

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 97

Topic: State-owned Entities – General Foreign Investment

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Senator WILLIAMS asked:

Senator WILLIAMS: Senator Cormann asked the question: how many of those applicants were from state owned entities? I think you have that on notice.

Mr Murphy: Yes.

Ms Gerathy: He asked in relation to the 17 agricultural ones.

Senator WILLIAMS: I will ask a broader question. How many proposals for foreign investment came from state owned entities. That would include household and farms? You can take it on notice.

Mr Murphy: Yes. I can give you the figures on the countries that are the largest sources of foreign investment, which I think is interesting. The US is still the largest with \$27 billion that came in.

Senator WILLIAMS: \$27 billion?

Mr Murphy: Yes, a \$27 billion investment in 2010-11. The second is Great Britain, or the United Kingdom, with \$15 billion, which is equal with China at \$15 billion, then Canada at \$14 billion and India at \$11 billion. You would find that we would probably be looking at some of those China ones as to their closeness to government as state owned enterprises.

Answer:

During 2010-11, 246 of the 10,219 approved foreign investment proposals were from a foreign government or their related entity. A breakdown by sector is below.

Sector	FGRE Approvals	All Investor Approvals	FGRE Proposed Investment (\$b)	All Investor Proposed Investment (\$b)
Agriculture, forestry & fishing	11	17	0.79	1.38
Totals	246	10219	40.72	176.67

In 2010-11, the top three source countries of foreign investment approvals in the agriculture, forestry and fishing sector by number were the United Kingdom, Qatar and the United States. In terms of the value of approvals, the top three source countries were the United Kingdom (\$189 million), Switzerland (\$150 million) and Canada (\$104 million).

Notes:

FGRE - Foreign Governments or their Related Entities:

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Foreign Governments and their Related Entities is defined at Annex 1 of Australia's Foreign Investment Policy. The Policy also outlines the notification requirements for these investors. See <http://www.firb.gov.au/content/policy.asp?NavID=1>.

'-' indicates a figure less than \$0.2 billion.

Proposed investment totals may not add due to rounding.

Methodological and data caveats apply to the data presented. See Chapter 2 of the latest Foreign Investment Review Board Annual Report available at: <http://www.firb.gov.au/content/publications.asp?NavID=5>.