

UNITED KINGDOM  
OVERSEAS INVESTMENTS  
1948 AND 1949

*Bank of England, 1951*

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The scope of the Bank's investigation, the methods of compilation of the estimates and the composition of the different classes of investments were fully described in "United Kingdom Overseas Investments, 1938 to 1948"\*, to which reference should be made. Certain definitions, which have a particular bearing on the interpretation of the figures, are here re-stated in summary form.

The estimates cover the investments of residents of the United Kingdom through the medium of securities quoted on, or otherwise known to, the London Stock Exchange; they include U.S. and Canadian dollar market securities formerly registered with the Bank under Exchange Control regulations.

Capital values are nominal, which gives little indication of the actual value of the investment but is a convenient basis for investigating changes in ownership. The conversion into sterling of the nominal amounts of securities denominated in other currencies has been made at the rates of exchange current at the end of each year. The effect on the figures of the devaluation of sterling in September, 1949, is described below.

Government and municipal loans are classified by debtor country, not by currency, and overseas-registered companies are classified by country of operation, not by country of registration.

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\* Copies of this pamphlet may be obtained from the Secretary, Bank of England, price 2/- a copy, post free.



The selection of U.K.-registered companies is limited to those operating entirely, or almost entirely, abroad and excludes those whose activities are divided between home and abroad. Among those excluded are all insurance and shipping companies.

The amounts of interest and dividends are gross of U.K. tax. In the case of U.K.-registered companies entitled to Double Taxation Relief, gross dividends as declared include some overseas taxation. For this reason, and because the investigation neither covers the whole field of U.K. overseas investment nor takes account of undistributed profits, the figures of interest and dividends are not comparable with figures of investment income contained in official studies of the national Balance of Payments. This problem was discussed in detail in Appendix II of "United Kingdom Overseas Investments, 1938 to 1948".

The information contributed voluntarily to assist this investigation by registrars of all kinds—banks, issuing houses and public companies—is again gratefully acknowledged.

A summary of the nominal capital values of the investments at end-1948 and end-1949 follows, with the previously published figures for 1938 for comparison; although in this connection it will be remembered that the composition of the Commonwealth was somewhat different in the pre-war year.

<i>£ millions</i>	END OF YEAR	1938	1948	1949
Government and Municipal Loans	...	1,521	795	793
U.K. Companies: Share Capital	...	817	583	587
"    "    : Loan Capital	...	367	120	110
Overseas Companies : Share Capital	...	473	311	373
"    "    : Loan Capital	...	368	158	173
In Commonwealth Countries	... ..	1,998	1,111	1,130
In Foreign Countries	... ..	1,455	759	809
Not classifiable by Area	... ..	93	96	98
	TOTAL ... ..	<u>3,545</u>	<u>1,967</u>	<u>2,037</u>

During 1949 the nominal value of U.K. investments increased by about £70 million. The sterling equivalent of the nominal value of securities denominated in other currencies, in U.K. ownership in September, 1949, was increased at that date by the devaluation of sterling. This increase is estimated at £84 million; viz., in U.S. domestic securities £34 million, in Canadian domestic securities £12 million and in dollar securities of other countries and other currency securities £38 million. Apart from the effect of currency changes there was therefore a net decrease of £14 million in the nominal value of the investments over the year. Net capital repayment, of which particulars are given in Table I and which represents identified repatriation by the debtor countries, came to £2 million nominal: there was no corresponding net cash receipt by the U.K., total receipts and payments being approximately equal. The residual decrease of £12 million nominal, representing net sales through the market to unidentified non-residents and including errors and omissions, is estimated to have had a cash value of £8 million. The total cash received from the U.K. disinvestment of £14 million nominal was thus £8 million.



The year 1949 was the first in the Bank's series of estimates in which new investment was comparable in size with repayment. Gross repayment, which comprises redemptions and sales identified as being to residents of the debtor country, and includes capital written off but excludes conversions, amounted to £75 million and the corresponding cash receipt to £58 million. Substantial loan redemptions were effected by the Australian and Nigerian Governments and companies operating railways in Uruguay and Portuguese East Africa were liquidated. Gross new investment came to £73 million nominal or £58 million cash. The increase in the nominal capital invested in Mexico arose from a capitalisation of reserves. The acquisition of U.S. domestic securities was effected by sales of non-domestic U.S. dollar securities, one constituent of the £12 million nominal sales through the market mentioned above.

The total of interest and dividends received in 1949 remained practically the same as in 1948 but there were big changes in a few individual countries. The estimate for Argentina fell by £4.4 million owing to the loss of income from the railways, sold in 1948, and restrictions on the remittance of profits. Of £1.9 million more from the U.S.A., £1.5 million was the result of the change in the rate at which U.S. dollar income was converted to sterling. An increase of £1.5 million from Malaya was distributed mainly by rubber companies.

A summary of interest and dividends, in a similar form to that given above for nominal capital, is as follows:—

<i>£ millions</i>	1938	1948	1949
Government and Municipal Loan Interest ...	55.1	23.7	21.1
U.K. Companies: Share Dividends ...	48.6	51.4	55.0
"    "    : Loan Interest ...	11.4	6.3	3.1
Overseas Companies: Share Dividends ...	29.3	30.5	33.2
"    "    : Loan Interest ...	11.0	4.3	3.9
From Commonwealth Countries ...	102.7	71.8	74.1
From Foreign Countries ...	40.3	35.8	33.6
Not classifiable by Area ...	12.5	8.6	8.6
<b>TOTAL ...</b>	<b>155.4</b>	<b>116.2</b>	<b>116.3</b>

During the compilation of the 1949 estimates those for 1948 have been revised, in the light of the later information available, to ensure comparability between the two sets of nominal capital figures and greater accuracy in the net repayment estimates. About £9 million was added, to South Africa, Australia and the West Indies, to represent U.K. investment in 1948 in overseas-registered companies first quoted in London in 1949. A reduction of £7 million in Argentina and of nearly £1 million in Brazil, part of which was re-allocated to various African territories, represents changes reported as having previously been made in the investment field of some U.K.-registered land and property companies. A re-consideration of the whole class of Canadian companies gave lower estimates for share capital (commercial, electricity and land companies) and higher for railway loans. Other substantial revisions were made in oil companies (affecting "Not classifiable" and "Rest of South America"). The net effect of all revisions was to raise the estimate of total nominal capital for 1948 by £7 million.



## I—ALL SECURITIES: BY COUNTRIES

£ millions						NOMINAL CAPITAL		INTEREST & DIVIDENDS		NET CAPITAL REPAYMENT IN 1949 <sup>(1)</sup>	
						End 1948	End 1949	1948	1949	Nominal	Cash
	COMMONWEALTH COUNTRIES										
British West Africa	...	...	...	...	47	42	3.6	3.9	4.2	2.4	
Anglo-Egyptian Sudan	...	...	...	...	11	11	1.0	1.0	.3	.3	
British East Africa	...	...	...	...	16	18	1.4	1.4	- 2.2	- 2.5	
British Central Africa	...	...	...	...	79	85	7.5	8.3	- 6.8	- 6.7	
South Africa	...	...	...	...	132	150	15.5	15.9	- 14.7	- 16.7	
India	...	...	...	...	60	61	5.7	6.2	- .6	- .5	
Pakistan	...	...	...	...	9	9	.6	.8	*	*	
Ceylon	...	...	...	...	26	26	2.4	2.5	- .2	*	
Malaya	...	...	...	...	64	68	3.8	5.3	- 4.5	- 4.6	
Australia	...	...	...	...	401	386	17.3	16.5	16.5	19.6	
New Zealand	...	...	...	...	68	68	3.3	2.9	.7	.7	
Canada	...	...	...	...	168	172	7.6	6.9	6.4	4.5	
British West Indies	...	...	...	...	23	27	1.6	1.9	- 3.7	- 4.6	
Other	...	...	...	...	8	6	.5	.6	1.4	.5	
					1,111	1,130	71.8	74.1	- 3.2	- 7.6	
FOREIGN COUNTRIES											
Irish Republic	...	...	...	...	20	21	.9	.9	- .5	- .5	
France	...	...	...	...	7	7	.4	.4	.2	.2	
Germany	...	...	...	...	42	45	—	—	*	*	
Austria	...	...	...	...	9	9	.7	.1	.4	.1	
Denmark	...	...	...	...	7	7	.3	.3	.3	.3	
Norway	...	...	...	...	4	5	.4	.5	- .7	- .9	
Hungary	...	...	...	...	14	15	—	—	.1	—	
Roumania	...	...	...	...	16	15	—	—	.7	—	
Greece	...	...	...	...	24	24	*	.1	—	—	
Rest of Europe	...	...	...	...	44	48	1.8	1.6	- .9	- .9	
Burma	...	...	...	...	13	13	.5	.5	*	*	
China	...	...	...	...	36	36	.1	.1	*	—	
Japan	...	...	...	...	46	47	.1	.1	—	—	
Indonesia	...	...	...	...	23	23	.1	.3	—	—	
Persia	...	...	...	...	34	34	7.2	7.2	—	—	
Egypt	...	...	...	...	9	11	2.1	2.7	*	—	
U.S.A.	...	...	...	...	75	115	8.0	9.9	- 6.0	- 6.2	
Mexico	...	...	...	...	30	47	.9	.9	- 10.1	.1	
Cuba	...	...	...	...	24	24	.1	.1	.1	.1	
Argentina	...	...	...	...	44	42	4.9	.5	2.4	1.6	
Brazil	...	...	...	...	79	79	2.6	2.2	2.8	1.6	
Chile	...	...	...	...	47	46	.7	1.0	1.5	1.2	
Peru	...	...	...	...	22	22	.3	.3	*	*	
Uruguay	...	...	...	...	23	9	.4	.5	14.2	6.5	
Rest of South America	...	...	...	...	32	33	1.5	1.9	.1	.1	
Other	...	...	...	...	34	32	1.7	1.5	3.2	4.3	
					759	809	35.8	33.6	7.7	7.7	
NOT CLASSIFIABLE	...	...	...	...	96	98	8.6	8.6	- 2.3	- .2	
TOTAL	...	...	...	...	1,967	2,037	116.2	116.3	2.2	.1	

(1) A minus sign indicates Net Capital Investment.



## II—GOVERNMENT AND MUNICIPAL LOANS: BY COUNTRIES

£ millions	NOMINAL CAPITAL INTEREST				NOMINAL CAPITAL INTEREST				
	CAPITAL		INTEREST		CAPITAL		INTEREST		
	End 1948	End 1949	1948	1949	End 1948	End 1949	1948	1949	
<b>COMMONWEALTH COUNTRIES</b>					<b>FOREIGN COUNTRIES</b>				
British West Africa ...	11.6	8.7	.5	.5	Irish Republic ...	15.5	16.4	.6	.7
British East Africa ...	6.5	7.2	.4	.3	Germany ...	36.2	39.0	—	—
British Central Africa	42.1	47.9	1.2	1.3	Austria ...	8.4	8.0	.7	.1
South Africa ...	20.3	29.5	.8	.8	Denmark ...	4.8	4.7	.2	.2
India ...	3.7	3.7	.2	.2	Norway ...	3.1	3.3	.1	.1
Ceylon ...	3.5	3.1	.1	.1	Hungary ...	9.6	9.9	—	—
Malaya ...	1.3	5.6	*	.1	Roumania ...	11.3	11.3	—	—
Australia ...	344.9	323.5	12.7	11.2	Greece ...	19.6	20.3	*	*
New Zealand ...	57.0	56.5	2.6	2.2	Rest of Europe ...	17.0	18.5	.3	.2
Canada ...	22.9	22.2	.8	.8	China ...	33.3	33.3	—	—
British West Indies ...	6.1	6.0	.2	.2	Japan ...	40.7	40.9	—	—
Other ...	6.6	6.5	.3	.3	Central America ...	2.0	1.8	*	*
	526.4	520.4	19.8	17.9	Argentina ...	5.5	4.6	.3	.2
					Brazil ...	26.8	22.5	.8	.7
					Chile ...	19.3	17.8	.2	.5
					Uruguay ...	5.8	5.7	.2	.2
					Rest of S. America	4.2	4.2	*	*
<b>FOREIGN COUNTRIES</b>	268.5	272.6	3.9	3.2	Other ...	5.5	10.4	.3	.3
<b>TOTAL</b>	<u>794.9</u>	<u>793.0</u>	<u>23.7</u>	<u>21.1</u>		<u>268.5</u>	<u>272.6</u>	<u>3.9</u>	<u>3.2</u>

## GENERAL NOTES TO THE TABLES

All figures are given correct to the nearest final digit; for this reason the sum of the separate items will sometimes differ from the total as shown.

\* indicates a figure less than £50,000.

— indicates nil.

.. indicates not separately specified; included in "Other".

The geographical areas and the types of company were defined in "United Kingdom Overseas Investments, 1938 to 1948." The Irish Republic, formally constituted on the 18th April, 1949, was there included in Commonwealth Countries, but is here included in Foreign Countries in both 1948 and 1949. The former Netherlands East Indies became the Republic of the United States of Indonesia on the 26th December, 1949, and is here described as Indonesia.



## III—U.K.-REGISTERED COMPANIES: BY COUNTRIES

£ millions	NOMINAL SHARE CAPITAL		SHARE DIVIDENDS		NOMINAL LOAN CAPITAL		LOAN INTEREST		
	End	End	1948	1949	End	End	1948	1949	
	1948	1949			1948	1949			
<b>COMMONWEALTH COUNTRIES</b>									
British West Africa ...	35.3	33.5	3.1	3.4	—	..	—	—	
British East Africa ...	7.0	7.1	.9	1.0	*	*	*	*	
British Central Africa ...	29.7	29.9	5.9	6.6	3.3	3.3	.1	.1	
South Africa ...	23.1	27.1	2.8	3.2	1.7	1.7	.1	.1	
India ...	41.0	43.0	4.7	5.3	12.2	10.8	.5	.5	
Pakistan ...	8.3	8.3	.5	.7	.9	.8	*	*	
Ceylon ...	21.8	22.0	2.2	2.4	.5	.5	*	*	
Malaya ...	58.6	58.8	3.5	4.8	2.3	2.1	.1	.1	
British North Borneo...	4.0	2.6	.1	.1	*	*	—	*	
Australia ...	29.3	35.3	2.8	3.1	7.8	7.7	.3	.3	
New Zealand ...	5.6	5.8	.4	.4	2.3	2.4	.1	.1	
Canada ...	9.8	8.1	.4	.4	5.1	4.5	.1	.1	
British West Indies ...	11.4	12.9	1.3	1.4	1.2	2.2	*	.2	
Other ...	5.7	5.7	.9	1.0	2.5	2.5	.1	.2	
	290.5	300.1	29.7	33.8	39.7	38.5	1.5	1.8	
<b>FOREIGN COUNTRIES</b>									
Irish Republic ...	1.3	1.3	.1	.1	—	—	—	—	
Rest of Europe ...	20.1	20.2	1.1	1.2	4.1	4.1	.1	.1	
Burma ...	9.7	9.7	.4	.4	.3	.4	*	*	
China ...	2.3	2.3	—	—	..	..	..	..	
Indonesia ...	20.7	20.7	.1	.2	2.2	2.2	*	*	
Persia ...	33.8	33.8	7.2	7.2	—	—	—	—	
Egypt ...	3.2	3.0	.4	.4	..	..	..	..	
Mexico ...	2.8	2.8	.4	.5	1.2	1.2	—	—	
Cuba ...	10.9	10.9	.1	.1	..	..	..	..	
Central America ...	2.4	2.4	—	—	1.6	1.6	*	*	
Argentina ...	21.2	21.2	1.2	.4	13.0	12.9	3.4	—	
Brazil ...	22.9	23.1	.6	.5	11.2	10.5	.2	*	
Chile ...	12.1	12.0	.3	.2	4.4	4.7	.1	.2	
Peru ...	15.1	15.1	.2	.2	4.1	4.1	.1	.1	
Uruguay ...	9.9	2.7	.2	.1	7.4	.5	*	.3	
Rest of South America ...	16.3	16.3	1.1	1.6	8.7	8.7	.2	.2	
Other ...	14.1	12.9	1.1	1.0	17.2	15.5	.3	.1	
	218.9	210.5	14.2	13.9	75.3	66.3	4.6	1.1	
NOT CLASSIFIABLE ...	73.8	76.3	7.5	7.3	5.1	5.4	.2	.2	
<b>TOTAL ...</b>	<b>583.2</b>	<b>586.9</b>	<b>51.4</b>	<b>55.0</b>	<b>120.2</b>	<b>110.1</b>	<b>6.3</b>	<b>3.1</b>	



## IV—COMPANIES REGISTERED ABROAD: BY COUNTRIES

£ millions	NOMINAL SHARE CAPITAL		SHARE DIVIDENDS		NOMINAL LOAN CAPITAL		LOAN INTEREST		
	End	End	1948	1949	End	End	1948	1949	
	1948	1949	1948	1949	1948	1949	1948	1949	
<b>COMMONWEALTH COUNTRIES</b>									
British East Africa ... ..	2.6	3.9	.1	.1	..	—	..	—	
British Central Africa ... ..	4.3	4.3	.3	.3	—	—	—	—	
South Africa ... ..	83.6	88.4	11.7	11.7	3.0	2.9	.2	.1	
India ... ..	2.0	2.3	.2	.2	1.2	1.1	*	*	
Malaya ... ..	1.6	1.6	.2	.3	—	—	—	—	
Australia ... ..	14.2	14.5	1.3	1.7	4.9	4.9	.1	.2	
New Zealand ... ..	3.4	3.4	.2	.3	—	—	—	—	
Canada ... ..	66.8	73.8	3.7	3.1	62.9	63.5	2.5	2.5	
British West Indies ... ..	3.7	4.6	.1	.1	..	..	..	..	
Other ... ..	.3	.3	.1	.1	.2	1.2	*	*	
	<u>182.4</u>	<u>197.2</u>	<u>17.9</u>	<u>17.8</u>	<u>72.3</u>	<u>73.5</u>	<u>2.8</u>	<u>2.9</u>	
<b>FOREIGN COUNTRIES</b>									
Irish Republic ... ..	1.5	1.6	.1	.1	1.7	1.7	.1	.1	
Rest of Europe ... ..	8.0	9.8	.5	.6	25.2	26.0	.6	.4	
Japan ... ..	.5	.5	.1	.1	4.7	5.5	—	—	
Egypt ... ..	5.5	7.3	1.7	2.3	*	*	*	*	
U.S.A. ... ..	63.3	91.8	7.7	9.6	10.5	17.4	.2	.2	
Mexico ... ..	4.9	13.9	.2	.2	20.1	27.6	.2	.1	
Cuba ... ..	.3	.3	—	—	1.1	1.3	.1	*	
Argentina ... ..	1.4	1.6	*	—	3.0	1.3	*	*	
Brazil ... ..	13.2	18.0	1.0	1.0	5.4	4.5	.1	.1	
Chile ... ..	—	—	—	—	11.4	11.6	.1	.1	
Rest of South America ... ..	3.4	4.4	.1	*	2.3	2.7	*	.1	
Other ... ..	9.1	10.1	.3	.5	.2	.2	*	*	
	<u>111.0</u>	<u>159.4</u>	<u>11.7</u>	<u>14.3</u>	<u>85.7</u>	<u>99.8</u>	<u>1.4</u>	<u>1.0</u>	
NOT CLASSIFIABLE ... ..	17.3	16.5	.9	1.1	.1	.1	*	*	
<b>TOTAL</b> ... ..	<u>310.7</u>	<u>373.1</u>	<u>30.5</u>	<u>33.2</u>	<u>158.1</u>	<u>173.3</u>	<u>4.3</u>	<u>3.9</u>	



## V—U.K.-REGISTERED COMPANIES: BY TYPES OF COMPANY

£ millions	NOM. SHARE CAPITAL		SHARE DIVIDENDS		NOM. LOAN CAPITAL		LOAN INTEREST	
	End	End			End	End		
	1948	1949	1948	1949	1948	1949	1948	1949
Dominion & Colonial Rails ...	1.6	1.3	—	—	5.5	5.3	.2	.2
Indian Rails ... ..	..	..	..	..	12.0	10.4	.5	.5
Foreign Rails ... ..	54.1	46.0	.5	.2	41.8	33.3	3.8	.5
Banks ... ..	36.0	38.9	3.5	3.6	—	—	—	—
Breweries, &c. ... ..	5.2	6.6	.7	1.1	.8	.8	*	*
Commercial, Industrial, &c....	56.3	59.4	5.1	5.2	3.3	4.2	.1	.3
Electric Light & Power ...	8.2	9.7	.6	.7	.8	.9	.1	*
Financial Trusts, Land, &c....	59.4	56.5	4.5	3.9	19.9	19.1	.6	.5
Gas ... ..	7.5	7.4	.5	.5	.4	.4	*	*
Mines, Gold ... ..	36.9	35.2	2.2	2.7	.1	.1	*	*
Mines, other than Gold ...	57.4	62.8	10.4	11.4	3.0	3.0	.1	.1
Oil ... ..	109.3	111.8	15.7	16.9	7.7	7.6	.3	.3
Rubber ... ..	74.3	74.5	2.2	3.4	3.8	3.7	.1	.1
Tea & Coffee ... ..	38.5	39.3	3.9	4.2	1.1	1.3	*	.1
Telegraphs, &c ... ..	21.9	21.9	1.0	1.0	1.4	1.4	.1	.1
Tramways, &c. ... ..	10.7	10.1	.2	.2	16.0	15.9	.1	.2
Other (1) ... ..	6.0	5.7	.4	.2	2.4	2.7	.3	.1
	<u>583.2</u>	<u>586.9</u>	<u>51.4</u>	<u>55.0</u>	<u>120.2</u>	<u>110.1</u>	<u>6.3</u>	<u>3.1</u>

## VI—COMPANIES REGISTERED ABROAD: BY TYPES OF COMPANY

£ millions	NOM. SHARE CAPITAL		SHARE DIVIDENDS		NOM. LOAN CAPITAL		LOAN INTEREST	
	End	End			End	End		
	1948	1949	1948	1949	1948	1949	1948	1949
<b>EXCLUSIVE OF U.S.A.</b>								
Dominion & Colonial Rails ...	37.9	39.4	1.5	.8	59.0	57.6	2.3	2.3
Foreign Rails ... ..	5.0	7.1	*	*	28.8	35.0	.3	.3
Banks ... ..	10.9	12.7	1.1	1.2	9.4	9.5	.4	.3
Canals & Docks ... ..	4.8	6.7	1.7	2.2	1.1	1.1	*	—
Commercial, Industrial, &c.	62.7	69.1	6.5	6.3	10.4	11.9	.2	.2
Electric Light & Power ...	10.6	13.4	1.0	.4	17.9	19.6	.4	.3
Financial Trusts, Land, &c....	5.5	6.1	.6	.5	5.4	6.2	.2	.2
Iron, Coal & Steel ... ..	5.1	5.3	.3	.5	1.9	2.0	.1	.1
Mines, Gold ... ..	46.2	49.0	5.0	5.6	..	..	..	..
Mines, other than Gold ...	18.9	19.5	3.2	3.9	1.4	1.3	*	.1
Nitrate ... ..	—	—	—	—	9.2	8.5	.1	.1
Oil ... ..	21.1	29.6	.5	.8	—	—	—	—
Tramways, &c. ... ..	12.0	16.5	1.0	1.0	1.9	2.1	*	*
Other (2) ... ..	6.9	7.0	.4	.4	1.2	1.1	*	*
<b>TOTAL EXCLUSIVE OF U.S.A.</b>	<u>247.4</u>	<u>281.3</u>	<u>22.9</u>	<u>23.6</u>	<u>147.6</u>	<u>156.0</u>	<u>4.0</u>	<u>3.8</u>
<b>U.S.A.</b>								
Rails ... ..	7.8	10.3	*	.2	3.0	4.0	*	.1
Financial ... ..	4.4	5.7	.3	.2	1.1	1.5	*	*
Utilities ... ..	9.9	16.4	.1	.6	6.0	10.5	.1	.1
Industrial ... ..	41.2	59.5	7.2	8.7	.5	1.4	*	*
<b>TOTAL U.S.A.</b> ... ..	<u>63.3</u>	<u>91.8</u>	<u>7.7</u>	<u>9.6</u>	<u>10.5</u>	<u>17.4</u>	<u>.2</u>	<u>.2</u>
<b>TOTAL</b> ... ..	<u>310.7</u>	<u>373.1</u>	<u>30.5</u>	<u>33.2</u>	<u>158.1</u>	<u>173.3</u>	<u>4.3</u>	<u>3.9</u>

(1) Iron, Coal &amp; Steel, Waterworks and Nitrate Companies and shares of Indian Rails.

(2) Indian Rails, Breweries, &amp;c., Gas, Rubber, Shipping and Telegraphs, &amp;c., Companies and loans of Gold Mines.