

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 362

Topic: Foreign Investment in Australia

Hansard Page: Written

Senator EGGLESTON asked:

1. What is the level of foreign investment in Australia, who has invested how much?
2. Can you explain the anomaly where BHP was a safer bet than the British Government?

Answer:

1. The level of foreign investment in Australia on 31 March 2010 was \$A1.9 trillion. Of this, \$A475.4 billion was foreign *direct* investment.

The tables below indicate which countries were Australia's largest investors at the end of 2009 (the latest period for which data is available for individual countries) and how those countries' investment patterns have changed over the past few years.

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Total stock of foreign investment by country (top 12)

\$A million	2004	2005	2006	2007	2008	2009
United States	362,279	333,987	383,053	440,742	442,068	514,305
United Kingdom	276,387	299,740	359,632	413,877	442,712	498,559
Japan	49,144	51,023	51,679	63,522	89,262	102,024
Netherlands	27,756	28,704	31,045	34,806	30,029	43,362
Hong Kong	29,282	31,571	38,873	46,120	56,030	43,187
Singapore	20,256	19,665	27,436	39,169	43,287	40,224
Germany	17,248	21,061	24,670	32,334	37,375	38,106
Switzerland	18,748	19,945	28,748	30,439	37,280	32,133
New Zealand	21,671	27,248	35,711	42,905	28,736	31,231
France	16,035	16,331	23,197	25,148	29,355	22,976
Canada	12,448	13,372	12,489	14,536	17,239	17,767
China	2,285	2,274	3,508	6,241	8,517	16,637
Total all countries	1,151,872	1,240,311	1,479,785	1,680,294	1,761,575	1,897,670

Total stock of FDI by country (top 12)

\$A million	2004	2005	2006	2007	2008	2009
United States	145,230	75,554	86,599	100,511	99,758	99,161
United Kingdom	43,572	52,501	55,822	64,458	61,390	63,177
Japan	18,110	21,403	23,819	31,100	36,676	44,963
Netherlands	17,997	21,365	24,633	25,273	20,691	33,640
Switzerland	9,940	11,821	16,646	16,363	19,512	17,543
Germany	8,418	9,754	10,558	17,615	13,667	16,389
Singapore	5,137	4,201	5,590	14,189	10,415	15,826
France	np	9,468	11,743	12,514	12,644	12,608
Canada	6,469	6,070	7,661	10,992	9,456	10,897
China	np	np	550	np	3,643	9,167
New Zealand	6,349	6,981	9,566	7,785	5,606	6,063
Hong Kong	np	np	4,758	7,211	9,093	5,464
Total all countries	337,938	297,641	336,865	396,852	396,515	436,059

np - not published

Source: ABS cat 5352.0

2. The Treasury has not given consideration to the situation referred to where BHP-Billiton may, for a brief period, have had a lower credit default swap rate than the United Kingdom.