>1995-96 —</i>								
September	402,148	1,920	6,856	-6,621	4,921	7,075	409,223	6,365
December	409,223	1,629	14,379	296	979	17,283	426,506	7,071
March	426,506	1,815	7,330	-4,407	-840	3,897	430,403	6,496
June	430,403	673	7,363	-1,909	1,009	7,137	437,540	5,825
<i>1996-97 —</i>								
September	437,540	1,650	4,676	-736	2,041	7,631	445,171	6,441
December	445,171	1,225	6,527	-457	8,909	16,204	461,375	6,471

(a) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (b) Includes reinvested earnings of direct investors. Investment income is calculated before the deduction of withholding tax. (c) Mainly due to share price changes on the domestic share market. (d) Mainly due to price changes of issued government securities. (e) From September quarter 1996 investment income for other investment is not separately available and is included in the investment income for borrowing

TABLE 3. AUSTRALIAN INVESTMENT ABROAD — SUMMARY  
(SA million)

Period	Levels of investment at beginning of period	Changes in levels of investment during the period				Total	Levels of investment at end of period	Investment Income (b)
		Reinvestment of earnings by direct investors (a)	Other transactions	Exchange rate variations	Other changes			
<b>EQUITY</b>								
<i>Year</i>								
1993-94	76,798	1,979	7,014	-3,808	-73	5,112	81,911	3,221
1994-95	81,911	3,293	324	4,482	1,526	8,977	90,887	4,169
1995-96	90,887	2,161	5,926	8,676	4,322	3,733	94,620	4,460
<i>Quarter ended—</i>								
1995-96 ...								
September	90,887	1,115	1,116	-4,896	1,988	677	90,211	1,294
December	90,211	497	1,896	223	1,341	3,958	94,168	914
March	94,168	450	4,017	3,139	222	1,550	95,719	1,100
June	95,719	98	1,103	865	771	-1,099	94,620	1,152
1996-97 ...								
September	94,620	590	599	-146	2,578	3,621	98,241	962
December	98,241	720	1,060	474	632	2,886	101,127	963
<b>LENDING</b>								
<i>Year</i>								
1993-94	20,581	..	4,059	-1,074	1,567	1,419	22,000	822
1994-95	22,000	..	-766	1,145	358	30	22,020	788
1995-96	22,020	..	9,743	-2,293	54	7,397	29,417	1,239
<i>Quarter ended—</i>								
1995-96 ...								
September	22,020	..	-229	-1,201	113	-1,316	20,704	322
December	20,704	..	4,322	41	94	4,270	24,974	296
March	24,974	..	2,817	-868	-125	1,824	26,798	330
June	26,798	..	2,833	-265	51	2,619	29,417	281
1996-97 ...								
September	29,417	..	4,168	-211	-2,484	-6,863	22,554	(c)280
December	22,554	..	154	125	1,405	1,684	24,238	(c)211
<b>RESERVE ASSETS</b>								
<i>Year</i>								
1993-94	20,823	..	1,037	-976	-223	-162	20,661	853
1994-95	20,661	..	-1,971	1,308	186	-477	20,184	975
1995-96	20,184	..	817	-1,307	-635	-1,125	19,059	610
<i>Quarter ended—</i>								
1995-96 ...								
September	20,184	..	-310	839	376	1,525	18,659	124
December	18,659	..	1,298	26	84	1,408	20,067	222
March	20,067	..	1,402	-602	-128	-2,132	17,935	143
June	17,935	..	1,231	108	-215	1,124	19,059	121
1996-97 ...								
September	19,059	..	2,966	-47	57	2,862	21,921	217
December	21,921	..	281	-226	-128	-75	21,848	282
<b>OTHER INVESTMENT</b>								
<i>Year</i>								
1993-94	7,513	..	1,594	-95	317	1,817	9,330	31
1994-95	9,330	..	-848	102	266	1,013	8,317	52
1995-96	8,317	..	836	-210	80	546	8,863	70
<i>Quarter ended—</i>								
1995-96 ...								
September	8,317	..	25	-84	-114	-222	8,095	4
December	8,095	..	504	-16	-16	472	8,567	15
March	8,567	..	243	46	37	234	8,802	28
June	8,802	..	113	65	14	61	8,863	23
1996-97 ...								
September	8,863	..	80		192	-112	8,751	(c)n.a.
December	8,751	..	325	6	490	809	9,560	(c)n.a.
<b>TOTAL</b>								
<i>Year</i>								
1993-94	125,716	1,979	13,705	-5,952	1,545	8,186	133,902	4,928
1994-95	133,902	3,293	3,910	7,037	1,087	7,507	141,409	5,985
1995-96	141,409	2,161	17,322	-12,486	3,554	10,551	151,959	6,369
<i>Quarter ended—</i>								
1995-96 ...								
September	141,409	1,115	553	-7,019	1,612	-3,740	137,669	1,745
December	137,669	497	8,020	275	1,315	10,107	147,776	1,446
March	147,776	450	5,676	-4,655	6	1,477	149,253	1,602
June	149,253	98	3,073	1,087	622	2,706	151,959	1,576
1996-97 ...								
September	151,959	590	-523	-404	-155	-492	151,467	1,459
December	151,467	720	1,820	367	2,399	5,306	156,773	1,456

(a) For the latest two quarters extrapolated estimates have been included until quarterly data become available. (b) Includes reinvested earnings of direct investors. Investment income is calculated before the deduction of withholding tax. (c) From September quarter 1996 investment income for other investment is not separately available and is included in the investment income of lending.



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

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				September	December	March	June	September	December
<b>FOREIGN INVESTMENT IN AUSTRALIA</b>									
<b>OFFICIAL —</b>									
General Government —									
Borrowing —									
Domiciled abroad	3,760	5,980	-4,882	2,379	-1,230	-3,938	-2,093	302	-885
Domiciled in Australia	3,297	3,828	8,268	-1,276	4,145	3,924	1,475	356	3,043
Total	7,057	9,808	3,386	1,103	2,915	-14	-618	658	2,158
Other	83	73	-190	-49	-50	-47	-44	-87	-49
Total	7,140	9,881	3,196	1,054	2,865	-61	-662	571	2,109
Reserve bank	-49	23	-16	27	1	-56	12	75	-69
<b>Total official</b>	<b>7,091</b>	<b>9,904</b>	<b>3,180</b>	<b>1,081</b>	<b>2,866</b>	<b>-117</b>	<b>-650</b>	<b>646</b>	<b>2,040</b>
<b>NON-OFFICIAL —</b>									
Direct investment —									
Reinvestment of earnings(b)	3,570	5,904	6,036	1,920	1,629	1,815	673	1,650	1,225
Corporate equities (c)	818	836	5,636	430	5,945	-868	128	1,511	2,884
Net equity in branches (c)	850	349	533	66	211	181	74	n.a.	n.a.
Borrowing	520	-603	3,124	173	2,842	1,083	-974	746	-1,954
Other	53	809	-382	29	-134	-103	-175	101	-263
Total	5,811	7,295	14,947	2,618	10,494	2,109	-274	4,008	1,892
Portfolio and other investment —									
Corporate equities	14,638	4,931	6,715	3,533	-1,242	2,486	1,939	-2,561	-224
Borrowing —									
Public sector	-438	-3,410	1,055	1,840	-1,664	-1,032	1,911	794	1,382
Private sector	-203	2,790	15,439	-555	5,543	5,500	4,951	3,472	2,667
Total	-641	-620	16,494	1,285	3,879	4,468	6,862	4,266	4,049
Accounts payable/prepayments received—									
Public sector	845	-484	-299	-323	60	-45	8	1	—
Private sector	-128	908	927	581	-48	243	151	-34	-5
Total	717	425	628	258	12	199	159	-33	-5
Total	14,714	4,736	23,837	5,076	2,648	7,152	8,960	1,672	3,820
<b>Total non-official</b>	<b>20,525</b>	<b>12,030</b>	<b>38,783</b>	<b>7,694</b>	<b>13,142</b>	<b>9,261</b>	<b>8,686</b>	<b>5,680</b>	<b>5,712</b>
<b>TOTAL</b>	<b>27,616</b>	<b>21,934</b>	<b>41,964</b>	<b>8,775</b>	<b>16,008</b>	<b>9,144</b>	<b>8,036</b>	<b>6,326</b>	<b>7,752</b>
<b>AUSTRALIAN INVESTMENT ABROAD</b>									
<b>OFFICIAL —</b>									
Reserve assets	1,037	-1,971	817	-310	1,298	-1,402	1,231	2,966	281
Lending	521	-603	-35	—	-35	—	—	—	1
Accounts receivable/prepayments made	-150	-146	140	20	73	53	-6	19	29
Other	182	205	—	—	—	—	—	—	—
<b>Total official</b>	<b>1,590</b>	<b>-2,515</b>	<b>922</b>	<b>-290</b>	<b>1,336</b>	<b>-1,349</b>	<b>1,225</b>	<b>2,985</b>	<b>311</b>
<b>NON-OFFICIAL —</b>									
Direct investment —									
Reinvestment of earnings(b)	1,979	3,293	2,161	1,115	497	450	98	590	720
Corporate equities (c)	1,698	59	3,624	228	1,011	3,104	-719	564	385
Net equity in branches (c)	673	119	-57	21	13	17	-108	n.a.	n.a.
Lending	1,803	653	3,049	-1,467	2,846	2,095	-424	-4,042	-970
Other	22	-300	244	64	173	-24	32	94	75
Total	6,175	3,824	9,021	-39	4,541	5,641	-1,122	-2,794	210
Portfolio and other investment —									
Corporate equities	4,643	-502	2,359	867	872	896	-276	35	675
Lending —									
Public sector	-75	814	1,626	-538	625	-20	1,560	373	-83
Private sector	1,811	-1,631	5,104	1,776	886	743	1,698	-499	1,206
Total	1,735	-817	6,729	1,238	1,511	723	3,257	-126	1,123
Accounts receivable/prepayments made—									
Public sector	1,217	-1,162	18	-114	142	161	171	34	36
Private sector	323	554	434	5	117	54	258	-67	185
Total	1,540	-607	452	-108	258	215	87	-33	221
Total	7,919	1,926	9,540	1,997	2,641	1,834	3,068	-124	2,019
<b>Total non-official</b>	<b>14,093</b>	<b>1,898</b>	<b>18,561</b>	<b>1,958</b>	<b>7,182</b>	<b>7,475</b>	<b>1,946</b>	<b>-2,918</b>	<b>2,229</b>
<b>TOTAL</b>	<b>15,684</b>	<b>-617</b>	<b>19,483</b>	<b>1,668</b>	<b>8,518</b>	<b>6,126</b>	<b>3,171</b>	<b>67</b>	<b>2,540</b>

(a) A negative value denotes a net withdrawal of investment. (b) For the latest two quarters extrapolated estimates have been included until quarterly data become available.

(c) From September quarter 1996 the separate identification of direct corporate equities and net equity in branches is not available, and is included in total as direct corporate equities.

TABLE 5. INVESTMENT INCOME  
(\$A million)

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				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	2,955	2,595	2,801	667	796	680	658	745	672
Interest on borrowing domiciled in Australia	1,119	1,387	1,729	544	225	653	306	642	363
Other income	—	—	—	—	—	—	—	—	—
Total	4,074	3,981	4,529	1,210	1,021	1,333	964	1,387	1,035
Reserve Bank	35	39	36	10	9	9	8	4	8
<b>Total official</b>	<b>4,109</b>	<b>4,020</b>	<b>4,565</b>	<b>1,221</b>	<b>1,031</b>	<b>1,342</b>	<b>972</b>	<b>1,391</b>	<b>1,043</b>
<b>NON-OFFICIAL —</b>									
Direct investment income —									
Reinvested earnings(a)	3,570	5,904	6,036	1,920	1,629	1,815	673	1,650	1,225
Distributed earnings —									
Dividends (b)	2,058	2,570	3,316	462	1,175	467	1,212	1,016	1,539
Remitted profits (b)	1,184	1,374	1,219	265	210	373	371	n.a.	n.a.
Interest	895	983	969	281	231	252	204	211	200
Total	4,137	4,927	5,504	1,009	1,616	1,091	1,788	1,227	1,739
Total, direct investment income	7,707	10,831	11,540	2,929	3,245	2,906	2,461	2,877	2,964
Portfolio and other investment income —									
Dividends	1,179	1,833	2,271	487	815	413	557	413	634
Interest —									
Public Sector	1,470	1,551	1,223	321	347	300	256	204	213
Private Sector	4,562	5,064	6,157	1,407	1,634	1,536	1,579	1,556	1,617
Total	6,032	6,615	7,380	1,729	1,981	1,835	1,835	1,760	1,830
Total, portfolio and other investment income	7,210	8,448	9,652	2,216	2,796	2,248	2,392	2,173	2,464
<b>Total non-official</b>	<b>14,918</b>	<b>19,279</b>	<b>21,192</b>	<b>5,144</b>	<b>6,041</b>	<b>5,155</b>	<b>4,852</b>	<b>5,050</b>	<b>5,428</b>
<b>TOTAL</b>	<b>19,027</b>	<b>23,299</b>	<b>25,757</b>	<b>6,365</b>	<b>7,071</b>	<b>6,496</b>	<b>5,825</b>	<b>6,441</b>	<b>6,471</b>
<b>INCOME RECEIVABLE ON AUSTRALIAN INVESTMENT ABROAD</b>									
<b>OFFICIAL —</b>									
General Government	16	7	7	2	2	1	1	1	—
Reserve Bank	853	975	610	124	222	143	121	217	282
<b>Total official</b>	<b>869</b>	<b>983</b>	<b>616</b>	<b>127</b>	<b>224</b>	<b>144</b>	<b>122</b>	<b>218</b>	<b>282</b>
<b>NON-OFFICIAL —</b>									
Direct Investment Income —									
Reinvested earnings(a)	1,979	3,293	2,161	1,115	497	450	98	590	720
Distributed earnings —									
Dividends (c)	748	294	1,787	56	299	543	890	303	163
Remitted profits (c)	105	149	36	1	23	10	n.a.	n.a.	n.a.
Interest (d)	-99	-108	91	41	3	36	11	-32	-64
Total	754	334	1,914	98	325	589	903	271	99
Total, direct investment income	2,733	3,627	4,074	1,213	822	1,039	1,001	861	819
Portfolio and other investment income —									
Dividends	390	434	476	123	94	97	162	69	80
Interest	937	941	1,202	283	306	321	292	311	275
Total, portfolio and other investment income	1,326	1,375	1,679	406	401	419	453	380	355
<b>Total non-official</b>	<b>4,059</b>	<b>5,002</b>	<b>5,753</b>	<b>1,619</b>	<b>1,223</b>	<b>1,457</b>	<b>1,455</b>	<b>1,241</b>	<b>1,174</b>
<b>TOTAL</b>	<b>4,928</b>	<b>5,985</b>	<b>6,369</b>	<b>1,745</b>	<b>1,446</b>	<b>1,602</b>	<b>1,576</b>	<b>1,459</b>	<b>1,456</b>

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

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

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				September	December	March	June	September	December
<b>FOREIGN INVESTMENT IN AUSTRALIA</b>									
<b>OFFICIAL --</b>									
General Government --									
Borrowing --									
Domiciled abroad	38,223	44,976	38,765	46,984	46,350	41,238	38,765	39,652	39,509
Domiciled in Australia	24,340	29,994	39,435	29,136	34,500	37,180	39,435	41,071	45,471
Total	62,563	74,970	78,200	76,120	80,850	78,418	78,200	80,723	84,980
Other	-9	64	-126	15	-35	82	-126	-213	-250
Total	62,554	75,034	78,074	76,135	80,815	78,336	78,074	80,510	84,730
Reserve Bank	44	67	51	94	95	39	51	126	57
<b>Total official</b>	<b>62,598</b>	<b>75,101</b>	<b>78,125</b>	<b>76,229</b>	<b>80,910</b>	<b>78,375</b>	<b>78,125</b>	<b>80,636</b>	<b>84,787</b>
<b>NON-OFFICIAL --</b>									
Direct investment --									
Corporate equities (a)	80,840	87,716	100,190	90,762	98,253	99,843	100,190	120,837	125,475
Net equity in branches (a)	17,811	15,828	16,794	16,204	16,604	16,796	16,794	n.a.	n.a.
Borrowing	21,589	22,066	25,419	22,089	24,945	25,617	25,419	27,529	26,441
Other	3,363	4,338	4,088	4,511	4,385	4,259	4,088	3,523	3,581
Total	123,603	129,947	146,490	133,566	144,187	146,516	146,490	151,889	155,497
Portfolio and other investment --									
Corporate equities	57,888	64,131	73,566	70,930	69,040	71,591	73,566	73,572	76,661
Borrowing --									
Public sector	33,175	25,080	19,667	23,471	19,660	17,922	19,667	13,490	14,779
Private sector	89,545	101,498	112,675	98,158	105,910	109,067	112,675	118,649	122,196
Total	122,720	126,578	132,342	121,629	125,570	126,989	132,342	132,139	136,975
Accounts payable/prepayments received	5,681	6,391	7,017	6,870	6,799	6,932	7,017	6,935	7,455
Total portfolio and other investment	186,289	197,099	212,924	199,428	201,409	205,511	212,924	212,646	221,091
<b>Total non-official</b>	<b>309,892</b>	<b>327,047</b>	<b>359,414</b>	<b>332,994</b>	<b>345,596</b>	<b>352,028</b>	<b>359,414</b>	<b>364,535</b>	<b>376,588</b>
<b>TOTAL</b>	<b>372,490</b>	<b>402,148</b>	<b>437,540</b>	<b>409,223</b>	<b>426,506</b>	<b>430,403</b>	<b>437,540</b>	<b>445,171</b>	<b>461,375</b>
<b>AUSTRALIAN INVESTMENT ABROAD</b>									
<b>OFFICIAL --</b>									
Reserve assets	20,661	20,184	19,059	18,659	20,067	17,935	19,059	21,921	21,848
Lending	661	58	21	55	21	21	21	21	23
Accounts receivable/prepayments made	972	826	968	846	919	972	968	987	1,016
Other	1,676	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,893
<b>Total official</b>	<b>23,970</b>	<b>22,949</b>	<b>21,929</b>	<b>21,441</b>	<b>22,888</b>	<b>20,809</b>	<b>21,929</b>	<b>24,810</b>	<b>24,780</b>
<b>NON-OFFICIAL --</b>									
Direct investment --									
Corporate equities (a)	47,250	53,313	54,380	51,721	53,529	54,945	54,380	63,092	64,040
Net equity in branches (a)	2,667	2,844	2,551	2,692	2,813	2,644	2,551	n.a.	n.a.
Lending (b)	-1,318	-2,435	367	-3,938	-1,043	862	367	-6,804	-6,893
Other	460	166	404	229	401	370	404	584	653
Total	49,058	53,888	57,701	50,703	55,700	58,821	57,701	56,872	57,800
Portfolio and other investment --									
Corporate equities	31,993	34,730	37,690	35,798	37,826	38,130	37,690	35,149	37,087
Lending	22,658	24,397	29,030	24,587	25,996	25,916	29,030	29,337	31,108
Accounts receivable/prepayments made	6,223	5,444	5,610	5,139	5,367	5,578	5,610	5,299	5,998
Total	60,874	64,571	72,330	65,525	69,188	69,624	72,330	69,785	74,193
<b>Total non-official</b>	<b>109,932</b>	<b>118,459</b>	<b>130,031</b>	<b>116,228</b>	<b>124,888</b>	<b>128,445</b>	<b>130,031</b>	<b>126,657</b>	<b>131,993</b>
<b>TOTAL</b>	<b>133,902</b>	<b>141,409</b>	<b>151,959</b>	<b>137,669</b>	<b>147,776</b>	<b>149,253</b>	<b>151,959</b>	<b>151,467</b>	<b>156,773</b>

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

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

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				September	December	March	June	September	December
<b>FOREIGN BORROWING (GROSS DEBT)</b>									
<b>OFFICIAL</b>									
Commonwealth Government and Reserve Bank	22,886	28,366	34,224	24,226	28,635	31,181	34,224	35,999	40,765
State Government	39,722	46,671	44,027	51,948	52,310	47,276	44,027	44,850	44,272
<b>Total official</b>	<b>62,607</b>	<b>75,037</b>	<b>78,251</b>	<b>76,214</b>	<b>80,945</b>	<b>78,457</b>	<b>78,251</b>	<b>80,849</b>	<b>85,037</b>
<b>NON-OFFICIAL</b>									
Financial Enterprises									
Public sector	23,559	15,928	14,711	16,312	13,058	12,457	14,711	8,466	8,309
Private sector	67,366	83,017	95,422	78,712	86,848	91,854	95,422	104,572	104,161
Total	90,926	98,945	110,134	95,024	99,905	104,311	110,134	113,038	112,470
Trading Enterprises									
Public sector	9,615	9,152	4,955	7,159	6,603	5,466	4,955	5,024	6,470
Private sector	43,768	40,546	42,671	41,535	44,008	42,830	42,671	41,606	44,476
Total	53,383	49,698	47,627	48,694	50,610	48,296	47,627	46,630	50,946
<b>Total non-official</b>	<b>144,309</b>	<b>148,643</b>	<b>157,760</b>	<b>143,718</b>	<b>150,515</b>	<b>152,607</b>	<b>157,760</b>	<b>159,668</b>	<b>163,416</b>
<b>TOTAL</b>	<b>206,917</b>	<b>223,681</b>	<b>236,012</b>	<b>219,931</b>	<b>231,460</b>	<b>231,064</b>	<b>236,012</b>	<b>240,517</b>	<b>248,453</b>
<i>Of which --</i>									
Public sector									
Official	62,607	75,037	78,251	76,214	80,945	78,457	78,251	80,849	85,037
Non-official	33,175	25,080	19,667	23,471	19,660	17,922	19,667	13,490	14,779
Total	95,782	100,117	97,918	99,684	100,605	96,380	97,918	94,339	99,816
Private sector	111,134	123,564	138,094	120,247	130,855	134,684	138,094	146,178	148,637
<b>AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS</b>									
<b>OFFICIAL</b>									
Reserve assets	20,661	20,184	19,059	18,659	20,067	17,935	19,059	21,921	21,848
Lending	661	58	21	55	21	21	21	21	23
<b>Total official</b>	<b>21,322</b>	<b>20,242</b>	<b>19,080</b>	<b>18,714</b>	<b>20,088</b>	<b>17,956</b>	<b>19,080</b>	<b>21,942</b>	<b>21,871</b>
<b>NON-OFFICIAL</b>									
Financial enterprises	19,656	22,078	29,014	21,983	25,928	27,068	29,014	20,795	21,887
Trading enterprises	1,683	117	383	1,334	975	290	383	1,738	2,328
<b>Total non-official</b>	<b>21,339</b>	<b>21,962</b>	<b>29,397</b>	<b>20,649</b>	<b>24,953</b>	<b>26,778</b>	<b>29,397</b>	<b>22,533</b>	<b>24,215</b>
<b>TOTAL</b>	<b>42,661</b>	<b>42,204</b>	<b>48,476</b>	<b>39,363</b>	<b>45,041</b>	<b>44,733</b>	<b>48,476</b>	<b>44,475</b>	<b>46,086</b>
<i>Of which --</i>									
Public sector									
Official	21,322	20,242	19,080	18,714	20,088	17,956	19,080	21,942	21,871
Non-official	7,903	8,850	9,548	6,295	8,525	8,115	9,548	6,700	6,590
Total	29,224	29,092	28,628	25,009	28,613	26,071	28,628	28,642	28,461
Private sector	13,437	13,112	19,849	14,354	16,427	18,662	19,849	15,833	17,625
<b>NET FOREIGN DEBT(a)</b>									
<b>OFFICIAL</b>	41,286	54,795	59,172	57,500	60,856	60,502	59,172	58,907	63,166
<b>NON-OFFICIAL</b>									
Financial enterprises	71,270	76,867	81,120	73,041	73,978	77,244	81,120	92,243	90,583
Trading enterprises	51,700	49,815	47,243	50,028	51,585	48,585	47,243	44,892	48,618
<b>Total non-official</b>	<b>122,970</b>	<b>126,682</b>	<b>128,364</b>	<b>123,069</b>	<b>125,563</b>	<b>125,829</b>	<b>128,364</b>	<b>137,135</b>	<b>139,201</b>
<b>TOTAL</b>	<b>164,256</b>	<b>181,477</b>	<b>187,535</b>	<b>180,568</b>	<b>186,419</b>	<b>186,331</b>	<b>187,535</b>	<b>196,042</b>	<b>202,367</b>
<i>Of which</i>									
Public sector									
Official	41,286	54,795	59,172	57,500	60,856	60,502	59,172	58,907	63,166
Non-official	25,272	16,230	10,119	17,176	11,135	9,807	10,119	6,790	8,189
Total	66,558	71,025	69,290	74,676	71,992	70,309	69,290	65,697	71,355
Private sector	97,698	110,451	118,245	105,893	114,428	116,022	118,245	130,345	131,012

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

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

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				September	December	March	June	September	December
<b>INTEREST PAYABLE ON FOREIGN BORROWING</b>									
<b>OFFICIAL —</b>									
Commonwealth Government and Reserve Bank	1,156	1,315	1,649	479	306	608	255	585	362
State Government	2,953	2,705	2,917	742	724	734	717	806	681
<b>Total official</b>	<b>4,109</b>	<b>4,020</b>	<b>4,565</b>	<b>1,221</b>	<b>1,031</b>	<b>1,342</b>	<b>972</b>	<b>1,391</b>	<b>1,043</b>
<b>NON-OFFICIAL —</b>									
Financial Enterprises —									
Public sector	951	890	806	242	208	178	178	124	n.a.
Private sector	2,912	3,609	4,707	1,101	1,193	1,187	1,227	1,230	n.a.
<i>Total</i>	<i>3,863</i>	<i>4,499</i>	<i>5,513</i>	<i>1,343</i>	<i>1,400</i>	<i>1,365</i>	<i>1,405</i>	<i>1,354</i>	<i>n.a.</i>
Trading Enterprises —									
Public sector	516	662	418	79	139	122	78	80	n.a.
Private sector	2,460	2,384	2,362	575	658	585	544	537	n.a.
<i>Total</i>	<i>2,976</i>	<i>3,046</i>	<i>2,780</i>	<i>654</i>	<i>798</i>	<i>707</i>	<i>622</i>	<i>617</i>	<i>n.a.</i>
<b>Total non-official</b>	<b>6,839</b>	<b>7,545</b>	<b>8,293</b>	<b>1,997</b>	<b>2,198</b>	<b>2,072</b>	<b>2,027</b>	<b>1,971</b>	<b>2,030</b>
<b>TOTAL</b>	<b>10,948</b>	<b>11,565</b>	<b>12,859</b>	<b>3,218</b>	<b>3,228</b>	<b>3,413</b>	<b>2,999</b>	<b>3,362</b>	<b>3,073</b>
<i>Of which —</i>									
Public sector —									
Official	4,109	4,020	4,565	1,221	1,031	1,342	972	1,391	n.a.
Non-official	1,466	1,551	1,223	321	347	300	256	204	n.a.
<i>Total</i>	<i>5,575</i>	<i>5,571</i>	<i>5,789</i>	<i>1,542</i>	<i>1,378</i>	<i>1,641</i>	<i>1,228</i>	<i>1,595</i>	<i>n.a.</i>
Private sector	5,373	5,994	7,070	1,676	1,851	1,772	1,771	1,767	n.a.
<b>INTEREST RECEIVABLE ON AUSTRALIAN LENDING ABROAD AND RESERVE ASSETS</b>									
<b>OFFICIAL —</b>									
Reserve assets	853	975	610	124	222	143	121	217	282
Lending	16	7	7	2	2	1	1	1	—
<b>Total official</b>	<b>869</b>	<b>983</b>	<b>616</b>	<b>127</b>	<b>224</b>	<b>144</b>	<b>122</b>	<b>218</b>	<b>282</b>
<b>NON-OFFICIAL —</b>									
Financial enterprises	597	806	1,210	324	296	321	270	250	n.a.
Trading enterprises	210	-26	18	-3	1	9	11	19	n.a.
<b>Total non-official</b>	<b>806</b>	<b>780</b>	<b>1,228</b>	<b>321</b>	<b>296</b>	<b>330</b>	<b>281</b>	<b>280</b>	<b>211</b>
<b>TOTAL</b>	<b>1,676</b>	<b>1,763</b>	<b>1,845</b>	<b>448</b>	<b>520</b>	<b>474</b>	<b>403</b>	<b>497</b>	<b>493</b>
<i>Of which —</i>									
Public sector —									
Official	869	983	616	127	224	144	122	218	n.a.
Non-official	220	308	371	101	97	93	80	59	n.a.
<i>Total</i>	<i>1,089</i>	<i>1,291</i>	<i>987</i>	<i>228</i>	<i>321</i>	<i>237</i>	<i>202</i>	<i>276</i>	<i>n.a.</i>
Private sector	586	473	858	220	199	237	202	210	n.a.
<b>NET INTEREST PAYABLE(b)</b>									
<b>OFFICIAL —</b>	<b>3,240</b>	<b>3,037</b>	<b>3,955</b>	<b>1,095</b>	<b>809</b>	<b>1,199</b>	<b>851</b>	<b>1,173</b>	<b>761</b>
<b>NON-OFFICIAL —</b>									
Financial enterprises	3,266	3,693	4,303	1,020	1,105	1,044	1,135	1,104	n.a.
Trading enterprises	2,766	3,072	2,762	657	797	698	610	598	n.a.
<b>Total non-official</b>	<b>6,032</b>	<b>6,765</b>	<b>7,065</b>	<b>1,676</b>	<b>1,902</b>	<b>1,742</b>	<b>1,745</b>	<b>1,691</b>	<b>1,819</b>
<b>TOTAL</b>	<b>9,272</b>	<b>9,802</b>	<b>11,015</b>	<b>2,770</b>	<b>2,708</b>	<b>2,939</b>	<b>2,596</b>	<b>2,865</b>	<b>2,580</b>
<i>Of which —</i>									
Public sector —									
Official	3,240	3,037	3,949	1,094	807	1,198	850	1,173	n.a.
Non-official	1,246	1,243	853	220	250	207	176	145	n.a.
<i>Total</i>	<i>4,486</i>	<i>4,281</i>	<i>4,802</i>	<i>1,314</i>	<i>1,057</i>	<i>1,405</i>	<i>1,026</i>	<i>1,319</i>	<i>n.a.</i>
Private sector	4,786	5,521	6,212	1,456	1,652	1,535	1,569	1,557	n.a.

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

TABLE 9. NET FOREIGN LIABILITIES — RATIOS TO GDP

Period	Annual GDP at current prices	Net foreign liabilities at end of period - \$A million -			Ratios of net foreign liabilities to GDP(a) - per cent -		
		Total	Foreign debt	Equity & other investment	Total	Foreign debt	Equity & other investment
<i>Year—</i>							
1993-94	429,785	238,589	164,256	74,333	55.5	38.2	17.3
1994-95	457,667	260,739	181,477	79,263	57.0	39.7	17.3
1995-96	488,967	285,580	187,535	98,045	58.4	38.4	20.1
<i>Year ended(b) —</i>							
<i>1995-96 —</i>							
September	464,264	271,554	180,568	90,985	58.5	38.9	19.6
December	473,393	278,729	186,419	92,310	58.9	39.4	19.5
March	481,563	281,150	186,331	94,819	58.4	38.7	19.7
June	488,967	285,580	187,535	98,045	58.4	38.4	20.1
<i>1996-97 —</i>							
September	494,741	293,704	196,042	97,662	59.4	39.6	19.7
December	501,570	304,602	202,367	102,235	60.7	40.3	20.4

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

TABLE 10. NET INVESTMENT INCOME — RATIOS TO EXPORTS

Period	Exports of goods & services	Net investment income payable abroad - \$A million -			Ratios of net investment income to exports(a) - per cent -		
		Total	Foreign debt	Equity & other investment	Total	Foreign debt	Equity & other investment
<i>Year—</i>							
1993-94	82,425	14,098	9,272	4,826	17.1	11.2	5.9
1994-95	86,693	17,314	9,802	7,512	20.0	11.3	8.7
1995-96	98,270	19,388	11,019	8,368	19.7	11.2	8.5
<i>Year ended(b) —</i>							
<i>1995-96 —</i>							
September	90,000	17,574	10,071	7,502	19.5	11.2	8.3
December	92,669	18,951	10,541	8,410	20.4	11.4	9.1
March	96,054	18,994	10,880	8,114	19.8	11.3	8.4
June	98,270	19,388	11,019	8,368	19.7	11.2	8.5
<i>1996-97 —</i>							
September	99,129	19,750	11,113	8,637	19.9	11.2	8.7
December	100,108	19,140	10,982	8,158	19.1	11.0	8.1

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

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

Country of investor	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				September	December	March	June	September	December
<b>CAPITAL TRANSACTIONS(a)</b>									
OECD -									
USA	8,880	3,011	17,451	4,338	3,787	6,078	3,248	3,800	3,950
Japan	1,622	609	9,738	1,965	7,677	-1,591	1,687	1,946	-675
Switzerland	258	-249	2,115	185	595	685	651	408	-17
EU									
UK	8,654	2,049	5,335	2,712	3,370	-1,123	375	3,795	2,993
Other(c)	4,282	2,142	3,967	-425	527	3,498	1,421	-2,761	1,174
Total	12,936	4,191	9,302	2,287	2,843	2,376	1,796	1,034	4,167
Other OECD(c)(d)	1,330	302	-2,003	1,365	75	-291	-422	-1,091	324
Total OECD	21,782	7,864	36,602	7,409	14,976	7,257	6,960	5,281	7,749
ASEAN	1,099	-438	1,969	659	2,017	1,314	-704	440	-1,159
Other countries(d)	3,679	-285	362	438	-448	-156	-196	488	91
International capital markets	516	9,371	1,521	369	-477	-12	1,640	1,025	743
International institutions	12	231	-298	81	159	32	-344	-124	-5
Unallocated	527	5,192	2,532	1,299	221	773	679	-784	333
<b>TOTAL</b>	<b>27,616</b>	<b>21,934</b>	<b>41,964</b>	<b>8,775</b>	<b>16,008</b>	<b>9,144</b>	<b>8,036</b>	<b>6,326</b>	<b>7,752</b>
APEC	12,003	3,545	27,455	5,550	12,888	5,886	3,131	5,151	2,415
<b>INVESTMENT INCOME (b)</b>									
OECD -									
USA	5,517	5,235	6,198	1,341	1,592	1,709	1,557	1,188	n.a.
Japan	2,187	2,725	2,830	817	610	801	603	628	n.a.
Switzerland	439	415	687	135	266	124	162	81	n.a.
EU -									
UK	3,542	4,112	4,544	1,027	1,706	870	942	870	n.a.
Other(c)	1,195	1,571	2,050	473	645	474	458	299	n.a.
Total	4,737	5,683	6,594	1,500	2,351	1,343	1,400	1,169	n.a.
Other OECD(c)(d)	364	389	921	266	241	229	185	66	n.a.
Total OECD	13,245	14,447	17,230	4,058	5,061	4,205	3,906	3,132	n.a.
ASEAN	275	372	399	109	93	107	91	60	n.a.
Other countries(d)	770	812	913	231	256	215	211	173	n.a.
International capital markets	3,712	4,156	4,516	1,132	1,130	1,174	1,081	785	n.a.
International institutions	35	39	39	11	10	10	9	4	n.a.
Unallocated	991	3,475	2,660	825	522	786	527	2,287	n.a.
<b>TOTAL</b>	<b>19,027</b>	<b>23,299</b>	<b>25,757</b>	<b>6,365</b>	<b>7,071</b>	<b>6,496</b>	<b>5,825</b>	<b>6,441</b>	<b>6,471</b>
APEC	8,926	9,420	10,387	2,466	2,725	3,018	2,177	2,107	n.a.
<b>LEVELS OF INVESTMENT AT END OF PERIOD</b>									
OECD									
USA	84,630	89,452	101,359	94,280	97,554	102,941	101,359	109,552	114,624
Japan	49,026	50,963	57,424	51,777	60,825	57,494	57,424	55,819	55,328
Switzerland	8,132	7,137	9,294	6,999	7,808	8,674	9,294	9,581	9,493
EU									
UK	75,335	75,961	85,996	79,863	86,077	85,804	85,996	97,504	100,942
Other(c)	32,499	37,260	41,012	37,392	37,279	39,757	41,012	37,867	39,479
Total	107,834	113,221	127,008	117,255	123,357	125,561	127,008	135,371	140,421
Other OECD(c)(d)	12,122	12,165	10,631	11,119	11,204	10,656	10,631	7,496	8,345
Total OECD	261,744	272,938	305,716	281,430	300,747	305,326	305,716	317,819	328,211
ASEAN	8,899	8,446	10,832	8,454	10,619	11,692	10,832	11,784	10,518
Other countries(d)	21,773	22,614	20,304	22,851	22,088	21,277	20,304	21,580	24,085
International capital markets	61,185	76,329	70,675	73,681	71,106	69,705	70,675	49,302	42,866
International institutions	154	386	178	421	564	514	178	-16	-9
Unallocated	18,734	21,435	29,835	22,387	21,382	21,888	29,835	44,702	55,704
<b>TOTAL</b>	<b>372,490</b>	<b>402,148</b>	<b>437,540</b>	<b>409,223</b>	<b>426,506</b>	<b>430,403</b>	<b>437,540</b>	<b>445,171</b>	<b>461,375</b>
APEC	170,595	178,116	195,700	183,853	197,626	199,548	195,700	201,591	208,290

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

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

Industry of investment	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				September	December	March	June	September	December
<b>CAPITAL TRANSACTIONS</b>									
Mining	1,865	-292	3,191	2,066	-531	1,075	581	78	902
Manufacturing	9,513	5,109	5,048	803	3,906	-200	539	28	-403
Electricity, gas and water	865	-1,029	1,780	142	1,318	344	-25	221	353
Wholesale trade	-3,697	-969	-12	-41	1,050	-242	-778	-202	1,137
Retail trade	822	-1,826	20	98	-36	-69	27	-77	—
Transport and storage	689	-230	285	233	76	154	-178	-17	2,569
Finance and insurance(b)	10,678	6,030	22,419	2,367	6,908	6,535	6,609	5,630	-993
Property and Business Services	536	309	1,608	592	236	566	213	92	108
Other industries(c)	7,410	13,413	6,296	2,074	3,192	660	369	631	2,547
Unallocated(d)(e)	667	1,419	1,329	440	-110	322	677	58	1,532
<b>TOTAL</b>	<b>27,616</b>	<b>21,934</b>	<b>41,964</b>	<b>8,775</b>	<b>16,008</b>	<b>9,144</b>	<b>8,036</b>	<b>6,326</b>	<b>7,752</b>
<b>INVESTMENT INCOME(f)</b>									
Mining	2,195	2,194	2,250	573	624	450	602	276	n.a.
Manufacturing	3,323	4,196	4,400	1,106	1,315	1,116	863	706	n.a.
Electricity, gas and water	73	125	132	22	75	14	20	7	n.a.
Wholesale trade	1,265	1,649	1,662	309	438	486	430	90	n.a.
Retail trade	257	194	136	36	23	27	50	27	n.a.
Transport and storage	711	554	449	76	128	128	118	67	n.a.
Finance and insurance(b)	5,686	6,683	8,510	2,199	2,358	2,019	1,934	1,669	n.a.
Property and Business Services	403	634	1,959	509	397	618	435	166	n.a.
Other industries(c)	3,871	4,393	4,714	1,264	1,066	1,416	968	1,473	n.a.
Unallocated(d)	1,244	2,677	1,546	270	647	224	405	1,960	n.a.
<b>TOTAL</b>	<b>19,027</b>	<b>23,299</b>	<b>25,757</b>	<b>6,365</b>	<b>7,071</b>	<b>6,496</b>	<b>5,825</b>	<b>6,441</b>	<b>6,471</b>
<b>LEVELS OF INVESTMENT AT END OF PERIOD</b>									
Mining	40,469	38,558	41,923	42,771	42,122	42,599	41,923	40,523	41,756
Manufacturing	71,649	77,669	80,703	75,038	78,590	79,757	80,703	78,481	78,284
Electricity, gas and water	3,735	2,804	4,568	2,896	4,192	4,563	4,568	5,271	6,419
Wholesale trade	25,454	26,009	24,560	24,405	25,552	25,233	24,560	24,906	26,560
Retail trade	5,734	3,967	3,780	4,032	4,037	3,831	3,780	3,921	3,896
Transport and storage	9,694	9,507	9,535	9,491	9,517	9,556	9,535	9,550	12,191
Finance and insurance(b)	122,464	132,202	148,972	131,369	137,857	142,275	148,972	150,961	150,896
Property and Business Services	17,743	20,438	21,864	21,590	21,708	21,835	21,864	21,643	21,256
Other industries(c)	72,589	87,973	92,356	89,166	94,687	92,130	92,356	94,254	99,149
Unallocated(d)	2,959	3,020	9,278	8,466	8,245	8,625	9,278	15,661	20,968
<b>TOTAL</b>	<b>372,490</b>	<b>402,148</b>	<b>437,540</b>	<b>409,223</b>	<b>426,506</b>	<b>430,403</b>	<b>437,540</b>	<b>445,171</b>	<b>461,375</b>

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

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

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



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

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96				1996-97	
				September	December	March	June	September	December
Capital transactions —									
Domiciled abroad —									
Foreign currency(b)	-572	-6,549	15,501	5,800	901	3,307	5,491	n.a.	n.a.
Australian currency(b)	3,450	11,245	-1,488	-1,232	4,699	-2,396	-2,558	n.a.	n.a.
Total	2,877	4,695	14,013	4,568	5,600	911	2,933	6,426	2,783
Domiciled in Australia —									
Securities —									
Purchases by non-residents(c)	41,407	63,055	123,817	14,880	20,911	38,490	49,537	n.a.	n.a.
Sales by non-residents(c)	39,148	59,633	115,817	16,218	16,767	34,730	48,102	n.a.	n.a.
Net	2,259	3,422	8,000	-1,339	4,144	3,760	1,435	142	2,875
Deposits(d)	1,750	491	976	-641	-108	810	915	-823	-1,474
Total	4,009	3,913	8,976	-1,979	4,036	4,570	2,349	-681	1,401
<b>Total</b>	<b>6,887</b>	<b>8,608</b>	<b>22,988</b>	<b>2,589</b>	<b>9,636</b>	<b>5,481</b>	<b>5,282</b>	<b>5,745</b>	<b>4,184</b>
Levels at end of period —									
Domiciled abroad —									
Foreign currency	118,739	117,744	122,952	113,617	113,740	112,993	122,952	114,911	118,384
Australian currency	53,277	65,439	62,724	67,601	73,800	70,885	62,724	70,282	70,450
Total	172,016	183,183	185,676	181,218	187,539	183,879	185,676	185,193	188,834
Domiciled in Australia —									
Securities	26,494	31,720	40,615	30,605	35,921	38,376	40,615	41,877	46,323
Deposits(d)	8,407	8,777	9,720	8,109	8,000	8,810	9,720	13,447	13,296
Total	34,901	40,497	50,335	38,713	43,921	47,185	50,335	55,324	59,619
<b>Total</b>	<b>206,917</b>	<b>223,681</b>	<b>236,012</b>	<b>219,931</b>	<b>231,460</b>	<b>231,064</b>	<b>236,012</b>	<b>240,517</b>	<b>248,453</b>

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

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

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96				1996-97	
				September	December	March	June	September	December
Foreign currencies —									
United States Dollars	85,365	81,492	77,096	82,056	79,651	76,758	77,096	80,523	78,376
Pounds Sterling	2,173	2,155	3,563	2,165	2,118	3,042	3,563	3,881	3,336
Swiss Francs	3,047	2,645	2,805	2,545	3,233	2,660	2,805	3,601	2,425
Deutsche Marks	1,451	2,379	1,419	2,054	2,109	2,582	1,419	2,110	2,292
Japanese Yen	19,560	21,257	20,744	19,403	21,738	21,051	20,744	16,011	16,558
Other(a)	9,562	10,154	19,602	6,832	6,152	8,642	19,602	22,106	28,636
Total foreign currencies	121,157	120,082	125,228	115,055	115,002	114,735	125,228	128,232	131,623
Australian Dollars	85,759	103,599	110,784	104,877	116,458	116,329	110,784	112,285	116,830
<b>Total</b>	<b>206,917</b>	<b>223,681</b>	<b>236,012</b>	<b>219,931</b>	<b>231,460</b>	<b>231,064</b>	<b>236,012</b>	<b>240,517</b>	<b>248,453</b>

(a) Includes unallocated foreign currency borrowing.

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

	Year			Quarter ended					
	1993-94	1994-95	1995-96	1995-96			1996-97		
				September	December	March	June	September	December
<b>DRAWINGS(b)</b>									
<b>CONTRACTUALLY DUE FOR REPAYMENT —</b>									
Within 3 months	420,487	211,080	220,282	50,563	59,082	66,643	43,995	n.a.	n.a.
3 months to less than 6 months	48,410	39,759	48,426	10,198	12,438	11,169	14,622	n.a.	n.a.
6 months to less than 1 year	26,501	35,373	31,017	10,331	6,839	4,748	9,100	n.a.	n.a.
1 year to less than 2 years	4,556	4,785	10,028	1,300	1,424	2,782	4,521	n.a.	n.a.
2 years to less than 5 years	12,891	13,929	12,831	3,649	4,026	2,279	2,877	n.a.	n.a.
5 years to less than 10 years	9,897	9,930	10,518	2,955	2,864	2,137	2,561	n.a.	n.a.
10 years or more	3,402	1,360	3,601	794	1,173	475	1,160	n.a.	n.a.
<b>REPAYABLE AT CALL OR OF INDEFINITE MATURITY</b>									
Expected to be repaid —									
Within 1 year from drawdown	2,896	2,251	3,320	528	1,433	810	549	n.a.	n.a.
1 year or more from drawdown	3,247	1,560	1,932	914	368	176	473	n.a.	n.a.
<b>UNALLOCATED(c)</b>	-15,492	-2,782	-2,912	-1,491	-488	-1,022	88	n.a.	n.a.
<b>TOTAL</b>	<b>516,795</b>	<b>317,246</b>	<b>339,043</b>	<b>79,742</b>	<b>89,158</b>	<b>90,197</b>	<b>79,947</b>	<b>73,119</b>	<b>72,014</b>
<b>REPAYMENTS(b)</b>									
<b>TIME ELAPSED SINCE DRAWDOWN —</b>									
Less than 3 months	422,508	209,631	210,642	49,522	52,070	64,564	44,486	n.a.	n.a.
3 months to less than 6 months	54,236	46,583	59,817	12,546	14,568	15,304	17,399	n.a.	n.a.
6 months to less than 1 year	27,731	40,278	34,210	10,017	9,377	6,590	8,226	n.a.	n.a.
1 year to less than 2 years	5,818	5,311	7,572	1,302	2,541	2,450	1,279	n.a.	n.a.
2 years to less than 5 years	10,850	6,746	7,883	1,981	2,351	1,546	2,006	n.a.	n.a.
5 years to less than 10 years	5,995	7,068	5,553	1,346	1,478	899	1,830	n.a.	n.a.
10 years or more	2,254	1,205	2,855	244	1,645	31	935	n.a.	n.a.
<b>UNALLOCATED(c)</b>	-15,474	-4,272	-3,501	-1,784	-472	-2,099	855	n.a.	n.a.
<b>TOTAL</b>	<b>513,917</b>	<b>312,550</b>	<b>325,031</b>	<b>75,174</b>	<b>83,558</b>	<b>89,286</b>	<b>77,014</b>	<b>66,691</b>	<b>69,321</b>
<b>LEVELS AT END OF PERIOD</b>									
<b>BORROWING WITH CONTRACTUAL TERMS —</b>									
Less than 1 year to maturity(c)	78,177	73,699	78,793	72,041	78,649	79,202	78,793	87,891	91,382
1 year to less than 2 years(d)	13,018	12,838	16,744	13,510	15,968	18,380	16,744	n.a.	n.a.
2 years to less than 5 years(d)	31,713	39,355	36,351	41,671	39,789	34,872	36,351	75,803	58,641
5 years to less than 10 years(e)	28,878	36,054	31,672	32,612	31,228	31,725	31,672	32,843	33,013
10 years or more(e)	4,330	5,622	6,143	6,758	7,412	5,564	6,143	n.a.	n.a.
<b>AT CALL OR INDEFINITE BORROWING —</b>									
Expected to be repaid —									
Within 1 year(d)	1,863	3,813	2,813	4,189	4,811	3,176	2,813	n.a.	n.a.
1 year or more(e)	11,960	9,692	7,166	9,973	8,891	8,982	7,166	n.a.	n.a.
<b>UNALLOCATED(c)(f)</b>	2,077	2,110	5,996	466	790	1,977	5,996	-11,344	5,798
<b>TOTAL</b>	<b>172,016</b>	<b>183,183</b>	<b>185,676</b>	<b>181,218</b>	<b>187,539</b>	<b>183,879</b>	<b>185,676</b>	<b>185,193</b>	<b>188,834</b>

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

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

	Foreign investment in Australia			Australian investment abroad				Net international investment position(a)			Net foreign liabilities	
	Equity	Borrowing(b)	Other	Total	Equity	Reserve assets and lending	Other	Total	Net equity	Net debt		Net other
ANNUAL												
1984-85	37,562	67,473	6,583	111,618	11,687	16,265	5,808	33,760	25,875	51,208	775	77,858
1985-86	41,153	92,550	6,884	140,587	20,253	17,005	6,024	43,283	20,900	75,545	860	97,304
1986-87	65,290	107,417	7,441	180,148	34,876	21,279	6,616	62,771	30,414	86,138	825	117,377
1987-88	70,217	123,122	7,454	200,792	41,393	26,873	6,353	74,619	28,824	96,248	1,101	126,173
1988-89	87,411	146,717	7,403	241,532	52,720	29,419	7,278	89,417	34,691	117,298	125	152,115
1989-90	97,414	162,770	6,425	266,609	57,255	31,116	7,851	96,221	40,159	131,654	-1,426	170,388
1990-91	105,652	178,774	6,401	290,827	55,609	36,719	7,666	99,994	50,043	142,055	-1,265	190,833
1991-92	112,382	192,148	6,865	311,395	65,933	38,127	6,644	110,704	46,449	154,021	221	200,691
1992-93	124,327	210,615	6,921	341,862	76,798	41,404	7,513	125,716	47,528	169,211	-593	216,147
1993-94	156,539	206,917	9,035	372,490	81,911	42,661	9,328	133,900	74,628	164,256	-293	238,590
1994-95	167,675	223,681	10,792	402,148	90,887	42,204	8,317	141,409	76,788	181,477	2,475	260,739
1995-96	190,550	236,012	10,978	437,540	94,620	48,476	8,863	151,959	95,930	187,535	2,115	285,580
QUARTERLY												
1991-92 —												
December	108,331	186,872	7,557	302,760	63,723	39,886	7,074	110,683	44,607	146,986	483	192,077
March	108,868	185,187	6,991	301,046	62,443	35,903	6,929	105,274	46,425	149,284	62	195,772
June	112,382	192,148	6,865	311,395	65,933	38,127	6,644	110,704	46,449	154,021	221	200,691
1992-93 —												
September	107,797	200,770	7,030	315,596	66,514	39,493	6,933	112,940	41,283	161,277	96	202,656
December	109,788	200,526	7,536	317,850	68,406	38,397	7,125	113,928	41,382	162,129	410	203,922
March	117,301	196,307	6,988	320,597	69,240	38,602	7,001	114,842	48,062	157,705	-12	205,755
June	124,327	210,615	6,921	341,862	76,798	41,404	7,513	125,716	47,528	169,211	-593	216,147
1993-94 —												
September	139,820	218,930	8,456	367,206	81,341	43,241	7,813	132,395	58,479	175,688	644	234,811
December	152,009	213,939	9,160	375,108	84,234	40,162	8,078	132,475	67,774	173,777	1,082	242,633
March	154,052	212,696	8,496	375,244	82,532	44,106	7,713	134,351	71,520	168,590	783	240,893
June	156,539	206,917	9,035	372,490	81,911	42,661	9,330	133,902	74,628	164,256	-295	238,589
1994-95 —												
September	164,733	207,600	9,784	382,116	81,731	43,199	7,610	132,540	83,002	164,401	2,174	249,576
December	159,350	204,025	10,137	373,512	79,103	39,235	7,856	126,193	80,247	164,790	2,281	247,319
March	160,790	213,006	10,296	384,093	84,729	44,558	8,182	137,469	76,062	168,448	2,114	246,624
June	167,675	223,681	10,792	402,148	90,887	42,204	8,317	141,409	76,788	181,477	2,475	260,739
1995-96 —												
September	177,896	219,931	11,396	409,223	90,211	39,363	8,095	137,669	87,685	180,568	3,300	271,554
December	183,897	231,460	11,149	426,506	94,168	45,041	8,567	147,776	89,729	186,419	2,581	278,729
March	188,230	231,064	11,109	430,403	95,719	44,733	8,802	149,253	92,512	186,331	2,307	281,150
June	190,550	236,012	10,978	437,540	94,620	48,476	8,863	151,959	95,930	187,535	2,115	285,580
1996-97 —												
September	194,409	240,517	10,245	445,171	98,241	44,475	8,751	151,467	96,168	196,042	1,494	293,704
December	202,136	248,453	10,786	461,375	101,127	46,086	9,560	156,773	101,009	202,367	1,226	304,602

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

TABLE 17. CAPITAL TRANSACTIONS  
(\$A million)

	Foreign investment in Australia				Australian investment abroad				Net capital transactions(a)			
	Equity (b)	Borrowing	Other	Total	Equity (b)	Reserve assets and lending	Other	Total	Net equity (b)	Net debt	Net other	Total
ANNUAL												
1984-85	1,797	12,674	619	15,088	2,965	-1,162	1,353	3,156	-1,169	13,836	-734	11,932
1985-86	2,732	16,958	303	19,994	5,740	-1,133	255	4,862	-3,008	18,091	48	15,132
1986-87	7,822	15,082	-67	22,837	9,428	2,878	564	12,870	-1,606	12,204	-631	9,969
1987-88	8,062	20,061	51	28,176	9,803	6,311	160	16,274	-1,741	13,749	-108	11,902
1988-89	10,477	21,531	781	32,788	8,716	3,378	635	12,728	1,761	18,153	145	20,060
1989-90	6,854	19,179	-925	25,108	2,778	3,213	-60	5,931	4,076	15,967	-865	19,177
1990-91	9,899	11,032	-491	20,439	-662	4,878	179	4,394	10,561	6,154	-670	16,046
1991-92	6,568	8,934	682	16,185	5,137	-2,281	-870	1,987	1,431	11,215	1,552	14,198
1992-93	10,511	6,649	576	17,737	4,723	-943	276	4,055	5,788	7,592	300	13,681
1993-94	19,876	6,887	854	27,617	8,993	5,096	1,592	15,682	10,883	1,791	-739	11,935
1994-95	12,019	8,607	1,307	21,933	2,969	-2,737	-848	-617	9,051	11,344	2,155	22,550
1995-96	18,920	22,988	55	41,963	8,087	10,560	836	19,483	10,833	12,427	-780	22,480
QUARTERLY												
1991-92 --												
December	1,577	3,223	738	5,538	2,502	1,310	-189	3,623	-925	1,913	927	1,915
March	1,177	2,152	-563	2,766	232	-2,780	-253	-2,801	945	4,932	-310	5,567
June	2,132	1,973	-88	4,017	340	80	-375	45	1,791	1,892	288	3,971
1992-93 --												
September	-191	5,354	394	5,557	393	-1,050	-100	-756	-584	6,404	494	6,314
December	2,541	-1,168	498	1,872	2,007	-220	148	1,935	534	-947	350	-63
March	4,750	-3,609	-281	860	1,192	342	-109	1,424	3,558	-3,950	-172	-564
June	3,411	6,072	-35	9,448	1,130	-15	337	1,452	2,281	6,087	-372	7,996
1993-94 --												
September	4,785	2,083	216	7,084	2,460	1,826	5	4,291	2,325	257	211	2,793
December	4,443	3,026	492	7,961	3,558	-827	359	3,090	885	3,853	133	4,871
March	5,990	2,477	-477	7,990	2,690	4,346	-301	6,734	3,300	-1,869	-175	1,256
June	4,659	-700	622	4,581	286	-249	1,532	1,569	4,373	-451	-911	3,012
1994-95 --												
September	4,956	1,140	-384	5,712	-485	-304	-1,509	-2,298	5,442	1,444	1,124	8,010
December	1,920	-418	544	2,046	851	-1,856	354	-650	1,069	1,438	190	2,697
March	3,005	1,539	315	4,860	-496	2,285	130	1,919	3,502	-747	185	2,940
June	2,138	6,347	832	9,317	3,099	-2,863	176	412	-962	9,210	656	8,904
1995-96 --												
September	5,949	2,589	238	8,775	2,231	-539	-25	1,668	3,718	3,127	262	7,107
December	6,543	9,636	-172	16,008	2,393	5,620	504	8,518	4,150	4,016	-676	7,490
March	3,614	5,481	49	9,144	4,467	1,415	243	6,126	-853	4,066	-194	3,018
June	2,814	5,282	-60	8,036	-1,005	4,064	113	3,171	3,819	1,219	-173	4,865
1996-97 --												
September	600	5,745	-19	6,326	1,189	-1,202	80	67	-589	6,947	-99	6,259
December	3,885	4,184	-317	7,752	1,780	435	325	2,540	2,105	3,749	-642	5,212

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

**TABLE 18. INVESTMENT INCOME**  
(*\$A million*)

	<i>Payable on foreign investment in Australia</i>				<i>Receivable on Australian investment abroad</i>				<i>Net investment income payable(a)</i>			
	<i>Interest</i>				<i>Interest</i>				<i>Interest</i>			
	<i>Equity income (b)</i>	<i>Borrowing</i>	<i>Other</i>	<i>Total</i>	<i>Equity income (b)</i>	<i>Reserve assets and lending</i>	<i>Other</i>	<i>Total</i>	<i>Net equity income (b)</i>	<i>Net debt</i>	<i>Net other</i>	<i>Total</i>
<b>ANNUAL</b>												
1984-85	2,236	5,314	39	7,589	515	914	95	1,525	1,721	4,400	-56	6,064
1985-86	2,338	6,587	133	9,058	1,146	710	110	1,966	1,192	5,877	23	7,092
1986-87	2,725	7,892	113	10,730	1,818	678	175	2,670	908	7,214	-62	8,060
1987-88	4,222	8,844	35	13,101	2,479	1,051	104	3,634	1,743	7,793	-69	9,467
1988-89	5,242	10,821	269	16,331	2,540	1,267	105	3,912	2,702	9,554	164	12,419
1989-90	5,231	14,379	370	19,981	1,957	1,849	154	3,961	3,274	12,531	215	16,020
1990-91	5,184	14,820	170	20,174	849	2,255	120	3,223	4,336	12,566	50	16,951
1991-92	4,730	13,318	93	18,141	1,263	2,387	54	3,703	3,467	10,932	40	14,438
1992-93	6,556	11,344	85	17,985	3,057	2,179	21	5,257	3,500	9,164	65	12,729
1993-94	7,991	10,948	88	19,027	3,221	1,676	31	4,928	4,770	9,272	57	14,099
1994-95	11,681	11,565	53	23,299	4,169	1,763	52	5,985	7,511	9,802	1	17,314
1995-96	12,843	12,858	56	25,757	4,460	1,839	70	6,369	8,383	11,019	-14	19,387
<b>QUARTERLY</b>												
<i>1991-92 —</i>												
December	1,039	3,188	26	4,253	348	638	13	999	691	2,550	13	3,254
March	1,108	3,228	20	4,356	274	596	10	881	834	2,632	9	3,476
June	1,439	3,184	23	4,646	324	538	14	876	1,115	2,647	9	3,771
<i>1992-93 —</i>												
September	1,701	3,117	18	4,836	661	669	5	1,334	1,040	2,448	13	3,502
December	1,559	2,832	26	4,417	794	498	5	1,296	765	2,335	21	3,121
March	1,454	2,816	18	4,289	623	639	5	1,267	831	2,177	13	3,022
June	1,841	2,577	23	4,441	979	374	6	1,359	862	2,204	17	3,082
<i>1993-94 —</i>												
September	1,411	2,977	23	4,410	834	599	8	1,441	577	2,378	15	2,969
December	1,962	2,566	19	4,547	782	489	9	1,280	1,180	2,078	9	3,267
March	1,591	2,779	19	4,389	792	418	5	1,215	799	2,361	14	3,174
June	3,027	2,625	28	5,681	813	169	9	992	2,214	2,456	19	4,689
<i>1994-95 —</i>												
September	2,845	2,861	11	5,717	989	358	10	1,357	1,857	2,502	2	4,360
December	3,190	2,585	12	5,786	1,186	344	9	1,539	2,004	2,241	3	4,247
March	2,913	3,143	18	6,074	666	542	15	1,223	2,247	2,601	3	4,852
June	2,732	2,977	12	5,721	1,329	519	19	1,867	1,404	2,458	-7	3,855
<i>1995-96 —</i>												
September	3,134	3,218	13	6,365	1,294	446	4	1,745	1,840	2,772	8	4,620
December	3,829	3,228	14	7,071	914	518	15	1,446	2,915	2,711	-1	5,625
March	3,067	3,413	16	6,496	1,100	473	28	1,602	1,966	2,940	-12	4,895
June	2,813	2,999	13	5,825	1,152	402	23	1,576	1,661	2,597	-10	4,249
<i>1996-97 —</i>												
September(c)	3,079	3,362	n.a.	6,441	962	497	n.a.	1,459	2,117	2,865	n.a.	4,982
December(c)	3,398	3,073	n.a.	6,471	963	493	n.a.	1,456	2,435	2,580	n.a.	5,015

(a) Equals income payable on foreign investment in Australia less income receivable on Australian investment abroad. (b) Includes dividends, remitted profits of branches and reinvested earnings of direct investment enterprises attributable to their direct foreign investors. In reference to reinvested earnings, prior to September 1993 comprehensive data was only collected annually for this item, with the quarterly estimates derived by evenly distributing the annual estimates. From September 1993 this item has been collected quarterly and thus estimates based on the results of this collection have been included. For the latest two quarters extrapolated estimates have been included until quarterly data become available. (c) From September quarter 1996, investment income for other investment is not separately available and has been included in investment income for borrowing, lending and net debt, as appropriate.

TABLE 19. LEVELS OF FOREIGN DEBT AT END OF PERIOD(a)  
(SA million)

<i>Public Sector Borrowing</i>									
	<i>Commonwealth government and Reserve Bank</i>	<i>State government</i>	<i>Public trading and financial enterprises</i>	<i>Total</i>	<i>Private sector borrowing</i>	<i>Total foreign borrowing</i>	<i>Reserve assets</i>	<i>Lending abroad</i>	<i>Net foreign debt(b)</i>
ANNUAL									
1984-85	12,982	1,901	14,982	29,865	37,608	67,473	13,517	2,748	51,208
1985-86	19,753	3,855	19,009	42,618	49,933	92,550	13,024	3,982	75,545
1986-87	23,678	6,684	19,589	49,951	57,466	107,417	17,594	3,685	86,138
1987-88	22,909	10,219	23,736	56,865	66,257	123,122	20,182	6,691	96,248
1988-89	18,607	18,230	28,010	64,847	81,870	146,717	20,410	9,009	117,298
1989-90	19,654	19,788	32,525	71,968	90,802	162,770	21,871	9,245	131,654
1990-91	17,490	24,440	33,010	74,940	103,834	178,774	24,047	12,672	142,055
1991-92	16,823	29,465	33,681	79,969	112,179	192,148	22,240	15,887	154,021
1992-93	21,928	38,813	35,114	95,855	114,760	210,615	20,823	20,581	169,211
1993-94	22,886	39,722	33,175	95,782	111,134	206,917	20,661	22,000	164,256
1994-95	28,366	46,671	25,080	100,117	123,564	223,681	20,184	22,020	181,477
1995-96	34,224	44,027	19,667	97,918	138,094	236,012	19,059	29,417	187,535
QUARTERLY									
<i>1991-92</i>									
December	20,807	27,222	34,027	82,056	104,816	186,872	25,451	14,435	146,986
March	18,346	28,608	32,467	79,422	105,765	185,187	21,314	14,589	149,284
June	16,823	29,465	33,681	79,969	112,179	192,148	22,240	15,887	154,021
<i>1992-93</i>									
September	17,977	34,445	34,225	86,647	114,123	200,770	21,566	17,927	161,277
December	19,425	34,197	34,056	87,678	112,849	200,526	20,112	18,285	162,129
March	19,163	34,206	32,591	85,959	110,348	196,307	18,888	19,714	157,705
June	21,928	38,813	35,114	95,855	114,760	210,615	20,823	20,581	169,211
<i>1993-94</i>									
September	20,833	43,092	35,276	99,201	119,729	218,930	22,023	21,218	175,688
December	22,935	43,349	34,303	100,587	113,352	213,939	20,955	19,207	173,777
March	23,073	43,949	33,621	100,644	112,052	212,696	20,834	23,272	168,590
June	22,886	39,722	33,175	95,782	111,134	206,917	20,661	22,000	164,256
<i>1994-95</i>									
September	25,658	38,101	31,526	95,285	112,315	207,600	20,308	22,891	164,401
December	28,861	42,827	30,369	102,057	101,968	204,025	18,417	20,818	164,790
March	28,440	42,656	26,240	97,336	115,670	213,006	21,240	23,318	168,448
June	28,366	46,671	25,080	100,117	123,564	223,681	20,184	22,020	181,477
<i>1995-96</i>									
September	24,226	51,948	23,471	99,684	120,247	219,931	18,659	20,704	180,568
December	28,635	52,310	19,660	100,605	130,855	231,460	20,067	24,974	186,419
March	31,181	47,276	17,922	96,380	134,684	231,064	17,935	26,798	186,331
June	34,224	44,027	19,667	97,918	138,094	236,012	19,059	29,417	187,535
<i>1996-97</i>									
September	35,999	44,850	13,490	94,339	146,178	240,517	21,921	22,554	196,042
December	40,765	44,272	14,779	99,816	148,637	248,453	21,848	24,238	202,367

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

TABLE 20. FOREIGN INVESTMENT RATIOS  
(SA million)

Period	Ratios of net foreign liabilities to GDP(a) - per cent -			Net international investment position servicing - Ratios of net investment income payable to exports(b) - per cent -		
	Total	Foreign debt	Equity and other investment	Total	Foreign debt	Equity and other investment
ANNUAL						
1988-89	44.8	34.6	10.3	22.5	17.3	5.2
1989-90	46.0	35.6	10.5	26.4	20.7	5.8
1990-91	50.4	37.5	12.9	25.7	18.1	6.7
1991-92	51.8	39.8	12.1	20.8	15.7	5.0
1992-93	53.4	41.8	11.6	16.8	12.1	4.7
1993-94	55.5	38.2	17.3	17.1	11.2	5.9
1994-95	57.0	39.7	17.3	20.0	11.3	8.7
1995-96	58.4	38.4	20.1	19.7	11.2	8.5
QUARTERLY						
<i>Year ended(c) —</i>						
<i>1991-92 —</i>						
December	50.5	38.7	11.9	23.1	17.7	5.5
March	51.1	39.0	12.1	21.7	16.5	5.2
June	51.8	39.8	12.1	20.8	15.7	5.0
<i>1992-93 —</i>						
September	51.9	41.3	10.6	19.8	14.5	5.3
December	51.6	41.0	10.6	19.1	13.8	5.2
March	51.6	39.6	12.1	18.0	12.9	5.1
June	53.4	41.8	11.6	16.8	12.1	4.7
<i>1993-94 —</i>						
September	57.1	42.8	14.4	15.6	11.7	4.0
December	58.3	41.7	16.5	15.5	11.1	4.4
March	57.0	39.9	17.1	15.4	11.1	4.3
June	55.5	38.2	17.3	17.1	11.2	5.9
<i>1994-95 —</i>						
September	57.1	37.6	19.5	18.7	11.4	7.4
December	55.7	37.1	18.6	19.8	11.5	8.3
March	54.7	37.3	17.3	21.4	11.5	9.8
June	57.0	39.7	17.3	20.0	11.3	8.7
<i>1995-96 —</i>						
September	58.5	38.9	19.6	19.5	11.2	8.3
December	58.9	39.4	19.5	20.5	11.4	9.1
March	58.4	38.7	19.7	19.8	11.3	8.4
June	58.4	38.4	20.1	19.7	11.2	8.5
<i>1996-97 —</i>						
September	59.4	39.6	19.7	19.9	11.2	8.7
December	60.7	40.3	20.4	19.1	11.0	8.1

(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 1996, together with statistics for earlier periods.

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

### Scope And Coverage

3. International investment statistics provide information on:

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

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

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

### Classifications And Definitions

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

### Presentation

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

### Reliability

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

### Related Publications

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

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

### Unpublished Information

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

### Symbols and other usages

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

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

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

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

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

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

## For more information . . .

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 from all ABS Offices.

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