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## Foreign Direct Investment Inflows



Australia remains the largest market for mergers and acquisitions (M&As) in the Asia Pacific region. The total value of cross-border M&A sales hosted by Australia in 2007 was US\$55 billion, with particular interest in the mining, manufacturing, utilities, media and property industries.

Foreign direct investment (FDI) in Australia totalled US\$22 billion in 2007. The UNCTAD World Investment Prospects Survey has rated Australia in the 10 most attractive locations for FDI in its last two surveys of executives of the largest transnational corporations. According to the *World Investment Prospects Survey 2008-2010*, executives cited Australia's access to regional markets, skilled labour and expertise, growth and size of market, natural resources, quality of infrastructure and government effectiveness as favourable factors for investment.

Major labour market and business taxation reforms, together with deregulation of industries such as finance, telecommunications and utilities, have also helped to attract foreign investment to Australia.

Multinational enterprises already in Australia continue to make further investments, as well as partnering with Australian small and medium sized enterprises and research institutions.

Foreign Direct Investment Inflows and Cross-border Merger and Acquisition Sales by Host Economy, 2007 (1)

Economy	FDI US\$ million	M&A sales US\$ million
China	83,521	15,537
Hong Kong SAR	59,899	26,811
Singapore	24,137	8,850
India	22,950	5,580
Japan	22,549	21,419
Australia	22,266	54,661
Thailand	9,575	2,871
Malaysia	8,403	4,462
Taiwan	8,161	5,944
Indonesia	6,928	2,684
Philippines	2,928	3,849
New Zealand	2,768	3,970
Korea	2,628	2,533

Footnotes:

1 Merger and Acquisition (M&A) sales are expressed as the total transaction amount of particular deals at the time of closure, not at the time of announcement. Only deals involving the acquisition of an equity stake of more than 10% by the home entity in the host entity are counted. The M&A values are not necessarily paid out in a single year.

Source: UNCTAD *World Investment Report*, 2008