# Main points

* In 2007‑08, the Foreign Investment Review Board provided advice on proposals received under, and on the administration and reform of, Australia’s foreign investment policy and the *Foreign Acquisitions and Takeovers Act 1975*.
* In 2007‑08, 7,841 proposals received foreign investment approval. This compares with 6,157 the previous year, representing an increase of 27 per cent. The real estate sector recorded 7,357 approvals (31 per cent higher than the 5,614 approvals in 2006‑07). There were 484 proposals approved in other sectors in 2007‑08 compared with 543 in 2006‑07, a decrease of 11 per cent.
* In 2007‑08, one proposal was rejected by way of a Final Order, compared with 27 in 2006‑07. There were no Divestiture Orders made in 2007‑08, (also none in 2006‑07). The Final Order related to a real estate proposal. There were 13 Interim Orders made (90 in 2006‑07), extending the 30‑day statutory decision‑making period by up to 90 days.
* Approvals in 2007‑08 involved proposed investment of $191.9 billion. This represented a 23 per cent increase on the previous year’s approvals of $156.4 billion.
* The mineral exploration and development sector was the largest industry sector by value, with investment approvals in 2007‑08 of $64.3 billion ($32.3 billion in 2006‑07). The other major sectors were: real estate, with approved investment proposals valued at $45.5 billion ($21.4 billion in 2006‑07); services, with investment approvals of $35.7 billion ($28.9 billion in 2006‑07); and manufacturing, with investment approvals of $31.3 billion (compared with $62.8 billion in 2006‑07).
* The United States of America was the largest source country for foreign investment in 2007‑08, involving proposed investment of $49.5 billion representing 26 per cent of total investment approved. The United Kingdom, Germany, Singapore and Switzerland were the other major source countries of investment approved in 2007‑08, with 17 per cent, 7 per cent, 6 per cent and 5 per cent, respectively.
* On 23 April 2008, foreign investment policy was changed to extend the timeframe for the development of vacant commercial land from 12 months to five years. On 17 February 2008, to enhance the transparency of Australia’s foreign investment screening regime as it applies to investments by foreign governments and their agencies, the Treasurer released the principles used to evaluate such investments. On 18 December 2008, the Assistant Treasurer announced substantial administrative changes to the operation of real estate foreign investment policy.
* Australia has continued to progress the international liberalisation of trade and investment through its engagement in bilateral, regional and multilateral forums. Australia concluded a free trade agreement (FTA) with Chile and also concluded the Australia‑ New Zealand‑ ASEAN FTA. Australia is currently negotiating separate FTAs with China, Malaysia, Japan, the Gulf Cooperation Council, and the Republic of Korea. Australia has announced that it will participate in the Trans Pacific Partnership and the Australian and Indonesian governments are considering the findings of the completed joint feasibility study, with a view to possible commencement of negotiations towards an FTA. Australia is also undertaking a joint FTA feasibility study with India.
* During 2007‑08, the Australian National Contact Point for the *OECD Guidelines for Multinational Enterprises* continued to promote these guidelines to Australian business and reviewed a submission regarding an Australian company’s involvement in a mining operation in South America.