



Australian Government  
Department of Foreign Affairs and Trade



# INTERNATIONAL INVESTMENT AUSTRALIA 2013





# **International Investment**

## **Australia**

**2013**

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## Minister's foreword



Welcome to the first edition of *International Investment Australia*, which provides a detailed snapshot of the latest trends in Australia's international investment position.

Since the First Fleet, foreign investment has been fundamental to Australia's economic development, providing critical funding and capital for projects and successive Australian industries.

This publication shows, using the latest statistics, the importance of foreign investment to economic growth and job creation. And the numbers paint an enlightening picture.

The total stock of foreign investment in Australia was \$2.5 trillion in 2013 (up 11.3 per cent from 2012), and Australian investment abroad totalled \$1.6 trillion.

In 2013 alone, foreign investors injected \$115 billion of direct investment into Australia, that is, investment into business in which a foreign investor had some element of control, by owning 10 per cent or more of the ordinary shares or voting power. The largest sources of this direct investment were the United States (\$35 billion), Singapore (\$14 billion), the United Kingdom (\$12 billion) and Japan (\$10 billion). This provides an important supplement to domestic savings needed to fund our total investment requirements.

The bulk of our direct investment comes from developed countries like the United States and the United Kingdom. They continue to be the countries that hold the largest stock of foreign investment in Australia (nearly 50 per cent of total investment). And they are also the top destinations for Australian investment abroad (nearly 45 per cent of total investment).

Foreign direct investment from China is growing – with new injections worth \$5 billion in 2013, up from \$3.5 billion in 2012. China is now our sixth-largest source of inward foreign direct investment (\$21 billion) and our eight-largest overall investor (\$32 billion). And our growing investment relationship with China is reciprocal, with the total stock of Australian investment in China valued at \$30 billion in 2013, up from \$21 billion in 2012.

In addition to foreign direct investment, there is \$1.4 trillion of 'portfolio investment' in Australia – highlighting the attractiveness of Australia to international fund managers – plus other forms of investment, such as loans, bank deposits and trade credits, for the grand total of foreign investment in 2013 of \$2.5 trillion.

We have a very compelling story to tell. Australia is the world's 12<sup>th</sup> largest economy which has experienced 23 years of uninterrupted economic growth – supported by the Abbott Government's strong domestic reform agenda that encourages investment.

Australia is indeed open for business. We are committed to further strengthening our investment relationships to create more economic opportunities and greater prosperity for Australia

I trust that you will find *International Investment Australia* an informative resource.

**The Hon Andrew Robb AO MP**  
Minister for Trade and Investment

## Introduction

Welcome to the new statistical publication *International Investment Australia 2013*. This publication provides a detailed snapshot of the latest trends in Australia's international investment position.

The Australian Bureau of Statistics (ABS) publishes official statistics on Australia's international investment, compiled using international standards set out by the International Monetary Fund and the United Nations. The ABS publishes international investment statistics on a quarterly basis in the publication *Balance of Payments and International Investment Position, Australia* (catalogue 5302.0) and in more detail on a calendar year basis in the publication *International Investment Position, Australia: Supplementary Statistics* (catalogue 5352.0). Some additional detailed data is available upon request, although the amount of information (either published or unpublished) is limited.

Other data sources such as the Foreign Investment Review Board also publish international investment related data that can be used to provide some additional information on Australia's investment relationship with the world. Users need to keep in mind that such statistics are generally not directly compatible with the ABS international investment statistics because they are not compiled within the framework established by international standards for balance of payments statistics.

This publication presents the detailed official ABS international investment data (both published and unpublished) as well as a range of other statistics that are available to users of international investment statistics. It also includes a detailed analysis of Australian and international investment trends.

### **Sections 1 & 5 – Information boxes on international investment statistics**

Section 1 includes a number of information boxes that provide easy to read information on the definitions and the concepts used to compile and interpret ABS international investment statistics.

Section 5 provides an information box covering the definitions and concepts used by the Foreign Investment Review Board (FIRB) in collecting Australia's international investment approvals statistics. Section 5 also contains a summary of the foreign investment approvals statistics collected by the FIRB.

It is *highly recommended* that if you are a new user of international investment statistics that you first read these information boxes as they will help you use these different statistics appropriately.

### **Sections 2 & 4 – ABS statistics on international investment**

Sections 2 and 4 provide the detailed official statistics on Australia's international investment. Most tables include the latest periods, usually three to five years as well as period snapshots of the data ten years ago. Also included are data on selected investment ratios and foreign ownership statistics.

### **Section 3 – International investment comparisons**

Section 3 presents foreign direct investment statistics for the world as published by the United Nations Conference on Trade and Development (UNCTAD). This section compares Australia's foreign direct investment trends with other countries.

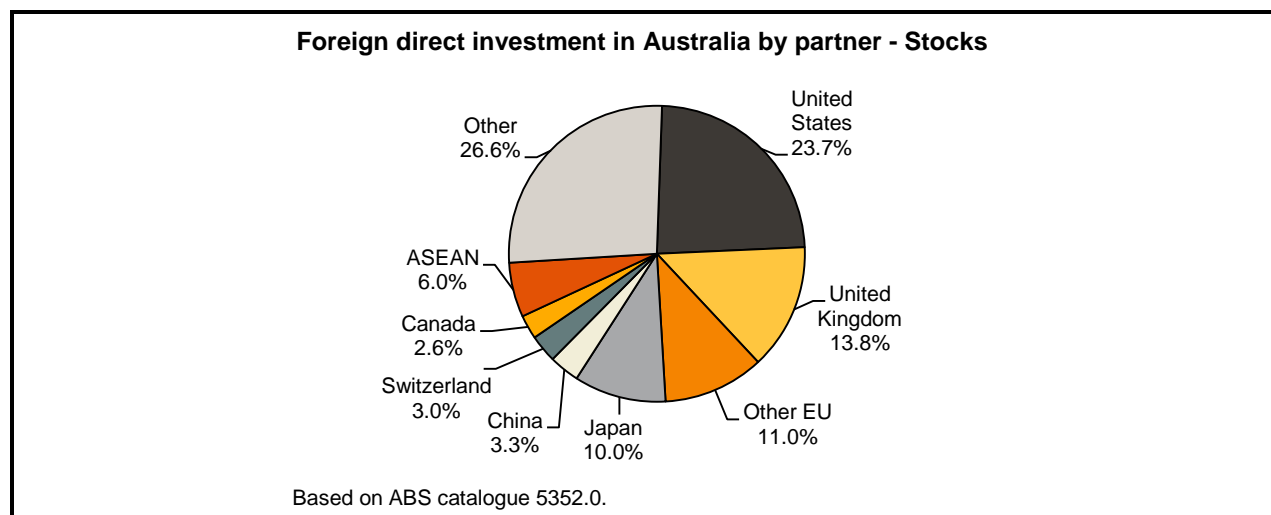
## Key points

### Total investment

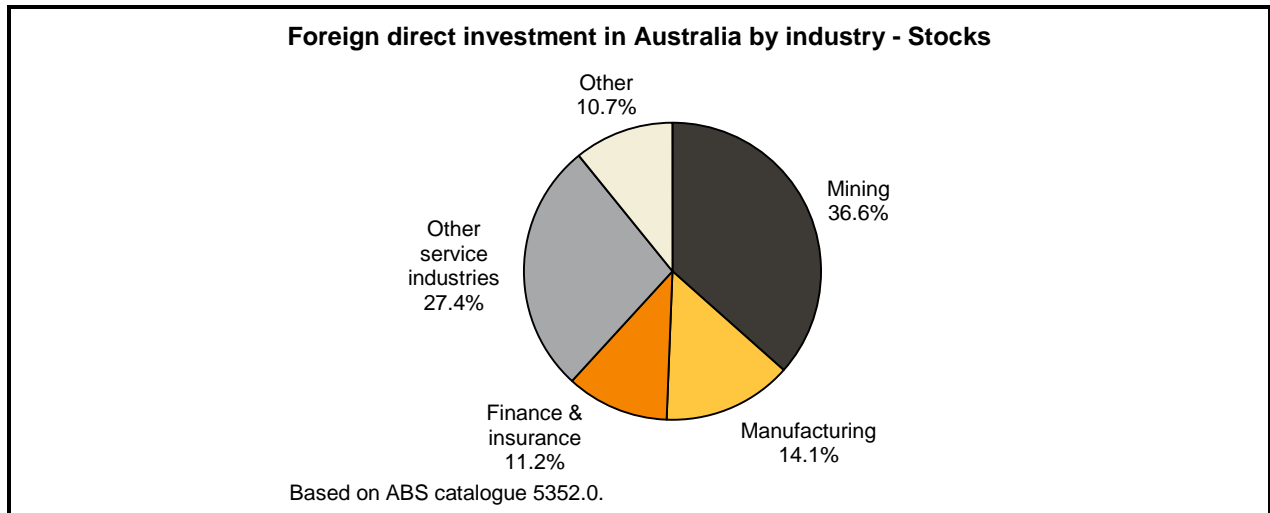
- Net inflows of foreign investment in Australia (FIA) were valued at \$91.3 billion in 2013. The value of the stock of FIA was \$2.5 trillion in 2013, an increase of 11.3 per cent from 2012.
- The largest sources for the stock of FIA in 2013 were the United States (valued at \$657.9 billion), followed by the United Kingdom (valued at \$562.9 billion), Japan (valued at \$131.0 billion), Singapore (valued at \$60.5 billion) and Hong Kong (SAR of China) (valued at \$51.3 billion).
- Investment from China was valued at \$31.9 billion (ranked 8th), while investment from India was valued at \$10.9 billion (ranked 18th).
- Net outflows of Australian investment abroad (AIA) were valued at \$45.2 billion in 2013. The value of the stock of AIA was \$1.6 trillion in 2013, an increase of 17.9 per cent from 2012.
- The largest destinations for the stock of AIA in 2013 were the United States (valued at \$471.7 billion), followed by the United Kingdom (valued at \$255.7 billion) and New Zealand (valued at \$81.1 billion).
- Foreign net flows (net inflows minus net outflows) accounted for 12.1 per cent of Australia's total investment requirements during 2013.

### Direct investment

- Net inflows of direct FIA were valued at \$52.7 billion in 2013. **The quantum of new direct investment (gross inflows of new direct investment) was valued at \$114.7 billion.** The largest sources for new direct investment flows were the United States (\$35.3 billion), European Union (\$20.9 billion) and Singapore (\$13.4 billion). See **Box A – Quantum of new foreign direct investment in Australia, 2013.**
- The stock of direct FIA was valued at \$629.9 billion in 2013, an increase of \$38.6 billion or 6.5 per cent from 2012.



- The largest sources for the stock of direct FIA in 2013 were the United States (valued at \$149.5 billion), followed by the United Kingdom (valued at \$86.7 billion) and Japan (valued at \$63.3 billion).
- The *Mining* industry accounted for the largest share of the stock of direct FIA valued at \$230.3 billion (or 36.6 per cent), followed by the *Manufacturing* industry valued at \$88.6 billion (or 14.1 per cent) and the *Finance & insurance* industry valued at \$70.3 billion (or 11.2 per cent).
- Net outflows of direct AIA were valued at \$7.6 billion in 2013. The stock of direct AIA was valued at \$494.8 billion in 2013, an increase of \$49.8 billion or 11.2 per cent from 2012.
- The largest destinations for the stock of direct AIA in 2013 were the United States (valued at \$121.7 billion), followed by the United Kingdom (valued at \$50.6 billion) and New Zealand (valued at \$45.9 billion).
- The *Mining* industry accounted for the largest share of the stock of direct AIA valued at \$144.4 billion (or 29.2 per cent), followed by the *Finance & insurance* industry valued at \$140.4 billion (or 28.4 per cent) and the *Manufacturing* industry valued at \$66.8 billion (or 13.5 per cent).



**Global direct investment**

- The global stock of inwards world foreign direct investment was valued at US\$25.5 trillion in 2013, an increase of 9.3 per cent over 2012 levels. Net inflows of global direct investment were valued at US\$1.5 trillion in 2013.
- Australia was ranked the 14th largest destination country for world direct investment in 2013 and the 18th largest source country for world direct investment.

## Box A

### Quantum of new foreign direct investment in Australia, 2013

The quantum of new foreign direct investment into Australia in 2013 was valued at \$114.7 billion<sup>1</sup>. This was up marginally on the \$114.6 billion invested into Australia in 2012. Over the past five years there has been \$585.3 billion in new direct investment flows injected into Australia.

The quantum of new direct investment in 2013 was made up of \$95.7 billion in gross inflows (or injections) of foreign direct investment into Australia from companies (or individuals) located overseas and \$19.0 billion in reinvested earnings from existing direct investment in Australia.

**Quantum of new foreign direct investment  
in Australia by selected countries (a)  
(A\$ million)**

	2009	2010	2011	2012	2013	%	\$
						change	change
						2012 to 2013	2012 to 2013
Canada	5,645	np	np	3,220	2,079	-35.4	-1,141
China (b)	5,784	4,105	4,719	3,519	4,975	41.4	1,456
Germany	3,263	np	np	2,376	2,864	20.5	488
Hong Kong (SAR of China)	1,079	1,058	1,533	np	np	..	..
India	np	np	np	np	np	..	..
Japan	16,138	np	19,320	18,989	10,219	-46.2	-8,770
New Zealand	np	1,844	np	np	np	..	..
Republic of Korea	np	956	262	-249	np	..	..
Singapore (c)	np	np	15,014	14,522	13,378	-7.9	-1,144
United Kingdom	6,762	13,290	22,380	9,167	12,373	35.0	3,206
United States	19,893	28,159	29,086	34,706	35,302	1.7	596
ASEAN	np	np	np	16,354	np	..	..
European Union	34,362	30,217	38,248	18,675	20,914	12.0	2,239
<b>Total</b>	<b>104,379</b>	<b>110,070</b>	<b>141,549</b>	<b>114,550</b>	<b>114,719</b>	<b>0.1</b>	<b>169</b>

(a) Injections of foreign direct investment plus reinvested earnings. (b) Excludes reinvested earnings which were not published by the ABS for 2011 only. (c) Excludes reinvested earnings which were not published by the ABS for 2013 only. Based on ABS unpublished data.

The United States was the major source for new investment, with injections of \$35.3 billion in new direct investment into Australia in 2013 (up from \$34.7 billion in 2012). The European Union 28 injected \$20.9 billion in new direct investment with \$12.4 billion coming from the United Kingdom and \$2.9 billion from Germany. Other significant sources of new direct investment flows came from Japan valued at \$10.2 billion, China valued at \$5.0 billion and Canada valued at \$2.1 billion. Though the Australian Bureau of Statistics (ABS) could not publish data for ASEAN for 2013, Singapore had injections of new investment in Australia of around \$13.4 billion<sup>2</sup> in 2013.

In 2013, there was \$62.1 billion in withdrawals of existing foreign direct investment in Australia. The overall stock of foreign direct investment in Australia rose 6.5 per cent to \$629.9 billion at the end of 2013.

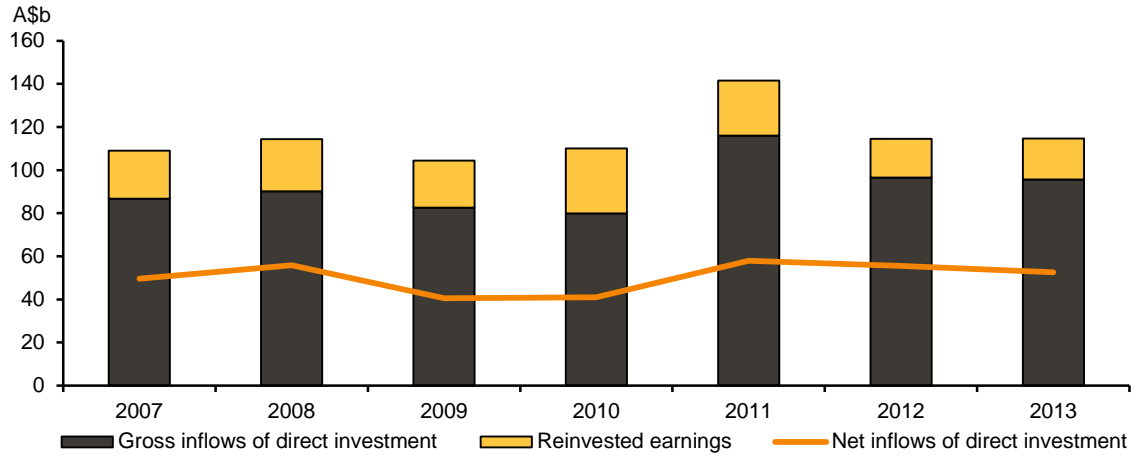
Refer to **Tables 3 & 4** for further information.

<sup>1</sup> Note that the quantum of new direct investment is the sum of the gross inflows (injections) of foreign direct investment into Australia over the year plus any reinvested earnings for the same period. Reinvested earnings in Australia are treated as new direct investment as the foreign investor in Australia has made a decision to increase the amount of its foreign investment in Australia rather than repatriate the profits to its parent company abroad.

Note that some of the new gross inflows of foreign direct investment may be replacing existing foreign investment in Australia, for example if a foreign investor takes over a company in Australia that is already foreign owned.

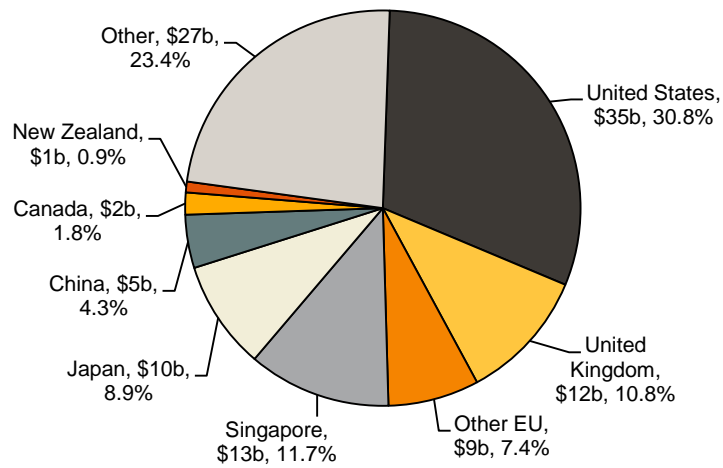
<sup>2</sup> Excluding reinvested earnings which were not published by the ABS for 2013.

### Quantum of new direct investment in Australia



Based ABS catalogue 5352.0 and on unpublished ABS data.

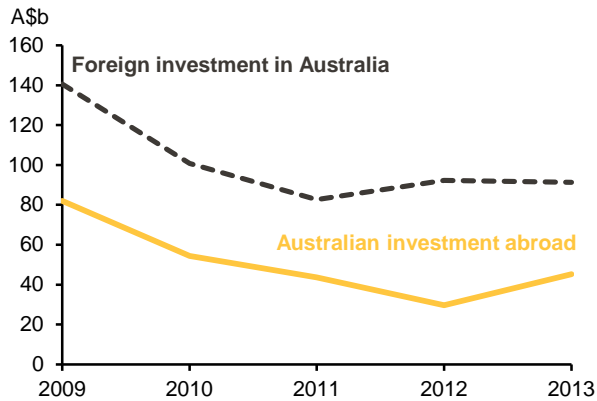
### Quantum of new investment by major source 2013



Based on unpublished ABS data.

## Overview of Australia's international investment position 2013

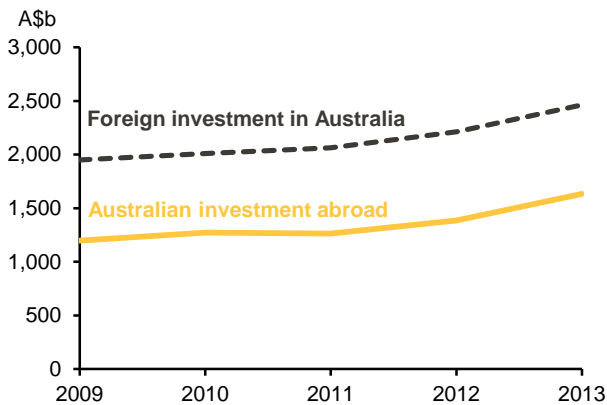
### Net inflows and outflows of Australia's international investment



Based on ABS catalogue 5352.0.

- Net inflows of foreign investment in Australia (FIA) were valued at \$91.3 billion in 2013, a decrease of \$875 million or 0.9 per cent from 2012.
- Net outflows of Australian investment abroad (AIA) were valued at \$45.2 billion in 2013, an increase of \$15.5 billion or 52.4 per cent from 2012.
- Foreign net flows (net inflows minus net outflows) accounted for 12.1 per cent of Australia's total investment requirements during 2013.
- Refer to **Tables 1 & 10** for further information.

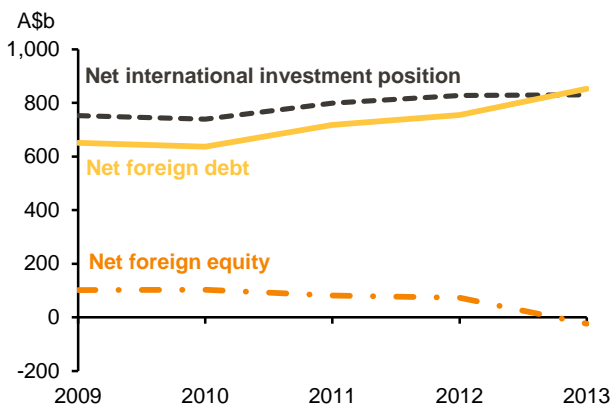
### The stock of foreign investment in Australia and Australian investment abroad



Based on ABS catalogue 5352.0.

- The value of the stock of FIA was \$2.5 trillion in 2013, an increase of 11.3 per cent from 2012
  - Exchange rate, price movements and other changes accounted for over 60 per cent of the increase in stock during 2013.
- The value of the stock of AIA was \$1.6 trillion in 2013, an increase of 17.9 per cent from 2012
  - Exchange rate, price movements and other changes accounted for over 80 per cent of the increase in stock during 2013.
- Refer to **Tables 1 & 2** for further information.

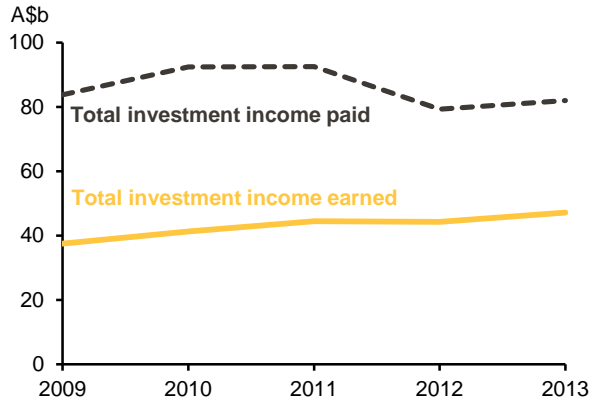
### Australia's net international investment position



Based on ABS catalogue 5352.0.

- Australia's net international investment position (IIP) was \$829.8 billion in 2013, an increase of 0.2 per cent on 2012
  - Australia's net foreign debt was \$852.9 billion in 2013, up 12.9 per cent on 2012
  - Australia's net foreign equity was -\$23.1 billion in 2013, a turnaround of \$97.5 billion on 2012.
- Australia's net IIP accounted for 53.3 per cent of Gross Domestic Product (GDP) in 2013.
- Refer to **Tables 2 & 8** for further information.

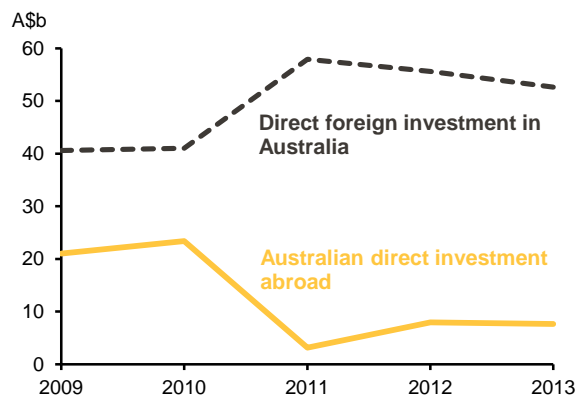
### Income flows on Australia's international investment



Based on ABS catalogue 5352.0.

- Total income payable on FIA was \$82.0 billion in 2013, up 3.3 per cent on 2012.
- Total income earned on AIA was \$47.1 billion in 2013, up 6.6 per cent on 2012 and still below pre-Global Financial Crisis levels of \$49.5 billion recorded in 2008.
- Refer to **Table 1** for further information.

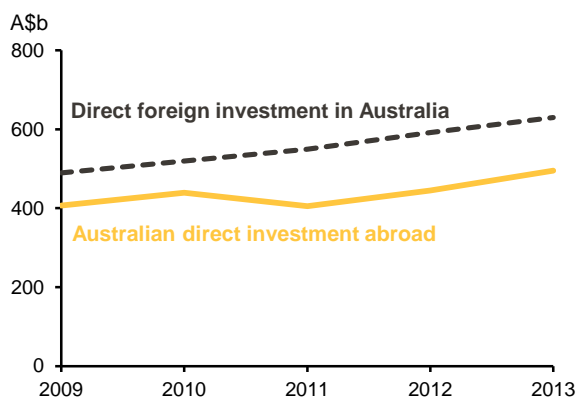
### Direct investment net flows



Based on ABS catalogue 5352.0.

- Net inflows of direct FIA were valued at \$52.7 billion in 2013, a decrease of \$2.9 billion or 5.3 per cent from 2012
  - Gross inflows (injections) including reinvested earnings of direct FIA were valued at \$114.7 billion in 2013, while gross outflows (withdrawals) of direct FIA were valued at \$62.1 billion – refer to **Box A** for more details.
- Net outflows of direct AIA were valued at \$7.6 billion in 2013, a decrease of \$330 million or 4.1 per cent from 2012.
- Refer to **Tables 1 & 3** for further information.

### Direct investment stocks

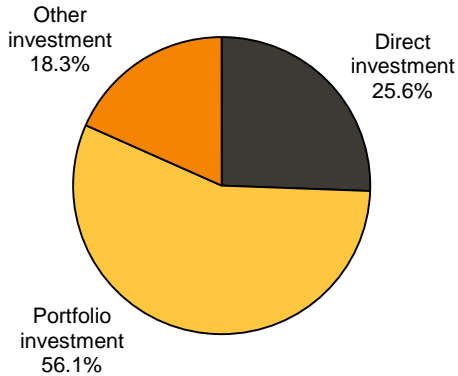


Based on ABS catalogue 5352.0.

- The value of the stock of direct FIA was \$630.0 billion in 2013, an increase of \$38.6 billion or 6.5 per cent from 2012
  - Australia was ranked the 14th largest destination country for world direct investment in 2013.
- The value of the stock of direct AIA abroad was \$494.8 billion in 2013, an increase of \$49.8 billion or 11.2 per cent from 2012
  - Australia was ranked the 18th largest source country for world direct investment in 2013.
- Refer to **Tables 1 & 13** for further information.

## Australian international investment stocks at the end of 2013

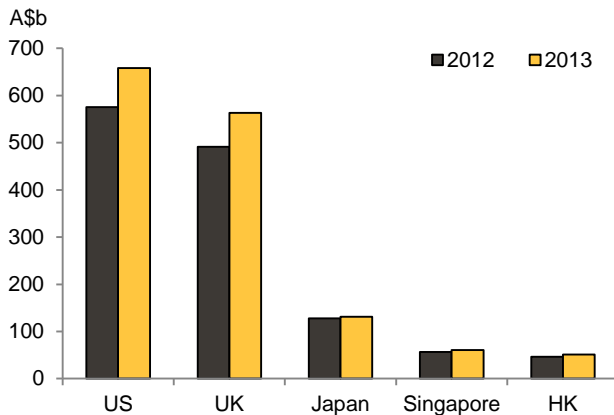
### Foreign investment in Australia by type of investment



- The majority of the stock of FIA is through portfolio investment, which accounted for 56.1 per cent of total foreign investment at the end of 2013.
- Direct investment accounted for 25.6 per cent of the total stock of FIA at the end of 2013.
- Other investment (including derivatives) accounted for 18.3 per cent of total FIA at the end of 2013.
- Refer to **Table 1** for further information.

Based on ABS catalogue 5352.0.

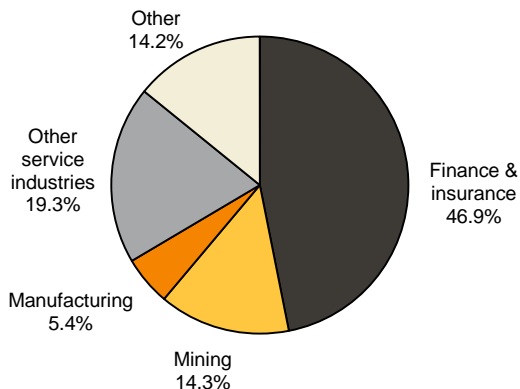
### Foreign investment in Australia by country



Based on ABS catalogue 5352.0.

- The stock of United States investment in Australia was valued at \$657.9 billion in 2013 (up 14.3 per cent or \$82.5 billion)
  - The United States was the largest source of investment in Australia.
- The United Kingdom was Australia's second largest investment source, with \$562.9 billion followed by Japan as the third largest source valued at \$131.0 billion.
- China's investment in Australia was \$31.9 billion in 2013 (ranked 8th), while investment from India (ranked 18th) was \$10.9 billion.
- Refer to **Table 5** for further information.

### Foreign investment in Australia by industry<sup>3</sup>



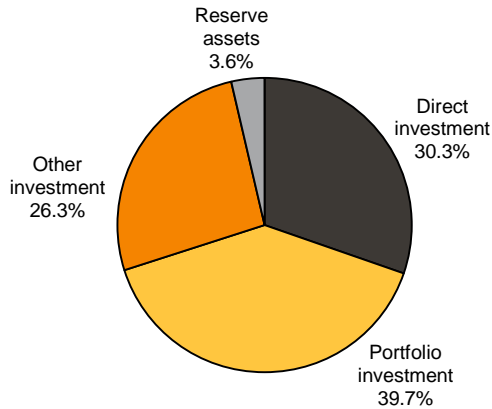
Based on ABS catalogue 5352.0.

- The *Finance & insurance* industry<sup>4</sup> comprised the largest share of the stock of FIA in 2013, with \$1.2 trillion or 46.9 per cent of total FIA.
- Other major industries for FIA include *Mining* (\$356.6 billion or 14.3 per cent), and *Manufacturing* (\$134.2 billion or 5.4 per cent).
- Refer to **Table 19** for further information.

<sup>3</sup> FIA by industry represents the main industry of the top enterprises in Australia.

<sup>4</sup> Please note that the large share of foreign investment in the financial sector in Australia reflects the mechanisms of international investment markets. Investment may be on-lent to other industries in Australia.

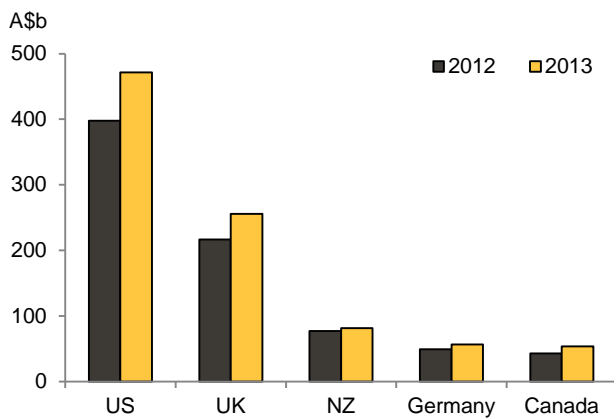
### Australian investment abroad by type of investment, 2013



- Portfolio investment comprises the largest share of the stock of AIA, accounting for 39.7 per cent of Australia's total investment abroad at the end of 2013.
- Direct investment accounted for 30.3 per cent of AIA at the end of 2013.
- Other investment (including derivatives) accounted for 26.3 per cent of AIA at the end of 2013.
- Reserve assets accounted for 3.6 per cent of AIA at the end of 2013.
- Refer to **Table 1** for further information.

Based on ABS catalogue 5352.0.

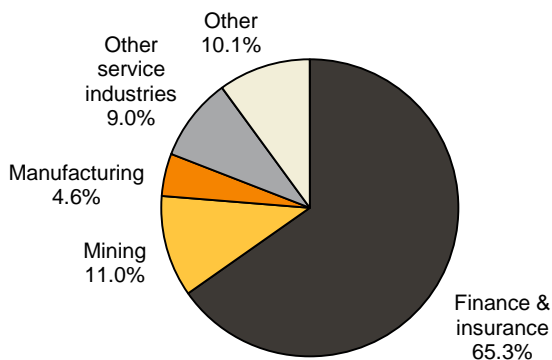
### Australia's investment abroad by country



- The United States remained Australia's major investment destination, with the stock of investment worth \$471.7 billion in 2013 (up 18.6 per cent or \$73.9 billion).
- The United Kingdom was Australia's second largest investment destination, with \$255.7 billion in 2013, while New Zealand was the third largest destination with investment worth \$81.1 billion.
- Refer to **Table 6** for further information.

Based on ABS catalogue 5352.0.

### Australian investment abroad by industry<sup>5</sup>



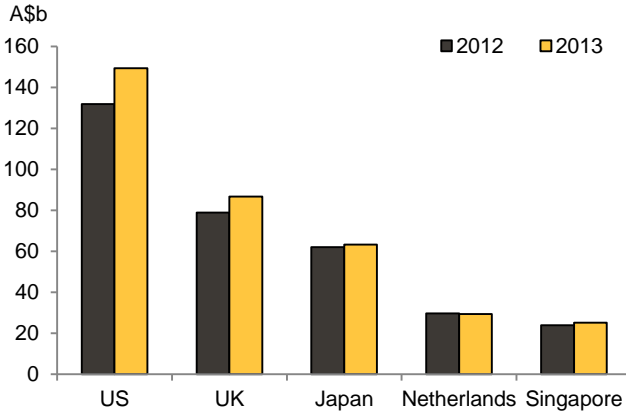
- The *Finance & insurance* industry comprised the largest share of Australia's stock of investment abroad in 2013, with \$1.1 billion or 65.3 per cent of Australia's total investment abroad.
- Other major industries for AIA include *Mining* (\$184.0 billion or 11.0 per cent), and *Manufacturing* (\$77.2 billion or 4.6 per cent).
- Refer to **Table 20** for further information.

Based on ABS catalogue 5352.0.

<sup>5</sup> AIA by industry represents the main industry of the company operations in Australia, not the industry of the affiliate abroad.

## Australian direct international investment stocks at the end of 2013

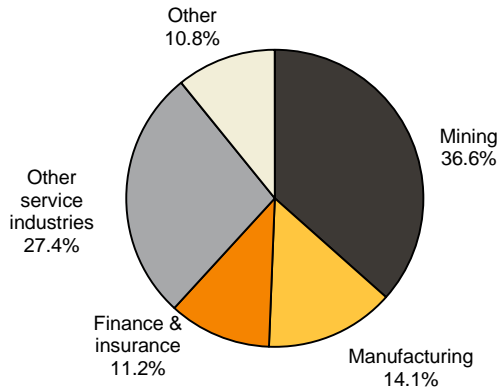
### Foreign direct investment in Australia by country



Based on ABS catalogue 5352.0.

- The United States, United Kingdom and Japan were the three largest direct investors in Australia in 2013.
- United States' stock of direct investment was valued at \$149.5 billion in 2013 (up 13.3 per cent), the United Kingdom was valued at \$86.7 billion (up 9.9 per cent) and Japan was valued at \$63.3 billion (up 5.0 per cent).
- Refer to **Table 7** for further information.

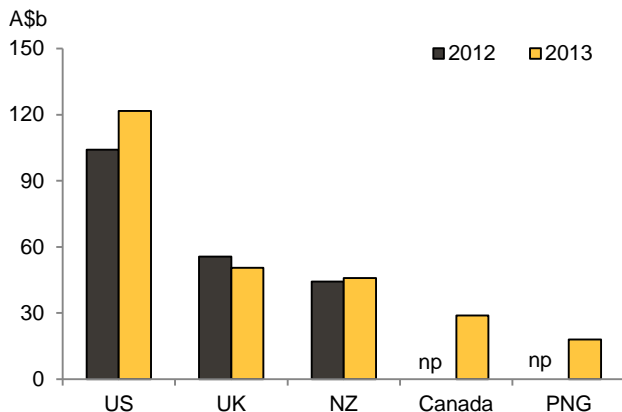
### Foreign direct investment in Australia by industry



Based on ABS catalogue 5352.0.

- The *Mining* industry comprised the largest share of the stock of foreign direct investment in Australia in 2013, with \$230.3 billion or 36.6 per cent of total foreign direct investment.
- Other major industries for foreign direct investment in Australia include *Manufacturing* (\$88.6 billion or 14.1 per cent), *Finance & insurance* (\$70.3 billion or 11.2 per cent), *Wholesale & retail trade* (\$57.5 billion or 9.1 per cent), and *Transport & communication* (\$39.5 billion or 6.3 per cent).
- *Agriculture* accounted for only 0.2 per cent or total foreign direct investment worth \$1.3 billion.
- Refer to **Table 21** for further information.

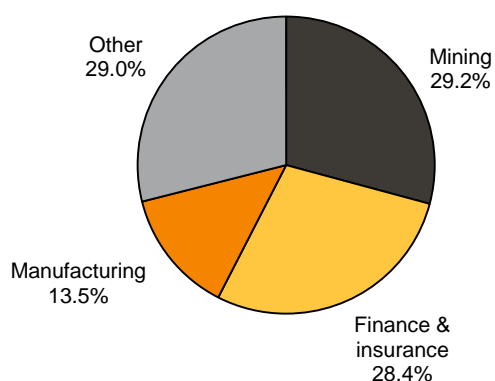
### Australia's direct investment abroad by country



Based on ABS catalogue 5352.0.

- The United States, United Kingdom and New Zealand are Australia's top three direct investment destinations
  - accounting for 44.1 per cent of Australia's stock of direct investment abroad.
- The stock of Australian investment in the United States grew 16.8 per cent to \$121.7 billion in 2013 while the United Kingdom fell 9.2 per cent (to \$50.6 billion) and New Zealand was up 3.6 per cent (to \$45.9 billion).
- Refer to **Table 8** for further information.

### Australia's direct investment abroad by industry<sup>6</sup>

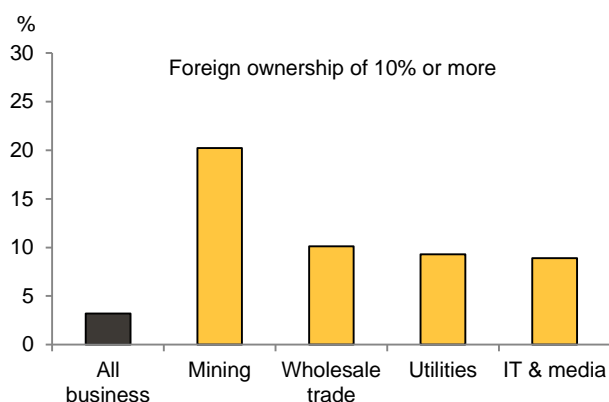


Based on ABS catalogue 5352.0.

- The *Mining* industry comprised the largest share of the stock of Australia's direct investment abroad in 2013, with \$144.4 billion or 29.2 per cent of Australia's total direct investment abroad.
- Other major industries for Australia's direct investment abroad include *Finance & insurance* (\$140.4 billion or 28.4 per cent), and *Manufacturing* (\$66.8 billion or 13.5 per cent).
- Refer to **Table 22** for further information.

## Australian businesses with foreign ownership, 2013

### Proportion of Australian businesses with foreign ownership, by selected industry



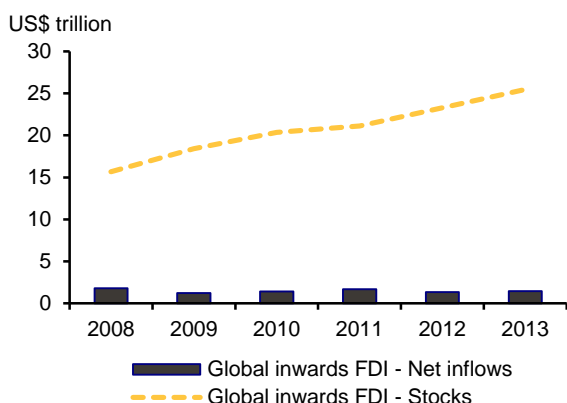
Based on ABS catalogue 8167.0.

- Foreign ownership of Australian equity accounted for 30.4 per cent of total Australian equity stock in 2013.
- Australian business with foreign ownership over 10 per cent accounted for 3.2 per cent of total business at end June 2013
  - with 2.6 per cent of businesses with foreign ownership over 50 per cent.
- The *Mining* industry had the highest proportion of foreign ownership at end June 2013, with 20.2 per cent of mining businesses having foreign ownership of greater than 10 per cent.
- At end June 2013, 10.1 per cent of businesses in the *Wholesale trade* industry had foreign ownership of greater than 10 per cent.
- Only 2.9 per cent of *Agriculture* businesses had foreign ownership greater than 50 per cent.
- Refer to **Tables 11 & 12** for further information.

<sup>6</sup> AIA by industry represents the main industry of the company operations in Australia, not the industry of the affiliate abroad.

## International direct investment – global overview, 2013<sup>7</sup>

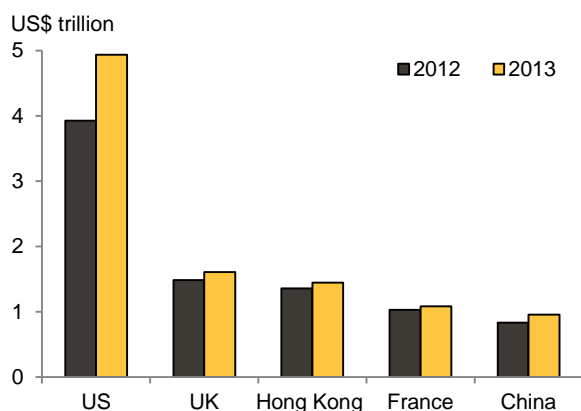
### Global inwards foreign direct investment



Source: UNCTADstat database.

- The stock of inwards world foreign direct investment in 2013 was valued at US\$25.5 trillion, an increase of 9.3 per cent or US\$2.2 trillion over 2012 levels.
- Net inflows of global foreign direct investment in 2013 were valued at US\$1.5 trillion, an increase of 9.1 per cent on net inflows of US\$1.3 trillion in 2012
  - Australia accounted for 3.4 per cent of global net inflows in 2013, down from 4.2 per cent in 2012.
- Refer to **Table 14** for further information.

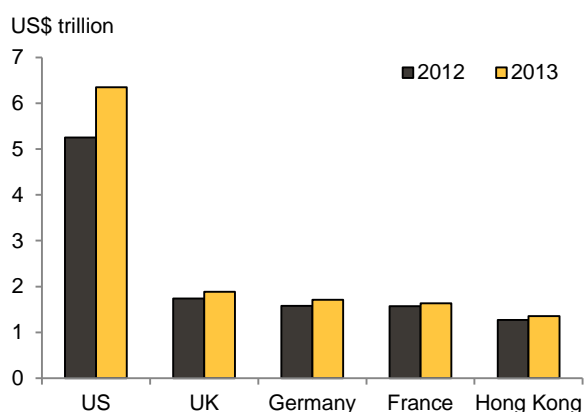
### Global inwards foreign direct investment stock by country



Source: UNCTADstat database.

- The United States is the largest destination for global foreign direct investment with stocks in 2013 valued at US\$4.9 trillion
  - triple the next largest investment destination (United Kingdom with US\$1.6 trillion).
- In 2013 Australia ranked as the world's 14th largest destination for foreign direct investment
  - accounting for 2.3 per cent of global foreign direct investment stock.
- Refer to **Table 14** for further information.

### Global outwards foreign direct investment stock by country



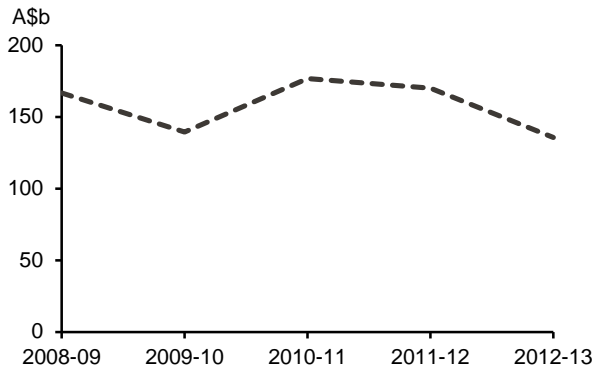
Source: UNCTADstat database.

- The United States is also the world's largest source of global foreign direct investment with stocks in 2013 of US\$6.4 trillion
  - triple the next largest investment source (the United Kingdom with US\$1.9 trillion).
- In 2013 Australia ranked as the world's 18<sup>th</sup> largest source of global foreign direct investment.
- Refer to **Table 15** for further information.

<sup>7</sup> Note that foreign investment data available through organisations such as the United Nations Committee for Trade and Development (UNCTAD) is limited to *direct* investment only.

# Foreign Investment Review Board, 2012-13

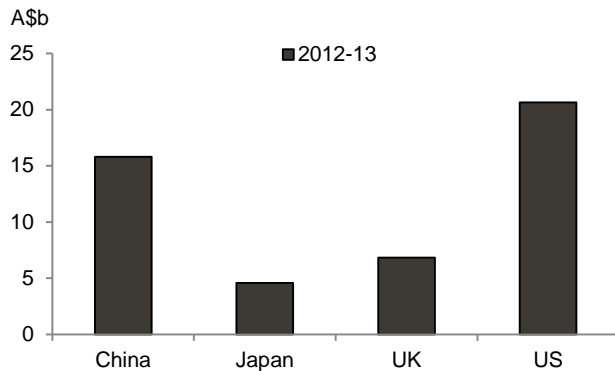
## FIRB approval statistics



Source: FIRB annual reports.

- Foreign investment Review Board (FIRB) data and ABS international investment data capture different aspects of foreign investment in Australia.
- FIRB data only captures *proposed* new investments (gross inflows) which fall above specified thresholds
  - **FIRB data does not show actual flows or stocks of FIA.**
- FIRB approved \$135.7 billion of proposed investment in 2012-13, down from \$170.0 billion in 2011-12.
- Refer to **Section 5** for further information.

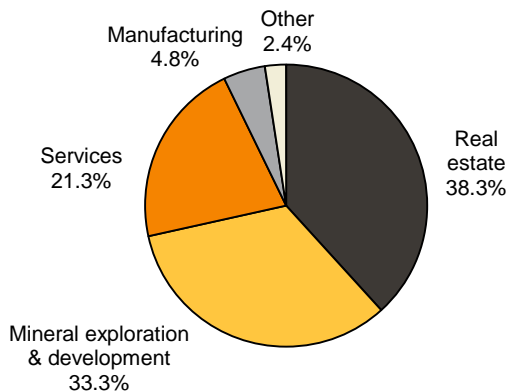
## FIRB approvals for proposed investment in Australia by country



Source: FIRB annual report.

- The United States, Australia's largest source of foreign investment in Australia, had \$20.6 billion of approved investment in 2012-13. The United Kingdom had approved investment of \$6.9 billion, and Japan with \$4.6 billion.
- China had approved investment of \$15.8 billion in 2012-13.
- Refer to **Section 5** for further information.

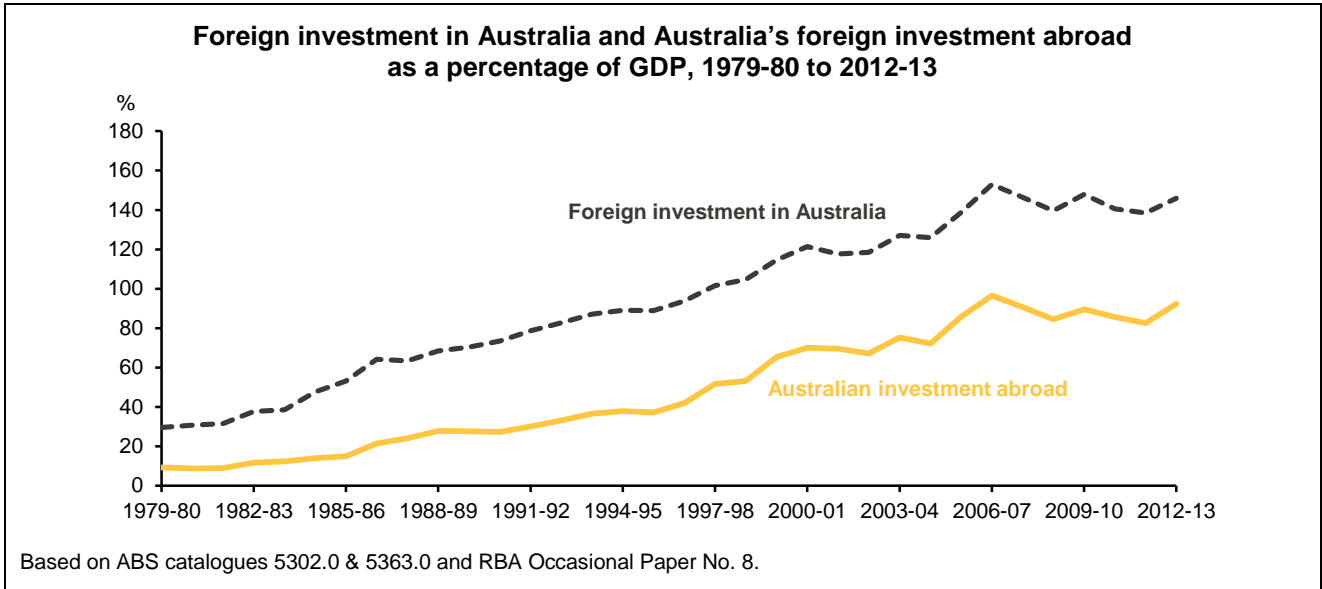
## FIRB approvals for proposed investment in Australia by industry sector



Source: FIRB annual report.

- The largest sector for FIRB approved investment was *Real estate* with \$51.9 billion approved in 2012-13 followed by *Mineral exploration & development* with \$45.1 billion approved and *Other services* (excluding *Tourism* and *Finance & insurance services*) with \$25.9 billion approved.
- Refer to **Section 5** for further information.

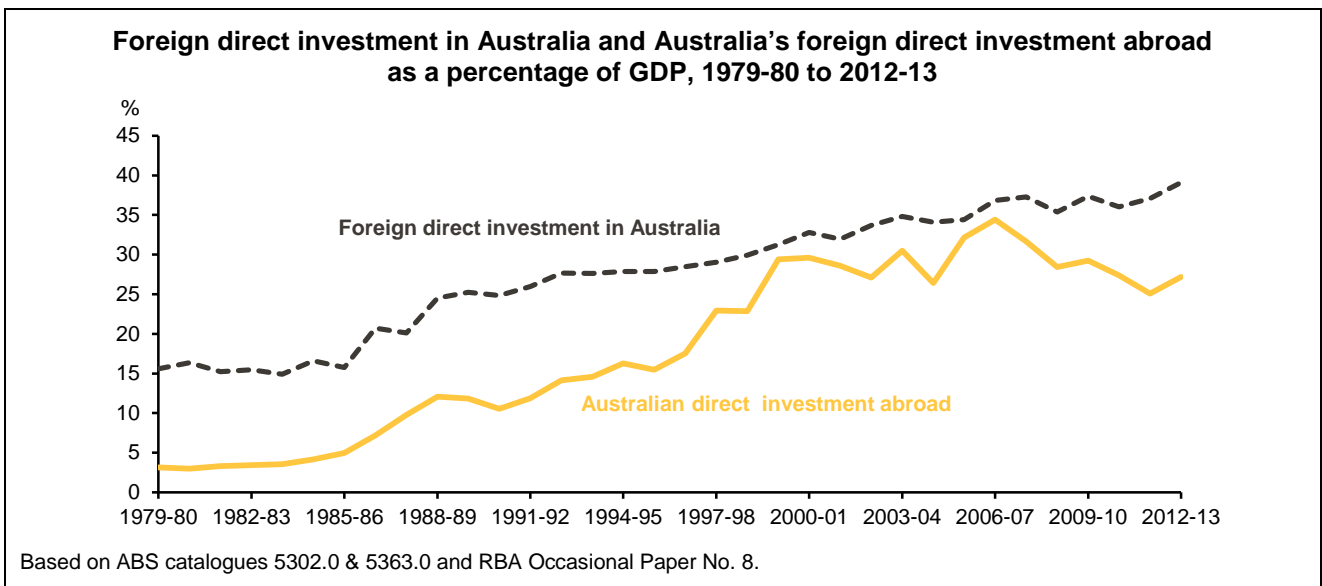
## Box B Australia's foreign investment – historical overview



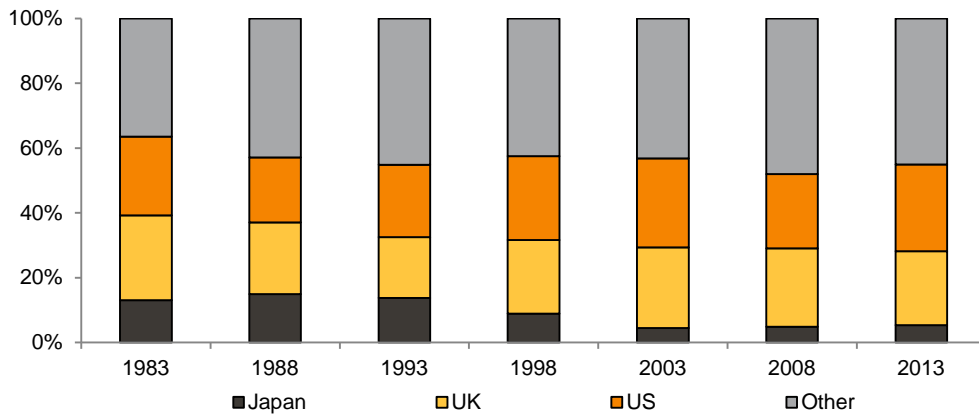
Prior to the 1980s Australia's international investment stocks (inwards and outwards) broadly changed in line with changes in the country's GDP. Hence the ratio of stocks to GDP stayed fairly constant. From the early 80s however, both foreign investment in Australia and Australian investment abroad rose at considerably stronger rates than the rate of GDP growth, for a period of 25 years, before levelling off around the time of the GFC. Between 1979-80 and 2006-07:

- the level of foreign investment in Australia rose from 30 per cent of GDP to over 150 per cent
- the level of Australian investment abroad rose from 10 per cent of GDP to nearly 100 per cent.

The level of foreign *direct* investment in Australia rose from around 15 per cent of GDP to more than 35 per cent, and it has achieved higher levels post GFC than any time before the crisis. The level of Australian *direct* investment abroad rose from less than 5 per cent of GDP in 1979-80 to 34.4 per cent in 2006-07. However it eased following the GFC, not showing a clear sign of recovery until 2012-13.



**Share of foreign investment in Australia by major source countries, 1983 to 2013**

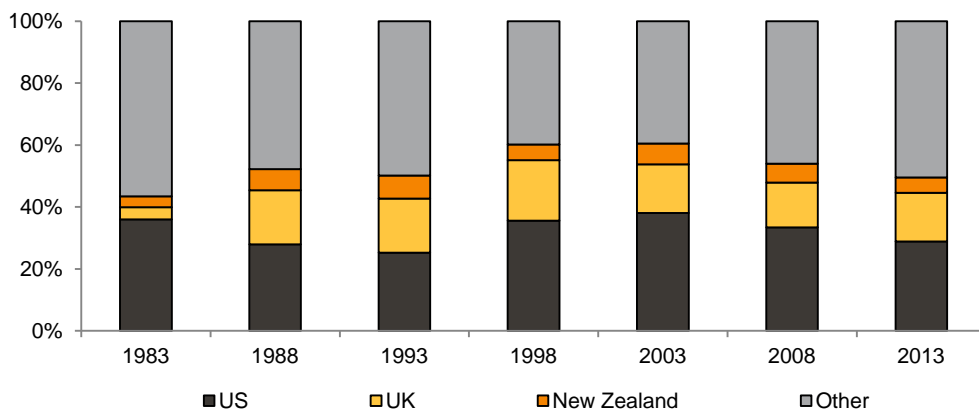


Based on ABS catalogue 5352.0.

Foreign investment in Australia has been dominated by three countries: the United States, the United Kingdom and Japan. In 2013 these three countries accounted for over 55 per cent of all foreign investment in Australia. Over the 30 years from 1983 to 2013, at no time did their combined holdings ever fall below 50 per cent, although it did fall from the highs of the early 1980s, where the three countries accounted for about two thirds of all foreign held investment in Australia.

Of the three, the United States was the only country to increase its share of foreign investment between 1983 and 2013 – rising marginally from 24.3 per cent in 1983 to 26.7 per cent in 2013. The shares of the United Kingdom (down 4 percentage points) and Japan (down 8 percentage points) were both lower in 2013 relative to 1983.

**Share of Australian investment abroad by major destination countries, 1983 to 2013**



Based on ABS catalogue 5352.0.

Australian investment abroad, similar to foreign investment in Australia, has been dominated over the last three decades by a few key countries: the United States, the United Kingdom and New Zealand (the top destination countries since 1986<sup>8</sup>). From 1983 to 2013 the share of Australian investment abroad held in these countries rose from 43.4 per cent in 1983 to 49.5 per cent in 2013 (after going as high as 65.2 per cent in 2000).

All three countries increased their individual shares of Australian investment between 1983 and 2013 with the United Kingdom being the standout. In 1983 the United Kingdom accounted for 3.9 per cent of Australian investment abroad. By 1998 this had risen to nearly 20 per cent and in 2013, although lower than the highs of the 1990s, it still accounted for more than quadruple (15.7 per cent) its share in 1983.

<sup>8</sup> Although this analysis focusses on these three major investment destinations, other countries have also been significant in the rankings. In the 1980's Singapore and PNG were important destinations, before being overtaken by New Zealand and Japan. Japan was ranked 3<sup>rd</sup> ahead of New Zealand in the late 1990's. Germany and Canada have increased in importance in recent years, pushing Japan out of the top 5 in 2009.

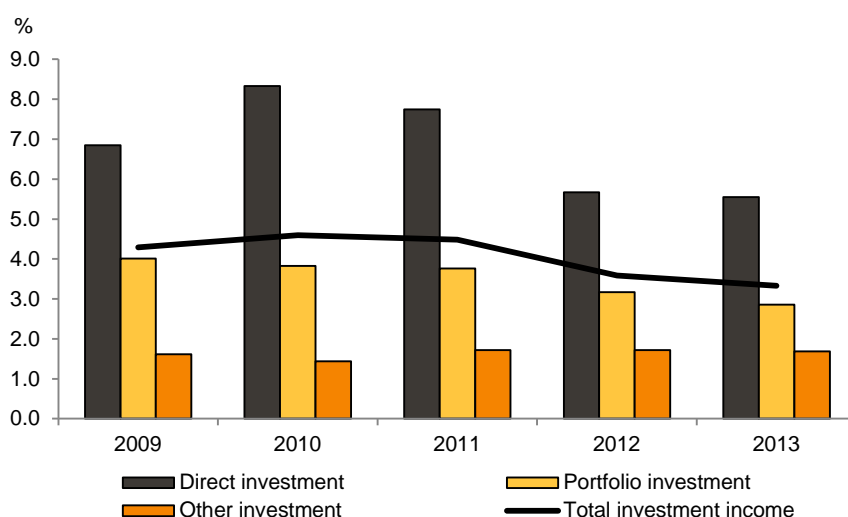
## Box C

### Analysis of income return on foreign investment

Rates of income returns on foreign investment are a useful measure of the relative investment returns on Australia's investment abroad and foreign investment in Australia. Income returns can be calculated as the percentage of income (flows) over investment (stocks) for each year, using the data in **Table 1** of the publication.

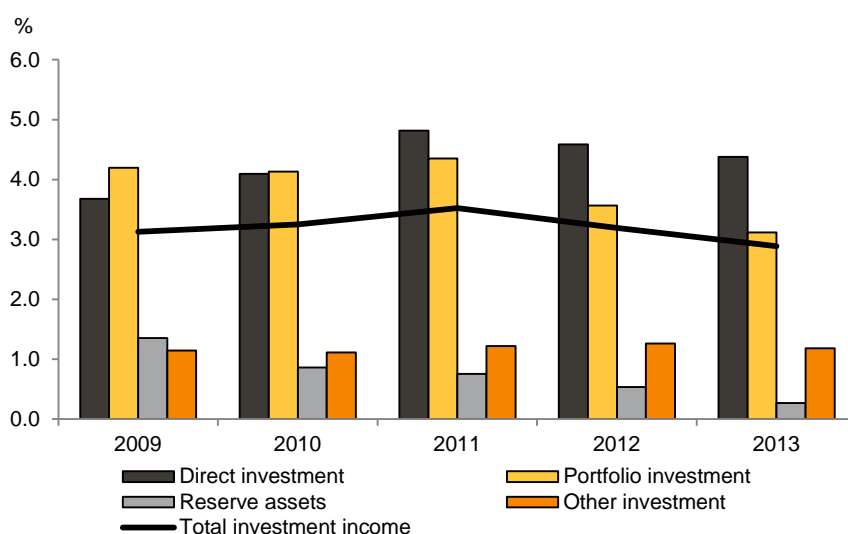
Please note that *income returns*, although useful, should not be considered as a full indication of actual or potential *return on investment* as capital gains and other valuation changes are not reflected. For example, some investments may have relatively low or negative income flows but high capital gains.

**Rates of income return on foreign investment in Australia, by category of investment**



Based on ABS catalogue 5352.0.

**Rates of income return on Australia's investment abroad, by category of investment**

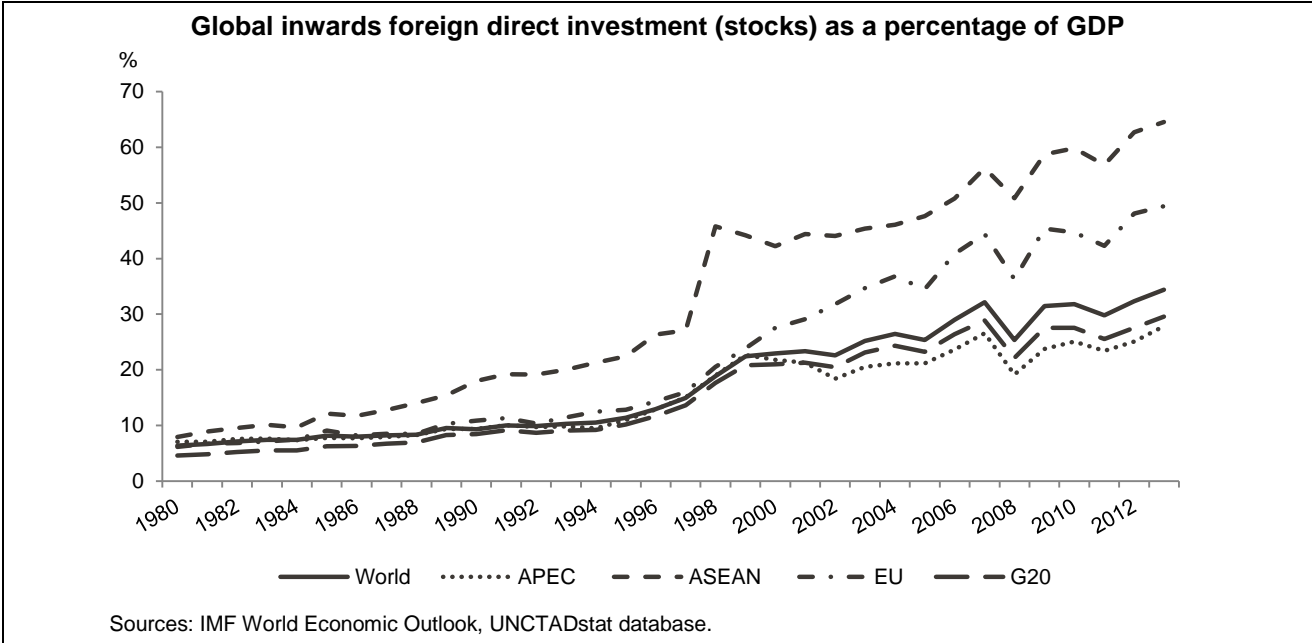


Based on ABS catalogue 5352.0.

Direct investment has consistently shown the highest income returns over 2009 to 2013 for both Australia's investment abroad and foreign investment in Australia. Income returns on the stock of foreign direct investment in Australia were 5.5 per cent in 2013, down from 6.9 per cent in 2009. Income returns on the stock of Australia's direct investment abroad were 4.4 per cent in 2013, up from 3.7 per cent in 2009, but still below pre-GFC levels.

## Box D

### Global international investment – historical overview

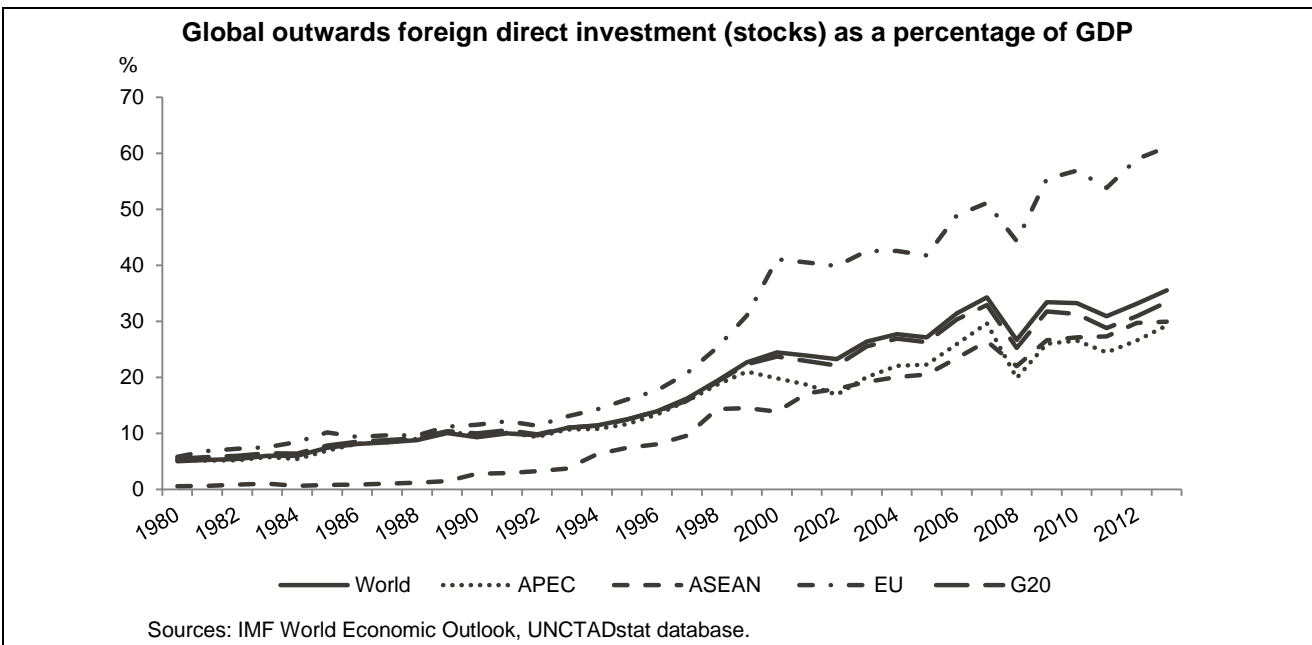


World inwards foreign direct investment as a proportion of GDP was 6.4 per cent in 1980, and increased slowly through to the mid-1990s. It has since grown strongly, increasing from 11.4 per cent in 1995 to a high of 32.1 per cent in 2007. The impact of the GFC saw a decline to 25.4 per cent in 2008, increasing to a high of 34.4 per cent in 2013.

APEC, EU, and G20 inwards foreign direct investment has tracked pretty closely with the overall global growth through the time series, although the EU has shown stronger growth particularly since 1999 compared to the other groups.

ASEAN inwards foreign direct investment has tracked higher than the other groups. The significant increase from 27.1 per cent of GDP in 1997 to 45.8 per cent in 1998 was largely a result of the decline in GDP in the period around the Asian financial crisis.

Significantly, 2013 saw new record highs for inwards foreign direct investment as a proportion of GDP across all country groups.



Outwards foreign direct investment as a proportion of GDP shows a similar pattern to inwards foreign direct investment in the previous chart, with similar impact from the GFC for the respective groups.

World outwards foreign direct investment as a proportion of GDP has grown strongly since the mid-1990s, increasing from 12.5 per cent in 1995 to 34.3 per cent in 2007. The impact of the GFC saw a decline to 26.7 per cent in 2008, increasing to a high of 35.6 per cent in 2013.

APEC, ASEAN, and G20 foreign direct investment abroad has tracked pretty closely with the overall global growth through the time series, although APEC showed a more significant decline in the period from 1999 to 2003.

EU foreign direct investment abroad as a proportion of GDP shows a steeper increase in the period 1994 to 2000, almost tripling from 14.3 per cent in 1994 to 41.1 per cent in 2000, compared to other groups roughly doubling over the same period.

Similar to the pattern for inwards foreign direct investment, 2013 saw new record highs for outwards foreign direct investment as a proportion of GDP across all country groups (with the exception of APEC where 2007 remains the record year).

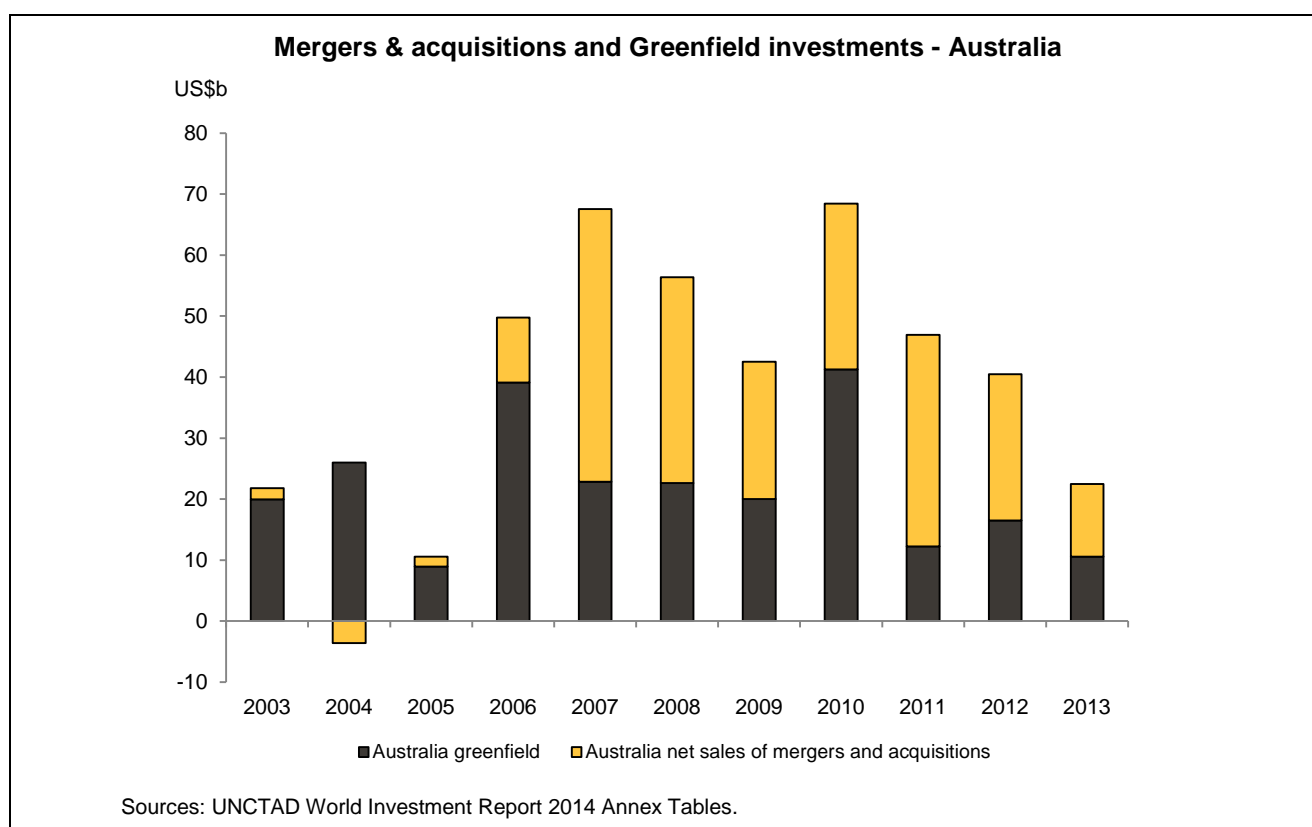
## Box E

### Mergers & acquisitions versus Greenfield investments

Foreign investment mergers & acquisitions occur where an investor acquires ownership in an existing developed entity or asset. The 2014 purchase of a majority share of Australia's Warrnambool Cheese and Butter by Canada's Saputo falls within this category. Data distinguishing these types of investment are published by the United Nations Conference on Trade and Development (UNCTAD) and is measured on a net basis.

Foreign Greenfield investments are where the investment is predominantly aimed at developing capability and production of an existing asset. Examples of Greenfield investments include where a foreign investor buys vacant land for development of a residential complex, and where joint-ventures develop sites with mineral or resources deposits through to production stages (such as the Chevron-led development of LNG reserves off Western Australia).

In general, **Greenfield investments are likely to generate more economic returns to the host country** compared to mergers & acquisitions, in terms of new employment opportunities, additional industry value-added, contribution to GDP, and additional taxation revenue.



Total *Greenfield investment* in Australia was valued at US\$10.6 billion in 2013, down US\$5.9 billion or 36.0 per cent on 2012 (and well below the US\$41.2 billion reported in 2010). The net sales (or transactions) of *cross-border mergers & acquisitions* for Australia was valued at US\$11.9 billion in 2013, down from US\$24.0 billion in 2012.

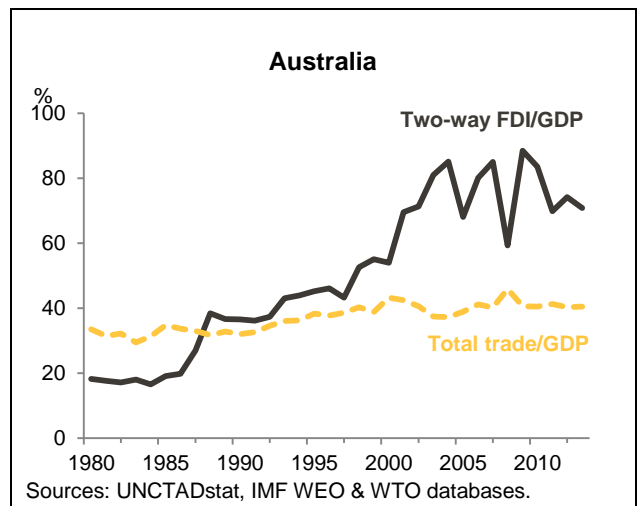
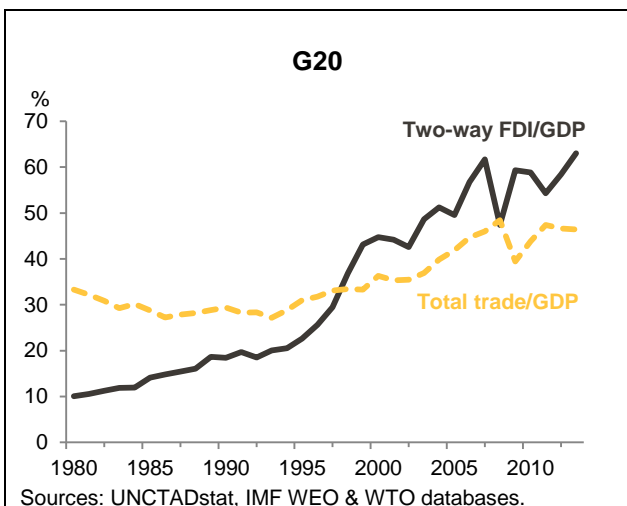
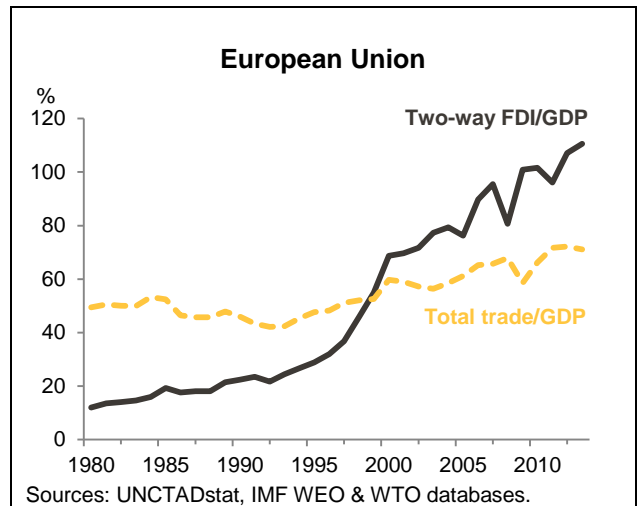
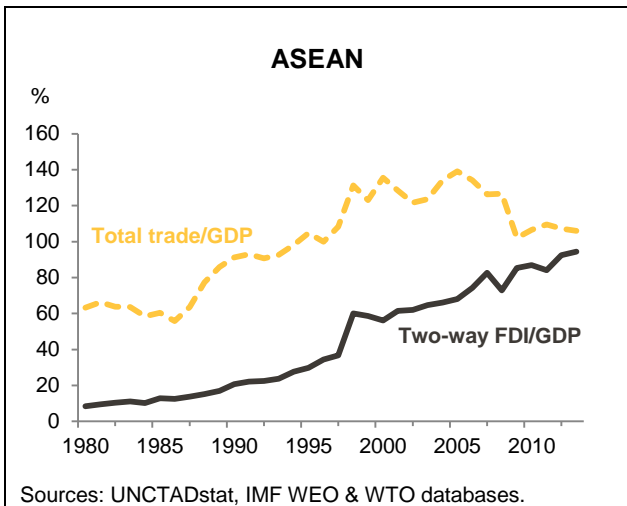
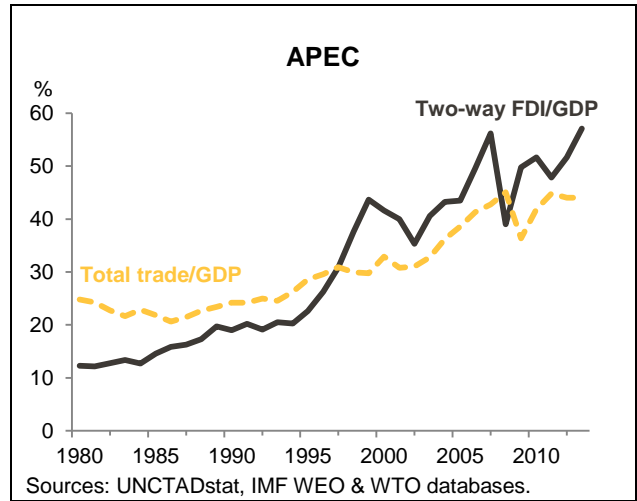
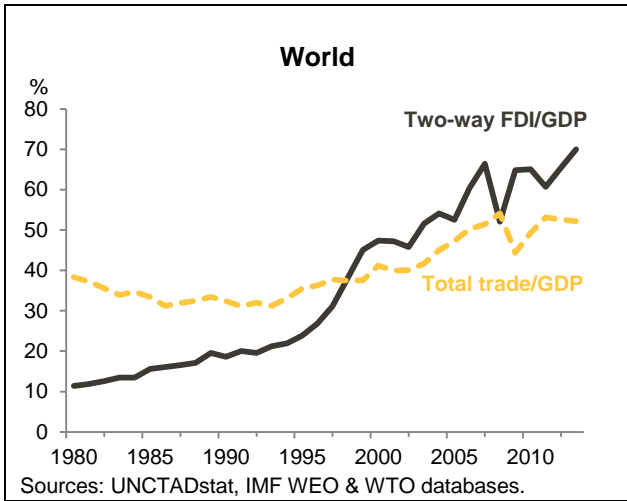
Please note UNCTAD data on the total value of cross border mergers & acquisitions and Greenfield investments (US\$22.5 billion) will not equal UNCTAD data on the value of net inflows of foreign direct investment into Australia (US\$49.8 billion). The data compilation and sources for cross border mergers & acquisitions and Greenfield investments do not exactly match International Monetary Fund (IMF) standards for foreign direct investment statistics. Refer to the World Investment Report methodological notes on the UNCTAD website ([www.unctad.org](http://www.unctad.org)) for further details.

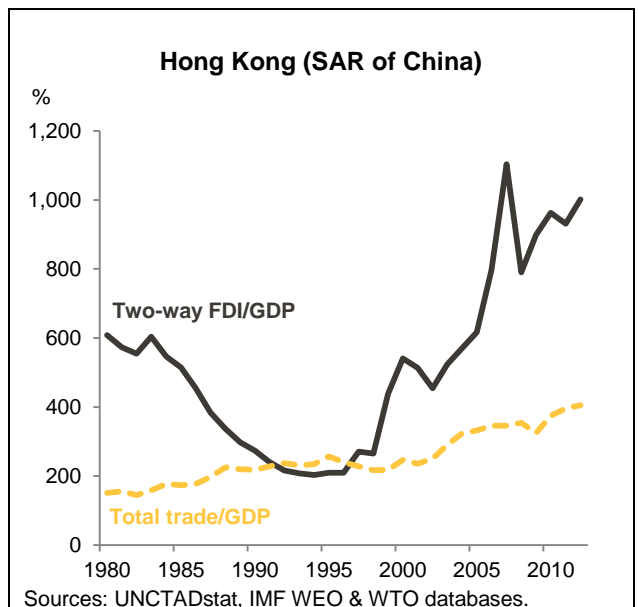
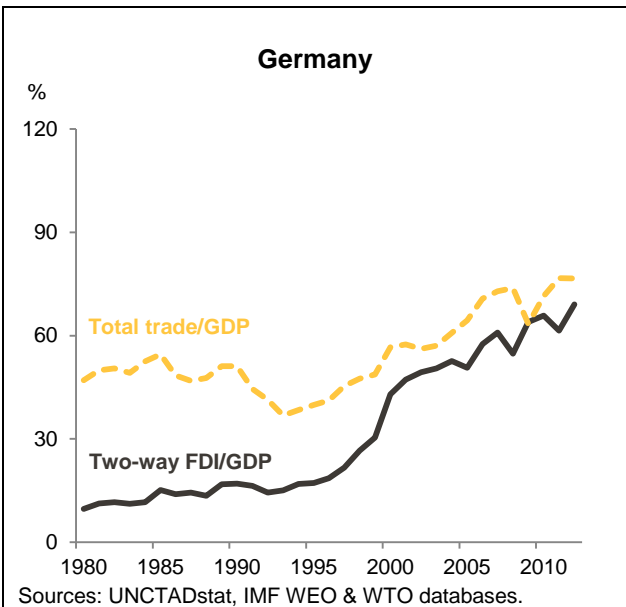
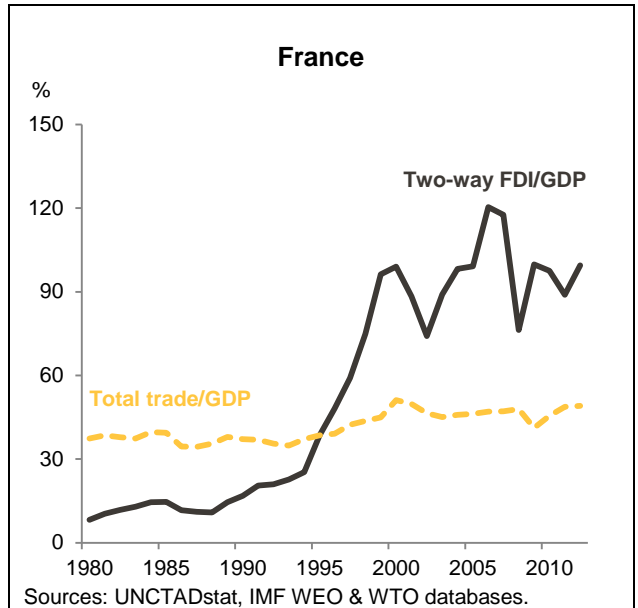
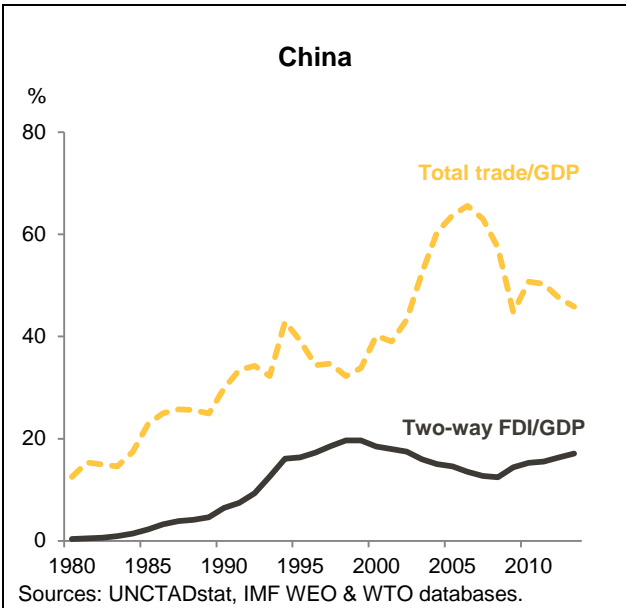
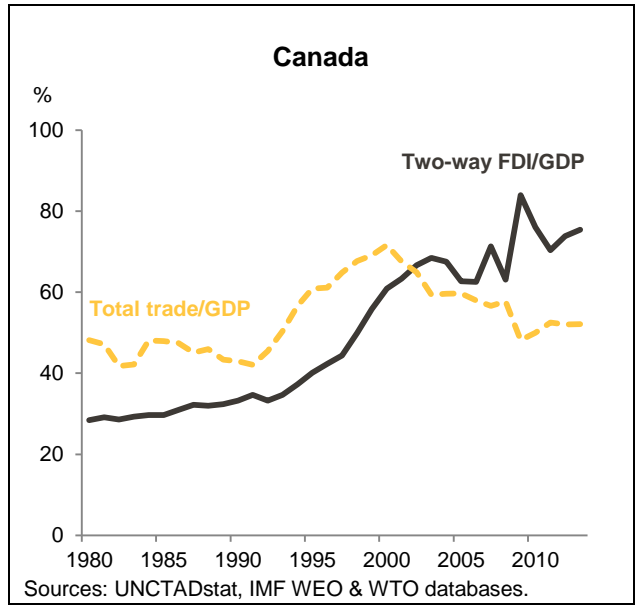
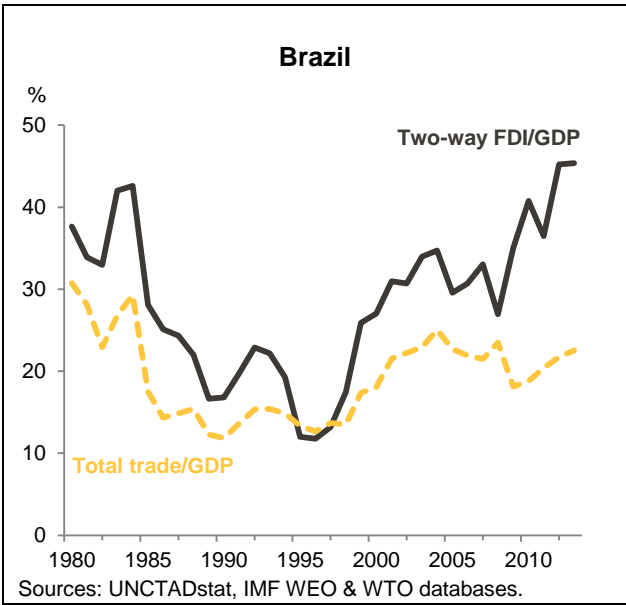
## International trade and investment openness indicators - comparison charts

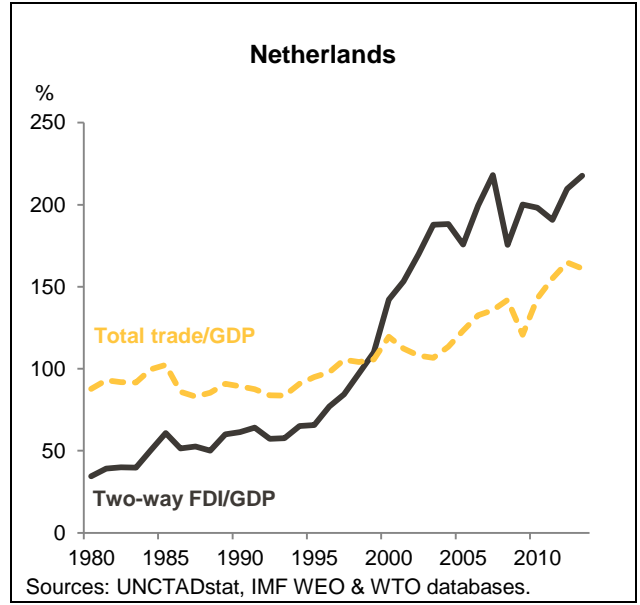
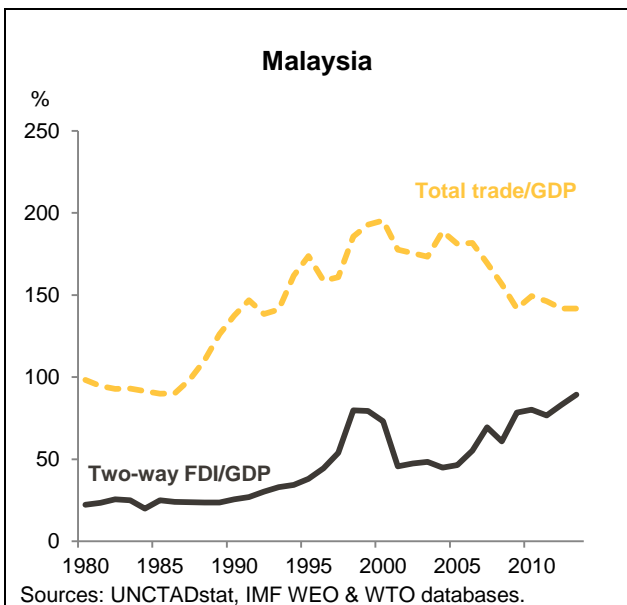
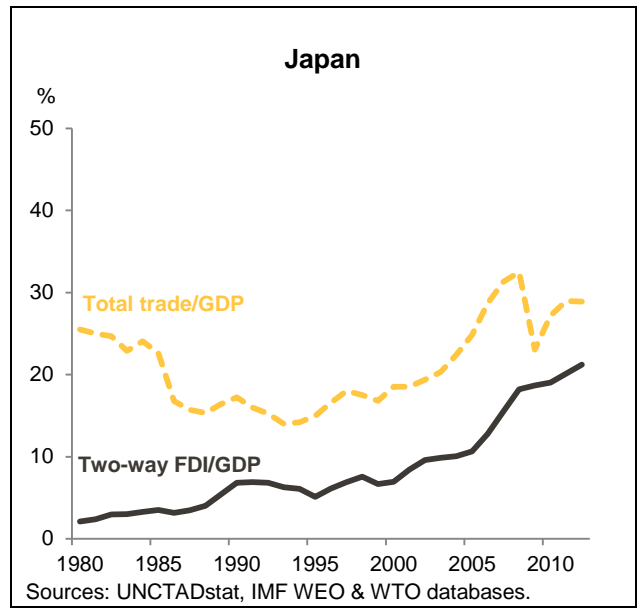
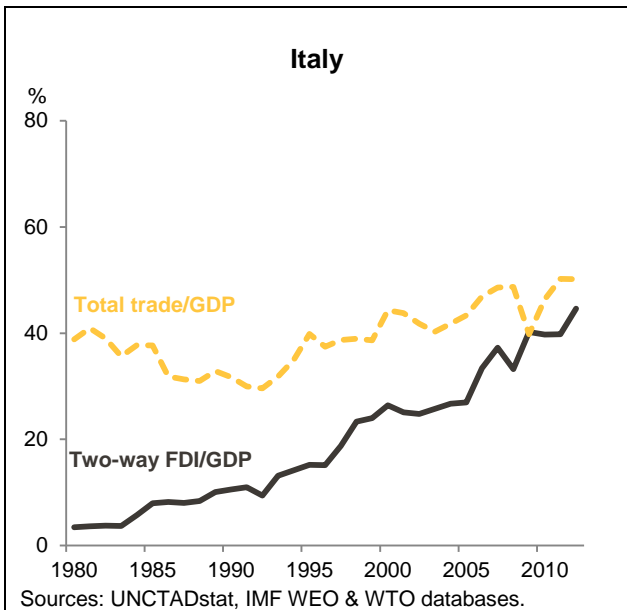
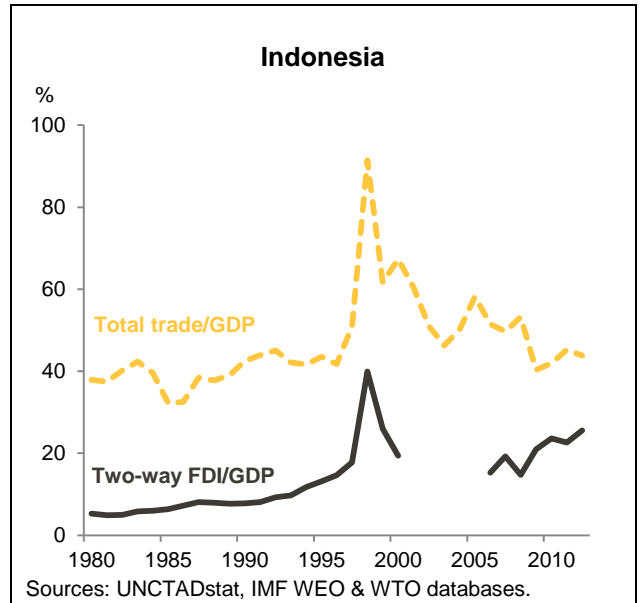
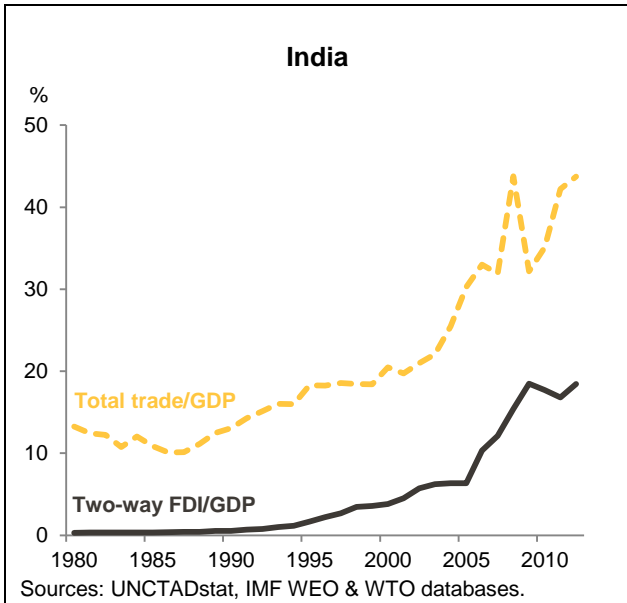
The degree to which countries or economies conduct international trade and investment is a good indicator of the 'international openness' of the country or economy.

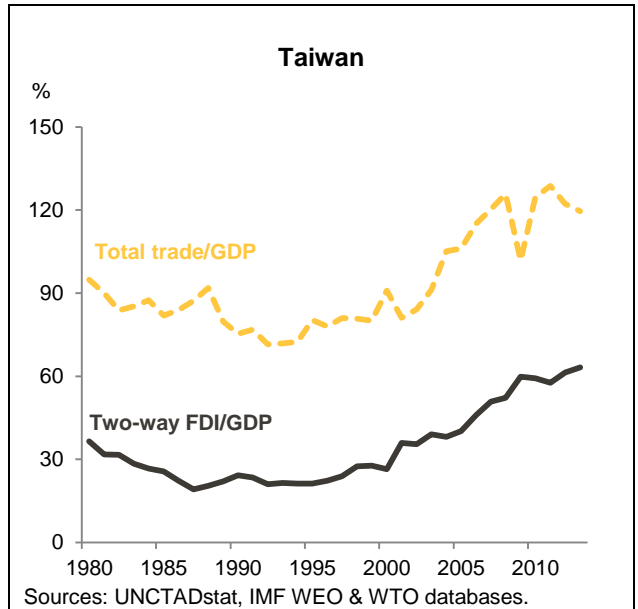
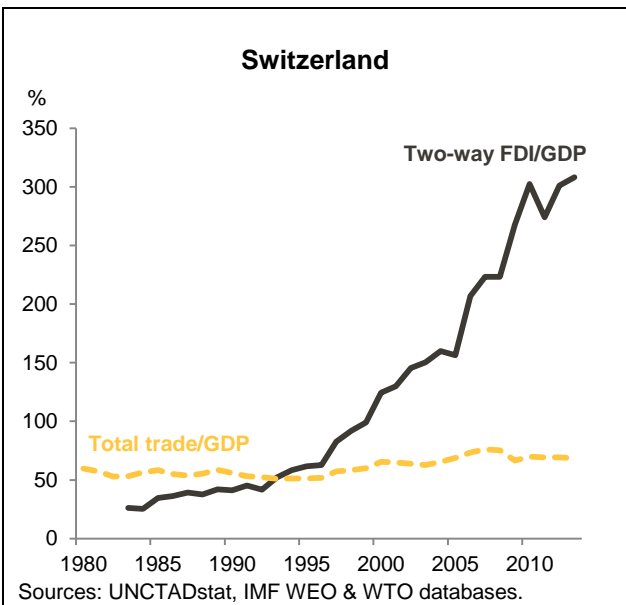
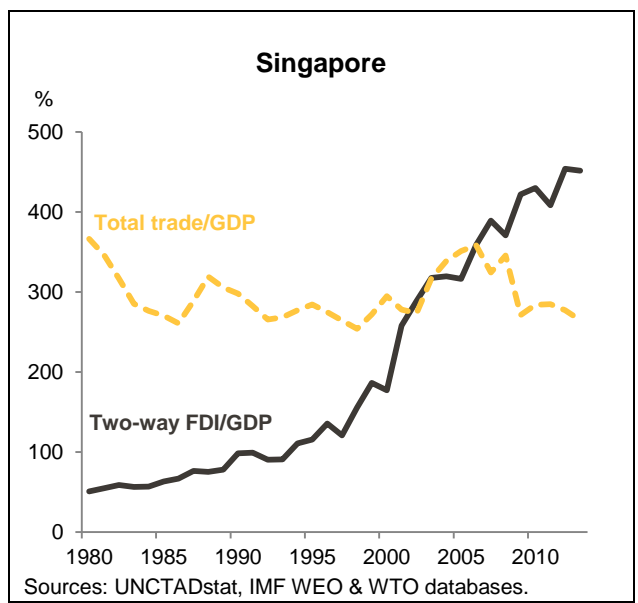
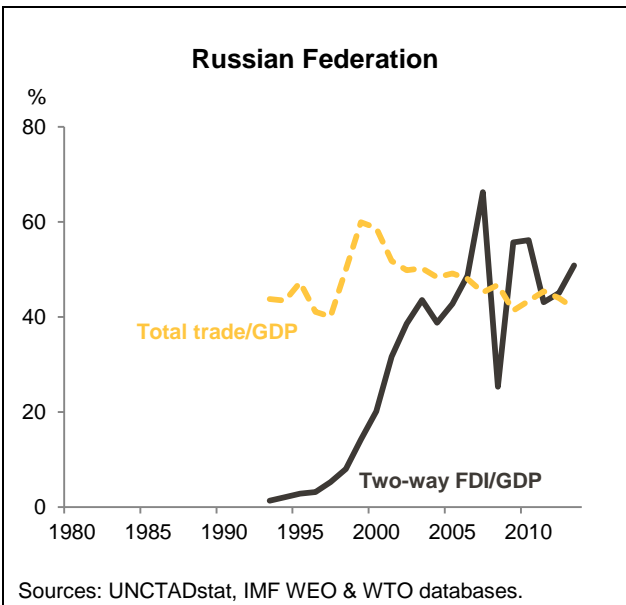
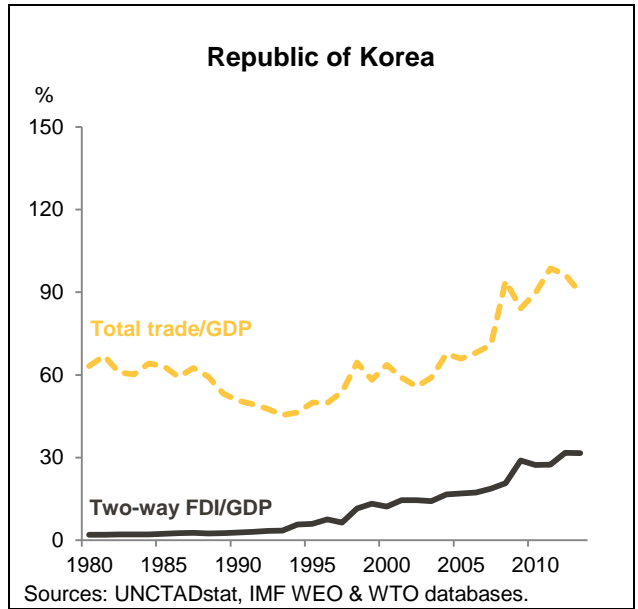
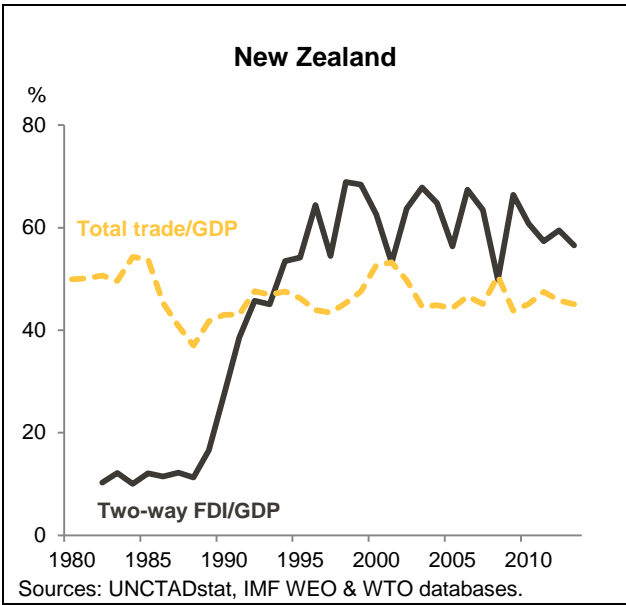
The following charts map two-way foreign direct international investment as a proportion of Gross Domestic Product (GDP) and two-way foreign goods & services trade as a proportion of GDP.

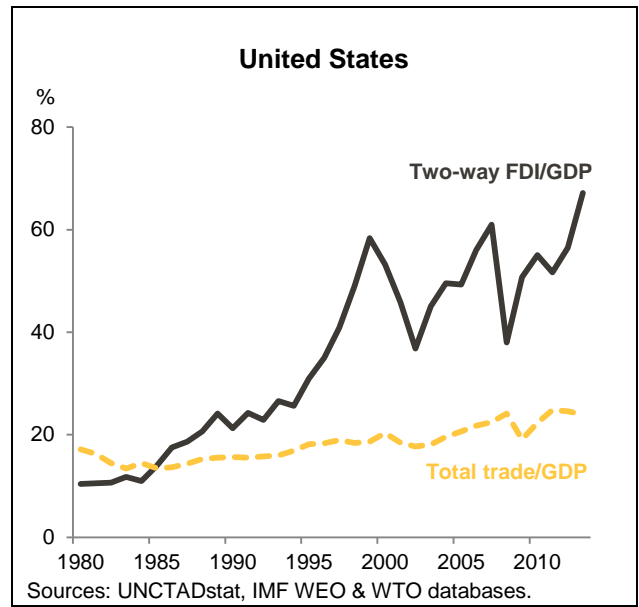
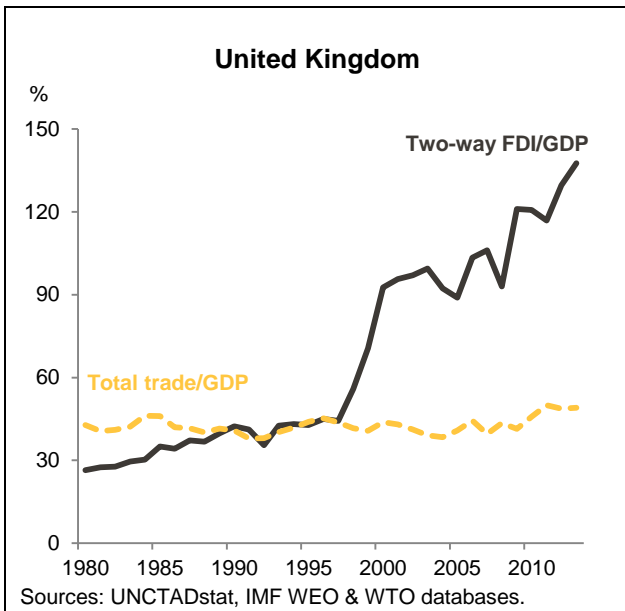
Please note that some charts have incomplete datasets and axis scales are not consistent across the charts.













## **Section 1**

# **Australia's international investment Definitions and concepts**

## Box F

### Australia's international investment position<sup>9</sup>

Australia's **international investment position (IIP)** is a set of statistics closely related to the Balance of Payments. IIP is a balance sheet of the stock of Australian investment abroad (or foreign assets) and foreign investment in Australia (or foreign liabilities).

The IIP may be viewed more broadly as a reconciliation statement showing the levels of Australia's international assets and liabilities at the start and end of the period, and the components of changes within the period (investment injection or withdrawal flows and other changes such as price changes, exchange rate movements and other adjustments).

#### International investment position (stock or level)

The IIP records the **stock** (also called level, or position) of foreign investment in Australia (FIA) or Australian investment abroad (AIA) at a particular date (referred to as the closing position at the end of the reporting period).

#### Capital transactions (or flows)

Capital transactions are measured on a net basis in international investment statistics. **Net capital inflows** are the sum of all new injections of foreign capital (both equity and debt) into Australia minus the withdrawals of existing foreign capital already in Australia over the period. **Net capital outflows** are the sum of all new injections of Australian capital overseas minus the withdrawals of existing Australian capital overseas over the period.

#### Other changes in the position (stock or level)

Changes in the position may also occur due to **Price changes** (such as movements in the stock market), **Exchange rate changes** (appreciation or depreciation of the Australian dollar) and other adjustments (such as the write-off of bad debts).

#### Investment income

**Investment income** refers to the income accruing (or owing) on the stock of financial assets and liabilities during a particular period. Examples of investment income include: dividend payments from shares; interest on loans; and reinvested earnings (profits that are reinvested into the company in the host economy rather than paid back to the investor).

Income earned (**Investment income credits** in Australia's balance of payments statistics) refer to income accruing to Australian residents from the stock of Australian investment abroad.

Income payable (**Investment income debits**) refer to income accruing to non-residents from the foreign investment in Australia.

The following **example** helps explain how the reconciliation statement works in IIP statistics in terms of foreign investment in Australia

In 2011, the opening stock on investment is \$100 as at 1 January 2011. During the 2011 year there is a new foreign capital injection of \$100, while \$50 of existing foreign capital is withdrawn by foreign investors. This results in **Net capital inflows** of \$50 during the year. These are the net capital flows that are recorded by the ABS in its international investment statistics.

However there are other changes that impact on the stock of foreign investment in Australia during 2011. Firstly the value of Australian shares owned by foreigners rises by \$30 during the year, resulting in price changes adding \$30 to stocks. In addition the Australian dollar depreciates during the year, resulting in the stock of investment in Australian bonds rising in value by another \$30 due to exchange rate movements<sup>10</sup>. This results in the **Closing stock of investment** rising \$110 (\$50 due to net capital inflows and \$60 due to all other changes over the period), to be valued at \$210 as at 31 December 2011.

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<sup>9</sup> Please note the wording and concepts used in these boxes has been simplified from the wording and concepts used by the ABS in its international investment statistics (which are based on the International Monetary Fund's *Balance of Payments and International Investment Manual version 6* (BPM6)). This is to assist users with understanding the complex nature of these concepts. See the **Explanatory notes** for more information.

<sup>10</sup> This occurs if debt in Australia is issued in foreign currency terms (say US dollars) rather than in Australian dollars. Equity in Australian companies cannot have exchange rate movements as they are all denominated in Australian dollars.

		2011	2012	2013
<b>Opening stock</b>		\$ 100	210	150
<b>+</b>				
Net capital inflows	<b>Net inflows</b>	\$ 50	-50	100
	<b>=</b>			
	Injections	\$ 100	100	150
	<b>-</b>			
	Withdrawals	\$ 50	150	50
<b>+</b>				
Other changes to the stock during the period	<b>Total</b>	\$ 60	-10	-110
	Price changes	\$ 30	-20	-60
	<b>+</b>			
	Exchange rate changes	\$ 30	10	-50
	<b>+</b>			
	Other adjustments	\$ 0	0	0
<b>=</b>				
<b>Closing stock</b>		\$ 210	150	140
<b>Income payable</b>		\$ 21	15	14

In 2012 you can observe that net capital inflows is a negative number as new injections of capital are outweighed by withdrawals of existing investment.

In 2013, you can observe that it is possible for net inflows to be positive but the value of the stock to fall over the year. This occurs as the falls in price movements and exchange rate changes are equal to negative \$110 which outweighs the \$100 rise in net inflows during the year.

You can also observe from this example that you should never sum net inflows (or net outflows) over a period of time to represent stock of investment. The sum of the net inflows over the 3 years is \$100, while the stock of investment is \$140. Summing net inflows does not take into account any investment before the period being summed (in this case \$100), or movements in the stock due to other changes during the period (in this case negative \$60)<sup>11</sup>.

<sup>11</sup> Some statistical organisations do sum net flows to represent stocks of investment. This is mainly due to the fact that information on other changes is not readily available. This is referred to as investment stock on a historical cost basis, rather than investment on a market value basis as published by the ABS.

## **Box G**

### **What is direct investment?**

In simple terms, direct investment is where an investor acquires or holds 10 per cent or more ownership in a business or other asset. By holding 10 per cent or more of the shares or equity in the business, the direct investor is deemed to exercise a significant degree of influence in its management.

In Australia's international investment statistics, data on foreign direct investment (FDI) in Australia records where individuals or businesses outside Australia hold 10% or more ownership in an Australian business or other asset.

Similarly data on Australia's foreign direct investment abroad records where Australian individuals or businesses hold 10% or more ownership in a foreign business or asset.

Direct investment can take different forms:

- branches (i.e. fully owned by the direct investor);
- subsidiaries (at least 50 per cent owned by the direct investor); and
- associates (where between 10 per cent and 50 per cent owned by the direct investor).

Direct investment normally signifies the investor is not just interested in maximising short-term profits but is interested in the long-term profitability of the entire enterprise group (e.g. multinational companies). This type of investment can be politically and economically sensitive in the host country so many countries have a review process (such as the Foreign Investment Review Board in Australia) to safeguard national interests.

Direct investment comprises around one-third of Australia's total investment abroad, and around one-quarter of all foreign investment in Australia.

#### **Example of direct investment in Australia**

In January 2014 Canadian firm Saputo, one of the world's largest dairy producers, was successful in acquiring a majority holding in Warrnambool Cheese and Butter. The takeover struggle endured for several months, with Japanese firm Lion and Australia's Murray Goulburn and Bega also interested in the Victorian producer.

## Box H

### What other forms of foreign investment are there?

Total foreign investment comprises **direct** investment, as well as portfolio investment, financial derivatives, other investment and reserve assets.

**Portfolio investment** consists of equity (shares) and debt securities (bonds, bills, money market instruments) not above the 10 per cent ownership threshold for direct investment:

- portfolio investment indicates investment in a business or asset where the investor has no appreciable say in the operation of the business or asset; and
- superannuation funds and financial institutions are major portfolio investors, spreading their investments across a portfolio of assets in international markets to maximise returns and balance investment risks on behalf of their members and investors (i.e. 'not having all their eggs in one basket').

**Financial derivatives** are financial instruments that are linked to a specific financial instrument, indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. Financial derivatives enable parties to trade specific financial risks (such as interest rate risk, currency, equity and commodity price risk, credit risk, etc.) to other entities who are more willing or better suited, to take or manage these risks.

**Other investment** is the residual category and captures all other types of investment (excluding reserve assets) such as currency and deposits, loans, trade credit and accounts payable and receivable.

**Reserve assets** (only recorded for Australian investment abroad) are the financial assets effectively controlled by the Reserve Bank of Australia.

Indirect investment comprises around two-thirds of Australia's total investment abroad, and around three-quarters of all foreign investment in Australia.

See the ***Explanatory notes*** for more information.

#### **Example of Australia's portfolio investment abroad**

*Australian Super*, a well-known Australian superannuation fund, purchases stocks across a range of companies listed on the New York Stock Exchange.

## **Box I**

### **How are Australia's foreign investment statistics compiled?**

The Australian Bureau of Statistics (ABS) compiles data on international investment in Australia and Australia's investment abroad.

The statistics are compiled according to the International Monetary Fund (IMF) *Balance of Payments and International Investment Position Manual, sixth edition* (BPM6), which provides the international standard to ensure all countries compile the data in a consistent manner to enhance accuracy and international comparisons.

The ABS' Survey of International Investment is a quarterly ABS survey which collects information about investment activity in to and out of Australia and levels of investment. This survey data is supplemented by modelled data for specific aspects of international investment data.

The time of recording of transactions in the international investment statistics is, in principle, the time of change of ownership.

The valuation of the investment in Australian international investment statistics is based on the market value of the asset or liability at the current point in time. Market valuation can be considerably different to a historical valuation basis (as used by the United States).

For example a share when issued on the Australian stock market is worth \$1 in year one. Five years later the market value of that share is worth \$30 on the Australian stock market. On a market valuation basis the share would be valued at \$1 in year one rising to \$30 in year five. On a historical cost basis the share would be valued at just \$1 in both year one as well as year five.

The Foreign Investment Review Board also collects statistics on the number and value of approved investment into Australia (see Section 5 for more detail).

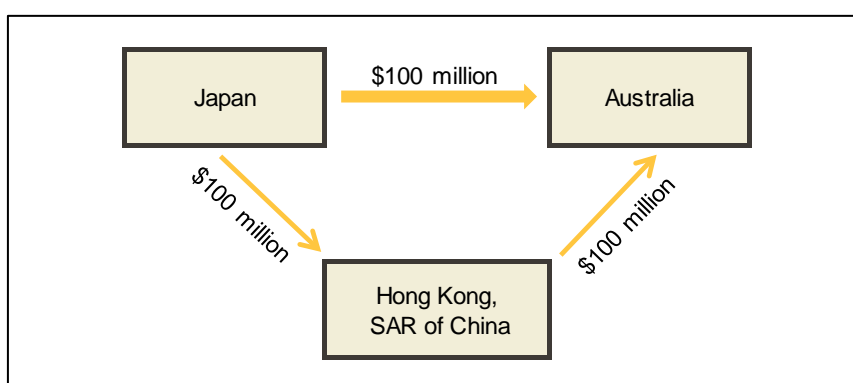
## Box J

### Third party countries and investment centres

Care should be exercised in interpreting world investment data as the investment data reflects the country of the immediate investor, rather than the country of the ultimate owner or investor. Many international investments are made through financial intermediaries, holding companies or investment managers which are often incorporated in third-party countries.

There are a number of countries which have become hubs as financial intermediaries and investment centres for global clientele. Examples include the British Virgin Islands and the Cayman Islands in the Caribbean, Hong Kong and Singapore in Asia, and to a lesser extent Switzerland and Luxembourg in Europe. In some cases these centres are the result of preferential tax arrangements.

The following diagram shows two cases of Australian international investment and how they are treated in ABS investment statistics. Case one looks at investment that is sourced directly from the country of origin (in this case Japan) and case two which looks at Japan's investment in Australia but via a third party country (in this case Hong Kong)



In the first case the ABS would record foreign investment in Australia from Japan to the value of \$100 million, while Japanese investment statistics would record Japanese investment abroad to Australia valued at \$100 million.

In the second case of the investment going through a third party country (in this case Hong Kong), the ABS would record foreign investment in Australia from Hong Kong to the value of \$100 million while Japanese investment statistics would record Japanese investment abroad to Hong Kong valued at \$100 million. Hong Kong investment statistics would record both foreign investment from Japan valued at \$100 million and Hong Kong investment abroad to Australia valued at \$100 million.



## **Section 2**

# **Australia's international investment summary tables**

**TABLE 1: AUSTRALIA'S INVESTMENT FLOWS, STOCKS AND INCOME**  
(A\$ million)

	2009	2010	2011	2012	2013	% change \$ change	
						2012 to 2013	2012 to 2013
<b>Investment flows</b>							
<b>Foreign investment in Australia</b>							
<b>Direct investment</b>	<b>40,603</b>	<b>41,051</b>	<b>57,932</b>	<b>55,596</b>	<b>52,667</b>	<b>-5.3</b>	<b>-2,929</b>
Equity	38,149	38,951	47,342	33,583	28,587	-14.9	-4,996
Other	2,454	2,101	10,589	22,013	24,081	9.4	2,068
<b>Portfolio investment</b>	<b>183,042</b>	<b>124,098</b>	<b>71,782</b>	<b>55,451</b>	<b>81,593</b>	<b>47.1</b>	<b>26,142</b>
Equity	45,932	11,450	-2,861	14,813	15,099	1.9	286
Debt	137,109	112,647	74,643	40,638	66,494	63.6	25,856
<b>Other investment (a)</b>	<b>-83,142</b>	<b>-64,294</b>	<b>-47,070</b>	<b>-18,839</b>	<b>-42,928</b>	<b>127.9</b>	<b>-24,089</b>
<b>Total investment</b>	<b>140,502</b>	<b>100,855</b>	<b>82,644</b>	<b>92,208</b>	<b>91,333</b>	<b>-0.9</b>	<b>-875</b>
<b>Australian investment abroad</b>							
<b>Direct investment</b>	<b>21,039</b>	<b>23,400</b>	<b>3,150</b>	<b>7,977</b>	<b>7,647</b>	<b>-4.1</b>	<b>-330</b>
Equity	5,894	18,176	2,384	5,054	13,371	164.6	8,317
Other	15,145	5,224	766	2,923	-5,724	-295.8	-8,647
<b>Portfolio investment</b>	<b>83,463</b>	<b>49,285</b>	<b>39,976</b>	<b>41,773</b>	<b>32,541</b>	<b>-22.1</b>	<b>-9,232</b>
Equity	44,274	20,263	27,607	14,914	19,049	27.7	4,135
Debt	39,189	29,022	12,369	26,859	13,492	-49.8	-13,367
<b>Reserve assets</b>	<b>11,855</b>	<b>350</b>	<b>3,935</b>	<b>2,271</b>	<b>5,815</b>	<b>156.1</b>	<b>3,544</b>
<b>Other investment (a)</b>	<b>-34,313</b>	<b>-18,624</b>	<b>-3,452</b>	<b>-22,382</b>	<b>-833</b>	<b>..</b>	<b>21,549</b>
<b>Total investment</b>	<b>82,044</b>	<b>54,412</b>	<b>43,609</b>	<b>29,638</b>	<b>45,171</b>	<b>52.4</b>	<b>15,533</b>
<b>Stock at the end of the period</b>							
<b>Foreign investment in Australia</b>							
<b>Direct investment</b>	<b>489,894</b>	<b>519,706</b>	<b>549,390</b>	<b>591,341</b>	<b>629,941</b>	<b>6.5</b>	<b>38,600</b>
Equity	380,849	411,353	430,821	451,539	457,685	1.4	6,146
Other	109,045	108,353	118,569	139,802	172,256	23.2	32,454
<b>Portfolio investment</b>	<b>1,107,789</b>	<b>1,157,554</b>	<b>1,168,878</b>	<b>1,238,330</b>	<b>1,380,359</b>	<b>11.5</b>	<b>142,029</b>
Equity	375,352	388,717	314,900	358,360	410,798	14.6	52,438
Debt	732,437	768,836	853,978	879,970	969,562	10.2	89,592
<b>Other investment (a)</b>	<b>353,391</b>	<b>333,214</b>	<b>344,010</b>	<b>382,835</b>	<b>451,698</b>	<b>18.0</b>	<b>68,863</b>
<b>Total investment</b>	<b>1,951,073</b>	<b>2,010,473</b>	<b>2,062,278</b>	<b>2,212,506</b>	<b>2,461,998</b>	<b>11.3</b>	<b>249,492</b>
<b>Australian investment abroad</b>							
<b>Direct investment</b>	<b>406,435</b>	<b>439,529</b>	<b>405,036</b>	<b>445,039</b>	<b>494,844</b>	<b>11.2</b>	<b>49,805</b>
Equity	381,118	411,937	376,958	413,336	467,456	13.1	54,120
Other	25,316	27,592	28,078	31,703	27,389	-13.6	-4,314
<b>Portfolio investment</b>	<b>438,015</b>	<b>469,578</b>	<b>470,564</b>	<b>533,793</b>	<b>648,523</b>	<b>21.5</b>	<b>114,730</b>
Equity	272,968	284,446	285,965	322,663	422,515	30.9	99,852
Debt	165,047	185,132	184,598	211,130	226,008	7.0	14,878
<b>Reserve assets</b>	<b>46,517</b>	<b>41,591</b>	<b>46,085</b>	<b>47,306</b>	<b>59,485</b>	<b>25.7</b>	<b>12,179</b>
<b>Other investment (a)</b>	<b>307,400</b>	<b>320,355</b>	<b>341,049</b>	<b>358,259</b>	<b>429,348</b>	<b>19.8</b>	<b>71,089</b>
<b>Total investment</b>	<b>1,198,366</b>	<b>1,271,053</b>	<b>1,262,734</b>	<b>1,384,397</b>	<b>1,632,201</b>	<b>17.9</b>	<b>247,804</b>
<b>Net international investment position</b>							
<b>Net foreign equity</b>	<b>752,707</b>	<b>739,420</b>	<b>799,544</b>	<b>828,109</b>	<b>829,797</b>	<b>0.2</b>	<b>1,688</b>
Net foreign equity	101,754	103,093	81,823	72,730	-23,074	..	-95,804
<b>Net foreign debt</b>	<b>650,954</b>	<b>636,328</b>	<b>717,721</b>	<b>755,379</b>	<b>852,871</b>	<b>12.9</b>	<b>97,492</b>

**TABLE 1: AUSTRALIA'S INVESTMENT FLOWS, STOCKS AND INCOME (cont'd)**  
(A\$ million)

	2009	2010	2011	2012	2013	% change \$ change	
						2012 to 2013	2012 to 2013
<b>Investment income flows</b>							
<b>Foreign investment in Australia - income payable</b>							
<b>Direct investment</b>	<b>33,563</b>	<b>43,301</b>	<b>42,571</b>	<b>33,523</b>	<b>34,944</b>	<b>4.2</b>	<b>1,421</b>
Dividends and reinvested earnings	30,071	38,912	37,009	28,471	30,209	6.1	1,738
Interest	3,492	4,389	5,562	5,053	4,735	-6.3	-318
<b>Portfolio investment</b>	<b>44,472</b>	<b>44,324</b>	<b>43,996</b>	<b>39,211</b>	<b>39,388</b>	<b>0.5</b>	<b>177</b>
Dividends and reinvested earnings	11,621	12,693	13,806	14,509	15,808	9.0	1,299
Interest	32,851	31,631	30,189	24,702	23,580	-4.5	-1,122
<b>Other investment</b>	<b>5,710</b>	<b>4,802</b>	<b>5,924</b>	<b>6,571</b>	<b>7,623</b>	<b>16.0</b>	<b>1,052</b>
<b>Total investment income</b>	<b>83,745</b>	<b>92,427</b>	<b>92,491</b>	<b>79,305</b>	<b>81,955</b>	<b>3.3</b>	<b>2,650</b>
<b>Australian investment abroad - income earned</b>							
<b>Direct investment</b>	<b>14,942</b>	<b>18,008</b>	<b>19,514</b>	<b>20,416</b>	<b>21,661</b>	<b>6.1</b>	<b>1,245</b>
Dividends and reinvested earnings	14,726	17,489	18,672	19,198	20,592	7.3	1,394
Interest	216	519	842	1,218	1,069	-12.2	-149
<b>Portfolio investment</b>	<b>18,393</b>	<b>19,393</b>	<b>20,479</b>	<b>19,028</b>	<b>20,232</b>	<b>6.3</b>	<b>1,204</b>
Dividends and reinvested earnings	9,561	9,345	10,210	11,079	12,619	13.9	1,540
Interest	8,832	10,048	10,268	7,949	7,613	-4.2	-336
<b>Reserve assets</b>	<b>629</b>	<b>358</b>	<b>349</b>	<b>254</b>	<b>159</b>	<b>-37.4</b>	<b>-95</b>
<b>Other investment</b>	<b>3,517</b>	<b>3,561</b>	<b>4,162</b>	<b>4,522</b>	<b>5,086</b>	<b>12.5</b>	<b>564</b>
<b>Total investment income</b>	<b>37,480</b>	<b>41,320</b>	<b>44,504</b>	<b>44,220</b>	<b>47,138</b>	<b>6.6</b>	<b>2,918</b>

(a) Includes financial derivatives.  
Based on ABS catalogue 5352.0.

**TABLE 2: AUSTRALIA'S INTERNATIONAL INVESTMENT POSITION  
(A\$ million)**

Change in stock reflecting						
Year	Opening stock	Net inflows	Price changes	Exchange rate movements	Other changes	Closing stock
<b>Foreign investment in Australia (a)</b>						
2009	1,869,718	134,764	60,649	-79,983	1,216	1,986,363
2010	1,986,363	98,830	7,972	-57,068	7,040	2,043,137
2011	2,043,137	87,930	-46,087	4,637	10,632	2,100,249
2012	2,100,249	90,232	43,206	1,414	13,451	2,248,552
2013	2,248,552	90,277	67,383	80,441	12,711	2,499,363
<b>Foreign direct investment in Australia (a)</b>						
2009	489,742	34,866	12,694	-7,840	-4,279	525,184
2010	525,184	39,026	-9,807	-2,361	326	552,369
2011	552,369	63,218	-30,329	719	1,385	587,361
2012	587,361	53,620	-14,782	-695	1,884	627,387
2013	627,387	51,612	-22,899	10,469	738	667,306
Change in stock reflecting						
Year	Opening stock	Net outflows	Price changes	Exchange rate movements	Other changes	Closing stock
<b>Australian investment abroad (b)</b>						
2009	1,169,571	76,307	83,401	-103,138	7,517	1,233,656
2010	1,233,656	52,386	63,251	-60,071	14,494	1,303,716
2011	1,303,716	48,896	-51,552	-19,590	19,237	1,300,705
2012	1,300,705	27,663	67,824	1,462	22,789	1,420,444
2013	1,420,444	44,116	93,709	87,500	23,797	1,669,566
<b>Australian direct investment abroad (b)</b>						
2009	398,056	15,301	51,982	-30,604	6,991	441,724
2010	441,724	21,375	16,839	-19,256	11,511	472,192
2011	472,192	8,436	-49,675	-2,882	14,937	443,007
2012	443,007	6,001	14,709	65	17,303	481,086
2013	481,086	6,592	-5,965	31,811	18,686	532,209

(a) Foreign liabilities. (b) Foreign assets.

Note - Refer to the explanatory notes for the difference between Foreign assets and AIA and Foreign liabilities and FIA.

Source: ABS catalogue 5302.0.

**TABLE 3: GROSS INJECTIONS AND WITHDRAWALS OF NET INFLOWS OF FOREIGN DIRECT INVESTMENT IN AUSTRALIA BY SELECTED COUNTRIES**  
(A\$ million)

	2009	2010	2011	2012	2013	% change \$ change	
						2012 to 2013	2012 to 2013
<b>Injections of foreign direct investment in Australia (a)</b>							
Canada	5,485	4,922	6,949	3,363	1,653	-50.8	-1,710
China	5,641	3,780	4,719	3,037	3,830	26.1	794
Germany	2,190	np	np	1,756	2,189	24.6	433
Hong Kong (SAR of China)	779	768	925	np	944	..	..
India	np	np	np	52	32	-38.0	-20
Japan	11,482	6,796	12,277	15,376	6,548	-57.4	-8,828
New Zealand	np	1,733	493	np	1,020	..	..
Republic of Korea	237	736	np	-213	134	..	347
Singapore	7,263	8,759	14,224	13,882	13,378	-3.6	-504
United Kingdom	2,758	8,492	19,504	9,075	11,232	23.8	2,157
United States	13,913	17,616	22,280	27,931	30,447	9.0	2,516
ASEAN	8,992	12,219	np	14,949	np	..	..
European Union	26,242	21,206	32,624	16,690	17,580	5.3	890
<b>Total</b>	<b>82,651</b>	<b>79,979</b>	<b>116,051</b>	<b>96,560</b>	<b>95,684</b>	<b>-0.9</b>	<b>-876</b>
<b>Reinvested earnings (b)</b>							
Canada	159	np	np	-142	427	..	569
China	143	326	np	483	1,145	137.3	663
Germany	1,073	np	np	620	675	8.9	55
Hong Kong (SAR of China)	299	290	608	np	np	..	..
India	np	np	-2	np	np	..	..
Japan	4,656	np	7,042	3,612	3,670	1.6	58
New Zealand	np	111	np	np	np	..	..
Republic of Korea	np	220	262	-35	np	..	..
Singapore	np	np	790	641	np	..	..
United Kingdom	4,005	4,798	2,876	92	1,141	..	1,049
United States	5,980	10,543	6,807	6,775	4,855	-28.3	-1,920
ASEAN	np	np	1,354	1,405	856	-39.1	-549
European Union	8,121	9,011	5,624	1,984	3,334	68.0	1,350
<b>Total</b>	<b>21,729</b>	<b>30,092</b>	<b>25,498</b>	<b>17,990</b>	<b>19,036</b>	<b>5.8</b>	<b>1,045</b>
<b>Withdrawals of foreign direct investment in Australia (c)</b>							
Canada	896	np	np	802	5,404	574.1	4,602
China	923	1,479	np	106	78	-26.8	-29
Germany	1,282	1,933	3,780	2,410	2,740	13.7	330
Hong Kong (SAR of China)	5,409	318	225	1,434	np	..	..
India	np	np	-55	np	np	..	..
Japan	6,393	np	6,902	8,673	5,644	-34.9	-3,030
New Zealand	1,793	920	np	735	np	..	..
Republic of Korea	np	175	443	54	np	..	..
Singapore	np	np	13,126	10,996	np	..	..
United Kingdom	10,408	17,881	2,964	-1,231	974	..	2,205
United States	16,185	10,653	17,418	19,580	11,375	-41.9	-8,205
ASEAN	np	np	np	11,316	np	..	..
European Union	22,034	31,329	25,863	5,410	8,183	51.3	2,773
<b>Total</b>	<b>63,776</b>	<b>69,019</b>	<b>83,617</b>	<b>58,955</b>	<b>62,052</b>	<b>5.3</b>	<b>3,097</b>

**TABLE 3: GROSS INJECTIONS AND WITHDRAWALS OF NET INFLOWS OF FOREIGN DIRECT INVESTMENT IN AUSTRALIA BY SELECTED COUNTRIES (cont'd)**  
(A\$ million)

	2009	2010	2011	2012	2013	% change \$ change	
						2012 to 2013	2012 to 2013
<b>Net inflows of foreign direct investment in Australia</b>							
Canada	4,748	2,163	5,666	2,419	-3,324	..	-5,743
China	4,861	2,626	3,269	3,413	4,897	43.5	1,485
Germany	1,981	944	-1,576	-34	124	..	158
Hong Kong (SAR of China)	-4,331	740	1,308	-361	483	..	844
India	-10	np	np	70	-37	..	-107
Japan	9,745	6,196	12,417	10,315	4,575	-55.6	-5,740
New Zealand	-285	924	131	-566	145	..	711
Republic of Korea	481	781	np	-303	16	..	319
Singapore	5,543	2,775	1,888	3,527	1,996	-43.4	-1,530
United Kingdom	-3,645	-4,591	19,416	10,398	11,399	9.6	1,001
United States	3,708	17,506	11,669	15,126	23,927	58.2	8,801
ASEAN	5,956	5,719	3,868	5,039	4,606	-8.6	-432
European Union	12,329	-1,113	12,385	13,265	12,731	-4.0	-534
<b>Total</b>	<b>40,603</b>	<b>41,051</b>	<b>57,932</b>	<b>55,596</b>	<b>52,667</b>	<b>-5.3</b>	<b>-2,929</b>

(a) A negative injection can occur for foreign direct investment in Australia when the foreign parent company borrows funds from the direct investment enterprise in Australia (i.e. its affiliate in Australia). (b) A negative reinvested earnings can occur when the direct investment enterprise in Australia makes a loss, or its dividends are larger than its net earnings. (c) A negative withdrawal of foreign direct investment in Australia can occur when the foreign parent company repays funds it has borrowed from its affiliate in Australia. For more information refer to the **Explanatory notes** in this publication.

Based on ABS catalogue 5352.0 and unpublished ABS data.

**TABLE 4: GROSS INJECTIONS AND WITHDRAWALS OF NET OUTFLOWS OF AUSTRALIAN DIRECT INVESTMENT ABROAD BY SELECTED COUNTRIES (A\$ million)**

	2009	2010	2011	2012	2013	% change \$ change	
						2012 to 2013	2012 to 2013
<b>Injections of Australian direct investment abroad</b>							
Canada	1,016	3,002	293	1,512	2,360	56.1	848
China	375	399	294	663	557	-16.0	-106
Germany	40	632	np	np	128	..	..
Hong Kong (SAR of China)	699	260	70	1,019	np	..	..
India	np	np	522	875	np	..	..
Japan	156	np	np	np	276	..	..
New Zealand	3,004	791	4,219	718	2,560	256.6	1,842
Republic of Korea	-37	np	np	np	1	..	..
Singapore	np	np	np	5,867	np	..	..
United Kingdom	20,931	6,222	np	4,961	-2,217	..	-7,177
United States	40,482	3,997	21,774	3,778	1,466	-61.2	-2,313
ASEAN	2,390	10,013	9,197	7,116	7,435	4.5	319
European Union	21,397	7,896	-3,739	6,941	-1,059	..	-8,000
<b>Total</b>	<b>82,255</b>	<b>57,334</b>	<b>60,525</b>	<b>46,454</b>	<b>47,916</b>	<b>3.1</b>	<b>1,462</b>
<b>Reinvested earnings</b>							
Canada	np	np	np	np	np	..	..
China	np	9	np	50	29	-41.9	-21
Germany	np	np	np	np	np	..	..
Hong Kong (SAR of China)	511	532	411	np	np	..	..
India	np	np	np	np	np	..	..
Japan	np	np	np	np	np	..	..
New Zealand	474	1,301	709	2,781	3,302	18.7	521
Republic of Korea	np	np	np	np	np	..	..
Singapore	np	np	np	1,577	1,601	1.5	24
United Kingdom	1,210	np	np	841	1,463	73.9	621
United States	1,077	1,563	np	940	1,450	54.2	510
ASEAN	982	1,861	2,220	2,666	2,842	6.6	176
European Union	2,389	1,887	2,190	2,406	2,022	-16.0	-384
<b>Total</b>	<b>9,667</b>	<b>11,199</b>	<b>11,836</b>	<b>12,063</b>	<b>13,973</b>	<b>15.8</b>	<b>1,909</b>
<b>Withdrawals of Australian direct investment abroad</b>							
Canada	np	np	np	np	np	..	..
China	np	242	np	145	129	-11.1	-16
Germany	np	np	220	-37	np	..	..
Hong Kong (SAR of China)	138	493	np	np	844	..	..
India	np	np	np	np	np	..	..
Japan	np	56	209	169	np	..	..
New Zealand	3,093	1,222	1,826	4,651	2,370	-49.0	-2,281
Republic of Korea	np	-9	np	np	np	..	..
Singapore	1,858	np	8,173	5,946	np	..	..
United Kingdom	5,631	np	6,576	-1,587	6,995	..	8,582
United States	37,709	4,381	np	9,649	236	-97.6	-9,413
ASEAN	2,672	9,877	8,628	6,663	7,282	9.3	619
European Union	6,161	3,123	7,225	-1,054	8,782	..	9,836
<b>Total</b>	<b>70,884</b>	<b>45,133</b>	<b>69,212</b>	<b>50,541</b>	<b>54,241</b>	<b>7.3</b>	<b>3,700</b>

**TABLE 4: GROSS INJECTIONS AND WITHDRAWALS OF NET OUTFLOWS OF AUSTRALIAN DIRECT INVESTMENT ABROAD BY SELECTED COUNTRIES (cont'd)**  
(A\$ million)

	2009	2010	2011	2012	2013	% change \$ change	
						2012 to 2013	2012 to 2013
<b>Net outflows of Australian direct investment abroad</b>							
Canada	1,877	4,201	1,787	1,707	3,313	94.0	1,605
China	-1,487	165	204	569	458	-19.6	-111
Germany	596	555	-160	237	168	-29.3	-69
Hong Kong (SAR of China)	1,072	299	np	1,218	-1,731	..	-2,949
India	136	458	344	450	23	-95.0	-428
Japan	131	117	-70	-88	161	..	249
New Zealand	385	870	3,101	-1,152	3,492	..	4,644
Republic of Korea	-63	71	178	2	-49	..	-52
Singapore	499	1,117	843	1,497	1,709	14.2	212
United Kingdom	16,510	3,981	-10,601	7,389	-7,749	..	-15,138
United States	3,850	1,179	15,751	-4,931	2,679	..	7,610
ASEAN	700	1,997	2,789	3,119	2,995	-4.0	-124
European Union	17,625	6,661	-8,774	10,401	-7,819	..	-18,220
<b>Total</b>	<b>21,039</b>	<b>23,400</b>	<b>3,150</b>	<b>7,977</b>	<b>7,647</b>	<b>-4.1</b>	<b>-330</b>

(a) A negative injection can occur for Australian direct investment abroad when the Australian foreign affiliate lends funds to its parent company in Australia. (b) A negative reinvested earnings can occur when the direct investment enterprise abroad makes a loss, or its dividends are larger than its net earnings. (c) A negative withdrawal of Australian direct investment abroad can occur when the Australian parent company repays funds it has borrowed from the Australian foreign affiliate.

For more information refer to the **Explanatory notes** in this publication.

Based on ABS catalogue 5352.0 and unpublished ABS data.

**TABLE 5: TOP 10 SOURCES - FOREIGN INVESTMENT IN AUSTRALIA  
TOTAL STOCKS  
(A\$ billion)**

Rank in 2013		2003	2011	2012	2013	% share 2013	% change	
							2003 to 2013	2012 to 2013
1	United States	287.5	507.3	575.4	657.9	26.7	128.8	14.3
2	United Kingdom	259.7	467.8	491.3	562.9	22.9	116.7	14.6
3	Japan	46.4	124.8	127.8	131.0	5.3	182.2	2.5
4	Singapore	22.2	48.5	56.8	60.5	2.5	172.3	6.6
5	Hong Kong (SAR of China)	27.8	43.7	46.3	51.3	2.1	84.4	11.0
6	Switzerland	21.3	41.4	49.5	47.1	1.9	121.7	-4.7
7	Netherlands	22.2	40.9	34.8	37.0	1.5	66.8	6.3
8	China	3.0	19.8	22.6	31.9	1.3	967.2	41.2
9	New Zealand	19.9	27.3	26.7	30.1	1.2	51.7	13.0
10	Canada	11.0	25.4	30.2	26.9	1.1	144.8	-10.9
18	India	0.1	12.3	11.0	10.9	0.4	..	-1.3
	<b>Total</b>	<b>1,044.7</b>	<b>2,062.3</b>	<b>2,212.5</b>	<b>2,462.0</b>	<b>100.0</b>	<b>135.7</b>	<b>11.3</b>
	<i>of which: APEC</i>	428.4	847.1	932.7	1,041.3	42.3	143.1	11.6
	<i>ASEAN</i>	32.6	79.5	81.0	85.8	3.5	163.6	5.9
	<i>EU (a)</i>	343.5	630.5	640.4	716.0	29.1	108.4	11.8
	<i>G20 (b)</i>	np	np	1,431.5	1,601.8	65.1	..	11.9
	<i>OECD</i>	724.3	1,363.9	1,452.5	1,609.0	65.4	122.2	10.8

(a) EU27 to 2012. EU28 from 2013. (b) Excludes data for Argentina and Brazil for 2012 to 2013.  
Based on ABS catalogue 5352.0.

np - not published.

**TABLE 6: TOP 10 DESTINATIONS - AUSTRALIAN INVESTMENT ABROAD  
TOTAL STOCKS  
(A\$ billion)**

Rank in 2013		2003	2011	2012	2013	% share 2013	% change	
							2003 to 2013	2012 to 2013
1	United States	230.5	375.3	397.8	471.7	28.9	104.6	18.6
2	United Kingdom	95.0	192.8	216.8	255.7	15.7	169.0	17.9
3	New Zealand	40.9	73.3	76.8	81.1	5.0	98.5	5.6
4	Germany	10.2	38.5	48.9	56.5	3.5	453.2	15.5
5	Canada	6.2	43.8	42.8	53.7	3.3	768.9	25.5
6	Japan	21.7	34.9	38.9	50.2	3.1	130.9	29.3
7	Switzerland	6.6	19.7	27.4	38.3	2.3	..	39.5
8	Singapore	13.1	22.3	27.0	35.4	2.2	170.7	31.1
9	France	11.5	28.2	28.7	33.9	2.1	195.4	18.1
10	Netherlands	16.0	27.8	29.1	33.5	2.1	109.5	15.1
12	China	1.4	17.1	21.3	29.6	1.8	..	38.8
22	India	0.9	4.4	5.8	6.6	0.4	653.6	13.7
	<b>Total</b>	<b>605.7</b>	<b>1,262.7</b>	<b>1,384.4</b>	<b>1,632.2</b>	<b>100.0</b>	<b>169.5</b>	<b>17.9</b>
	<i>of which: APEC</i>	338.2	643.7	700.3	835.0	51.2	146.9	19.2
	<i>ASEAN</i>	19.4	43.0	53.7	69.4	4.3	257.5	29.3
	<i>EU (a)</i>	165.1	357.2	392.3	455.8	27.9	176.0	16.2
	<i>G20 (b)</i>	433.0	872.1	942.2	1,117.5	68.5	158.1	18.6
	<i>OECD</i>	453.8	896.9	978.8	1,153.2	70.7	154.1	17.8

(a) EU27 to 2012. EU28 from 2013. (b) Excludes data for the Russian Federation and Turkey in 2003 only and Saudi Arabia in 2011 to 2013.

Based on ABS catalogue 5352.0.

**TABLE 7: TOP 10 SOURCES - FOREIGN INVESTMENT IN AUSTRALIA  
DIRECT STOCKS  
(A\$ billion)**

Rank in 2013		2003	2011	2012	2013	% share 2013	% change	
							2003 to 2013	2012 to 2013
1	United States	83.9	117.8	131.9	149.5	23.7	78.1	13.3
2	United Kingdom	45.7	68.8	78.9	86.7	13.8	89.5	9.9
3	Japan	18.4	54.1	62.0	63.3	10.0	244.0	2.0
4	Netherlands	11.9	29.7	29.7	29.4	4.7	146.3	-0.9
5	Singapore	4.3	20.0	23.9	25.2	4.0	491.8	5.3
6	China	np	14.4	16.1	20.8	3.3	..	29.0
7	UK Virgin Islands (a)	np	np	19.2	np	..	..	..
8	Switzerland	10.9	22.9	22.5	19.1	3.0	75.9	-15.3
9	Canada	8.1	19.0	21.0	16.6	2.6	104.1	-21.1
10	Germany	7.7	14.1	13.6	13.8	2.2	79.5	1.3
-	India	np	np	1.3	1.2	0.2	..	-13.3
	<b>Total</b>	<b>292.1</b>	<b>549.4</b>	<b>591.3</b>	<b>629.9</b>	<b>100.0</b>	<b>115.6</b>	<b>6.5</b>
	<i>of which:</i> APEC	127.1	249.3	277.3	301.5	47.9	137.2	8.7
	ASEAN	7.4	28.0	32.8	37.5	6.0	407.9	14.3
	EU (b)	87.3	140.6	150.3	156.1	24.8	78.8	3.8
	G20	np	np	np	np	..	..	..
	OECD	216.5	362.7	394.4	411.5	65.3	90.0	4.3

(a) Total direct investment for UK Virgin Islands is confidential in ABS statistics for 2013. However the ABS does publish data for 2012 (levels at \$19.2bn) and net inflows of \$393 million in 2013. DFAT estimates that the UK Virgin Islands direct investment levels for 2013 would be valued at around \$19.5bn and would rank 7th. (b) EU27 to 2012. EU28 from 2013.

Based on ABS catalogue 5352.0.

np - not published.

**TABLE 8: TOP 10 DESTINATIONS - AUSTRALIAN INVESTMENT ABROAD  
DIRECT STOCKS  
(A\$ billion)**

Rank in 2013		2003	2011	2012	2013	% share 2013	% change	
							2003 to 2013	2012 to 2013
1	United States	103.3	98.5	104.2	121.7	24.6	17.8	16.8
2	United Kingdom	44.6	49.6	55.7	50.6	10.2	13.4	-9.2
3	New Zealand	23.8	40.5	44.3	45.9	9.3	92.3	3.6
4	Canada	1.5	np	np	28.8	5.8	..	..
5	Papua New Guinea	np	np	np	17.9	3.6	..	..
6	Germany	0.7	np	np	12.2	2.5	..	..
7	Indonesia	0.6	3.6	5.0	9.0	1.8	..	80.7
8	Singapore	2.8	7.0	11.0	9.0	1.8	214.2	-18.5
9	Brazil	0.1	12.9	np	8.1	1.6	..	..
10	Bermuda	3.7	np	5.9	7.1	1.4	92.1	21.2
=12	China (a)	0.5	6.4	8.4	6.4	1.3	..	-24.6
-	India	np	np	1.5	1.6	0.3	..	5.0
	<b>Total</b>	<b>239.0</b>	<b>405.0</b>	<b>445.0</b>	<b>494.8</b>	<b>100.0</b>	<b>107.0</b>	<b>11.2</b>
	<i>of which:</i> APEC	141.8	210.3	230.5	259.2	52.4	82.8	12.4
	ASEAN	6.3	18.0	24.2	28.2	5.7	346.1	16.5
	EU (b)	52.1	72.1	78.6	73.5	14.8	41.1	-6.5
	G20	np	np	np	np	..	..	..
	OECD	184.4	244.4	265.2	294.0	59.4	59.5	10.9

(a) It is not possible to determine the exact ranking between China and Switzerland for 2013. DFAT estimated the level of investment for Switzerland to be around \$6.4bn for 2013. As a result China and Switzerland have been ranked equal 12th. (b) EU27 to 2012. EU28 from 2013.

Based on ABS catalogue 5352.0.

np - not published.

**TABLE 9: AUSTRALIA'S INTERNATIONAL INVESTMENT WITH THE WORLD  
AS A RATIO TO GDP  
(per cent)**

	Average		2009	2010	2011	2012	2013
	1991 to 2000	2001 to 2010					
Foreign investment in Australia (a)	44.8	88.2	98.1	96.0	89.5	94.6	107.3
Australian investment abroad (b)	96.7	142.8	158.0	150.4	144.6	149.7	160.7
Net International investment position (IIP)	51.9	54.6	59.9	54.4	55.0	55.1	53.3
Net equity	13.7	6.8	8.1	7.6	5.6	4.8	-1.5
Net debt	38.2	47.8	51.8	46.8	49.4	50.3	54.8

(a) Foreign liabilities. (b) Foreign assets.

Based on ABS catalogues 5232.0 and 5302.0.

**TABLE 10: AUSTRALIA'S INVESTMENT FLOWS - DOMESTIC VERSUS FOREIGN  
(A\$ million)**

	Average		2009	2010	2011	2012	2013
	1991 to 2000	2001 to 2010					
Total investment flows	111,741	228,476	287,301	322,585	364,712	369,354	380,288
Domestic	90,248	177,714	227,627	274,722	324,243	307,134	334,258
Foreign (a)	21,493	50,762	59,674	47,863	40,469	62,220	46,030
			% share				
Domestic	80.8	77.8	79.2	85.2	88.9	83.2	87.9
Foreign (a)	19.2	22.2	20.8	14.8	11.1	16.8	12.1

(a) Net lending from non-residents.

Based on ABS catalogue 5206.0

**TABLE 11: FOREIGN OWNERSHIP OF AUSTRALIAN EQUITY  
(A\$ million)**

	1991	2001	2009	2010	2011	2012	2013
Total equity in Australia	438,234	1,313,254	2,611,191	2,654,156	2,314,986	2,551,934	2,860,195
Foreign equity in Australia	114,273	392,794	756,201	800,070	745,721	809,899	868,483
% share	26.1	29.9	29.0	30.1	32.2	31.7	30.4

Based on ABS catalogues 5232.0 and 5302.0.

**TABLE 12: FOREIGN OWNERSHIP OF AUSTRALIAN BUSINESSES BY INDUSTRY  
BY EMPLOYMENT SIZE, 2013 (a)**  
(A\$ million)

	Per cent of total business			
	Wholly Australian owned	Foreign ownership greater than 0% and less than 10%	Foreign ownership between 10% and 50%	Foreign ownership greater than 50%
<b>Industry (b)</b>				
Agriculture, forestry & fishing	96.9	np	np	2.9
Mining	66.5	13.2	3.2	17.0
Manufacturing	94.4	0.0	0.7	4.9
Electricity, gas, water & waste services	90.7	np	1.8	7.5
Construction	98.8	0.3	0.0	0.8
Wholesale trade	89.7	0.2	1.6	8.5
Retail trade	95.6	0.4	0.4	3.6
Accommodation & food services	97.9	0.8	np	0.8
Transport, postal & warehousing	98.1	0.0	0.8	1.1
Information media & telecommunications	91.0	0.1	2.0	6.9
Financial & insurance services	96.4	0.1	0.0	3.5
Rental, hiring & real estate services	95.2	0.2	0.7	3.9
Professional, scientific & technical services	95.2	0.0	1.3	3.6
Administrative & support services	96.9	0.7	1.2	1.1
Health care & social assistance	99.5	np	np	0.0
Arts & recreation services	98.8	np	np	1.1
Other services	98.6	0.0	np	1.4
<b>Total</b>	<b>96.5</b>	<b>0.3</b>	<b>0.6</b>	<b>2.6</b>
<b>Employment size</b>				
0–4 persons	97.2	0.2	0.4	2.1
5–19 persons	96.5	0.4	0.8	2.3
20–199 persons	92.0	0.5	0.8	6.7
200 or more persons	73.0	2.7	2.5	21.7

(a) As at 30 June 2013. (b) Based on ABS ANZSIC 2006.

np - not published

Based on ABS catalogue 8167.0 - Selected Characteristics of Australian Business, 2012-13.

## **Section 3**

# **International investment comparisons**



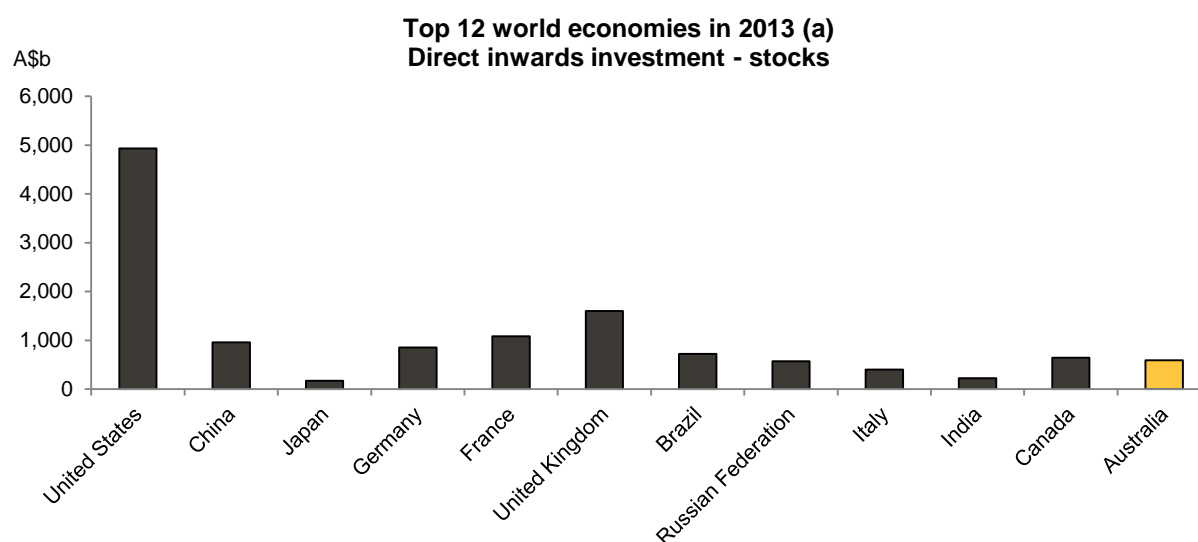
**TABLE 13: AUSTRALIA'S RANK IN WORLD FOREIGN DIRECT INVESTMENT  
(US\$ million)**

Country	1993	Rank	2003	Rank	2013	Rank
<b>Inward stock</b>						
<b>World</b>	<b>2,599,213</b>		<b>9,562,741</b>		<b>25,464,165</b>	
United States	768,398	1	2,454,877	1	4,935,167	1
United Kingdom	179,233	3	634,534	3	1,605,522	2
Hong Kong (SAR of China)	213,491	2	431,561	5	1,443,947	3
France	135,446	4	653,105	2	1,081,495	4
China	63,579	11	228,371	11	956,793	5
Belgium	94,295	7	351,499	7	924,019	6
Germany	116,134	5	394,529	6	851,511	7
Singapore	41,643	15	183,623	14	837,652	8
Switzerland	38,714	17	162,233	16	747,436	9
Brazil	54,594	12	132,818	18	724,644	10
Spain	76,587	9	339,652	8	715,993	11
Netherlands	73,177	10	458,224	4	670,114	12
Canada	106,868	6	289,140	9	644,977	13
<b>Australia</b>	<b>87,643</b>	<b>8</b>	<b>237,481</b>	<b>10</b>	<b>591,568</b>	<b>14</b>
Russian Federation	183	126	96,729	20	575,658	15
British Virgin Islands	676	87	40,158	38	459,342	16
Italy	53,949	13	188,164	13	403,746	17
Mexico	40,600	16	163,518	15	389,083	18
Sweden	13,127	30	158,983	17	378,107	19
Ireland	41,887	14	222,837	12	377,695	20
Poland	2,307	55	57,872	24	252,037	21
Indonesia	14,016	27	10,328	59	230,344	22
India	2,516	54	32,549	41	226,748	23
Chile	18,898	19	54,570	28	215,452	24
Saudi Arabia	15,788	23	18,512	51	208,330	25
<b>Outward stock</b>						
<b>World</b>	<b>2,766,578</b>		<b>10,033,901</b>		<b>26,312,624</b>	
United States	1,061,299	1	2,729,126	1	6,349,512	1
United Kingdom	245,629	3	1,233,442	2	1,884,819	2
Germany	186,184	4	830,754	4	1,710,295	3
France	159,183	5	946,736	3	1,637,141	4
Hong Kong (SAR of China)	39,114	14	414,557	6	1,352,353	5
Switzerland	91,571	8	341,373	7	1,259,369	6
Netherlands	115,733	6	554,818	5	1,071,818	7
Belgium	62,642	10	306,288	10	1,008,999	8
Japan	259,795	2	335,500	8	992,901	9
Canada	92,468	7	318,955	9	732,417	10
Spain	22,905	16	221,021	11	643,226	11
China	13,768	20	33,222	28	613,585	12
Italy	81,068	9	202,024	12	598,357	13
British Virgin Islands	7,348	26	107,497	16	523,287	14
Ireland	15,569	19	73,322	21	502,879	15
Russian Federation	2,301	36	90,873	18	501,202	16
Singapore	13,209	21	121,264	15	497,880	17
<b>Australia</b>	<b>45,425</b>	<b>12</b>	<b>197,667</b>	<b>13</b>	<b>471,804</b>	<b>18</b>
Sweden	45,523	11	185,602	14	435,964	19
Brazil	42,688	13	54,892	24	293,277	20
Denmark	15,799	18	102,608	17	256,120	21
Taiwan	36,989	15	84,096	19	245,882	22
Austria	7,851	25	55,961	23	238,033	23
Norway	12,610	22	57,083	22	231,109	24
Republic of Korea	5,441	27	24,990	30	219,050	25

Source: UNCTADstat database.

**TABLE 14: TOP 20 WORLD ECONOMIES  
DIRECT INWARDS INVESTMENT - STOCKS  
(US\$ billion)**

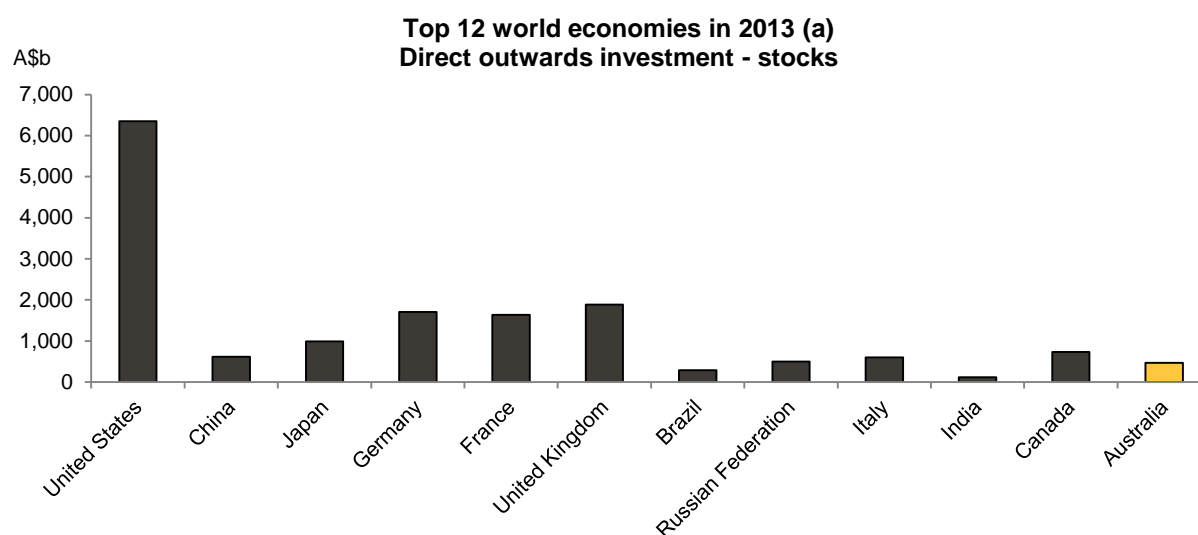
Country/economy	World GDP Rank (a)	Average			% change				
		1981 to 1990	1991 to 2000	2001 to 2010	2011	2012	2013	% share 2013	2012 to 2013
<b>World</b>		<b>1,215</b>	<b>4,262</b>	<b>13,494</b>	<b>21,117</b>	<b>23,304</b>	<b>25,464</b>	<b>100.0</b>	<b>9.3</b>
<b>Australia</b>	<b>12</b>	<b>43</b>	<b>105</b>	<b>325</b>	<b>597</b>	<b>653</b>	<b>592</b>	<b>2.3</b>	<b>-9.4</b>
Brazil	7	27	70	260	697	745	725	2.8	-2.7
Canada	11	78	137	387	591	630	645	2.5	2.4
China	2	9	114	322	712	833	957	3.8	14.9
France	5	51	286	852	973	1,030	1,081	4.2	5.0
Germany	4	53	170	533	737	788	852	3.3	8.0
India	10	1	8	84	206	225	227	0.9	0.8
Indonesia	16	6	22	57	185	212	230	0.9	8.7
Italy	9	26	79	262	355	364	404	1.6	11.0
Japan	3	7	28	127	226	205	171	0.7	-16.8
Mexico	14	11	54	239	285	361	389	1.5	7.7
Netherlands	18	35	128	529	608	624	670	2.6	7.3
Republic of Korea	15	3	20	96	134	156	167	0.7	7.2
Russian Federation	8	..	10	237	455	496	576	2.3	16.0
Saudi Arabia	19	13	17	66	187	199	208	0.8	4.7
Spain	13	20	109	446	629	645	716	2.8	11.1
Switzerland	20	16	56	293	693	733	747	2.9	2.0
Turkey	17	10	15	84	136	187	145	0.6	-22.4
United Kingdom	6	94	262	887	1,185	1,483	1,606	6.3	8.3
United States	1	284	1,452	2,832	3,510	3,924	4,935	19.4	25.8
APEC		678	2,424	6,083	9,286	10,472	11,843	46.5	13.1
ASEAN		33	163	583	1,253	1,464	1,553	6.1	6.1
EU28		375	1,394	5,425	7,482	8,020	8,583	33.7	7.0
G20		881	3,499	10,702	15,657	17,114	18,802	73.8	9.9
OECD		855	3,337	9,968	13,938	15,217	16,727	65.7	9.9



(a) Rank in 2013 on GDP in US\$ current prices from the IMF World Economic Outlook database.  
Source: UNCTADstat database.

**TABLE 15: TOP 20 WORLD ECONOMIES  
DIRECT OUTWARDS INVESTMENT - STOCKS  
(US\$ billion)**

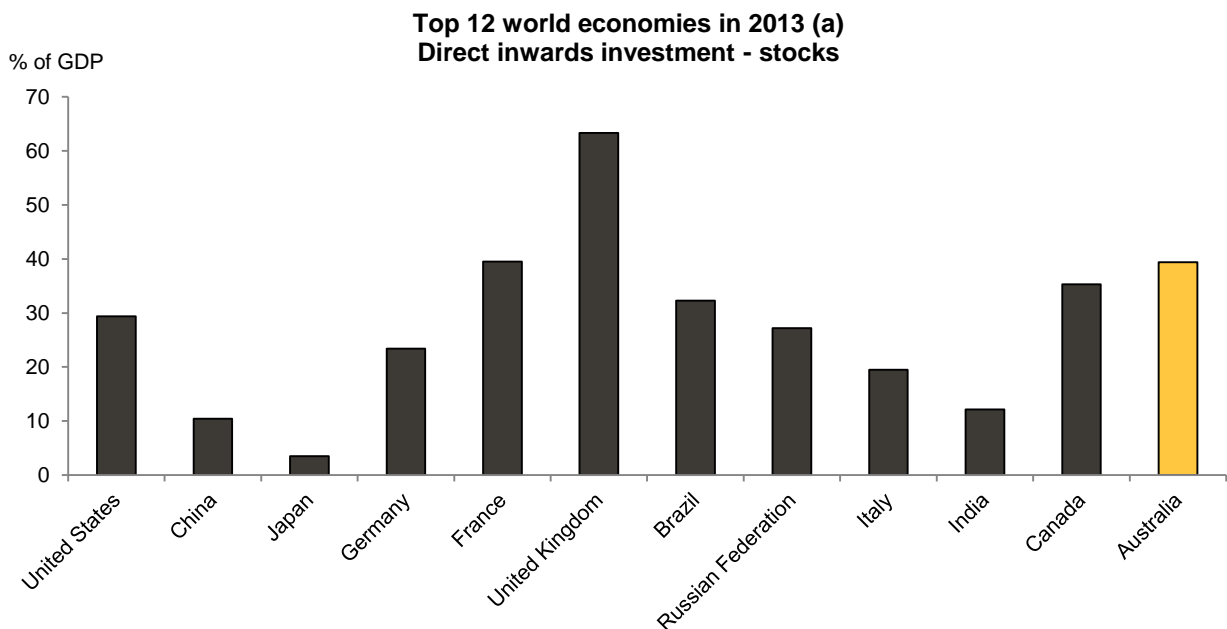
Country/economy	World GDP Rank (a)	Average			% change				
		1981 to 1990	1991 to 2000	2001 to 2010	2011	2012	2013	% share 2013	2012 to 2013
<b>World</b>		<b>1,163</b>	<b>4,479</b>	<b>14,256</b>	<b>21,913</b>	<b>23,916</b>	<b>26,313</b>	<b>100.0</b>	<b>10.0</b>
<b>Australia</b>	<b>12</b>	<b>16</b>	<b>67</b>	<b>276</b>	<b>450</b>	<b>501</b>	<b>472</b>	<b>1.8</b>	<b>-5.7</b>
Brazil	7	40	45	108	206	271	293	1.1	8.3
Canada	11	51	139	434	661	716	732	2.8	2.3
China	2	2	18	115	425	513	614	2.3	19.7
France	5	51	435	1,254	1,503	1,569	1,637	6.2	4.4
Germany	4	80	296	1,061	1,494	1,579	1,710	6.5	8.3
India	10	0	1	34	110	118	120	0.5	1.5
Indonesia	16	0	5	2	6	12	16	0.1	29.7
Italy	9	25	120	317	520	535	598	2.3	11.8
Japan	3	77	258	494	963	1,055	993	3.8	-5.9
Mexico	14	2	5	59	100	131	144	0.5	9.8
Netherlands	18	63	185	710	982	991	1,072	4.1	8.2
Republic of Korea	15	1	13	62	172	202	219	0.8	8.5
Russian Federation	8	..	7	191	362	406	501	1.9	23.4
Saudi Arabia	19	1	3	12	30	34	39	0.1	14.4
Spain	13	7	52	400	657	637	643	2.4	1.0
Switzerland	20	31	141	557	1,112	1,168	1,259	4.8	7.8
Turkey	17	1	2	12	28	30	33	0.1	10.5
United Kingdom	6	132	407	1,370	1,696	1,738	1,885	7.2	8.4
United States	1	476	1,647	3,605	4,514	5,250	6,350	24.1	21.0
APEC		651	2,413	6,352	9,691	11,093	12,467	47.4	12.4
ASEAN		3	49	259	603	694	720	2.7	3.9
EU28		412	1,764	6,616	9,518	9,830	10,617	40.3	8.0
G20		1,095	4,008	12,087	17,672	19,213	21,272	80.8	10.7
OECD		1,072	4,072	12,297	17,874	19,299	21,239	80.7	10.1



(a) Rank in 2013 on GDP in US\$ current prices from the IMF World Economic Outlook database.  
Source: UNCTADstat database.

**TABLE 16: TOP 20 WORLD ECONOMIES  
DIRECT INWARDS INVESTMENT - STOCKS  
(per cent of GDP)**

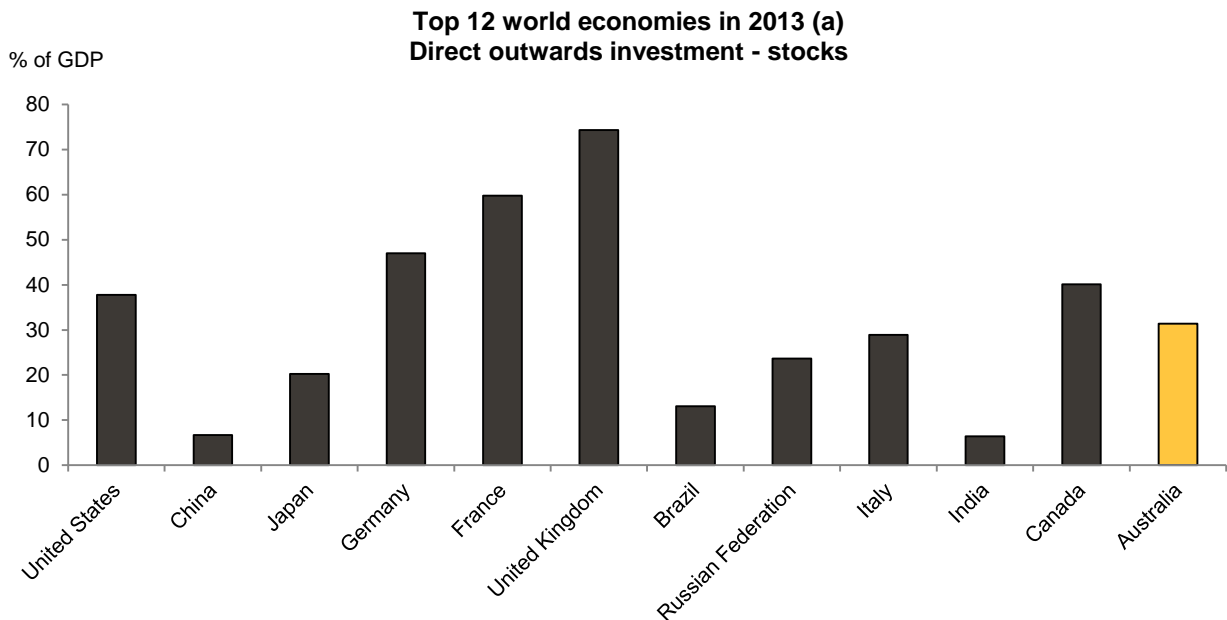
Country/economy	World GDP Rank (a)	Average			2011	2012	2013
		1981 to 1990	1991 to 2000	2001 to 2010			
<b>Australia</b>	<b>12</b>	<b>18.3</b>	<b>28.1</b>	<b>41.7</b>	<b>39.8</b>	<b>42.0</b>	<b>39.4</b>
Brazil	7	11.1	11.4	22.8	28.1	33.1	32.3
Canada	11	18.7	21.5	32.2	33.2	34.6	35.3
China	2	2.4	13.3	11.7	9.7	10.1	10.4
France	5	6.5	20.0	38.6	34.9	39.4	39.5
Germany	4	5.4	8.0	18.4	20.3	23.0	23.4
India	10	0.4	1.9	7.5	11.0	12.1	12.1
Indonesia	16	6.6	14.1	12.9	21.9	24.1	26.5
Italy	9	3.5	6.8	14.2	16.2	18.1	19.5
Japan	3	0.3	0.6	2.7	3.8	3.5	3.5
Mexico	14	5.0	11.0	26.6	24.3	30.5	30.9
Netherlands	18	17.8	33.4	80.4	73.0	81.0	83.8
Republic of Korea	15	1.8	4.3	11.8	12.0	13.8	13.7
Russian Federation	8	..	..	24.5	24.0	24.8	27.2
Saudi Arabia	19	12.6	10.9	16.4	27.9	27.1	28.0
Spain	13	6.1	18.7	38.1	43.2	48.7	52.7
Switzerland	20	9.3	20.5	66.4	105.2	116.1	114.8
Turkey	17	9.0	6.6	15.6	17.6	23.8	17.6
United Kingdom	6	13.9	20.3	39.6	48.1	59.7	63.3
United States	1	5.9	17.0	21.6	22.6	24.2	29.4
APEC		8.0	14.1	22.1	23.4	25.1	27.8
ASEAN		12.2	28.8	50.4	56.8	62.7	64.5
EU28		8.4	16.1	37.9	42.3	48.1	49.4
G20		6.4	13.1	24.5	25.5	27.5	29.6
OECD		6.7	14.1	26.7	29.7	32.5	35.4



(a) Rank in 2013 on GDP in US\$ current prices from the IMF World Economic Outlook database.  
Source: UNCTADstat database.

**TABLE 17: TOP 20 WORLD ECONOMIES  
DIRECT OUTWARDS INVESTMENT - STOCKS  
(per cent of GDP)**

Country/economy	World GDP Rank (a)	Average			2011	2012	2013
		1981 to 1990	1991 to 2000	2001 to 2010			
<b>Australia</b>	<b>12</b>	<b>6.4</b>	<b>17.6</b>	<b>35.5</b>	<b>30.0</b>	<b>32.2</b>	<b>31.4</b>
Brazil	7	17.3	7.7	9.9	8.3	12.1	13.1
Canada	11	12.0	21.8	36.4	37.2	39.3	40.1
China	2	0.4	2.3	3.3	5.8	6.2	6.7
France	5	6.4	30.5	57.4	54.0	60.0	59.8
Germany	4	8.2	14.0	37.0	41.1	46.1	47.0
India	10	0.0	0.2	2.8	5.8	6.4	6.4
Indonesia	16	0.0	2.9	..	0.7	1.4	1.8
Italy	9	3.5	10.3	17.1	23.6	26.6	28.9
Japan	3	3.5	5.9	10.6	16.3	17.8	20.3
Mexico	14	1.0	1.0	6.5	8.6	11.1	11.4
Netherlands	18	32.8	48.6	106.2	117.8	128.6	134.0
Republic of Korea	15	0.5	2.9	7.2	15.4	17.9	17.9
Russian Federation	8	..	..	20.2	19.1	20.3	23.7
Saudi Arabia	19	1.1	2.0	3.4	4.5	4.7	5.3
Spain	13	2.3	8.8	32.9	45.1	48.1	47.3
Switzerland	20	18.9	51.5	130.2	168.8	185.0	193.5
Turkey	17	0.6	0.8	2.3	3.6	3.8	4.0
United Kingdom	6	20.2	31.0	62.1	68.8	70.0	74.3
United States	1	10.1	19.6	27.1	29.1	32.3	37.8
APEC		7.4	14.1	22.8	24.4	26.6	29.3
ASEAN		1.1	8.4	22.1	27.3	29.7	29.9
EU28		9.2	20.3	46.4	53.8	59.0	61.1
G20		7.9	15.0	27.5	28.8	30.9	33.5
OECD		8.4	16.7	32.8	38.1	41.2	45.0



(a) Rank in 2013 on GDP in US\$ current prices from the IMF World Economic Outlook database.  
Source: UNCTADstat database.



## **Section 4**

# **Australia's international investment detailed tables**



**TABLE 18.1: AUSTRALIA'S TWO-WAY INVESTMENT RELATIONSHIP - STOCKS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

	2003	2011	2012	2013	% share 2013	% change	
						2003 to 2013	2012 to 2013
<b>Selected countries</b>							
Belgium	11,346	15,861	9,293	10,673	0.3	-5.9	14.8
Bermuda	6,702	17,251	16,913	23,244	0.6	246.8	37.4
Brazil	379	17,601	np	np	..	..	..
Canada	17,162	69,203	72,949	80,598	2.0	369.6	10.5
Cayman Islands	10,396	np	22,749	28,516	0.7	174.3	25.4
China	4,339	36,901	43,893	61,475	1.5	..	40.1
France	22,633	48,447	46,084	49,693	1.2	119.6	7.8
Germany	25,956	60,064	69,101	80,694	2.0	210.9	16.8
Hong Kong (SAR of China)	41,457	64,531	71,171	81,105	2.0	95.6	14.0
India	1,001	16,635	16,794	17,444	0.4	..	3.9
Indonesia	2,641	5,783	7,312	11,826	0.3	347.8	61.7
Italy	5,462	4,495	5,389	7,263	0.2	33.0	34.8
Japan	68,166	159,707	166,657	181,207	4.4	165.8	8.7
Luxembourg	4,454	40,204	42,954	32,424	0.8	628.0	-24.5
Malaysia	6,648	20,342	22,706	26,213	0.6	294.3	15.4
Mexico	224	3,178	5,386	5,389	0.1	..	0.1
Netherlands	38,134	68,742	63,853	70,426	1.7	84.7	10.3
New Zealand	60,728	100,636	103,488	111,262	2.7	83.2	7.5
Papua New Guinea	1,772	17,696	18,392	19,952	0.5	..	8.5
Philippines	2,461	5,863	7,864	8,483	0.2	244.7	7.9
Republic of Korea	4,402	20,740	22,432	27,536	0.7	525.5	22.8
Russian Federation	np	2,900	7,440	7,196	0.2	..	-3.3
Saudi Arabia	68	np	np	np	..	..	..
Singapore	35,312	70,841	83,779	95,953	2.3	171.7	14.5
South Africa	2,315	5,172	4,923	5,945	0.1	156.8	20.8
Spain	np	np	np	np	..	..	..
Sweden	3,115	7,121	9,087	10,960	0.3	251.8	20.6
Switzerland	27,819	61,114	76,912	85,446	2.1	207.1	11.1
Taiwan	1,667	8,640	8,722	10,917	0.3	554.9	25.2
Thailand	632	15,562	10,363	9,027	0.2	..	-12.9
United Arab Emirates	np	np	np	18,551	0.5	..	..
United Kingdom	354,780	660,668	708,136	818,553	20.0	130.7	15.6
United States	518,045	882,616	973,194	1,129,560	27.6	118.0	16.1
Vietnam	np	795	np	1,080	0.0	..	..
Virgin Islands, British	np	np	21,647	21,169	0.5	..	-2.2
<b>Country Groups</b>							
Asia (a)	173,008	429,689	464,352	534,899	13.1	209.2	15.2
APEC	766,563	1,490,819	1,633,077	1,876,261	45.8	144.8	14.9
ASEAN	51,976	122,535	134,683	155,215	3.8	198.6	15.2
European Union (b)	508,641	987,719	1,032,679	1,171,784	28.6	130.4	13.5
G20 (c)	np	np	2,373,726	2,719,227	66.4	..	14.6
OECD	1,178,104	2,260,801	2,431,285	2,762,185	67.5	134.5	13.6
<b>Total all countries</b>	<b>1,650,416</b>	<b>3,325,012</b>	<b>3,596,903</b>	<b>4,094,199</b>	<b>100.0</b>	<b>148.1</b>	<b>13.8</b>

(a) Major Asian economies only - includes: China; Hong Kong (SAR of China); India; Japan; Republic of Korea; Taiwan and all ASEAN members. (b) EU27 to 2012. EU28 from 2013. (c) Excludes FIA data for Argentina and Brazil in 2012 to 2013 and AIA data for Saudi Arabia in 2012 to 2013.

Based on ABS catalogue 5352.0.

np - not published.

**TABLE 18.2: FOREIGN INVESTMENT IN AUSTRALIA - NET INFLOWS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

	2003	2011	2012	2013	\$ change 2012 to 2013
<b>Selected countries</b>					
Belgium	1,181	159	-6,762	1,204	7,966
Bermuda	1,392	84	784	4,061	3,277
Brazil	-15	np	223	np	..
Canada	3,145	5,591	4,063	-4,523	-8,586
Cayman Islands	-377	-903	443	632	189
China	218	1,995	3,831	8,847	5,016
France	1,510	-9,997	-4,592	-3,970	622
Germany	1,540	-17,925	1,216	-7,181	-8,397
Hong Kong (SAR of China)	-8,436	473	2,009	2,562	553
India	36	439	np	120	..
Indonesia	np	22	-57	427	484
Italy	1,207	-23	-180	298	478
Japan	872	10,875	8,374	6,628	-1,746
Luxembourg	179	-211	1,135	-8,523	-9,658
Malaysia	303	1,791	1,016	2,433	1,417
Mexico	np	-	9	47	38
Netherlands	3,422	2,233	-3,899	3,474	7,373
New Zealand	-723	-3,371	-3,386	-901	2,485
Papua New Guinea	105	-306	-1,259	-64	1,195
Philippines	-386	-5	220	247	27
Republic of Korea	-35	770	-1,143	3,708	4,851
Russian Federation	7	np	np	-512	..
Saudi Arabia	-7	np	416	358	-58
Singapore	-4,738	1,233	6,232	2,870	-3,362
South Africa	3	-125	34	354	320
Spain	-3	-287	350	270	-80
Sweden	170	-13	298	1,608	1,310
Switzerland	1,606	-3,383	8,216	1,931	-6,285
Taiwan	246	-66	130	553	423
Thailand	-292	383	np	-2,251	..
United Arab Emirates	np	np	np	-315	..
United Kingdom	3,248	-20,061	-14,214	-2,317	11,897
United States	45,163	45,577	46,663	31,700	-14,963
Vietnam	-13	31	61	np	..
Virgin Islands, British	106	1,242	1,024	397	-627
<b>Country Groups</b>					
Asia (a)	-11,844	16,104	np	26,206	..
APEC	35,427	65,351	64,818	51,687	-13,131
ASEAN	-4,745	1,618	-458	3,788	4,246
European Union (b)	10,672	-42,565	-25,357	-11,484	13,873
G20 (c)	np	np	np	35,663	..
OECD	62,126	6,267	34,386	24,510	-9,876
<b>Total all countries</b>	<b>83,358</b>	<b>82,644</b>	<b>92,208</b>	<b>91,333</b>	<b>-875</b>

(a) Major Asian economies only - includes: China; Hong Kong (SAR of China); India; Japan; Republic of Korea; Taiwan and all ASEAN members. (b) EU27 to 2012. EU28 from 2013. (c) Excludes data for Argentina in 2013.

Based on ABS catalogue 5352.0.

np - not published.

**TABLE 18.3: FOREIGN INVESTMENT IN AUSTRALIA - STOCKS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

	2003	2011	2012	2013	% share 2013	% change	
						2003 to 2013	2012 to 2013
<b>Selected countries</b>							
Belgium	10,562	14,160	7,465	8,277	0.3	-21.6	10.9
Bermuda	2,527	6,435	6,831	10,382	0.4	310.8	52.0
Brazil	26	863	np	np	..	..	..
Canada	10,980	25,418	30,160	26,882	1.1	144.8	-10.9
Cayman Islands	690	2,264	2,755	3,420	0.1	395.7	24.1
China	2,989	19,759	22,591	31,899	1.3	967.2	41.2
France	11,145	20,253	17,356	15,762	0.6	41.4	-9.2
Germany	15,740	21,605	20,153	24,176	1.0	53.6	20.0
Hong Kong (SAR of China)	27,833	43,650	46,268	51,337	2.1	84.4	11.0
India	128	12,254	11,006	10,865	0.4	..	-1.3
Indonesia	362	444	520	959	0.0	164.9	84.4
Italy	3,050	1,848	1,722	2,272	0.1	-25.5	31.9
Japan	46,417	124,773	127,807	130,982	5.3	182.2	2.5
Luxembourg	3,198	24,889	26,048	15,564	0.6	386.7	-40.2
Malaysia	6,164	14,484	14,791	16,746	0.7	171.7	13.2
Mexico	9	41	33	47	0.0	422.2	42.4
Netherlands	22,165	40,938	34,771	36,965	1.5	66.8	6.3
New Zealand	19,859	27,307	26,670	30,124	1.2	51.7	13.0
Papua New Guinea	282	1,573	-236	-58	0.0	..	-75.4
Philippines	1,747	430	911	766	0.0	-56.2	-15.9
Republic of Korea	618	12,771	12,014	15,059	0.6	..	25.3
Russian Federation	np	1,420	5,564	4,844	0.2	..	-12.9
Saudi Arabia	32	np	4,098	4,490	0.2	..	9.6
Singapore	22,233	48,519	56,769	60,544	2.5	172.3	6.6
South Africa	1,931	2,051	1,897	1,783	0.1	-7.7	-6.0
Spain	np	np	np	np	..	..	.
Sweden	1,968	3,337	3,357	4,701	0.2	138.9	40.0
Switzerland	21,269	41,426	49,465	47,145	1.9	121.7	-4.7
Taiwan	1,172	4,844	4,999	5,856	0.2	399.7	17.1
Thailand	161	13,393	7,495	6,137	0.2	..	-18.1
United Arab Emirates	np	np	np	17,215	..	..	..
United Kingdom	259,735	467,827	491,304	562,881	22.9	116.7	14.6
United States	287,541	507,288	575,385	657,888	26.7	128.8	14.3
Vietnam	np	184	261	414	0.0	..	58.6
Virgin Islands, British	np	np	19,487	19,594	0.8	..	0.5
<b>Country Groups</b>							
Asia (a)	111,728	297,597	305,709	331,840	13.5	197.0	8.5
APEC	428,407	847,128	932,739	1,041,280	42.3	143.1	11.6
ASEAN	32,571	79,546	81,024	85,842	3.5	163.6	5.9
European Union (b)	343,509	630,509	640,392	716,032	29.1	108.4	11.8
G20 (c)	np	np	1,431,492	1,601,763	65.1	..	11.9
OECD	724,269	1,363,865	1,452,450	1,609,031	65.4	122.2	10.8
<b>Total all countries</b>	<b>1,044,719</b>	<b>2,062,278</b>	<b>2,212,506</b>	<b>2,461,998</b>	<b>100.0</b>	<b>135.7</b>	<b>11.3</b>

(a) Major Asian economies only - includes: China; Hong Kong (SAR of China); India; Japan; Republic of Korea; Taiwan and all ASEAN members. (b) EU27 to 2012. EU28 from 2013. (c) Excludes data for Argentina and Brazil in 2012 to 2013.

Based on ABS catalogue 5352.0.

np - not published.

**TABLE 18.4: AUSTRALIAN INVESTMENT ABROAD - NET OUTFLOWS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

	2003	2011	2012	2013	\$ change 2012 to 2013
<b>Selected countries</b>					
Belgium	-43	-2,249	-119	-8	111
Bermuda	-25	-868	-288	2,363	2,651
Brazil	-86	2,157	51	354	303
Canada	554	7,570	3,104	2,069	-1,035
Cayman Islands	158	np	411	493	82
China	189	5,769	2,212	9,872	7,660
France	2,065	-2,418	-3,002	-2,684	318
Germany	1,598	1,873	4,965	-2,759	-7,724
Hong Kong (SAR of China)	-986	-4,239	2,660	2,990	330
India	43	702	498	438	-60
Indonesia	-103	221	586	316	-270
Italy	22	342	483	188	-295
Japan	1,557	4,561	2,989	5,256	2,267
Luxembourg	-444	2,625	1,085	-963	-2,048
Malaysia	-5	1,382	1,954	986	-968
Mexico	-60	-129	1,204	104	-1,100
Netherlands	1,006	5,858	1,206	446	-760
New Zealand	6,214	104	-2,187	3,393	5,580
Papua New Guinea	-40	-187	1,958	1,007	-951
Philippines	169	1,655	1,555	730	-825
Republic of Korea	855	1,268	1,244	1,062	-182
Russian Federation	-20	439	343	354	11
Saudi Arabia	31	-2	13	-2	-15
Singapore	-2,056	-4,941	785	8,991	8,206
South Africa	-76	53	-430	955	1,385
Spain	-45	22	-433	490	923
Sweden	221	-276	2,163	-445	-2,608
Switzerland	-861	-1,023	691	1,588	897
Taiwan	267	-360	-243	590	833
Thailand	169	436	-71	-90	-19
United Arab Emirates	-42	-322	-91	402	493
United Kingdom	606	-16,213	-602	-24,203	-23,601
United States	27,051	34,326	-6,529	8,751	15,280
Vietnam	np	np	np	298	..
Virgin Islands, British	1	393	83	-833	-916
<b>Country Groups</b>					
Asia (a)	100	6,251	14,668	31,764	17,096
APEC	33,653	47,598	13,458	46,601	33,143
ASEAN	-1,825	-1,450	5,308	11,556	6,248
European Union (b)	7,865	-13,425	5,847	-29,112	-34,959
G20 (c)	37,700	43,561	11,325	568	-10,757
OECD	40,148	37,001	9,956	-5,534	-15,490
<b>Total all countries</b>	<b>39,430</b>	<b>43,609</b>	<b>29,638</b>	<b>45,171</b>	<b>15,533</b>

(a) Major Asian economies only - includes: China; Hong Kong (SAR of China); India; Japan; Republic of Korea; Taiwan and all ASEAN members. (b) EU27 to 2012. EU28 from 2013. (c) Excludes data for Argentina in 2003, 2012 to 2013.

Based on ABS catalogue 5352.0.

np - not published.

**TABLE 18.5: AUSTRALIAN INVESTMENT ABROAD - STOCKS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

	2003	2011	2012	2013	% share 2013	% change	
						2003 to 2013	2012 to 2013
<b>Selected countries</b>							
Belgium	784	1,701	1,828	2,396	0.1	205.6	31.1
Bermuda	4,175	10,816	10,082	12,862	0.8	208.1	27.6
Brazil	353	16,738	14,103	13,049	0.8	..	-7.5
Canada	6,182	43,785	42,789	53,716	3.3	768.9	25.5
Cayman Islands	9,706	np	19,994	25,096	1.5	158.6	25.5
China	1,350	17,142	21,302	29,576	1.8	..	38.8
France	11,488	28,194	28,728	33,931	2.1	195.4	18.1
Germany	10,216	38,459	48,948	56,518	3.5	453.2	15.5
Hong Kong (SAR of China)	13,624	20,881	24,903	29,768	1.8	118.5	19.5
India	873	4,381	5,788	6,579	0.4	653.6	13.7
Indonesia	2,279	5,339	6,792	10,867	0.7	376.8	60.0
Italy	2,412	2,647	3,667	4,991	0.3	106.9	36.1
Japan	21,749	34,934	38,850	50,225	3.1	130.9	29.3
Luxembourg	1,256	15,315	16,906	16,860	1.0	..	-0.3
Malaysia	484	5,858	7,915	9,467	0.6	..	19.6
Mexico	215	3,137	5,353	5,342	0.3	..	-0.2
Netherlands	15,969	27,804	29,082	33,461	2.1	109.5	15.1
New Zealand	40,869	73,329	76,818	81,138	5.0	98.5	5.6
Papua New Guinea	1,490	16,123	18,628	20,010	1.2	..	7.4
Philippines	714	5,433	6,953	7,717	0.5	980.8	11.0
Republic of Korea	3,784	7,969	10,418	12,477	0.8	229.7	19.8
Russian Federation	np	1,480	1,876	2,352	0.1	..	25.4
Saudi Arabia	36	np	np	np	..	..	..
Singapore	13,079	22,322	27,010	35,409	2.2	170.7	31.1
South Africa	384	3,121	3,026	4,162	0.3	983.9	37.5
Spain	1,735	3,313	3,021	4,626	0.3	166.6	53.1
Sweden	1,147	3,784	5,730	6,259	0.4	445.7	9.2
Switzerland	6,550	19,688	27,447	38,301	2.3	484.7	39.5
Taiwan	495	3,796	3,723	5,061	0.3	922.4	35.9
Thailand	471	2,169	2,868	2,890	0.2	513.6	0.8
United Arab Emirates	71	916	969	1,336	0.1	..	37.9
United Kingdom	95,045	192,841	216,832	255,672	15.7	169.0	17.9
United States	230,504	375,328	397,809	471,672	28.9	104.6	18.6
Vietnam	80	611	np	666	0.0	732.5	..
Virgin Islands, British	np	2,010	2,160	1,575	0.1	..	-27.1
<b>Country Groups</b>							
Asia (a)	61,280	132,092	158,643	203,059	12.4	231.4	28.0
APEC	338,156	643,691	700,338	834,981	51.2	146.9	19.2
ASEAN	19,405	42,989	53,659	69,373	4.3	257.5	29.3
European Union (b)	165,132	357,210	392,287	455,752	27.9	176.0	16.2
G20 (c)	432,981	872,113	942,234	1,117,464	68.5	158.1	18.6
OECD	453,835	896,936	978,835	1,153,154	70.7	154.1	17.8
<b>Total all countries</b>	<b>605,697</b>	<b>1,262,734</b>	<b>1,384,397</b>	<b>1,632,201</b>	<b>100.0</b>	<b>169.5</b>	<b>17.9</b>

(a) Major Asian economies only - includes: China; Hong Kong (SAR of China); India; Japan; Republic of Korea; Taiwan and all ASEAN members. (b) EU27 to 2012. EU28 from 2013. (c) Excludes data for the Russian Federation and Turkey in 2003 only and Saudi Arabia in 2011 to 2013.

Based on ABS catalogue 5352.0.

np - not published.

**TABLE 18.6: FOREIGN INVESTMENT IN AUSTRALIA - DIRECT NET INFLOWS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

					<b>\$ change</b>
	<b>2003</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2012 to 2013</b>
<b>Selected countries</b>					
Belgium	1,037	-378	-955	1,091	2,046
Bermuda	287	np	883	np	..
Brazil	np	np	np	1	..
Canada	2,340	5,666	2,419	-3,324	-5,743
Cayman Islands	np	-195	np	np	..
China	np	3,269	3,413	4,897	1,484
France	635	np	349	-1,084	-1,433
Germany	529	-1,576	-34	124	158
Hong Kong (SAR of China)	-109	1,308	-361	483	844
India	-	np	70	-37	-107
Indonesia	-1	1	np	4	..
Italy	np	np	-30	np	..
Japan	2,167	12,417	10,315	4,575	-5,740
Luxembourg	643	2,052	851	-1,114	-1,965
Malaysia	-52	1,157	720	np	..
Mexico	-	-	np	-	..
Netherlands	845	3,127	1,697	1,078	-619
New Zealand	736	131	-566	145	711
Papua New Guinea	np	np	np	np	..
Philippines	-3	-4	9	-3	-12
Republic of Korea	-94	np	-303	16	319
Russian Federation	np	np	114	np	..
Saudi Arabia	np	np	np	np	..
Singapore	533	1,888	3,527	1,996	-1,531
South Africa	-66	-182	np	189	..
Spain	np	np	np	np	..
Sweden	25	124	172	50	-122
Switzerland	2,483	315	593	1,234	641
Taiwan	np	np	-5	-56	-51
Thailand	np	np	849	560	-289
United Arab Emirates	np	np	np	np	..
United Kingdom	-10,630	19,416	10,398	11,399	1,001
United States	8,752	11,669	15,126	23,927	8,801
Vietnam	-	-	-	-	..
Virgin Islands, British	108	np	1,000	np	..
<b>Country Groups</b>					
APEC	14,364	38,903	34,136	35,099	963
ASEAN	415	3,868	5,039	4,606	-433
European Union (a)	-6,561	12,385	13,265	12,731	-534
G20	np	np	np	np	..
OECD	10,527	42,641	40,546	39,384	-1,162
<b>Total all countries</b>	<b>9,774</b>	<b>57,932</b>	<b>55,596</b>	<b>52,667</b>	<b>-2,929</b>

(a) EU27 to 2012. EU28 from 2013.  
Based on ABS catalogue 5352.0.

np - not published.

**TABLE 18.7: FOREIGN INVESTMENT IN AUSTRALIA - DIRECT STOCKS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

	2003	2011	2012	2013	% share 2013	% change	
						2003 to 2013	2012 to 2013
<b>Selected countries</b>							
Belgium	np	5,722	4,798	5,350	0.8	..	11.5
Bermuda	1,153	5,802	6,297	9,600	1.5	732.6	52.5
Brazil	np	np	-	np	..	..	..
Canada	8,123	18,990	21,012	16,576	2.6	104.1	-21.1
Cayman Islands	np	np	np	np	..	..	..
China	np	14,403	16,143	20,832	3.3	..	29.0
France	6,077	7,173	6,919	5,532	0.9	-9.0	-20.0
Germany	7,672	14,098	13,604	13,775	2.2	79.5	1.3
Hong Kong (SAR of China)	np	7,578	7,286	7,378	1.2	..	1.3
India	np	np	1,337	1,159	0.2	..	-13.3
Indonesia	-6	np	-12	-8	0.0	33.3	-33.3
Italy	2,910	np	588	869	0.1	-70.1	47.8
Japan	18,386	54,115	62,043	63,257	10.0	244.0	2.0
Luxembourg	1,285	3,427	4,246	2,404	0.4	87.1	-43.4
Malaysia	3,235	np	5,652	7,693	1.2	137.8	36.1
Mexico	-	np	-	1	0.0	..	..
Netherlands	11,924	29,708	29,650	29,371	4.7	146.3	-0.9
New Zealand	5,513	5,312	4,285	5,068	0.8	-8.1	18.3
Papua New Guinea	-1	np	np	np	..	..	..
Philippines	-5	-2	8	5	0.0	-200.0	-37.5
Republic of Korea	np	np	2,065	1,972	0.3	..	-4.5
Russian Federation	-	727	766	734	0.1	..	-4.2
Saudi Arabia	-	np	np	np	..	..	..
Singapore	4,254	19,978	23,908	25,177	4.0	491.8	5.3
South Africa	np	1,729	np	np	..	..	..
Spain	np	np	np	np	..	..	..
Sweden	910	1,524	1,585	1,463	0.2	60.8	-7.7
Switzerland	10,856	22,890	22,535	19,096	3.0	75.9	-15.3
Taiwan	110	np	158	98	0.0	-10.9	-38.0
Thailand	np	np	np	4,637	0.7	..	..
United Arab Emirates	-	np	np	np	..	..	..
United Kingdom	45,732	68,809	78,870	86,663	13.8	89.5	9.9
United States	83,921	117,762	131,943	149,479	23.7	78.1	13.3
Vietnam	-	1	1	-	..	..	..
Virgin Islands, British	np	np	19,182	np	..	..	..
<b>Country Groups</b>							
APEC	127,102	249,290	277,335	301,528	47.9	137.2	8.7
ASEAN	7,385	28,048	32,817	37,505	6.0	407.9	14.3
European Union (a)	87,296	140,622	150,339	156,110	24.8	78.8	3.8
G20	np	np	np	np	..	..	..
OECD	216,519	362,678	394,379	411,453	65.3	90.0	4.3
<b>Total all countries</b>	<b>292,125</b>	<b>549,390</b>	<b>591,341</b>	<b>629,941</b>	<b>100.0</b>	<b>115.6</b>	<b>6.5</b>

(a) EU27 to 2012. EU28 from 2013.  
Based on ABS catalogue 5352.0.

np - not published.

**TABLE 18.8: AUSTRALIAN INVESTMENT ABROAD - DIRECT NET OUTFLOWS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

	2003	2011	2012	2013	\$ change 2012 to 2013
<b>Selected countries</b>					
Belgium	148	15	5	1	-4
Bermuda	55	-3	-895	1,100	1,995
Brazil	np	952	-264	np	..
Canada	251	1,787	1,707	3,313	1,606
Cayman Islands	273	161	np	122	..
China	155	204	569	458	-111
France	-8	40	np	-88	..
Germany	291	-160	237	168	-69
Hong Kong (SAR of China)	520	np	1,218	-1,731	-2,949
India	np	344	450	23	-427
Indonesia	149	447	537	149	-388
Italy	np	91	np	2	..
Japan	-23	-70	-88	161	249
Luxembourg	np	np	np	np	..
Malaysia	-27	603	841	732	-109
Mexico	np	-12	187	np	..
Netherlands	-617	np	1,693	np	..
New Zealand	4,957	3,101	-1,152	3,492	4,644
Papua New Guinea	11	-371	1,626	923	-703
Philippines	5	654	-189	np	..
Republic of Korea	11	178	2	-49	-51
Russian Federation	-	np	np	np	..
Saudi Arabia	17	2	np	np	..
Singapore	635	843	1,497	1,709	212
South Africa	np	-238	-31	np	..
Spain	np	-4	np	np	..
Sweden	np	np	70	np	..
Switzerland	208	np	np	229	..
Taiwan	-16	np	np	np	..
Thailand	180	71	-33	49	82
United Arab Emirates	-12	np	np	186	..
United Kingdom	3,179	-10,601	7,389	-7,749	-15,138
United States	14,118	15,751	-4,931	2,679	7,610
Vietnam	np	np	np	np	..
Virgin Islands, British	-	np	np	np	..
<b>Country Groups</b>					
APEC	20,829	16,315	3,868	12,264	8,396
ASEAN	938	2,789	3,119	2,995	-124
European Union (a)	3,013	-8,774	10,401	-7,819	-18,220
G20	np	np	np	np	..
OECD	22,132	11,860	6,784	2,451	-4,333
<b>Total all countries</b>	<b>23,165</b>	<b>3,150</b>	<b>7,977</b>	<b>7,647</b>	<b>-330</b>

(a) EU27 to 2012. EU28 from 2013.  
Based on ABS catalogue 5352.0.

np - not published.

**TABLE 18.9: AUSTRALIAN INVESTMENT ABROAD - DIRECT STOCKS  
BY SELECTED COUNTRIES AND REGIONS  
(A\$ million)**

	2003	2011	2012	2013	% share 2013	% change	
						2003 to 2013	2012 to 2013
<b>Selected countries</b>							
Belgium	109	np	np	666	0.1	511.0	..
Bermuda	3,701	np	5,864	7,108	1.4	92.1	21.2
Brazil	96	12,906	np	8,099	1.6	..	..
Canada	1,454	np	np	28,814	5.8	..	..
Cayman Islands	np	475	np	1,288	0.3	..	..
China	492	6,386	8,417	6,350	1.3	..	-24.6
France	75	487	979	1,087	0.2	..	11.0
Germany	733	np	np	12,249	2.5	..	..
Hong Kong (SAR of China)	5,349	3,988	4,664	3,078	0.6	-42.5	-34.0
India	np	np	1,509	1,585	0.3	..	5.0
Indonesia	594	3,641	4,981	9,000	1.8	..	80.7
Italy	37	np	np	140	0.0	278.4	..
Japan	516	260	270	477	0.1	-7.6	76.7
Luxembourg	np	np	np	977	0.2	..	..
Malaysia	266	np	np	5,858	1.2	..	..
Mexico	np	np	2,478	2,195	0.4	..	-11.4
Netherlands	4,488	4,697	6,181	7,018	1.4	56.4	13.5
New Zealand	23,848	40,475	44,268	45,871	9.3	92.3	3.6
Papua New Guinea	np	np	np	17,926	3.6	..	..
Philippines	np	np	1,030	996	0.2	..	-3.3
Republic of Korea	1,277	np	np	534	0.1	-58.2	..
Russian Federation	-	np	np	np	..	..	..
Saudi Arabia	np	np	np	np	..	..	..
Singapore	2,849	7,034	10,977	8,951	1.8	214.2	-18.5
South Africa	np	448	427	1,027	0.2	..	140.5
Spain	np	np	np	40	0.0	..	..
Sweden	np	np	294	377	0.1	..	28.2
Switzerland	np	6,220	np	np	..	..	..
Taiwan	np	np	np	np	..	..	..
Thailand	218	432	552	833	0.2	282.1	50.9
United Arab Emirates	34	np	np	466	0.1	..	..
United Kingdom	44,586	49,644	55,669	50,558	10.2	13.4	-9.2
United States	103,272	98,533	104,181	121,691	24.6	17.8	16.8
Vietnam	80	580	np	401	0.1	401.3	..
Virgin Islands, British	-	np	np	137	0.0	..	..
<b>Country Groups</b>							
APEC	141,801	210,314	230,539	259,156	52.4	82.8	12.4
ASEAN	6,330	18,020	24,247	28,240	5.7	346.1	16.5
European Union (a)	52,092	72,121	78,553	73,478	14.8	41.1	-6.5
G20	np	np	np	np	..	..	..
OECD	184,360	244,446	265,240	294,038	59.4	59.5	10.9
<b>Total all countries</b>	<b>239,040</b>	<b>405,036</b>	<b>445,039</b>	<b>494,844</b>	<b>100.0</b>	<b>107.0</b>	<b>11.2</b>

(a) EU27 to 2012. EU28 from 2013.  
Based on ABS catalogue 5352.0.

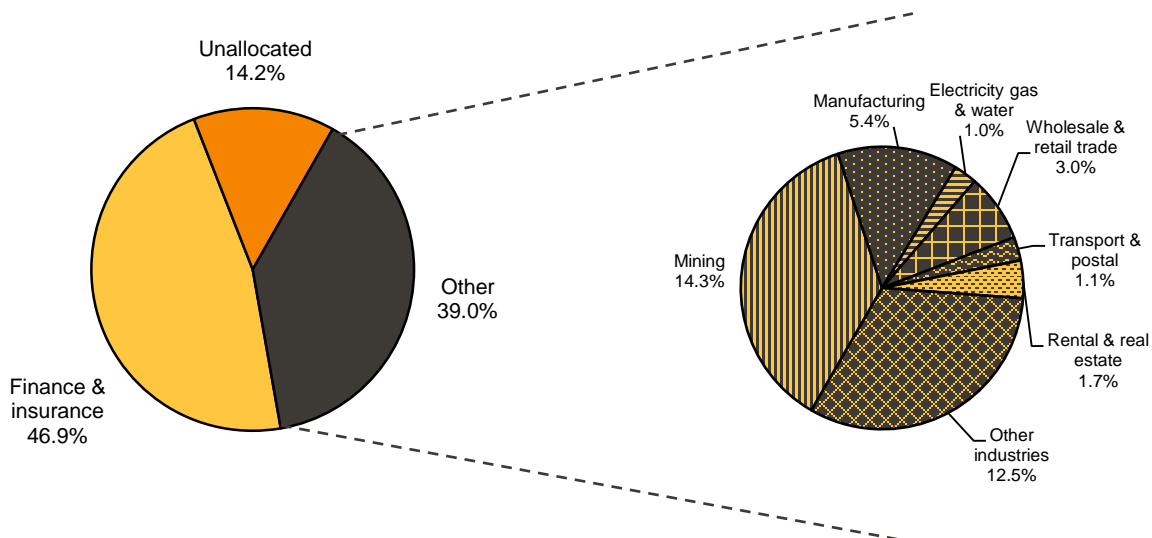
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**TABLE 19: FOREIGN INVESTMENT IN AUSTRALIA BY INDUSTRY**  
(A\$ million)

Industry (a)	Net flows					\$ change
	2009	2010	2011	2012	2013	2012 to 2013
Mining	28,753	14,132	58,689	49,230	60,643	11,413
Manufacturing	10,518	9,021	14,030	4,179	-46	-4,225
Electricity, gas, water & waste	1,652	2,084	2,072	1,911	4,068	2,157
Wholesale trade	3,371	6,679	4,816	1,149	1,277	128
Retail trade	-476	1,606	1,836	1,543	-470	-2,013
Transport, postal & warehousing	1,350	1,523	6,605	2,246	1,723	-523
Finance & insurance	13,562	-10,110	-31,587	-261	-6,062	-5,801
Rental, hiring & real estate	-81	8,489	2,040	1,330	4,940	3,610
Other industries	38,900	54,406	45,612	24,371	25,799	1,428
Unallocated	37,216	10,999	-16,184	4,536	-1,598	-6,134
<b>Total</b>	<b>134,764</b>	<b>98,830</b>	<b>87,930</b>	<b>90,232</b>	<b>90,277</b>	<b>45</b>

Industry (a)	Stock of foreign investment in Australia					% change
	2009	2010	2011	2012	2013	2012 to 2013
Mining	219,024	221,622	266,383	304,912	356,600	17.0
Manufacturing	126,101	129,278	135,800	135,306	134,176	-0.8
Electricity, gas, water & waste	14,953	17,024	18,344	20,743	26,029	25.5
Wholesale trade	40,205	47,976	52,233	57,271	61,324	7.1
Retail trade	9,064	10,715	13,744	14,475	14,469	-0.0
Transport, postal & warehousing	17,711	18,742	24,328	24,340	26,413	8.5
Finance & insurance	1,048,353	999,022	991,753	1,039,355	1,171,155	12.7
Rental, hiring & real estate	23,829	32,448	34,190	36,195	41,907	15.8
Other industries	172,943	219,857	272,954	294,157	313,325	6.5
Unallocated	314,181	346,452	290,520	321,797	353,964	10.0
<b>Total</b>	<b>1,986,363</b>	<b>2,043,137</b>	<b>2,100,249</b>	<b>2,248,552</b>	<b>2,499,363</b>	<b>11.2</b>

**Stock of foreign investment in Australia, 2013**



(a) Based on ANZSIC 2006 (refer to **Explanatory notes**). Note the industry represents the main activity of the top enterprise in Australia.

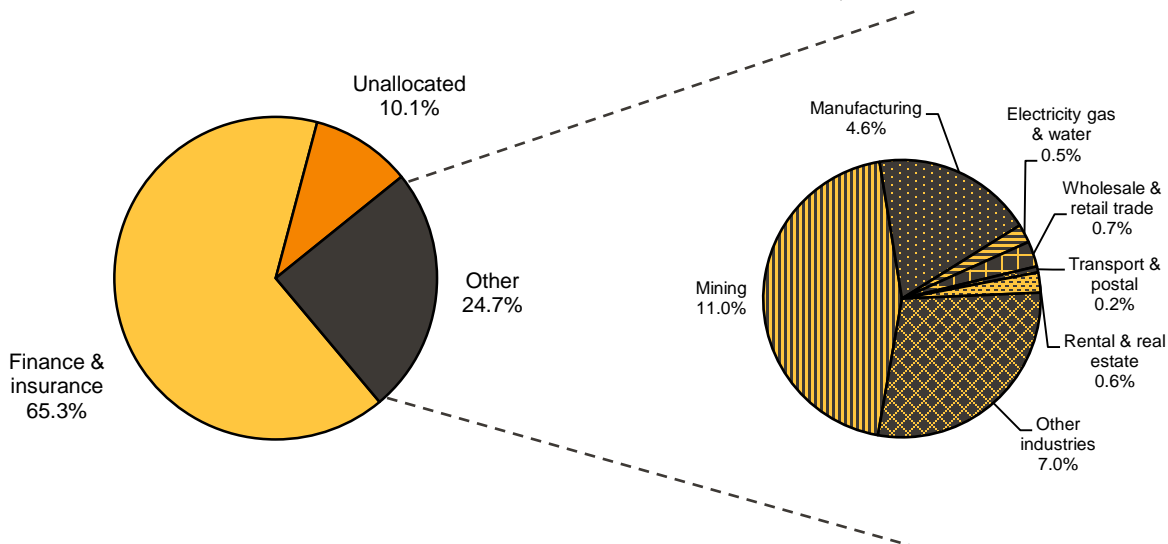
Based on ABS catalogue 5302.0.

**TABLE 20: AUSTRALIAN INVESTMENT ABROAD BY INDUSTRY**  
(A\$ million)

Industry (a)	Net flows					\$ change
	2009	2010	2011	2012	2013	2012 to 2013
Mining	38,267	20,728	14,117	7,374	15,399	8,025
Manufacturing	-29,147	5,772	1,299	436	1,364	928
Electricity, gas, water & waste	1,215	746	668	-341	1,116	1,457
Wholesale trade	610	-289	44	-474	1,422	1,896
Retail trade	-107	39	417	-7	473	480
Transport, postal & warehousing	191	1,150	114	-964	-174	790
Finance & insurance	30,026	22,257	33,810	32,581	31,354	-1,227
Rental, hiring & real estate	-2,230	101	1,685	-259	671	930
Other industries	22,347	10,344	1,207	-2,895	-10,197	-7,302
Unallocated	15,137	-8,458	-4,467	-7,787	2,688	10,475
<b>Total</b>	<b>76,307</b>	<b>52,386</b>	<b>48,896</b>	<b>27,663</b>	<b>44,116</b>	<b>16,453</b>

Industry (a)	Stock of Australian investment abroad					% change
	2009	2010	2011	2012	2013	2012 to 2013
Mining	154,287	172,845	160,322	170,419	183,988	8.0
Manufacturing	61,716	65,015	58,804	66,306	77,204	16.4
Electricity, gas, water & waste	7,570	7,884	7,600	7,437	8,881	19.4
Wholesale trade	5,988	5,394	5,669	5,112	6,985	36.6
Retail trade	2,955	3,026	3,909	4,046	5,230	29.3
Transport, postal & warehousing	3,597	4,033	4,576	3,744	2,899	-22.6
Finance & insurance	778,070	796,267	806,847	896,657	1,089,522	21.5
Rental, hiring & real estate	9,740	8,365	8,754	8,122	9,694	19.4
Other industries	81,698	97,413	101,376	105,895	117,312	10.8
Unallocated	128,035	143,474	142,848	152,709	167,851	9.9
<b>Total</b>	<b>1,233,656</b>	<b>1,303,716</b>	<b>1,300,705</b>	<b>1,420,444</b>	<b>1,669,566</b>	<b>17.5</b>

**Stock of Australian investment abroad, 2013**



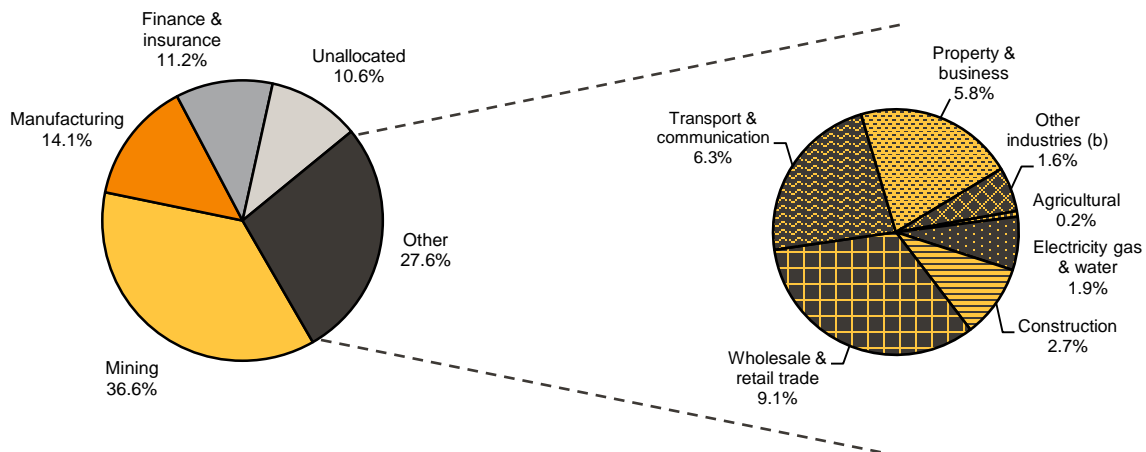
(a) Based on ANZSIC 2006 (refer to **Explanatory notes**). Note the industry represents the main activity of the top enterprise in Australia.

Based on ABS catalogue 5302.0.

**TABLE 21: FOREIGN DIRECT INVESTMENT IN AUSTRALIA BY INDUSTRY**  
(A\$ million)

	Direct net flows					\$ change
	2009	2010	2011	2012	2013	2012 to 2013
<b>Industry (a)</b>						
Agriculture, forestry & fishing	-15	13	np	np	np	..
Mining	17,020	11,389	39,411	37,522	46,237	8,715
Manufacturing	11,228	7,469	13,140	2,728	293	-2,435
Electricity, gas & water	1,346	422	400	1,933	-223	-2,156
Construction	1,026	961	728	2,489	3,538	1,049
Wholesale & retail trade	3,974	7,361	5,147	996	719	-277
Accommodation, cafes & restaurants	147	412	390	59	598	539
Transport & communication	875	-2,036	1,113	1,652	-63	-1,715
Finance & insurance	6,631	9,405	-4,878	7,729	5,638	-2,091
Property & business	455	4,849	6,399	1,044	3,921	2,877
Other industries	1,569	858	211	-332	492	824
Unallocated	-3,651	-51	np	np	np	..
<b>Total</b>	<b>40,603</b>	<b>41,051</b>	<b>57,932</b>	<b>55,596</b>	<b>52,667</b>	<b>-2,929</b>
	<b>Stock of foreign direct investment in Australia</b>					<b>% change</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2012 to 2013</b>
<b>Industry (a)</b>						
Agriculture, forestry & fishing	691	657	624	1,238	1,342	8.4
Mining	142,461	147,515	175,991	204,766	230,307	12.5
Manufacturing	81,341	83,993	90,237	90,396	88,619	-2.0
Electricity, gas & water	9,060	9,750	9,216	11,695	12,185	4.2
Construction	17,370	17,071	14,264	15,398	16,710	8.5
Wholesale & retail trade	37,114	45,132	50,418	54,020	57,471	6.4
Accommodation, cafes & restaurants	5,390	5,858	6,415	6,229	6,635	6.5
Transport & communication	45,517	39,351	39,666	39,937	39,517	-1.1
Finance & insurance	60,350	69,619	62,400	67,590	70,312	4.0
Property & business	19,528	24,285	30,475	32,099	36,420	13.5
Other industries	3,525	3,517	3,898	3,502	3,498	-0.1
Unallocated	67,548	72,958	65,787	64,470	66,925	3.8
<b>Total</b>	<b>489,894</b>	<b>519,706</b>	<b>549,390</b>	<b>591,341</b>	<b>629,941</b>	<b>6.5</b>

**Stock of foreign direct investment in Australia, 2013**



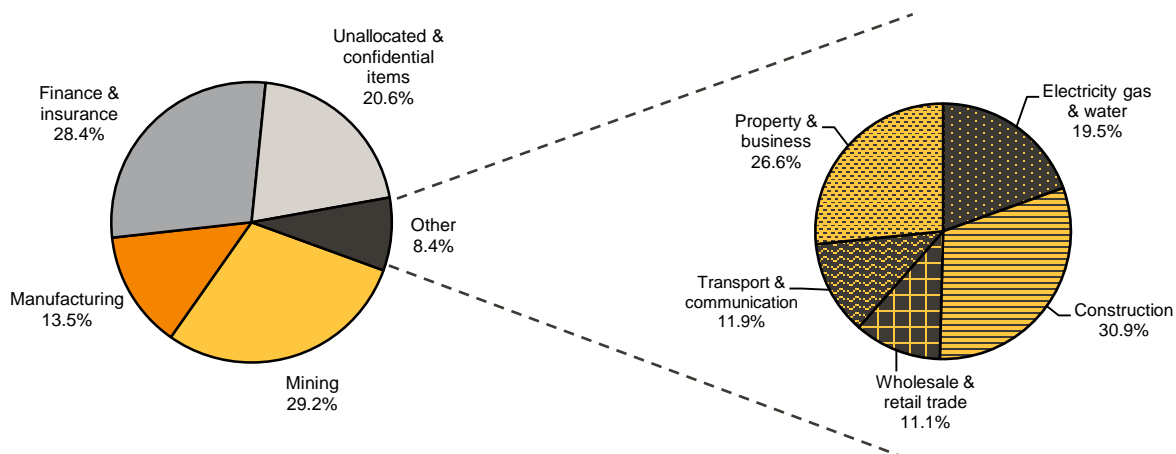
(a) Based on ANZSIC 2006 (refer to **Explanatory notes**). Note the industry represents the main activity of the top enterprise in Australia. (b) Includes *Accommodation, cafes & restaurants*. np - not published.

Based on ABS catalogue 5352.0.

**TABLE 22: AUSTRALIAN DIRECT INVESTMENT ABROAD BY INDUSTRY**  
(A\$ million)

	Direct net flows					\$ change
	2009	2010	2011	2012	2013	2012 to 2013
<b>Industry (a)</b>						
Agriculture, forestry & fishing	np	np	np	np	np	..
Mining	43,518	19,815	6,441	12,670	167	-12,503
Manufacturing	-27,683	4,873	3,182	-2,609	883	3,492
Electricity, gas & water	1,450	563	605	507	862	355
Construction	1,006	686	622	424	644	220
Wholesale & retail trade	-684	168	-99	262	604	342
Accommodation, cafes & restaurants	np	np	np	np	np	..
Transport & communication	1,749	2,021	-162	-2,110	-1,130	980
Finance & insurance	8,612	2,633	-2,915	6,876	7,814	938
Property & business	-1,035	-257	2,103	np	np	..
Other industries	np	np	np	1,587	-83	-1,670
Unallocated	np	np	np	np	np	..
<b>Total</b>	<b>21,039</b>	<b>23,400</b>	<b>3,150</b>	<b>7,977</b>	<b>7,647</b>	<b>-330</b>
	<b>Stock of direct Australian investment abroad</b>					<b>% change</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2012 to 2013</b>
<b>Industry (a)</b>						
Agriculture, forestry & fishing	np	np	np	np	np	..
Mining	133,895	152,998	132,925	148,220	144,446	-2.5
Manufacturing	54,269	57,010	52,479	56,845	66,761	17.4
Electricity, gas & water	6,588	6,774	6,426	np	8,085	..
Construction	8,657	10,825	10,822	12,173	12,831	5.4
Wholesale & retail trade	2,912	2,917	3,444	3,692	4,585	24.2
Accommodation, cafes & restaurants	np	np	np	np	np	..
Transport & communication	8,690	9,271	9,450	6,466	4,947	-23.5
Finance & insurance	113,034	110,849	99,125	112,701	140,368	24.5
Property & business	10,514	8,765	9,775	9,522	11,040	15.9
Other industries	np	np	np	np	np	..
Unallocated	np	np	np	np	np	..
<b>Total</b>	<b>406,435</b>	<b>439,529</b>	<b>405,036</b>	<b>445,039</b>	<b>494,844</b>	<b>11.2</b>

**Stock of direct Australian investment abroad, 2013**



(a) Based on ANZSIC 2006 (refer to **Explanatory notes**). Note the industry represents the main activity of the top enterprise in Australia. np - not published.  
Based on ABS catalogue 5352.0.



## **Section 5**

# **The Foreign Investment Review Board (FIRB)**

## The Foreign Investment Review Board

The Foreign Investment Review Board (FIRB) is a non-statutory body established in 1976 to advise the Treasurer and the Government on Australia's Foreign Investment Policy and its administration. The Board examines significant foreign investment applications that fall within the scope of Australia's Foreign Investment Policy and/or the *Foreign Acquisitions and Takeovers Act 1975* and advises on potential national interest concerns. The Board's functions are advisory only. Responsibility for making decisions on the Policy and proposals rests with the Treasurer.

### Overview of the investment review process

In brief, proposed investments in Australia by foreign entities where the investments fall within the scope of Australia's Foreign Investment Policy and/or the *Foreign Acquisitions and Takeovers Act 1975*, are initially examined by the Board secretariat, with the Board's direct and early involvement in significant applications.

While the overwhelming majority of proposals proceed without objection, the Treasurer may have powers under the Act to prohibit proposals that are contrary to the national interest, or to subject them to conditions considered necessary to address national interest concerns. Information relating to proposed investments is included in the FIRB Annual Report for the year in which the investment is considered. The FIRB does not provide data on actual investment flows or stocks.

### Use of FIRB approved investment data

Users should be extremely careful in interpreting and comparing FIRB data with alternate international investment data such as from the ABS or across different periods:

- FIRB data records *proposed* investments by foreign persons falling within certain national interest threshold parameters at the time of the assessment, whereas ABS international investment data records certain *actual* investments in the period in which change of ownership occurs;
- As such, FIRB data represents a different view of foreign investment in Australia to that represented by ABS international investment data.

The FIRB urges particular caution in the use of its data including when making comparisons with earlier years. **Users of the data should note the methodological and data caveats that apply.** For FIRB data and the associated caveats, see particularly Chapter 2 of the [FIRB annual reports](#).

### Differences between FIRB and ABS data

- FIRB data and ABS international investment data capture different aspects of foreign investment in Australia.
- FIRB data only captures *proposed* new investments (gross inflows) which fall above specified thresholds or national interest considerations in Australia's Foreign Investment Policy.
- FIRB data does not show *actual* flows or stocks of investment.
- ABS data captures *actual* net investment flows (both inflows [injections] and outflows [withdrawals]) in the period in which change of ownership occurs.
- ABS data also records *stocks* of foreign investment as at the end of the reference period.
- FIRB data generally reflects the country of the *ultimate* investor, whereas ABS data reflects the country of the *immediate* investor (see **Box I** on Third Party Investment).

**TABLE A: FIRB APPROVALS FOR PROPOSED INVESTMENT IN AUSTRALIA, BY COUNTRY (A\$ billion)**

<b>By selected country of investor</b>	<b>2012-13</b>
China	15.80
Japan	4.59
United Kingdom	6.85
United States	20.63
Other	87.83
<b>Total</b>	<b>135.70</b>

Based on Foreign Investment Review Board *Annual Reports*, 2012-13.

**TABLE B: FIRB APPROVALS FOR PROPOSED INVESTMENT IN AUSTRALIA, BY INDUSTRY (A\$ billion)**

<b>By industry sector</b>	<b>2012-13</b>
Agriculture, forestry & fishing	2.86
Finance & insurance	2.92
Manufacturing	6.51
Mineral exploration & development	45.14
Resource processing	0.42
Other services	25.91
Tourism	0.02
Real estate	51.91
<b>Total</b>	<b>135.70</b>

Based on Foreign Investment Review Board *Annual Reports*, 2012-13.

### Where to find FIRB data

More information on FIRB and associated data is available on the FIRB website and *Annual Reports* at <http://www.firb.gov.au/content/publications.asp?NavID=5>.



# **Section 6**

## **Technical appendices**

## Appendix A Explanatory notes

### Introduction

The *International Investment Australia* publication provides summary data on Australia's international investment relationships with the world.

This publication is divided into five sections.

**Section 1** – *Australia's international investment – definitions and concepts* - contains information boxes which are designed to give the user background information on Australian Bureau of Statistics (ABS) international investment statistical concepts in an easy to understand format. These information boxes however do not cover all concepts and should be read in conjunction with these explanatory notes.

**Section 2** – *Australia's international investment – summary tables* – presents information on Foreign Investment in Australia (FIA), and Australian Investment Abroad (AIA), in terms of flows, stocks and related income, rankings tables, as well as selected indicators on the openness of the Australian economy to international investment, including foreign ownership and ratios.

**Section 3** – *International investment comparisons* – presents information on where Australia ranks in the world economy in terms of direct investment flows and stocks.

**Section 4** – *Australia's international investment – detailed tables* – presents information on AIA and FIA for total and direct investment by selected countries, regions and industry.

**Section 5** – *The Foreign Investment Review Board (FIRB)* – presents summary information on approvals for proposed investment in Australia by selected country and industry. An information box is presented explaining the FIRB, the overview of the approval process as well as differences between FIRB and ABS investment data.

**Section 6** – *Technical appendices*

In **Section 1, 2, 4 and 5**, all values are presented in Australian dollar terms. In **Section 3**, all values are presented in US dollars unless otherwise specified.

### Data sources

The international investment statistics used to compile this publication have been obtained from the following sources:

- ABS – *Balance of Payments and International Investment Position*, December quarter 2013 (ABS catalogue number 5302.0)
- ABS – *International Investment Position, Australia: Supplementary Statistics*, 2013 (ABS catalogue number 5352.0)
- ABS – *Australian National Accounts, December quarter 2013* (ABS catalogue number 5206.0)
- ABS – *Selected Characteristics of Australian Businesses, 2011-12* (ABS catalogue number 8167.0)
- ABS – *Australian National Accounts: Financial Accounts, December 2013* (ABS catalogue number 5232.0)
- FIRB – *Annual reports*, various issues
- UNCTAD – *World Investment Report, 2014* and *Foreign Direct Investment Statistics database (FDI)*
- WTO – *World Trade Organisation statistics database*
- IMF WEO – *International Monetary Fund World Economic Outlook*, April 2014 database.

## Revisions to data

ABS editing procedures frequently lead to revisions of previously published international investment data. Figures in this publication contain all amendments made by the ABS up to May 2014.

## Confidential data

### *International investment data*

To avoid divulging commercially-sensitive details of individual firms, the ABS restricts the release of certain statistics. In international investment statistics the ABS uses a 'suppression' methodology. Under this methodology, if a data cell is deemed to be confidential, the ABS would close that cell and flag the cell as 'not published (np)'. As it is possible to calculate this cell by subtracting all other cells in the row from a total (or sub-total) series the ABS is also forced to suppress a non-confidential cell (called sequential confidentiality). As a result the number of cells suppressed can grow exponentially. Therefore a significant proportion of international investment data (especially at the partner country level) is not published by the ABS.

This can make it difficult for users of ABS international investment to analyse trends in ABS international investment data, especially for compiling ranking tables. Therefore the rankings for FIA and AIA (both total and direct) in **Tables 5 to 8** have been compiled by DFAT after carefully analysing not just the current year's data but also the underlying series for confidentialised countries and previous years' data. If a ranking has not been supplied it indicates that it is not possible to accurately determine the ranking for the country from the data published by the ABS.

## ABS international investment statistics

### *Overview*

ABS international investment statistics are compiled in accordance with the International Monetary Fund (IMF) *Balance of Payments and International Investment Position Manual*, sixth edition, 2008 (BPM6). Australia's international investment position statistics measure the level (or stock) of foreign liabilities in Australia and Australian foreign assets abroad at the end of a period. The difference between stock of foreign liabilities and foreign assets is referred to as Australia's net international investment position.

### *Type of investment*

The type of investment classification used in the international investment position consists of five broad categories:

**Direct investment** is investment, undertaken by an entity resident in one economy, in an enterprise resident in another economy, with the objectives of obtaining or sustaining a lasting interest in the enterprise and exercising a significant degree of influence in its management. A 10% equity investment threshold is applied as evidence of such a direct interest. The entity undertaking the investment is referred to as the direct investor and the enterprise in which the investment takes place is referred to as the direct investment enterprise.

A direct investment enterprise in an economy is an incorporated or unincorporated enterprise in which a foreign direct investor owns 10% or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise). Direct investment enterprises comprise branches (i.e. where fully owned by the direct investor but not incorporated in the economy where the branch is located), subsidiaries (where at least 50% owned by the direct investor) and associates (where owned between 10% and 50% by the direct investor).

A direct investor may be an individual; an incorporated or unincorporated private or public enterprise; an associated group of individuals or enterprises; a government or a government agency; an estate or trust; or an international organisation which has an investment of 10% or more in a direct investment enterprise in an economy other than the one in which the direct investor resides.

An enterprise that has significant long-term operations in more than one economy is divided into separate entities in each economy. These entities are always in a direct investment relationship: the head office constitutes the direct investor, and its branches constitute the direct investment enterprises.

**Portfolio investment** consists of equity (shares) and debt securities (bonds, bills, money market instruments) not classified to either direct investment, or reserve assets. Debt securities are further subdivided into two categories: bonds and notes; and money market instruments. Portfolio investment indicates investment in an enterprise where the investor has no appreciable say in the operation of the enterprise.

**Financial derivatives**, such as futures, swaps, forward rate agreements and forward foreign exchange agreements, are financial instruments that are linked to a specific financial instrument or indicator (foreign currencies, government bonds, share price indexes, interest rates), or to a particular commodity (gold, sugar, etc.). They provide a hedge for market financial risk in a form that can be traded or otherwise offset in the market.

**Other investment** is a residual category that captures transactions not classified to direct investment, portfolio investment, financial derivatives or reserve assets. It covers trade credits, loans, currency and deposits, and a residual category for any other assets and liabilities.

**Reserve assets** refer to those foreign financial assets available to, and controlled by the Reserve Bank of Australia, for meeting balance of payments needs.

### **Assets and Liabilities**

A financial asset is generally in the form of a financial claim by Australia on the rest of the world. It is either represented by a contractual obligation (such as a loan) or is evidenced by a security (such as a share certificate). A financial liability on the other hand, represents a financial claim of the rest of the world on Australia.

### **International investment position (IIP)**

Australia's IIP is a balance sheet of the stock of foreign financial assets and liabilities at a point in time. The IIP may be viewed more broadly as a reconciliation statement showing the levels of Australia's international assets and liabilities at two points of time and the components of change, namely flows and other changes (such as price changes, exchange rate movements and other adjustments).

### **Direction of investment**

The direction of investment refers to whether a transaction or investment position is Australian investment abroad (AIA) or foreign investment in Australia (FIA). Total AIA and FIA are the same as foreign assets and foreign liabilities, respectively, except for an adjustment made to assets and liabilities to net off certain direct investment claims.

For example, reverse direct investment (where a foreign parent company borrows from its own Australian subsidiary) is treated as a foreign asset, while under the FIA concept the reverse direct investment is treated as negative direct FIA. When an Australian parent borrows from its foreign subsidiary it is treated as a foreign liability, while under AIA it is treated as negative direct AIA. The table below shows that the values between the two concepts are marginal in difference:

**Table – Foreign assets and liabilities vs FIA and AIA**

	2011 A\$m	2012 A\$m	2013 A\$m
<b>Stock at the end of the period</b>			
Foreign assets	1,300,705	1,420,444	1,669,566
<b>AIA</b>	<b>1,262,734</b>	<b>1,384,397</b>	<b>1,632,201</b>
Difference	37,971	36,047	37,365
Foreign liabilities	2,100,249	2,248,552	2,499,363
<b>FIA</b>	<b>2,062,278</b>	<b>2,212,506</b>	<b>2,461,998</b>
Difference	37,971	36,046	37,365

Based on ABS catalogues 5302.0 & 5352.0.

For simplicity in this publication all tables use the terminology FIA or AIA, regardless of whether it is based on FIA/AIA or foreign liabilities/assets. Footnotes in the tables identify when the foreign liability/asset concepts are being used.

### ***Instrument of investment***

In the international investment position statement, all assets and liabilities can be classified to particular instruments of investment. The primary classification of instrument is by equity or by debt. All instruments can be classified under one of these headings.

For more information concerning the definitions and classifications used by the ABS in the compilation of balance of payments and IIP statistics, please refer to the ABS publication *Balance of Payments and International Investment Position, Australia, Concepts Sources and Methods 1998 and 2011* (ABS catalogue 5331.0), *A Guide to Australian Balance of Payments and International Investment Position Statistics, 2004* (ABS catalogue 5362.0.55.001), or the IMF *Balance of Payments and International Investment Position Manual*, sixth edition, 2008 (BPM6)

### **Gross direct investment flows**

Net inflows and net outflows of Australian direct investment have been split into its gross components (refer to **Tables 3 and 4** in this publication) based on a special data service from the ABS. Data is shown for injections of direct investment (new investment), reinvested earnings (profits that are retained in Australia rather than repatriated abroad) and withdrawals of existing direct investment.

It is possible to have negative injections if the parent company borrows funds from the direct investment enterprise (i.e. its affiliate in Australia - branch, subsidiaries etc). When the parent repays the funds it will be treated as a negative withdrawal (i.e. analogous to an injection).

Negative reinvested earnings may also occur in some cases, for example, if losses by the direct investment enterprise or where dividends payable in a period is larger than net earnings in that period. Just as positive reinvested earnings are treated as being an injection of equity into the direct investment enterprise by the direct investor, negative reinvested earnings are treated as a withdrawal of equity.

### ***Quantum of new investment***

The quantum of new direct investment in Australia (refer to **Box A** in this publication) is the sum of the gross inflows (injections) of foreign direct investment into Australia over the year plus any reinvested earnings for the same period. Reinvested earnings in Australia are treated as new direct investment as the foreign investor in Australia has made a decision to increase the amount of its foreign investment in Australia rather than repatriate the profits to its parent company abroad.

Note that some of the new gross inflows of foreign direct investment may be replacing existing foreign investment in Australia, for example if a foreign investor takes over a company in Australia that is already foreign owned. These transactions could not be separated by the ABS in its international investment statistics.

### **Country**

The ABS can usually only identify the country of the immediate source for foreign investment in Australia, or the first destination for Australian investment abroad.

Therefore care should be exercised in interpreting ABS partner country or UNCTAD world investment data as the investment data reflects the country of the immediate investor, rather than the country of the ultimate owner or investor. Many international investments are made through financial intermediaries, holding companies or investment managers which are often incorporated in third-party countries.

There are a number of countries which have become hubs as financial intermediaries and investment centres for global clientele. Examples include the British Virgin Islands and the Cayman Islands in the Caribbean, Hong Kong and Singapore in Asia, and to a lesser extent Switzerland and Luxembourg in Europe. In some cases these centres are the result of preferential tax arrangements.

## Two way investment

Two-way (or mutual investment) is the sum of the stock of FIA and AIA. This is a useful measurement of the overall investment relationship between Australia and its investment partners. Two-way investment is useful in ranking Australia's major investment partners, without a bias towards ranking only the larger foreign investment sources or the larger destinations for Australian investment abroad.

## Net international investment position to GDP ratio

The net international investment position to GDP ratio is derived from net foreign liabilities at the end of the period and GDP for the year ended with that period. The ratio is split at its two broad components: net foreign equity; and net foreign debt, as percentages of annual GDP as well as on a gross FIA and AIA basis.

## Openness: total trade and total FDI to GDP ratios

The total trade to GDP ratio, constructed as  $((\text{total exports} + \text{total imports})/\text{GDP})$  is one of the most widely used measures of trade openness. The higher the ratio, the more 'open' the economy with respect to international trade. Similarly, the ratio of two-way FDI (Foreign Direct Investment) to GDP provides an indication of openness with respect to foreign direct investment (both in terms of willingness to accept investment from abroad and to make investments abroad).

These measures of openness are influenced by a broad range of factors, including policy settings, geographic location, economy size and specialisation within economies. Users should be careful when using the ratios for comparison against one dimension (e.g. policy settings) when other factors may have a bigger influence. For instance when analysing Singapore and Hong Kong trade data users should be aware they are trade entrepôts which has the impact of inflating the total trade to GDP ratio. Similar cautions apply to the investment ratios where, for example, a country is used as an international investment hub.

## Foreign ownership of Australian business by industry

The ABS's Business Characteristics Survey (BCS) is an annual survey based on a random sample of approximately 6,500 businesses using a mail-out questionnaire. The sample was stratified by industry and an employment based size indicator. All businesses on the ABS Business Register that identified as having 300 or more employees were included in the sample. The BCS included a question on whether the Australian business was foreign owned.

## Australian investment flows – domestic vs foreign

Australian investment flows sourced from domestic or foreign sources has been sourced from the National Capital Account in the ABS publication Australia's National Accounts (catalogue number 5206.0). The *Net lending to non-resident* series has been used to calculate the foreign sources while the domestic sources have been calculated as the differences between the *Total capital accumulation and net lending* minus *Net lending to non-residents*.

## Foreign Investment Review Board statistics

Foreign Investment Review Board (FIRB) approvals statistics presented in **Section 5** of this publication provide information about proposed applications considered and approved by the FIRB. Depending on the type of investment, they will be made up of intended acquisition costs, establishment costs and development costs.

These 'proposed' investments differ markedly from the 'actual' investments reported by the Australian Bureau of Statistics (ABS). Users need to be aware that the FIRB data are not comprehensive in measuring transactions between Australian residents and non-residents and nor do they measure changes in net foreign ownership levels. FIRB only measures proposed investments falling within prescribed thresholds. Foreign investments by Australian residents are not in the scope of FIRB.

For more information on FIRB and FIRB statistics, and the differences between them and ABS statistics, refer to the information box in **Section 5** of this publication.

## UNCTAD international investment statistics

### Overview

United Nations Conference on Trade and Development (UNCTAD) international investment statistics are compiled in accordance with the International Monetary Fund (IMF) *Balance of Payments and International Investment Position Manual*, fifth edition, 1993 (BPM5).

### Methodology for compiling country-level stocks data

For the international investment stocks information presented in **Tables 13 to 17** of this publication UNCTAD has used a variety of sources and methods to compile stocks for individual countries. Where available the stocks data have been sourced directly from countries' national bodies, which is the ideal outcome. However many countries' datasets for international investment data are either not complete, not compiled in line with international standards or simply not available.

Datasets that are not complete might, for example, have stocks information available for some years but not others. Datasets not compiled in line with international standards might have the stocks valued on the basis of historical cost rather than (the recommended) market value.

To overcome missing or incomplete datasets UNCTAD has employed different strategies, including:

- partner country information
- information obtained from international organisations, such as the IMF and the World Bank
- flows information, either summed to estimate stocks or used in conjunction with stocks data that is available only intermittently.

Because of this users need to be careful when making inter-country comparisons within the tables. The treatment applied to each country by UNCTAD can be accessed via the UNCTAD World Investment Report 2014 [Methodological note](#).

### Trend growth rates

Trend growth is derived by log-linear regression using the least squares method. It is a more robust measure than the 'average' annual growth rate as it takes account of all observations and, as such, is less likely to be affected by the end points of a given period.

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The publication was compiled mainly by Julie-Anne Andrew, Frank Bingham, Brent Perkins and Don Spedding.

If you want to know more about these statistics or about other trade and economic publications produced by DFAT, please email [statssection@dfat.gov.au](mailto:statssection@dfat.gov.au).

## Appendix B

### Composition of regions and country groups

<b>APEC</b>	<b>Asia Pacific Economic Cooperation</b> Australia; Brunei; Canada; Chile; China; Hong Kong China; Indonesia; Japan; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Republic of Korea; Russian Federation; Singapore; Chinese Taipei; Thailand; United States (incl Puerto Rico and the US Virgin Is.); Vietnam.
<b>ASEAN</b>	<b>Association of South East Asian Nations</b> Brunei; Burma; Cambodia; Indonesia; Laos; Malaysia; Philippines; Singapore; Thailand; Vietnam.
<b>Asia</b>	<b>Major Asian economies only</b> Brunei; Burma; Cambodia; China; Hong Kong (SAR of China); India; Indonesia; Japan; Laos; Malaysia; Philippines; Republic of Korea; Singapore; Taiwan; Thailand; Vietnam.
<b>EU 27</b>	<b>European Union 27</b> Austria; Belgium; Bulgaria; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; Netherlands; Poland; Portugal; Romania; Slovak Republic; Slovenia; Spain; Sweden; United Kingdom.
<b>EU 28</b>	<b>European Union 28</b> Austria; Belgium; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; Netherlands; Poland; Portugal; Romania; Slovak Republic; Slovenia; Spain; Sweden; United Kingdom.
<b>G20</b>	<b>Group of Twenty</b> Argentina; Australia; Brazil; Canada; China; European Union; France; Germany; India; Indonesia; Italy; Japan; Republic of Korea; Mexico; Russian Federation; Saudi Arabia; South Africa; Turkey; United Kingdom; United States.
<b>OECD</b>	<b>Organisation for Economic Cooperation and Development</b> Australia; Austria; Belgium; Canada; Chile; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Israel; Italy; Japan; Luxembourg; Mexico; Netherlands; New Zealand; Norway; Poland; Portugal; Republic of Korea; Slovak Republic; Slovenia; Spain; Sweden; Switzerland; Turkey; United Kingdom; United States.

## Appendix C

### Abbreviations and symbols used in all DFAT trade statistical publications

..	not meaningful
\$b	\$ billion
\$m	\$ million
ABARES	Australian Bureau of Agricultural & Resource Economics & Sciences
ABS	Australian Bureau of Statistics
adp	automatic data processing
agric	agricultural
AHECC	Australian Harmonized Export Commodity Classification
AIA	Australian Investment Abroad
alum	aluminium
ANZSIC06	Australia and New Zealand Standard Industry Classification 2006
APEC	Asia Pacific Economic Cooperation
bev	beverage
BOP	Balance of Payments
BPM5	IMF Balance of Payments Manual 5 <sup>th</sup> Edition
BPM6	6 <sup>th</sup> Edition
BREE	Bureau of Resources & Energy Economics
chem	chemical
c.i.f.	cost, insurance and freight
comp	compounds
conc	concentrates
confid	confidential
constr	construction
consump	consumption
cont.	continued
cool	cooling
Curr Acc	Current Account
CVM	chain volume measure
Dem	Democratic
DFAT	Department of Foreign Affairs and Trade
distrib	distributing
EBOP	The ABS Extended Balance of Payments services classification
elec	electric, electrical
elem	elements
ELICOS	English Language Intensive Courses for Overseas Students
eng	engineering
equip	equipment
etc	etcetera
ETM	Elaborately transformed manufactures
EU	European Union
excl	excluding
f.c.f.	fresh, chilled or frozen
Fed	Federation
ferr	ferrous
FDI	Foreign Direct Investment
FIA	Foreign Investment in Australia

FIRB	Foreign Investment Review Board
FISIM	Financial Intermediation Services Indirectly Measured
f.o.b.	free on board
GDP	Gross Domestic Product
hand	handling
HTISC	Harmonized Tariff Item Statistical Code
HS	Harmonized Commodity Description and Coding System
ICT	Information, Communication and Technology
IIP	International Investment Position
IIS (ABS)	international Investment Survey
IMF	International Monetary Fund
IMF IFS	International Monetary Fund, International Financial Statistics
IMF WEO	International Monetary Fund, World Economic Outlook
incl	including
Ind	Independent
IP	Intellectual property
Is	Island/s
instr	instruments
insul	insulated
interm	intermediate
Int'l Waters	International Waters
IPD	implicit price deflator
IVS	International Visitors Survey
mach	machinery, machines
manuf	manufactured, manufactures
medic	medicaments
misc	miscellaneous
mmf	man-made fibres
MSITS	Manual on Statistics of International Trade in Services
na	not available
ncd	no country details
nec	not elsewhere classified
nei	not elsewhere indicated
nfd	not further defined
nie	not indicated elsewhere
nes	not elsewhere specified
np	not published
Nth	North
nya	not yet available
OECD	Organisation for Economic Cooperation and Development
pharm	pharmaceutical
photo	photographic
PPP	Purchasing Power Parity
prec	precious
prep	preparations, prepared
pres	preserved
proc	processing
prod	products
Rep	Republic
SAR of China	Special Administrative Region of China
SII	Survey of International Investment
SITC	Standard International Trade Classification

SITS	Survey of International Trade in Services
spec	specifically
Sth	South
STM	Simply transformed manufactures
struct	structures
synth	synthetic
TCI	Telecommunications, computer & information
telecom	telecommunications
TREC	Trade Export Classification
TRIEC	Trade Import and Export Classification
transport	transportation
TSA	Tourism Satellite Account
TWI	Trade Weighted Index
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
unmanuf	unmanufactured
USDA	United States Department of Agriculture
veg	vegetables
WTO	World Trade Organization
yoy	year on year





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