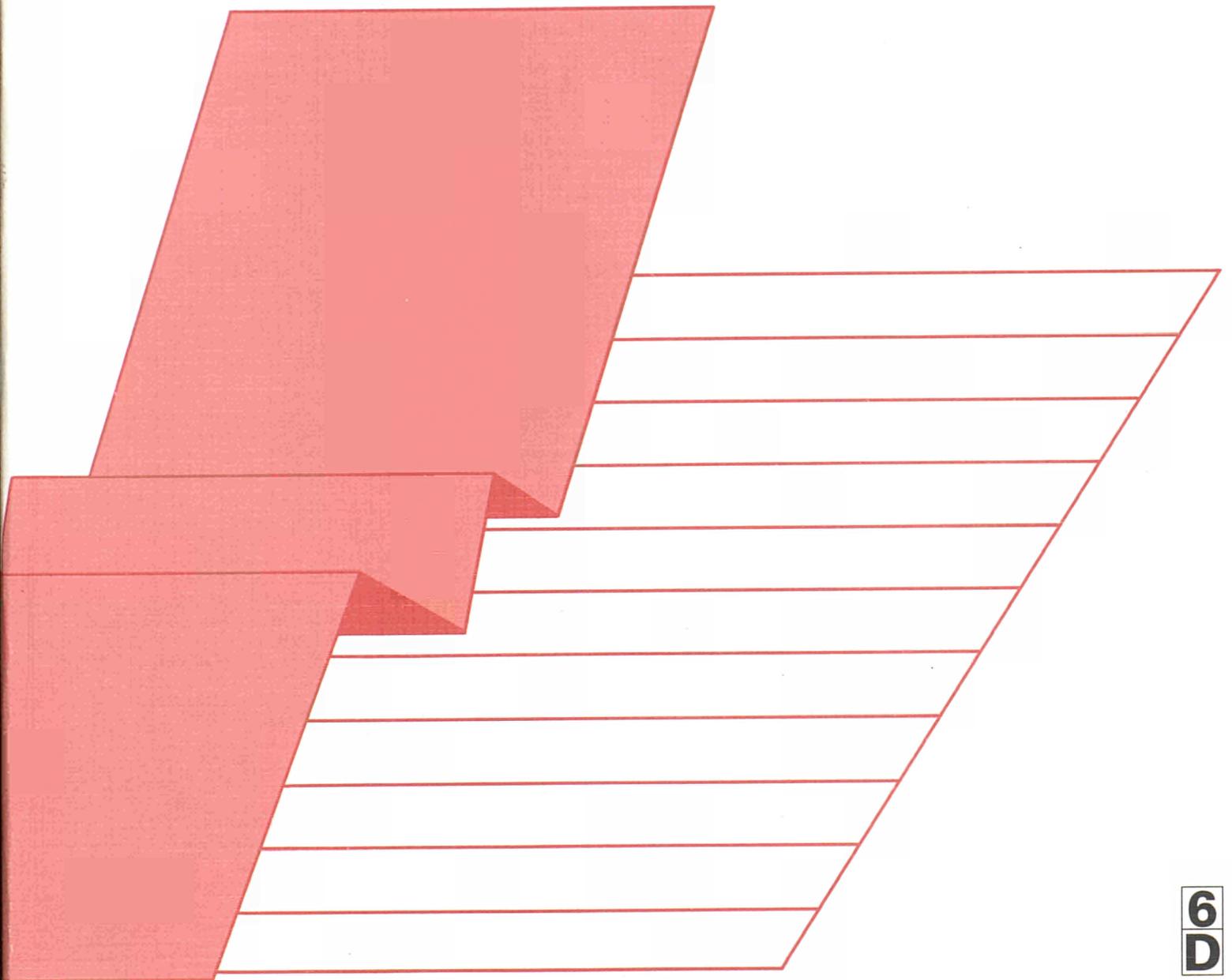


**EUROPEAN COMMUNITY
DIRECT INVESTMENT
1984-88**



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Y. Franchet
Generaldirektor

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To ensure that the vast quantity of accessible data is made widely available, and to help each user make proper use of this information, Eurostat has set up two main categories of document: statistical documents and publications.

The statistical document is aimed at specialists and provides the most complete sets of data: reference data where the methodology is well established, standardized, uniform and scientific. These data are presented in great detail. The statistical document is intended for experts who are capable of using their own means to seek out what they require. The information is provided on paper and/or on diskette, magnetic tape, CD-ROM. The white cover sheet bears a stylized motif which distinguishes the statistical document from other publications.

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Y. Franchet
Director-General

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Le document statistique s'adresse aux spécialistes. Il fournit les données les plus complètes: données de référence où la méthodologie est bien connue, standardisée, normalisée et scientifique. Ces données sont présentées à un niveau très détaillé. Le document statistique est destiné aux experts capables de rechercher, par leurs propres moyens, les données requises. Les informations sont alors disponibles sur papier et/ou sur disquette, bande magnétique, CD-ROM. La couverture blanche ornée d'un graphisme stylisé démarque le document statistique des autres publications.

Les publications proprement dites peuvent, elles, être réalisées pour un public bien déterminé, ciblé, par exemple l'enseignement ou les décideurs politiques ou administratifs. Des informations sélectionnées, triées et commentées en fonction de ce public lui sont apportées. Eurostat joue, dès lors, le rôle de conseiller.

Dans le cas d'un public plus large, moins défini, Eurostat procure des éléments nécessaires à une première analyse, les annuaires et les périodiques, dans lesquels figurent les renseignements adéquats pour approfondir l'étude. Ces publications sont présentées sur papier ou dans des banques de données de type vidéotex.

Pour aider l'utilisateur à s'orienter dans ses recherches, Eurostat a créé les thèmes, c'est-à-dire une classification par sujet. Les documents statistiques et les publications sont répertoriés par série — par exemple, annuaire, conjoncture, méthodologie — afin de faciliter l'accès aux informations statistiques.

Y. Franchet
Directeur général

**EUROPEAN COMMUNITY
DIRECT INVESTMENT
1984-88**

Theme
Foreign trade
Series
Studies and analyses



Cataloguing data can be found at the end of this publication.

1991
1991
1991

Luxembourg : Office for Official Publications of the European Communities, 1991

ISBN 92-826-2725-X

Cat.: CA-59-90-548-EN-C

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Printed in Belgium

EUROPEAN COMMUNITY

DIRECT INVESTMENT

1984 - 1988

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DIRECT INVESTMENT

1984 - 1988

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Printed in Belgium

This is the final report of the study made by Christine SPANNEUT from September 1989 to December 1990.

Brian SLOAN and Adelia ANDRADE have helped with the English version.

SUMMARY

Eurostat is publishing here a detailed study of the European Community's direct investment flows as recorded in the Balance of Payments. For the moment, it covers the years 1984 to 1988. The flows are compared with those of the United States and Japan, and are analyzed from three points of view:

1- Development over time:

The European Community is a net exporter of direct investment capital: investment it makes in other countries is regularly higher than investment it receives from the rest of the world: outgoing capital is more than twice as high as incoming capital: 30.7 thousand million ecus as against 14.2 thousand million in 1988 (and almost three times as high in 1984).

Direct investment flows have increased remarkably in both directions, during these last years: investment made, like that received, virtually doubled between 1984 and 1988. The latter increased at a slightly higher rate than the former. Though a net exporter, the European Community is also a pole of attraction for this type of capital.

European statistics can be compared with the equivalent statistics for Japan and United States: investments in the United States continue to be extremely high (44 thousand million ecus in 1988, i.e three times as high as investment received by the Community), particularly when the dollar conversion rate is low. But investment by Americans in other countries fluctuates considerably. On the other hand, Japan has now virtually caught up with the European Community as far as investments abroad are concerned, even though it climbed on to the bandwagon rather late. But Japan is on the receiving end of very little foreign direct investment.

At the same time (1984-1988), intra-Community investments have shot up even more rapidly than flows to and from non-Community countries - from 4.2 thousand million ecus in 1984 to almost 20 thousand million in 1988. The figures leapt up in 1986, when the signing of the Single Act strengthened expectations of a large European market and Spain and Portugal joined the Community, as they did in 1988, doubling yet again.

In 1988, for every three ecus invested in non-member countries, Community businesses invested two in another Member State. With the Single Market looming on the horizon, European businesses are being forced to restructure, and they are doing so mainly via direct investments: buy-outs, mergers, reciprocal acquisitions of holdings and the setting up of new business units... Unfortunately, Balance of Payments statistics cannot be broken down by these different types of investment.

Finally, in order to have some idea of its macroeconomic importance, extra-Community direct investment of all Member States, equalled about 0.8% of the Community's Gross Domestic Product and 3.8% of its Gross Fixed Capital Formation in 1988.

2- Geographical breakdown:

The vast majority of the Community's direct investment capital movements (in both directions) are with the industrialized Western countries. Most of the Community's direct investments are undertaken in the United States (between 65 and 80% of the total, depending on year), whereas the EFTA countries are the main supplier of capital (between 27 and 63%). Considering the position it normally occupies on the international trade markets, Japan is not a major Community partner where direct investments are concerned. On average, its share - even the share of capital coming into the Community - is lower than that of the developing countries. The proportion of total direct investments made by the EC in the developing countries has, however, fallen to around 10% since 1986. Of the developing countries, it is the non-ACP ones which receive the lion's share of European Community investments. But, this latter zone includes a certain number of "tax havens" and "offshore centers" through which capital is merely channelled to third countries.

Within the European Community, the United Kingdom accounts for the greatest share of direct investment capital movements both with non-Community countries and within the Community, in terms of both investments made and investments received (the United Kingdom alone invests outside the Community almost half of the Community total); next come Germany and France, as regards investments outside the Community, and France and Spain as regards investments received from non-Community countries. In some cases, it seems to be a one-way trade: although Germany makes many investments, it is seldom on the receiving end, whereas Spain is in exactly the opposite position. The countries would have virtually the same ranking for intra-Community investments except that the Netherlands and the BLEU are also very active when it comes to capital movements within the Community. The scale of their investment flows becomes more apparent when the relative size of the country is taken into account.

3- Sectorial breakdown:

The European sectors investing most in other countries are, in descending order of importance, energy (made up mainly of the major multinational petroleum companies), the chemical industries and finance and credit institutions, which comprise, as well as banks and financial institutions, holding companies which manage the participating interests (in the form of direct or portfolio investments) of their parent company (or group) in other companies. "Distributive trades, hotels and restaurants" would also appear to be a major sector for intra-Community investments.

Non-Community businesses invest mainly in the Community credit and finance sectors, in real estate and the food industries, to which must be added energy where intra-Community investments are concerned. The same comment applies to "credit and financial institutions": some of the investments received by this category are merely in transit via holding companies and are subsequently redistributed among other branches. The "real estate" branch shows investments in property companies and in the form of private purchases of second homes abroad.

Despite corrections and estimates, these statistics on Community direct investment are by no means fully harmonized. International capital flows are recorded differently from one Member State to another (the term "direct investment" is not always defined in the same way, there are various methods of collecting the information, classifications are incompatible, etc.), and it has not always been possible to adjust national data as desired, i.e. by aligning the national concepts currently used with the OECD international benchmark definition. In particular, direct investment reported in this study excludes reinvested profits, unless otherwise indicated.

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First part : INTRODUCTION

The liberalization of capital movements of July 1990, in the context of the creation of the Single Market and the medium-term perspective of European Economic and Monetary Union has led to the increased need of the Commission of the European Communities for reliable statistics on international flows of capital. The Commission wishes to be able to evaluate the financial and economic impact of this process of integration, both on structures within the Community and on its relationships with the Community's partner countries or zones.

This report is thus a first attempt at statistically monitoring international capital movements in the European Community, these movements being limited here to direct investment.

As EUROSTAT receives numerous external demands on this subject, the statistics stemming from this study which was originally realized for the internal needs of the Commission, are now being placed at the disposal of a larger audience.

1-1 Subject of the study:

First of all, we shall give a rough definition of direct investment: the capital with which enterprises ("direct investors") finance the purchase, the creation or development of their subsidiaries abroad ("direct investment enterprises"), or acquire shares in foreign companies with which they establish a privileged relationship (a more strict definition is given in the methodological annex).

It is the existence of this supplementary relationship which allows direct investment to be distinguished from other capital movements, although the instruments of this financing (shares, bonds, cash credits...) are not specific to direct investment. Direct investors must in fact have a power of decision in the enterprise in which they invest for the capital they put in to be called direct investment: the profitability of their own enterprise is sometimes directly dependent upon the policies pursued by their direct investment enterprise. So, unlike ordinary shareholders who are only interested in the financial profit of their participation, direct investors want to be able to exercise an influence on the policy of the direct investment enterprise in which they have invested. This power may take the form of an important share in capital stock, representation on the board of directors, commercial partnership, dominant technical or financial liaison, etc... The direct investor is thus able to direct the activity of his direct investment enterprise so that he receives profits from his initial capital which are higher than those obtainable on a purely financial market: "direct investors are thereby in a position to derive benefits in addition to the property income that may accrue on the capital that they invest" (IMF - Balance of Payments Manual, 4th edition).

What special interest might the director investor have in creating a subsidiary abroad? Common reasons include:

- to escape protectionist measures by producing on the spot what was formally exported
- to find new markets or retain access to a market which he risks losing to a better equipped competitor
- to produce under better conditions, such as lower labour costs, local raw materials etc...
- to economise on transport costs which effect the competitiveness of his products on the international market
- to benefit from legal provisions (less restrictive technical standards)
- to reduce his fiscal charges (lower taxes, special encouragement for new investments)
- to profit from advantageous financial conditions (interest rates leading to lower costs or greater profit)
- etc...

On the other hand, mergers or mutual shareholdings evidently find their justification in the economies of scale realized, particularly in sharing the management or research and development costs.

Internationalisation of trade is increasingly taking place via direct investment and multinational enterprises are becoming more and more important. For developing countries, direct investment constitutes a choice which is often preferable to classical forms of indebtedness and which makes technological transfers easier. For enterprises in western industrialized countries, direct investment is often the only way to maintain their international competitiveness.

One may therefore expect that the restructuring of European enterprises, to achieve better integration in view of the opening up of frontiers in 1992, will come about mainly with the aid of direct investment. The intensification of this restructuring movement is already clear from other indicators: 453 acquisitions and mergers of Community enterprises have been reported to the United Nations Center on Transnational Corporations in 1988, and 754 in 1989!

It therefore seems the appropriate moment to be monitoring flows of this type of capital and above all to pay attention to the geographical aspect of these flows: do European enterprises invest more among each other than in more promising external markets? Which production sectors are currently the most attractive in Europe for external investors? Is internal direct investment increasing as 1992 comes closer? It is these kinds of question which the present document will try and answer.

1-2 Basic information used:

EUROSTAT receives the information gathered from Member States' Balances of Payments and publishes them each quarter (including the capital accounts) in **EUROSTAT - External Trade - Monthly Statistics**. This publication contains the quarterly foreign direct investment totals for a limited number of Member States. But EUROSTAT also receives (since 1982 to 1987 depending on Member State) specific and detailed questionnaires on direct investment, an example of which is annexed to this report (page 197). The information is generally submitted to EUROSTAT by the Central Banks or the National Statistical Institutes of the various Members of the European Community. These questionnaires provide the basic data for this report, although they often need to be supplemented by other data and by estimates. Member States have thus often been asked to provide information and EUROSTAT thanks them warmly for their cooperation.

An initial attempt at analysing these figures rapidly revealed a considerable lack of coherence in the statistics from national sources: the comparison of corresponding bilateral flows between Member States clearly showed that these states recorded capital movements which were extremely different. These differences could not simply be attributed to the classical problems of balances of payments such as the monetary conversion of transactions or the date of recording. In reality, the concepts employed were very different, the field covered by the statistics varied in size, collection methods were radically different, classifications were not compatible, etc...

It was therefore necessary to come to grips with the methodological problems. Some information in this respect was available to EUROSTAT (in the form of the Methodology of the Balance of Payments of some Member States published by the Office for Official Publications of the European Communities); other information had to be obtained directly from the Member States.

National methodologies were carefully examined on the specific subject of direct investment. Subsequently, Member States were requested to send certain supplementary data which enabled some corrections to be made to the initial data, the aim of these corrections, and indeed of the study, being to obtain figures which are more comparable and which can be added together to produce a EUR 12 total.

Some of the methodological divergences could be corrected but numerous others remain. One can therefore hardly stress enough that the reader should read carefully to the methodological annex of this study in order to avoid errors in interpretation which can always arise with statistics which are not fully harmonised. EUROSTAT is encouraging Member States to move more into line with the Benchmark Definition of OECD, and hopes to be able to present more harmonized and detailed figures in the forthcoming editions. However complete harmonization will be a long and exacting task.

1-3 Data processing method:

As the data initially supplied by the Member States have often been subject to transformations (albeit slight) it may be useful to describe more precisely the steps that were followed, and to define a vocabulary in order to distinguish data at each step:

- at the first stage, we speak of "**raw**" data, exactly as communicated by a Member State, either using the EUROSTAT questionnaire or in some other form specific to that Member State. This latter case was very frequent, because the nomenclatures used by the Member States often did not fit easily into EUROSTAT's nomenclature.

- at the second stage, the examination of the various methodologies showed that it was necessary to correct figures in order both to improve their comparability and to be able to add them together. To this end, the Member States were individually contacted to obtain additional items of information which would allow the data to be corrected as required, i.e. to bring them better into line with the OECD Benchmark Definition (see methodological annex). Some of this information was obtained, other information was not. Either it was confidential, or, most commonly, it was simply not available, owing to national methods of collecting and compiling data. The data resulting from these corrections will be referred to as "**harmonised**", although rather erroneously since harmonization is in fact far from complete. All the figures published in this report which apply to one Member State are "harmonised", i.e. they have been drawn up exclusively with the aid of the data from the Member State but they do not necessarily correspond to the figures published by the Member State itself under the heading "direct investment". This is because of differences in definitions. There are two exceptions: Greece and Ireland, for which EUROSTAT estimates are published, but only for the most important items.

- at the end of this project, many items of information were still missing for reasons such as: they were simply, entirely or partly unavailable, it was not possible to convert from a national classification to the EUROSTAT classification, there were breaks in series, etc.... These missing items of information were therefore estimated, as far as possible with the aid of specific documents of the country in question or with the aid of average structures. These data will therefore be termed "**estimated**". Only "estimated" data for the entire European Community (EUR12) are published here.

Details of the correction and estimating methods for each Member State are given in the methodological annex (Methodologies of the Member States), but the estimates themselves are not given (except in the case of Greece and Ireland for important items).

1-4 Conventions adopted:

Some final clarification is necessary: with the exception of paragraph 2-4 of the second part (Results) and the figures taken from the G-BOP database, all direct investment reported here is calculated **without reinvested profits**: reinvested profits are those profits which the board of directors of the direct investment enterprise (upon which the direct investor would normally sit) decides not to distribute to the shareholders but rather to reallocate to the development of the enterprise. These are thus fictitious flows in the Balance of Payments: in theory, the direct investor receives income from his direct investment (recorded in the current balance) and reinvests it immediately in his subsidiary (this reinvestment is then recorded on the line "direct investment" of the capital balance). In reality, these two inverse, but absolutely identical flows do not give rise to any settlement, which explains the difficulty of certain Member States in identifying them. As several countries have decided not to trace these flows, it seemed preferable to exclude them from the statistics of the other Member States which do record them rather than make a hazardous estimate for the former. This approach is clearly open to criticism since the scale of direct reinvestment can fundamentally affect the analysis of direct investment. Nevertheless, statistics on direct investment excluding reinvested profits do have meaning in that they indicate the savings produced in one economy which are transferred to another, whereas reinvested profits are produced and used on the same economic territory.

Moreover, the lack of detail on reinvested profits in most Member States would have weakened the analyses: reinvested profit is often recorded as a global figure but cannot be broken down by geographical origin or destination.

The **sign convention** used in this document is that of the Balance of Payments: capital flows are recorded:

- with the sign +, if they enter the declaring economy; they may thus be investment in the declaring economy coming from abroad or disinvestment abroad by the declaring economy (repatriation of capital).
- with the sign -, if they leave the declaring economy; they may thus be either investments abroad by the declaring economy or disinvestment by foreign countries on the territory of the economy in question.

Consistency between tables is generally respected unless otherwise indicated. However, all the supplementary tables in the fifth part, which are given for information only, are not compatible with the other data. The reasons for this are explained under each table or group of tables.

Finally, the reader must be careful not to overestimate the **level of accuracy of the figures** : the unit used in most of the tables is one million ecus. This level of precision is simply due to the automatic methods of calculation, conversion and printing, but it is more prudent for analytic purposes to deal in thousand millions of ecus in view of the numerous methodological problems affecting direct investment statistics.

Second part : RESULTS

Although the reliability of the statistics presented here is far from acceptable (see methodological annex), given the order of magnitude of the trends observed, some major conclusions can still be drawn. The major trends in European direct investment will be examined in terms of :

- their development over time
- their geographical origin or destination
- their breakdown by major sectors of the economy.

We shall also present the limited information which is available on reinvested profits within the European Community.

2-1 CHRONOLOGICAL DEVELOPMENT OF DIRECT INVESTMENT

The source of data used did not allow us to produce a long series of data going back many years. Nevertheless, a non-homogeneous series of direct investment for the years before 1984 is also given here, as supplementary information.

2-1-1 Extra-community investment and comparison with USA and Japan:

During the period under consideration (84-88), the European Community has always been a net investor: the capital leaving the EC every year is roughly double that which comes into it (31 thousand million ecus leaving to compare to 14 coming in, for the last available year).

Table 2-1:

Direct Investment: comparison between European Community, United States and Japan

Unit: million ECU

year	84	85	86	87	88
made by:					
EUR 12	-17395	-15349	-22164	-30780	-30711
USA	7128	1233	-8796	-8605	-1997
JAPAN (*)	-7558	-8455	-14713	-16916	-28931
received by:					
EUR 12	6177	5637	6840	12578	14278
USA	28460	26733	36969	39357	43870
JAPAN (*)	-13	841	230	1010	-410
net investment by:					
EUR 12	-11218	-9712	-15324	-18202	-16433
USA	35588	27966	28173	30752	41873
JAPAN (*)	-7571	-7614	-14483	-15906	-29341

Sources: EUROSTAT estimates, Survey of Current Business, and Bank of Japan

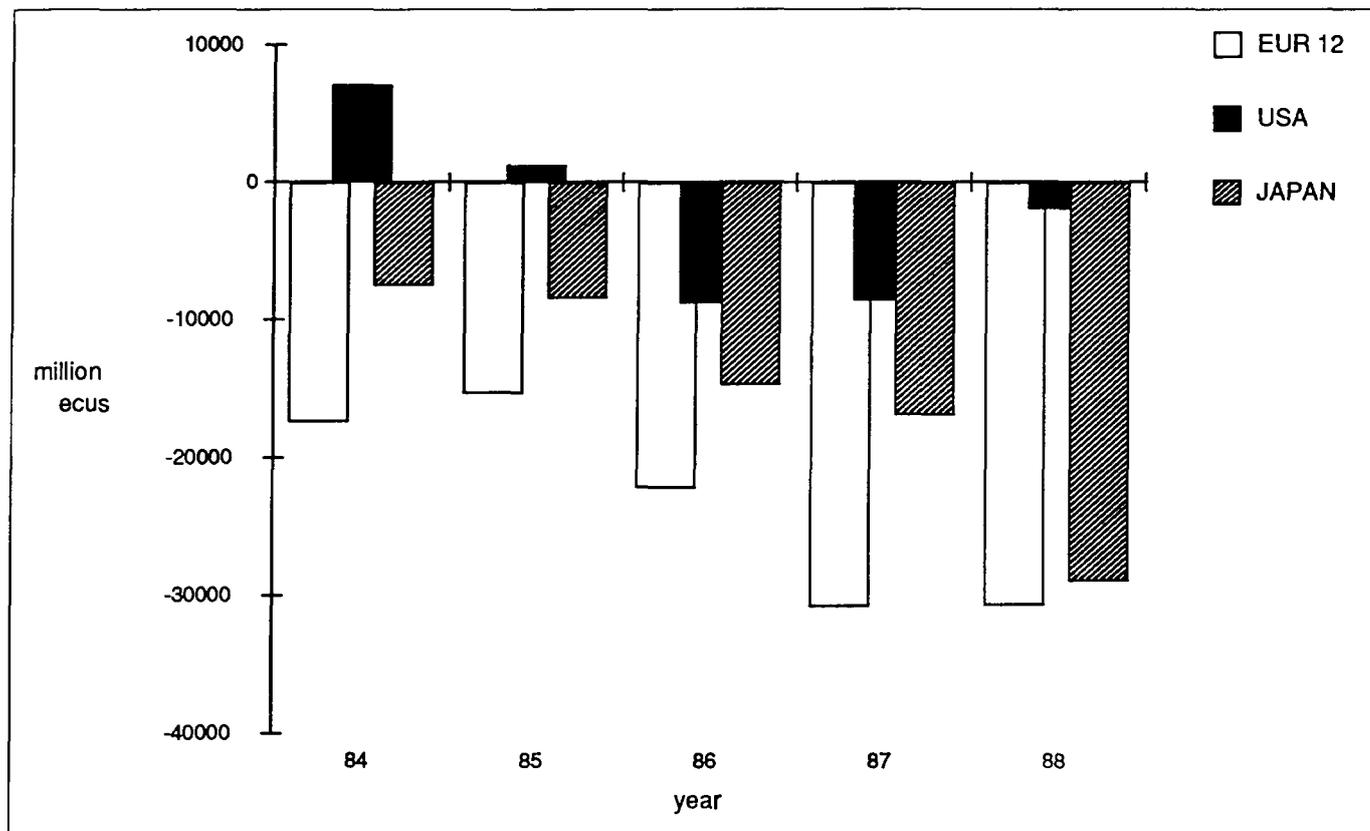
(*) These data are investments recorded in the Balance of Payments by the Bank of Japan, and not the investments "notified" to the Ministry of Finance.

Japan is also a net exporter of direct investment capital: although the level of investment made by Japan is comparable to that of the European Community (29 thousand million ecus in 1988), the level of investment it receives is virtually nil compared to that of both the European Community and the United States.

The figures for the United States show that the investment it receives is always well in excess of the investment it makes (42 thousand million ecus received compared with 2 thousand million paid in 1988): the United States is therefore in the opposite situation to that of Japan and the Community which are net suppliers of capital.

Graph 2-1:

Outward investment

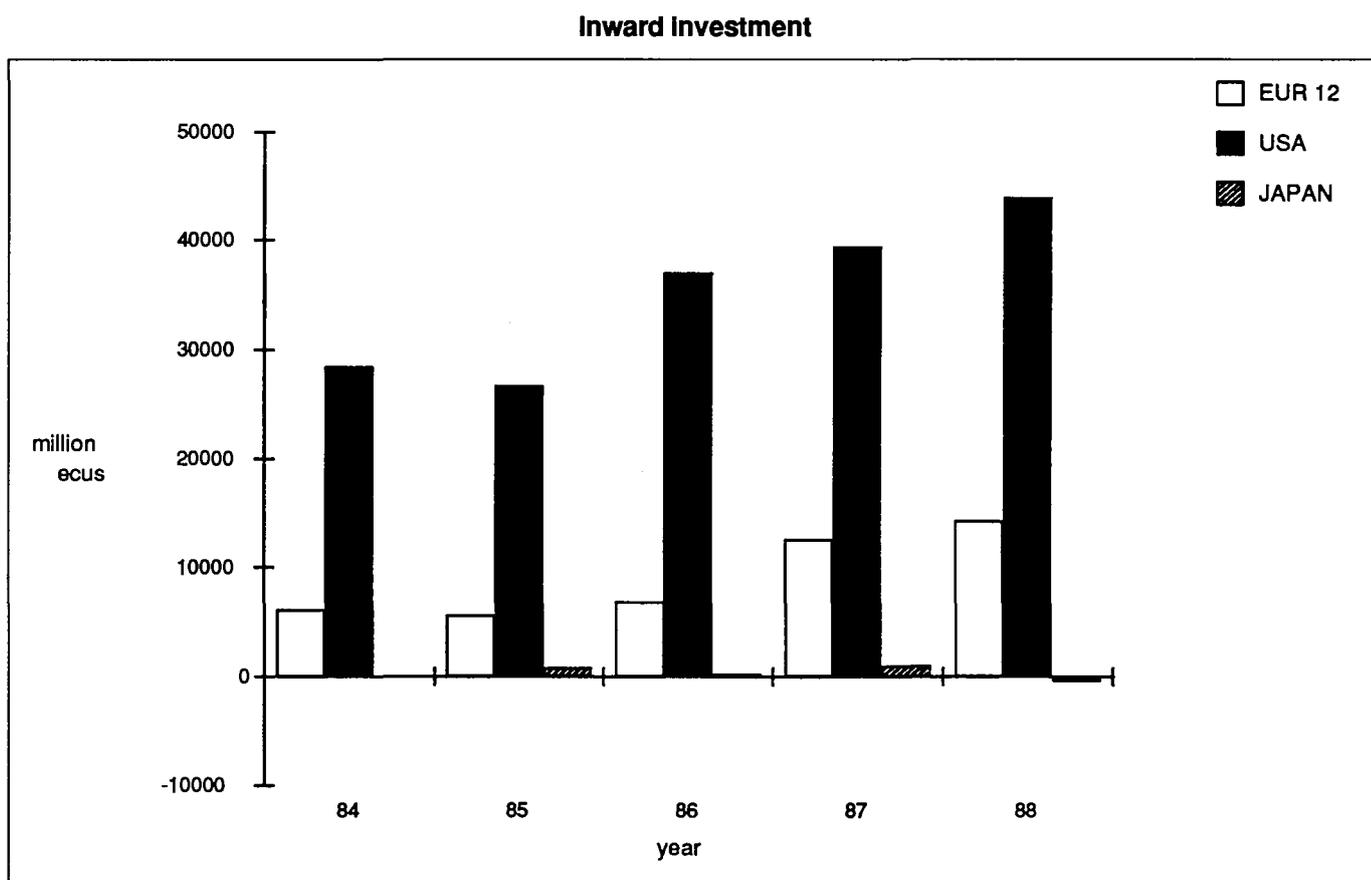


Between 1984 and 1988, direct investment by the European Community in other countries virtually doubled; from 17 thousand million ecus in 1984, it reached 31 thousand million ecus in 1988; this corresponds to an average increase of 15% per year, although much of it was in fact concentrated on the years 86 and 87, while the last year studied, 1988, shows a virtual stagnation of such direct investment, at a level of 31 thousand million ecus. During that year, greater effort was put into intra-Community investment, as we shall see below.

Nevertheless this remarkable upswing is clearly not as large as that recorded by Japan (whose investment abroad quadrupled in 4 years, i.e. increasing at an annual rate of 40%). Japan is now on virtually the same level as the European Community: in 1988, Japan made 29 thousand million ecus of outward direct investment, compared with 31 thousand million ecus for the European Community.

Meanwhile, by contrast, investment by the United States in other countries fluctuated greatly and there were even years of US disinvestment abroad (1984 and 1985). (We should like to remind the reader that reinvested profits are not included in these statistics). In other words, during these years, the United States resold US - owned foreign enterprises abroad for a higher value than those they bought, established or developed. If we take reinvested profits into account, the United States of course remained a net investor for the entire period in question, but we can still detect the same sharp fall in the outward investment series in 1988 (see page 60).

Graph 2-2:



However, as regards capital received from other countries, the European Community seems to be a more and more attractive destination by comparison with the United States and Japan : between 1984 and 1988, whereas incoming capital more than doubled for the Community, it went up by one half in the United States and varied from one year to another in Japan, while always remaining at a very low level. It is also noticeable that capital coming into the Community, though always lower, has increased more rapidly than the outward capital (average increase of 23% per year to compare to 15%). The Community, although a net exporter of direct investment capital, can therefore be considered as an attractive zone for this kind of capital.

Once again, the jump in the space of four years from 6 to 14 thousand million ecus in investment coming from other countries was not regular: there was virtual stability between 84 and 86 and a sudden take-off in 87.

Nevertheless, although it is increasing more rapidly, direct foreign investment in the Community (14 thousand million ecus), was still only at one third the level of investment in the United States in 1988 (44 thousand million ecus). Moreover, about half of this inward investment in the United States is provided by the Community each year (and even 3/4 in 1987).

Japan, on the other hand, is still no great receiver of foreign investment (a maximum of 1 thousand million ecus observed in 1987).

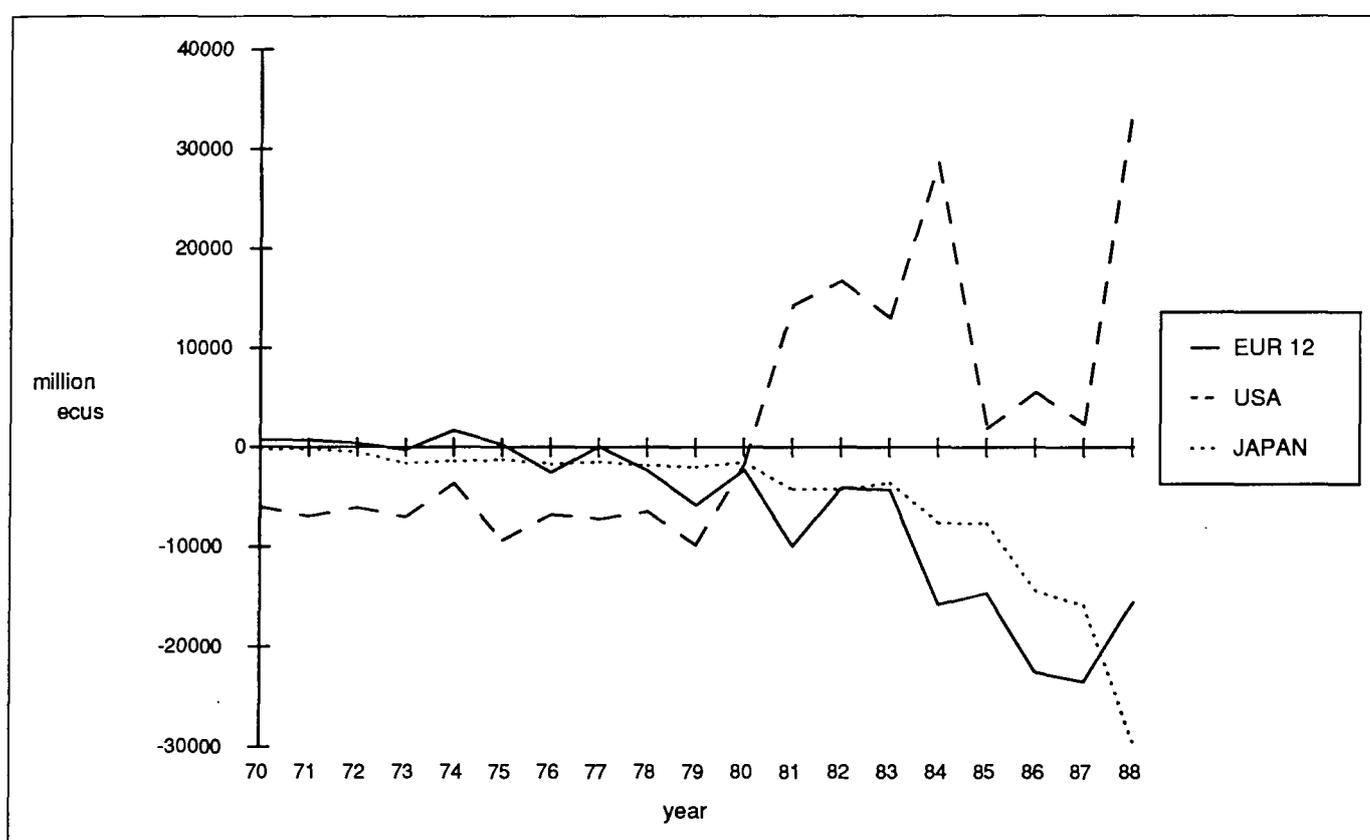
It was not possible to extend this study over a longer period since data for earlier years are not statistically consistent with those presented here. However, without using the figures directly, one can discern clear trends from the data in EUROSTAT's G-BOP data base (see the fifth part, tables 5-GBOP-1 and 5-GBOP-2 on pages 176 and 177).

This database records direct investment as it is declared by countries in accordance with their national definitions. For example, it includes direct investment with reinvested profit for certain countries and direct investment without such profits for others. In addition, the investment declared by the Community Member States also includes intra-Community investment. The base is thus difficult to use for comparisons or structural studies. On the other hand, it is reasonable to suppose that one can discern broad trends with little risk of being mistaken.

Reading these series shows that the Community has not always been a net investor; it is only since 1978 that its investment in other countries has been regularly higher than the investment received from other countries.

Graph 2-3:

Net direct investment - Source: G-BOP

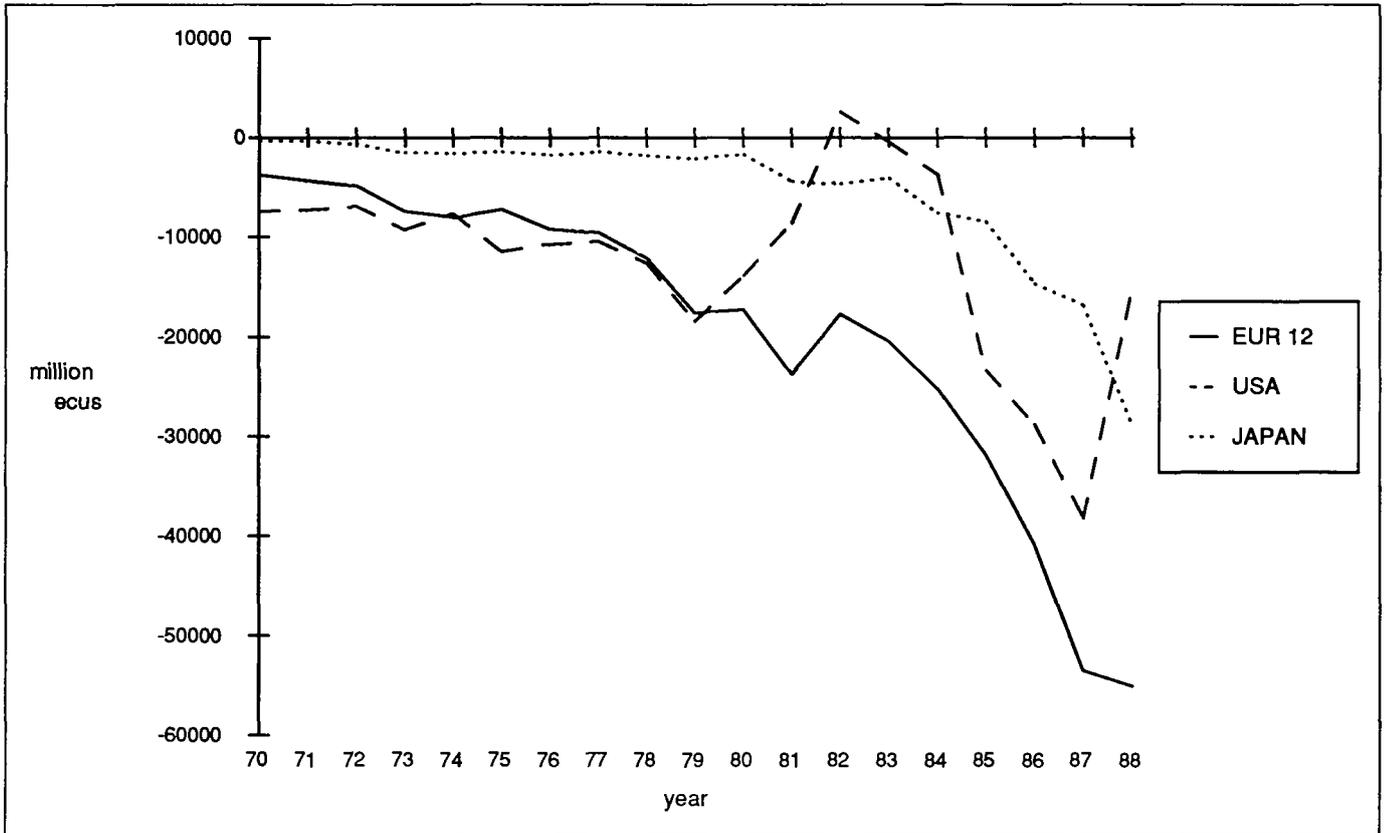


On the other hand, the United States, which was a net exporter of direct investment capital during the seventies became a net importer afterwards, though only slightly so between 1985 and 1987 (reinvested profits are included here). During these 3 years, the cost of investment projects in the United States increased for foreign investors, owing to the high US dollar exchange rate.

Over the same period, Japanese was always a net investor, with the level of its investment continually increasing. However, Japan's net direct investment still represents only a small part of its current balance surplus: 10% in 1988.

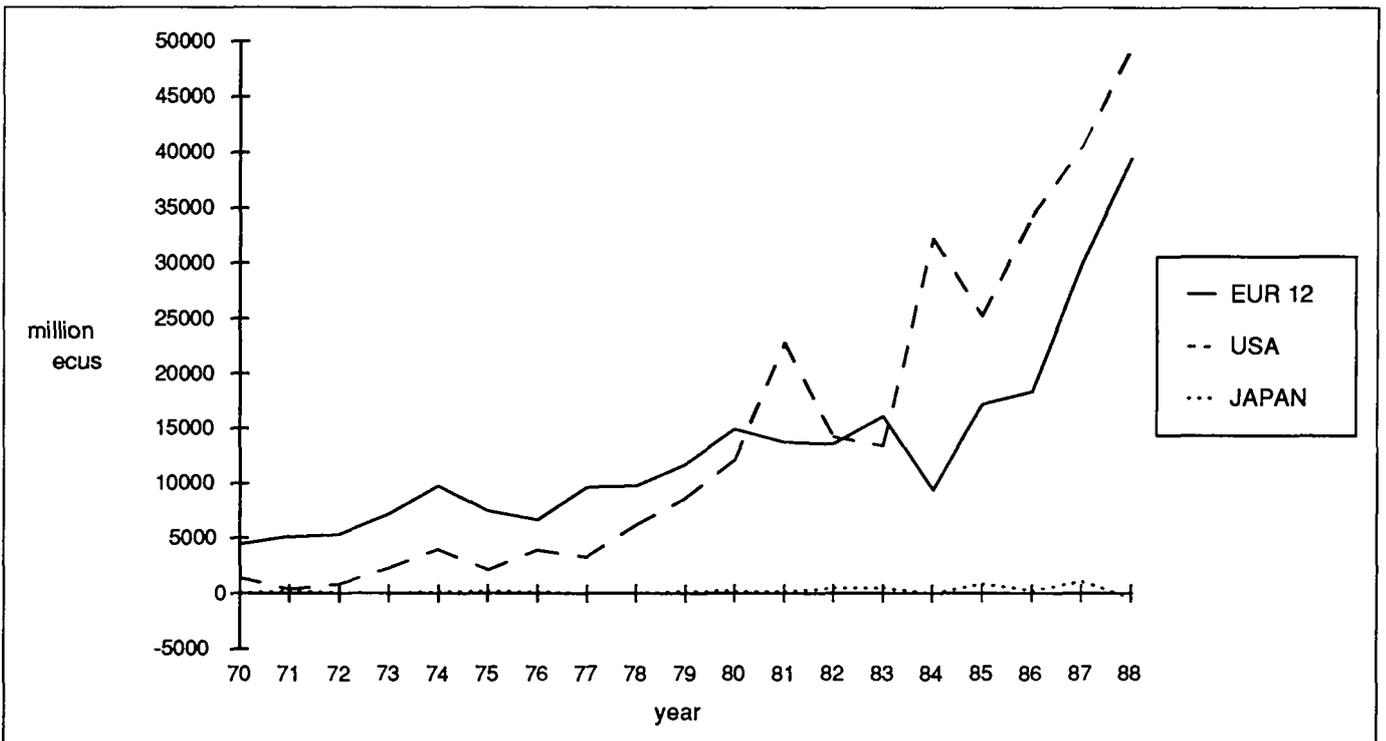
Graph 2-4:

Outward Investment - Source: G-BOP



Graph 2-5:

Inward Investment - Source: G-BOP



It is also clear looking at this wider period that there is a long-term trend of growth in direct investment capital outflows and inflows of the Community. However, this trend was not totally regular. Moreover, looking to each Member State's statistics (tables on pages 176 and 177), we often find speeding up followed by levelling off. In some cases, the acceleration may be more connected with the overcoming of legislative obstacles than with economic necessity or new opportunities.

For example, the liberalization of capital movements in the United Kingdom in 1979 probably explains the development from that year onwards, and similarly the Big Bang in the City of London would account for the new leap in 1987.

As inflation has fallen in recent years, growth of direct investment flows in real terms is now stronger on average than during the previous decade. The more rapid growth which can be observed at the end of series on the two graphs therefore represents a real acceleration of direct investment capital outflows and inflows.

2-1-2 Intra-Community Investment

In view of the source of the data (Balance of Payments), intra-Community direct investment is taken here to be the investment made by a company resident in one Member State in another company resident in another Member State. It does not include investment internal to each Member State.

Table 2-2:

Intra-Community direct investment

million ecus

Declared by :	84	85	86	87	88
investing countries	-4265	-6987	-12469	-12646	-19076
countries receiving investment	4358	5666	10354	11722	22976

Source: EUROSTAT estimates

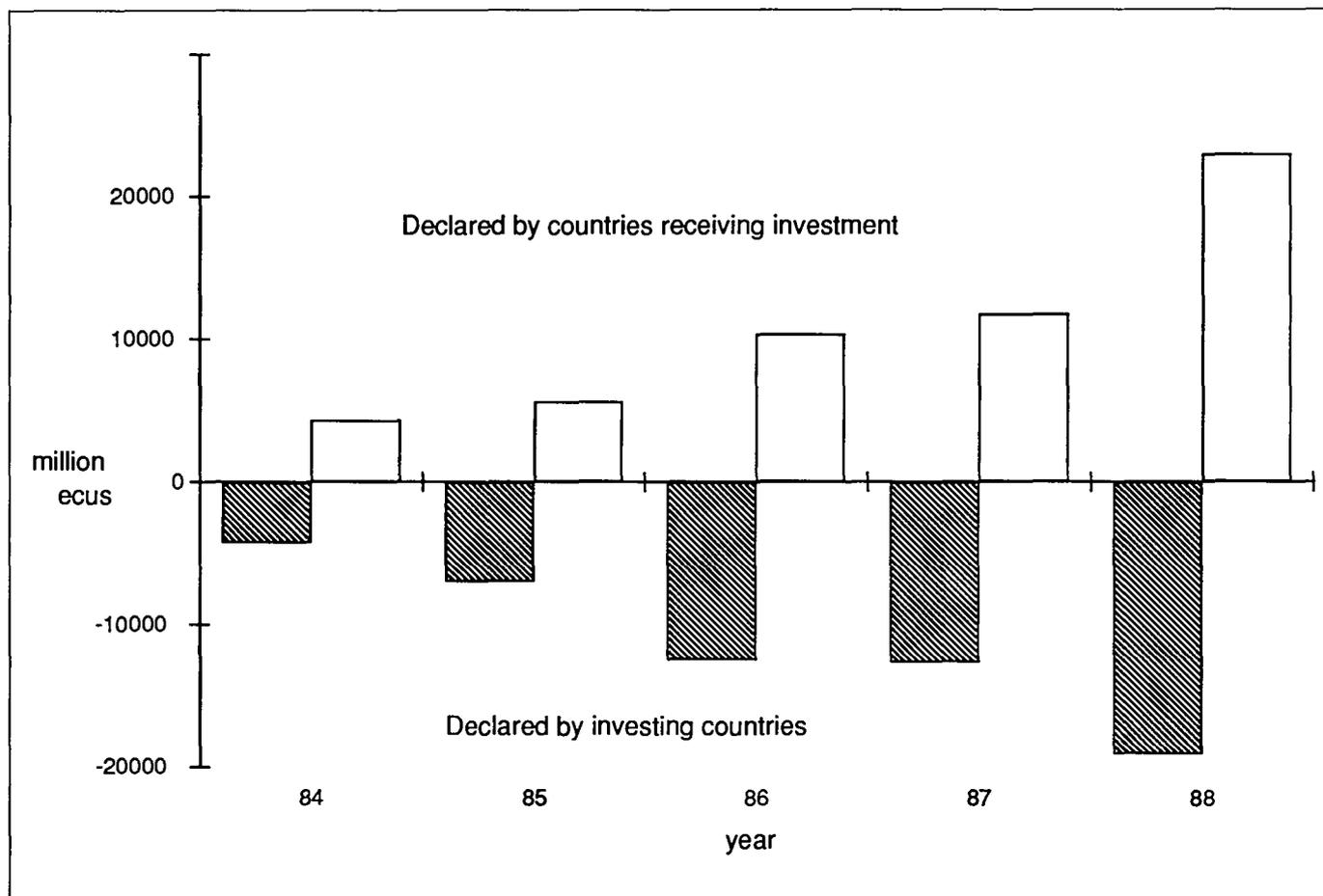
The broad trends are essentially the same whether one uses investment declared as outgoing by the investing country or investment declared as incoming by the country receiving the investment (the two series are unfortunately not identical, the methodological annex supplies some explanations for this phenomenon): intra-Community investment went up 5 times between 1984 and 1988, from 4 to 20 thousand million ecus within 4 years. Again, as for extra-Community investment statistics, the increase is irregular: almost doubling in 1986, levelling off in 1987, and doubling again in 1988.

It should be noted that the Single Act was officially declared in 1986, and that the entry into the Community of Spain and Portugal took place in the same year. In this regard, it is worth mentioning that although Spain and Portugal did not belong to the Community before 1986, they are nevertheless included in all statistics relating to the Community (EUR 12). Therefore, the increase in intra-Community investments detected on their arrival in 1986, cannot be explained by a break in the series due to a widening of the geographical field of the statistics. It is more likely that their arrival in the Community actually induced a larger flow of investment towards Spain and Portugal, which would partly explain the sharp increase in intra-Community direct investment in 1986.

The doubling of investment in 1988 is not so easily explained. It is, in any case, less dramatic if one looks at the data based on the investing countries' declarations, the asymmetry between the two sources being particularly high in 1988.

Graph 2-6:

Intra-Community direct investment



European companies have not, therefore, simply waited for the Single Market of 1992, nor even the liberalization of capital movements of July 1990, to reorganize themselves. It will be very interesting to see whether this acceleration continues or whether a saturation period will ensue. Of course, the accelerating curve of direct investment cannot continue indefinitely : direct investment in a given country often reflects major operations in which companies merge or are bought up, and such operations are clearly not repeated every year; they are carried out in favourable periods such as during the new opening-up of the capital market or when a particularly favourable exchange rate applies (in this respect, direct investment in the United States can be linked to the international rate of the dollar).

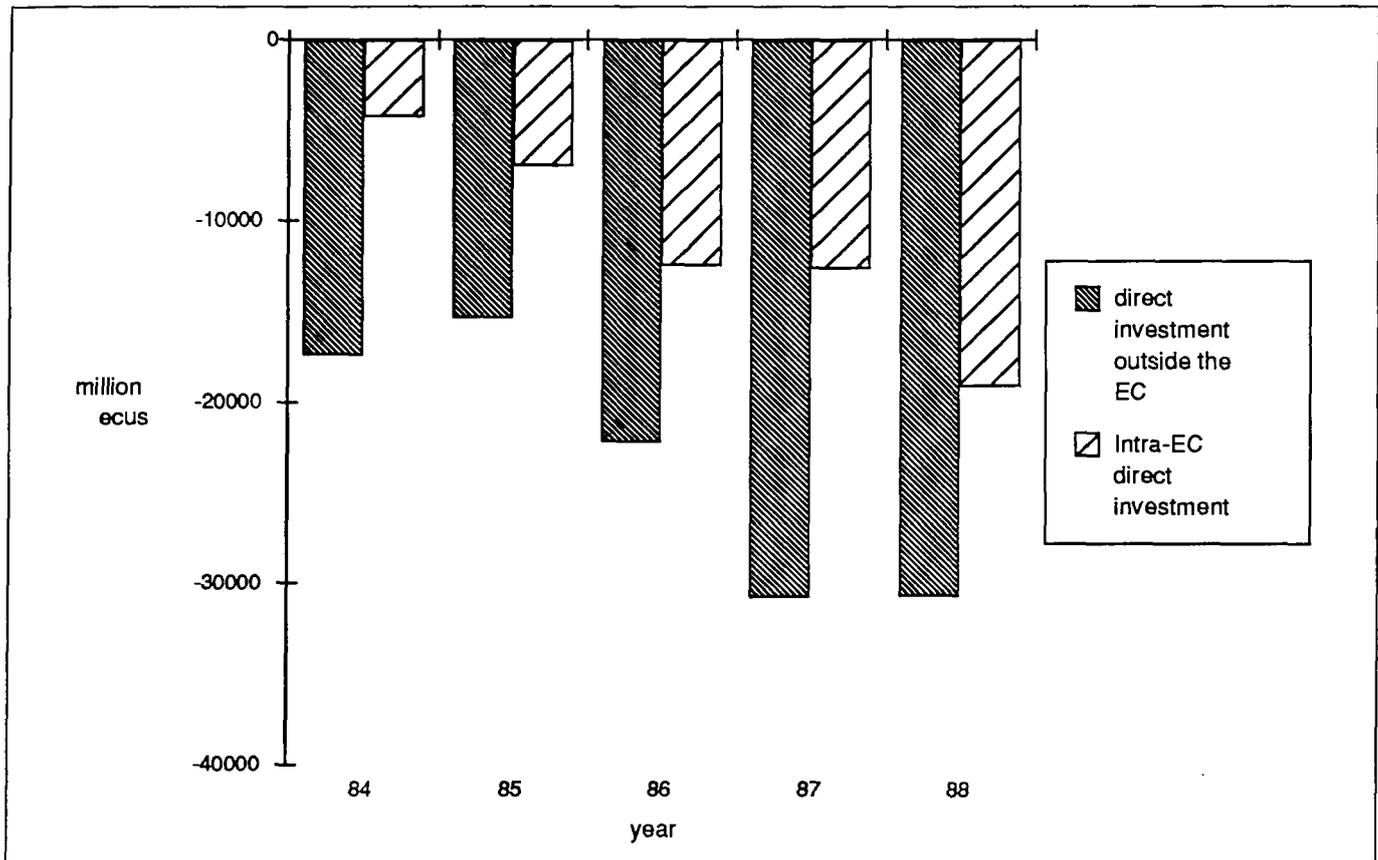
While anticipation of the Single Market has had a significant impact on the rate of intra-Community direct investment, this driving force is likely to reach a limit in a few years' time, when the Single Market has reached its cruising speed. By then, European enterprises will probably have attained their optimal dimensions, at least regarding their internal market. But of course, before then, other factors could come into play encouraging the European companies to invest in other European enterprises.

Lack of data made it quite impossible to study the development of intra-Community investment over a longer period: G-BOP database used earlier, does not distinguish between intra-Community investment and other foreign investment and EUROSTAT's detailed questionnaire is not usable before 1984, since only a few countries in the Community completed it pre-1984.

In conclusion, it should be noted that the level of intra-Community investment is below that of extra-Community investment; in 1988, for every 2 ecus invested in another Community country, the Member States invested 3 ecus outside the Community. The relative share is, however, on the increase, since in 1984 the same ratio was only one ecu in the Community for every 4 outside.

Graph 2-7:

Comparison between intra and extra-Community direct investment



Direct investment of the Community has been compared here with that of United States and Japan, and intra-Community investment was compared with extra-Community investment. However, it may also be useful, to calculate macro-economic ratios in order to have an idea of the importance of this investment for the European economy: thus it is worth noting that: the outward direct investment of the Community is equivalent to about 0.8% of its Gross Domestic Product, 3.8% of its Gross Fixed Capital Formation and 3.7% of its Gross National Saving in 1988. On the other hand foreign direct investment received by the Community corresponds to 1.8% of its Gross Fixed Capital Formation (macroeconomic data drawn from European Economy - Annual Economic Report - 1989-90).

2-2 GEOGRAPHICAL BREAKDOWN OF INVESTMENT

2-2-1 Warning

Some preliminary words of warning are needed to avoid misinterpretation of the following figures: the criterion for geographically allocating direct investment is not the same for all the Member States of the Community: a transaction can be allocated to the 1) country which has received or ordered the counterpart payment, 2) the country of residence of the co-contractor, 3) the country in which the investor or the enterprise of investment is located etc...; there is no fixed rule and the same type of flow is not necessarily allocated in the same way by each country (see methodological annex). The aggregate calculated for EUR12 is therefore open to criticism.

In particular, the existence of holding companies, or other companies involved in financial intermediation, weakens the validity of the analyses which can be made. These companies, on their parent company's behalf, manage different shareholdings (either direct or portfolio investment) in other companies.

Indeed, for the Member States, in the Balance of Payments accounts, a capital flow with a holding company is normally attributed to the country in which the holding company is situated, although from an analytic point of view it would be more logical to attribute it to the country from which it initially comes or to which it finally goes. Statistics on stocks (as opposed to flows), which describe the net international position of a country vis-a-vis another, generally prefer that second method of compilation.

For example, in the United States, there are two parallel series for foreign direct investment in American subsidiaries: direct investment is broken down either according to the FPG (Foreign Parent Group) criterion, i.e. allocating the investment to the country directly carrying out the transaction with the American subsidiary, or according to the UBO (Ultimate Beneficial Owner), i.e. allocating the investment to the originating country which is identified by proceeding up the enterprise's ownership chain until the initial investor is found. For flow statistics (Balance of Payments) which are given in this study, the FPG criterion only has been used.

In addition, flows passing via a holding company could be counted twice if they are reinvested in a direct investment enterprise located in a third country: firstly when they enter the country in which the holding company is located and secondly when they leave. The total amount of both inward and outward flows thus increases without producing a really significant economic impact in the country of location of the holding company.

As a result, important direct investment flows are reported with "tax havens" such as Netherlands Antilles, Bahamas, Bahrain, Cayman Islands and Panama, but, can one really argue that these countries are large investors or receive substantial direct investment? Net recording by the country where the holding company is located is not to be recommended either, since it does not allow the direction of the capital movements to be monitored.

An appropriate solution might be to classify such flows separately. Unfortunately, given the present state of the statistics collected, it would seem to be impossible to measure the size of these transient flows. And at the moment, stock statistics are limited to too small a number of countries.

We shall therefore limit our comments on this subject to those which are unlikely to be invalidated by using different principles of geographical allocation.

The geographical "classes" which are referred to in this section are those generally used in EUROSTAT publications; a summary of these is given in the annex (page 194).

2-2-2 Extra-Community investment

The old saying "one only lends to the rich" turns out to be true. Indeed with the single exception of investment received from abroad in 1985, between 3/4 and 9/10 of movements (in both directions) of Community direct investment capital was carried out with the countries of class 1 (western industrialized countries). This is therefore an overwhelming majority. The remaining movements were carried out almost entirely with countries of class 2 (developing countries), the countries of class 3 (state-trading countries) being only a small residual amount.

This concentration of direct investment flows among western industrialized countries is not particularly surprising: direct investment links between enterprises from different countries are usually established in order to benefit from such favourable conditions as:

- relative freedom for incoming and outgoing flows of capital (especially income deriving from invested capital)
- existence of factors of production (educated staff, energy, raw materials...) which are at least as advantageous as in the country of origin
- a financially solvent market and a reliable communications infrastructure.

These conditions are more often encountered together in countries of class 1. The condition regarding the freedom of capital movements could of course explain the share of direct investment towards "tax heavens" of class 2. Unfortunately, with the statistical means available for this study it is not possible to distinguish these countries separately.

However, within class 1, the breakdown according to the country of origin of the inward flows is not the same as the breakdown according to the country of destination of the outward flows: let us begin with the outward direct investment of the Community:

Table 2-3:

Geographical breakdown of outward direct investment of the Community

million ecus

year	84	85	86	87	88
partner country					
USA	-11650	-10063	-17662	-23901	-20074
Japan	-295	-36	-116	-18	-187
EFTA	-929	-760	9	-1826	-2306
other class 1	-1323	-796	-1866	-1673	-3433
class 2	-2970	-3535	-2167	-3017	-3466
class 3	-50	-131	-159	-30	-173
not allocated	-177	-27	-204	-315	-1071
Total World (*)	-17395	-15349	-22164	-30780	-30711

Source: EUROSTAT estimates

(*) Excluding intra-Community investments.

The main country receiving investments from the Community is without doubt the United States, which each year counts for at least 2/3 of the Community's investment in other countries. When the dollar exchange rate lowers, investment in the United States becomes less expensive for European countries, and this may be the reason why large movements of capital toward this country occurred during part of the period under review.

The countries other than the United States share the remaining third, with the largest part of this going to "other countries in class 1" (up to 11 % of the total), mainly Canada, to the countries of EFTA (up to 8 %), or to the "other countries of class 2", depending on the year.

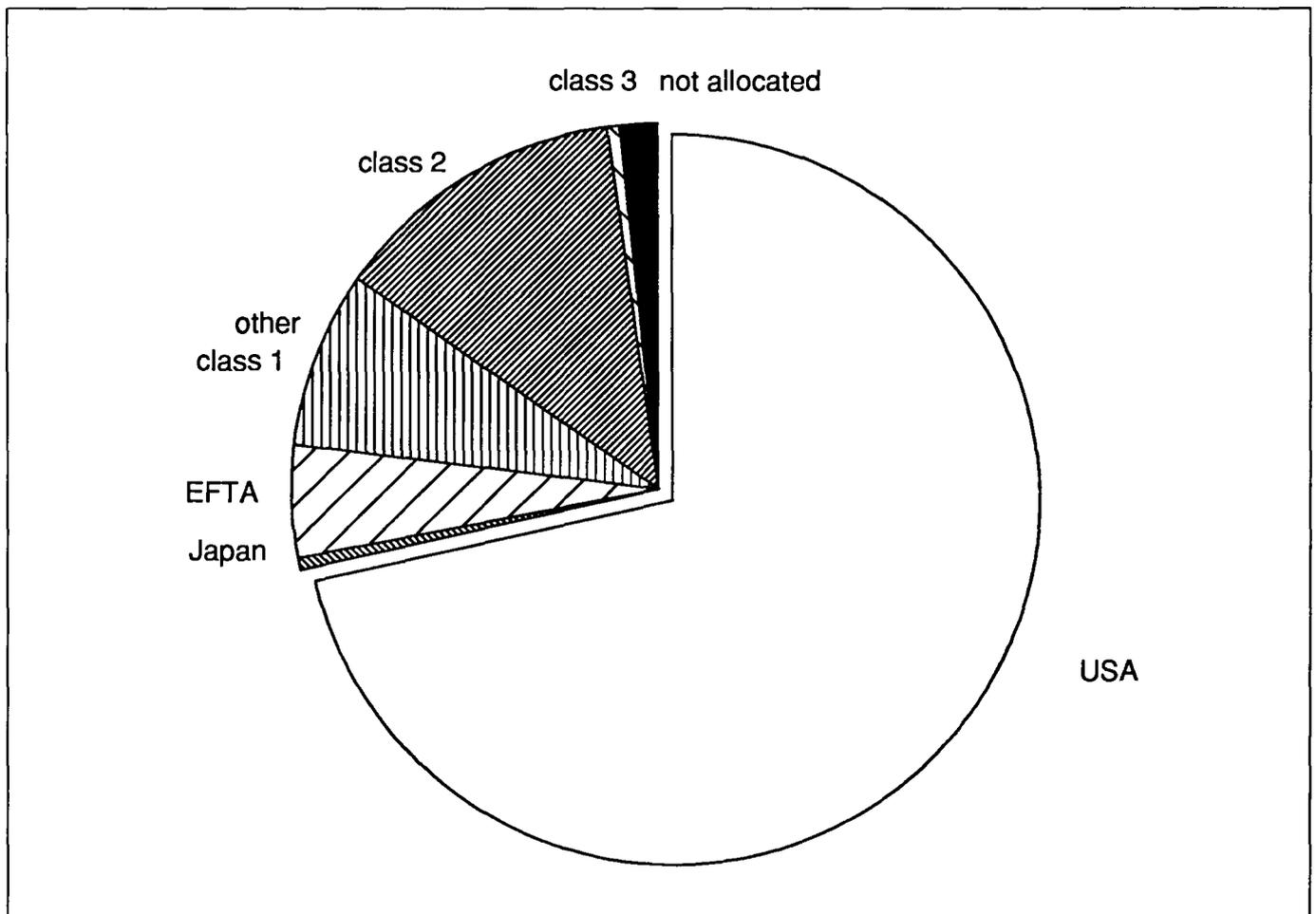
The share of the developing countries has tended to be whittled down, but the series is a little short to draw definite conclusions. The agreements with the ACP countries (excluding Nigeria and Gabon, which also belong to the class constituted by the OPEC countries) hardly seem to have had an impact as regards direct investment, which is very low (see more detailed tables in fourth part).

Details are lacking on the destination of investment in "other class 2" which includes among others:

- Newly Industrialised Asian Countries which are not a priori part of geographical zones traditionally influenced by the Community, but which offer more and more characteristics favourable to direct investment
- Latin American countries, which may have more significant relations with the Community in the future, given that Spain and Portugal have joined the Community
- but also a certain number of "tax havens" through which investments are merely channelled to other countries.

Graph 2-8:

**Geographical breakdown of outward direct investment of the Community
(84-88 average)**



As regards direct investment on the territory of the Community, comments are not quite so clear cut:

Table 2-4:

Geographical breakdown of Inward direct Investment of the Community

million ecus

partner country	year	84	85	86	87	88
USA		2919	1766	2484	2356	606
Japan		390	646	445	1502	1461
EFTA		1661	1666	3267	3543	9021
other class 1		-285	-266	-149	2827	1846
class 2		1338	1736	604	2058	1071
class 3		78	37	-48	18	20
not allocated		76	52	237	273	253
Total World (*)		6177	5637	6840	12578	14278

Source: EUROSTAT estimates

(*) Excluding intra-Community investments.

The majority of foreign direct investment made in the Community comes once again from the Western Industrialized Countries: their share in the total investment received by the Community varied between a minimum of 68% in 1985 and a maximum of 91% in 1988.

Although, overall, our principal partners are still the developed countries (class 1), certain movements can be seen within this class:

- a very marked decline in American investment in Europe (falling from 47 % of the investment received by the Community in 84 to 4 % in 88) although it should be pointed out that the corresponding statistics of American origin (which exclude reinvested profits) are very different:

Table 2-5:

US direct Investment in the Community

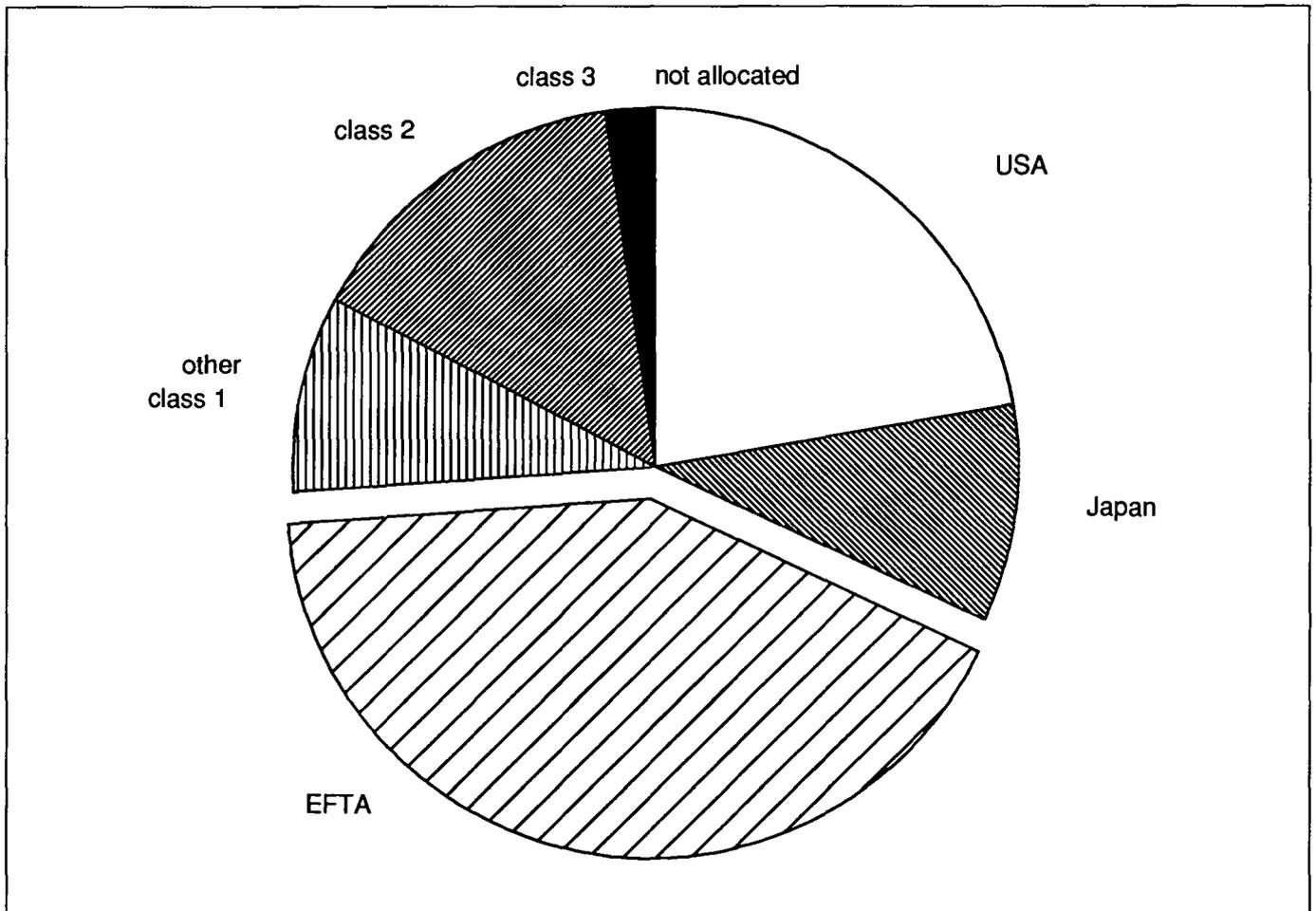
million ecus

year	84	85	86	87	88
Source EUROSTAT	2919	1766	2484	2356	606
Source Survey of Current Business	51	-611	-1603	-598	-840

If there were a perfect agreement of the two sources, then the figures would be identical but with opposite signs.

Graph 2-9:

**Geographical breakdown of Inward direct Investment of the Community
(84-88 average)**



— A reasonable level of Japanese investment (around 10% of the total) which is no doubt on the increase. The Japanese source (Balance of Payments) shows this more clearly:

Table 2-6:

Japanese direct Investment in the Community

million ecus

year	84	85	86	87	88
Source EUROSTAT	390	646	445	1502	1461
Source Bank of Japan	-1062	-1060	-2792	-3115	-4899

One might, quite legitimately, be astonished by the major differences between the EUROSTAT source and the Japanese source. It is possible that some Japanese direct investment is channelled via third countries, or via financial centers as Amsterdam or Luxembourg, which do not record investment received by their resident holding companies as direct investment. On the other hand, this investment, if redistributed later on elsewhere in the Community, may then be recorded as intra-Community investment by the other Member States (which, incidentally, may also partly explain the difference between the intra-Community investment declared as undertaken by investing countries and that declared as received by countries receiving investment).

- and in particular, one sees the growing importance of investment by EFTA which grew from less than 2 thousand million ecus in 84 to 9 thousand million ecus in 88; since 1986, EFTA has been the major investor in the Community, clearly exceeding the United States and Japan. The prospect of a large unified market and the disappearance of fragmented markets may have played a role in this phenomenon; the relative cost of crossing a large number of borders is clearly higher for countries which are close than for those which are far away.

Investment by countries outside class 1 are essentially made by those belonging to "other class 2 countries" (on average about 13% of total investment), but countries of OPEC, which naturally have more resources and especially foreign currency than most of developing countries, also play a part, albeit a fluctuating one.

Once again it should be noted that the class entitled "other class 2 countries" includes "tax havens", the role of which, concerning direct investment is often limited to the channelling of funds. It is therefore probable that the capital invested by "tax haven" countries in Europe originates from another third country, and so could probably be added to the investment coming from class 1 countries.

It is also interesting to see that investment from the European Community, although concentrated on the developed countries of class 1, does not always give rise to reciprocal movements:

- the Community invests a great deal in the United States but the United States invests little in the Community
- Japan invests in the Community but the Community's investments in Japan are insignificant
- EFTA countries invest strongly in the Community but the Community little in EFTA.

Part 4 shows slightly more detailed figures about this geographical breakdown of direct investment. Even if, as stressed earlier, detailed figures have to be handled with care, one may wish, in the future, to be able to identify capital movements with more numerous countries or zones, and for example, to record separately the New Industrialized Asian Countries or the so called "tax havens". It would in effect be necessary to make the standard nomenclature used at the moment more suitable to the specific field of direct investment.

Let us now take a look at the share of each Member State in extra-Community investment:

Table 2-7:

Share of each Member State in outward direct investment of E.C.

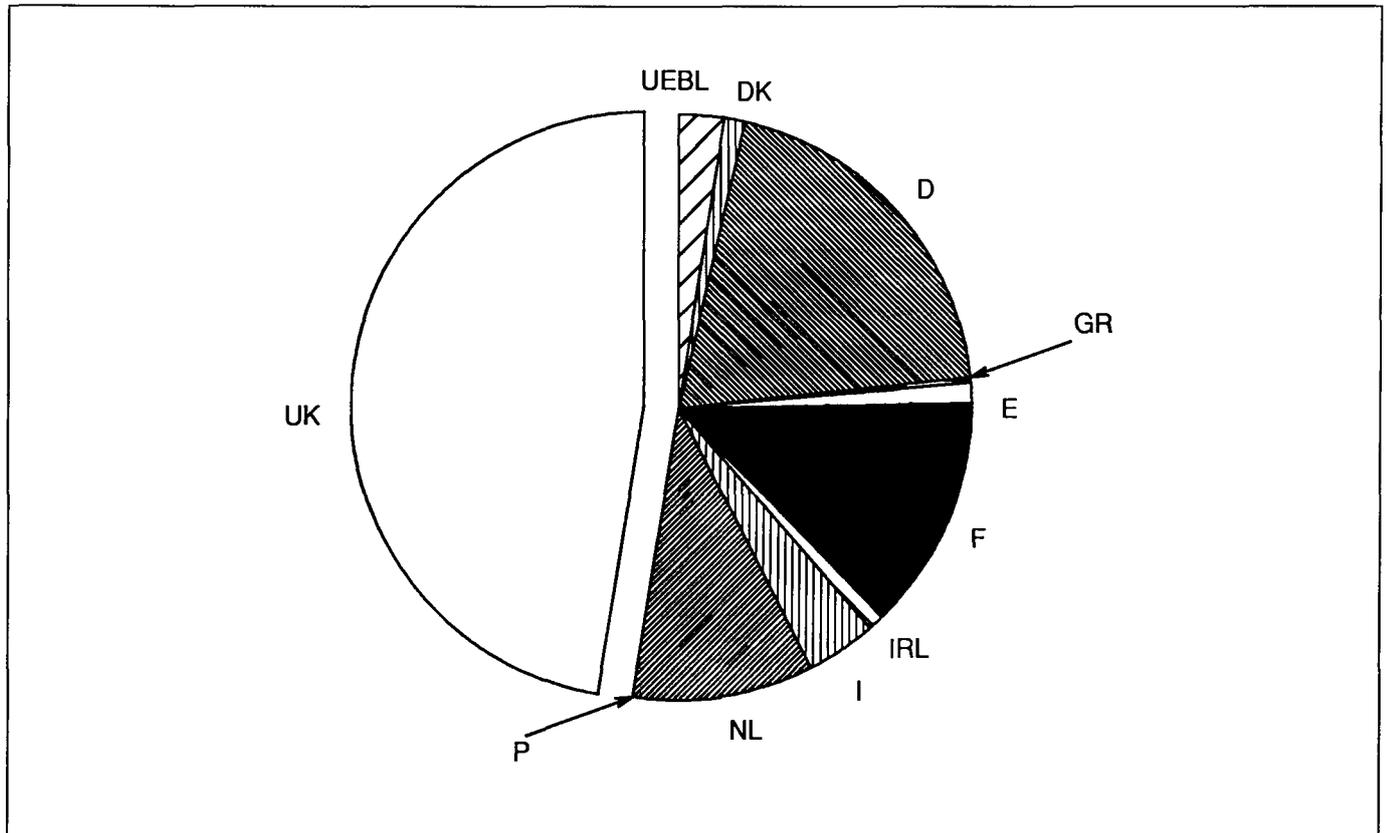
million ecus

year	84	85	86	87	88
UEBL	53	-73	-605	-569	-1870
DK	-218	-172	-401	-241	-294
D	-2978	-4020	-5364	-5213	-5284
GR	-48	-191	-63	-9	-9
E	-210	-219	-241	-227	-552
F	-1747	-2379	-3531	-3483	-3957
IRL	-100	-108	-40	-86	-622
I	-1511	-598	-861	-492	-1142
NL	-1002	-2452	-1245	-3775	-3214
P	-11	-17	-5	-6	-2
UK	-9623	-5119	-9809	-16679	-13765
total EUR 12	-17395	-15349	-22164	-30780	-30711

Source: EUROSTAT estimates

Graph 2-10:

Share of each Member State in outward direct investment of E.C.
(84-88 average)



The United Kingdom alone generally accounts for half of the Community's outward investment. Then comes Germany (varying between 17 and 26 %), followed by France (between 10 and 16% of the total) or the Netherlands (between 6 and 16% of the total), depending on the year.

These different investment shares can be explained partly by the relative size of the countries (in area, in population...), but also by other effects such as:

- the availability of foreign currency, due to a long-standing surplus on the current account balance (e.g. of Germany, of course, but also Netherlands and BLEU)
- the degree of freedom of international capital movements and the length of time this freedom has existed (United Kingdom, Luxembourg)
- the historical inheritance of numerous and important trade partners (Commonwealth, past colonies)
- the existence of a world-famous financial market (London)

The study of the sectorial breakdown of investment (page 49 onwards) also shows that the localisation of large petroleum companies in a country constitutes a supplementary factor inducing outward investment: the first large multinational companies were built in this sector, since it was obviously necessary to work the oilfields on the spot, and their intensity of investment has not lowered since they were established.

As regards investment by non-EC countries in the Community, the United Kingdom occupies first place on average, but less clearly so.

It is followed by France, Spain and Italy.

Here too, this relative concentration of investment towards these three last countries can find an explanation in the sectorial study of investment: if the outward direct investment of the Community seems aimed more at primary (especially production of energy) and secondary (industry) sectors, inward investment in the Community is directed towards services, particularly real estate (probably more profitable in countries which attract many tourists). Services, unlike industries, do not need to be placed on specific locations, i.e. they are less linked to the availability of raw materials, energy, etc... especially nowadays, with modern communications possibilities. And foreign investors naturally prefer to settle in a more agreeable climate or environment.

Table 2-8:

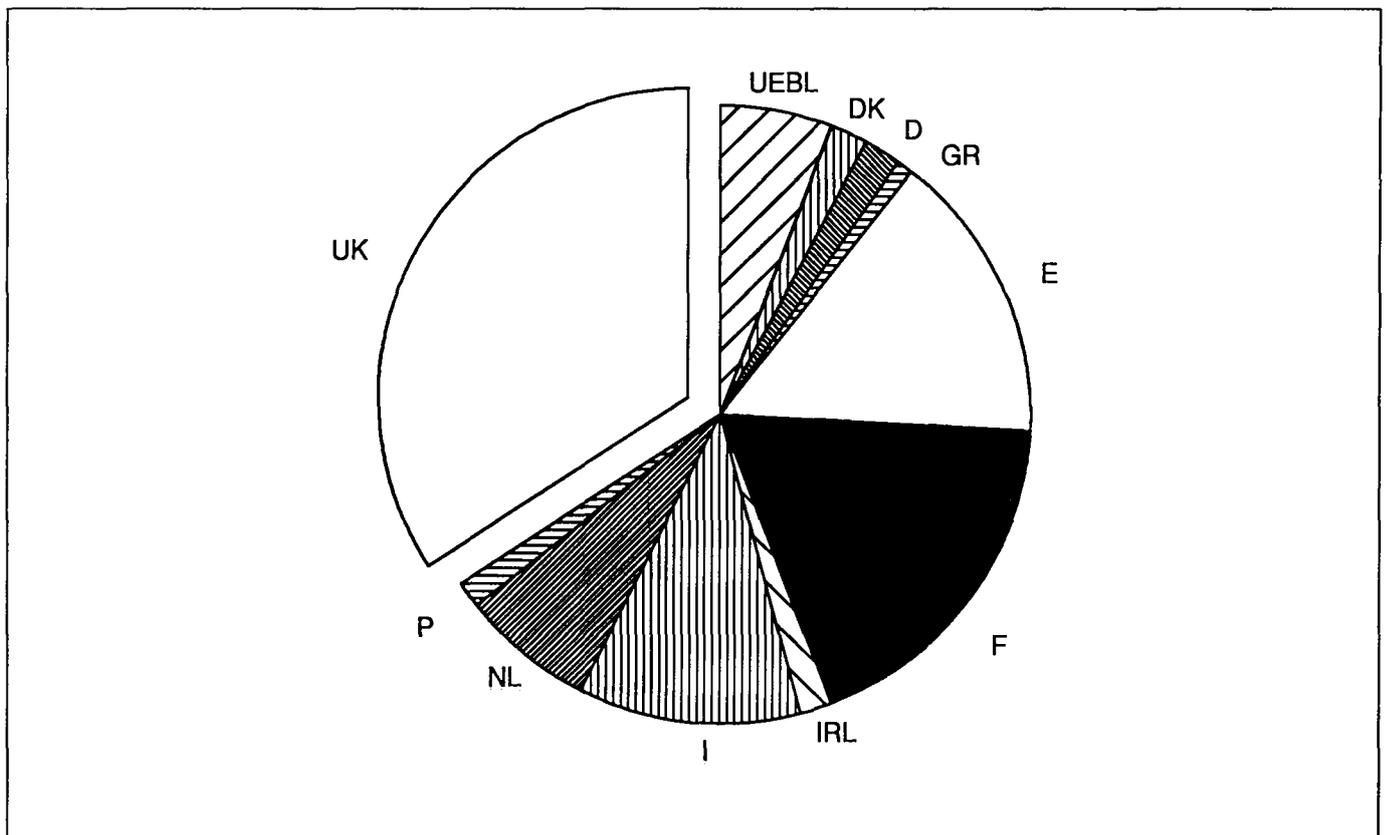
Share of each Member State in inward direct investment of E.C.

million ecus

year	84	85	86	87	88
UEBL	67	521	153	695	1276
DK	48	169	160	153	347
D	115	295	246	188	-1
GR	-26	102	202	87	65
E	1417	1327	1075	1338	1799
F	1387	1677	1387	2056	1813
IRL	-28	259	10	310	190
I	924	28	-456	1745	3063
NL	143	512	691	923	963
P	135	123	48	97	203
UK	1995	623	3324	4986	4562
total EUR 12	6177	5637	6840	12578	14278

Source: EUROSTAT estimates

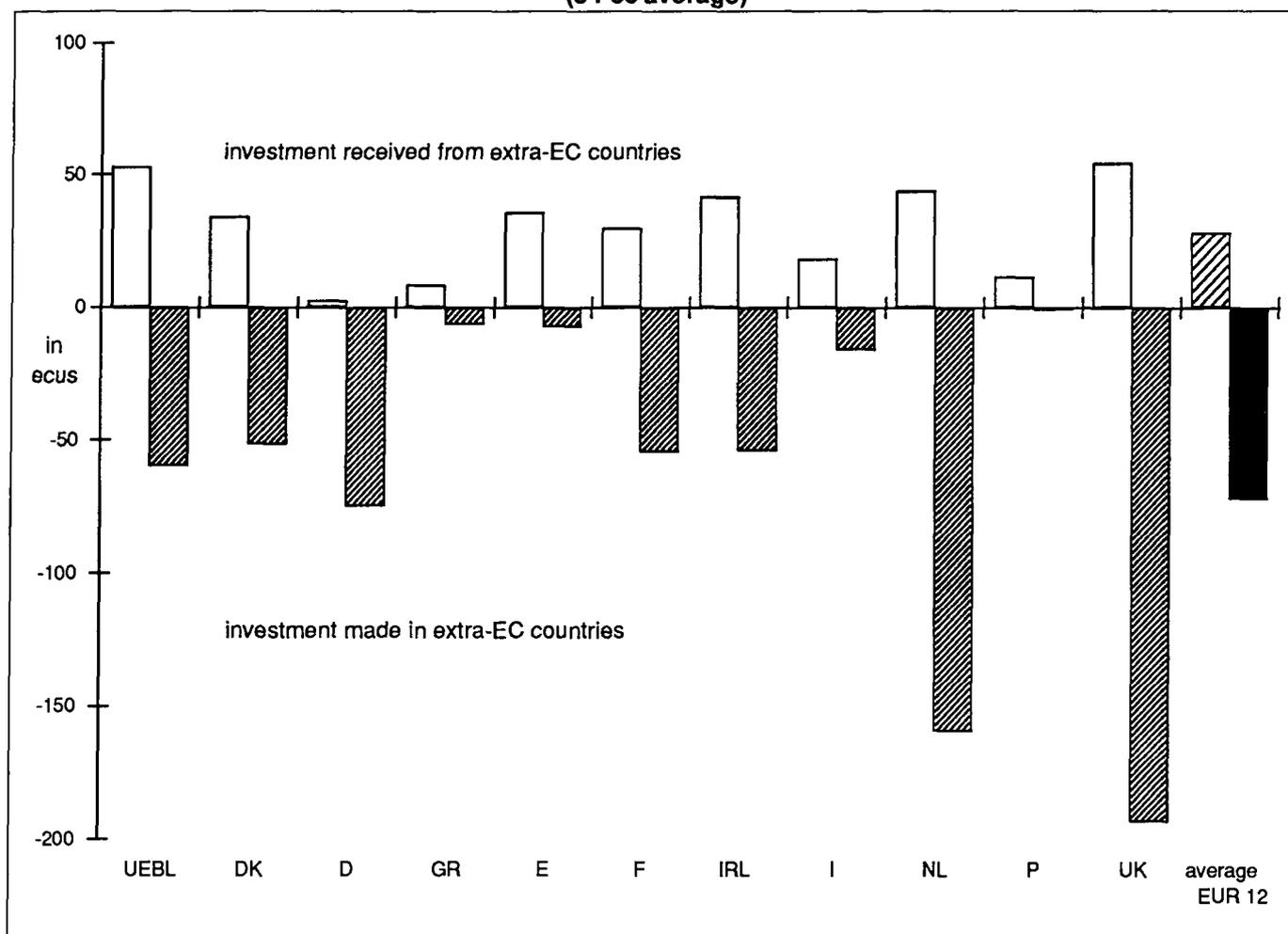
Graph 2-11:

Share of each Member State in inward direct investment of E.C.
(84--88 average)

Nethertheless, to judge the relative weight of investment within the Community, the scale must be changed so that not only total investment is considered but also relative investment; for example, investment per capita (calculated on the basis of population in 1987):

Graph 2-12:

**Annual average Investment per Inhabitant
(84-88 average)**



The size effect is then largely eliminated, and we notice that Netherlands have a level of investment close to United Kingdom's, which remains the largest investor outside the Community. It is also evident that BLEU and Denmark, in proportion to their size, are heavy investors outside the Community, with a level of investment on a par with that of in France. (Ireland too, but the figures used for Ireland are not very reliable).

Investment from abroad is distributed within the Community more equally than Community investment in third countries. The low level of inward foreign direct investment in Germany should also be noted. Finally, and this was not obvious at first sight, Netherlands and BLEU receive investment above the Community average. In this context their role in channelling finance is clearly a very important factor. This point will be touched upon again in the following section in the context of intra-Community investment.

Table 2-9:

Annual average outward direct investment in extra-E.C. countries

ecu per inhabitant (*)

year	84	85	86	87	88
UEBL	5	-7	-59	-56	-183
DK	-42	-33	-78	-47	-57
D	-49	-66	-88	-85	-86
GR	-5	-19	-6	-1	-1
E	-5	-6	-6	-6	-14
F	-31	-43	-63	-63	-71
IRL	-28	-31	-11	-24	-175
I	-26	-10	-15	-9	-20
NL	-68	-167	-85	-257	-219
P	-1	-2	0	-1	0
UK	-169	-90	-172	-293	-242
Average EUR 12	-54	-47	-68	-95	-95

Source: EUROSTAT estimates

Table 2-10:

Annual average inward direct investment from extra-E.C. countries

ecu per inhabitant (*)

year	84	85	86	87	88
UEBL	7	51	15	68	125
DK	9	33	31	30	68
D	2	5	4	3	0
GR	-3	10	20	9	6
E	36	34	28	34	46
F	25	30	25	37	33
IRL	-8	73	3	87	54
I	16	0	-8	30	53
NL	10	35	47	63	66
P	13	12	5	9	20
UK	35	11	58	88	80
Average EUR 12	19	17	21	39	44

Source: EUROSTAT estimates

2-2-3 Intra-Community Investment

At this level, two different sources of data were available: an intra-Community direct investment is in principle reported both by the investing country and by the country receiving the investment, as a change on the assets side for one and, on the liabilities side for the other. But there are large bilateral asymmetries between Member States' statistics: the total amount of investment that country A declares it makes into country B is not equal to the amount country B declares it receives from A. Reasons for these asymmetries are briefly explained in part 3 (methodological annex).

A choice had thus to be made between the statistics of a given country and those of its partners: we have chosen not to present series made up of flows to or from EUR12 as declared individually by each Member State (a series, moreover, which is not complete), but rather to use the aggregated flows (and sometimes estimated ones) declared by other Member States as coming from or going to the Member State in question (see notes at the bottom of the following tables). This aggregation, which mixes up the special features of the methodology of each state in one common basket, seems to give the best guarantee of comparability (though this remains to be demonstrated).

By this means we obtain the following tables and graphs:

Table 2-11:

Intra-Community direct investment declared by countries receiving investment (*)

million ecus

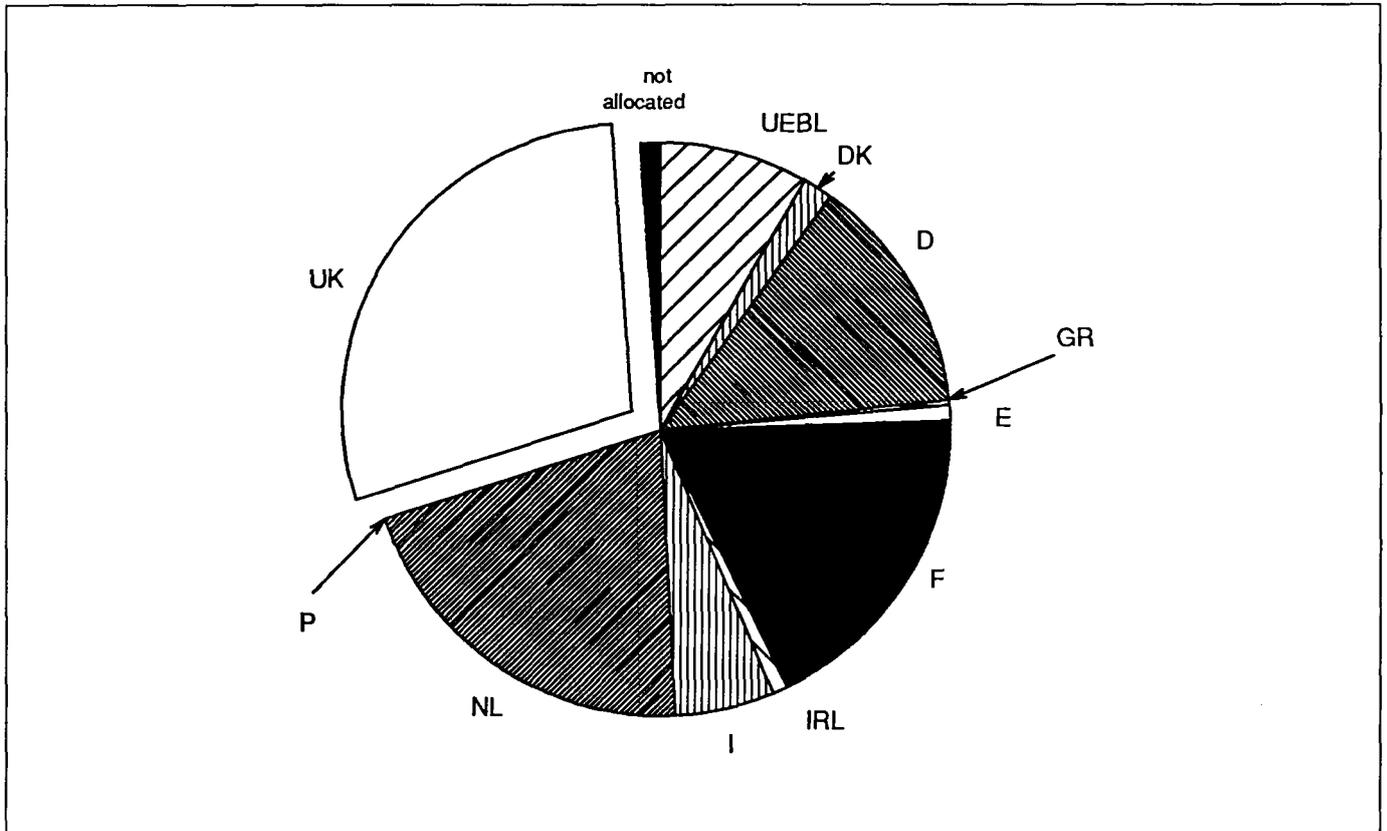
investing countries	year	84	85	86	87	88
UEBL		884	335	322	1544	1631
DK		113	105	174	169	231
D		660	1243	2085	1398	2094
GR		9	6	3	2	6
E		13	26	67	159	229
F		694	625	947	3047	4852
IRL		26	35	51	73	221
I		492	218	581	590	1135
NL		340	555	2810	1350	6469
P		3	16	0	-3	30
UK		1095	2480	3118	3266	5855
not allocated		33	-20	232	125	238
Total EUR 12		4358	5666	10354	11722	22976

Source: EUROSTAT estimates based on partner countries' data

(*) For example, figures for the line "UEBL" represent investment by UEBL in other EUR 12 countries, as they are declared by these countries. An outward investment by the country in question is thus positive, contrary to the conventions adopted elsewhere. The same investment, but as declared by UEBL and with a negative sign, is given in pages "UEBL" of part IV of the document.

Graph 2-13:

**Breakdown of intra-Community investment according to the investing country
(84-88 average)**



At this level of detail, the relative shares of each country can sometimes be affected by one single major operation which is made in a given year. It is therefore very difficult to describe general trends unless one looks at the average over 5 years (which has been done in the above graph). If we want to make valide comparisons, it is also important to eliminate the effects due to the relative sizes of the different countries. However, whatever method is chosen to eliminate this effect, in international exchanges, the following factor will always complicate the analysis : what is interregional exchange for a large country is international for a country with a smaller geographical surface area.

In absolute terms, let us simply note that the greatest intra-Community investment is always made by the United Kingdom (except in 88), ahead of Germany and France, which are about to swap positions (German investment in the Community is declining (at least in relative share), and French increasing). This dominant position of United Kingdom as the largest investor in the Community is not so obvious as the one he takes in extra-Community investment (compare above graph with graph 2-10 on page 34).

However, given its comparatively small size within the Community, one also finds the Netherlands among the major investors. BLEU also proves to be highly dynamic but less consistently so.

When considered in terms of direct investment per capita (following table and graph 2-15 on page 45), the dynamism of BLEU and above all of the Netherlands is much more evident, since, on average, their level of investment is in broad terms over twice the Community average.

Table 2-12:

Average Intra-Community direct Investment declared by countries receiving Investment (*)

		ecu per inhabitant				
year		84	85	86	87	88
investing country						
UEBL		86	33	31	151	159
DK		22	20	34	33	45
D		11	20	34	23	34
GR		1	1	0	0	1
E		0	1	2	4	6
F		12	11	17	55	87
IRL		7	10	14	21	62
I		9	4	10	10	20
NL		23	38	192	92	441
P		0	2	0	0	3
UK		19	44	55	57	103
Average EUR 12		13	18	32	36	71

Source: EUROSTAT estimates

(*) Same remark as in table 2-11

It is also noticeable that Denmark has a level of investment which is similar to that of Germany.

Member States with the lowest per capita GDP (Greece, Spain and Portugal) invest the least, both outside and inside the Community.

As regards investment received, the ranking is not the same:

Table 2-13:

Intra-Community direct investment declared by investing countries (*)

million ecus

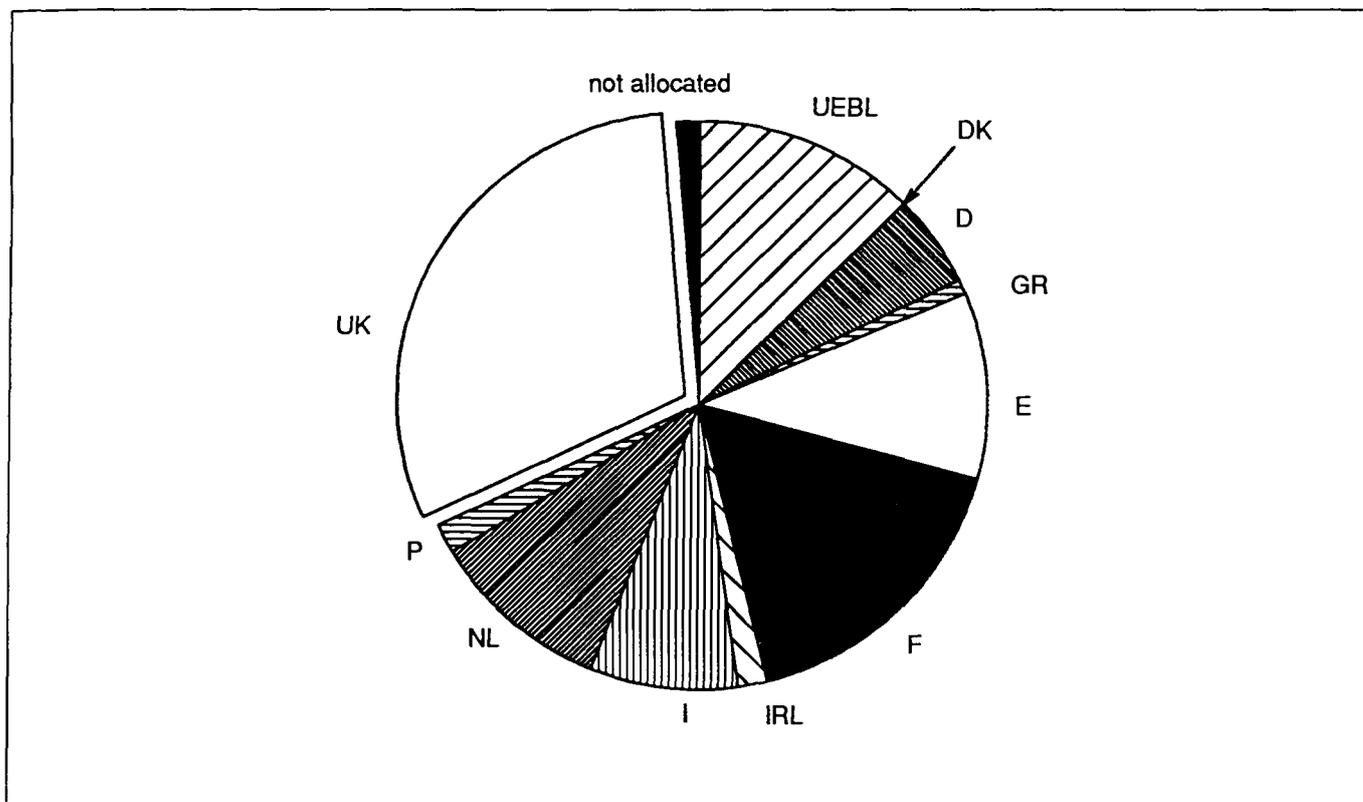
year	84	85	86	87	88
country receiving investment					
UEBL	-1050	-467	-851	-1049	-3477
DK	-9	7	-69	168	-126
D	-639	-619	-441	-252	-917
GR	-16	-108	-134	-106	-84
E	-579	-591	-1168	-1554	-1914
F	-1242	-1239	-1348	-1243	-4200
IRL	-142	-279	-76	-205	-301
I	-971	-488	-1110	-687	-1214
NL	2801	-700	-2795	-1293	-3701
P	-83	-189	-117	-195	-314
UK	-1901	-2395	-3992	-5909	-2472
not allocated	-384	171	-241	-122	-179
Total EUR 12	-4265	-6987	-12469	-12646	-19076

Source: EUROSTAT estimates based on partner countries' data

(*) Same remark as in table 2-11 : an investment in the country in question is here recorded as negative, contrary to the conventions adopted elsewhere.

Though the United Kingdom is usually the greatest receiver of capital from the rest of the EEC in absolute terms, comparably little capital finds its way to Germany, but much is directed to France, the Netherlands (except for 1984) and, to a lesser extent, BLEU and Spain.

Graph 2-14:

Breakdown of Intra-Community Investment according to the country receiving investment

If analysis is taken further by considering the number of ecus received per capita, one can see that it really is the Netherlands (except in 84) and BLEU which are out in front. These two countries are, therefore, both large suppliers and large receivers of direct investment capital.

But one must also take into account that in Amsterdam and Luxembourg foreign capital benefits from more favourable conditions, and these are therefore major centres for holding companies. It is thus probable that this capital does not remain where it is; these two countries act as a transit point or pivot for international capital (as no doubt London does to some extent), which explains why the flows are swollen in both directions.

Table 2-14:

Average Intra-Community direct Investment declared by the Investing countries (*)

ecu per inhabitant

year	84	85	86	87	88
country receiving investment					
UEBL	-103	-46	-83	-102	-339
DK	-2	1	-13	33	-25
D	-10	-10	-7	-4	-15
GR	-2	-11	-13	-11	-8
E	-15	-15	-30	-40	-49
F	-22	-22	-24	-22	-75
IRL	-40	-79	-22	-58	-85
I	-17	-9	-19	-12	-21
NL	191	-48	-191	-88	-252
P	-8	-18	-11	-19	-31
UK	-33	-42	-70	-104	-43
Average EUR 12	-13	-22	-39	-39	-59

Source: EUROSTAT estimates

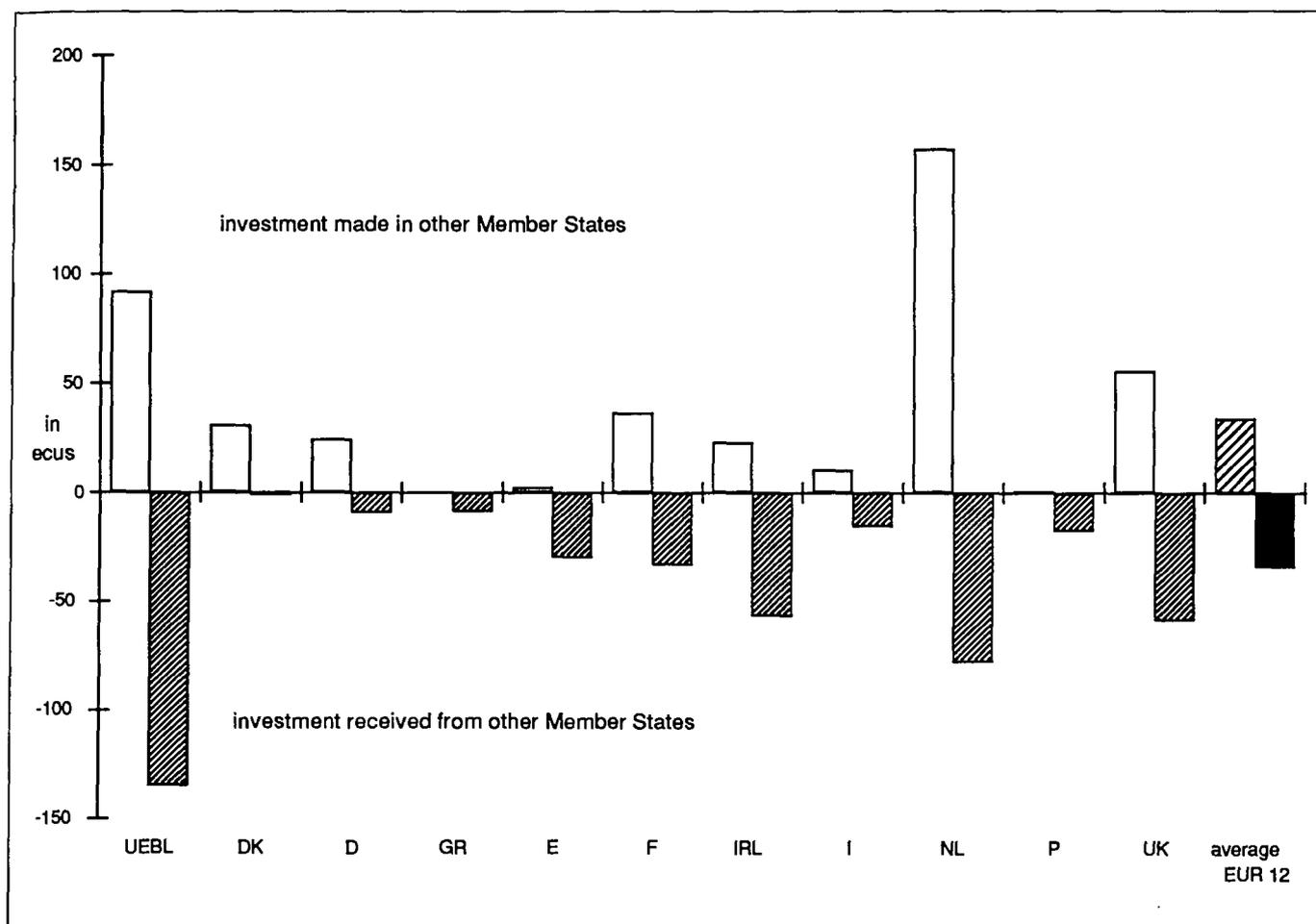
(*) Same remark as in table 2-13

This role played by these two centres is not limited to the redistribution of Community capital within the Community. Capital from third countries to the Community and capital from the Community into third countries also passes through Netherlands and BLEU. Consequently, misleading transformations from intra-Community into extra-Community capital (and vice-versa) can take place. This explains the importance of the geographical allocation criterion and of the choice of the data source: the BLEU and Netherlands do not record as direct investment the transactions of their resident companies.

In sum, except for this particularity of Netherlands and BLEU, which is more obvious at intra-Community level, one may conclude that the breakdown of direct investment within the Community is little different whether one looks at intra- or extra-Community investment.

Graph 2-15:

**Annual Intra-Community Investment per Inhabitant
(84-88 average)**



2-3 SECTORIAL DISTRIBUTION OF INVESTMENT

2-3-1 Warning

The study of direct investment in general gives rise to problems of statistical harmonization, and we have seen that the study of their geographical breakdown is still more complicated because of the difficulty in geographically allocating the capital flows. But what about the breakdown by branches of activity? Here there are two additional difficulties: the distinction between the resident branch and the branch receiving the investment, and questions of classification, which have so far posed no major problem as the nomenclatures used by the Member States are reasonably consistent.

The problem of resident branch/branch receiving the investment is most easily explained by means of an example:

Suppose an enterprise E1 situated in country A and exercising an activity of type X, invests in an enterprise E2 located in country B and exercising an activity of a different type Y. The geographical classification of this investment does not lead to confusion (in the simple cases!): A records an investment from B and B records an investment from A. But what about the classification of this flow by type of activity or branch?

Country A can choose to allocate the investment activity X (that of his resident enterprise) or activity Y (that of the enterprise in which the investment is made). Country B, in turn, allocates code Y to the investment, this being the code of his resident enterprise which coincides with the code of the enterprise receiving the investment. One might think that B could equally allocate the investment to the activity code of the investor, but in fact this criterion is rarely encountered. If the two countries choose the criterion "branch of resident enterprise", the same flow will be recorded with a different activity in each country though each of the statistics will be meaningful. If the two countries use the criterion "branch of the enterprise receiving the investment", the flow will have the same activity code in the two countries, which may seem desirable, but clearly part of the information will have been lost.

And what happens if both countries adopt two different classification criteria? The aggregated statistics of these two countries then have little meaning. This is exactly what happens with Community statistics: of the 12 countries, 6 use the criterion of resident branch, 3 that of the branch receiving the investment (Denmark, Spain and United Kingdom whose preponderance as regard direct investment has already been pointed out) and 3 cannot present statistics on direct investment broken down by branch of activity in any way at all.

Statistics obtained by simple aggregation (estimating the breakdown for those countries not supplying data) are nevertheless presented here. Indeed, without going so far as to say that the problem is not a real one, examining statistics of direct investment stocks held in other countries and originating in Germany and France shows that the two breakdowns, one by resident branch (in this case, investor's branch) and one by the branch receiving the investment, do not differ very much. The main difference is that the investors are normally found in the production sectors (industrial sectors) whereas the enterprises receiving the investment are more often in the sectors of trade or financing.

The second new problem is that of classifications. EUROSTAT's efforts to harmonize classifications within the EEC have only just touched on the field of international capital movements and very few Member States have responded to EUROSTAT's request for information by using the exact activity classification proposed by the questionnaire. Each state has its own classification and transposing to a common one is not always easy. For certain countries, the divergences from the EUROSTAT classification were evidently due to safeguarding confidentiality of data collected from businesses; this problem would probably have been less acute if EUROSTAT had asked only for data broken down by country and broken down by branch but not cross-referenced, i.e. broken down by country and by branch at the same time. Most commonly, however, countries have quite restricted classifications which are not compatible with each other; examples are given in annual Balance of Payments publications or in the reports of the Central Banks.

Two typical examples serve to show the difficulties of matching up national classifications :

Classification of the Netherlands :

- Industries
 - Fuel, power and chemical products
 - Metal products and electronic equipment
 - Food, beverage and tobacco
 - Textiles, paper, clothing and other manufactured products
- Services
 - Trade, repair, catering, etc...
 - Transport and communication
 - Banking and insurance
 - Other services
- Other
- Unclassified
- TOTAL

Classification of Spain

- Agriculture, breeding, hunting, forestry, fishing
- Energy and water
- Non-energy mineral products and chemical products
- Metal products and precision mechanical products
- Other manufacturing industries
- Construction
- Trade, hotels and restaurants
- Transport and communications
- Financial institutions, insurance and services to businesses
- Other services
- TOTAL

Three branches seem more or less the same : metal products, etc..., Trade, hotels and restaurants, and Transport and communications. All the others are aggregated differently.

The difficulties of matching up these classifications are equally apparent when reading the detailed country tables (fourth part) since they show only those Member State figures which we thought matched up sufficiently with the classification used for this study. All the other data have been estimated in order to calculate a EUR12 total as explained below.

In the very last annex of this document, you will find the EUROSTAT questionnaire which uses a classification derived from NACE-CLIO.

Obviously, countries which only have a classification of 10 branches have great difficulty in replying to this questionnaire. In addition, to reduce the number of branches as far as possible does not resolve the problem : with our two examples, we can see the difficulties with just ten branches. Even if we reduce our ambitions to two simple categories such as industry and services, borderline cases still exist such as construction which is sometimes put with industry and sometimes with services.

We have therefore tried to keep a fairly detailed classification (18 headings) at the cost, if necessary, of estimating data. This classification is mainly made up of aggregations of the items given in the EUROSTAT questionnaire. Fortunately, the United Kingdom (except for some confidential information), Germany (except for a part of services), France and Italy (in the main), which is already a good part of the Community particularly as regards direct investment, use something close to this classification for their questionnaire returns.

For the other countries (at least those supplying a breakdown of direct investment by branch), their national classifications most of the time had to be split into two or several sub-positions, or sometimes headings needed to be added together (this caused no problem of course). Wherever possible, supplementary data specific to that Member State were used for estimating purposes, e.g. :

- data on stocks for Germany
- average data for the period 1985-1988 for Denmark
- supplementary data given in the annual report of the Bank of Italy
- supplementary data given in the quarterly bulletins of the Netherlands

For the want of a better solution, in order to split-up an item, we have used the breakdown of sub-items observed in the rest of the Community; for example, to change the item "Fuel, power and chemical products" for the Netherlands into an "energy" item (= Fuel + Power, and which includes the oil industries) and an item "Chemical industries", we looked to see how these two items were broken down under investments for Germany, France and the United Kingdom and then applied this breakdown to the Dutch overall heading "Fuel, power and chemical products".

When data were completely missing (BLEU, Ireland, and Greece to some extent), we used the structure of the total of the 8 other countries of the Community.

In view of these remarks, it is evident that the structure of Community direct investment described here is only approximate. We shall scrupulously refrain from giving an exact definition of the items in the classification which follows. In view of its origin, a broad correspondence table with NACE-CLIO R 25 could nevertheless be drawn up :

- Energy : heading 06 of NACE-CLIO R 25
- Agriculture and Food products: headings 01 and 36
- Metallics : headings 13 and 19
- Machinery : heading 21
- Transport equipment : heading 28
- Electric and electronic goods: headings 23 and 25
- Chemical industry : heading 17
- Other industries : headings 15, 42, 47, 48 and 49
- Building and construction : heading 53
- Finance and Banking : part of heading 69
- Insurance : part of heading 69
- Trade, lodging and catering : headings 56 and 59
- Transport and communication : headings 61, 63, 65 and 67
- Real estate : part of heading 74
- Other services : part of heading 74, and heading 86.

One important comment : whenever "holdings companies" were identifiable, they were classified under "credit and financial institutions". These companies create considerable problems; sometimes they are completely missing from statistics on direct investment drawn up by the Member States, sometimes they are to be found under the main activity of the group to which they belong, which in turn leads to additional difficulties of interpretation (the question of holding companies is referred to again in the methodological annex).

2-3-2 Comments on the tables

In view of the lack of precision surrounding these statistics on direct investment broken down by branch, the resulting data are full of uncertainties and these comments will therefore be extremely brief :

Table 2-15:

Sectorial breakdown of outward direct investment of E.C.

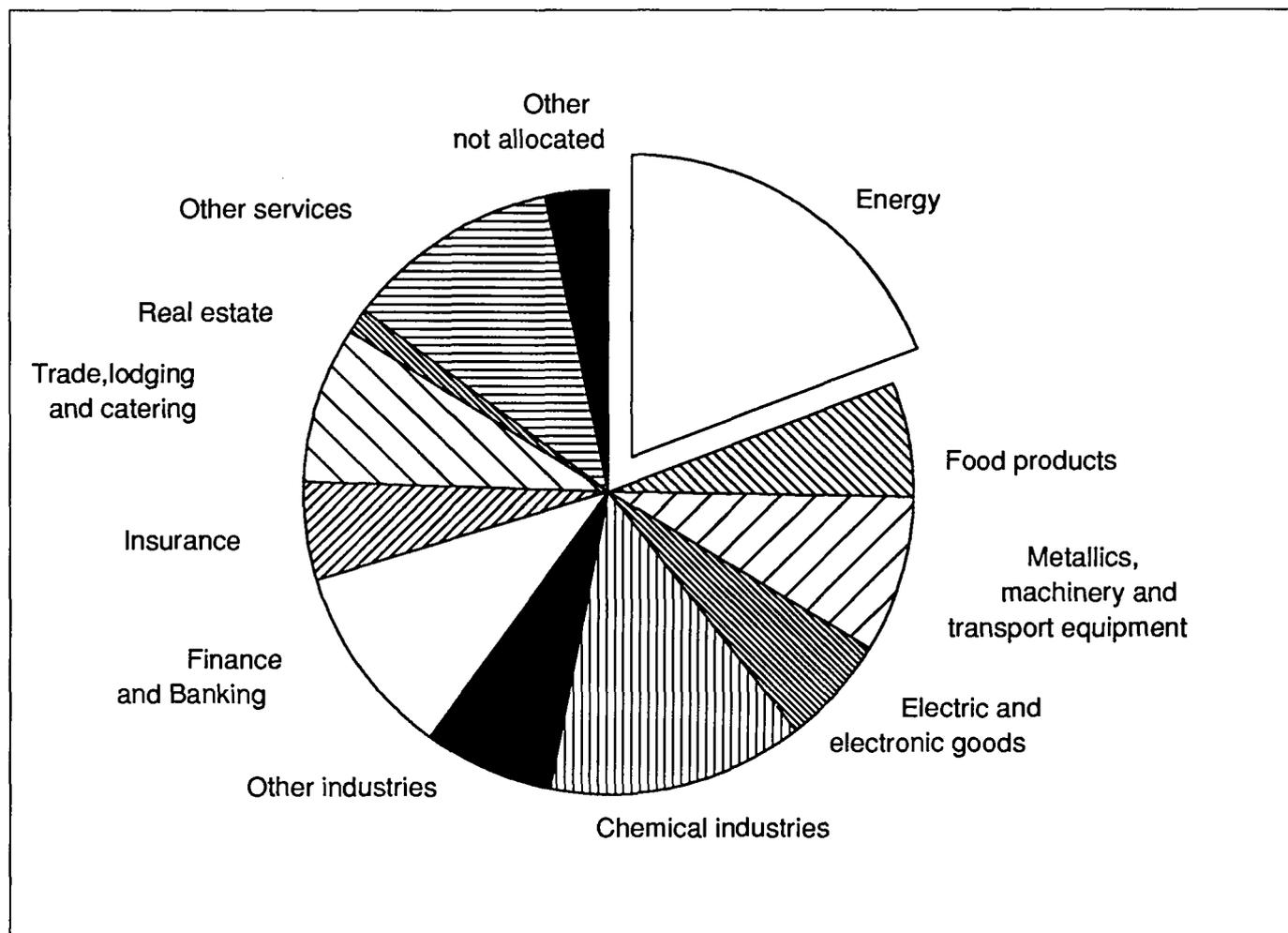
million ecus

Branch	year	84	85	86	87	88
Energy		-8745	-2195	-1382	-4651	-5469
Agriculture and food products		-531	336	-833	-2352	-3782
Metallics, machinery and transport equipment		-1737	-1907	-948	-2382	-2820
Electric and electronic goods		-739	4	-1533	-2220	-2222
Chemical industries		239	-3849	-5321	-3655	-3382
Other industries, not allocated industries		125	12	-2012	-1889	-4310
Finance and Banking		-2941	-2124	-2932	-1620	-2303
Insurance		-897	-1863	-1247	-1029	-1045
Trade, lodging and catering		-1228	-2137	-1781	-4738	154
Real estate		-382	-288	-135	-372	-383
Other services, not allocated services		-231	-1079	-3092	-5036	-3915
Other, not allocated		-329	-257	-948	-837	-1235
TOTAL		-17395	-15349	-22164	-30780	-30711

Source: EUROSTAT estimates

Graph 2-16:

**Sectorial breakdown of outward direct investment of E.C.
(84-88 average)**



Regarding investment made by the Community in other countries, 4 branches stand out from the others by reason of their weight: "energy", "chemical industries", "credit and financial institutions" and "trade, hotels and restaurants". But the problems described above show that it is difficult to say whether these branches of European industry invest more in other countries or whether it is these branches in which European businesses invest most outside the Community.

Large petroleum companies are to be found in the branch "Energy". They undertake the quasi whole investment by this group. The establishment abroad of delivering and trading channels for goods exported in these foreign countries very likely justifies the importance of "Trade" branch.

As regards investment received by the Community from non-EC countries, the problem of interpretation does not arise because these are unambiguously the branches of European enterprises in which the investment is made. The structure is rather different:

Table 2-16:

Sectorial breakdown of Inward direct Investment of E.C.

million ecus

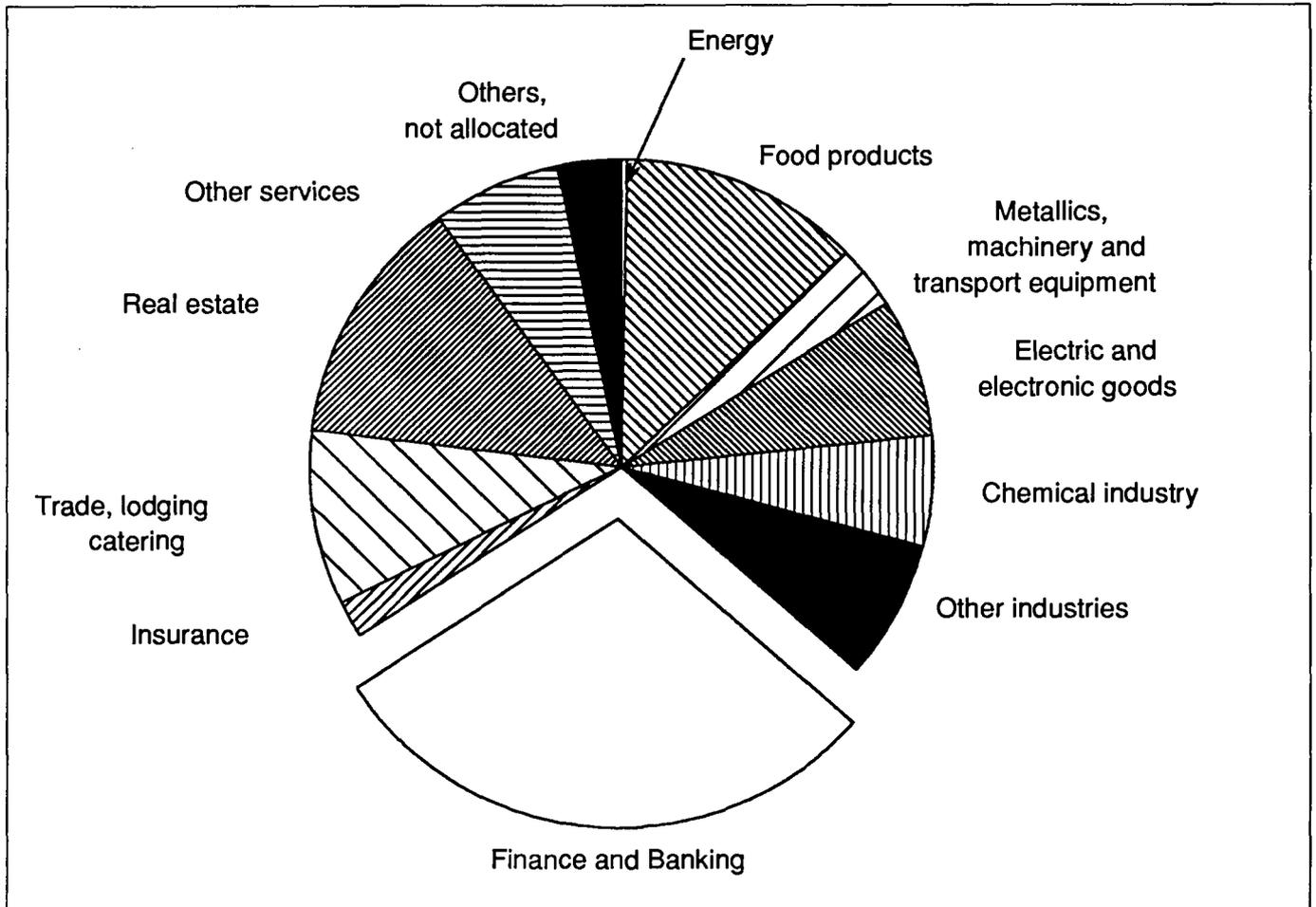
Branch	year	84	85	86	87	88
Energy		293	1243	608	-135	-2228
Agriculture and food products		326	749	-18	1236	3481
Metallics, machinery and transport equipment		-180	168	1279	821	-647
Electric and electronic goods		1356	490	-444	8	1942
Chemical industries		755	-617	-92	1612	976
Other industries, not allocated industries		-149	-39	346	1553	1626
Finance and Banking		2087	-179	3226	4466	3929
Insurance		-138	206	-206	185	848
Trade, lodging and catering		542	1755	682	208	1049
Real estate		1050	1058	860	1318	1733
Other services, not allocated services		56	170	321	1300	1152
Other, not allocated		178	633	278	5	417
TOTAL		6177	5637	6840	12578	14278

Source: EUROSTAT estimates

We can particularly notice that, if energy and industry sectors represented around 3/5 of the outward investment, their share in inward investment is reduced to about one third. This phenomenon provides some evidence of the tertiarization of activities which characterizes the most recent evolution of the most developed countries, and which is accompanied by a shifting of industrial activities into other countries.

graph 2-17:

**Sectorial breakdown of Inward Investment of E.C.
(84-88 average)**



The dominant heading is "credit and financial institutions" (this group often covers more than one third of the total). But it should not be forgotten that it includes a certain number of holding companies, whose capital may subsequently be redistributed over other branches. This relative importance may also reflect the internationalization of the banking sector, which is obliged to diversify the locations in which it operates in order to maintain its competitiveness and profitability.

Direct investment in the industrial sector is apparently much more dispersed; considerable funds go to the real estate sector, particularly in comparison with investment in the opposite direction (European to other countries). This investment concerns both profitable real estate (buildings to rent) and leisure real estate (holiday homes) which is particularly common in the countries surrounding the Mediterranean.

As regards the breakdown of intra-Community investment, we can again only make pertinent comments on the branches receiving the investment; the countries which invest classify these investments either by the branch of resident enterprise (the one investing), or the branch of the (foreign) enterprise receiving the investment. It follows that a breakdown by investing branch is impossible. On the other hand, for the countries receiving the investments, the declaration is always made according to the resident branch receiving the investment.

Table 2-17:

Sectorial breakdown of intra-Community investment declared by countries receiving investment

million ecus

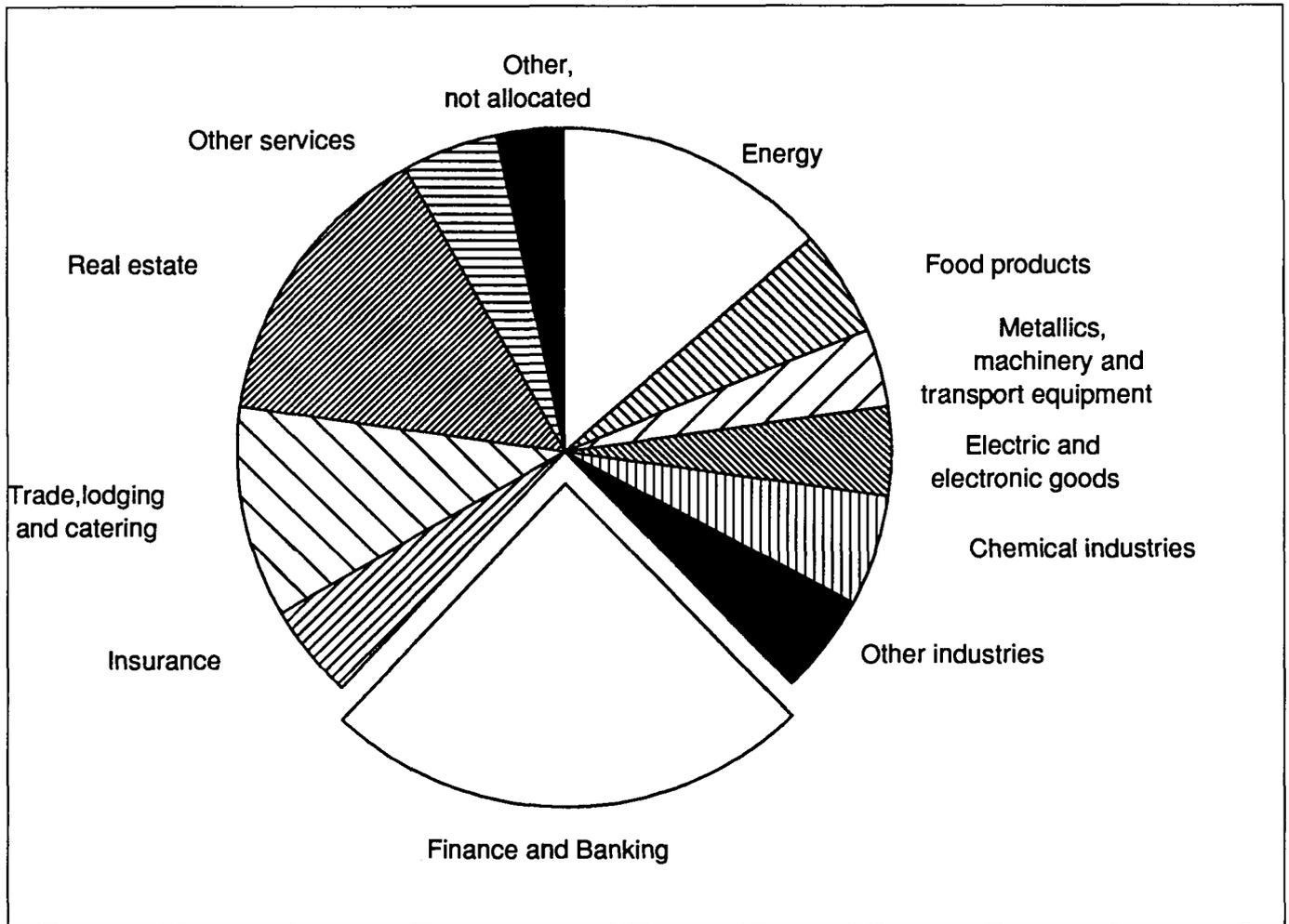
Branch	year	84	85	86	87	88
Energy		-234	-418	2971	1193	4069
Agriculture and food products		17	174	134	416	2159
Metallics, machinery and transport equipment		729	199	69	948	254
Electric and electronic goods		372	386	35	234	1300
Chemical industries		135	940	425	764	845
Other industries, not allocated industries		243	274	91	490	1691
Finance and Banking		1450	1589	3137	2332	4832
Insurance		-252	186	104	1013	1438
Trade, lodging and catering		721	873	1261	1594	1493
Real estate		963	1467	1237	1754	2635
Other services, not allocated services		-6	174	265	509	1589
Other, not allocated		220	-179	623	474	672
TOTAL		4358	5666	10354	11722	22976

Source: EUROSTAT estimates

As was the case for inward investment from outside the Community, the preference for services is very clear in intra-Community investments, with services amounting to at least half and sometimes 3/4 of total investment.

Graph 2-18:

Sectorial breakdown of Intra-Community Investment declared by countries receiving Investment (84-88 average)



The branch "credit and financial institutions" still dominates. But the branches "real estate" and "trade, hotels and restaurants" score well too, proving perhaps the healthy state of international tourism in the European Community.

The apparent importance of the "energy" sector (mainly oil) is more doubtful : this sector varies very much over time : large investments follow disinvestments; these investments also relate primarily to countries whose statistics present large asymmetries when compared with their partners' data.

2-4 REINVESTED PROFITS

As has been pointed out above, all the preceding data (except those taken from the G-BOP data base) exclude reinvested profits. These are profits which are not distributed to the shareholders (or equivalent) but which are reinvested in the enterprise which has made the profit. If the shareholders and the enterprise are not resident in the same economy, the Balance of Payments should show a flow of profits paid by the enterprise to the shareholders and then a flow of the same value but opposite sign paid by the shareholders to the enterprise. But not all Member States follow this procedure: since these flows of reinvested profits are imaginary flows, they do not appear in settlement statistics, for example, and therefore this information can only be obtained directly from the enterprises themselves.

In actual fact, the information we have on this subject is very poor : it can be reduced to the 4 nearly empty tables which follow and to the still less precise information below for Denmark and Spain (for which in particular, intra- and extra-Community profits are not separately identified) :

DENMARK :

Net reinvested profits received (reinvested profits received less reinvested profits paid out) :

— In 1984, 1985 and 1986 : -156 million ECU on average per year.

— In 1987, 1988 and 1989 : -113 million on average.

(The negative sign implies that Denmark reinvests more in other countries than other countries invest on its territory)

SPAIN :

Profits reinvested in Spain :

— in 1986 : 0.8 million ECU

— in 1987 : 0

— in 1988 : 1.4

Profits reinvested by Spain :

— in 1986 : -0.2 million ECU

— in 1987 : -0.4

— in 1988 : -0.4

Finally, only Germany, Portugal and United Kingdom can supply detailed series of their reinvested profits. Under these conditions, it seems impossible to evaluate, even roughly, profits reinvested in the Community overall. It is for this reason that we decided to examine direct investment without reinvested profits.

Reinvested profits are likely to be proportional not to other direct investment flows, but to the stocks of direct investment made in the past. In particular, the longer a country's tradition of investment in other countries extends, the more the series with and without reinvested profits will tend to diverge.

Table 2-18:

Profits reinvested by the Community in extra-EC countries

million ecus

year	84	85	86	87	88
UEBL	NA	NA	NA	NA	NA
DK (1)	NA	NA	NA	NA	NA
D	78	-735	-737	-718	-563
GR	NA	NA	NA	NA	NA
E (2)	NA	NA	NA	NA	NA
F	NA	NA	NA	NA	NA
IRL	NA	NA	NA	NA	NA
I	NA	NA	NA	NA	NA
NL (3)	NA	NA	NA	NA	NA
P	0	-9	-1	0	-2
UK	-6377	-5384	-4457	-7355	-9491
total EUR 12	NA	NA	NA	NA	NA

Source: Deutsche Bundesbank, Banco de Portugal et Central Statistical Office

A negative sign indicates a net reinvestment by the country.

(1) Only net and total data are available for Denmark.

(2) Spain's data are not split between intra and extra E.C. investment.

(3) For the moment, Netherlands' data are confidential.

Table 2-19:

Profits reinvested in the Community by extra-EC countries

million ecus

year	84	85	86	87	88
UEBL	NA	NA	NA	NA	NA
DK (1)	NA	NA	NA	NA	NA
D	217	-211	-407	995	157
GR	NA	NA	NA	NA	NA
E (2)	NA	NA	NA	NA	NA
F	NA	NA	NA	NA	NA
IRL	NA	NA	NA	NA	NA
I	NA	NA	NA	NA	NA
NL (3)	NA	NA	NA	NA	NA
P	8	7	5	16	8
UK	1173	3637	378	2758	1571
total EUR 12	NA	NA	NA	NA	NA

Source: Deutsche Bundesbank, Banco de Portugal et Central Statistical Office

A positive sign indicates a net reinvestment in the country.

(1) Only net and total data are available for Denmark.

(2) Spain's data are not split between intra and extra E.C. investment.

(3) For the moment, Netherlands' data are confidential.

Table 2-20:

Intra-Community profits reinvested by Member States

million ecus

investing country	84	85	86	87	88
UEBL	NA	NA	NA	NA	NA
DK (1)	NA	NA	NA	NA	NA
D	-305	-640	-767	-730	-305
GR	NA	NA	NA	NA	NA
E (2)	NA	NA	NA	NA	NA
F	NA	NA	NA	NA	NA
IRL	NA	NA	NA	NA	NA
I	NA	NA	NA	NA	NA
NL (3)	NA	NA	NA	NA	NA
P	-1	0	-1	-4	0
UK	-1895	-2824	-2324	-3050	-3671
total EUR 12	NA	NA	NA	NA	NA

Source: Deutsche Bundesbank, Banco de Portugal et Central Statistical Office

A negative sign indicates a net reinvestment by the country.

(1) Only net and total data are available for Denmark.

(2) Spain's data are not split between intra and extra E.C. investment.

(3) For the moment, Netherlands' data are confidential.

Table 2-21:

Intra-Community profits reinvested in Member States

million ecus

year country receiving invest.	84	85	86	87	88
UEBL	NA	NA	NA	NA	NA
DK (1)	NA	NA	NA	NA	NA
D	-195	18	-110	314	470
GR	NA	NA	NA	NA	NA
E (2)	NA	NA	NA	NA	NA
F	NA	NA	NA	NA	NA
IRL	NA	NA	NA	NA	NA
I	NA	NA	NA	NA	NA
NL (3)	NA	NA	NA	NA	NA
P	8	9	7	21	32
UK	2797	2718	1460	1895	1866
total EUR 12	NA	NA	NA	NA	NA

Source: Deutsche Bundesbank, Banco de Portugal et Central Statistical Office

*A positive sign indicates a net reinvestment in the country.**(1) Only net and total data are available for Denmark.**(2) Spain's data are not split between intra and extra E.C. investment.**(3) For the moment, Netherlands' data are confidential.*

The analysis which can be made of direct investment may differ radically depending on whether reinvested profits are included or not. A simple look at the following figures for American investment, which consistently identify reinvested profits, will prove the point :

Table 2-22:

Reinvested profits of United States

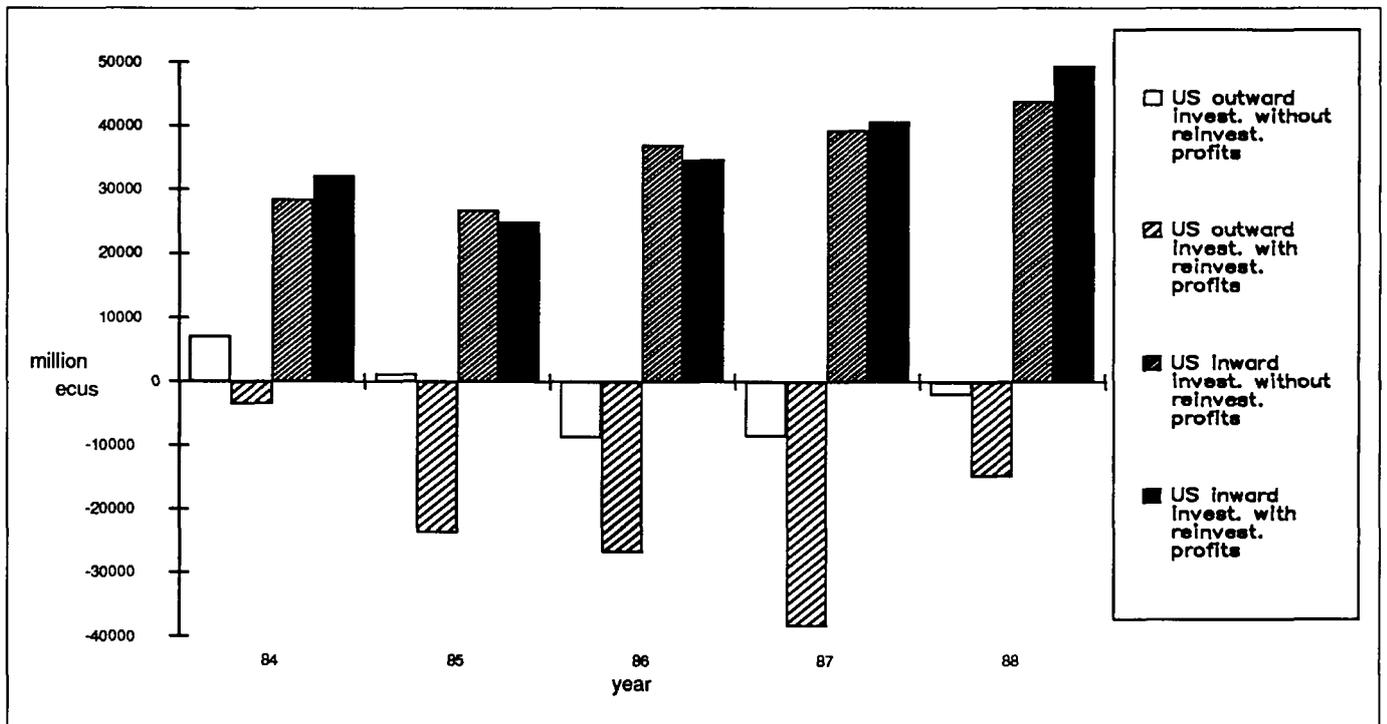
million ecus

	84	85	86	87	88
US outward investment without reinvested profits	7128	1233	-8796	-8605	-1997
US outward investment with reinvested profits	-3574	-23677	-26734	-38301	-14827
US inward investment without reinvested profits	28460	26733	36969	39357	43870
US inward investment with reinvested profits	32130	24928	34639	40641	49417

Source: Survey of Current Business

Graph 2-19:

Comparison of US direct investment with and without reinvested profits



It is therefore very important to point out that series published here by EUROSTAT do not include reinvested profits.

Third part : METHODOLOGICAL ANNEX

Throughout this study, the reader has been warned of the difficulties in harmonizing statistics on direct investment and hence of the precautions which must be taken in interpreting the results, which can therefore be analysed only roughly. This chapter explains in a little more detail, the reasons why we met difficulties in aggregating the national statistics of the Member States.

The concept of direct investment is in fact very variable from one country to another and though efforts have been made to define it at international level (particularly by the IMF and the OECD), each country still has its own definition depending on its objectives and resources, its own business structure, its system of data collection, etc.

The result is that international comparisons (or aggregates for the EC) are difficult and misleading. We have tried to correct national statistics as far as possible in order to make their content more harmonized, but we soon came up against serious difficulties because of the lack of certain data. The statistics presented in this report therefore contain numerous internal inconsistencies which we should like to describe now.

In this annex, we shall begin with the definitions recommended by the IMF and the OECD (first part) before moving on to the definitions applied by each Member State and indicating those corrections and estimates it was possible to make in order to bring these more into line with the OECD definition (part 3-2). We shall then look at the numerical importance of the asymmetries which result from these differences, methodological or otherwise (part 3-3) and we shall try to isolate the main sources of these asymmetries (part 3-4).

3-1 DEFINITION OF DIRECT INVESTMENT

As this study is only concerned with international capital movements, it is the methodology of the Balance of Payments which provides the appropriate framework.

Nevertheless, this framework will not provide the information needed to draw wider conclusions on the economic importance for the countries which supply or receive the capital. Consequences upon production, employment, income, etc... are not measurable through Balance of Payments statistics. The item "direct investment" in the Balance of Payments records only the financial flows between two states (annual flows were used in this study). In addition, it is somewhat illusory to try and sum these flows in order to find out the investment stocks possessed by a given country. Numerous problems then arise; for example, the maturing of the investment (which may lead to a revaluation ("goodwill" when an enterprise is sold) or devaluation (due to the ageing of fixed assets) of the investment), currency conversion under a regime of variable exchange rates, investments carried out with local financing, recording of reinvested profits (fictitious flows in the Balance of Payments), etc...

Nevertheless, the statistics drawn from the Balance of Payments no doubt give a fairly accurate picture of the increase in volume of this type of international transaction, although these flows can be artificially swollen by the existence of intermediate financing sources (holding companies or the like).

Given then, that this study is limited to flows recorded in the Balance of Payments, it was normal to make the main definition of direct investment that given in the fourth edition of the IMF Balance of Payments Manual (chapter 18), paragraph 408 of which is given below :

3-1-1 IMF definition:

Direct investment refers to investment that is made to acquire a lasting interest in an enterprise operating in an economy other than that of the investor, the investor's purpose being to have an effective voice in the management of the enterprise. The foreign entity or group of associated entities that makes the investment is termed the direct investor. The unincorporated or incorporated enterprise - a branch or subsidiary, respectively - in which a direct investment is made is referred to as a direct investment enterprise.

In practice, this definition has turned out to be too general not to be interpreted in different ways by national Balance of Payments compilers. The statistics are consequently not comparable and at world level therefore, the sum of the direct investment which the host countries say they receive is far from being equal to the sum of the capital which the investing countries say they supply. This world discrepancy is currently being studied by the IMF.

In view of this state of affairs, the OECD, in the context of its studies on international investment and multinational enterprises, has proposed a more precise and detailed definition (Detailed Benchmark Definition of Foreign Direct Investment - OECD - Paris - 1983). This is now used as an international reference and will probably be reprinted in the next edition of the IMF Manual. A summary of this definition taken from "Recent Trends in Foreign Direct Investment" (OECD 1986) is given below :

3-1-2 OECD definition:

1.A foreign direct investor is an individual, an incorporated or unincorporated public or private enterprise, a government, a group of related individuals, or a group of related incorporated and/or unincorporated enterprises which has a direct investment enterprise - that is, a subsidiary, associate or branch operating in the country other than the country(ies) of residence of the direct investor(s).

2. A direct investment enterprise is defined as an incorporated or unincorporated enterprise in which a single foreign investor either controls ten per cent or more of the ordinary shares or voting power of an incorporated enterprise - or the equivalent of an unincorporated enterprise - or has an effective voice in the management of the enterprise.

However, sometimes, the ten per cent limit should be treated with flexibility as other factors can also be taken into consideration to determine a direct investment relationship: a representation on the board of directors, participation in the policy-making processes; material inter-company transactions; interchange of managerial personnel, provision of technical information, or provision of a long-term loan with preferential interest rates.

3. Inward and outward direct investment statistics, to be reported on a calendar-year basis, should cover all directly and indirectly owned subsidiaries, associates, and branches where:

- A subsidiary is defined as an incorporated enterprise in which the foreign investor controls directly or indirectly (through another subsidiary) more than half of the shareholders' voting powers or has the right to appoint or remove a majority of the members of this enterprise;
- An associate is one where the direct investor and its subsidiaries control not more than 50 per cent of the voting shares or has an effective voice in the management of that enterprise;
- A branch is an unincorporated enterprise in the host country, which can be a permanent establishment or office, a partnership or joint venture, real estate, immovable equipment and objects, non-financial intangible assets (such as patents or copyrights) directly owned by foreign investors, or mobile equipment operating within an economy for at least one year.

In addition, all construction and installation work abroad (except if the installation is carried out by employees of the enterprise who go abroad to do the work and this work is completed in less than one year) should be considered as being undertaken by a direct investment enterprise.

4. Direct investment flows are defined as:

- For subsidiary and associated companies
 - The direct investor's share of the company's reinvested earnings;
 - Plus the direct investor's net purchases of the company's share and loans;
 - Plus the net increase in trade and other short-term credits given by the direct investor to the company
- For branches
 - The increase in unremitted profits plus the net increase in funds received from the direct investor.

Loans on short-term balances from fellow subsidiaries and branches to foreign direct investment enterprises, loans by subsidiaries to their direct investors and loans guaranteed by direct investors and defaulted as well as the value of goods leased by direct investors should be included in direct investment.

However, in the case of banks, deposits, bills and short-term loans should be excluded from direct investment.

The OECD Benchmark definition also describes direct investment stocks and profits. Possible revisions to certain points of detail of this definition are currently being studied by the OECD within a group of financial statisticians of the Committee on Financial Markets. The treatment of banks, financial institutions, insurance companies and construction enterprises is under review, as is that of "holding companies" and alike, now grouped together under the title "Special Purpose Entities".

Although generally favourable towards this definition, the Community Member States diverge from it on numerous points which we shall now examine.

3-2 METHODOLOGIES OF THE MEMBER STATES

This section will be restricted to the main divergences of each Member State from the OECD Benchmark definition. We shall also point out the sources of the statistics used and the way in which they are collected.

We do not intend to examine the complex problem of "indirect" direct investment, i.e. recording by the Member States of capital flows between companies "of the same group" but which have no direct participation in the capital of the other (see part 3-4 of this annex). Information on these indirect links is not systematically recorded by all the Member States and definitions of these links and corresponding investment flows are very variable; this subject alone could be treated in considerable depth. We shall simply point out here that the BLEU, Greece, Italy and Portugal say they do not take these links into consideration and it is clear that this could lead to discrepancies between the direct investment statistics of two countries; the significance of these discrepancies is difficult to evaluate but it is certainly proportional to the maturity of the direct investment in the receiving country.

First of all, one comment which applies to 4 countries: BLEU, France, Italy and the Netherlands record direct investment flows from or to International Institutions. These flows reflect participation in the capital of international organizations and are recorded by the other Member States together with capital transactions in the "official" sector. These flows have therefore been removed from direct investment in order to achieve better comparability.

3-2-1 Belgium-luxembourg:

Source of data and collection method:

The Banque Nationale de Belgique compiles from the banking system the statistics required to draw up the balance of payments for the Belgo-Luxembourg Economic Union and sends EUROSTAT a geographical balance of the various movements.

Discrepancies with respect to the OECD Benchmark definition:

At the banking level, it is the agent of the transaction who decides whether it will be recorded as a direct investment or portfolio investment. There is therefore no minimum percentage of shares in the enterprise which must be held by a direct investor. Nevertheless, checks may be made on transactions involving more than 100 million BF.

In view of the collection system, the BLEU Balance of Payments does not record, as either direct investment or profits from direct investment, profits not distributed and reinvested in the direct investment enterprise.

Real estate transactions are given a separate line in the capital account of the balance of payments and are therefore not included in direct investment.

Luxembourg in particular has a large number of holding companies whose international transactions are given separately in the BLEU Balance of Payments. Unfortunately, of these transactions, those relating to direct investment are not distinguished from portfolio operations. They are also recorded as inward investments (or disinvestments) by other countries in BLEU; the holding companies are therefore not considered to have subsidiaries abroad. It was not therefore possible to correct the data. Nevertheless this problem could be the cause of major bilateral divergences with the partner countries of BLEU.

Capital flows due to commercial credits or leasing between companies with direct investment links are not recorded as direct investment. Nor was it possible to isolate them and reincorporate them under "direct investment".

The BLEU information system does not yet allow the identification of the economic sector of the enterprise which makes or receives the direct investment. An improvement may be expected in the future as the discontinuation of exchange controls will lead to a new system of data collection. But for the years which concern us here, the breakdown of direct investment by branch is not known. In calculating the EUR12 total by branch, the average structure of the rest of the Community has been used to make the breakdown for BLEU investments.

Corrections carried out on national statistics:

Real estate transactions have been added (except for 1984).

Flows with international institutions have been removed.

The breakdown of direct investment by branches has been entirely estimated in order to allow the calculation of the EUR12 total.

3-2-2 Denmark

Source of data and method of collection:

Denmark also uses bank settlements as the source of information on movements of international direct investment. The statistics of these are published in the annual report of Danmarks National Bank.

Discrepancies with respect to the OECD Benchmark definition:

Denmark is far removed from the OECD definition in the sense that it does not consider any loan between associated companies as direct investment, whether this be a long- or short-term loan, a financial or commercial credit. For certain countries where the details of the flows are known, the inclusion or exclusion of this type of flow can have significant consequences on direct investment statistics, particularly in countries where there are many financial holding companies or in the countries which have a lot of subsidiaries of this type abroad. In the case of Denmark, it is difficult to say to what extent this exclusion explains the differences between Denmark's figures and those of its partner countries; loans between associated companies are recorded either as "financial loans" or as "trade credits", or as "other capital of other private sector" and cannot be dissociated from other loans such as bank credits. The main reason advanced by Denmark for the exclusion is that Danish law was very variable on the subject, authorising loans at certain times in the past and forbidding them at others which led to major fluctuations in the data series on direct investment. It has not been possible to correct Danish statistics to reduce this serious discrepancy.

Reinvested profits are evaluated by the Danish Central Bank but the detailed figures usually published exclude these profits.

Purchases of real estate for non-commercial purposes are not classified as direct investment.

Corrections carried out on national statistics:

Statistics on purchases of real estate were available and these investments were thus added to the figures initially supplied by Denmark. Their geographical breakdown, however, is not known in any detail.

In addition, the Danish classifications are somewhat different from those used by EUROSTAT and certain economic sectors or certain geographic zones do not match up completely. It was therefore necessary to approximate in some cases.

Finally, in the Danish figures supplied, the totals for direct investment with the Community broken down by branch did not correspond to the figures given for EUR12 in the geographical breakdown. The problem seemed to be the recording of capital movements by banks and, in calculating EUR12 totals, all the differences between these two figures were therefore attributed to the branch "credit and financial institutions".

3-2-3 Germany:**Source of data and collection method:**

The Deutsche Bundesbank publishes statistics on flows of direct investment in its Monthly Report as well as statistics on annual stocks in its supplement for April each year. Resident enterprises are obliged to declare their transactions with other countries; statistics are therefore collected by this means.

Discrepancies with respect to the OECD Benchmark definition:

The methodology applied by Germany still contains some differences with the definition recommended by the OECD although it is progressively being brought into line; Germany has, for example, lowered from 25% to 20% the threshold for shares to be held in an enterprise in order for an investor to be considered as a direct investor (the OECD recommends a threshold of 10%).

Germany does not record as direct investment flows connected with short-term credits, commercial credits, leasing or the balances of inter-company accounts (this point will be discussed at greater length in the fourth part of this annex as it does not concern Germany alone).

Corrections carried out on national statistics:

The only correction made to the German statistics was, as was done for Denmark, to add non-commercial real estate investment to direct investment.

Germany is not yet able to give a good breakdown of direct investment flows in the services branches other than banking. This breakdown has been estimated by using statistics of stocks published by the Bundesbank and EUROSTAT has incorporated the result into the EUR12 total.

Finally, as regards the series of reinvested profits, there was a break in the method of recording in 1985; before this year, these profits were attributed to the year in which they were realised; after 1985, they were attributed to the year when they should be distributed (year following realisation). The series published here uses the second solution which reduces delays in publication.

3-2-4 Greece:**Source of data and method of collection:**

The Bank of Greece is only at the beginning as regards the collection of information on direct investment; this investment is not distinguished in the Balance of Payments. It may be found under various headings such as "Capital of enterprises in accordance with decree 2687/53", "other enterprise capital" or "real estate investment" and is mixed with other categories of capital (for example portfolio investment).

However, since 1987, direct investment by other countries in Greece is subject to approval from the Bank of Greece or the Ministry of the National Economy and thus must be declared by the enterprises in question. Statistics derived from exploiting these declarations therefore exist since 1987. However, only investment from abroad is thus recorded and not Greek investment abroad. Moreover, these "approved" funds are not necessarily realized or can be realized for an amount different from that initially foreseen in the declaration. Spanish and Japanese statistics, where the two collection systems coexist, one using bank settlements and the other exploiting administrative authorizations, show clearly that the two series are not convergent even if they have parallel trends. In addition, the liquidation of foreign investment in Greece is not surveyed for the moment.

Discrepancies with respect to the OECD Benchmark definition:

Additional problems appear when one examines the definition of direct investment used to establish the series of "approved" investment; for example, investment in real estate is classified separately; loans between associated companies are not considered as direct investment unless they run for five years or more; there is no minimum threshold for participation in the share of the subsidiary to define a direct investment relationship between a resident enterprise and a non-resident one. Greater priority is given to the idea of control than to that of ownership.

There is a statistical series of real estate investment in Greece but the geographical breakdown is not fully known.

Table 3-1:**Real estate investment in Greece**

million ecus

year	84	85	86	87	88
Real estate investments	600	564	471	584	758

Source: Bank of Greece

Estimates carried out:

The statistics taken from "approvals" (years 1987-1988) are therefore given for information only at the moment. These statistics will be used to produce better estimates as soon as the series are a little longer.

However, while waiting, data from the partner countries have been used to calculate the EUR12 total.

3-2-5 Spain:**Source of data and method of collection:**

Spain has two sources of data on direct investment: one is the "Balance of Payments" on a cash basis and one is "authorizations or verifications" which are administrative documents sent to the Ministry of the Economy and Trade. The first source allows direct investment to be broken down by country, the second also gives a breakdown by economic sector. The two sources are not convergent, as the table below shows.

One may consider that the source "authorizations or verifications" covers intended investments rather than actual ones. Indeed, the series from this source is always higher than that from the Balance of Payments source; some of the investment is not carried out at all, another part is carried out but for an amount different from that foreseen and a third part is carried out as envisaged but at a different point in time (and may therefore be recorded in the Balance of Payments one year later than the authorization). Finally "authorizations" do not cover liquidations.

These two series are generally published together in the Spanish Balance of Payments.

Table 3-2:

Spanish direct Investment (*)

thousand million PESETA

year	84	85	86	87	88
Inward investment:					
Source "Balance of Payments"	156	164	285	322	521
Source "authorizations"	267	280	401	727	850
Outward investment:					
Source "Balance of Payments"	-39	-41	-45	-83	-140
Source "authorizations"	-49	-43	-67	-101	-230

Source: Ministerio de Economía y Hacienda

(*) Real estate investment not included

Discrepancies with respect to the OECD Benchmark definition;

Spanish statistics cover virtually all the transactions of enterprises which have a direct investment link. This link exists as soon as the investor (a foreign investor in a Spanish enterprise or a Spanish investor in a foreign enterprise) possesses at least 20% of the enterprise capital as far as the Balance of Payments source is concerned. For the other source, the percentage necessary rises to 50% for a foreign investor in a Spanish enterprise but remains 20% for a Spanish investment abroad.

Real estate investment, which is very important in Spain, is classified separately.

The flows registered as direct investment by Spain conform to the OECD recommendations except for short-term credits which are not covered under this heading.

Corrections carried out on national statistics:

Real estate investment has been added.

The breakdown by branch of the source "authorisations" is the basis for the percentage breakdown which was subsequently applied to the totals for the "balance of payments" source in order to have mutually coherent figures for the total EUR12.

3-2-6 France:

Data source and method of collection:

The French statistics on direct investment are published annually in the report on the "Balance of Payments of France". They are taken from declarations sent by firms to the Ministry of Finance and the Banque de France. Statistics of stocks were published for the year 1987.

Discrepancies with respect to the OECD Benchmark definition:

Reinvested profits are not recorded in the French Balance of Payments.

In principle, a direct investor must hold a minimum of 20% in a company to be a direct investor, but this criterion is not applied strictly.

As to the other types of direct investment, the only ones recorded are the long-term loans of non-financial companies. All bank loans, all short-term loans, commercial credits between enterprises are recorded under other Balance of Payments headings.

Corrections made to national statistics:

Most of the discrepancies with the OECD definition are not soluble in the short term. The only correction it was possible to make was therefore to remove capital movements with international institutions which are usually classified on the line "Capital transactions of the official sector" by the other Member States.

3-2-7 Ireland:

Data source and method of collection:

The Central Statistics Office surveys enterprises and uses the information derived from exchange controls. Unfortunately, the resulting statistics seem not to be very reliable and Ireland stopped publishing them in 1987. Direct investment is no longer isolated in the Balance of Payments and is now mixed up with "other capital movements of the private sector".

Ireland hopes that a new series can be produced in 1990 with the introduction of a new data collection system.

Discrepancies with respect to the OECD Benchmark definition:

These discrepancies cannot be discussed until the new series appears.

Estimates carried out:

In view of the situation described above, all the data for Ireland had to be estimated. For this purpose, the figures for the partner country were used to evaluate the direct investment flows with the rest of the Community, the USA and Japan. For the other countries, it was assumed that Ireland had a geographical breakdown of investment similar to the rest of the Community taken as a whole.

For the distribution by branch, the method previously described, i.e. taking the average structure of the Community, was applied.

These estimates are not published but serve to calculate the EUR12 total.

3-2-8 Italy:

Data source and method of collection:

The data collection system in Italy is being developed following the liberalization of monetary exchange. Formerly all transactions with other countries had to pass via the banking system which sent the information to the Italian Exchange Office (UIC). Since 3rd December 1990, all agents operating with other countries fill in forms which are sent to the UIC directly or via a bank.

The official statistics are given in the Annual Report of the Banca d'Italia.

Discrepancies with respect to the OECD Benchmark:

Up to 1988, every share in company capital which was not quoted on the stock market, as well as every stock market operation for an amount greater than 30 000 million lire or which led the stock of shares held to exceed 50 000 million lire, was considered as a direct investment. After this date, the classification of a transaction as direct investment depends on the response of the operator concerning; 1) his long-term interest, 2) his active role or 3) his share in the capital of the enterprise with which the transaction is made exceeding 20 %. Transactions for a value less than 10 million lire are not declared (20 million since June 90).

There is no accounting of reinvested profits in the Italian Balance of Payments. Of the direct investment flows other than participation in capital, only long-term loans are recorded.

Real estate investment is classified under another Balance of Payments heading.

Corrections carried out on national statistics:

Investment flows coming from or destined for International Institutions have been removed.

Investments in the real estate sector have, on the other hand, been added.

Direct investment by banks, which were not all classified under direct investment before 1988, have been corrected for the years preceding this date.

3-2-9 Netherlands:**Data source and collection method:**

This is based on a system of obligatory declaration of transactions with other countries, either directly or via an approved Netherlands banking establishment. The data are published, in particular, in the Annual Report of the Nederlandsche Bank. Statistics on stocks are also available.

Discrepancies with respect to the OECD Benchmark definition:

There is no minimum threshold for capital participation in order to be defined in the Netherlands as a direct investor.

Reinvested profits are calculated for statistics on investment stocks but are not included in the Balance of Payments.

All the other types of direct investment flows in the OECD sense are given in the Dutch statistics with the possible exception of leasing.

However, loans by subsidiaries to their parent company are not recorded as the OECD recommends : they are considered as investment of subsidiaries and not as disinvestment of the parent company.

The last but by no means the least discrepancy concerns flows of the so-called "special financial institutions" (SFI) which are not recorded as direct investment but as "other long-term capital". These SFI are formed by subsidiaries of foreign companies established in the Netherlands for the purposes of financing, distribution, invoicing, etc. It is certain that their activity clearly distinguishes them from traditional production subsidiaries and that they require separate treatment. The problem is that, for the partner country, the transactions with these SFI can be treated with the other direct investment flows and recorded as such. This distinction in the Netherlands therefore leads to non-comparability with the direct investment statistics of partner countries.

Corrections made to national statistics:

The only minor correction made for the moment is to remove the flows with the International Institutions which are usually entered under another heading of the Balance of Payments by the other Member States.

3-2-10 Portugal:

Data source and method of collection:

Portugal makes use of bank settlements and processes declarations or requests for authorization for international transactions to draw up its direct investment statistics. These statistics are published annually by the Banco de Portugal.

Discrepancies with respect to the OECD Benchmark definition:

The percentage of shares to be held in an enterprise in order to be recognized as a direct investor is 20 %.

Reinvested profits are accounted for only if they are officially transferred to the enterprise's capital.

Stock market transactions, unless specially identified, are classified as portfolio investment and not direct investment.

Only long-term credits between associated enterprises are recorded under other direct investment flows.

Corrections made to national statistics:

None.

3-2-11 United Kingdom:

Data source and method of collection:

The Central Statistical Office (CSO) collects data on direct investment by surveying enterprises : there is an optional quarterly survey of the largest, a compulsory annual survey for the study of flows and income and a triannual census of stocks. These data are regularly published in aggregated form in the Pink Book which presents the Balance of Payments of the UK. Further detail is given in the Business Monitors MA4 and MO4.

Discrepancies with respect to the OECD Benchmark definition:

The United Kingdom stays fairly close to the OECD definition. However, the threshold for minimum participation in the capital of the direct investment enterprise is 20 % (same threshold as that recommended for consolidated accounting).

Corrections made to national statistics:

Transactions classified as "investment by other UK residents" and "miscellaneous property investment", given only in the general Balance of Payments but not broken down geographically, have been added. 2/3 were attributed to the Community for investments abroad and 1/3 only for investments in the UK. For the breakdown by branches, all these various supplementary investments were allocated to the branch "real estate".

The United Kingdom has been extremely active on the international capital market for a long time. The consequence is that structures which link the major multinational enterprises and which involve UK enterprises have become more and more complex. While the United Kingdom does make efforts to identify flows of capital between enterprises which are indirectly connected, the detail given on its direct investment questionnaire is generally insufficient for this purpose. Consequently, certain flows are often allocated, in a simplistic way, to the country of the parent or of the direct subsidiary (see part 3-4 of the present annex on the subject). Geographical breakdowns of this kind were found out to be erroneous for flows of major importance. They were corrected in the national statistics and for the EUR12 total as they had a considerable effect on the breakdown of flows between intra- and extra-EUR12, and between inward and outward flows.

3-2-12 United States and Japan

We have hardly any information on the methods used to compile direct investment statistics in the United States and Japan.

For the United States, we used the data published in the Survey of Current Business which are very complete and detailed although a few figures are not given for reasons of confidentiality. The United States normally publish series on direct investment including reinvested profits. These reinvested profits have been removed here in the interest of comparability.

Japan has two series of data on direct investment : one comes from the Balance of Payments of the Bank of Japan but it lacks detail. The second, which gives a more detailed breakdown by country and a breakdown by branch comes from the Ministry of Finance but the statistics refer to investments "notified" to the Ministry which do not always correspond to investments actually made. In addition, this latter source uses the tax year (beginning on 1st April) and not the calendar year as reference year. In general, we used the total given in the Balance of Payments and subdivided it in line with the breakdown given by the Ministry of Finance. In both cases, reinvested profits are not calculated.

3-3 INTRA-COMMUNITY ASYMMETRY (after harmonisation by EUROSTAT)

As the reader has seen in the list of methodological discrepancies of the Member States with respect to the OECD Benchmark definition, a large number of these discrepancies still remain even after all the corrections have been carried out : the effect of the corrections is in fact fairly insignificant.

The problem is that although some errors can be eliminated by simple addition or subtraction of a well-defined capital account heading, others cannot yet be overcome as they are bound up with the system of collection or recording and it is not possible to isolate the data required for correction. Since there is no standard as regards direct investment, it is not easy either to find a basis for estimating these data: direct investment transactions are somewhat irregular, both in time and space, and, unless to look at very global statistics, do not show a very obvious trend.

The numerical size of these discrepancies is far from negligible. Some information, unfortunately of very limited scope, about the breakdown of direct investment into share capital, reinvested profits, long-term loans, short-term loans...shows that not considering one or other of these components can have a significant influence on the resulting direct investment series. It is not rare, for example, to find direct investment made up of 30% long-term loans, and the same proportion of short term-loans, especially in countries, that have invested abroad for a long time. Some of the conceptual divergences encountered in examining the Member States' methodologies, cannot therefore be ignored.

Although it is not possible to examine asymmetries item by item (i.e. flows of purchases and sales of shares, creation of subsidiaries, long-term loans, etc), one can examine the situation country by country.

Another way of measuring the importance of this asymmetry is to compare the bilateral statistics of the Member States, that is to say, to compare the investment declared by the investing country with the investment declared by the receiving country. Simply reading the table which follows and comparing the total intra EUR12 flows, as declared by the investing countries and as declared by the countries receiving the investment, it becomes clear that these totals, which should be identical (with opposite signs), are in fact quite different :

Table 3-3:

Intra-Community flows

million ecus

year	84	85	86	87	88
Flows declared by the receiving countries	4358	5666	10354	11722	22976
Flows declared by the investing countries	-4265	-6987	-12469	-12646	-19076
Balance of intra EUR 12 flows (asymmetry)	93	-1321	-2115	-924	3900

Source: EUROSTAT estimates

The overall intra-EUR12 asymmetry therefore varies between 2 and 23 % of the total flow depending on the year ! A discrepancy of this size is quite disturbing though it is comparable to that of the world asymmetry determined by the IMF (see Balance of Payments Statistics - Yearbook 1989 - part 2):

Table 3-4:

World direct investment

thousand million SDR

year	84	85	86	87	88
Total direct investment:					
- outward	-39.0	-61.5	-83.7	-112.8	-109.4
- inward	52.0	47.4	64.1	84.3	99.8
Reinvested profits:					
- outward	-18.8	-26.5	-26.0	-40.1	-24.4
- inward	9.5	7.1	4.0	10.6	13.2
Direct investment without reinvested profits:					
- outward	-20.2	-35.0	-57.6	-72.7	-85.0
- inward	42.4	40.3	60.1	73.7	86.6
Balance (world asymmetry) (reinvested profits excluded)	22.2	5.3	2.5	1.0	1.5

Source: IMF

One might have expected greater uniformity within the Community nevertheless. This is not the case.

We may rightly suppose that a good part of the asymmetry is due to poor geographical allocation of flows (though this cannot apply to the world asymmetry since by aggregation the geographical allocations then disappear). One can indeed envisage that some of the flows with extra-Community countries are erroneously attributed to the Community and vice-versa.

The following example could contain the explanation : the flows of Member State A to country C outside the Community pass by a holding company established in another Community country B. Logically, the transaction should be recorded in the following way: country A records an intra-Community flow towards B, B records an intra-Community flow from A (with opposite sign) and a flow towards C. For the Community taken as a whole, the transaction results in a zero sum of intra-Community flows and a flow from the Community to the outside.

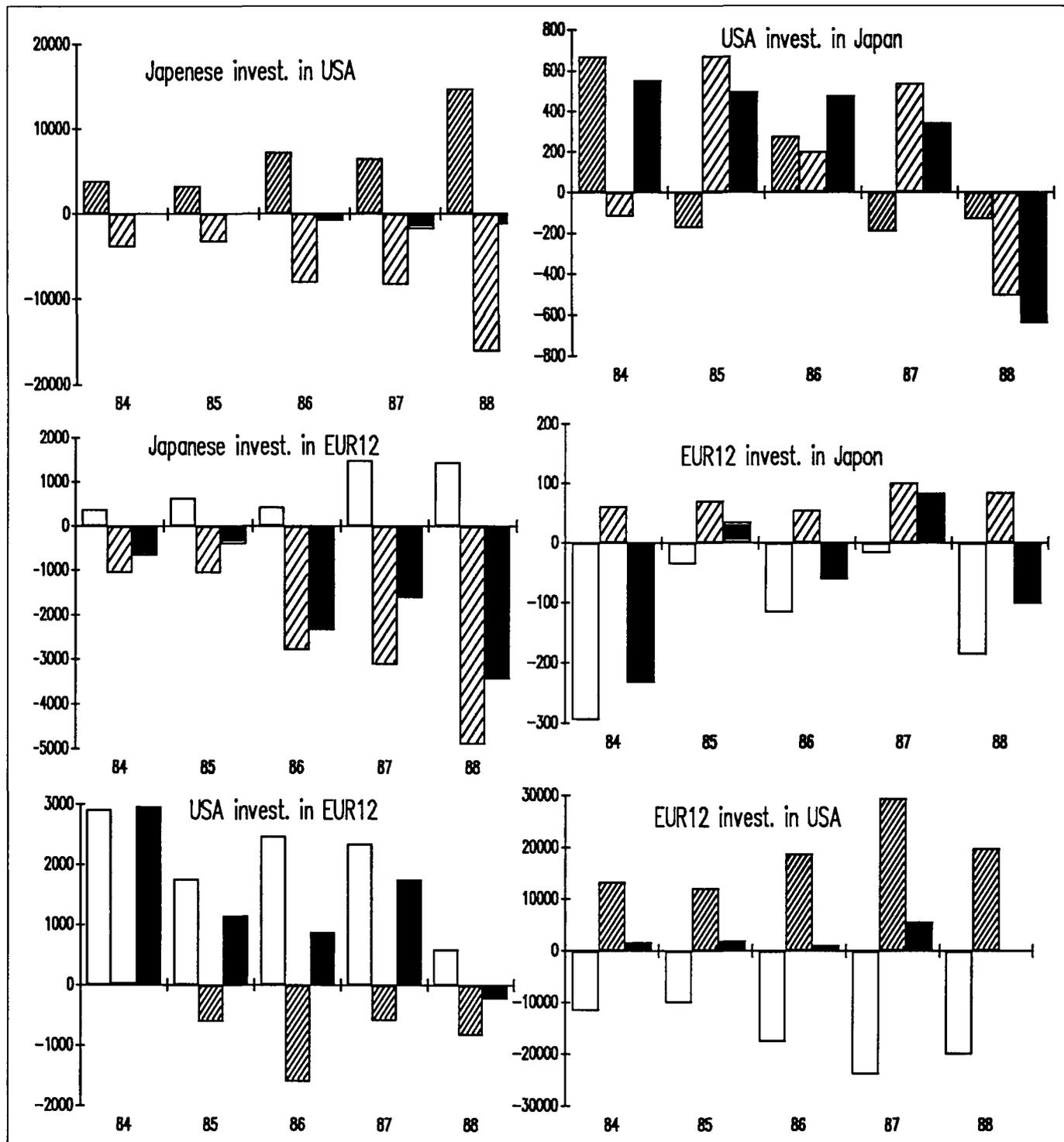
But in practice the following recording may occur: country A records a flow towards B, but B does not classify the flows of holding companies under direct investment; the result is that no flow is recorded towards C by the Community as a whole, but a not-offset intra-Community flow is recorded. The intra-Community asymmetry is then coupled with an extra-Community asymmetry with country C, if country C normally records a flow coming from the Community.

And we can observe asymmetries with the two countries from which we have the own statistics (see following tables).

Graph 3-1:

Bilateral asymmetries EUR 12/USA/Japan

All values in million ECU (different scales)



Source of Data:

EUR 12
 USA
 Japan
 Asymmetry

Table 3-5:

E.C. direct investment in Japan

million ecus

year	84	85	86	87	88
Source EUROSTAT	95	610	329	1484	1274
Source Bank of Japan	-1000	-989	-2737	-3013	-4814
Asymmetry	-905	-379	-2408	-1529	-3540

Table 3-6:

E.C. direct investment in United States

million ecus

year	84	85	86	87	88
Source EUROSTAT	-11650	-10063	-17662	-23901	-20074
Source Survey of Current Business	13448	12149	18804	29561	19914
Asymmetry	1798	2086	1142	5660	-160

An idea of the order of magnitude of the asymmetries is also given by the graph on the previous page which compares European sources (EUROSTAT estimates), American sources (Survey of Current Business) and Japanese sources (Bank of Japan) for direct investment flows between these three zones.

One would need to have at one's disposal the statistics coming from all the Community's partners in order to test the extent of asymmetry that can be explained by the geographical allocation.

Nevertheless, all the arguments advanced to explain this asymmetry may be largely false since a total asymmetry equalling zero might conceal major differences in recording which cancel each other out: moreover, the total intra-Community asymmetry seems to be less significant than the bilateral asymmetries of the Member States, taken two at a time, as is suggested by the graph on the following page.

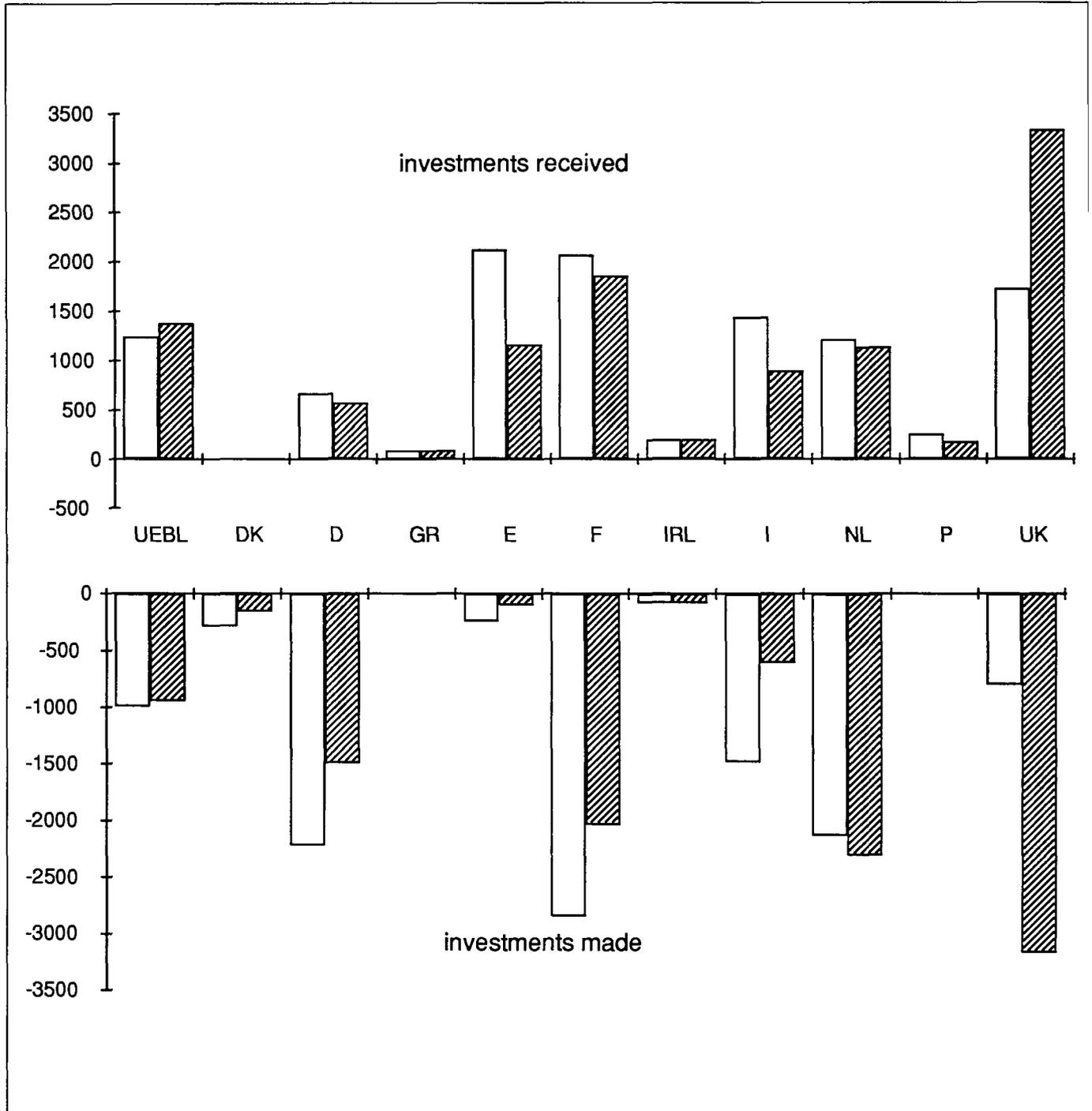
Since data for Greece and Ireland have been estimated to a large extent from partner country information, the asymmetries for these two countries are of course zero.

Looking at this graph, one sees that the asymmetry in relative terms actually seems to increase when one moves to the bilateral level which would indicate that the discrepancies do in fact cancel each other out. One even observes several cases where the flows are not only of a different value but quite definitely of opposing sign (i.e. of the same sign in the table): if country A declares that it invests in country B, country B declares that A disinvests in it. This is clearly the case for investment by the Netherlands in the United Kingdom in 1984 or by Germany in Italy in 1986 (see the detailed series for these countries).

Obviously, we shall not try and explain all the bilateral discrepancies case by case. We nevertheless thought it useful to identify the general causes of these discrepancies and to classify them in broad categories.

Graph 3-2:

**Bilateral asymmetries within the Community
(million ECU - average 84-88)**



-  intra-Community investment as declared by the country
-  intra-Community investment as declared by its Community partner countries

3-4 MAIN SOURCES OF ASYMMETRY

We can basically distinguish four types of asymmetry :

3-4-1 Differences in the definition of an investor and of a direct investment enterprise:

Here we shall look at the differences connected with the type of activity or status of the investor or of the direct investment enterprise; depending on the country, the following agents are or are not considered by definition as investors or potential direct investment enterprises:

a) The State : certain countries record all the transactions of their public authorities separately under a heading "official sector capital flows" or similar, whereas others consider that these authorities can take part in direct investment transactions.

b) International Institutions : capital flows with these institutions may be recorded as direct investment (by BLEU, France, Italy and the Netherlands). In general, this represents the participation of these States in the capital of international development aid banks.

On these two points, one may well wonder whether the "long-term interest" which must be at the basis of all direct investment, is of the same kind as that which connects two enterprises with each other.

c) Banks : their direct investment flows may be recorded with the other banking flows and not as direct investment (Italy up to 1987). The OECD definition recommends that short-term operations by the banks with their subsidiaries be excluded (BLEU, Germany, France and the United Kingdom also exclude their long-term loans).

These first three points of divergence must be seen in relation to the structure of the capital account : depending on whether the account brings out the distinction between agents (public authorities, banking sector, non-banking sector, possibly subdivided into enterprises and private individuals) or transactions (direct investment, portfolio investment, loans, etc) or mixes the two up, certain flows may or may not be recorded as direct investment. In practice, the term "direct investment" may be restricted to the private sector (or possibly, non-banking private sector).

Amongst the enterprises in the private non-banking sector, certain types may still be excluded :

d) Real estate assets are often included with other residual flows under the heading "other capital movements", or are given on a separate heading if they are very important (all the Member States do this except France and Portugal). Whether commercial buildings or second dwellings, these assets should be considered as the fictitious establishment of an enterprise whose economic activity would be housing.

In this study the first four causes of asymmetry have largely been removed as regards intra-Community comparisons, but they may still be a factor affecting comparisons with third countries.

e) Holding companies: this term is certainly used differently by all countries. It may designate a simple letter box enabling a company to benefit from tax advantages in one country, a company which manages a number of subsidiaries of a large multinational group or a company created with the sole intention of opening up access to a financial market for the parent company.

The range of activities is therefore wide. The flows of these companies are frequently recorded separately (BLEU, Netherlands) and often only resident holding companies are so classified (from which a discrepancy already appears at national level). It is not always apparent to Balance of Payments statisticians how to distinguish between pure direct investment and portfolio investment by the same holding company.

It is certain that, because the capital only passes via these companies, including them swells the direct investment flows if the money only enters and leaves the country. To exclude them, on the other hand, leads to an underestimation of the flows if movements are in one direction only : for example, if money coming in is redistributed over other subsidiaries within the same country. The problem is highly complex and solutions doubtful, but at all events, it is all the more complicated because it is handled in different ways by each country.

f) The fictitious "establishments" made up of :

- mobil equipment (e.g. ships, aircrafts, oil platforms used for more than one year in the host country)
- non-financial non-tangible assets (e.g. patents, copyright, etc)

which should constitute subsidiaries in the sense of the OECD Benchmark Definition (enterprise not having a legal personality in the host country) : the existence of such establishments is not uniformly recognized by statisticians within the Community, particularly as regards intangible assets. The treatment of these intangible assets under "direct investment" heading will probably be abandoned in the forthcoming edition of the Benchmark Definition.

g) We should also point out that with non-EC countries, an additional asymmetry occurs in the treatment of firms carrying out construction work, installation work, civil engineering works, etc. in other countries: the IMF manual recommends the application of the one year establishment abroad rule as defining the creation of an "establishment" on the territory of the foreign economy (building site, for example). EUROSTAT would rather examine whether the activity is connected with a contract or a single project, in which case the transactions should be considered as trade in services; if on the other hand, the activity is connected with a permanent and diversified presence of the enterprise, it represents a direct investment. Most of the EC Member States adopt this point of view, but the question is not definitely resolved.

3-4-2 Differences in the way of acquiring the link between the investor and the direct investment enterprise

It is only when this link has been established that transactions between associated enterprises are classified as direct investment. However :

a) In certain countries, it is necessary to have shares in the direct investment enterprise and these countries often fix a minimum threshold which varies between 10 and 50 %. In other countries (BLEU, Greece, Netherlands) on the other hand, the existence of such a link is not dependent upon shareholding, while in some the threshold is only applied to enterprises established as companies (France).

b) There may also be minimum value thresholds to record direct investment flows, i.e. every low-value transaction is recorded under the residual heading "other long-term capital movements" (e.g. France, Italy).

c) Of the shares held in the capital of the company, those quoted on the stock exchange may not be recorded and nor may bonus shares or those acquired as the counterpart of goods and services. Indeed, the collection system does not always allow direct investment to be identified when it passes via the stock exchange and it may thus be erroneously classified as a portfolio transaction (BLEU, Italy and Portugal only verify such recording above a certain amount).

d) Finally, there is the question of the definition and treatment of indirect links. This issue arises essentially in relation to the treatment of reinvested profits and credits amongst companies of the same group :

for example, suppose enterprise E1 located in country A holds 50 % of the capital of E2 situated in country B, and E2 in turn holds 50 % of the capital of E3 situated in country C. If E2 and the other shareholders of E3 decide to reinvest all the profits they can obtain from E3, then since one quarter of these profits should have come back to E1 and as E1 has power of decision in E2, one should consider that it is E1 reinvesting its share of the profits. Consequently a quarter of the reinvested profits should be attributed to country A.

Another example : if E2 (country B) and E3 (country C) are both direct subsidiaries of E1 (country A), but neither participates in the share capital of the other (enterprises termed "of the same group"), a loan from E2 to E3 should be recorded as direct investment by country B in country C if one sticks to the OECD definition.

Unfortunately, the treatment of this kind of flow varies greatly from one country to another. One needs much more information than can generally be found in bank settlements to identify these links and properly record the corresponding direct investment flows; there are for example countries which do not isolate these indirect links at all, others which record them if they happen to find out about them and others which look for them systematically. All these cases can be found within the Community and, of those countries which do take account of the indirect links in direct investment statistics, there are differences in the definition of indirect links. For example :

- For the United Kingdom, the definition is tied to the enterprises' accounting system in that an enterprise must have consolidated accounts with those of the enterprises in which it holds at least 20 % of the capital.
- In Germany, a resident enterprise is supposed to notify its direct investment in other countries in 1) its directly affiliated companies (i.e. those in which it holds at least 20 %), 2) the companies directly affiliated (as in 1 above) to a direct subsidiary in which it has a majority holding, 3) subsidiaries indirectly held 100 % by a direct subsidiary in which the declaring enterprise has a majority share.

We see from these two examples that the definitions are far from corresponding. But one would hope that the cases where they do not coincide are only marginal. There is indeed every reason to suppose that the vast majority of direct investment enterprises are subsidiaries that are majority, or even 100% owned by their parent-company.

3-4-3 Differences in definition of a direct investment flow :

The following may or may not be included in the Balance of Payments depending on the country :

a) Reinvested profits : their inclusion or exclusion is usually tied up with the information collection system . It is evident that this is a major cause of discrepancies (see the table 3-4 of world direct investment on page 75, or the graph of American investment on page 60). The greater the stock direct investment, the greater is the risk of asymmetry between the statistics of a country recording reinvested profits and a country which omits them. For this reason, most of the figures given here do not contain reinvested profits. This explanation cannot therefore be applied to the discrepancies listed in paragraph 3-3, but it should be borne in mind when making comparisons with other publications.

b) Long-term credits : Denmark alone does not consider these as direct investment. Nevertheless, the "long-" term is interpreted differently from one country to another (loans for more than one year, for more than five years, etc). The type of credit (trade credit, leasing, etc) also brings distortion from the point of view of treatment : BLEU, Denmark, Germany, France, Italy and Portugal exclude all trade credits and financial leasing; Greece excludes trade credits; the Netherlands exclude financial leasing. And as we have said before, the long-term credits of banking establishments are not considered as direct investment by BLEU, Germany, France and the United Kingdom.

c) Short-term credits and inter-company accounts are recorded as direct investment in quite different ways in the European Community; only BLEU, Netherlands and the United Kingdom record them as direct investment. As for the type of credit taken into account, the same remark applies here as for long-term credits.

It may be noted once again that the differences are closely connected to the collection system (survey of enterprises, general system of collection or survey of banking operations) which can favour analysis by type of agent or by type of transaction. The non-arborescent classification of the capital account of a country also plays a part; for example, is the trade credit granted by a company to its foreign subsidiary considered first and foremost as a trade credit or as a credit by a company to its subsidiary ? If the capital account puts direct investment (that implies looking to the agents engaged in the transaction) and commercial credits (looking to the object of the transaction) on the same level in the nomenclature, there is obviously a risk of confusion and erroneous classification.

3-4-4 Differences in recording the same flow:

Even if all the points developed under previous paragraphs are apparently respected in the same way by two different economies, it is still not certain that the same flow will be classified in the same way by each; this is particularly the case of "inverse" flows (i.e. capital provided by a subsidiary to its parent company) and "multilateral" flows (between enterprises belonging to the same group):

a) In the case of capital provided by a foreign subsidiary to a resident parent company (there are holding companies especially established for this purpose), and if we consider that these are direct investment flows (which is not the position of all the Member States), is there :

— a disinvestment by the parent company (in which case the flow should be classified as outward flow (but it would be positive))

or

— an investment by the subsidiary ?
which will result in an inward flow.

At this level, additional distinctions may be made by certain countries depending on whether the capital is made up of loans or holdings of share capital (mutual shareholding).

b) In the case of the major multinational groups and holding companies, there is the additional question of the geographical allocation of the flows :

thus, in the following situation : enterprise E1 located in country A creates a subsidiary E3 in country C with the aid of capital of another of its subsidiaries E2 located in country B; these flows can be recorded as follows :

- country A records nothing
- country B records a disinvestment from A
- country C records an investment from B

which results in a discrepancy between A and B on the one hand and between B and C on the other.

One may note here that this type of discrepancy is connected with the willingness of certain Member States to produce statistics on flows and stocks which are mutually compatible; in the example quoted above, it is the net assets of the country of the parent company (A) which will diminish from country B's point of view, and not those of country C which receives the funds.

It is thus valuable to distinguish between the initial recipient and the final one (which the Americans call the UBO - ultimate beneficial owner).

This type of discrepancy appears to be at the origin of the major asymmetries : the capital sums handled by the major multinational companies are obviously very large and present the greatest risk of being incorrectly attributed because of their complex structures (as in the triangle Netherlands-United Kingdom-USA).

3-4-5 Various asymmetries:

We should like to mention the following problems as well :

a) "Authorized" investments and "real" investments : certain countries have statistics which are based solely on administrative documents whose completion is legally necessary to invest in other countries (application for authorization to invest). For other countries, this is the only source which allows them to have details of the geographical structure of the flows or their breakdown by branches, since the direct investment statistics from their Balance of Payments are too highly aggregated. Moreover, these two sources are not mutually consistent and there is a possibility of bias (see the discussion on Spain).

Lastly, we draw attention again to the problems of :

b) exchange rate : certain countries convert the amount of a transaction at the rates in force on the day of the settlement and others at a monthly average rate.

and

c) dates of recording : the same transaction may be recorded as a debt by one country at a certain date and as a credit by the partner country at a slightly different date. But these problems are common to the whole of the Balance of Payments.

3-5 CONCLUSION

This annex would seem to indicate that the statistics on direct investment are a *bric à brac* of various elements and that each country takes those elements which interest it and rejects the others, either because of the analyses it wishes to carry out or because of the collection possibilities which it has.

The result is that Community statistics, even when slightly improved by a number of corrections to national statistics, are far from being very reliable. The data indicate an asymmetry in intra-Community flows of the order of almost a quarter of the total of these flows. The same thing probably applies to the other headings of the capital account: a part of the discrepancy results from differences in treating the same flow; certain Member States record a flow as direct investment and others put it elsewhere in the capital account under "trade credit" or "real estate investment" or "portfolio transactions" or "long-term loans". The asymmetry is therefore bound to appear on the other headings of the capital account.

A second major cause for this asymmetry is the geographical allocation of the flows: as regards direct investment, the structures of the major multinational companies, the existence of financial intermediaries, new forms of investment (franchising, joint-ventures...) would make a considerable exchange of information necessary between countries to arrive at a suitable classification (if this were possible at all).

In 1983, the OECD attempted to clarify the notion of direct investment by drawing up an international "Benchmark Definition" in some detail. This definition indicates solutions to most of the complicated cases mentioned in this annex. Seven years later, one has to say that very few States have gone very far in applying this definition, each one sticking largely to its own position.

For the European Community, however, the necessity for harmonizing concepts and methodology is becoming more urgent than elsewhere in the world: with the abolition of exchange control, the liberalization of capital movements and the prospect of Economic and Monetary Union, there is a need for monitoring this integration process. If the Member States do not conform to the same definitions, it is clear that the results obtained by aggregating national statistics will not permit a meaningful analysis.

Fourth part : STATISTICAL TABLES
- European Community -
- Member States - USA - Japan

Unless otherwise indicated, the following figures are in line with those in part 2 (Results). On the other hand, as EUROSTAT has carried out corrections or estimates for certain countries such as Ireland and Greece, they may differ from the data published by the Member States themselves. The transformations which national data have undergone are explained in the methodological annex.

For each Member State, USA and Japan the order of tables is as follows:

- 1) Geographical breakdown of outward investment
- 2) Geographical breakdown of inward investment
- 3) Sectoral breakdown of outward investment - World Total
- 4) Sectoral breakdown of inward investments - World Total
- 5) Sectoral breakdown of outward intra-EUR12 investment
- 6) Sectoral breakdown of inward intra-EUR12 investment
- 7) Sectoral breakdown of outward extra-EUR12 investment
- 8) Sectoral breakdown of inward extra-EUR12 investment

The sectoral breakdowns for BLEU, Greece, Spain, Ireland and Japan were estimated and the corresponding tables are therefore not given.

For EUR12, a few supplementary tables in percentages have been added.

Table 4-EUR-1

EUROPEAN COMMUNITY

Geographical breakdown of outward direct investment

Unit: million ECU

partner country	year	84	85	86	87	88
USA		-11650	-10063	-17662	-23901	-20074
JPN		-295	-36	-116	-18	-187
EFTA		-929	-760	9	-1826	-2306
other class 1		-1323	-796	-1866	-1673	-3433
Total class 1 (*)		-14198	-11656	-19634	-27418	-26001
OPEC		209	-34	-560	-54	-340
ACP not OPEC		-80	68	-83	-152	-259
other class 2		-3099	-3568	-1524	-2811	-2866
Total class 2		-2970	-3535	-2167	-3017	-3466
COMECON		1	-5	-13	-7	-73
other class 3		-51	-126	-146	-23	-99
Total class 3		-50	-131	-159	-30	-173
extra not allocated		-177	-27	-204	-315	-1071
Total World (**)		-17395	-15349	-22164	-30780	-30711

Source: EUROSTAT estimates

*Notes: A positive figure indicates a net disinvestment.**A negative figure indicates a net investment.**Excluding reinvested profits.**(*) Excluding intra EUR 12 investments*

Table 4-EUR-2

EUROPEAN COMMUNITY

Geographical breakdown of outward direct investment

partner country	year	percentage				
		84	85	86	87	88
USA		67	66	80	78	65
JPN		2	0	1	0	1
EFTA		5	5	0	6	8
other class 1		8	5	8	5	11
Total class 1		82	76	89	89	85
OPEC		-1	0	3	0	1
ACP not OPEC		0	0	0	0	1
other class 2		18	23	7	9	9
Total class 2		17	23	10	10	11
COMECON		0	0	0	0	0
other class 3		0	1	1	0	0
Total class 3		0	1	1	0	1
extra not allocated		1	0	1	1	3
Total World		100	100	100	100	100

Source: EUROSTAT estimates

Table 4-EUR-3

EUROPEAN COMMUNITY

Geographical breakdown of inward direct investment

Unit: million ECU

partner country	year	84	85	86	87	88
USA		2919	1766	2484	2356	606
JPN		390	646	445	1502	1461
EFTA		1661	1666	3267	3543	9021
other class 1		-285	-266	-149	2827	1846
Total class 1 (*)		4685	3812	6047	10228	12933
OPEC		168	420	-561	-131	898
ACP not OPEC		139	60	42	77	1
other class 2		1031	1256	1123	2112	171
Total class 2		1338	1736	604	2058	1071
COMECON		76	17	-49	14	19
other class 3		2	20	1	4	1
Total class 3		78	37	-48	18	20
extra not allocated		76	52	237	273	253
Total World (*)		6177	5637	6840	12578	14278

Source: EUROSTAT estimates

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

() Excluding intra EUR 12 investments*

Table 4-EUR-4

EUROPEAN COMMUNITY

Geographical breakdown of inward direct investment

partner country	year	percentage				
		84	85	86	87	88
USA		47	31	36	19	4
JPN		6	11	7	12	10
EFTA		27	30	48	28	63
other class 1		-5	-5	-2	22	13
Total class 1		76	68	88	81	91
OPEC		3	7	-8	-1	6
ACP not OPEC		2	1	1	1	0
other class 2		17	22	16	17	1
Total class 2		22	31	9	16	8
COMECON		1	0	-1	0	0
other class 3		0	0	0	0	0
Total class 3		1	1	-1	0	0
extra not allocated		1	1	3	2	2
Total World		100	100	100	100	100

Source: EUROSTAT estimates

Share of each Member State in the E.C. investment

1) Outward investment

Unit: million ECU

year	84	85	86	87	88
UEBL	53	-73	-605	-569	-1870
DK	-218	-172	-401	-241	-294
D	-2978	-4020	-5364	-5213	-5284
GR	-48	-191	-63	-9	-9
E	-210	-219	-241	-227	-552
F	-1747	-2379	-3531	-3483	-3957
IRL	-100	-108	-40	-86	-622
I	-1511	-598	-861	-492	-1142
NL	-1002	-2452	-1245	-3775	-3214
P	-11	-17	-5	-6	-2
UK	-9623	-5119	-9809	-16679	-13765
total EUR 12	-17395	-15349	-22164	-30780	-30711

Source: EUROSTAT estimates

2) Inward investment

Unit: million ECU

year	84	85	86	87	88
UEBL	67	521	153	695	1276
DK	48	169	160	153	347
D	115	295	246	188	-1
GR	-26	102	202	87	65
E	1417	1327	1075	1338	1799
F	1387	1677	1387	2056	1813
IRL	-28	259	10	310	190
I	924	28	-456	1745	3063
NL	143	512	691	923	963
P	135	123	48	97	203
UK	1995	623	3324	4986	4562
total EUR 12	6177	5637	6840	12578	14278

Source: EUROSTAT estimates

Table 4-EUR-6

EUROPEAN COMMUNITY

Share of each Member State in the E.C. investment

1) Outward investment

year	percentage				
	84	85	86	87	88
UEBL	0	0	3	2	6
DK	1	1	2	1	1
D	17	26	24	17	17
GR	0	1	0	0	0
E	1	1	1	1	2
F	10	16	16	11	13
IRL	1	1	0	0	2
I	9	4	4	2	4
NL	6	16	6	12	10
P	0	0	0	0	0
UK	55	33	44	54	45
total EUR 12	100	100	100	100	100

Source: EUROSTAT estimates

2) Inward investment

year	percentage				
	84	85	86	87	88
UEBL	1	9	2	6	9
DK	1	3	2	1	2
D	2	5	4	1	0
GR	0	2	3	1	0
E	23	24	16	11	13
F	22	30	20	16	13
IRL	0	5	0	2	1
I	15	1	-7	14	21
NL	2	9	10	7	7
P	2	2	1	1	1
UK	32	11	49	40	32
total EUR 12	100	100	100	100	100

Source: EUROSTAT estimates

Table 4-EUR-7

EUROPEAN COMMUNITY

Geographical breakdown of Intra-Community direct investment
As declared by countries receiving investment (*)

		Unit: million ECU				
investing country	year	84	85	86	87	88
UEBL		884	335	322	1544	1631
DK		113	105	174	169	231
D		660	1243	2085	1398	2094
GR		9	6	3	2	6
E		13	26	67	159	229
F		694	625	947	3047	4852
IRL		26	35	51	73	221
I		492	218	581	590	1135
NL		340	555	2810	1350	6469
P		3	16	0	-3	30
UK		1095	2480	3118	3266	5855
not allocated		33	-20	232	125	238
Total EUR 12		4358	5666	10354	11722	22976

Source: EUROSTAT estimates based on the sum of EUR 12 partners countries data

*Notes: A positive figure indicates a net investment by the country
in other EUR 12 Members States.*

*A negative figure indicates a net disinvestment by the country
in other EUR 12 Members States.*

Excluding reinvested profits.

() For example, figures regarding line "UEBL" represent investment
by Belgium-Luxembourg in other EUR 12 countries, as they are
declared by these countries. The same investment declared by
UEBL is to be found in "UEBL" pages of this annex.*

Table 4-EUR-8

EUROPEAN COMMUNITY

Geographical breakdown of Intra-Community direct investment
As declared by countries receiving investment

investing country	year	percentage				
		84	85	86	87	88
UEBL		20	6	3	13	7
DK		3	2	2	1	1
D		15	22	20	12	9
GR		0	0	0	0	0
E		0	0	1	1	1
F		16	11	9	26	21
IRL		1	1	0	1	1
I		11	4	6	5	5
NL		8	10	27	12	28
P		0	0	0	0	0
UK		25	44	30	28	25
not allocated		1	0	2	1	1
Total EUR 12		100	100	100	100	100

Source: EUROSTAT estimates

Table 4-EUR-9

EUROPEAN COMMUNITY

Geographical breakdown of Intra-Community direct investment
As declared by investing countries (*)

		Unit: million ECU				
country receiving investment	year	84	85	86	87	88
UEBL		-1050	-467	-851	-1049	-3477
DK		-9	7	-69	168	-126
D		-639	-619	-441	-252	-917
GR		-16	-108	-134	-106	-84
E		-579	-591	-1168	-1554	-1914
F		-1242	-1239	-1348	-1243	-4200
IRL		-142	-279	-76	-205	-301
I		-971	-488	-1110	-687	-1214
NL		2801	-700	-2795	-1293	-3701
P		-83	-189	-117	-195	-314
UK		-1901	-2395	-3992	-5909	-2472
not allocated		-384	171	-241	-122	-179
Total EUR 12		-4265	-6987	-12469	-12646	-19076

Source: EUROSTAT estimates based on the sum of EUR 12 partners countries data

*Notes: A positive figure indicates a net disinvestment by other EUR 12 Members States in the country.
A negative figure indicates a net investment by other EUR 12 Members States in the country.
Excluding reinvested profits.*

() For example, figures regarding line "UEBL" represent investment in Belgium-Luxembourg by other EUR 12 countries, as they are declared by these countries. The same investment declared by UEBL is to be found in "UEBL" pages of this annex.*

Table 4-EUR-10

EUROPEAN COMMUNITY

Geographical breakdown of Intra-Community direct investment
As declared by investing countries

country receiving investment	year	percentage				
		84	85	86	87	88
UEBL		25	7	7	8	18
DK		0	0	1	-1	1
D		15	9	4	2	5
GR		0	2	1	1	0
E		14	8	9	12	10
F		29	18	11	10	22
IRL		3	4	1	2	2
I		23	7	9	5	6
NL		-66	10	22	10	19
P		2	3	1	2	2
UK		45	34	32	47	13
not allocated		9	-2	2	1	1
Total EUR 12		100	100	100	100	100

Source: EUROSTAT estimates

Table 4-EUR-11

EUROPEAN COMMUNITY

Sectorial breakdown of outward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-8745	-2195	-1382	-4651	-5469
Agriculture and Food products		-531	336	-833	-2352	-3782
Metallics		-296	-144	-298	-673	-808
Machinery		-643	-1354	-280	-1060	-1321
Transport equipment		-798	-409	-370	-649	-692
Electric and electronic goods		-739	4	-1533	-2220	-2222
Chemical industry		239	-3849	-5321	-3655	-3382
Other industries		125	12	-2010	-1890	-4312
Not allocated industry		0	0	-3	1	2
TOTAL Industries		-2643	-5405	-10648	-12497	-16516
Building and construction		-263	-270	-397	-582	-518
Finance and Banking		-2941	-2124	-2932	-1620	-2303
Insurance		-897	-1863	-1247	-1029	-1045
Trade, lodging and catering		-1228	-2137	-1781	-4738	154
Transport and communication		-92	-197	-431	-193	-776
Real estate		-382	-288	-135	-372	-383
Other services		-139	-881	-2661	-4843	-3133
Not allocated services		0	0	0	0	-5
TOTAL Services		-5678	-7491	-9186	-12795	-7491
Not allocated		-66	13	-551	-255	-717
TOTAL		-17395	-15349	-22164	-30780	-30711

Source: EUROSTAT estimates

*Notes: A positive figure indicates a net disinvestment.**A negative figure indicates a net investment.**Excluding reinvested profits.*

Table 4-EUR-12

EUROPEAN COMMUNITY

Sectorial breakdown of outward direct investment
Extra E.C. investment

Branch	year	percentage				
		84	85	86	87	88
Energy		50	14	6	15	18
Agriculture and Food products		3	-2	4	8	12
Metallics		2	1	1	2	3
Machinery		4	9	1	3	4
Transport equipment		5	3	2	2	2
Electric and electronic goods		4	0	7	7	7
Chemical industry		-1	25	24	12	11
Other industries		-1	0	9	6	14
Not allocated industry		0	0	0	0	0
TOTAL Industries		15	35	48	41	54
Building and construction		2	2	2	2	2
Finance and Banking		17	14	13	5	7
Insurance		5	12	6	3	3
Trade, lodging and catering		7	14	8	15	-1
Transport and communication		1	1	2	1	3
Real estate		2	2	1	1	1
Other services		1	6	12	16	10
Not allocated services		0	0	0	0	0
TOTAL Services		33	49	41	42	24
Not allocated		0	0	2	1	2
TOTAL		100	100	100	100	100

Source: EUROSTAT estimates

Table 4-EUR-13

EUROPEAN COMMUNITY

Sectorial breakdown of inward direct investment
Extra E.C. investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		293	1243	608	-135	-2228
Agriculture and Food products		326	749	-18	1236	3481
Metallics		105	49	-265	31	75
Machinery		-277	722	-177	342	267
Transport equipment		-8	-602	1722	448	-989
Electric and electronic goods		1356	490	-444	8	1942
Chemical industry		755	-617	-92	1612	976
Other industries		-149	-40	347	1552	1626
Not allocated industry		0	1	-1	1	0
TOTAL Industries		2110	751	1071	5230	7378
Building and construction		97	213	-21	-357	119
Finance and Banking		2087	-179	3226	4466	3929
Insurance		-138	206	-206	185	848
Trade, lodging and catering		542	1755	682	208	1049
Transport and communication		45	295	145	-28	124
Real estate		1050	1058	860	1318	1739
Other services		12	-125	177	1320	1032
Not allocated services		0	0	0	8	-4
TOTAL Services		3596	3011	4883	7477	8711
Not allocated		81	419	299	363	296
TOTAL		6177	5637	6840	12578	14278

Source: EUROSTAT estimates

*Notes: A positive figure indicates a net investment.**A negative figure indicates a net disinvestment.**Excluding reinvested profits.*

Table 4-EUR-14

EUROPEAN COMMUNITY

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	year	percentage				
		84	85	86	87	88
Energy		5	22	9	-1	-16
Agriculture and Food products		5	13	0	10	24
Metallics		2	1	-4	0	1
Machinery		-4	13	-3	3	2
Transport equipment		0	-11	25	4	-7
Electric and electronic goods		22	9	-6	0	14
Chemical industry		12	-11	-1	13	7
Other industries		-2	-1	5	12	11
Not allocated industry		0	0	0	0	0
TOTAL Industries		34	13	16	42	52
Building and construction		2	4	0	-3	1
Finance and Banking		34	-3	47	36	28
Insurance		-2	4	-3	1	6
Trade, lodging and catering		9	31	10	2	7
Transport and communication		1	5	2	0	1
Real estate		17	19	13	10	12
Other services		0	-2	3	10	7
Not allocated services		0	0	0	0	0
TOTAL Services		58	53	71	59	61
Not allocated		1	7	4	3	2
TOTAL		100	100	100	100	100

Source: EUROSTAT estimates

Table 4-EUR-15

EUROPEAN COMMUNITY

Sectorial breakdown of intra-Community direct investment
Investing branch

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-1534	-1280	-1758	195	-601
Agriculture and Food products		-142	-219	13	-1415	-138
Metallics		-162	-88	92	-286	-329
Machinery		-71	511	-227	-53	-98
Transport equipment		-746	-398	-1021	-242	-706
Electric and electronic goods		-199	-585	-1545	-1503	-1052
Chemical industry		-1138	-862	-1761	-109	-622
Other industries		-392	-297	-593	-743	-1811
Not allocated industry		0	0	1	-1	-2
TOTAL Industries		-2850	-1938	-5041	-4351	-4757
Building and construction		-48	-131	-92	-167	-111
Finance and Banking		1979	-2240	-3227	-2686	-5484
Insurance		-310	-217	54	-1956	-1298
Trade, lodging and catering		-483	-984	-1361	-2090	-4470
Transport and communication		-108	30	-70	-246	-168
Real estate		-554	50	-542	-641	-1015
Other services		-165	-211	-227	-639	-1619
Not allocated services		0	0	0	0	5
TOTAL Services		360	-3572	-5374	-8258	-14049
Not allocated		-193	-67	-204	-67	442
TOTAL		-4265	-6987	-12469	-12646	-19076

Source: EUROSTAT estimates

*Notes: A positive figure indicates a net disinvestment.**A negative figure indicates a net investment.**Excluding reinvested profits.*

Table 4-EUR-16

EUROPEAN COMMUNITY

Sectorial breakdown of intra-Community direct investment
Investing branch

Branch	year	percentage				
		84	85	86	87	88
Energy		36	18	14	-2	3
Agriculture and Food products		3	3	0	11	1
Metallics		4	1	-1	2	2
Machinery		2	-7	2	0	1
Transport equipment		17	6	8	2	4
Electric and electronic goods		5	8	12	12	6
Chemical industry		27	12	14	1	3
Other industries		9	4	5	6	9
Not allocated industry		0	0	0	0	0
TOTAL Industries		67	28	40	34	25
Building and construction		1	2	1	1	1
Finance and Banking		-46	32	26	21	29
Insurance		7	3	0	15	7
Trade, lodging and catering		11	14	11	17	23
Transport and communication		3	0	1	2	1
Real estate		13	-1	4	5	5
Other services		4	3	2	5	8
Not allocated services		0	0	0	0	0
TOTAL Services		-8	51	43	65	74
Not allocated		5	1	2	1	-2
TOTAL		100	100	100	100	100

Source: EUROSTAT estimates

Table 4-EUR-17

EUROPEAN COMMUNITY

Sectorial breakdown of intra-Community direct investment
Branch receiving investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		-234	-418	2971	1193	4069
Agriculture and Food products		17	174	134	416	2159
Metallics		-7	60	-9	473	247
Machinery		356	225	60	431	13
Transport equipment		381	-85	17	44	-5
Electric and electronic goods		372	386	35	234	1300
Chemical industry		135	940	425	764	845
Other industries		242	274	91	489	1691
Not allocated industry		1	-1	1	1	0
TOTAL Industries		1495	1974	755	2852	6248
Building and construction		156	101	186	860	309
Finance and Banking		1450	1589	3137	2332	4832
Insurance		-252	186	104	1013	1438
Trade, lodging and catering		721	873	1261	1594	1493
Transport and communication		60	118	82	44	311
Real estate		963	1467	1237	1754	2635
Other services		-66	57	183	473	1274
Not allocated services		0	0	0	-8	4
TOTAL Services		2876	4289	6005	7203	11988
Not allocated		64	-280	437	-386	363
TOTAL		4358	5666	10354	11722	22976

Source: EUROSTAT estimates

*Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.*

Table 4-EUR-18

EUROPEAN COMMUNITY

Sectorial breakdown of intra-Community direct investment
Branch receiving investment

Branch	year	percentage				
		84	85	86	87	88
Energy		-5	-7	29	10	18
Agriculture and Food products		0	3	1	4	9
Metallics		0	1	0	4	1
Machinery		8	4	1	4	0
Transport equipment		9	-2	0	0	0
Electric and electronic goods		9	7	0	2	6
Chemical industry		3	17	4	7	4
Other industries		6	5	1	4	7
Not allocated industry		0	0	0	0	0
TOTAL Industries		34	35	7	24	27
Building and construction		4	2	2	7	1
Finance and Banking		33	28	30	20	21
Insurance		-6	3	1	9	6
Trade, lodging and catering		17	15	12	14	6
Transport and communication		1	2	1	0	1
Real estate		22	26	12	15	11
Other services		-2	1	2	4	6
Not allocated services		0	0	0	0	0
TOTAL Services		66	76	58	61	52
Not allocated		1	-5	4	-3	2
TOTAL		100	100	100	100	100

Source: EUROSTAT estimates

Table 4-UEBL-1

BELGIUM-LUXEMBOURG

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL						
	DK	2	-4	-11	0	-16
	D	-24	-7	-112	-14	90
	GR	-1	-2	-2	-12	-12
	E	-17	7	0	-56	-60
	F	-160	-167	-178	-237	-764
	IRL	0	0	-14	-2	-28
	I	-17	-40	-43	16	-18
	NL	-253	261	-564	-362	-187
	P	-2	-4	-9	9	-18
	UK	43	-198	-50	-969	-120
	intra not allocated	-51	-89	-126	-200	-177
Total EUR 12		-478	-245	-1110	-1826	-1310
	USA	118	71	-345	30	-532
	JPN	-55	-9	98	-5	-21
	EFTA	-63	-38	-78	-263	-343
	other class 1	-4	-2	-71	-102	-9
Total class 1		-482	-223	-1505	-2165	-2215
	OPEC	-37	36	16	33	12
	ACP not OPEC	109	-16	-30	74	-341
	other class 2	-16	-7	-89	-239	-249
Total class 2		56	13	-103	-132	-578
	COMECON	2	0	-9	7	-41
	other class 3	-1	2	0	-5	-5
Total class 3		1	2	-9	2	-46
	extra not allocated	0	-111	-98	-100	-341
Total World		-425	-318	-1715	-2395	-3180

Source: Banque Nationale de Belgique Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Table 4-UEBL-2

BELGIUM-LUXEMBOURG

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL						
DK		6	16	0	33	14
D		61	145	368	142	348
GR		0	0	0	-2	7
E		-1	-9	-2	0	83
F		57	22	96	778	1764
IRL		4	0	16	0	7
I		79	11	21	70	44
NL		198	198	34	-74	306
P		0	9	0	0	2
UK		46	396	55	400	472
intra not allocated		-4	42	-37	2	-14
Total EUR 12		446	830	550	1348	3033
USA		24	301	-37	249	516
JPN		57	91	98	35	88
EFTA		2	2	53	288	426
other class 1		-34	2	0	2	-9
Total class 1		494	1227	684	1922	4053
OPEC		-114	20	-11	-12	-5
ACP not OPEC		21	9	7	35	-2
other class 2		116	67	50	102	265
Total class 2		23	96	46	125	258
COMECON		-4	-2	0	-5	5
other class 3		0	0	0	0	0
Total class 3		-4	-2	0	-5	5
extra not allocated		0	31	-7	0	-7
Total World		513	1351	703	2042	4308

Source: Banque Nationale de Belgique Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		5	-8	-21	-8	-39
DK						
D		-17	-44	-75	-32	-124
GR		NA	NA	NA	NA	NA
E		-1	-31	-8	-64	-26
F		-24	-10	-28	-20	-16
IRL		NA	NA	NA	NA	NA
I		-1	-1	-1	-1	-2
NL		-7	-12	-14	-1	-14
P		NA	NA	NA	NA	NA
UK		-45	-62	-118	-173	-155
intra not allocated		-47	-30	-50	-56	-61
Total EUR 12		-138	-198	-316	-356	-437
USA		-122	-76	-243	-80	-155
JPN		-1	-1	-9	-6	-22
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		0	1	-1	-5	0
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		-95	-96	-148	-149	-117
Total World		-356	-370	-717	-597	-731

Source: Danmarks Nationalbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Loans between associated companies are not considered by Denmark as direct investment flows.

Table 4-DK-2

DENMARK

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		-5	3	0	-6	2
DK						
D		6	4	30	4	31
GR		NA	NA	NA	NA	NA
E		-5	-11	-9	-9	-7
F		-15	-4	-3	-8	15
IRL		NA	NA	NA	NA	NA
I		-11	2	-1	0	-1
NL		20	3	19	-45	35
P		NA	NA	NA	NA	NA
UK		-27	-4	-34	-15	7
intra not allocated		-4	-8	-8	-2	-2
Total EUR 12		-41	-17	-6	-80	80
USA		10	59	-173	-144	163
JPN		2	1	2	4	12
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		0	0	2	0	1
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		36	108	330	292	171
Total World		8	152	154	74	426

Source: Danmarks Nationalbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Loans between associated companies are not considered by Denmark
as direct investment flows.

Table 4-DK-3

DENMARK

Sectorial breakdown of outward direct investment
Total World

		Unit: million ECU				
Branch	year	84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		-21	-44	-37	-16	-55
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		-9	-5	-35	9	-12
Chemical industry		-10	-14	-64	-22	-105
Other industries		NA	NA	NA	NA	NA
Not allocated industry		-56	-71	-79	-87	-108
TOTAL Industries		-96	-134	-215	-116	-279
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		-39	-36	-37	-58	-25
Real estate		-102	-47	-89	-212	-180
Other services		NA	NA	NA	NA	NA
Not allocated services		-92	-126	-245	-93	-203
TOTAL Services		-233	-209	-370	-363	-408
Not allocated		-27	-26	-131	-117	-44
TOTAL		-356	-370	-717	-597	-731

Source: Danmarks Nationalbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Loans between associated companies are not considered by Denmark as direct investment flows.

Table 4-DK-4

DENMARK

Sectorial breakdown of inward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		16	5	-4	55	2
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		2	-3	19	-2	36
Chemical industry		2	3	10	64	35
Other industries		NA	NA	NA	NA	NA
Not allocated industry		-6	-10	-13	-2	61
TOTAL Industries		14	-6	11	116	134
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		6	118	93	-39	94
Real estate		-23	-51	-40	-18	-8
Other services		NA	NA	NA	NA	NA
Not allocated services		47	56	68	86	161
TOTAL Services		30	123	121	107	248
Not allocated		-36	34	23	-150	45
TOTAL		8	152	154	74	426

Source: Danmarks Nationalbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Loans between associated companies are not considered by Denmark as direct investment flows.

Table 4-DK-5

DENMARK

Sectorial breakdown of outward direct investment
Intra E.C. investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	-24	-22	-2	-24
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	-2	-25	-2	-1
Chemical industry		NA	-6	-20	-22	-26
Other industries		NA	NA	NA	NA	NA
Not allocated industry		NA	-49	-25	-62	-79
TOTAL Industries		NA	-81	-92	-88	-130
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	-14	-2	-15	-15
Real estate		NA	-41	-76	-199	-162
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	-78	-139	-52	-106
TOTAL Services		NA	-133	-217	-266	-282
Not allocated		-138	16	-7	-3	-25
TOTAL		-138	-198	-316	-356	-437

Source: Danmarks Nationalbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Loans between associated companies are not considered by Denmark as direct investment flows.

Table 4-DK-6

DENMARK

Sectorial breakdown of inward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	-1	-3	22	-3
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	-3	7	4	34
Chemical industry		NA	1	3	-57	-6
Other industries		NA	NA	NA	NA	NA
Not allocated industry		NA	-13	-27	-10	23
TOTAL Industries		NA	-17	-20	-40	48
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	1	-1	2	5
Real estate		NA	-10	-16	-10	-14
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	-1	29	-28	-59
TOTAL Services		NA	-11	13	-35	-69
Not allocated		-41	11	2	-4	100
TOTAL		-41	-17	-6	-80	80

Source: Danmarks Nationalbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Loans between associated companies are not considered by Denmark
as direct investment flows.

Table 4-DK-7

DENMARK

Sectorial breakdown of outward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	-20	-16	-14	-31
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	-3	-10	11	-10
Chemical industry		NA	-8	-44	-1	-79
Other industries		NA	NA	NA	NA	NA
Not allocated industry		NA	-22	-53	-24	-29
TOTAL Industries		NA	-53	-123	-29	-149
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	-21	-35	-44	-11
Real estate		NA	-7	-13	-13	-19
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	-48	-106	-41	-97
TOTAL Services		NA	-76	-153	-98	-126
Not allocated		-218	-42	-124	-114	-19
TOTAL		-218	-172	-401	-241	-294

Source: Danmarks Nationalbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Loans between associated companies are not considered by Denmark as direct investment flows.

Table 4-DK-8

DENMARK

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	6	-1	33	5
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	0	12	-6	2
Chemical industry		NA	2	7	121	41
Other industries		NA	NA	NA	NA	NA
Not allocated industry		NA	3	13	7	38
TOTAL Industries		NA	11	31	156	86
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	117	94	37	89
Real estate		NA	-40	-24	-8	7
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	57	38	113	220
TOTAL Services		NA	134	108	142	316
Not allocated		48	24	21	-145	-56
TOTAL		48	169	160	153	347

Source: Danmarks Nationalbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Loans between associated companies are not considered by Denmark
as direct investment flows.

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	-166	-218	-144	-72	-411
	DK	-14	-8	-11	-18	-40
	D					
	GR	-9	-19	-70	-16	-27
	E	-264	-258	-660	-248	-488
	F	-302	-309	-286	-422	-476
	IRL	-11	-14	-22	-13	-28
	I	-625	-214	-569	-158	-512
	NL	-101	60	-861	-70	-486
	P	-9	-15	-21	-30	-68
	UK	-178	-406	-497	-634	-666
	intra not allocated	0	1	0	1	0
Total EUR 12		-1678	-1402	-3140	-1679	-3202
	USA	-1439	-3111	-4052	-3855	-3675
	JPN	-34	-32	-66	-57	-99
	EFTA	-368	-286	-468	-314	-913
	other class 1	-346	-223	-399	-347	-382
Total class 1		-3866	-5054	-8126	-6253	-8272
	OPEC	-220	-76	-94	-89	-166
	ACP not OPEC	-49	-67	-30	5	-9
	other class 2	-522	-195	-244	-540	-11
Total class 2		-792	-339	-368	-624	-187
	COMECON	0	-1	-3	-3	-13
	other class 3	-1	-28	-8	-12	-14
Total class 3		-1	-29	-11	-15	-27
	extra not allocated	3	0	0	0	-1
Total World		-4656	-5422	-8504	-6892	-8486

Source: Deutsche Bundesbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Table 4-D-2:

GERMANY

Geographical breakdown of Inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		167	146	-86	-19	-406
DK		13	24	38	16	46
D						
GR		5	0	0	0	-1
E		0	-2	6	75	4
F		219	71	170	80	270
IRL		0	0	0	-5	1
I		107	49	115	-118	87
NL		168	61	731	23	420
P		0	0	-2	0	0
UK		75	192	291	62	250
intra not allocated		2	1	0	1	3
Total EUR 12		756	542	1262	115	676
USA		-203	-77	-215	-129	-1514
JPN		168	205	116	226	193
EFTA		144	83	395	290	561
other class 1		-18	23	8	-9	29
Total class 1		847	775	1567	494	-54
OPEC		-10	2	70	-129	629
ACP not OPEC		7	4	-9	0	0
other class 2		21	54	-125	-70	88
Total class 2		18	60	-65	-200	716
COMECON		4	2	5	7	12
other class 3		0	0	0	1	1
Total class 3		4	2	6	8	13
extra not allocated		1	0	1	0	0
Total World		871	837	1508	303	674

Source: Deutsche Bundesbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-D-3

GERMANY

Sectorial breakdown of outward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	-580	-299	-376
Agriculture and Food products		NA	NA	-21	-19	-63
Metallics		NA	NA	-244	-507	-347
Machinery		NA	NA	-189	-287	-459
Transport equipment		NA	NA	-1038	-201	-565
Electric and electronic goods		NA	NA	-1117	-574	-783
Chemical industry		NA	NA	-2016	-778	-1091
Other industries		NA	NA	-216	-567	-489
Not allocated industry		NA	NA	-1	0	0
TOTAL Industries		NA	NA	-4841	-2933	-3797
Building and construction		NA	NA	-15	-40	14
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	-362	-720	-1075
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	NA	NA	NA	NA
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	NA	-2230	-2796	-3148
TOTAL Services		NA	NA	-2592	-3516	-4223
Not allocated		-4656	-5422	-476	-103	-105
TOTAL		-4656	-5422	-8504	-6892	-8486

Source: Deutsche Bundesbank Data
harmonized by EUROSTAT.

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-D-4

GERMANY

Sectorial breakdown of inward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-4	111	-110	-76	-1652
Agriculture and Food products		93	-81	-28	251	-107
Metallics		-33	-36	63	89	-57
Machinery		17	-41	13	-123	-97
Transport equipment		-177	-160	128	-342	-17
Electric and electronic goods		79	64	-16	-438	-35
Chemical industry		208	211	-398	-79	175
Other industries		-92	88	-66	85	8
Not allocated industry		0	0	0	1	0
TOTAL Industries		96	44	-305	-555	-131
Building and construction		4	-1	16	-2	-9
Finance and Banking		NA	NA	NA	NA	NA
Insurance		9	100	-91	216	1
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	NA	NA	NA	NA
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		758	520	1933	709	2447
TOTAL Services		767	620	1842	924	2448
Not allocated		9	62	65	12	17
TOTAL		871	837	1508	303	674

Source: Deutsche Bundesbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-D-5

GERMANY

Sectorial breakdown of outward direct investment
Intra E.C. investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		NA	NA	-99	-77	-69
Agriculture and Food products		NA	NA	-16	NA	NA
Metallics		NA	NA	-31	-61	-245
Machinery		NA	NA	-124	-6	-81
Transport equipment		NA	NA	-830	-17	-356
Electric and electronic goods		NA	NA	-83	-234	-91
Chemical industry		NA	NA	-470	-344	-163
Other industries		NA	NA	-163	-112	-260
Not allocated industry		NA	NA	1	-8	-51
TOTAL Industries		NA	NA	-1716	-781	-1247
Building and construction		NA	NA	6	-8	-8
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	-15	-55	-415
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	NA	NA	NA	NA
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	NA	-1175	-710	-1440
TOTAL Services		NA	NA	-1189	-764	-1855
Not allocated		-1678	-1402	-141	-49	-24
TOTAL		-1678	-1402	-3140	-1679	-3202

Source: Deutsche Bundesbank Data
harmonized by EUROSTAT.

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-D-6

GERMANY

Sectorial breakdown of inward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		108	148	322	NA	-439
Agriculture and Food products		55	1	-23	NA	NA
Metallics		-38	-10	19	164	13
Machinery		38	2	13	8	-3
Transport equipment		58	3	-2	0	-4
Electric and electronic goods		0	-2	35	-70	-34
Chemical industry		105	140	-52	-17	NA
Other industries		26	6	-117	-20	NA
Not allocated industry		0	0	0	18	78
TOTAL Industries		243	140	-126	84	49
Building and construction		2	-1	7	NA	16
Finance and Banking		NA	NA	NA	NA	NA
Insurance		2	7	2	8	-2
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	NA	NA	NA	NA
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		408	519	1017	19	1027
TOTAL Services		410	526	1020	27	1025
Not allocated		-8	-270	39	4	24
TOTAL		756	542	1262	115	676

Source: Deutsche Bundesbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-D-7

GERMANY

Sectorial breakdown of outward direct investment
Extra E.C. investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		NA	NA	-481	-222	-307
Agriculture and Food products		NA	NA	-5	NA	NA
Metallics		NA	NA	-213	-446	-101
Machinery		NA	NA	-65	-281	-378
Transport equipment		NA	NA	-208	-184	-209
Electric and electronic goods		NA	NA	-1034	-341	-693
Chemical industry		NA	NA	-1545	-434	-928
Other industries		NA	NA	-53	-456	-229
Not allocated industry		NA	NA	-2	-11	-12
TOTAL Industries		NA	NA	-3125	-2152	-2551
Building and construction		NA	NA	-21	-32	22
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	-348	-665	-661
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	NA	NA	NA	NA
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	NA	-1055	-2087	-1707
TOTAL Services		NA	NA	-1403	-2752	-2368
Not allocated		-2978	-4020	-335	-55	-81
TOTAL		-2978	-4020	-5364	-5213	-5284

Source: Deutsche Bundesbank Data
harmonized by EUROSTAT.

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-D-8

GERMANY

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-113	-37	-432	NA	-1213
Agriculture and Food products		39	-82	-5	NA	NA
Metallics		5	-26	44	-75	-70
Machinery		-21	-43	0	-131	-94
Transport equipment		-235	-163	130	-342	-13
Electric and electronic goods		79	66	-52	-368	-1
Chemical industry		102	71	-346	-62	NA
Other industries		-118	82	51	106	NA
Not allocated industry		0	0	-1	235	-1
TOTAL Industries		-147	-95	-179	-639	-180
Building and construction		2	0	9	NA	-26
Finance and Banking		NA	NA	NA	NA	NA
Insurance		7	93	-93	208	3
Trade, lodging and catering		NA	NA	NA	NA	NA
Transport and communication		NA	NA	NA	NA	NA
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		349	0	916	690	1420
TOTAL Services		357	94	823	897	1424
Not allocated		17	333	26	-71	-7
TOTAL		115	295	246	188	-1

Source: Deutsche Bundesbank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-GR-1

GREECE

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		NA	NA	NA	NA	NA
DK		NA	NA	NA	NA	NA
D		NA	NA	NA	NA	NA
GR						
E		NA	NA	NA	NA	NA
F		NA	NA	NA	NA	NA
IRL		NA	NA	NA	NA	NA
I		NA	NA	NA	NA	NA
NL		NA	NA	NA	NA	NA
P		NA	NA	NA	NA	NA
UK		NA	NA	NA	NA	NA
intra not allocated		-9	-6	-3	-2	-6
Total EUR 12		-9	-6	-3	-2	-6
USA		NA	NA	NA	NA	NA
JPN		NA	NA	NA	NA	NA
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		NA	NA	NA	NA	NA
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		-57	-197	-65	-11	-14
Total World		-57	-197	-65	-11	-14

Source: EUROSTAT estimates

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Table 4-GR-2

GREECE

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		NA	NA	NA	NA	NA
DK		NA	NA	NA	NA	NA
D		NA	NA	NA	NA	NA
GR						
E		NA	NA	NA	NA	NA
F		NA	NA	NA	NA	NA
IRL		NA	NA	NA	NA	NA
I		NA	NA	NA	NA	NA
NL		NA	NA	NA	NA	NA
P		NA	NA	NA	NA	NA
UK		NA	NA	NA	NA	NA
intra not allocated		16	108	134	106	84
Total EUR 12		16	108	134	106	84
USA		NA	NA	NA	NA	NA
JPN		NA	NA	NA	NA	NA
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		NA	NA	NA	NA	NA
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		-11	210	336	193	149
Total World		-11	210	336	193	149

Source: EUROSTAT estimates

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

A series of inward investment "approved" by the Ministry of Economy or by the Bank of Greece is given in part five (Other sources).

Table 4-E-1

SPAIN

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		NA	NA	-3	-27	-108
DK		NA	NA	0	0	0
D		NA	NA	-30	-125	-23
GR		NA	NA	0	0	0
E						
F		NA	NA	-75	-29	-86
IRL		NA	NA	0	0	0
I		NA	NA	-6	-128	-20
NL		NA	NA	-4	-22	-118
P		NA	NA	-22	-59	-65
UK		NA	NA	-30	18	-56
intra not allocated		NA	NA	0	0	0
Total EUR 12		NA	NA	-169	-373	-474
USA		NA	NA	-122	-65	-394
JPN		NA	NA	0	-1	-3
EFTA		NA	NA	-1	-7	-54
other class 1		NA	NA	0	-7	16
Total class 1		NA	NA	-292	-452	-909
OPEC		NA	NA	-67	-56	-27
ACP not OPEC		NA	NA	-3	-8	-4
other class 2		NA	NA	-45	-83	-86
Total class 2		NA	NA	-114	-147	-117
COMECON		NA	NA	0	0	0
other class 3		NA	NA	-3	-1	0
Total class 3		NA	NA	-3	-1	0
extra not allocated		NA	NA	0	0	0
Total World		-307	-313	-410	-600	-1026

Source: Ministerio de Economía y Hacienda Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

*Figures reported here are investments recorded in the Balance of Payments
and are not comparable to figures on investments "verified" or "approved" by the Ministry.*

Table 4-E-2

SPAIN

Geographical breakdown of inward direct investment

		Unit: million ECU				
year		84	85	86	87	88
partner country						
	UEBL	NA	NA	86	164	131
	DK	NA	NA	22	37	35
	D	NA	NA	845	351	648
	GR	NA	NA	0	0	0
	E					
	F	NA	NA	277	396	573
	IRL	NA	NA	17	11	8
	I	NA	NA	50	354	53
	NL	NA	NA	207	178	735
	P	NA	NA	7	7	29
	UK	NA	NA	803	930	1583
	intra not allocated	NA	NA	0	0	-1
	Total EUR 12	NA	NA	2312	2428	3795
	USA	NA	NA	257	351	324
	JPN	NA	NA	146	-15	113
	EFTA	NA	NA	396	806	880
	other class 1	NA	NA	49	108	91
	Total class 1	NA	NA	3160	3678	5203
	OPEC	NA	NA	61	35	140
	ACP not OPEC	NA	NA	8	20	8
	other class 2	NA	NA	158	31	241
	Total class 2	NA	NA	227	86	389
	COMECON	NA	NA	1	1	2
	other class 3	NA	NA	0	0	0
	Total class 3	NA	NA	1	1	2
	extra not allocated	NA	NA	0	0	-1
	Total World	2323	2503	3388	3766	5594

Source: Ministerio de Economía y Hacienda Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Figures reported here are investments recorded in the Balance of Payments

and are not comparable to figures on investments "verified" or "approved" by the Ministry.

Table 4-F-1

FRANCE

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		-69	-65	-164	-827	-2308
DK		-5	-5	-4	-6	-4
D		-207	-126	-190	-94	-489
GR		-9	-58	-16	-60	-25
E		-97	-78	-148	-406	-515
F						
IRL		-10	-7	-6	-44	-146
I		-124	-133	-273	-253	-676
NL		-197	-39	-615	-1008	-839
P		-20	89	-19	-38	-54
UK		-202	-136	-367	-1332	-1797
intra not allocated		0	0	0	1	-5
Total EUR 12		-940	-559	-1802	-4067	-6858
USA		-933	-1256	-2277	-2357	-2492
JPN		-15	-25	-19	-15	1
EFTA		-309	-125	-408	-354	-625
other class 1		-185	-170	-235	-222	-384
Total class 1		-2381	-2134	-4742	-7015	-10359
OPEC		-35	-164	-96	-107	-84
ACP not OPEC		9	-38	-46	-45	-66
other class 2		-266	-571	-434	-356	-310
Total class 2		-292	-773	-576	-508	-459
COMECON		0	-3	0	0	-7
other class 3		-15	-28	-15	-27	0
Total class 3		-15	-31	-15	-27	-7
extra not allocated		0	0	0	0	9
Total World		-2687	-2938	-5333	-7550	-10816

Source: Banque de France Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Table 4-F-2

FRANCE

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		153	162	214	428	496
DK		20	15	40	27	23
D		309	308	214	355	531
GR		3	1	3	2	0
E		2	9	27	35	35
F						
IRL		9	13	3	5	9
I		208	87	274	330	865
NL		326	261	263	188	857
P		3	1	-1	-1	-1
UK		385	396	391	594	1453
intra not allocated		0	0	0	-2	0
Total EUR 12		1417	1253	1428	1961	4269
USA		551	800	436	993	342
JPN		84	89	133	143	242
EFTA		456	323	421	642	683
other class 1		28	47	42	27	446
Total class 1		2536	2512	2460	3766	5982
OPEC		96	156	127	81	59
ACP not OPEC		34	31	27	21	-23
other class 2		133	209	196	147	54
Total class 2		263	396	350	249	89
COMECON		3	4	5	2	10
other class 3		1	18	0	0	0
Total class 3		4	23	5	2	9
extra not allocated		0	0	0	0	2
Total World		2804	2930	2814	4017	6082

Source: Banque de France Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-F-3

FRANCE

Sectorial breakdown of outward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-413	-766	-495	-230	-1002
Agriculture and Food products		-73	-103	-111	-750	-1437
Metallics		-86	12	-22	-72	-451
Machinery		-26	-17	-29	-15	-141
Transport equipment		-194	-203	-212	-234	-181
Electric and electronic goods		-135	-183	-755	-872	-503
Chemical industry		-83	-50	-548	-677	-577
Other industries		-84	-86	-223	-301	-1378
Not allocated industry		0	0	0	0	0
TOTAL Industries		-681	-631	-1901	-2922	-4668
Building and construction		-46	-197	-236	-184	-175
Finance and Banking		-920	-837	-1190	-1952	-3057
Insurance		-162	-61	-131	-1421	-491
Trade, lodging and catering		-171	-199	-348	-221	-433
Transport and communication		-55	-31	-146	-128	-104
Real estate		11	-9	-49	-145	-120
Other services		-185	-129	-731	-245	-511
Not allocated services		0	0	0	0	0
TOTAL Services		-1481	-1266	-2596	-4111	-4717
Not allocated		-67	-78	-106	-102	-253
TOTAL		-2687	-2938	-5333	-7550	-10816

Source: Banque de France Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.

Table 4-F-4

FRANCE

Sectorial breakdown of inward direct investment
Total World

Branch	Unit: million ECU					
	year	84	85	86	87	88
Energy		-5	43	41	-9	55
Agriculture and Food products		11	82	65	342	1701
Metallics		48	92	39	149	91
Machinery		129	131	159	139	46
Transport equipment		159	35	66	18	25
Electric and electronic goods		210	144	235	205	230
Chemical industry		277	127	56	598	-83
Other industries		147	212	138	305	729
Not allocated industry		0	0	0	0	0
TOTAL Industries		981	823	759	1756	2738
Building and construction		27	8	20	-15	0
Finance and Banking		548	499	777	877	1031
Insurance		26	30	29	16	631
Trade, lodging and catering		497	672	408	553	395
Transport and communication		1	4	-14	-19	-47
Real estate		472	545	447	387	315
Other services		116	96	148	306	526
Not allocated services		0	0	0	0	0
TOTAL Services		1661	1845	1794	2120	2851
Not allocated		140	211	200	164	439
TOTAL		2804	2930	2814	4017	6082

Source: Banque de France Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-F-5

FRANCE

Sectorial breakdown of outward direct investment
Intra E.C. investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		-150	-62	-145	1	-470
Agriculture and Food products		-29	-40	-64	-456	-1050
Metallics		-44	50	14	-36	-13
Machinery		-14	-3	-10	-11	-28
Transport equipment		-91	18	-25	-60	-129
Electric and electronic goods		-22	-36	-580	-205	-447
Chemical industry		-13	-17	-25	-133	-105
Other industries		-9	-69	-88	-213	-300
Not allocated industry		0	0	0	0	0
TOTAL Industries		-222	-98	-780	-1114	-2071
Building and construction		-7	-14	-43	-15	-100
Finance and Banking		-286	-241	-359	-1289	-2909
Insurance		-123	2	-42	-1326	-466
Trade, lodging and catering		-72	-57	-240	-78	-193
Transport and communication		-5	-5	-78	-10	-83
Real estate		-26	-2	-24	-85	-107
Other services		-45	-57	-44	-107	-321
Not allocated services		0	0	0	0	0
TOTAL Services		-556	-359	-786	-2896	-4080
Not allocated		-4	-26	-48	-42	-137
TOTAL		-940	-559	-1802	-4067	-6858

Source: Banque de France Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-F-6

FRANCE

Sectorial breakdown of inward direct investment
Intra E.C. investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		-23	40	43	-8	34
Agriculture and Food products		-17	40	35	27	1074
Metallics		19	43	-1	125	66
Machinery		58	37	91	123	18
Transport equipment		128	16	76	39	49
Electric and electronic goods		113	45	-3	62	129
Chemical industry		161	89	43	155	9
Other industries		69	59	8	90	534
Not allocated industry		0	0	0	0	0
TOTAL Industries		530	328	250	619	1879
Building and construction		23	0	26	-18	-7
Finance and Banking		332	273	495	506	723
Insurance		23	27	18	8	570
Trade, lodging and catering		289	289	329	366	284
Transport and communication		2	5	6	-20	-47
Real estate		103	138	113	207	202
Other services		76	41	49	208	407
Not allocated services		0	0	0	0	0
TOTAL Services		825	773	1010	1275	2139
Not allocated		61	111	99	92	225
TOTAL		1417	1253	1428	1961	4269

Source: Banque de France Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-F-7

FRANCE

Sectorial breakdown of outward direct investment
Extra E.C. investment

Branch	Unit: million ECU					
	year	84	85	86	87	88
Energy		-263	-704	-350	-231	-532
Agriculture and Food products		-44	-63	-47	-293	-387
Metallics		-42	-38	-37	-36	-438
Machinery		-12	-14	-19	-4	-113
Transport equipment		-103	-221	-187	-175	-52
Electric and electronic goods		-113	-147	-175	-667	-56
Chemical industry		-70	-33	-523	-544	-472
Other industries		-76	-17	-135	-88	-1078
Not allocated industry		0	0	0	0	0
TOTAL Industries		-459	-533	-1122	-1808	-2597
Building and construction		-38	-184	-193	-169	-76
Finance and Banking		-635	-597	-832	-663	-148
Insurance		-39	-64	-89	-94	-25
Trade, lodging and catering		-99	-142	-107	-143	-240
Transport and communication		-49	-25	-69	-118	-21
Real estate		37	-7	-25	-60	-13
Other services		-140	-71	-687	-138	-190
Not allocated services		0	0	0	0	0
TOTAL Services		-925	-906	-1809	-1215	-637
Not allocated		-62	-52	-58	-59	-116
TOTAL		-1747	-2379	-3531	-3483	-3957

Source: Banque de France Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-F-8

FRANCE

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		18	2	-1	-1	22
Agriculture and Food products		29	42	30	315	627
Metallics		29	48	40	24	25
Machinery		71	94	68	16	28
Transport equipment		31	19	-10	-20	-23
Electric and electronic goods		98	99	238	143	101
Chemical industry		116	38	13	443	-92
Other industries		78	153	130	214	195
Not allocated industry		0	0	0	0	0
TOTAL Industries		451	495	509	1136	859
Building and construction		3	8	-6	3	7
Finance and Banking		217	226	282	372	308
Insurance		4	3	11	8	61
Trade, lodging and catering		208	383	79	186	111
Transport and communication		0	-1	-20	1	0
Real estate		369	406	334	180	113
Other services		39	55	98	98	119
Not allocated services		0	0	0	0	0
TOTAL Services		836	1072	784	846	712
Not allocated		78	100	101	72	214
TOTAL		1387	1677	1387	2056	1813

Source: Banque de France Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-IRL-1

IRELAND

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		NA	NA	NA	NA	NA
DK		NA	NA	NA	NA	NA
D		NA	NA	NA	NA	NA
GR		NA	NA	NA	NA	NA
E		NA	NA	NA	NA	NA
F		NA	NA	NA	NA	NA
IRL						
I		NA	NA	NA	NA	NA
NL		NA	NA	NA	NA	NA
P		NA	NA	NA	NA	NA
UK		NA	NA	NA	NA	NA
intra not allocated		-26	-35	-51	-73	-221
Total EUR 12		-26	-35	-51	-73	-221
USA		NA	NA	NA	NA	NA
JPN		NA	NA	NA	NA	NA
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		NA	NA	NA	NA	NA
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		-126	-143	-91	-159	-843
Total World		-126	-143	-91	-159	-843

Source: EUROSTAT estimates

*Notes: A positive figure indicates a net disinvestment.**A negative figure indicates a net investment.**Excluding reinvested profits.*

Table 4-IRL-2

IRELAND

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		NA	NA	NA	NA	NA
DK		NA	NA	NA	NA	NA
D		NA	NA	NA	NA	NA
GR		NA	NA	NA	NA	NA
E		NA	NA	NA	NA	NA
F		NA	NA	NA	NA	NA
IRL						
I		NA	NA	NA	NA	NA
NL		NA	NA	NA	NA	NA
P		NA	NA	NA	NA	NA
UK		NA	NA	NA	NA	NA
intra not allocated		142	279	76	205	301
Total EUR 12		142	279	76	205	301
USA		NA	NA	NA	NA	NA
JPN		NA	NA	NA	NA	NA
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		NA	NA	NA	NA	NA
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		113	538	86	515	490
Total World		113	538	86	515	490

Source: EUROSTAT estimates

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Table 4-I-1

ITALY

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	-243	-41	-458	-175	-572
	DK	1	-7	-12	-12	-1
	D	-197	-69	-170	-132	-77
	GR	-4	-3	-14	-2	-8
	E	-36	-69	-83	-377	-93
	F	-129	-124	-332	-389	-595
	IRL	0	0	-5	-8	-5
	I					
	NL	-117	-857	-238	-220	-685
	P	-2	-2	-13	-3	-5
	UK	-67	-132	-380	-18	-215
	intra not allocated	-1	0	-3	-3	-1
Total EUR 12		-795	-1305	-1707	-1338	-2258
	USA	-633	-338	-395	-101	-290
	JPN	-3	-3	-4	-9	2
	EFTA	-410	64	-125	-82	-33
	other class 1	-92	-104	5	-33	-13
Total class 1		-1932	-1685	-2227	-1564	-2592
	OPEC	-13	-70	-81	-102	-78
	ACP not OPEC	0	0	0	0	0
	other class 2	-358	-148	-252	-153	-721
Total class 2		-371	-218	-333	-255	-799
	COMECON	0	0	-7	-11	-8
	other class 3	0	0	0	0	0
Total class 3		0	0	-7	-11	-8
	extra not allocated	-3	0	-2	-1	-1
Total World		-2306	-1903	-2569	-1830	-3400

Source: Banca d'Italia Data
harmonized by EUROSTAT.

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-I-2

ITALY

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	56	-20	-121	159	382
	DK	2	2	2	8	9
	D	261	256	-302	272	335
	GR	1	0	-1	0	0
	E	5	1	3	14	11
	F	101	124	215	607	841
	IRL	13	1	1	0	12
	I					
	NL	189	296	341	487	617
	P	0	0	0	0	-1
	UK	137	722	296	303	557
	intra not allocated	2	1	0	0	0
	Total EUR 12	766	1384	434	1851	2764
	USA	446	277	425	657	797
	JPN	14	-39	19	40	73
	EFTA	372	-368	84	759	2212
	other class 1	12	10	-21	5	193
	Total class 1	1609	1264	941	3311	6039
	OPEC	32	-3	-1036	70	42
	ACP not OPEC	0	0	0	0	0
	other class 2	38	148	67	213	-256
	Total class 2	70	145	-969	283	-213
	COMECON	4	3	6	2	1
	other class 3	0	0	0	0	0
	Total class 3	4	3	6	2	1
	extra not allocated	7	0	0	0	0
	Total World	1690	1412	-22	3596	5827

Source: Banca d'Italia Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-I-3

ITALY

Sectorial breakdown of outward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-740	-611	-138	-95	-26
Agriculture and Food products		-4	-43	-23	-50	200
Metallics		-15	-6	-3	-32	-2
Machinery		NA	NA	NA	NA	NA
Transport equipment		-388	-69	-101	-18	-172
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		-36	97	-212	-569	-243
Other industries		-23	60	-189	-202	-220
Not allocated industry		-54	-90	-228	129	80
TOTAL Industries		-520	-51	-757	-742	-357
Building and construction		-26	-61	-124	-102	-159
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-135	-182	-598	-579	-1160
Transport and communication		-8	-1	-17	-4	-1
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-876	-997	-934	-308	-1697
TOTAL Services		-1019	-1180	-1549	-891	-2858
Not allocated		0	0	0	0	0
TOTAL		-2306	-1903	-2569	-1830	-3400

Source: Banca d'Italia Data
harmonized by EUROSTAT.

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-I-4

ITALY

Sectorial breakdown of inward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		12	177	150	262	436
Agriculture and Food products		5	113	31	109	364
Metallics		14	8	53	18	46
Machinery		NA	NA	NA	NA	NA
Transport equipment		7	-34	-1304	-3	1
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		118	-274	326	233	682
Other industries		137	152	223	551	5
Not allocated industry		771	256	-670	403	1199
TOTAL Industries		1051	220	-1342	1311	2297
Building and construction		110	124	122	402	-146
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		122	176	124	320	82
Transport and communication		19	90	15	30	122
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		377	624	909	1270	3036
TOTAL Services		518	890	1048	1620	3240
Not allocated		0	0	0	0	0
TOTAL		1690	1412	-22	3596	5827

Source: Banca d'Italia Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-I-5

ITALY

Sectorial breakdown of outward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-76	-331	-111	-35	-4
Agriculture and Food products		-4	-28	-5	-33	189
Metallics		0	-1	0	-20	-7
Machinery		NA	NA	NA	NA	NA
Transport equipment		-182	-3	-73	-17	-42
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		-22	-10	-51	-316	-65
Other industries		0	-39	-57	-48	-137
Not allocated industry		-18	-15	-89	-70	63
TOTAL Industries		-226	-96	-274	-504	1
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-85	-81	-382	-415	-805
Transport and communication		-6	0	-3	1	-1
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-402	-797	-937	-385	-1449
TOTAL Services		-493	-878	-1322	-799	-2255
Not allocated		0	0	0	0	0
TOTAL		-795	-1305	-1707	-1338	-2258

Source: Banca d'Italia Data
harmonized by EUROSTAT.

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-I-6

ITALY

Sectorial breakdown of inward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-6	166	128	151	167
Agriculture and Food products		16	21	10	10	32
Metallics		9	6	21	-11	11
Machinery		NA	NA	NA	NA	NA
Transport equipment		0	-15	-254	-3	1
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		64	376	176	111	222
Other industries		59	106	88	105	176
Not allocated industry		256	142	-867	124	663
TOTAL Industries		404	637	-827	337	1105
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		51	124	106	124	69
Transport and communication		9	86	1	24	108
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		308	372	1026	1215	1315
TOTAL Services		368	581	1133	1363	1492
Not allocated		0	0	0	0	0
TOTAL		766	1384	434	1851	2764

Source: Banca d'Italia Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-I-7

ITALY

Sectorial breakdown of outward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-664	-280	-27	-60	-22
Agriculture and Food products		-1	-15	-18	-17	11
Metallics		-15	-5	-3	-12	5
Machinery		NA	NA	NA	NA	NA
Transport equipment		-206	-66	-29	-1	-130
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		-14	107	-161	-253	-178
Other industries		-23	99	-133	-155	-83
Not allocated industry		-35	-75	-139	199	17
TOTAL Industries		-295	45	-482	-238	-358
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-50	-101	-216	-164	-356
Transport and communication		-2	-1	-14	-5	1
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-474	-200	3	77	-248
TOTAL Services		-526	-302	-227	-92	-603
Not allocated		0	0	0	0	0
TOTAL		-1511	-598	-861	-492	-1142

Source: Banca d'Italia Data
harmonized by EUROSTAT.

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-I-8

ITALY

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		17	12	23	111	269
Agriculture and Food products		-11	91	21	99	332
Metallics		5	1	33	29	35
Machinery		NA	NA	NA	NA	NA
Transport equipment		7	-19	-1051	0	1
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		54	-651	150	122	459
Other industries		77	46	135	446	-170
Not allocated industry		515	115	197	278	536
TOTAL Industries		647	-416	-515	975	1192
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		71	52	18	196	13
Transport and communication		10	5	14	6	14
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		69	251	-117	56	1721
TOTAL Services		150	309	-85	258	1748
Not allocated		0	0	0	0	0
TOTAL		924	28	-456	1745	3063

Source: Banca d'Italia Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-NL-1

NETHERLANDS

Geographical breakdown of outward direct investment

		Unit: million ECU				
year		84	85	86	87	88
partner country						
	UEBL	-421	-153	-101	36	-285
	DK	-8	-9	-92	136	-30
	D	38	-205	172	91	12
	GR	17	-39	-13	-9	-10
	E	-139	-27	-140	-160	-164
	F	-212	-189	-147	-22	-195
	IRL	-24	-43	-63	-88	-57
	I	-25	-27	-79	-53	244
	NL					
	P	-3	-5	-4	-11	-25
	UK	-1431	-1428	-2544	-2749	573
	intra not allocated	-121	-11	-207	-185	-13
	Total EUR 12	-2329	-2135	-3217	-3015	51
	USA	-652	-1372	-518	-2951	-1380
	JPN	-21	-73	13	-42	-24
	EFTA	55	-97	-167	-175	-454
	other class 1	-57	18	-164	-194	-160
	Total class 1	-3004	-3659	-4052	-6377	-1966
	OPEC	-15	-27	-7	-22	2
	ACP not OPEC	-70	19	-92	22	17
	other class 2	-181	-876	-206	-149	-542
	Total class 2	-266	-884	-305	-149	-523
	COMECON	0	0	6	0	-2
	other class 3	0	-30	-11	-5	-19
	Total class 3	0	-30	-5	-4	-21
	extra not allocated	-61	-13	-100	-260	-654
	Total World	-3331	-4587	-4462	-6790	-3164

Source: De Nederlandsche Bank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Investment by subsidiaries in their parent companies are recorded

as investment by the subsidiaries and not as disinvestment by the parent companies.

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		257	-59	-62	264	648
DK		2	1	-2	17	26
D		150	160	469	84	31
GR		0	0	0	0	0
E		0	4	5	-6	3
F		80	16	-58	24	122
IRL		0	-8	0	12	147
I		-10	7	0	-80	-12
NL						
P		0	0	-4	-11	0
UK		128	248	1216	789	1250
intra not allocated		-5	-66	165	-10	145
Total EUR 12		601	303	1727	1083	2359
USA		29	-364	-434	178	-372
JPN		-6	23	32	34	217
EFTA		0	470	116	208	827
other class 1		-60	-2	-16	8	18
Total class 1		565	430	1425	1511	3048
OPEC		8	30	81	49	102
ACP not OPEC		-13	2	2	0	9
other class 2		185	431	821	450	92
Total class 2		180	464	903	499	202
COMECON		0	0	-2	3	0
other class 3		0	0	0	3	0
Total class 3		0	0	-2	5	0
extra not allocated		-1	-79	92	-9	72
Total World		745	815	2418	2006	3322

Source: De Nederlandsche Bank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Investment by subsidiaries in their parent companies are recorded

as investment by the subsidiaries and not as disinvestment by the parent companies.

Sectorial breakdown of outward direct investment
Total World

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		-44	-94	-286	-65	-471
Not allocated industry		-2474	-3393	-1913	-4251	-469
TOTAL Industries		-2517	-3487	-2199	-4316	-940
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-80	-229	-563	-657	-293
Transport and communication		-43	-34	-115	-78	-112
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-431	-722	-1463	-1634	-1750
TOTAL Services		-553	-985	-2141	-2369	-2155
Not allocated		-261	-114	-122	-105	-69
TOTAL		-3331	-4587	-4462	-6790	-3164

Source: De Nederlandsche Bank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Investment by subsidiaries in their parent companies are recorded

as investment by the subsidiaries and not as disinvestment by the parent companies.

Table 4-NL-4

NETHERLANDS

Sectorial breakdown of inward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		47	28	129	88	244
Not allocated industry		346	339	1320	1546	537
TOTAL Industries		393	367	1448	1634	781
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-65	325	444	21	547
Transport and communication		54	68	55	-4	157
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		320	118	49	546	1451
TOTAL Services		308	511	548	564	2155
Not allocated		44	-63	422	-192	386
TOTAL		745	815	2418	2006	3322

Source: De Nederlandsche Bank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Investment by subsidiaries in their parent companies are recorded

as investment by the subsidiaries and not as disinvestment by the parent companies.

Table 4-NL-5

NETHERLANDS

Sectorial breakdown of outward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		-43	-35	-158	-28	-353
Not allocated industry		-1873	-1746	-2140	-2185	653
TOTAL Industries		-1915	-1781	-2298	-2213	299
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-105	-22	-352	-338	37
Transport and communication		10	-4	-7	-45	-36
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-187	-257	-552	-490	-862
TOTAL Services		-283	-284	-911	-872	-861
Not allocated		-131	-70	-8	70	612
TOTAL		-2329	-2135	-3217	-3015	51

Source: De Nederlandsche Bank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Investment by subsidiaries in their parent companies are recorded

as investment by the subsidiaries and not as disinvestment by the parent companies.

Table 4-NL-6

NETHERLANDS

Sectorial breakdown of inward direct investment
Intra E.C. investment

		Unit: million ECU				
Branch	year	84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		29	7	67	46	525
Not allocated industry		393	120	1140	995	335
TOTAL Industries		421	127	1207	1041	860
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		42	125	153	149	292
Transport and communication		8	35	27	6	149
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		128	20	74	325	821
TOTAL Services		179	180	254	479	1263
Not allocated		1	-4	266	-437	236
TOTAL		601	303	1727	1083	2359

Source: De Nederlandsche Bank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Investment by subsidiaries in their parent companies are recorded

as investment by the subsidiaries and not as disinvestment by the parent companies.

Table 4-NL-7

NETHERLANDS

Sectorial breakdown of outward direct investment
Extra E.C. investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		-1	-60	-128	-37	-117
Not allocated industry		-601	-1647	227	-2066	-1122
TOTAL Industries		-602	-1706	100	-2103	-1239
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		26	-207	-211	-319	-330
Transport and communication		-52	-29	-108	-33	-76
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-244	-465	-911	-1144	-887
TOTAL Services		-271	-701	-1230	-1497	-1294
Not allocated		-130	-44	-114	-175	-681
TOTAL		-1002	-2452	-1245	-3775	-3214

Source: De Nederlandsche Bank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Investment by subsidiaries in their parent companies are recorded as investment by the subsidiaries and not as disinvestment by the parent companies. des désinvestissements des maisons-mères.

Table 4-NL-8

NETHERLANDS

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		18	21	61	42	-281
Not allocated industry		-47	219	180	551	202
TOTAL Industries		-29	240	241	593	-79
Building and construction		NA	NA	NA	NA	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-107	200	292	-127	256
Transport and communication		45	33	28	-9	7
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		192	98	-25	221	629
TOTAL Services		130	331	294	85	892
Not allocated		42	-59	156	245	150
TOTAL		143	512	691	923	963

Source: De Nederlandsche Bank Data
harmonized by EUROSTAT.

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Investment by subsidiaries in their parent companies are recorded
as investment by the subsidiaries and not as disinvestment by the parent companies.
des désinvestissements des maisons-mères.

Table 4-P-1

PORTUGAL

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	0	0	0	3	-2
	DK	0	0	0	0	0
	D	0	0	0	0	0
	GR	0	0	0	0	-2
	E	0	-1	1	-2	-4
	F	0	0	-2	19	-35
	IRL	0	0	0	0	0
	I	0	0	0	0	-1
	NL	0	0	0	0	0
	P					
	UK	-1	0	8	0	0
	intra not allocated	0	0	0	0	0
	Total EUR 12	-1	-2	6	19	-44
	USA	-2	-8	7	-2	1
	JPN	0	0	0	0	0
	EFTA	0	0	0	1	0
	other class 1	0	0	0	-1	0
	Total class 1	-3	-11	13	17	-44
	OPEC	0	0	0	0	0
	ACP not OPEC	0	0	0	-3	0
	other class 2	-8	-8	-11	-1	-2
	Total class 2	-8	-9	-12	-4	-2
	COMECON	-1	0	0	0	0
	other class 3	0	0	0	0	0
	Total class 3	-1	0	0	0	0
	extra not allocated	0	0	0	0	0
	Total World	-12	-19	1	13	-46

Source: Banco de Portugal Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.

Table 4-P-2

PORTUGAL

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	11	16	7	3	30
	DK	1	1	1	4	5
	D	18	19	22	28	51
	GR	0	0	0	0	0
	E	4	11	15	50	54
	F	22	13	13	23	57
	IRL	3	1	0	0	2
	I	1	2	5	2	6
	NL	8	15	3	10	48
	P					
	UK	47	139	117	149	246
	intra not allocated	0	0	0	0	0
Total EUR 12		116	218	185	269	500
	USA	40	78	14	23	51
	JPN	10	0	1	4	4
	EFTA	58	20	19	37	83
	other class 1	2	2	2	4	19
Total class 1		227	318	221	337	657
	OPEC	1	1	1	2	3
	ACP not OPEC	2	1	2	0	5
	other class 2	22	20	8	26	38
Total class 2		24	22	11	28	46
	COMECON	0	0	0	1	0
	other class 3	0	0	0	0	0
Total class 3		0	0	0	1	0
	extra not allocated	0	0	0	0	0
Total World		251	340	232	366	703

Source: Banco de Portugal Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-P-3

PORTUGAL

Sectorial breakdown of outward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		0	0	0	0	0
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		-8	-9	-8	-2	-6
TOTAL Industries		-8	-9	-8	-2	-6
Building and construction		0	0	0	0	0
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		0	0	0	-1	-1
Transport and communication		-3	-3	-4	-3	0
Real estate		0	0	0	0	0
Other services		0	0	0	0	0
Not allocated services		0	-7	14	20	-38
TOTAL Services		-4	-10	10	16	-39
Not allocated		0	0	0	-1	0
TOTAL		-12	-19	1	13	-46

Source: Banco de Portugal Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-P-4

PORTUGAL

Sectorial breakdown of inward direct investment

Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		13	19	7	10	12
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		70	120	65	59	156
TOTAL Industries		70	120	65	59	156
Building and construction		4	1	2	3	23
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		67	40	40	51	95
Transport and communication		2	5	3	11	4
Real estate		51	80	87	131	215
Other services		11	4	1	2	4
Not allocated services		31	69	25	86	174
TOTAL Services		162	198	156	282	492
Not allocated		2	3	2	12	19
TOTAL		251	340	232	366	703

Source: Banco de Portugal Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-P-5

PORTUGAL

Sectorial breakdown of outward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		0	0	0	0	0
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		-1	0	0	0	-5
TOTAL Industries		-1	0	0	0	-5
Building and construction		0	0	0	0	0
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		0	0	0	-1	-1
Transport and communication		0	0	0	0	0
Real estate		0	0	0	0	0
Other services		0	0	0	-1	0
Not allocated services		0	-1	7	22	-38
TOTAL Services		0	-2	7	20	-39
Not allocated		0	0	0	0	0
TOTAL		-1	-2	6	19	-44

Source: Banco de Portugal Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Table 4-P-6

PORTUGAL

Sectorial breakdown of inward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		12	13	6	8	10
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		28	77	48	43	124
TOTAL Industries		28	77	48	43	124
Building and construction		2	1	2	3	18
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		19	18	31	39	79
Transport and communication		2	4	2	10	3
Real estate		41	66	74	107	159
Other services		1	1	0	2	3
Not allocated services		9	37	20	49	95
TOTAL Services		73	126	127	207	338
Not allocated		2	1	2	9	9
TOTAL		116	218	185	269	500

Source: Banco de Portugal Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.*

Table 4-P-7

PORTUGAL

Sectorial breakdown of outward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		0	0	0	0	0
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		-8	-8	-7	-1	-2
TOTAL Industries		-8	-8	-7	-1	-2
Building and construction		0	0	0	0	0
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		0	0	0	0	0
Transport and communication		-3	-3	-4	-3	0
Real estate		0	0	0	0	0
Other services		0	0	0	1	0
Not allocated services		0	-5	7	-2	0
TOTAL Services		-3	-9	3	-4	0
Not allocated		0	0	0	0	0
TOTAL		-11	-17	-5	-6	-2

Source: Banco de Portugal Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-P-8

PORTUGAL

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		1	6	2	2	2
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		42	43	17	17	32
TOTAL Industries		42	43	17	17	32
Building and construction		1	0	0	0	5
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		48	21	9	12	17
Transport and communication		0	0	1	1	1
Real estate		10	14	13	24	56
Other services		9	3	1	0	1
Not allocated services		22	32	5	38	79
TOTAL Services		89	71	29	75	154
Not allocated		0	2	0	3	10
TOTAL		135	123	48	97	203

Source: Banco de Portugal Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-UK-1

UNITED KINGDOM

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	-134	20	55	17	262
	DK	15	39	61	68	-38
	D	-223	-151	-36	50	-306
	GR	-10	14	-18	-6	0
	E	-22	-109	-113	-230	-555
	F	-394	-404	-295	-135	-2024
	IRL	-93	-214	34	-50	-36
	I	-161	-68	-138	-109	-217
	NL	3478	-114	-499	403	-1225
	P	-12	-229	-28	-60	-71
	UK					
	intra not allocated	-218	209	16	114	-106
	Total EUR 12	2225	-1007	-960	63	-4315
	USA	-7805	-3701	-9635	-14452	-10707
	JPN	-164	110	-128	118	-21
	EFTA	207	-221	1357	-573	211
	other class 1	-618	-278	-983	NA	NA
	Total class 1	-6155	-5097	-10349	NA	NA
	OPEC	535	NA	NA	NA	NA
	ACP not OPEC	-74	NA	133	-193	NA
	other class 2	-1563	-1540	-223	-1201	-874
	Total class 2	-1102	NA	NA	NA	NA
	COMECON	0	-2	NA	NA	NA
	other class 3	-34	NA	NA	NA	NA
	Total class 3	-34	NA	NA	NA	NA
	extra not allocated	-106	513	-329	-378	-2373
	Total World	-7397	-6126	-10769	-16616	-18080

Source: Central Statistical Office Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Table 4-UK-2

UNITED KINGDOM

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	183	44	270	538	307
	DK	64	0	73	27	71
	D	-428	17	347	132	63
	GR	0	NA	NA	NA	NA
	E	7	22	22	-1	45
	F	59	19	214	1042	1038
	IRL	-7	3	15	50	36
	J	71	-8	98	23	81
	NL	-755	-569	1138	485	3385
	P	0	NA	NA	NA	NA
	UK					
	intra not allocated	38	61	74	141	89
	Total EUR 12	-768	-411	2252	2436	5116
	USA	1768	-37	2155	64	280
	JPN	-98	61	-162	1002	494
	EFTA	330	632	1383	131	2947
	other class 1	-227	NA	NA	NA	NA
	Total class 1	1005	NA	NA	NA	NA
	OPEC	-42	138	158	-223	NA
	ACP not OPEC	51	-3	6	1	NA
	other class 2	80	93	-97	1131	-275
	Total class 2	88	228	67	910	NA
	COMECON	64	7	NA	3	-11
	other class 3	0	0	NA	NA	NA
	Total class 3	64	7	NA	NA	NA
	extra not allocated	70	-267	-119	2877	1127
	Total World	1228	212	5575	7422	9677

Source: Central Statistical Office Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-UK-3

UNITED KINGDOM

Sectorial breakdown of outward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-909	-1073	-1089	-2515	-3839
Agriculture and Food products		-295	698	-500	-1782	-2557
Metallics		-97	-81	79	-50	-144
Machinery		-225	-278	-185	-477	-549
Transport equipment		-34	-34	60	-160	-245
Electric and electronic goods		-112	102	-752	-1226	-1485
Chemical industry		10	-1014	-2549	-649	-1525
Other industries		195	-95	-1520	-1318	-2939
Not allocated industry		0	0	0	0	0
TOTAL Industries		-557	-703	-5368	-5662	-9446
Building and construction		-110	-205	-68	-348	-75
Finance and Banking		1459	-988	-1284	281	658
Insurance		-464	-489	-417	-135	113
Trade, lodging and catering		-935	-2122	-1133	-4591	-1728
Transport and communication		-10	-63	-77	-173	-549
Real estate		-322	311	22	169	-161
Other services		-46	-795	-1354	-3647	-3051
Not allocated services		0	0	0	0	0
TOTAL Services		-317	-4146	-4242	-8096	-4718
Not allocated		-2	2	-1	4	-2
TOTAL		-1895	-6126	-10769	-16616	-18080

Source: Central Statistical Office Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-UK-4

UNITED KINGDOM

Sectorial breakdown of inward direct investment
Total World

		Unit: million ECU				
Branch	year	84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		-49	NA	NA	NA	NA
Metallics		34	-24	-55	94	144
Machinery		-134	109	54	172	155
Transport equipment		254	-83	466	668	-731
Electric and electronic goods		91	-20	407	299	996
Chemical industry		173	-36	109	131	221
Other industries		-347	-340	-128	551	1591
Not allocated industry		0	275	10	-50	2194
TOTAL Industries		22	-119	862	1865	4571
Building and construction		10	31	-4	28	227
Finance and Banking		1566	-587	2067	2942	1181
Insurance		-339	105	-39	756	503
Trade, lodging and catering		-54	494	259	-30	406
Transport and communication		12	36	43	-60	15
Real estate		110	153	223	412	271
Other services		NA	-109	31	863	45
Not allocated services		0	0	0	0	0
TOTAL Services		1295	92	2585	4883	2422
Not allocated		-5603	484	2143	596	4652
TOTAL		-4275	212	5575	7422	9677

Source: Central Statistical Office Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-UK-5

UNITED KINGDOM

Sectorial breakdown of outward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	-241	2246	-48
Agriculture and Food products		NA	78	246	-393	NA
Metallics		-8	-37	100	-28	-8
Machinery		17	-32	-34	-6	48
Transport equipment		-37	-20	25	-30	-60
Electric and electronic goods		-25	182	-599	-255	-396
Chemical industry		-90	-75	-45	44	-272
Other industries		-154	-29	-25	-209	-527
Not allocated industry		108	0	0	0	164
TOTAL Industries		-190	66	-332	-877	-1051
Building and construction		NA	-25	-3	-102	27
Finance and Banking		3115	-501	-432	-31	513
Insurance		-85	-88	119	-17	75
Trade, lodging and catering		-98	-710	-141	-870	-2975
Transport and communication		-74	66	57	-142	17
Real estate		-214	207	15	113	-107
Other services		-36	NA	0	-258	NA
Not allocated services		0	0	0	0	0
TOTAL Services		2608	-1026	-383	-1206	-2478
Not allocated		-193	-22	-1	1	-766
TOTAL		2225	-1007	-960	63	-4315

Source: Central Statistical Office Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-UK-6

UNITED KINGDOM

Sectorial breakdown of inward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		-8	7	13	30	349
Metallics		5	NA	30	NA	NA
Machinery		0	27	27	64	-12
Transport equipment		100	-49	54	-4	NA
Electric and electronic goods		-32	75	37	119	87
Chemical industry		25	7	46	-41	164
Other industries		22	-3	24	58	77
Not allocated industry		0	0	0	0	0
TOTAL Industries		112	63	231	226	665
Building and construction		10	3	3	38	NA
Finance and Banking		NA	165	253	238	358
Insurance		NA	88	48	708	68
Trade, lodging and catering		NA	17	NA	331	NA
Transport and communication		19	-42	31	9	20
Real estate		37	51	74	137	90
Other services		-135	-20	85	349	53
Not allocated services		0	0	0	0	0
TOTAL Services		-80	258	491	1772	588
Not allocated		-6312	-735	1526	400	3862
TOTAL		-6270	-411	2252	2436	5116

Source: Central Statistical Office Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.*

Table 4-UK-7

UNITED KINGDOM

Sectorial breakdown of outward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	-847	-4761	-3791
Agriculture and Food products		NA	620	-746	-1389	NA
Metallics		-88	-44	-21	-21	-137
Machinery		-242	-246	-150	-471	-598
Transport equipment		3	-14	34	-131	-185
Electric and electronic goods		-86	-80	-153	-971	-1090
Chemical industry		100	-939	-2505	-693	-1252
Other industries		349	-66	-1495	-1110	-2413
Not allocated industry		-403	0	0	0	-2721
TOTAL Industries		-367	-769	-5036	-4785	-8395
Building and construction		NA	-180	-66	-246	-102
Finance and Banking		-1656	-487	-852	312	144
Insurance		-379	-401	-536	-118	38
Trade, lodging and catering		-836	-1413	-992	-3721	1248
Transport and communication		64	-129	-134	-31	-566
Real estate		-107	104	7	56	-54
Other services		-10	NA	-1354	-3389	NA
Not allocated services		0	-795	0	0	-3051
TOTAL Services		-2925	-3121	-3860	-6890	-2241
Not allocated		-828	-1049	0	3	765
TOTAL		-4120	-5119	-9809	-16679	-13765

Source: Central Statistical Office Data
harmonized by EUROSTAT

*Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.*

Table 4-UK-8

UNITED KINGDOM

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	Unit: million ECU					
	year	84	85	86	87	88
Energy		NA	NA	NA	NA	NA
Agriculture and Food products		-41	NA	NA	NA	NA
Metallics		29	NA	-85	NA	NA
Machinery		-134	81	27	108	167
Transport equipment		154	-34	412	673	NA
Electric and electronic goods		124	-95	369	180	909
Chemical industry		147	-42	63	172	57
Other industries		-369	-336	-152	492	1514
Not allocated industry		0	244	-3	14	1258
TOTAL Industries		-90	-182	631	1639	3906
Building and construction		0	27	-7	-10	NA
Finance and Banking		NA	-752	1814	2703	823
Insurance		NA	17	-86	48	435
Trade, lodging and catering		NA	477	NA	-360	NA
Transport and communication		-7	78	12	-68	-5
Real estate		73	102	149	274	181
Other services		NA	-88	-54	514	-8
Not allocated services		1309	0	259	0	406
TOTAL Services		1375	-166	2094	3111	1833
Not allocated		709	944	606	246	-1177
		1995	623	3324	4986	4562
TOTAL		1995	623	3324	4986	4562

Source: Central Statistical Office Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.

Table 4-USA-1

USA

Geographical breakdown of outward direct investment

Unit: million ECU

partner country	year	84	85	86	87	88
UEBL		-207	147	828	-241	55
DK		100	83	271	238	-135
D		-153	1051	31	996	1799
GR		29	-22	-126	-18	-15
E		72	-18	-204	-224	108
F		144	-528	108	-459	-438
IRL		60	-59	70	-96	-4
I		-186	-253	1771	-52	82
NL		770	280	-1481	-858	14
P		0	29	26	-51	-3
UK		-579	-1318	-2897	169	-2303
intra not allocated		0	-1	-1	-1	1
Total EUR 12		51	-611	-1603	-598	-840
USA						
JPN		673	-174	278	-195	-134
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		417	1432	-1126	320	86
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		5988	586	-6345	-8132	-1110
Total World		7128	1233	-8796	-8605	-1997

Source: Survey of Current Business Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.
A negative figure indicates a net investment.
Excluding reinvested profits.

Table 4-USA-2

USA

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	332	-384	742	-247	1224
	DK	NA	NA	NA	NA	NA
	D	817	2669	2402	3083	1736
	GR	NA	NA	NA	NA	NA
	E	NA	NA	NA	NA	NA
	F	1392	583	1147	2187	814
	IRL	NA	NA	NA	NA	NA
	I	437	256	178	-210	-812
	NL	2154	2789	3653	6657	3298
	P	NA	NA	NA	NA	NA
	UK	8116	5752	10438	17991	13055
	intra not allocated	199	485	244	101	600
	Total EUR 12 (*)	13448	12149	18804	29561	19914
	USA					
	JPN	3894	3333	7273	6518	14777
	EFTA	NA	NA	NA	NA	NA
	other class 1	NA	NA	NA	NA	NA
	Total class 1	NA	NA	NA	NA	NA
	OPEC	1264	418	680	408	1211
	ACP not OPEC	NA	NA	NA	NA	NA
	other class 2	NA	NA	NA	NA	NA
	Total class 2	NA	NA	NA	NA	NA
	COMECON	NA	NA	NA	NA	NA
	other class 3	NA	NA	NA	NA	NA
	Total class 3	NA	NA	NA	NA	NA
	extra not allocated	9854	10834	10213	2870	7968
	Total World	28460	26733	36969	39357	43870

Source: Survey of Current Business Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

(*) Total EUR 10 only for years 84 and 85.

Table 4-USA-3

USA

Sectorial breakdown of outward direct investment
Total World

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		4351	5276	-3385	-1320	1520
Agriculture and Food products		-537	-295	-40	332	497
Metallics		-41	178	-247	239	-107
Machinery		-3	62	-567	-361	659
Transport equipment		-248	721	-1487	27	562
Electric and electronic goods		-508	476	2173	-231	-181
Chemical industry		-147	246	531	-803	-30
Other industries		123	-62	736	-33	256
Not allocated industry		1	-1	0	1	1
TOTAL Industries		-1360	1325	1100	-829	1658
Building and construction		NA	NA	NA	NA	NA
Finance and Banking (*)		-726	-967	643	-355	-294
Insurance (*)		3536	-5269	-8231	-6353	-4308
Trade, lodging and catering		374	156	403	-964	-523
Transport and communication		NA	NA	NA	NA	NA
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		345	176	123	-781	164
TOTAL Services		3529	-5905	-7062	-8452	-4962
Not allocated		608	537	550	1997	-213
TOTAL		7128	1233	-8796	-8605	-1997

Source: Survey of Current Business Data
 harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

(*) Please note that the breakdown of Banking, Finance and Insurance is here specific to USA.

Table 4-USA-4

USA

Sectorial breakdown of inward direct investment
Total World

Branch	Unit: million ECU					
	year	84	85	86	87	88
Energy		7071	3382	1805	4597	-1319
Agriculture and Food products		360	3048	886	2702	1001
Metallics		1083	2175	659	1267	2438
Machinery		946	866	4233	4599	2912
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		516	2677	4211	6002	1947
Other industries		NA	NA	NA	NA	NA
Not allocated industry		1063	3718	3994	4638	12169
TOTAL Industries		NA	NA	NA	NA	NA
Building and construction		NA	NA	NA	NA	NA
Finance and Banking (*)		5558	-657	3265	-1335	995
Insurance (*)		1760	2080	2440	-213	1430
Trade, lodging and catering		2163	3380	5945	4442	10854
Transport and communication		NA	NA	NA	NA	NA
Real estate		3837	3739	3830	4346	5040
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	NA	NA	NA	NA
TOTAL Services		NA	NA	NA	NA	NA
Not allocated		4103	2325	5702	8312	6403
TOTAL		28460	26733	36969	39357	43870

Source: Survey of Current Business Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

(*) Please note that the breakdown of Banking, Finance and Insurance is here specific to USA.

Table 4-JPN-1

JAPAN

Geographical breakdown of outward direct investment

Unit: million ECU

partner country	year	84	85	86	87	88
UEBL		NA	NA	NA	NA	NA
DK		NA	NA	NA	NA	NA
D		NA	NA	NA	NA	NA
GR		NA	NA	NA	NA	NA
E		NA	NA	NA	NA	NA
F		NA	NA	NA	NA	NA
IRL		NA	NA	NA	NA	NA
I		NA	NA	NA	NA	NA
NL		NA	NA	NA	NA	NA
P		NA	NA	NA	NA	NA
UK		NA	NA	NA	NA	NA
intra not allocated		-1062	-1060	-2792	-3115	-4899
Total EUR 12 (*)		-1062	-1060	-2792	-3115	-4899
USA		-3911	-3351	-8101	-8355	-16042
JPN						
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		NA	NA	NA	NA	NA
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		-2585	-4044	-3820	-5446	-7990
Total World		-7558	-8455	-14713	-16916	-28931

Source: Bank of Japan Data / EUROSTAT estimates (*)

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

(*) For 1984 and 1985, the Bank of Japan gives only EUR 10 total.

EUR 12 total has thus been estimated by EUROSTAT for these two years.

Table 4-JPN-2

JAPAN

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		NA	NA	NA	NA	NA
DK		NA	NA	NA	NA	NA
D		NA	NA	NA	NA	NA
GR		NA	NA	NA	NA	NA
E		NA	NA	NA	NA	NA
F		NA	NA	NA	NA	NA
IRL		NA	NA	NA	NA	NA
I		NA	NA	NA	NA	NA
NL		NA	NA	NA	NA	NA
P		NA	NA	NA	NA	NA
UK		NA	NA	NA	NA	NA
intra not allocated		62	71	55	102	85
Total EUR 12 (*)		62	71	55	102	85
USA		-118	674	202	540	-507
JPN						
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		NA	NA	NA	NA	NA
ACP not OPEC		NA	NA	NA	NA	NA
other class 2		NA	NA	NA	NA	NA
Total class 2		NA	NA	NA	NA	NA
COMECON		NA	NA	NA	NA	NA
other class 3		NA	NA	NA	NA	NA
Total class 3		NA	NA	NA	NA	NA
extra not allocated		43	96	-27	368	12
Total World		-13	841	230	1010	-410

Source: Bank of Japan Data / EUROSTAT estimates (*)

*Notes: A positive figure indicates a net investment.**A negative figure indicates a net disinvestment.**Excluding reinvested profits.**(*) For 1984 and 1985, the Bank of Japan gives only EUR 10 total.**EUR 12 total has thus been estimated by EUROSTAT for these two years.*

Fifth part: OTHER SOURCES

The figures given in the following tables are not in line with the total results presented previously. In general, for aggregations and comparisons given in this document the Balance of Payments source has been favoured. On the other hand, the following tables have mostly been drawn up from statistics from administrative documents connected with applications for authorization to invest.

Though not directly comparable with balance of payments statistics, these series nevertheless have the advantage of giving useful information when balance of payments statistics are insufficient.

The source is specified each time: the "methodological annex" gives a brief explanation of the contents except for the tables 5-GBOP-1 and 2 where it is necessary to refer to the second part (page 23).

Table 5 - GBOP - 1

Source: G-BOP

Outward direct investment

Unit: million ECU

year	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
UEBL	-153	-173	-132	-140	-312	-123	-262	-311	-285	-814	-160	-114	58	-411	-376	-325	-1714	-2396	-3189
DK	-28	-50	-132	-79	0	-64	-57	-142	-25	0	-142	-126	-81	-180	-121	0	0	0	0
D	-854	-1003	-1395	-1349	-1608	-1621	-2191	-1938	-2839	-3287	-2885	-3476	-2533	-3565	-5587	-6358	-9899	-7841	-8796
GR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
E	-43	-24	-33	-43	-72	-136	-172	-101	-80	-97	-224	-243	-521	-274	-317	-331	-383	-649	-1041
F	-362	-328	-519	-761	-654	-1154	-1526	-1048	-1407	-1440	-2257	-4134	-3127	-2081	-2706	-2944	-5324	-7531	-10779
IRL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I	-108	-385	-192	-213	-169	-282	-143	-487	-133	-398	-540	-1247	-1049	-2391	-2536	-2373	-2719	-2017	-4614
NL	-539	-478	-654	-737	-1505	-1433	-945	-1840	-2019	-2357	-2818	-3338	-2699	-2461	-3332	-4587	-4463	-6233	-3451
P	0	0	-6	-36	-31	-7	-5	-2	-5	6	-9	-17	-10	-20	-13	-29	0	7	-47
UK	-1641	-1907	-1799	-4043	-3672	-2377	-3883	-3668	-5283	-9148	-8184	-11010	-7712	-8994	-10160	-14853	-16349	-26760	-23072
EUR 12	-3728	-4348	-4862	-7401	-8023	-7197	-9184	-9537	-12076	-17535	-17219	-23705	-17674	-20377	-25148	-31800	-40851	-53420	-54989
USA	-7425	-7266	-6901	-9269	-7603	-11472	-10667	-10427	-12600	-18423	-13827	-8546	2510	-492	-3675	-23327	-28740	-38192	-14858
JPN	-342	-345	-648	-1540	-1573	-1419	-1776	-1443	-1846	-2112	-1713	-4410	-4636	-4046	-7559	-8457	-14585	-16817	-28977

Source: EUROSTAT, G-BOP database

(*) Including intra-Community investment, and for some countries, reinvested profits

Table 5 - GBOP - 2

Source: G-BOP

Inward direct investment

Unit: million ECU

year	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
UEBL	311	429	359	575	901	744	711	978	1018	734	1118	1240	1548	1497	524	1354	703	2033	4292
DK	102	120	146	172	0	215	-169	66	69	75	77	90	138	72	12	0	0	0	0
D	582	1071	1722	1625	1786	556	1195	852	1278	1270	306	288	830	1996	702	772	1093	1678	1375
GR	50	40	49	50	56	20	274	340	335	446	481	466	448	493	618	588	477	591	768
E	222	192	239	317	300	549	426	531	916	1020	1075	1535	1831	1829	2254	2565	3502	3957	5938
F	583	463	519	916	1550	1170	926	1544	1926	1987	2393	2178	1590	1829	2798	2923	2792	4000	6092
IRL	31	24	28	43	43	128	155	119	295	246	206	184	247	190	151	210	-44	77	77
I	593	499	557	499	495	509	86	1001	400	262	423	1021	651	1336	1641	1331	-41	3522	5784
NL	525	565	539	689	813	788	317	263	472	913	1431	1309	867	824	744	815	2416	2305	3352
P	0	0	65	77	89	93	56	51	52	58	114	157	149	159	249	333	243	274	740
UK	1456	1702	1076	2211	3701	2702	2677	3893	2979	4728	7295	5317	5288	5873	-266	6311	7227	11554	11080
EUR12	4455	5105	5299	7174	9734	7474	6654	9638	9740	11739	14919	13785	13587	16098	9427	17202	18368	29991	39498
USA	1428	345	842	2286	3993	2124	3883	3254	6187	8655	12143	22793	14213	13448	32229	25224	34267	40551	49451
JPN	88	201	145	-29	171	186	103	20	10	170	206	169	452	456	-13	828	239	1031	-398

Source: EUROSTAT, G-BOP database

(*) Including intra-Community investment, and for some countries, reinvested profits

Table 5-GR-1

GREECE

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
UEBL		NA	NA	NA	4	16
DK		NA	NA	NA	1	0
D		NA	NA	NA	7	19
GR						
E		NA	NA	NA	0	1
F		NA	NA	NA	7	7
IRL		NA	NA	NA	0	0
I		NA	NA	NA	2	1
NL		NA	NA	NA	25	25
P		NA	NA	NA	0	0
UK		NA	NA	NA	37	12
intra not allocated		NA	NA	NA	0	0
Total EUR 12		NA	NA	NA	82	82
USA		NA	NA	NA	8	6
JPN		NA	NA	NA	0	0
EFTA		NA	NA	NA	NA	NA
other class 1		NA	NA	NA	NA	NA
Total class 1		NA	NA	NA	NA	NA
OPEC		NA	NA	NA	1	0
ACP not OPEC		NA	NA	NA	2	1
other class 2		NA	NA	NA	6	14
Total class 2		NA	NA	NA	9	14
COMECON		NA	NA	NA	0	1
other class 3		NA	NA	NA	0	0
Total class 3		NA	NA	NA	0	1
extra not allocated		NA	NA	NA	72	51
Total World		NA	NA	NA	171	155

Source: Bank of Greece Data
harmonized by EUROSTAT.

*Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.*

See also following pages.

Table 5-GR-2

GREECE

Sectorial breakdown of inward direct investment
Total World

Branch	Unit: million ECU					
	year	84	85	86	87	88
Energy		NA	NA	NA	46	2
Agriculture and Food products		NA	NA	NA	30	36
Metallics		NA	NA	NA	6	1
Machinery		NA	NA	NA	0	1
Transport equipment		NA	NA	NA	0	16
Electric and electronic goods		NA	NA	NA	2	7
Chemical industry		NA	NA	NA	11	8
Other industries		NA	NA	NA	3	9
Not allocated industry		NA	NA	NA	0	0
TOTAL Industries		NA	NA	NA	52	77
Building and construction		NA	NA	NA	2	1
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	64	58
Transport and communication		NA	NA	NA	1	6
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	NA	NA	7	10
TOTAL Services		NA	NA	NA	71	74
Not allocated		NA	NA	NA	0	0
TOTAL		NA	NA	NA	171	155

Source: EUROSTAT estimates
harmonized by EUROSTAT

*Notes: A positive figure indicates a net investment.
A negative figure indicates a net disinvestment.
Excluding reinvested profits.
Only data concerning foreign investment in Greece are available.
The figures reported here are investments "approved" by the Bank of Greece or Ministry of National Economy, and not investments recorded in the Balance of Payments.
Furthermore, investments in real estate are not included.*

Table 5-GR-3

GREECE

Sectorial breakdown of inward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	NA	NA	3	2
Agriculture and Food products		NA	NA	NA	18	20
Metallics		NA	NA	NA	5	1
Machinery		NA	NA	NA	0	1
Transport equipment		NA	NA	NA	0	0
Electric and electronic goods		NA	NA	NA	1	5
Chemical industry		NA	NA	NA	3	3
Other industries		NA	NA	NA	3	5
Not allocated industry		NA	NA	NA	0	0
TOTAL Industries		NA	NA	NA	30	35
Building and construction		NA	NA	NA	0	1
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	42	31
Transport and communication		NA	NA	NA	1	6
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	NA	NA	6	7
TOTAL Services		NA	NA	NA	49	44
Not allocated		NA	NA	NA	0	0
TOTAL		NA	NA	NA	82	82

Source: Bank of Greece Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Only data concerning foreign investment in Greece are available.

The figures reported here are investments "approved" by the Bank of Greece or Ministry of National Economy, and not investments recorded in the Balance of Payments.

Furthermore, investments in real estate are not included.

Table 5-GR-4

GREECE

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	Unit: million ECU					
	year	84	85	86	87	88
Energy		NA	NA	NA	43	0
Agriculture and Food products		NA	NA	NA	11	16
Metallics		NA	NA	NA	1	0
Machinery		NA	NA	NA	0	0
Transport equipment		NA	NA	NA	0	16
Electric and electronic goods		NA	NA	NA	2	2
Chemical industry		NA	NA	NA	9	5
Other industries		NA	NA	NA	0	3
Not allocated industry		NA	NA	NA	0	0
TOTAL Industries		NA	NA	NA	22	43
Building and construction		NA	NA	NA	2	0
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	NA	NA	22	27
Transport and communication		NA	NA	NA	0	0
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	NA	NA	1	3
TOTAL Services		NA	NA	NA	22	30
Not allocated		NA	NA	NA	0	0
TOTAL		NA	NA	NA	89	73

Source: Bank of Greece Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Only data concerning foreign investment in Greece are available.

The figures reported here are investments "approved" by the Bank of Greece or Ministry of National Economy, and not investments recorded in the Balance of Payments.

Furthermore, investments in real estate are not included.

Table 5-E-1

SPAIN

Sectorial breakdown of outward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-1	-5	-24	-21	-272
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		-67	-59	-102	-123	-280
TOTAL Industries		-67	-59	-102	-123	-280
Building and construction		-15	-4	0	-2	-5
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-80	-58	-81	-105	-120
Transport and communication		-6	-5	0	-21	-20
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-213	-201	-246	-415	-943
TOTAL Services		-300	-264	-327	-541	-1083
Not allocated		-4	-7	-32	-20	-29
TOTAL		-387	-339	-486	-707	-1669

Source: Ministerio de Economía y Hacienda Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

*Figures reported here are investments "verified" or "approved" by the Ministry
and are not comparable to figures on investments recorded in the Balance of Payments.*

Table 5-E-2

SPAIN

Sectorial breakdown of inward direct investment
Total World

Branch	Unit: million ECU					
	year	84	85	86	87	88
Energy		12	3	13	16	124
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		1115	1375	1792	2690	2264
TOTAL Industries		1115	1375	1792	2690	2264
Building and construction		27	20	2	12	35
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		357	302	446	967	759
Transport and communication		4	23	18	33	105
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		390	419	595	1324	2824
TOTAL Services		750	743	1059	2324	3688
Not allocated		205	28	50	72	63
TOTAL		2110	2168	2917	5115	6174

Source: Ministerio de Economía y Hacienda Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Figures reported here are investments "verified" or "approved" by the Ministry
and are not comparable to figures on investments recorded in the Balance of Payments.

Table 5-E-3

SPAIN

Sectorial breakdown of outward direct investment
Intra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		-1	-5	-24	-19	-39
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		-35	-22	-54	-90	-157
TOTAL Industries		-35	-22	-54	-90	-157
Building and construction		0	0	0	0	-2
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-20	-29	-31	-41	-57
Transport and communication		-5	-4	-1	-5	-13
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-61	-40	-66	-288	-542
TOTAL Services		-86	-73	-98	-334	-611
Not allocated		-1	-1	-21	-7	-8
TOTAL		-123	-102	-197	-450	-817

Source: Ministerio de Economía y Hacienda Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Figures reported here are investments "verified" or "approved" by the Ministry

and are not comparable to figures on investments recorded in the Balance of Payments.

Table 5-E-4

SPAIN

Sectorial breakdown of inward direct investment
Intra E.C. investment

Branch	Unit: million ECU					
	year	84	85	86	87	88
Energy		NA	0	10	2	17
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		NA	582	920	1140	946
TOTAL Industries		NA	582	920	1140	946
Building and construction		NA	0	2	5	17
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	108	261	563	516
Transport and communication		NA	0	8	19	54
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	173	250	761	1812
TOTAL Services		NA	280	518	1343	2382
Not allocated		733	13	28	22	33
TOTAL		733	875	1479	2512	3395

Source: Ministerio de Economía y Hacienda Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Figures reported here are investments "verified" or "approved" by the Ministry

and are not comparable to figures on investments recorded in the Balance of Payments.

Table 5-E-5

SPAIN

Sectorial breakdown of outward direct investment
Extra E.C. investment

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		0	0	0	-3	-233
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		-32	-37	-49	-33	-123
TOTAL Industries		-32	-37	-49	-33	-123
Building and construction		-14	-4	0	-1	-4
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-61	-29	-49	-64	-64
Transport and communication		-2	-1	1	-16	-8
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		-152	-160	-180	-127	-401
TOTAL Services		-215	-190	-229	-207	-472
Not allocated		-3	-6	-11	-14	-21
TOTAL		-265	-237	-289	-258	-852

Source: Ministerio de Economía y Hacienda Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

*Figures reported here are investments "verified" or "approved" by the Ministry
and are not comparable to figures on investments recorded in the Balance of Payments.*

Table 5-E-6

SPAIN

Sectorial breakdown of inward direct investment
Extra E.C. investment

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	3	3	14	106
Agriculture and Food products		NA	NA	NA	NA	NA
Metallics		NA	NA	NA	NA	NA
Machinery		NA	NA	NA	NA	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	NA	NA	NA	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		NA	793	872	1551	1318
TOTAL Industries		NA	793	872	1551	1318
Building and construction		NA	20	0	7	18
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	194	185	404	244
Transport and communication		NA	23	10	14	50
Real estate		NA	NA	NA	NA	NA
Other services		NA	NA	NA	NA	NA
Not allocated services		NA	246	345	563	1012
TOTAL Services		NA	463	541	981	1306
Not allocated		-528	15	22	50	30
TOTAL		1376	1293	1438	2603	2779

Source: Ministerio de Economía y Hacienda Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Figures reported here are investments "verified" or "approved" by the Ministry

and are not comparable to figures on investments recorded in the Balance of Payments.

Table 5-JPN-1

JAPAN

Geographical breakdown of outward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	-489	-503	-1160	-1589	-694
	DK	-1	-1	-1	-5	-2
	D	-310	-225	-213	-349	-346
	GR	-11	-46	0	0	-1
	E	-177	-119	-87	-245	-136
	F	-148	-88	-154	-286	-392
	IRL	-1	-106	-73	-50	-36
	I	-28	-42	-23	-51	-91
	NL	-573	-803	-661	-718	-1995
	P	0	0	-3	-5	-6
	UK	-403	-491	-1000	-2143	-3346
	intra not allocated	0	1	1	0	0
	Total EUR 12	-2143	-2424	-3376	-5443	-7044
	USA	-4257	-7070	-10329	-12743	-18352
	JPN					
	EFTA	NA	NA	NA	NA	NA
	other class 1	NA	NA	NA	NA	NA
	Total class 1	NA	NA	NA	NA	NA
	OPEC	NA	NA	NA	NA	NA
	ACP not OPEC	NA	NA	NA	NA	NA
	other class 2	NA	NA	NA	NA	NA
	Total class 2	NA	NA	NA	NA	NA
	COMECON	NA	NA	NA	NA	NA
	other class 3	NA	NA	NA	NA	NA
	Total class 3	NA	NA	NA	NA	NA
	extra not allocated	-6467	-6516	-8974	-10728	-14370
	Total World	-12866	-16010	-22679	-28915	-39766

Source: Ministry of Finance JAPAN Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Figures reported here are investments "notified" to Ministry of Finance during the Japanese Fiscal Year (April 1 to March 31) and not investments recorded in the Balance of Payments.

Table 5-JPN-2

JAPAN

Geographical breakdown of inward direct investment

		Unit: million ECU				
partner country	year	84	85	86	87	88
	UEBL	NA	NA	NA	NA	NA
	DK	NA	NA	NA	NA	NA
	D	NA	33	48	46	165
	GR	NA	NA	NA	NA	NA
	E	NA	NA	NA	NA	NA
	F	NA	29	17	17	23
	IRL	NA	NA	NA	NA	NA
	I	NA	NA	NA	NA	NA
	NL	NA	142	19	68	141
	P	NA	NA	NA	NA	NA
	UK	NA	80	36	42	95
	intra not allocated	NA	NA	NA	NA	NA
	Total EUR 12	NA	NA	NA	NA	NA
	USA	NA	541	496	813	NA
	JPN					
	EFTA	NA	NA	NA	NA	NA
	other class 1	NA	NA	NA	NA	NA
	Total class 1	NA	NA	NA	NA	NA
	OPEC	NA	NA	NA	NA	NA
	ACP not OPEC	NA	NA	NA	NA	NA
	other class 2	NA	NA	NA	NA	NA
	Total class 2	NA	NA	NA	NA	NA
	COMECON	NA	NA	NA	NA	NA
	other class 3	NA	NA	NA	NA	NA
	Total class 3	NA	NA	NA	NA	NA
	extra not allocated	NA	NA	NA	NA	NA
	Total World	NA	1219	955	1919	NA

Source: Ministry of Finance JAPAN Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Figures reported here are investments "notified" to Ministry
of Finance during the Japanese Fiscal Year (April 1 to March 31)
and not investments recorded in the Balance of Payments.

Table 5-JPN-3

JAPAN

Sectorial breakdown of outward direct investment
Total World

Unit: million ECU

Branch	year	84	85	86	87	88
Energy		-613	-784	-680	-443	-857
Agriculture and Food products		-213	-189	-197	-406	-571
Metallics		-910	-505	-333	-681	-1156
Machinery		-234	-461	-636	-595	-1211
Transport equipment		-554	-822	-841	-1277	-1083
Electric and electronic goods		-518	-672	-1003	-2098	-2572
Chemical industry		-283	-174	-361	-789	-1093
Other industries		-526	-329	-564	-1063	-4205
Not allocated industry		0	0	0	0	0
TOTAL Industries		-3237	-3152	-3935	-6909	-11891
Building and construction		-142	-123	-254	-75	-261
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		-1878	-2031	-1891	-1966	-2710
Transport and communication		-2092	-1625	-1956	-1859	-2006
Real estate		-545	-1582	-4061	-4704	-7308
Other services		-863	-871	-1585	-2409	-3156
Not allocated services		-2642	-4986	-7356	-9250	-11082
TOTAL Services		-8019	-11096	-16850	-20189	-26261
Not allocated		-855	-856	-960	-1299	-497
TOTAL		-12866	-16010	-22679	-28915	-39766

Source: Ministry of Finance JAPAN Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net disinvestment.

A negative figure indicates a net investment.

Excluding reinvested profits.

Figures reported here are investments "notified" to Ministry of Finance during the Japanese Fiscal Year (April 1 to March 31) and not investments recorded in the Balance of Payments.

Table 5-JPN-4

JAPAN

Sectorial breakdown of inward direct investment
Total World

Branch	year	Unit: million ECU				
		84	85	86	87	88
Energy		NA	3	16	29	NA
Agriculture and Food products		NA	35	4	6	NA
Metallics		NA	13	5	12	NA
Machinery		NA	529	236	962	NA
Transport equipment		NA	NA	NA	NA	NA
Electric and electronic goods		NA	NA	NA	NA	NA
Chemical industry		NA	216	172	211	NA
Other industries		NA	NA	NA	NA	NA
Not allocated industry		NA	55	70	18	NA
TOTAL Industries		NA	849	487	1210	NA
Building and construction		NA	4	26	2	NA
Finance and Banking		NA	NA	NA	NA	NA
Insurance		NA	NA	NA	NA	NA
Trade, lodging and catering		NA	113	132	252	NA
Transport and communication		NA	24	48	54	NA
Real estate		NA	9	51	17	NA
Other services		NA	55	48	157	NA
Not allocated services		NA	117	88	134	NA
TOTAL Services		NA	317	367	614	NA
Not allocated		NA	46	59	63	NA
TOTAL		NA	1219	955	1919	NA

Source: Ministry of Finance JAPAN Data
harmonized by EUROSTAT

Notes: A positive figure indicates a net investment.

A negative figure indicates a net disinvestment.

Excluding reinvested profits.

Figures reported here are investments "notified" to Ministry of Finance during the Japanese Fiscal Year (April 1 to March 31) and not investments recorded in the Balance of Payments.

Sixth Part: ANNEXES

The following additional information presented here :

- detail of the geonomenclature used in the study and in the statistical tables
- the exchange rates used to convert national currencies into ECU
- EUROSTAT questionnaire, answers to which provide the main source of information for the various statistics reported in this study
- A list of the documents or periodicals which were consulted to establish the statistics or methodology of each Member State.

6-1 Geonomenclature

EUR 12: European Community countries:

- Belgo-Luxembourg Economic Union (UEBL)
- Denmark (DK)
- F.R.Germany (D)
- Greece (GR)
- Spain (E)
- France (F)
- Ireland (IRL)
- Italy (I)
- Netherlands (NL)
- Portugal (P)
- United Kingdom (UK)

Class 1: Western industrialized countries:

- United States (USA)
- Japan (JPN)
- European Free Trade Association (EFTA):
 - Austria
 - Finland
 - Iceland
 - Norway
 - Sweden
 - Switzerland
- Other class 1:
 - Canada
 - Turkey
 - Australia
 - New-Zealand
 - Gibraltar
 - Malta
 - South Africa
 - Yugoslavia

Class 2: Developing countries:

— Petroleum exporting countries (OPEC):

- Algeria
- Ecuador
- Gabon
- Indonesia
- Iran
- Iraq
- Kuwait
- Libya
- Nigeria
- Qatar
- Saudi Arabia
- United Arab Emirates
- Venezuela

— African, Caribbean and Pacific countries signatories of the Lomé Convention, excluding Gabon and Nigeria (ACP not OPEC)

— Other class 2: other developing countries not members of OPEC or ACP

Class 3: State-trading countries:

— Council for Mutual Economic Assistance (COMECON):

- Bulgaria
- Cuba
- Hungary
- Mongolia
- Poland
- German D.R
- Romania
- Czechoslovakia
- USSR
- Vietnam

— Other State-trading countries:

- Albania
- China
- North Korea
- Kampuchea
- Laos

6-2 Monetary Conversion Rates

One ECU =

1984	1985	1986	1987	1988		
45.442	44.9136	43.7978	43.0392	43.4284	BFR	Belgian or Lux. franc
8.14647	8.01876	7.93565	7.88413	7.95152	DKR	Danish crown
2.23811	2.22632	2.12819	2.07159	2.0744	DM	German mark
126.5693	129.164	137.456	142.192	137.6	PTA	Spanish peseta
6.87165	6.79502	6.79976	6.92848	7.03643	FF	French franc
1381.381	1447.99	1461.87	1494.71	1537.33	LIT	Italian lira
2.52334	2.51101	2.40089	2.33428	2.33479	HFL	Dutch florin
115.6713	130.251	147.088	162.581	170.0592	ESC	Portuguese Escudo
0.590626	0.588977	0.671542	0.704679	0.664434	UKL	Pound sterling
0.78926	0.76309	0.98417	1.15387	1.18248	USD	United States dollar

6-3 EUROSTAT Questionnaire

EUROSTAT Questionnaire A on : DIRECT INVESTMENT CAPITAL and INCOME FLOWS

Reporting country:

Year:

Unit:

Partner Country:

NACE-CLIO R-6 and R-25 + additional details	Undistributed earnings (net)		Other Direct investment income		Direct investment flows excluded undistributed earnings			
	(+) (+)	(-) (-)	(+) (+)	(-) (-)	Outward		Inward	
					(+) (+)	(-) (-)	(+) (+)	(-) (-)
01 AGRICULTURE								
06 FUEL and POWER PRODUCTS								
a) mining + quarrying								
b) manufactory								
c) electricity power, etc								
30 MANUFACTURED PRODUCTS								
13 metallic minerals								
a) mining + quarrying								
b) manufactory								
15 non metallic minerals								
a) mining + quarrying								
b) manufactory								
17 chemical products								
19 metal products no machinery								
21 agricul.+ indust. machinery								
23 office + data processing m.								
25 electrical goods								
28 transport equipment								
36 food beverage + tobacco								
42 textiles, clothing etc								
47 paper + printing products								
49 rubber + plastic products								
48 other manufactured products								
53 BUILDING and CONSTRUCTION								
68 MARKET SERVICES								
56 recovery, repair, trade serv.								
59 lodging + catering services								
61 inland transport services								
63 maritime + air services								
a) maritime								
b) coastal transp. services								
c) air transport services								
65 auxiliary transport services								
67 communication services								
69 credit + insurance inst. serv.								
a) of which: insurance								
74 other market services								
a) community, social, person								
b) other market serv. other								
86 NON MARKET SERVICES								
99 NOT AVAILABLE								
TOTAL OF BRANCHES								

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1991 – 204 pp. – 21.0 × 29.7 cm

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