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EUROSTAT  
Balance of Payments

## DIRECT INVESTMENT

EUROPEAN COMMUNITY / USA / JAPAN

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## 1. INTRODUCTION

1.1 This study gives a picture of EUR-12 direct investment with USA and Japan. It was produced rapidly in response to great demand, both from inside the European Commission and externally, for immediate figures on the Community's direct investment position. The aim of this document is therefore to provide, without delay, the most useful possible analysis of those figures which are currently available at Eurostat.

1.2 However, a number of important problems need to be solved before a more detailed and definitive document can be produced. In particular, the definition of direct investment varies greatly between countries, the most important difference being that some countries include reinvested profits while others do not. There are also considerable differences between countries in the nomenclatures used to break down investment by branches. More harmonization is needed in these areas, and this is a problem which Eurostat intends to tackle as part of its effort to improve the quality of direct investment information (1).

1.3 The study is mainly based on data from the following member states : Germany, Spain, France, Italy, Netherlands, Portugal and United Kingdom. Detailed data were not available for BLEU, Denmark, Greece and Ireland. For certain detailed figures at Community level it was therefore necessary to make estimates based on the seven states available. These estimates are nevertheless judged to be accurate approximations since these seven member states are together responsible for the vast majority of EC direct investment flows : in 1986 they made 96% of the Community's direct investment abroad and received 93% of all foreign direct investment made in the Community.

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(1) For further detail on these problems and other methodological issues see section 3. The reader is strongly advised to read this section before attempting any detailed interpretation of the data presented here.



Direct investment by the Community is important relative to that of USA and Japan.

2.1 As Table 1 shows, the level of direct investment made by the Community abroad and of that made in the Community by the rest of the world are substantial by international standards. In 1986 Community direct investment abroad (in Extra EUR-12) totalled 26 billion ecu, compared with 29 billion for the USA and 15 billion for Japan.

2.2 Taking into account foreign investments made in the Community, EUR-12 is a net investor : foreign investments made in the Community (6 billion ecu in 1986) are much smaller than those made abroad by the Community (26 billion). The difference (20 billion) is important and appears to have been increasing since 1982 (3 billion). However, these figures should be treated with care because other sources suggest that the level of foreign investment in the Community is much higher - for example American (except 1984) and Japanese figures for direct investment in EUR-12 are larger than the corresponding figures provided by the member states.

TABLE 1 : Direct Investment (Net) - Billion ecu (\*)

	1980	1981	1982	1983	1984	1985	1986
A. Direct inv. abroad by :							
EUR-12 (**)	-11	-18	-12	-15	-18	-21	-26
USA	-14	-8	2	0	-4	-22	-29
JAPAN	-2	-4	-5	-4	-8	-8	-15
B. Direct inv. in :							
EUR-12 (**)	10	8	9	11	9	10	6
USA	12	22	14	13	32	25	25
JAPAN	0	0	0	0	0	1	0
C. Direct inv. balance (A+B) :							
EUR-12 (**)	-1	-10	-3	-4	-9	-11	-20
USA	-2	14	16	13	28	3	-4
JAPAN	-2	-4	-5	-4	-8	-7	-15

\* For inward direct investment a positive figure indicates a net inflow of capital; for direct investment abroad a negative figure indicates a net outflow of capital. For further details of this recording convention see section 3.15.

\*\* Flows indicated are between EUR-12 and extra-Community countries.

0 =less than 0.5 billion Ecus.

Source : EUROSTAT Global Balance of Payments database.



**Intra-Community direct investment is very important.**

2.3 In 1986 total direct investment made by member states within the Community was 14 billion ecus (according to the investing source) which represented just over 50% of extra-Community direct investment.

2.4 Table 2 shows the progression of intra-Community direct investment since 1980. Between 1980 and 1983 it was around 4 to 5 billion ecus per year, but from 1984 onwards it appeared to increase quite rapidly, reaching around 11 to 13 billion in 1986. However, some care should be exercised in interpreting these figures: in particular, it should be noted that some of the increase since 1984 is due to the fact that UK figures exclude oil companies' investment before 1984 but include it from 1984 onwards (1).

**TABLE 2 : Intra EUR-12 direct investment (billion ecus)**

	1980	1981	1982	1983	1984	1985	1986
Inward source (*)	4.5	5.8	4.7	5.2	1.4	8.2	11.3
Outward source (*)	3.1	3.4	2.7	3.7	5.6	10.4	14.4

(\*) Inward source = the sum of intra-Community direct investment as declared by the receiving member states.  
Outward source = the sum of intra-Community direct investment as declared by the investing member states.

(1) This factor is also responsible for the increase in the asymmetry between the inward and outward figures for intra EUR-12 investment because unremitted oil company profits are included in UK direct investment figures since 1984 but are excluded from the direct investment figures of the Netherlands (one of the UK's major oil partners). This, combined with a large foreign disinvestment in UK oil companies in 1984, explains most of the suddenly large and reversed inward/outward asymmetry in 1984.



**Direct investment flows between the Community and USA are substantial.**

2.5 After a trough around 1982-83, US direct investment abroad grew from 4 billion ecus in 1984 to 29 billion in 1986. Over the same period, foreign investments in the USA fell somewhat from 32 billion ecus in 1984 to 25 billion in 1986. The USA is also a very important direct investment partner for the Community, as Tables 3 and 4 show : for EUR-12 in 1986 direct investment in the USA was 19 billion ecus, or 70% of all its direct investment outside the Community. Similarly a large part of American direct investment abroad is made in the Community : in 1986 it invested 14 billion ecus in EUR-12 (3 billion according to the EUR-12 source (1)), compared with total overseas investment of 29 billion.

**Japan is an important direct investor, but EUR-12 and USA invest very little in Japan.**

2.6 Direct investment by Japan in the world (15 billion Ecus in 1986) is much lower than that of EUR-12 and USA, although it is fast growing in importance. Most of Japan's direct investment abroad is in the USA : 8 billion Ecus in 1986 or approximately 50% of all its investment abroad. By contrast, foreign direct investment in Japan is very small. In particular, Japan is a very closed market for European and American direct investors. The USA invested just 2 billion ecus (2) in Japan in 1986 and EUR-12 only 0.3 billion. However, in the same year Japanese direct investment abroad was substantial : 15 billion ecus in total, of which 8 billion was in the USA and 3 billion (3) in EUR-12. Indeed Japan's investment abroad has been increasing rapidly, jumping from 4 billion ecus in 1983 to 15 billion in 1986.

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(1) It should be noted that figures from the US source and the EUR-12 source differ considerably. This is partly due to the fact that the USA include reinvested profits in their direct investment figures, whereas certain member states (notably Netherlands, France and Italy) do not. There are also other differences in the definition of direct investment - for example, USA uses a 10% stock ownership threshold, whereas Germany uses 25%.

(2) 0.2 billion according to the Japanese source. In general figures differ greatly between the Japanese source and the EUR-12/USA source.

(3) 0.5 billion according to the EUR-12 source.



**TABLE 3: Direct investment abroad by EUR-12/USA/Japan by partner**

(Billions of ECUs)

Declarant	Partner	1984	1985	1986
By EUR-12 (*) in	USA	-8	-12	-19
	Japan	0	0	0
	World	-18	-21	-26
By Japan (**) in	EUR-12 (++)	-1	-2	-3
	USA	-4	-3	-8
	World	-8	-8	-15
By USA (***) in	EUR-12	0	-16	-14
	Japan	0	-2	-2
	World	-4	-23	-29

**TABLE 4 : Foreign direct investment in EUR-12/USA/Japan by partner**

(Billions of ECUs)

Declarant	Partner	1984	1985	1986
In EUR-12 (*) by	USA	4	5	3
	Japan	1	1	1
	World	9	10	6
In Japan (**) by	EUR-12 (++)	0	0	0
	USA	0	1	0
	World	0	1	0
In USA (***) by	EUR-12	17	13	18
	Japan	6	4	4
	World	32	25	25

NOTE : In Table 3 a negative figure indicates a net outflow of capital from the declaring country into the partner country ; in Table 4 a positive figure indicates a net inflow of capital into the declaring country from the partner country. (See Methodological Remarks section 3.15)

- \* = Eurostat estimates (see section 3.13-3.14 for details). "World" figures are direct investment flows with extra-Community countries.
- \*\* = Source "Balance of Payments Monthly", April 1985-87, Foreign Dept, Bank of Japan. These figures exclude reinvested profits.
- \*\*\* = Source "Survey of Current Business", August 1987, US Dept of Commerce. Includes reinvested profits.
- ++ = EUR-10 for 1984 and 1985.
- 0 = less than 0.5 billion ecus.



**Direct investment (inward and outward) in services is extremely important for the Community, for the USA and for Japan.**

2.7 As Table 5 shows, approximately 67% of foreign direct investment in EUR-12 was made in the service sector, compared with 42% of EUR-12 direct investment abroad (1). For the USA and Japan both inward and outward direct investment in services is very important, especially for Japan for which 76% of direct investment abroad is in services.

2.8 The area of the service sector which attracts the most significant investment is "financial services". This accounts for almost half of the direct investment flows in services between the Community and third countries. In the USA, direct investment abroad in financial services (44% in 1986) is nearly as important as that in industry (49%). Around half of Japan's foreign direct investment is in "trade services".

2.9 The largest Community investor abroad in both services and industry is the United Kingdom, which made 53% of all EUR-12 direct investment outside the Community in 1986. UK was responsible for 76% of extra-Community investments in industry, and for 57% of investments in services (56% of financial services investments and 73% of trade services investments). The UK also received 75% of all direct investment made in the Community by extra EUR-12 in 1986. UK and Germany were the largest recipients of third-country investments in services in 1986, gaining respectively 32% and 28% of the Community total. In UK, most of these third-country investments were in "financial services", while in Germany they were in "other services" (i.e. not financial or trade services).

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(1) The branch figures in Tables 5 and 6, as well as those quoted in paragraphs 2.7 to 2.9, should be interpreted with care because of the substantial amounts "not allocated" and because of differences in the methods of allocation to branches (for further detail see paragraphs 3.10 to 3.12).



TABLE 5 : DIRECT INVESTMENT BY BRANCH IN 1986 (% OF TOTAL INVESTMENT)

BRANCH (1)	INWARD (NET)			OUTWARD (NET)		
	EUR-12 (2)	USA	JAPAN	EUR-12 (2)	USA	JAPAN
INDUSTRY	29	42	55	38	49	21
SERVICES	67	46	44	42	52	76
Financial (3)	30	16	9	18	44	NA
Trade (4)	16	22	14	9	7	39
Other services	21	8	21	15	1	NA
OTHER/NOT ALLOCATED	4	12	0	20	-1	3
TOTAL	100	100	100	100	100	100

SOURCES : EUR-12 - Eurostat estimates based on data from Germany, Spain, France, Italy, Netherlands, Portugal and U.K. ; all countries except Portugal, UK and Germany ("Financial services" and "Total") exclude undistributed earnings). USA - source "Survey of Current Business", August 1987, US Dept of Commerce; Japan - source "Monthly Finance Review", Ministry of Finance, Japan (figures are on a 'reported and approved' basis (see methodological notes in section 3.14)).

(1) See paragraphs 3.4 to 3.12 for details of branch allocation problems.

(2) Inward figures are investments made by Extra EUR-12 in EUR-12; outward figures are investments made by EUR-12 in Extra EUR-12. Figures are estimates based on actual data for Germany, France, Portugal, Netherlands and UK, and on partially estimated data for Spain and Italy. BLEU, Demark, Greece, Ireland were estimated (see remarks in section 3.13-3.14).

(3) Includes real estate for USA.

(4) For USA wholesale trade only.

NA = Not available.



TABLE 6 : DIRECT INVESTMENT BY BRANCH BY MEMBER STATE IN 1986 (1)  
(Million ecus)

BRANCH (2)	D	E	F	P	NL	UK	I
INWARD							
Industry	-747	632	953	32	241	1167	-721
Services	1044	371	433	19	294	1168	286
Financial	-3	197	276	6	-13	917	250
Trade	140	156	79	12	292	109	44
Other/ Not allocated	-407	18	4	0	321	256	0
TOTAL	-110	1021	1390	52	856	2591	-436
OUTWARD							
Industry	-1729	-51	-248	-7	100	-7380	-384
Services	-1153	-254	-1368	1	-1230	-6252	-670
Financial	-532	-171	-371	5	-585	-2568	-399
Trade	-115	-50	-107	0	-211	-1747	-153
Other/ Not allocated	-2971	17	-1917	0	-323	-22	0
TOTAL	-5853	-288	-3533	-6	-1453	-13654	-1054

(1) All figures relate to direct investment in (or from) non-Community countries (i.e. intra-Community investment is not included). A positive inward figure indicates a net inflow of foreign capital into the declaring economy ; a negative outward figure indicates a net outflow of resident capital from the declaring country into foreign economies.

(2) See paragraphs 3.4 to 3.12 for details of branch allocation problems.



### 3. Methodological Remarks

#### **Asymmetries in direct investment data**

3.1 Analyses of direct investment must be carried out with great care because of the lack of harmonization, and therefore of comparability, of the different statistics. This is clear if one looks at the tables in Annex 2 which show direct investment for EUR-12/USA/Japan by partner country. For each partner country in the tables there are two sources : source declaring country (i.e. EUR-12, USA or Japan) and source partner country. Figures from these two sources should be identical, but in practice they are not. For example, in the table of "Direct investment abroad by USA by partner country" the figure for investment in France in 1984 source USA is +512 million ecus, whereas according to the French source this figure is -550.8 million ecus.

3.2 There are several reasons for such large asymmetries :

- Reinvested profits (undistributed earnings) are often included in direct investment figures by certain countries (a practice which the IMF Balance of Payments Manual recommends) and excluded by others (see section 3.16). For some countries (e.g. United Kingdom, which includes reinvested profits) these amounts can be considerable, and this factor is probably the most important cause of asymmetries in direct investment data.
- The definition of direct investment given in the IMF Balance of Payments Manual (paragraph 408) is unfortunately not very useful in practice. According to the Manual, "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 problem is how to decide what constitutes "an effective voice". Although the IMF suggest a number of criteria, these are used differently by the statistical services of different countries. For example, Germany uses a 25% stock ownership threshold, whereas the USA uses 10%.
- Certain operations are accounted for differently : for example construction/engineering are sometimes considered to be direct investment and sometimes services.
- Some sources of direct investment data relate to direct investment which is merely 'authorized' or 'approved' and not to actual investments. In addition they only relate to investment and not to disinvestment. (All data presented for Spain in this report are on an "authorized" basis as are the branch data for Japan in Table 5.)
- Direct investment abroad by branch is sometimes recorded under the investing sector resident in the declaring economy - for example, Netherlands records investments made by a Netherlands' metal company in a chemicals firm in France under "metal products" ; France, however, would record this import of capital under "chemicals". (For more details see paragraph 3.12.)



3.3 Because of such asymmetries direct investment data should be treated with care, and at present it is unwise to make anything more than a broad analysis of the available figures. Eurostat intends to make further studies on this problem in order to identify where the largest asymmetries are and what causes them. Taking these findings into account, it will then intensify its efforts to achieve more harmonized definitions and methods of recording direct investment data.

### **Breakdown of direct investment by branches**

3.4 The branch breakdown of direct investment for EUR-12/USA/Japan discussed in sections 2.7 to 2.9 is limited to the four broad headings: "industry", "trade services", "financial services" and "other services". A more detailed breakdown is not available because of large differences in the branch nomenclatures used by different countries. These differences make it extremely difficult to draw up a common nomenclature which can be used to calculate EUR-12 totals by branch or to compare investment by branch for different countries.

3.5 The problem is best illustrated by an example. Annex 1 shows the branch nomenclatures used by the Netherlands and Spain. It is first noticeable that both nomenclatures are quite aggregated, and as a result this immediately limits the amount of branch detail which can be provided at the level of EUR-12. For example, as regards services, EUR-12 figures can be calculated for "Financial services" (posts 1.2.3 and 8 for Netherlands and Spain respectively) and "Trade services" (posts 1.2.1 and 6), with all remaining services placed under "Other services". Figures for "Transport and communication", while available for Netherlands and Spain, are not available for Germany, and therefore it is not possible to calculate a EUR-12 total for this post.

3.6 Another problem which can be seen from Annex 1 is that certain branches are recorded separately by one country but not by another. For example, Netherlands records "Food, beverage and tobacco" separately but Spain does not; Spain records "Construction" separately but Netherlands does not. The consequence of this is that it is not possible to calculate accurately a EUR-12 total for these two branches.

3.7 Branches can also be grouped together in slightly different ways: e.g. Netherlands groups together "Metal products and electronic equipment" while Spain groups metal products with machinery.

3.8 These problems which have been illustrated here with reference to just two countries - Netherlands and Spain - are quickly compounded when one tries to obtain a harmonized branch breakdown for all seven member states considered in this report. Further difficulties arise when one tries to compare data for the Community with that for USA and Japan whose nomenclatures are different again.



3.9 In order to resolve some of these problems, Eurostat has already proposed a reasonably detailed, harmonized nomenclature based on the "NACE/CLIO R-25 and R-6 classification", and this has been adopted by some, but not all, member states. Eurostat intends to continue its efforts to obtain greater harmonization of branch nomenclatures for direct investment statistics.

3.10 There are two further problems relating to the branch breakdown of direct investment which need to be borne in mind when interpreting the branch figures in Tables 5 and 6, as well as those quoted in paragraphs 2.7 to 2.9.

3.11 Firstly, substantial flows are recorded under "other/not allocated" (for the Community, 4% of inward investment and 20% of outward); the "not allocated" amounts are particularly high for German reinvested profits, for French outward investment recorded under "holdings", for UK inward investment and for Netherlands inward and outward investment. If these flows were correctly allocated, this would change the branch breakdown somewhat. This problem is more important for the Community's outward investment than for its inward.

3.12 Secondly, the criteria for allocating investment to branches differs between countries. Some countries (e.g. Netherlands) allocate all flows, both inward and outward, according to the economic activity of the resident party - in this case, a direct investment made by a resident metal company in a foreign chemicals company would be recorded under the branch "metal products". Other countries make this allocation according to the branch of the enterprise receiving the capital. The problem is lessened to some extent by the fact that the recipient enterprise and the direct investor will often be involved in the same, or a similar, economic activity.

#### Method used to estimate EUR-12 figures

3.13 For many direct investment flows, figures were only available for seven member states (hereafter referred to as EUR-7) : Germany, Spain, Netherlands, Italy, France, Portugal and United Kingdom. In 1986 these seven states were responsible for 96% of all Community direct investment abroad and received 93% of all foreign direct investment made in the Community. It was therefore felt that data from the seven should provide a sound basis for estimates of direct investment flows for the Community of twelve.

3.14 The estimates for EUR-12 were calculated by multiplying the relevant EUR-7 figure by the ratio

$$R = \frac{\text{EUR-12 total direct investment with world (intra + extra EUR-12)}}{\text{EUR-7 total direct investment with world (intra + extra EUR-12)}}$$

So, for example, the estimate of EUR-12 direct investment abroad in Extra EUR-12 was (R x EUR-7 direct investment abroad in Extra EUR-12). In most cases this produced only a very small adjustment to the EUR-7 figure.



## Important points to note when interpreting tables

3.15 Recording conventions. Direct investment flows in the tables in this report have been recorded in accordance with the usual Balance of Payments convention which is as follows :

- a. For direct investment abroad made by a declaring economy
  - investments abroad are recorded as negative (-) :  
i.e. an outflow of capital from the declaring economy;
  - disinvestments abroad are recorded as positive (+) :  
i.e. an inflow of capital to the declaring economy;
  - net investment abroad is the net of investment (-) and disinvestment (+); if negative this indicates an overall investment (flow of capital out of the declaring economy), and if positive it indicates an overall disinvestment (flow of capital back into the declaring economy).
- b. For direct investment made by foreign countries in a declaring economy
  - investments are recorded as positive (+) : i.e. an inflow of capital from abroad into the declaring economy;
  - disinvestments are recorded as negative (-) : i.e. an outflow of capital from the declaring economy;
  - net investment is the net of investment (+) and disinvestment (-); if positive this indicates an overall investment (flow of capital into the declaring economy), and if negative it indicates an overall disinvestment (flow of capital back out of the declaring economy).

Some tables in this report contain only 'net' direct investment figures, but do not contain separate figures for 'investment' and 'disinvestment' because these were not available. Ideally, it is useful to know these figures because it is possible for a small 'net' figure to hide large investments and disinvestments which cancel each other out.

3.16 Reinvested Profits. These transactions (sometimes referred to as undistributed earnings) are simply not available for certain countries, while for other countries they are available in an aggregated form, but not by branch. Many of the tables in this report therefore do not include reinvested profits, and where this is the case it has been indicated clearly.

3.17 Authorized/approved figures. As mentioned in section 3.2, figures for Spain and certain figures for Japan relate to authorized or approved direct investments, not actual direct investments. These figures relate only to investment and not to disinvestment.



## Sources of data

- Germany - Latest figures from the Deutsche Bundesbank (Sept 1988)  
Figures in Annex 2 include undistributed earnings.
- Spain - "Balanza de Pagos de España", Ministerio de Economía y Hacienda. All data is on an 'approved and reported' basis and excludes undistributed earnings (see section 2.5).
- France - Banque de France, figures sent directly to EUROSTAT.  
All data excludes reinvested profits and short-term loans.
- Italy - Banca d'Italia, figures sent directly to EUROSTAT.  
All data exclude undistributed earnings.
- Netherlands - De Nederlandsche Bank, figures sent directly to EUROSTAT. All data excludes undistributed earnings.
- Portugal - Banco de Portugal, figures sent directly to EUROSTAT.  
Figures in Annex 2 include undistributed earnings.
- U.K. - Central Statistical Office, data sent directly to EUROSTAT.  
Figures in Annex 2 include undistributed earnings.
- USA - "Survey of Current Business", US Department of Commerce, August 1987. Data include reinvested profits (undistributed earnings).
- Japan - All data (except those in Table 5) relate to actual investments, and are taken from "Balance of Payments Monthly", Foreign Dept., Bank of Japan. The data in Table 5 are on a 'reported and approved' basis only and are taken from "Monthly Finance Review", Ministry of Finance, Japan. (See section 3.17)



**ANNEX 1 : SOME EXAMPLES OF NOMENCLATURES USED FOR BREAKDOWN OF DIRECT INVESTMENT BY BRANCHES.**

**A. NETHERLANDS' BRANCH NOMENCLATURE**

**Industry**

- 1.1.1 Fuel, power and chemical products
- 1.1.2 Metal products and electronic equipment
- 1.1.3 Food, beverage and tobacco
- 1.1.4 Textiles, paper, clothing and other manufactured products
- 1.1 Total industry

**Services**

- 1.2.1 Trade, repair, catering etc.
- 1.2.2 Transport and communication
- 1.2.3 Banking and insurance
- 1.2.4 Other services
- 1.2 Total Services
  
- 1.3 Other
- 1.4 Unclassified

**1 Total Direct Investment**



**B : SPAIN'S BRANCH NOMENCLATURE**

- 0 Agriculture, cattle, hunting, forestry and fishing
- 1 Energy and water
- 2 Extraction and transformation of non-fuel minerals and products derived from the chemicals industry
- 3 Metal products and machinery
- 4 Other manufacturing industries
- 5 Construction
- 6 Commerce, restaurants and hotels
- 7 Transport and communication
- 8 Financial and insurance institutions, business services, rentals
- 9 Other services



**A N N E X 2**

**Tables of direct investment for EUR-12/USA/Japan  
by partner country**



Direct investment abroad by EUR-12 by partner country

(IN MILLIONS OF ECU)

		1984			1985			1986		
		Invest	Disinvest	Net	Invest	Disinvest	Net	Invest	Disinvest	Net
		(-)	(+)	(=)	(-)	(+)	(=)	(-)	(+)	(=)
USA	Source EUR-12 (**)	:	:	-8809	:	:	-12223	:	:	-18271
	Source USA	:	:	-16845	:	:	-12873	:	:	-18013
JAPAN	Source EUR-12 (**)	:	:	-247	:	:	-275	:	:	-310
	Source Japan (*)	:	:	-62	:	:	-71	:	:	-55
WORLD	Source EUR-12 (**)	:	:	-17915	:	:	-21122	:	:	-26480

Source Japan = "Balance of Payments Monthly", Foreign Dept., Bank of Japan.  
 Figures relate to actual investments and not simply to authorizations.  
 (See section 3.17.)

\* = Excluding reinvested profits (undistributed income)

\*\* = EUROSTAT estimate. (See section 3.13-3.14.)

WORLD represents direct investment by EUR12 in extra-Community countries.  
 Excludes reinvested profits for France, Spain, Netherlands, Italy.

: = Not available



Foreign direct investment in EUR-12 by partner country

(IN MILLIONS OF ECU)

	1984			1985			1986		
	Invest	Disinvest	Net	Invest	Disinvest	Net	Invest	Disinvest	Net
	(-)	(+)	(=)	(-)	(+)	(=)	(-)	(+)	(=)
USA	Source EUR-12 (**)	:	4210	:	:	5200	:	:	2525
	Source USA	:	-295	:	:	15941	:	:	14420
JAPAN	Source EUR-12 (**)	:	579	:	:	553	:	:	529
	Source Japan (*)	:	975	:	:	2010	:	:	2792
WORLD	Source EUR-12 (**)	:	8797	:	:	9657	:	:	5987

Source Japan = "Balance of Payments Monthly", Foreign Dept., Bank of Japan.  
 Figures relate to actual investments and not simply to authorizations.  
 (See section 3.17.)

\* = Excluding reinvested profits (undistributed income)

\*\* = EUROSTAT estimate. (See section 3.13-3.14.)

WORLD represents direct investment by EUR12 in extra-Community countries.  
 Excludes reinvested profits for France, Spain, Netherlands, Italy.

: = Not available



Direct investment abroad by USA by partner country

(IN MILLIONS OF ECU)

		1984			1985			1986		
		Invest (-)	Disinvest (+)	Net (=)	Invest (-)	Disinvest (+)	Net (=)	Invest (-)	Disinvest (+)	Net (=)
GERMANY	Source USA	:	:	659	:	:	-2527	:	:	-3289
	Source Germany	:	:	617	:	:	501	:	:	317
FRANCE	Source USA	:	:	512	:	:	-2096	:	:	-1727
	Source France (*)	740	189	-551	1014	214	-800	843	406	-436
ITALY	Source USA	:	:	-175	:	:	-1412	:	:	-902
	Source Italy (*)	:	:	-445	:	:	-262	:	:	-432
NETHERLANDS	Source USA	:	:	861	:	:	-1623	:	:	-6680
	Source Netherlands (*)	726	697	-29	573	937	364	463	898	434
U.K.	Source USA	:	:	-1129	:	:	-5948	:	:	-1940
	Source U.K.	:	:	-2548	:	:	-3706	:	:	-1900
SPAIN	Source USA	:	:	185	:	:	-207	:	:	-413
	Source Spain (*) (R)	:	:	-277	:	:	-483	:	:	-233
PORTUGAL	Source USA	:	:	28	:	:	-18	:	:	-33
	Source Portugal	:	:	:	81	0	-81	17	0	-17
EUR-12	Source USA	:	:	295	:	:	-15941	:	:	-14420
	Source EUR-12 (**)	:	:	-4210	:	:	-5200	:	:	-2525
JAPAN	Source USA	:	:	458	:	:	-1527	:	:	-1914
	Source Japan (*)	:	:	118	:	:	-674	:	:	-202
WORLD	Source USA	:	:	-3575	:	:	-22630	:	:	-28498

Source Japan = "Balance of Payments Monthly", Foreign Dept., Bank of Japan.  
 Figures relate to actual investments and not simply to authorizations.  
 (See section 3.17.)

\* = Excluding reinvested profits (undistributed income)

\*\* = EUROSTAT estimate. (See section 3.13-3.14.)

R = 'Reported and approved' basis (see section 3.17).

: = Not available



Foreign direct investment in USA by partner country

(IN MILLIONS OF ECU)

		1984			1985			1986		
		Invest	Disinvest	Net	Invest	Disinvest	Net	Invest	Disinvest	Net
		(+)	(-)	(=)	(+)	(-)	(=)	(+)	(-)	(=)
GERMANY	Source USA	:	:	1636	:	:	3004	:	:	2544
	Source Germany	:	:	1738	:	:	3421	:	:	4849
FRANCE	Source USA	:	:	981	:	:	39	:	:	797
	Source France (*)	1116	184	933	1408	152	1256	3196	918	2277
ITALY	Source USA	:	:	250	:	:	-7	:	:	15
	Source Italy (*)	:	:	709	:	:	448	:	:	385
NETHERLANDS	Source USA	:	:	4461	:	:	3638	:	:	6015
	Source Netherlands (*)	1680	1028	652	2223	851	1372	2117	1599	518
U.K.	Source USA	:	:	8722	:	:	6114	:	:	7936
	Source U.K.	:	:	4685	:	:	5674	:	:	10139
SPAIN	Source USA	:	:	:	:	:	:	:	:	:
	Source Spain (*) (R)	:	:	83	:	:	43	:	:	96
PORTUGAL	Source USA	:	:	:	:	:	:	:	:	:
	Source Portugal	:	:	:	8	0	8	2	8	-7
EUR-12	Source USA	:	:	16845	:	:	12873	:	:	18013
	Source EUR-12 (**)	:	:	8408	:	:	12173	:	:	18722
JAPAN	Source USA	:	:	5543	:	:	4448	:	:	4164
	Source Japan (*)	:	:	3912	:	:	3351	:	:	8101
WORLD	Source USA	:	:	32139	:	:	24930	:	:	25456

Source Japan = "Balance of Payments Monthly", Foreign Dept., Bank of Japan.  
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R = 'Reported and approved' basis (see section 3.17).

: = Not available



Direct investment abroad by JAPAN by partner country

(IN MILLIONS OF ECU)

		1984			1985			1986		
		Invest	Disinvest	Net	Invest	Disinvest	Net	Invest	Disinvest	Net
		(-)	(+)	(=)	(-)	(+)	(=)	(-)	(+)	(=)
GERMANY	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Germany	:	:	-195	:	:	-232	:	:	-155
FRANCE	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source France (*)	100	16	-84	104	15	-89	143	10	-133
ITALY	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Italy (*)	:	:	-14	:	:	40	:	:	-18
NETHERLANDS	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Netherlands (*)	:	:	:	26	3	-23	37	5	-32
U.K.	Source Japan (*)	:	:	-214	:	:	-322	:	:	-978
	Source U.K.	:	:	:	:	:	-61	:	:	-22
SPAIN	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Spain (*) (R)	:	:	-78	:	:	-109	:	:	-114
PORTUGAL	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Portugal	:	:	:	0	0	0	1	0	-1
EUR-12	Source Japan (*)	:	:	-975	:	:	-2010	:	:	-2792
	Source EUR-12 (**)	:	:	-579	:	:	-553	:	:	-529
USA	Source Japan (*)	:	:	-3912	:	:	-3351	:	:	-8101
	Source USA	:	:	-5543	:	:	-4448	:	:	-4164
WORLD	Source Japan (*)	:	:	-7560	:	:	-8455	:	:	-14713

Source Japan = "Balance of Payments Monthly", Foreign Dept., Bank of Japan.

Figures relate to actual investments and not simply to authorizations.

(See section 3.17.)

\* = Excluding reinvested profits (undistributed income)

\*\* = EUROSTAT estimate. (See section 3.13-3.14.)

R = 'Reported and approved' basis (see section 3.17).

: = Not available



Foreign direct investment in JAPAN by partner country

(IN MILLIONS OF ECU)

		1984			1985			1986		
		Invest (+)	Disinvest (-)	Net (=)	Invest (+)	Disinvest (-)	Net (=)	Invest (+)	Disinvest (-)	Net (=)
GERMANY	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Germany	:	:	62	:	:	60	:	:	119
FRANCE	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source France (*)	20	5	15	29	4	25	33	14	19
ITALY	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Italy (*)	:	:	16	:	:	37	:	:	8
NETHERLANDS	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Netherlands (*)	:	:	:	73	0	73	22	35	-13
U.K.	Source Japan (*)	:	:	-3	:	:	21	:	:	22
	Source U.K.	:	:	:	:	:	80	:	:	176
SPAIN	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Spain (*) (R)	:	:	1	:	:	0	:	:	1
PORTUGAL	Source Japan (*)	:	:	:	:	:	:	:	:	:
	Source Portugal	:	:	:	0	0	0	0	0	0
EUR-12	Source Japan (*)	:	:	62	:	:	71	:	:	55
	Source EUR-12 (**)	:	:	236	:	:	274	:	:	318
USA	Source Japan (*)	:	:	-118	:	:	674	:	:	202
	Source USA	:	:	-458	:	:	1527	:	:	1914
WORLD	Source Japan (*)	:	:	-13	:	:	841	:	:	230

Source Japan = "Balance of Payments Monthly", Foreign Dept., Bank of Japan.

Figures relate to actual investments and not simply to authorizations.  
(See section 3.17.)

\* = Excluding reinvested profits (undistributed income)

\*\* = EUROSTAT estimate. (See section 3.13-3.14.)

R = 'Reported and approved' basis (see section 3.17).

: = Not available



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