

# European Union foreign direct investment yearbook 2000

**Analytical aspects**

**Detailed tables on CD-ROM**

**Data 1992-1999**



EUROPEAN  
COMMISSION



THEME 2  
Economy  
and finance



A great deal of additional information on the European Union is available on the Internet.  
It can be accessed through the Europa server (<http://europa.eu.int>).

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

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# FOREWORD

Foreign direct investment (FDI) is a category of international investment that indicates an intention to acquire a lasting interest in an enterprise operating in another economy. It covers all financial transactions between the investing enterprise and its subsidiaries abroad. It differs from portfolio investments, where the investor merely purchases equity and debt securities.

Foreign direct investment increased strongly during recent years. Outward flows from the European Union towards the rest of the world surged more than 800 % from ECU 67 Bn to EUR 556 Bn between 1992 and 1999. Foreign investments into the EU markets rose almost similarly during this period.

FDI plays a key role in the globalisation process as an important element of international relations and their development. Supplementing trade, FDI creates more direct and deeper links between economies. It is a source of extra capital, helps to promote a healthy balance of trade, encourages efficient production, stimulates technology transfer and fosters exchange of managerial know-how. It is thus believed to improve the productivity of business and to make economies more competitive, although its effect on employment is controversial.

In this first volume of the European Union Direct Investment Yearbook 2000 Eurostat presents and analyses harmonised statistics on FDI flows, positions and income for the EU as a whole. A second volume provides harmonised FDI data for each EU Member State as well as for major FDI partners of the European Union.

Faced with increasing globalisation of economic activities, public authorities and policy makers need new statistics. On the basis of the General Agreement on Trade in Services (GATS), Eurostat, in conjunction with the OECD, has started the compilation of Foreign Affiliate Trade Statistics (FATS) on employment and turnover. These data will for the first time help quantifying some of the economic consequences of direct investments and will therefore together with FDI data, provide an invaluable tool to measure the evolution of the globalisation phenomenon.

Given the importance of FDI statistics in the political and economic field, I welcome Eurostat's efforts to collabo-

rate with other international organisations to improve the quality and timeliness of FDI data and provide the European Union with a statistical information service of the highest quality.

Commissioner

Mr Pedro Solbes Mira

Eurostat would like to thank the following national banks and statistical offices without whom the publication of this yearbook would not have been possible:

[Banque Nationale de Belgique](#)

[Danmarks Nationalbank](#)

[Deutsche Bundesbank](#)

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## [European Union Direct Investment Yearbook 2000](#)

The direct investment yearbook provides users with analytical aspects of foreign direct investment positions, flows and income for the European Union. A second Volume covers harmonised FDI data for EU Member States and major FDI partners of the EU.

The yearbook has a simple objective: to provide political and corporate decision makers with high quality statistical information on direct investment. Eurostat is able to provide internationally comparable figures, through close cooperation with Member States and the OECD.

The data processing, statistical analyses, writing of the publication and desktop publishing were carried out by the following team of external consultants under the co-ordination of Paolo Passerini:

[Federica Silvestrelli](#)

[Lars Engsted](#)

[Dominic Huggins](#)

[Frédéric Swaelens](#)

[Céline Tholey](#)

For more information, or if you have any suggestion on how we might improve the publication please contact:

[European Commission](#)

[Eurostat](#)

[International trade in services, foreign direct investment and balance of payments, Unit B5](#)

[Head of Unit Mr Jean-Claude ROMAN](#)

[Bâtiment Jean Monnet](#)

[Bech E4/816](#)

[L-2920 LUXEMBOURG](#)

Tel: +352 4301 33 548

Fax: +352 4301 33 859

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## EXECUTIVE SUMMARY

EU direct investors are taking a leading role in the globalisation process.

- The economic importance of FDI has been growing significantly up through the Nineties. Investors from the European Union have taken on a leading role in globalisation.
- EU direct investors appear to be shifting their focus towards new accession countries as well as to the South American continent.
- A renewed focus on the Japanese market seems to have taken place during 1999.

Direct investments into the European Union

- The United States and Switzerland remained the EU's major partners in 1999.
- The United Kingdom was the most attractive EU location for foreign direct investors in 1999, directly followed by Belgium/Luxembourg.
- Extra-EU FDI capital in Finland, Portugal and the Netherlands was more profitable than the EU average while American and Australian investors earned above average return on their FDI assets in the EU.

Strong growth in intra-EU FDI in terms of GDP

- 1999 intra-EU FDI was highest in Northern Member States, whilst a group of smaller Member States saw the highest ratios of FDI to GDP.
- 44% of 1999 intra-EU FDI flows are explained by nine major M&A deals.
- Close to 50% of intra-EU FDI stocks were in three "knowledge intensive" activities.

Emerging markets claim an increasing part of EU FDI

- Emerging markets continue to claim an increasing share of EU direct investment abroad, with Latin America receiving a 50% share of the emerging markets at the end of the Nineties.
- The Brazilian market is the main recipient of EU FDI capital in Latin America. Spanish direct investors are the largest contributors of FDI to this region.
- Poland, Hungary and the Czech Republic have accounted for the main part of EU direct investments in Candidate Countries.
- EU FDI outflows to Far Eastern countries increased over the 1998-1999 period, investors especially focusing on the so-called 2nd wave Newly Industrialised Countries (Malaysia, Philippines and Thailand).

Net FDI assets and flows extra-EU

- The EU continued to generate a net positive FDI flow extra-EU into almost all economic sectors.
- "Knowledge intensive" industries have taken on a major role in recent years.
- Financial intermediation maintains its leading role in both outward and inward FDI.

# INTRODUCTION

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## WHAT IS DIRECT INVESTMENT?

In principle a firm wishing to sell overseas has a variety of modes which it can employ. Export, license, agents are some examples, with straightforward exporting up until now being the most common mode. Direct investments are an alternative amounting to producing directly in the country one wishes to serve. They are investments made for the purpose of obtaining ownership and of having an effective voice in the management of the enterprise. Statistical conventions have set a threshold of 10% as the minimum share of foreign capital in order for an FDI relationship to be established. If this formal definition of direct investment is well accepted world-wide (see the methodological annex for more details), opinions differ substantially when it comes to statistical or economical analysis.

Direct investment is variously and inconsistently portrayed as:

- An alternative to or a follower of trade.
- A welcome new source of jobs for depressed regions.
- A balance of payments flow that finances one country's current account deficit and recycles another country's surplus.
- A tool of global companies to gain strategic advantages by shifting low-paid jobs abroad while keeping high value added research at home.
- A vehicle for technology transfer. In earlier periods, mass production in Europe was largely driven by American investment.
- An alternative to debt financing for developing countries.

Traditionally three major explanations have been given for why FDI takes place. One type is market oriented and sees FDI as closely linked to trade by giving companies access to markets they otherwise would serve by export. This is of course particularly relevant for actors within the services sectors. Some countries have very high trade barriers, transport and communication costs but, paradoxically, a very flexible legislation for hosting direct investment capital. Other countries display an opposite profile or remain very closed whatever the criteria used.

Another type is input oriented and driven by the incentives to lower worldwide production costs by producing in low-cost areas. A third type, which has gained increasing importance lately, is technology based and is driven

by an investor's intention to get access to new technology or to important innovations. The impact of direct investment is not merely confined to the direct effect on the balance of payments. The effects depend very much on whether the investment is the purchase of an existing firm or a greenfield investment. There may also be trade displacements or enhancement effects, as well as less direct influences on efficiency and productivity, industrial structure, employment and competition.

### Direct investment in this publication

Compared to the 1999 edition of the European Union Direct Investment Yearbook, the 2000 edition presents two major improvements: due to the strong support of Member States' Central Banks and Statistical Institutes, Eurostat has been able to extend and improve the coverage of FDI flows including re-invested earnings. These data now cover the 1995-99 period. Although reinvested earnings are not yet available for all Member States, this improvement brings EU FDI statistics closer to international reporting standards and improves the comparability with other major FDI compilers.

The second improvement concerns the extension of data on FDI income, which now cover the 1995-99 period.

The figures in this publication represent an analytical tool to answer questions about

- The evolution of direct investment flows over time, in different sectors of activity, countries or economic zones,
- The status of assets held abroad and liabilities to third countries, broken down by economic activity and country of destination/origin,
- Income received from direct investment abroad or income generated by foreign investors' engagements in the EU countries.

The 2000 edition comes in two volumes: The first volume covers the descriptive synthesis of major evolutions in direct investments of the European Union, the methodology used, the problems remaining as well as basic information on nomenclatures. The second volume, which is only available on CD-ROM, covers a great number of standardised tables for each reporting country. The full set of figures is available in the on-line services of Eurostat (NewCronos).



## USER'S GUIDE

### Balance of payments

is a record of an economy's international transactions with the rest of the world. The balance of payments is a statistical statement that systematically summarises, over a given period of time, all transactions of an economy with the rest of the world. Transactions are those of the current account (goods, services, income and current transfers) and the capital and financial account (capital transfers, direct investment, portfolio investment, other investment and reserve assets).

### International Investment Position (IIP)

is the balance sheet of the stock of external financial assets and liabilities. The position at the end of a specific period reflects financial transactions, valuation changes and other adjustments that occurred during the period and affected the level of assets and liabilities.

### Foreign direct investment (FDI)

is cross-border investment for which a direct investor has the objective of a lasting interest in an enterprise resident in another economy (direct investment enterprise). Constitutional characteristics for a direct investment are the intention for a long-term relationship between the direct investor and the enterprise, and a significant influence in the management of the enterprise. These are assumed to be fulfilled when an investor owns ten percent or more of ordinary shares or voting power in an incorporated or unincorporated enterprise respectively (OECD benchmark definition).

### Equity Capital

includes equity in branches and ordinary shares in subsidiaries and associates.

### Other capital

covers inter-company debt (including short-term loans such as trade credits) between direct investors and subsidiaries, branches and associates.

### Reinvested earnings

consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor.

### Disinvestment

is formally defined as withdrawal of direct investment capital. The most frequent cases are those where the direct investor sells participation (e.g. shares) it had invested in the direct investment enterprise or where inter-company debt (e.g. loans) is paid back.

### Sign convention

Balance of payments sign convention records outward direct investment with a minus, and inward direct investment with a plus sign. Consequently, outward disinvestments are entered with (+) and inward disinvestment with (-). Following requests from readers, both for inward and outward flows, investment is presented in the statistical tables of this publication with a positive sign and disinvestment is shown with a negative sign. Hence, the balance of payments sign convention is not used in this publication.

### Reporting economy

is the country or economic zone from whose view data are reported.

### Partner economy

is the country or economic zone that has a foreign direct investment relationship with the reporting economy.

### FDI flows and positions

By direct investment flows the investor builds up a foreign direct investment position, making part of his balance sheet. The FDI position (sometimes called FDI stocks) differs from accumulated flows because of revaluation (changes in prices or exchange rates, and other adjustments such as the rescheduling or cancellation of loans, debt forgiveness or debt-equity swaps with differing values).

### Outward flow (resident direct investment abroad)

means that the reporting economy invests in the partner economy if the figure in the cell of the statistical table has a positive sign. If the sign is negative on outward investment the reporting economy disinvests.

### Inward flow (non-resident direct investment in the reporting economy)

means that the partner economy invests in the reporting economy if the figure in the cell of the statistical table has a positive sign. If the sign is negative on inward investment the partner economy disinvests.

### Direct investment income

consists of income on FDI equity and on inter-company debt (interest). Income on equity covers dividends and reinvested earnings for incorporated enterprises and distributed and undistributed profits for branches.

### Direct investment assets

is the current position of residents' direct investment abroad acquired by outward flows, corrected by all relevant revaluation items. Equity capital and reinvested earnings abroad are recorded under one asset heading, because the latter becomes equity capital later in several cases.

### Direct investment liabilities

is the current position of non-resident direct investment in the reporting economy acquired by inward flows, corrected by all relevant revaluation items. Equity capital and reinvested earnings in the reporting economy are recorded under one asset heading, because the latter turns to equity capital later in several cases.

### Market and book value

Flows are recorded at market values. Correspondingly, the positions should be recorded at market prices at the beginning or end of the reference period. However, because the evaluation of market prices for the different kinds of assets may be difficult, the book value of the assets in the balance sheets may be used.

Most position data in this yearbook are at book value.

### First chain ownership or ultimate beneficial owner

The stake in a direct investment enterprise located in country A might be held by a direct investor in country B, the latter owned by a parent company in country C, that has no other direct investor. In this simple case the foreign direct investment in the reporting economy of A will be attributed to B when the first chain ownership concept is applied, whereas it will be recorded as a direct invest-

ment of C if the ultimate beneficial owner concept is applied. Flow and position data in this yearbook are based on the first chain ownership concept, if not stated otherwise.

### How to read the tables for the European Union

The figures for the European Union were drawn up by aggregating Member States' declarations and figures estimated by Eurostat respectively. Figures have to be interpreted from the point-of-view of the European Union as 'reporting economy' vis-à-vis its 'partner economies'. What appears under 'outward investment' for one Member State is therefore what was declared by the other Member States as being invested there. For example, the figures you find under 'Abroad' for a given country are the sum of FDI flows that all other EU Member States have declared to have invested in that country. These are 'outward' FDI flows from the point of view of the EU as a 'reporting economy'. Due to asymmetries this regularly does not equal the figure reported under 'inward flows' from the EU by the Member State concerned, which is shown in the respective country table. Vice versa, what appears under 'inward investment' for one Member State in the tables for the European Union is what was declared by the other Member States as being received from this country. Again, due to asymmetries this diverges regularly from what was declared as 'outward investment' to the other EU countries by the respective Member State. More detailed information on size and reasons for asymmetries is given in the section concerned.

For more detailed information on definitions and recording rules see

International Monetary Fund, *Balance of Payments Manual*, 5th edition, Washington 1993.

Organisation for Economic Co-operation and Development, *OECD Benchmark Definition of Foreign Direct Investment*, 3rd edition, Paris 1996.

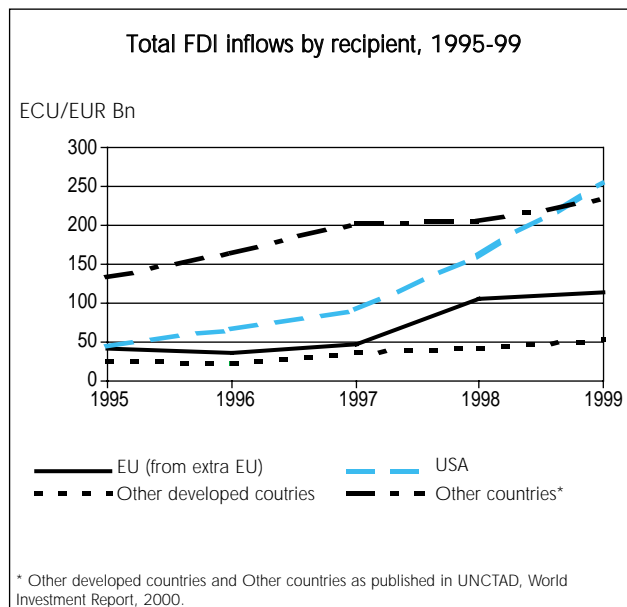
## OVERVIEW

This introductory chapter describes the main characteristics of EU FDI during the period 1995-1999, with emphasis on trends in total FDI flows including reinvested earnings. The chapters that follow will mainly analyse FDI flows excluding reinvested earnings, available since 1992 and with a more detailed breakdown. A summary of this yearbook's content is given at the end of the overview.

### Extra-EU outflows grew much faster than inflows, while intra-EU flows more than doubled in 1999

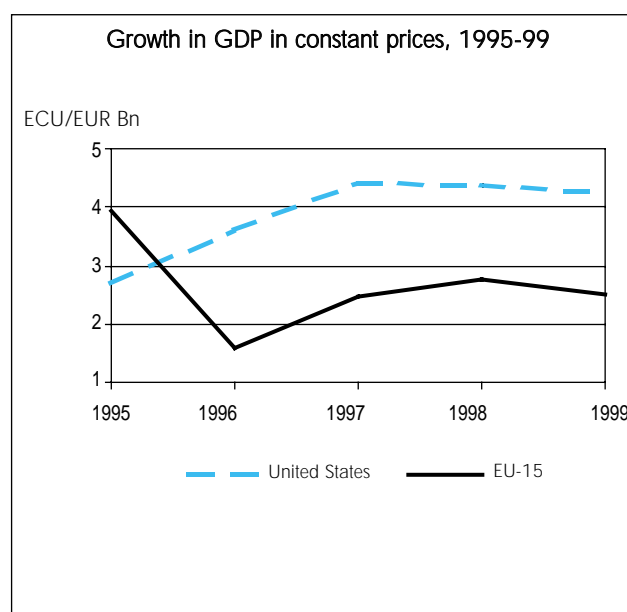
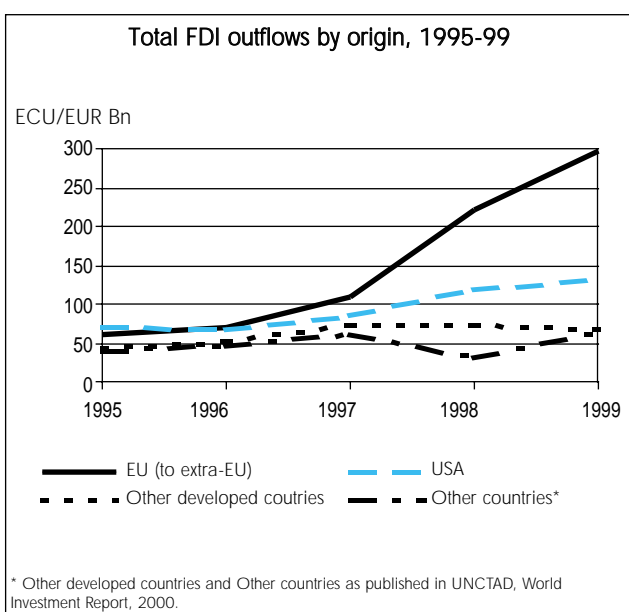
The year 1999 was characterised by strong growth in the EU FDI accounts with both outward and inward flows reaching new record highs. This evolution was to a great extent due to: a very favourable economic environment in the European Union and in the United States combined with a continued trend toward international deregulation and the move towards concentration within the telecommunications, automotive, banking and pharmaceutical industries. Growth however affected the intra- and extra- flows asymmetrically.

FDI outflows to countries outside the EU grew by 34% in 1999 (after having grown by 103% in 1998) and reached 3.7% of aggregate EU GDP. Since 1996, investors from the European Union have become the main suppliers of FDI capital world-wide. In 1999 EU outflows were more than twice as high as outflows from the USA. Together the two economic giants supplied more than two thirds of total FDI world flows, whereas the share of other countries diminished substantially over the second half of the Nineties.

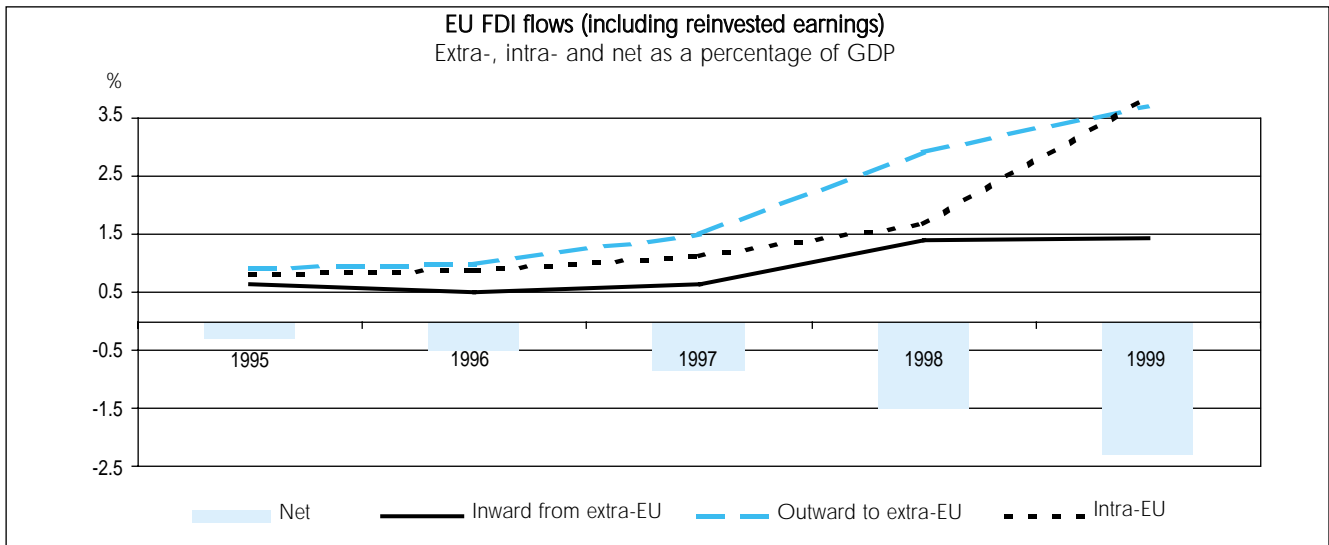


It is worth noticing that this increased importance of the United States and EU FDI can be mostly attributed to a significant rise in the cross flows between one another, mainly due to large acquisitions and mergers. In 1998 and 1999, EU flows to the USA largely prevailed over American flows to the EU. Thus in 1999, the EU invested EUR 197 Bn in the USA and received EUR 75 Bn.

In terms of total inflows, the USA were by far the largest world recipient. In comparison, extra-EU inflows (which had risen by 126% in 1998) grew only about 7.5%, representing 1.4% of GDP<sup>1</sup>. The share of other non-developed countries in total FDI inflows world-wide remained substantial at the end of the Nineties.



<sup>1</sup>If reinvested earnings are included. Without reinvested earnings, EU FDI inflows decreased by 5% with respect to 1998. See chapter 2.



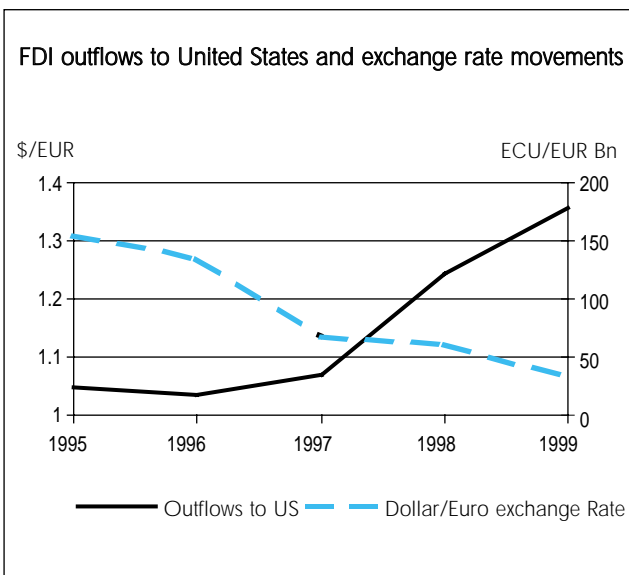
One of the main reasons for this strong upswing in world-wide FDI has undoubtedly been the strong economic environment which has characterised the United States for more than 7 years now. Since 1995, GDP growth rates in the United States have been almost double those of growth rates in the European Union. The graph below suggests that fluctuations in the exchange rate did not discourage EU outflows to the USA.

In the EU balance of payments, the diverging movements of outward and inward flows from the extra-EU area resulted in increasing net capital outflows during

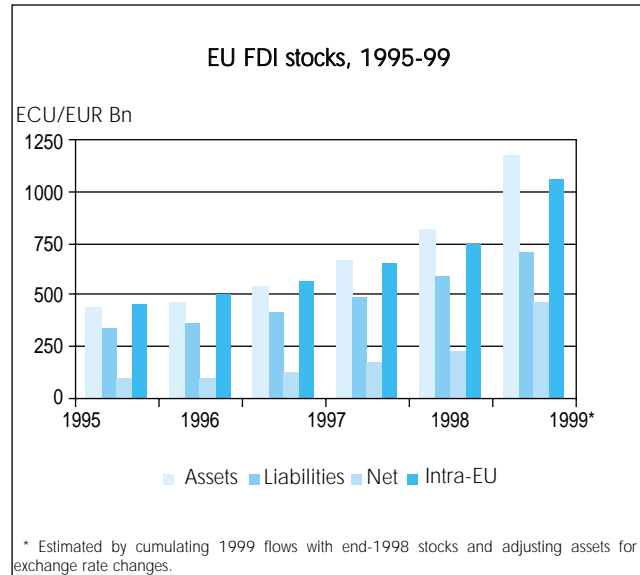
The year 1999 which marked the start of the European Monetary Union also saw exceptional growth rates in intra-EU flows (that is, FDI transactions among Member States<sup>1</sup>), which rose 143% compared to 1998 and represented 3.9% of GDP.

**Extra-EU FDI assets caught up with USA positions abroad at the end of 1999**

The sequence of EU FDI flow deficits seen during 1995-1999 brought about a fast increase in the net FDI investment position abroad.



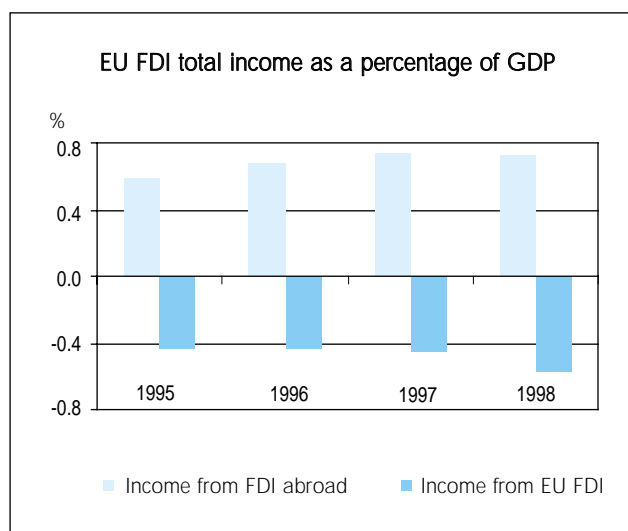
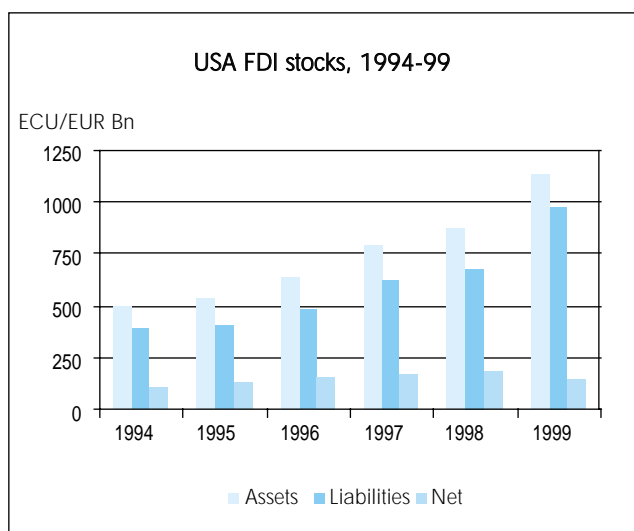
the years under review. The deficit reached EUR 183 Bn in 1999 (2.3% of GDP), and was somewhat lower for the euro-zone (approximately 2% of GDP). Data for the first three quarters of 2000 confirm that growth in outward and inward flows continued in 2000. Total outward flows grew by 53% while inward flows were up by about 114%, leading to reduced net outward flows in 2000.



<sup>1</sup>Intra-EU outflows and inflows do not affect the EU balance of payments and differ only for statistical errors that cause asymmetries between the data reported by any two Member States. The graphs in this part show the average between inward and outward declared by Member States. For more details, see chapter 3 and the annex on asymmetries.

At end-1998, extra-EU assets had grown 84% as compared to 1994, while liabilities had risen 73% during the same period. 1999 added another 44% to the value of 1998 assets, due to the combined effects of high real outflows and the Euro fluctuations. This preliminary estimated value for end-1999 for the first time puts the EU ahead of the USA in terms of FDI assets in extra-EU markets. On the liabilities side, estimated growth for 1999 is approximately 20%, resulting in a level which is about 29% lower than for FDI stocks invested in the USA.

FDI income represented approximately 25% of total investment income received by the EU from abroad, and about 20% of total investment income paid abroad. Moderate income figures may indicate the existence of a certain time lag between investment and the corresponding income, but they may also be influenced by transfer policies adopted by multinationals for tax reasons. For 1999, only reinvested earnings are available, which show a tendency for more sustained income growth.



### FDI income grew more slowly than capital flows since 1995

Total income on extra-EU FDI did not grow as fast as other FDI variables. On both the credit and the debit side, it stood steadily between 0.5 and 0.7% of GDP between 1995 and 1998, resulting in very low positive net flows in the balance of payments current account.

### Content of this publication

In the following, different aspects of the EU FDI accounts will be described.

Chapter 1 will examine the trends in the FDI outward flows from the European Union and point out main partners and preferred markets.

Chapter 2 looks at the differences in inflows to the various EU Member States.

Chapter 3 looks at the evolution in intra-EU flows among Members of the European Union.

Chapter 4 describes EU direct investors' activities in the fast growing emerging markets.

Chapter 5 finally discusses the activity breakdown of outward and inward investments.

EU FDI capital flows 1995-1999 ECU/EUR Millions					
	1995	1996	1997	1998	1999
<b>Total outflows to extra-EU</b>	60 805	69 086	109 126	221 605	297 756
of which:					
Equity capital	30 061	29 977	64 103	150 726	186 299
Other capital	15 519	17 435	20 627	47 509	73 021
Reinvested earnings	15 225	21 675	24 401	23 369	38 436
<b>Total inflows from extra-EU</b>	42 133	35 915	47 038	106 378	114 500
of which:					
Equity capital	29 980	17 848	24 961	68 011	23 278
Other capital	7 240	13 981	12 823	27 003	66 794
Reinvested earnings	4 914	4 088	9 256	11 366	24 430
<b>Total Intra-EU flows*</b>	54 973	61 171	82 183	128 330	311 761
of which:					
Equity capital	33 238	32 221	44 051	77 582	245 907
Other capital	15 104	21 311	23 818	39 151	48 778
Reinvested earnings	6 631	7 640	14 314	11 599	17 075

EU FDI stocks 1994-1998 ECU Millions					
	1994	1995	1996	1997	1998
<b>Total extra-EU assets</b>	444 287	471 912	543 174	666 588	817 018
of which:					
Eq. capital and reinv. earnings	359 148	379 478	440 027	548 093	674 868
Other capital	85 138	92 435	103 147	118 495	142 149
<b>Total extra-EU liabilities</b>	343 970	366 873	421 927	495 915	594 636
of which:					
Eq. capital and reinv. earnings	248 364	270 196	317 527	356 596	427 533
Other capital	95 604	96 676	104 400	139 322	167 102
<b>Total intra-EU stocks*</b>	453 363	500 116	573 052	652 778	745 051
of which:					
Eq. capital and reinv. earnings	368 232	400 544	467 169	525 605	604 812
Other capital	85 133	99 572	105 883	127 174	140 241

EU FDI total FDI income flows 1995-1998 ECU Millions					
	1995	1996	1997	1998	1999
Extra-EU, credits	38 834	47 000	53 379	55 551	:
Extra-EU, debits	28 822	30 666	33 043	44 212	:
Extra-EU, net	3 738	2 192	2 475	7 312	:
Intra-EU*	23 889	26 992	36 254	44 519	:

\* Intra-EU figures are the average of inward and outward as declared by Member States.

# CHAPTER 1

## EU DIRECT INVESTMENTS ABROAD

EU direct investments in major extra-EU areas	21
Return on FDI capital in extra-EU markets	27

## EU direct investment in major extra-EU areas

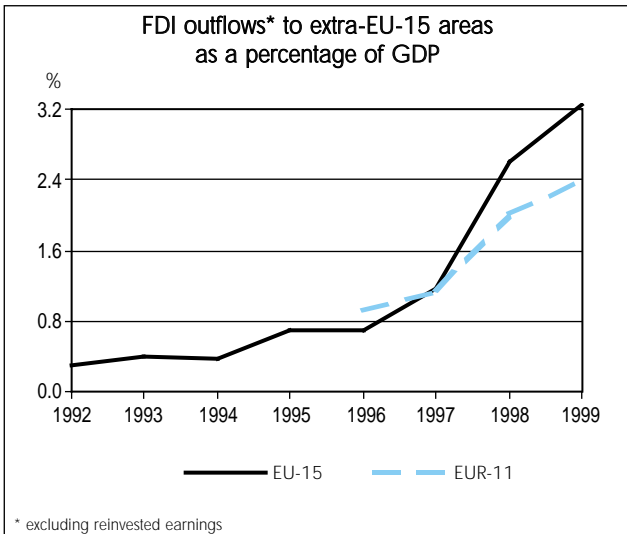
### IN BRIEF

- The economic importance of FDI has been increasing through the Nineties, while investors from the European Union are taking a leading role in globalisation.
- In recent years the US economy has taken on an increasing role for EU out-and ingoing FDI.
- Recent re-orientation towards Eastern and Central Europe as well as on South America. The Asian and Pacific regions have been almost abandoned by EU direct investors lately.

The year 1999 added another year to a period of strong growth in outgoing direct investments from the European Union. Total outflows (excluding re-invested earnings) to extra-EU-15 regions totaled some EUR 259 Bn in 1999, an amount that marked a rise of more than 31% on the previous year. On the other hand total EU FDI assets abroad had risen to ECU 817 Bn at the end of 1998, bringing the European Union almost on the level of the United States in terms of total FDI commitments worldwide.

### FDI are becoming more and more important...

The economic importance of direct investment outflows has



surged remarkably during the Nineties. In 1992, FDI outflows accounted for less than 0.5% of total GDP

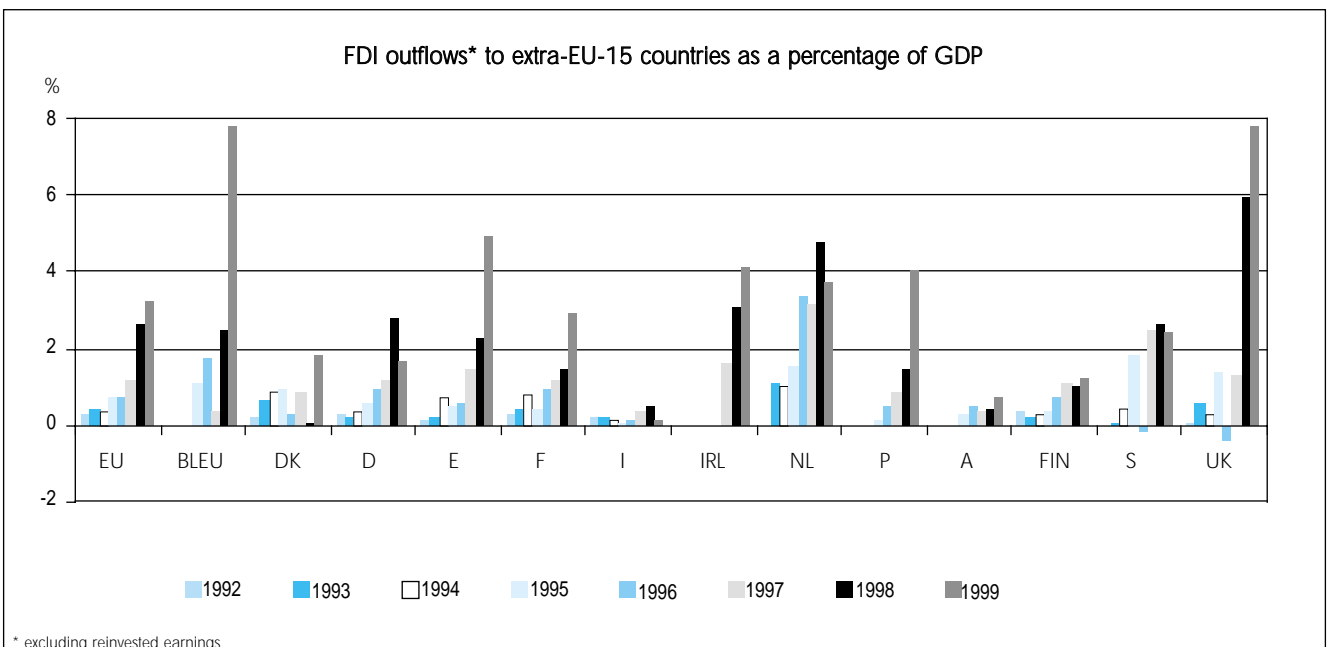
For the 15 EU Member States outflows reached more than 3.2% of total GDP in 1999.

It is characteristic that it was primarily EU Member States outside the euro-zone area which were pulling the weights. The 11 euro-zone EU Members did record strong growth in FDI outflows but at a pace clearly inferior to the four non-euro-zone EU Members as a whole.

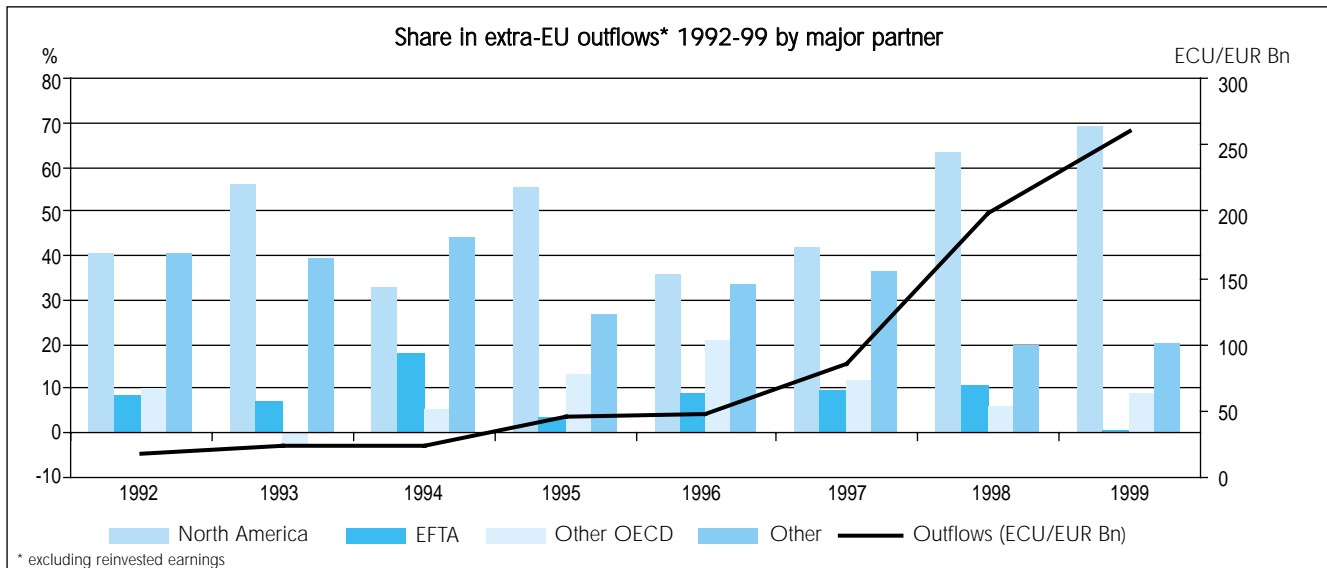
The increase in FDI outflows was widespread throughout the EU Member States. The United Kingdom, Netherlands, Spain and Belgium/Luxembourg have, however, been among the main forces powering this expansion of FDI engagements. Also France and Portugal experienced a significant shift in the level of outgoing investments over the period.

### ...especially those to the United States

EU FDI flows to the United States were characterised by strong growth during recent years. At the end of 1998 about 49% of all EU FDI assets were placed in the US market. Especially in 1998 and 1999 investments were driven by important mergers and acquisitions. In 1999 almost 70% of all extra-EU FDI went to the United States. Data from the US on the other hand also shows that the European Union is the primary investor in the United States where on average 54% of the cumulated 1992-99 flows originated from the EU.



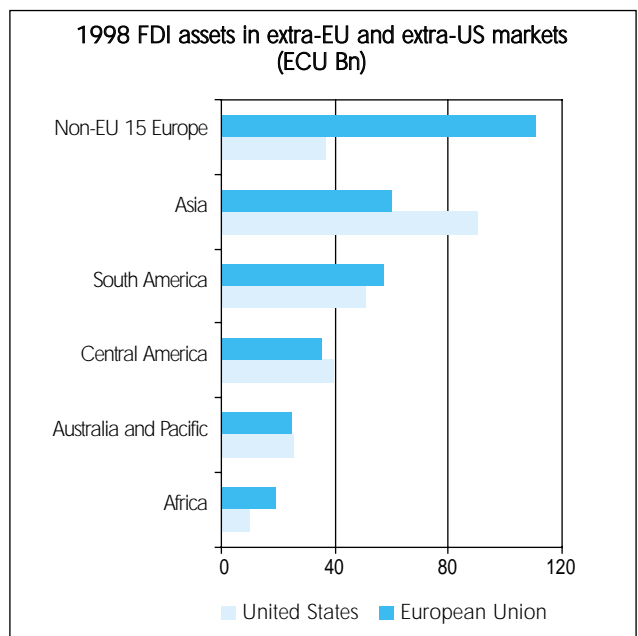
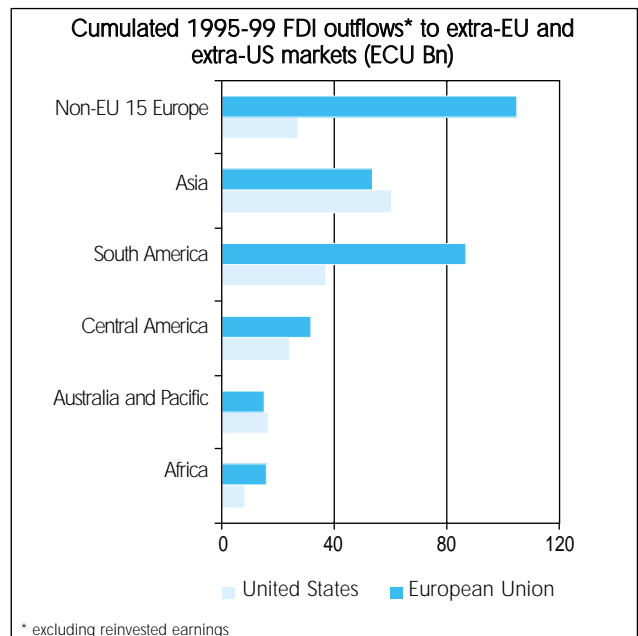
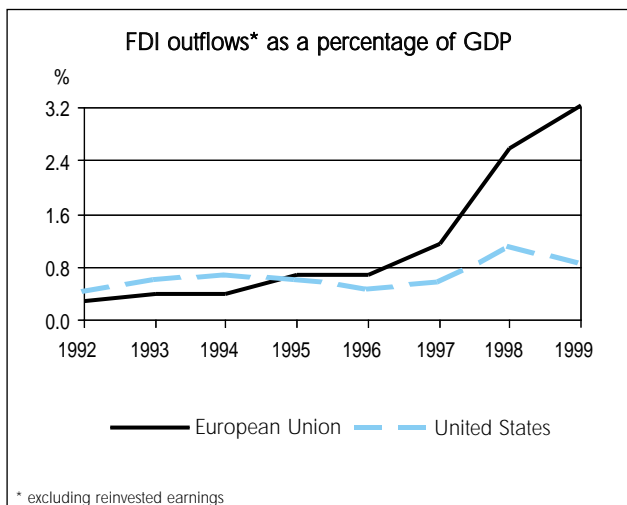




### It is investors from the EU who are taking on the leading role in globalisation...

A closer look at the comparison between the EU and US investment accounts reveals that the United States did not record a rise in foreign direct investments similar to the one we have seen in Europe during recent years. While European investors' engagements abroad have amounted to more than 3.2% of GDP recently, American investors' foreign participation changed only little during that period reaching only about 1% of the US GDP in 1999<sup>1</sup>. These numbers seem to suggest that investors from the European Union are more actively taking part in the overall globalisation process.

A regional comparison reveals that the Eastern and Central European region continues to be the dominant sphere of investors of the European Union and that this dominance has been further emphasised during recent years. From 1995 to 1998, the EU invested almost four times as much FDI capital in this region as its US counterparts, assumably reflecting the forthcoming admission and accession of up to 13 new Member States to the European Union.



<sup>1</sup>The incidence of reinvested earnings is however, important in this case, as they represent about 20% on average of EU flows and about 50% of US flows. This difference is likely to be linked to the lower maturity of EU FDI.

South America, appears to be the continent where EU investors have conquered the most remarkable market shares lately. Though total FDI assets in the South American economies remained comparable between the EU and the US at the end of 1998, US direct investors engaged in less than half of what their European counterparts invested during the 1995-98 period.

### ...at a time when direct investors are approaching new markets

The table indicates that EU direct investors have shifted their focus during recent years. While extra-EU-15 European countries only hosted 17% of total assets in 1998 they received more than 21% of cumulated EU FDI flows during the 1992-98 period.

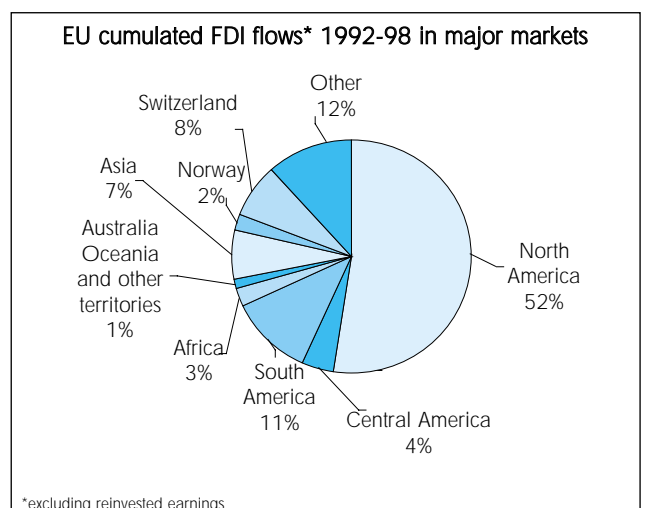
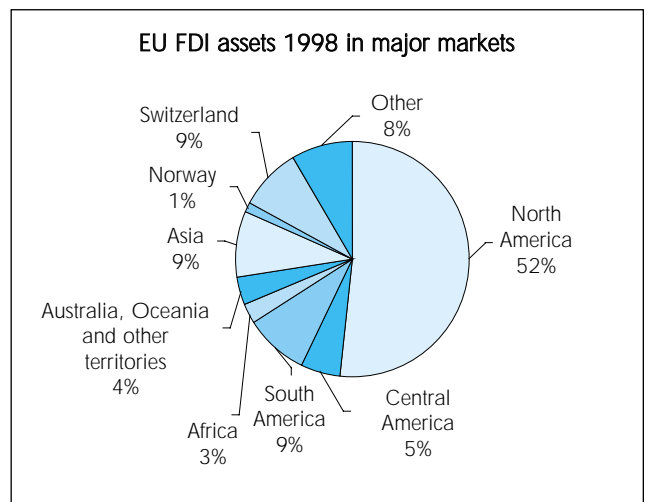
### EU FDI positions with main regions

	Assets 1998 (ECU M)	Share of FDI 1998 assets (%)	Share of FDI flows 1992-98 (%)
<b>Extra-EU-15 Europe</b>	<b>138 536</b>	<b>17.0</b>	<b>21.0</b>
of which			
Switzerland	70 903	8.7	7.7
Norway	9 137	1.1	2.1
Turkey	4 017	0.5	0.7
Russia	2 803	0.3	1.0
<b>Asia</b>	<b>75 417</b>	<b>9.2</b>	<b>6.7</b>
of which			
Japan	12 710	1.6	0.7
Singapore	10 923	1.3	-1.2
Hong Kong	11 814	1.4	0.6
<b>North America</b>	<b>422 354</b>	<b>51.7</b>	<b>52.5</b>
of which			
United States	399 774	48.9	51.4
Canada	22 580	2.8	1.1
<b>Central America</b>	<b>44 100</b>	<b>5.4</b>	<b>4.0</b>
of which			
Mexico	7 924	1.0	1.4
<b>South America</b>	<b>71 424</b>	<b>8.7</b>	<b>11.4</b>
of which			
Brazil	35 535	4.3	5.9
<b>Africa</b>	<b>23 758</b>	<b>2.9</b>	<b>2.6</b>
of which			
North Africa	6 656	0.8	0.6
Rep. of South Africa	5 428	0.7	0.8
<b>Australia and Pacific</b>	<b>30 975</b>	<b>3.8</b>	<b>1.3</b>
of which			
Australia	24 868	3.0	1.3
New Zealand	4 153	0.5	0.0
<b>Total extra-EU-15</b>	<b>817 018</b>	<b>100</b>	<b>100</b>

It will appear that this increased focus primarily concerned some of the leading Candidate Countries including the Czech Republic, Hungary and Poland.

Partner	Share in FDI assets 1998 (%)	Share in FDI flows 1992-98 (%)	Trend in Importance
Extra-EU-15 Europe	17.0	21.0	↗
Asia	9.2	6.7	↘
North America	51.7	52.5	→
Central America	5.4	4.0	↘
South America	8.7	11.4	↗
Africa	2.9	2.6	→
Australia and Pacific	3.8	1.3	↘

The continent which appears to have lost most market shares is Asia where close to 10% of all FDI stocks were recorded at the end of 1998. The Asian region only received about 6.7% of cumulated FDI flows during the 1992-98 period. This diminishing focus on Asia seems to be widespread among the region's markets though certain countries appear to have faced serious and dramatic withdrawal of EU FDI capital during recent years.



EU direct investors also to a great extent bypassed Australia and the Pacific region since 1992. Direct investments in this region were already very moderate representing only about 3.8% of total stocks in 1998. Cumulated FDI flows during the Nineties were even more insignificant amounting to only about 1.3% of extra-EU-15 flows. The continent, which appears to have gained most market shares, is South America where just about 8.7% of all EU stocks were placed in 1998. The region, however, received 11.4% of cumulated EU FDI flows between 1992 and 1998. Finally FDI outflows to

Africa remained relatively stable representing only about 3% of FDI assets and of cumulated flows during the 1992-98 period.

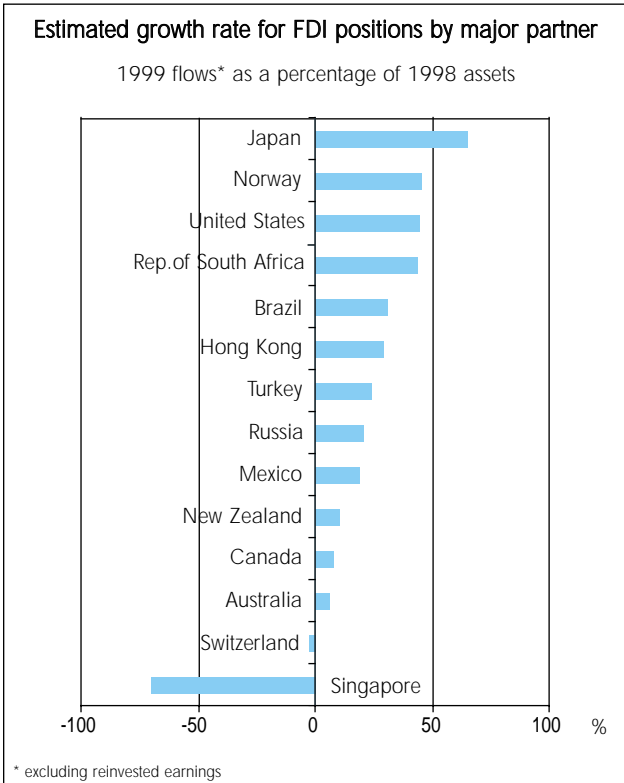
Figures therefore appear to describe a situation where direct investors have been shifting focus towards new accession countries as well as towards the South American continent. This shift has taken place at the cost of the Asian and Pacific regions, and to a lesser extent Central America. North America has kept its privileged position as most preferred market for EU direct investments abroad.

**EU FDI outward flows to major partners (equity and other capital, ECU/EUR M)**

	<i>Outward flows</i>							
	1992	1993	1994	1995	1996	1997	1998	1999
<b>Extra-EU-15 Europe</b>	4 293	5 585	8 044	7 910	10 479	18 908	37 566	15 149
of which								
Norway	299	359	1 133	964	759	2 876	2 785	4 101
Switzerland	1 210	1 392	3 099	780	3 588	5 553	18 439	-1 553
Turkey	369	280	398	317	415	126	1 006	947
Russia	:	125	376	312	524	1 811	1 060	567
<b>Asia</b>	1 596	933	3 417	5 018	8 122	8 115	2 565	13 466
of which								
Japan	445	-1 229	272	854	2 159	446	338	8 275
Singapore	232	-62	384	654	442	2 193	-9 338	-7 653
Hong Kong	-299	130	-334	671	458	80	1 972	3 423
<b>North America</b>	7 237	13 629	7 873	25 298	17 146	35 380	125 617	180 092
of which								
United States	6 941	13 789	7 426	24 534	17 272	35 335	122 028	178 277
Canada	296	-159	443	767	-124	47	3 588	1 812
<b>Central America</b>	1 911	1 876	1 805	1 112	1 664	6 242	3 196	11 032
of which								
Mexico	235	88	383	1 010	449	2 696	1 162	1 510
<b>South America</b>	1 064	659	2 976	2 594	6 021	12 367	24 791	35 168
of which								
Brazil	166	195	281	798	2 592	4 270	17 742	10 968
<b>Africa</b>	702	108	556	1 146	1 895	3 575	3 478	2 319
of which								
North Africa	11	234	177	162	436	720	990	-1 061
Rep. of South Africa	341	135	75	420	158	1 411	1 008	2 389
<b>Australia and Pacific</b>	1 325	97	-517	2 573	1 772	49	573	2 062
of which								
Australia	961	271	-674	2 571	1 571	323	759	1 424
New Zealand	103	-36	132	-200	207	99	-259	424
<b>Total extra-EU-15</b>	17 828	24 157	24 129	45 580	47 412	84 730	198 235	259 320

**New focus on the Japanese market in 1999**

Relating 1999 FDI flows to the 1998 FDI stocks gives the possibility to detect possible shifts in EU investors' geographical focus and preferences during 1999.



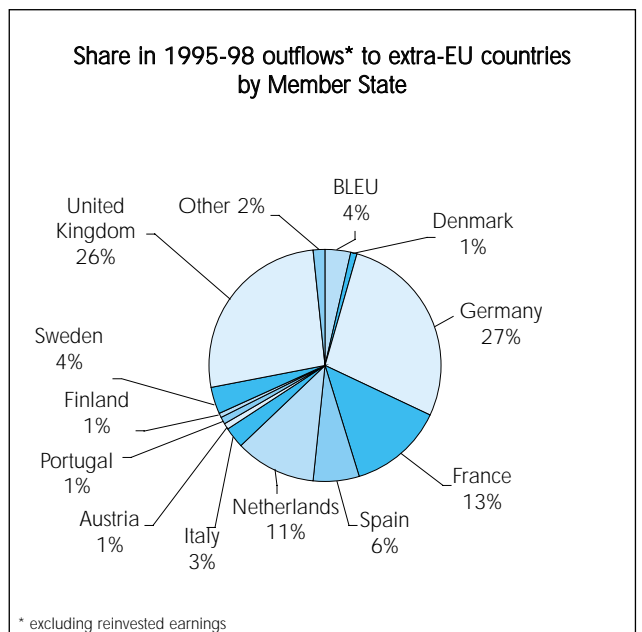
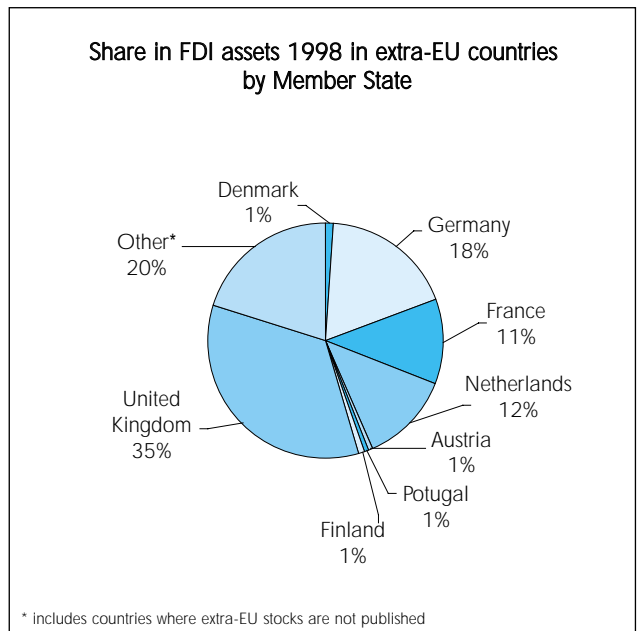
The figure mainly confirms the trend which could be seen throughout the 1992-98 period: EU direct investors continue to turn their back on Singaporean, Australian and New Zealand markets. In Singapore in 1999, EU direct investors withdrew a substantial part of the FDI capital that was recorded at the end 1998. A renewed focus on the Japanese market seems to have taken place during 1999. The 15 EU Member States' outflows to Japan in 1999 counted for more than 60% of the FDI stocks recorded there at the end 1998.

As described before, massive investments into the US market continued in 1999. New commitments amounted to more than 45% of total EU assets recorded in the United States by the end of 1998. A strong new commitment to the Norwegian market took place during 1999, whereas engagements in Brazil, Mexico, Turkey and Russia continued to progress significantly. The most remarkable shift perhaps would appear in the Republic of South Africa where EU investors placed new engagements worth more than 40% of the FDI assets recorded one year earlier.

At the lower end of the scale one finds old well established markets such as Canada and Switzerland which received very moderate amounts of new FDI capital in 1999, for Switzerland even resulting in a negative net flow.

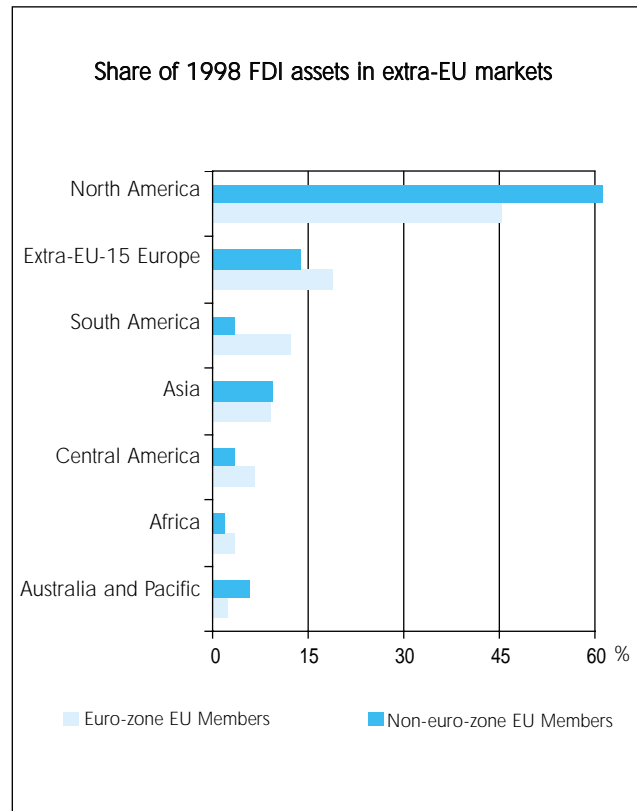
**German and British direct investors are dominating**

A look at the breakdown of the EU FDI flows to extra-EU countries reveals that the typical EU direct investor comes from either the United Kingdom or Germany. Together the two Member States sourced more than half of all outgoing direct investments from the European Union. A certain shift in the structure of outgoing investments seems to have taken place during recent years. During the 1995-98 period the level of direct investments from the two countries was comparable though the total FDI assets recorded at the end of 1998 were clearly in the favour of the United Kingdom.



In 1999 British direct investors again seem to have taken the lead. Approximately 40% of outgoing investments from the European Union came from the UK during 1999. This remarkable figure is partly explained by extraordinary mergers and acquisitions in the United States in 1999. French direct investors and especially Spanish and Italian investors increased their share in total outflows during 1999.

Reporter	1999 FDI flows to extra-EU countries (EUR M)	Share in extra-EU FDI flows (%)
BLEU	19 531	7.5
Denmark	3 026	1.2
Germany	32 841	12.7
Spain	27 850	10.7
France	39 035	15.1
Netherlands	13 999	5.4
Italy	1 747	0.7
Austria	1 483	0.6
Portugal	4 314	1.7
Finland	1 465	0.6
Sweden	5 388	2.1
United Kingdom	104 880	40.4
Other	58 277	22.3

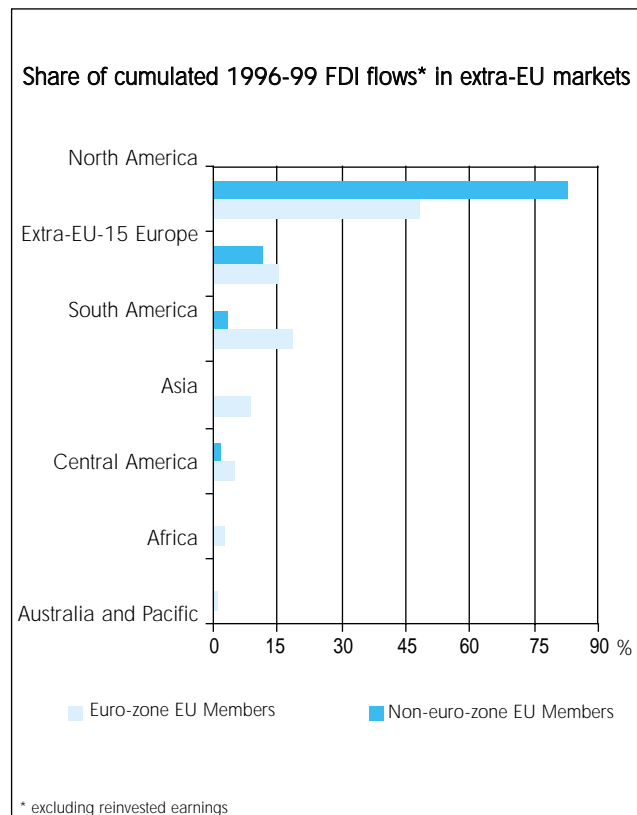


#### The different profile of non-euro-zone direct investors

The figures below illustrate that the geographical profile of euro-zone Members and non-eurozone Members differ significantly. The most remarkable difference can be seen on the American continent. Direct investors from the euro-zone appear to be relatively less involved in the North American markets while they on the other hand appear to focus more on Central and South American markets. One obvious explanation for these particularities are the strong historical and cultural relations that certain EU Member States have in the region: the United Kingdom with the United States and Spain with the South and Central American countries.

What appears perhaps more remarkable is that the euro-zone direct investors have been relatively more active in the extra-EU-15 Europe which amongst others includes the 13 Candidate Countries. What the figure seems to suggest is that direct investors from the United Kingdom, Denmark and Sweden have focused relatively less on the Central and Eastern European countries and on the EFTA partners.

The figure also illustrates that it was (almost solely) direct investors from the non-euro-zone EU Members that were behind the withdrawal of FDI capital from the Asian continent, which has been described elsewhere in this report.



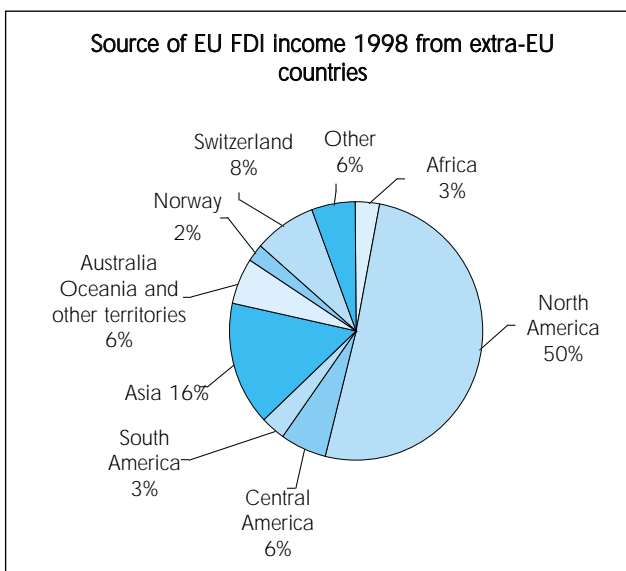
# Return on FDI capital<sup>1</sup> in extra-EU markets

## IN BRIEF

- EU direct investments on the American continent generated more than 59% of all EU FDI income in 1998.
- EU FDI in Asia still appear to be the most profitable direct investments. No direct link emerges between flows of investments and profitability.
- British FDI assets appear to be the most profitable.

### Structure of EU FDI income flows 1998

FDI income is generated by FDI positions in equity participation and inter-company debt held in each single partner economy. These positions generate flows of dividends, interests paid on debt and reinvested earnings received through assets held abroad.

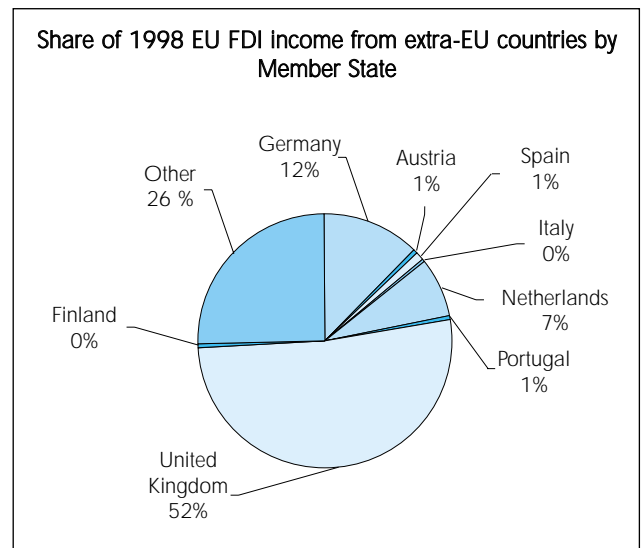


In 1998, EU FDI assets abroad generated FDI income payments for some ECU 55.5 Bn, up by about 2 Bn (or 4%) compared to 1997. The American continent maintained its leading role as provider of FDI income for EU based investors. In 1998 the American continent contributed with more than 59% of this income after having sourced 63% in 1997.

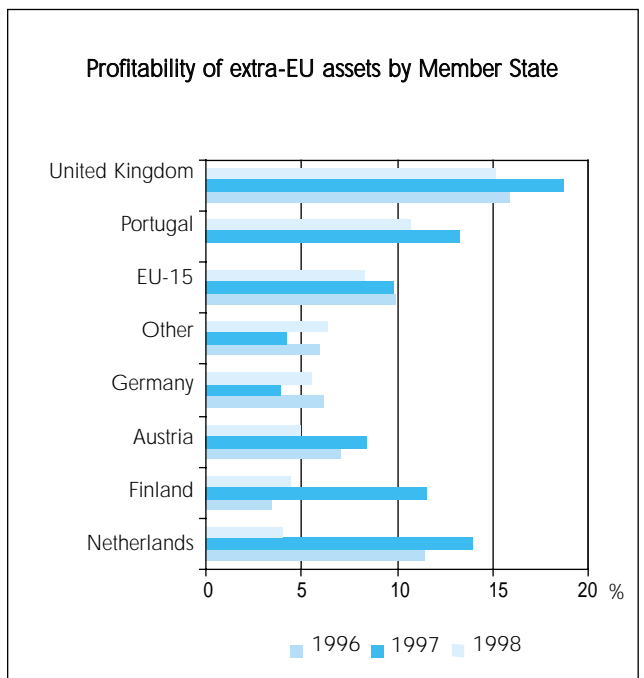
The Asian region on the other hand seems to have compensated for this decline as it added another 3% points to its stake in total income between 1997 and 1998. The most remarkable shift, however, seems to have taken place in the group of "other countries" where more than 6% of total income originated from in 1998 compared to 4% in 1997. This group mainly covers the Central and Eastern European countries, a region that has been known for having received massive foreign direct investments during recent years.

### British FDI most profitable

A breakdown by Member State of the profitability of FDI assets in extra-EU markets highlights remarkable differences.



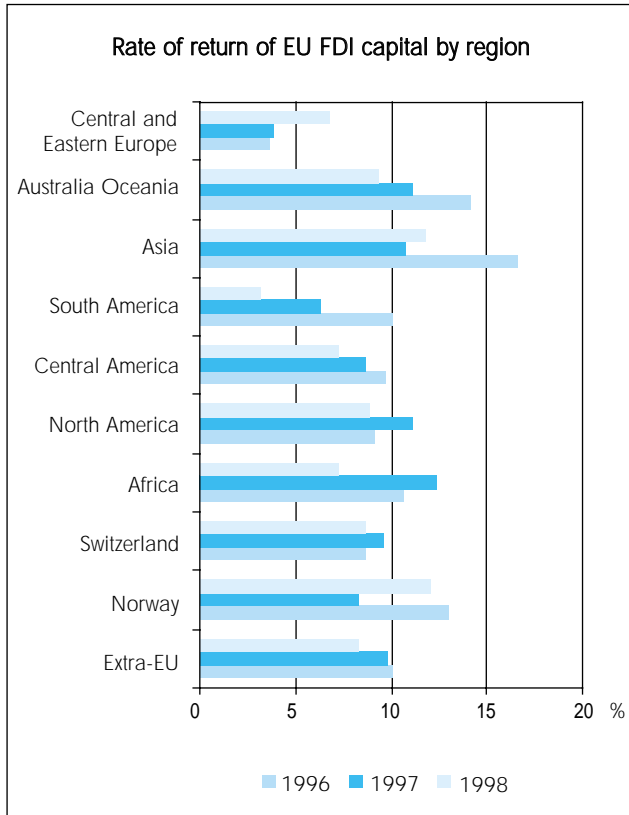
In 1998 British direct investors received 52% of all FDI income in foreign markets. In terms of profitability British direct investments abroad also appeared more profitable than many other EU FDI abroad.



<sup>1</sup>Figures from Denmark, France, Ireland, Greece, BLEU, and Sweden were estimated.

### EU FDI assets return an 8.3% yield in 1998

By combining information on FDI positions and income from these FDI positions, a rough indicator of the profitability of FDI assets can be obtained.



For 1998, the average EU direct investment abroad returned 8.3% of the invested capital, a figure that was down from 9.8% in 1997. However, this average covers a number of differences throughout the different regions of the world.

The Asian continent still appears as the region where direct investments are most profitable. FDI in the region yielded 11.8% in 1998 or about 3.5 percentage points more than the average extra-EU investment.

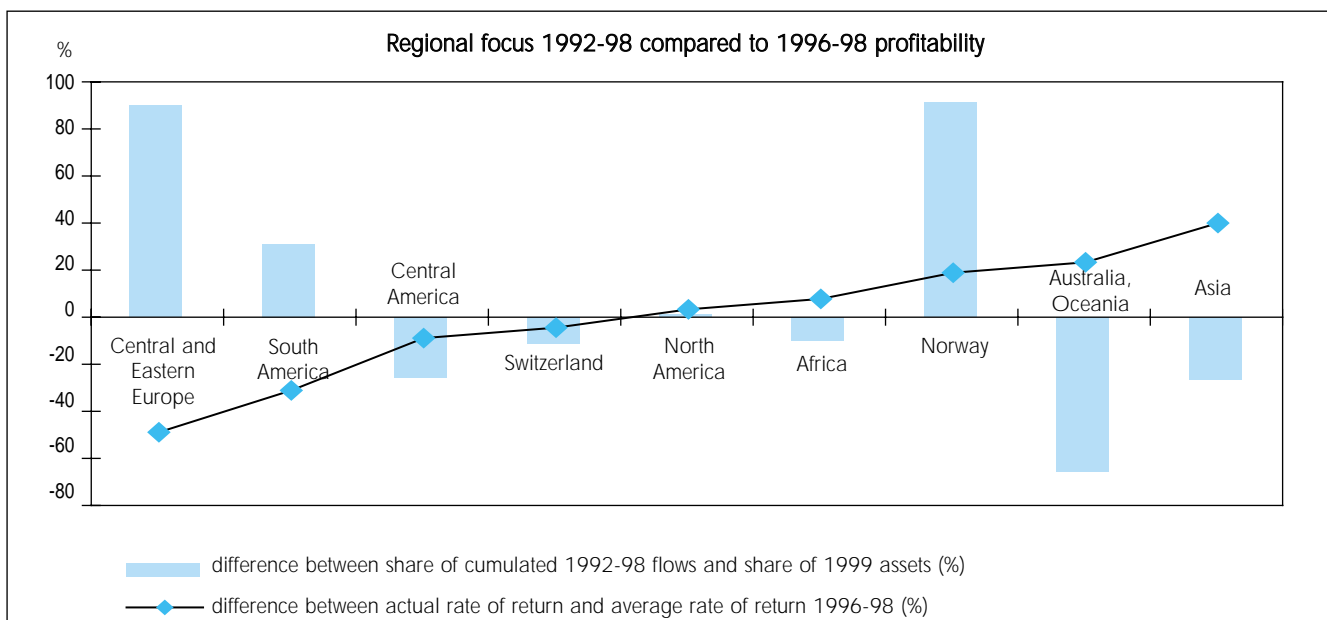
The Norwegian market also seems to yield above average returns to foreign investors while the investment conditions in Switzerland appear to have improved during the 1996-98 period.

During the period observed the return on EU FDI in South America dropped significantly from 10.1% in 1996 to 3.1% in 1998. Together with the countries in Central and Eastern Europe, the South American market appears to offer the less profitable conditions for foreign investors. As for Central and Eastern European countries a positive trend seems to have taken place during recent years. In 1998 the return on direct investments in this region was only about 1.5% lower than the average extra-EU direct investment.

In contrast to the particularly high rates found in Asian countries, EU assets in both the South American emerging economies as well as in Central and Eastern European countries, turned out to be less profitable, for the latter case with return rates below 3%.

#### Do investments follow the return on capital?

By comparing the average rate of return with the regional focus during last years it is possible to see whether there is any evidence suggesting that FDI capital follows profitability. In the period under review no such relationship can clearly be identified. For Central and Eastern Europe, for example, the share of 1992-98 flows was about double as high as the share of 1998 assets indicating that EU investors have stepped up their presence in this region lately. However, the average 1996-98 profitability on FDI assets reached less than half of the average extra-EU asset. One of the reasons for this might be that the time horizon is simply too short to cover possible reactions to changes in investment climate. Another might be that many direct investments, especially in the young emerging markets, are very much strategic investments which are not supposed to create any immediate profits.



## European Union direct investment income flows with selected partner countries and regions\*

	Income from FDI abroad (ECU M)			Rate of return from FDI abroad (%)		
	1996	1997	1998	1996	1997	1998
<b>Extra-EU-15</b>	<b>47 000</b>	<b>53 379</b>	<b>55 551</b>	<b>10.0</b>	<b>9.8</b>	<b>8.3</b>
Norway	889	704	1 206	13.0	8.3	12.1
Switzerland	3 899	4 453	4 564	8.6	9.6	8.7
Poland	2	105	378	0.1	2.3	5.3
Baltic countries	24	43	102	4.7	8.0	11.6
Czech Republic	-134	-130	290	-3.1	-2.1	3.6
Slovakia	83	58	69	14.6	6.9	5.5
Hungary	551	603	1 032	11.0	9.6	12.1
Romania	-52	-5	2	-37.3	-1.7	0.2
Bulgaria	-3	-9	12	-3.1	-6.1	2.9
Slovenia	27	66	37	6.4	10.7	4.5
Turkey	90	321	312	4.0	12.3	8.9
Russia	45	29	-761	5.8	2.1	-31.4
<b>Africa</b>	<b>1 793</b>	<b>2 260</b>	<b>1 710</b>	<b>10.7</b>	<b>12.4</b>	<b>7.2</b>
North African countries	229	237	43	6.9	6.2	0.9
Other African countries	1564	2 024	1 670	9.1	4.6	-17.1
Republic of South Africa	632	975	692	12.8	18.4	10.3
<b>America</b>	<b>27 038</b>	<b>33 494</b>	<b>33 164</b>	<b>9.3</b>	<b>10.2</b>	<b>7.9</b>
North American countries	20 324	27 928	28 209	9.1	11.1	8.9
United States of America	18 803	26 091	25 984	9.1	11.2	8.9
Canada	1 521	1 837	2 229	8.9	9.6	9.2
Central American countries	3 124	2 913	3 225	9.7	8.6	7.3
Mexico	445	600	603	12.5	12.4	7.5
South American countries	3 591	2 653	1 730	10.1	6.3	3.1
Colombia	88	134	186	4.1	4.6	4.1
Venezuela	106	163	-282	12.9	15.9	-9.8
Brazil	1 815	1 139	1 284	10.6	5.6	5.2
Chile	684	440	321	33.5	18.4	6.8
Argentina	825	800	715	13.2	10.7	6.3
<b>Asia</b>	<b>8 590</b>	<b>7 022</b>	<b>8 666</b>	<b>16.6</b>	<b>10.8</b>	<b>11.8</b>
Near and Middle East countries	1 064	1 228	1 815	27.6	32.4	36.6
Gulf Arabian Countries	428	887	1 525	18.2	39.1	53.0
Other Near and Middle East countries	356	304	282	40.0	45.4	24.5
Other Asian countries	7 528	5 794	6 850	15.7	9.5	10.0
India	65	73	410	4.1	3.7	15.7
Thailand	342	500	281	16.6	16.5	8.5
Malaysia	715	424	529	17.1	8.7	9.5
Indonesia	182	292	282	12.4	16.0	10.3
Singapore	1 826	806	1 473	17.0	5.2	9.7
Philippines	123	-11	179	6.9	-0.5	9.1
China	129	350	-26	5.5	9.8	-0.4
Korea, Republic of (South Korea)	123	-1 026	333	5.3	-37.0	14.7
Japan	742	1 360	827	6.7	11.3	7.1
Taiwan	660	1 375	457	40.6	61.5	16.2
Hong Kong	2 528	1 260	1 705	35.3	13.0	16.1
<b>Australia, Oceania and other territories</b>	<b>3 693</b>	<b>3 491</b>	<b>3 175</b>	<b>14.1</b>	<b>11.1</b>	<b>9.4</b>
Australia	2 899	2 781	2 337	13.8	10.5	8.4
New Zealand	500	1 207	338	12.9	27.6	8.0
<b>NAFTA</b>	<b>20 769</b>	<b>28 527</b>	<b>28 813</b>	<b>9.1</b>	<b>11.1</b>	<b>8.9</b>
<b>NICs 1</b>	<b>5 138</b>	<b>2 417</b>	<b>3 968</b>	<b>23.6</b>	<b>8.0</b>	<b>12.8</b>
<b>NICs 2 - Asia</b>	<b>1 181</b>	<b>913</b>	<b>988</b>	<b>14.7</b>	<b>9.2</b>	<b>9.1</b>
<b>NICs 2 - Latin America</b>	<b>3 771</b>	<b>2 980</b>	<b>2 921</b>	<b>13.0</b>	<b>8.5</b>	<b>6.0</b>
<b>ASEAN</b>	<b>3 185</b>	<b>2 115</b>	<b>2 798</b>	<b>15.5</b>	<b>7.8</b>	<b>9.5</b>
<b>Offshore financial centers</b>	<b>7 005</b>	<b>4 292</b>	<b>5 634</b>	<b>15.0</b>	<b>7.8</b>	<b>9.1</b>
<b>ACP countries</b>	<b>1 222</b>	<b>1 534</b>	<b>2 258</b>	<b>9.4</b>	<b>11.5</b>	<b>14.6</b>
<b>Countries from Central and Eastern Europe</b>	<b>525</b>	<b>731</b>	<b>1 939</b>	<b>3.6</b>	<b>3.9</b>	<b>6.8</b>

\*The EU income aggregates include estimates for Belgium/Luxembourg, France, Denmark, Greece, Ireland and Sweden.



# CHAPTER 2 DIRECT INVESTMENTS INTO EU MEMBER STATES

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# Direct investments into EU Member States: major partners

## IN BRIEF

- In 1999 the EU attracted FDI flows worth EUR 90 Bn from abroad.
- The USA and Switzerland were the major partners: they generated about three-quarters and 5% of total inflows respectively.
- Almost one quarter of investment was directed to the United Kingdom, which attracted about EUR 21 Bn in 1999. The second largest share (22%) was directed to Belgium/Luxembourg.

Despite a slight decrease of 5%, inward investments (excluding reinvested earnings) from direct investors based outside the European Union remained close to the record high level of the previous year, when they experienced a growth rate of 151%.

Nevertheless the ratio of extra-EU-15 FDI inflows to the European Union GDP lost 0.1 percentage points compared to + 0.4 points for the euro-zone. The fall in the ratio of extra-EU inflows to EU GDP is mainly explained by decreasing extra-EU FDI recorded by the United Kingdom in 1999.

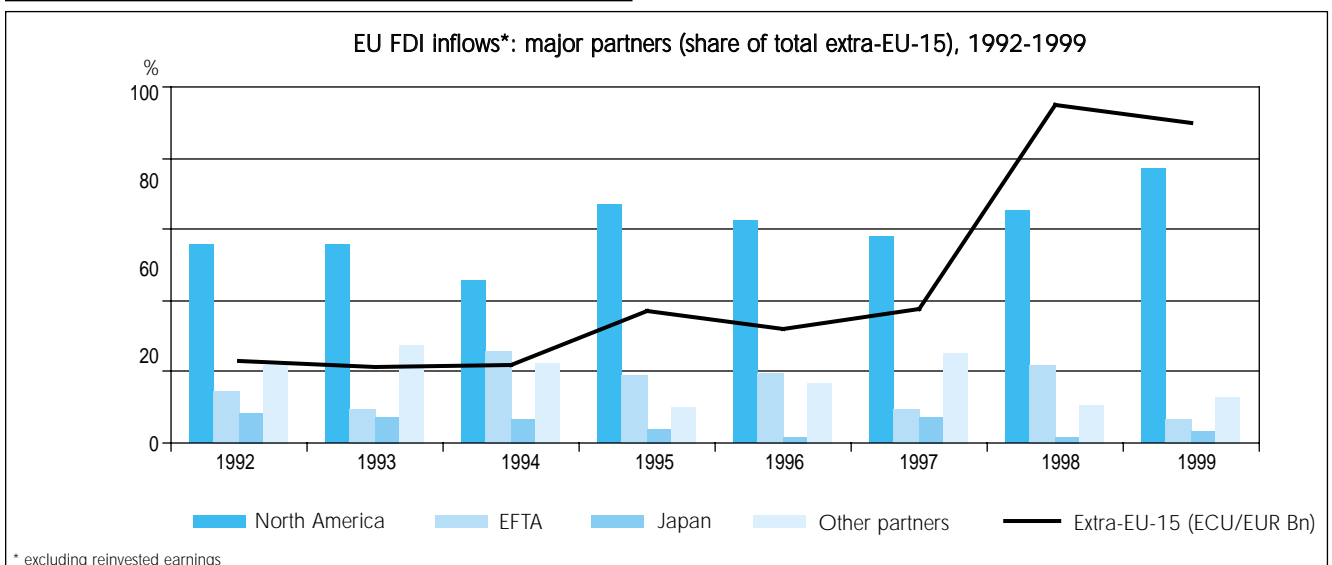
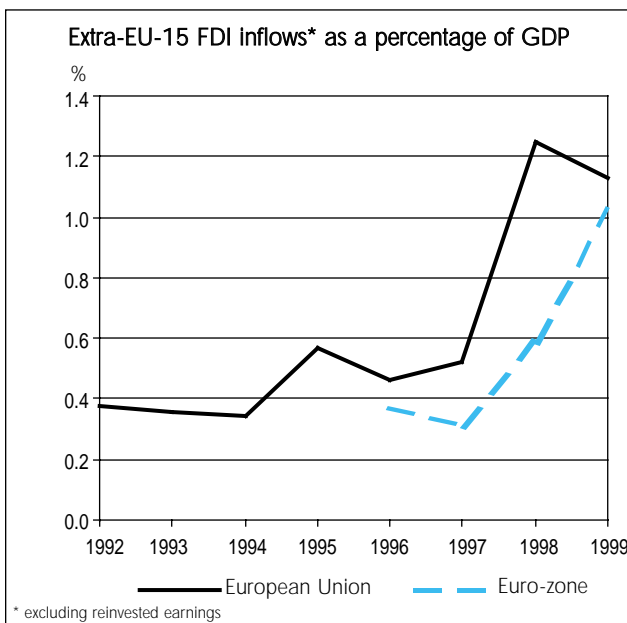
## Major partners: North America and EFTA countries

In 1999, the European Union attracted overseas capital amounting to EUR 90 Bn. This is less than 25% of total FDI inflows (intra-EU and extra-EU) compared to 47% the previous year.

North America provided more than three-quarters of FDI capital entering the EU in 1999. Over the 1992-1999 period, it has always provided the main share of extra-EU FDI. Its share has fluctuated between the highest in 1999 (77% of extra-EU inflows) and the lowest in 1994 (45%).

The second most important source of FDI capital between 1992 and 1997 have been EFTA countries, with an average share of 16% of total. In 1998, they accounted for more than 22% of extra-EU inflows but other European Countries overtook their position in 1999 with an 11% share.

On the other hand, the Asian component reduced considerably: in 1999 Asian direct investment companies retrieved capital from their EU affiliates (mainly in the UK). Central and South America picked up the 4 percentage points they had lost in 1998 and continued the volatile movements observed over the past years. Besides Oceania gained 2 percentage points compared to 1998. Less than 1% of extra-EU inflows came from Africa, which has never represented more than 1.5%.



**USA, Switzerland, Japan**

The USA are the most important EU partner for FDI. Not only do they attract the largest share of the extra-EU flows, but they also generate the largest part of extra-flows into the Union. In 1999, investments for more than EUR 67 Bn were directed from the USA to EU affiliates, that is about three-quarters of total capital coming from non-EU countries. This predominance is confirmed by previous years' data: since 1992, the USA have provided between two-fifths and three-quarters of the total.

Yet again, the second most significant partner in 1999 was Switzerland, from which about 5% of inflows originated. However its share fell significantly in comparison to the previous year. Japan was third with slightly less than 4%.

The group of other main investors has consistently been made up of countries such as Norway, Canada, and Australia and to a lesser extent Hong Kong, Singapore, South Korea and South Africa. These countries appeared in at least seven of the top ten partners ranking considered.

**Extra-EU FDI inflows\*: top ten partners**

	1992	1993	1994	1995	1996	1997	1998	1999
1	USA	USA	USA	USA	USA	USA	USA	USA
2	Switzerland	Japan	Switzerland	Switzerland	Switzerland	Japan	Switzerland	Switzerland
3	Japan	Switzerland	Japan	Japan	Norway	Switzerland	Canada	Japan
4	Australia	Australia	Mexico	Norway	Australia	Canada	Japan	Australia
5	Norway	Canada	Norway	Canada	Japan	Singapore	Norway	Canada
6	Canada	Mexico	Australia	South Korea	Singapore	Norway	Australia	Norway
7	Hong Kong	Norway	Hungary	South Africa	Hong Kong	Hong Kong	South Korea	Singapore
8	South Africa	Russia	Poland	Hungary	Malaysia	South Africa	Philippines	South Korea
9	Singapore	Hong Kong	South Korea	Russia	South Africa	Australia	South Africa	New Zealand
10	South Korea	South Korea	Israel	New Zealand	South Korea	Russia	Israel	Philippines

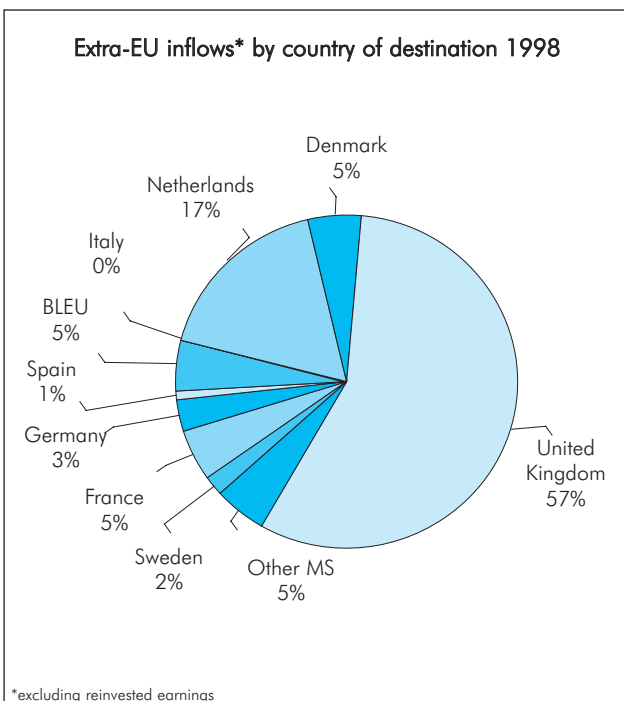
\*excluding reinvested earnings

**Major destinations of FDI in the European Union.**

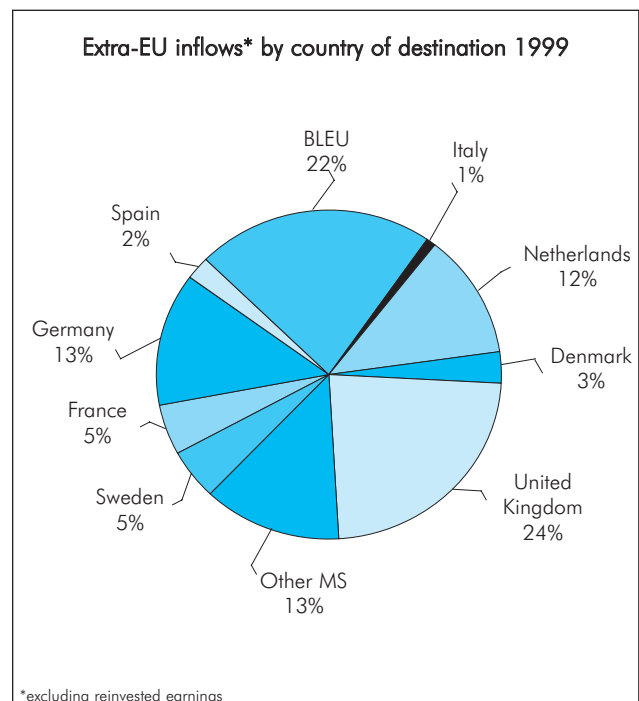
The European Union still occupies a major role as recipient of direct investments in the world by the end of the Nineties, but the allocation of FDI flows into the European Union markets was reshaped during the 1992-1999 period.

The United Kingdom has been the most attractive EU location for foreign direct investors since 1992, with a

share accounting for more than one quarter of cumulated extra-EU inflows between 1992 and 1996 (see table "Extra-EU inflows excluding reinvested earnings" below). During this period, it recorded 36% of US FDI inflows and received respectively 14% and 13% of the capital invested by Swiss and Japanese direct investors in the European Union. In 1997 and 1998, the UK consolidated its position as main EU FDI partner for American and Swiss investors with shares noticeably above the 1992-1996 average.



\*excluding reinvested earnings



\*excluding reinvested earnings

Nevertheless, the United Kingdom lost a good deal of its relative importance in extra-EU flows in 1999 to the benefit of Germany and Belgium/Luxembourg: Swiss and, to a lesser extent, US investors slowed down their FDI activities in the UK. It is important to note that for two consecutive years Japanese investments into the European Union were mostly concentrated in the United Kingdom while at the same time important dis-investments from Asian investors have been recorded.

Approximately 17% of extra-EU inflows were directed to France between 1992 and 1996. While France maintained its position as the second most important EU location in 1997 with a 15% share, it recorded only 5% of extra-EU inflows for two consecutive years. In fact the amounts of extra-EU capital invested in France these last two years were very close to the 1992-1996 average of ECU 4.6 Bn. Since 1992, more than 70% of extra-EU FDI made in France are linked to only two countries: the United States and Switzerland.

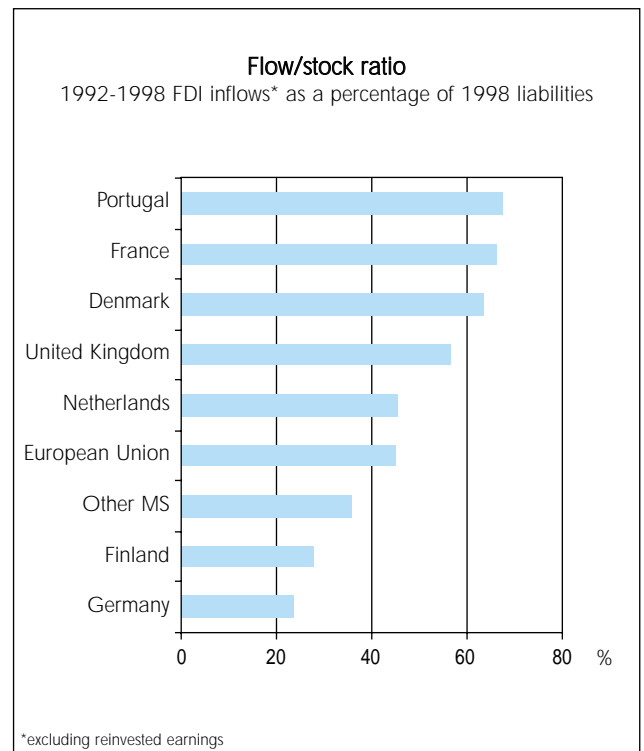
Between 1992 and 1996, the Netherlands, directly followed by Germany, were the third most prominent home country in terms of extra-EU FDI. In 1998, and after having experienced important dis-investment from their Swiss partner the previous year, it overtook France as the second most attractive EU location for FDI. This was particularly true for Canada whose companies invested exceptionally high levels of capital in the country. In 1999, while extra-EU inflows slowed down in the Netherlands, investment from the USA represented more than four-fifths of total.

In 1997, US FDI inflows to Germany decreased considerably and amounted to less than half the 1992-1996 average. In 1999, they reached the level of the 1992-1996 cumulated flows while investment from Switzerland to Germany offset the dis-investment recorded the previous year.

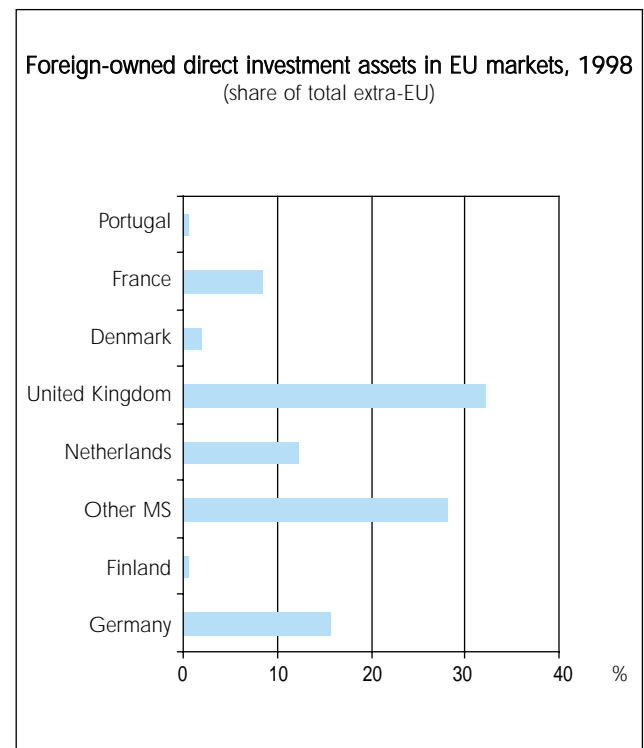
The remaining extra-EU inflows were mainly directed to Belgium/Luxembourg (22% in 1999 compared to 5% a year earlier), Sweden (5% in 1999 compared to 2% in 1998) and Denmark (3% in 1999 compared to 5% the previous year) - see also table "Extra-EU inflows excluding reinvested earnings".

**FDI in Portugal, France and Denmark were made relatively recently**

Flow/stock ratios for foreign-owned direct investments in the European markets show that Germany and Finland rank as the oldest as a majority of them were established long before 1992. Nevertheless, while Germany was domicile for about 16% of all extra-EU foreign-held assets at the end of 1998, Finland recorded less than 1% of them.

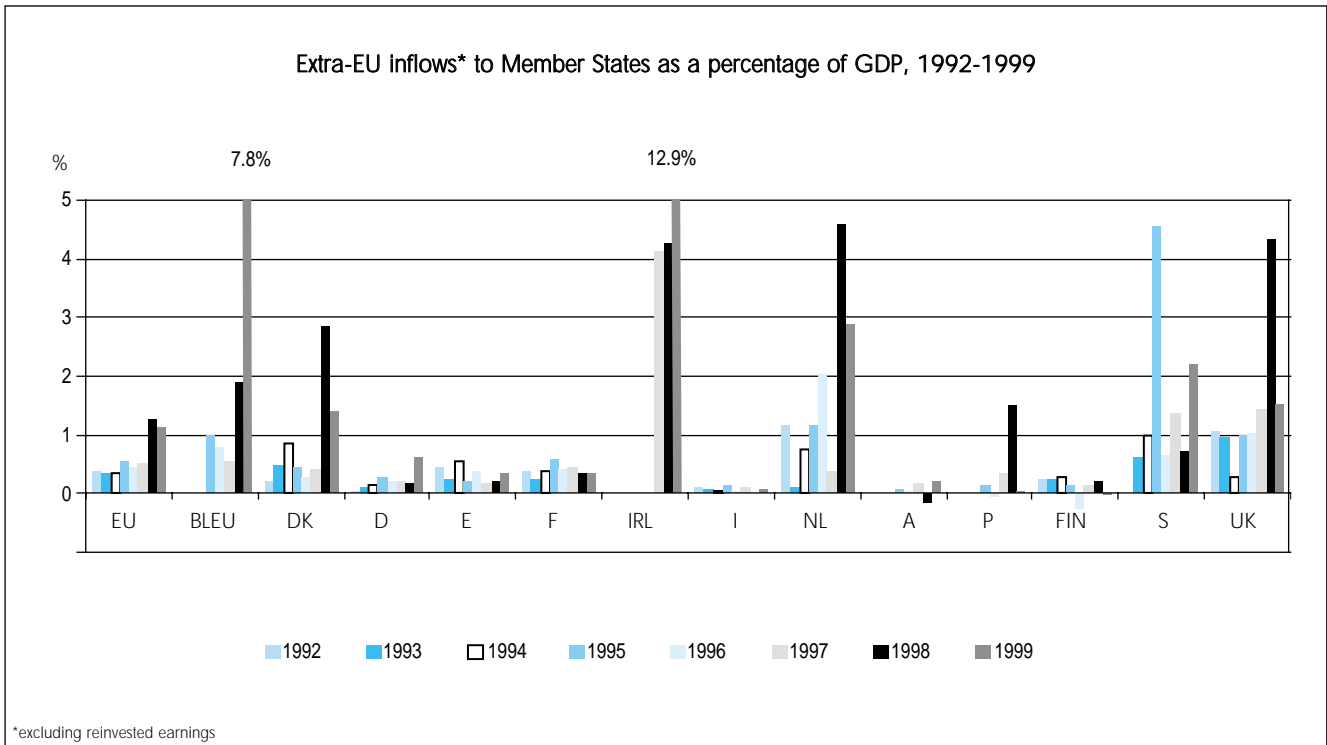


On the other hand, direct investments in Portugal, France, Denmark and the United Kingdom were established much more recently but their weight in total extra-EU liabilities was also considerably different at year-end 1998.



The figure below illustrates that the real economic importance of extra-EU inflows to Italy, Germany, Finland and

Austria during the Nineties was lower than in the other EU Member States.

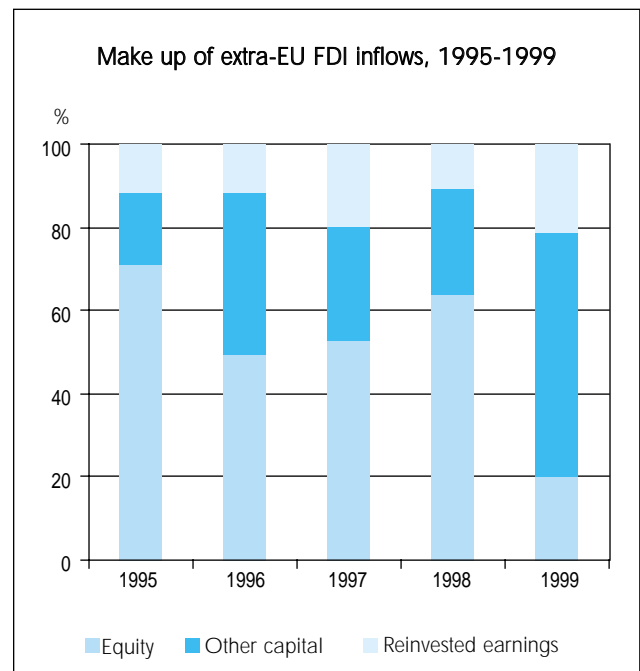


### Make up of EU FDI inflows from abroad

The make up of capital inflows to the European Union has seen some changes, particularly in 1999. In the previous years, the largest component of capital inflows was equity, which consists of funds used to acquire and establish new foreign affiliates. However, in 1999 the largest component was other capital, which consists of loans to existing foreign affiliates.

To some extent, this difference in composition reflects the less prominent role of extra-EU mergers and acquisitions (M&A) in last year's FDI activities, particularly in the United Kingdom and in the Netherlands.

While 1998 was characterised by large M&A transactions from extra-EU investors, the increasing reinvested earnings in 1999, which tend to be used mainly to finance the ongoing operations of foreign affiliates, may reflect the strengthening of the maturity of these foreign affiliates.



## Extra-EU FDI inflows excluding reinvested earnings with major partners: share of total generated by the Member States

	Extra-EU	United States	Switzerland	Japan	Other partners
<b>1992-1996 cumulated EU inflows / ECU M</b>					
<b>European Union</b>	<b>135 126</b>	<b>78 210</b>	<b>18 511</b>	<b>6 915</b>	<b>31 489</b>
of which:					
United Kingdom	27%	36%	14%	13%	19%
France	17%	16%	30%	19%	13%
Netherlands	12% <sup>(1)</sup>	11% <sup>(2)</sup>	11%	22%	12%
Germany	11%	11%	14%	12%	8%
Sweden	9%	:	9%	2%	:
BLEU	8%	8%	-1%	9%	11%
Spain	6%	5%	10%	12%	6%
Italy	3%	2%	4%	3%	4%
Denmark	2%	1%	2%	0%	5%
Other Member States	4%	:	7%	8%	:
<b>1997 EU inflows / ECU M</b>					
<b>European Union</b>	<b>37 784</b>	<b>19 986</b>	<b>2 546</b>	<b>2 729</b>	<b>12 523</b>
of which:					
United Kingdom	44%	60%	73%	31%	15%
France	15%	11%	74%	9%	10%
Germany	10%	4%	44%	26%	8%
Sweden	8%	:	-26%	1%	:
Netherlands	3%	9%	-60%	4%	8%
BLEU	3%	-6%	-18%	7%	22%
Italy	3%	0%	17%	2%	4%
Spain	2%	3%	1%	6%	2%
Denmark	2%	1%	-3%	0%	3%
Other Member States	10%	:	-2%	13%	:
<b>1998 EU inflows / ECU M</b>					
<b>European Union</b>	<b>95 014</b>	<b>52 669</b>	<b>19 854</b>	<b>1 515</b>	<b>10 047</b>
of which:					
United Kingdom	57%	57%	98%	74%	38%
Netherlands	17%	13% <sup>(3)</sup>	10%	10%	73%
France	5%	7%	-3%	7%	12%
BLEU	5%	8%	2%	-6%	1%
Denmark	5%	7%	1%	:	:
Germany	3%	7%	-15%	7%	26%
Sweden	2%	1%	3%	-6%	3%
Spain	1%	1%	0%	-3%	5%
Italy	0%	0%	2%	5%	1%
Other Member States	5%	0%	1%	:	:
<b>1999 EU inflows / EURO M</b>					
<b>European Union</b>	<b>90 072</b>	<b>67 210</b>	<b>4 260</b>	<b>3 224</b>	<b>15 377</b>
of which:					
United Kingdom	23%	37%	12%	53%	-42%
BLEU	22%	6%	16%	1%	96%
Germany	13%	13%	45%	16%	5%
Netherlands	12%	13%	2%	5%	12%
Sweden	5%	:	-26%	-4%	:
France	5%	3%	38%	11%	5%
Denmark	3%	2%	6%	1%	3%
Spain	2%	2%	-2%	-2%	4%
Italy	1%	1%	5%	6%	0%
Other Member States	13%	:	5%	14%	:

<sup>1</sup>1992: Extra-EU-12 + Sweden<sup>2</sup>1995 inflows from US including reinvested earnings<sup>3</sup>1998 inflows from US including reinvested earnings

### FDI liabilities of the European Union: major partners

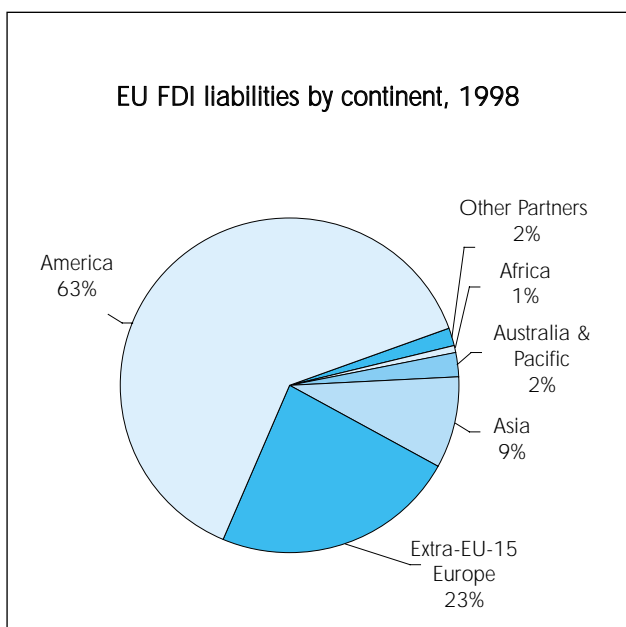
At the end of 1998, the European Union FDI liabilities to foreign investors abroad reached ECU 594 billion,

a figure that was up by more than 20% compared to the previous year.

#### EU FDI liabilities by continent, 1998

	Liabilities 1998 (ECU M)	Share of FDI 1998 liabilities (%)	Stock variation 1998/1997 (%)	Stock variation* 1999/1998 (%)
<b>Extra-EU-15 Europe</b>	<b>138 564</b>	<b>23.3</b>	<b>19</b>	<b>16</b>
of which				
Switzerland	111 241	18.7	21	8
Norway	13 215	2.2	-4	18
Liechtenstein	4 334	0.7	:	6
Russia	1 984	0.3	-19	29
<b>Asia</b>	<b>53 351</b>	<b>9.0</b>	<b>6</b>	<b>-6</b>
of which				
Japan	37 488	6.3	6	14
Singapore	2 444	0.4	-25	80
Iran	1 841	0.3	-4	7
Rep. of South Korea	1,607	0.3	52	60
Hong Kong	1 409	0.2	157	-928
Israel	936	0.2	16	12
<b>America</b>	<b>374 574</b>	<b>63.0</b>	<b>24</b>	<b>23</b>
of which				
United States	323,481	54.4	23	23
Canada	20,120	3.4	70	12
Mexico	885	0.1	1	32
Brazil	1 267	0.2	12	21
Venezuela	575	0.1	21	39
Argentina	507	0.1	-3	15
<b>Africa</b>	<b>5 997</b>	<b>1.0</b>	<b>42</b>	<b>5</b>
of which				
North Africa	1 634	0.3	0	0
Rep. of South Africa	2 168	0.4	60	8
<b>Australia and Pacific</b>	<b>13 020</b>	<b>2.2</b>	<b>1</b>	<b>27</b>
of which				
Australia	10 216	1.7	-4	27
New Zealand	2 268	0.4	3	31
<b>Total extra-EU-15</b>	<b>594 636</b>	<b>100.0</b>	<b>20</b>	<b>19</b>
<b>Total intra-EU-15</b>	<b>730 743</b>	<b>:</b>	<b>17</b>	<b>42</b>
<b>Total World</b>	<b>1 327 051</b>	<b>:</b>	<b>18</b>	<b>31</b>

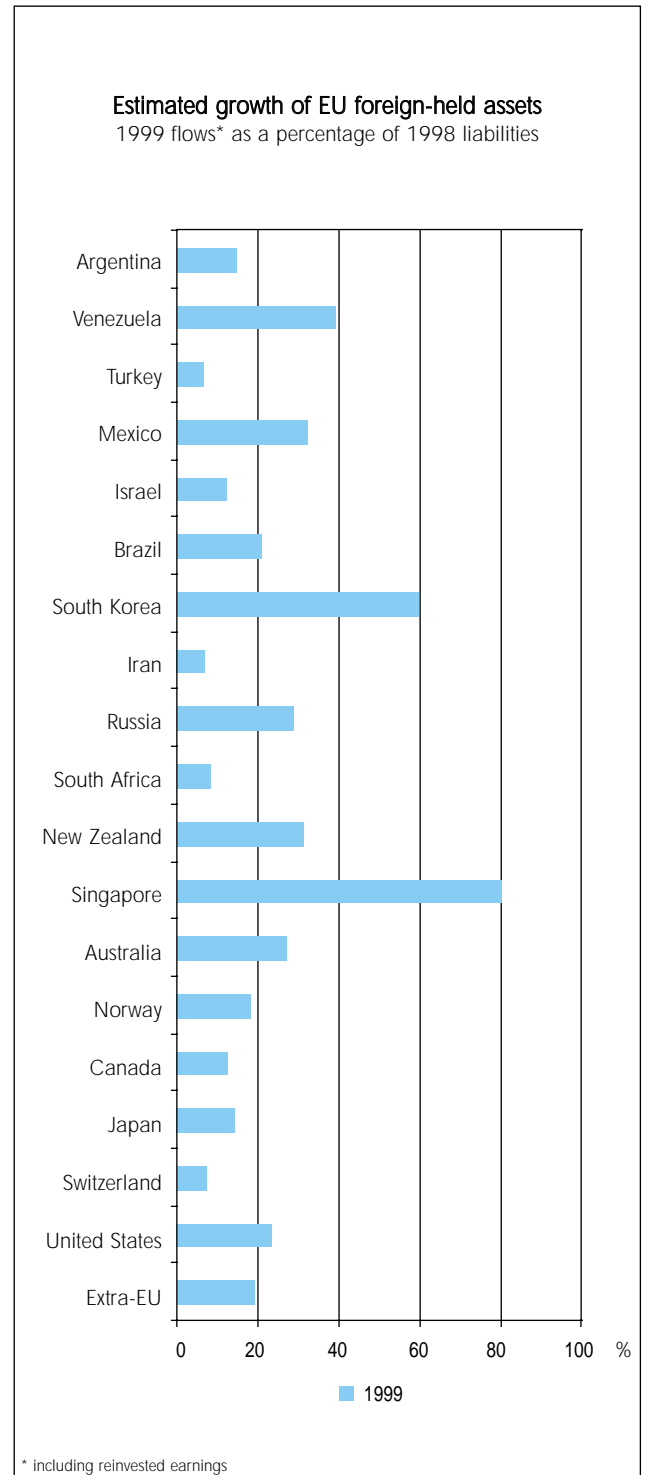
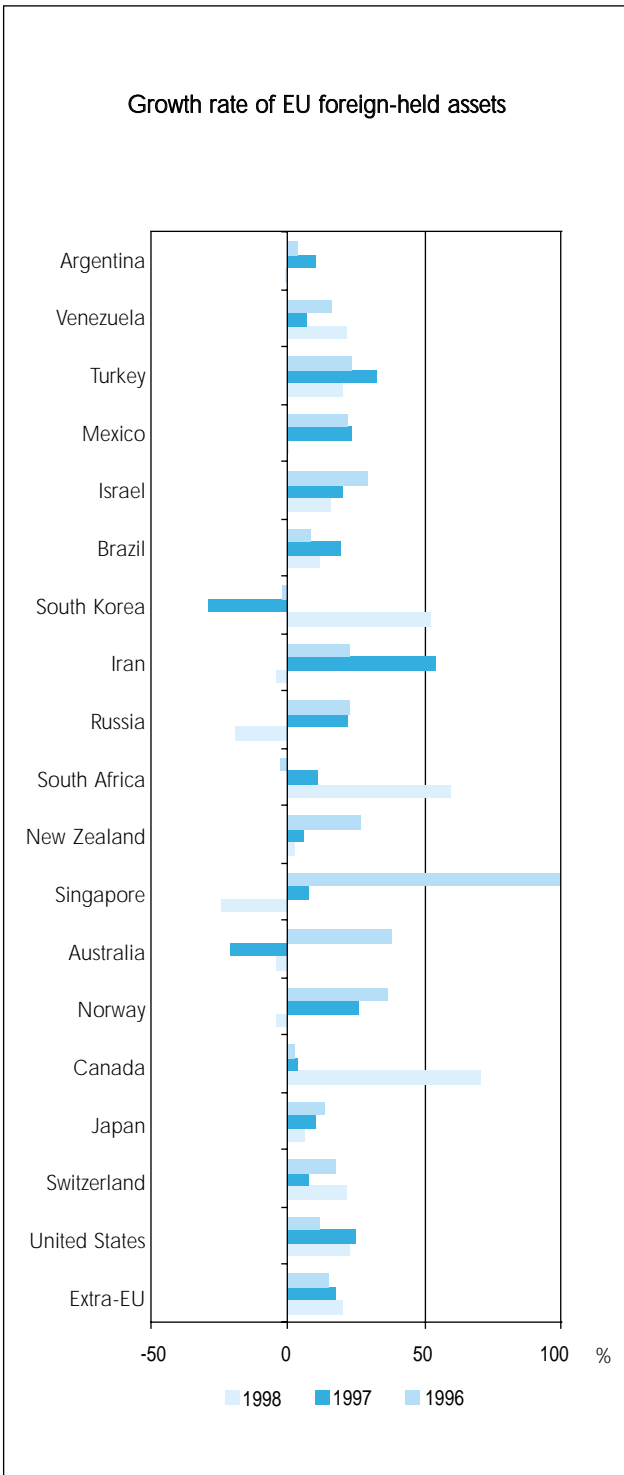
\*1999 flows as a percentage of 1998 liabilities



The amount of FDI assets held in the European Union by investors from America by far exceeded those of investors from other regions at the end of 1998. With around 54% and 19% respectively, almost three-quarters of all EU foreign-held assets belong to direct investors based in only two countries: the United States and Switzerland. About 14% of the assets belong to direct investors from Japan, Canada, Norway and Australia. The remaining part was spread between the other partners, which in any case never concentrated alone more than 1% of total assets.

The figures below show that growth rates of foreign-held assets in the European Union varied significantly between countries of ownership and along the period.

For 1999, foreign-held assets in the European Union are expected to increase but for Hong Kong investors whose dis-investments will probably have a negative impact on the value of their assets in the EU.





# Return on FDI capital in the EU Member States

## IN BRIEF

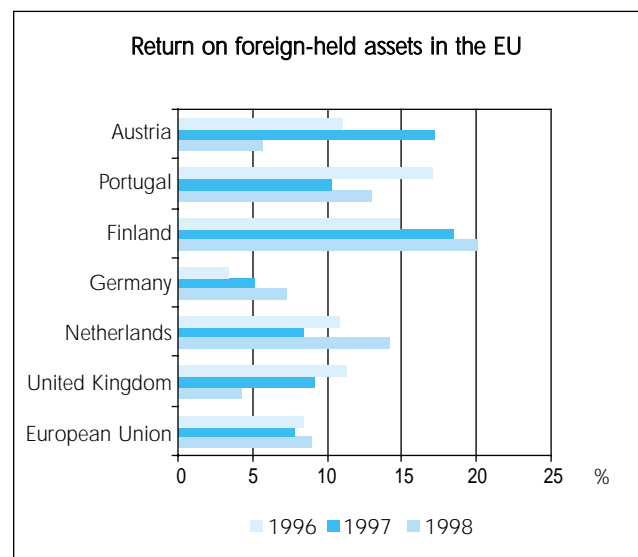
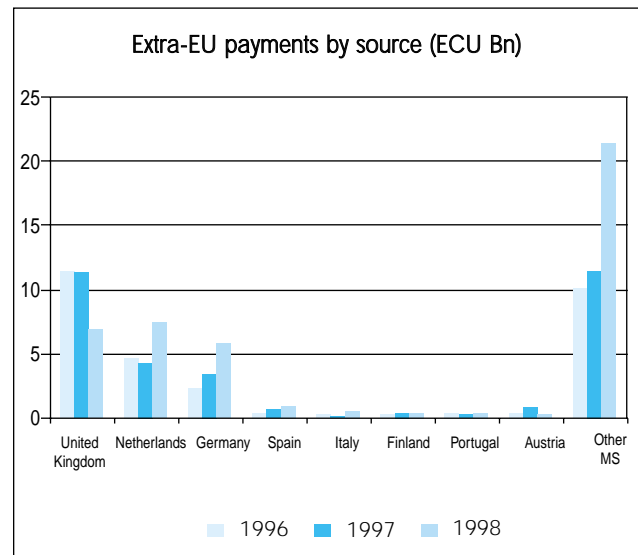
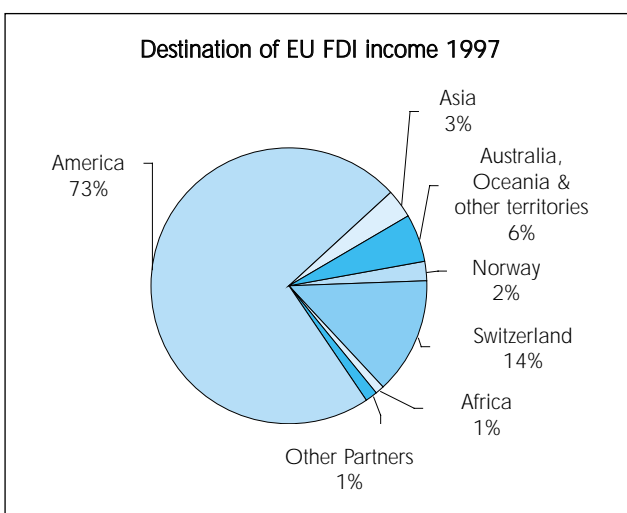
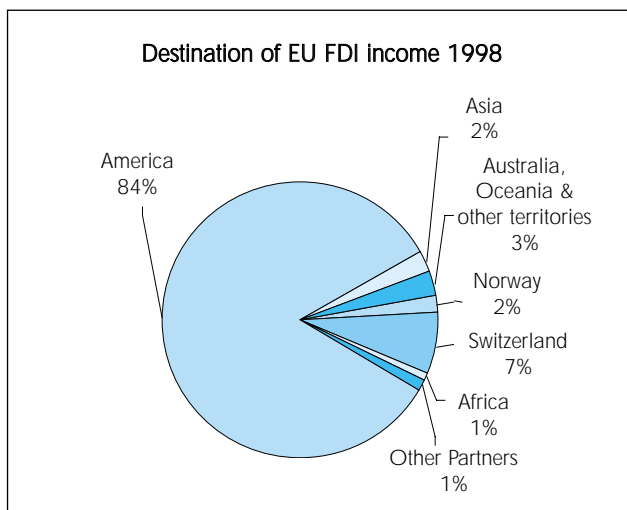
- Extra-EU FDI capital in Finland, Portugal and the Netherlands most profitable.
- Above average yield for American and Australian investors on their assets in the EU.

## Structure of EU FDI income payments

FDI income payments<sup>1</sup> generated through foreign-held assets in the European Union amounted to some ECU 44 bn in 1998, a figure that was up by about 34% compared to 1997. More than 4 out of 5 ECU paid to foreign direct investors committed in the EU area went to the American continent in 1998.

With 7%, Switzerland was the second main recipient of this income stream, after having received almost 16% of total on average during the last two years. Investors from Asia and Australia, Oceania and other territories claimed less than 6% of total FDI income paid to parent companies abroad in 1998.

The United Kingdom, the Netherlands and Germany together accounted for one fifth of all income payments made by EU affiliates during the last 3 years. It is important to notice that the high level of income payment originating from Ireland is included under Other MS as no data are available on income for this country (Ireland actually reported a higher level of world income payment to the IMF than the United Kingdom did for 1998).



<sup>1</sup>Income on direct investment is presented on a net basis for direct investment abroad and in the reporting economy respectively (i.e., receipts of income on equity and income on debt less payments of income on equity and income on debt for each). See IMF Balance of Payments Manual - 5th edition.

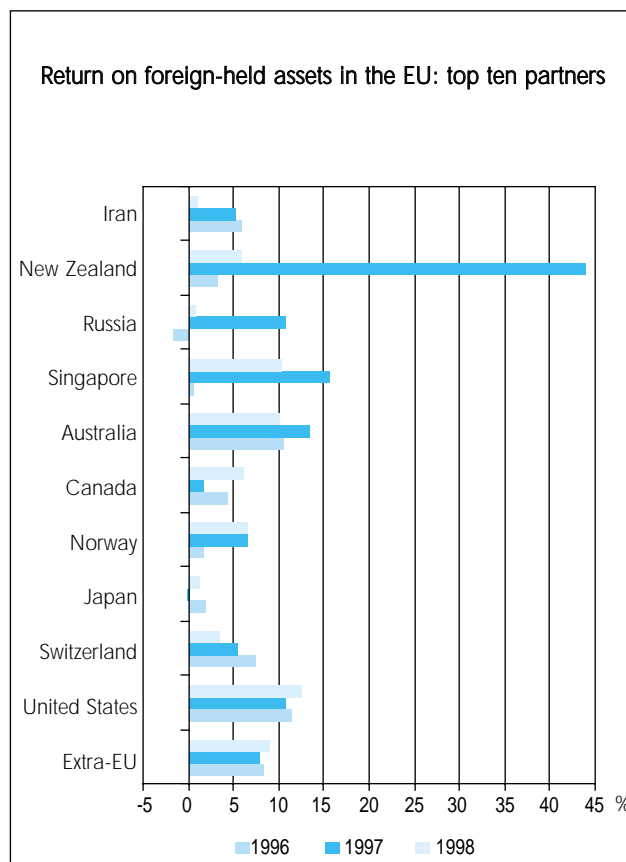
**FDI in Finland, Portugal and the Netherlands most profitable**

Except for Germany in general and for the United Kingdom and Austria in 1998 in particular, assets belonging to non-EU investors committed in the Member States listed in the above chart appeared more profitable<sup>1</sup> than the EU average along the period considered.

**Top ten partners: above average yield for American and Australian investors**

In the figure, the returns on FDI assets held in the EU by the top ten partner countries<sup>2</sup> (ranked by size of EU stocks) are shown.

It is worthwhile noting that the rates of return earned by investors from the United States and Australia on their assets in the EU were above the average along the period considered. While assets belonging to investors from Singapore turned out to be more profitable than the average for the first time in 1997, investors from New Zealand and Russia saw their return on FDI sharply declining below the average in 1998 after having peaked in 1997. Investors from the other countries listed in the graph never obtained a yield of more than the average during the three years depicted.



<sup>1</sup> The rate of return is equal to the FDI income in the reference year, divided by the stock at the end of the previous year.

<sup>2</sup> The 1997 ranking of the foreign-held assets has been chosen as a reference, but it must be remarked that the list of the top 10 partners does not change much in the years shown.

## European Union direct investment income flows with selected partner countries and regions\*

	Income from foreign assets in the EU (ECU M)			Rate of return on foreign capital in the EU area (%)		
	1996	1997	1998	1996	1997	1998
<b>Extra-EU-15</b>	<b>30 666</b>	<b>33 043</b>	<b>44 212</b>	<b>8.4</b>	<b>7.8</b>	<b>8.9</b>
Norway	134	703	910	1.7	6.4	6.6
Switzerland	5 339	4 548	3 133	7.4	5.3	3.4
Poland	7	36	57	1.7	9.5	14.4
Baltic countries	-1	-6	0	-2.7	-17.4	0.8
Czech Republic	24	19	16	12.3	11.0	7.6
Slovakia	3	2	4	15.7	11.1	25.0
Hungary	6	-4	5	2.6	-2.6	1.8
Romania	1	50	10	1.3	90.4	16.6
Bulgaria	-2	-22	-7	-7.5	-58.2	-23.3
Slovenia	6	-8	-15	7.1	-8.4	-15.4
Turkey	41	10	52	10.5	2.2	8.2
Russia	-27	215	16	-1.7	10.7	0.7
<b>Africa</b>	<b>58</b>	<b>344</b>	<b>326</b>	<b>1.7</b>	<b>7.9</b>	<b>7.7</b>
North African countries	10	68	27	0.9	3.3	1.7
Other African countries	48	276	297	2.0	12.2	11.4
Republic of South Africa	7	202	125	0.6	16.5	9.2
<b>America</b>	<b>23 223</b>	<b>24 069</b>	<b>36 869</b>	<b>10.6</b>	<b>9.9</b>	<b>12.2</b>
North American countries	21 831	22 629	33 320	10.9	10.2	12.1
United States of America	21 353	22 452	32 610	11.3	10.7	12.4
Canada	479	178	710	4.3	1.6	6.0
Central American countries	1 218	1 182	3 433	6.9	6.4	13.8
Mexico	53	61	55	9.1	8.6	6.2
South American countries	175	259	116	8.5	11.8	4.6
Colombia	1	2	218	0.7	1.7	89.6
Venezuela	3	126	357	0.9	28.5	75.4
Brazil	38	80	88	4.4	8.4	7.8
Chile	2	-178	-132	6.3	-606.4	-401.0
Argentina	172	320	165	37.4	67.3	31.5
<b>Asia</b>	<b>952</b>	<b>1 044</b>	<b>1 092</b>	<b>2.4</b>	<b>2.3</b>	<b>2.2</b>
Near and Middle East countries	297	428	351	5.9	7.9	5.4
Gulf Arabian Countries	329	284	234	10.8	10.7	7.2
Other Near and Middle East countries	2	-37	48	0.4	-4.3	9.3
Other Asian countries	655	616	737	1.9	1.6	1.7
India	11	-27	68	6.3	-15.5	18.7
Thailand	5	73	1	3.6	45.7	0.5
Malaysia	10	-16	-5	6.4	-5.3	-2.1
Indonesia	9	-37	-59	1.3	-10.4	-14.2
Singapore	7	467	332	0.4	15.5	10.2
Philippines	2	-45	51	3.8	-29.7	36.1
China	36	57	-101	15.9	24.6	-29.9
Korea, Republic of (South Korea)	-32	-1 007	-45	-2.1	-67.9	-4.2
Japan	498	-14	444	1.8	0.0	1.3
Taiwan	-2	916	38	-0.8	281.7	3.9
Hong Kong	73	114	-217	7.5	11.3	-39.6
<b>Australia, Oceania and other territories</b>	<b>1 087</b>	<b>1 879</b>	<b>1 273</b>	<b>9.4</b>	<b>12.0</b>	<b>9.9</b>
Australia	1 035	1 825	1 071	10.5	13.4	10.0
New Zealand	51	923	130	3.1	43.9	5.9
<b>NAFTA</b>	<b>21 886</b>	<b>22 693</b>	<b>33 376</b>	<b>10.9</b>	<b>10.2</b>	<b>12.1</b>
<b>NICs 1</b>	<b>43</b>	<b>488</b>	<b>104</b>	<b>1.0</b>	<b>8.4</b>	<b>1.8</b>
<b>NICs 2 - Asia</b>	<b>12</b>	<b>12</b>	<b>41</b>	<b>3.6</b>	<b>2.0</b>	<b>7.1</b>
<b>NICs 2 - Latin America</b>	<b>264</b>	<b>283</b>	<b>175</b>	<b>13.5</b>	<b>13.1</b>	<b>6.8</b>
<b>ASEAN</b>	<b>77</b>	<b>521</b>	<b>350</b>	<b>3.1</b>	<b>12.0</b>	<b>7.2</b>
<b>Offshore financial centers</b>	<b>1 232</b>	<b>1 744</b>	<b>3 558</b>	<b>6.2</b>	<b>7.9</b>	<b>12.4</b>
<b>ACP - countries</b>	<b>9</b>	<b>136</b>	<b>309</b>	<b>0.3</b>	<b>4.7</b>	<b>11.7</b>
<b>Countries from Central and Eastern Europe</b>	<b>72</b>	<b>67</b>	<b>37</b>	<b>5.1</b>	<b>5.6</b>	<b>2.8</b>

\* The EU income aggregates include all the available data from the Member States and estimates for the others when missing (Denmark, Belgium/Luxembourg, France, Ireland, Greece and Sweden)

# CHAPTER 3 INTRA-EU DIRECT INVESTMENTS

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## Direct investments between Member States

### IN BRIEF

- There has been strong growth in intra-EU FDI in terms of GDP.
- Intra-EU FDI is higher in Northern Member States. A group of smaller MS saw the highest FDI to GDP ratios .

Intra-EU FDI transactions and positions do not influence the EU balance of payments and international investment position, given that assets and liabilities should in principle net off for the EU as a whole. Existing differences between intra-EU total assets and liabilities are not significant balancing items, but only reflect the existence of asymmetries in figures reported by Member States. In this part we use the average between each pair of available data to present intra-EU FDI statistics. Figures as reported by individual Member States and unbalanced figures for EU aggregates are available in the detailed tables published with this yearbook. A detailed presentation of asymmetries in intra-EU FDI is also given in annex<sup>1</sup>.

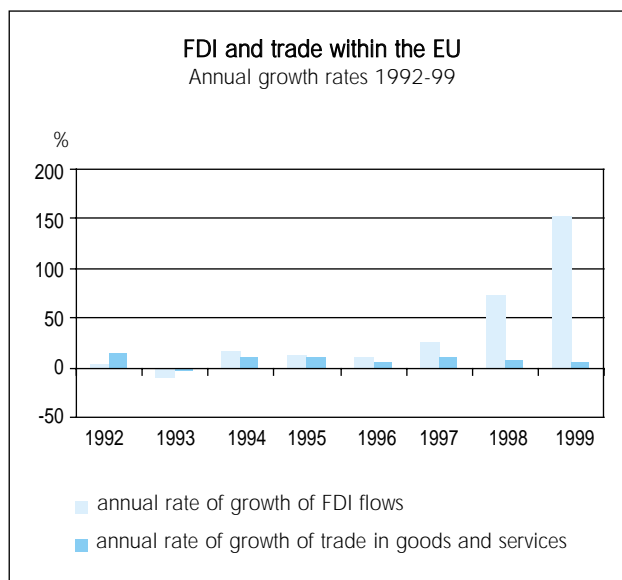
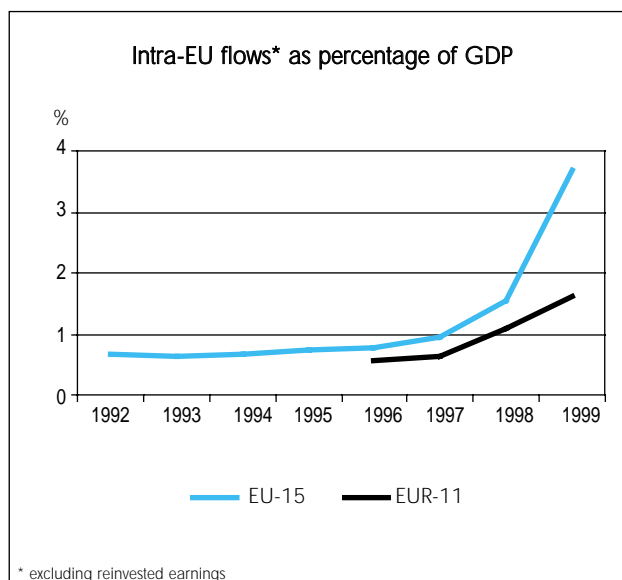
Although neutral to the EU Balance of Payments as a whole, data on intra-EU FDI are very interesting because they provide one measure of the extent and pace of economic and financial integration inside the EU. Moreover, they give indications on the regional patterns followed by the process of integration. More specifically, they reflect a long-term dimension of integration that is linked to firms' strategic policies adopted for competing in the single market and internationally. These policies are mainly carried out through mergers and acquisitions, which in fact constituted a large fraction of intra-EU FDI transactions in recent years<sup>2</sup>.

### Intra-EU FDI growth shows impressive acceleration between 1997 and 1999

After stagnating at about 0.7% of GDP between 1992 and 1996, in 1997 intra-EU FDI flows started growing faster, reaching 3.7% of GDP in 1999. Since 1997, the rate of growth was higher not only as compared to GDP, but also as compared to intra-EU trade flows in goods and services. It is also remarkable that the growth of FDI flows was less accentuated for the intra-Euro-zone, particularly in 1999.

This difference between EU-15 and EUR-11 is largely attributable to the unprecedented level attained by transactions between the UK and other EU Member States. In 1999, UK intra-EU FDI were several times higher than in previous years, particularly due to a large investment made in Sweden. On the outward side, 1999 marked a substantial re-orientation of British FDI flows in favour of

intra-EU partners, which received nearly 70% of total (intra- and extra-EU) UK outflows compared to less than 20% on average between 1992 and 1998<sup>3</sup>.



<sup>1</sup> Two major elements should however be mentioned here. The first is that in 1999 the overall asymmetry on intra-EU FDI flows was extremely low (about 1.5% on nearly EUR 300 Bn transactions). The second is that Belgium-Luxembourg reported two big (about EUR 60 Bn) equity flows of opposite signs with the UK, while UK statistics did not show these flows. Therefore the average figures used in this chapter tend to oversize the UK and to undersize Belgium-Luxembourg with respect to the figures reported by the two Member States.

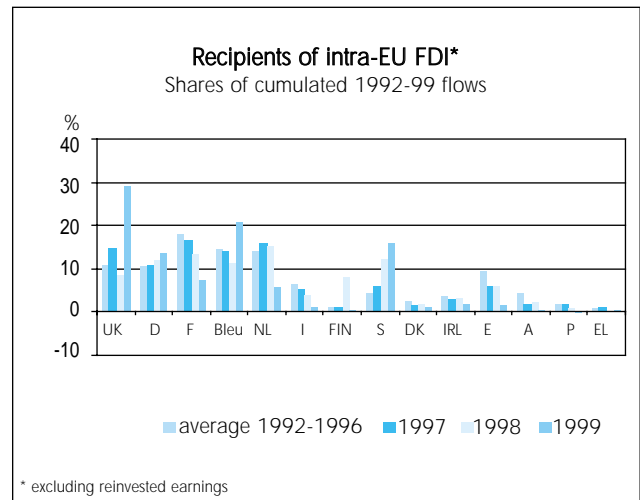
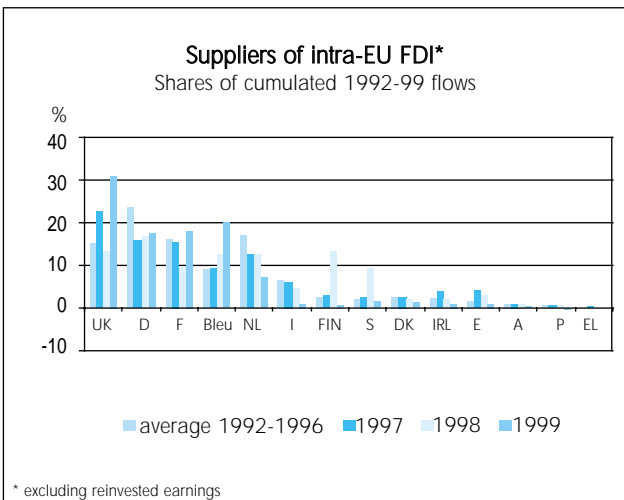
<sup>2</sup> See UNCTAD World Investment Report, 2000.

<sup>3</sup> Percentages based on figures reported by the UK.

**Intra-EU FDI higher in Northern Member States**

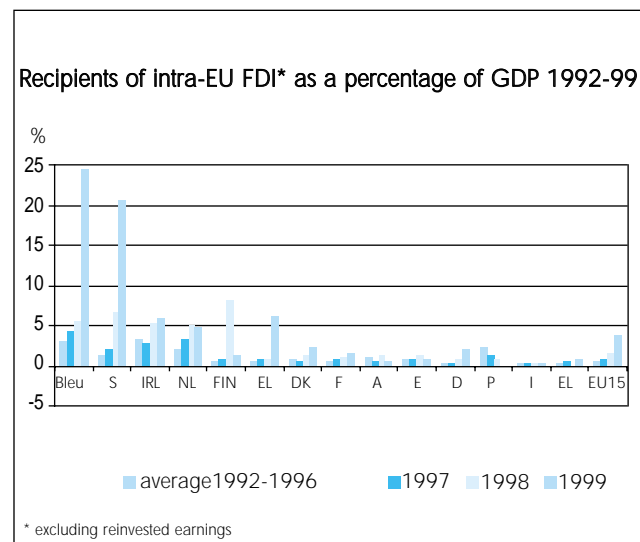
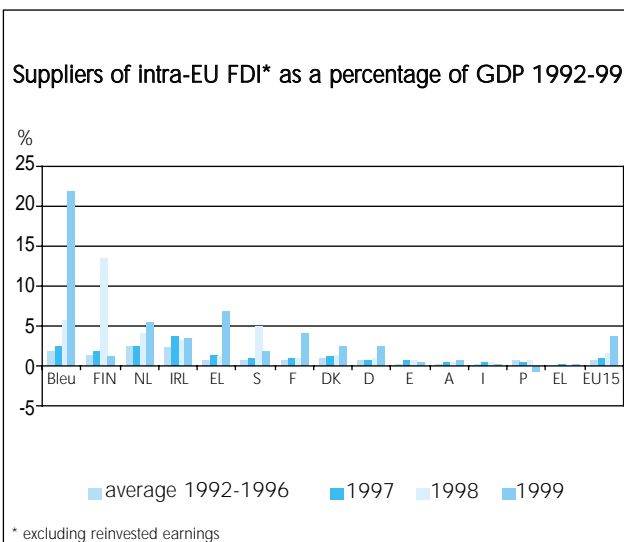
1992-1999 figures show that FDI relationships between Member States tend to concentrate in Northern European countries. Looking at the shares of flows over this period, it emerges that only five Member States or groups (the UK, Germany, France, Belgium/Luxembourg and the Netherlands) supplied 80% and received 70% of cumulated flows. Instead, the shares of countries such as Italy and Spain diminished considerably on both accounts, reaching their lowest values in 1999. Among

sion influences the comparison among shares of EU total, comparing FDI in GDP terms shows that the general upswing in intra-EU FDI occurring in recent years affected most Member States, but with different intensity. In particular, a group of small-medium sized countries (Belgium/Luxembourg, the Netherlands, Ireland, Sweden and, to a lesser extent, Denmark and Finland) recorded higher than average percentages, reaching record levels in 1999 under the influence of some large transactions. Big countries naturally tend to concentrate around the average, with two major exceptions: the United



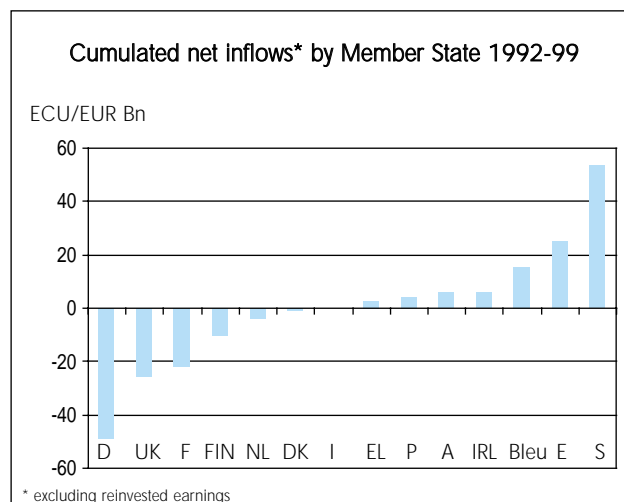
Scandinavian countries, Sweden particularly gained in importance, especially as concerns incoming FDI funds received. While the various countries' absolute dimen-

Kingdom, that in 1999 reached nearly 7% of GDP on both accounts, and Italy which remained below 0.5% between 1992 and 1999.



**Intra-EU cumulated net flows**

During the 1992 to 1999 period, Germany, the United Kingdom and France were the main net suppliers of intra-EU FDI funds. The former shows a cumulated net outflow of close to ECU/EUR 50 Bn. At the other end of the scale, Sweden, that still had a positive net position at the end of 1998, became the most important net recipient of FDI capital over the given period, followed by Spain and Belgium-Luxembourg



**Box 1 - Top Nine intra-EU Mergers and Acquisitions - 1999**

World Rank	Acquiring Company	From	Acquired Company	From	EUR Bn
4	Zeneca Group plc	UK	Astra AB	S	32.5
5	Mannesmann AG	D	Orange plc	UK	30.6
6	Rhone-Poulenc SA	F	Hoechst AG	D	20.5
8	Deutsche Telekom AG	D	One 2 One	UK	12.8
20	Mannesmann AG	D	Olivetti Telecom Int.	I	7.9
21	Suez Lyonnaise des Eaux SA	F	Tractebel SA	B	7.7
27	BAT plc	UK	Rothmans Intl	NL	7.0
39	Dexia Belgium	B	Dexia France	F	5.7
46	Total SA	F	Petrofina	B	5.0
<b>Total</b>					<b>129.7</b>
<b>Total intra-EU FDI (excl. RIE, average)</b>					<b>294.7</b>

Source: UNCTAD World Investment Report 2000: 1999 Top 50 M&A Deals ( Eurostat rate: 1999 1 EUR = 1.06578 USD )

## Direct investments by activity

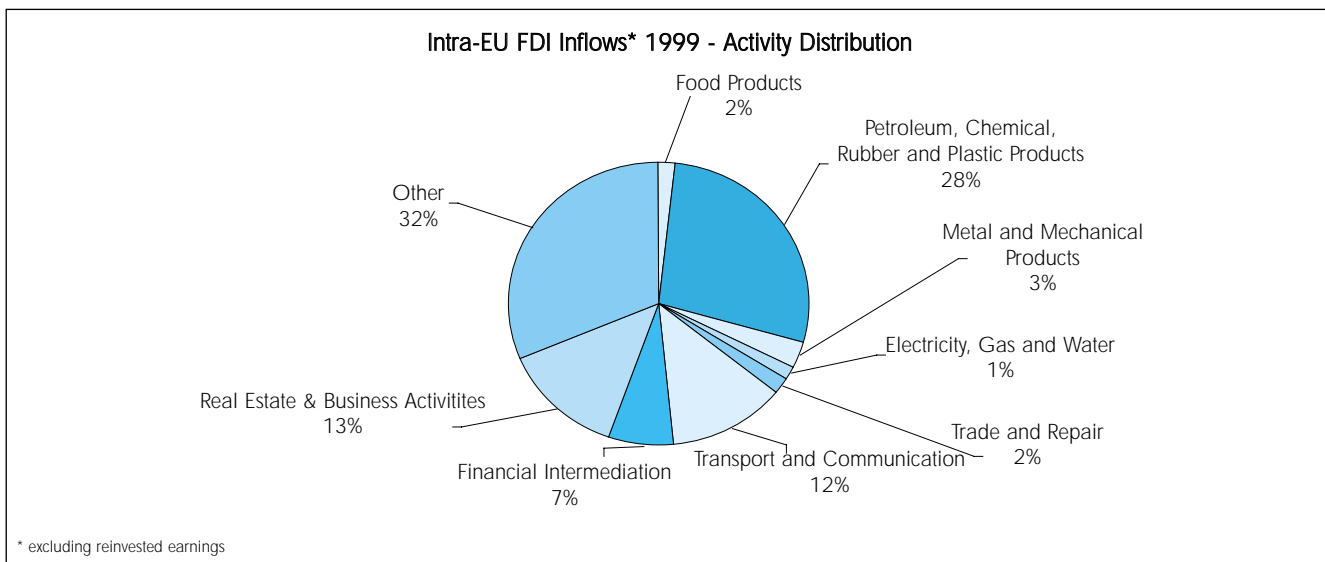
### IN BRIEF

- A 28% share of 1999 intra-EU FDI inflows went into Petroleum, chemical, rubber and plastic products.
- At end-1998, nearly a half of intra-EU FDI stocks were invested in Knowledge-intensive activities.

### Intra-EU FDI flows by activity

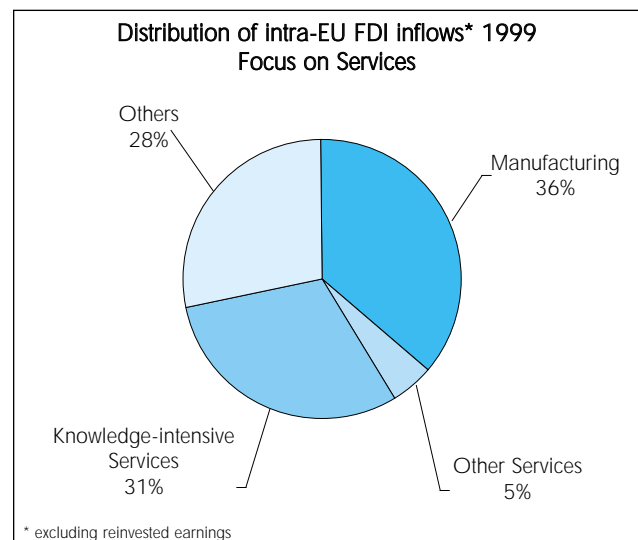
The table on the previous page shows that close to half of all intra-EU flows (excluding reinvested earnings) are explained by nine major M&A deals. Amongst the activities targeted by inward FDI flows, Petroleum, chemical, rubber & plastic products, a sub-category of Manufacturing, stood out. This is due to large invest-

ments made in Pharmaceuticals as well as in Petroleum refining & distribution. Investment was strong in Real Estate & Business Activities, concentrating in "Other Business Activities". Substantial investment activity also took place in Transport & Communication (telecommunications) and in Financial Intermediation. A large unallocated item makes for a large "Others" segment in the following chart.



### Focus on Services

The chart shows the distribution of intra-EU FDI flows (inward) when applying a classification which allocates economic activity to one of the four following broad economic branches: Manufacturing, Knowledge-intensive services<sup>1</sup>, Others services<sup>2</sup> and Others. Here as in Chapter 5 (Sectoral Focus), data dis-aggregated to NACE Rev.1 first or second level are allocated to one of these four categories. The classification takes up methods used for Eurostat's research and development statistics and highlights the EU's growing FDI specialisation in Knowledge-intensive services. These represented close to half of intra-EU FDI stocks at end-1998 and close to a third of intra-EU flows in 1999. Large transactions in Petroleum, chemical, rubber and plastic products made for the Manufacturing category's forming above a third of intra-EU FDI flows in 1999.



<sup>1</sup> The Knowledge-intensive services category contains: Sea & coastal water transport, Air transport, Telecommunications, Monetary intermediation, Other financial intermediation, Insurance & activities auxiliary to insurance, Real estate, Computer activities, Research & development and Other business activities.

<sup>2</sup> The Other services category contains: Trade and repair, Hotels and restaurants, Other services, Land transport, Transport and communication n.i.e., Financial intermediation n.i.e. and Real estate and business activities n.i.e.

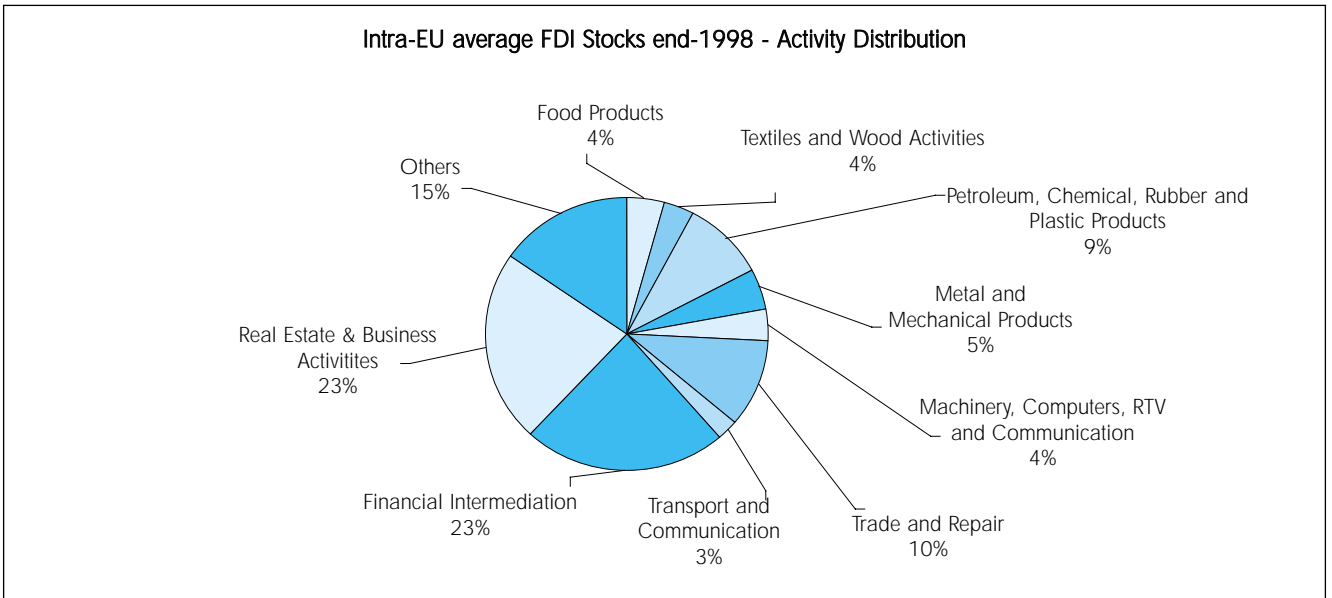


**Intra-EU FDI Stocks<sup>1</sup> by activity**

Turning to the make up of intra-EU FDI positions at end-1998, in terms of branches of economic activity invested in, two activities stand out which together made up close to a half of total holdings.

Stocks in the first, Real Estate and Business Activities, were in fact to 84% invested in "Other Business Activities" and to 12% in "Real Estate". Consisting of the following

and without. A second economic activity making up close to a quarter of holdings is Financial Intermediation. High FDI flows in 1999 contributed to the industry's maintaining its leading position within the EU. Stocks continued to be fairly evenly spread between "Monetary Intermediation", "Insurance" and "Others". Continuing internationalisation of capital markets seen in recent decades, both at European and at world level, together with new economies of scale have led to con-

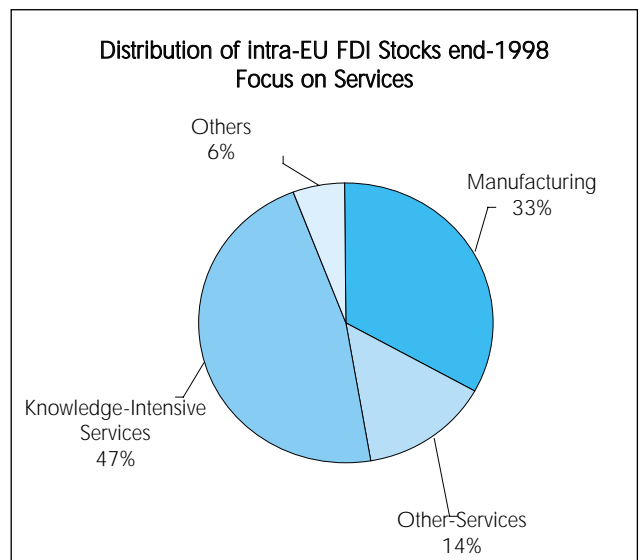


professions: legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy and holdings, the "Other Business Activities" subcategory alone contributed to 19% of total (average) intra-EU FDI stocks. It is interesting to note that, at ECU 12.3 Bn "Real Estate & Business Activities" displayed the highest liability extra-EU. One can infer that growth in the industry has been financed from both within the EU

tinued merger and acquisition activity. The EU's third largest FDI stocks extra-EU were held in the Trade and Repair industries, this section including "Trade and repair of motor vehicles", "Wholesale trade" and "Retail trade". At 9% of total intra-EU FDI stocks at end-1998 and with 1999's impressive investments, Petroleum, Chemicals, Rubber and Plastic Products is gaining in importance.

**Focus on Services**

At end-1998, just under a half of intra-EU FDI stocks were held invested in Knowledge-intensive economic sectors. This compares to a 35% share of total extra-EU assets and 42% of extra-EU liabilities invested in this broad class of economic activity at the same point in time. As we saw, buoyant activity in the two fields of Real Estate and Business Activities and Financial Intermediation will have contributed to the further build-up of Knowledge-intensive stocks during the course of 1999. Close to a third of average intra-EU FDI stocks were placed in Manufacturing, which compares to 40% of extra-EU FDI assets and 36% of extra-EU liabilities invested in this economic sector.



<sup>1</sup>The asymmetries described in "Flows" do also exist between positions reported by two partner countries yet they are more subdued. An average (calculated as (Assets+Liabilities)/ 2) of ECU 745 Bn of FDI Stocks are calculated to have been held invested by EU Member States in partners of the Union from reported intra-EU FDI Assets of ECU 759 Bn and intra-EU FDI Liabilities of ECU 731 Bn.

# CHAPTER 4

# THE ROLE OF EMERGING MARKET

EU FDI in emerging markets: an overview	53
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Far East Asia - recovering after the economic crisis?	61

## EU FDI in emerging markets: an overview

### IN BRIEF

- Emerging markets continue to claim an increasing share of EU foreign direct investments abroad.
- The Latin American markets have gained in importance recently. The region was receiving close to 50% of all EU direct investments in emerging markets at the end of the Nineties.

### Where do EU direct investors invest?

Data on the activity of European enterprises in the emerging markets are often subject to intensive attention from policy makers and analysts. Although these markets are characterised by additional economic risks they have also recorded exceptionally high market growth rates in recent years. Access to these markets is therefore often seen as a key to success in the globalisation of tomorrow.

At the end of 1998 more than 23% of the value of all EU direct investment assets were placed in one of the emerging markets, a figure that has grown steadily during recent years.

That emerging markets are gaining increasing importance is emphasised by the fact that these markets claimed more than 27% of all extra-EU-15 flows during the 1992-98 period. Within the group of emerging economies, however, the focus seems to be shifting.

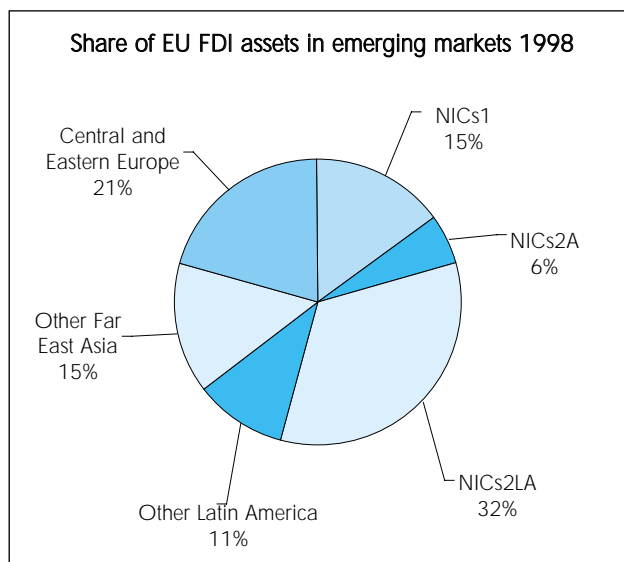
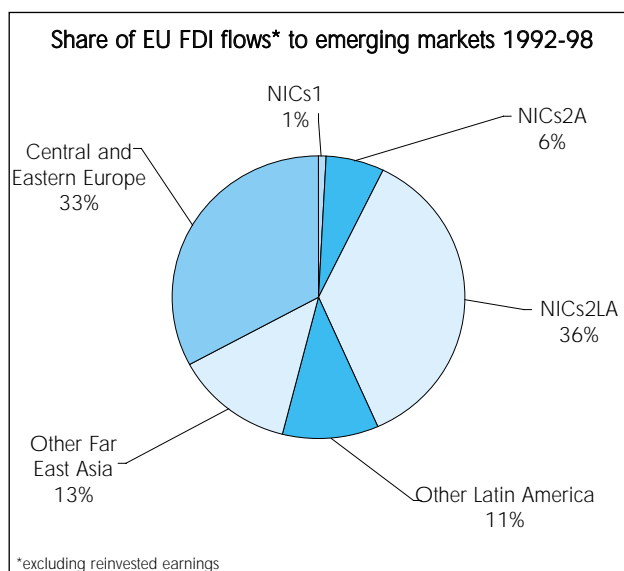
Comparing recent years' outflows to these markets with the total recorded assets at end 1998 suggests that EU investors are currently focusing on two regions: Latin America and Central and Eastern Europe. During the 1992-98 period these two groups of emerging markets received more than 80% of all EU commitments in emerging markets.

It is characteristic that it was the four NICs2LA<sup>1</sup> markets which were the primary targets of EU investors in the Latin American emerging economies, with Brazil hosting more than half of FDI in these economies. In Central and Eastern Europe the focus was on the leading Candidate Countries and especially the Polish market but also the potentially large Russian market was approached frequently by EU investors.

An almost dramatic and at least very significant situation seems to be EU direct investors shifting away from the traditional four NICs1 emerging markets during the 1992-98 period. The figures indicate that it was first of all Singapore which suffered a serious withdrawal of EU FDI capital during that period.

Little change appears to have taken place in the group of other Far East Asian<sup>2</sup> countries though investments in the fast growing Chinese economy seem to be taking off.

NICs : Newly Industrialising Countries	
• NICs1:	Hong Kong, Singapore, Taiwan, Rep. of Korea
• NICs2A <sup>3</sup> :	Malaysia, Philippines, Thailand
• NICs2LA:	Brazil, Argentina, Mexico, Chile



<sup>1</sup> Latin American NICs of the second wave of industrialisation. See the box in this page for the exact definition of the various groups of Newly Industrialising countries.

<sup>2</sup> Far East Asia is defined as Asia excluding Near and Middle East.

<sup>3</sup> Asian NICs of the second wave of industrialisation.

## EU FDI assets in emerging markets end-1998

	EU FDI assets 1998 (ECU M)	Share of 1998 EU assets (%)	Share of 1992-98 EU flows (%)	Trend in importance
<b>NICs1</b>	<b>28 449</b>	<b>3.48</b>	<b>0.23</b>	↘
of which				
Hong Kong	11 814	1.45	0.61	↘
Rep. of Korea	3 886	0.48	0.96	↗
Singapore	10 923	1.34	-1.24	↘
Taiwan	1 825	0.22	-0.09	↘
<b>NICs2A</b>	<b>10 765</b>	<b>1.32</b>	<b>1.79</b>	↗
of which				
Malaysia	4 854	0.59	0.57	→
Philippines	3 015	0.37	0.58	↗
Thailand	2 897	0.35	0.65	↗
<b>NICs2LA</b>	<b>62 345</b>	<b>7.63</b>	<b>10.01</b>	↗
of which				
Mexico	7 924	0.97	1.36	↗
Brazil	35 535	4.35	5.89	↗
Chile	5 293	0.65	0.80	↗
Argentina	13 593	1.66	1.96	↗
<b>Other Far East Asia</b>	<b>28 101</b>	<b>3.44</b>	<b>3.63</b>	→
of which				
China	6 668	0.82	1.22	↗
<b>Other Latin America</b>	<b>19 999</b>	<b>2.45</b>	<b>2.93</b>	↗
of which				
Columbia	5 312	0.65	1.01	↗
Venezuela	1 970	0.24	0.36	↗
Other	12 712	1.56	1.56	→
<b>Central and Eastern Europe</b>	<b>39 244</b>	<b>4.80</b>	<b>9.11</b>	↗
of which				
Czech Republic	9 620	1.18	2.02	↗
Hungary	9 798	1.20	2.11	↗
Poland	10 068	1.23	2.68	↗
Russia	2 803	0.34	0.95	↗
Other	6 955	0.85	1.35	↗
<b>Total emerging markets</b>	<b>188 903</b>	<b>23.12</b>	<b>27.71</b>	↗

↘ Share of assets > 10% higher than share of flows

→ Difference between share of flows and share of assets < 10%

↗ Share of flows > 10% higher than share of assets

For selected single emerging markets, the table gives an indication as to the extent by which the economy has been less or more weighted by direct investors of the European Union during recent years.

The table illustrates that focus first of all has been put on the Central and Eastern European markets including

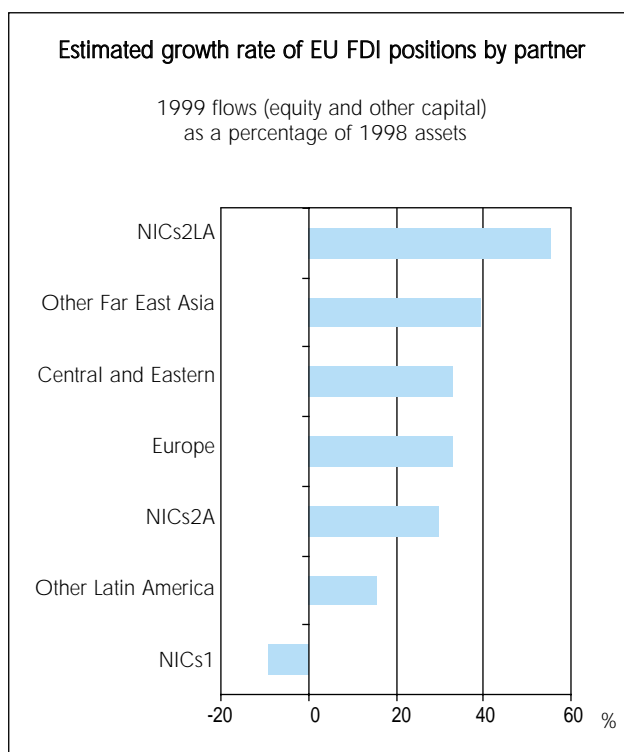
Russia whose share in 1992-98 flows was approximately double their share in total FDI assets by the end of 1998.

### How dynamic were FDI in emerging markets ?

On average, EU direct investors' flows to these countries during 1999 amounted to 32% of the stocks recorded at the end of 1998. There was, however, a group of countries that broke significantly with this overall trend. In 1999 EU investors continued to withdraw FDI capital from the group of four traditional NICs1.

In the remaining countries, the trend which has been seen throughout the Nineties seems to have continued in 1999 with the four NICs2LA markets having been given first priority by EU direct investors.

The figures do not suggest that Central and Eastern European markets have gained further ground during 1999 as expansion rates are in line with the average emerging market. In 1999 the group of other Latin American markets expanded only half as fast as the emerging markets as a whole.



The figures therefore seem to emphasise what has been very characteristic throughout the Nineties: emerging markets continue to claim an increasing part of EU direct investors' commitments abroad.

In the following three sections the evolution in each part of these markets is examined in further detail.

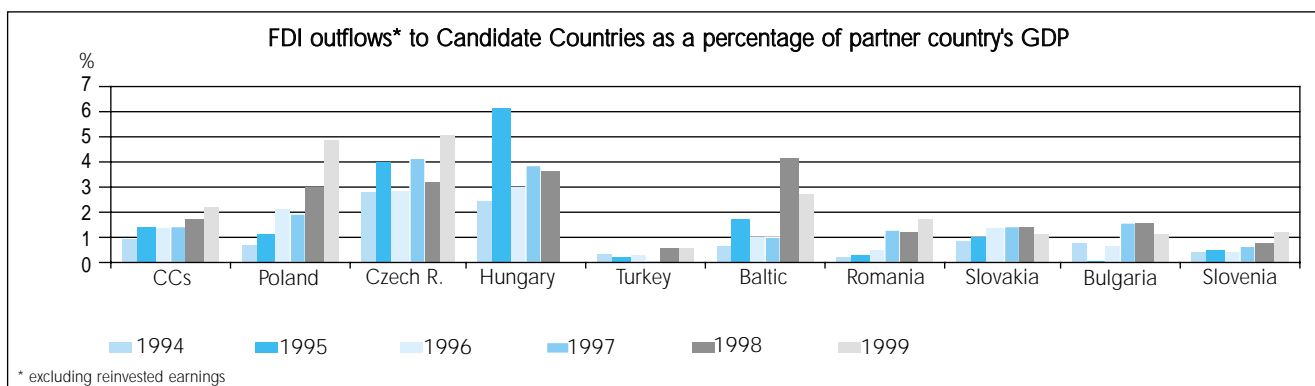
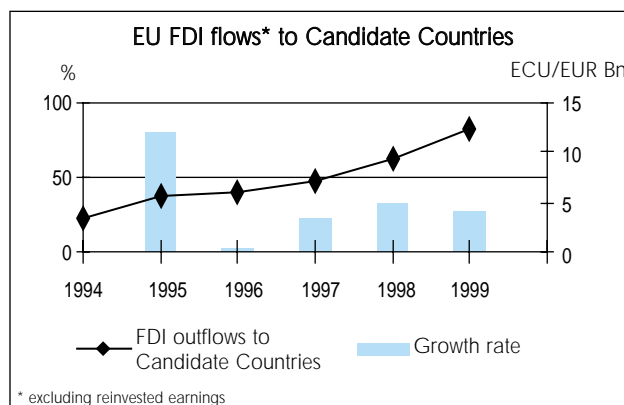
## FDI in Candidate Countries - On the threshold of enlargement

### IN BRIEF

- Poland, Hungary and the Czech Republic have accounted for the main part of EU direct investments in Candidate Countries.
- Direct investors from Germany, Austria, and the Netherlands were the largest contributors to FDI capital in these countries.
- The gap between the profitability of assets in Candidate Countries and the average rate in the extra-EU area as a whole has diminished recently.

### Strong increase in EU FDI outflows to Candidate Countries

Over the 1994-1999 period, EU foreign direct investment flows to Candidate Countries<sup>1</sup> (CCs) amounted to ECU 42.6 Bn (or 6% of extra-EU flows during the period). In 1999 direct investors were especially focused on Polish and Czech markets where EUR 10.0 Bn or 79% of total EU flows to the CCs were placed. The economic importance of the Czech market as a partner amongst all the other CCs, is much more evident when the flows received from EU investors are measured as a share of the partner country's GDP.



### EU FDI flows with CCs (equity and other capital), 1994-1999, ECU/EUR Million

	FDI outflows to CCs						FDI inflows from CCs					
	1994	1995	1996	1997	1998	1999	1994	1995	1996	1997	1998	1999
Extra-EU	24 129	45 580	47 412	84 730	198 235	259 320	21814	37 220	31 828	37 784	95 014	90 072
CCs	<b>3 222</b>	<b>5 807</b>	<b>5 898</b>	<b>7 206</b>	<b>9 544</b>	<b>12 226</b>	<b>404</b>	<b>266</b>	<b>196</b>	<b>-110</b>	<b>299</b>	<b>305</b>
<i>of which:</i>												
Poland	616	1 132	2 427	2 492	4 189	7 076	177	28	-14	128	36	8
Czech R.	974	1 594	1 299	1 916	1 576	2 534	82	28	-21	101	55	61
Hungary	839	2 102	1 073	1 565	1 537	-2	240	136	40	159	165	39
Turkey	398	317	415	126	1 006	947	-120	41	78	-256	205	75
Baltic												
Countries:	58	184	139	171	822	557	7	-5	7	4	-17	9
Estonia	:	:	62	73	362	232	:	:	-1	-1	-3	3
Lithuania	:	:	57	52	415	245	:	:	3	3	-7	0
Latvia	:	:	21	46	45	78	:	:	5	1	-7	2
Romania	49	75	136	409	437	543	6	5	1	-18	6	-16
Slovakia	107	139	213	253	271	210	2	-1	4	-3	-3	5
Bulgaria	63	9	50	140	172	136	11	1	0	-18	9	11
Slovenia	51	68	64	99	136	226	-1	-1	-8	-11	-1	27

<sup>1</sup>In this analysis Turkey has also been included in Candidate Countries for the 1994-1997 period.

EU FDI outflows to CCs increased threefold from ECU 3.2 Bn in 1994 to EUR 12.2 Bn in 1999. Growth has been steady over the period with the trend temporarily interrupted in 1996. Although EU FDI to the extra-EU countries were characterised by important mergers and acquisitions especially in the US market, EU flows to the CCs almost followed the overall pace of flows to extra-

EU countries during recent years. Poland is the only country for which EU FDI flows showed continuous growth over the period.

The CCs' direct investments in the EU area, on the other hand, were modest over the period. Most of these investments originated from Turkey, the Czech Republic or Hungary.

### EU FDI assets in Candidate Countries at the end of 1998, ECU Million

	CCs	Hungary	Czech R.	Poland	Turkey	Slovakia	Baltic C.	Slovenia	Romania	Bulgaria
EU	37 116	9 798	9 620	10 068	4 017	1 535	1 155	996	1 218	362
(%)	100%	23%	26%	27%	11%	4%	3%	3%	3%	1%
<b>of which:</b>										
Denmark	1 222	54	242	604	13	13	242	27	0	:
Germany <sup>a</sup>	15 239	4 583	4 214	4 037	896	735	152	258	305	59
France <sup>a</sup>	3 239	661	368	954	622	73	9	128	425	1
Netherlands	5 666	1 113	1 607	1 743	787	121	33	:	83	:
Austria	3 720	1 285	1 080	354	4	410	15	420	124	21
United Kingdom	3 259	703	1 101	780	:	14	116	21	77	:
Other MS <sup>b</sup>	4 772	1 400	1 008	1 596	1 696	169	588	142	204	282

<sup>a</sup> France and Germany: estimates for CCs (excluding Cyprus and Malta)

<sup>b</sup> Other MS has been computed as the difference between the estimated EU aggregate and the sum of the selected Declaring countries. 1998 Swedish assets in the Baltic Countries: ECU 422 M

### Hungary, the Czech Republic and Poland have taken the main part...

At the end of 1998 direct investors from the European Union held FDI assets in the CCs worth ECU 37 Bn or about 5% of all extra-EU FDI assets. Almost 90% of EU foreign direct capital in the CCs had been invested in only four countries at the end of 1998: Hungary, Czech Republic, Poland (which held almost a quarter each) and Turkey (one tenth).

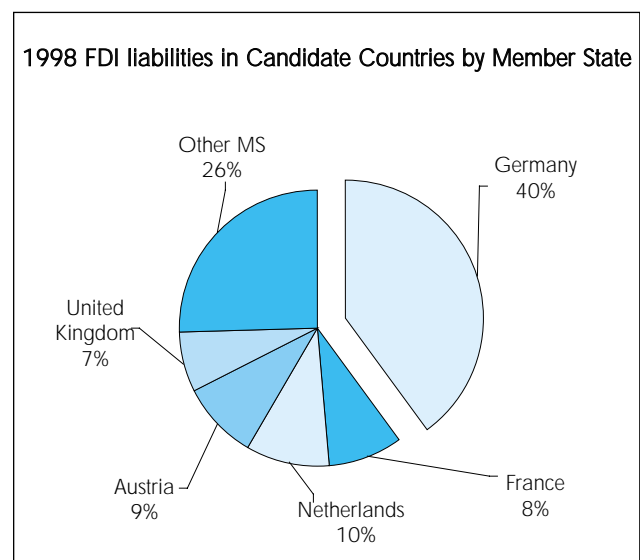
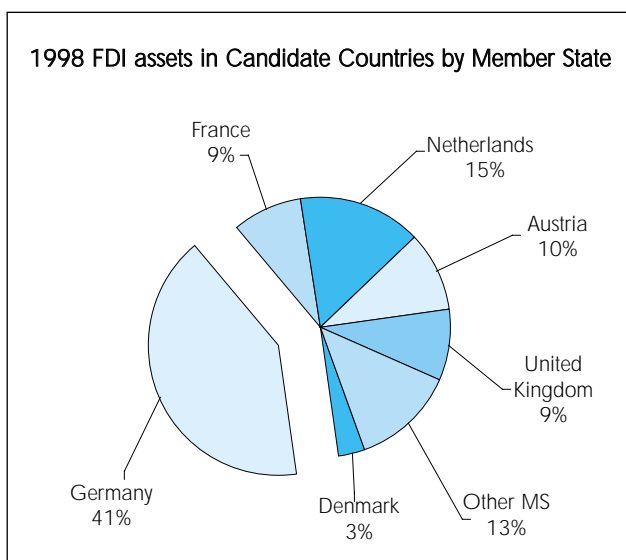
### ...while German, Dutch and Austrian direct investors have a leading position

The most important sources of EU FDI capital in the CCs

by the end of 1998, were German, Dutch and Austrian direct investors.

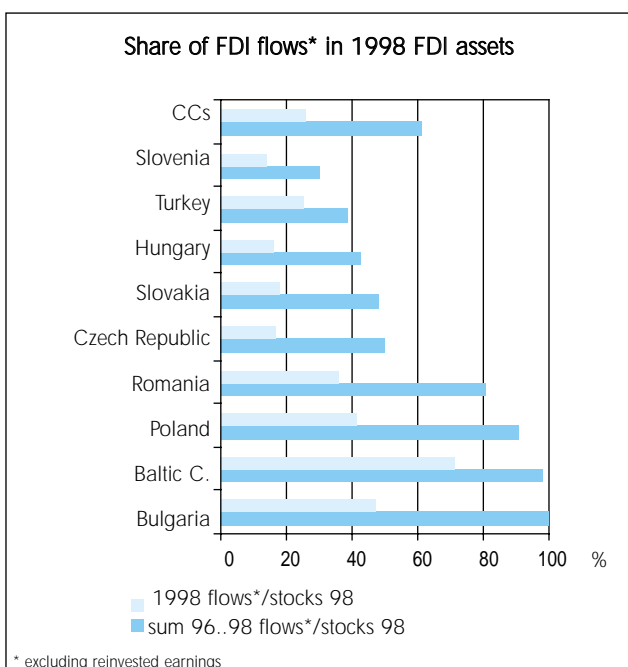
German enterprises appear to have made large efforts to establish a strong market position in the CCs. More than 41% of the ECU 37.1 Bn FDI assets in this region originated from Germany, an amount similar to investments made by France, the United Kingdom, the Netherlands and Austria together.

At the end of 1998, Candidate Countries did not hold a very significant position in the EU, the latter's FDI liabilities with Candidate Countries only amounting to about 5% of EU FDI assets.

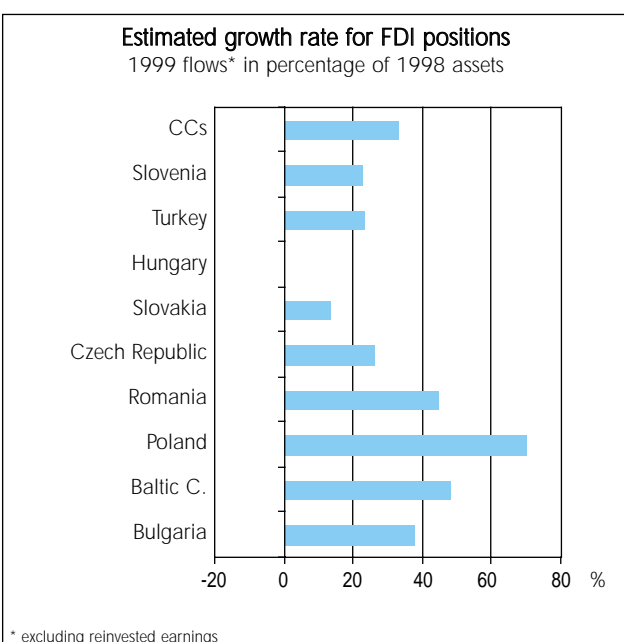


### EU direct investors have approached the various markets differently

Combining data on flow and stock can give an indication on how intensively the various markets are approached. The first graph, which presents flow/stock ratios for two alternative periods, shows that EU direct investments in Bulgaria, the Baltic Countries, Poland and Romania were established more recently than those in other CCs. In Bulgaria, 1998 FDI flows represented about 50% of the final stock of that year. The Baltic Countries were a strong focus for EU direct investors during recent years with the flow/stock ratio reaching about 70% in 1998.



The second graph shows that this pattern continued during 1999. Poland and the Baltic Countries particularly benefited from EU FDI during 1999.

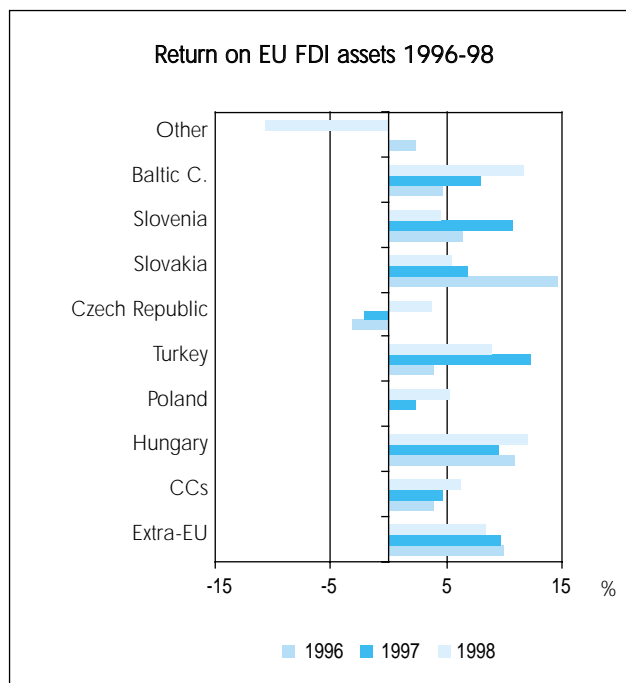


### EU Income from assets in Candidate Countries doubled from 1997 to 1998

In 1998, EU FDI assets in CCs generated income payments of some ECU 1.9 Bn, a figure that was more than twice the 1997 value. With 52%, Hungary was the main source of this income stream while 19%, 16% and 15% respectively were generated in Poland, Turkey and the Czech Republic. FDI income generated by CCs' investments in the EU area was modest during the 1998 period, reaching only ECU 0.075 Bn.

A rough indicator of the profitability of FDI assets is the rate of return on direct investment positions. The value of this indicator for 1998 indicates that an EU investor in the CCs with assets of ECU 100 M, at the beginning of the year, made an annual profit of ECU 6.19 M. The gap between the rate of return on assets in the CCs and the average rate in the extra-EU countries was significantly reduced in recent years.

EU FDI in Slovakia, Slovenia and Turkey became less profitable in 1998 with returns decreasing from 6.9%, 10.7% and 12.3% to 5.5%, 4.5% and 8.9% respectively. EU FDI income from assets in the Czech Republic was positive in 1998 after losses were recorded in 1996 and 1997.



## The renewed focus on Latin America

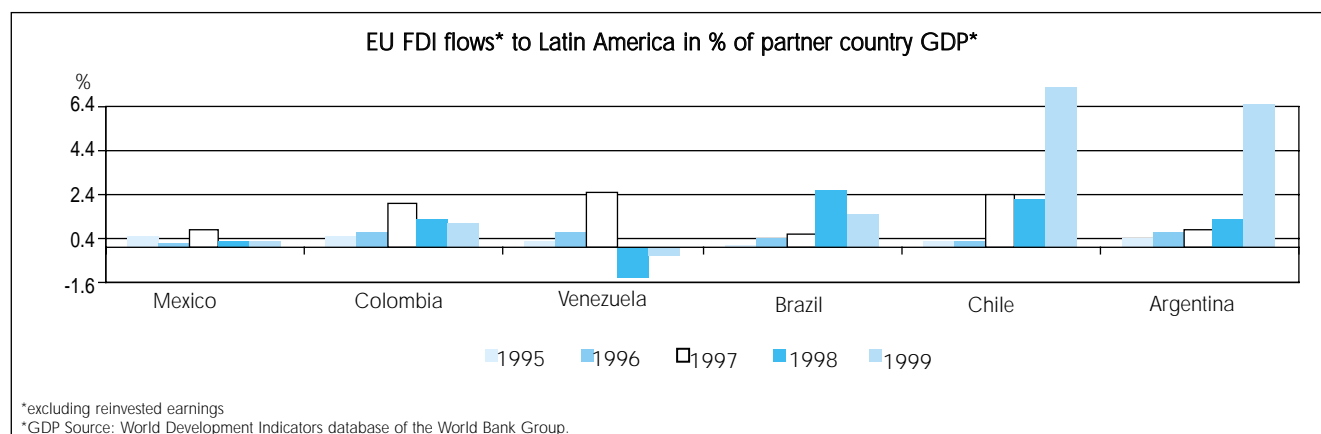
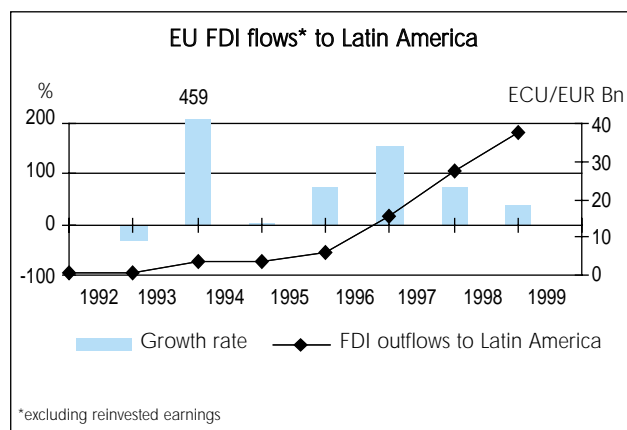
### IN BRIEF

- The Brazilian market is the main recipient of EU FDI capital in Latin America.
- Spanish direct investors are the largest contributors of FDI capital to this region.
- Direct investments in Colombia, Chile and Brazil are the EU's most recent in the region.

### EU direct investments in Argentina in 1999 were substantial

During the whole period since 1992, EU FDI flows to Latin American markets increased significantly and reached EUR 37.5 Bn in 1999. This figure was 38% higher than the 1998 level and it represented 12% of flows to extra-EU countries. Brazil was the main recipient of EU FDI capital during the 1992-1998 period. Also 1999 was characterised by massive EU direct investments in Brazil, although these were overshadowed by an EUR 17 Bn commitment in the Argentinean market. Measured as a share of the partner country's GDP, EU FDI in Latin America appear to have had the greatest economic importance in Argentina and Chile where new FDI engagements in 1999 reached 6.4% and 7.4% respectively of the countries' GDP.

Latin American investments in the EU, on the other hand, were only very moderate throughout the Nineties. The only exception seems to be Mexico, which invested heavily in the EU during the 1993-1994 period.



### EU FDI flows with Latin America (equity and other capital), 1994-1999, ECU/EUR Million

	FDI outflows to Latin America						FDI inflows from Latin America					
	1994	1995	1996	1997	1998	1999	1994	1995	1996	1997	1998	1999
<b>Extra-EU</b>	24 129	45 580	47 412	84 730	198 235	259 320	21 814	37 220	31 828	37 784	95 014	90 072
<b>Latin America</b>	<b>3 345</b>	<b>3 475</b>	<b>6 125</b>	<b>15 602</b>	<b>27 178</b>	<b>37 567</b>	<b>708</b>	<b>267</b>	<b>155</b>	<b>591</b>	<b>503</b>	<b>703</b>
<b>of which:</b>												
Mexico	383	1 010	449	2 696	1 162	1 510	638	-8	93	100	64	116
Columbia	366	363	540	1 958	1 178	900	66	13	7	19	8	82
Venezuela	44	192	385	1 948	-1 220	-403	19	24	51	10	-89	215
Brazil	281	798	2 592	4 270	17 742	10 968	71	16	0	190	-176	192
Chile	134	128	180	1 616	1 466	4 887	0	1	16	-40	24	-87
Argentina	494	817	1 405	2 046	3 369	17 077	-1	89	-40	-5	26	53
NICs2LA	1 291	2 753	4 625	10 624	23 736	34 442	707	97	69	245	-62	275
MERCOSUR <sup>a</sup>	838	1 653	3 981	6 375	21 178	28 127	93	582	-26	185	-132	260

<sup>a</sup> Argentina, Brazil, Paraguay and Uruguay



EU FDI assets in Latin America at end 1998, ECU Million

	Latin America	NICs2LA	Mexico	Columbia	Venezuela	Brazil	Chile	Argentina
EU	82 344	62 345	7 924	5 312	1 970	35 535	5 293	313 593
(%)	100%	76%	10%	6%	2%	43%	6%	17%
<b>of which:</b>								
Denmark	389	309	134	0	54	107	27	27
Germany	13 007	11 859	2 819	429	330	6 842	353	1 845
France	10 400	9 576	579	184	42	6 529	116	2 352
Netherlands	6 622	6 000	658	126	36	3 497	546	1 299
Austria	278	267	1	1	4	233	4	31
Portugal	2 318	2 142	128	0	4	1 998	1	16
United Kingdom	11 196	6 334	1 127	2 258	330	2 257	1 612	1 338
Other MS <sup>a</sup>	37 931	25 683	2 477	2 314	1 170	13 972	2 570	6 677

<sup>a</sup> Other MS has been computed as the difference between the estimated EU aggregate and the sum of the selected declaring countries

**Brazil holds the largest amount of EU FDI capital**

At the end of 1998, direct investors from the European Union had FDI capital worth ECU 82 Bn in Latin America. Of these, 43% were located in Brazil while 17% had been placed in Argentina. Almost 76% of all EU direct investments had been made in one of the four NICs2LA.

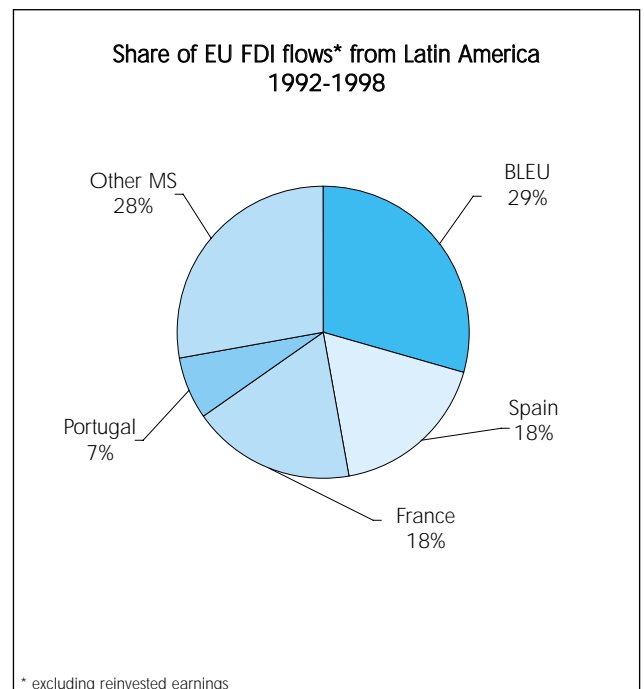
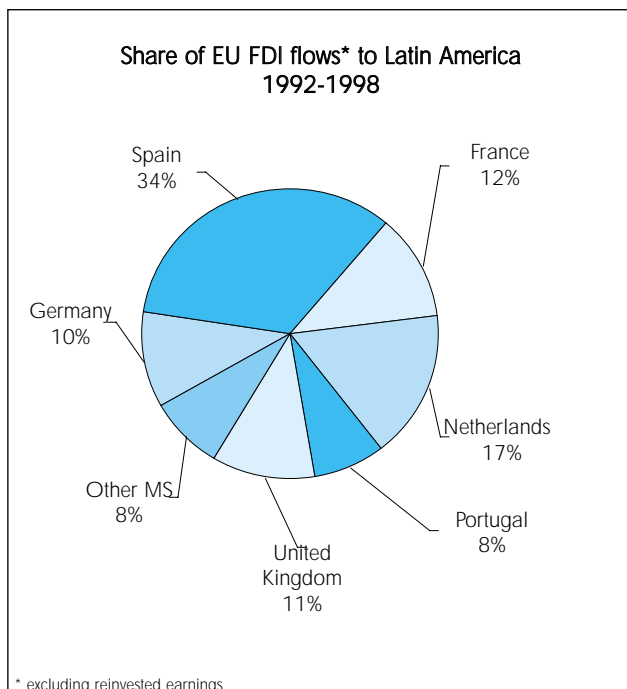
**Spanish direct investors are the largest contributors to FDI capital in Latin America**

Spanish direct investors were the main contributors of EU FDI capital to Latin American markets during the 1992-1998 period, being the source of more than 34% of new

FDI engagements in the region during this period.

Direct investors from Germany, France and the United Kingdom were also very important players in this region. Together they represented more than 40% of all FDI engagements during this period. These three countries held a comparable share of total recorded FDI assets at the end of 1998 in Latin America. Data on Spanish FDI assets in Latin America are not available but it must be assumed that they count for a significant part of the group of "Other MS" (see table above).

At the end of 1998, EU FDI liabilities with Latin American countries only amounted to about 7.4% of EU FDI assets in the region.



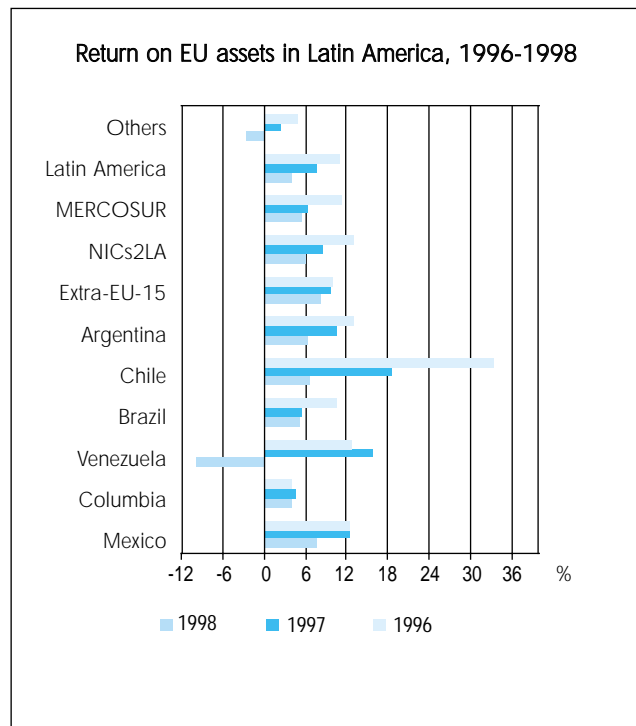
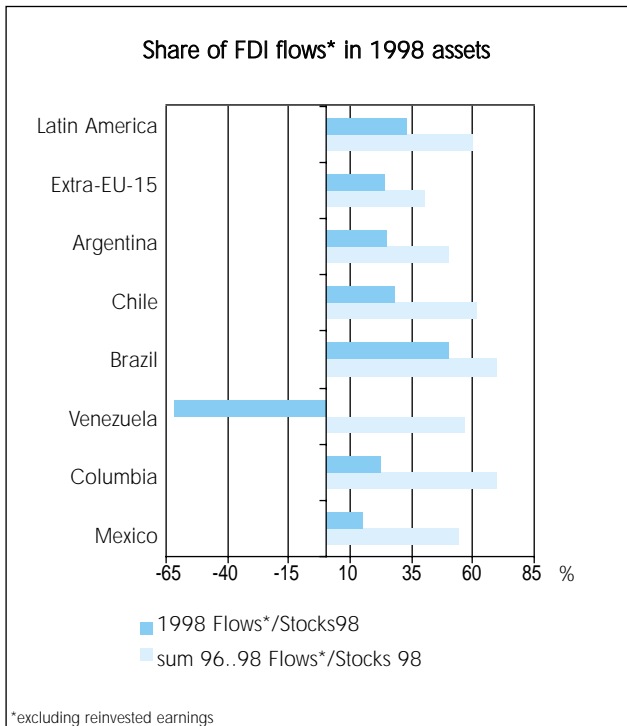
**FDI in Colombia, Chile and Brazil are the EU's most recent in the region**

EU direct investments in Colombia, Chile and Brazil appear to be some of the most recent in Latin America. In each of them, about 60% of all EU FDI assets were established during the 1996-1998 period.

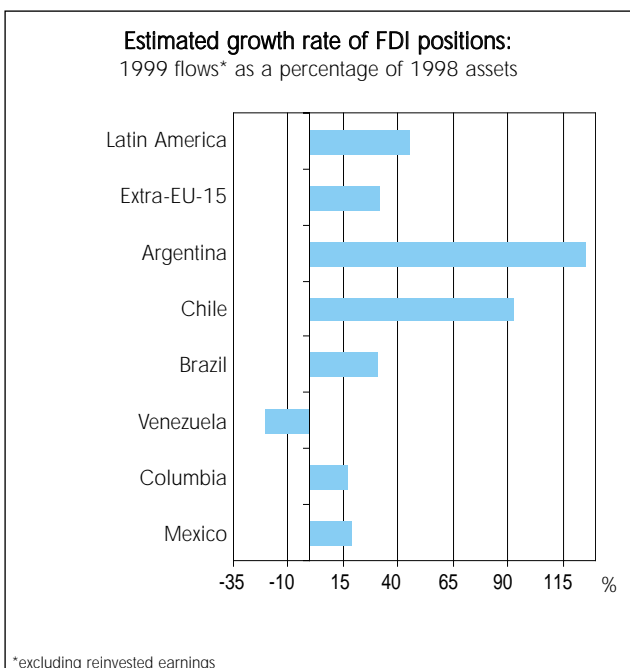
The first graph shows for each country how 1998 and 1996-1998 FDI flows contributed to the EU's year-end stock. In Brazil the contribution of 1998 FDI flows, to the EU's end-1998 assets, was the highest (50%).

**EU income from assets in Latin America decreased in recent years**

In line with the overall trend for all extra-EU countries, the profitability of EU FDI assets in Latin America appears to have been decreasing over the 1996-1998 period. In fact the rate of return in Latin America seems to have been declining to a level that in 1998 was clearly inferior to the extra-EU average.



The second graph gives an estimation of the growth rate of stocks during 1999. EU direct investors seem to have approached the Argentinean and Chilean markets most significantly during 1999.



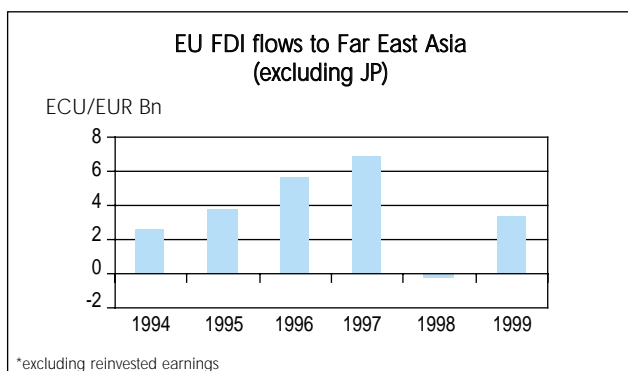
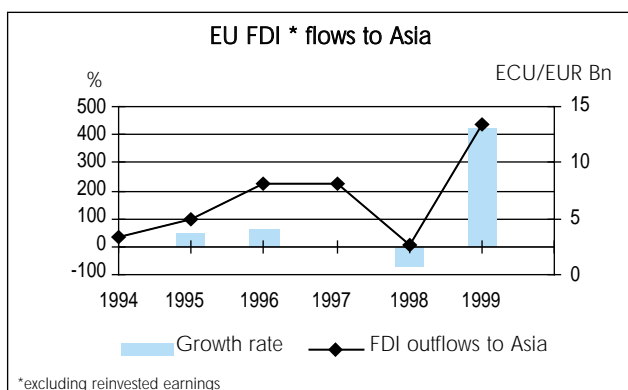
## Far East Asia - Recovery after the economic crises?

### IN BRIEF

- EU FDI outflows to Far East countries increased over the 1998-1999 period.
- EU investors are especially focused on NICs2A.
- British direct investors are the primary providers of EU FDI capital.
- German investors are the largest contributors to the total EU capital placed in China.

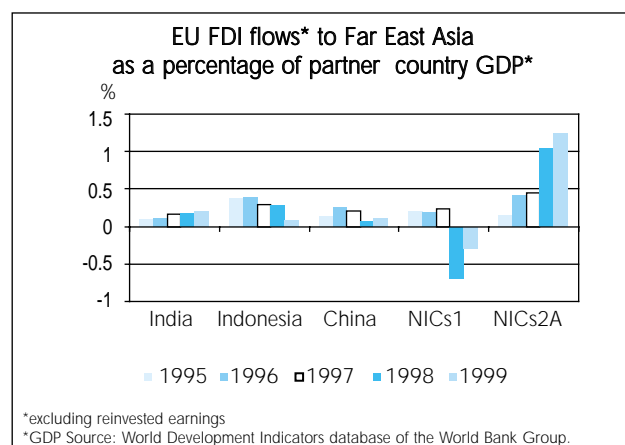
### Moderate EU outflows to the Far East Asia region

The Asian region has been characterised by recessive interest from EU direct investors during recent years. In 1999 EU FDI outflows to the whole Asian region amounted to more than EUR 13 Bn (excluding reinvested earnings). A large part of these (approximately 8.3 Bn) went to the Japanese market.



Flows to Far Eastern countries, excluding Japan, were therefore rather suppressed throughout the Nineties and they basically came to a halt in 1998-1999 when large FDI capital was withdrawn from the Singaporean market. The NICs2A were more successful in attracting EU FDI capital. Since 1995 EU engagements here increased steadily and reached about EUR 3.2 Bn in 1999. Important amounts of FDI were made in Gulf Arabian Countries during the 1998-1999 period.

The economic importance of the NICs2A as a partner is confirmed when the flows received from EU investors are measured as a share of the partner country's GDP. Excluding NICs2A, EU FDI in Far East Asia appears to have had the greatest economic importance in Indonesia during the 1995-1996 period. The economic importance of EU FDI in Indonesia decreased during the last years whilst in India it has been gradually increasing.



### EU FDI flows with Asia (equity and other capital), 1994-99, ECU/EUR Million

	FDI outflows to Asia						FDI inflows from Asia					
	1994	1995	1996	1997	1998	1999	1994	1995	1996	1997	1998	1999
Extra-EU-15	24 129	45 580	47 412	84 730	198 235	259 320	21 814	37 220	31 828	37 784	95 014	90 072
<b>Asia</b>	<b>3 417</b>	<b>5 018</b>	<b>8 122</b>	<b>8 115</b>	<b>2 565</b>	<b>13 466</b>	<b>2 435</b>	<b>2 244</b>	<b>1 951</b>	<b>5 629</b>	<b>2 801</b>	<b>-5 566</b>
% of extra-EU-15	14%	11%	17%	10%	1%	5%	11%	6%	6%	15%	3%	-6%
Near Middle East	499	416	315	806	2 464	1 823	431	197	316	634	711	749
Gulf Arabian	372	310	168	397	1 919	1 868	313	177	172	441	326	515
<b>Far East Asia<sup>a</sup></b>	<b>2 918</b>	<b>4 602</b>	<b>7 808</b>	<b>7 311</b>	<b>104</b>	<b>11 643</b>	<b>2 005</b>	<b>2 047</b>	<b>1 636</b>	<b>4 996</b>	<b>2 091</b>	<b>-6 316</b>
India	225	254	327	628	680	897	-2	42	11	38	102	109
Indonesia	305	576	692	559	234	113	15	19	19	102	6	-82
China	521	739	1 588	1 644	599	959	12	17	19	6	17	265
Japan	272	854	2 159	446	338	8 275	1 454	1 535	468	2 729	1 515	3 224
NICs1	387	1 588	1 591	2 166	-5 137	-2 615	270	299	934	2 085	336	-10 109
NICs2A	1 175	392	1 193	1 298	2 339	3 198	80	10	162	118	78	338

<sup>a</sup> Far East Asia: All Asian countries not included in the "Near and Middle East Countries".

## EU FDI assets in Asia at the end of 1998, ECU Million

	Asia	Near Middle East C.	Gulf Arabian C.	Other Near Middle East C.	Far East Asia <sup>(a)</sup>	India	Indonesia	China	Japan	NICs1	NICs2A
EU	75 417	8 105	5 806	1 292	67 315	2 882	2 280	6 668	12 710	28 449	10 765
<b>of which:</b>											
Denmark	1 356	40	67	:	1 316	121	13	255	362	242	309
Germany	16 412	422	185	104	15 990	700	128	3 109	4 575	5 369	1 820
France	:	:	482	:	:	378	518	863	460	3 523	667
Netherlands	10 730	1 130	524	467	9 600	240	529	698	1 568	3 756	2 284
United Kingdom	26 739	4 165	3 661	:	22 574	1 002	882	482	2 432	11 610	4 614
Other MS <sup>(b)</sup>	20 181	2 348	888	721	17 836	441	210	1 260	3 312	3 950	1 071

(a) Far East Asia: All the Asian countries not included in the "Near and Middle East Countries".

(b) Other MS has been computed as the difference between the estimated EU aggregate and the sum of the selected declaring countries

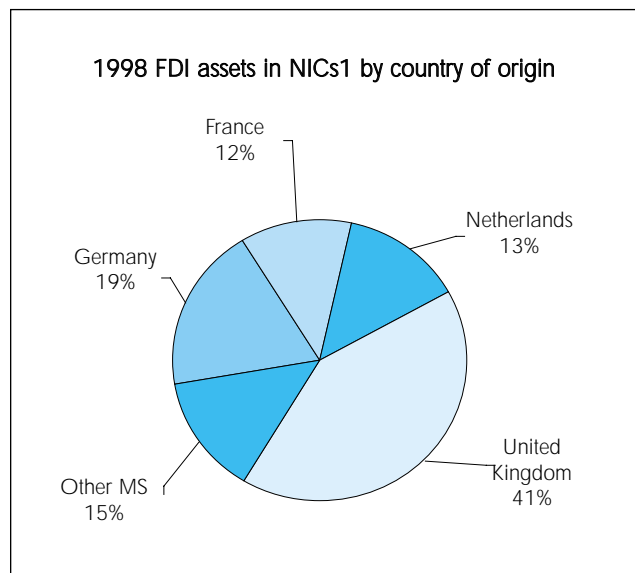
## In terms of FDI assets from EU investors, NICs1 and NICs2A come top of the list of Far East countries

At the end of 1998, 9.2% of the extra-EU FDI assets were located in one of the Asian markets, representing a total value of ECU 75 Bn. The bulk of these assets could be found in the Far Eastern countries and in particular in the NICs1 and NICs2A, which accounted for 38% and 14% respectively of total EU assets. Also China (9%), India (4%) and Indonesia (3%) hosted important EU FDI capital.

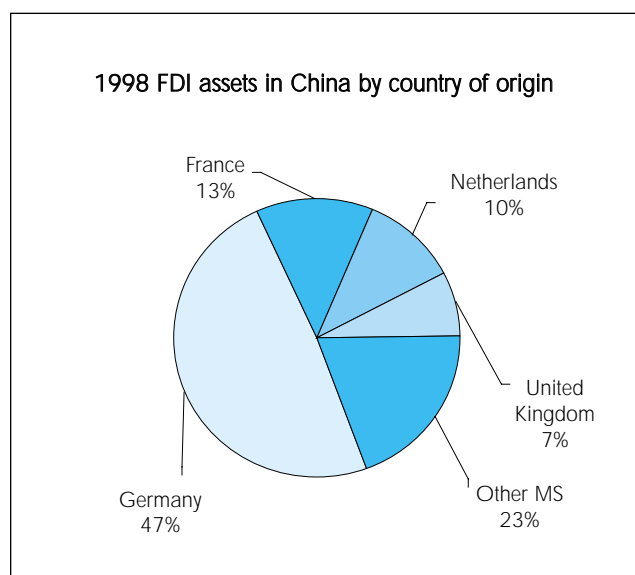
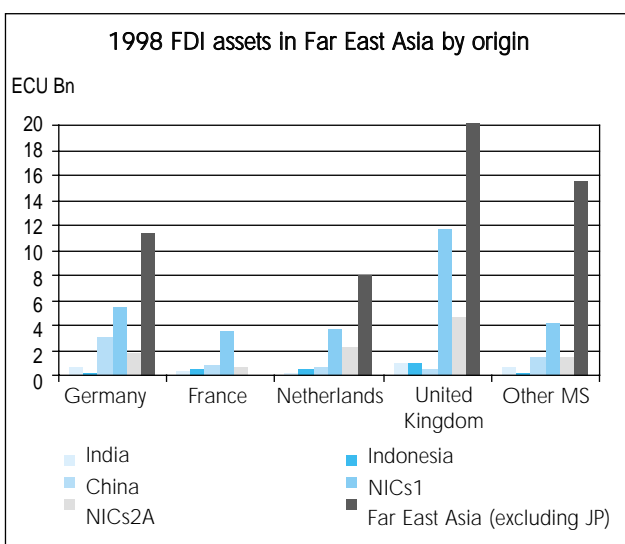
## British direct investors are the primary providers of FDI capital

Holding more than 35% of EU FDI assets at the end of 1998, British direct investors were the single most important group of FDI providers in the Asian markets.

By far the majority of these assets were held in one of the previous British colonies included in the NICs1 or NICs2A. The Gulf Arabian countries were also characterised by strong British presence.



German and Dutch direct investors also hold important stakes in the Asian markets. Direct investors from Germany, for example, seem to have taken a unique-market position in the new and fast growing Chinese market with a market share of close to 50% of EU FDI assets

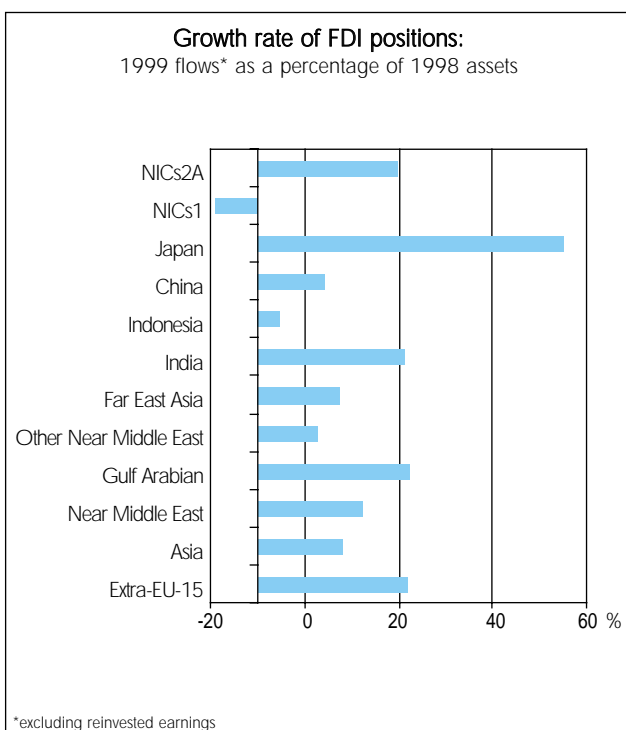
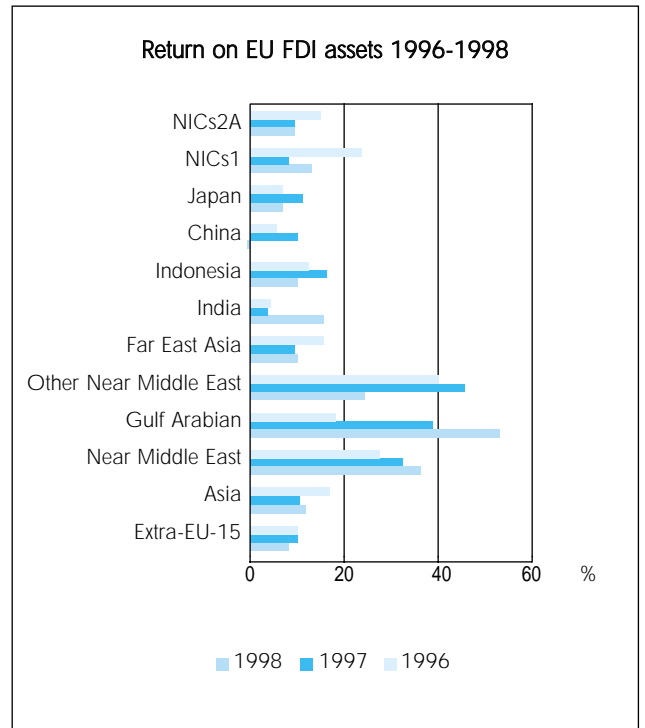
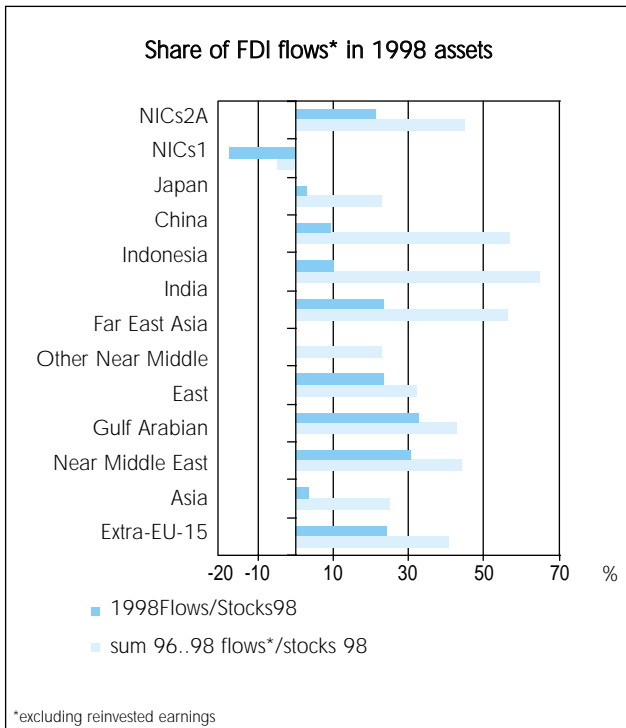


### FDI in China, Indonesia and India are the EU's most recent in the region

The flow/stock ratios for the Asian region show that EU direct investments in China, Indonesia and India were among those most recently established. EU direct investors have generally taken a less significant approach to the Asian region in recent years, with flow/stock ratios clearly inferior to the average for the extra-EU area as a whole. The ratio of 1999 flows to 1998 assets also shows that FDI activity was lower in the majority of Asian markets than on average in the total extra-EU area.

### Strong return on EU FDI capital in Asia

The rate of return of EU FDI in Asia remained at a very high level in 1998 (12%) with profitability superior to the extra-EU FDI average (8%). FDI in the Gulf Arabian countries ranked highest in profitability with a rate of return exceeding 50% in 1998. In India for example, one of the fast growing Asian economies, profitability reached 16% in 1998, while profitability in China hit rock-bottom recording negative values in 1998.



# CHAPTER 5 EU FDI BY ECONOMIC ACTIVITY

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# Outward and inward FDI by economic activity

## IN BRIEF

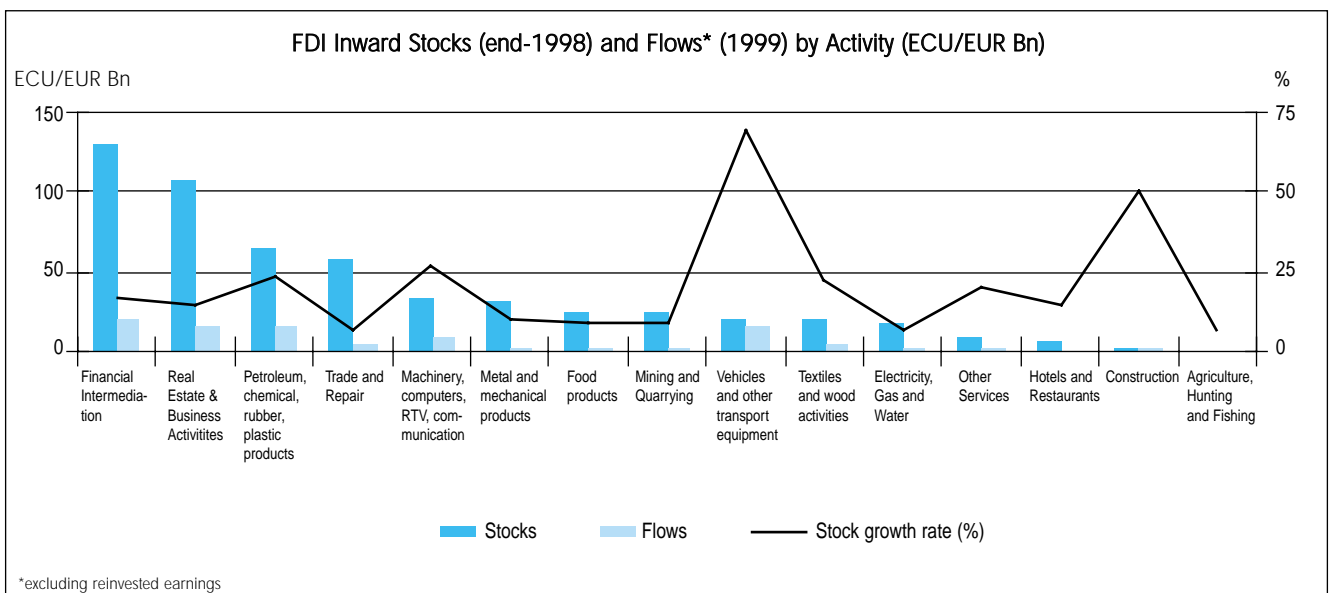
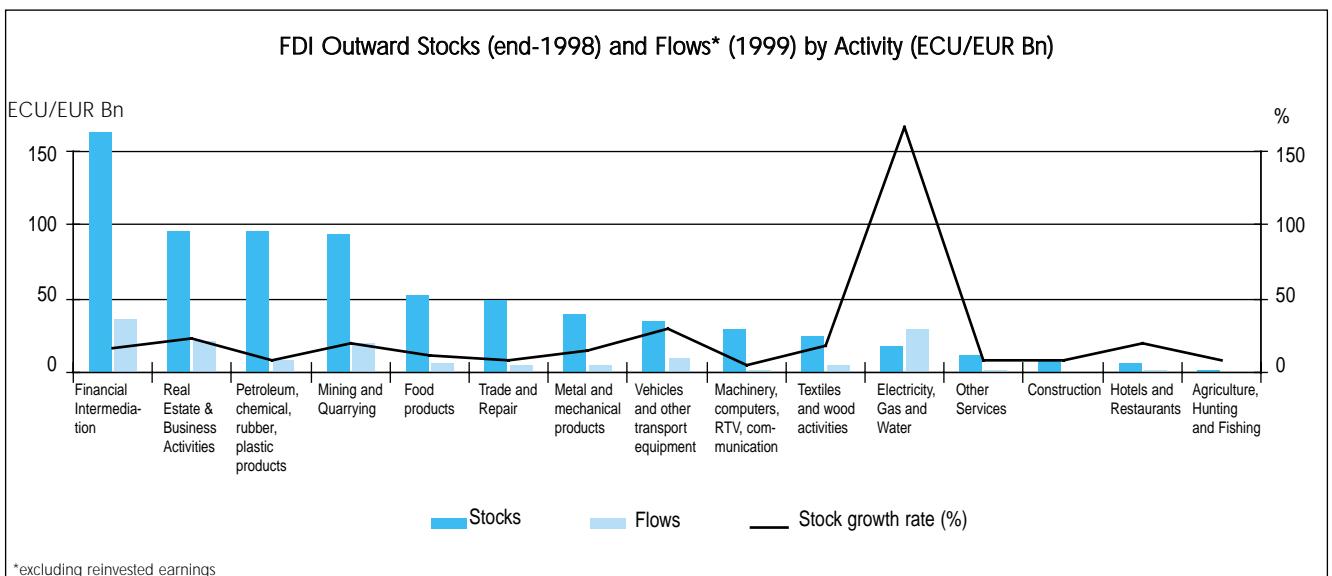
- At end-1998, nearly all economic activities contributed to the EU's net International Investment Position of ECU 222 Bn. The EU continued to generate a net positive flow to almost all sectors.
- Financial Intermediation continued to attract large shares of inward FDI, followed by Vehicles & other transport equipment. The EU's largest outward FDI flows took place in Transport & Communication.
- Knowledge-intensive industries have taken on a major role in recent years.

This chapter focuses on the industrial allocation of FDI flows in which we apply a classification consistent with NACE rev.1, though less detailed (see annex 3). Ten core economic activities as well as the Manufacturing activity's six main sub-categories are detailed. In order to underline recent trends in European FDI, total economic activity has also been subdivided in a manner emphasising the knowledge-intensity of industries (see Chapter 3 "Focus on Services"). Recent years have seen strong concentration of the European Union's FDI flows, both inward and outward, in Knowledge-intensive services as

well as in Manufacturing sectors.

The figures given for flows include equity and other capital, reinvested earnings being excluded. 1999 FDI flows are compared to total investment positions at end 1998. As 1999 was the Euro's first year of introduction, the former are reported in Euro whilst the latter are reported in Ecu.

The two charts below summarise inward and outward FDI positions and flows extra-EU as well as estimated growth rates during 1999.



Footnote: The Transport & Communication category has been excluded from both graphs due to large fluctuations. Outward Flows totalled EUR 90.8 Bn which, compared to Stocks of ECU 33.5 Bn at end-1998, made for growth at an estimated rate of 271%. As a result of strong dis-investment, Inward Flows amounted to EUR -14.8 Bn in 1999 which, compared to Stocks of ECU 21.2 Bn at end-1998, implied a contraction of the latter at a rate of 70% during the course of 1999.

## Outward FDI by economic activity

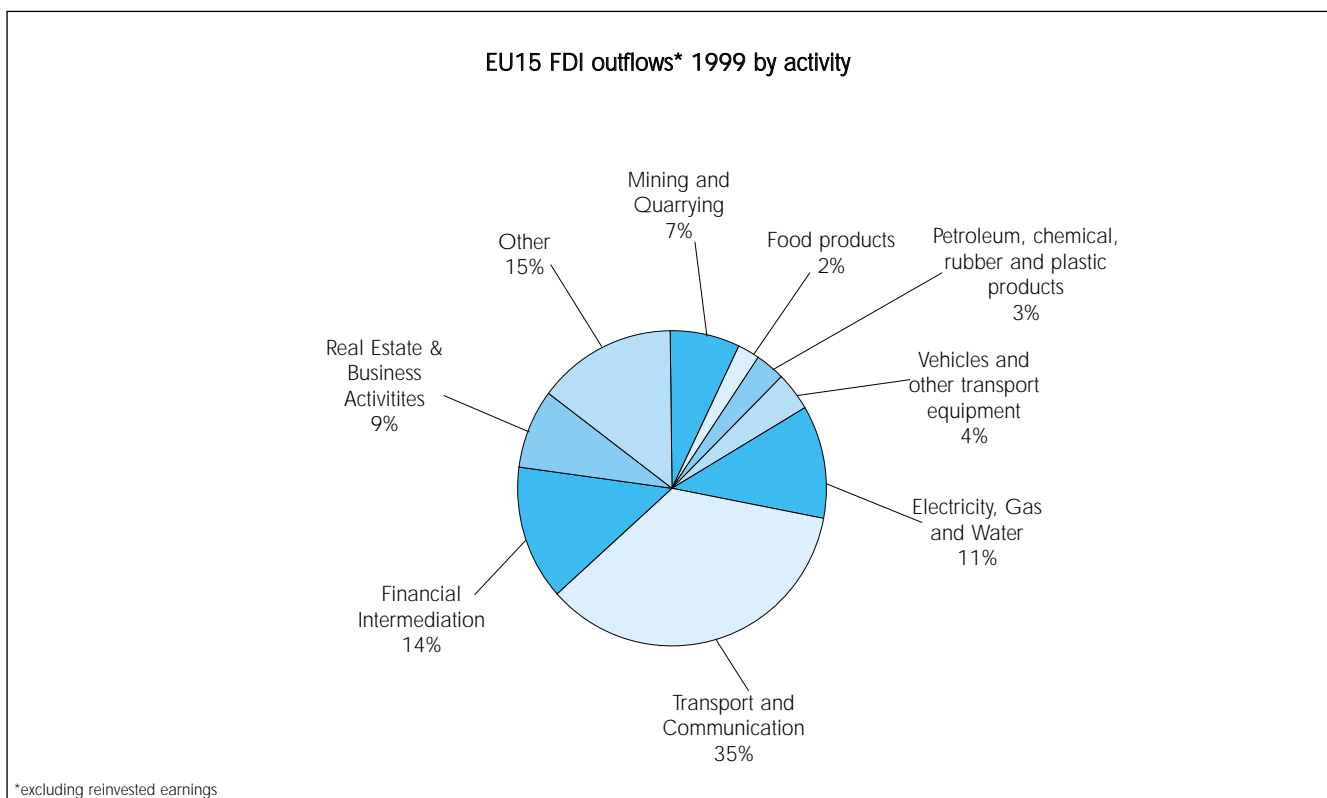
### FDI flows to extra-EU countries focus on Telecommunications

FDI flows to extra-EU countries amounted to a record EUR 260 Bn in 1999 and, as the following pie chart shows, investments were made in most economic sectors. Five branches however stood out.

Transport & Communication represented 35% of the EU's total outward FDI flows, due in large part to the merger of the British telecommunications firm Vodafone with Airtouch of the United States. This single EUR 64.3 Bn deal contributed to Transport & Communication forming the largest in the EU's outward sectoral flows.

in this field: the United Kingdom, France and Spain. In the first two, respectively, one saw the merger of Scottish Power plc and Pacificorp of the USA and the acquisition of US Filter Corp by Vivendi SA of France. For its part, Spain was, here too, an active participant in large scale utility privatisations taking place in South American countries in 1999.

The Real Estate & Business Activities sector made up 9% of total EU outward FDI flows, with most EU Member States contributing positively to these. In fact, 83% of investments were made in the sub-category Computer, research and other business activities with close to all



This remains the case when one takes into account intra-EU FDI.

Given a large number of transactions, investment activity in the Financial Intermediation industry was sustained, especially in the form of M&As. Helped by big transatlantic deals such as the merger between Aegon NV and TransAmerica Corp, the acquisition of Bankers Trust by Deutsche Bank and the acquisition of Republic NY Corporation by HSBC Holdings plc, Financial Intermediation made up 14% of the EU's outward FDI flows.

Electricity, Gas & Water contributed to 11% of total outward FDI flows, three countries being particularly active

investments by Great-Britain, France, Portugal and Spain being made here.

The fifth-largest sector among outward FDI flows in 1999 was Mining & Quarrying, representing 7% of total outflows. A EUR 14.1 Bn investment by Spain's largest company Repsol in Yacimientos Petrolíferos Fiscales (YPF) of Argentina contributed largely to the branch total.

Deals quoted in: UNCTAD, "World Investment Report 2000".

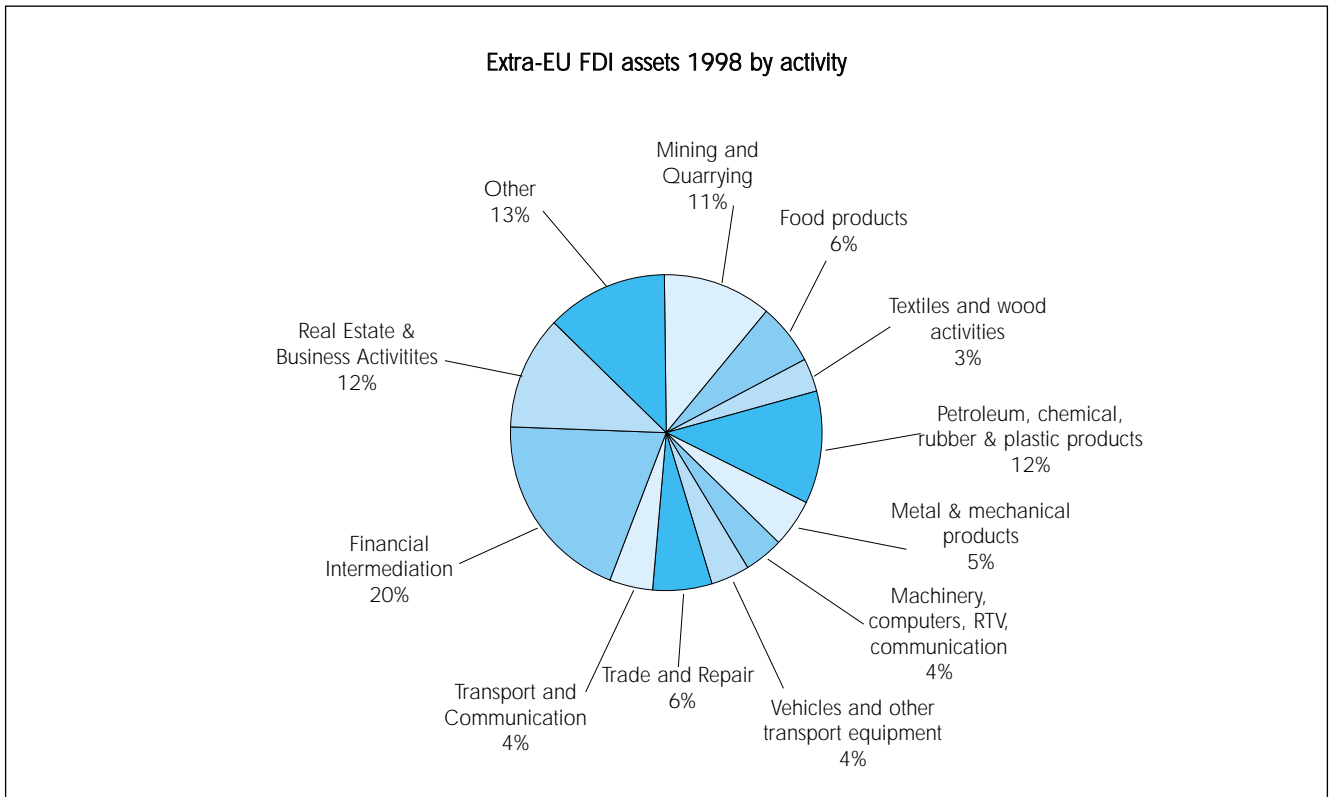


### Extra-EU FDI assets are still highly diversified

At end-1998, the EU-15's FDI holdings outside the Union amounted to over EUR 817 Bn. From the pie chart, we see that these investments were highly diversified. One may note however that the four activities

As one sees in the first graph of this chapter, the ratio of 1999 FDI flows to 1998 year-end stocks, calculated activity by activity, increased in all sectors.

Growth was led by impressive FDI in Transport & Communication (not included in the graph mentioned)



Financial Intermediation (20%), Real Estate & Business Activities (12%, including Computer, research and other business activities, as we saw above), Petroleum, chemical, rubber and plastic products (12%) and Mining and Quarrying (11%) together made up well over half of outward holdings.

and Electricity, Gas & Water. FDI asset growth was also positive in those activities displaying the lowest stock/flow ratio, as we see in the table below, "Lowest Four".

#### Extra-EU FDI Assets, Outward flows and Annual growth rate

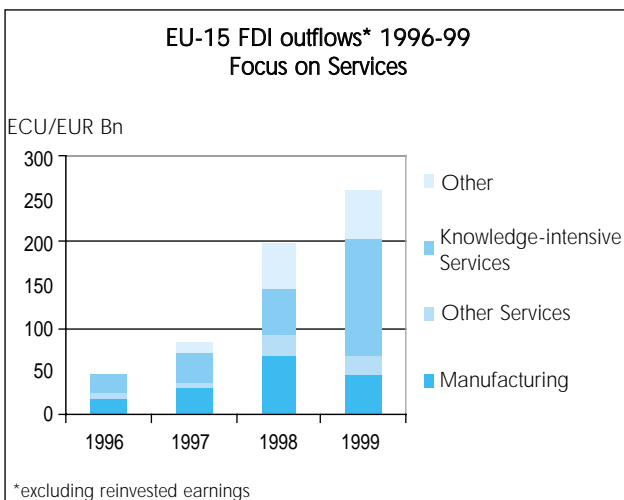
	Stock (end-1998, ECU M)	Flow (1999, EUR M)	Flow/Stock (%)
<b>Top Four</b>			
Transport and Communication	33 542	90 826	271%
Electricity, Gas and Water	17 779	29 519	166%
Vehicles and other transport equipment	35 225	10 175	29%
Real Estate & Business Activities	95 992	22 209	23%
<b>Lowest Four</b>			
Petroleum, chemical, rubber and plastic products	95 678	7 657	8%
Other Services	11 179	873	8%
Agriculture, Hunting and Fishing	1 298	101	8%
Machinery, computers, RTV and communication	30 294	1 744	6%
<b>TOTAL</b>	<b>817 018</b>	<b>259 320</b>	<b>32%</b>

## EU Outward FDI - Focus on Services

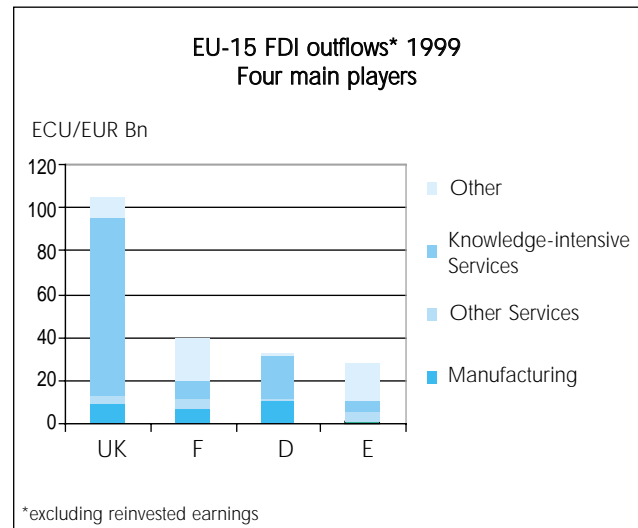
Although strongly diversified by activity, one observes that the EU's outward investment has pinpointed more and more sectors specialised in Knowledge-intensive production, that is basically services requiring specialised skills. After holding a major position between 1996 and 1998, as the graph below shows, over half the EU's outward FDI were made in these activities in 1999.

Investments in manufacturing also hold an important position. Following three years of impressive growth, outward flows aimed at manufacturing industries however appear to have been less pronounced in 1999.

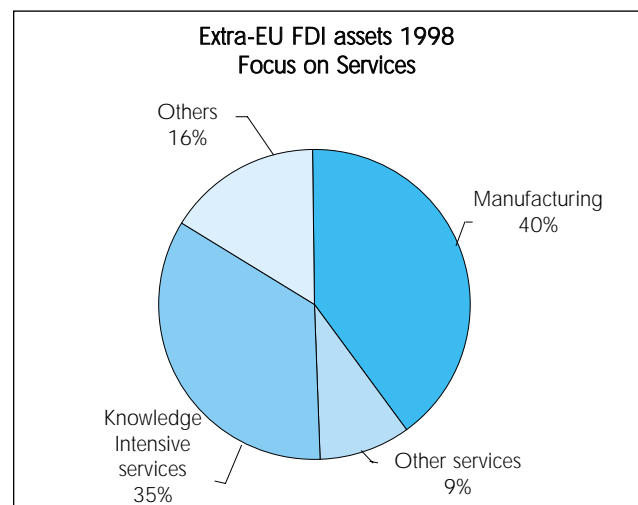
Observed trends of strong M&A activity may be explained by market buoyancy coupled with regulatory reform and potential gains from industrial consolidation due to recent technological developments. The latter are, for example, reflected in increasing returns to scale in R&D<sup>1</sup>.



From the top-right graph, we see that amongst the four Member States with the largest extra-EU FDI flows in 1999, Knowledge-intensive FDI played an important role in investment from the United Kingdom and from France, and a lesser role in French and Spanish FDI.



At end-1998, EU FDI assets in Manufacturing held a predominant position, making up 40% of total invested outside the EU. For their part however, at 35% of extra-EU assets, and given their weight in 1999 flows, Knowledge-intensive activities appear to be becoming the leading category for outward extra-EU.



The table below shows the distribution of the EU's FDI assets with some of its main partners.

### EU FDI Assets 1998 (ECU M)

	USA	EFTA	Canada	Japan	Others	Extra-EU
Manufacturing	42%	34%	48%	57%	37%	40%
Other Services	8%	9%	11%	19%	11%	9%
Knowledge-intensive services	32%	48%	32%	21%	36%	35%
Others	18%	9%	9%	3%	16%	16%
<b>Total</b>	<b>399 774</b>	<b>81 490</b>	<b>22 580</b>	<b>12 700</b>	<b>300 465</b>	<b>817 018</b>
% of extra-EU	49%	10%	3%	2%	37%	100%

<sup>1</sup>See: OECD "Recent Trends in Foreign Direct Investment"

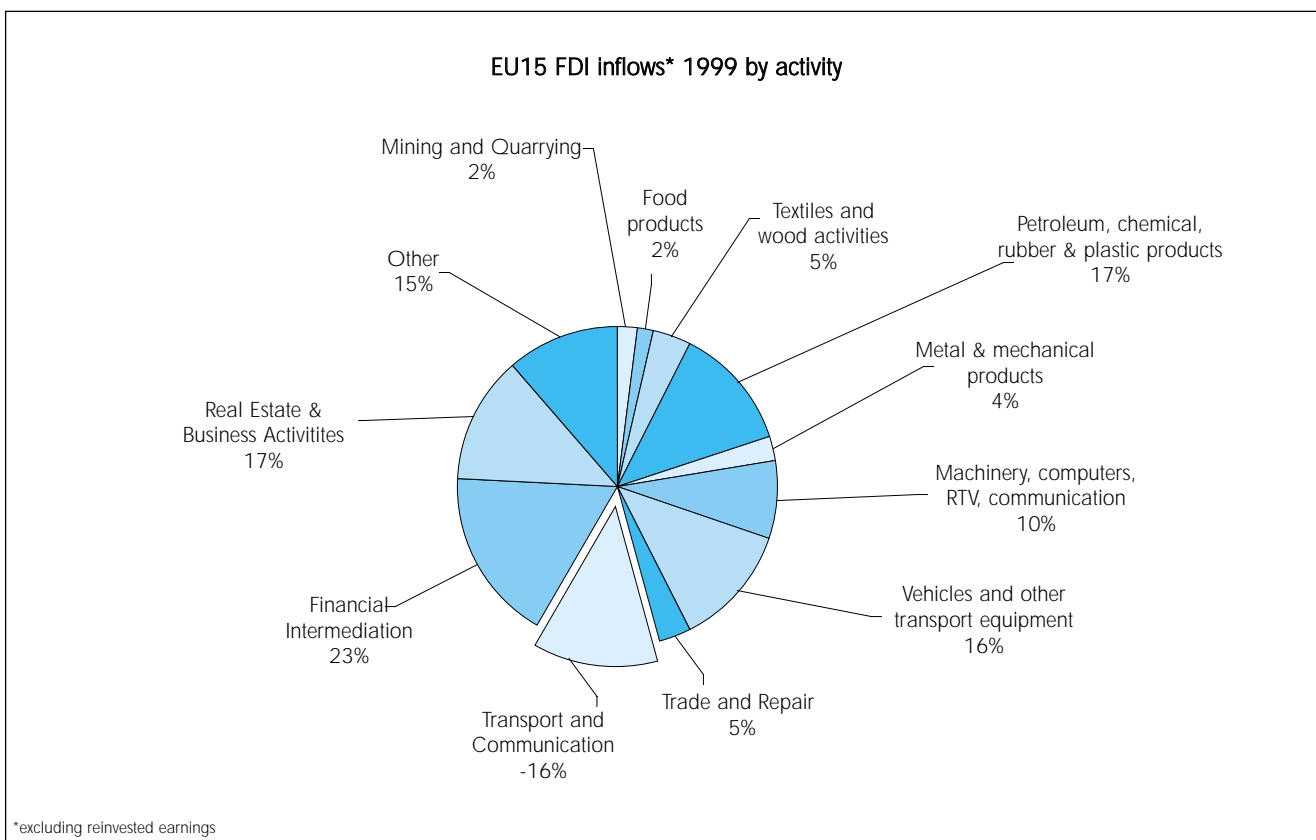
## Inward FDI by economic activity

### FDI inflows target manufacturing and banking

At an estimated EUR 90.1 Bn, 1999 FDI flows into the EU fell somewhat, compared to 1998's record inflow of ECU 95 Bn. Incoming FDI's were substantially lower than outward flows of EUR 260 Bn. In a sectoral perspective, inward flows were more balanced than outward flows. Five industries (of which three branches of Manufacturing) however received large shares of incoming investments, and one industry saw a substantial dis-investment.

Investment in the Financial Intermediation industry was buoyant and, as was the case with outward FDI, a number of M&A deals were completed. Investments mainly provided from the United States, with around a quarter

Following the trend of consolidations seen in the Vehicles & other transport equipment sector, large US investments were made in Britain and Sweden with the purchase of Lucas Varity plc by TRW inc. and the purchase of Volvo Passenger Cars by the Ford Motor co respectively. A total of EUR 14.7 Bn were placed in this sector from outside the EU, which represented 16% of total inward FDI flows. The Petroleum, chemical, rubber and plastic products sub-sector of Manufacturing received 17% of inward FDI, with important shares going to Germany and the Netherlands but especially to the United Kingdom. Nearly 10% of total inward FDI went to Machinery, computers, RTV, & communication, another branch of Manufacturing, the United Kingdom being host to almost the entirety of these flows.



of total going to both Germany and the Netherlands. The latter corresponds in part to the merger between Aegon NV and TransAmerica Corp cited above (EU Outward FDI Flows).

A small net redemption occurred in the Real estate sub-sector and Computer, research, other business activities received the quasi totality of inward investments into Real Estate & Business Activities. The main destination countries of FDI here were Germany, Spain and the United Kingdom.

A large repurchase in Telecommunications took place in the United Kingdom and contributed almost entirely to the EUR 14.9 Bn FDI dis-investment recorded in the Transport & Communication activity at EU aggregate level.

Deals quoted in: UNCTAD, "World Investment Report 2000".

### Extra-EU FDI liabilities are in four industries to 60%

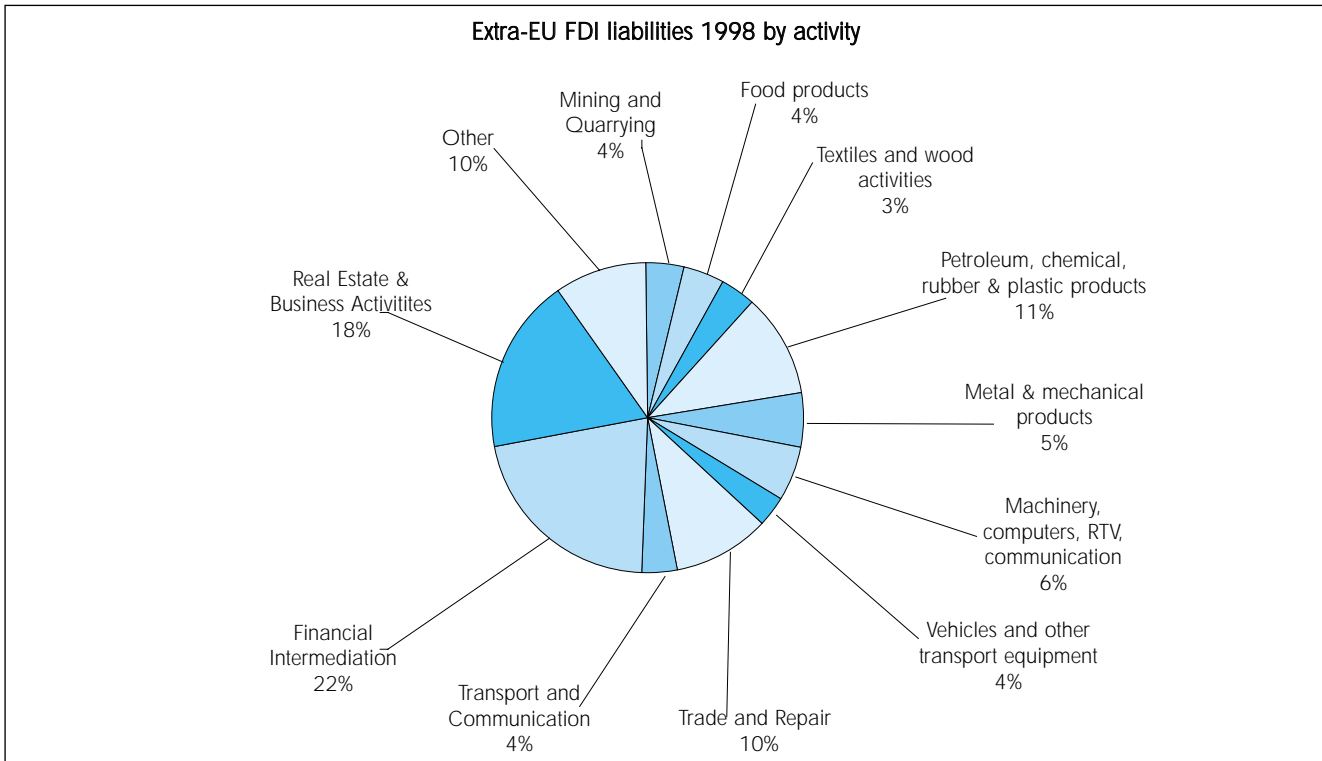
EU-15 FDI liabilities outside the Union amounted to ECU 595 Bn at the end of 1998. This represented roughly three quarters of the reciprocal extra-EU investment assets, making for ECU 222 Bn net FDI assets abroad overall. Two sectors stood out within FDI liabilities:

Financial Intermediation made up 22% of total FDI liabilities, of which 40% were invested in the United Kingdom and roughly 10% each in Germany, the Netherlands and France.

Two other activities making up a share exceeding 10% of total extra-EU FDI liabilities were Petroleum, chemical, rubber and plastic products and Trade and Repair. These four industries together made up in excess of 60% of inward FDI.

Growth in FDI liabilities was led by investments in Manufacturing, three of the four highest rates being measured in its sub-sectors.

Not apparent in the table below, investments in Financial Intermediation and Real Estate and Business Activities were sustained. Due to the large dis-investment men-



Real Estate & Business Activities accounted for 18% of total FDI into the EU. 87% of these investments have in fact been made in the Computer, research and other business activities sub-sector.

tioned in the previous section, an estimated 70% of extra-EU liabilities in Transport and Communication were redeemed during the course of 1999.

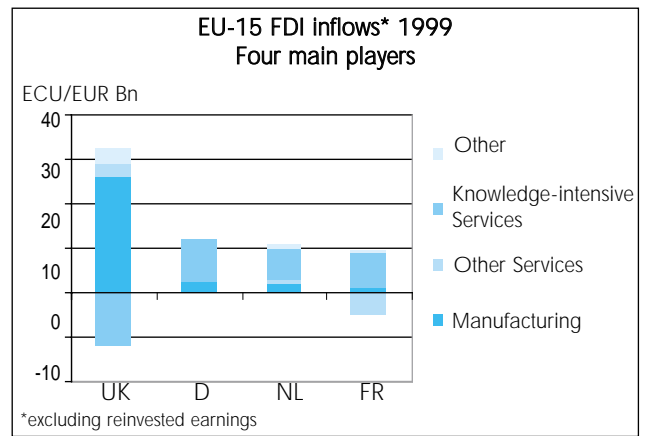
### Extra-EU FDI Liabilities, Inward flows and annual growth rate

	Stock (end-1998, ECU M)	Flow (1999 EUR M)	Flow/Stock (%)
<b>Top Four</b>			
Vehicles and other transport equipment	21 077	14 671	70%
Construction	3 085	1 552	50%
Machinery, computers, RTV and communication	32 991	9 045	27%
Petroleum, chemical, rubber, plastic products	63 849	14 941	23%
<b>Lowest Four</b>			
Trade and Repair	57 762	4 137	7%
Electricity, Gas and Water	17 772	1 135	6%
Agriculture, Hunting and Fishing	570	36	6%
Transport and Communication	21 224	-14 793	-70%
<b>TOTAL</b>	<b>594 636</b>	<b>90 072</b>	<b>15%</b>

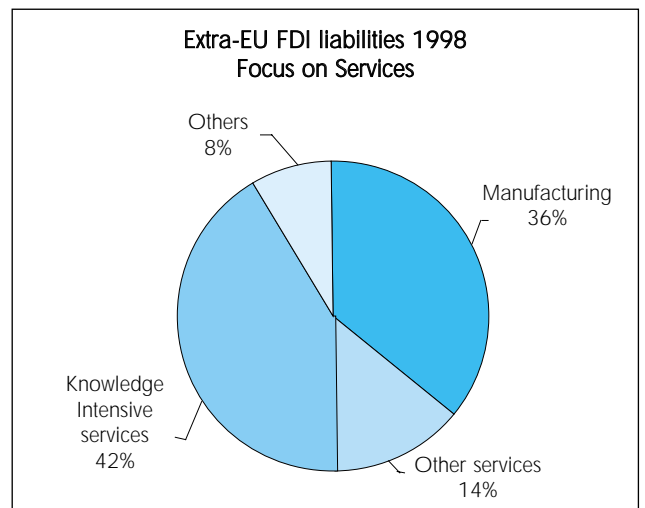
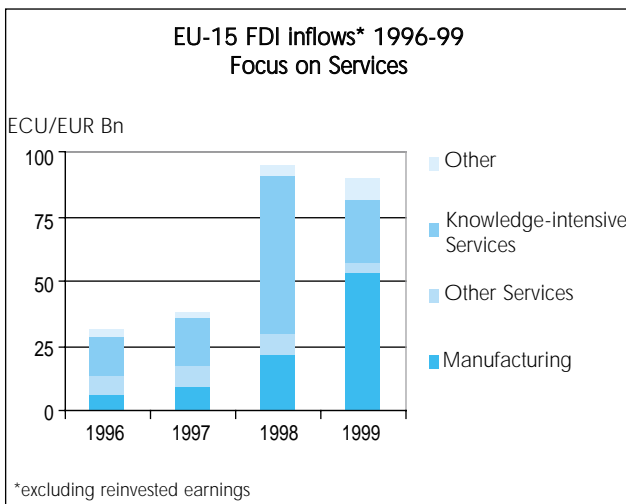
EU Inward FDI - Focus on Services

Unlike in recent years, especially in 1998 when a predominant share of inward investments went to Knowledge-intensive industries, incoming FDI preferred the manufacturing industries in 1999. Over a half of investments went into the Petroleum, chemical, rubber & plastic products and into the Vehicles and other transport equipment industries together. Despite a substantial disinvestment, FDI in Knowledge-intensive activities remained strong.

Inward FDI in Knowledge-intensive activities played a major role among the four largest players (see chart). In France, they balanced a sizeable redemption in the Other Services category whilst, in Germany and the Netherlands, FDI went to three quarters and to two thirds respectively into Knowledge-intensive industries. In the



Looking at the investment position, one notices the predominant position of both Manufacturing and Knowledge-intensive services. Together with Other services, the latter made up well over half of the EU's FDI lia-



United Kingdom, the largest proportion of investments were made in Manufacturing, more specifically in the Machinery, computers, RTV & communications and Vehicles & other transport equipment activities, whilst the large dis-investments in Telecommunications mentioned previously made for a net outflow from Knowledge-intensive industries.

bilities at end-1998. Whilst the major part of outward FDI was invested in Manufacturing, Knowledge-intensive services made up the main share of inward investments. The overall similarity in the structure of Assets and Liabilities may however hint at the reciprocally binding nature of FDI.

EU FDI Liabilities 1998 (ECU M)

	USA	EFTA	Japan	Canada	Others	Extra-EU
Manufacturing	37%	35%	21%	52%	36%	36%
Other Services	11%	16%	38%	20%	11%	14%
Knowledge-intensive Services	43%	43%	36%	23%	43%	42%
Other	10%	5%	4%	6%	10%	8%
<b>Total</b>	<b>323 481</b>	<b>128 909</b>	<b>37 488</b>	<b>20 120</b>	<b>84 639</b>	<b>594 636</b>
% of extra-EU	54%	22%	6%	3%	14%	100%

The above table gives the distribution of liabilities with some of the EU's main FDI partners.

### Comparing Inward and Outward FDI: the Balance of Flows and the Net Position

At end-1998, the European Union disposed of FDI net assets ( assets minus liabilities ) totalling ECU 222 Bn in non-EU countries. Furthermore, total net FDI outflows from the European Union were positive in 1999, amounting to EUR 169 Bn.

Large net outward investments were seen in Transport and Communication as well as in Electricity, Gas and Water, Mining and Quarrying, Financial Intermediation

pluses in the following sub-sectors: Textiles and wood activities; Petroleum, chemical, rubber and plastic products as well as Machinery, computers, RTV, communication and Vehicles and other transport equipment. Large net inflows into all sub-sectors of British manufacturing explain three of the four largest sectoral FDI inflows at EU aggregate level and can be interpreted positively as an opening to foreign capital.

Except in Petroleum, chemical, rubber and plastic products, the sectors in which net assets were highest at end-1998 saw further growth in 1999, as the above table indicates. We

EU-15 Net Outward	Assets end-1998 (ECU M)	Flows 1999 (EUR M)
Agriculture, Hunting and Fishing	728	65
Mining and Quarrying	68 418	17 015
Manufacturing	113 224	-5 414
- Food products	27 847	3 906
- Textiles and wood activities	3 512	-342
- Petroleum,chemical,rubber,plastic products	31 829	-7284
- Metal and mechanical products	7 045	2298
- Machinery, computers, RTV, communication	-2 697	-7302
- Vehicles and other transport equipment	14 148	-4496
Electricity, Gas and Water	7	28384
Construction	4 451	-938
Trade and Repair	-8 739	210
Hotels and Restaurants	-143	325
Transport and Communication	12 318	105 618
Financial Intermediation	33 741	14 728
Real Estate & Business Activitites	-12 340	6 988
Other Services	2 302	-944
<b>Total</b>	<b>222 382</b>	<b>168 248</b>

and in Real Estate & Business Activitites. It is interesting to note that the Manufacturing industry as a whole saw EUR 5.4 Bn net FDI inflows during 1999, due to sur-

complete this sectoral focus by looking at the make up of the European Union's net Assets with some of its main FDI partners.

### EU Net 1998 FDI position (ECU M)

	USA	Japan	EFTA	Canada	Others	Extra-EU
Manufacturing	49 607	-667	-17 315	397	81 202	113 224
Other Services	-2 680	-11 985	-13 117	-1 458	22 739	-6 501
Knowledge-intensive services	-11 703	-10 975	-17 023	2 714	70 628	33 641
Other	41 070	-1 161	37	806	41 257	82 019
<b>Total</b>	<b>76 293</b>	<b>-24 778</b>	<b>-47 419</b>	<b>2 461</b>	<b>215 826</b>	<b>222 382</b>

# ANNEX 1 EU DIRECT INVESTMENT STATISTICAL TABLES

## STATISTICAL TABLES : EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

## Geographical breakdown of FDI flows

(-) sign means disinvestment

EUR Mio

Reporter : EU Year: 1999	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>EUROPE</b>	277 919	34 183	312 102	26 176	338 274	232 981	75 485	308 466	18 451	326 919
Belgium/Luxembourg	23 650	4 064	27 714	2 732	30 445	9 915	18 923	28 838	1 017	29 853
Denmark	1 534	377	1 911	470	2 383	1 510	448	1 958	273	2 229
Germany	38 489	5 100	43 590	328	43 919	39 369	8 536	47 904	3 186	51 091
Greece	926	31	957	138	1 098	177	- 38	139	- 82	58
Spain	2 369	850	3 219	1 872	5 091	1 881	- 1 584	297	156	456
France	12 607	4 724	17 331	3 122	20 453	44 448	6 718	51 166	1 624	52 789
Ireland	1 761	2 959	4 720	2 399	7 119	320	4 092	4 412	428	4 842
Italy	2 311	2 981	5 292	1 280	6 571	2 538	958	3 496	616	4 112
Netherlands	24 613	- 7 235	17 377	6 612	23 990	6 062	11 882	17 944	2 304	20 248
Austria	1 378	189	1 566	620	2 187	915	573	1 488	97	1 583
Portugal	- 245	- 25	- 270	598	328	138	510	648	- 9	640
Finland	1 313	169	1 482	961	2 442	2 188	- 995	1 193	- 300	891
Sweden	45 224	640	45 864	656	46 521	1 572	1 271	2 843	1 432	4 275
United Kingdom	106 559	19 555	126 114	- 490	125 626	118 273	11 730	130 003	2 105	132 108
Iceland	28	- 6	22	2	23	9	66	74	- 18	57
Liechtenstein	41	- 1	38	50	89	36	57	93	152	248
Norway	1 938	2 163	4 101	424	4 527	426	1 389	1 815	578	2 394
Switzerland	3 098	- 4 651	- 1 553	3 158	1 605	1 069	3 191	4 260	4 159	8 419
<b>OTHER EUROPEAN COUNTRIES</b>	10 302	2 232	12 534	1 235	13 768	2 140	7 670	9 810	732	10 541
Poland	4 882	2 194	7 076	157	7 234	5	4	8	35	43
Baltic countries	417	140	557	12	569	3	6	9	- 1	7
Estonia	154	78	232	10	242	1	3	3	- 1	2
Lithuania	201	45	245	8	253	0	- 0	- 0	0	- 0
Latvia	62	16	78	- 6	74	0	2	2	- 0	2
Czech Republic	2 041	492	2 534	173	2 708	7	54	61	- 17	43
Slovakia	157	53	210	52	262	2	3	5	- 2	3
Hungary	289	- 291	- 2	668	667	42	- 4	39	241	280
Romania	458	85	543	- 8	535	3	- 20	- 16	10	- 6
Bulgaria	82	54	136	9	144	1	10	11	- 7	4
Albania	8	6	14	- 1	13	1	- 0	- 0	0	0
Croatia	963	72	1 034	5	1 038	- 14	7	- 7	- 1	- 7
Slovenia	133	92	226	27	252	1	26	27	- 7	19
Yugoslavia	0	- 27	- 26	5	- 20	2	- 26	- 24	2	- 23
Turkey	529	418	947	80	1 026	59	15	75	- 27	49
Russia	468	99	567	- 224	342	45	5	50	517	566
Belarus	3	1	4	2	6	5	- 3	2	0	2
Ukraine	75	43	118	8	127	5	22	27	- 1	26
<b>AFRICA</b>	1 242	1 077	2 319	1 230	3 548	109	75	184	124	309
<b>NORTH AFRICA</b>	- 1 049	- 12	- 1 061	242	- 821	- 66	- 88	- 154	159	4
Morocco	64	35	99	9	109	9	13	22	19	41
Egypt	- 878	- 84	- 962	48	- 913	- 100	3	- 98	65	- 34
<b>OTHER AFRICAN COUNTRIES</b>	2 295	1 085	3 380	989	4 370	175	163	338	- 34	303
Rep. of South Africa	1 612	777	2 389	531	2 919	118	21	138	42	180
<b>AMERICA</b>	151 953	74 336	226 290	24 114	250 401	29 113	48 490	77 604	9 366	86 969
<b>NORTH AMERICA</b>	113 604	66 488	180 092	20 514	200 606	19 888	49 276	69 164	8 691	77 854
United States	112 168	66 109	178 277	18 568	196 845	19 395	47 815	67 210	8 144	75 352
Canada	1 434	378	1 812	1 946	3 760	491	1 463	1 954	547	2 504
<b>CENTRAL AMERICA</b>	8 138	2 894	11 032	2 460	13 491	9 179	- 1 244	7 935	568	8 502
Mexico	1 232	278	1 510	241	1 753	79	37	116	167	283
<b>SOUTH AMERICA</b>	30 214	4 954	35 169	1 138	36 307	47	456	503	108	612
Colombia	317	583	900	- 22	879	- 70	152	82	2	84
Uruguay	241	395	636	- 6	630	44	- 26	18	- 4	15
Venezuela	332	- 734	- 403	- 253	- 655	25	190	215	10	226
Brazil	7 714	3 254	10 968	737	11 704	32	160	192	73	264
Chile	4 689	198	4 887	232	5 119	- 13	- 73	- 87	- 59	- 145
Argentina	16 074	1 004	17 077	533	17 613	17	36	53	23	76



## STATISTICAL TABLES : EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

## Geographical breakdown of FDI flows

(-) sign means disinvestment

EUR Mio

Reporter : EU Year: 1999	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>ASIA</b>	16 594	- 3 128	13 466	5 793	19 258	- 10 449	4 883	- 5 566	2 586	- 2 982
NEAR AND MIDDLE EAST	909	913	1 823	959	2 781	- 663	1 411	749	133	881
Iran	4	- 358	- 354	23	- 331	- 937	1 060	123	10	131
Israel	125	16	141	13	154	86	11	98	16	113
Gulf Arabian countries	830	1 038	1 868	897	2 765	186	329	515	90	602
Other Near & Middle East	- 50	218	166	26	192	3	9	12	18	29
OTHER ASIAN COUNTRIES	15 685	- 4 042	11 643	4 834	16 477	- 9 788	3 472	- 6 316	2 454	- 3 860
India	- 570	1 466	897	247	1 144	3	106	109	- 41	69
Thailand	127	1 581	1 708	292	1 999	1	- 253	- 252	241	- 10
Malaysia	251	- 95	157	611	768	- 354	272	- 83	441	360
Indonesia	469	- 352	113	99	211	- 46	- 36	- 82	2	- 79
Singapore	2 445	- 10 098	- 7 653	1 867	- 5 789	1 558	193	1 751	209	1 959
Philippines	1 970	- 637	1 333	- 639	698	- 2	673	671	- 657	13
China	929	30	959	144	1 103	100	165	265	112	378
South Korea	1 386	107	1 494	127	1 620	8	928	937	20	957
Japan	7 608	667	8 275	630	8 905	1 482	1 742	3 224	2 114	5 337
Taiwan	70	56	126	434	558	38	324	362	32	394
Hong Kong	1 192	2 232	3 423	1 055	4 477	- 12 907	- 250	- 13 156	70	- 13 086
<b>OCEANIA,O. TERRITORIES</b>	1 072	991	2 062	1 215	3 278	795	2 140	2 936	561	3 495
Australia	845	579	1 424	679	2 103	403	1 896	2 298	472	2 769
New Zealand	774	- 350	424	191	611	392	294	685	22	707
Not allocated	86	- 73	13	1 229	1 248	90	- 5 437	- 5 348	6 013	664
<b>TOTAL</b>	448 866	107 384	556 251	59 756	616 006	252 637	125 635	378 273	37 102	415 375
EU 15	262 512	34 441	296 953	21 304	318 260	229 301	63 114	292 415	12 846	305 261
Extra EU 15	186 299	73 021	259 320	38 436	297 756	23 278	66 794	90 072	24 430	114 500
EMU	108 256	13 821	122 077	20 523	142 601	107 780	49 610	157 390	9 117	166 508
Extra EMU	340 542	93 612	434 154	39 191	473 345	144 777	81 385	226 162	27 821	253 985
EU non-EMU	154 247	20 604	174 851	777	175 629	121 529	13 410	134 939	3 728	138 666
EFTA	5 105	- 2 495	2 610	3 636	6 245	1 541	4 702	6 243	4 873	11 116
EEA	264 520	36 599	301 118	21 782	322 900	229 780	64 623	294 403	13 560	307 962
Extra EEA	184 347	70 786	255 133	37 975	293 106	22 858	61 013	83 870	23 543	107 413
OECD	400 767	102 536	503 302	48 348	551 651	253 169	122 009	375 178	29 284	404 460
NAFTA	114 834	66 768	181 602	20 755	202 355	19 966	49 315	69 281	8 857	78 139
NICs1	5 091	- 7 705	- 2 615	3 481	866	- 11 301	1 192	- 10 109	332	- 9 775
NICs2A	2 348	850	3 198	266	3 465	- 354	693	338	25	363
NICs2LA	29 707	4 735	34 442	1 743	36 186	115	160	275	202	476
CIS countries	631	414	1 045	- 218	825	70	21	91	512	604
ASEAN countries	4 878	- 8 891	- 4 014	2 255	- 1 759	1 774	111	1 885	260	2 143
OPEC countries	635	558	1 193	1 044	2 236	- 339	1 586	1 247	147	1 395
MERCOSUR	23 824	4 303	28 127	1 256	29 382	84	177	260	93	354
PAC	9 105	3 121	12 226	1 148	13 374	94	211	305	262	569
Offshore Financial Centers	10 116	- 4 663	5 453	5 040	10 494	9 931	- 837	9 094	869	9 964
Latin America countries	31 583	5 983	37 567	1 679	39 246	192	511	703	275	978
ACP countries	1 958	1 615	3 573	1 460	5 033	174	- 195	- 20	185	166
African ACP countries	1 704	1 192	2 896	1 080	3 976	165	253	417	137	553
Caribbean ACP countries	121	533	654	422	1 075	10	- 520	- 510	68	- 442
Pacific ACP countries	133	- 110	23	- 43	- 20	2	73	75	- 20	55
Mediterranean Basin countries	1 348	446	1 794	495	2 287	2 719	6 688	9 408	139	9 548
Maghreb countries	215	55	269	63	332	10	24	34	28	62
Mashrek countries	- 695	- 171	- 866	59	- 806	- 0	12	12	76	85
Central and Eastern Europe	9 423	2 911	12 333	1 095	13 428	66	175	240	226	466
French Franc zone	127	259	386	58	443	17	59	75	16	93

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**Geographical breakdown of FDI flows**

(-) sign means disinvestment

ECU Mio

Reporter : EU Year: 1998	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>EUROPE</b>	118 636	46 448	165 084	15 354	180 437	88 853	39 646	128 499	12 951	141 449
Belgium/Luxembourg	9 658	4 329	13 987	1 540	15 527	6 543	6 341	12 885	781	13 664
Denmark	2 833	354	3 187	216	3 404	853	271	1 123	227	1 349
Germany	7 237	4 854	12 092	445	12 535	13 271	3 611	16 881	2 106	18 985
Greece	- 468	458	- 9	138	130	11	36	46	- 55	- 10
Spain	3 083	1 631	4 714	1 590	6 307	1 265	479	1 744	71	1 816
France	9 041	2 376	11 418	1 730	13 148	4 376	2 386	6 762	2 207	8 970
Ireland	2 395	1 198	3 594	3 288	6 881	648	3 037	3 685	393	4 080
Italy	4 795	2 503	7 298	1 410	8 707	3 757	1 429	5 186	91	5 276
Netherlands	15 751	6 788	22 539	808	23 347	3 923	7 957	11 880	2 793	14 671
Austria	2 102	- 81	2 022	710	2 732	392	279	672	149	821
Portugal	1 407	- 22	1 385	528	1 913	86	514	600	12	613
Finland	8 861	700	9 561	415	9 975	11 757	931	12 688	- 97	12 591
Sweden	14 158	1 768	15 927	633	16 558	11 084	922	12 006	1 201	13 205
United Kingdom	7 629	11 490	19 119	- 1 515	17 603	8 234	11 430	19 664	1 366	21 031
Iceland	2	- 17	- 15	9	- 6	5	- 2	3	- 3	0
Liechtenstein	51	28	79	27	106	- 19	- 249	- 268	124	- 142
Norway	1 018	1 768	2 785	351	3 136	1 374	119	1 493	188	1 680
Switzerland	14 862	3 576	18 439	1 923	20 362	20 419	- 565	19 854	1 584	21 434
<b>OTHER EUROPEAN COUNTRIES</b>	13 734	2 547	16 281	1 096	17 375	879	594	1 473	- 184	1 287
Poland	3 146	1 043	4 189	221	4 411	28	8	36	23	59
Baltic countries	770	52	822	60	882	6	- 22	- 17	0	- 16
Estonia	342	20	362	27	389	3	- 6	- 3	0	- 3
Lithuania	380	34	415	30	444	1	- 7	- 7	0	- 7
Latvia	47	- 3	45	2	47	1	- 9	- 7	0	- 7
Czech Republic	1 144	432	1 576	149	1 725	1	54	55	- 10	45
Slovakia	207	64	271	42	314	2	- 5	- 3	- 1	- 4
Hungary	1 054	483	1 537	763	2 301	21	144	165	54	219
Romania	377	60	437	- 13	423	5	1	6	6	12
Bulgaria	161	11	172	13	185	2	7	9	- 3	6
Albania	12	3	15	- 1	15	- 0	- 3	- 4	0	- 4
Croatia	136	40	175	- 2	174	- 1	13	13	- 2	11
Slovenia	149	- 13	136	31	168	3	- 4	- 1	- 8	- 8
Yugoslavia	4	26	30	- 9	22	0	27	27	- 8	18
Turkey	688	318	1 006	110	1 116	153	52	205	5	214
Russia	731	329	1 060	- 623	435	36	- 6	29	3	34
Belarus	3	3	6	0	6	1	1	2	0	2
Ukraine	96	64	160	6	166	2	18	20	- 1	19
<b>AFRICA</b>	1 791	1 687	3 478	610	4 088	760	72	832	82	910
<b>NORTH AFRICA</b>	1 027	- 37	990	1	992	358	97	455	22	477
Morocco	73	15	88	22	109	8	38	46	6	52
Egypt	626	- 85	541	- 61	481	114	- 3	111	12	122
<b>OTHER AFRICAN COUNTRIES</b>	761	1 726	2 487	609	3 096	402	- 24	378	58	436
Rep. of South Africa	210	798	1 008	398	1 403	278	94	372	- 20	351
<b>AMERICA</b>	111 360	42 243	153 603	14 943	168 547	40 565	27 066	67 630	9 204	76 835
<b>NORTH AMERICA</b>	89 152	36 465	125 617	12 875	138 492	38 762	23 362	62 125	8 322	70 445
United States	88 492	33 536	122 028	11 387	133 416	28 826	23 842	52 669	8 029	60 697
Canada	660	2 928	3 588	1 489	5 076	9 936	- 479	9 456	291	9 749
<b>CENTRAL AMERICA</b>	3 780	- 584	3 196	1 861	5 057	1 763	3 836	5 599	774	6 373
Mexico	912	250	1 162	186	1 348	60	4	64	17	82
<b>SOUTH AMERICA</b>	18 430	6 362	24 792	207	24 998	41	- 133	- 92	110	17
Colombia	430	748	1 178	- 34	1 143	9	- 1	8	3	11
Uruguay	70	577	647	- 9	639	15	4	20	- 3	17
Venezuela	82	- 1 302	- 1 220	- 428	- 1 648	6	- 95	- 89	168	78
Brazil	14 297	3 445	17 742	548	18 289	19	- 194	- 176	52	- 125
Chile	563	903	1 466	215	1 682	33	- 9	24	- 33	- 9
Argentina	2 640	729	3 369	184	3 554	- 8	33	26	17	42

## STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

Geographical breakdown of FDI flows  
(-) sign means disinvestment

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Reporter : EU Year: 1998	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>ASIA</b>	8 562	- 5 996	2 565	3 452	6 018	3 231	- 430	2 801	- 109	2 689
NEAR AND MIDDLE EAST	303	2 161	2 464	631	3 096	293	419	711	30	740
Iran	16	- 46	- 30	8	- 21	5	15	20	8	29
Israel	163	105	268	8	278	76	238	315	14	331
Gulf Arabian countries	- 42	1 961	1 919	630	2 548	154	172	326	1	325
Other Near & Middle East	166	140	305	- 15	289	59	- 8	51	5	55
<b>OTHER ASIAN COUNTRIES</b>	8 259	- 8 155	104	2 822	2 925	2 938	- 848	2 091	- 137	1 950
India	555	125	680	187	867	39	62	102	- 26	74
Thailand	470	104	574	221	795	- 5	- 151	- 156	163	7
Malaysia	1 167	- 554	613	448	1 061	- 276	67	- 208	268	59
Indonesia	366	- 132	234	22	254	1	5	6	2	8
Singapore	2 006	- 11 344	- 9 338	469	- 8 869	179	- 252	- 74	- 123	- 196
Philippines	687	464	1 153	- 369	783	580	- 136	444	- 453	- 10
China	958	- 359	599	3	603	- 2	19	17	76	91
South Korea	1 531	877	2 407	278	2 685	- 30	557	526	14	540
Japan	273	65	338	384	719	2 452	- 937	1 515	- 386	1 124
Taiwan	62	- 238	- 177	698	522	167	- 324	- 157	288	132
Hong Kong	14	1 958	1 972	549	2 519	40	- 4	35	18	53
<b>OCEANIA, O. TERRITORIES</b>	- 1 017	1 590	573	815	1 387	395	551	946	465	1 411
Australia	- 480	1 239	759	462	1 218	518	734	1 252	389	1 642
New Zealand	- 251	- 8	- 259	180	- 79	0	- 262	- 262	98	- 163
Not allocated	481	119	600	243	843	477	1 590	2 067	- 89	1 982
<b>TOTAL</b>	239 812	86 091	325 903	35 419	361 321	134 279	68 494	202 773	22 504	225 279
EU 15	88 969	38 549	127 518	11 949	139 465	66 194	39 753	105 947	11 248	117 194
Extra EU 15	150 726	47 509	198 235	23 369	221 605	68 011	27 003	95 014	11 366	106 378
EMU	64 789	24 458	89 246	12 464	101 711	46 013	26 965	72 978	8 505	81 483
Extra EMU	174 975	61 600	236 576	22 825	259 400	88 144	39 470	127 614	14 106	141 721
EU non-EMU	24 151	14 068	38 219	- 527	37 693	20 178	12 660	32 838	2 737	35 576
EFTA	15 933	5 355	21 288	2 310	23 597	21 779	- 696	21 083	1 893	22 972
EEA	90 040	40 327	130 367	12 336	142 700	67 555	39 620	107 175	11 554	118 730
Extra EEA	149 772	45 764	195 536	23 085	218 621	66 724	28 876	95 600	10 951	106 549
OECD	202 020	85 032	287 052	29 843	316 895	129 956	63 021	192 977	21 539	214 516
NAFTA	90 063	36 715	126 779	13 061	139 840	38 822	23 367	62 189	8 338	70 527
NICs1	3 613	- 8 749	- 5 137	1 995	- 3 143	355	- 20	336	194	529
NICs2A	2 324	15	2 339	301	2 639	300	- 223	78	- 19	57
NICs2LA	18 412	5 324	23 736	1 134	24 871	103	- 166	- 62	53	- 10
CIS countries	802	752	1 555	- 594	961	37	15	52	1	53
ASEAN countries	4 133	- 10 836	- 6 703	1 094	- 5 609	233	- 519	- 286	181	- 103
OPEC countries	648	683	1 331	292	1 626	321	- 79	242	- 199	44
MERCOSUR	16 966	4 212	21 178	742	21 920	26	- 157	- 132	67	- 66
PAC	7 425	2 119	9 544	1 267	10 810	117	182	299	83	381
Offshore Financial Centers	4 291	- 9 623	- 5 332	2 815	- 2 515	1 753	3 803	5 556	1 033	6 591
Latin America countries	19 282	7 896	27 178	600	27 779	284	218	503	189	691
ACP countries	629	1 714	2 343	802	3 140	918	836	1 754	40	1 794
African ACP countries	123	1 748	1 870	591	2 458	639	113	752	53	805
Caribbean ACP countries	353	467	820	238	1 055	265	733	998	2	998
Pacific ACP countries	154	- 501	- 347	- 26	- 373	14	- 10	4	- 14	- 9
Mediterranean Basin countries	2 488	30	2 518	259	2 775	388	369	757	92	850
Maghreb countries	406	99	504	18	523	10	38	48	9	57
Mashrek countries	911	- 127	785	- 56	729	17	4	21	15	36
Central and Eastern Europe	7 083	2 292	9 375	1 248	10 623	64	223	287	33	320
French Franc zone	69	472	541	- 28	513	2	- 19	- 17	27	10

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
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Reporter : EU Year: 1997	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>EUROPE</b>	65 364	29 025	94 390	19 699	114 088	40 584	24 854	65 439	14 060	79 498
Belgium/Luxembourg	5 840	5 705	11 545	1 042	12 586	2 034	4 790	6 824	- 25	6 799
Denmark	587	- 280	308	381	688	904	336	1 240	- 269	970
Germany	5 086	3 447	8 533	- 167	8 367	7 497	3 334	10 831	1 416	12 246
Greece	319	399	718	336	1 056	91	214	305	- 134	170
Spain	2 436	911	3 347	2 072	5 418	560	1 377	1 937	206	2 142
France	4 973	3 133	8 106	1 165	9 271	4 359	853	5 211	2 598	7 810
Ireland	1 083	355	1 438	3 295	4 733	1 918	1 726	3 644	290	3 931
Italy	3 504	1 441	4 945	620	5 568	3 109	- 474	2 635	409	3 042
Netherlands	14 761	- 182	14 579	6 110	20 687	5 680	2 966	8 646	4 330	12 974
Austria	1 351	131	1 482	393	1 876	282	238	520	60	580
Portugal	856	538	1 394	641	2 035	126	155	281	78	360
Finland	936	- 253	683	158	841	990	535	1 525	672	2 196
Sweden	2 624	583	3 208	479	3 687	1 357	1 011	2 368	700	3 064
United Kingdom	7 190	8 055	15 245	777	16 022	7 558	6 614	14 172	948	15 121
Iceland	- 3	- 0	- 3	0	- 3	18	8	26	1	28
Liechtenstein	- 166	9	- 157	28	- 124	4	- 126	- 123	52	- 71
Norway	2 803	73	2 876	409	3 285	150	1 094	1 244	479	1 721
Switzerland	3 334	2 220	5 553	2 166	7 719	3 152	- 606	2 546	2 159	4 705
<b>OTHER EUROPEAN COUNTRIES</b>	7 796	2 841	10 637	- 256	10 380	758	741	1 498	92	1 589
Poland	1 791	701	2 492	- 41	2 450	7	120	128	- 30	98
Baltic countries	120	51	171	35	207	3	1	4	1	6
Estonia	47	26	73	18	91	0	- 1	- 1	2	1
Lithuania	36	16	52	11	64	1	3	3	0	3
Latvia	38	9	46	6	52	2	- 1	1	- 1	1
Czech Republic	1 290	627	1 916	- 344	1 572	- 4	104	101	- 105	- 4
Slovakia	210	41	253	33	285	2	- 5	- 3	- 2	- 5
Hungary	1 135	430	1 565	216	1 780	24	135	159	- 68	91
Romania	375	34	409	- 16	392	0	- 18	- 18	22	4
Bulgaria	122	18	140	18	157	1	- 19	- 18	27	8
Albania	8	2	9	- 1	8	4	- 0	3	0	3
Croatia	204	34	237	- 25	212	- 0	- 21	- 21	- 1	- 22
Slovenia	103	- 4	99	71	170	2	- 14	- 11	- 1	- 13
Yugoslavia	70	19	89	- 41	49	0	15	15	- 20	- 6
Turkey	306	- 180	126	560	688	95	- 351	- 256	351	95
Russia	1 281	530	1 811	- 88	1 723	50	189	239	54	293
Belarus	5	2	6	0	7	0	- 1	- 1	0	- 1
Ukraine	54	53	107	28	135	2	- 8	- 6	8	1
<b>AFRICA</b>	1 302	2 273	3 575	744	4 315	233	165	398	100	498
<b>NORTH AFRICA</b>	581	139	720	11	731	21	- 40	- 19	38	19
Morocco	409	39	448	11	459	4	33	37	5	41
Egypt	33	7	39	- 24	15	8	2	10	- 3	7
<b>OTHER AFRICAN COUNTRIES</b>	718	2 134	2 852	733	3 584	214	204	418	61	480
Rep. of South Africa	268	1 143	1 411	427	1 839	321	137	458	- 158	300
<b>AMERICA</b>	42 298	11 690	53 988	17 051	71 039	17 593	8 011	25 604	5 200	30 804
<b>NORTH AMERICA</b>	28 008	7 372	35 380	14 150	49 526	16 335	5 535	21 870	5 303	27 172
United States	27 837	7 498	35 335	12 815	48 149	14 996	4 991	19 986	5 623	25 609
Canada	173	- 126	47	1 334	1 379	1 340	546	1 886	- 321	1 563
<b>CENTRAL AMERICA</b>	5 050	1 193	6 243	1 544	7 787	1 195	2 360	3 555	- 154	3 401
Mexico	1 859	837	2 696	393	3 088	42	58	100	- 73	27
<b>SOUTH AMERICA</b>	9 243	3 124	12 367	1 358	13 725	64	114	178	52	231
Colombia	1 197	761	1 958	34	1 991	3	15	19	2	20
Uruguay	- 80	423	343	33	374	5	0	5	- 4	1
Venezuela	1 148	799	1 948	86	2 033	4	6	10	21	30
Brazil	3 157	1 113	4 270	487	4 753	90	100	190	39	229
Chile	1 444	172	1 616	324	1 940	- 60	21	- 40	0	- 39
Argentina	1 904	142	2 046	386	2 431	17	- 22	- 5	5	0

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	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>ASIA</b>	5 050	3 065	8 115	1 566	9 682	2 392	3 238	5 629	95	5 722
NEAR AND MIDDLE EAST	351	455	806	288	1 093	256	377	634	96	729
Iran	15	130	146	- 17	129	17	82	98	- 14	84
Israel	64	24	87	43	128	26	- 12	14	111	125
Gulf Arabian countries	112	285	397	230	629	196	245	441	48	488
Other Near & Middle East	160	15	176	32	208	17	65	82	- 49	33
OTHER ASIAN COUNTRIES	4 699	2 612	7 311	1 279	8 588	2 135	2 861	4 996	- 3	4 992
India	489	138	628	- 7	621	23	15	38	- 14	23
Thailand	299	132	430	299	729	- 60	13	- 46	85	39
Malaysia	- 522	943	421	- 18	404	- 0	78	77	- 65	13
Indonesia	372	187	559	- 42	516	7	95	102	1	102
Singapore	1 795	398	2 193	- 189	2 002	417	934	1 351	160	1 511
Philippines	249	195	444	- 81	364	38	48	86	- 39	47
China	1 230	414	1 644	248	1 893	6	0	6	19	26
South Korea	555	36	591	- 374	216	178	- 6	172	- 131	41
Japan	227	219	446	830	1 275	1 327	1 401	2 729	- 79	2 649
Taiwan	- 894	200	- 694	560	- 134	62	29	91	12	103
Hong Kong	531	- 451	80	- 130	- 51	64	406	470	9	480
<b>OCEANIA,O. TERRITORIES</b>	1 659	- 1 609	49	2 395	2 444	635	- 110	525	1 030	1 555
Australia	1 723	- 1 400	323	1 967	2 287	636	- 271	365	1 038	1 403
New Zealand	67	32	99	308	407	1	114	115	- 33	81
Not allocated	82	443	525	368	899	148	2 238	2 386	11	2 403
<b>TOTAL</b>	115 756	44 889	160 645	41 822	202 467	61 587	38 397	99 984	20 496	120 480
EU 15	51 599	23 883	75 482	17 352	92 834	36 503	23 753	60 256	11 275	71 531
Extra EU 15	64 103	20 627	84 730	24 401	109 126	24 961	12 823	37 784	9 256	47 038
EMU	40 836	15 240	56 076	15 327	71 404	26 553	15 497	42 050	10 030	52 080
Extra EMU	74 876	29 625	104 501	26 438	130 938	34 915	20 686	55 601	10 465	66 067
EU non-EMU	10 720	8 760	19 480	1 973	21 453	9 909	8 169	18 079	1 245	19 327
EFTA	5 969	2 302	8 271	2 603	10 877	3 323	364	3 687	2 692	6 380
EEA	54 234	23 966	78 201	17 789	95 991	36 675	24 722	61 397	11 809	73 206
Extra EEA	61 522	20 923	82 444	24 034	106 475	24 912	13 676	38 588	8 687	47 274
OECD	94 695	34 845	129 539	37 591	167 131	58 466	31 084	89 551	20 087	109 638
NAFTA	29 866	8 206	38 072	14 543	52 613	16 377	5 590	21 967	5 233	27 199
NICs1	1 986	180	2 166	- 134	2 032	719	1 366	2 085	46	2 133
NICs2A	28	1 270	1 298	199	1 496	- 22	141	118	- 20	98
NICs2LA	8 362	2 262	10 624	1 589	12 212	88	157	245	- 28	217
CIS countries	1 376	738	2 113	- 56	2 057	53	200	254	68	322
ASEAN countries	2 251	1 912	4 162	- 0	4 163	454	1 050	1 504	164	1 669
OPEC countries	1 544	1 915	3 459	313	3 769	289	1 163	1 453	- 130	1 321
MERCOSUR	5 117	1 258	6 375	878	7 253	110	76	185	30	216
PAC	5 172	1 908	7 080	170	7 249	39	107	146	54	197
Offshore Financial Centers	5 705	702	6 407	540	6 943	1 679	3 957	5 636	44	5 681
Latin America countries	11 892	3 710	15 602	2 050	17 654	146	446	591	137	728
ACP countries	869	1 249	2 118	354	2 472	173	213	386	65	451
African ACP countries	437	1 286	1 723	113	1 834	71	60	131	51	182
Caribbean ACP countries	433	- 82	352	224	575	99	96	195	18	213
Pacific ACP countries	1	45	45	18	64	4	54	58	- 2	55
Mediterranean Basin countries	2 171	1 393	3 564	356	3 922	792	598	1 390	73	1 463
Maghreb countries	453	170	623	20	643	7	49	56	7	64
Mashrek countries	148	- 16	132	92	220	19	- 54	- 35	16	- 19
Central and Eastern Europe	5 420	1 961	7 381	- 135	7 248	39	322	361	- 207	154
French Franc zone	542	- 191	352	37	388	29	22	51	2	53

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

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**Geographical breakdown of FDI flows**

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ECU Mio

Reporter : EU Year: 1996	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>EUROPE</b>	43 188	29 846	73 033	13 511	86 545	32 239	19 057	51 296	4 555	55 851
Belgium/Luxembourg	4 705	2 260	6 966	1 585	8 550	2 625	686	3 311	- 546	2 764
Denmark	305	- 867	- 563	- 206	- 770	1 443	187	1 630	245	1 874
Germany	2 825	2 308	5 132	- 665	4 468	7 137	1 164	8 301	708	9 010
Greece	382	54	436	- 141	295	18	28	46	- 77	- 31
Spain	2 425	270	2 695	365	3 061	529	390	919	165	1 085
France	7 226	1 156	8 382	1 889	10 271	3 295	2 441	5 736	- 2	5 734
Ireland	1 281	395	1 677	1 256	2 932	206	1 325	1 531	57	1 588
Italy	2 779	2 877	5 656	884	6 540	1 898	1 070	2 967	- 12	2 954
Netherlands	5 284	4 961	10 245	5 592	15 837	3 084	4 977	8 061	3 606	11 664
Austria	3 155	483	3 637	- 122	3 517	508	- 168	340	- 149	193
Portugal	1 014	172	1 186	238	1 423	103	108	211	- 6	204
Finland	290	200	491	15	506	540	394	935	93	1 025
Sweden	1 332	1 644	2 976	53	3 029	1 773	- 1 385	388	528	918
United Kingdom	3 236	10 516	13 752	515	14 267	5 234	4 869	10 103	- 591	9 511
Iceland	- 5	5	- 1	2	1	10	- 8	2	- 0	2
Liechtenstein	9	14	23	24	47	- 22	- 58	- 80	- 249	- 329
Norway	503	256	759	384	1 140	2 402	312	2 714	27	2 740
Switzerland	2 052	1 536	3 588	1 334	4 922	1 219	2 442	3 661	803	4 466
<b>OTHER EUROPEAN COUNTRIES</b>	4 499	1 616	6 116	506	6 622	320	173	492	- 43	446
Poland	1 722	705	2 427	- 3	2 424	2	- 16	- 14	- 4	- 17
Baltic countries	99	40	139	17	157	5	2	7	- 0	7
Estonia	45	17	62	9	72	- 1	- 0	- 1	0	- 1
Lithuania	40	17	57	7	64	2	2	3	0	3
Latvia	13	7	21	2	23	4	1	5	- 1	4
Czech Republic	714	585	1 299	- 154	1 145	4	- 25	- 21	3	- 18
Slovakia	136	77	213	68	279	5	- 1	4	1	5
Hungary	718	355	1 073	280	1 354	19	22	40	- 3	38
Romania	65	71	136	- 33	103	9	- 8	1	0	1
Bulgaria	22	28	50	4	55	- 3	3	0	- 4	- 4
Albania	0	2	2	- 1	2	0	0	0	- 0	0
Croatia	45	32	77	17	93	1	- 33	- 32	- 1	- 33
Slovenia	54	10	64	22	85	1	- 10	- 8	1	- 7
Yugoslavia	28	2	30	- 9	21	- 2	21	18	0	18
Turkey	339	76	415	- 9	405	97	- 18	78	20	98
Russia	236	287	524	52	576	91	- 23	68	- 41	26
Belarus	2	- 1	1	0	1	0	- 1	- 1	0	- 1
Ukraine	33	14	46	27	73	0	2	3	- 0	3
<b>AFRICA</b>	704	1 191	1 895	589	2 484	249	182	431	- 26	404
<b>NORTH AFRICA</b>	234	203	436	32	468	29	66	96	- 0	95
Morocco	165	11	176	- 22	154	- 0	2	2	0	2
Egypt	3	49	52	10	61	22	7	29	- 5	24
<b>OTHER AFRICAN COUNTRIES</b>	470	988	1 458	557	2 016	220	114	334	- 26	309
Rep. of South Africa	80	78	158	258	416	203	- 103	100	- 26	73
<b>AMERICA</b>	13 816	11 015	24 832	12 916	37 746	11 376	10 260	21 635	3 140	24 776
<b>NORTH AMERICA</b>	7 240	9 906	17 146	9 442	26 585	11 178	8 593	19 772	3 046	22 816
United States	7 347	9 924	17 272	8 551	25 822	11 556	8 433	19 989	3 130	23 119
Canada	- 108	- 17	- 124	891	766	- 377	160	- 216	- 85	- 301
<b>CENTRAL AMERICA</b>	1 572	92	1 665	1 731	3 395	- 279	1 731	1 452	429	1 882
Mexico	284	166	449	345	795	22	71	93	- 15	78
<b>SOUTH AMERICA</b>	5 004	1 017	6 021	1 743	7 764	474	- 62	412	- 333	79
Colombia	405	135	540	61	600	2	5	7	1	9
Uruguay	17	7	24	17	42	8	1	9	- 4	5
Venezuela	117	268	385	50	435	19	31	51	- 26	24
Brazil	2 533	59	2 592	1 142	3 733	38	- 38	- 0	9	8
Chile	163	17	180	428	606	2	14	16	- 0	16
Argentina	1 306	99	1 405	386	1 791	4	- 44	- 40	83	43

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**Geographical breakdown of FDI flows**

(-) sign means disinvestment

ECU Mio

Reporter : EU Year: 1996	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>ASIA</b>	6 534	1 588	8 122	3 780	11 902	2 003	- 52	1 951	- 181	1 772
NEAR AND MIDDLE EAST	253	62	315	312	627	151	165	316	3	320
Iran	1	27	28	217	246	9	43	52	30	82
Israel	143	39	181	20	199	53	18	71	- 74	- 6
Gulf Arabian countries	71	97	168	78	245	67	105	172	47	219
Other Near & Middle East	39	- 101	- 62	- 3	- 64	22	2	24	0	24
<b>OTHER ASIAN COUNTRIES</b>	6 282	1 526	7 808	3 468	11 275	1 852	- 216	1 636	- 182	1 452
India	272	55	327	15	342	22	- 11	11	- 3	8
Thailand	408	235	643	157	800	2	2	5	- 2	2
Malaysia	260	19	279	380	658	138	19	157	- 0	157
Indonesia	514	178	692	- 20	673	3	16	19	- 1	18
Singapore	419	23	442	1 095	1 534	569	- 132	437	- 10	425
Philippines	176	97	272	55	327	1	- 2	- 1	- 1	- 2
China	1 226	362	1 588	62	1 650	4	15	19	- 3	17
South Korea	312	17	329	19	347	46	51	97	- 15	82
Japan	1 652	507	2 159	317	2 474	949	- 482	468	- 152	314
Taiwan	382	- 16	365	549	915	21	- 27	- 5	3	- 2
Hong Kong	484	- 27	458	791	1 247	86	319	405	- 18	386
<b>OCEANIA,O. TERRITORIES</b>	1 869	- 96	1 772	2 049	3 819	279	634	913	609	1 522
Australia	1 671	- 100	1 571	1 673	3 243	274	726	1 000	605	1 606
New Zealand	- 6	214	207	185	390	5	- 124	- 119	- 5	- 125
Not allocated	347	412	759	98	857	84	1 451	1 534	43	1 572
<b>TOTAL</b>	66 458	43 956	110 413	32 942	143 354	46 229	31 530	77 759	8 140	85 897
EU 15	36 131	26 423	62 554	11 261	73 815	28 310	16 198	44 509	4 019	48 527
Extra EU 15	29 977	17 435	47 412	21 675	69 086	17 848	13 981	31 828	4 088	35 915
EMU	30 984	15 080	46 064	11 038	57 102	19 923	12 380	32 304	3 912	36 218
Extra EMU	35 435	28 901	64 335	21 903	86 236	26 271	17 812	44 083	4 227	48 309
EU non-EMU	5 253	11 347	16 600	223	16 820	8 468	3 696	12 164	105	12 271
EFTA	2 559	1 808	4 368	1 743	6 111	3 609	2 689	6 298	579	6 879
EEA	36 637	26 696	63 333	11 671	75 004	30 698	16 444	47 143	3 781	50 924
Extra EEA	29 779	17 286	47 065	21 267	68 332	15 456	13 749	29 204	4 319	33 525
OECD	53 323	40 643	93 966	25 075	119 041	44 538	27 729	72 268	8 331	80 600
NAFTA	7 523	10 070	17 593	9 787	27 380	11 200	8 663	19 863	3 030	22 894
NICs1	1 596	- 5	1 591	2 451	4 043	721	213	934	- 41	892
NICs2A	843	350	1 193	592	1 785	143	19	162	- 4	157
NICs2LA	4 286	339	4 625	2 302	6 926	65	4	69	77	146
CIS countries	277	343	620	68	687	96	- 14	83	- 44	38
ASEAN countries	1 824	570	2 394	1 608	4 003	715	- 85	631	10	639
OPEC countries	873	1 104	1 976	242	2 218	100	281	381	88	467
MERCOSUR	3 803	178	3 981	1 598	5 579	49	- 75	- 26	85	60
PAC	3 611	1 872	5 482	242	5 725	49	69	118	- 5	114
Offshore Financial Centers	2 252	454	2 706	2 858	5 562	798	1 839	2 636	- 3	2 632
Latin America countries	5 305	820	6 125	2 590	8 715	98	58	155	72	226
ACP countries	476	984	1 460	460	1 923	36	384	420	- 26	392
African ACP countries	394	909	1 303	229	1 530	34	214	248	- 7	241
Caribbean ACP countries	55	29	84	198	282	- 42	126	84	25	110
Pacific ACP countries	28	46	74	33	108	45	43	88	- 47	41
Mediterranean Basin countries	1 137	- 430	706	235	940	243	245	488	- 52	437
Maghreb countries	197	20	218	- 15	201	5	- 6	- 1	- 0	- 1
Mashrek countries	68	- 11	57	22	80	43	63	105	- 1	104
Central and Eastern Europe	3 604	1 901	5 505	150	5 653	45	- 52	- 7	- 6	- 14
French Franc zone	129	258	386	95	481	5	152	157	- 4	152

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**Geographical breakdown of FDI flows**

(-) sign means disinvestment

ECU Mio

Reporter : EU Year: 1995	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>EUROPE</b>	46 211	15 263	61 474	10 864	72 336	34 923	15 692	50 616	5 205	55 819
Belgium/Luxembourg	589	5 275	5 864	1 160	7 022	1 847	1 815	3 663	256	3 918
Denmark	1 060	729	1 788	683	2 471	368	468	836	181	1 016
Germany	3 694	2 182	5 876	444	6 320	7 669	2 503	10 172	- 146	10 025
Greece	204	194	398	2	401	26	- 4	22	1	23
Spain	1 476	1 064	2 540	116	2 655	- 286	505	219	- 3	215
France	4 647	799	5 445	826	6 271	3 780	- 763	3 017	119	3 134
Ireland	561	1 373	1 934	720	2 656	154	1 611	1 764	99	1 864
Italy	3 268	860	4 128	49	4 177	1 343	669	2 012	178	2 191
Netherlands	8 744	3 723	12 467	4 215	16 681	6 043	1 759	7 802	2 328	10 129
Austria	1 436	390	1 826	142	1 969	494	241	736	7	743
Portugal	251	198	449	192	641	111	62	173	- 19	154
Finland	469	130	599	230	830	366	189	555	267	821
Sweden	2 538	- 1 413	1 125	97	1 221	832	1 321	2 153	383	2 535
United Kingdom	8 248	930	9 179	228	9 408	6 481	3 419	9 900	502	10 402
Iceland	:	:	:	:	:	:	:	:	:	:
Liechtenstein	:	:	:	:	:	:	:	:	:	:
Norway	1 031	- 67	964	281	1 245	1 567	- 48	1 519	236	1 755
Switzerland	2 678	- 1 898	780	1 398	2 179	3 769	1 722	5 491	821	6 311
<b>OTHER EUROPEAN COUNTRIES</b>	5 259	855	6 114	87	6 202	263	169	432	0	432
Poland	901	231	1 132	27	1 158	6	22	28	9	37
Baltic countries	133	51	184	19	204	- 5	- 0	- 5	2	- 3
Estonia	:	:	:	:	:	:	:	:	:	:
Lithuania	:	:	:	:	:	:	:	:	:	:
Latvia	:	:	:	:	:	:	:	:	:	:
Czech Republic	1 345	250	1 594	143	1 738	10	18	28	8	35
Slovakia	129	10	139	43	182	- 0	- 1	- 1	0	- 1
Hungary	1 969	133	2 102	- 78	2 023	13	123	136	3	139
Romania	65	10	75	- 0	74	5	1	5	0	6
Bulgaria	8	0	9	0	10	2	- 1	1	0	2
Albania	1	0	2	- 0	2	1	0	1	0	1
Croatia	149	51	200	9	209	2	1	3	1	3
Slovenia	57	11	68	1	69	- 1	0	- 1	0	- 1
Yugoslavia	- 0	0	0	1	1	0	0	1	0	1
Turkey	242	75	317	- 53	265	41	- 0	41	5	46
Russia	204	108	312	- 53	257	124	8	133	10	143
Belarus	1	0	1	0	1	- 0	0	- 0	0	- 0
Ukraine	31	- 39	- 8	- 2	- 10	1	0	1	0	1
<b>AFRICA</b>	426	720	1 146	447	1 591	151	208	360	16	377
<b>NORTH AFRICA</b>	- 51	213	162	- 1	159	34	3	37	- 3	36
Morocco	24	6	30	7	37	5	- 0	5	- 0	5
Egypt	97	16	114	- 9	103	3	- 7	- 5	- 1	- 5
<b>OTHER AFRICAN COUNTRIES</b>	477	506	984	448	1 432	117	205	322	19	341
Rep. of South Africa	251	168	420	432	852	72	107	179	20	199
<b>AMERICA</b>	14 694	14 310	29 004	9 457	38 462	22 815	5 670	28 485	4 018	32 499
<b>NORTH AMERICA</b>	12 018	13 280	25 298	7 622	32 921	21 594	3 278	24 871	4 411	29 282
United States	11 523	13 012	24 534	7 079	31 616	20 543	3 749	24 293	4 287	28 579
Canada	499	268	767	543	1 307	1 051	- 471	580	124	704
<b>CENTRAL AMERICA</b>	800	312	1 112	522	1 633	1 160	2 309	3 469	- 371	3 096
Mexico	849	161	1 010	- 265	745	18	- 26	- 8	0	- 8
<b>SOUTH AMERICA</b>	1 876	718	2 594	1 313	3 908	61	84	145	- 22	121
Colombia	124	238	363	12	372	13	- 0	13	- 0	13
Uruguay	:	:	:	:	:	:	:	:	:	:
Venezuela	80	112	192	28	219	23	1	24	- 0	24
Brazil	490	308	798	643	1 440	11	5	16	- 7	10
Chile	109	19	128	381	509	1	- 1	1	0	1
Argentina	858	- 41	817	231	1 047	9	79	89	- 15	74



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	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>ASIA</b>	3 662	1 356	5 018	1 919	6 935	1 545	699	2 244	- 481	1 762
NEAR AND MIDDLE EAST	134	283	416	191	605	117	80	197	57	255
Iran	- 1	11	11	207	217	3	4	5	2	10
Israel	87	23	109	8	119	23	2	25	7	31
Gulf Arabian countries	36	274	310	3	312	81	96	177	71	246
Other Near & Middle East	12	- 26	- 14	- 27	- 43	10	- 22	- 11	- 22	- 33
OTHER ASIAN COUNTRIES	3 529	1 073	4 602	1 728	6 330	1 428	619	2 047	- 539	1 508
India	214	40	254	85	339	12	30	42	4	46
Thailand	290	274	564	43	607	12	- 15	- 3	- 1	- 4
Malaysia	- 48	- 136	- 185	131	- 56	23	- 4	20	- 1	18
Indonesia	643	- 67	576	38	614	0	19	19	6	25
Singapore	435	219	654	- 188	467	66	- 69	- 3	22	20
Philippines	77	- 62	14	82	95	3	- 9	- 7	- 0	- 7
China	608	131	739	- 22	715	8	8	17	0	17
South Korea	293	- 1	292	74	366	125	84	208	5	214
Japan	541	313	854	388	1 243	1 168	367	1 535	- 588	944
Taiwan	- 67	38	- 29	423	393	59	11	69	- 1	68
Hong Kong	348	322	671	654	1 325	- 94	117	24	- 1	21
<b>OCEANIA,O. TERRITORIES</b>	2 260	312	2 573	1 501	4 073	- 251	- 795	- 1 046	334	- 711
Australia	1 875	696	2 571	1 050	3 620	- 260	- 887	- 1 147	354	- 793
New Zealand	26	- 226	- 200	340	139	5	92	97	- 18	77
Not allocated	- 4	- 60	- 64	141	81	184	- 499	- 314	- 19	- 333
<b>TOTAL</b>	67 249	31 901	99 150	24 330	123 479	59 368	20 976	80 344	9 072	89 415
EU 15	37 200	16 364	53 564	9 104	62 668	29 276	13 843	43 119	4 158	47 277
Extra EU 15	30 061	15 519	45 580	15 225	60 805	29 980	7 240	37 220	4 914	42 133
EMU	25 135	15 993	41 128	8 096	49 221	21 521	8 591	30 113	3 085	33 194
Extra EMU	42 114	15 908	58 022	16 233	74 259	37 847	12 385	50 232	5 987	56 221
EU non-EMU	12 050	440	12 490	1 010	13 501	7 707	5 204	12 911	1 067	13 975
EFTA	3 753	- 1 956	1 797	1 672	3 469	5 384	1 680	7 064	1 048	8 111
EEA	38 272	16 307	54 578	9 379	63 956	30 802	13 792	44 594	4 184	48 776
Extra EEA	28 973	15 706	44 679	14 950	59 630	28 422	7 794	36 217	4 889	41 104
OECD	57 810	28 948	86 758	20 050	106 807	57 192	18 350	75 542	9 374	84 916
NAFTA	12 867	13 442	26 309	7 357	33 665	21 612	3 251	24 862	4 411	29 273
NICs1	1 010	577	1 588	962	2 549	156	143	299	25	323
NICs2A	319	73	392	256	648	38	- 28	10	- 3	7
NICs2LA	2 309	444	2 753	990	3 743	40	57	97	- 22	75
CIS countries	236	83	319	- 72	246	130	- 8	122	- 1	122
ASEAN countries	1 457	228	1 685	63	1 747	132	3	135	37	170
OPEC countries	772	537	1 309	50	1 360	134	137	271	116	386
MERCOSUR	1 380	273	1 653	882	2 534	28	554	582	- 34	548
PAC	4 627	862	5 489	158	5 648	52	173	226	21	246
Offshore Financial Centers	648	512	1 160	1 418	2 578	1 099	2 477	3 577	- 283	3 292
Latin America countries	2 768	707	3 475	1 111	4 587	120	147	267	- 25	242
ACP countries	401	602	1 003	141	1 143	79	- 183	- 104	- 46	- 151
African ACP countries	229	341	571	20	592	46	98	145	- 3	142
Caribbean ACP countries	170	331	501	86	586	28	- 280	- 252	- 43	- 296
Pacific ACP countries	- 1	- 69	- 69	35	- 34	4	0	4	- 0	4
Mediterranean Basin countries	419	233	651	5	657	162	36	198	- 24	174
Maghreb countries	33	93	126	- 16	109	14	4	17	- 0	17
Mashrek countries	- 76	280	204	- 29	176	14	48	61	- 26	34
Central and Eastern Europe	4 760	829	5 589	143	5 730	32	113	146	27	173
French Franc zone	123	161	283	12	297	29	8	36	- 1	35

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

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Reporter : EU Year: 1994	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>EUROPE</b>	32 561	25 806	58 364	:	:	27 958	14 466	42 423	:	:
Belgium/Luxembourg	2 194	3 012	5 209	:	:	1 962	3 133	5 098	:	:
Denmark	1 249	40	1 291	:	:	609	548	1 156	:	:
Germany	2 543	5 899	8 441	:	:	4 544	1 786	6 328	:	:
Greece	199	109	308	:	:	18	- 99	- 81	:	:
Spain	3 909	816	4 728	:	:	168	- 87	81	:	:
France	4 313	1 314	5 627	:	:	2 981	791	3 774	:	:
Ireland	285	563	850	:	:	603	596	1 203	:	:
Italy	1 826	423	2 251	:	:	1 278	393	1 672	:	:
Netherlands	7 017	923	7 941	:	:	5 627	4 827	10 458	:	:
Austria	837	- 973	- 137	:	:	217	426	643	:	:
Portugal	510	204	715	:	:	98	21	118	:	:
Finland	441	115	555	:	:	433	48	480	:	:
Sweden	980	4 686	5 663	:	:	180	- 256	- 77	:	:
United Kingdom	4 044	2 719	6 763	:	:	5 243	3	5 248	:	:
Iceland	:	:	:	:	:	:	:	:	:	:
Liechtenstein	:	:	:	:	:	:	:	:	:	:
Norway	- 16	1 151	1 133	:	:	655	- 69	584	:	:
Switzerland	351	2 745	3 099	:	:	3 070	1 937	5 009	:	:
<b>OTHER EUROPEAN COUNTRIES</b>	<b>3 143</b>	<b>626</b>	<b>3 768</b>	:	:	<b>148</b>	<b>542</b>	<b>690</b>	:	:
Poland	504	111	616	:	:	- 3	178	177	:	:
Baltic countries	45	13	58	:	:	7	0	7	:	:
Estonia	:	:	:	:	:	:	:	:	:	:
Lithuania	:	:	:	:	:	:	:	:	:	:
Latvia	:	:	:	:	:	:	:	:	:	:
Czech Republic	815	159	974	:	:	0	82	82	:	:
Slovakia	100	6	107	:	:	2	0	2	:	:
Hungary	685	155	839	:	:	- 10	249	240	:	:
Romania	44	5	49	:	:	2	4	6	:	:
Bulgaria	90	- 26	63	:	:	1	11	11	:	:
Albania	1	0	1	:	:	0	0	0	:	:
Croatia	58	11	71	:	:	1	- 1	0	:	:
Slovenia	44	5	51	:	:	1	0	- 1	:	:
Yugoslavia	4	26	31	:	:	1	- 1	0	:	:
Turkey	385	14	398	:	:	5	- 126	- 120	:	:
Russia	284	91	376	:	:	59	- 22	38	:	:
Belarus	2	1	3	:	:	5	2	7	:	:
Ukraine	38	12	51	:	:	0	0	0	:	:
<b>AFRICA</b>	<b>495</b>	<b>63</b>	<b>556</b>	:	:	<b>145</b>	<b>61</b>	<b>204</b>	:	:
<b>NORTH AFRICA</b>	<b>246</b>	<b>- 71</b>	<b>177</b>	:	:	<b>66</b>	<b>4</b>	<b>70</b>	:	:
Morocco	211	3	216	:	:	26	9	35	:	:
Egypt	45	7	51	:	:	17	1	19	:	:
<b>OTHER AFRICAN COUNTRIES</b>	<b>246</b>	<b>133</b>	<b>380</b>	:	:	<b>79</b>	<b>56</b>	<b>134</b>	:	:
Rep. of South Africa	44	31	75	:	:	53	- 2	52	:	:
<b>AMERICA</b>	<b>13 637</b>	<b>- 986</b>	<b>12 651</b>	:	:	<b>7 494</b>	<b>4 702</b>	<b>12 193</b>	:	:
<b>NORTH AMERICA</b>	<b>10 287</b>	<b>- 2 414</b>	<b>7 873</b>	:	:	<b>6 777</b>	<b>3 097</b>	<b>9 875</b>	:	:
United States	10 291	- 2 863	7 426	:	:	6 652	3 698	10 347	:	:
Canada	- 22	466	443	:	:	123	- 600	- 473	:	:
<b>CENTRAL AMERICA</b>	<b>554</b>	<b>1 247</b>	<b>1 805</b>	:	:	<b>591</b>	<b>1 564</b>	<b>2 153</b>	:	:
Mexico	325	59	383	:	:	43	595	638	:	:
<b>SOUTH AMERICA</b>	<b>2 798</b>	<b>176</b>	<b>2 976</b>	:	:	<b>127</b>	<b>39</b>	<b>165</b>	:	:
Colombia	- 16	381	366	:	:	21	45	66	:	:
Uruguay	:	:	:	:	:	:	:	:	:	:
Venezuela	10	34	44	:	:	13	6	19	:	:
Brazil	194	85	281	:	:	79	- 11	71	:	:
Chile	144	- 10	134	:	:	4	- 4	0	:	:
Argentina	507	- 13	494	:	:	0	0	- 1	:	:

## STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

## Geographical breakdown of FDI flows

(-) sign means disinvestment

ECU Mio

Reporter : EU Year: 1994	Abroad					In the reporting economy				
	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital	Equity capital	Other capital	Equity+ other	Reinvested earnings	Total capital
<b>ASIA</b>	3 150	268	3 417	:	:	2 269	168	2 435	:	:
NEAR AND MIDDLE EAST	73	427	499	:	:	211	219	431	:	:
Iran	5	- 4	0	:	:	2	3	5	:	:
Israel	16	21	36	:	:	107	12	119	:	:
Gulf Arabian countries	35	336	372	:	:	107	207	313	:	:
Other Near & Middle East	16	73	89	:	:	- 4	- 3	- 6	:	:
OTHER ASIAN COUNTRIES	3 078	- 159	2 918	:	:	2 056	- 51	2 005	:	:
India	131	97	225	:	:	- 4	1	- 2	:	:
Thailand	194	60	254	:	:	1	53	54	:	:
Malaysia	355	53	408	:	:	3	21	24	:	:
Indonesia	197	109	305	:	:	4	10	15	:	:
Singapore	174	213	384	:	:	69	- 33	38	:	:
Philippines	511	3	512	:	:	1	0	1	:	:
China	555	- 34	521	:	:	9	2	12	:	:
South Korea	212	58	271	:	:	126	3	129	:	:
Japan	419	- 142	272	:	:	1 587	- 134	1 454	:	:
Taiwan	49	16	65	:	:	28	- 9	19	:	:
Hong Kong	248	- 585	- 334	:	:	137	- 52	83	:	:
<b>OCEANIA,O. TERRITORIES</b>	- 115	- 403	- 517	:	:	55	119	175	:	:
Australia	- 220	- 455	- 674	:	:	63	372	437	:	:
New Zealand	115	16	132	:	:	3	- 1	3	:	:
Not allocated	:	:	:	:	:	:	:	:	:	:
<b>TOTAL</b>	49 206	25 480	74 687	:	:	38 424	19 313	57 735	:	:
EU 15	29 054	21 264	50 320	:	:	24 056	12 046	36 101	:	:
Extra EU 15	20 767	3 363	24 129	:	:	14 221	7 596	21 814	:	:
EMU	:	:	:	:	:	:	:	:	:	:
Extra EMU	:	:	:	:	:	:	:	:	:	:
EU non-EMU	:	:	:	:	:	:	:	:	:	:
EFTA	365	3 913	4 279	:	:	3 755	1 874	5 630	:	:
EEA	29 063	22 428	51 492	:	:	24 733	11 990	36 719	:	:
Extra EEA	20 759	2 199	22 955	:	:	13 542	7 652	21 193	:	:
OECD	41 416	22 403	63 817	:	:	36 236	17 800	54 032	:	:
NAFTA	10 592	- 2 338	8 256	:	:	6 822	3 693	10 514	:	:
NICs1	684	- 297	387	:	:	360	- 90	270	:	:
NICs2A	1 059	115	1 175	:	:	6	74	80	:	:
NICs2LA	1 170	122	1 291	:	:	127	583	707	:	:
CIS countries	338	111	450	:	:	66	- 21	46	:	:
ASEAN countries	1 452	424	1 876	:	:	115	43	162	:	:
OPEC countries	278	437	715	:	:	150	223	374	:	:
MERCOSUR	718	120	838	:	:	101	- 9	93	:	:
PAC	2 346	479	2 824	:	:	11	515	524	:	:
Offshore Financial Centers	1 408	797	2 206	:	:	763	1 048	1 810	:	:
Latin America countries	3 021	323	3 345	:	:	205	501	708	:	:
ACP countries	260	439	696	:	:	29	220	248	:	:
African ACP countries	194	102	294	:	:	25	58	81	:	:
Caribbean ACP countries	59	280	338	:	:	3	156	160	:	:
Pacific ACP countries	8	57	65	:	:	0	7	9	:	:
Mediterranean Basin countries	907	102	1 010	:	:	240	673	913	:	:
Maghreb countries	210	16	227	:	:	39	7	46	:	:
Mashrek countries	61	85	145	:	:	20	- 6	16	:	:
Central and Eastern Europe	2 396	473	2 868	:	:	9	- 144	- 135	:	:
French Franc zone	91	97	185	:	:	12	18	30	:	:

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

## STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

## FDI flows by economic activity

(-) sign means disinvestment

EUR Mio

Reporter: European Union Year: 1999	Abroad (Equity + Other capital)							In the reporting economy (Equity + Other capital)						
	World	EU	Non EU	USA	Japan	Canda	EFTA	world	EU	Non EU	USA	Japan	Canada	EFTA
<b>AGRICULTURE AND FISHING</b>	- 855	- 951	101	75	1	- 0	- 12	- 229	- 237	36	20	1	7	- 61
<b>MINING AND QUARRYING</b>	21 393	2 307	19 179	2 420	99	- 19	74	4 854	2 779	2 164	986	39	128	- 12
Extraction of petroleum and gas	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous mining and quarrying	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>MANUFACTURING</b>	186 568	139 207	47 532	33 521	5 850	974	1 529	157 054	105 559	52 946	29 493	827	268	- 166
<b>Food products</b>	16 481	10 413	6 054	5 195	10	- 14	- 172	7 914	5 721	2 147	2 186	- 3	4	- 136
Textiles and wearing apparel	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Wood, publishing and printing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Textiles &amp; Wood</b>	4 939	790	4 176	3 672	5	- 97	321	6 221	2 052	4 518	2 612	- 15	51	57
Refined petroleum & other treatments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Chemicals products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Rubber and plastic products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Petrol., Chemicals &amp; Rubber</b>	99 426	91 437	7 657	8 104	251	790	- 524	96 311	79 823	14 941	6 679	72	8	- 755
Metal products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Mechanical products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Metal &amp; Mechanical</b>	36 051	30 905	5 567	2 007	328	385	934	12 707	9 484	3 269	1 476	- 65	- 78	296
Office machinery and computers	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Radio, TV, communication equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Office machinery &amp; Radio</b>	- 3 255	- 4 989	1 744	1 675	190	109	- 152	10 280	1 943	9 045	4 477	183	241	98
Motor vehicles	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other transport equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Motor vehicles &amp; Other</b>	10 195	62	10 175	4 281	4 863	- 189	- 690	14 908	2 014	14 671	9 573	434	24	158
Miscellaneous manufacturing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>ELECTRICITY, GAS AND WATER</b>	32 290	2 894	29 519	20 940	337	- 85	385	5 042	3 924	1 135	760	9	- 11	152
<b>CONSTRUCTION</b>	2 155	1 102	614	- 45	- 32	2	- 13	3 022	1 533	1 552	86	59	135	391
<b>TRADE AND REPAIRS</b>	13 744	9 378	4 347	1 538	- 103	- 184	- 1 065	9 435	5 531	4 137	1 677	1 973	35	1 202
<b>HOTELS AND RESTAURANTS</b>	1 774	446	1 319	- 220	448	- 47	33	1 305	383	994	520	23	75	- 27
<b>TRANSPORTS, COMMUNICATION</b>	105 108	14 597	90 826	75 837	1 311	- 302	- 620	23 752	36 392	- 14 793	- 1 847	83	- 46	1 124
Land transport	1 580	- 739	2 337	2 544	18	15	- 401	1 511	1 267	228	- 55	12	1	19
Sea and coastal water transport	888	74	818	635	- 10	17	- 26	434	224	218	- 72	- 1	0	12
Air transport	- 711	36	- 792	- 765	0	- 12	8	416	272	158	98	- 0	- 1	- 8
<b>Total Land, Sea &amp; Air transport</b>	1 758	- 627	2 362	2 415	9	20	- 418	2 362	1 763	603	- 28	11	- 1	23
Telecommunications	101 677	14 566	87 433	72 920	1 296	- 111	1 004	18 210	32 531	- 16 570	- 2 071	6	- 65	755
Miscellaneous transport and comm.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>FINANCIAL INTERMEDIATION</b>	74 527	38 695	35 830	27 427	122	636	1 494	39 835	20 031	21 102	23 911	88	1 299	804
Monetary intermediation	20 982	9 356	11 393	5 824	273	223	1 153	3 410	1 380	2 189	1 251	- 816	22	95
Other financial intermediation	31 304	13 731	17 890	17 323	- 377	209	1 613	26 338	14 210	12 891	18 677	632	1 265	351
Financial holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Insurance & activities auxiliary	6 558	7 375	- 1 370	1 957	205	131	- 1 641	12 114	2 133	10 829	3 625	270	- 6	335
<b>Total Other fin. inter. &amp; insurance</b>	37 863	21 107	16 517	19 279	- 172	341	- 29	38 452	16 343	23 717	22 300	895	1 259	685
Miscellaneous Financial intermediat.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>REAL ESTATE &amp; BUSINESS ACT</b>	46 170	23 960	22 209	12 234	423	706	254	54 233	39 243	15 221	10 153	- 87	3	2 609
Real estate	2 224	1 368	855	304	8	346	124	5 147	5 378	- 254	874	- 323	- 1	84
Computer activities	3 289	1 794	1 491	788	61	32	106	3 374	1 746	1 725	587	28	33	258
Research and development	402	118	282	108	2	103	25	472	233	255	389	- 1	- 7	39
Other business activities	30 682	14 439	16 255	9 394	319	176	- 258	43 614	31 169	12 676	8 371	178	- 84	2 154
Business & manag. consultancy	:	:	:	:	:	:	:	:	:	:	:	:	:	:
manag. Holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Advertising	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Comp., Research &amp; Other bus.</b>	34 372	16 352	18 029	10 289	381	312	- 127	47 458	33 150	14 657	9 351	205	- 58	2 451
Misc. real estate & business activit.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>OTHER SERVICES</b>	1 924	1 053	873	498	- 5	39	167	4 453	2 718	1 817	627	76	46	80
Not allocated	70 517	63 676	6 634	4 015	- 178	90	353	75 129	74 216	3 722	824	126	15	141
<b>SUB-TOTAL</b>	555 326	296 361	258 987	178 234	8 273	1 812	2 577	377 891	292 075	90 032	67 207	3 216	1 953	6 238
Priv. purch. & sales of real estate	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>TOTAL</b>	556 251	296 953	259 320	178 277	8 275	1 812	2 610	378 273	292 415	90 072	67 210	3 224	1 954	6 243

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**FDI flows by economic activity**

(-) sign means disinvestment

ECU Mio

Reporter: European Union Year: 1998	Abroad (Equity + Other capital)							In the reporting economy (Equity + Other capital)						
	World	EU	Non EU	USA	Japan	Canada	EFTA	World	EU	Non EU	USA	Japan	Canada	EFTA
<b>AGRICULTURE AND FISHING</b>	307	122	163	25	0	11	9	- 203	- 251	63	31	0	0	11
<b>MINING AND QUARRYING</b>	48 931	2 397	46 583	47 147	- 73	- 323	9 271	1 270	389	890	564	- 46	1	438
Extraction of petroleum and gas	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous mining and quarrying	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>MANUFACTURING</b>	106 543	39 548	66 997	48 644	201	1 045	5 393	44 370	22 580	21 886	5 336	251	10 141	3 193
<b>Food products</b>	9 402	3 675	5 731	2 833	153	- 38	674	3 213	2 238	1 009	323	5	- 36	624
Textiles and wearing apparel	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Wood,publishing and printing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Textiles &amp; Wood</b>	10 913	5 456	5 457	4 921	42	182	10	9 195	7 755	1 465	143	33	148	- 47
Refined petroleum & other treatments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Chemicals products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Rubber and plastic products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Petrol., Chemicals &amp; Rubber</b>	13 632	8 236	5 391	3 433	42	380	- 167	7 732	3 798	3 937	1 341	- 41	128	1 882
Metal products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Mechanical products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Metal &amp; Mechanical</b>	4 345	2 454	1 885	324	- 51	- 71	499	5 346	2 964	2 436	1 849	36	62	149
Office machinery and computers	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Radio,TV,communication equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Office machinery &amp; Radio</b>	20 116	16 022	4 074	2 659	- 178	560	- 8	12 837	2 279	10 540	608	113	9 869	201
Motor vehicles	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other transport equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Motor vehicles &amp; Other</b>	40 450	4 076	36 395	30 076	81	- 63	3 754	2 884	1 948	941	- 77	101	- 16	600
Miscellaneous manufacturing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>ELECTRICITY,GAS AND WATER</b>	8 705	2 585	6 126	3 257	- 4	52	1 515	5 657	63	5 572	933	895	59	2 405
<b>CONSTRUCTION</b>	1 054	523	534	- 78	1	- 47	1 189	453	610	- 154	348	- 296	- 18	- 125
<b>TRADE AND REPAIRS</b>	13 985	8 759	5 232	2 490	- 250	195	- 547	8 394	4 770	3 624	2 533	- 268	- 179	750
<b>HOTELS AND RESTAURANTS</b>	1 836	722	1 115	- 379	9	21	87	1 065	506	546	536	- 93	- 17	210
<b>TRANSPORTS,COMMUNICATION</b>	6 646	1 462	5 189	- 3 823	19	215	295	16 050	7 604	8 447	7 526	3	79	2 268
Land transport	- 656	- 1 080	439	- 778	3	56	20	576	515	48	136	- 1	2	151
Sea and coastal water transport	815	482	332	- 1 316	- 1	962	13	280	146	134	28	2	41	95
Air transport	85	404	- 308	- 547	0	- 126	161	174	- 57	242	- 55	- 0	3	59
<b>Total Land, Sea &amp; Air transport</b>	242	- 193	466	- 2 641	3	891	195	1 027	603	424	109	1	45	306
Telecommunications	4 793	1 365	3 430	992	- 0	- 1 938	127	9 962	3 480	6 468	6 297	- 2	27	1 245
Miscellaneous transport and comm.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>FINANCIAL INTERMEDIATION</b>	83 422	42 320	41 075	11 795	171	991	2 667	71 310	38 299	33 034	16 927	274	- 558	12 997
Monetary intermediation	35 159	21 771	13 033	4 384	- 11	540	231	16 500	12 819	3 792	2 199	168	510	1 629
Other financial intermediation	33 407	10 965	22 855	3 690	146	510	2 374	37 535	10 584	26 765	12 309	- 42	- 1 628	11 319
Financial holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Insurance & activities auxiliary	12 337	21 292	- 9 674	3 228	30	- 122	232	8 082	5 600	2 485	2 235	- 39	558	126
<b>Total Other fin. inter. &amp; insurance</b>	45 743	32 255	13 180	6 916	176	389	2 606	45 615	16 183	29 248	14 547	- 81	- 1 070	11 446
Miscellaneous Financial intermediat.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>REAL ESTATE &amp; BUSINESS ACT</b>	49 429	26 357	23 052	10 862	277	1 340	960	49 446	27 692	21 777	16 818	835	- 20	- 1 388
Real estate	2 820	2 765	49	- 468	- 0	385	- 103	3 794	3 074	849	620	- 55	13	80
Computer activities	3 313	660	2 655	2 362	- 35	38	166	2 640	740	1 894	1 921	- 30	8	42
Research and development	375	217	159	64	- 4	6	- 13	1 063	297	764	603	62	- 19	8
Other business activities	41 532	21 912	19 605	8 545	322	870	898	39 502	21 772	17 741	13 450	842	- 22	- 1 505
Business & manag. consultancy	:	:	:	:	:	:	:	:	:	:	:	:	:	:
manag. Holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Advertising	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Comp., Research &amp; Other bus.</b>	45 221	22 790	22 419	10 970	282	914	1 051	43 204	22 809	20 396	15 975	875	- 32	- 1 453
Misc. real estate & business activit.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>OTHER SERVICES</b>	2 725	348	2 384	1 647	6	22	307	1 819	642	1 177	830	- 49	7	330
Not allocated	1 813	2 072	- 413	418	- 20	69	130	2 891	2 797	- 1 854	286	10	- 35	- 29
<b>SUB-TOTAL</b>	325 398	127 213	198 034	122 008	338	3 586	21 277	202 523	105 702	95 006	52 672	1 515	9 461	21 060
Priv. purch. & sales of real estate	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>TOTAL</b>	325 903	127 518	198 235	122 028	338	3 588	21 288	202 773	105 947	95 014	52 669	1 515	9 456	21 083

## STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

## FDI flows by economic activity

(-) sign means disinvestment

ECU Mio

Reporter: European Union Year: 1997	Abroad (Equity + Other capital)							In the reporting economy (Equity + Other capital)						
	World	EU	Non EU	USA	Japan	Canada	EFTA	world	EU	Non EU	USA	Japan	Canada	EFTA
<b>AGRICULTURE AND FISHING</b>	123	- 42	164	30	- 1	- 2	5	- 306	- 451	154	191	- 4	- 12	36
<b>MINING AND QUARRYING</b>	9 087	1 592	7 483	2 785	7	- 25	277	- 76	778	- 888	- 2 196	14	62	12
Extraction of petroleum and gas	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous mining and quarrying	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>MANUFACTURING</b>	53 227	22 089	30 723	10 371	321	183	5 378	25 697	16 207	9 507	5 992	864	191	205
<b>Food products</b>	5 478	2 495	2 986	- 1 020	66	- 78	747	3 865	4 733	- 958	- 177	32	17	- 720
Textiles and wearing apparel	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Wood, publishing and printing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Textiles &amp; Wood</b>	4 767	2 814	1 955	1 167	10	71	- 225	1 596	1 038	561	332	38	146	- 56
Refined petroleum & other treatments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Chemicals products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Rubber and plastic products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Petrol., Chemicals &amp; Rubber</b>	17 464	7 531	9 526	2 408	211	100	2 244	7 440	3 183	4 322	1 240	208	98	1 156
Metal products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Mechanical products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Metal &amp; Mechanical</b>	11 469	6 945	4 532	2 704	189	30	14	6 247	4 222	2 019	1 399	43	42	64
Office machinery and computers	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Radio, TV, communication equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Office machinery &amp; Radio</b>	795	8	788	734	- 22	- 29	63	2 053	582	1 504	736	148	11	- 11
Motor vehicles	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other transport equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Motor vehicles &amp; Other</b>	5 275	- 522	5 785	1 951	- 178	62	1 818	3 183	1 605	1 594	1 332	405	- 2	- 581
Miscellaneous manufacturing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>ELECTRICITY, GAS AND WATER</b>	5 038	1 964	3 060	- 25	10	67	290	3 364	- 174	3 625	3 400	284	131	118
<b>CONSTRUCTION</b>	1 570	800	773	- 214	- 5	22	299	1 352	457	909	5	11	4	608
<b>TRADE AND REPAIRS</b>	13 385	8 220	5 176	2 000	- 39	- 151	- 135	12 529	8 493	4 020	2 464	1 378	207	- 1 235
<b>HOTELS AND RESTAURANTS</b>	- 700	177	- 876	- 1 023	- 32	- 4	- 281	871	219	663	734	- 73	1	35
<b>TRANSPORTS, COMMUNICATION</b>	8 791	5 437	3 363	892	71	- 9	637	5 961	3 371	2 610	1 379	23	26	162
Land transport	- 707	- 784	77	13	- 3	- 2	- 31	581	201	359	346	3	3	1
Sea and coastal water transport	956	1 109	- 177	- 62	7	- 2	- 30	911	166	761	72	11	16	28
Air transport	- 294	- 92	- 172	- 718	- 0	1	- 0	78	66	40	79	0	- 2	3
<b>Total Land, Sea &amp; Air transport</b>	- 43	231	- 272	- 767	3	- 3	- 61	1 571	432	1 160	496	14	18	32
Telecommunications	7 140	4 947	3 558	1 654	69	- 10	680	2 740	2 071	586	841	3	5	94
Miscellaneous transport and comm.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>FINANCIAL INTERMEDIATION</b>	35 191	11 920	23 246	14 895	369	52	- 22	14 635	9 326	5 308	1 780	- 99	142	1 477
Monetary intermediation	8 225	2 849	5 350	2 994	- 30	2	- 135	5 893	2 043	3 874	1 589	- 223	50	1 035
Other financial intermediation	15 979	8 618	6 992	3 298	199	51	- 32	5 947	6 069	- 143	- 132	10	49	- 189
Financial holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Insurance & activities auxiliary	10 415	386	10 366	8 398	220	69	209	1 554	166	1 397	238	3	25	677
<b>Total Other fin. inter. &amp; insurance</b>	26 394	9 006	17 354	11 696	419	121	179	7 502	6 235	1 252	107	12	73	488
Miscellaneous Financial intermediat.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>REAL ESTATE &amp; BUSINESS ACT</b>	28 808	18 817	10 019	4 958	- 276	- 113	1 639	31 482	19 587	11 920	5 495	48	439	2 193
Real estate	825	1 240	- 409	173	- 298	- 35	6	2 571	2 294	200	- 123	- 73	11	241
Computer activities	1 516	2 357	- 834	- 693	3	- 37	101	345	26	326	286	- 3	- 1	- 115
Research and development	179	- 1 685	1 854	1 503	19	61	- 3	- 52	34	- 90	13	1	1	28
Other business activities	26 283	16 891	9 417	4 188	14	- 93	1 479	27 562	16 124	11 502	5 475	130	431	1 996
Business & manag. consultancy	:	:	:	:	:	:	:	:	:	:	:	:	:	:
manag. Holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Advertising	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Comp., Research &amp; Other bus.</b>	27 976	17 563	10 438	4 998	36	- 69	1 578	27 855	16 184	11 740	5 773	128	431	1 909
Misc. real estate & business activit.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>OTHER SERVICES</b>	4 547	3 595	966	467	19	18	142	3 302	1 547	1 778	716	293	715	- 24
Not allocated	1 231	622	574	171	1	7	35	844	603	- 1 861	23	- 9	- 23	85
<b>SUB-TOTAL</b>	160 299	75 189	84 671	35 309	446	46	8 267	99 653	59 966	37 748	19 983	2 728	1 885	3 670
Priv. purch. & sales of real estate	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>TOTAL</b>	160 645	75 482	84 730	35 335	446	47	8 271	99 984	60 256	37 784	19 986	2 729	1 886	3 687

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**FDI flows by economic activity**

(-) sign means disinvestment

ECU Mio

Reporter: European Union Year: 1996	Abroad (Equity + Other capital)							In the reporting economy (Equity + Other capital)						
	World	EU	Non EU	USA	Japan	Canada	EFTA	World	EU	Non EU	USA	Japan	Canada	EFTA
<b>AGRICULTURE AND FISHING</b>	- 2 514	- 873	- 1 640	- 1 725	- 0	- 0	- 103	- 455	- 152	- 282	- 9	3	66	- 291
<b>MINING AND QUARRYING</b>	1 740	669	1 071	- 433	25	57	- 4	50	504	- 537	- 912	2	88	197
Extraction of petroleum and gas	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous mining and quarrying	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>MANUFACTURING</b>	37 759	20 006	17 754	6 825	809	116	1 714	17 056	10 420	6 526	4 998	714	652	- 568
<b>Food products</b>	2 782	1 502	1 279	- 742	- 6	101	366	755	1 407	- 664	- 717	2	50	14
Textiles and wearing apparel	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Wood,publishing and printing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Textiles &amp; Wood</b>	3 542	2 503	1 495	1 072	7	- 14	200	2 024	615	795	19	51	135	- 529
Refined petroleum & other treatments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Chemicals products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Rubber and plastic products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Petrol., Chemicals &amp; Rubber</b>	14 676	6 804	7 871	4 068	434	130	1 452	8 480	4 941	3 522	4 231	- 134	230	- 727
Metal products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Mechanical products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Metal &amp; Mechanical</b>	4 272	3 077	1 747	- 75	74	- 25	272	196	195	- 161	18	34	148	- 202
Office machinery and computers	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Radio,TV,communication equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Office machinery &amp; Radio</b>	3 250	2 825	641	- 69	89	1	227	1 231	149	1 094	54	361	281	393
Motor vehicles	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other transport equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Motor vehicles &amp; Other</b>	2 685	2 505	291	731	57	- 77	- 913	2 879	1 257	1 731	1 233	249	- 156	- 620
Miscellaneous manufacturing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>ELECTRICITY,GAS AND WATER</b>	1 362	555	808	28	2	- 7	86	2 376	1 030	1 321	735	18	31	520
<b>CONSTRUCTION</b>	1 657	535	1 098	327	- 3	57	373	2 751	428	2 322	431	31	38	1 740
<b>TRADE AND REPAIRS</b>	14 540	7 444	7 089	4 241	154	11	1 200	10 180	4 959	5 091	1 709	728	- 279	1 598
<b>HOTELS AND RESTAURANTS</b>	1 084	2 048	- 180	307	23	8	- 73	224	- 233	457	472	26	1	18
<b>TRANSPORTS,COMMUNICATION</b>	5 911	3 126	2 755	644	75	47	- 7	- 907	- 1 480	538	710	- 128	- 207	188
Land transport	85	- 56	82	18	2	14	- 20	285	775	11	17	- 135	5	10
Sea and coastal water transport	766	238	575	308	7	26	34	524	- 98	95	43	8	1	6
Air transport	488	789	- 314	- 354	1	2	26	262	- 38	290	154	- 1	- 10	200
<b>Total Land, Sea &amp; Air transport</b>	1 336	969	339	- 28	11	42	39	1 068	638	392	214	- 128	- 5	216
Telecommunications	4 118	2 067	2 054	419	13	- 0	- 51	- 2 528	- 2 481	- 39	206	- 2	- 205	- 74
Miscellaneous transport and comm.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>FINANCIAL INTERMEDIATION</b>	25 310	15 198	9 958	5 292	756	- 95	126	15 224	6 104	8 836	6 058	- 589	- 445	1 820
Monetary intermediation	6 063	4 053	1 956	- 197	297	38	- 10	2 878	1 583	1 176	1 036	- 590	232	91
Other financial intermediation	14 989	9 544	5 268	3 700	290	71	174	8 476	2 682	5 710	4 794	35	- 830	218
Financial holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Insurance & activities auxiliary	3 743	1 335	2 475	1 768	0	- 203	- 148	3 129	1 206	1 894	203	- 33	156	1 510
<b>Total Other fin. inter. &amp; insurance</b>	18 730	10 879	7 740	5 466	290	- 132	26	11 604	3 887	7 603	4 997	0	- 674	1 726
Miscellaneous Financial intermediat.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>REAL ESTATE &amp; BUSINESS ACT</b>	17 476	9 039	8 257	2 260	327	- 303	855	28 327	21 417	6 327	5 080	- 378	- 174	1 043
Real estate	1 216	254	791	198	44	- 29	24	2 122	1 135	846	826	- 5	- 58	- 9
Computer activities	306	197	102	120	3	2	21	447	267	162	240	2	4	- 104
Research and development	301	12	283	258	0	1	25	604	68	532	489	1	1	40
Other business activities	14 049	7 864	6 066	1 453	262	- 275	713	23 361	18 298	4 482	3 171	- 285	- 217	929
Business & manag. consultancy	:	:	:	:	:	:	:	:	:	:	:	:	:	:
manag. Holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Advertising	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Comp., Research &amp; Other bus.</b>	14 655	8 068	6 448	1 829	263	- 272	761	24 408	18 633	5 173	3 899	- 282	- 212	865
Misc. real estate & business activit.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>OTHER SERVICES</b>	1 295	1 398	- 148	- 580	- 12	- 26	108	2 661	1 384	1 034	781	21	- 56	16
Not allocated	4 528	3 201	528	67	4	6	80	198	74	170	- 64	18	69	2
<b>SUB-TOTAL</b>	110 147	62 346	47 353	17 253	2 159	- 129	4 358	77 683	44 456	31 804	19 989	468	- 217	6 285
Priv. purch. & sales of real estate	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>TOTAL</b>	110 413	62 554	47 412	17 272	2 159	- 124	4 368	77 759	44 509	31 828	19 989	468	- 216	6 298

## STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

## FDI flows by economic activity

(-) sign means disinvestment

ECU Mio

Reporter: European Union Year: 1995	Abroad (Equity + Other capital)							In the reporting economy (Equity + Other capital)						
	World	EU	Non EU	USA	Japan	Canda	EFTA	world	EU	Non EU	USA	Japan	Canada	EFTA
<b>AGRICULTURE AND FISHING</b>	17	- 2	18	- 7	- 0	:	15	20	1	19	4	0	:	11
<b>MINING AND QUARRYING</b>	1 851	1 001	610	- 133	- 5	:	- 523	- 1 001	- 2 215	1 216	1 019	5	:	202
Extraction of petroleum and gas	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous mining and quarrying	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>MANUFACTURING</b>	30 242	10 382	19 841	14 996	563	:	664	27 386	12 249	15 170	12 111	293	:	3 261
<b>Food products</b>	2 208	166	2 073	1 754	29	:	- 27	2 178	1 242	912	352	16	:	1 262
Textiles and wearing apparel	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Wood,publishing and printing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Textiles &amp; Wood</b>	3 520	2 404	1 938	767	45	:	457	2 375	2 148	2 413	200	81	:	403
Refined petroleum & other treatments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Chemicals products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Rubber and plastic products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Petrol., Chemicals &amp; Rubber</b>	8 353	1 077	7 112	7 736	323	:	- 1 054	11 591	3 194	8 473	7 078	159	:	988
Metal products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Mechanical products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Metal &amp; Mechanical</b>	2 801	1 197	2 678	950	5	:	340	1 833	1 094	617	384	55	:	230
Office machinery and computers	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Radio,TV,communication equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Office machinery &amp; Radio</b>	408	75	386	806	- 23	:	42	3 212	1 409	1 927	1 871	120	:	76
Motor vehicles	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other transport equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Motor vehicles &amp; Other</b>	3 828	2 094	1 817	853	6	:	- 1	813	996	- 57	269	- 192	:	246
Miscellaneous manufacturing	9 124	3 369	3 836	2 129	178	:	906	5 385	2 167	885	1 958	54	:	56
<b>ELECTRICITY,GAS AND WATER</b>	1 620	493	1 030	- 202	2	:	62	3 112	452	2 661	2 777	- 172	:	7
<b>CONSTRUCTION</b>	1 223	940	352	60	10	:	27	307	524	- 215	- 0	- 11	:	56
<b>TRADE AND REPAIRS</b>	5 774	4 527	1 468	228	53	:	288	6 823	4 565	2 242	566	1 211	:	402
<b>HOTELS AND RESTAURANTS</b>	1 254	1 658	- 234	- 338	- 5	:	- 0	1 248	1 112	127	- 18	5	:	13
<b>TRANSPORTS,COMMUNICATION</b>	4 525	1 500	2 935	553	38	:	204	703	679	36	83	- 169	:	222
Land transport	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Sea and coastal water transport	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Air transport	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Land, Sea &amp; Air transport</b>	451	- 252	812	245	26	:	143	123	247	51	- 3	- 1	:	109
Telecommunications	3 493	1 693	1 836	23	9	:	85	430	305	126	161	- 1	:	78
Miscellaneous transport and comm.	581	59	287	285	3	:	- 24	149	127	- 141	- 75	- 167	:	35
<b>FINANCIAL INTERMEDIATION</b>	29 907	19 796	10 181	6 100	122	:	448	15 815	10 127	5 596	4 498	71	:	- 1 189
Monetary intermediation	7 830	5 106	2 749	1 140	78	:	- 110	3 771	2 291	1 432	861	75	:	271
Other financial intermediation	15 175	9 029	6 380	4 744	27	:	310	12 734	7 486	5 161	3 398	- 37	:	- 914
Financial holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Insurance & activities auxiliary	6 776	5 542	1 145	227	32	:	167	- 651	367	- 994	236	11	:	- 546
<b>Total Other fin. inter. &amp; insurance</b>	21 951	14 571	7 525	4 970	60	:	478	12 083	7 853	4 166	3 634	- 26	:	- 1 460
Miscellaneous Financial intermediat.	125	120	- 93	- 10	- 16	:	80	- 39	- 18	- 2	2	22	:	0
<b>REAL ESTATE &amp; BUSINESS ACT</b>	18 350	10 612	7 645	2 064	146	:	593	22 554	12 739	9 879	3 407	329	:	3 858
Real estate	1 059	817	264	96	7	:	85	3 816	2 201	1 622	114	4	:	1 519
Computer activities	760	564	236	236	18	:	- 99	918	499	419	299	19	:	84
Research and development	807	577	269	263	1	:	- 64	903	577	327	211	18	:	94
Other business activities	15 430	8 446	6 795	1 467	117	:	676	16 825	9 432	7 451	2 767	281	:	2 135
Business & manag. consultancy	:	:	:	:	:	:	:	:	:	:	:	:	:	:
manag. Holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Advertising	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Comp., Research &amp; Other bus.</b>	16 999	9 586	7 301	1 965	133	:	512	18 640	10 505	8 197	3 275	322	:	2 313
Misc. real estate & business activit.	291	208	80	4	6	:	- 5	98	32	60	18	2	:	26
<b>OTHER SERVICES</b>	1 979	1 178	801	662	- 32	:	425	726	389	336	229	27	:	49
Not allocated	2 408	1 477	932	552	- 37	:	- 403	2 652	2 498	152	- 381	- 54	:	173
<b>SUB-TOTAL</b>	99 150	53 564	45 580	24 534	854	767	1 797	80 344	43 119	37 220	24 293	1 535	580	7 064
Priv. purch. & sales of real estate	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>TOTAL</b>	99 150	53 564	45 580	24 534	854	767	1 797	80 344	43 119	37 220	24 293	1 535	580	7 064

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details



**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**FDI flows by economic activity**

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ECU Mio

Reporter: European Union Year: 1994	Abroad (Equity + Other capital)							In the reporting economy (Equity + Other capital)						
	World	EU	Non EU	USA	Japan	Canada	EFTA	World	EU	Non EU	USA	Japan	Canada	EFTA
<b>AGRICULTURE AND FISHING</b>	113	- 24	138	102	0	:	:	137	66	71	17	1	:	:
<b>MINING AND QUARRYING</b>	2 138	231	1 906	123	4	:	:	2 935	1 196	1 873	960	32	:	:
Extraction of petroleum and gas	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous mining and quarrying	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>MANUFACTURING</b>	36 267	19 695	16 825	8 281	206	:	:	15 587	10 149	5 331	3 707	360	:	:
<b>Food products</b>	5 231	3 642	1 572	:	:	:	:	3 532	2 405	790	:	:	:	:
Textiles and wearing apparel	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Wood,publishing and printing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Textiles &amp; Wood</b>	4 986	2 558	2 434	:	:	:	:	2 522	1 717	826	:	:	:	:
Refined petroleum & other treatments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Chemicals products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Rubber and plastic products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Petrol., Chemicals &amp; Rubber</b>	12 317	5 419	6 884	:	:	:	:	4 503	3 232	1 364	:	:	:	:
Metal products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Mechanical products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Metal &amp; Mechanical</b>	4 253	2 500	1 752	:	:	:	:	1 907	1 359	487	:	:	:	:
Office machinery and computers	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Radio,TV,communication equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Office machinery &amp; Radio</b>	3 303	865	2 435	:	:	:	:	364	11	435	:	:	:	:
Motor vehicles	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other transport equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Motor vehicles &amp; Other</b>	2 804	2 936	- 1	:	:	:	:	1 422	1 360	165	:	:	:	:
Miscellaneous manufacturing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>ELECTRICITY,GAS AND WATER</b>	1 121	670	455	237	0	:	:	135	162	- 35	12	- 58	:	:
<b>CONSTRUCTION</b>	1 129	573	557	298	- 4	:	:	431	359	79	- 5	- 25	:	:
<b>TRADE AND REPAIRS</b>	2 108	3 783	- 1 688	- 3 114	25	:	:	5 412	2 649	2 757	- 37	617	:	:
<b>HOTELS AND RESTAURANTS</b>	963	552	412	420	0	:	:	713	663	64	134	12	:	:
<b>TRANSPORTS,COMMUNICATION</b>	760	1 234	- 139	- 1 457	- 4	:	:	970	631	311	110	- 9	:	:
Land transport	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Sea and coastal water transport	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Air transport	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Land, Sea &amp; Air transport</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Telecommunications	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous transport and comm.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>FINANCIAL INTERMEDIATION</b>	15 339	12 145	3 136	1 084	9	:	:	14 535	9 901	4 708	2 747	335	:	:
Monetary intermediation	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other financial intermediation	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Financial holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Insurance & activities auxiliary	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Other fin. inter. &amp; insurance</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous Financial intermediat.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>REAL ESTATE &amp; BUSINESS ACT</b>	12 820	9 694	2 859	1 936	27	:	:	13 877	8 593	5 227	1 953	168	:	:
Real estate	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Computer activities	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Research and development	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other business activities	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Business & manag. consultancy	:	:	:	:	:	:	:	:	:	:	:	:	:	:
manag. Holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Advertising	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Comp., Research &amp; Other bus.</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Misc. real estate & business activit.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>OTHER SERVICES</b>	184	581	- 400	- 697	3	:	:	1 233	753	464	229	19	:	:
Not allocated	1 745	1 183	567	213	6	:	:	1 739	960	770	519	- 4	:	:
<b>SUB-TOTAL</b>	74 687	50 320	24 619	7 426	272	:	:	57 735	36 101	21 618	10 347	1 454	:	:
Priv. purch. & sales of real estate	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>TOTAL</b>	74 687	50 320	24 129	7 426	272	443	4 279	57 735	36 101	21 814	10 347	1 454	- 473	5 630

## STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

## Geographical breakdown of FDI income

ECU Mio

Reporter: European Union	1996			1997			1998		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
<b>Total income</b>									
<b>EUROPE</b>	33 925	31 239	2 686	44 294	40 690	3 604	56 756	45 503	11 254
Belgium/Luxembourg	5 178	2 368	2 810	4 208	2 500	1 709	5 668	4 154	1 514
Denmark	702	577	125	893	- 93	986	1 030	1 130	- 101
Germany	1 409	4 634	- 3 225	1 802	4 979	- 3 177	4 707	5 617	- 909
Greece	63	- 106	167	554	- 9	564	330	23	307
Spain	1 013	418	596	3 042	512	2 531	2 929	534	2 395
France	2 987	1 704	1 284	3 504	5 173	- 1 668	4 674	4 972	- 298
Ireland	2 138	666	1 472	4 558	737	3 821	5 654	1 256	4 398
Italy	1 724	314	1 409	1 644	1 650	- 6	2 941	1 538	1 403
Netherlands	8 662	9 673	- 1 010	10 662	10 491	171	13 798	9 981	3 818
Austria	579	26	554	840	378	461	1 337	415	922
Portugal	518	41	477	683	27	656	842	84	758
Finland	- 86	18	- 104	186	881	- 695	819	490	329
Sweden	994	1 796	- 802	1 324	2 642	- 1 318	1 633	3 192	- 1 559
United Kingdom	2 157	3 771	- 1 613	3 580	5 149	- 1 569	1 792	7 500	- 5 707
Iceland	:	:	:	:	:	:	:	:	:
Liechtenstein	:	:	:	:	:	:	:	:	:
Norway	889	134	754	704	703	1	1 206	910	295
Switzerland	3 899	5 339	- 1 442	4 453	4 548	- 95	4 564	3 133	1 431
<b>OTHER EUROPEAN COUNTRIES</b>	1 055	116	939	1 605	374	1 231	2 748	372	2 375
Poland	2	7	- 6	105	36	69	378	57	321
Baltic countries	24	- 1	25	43	- 6	49	102	0	102
Estonia	14	0	14	22	- 2	25	46	- 1	46
Lithuania	7	0	7	13	- 2	15	43	- 0	44
Latvia	3	- 1	4	8	- 2	9	13	1	12
Czech Republic	- 134	24	- 158	- 130	19	- 149	290	16	275
Slovakia	83	3	79	58	2	56	69	4	65
Hungary	551	6	546	603	- 4	607	1 032	5	1 028
Romania	- 52	1	- 54	- 5	50	- 55	2	10	- 9
Bulgaria	- 3	- 2	- 1	- 9	- 22	13	12	- 7	19
Albania	- 1	0	- 1	- 1	0	- 1	1	0	1
Croatia	16	1	15	12	1	11	23	- 1	25
Slovenia	27	6	21	66	- 8	74	37	- 15	52
Yugoslavia	- 0	- 0	0	- 9	13	- 22	6	6	- 0
Turkey	90	41	49	321	10	311	312	52	260
Russia	45	- 27	72	29	215	- 186	- 761	16	- 777
Belarus	1	0	1	1	0	1	0	0	0
Ukraine	40	4	36	40	12	28	18	1	17
<b>AFRICA</b>	1 793	58	1 736	2 260	344	1 916	1 710	326	1 384
<b>NORTH AFRICA</b>	229	10	219	237	68	169	43	27	16
Morocco	- 1	7	- 8	33	6	28	26	10	17
Egypt	50	- 2	53	25	- 4	29	- 104	2	- 106
<b>OTHER AFRICAN COUNTRIES</b>	1 564	48	1 517	2 024	276	1 748	1 670	297	1 373
Rep. of South Africa	632	7	625	975	202	773	692	125	568
<b>AMERICA</b>	27 038	23 223	3 816	33 494	24 069	9 425	33 164	36 869	- 3 705
<b>NORTH AMERICA</b>	20 324	21 831	- 1 506	27 928	22 629	5 298	28 209	33 320	- 5 111
United States	18 803	21 353	- 2 550	26 091	22 452	3 639	25 984	32 610	- 6 626
Canada	1 521	479	1 042	1 837	178	1 659	2 229	710	1 520
<b>CENTRAL AMERICA</b>	3 124	1 218	1 906	2 913	1 182	1 731	3 225	3 433	- 208
Mexico	445	53	392	600	61	539	603	55	548
<b>SOUTH AMERICA</b>	3 591	175	3 417	2 653	259	2 395	1 730	116	1 615
Colombia	88	1	87	134	2	132	186	218	- 32
Uruguay	72	- 3	75	129	66	63	138	3	136
Venezuela	106	3	103	163	126	37	- 282	357	- 639
Brazil	1 815	38	1 778	1 139	80	1 059	1 284	88	1 195
Chile	684	2	682	440	- 178	618	321	- 132	453
Argentina	825	172	652	800	320	480	715	165	550

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**Geographical breakdown of FDI income**

ECU Mio

Reporter: European Union	1996			1997			1998		
	Credit	Debit	Credit	Credit	Debit	Credit	Credit	Debit	Credit
<b>Total income</b>									
<b>ASIA</b>	8 590	952	7 640	7 022	1 044	5 978	8 666	1 092	7 575
NEAR AND MIDDLE EAST	1 064	297	769	1 228	428	800	1 815	351	1 464
Iran	261	61	201	8	65	- 57	- 5	18	- 23
Israel	20	- 95	115	29	117	- 88	14	50	- 36
Gulf Arabian countries	428	329	99	887	284	604	1 525	234	1 291
Other Near & Middle East	356	2	354	304	- 37	341	282	48	234
<b>OTHER ASIAN COUNTRIES</b>	7 528	655	6 872	5 794	616	5 178	6 850	737	6 114
India	65	11	54	73	- 27	100	410	68	343
Thailand	342	5	338	500	73	426	281	1	280
Malaysia	715	10	706	424	- 16	440	529	- 5	534
Indonesia	182	9	173	292	- 37	329	282	- 59	341
Singapore	1 826	7	1 819	806	467	339	1 473	332	1 142
Philippines	123	2	121	- 11	- 45	35	179	51	128
China	129	36	94	350	57	293	- 26	- 101	75
South Korea	123	- 32	155	- 1 026	- 1 007	- 19	333	- 45	378
Japan	742	498	245	1 360	- 14	1 373	827	444	384
Taiwan	660	- 2	663	1 375	916	459	457	38	418
Hong Kong	2 528	73	2 456	1 260	114	1 146	1 705	- 217	1 922
<b>OCEANIA, O. TERRITORIES</b>	3 693	1 087	2 605	3 491	1 879	1 611	3 175	1 273	1 902
Australia	2 899	1 035	1 865	2 781	1 825	956	2 337	1 071	1 266
New Zealand	500	51	448	1 207	923	284	338	130	208
<b>Not allocated</b>	58	61	- 5	422	29	393	387	- 80	467
<b>TOTAL</b>	75 096	56 619	18 476	90 983	68 055	22 928	103 859	84 982	18 876
<b>EU 15</b>	28 088	25 896	2 192	37 492	35 017	2 475	48 175	40 863	7 311
<b>Extra EU 15</b>	47 000	30 666	16 333	53 379	33 043	20 336	55 551	44 212	11 340
<b>EMU</b>	24 112	19 847	4 264	31 140	27 326	3 814	43 405	29 035	14 369
<b>Extra EMU</b>	50 983	36 770	14 213	59 802	40 690	19 112	60 320	56 038	4 283
<b>EU non-EMU</b>	3 915	6 038	- 2 123	6 351	7 692	- 1 340	4 784	11 844	- 7 060
<b>EFTA</b>	4 781	5 224	- 443	5 193	5 301	- 108	5 834	4 267	1 566
<b>EEA</b>	28 971	25 781	3 191	38 234	35 768	2 465	49 445	41 998	7 447
<b>Extra EEA</b>	46 117	30 782	15 333	52 751	32 287	20 464	54 414	42 986	11 428
<b>OECD</b>	58 417	54 879	3 535	76 401	64 750	11 651	88 658	80 010	8 648
<b>NAFTA</b>	20 769	21 886	- 1 116	28 527	22 693	5 834	28 813	33 376	- 4 563
<b>NICs1</b>	5 138	43	5 095	2 417	488	1 929	3 968	104	3 864
<b>NICs2A</b>	1 181	12	1 169	913	12	901	988	41	947
<b>NICs2LA</b>	3 771	264	3 507	2 980	283	2 697	2 921	175	2 747
<b>CIS countries</b>	60	- 23	84	68	244	- 176	- 695	30	- 725
<b>ASEAN countries</b>	3 185	77	3 108	2 115	521	1 594	2 798	350	2 448
<b>OPEC countries</b>	1 233	404	829	1 900	272	1 628	1 800	218	1 582
<b>MERCOSUR</b>	2 689	197	2 492	1 865	223	1 642	1 983	71	1 912
<b>PAC</b>	570	86	484	747	94	653	1 997	75	1 922
<b>Offshore Financial Centers</b>	7 005	1 232	5 772	4 292	1 744	2 548	5 634	3 558	2 076
<b>Latin America countries</b>	4 448	244	4 204	3 633	616	3 017	2 698	563	2 135
<b>ACP countries</b>	1 222	9	1 213	1 534	136	1 398	2 258	309	1 949
African ACP countries	825	27	799	1 062	114	947	1 646	300	1 346
Caribbean ACP countries	300	- 17	317	414	27	387	717	429	288
Pacific ACP countries	98	0	98	59	- 8	67	- 104	- 416	312
<b>Mediterranean Basin countries</b>	961	12	949	1 008	182	826	730	219	511
<b>Maghreb countries</b>	8	9	- 1	47	12	35	53	17	35
<b>Mashrek countries</b>	426	6	421	416	38	377	78	35	43
<b>Central and Eastern Europe</b>	525	72	454	731	67	665	1 939	37	1 903
<b>French Franc zone</b>	221	2	218	418	7	410	357	7	350

The EU income aggregates include estimates for Belgium/Luxembourg, France, Greece, Ireland and Sweden.

## STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000

## Geographical breakdown of FDI stocks

EUR Mio

Reporter : EU Year: 1998	Assets			Liabilities		
	Equity + RIE	Other capital	Total capital	Equity + RIE	Other capital	Total capital
<b>EUROPE</b>	776 687	121 211	897 895	652 729	216 579	869 307
Belgium/Luxembourg	103 788	12 279	116 065	45 642	22 681	68 323
Denmark	9 545	2 958	12 503	7 553	2 919	10 473
Germany	49 628	22 337	71 965	105 635	26 476	132 110
Greece	2 990	903	3 891	1 484	98	1 582
Spain	36 558	7 609	44 167	6 189	3 775	9 963
France	74 499	14 397	88 896	88 923	23 647	112 570
Ireland	30 590	3 804	34 393	4 935	8 608	13 541
Italy	27 542	8 431	35 974	25 182	3 678	28 860
Netherlands	177 964	20	177 983	128 174	44 140	172 312
Austria	14 356	3 784	18 139	5 900	4 620	10 518
Portugal	12 325	1 536	13 860	2 018	615	2 633
Finland	6 897	1 485	8 382	15 250	3 435	18 685
Sweden	15 973	4 188	20 160	28 112	7 466	35 579
United Kingdom	91 726	21 012	112 738	90 025	23 535	113 561
Iceland	345	70	415	109	15	124
Liechtenstein	625	411	1 035	2 429	1 906	4 334
Norway	5 320	3 819	9 137	11 056	2 158	13 215
Switzerland	67 513	3 391	70 903	77 662	33 580	111 241
<b>OTHER EUROPEAN COUNTRIES</b>	48 288	8 761	57 047	6 448	3 202	9 652
Poland	7 447	2 619	10 068	253	205	458
Baltic countries	815	341	1 155	33	- 14	19
Estonia	331	172	503	8	- 3	6
Lithuania	364	124	488	1	- 14	- 13
Latvia	120	44	164	20	2	22
Czech Republic	7 349	2 271	9 620	163	125	288
Slovakia	1 117	418	1 535	9	4	12
Hungary	7 842	1 957	9 798	156	150	306
Romania	1 000	217	1 218	37	24	62
Bulgaria	285	77	362	29	11	40
Albania	28	21	48	2	- 2	
Croatia	1 051	163	1 214	23	24	47
Slovenia	823	172	996	90	33	123
Yugoslavia	369	92	461	108	84	193
Turkey	3 345	672	4 017	609	151	760
Russia	1 501	1 303	2 803	1 498	486	1 984
Belarus	13	7	20	6	9	15
Ukraine	289	161	449	19	11	29
<b>AFRICA</b>	17 844	5 913	23 758	4 341	1 656	5 997
<b>NORTH AFRICA</b>	5 635	1 021	6 656	1 212	422	1 634
Morocco	1 693	121	1 813	432	30	463
Egypt	1 385	186	1 571	95	33	128
<b>OTHER AFRICAN COUNTRIES</b>	12 209	4 891	17 102	3 130	1 235	4 364
Rep. of South Africa	4 382	1 045	5 428	1 815	352	2 168
<b>AMERICA</b>	434 056	103 822	537 876	265 600	108 975	374 574
<b>NORTH AMERICA</b>	328 342	94 013	422 354	252 233	91 365	343 598
United States	309 048	90 725	399 774	232 160	91 321	323 481
Canada	19 293	3 288	22 580	20 075	46	20 120
<b>CENTRAL AMERICA</b>	44 183	- 83	44 100	11 338	16 902	28 241
Mexico	6 480	1 445	7 924	506	379	885
<b>SOUTH AMERICA</b>	61 532	9 893	71 424	2 029	708	2 737
Colombia	4 242	1 069	5 312	124	64	188
Uruguay	318	35	353	91	33	124
Venezuela	1 421	549	1 970	446	127	575
Brazil	30 777	4 758	35 535	958	309	1 267
Chile	4 965	329	5 293	15	27	42
Argentina	12 467	1 126	13 593	384	123	507

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**Geographical breakdown of FDI stocks**

ECU Mio

Reporter : EU Year: 1998	Assets			Liabilities		
	Equity + RIE	Other capital	Total capital	Equity + RIE	Other capital	Total capital
<b>ASIA</b>	65 639	9 779	75 417	41 435	11 918	53 351
NEAR AND MIDDLE EAST	4 756	3 350	8 105	4 274	3 021	7 296
Iran	469	76	547	558	1 283	1 841
Israel	351	107	458	488	448	936
Gulf Arabian countries	3 084	2 723	5 806	2 749	1 133	3 880
Other Near & Middle East	850	442	1 292	478	159	636
<b>OTHER ASIAN COUNTRIES</b>	60 884	6 431	67 315	37 158	8 898	46 056
India	2 398	485	2 882	224	70	295
Thailand	1 996	898	2 897	19	79	98
Malaysia	3 977	877	4 854	218	174	392
Indonesia	1 085	1 193	2 280	156	171	326
Singapore	15 645	- 4 718	10 923	1 807	637	2 444
Philippines	2 501	514	3 015	76	43	119
China	5 819	850	6 668	168	99	266
South Korea	3 081	807	3 886	1 024	584	1 607
Japan	9 944	2 766	12 710	31 406	6 083	37 488
Taiwan	1 557	268	1 825	259	181	440
Hong Kong	10 540	1 275	11 814	785	624	1 409
<b>OCEANIA,O. TERRITORIES</b>	27 987	2 988	30 975	11 869	1 152	13 020
Australia	22 239	2 629	24 868	9 451	765	10 216
New Zealand	3 917	236	4 153	1 893	375	2 268
Not allocated	14 442	2 506	16 952	6 861	3 936	10 801
<b>TOTAL</b>	<b>1 336 654</b>	<b>246 217</b>	<b>1 582 874</b>	<b>982 836</b>	<b>344 215</b>	<b>1 327 051</b>
EU 15	654 598	104 763	759 359	555 026	175 718	730 743
Extra EU 15	674 868	142 149	817 018	427 533	167 102	594 636
EMU	534 352	75 691	610 040	427 864	141 700	569 562
Extra EMU	802 287	170 525	972 818	554 914	202 501	757 418
EU non-EMU	120 233	29 058	149 293	127 175	34 018	161 194
EFTA	73 802	7 689	81 490	91 253	37 658	128 909
EEA	660 888	109 061	769 946	568 616	179 796	748 413
Extra EEA	675 767	137 159	812 926	414 220	164 418	578 640
OECD	1 127 760	221 458	1 349 217	941 548	311 656	1 253 203
NAFTA	334 821	95 457	430 278	252 739	91 745	344 486
NICs1	30 822	- 2 371	28 449	3 874	2 027	5 899
NICs2A	8 475	2 288	10 765	314	296	608
NICs2LA	54 689	7 655	62 345	1 862	838	2 700
CIS countries	1 912	1 769	3 681	1 534	531	2 065
ASEAN countries	25 784	- 917	24 865	2 815	1 191	4 006
OPEC countries	10 139	5 648	15 788	3 950	2 996	6 946
MERCOSUR	44 831	6 091	50 922	1 464	483	1 946
PAC	28 713	8 404	37 116	1 092	768	1 858
Offshore Financial Centers	62 038	- 629	61 407	15 003	17 695	32 700
Latin America countries	70 574	11 769	82 344	4 465	1 644	6 109
ACP countries	14 301	3 825	18 126	3 324	2 181	5 505
African ACP countries	10 122	5 236	15 358	2 837	1 116	3 953
Caribbean ACP countries	4 230	- 1 466	2 763	468	1 057	1 526
Pacific ACP countries	- 47	54	9	19	7	26
Mediterranean Basin countries	13 624	2 597	16 222	3 619	1 716	5 335
Maghreb countries	3 200	496	3 696	548	256	805
Mashrek countries	2 129	456	2 585	533	148	681
Central and Eastern Europe	28 142	8 301	36 441	893	600	1 493
French Franc zone	1 686	1 044	2 731	106	55	161

The EU income aggregates include estimates for Belgium/Luxembourg, France, Greece, Ireland and Sweden.

**STATISTICAL TABLES: EUROPEAN UNION DIRECT INVESTMENT YEARBOOK 2000**
**FDI stocks by economic activity**

ECU Mio

Reporter: European Union Year: 1998	Assets							Liabilities						
	World	EU	Non EU	USA	Japan	Canada	EFTA	World	EU	Non EU	USA	Japan	Canada	EFTA
<b>AGRICULTURE AND FISHING</b>	2 060	665	1 298	508	1	29	46	1 322	734	570	198	17	29	127
<b>MINING AND QUARRYING</b>	112 544	18 404	93 255	66 838	322	1 155	2 183	36 821	10 818	24 837	20 378	90	803	1 776
Extraction of petroleum and gas	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Miscellaneous mining and quarrying	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>MANUFACTURING</b>	583 103	250 781	325 558	167 889	7 248	10 784	28 047	460 406	243 721	212 335	118 282	7 915	10 386	45 362
<b>Food products</b>	84 533	30 853	52 880	24 513	1 163	2 360	4 563	55 259	29 288	25 033	11 332	- 6 646	1 993	10 604
Textiles and wearing apparel	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Wood,publishing and printing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Textiles &amp; Wood</b>	52 815	28 633	23 983	16 212	165	517	2 279	49 479	28 798	20 471	6 897	7 570	1 129	3 298
Refined petroleum & other treatments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Chemicals products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Rubber and plastic products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Petrol., Chemicals &amp; Rubber</b>	164 351	67 413	95 678	46 806	3 321	3 070	6 779	136 226	71 948	63 849	39 568	792	1 156	15 069
Metal products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Mechanical products	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Metal &amp; Mechanical</b>	78 152	36 716	39 238	19 132	1 171	1 056	5 057	66 283	32 866	32 194	22 339	1 283	488	5 604
Office machinery and computers	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Radio,TV,communication equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Office machinery &amp; Radio</b>	60 843	30 527	30 294	11 989	863	1 142	6 081	59 953	26 652	32 991	14 155	2 605	5 120	3 521
Motor vehicles	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other transport equipments	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Motor vehicles &amp; Other</b>	57 539	22 139	35 225	23 572	274	1 811	1 866	43 007	21 730	21 077	14 344	1 712	204	4 223
Miscellaneous manufacturing	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>ELECTRICITY,GAS AND WATER</b>	42 784	24 100	17 779	2 819	24	475	3 479	32 727	14 586	17 772	9 954	1 265	111	4 413
<b>CONSTRUCTION</b>	12 696	5 274	7 536	2 851	40	305	832	6 962	3 871	3 085	1 317	115	224	625
<b>TRADE AND REPAIRS</b>	118 590	69 193	49 024	18 822	2 212	2 049	4 790	141 981	84 519	57 762	20 906	13 478	2 167	13 012
<b>HOTELS AND RESTAURANTS</b>	13 631	6 689	6 896	4 274	13	94	503	15 508	8 445	7 039	3 890	468	32	1 374
<b>TRANSPORTS,COMMUNICATION</b>	50 883	16 181	33 542	7 108	93	595	1 322	43 466	22 145	21 224	16 759	404	924	5 916
Land transport	4 378	1 315	2 958	519	6	116	447	5 923	3 955	2 288	839	124	47	401
Sea and coastal water transport	5 439	1 671	3 651	230	- 22	42	452	3 843	3 129	824	341	16	53	313
Air transport	4 775	952	3 181	11	- 4	14	294	2 014	1 453	572	55	23	16	554
<b>Total Land, Sea &amp; Air transport</b>	14 592	3 937	9 790	760	- 20	171	1 192	11 781	8 538	3 685	1 236	163	116	1 268
Telecommunications	28 471	9 864	18 435	4 532	70	356	- 246	23 443	9 962	13 060	12 873	165	498	438
Miscellaneous transport and comm.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>FINANCIAL INTERMEDIATION</b>	377 697	209 755	162 797	62 017	2 195	4 141	27 648	271 390	138 852	129 056	63 949	10 040	2 587	28 696
Monetary intermediation	142 052	80 893	59 685	19 194	1 360	1 580	6 707	126 773	66 218	58 508	21 080	5 863	319	16 528
Other financial intermediation	107 998	59 507	46 062	10 997	489	1 772	17 466	90 378	35 442	52 660	34 558	3 618	2 293	6 207
Financial holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Insurance & activities auxiliary	119 576	62 614	56 027	31 164	342	690	3 405	51 043	34 724	17 106	8 042	572	- 33	5 692
<b>Total Other fin. inter. &amp; insurance</b>	227 574	122 120	102 090	42 161	831	2 462	20 870	141 423	70 167	69 766	42 599	4 191	2 261	11 899
Miscellaneous Financial intermediat.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>REAL ESTATE &amp; BUSINESS ACT</b>	245 403	147 540	95 992	60 713	483	2 869	10 701	296 226	192 192	108 332	62 296	3 507	1 434	26 146
Real estate	28 382	15 945	12 404	7 727	29	1 125	861	35 510	24 807	11 676	4 464	237	573	2 428
Computer activities	6 280	4 407	1 911	1 220	8	51	202	8 393	4 353	3 976	3 469	88	55	214
Research and development	1 408	521	894	730	19	12	78	1 574	804	764	790	49	14	42
Other business activities	207 721	125 446	80 414	50 970	393	1 650	9 495	245 475	159 006	89 878	52 809	3 027	788	23 320
Business & manag. consultancy	:	:	:	:	:	:	:	:	:	:	:	:	:	:
manag. Holding companies	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Advertising	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>Total Comp., Research &amp; Other bus.</b>	215 408	130 375	83 219	52 920	419	1 712	9 775	255 441	164 163	94 616	57 066	3 165	857	23 578
Misc. real estate & business activit.	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>OTHER SERVICES</b>	16 916	5 669	11 179	5 772	71	51	1 452	17 929	9 016	8 877	5 290	132	1 396	1 413
Not allocated	1 258	2 142	- 842	132	- 3	- 0	40	2 109	1 746	449	263	57	23	- 49
<b>SUB-TOTAL</b>	1 577 565	756 392	804 016	399 742	12 699	22 544	81 042	1 326 845	730 646	591 338	323 482	37 488	20 117	128 809
Priv. purch. & sales of real estate	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>TOTAL</b>	1 582 874	759 359	817 018	399 774	12 710	22 580	81 490	1 327 051	730 743	594 636	323 481	37 488	20 120	128 909

Aggregates for the European Union include estimates for Greece and Ireland. Please see chapter on estimation for details

# ANNEX 2

# METHODOLOGICAL ISSUES

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## METHODOLOGY IN GENERAL

### Definition of direct investment

Eurostat uses as a base for its work the OECD Benchmark Definition of Foreign Direct Investment Third edition, a detailed operational definition fully consistent with the IMF Balance of Payments Manual, Fifth Edition, BPM5.

The direct investment concept refers to the category of international investment made by a resident entity (direct investor) to acquire a lasting interest in an entity operating in an economy other than that of the investor (direct investment enterprise). Direct investment involves both the initial transactions between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated.

### STATISTICAL UNITS

#### Foreign direct investor

A 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 have a direct investment enterprise that is, a subsidiary, associate or branch - operating in a country other than the country or countries of residence of the direct investor or investors.

#### Direct investment enterprise

A direct investment enterprise is an incorporated or unincorporated enterprise in which a foreign investor owns 10% 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. Some countries may feel it necessary to treat the 10% limit with flexibility to fit circumstances.

#### Subsidiaries, Associates and Branches

A direct investment enterprise may be an incorporated enterprise - a subsidiary or associate company - or an unincorporated enterprise (branch):

- Subsidiary (ownership > 50%)

A subsidiary is an incorporated enterprise in which

- i) the foreign investor controls directly or indirectly (through another subsidiary) more than 50% of the shareholders' voting power, or
- ii) the foreign investor has the right to appoint or remove a majority of the members of this enterprise's administrative, management or supervisory body.

- Associate (ownership between 10% and 50%)

An associate is an enterprise where the direct investor and its subsidiaries control 50% or less of the voting shares.

- Branch (wholly or jointly owned)

A branch is an unincorporated enterprise that

- i) is a permanent establishment or office of a foreign direct investor; or
- ii) is an unincorporated partnership or joint venture between a foreign direct investor and third parties; or
- iii) is land, structures and immovable equipment and objects directly owned by a foreign resident (e.g. holiday and second homes); or
- iv) is mobile equipment operating within an economy for at least one year if accounted for separately by the operator (e.g. ships, aircraft, gas and oil drilling rigs).

### The Balance of Payments

#### Current account

Goods  
Services  
Income

Direct investment

#### Income on equity

Dividends and distributed branch profits

Reinvested earnings and undistributed branch profits

#### Income on debt

Current transfers

#### Capital and Financial account

Capital account

Financial account

Direct investment

#### Abroad

Equity capital

Claims on affiliated enterprises

Liabilities to affiliated enterprises

Other capital

Claims on affiliated enterprises

Liabilities to affiliated enterprises

Reinvested earnings

#### In the reporting economy

Equity capital

Claims on affiliated enterprises

Liabilities to affiliated enterprises

Other capital

Claims on affiliated enterprises

Liabilities to affiliated enterprises

Reinvested earnings

Portfolio investment

Other investment

Reserve assets

Errors and omissions



### Indirect participation in direct investment enterprises

Statistics based on these definitions should cover all enterprises in which the direct investor has directly or indirectly a direct investment interest (Fully Consolidated System). In particular, this means that: a) reinvested earnings of indirectly participated enterprises should be included in the statistics; b) direct investment flows within a group of related enterprises should be included in the statistics without consideration of the percentage of equity held by these enterprises in each other.

## FDI FLOWS IN THE BALANCE OF PAYMENTS

### Direct Investment Flows

- Equity capital

comprises equity in branches, all shares in subsidiaries and associates (except non-participating, preferred shares that are treated as debt securities and are included under other direct investment capital) and other capital contributions (e.g. provision of machinery).

- Reinvested earnings

consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor.

- Other direct investment capital (or inter-company debt transactions)

covers the borrowing and lending of funds, including debt securities and trade credits between direct investors and direct investment enterprises. Intercompany debt transactions between affiliated financial intermediaries recorded under direct investment capital flows are limited to permanent debt.

Consequently, total direct investment flow is calculated as follows:

- for subsidiary and associate companies

i) the direct investor's share of the company's reinvested earnings;

ii) plus the direct investor's net purchases of the company's shares, debt securities (bonds, notes, money market and financial derivative instruments) and loans (including non-cash acquisitions made against equipment, manufacturing rights, etc.);

iii) less the company's net purchases of the direct investors' shares, debt securities and loans;

iv) plus the net increase in trade and other short-term credits given by the direct investor to the company.

- for branches

the increase in reinvested profits plus the net increase in funds received from the direct investor.

### Assets/liabilities and directional principle for FDI flows

Under the assets/liabilities principle, all assets transactions are recorded under "direct investment

abroad" and all liabilities transactions under "direct investment in the reporting economy", regardless of the status of the enterprise (direct investor, direct investment enterprise).

Under the directional principle (recommended by the IMF, BPM5, par 330) the enterprise's status is taken into account. The direct investor's country records all capital transactions with foreign direct investment enterprises (including reverse loans and cross participation below the 10% threshold) under "direct investment abroad", whereas the direct investment enterprise's country records all capital transactions with foreign direct investors under "direct investment in the reporting economy".

For cross-participation above the 10% on each side two separate direct investment relationships are established. The enterprises are simultaneously direct investors and direct investment enterprises. Thus all capital flows are covered. The flows for which the directional principle gives different results to the assets/liabilities principle are cross-participation below the 10% threshold and reverse loans carried out in this constellation. Only if the status of the direct investment enterprise is known can these reverse flows be recorded in line with the directional principle.

### Geographical and industrial allocation of FDI flows

In geographical allocation, there are two principles that may be applied: the 'debtor/creditor principle' (which is recommended) and the 'transactor principle'. Under the debtor/creditor principle, investment flows are allocated to the country of residence of the nonresident debtor or creditor. Under the transactor principle, flows are allocated to the country of residence of the nonresident party to the transaction.

When the debtor/creditor principle applies, the country of residence of the debtor/creditor to which the transaction is allocated can be the immediate host (or investing) country or the ultimate host (or investing) country down the ownership chain. IMF and OECD recommend to record FDI flows by using the immediate host/investing country criterion.

With respect to the industrial allocation of FDI flows, the Eurostat/OECD questionnaire requires a breakdown into 11 major branches and a further disaggregation for manufacturing and services. The classification used is consistent with NACE Rev.1 and ISIC Rev.3, although it is less detailed (see the correspondence table in annex). Both outward and inward flows are classified according to the activity of the resident statistical unit.

### DIRECT INVESTMENT POSITION

The direct investment position makes part of a country's overall international investment position (IIP). The net position of FDI assets and liabilities determines the IIP together with the corresponding net positions in portfolio

and other investment and reserve assets. FDI positions are conceptually fully consistent with flows and comprise stocks of equity capital (including reinvested earnings) and other capital (including inter-company debt) at the end of the reference year.

The IMF (BPM5, par 467) recommends that positions should be calculated at market prices of the period under consideration. Positions derived from the balance sheets of direct investors and direct investment enterprises (book values) come close to market values only under certain circumstances. Thus, in most cases two sets of stocks data (book value and market value) might be appropriate. The accounting principles described above for flows are equally applicable to stocks. In contrast with what has been seen for flows, however, a geographical allocation according to the ultimate beneficial owner concept is recommended for stocks. Moreover, the sectoral breakdown of positions abroad considers the non-resident economic activity.

### The basic method for calculating FDI positions

Position at the beginning of the period

- + FDI flows
- + price changes
- + exchange rate changes
- + other adjustments
- = Position at the end of the period

All net components can also be negative. In FDI flows disinvestment may occur. Hence, also for positions, negative assets and liabilities can appear. This is, for example, the case if accumulated uncovered losses exceed equity and other capital. The item 'other adjustment' comprises changes in the volume of assets/liabilities that usually may derive from:

- debt/equity swaps,
- capital transfers (loan forgiveness)
- unilateral cancellation of liabilities
- rescheduling of loans and
- crossing the threshold from portfolio to direct investment.

The case of crossing to direct investment might need some illustration: If an investor's initial participation was for example 5% of the equity of an enterprise in an earlier period and another participation of 5% is acquired in the period under consideration, then the investor becomes a direct investor and the enterprise becomes a direct investment enterprise. Only the second participation has to be recorded as direct investment flow of the current period. The first transaction was recorded as portfolio investment in the earlier period. Thus, it is included in the current period's portfolio investment position. As the entire 10% stake is now direct investment, the earlier period's 5% stake has to be deducted from the portfolio investment position and to be included in the direct investment position. This is done by corresponding entries under the 'other adjustment' item.

FDI positions can also be decomposed into equity capital and other capital components. Hence, total positions are calculated as follows:

- for subsidiaries and associates
  - the market or book (balance sheet) value of shares and reserves attributable to direct investor
  - plus loans, trade credits and debt securities credited by direct investors (including determined but not yet paid dividends)
  - less reverse loans, trade credits and debt securities.
- for branches
  - the market or book value of fixed assets, investments and current assets, excluding amounts due from direct investors.
  - less the branch's liabilities to third parties.

## DIRECT INVESTMENT INCOME

Direct investment income consists of income on FDI equity and on inter-company debt (interest). Income on equity covers dividends and reinvested earnings for incorporated enterprises and distributed and undistributed profits for branches. The OECD recommends calculating FDI income on the basis of the current operating performance concept. Thus, unlike for the all-inclusive concept, capital gains and losses, and other valuation changes are excluded. FDI income is presented on a net basis. Thus, income on outward FDI consists of the direct investor's income from the direct investment enterprise less income vice versa (e.g. in case of a reverse loan or a cross-participation below 10%). Correspondingly, income of inward FDI comprises income flowing from the direct investment enterprise to the direct investor less income vice versa.

- Dividends (including distributed branch profits)

Dividends due for payment in the recording period and branch profits remitted to the direct investor, gross of any withholding taxes. Dividends cover payments due on common and preferred shares.

- Reinvested earnings

See definition under direct investment flows

- Interest on inter-company debt

Interest accrued in the recording period, gross of any withholding tax. Dividends due for payment on nonparticipating preference shares are recorded under interest.

For more detailed information on definitions and recording rules see International Monetary Fund, *Balance of Payments Manual*, 5th edition, Washington 1993.

Organisation for Economic Co-operation and Development, *OECD Benchmark Definition of Foreign Direct Investment*, 3rd edition, Paris 1996.

## METHODOLOGY IN PRACTICE

*To reach its final objective of compiling meaningful and reliable EU statistics and comparable Member State statistics, Eurostat collects FDI data via common Eurostat/OECD questionnaires from Member States. There is a slight lack of coherence in some of the statistics coming from national sources. These differences cannot simply be attributed to traditional problems encountered in the Balance of Payments and are due to different collection methods, different concepts and classifications employed by Member States (see also the chapter Asymmetry).*

To solve these methodological drawbacks Eurostat performs two distinct steps on national data.

- Harmonisation

The first step, harmonisation, consists of making all necessary adjustments to improve the comparability and consistency of national data. Once national data have been harmonised they become more comparable and statistical tables for each Member state can be compiled and published within the common Eurostat classification. The most relevant sources of information used by Eurostat to harmonise data are the national Balance of Payments publications with methodological annexes and additional information provided by national compilers.

- Estimation

In the second step, estimation, Eurostat estimates missing or unavailable data for each Member State to build complete EU FDI flows and positions. Estimates exploit secondary data sources or use knowledge-based modelling techniques. As a general rule only the estimated data for the entire European Union are published. Detailed information on the estimation techniques used are given in the following chapter.

### Harmonisation of National Data

As a first step of the harmonisation, Eurostat checks that all instructions to fill in the questionnaire have been followed by the reporting countries. When Eurostat detects relevant deviations from the recommended rules it re-allocates national statistics according to the common classification.

In practice this means:

- On the country and economic zone, to ensure that the contents of each country and economic zone have been filled in the same way.
- On the economic activity, to check whether all the items (sub-items) have been aggregated in the same way by Member States.
- On the IMF components, to check whether all the information given on reinvested earnings (RIE) was at least based on enterprises' balance sheets purporting

to the same period. Since not all Member States compile RIE following the IMF/OECD recommendations (RIE in the year of earning) and some countries provide no detailed figures on RIE at all, Eurostat decided to show RIE in the country tables according to national practice. In the "1996 FDI Yearbook" the RIE were shown according to the year of distribution for all Member States providing RIE statistics. To switch towards showing RIE as they are published by Member States is justified by two observations. The first is that intensive efforts in some Member States are made to come closer to IMF/OECD recommendations in recording RIE. The second is to avoid confusion among users, because in the meantime not only different recording practices for RIE lead to revisions and deviations between EU and national statistics, but also because of the progressive implementation of other recommendations (directional principle, inclusion of short term loans etc).

Comparisons in this yearbook are mainly carried out on the sum of equity and other capital only. From the reference year 1995 onwards, however, first results are also shown for total FDI flows including RIE. In fact, if flows are compared including or excluding RIE the pictures drawn are quite different. For some countries RIE exceed flows in equity and other capital. However, RIE are included in position figures and here methodological differences in recording practices play a minor role. This is because delays only affect the last years' portions, whereas the "accumulated" profits and dividends of earlier periods come close to the recommended way of recording, because stocks derived from balance sheets should reflect previous periods' RIE properly.

### Methodology of the Member States

The second step of harmonisation tackles the methodological aspects peculiar to each Member state. Here, Eurostat presents, for each Member State, a short summary of the data source(s) and collection methods, the main divergences from the OECD benchmark definition and data availability. The descriptions are far from being exhaustive and summarise the information available at Eurostat for the time being.

## BELGIUM LUXEMBOURG

### Source of data and method of collection

Up to now the National Bank of Belgium has collected FDI statistics via a banking settlements system used for BoP purposes. It is based on individual settlements carried out directly or by the banking sector. Since 1995 an FDI survey has been initiated with yearly frequency. The FDI survey provides both stocks and flows data on equity capital, loans, trade credits, income and dividends. It also provides information on the economic activity of both residents and non-residents. In order to apply the directional principle for both flows and stocks a series of conceptual undertakings is currently performed. Amongst others a register of enterprises involved in FDI is being built up. This should allow solving basic problems such as the identification of resident/non-resident counterparts, their position in the hierarchy, the evaluation of the level of ownership, double status enterprises and Special Purpose Entities.

### Main deviations with respect to BPM5 and to OECD benchmark definition

- The definition of the direct investment relationship is inspired by the OECD benchmark definition without nevertheless fully using the directional principle for geographical allocation.
- Direct investment flows exclude reinvested earnings, payments for royalties and services, listed loan stock and trade credits.

### Data availability

- Capital and income flows do not include reinvested earnings. Data for stocks are not published.
- Geographical breakdown: complete breakdown for capital flows from 1992 and for income flows from 1999.
- Activity breakdown: available as from 1999 for capital flows but not publishable.

## DENMARK

### Source of data and method of collection

FDI data are provided by Danmarks Nationalbank, sharing competence for BOP with Statistics Denmark. Denmark uses bank settlements as the source of information on movements in international direct investment. The threshold for reporting financial transactions is DKK 100,000. As from October 1998 flows are collected according to the directional principle. FDI stock data are collected by a sample survey, using the ultimate beneficial owner concept. Within this survey stock data on loans are collected according to the directional principle. The FDI statistics are published by Danmarks Nationalbank in the publication "NYT" and in the "Monthly Financial Statistics". A non-periodic publication "Særlige opgørelser" contains detailed descriptions and data for the Danish IIP and FDI-stocks.

### Main deviations with respect to BPM5 and to OECD benchmark definition

As from October 1998 Danish figures are collected in line with international recommendations. From 1992 to 1997 data were collected on an asset/liabilities basis and reinvested earnings were not covered.

### Data availability

- Capital and income flows are calculated for all posts. Income and reinvested earnings are available as from 1998 and with a year of delay as compared to capital flows. Stocks are calculated at book value. For stock-exchange listed companies, value adjustments are included. Changes in the size of the total investments thus express both valuation changes and payment transfers.
- Geographical breakdown: complete breakdown for capital flows from 1992, for income from 1998 and for stocks from 1994. Stocks are disaggregated according to the ultimate beneficial owner criterion.
- Activity breakdown: available as from 1992 for capital flows and from 1998 for income. Stocks are available for 1994-1998 with the exception of 1997.

## GERMANY

### Source of data and method of collection

In the German balance of payments direct investment flows are mainly based on reports of single transactions to the Bundesbank by enterprises. Transactions in short term financial credits and trade credits are derived from stock data. Data are available on a monthly basis. In addition, an annual survey on direct investment stocks is conducted and results of both sources are compared. Reinvested earnings are estimated and recorded for the year to which they accrue. As information on total profits in the current year is available only with a 15-month lag, reinvested earnings following the accrual principle have to be estimated for the current year and the previous year. The directional principle is applied from 1996 onwards. The 10% threshold is applied from 1999 onwards. Before 1999, a 20% threshold was used.

Direct investment flows include equity capital, reinvested earnings, long-term and short-term loans, and trade credits. There is a general exemption threshold of DM 5000 applied for individual transactions. Direct investment stocks contain the sum of equity capital, reinvested earnings and other capital. Reporting of stocks is obligatory if the direct investment enterprise's balance sheet total exceeds one million DM.

### Main deviations with respect to BPM5 and to OECD benchmark definition

- Since 1999 German direct investment is recorded in line with international recommendations. Before 1999, data were collected using a 20% ownership threshold.

### Data availability

- Capital and income flows are available for all posts as from 1992. Stocks are recorded at book value and are available from 1994 onwards. A full geographical and activity breakdown is available for all years.

For more detailed information on stock data: Deutsche Bundesbank, Kapitalverflechtung mit dem Ausland, Statistische Sonderveröffentlichung 10, May 2000.

## GREECE

### Source of data and method of collection

In the past only authorisation data were collected. Authorisation data were based on the foreign direct investment applications authorised by the relevant services of the Bank of Greece (for non-EU residents) and the Ministry of National Economy (for EU residents). Such data, which start in 1987 and end in 1992, describe only planned and not realised investments. From mid-1997 a new BoP data collection system based on the IMF's Fifth Manual is being introduced by the Bank of Greece. The introduction of the new system should allow the collection of data on FDI in accordance with international standards.

### Data availability

- Since Eurostat has not received 1994-1999 reports from Greece, only total flow data are available. Other figures have been estimated for the purpose of calculating the EU aggregates, on the basis of the information available from other Member States as partner countries and from the USA.

## SPAIN

### Source of data and method of collection

The Balance of Payments statistics system designed by the Banco de España, which is in effect since 1993, is the major source of information for FDI flows. They are mainly derived from the International Transaction Reporting System, for which reporters (deposit and other financial institutions, account holders at non-resident credit institutions, residents running clearing transactions and resident enterprises with inter-company accounts) have to specify the nature of transactions above 3005 euros until January 2001 and above 12500 euros past this date. It is supplemented by two sets of statistics from the Directorate General of International Economy and Foreign Transactions of the Ministry of Economy and Finance, the DGEITE: a first set on FDI projects, used to obtain the economic activity breakdown and a second set from the investment register which permits an estimation of the percentage of foreign direct investment in Spain in listed shares. Direct investment flows are published by the Banco de España monthly in The Statistical Bulletin and annually in the Spanish Balance of Payments.

### Main deviations with respect to BPM5 and to OECD benchmark definition

- Cross participations below 10% are not recorded as direct, but as portfolio investment.
- FDI figures do not cover trade credits and the purchase of debt securities on primary/secondary markets that do not make part of inter-company accounts.

### Data availability

- Capital and income flows do not include reinvested earnings. Geographical and activity breakdowns are available for flows 1992-1999.
- Data for stocks are published by the Banco de España only for totals, calculated by accumulation of flows at historical value and corrected for exchange rate changes except in two cases. Financing between related companies (assets and liabilities) are obtained from the register of loans of the Banco de España. Equity assets of the monetary financial institutions are taken directly from their accounting statements.

For more detailed information: Banco de España, The Spanish Balance of Payments 1999.

## FRANCE

### Source of data and method of collection

Surveys of foreign direct investment in France and of French investment abroad provide the data that are used by the Bank of France to compile the annual reinvested earnings and the FDI positions. Flow data are published each month in the Bulletin Mensuel de la Banque de France and Les notes bleues du Ministère de l'Economie et des Finances, and in the yearly report Balance des Paiements de la France. The collection system for transactions is mainly based on bank settlements and returns sent by enterprises to the Banque de France. As of 1994 FDI flows data disseminated include short term loans.

### Main deviations with respect to BPM5 and to OECD benchmark definition

- The directional principle is applied only to long term loans, all other FDI is recorded gross on the assets/liabilities principle.
- Participation of affiliated companies in their parent companies below the 10% threshold is recorded under portfolio investment.

### Data availability

Data for reinvested earnings are available only for totals as from 1995.

- Capital flows are available as from 1992, except for reinvested earnings that exist only for totals as from 1995. Other income data only cover dividends, for 1995-1997.
- Stocks are published at book value as from 1994.
- Geographical and activity breakdowns are available for flows and stocks.

For more detailed information: Banque de France, La balance des paiements et la position extérieure de la France, 1999 August 2000.

## IRELAND

### Source of data and method of collection

Statistics on direct investment flows and stocks are compiled by the Central Statistical Office. A new comprehensive system has recently been implemented that allows collecting direct investment data according to international definitions. Data are collected by means of a number of surveys that have different characteristics depending on the type of respondent.

### Data availability

With the latest transmission, Ireland has supplied figures for capital flows including reinvested earnings. The geographical breakdown is however limited to intra EU/extra-EU and intra-euro-zone/extra-euro-zone transactions. All other data for Ireland have been estimated in order to build the EU aggregates. The activity breakdown is not available.

## ITALY

### Source of data and method of collection

FDI statistics are collected by Banca d'Italia/Ufficio Italiano dei Cambi. Annual figures appear in the annual report of the Banca d'Italia. Since 1992, the direct investment figures are derived mainly from the foreign exchange record form that is to be filled in by transactors or banks for transactions above 20 million Lire. Since 1998, the Ufficio Italiano Cambi conducts an annual survey on stocks that is also used for calculating reinvested earnings.

### Main deviations with respect to BPM5 and to OECD benchmark definition

- Since 1999 Italian direct investment is recorded in line with international recommendations.

### Data availability

- As from 1999, Italy supplies separate figures for Equity capital transactions and Other capital transactions. Before 1999, the sum of the two was supplied. Reinvested earnings are available as from 1999 for totals and for extra-euro-zone as partner. Total income is available as from 1994.
- Stock data are built by cumulating and revaluing flows. Valuation is based on market prices for listed securities and on book values in all other cases.
- Full geographical and activity breakdowns exist for flows but are less detailed for stocks.

For more detailed information: Banca d'Italia, The manual of Italy's balance of payments, Statistical sources and compilation methods, Institutional Issues, September 1996, Rome 1996, pp 9-18 and 47-50.



## NETHERLANDS

### Source of data and method of collection

The data collection of the Nederlandsche Bank is based on a system of mandatory declaration of foreign transactions, either directly or through an approved banking establishment. FDI data cover capital acquisitions, long and short-term credits, changes in intra-group accounts and purchases and sales of real estate. The Nederlandsche Bank publishes FDI data in the Quarterly Bulletin and the Annual Report.

### Main deviations with respect to BPM5 and to OECD benchmark definition

- There is no minimum threshold for equity holding to qualify as a direct investor in the Netherlands. Nevertheless, in practice, a 10% threshold is used as a reference for the definition of direct investment.
- As from 1999, the directional principle is applied for equity and other capital flows. Until 1998, data were based on the asset/liability principle.
- The Netherlands do not record the direct investment transactions of Special Financial Institutions (SFIs) under direct investment.

### Data availability

- Flows data are available for all posts as from 1992. Valuation of stocks is based on market prices for listed securities and on book values in all other cases. Stocks are available from 1994 onwards. A full geographical and activity breakdown is available for all years.

## AUSTRIA

### Source of data and method of collection

The Oesterreichische Nationalbank collects the data for balance of payments statistics and conducts surveys of Austria's international investment position. The main sources for FDI data are the direct reporting of settlements from banks and non-banks for flows and enterprise surveys on FDI for stocks. The surveys carried out by the Austrian National Bank only cover companies of which non-residents own at least 10 per cent and the nominal value of shares has to exceed ATS 1 Million.

### Main deviations with respect to BPM5 and to OECD benchmark definition

- Cross-participations below the 10% threshold are reported under portfolio investment.
- Indirect investment is not fully taken into account. The resident children of an Austrian company controlled by non-resident direct investors may not be covered by direct investment statistics as it is not always possible to obtain consolidated balance sheets.
- Trade credits between FDI enterprises are now recorded under direct investment and no longer under other investment.

### Data availability

- Capital flows are available for all posts as from 1995. Before 1995, only equity capital was recorded. Income flows are available as from 1995.
- Stocks are published at book value as from 1994. The geographical breakdown is given according to the ultimate beneficial owner principle.
- Geographical and activity breakdowns are available for flows and stocks.

For more detailed information on Austria's International Investment Position: Oesterreichische Nationalbank, Focus on Austria 1/1999.

## PORTUGAL

### Source of data and method of collection

Since 1993, data on direct investment transactions with nonresidents have been submitted to the Banco de Portugal by the resident banking system. Along with information on settlements, the Banco de Portugal also collects detailed data on direct investment transactions above EUR 250,000 (PTE 50 million) through a "Direct Investment Statistical Declaration", which gathers information on the resident and non-resident parties to the transaction, a description of the transaction and supplementary information on participation in equity. When direct investment transactions are undertaken without the intervention of a resident bank, residents must declare them directly to the Banco de Portugal. A major recent improvement is represented by the implementation of stock surveys, whose results are used for stocks and for reinvested earnings data, but also the improvement in the coverage of long-term/short-term loans between enterprises being in a direct investment relationship. Data are published monthly, in the Monthly Economic Indicators and in the Statistical Bulletin (with both sectoral and geographical allocations) and annually, in the Annual Report of the Banco de Portugal.

### Discrepancies with respect to BPM5 and to OECD benchmark definition

- The current operating performance concept is not fully applied for the valuation of direct investment income. Instead, for 1996 data onwards, the Banco de Portugal uses the current results of companies, which, although not exactly identical, are close to the above-mentioned concept.
- The component "trade credits between affiliates" is recorded under "Other investment", in the balance of payments.
- Group-related enterprises' operations may be undercovered and indirect investment is not covered.
- Annual stocks data are first released based on the accumulation of flows. Definitive data are compiled using survey results.

### Data availability

- Capital flows are available as from 1992, income flows as from 1996.
- Stocks are published at book value as from 1995.
- Geographical and activity breakdowns are available for flows and stocks.

For more detailed information see: Banco de Portugal, Supplement 2/98 to the Statistical Bulletin, "Foreign Direct Investment in Portugal: flows and stocks statistics for 1996 and stocks estimates for 1997", December 1998, p.5-8, and Banco de Portugal, Supplement 1/99 to the Statistical Bulletin February/March 1999, "New Presentation of the Balance of Payments Statistics", p.3-10.

## FINLAND

### Source of data and method of collection

The Bank of Finland uses the following data sources for direct investment statistics: the monthly survey on the foreign claims and liabilities of Finnish companies with large foreign claims and liabilities, publicly available information on individual international mergers and acquisitions not covered by the monthly survey and the annual direct investment survey for direct investment abroad and direct investment in Finland. The collection of settlement data was ceased as from the beginning of 1999, and the data requests based on publicly available information on mergers and acquisitions have replaced the settlement data. The sources are checked against each other in order to derive the final figures. Both direct investment flows and positions are recorded on the directional principle. Direct investment data thus cover equity capital (including cross participations below 10% and private purchase and sale of real estate), other capital (including reverse loans) and reinvested earnings.

### Discrepancies with respect to BPM5 and to OECD benchmark definition

- Finnish direct investment is recorded in line with international recommendations.

### Data availability

- Flow data are available for all posts as from 1992. Stocks are recorded at book value and are available from 1994 onwards for all posts. A full geographical and activity breakdown is available for all years.

For more detailed information: Direct investment in Finland's Balance of Payments (annual publication).

## SWEDEN

### Source of data and method of collection

The Swedish balance of payments is carried out by the Sveriges Riksbank. FDI flows data are based on direct reports by companies, and, to a minor extent, on settlement data. Stocks and reinvested earnings are obtained from an annual sample survey. Results are published monthly including a more detailed set of statistics on a quarterly basis. The result of the annual sample survey is also published separately.

Reported flow data cover equity capital (including purchase and sale of real estate) and other capital. Regional and sectorial breakdowns of reinvested earnings are not available. The directional principle is applied for reverse loans and for cross-participations above the 10% threshold.

### Discrepancies with respect to BPM5 and to OECD benchmark definition

- Swedish FDI are recorded according to the methodology since October 1997. Previous data reflect the following deviations:
- No short term transactions and no derivatives are recorded in FDI statistics.
- Funding via Special Purpose Entities is not covered.
- Branches are not recorded.
- Private, non-business real estate transactions are not included.

### Data availability

- Capital flows are available as from 1992. Income flows are not recorded, with the exception of total reinvested earnings. Stocks as from 1994 are published at book value.
- Geographical breakdown: available for capital flows (excluding reinvested earnings) and stocks (less detailed).
- Activity breakdown: available for capital flows and (less detailed) for stocks.

## UNITED KINGDOM

### Source of data and method of collection

The Office for National Statistics (ONS) collects data on direct investment through general enterprise surveys. There is a compulsory quarterly survey covering all the largest companies and a sample of the smaller companies collecting flows and earnings data, from which the positions data are estimated. Data from this survey are published quarterly in UK Balance of Payments First Releases and annually in "United Kingdom Balance of Payments, The Pink Book". Reported figures cover the full set of flows, earnings and positions information requested, including the purchase of real estate. There is also a more detailed annual survey with a larger sample collecting flows, earnings and investment positions data. These data are published in an annual Overseas Direct Investment first release published within 12 months of the end of the inquiry period. More detailed information is published in the annual business monitor MA4 "Overseas Direct Investment" within 3 months of the relevant annual First Release.

### Discrepancies with respect to BPM5 and to OECD benchmark definition

- United Kingdom direct investment is recorded in line with international recommendations. Before 1996, data were collected using a 20% ownership threshold.

### Data availability

- Flows and earnings data are available for all posts as from 1992. Investment positions data are recorded at book value and are available for 1994 onwards. A full geographical and activity breakdown is available for all years.
- For more detailed information: The National Statistics website ([www.statistics.gov.uk](http://www.statistics.gov.uk)) holds electronic versions of selected publications & datasets and all the latest first releases.

General inquiries should be directed to:

National Statistics Information and Library Service (NSILS)

Office for National Statistics, Government Buildings

## UNITED STATES

Surveys of Foreign Investment in the United States and US investment abroad provide data quarterly and annually. These data include annual estimates of the direct investment position. They are published by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce in the Survey of Current Business and in supplementary publications. The data are collected under the International Investment and Trade in Services Survey Act by means of mandatory surveys of the US affiliates of foreign companies and of US companies investing abroad. Benchmark surveys, which are usually conducted every five years, collect data for the entire inward and outward FDI universe. Between benchmark years, smaller affiliates are exempted from reporting. However, data for these affiliates are statistically estimated so that all estimates - benchmark and non-benchmark alike - represent universe totals.

FDI data are generally produced in line with the BPM5 and OECD benchmark recording standards. They cover equity capital, other capital (all inter-company debt flows) and reinvested earnings. There is broad coverage of data sets in terms of prices (historical cost, current cost and market prices) for the stocks and for first chain of ownership and ultimate beneficial owner concept for both flows and stocks. Flow data used in this publication are classified by using the first chain ownership concept. The same applies for stocks, for which the historical cost positions (book value) were taken.

In order to make the series comparable to the EU reporting system the geographical and sectorial breakdown has been adapted. However, particularly with respect to the EU Nomenclature of Economic Activities (NACE, rev. 1), often only the basic items (level 1) could be calculated. Thus, the comparability between EU and U.S. data is still limited.

For more detailed information:

- U.S. Department of Commerce, Economics and statistics administration, Bureau of Economic Analysis, Survey of Current business, June - September 2000:
  1. by Sylvia E. Bargas: Direct Investment Positions for 1999. Country and Industry Detail, pp. 57-68.
  2. by Ned G. Howenstine and Rosaria Troia: Foreign Direct Investment in the United States. New Investment in 1999, pp. 53-61.
  3. By Russell B. Scholl: The International Investment Position of the United States at year end 1999, pp. 46-56
  4. by Jeffrey H. Lowe: Foreign Direct Investment in the United States Detail for Historical-Cost Position and Related Capital and Income Flows, 1999, pp. 31-60.
  5. by Jeffrey H. Lowe: U.S. Direct Investment Abroad. Detail for Historical-Cost Position and Related Capital and Income Flows, 1999, pp. 61-90
- The Bureau of Economic Analysis' website (<http://www.bea.doc.gov/bea/di1.htm>) holds a comprehensive list of material and sets of data on international investment.

## JAPAN

BOP data are compiled by the Bank of Japan in cooperation with the Ministry of Finance. The latter collects FDI data on the basis of notification. BOP figures are published in the Balance of Payments Monthly. Figures based on notification are published monthly in the Finance Review of the Ministry Of Finance. For better comparison, BOP figures on FDI from the Bank of Japan were used in this publication, as all reported FDI figures for EU Member states are based on the BOP framework. The Bank of Japan's BOP data generally comply with the BPM5 recommendations.

Direct investment refers to the lasting interest of the direct investor to the direct investment enterprise; there is no minimum threshold to be qualified as direct investor. FDI is broken down by equity capital and other capital. Flows in inward investment cover all investment in unlisted resident companies and thus also those that would be classified as portfolio investment in case the 10% threshold were applied.

As the country breakdown of FDI figures from the Bank of Japan is less detailed than the one used for the EU statistics the comparability of EU to Japanese figures is still very limited.

## CANADA

### Source of data and method of collection

Both for transactions and for positions, a large set of surveys, sample surveys and "quasi censuses", are conducted by Statistics Canada. Administrative sources as well as the financial press are used to supplement these.

Canadian practices are fundamentally in conformity with international standards and, since 1997, the preparation of the Balance of Payments has complied with the 1993 IMF Balance of Payments Manual. Since 1994, reinvested earnings have been included. A rule of 10% ownership of voting equity (including indirect ownership) is retained. Where the transactor principle was formally applied, the debtor/creditor principle is now applied, in order to reflect the country of the new owners for inward investment and the location of the acquisition for outward investment. The net flow in direct investment is 'directional' in that it represents the netting of all transactions in both assets and liabilities. Geographical allocation is made amongst the following: United States, UK, Other EU, Japan, Other OECD and Other Countries. The industrial classification currently used is the SIC-C 1980. It will be replaced with the North America Industrial Classification System (NAICS) in coming years.

### Discrepancies with respect to BPM5 and to the OECD benchmark definition

- In the international investment position, financial assets and liabilities are recorded at book value rather than at market price.
- Equity comprises equity capital and reinvested earnings, and debt comprises both long-term and short-term debt, except for banks where short-term intercompany transactions are excluded and presented in the Other investment account.
- Income includes interest earned on direct investment loans and both long-term and short-term bonds with the exception of short-term intercompany accounts of banks. Profits abroad of insurance companies and of banks are constructed directly from income statement data and are not broken down between dividends and reinvested earnings.
- Direct investment does not include real estate investment by persons, such investment being classified as Other investment.

### Further Reading

- Statistics Canada (07/2000), "Canada's Balance of International Payments and International Investment Position (Concepts, Sources, Methods and Products)", Catalogue N° 67-506-XIE, Minister of Industry.

## SWITZERLAND

The Swiss National Bank collects data for balance of payments statistics. The data are published in the Central Bank's monthly Statistical Bulletin.

Statistics on direct investment also provide information on the stocks of net assets and liabilities at book value at end of the calendar year or the nearest accounting year. These data are collected on the basis of annual surveys.

The definition of direct investment used by the Swiss National Bank complies with the guidelines of the IMF and OECD. Direct investment refers to investment that adds to, deducts from or acquires 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 investment must raise the investors direct or indirect voting power to at least 10% of the total. The entries include direct investment by insurance companies since 1985, and by banks since 1986.

The geographical breakdown statistics have been available since 1993. For Swiss direct investment abroad they are based upon the country of ultimate beneficial ownership of the investment.

The industry classification of outward investment relates to the activities of the investor, and that of inward investment to the investee.

For statistical reasons, the data for 1993 are not comparable to the data of earlier years. The coverage of the survey has been enlarged.

## NORWAY

Norges Bank collects information on direct investment flows on a monthly basis as part of foreign exchange and balance of payments statistics.

The definition of direct investment complies with IMF and OECD guidelines. These statistics show the flow of investment, i.e. increases or decreases in the stock of direct investment. On a quarterly basis, Norges Bank publishes data with a breakdown by the main countries and groups of countries. Flow data are based on the actual transaction value and on direct ownership only.

In addition, Norges Bank has developed statistics on direct investment stocks based on company surveys. The purpose is to obtain data which are not incorporated in the monthly statistics, e.g. profits and retained profits, and to elaborate simultaneously stock figures as a supplement to current statistics. These statistics are published annually in the Economic Bulletin.

## DESCRIPTION OF ESTIMATION METHODS

*This section describes the general principles and techniques used by Eurostat to perform estimates. After the harmonisation of Member State data Eurostat performs a set of operations to estimate missing information (mainly due to unavailable and/or confidential data) for each Member state. These estimates are used to compile the EU total. As a general rule no country specific estimates are published.*

Eurostat estimates can be classified into one of the following three methods:

Type 1: Estimates using the partner country declarations.

Type 2: Hypotheses on the value of a specific transaction.

Type 3: Estimates using a weighted structure.

### Type 1: Estimates using partner country declarations

An FDI transaction recorded by a declaring country X with a partner country Y, under the Outward Flows component, has to be recorded by the declaring country Y under the Inward Flows component. If there is no asymmetry, these two countries should record the same amount. Thus, for the above mentioned example, if the declaring country X does not have the information concerning its transactions with the partner country Y, the partner country's declaration will be used. This method is satisfactory from a theoretical point of view, since we assume that there are no bilateral asymmetries. But in practice, Member States have different data collection systems, different allocation of flow methods, and may diverge in the treatment of specific transactions (SPEs, buildings, banks etc).

### Type 2: Hypotheses on the value of a specific transaction

It is sometimes useful to detect FDI transactions between a declaring country X and a partner country (or economic zone), which are likely to be negligible or nil. But the hypothesis of a nil value has to be justified with information from other statistical sources. For example, the existence of external trade links, direct investment legislation (strict or very flexible), industrial statistics about the number and localisation of foreign factories (through a register), the capacity of investment, the importance of the country in some specific sectors, the size of the country (population, GDP etc), cultural links and the recent political situation (countries under an embargo) would be taken into consideration. However, this has to be done very carefully, especially when estimating transactions into and from emerging FDI markets.

### Type 3: Estimates using a weighted structure

This is the most current practice. In most cases, a structure of weights has to be built to estimate a group of missing values, either for the geographical or the economic activity breakdown. For example, a structure of weights is used to estimate the sectoral breakdown of Belgium/ Luxembourg, Greek, Irish and Austrian FDI flows. The structure of weights will be used to allocate the value declared on the total sector (generally known or previously estimated) into each economic activity sector. If the calculation method is very easy to apply, the problem is in fact to build the best structure of weights, given the information available. Building these structures has aimed at applying a structure of other EU Member States (10-12) for the estimation of FDI flows, and applying a structure of accumulated years (4-8) for the estimation of FDI stocks. The following estimates have been carried out to complete EU tables:

#### Belgium Luxembourg

- Very few estimates have been carried out on the geographical breakdown of Belgium Luxembourg FDI flows without reinvested earnings as the National Bank of Belgium provided Eurostat with complete sets of data. Total world reinvested earnings have been extrapolated and distributed using a weighted structure based on available partner countries' declarations (France, Germany, United Kingdom, the Netherlands, Finland, Austria, Portugal and the United States).
- The sectoral breakdown of Belgium Luxembourg FDI flows has been estimated using a structure of weights based on the sectoral breakdown of the major partners (France, Germany the Netherlands, Portugal and the United Kingdom) in relation with Belgium Luxembourg (as declared by the partners, Type 1 estimations).
- The National Bank of Belgium provided Eurostat with estimates on Belgium's FDI positions, by country and by type of assets and liabilities. The same structure has been used to estimate FDI positions for the Belgo-Luxembourg Economic Union. Nevertheless 1998 estimates were not available and information derived from 1998 flows and 1997 positions has

been used to estimate the 1998 geographical positions figures.

- The sectoral breakdown of stocks has been estimated by applying a structure of 10 Member States to the total FDI positions provided by the National Bank of Belgium.
- The geographical breakdown of FDI income was estimated by applying a weighted structure based on the available 1999 income data to the total FDI income provided by the IMF for Belgium/Luxembourg in 1998 and 1997.

#### Denmark

- Missing FDI flow figures were estimated by distributing non-allocated flows according to the structure of FDI positions or by applying a structure from the flows of 10-12 other EU Member States.
- Missing 1998 FDI stock figures were estimated by distributing non-allocated values according to the structure of previous years' FDI positions or by applying a structure of cumulated flows. No Danish 1997 FDI positions are available. The 1997 Danish FDI positions were estimated as an average of 1996 FDI stocks and 1998 FDI stocks.
- 1997 data on FDI income were estimated by applying information on 1998 income, 1998 FDI positions as well as 1997 FDI positions.

#### Germany

- Very few figures were estimated for the geographical breakdown as the Deutsche Bundesbank provided Eurostat with complete sets of data. Missing data in the sectoral breakdown were estimated by applying a structure of flows from 10-12 other EU Member States.
- Missing FDI positions were estimated by distributing non-allocated positions according to the structure of the previous years' FDI positions or by applying a structure of cumulated FDI flows.
- Total FDI income was estimated by distributing non-allocated income data according to the structure of the previous years' FDI positions or by applying a structure of cumulated FDI flows.

#### Greece

- The Greek FDI data have been entirely estimated by Eurostat based on data for total world provided by IMF. The geographical breakdown of Greek FDI flows was estimated by applying a structure of 13 Member States to the total FDI flows provided by the IMF. The total Greek FDI positions were estimated by applying the 1997 ratio between the figures for Greece and the figures for 13 other Member States. The geographical breakdown of the Greek FDI positions was estimated by applying a structure of these 13 Member States.

- The sectoral breakdown of Greek FDI flows and stocks was estimated by using a structure of 10 EU Member States.

- Data on FDI income were estimated by applying a weighted structure of data from nine Member States on the total FDI income for Greece provided by the IMF.

#### Spain

- As the Banco de España provided Eurostat with complete sets of data, very few estimates had to be performed on the geographical breakdown of Spanish FDI flows. RIE were estimated using a weighted structure based on EU FDI RIE in 1997.
- The Banco de España provided Eurostat with the sectoral breakdown of intra- and extra- EU FDI flows for Spain. Thus, only the sectoral breakdown of Spanish FDI flows crossed with the USA, Japan, Canada and EFTA countries was estimated using a weighted structure based on the sectoral breakdown structure of EU FDI flows in previous years.
- The Banco de España provided Eurostat with two data series giving total Spanish FDI assets held abroad and total Spanish FDI liabilities vis-à-vis the rest of the world up to the reference year 1997. These totals have been allocated, by geographical and sectoral breakdown, using a weighted structure based on cumulated flows.

#### France

- Very few estimates have been done on the French FDI flows and positions, as the Bank of France provided Eurostat with all the necessary information. Eurostat only calculated the BOP geographic and economic zones shown in the tables according to their contents presented in the annexes. For 1998 positions, the breakdown between equity capital and other capital was estimated using information on both 1998 flows and 1997 positions.
- The sectoral breakdown of French FDI flows has been estimated using a correspondence table between the French national nomenclature of activities and that used by Eurostat. From the year 1996, this work has been done directly by the Bank of France. For 1999, the sectoral breakdown of flows has been estimated using provisional data provided by the Bank of France.

#### Ireland

- The Irish FDI data have been estimated by Eurostat based on data for EU15 and extra-EU15 partners provided by the Central Statistics Office in Ireland. The geographical breakdown of Irish FDI flows was estimated by applying a structure of 13 Member States to the total FDI flows provided by the Irish National Bank. Irish FDI positions were estimated by applying the 1997 ratio between the figures for



Ireland and the figures for 13 other Member States. The geographical breakdown of Irish FDI positions was estimated by applying a structure of these 13 Member States.

- The sectoral breakdown of Irish FDI flows and stocks was estimated by applying a structure of 10 Member States.
- Data on FDI income were estimated by applying a weighted structure of data from nine Member States on the total FDI income for Ireland provided by the IMF.

### Italy

- The "Ufficio Italiano dei Cambi" used to provide FDI data on "Equity + Other capital", "Total income" for flows and "Total Capital" for positions. The data set of 1999 flows was given with the detail of the components "Equity" and "Other capital" while the only data provided on 1999 Income were "Dividends".
- The breakdown of FDI flows between equity capital and other capital when not available, was estimated using the EU partner countries' declaration. The same method was used to estimate the RIE in 1997 and 1998. An average ratio "Equity" / "Equity+Other capital" based on all available MS data was used to estimate the breakdown between "Equity" and "Other capital" for all other partner countries.
- Information on 1998 flows and 1997 positions has been used to estimate missing 1998 position figures. Partner country declarations as well as an average ratio of "Equity & RIE" / "Total FDI stocks" for all other available MS has been used to estimate the split between "Equity & RIE" and "Other capital" for assets and liabilities.

### The Netherlands

- Estimations were undertaken due to some non-publishable data. Missing sectoral flow figures with the USA, Japan, Canada and EFTA countries were estimated using a weighted structure based on the sectoral breakdown of Extra EU FDI flows for the Netherlands. Missing geographical flow figures were estimated using information available on partners and according to previous years' structures. Estimations of type 3 were used to estimate, in particular, the FDI positions data for 1997.

### Austria

- The Oesterreichische Nationalbank provided Eurostat with a complete geographical breakdown of FDI data. No estimates were realised.
- The sectoral breakdown for some countries was estimated by applying an optimised weighted structure based on the sectoral breakdown of the other partners for which data were provided.

### Portugal

- The new set of data provided by the Banco de Portugal included flows, income and position figures.
- The estimates of some position data were performed using a weighted structure based on the sectoral breakdown in more recent years.

### Finland

- Missing sectoral FDI flow figures were estimated by distributing non-allocated flows according to the structure of FDI positions, by applying a structure of the last year's estimation of FDI flows or by applying a weighted structure based on the sectoral breakdown of the other given partners.
- Missing FDI position figures were estimated by distributing non-allocated positions according to a structure of previous years' FDI positions or by applying a structure of the last year's estimation of FDI flows.
- Total FDI income was estimated by distributing non-allocated income data according to the structure of the previous year's FDI positions or by applying a structure of previous years' FDI flows.

### Sweden

- Missing FDI flow figures were estimated by distributing non-allocated flows according to information from the Swedish National Bank or according to a structure of flows from 10-12 other EU Member States.
- Information provided on FDI positions was very limited. Missing FDI position figures were estimated by applying a structure of previous years' FDI flows or by applying a structure of data from 10-12 other EU Member States.
- Data on FDI income were estimated by applying a weighted structure of data from nine EU Member States on the total FDI income for Sweden provided by the Swedish National Bank.

## United Kingdom

- Estimating missing British FDI flows often consists of estimating only one post that again enables one to calculate the remaining hidden posts. Where possible, the post for re-invested earnings was estimated assuming that it is relatively strongly correlated to the stocks. By the estimation of outward as well as inward re-invested earnings, the relationship between the two, as it is given in income data, was respected.
- The general method used was to distribute non-allocated re-invested earnings according to information from the stocks or according to structures from 10-12 other EU Member States.
- Missing FDI position figures were estimated by distributing non-allocated positions according to the structure of the previous years' FDI positions or by applying a structure of previous years' FDI flows.
- Total FDI income was estimated by distributing non-allocated income data according to the structure of the previous years' FDI positions or by applying a structure of previous years' FDI flows.

## ASYMMETRY

A direct investment flow can be seen from two directions, from the investor's and the recipient's side. These reported flows should equal. When it is not the case the difference is called asymmetry.

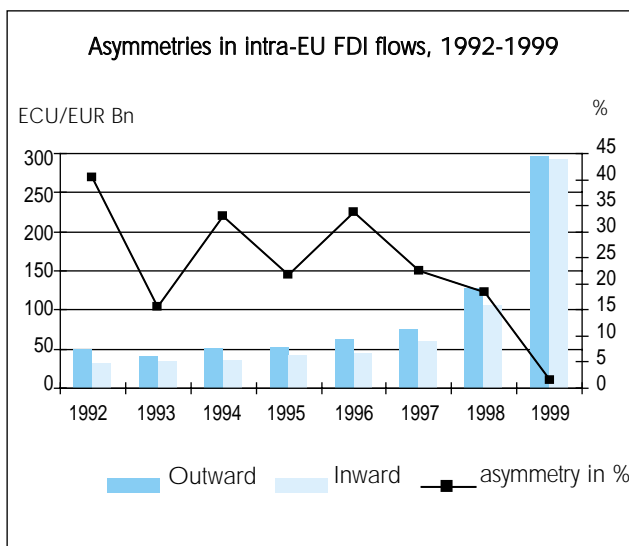
### Definition of asymmetry

In this publication direct investment data are presented distinguishing between outflows and inflows. Therefore, a transaction recorded by country A vis-à-vis country B under Outward Flows has to be recorded by country B under the item Inward Flows, with the same value. Thus, the transactions declared by country A in country B and under the outflows item minus all the transactions declared by country B received by country A under the inflows item should be equal to zero (and vice versa). An asymmetry is observed when this is not the case.

Because the European Union is shown as a whole declaring country, the sum of the Outward Flows declared by each EU country with the rest of the European Union should be equal to the sum of the FDI flows that each EU country declared having received from the rest of the European Union. Unfortunately this is not the case and an intra-EU asymmetry is observed.

### The size of asymmetry

The graph below shows that total intra-EU outward flows have always been higher than total inflows. The size of asymmetry, measured as the ratio between the difference and the average of inward and outward, diminished considerably in 1999, when it stood at about 1,5%.



### Causes of asymmetry

The main cause of the discrepancy is the incorrect geographical allocation of FDI flows. Another reason is because Member States use different collection systems. Some have systems based on bank settlements, others on partial inquiries using enterprise panels, or even a combination. A look at the new questionnaires revealed that no Member State was capable of completing all the IMF standard components according to IMF and OECD recommendations.

### Asymmetry due to different definitions of direct investors and direct investment enterprises

Depending on the country, the following transactors are or are not considered as investors or potential direct investment enterprises:

- The State

Certain countries record all or some of their public authorities' transactions under capital movements of the official sector or similar headings. Others consider that public authorities can be involved in direct investment transactions.

- International institutions

Capital flows to and from these institutions may sometimes be recorded as direct investment. Such flows are generally State holdings in the capital of international development aid banks. One can legitimately ask whether the long-term interest which must form the basis of any direct investment link, is of the same type as that which connects two enterprises to each other.

- Banks

Banks' direct investment flows may be recorded with other bank flows and not with direct investment. It should be remembered that the current OECD definition recommends excluding direct investment from short-term transactions between banks and their subsidiaries.

- Households

Households may also be direct investors. The land or real estate owned by households is often recorded elsewhere or entered under a separate heading if the figures involved are very large. Whether it is property for letting or secondary residences, these assets should be considered as notional establishments of a direct investment enterprise whose activity is residential property.

- Holding companies

This term in itself already has different meanings in different countries. It can simply mean a letter box company created to exploit the tax advantages of a particular country, a company which manages the numerous subsidiaries of a large multinational, or it may mean a company created solely for the purpose of providing the parent company access to a financial market, etc. Such companies' flows are frequently recorded separately (Belgium Luxembourg, Netherlands), but in many cases only resident holding companies are classified separately. Including them may tend to inflate direct investment flows if, in effect, the capital simply enters and leaves. Excluding them, on the other hand, produces underestimates if the movements are in one direction only, for example if the capital entering is then redistributed to other subsidiaries in the same country.

- Special companies

Differences in the treatment of enterprises undertaking construction, installation, civil-engineering work, etc. abroad may be the cause of asymmetries between two countries.

It should be mentioned that the first four causes of asymmetry listed above have mostly disappeared in this study in the case of Intra EU comparisons, but they may continue to be valid for comparisons with non-EU countries.

#### Asymmetry and the link between the direct investor and the direct investment

The link between the direct investor and the direct investment enterprise is not the same, but varies to some extent, from country to country. In certain countries it is necessary to have shares in the direct investment enterprise. These countries often set a minimum threshold for such a holding. Eurostat and OECD recommend a 10% threshold. However, in some countries no minimum holding is prescribed for a direct investment link. There may also be a minimum value for recording direct investment flows. That means any transaction below a certain value will be recorded under another heading. Quoted shares and free shares or shares acquired in return for goods or services cannot be recorded under equity holdings. They must therefore be recorded incorrectly as portfolio transactions.

The definition and inclusion of indirect links and treatment of such flows varies considerably from country to country. There are countries which do not look for indirect links at all, others that record them occasionally and some seek them out systematically. Among the latter there are many differences in the definition of an indirect link, but the asymmetries resulting from this are marginal. Most direct investment enterprises are majority-owned subsidiaries and the differences in

definition mainly affect associated companies. However, the inclusion or exclusion of indirect links has an effect on:

- Loans between sibling companies or in other words loans between companies with the same parent company. A loan from a subsidiary in country A to a sibling company in country B can be attributed to the parent company in country C, (not in line with the OECD definition) or as originating from country A (in accordance with the OECD definition).

#### Asymmetry due to the different definitions of direct investment flows

Depending on the country, the following do or do not form part of the direct investment flows recorded in the Balance of Payments

#### Reinvested Earnings

The inclusion or exclusion of this type of flow in direct investment is mostly determined by the information collection system. It is probably one of the major causes of asymmetry. The higher and older the direct investment stock, the greater the risk of asymmetry between the statistics of one country which records reinvested profits and those of another which omits them. In other words, one can assume that countries with established direct investment traditions with enterprises that have been "physically" on the market for a very long time, reinvest because of their capacity to generate their own finance.

#### Long-term loans

Long-term may have different meanings in different countries. It can mean loans of over one year, loans of over five years, etc. The purpose of the loan, if it is a commercial loan, leasing etc., also can create distortions in the way flows are treated.

#### Short term loans

Short-term loans and inter-company account balances are not uniformly recorded as direct investment within the European Union. Certain MS consider this to be a major cause of asymmetry. The same comments as for the purpose of long-term loans apply.

#### Loans in the local economy

When a direct investor decides to invest in his subsidiary abroad by borrowing on the subsidiary's local market, the flow does not appear in the Balance of Payments since no border has been crossed (as in the case of reinvested profits). However, this flow will be visible if the collection system is based in part at least on a survey system. Again the differences are very much bound up with the data collection system, which may favour analysis by type of transactor or by type of transaction. A further factor responsible is the lack of a tree structure for the classification.

### Asymmetry due to differences in recording the same flow

Even if all the points described above are apparently adhered to in the same way by two different economies, it is still not certain whether the same flow will be classified in the same way by each. This is particularly so in the case of reverse flows, i.e. when capital is supplied by a subsidiary to its parent. Another example are the so called multilateral flows, which are flows between enterprises belonging to the same group. In the case of capital supplied by a foreign subsidiary to its resident parent company, and remembering that we are dealing here with direct investment flows, is the capital a disinvestment by the parent company or an investment by the subsidiary in its parent? This problem is also at the root of numerous instances of asymmetry, since the volume of direct investment flows between the parent company and the subsidiary is extremely large. It can often be larger than acquisitions or sales of assets abroad. In the case of large multinational groups and holding companies, there is the additional question of geographical allocation of flows. If enterprise E1 located in country A establishes a subsidiary E3 in country C using funds from another of its subsidiaries E2 located in country B, the following flows will be recorded:

- Country A will record nothing at all
- Country B will record a disinvestment from A
- Country C will record an investment from B

This will result in a situation with asymmetry between A and B, and, B and C respectively. It would appear that this type of asymmetry is the cause of our largest asymmetries. The amounts of capital moved around by large multinational groups are considerable and are most likely to be incorrectly allocated because of the very complicated structures which link them.

### Sundry asymmetries

In addition to the sources of asymmetries listed above, problems arise because of different ways of dealing with authorised and actual investments, exchange rates, and date of recording. These problems are also common to the rest of the Balance of Payments.

### Authorised and actual investments

Certain countries only have statistics based on the administrative documents that are legally required. Some countries provide more detailed information (geographical structure of flows or breakdown by sectors) only from this source, but also have direct investment statistics from the Balance of Payments which are not consistent with the former.

### Exchange rates

Certain countries convert the amount of the transaction at the rate applicable on the day of settlement, others at an average monthly rate.

### Date of recording

The same transaction may be recorded on the debit side by one country at a particular date and on the credit side by a partner country at a different settlement date, which can lead to distortions if the dates are around the end of the year.

### Asymmetry due to different reporting systems

Countries have developed systems for collecting and aggregating data on international transactions that reflect their institutional structures and capabilities. Most countries use a combination of sources to compile their balance of payments statements. Even for a single component of the accounts, such as direct investment, a number of sources may be used. It is possible to focus on three features of data sources. First, data collection may be based on the reporting of individual transactions or on the aggregates. Second, data may be collected by the statistical agency from an intermediary or directly from a transactor. An intermediary can for instance be a dealer that handles security transactions for clients. Third, data may be collected on transactions or stocks of assets and liabilities.

Principal data sources:

- ITRS, International Transaction Reporting Systems
- Enterprise surveys
- Official sources
- Foreign sources

# ANNEX 3

# OTHER TABLES

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BOP zones	131

## EXCHANGE RATES TABLE 1

Flows - average yearly exchange rate

		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
European Union	ECU	1	1	1	1	1	1	1	1	1	1
Austria	ATS	14.440	14.431	14.217	13.624	13.540	13.182	13.435	13.824	13.855	13.760
Belgium Luxembourg	BEF	42.426	42.223	41.593	40.471	39.657	38.552	39.299	40.533	40.621	40.340
Germany	DEM	2.052	2.051	2.020	1.936	1.925	1.874	1.910	1.964	1.969	1.956
Denmark	DKK	7.857	7.909	7.809	7.594	7.543	7.328	7.359	7.484	7.499	7.436
Spain	ESP	129.411	128.469	132.526	149.124	158.918	163.000	160.748	165.887	167.184	166.386
Finland	FIM	4.855	5.002	5.807	6.696	6.191	5.709	5.828	5.881	5.983	5.946
France	FRF	6.914	6.973	6.848	6.634	6.583	6.525	6.493	6.613	6.601	6.560
United Kingdom	GBP	0.714	0.701	0.738	0.780	0.776	0.829	0.814	0.692	0.676	0.659
Greece	GRD	201.412	225.216	247.026	268.568	288.026	302.989	305.546	309.355	330.731	325.763
Ireland	IEP	0.768	0.768	0.761	0.800	0.794	0.816	0.793	0.748	0.786	0.788
Italy	ITL	1521.980	1533.240	1595.520	1841.230	1915.060	2130.140	1958.960	1929.300	1943.650	1936.270
Netherlands	NLG	2.312	2.311	2.275	2.175	2.158	2.099	2.140	2.211	2.220	2.204
Portugal	PTE	181.109	178.614	174.714	188.370	196.896	196.105	195.761	198.589	201.695	200.482
Sweden	SEK	7.521	7.479	7.533	9.122	9.163	9.332	8.515	8.651	8.916	8.808
United States	USD	1.273	1.239	1.298	1.171	1.190	1.308	1.270	1.134	1.121	1.066
Canada	CAD	1.485	1.420	1.569	1.511	1.625	1.795	1.731	1.569	1.665	1.584
Japan	JPY	183.660	166.493	164.223	130.148	121.322	123.012	138.084	137.077	146.415	121.317
Norway	NOK	7.949	8.017	8.042	8.310	8.374	8.286	8.197	8.019	8.466	8.310
Switzerland	CHF	1.762	1.772	1.818	1.730	1.621	1.546	1.568	1.644	1.622	1.600

## EXCHANGE RATES TABLE 2

Positions - Exchange rate at end of the year

		1998
European Union	ECU	1
Austria	ATS	13.760
Belgium Luxembourg	BEF	40.340
Germany	DEM	1.956
Denmark	DKK	7.449
Spain	ESP	166.386
Finland	FIM	5.946
France	FRF	6.560
United Kingdom	GBP	0.705
Greece	GRD	329.689
Ireland	IEP	0.788
Italy	ITL	1936.270
Netherlands	NLG	2.204
Portugal	PTE	200.482
Sweden	SEK	9.488
United States	USD	1.167
Canada	CAD	1.806
Japan	JPY	132.800
Norway	NOK	8.871
Switzerland	CHF	1.608

Source: Eurostat, Money, Finance and the Euro statistics

## Eurostat, ISIC and NACE codes

Economic activity	Questionnaire Y5/Y7 Eurostat	ISIC Rev. 3	NACE Rev. 1
<b>AGRICULTURE AND FISHING</b>	0595	SEC A, B	sec A, B
<b>MINING AND QUARRYING</b>	1495	sec C	sec C
Extraction of petroleum and gas	1100	div 11	div 11
Miscellaneous mining and quarrying	1490		
<b>MANUFACTURING</b>	3995	sec D	sec D
Food products	1605	div 15, 16	subsec DA
Textiles and wearing apparel	1805	div 17,18	subsec DB
Wood, publishing and printing	2205	div 20, 21, 22	subsec DD, DE
Total textiles & Wood	2295		
Refined petroleum & other treatments	2300	div 23	div 23
Chemical products	2400	div 24	div 24
Rubber and plastic products	2500	div 25	div 25
Total petroleum, Chemicals & Rubber	2595		
Metal products	2805	div 27, 28	subsec DJ
Mechanical products	2900	div 29	div 29
Total Metal & Mechanical	2995		
Office machinery and computers	3000	div 30	div 30
Radio, TV, communication equipments	3200	div 32	div 32
Total Office machinery & Radio	3295		
Motor vehicles	3400	div 34	div 34
Other transport equipments	3500	div 35	div 35
Total Motor vehicles & Other transport	3595		
Miscellaneous, manufacturing	3990		
<b>ELECTRICITY, GAS AND WATER</b>	4195	sec E	sec E
<b>CONSTRUCTION</b>	4500	sec F	sec F
<b>TRADE AND REPAIRS</b>	5295	sec G	sec G
<b>HOTELS AND RESTAURANTS</b>	5500	sec H	sec H
<b>TRANSPORTS, COMMUNICATION</b>	6495	sec I	sec I
Land transport	6000	div 60	div 60
Sea and coastal water transport	6110	group 611	group 611
Air transport	6200	div 62	div 62
Total Land, Sea & Air transport	6295		
Telecommunications	6420	group 642	group 64.2
Misc. transport and communication	6490		
<b>FINANCIAL INTERMEDIATION</b>	6895	sec J	sec J
Monetary intermediation	6510	group 651	group 65.1
Other financial intermediation	6520	group 659	group 65.9
Financial holding companies	6524	part of clas 6599	part of class 65.23
Insurance & activities auxiliary	6730	div 66 & group 672	div 66 & group 67.2
Total Other fin. intermed & insurance	6795		
Misc. Financial intermediation	6890		
<b>REAL ESTATE &amp; BUSINESS ACT</b>	7395	sec K	sec K
Real estate	7000	div 70	div 70
Computer activities	7200	div 72	div 72
Research and development	7300	div 73	div 73
Other business activities	7400	div 74	div 74
Business & manag. consultancy	7410	group 741	group 74.1
Manag. holding companies	7415	part of class 7414	part of class 74.15
Advertising	7440	group 743	group 74.4
Total Computer, Research & Other bus.	7495		
Misc. real estate & business activities	7390		
<b>OTHER SERVICES</b>	9995	sec L, M, N, O, P, Q	sec L, M, N, O, P, Q
<b>Not allocated economic activity</b>	9996		
<b>SUB-TOTAL</b>	9997		
Priv. purchases & sales of real estate	9998		
<b>TOTAL</b>	9999		

ISIC/NACE codes corresponding to the economic activities used in Eurostat FDI questionnaires Y5/Y7 and codification for economic activity groups.



## BOP Geographical Zones

### EUROPE

European Union - see economic zones

EFTA - see economic zones

#### Other Europe

Albania	Cyprus	Moldova	Turkey
Andorra	Czech Republic	Poland	Ukraine
Belarus	Gibraltar	Romania	Holy See (Vatican City State)
Bosnia and Herzegovina	Hungary	Russia	Yugoslavia, Federal Republic of
Bulgaria	Macedonia	Slovakia	San Marino
Croatia	Malta	Slovenia	Baltic countries
Guernsey	Isle of Man	Jersey	

#### Baltic countries

Estonia	Latvia	Lithuania
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### AFRICA

#### North Africa

Algeria	Libya	Morocco	Tunisia
Egypt			

#### Other Africa

Angola	Côte d'Ivoire	Madagascar	Seychelles
Benin	Djibouti	Malawi	Sierra Leone
Botswana	Equatorial Guinea	Mali	Somalia
Brit. Indian Ocean Ter.	Eritrea	Mauritania	St Helena
Burkina Faso	Ethiopia	Mauritius	Sudan
Burundi	Gabon	Mozambique	Swaziland
Cameroon	Gambia	Namibia	Tanzania
Cape Verde	Ghana	Niger	Togo
Central African Republic	Guinea	Nigeria	Uganda
Chad	Guinea Bissau	Rep. of South Africa	Zambia
Comoros	Kenya	Rwanda	Zimbabwe
Congo	Lesotho	Sao Tome and Principe	
Democratic Rep. of the Congo		Liberia	Senegal

### AMERICA

#### North America

Canada	United States of America	Greenland
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#### Central America

Antigua and Barbuda	Costa Rica	Jamaica	El Salvador
Anguilla	Cuba	St Kitts and Nevis	Turks and Caicos Islands
Netherlands Antilles	Dominica	Cayman Islands	Trinidad and Tobago
Aruba	Dominican Republic	St Lucia	St Vincent and the Grenadines
Barbados	Grenada	Montserrat	British Virgin Islands
Bermuda	Guatemala	Mexico	Virgin Islands of the US
Bahamas	Honduras	Nicaragua	
Belize	Haiti	Panama	

#### South America

Argentina	Colombia	Peru	Venezuela
Bolivia	Ecuador	Paraguay	
Brazil	Falkland Islands	Suriname	
Chile	Guyana	Uruguay	



## BOP Economic Zones

### European Union

Belgium	France	Austria	EU Institutions (excl. ECB)
Denmark	Ireland	Portugal	European Central Bank (ECB)
Germany	Italy	Finland	
Greece	Luxembourg	Sweden	
Spain	Netherlands	United Kingdom	

### EFTA (European Free Trade Association)

Liechtenstein	Switzerland	Iceland	Norway
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### EEA (European Economic Area)

Belgium	France	Austria	Liechtenstein
Denmark	Ireland	Portugal	Iceland
Germany	Italy	Finland	Norway
Greece	Luxembourg	Sweden	
Spain	Netherlands	United Kingdom	

### OECD (Organisation for Economic Cooperation & Development)

Austria	Germany	Netherlands	United Kingdom
Australia	Greece	Norway	United States of America
Belgium	Iceland	New Zealand	Hungary <sup>1</sup>
Canada	Ireland	Portugal	Poland <sup>1</sup>
Czech Republic	Italy	Spain	Republic of Korea (South) <sup>1</sup>
Denmark	Japan	Sweden	
Finland	Luxembourg	Switzerland	
France	Mexico	Turkey	

### NAFTA (North American Free Trade Association)

Canada	Mexico	United States of America
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### NICs1 (the Core Newly Industrializing Countries)

Hong Kong	Republic of Korea (South)	Singapore	Taiwan
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### NICs2A (Asian NICs of the second wave of industrialization)

Malaysia	Philippines	Thailand
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### NICs2LA (Latin American NICs of the second wave of industrialization)

Argentina	Brazil	Chile	Mexico
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### CIS (Community of Independent States)

Armenia	Georgia	Moldova	Turkmenistan
Azerbaijan	Kyrgyzstan	Russia	Ukraine
Belarus	Kazakhstan	Tajikistan	Uzbekistan

### ASEAN (Association of South-East Asian Nations)

Brunei Darussalam	Malaysia	Singapore	Vietnam
Indonesia	Philippines	Thailand	Myanmar
Cambodia (Kampuchea)	Lao People's Democratic Republic		

### OPEC (Organisation of Petroleum Exporting Countries)

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

### MERCOSUR (Mercado comun de los paises del cono sur)

Argentina	Brazil	Paraguay	Uruguay
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### Candidate Countries (CCs)

Estonia	Poland	Hungary	Slovenia
Latvia	Czech republic	Romania	Cyprus
Lithuana	Slovakia	Bulgaria	Malta
Turkey <sup>2</sup>			

<sup>1</sup> From 1996 onwards

<sup>2</sup> From 1998 onwards

## BOP Economic Zones

### ACP

#### African ACP

#### African ACP

Angola  
Burkina Faso  
Burundi  
Benin  
Botswana  
Central African Republic  
Congo  
Congo, the Democratic Rep.  
Côte d'Ivoire  
Cameroon  
Cape Verde  
Djibouti

#### Caribbean ACP

Eritrea  
Ethiopia  
Gabon  
Ghana  
Gambia  
Guinea  
Equatorial Guinea  
Guinea Bissau  
Kenya  
Comoros  
Liberia  
Lesotho

#### Pacific ACP

Madagascar  
Mali  
Mauritania  
Mauritius  
Malawi  
Mozambique  
Namibia  
Niger  
Nigeria  
Rwanda  
Seychelles  
Sudan

Sierra Leone  
Senegal  
Somalia  
São Tome and Principe  
Swaziland  
Chad  
Togo  
Tanzania  
Uganda  
Republic of South Africa  
Zambia  
Zimbabwe

#### Caribbean ACP

Antigua and Barbuda  
Barbados  
Bahamas  
Belize

Dominica  
Dominican Republic  
Grenada  
Guyana

Haiti  
Jamaica  
St Kitts and Nevis  
St Lucia

Suriname  
Trinidad and Tobago  
St Vincent and the Grenadines

#### Pacific ACP

Fiji  
Kiribati

Papua New Guinea  
Solomon Islands

Tonga  
Tuvalu

Vanuatu  
Samoa (Independent State of)

#### Offshore Financial Centers

Netherlands Antilles  
Barbados  
Bahrain  
Bermuda  
Bahamas

Hong Kong  
Jamaica  
St Kitts and Nevis  
Cayman Islands  
Lebanon

Liberia  
Montserrat  
Panama  
Philippines  
Singapore

British Virgin Island  
Vanuatu

#### Latin America

Argentina  
Bolivia  
Brazil  
Chile  
Colombia

Costa Rica  
Cuba  
Ecuador  
Guatemala  
Honduras

Mexico  
Nicaragua  
Panama  
Peru  
Paraguay

El Salvador  
Uruguay  
Venezuela

#### Mediterranean Basin

Albania  
Bosnia and Herzegovina  
Cyprus  
Algeria  
Egypt

Gibraltar  
Croatia  
Israel  
Jordan  
Lebanon

Libya  
Morocco  
Macedonia  
Malta  
Slovenia

Syria  
Tunisia  
Turkey  
Yugoslavia, Federal Republic of  
Palestinian Territory, occupied

#### Maghreb

Algeria

Morocco

Tunisia

#### Mashrek

Egypt  
Palestinian Territory, occupied

Jordan

Lebanon

Syria

#### Central & Eastern Europe

Albania  
Bosnia and Herzegovina  
Bulgaria  
Czech Republic

Estonia  
Croatia  
Hungary  
Lithuania

Latvia  
Macedonia  
Poland  
Romania

Slovenia  
Slovakia  
Yugoslavia, Federal Republic of

#### French Franc zone

Burkina Faso  
Benin  
Central African Republic  
Congo

Côte d'Ivoire  
Cameroon  
Gabon  
Equatorial Guinea

Comoros  
Mali  
Niger  
Senegal

Chad  
Togo  
Guinea-Bissau