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Stock of Foreign Investment in Australia by Type

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The total stock of foreign investment in Australia stood at nearly \$1.6 trillion as at June 2007. Portfolio investment made up 63% of total foreign investment in Australia, while direct investment contributed 21%.

Major labour market and business taxation reforms, together with deregulation of industries such as finance, telecommunications and utilities, have helped attract foreign investment to Australia. The growth in Australia's economy and stock market has also lured considerable overseas capital to Australia.

The stock of foreign investment in Australia rose by 19% or \$245 billion in the year to June 2007. Over the past five years, the world's investment in Australia has grown by over 80%, with foreign direct investment expanding by 48%.

Stock of Foreign Investment in Australia By Type, 2006 (A\$ million) (1)

	Direct investment	Portfolio investment	Financial derivatives	Other investment liabilities	Total foreign investment	Annual % change
2000-01	215,187	472,640	23,593	120,847	832,267	12.6
2001-02	225,581	474,766	32,096	128,920	861,363	3.5
2002-03	252,561	481,212	45,251	139,544	918,568	6.6
2003-04	274,082	609,272	37,683	140,616	1,061,653	15.6
2004-05	271,698	651,876	42,009	146,254	1,111,837	4.7
2005-06	289,934	820,912	40,999	168,931	1,320,776	18.8
2006-07	334,519	984,285	67,644	182,218	1,568,664	18.8

Footnotes:

1: Financial year data (end of June each year)

Source: ABS Cat. No. 5302.0