The Government is committed to strengthening Australia’s economy

The Government welcomes foreign investment. It provides additional capital for economic growth, creates employment opportunities, improves consumer choice and promotes healthy competition. It can also help deliver improved competitiveness and productivity by introducing new technology; providing much needed infrastructure; allowing access to global supply chains and markets; and enhancing Australia’s skills base. Without foreign investment, production, employment and income would all be lower.

The total stock of foreign investment in Australia at the end of 2014 was almost $2.8 trillion, up from about $1.2 trillion a decade ago. Around $690 billion of this is foreign direct investment.

Stock of foreign direct investment in Australia by country ($million)

Source: Australian Bureau of Statistics, Catalogue 5352.0, Table 2
The United States continues to be the largest investor in Australia, though its share of direct investment in Australia has declined over the past decade (from 39 per cent to 24 per cent) in response to rising investment from Asia. Japan’s share of investment in Australia has doubled since 2004 to around 9.5 per cent, while investment from China has gone from negligible a decade ago to nearly 4.5 per cent in 2014.

Australia is open for business. However, the benefits of foreign investment are not always immediately recognisable and some investment proposals can be detrimental to Australia’s interests. The Government reviews foreign investment proposals on a case-by-case basis to ensure that they are not contrary to the national interest.

In general the national interest considerations can include: national security, competition, other Australian Government policies (including tax), impact on the economy and the community, and the investor’s character.
This review framework is a well-established process that strikes a balance between protecting the national interest and ensuring Australia remains an attractive investment destination.

Foreign investment approvals in 2013-14 were given for $167.4 billion of proposed investment. This represented a 23.4 per cent increase on the $135.7 billion in proposed investment approved in 2012-13. There were 24,102 proposals that received approval in 2013-14, compared with 12,731 in 2012-13.

The industry composition of proposed foreign investment has changed over time, attracting less additional investment in manufacturing and mining but more investment in services. Investment in agriculture has increased in recent years, though remains low relative to other sectors.

Value of applications

Source: Foreign Investment Review Board Annual Report

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Agriculture, forestry & fishing Manufacturing Mineral exploration & development Services Other Real estate

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